



ENGINEERING THE UNFAIR ADVANTAGE

29 October 2021

PWR Holdings Limited (PWR) Annual General Meeting (ASX:PWH)

The attached presentations will be given at PWR's 2021 Annual General Meeting (AGM) to be held at 103 Lahrs Road, Ormeau, Queensland 4208, commencing at 11.00 am (Brisbane time) today.

1. Chairman's 2021 AGM Presentation
2. Managing Director's 2021 AGM Presentation.

A short video will be played at the beginning of the AGM. The video can be viewed by clicking on the link

<https://youtu.be/Kq7NKPakVm4>

This announcement has been authorised for release by the Company Secretary.

The AGM will be livestreamed and can be viewed at

<https://services.choruscall.com/mediaframe/webcast.html?webcastid=n1TUNOW0>

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Martin McIver
Chief Financial Officer
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Good morning Ladies and Gentlemen, my name is Teresa Handicott and I am the Chairman of PWR Holdings Limited and of today's Annual General Meeting.

On behalf of the Board, I warmly welcome you all to our AGM. It is great to see so many of our shareholders and stakeholders here today at our state-of-the-art manufacturing facility.

I also warmly welcome those who could not join us in person but who are watching via our webcast.

The last time we were able to get together at Ormeau for an AGM was 2019 and for those of you that remember, we held the meeting in some spare factory space we had available at the R&D Centre. That spare space is now completely full AND we have also added a mezzanine level to it – a great reminder of the pace at which PWR is growing.

As you may have noticed, we have some selected products on display here today. At PWR we are very conscious of both our own IP as well as confidentiality clauses in place with our customers for product development. We would kindly ask that you do not take photographs or videos of our products, as beautiful and photogenic as they are.

As shareholders I am sure you will respect this request and I thank you in advance for your cooperation.

Welcome to PWR



We want to keep everyone that has joined us here at Ormeau today safe.

Please check in using the QR codes displayed and physically distance where possible.

We have spare masks available if you do not have one.

We will also have hand sanitiser available for use before lunch.

Introductions | Directors



Teresa Handicott

Chairman



Kees Weel

Managing Director



Jeff Forbes

Non-executive Director



Roland Dane

Non-executive Director

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I would now like to introduce my fellow directors and our Company Secretary

- Firstly, **Kees Weel**, the founding shareholder and Managing Director of PWR. Kees is a globally recognised automotive cooling expert. His ability to lead constant change and ongoing growth continues to be critical to PWR's success
- **Jeff Forbes**, has been a director since the company listed and chairs the Audit and Risk Committee. Jeff is an experienced listed company director who contributes strong financial capability and extensive experience in global operations and the US in particular. Jeff is standing for re-election at today's meeting
- **Roland Dane**, has been a director since 2017, is an experienced business owner across a number of sectors but in particular in the global motorsports industry
- I would also like to introduce **Lisa Dalton**, who has been our Company Secretary since pre-listing. She is an experienced Company Secretary and governance expert.

Introductions | Senior Leaders



Matthew Bryson
Chief Technical
& Commercial Officer



Mick Cullen
Chief Operating Officer
(Acting)



Martin McIver
Chief Financial Officer



Melissa Morrison
People & Culture
Manager

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We also have our senior leaders here today. I will ask them to stand up as I introduce them:

- **Matthew Bryson** has been with PWR for over 20 years and now heads up the technical and commercial team.
- **Martin McIver**, our Chief Financial Officer joined PWR in April this year and has quickly built strong relationships across the business to become an integral member of the team
- **Mick Cullen**, who is our long-term Production Manager is acting as Chief Operating Officer until the December arrival of our new COO Paul Belshaw.
- **Mel Morrison**, our People and Culture Manager joined PWR in July this year to support the business with our most important resource, our people



I would like to introduce our leaders at PWR North America and PWR Europe who are not able to be here in person today:

