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ASX ANNOUNCEMENT

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Australian Securities Exchange - Perth

NRW DELIVERS SOLID HALF-YEAR RESULTS, REVENUE UP 15.8%, AND PROVIDES ONESTEEL UPDATE

- Revenue $1.65 billion, up 15.8%
- EBITDA(1) $188.8 million, up 20.1%
- EBITA(2) $96.9 million, up 5.3%
- NPATN(3) $58.4 million
- Normalised EPS(4) 12.8 cents per share
- Cash holdings of $284.4 million
- Strong Order Book of $6.8 billion, inclusive of repeat business and preferred tenders
- Pipeline remains robust at $15.1 billion, with $6.2 billion of active tenders
- Fully franked interim dividend declared 7.0 cents per share, up 7.7%

NRW Holdings Limited (ASX: NWH) is pleased to announce 15.8% revenue growth to $1.65 billion, compared to $1.43 billion in the prior comparative period (pcp). The growth in first half revenue reflected the strong increase in activity across all three operational segments. Most notably, revenue growth was underpinned by significant contributions from the resources sector across the Civil segment ($417.9 million, up 40.6%), and contributions from major projects in the MET segment ($454.0 million, up 15.6%). In the Mining segment, revenue from the new South Walker Creek (SWC) contract helped grow the business during the period ($805.1 million, up 4.3%) despite the challenges faced by the early termination of the Mt Cattlin lithium contract and the descoping of two fleets at Curragh. The solid revenue growth across the Group however was offset by the margin impacts of contract changes in the mining business and the impacts of higher than average rainfall during the period. Despite this, the Group's Operating EBIT still increased by 5.3% to $96.9 million, versus the pcp ($92.1 million).

Regarding the results, Jules Pemberton, Managing Director and CEO, said:

"Before I comment on the results, I will start by acknowledging the tragic passing of Barry Breslin in October 2024, who was a subcontractor on the HWA Freeway Project. We again extend our condolences to Barry's family and friends and those colleagues who were on site when the incident occurred.

As previously announced, on 19 February 2025 the South Australian Government appointed KordaMentha as Administrators over OneSteel Manufacturing Pty Ltd (OneSteel). We are owed approximately $113.3 million in trade receivables and contract assets. Golding previously obtained a guarantee and indemnity from both Liberty Primary Metals Australia Pty Ltd and Whyalla Ports Pty Ltd (Whyalla Ports), as well as first ranking security over certain assets of, and the shares in Whyalla Ports. We believe that the security has sufficient value to allow recovery of amounts outstanding. We have various options regarding the enforcement of this security and will make a decision on the path forward based on the best interest of our shareholders and other stakeholders. There has been no financial impact recognised during the period, with no specific allowance associated with amounts due, being recognised for the period.

1) EBITDA is earnings before interest, tax, depreciation, amortisation of acquisition intangibles and non-recurring transactions.
2) Operating EBIT / EBITA is earnings before interest, tax, amortisation of acquisition intangibles and non-recurring transactions.
3) NPATN is Operating EBIT less interest and tax (at a 30% tax rate).
4) Normalised Earnings per share is EBITA less interest and tax (at a 30% tax rate) over number of shares.

Financially, I am pleased to report a strong set of interim results despite some challenges during the half. Strong performances across the MET and Civil divisions underpinned the solid 15.8% growth in revenue on the prior period. Disappointingly, the margins were impacted by significantly higher than average rainfall in Queensland, and the early termination of the Mt Cattlin lithium contract, predominantly impacting the Mining business margins during the half.

Pleasingly, we successfully integrated the HSE South Walker Creek Contract acquisition during the period and transitioned the South Walker Creek operations into Golding's mining business. In addition, during the period we were awarded a $1.6 billion five-year extension, commencing January 2026. Another noteworthy contract win by the mining team during the period was the award of Evolution's Castle Hill gold project in Western Australia, valued at $360 million over six years. This award provides further commodity diversity for the Group and will mostly utilise the displaced assets from the Mt Cattlin mine which is now in care and maintenance.

The Civil and MET divisions continue to experience heightened levels of tendering activity, providing strong visibility over future pipeline. Civil has already secured eight new projects during the first half of FY25 across WA and QLD which will contribute to the second half of FY25 and FY26.

With revenue expected to grow to $3.2 billion to $3.3 billion for the full-year and an order book of $6.8 billion, we are well placed to continue strong organic growth into FY26. This is also supported by our record value of current active tenders at $6.2 billion and our tender pipeline of $15.1 billion.

In addition, we ended the half with a solid cash position of $284.4 million and are further supported by available undrawn debt facilities of $330 million which could be utilised for strategic corporate activities as and when the right opportunities present.

Our continued success is driven by the hard work and commitment of our people, who are our greatest asset. Together with the leaders of each of our businesses, we continue to manage and mitigate industry risks by implementing critical controls at all levels across the entire Group. I would like to once again thank and acknowledge the dedicated efforts of our 8,000-strong workforce, as they have been instrumental in delivering these results."

