PWR Holdings Limited (ASX: PWH)

21 August 2025

PWR Holdings Limited – Results for the financial year ended 30 June 2025

Solid execution to deliver a revenue result in line with expectations[1] with momentum for the next phase of growth

Highlights

- Revenue down 6.7%, in line with expectations[1], despite contract completions in OEM, relocation costs, and investment in next growth phase
- Statutory NPAT of $9.8m reflects lower volumes, factory relocation costs and investment in next phase of growth
- Strong cash conversion (+100%) supported strategic investment and provides ongoing financial flexibility
- Balance sheet is strong with net debt of $8.1m
- Fully franked final dividend of 2.0 cents, in line with the interim dividend
- Phase one of factory relocation to new Stapylton headquarters completed despite cyclone and continuing power delays; full transition on track for end CY25
- Strong order book positions for FY26+, driven by Emerging Technology market share gains in high-demand Motorsport and Aerospace & Defence applications
- Disciplined capital allocation, balancing returns with financial conservatism

FINANCIAL PERFORMANCE

A$M	FY25	FY24	Variance
Revenue[1]	**130.1**	**139.4**	**(6.7%)**
EBITDA[2]	25.5	45.2	(43.7%)
EBITDA[2] margin	19.6%	32.4%	(12.8ppts)
Cash conversion ratio[3]	136%	86%	50.0ppts
Net profit after tax	**9.8**	**24.8**	**(60.6%)**
Earnings per share	9.71 cents	24.69 cents	(60.5%)
Interim dividend per share (fully franked)	2.00 cents	4.80 cents	(58.3%)

[1] 5-10% below the prior corresponding period, as outlined in FY25 H1 result.
[2] Earnings Before Interest, Tax, Depreciation, and Amortisation is a non-IFRS term which has not been subject to audit or review but has been determined using information presented in the annual financial report.
[3] Cash Conversion + Cash from operating activities excluding interest and tax divided by EBITDA.

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A$M	FY25	FY24	Variance
Final dividend per share (fully franked)	2.00 cents	9.20 cents	(78.3%)
Total dividend per share (fully franked)	4.00 cents	14.00 cents	(71.4%)

PWR Holdings Limited (**PWR**) delivered revenue of $130.1m for the year ended 30 June 2025, down 6.7%, in line with expectations outlined in the first half result, a Net Profit After Tax (**NPAT**) of $9.8 million, down 60.6% reflecting, factory relocation costs and investment in next phase of growth as well as operating leverage impacted by lower volumes.

Pleasingly, PWR saw a continuation of strong growth in Aerospace and Defence (**A&D**) in the 2025 financial year (FY25), and momentum in Motorsports programs remained steady:

- A&D revenue grew by 28% driven by a strong uplift in the number of "approved supplier" relationships due to an increasing number of programs. The growth in revenues and increasing traction with customers reinforces the opportunity PWR has in the A&D segment and reflects the investments made to date; and
- Motorsport revenue grew by 4% due to increased demand for emerging technologies including micro matrix and cold plates.

OEM delivered growth in the second half compared to first half however it was down compared to the prior year due to the completion of two high value Automotive OEM programs in that year. Aftermarket softened in the second half amid a global decline in aftermarket revenue due to broader economic pressures coupled with an intentional resetting of PWR's pricing strategy in early CY25 to improve margins.

PWR Chairman, Roland Dane, said *"We remain confident of the significant growth opportunities ahead, reinforcing our investments in the new headquarters at Stapylton and factories in Rugby (UK) and Indianapolis (USA). The increasing number of Approved Supplier relationships and the breadth of our cooling solutions sets PWR up well to capitalise on increasing demand, particularly in A&D and emerging technologies.*

Founding shareholder and Managing Director, Kees Weel, said, *"I am increasingly pleased with the progress we have made during FY25. It was a pivotal transition year for PWR to make the step change in capacity and capability for our next phase of growth and the team have delivered the transition to our new headquarters with minimal disruption. The investments in our facilities and team has set us up to capture the scale of the market opportunities we see."*

Acting Chief Executive Office, Matthew Bryson, said *"Our PWR DNA was on full display over the past year, with a tremendous effort put in by all to transition to our new headquarters whilst delivering a revenue result within our guidance range. This sets us up for a positive 2026 year where we look forward to leveraging the increased capability and capacity we have across the globe to deliver great outcomes for our customers. The team are busy working with our F1 customers for 2026 regulation changes and continuing to expand our relationships in the Aerospace and Defence arena and we look forward to commercialising our latest product developments."*

We continue to invest ahead of the curve which has been a key driver of PWR's success. The resulting broadened range of cooling solutions and manufacturing capabilities has once again delivered growth in our emerging technology revenues. Now that we are operational at our new headquarters in Stapylton, we turn our focus to an uplift in our emerging technology production areas where we are increasing the professionalism, compliance and technology to ensure we continue to be the market leader in cooling solutions. In the near term, whilst this will

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elevate capital investments and impact operating margins, it is essential to ensuring PWR remains at the forefront of innovation and industry leadership to capture the significant opportunities ahead."

