



ENGINEERING THE UNFAIR ADVANTAGE

4 November 2022

PWR Holdings Limited (PWR) Annual General Meeting (ASX:PWH)

The attached presentations will be given at PWR's 2022 Annual General Meeting (AGM) to be held at 103 Lahrs Road, Ormeau, Queensland 4208, commencing at 1:00 pm (Brisbane time) today.

1. Chairman's 2022 AGM Presentation
2. Managing Director's 2022 AGM Presentation.

The AGM will be livestreamed and can be viewed at [PWR 2022 AGM Webcast](https://ccmediaframe.com/?id=TH4tkazv) or by typing <https://ccmediaframe.com/?id=TH4tkazv> into your browser.

This announcement has been authorised for release by the Company Secretary.

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Good morning Ladies and Gentlemen, my name is Teresa Handicott and I am the Chairman of PWR Holdings Limited and of today's Annual General Meeting.

On behalf of the Board, I warmly welcome you all to our AGM. It is great to see so many of our shareholders and stakeholders here today at our state-of-the-art manufacturing facility. For those of you who were able to join us for lunch, I hope you enjoyed the food and of course the company!

I also warmly welcome those who could not join us in person but who are watching via our webcast.

As you may have noticed, we have some selected products on display here today. At PWR we are very conscious of both our own IP as well as confidentiality clauses in place with our customers for product development. We would kindly ask that you do not take photographs or videos of our products, as beautiful and photogenic as they are.

As shareholders I am sure you will respect this request and I thank you in advance for your cooperation.

Welcome to PWR



Clean hands



Physical distance



Masks available

To ensure your safety we have made available, sanitising stations for cleaning your hands, and face masks should you wish to wear one.

Introductions | Directors



Teresa Handicott
Chairman



Kees Weel
Managing Director



Jeff Forbes
Non-executive Director



Roland Dane
Non-executive Director

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I would now like to introduce my fellow directors.

- Firstly, **Kees Weel**, the founding shareholder and Managing Director of PWR. Kees is a globally recognised automotive cooling expert. His ability to lead constant change and ongoing growth continues to be critical to PWR's success
- **Jeff Forbes** has been a director since the company listed and chairs the Audit and Risk Committee. Jeff is an experienced listed company director who contributes strong financial capability and extensive experience in global operations and the US in particular.
- **Roland Dane** has been a director since 2017 and is an experienced business owner across a number of sectors but in particular in the global motorsports industry. Roland, with the unanimous support of your Board, is standing for re-election as a director today.

Introductions | Senior Leaders



Matthew Bryson
Chief Technical
& Commercial Officer



Martin McIver
Chief Financial Officer



Andi Scott
GM Advanced Technology



Mick Cullen
GM Production



Paul Belshaw
GM Operational
Excellence



Tim Pahn
GM Global Performance
Aftermarket



Rob Lancaster
Human Resources
Manager



Lisa Dalton
Company Secretary

We also have our senior leaders here today. I will ask them to stand up as I introduce them:

- **Matthew Bryson** has been with PWR for over 20 years and leads the technical and commercial team.
- **Martin McIver**, our Chief Financial Officer is an integral member of the team and has built strong relationships across the business since joining us in April 2021
- **Andi Scott**, our GM of Advanced Technology has been with PWR since 2016. Andi is a highly experienced engineer and leads the growth in our aerospace and defence business
- **Mick Cullen**, has been at PWR since 2003, starting his career as a Fabricator and is now our General Manager of Production in charge of Production at Ormeau and in Europe
- **Paul Belshaw** joined PWR in late 2021 and has the role of GM of Operational Excellence, responsible for ensuring our exacting quality standards are met and ensuring we meet the stringent requirements of AS9100, NADCAP and other important quality standards.
- **Tim Pahn**, has been with PWR since 2015 and has been recently appointed as our GM of Global Performance Aftermarket, with a mandate to grow and expand our share of the automotive performance aftermarket across the globe.
- **Rob Lancaster**, joined PWR in January this year as our Human Resources Manager. Rob is an engineer himself and experienced human resources manager and leads our global HR team
- Lastly, **Lisa Dalton**, who has been our Company Secretary since pre-listing. She is an experienced Company Secretary and governance expert and provides support to the Board and the business.



I would like to introduce our leaders at PWR North America and PWR Europe who are not able to be here in person today:

- **Steve Rasso** is the General Manager for PWR North America. Steve is a Mechanical Engineer with more than 30 years' experience in the Tier 1 automotive heat exchanger industry. Steve joined PWR in 2017 and has led PWR North America since 2020
- **Andy Burton** is the General Manager for PWR Europe. Andy is also a qualified mechanical Engineer with experience in motorsports and automotive industries. He joined PWR in 2007 and leads the business development team in the UK and Europe

Finally, please welcome **Tracey Barker**, the audit partner at KPMG who is the Company's auditor; **Stephanie Daveson** a Partner from Clayton Utz, the Company's lawyers; and **Jessie Yerma** and other representatives from our Share Registry, Computershare.



