

EUROZ SECURITIES INVESTOR CONFERENCE

MARCH 2019



DEAD BULLOCK SOAK POWER STATION

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CORPORATE SNAPSHOT



CAPITAL STRUCTURE*

ASX Code	ZEN
Shares on Issue	98,000,000
Market Capitalisation	\$64.19 million

BOARD AND MANAGEMENT

Doug Walker	Executive Chairman
Hamish Moffat	Managing Director
Darren Smith	Non-Executive Director
Peter Torre	Non-Executive Director
Rebecca Stringer-Krein	Chief Financial Officer / Company Secretary
Graham Cooper	Chief Operating Officer

SHARE PRICE SINCE ASX LISTING, MAY 2017



*Share price \$0.655 as at 11 March 2019

STRONG BOO EARNINGS GROWTH



	H1 2019	H1 2018
	\$m	\$m
Operating Segments		
BOO Revenue	17.24	11.30
BOO EBITDA	11.87	5.33
MOM/EPC Revenue	5.41	22.35
MOM/EPC EBITDA	1.69	13.21
Consolidated Results		
Income	22.91	33.79
Expenses	14.42	20.91
EBITDA	8.89	12.88
Finance Costs	1.74	0.65
Depreciation & Amortisation	2.80	2.09
Income Tax Expense	1.38	2.76
Net Profit After Tax	2.57	7.38
Basic EPS (cents)	2.62	7.54
Diluted EPS (cents)	2.62	7.54

- **61% growth in BOO MW over PCP***
- **53% growth in BOO revenue over PCP**
- **123% growth in BOO EBITDA over PCP**
- **19% growth in total MW under control from 359MW to 428MW over PCP**
- **Group NPAT down by \$4.8m over PCP due to refocus on growing BOO operations**

**(Note - Prior Corresponding Period = H1 2018)*

STRONG BALANCE SHEET GROWTH



	H1 2019	H2 2018
	\$m	\$m
Cash	0.81	1.99
Receivables	10.28	11.16
Inventories	11.89	2.69
Tax Assets	0.92	1.59
Property, Plant & Equipment	114.21	75.99
Other Assets	4.92	3.00
TOTAL ASSETS	143.03	96.42
Current Liabilities (ex debt)	12.37	9.69
Current Debt*	17.42	7.41
Current Tax	0.00	1.58
Non Current debt	63.89	30.73
Other	2.56	2.45
TOTAL LIABILITIES	96.24	51.86
NET ASSETS	46.80	44.56
NET TANGIBLE ASSETS	46.79	44.55

- **Focused growth in the BOO segment has also seen material Balance Sheet growth**
- **PP&E – Increased from \$75.9m in H2 2018 to \$114.2m in H1 2019**
- **Inventory – Increased from \$0.7m in H2 2018 to \$11.9m in H1 2019**

*At 30 June 2017, Zenith was in the process of converting a \$16m Trade Advance facility to a long term Equipment Finance facility, this was finalised after balance date.

