Energy Technologies Limited (ASX:EGY)

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

1H22 Results Presentation
February 2022

energy technologies LTD.

Bambach
AUSTRALIAN ADVANCED CABLE MANUFACTURERS

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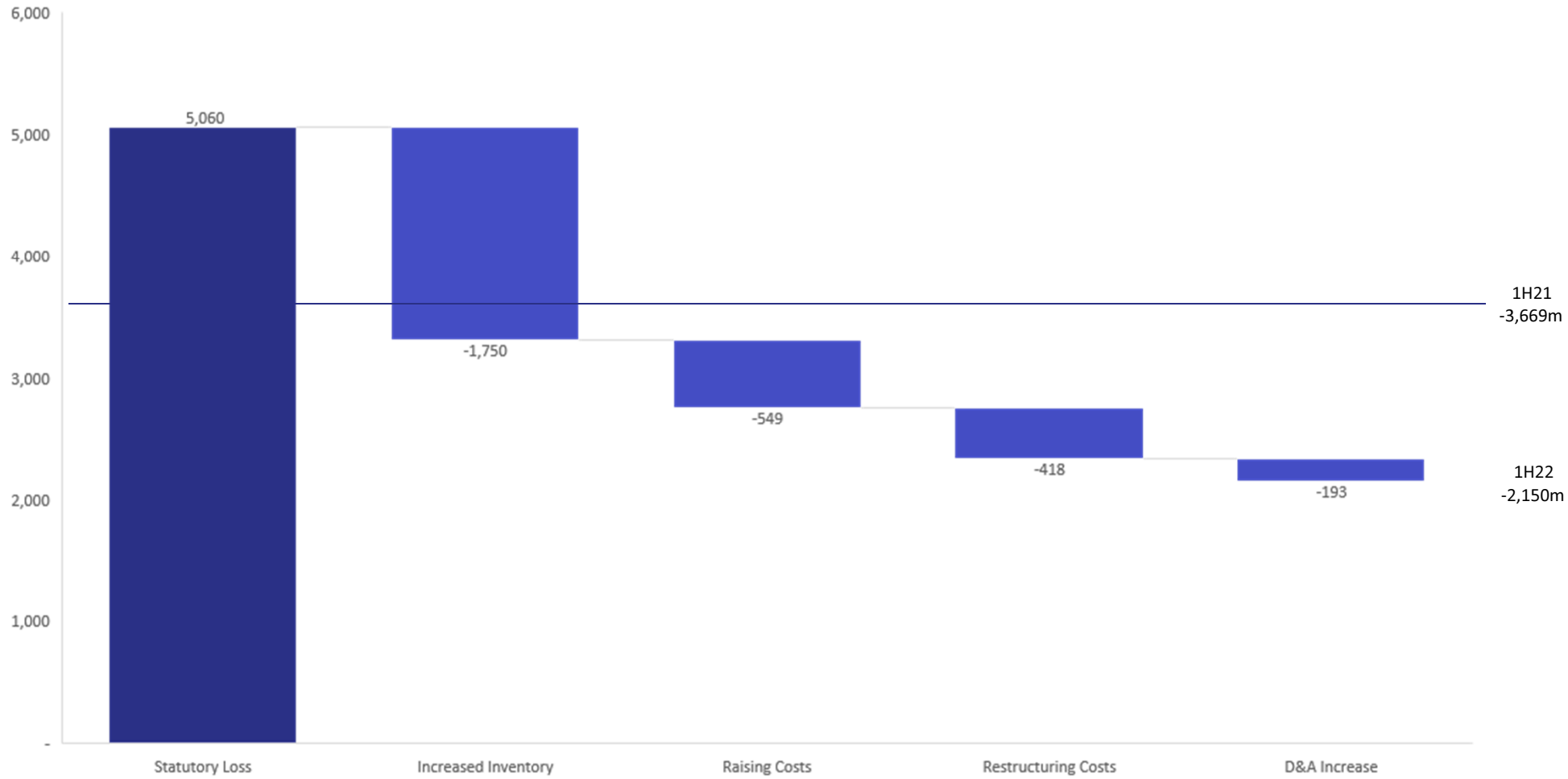
Historical Operating Results

