

**Appendix 4D  
Half Yearly Report**

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

**1. Reporting Period**

<b>Reporting Period:</b>	<b>Half year ended 31 December 2023 (“current period”)</b>
<b>Previous Reporting Period</b>	<b>Half year ended 31 December 2022 (“previous corresponding period”)</b>

**2. Results for Announcement to the Market**

**A\$'000**

Revenues from ordinary activities	Up	22.2%	to	\$64.2m
Profit / (loss) from ordinary activities after tax attributed to members	Up	25.5%	to	\$9.8m
Profit / (loss) for the period attributed to members	Up	25.5%	to	\$9.8m

<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<i>Current period</i>		
Interim dividend	4.80 cents	100%
<i>Previous corresponding period</i>		
Interim dividend	3.60 cents	100%
Record date for determining entitlements to the dividend	15 March 2024	

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

Information on results and operations is included in the Directors' Report.
Subsequent to the end of the reporting period, the directors declared a fully franked interim dividend for the half year ending 31 December 2023 of 4.80 cents per ordinary share to be paid on 22 March 2024, a total estimated distribution of \$4.8 million based on the number of ordinary shares on issue as at 21 February 2024 and representing 49% of NPAT.

**3. Net Tangible assets per security**

	<b>Current period</b>	<b>Previous corresponding period</b>
Net tangible assets per security	\$0.73	\$0.60

**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	N/A

whole of the previous corresponding period.

#### Details of Individual and Total Dividends

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim Current period dividend	22 March 2024	4.80 cents	100%	-
Previous corresponding period	24 March 2023	3.60 cents	100%	-

#### 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 review.



**Kees Weel**

Managing Director

21 February 2024

"ENGINEERING THE UNFAIR ADVANTAGE"

# Interim Financial Report

For the six months ended 31  
December 2023

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*The Global Leader in Cooling Technology  
Inspired by Engineering Excellence*

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The directors present their report together with the financial report of PWR Holdings Limited (the “Company”) and its controlled entities (the “Group”) for the six months ended 31 December 2023 and the review report thereon.

## Directors

The directors of the Company at any time during or since the end of the period are:

Director		Commencement Date
Roland Dane	<i>Independent, Non-Executive Director (appointed Chairman 28 October 2023)</i>	1 March 2017
Kees Cornelius Weel	<i>Managing Director</i>	30 June 2003
Jeffrey Ian Forbes	<i>Independent, Non-Executive Director</i>	7 August 2015
Kym Osley	<i>Independent, Non-Executive Director</i>	1 February 2023
Amanda Holt	<i>Independent, Non-Executive Director</i>	11 September 2023
Kristen Podagiel	<i>Independent, Non-Executive Director</i>	1 February 2024
Teresa Gayle Handicott	<i>Independent, Non-Executive Director and Chairman (resigned 27 October 2023)</i>	1 October 2015

The Company’s registered office and principal place of business is 103 Lahrs Road, Ormeau, Queensland 4208.

## Operating and financial review

During the half year, the Group has continued with its previously announced commitment to strategic diversification focussing on defence and aerospace applications, in addition to maintaining and growing existing core market segments.

Our investment for the period of over \$6.1 million for additional capital equipment will provide improved capability, increased capacity and extended quality control processes.

The operating segments of PWR Performance Products and PWR C&R (also referred to as PWR North America and C&R Racing) have continued to perform in line with expectations.

Period ending 31 December	PWR Performance Products		PWR C&R		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue	50,423	39,314	18,960	18,624	69,383	57,938
Segment EBIT <sup>1</sup>	11,828	8,526	1,657	2,079	13,485	10,605

PWR Performance Products segment revenue of \$50.4 million was an increase of 28.3% on the prior corresponding period revenue of \$39.3 million. This increase was driven by strong sales in Aerospace and Defence, and motorsports. PWR Performance Products segment EBIT<sup>1</sup> of \$11.8 million was an increase of 38.7% on the prior corresponding period EBIT<sup>1</sup> of \$8.5 million.

PWR C&R segment revenue of \$19.0 million was an increase of 1.8% on the prior corresponding period revenue of \$18.6 million. PWR C&R segment EBIT<sup>1</sup> of \$1.7 million was a decrease of 20% on the prior corresponding period EBIT<sup>1</sup> of \$2.1 million due to the increased labour rates and changes to the product sales mix.