Operating Outlook by Segment

Civil

In Western Australia, the Civil segment is well placed to secure work from its tier one customer base in the iron ore sector as they undertake previously announced capital expenditure programs. The Civil segment is presently working on various tenders and ECI projects for iron ore sustaining and replacement tonnage developments. These are major capital projects that the tier one miners are progressing to deliver replacement tonnage for depleting existing mines. The number of carbon reduction projects in the resources sector is also growing which will create further opportunities for the Group.

In the public and private infrastructure sectors, the demand for housing, transport and urban infrastructure remains strong and continues to see record levels of activity. There is a visible near-term pipeline of infrastructure projects and current tenders that are being pursued in Western Australia and Queensland. In Queensland, the continuing public infrastructure expenditure programs, flood remediations and expected works that will precede the 2032 Brisbane Olympic Games support a strong outlook for continued growth opportunities. Despite high interest rates, the southeast Queensland housing market is expected to remain robust.

This resilience is fuelled by strong demand from interstate migration in anticipation of the 2032 games, significant housing undersupply, and the continued affordability of house and land prices compared to Sydney and Melbourne.

Full year revenue in Civil is projected to be significantly higher than prior year, with margin in line with current performance.

Work in hand currently totals $0.8 billion and there are current active tenders totalling circa $1.3 billion supporting the Company's view of the strong momentum in core major project opportunities and buoyant long-term outlook.

Mining

The Mining segment has secured over 95% of its expected revenue for the second half of the financial year with strong visibility of revenue and earnings for future years.

Subject to any further impact from abnormal levels of rainfall in Queensland, mining margins are expected to return to historical long-term percentages during the second half. Additionally, to the extent that the actual future cash flows recovered in relation to the amounts due from OneSteel do not at least equal their carrying values, these financial assets would be required to be written down to their recoverable amount through profit or loss.

With work in hand of $4.9 billion and current active tenders totalling circa $3.4 billion, the Mining segment is in a strong position to continue to grow a stable revenue base and maintain a disciplined approach to target numerous opportunities in the pipeline that will enhance returns on capital.

Minerals, Energy & Technologies

The MET segment is well diversified across iron ore, gold, rare earths and battery critical minerals. The majority of revenue in this period was earned from iron ore and gold. Diversification beyond current core markets in mining and minerals processing in Western Australia will present additional opportunities for MET. Queensland represents considerable growth opportunities as well as diversifying into the energy sector.

The delivery of Northern Star's KCGM Fimiston Growth Project by Primero continues to demonstrate engineering and construction expertise, potentially providing opportunities with other gold and broader mining sector clients.

Tender activity is currently high, providing long-term visibility of significant engineering, mechanical and NPI projects coming up across iron ore, rare earths and gold.

Across RCR, DIAB and OFI incremental organic growth is expected in the near-term via expansion of opportunities with existing clients as well as the introduction of new clients nationally and internationally. This will be coupled with a continued focus on optimisation of cost structures to support profitability growth.

Beyond existing core capabilities, the MET businesses continue to develop several new technologies which have the potential to generate future revenue streams such as:

- Primero's process engineers continue the development of new simpler methods for refining hard rock lithium concentrates. The internally developed intellectual property is now well into the pilot testing phase and continues to produce results that will change the economics of lithium refining and potentially alleviate many of the start-up issues that hydroxide refineries currently experience.

- RCR successfully piloted its B2B Customer Portal with a tier one iron ore miner during the period. A market launch is planned for the second half of the year and is expected to further drive OEM product sales and support services.
- The launch of RCR's sealed pan feeder at MINExpo International in the USA in September 2024 proved successful, generating numerous strong ongoing enquiries from mining companies globally. Additionally, agencies in key internal markets are being identified to generate sales opportunities and customer support.

The innovation initiatives that are occurring across MET are expected to enhance competitiveness in the future and potentially deliver major new sources of revenue and profitability outside of direct contracting.

Work in hand currently totals $1.1 billion and there is a high level of tender activity with current active tenders totalling circa $1.5 billion.

Interim Dividend

In line with the Company's dividend policy, the Board has resolved to pay an interim fully franked dividend of 7.0 cents per share. The interim dividend will be paid on 10 April 2025.

Guidance

Guidance is updated and reconfirmed for FY25:

- Revenue expected to increase to $3.2 billion to $3.3 billion (from $3.1 billion previously guided);
- Earnings (EBITA) for FY25 expected to be between $205.0 million to $215.0 million (unchanged); and
- Cash and gearing consistent with long-term averages.

This ASX Announcement has been approved in accordance with the Company's published continuous disclosure policy and authorised for release by the Chief Executive Officer 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 across all of Australia and engineering offices in Canada and the USA, NRW's geographical diversification is complemented by its ability to deliver a wide range of services. NRW's Civil and Mining segments provide civil construction, including bulk earthworks, road and rail construction and concrete installation, together with contract mining and drill and blast services. The Minerals, Energy & Technologies (MET) segment 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 Original Equipment Manufacturer (OEM) capability, providing refurbishment and rebuild services for earthmoving equipment and machinery. NRW has a workforce of around 8,000 people supporting projects for clients across the resources, renewable energy, infrastructure, industrial engineering, maintenance and urban subdivision sectors.

Future and Past Performance:

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). NRW is under no obligation to update or correct the content of this Presentation after its date of release.