Energy Technologies Limited (ASX:EGY)

A specialised cable & wires manufacturer
supplying the high value infrastructure sector

AGM Presentation
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EGY Corporate Overview

Key Metrics	
Fully paid shares on issue (m)	272.2
Options on issue (m)	25.0
Last traded price ($)	0.10
Market capitalisation ($m)	27.2

Share Price ($)	
12 month high	0.18
12 month low	0.075
30/6/2020	0.123
31/6/2021	0.159

Source: IRESS, Sentieo, Computershare

Top 5 Shareholders		
J P Morgan Nominees Australia Pty Limited	67,737,817	*24.9%*
Cashel Family Office	19,987,346	*7.3%*
Advance Cables Pty Ltd	10,782,839	*3.9%*
Samada Street Nominees Pty Ltd	9,977,560	*3.7%*
Alfred Chown (MD & Founder)	8,243,575	*3.0%*
Other shareholders (#933)	155,546,077	*57.1%*
Total	**272,275,214**	***100.0%***

Source: IRESS, Sentieo, Computershare

Board of Directors	
Brian Jamieson **Non- Executive Chairman**	Mr. Jamieson has over 40 years' experience in the advisory, manufacturing, resources and technology industries in Australia and offshore. Mr. Jamieson was Chief Executive of Minter Ellison Melbourne from 2002-2005, Chief Executive Officer at KPMG Australia from 1998-2000, Managing Partner of KPMG Melbourne and Southern Regions from 1993-1998 and Chairman of KPMG Melbourne from 2001- 2002. Prior to the merger of Touche Ross & Co and Peat Marwick Hungerfords to form KPMG, Mr. Jamieson was the Managing Partner for Australia for Touche Ross & Co. He has over 30 years' experience in providing advisory and audit services to a diverse range of public and large private companies. He is also a Fellow of the Institute of Chartered Accountants in Australia and New Zealand and a Fellow of the Australian Institute of Company Directors
Matthew Driscoll *BA, Grad. Dip. App Fin. SF Fin., GAICD* **Non- Executive Director**	Mr Driscoll has significant experience across several industries, including online technologies, financial services, fintech,property and resources. Over 30 years' experience in capital markets, financial services and is an accomplished company director. Chair for Carbonxt Group (ASX:CG1) ,Chair for Tennant Minerals NL(ASX:TMS). Chair Smoke Alarms Holdings.
Ian Campbell **Non-Executive Director**	Mr Campbell joined Olex Cables in 1989 as Group General Manager and then as Managing Director of the Pacific Dunlop Cables Group until 1998.In 1998 Mr Campbell joined ASX-200 listed GUD Holdings Ltd as its Managing Director and CEO until his retirement in mid-2013. Mr Campbell joined the BWX board in 2015 and was appointed Chairman in September 2018. Mr Campbell has been a non-executive director of Mirrabooka Investments Ltd since 2007. He was formerly a national councillor and Victorian Vice-President of the Australian Industry Group
Anthony Smith **Non-Executive Director**	Mr. Smith has over 30 years' experience in finance with a variety of firms concentrating on small to medium sized companies in regard to corporate finance, institutional research sales and private wealth advice. During this time, he was charged with running these businesses along with titles of Head of Securities and Country Director of Austock Group and Phillip Capital. Mr Smith currently handles the investments at Cashel Family Office, a Melbourne based multi family office company and is a Non-Executive Director of IODM Limited

Historical Operating Results

Energy Technologies - Profit & Loss				
(A$'000, unless indicated)	**FY21**	**FY20**	**Variation**	
Sales revenue	**9,428**	**10,126**	-7.00%	• Sales down YOY but strengthened in the last quarter due to sharp increase in June as a result of working cap restructuring
COS	(6,794)	(7,643)		
	2,634	**2,483**	-6.08%	
Administrative	(5,668)	(5,143)	10.21%	
Finance costs	(1,594)	(1,242)	28.3%	• Finance costs to remain high in the short term
D&A	(2,503)	(1,236)	102.51%	• D & A higher due to decision to write down and impair multiple items
Operating Loss	**(7,131)**	**(5,108)**		
Other Revenue	1,787	761		
PBT	**(5,344)**	**(4,377)**	-21.40%	• Loss lower in the second half due to accounting for R & D claim

