



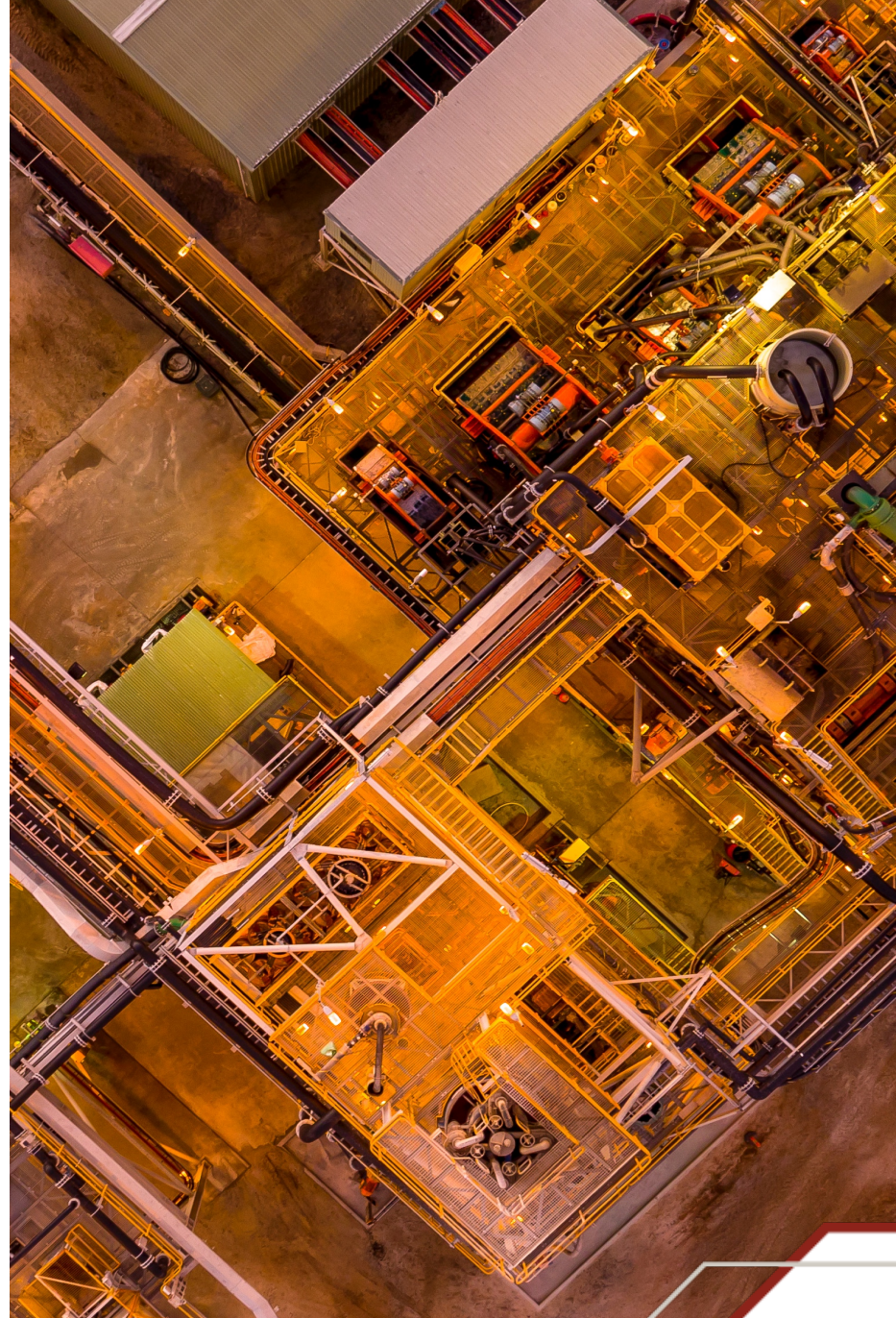
NRW HOLDINGS

HALF YEAR RESULTS

18 FEBRUARY 2021

RESULTS OVERVIEW

- Revenue up 44% to \$1,168M; first half of FY20 (pcp) \$808.7M.
- Earnings (EBITDA) increased to \$132.8M up 28% compared to \$103.8M pcp⁽¹⁾.
- Margins on Pilbara projects impacted by resource availability due to continued constraints related to COVID-19 measures.
- Strong cash conversion.
- Cash balance at \$171.4M; net debt reduced by \$43.2M to \$96.5M.
- Gearing sub 20% (including Lease Debt).
- Order wins in excess of \$1B, including two major infrastructure projects.
- Revised Dividend Policy adopted - Interim dividend declared of 4 cents per share.
- Primero (ASX:PGX) takeover - moving to compulsory acquisition - delivers a step change in scale and diversity to NRW's Minerals, Energy & Technologies (MET) pillar.
- MET secured its largest project to date (\$80M) to deliver a Primary Crusher and Overland Conveyor for the Queens Project at the Solomon Hub for Fortescue Metals Group. Led by RCR Mining Technologies and supported by Primero, NRW Civil and DIAB demonstrating the end-to-end delivery capability of the enlarged group.



