



BABYLON
PUMP & POWER LTD

FY23 RESULTS PRESENTATION 2023

BABYLON PUMP & POWER LTD

Important Notice & Disclaimer



This presentation has been prepared by Babylon Pump & Power Limited (“**Babylon**”) (ASX: BPP) for information purposes only.

This presentation is not a product disclosure statement or prospectus for the purposes of the Australian *Corporations Act 2001* (Cth), nor does it constitute financial product or investment advice or a recommendation, offer or invitation by any person or to any person to sell, purchase or otherwise invest in securities in BPP in any jurisdiction. Neither this presentation nor anything in it shall form the basis of any contract or commitment.

This presentation contains general information only and does not take into account the investment objectives, financial situation and particular needs of individual investors. Investors should make their own independent assessment of the information in this presentation and obtain their own independent advice from a qualified financial adviser, lawyer, accountant, tax or such other adviser as considered appropriate having regard to their objectives, financial situation and needs before taking any action.

The information in this presentation includes historic information about the performance of BPP and securities in BPP. That information is historic only and is not an indication or representation about the future performance of BPP or securities in BPP. You should not place undue reliance on any such information.

No representation or warranty, express or implied, is given as to the accuracy, completeness, reliability or adequacy of any statements, estimates, opinions or other information, or the reasonableness of any assumption or other statement, contained in this presentation. Nor is any representation or warranty, express or implied, given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, forward-looking statements or potential returns contained in this presentation. Forward-looking statements include, but are not limited to, information which reflects management’s expectations regarding BPP’s future growth, results of operations (including, without limitation, capital expenditures), performance (both operational and financial) and business prospects and opportunities. Often, forward-looking statements include words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does

not anticipate” or “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forecasts, forward-looking statements or potential returns only reflect subjective views held by BPP, and are based on certain assumptions made by BPP, as at the date specified in the relevant information and are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of BPP. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that forward-looking statements will prove to be accurate. Actual events and results may vary from the events or results expressed or implied in such statements. Given these uncertainties, you should not place undue reliance on any such statements

Subject to any continuing obligations under applicable law or any stock exchange listing rules, in providing the information in this presentation, BPP does not undertake any obligation to publicly update or revise any forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

To the maximum extent permitted by law, BPP and its related bodies corporate, directors, officers, employees, advisers and agents disclaim all liability and responsibility (including without limitation any liability arising in negligence, statute or otherwise) for any direct or indirect loss or damage which may arise or be suffered by any person through use or reliance on anything contained in, or omitted from, this presentation. An investment in BPP securities is subject to investment and other known and unknown risks, some of which are beyond the control of BPP. BPP does not guarantee any particular rate of return or the performance of BPP securities.

The distribution of this presentation including in jurisdictions outside Australia, may be restricted by law. Any person who receives this presentation must seek advice on and observe any such restrictions.



Building a portfolio of specialty, essential services highly valued by major resources companies



