

PWR Holdings Ltd 2024 AGM Report

ASX code	PWH
Meeting date	Friday, 18 October 2024
Type of meeting	Physical meeting with webcast, preceded by factory tour
Monitors	David Loosemore, Susan Bailey and Paul Donohue
Pre AGM-meeting	With Chair Roland Dane and Company Secretary Lisa Dalton

Meeting Statistics

Number of holdings represented by ASA	20
Number of shares represented by ASA	56,002
Value of shares represented by ASA	\$0.49m
Total number attending meeting	107 attendees
Market capitalisation	\$889 million
ASA open proxies voted	ASA voted in favour of all the resolutions

Monitor Shareholding: The individuals (or their associates) involved in the preparation of this report have a shareholding in this company.

From a small radiator business, PWR Holdings Ltd (PWR) has grown to a flexible manufacturing facility capable of designing and adapting configurations of coolers to custom specifications, with a dominant position in the racing industry. Using its capability, PWR is growing into a niche manufacturer of cooling technology for the aerospace and defence industries.

While not adopting a hybrid format, PWR's recent event offered shareholders a unique and engaging experience. The day began with an insightful factory tour, followed by a casual BBQ lunch, and culminated in the AGM with a webcast. This format facilitated valuable interactions between shareholders, directors, and staff throughout the morning, fostering a sense of community and transparency.

The impact of relocation to the new factory on FY25 growth and market performance

In response to an ASA question on how PWR's FY25 financials will be impacted by the transfer to the larger factory, PWR responded by noting it has demonstrated an impressive growth trajectory over the years and is actively working to maintain this momentum. The company is focused on delivering value to the sharemarket, with a strategic outlook extending beyond the short term to years into the future.

To secure new aerospace and defence contracts, PWR recognises the need to:

- Increase overall production capacity
- Also update facilities in the UK and USA.

Details about the company's property arrangements were discussed:

- A new lease agreement for 15 years for the factory has been secured, with two 5-year extension options
- PWR has first right of refusal on an adjacent property owned by the same landlord, providing potential for future expansion.

Future automation

A shareholder asked what the potential was for automation, as it was apparent from the factory tour that the flexibility and custom nature of their fabrication results in a significant proportion of manual work. PWR said that they are conscious of considering where automation may be possible. Already some of their work can be done remotely when staff are not present. They have just recently purchased a sheet metal machine from Japan to increase automation. However, some aspects of production will not be possible to automate.

Defence accreditation

PWR Holdings Ltd has obtained several important defence-related accreditations for handling sensitive defence information and contracts, dealing with US defence-related exports, and various procurement and supply chain accreditations. These accreditations could be seen as a potential barrier to entry for competitors to its niche manufacturing market. At the AGM, a shareholder asked how PWR was managing the risk of losing these accreditations. PWR responded that they were cognisant of the risk, however in many cases they were completing the second round of renewal of accreditations. This experience provided confidence to PWR that the risk was being managed well.

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