



ADVANCED BRAKING TECHNOLOGY

# CEO Presentation

AGM – 16 November 2022

Presented by

Andrew Booth, CEO

Authorised by the Board of Advanced Braking Technology

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- FY22 Highlights
- Full Year Results
- FY23 Quarter One Results
- About ABT
- Market Overview
- Product And Customer Overview
- Strategy and Outlook

## Agenda

# FY22 Highlights

- Sustained double-digit revenue growth
- Record year-on-year sales growth,
- Positive cash flow from operations for the year
- Deepening our valuable blue chip customer relationships
- Growing our export sales and international partners and
- Strengthening ABT's foundation capabilities to support scalability
- 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

# Financial performance

## Continued positive net profit result

- Solid increase in total revenue of \$11.74 million, up 12% on previous corresponding period (pcp)
- Operating Sales increased to \$11.09 million, up 14% on pcp with product sales margins at 44.4%
- Continued positive Net Profit result of \$0.64 million (FY21: \$0.62 million) and positive EBITDA result of \$0.97 million (FY21: \$0.91 million) a 6% increase on pcp

	FY22	FY21	Change
Total Revenue	\$11.74m	\$10.45m	12%
Operating Revenue	\$11.09m	\$9.70m	14%
Gross Margin	44.4%	46.3%	(1.9%)
Total Expenses	\$4.93m	\$4.62m	6.9%
EBITDA	\$0.97m	\$0.91m	6%
Profit / (Loss) for the period	\$0.64m	\$0.62m	3.9%

# Cash Flow performance

- Improved cash position of \$1.74 million, an increase of \$0.33 million on prior year.
- Improved sales driving improved cash position

(\$m)	FY22	FY21
Net cash from operating	0.40	1.21
Net cash from investing	(0.03)	(0.27)
Net cash from financing	(0.04)	(0.04)
Cash balance	1.74	1.41

