



# INVESTOR PRESENTATION

Micro/Small Cap Industrial Stocks In Focus Webinar

16<sup>th</sup> DECEMBER 2021

(ASX:BPP)

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□ **A RAPIDLY GROWING  
SPECIALIST MINING  
SERVICES PROVIDER**

*Delivering multiple  
specialised and  
complementary offerings  
to the resource sector, all  
with high barriers to entry*

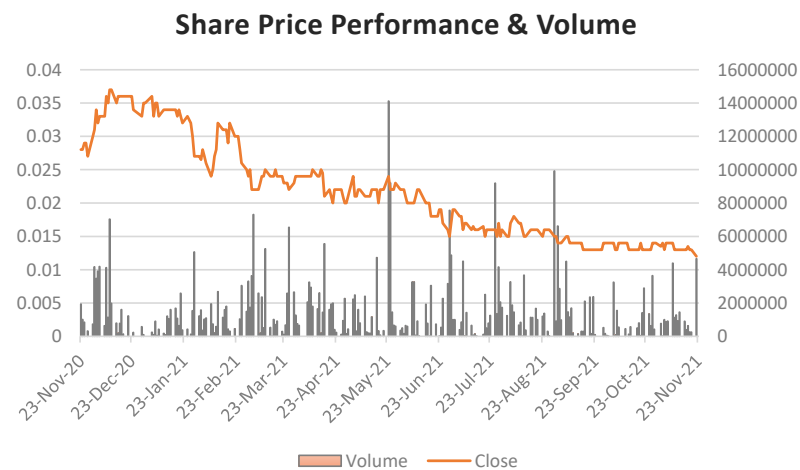
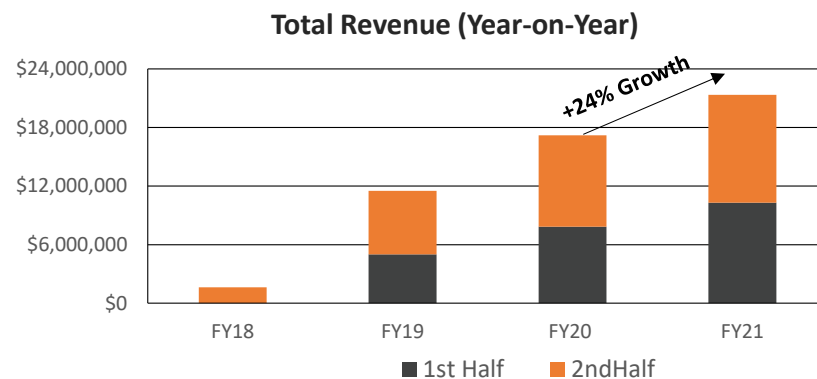


## □ CORPORATE SNAPSHOT







ASX Code: BPP	
Ordinary Shares	1151m
Performance Rights	130m
Market cap (@ 1.3 cents)	\$15m
Average Monthly Volume (shares)	46m
Top 20 Holdings	48%
Cash & Undrawn Debt Facilities (as at 31 Oct 2021)	\$4.7m

Financial Snapshot	Q4 FY21 (\$M)	Q1 FY22 (\$M)	% Change on Q4 FY21
Operational Revenue	\$5.6	\$7.3	+38%
Positive Operating Cashflow	\$0.15	\$0.2	+33%

Substantial & Major Shareholders	
G & N Lord Superannuation Pty Ltd & other entities controlled by Geoff Lord	16.6%



