



Investor Presentation

First Half FY2019 Results



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A Specialised Mining Services Provider

- ▶ A specialised mining services company delivering bespoke solutions to the mining and oil & gas sectors
- ▶ Revenue up 210% to \$5.0 million in H1 FY19 from \$1.6 million in H2 FY18
- ▶ Reported EBITDA -\$48,000 for H1 FY19, close to breakeven and outperforming expectations
- ▶ An in-demand business model with a clear focus on
 - ▶ Rental of specialty diesel-driven power generation and pumping equipment
 - ▶ Maintenance and rebuild services for large diesel-driven equipment
- ▶ Complementary business units receiving strong demand from blue-chip mining and oil & gas clients
- ▶ Currently servicing the iron ore, gold, nickel, and oil & gas sectors with significant opportunities in infrastructure and other commodities
- ▶ Tier One client base including BHP, Fortescue, Downer, NRW, CSIRO, and General Electric
- ▶ Strong growth prospects to expand business offering nationally
- ▶ Experienced team with a proven track record and a high level of share ownership by staff

High-Quality Project Portfolio

Client	Project
NRW Holdings	Caterpillar engine rebuilds for export contract
Fortescue Metals	Engine sales and rebuilds
BHP Billiton	Minimum 52 week project providing remote power for BHP Mining Area C
BHP Billiton	Dewatering and remote power generation at Mount Keith
Downer	Caterpillar engine rebuilds
CSIRO	Compressor and pump rental with associated services
Water Corporation (via contractor)	Pump and power generation rental

Corporate Overview

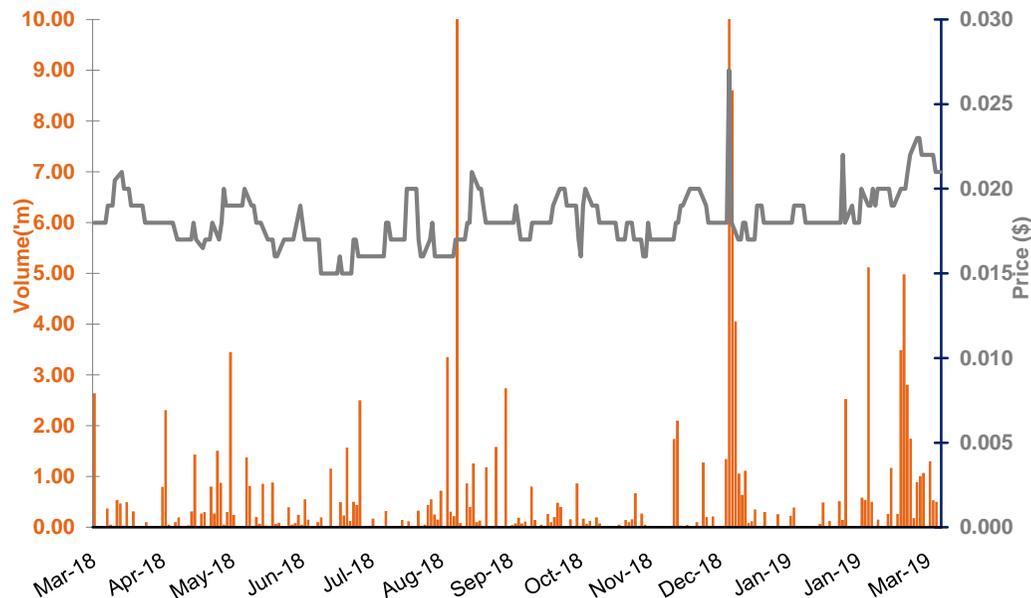
ASX Code: BPP, BPPOA

Ordinary Shares	372m
Options (4.0 cents, 31 March 2019)	290m
Performance Shares	40m
Market cap (@ 2.2 cents)	\$8.1m
Average Monthly Volume (shares)	10.3m
Trading Range since Listing (cents)	1.5 - 2.5
Top 20 Holdings	47%
Cash (31 December 2019)	\$1.91m

Substantial Shareholders

G & N Lord Superannuation Pty Ltd	6.5%
Chesapeake	5.3%

Share Price Performance and Volume



Directors & Senior Management

Michael Shelby	Executive Chairman
Patrick Maingard	Executive Director
Michael Kenyon	Non Exec. Director and Company Secretary
Mark Lagemann	Operations Manager

1H 2019 RESULTS



1H 2019 Results

- ▶ Exceptional first half delivers revenue of A\$5 million
- ▶ Half year revenue exceeded the A\$4.6m revenue forecast for the full 2018-19 Financial Year
- ▶ Operations close to break-even in the first half (EBITDA -A\$48,000), exceeding expectations
- ▶ Positive operating cashflow recorded in the December quarter
- ▶ Multiple contracts secured during the 1H FY19, which will begin to have a positive impact on revenue in 2H FY19

(A\$)	1H FY18	2H FY18	1H FY19
Revenue ⁽¹⁾	c\$1M	1,628,357	5,008,458
Cost of Sales	Nil	1,196,440	3,274,113
Gross Profit	Nil	431,917	1,734,345
EBITDA	(364,209)	(557,104)	(48,157)
Profit / (Loss)	(364,209)	(758,124)	(1,187,259)

Note 1: If the acquisition had occurred on 1 July 2017, Babylon Operations would have contributed an estimated \$1 million of revenue

