



NRW Holdings Limited (ASX:NWH)

FY2014 Half Year Results

27th February 2014



NRW Civil



NRW Mining



Drill & Blast



Equipment Refurbishment Facility

FINANCIAL OVERVIEW



- Revenue of \$520.9 million
- EBITDA of \$64.4million, 12.4% of Revenue
- EBIT of \$35.1 million & NPAT of \$22.4 million
- Strong cash position of \$174.3 million
- New work and contract extensions secured \$820 million
- Order Book increased by \$300 million to \$1.3 billion
- Net Debt / Equity at 11%.
- Interim dividend of 4.0 cents per share.

OPERATIONAL OVERVIEW



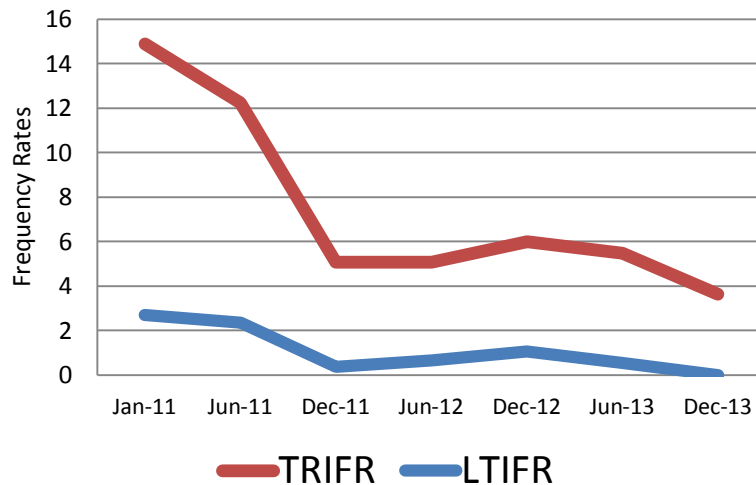
- Awarded and commenced largest ever civil contract by Samsung C&T at the Roy Hill Project (\$620 million)
- Awarded Ore Car Repair Shop civil earthworks contract for BHP Billiton
- Action Drill & Blast awarded three year contract for drill and blast operations at the Middlemount Coal Mine in Queensland.
- Awarded early works contract at Fortescue's Iron Bridge Project in joint venture with Njamal ICRG JV Pty Ltd.
- Continued Improvement of Group Safety performance: (TRIFR at 3.64 end Dec 13)



SAFETY, HEALTH & ENVIRONMENT



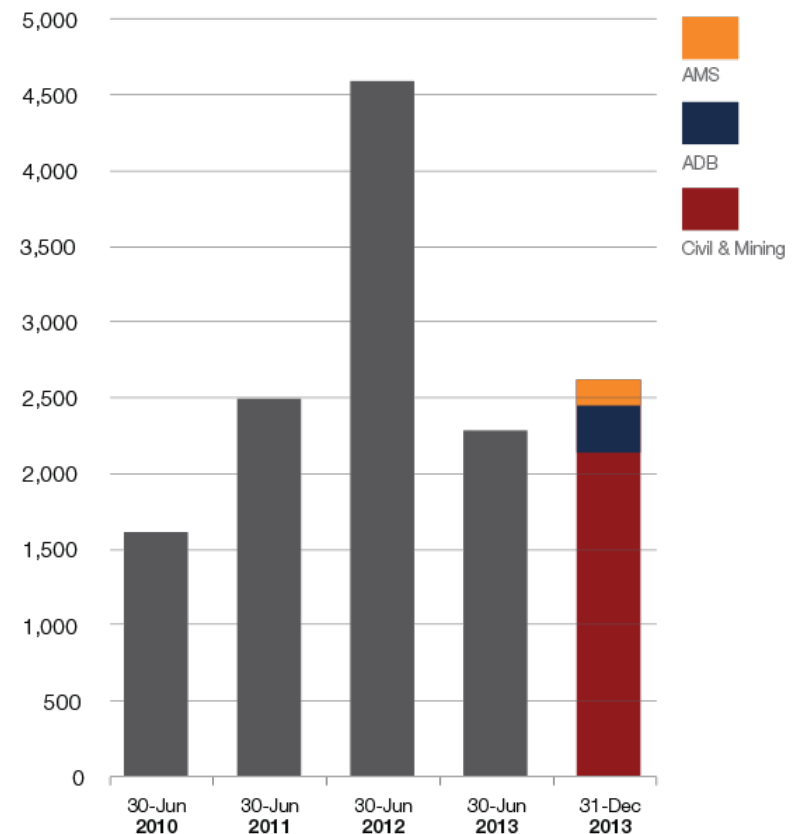
- Continued improvement and focus on safety performance across the business, sustaining a positive trend. Initiatives include *A safe day, Every day* and increased focus on the quality of the leading indicators.
- LTI free in 2013 calendar year.
- TRIFR currently at 3.64 (end of Dec 13), a significant improvement from 4.98 at the same time last year.
- Established The 5 Golden Rules determined by historical industry incidents which form the basis of a minimum standard of safety behaviour.





