

**ASX Announcement**

26 February 2016

**FY16 HALF YEAR RESULTS**

The Directors of PWR Holdings Limited ("PWR" or "Company") announce the half year results for the six months ended 31 December 2015. The Company's pro forma NPAT for the half year was \$3.26 million, which is in line with expectations and consistent with the motorsports driven seasonality of operations.

**HIGHLIGHTS**

- ✓ First half revenue, EBITDA and NPAT in line with expectations
- ✓ Good start to second half ahead of 2016 motorsports championships
- ✓ Capital investment to facilitate growth
- ✓ Significant steps in C&R Racing integration strengthen US focus
- ✓ Directors reaffirm full year prospectus forecast
- ✓ Interim dividend of 0.62 cents per share, fully franked, representing 50% of statutory NPAT

The half year results are summarised below:

<b>A\$'000</b>	<b>1H FY16</b>
<b>Revenue</b>	<b>18,472</b>
Pro forma EBITDA (i) (ii)	5,322
Pro forma EBITDA margin (ii)	28.8%
<b>Pro forma net profit after tax (ii)</b>	<b>3,261</b>
Statutory net profit after tax	1,230
Pro forma operating cash flow	5,012
Cash	3,173
Pro forma earnings per share	3.7 cents
Interim dividend	0.62 cents

Managing Director, Kees Weel said "We are on track for the full year after a good performance in the first half and the progress we have made with strategic initiatives to position PWR for growth."

- (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 interim financial statements.
- (ii) Pro forma adjustments relate to IPO costs (\$2.67 million before tax) and interest costs (\$0.2 million before tax) associated with bank facilities repaid from IPO proceeds.



The Company generated pro forma free cash flow of \$3.61m after planned capital expenditure of \$1.4m. During the reporting period, \$20.3m in foreign currency debt was repaid from IPO proceeds. As a result, PWR remains in a strong financial position with no core debt.

The Directors have declared a fully franked interim dividend of 0.62 cents per share, which represents 50% of the statutory NPAT for the half year. The dividend will be paid on 8 April 2016, with a record date of 31 March 2016.

## Operating highlights

PWR completed a successful IPO in November 2015, with the goal of maintaining revenue growth by leveraging a strong track record of providing customised cooling solutions for elite motorsports, to expand the business in automotive and emerging technology markets.

During the reporting period, PWR made significant steps in the integration of C&R Racing to strengthen the Group's focus on penetrating the USA markets. A management restructure has been completed within the business including refreshing the US sales team. C&R Racing has also implemented new ERP software to align the business with PWR's global systems.

PWR has made measured capital investments in new production capacity and enhanced tanking capabilities for Formula One and the broader customer base, complemented with additional engineering and production personnel to facilitate growth. These investments have positioned PWR for the Group's peak production and sales period, as well as future growth.

During the first half, PWR finalised development of its new cooling solutions for the Caterpillar replacements market and commenced sales to the mining industry. This is an important validation of the Group's strategy to expand into the growth markets including industrial cooling applications.

## Outlook

PWR has had a good start to the second half of the financial year in the lead up to the various domestic and international motorsports seasons.

PWR reaffirms its full year prospectus forecast as it continues to:

- ✓ Focus on increasing penetration of the USA aftermarket and existing markets;
- ✓ Progress Original Equipment Manufacturing opportunities;
- ✓ Progress Emerging Technology opportunities;
- ✓ Integrate the C&R Racing business;
- ✓ Expand its product offering including tanking and mining applications;
- ✓ Invest in its people to ensure capacity for future growth.

The half year accounts and results presentation have been lodged with the ASX and can also be found on PWR's website: [www.pwr.com.au](http://www.pwr.com.au)

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