(1) For comparative purposes, the full year impact of AASB16 in FY20 has been assessed for both the first and second half of FY20; see Appendix A.

PRIMERO

- NRW now holds a relevant interest of circa 98% (15 Feb 2021) of Primero's shares and is now moving to compulsory acquisition of the remaining shares in Primero.
- Primero's business and its competencies are complementary to NRW's compelling strategic delivery platform:
 - Broader client service offering - Primero is a vertically integrated engineering group that specialise in the design, construction and operation of resource projects.
 - NRW's renamed Minerals, Energy & Technologies division to offer clients continuity of services across the whole lifecycle of resource projects - from early planning, design, development, construction to operations and maintenance.
- Complete end-to-end combined group opportunities:
 - Primero and RCR Mining Technologies successfully delivered HOP9 crushing plant for Fortescue Metals Group, and now working together on the Queens Project for Fortescue Metals Group.
 - Currently bidding with DIAB Engineering and RCR Mining Technologies iron ore prospects, (Crushing / Materials Handling).
 - Currently working with NRW on multiple EPC projects across various commodities.
 - Iron ore - multiple BOO mining / processing contract opportunities.
 - Well positioned to develop future focused energy solutions, including lithium and hydrogen technologies and other renewables.



HSE & PEOPLE

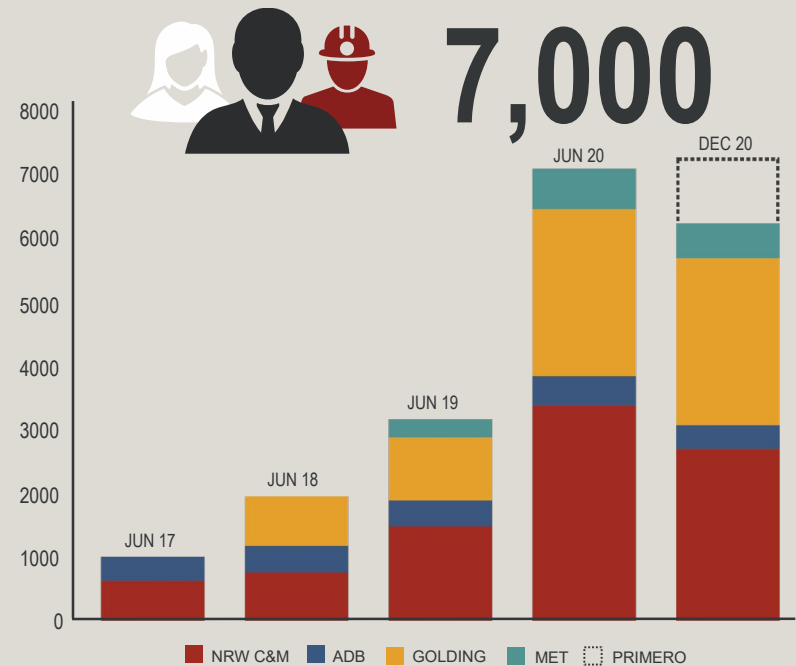
SAFETY

- Increased monitoring and focus on welfare of workforce due to COVID-19.
- Total Recordable Injury Frequency Rate (TRIFR) at December 2020 was 6.66.
- Lost Time Injury Frequency Rate (LTIFR) at December 2020 was 0.39.

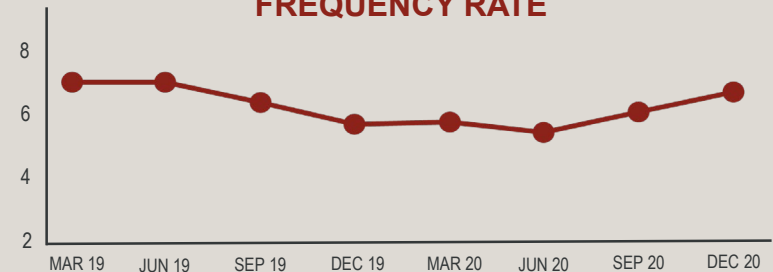
PEOPLE

- Headcount post Primero circa 7,000 – similar to June 20.
- Key challenge to meet resource requirements through COVID-19 environment particularly on WA FIFO sites and in SA. Interstate travel restrictions increasing pressure on recruitment and retention.
- Indigenous participation rate between 5% and 11% across our major projects in WA.
- Entry-level employment and upskilling opportunities via apprenticeships and trade upgrades.
- Graduate and vacation student programmes in Civil and Mining.
- In-house leadership training to ensure new and future leaders are provided with a foundation of leadership skills.