Meeting Outline

1. Chairman's Address
2. Managing Director's Address
3. Questions from Shareholders
4. Formal AGM Business
5. Final Questions

Today's Meeting will proceed as follows:

1. Firstly, I will provide a short address summarising some key points for the 2022 financial year including progress on the implementation of PWR's strategy.
2. Kees will then review the financial performance and operational developments of PWR for the past year and will talk about our expectations and plans for the future.
3. Shareholders will then be able to ask questions about the Company, my address or Kees' presentation.
4. We will then undertake the formal business of the meeting; at which time I will take your questions specifically regarding each of the proposed resolutions.
5. We will then take any final questions before we close the meeting.



In my presentation today I will give you information on the company's strategic objectives and how it performed in the 2022 financial year.

Strategy



Vision

The Global Leader in Cooling Technology Inspired by Engineering Excellence



Purpose

Through passionate people and innovative solutions we lead the way in advanced cooling system design and supply, to exceed the expectations of our global partners across diverse industries



Strategic Objectives

Growth

Profitability

Excellence

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Your Board continues to spend considerable time on the group's strategy and its implementation.

Growth, Profitability and Excellence are the three pillars of PWR's strategy.

We understand that the decisions we make now will not only affect the current financial year, but the medium and long terms prospects of the Company.

A few years ago we made the decision to leverage our knowledge and capability in the motorsports industry to the aerospace and defence sector. In 2020 we appointed Andrew Scott as the dedicated leader to develop that part of our business.



In 2021 we made a significant step forward with the achievement of AS9100 certification to enable our growth in aerospace and defence.

This year we have added to our capabilities by achieving Nadcap® Accreditations for our chemical processing and heat-treating applications. The accreditation follows recent site audits of both chemical processing and heat-treating applications and sets PWR up extremely well to support the targeted growth in our aerospace and defence business.

All the required work for these certifications was lead and performed in-house. This is an independent endorsement of the quality of the processes the team has built, and of their teamwork, passion and capability.



PWR NA Aerospace and Defence Machining Centre

We have also successfully grown our capability in the US through the opening of the new Aerospace and Defence machining facility.

We were pleased to achieve year on year revenue growth of 56% in the aerospace and defence sector in FY2022. Andrew and his global team have succeeded in positioning the PWR brand in the sector in a relatively short period of time.



Welcome
Kym Osley,
AM, CSC

But this is only the beginning of our ambitions to grow this sector. This year your Board has conducted a search for a Non-Executive Director with deep defence experience to enhance the credibility and expertise we have already built.

To this end I am pleased to advise that the Board has appointed Mr Kym Osley as an additional non-executive director of PWR from 1 February 2023.

Kym would you please stand up so I can introduce you to our shareholders.

Kym is a widely respected defence and defence industry executive with extensive connections across the defence ecosystem in Australia and overseas with the Defence Force, Government and Defence and aerospace-related companies around the world.

He brings to the Board over 45 years defence experience in the military and Defence Industry. In the period since leaving full-time military service he has been a senior member of the international consulting firm PricewaterhouseCoopers providing strategic advice to Defence on key programs. Most recently he has assisted Australian Defence industry as the NSW Defence Industry Advocate (Investment NSW).

Kym is enthusiastic about the Defence industry in Australia and is excited by PWR's opportunities and growth plans.

Kym's experience and deep knowledge of defence, together with his enthusiasm, bring both practical and strategic perspectives to PWR, supporting the business to provide its superior cooling technology to the defence industry, on a global basis.

On behalf of the directors I warmly welcome Kym to PWR and we look forward to the contribution he can make over time. Thanks Kym.

PWR Europe Fabrication Capability



We have also been planning to expand our capability in Europe to enable us to manufacture some of our products closer to our customers. We decided to do this in the UK and the acquisition of Dockings Engineering in August was a strategic move to purchase initial capability and capacity. This is the platform from which we will grow our European manufacturing capability. We welcome the Dockings employees to the PWR team.

We are also conscious that growth can present its own challenges, if not carefully managed.

So, besides our ambitious growth plans, the other 2 pillars of our strategy – ensuring our growth is profitable and ensuring excellence in everything that we do - are equally important. During the year, we continued to invest in our most important asset, our people and their development with the commencement of a front-line leadership program, focusing initially on participants understanding their own behavioural leadership styles and their impact on those they lead and work with.

We also invested in leading edge technology and equipment to support our new PWR North America aerospace and defence machine shop which I referred to earlier.