Specialised water management equipment rental and services



Environmental and industrial services



Rental of portable temporary power



Progressing a pipeline of water management and hybrid power opportunities

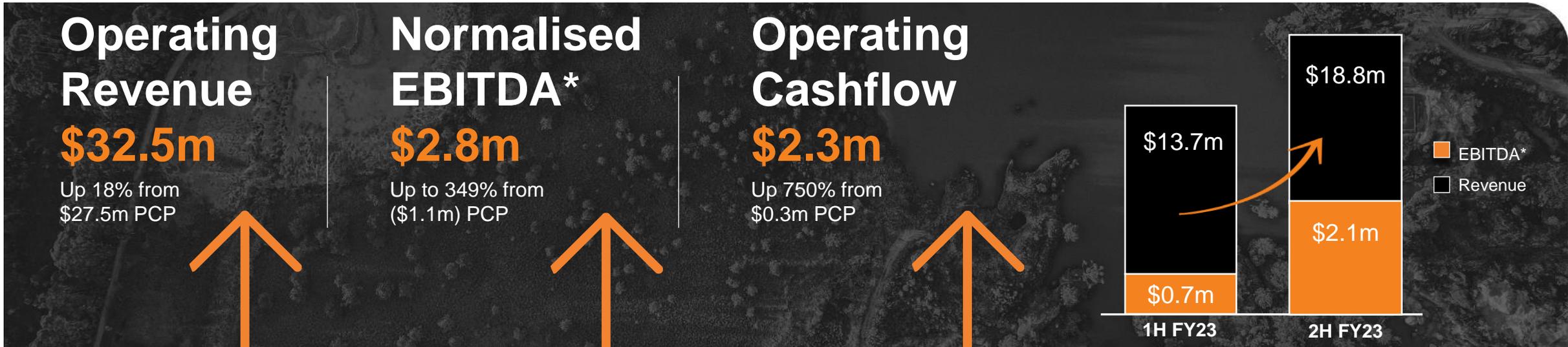
FY23 Financial Snapshot

<i>Normalised Profit & Loss A\$'000</i>	FY 2023	FY 2022	% Growth
Operating revenue and other income	32,501	27,517	18%
Operating and indirect costs	28,694	28,641	
EBITDA	3,807	(1,124)	439%
less other income from write-back ⁽¹⁾	(1,000)		
Normalised EBITDA	2,807	(1,124)	349%
Interest expense	1,362	1,301	
Depreciation and amortisation	3,933	2,785	
Normalised NPAT	(2,488)	(5,210)	52%

(1) Reversal of \$1m other income from write-back of Pilbara Trucks Pty Ltd deferred consideration

<i>Balance Sheet A\$'000</i>	June 2023	June 2022
Cash & cash equivalents	1,565	2,241
Trade & other receivables	5,758	4,360
Property, plant & equipment	14,073	10,709
Inventories, goodwill & other assets	14,630	11,711
Total Assets	36,026	29,021
Trade & other payables	7,666	6,030
Lease liabilities	3,383	814
Deferred consideration	2,453	1,153
Borrowings	11,732	15,561
Other	459	476
Total Liabilities	25,693	24,034
Net Assets	10,333	4,987

FY23 Financial Highlights



Growth trajectory driven by market demand and improving margins



Strong **EBITDA** growth momentum



Investment **in fleet and service** expansion



Compound **30% revenue** growth

*Normalised EBITDA as described in Slide 4

FY23 Strategic Highlights

- Strengthened board with appointment of **Chris Radin as Non-Executive Director** adding significant rental industry experience
- Completed **two strategic acquisitions** in specialty water management/equipment rental space
- Refocussed on **high margin operations** with rationalisation of lower margin maintenance services
- Introduced new **Stand-Alone Hybrid Power Systems** and **Pitt Boss Evaporation Systems** product lines that offer clients **reduced emissions**, costs and improved efficiencies
- Leveraged the strong outlook for Australian mining sector with **opportunities** generated from:
 - Mines with complex water issues
 - Transition to more environmentally friendly technologies
 - Companies with capital constraints requiring rental solutions for critical infrastructure
- **Investment in assets** to support growth in higher margin rental segment



Recent Milestones



Improved financials in FY23

- Strong growth in EBITDA* and Operating Cash Flow across the Group during the year
- **215% EBITDA* improvement in H2 vs H1 FY23**
- Strengthened balance sheet through settlement of c\$4.5M of the convertible loan



Advancing rental & water management strategy

- Successful integration of Resource Water Group (RWG) and RBH Engineering (RBH) with minimal incremental overheads
- Entry into hybrid power rental market with **Stand-Alone Hybrid Power System (SAHPS)** deployed to major gold mining client
- Introducing new passive evaporation technology with lower power requirements for water management



Rationalisation of lower margin segments

- Significant restructuring and rationalisation of the maintenance services business **increased segment EBITDA 604%** with slightly lower segment revenue
- Streamlining operations and elimination of overheads returned Primepower Queensland to net profit during FY23



New, purpose-built facility

- Relocation to new purpose-built premises mid year
- Provides **extra capacity and capability for all segments** of the business
- Consolidated operations to provide efficiencies by eliminating movements of equipment and staff to different operational sites



*Normalised EBITDA as described in Slide 4

Rental Outlook

- Rental segment revenue up 98% over previous year.
- Rental segment EBITDA up 105% over previous year.
- Organic growth in rental revenue driven by expansion of asset base and new services to include:
 - Stand-Alone Hybrid Power Systems
 - Pitt Boss - new passive evaporation technology
- Long-term contracts underpinning performance and providing earnings stability.
- Experienced operational team able to support growth with no material increase in overheads expected.
- Further growth through acquisition as opportunities for rental assets are progressed.



