



# FY22 – Full Year Investor Update

Thursday 15<sup>th</sup> September 2022

Presented by  
Andrew Booth, CEO

Authorised by the Board of Advanced Braking Technology

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# WE BELIEVE IN **SAFETY** – IT IS CENTRAL TO EVERYTHING WE DO

Through embracing 'Safety Principles' in everything we do, we aspire to create prosperity for everyone that is touched by our business.

We aim to produce and sell innovative braking solutions with the commitment to promoting sustainable business practices that protect people and the environment.

# Company Overview



*We make **high performing brakes** that protect our customers people, the environment and assets operating in rugged, high-risk environments.*



# Company Overview

Innovative braking solutions that protect people, assets and the environment



- Designed, developed, tested and manufactured **in Australia**
- **>20 years original manufacturer** of sealed wet brake technology

Heavy duty braking solutions to the **mining, defence, waste management and civil construction** industries with further diversification underway

Focused on **innovation, safety and environmental responsibility** and reduction in downtime costs and increased **operational efficiencies for our customers**

# Customers and end users

ABT continues to grow its blue chip customer base



# Safety & Sustainability is at our Core

Brakes in **40+** Countries & planned further expansion of global footprint



**SAFETY COMES**  
FIRST IN EVERYTHING WE DO



**ZERO EMISSION BRAKES**  
ENVIRONMENTAL PROTECTION



**COMMITTED TO INNOVATION**  
LEADERS FOR OVER 20 YEARS IN  
WET SEALED BRAKE TECHNOLOGY



# Executive Management Team



**Andrew Booth**  
Chief Executive Officer

More than 15 years Strategic Leadership in Australia and Asia in both Corporates and Multinational Co's. Experience spans International Business Operations, Transforming Organisational Culture, Business Turnaround, Business Development, Risk, Governance and Financial Management.



**Angela Godbeer**  
Chief Financial Officer

Significant experience in ASX listed manufacturing environments with a successful track record within well-regarded organisations, some of which have undergone significant transformation aligned to strategic objectives.



**David Newcombe**  
Engineering Manager

20 Years experience in global engineering design, product feasibility, tendering and commercialisation, who is skilled at identifying strategic opportunities, championing new business initiatives with General Motors and other Automotive OEMs



# FY22 Highlights

- Sustained double-digit revenue growth
- Record year-on-year sales growth,
- Positive cash flow from operations for the year
- Growing our export sales and international partners and deepening our valuable blue chip customer relationships
- 2025 roadmap which includes both organic and inorganic strategy for ABT
- Strengthening ABT's foundation capabilities to support scalability
- Invest in R&D and strong evidence-based support for ABT Products and their industrial ESG attributes
- Supply chain strategy which increases strategic partnerships and a vertical integration where appropriate;
- Investing in new product development which will deliver revenue diversification and scale opportunity