<sup>1</sup> Earnings before interest and tax (“EBIT”) is a non-IFRS terms which has not been subject to audit or review but have been determined using information presented in the Group’s interim financial report.

## Operating and financial review (continued)

Net profit after tax of the Group for the six months ended 31 December 2023 was \$9.78 million (HY23: \$7.79 million). Earnings per ordinary share of 9.74c was an increase of 25.4% on the previous corresponding period earnings per ordinary share of 7.77c.

### *Revenue*

The Group achieved overall revenue growth of 22.2% compared to the previous corresponding period.

Revenue grew across all major market segments with strong growth in Aerospace and Defence, motorsports, and the automotive aftermarket.

### *EBITDA<sup>1</sup>*

EBITDA of \$18.4 million in HY24 (HY23: \$14.5 million) increased by 27.2%. The EBITDA margin of 28.6% in HY24 (HY23: 27.5%) was higher mainly due to:

- Changes to product and service sales mix; and
- Increased operating efficiency.

The Group has responded to the increased operating expenses through operating efficiencies and increased sale prices with the full impact of these measures yet to be reflected in the financial results.

Increased expenses relate to marketing, recruitment, professional fees, and the recognition of the provision for expected credit losses.

### *Operating cash flow*

HY24 operating cash flow (excluding interest and tax) of \$17.2 million (HY23: \$11.2 million) was an EBITDA to operating cash conversion of 93.7% (HY23: 77.5%).

Working capital increased by \$1.6 million (HY23: \$3.1 million). From 30 June 2023 to 31 December 2023 there was a \$0.4 million increase in trade debtors due to strong sales in December 2023 and a \$2.1 million increase in inventory due to an increase in work in progress and finished goods inventories.

The Group continues to fund revenue growth, working capital and capital expenditure from cash resources with no change in borrowings.

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<sup>1</sup> Earnings before interest, tax, depreciation and amortisation ("EBITDA") is a non-IFRS terms which has not been subject to audit or review but have been determined using information presented in the Group's interim financial report.

## Operating and financial review (continued)

### *Foreign currency*

Foreign currency movements during the period combined with the Group's hedging strategy resulted in a nil foreign exchange gain (HY23: \$0.2 million gain). The Group is exposed to movements in foreign exchange rates, with consolidated revenue generated in various currencies as outlined below:

	<b>HY24</b>	<b>HY23</b>
British pounds (GBP)	55%	49%
US dollars (USD)	30%	34%
Australian dollars (AUD)	10%	13%
Euro (€)	5%	4%
	<b>100%</b>	<b>100%</b>

### *Review of principal business*

During the six months ended 31 December 2023, the Group focussed on diversifying its operations within the targeted segments in a sustainable and profitable manner for the long-term benefit of stakeholders including shareholders, staff, customers, and suppliers.

### *Balance sheet and working capital management*

The balance sheet remains strong with cash of \$15.6 million (30 June 2023: \$17.6 million).

Working capital has increased during the reporting period with an increase in debtors due to the increase in revenue and increased finished goods inventories resulting in an increase in working capital (including prepayments) for the six months ended 31 December 2023 of \$1.6 million (HY23: \$3.1 million).

Investment in capital expenditure was \$6.1 million (HY23: \$5.7 million) and acquisition of business assets was nil (HY23: \$0.8 million). There have been no further adjustments made to Docking Engineering during the provisional accounting period ended on 19 August 2023. These investments provide both additional capacity and increased quality control capability as part of the program to manage expected growth.

### *Environmental, Social and Governance (ESG), including the Impacts of Climate Change*

The Group has established four sustainability pillars and ten material sustainability priorities as outlined in the 2023 Annual Report. The Group will provide progress updates on action taken to address the sustainability priorities in the 2024 Annual Report.

### **Events subsequent to reporting date**

The Board declared an interim dividend of 4.80 cents per share. The financial effect of the interim dividend has not been brought to account in the consolidated financial statements for the half year ended 31 December 2023.

Other than the matters noted above, there has not arisen in the interval between the end of the period and the date of this report any items, transactions or events of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future periods.