- As of the end of December 2013 NRW employed a workforce of 2,626 (compared to 2,283 end June 13)
- Key achievements in the half include:
 - Focus on mobilising significant workforce to Roy Hill project in short timeframe with over 4,500 VOC's conducted at Perth HQ
 - Supervisor Development Program running successfully
 - 3 Powerup programs scheduled for Roy Hill Rail Project
 - Improved mobilisation system and reduced training expenditure during pre-mobilisation
 - Maintained minimal labour hire/agency usage
- Maintained Indigenous workforce participation of 8% for direct employees.

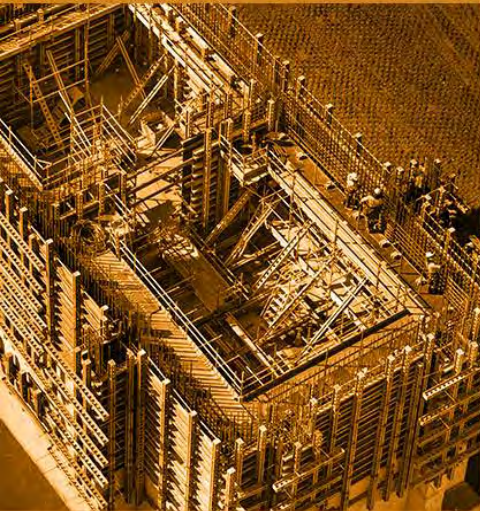
NRW Workforce June 2010 - Dec 2013



**Employees includes direct employees, subcontractors and apprentices*



Financial Overview



NRW Civil



NRW Mining



Drill & Blast



Equipment Refurbishment Facility

SUMMARY FINANCIALS



	FH14 \$M	FH13 \$M
Revenue	520.9	810.7
EBITDA	64.4	101.4
Depreciation	(24.5)	(22.6)
EBIT (pre Impairment)	39.9	78.8
Impairment	(4.8)	-
EBIT	35.1	78.8
Interest	(7.5)	(9.4)
Tax	(5.2)	(20.8)
NPAT	22.4	48.6

