

21 October 2016

ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

2016 ANNUAL GENERAL MEETING ADDRESS and PRESENTATION

Please find attached, for presentation to shareholders at this morning's Annual General Meeting, commencing at 10 am Brisbane time:

- the welcome address by Mr Bob Thorn, the company's Chairman; and
- the presentation by Mr Kees Weel, the company's Managing Director.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Lisa Dalton', written in a cursive style.

Lisa Dalton
Company Secretary

21 October 2016

PWR Holdings Limited 2016 Annual General Meeting | Chairman's Welcome

Ladies and Gentlemen, I would like to welcome you to PWR Holdings' 2016 AGM.

As you are no doubt aware, PWR listed on the ASX on 18 November 2015.

In our first 11 months as a listed company we have focused on continuing to maintain revenue growth while building the governance and operating platform to support future growth plans for this great business. The time has gone quickly and I am thankful to my fellow board members and the management and employees at PWR who have all embraced the new listed environment and worked very hard to strengthen PWR's position as a home grown Australian company that designs, engineers and manufactures customised cooling solutions for elite motorsports, the automotive aftermarket and emerging sectors domestically and globally.

By leveraging off our track record in elite motorsports, coupled with PWR's DNA of passion, winning and results, the team has delivered strong revenue and profit growth above the forecast in our Prospectus, a credit to the focus and dedication of our people.

Kees will provide some further information on the year's performance and on our future plans. I am excited about PWR's future. In the 2017 financial year we will build on the company's achievements. We will focus on PWR being "Resource Ready" to take advantage of growth opportunities. Key to this will be continued investment in infrastructure, engineering, production, sales and people. We will continue to invest in research and development including an electronic cooling test facility in the emerging technology sector.

To leverage off our investment in C&R Racing, we will continue to develop channels to the USA automotive aftermarket and expand our product offering to increase customer spend. In addition, delivering new OEM contracts in Australia, Europe and the US, and progressing other OEM opportunities, will also be on the agenda for what is shaping up to be another exciting year for PWR.

On behalf of the Board, I would like to thank all our staff for their hard work and dedication over the last year and commitment to achieving the goals outlined in our prospectus.

The Board would also like to express its gratitude to you, our shareholders, for your support and interest in PWR.

I will now hand over to Kees Weel, our Managing Director, to provide an overview of the last 11 months and discuss future plans for the business.

Bob Thorn
Chairman
PWR Holdings Limited





PWR HOLDINGS LIMITED

2016 ANNUAL GENERAL MEETING

MANAGING DIRECTOR'S ADDRESS

21 October 2016



FY16 RESULTS SUMMARY

Exceeded revenue, EBITDA and NPAT prospectus forecasts despite negative \$1.1m revenue impact of H2 strengthening of the AUD

	FY16 actual	Growth vs FY forecast	Growth vs FY15
Revenue	\$47.7m	0.8%	45.6%
Pro forma EBITDA	\$16.9m	4.6%	40.0%
Pro forma NPAT	\$10.8m	2.9%	27.3%
Pro forma EPS	10.8 cents		
Cash at 30 June 2016	\$8.8m		

- Total dividend 4.40 cents per share = 50% of statutory NPAT
 - Final 3.78 cents
 - Interim 0.62 cents
- Zero core debt

FY16 OPERATIONAL HIGHLIGHTS

- Organic revenue growth exceeded expectations with continued growth in motorsports and automotive aftermarket despite the strengthening Australian dollar
- Continued the C&R Racing integration
- Secured two new OEM contracts – Australia & Europe
- Continue to progress various OEM opportunities
- Developed new industrial aftermarket replacement products and commenced selling to mining and construction industry
- Expanded product tanking capabilities for elite motorsports and broader customer base
- Investment in engineering and production personnel – headcount increased by 25 to 187 at 30 June
- Continue to be “Resource Ready” through investment in infrastructure and people

FY16 FINANCIAL PERFORMANCE (PRO FORMA)

A\$'000	FY16	FY16F	Forecast Variance	FY15	FY15 Variance
Revenue	47,348	46,994	↑ 0.8%	32,526	↑ 45.6%
Pro forma EBITDA (i)	16,903	16,162	↑ 4.6%	12,072	↑ 40.0%
Pro forma EBITDA margin	35.7%	34.4%	↑ 1.3%	37.1%	↓ 1.4%
Pro forma EBIT	15,705	15,018	↑ 4.6%	11,258	↑ 39.5%
Pro forma profit before tax	15,361	14,945	↑ 2.8%	11,876	↑ 29.3%
Pro forma net profit after tax	10,766	10,462	↑ 2.9%	8,460	↑ 27.3%
Pro forma adjustments:					
IPO costs (ii)	(2,666)	(2,818)		-	
Interest paid (USD/GBP loans repaid)	(235)	(235)		(311)	
Public company costs	-	-		953	
Income tax effect	870	916		(193)	
Statutory net profit after tax	8,735	8,325	↑ 4.9%	8,910	↓ 2.0%

Key Points

- Revenue, EBITDA and NPAT exceeded prospectus forecast despite the strengthening Australian dollar in the second half
 - Revenue impact of higher exchange rates was negative \$1.1m compared to forecast
- Organic revenue growth exceeded expectations
 - Motorsports and automotive aftermarket
- Invested in new engineering and production personnel to be “Resource Ready” for future growth opportunities
- Continue to drive production efficiencies
- Management of costs globally

