

FY24 Results Presentation

29 August 2024



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Bhagwan Marine is a leading marine solutions provider operating in the oil & gas, resources, civil construction, marine logistics, offshore wind and defence industries.



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PRESENTATION OVERVIEW

1. Company Overview
2. FY24 Highlights
3. FY24 Financial Performance
4. FY25 Outlook & Focus Areas
5. Appendices



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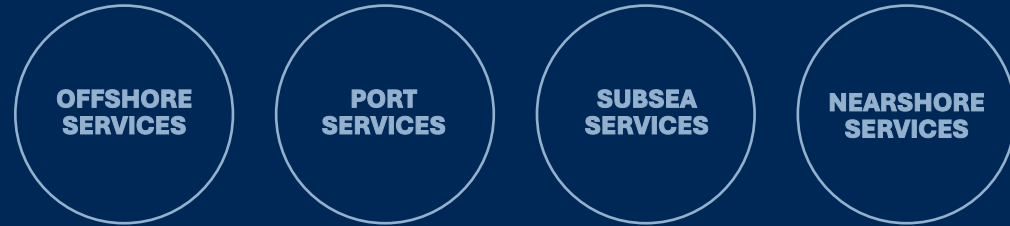
Company Overview



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BHAGWAN MARINE AT A GLANCE

Bhagwan delivers four core services



Powered by a strong workforce across strategic locations



Supplied by fit for purpose owned and leased vessels



Operating under stringent compliance



Delivering to a range of blue-chip customers

- PORT AUTHORITIES
- GOVERNMENT ORGANISATIONS
- OIL AND GAS MAJORS
- LARGE MINING COMPANIES
- LARGE CONSTRUCTION COMPANIES

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SUCCESSFUL INITIAL PUBLIC OFFERING & LISTING ON ASX

Raised \$80m and Delevered Balance Sheet	
New Shares Issued	127.0m
Offer Share Price	\$0.63
Funds Raised	\$80m
Use of Funds	Strengthen balance sheet Pursue growth initiatives
Professional Advisors	Euroz Hartleys KPMG Azure Capital Clayton Utz

Australia’s largest ASX listed Marine Services Company	
Listing Date	30 July 2024
ASX Code	BWN
Share Price at 28 August 2024	\$0.645
Shares on Issue	275.2m
Public Shareholders	51% of ISC
Director Shareholders	49% of ISC



FY24 Highlights



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STRONG FY24 RESULTS AND OUTPERFORMS PROSPECTUS FORECASTS

**RECORD
REVENUE**



\$303.1 MILLION

Up 79% on FY23
\$169.0 million

4% above Prospectus
forecast¹

EBITDA



\$41.3 MILLION

Up 14% on FY23
\$36.4 million

6% above Prospectus
forecast¹

**NET CASH FROM
OPERATIONS**



\$29.0 MILLION

Up 1% on FY23
\$28.9 million

**NET
DEBT²**



\$65.1 MILLION

Improved 4% from \$68.1
million at 30 June 2023

Pro Forma net debt \$12.4
million at 30 June 2024

Notes:

1. Replacement Prospectus dated 28 June 2024, available on the ASX announcements platform. Please see Appendix for a reconciliation from Pro Forma to statutory results
2. Excluding capitalised leases

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FY 24 OPERATIONAL HIGHLIGHTS

ENHANCED SAFETY PERFORMANCE

TRIFR¹ 7.65 - Improved from 9.35 in FY23
LTIFR² 0.90 -Improved from 1.89 in FY23

DIVERSIFIED GROWTH WITHIN CORE BUSINESS

Strong performance across all industries and areas of operation nationally – maintained excellent service delivery

PROVEN SERVICE DELIVERY IN HIGH-GROWTH SECTOR

Transitioned oil & gas decommissioning project services to the demobilisation phase – >800K offshore working hours LTI free