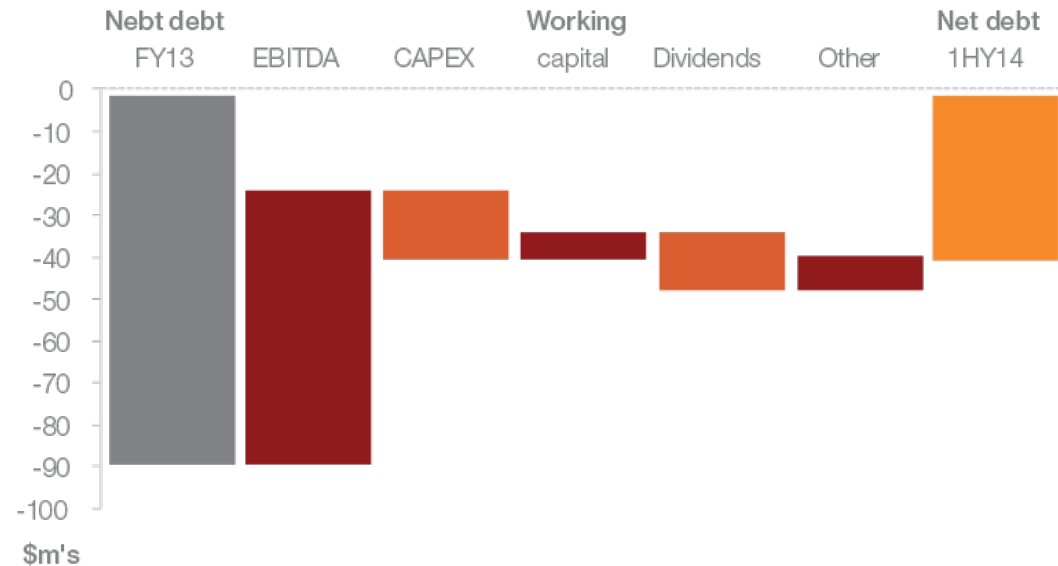
- Revenue reflects delayed contracts in Q1 and is in line with FY14 guidance
- EBITDA margin maintained
- Impairment relates to weakness in the AMS business as Opex spend is restricted and on lower product sales
- Interest costs slightly lower – Debt mostly fixed over 4 to 5 years
- Effective tax rate at 19% includes credits received in the first half.

CASHFLOW



- Improved Net debt from \$88.6M to \$39.8M
- Full conversion of EBITDA into operating cashflow
- Capex spend of \$15.4M focused on value creation
 - Systems development
 - Buy out of expensive operating leases
 - Business critical equipment
- Working Capital improvement includes advances on major projects
- Gearing ratio at 11%
- Other movements include tax credits.

