



## ASX Announcement

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17 August 2017  
NRW Holdings Limited  
181 Great Eastern Highway  
Belmont, Western Australia 6104

### NRW delivers 29% Revenue growth

Australian civil and mining contractor NRW Holdings Limited (ASX: NWH) is pleased to provide its results for the year ending 30 June 2017.

#### Highlights

- Revenue of \$370.3 <sup>(1)</sup> million up 28.6% on the same period last year
- Underlying EBITDA <sup>(2)</sup> of \$58.8 million up 24.6% on the prior comparative period
- Net profit after tax of \$28.5 million (up 33.0%) and earnings per share of 9.1 cents
- New work secured circa \$254.5 million; Order book \$857 million as at July 2017
- Balance sheet restructured
  - Successful issue of \$70 million NRW Corporate Notes used to repay \$75M of bank debt. Changes term from two-year to four-year
  - Raised \$19.7 million through equity placement in September 2016
  - Significant reduction in Net Debt to \$20.8 million from \$59.3 million at June 2016
  - Improved gearing ratio of 10.5% compared to 39.6% at June 2016
  - Cash holdings of \$42.3 million
- Successfully acquired the east coast business of Hughes Drilling with an order book in excess of \$50 million

Notes (1) Statutory Revenue of \$344.6M plus Revenue from associates \$25.7M

(2) Underlying EBITDA excludes one off costs debt rescheduling and Hughes acquisition costs of \$2.6 million

Commenting on the results Jules Pemberton, NRW's Chief Executive Officer and Managing Director, said:

"The 2017 financial year has been a highly productive and successful period for the Company. Operationally we experienced strong growth in both revenue and earnings and during the second half of the year successfully integrated the Hughes Drilling acquisition into our Action Drill & Blast business.

Corporately, the equity raising earlier in the year provided the foundation for a full restructure of our debt and agreement of more supportive banking arrangements. Debt was restructured through the NRW corporate note offering which was successfully placed in December last year. Continued diligence applied to our cash management processes has resulted in near full conversion of earnings as cash and contributed to a reduction in net debt of \$38.5M through the year.

While the results are good, the better news is the continued recovery in our core markets together with high levels of tendering activity and better visibility of future prospects. In addition to the new clients secured this year and increasing activity levels across the business, over the next 12 months a number of major sustaining iron ore projects are expected to commence".

#### Acquisition of Golding

As announced earlier this week NRW will acquire Golding Group Pty Ltd (Golding). Golding provides a strong platform for growth into the infrastructure and urban markets on the east coast through their current tier one client base and highest level R5 B4 government accreditations. While the historical strengths of the business have been in the civil infrastructure sector, Golding also operates a successful mining business throughout Queensland.

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"Golding has a strong management team in place and an excellent culture throughout the business which is very complimentary to NRW's," Mr Pemberton said.

"The business will continue to operate under the Golding brand but with strategic oversight and management by myself and key members of my management team."

## Outlook

We have seen continued recovery in the core markets in which NRW operates together with high levels of tendering activity and better visibility of future prospects. In addition, the recent acquisition of Golding represents a transformational milestone, which delivers a step change in scale for NRW's business in Australia and unlocks opportunities to the growing east coast civil, urban and infrastructure markets.

The NRW business is underpinned by tier one clients and the additional capabilities secured via Golding will assist further capitalise on our strong market position in a rapidly consolidating sector, especially over the next 12 months as a number of major projects including sustaining iron ore projects are scheduled to be committed.

The Civil business has secured significant contract wins for Rio Tinto at Yandi and is well positioned to tender a growing number of prospects in iron ore and copper and gold. The Mining business has expanded into lithium following the award by Altura. Action Drill & Blast's increased geographical reach across Australia has positioned the business to be more accessible to their Client's projects, and the expansion of their fleet has significantly increased capacity.

NRW's forward order book including Golding totals circa \$1.4 billion of which around \$625 million is secured for delivery during FY18. The tender pipeline provides opportunities across the mining, civil resources, infrastructure, urban and drill and blast sectors which is currently valued in excess of \$6.0 billion.

Our focus will remain on

- Supporting the iron ore sector as plans for sustaining current production volumes are developed
- Growing our presence in Queensland and New South Wales on the back of the recent Golding acquisition
- Reviewing opportunities to expand our service offering in our core markets and to diversify where we have relevant expertise

## Dividend

In the context of the recent acquisition of Golding announced on 14 August 2017 the Directors have decided not to declare a final dividend for the year ended 30 June 2017 (2016 – nil). At this stage, the Directors consider the most appropriate use of available funds is to retain flexibility for the integration of Golding and ensure an appropriate level of gearing is maintained. The Directors will regularly review the payment of dividends in light of the earnings, cash flow and franking credits position of the Company.

### For further information, please contact:

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### About NRW Holdings Limited:

NRW is a diversified provider of contract services to the resources and infrastructure sectors in Australia and internationally. With operations in Western Australia, Queensland, and New South Wales, 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 and urban infrastructure. NRW also encompasses a comprehensive refurbishment and rebuild service for earthmoving equipment and machinery.

NRW's latest images can be accessed [here](#) or via the 'investors and media' and 'media info' tab on our website – [www.nrw.com.au](http://www.nrw.com.au)