## EXPERIENCED TEAM

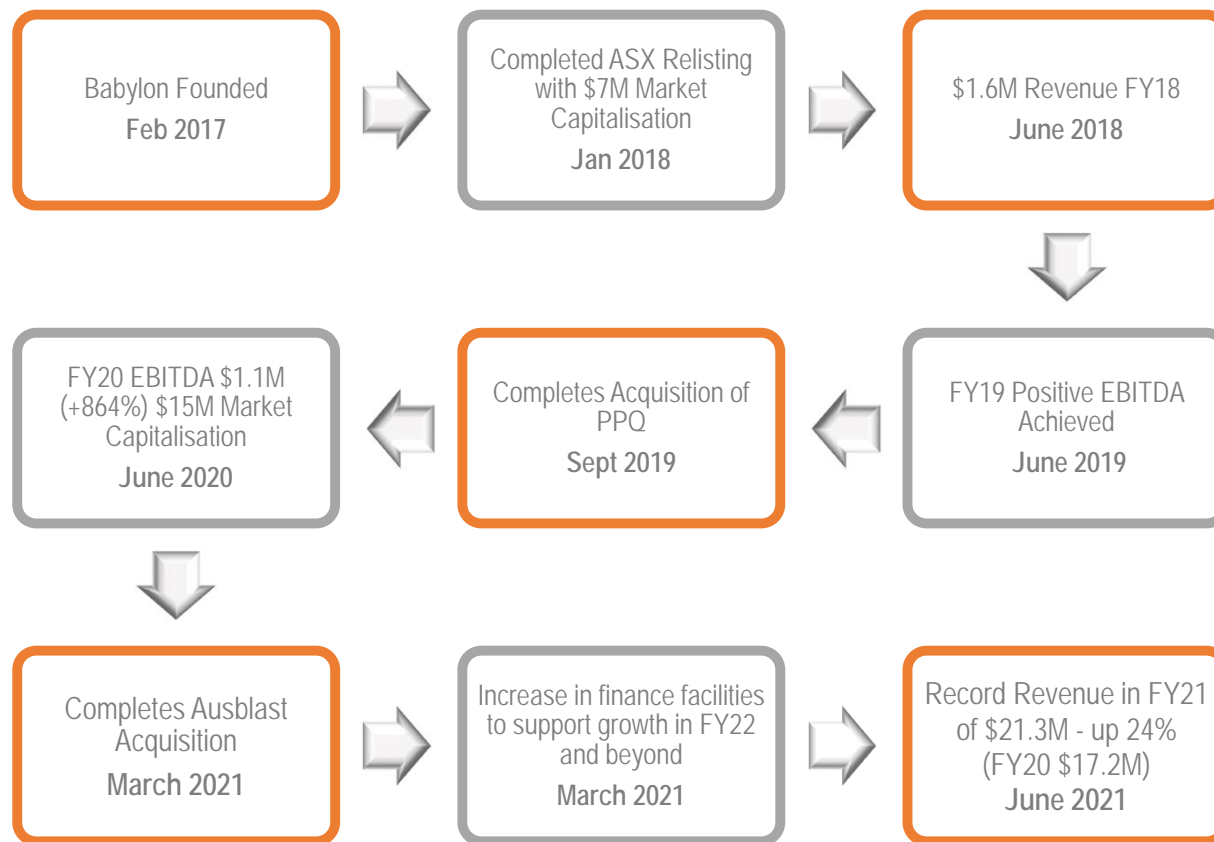
	<p><b>Michael Shelby</b> Executive Chairman</p>	<ul style="list-style-type: none"> <li>• Co-founder of Babylon in February 2017</li> <li>• Over two decades of experience in oil &amp; gas, mining and specialty rental markets spanning commercial, technical and project management roles</li> <li>• Previously GM at Resource Equipment (ASX:RQL) and was primarily responsible for growing the oil &amp; gas service business from inception until its takeover in 2015 for \$116m</li> <li>• Holds a Bachelor of Science in Chemical Engineering from Louisiana State University</li> <li>• Completed an MBA program at the Melbourne Business School and the AICD Directorship Course</li> </ul>
	<p><b>Patrick Maingard</b> Executive Director</p>	<ul style="list-style-type: none"> <li>• Co-founder of Babylon in February 2017</li> <li>• Over 30 years of management experience with a strong SME background with Director and Managing Director portfolios</li> <li>• Previously Director/co-owner of plastics manufacturing business Omni with key customers including Bunnings, Reece Plumbing, Masters, Australian Defense Force, Constellation Wines and Matrix Asia Pacific</li> <li>• Holds a MSc Management from Oxford University and is a graduate member of the Australian Institute of Company Directors</li> </ul>
	<p><b>Louise Bower</b> Non-Executive Director</p>	<ul style="list-style-type: none"> <li>• A Chartered Accountant, Ms Bower has accumulated 27 years' experience in senior executive roles across varied industry sectors and jurisdictions including Australia, South Africa and the United Kingdom.</li> <li>• Ms Bower is currently Non-Executive Director at Perth-based DUG Technology Ltd (ASX: DUG) - a technology company providing high-performance computing with a strong foundation in applied physics.</li> </ul>
	<p><b>Michael Kenyon</b> Non Exec. Director &amp; Company Secretary</p>	<ul style="list-style-type: none"> <li>• Extensive senior finance experience with a range of private and public companies over the past 24 years</li> <li>• Previously CFO of Pacific Energy (ASX:PEA) prior to its \$470m takeover by QIC in 2019 and before that CFO of Resource Equipment (ASX:RQL)</li> <li>• Currently CFO and Company Secretary for Resource Development Group (ASX:RDG) and WA Kaolin (ASX:WAK)</li> <li>• Holds a Bachelor of Business degree from Edith Cowan University, is a qualified Chartered Accountant, a graduate member of the Australian Institute of Company Directors and a certificated member of the Governance Institute</li> </ul>
	<p><b>Craig Batterham</b> National General Manager</p>	<ul style="list-style-type: none"> <li>• Strong history with major resources players</li> <li>• Working as an Operations Director for rental equipment and maintenance group Worx Equipment</li> <li>• Prior to this as Asset Operations Manager for mining services giant Thiess</li> </ul>
	<p><b>Laurie Phillips</b> Project Manager</p>	<ul style="list-style-type: none"> <li>• Over 25 years' experience in the mining, energy and industrial sectors</li> <li>• Previously General Manager of Equipment Solutions at BTP, one of Australia's largest suppliers of heavy mobile mining equipment.</li> <li>• Has served as Business Development Manager for TSX-listed remote workforce facilities provider Black Diamond Group</li> <li>• General Manager of Australian and Indonesia-focused power and water services group Resource Equipment Limited.</li> </ul>

