# NRW Holdings

## FY24 Full-Year Results

# Full-Year Highlights

**$2.9B**
Revenue

**$195.1M**
EBITA

**$5.5B**
Strong Order Book

**7,400**
Workforce

**$246.6M**
Record Cash Holdings

**$16.4B**
Project Pipeline

# Full-Year Results

## Financial overview

- Revenue $2.9 billion, up 9.2% on FY23.
- EBITDA $334.8 million, up 15.9% on FY23.
- EBITA $195.1 million, up 17.4% on FY23 at a 6.7% margin.
- NPATN $123.8 million, up 18.6% on FY23.
- Cash holdings of $246.6 million, 94.9% conversion.
- Normalised earnings per share 27.3 cps, up 17.7% on FY23.
- Strong order book of $5.5 billion, including expected repeat business.
- Pipeline remains robust at $16.4 billion, with $5.5 billion of active tenders.
- Fully franked final dividend of 9.0 cents per share, total FY24 dividend 15.5 cents per share up 11.1% pcp (on a comparable franked basis), 57.0% payout ratio.

*Golding team, Curragh*

# Earnings and Balance Sheet

- Revenue $2.9 billion, a 9.2% increase driven by heightened activity across all three operational segments.
- EBITA $195.1 million, 17.4% higher on FY23, inclusive of a $8.1 million profit on the sale of SPR.
- Normalised Net Earnings (NPATN) increased by 18.6% to $123.8 million reflecting the growth across the Group.
- Non-recurring transactions in FY24 principally related to the Wärtsilä settlement offset by net gains on listed investments.
- Headline cash balance at 30 June 2024 $246.6 million, 94.9% conversion.
- Headline debt increased predominantly due to the funding of the Wärtsilä settlement.
- Net debt of $78.8 million, decreased gearing of 12.1% (5.1% excluding leases).
- Working capital at $25.2 million, increased consistent with the growth the business has experienced over this time.

| | FY24 | | FY23 | |
|---|---|---|---|---|
| | Revenue | Earnings | Revenue | Earnings |
| | $M | $M | $M | $M |
| **Total revenue / EBITDA** | **2,913.0** | **334.8** | **2,667.1** | **288.8** |
| Depreciation and amortisation | | (139.7) | | (122.5) |
| **Operating EBIT / EBITA** | | **195.1** | | **166.3** |
| Amortisation of acquisition intangibles | | (5.9) | | (5.9) |
| Non-recurring transactions | | (28.1) | | (18.3) |
| **EBIT** | | **161.1** | | **142.1** |
| Interest | | (18.3) | | (17.2) |
| **Profit before income tax** | | **142.8** | | **124.9** |
| Income tax expense | | (37.7) | | (39.3) |
| **Net earnings** | | **105.1** | | **85.6** |
| **NPATN** | | **123.8** | | **104.4** |

| | FY24 | FY23 |
|---|---|---|
| | $M | $M |
| Cash | 246.6 | 227.6 |
| Financial debt | (279.8) | (260.4) |
| Lease debt | (45.7) | (51.5) |
| **Net debt** | **(78.8)** | **(84.3)** |
| Property, plant and equipment | 554.2 | 491.0 |
| Right-of-use assets | 39.3 | 44.9 |
| Working capital | 25.2 | 8.9 |
| Investments | 4.4 | 26.9 |
| Current Net Tax Liabilities | (0.7) | (0.3) |
| Deferred Net Tax Liabilities | (98.6) | (90.1) |
| **Net tangible assets** | **445.0** | **397.0** |
| Intangibles and goodwill | 207.6 | 213.1 |
| **Net assets** | **652.6** | **610.1** |
| Gearing | 12.1% | 13.8% |
| Gearing excl. AASB 16 | 5.1% | 5.4% |

# Cash Flow

| Consolidated Statement Of Cash Flows ($M) | FY24 |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Receipts from customers | 3,177.7 |
| Payments to suppliers and employees | (2,897.1) |
| Net interest | (18.3) |
| Income tax paid | (28.8) |
| **Net cash flow from operating activities** | **233.5** |
| **CASH FLOWS USED IN INVESTING ACTIVITIES** | |
| Sale of PPE | 8.3 |
| Sale of investments | 34.2 |
| Acquisition of PPE | (192.8) |
| Acquisition of intangibles | (2.0) |
| **Net cash used in investing activities** | **(152.3)** |
| **CASH FLOWS USED IN FINANCING ACTIVITIES** | |
| Proceeds from borrowings | 105.0 |
| Repayment of borrowings | (85.6) |
| Repayment of lease debt | (15.8) |
| Payment of dividends to shareholders | (65.7) |
| **Net cash used in financing activities** | **(62.1)** |
| **NET INCREASE IN CASH** | **19.1** |
| Cash and cash equivalents – opening | 227.6 |
| Effect of FX | (0.1) |
| **Cash and cash equivalents – closing** | **246.6** |