### **Lead auditor's independence declaration**

The lead auditor's independence declaration is set out on page 6 and forms part of the directors' report for the six months ended 31 December 2023.

### **Rounding of amounts**

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Instrument to the nearest thousand dollars or, in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the directors:



Roland Dane  
*Chairman*



Kees Weel  
*Managing Director*

Brisbane  
21 February 2024



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of PWR Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review of PWR Holdings Limited for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

*KPMG*

KPMG

*E. Neville Stanley*

Partner

Brisbane  
21 February 2024

**PWR Holdings Limited  
and its controlled entities**

**Consolidated Statement of Profit or Loss  
and Other Comprehensive Income**

**For the six months ended 31 December 2023**

	<i>Note</i>	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Revenue	<i>B1</i>	64,215	52,570
Other income	<i>B2</i>	1,124	783
Raw materials and consumables used		(13,645)	(10,517)
Employee expenses		(27,163)	(23,625)
Occupancy expenses		(807)	(537)
Other expenses		(5,345)	(4,224)
<b>Profit before depreciation, net finance income/costs and income tax</b>		<b>18,379</b>	<b>14,450</b>
Depreciation and amortisation		(4,898)	(3,858)
<b>Total depreciation and amortisation expense</b>		<b>(4,898)</b>	<b>(3,858)</b>
Finance income	<i>B3</i>	130	200
Finance costs	<i>B3</i>	(336)	(153)
<b>Net finance (costs)/income</b>	<i>B3</i>	<b>(206)</b>	<b>47</b>
<b>Profit before income tax</b>		<b>13,275</b>	<b>10,639</b>
Income tax expense	<i>B4</i>	(3,494)	(2,846)
<b>Profit for the period</b>		<b>9,781</b>	<b>7,793</b>
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified to profit or loss:</b>			
Exchange differences on translating foreign operations		(1,090)	328
<b>Total comprehensive income for the period</b>		<b>8,691</b>	<b>8,121</b>
<b>Basic and diluted earnings per share</b>		<b>9.74 cents</b>	<b>7.77 cents</b>

The accompanying notes are an integral part of these interim financial statements.

**PWR Holdings Limited**  
**and its controlled entities**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2023**

	<i>Note</i>	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		15,612	17,626
Trade and other receivables		16,357	16,006
Inventories		19,903	17,789
Other assets		2,199	2,050
<b>Total current assets</b>		<u>54,071</u>	<u>53,471</u>
<b>Non-current assets</b>			
Property, plant and equipment	<i>B5</i>	53,419	53,766
Intangible assets		15,857	15,919
<b>Total non-current assets</b>		<u>69,276</u>	<u>69,685</u>
<b>Total assets</b>		<u>123,347</u>	<u>123,156</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		8,724	7,667
Lease liabilities		1,619	2,565
Deferred income		475	476
Contract liabilities		383	450
Employee benefits		4,201	4,041
Current tax liabilities		1,939	657
Provisions		850	297
<b>Total current liabilities</b>		<u>18,191</u>	<u>16,153</u>
<b>Non-current liabilities</b>			
Lease liabilities		14,209	15,722
Deferred income		502	742
Employee benefits		534	502
Deferred Tax Liabilities		1,119	1,567
<b>Total non-current liabilities</b>		<u>16,364</u>	<u>18,533</u>
<b>Total liabilities</b>		<u>34,555</u>	<u>34,686</u>
<b>Net assets</b>		<u>88,792</u>	<u>88,470</u>
<b>Equity</b>			
Share capital	<i>C1</i>	27,343	26,807
Reserves		2,027	3,001
Retained earnings		59,422	58,662
<b>Total equity</b>		<u>88,792</u>	<u>88,470</u>

The accompanying notes are an integral part of these interim financial statements.