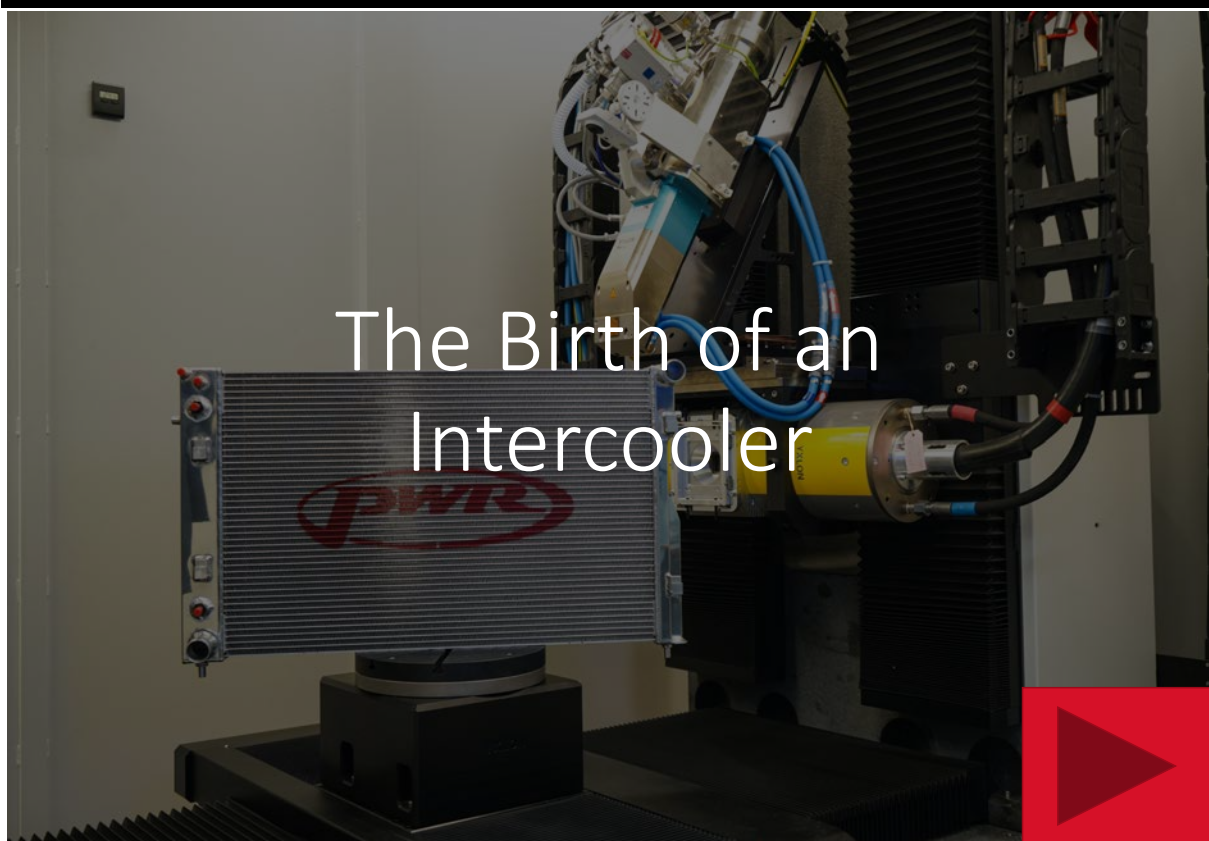
- **Steve Rasso** is the General Manager for PWR North America. Steve is a Mechanical Engineer with more than 30 years' experience in the Tier 1 automotive heat exchanger industry. Steve joined PWR in 2017 and has led PWR North America since 2020
- **Andy Burton** is the General Manager for PWR Europe. Andy is also a qualified mechanical Engineer with experience in motorsports and automotive industries. He joined PWR in 2007 and leads the business development team in the UK and Europe

Lastly, please welcome **Erin Neville Stanley**, the audit partner at KPMG who are the Company's auditors, **Andrew Mackenzie**, Special Counsel from Clayton Utz, the Company's lawyers and the representatives from our Share Registry, Computershare.



