

Investor presentation Half Year Results FY21

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01

Financial Results

1H FY21 Financial Results

 <p>\$24.1M Total Revenue</p>	 <p>31.1% Increase in Revenue on prior comparable period (pcp)</p>	 <p>\$1.4M EBITDA – after significant items up 105%</p>
 <p>\$0.8M EBIT – after significant items</p>	 <p>\$0.4M NPAT – after significant items</p>	 <p>\$0.2M Significant items consisting of redundancies & FX losses</p>

1H FY21 Financial Results



\$-0.8M

Net decrease in cash was poor but is effected by the timing of large project related payments



\$15.6M

Net assets up \$1.3M



26.1%

Gross margin lower due to Baltec margin pressure and the slow down in TES



\$1.0M

Equity capital raise net of costs strengthened the balance sheet



\$12.7M

Baltec work in hand as at 31 December 2020



\$0.3M

Income tax expense high in the period due movement in the deferred tax assets

1H FY 21 Financial Results commentary

\$24M



Revenue up by 31.1% driven by strong growth in Baltec despite COVID19 travel restriction with 80% of its work performed internationally. Tomlinson's Energy Services (TES) revenue was down due to the postponement and cancellation of some projects and restricted customer site access.

\$1.4M



EBITDA after significant items was a good result considering the impact COVID19 had on the business with early steps taken to reduce costs and restructure TAPC.

\$772K



EBIT after significant items of \$184k, represents strong turnaround from \$73k in the comparative period. Corporate costs have been significantly reduced adding to the improvement, including Board fees reduced to 50%.