We have also invested in our systems and processes with the commencement of a review and optimisation of our current ERP system and assessment of a number of global human resource management systems with selection to be made in FY2023.

Performance Snapshot

FY22 Performance Snapshot

Achievements

REVENUE
\$101.1m ↑ 27.6%

EBITDA
\$35.7m ↑ 23.4%

NPAT
\$20.8m ↑ 24.1%

EARNINGS PER SHARE
20.8c ↑ 24.0%

DIVIDENDS PER SHARE
12.0c ↑ 36.4%

HEADCOUNT
451 ↑ 24.2%


ADMITTED TO S&P ASX300

NADCAP ACCREDITATION

Challenges

Covid-19 and employee absences

Supply chain challenges



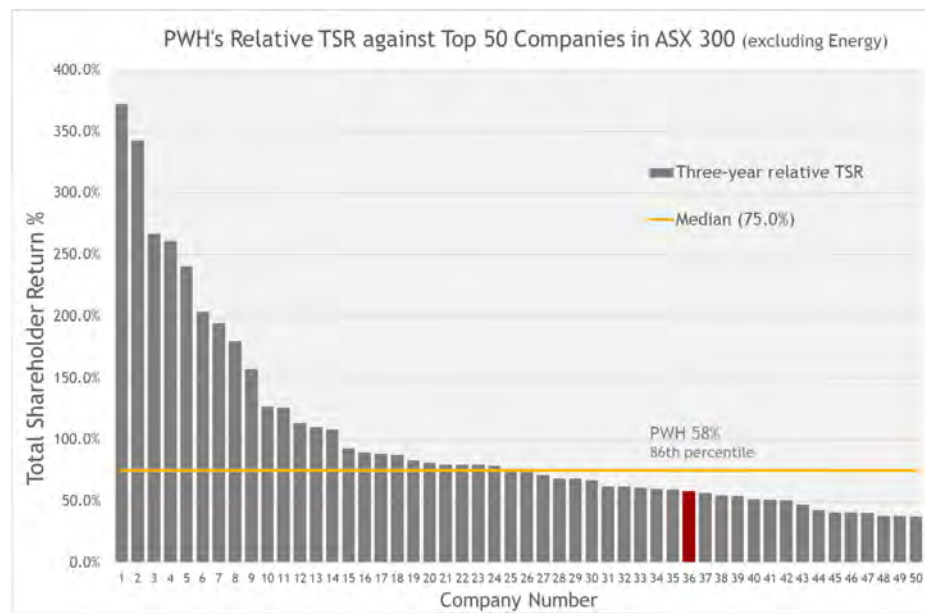
Achievements and Challenges

In FY2022:

- Our Profitability Pillar kept the team focused and PWR delivered a record result, with NPAT of \$20.8m up 24.1% on the prior period (FY2021: \$16.8m).
- The Group continued to deliver on its growth objective through implementation of its ongoing capital investment and research and development programs while still producing a strong return on equity at 27% (FY2021: 26%).
- PWR was also admitted to the S&P ASX 300, an achievement of which we are very proud.
- Cash flows remained strong but were impacted by the decision to increase inventories of raw materials in response to global supply chain challenges, further impacted by the war in Ukraine, on global aluminum supplies. The decision to increase inventories of raw materials has resulted in an EBITDA to operating cash conversion ratio of 64% (FY2021: 108%).
- COVID-19 continued to have an impact on PWR's business during FY2022, with the challenge of managing unplanned staff absences and disruptions to our supply chain.
- Once these global challenges subside, we expect to reduce inventory holdings and increase the EBTIDA to operating cash conversion ratio.

-
- The Group retained a strong cash balance at 30 June 2022 of \$21.5m (FY2021: \$19.9m) and remains debt free, with access to its \$10m multicurrency and \$7.5m equipment finance facilities to support future operational requirements, if required.
 - Considering these results and balance sheet position, the Board declared a fully franked final dividend of 8.5 cents per share, taking the full year dividend to 12 cents per share, an increase of 36.4% on last year's full year dividend (FY2021: 8.8 cents per share).

Total Shareholder Return



Three year relative TSR ending 30 June 2022

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For our shareholders this translated into a total shareholder return over the 3-year period up to 30 June 2022, of 58%

PWR's relative total shareholder return against the companies in the ASX 300 (excluding energy) ranked PWR at the 86th percentile of the benchmark group, an outstanding result for which Kees and the team are to be congratulated and one which the entire company should be very proud of. I certainly am.



The Board recognises that what has been achieved in FY2022 in the face of these challenges called for extraordinary efforts from the entire workforce and the Board is deeply grateful to each and every member of the PWR team for the way they were able to remain focused on our customers to deliver innovative and high-quality products, using our advanced technology while also looking after their teammates and isolating and wearing masks when required.

