



ENGINEERING THE UNFAIR ADVANTAGE

ASX Announcement  
PWR Holdings Limited (ASX: PWH)

18 October 2024

### Chairman's Address and Managing Director's Address to 2024 Annual General Meeting

Attached are copies of the addresses to be given by the Chairman and the Managing Director at PWR's Annual General Meeting today.

This announcement is authorised for release to the market by the Company Secretary.

For further information please contact:

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Chief Financial Officer  
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Good morning, Ladies and Gentlemen, my name is Roland Dane and I am the Chairman of PWR Holdings Limited and of today's Annual General Meeting.

We acknowledge and pay respects to the traditional Aboriginal people of these lands and waters, and we acknowledge all their descendants. We also acknowledge the many Aboriginal people from other regions as well as Torres Strait and South Sea Islander people who now live in the local area and have made an important contribution to the community.

On behalf of the Board, welcome to PWR's tenth Annual General Meeting and what will be our last at Lahrs Road, a site that has served us well since 2007 but which we have now grown out of.

We plan to have next year's AGM at our new factory at 28 Quarry Road, Stapylton. Kees will talk to you more about that in his presentation.

Welcome also to everyone who could not join us in person but who are watching via our webcast. A copy of the webcast recording will be available on our website after the meeting.

As a quorum is present, I formally declare PWR's 2024 AGM open.

The notice convening today's meeting was made available to shareholders on the 13<sup>th</sup> September 2024 and lodged with ASX on that date. Consequently, I will take the notice as read.

As you may have noticed, we have some selected products on display here today. At PWR we are very conscious of both our own IP as well as confidentiality obligations in place with our customers for product development.

We request that you do not take photographs or videos of our products.

In addition to those participating in the meeting today, we have received proxies from 171 shareholders representing approximately 52.1% of the issued capital.

## Introduction - Directors



**Roland Dane**  
Chairman



**Kees Weel**  
Managing Director



**Jeff Forbes**  
Non-executive Director



**Kym Osley**  
Non-executive Director



**Amanda Holt**  
Non-executive Director



**Kristen Podagiel**  
Non-executive Director



**Jason Conroy**  
Non-executive Director

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I would now like to introduce my fellow directors.

Firstly, **Kees Weel**, the founding shareholder and Managing Director of PWR. Kees is a globally recognised automotive cooling expert. His ability to lead constant change and ongoing growth continues to be critical to PWR's success.

**Jeff Forbes** has been a director since the company listed in 2015 and he has been the Chairman of our Audit, Risk and Sustainability Committee since that time. Jeff has decided not to stand for re-election today and this will be his last AGM at PWR. More on that later.

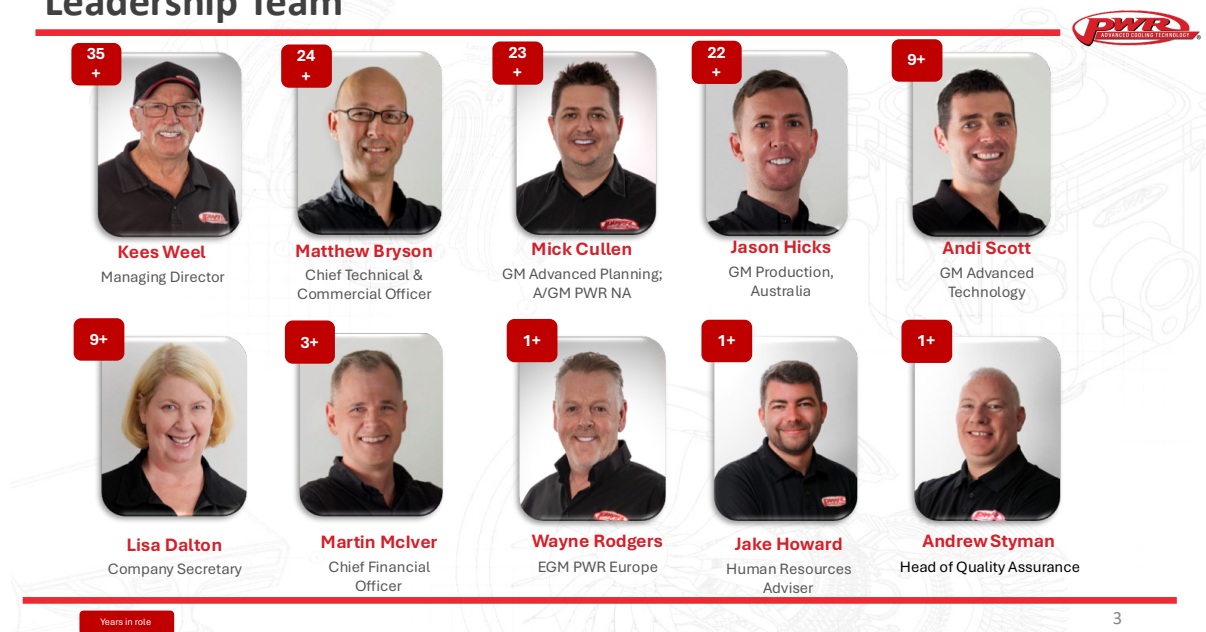
**Kym Osley** – joined the Board in February 2023. Kym is a widely respected aerospace and defence industry executive with extensive connections across the defence ecosystem in Australia and overseas, including connections with the Defence Force, Government and private defence and aerospace-related companies around the world.

