

PWR Holdings Limited (ASX: PWH)

19 February 2026

PWR Holdings Limited – Results for the half year ended 31 December 2025
H1 Earnings momentum driven by volume growth and operating leverage
Highlights

- Revenue growth of 27.8% reflecting excellent execution in the second quarter
- Statutory Net Profit After Tax of \$5.7m driven by revenue growth and strong utilisation of labour headcount
- Strong cash conversion (>100%) supported strategic investment
- Full transition to new Stapylton headquarters completed on budget, delivering significant capacity for future growth
- Strong momentum in order book, supported by improving mix and structural drivers
- Operational capability in place to support global customer demand
- Balance sheet remains strong with net debt of \$13.4m
- Interim franked dividend of 3.0 cents per share, up 1.0c from prior year

FINANCIAL PERFORMANCE

A\$000,000	FY26 H1	FY25 H1	Variance
Revenue	80.4	62.9	27.8%
EBITDA ¹	16.2	11.0	47.6%
Net profit after tax (NPAT)	5.7	4.1	38.6%
NPAT margin	7.1%	6.5%	0.6%
Cash conversion ratio ²	102.7%	96.5%	6.2%
Earnings per share	5.6 cents	4.1 cents	38.7%
Interim dividend per share	3.0 cents	2.0 cents	50.0%

1. EBITDA is earnings before interest, tax, depreciation and amortisation. 2 Cash Conversion ratio (rolling 12 months) = Cash from operating activities excluding interest and tax divided by EBITDA.

PWR Holdings Limited (**PWR**) generated revenue of \$80.4m, up 27.8% driven by higher volumes across the Motorsports and Aerospace and Defence (**A&D**) market sectors.

EBITDA growth of 47.6% reflected margin expansion from improved operating leverage, inclusive of one-off factory costs relating to generator power and relocation expenses totalling \$0.8m in the half.

Statutory NPAT of \$5.7m, up 38.6%, reflected higher depreciation mostly related to the new Stapylton headquarters coupled with increased finance charges on higher debt to fund the new facility.

The recognition of greater revenue in Q2 (which was anticipated not to occur until Q3) has meant that the half year results are stronger than initially expected.

Market sector update

Motorsport revenue increased 40.0% during the period, supported by broader category adoptions of PWR's proprietary core constructions.

Increased uptake reflects customer demand for improved packaging efficiency and aerodynamic performance across leading categories.

Growth was driven by the new Formula 1 regulation cycle, with race testing commencing earlier than the prior period, providing incremental support to second quarter activity. The F1 regulation changes contain technical change of unprecedented complexity that impacts both power units and chassis cooling systems.

The result was also supported by hybrid and electric platforms, including the World Endurance Championship, Formula E and Offroad categories.

Customer engagement in technical services increased during the period, supporting design, simulation, testing and quality assurance processes, including CT scanning. This reflects deeper integration with customer development programs and increasing program complexity.

Aerospace and Defence delivered 31% revenue growth driven by Defence, Commercial Aerospace (including eVTOL¹) and the developing MRO² market.

The result reflects a stronger second quarter, with revenue recognition on delivery of approximately 75% of the US Government project announced in January 2025. Production on this order occurred across both the first and second quarter. The outlook for this market remains positive with strong year-on-year growth in backlog. Increased A&D program activity and customer diversification, with early repeat activity, strengthening order book quality as the pipeline continues to mature. The repeat US Government order³ reinforces PWR's execution capability and reliability in this market.

The market sector continues to demonstrate structural progress. Approved supplier relationships have increased from 11 in FY21 to 51 in the first half of FY26, with PWR now an approved supplier to all major defence primes. This growth reflects successful qualification against stringent A&D requirements and continued execution across complex programs.

The new Stapylton facility has been configured to support long-term A&D growth, providing capacity and operational capability aligned to increasing program complexity and customer demand.

Increased program activity, customer diversification and early repeat orders continue to strengthen order book quality as the pipeline matures.

OEM revenue increased 18.8% in the period reflecting maturity of production programs.

Performance in the first half was supported by maturing programs advancing into production phases. These programs are expected to underpin broadly stable revenue in the second half relative to the first half.

New programs continued to progress through pre-production and validation phases, supporting medium-term pipeline visibility.