GROWING BOO PORTFOLIO

Tier 1 clients across Australia and South East Asia



2006 2008 2012 2014 2015 2016 2017 2018 2019

CONTRACT TERMS

AVERAGE PPA TERM* 7.67YRS

AVERAGE STATION AGE 1.12YRS

AVERAGE REMAINING TERM 6.60YRS



Kirkalocka
BOO 14.5MW



Tanami
BOO 62MW



Nova
BOO 19MW Diesel 6MW PV



Halls Creek
BOO 6MW



Mt Morgans
BOO 17MW



Dalgaranga
BOO 15MW



Kundana
BOO 14MW



Jundee
BOO / MOM 37MW



Nova
BOO 19MW Diesel



Phosphate Hill
MOM 40 MW



Ok Tedi
MOM 142 MW



Plutonic
BOO / MOM 32MW



Daisy Milano
BOO 12MW



Barrow Island
BOO / MOM 16MW



Barrow Island
BOO 20MW

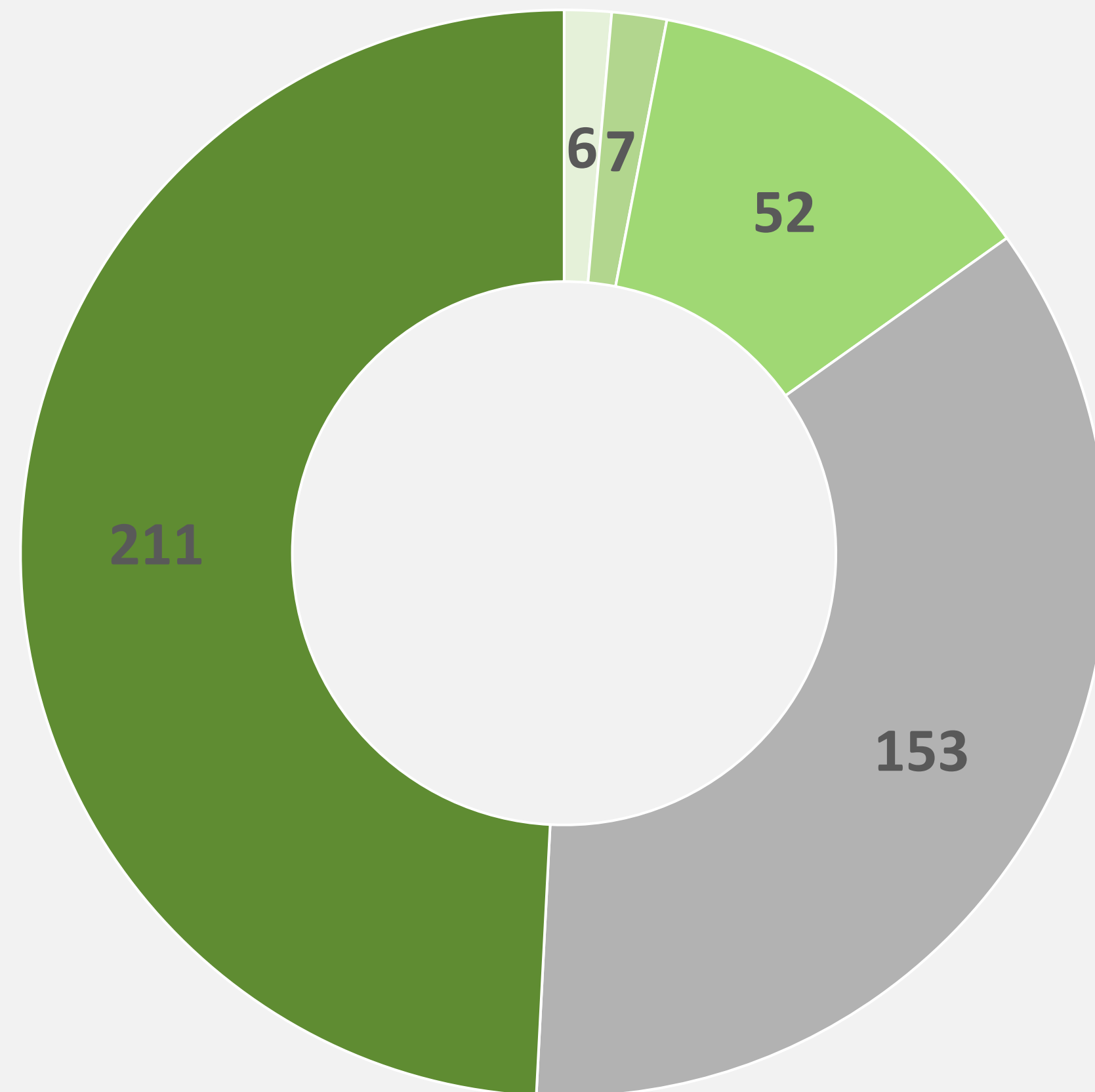


Zenith Pacific founded

*Assumes re-sign of Silverlake PPA on 5 year terms

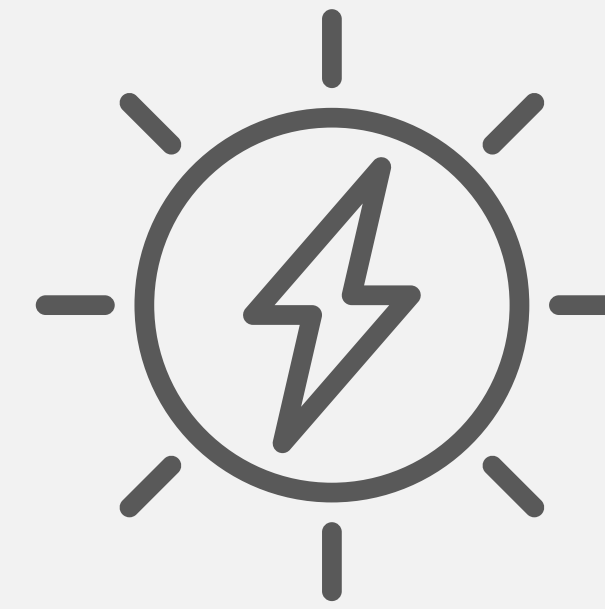
DIVERSITY OF FUEL TYPES

15% of MW under control now from non-fossil fuel sources

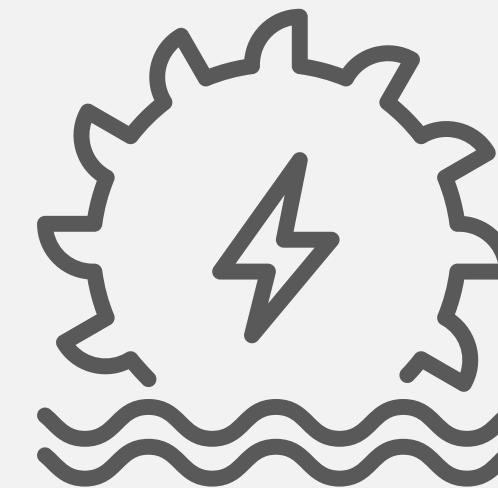


■ Solar ■ Steam ■ Hydro ■ Diesel ■ Gas

*Zenith has 26MW of dual fuel generating capacity, which are run using 99% gas
Figures in pie chart shown as Megawatts (MW)*



