

H1FY22 Results Presentation



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All amounts are in Australian dollars unless otherwise stated

Agenda

01

BUSINESS UPDATE

02

FINANCIALS

03

OUTLOOK

04

Q + A



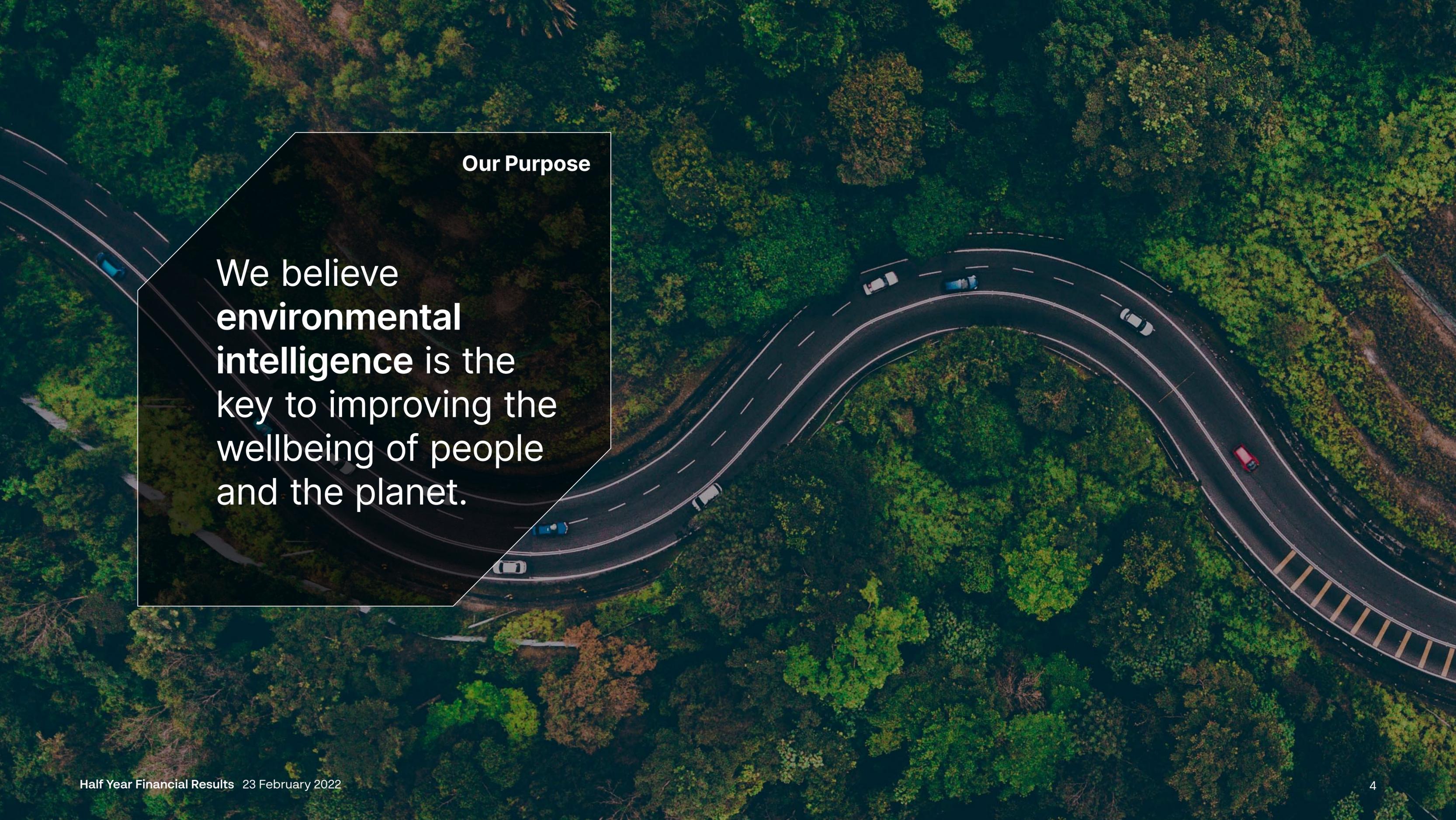
Jason Cooper
Chief Executive Officer



Justin Owen
Chief Financial Officer



Michael Hamilton
Head of Strategy

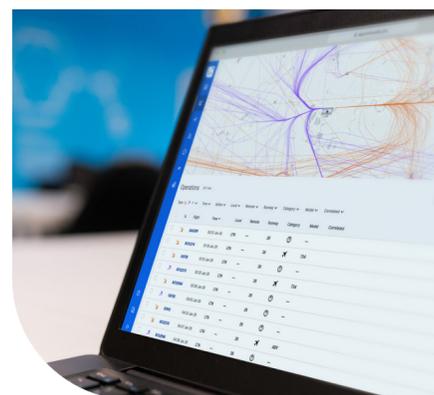


Our Purpose

We believe **environmental intelligence** is the key to improving the wellbeing of people and the planet.

Business Snapshot

EVS operates across three software product suites:



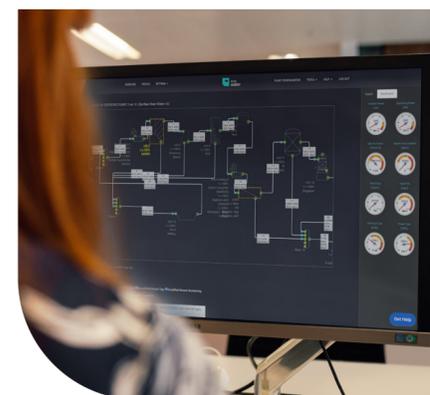
📍 167 sites

Market:
Airports



📍 219 sites

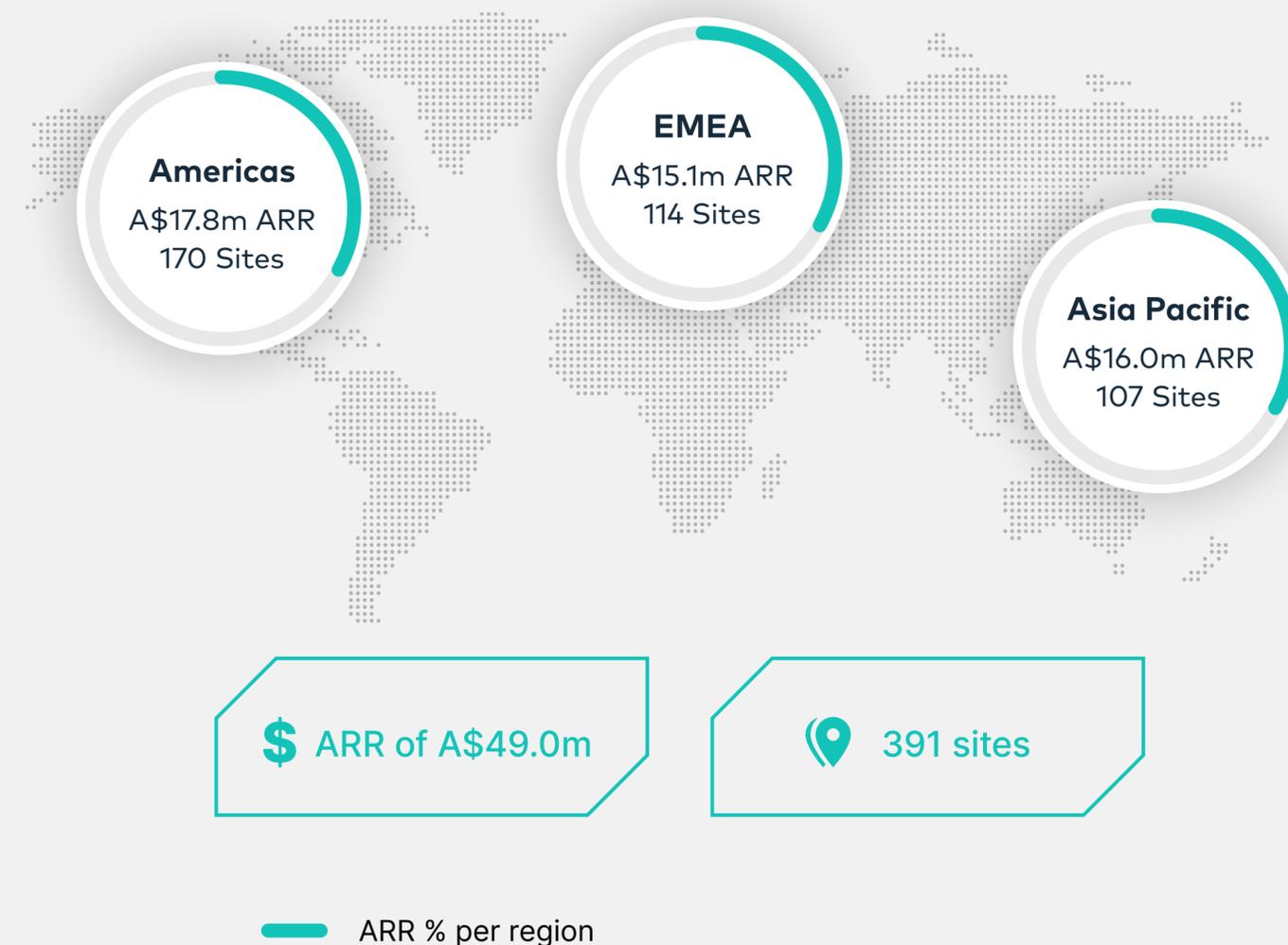
Market:
Mining & Industrial,
Waste & Wastewater



