



ASX Announcement

4 June 2019

NRW Holdings Limited
181 Great Eastern Highway
Belmont, 6104, Western Australia

**Australian Securities Exchange
Perth**

Gascoyne Resources Mining Contract and FY20 Outlook

NRW Holdings Limited (ASX: NWH) ("NRW" or "the Company") notes the appointment of FTI Consulting as Voluntary Administrators to Gascoyne Resources Limited (ASX: GCY) and its related entities ("Gascoyne").

NRW provides drill and blast and mining services "contract mining" to Gascoyne. NRW further notes the Administrators at this stage intend to continue operating Gascoyne on a 'business as usual' basis while recapitalisation options are explored. NRW is supporting FTI Consulting during the review of recapitalisation options and will be paid for all the works undertaken in this period.

Prior to the announcement of FTI Consulting's appointment, NRW was expecting earnings before interest, tax, depreciation and amortisation (EBITDA) for FY19 in the range \$140 million to \$145 million.

NRW's assessment of the current exposure to the Gascoyne contract is circa \$35 million representing working capital, a second ranking secured loan of \$10 million¹ and equity in Gascoyne of ~\$4.3 million². The resulting net cash movement in the second half of FY19 is estimated at circa \$8 million, as most of the working capital (circa \$17 million) and secured debt exposure (\$10 million) was incurred in the first half of FY19.

FY20 Outlook

Following recent contract awards, the order book now includes \$1.1 billion of work secured for FY20, (excluding any contribution from the Gascoyne contract). In addition, the RCRMT and Urban businesses are expected to generate circa \$200 million of revenue. NRW expects to deliver full year revenues in FY20 of circa \$1.5 billion.

Jules Pemberton, Managing Director and CEO commenting on the trading update said "Whilst we are clearly disappointed with the recent events at Gascoyne, we remain positive on the outlook for NRW. In addition, with key resources, both workforce and equipment, currently in high demand we remain confident that our personnel and equipment at Gascoyne's Dalgarranga Project can be easily redeployed in the event a recapitalisation is unsuccessful.

Kim Hyman
Company Secretary

¹ Gascoyne ASX announcement released 24 December 2018. The NRW second ranking secured loan was \$12M of which \$10M covering Gascoyne working capital and \$2M for fees related to the loan which NRW has not recognised.

² NRW Initial Substantial Shareholder notification released 10 May 2019



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About NRW Holdings Limited:

NRW is a diversified provider of contract services to the resources and infrastructure sectors in Australia. With extensive operations in Western Australia, South Australia, New South Wales, Queensland and Victoria. NRW's geographical diversification is complemented by its delivery of a wide range of operations. These encompass civil expertise including bulk earthworks and concrete installation; contract mining and drill and blast. NRW also offers a leading original equipment manufacturing (OEM) and innovative materials handling design capability with comprehensive additional experience for refurbishment and rebuild service for earthmoving equipment and machinery.