

# Babylon Pump & Power Limited

ASX : BPP



**INVESTOR PRESENTATION  
NOVEMBER 2018**

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# Babylon Pump & Power Limited

## Summary



- Babylon Pump & Power Limited (“Babylon”) (ASX:BPP, BPPOA) commenced operations in Perth as a start-up resources services company in May 2017 and listed on the ASX on 10 January 2018.
- Babylon is focused in two complementary areas experiencing strong demand from major mining and oil & gas service companies as well as major iron ore producers and equipment providers:
  - Rental of specialty diesel driven pumping and power generation equipment; and
  - Maintenance and rebuild services for diesel driven equipment similar to company fleet.
- Experienced team with proven track record, lean structure and invested workforce, who subscribed for >\$1M of equity, positioned for rapid growth.

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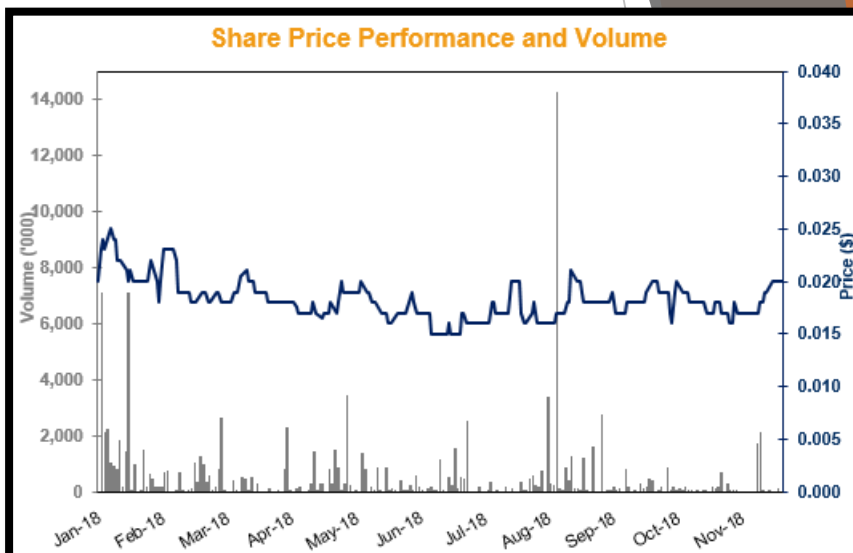
## Corporate Snapshot

ASX Code: BPP, BPPOA

Ordinary Shares	372m
Options (4.0 cents, 31 March 2019)	290m
Performance Shares	40m
Market cap (@ 2.0 cents)	\$7.4m
Average Monthly Volume (shares)	10.3m
Trading Range since Listing (cents)	1.5 - 2.5
Top 20 Holdings	47%
Cash (30 September 2018)	\$1.928m

## Directors & Senior Management

Michael Shelby	Executive Chairman
Patrick Maingard	Executive Director
Michael Kenyon	Non Exec. Director and Company Secretary
Mark Lagemann	Operations Manager



## Substantial Shareholders

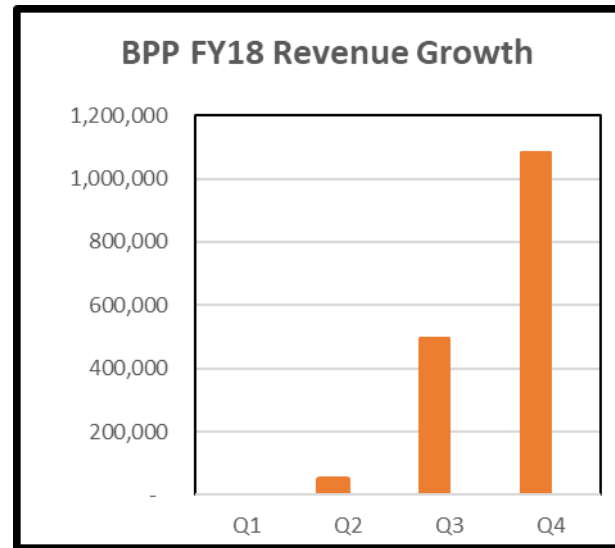
G & N Lord Superannuation Pty Ltd

Chesapeake Capital Ltd

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## FY18 Overview

- Babylon raised \$3.7M net cash in January 2018 to grow operations.
- Funds from the listing were applied to acquire new equipment with deployment commencing in Q4 FY18.
- Results exceeded expectations with FY18 Revenue of \$1.6M.
- Babylon finished FY18 with an underlying revenue run rate of over \$4M p.a.
- The market has proven to be very receptive to a new provider with a skilled and experienced team able to provide specialised equipment and services to solve power, pumping a diesel maintenance issues.