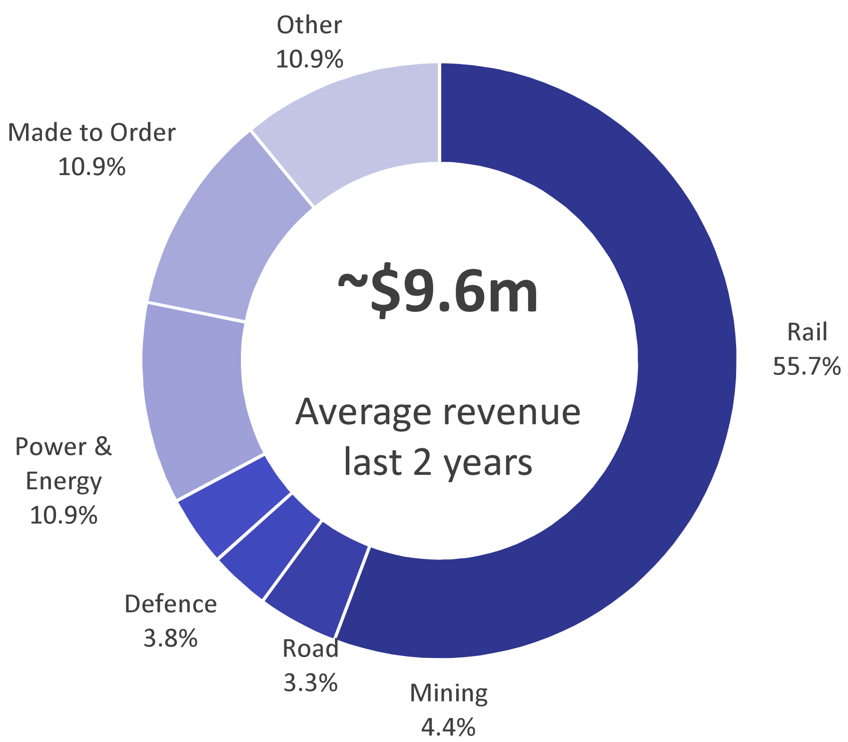
Balance Sheet

Energy Technologies – Balance Sheet (FY18 – 1H FY20)			
(A$'000, unless indicated)	**FY21**	**FY20**	
Assets			
Cash	123	27	
Trade and other Receivables	4,303	4,188	2.75%
Inventory	3,963	2,327	70.31%
Other	546	358	
	8,941	6,900	
PP&E	12,113	12,871	
Deferred Tax	217	229	
Right of Use Asset	3,156	3,876	
Intangibles	6,246	4,737	
Other	280	216	
	22,012	21,929	
Total Assets	**30,953**	**28,830**	
Liabilities			
Trade and other Payables	4,133	6,269	-34.07%
Debt	5,147	3,865	33.17%
Other	1,952	882	
Provisions	487	846	
	11,719	11,862	
Debt	2,395	339	
Leasing	2,772	3,395	
Other	132	157	
	5,299	3,891	
Total Liabilities	**17,018**	**15,753**	
Net Assets	**13,935**	**13,076**	

- Intangibles higher due to R&D investment
- Other liabilities includes Leasing of 923k and Staff provisions of 1.03m

Revenue Mix and Uplift Potential

Revenue mix by industry



	Current	12 Month Revenue Goal Run Rate	Target Market (Low Voltage) Size
Rail	$5.1m	$5.7m	$60m-$80m
Mining	$400k	$6m	$600m
Road	$300k	$4.2m	$60m
Defence	$350k	$5.7m	$60m
Power & Energy	$1m	$3.8m	$50-80m
Made to Order	$1m	$5m	$60m
Other	$1m	$2m	$400m+
Total	**$9.1m**	**$32.4m**	**>$1.0bn**

Strategic Plan

Corporate

Management control
- Improved financial reporting systems to Board
- Improved Board reporting
- Strong focus on governance

COMPLETE

Finance
- New stance away from debt ($1.14m in savings)
- Re-structure framework of the operational business ($1.4m in savings)
- Removal of legacy obligations

UNDERWAY

Short term
- Fast track the completion of the second factory
- Replenish the working cap to drive sales
- Re-structure KMP compensation to be STI and LTI focused

IDENTIFIED

Medium term
- Expand KMP's roles with industry stakeholders
- Fully automated reporting systems in to the board
- Expand KMP's and reduce reporting lines

IDENTIFIED

Long term
- Use positive cashflow to expand machines through new factory
- Drive sales to $45m on an annual run rate
- Australian manufacturer of choice for target industry

NEXT STAGE

Operational

Management Re-structure
- Identify efficient work descriptions with critical KPI's
- Expand compliance and governance operations

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Control Costs
- Centralise company wide expenses
- Incentivise and consolidate sales functions
- Stringent controls on current liabilities

UNDERWAY

Automation
- Automate costings process
- Automate AP and AR
- Automate Sales and Finance function

UNDERWAY

Efficiencies
- Targeted training at the factory to job share
- 2nd shift introduced to handle increased sales
- Use automation to drive down costings

UNDERWAY

Structural
- Complete building of second factory for the Silicon Line and further expansion
- Reduce freight costs

IDENTIFIED

Appendix: Key Risks

Risk	Risk Management
Demand Risk	• The target industries are varied and demand can be affected in numerous ways, not the least Covid related, Government and Defence spending, Construction industry, Private infrastructure and lack of confidence in delivery and pricing.
Capacity Risk	• Access to raw materials has been restricted due to limited capital. Capacity issues are a risk to Sales as Sales are booked once the product has been processed and delivered. Issues with machinery would also affect the capacity of production depending on timing and the relevant machine
Product Risk	• Each product is manufactured to ISO AS/NZS 9001:2015 and other Federal and State Government standards and by quality assured by industry in the majority of its uses
Delivery Risk	• The company had previously lacked inventory, working capital and manufacturing capacity to be able to meet delivery timeframes in a timely manner. Delivery times are extremely important in the industry
Competition	• Bambach's main competition in specialised cables and wires is from offshore suppliers. The Company's offering is competitive in a weaker AUD rate environment and delivery time
COVID-19	• The Company has experienced a decline in orders in relation to COVID-19 through the first half of FY21.


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Bambach
AUSTRALIAN ADVANCED CABLE MANUFACTURERS