

## ASX ANNOUNCEMENT

17 February 2022

### NRW Half Year Results Announcement

NRW Holdings Limited (ASX: NWH) is pleased to report its results for the six months ended 31 December 2021.

#### Financial

- Revenue \$1,160.0M and EBITDA of \$133.6M - **in line with guidance**
- Earnings (Operating EBIT) up 26% to \$74.6M - **high end of guidance**
- Significant improvement in capital management
  - Cash balance at 31 December \$195.9M
  - Statutory cashflow from operations of \$145.1M
  - **Cash conversion circa 113%**
  - Net debt reduced to \$40.0M compared to \$171.3M at 30 June (or \$88.7M proforma post Boggabri sale)
  - Gearing at 7%
- Interim dividend declared at 5.5 cents per share (fully franked) up 37% on pcp.

#### Operational

- Safety – improvement in TRIFR from 6.11 to 4.70
- Karara mining services contract executed (\$702M), on schedule (commences March 2022)
- Contract renewals signed with Coronado Curragh Pty Ltd, CS Energy, Southern Cross Fertilisers and SIMEC
- Primero secured circa \$450M of new work, including \$290M for Covalent Lithium

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

“The results reflect what we said we would do. Activity levels are as we expected despite a series of challenges related to the COVID-19 pandemic. Earnings have recovered and delivered to the high end of guidance. We have also made progress in resolving claims and that is reflected in significantly improved cashflows in the half.

I want to take this opportunity to thank our workforce for their continued commitment and diligence. They have delivered projects in continuingly challenging circumstances and have done so safely.

The results also highlight the importance of the acquisitions completed over the last five years. A key strategic imperative was to develop a more resilient business. These results demonstrate that resilience, particularly the strong contribution made by our Minerals, Energy & Technologies (MET) division, which comprises three of those acquisitions RCR Mining Technologies, DIAB Engineering and Primero, offsetting what we consider to be a relatively short down cycle in Civil iron ore.”

## Outlook

Restrictions related to the COVID-19 pandemic have continued for longer than had previously been anticipated. Whilst the border restrictions are maintained and whilst the resources sector remains buoyant, recruiting staff in some specific trades will remain a challenge for the business. Current projects are staffed at appropriate levels. We have training facilities to support new recruits and a strong culture supporting staff retention.

The business is positioned to address growth opportunities across all of the markets in which NRW operates, particularly resources, infrastructure and renewables. The current pipeline of opportunities at \$19.5B is similar to that advised at the AGM. The order book has increased to \$4.0B compared to \$3.4B at June 2021 and is likely to grow further on completion of contract extension negotiations with Coronado Coal.

In the short term, revenues are expected to grow in the second half supported by the current order book, including the start of the Karara Mining activities in March 2022.

Revenue guidance for the full year remains between \$2.4B to \$2.5B with secured work in hand for the second six months already fully supporting the revenue forecast at the low end of the range.

Earnings guidance (EBITA) for the full year has been updated to \$150.0M to \$155.0M, reflecting the strong first half results. The business still has opportunities to improve as advised at the 2021 AGM however given potential impacts from changing COVID-19 measures (resulting from Omicron) a decision was made to maintain top end of guidance.

## Interim Dividend

The Directors have declared an interim dividend for the six months ended 31 December 2021 of 5.5 cents per share which compares to 4.0 cents per share declared for the six months ended 31 December 2020 (a 37% increase). The dividend will be fully franked and will be paid on 7 April 2022.

The interim dividend represents a 51% payout ratio in line with the dividend payout policy advised February 2021 (payout ratio of between 40% to 60% of normalised net earnings).

*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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**About NRW Holdings Limited:**

NRW is a leading provider of diversified contract services to the resources and infrastructure sectors. 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. NRW's Civil & Mining businesses provide civil construction, including bulk earthworks, road and rail construction and concrete installation, together with contract mining and drill and blast services. The MET operating unit offers tailored mine to market solutions, specialist maintenance (shutdown services and onsite maintenance), non-process infrastructure, innovative materials handling solutions, and complete turnkey design, construction and operation of minerals processing and energy projects. NRW also offers a comprehensive OEM capability, providing refurbishment and rebuild services for earthmoving equipment and machinery. NRW has a workforce of around 6,200 people supporting 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).