Specialty Rental Water & Power



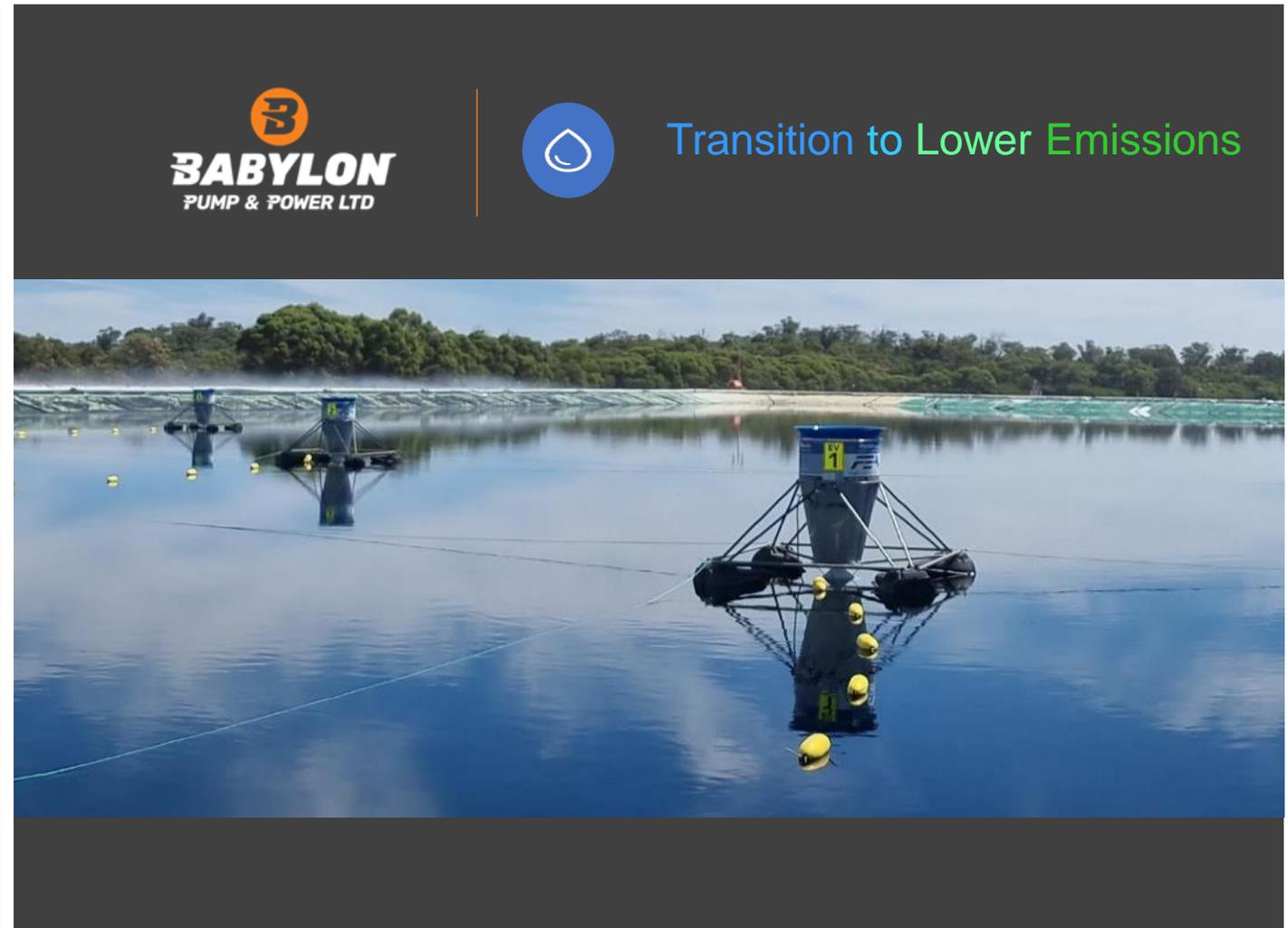
Stand-Alone Hybrid Power Systems

- Redeployable hybrid power generation to replace diesel generators on client sites – integrated package of solar, inverter, control system, battery storage plus backup generator unit
- Introduced into specialty rental fleet to assist clients in their journey to net zero emissions through reduced or replaced diesel fuel requirement
- Designed for rapid and easy deployment
- Designed and built in Australia for Australian conditions
- Reliable power anywhere and anytime with remote operational monitoring
- Provides clients with direct savings from lower refuelling costs and maintenance requirements than traditional power supply options
- Suitable for use where noise restrictions apply
- First rental project has been secured with mobilisation in September 2023.