**PWR Holdings Limited  
and its controlled entities**

**Consolidated Statement of Changes in Equity  
For the six months ended 31 December 2023**

<i>Note</i>	Share capital \$'000	Foreign currency translation reserve \$'000	Share based payments reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2023	26,807	1,647	1,354	58,662	88,470
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	9,781	9,781
Other comprehensive income	-	(1,003)	-	(87)	(1,090)
Total comprehensive income	-	(1,003)	0	9,694	8,691
<b>Transactions with owners, recorded directly in equity</b>					
Dividends paid <i>C3</i>	-	-	-	(8,934)	(8,934)
Employee share-based payments	-	-	565	-	565
Share options exercised	536	-	(536)	-	-
Total transactions with owners	536	-	29	(8,934)	(8,369)
<b>Balance at 31 December 2023</b>	<b>27,343</b>	<b>644</b>	<b>1,383</b>	<b>59,422</b>	<b>88,792</b>
Balance at 1 July 2022	26,484	9	855	49,049	76,397
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	7,793	7,793
Other comprehensive income	-	328	-	-	328
Total comprehensive income	-	328	-	7,793	8,121
<b>Transactions with owners, recorded directly in equity</b>					
Dividends paid <i>C3</i>	-	-	-	(8,525)	(8,525)
Employee share-based payments	-	-	307	-	307
Share options exercised	323	-	(323)	-	-
Total transactions with owners	323	-	(16)	(8,525)	(8,218)
<b>Balance at 31 December 2022</b>	<b>26,807</b>	<b>337</b>	<b>839</b>	<b>48,317</b>	<b>76,300</b>

The accompanying notes are an integral part of these interim financial statements.

**PWR Holdings Limited  
and its controlled entities**

**Consolidated Statement of Cash Flows**

**For the six months ended 31 December 2023**

	<i>Note</i>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Cash receipts from customers		69,132	52,650
Cash paid to suppliers and employees		(51,905)	(41,450)
Cash generated from operations		17,227	11,200
Interest paid		(336)	(153)
Income tax received/(paid)		(2,755)	(3,440)
<b>Net cash from operating activities</b>		<b>14,136</b>	<b>7,607</b>
<b>Cash flows from investing activities</b>			
Interest received		127	44
Investment grant received		-	-
Proceeds from sale of property, plant and equipment		1	-
Payment for acquisition of business		-	(843)
Payments for property, plant and equipment	<i>B5</i>	(6,064)	(5,711)
<b>Net cash used in investing activities</b>		<b>(5,936)</b>	<b>(6,510)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	<i>C3</i>	(8,934)	(8,525)
Payment of lease liabilities		(1,288)	(1,003)
<b>Net cash used in financing activities</b>		<b>(10,222)</b>	<b>(9,528)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,022)</b>	<b>(8,431)</b>
Cash and cash equivalents at 1 July		17,626	21,499
Effect of exchange rate fluctuations on cash held		8	(8)
<b>Cash and cash equivalents at 31 December</b>		<b>15,612</b>	<b>13,060</b>

The accompanying notes are an integral part of these interim financial statements.

**PWR Holdings Limited  
and its controlled entities**

**Notes to the consolidated interim financial statements  
For the six months ended 31 December 2023**

**Section A About this report**

**A1 Reporting entity**

PWR Holdings Limited (the “Company”) is a company domiciled in Australia.

These consolidated interim financial statements of the Company as at and for the six months ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group Entities”).

The Group is involved in the design, engineering, production, testing, validation and sales of customised cooling products and solutions to the motorsports, automotive original equipment manufacturing (OEM), automotive aftermarket, Aerospace and Defence, and industrial industries for domestic and international markets.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2023 are available from the Company’s website ([www.pwr.com.au](http://www.pwr.com.au)) or upon request from the Company’s registered office at 103 Lahrs Road, Ormeau, Queensland 4208.

**A2 Basis of preparation**

**(a) Statement of compliance**

These interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, and with IAS 34 *Interim Financial Reporting*.

They do not include all the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understanding the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2023.

The accounting policies applied in these interim financial statements are the same applied in the Group’s consolidated financial statements as at and for the year ended 30 June 2023.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the Interim Financial Report and Directors’ Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

These interim financial statements were approved by the Board of Directors on 21 February 2024.

**(b) Use of estimates and judgements**

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

**PWR Holdings Limited  
and its controlled entities**

**Notes to the consolidated interim financial statements**

**For the six months ended 31 December 2023**

**Section B Business performance**

**B1 Operating segments**

The Group determines its operating segments based on information presented to the Managing Director being the chief operating decision maker. Intersegment pricing is determined based on cost plus a margin.

