

# Energy Technologies Limited (ASX:EGY)

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

Investor Update Presentation  
December 2023



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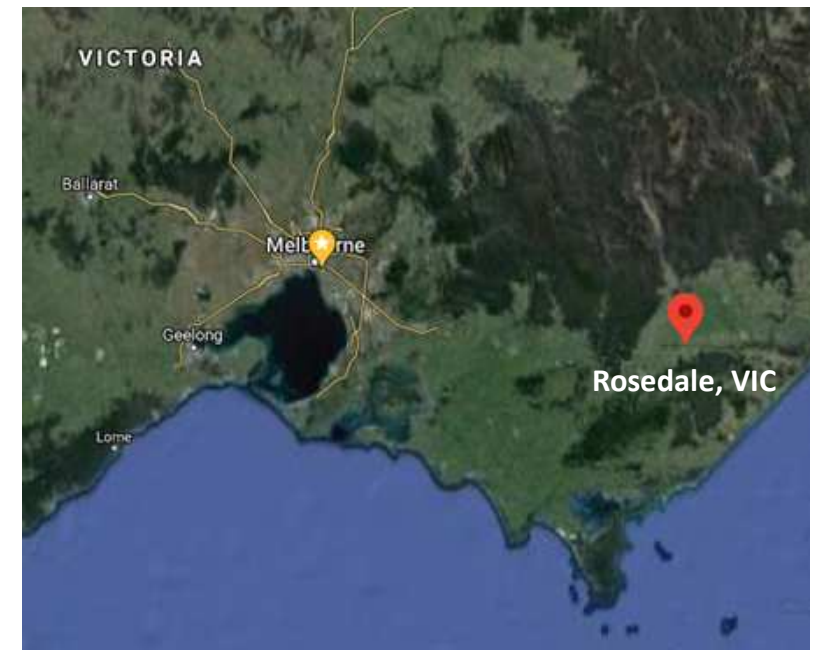
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# Bambach Wire and Cables



- Bambach Wire and Cables manufactures low voltage industrial and specialised copper cables
- Founded in 1936, it is the oldest existing Australian cable manufacturer and 100% owned by Energy Technologies since 2012
- Factory in Rosedale, VIC with sales offices in New South Wales, West Australia and Victoria
- Blue Chip customer base across Rail and Road, Mining, Construction, Defence and Power and Energy





# Strategy Pivot



Maintain manufacturing at Rosedale for low voltage industrial and specialised copper cables



Existing operations new focus

Preference to high margin, value add products from manufacturing division



Deliver high quality cables with short lead times specific to the customer



New Division

New division delivering imported cables (Purchased Sales) to existing and new clients



Expanding our reach in existing and adding complementary sectors



Competitive pricing across a larger landscape



New Offering

Delivering a broader suite of products into customers on a project basis and blanket sales offering will increase sales capacity



New division is higher volume, lower margin and more reliable, efficient working cap cycle across Low Voltage and Solar markets



# Purchased Sales



## Market

There are ~90 participants with an estimated \$2bn in Revenue. Low voltage and solar markets make up ~50% of the market with Solar growing aggressively\*

### Inhibitors



Sales staff must be experienced



Logistics need time to be organised and tested



Suppliers must be consistent and of quality

## Sales

- Sales team are in place and established
- Sales team have strong relationships across a blue-chip customer base
- Manufacturing capabilities often allows the sales team to see projects before they are awarded
- Broader suite of purchased sales at competitive prices allows sales to offer a total solution for customers at the contract level resulting in the potential for larger contract wins