Aftermarket revenue was modestly lower, consistent with the Company's deliberate revision of discount structures to support margin improvement. The historical product catalogue has been streamlined to focus on higher-volume vehicle applications, enhancing operational efficiency and capital allocation discipline.

While the external environment remains challenging for discretionary spending, demand for premium products has remained resilient.

¹ Electric Vertical Take-off and Landing

² Maintenance, Repair and Overhaul

³ The US\$9.1m follow-on contract was announced to the ASX on 12 January 2026.

Stapylton Factory Strengthens Global Flexible Manufacturing Platform

PWR completed the transition to its new Stapylton headquarters in February 2026 with the project delivered in line with budget. AS9100⁴ and NADCAP⁵ recertification were successfully completed following the site relocation, underpinning PWR's ability to secure and deliver A&D contracts.

The Australian factory is now scaled to support long-term demand requirements and is aligned to increasing program complexity and next-generation platform requirements.

During the period, the Company progressed US accreditations and expanded production capability for A&D products. Targeted capacity and capability investment in the UK and US further enhances operational flexibility within the Company's vertically integrated global manufacturing platform.

Cash flow, balance sheet and capital management

Strong cash conversion of more than 100% for the rolling 12 months (ended 31 December 2025) with increased operating cash flow partly reinvested in working capital to support growth.

Capital expenditure (capex) of \$12.7m was incurred in the first half, with full-year capex forecast at approximately \$22.5m, reflecting investment in the Stapylton factory upgrade, expansion of US A&D capabilities and a deliberate increase in new materials and technology capability to support increasing demand.

The balance sheet remains strong, with net debt of \$13.4m and material capacity to fund future growth. The Group's focus in the second half is to continue deleveraging.

An interim fully franked dividend of 3.0 cents per share was declared, representing 50.0% growth on the prior corresponding period.

PWR Holdings Limited Chairman, Kees Weel, said: "The successful transition to the Stapylton facility is a significant milestone for PWR, and I acknowledge the team for delivering the project on time and within budget while maintaining operational continuity. The new facility strengthens our vertically integrated global manufacturing platform and supports long-term growth across our key markets."

Acting CEO, Matthew Bryson said: "This result reflects strong revenue performance across Motorsports and Aerospace & Defence, together with the early operating leverage from our new, purpose-built Stapylton facility. The move to a significantly larger and more advanced manufacturing platform is a structural step-change for the business, positioning PWR to capture further growth in these key market sectors while strengthening our position in technically complex, niche advanced cooling markets."

Market Sector Outlook

Motorsports - Strong but moderating H2 revenue growth¹⁶ - Based on the current pipeline, FY27 is expected to be in line with elevated regulation driven FY26 revenue

Aerospace and Defence - Continued momentum is expected to support a broadly even first half/second half revenue split. 75% of the first order for the US government was delivered in the second quarter with the remainder to be delivered in the third quarter. FY27 revenue is expected to be supported by the follow-on US government order with aggregate growth dependent on the timing of pipeline conversion.

OEM - The medium-long term pipeline is rebuilding momentum. The FY26 first half/second half revenue split is expected to be broadly even with modest growth expected in FY27.

⁴ Aerospace Standard 9100.

⁵ National Aerospace and Defence Contractors Accreditation Program.

⁶ On a constant currency basis.



ENGINEERING THE UNFAIR ADVANTAGE

Aftermarket - Muted FY26 growth is expected due to continued reshaping of the sales mix towards higher value/higher volume programs.

Group Outlook

The Company expects modest NPAT margin improvement in FY26.

Higher volumes are expected to support improved operating leverage and early productivity gains, partly offset by investment in:

- US cyber accreditation (CMMC 2.0), estimated at approximately \$0.8m (ongoing from the second half), and
- One-off costs of approximately \$1.2m incurred in the first half related to the Australian factory relocation and CEO search process costs.

Over the medium term, there is a pathway to NPAT margin recovery. Strategic investment in capacity, capability and accreditations underpins growth, with margins expected to trend back toward FY24 levels over a three-to-five-year period, driven by improving operating leverage.

The Appendix 4D, Audited Consolidated Financial Statements for FY26 H1 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.

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