



Company	NRW Holdings Ltd
Code	NWH
Meeting	FY21 AGM
Date	25 November 2021
Venue	L6, 123 St Georges Tce , Perth, WA
Monitor	Len Roy

Number attendees at meeting	54 Attendees (No online)
Number of holdings represented by ASA	26
Value of proxies	\$716,152 – on day of meeting
Number of shares represented by ASA	409,230
Market capitalisation	\$748m – on day of meeting
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes with Ind NED Peter Johnston & Secretary Kim Hyman.

Shareholders had expected increased EPS in line with increased revenue but Covid & major workforce restrictions have been serious impediments.

Chairman Michael Arnett called into the meeting from Brisbane. He focused on financial growth, “outstanding results” and safety performance. The company had successfully integrated BGC Contracting, DIAB Engineering & Primero Group in a Covid pandemic working environment. Workforce had grown to 7,000 and NRW had activities in all mainland states.

FY21 revenue of \$2,301m was up 11.5% on pcp. Included 12 months of BGC Contracting and 5 months contribution of Primero Group acquired March 2021.

Mr Arnett also referenced post year end June 30 2021 contract awards; (1) EPC contract with Covalent Lithium (jv between Wesfarmers & SQM) at the Mt Holland Concentrator project valued at approximately \$290m. The design engineering capabilities of subsidiaries Primero and RCR played a significant role in securing the project.

Year-end order book was \$3.4bn.

Shareholders would have noted NRW's revenue growth but decline in EPS. FY21 EPS was 12.5cps compared to FY20 EPS 18.2cps. The company's total (interim & final) dividend FY21 was 9 cps compared to FY20 total dividend 6.5cps.

CEO Jules Pemberton provided a comprehensive overview of the enlarged NRW group. The collective skills & services of acquisitions had provided a spring board to incremental project work across a wider geographic base. That part of the longer term growth strategy was working however the effects of Covid pandemic & serious labour shortages restricted overall profit performance. Contract variations & settlement of claims are risk areas for the services sector and the CEO reported the aggregate claims amount outstanding June 30 of \$68m had been reduced to \$33m post the year end.

NRW is now in a position to offer lower carbon solutions to clients following the integration of RCR and Primero. The initiative includes relocatable crushing & conveying hubs which significantly reduce diesel fuelled trucking.

FY22 guidance focused on revenue at \$2.3bn and "earnings" – EBITDA- \$145m - \$155m.

ASA supported all resolutions except the Resolution 8 – Conditional Spill. We considered the revenue benefits of the acquisitions, the willingness in FY21 to take on board shareholder rem structure concerns and the appointment of Ind NED Fiona Murdoch. In the circumstances we thought a board spill would have serious negative consequences.

ASA

- Welcomed Fiona Murdoch as Ind NED. In speaking with her, I think she brings fresh air and skills to the board.
- Acknowledged the rework which had been done on the rem structure but there is still more work to achieve better alignment
- Addressed the financials noting increased revenue but lower profits. Something we cautioned on a year ago.
- Indicated shareholders will be expecting improved margins and eps performance in FY22.

Chairman's address

[Chairman's Address to Shareholders \(iguana2.com\)](#)

CEO's address

[CEO Address & Presentation to Shareholders \(iguana2.com\)](#)

Results of meeting

[Results of Meeting \(iguana2.com\)](#)