SUCCESSFUL ASX LISTING

Commenced trading on ASX 30 July 2024

STRONG GOVERNANCE

Welcomed Andrew Wackett as Executive Director – Finance and Tracey Horton AO as Non-Executive Director

ABILITY TO PURSUE GROWTH STRATEGY

Delevered balance sheet provides greater optionality to pursue compelling growth initiatives

Notes:

1. Total Recordable Injury Frequency Rate (TRIFR) per million hours worked
2. Lost Time Injury Frequency Rate (LTIFR) per million hours worked

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FY24 Financial Performance

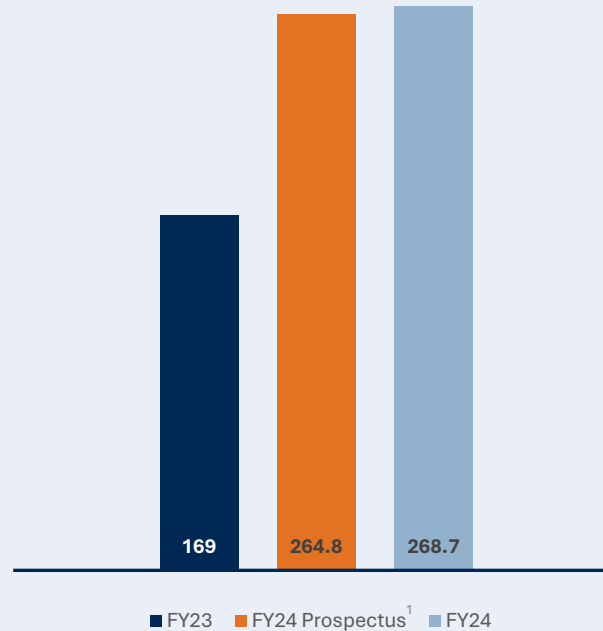


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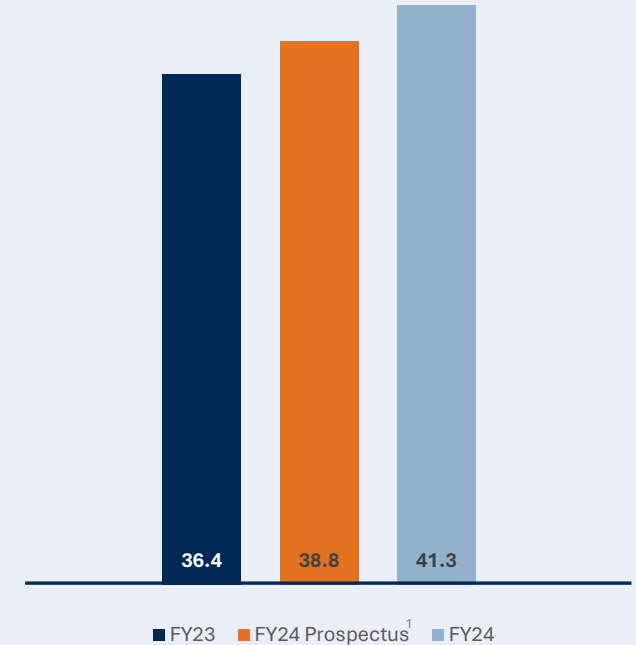
RECORD REVENUE AND STRONG EARNINGS

- Increased demand across diversified business nationally
- Entry into high-growth decommissioning sector
- Pro Forma net revenue up 59% on FY23 and 1% above Prospectus Forecast¹
- Pro Forma EBITDA up 14% on FY23 and 6% above Prospectus Forecast¹

NET REVENUE (\$m)



PRO FORMA EBITDA (\$m)



Notes:

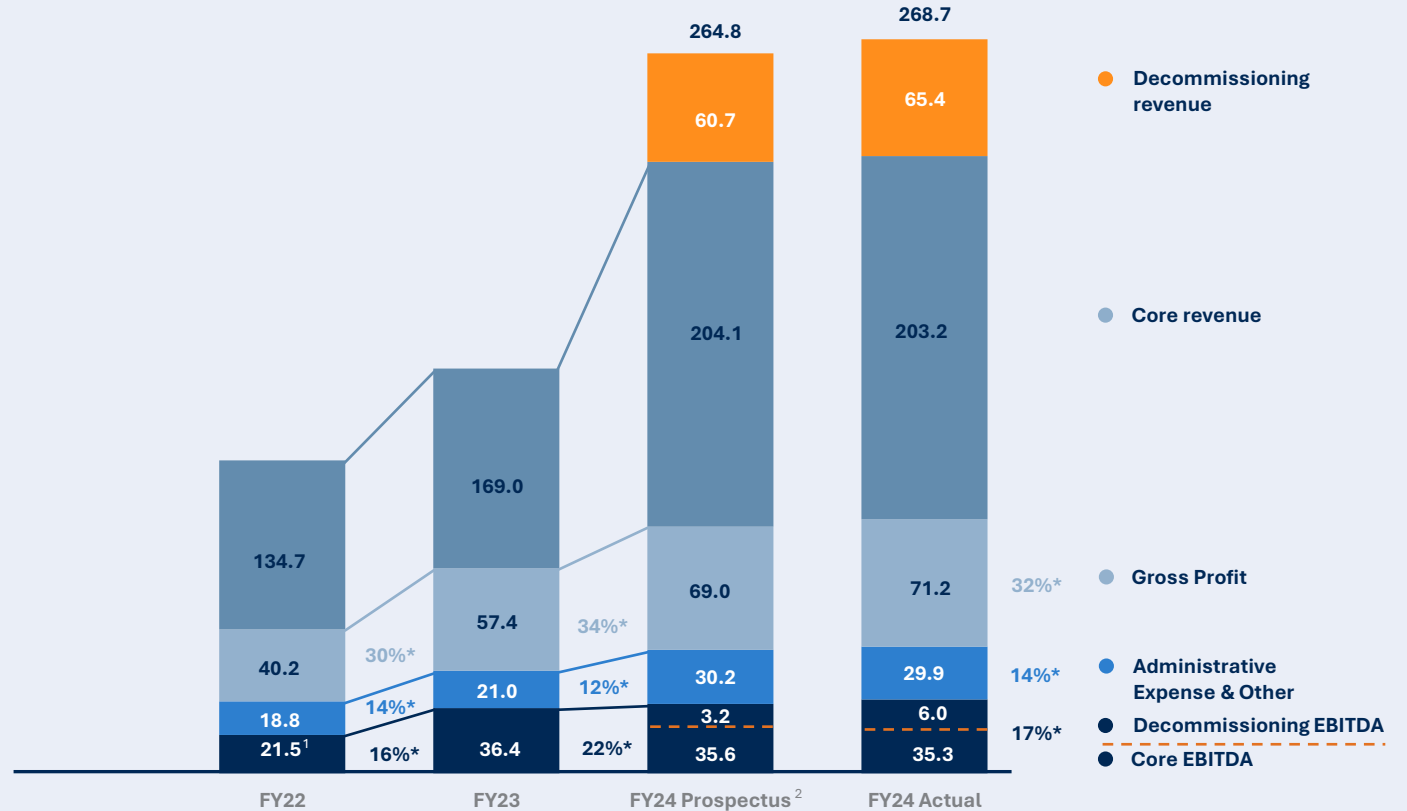
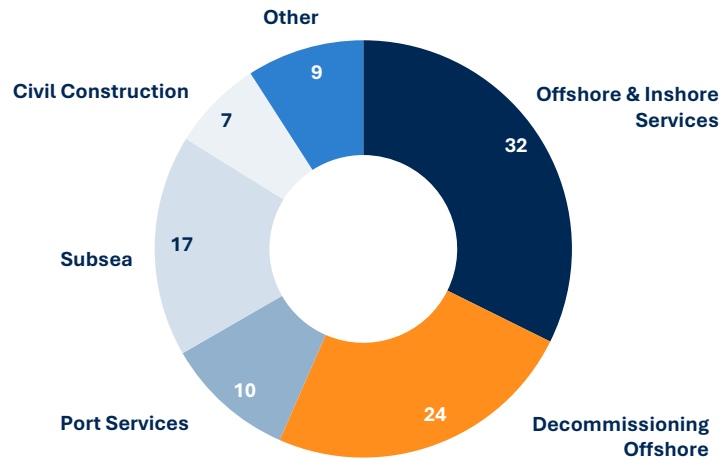
1. Replacement Prospectus dated 28 June 2024, available on the ASX announcements platform
Please see Appendix for a reconciliation from Pro Forma to statutory results