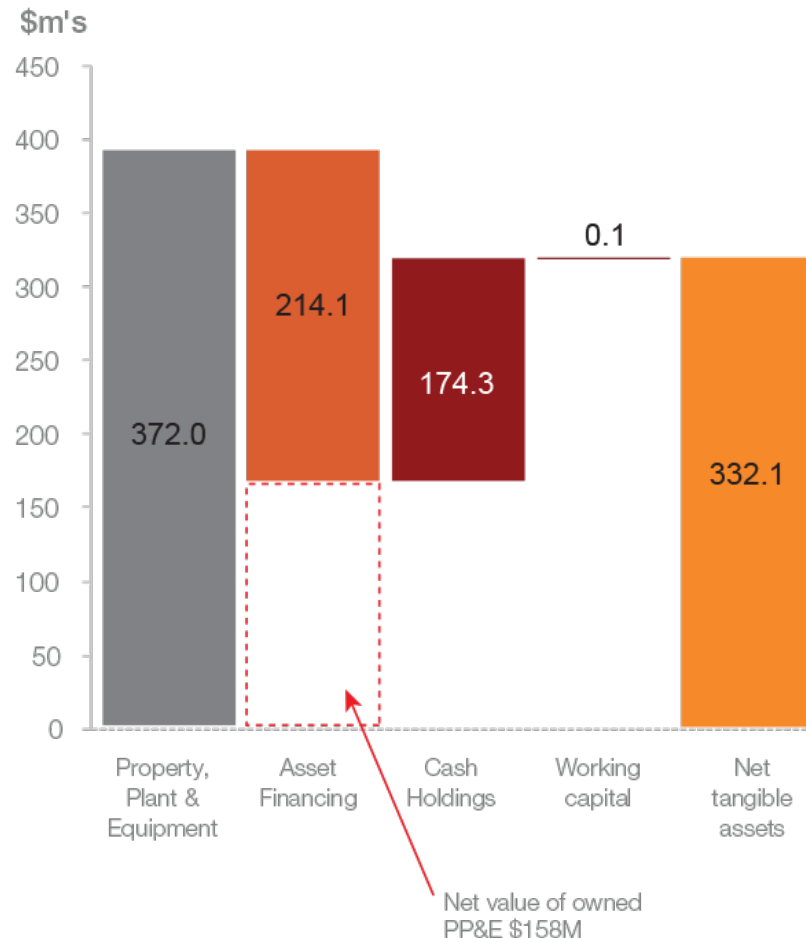
Net Debt Movement - 1HY14



BALANCE SHEET



Net Tangible Assets - Dec 13

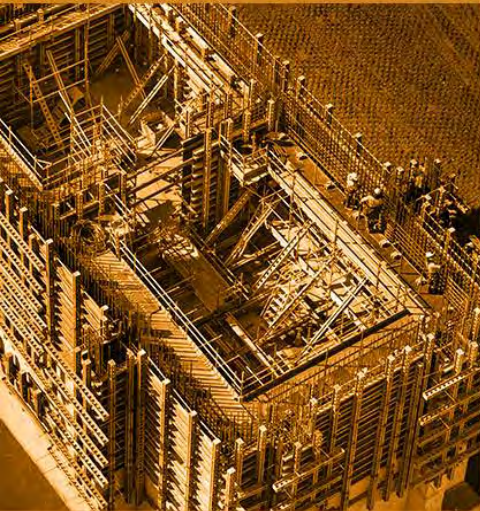


Strong balance sheet with increasing value of Cash and net owned equipment

- Net Tangible Assets per share of \$1.19 cents
- Cash Balances provide risk mitigation and allow fast response to changing market
- Funding access to support growth
 - Available undrawn asset financing - \$55M
 - Undrawn bonding at circa \$60M
 - Undrawn working capital \$35M
- Balance sheet and net debt position support dividend payout ratio at 50% – 4 cents per share fully franked



Business Unit Performance



NRW Civil



NRW Mining



Drill & Blast



Equipment Refurbishment Facility

CIVIL



Highlights

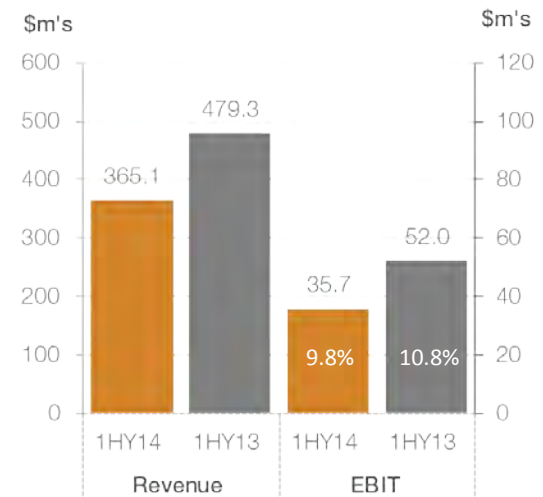
- Continued improvement in safety performance – TRIFR to 1.8 (previously 2.5 at June 13)
- Revenue impacted by delayed start on new projects during Q1
- Secured a \$620M contract for the Roy Hill project to construct approximately 330 kilometres of main line heavy haul rail formation and associated works.
- Growth on existing contracts

Look Forward

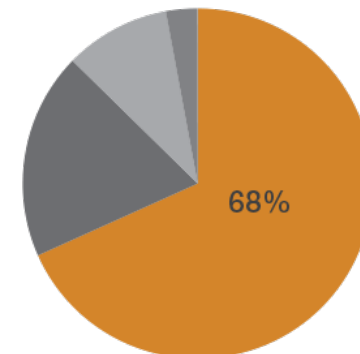
- Recovery from exceptional weather impact in first two months of 2014
- Successful delivery of Roy Hill
- Build on relationships with Blue Chip Miners
- Tendering NPI prospects
- Bidding government infrastructure projects in JV with Bouygues



