

Babylon Pump & Power Limited



Investor Presentation

SEPTEMBER 2020

ASX: BPP

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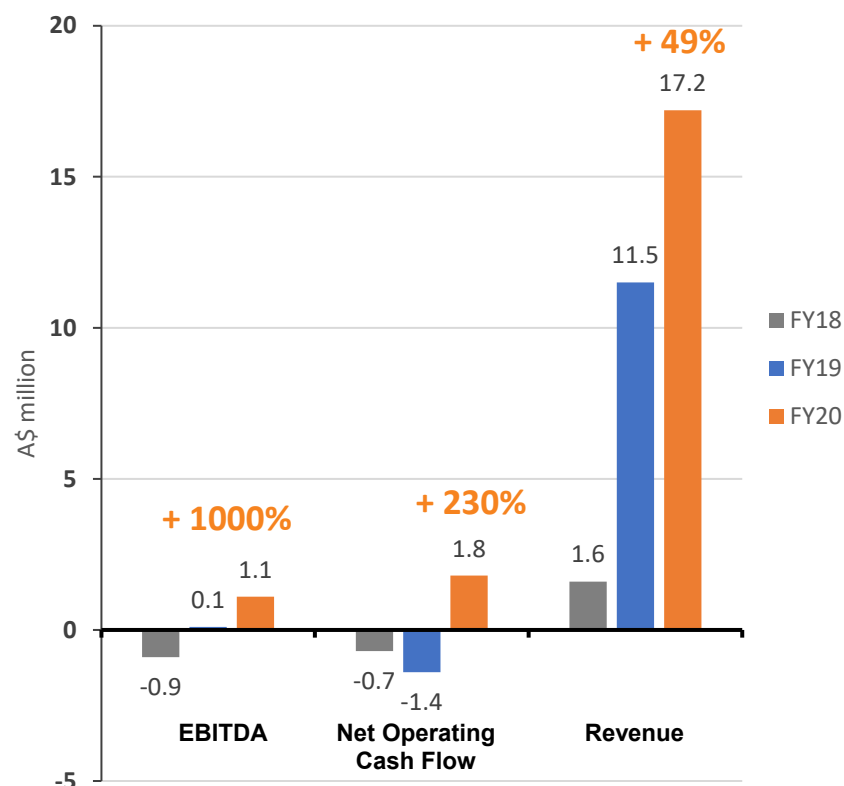
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A Rapidly Growing Specialist Mining Services Provider

- ▶ Babylon delivers specialist services to the resource and infrastructure sectors, focused on two high value segments:
 - Rental of specialty pumping and power generation equipment
 - Maintenance and rebuild services for large diesel driven equipment
- ▶ Lean corporate overhead and an established platform supports ongoing growth
- ▶ FY20 highlights include
 - Strong revenue growth (+49%) including Primepower Queensland acquisition
 - Rental growth backed by contract win at Nickel West and renewal at BHP Iron Ore
 - Increased Bank facilities and new Convertible Loans provide finance for multiple immediate growth opportunities
- ▶ Strong financial performance
 - Achieved key milestone of positive operational cashflow for FY20 (230% growth)
 - 864% EBITDA growth vs FY19
- ▶ Babylon is led by an experienced team, with a proven track record and high level of employee share ownership

Record Growth delivered in FY20

Babylon has achieved strong growth and is now servicing major mineral producers as well as top tier resource service providers throughout Western Australia and Queensland.



FY20 demonstrated the strength of the Babylon service delivery platform and represents an inflection point in financial performance

- ▶ Revenue up 49% to \$17.2m (FY19 \$11.5m)
- ▶ Positive EBITDA of \$1.1m (FY19 \$0.1m)
- ▶ Positive net operating cash flow \$1.8m (FY19 -\$1.4m)
- ▶ Net Tangible Assets \$6.0 million (+316% on FY19)
- ▶ Cash on hand (\$3.6 million)
- ▶ Increased finance facilities (\$8.6 million)
- ▶ Significant ongoing growth opportunities

Corporate Snapshot



ASX Code: BPP

Ordinary Shares	837m
Performance Rights	26m
Market cap (@ 2.8 cents)	\$23.4m
Average Monthly Volume (shares)	14.2m
Top 20 Holdings	60%