- Cash holdings $246.6 million with cash conversion at 94.9%.
- Capital expenditure totalled $192.9 million:
  - Growth capex $51.7 million (new / extended contracts);
  - Sustaining capex $64.4 million (substitution of owned equipment for hire equipment, replacement of end-of-life fleet); and
  - Maintenance capex $76.8 million (preserving economic life).
- Borrowings related to equipment finance and the Wärtsilä settlement payment.
- Sale of investments primarily related to sale of Spartan holding for $33.0 million.
- FY23 final dividend and FY24 interim dividend totalling $65.7 million paid in the period.

# NRW's End-to-End Capability

- Across our three operating segments, our strategy has successfully created a diversified business model applicable to resources, civil and public infrastructure and utilities. This model provides comprehensive capabilities throughout the project lifecycle, spanning engineering, construction, operations, maintenance and shutdowns and manufacturing and supply of OEM products.

## Civil

- National infrastructure pre-qualifications R5, B4, F150+
- Roads & bridges
- Public / defence infrastructure
- Rail formations
- Mine development
- Bulk earthworks
- Marine works
- Renewable energy projects
- Airstrips
- Commercial & residential subdivisions

## Mining

- Whole of mine management
- Mine development
- Load & haul
- Coal handling preparation plants
- Mine site rehabilitation
- Full scope drill & blast
- Explosives supply & management
- Maintenance services
- Mobile equipment
- Service vehicle manufacture & sales

## MET

- Full EPC capability
- Apron, belt & hybrid feeders
- Material handling specialists
- Build Own Operate
- Structural, mechanical & piping work
- Maintenance services
- Process controls
- E&I design and construction
- Non process infrastructure
- Routine preventative & OHP shutdowns
- Offsite repairs & fabrication services
- Product support, spare parts & service
- Heat treatment
- Switchboard / panel manufacture

# Segment Overview

## Civil

| Revenue | EBIT |
|---|---|
| $655.5M | $29.9M |
| ^ 19.6% | ^ 44.3% |

## Mining

| Revenue | EBIT |
|---|---|
| $1,524.9M | $143.6M |
| ^ 5.8% | ^ 7.1% |

## MET

| Revenue | EBIT |
|---|---|
| $791.8M | $45.5M |
| ^ 8.6% | ^ 49.5% |

*Geraldton workshop, DIAB Engineering*

# Civil

*Bunbury Outer Ring Road, NRW Civil & Mining*

# Civil

- Revenue in Civil grew by 19.6% reflecting strong demand conditions particularly in Western Australia, as excess capacity was utilised (overheads spread over a larger revenue base) and delayed projects from FY23 were awarded this year.
- During FY24, Rio Tinto's Gudai-Darri Solar Farm (GDSF) work entered testing, commissioning and ramp up.
- NRW Civil was awarded preferred proponent status for the Reid Highway Interchanges project, expected to commence in late 2024.
- Ongoing iron ore tonnage replacement and sustaining capital cycle supports visibility of new mine developments, expansions and upgrades. The Civil segment is presently working on tenders and ECI projects for iron ore replacement tonnage developments where we see a multi-year opportunity.
- Population growth in South East Queensland supports a strong pipeline of current projects and near-term prospects for the Group's urban sub-division development business.

| | FY24 | FY23 |
|---|---|---|
| Revenue ($M) | 655.5 | 548.0 |
| EBIT ($M) | 29.8 | 20.7 |
| Margin (%) | 4.5% | 3.8% |