02

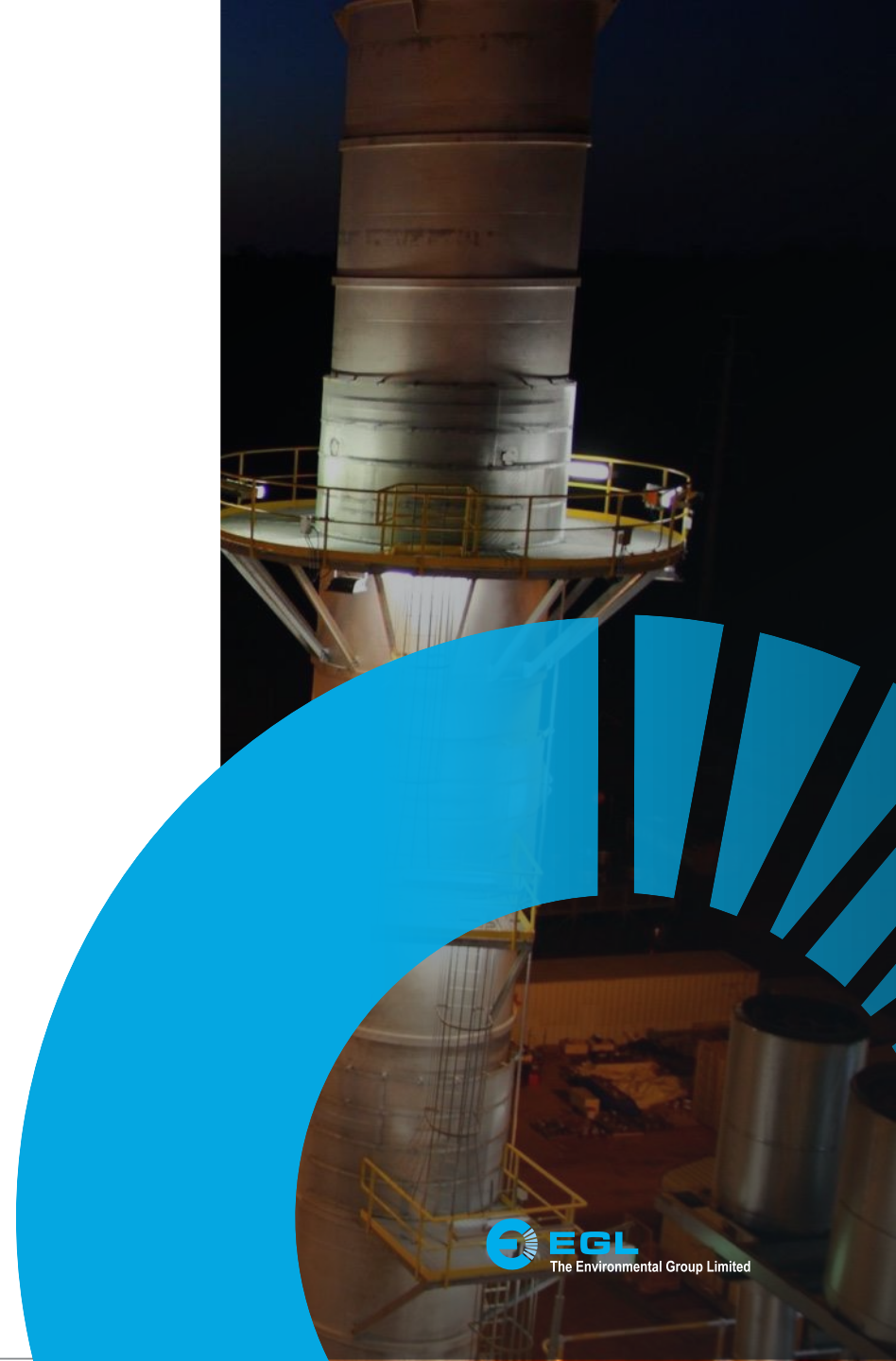
Operating Units





01

Baltec Inlet and Exhaust Systems





Baltec IES supports the gas turbine industry in its role in assisting the transition from coal-powered to renewable energy production. Tailoring products and custom designs specifically to meet clients' requirements:

Key offering

- Turbine performance enhancement for lower emissions and higher output
- Project management of the upgrade
- Global manufacturing to a range of international standards
- Erection and commissioning
- After sales maintenance and spare parts

Revenue

1H21 \$11.3M
1H20 \$3.8M

**Forward Contracts
as at Dec 2020**

\$12.7M

**1H21 Strong growth in
EBIT \$556k**

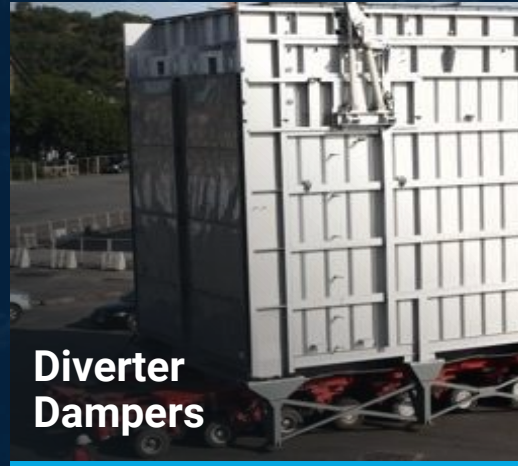
1H FY2021 RESULTS COMMENTARY

- Strong sales due to significantly improved pipeline.
- Good project management.
- 80% of work performed internationally had its challenges due to COVID19.
- Refined efforts on targeting specific customers.
- New sales lead management platform introduced to improve sales process.
- Lumpy large-scale projects can bump around margin and cashflows in a reporting period.
- After sales maintenance and spare parts has continued to grow.





Key Products



Diverter Dampers



Inlet Filter Houses



Silencers



Bypass and HRSG Exhaust Stacks



Guillotine Dampers



Heating and Cooling Systems



02

Tomlinson Energy Service



Tomlinson Energy Service offers a network of service offices across Australia providing 24/7 service, maintenance and repairs of both proprietary equipment and other OEM equipment.

Key Offering

- Sale and Installation of cost-effective boilers design focusing on maximum reliability, long term operating efficiency, fuel flexibility and ease of access for inspection and maintenance.
- On going service and maintenance of boilers burners and steam equipment through a national network of service technicians.
- Continued to provide essential service during Covid-19 to hospitals and food manufacturing.

Revenue
1H21 \$10.3M
1H20 \$10.9M

EBIT MARGIN
1H21 5.1%
1H20 13.6%

EBIT
1H21 \$0.5M
1H20 \$1.5M





1H FY2021 RESULTS COMMENTARY

- Revenue at \$10.3m during the COVID19 pandemic a credible result.
- TES operates on the client's sites which created a significant barrier with many facilities closed during the period especially in Victoria.
- TES continued to provide essential service during Covid-19 to hospitals and food manufacturing.
- Project sales of new boilers slowed significantly with the postponement and cancellation of some projects, but the work will still need to be performed.
- EBIT was down 66% due to the impact of COVID19 but is expected to recover as orders recommence.
- The level of new work quoted has slowly begun to improve.





Key Products



Industrial Steam Boilers



Industrial Package Burners



Large Commercial Hot Water Boilers



Thermal Oil Heaters



Biomass Steam and Hot Water Generation



03

Total Air Pollution Control



TAPC designs, manufactures and services flue gas treatment systems which prevent harmful contaminants being discharged into the atmosphere.

Key offering

- Scrubbers including dry and wet for the removal of particulates and gaseous contaminants.
- Electrostatic Precipitators & Bag filters for particulate removal and flue gas clean up.
- On going service, parts and maintenance of pollution control equipment.
- A team of specialist engineers and designers who understand the clients need for specialist pollution control equipment.

