

**21 December 2016**

## **PWR Market Update**

PWR Holdings Limited (ASX: PWH) advises that based on management accounts to 30 November 2016, net profit after tax (NPAT) for the six months ending 31 December 2016 is forecast to be in the range of \$1.65M to \$1.85M (H1 2016 Pro forma NPAT \$3.26M<sup>(i)</sup>, H1 2016 Statutory NPAT \$1.23M).

PWH has achieved organic revenue growth for the first half of 2016 of around 10% (by currency), which has primarily been driven by GBP denominated sales, which are forecast to be up 23% compared to the prior corresponding period (pcp).

The key driver of the forecast H1 2017 NPAT is adverse foreign currency movements, as flagged to shareholders at the Annual General Meeting. The AUD/GBP exchange rate is down 25% on the pcp and the AUD/USD exchange rate is down almost 5% on the pcp. PWH has also incurred additional costs through product development and planned labour investments (engineering and production headcount is 22% up on this time last year), in preparation for growth in the second half and beyond.

(i) Pro forma adjustments for H1 2016 relate to IPO costs (\$2.67 million before tax) and interest costs (\$0.2 million before tax) associated with bank facilities repaid from IPO proceeds.