Solar | 6MW



Hydro | 52MW



Steam | 7MW

OUR PRESENCE



FOCUSED STRATEGIC DELIVERY



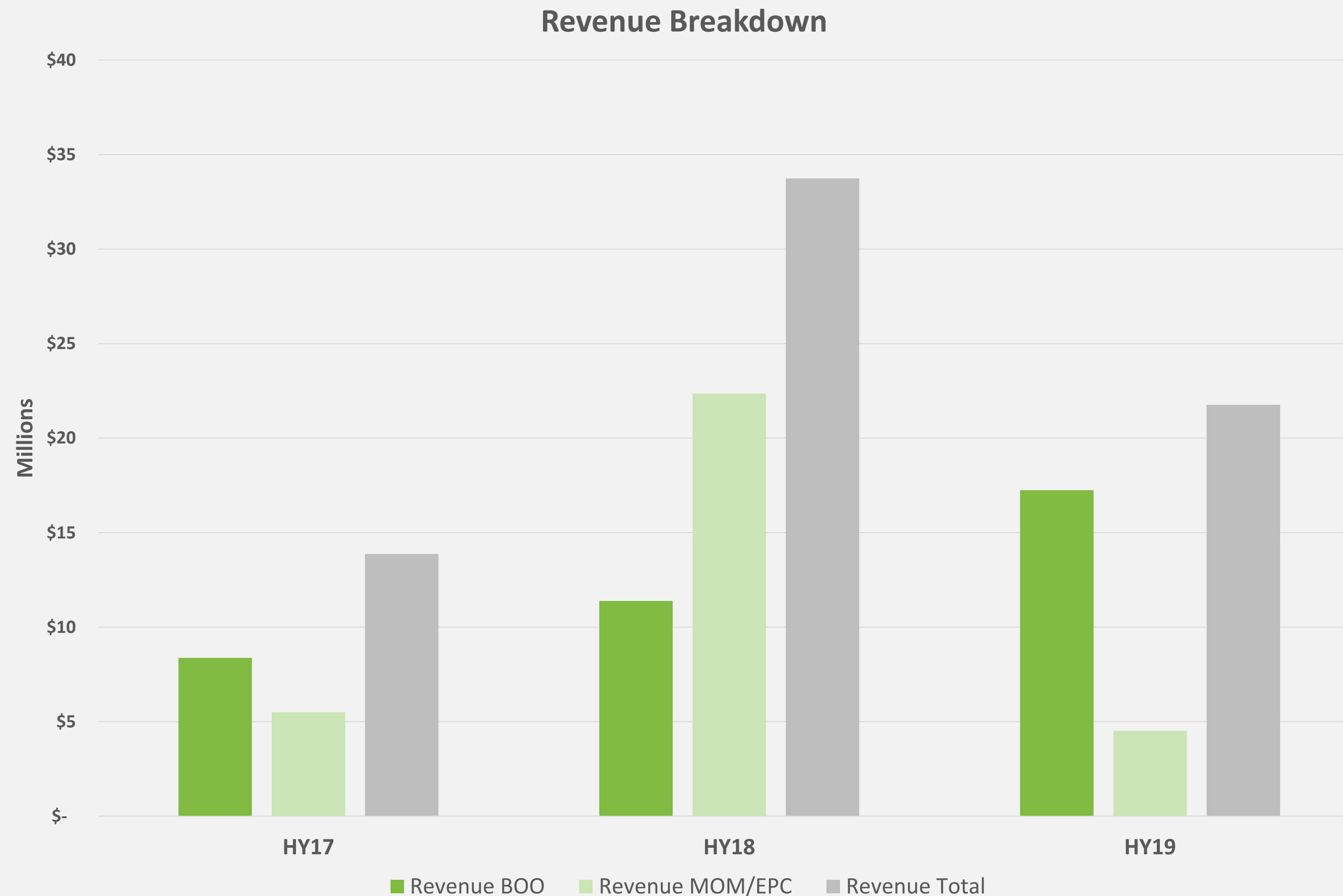
JUNDEE POWER STATION

**BUILDING AUSTRALIA'S
LEADING INDEPENDENT
POWER PRODUCER**

- Serving resources and energy sector clients operating in **remote locations**
- Specialising in **tailored, reliable, cost effective solutions** utilising gas, diesel, solar and hybrid generation
- Tier 1 clients with **13 contracts in place** and robust pipeline of opportunities
- **Perth and Cairns offices** delivering solutions across Australia and South East Asia
- Total generation capacity in excess of **428MW** under control and expanding rapidly