## Logistics

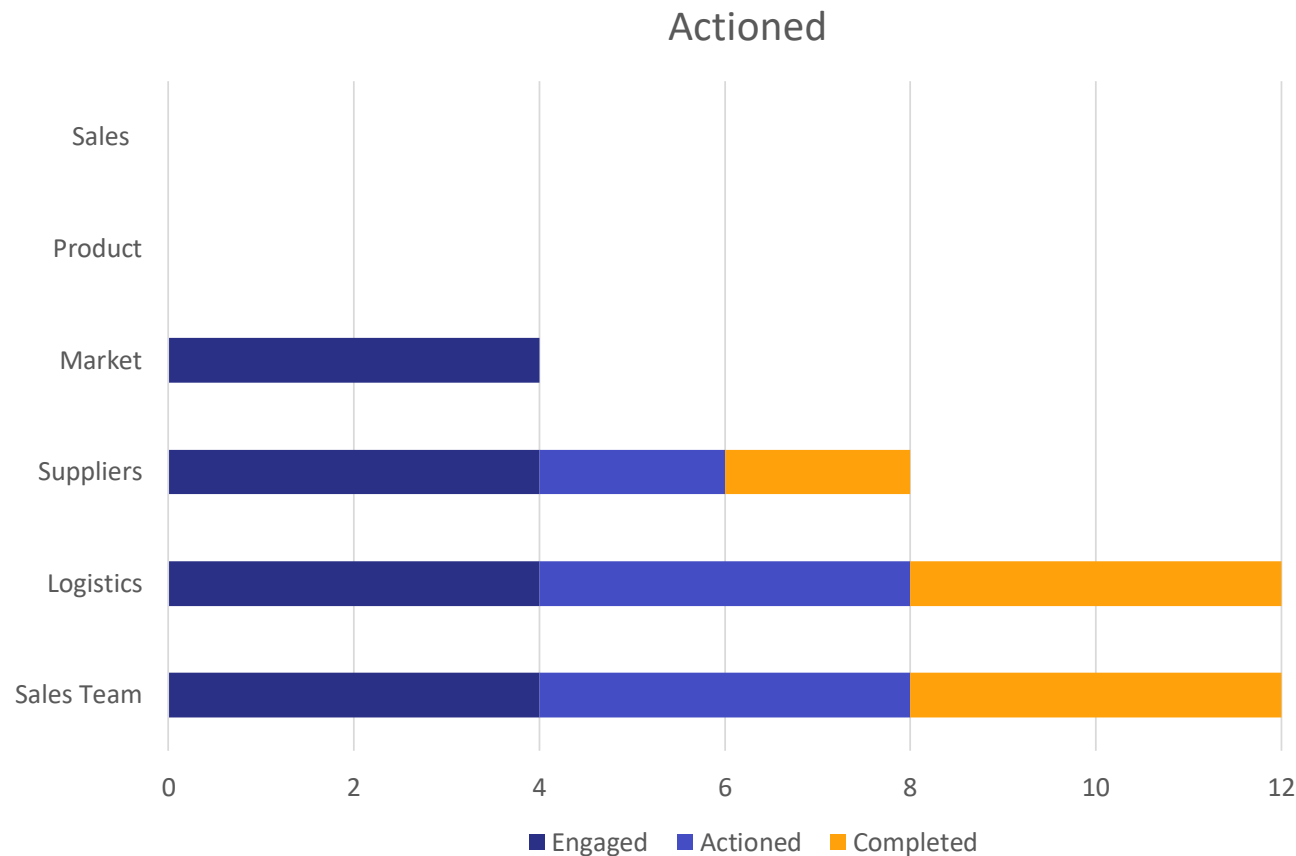
- Warehousing in place and with capacity due to the finalisation of the second factory at Rosedale
- Logistics in place at all Distribution Centres
- Deliveries already depart weekly to existing customers
- Potential to ramp up capacity by 5 times in a short time period
- Sharing deliveries between manufacturing and purchased sales divisions will provide margin efficiencies

## Suppliers

- Bambach have been using overseas suppliers for the last 20 years
- Suppliers used have predominantly been used for raw product finished at the factory
- Long track record of quality assurance across many suppliers
- All cables to be produced under an OEM arrangement subject to our QMS qualification process
- A mix of suppliers will be used to de-risk supply and cost issues
- Bambach have long established processes in place around risk mitigation of the supply chain
- Terms and margins will improve as volume grows

\*ANZSIC, IBIS WORLD August 2023

# Staged approach



# Timeline



Sales Team

Logistics

Suppliers

Market

Product

Sales

In Place

Soft Launch

Identified but not actioned

Not finalised



Dec-23

Jan-24

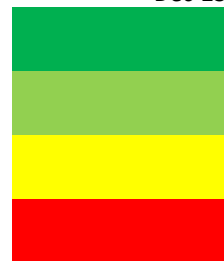
Feb-24

Mar-24

Apr-24

May-24

Jun-24



# Operational Update



- Market remains strong with sales and order book on track given operational conditions
- Operational conditions remained challenging with constraints on working cap and operational staff
- Factory more efficient after rationalisation but utilisation remains low due to the above
- New strategy will ease working cap constraints and utilise sales capacity more efficiently
- New sales division will contribute first sales in June quarter 2024





# Appendices



# Appendix: Key Risks



Risk	Risk Management
<b>Demand Risk</b>	<ul style="list-style-type: none"><li>• 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.</li></ul>
<b>Capacity Risk</b>	<ul style="list-style-type: none"><li>• 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</li></ul>
<b>Product Risk</b>	<ul style="list-style-type: none"><li>• 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</li></ul>
<b>Delivery Risk</b>	<ul style="list-style-type: none"><li>• 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</li></ul>
<b>Competition</b>	<ul style="list-style-type: none"><li>• 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</li></ul>
<b>COVID-19</b>	<ul style="list-style-type: none"><li>• The Company has experienced a decline in orders in relation to COVID-19 through the first half of FY21.</li></ul>