Pitt Boss Evaporation Systems

- Energy saving water management – low power consumption per m3 evaporated
- Lower environmental impact with no overspray
- Can be powered by Babylon's Stand-Alone hybrid power Systems
- More reliable operations and very low maintenance requirement with no external pumps or spray nozzles
- Very low maintenance requirement provides for ongoing labour savings
- Compound emissions reduction by powering with stand-alone hybrid power units
- Project for supply and install of Pitt Boss system completed in FY23 and multiple rental opportunities currently in development



Maintenance Outlook

- Maintenance revenue was steady over previous year.
- Maintenance EBITDA up 604% over previous year.
- Recurring works for large miners is providing greater visibility and improving margins.
- QLD subsidiary PrimePower has returned to profitability with restructure & low margin activities discontinued.
- Flattening the management structure has increased the number of tradesmen on the workshop floor while maintaining a steady overall headcount.
- Transitioning to our new Perth facility has improved efficiencies in the delivery of existing maintenance contracts.



Maintenance Services



Group Outlook

Increasing sector demand and streamlined business focus will continue trajectory of improved earnings and overall business growth.

Improved Balance Sheet

37% increase in plant & equipment and **107% increase in net assets**



Growing High Margin Segment

Organic growth of fleet coupled with acquisitions to grow rental asset base



Providing Critical Services

Water management and sustainable remote power are **critical** for Australian mines



Innovative Offerings

Transition to more sustainable rental offering through **hybrid power and passive evaporation systems**

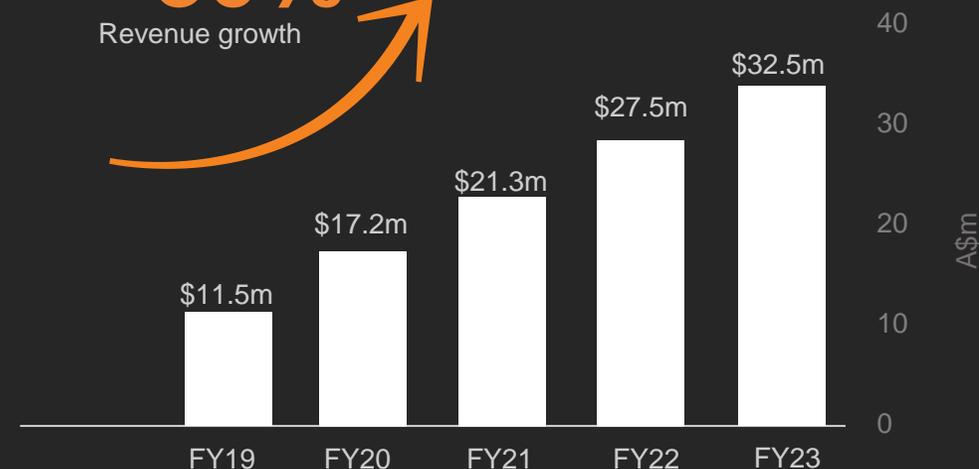


Revenue Growth

4 Year CAGR

~30%

Revenue growth



Poised for Growth



Earnings improvement across the Group

- Group consolidated EBITDA* improved 349%
- Rental business gaining scale and delivering strong margins
- Restructured and rationalised maintenance business performance
- FY24 budgeted to deliver continuing growth trajectory



Leveraging strong outlook for Australian resources sector

- Mines with complex water issues require specialised solutions
- Environmental regulations and requirements require creative solutions
- Transition to clean energy – new product offerings assist clients in net zero journey



Backed by Improved Balance Sheet

- Repaid c\$4.5M in Convertible Loans
- Completed annual review with a 'big four' Australian bank renewing existing facilities
- Net assets up 107%



Key focus on rental / water management

- Key strategic acquisitions of RBH Engineering and Resource Water Group expands rental and water management capability
- Demand for specialty water management services forecast to increase across buoyant resources sector



Poised for further strategic and earnings accretive acquisitions

- Identified and initiated discussions on other potential rental acquisitions that are highly complementary to existing business segments