# Full Year Results Overview

Demonstrated results across key metrics

**EBITDA**  
**Positive trend**  
**continuing**

**Product Sales Margin**  
**45.1%**

**Net Profit**  
**Positive trend**  
**continuing**

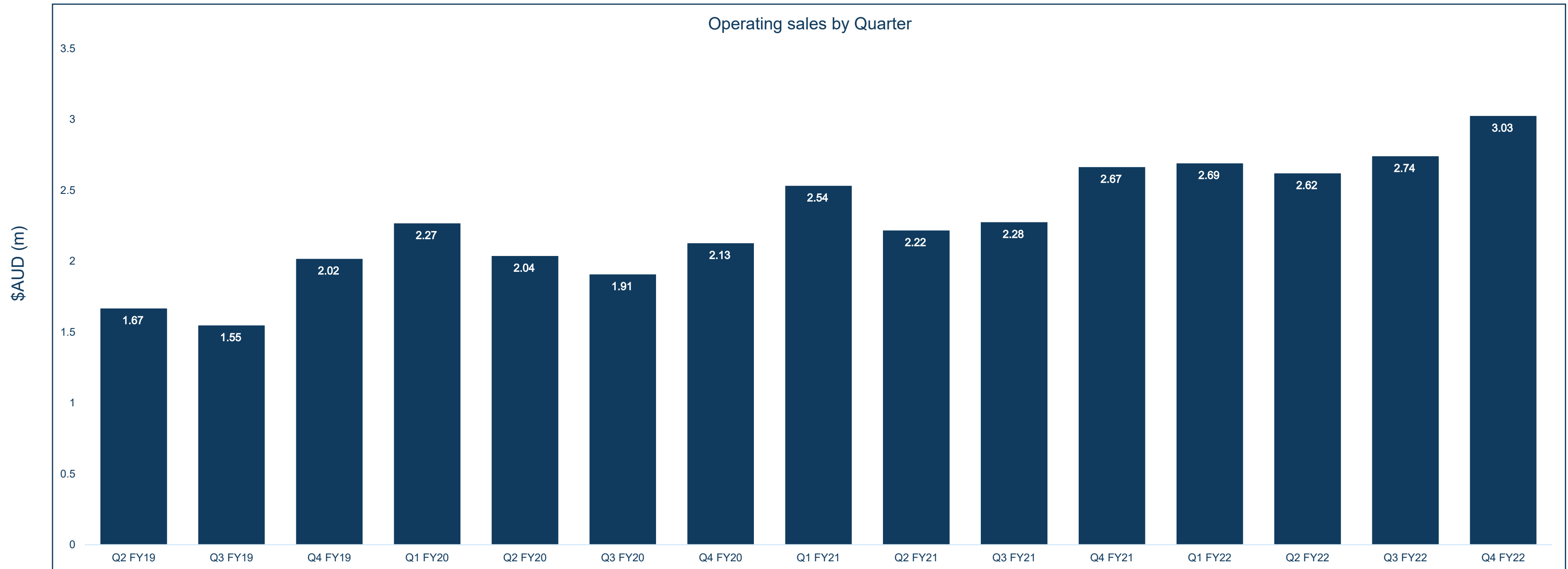
**Operating Sales**  
**\$11.09m**  
+12.5% on previous year

**Substantially**  
**debt free**

**Cash Balance**  
**\$1.739m**  
\$1.41m at 30 June 2021

# Operating sales by quarter

Q4 FY22 Sales up 10% on pcp



# ABV Revenue Model

## Revenue Model

ABT is an Original Equipment Manufacturer of Sealed Failsafe Brake Systems.

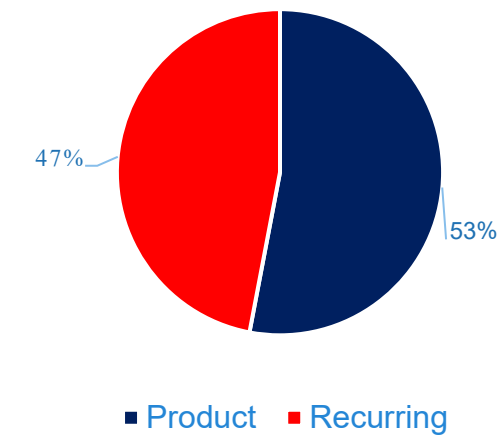
Revenue Model = New Brake Sales and Installation + Spare Parts and Consumables Trail Revenue

Split Product Sales 53% vs Recurring 47%

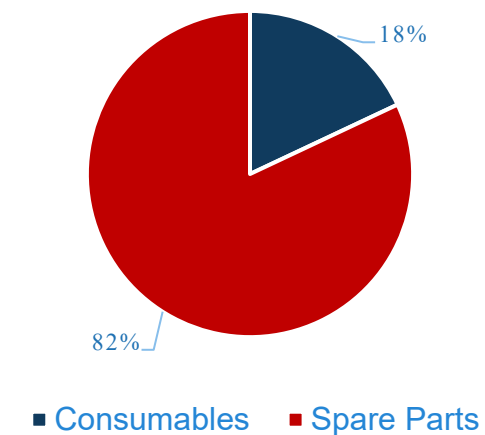
Recurring Revenue Split – Spare Parts / Consumables 82:18