HEADCOUNT



TOTAL RECORDABLE INJURY FREQUENCY RATE



FINANCIAL OVERVIEW

FINANCIALS

- Revenue growth from order wins in civil and addition of BGC Contracting.
- Earnings impacted by resource availability due to COVID-19 restrictions.
- Drill & Blast and MET continue to grow and improve earnings.
- Non-recurring transactions include GCY (\$16.5M), Altura (in administration) cessation of operations (\$19.1M) and transaction costs re PGX(\$0.8M).
- Note - Amortisation of Intangibles and Tax are noncash costs.
- Note - First Half of FY20 restated below to include estimated impact of AASB16 revisions in second half of FY20 (which affected the whole year).

EARNINGS (\$M)	FH FY21		FH FY20⁽¹⁾	
	Revenue	Earnings	Revenue	Earnings
Total Revenue / EBITDA	1,168.0	132.8	808.7	103.8
Revenue from Associates	(30.3)		(25.1)	
Depreciation		(73.8)		(38.2)
Operating EBIT		59.0		65.6
Amortisation of Acquisition Intangibles		(9.0)		(4.0)
Non-recurring transactions		(3.4)		(8.7)
EBIT		46.6		52.9
Interest		(6.3)		(5.3)
Profit before income tax		40.3		47.6
Tax		(11.3)		(12.7)
Statutory Revenue / Net earnings	1,137.7	29.0	783.6	34.9
NPATN⁽²⁾		37.0		42.2

(1) For comparative purposes, the full year impact of AASB16 in FY20 has been assessed for both the first and second half of FY20; see Appendix A

(2) NPATN – earnings before amortisation of acquisition intangibles and non-recurring transactions costs at normal 30% tax rate.

- Cash balances sustained whilst accelerating non asset finance debt repayments (Bank loans to fund acquisitions).
- Net debt reduced by \$43.2M to \$96.5M.
- Investments are holdings in GCY post recapitalisation.
- Working capital increase is mostly repayment of contract advances.

BALANCE SHEET (\$M)	31 DEC 20	30 JUN 20⁽¹⁾
	\$M	\$M
Cash	171.4	170.2
Financial debt	(209.0)	(244.8)
Lease debt	(58.9)	(65.1)
Net Debt	(96.5)	(139.7)
PPE	412.3	451.8
Lease assets (right of use)	51.3	58.3
Working capital	1.5	(18.7)
Investments	18.2	2.6
Tax Liabilities	(12.1)	(0.9)
Net Tangible Assets	374.7	353.4
Intangibles and Goodwill	110.5	119.0
Net Assets	485.2	472.4
Gearing	19.9%	29.6%
Gearing Excl. AASB 16	7.8%	15.6%

(1) Restated to reflect finalisation of NRW Contracting purchase price accounting.