📍 5 sites*

Market:
Water Treatment

in three target regions:





Key Metrics

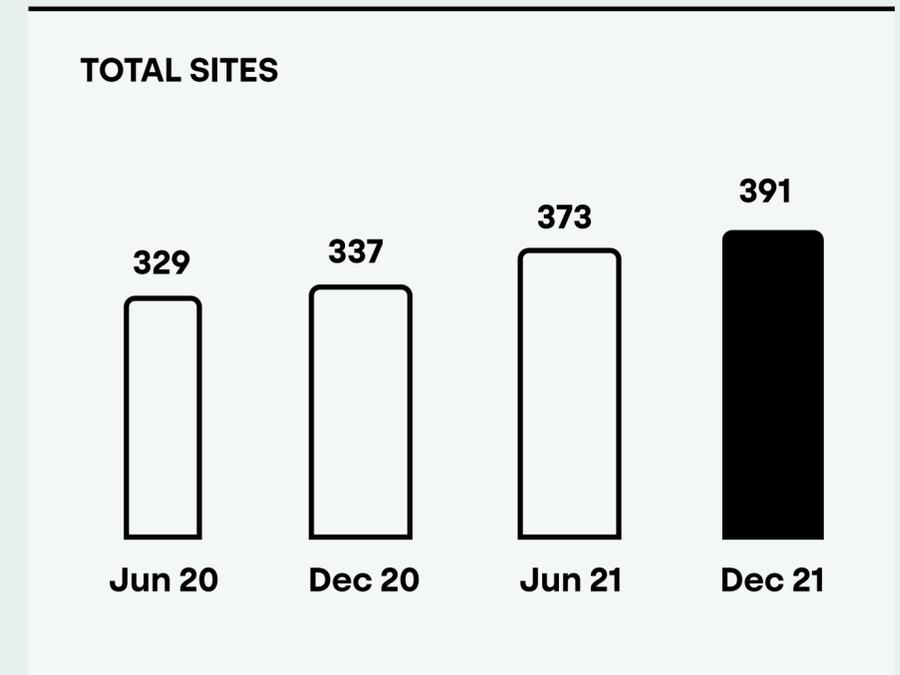
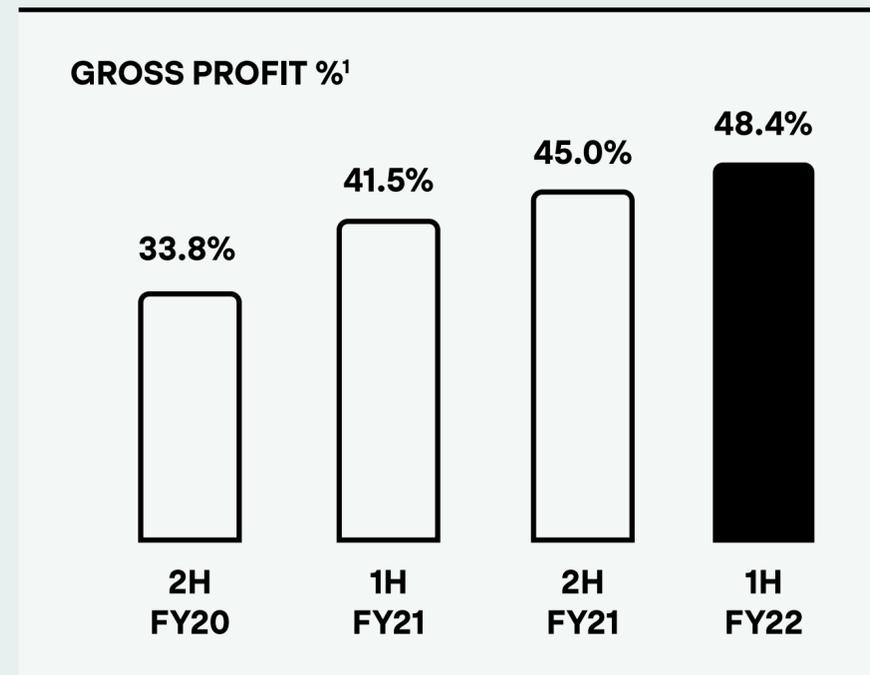
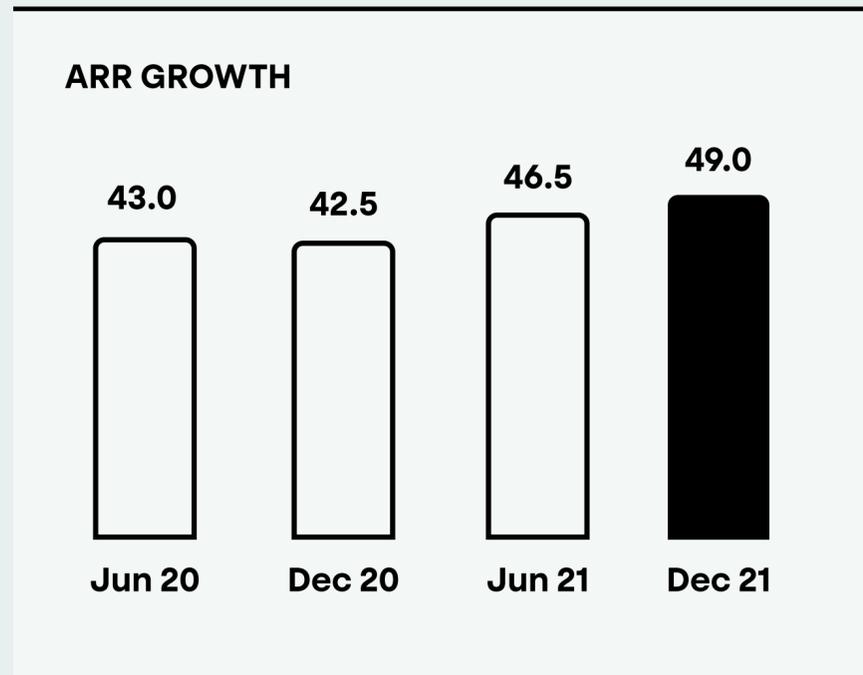
\$49.0m
Annual Recurring Revenue
+ 15.3% PCP

391
Client sites
+ 16.0% PCP

\$26.8m
Statutory Revenue
+ 13.8% PCP

48.4%
Gross Profit
+ 16.6% PCP

\$(2.0)m
Adjusted EBITDA (loss)
Improved 44.9% PCP



Momentum Building

ARR Growth of **15.1%** in all products & regions

Completed a successful capital raise

of \$10.5m to accelerate development and sales growth of EVS Water, the high-margin SaaS product suite

Frost & Sullivan

Winner of the Global digital twin technology for water - entrepreneurial company of the year award.

