

15 August 2024

PWR reports record revenue and profit

PWR Holdings Limited (ASX: PWH) (**PWR**), has reported a Net Profit After Tax (NPAT) of \$24.8 million for the year ended 30 June 2024.

A fully franked final dividend of 9.20 cents per share has been declared. The total full year dividend payout ratio of 57% of NPAT brings the total full year dividend to 14.00 cents per share.

FINANCIAL PERFORMANCE

A\$'000	FY2024	FY2023	Variance
Revenue	139,392	118,326	17.8%
EBITDA ¹	45,186	39,051	15.7%
EBITDA margin	32.4%	33.0%	(0.6%)
Operating cash flow	38,708	33,399	15.9%
Net profit after tax	24,805	21,752	14.0%
Earnings per share	24.69 cents	21.67 cents	13.9%
Interim dividend per share (fully franked)	4.80 cents	3.60 cents	33.3%
Final dividend per share (fully franked)	9.20 cents	8.90 cents	3.4%
Total dividend per share (fully franked)	14.00 cents	12.50 cents	12.0%

NPAT of \$24.8 million was driven by:

- Revenue for FY2024 is ahead of FY2023 with revenue growth across all key markets and geographies
- Revenue growth in Australia, the United States of America, and the United Kingdom of 14.7%, 10.6% and 8.9% respectively
- Emerging technologies² revenue grew by 57.8% and now represents 25.1% of the Group revenue (FY2023: 18.7%), this included growth in the aerospace and defence market of 100% to \$21.0 million
- 67 additional headcount added during the year, of which 21 were added “ahead of the curve” to set us up for future growth opportunities, particularly in aerospace and defence

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

PWR Chairman, Roland Dane, said “PWR delivered a record result for FY2024, with NPAT of \$24.8 million up 14.0% on the prior period (FY2023: \$21.8 million) and a return on equity of 24.7% (FY2023: 24.6%). The Group continues to invest in capacity and capability to deliver on its medium- and long-term growth objectives.

Considering these results and balance sheet position, the Board has declared a fully franked final dividend of 9.20 cents per share, taking the full year dividend to 14.00 cents per share, an increase of 12.0% on last year’s full year dividend (FY2023: 12.50 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 which continue to grow and execute well. FY2025 will be a transition year for PWR which is crucial to successfully position us for future growth, as we move to our new headquarters in Stapylton. Margins will be impacted in the near term as we invest ahead of the curve to set us up for the future.”

Investment in Aerospace and Defence (A&D)

- The rapid increase in A&D revenue from \$0.6 million FY2020 to over \$21.0 million in FY2024 gives us confidence to press on with our investment in A&D capability and capacity
- During FY2024 and into FY2025 we have and will continue to invest in head count “ahead of the curve” adding an additional 21 roles and 31 roles respectively, to ensure we are ready for future growth opportunities, particularly in A&D. The additional roles are across engineering, simulation, quality assurance, quality control, planning, IT and specialist production roles
- The increase in factory space and investment in equipment in recent years and into FY2025 in Australia, the United States of America and the United Kingdom are required to provide the capability and capacity to deliver on medium- and long-term A&D growth

New Headquarters at Stapylton

- PWR gained early access (from 1 August 2024) to the new Australian factory in Stapylton¹, allowing us to undertake the upgrade works with a complete transition to the new facility by November 2025
- After the move to the new factory at Stapylton and the make good at the current Ormeau factory are completed, and we have exited the current Ormeau leases, PWR’s property related expenses will increase by \$3.5 million per year from FY2026
- The upgrade and fit out costs will be circa \$25 million in capital expenditure in FY2025 and we will invest \$13.0 million in new equipment for Australia, which will be funded through cash and a staged draw down on our debt facilities. Including debt costs, we expect to incur approximately \$4.3 million of operating expenses in respect of the move in FY2025. PWR is in the advanced stages of documenting a new \$30 million limit debt facility to replace the existing debt facilities. The new debt facility will provide additional headroom above the debt funding required for the new Stapylton factory
- The new Australian factory will increase our Australian factory space by 84% to 20,800m, and will allow us to increase Australian manufacturing capacity by more than 100%. PWR’s ongoing capital investment program will allow us to improve production efficiency by streamlining production flows, increasing the use of automation and support future growth

¹ Supported by the Queensland Government’s Invested in Queensland program with \$8.78 Million in assistance over 10 years for the expansion of PWR’s manufacturing facility to the new premises at Stapylton

Investing in Systems

- In FY2026, we will commence a program to replace our current enterprise resource planning (ERP) system with an enterprise grade system to improve our capacity planning, manufacturing scheduling and global coordination

The investments in headcount, factory space, equipment and systems are necessary to prepare PWR to deliver on our medium- and long-term growth objective, specifically growth in aerospace and defence, and is consistent with our approach to “invest now and collect later”.

The Appendix 4E, Audited Consolidated Financial Statements for FY2024 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 Friday, 16 August 2024 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/10040115-q7fgtr.html>)

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