Civil



Revenue Contribution



MINING



MINING



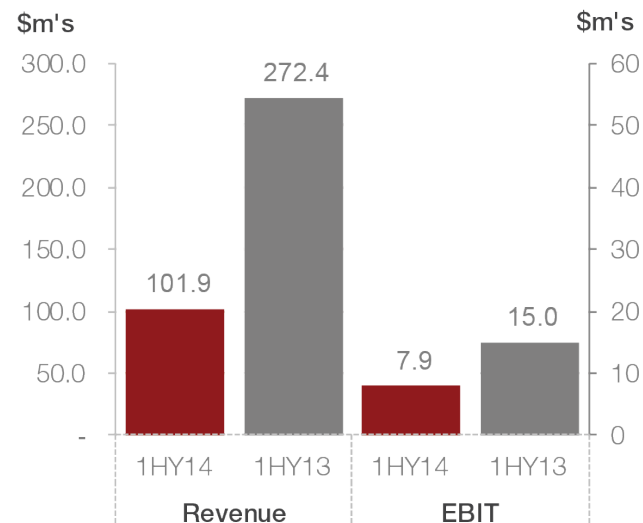
Highlights

- Revenue impacted by major client transitioning to dry hire during 2013 and higher activity in the first half of FY13
- Awarded contract for ERA at Ranger
- Awarded Iron Bridge bulk earthworks for Fortescue
- Ongoing contracts include
 - Middlemount
 - Western Turner Syncline haulage
 - Bootu Creek

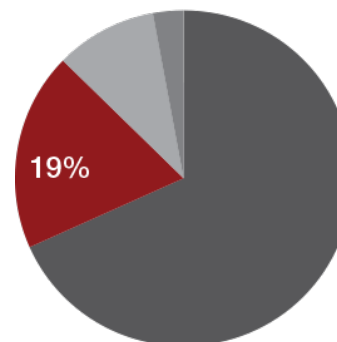
Look Forward

- Bidding activity improved over the last six months
- Market conditions expected to remain competitive during 2014
- New General Manager Mining appointed Dec 13

Mining



Revenue Contribution



ACTION DRILL & BLAST



ACTION DRILL & BLAST



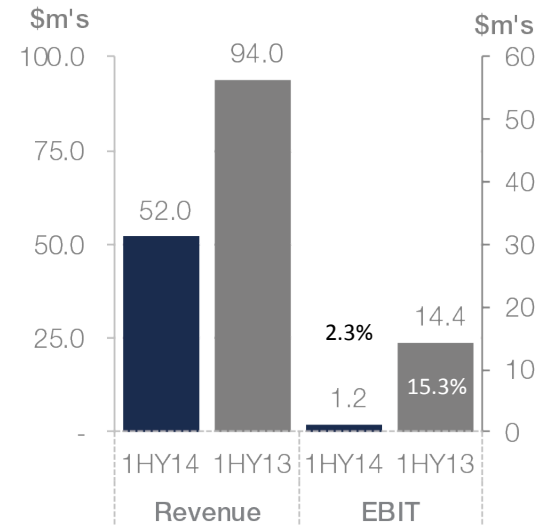
Highlights

- Revenue at \$52M reflects downturn in market and reduced civil drill & blast activity
- Margins impacted by lower revenues due to delayed contracts and asset utilisation
- Awarded a three year contract valued at \$60M for drill and blast operations at the Middlemount Coal Mine in Queensland.

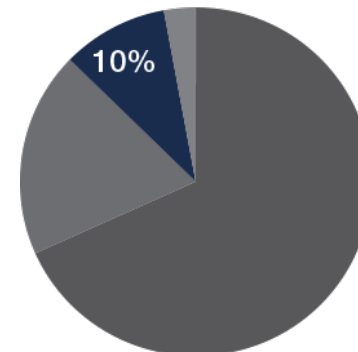
Look Forward

- Current market remains very competitive
- Utilisation will improve in second half due to Roy Hill Rail
- Opportunities improving both Domestically and Overseas
- Focus on smaller mining contracts for underutilised civil drill fleet

Action Drill & Blast



Revenue Contribution



ACTION MINING SERVICES



ACTION MINING SERVICES



Action Mining Services operates a comprehensive mechanical repair and refurbishment facility for all brands of earthmoving and mining equipment. AMS also manufacture and sell specialised and custom-designed water trucks and service support vehicles.