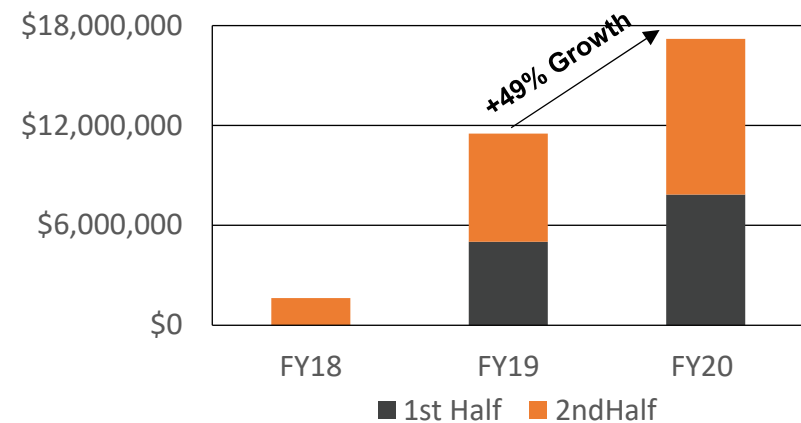
Directors & Senior Management

Michael Shelby	Executive Chairman
Patrick Maingard	Executive Director
Michael Kenyon	Non Exec. Director and Company Secretary
Mark Lagemann	Operations Manager
Alan Ings	Chief Financial Officer

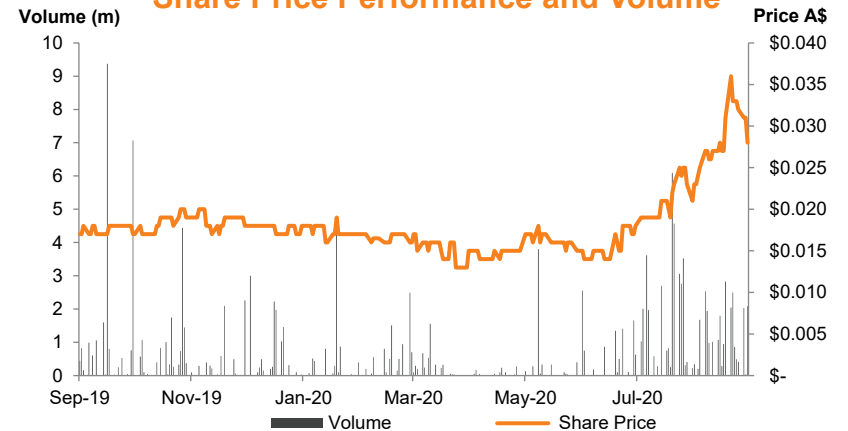
Substantial & Major Shareholders

G & N Lord Superannuation Pty Ltd / Geoff Lord	19.3%
FGI Holdings Pty Ltd	6.6%

Total Revenue



Share Price Performance and Volume



COVID-19 Update

- No changes or material impact since June update, but we cannot predict effects of another wave or future supply chain disruptions
- Babylon's revenues and rate of business growth have not been materially impacted by COVID-19
 - Implemented interventions based on government guidelines for distancing and remote working
 - No COVID-19 illness recorded to date
 - Regular and routine communication with staff, suppliers and customers ensuring adherence to guidelines and best practices
 - BPP corporate HSEQ structures and reporting currently being implemented with Primepower QLD
- Early operational intervention secured supply chain and prevented material disruption
- Babylon has achieved sustained growth through the COVID period

Dual business model with strong revenue streams

Babylon delivers on two specialised and complementary service needs experiencing strong demand from major iron ore, nickel and coal producers, major mining and oil & gas service companies and equipment providers.

Revenue streams are underpinned by a base of shared skillsets, facility requirements, operational processes, and clients allowing Babylon to engage a broader portion of the resource sector spend.

Asset and personnel skillsets provide a base of support for existing revenue streams whilst allowing for future diversification of services.