**$0.7B***

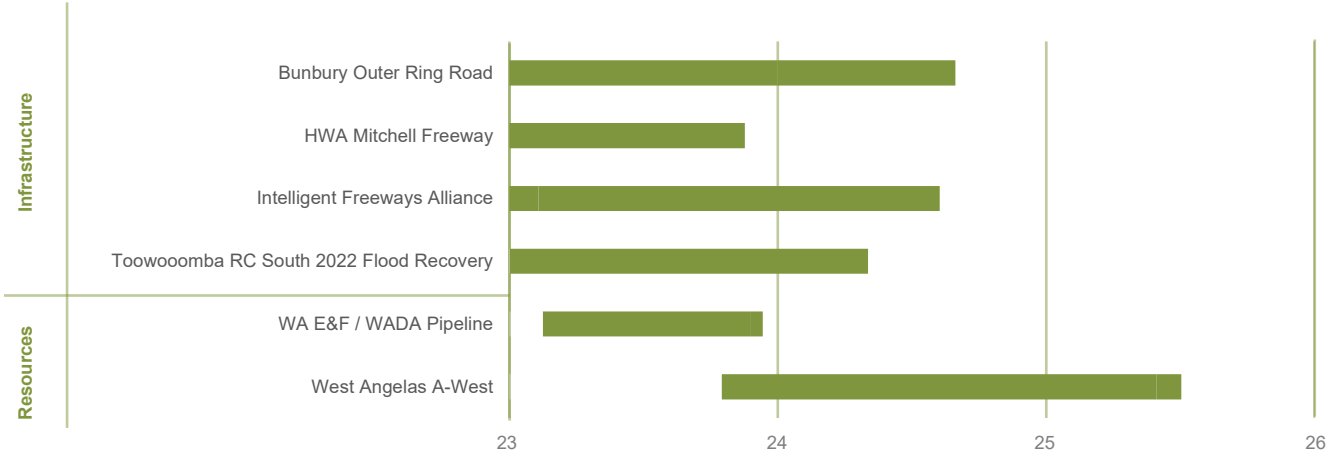
Order Book

**includes repeat business*

**$1.0B**

Active Tenders

## Key Civil Projects



# Mining

*Mt Cattlin, NRW Civil & Mining*

# Mining

- Mining delivered a strong result in the year, growing revenue by 5.8% and EBIT by 7.1%, despite the uncertainty in specific commodity markets, most notably lithium.
- Result included an $8.1 million profit from the disposal of shares held in Spartan Resources Limited which were issued in partial satisfaction of NRW's mining services invoices.
- Karara continued to operate at full capacity and the Mt Webber team continued their solid production performance.
- ADB delivered record revenue and EBIT, with 60% of revenue delivered from third parties.
- Golding executed an agreement to acquire the mining services contract, associated fleet and transfer of the employees of HSE Mining, that will generate approximately $250 million of revenue over the remaining term to August 2025.
- The Mining segment has over 90% of its expected revenue for FY25 and material tenders submitted awaiting near-term decisions.

| | FY24 | | FY23 | |
|---|---|---|---|---|
| | $M | % | $M | % |
| Revenue | 1,524.9 | | 1,441.0 | |
| EBITDA | 259.3 | 17.0% | 234.0 | 16.2% |
| Depreciation | (115.8) | | (100.0) | |
| EBIT | 143.6 | 9.4% | 134.1 | 9.3% |