Revenue

1H21 \$2.2M

1H20 \$3.5M

EBIT MARGIN

1H21 22.7%

1H20 18.1%

EBIT

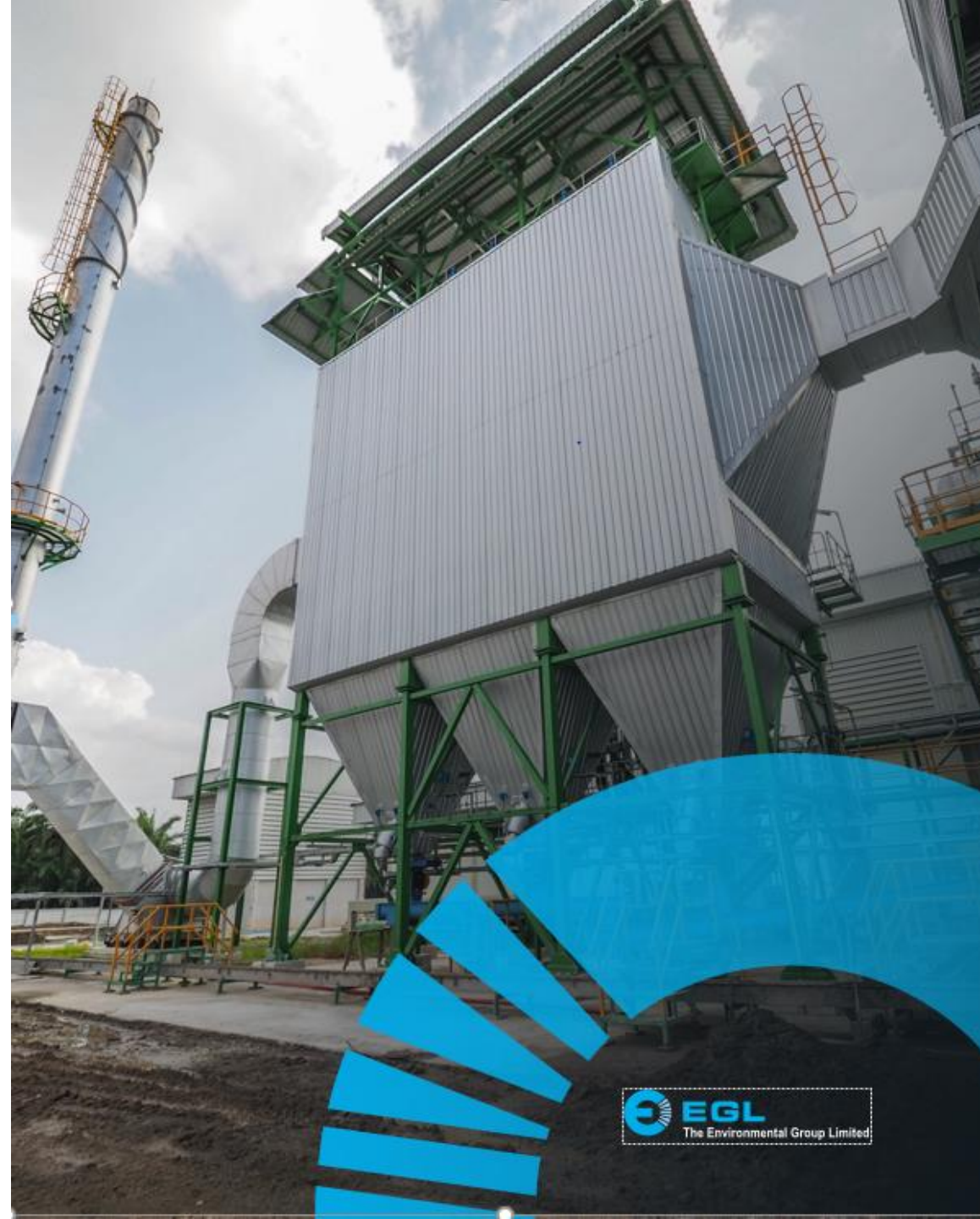
1H21 \$0.5M

1H20 \$0.6M



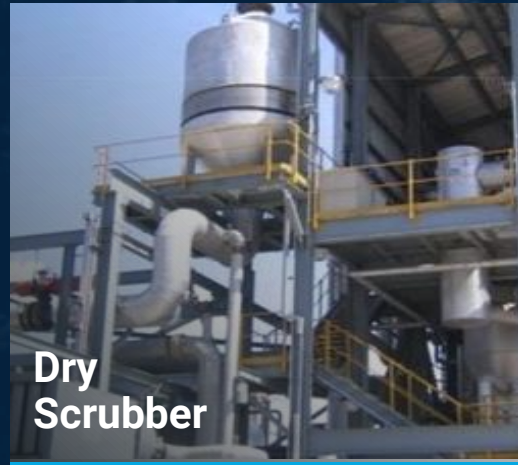
1H FY2021 RESULTS COMMENTARY

- Revenue was down 37% after the division was split into two operating segments.
- Targeted clients has led to EBIT margin of 23% up from 18% in the pcp.
- While COVID19 slowed down some quoting and approvals of work, the market for pollution control equipment appears to be rebounding with a solid tender pipeline.
- Servicing and spare of plants has remained strong and is on budget.
- Subject to COVID19 restrictions we expect a stronger second half.





Key Products



Dry Scrubber



Wet Scrubber



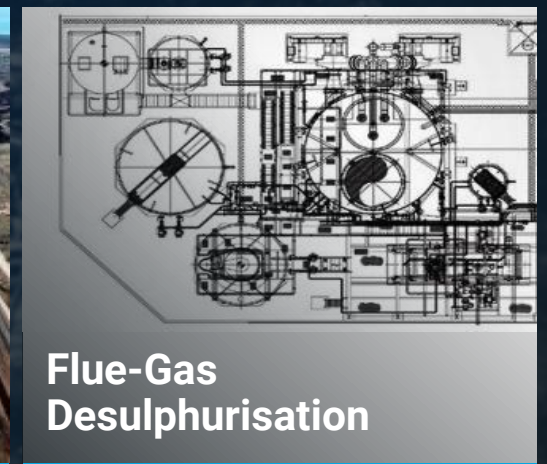
Electrostatic Precipitators



Fabric Filters (Baghouse)



Aeromixes & Cyclones



Flue-Gas Desulphurisation



04

EGL Water



EGL Water division has enhanced patented technology designed to protect our environment by the removal of Per- and polyfluoroalkyl chemical substances (PFAS) from contaminated water.

- PFAS was primarily used in aircraft fire fighting as a fire retardant however its use expanded into plastics and clothing prior to its detrimental impact on our environment being fully understood.
- Successful class actions have highlighted increased awareness and the urgent need to find solutions to remove contamination in water, soil, landfills, farmland and housing estates.
- EGL recognises that one of the world's most valuable assets is water and will persist in our vision to reduce water pollution, leading to an improved environment, through low-cost technology solutions.



1H FY2021 RESULTS COMMENTARY

- EGL was able to demonstrate, with various PFAS waste streams at pilot plant level, the successful removal of regulated PFAS.
- This has led to the in-principle negotiations for a commercial trial of a plant at a client's site.
- Negotiations are expected to conclude in 2H 2021 with a view to commencing the trial around the middle of the year.
- A provisional patent application has been lodged with IP Australia for its proprietary technology developed for the treatment of PFAS in contaminated water and soil.
