

## ASX ANNOUNCEMENT

19 August 2021

### NRW Full Year 2021 Results Announcement

NRW Holdings Limited (ASX:NWH) is pleased to report its results for the year ended 30 June 2021 (FY21).

- Revenue up 11.5% to \$2.3B in line with guidance.
- Earnings (EBITDA) increased to \$266.7M up 6.7% compared to 30 June 2020 (FY20); Earnings (Operating EBIT) of \$120.6M were lower than FY20 due to WA Pilbara project cost increases.
- Net cashflow from operations of \$147.4M reflects increased working capital pending resolution of outstanding claims.
- Boggabri asset sale completed July 2021 reduces pro forma net debt to \$88.7M compared to \$139.7M at 30 June 2020 – implies gearing of circa 16%.
- Major order awards in the year include Bunbury Outer Ring Road and Karara Mining (Notice of Award) increasing the year end order book to \$3.4B.
- Letter of Intent (LOI) received from Coronado Curragh Pty Ltd to extend Mining operations at Curragh valued at circa \$1.0B to \$1.4B (August 2021).
- Capital expenditure in the year totalled \$77.9M mostly for sustaining and maintaining the current fleet in line with forecasts and well below the depreciation run rate of \$146.1M.
- Primero acquisition completed in February 2021 – results include five months of Primero activity within NRW's Minerals, Energy & Technology (MET) segment.
- Final fully franked dividend declared of 5 cents per share in line with revised Dividend Policy advised at the half year.

Jules Pemberton, Managing Director and CEO, commenting on the results said:

“The COVID-19 pandemic has had a significant impact on the business throughout the financial year. The most important outcome however is that our workforce has been able to continue to get to work and deliver some outstanding projects for our clients whilst working safely and within a range of restrictions related to the pandemic.

That we have delivered these results, during a record period of activity for the Group, is a testimony to all members of our workforce who have my thanks for their dedication and persistence. Since the pandemic began we have integrated three new businesses into the NRW Group, BGC Contracting, DIAB Engineering and Primero. These acquisitions were all highly strategic for the platform we now operate however managing the safety, integration and mobility of more than 3000 people who joined the Group during this time has been very challenging.

Resource availability and labour cost pressures impacted WA Pilbara project completion costs and schedules. Both these issues were attributed to COVID-19 measures including border closures which limited the available workforce. Most of those projects however were complete at 30 June 2021, other than resolution of claims and contract variations. Whilst these projects have had the most impact on our financial performance it is important to note that large parts of our business have performed to expectations.

The focus of the business over the last few years has been to add capability, broaden the regions in which we operate and diversify our service offering. The acquisition of Primero, which we completed early this year builds on our recent acquisitions of DIAB Engineering and RCRMT and represents a further diversification of our strategic platform to offer clients continuity of services from early planning, design, development, construction to operations and maintenance.

In addition, through the MET division, the Group now has the capability to participate meaningfully across the new energy sectors of Hydrogen and Lithium through Primero's existing capability but also in the renewables sector where our clients are seeking solutions to reduce reliance on hydrocarbons based energy sources. Our MET business also gives the Group a build own operate, design and processing capability so we are now truly able to participate through the entire life cycle of resources projects".

## Outlook

The Order book at year end totalled \$3.4 billion which is expected to grow to at least \$4.4 billion following the recently announced letter of intent for the extension of mining services at Curragh.

The Pipeline of opportunities remains strong at \$14.5 billion across all business segments. It is also pleasing to note that to date around 50% of the work we advised as our submitted tenders at the half year totalling circa \$5 billion, has resulted in contract awards, Notice of Award (NOA) or LOI's, these include Karara, Baralaba, Strandline and Curragh.

The value of work secured for FY22 is around \$2.0 billion which is either in the order book, supported by a LOI, NOA or is expected as recurring business in Urban, RCRMT and DIAB Engineering. NRW is forecasting revenue of between \$2.4 billion to \$2.5 billion in FY22.

Earnings (Operating EBIT) for FY22 are expected to be between \$145 million and \$155 million<sup>(1)</sup>.

## Final Dividend

The Board of Directors agreed an updated Dividend Policy as advised at the half year. The policy, in summary assumes a dividend payout ratio of between 40% to 60% of Normalised Net Earnings (Net Earnings excluding non-cash amortisation of intangibles and non-recurring transactions).

In line with that policy, the Board has resolved to pay a fully franked final dividend of 5 cents per share. The final dividend will be paid on the 13 October 2021. The total dividend payment for FY21 will be 9 cents per share or \$40.4M representing a 53.8% pay out of NPATA.

*This ASX Announcement has been approved in accordance with the Company's published continuous disclosure policy and authorised for release by the Board of NRW Holdings Limited.*

Kim Hyman  
Company Secretary

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<sup>(1)</sup> Guidance should be read in conjunction with NRW's forward looking statements disclosure (below)

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#### **About NRW Holdings Limited:**

NRW is a leading provider of diversified contract services to the resources and infrastructure sectors in Australia. With extensive operations in all Australian States except Tasmania and an office in Canada, NRW's geographical diversification is complemented by its ability to deliver a wide range of services. These encompass civil construction including bulk earthworks, road and rail construction and concrete installation, together with contract mining and drill and blast services through NRW Civil & Mining, Golding Contractors and Action Drill & Blast. NRW also offers a comprehensive OEM capability through AES Equipment Solutions providing refurbishment and rebuild services for earthmoving equipment and machinery. NRW's MET Division comprising RCR Mining Technologies, DIAB Engineering and Primero offers tailored mine to market solution, specialist maintenance (shutdown services and onsite maintenance), Non- Process Infrastructure, innovative materials handling capability and complete turnkey design, construct & operation of minerals processing and energy projects. NRW has a workforce of around 7,000 people supporting more than one hundred projects around Australia for clients across the resources, infrastructure, industrial engineering, maintenance and urban subdivision sectors.

#### **Forward Looking Statements**

In providing this guidance NRW recognises that ongoing border closures and other COVID-19 measures are expected to continue to influence outcomes across the business. To the extent this document contains certain "forward-looking statements" and comments about future events (including projections, guidance on future earnings and estimates) these statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such statements by their nature involve known and unknown risks, uncertainty and other factors, many of which are outside the control of NRW. As such, undue reliance should not be placed on any forward looking statement and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statements, forecast financial information or other forecast. Similarly, past performance should not be relied upon (and is not) an indication of future performance. It represents NRW's historical financial position at a specific date (and reference should be had to the full accounts released to ASX from which it is derived).