Energy Technologies - Profit & Loss				
(A$'000, unless indicated)	**1H22**	**1H21**	**Variation**	
Sales revenue	**5,986**	**4,054**	+48%	• Operating revenue up 51%
COS	(5,855)	(4,455)		• Inventory up $1.8m
	131	**(401)**	+133%	
Administrative	(2,923)	(2,368)	+23%	• Redundancies and Raising costs were $0.9m resulting in an increase of 23%
Finance costs	(677)	(744)	-9%	• Finance costs down 9% and reducing
D&A	(1,312)	(1,120)	+17%	• D & A higher due to more stringent principles
Other	(237)	(176)		
Operating Loss	**(5018)**	**(4,809)**		
Other Revenue	8	1,173		
PBT	**(5,010)**	**(3,636)**	-38%	• Higher loss reflecting restructuring, investment in inventory and no government assistance

Balance Sheet

Energy Technologies – Balance Sheet (FY18 – 1H FY20)				
(A$'000, unless indicated)	**FY21**	**FY20**		
Assets				
Cash	110	123		
Trade and other Receivables	1,491	4,303	-188%	• Greater focus on working cap reducing receivables and payables
Inventory	5,716	3,969	44%	• Increased inventories as a result of lock down on the Eastern Seaboard through October/November
Other	1,300	546		
	8,617	8,941		
PP&E	10,529	10,984		
Deferred Tax	167	217		
Right of Use Asset	3,935	4,285		
Intangibles	5,910	6,246		
Other	121	280		
	20,662	22,012		
Total Assets	**29,279**	**30,953**		
Liabilities				
Trade and other Payables	2,361	4,134	-75%	
Debt	2,960	5,666	-91%	• Total debt down 154%. Only working cap facilities being used to cope with increased order book
Other	1,205	1,410		• Other liabilities includes Leasing and Staff provisions
Provisions	890	1,030		
	7,416	12,240		
Debt	0	1,875		
Leasing	2,422	2,772		
Other	32	132		
	2,454	4,779		
Total Liabilities	**9,870**	**17,019**		
Net Assets	**19,409**	**13,934**		

Continuing operations



1H22

- 1st half commenced on budget but was greatly impacted by State and Eastern Seaboard lockdowns through September to November

- December and the first part of January was then impacted by increased Omicron cases and the resultant isolation of staff and logistics chain

- The restructuring in October provided EGY with the ability to produce stock for inventory sales in anticipation of the head winds easing and the restructure allowed EGY to move swiftly to add more resources in the factory to counter the staff isolation issue

- The third week of January has seen these headwinds removed slightly and sales have now started to improve in line with our strategic plan

- The extra capabilities at the factory and the increase in the order book has seen a second shift implemented at Rosedale

- While delayed, the current environment is showing signs that the strategic plan is still on track and recent green shoots regarding sales has demonstrated that the company is moving forward on its goals

Appendices

EGY Corporate Overview

Key Metrics	
Shares on issue (m)	272.2
Last traded price ($)	0.08
Market capitalisation ($m)	21.7

Share Price ($)	
12 month high	0.16
12 month low	0.08

Source: IRESS, Sentieo

Top 5 Shareholders		
J P Morgan Nominees Australia Pty Limited	47,766,620	*17.5%*
Cashel Family Office	19,987,346	*7.4%*
Advance Cables Pty Ltd	10,782,839	*3.96%*
Alfred Chown (MD & Founder)	8,243,575	*3.03%*
Howe Automotive Limited	7,885,266	*2.9%*
Other shareholders (#933)	157,622,222	*57.8%*
Total	**272,275,214**	***100.0%***

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. 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. Mr Jamieson is currently a Non-Executive Director of Highfield Resources and IODM Limited and has held former directorships with Sigma Healthcare, Mesoblast Limited, OZ Minerals, Tatts Group Limited and Tigers Realm Coal.
Matthew Driscoll *BA, Grad. Dip. App Fin. SF Fin., GAICD* **Non- Executive Director**	30 years' experience in capital markets, financial services and as a Company Director. NED for Blina Minerals (ASX:BDI) and NED for BuyMyPlace.com.au (ASX:BMP). Experienced in online technologies, fintech, property and resources.
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

Chart Source: IRESS

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 FY22.

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