**Amanda Holt** – joined the Board in September 2023. Amanda is an accomplished and respected senior executive and defence industry leader. Amanda has been SYPAQ's Chief Executive Officer since 2015 and brings aerospace, defence and cybersecurity skills to the Board.

**Kristen Podagiel** – joined the Board in February 2024. Kristin has a distinguished legal background with senior executive level experience including her prior role as CEO and Managing Partner of McCullough Robertson, a leading independent law firm.

**Jason Conroy** – joined the Board in May 2024 and will take on the role of Chairman of PWR's Audit, Risk and Sustainability Committee following Jeff's retirement. Jason is an experienced CFO and has a broad range of board and executive experience.

## Leadership Team



We also have some of our senior leaders here today. The majority of them are working at our other sites in the UK and the US and are not able to be with us today.

I will ask those that are here to stand up as I introduce them:

- **Jason Hicks** – our General Manager of Production in Australia has been with PWR for over 20 years
- **Lisa Dalton**, who has been our Company Secretary since pre-listing.
- **Martin McIver**, our Chief Financial Officer, has been with us for 3 and a half years and who has recently resigned to pursue other opportunities.
- **Andrew Styman**, who is our head of Quality Assurance and who has been with us for just over a year.

I would also like to extend a warm welcome to:

- **Erin Neville-Stanley**, Audit partner at KPMG, the Company's auditors.
- **Stephanie Daveson**, Partner at Clayton Utz, the Company's lawyers.
- **Jessie Yerma** and the team from Computershare, the Company's share register.





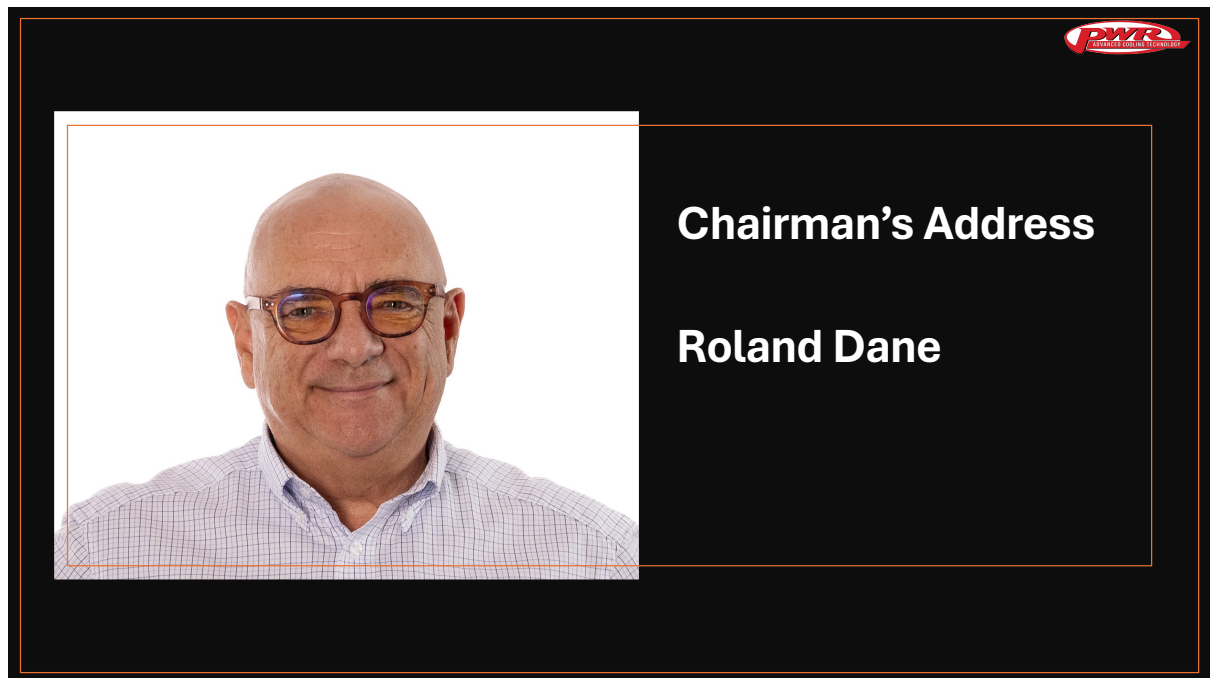
## **Meeting Outline**

- Chairman's Address
- Managing Director's Address
- Questions
- Formal Business
- Last Questions