36.8%

PCP ARR growth in Americas

ARR for EVS Omnis grew

33.5%

PCP

Strength in renewals

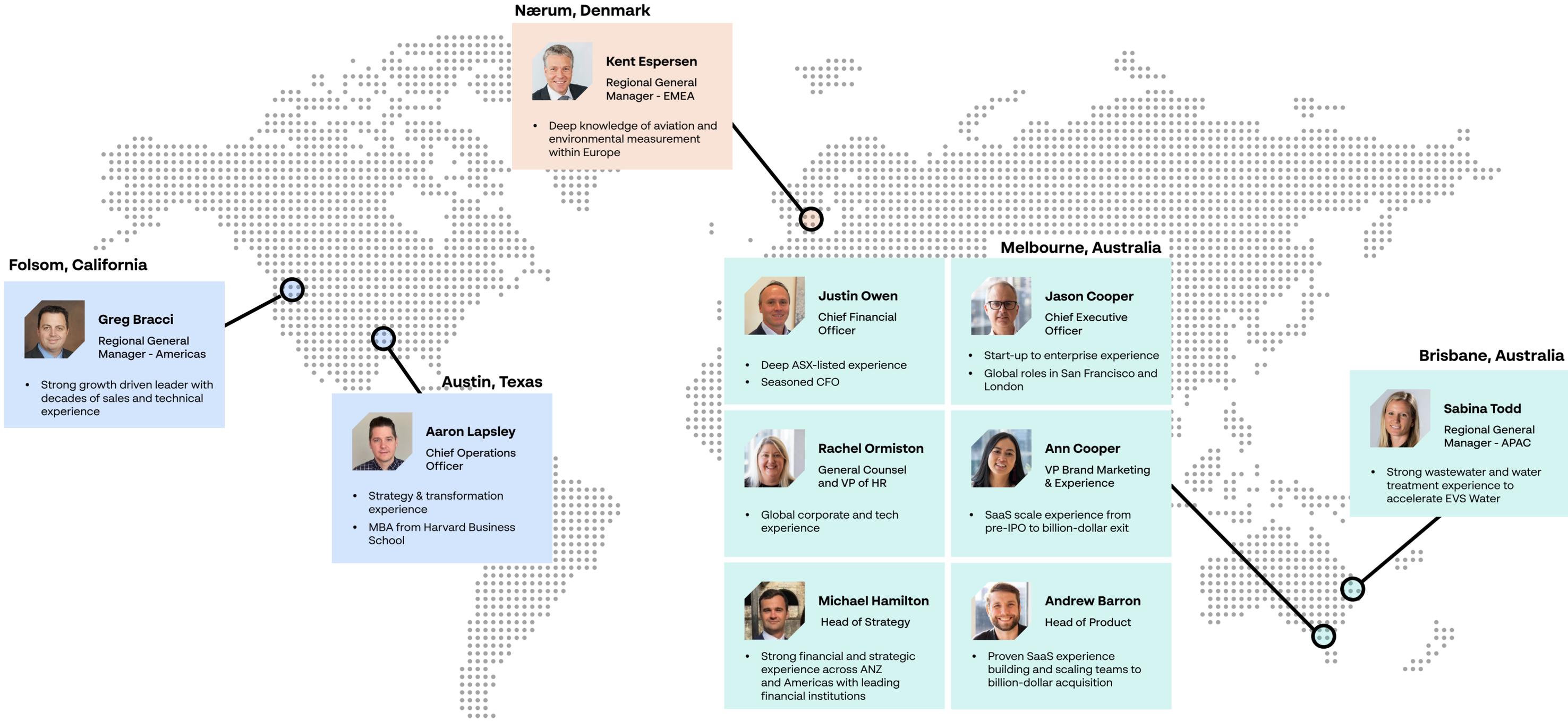
with Airservices Australia & Madrid City Council



NASA Selects Contractor for Quiet Supersonic Flight Community Testing

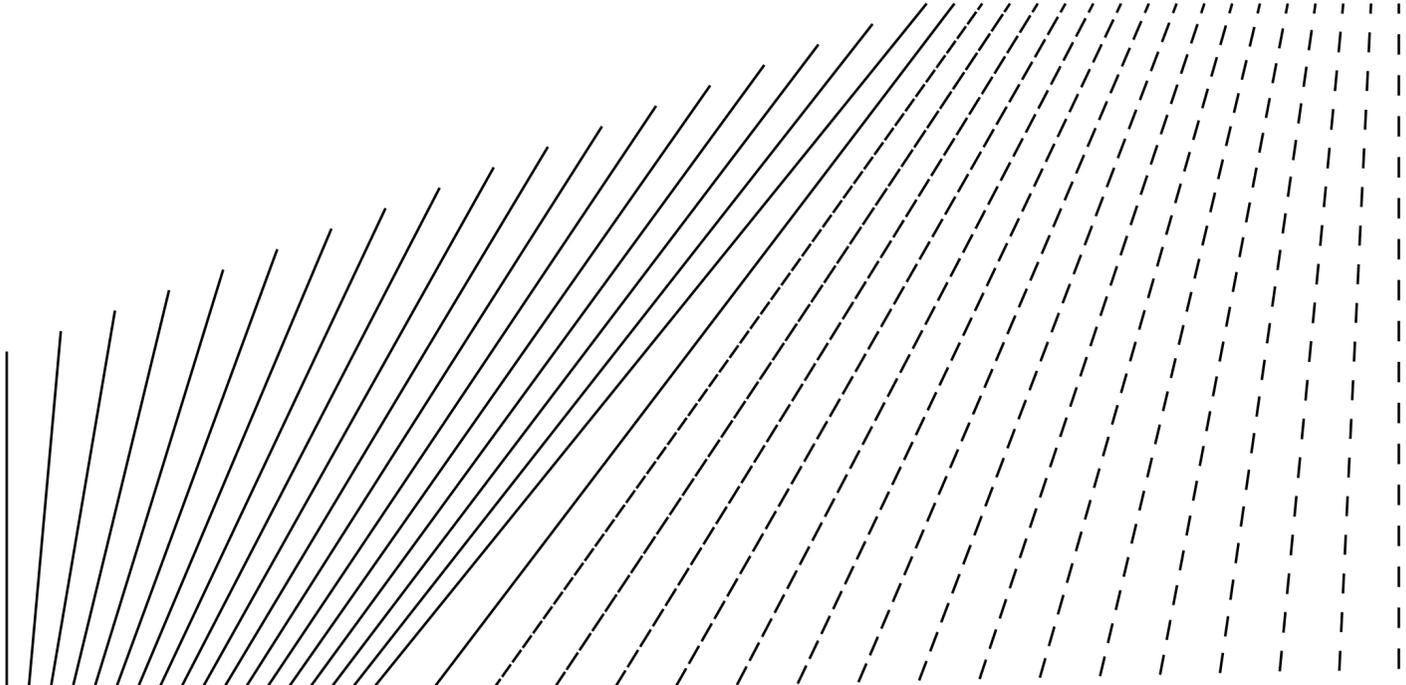


Global leadership





Execution & Scale



Envirosuite's four key strategic focus areas FY22

GROWTH

- Develop strategic partnerships that drive meaningful revenue, optimise costs and accelerate growth
- Combine data science with deep customer understanding to pinpoint high value opportunities with Ideal Customer Profiles (ICPs)
- Focus the customer account management discipline on expansion and cross selling opportunities (MEDDIC)
- Leverage brand and product innovation to drive customer awareness, demand generation and retention

PRODUCT

- Focus our R&D investment across Research, Product, and Engineering to deliver deeper science-based innovation to win in our chosen market sectors
- Implement best practices to intimately understand our customers and users challenges to directly inform our product plans
- Drive a culture of innovation and scientific excellence across our business to grow our capabilities and value for our customers
- Commercialise and grow the EVS Water portfolio globally
- Launch integrated EVS Omnis

CUSTOMER

- Embed data analytics into all platforms to drive greater customer understanding, improve user experience and product adoption
- Deliver high value differentiation, customer retention and product innovation through Environmental Intelligence Services
- Deployment of new ticketing system to improve support and customer response times
- Optimisation of project deployment times and simplification of support centre times and simplification of support centre

SCALE

- Utilise cloud infrastructure to drive efficiencies in development, support and leveraging tools to accelerate cost effective innovation
- One Data – One Customer project to align our data platforms for customer acquisition, experience and retention
- Continue to deliver significant improvement of Gross Profit through cost out, process improvement and product consolidation
- Optimisation of the global business structure to deliver cost effective support services
- Combine machine learning and EVS industrial environmental intelligence IP to deliver unique insights and efficiencies

ARR Growth

ARR growth of 15.1% with positive growth in all products and regions.

Americas

- 36.8% PCP ARR growth in Americas and 29.8% increase in sites in the region.

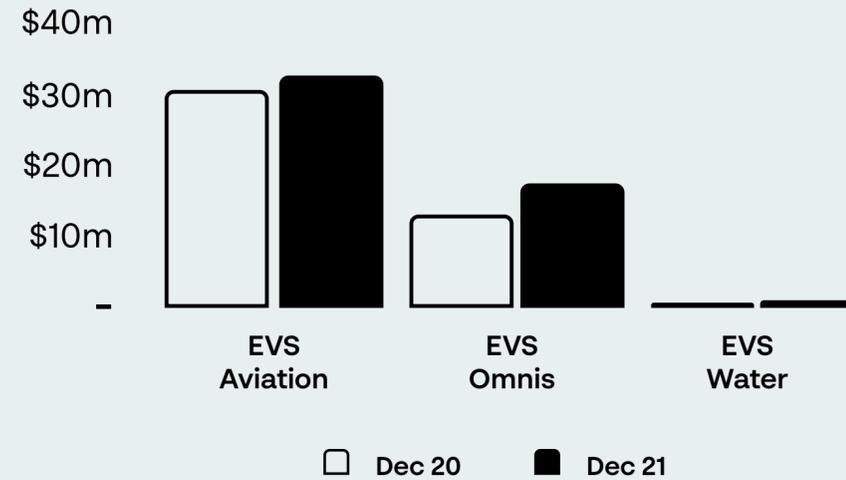
EVS Omnis

- 33.5% PCP growth in EVS Omnis ARR particularly within the resource sector with strong growth in site numbers.

