

17 August 2023

PWR reports record revenue and profit

PWR Holdings Limited (ASX: PWH) (**PWR**), has reported a Net Profit After Tax (NPAT) of \$21.8 million for the year ended 30 June 2023.

A fully franked final dividend of 8.90 cents per share has been declared. The total full year dividend payout ratio of 58% of NPAT brings the total full year dividend to 12.50 cents per share.

FINANCIAL PERFORMANCE

A\$'000	FY2023	FY2022	Variance
Revenue	118,326	101,072	17.1%
EBITDA ¹	39,051	35,747	9.2%
EBITDA margin	33.0%	35.4%	(6.8%)
Operating cash flow	33,399	23,522	42.0%
Net profit after tax	21,752	20,843	4.4%
Earnings per share	21.67 cents	20.79 cents	4.2%
Interim dividend per share (fully franked)	3.60 cents	3.50 cents	2.9%
Final dividend per share (fully franked)	8.90 cents	8.50 cents	4.7%
Total dividend per share (fully franked)	12.50 cents	12.00 cents	4.2%

NPAT of \$21.8 million was driven by:

- Revenue for FY2023 is ahead of FY2022 with revenue growth across all key markets and geographies. Organic growth of 16.0% plus favourable exchange rate movements of 1.1%.
- Revenue growth was driven by third party sales out of the United Kingdom, Australia, and the United States of America, where sales grew 17.6%, 16.7% and 8.9% respectively.
- Emerging technologies² revenue grew by 13.9% and now represents 18.7% of the Group revenue, this included growth in the aerospace and defence market of 48% to \$10.5 million.
- Automotive Original Equipment Manufacturer (OEM) revenue increased by 19.4% as planned programs continued production and new programs were secured.

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 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

Operating cash flow continued to be impacted by the decision in FY2022 to increase inventories of raw materials in response to global supply chain challenges, including the impact of the war in Ukraine on global aluminium supplies. Now that these global challenges are subsiding, we have commenced reducing raw material inventory holdings to historical levels, increasing the EBTIDA to operating cash conversion ratio to 86% (2022: 66%).

PWR Chairman, Teresa Handicott, said “PWR delivered a record result for the 2023 financial year, with NPAT of \$21.8m up 4.4% on the prior period (2022: \$20.8m). 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 25% (2022: 27%).

Considering these results and balance sheet position, the Board has declared a fully franked final dividend of 8.90 cents per share, taking the full year dividend to 12.50 cents per share, an increase of 4.2% on last year’s full year dividend (2022: 12.00 cents per share).”

Founding shareholder and Managing Director, Kees Weel, said the full year result reflects a solid performance across all parts of the business and PWR is well prepared to deliver on opportunities in the next few years.

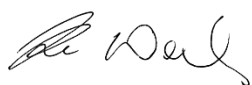
“The team made great progress in establishing a United Kingdom manufacturing facility, bringing together the existing PWR business and the recently acquired businesses of Docking Engineering and Bespoke Motorsport Radiators into the new facility in Rugby.

PWR continues to invest in equipment, factory space and people to capitalise on future growth opportunities.”

The Appendix 4E, Audited Consolidated Financial Statements for FY2023 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 webcast and call on 18 August 2023 at 10:30 am Brisbane time (AEST). Click on the following links to register and obtain the webcast or dial in details (<https://s1.conf.com/diamondpass/10029337-8wd3b1.html>)

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