Today's Meeting will proceed as follows:

1. Firstly, we have a short video – 'the birth of an intercooler'. We hope you enjoy seeing the path this intercooler takes through our facility and where it eventually ends up. I know our team had fun putting it together!
2. Next, I will provide a short address summarising some key points for the 2021 financial year including progress on the implementation of PWR's strategy
3. Kees will then review the financial performance and operational developments of PWR for the past year and will talk about our expectations and plans for the future
4. Shareholders will then be able to ask questions about the Company, my address or Kees' presentation
5. We will then undertake the formal business of the meeting; at which time I will take your questions specifically regarding each of the proposed resolutions.
6. We will then take any final questions before we close the meeting and enjoy a BBQ lunch cooked by Grant and his team from Weely's Diner.



Now let's have a look at this short video put together by a very proud PWR team.

<https://youtu.be/Kq7NKPvKvm4>

Chairman's Address

Teresa
Handicott



I hope you enjoyed our video – I know we did the first time we saw it.

I would like to start with a few words about PWR's performance in FY2021.

COVID-19 continued to have an impact on PWR's business during the year, largely driven by customers winding back operations and disruption to relevant sporting events around the globe. We were thrilled to hear that the Melbourne Grand Prix has been rescheduled to April next year, after being postponed twice.

Strategy



Vision

The Global Leader in Cooling Technology Inspired by Engineering Excellence



Purpose

Through passionate people and innovative solutions we lead the way in advanced cooling system design and supply, to exceed the expectations of our global partners across diverse industries



Strategic Objectives

Diversification

Efficiency

Solid Foundations

Your Board continues to spend considerable time on the group's strategy and its implementation.

Diversification remains key to ongoing sustainable growth and the decisions we make in this area will impact PWR for a long time to come. At the same time, we are very conscious that growth delivers its own challenges if not carefully managed. So, the other 2 pillars of our strategy – the continuous improvement in the efficiency of our operations and ensuring we lay the necessary foundations for this growth are equally important.

We have a bold and ambitious vision for PWR's future which demands that Kees and the PWR team remain focused and agile with their unrelenting determination and passion in everything they do.

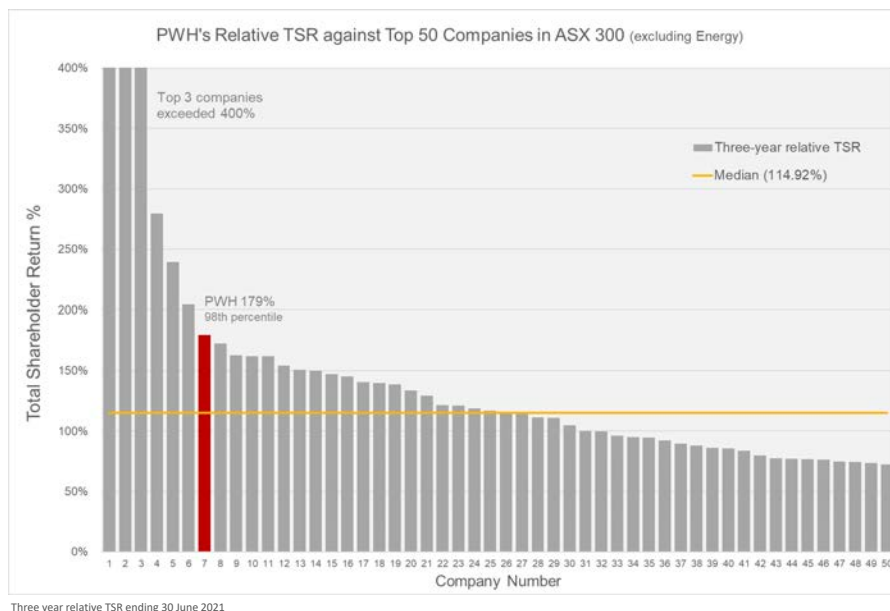
The Board recognises that this demands an extraordinary effort from the entire workforce and the Board is deeply grateful to each and every member of the PWR team for the way they have been able to deliver during these disrupted times while continuing to innovate at the cutting edge.