Domestic / Export Split 60:40

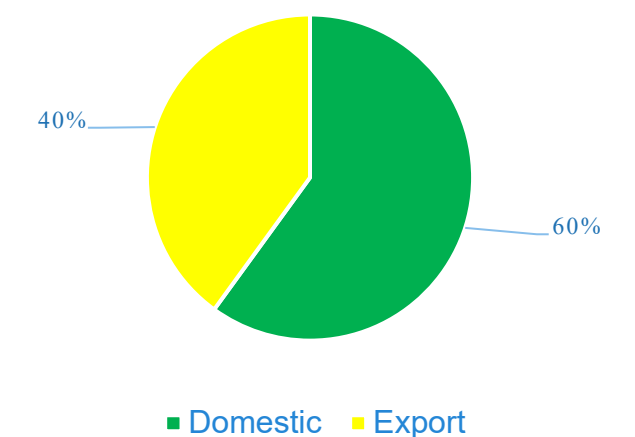
Revenue Split



Recurring Revenue



Geographic Revenue Split



## Pricing Model

Standard Product Rates (universal across all customers)

Standard Services Rates (IE: Service and Installation)

Standard Rates on Consumables (IE: Oil and Brake Pads)

# Market Overview



# Diggers Insight

“High inflation and interest rates climbing means the F22 frenzy of activity isn’t continuing.”

- Demand for Battery metals provides a springboard for growth
  - *for Miners which will breath new life into commodities once deemed unattractive (IE: Nickel, copper, cobalt, graphite, vanadium and Lithium)*
- Direct offtake agreements with Automotive Manufacturers
  - *BHP exploration spending this year will hit its highest level since 2005 as the company moves to capitalise on the soaring demand for electric vehicles*
  - *Lynas points to soaring demand for rare earth elements and will spend \$500 million on an accelerated growth plan for its Mt Weld mine in Western Australia*
- However downside is **Energy Costs impacting Mining Operations and Operational Budgets**
- **Labour is remaining tight** and this is going to add to Mining Cost to Serve

# Global Demand Analysis & Opportunity Outlook 2030

- The global underground mining market is anticipated to grow ~18% CAGR 2022 - 2030
- Rapid industrialisation in developing nations
- And increasing implementation of IoT are the factors boosting market growth.



= increasing demand for metal, minerals, and coal

- Increasing investment by major mining companies for underground mining is estimated to boost the market growth



# And So For **ABT** This Means...

Underground Mining Expansion benefits from the 'Rare Earths Hedge' Versus other Commodities

- **ABT Must Champion ESG**
  - Lead with Safety
  - Complimented with Environmental
  - Sealed with Governance (IRR)
- **Driving closer more strategic engagement with mining operators**
  - Engagement with Mine Co COO / Fleet / Safety leaders to understand current and future fleet strategy.
- **Upstream mining fleet procurement and how ABT can support the wholistic mine spec of a vehicle**
- **International Distribution Partners – where it matters**
  - ABT is focused on growing its distribution channel in order to effectively service the global mining



# Helping our customers address their ESG goals

ABT Sealed Integrated Brake Solutions (SIBS), address all aspects of ESG providing solutions for where the environment and safety is paramount.

**100% Sealed Brakes** protect the environment by eliminating all brake dust emissions emitted and improving air quality



**Failsafe brakes** mitigate against unintended vehicle movements in high risk settings

**Operational improvement** & considerable cost savings on brake or wheel end maintenance



50% - Exhaust

25% - Brakes

25% - Other

Proportion of emissions emitted by a diesel vehicle

# Value proposition

Product portfolio providing solutions to a number of identified problems

## Problems identified

### 1. Damage suffered to OEM braking systems operating in harsh off-road environments

Abrasion and corrosion - contamination by dust, mud, chemicals leading to premature brake wear, poor and often unsafe braking performance

### 2. Unintended vehicle movements

Risk to both people and equipment due to vehicle roll aways

### 3. Impact to both people and the environment

Harmful brake dust emissions

## ABT solution

### Enclosed and sealed braking systems

- Prevents contaminants from causing premature brake wear and poor braking performance