Looking ahead, we are focused on delivering profitable growth, demonstrating excellence in all that we do. We are putting plans in place now to support PWR's long term future.

Shareholders can be confident that your Board will continue to preserve our strong balance sheet and focus on creating long-term value. Kees and his team are passionate and committed to positioning PWR for further growth and success as we meet whatever challenges we are presented with in our pursuit the undoubtedly exciting opportunities in front of us.

On behalf of your Board, I would like to thank all shareholders for their continued support of PWR.

I will now hand over to Kees to talk to you about his favourite subject, PWR.



Thank you, Tess.

Good afternoon and thank you for joining us today for PWR's 2022 Annual General Meeting.

I am really pleased to see that we were able to get quite a few of you through our manufacturing facility which has grown significantly since our listing on the ASX in 2015.

With a solid financial year behind us despite some of the challenges thrown our (and everybody's) way, I am pleased to take you through both the financial and operational highlights of what has been achieved over the 2022 financial year, as well as provide an update on where we see the 2023 financial year taking us.

Performance Overview

	FY22	FY21	Change
Shares on issue	100.3 m	100.2 m	0.1% ↑
Market capitalisation ¹	\$633.9 m	\$710.3 m	(10.8%) ↓
Cash & deposits	\$21.5 m	\$19.9 m	8.3% ↑
Lease liabilities ²	\$6.7 m	\$8.5m	(20.3%) ↓
Net assets	\$76.4	\$64.0 m	19.4% ↑
Revenue	\$101.1 m	\$79.2 m	27.6% ↑
EBITDA ³	\$35.7 m	\$29.0 m	23.4% ↑
Net Profit after Tax (NPAT)	\$20.8 m	\$16.8 m	24.1% ↑
Earnings per Share (EPS)	20.8 cps	16.8 cps	24.0% ↑
Dividends per Share (DPS)	12.0 cps	8.8 cps	36.4% ↑
Return on Equity (ROE) ⁴	27.3%	26.3%	1.0% ↑

1. Market capitalisation as at 30 June
 2. Right of use lease liabilities for properties
 3. 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 Group's FY22 financial report
 4. Return on Equity for the 12 month period ending 30 June

Key points

- **COVID-19 Support** – FY22 \$0.07 million (FY21: \$1.99 million)
- **Strong H2 Revenue** – second half revenue of \$55.6 million represented 55.0% of full year revenue. The strong second half result includes the seasonal increase in motorsports and strong sales of emerging technologies across all markets including aerospace and defence

Well positioned to deliver on future opportunities

The financial highlights reflect the outstanding effort contributed by all staff during the year:

- revenue was up across all key markets and geographies
- of note is the strong revenue growth out of Europe (36%) and Australia (34%) from OEM and Motorsports. The teams in Australia and Europe are to be congratulated for that achievement
- revenue in Emerging Technologies was up 124% to \$19.4m and now represents 19% of total sales
- as mentioned by the Chairman, we paid a final dividend of 8.5c per share making the total dividend of 12.0c per share for the 2022 financial year - an increase of 36% from the prior year
- during the year we increased inventories of raw materials in response to global supply chain challenges to ensure continuity of supply. For those who went on the factory tours you will have seen the stocks of raw materials. We will continue to maintain current stock levels until the supply chain challenges reduce, at which time we will reassess the volume of stock we need to hold
- we expect our budgeted CAPEX program for FY23 to be funded from cash reserves and cash generated from operations. In addition, we have significant undrawn financing facilities should we need them.

Revenue by Customer Market

	FY22				FY21				Growth	
	Advanced Cooling \$'000	Emerging Technologies ¹ \$'000	Total \$'000	%	Advanced Cooling \$'000	Emerging Technologies ¹ \$'000	Total \$'000	%		
Motorsports	47,476	7,809	55,285	55%	42,813	2,267	45,080	57%	10,205	23%
Automotive OEM	18,007	3,462	21,469	21%	11,732	1,254	12,986	16%	8,483	65%
Automotive Aftermarket	15,485	360	15,845	16%	14,867	12	14,879	19%	966	6%
Aerospace & Defence	-	7,130	7,130	7%	-	4,574	4,574	6%	2,556	56%
Other	671	672	1,343	1%	1,113	576	1,689	2%	(346)	(20%)
	81,639	19,433	101,072	100%	70,525	8,683	79,208	100%	21,864	28%

