



A Global Water Treatment & Water Services  
Environmental Company



**Gold Coast Investment Showcase Conference**

20 June 2018

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# PWS FY17-18 Financial Projections

- Revenue for December Half Year \$6.2m – Up 226%
- NPBT of \$1.0m
  
- **Full Year 17-18 Projection: Revenue of \$15-17m and NPBT of \$3-4m\***
- \* excludes non cash accounting effect of May 2016 option issue
  
- Strong operating margins
- Contracted work not completed as at 30 June, 2018 - \$10m; to be booked in FY18-19
  
- Forecast Balance Sheet as at 30 June, 2018
- A\$3m in cash plus
- Receivables/Inventory of \$12m;
- Debt Free;
- Net Assets close to \$15m

# PWS Environmental Group

## ASX listed (Code: PHK) Water Engineering & Water Treatment Materials Environmental Group

### Businesses:

- **International Water Treatment Business**

Using Phoslock® and other products to treat lake and rivers;  
Eight licensees representing PWS in over 20 countries

- **China Water Treatment Business**

Offices in four Chinese cities; now using a range of products and movable plants to treat highly polluted canal/rivers/lakes, including “black odorous water”

- **China Engineering & Implementation Business**

25 professionals in Beijing office providing design, engineering and implementation services for canals, river and wetland projects

=> 75% New Business; 25% Maintenance Business (reoccurring)



# Current Year in Review

## First year of Phoslock Beijing

- secured over \$20m of project work
- \$10-12m of project work booked in FY17-18; balance in FY18-19
- Beijing wetland project (\$15m) on target to meet 45% completion by 30 June, 2018 - 60,000 tons of materials delivered to site
- Beijing canal project (\$5m initial project plus ongoing maintenance) progressing well
- Deep and growing pipeline of large projects for FY18-19 and beyond in Beijing and throughout China

International Business – sales close to \$5m; significant projects in Brazil; Canada; US; UK; Poland; Netherlands; Belgium; Australia

- Solid pipeline on new and repeat projects

PWS Group growing rapidly; expanding business coverage in China and Internationally

# PWS Directors and Senior Management in PBEE Beijing Office



# Major Chinese project – \$15m project-Wetlands

Works commenced in April with scheduled finish during 2018

Providing zeolite; other materials & engineering services



*Photo of a constructed Wetland site as an example of what a finished wetland project may look like.*

*The Beijing wetland projects will be significantly larger in size.*

# Delivering 130,000 tons during 2018 of zeolites and other materials to construct Wetlands



# First Wetlands site currently under construction

60,000 tons of zeolites & other materials scheduled to be delivered by 30 June 2018



# Recent Projects – Beijing Canal Works (Nov 2017)

Project value \$5m plus \$1-2m pa maintenance contract



# Beijing Canal Project (June 2018)

Phosphorus down 80%; Nitrogen down 70%; Dissolved Oxygen up



# PWS Materials used in treating “Black Odorous Water”

Ministry of Environmental Protection has launched supervision of severely-polluted regions to ensure:

- Over 80% of the country's water meets at least the industrial but not drinking water use (Level III) standard by 2020
- Focusing on the treatment of "**black odorous water**" and drinking water sources



# PWS Materials used in Mobile Treatment Plants to process Polluted Water from canals& rivers



# Changxing Factory

Multi purpose factory in Changxing producing a range of products

Readily scalable:

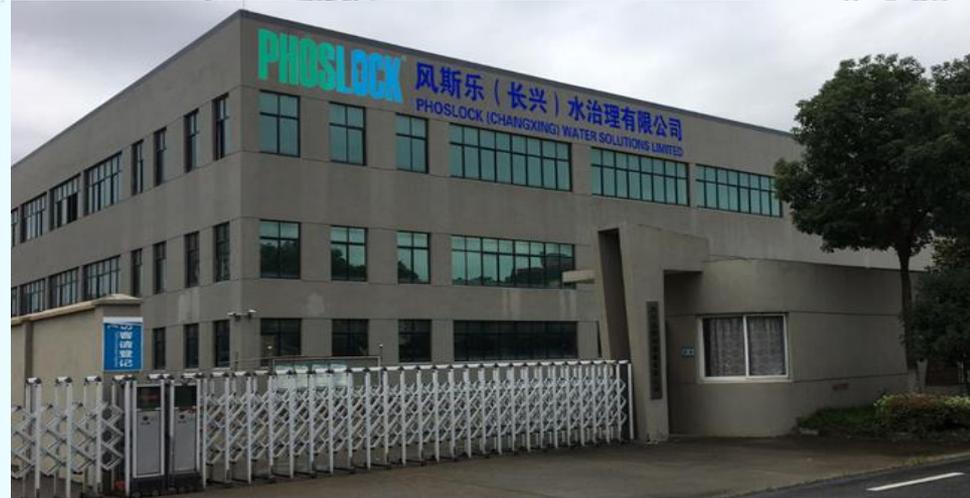
- Current capacity 15,000tpa = \$40-50m sales pa
- 2<sup>nd</sup> production line can double production

Video of Changxing Factory

[www.phoslock.com.au/site/what-we-do/production-facility](http://www.phoslock.com.au/site/what-we-do/production-facility)

Adding production lines for new PWS products

Looking at manufacturing products for other overseas environmental companies in China



# Projects – Pampulha, Brazil - extended

Project value \$4m completed; 4 year maintenance contract commencing



# Finalised Projects – Bromont, Canada

Project value \$600,000



# Finalised Projects – Goldap, Poland

## Project value \$1.3m



# Outlook for FY18/19

**Start FY18/19 with large on-going projects > \$10m revenue plus strong project pipeline throughout China and Internationally**

- Focusing on further growing Contracting & Materials business throughout China
- Conversion of Medium & Large Projects in International Materials in North America, Latin America, Europe and Asia
- Maintain strong operating margins
- Using Changxing Factory to manufacture Phoslock plus other products
- China R&D projects used in commercial applications
- Further registration of *Phoslock* Patent in key markets
- Strong balance sheet; growing profitability
- Potential Future Option Revenue of \$7m over next 3-12 months

# Capital Structure



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## Capital Structure (19<sup>th</sup> June, 2018)

Company Name:	Phoslock Water Solutions Limited
ASX Code:	PHK
Current Price:	37 Cents
Trading Range: (last 12 months)	16 – 39 Cents
Total Issued Shares:	481.8m
Total Issued Options:	65.0m*
Market Capitalisation:	A\$178m
Options*:	65.0m @ 10.5cps Exp 20/12/19

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**Phoslock Water Solutions Ltd.**

Suite 403  
25 Lime Street  
Sydney NSW 2000  
Australia

**Tel:** +61 2 8014 7611

**Web:** [www.phoslock.com.au](http://www.phoslock.com.au)

**Robert Schuitema – Managing Director**

Mobile: + 61 (0) 412 305 442

Email: [rs61@bigpond.net.au](mailto:rs61@bigpond.net.au)

**Michael Kotowicz – Investor Relations**

Mobile: + 61 (0) 416 233 145

Email: [michael@wentworthplacegroup.com.au](mailto:michael@wentworthplacegroup.com.au)

**Laurence Freedman AM – Chairman**

Office: + 61 (2) 8999 1999

ASX Code: PHK