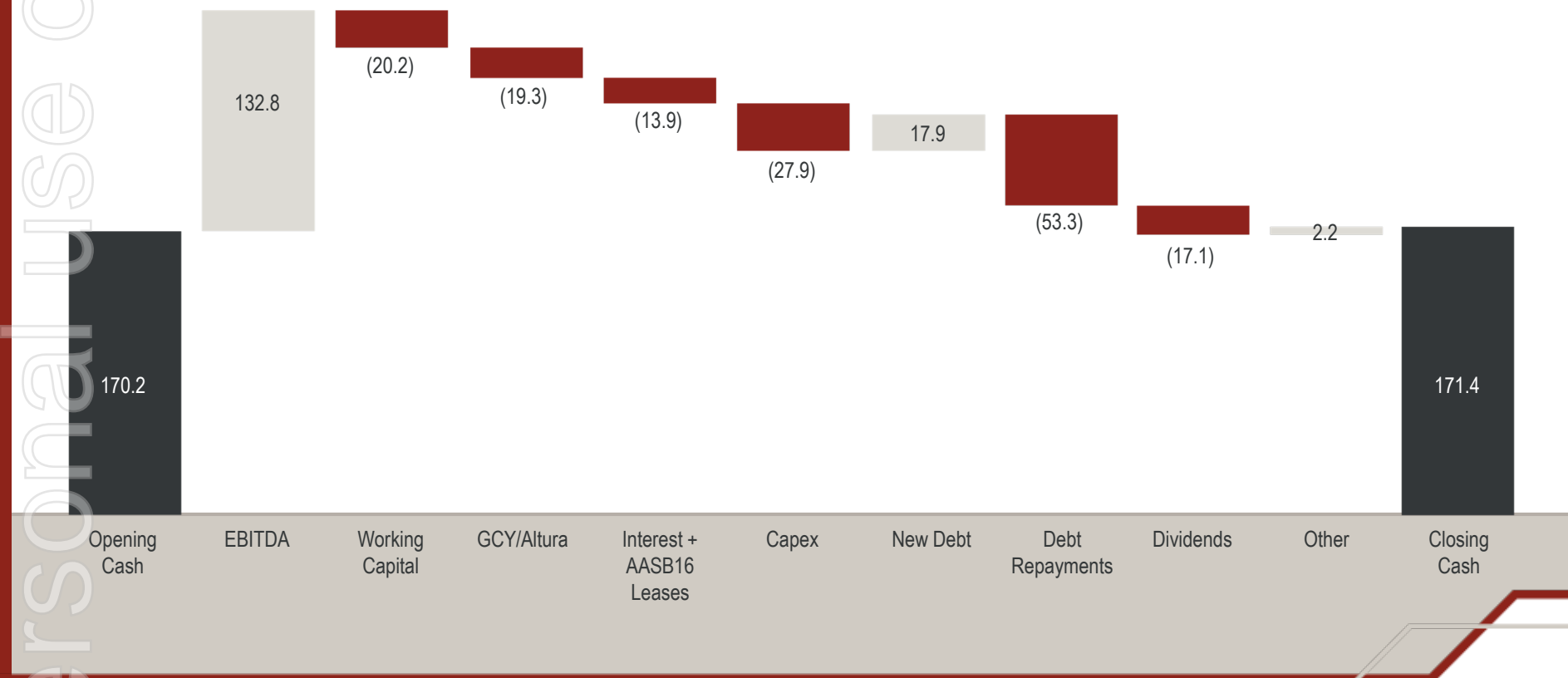
CASHFLOW

- Cash conversion at 85% - includes repayment of contract advances.
- Cash outflow of GCY and Altura is higher than the P&L impact. Earnings include \$14M of equity in GCY received as part of the recapitalisation plan (not a cash transaction).
- Relatively low Capex in the half - circa 50% growth and 50% maintenance - good performance against expected run rate.
- New debt is \$15M to support new equipment, balance is net short term Insurance funding.



**STRONG CASH
CONVERSION**

VERY LOW WORKING
CAPITAL INCREASE.