### Failsafe technology

- Spring applied hydraulic release, failsafe capability

### Wet brake technology

- Fluid filled braking system

## Customer benefits

- Significantly **improved safety** for both people and equipment
- Improved Total Cost of Ownership through **reduced maintenance costs**
- **Increased vehicle uptime** & fleet availability
- **Excellent braking performance** even in the harshest operating conditions
- Zero brake particulate emissions **improves safety and lowers environmental impact**
- Improved heat management results in **reduction in brake fade and bearing overheating**

# Product and Customer Overview

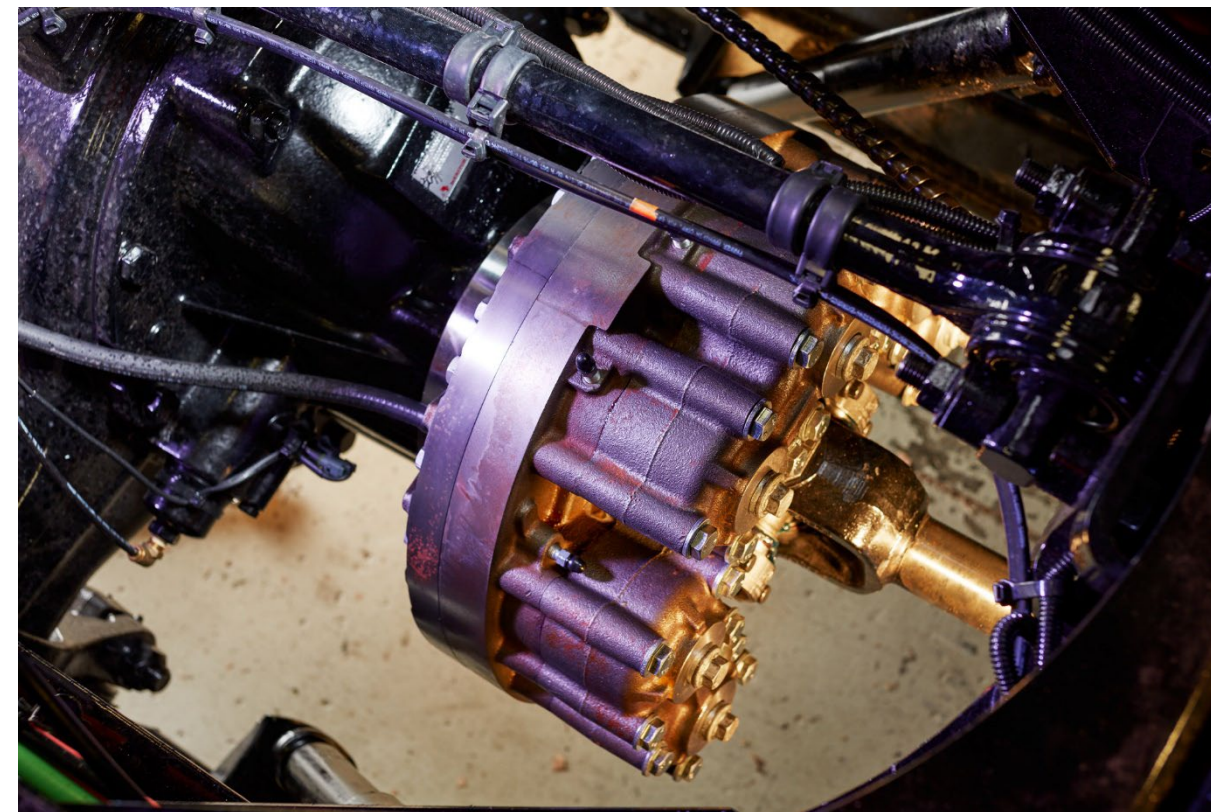


# Current core products

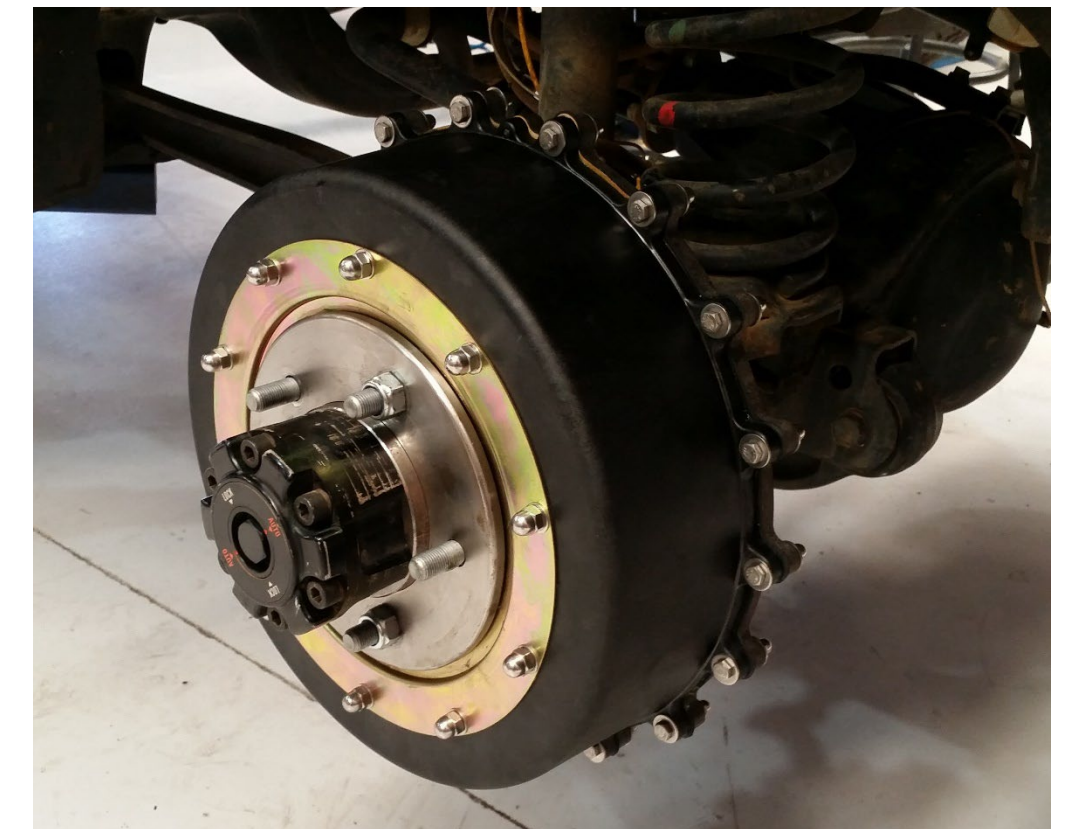
Product solutions for a range of situations



Fully Sealed With  
Failsafe Capability



Failsafe Driveline Brakes



Terra Dura ® Fully Sealed  
For Durability

# New Product Development **Blueprint**

- ABT is focused on strategic growth opportunities and is currently assessing key initiatives to drive scale, revenue diversification and enhance innovation
- This includes innovative development which leverages technology, autonomous, design and the diversification of vehicle applications of ABT's Sealed Wet Brake innovation



# ABT Heavy Vehicle SIBs

Problems requiring a solution	ABT Solution
Damage suffered by OEM braking systems in harsh off-road environments; strike impact and dust ingress	Sealed / enclosed ABT brake (SIBS)
High frequency Maintenance and Parts Replacement	ABT Brakes offer extended Life and Maintenance regime
Heavy vehicle brake fade and bearing overheating	Enclosed ABT wet brake runs cooler
Brake dust emissions	ABT has Zero Emissions

# Inorganic Strategy delivers Growth and Diversification

## ABT's Corporate Development Strategy for Inorganic Growth will deliver:

1. Revenue diversity and growth
2. Added technical capability
3. Organisational scale and operating leverage
4. Returns for shareholders