Some highlights in FY2021 were:

- PWR delivered a strong result for the 2021 financial year, with NPAT of \$16.8m up 28.7% on the prior period.
- The Group continued to build solid foundations for future growth through the implementation of its ongoing capital investment program of \$10.4m for the financial year while still producing a strong return on equity at 26%

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- Cash flows remain strong and together with efficient working capital management resulted in an EBITDA to cash conversion ratio of 115% and a strong cash balance at 30 June 2021 of \$19.9m.
 - PWR also repaid the drawn balance on its multicurrency credit facility with the full \$10 million facility limit available to draw down to support future operational requirements, if required.
 - Considering these results and PWR's balance sheet position, the Board declared a fully franked final dividend of 6.0 cents per share, taking the total dividend to 8.8 cents, an increase of 49% on last year's dividend.

Total Shareholder Return



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For our shareholders this translated into a total shareholder return over the 3 year period up to 30 June 2021 of 179%.

PWR's relative total shareholder return against the companies in the ASX 300 (excluding energy) ranked PWR at the 98th percentile of the benchmark group, an outstanding result for which Kees and the team are to be congratulated and one which the entire company should be very proud of.

This result was driven by our focus on the implementation of the second and third pillars of our strategy by:

- investing in our people and their development
- investing in leading edge technology and equipment, and
- investing in systems and processes that will support our business growth into the future.

We took a significant step this year leveraging our motorsport knowledge and expertise into the aerospace and defence sector, with the achievement of AS9100 certification. All the required work was led and performed in-house. This is an independent endorsement of the quality of the processes the team has built, and of their capability.



Kees Weel 2021 Australian of the Year - Australian Automotive Performance Council

This year, Kees was named the 2021 Australian of the Year by the Australian Automotive Performance Council and we could not be more proud.

A fitting accolade for a visionary leader. On behalf of the Board and the PWR team, we congratulate Kees on a career that has led him and our PWR to be such exceptional representatives of the Australian Performance Automotive Industry.

Looking ahead, uncertainty is likely to persist for some time and we expect to face our share of challenges as the world moves to "living with COVID".

Shareholders can be confident that your Board will continue to preserve our strong balance sheet and focus on creating long-term value. Kees and his team are passionate and committed to positioning PWR for further growth and success as we meet the many challenges.

On behalf of your Board, I would like to thank all shareholders for their continued support of PWR.

I will now hand over to Kees to talk to you about his favourite subject, PWR.

Managing Director's Address

Kees Weel



Thank you, Tess.

Good morning and thank you for joining us today for PWR's 2021 Annual General Meeting.

I am really pleased to see that we were able to get quite a few of you through our manufacturing facility which has grown significantly since our listing on the ASX in 2015.

With a solid financial year behind us despite some of the challenges thrown our (and everybody's) way, I am pleased to take you through both the financial and operational highlights of what has been achieved over the 2021 financial year, as well as provide an update on where we see the 2022 financial year taking us.

FY2021 Financial Performance

A\$'000	FY21	FY20	Variance
Revenue	79,208	65,731	20.5% ↑
EBITDA¹	28,963	23,430	23.6% ↑
Net Profit after Tax (NPAT)	16,797	13,049	28.7% ↑
NPAT Margin	21.2%	19.9%	
Free Cash Flow ³	16,044	8,406	90.9% ↑
Cash on Hand	19,857	20,805	(4.6%) ↓
Net Assets	63,962	54,250	17.9% ↑
Earnings per Share	16.77	13.04	28.6% ↑
Dividends per Share	8.8	5.9	49.2% ↑
Headcount	363	312	16.3% ↑

