

## 2018 Annual General Meeting Presentation

Good Morning All and on behalf of the Board, I welcome you to the Enevis 2018 AGM.

Joining me today is Mr Greg Jinks – Executive Director and Mr Terry Grigg – non – executive director. Mr Thomas Krulis our other non-executive director sends his apologies and is presently overseas. Also joining us today is Mr Erik Scholz, of Lumex, who is now an active part of the Enevis team.

This AGM marks the first meeting of shareholders under our new corporate identity ENEVIS which is reflective of the groups focused strategy of being a key market leader in the Energy Efficiency sector. We also welcome today the new shareholders who joined us in the recent capital raise that was successfully completed in August.

### 2018 Financial Year Milestones

The 2018 Financial Year reflected a mix of challenges and successes. The financial challenges the group faced have been outlined in the 2018 Annual Report and previous ASX announcements and we have worked through those events. The year included a number of key milestones and successes that I would like to touch on as they lay a solid foundation for future growth.

- ❖ Mr Thomas Krulis joined the Board as a non-executive director in September 2017. Tommy brings a wealth of business experience and acumen to the Board and alongside Terry provides balance and an extended business network.
- ❖ Mr Paul Miller joined the group as Chief Financial Officer in October 2017 which strengthens our financial skill sets.
- ❖ The operating divisions secured a range of significant high-profile projects that underpin the growing reputation that Enevis is achieving in the market place. Specifically:
  - The Victorian State Library redevelopment;
  - Hi-tech multi storey Student Accommodation facility in Melbourne;
  - The lighting upgrade of the Victorian Racing Club;
  - and a range of other prestigious projects across Australia.
- ❖ We ended the 2018 Financial Year having executed an agreement to acquire the Lumex Electrical business and assets from Scholz Industries. We completed this acquisition in early August and the business is now contributing positively to the EBITDA performance of the group. The integration process is largely complete, and management continues to extract synergy savings.

- ❖ It is also very pleasing to report the improved performance of the Urban Lighting Group Street division which was acquired in October 2016 following operational and management restructuring initiatives. The division is now experiencing solid demand for its products and gaining market share.

## **2019 Financial Year Roadmap**

I would now like to turn my attention to the future. Having integrated Lumex and undertaken the capital raise and name change, the Board is of the firm believe that the combined business is well placed and represents a compelling investment proposition. I would like to highlight a few of the key fundamental building blocks of the new business model.

### **Business Model Pillars for Success**

#### **1. Product and Geographic Spread**

- ❖ The business model offers product, industry and geographic diversification. We have a truly national presence with capabilities across:
  - Audio visual, electrical and communications through our division SKS Technologies;
  - Street and commercial & industrial lighting via Urban Lighting Group; and
  - Energy efficiency offerings covering LED lighting, electrical accessories, lighting monitoring and controls through Lumex.
- ❖ All divisions operate across the industry spectrum of commercial, industrial, defence and infrastructure and all solutions generate energy efficiency savings.
- ❖ As part of this national spread, SKS Technologies, a subsidiary of Enevis, commenced trading in South Australia with the recruitment of an experienced management team. The Board had anticipated that this 'greenfield' operation would take 9 months to reach cashflow and earnings positive, however the team has gained a number of significant early wins and the pipeline of projects is building.
- ❖ These diversification aspects provide risk mitigation across markets and sales.
- ❖ We are very focused on becoming a technology efficiency provider and recognising that the future is about integrated and seamless control centric solutions. Our clients are increasingly demanding AV solutions which control energy efficient lighting and related devices and accordingly a key product focus is on sourcing, through both internal and external paths, the skill sets to deliver these capabilities.

## **2. Cross Divisional Value Chain**

Given the diversification of offerings a key business focus is on leveraging and extracting the benefits in all our customer dealings.

We recently announced that the Group had delivered the first stage of the energy efficient LED lighting upgrade to the iconic Melbourne Star Observation Wheel. This is a good early example of the divisional product sales chain. The LED lighting has been specifically designed and manufactured by Urban Lighting Group, whilst SKS Technologies was responsible for the design and integration of the new lighting control system.

We continue to see the growing divisional cross selling opportunities to deliver a complete lighting and energy saving solution to our customer base.