	PWR Performance Products		PWR C&R		Total	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from sale of manufactured products	46,680	35,681	13,265	16,273	59,945	51,954
Revenue from services	247	54	4,023	562	4,270	616
External revenues	46,927	35,735	17,288	16,835	64,215	52,570
Inter-segment revenues	3,496	3,579	1,672	1,789	5,168	5,368
Segment revenue	50,423	39,314	18,960	18,624	69,383	57,938
Operating EBITDA <sup>1</sup>	15,693	11,478	2,690	2,985	18,383	14,463
Depreciation	(3,865)	(2,952)	(1,033)	(906)	(4,898)	(3,858)
Segment profit/(loss) before interest and tax	11,828	8,526	1,657	2,079	13,485	10,605

1 Operating EBITDA is the segment's profit from operations before interest, taxation, depreciation and amortisation.

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
<b>Reconciliation of reportable segment profit or loss</b>		
Segment profit before interest and tax for reportable segments	13,485	10,605
Net finance (costs)/income	(206)	47
Elimination of inter-segment loss	(4)	(13)
Consolidated profit before tax	13,275	10,639

**PWR Holdings Limited  
and its controlled entities**

**Notes to the consolidated interim financial statements**

**For the six months ended 31 December 2023**

**Section B Business performance (continued)**

**B1 Operating segments (continued)**

**Geographic information**

The Group operates manufacturing facilities and/or sales offices in Australia, the UK and the USA and sells its products to customers in various countries around the world. An analysis of the Group's revenue on the basis of the location of the Group's customers is outlined below.

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Australia	5,443	5,072
USA	15,834	15,531
UK	20,122	15,843
Italy	7,687	5,172
Germany	3,610	3,523
Other	11,519	7,429
	<b>64,215</b>	<b>52,570</b>

**B2 Revenue and other income**

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue from contracts with customers</b>		
Sales of goods	59,945	51,954
Rendering of services	4,270	616
	<b>64,215</b>	<b>52,570</b>
<b>Other income</b>		
R&D tax incentive	1,105	752
Indiana Investment grant receipts	18	17
JobMaker receipts	-	14
Gain on sale of assets	1	-
	<b>1,124</b>	<b>783</b>

<b>Customer Revenue by Market Sector</b>	<b>31 Dec 2023</b>			<b>31 Dec 2022</b>		
	Advanced Cooling <sup>1</sup>	Emerging Technologies <sup>2</sup>	Total	Advanced Cooling <sup>1</sup>	Emerging Technologies <sup>2</sup>	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Motorsports	24,279	6,117	<b>30,396</b>	23,130	2,520	<b>25,650</b>
Automotive OEM	13,005	1,127	<b>14,132</b>	11,601	1,974	<b>13,575</b>
Automotive	9,371	387	<b>9,758</b>	8,738	9	<b>8,747</b>
Aerospace and Defence	-	7,754	<b>7,754</b>	-	3,457	<b>3,457</b>
Other	2,008	167	<b>2,175</b>	839	302	<b>1,141</b>
	<b>48,663</b>	<b>15,552</b>	<b>64,215</b>	<b>44,308</b>	<b>8,262</b>	<b>52,570</b>

<sup>1</sup> Advanced Cooling includes revenue from products and services excluding revenue from Emerging Technologies.

<sup>2</sup> Emerging Technologies includes revenue from Aerospace and Defence across all technologies, and revenue from other market sectors generated by cold plate, micro matrix and additive manufacturing.

**PWR Holdings Limited  
and its controlled entities**

**Notes to the consolidated interim financial statements**

**For the six months ended 31 December 2023**

**Section B Business performance (continued)**

**B3 Finance income and finance costs**

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income	127	44
Net foreign exchange gain	3	156
<b>Finance income</b>	<b>130</b>	<b>200</b>
Interest expense	(4)	(2)
Lease liability interest	(332)	(151)
<b>Finance costs</b>	<b>(336)</b>	<b>(153)</b>
<b>Net finance (costs)/income</b>	<b>(206)</b>	<b>47</b>

**B4 Income tax expense**

The Group's consolidated effective tax rate for the six months ended 31 December 2023 was 26.3% (HY23: 26.8%).