Key points – Customer Markets

- **Motorsports** – growth driven by a broad-based return of motor racing events for 2022 and adoption of emerging technologies including micro matrix
- **OEM** – growth includes the Aston Martin Valkyrie and Rimac Nevera programs, with strong growth in the sale of cold plates to cool batteries and electronics in high end electric and hybrid vehicles
- **Automotive aftermarket** – growth was constrained by limits on production capacity and prioritisation of higher margin sectors including motorsports. Further growth potential is evident
- **Aerospace and Defence** –
 - Strong second half with recommencement of a large program and further growth from existing programs
 - Broadening of customer base and several new early-stage programs

1. 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

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- Motorsport remains the largest market and an important technology driver for PWR. Total motorsports revenue grew 23% as the motorsport categories returned to more normalised programs post COVID. Given our current involvement across all major motorsports categories, we expect moderate revenue growth for FY23 and beyond
- Automotive OEM grew by 65% as planned programs commenced production and new programs were secured
- Aerospace and Defence grew by 56% as we expand the number of customers and programs. As these programs progress into full production we expect Aerospace and Defence to be an important contributor to growth in FY23 and beyond
- Automotive Aftermarket grew 6%. Demand in this market remains strong and we are continuing to work on increasing production capacity to support continued growth
- We have also identified opportunities in the Industrial market, specifically with our robust bar and plate coolers. We expect Industrial to become an important market for PWR in future years.

Business Outlook – Emerging Technology

- **Electric Vehicle (EV) and Hybrid Vehicle Markets** – well placed to deliver high performance battery and electronics cooling products to the ever-expanding prestige EV and Hybrid markets
- **Cold Plates** – the cold plate market previously limited to automotive applications is now spreading to adjacent markets providing an overall larger market
- **Micro Matrix (MMX)** – MMX opportunities continue to grow as the technology matures in current markets and is an R&D focus for Aerospace and Defence
- **Additive Manufacturing** – 3D Aluminium printed parts are now included in a growing number of high end PWR cooling systems. PWR continue to develop and extend the application of additive manufacturing together with our technical partner Velo 3D



Micro Matrix – highly efficient and compact



Additive Manufacturing – 3D aluminium printed parts

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- We have had a couple of questions about our Emerging Technology and future growth in this area. In the FY22 full year results presentation, we provided a revenue summary by customer market split between Advanced Cooling and Emerging Technologies. We will continue to provide this revenue split to show the growth of Emerging Technologies across our customer markets.
- Our Research and Development continues to develop our in-house capabilities with a variety of emerging technologies that we have developed into products for various market sectors.
- The continued introduction of emerging and advanced technologies into our manufacturing processes ensures we remain at the forefront of manufacturing capability and complexity for both existing customers as well as potential new customers and industries.

Business Outlook – Aerospace & Defence

- **Strong Second Half for FY22** – strong second half sales for key US customers and expanding new opportunities
- **Australian Defence** – Government decision on large Australian Defence program expected soon. PWR continues to position itself as part of the supply chain to take advantage of future growth opportunities
- **International Travel** – PWR has resumed international travel to visit important customers and has exhibited at several international trade shows in the 2nd half of FY22
- **Prototypes** – PWR continue to secured prototyping contracts with Aerospace and Defence Primes for bespoke systems which have the potential to lead into production for future platforms
- **Electric Vertical Take Off and Landing (EVTOL)** – EVTOL market remains a high future growth area for PWR, with several Aerospace manufacturers turning to PWR for thermal system support and manufacture
- **Hydrogen Fuel Cell** – Hydrogen Fuel Cell cooling technology has been a focus for PWR, providing light weight and compact solutions to allow our customers to increase energy density of their platform solutions
- **NADCAP** – Accreditation now obtained for heat treatment and chemical processing to assist in securing future contracts
- **Vertical Integration** – Manufacturing everything in house improves control and lowers supply chain risk for customers



DO-160G approved sub module for an aerospace platform

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- Aerospace and Defence is a key emerging market for PWR. For this reason, the full Aerospace and Defence revenue is reported with the Emerging Technology revenue, regardless of the product.
- We continue to leverage our knowledge gained in the Motorsports sector to become a key supplier to large Aerospace and Defence organisations in the new and earlier stage projects due to our technology, reduced lead times and our high-quality standards.
- For its current and potential aerospace customers, PWR manufactures products such as bar and plate coolers, micro matrix coolers and cold plates, backing it up with the added processes such as CT scanning, Additive Manufacturing (3D aluminum printing), computer simulation and wind tunnel testing.
- Our capabilities and certification in Aerospace and Defence supports radar and avionics cooling, battery and power electronics cooling, land vehicle cooling and space application cooling, to name a few.
- PWR is vertically integrated, manufacturing everything in house. This is one of the major reasons we have been able to push into Aerospace and Defence, ensuring control and lowering the supply chain risk for customers. That will also be the case with the Industrial market during the next couple of years.
- The number and potential size of Aerospace and Defence opportunities continue to grow across Australia, Europe, and North America, supporting our view that Aerospace and Defence to be an important contributor to growth in FY23 and beyond.