## **3. Recurring Revenue Streams**

The business has a clear vision to further evolve the revenue streams to increase the amount of recurring revenue. This can be via the ongoing power of our people in delivering quality solutions and hence getting repeat business, offering service and maintenance contracts and through our lighting division by securing long term supply contracts.

## **4. Earnings Scalability and Quarter 1 Updates**

From a financial perspective, the business has a clear goal of delivering a positive full year EBITDA result, in combination with continuing to grow the top line revenue. As was outlined in the Investor Presentation we released to the market as part of the August capital raise, the group had made positive steps towards that aim with a positive normalised EBITDA in the second half of FY 2018.

I am pleased to report that for the 3 month period to 30 September 2018 we are on track with our FY19 EBITDA targets, even after absorbing the start-up investment in South Australia.

From a Net Result perspective, we again are focused on delivering a positive performance. Following the capital raise in August 2018, we have made steps towards restructuring the balance sheet and reducing debt. That debt reduction process will continue through the current financial year. The remaining convertible notes mature on 28 October of this month and we look forward to the holders converting to equity.

Our forward work in hand is favourable at approximately \$11 million and we look forward to presenting our half year results in early 2019.

In concluding, I would like to thank all Enevis staff and management for their efforts over 2018, as well as my fellow Board members for their contributions. I would also like to thank our Shareholders for your ongoing support as we work to make Enevis the leader in its field. I hope that you continue to share that journey with us into 2019 and beyond.

Thank you for your time today.

Peter Jinks

Chairman and Managing Director



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Leading provider of energy efficient technologies, products and solutions

## 2018 Key Milestones

Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
<ul style="list-style-type: none"><li>• Lumex Acquisition completed</li><li>• Successful capital raise</li></ul>	<ul style="list-style-type: none"><li>• Lumex Acquisition Agreement signed</li><li>• Expansion into South Australia</li><li>• Awarded Lighting Control System Upgrade to the iconic Melbourne Star</li></ul>	<ul style="list-style-type: none"><li>• The Victorian State Library redevelopment</li><li>• Hi-tech multi storey Student Accommodation facility in Melbourne</li><li>• The lighting upgrade of the Victorian Racing Club</li></ul>	<ul style="list-style-type: none"><li>• Mr Paul Miller appointed as CFO and Company Secretary</li></ul>	<ul style="list-style-type: none"><li>• Mr Thomas Krulis Non-Executive Director Appointment</li></ul>