REVENUE DIVERSIFICATION & DECOMMISSIONING SUMMARY

FY22 to FY24 ACTUAL BREAKDOWN SUMMARY

FY24 ACTUAL REVENUE SPLIT (%)



Notes:

1. FY22 EBITDA excludes other income of \$3.7m in relation to the gain on the sale of vessels
 2. Replacement Prospectus dated 28 June 2024, available on the ASX announcements platform
- *Percentage of core revenue. Small variances may exist due to rounding



CASH CONVERSION

Statutory Cash Flow	FY24	FY23	Change	FY24	Change
\$ Million	Actual	Actual	%	Prospectus	%
EBITDA	39.7	37.6	6%	37.4	6%
Interest and finance costs	(4.9)	(4.9)		(7.7)	
Tax Paid	-	-		-	
Working capital (and other)	(5.8)	(3.8)		(2.1)	
Cash generated from operations	29.0	28.9	1%	27.6	5%
Net capital expenditure	(12.1)	(11.3)	7%	(10.8)	12%
Free cash flow	17.0	17.6	-3%	16.8	1%
Lease repayments	(13.2)	(10.6)	25%	(13.3)	0%
Debt repayments and other financing cash flows	(2.4)	(7.5)		8.9	
Net cash flow	1.3	(0.5)		12.4	

- Operating cash flow of \$29.0m, 5% ahead of Prospectus forecast¹
- Free cash flow of \$17.0m, 1% ahead of Prospectus forecast¹
- FY25 Capex to increase due to dry docking of major asset and general cost inflation

Notes:

1. Replacement Prospectus dated 28 June 2024, available on the ASX announcements platform
 Small variances may exist due to rounding



DELEVERED BALANCE SHEET

- Net debt reduced by \$3.0m to \$65.1m in FY24
- Lease liabilities down by \$4.3m to \$16.3m in FY24
- Debt substantially repaid post year end with \$69.0m of IPO proceeds
- Pro Forma Dec 2023 net debt of \$19.7m stands at \$12.4m pro forma in June 2024

Net debt \$ Million	FY23 Actual	H1 FY24 Actual	FY24 Actual	Change vs H1 FY24	Change YOY
Cash	0.0	0.5	1.4	0.9	1.3
Non current financial assets	10.0	10.8	11.0	0.2	1.0
Current portion of term debt facility	4.0	3.3	1.6		
Bank overdraft	16.9	18.3	18.8		
Other loans	11.3	11.9	12.4		
Current liabilities	32.2	33.5	32.8	(0.7)	0.6
Commercial advance facility	32.1	32.1	32.1		
Term debt facility	1.3	-	-		
Shareholder loan	12.6	12.7	12.6		
Non-current liabilities	46.0	44.9	44.7	(0.2)	(1.3)
Net debt	68.1	67.1	65.1	(2.0)	(3.0)
Lease liabilities	20.6	19.8	16.3	(3.6)	(4.3)
Total Debt	88.7	86.9	81.4	(5.6)	(7.3)

Notes:

Small variances may exist due to rounding
Replacement Prospectus dated 28 June 2024, available on the ASX announcements platform