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## FY19 Organic Growth Outlook

- Strong start to FY19 with new contracts secured.
- Management expects to significantly exceed FY19 revenue budgets with a strong growth trajectory.
- The Operating Revenue forecast for FY19 has been increased 52% from the Prospectus indication to circa \$7.0 million.

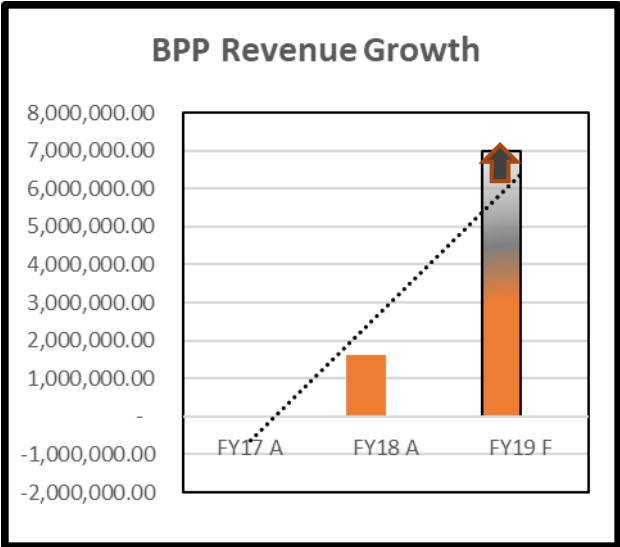
FY19	Prospectus Forecast	Revised Management Forecast	Variance
Operating Revenues	\$4.6M	c > \$7.0M	+52%

- Positive growth trajectory is supported by:
  - Ongoing growth in underlying business due to high levels of client satisfaction;
  - Strong pipeline of proposals submitted and further opportunities expected to materialise based on ongoing client communication and requests for tender proposals;
  - New client relationships established and increased level of client engagement and service enquiry; and
  - Improved outlook for Australian mining sector.

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## FY19 Organic Growth Outlook (Continued)

Forecasted Growth	FY17A	FY18A	FY19F
Operating Revenues	Nil	\$1.63M	c > \$7.0M
Percentage Change	-	-	329%





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## Pumping and Power Generation Outlook

- Current rental projects cover multiple industries:
  - Power generation to iron ore, renewable energy backup; and
  - Pumping to oil & gas, mining, infrastructure, minerals drilling.
- Strong and growing sales pipeline for further power & pumping rental projects:
  - Specialty oil & gas pumping opportunities carry high margins; and
  - Long term power generation opportunities provide stable revenue stream.
- Babylon is moving up to deal directly with more blue chip clients (rather than as a sub-contractor).
- Clients are seeking to deal directly with experienced operators.
- Babylon has multiple material rental proposals outstanding for long term power generation and specialty oil and gas pumping with top tier clients.





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## Diesel Maintenance Outlook

- Relocation to new premises expected to occur in FY19 to support future growth.
- Regular business continues to deliver underlying revenue.
- Significant works underway for the rebuild of multiple Caterpillar diesel engines for an international equipment supplier.
- Larger engine maintenance opportunities under development.
- Growth in Babylon's work in progress, order book and pipeline is being driven by multiple factors:
  - Deferral of maintenance by clients, driving a need for more comprehensive engine and component rebuild programs;
  - Increasing demand for diesel service field maintenance as Babylon's reputation grows;
  - Field service activities are leading to increased workshop throughput as opportunities are encountered on site; and
  - Clients have limited availability of internal skilled resources to support ongoing diesel maintenance and OEMs are expensive, with long lead times and less service focus.




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## Summary

- Management continue to actively pursue further growth opportunities in new domestic and international markets.
- Performance has exceeded expectations since listing in early 2018, with Operating Revenues of circa \$7M now expected in FY19.
- Continued revenue growth from current clients as workforce and capability is expanded.
- Clients are seeking Babylon's services due to:
  - Technical expertise and ability to supply and support specialised equipment;
  - Clients' internal capacity constraints and skilled resource shortages; and
  - OEM's long lead times in providing similar services.
- Convertible Loans are in place to support accelerated organic growth via:
  - Expanding the rental equipment fleet;
  - Providing the resources to allow Babylon to commit to further long term project contracts; and
  - Supporting working capital requirements for diesel maintenance programs.

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## Conclusion



Thank You  
Q&A