*Normalised EBITDA as described in Slide 4

Corporate Snapshot

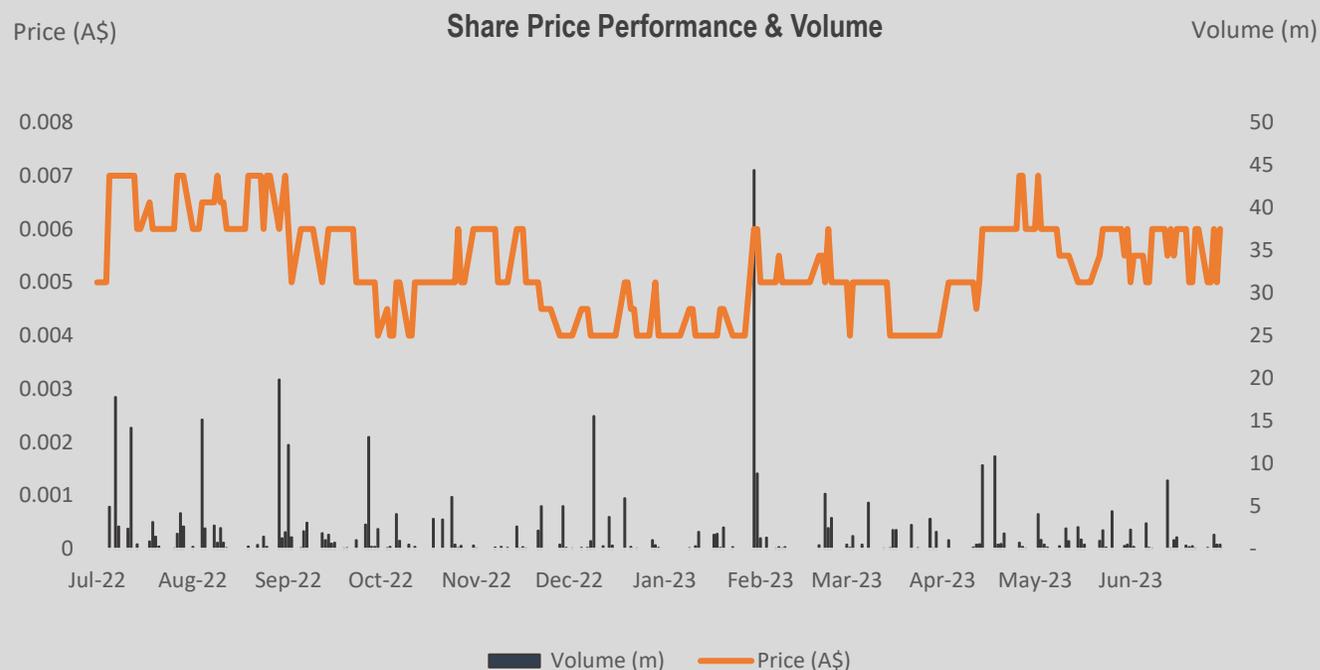


ASX Code: BPP

Ordinary Shares	2,458m
*Performance Rights	294m
Market cap (@ 0.5 cents)	\$12.3m
Board & Management Ownership	6.7%
Top 20 Holdings	49%

Major Shareholders

Belgravia Strategic Equities Pty Ltd & other entities controlled by Geoff Lord	24.3%
Resource Water Group Pty Ltd (RWG vendor)	3.0%
Retzos Executive Pty Ltd	2.7%
Chesapeake Capital Ltd	2.3%



Board of Directors



James Cullen
Non-Executive Chairman

Jamie has over 20 years' experience in the resources sector. He is the current CEO of Pacific Energy Limited and has been CEO of three resource companies that have been acquired under takeover transactions for significant premiums (Pacific Energy, Resource Equipment Ltd and PCH Group Ltd).



Michael Shelby
Managing Director

Co-Founder of Babylon, Michael has over 20 years' experience in the resource sector and was previously the GM at Resource Equipment Ltd.



Patrick Maingard
Non-Executive Director

Patrick has over 30 years of management experience with a strong SME background with Director and Managing Director portfolios. Patrick is well versed with the business having been an Executive Director of the business at listing.



Louise Bower
Non-Executive Director

Louise has 27 years' experience in senior executive roles across various industry sectors and jurisdictions including Australia, South Africa and the United Kingdom. Currently a Non-Executive Director of DUG Technology Ltd and Lycopodium Ltd.



Chris Radin
Non-Executive Director

Chris has accumulated 30 plus years' experience across equipment rental, capital equipment, industrial and retail markets, holding Senior Executive and Managing Director roles over the past 20 years.



MICHAEL SHELBY Managing Director



1 Port Place, High Wycombe WA 6057



+61 477 088 341



mshelby@babylonpumpandpower.com



babylonpumpandpower.com