# Strategy and Outlook



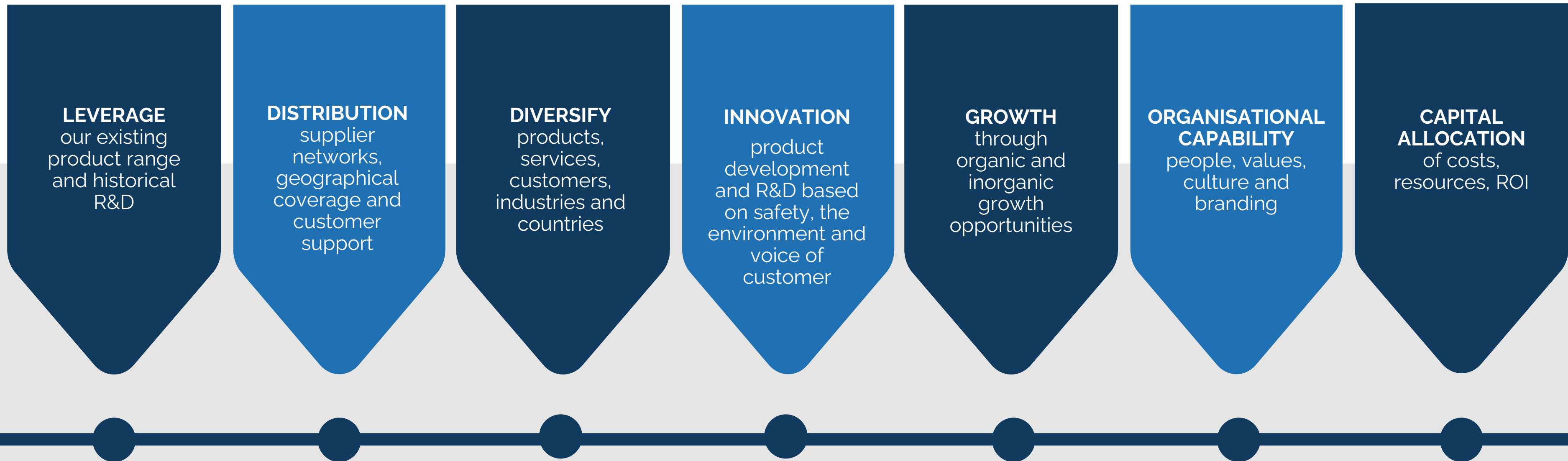
# ABT 2022 - Foundation for Growth

- **Financial Strength**
- **IP Using SIBs Design**
- **ABT Team**
- **Scalability**
- **Sustainable Profitability**
- **Blue Chip Customer Base**
- **International Market Growth**
- **Strong Supplier Base**
- **Strong supportive Key Investors/Shareholders**