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Today's Meeting will proceed as follows:

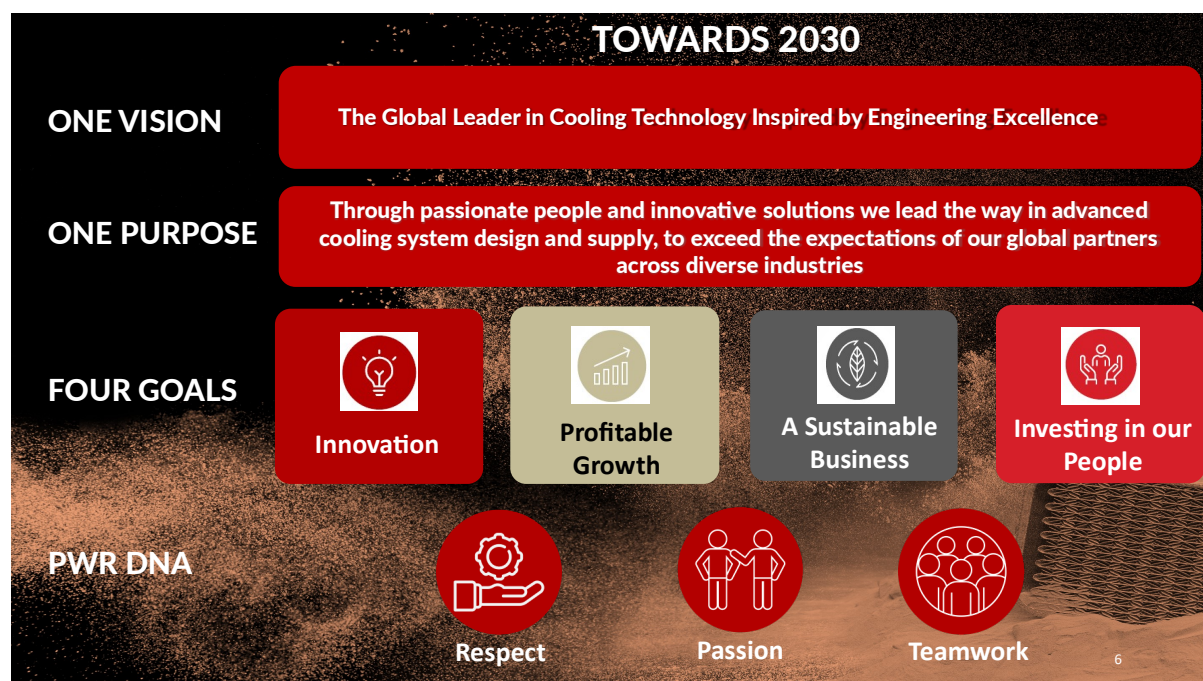
- Firstly, I will provide my Chairman's address.
- Kees will then provide his address.
- Shareholders will then be able to ask questions about the Company, my address or Kees' presentation. As we are webcasting the AGM today, we ask that you come up to the microphone to ask your questions as it makes it easier for those online. If you are unable to come up, please raise your hand and we will provide a roving microphone to you.
- We will then undertake the formal business of the meeting; at which time I will take your questions specifically regarding each of the proposed resolutions.
- We will then take any final questions before we close the meeting.



I will now turn to my formal Chairman's address where I will provide information on PWR's strategy and how it performed in the 2024 financial year.

Kees will then review the financial performance and operational developments of PWR for the past year and will talk about our expectations and plans for the future including our planned move to our new headquarters in Stapylton.

As I have mentioned, we will take questions after Kees finishes his presentation.



During FY24, the Board, in conjunction with management, refreshed the Company's strategy to 2030 with particular focus on our four strategic objectives, whilst also ensuring integration with our material sustainability priorities.

PWR aims to be the global leader in cooling technology, driven by a culture of engineering excellence.

PWR's true value is realised through industry leading products and services with highly differentiated features and benefits compared to any potential competitor offering.

