

ASX Announcement (ASX: PWH)

20 November 2024

Trading Update

PWR Holdings Limited (“PWR”) expects the H1 FY25 net profit after tax (“NPAT”) which includes expenses for PWR’s new headquarters at Stapylton¹ to be in the range of \$3.2m to \$3.7m, below the actual NPAT of \$9.8m achieved in H1 FY24 (the prior corresponding period, “pcp”).

Forecast segment revenue for H1 FY25 compared to that achieved in H1 FY24 is summarised below:

Customer Market	Revenue		Change	
	H1 FY25 Forecast	H1 FY24 Actual	(A\$'000)	%
	(A\$'000)	(A\$'000)		
Motorsports	30,955	30,396	559	1.8%
Aerospace & Defence	12,960	7,754	5,206	67.1%
OEM	7,884	14,132	(6,248)	(44.2%)
Aftermarket	7,935	9,758	(1,823)	(18.7%)
Other	2,160	2,175	(15)	(0.7%)
TOTAL	61,894	64,215	(2,321)	(3.6%)

Key points to note in respect of the earnings forecast:

- Lower revenue in two markets:
 - OEM – three niche OEM EV programs are not proceeding in FY25 despite PWR receiving purchase orders in FY24 for the FY25 work program. Whilst several new programs are in various stages of discussion, the volatility of the EV market is creating unpredictability; and
 - Aftermarket – revenue globally has been impacted by broader economic pressures.
- Semi-Fixed Production Costs – production costs are higher than pcp as they cannot be immediately reduced to match lower than expected volumes and, accordingly, are expected to disproportionately impact forecast earnings for H1 FY25.

Notwithstanding, the Motorsports and Aerospace & Defence markets continue to underpin PWR’s revenue in H1 FY25.

Motorsports’ revenue is expected to be broadly in line with pcp, with Formula 1 regulation changes expected to drive revenue growth in H2 FY25.

Aerospace & Defence revenue is expected to grow by 67% compared to pcp. PWR is committed to building capacity to deliver a solid pipeline of revenue opportunities in this market.

The forecast NPAT for H1 FY25 is subject to foreign exchange movements, any changes in assumed trading conditions through to 31 December 2024 and external audit review.

Kees Weel, PWR’s Managing Director said, “we are reducing our cost base to be more aligned to the current trading environment while balancing the opportunities we are pursuing in our Aerospace & Defence business, which continues to give us confidence in this market.

¹ The impact of the new Stapylton headquarters on the forecast H1 FY25 NPAT is expected to be \$276,000.

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“As mentioned at the full year (refer ASX Announcement lodged on 15 August 2024), FY25 will be a transition year for PWR which we believe is crucial to successfully positioning the business for future growth, as we move to our new headquarters in Stapylton.

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

Investor Briefing

Shareholders are invited to participate in an investor briefing via teleconference at 2.00pm (AEST) on Wednesday, 20 November 2024.

Managing Director, Kees Weel, together with Chief Financial Officer, Martin Mclver, will answer questions arising from this Announcement.

Day	Wednesday, 20 November 2024
Time	2.00 pm (AEST)
Registration	It is important that users pre-register for the teleconference using the registration link below. The teleconference details will then be emailed to you as a calendar invite
Registration Link	https://s1.c-conf.com/diamondpass/10043604-kj8u7y.html

This announcement has been authorised for release by the PWR Board.

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