Pipelines – Key Automotive OEM

Program	Remaining Vehicles ¹	Status	SOP FY	Prod. Years	FY23	FY24	FY25
Rimac - Nevera (300)	200	Nominated Supplier	2022	3			
Valkyrie Road Car (155)	61	Nominated Supplier	2022	2			
Valkyrie Track Car (40)	40	Nominated Supplier	2023	1			
Valkyrie Convertable (85)	85	Nominated Supplier	2023	2			
AMG X1 Road car (275)	231	Nominated Supplier	2022	3			
EV Pickup	TBC	Nominated Supplier	2022	5			
EV Delivery Vehicle	TBC	Nominated Supplier	2022	5			
Additive car	50	Nominated Supplier	2022	2			
EV Road Car	150	Nominated Supplier	2022	3			
Road Car (70)	70	Nominated Supplier	2023	2			
European Hyper Car (100)	58	Nominated Supplier	2023	2			
European Track Car (30)	30	Nominated Supplier	2023	2			
Roadcar (100)	100	Nominated Supplier	2023	2			
Hypercar (125)	85	Nominated Supplier	2023	2			
Track Car (27)	27	Nominated Supplier	2023	1			
Roadcar (420)	420	Nominated Supplier	2023	5			
European Road Car (300)	300	Nominated Supplier	2024	3			
Undisclosed	500	In Discussion	2023	2			
Undisclosed	500	In Discussion	2023	4			
Undisclosed	300	In Discussion	2024	3			
Undisclosed	499	In Discussion	2024	4			
Undisclosed	1,000	In Discussion	2024	3			
Undisclosed	650	In Discussion	2024	7			
Undisclosed	50	In Discussion	2024	2			
Undisclosed	TBC	In Discussion	2024	3			
Undisclosed	18,000	In Discussion	2025	5			
Undisclosed	500,000	B Sample Phase - Nominated	2025	10			
Undisclosed	120,000	B Sample Phase - Nominated	2026	4			
Undisclosed	25,000	In Discussion	2026	5			
Number of Key Programs (Nominated Supplier + In Discussion)					18	22	15

Program timing, volume and term are dependent upon manufacturer requirements and are subject to change. Information provided on current expectations

1. Remaining vehicles as at 30 September 2022.

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- We continue to deliver existing OEM programs for Valkyrie, AMG X1, Rimac Nervera and Koenigsegg Jesco. We are also in discussion with several parties for new future OEM programs.
- The current Ford GT500 production program concluded in October this year and discussions are ongoing to secure similar programs in future years. We will continue to supply parts to Ford over coming years as required.
- The OEM pipeline continues to expand with discussion about the size and timing of future programs ongoing.

Pipelines – Other Production Pipelines

Market	Vehicles/Parts	Status	SOP FY	Prod. Years	FY23	FY24	FY25
Motorsports - MMX	Ongoing	Nominated Supplier	2022	Ongoing			
Motorsports - MMX	Ongoing	Nominated Supplier	2022	Ongoing			
Motorsports - MMX	Ongoing	Nominated Supplier	2022	Ongoing			
Motorsports - MMX	Ongoing	Nominated Supplier	2022	Ongoing			
Motorsports - MMX	Ongoing	Nominated Supplier	2022	Ongoing			
Motorsports - MMX	Ongoing	Nominated Supplier	2023	Ongoing			
Motorsports - Cold Plates	Ongoing	Nominated Supplier	2022	Ongoing			
Motorsports - Cold Plates	Ongoing	Nominated Supplier	2022	Ongoing			
Motorsports - Cold Plates	Ongoing	Nominated Supplier	2022	Ongoing			
Aerospace & Defence	Ongoing	Nominated Supplier	2022	Ongoing			
Aerospace & Defence	Ongoing	Nominated Supplier	2023	8			
Aerospace & Defence	Ongoing	Nominated Supplier	2023	2			
Aerospace & Defence	Ongoing	Nominated Supplier	2023	2			
Aerospace & Defence	Ongoing	Nominated Supplier	2023	3			
Aerospace & Defence	Ongoing	Nominated for Prototyping	2023	TBC			
Aerospace & Defence	TBC	Nominated for Prototyping	2023	TBC			
Aerospace & Defence	TBC	Nominated for Prototyping	2023	TBC			
Aerospace & Defence	TBC	Nominated for Prototyping	2023	2			
Aerospace & Defence	TBC	Nominated for Prototyping	2023	3			
Aerospace & Defence	TBC	In Discussion	2023	3			
Aerospace & Defence	TBC	In Discussion	2023	3			
Aerospace & Defence	TBC	In Discussion	2023	TBC			
Aerospace & Defence	TBC	In Discussion	2024	4			
Aerospace & Defence	TBC	In Discussion	2025	7			
Number of Key Programs (Nominated Supplier + In Discussion)					24	25	23

Program timing, volume and term are dependent upon manufacturer requirements and are subject to change. Information provided on current expectations

- Other non OEM production pipelines also continue to expand and develop with the uptake of Emerging Technologies across a range of customer markets, in particular Motorsports and Aerospace and Defence.