Specialty Rental

- Rental of specialty diesel driven pumping and power generation equipment
- The equipment business is focused on:
 - Portable diesel generators from 20Kva to 1.25MW capable of being synchronized for large power requirements
 - Pumps from 300hp to 1200hp with advanced control systems for remote monitoring and operation

Diesel Maintenance

- Maintenance and rebuild services for large diesel engines and heavy components
- Specialist in Caterpillar and Cummins engines
- Primary focus on Western Australian and Queensland resource sectors

Specialty Rental

Growth Outlook

- Investing in high horsepower pumps to support mine dewatering projects
- Strong pipeline of pumping project opportunities in WA and QLD for FY21
- Experienced Business Development Manager joining in October 2020 – first addition to sales force since inception
- Sales and marketing activities to scale up with easing of COVID-19 restrictions



Strong Growth in FY20

- Extension of Power Generation Contract with BHP Iron Ore
- Secured Dewatering Services Contract with BHP Nickel West
- Established a presence on site for all major iron ore producers
- Secured recurring O&G pressure pumping projects on Barrow Island

Diesel Equipment Maintenance

Growth Outlook

- Site sales and marketing activities to recommence with lifting of COVID-19 restrictions
- COVID-19 has resulted in new supply chain opportunities
- Opportunity to increase component rebuild work with faster turnaround times to further improve cash flow
- Investment in core engines in FY20 supports growth of service exchange business model
- Growing client list in QLD and WA



FY20 business update

- Primepower QLD integrated and experienced leadership installed
- Steps taken to increase capacity in Mackay facility
- Continued/recurring work across top tier clients predominately in iron and coal sectors

Growing Tier 1 Client Base

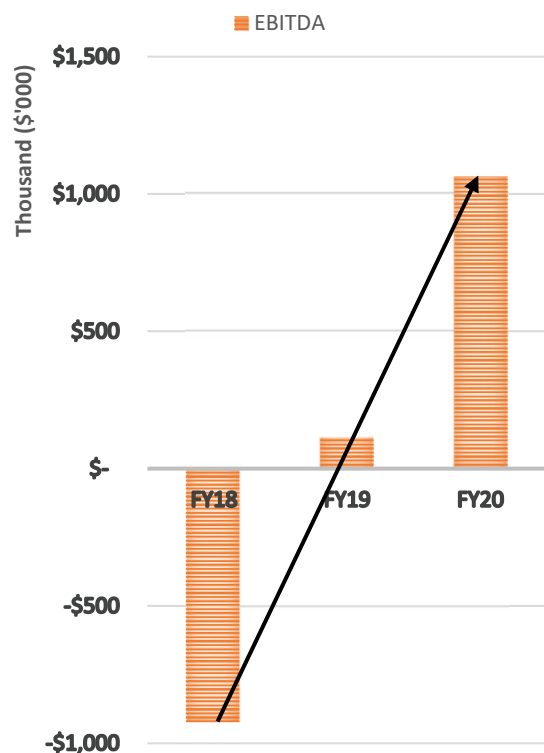


Babylon services the iron ore, gold, nickel, and oil & gas sectors with significant opportunities in infrastructure, alternative energy and other commodities, in Western Australia and in Queensland through its subsidiary Primepower QLD