We are the market leader in Motorsports across the globe, and have a clear strategic priority to leverage our reputation, know-how, manufacturing and technical capabilities into thermal management solutions for alternative markets, including the Aerospace & Defence industry.

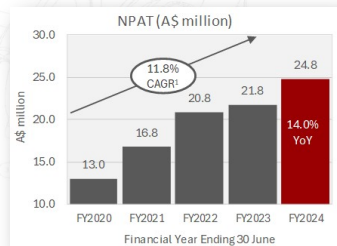
I have confidence in the leadership team to implement our strategy while managing the challenges that come with rapid growth, particularly in a year where we not only invest ahead of the curve in our Aerospace and Defence capability and capacity but also in a year where we will be moving our entire Australian factory from Ormeau to the new headquarters up the road at Stapylton.

## 2024 Achievements

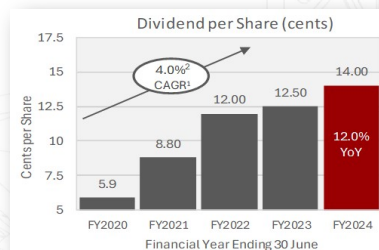
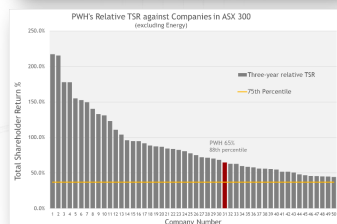


- Innovation has, and will continue to be, at the heart of PWR's long term success.
  - In 2024 we maintained our continued investment in R&D to enhance our product offering, capitalising on our manufacturing capability and engineering expertise. This ensures we are continually improving, and adding to, not only our product range, but also our engineering services, to deliver the best solutions for our customers. PWR continues to push the boundaries in manufacturing technology and simulation capabilities.
  - This year we also spent considerable time and effort exploring automation opportunities.
- We strive for continued growth year on year that is profitable. To do this we have an unwavering focus on quality and service to our customers but also strive for efficiency.
  - Our 100% YOY growth in Aerospace and Defence revenue is a testament to this.
- Being a good corporate citizen and seeking to ensure our manufacturing is sustainable is very important to PWR.
  - As a part of this policy, we are incorporating 1.8MW of solar into our new headquarters and installing a water treatment plant to recycle 100% of the water we use on site.
- We now have almost 600 people across 3 sites and have significantly reduced our staff turnover over the past three years.
  - We are passionate about our employees' safety; we also invest in them and support their ongoing growth and development through PWR's Academy supported by dedicated in-house training experts.
  - Our workplace flexibility trial of a 9-day fortnight has been extremely well received. You will probably notice that we appear quiet today and that is the reason why.

## FY2024 Performance



- FY2024 NPAT of \$24.8m
- 3-year TSR 65%
- 14c Full Year Dividend



- 1 CAGR - Compound Annual Growth Rate over 5 years
- 2 2019 dividend included a 3.0 cent special dividend. Excluding the 2019 special dividend the 5-year CAGR was 10.5%

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The 2024 financial year was another strong year for PWR, adding to our performance trend.

We delivered another record result, with NPAT of \$24.8m up 14% on the prior period (2023: \$21.8m).

The PWR Group continued to deliver on its growth objective through implementation of its ongoing capital investment and research and development programs whilst still producing a strong return on equity at 25% (2023: 25%).

For our shareholders this translated into a shareholder return of 65% where we ranked at the 88<sup>th</sup> percentile over the financial years FY22 through FY24.

Considering these results and the balance sheet position, the Board declared a fully franked final dividend of 9.20 cents per share, taking the full year dividend to 14.00 cents per share, an increase of 12.0% on last year's full year dividend (2023: 12.50 cents per share).



## **New Directors**

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**Kristen Podagiel**



**Jason Conroy**

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The Board has a long-standing succession plan in place and implementing that plan has seen the appointment of two new Non-Executive Directors during the last twelve months.

I extend a welcome to Kristen Podagiel and Jason Conroy who both bring their own unique set of skills, capabilities and experience which will be invaluable in guiding the execution of PWR's 2030+ strategy.

Kristen is Chairman of PWR's Nomination and Remuneration Committee and Jason will take over as Chairman of our Audit, Risk and Sustainability Committee from the end of today's meeting.

Both Kristen and Jason are up for election by Shareholders today and the Board recommends their appointment to shareholders.

# Thank You and Farewell Jeff Forbes



Today, long standing Director and Chairman of our Audit, Risk and Sustainability Committee, Jeff Forbes retires from PWR.

