



**PWR Holdings Limited
and its controlled entities**
ACN:105 326 850

RESULTS FOR ANNOUNCEMENT TO THE MARKET

APPENDIX 4E
For the period ended 30 June 2016

**PWR Holdings Limited
and its controlled entities**
Directors' report
For the year ended 30 June 2016

Appendix 4E

Preliminary Final Report

Name of Entity:	PWR Holdings Limited
ABN:	85 105 326 850

1. Reporting Period

Reporting Period:	Year ended 30 June 2016 (“current period”)
Previous Reporting Period:	Year ended 30 June 2015 (“previous corresponding period”)

2. Results for Announcement to the Market **A\$'000**

Revenues from ordinary activities	Up	45.6%	to	47,348
Profit / (Loss) from ordinary activities after tax attributed to members ⁽ⁱ⁾	Down	1.9%	to	8,735
Net profit / (loss) for the period attributed to members ⁽ⁱ⁾	Down	1.9%	to	8,735

⁽ⁱ⁾ In FY16, one off costs associated with the IPO of \$2.7 million (pre-tax) were incurred. Excluding the impact of this amount, plus an additional pro forma interest adjustment of \$0.2 million (pre-tax), profit from ordinary activities after tax attributed to members was up 21% to \$10.8 million, as outlined further below.

Dividends (distributions)	Amount per security	Franked amount per security
<i>Current period</i>		
Interim dividend	0.62 cents per share	100%
Final dividend	3.78 cents per share	100%
<i>Previous corresponding period</i>		
Interim dividend	N/A	N/A
Final dividend ⁽ⁱ⁾	\$13.78 per share	100%

Record date for determining entitlements to the final dividend

2 September 2016

⁽ⁱ⁾ Final dividend in the previous corresponding period was prior to the IPO and associated share subdivision and share issue.

Brief explanation of revenue, net profit and dividends (results commentary)

Revenue of the Group for the year ended 30 June 2016 was \$47.3 million (30 June 2015: \$32.5 million), an increase of 45.6%. Growth in revenue compared to the comparative period was primarily due to increased organic growth primarily in the motorsports and automotive aftermarket sectors and a full year contribution of the C&R Racing business which was acquired in late March 2015.

The net profit after tax of the Group for the year ended 30 June 2016 was \$8.7 million (30 June 2015: \$8.9 million), including the recognition of \$2.7 million (\$1.9 million after tax) of one-off expenses in relation to the initial public offering of the Company.

EBITDA⁽ⁱ⁾ (excluding IPO costs) for the year ended 30 June 2016 was \$16.9 million (30 June 2015: \$13.0 million). EBITDA⁽ⁱ⁾ margins were 35.7% and 40.0% respectively. The lower EBITDA⁽ⁱ⁾ margin and profit in FY16 compared to the comparative period was primarily driven by: the full year contribution of C&R Racing which has lower operating margins; a higher margin Original

Equipment Manufacturing (OEM) contract delivered in FY15; investment in new engineering and production personnel; additional costs associated with being a public company, and costs associated with the integration of C&R Racing.

Comparison of FY16 results to prospectus forecast

A\$'000	FY16	Prospectus forecast	Variance
Revenue	47,348	46,994	+ 0.8%
Pro forma EBITDA (i) (ii)	16,903	16,162	+ 4.6%
Pro forma EBITDA margin (ii)	35.7%	34.4%	+ 1.3%
Pro forma net profit after tax(ii)	10,766	10,462	+2.9%
Statutory net profit after tax	8,735	8,325	+4.9%

(i) Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") is a non-IFRS term and which has not been subject to audit or review but has been determined using information presented in the Company's annual financial statements.

(ii) Pro forma adjustments relate to IPO costs (\$2.7 million before tax) and interest costs (\$0.2 million before tax) associated with bank facilities repaid from IPO proceeds

The Group exceeded revenue, EBITDA and NPAT prospectus forecasts despite the strengthening of the Australian dollar in the second half, which impacted revenue negatively by \$1.1m compared to the prospectus forecast. Stronger than expected organic growth in the motorsports and automotive aftermarket sectors were the key drivers.

Further information on results and operations is included in the 2016 Directors' Report.

Subsequent to the end of the reporting period, the directors have declared a fully franked final dividend for the year ending 30 June 2016 of 3.78 cents per ordinary share to be paid on 19 September 2016, a total estimated distribution of \$3.78 million based on the number of ordinary shares on issue as at 2 September 2016 (record date) and representing 50% of statutory NPAT.

3. Net Tangible assets per security

	Current period	Previous corresponding period
Net assets	\$36,723,498	\$5,211,460
Less: intangible assets	<u>\$14,174,350</u>	<u>\$14,125,891</u>
Net tangible assets	\$22,549,148	(\$8,914,431)
Ordinary share	100,000,000	1,000,000
Net tangible assets per security	\$0.23	(\$8.91)

4. Details of entities over which control has been gained or lost during the period

Control gained over entities

Name of entities	Nil
Date(s) from which control was gained	N/A
Contribution to consolidated profit/(loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired.	N/A
Profit/(loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period.	N/A

Loss of control of entities

Name of entities	Nil
Date(s) from which control was lost	N/A
Contribution to consolidated profit/(loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost.	N/A
Profit/(loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period.	N/A

5. Dividend reinvestment plan

Details of any dividend reinvestment plans in operation

N/A

The last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan

N/A

6. Details of Associates and Joint Ventures:

Name of associate or joint venture entity	Percentage holding	
	Current period	Previous corresponding period
Nil	Nil	Nil

Where material to an understanding of the report – aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period:

N/A

7. For foreign entities, details of origin of accounting standards used in compiling the report (e.g. International Financial Reporting Standards)

N/A

8. Description of dispute or qualification if the accounts have been audited or subject to review

N/A

This report is based on:

Accounts that have been subject to audit by KPMG.


Kees Weel

Managing Director

Dated this 25th day of August 2016