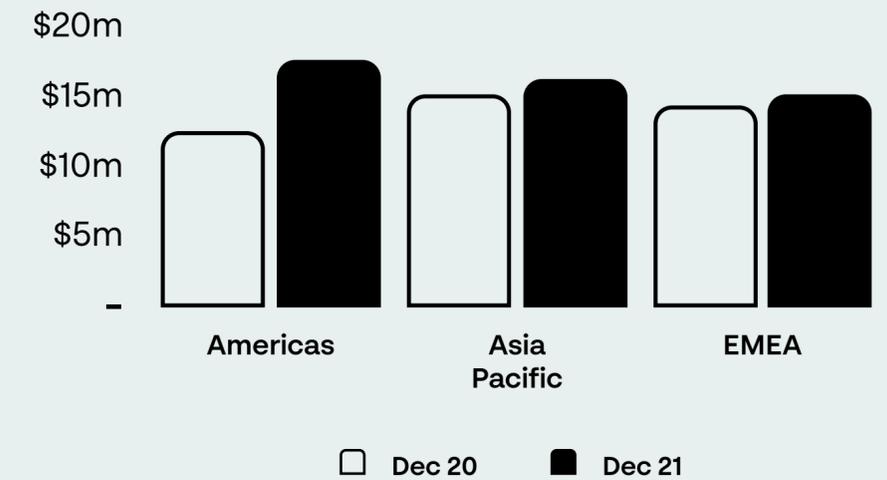
EVS Aviation

- Growth of 6.5% PCP within EVS Aviation despite the current global conditions. Average ARR per site increased.

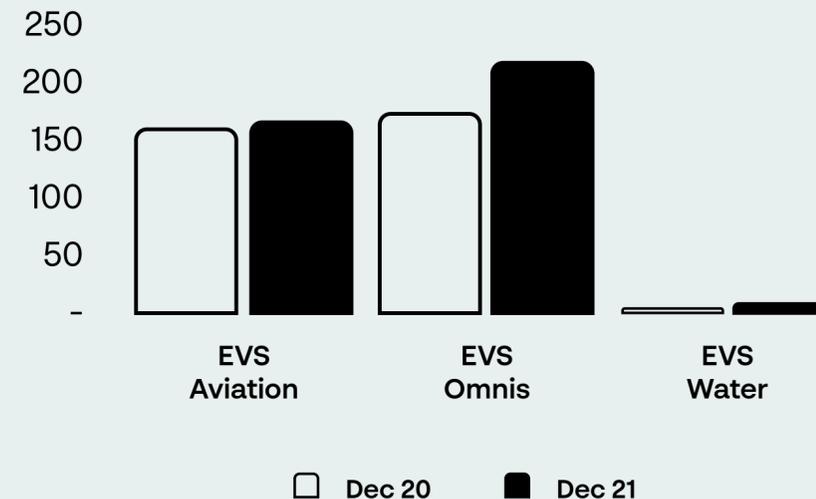
ARR by Product



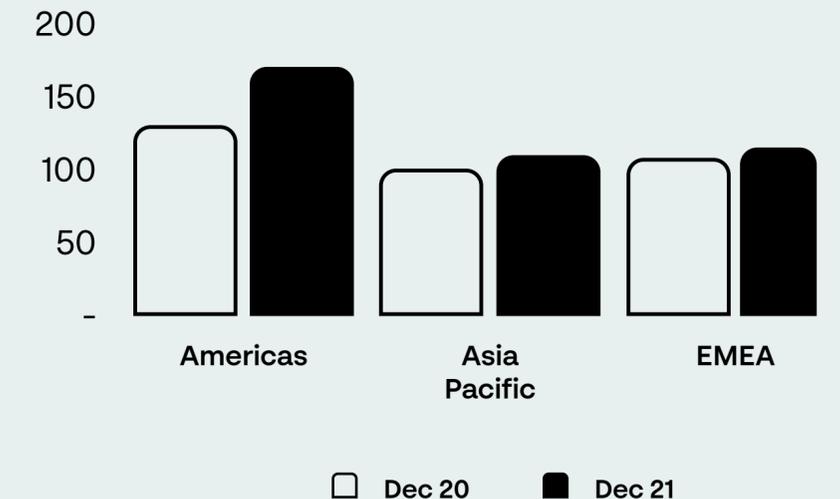
ARR by Region



Number of sites by Product



Number of sites by Region

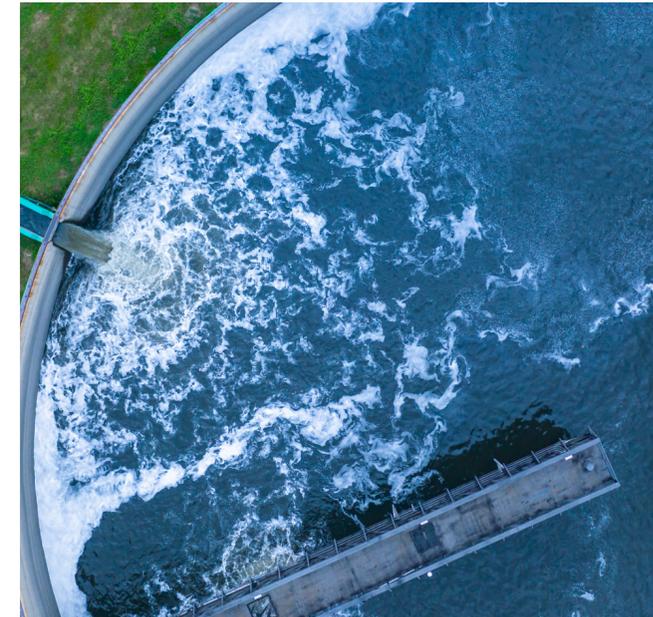




Product-Led, Sales Focused

With a product-led, sales focused strategy, growth is driven primarily by the product itself by placing it at the centre of go-to-market and the buying journey.

Supported by company-wide alignment across teams—from engineering to sales, marketing and operations—around the product as the central source of sustainable, scalable business growth.





\$17.4m (half year)

Statutory Revenue

+ 14.4% on PCP

88.5%

Recurring Revenue

- 6.0% on PCP

167

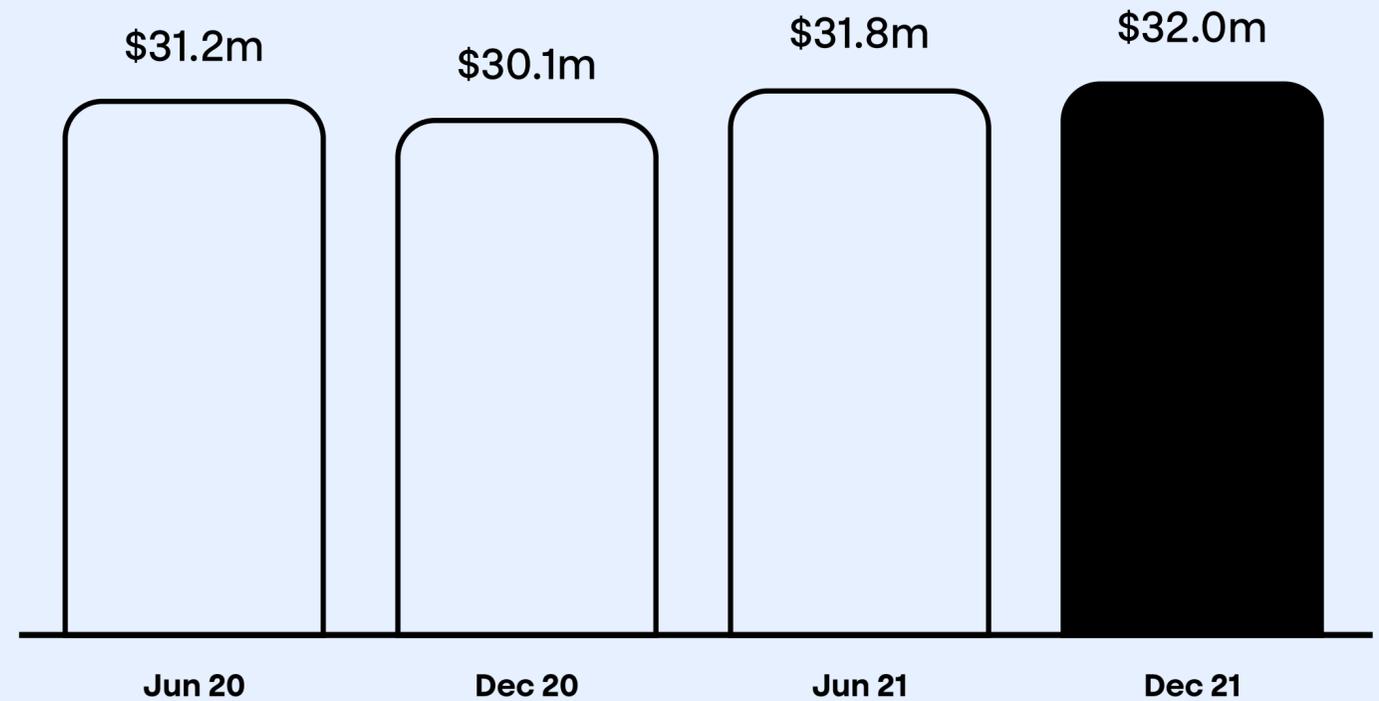
Client Sites

+ 3.7% on PCP

\$32.0m

Annual Recurring Revenue

+ 6.5% on PCP





Case study

Dublin Airport

Dublin Airport, a leading European secondary hub undertakes active noise management and reports on key performance indicators outlined in its noise management plan - achieved using technology from the EVS Aviation platform.





