

ASX ANNOUNCEMENT

20th May 2020

FY20 Performance on track, Interim Dividend to be paid 9th June 2020

Leading Australian Resources and Infrastructure contractor NRW Holdings Limited (ASX: NWH) is pleased to provide an update on performance to the end of April 2020.

Operations:

- Our People – processes have been implemented across our operations to minimise risks associated with Covid-19 as outlined in our ASX announcement of the 26th March.
- Our Clients – we continue to work closely with our clients to minimise risk and deal with all challenges faced through the pandemic including the impact around border closures and managing our interstate workforce.
- Our Suppliers – there have been no material impacts on our supply chain with respect to ongoing projects, mining and drill and blast operations.
- Currently we have seen no material change to planned activities in any of the four business divisions; Civil, Mining, Drill and Blast and Mining Technologies.

Financial Performance (unaudited 10 months to April 2020)

- Record Revenue of \$1.6B⁽¹⁾; the result, for only 10 months, represents a record revenue for the group compared to any previous full financial year.
- EBITDA⁽²⁾ of \$177M; pre adoption of AASB16.
- Continued strong earnings generation with normalised earnings, EBITA⁽³⁾ of \$107M.
- Significant improvement in net debt (cash less interest bearing debt) at 30th April 2020 to \$115M.
- A much lower AASB 16 debt of circa \$60M expected to be reported as at June 30th Further reviews of equipment rental agreements are expected to reduce the liability recognised in the half year accounts at \$122M.

Business Commentary

- Integration of BGC Contracting progressing well: all project teams now reporting through the NRW business structure.
- Key milestone on the BGC Contracting W2B Pacific Highway contract now under the leadership of the Golding business achieved March 31st recognised by the client and consistent with expectations.
- RCR Mining Technologies (RCRMT) working with DIAB Engineering secured a \$17M fabrication package for Newmont's Tanami Expansion 2 Project to manufacture the Head Frame and Skyshaft steelwork.
- NRW Contracting (formerly BGC Contracting) and WBHO infrastructure shortlisted as one of two bidders by the WA government to tender the \$215M Mitchell Freeway north extension. This follows on from the recently advised shortlisting of the Southwest Connex Alliance on the \$852M Bunbury Outer Ring Road project announced on the 18th March 2020.
- Tunnel boring of the twin 8km tunnels on the Forrestfield Airport Link completed in April, a major milestone for the project which NRW is working on in Joint Venture with Salini Impregilo.

Notes

- (1) Includes revenue from associates
- (2) EBITDA is earnings before interest, tax, depreciation, amortisation, transaction costs pre adoption of AASB16: compares to \$94.6M at 30th December 2019
- (3) EBITA is earnings before interest, tax, amortisation of acquisition intangibles and excludes one off transaction costs; compares to \$62.1M in the first 6 months of FY20.

Commenting on the performance of the business Jules Pemberton, NRW's Chief Executive Officer and Managing Director said:

"I am incredibly proud of the manner in which our people have worked through the challenges of the last few months. We have had to make significant changes to the way we work but have been able to safely do that whilst supporting our clients to meet project objectives and day-to-day operational requirements.

The award by Newmont to RCRMT provides an opportunity to bring both RCRMT and DIAB Engineering (acquired as part of the BGC Contracting transaction), together to deliver this important project. The ability to deliver this work from our regional facilities, in Bunbury, Geraldton and our Welshpool facility, to a major Australian project reflects the growing capability of NRW in the Australian manufacturing sector to provide specialised capital equipment for mining clients.

Bidding activity is high and following the BGC acquisition the pipeline continues to improve given the likely acceleration of public infrastructure projects. NRW is very well placed to address a growing list of opportunities through both its Golding business on the east coast and the significantly enhanced construction business in the west.

With respect to the outlook for FY20 we remain on track to meet our revenue guidance of \$2 billion.

Interim Dividend

The company announced on the 26th March 2020 its intention to defer the interim dividend pending a review by the board to be held in August 2020. Given the continued strong performance of the business the directors have brought forward that review and have resolved to pay the interim dividend of 2.5 cents per share on the 9th June 2020.

This ASX Announcement has been approved in accordance with the Company's published continuous disclosure policy and authorised for release by the Board of NRW Holdings Limited.

Kim Hyman
Company Secretary

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About NRW Holdings Limited:

NRW is a Leading, 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), specialist maintenance (shutdown services and onsite maintenance), industrial engineering and innovative materials handling design capability with comprehensive additional experience for refurbishment and rebuild service for earthmoving equipment and machinery. NRW has a workforce of around 7,000 people supporting more than one hundred projects around Australia supporting clients across the infrastructure, resources, industrial engineering, maintenance and urban sectors

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