- Customer interest remains very strong, subject to the commercial trial's success.
- Continue to seek other opportunities for trials as we move to commercialise the process.

03

Forward Outlook

Forward Outlook

01

Recruitment of CEO – Jason Dixon. 10 years executive experience at Tox Free Solutions Limited



02

Recruitment of National Sales & Marketing Manager- Paul Gaskett. 14 years business development and sales in Industrial services



03

Recruitment process for two independent directors well advanced



04

Corporate costs well managed over the last 12 months to deal with the COVID19 pandemic



Forward Outlook

05

Tomlinson should have stronger half if COVID19 restrictions continue to improve



06

Baltec & TAPC are expected to deliver a similar result to the first half



07

EGL – Turmec Agency agreement provides a new avenue for growth with a world class offering



08

The EGL Water PFAS commercial trial may lead to a significant opportunity if successful



EGL – Turmec Agency Agreement

EGL has entered into an exclusive Agency Agreement with Turmec Pty Limited (Turmec) for the sale of world leading recycling solutions in Australia.

Turmec are specialists in recycling solutions for the global waste industry, providing bespoke systems that enable their customers to efficiently recover high-quality material from waste, reducing the need for landfills, and accelerating the move to a circular economy.

Turmec have a wide range of recycling plants for all the major solid waste streams including co-mingled separation, construction and demolition waste, municipal waste, industrial waste, waste to energy and other specialised plant.

The Agency Agreement provides for:

- A retainer to promote, raise brand awareness, service clients and sell the recycling solutions in Australia.
- Success based sales commission.
- Cost plus a margin for all engineering, maintenance and services provided in Australia.
- Sale of spare parts held on consignment in Australia.

The initial period of the agreement is for one year with the intention of the parties to build a long-term partnership, the agreement commences 1 March 2021.

Questions?