## Group Structure & Business Units



Audio Visual  
Technologies

Architectural and  
Street Lighting

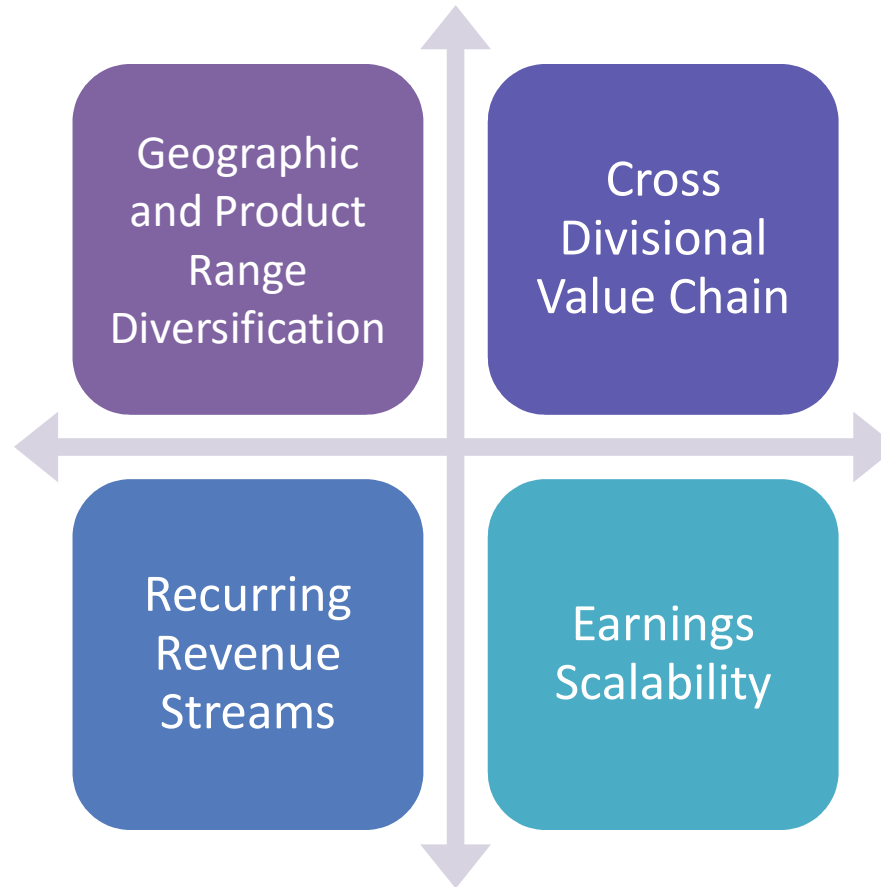
Energy Efficiency  
Products



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## Strategic Roadmap - Energy Efficiency with VISION