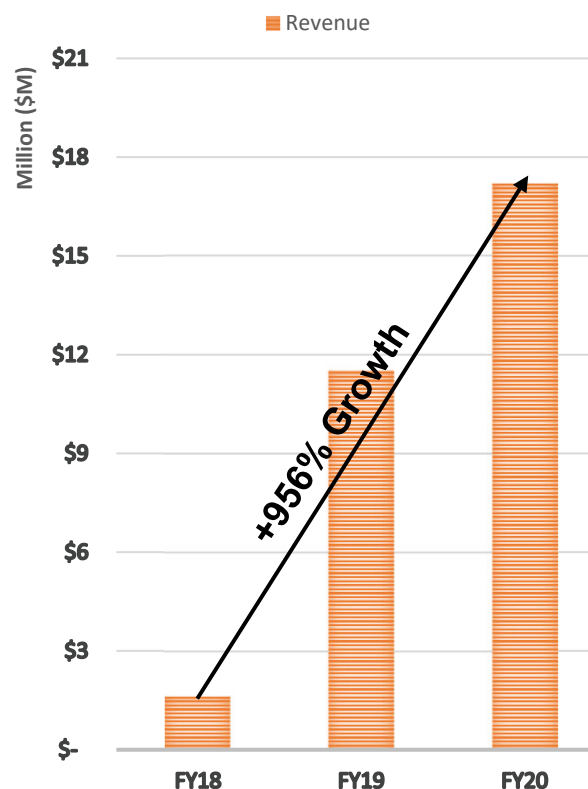
Positive Growth Trajectory

EBITDA TRAJECTORY



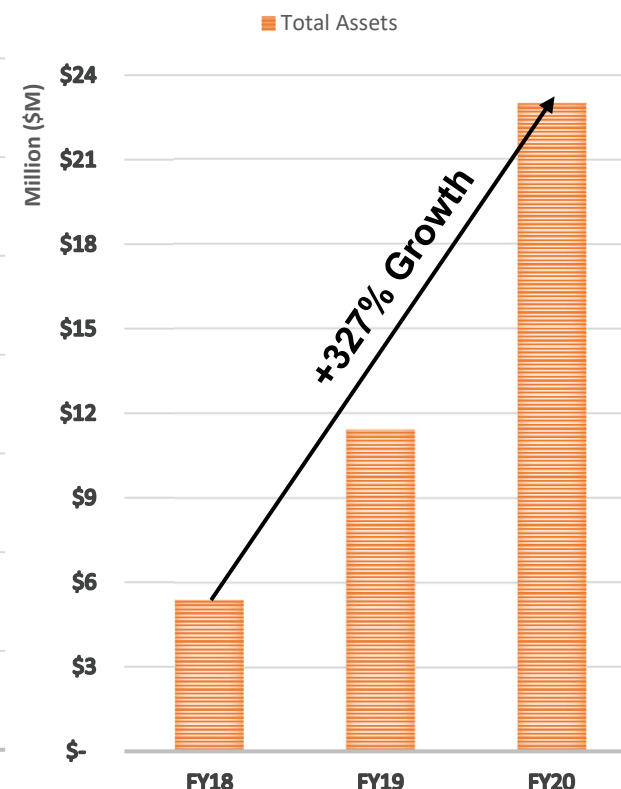
EBITDA growth driven by increased revenue in QLD and increased rental revenue whilst maintaining lean operations and minimal corporate overhead