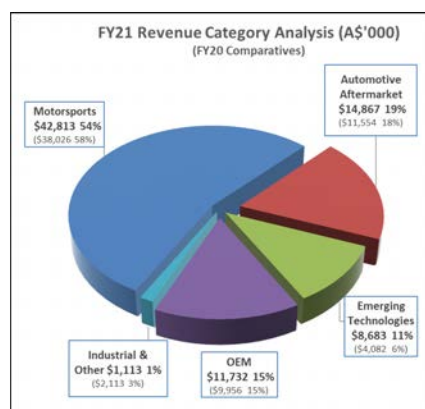
- Solid growth in revenue across all key markets and geographies
- Revenue increased by 25.7% or \$16.9m offset by an unfavourable currency movements of (5.2%) or (\$3.4m):
 - USD sales up 71.4%
 - AUD sales up 27.9%
 - GBP sales up 10.8%
- Revenue mix continues to change with Emerging Technologies² increasing to 11% (2020: 6%) of Group revenue
- Automotive Aftermarket growth demand remains strong. The online store is ready to "go live" subject to production capacity

¹ Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") is a non-IFRS term which has not been subject to audit or review but has been determined using information presented in the Group's financial report
² Emerging Technologies includes revenue from Aerospace and Defence across all technologies, and revenue from other market sectors generated by cold plate, micro matrix and additive manufacturing
³ Free Cash Flow = Cash from operating activities less interest, tax and capital expenditure

The financial highlights reflect the outstanding effort contributed by all staff during the year:

- revenue was up across all key markets and geographies
- of note is the strong revenue growth in PWR North America from OEM and Emerging Technologies. Sales in USD were up 71%. The team at PWR North America is to be congratulated for that achievement
- revenue in Emerging Technologies was up 113% to \$8.7m and now represents 11% of total sales
- as mentioned by the Chairman, we paid a final dividend of 6c per share making the total dividend of 8.8c per share for the 2021 financial year - an increase of 49% from the prior year
- strong Free Cash Flows of \$16m represents an increase of 91%. We expect our budgeted CAPEX program for FY22 to be funded from cash reserves and cash generated from operations. In addition, we have significant undrawn financing facilities should we need them.

Revenue by Market Sector



Revenue by Market Sector	FY21		FY20		Growth
	(A\$'000)	%	(A\$'000)	%	
Motorsports	\$ 42,813	54%	\$ 38,026	58%	13%
Automotive Aftermarket	\$ 14,867	19%	\$ 11,554	18%	29%
OEM	\$ 11,732	15%	\$ 9,956	15%	18%
Emerging Technologies ¹	\$ 8,683	11%	\$ 4,082	6%	113%
Industrial & Other	\$ 1,113	1%	\$ 2,113	3%	(47%)
	\$ 79,208	100%	\$ 65,731	100%	21%

1. Emerging Technologies includes revenue from Aerospace and Defence across all technologies, and revenue from other market sectors generated by cold plate, micro matrix and additive manufacturing

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- Motorsport remains the largest market and an important technology driver for PWR. Revenue from motorsport grew 13% with similar growth expected in FY22, provided motorsport returns to more normalised programs post COVID
- Automotive Aftermarket grew 29% assisted in part by international travel restrictions during COVID where people decided instead to invest in upgrading their vehicles. Demand in this market remains strong and we are working to increase production capacity to support continued growth
- The emerging technology segment and products are expected to see further sales increases in FY22 together with the previously announced OEM programs which have started to come on stream in FY22. We anticipate that these will both be important contributors to our growth in FY22 and beyond.

R&D | Emerging Technologies

Cold plates – ruggedised vacuum brazed cold plates for use in radar systems, avionics, power electronics and energy storage systems

Micro matrix – use on platforms with cost per unit mass trade offs and high thermal requirements, such as unmanned aerial vehicles (UAV), electric vertical take-off and landing (EVTOL), aircraft pre coolers and motor generator unit (MGU) cooling

Hydrogen fuel cell heat exchangers – light weight thermal management systems for use on air, land and sea platforms

Bar and plate applications – complete system design, manufacture and testing for bar and plate heat exchangers suitable for a range of applications for aircraft, maritime and heavy land vehicles

Battery and hybrid system cooling – bespoke cooling solutions for battery storage, electronics, motors, energy recovery systems

