

29 December 2022

## **BABYLON ADVANCES RENTAL & WATER MANAGEMENT STRATEGY WITH RBH ENGINEERING ACQUISITION**

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### **Highlights**

- **Babylon to acquire all shares of Boddington, W.A-based specialist rental pump provider RBH Engineering Pty Ltd.**
  - **Acquisition advances BPP's pump rental and water management strategy by adding circa 50 rental assets to the rental fleet**
  - **A\$3.0m purchase price represents a multiple of 3 times expected EBITDA contribution, and will be funded by cash and vendor finance**
  - **Immediate earnings contribution through ongoing high utilisation and minimal overheads**
  - **Acquisition, subject to conditions precedent, to be completed by 31 January 2023**
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Babylon Pump and Power ("Babylon" or the "Company") (ASX: BPP) is pleased to announce that it has executed a business acquisition agreement to acquire all shares of RBH Engineering Pty Ltd ("RBH") for \$3.0 million. The transaction is subject to standard conditions precedent of a transaction of this size and nature, all of which we expect to satisfy, with completion scheduled to occur on 31 January 2023.

RBH is based in Boddington, Western Australia, providing rental pumps and specialist mechanical services in the water management field. These pumps and services are critical to mining operations in Southwest and other areas of Western Australia.

The total consideration of \$3.0 million has been structured as follows:

- Cash due on Completion: \$1.8 million
- Deferred cash: \$1.2 million

The deferred cash component of 12 equal monthly deferred consideration payments of \$100,000 will be financed by the vendor and funded by RBH's ongoing operations. Interest of 8.5% per annum will accrue daily and be payable no later than the final deferred consideration payment date.

The RBH assets have been independently valued at over \$2.6 million. They have high utilisation rates and will provide immediate earnings contribution to BPP through existing rental contracts with clients.





Babylon Managing Director, Michael Shelby said: *“Management of groundwater and water ingress issues remain a ‘mission critical’ requirement for the mining and resource sector and the acquisition of RBH is a further strategic step into this attractive sector. This is an exciting and well-priced acquisition for Babylon which will expand our rental fleet, client base and water management activities. The acquisition complements our current operations with minimal increase in overheads while continuing to advance our rental and water management strategy.”*

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