



ASX Announcement

22 August 2019

NRW Holdings Limited
181 Great Eastern Highway
Belmont, 6104, Western Australia

Australian Securities Exchange
Perth

Strong growth across our sectors

Diversified Australian civil and mining contractor NRW Holdings Limited (ASX: NWH) is pleased to provide its results for the year ending 30 June 2019.

Highlights

Operations

- ✓ Revenue⁽¹⁾ of \$1,126.3 million, an increase of 49% compared to the prior comparative period (pcp)
- ✓ Comparative EBITDA⁽²⁾ increased to \$144.0 million up 54% on pcp
- ✓ Pre-tax earnings include a \$33.5 million impairment of amounts related to Gascoyne Resources Ltd (Administrators Appointed)
- ✓ NPATA⁽³⁾ up 19% to \$40.4 million
- ✓ Drill and Blast business delivered strong earnings improvement in second half

Strategic

- ✓ Completed acquisition of RCR Mining Technologies for \$10 million, funded from cash - provides significant diversification in service offering
- ✓ Secured new Civil contracts for three major Western Australia iron ore producers – South Flank, Eliwana and Koodaideri
- ✓ Agreement with Stanmore Coal to extend Mining services activities – increased contract value to circa \$950 million with minimal new capital outlay.

Balance Sheet

- ✓ Cash holdings increased to \$65.0 million, strong cash conversion at 95%
- ✓ Structural improvement in Debt - Acquisition finance and Corporate note related debt being repaid; new debt is Asset finance for equipment to support contract extensions
- ✓ Gearing at very modest 12.2%, an improvement over the pcp
- ✓ Final Dividend declared of 2 cents fully franked

Notes

(1) Statutory Revenue of \$1,078.1 million plus revenue from associates of \$48.2 million.

(2) Comparative EBITDA is earnings before interest, tax, depreciation, amortisation, transaction costs, Gascoyne impairment and gain on acquisition arising on the acquisition of RCR Mining Technologies.

(3) NPATA is Net earnings before amortisation of acquisition intangibles at normal tax rates

Commenting on the company's performance for the year Jules Pemberton, NRW's Chief Executive Officer and Managing Director, said:

"Before addressing the results I wanted to reiterate that the safety and wellbeing of our people remains our highest priority. It was therefore with great sadness we reported that Jack Gerdes, an excavator operator working for Golding at the Baralaba North Coal Mine in Queensland, was fatally injured on 7 July 2019. The investigations are still ongoing and Golding has and continues to cooperate with the Mines Inspectorate, both onsite and at a corporate level, to support their investigation into the accident.

FY19 has been another year of strong growth, with a significant increase in revenue to \$1.1 billion while maintaining a strong cash balance of \$65.0 million. The results were, however, impacted by the impairment of pre-administration balances totaling \$33.5 million relating to Gascoyne Resources (ASX: GCY) entering into voluntary administration. NRW continues to work on the project where gold output has improved significantly since the administration process commenced.

New civil work, mining contract extensions and improved performance in drill and blast have all contributed to our success over the past financial period. Our highly successful acquisition of the RCR Mining Technologies business has added to our diversified capability offering, and the services and people are now well integrated with the NRW business. This acquisition forms part of NRW's strategy to build a broader, through the cycle services business.

2019 also marks NRW's 25-year anniversary. NRW was founded in 1994 and has been on a fascinating journey of geographical expansion, diversification and growth. Today, NRW is a well-established and highly regarded contractor employing more than 3,000 people across the mining, energy, civil infrastructure and urban development sectors. In celebrating this milestone, we wish to thank everyone who has contributed to our success over our first 25 years."

Outlook

The order book at 30 June 2019 is circa \$2.2 billion of which around \$1.1 billion is scheduled for delivery in FY20 excluding any orders secured by Urban and RCRMT. These businesses work on a combination of medium and short term work and are expected to contribute at least an additional \$200 million of revenue to FY20 bringing the total covered work for FY20 to \$1.3 billion.

The near term tender pipeline (one-year award / commencement potential) has strengthened to \$8 billion of which NRW has submitted tenders of circa \$1.2 billion. We remain very confident of strong activity levels across the resources and infrastructure sectors over the years ahead. NRW is forecasting revenue at circa \$1.5 billion in FY20.

Final Dividend

The Directors have declared a final dividend for the year ending 30 June 2019 of 2 cents per share. The Directors have determined the dividend payable based on the Company's liquidity profile over the next financial year and are pleased to be in a position to continue making returns to shareholders following the recommencement of dividend payments this time last year. The dividend, which will be fully franked, will be paid on the 10 December 2019.

Kim Hyman
Company Secretary

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About NRW Holdings Limited:

NRW is a diversified provider of contract services to the resources and infrastructure sectors in Australia. With extensive operations in Western Australia, South Australia, New South Wales, Queensland and Victoria. NRW's geographical diversification is complemented by its delivery of a wide range of operations. These encompass civil expertise including bulk earthworks and concrete installation; contract mining and drill and blast. NRW also offers a leading original equipment

manufacturing (OEM) and innovative materials handling design capability with comprehensive additional experience for refurbishment and rebuild service for earthmoving equipment and machinery.

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