## □ GROWING TIER 1 CLIENT BASE

*Babylon services the iron ore, gold, nickel, and oil & gas sectors with significant opportunities in infrastructure, alternative energy and other commodities in Western Australia and in Queensland through its subsidiary Primepower QLD.*

The logo for BHP, consisting of the letters "BHP" in a bold, orange, sans-serif font.The logo for FMG Fortescue, featuring a blue silhouette of Australia with "FMG" in white and "Fortescue" in blue text to the right.The logo for RioTinto, with the name "RioTinto" in a red, serif font.The logo for ALCOA, featuring a blue square with a white diamond shape inside, and the word "ALCOA" in blue text below.The logo for Mineral Resources, showing a stylized black and red mountain range with the words "MINERAL RESOURCES" in black text below.The logo for Pilbara Minerals Limited, featuring a globe icon and the text "PILBARA MINERALS LIMITED" in black.The logo for South32, consisting of a black square with yellow horizontal bars and the text "SOUTH32" in yellow below.The logo for Force by Emeco, featuring a red circular icon and the text "Force by Emeco" in black.The logo for Vestas, with the name "Vestas" in a blue, italicized, sans-serif font.The logo for Macmahon, featuring a blue Greek letter Omega symbol above the name "MACMAHON" in black.The logo for Newcrest Mining Limited, showing a gold icon and the text "NEWCREST MINING LIMITED" in black.The logo for Anglo American, featuring a blue and red circular icon and the text "ANGLO AMERICAN" in blue.The logo for Babylon Pump & Power Ltd, featuring an orange circle with a white "B" and the text "BABYLON PUMP & POWER LTD" in black.

## □ BPP JOURNEY - SIGNIFICANT MILESTONES



*Organic Growth & Acquisitions to Multiply Market Cap in Coming Years*

## □ FY21 FINANCIAL PERFORMANCE

*Record revenue driving towards scale*

- Revenue from operations up 24% to \$21M

*Return to quarterly positive operational cash flow*

- Positive operational cash flow reported since Q4FY21

*Increase in asset base to drive future profits*

- Increase in assets by 33% to \$30M - positions the company for profitable future works

*EBITDA across business units improving in FY22*

- **Ausblast:** A slight negative contributor for its short tenure in FY21, FY22 EBITDA positive YTD
- **Babylon Operations:** Provided strong contribution of \$1.5M EBITDA
- **Primepower Queensland:** Management plan in place focused on turning around the negative \$1.3M FY21 result – service exchange program delivering revenue whilst centralization of services delivering efficiency and cost reduction



## □ FY21 HIGHLIGHTS DRIVING FY22 GROWTH

*Completed acquisition of assets from Tilbrook Ryder Investments Pty Ltd*

- Rental assets mobilising through Primepower Queensland and increased asset utilisation to improve FY22 profitability

*Completed acquisition of Pilbara Trucks Pty Ltd trading as Ausblast*

- FY22 project wins for Ausblast will boost Industrial Services segment utilising existing assets
- Significant quoting to new and existing clients expected to further drive the segment in FY22 and beyond

*Significant investment in core engines for diesel maintenance service exchange programs*

- Positions Babylon for larger, more profitable contracts with recurring works
- Immediate benefit in FY22 from recent contract wins with future benefit forecast based on recurring works
- More service contracts with recurring work for top tier operators are in final negotiations

## FY22 GROWTH PROSPECTS



## 1) SPECIALTY RENTAL

### *Growth Outlook*

- Continued investment in FY21 in high horsepower pumps providing return in FY22 with greater asset utilisation
- Project win with Nickel West in FY22 providing unique evaporator solution for water management – potential for expansion
- Expanded rental footprint in Queensland with projects mobilising from Q1 FY22
- Further extension of Power Generation Contract with BHP Iron Ore