\$9.3m (half year)

Statutory Revenue

+ 12.2% on PCP

65.5%

Recurring Revenue

- 4.9% on PCP

219

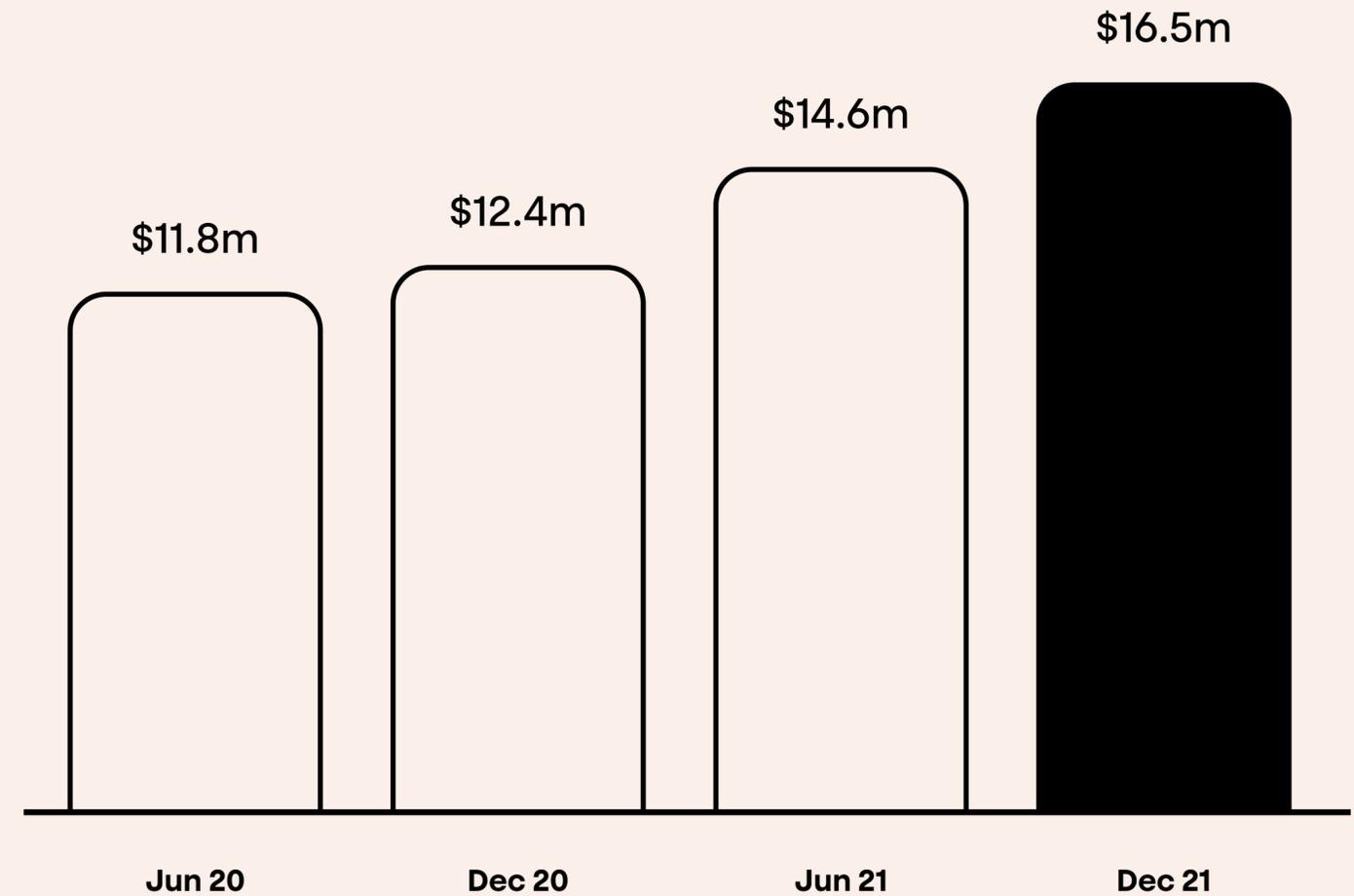
Client Sites

+ 25.1% on PCP

\$16.5m

Annual Recurring Revenue

+ 33.5% on PCP





Case study

Kalamazoo

“Envirosuite has helped us to baseline local hydrogen sulfide levels to better evaluate odour mitigation efforts and keep the community informed of air quality in the area. The system is being expanded to track additional sources to best target odour reduction efforts and identify capital improvement projects that will have beneficial impacts on the Kalamazoo community.”

Jim Cornell,

Kalamazoo Wastewater Division Manager, City of Kalamazoo





\$0.1m (half year)

Statutory Revenue

+ 224% on PCP

5*

Client Sites

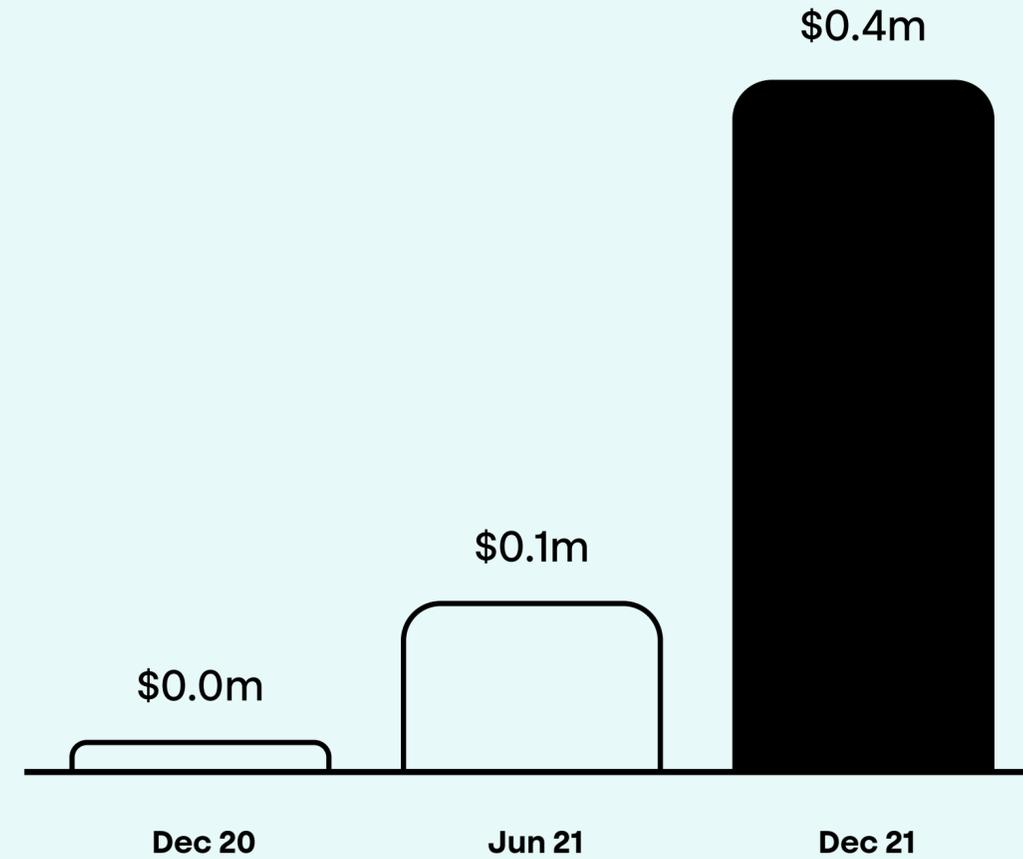
+ 400% on PCP

* This number does not include EVS Water Designer sites

\$0.4m

Annual Recurring Revenue

+ 864.1% on PCP





Case study

Water Corporation

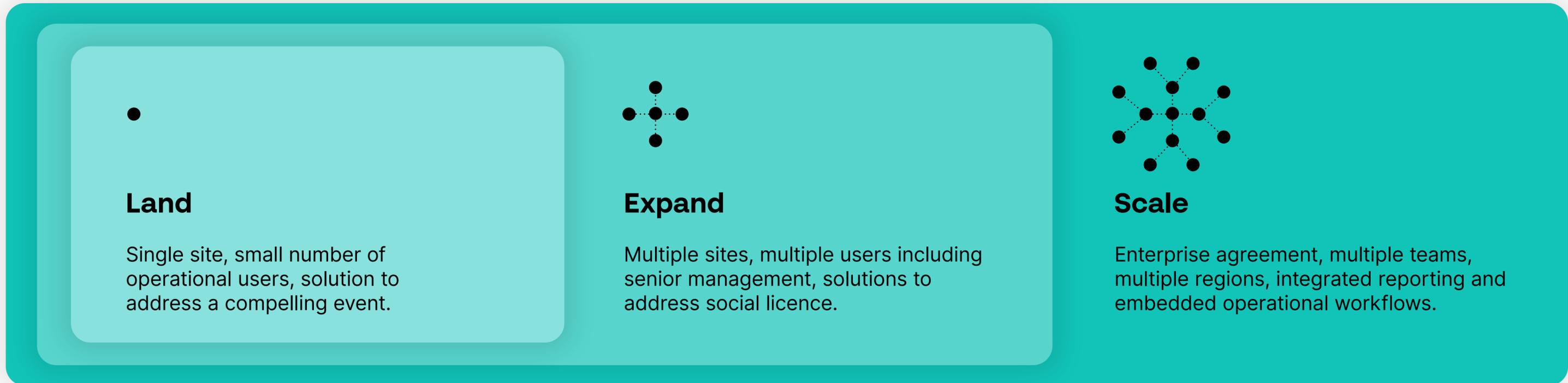
Envirosuite delivering SaaS product SeweX, to Water Corporation, Western Australia's water utility. SeweX will be used to support the proactive management of corrosion, odour and safety in sewer networks related to sulphide and methane. SeweX is designed to help water utilities to safely manage the biological processes occurring within sewer networks and improve the health, safety and environmental (HSE) performance, while avoiding and mitigating costly network disruption.