Additive manufacturing applications – manufacturing of structural components, rotating parts and cooling assemblies from ceramic filled resin or F357 Aluminium, to service the motorsport, aerospace and emerging technologies markets

Computational Fluid Dynamics (CFD), simulation and modelling services – PWR offer flow simulation services and mathematical modelling to develop complete cooling system architecture, assisting our customers in overall system design, performance and efficiency

Super alloy brazing capabilities – capitalising on our recent vacuum brazing furnace investment to develop solutions for high temperature heat exchangers in emerging markets, such as hydrogen fuel cell systems

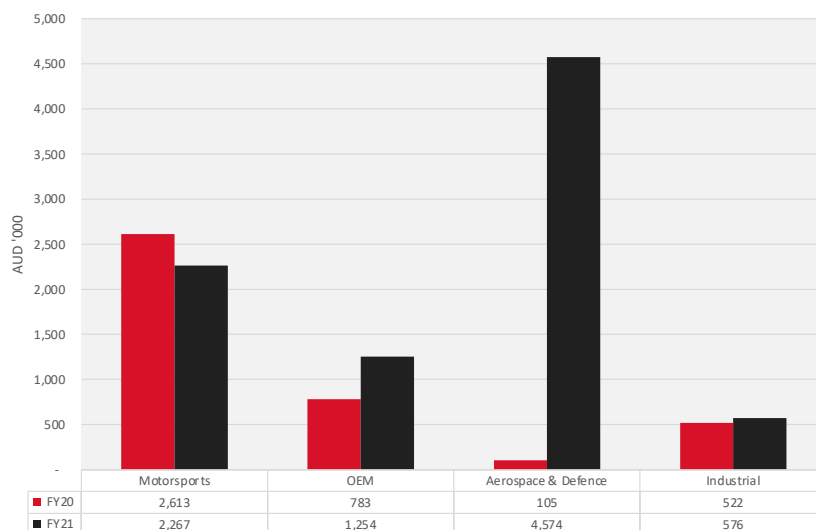


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We have had a couple of questions about our Emerging Technology and future growth in this area and we are pleased to break this down further for you:

- Our Research and Development has led to the development of in-house capabilities with a variety of emerging technologies that we have developed into products for various market sectors
- The continued introduction of emerging and advanced technologies into our manufacturing processes ensures we remain at the forefront of manufacturing capability and complexity for both existing customers as well as potential new customers and industries

Emerging Technology Revenue by Market Segment F20 and FY21



Significant growth in FY21 revenue leveraging emerging technology for the Aerospace and Defence sector

Revenue from emerging technology increased 113% in FY21 to \$8.7m

As you can see from the graph, FY21 saw revenue from emerging tech in the aerospace and defence sectors go from \$105,000 to over \$4.5M in FY21 while revenue from emerging tech in motorsports saw a slight drop from \$2.6m to \$2.3m.

Leveraging our Capabilities into Aerospace and Defence



- Radar and Avionics
- Space Applications
- Unmanned Aerial Vehicles
- On Soldier Cooling
- Land Vehicle Systems
- Laser Cooling

We have been able to leverage our knowledge gained in the Motorsports sector to become a key supplier to large aerospace organisations in the early phases of new projects due to our technology, reduced lead times and our high quality standards. We have also developed the capacity to undertake many of the validation tests in house, which underpins our short lead times and high quality.

For its current and potential aerospace customers, PWR manufactures products such as bar and plate coolers, micro matrix coolers and cold plate coolers, backing it up with the added processes such as CT scanning and Additive Manufacturing (3D printing aluminum).

Our capabilities and certification in Aerospace and Defence supports radar and avionics cooling, battery and power electronics cooling, land vehicle cooling and space application cooling, to name a few.