On behalf of the Board of Directors, I would like to express our appreciation for Jeff's significant contribution to PWR over the past nine years. His immense experience and contribution to the Board and the Company has been invaluable. He leaves behind a legacy of strong governance and risk management.

We wish him all the very best for life after PWR.

Thank you also to my Board colleagues who have brought their individual experience and expertise to the table which has resulted in excellent debate and collective decision making throughout the year.

Finally, thank you, as always, to our shareholders for their continued support of PWR.

Kees will now give you an overview of PWR's performance and future plans.

## Managing Director's Address

Kees Weel



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Thank you, Roland.

Good afternoon and thank you for joining us today for PWR's 2024 Annual General Meeting.

I hope you all enjoyed your lunch, and my thanks go out to our full-time onsite chefs Grant and Glen for supplying us all with a BBQ lunch today.

I am really pleased to see that we were able to get quite a few of you through our manufacturing facility, which has grown significantly since our listing on the ASX in 2015. When we started, we only had one site at 103 Lahrs Road and about 85 employees.

As we have grown, we have secured adjacent sites at 99 Lahrs Road and next door at Mark Porter Place. We have reached capacity here at Ormeau and next year's AGM will be at our new facility at Stapylton which we are all extremely excited about.

With a solid financial year behind us I am pleased to take you through both the financial and operational highlights of what has been achieved over the 2024 financial year, as well as provide an update on where we see our future opportunities.

## 2024 Full Year Performance Highlights



Growth <sup>1</sup>	Investing in the Future	Shareholder Return
17.8% Revenue <sup>2</sup> 14.0% NPAT	<i>"Investing Now to Collect Later"</i>	9.20 cent Final Dividend
Revenue growth:  100% - Aerospace & Defence  8% - Motorsports  9% - OEM <sup>3</sup>  9% - Automotive Aftermarket	\$12.3 million capex  67 headcount increase (including 21 "ahead of the curve")  New Australian factory lease  Expanded capability and capacity in the US and UK	14.00 cent Full Year Dividend (12.0% increase)  5-Year CAGR <sup>4</sup> • 21.7% - Share Price • 11.7% - Earnings per Share

<sup>1</sup> Compared to prior corresponding period

<sup>2</sup> Revenue growth includes 12.9% organic growth and 4.9% growth due to foreign exchange rate movements

<sup>3</sup> OEM – Original Equipment Manufacturers

<sup>4</sup> CAGR – Compound Annual Growth Rate

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The FY24 performance highlights reflect the outstanding effort contributed by all staff during the year:

- Revenue was up across all key markets and geographies.
- Revenue in Aerospace & Defence was up 100% to \$21m and now represents 15% of total sales across the Group.
- We continue to invest in new equipment, factory space and headcount to support growth. **"Investing now to collect later" is our mantra.** This takes careful decision making and a strong resolve, but we are up for it.
- As Roland has mentioned we were able to pay a full year dividend to our shareholders of 14 cents per share.
- As I mentioned at the full year, we are focusing on moving into our new headquarters at Stapylton this year and investing ahead of the curve in people and equipment, particularly in Aerospace and Defence. This is a big move with a lot of moving parts.
- We are only a couple of months into this financial year, and as we are largely a purchase order business, it is too early to give an update on our profitability for the half or FY25.
- Looking beyond FY25, we are striving to improve efficiencies as we enter the new Australian factory, supported by our ongoing investment in the latest manufacturing equipment. Again, it is too early to quantify expected profitability over the coming years, but be assured, we are working hard to deliver long-term and sustained value for shareholders.

## Revenue by Market Sector



Customer Market	FY2024				FY2023				Growth	
	Advanced Cooling (\$'000)	Emerging Technologies <sup>1</sup> (\$'000)	Total (\$'000)	% of Total	Advanced Cooling (\$'000)	Emerging Technologies <sup>1</sup> (\$'000)	Total (\$'000)	% of Total	Growth (\$'000)	%
Motorsports	57,260	10,089	67,349	48%	55,026	7,230	62,256	52%	5,093	8%
OEM	24,967	3,058	28,025	20%	21,935	3,704	25,639	22%	2,386	9%
Automotive Aftermarket	18,853	614	19,467	14%	17,796	3	17,799	15%	1,668	9%
Aerospace and Defence	-	21,047	21,047	15%	-	10,533	10,533	9%	10,514	100%
Other	3,376	128	3,504	3%	1,431	668	2,099	2%	1,405	67%
<b>Totals</b>	<b>104,456</b>	<b>34,936</b>	<b>139,392</b>	<b>100%</b>	<b>96,188</b>	<b>22,138</b>	<b>118,326</b>	<b>100%</b>	<b>21,066</b>	<b>17.8%</b>