**$3.5B***

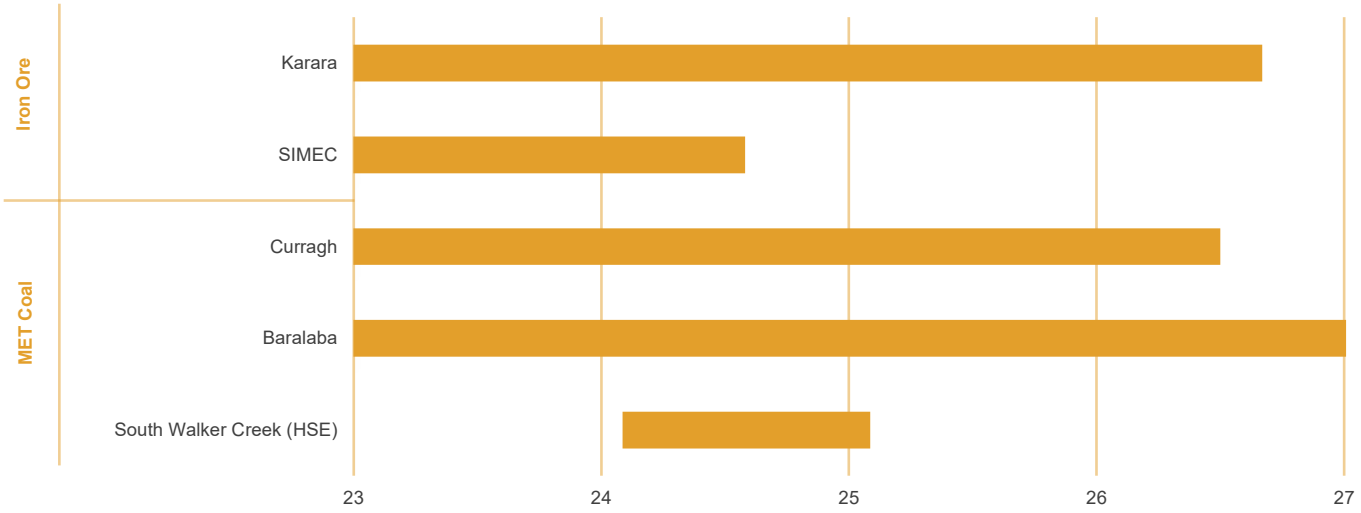
Order Book

**includes repeat business and scope growth*

**$3.5B**

Active Tenders

## Key Mining Projects



# Minerals, Energy & Technologies

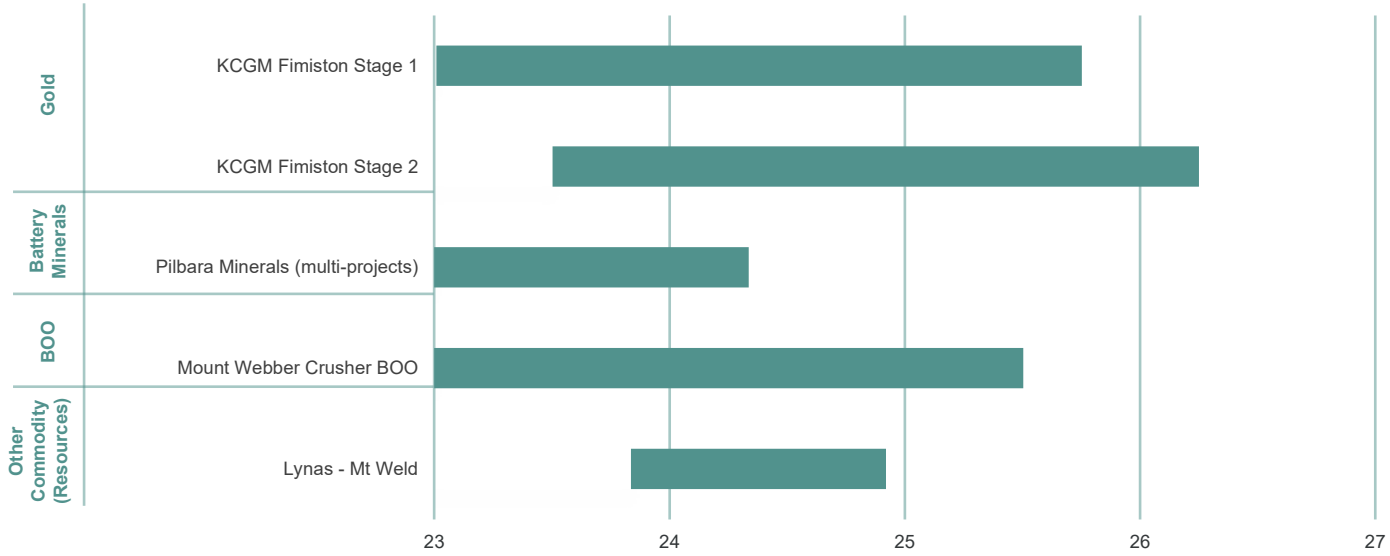
*KCGM Growth Project, Fimiston*

# Minerals, Energy and Technologies

- Profitability of the segment has grown to 5.8% from 4.2% at June 2023.
- Primero performed strongly in FY24 underpinned by key projects such as Western Range NPI and KCGM Fimiston.
- RCR's product support team delivered significant growth in FY24, however, project delays and additional overheads to support growth in OEM parts and service business continued to impact overall profitability.
- Across RCR, DIAB and OFI, the iron ore, gold and rare earths clients continue to feed a strong pipeline of opportunities.
- OEM products and product support to grow strongly over coming years.
- Number of innovation initiatives underway across MET that could deliver major new sources of income in the future (alternative lithium refining IP, RCR sealed pan feeder, modular solution for in-pit electrification).