Our sustainable, long-term growth strategy

To develop robust profitability, our sustainable long term growth strategy is to Land, Expand and Scale. Envirosuite is focused on developing long term customer relationships, growing from single site to multi-site, expanding our value with customers, and ultimately shifting to enterprise agreements. This strategy will reduce our cost of acquisition and focus the team on creating and communicating long term value to our customers.



Q1, FY22

Won 1st site & added 2nd site

Q2, FY22

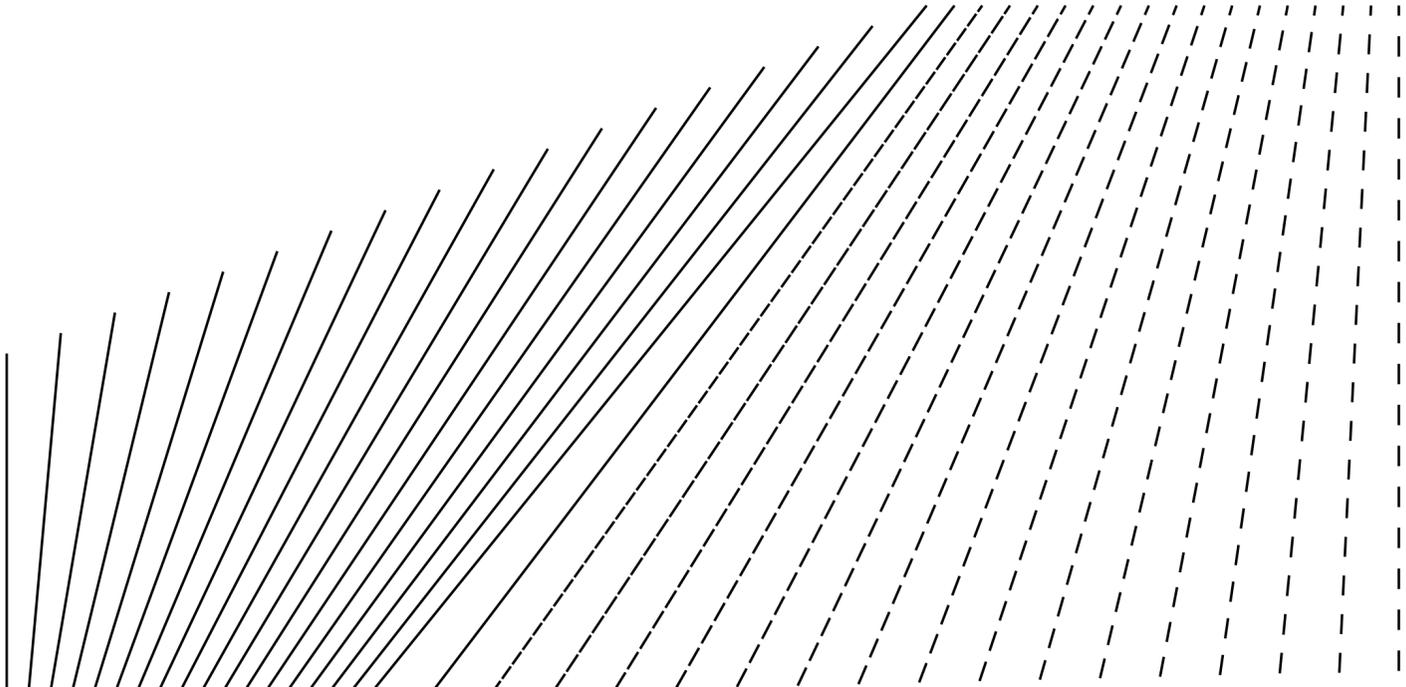
Added 3rd site

Q3, FY22

Exploring opportunities



Financials



1H FY22 Financial performance

Revenue of

\$26.8m

+ 13.8% on PCP

Gross Profit improved to

48.4%

41.5% PCP

Adjusted EBITDA improved to

\$(2.0)m

\$(3.6)m PCP

Income Statement EBITDA

A\$000	1HFY22	1HFY21	Movement \$	Movement %
Recurring revenue	21,580	20,071	1,509	7.5%
Non-recurring revenue	5,216	3,477	1,739	50.0%
Other revenue	21	17	4	23.5%
Total revenue	26,817	23,565	3,252	13.8%
Cost of revenue	(13,825)	(13,778)	(47)	(0.3%)
Gross profit	12,992	9,787	3,205	32.7%
Gross profit %	48.4%	41.5%	6.9 bps	16.6%
Sales and marketing	(6,404)	(6,067)	(337)	(5.6%)
Product development	(4,080)	(2,980)	(1,100)	(36.9%)
General and administrative	(4,196)	(5,204)	1,008	19.4%
Total operating expenses	(14,680)	(14,251)	(429)	3.0%
EBITDA	(1,650)	(4,844)	3,194	65.9%
Adjusted EBITDA	(1,964)	(3,562)	1,597	44.9%
Recurring revenue as a % of total revenue	80.5%	85.2%	(4.7) bps	(5.5%)

Key Metrics by Product

Significant growth opportunities
across the product suites.

A\$000	EVS Aviation	EVS Omnis	EVS Water
SAM ¹	194,000	1,200,000	2,800,000
ARR	32,041	16,538	376
# Sites	167	219	5 ²
ARPS	192	76	67 ²
Churn %	0.5%	5.0%	0.0%
ARR Growth %	6.5%	33.5%	863.9%
Statutory revenue			
Recurring revenue	15,425	6,092	63
Non-recurring revenue	2,001	3,215	-
Total Trading revenue	17,426	9,307	63
<i>% Revenue recurring</i>	<i>88.5%</i>	<i>65.5%</i>	<i>100%</i>