Investing in People

PWR recognises that our People are core to our future success. To deliver on current and future opportunities, PWR is investing in growing headcount.

The People strategy includes:

- **Investment in Headcount** – growth requires an ongoing investment in people to build headcount, with a focus on targeted selection and efficient upskilling. Headcount at the end of September 2022 was 465
- **Apprentice Program** – PWR employs 42 apprentices across a range of trades and is continuing to expand the apprentice program
- **Graduate Engineer Program** – PWR has commenced a 2 year graduate engineer program, where graduates rotate between engineering teams to gain valuable experience before deciding their preferred specialisation
- **Global Engineer Exchange Program** – PWR has an exchange program between Australia and North America to expand the professional experience of the Engineers and to reinforce the PWR DNA across all operations. PWR is also sending a senior Engineer from Australia to PWR Europe for 2 years to increase local support for our Customers
- **Work Experience Program** – PWR runs a work experience program for high school students interested in a career in advanced manufacturing



¹ CAGR - Compound Annual Growth Rate over 6 years

Recruitment remains challenging due to low unemployment rates and limited international migration of skilled workers

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- Of course, it goes without saying that continued further growth for PWR comes down to our staff in Australia, the USA and Europe. They will continue to drive product innovation and customer focused solutions both of which are central to our strategy and our continued growth and success.
- PWR now has over 460 team members globally and with continued growth, our ability to attract and retain top talent is another key pillar in our strategy.
- PWR is investing in growing its headcount and is actively recruiting for several roles. It is a tough market out there and we realise that people have a lot of jobs to choose from.
- We also invest heavily in apprentices, work experience students (both school and university) and graduate engineer programs.
- Most of all our people demonstrate every day PWR's DNA - RESPECT, PASSION and TEAMWORK

Investing in Staff Retention

Retaining skilled staff is crucial to achieving our growth plans. We invest in upskilling our staff and strive to provide a rewarding career path

Our staff retention strategies include:

- **Short Term Incentive (STI)** – the PWR STI program has been expanded in recent years to include supervisors and key team members, providing a direct link between PWR's performance and personal reward
- **Career Developing Planning** – we are developing individual career plans and training pathways
- **Supervisor Training** – upskilling for supervisors so they can better support their teams
- **Employee Assistance Program** – independent and confidential support for our staff and their immediate families
- **Weely's Diner** – PWR Australia provides breakfast, morning tea and lunch daily for all staff free of charge



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- Retaining our talented people is vital for maintaining quality, production efficiency and for achieving our growth targets.
- This involves providing a clear and rewarding career path, ongoing development training and a range of employee benefits. In Australia we provide free breakfast, morning tea and lunch daily, and have expanded this to the USA where we now provide lunch weekly.
- Several years back I proposed to the Board expanding our Short-Term Incentive program to include supervisors and key staff. The broad STI program provides a direct link between our performance and personal reward for key employees.
- A significant number of staff are also PWR shareholders, allowing them to share in our ongoing success.

Investing in Capability and Capacity

Capital Investment – an ongoing targeted capital investment program is critical to stay at the forefront of technology developments and to ensure we have sufficient capacity for anticipated and planned growth. Future capex will be focused on new facility fit out and program specific equipment.

Factory footprint – we continue to assess the optimal factory footprint to ensure we plan for growth while maintaining efficiency:

- **North America** – new additional 14,000 square foot PWR North America – Aerospace & Defence Machining Centre commencing operation in October 2022
- **Australia** – decision expected by December 2022 on a new factory plan to support growth for the next 10+ years
- **United Kingdom** – following the recent acquisition of Docking Engineering, we are seeking a new property close to our current UK facility to combine PWR Europe and Docking into the same facility with capacity to expand manufacturing to support the European market



Certifications – Rigorous systems and processes are a prerequisite to supplying to our key markets and are essential to improve operating efficiency. In addition to the AS9100 and ISO14001 certifications, PWR recently obtained NADCAP certification for heat treatment and chemical processing and is progressing security certifications in Australia and North America to support expansion of defence programs.