| | FY24 | FY23 |
|---|---|---|
| Revenue ($M) | 791.8 | 729.1 |
| EBIT ($M) | 45.5 | 30.5 |
| Margin % | 5.8% | 4.2% |

## Key MET Projects




**$1.3B***

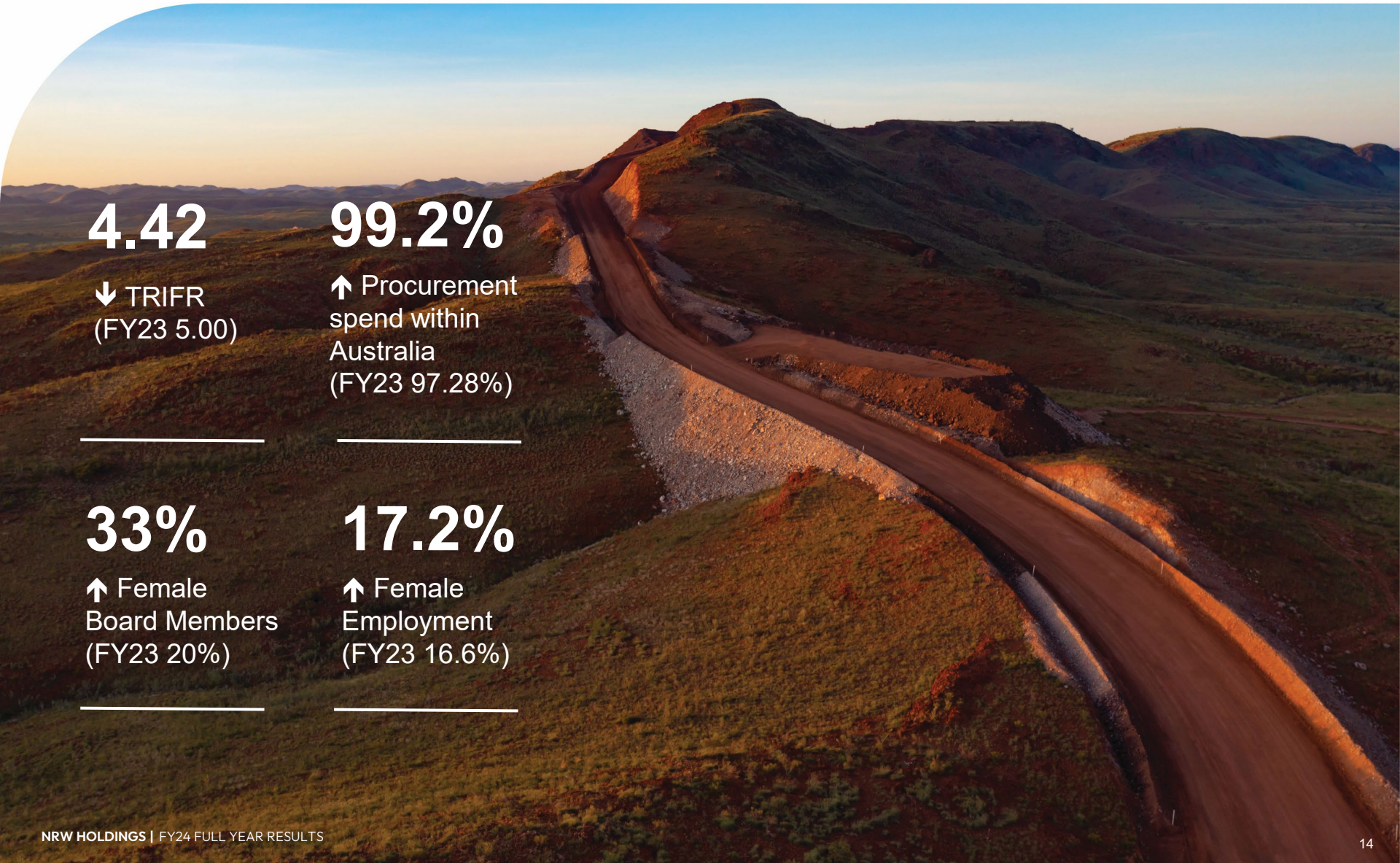
Order Book

**includes repeat business*

**$1.0B**

Active Tenders

# Sustainability Highlights



**4.42**

↓ TRIFR
(FY23 5.00)