### Business Model Pillars for Success

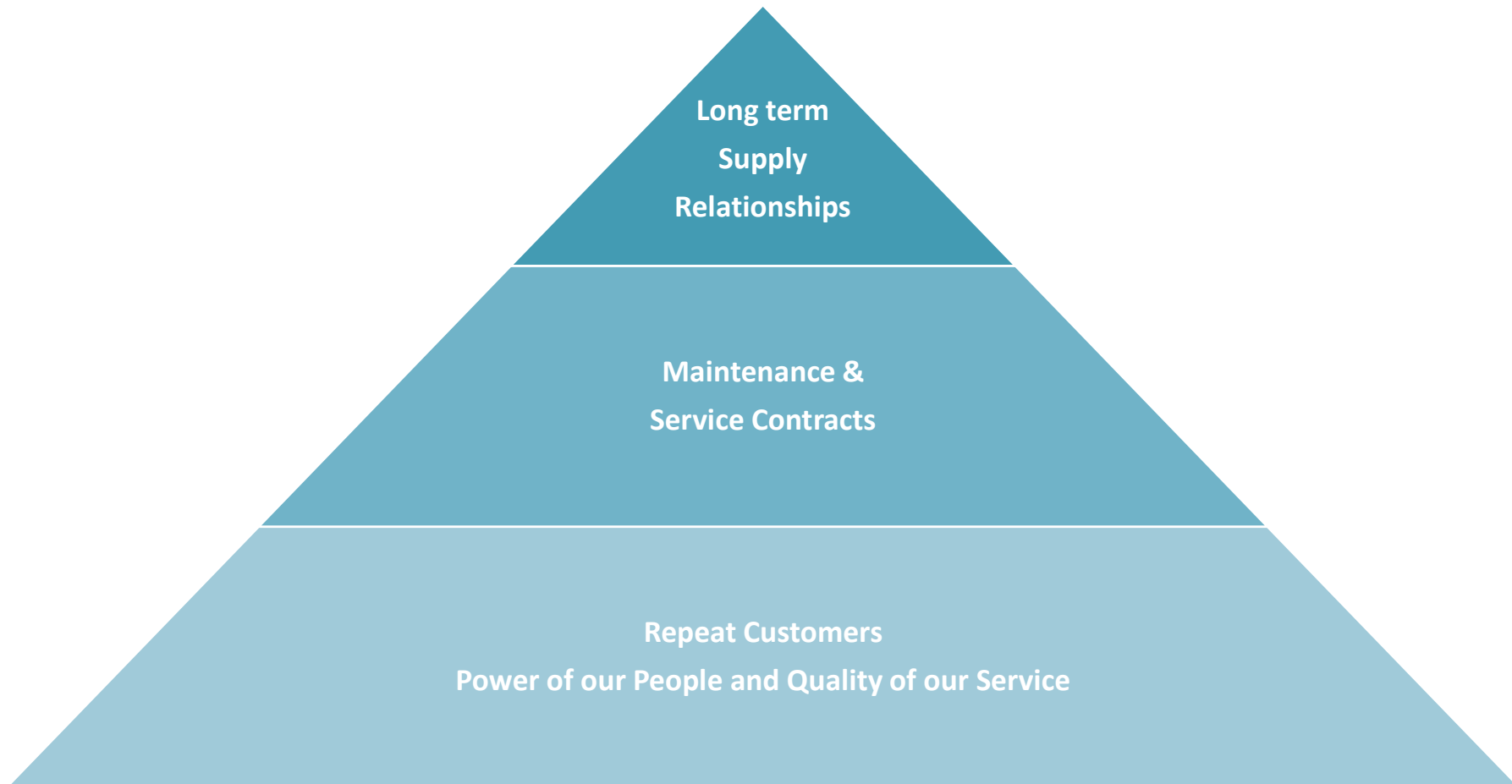


The Enevis business model provides customers with a seamless Audio Visual, Lighting, Energy efficiency and control solution encompassing:

1. Site analysis and auditing
2. Solution design and commissioning
3. System monitoring and after sales servicing

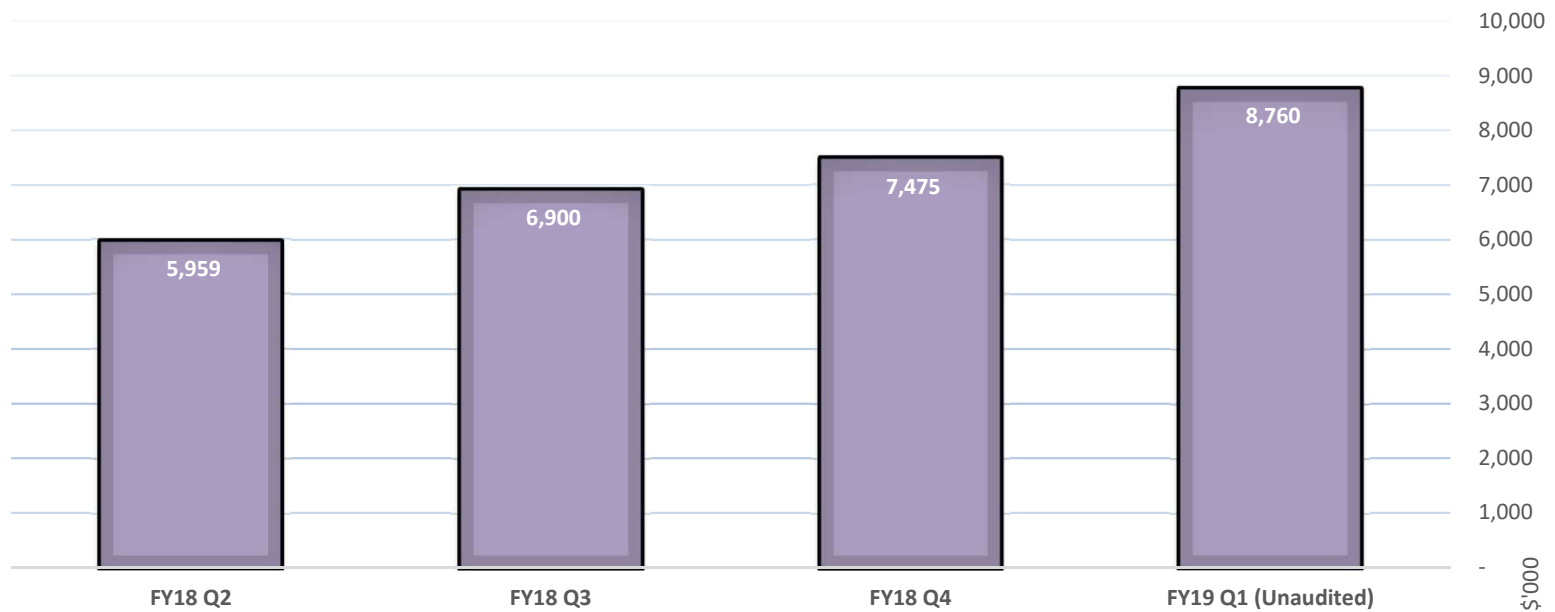


## Recurring Revenue Streams



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## Revenue Update



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THANK YOU



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