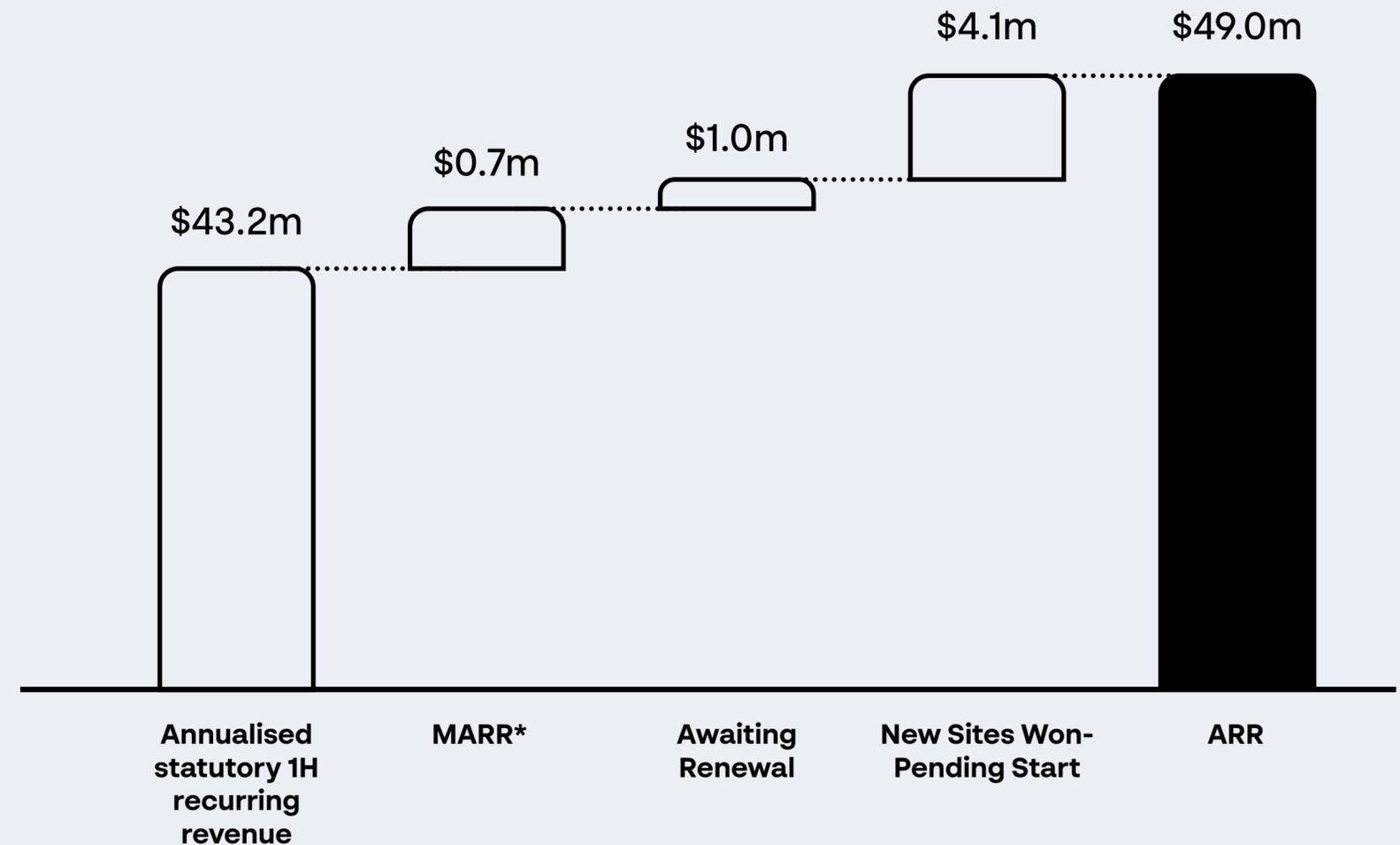
Annual Recurring Revenue

ARR of \$49.0m

Continued focus on managing and signing renewals – Customer Success Managers maintaining ongoing contact with customers with opportunities to upsell.

New sites won - growth as a result of strong sales performance in 1HFY22.

Opportunity for improving implementation timeframes supported by inventory management strategy.



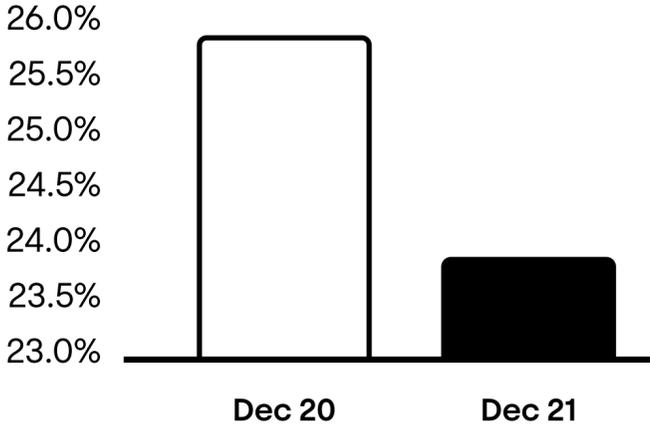
* MARR = Monthly Annualised Recurring Revenue represents the month-to-date recurring revenue booked in the P&L in June multiplied by 12. The MARR includes temporary discounts offered.



Operating leverage

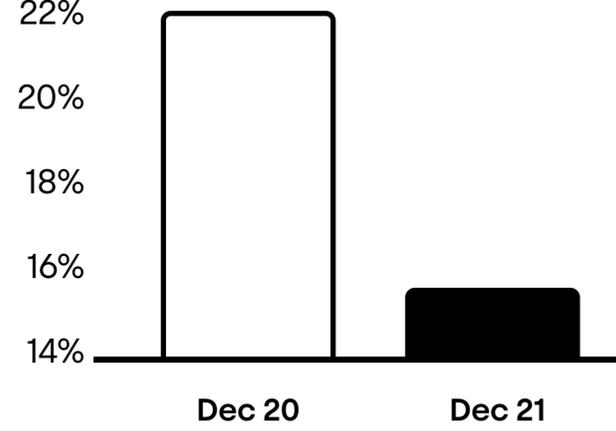
Percentage of revenue

Sales and marketing



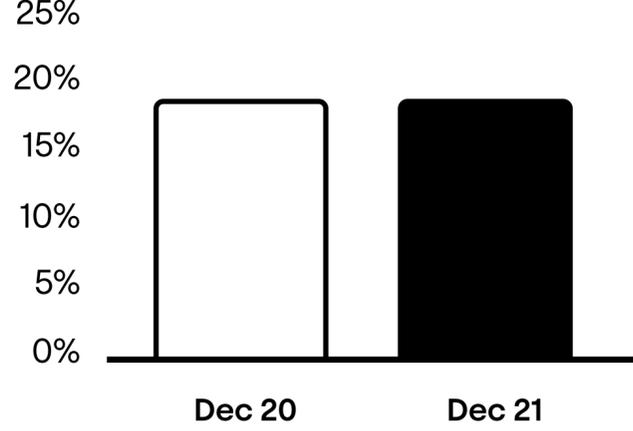
Improved sales effectiveness and focus on implementations particularly in Americas has driven improvement.

General and administrative



Strong cost management during the period – constant review by executive to ensure optimal global structure.

R&D Cash spend



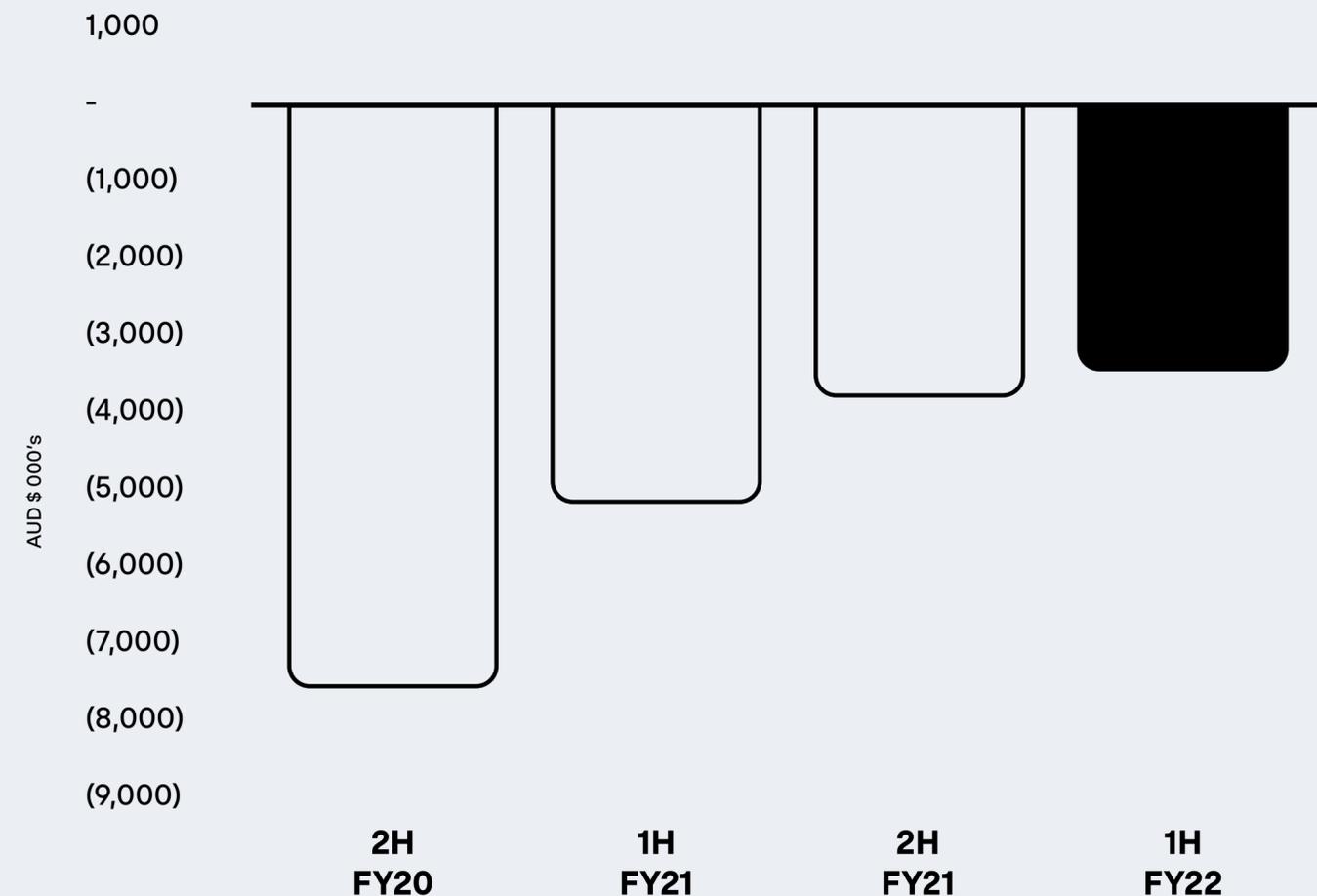
R&D cash spend commensurate with revenue growth as EVS enhances product market fit.