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- To achieve our growth potential, it is imperative we continue to plan well ahead, investing in the latest technology and of course factory space for manufacturing.
- Capex was lower than expected in FY22 due to the timing of purchase orders and extended lead times for equipment. FY23 capex is expected to be similar to FY21. We have already placed orders for 4 new furnaces, 2 for Australia and 2 for North America, and several other machines.
- The new PWR North America Aerospace & Defence Machining Centre is now operational.
- In the UK, we are seeking to move to a new property, joining the PWR Europe and the newly acquired Docking Engineering teams under one roof, with capacity to expand manufacturing.



- We have been assessing options for expanding capacity in Australia and expect to make a decision by December 2022 or before.
- Ideally the new site is within a few kilometres of the current PWR factory but the final decision is yet to be confirmed.
- The new facility will increase the factory floor space, with an option to expand in future years.



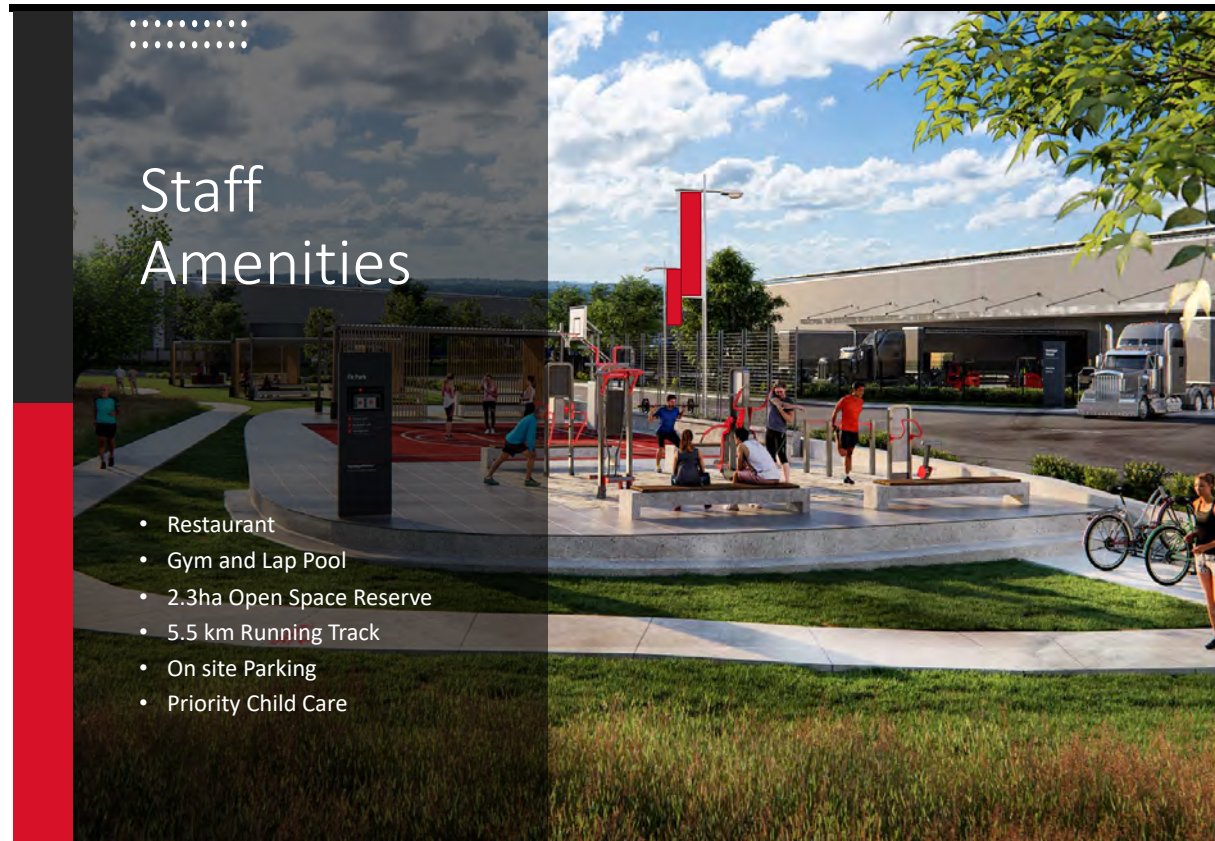
Space to separate traffic and people



- Planning for the new site will take into account growth in our people numbers and the traffic access to import raw materials and export our products and importantly will keep them separate to ensure safety and efficiency



- We are also planning to have an adjacent childcare centre which will give priority access to PWR employees.



- We also have a vision of the facility including staff amenities to support our retention and attraction including Weely's Diner, a gym, a lap pool and plenty of running tracks and green space.



Space for the Next 20 Years



Our vision is to set PWR in Australia up for the next 20 years of growth.

As you can see, PWR is spoilt for opportunity!

Thank you for joining us today at our AGM.

I will now hand back to Tess to take your questions.