TRANSITION UNDERWAY

H1'19 revenues demonstrate successful transition to annuity-based income stream



**all percentages are over the previous corresponding period (H1'18 ending 31 December 2017)*

BOO Revenue



\$17.24m | +53%

Power Assets



\$113.93m | +50%

SEGMENT REVENUE BREAKDOWN



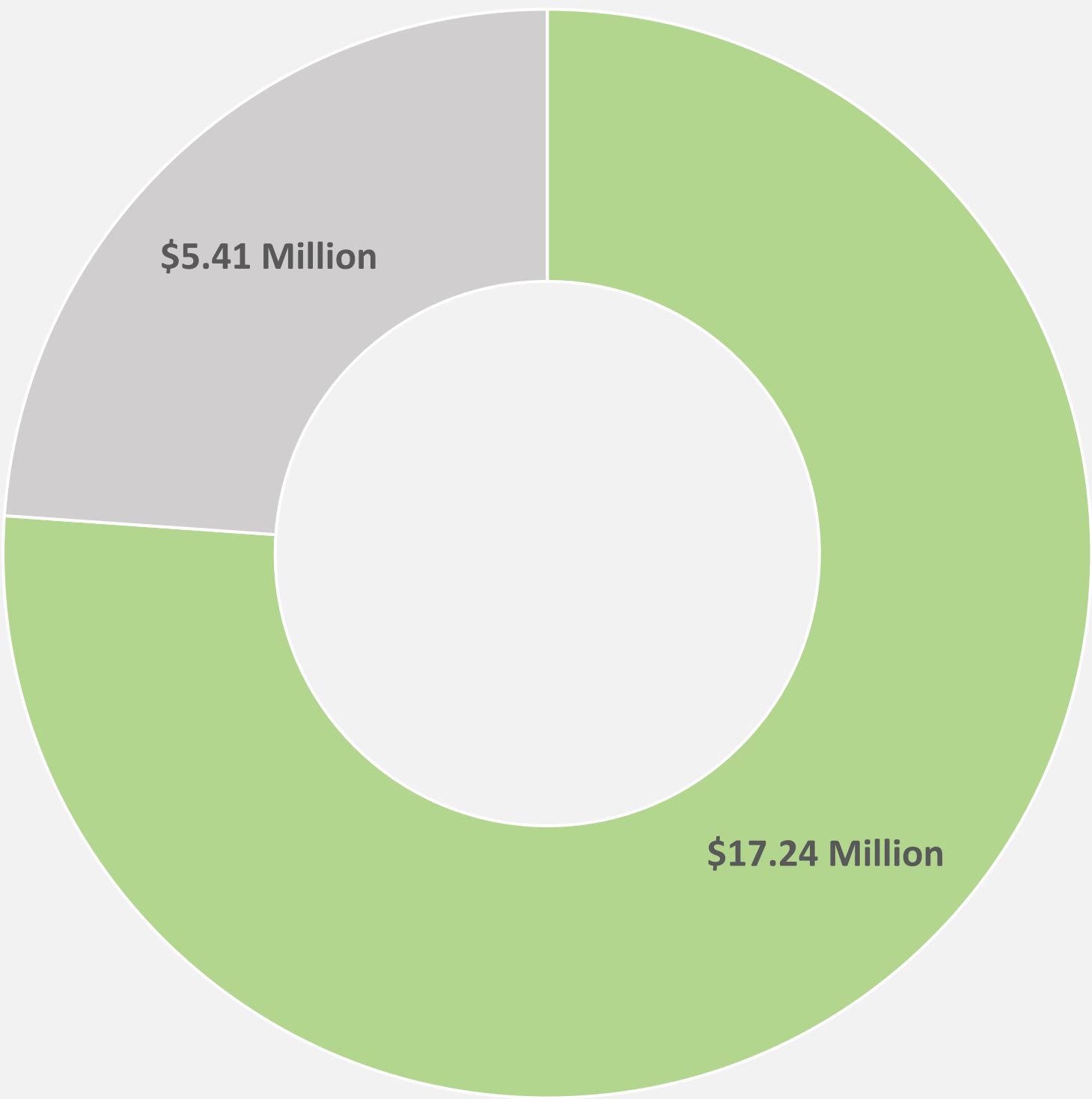
Significant growth in BOO-related revenue between HY18 and HY19