# Strategy

**By 2023**

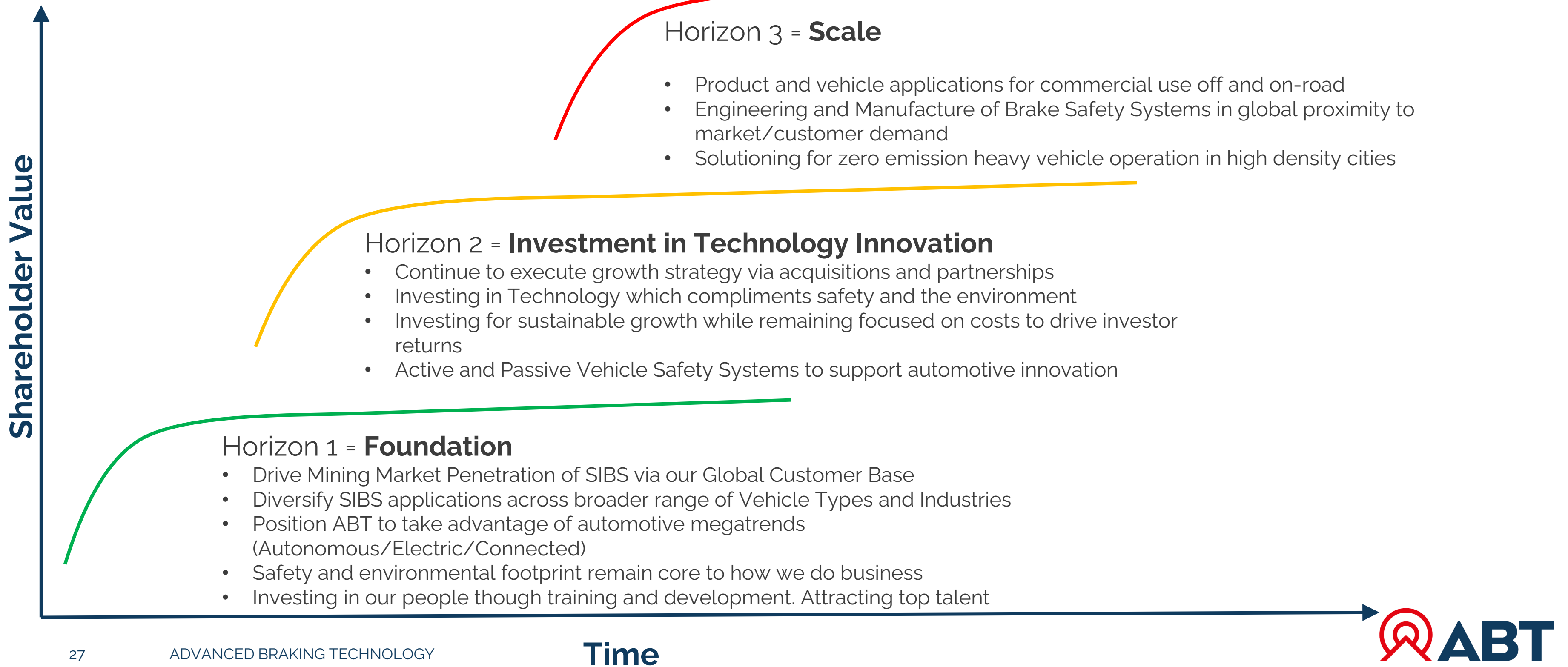
**Generate material growth in both revenues and earnings by offering innovative safety and braking solutions to a global customer base**



**Deliver shareholder value**

# ABT 2025 Strategic Horizon

The foundations for growth are now in place



# For further information, please contact:

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# Compliance

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**The material contained in this presentation has been approved for release  
by the Board of Advanced Braking Technology Limited**

# Appendices

# Board and Management Team



**Dagmar Parsons**  
Non-Executive Chair



**David Slack**  
Non-Executive Director



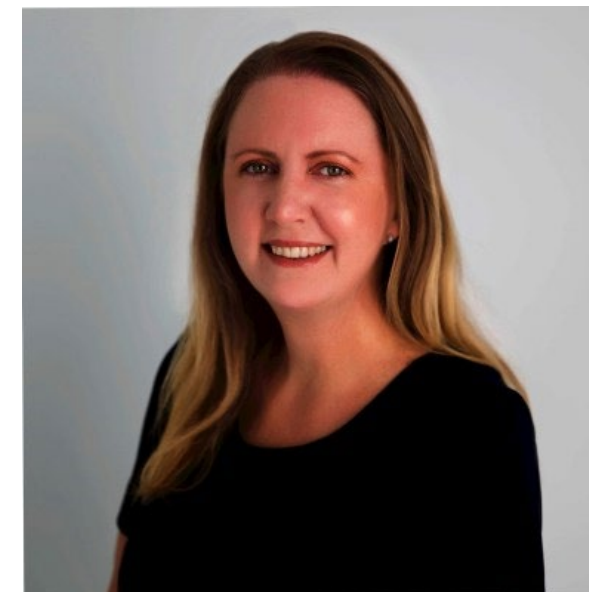
**Adam Levine**  
Non-Executive Director



**Mark Lindh**  
Non-Executive Director



**Andrew Booth**  
CEO



**Angela Godbeer**  
Chief Financial Officer