A Significant First Half Performance

Diesel Maintenance

- The diesel maintenance division continues to grow and has been a strong contributor to underlying revenue
- During 1H 2019 Babylon repaired more than 20 large diesel engines for clients
- Babylon technicians clocked more than 28,000 man hours in the maintenance workshop
- A total of 4,300 man hours has been dedicated to one client, managing a project consisting of a series of engine and component rebuilds
- Widespread shortages of skilled and experienced diesel maintenance technicians within the resources sector continues to drive demand for Babylon's services

Rental Division - Power Generation and Pumping

- Continued build-up of rental fleet of specialist power generation and dewatering equipment
- Multiple contracts secured in 1H FY19, which will deliver a positive impact on revenue in 2H FY19
- Babylon have adopted a model of designing tailored solutions for clients then sourcing the appropriate equipment for the task
- This strategic approach has been a strong contributor to improved margins and also reduces the level of redundant equipment

Key Contracts Secured

- Supply, install and maintain power generation equipment for BHP's Mining Area C surplus water pipeline project. The minimum 52-week project commenced in September and is expected to contribute approximately \$1.1 million revenue
- Supply and maintain power generation and pumping equipment for use on multiple Water Corporation sites in WA. Contract term is 24 months
- Supply and install power generation and pumping equipment for BHP at a key WA mining operation. The initial 6-month contract began in November and is expected to contribute approximately \$670,000 to FY19 revenue

RENTAL



Rental - Fleet Overview

- ▶ Babylon continues to build its specialist fleet of power generation and pumping equipment
- ▶ Babylon is focused on providing tailored solutions for each client sourcing the best necessary equipment
- ▶ Current fleet includes
 - Generators from 20Kva to 1.25MW container-based sets capable of being synchronized for large power requirements
 - Pumps from 300hp to 1200hp with advanced control systems for remote monitoring and operation
 - Compressors, boosters and dryers for specialty high pressure applications
- ▶ Multiple new contracts secured during 1H FY19
 - Power generation contract with Atlantic (Aust) Pty Ltd - A contract term of 52 weeks which commenced in Q1 FY19
 - Power generation and pumping rental contract with a W.A. based asset rental company for a term of 24 months
 - Power generation and dewatering contract secured with BHP commencing Q2 FY19
- ▶ New contracts will have a positive financial impact during the second half as they start to generate revenue

MAINTENANCE



Maintenance - Business Overview

- ▶ Heavy diesel maintenance workload continues to expand and deliver strong growth in underlying revenue
- ▶ Multiple new contracts secured during 1H FY19
 - Diesel maintenance work for an international equipment supplier and local service contractor for the rebuild and supply of large Caterpillar engines
 - Multiple large engine rebuild project for major Australian mining service company
 - Engine, transmission and wheel end rebuild project for an Australian mining contractor
- ▶ Babylon supplies both on-site maintenance and off-site re-build services
- ▶ Industry Maintenance / Rebuild Programs
 - Critical breakdowns provide opportunity for Babylon, being a smaller more nimble service provider
 - Large rebuild programs for majors consume OEM capacity, this allows for growth in Babylon market share
- ▶ Babylon Capabilities - Heavy Engines
 - Experienced and invested specialised workforce with a supportive work culture
 - Targeting high value and critical maintenance opportunities

Maintenance - Growth Catalysts

- ▶ Growth in Babylon's work in progress, order book and pipeline is being driven by multiple factors
 - Deferred maintenance by clients, driving a need for more comprehensive engine and component rebuild programs
 - Increasing demand for diesel service field maintenance as Babylon's reputation grows
 - Field service activities are leading to increased workshop throughput as opportunities are encountered on-site
 - Clients have limited availability of internal skilled resources to support ongoing diesel maintenance and continue to look for alternatives as OEM capacity is not currently meeting market needs
- ▶ Diesel maintenance demand continues to be supported by skills shortages
 - Babylon is well-placed with a team of highly-trained, experienced and invested technicians
- ▶ Larger engine maintenance opportunities are currently under development with multiple clients
- ▶ Most previous work has focused on Caterpillar products, however Babylon is currently evaluating opportunities with Cummins large engines
- ▶ The WA mining fleet expanded considerably during the mining construction boom, with much of that equipment coming up to its first re-build cycle (major maintenance required every 3-5 years)

DELIVERING BETTER SOLUTIONS



Positioned for Strong and Sustained Growth

- ▶ A niche provider offering sought-after bespoke solutions in both maintenance and rental of pumping and power generation
- ▶ Rapid growth since commencing operations in May 2017, exceeding expectations
- ▶ First half revenue of A\$5 million exceeded full-year expectations, up 210% on prior half
- ▶ Operations close to break-even in the first half (EBITDA -A\$48,000), exceeding expectations
- ▶ Results well ahead of Prospectus forecasts
- ▶ Effective, skilled and invested team of employees
- ▶ Rapidly gaining traction among Tier 1 mining and oil & gas clients

Outlook

- ▶ Primed to continue growth trajectory with strong existing client support
- ▶ Engaging new clients in selective and deliberate manner
- ▶ Growing client base includes top tier industry leaders
- ▶ Growing and expanding capabilities across the mining sector into other mineral bases remains a priority
- ▶ Focused on securing opportunities and expand activities beyond Western Australia in both rental and diesel rebuild and maintenance
- ▶ Focused on continued growth in earnings via new contract wins, continued management of current project portfolio and progression to larger rebuild programmes
- ▶ Strong work in progress contract book will positively impact full year revenues
- ▶ Significant opportunities for rapid ongoing growth

Thank you