ZEN Segment Revenue | December 2017



■ BOO ■ MOM/EPC

ZEN Segment Revenue | December 2018



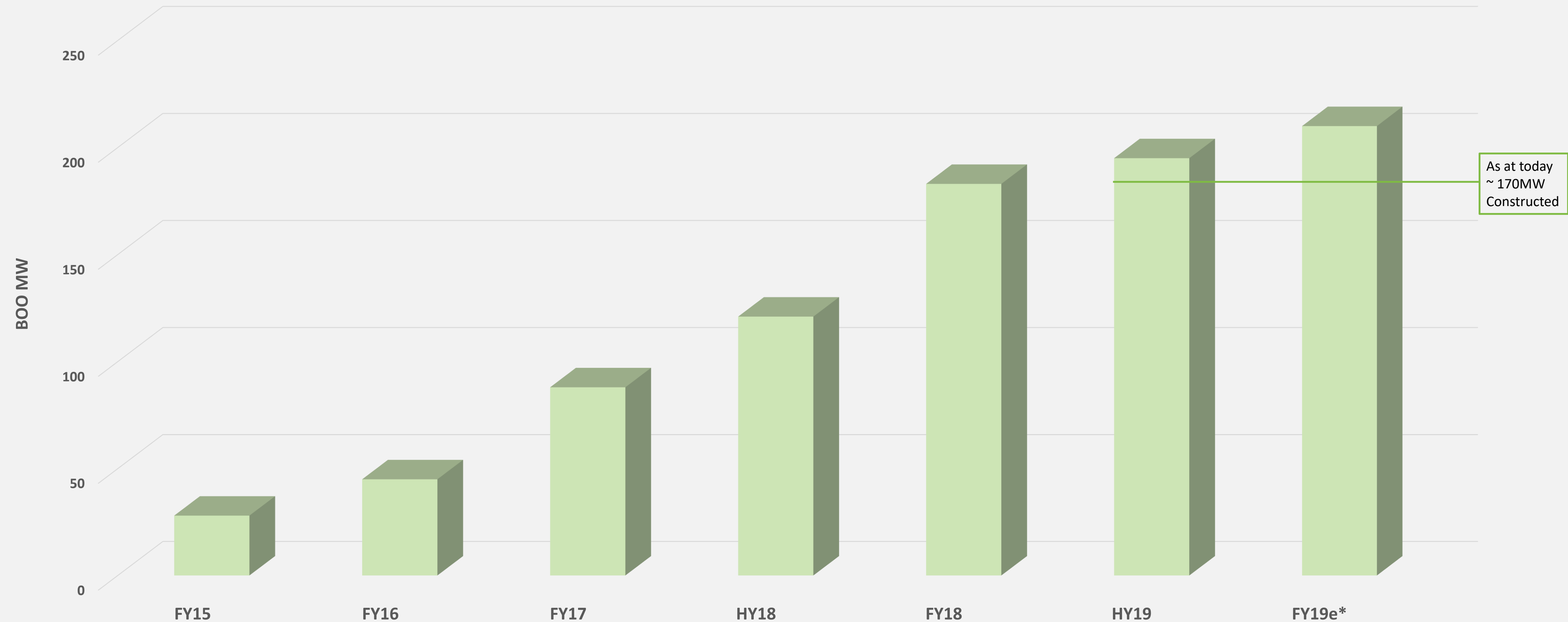
■ BOO ■ MOM/EPC

STRONG GROWTH IN BOO



Strategy to grow Build, Own, Operate contracted capacity is well progressed, BOO capacity increased over 60% between H1'18 and H1'19