Highlights

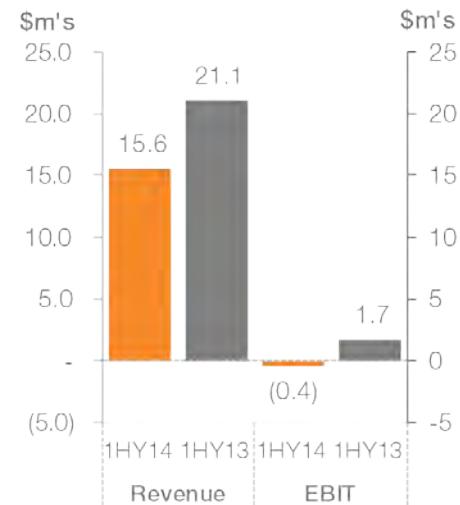
- Results impacted by Opex cut backs across the sector
- Cost reduction measures assisted second quarter performance
- Business provides apprentice programme to support all NRW activities

Look Forward

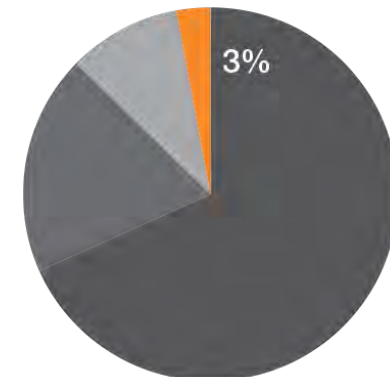
- Maintenance cycles are expected to recover
- Core capability to NRW
- New products launched – Viper service truck and 40kL Water Tank Modules



AMS

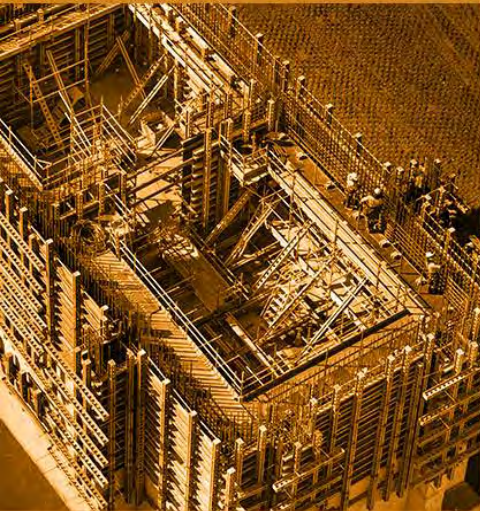


Revenue Contribution





Tender Pipeline & Summary



NRW Civil



NRW Mining



Drill & Blast



Equipment Refurbishment Facility

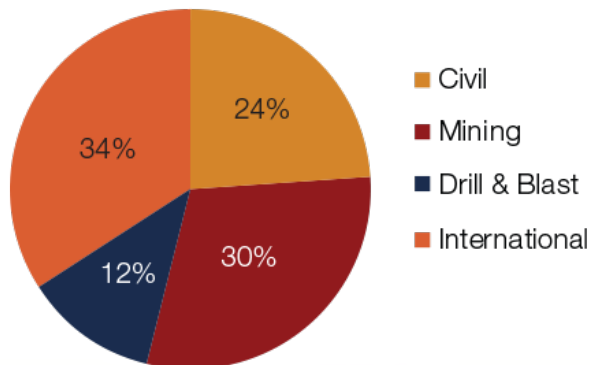
TENDER PIPELINE



- Order Book improved by \$300 million to \$1.3 billion following award of Roy Hill rail contract and contract extensions in first half FY14
- Secured work for delivery in the second half circa \$0.6 billion
- Tender pipeline sustained at \$3.3 billion:
 - Civil \$860M
 - Mining \$1,075M
 - Drill & Blast* \$410M
 - International \$1,210M