### Aerospace & Defence

↑ size and number of programs  
100% revenue growth

### Motorsports

Growth in F1 and GT series

### Automotive OEM

Completion of Valkyrie and AMG X1 programs

### Automotive Aftermarket

Focus on North America and Europe

1. Emerging Technologies includes revenue from Aerospace and Defence across all technologies, and revenue from other market sectors generated by cold plate, micro matrix and additive manufacturing

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- Motorsport remains the largest market and an important technology driver for PWR. Total motorsports revenue grew 8%, with growth across several major motorsport categories.
- Automotive OEM grew by 9% due to the continuation of existing programs and commencement of new programs.
- Aerospace and Defence grew by 100% as we expand the number of customers and programs. As these programs progress into full production, we expect Aerospace and Defence to be an important contributor to growth in FY25 and beyond.
- Automotive Aftermarket grew 9%. Demand in this market remains strong and we are continuing to work on increasing production capacity and improving our marketing efforts, particularly in North America and Europe.



## Aerospace and Defence (A&D) is a significant growth opportunity



A&D revenue up 100% in FY2024	Investing in A&D Capability	
Global Addressable Markets are Significant	<i>"Investing Now to Collect Later"</i>	<i>"Global Aerospace Thermal Management System Market Size \$15.3B USD with forecasted 6.5% CAGR from 2024 to 2031"<sup>3</sup></i>
<p>Continue to work with several US and European based eVTOL<sup>1</sup> manufacturers as they progress to full certification and aircraft production</p> <p>Increase in production and application for ruggedized electronic cold plates and enclosures for A&amp;D</p> <p>Completion of pre-production program certifications and progressing towards long term production supply contracts</p>	<p>Investment across FY2024 and FY2025 required for A&amp;D growth:</p> <ul style="list-style-type: none"> <li>• 52 Headcount<sup>2</sup> – specific skills and expanded support processes</li> <li>• Quality certifications</li> <li>• Quality control processes</li> <li>• Cyber security and IT systems</li> <li>• Design processes</li> <li>• Simulation capabilities</li> <li>• Planning and procurement controls</li> <li>• Production controls</li> <li>• Factory space</li> <li>• Specialised equipment</li> </ul>	<i>"Margins will be impacted in the near term as we invest ahead of the curve to set us up for the future."</i>

1. eVTOL – electric vertical take-off and landing aircraft
2. Investment in headcount "ahead of the curve": 21 in 2024 and 31 planned for 2025
3. Source: <https://www.verifiedmarketresearch.com/product/aerospace-thermal-management-system-market/>

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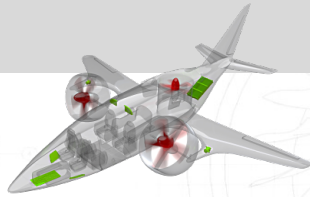
- In 2020, the strategic decision was made to leverage our reputation and know-how in Motorsport into thermal management solutions for the Aerospace & Defence (A&D) industries.
- Since that time, we have made great strides forward and continue to do so today.
- This year we focused on growing our Aerospace and Defence capacity and capability in the US and Australia investing in equipment and highly skilled and capable people. We see the US manufacturing facility as a key contributor to future Aerospace and Defence business.
- Have made significant investment in accreditations, skill set and equipment to ensure vertically integrated methodology and ability to develop bespoke customer solutions was maintained.
- Have been gaining significant traction (100% growth in revenue in FY24) and focus remains on continued growth and innovation within A&D.
- Adding 52 dedicated A&D headcount (21 in 2024 and 31 planned for 2025) to enhance specific skills and expand support processes.
- We were awarded a \$985k Moon to Mars grant from the Australian Government to advance MMX technology for applications within space industry.
- We back ourselves to continue building our reputation and growing in this sector.

# Aerospace & Defence



## KEY PRODUCTS / SOLUTIONS

- ✓ Electronic cooling applications; vacuum brazed cold plates
- ✓ Radar and avionics cooling
- ✓ Unmanned Aerial Vehicles; battery and power electronics cooling, light weight heat exchangers
- ✓ Land vehicle systems; internal combustion engine cooling, communications cooling and battery cooling
- ✓ On soldier cooling; MMX cooling systems for communications and battery systems
- ✓ Space application cooling; phase change materials cooling heat pipes, cold plates, MMX
- ✓ Laser cooling systems