Operating cash flow improvement

Improvement in operating cashflow over recent half year periods demonstrates the growth opportunity within the product segments along with improved gross margin.

Investment in EVS Water and expansion in the geographical footprint will see this flatten out over next 12 – 18 months.

Adjusted Operating Cashflow



Strong balance sheet

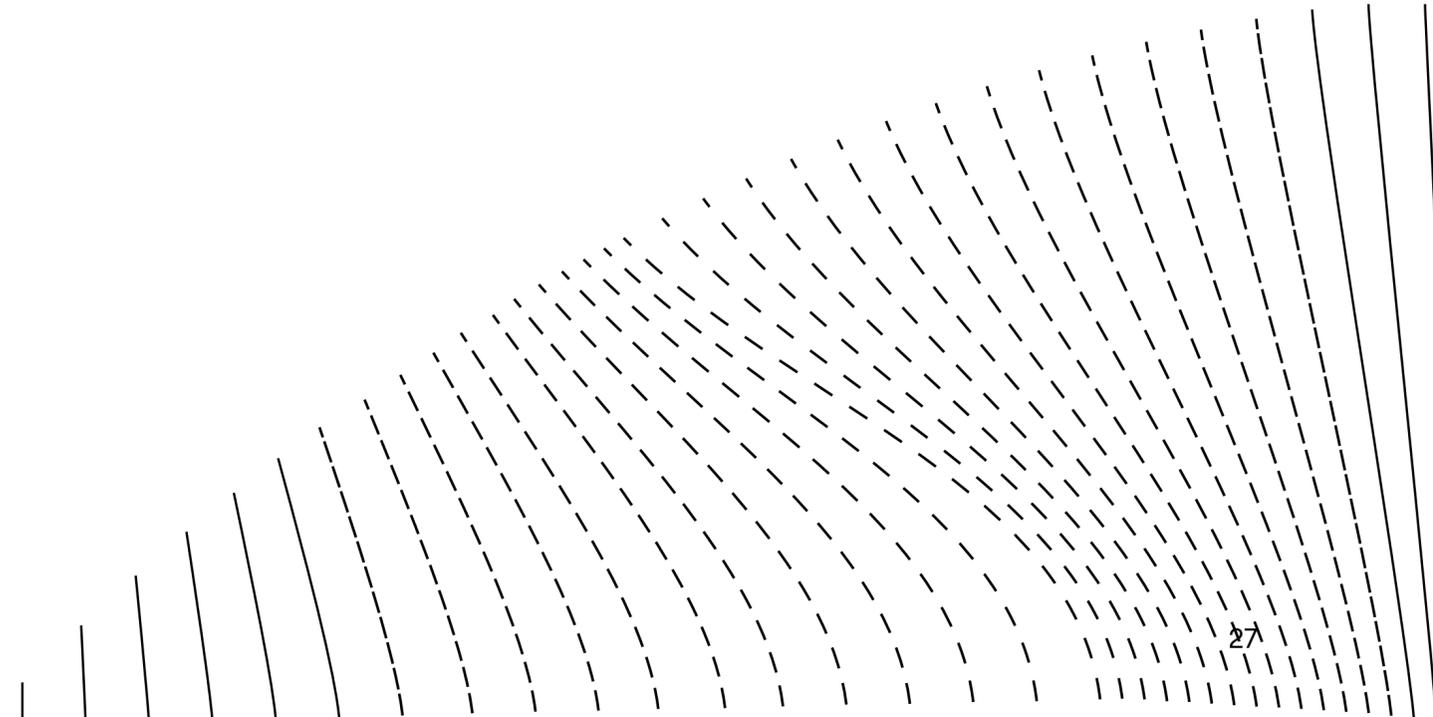
Positioned for growth

Balance Sheet

	Dec 21	Jun 21
Cash and cash equivalents	23,714	17,640
Trade and other receivables	11,051	11,555
Inventories	2,482	2,474
Intangible assets	108,797	108,931
Other	9,949	9,243
Total Assets	155,993	149,843
Trade and other payables	9,806	7,973
Provisions	3,603	4,035
Other	10,284	10,535
Total Liabilities	23,693	22,543
Net Assets	132,300	127,300
Total Equity	132,300	127,300
Current Ratio	2.22	2.09
Quick Ratio	1.94	1.82



Outlook



Strategic priorities



Growth

Leverage ESG tailwinds, strategic partnerships and Americas momentum.



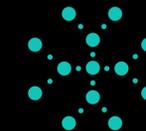
Product

Drive a culture of innovation and scientific excellence to deliver environmental intelligence.



Customer

Deliver high value differentiation through customer success for retention and growth.



Scale

Build for global scale and innovation while optimising for gross profit improvement.



Q&A



Definitions

ARPS	Average Revenue Per Site which is calculated by taking the ARR divided by the number of sites.	Adjusted EBITDA	Earnings Before Interest Depreciation and Amortisation adjusted to (a) exclude share-based compensation, which is a non-cash expense; (b) exclude foreign exchange gains/losses, and transition expenses (redundancy payments and integration costs connected with acquisitions) which are deemed to be non-recurring in nature, and (c) add back depreciation and interest connected with leases recognised under IFRS 16 Leases as these are deemed to be recurring operating cash expenses.
ARR	Annual Recurring Revenue represents the monthly recurring revenue at the reporting date that the company expects to receive from customers based on sales orders received net of any churn.	Current ratio	Measures the ability of the group to pay current liabilities with its current assets. It's calculated by current assets divided by current liabilities.
Churn %	The decrease in ARR over the last 12 months as a result of contract cancellations as a percentage of ARR at the beginning of the prior corresponding period. This does not include contracts where the underlying project has been completed.	Quick ratio	Measures the ability of the group to meet short-term obligations with the most liquid assets. It's calculated by current assets less inventory and other assets divided by current liabilities.
CLTV	Customer Lifetime Value which is calculated by taking the ARPS divided by the churn rate and multiplied by the gross margin percentage for the customer segment. In this presentation, a gross margin rate of 42.4% has been applied to calculate the CLTV.	Serviceable Addressable Market (SAM)	The serviceable addressable market is the portion of the Total Addressable Market (TAM) that can be meaningfully reached by Envirosuite's software and solutions. It is calculated by taking the applicable global Sites (mines, wastewater treatment plants etc.) where Envirosuite's software and solutions could meaningfully apply and multiplied by the current market Annual Recurring Revenue (ARR) price for that software/solution.
Site	A separate and distinguishable site (e.g., airport, mine site, waste and wastewater facility, construction site, etc.) at which Envirosuite's environmental monitoring software and/or solutions are deployed. A single customer may have multiple sites which can be through separate contracts or under one master contract with Envirosuite. A site is only counted once it is included within the calculation of ARR.	Total Addressable Market (TAM)	The Total Addressable Market (TAM) refers to the total market demand for EVS products if 100% of the available market is addressed. It is calculated by multiplying the total number of global Sites (mines, waste water treatment plants etc) by the theoretical market ARR for that Site type.
Recurring revenue	Revenue that the company expects to continue for more than 12 months based on term of the contract entered into with the customer or experience with the customer on other similar sites. Once revenue is treated as recurring revenue, it will continue to be accounted for as recurring revenue until the contract is terminated.		
Environmental Intelligence	Environmental Intelligence harnesses the power of environmental data through proprietary technology to provide analytics, real-time visualisations, predictive modelling and actionable insights so that industry and government can make fast, confident decisions that optimise operational outcomes and improve the liveability of their communities.		

Thank you.



Appendix

Net loss after tax to adjusted EBITDA Reconciliation

A\$000	For the 6 months ended		Movement	
	Dec 21	Dec 20	Dec 20	Dec 20
Net loss after tax	(5,802)	(7,808)	2,006	25.7%
Add back: Tax expense / (benefit)	(51)	(422)	371	87.9%
Add back: Net finance expense (income)	131	136	(5)	(3.7%)
Add back: Depreciation & amortisation	4,072	3,250	822	25.3%
EBITDA	(1,650)	(4,844)	3,194	65.9%
Less: AASB 16 depreciation & interest	(855)	(747)	(108)	(14.5%)
Add back: Share-based payments	311	1,306	(995)	(76.2%)
Add back: Foreign currency losses / (gains)	118	380	(262)	(68.9%)
Add back: Transaction and integration costs	112	343	(231)	(67.3%)
Adjusted EBITDA	(1,964)	(3,561)	1,598	44.9%

Operating cashflow

A\$000	1HFY20	1HFY21	2HFY21	1HFY22
Adjusted Operating Chashflow				
Cash used in operating activities	6,804	6,504	2,006	1,562
Less: Transition costs	(593)	(3,511)		
Plus: Capitalised Development costs	998	1,394	1,032	1,087
Plus: Repayment of AASB 16 Lease	489	677	844	910
Adjusted Operating Cash Flow	7,698	5,064	3,882	3,559