**B5 Property, plant and equipment**

Capital expenditure for the six-month period ended 31 December 2023 of \$6.1 million (HY23: \$5.7 million) during the reporting period has been funded from the Group's cash reserves.

**B6 Seasonality of operations**

The Group's operations are subject to seasonal fluctuations as motorsports seasons typically operate on a calendar year basis, with the majority of motorsports team spend occurring in the second half of the financial year. As a result, the Group typically has lower revenues and profits in the first half of the financial year. Revenue growth in Automotive OEM and Aerospace and Defence programs has begun to reduce the impact of motorsports seasonality; however, for the reporting period motorsports remains the dominant market.

**PWR Holdings Limited  
and its controlled entities**

**Notes to the consolidated interim financial statements**

**For the six months ended 31 December 2023**

**Section C Capital structure**

**C1 Capital and reserves**

	31 Dec 2023		31 Dec 2022	
	No. of shares	\$'000	No. of shares	\$'000
<b>Share capital</b>				
<i>Ordinary shares</i>				
Balance at 1 July	100,380,340	26,807	100,296,046	26,484
Issue of shares on vesting of performance rights - FY20			84,294	323
- FY21	103,791	536	-	-
Balance at 31 December	100,484,131	27,343	100,380,340	26,807

**C2 Performance Rights**

Performance Rights that vested and lapsed during the reporting period and total Performance Rights issued at 31 December 2023 are as follows:

	Number of Performance Rights				
	Balance at 30 June 2023	Issued in period	Lapsed during period	Vested & exercised during period	Balance at 31 December 2023
<b>KMP</b>					
Kees Weel	50,077	78,436	-	-	128,513
Martin McIver	33,175	23,491	-	-	56,666
	83,252	101,927	-	-	185,179
<b>Non – KMP</b>	287,090	147,971	(5,747)	(103,791)	325,523
<b>Total</b>	370,342	249,898	(5,747)	(103,791)	510,702

**PWR Holdings Limited  
and its controlled entities**

**Notes to the consolidated interim financial statements**

**For the six months ended 31 December 2023**

**C3 Dividends**

Dividends recognised in the current and prior comparative period by the Company are:

**Current period**

	<b>Cents per share</b>	<b>Total amount \$'000</b>	<b>Franked/ unfranked</b>	<b>Date of payment</b>
2023 Final Dividend	8.90	8,934	Franked	22 September 2023
Total amount		<u>8,934</u>		

**Prior comparative period**

	<b>Cents per share</b>	<b>Total amount \$'000</b>	<b>Franked/ unfranked</b>	<b>Date of payment</b>
2022 Final Dividend	8.50	8,525	Franked	23 September 2022
Total amount		<u>8,525</u>		

Subsequent to half year end, the Company declared the following dividend:

	<b>Cents per share</b>	<b>Total amount \$'000</b>	<b>Franked/ unfranked</b>	<b>Date of payment</b>
2024 Interim Dividend	4.80	4,823	Franked	22 March 2024
Total amount		<u>4,823</u>		

**Section D Other information**

**D1 Subsequent events**

The Board declared an interim dividend of 4.80 cents per share. The financial effect of the interim dividend has not been brought to account in the consolidated financial statements for the half year ended 31 December 2023.

Other than the matter noted above, there has not arisen in the interval between the end of the period and the date of this report any item, transactions or events of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future periods.

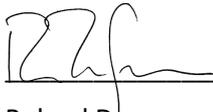
**PWR Holdings Limited  
and its controlled entities**

**Directors' declaration**

In the opinion of the directors of PWR Holdings Limited (the "Company"):

- (a) the consolidated financial statements and notes, set out on pages 7 to 16 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the six month period ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



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Roland Dane  
*Chairman*  
Brisbane  
21 February 2024



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Kees Weel  
*Managing Director*  
Brisbane  
21 February 2024



# Independent Auditor's Review Report

To the shareholders of PWR Holdings Limited

## Report on the Interim Financial Report

### Conclusion

We have reviewed the accompanying **Interim Financial Report** of PWR Holdings Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of PWR Holdings Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2023;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the six months ended on that date;
- Notes A1 to D1 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises PWR Holdings Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

*E. Neville Stanley*

Erin Neville-Stanley  
Partner

Brisbane  
21 February 2024