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FY25 Outlook & Focus Areas

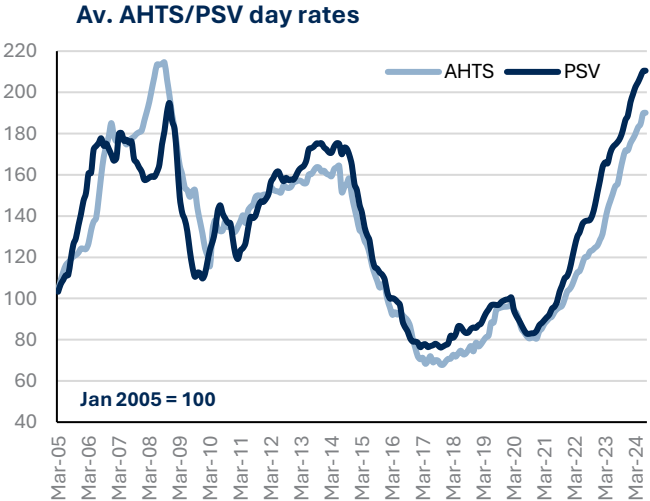


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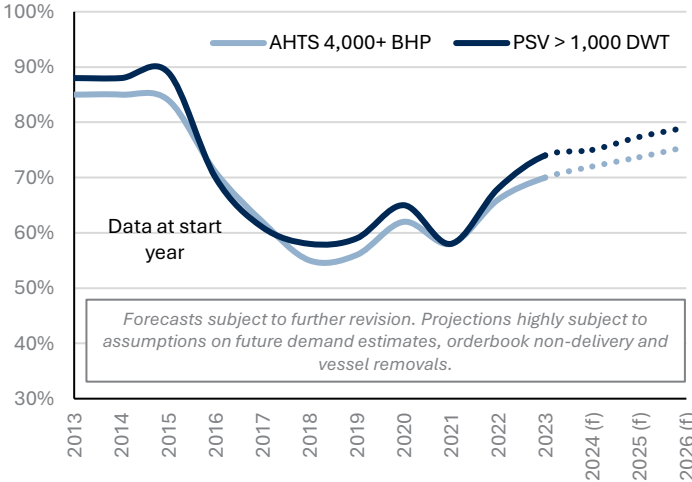
GLOBAL OFFSHORE VESSEL (OSV) MARKET

Global vessel utilisation and rates continue to improve with limited newbuild activity

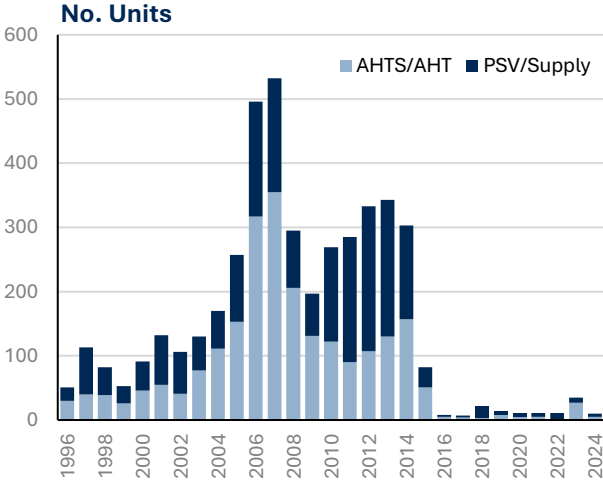
CLARKSONS OSV RATE INDEX



OSV GLOBAL UTILISATION



OSV NEWBUILD CONTRACTING ACTIVITY



Notes:
 Source: Clarkson Research, 'Offshore Supply Vessel Monthly', August 2024.
 Platform supply vessels (PSV). Anchor handling tug vessels (AHT). Anchor handling tug / supply vessels (AHTS).