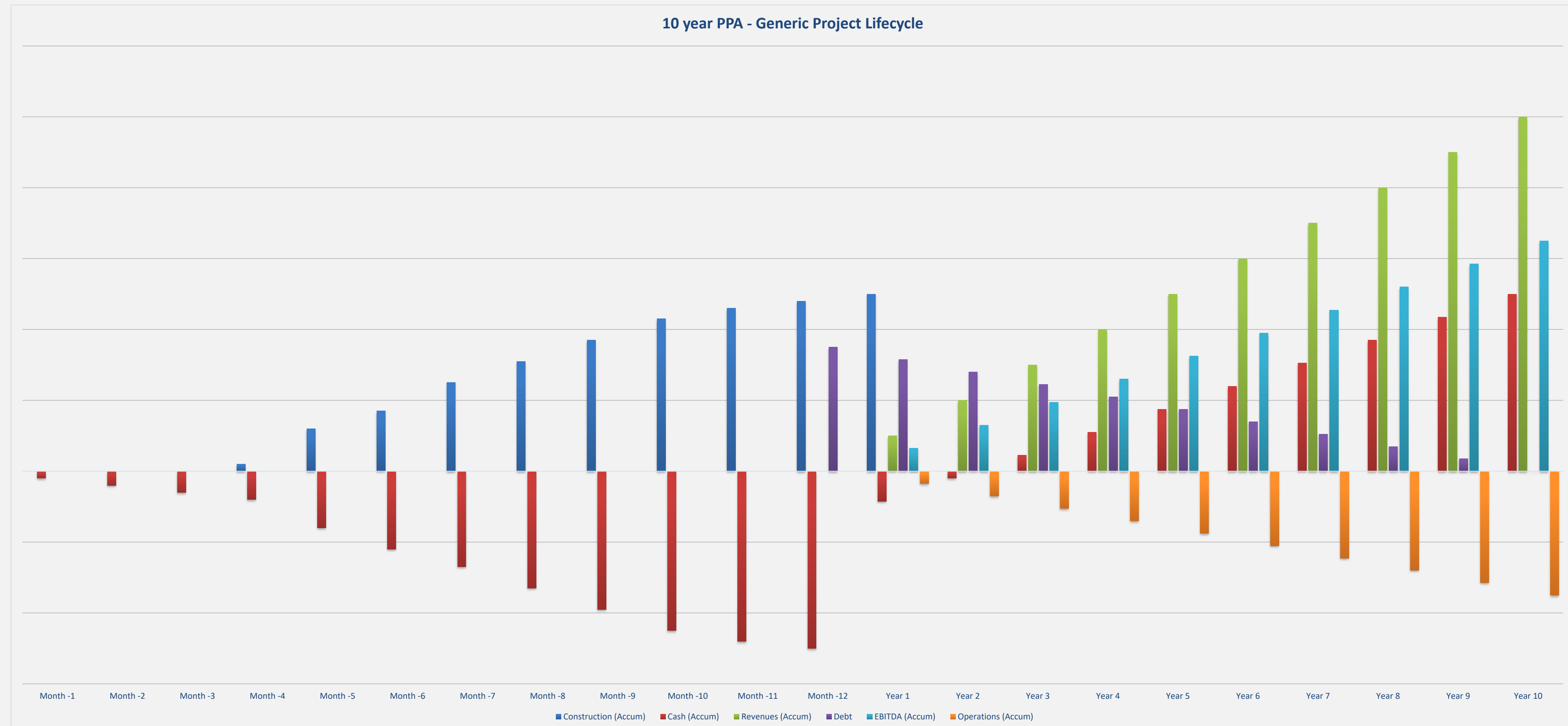
ZEN BOO MW Growth



*FY19e includes Kirkalocka (14.5MW)

PROJECT LIFE-CYCLE*

BOO projects take 6-12 months to construct, with cash outflows peaking at Practical Completion (PC). Revenues and EBITDA contribution commence at PC. Rapid debt paydown following construction results in significant long-term cash and revenue upside as the project matures.



* Generic example only, not based on any specific Zenith project.

OUTLOOK FY19



FY18 demonstrated Zenith's ability to successfully deliver multiple power stations in a single period. FY19 will deliver full year benefit of the Mt Morgans and Dalgaranga power stations, with the company focussing on its BOO revenue stream, expected to be ~\$35-38m^{1,2,3,4}.

REVENUE



\$50m-\$55m

EBITDA



\$19m-\$21m

1. Inclusive of MOM revenue component for two hybrid projects, where it is not feasible to isolate BOO v MOM margins
2. Tanami expected to commence production of power under the PPA in Q3 FY19
3. Barrow Island will transition from a hybrid to a full BOO PPA at the end of construction in December 2019
4. BOO Revenues forecast to grow ~\$10 - \$13m over FY18

SEGMENT ANALYSIS



After implementation of a new ERP at the end of FY18, Zenith has been able to further refine its segment reporting for HY19 as new functionality has been embedded. The below shows a re-cast of the two prior reporting periods utilising the same segment methodology that Zenith has committed to from HY19 onwards.