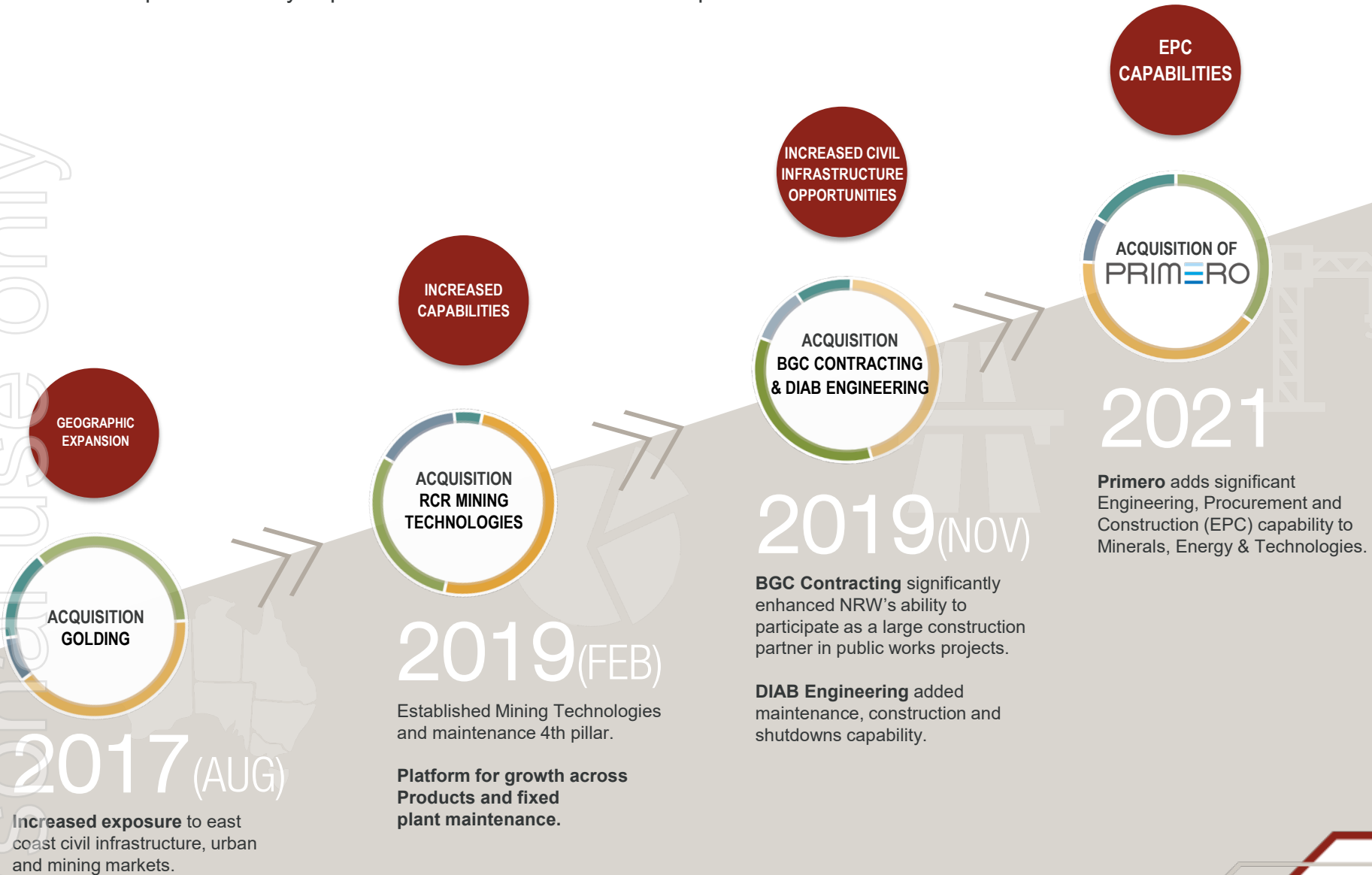


BUSINESS STRUCTURE & PERFORMANCE

BUSINESS STRUCTURE & PERFORMANCE

POSITIONED FOR FUTURE GROWTH

Primero completes delivery capabilities across our four business pillars.



BUSINESS STRUCTURE

CIVIL

REVENUE
\$464.9M

52%

NRW Civil
Golding Civil
Golding Urban

- Mine development
- Bulk earthworks
- Roads & bridges
- Rail
- Marine works
- Commercial & residential subdivisions
- NPI
- Airstrips
- R5, B4, F150+

MINING

REVENUE
\$547.8M

46%

NRW Mining
Golding Mining
AES Equipment Solutions

- Whole of mine management
- Mine development
- Load & haul
- Dragline
- Coal handling preparation plants
- Mine site rehabilitation
- Maintenance services
- Mobile Equipment
- Truck sales

DRILL & BLAST

REVENUE
\$87.7M

10%

Action Drill & Blast

- Full scope drill & blast
- Production drill & blast – metalliferous mining
- Production drill & blast – coal mining
- Pit development drill & blast
- Civil works drill & blast
- Explosives supply & management
- Blast engineering & optimisation

MINERALS, ENERGY & TECHNOLOGIES

REVENUE
\$118.3M

60%

RCR Mining Technologies
DIAB Engineering

Primero

- Apron, belt & hybrid feeders
- Material handling specialists
- Stackers & scrubbers
- Product support, spare parts & service
- Maintenance services & shutdowns
- Heat Treatment
- Structural, mechanical & piping work
- Routine preventative & OHP shutdowns
- EPC delivery in renewables
- Offsite repairs & fabrication services
- Hire, sales & distribution of MonZon Scaffold System
- **Full EPC Capability**

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CIVIL

CIVIL



RESULTS

- Revenue increased 52% to \$464.9M
 - Contract awards
 - Addition of BGC Contracting
- Margin percentages lower due to continued impact of COVID-19 particularly availability of quality resources, impacted
 - WA Pilbara projects; and
 - To a lesser extent our SA civil project
 - Overall incremental costs incurred assessed at \$50M.

CONTRACT AWARDS

- 40% partner in \$850M Bunbury Outer Ring Road project as part of Southwest Connex consortium.
- Iron Bridge Tails Dam Facility Bulk Earthworks; Client Iron Bridge Operations.
- Total of three defence projects awarded (combined \$32M) commenced at Shoalwater Bay, near Rockhampton in Central QLD.
- Preferred proponent on Mitchell Freeway Southbound Upgrade (Hodges Drive to Hepburn Avenue) project, as 50% partner in H2H JV.
- More than 25 new orders were received for Golding Urban, from clients including Stockland, Lendlease, Ausbuild and Defence Housing Australia.

\$M	FH FY21		FH FY20	
Revenue	464.9		305.0	
EBITDA	15.8	3.4%	13.6	4.5%
Depcn	(3.4)		(3.3)	
EBIT	12.4	2.7%	10.3	3.4%

