



24 August 2017

PWR reports FY17 NPAT of \$9.3 million

In its first full financial year as a listed company, PWR Holdings Limited (ASX: PWH) (PWR), has reported a Net Profit After Tax of \$9.3 million and increased its dividend payout ratio to 60% of NPAT with a final dividend of 4.7 cents per share taking the full year dividend to 5.6 cents per share, an increase of 27.3%.

FINANCIAL PERFORMANCE

A\$'000	FY17	FY16 Pro Forma ²	Variance
Revenue	48,117	47,348	+1.6%
EBITDA ^{1,2}	14,728	16,903	-12.9%
EBITDA margin	30.6%	35.7%	-5.1%
Operating cash flow	13,529	16,599	-18.5%
Net profit after tax²	9,280	10,766	-13.8%
Statutory net profit after tax	9,280	8,735	+6.2%
Earnings per share (based on statutory NPAT)	9.28 cents	9.31 cents	-0.3%
Final dividend per share (fully franked)	4.70 cents	3.78 cents	+24.3%

EBITDA of \$14.7 million and Net Profit After Tax of \$9.3 million was driven by:

- A strong second half aligned to the seasonal activity in the motorsports industry
- Strong organic revenue growth of 11.0%³ with GBP revenue from the motorsports segment continuing to grow and up 27.7% over the prior corresponding period (“pcp”) and representing a 27.5% compound annual growth rate over the past three years, USD revenue down 0.7% and AUD revenue up 3.5%
- Sales in emerging technologies such as battery cooling used in electric vehicles increased by almost 50%³ compared to the pcp
- The stronger AUD, particularly against the GBP has impacted the result, which reduced revenue by \$4.4 million on a like for like basis
- A strategic decision to exit business lines (primarily at C&R) that do not align to PWR’s core business and/or growth objectives, which reduced revenue by US\$0.6 million.

PWR Chairman, Teresa Handicott, said “PWR has maintained its strong balance sheet with zero net debt and \$9 million in cash at 30 June 2017, which has enabled the Board to increase the dividend payout ratio to 60% of full year NPAT. The Board has declared a final, fully franked dividend for FY17 of 4.7 cents per share, taking the full year dividend up to 5.6 cents per share, an increase of 27.3%.”

1 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 financial statements

2 Pro forma adjustments in FY16 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

3 Constant currency organic revenue growth is FY17 sales compared to FY16 sales at average FY17 exchange rates



Founding shareholder and Managing Director, Kees Weel, said the full year result was a good result for the first full year as a listed company and reflects solid performance and investment by the company in resources, research and development, engineering and manufacturing capability to set PWR up for future growth.

“This year we have focused on investing in our resources, both people and capital, to underpin our technology and growth objectives by ensuring we have both the capacity and capability to deliver on future growth opportunities.

“Our labour cost increased by 14% with our average engineering and production employee headcount increasing by 19.6%.

“We invested 14.7% of our revenue into Research and Development (R&D) activities, an essential investment for a technology company.

“We made a strategic decision to invest in a new aluminium heat exchanger core production line at C&R in the USA which has recently been commissioned. The facility will service our OEM contracts in North America and support the growth in USA aftermarket sales. The new line optimises our manufacturing capabilities and provides flexibility to our Australian operations by creating capacity to focus on high margin bespoke cooling opportunities whilst also improving our natural hedge to the USD.

“To better reflect the focus of PWR business, we have updated our logo which now incorporates the words “Advanced Cooling Technology”. We have retained the PWR ellipse as this is recognised around the world as a sign of cooling excellence. These combined provide a clear message to our markets and our customers of what sets PWR apart”, he said.

Outlook

- Second-half bias to revenue and profit to continue in FY18 driven by calendar year motorsports seasons
- Continuing inroads into motorsports markets expected to generate additional organic growth
- Niche OEM programs coming on line progressively through FY18 and FY19
- Clear opportunities in emerging technology, particularly electric vehicle cooling
- Continuing investment in R&D, people, systems and processes to deliver on future growth opportunities
- Foreign currency exchange rates will continue to influence results

The Appendix 4E, Audited Consolidated Financial Statements for FY17 and an investor presentation have been lodged on the ASX Company Announcement’s Platform and can also be found on PWR’s website: www.pwr.com.au



Management will host an investor call on 25 August 2017 at 11:00 am AEST

Participant Dial-in Numbers

- Australia Toll Free: 1800 908 299
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- Conference ID: 818900
- All Participants will be asked to provide the Conference ID when joining the Call.

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About PWR:

PWR Holdings Limited is an ASX listed company (ASX code PWH) providing advanced cooling technology globally to motorsports, automotive aftermarket and emerging technologies.