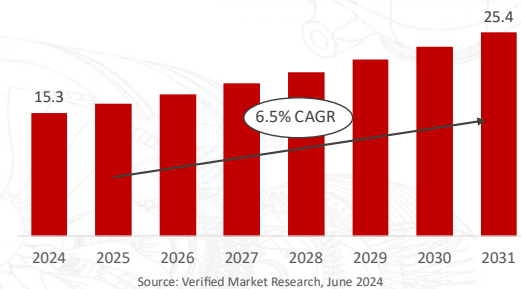


## SELECT AEROSPACE AND DEFENCE CUSTOMERS

Boeing	Airbus	Raytheon
Rheinmetall	Pratt and Miller	Honeywell
Mercury Systems	Joby Aviation	Textron Systems

## SIGNIFICANT MARKET OPPORTUNITY

Global Aerospace Thermal Management System Market Size (US\$bn)



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- We see the global aerospace thermal management system market providing great opportunity to PWR.
- We are working with select A&D customers that are involved in a significant number of Aerospace and Defence pre-production programs including:
  - EVTOL electric vehicle take-off and landing aircraft
  - unmanned aerial vehicles
  - land vehicle cooling systems
  - laser cooling systems
  - communications and battery systems
  - land based mobile radar systems
- Our electronic cooling applications and vacuum brazed cold plates are ideal to support the cooling needs of the aerospace and defence industry.

## Business Outlook

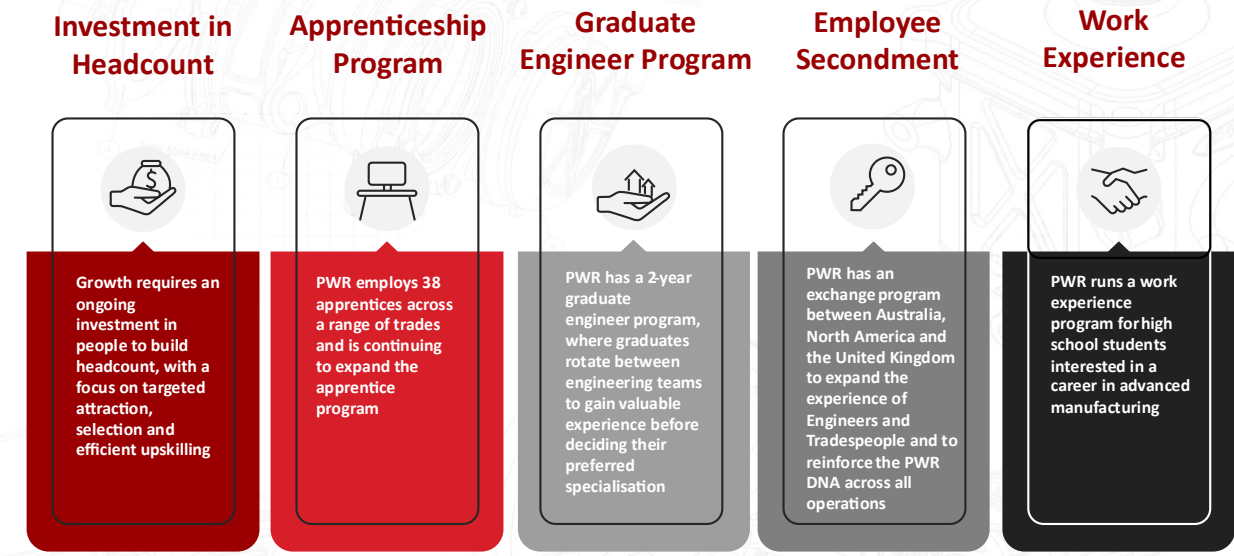


<b>Vertical Integration</b> <ul style="list-style-type: none"> <li>• Strong focus</li> <li>• Direct control over all operations</li> <li>• Reduce risks</li> <li>• Control quality</li> </ul>	<b>New Australian Factory</b> <ul style="list-style-type: none"> <li>• Works from August 2024</li> <li>• Move in completed by November 2025</li> <li>• Growth capacity for the next 20+ years, particularly for A&amp;D</li> <li>• Increased efficiency</li> </ul>	<b>Motorsports</b> <ul style="list-style-type: none"> <li>• 2026 F1 regulation opportunities (increased battery power requiring upgraded cooling)</li> <li>• Support development of more efficient cooling technology and adoption of new energy sources such as Hydrogen</li> </ul>
<b>Aerospace and Defence</b> <ul style="list-style-type: none"> <li>• Continued growth and investment</li> <li>• Expanding A&amp;D manufacturing capability globally</li> </ul>	<b>OEM Programs</b> <ul style="list-style-type: none"> <li>• Deliver on existing programs</li> <li>• Start new programs</li> <li>• Develop pipeline</li> </ul>	<b>Automotive Aftermarket</b> <ul style="list-style-type: none"> <li>• Growth potential</li> <li>• Focus on North America and Europe</li> </ul>
<b>Europe Manufacturing</b> <ul style="list-style-type: none"> <li>• Increase UK based engineering and manufacturing</li> </ul>	<b>Organic Growth</b> <ul style="list-style-type: none"> <li>• Extensive opportunities, particularly in A&amp;D</li> <li>• Focus and discipline</li> </ul>	<b>Investing in Capability to Support Growth</b> <ul style="list-style-type: none"> <li>• New ERP (investments will be made from FY2026 onwards)</li> <li>• PWR Academy</li> </ul>