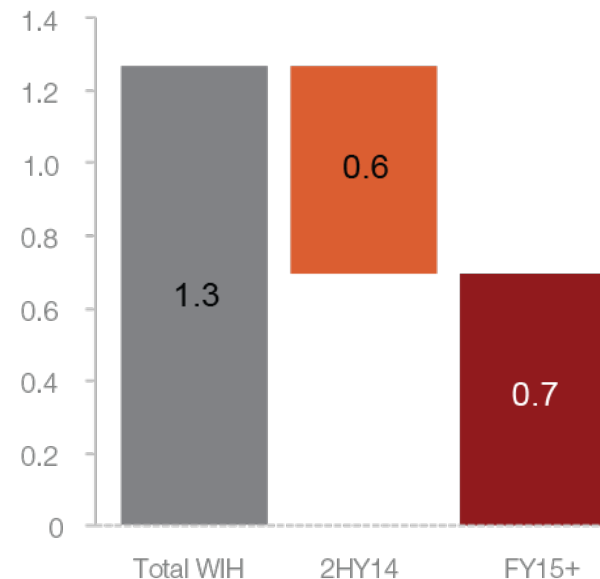
*includes inter company

Tender Pipeline



Work in Hand - Delivery profile

\$ billions



SUMMARY



- Corporate development
 - Board strengthened – appointed Jeff Dowling (ex managing partner EY)
 - Appointed Andrew Walsh – Chief Financial Officer
 - Appointed Donald James (former COO of Westrac) – commences Mar 14
- The Group's balance sheet, funding facilities and solid cash position provide a strong foundation for future organic growth and to continue to review potential acquisitions.
- Further investigate sectors with cycles that are not directly correlated to mining industry (eg. energy, infrastructure).
- Ongoing focus on cost management programs, efficiencies and continuous improvement processes.
- The award of new contracts during the period; existing contracts which contribute to the \$1.3 billion order book; and a robust tender pipeline provide the basis for revenue growth in the second half and good visibility for FY15.
- Revenue guidance for the full financial year is reconfirmed at \$1.0 to \$1.2 billion as advised at the Annual General Meeting of Shareholders in November 2013.

FY14 PROJECT LOCATIONS



PILBARA

Samsung
Roy Hill Rail

BHP Billiton Iron Ore
Port Hedland Inner Harbour Project

Rio Tinto
Cape Lambert Cardumper & Stockyards Earthworks

Rio Tinto
Yandi Sustaining Project

Rio Tinto
Nammuldi BWT Project

Rio Tinto
Western Turner Brockman

Rio Tinto
Western Turner Syncline Civils & Concrete

BHP Billiton Iron Ore
Ore Car Repair Shop

Fortescue Metals Group
Thomas Rail Yard

Roy Hill
Roy Hill Mine Site Earthworks

Rio Tinto
West Angelas Access Road

Rio Tinto
Nanutarra Road Tunnels

Rio Tinto
Cape Lambert services Contract

Rio Tinto
Western Turner Syncline

Fortescue Metals Group
Vasse TSF

Fortescue Metals Group
Iron Bridge

Fortescue Metals Group
Cloudbreak

Central Systems
Roy Hill, Bridge Abutments

Rio Tinto
Hope Downs

NORTHERN TERRITORY

OM Holdings
Bootu Creek

ERA
Ranger TSF

BOWEN BASIN

Middlemount Coal
Dry hire / maintenance

Isaac Plains
Isaac Plains Mine

Downer EDI
Daunia Coal Mine

MIDWEST

Brierty
Karara Iron Ore Project

SOUTH WEST

Talison Lithium
Greenbushes



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All currency is denominated in Australian dollars.