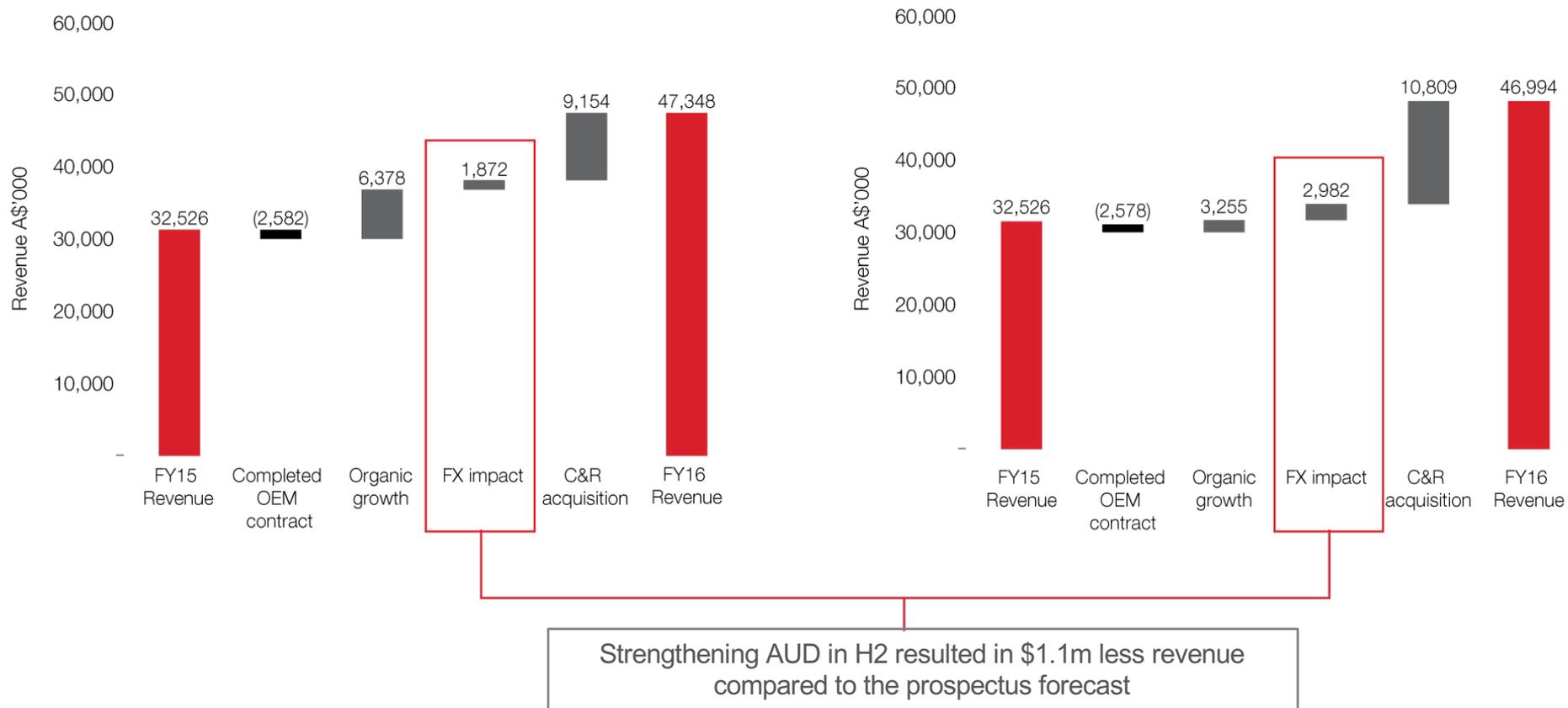
(i) Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) is a non-IFRS term which has not been subject to audit or review but has been determined using information presented in the Company’s annual financial statements.

(ii) Excludes \$1.1 million before tax charged against equity

FY16 REVENUE BRIDGE

FY16 Revenue bridge – Actual

FY16 Revenue bridge – Prospectus



FY17 AND BEYOND

- Continued organic growth in the first quarter
- The Australian dollar continues to strengthen compared to the prior year

	Q1 FY17	Q1 FY16	Movement
GBP	0.5767	0.4691	+ 23%
USD	0.7573	0.7274	+ 4%

- Stronger AUD creates headwinds in growing NPAT in FY17 despite organic growth
- Seasonality of motorsports results in a stronger second half
- New CNC machine to cater for product tanking growth opportunities
- Secured a new 3 cooler, 4 year OEM project in USA
- Plans for a second production facility in USA are underway
- “Resource Ready” to take advantage of growth opportunities

INDUSTRY DEVELOPMENTS

- **OEM**

- Niche OEM development increasing
- PWR increasingly getting a “seat at the table” – motorsports heritage
- USA & Europe opportunities progressing

- **Formula 1**

- Ownership change in F1 will create investment in the category
- Targeting increased revenue through product innovation

- **Motorsports**

- Motorsports globally continues to grow
- Supercars now 3rd highest rating sport on Fox Sports in Australia

INDUSTRY DEVELOPMENTS

- **USA automotive aftermarket**
 - Developing distribution channels
 - Increasing part numbers & penetration
 - Leverage off NASCAR credentials
- **Industrial**
 - Mining – Australia & USA
 - Military – Europe & USA
 - Truck & bus – Australia & Europe
- **Emerging technologies**
 - Battery & electronics cooling – industrial & residential applications
 - Hybrid & electric cars
 - PWR investing in R&D

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