FY25 OUTLOOK

- Industry fundamentals driving core business remain strong
- Prospects for key growth markets are compelling:
 - Substantial portfolio of decommissioning projects within oil & gas industry
 - Australian Government has committed to development of offshore wind projects
 - Australian Government has increased defence budget including port upgrades
- Bhagwan is in a stronger position to leverage core and new growth opportunities



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FY25 FOCUS AREAS

- Strengthening core business to deliver high-quality services and project outcomes
- Expanding in growth sectors including decommissioning, offshore wind and defence
- Disciplined and targeted M&A
- Fleet upgrades – including green energy and automation
- Longer-term contracts that ensure higher vessel utilisation and stable revenue streams



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CONCLUSION



Founder-led business with a 25-year operating history and outstanding reputation



Buoyant market conditions, with industry tailwinds and tightening vessel supply

Delivered record FY24 revenue



Start of growth cycle in decommissioning, offshore wind, defence and maintenance



- **\$80m IPO to de-gear balance sheet, and position the Company to pursue growth opportunities.**
- **No founder sell down and 100% voluntary escrow for 12 months**



Growth thematic:

- **Focused fleet investment / renewal**
- **Disciplined and targeted M&A**
- **Sustainable dividend policy**
- **Renewed capital capability and flexibility**

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Appendix



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Statutory to Pro Forma Reconciliation



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RECONCILIATION OF PROFIT OR LOSS

Pro Forma Profit or Loss \$ Million	FY24 Actual	FY23 Actual	Change %	FY24 Prospectus	Change %
Gross revenue	303.1	169.0	79%	291.7	4%
Pass through revenue	(34.4)	-		(26.9)	28%
Net revenue	268.7	169.0	59%	264.8	1%
Net cost of sales	(197.5)	(111.6)	77%	(195.8)	1%
Gross profit	71.2	57.4	24%	69.0	3%
Administrative expense	(29.8)	(20.7)	44%	(30.3)	-2%
Impairment of assets	(0.3)	(0.3)		(0.1)	
Other income (portion included in EBITDA)	0.2	0.0		0.2	
EBITDA	41.3	36.4	14%	38.8	6%
Depreciation and amortisation expense	(23.6)	(21.0)	12%	(23.0)	3%
EBIT	17.8	15.4	16%	15.8	12%
Other income (portion not included in EBITDA)	(0.2)	0.1		0.5	
Finance income	0.2	0.0		0.1	
Finance costs	(2.1)	(2.5)		(1.7)	
Profit before income tax benefit	15.7	13.1	20%	14.8	6%
Income tax benefit / (expense)	(4.7)	7.3		(4.4)	
Net profit after tax (NPAT)	11.0	20.4	-46%	10.4	6%
Gross Profit Margin	26%	34%		26%	
Administrative expense/net revenue	11%	12%		11%	
EBITDA Margin	15.4%	21.5%		14.7%	

Notes:

Small variances may exist due to rounding
Replacement Prospectus dated 28 June 2024, available on the ASX announcements platform



RECONCILIATION OF EBITDA

- Administrative expense has been increased in FY23 by \$1.2 million and in FY24 by \$1.1 million to reflect the estimated extra costs that Bhagwan will incur as a result of being a listed company. These costs include Directors' fees, share registry costs, ASX listing fees, Directors' and officers' insurance premiums and audit and legal fees
- Administrative expense for FY24 has been reduced by \$2.7 million to reflect the total non-contingent transaction costs related to the Company's initial public offer (IPO), comprising of corporate advisory, legal and accounting fees

Reconciliation of Statutory EBITDA to Pro Forma EBITDA					
\$ Million	FY24 Actual	FY23 Actual	Change %	FY24 Prospectus	Change %
Statutory EBITDA	39.7	37.6	6%	37.4	6%
Less: Additional listed company administrative expenses	(1.1)	(1.2)		(1.2)	
Add: Transaction costs	2.7	-		2.7	
Total Pro forma adjustments	1.6	(1.2)		1.4	
Pro Forma EBITDA	41.3	36.4	14%	38.8	6%

Notes:

Small variances may exist due to rounding

Replacement Prospectus dated 28 June 2024, available on the ASX announcements platform