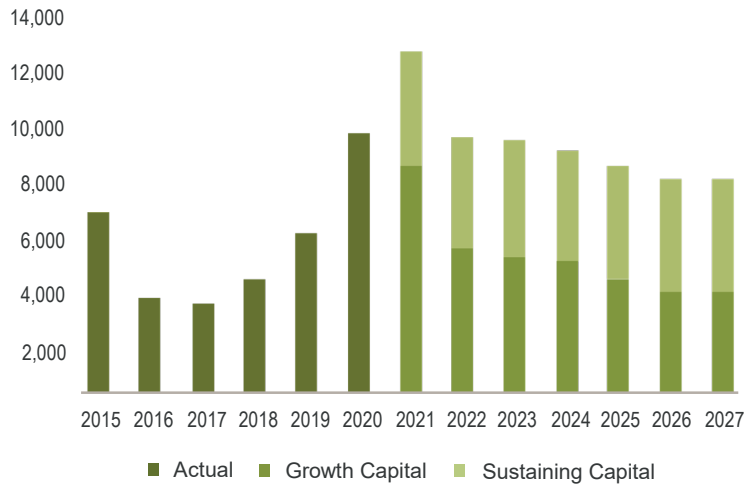


CIVIL

OUTLOOK RESOURCES & INFRASTRUCTURE

- Whist major sustaining projects in iron ore have been awarded the pipeline is likely to remain strong through the next five years, (chart below).
- Anticipated strong growth across a range of other commodities.
- Strong pipeline of infrastructure projects in WA.
- Growing infrastructure and defence opportunities in QLD and NSW.
- Urban business continuing to improve as housing markets recover through stimulus packages.

IRON ORE RELATED CAPITAL EXPENDITURE



Source: Euroz Hartley estimates, factset, Company presentations, government reports, media, industry, publications.



Gudai-Darri (Koodaideri) Airport Development, WA.

MINING
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MINING



RESULTS

- Revenue increased 46% to \$547.8M from \$375.0M
 - Activity increase mostly due to the addition of BGC Contracting.
- Earnings increase but margin percentage lower
 - East Coast earnings performance was in line with expectations.
 - Pilbara projects in WA were significantly impacted by COVID-19 related costs, (similar to Civil WA projects (see Civil slide): productivity, employment costs, resource availability).
 - One project accounts for the material component of the margin impact.
 - Overall incremental costs incurred assessed at \$20M.

CONTRACT AWARDS

- Awarded \$123M contract for Roper Bar Iron Ore Project for Nathan River Resources in NT.

OUTLOOK

- We have seen a significant increase in tender opportunities in several hard rock commodities leading into 2021.
- Volumes expected to be lower on one coal project in second half expected to be offset by increased activity on recently announced Curragh 5th and 6th fleets.
- Opportunities in iron ore, gold, copper and lithium.
- Commodity outlook remains very strong.

\$M	FH FY21		FH FY20	
Revenue	547.8		375.1	
EBITDA	97.4	17.8%	75.2	20.0%
Depcn	(60.2)		(26.7)	
EBIT	37.3	6.8%	48.5	12.9%





DRILL & BLAST

DRILL & BLAST

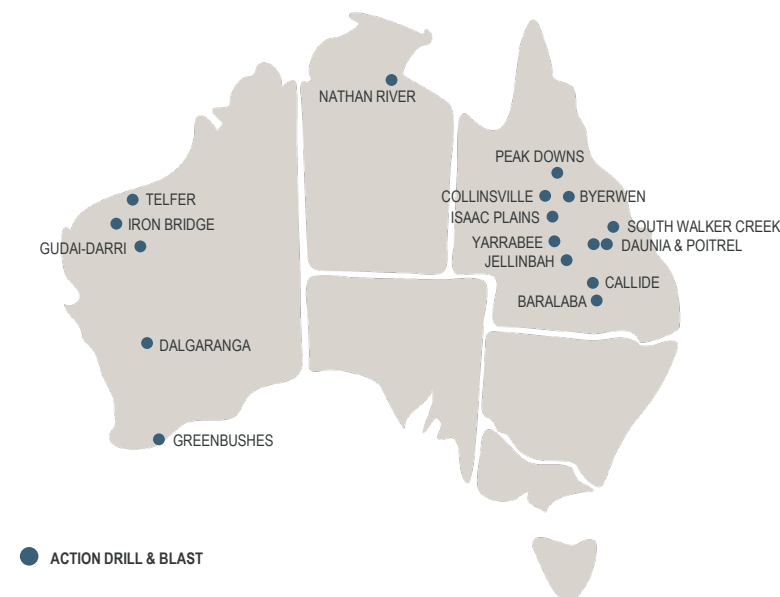
RESULTS

- Revenue growth was driven by a full half contribution from projects won in the prior period.
- Higher margins were the consequence of ongoing cost initiatives, including improved equipment availability and utilisation.
- Extensions at Callide, Jellinbah, Dalgaranga and Greenbushes.
- Increased capex (compared to prior period) as the business invests in future drilling technologies and for growth projects. Six new machines were committed during the period with two delivered prior to December.
- Substantial progress made in remote drilling operations as well as in ensuring compliance to new workplace silica exposure standards.

OUTLOOK

- The business pipeline remains strong with several clients looking to scale their projects to deliver into higher commodity prices.
- Opportunities for short and longer term work in coal operations across both QLD and NSW.
- A longer term decision on a rebuild facility was made to extend the life of our existing fleet.