**99.2%**

↑ Procurement spend within Australia
(FY23 97.28%)

**33%**

↑ Female Board Members
(FY23 20%)

**17.2%**

↑ Female Employment
(FY23 16.6%)

# Environmental, Social & Governance Performance and Initiatives

## Environmental

- A core focus on reducing our Group's carbon footprint through:
  - Installation of solar at our facilities in Bunbury and Hazelmere, which are pending approvals from Western Power and are expected to be operational by the end of 2024.
  - Continued investment in modernised equipment with a lower carbon footprint, for example, the installation of a new compressor at AES (contributing to an overall reduction of 23% in Scope 2 emissions for their business).
  - Partnering with Caterpillar on their 'Pathways to Sustainability' Program, which facilitates industry learning opportunities and supports the energy transition for heavy vehicles.

## Social

- Strong safety performance recording another year with no fatalities and a further reduction in TRIFR to 4.42 (FY23: 5.00).
- Roll out of our Critical Risk Management program and reporting system across the Group.
- Focus on psychosocial safety, developing a Group-wide Standard and reporting process and education has continued across all levels of the business.
- A workforce total of 7,400 (FY23: 7,200) across our business, with employee turnover decreasing significantly. Including the addition of HSE, workforce now totals 8,000.
- Increase in female workforce to 17.2% from 16.6% in FY23.
- Continued targeted employment and development programs to increase diversity.
- The number of indigenous workforce totalled 187.
- Creating learning opportunities for the 188 apprentices, 66 Graduates, 64 trainees, 20 undergraduates, 2 interns and 6 students on work placements.
- Investing in leadership training, driving a workforce that is capable and resilient, with the skills and knowledge for current and future challenges.
- Continuing education initiatives to empower our people with the knowledge and skills necessary for promoting respectful interactions.
- Continued charitable and in-kind contributions to programmes such as Perth Homeless Support Group, GIVIT, RUOK?, Telethon, Movember and other community initiatives.

## Governance

- Continued focus on integrating sustainability into key business processes such as business planning, project tendering and risk and opportunity management.
- Strong partnerships with suppliers to actively work towards sustainable purchasing.
- Establishment of a standalone Risk Management Committee.

# Outlook & Guidance

## Outlook[(1)]

Remains strong as:

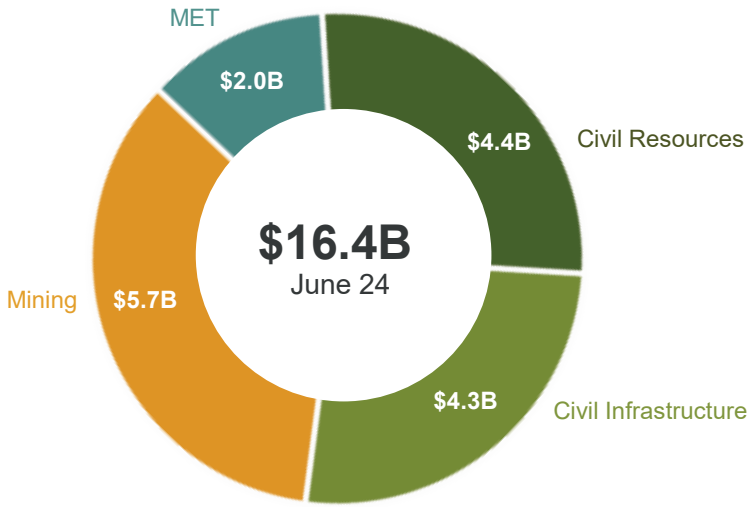
- Total Group pipeline is $16.4 billion.
- Current active tenders of $5.5 billion.
- $5.5 billion of order book, with circa $2.9 billion already secured for FY25, which is either in the order book, is expected as repeat business or preferred.
- Available debt lines increased from $260 million to $450 million (drawn to $49.6 million) on materially improved terms, to facilitate corporate initiatives.

## FY25 Guidance

- FY25 full-year revenue is expected to be circa $3.1 billion.
- Earnings (EBITA) for FY25 is expected to be between $205 million to $215 million.
- Cash conversion and gearing consistent with long-term averages.

*(1) Guidance should be read in conjunction with NRW's future and past performance statements disclosure.*

## Pipeline



*NRW Civil & Mining team, Mt Cattlin*

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