Investment in Aerospace and Defence

- The rapid growth in A&D revenue - from $0.6 million in FY20 to $26.9 million in FY25 - reinforces our confidence in further expanding our A&D capability, formal accreditations and capacity;
- Throughout FY25 we have made - and will continue to make - disciplined strategic investments in headcount to position the business to capitalise on this large and growing addressable market. This investment included adding and repurposing roles. While headcount at June 2025 was flat versus June 2024, average headcount during the year was 22 higher. These roles span engineering, simulation, quality assurance, quality control, advanced planning, IT and specialist manufacturing;
- Achieving NADCAP accreditation for both Heat Treatment and Chemical Processing in the US facility, combined with expanding global factory space and investing in advanced equipment, is fundamental to delivering on medium- and long-term A&D and emerging technology growth opportunities. These investments also enhance production site flexibility, helping to mitigate evolving terms of trade risk.

New Headquarters at Stapylton

- The phase one upgrade and fit-out works of the new Stapylton facility[4] has been successfully completed. Phase two – comprising the uplift of the controlled atmosphere production areas (critical for emerging technology products) and the construction of the MMX[5], wind tunnel, and additive manufacturing facilities – remains on track for completion by December 2025, with electricity connection scheduled for October. While the timeline is ambitious, we are confident of delivering a state-of-the-art production facility to capture the future revenue opportunities and deliver productivity and efficiency gains over the medium term;
- The new Stapylton factory will increase PWR's Australian factory space by 84% to 20,800m^2 enabling more than 100% increase in domestic manufacturing capacity. This facility, alongside PWR's broader capital investment program, will improve medium term production efficiency by streamlining workflows and increasing automation.

Strong Cash flow and Balance Sheet

The Group's strong cash generation supports our strategic investments and provides ongoing financial flexibility.

The balance sheet is strong with net debt of $8.1m and $25m in undrawn facilities, providing ample capacity to fund future global expansion.

A fully franked final dividend of 2.0 cents was announced, in line with the interim dividend.

Outlook

Motorsports: The pipeline momentum is building in response to the upcoming Formula 1 regulation changes. The subsequent programs are expected to support growth from FY26 onwards.

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[4] 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, subject to head count and capital investment hurdles.

[5] Micro matrix heat exchangers.

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Aerospace & Defence: Delivery of the first US government order, first announced by PWR on 14 January 2025, is anticipated in FY26, with a broader focus on capitalising on the acceleration in global defence expenditure.

OEM: The medium- to long-term pipeline is rebuilding, with stable revenue expected in FY26.

Aftermarket: Growth is expected to remain subdued as the sales mix continues to shift towards higher-value, higher-volume products.

Margin Outlook:

- Strategic investment in capacity, capability and accreditations is expected to underpin growth. Margins are targeted to improve over the next three to five years, supported by operating leverage.
- A modest improvement in Group margin in FY26 is expected, underpinned by higher production volumes delivering improved operating leverage and early productivity benefits, partly offset by:
    - New Australian headquarters – anticipated ~$6.1 million opex (including $0.7 million in relocation cost impact in H1 FY26 and full year depreciation and interest – expected to increase by approximately $5.4 million in FY26[6]);
    - US tariffs – current estimate of ~$1.5 million (final impact subject to change);
    - US cyber accreditation (CMMC 2.0) – estimated ~$0.8 million cost in FY26; and
    - CEO search and selection – one-off cost of approximately $0.5 million in FY26.

The Appendix 4E, Audited Consolidated Financial Statements for FY2025 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, 22 August 2025 at 8.00 am Brisbane time (AEST). Click on the following links to register and obtain the webcast or dial in details (https://s1.c-conf.com/diamondpass/10047801-73hgyh.html).

For further information:

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[6] Includes depreciation and interest on leases.

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