\$M	FH FY21		FH FY20	
Revenue	87.7		79.5	
EBITDA	11.5	12.1%	9.3	11.8%
Depcn	(4.9)		(4.4)	
EBIT	6.5	7.4%	4.9	6.2%





MINERALS, ENERGY & TECHNOLOGIES

RESULTS

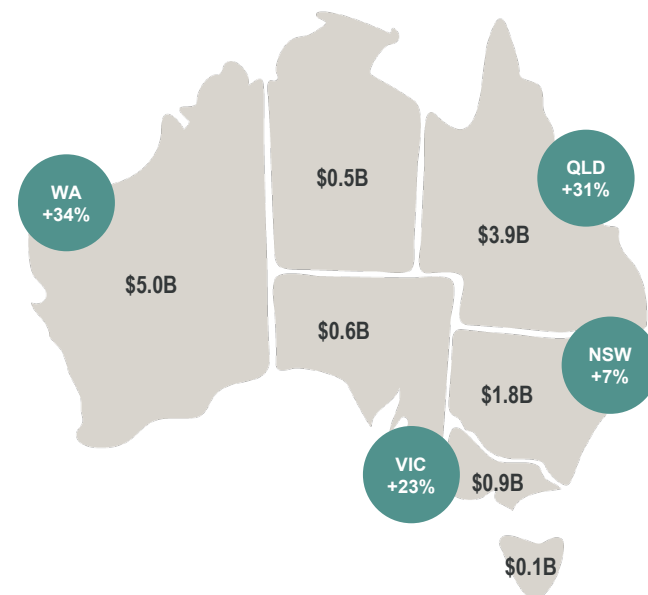
- RCRMT and DIAB had a very strong start to the year with results ahead of expectations and a strong outlook for FY21 and FY22.
 - Recent award of the Fortescue Metals Group Queens Overland Conveyor and Primary Crushing Plant.
 - Continued growth on recurring maintenance opportunities.
 - Strong recurring revenue from RCRMT's Product Support group and Offsite Repair Businesses.
- DIAB successfully completed a number of large projects including the Roy Hill overland conveyor installation, Roy Hill WHIMS construction project and a plant expansion at Jundee.
- Successful delivery of HOP9 for Fortescue Metals Group and equipment for BHP, RTIO, Fortescue Metals Group and Roy Hill.
- Large Fabrication (1800 Tonnes) project nearing completion for Newmont Tanami at all three workshops in Bunbury, Welshpool and DIAB Geraldton.

OUTLOOK

- The acquisition of Primero represents further diversification of our strategic platform to offer clients continuity of services across the whole lifecycle of resource projects - from early planning, design, development, construction to operations and maintenance.

\$M	FH FY21		FH FY20	
Revenue	118.3		74.1	
EBITDA	15.6	13.2%	7.4	9.9%
Depcn	(3.8)		(2.5)	
EBIT	11.8	10.0%	4.9	6.6%