# Q1 FY23 Results Overview

Demonstrated results across key metrics

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

**Product Sales Margin**  
**50.5%**  
+12.9% on PCP

**Net Profit**  
**\$0.446M**  
+814% on PCP

**Operating Sales**  
**\$3.03m**  
+12.6% on previous corresponding  
period (pcp)

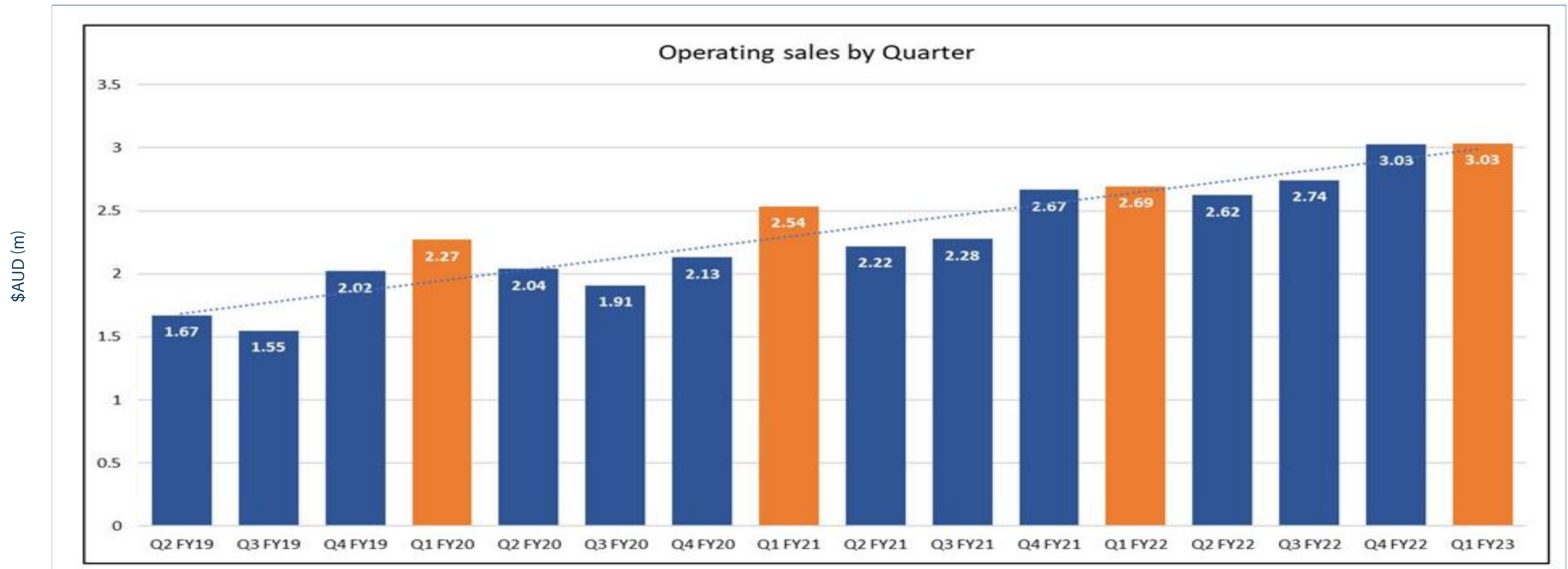
**Substantially**  
**debt free**

**Cash Balance**  
**\$1.65m**  
\$1.74m at 30 June 2022



# Operating sales by quarter

Q1 FY23 Sales +113% on Q1 FY22



# About Advanced Braking Technology



# 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

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**

# 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

# Market Overview



# 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





# 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**

# 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

# Product and Customer Overview

# Current core products

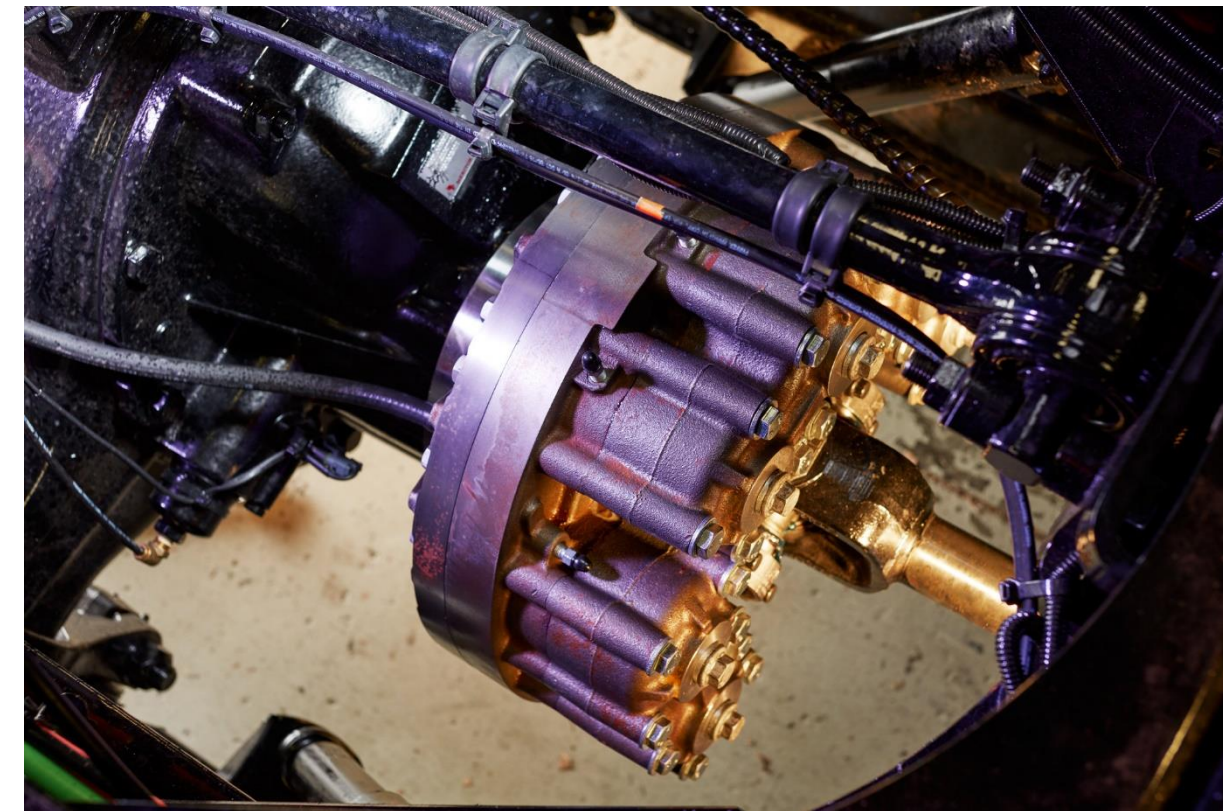
Product solutions for a range of situations