Note 3: Operating Segments	1HY19	2HY18	1HY18	1HY19	2HY18	1HY18	1HY19	2HY18	1HY18	1HY19	2HY18	1HY18
FINANCIAL PERFORMANCE ANALYSIS	OTHER/UNALLOCATED			BOO			MOM/EPC			CONSOLIDATED		
	31 Dec 2018	30 June 2018	31 Dec 2017	31 Dec 2018	30 June 2018	31 Dec 2017	31 Dec 2018	30 June 2018	31 Dec 2017	31 Dec 2018	30 June 2018	31 Dec 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External sales	-	-	-	17,244	13,838	11,296	5,414	3,942	22,353	22,658	17,780	33,649
Intersegment sales	-	-	-	-	-	-	-	-	-	-	-	-
Interest revenue	151	156	80	-	-	-	-	-	-	151	156	80
Total segment revenue	151		80	17,244	13,838	11,296	5,414	3,942	22,353	22,808	17,936	33,729
Other income	101	-	-	-	60	89	-	-	-	101.00	60	89
Intersegment elimination	-	-	-	-	-	-	-	-	-	-	-	-
Total group revenue	252	-	80	17,244	13,898	11,385	5,414	3,942	22,353	22,910	17,996	33,818
Segment EBITDA before unusual items	(5,075)	(4,173)	(5,621)	11,869	8,098	5,331	1,694	1,372	13,209	8,488	5,297	12,919

ROBUST OPPORTUNITY DELIVERY



MT MORGANS POWER STATION

Continued delivery of innovative, reliable and cost effective solutions:

February 2019 - Adaman Resources

Zenith awarded PPA with Kirkalocka Gold to build, own and operate a 14.5MW power station, comprising 9.9MW gas-fired and circa 4.6MW of diesel back-up power generation, to service the power needs of the mine, located approximately 70km south of Mount Magnet in Western Australia. Supply is expected to commence in Q1 FY20, under an initial 10-year term.

November 2018 - Northern Star Resources Limited

Amendment to the PPA, adding a further 6MW of installed capacity at the Jundee Project power station. Supply is expected to commence in the third quarter of FY19 under an initial 10-year term.

October 2018 - Independence Group Limited

Amendment to the PPA to incorporate a solar PV facility at the Nova operation. Zenith will build, own, and operate a hybrid diesel/solar PV power station of approximately 26MW installed capacity. This facility will complement the existing Nova diesel power station also owned by Zenith. Supply is expected to commence from quarter one FY20 under an initial six-year term, with an option to extend for a further two years.

August 2018 - Chevron Australia

Power generation services contract executed to supply electricity and build, own, operate, maintain and upgrade equipment for Chevron Australia's nameplate rated 20MW power station at the WA Oil Operations on Barrow Island. Services are due to commence in quarter one 2019 under a ten-year term.

July 2018 - Incitec Pivot Limited

Awarded a one-year contract extension of MOM contract with Incitec Pivot Limited at its Phosphate Hill power station facility in Northern Queensland. Zenith commenced work at Phosphate Hill in 2015 and during this time over 1000 consecutive days without lost time injury have been recorded at the site.

TANAMI PRACTICAL COMPLETION



- On 21 February 2019 Zenith announced that it had achieved completion on the diesel portion of 62MW power station at Newmont's Tanami Gold Mine
- 42km of 66kV transmission interconnect also energized, enabling transmission of power between the Dead Bullock Soak and Granites sites at Tanami
- Supply of diesel-fuelled electricity has commenced, with gas supply to follow, consistent with previously announced Q1 2019 deadline
- The new 62MW power station will materially increase FY20 earnings and deliver a 43% increase in Zenith Energy's total BOO capacity, which stands at circa 195MW as at HY19
- With the completion of this facility, Zenith has 428MW of total generation capacity under control.



WELL-POSITIONED FOR FURTHER GROWTH



DALGARANGA POWER STATION

**BUILDING A
STRONG TRACK
RECORD OF
DELIVERY**

**ROBUST
PIPELINE OF
OPPORTUNITIES**

**EXPERIENCED
AND CAPABLE
MANAGEMENT
TEAM**

**STRONG
BALANCE
SHEET**



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