- Ongoing rental contracts at Barrow Island, BHP, FMG and Koolan Island providing steady return while contract engagement is providing for more site opportunities
- Dewatering assets acquired during the year deployed to Koolan Island under a long-term contract
- Air assets deployed long term to support drilling contractor
- Pump rental fleet expanding as component assets are assembled and readied for market H1FY22

## 2) DIESEL EQUIPMENT MAINTENANCE

### *Growth Outlook*

- Record levels of enquiry with significant quotes for rebuild programs FY22-FY23 outstanding
- Service exchange engines completed in FY21 contributing to revenue in FY22 as multiple service exchange engines have secured customer commitments with repeat works
- Multi-year contract wins announced in early FY22 provide better visibility resulting in better efficiency



- Organisational improvements at Primepower QLD will centralise operational planning and back-office functions for savings and increased efficiency
- Investment in field service vehicles and personnel in FY22 has increased revenue and enhance frontline business development with increased site presence in WA & QLD

## 2) DIESEL EQUIPMENT MAINTENANCE

### *Recent Contract Awards<sup>1</sup>*

- Initiatives to secure long term recurring maintenance programs have resulted in recent project wins with Alcoa, Premier Coal, Yancoal and Griffin to complement existing work with iron ore miners such as BHP, Rio Tinto, FMG and Citic Pacific.

#### **RioTinto**

- Secured contract for supply of offsite repair services for pumps and generators for multiple Rio Tinto sites
- Initial term of 3 years with 2-year extension



- Secured an extension of its existing on-site services and supply contract
- Extension is for 36-month term
- Previous term contributed circa \$3M annually



- Secured contract for overhaul of 44 engines, supply of service exchange engines and labour
- Total revenue over 3-year term plus possible 1-year extension of ~\$16M

<sup>1</sup> Refer ASX announcements dated 10 November, 24 November and 1 December 2021

### 3) SPECIALTY INDUSTRIAL SERVICES

#### Growth Outlook

- Increasing asset utilisation is delivering results in early FY22 and high levels of client enquiry are positioning the segment for continued growth through FY22 and beyond as projects are confirmed
- Projects have expanded from traditional iron ore base to other minerals including lithium for FY22
- Multiple significant tenders and proposals are outstanding for works, positioning this business unit to become a significant contributor to group profit in FY22



- Asset valuation at completion resulted in \$1.8m gain offsetting goodwill in FY21
- Long lead times and high capex requirement for new assets present a high barrier to entry for others
- Dedicated Business Development Manager in place for FY22 to drive growth and diversification of client base

## □ BABYLON - STRATEGY MOVING FORWARD

Ongoing organic growth with continued stakeholder support.  
Expand rental and industrial services into QLD

Continue to expand asset base to maximise revenue opportunities in  
higher margin specialty rental and industrial services

Securing material engine rebuild programmes and maintenance contracts  
to underpin facility capacity

Continuously assessing further strategic acquisitions to support core  
business

***Growing to  
Maximise  
Investor  
Value***

## ☐ POSITIVE OUTLOOK

### Key growth drivers have not changed

- Market demand for asset maintenance and need for specialty solutions in resource sectors

### Demand for specialty services & rental equipment increasing in FY22

- Existing specialty fleet will be utilised with new rental and specialty services project work in FY22 at gold, lithium and iron ore producers

### COVID restrictions are increasing clients' lead time for replacement assets

- This provides a further incentive to rebuild existing equipment and rent specialty service equipment

### Barrier to new entrants

- Equipment lead times coupled with high CAPEX requirement provide barrier for new entrants in specialty services

### Domestic based workforce providing nationwide operational flexibility

- No cross-country or international FIFO workers, which has minimised workforce disruption from COVID travel restrictions

### Continuing support of primary bank lender

- Increase in finance facilities completed in FY21 to support growth in FY22 and beyond



## □ INVESTMENT HIGHLIGHTS

- ▶ RECENTLY STRENGTHENED EXPERIENCED OPERATIONAL AND MANAGEMENT TEAM
- ▶ NEW CONTRACT WINS REINFORCED WITH RECORD ENQUIRY LEVELS DRIVING CONTINUED GROWTH
- ▶ INVESTED IN ASSETS TO SUPPORT FUTURE HIGHER MARGIN GROWTH
- ▶ INCREASING UPTAKE FROM SOME OF THE WORLD'S LARGEST MINING CLIENTS WHILE DIVERSIFYING COMMODITY EXPOSURE
- ▶ HIGH BARRIER TO ENTRY AND DELAYS FOR NEW ASSETS LIMITS NEW COMPETITORS





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