REVENUE GROWTH



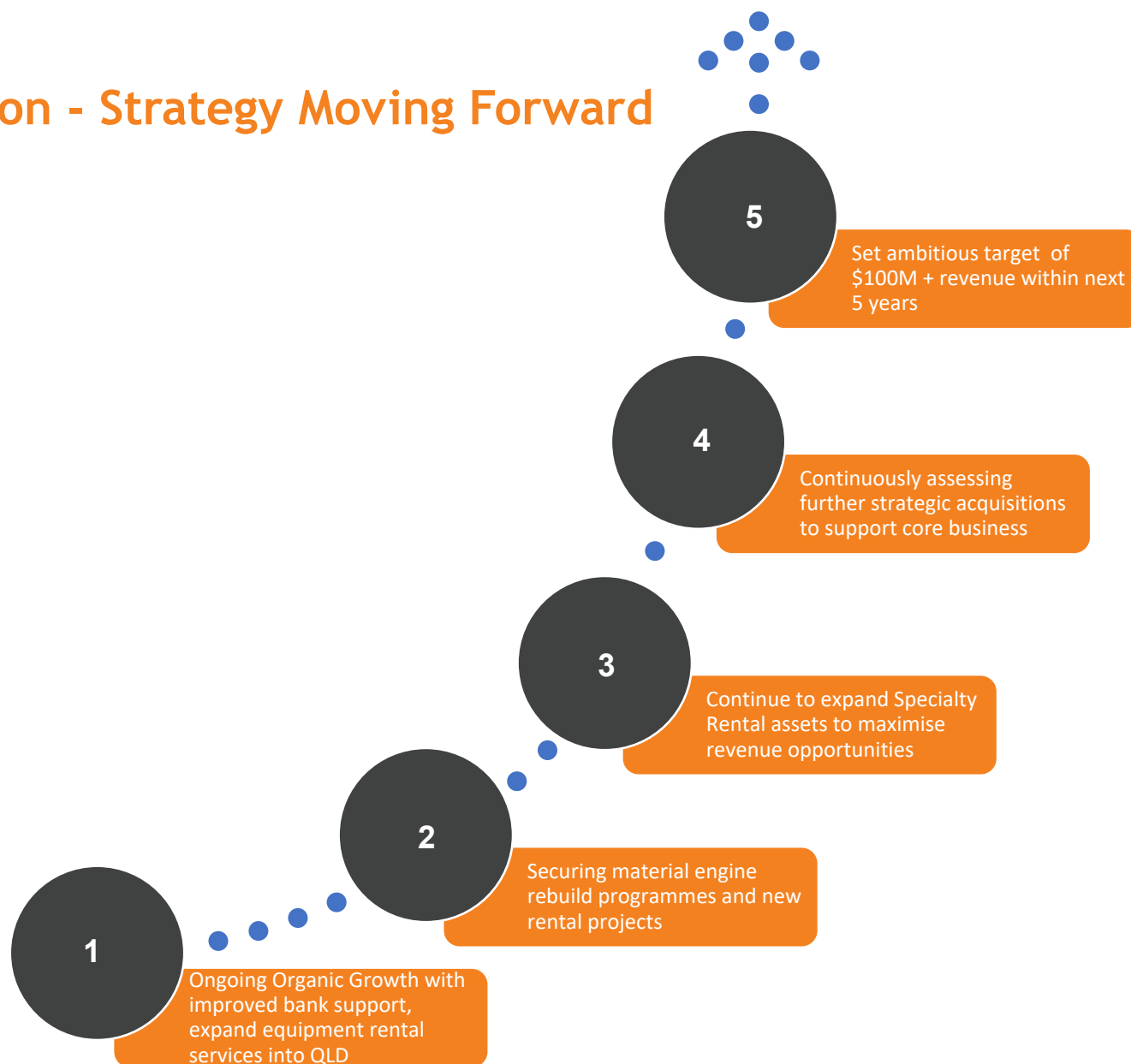
Sustainable revenue growth expected to continue driven by market demand and supported by improved company finance conditions

ASSET GROWTH



Growth in assets driven by rental assets and core engines to support diesel rebuild services

Babylon - Strategy Moving Forward



Outlook

- Key growth drivers have not changed – still pent up demand for asset maintenance and need for specialty pumping solutions in resource sectors
- COVID restrictions are increasing the lead time for new gear providing a further incentive to rebuild existing equipment
- Babylon has a locally based workforce with no cross-country or international FIFO workers, which has prevented disruption from COVID travel restrictions
- Increased bank asset and working financing and recent issue of convertible loans has improved liquidity and work capital flexibility
- Evaluating near term opportunities to rapidly increase rental assets to support FY21 growth
- Increased sales and marketing efforts in FY20 to continue growth momentum
- Potential to increase site diesel maintenance activities and drive grass roots customer engagement

Investment Highlights

- **ACCELERATING TRAJECTORY** – Strong ongoing growth outlook in both the equipment maintenance and specialty rental sectors
- **RECORD REVENUE** - Record revenue achieved in H2 FY20 resulted in 49% revenue growth over FY19 with record EBITDA and positive Operating Cash Flows
- **PLATFORM FOR FURTHER GROWTH** - Strong operating performance with a clear strategy and capability to move to the next level by gaining scale organically and through targeted strategic acquisition
- **COVID NEUTRAL** - No material disruptions due to COVID shows the strength of business processes and dedicated staff
- **ACQUISITION INTEGRATION** - Smooth integration of Primepower QLD has it performing above revenue expectations with growth to accelerate as Babylon's specialty rental business is introduced to the QLD market
- **OPPORTUNITIES** - Successful integration and performance of Primepower QLD lends confidence for further accretive acquisitions on BPP's radar
- **EXPERIENCED CAPABLE BOARD** - Board and executive team has united vision, experience and skills to continue to drive growth supported by Geoff Lord as Strategic Advisor



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