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RECONCILIATION OF NPAT

Reconciliation of Statutory NPAT to Pro Forma NPAT					
\$ Million	FY24 Actual	FY23 Actual	Change %	FY24 Prospectus	Change %
Statutory NPAT	5.5	17.3	-68%	3.8	48%
Less: Additional listed company administrative expenses	(1.1)	(1.2)		(1.2)	
Add: Transaction costs	2.7	-		2.7	
Add: Finance cost savings	7.3	4.3		8.0	
Less: Impairment reversal	(1.2)	0.0		0.0	
Less: Tax effect of the above	(2.3)	-		(2.8)	
Total Pro Forma adjustments	5.4	3.0		6.6	
Pro Forma NPAT	11.0	20.4	-46%	10.4	6%

Notes:

Small variances may exist due to rounding

FY23 NPAT increased by first-time recognition of tax losses totalling \$7.3m

Replacement Prospectus dated 28 June 2024, available on the ASX announcements platform



Growth Segments



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GROWTH SEGMENTS



	Decommissioning	Offshore Wind	Defence	Maintenance
Growth Drivers	<ul style="list-style-type: none"> • Maturing of Australia’s offshore oil and gas industry • Movement to reduce emissions and reduce reliance on fossil fuels 	<ul style="list-style-type: none"> • Nascent and growing market across the APAC region • Construction and maintenance services are highly vessel intensive 	<ul style="list-style-type: none"> • Renewed focus on marine logistics, security and offshore surveys • Increasing naval infrastructure spend 	<ul style="list-style-type: none"> • Ageing offshore assets and marine / port infrastructure • Impetus to maintain production levels and optimise asset utilisation
Services Examples	<ul style="list-style-type: none"> • Mobilisation of construction barge, with crane and accommodation • Anchor handling support • Crew transfer 	<ul style="list-style-type: none"> • Environmental surveys • Geotechnical support • Construction support • Inspection, maintenance and repair 	<ul style="list-style-type: none"> • Geophysical and geotechnical surveys • Construction support • Infrastructure maintenance 	<ul style="list-style-type: none"> • Inspection, maintenance and repair • Subsea engineering • Infrastructure maintenance
Bhagwan’s Current Activity	<ul style="list-style-type: none"> • Delivered Bhagwan’s first oil and gas decommissioning project, the largest undertaken by an Australian-owned service provider 	<ul style="list-style-type: none"> • Currently supporting initial survey work for offshore wind farms 	<ul style="list-style-type: none"> • Ongoing service delivery for border force contracts 	<ul style="list-style-type: none"> • Ongoing maintenance work across Bhagwan’s core service portfolio



Board and Management



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THE BOARD



Anthony Wooles
Chairman and
Non-Executive Director

Appointed Chair on 8 March 2012

Expertise:

Financial and capital markets and strategic marketing

Other ASX Directorships:

IMDEX Limited since 2016
High Peak Royalties since 2012



Loui Kannikoski
Managing Director and
Chief Executive Officer

**Founded and managed
Bhagwan since 2000**

Expertise:

Extensive operational and management experience within the marine and oil & gas industries



Tracey Horton AO
Independent
Non-Executive Director

**Appointed as Independent
Non-Executive Director on 5 June 2024**

Expertise:

Corporate governance and strategy, economics, finance and accounting

Other ASX Directorships:

IMDEX Limited since 2023
IDP Education since 2022
GPT since 2019



Andrew Wackett
Executive Director Finance

**Appointed as Executive Director
of Finance on 1 May 2024**

Expertise:

Investment banking, securities management, finance and corporate governance.

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THE MANAGEMENT TEAM



Kerren Kannikoski
General Manager,
Corporate Services

Co-founder of the business
and commenced in 2000

Expertise and Qualifications:
Human Resources, Crewing, Payroll,
Information Systems and Marketing.