MAINTENANCE SERVICES EXPENDITURE BY STATE





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SUMMARY

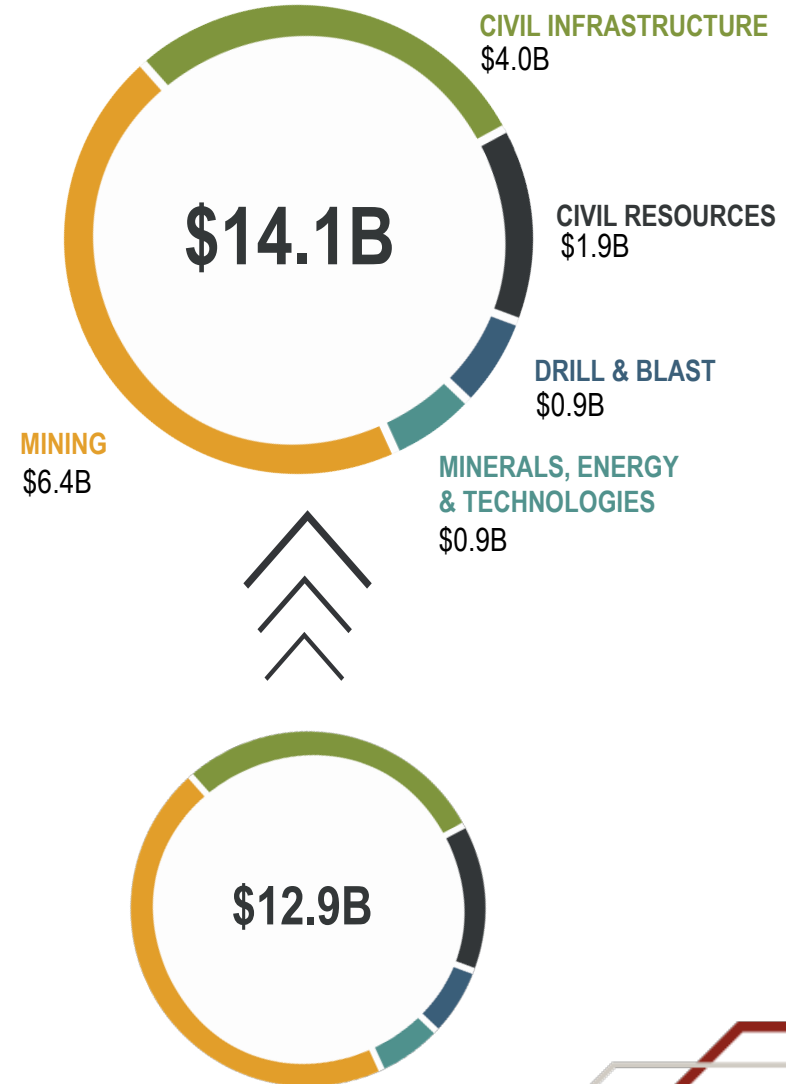
TENDER PIPELINE & OUTLOOK

- Order intake \$1B in the half.
- **FY21 revenue forecast retained - between \$2.2B to \$2.3B**
 - Low end of the range covered with secured work.
- **Tender Pipeline increased to \$14.1B**, of which NRW has current submitted tenders of circa \$5.0B.
- Primero announced secured work for second half of FY21 of circa \$130M and holds preferred contractor status for over A\$1B of projects.
- Growth is expected to continue as a result of increasing expenditure on infrastructure projects at state and federal level.
- Demand for commodities remains strong.
- Labour market remains constrained whilst COVID-19 related border impacts exist.

NEW GROWTH OPPORTUNITIES THROUGH MET PILLAR

- Our exposure and now strengthened capability to participate in the future energy minerals and renewables sectors is also set to grow through Primero's existing client base and significant future opportunities.
- Primero working with NRW on multiple EPC projects across various commodities.
- Iron ore – multiple BOO mining / processing contract opportunities.

PIPELINE GROWTH FROM JUN 20 TO DEC 20



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APPENDIX A – SEGMENT RESULTS

For comparative purposes, FH FY20 segment information is adjusted to reflect retrospective reassessment of AASB 16.

CIVIL

\$M	As disclosed		Restated				Audited	
	FH FY20		FH FY20		SH FY20		Full Year FY20	
Revenue	305.0		305.0		506.0		811.0	
EBITDA	16.9	5.5%	13.6	4.5%	18.5	3.7%	32.1	4.0%
Depreciation	(6.6)		(3.3)		(3.9)		(7.2)	
EBIT	10.3	3.4%	10.3	3.4%	14.6	2.9%	24.9	3.1%

MINING

Revenue	375.1		375.1		594.6		969.7	
EBITDA	84.5	22.5%	75.2	20.0%	107.5	18.1%	182.7	18.8%
Depreciation	(36.0)		(26.7)		(55.6)		(82.3)	
EBIT	48.5	12.9%	48.5	12.9%	51.9	8.7%	100.4	10.3%

DRILL & BLAST

Revenue	79.5		79.5		93.2		172.7	
EBITDA	9.3	11.8%	9.3	11.8%	12.1	12.9%	21.4	12.4%
Depreciation	(4.4)		(4.4)		(5.5)		(9.9)	
EBIT	4.9	6.2%	4.9	6.2%	6.6	7.1%	11.5	6.7%

MINERALS, ENERGY & TECHNOLOGIES

Revenue	74.1		74.1		113.1		187.2	
EBITDA	7.4	9.9%	7.4	9.9%	15.0	13.3%	22.4	12.0%
Depreciation	(2.5)		(2.5)		(4.0)		(6.5)	
EBIT	4.9	6.6%	4.9	6.6%	11.0	9.7%	15.9	8.5%

ELIMINATIONS / CORPORATE


Revenue	(25.0)		(25.0)		(53.1)		(78.1)	
EBITDA	(1.6)		(1.6)		(7.0)		(8.6)	
Depreciation	(1.4)		(1.4)		(1.7)		(3.1)	
EBIT	(3.1)		(3.1)		(8.6)		(11.7)	

GROUP

Revenue	808.7		808.7		1,253.7		2,062.4	
EBITDA	116.4	14.4%	103.8	12.8%	146.2	11.7%	250.0	12.1%
Depreciation	(50.9)		(38.2)		(70.8)		(109.0)	
EBIT	65.5	8.1%	65.6	8.1%	75.4	6.0%	141.0	6.8%



 181 Great Eastern Highway
BELMONT WA 6102

 (08) 9232 4200

 www.nrw.com.au