**Wet Wheel End for Light Commercial Vehicles**  
Fully Sealed Integrated Brake System

With  
Failsafe Capability

20



**Wet Driveline Brakes for Light Medium and Heavy Vehicles**  
Fully Sealed Integrated Brake System

With  
Failsafe Capability



# Customers and end users

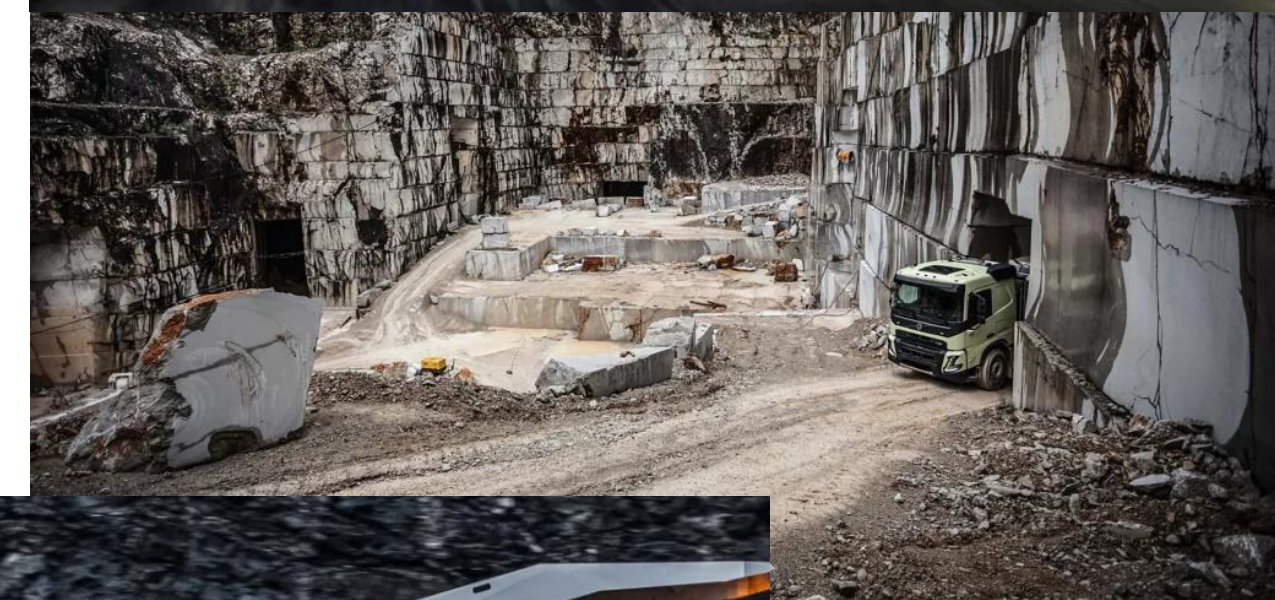
ABT continues to grow its blue chip customer base



# ABT & GLENCORE ENTER JOINT PRODUCT DEVELOPMENT AGREEMENT –

## SEALED INTEGRATED BRAKING SYSTEM FOR VOLVO HAUL TRUCK

- ABT and Glencore enter into an agreement for the development of a Sealed Integrated Braking System (SIBS) for Heavy Vehicle mine haulage fleet.
- Upon successful validation and testing of the SIBS, Glencore intends to progressively deploy the SIBS across its fleet of Volvo FMX Trucks globally.
- Provides ABT ability to engage with other heavy vehicle operators with SIBS heavy truck solution.



# 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

# 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**

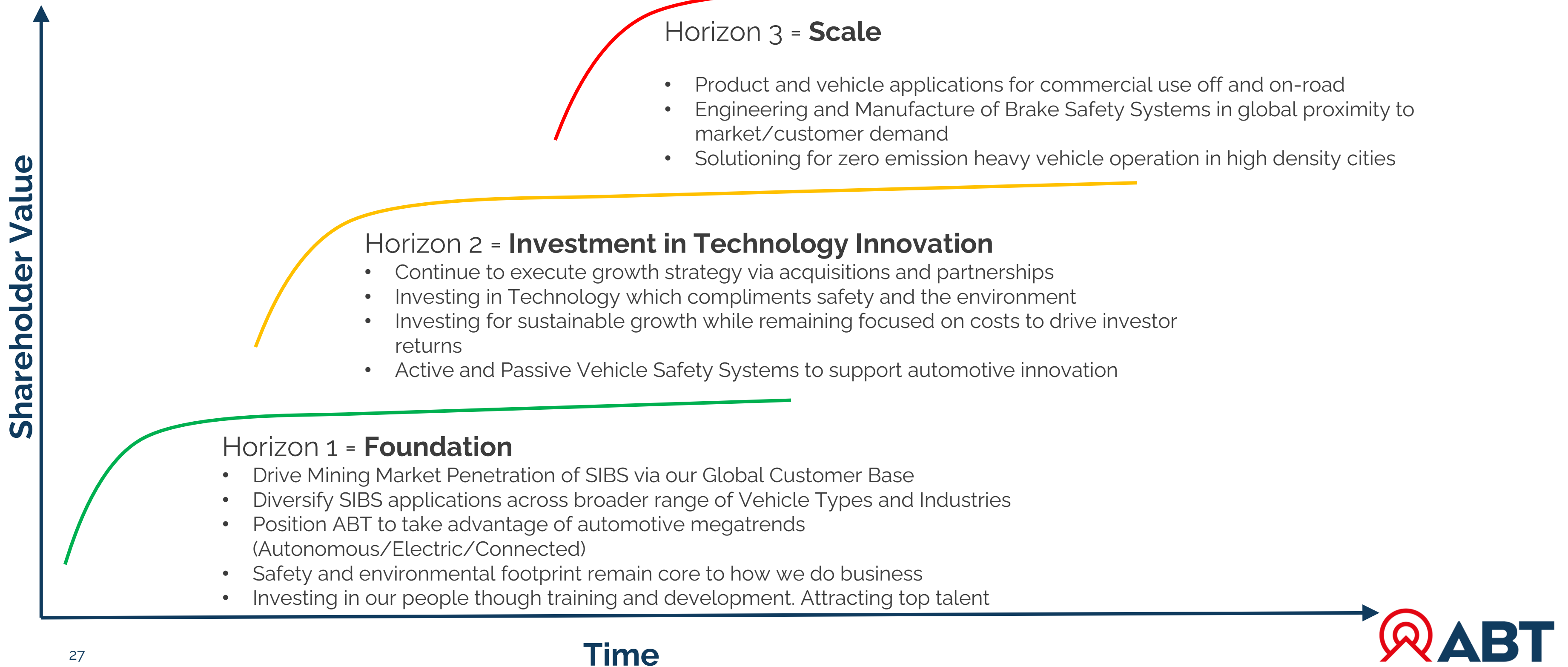
# Inorganic Strategy delivers Growth and Diversification