ACCREDITATIONS

Australia

ISO 9001-2008
ISO 14001
AS9100 (Jan 21)
DECS Registered for MIL exports
ITAR Compliant
CAGE: Z0UP5

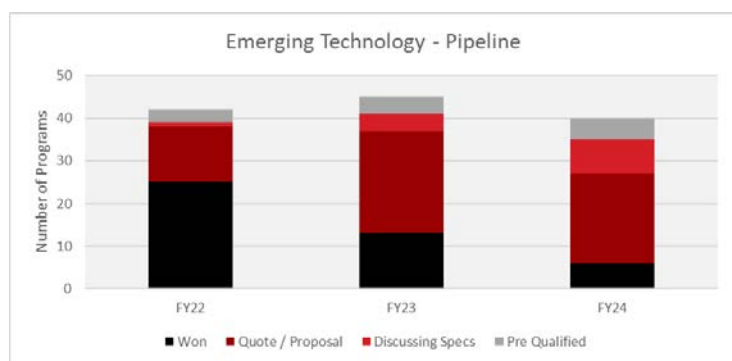
USA

IATF 16949
ISO9001-2008
ITAR Registered
EAR Compliant
DUNS: 361702574
CAGE: 5C968

As Tess mentioned, PWR took a significant step forward with the achievement of AS9100 certification (Rev D) this year, paving the way for PWR to further grow its Aerospace and Defence market sector.

This is a true reflection of the processes we have built in-house to support our growing aerospace and defence segment.

Pipelines – Emerging Technologies¹



¹ Program timing, volume and term are dependent upon customer requirements and are subject to change. Above information provided on current expectations

Continuing to build – Expecting continued growth in pipeline as opportunities are progressed from early stage concept to long term production

AS9100 Certification – Recent certification expected to increase opportunity flow

Program Diversity – The programs utilise a range of manufacturing technology, range from weeks to 10+ years and from less than A\$100,000 to greater than A\$50 million

Program Timing – Program commencement and manufacturing ramp up profile differ between programs based on customer requirements

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Potential programs use a range of advanced technology with some having the potential for long term opportunities for PWR.

These opportunities are across all markets including aerospace and defence, motorsports, industrial and OEM.

Investing in Capability



Capital Investment – An ongoing targeted capital investment program is critical to stay at the forefront of technology developments and to ensure we have sufficient capacity for anticipated and planned growth

The quantum of the FY22 capital investment program is expected to be similar to FY21, and is likely to be impacted by the timing of various customer programs. The current capital investment program includes:

- Variaxis machine
- CNC machines
- Fin machine with updated die designs
- Furnaces - controlled atmosphere brazing furnace and/or vacuum brazing furnace
- Extrusion machine
- Software system upgrades

Factory footprint – we continue to assess the optimal factory footprint to ensure we plan for growth while maintaining efficiency



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To achieve our objectives it is imperative we continue to invest in Research and Development, the latest technology and of course factory space for manufacturing.

We will continue to invest capital in all of these areas into FY2022 for various machines and additional factory space with capital expenditure expected to be a little lower to that spent in FY21 as we align the timing of capital expenditure with the future expansion of factory space. This year we commenced an afternoon shift in Production at our Ormeau factory to maximise the use of space and equipment.

We have recently signed a 15 year agreement on a 14,000 sq ft new factory in the USA. This factory is currently being constructed and will be ready in March 2022. The purpose built factory will house PWR North America's Advanced Machining Centre which will primarily be used for Aerospace and Defence programs.

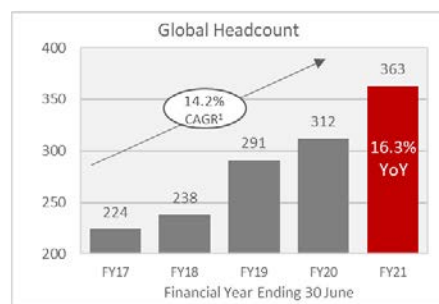
Investing in our People

PWR recognises that our People are core to our future success. To deliver on current and future opportunities, PWR is investing in growing headcount to 450+ by December 2022

PWR has expanded the senior management team to include the role of People and Culture Manager. The P&C Manager will ensure the required structures and processes are implemented

The People strategy includes:

- **Recruitment** – expand sourcing strategies to identify and attract quality candidates
- **Development** – ensure development and career pathway plans are prepared for all employees, including leadership training for supervisors and managers
- **Retention** – implement support and retention strategies to minimise unplanned turnover
- **Apprentice Program** – PWR currently employs 30 apprentices across a range of trades
- **Work Experience Program** – PWR runs a work experience program for high school students interested in a career in advanced manufacturing
- **Employee Assistance Program (EAP)** – to support the PWR Team



1 CAGR - Compound Annual Growth Rate over 5 years

Of course, it goes without saying that continued further growth for PWR comes down to our staff in Australia, the USA and Europe. They will continue to drive product innovation and customer focused solutions both of which are central to our strategy and our continued growth and success.

PWR now has over 400 team members globally and with continued growth, our ability to attract and retain top talent is another key pillar in our strategy.

PWR is investing in growing its headcount and is actively recruiting for a number of roles. It is a tough market out there and we realise that people have a lot of jobs to choose from.

We have expanded our senior leadership team to include Mel Morrison, an experienced people leader to support the business to not only attract good quality people but also to ensure they have access to development opportunities and career plans.

We also invest heavily in apprentices, work experience students (both school and university) and graduate engineer programs.

Most of all our people demonstrate every day PWR's DNA - RESPECT, PASSION and TEAMWORK

Pipelines – Key Automotive OEM¹

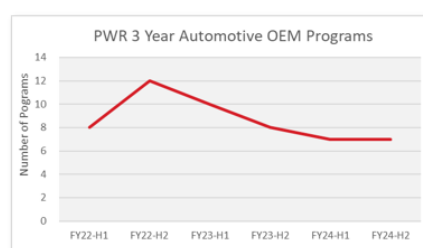
Program	Remaining Vehicles ²	Status	SOP FY	Prod. Years	FY22		FY23		FY24	
					H1	H2	H1	H2	H1	H2
Ford GT500	6,000	Nominated Supplier	2020	1.1						
Ford GT40	240	Nominated Supplier	2020	1.0						
Valkyrie Road Car 001	155	Nominated Supplier	2022	2.0						
Valkyrie Track Car 002	39	Nominated Supplier	2022	1.5						
Mercedes AMG X1	255	Nominated Supplier	2022	2.5						
Rimac - Nervera	300	Nominated Supplier	2022	3.0						
Koenigsegg - Jesco	125	Nominated Supplier	2021	4.0						
Undisclosed	TBA	In Discussion	2022	2.0						
Undisclosed	TBA	In Discussion	2022	3.0						
Undisclosed	TBA	In Discussion	2022	3.0						
Undisclosed	TBA	In Discussion	2022	2.0						
Undisclosed	TBA	In Discussion	2022	5.0						
Number of Key Programs (in production + in discussion)					8	12	10	8	7	7

Existing Key Programs – Valkyrie, Ford GT, Rimac Nervera and Koenigsegg Jesco programs in production, with AMG X1 commencing

In Discussion – ongoing discussion for new programs that will underpin the OEM forecast into the medium - long term

Early Stage – in addition to the program outlined above, PWR is in early discussion on other OEM programs

- 1 Program timing, volume and term are dependent upon manufacturer requirements and are subject to change. Above information provided on current expectations
- 2 Remaining vehicles as at 1 July 2021



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We continue to deliver existing OEM programs for Valkyrie, Ford GT, Rimac Nervera and Koenigsegg Jesco, with AMG X1 commencing in 2022. We are also in discussion with a number of parties for new future OEM programs.

We are also excited to announce that our Australian PWR Aftermarket Online store will open before Christmas.

We have been supplying the Performance Aftermarket industry with cutting edge cooling components for over 20 years and pride ourselves on working with our customers to develop products that deliver the highest level of performance and quality. Providing our customers with online access to a range of cooling components is the logical next step.

As you can see, PWR is spoilt for opportunity!

Thank you for joining us today at our AGM.

I will now hand back to Tess to take your questions.