

ASX Announcement (ASX: PWH)

16 April 2025

US Tariff Update

PWR Holdings Limited ("PWR", ASX: PWH) notes the announcement by the US Government on 2 April 2025 regarding the introduction of new tariffs, including a 10% tariff on imports from Australia and 25% tariffs on many aluminium and automotive products.

PWR expects the additional 10% tariff to have an immaterial impact on the Group's FY25 financial results and the 25% tariffs on aluminium and automotive products do not currently apply to PWR products.

PWR's US business continues to be a significant contributor to Group performance through its US subsidiary, C&R Racing Inc. Whilst in 1H25 32% of PWR group manufactured product revenue (excluding services) was from the US, only \$8.8 million AUD was imported via sales from PWR Australia, a fair proxy for the level of imports into the US business during the half.

While Australia is currently the primary supply base for the US Aerospace & Defence segment, as part of PWR's globalisation strategy, PWR has expanded its US manufacturing and assembly facility in Indianapolis. Most recently the US Business completed a successful audit for NADCAP Heat Treatment accreditation and will soon undertake a NADCAP Chemical Processing audit which, alongside AS9100 (Rev D), is instrumental in PWR's strategy to increase its manufacturing capability in Aerospace & Defence.

PWR has already commenced initiatives to reduce the potential exposure and strengthen its existing US manufacturing operations, including:

- Accelerating the delivery of key US-based manufacturing capacity;
- Re-sourcing select raw materials and leveraging alternative supply locations;
- Relocating manufacture of certain items to the United States facility; and
- Assessing pricing adjustments.

PWR's strategy of maintaining a geographically diversified manufacturing footprint across three locations, including the US, is expected to help mitigate risks and create new opportunities as the global trade environment evolves.

PWR will continue to monitor the evolving trade landscape and make adjustments where appropriate to manage any impacts.

This announcement was authorised for release by the Board of Directors of PWR Holdings Limited.

Kees Weel
Managing Director
+61 7 5547 1600

Sharyn Williams
Chief Financial Officer
+61 7 5547 1600