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

1. Revenue diversity (Products / Channels / Industries) and growth
2. Technology and added technical capability
3. Organisational scale and operating leverage
4. Returns for shareholders

# ABT 2025 Strategic Horizon

The foundations for growth are now in place



- Australia's potential from Mining Equipment, Technology and Services Sector is massive.
- Society is transforming to meet future demand for minerals sourced in a sustainable manner
- > ESG (Environment, Social and Governance) continues to be the dominant issue for mining companies
- > Solutions come from the application of technology
- Key Technologies are Creating Mines of the Future



EV

Connected Satellite

Renewable Energy

3D Printing

Autonomous

Nanotech

Artificial Intelligence

Networks

*'The past 250 years has seen a few select inventions, namely the steam engine, electrification and the microprocessor, spur the past three industrial revolutions and 'catalysed human progress'.*

*The fourth will be driven by data - 'the electricity of our age', as well as the data centres that will make this massive use of data possible.'*

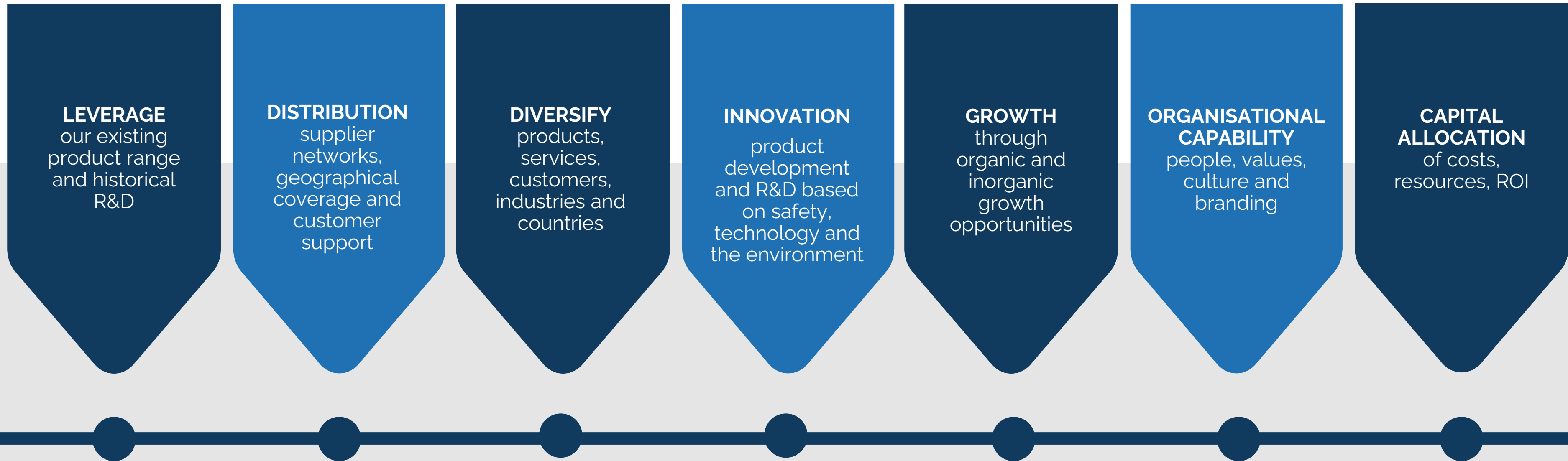
*Professor Klaus Schwab: Founder and Executive Chairman of the World Economic Forum*

- 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

# 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**

# Thank you for attending

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