Cheryl Williams
CFO and Company
Secretary

Joined in 2018

Expertise and Qualifications:
Financial planning, analysis,
reporting, and management.
Certified Chartered Accountant
Holds a BA (Hons) in Accounting and
Human Resource Management
Certificate in Corporate
Governance Practice



Andy Cowan
General Manager,
QHSE

Joined in 2008

Expertise and Qualifications:
Quality Management, Occupational
Health & Safety Management.
Formal qualifications in Shipbuilding



Grant Bedford
General Manager
Commercial

Joined in 2023

Expertise and Qualifications:
Commercial management,
business development.
Graduate of the Australian
Institute of Company Directors
Certified Public Accountant (Australia)
Holds an MBA and Bachelor of
Commerce (BCom) – Accounting.

Notes:

The Management Team also includes Loui Kannikoski – Managing Director and Chief Executive Officer and Andrew Wackett – Executive Director of Finance.



THE MANAGEMENT TEAM



Peter Carmichael
General Manager,
West Coast Operations

Joined in 2006

Expertise and Qualifications:
AMSA Qualified Marine Master
and Engineer



Kevin Clifford
General Manager,
East Coast Operations

Joined in 2014

Expertise and Qualifications:
AMSA Qualified Marine Master
and Engineer



Gregory Standish
General Manager,
Subsea

Joined in 2021

Expertise and Qualifications:
BEng (Hons), Civil Engineering.



Tom Kannikoski
General Manager,
Corporate and Strategic
Development

Joined in 2014

Expertise and Qualifications:
AMSA Qualified Marine Master



Luke Morand
General Manager,
Northern Territory

Joined in 2014

Expertise and Qualifications:
AMSA Qualified Marine Master

Notes:

The Management Team also includes Loui Kannikoski – Managing Director and Chief Executive Officer and Andrew Wackett – Executive Director of Finance.



Diversified Services & Fleet



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OFFSHORE SERVICES

- Decommissioning
- Dive and ROV¹ support
- Oilfield support services
- Anchor handling
- FPSO² offtake assist



Notes:

1. Remotely Operated Vehicles
2. Floating production, storage and offloading

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PORT SERVICES

- “Hotshots”¹ for shipping agents
- Survey support
- Navigational aid maintenance
- Harbour towage
- Port logistics



Notes:

1. “Hotshot” services refer to quick, on-demand operations catering to urgent requirements

SUBSEA SERVICES

- Inspection, maintenance and repair
- Commercial diving (Air)
- Integrated ROV¹
- Decommissioning and light construction



Notes:

1. Remotely Operated Vehicle

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NEARSHORE

- Wharf, jetty and bridge construction and deconstruction
- Coastal towage
- Cargo and crew transfers
- Supply of specialised marine plant and equipment



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DIVERSE FLEET

- Bhagwan has access to a fleet of c. 100 vessels, 68 owned, 26 under lease
- Wide range of fit for purpose owned and leased vessels
- The aggregate value of the Bhagwan-owned fleet is c. \$116.8m¹

Vessels Owned by Bhagwan			
	Tugboats		
	Number	#	12
	Value	\$m	35.1
	Multi Cats		
	Number	#	7
	Value	\$m	20.8
	Dive Support Vessels		
	Number	#	2
	Value	\$m	28.9
	Barges		
	Number	#	13
	Value	\$m	10.8
	Crew Transfer Vessels		
	Number	#	14
	Value	\$m	6.3
	Utility Vessels		
	Number	#	10
	Value	\$m	14.7
	Other Vessels²		
	Number in fleet	#	10
	Value	\$m	0.3
	Total Owned Vessels		
	Number	#	68
	Value	\$m	116.8

Notes:

1. Value of fleet per Company's Statement of Financial Position as at 30 June 2024, based on latest independent valuation of certain vessels plus written down value of remaining vessels.
2. Tenders and other small support vessels.



Operations & Infrastructure



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INFRASTRUCTURE

- Strategically positioned locations support volume spot market work over the long term
- Network facilitates vessel fleet to be mobilised across Australia as demand requires





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PERTH

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