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- PWR is vertically integrated, manufacturing everything in house. This is one of the major reasons we have been able to grow our revenue and to push into new markets including Aerospace and Defence. We are able to control and lower the supply chain risk for customers.
  - All products being manufactured in house means we can be more responsive to our customers' needs without having to rely on complex supply chains with long lead times
  - Our vertically integrated approach enables us to be flexible and operate end to end from design to manufacture to test
- The number and potential size of Aerospace and Defence opportunities continue to grow across Australia, Europe, and North America, supporting our view that Aerospace and Defence will be an important contributor to our future growth.
- The constant development in the world of professional motorsports continues to provide opportunities especially around hybridization
- The continued introduction of emerging and advanced technologies into our manufacturing processes ensures we remain at the forefront of manufacturing capability and complexity for both existing customers as well as potential new customers and industries.
- Our global footprint allows us to manufacture across multiple locations, reducing supply risk and also giving sovereign production capability where required for our customers. Furthermore, we leverage know how and expertise across all regions including in Europe and North America.

# Investing in People



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- Of course, it goes without saying that continued further growth for PWR comes down to our staff in Australia, North America and Europe. They will continue to drive product innovation and customer focused solutions both of which are central to our strategy and our continued growth and success.
- PWR now has close to 600 team members globally and with continued growth, our ability to attract and retain top talent is another key pillar in our strategy.
- PWR is investing in growing its headcount and is actively recruiting for several roles. The employment market has improved slightly but remains tight for quality staff.
- We also invest heavily in apprentices, work experience students (both school and university) and graduate engineer programs.
- Most of all our people demonstrate every day PWR's DNA - RESPECT, PASSION and TEAMWORK.

# New Australian Factory



## Investing now for future growth opportunities

- FY2025 sees us investing for the future, focusing on building our new headquarters and moving from Ormeau to Stapylton
- Australian factory space increasing by 84% to 20,800m<sup>2</sup>, increasing Australian manufacturing capacity by 100%+
- Additional factory space will improve production flow and efficiency, provide room for additional automated machinery and support future production growth
- We are undertaking rigorous planning for the move to the new factory to minimise disruption in FY2025
- Refer to the next slide for an overview of the estimated expenditure



Architect's impression of PWR's new Stapylton Headquarters

Supported by the Queensland Government's Invested in Queensland program with \$8.78 million in assistance over 10 years for the expansion of PWR's manufacturing facility to the new premises at Stapylton

New factory flythrough link: <https://vimeo.com/995722690?share=copy>

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- To achieve our growth potential, it is imperative we continue to plan well ahead, investing ahead of the curve in capable people, the latest technology and of course factory space for manufacturing.
- If you have been coming to our AGMs, you will have noticed we are pretty tight for space here at Ormeau.
- We have started work on fitting out our brand-new manufacturing headquarters at Stapylton in Queensland, with plans to commence moving in in the middle of calendar year 2025.
- Our new headquarters will provide capacity for growth in our headcount and manufacturing capacity as well as provide better traffic access, manufacturing workflows and give us the opportunity to increase the use of automation where appropriate.
- As you will see in the Video of the New Factory, we have also a large training academy for all of our future in house training programs
- The Queensland Government has supported our decision to expand our Australian manufacturing base through the Invested in Queensland grant program. Under the grant, PWR will receive up to \$8.78 million in support over a 10-year period, provided PWR meets investment and headcount targets over the grant period.
- I would like to finish off my presentation today with a fly through impression of our new headquarters at Stapylton. I hope you enjoy it.
- New factory flythrough link: <https://vimeo.com/995722690?share=copy>
- I get excited every time I see that fly through. Excited for the efficiency gains we will make and the increase in production capacity. Excited for our people and for the future.
- Thank you for joining us today at our AGM.
- I will now hand back to Roland to take your questions.