

ASX Announcement

21 November 2024

2024 AGM: CEO Address

I am pleased to be here and share with you the substantial progress we've made in FY24, SciDev's most significant year to date.

I would first like to thank our Board for their ongoing support. The success of any business is predicated on a strong, supportive relationship between the Board and Management as well as true alignment on vision and strategy. The success we have seen though FY24 would certainly not have been possible without this alignment and support.

I would also like to personally thank Simone for her contribution, commitment and support throughout her tenure on the SciDev Board.

Our financial performance over FY24 has been significant. We closed the year with an impressive 22% increase in Group revenue, driven entirely by organic growth across all our business units.

Notably, our Water Technology segment achieved outstanding top-line growth of 88%, underscoring its significant contribution to our overall success.

However, the real story for FY24 was improved profitability driven by increasing gross margins in our Chemical Services segment, particularly in Energy Services, as we increased sales of our propriety products. This drove strong earnings growth, increasing EBITDA 117% year on year.

A key area of focus has been operating cash flow, and I'm pleased to report that the second half of FY24 has been our fifth consecutive half of positive operating cash flow.

We also ended the financial year with a healthy cash position of \$9.4m, up \$1.7m on FY23.

The steady improvement of our cash position, together with our working capital facility, gives us a healthy balance sheet and extra flexibility, enabling us to continue our current organic growth trajectory.

Our financial performance over the past few years shows we are very much a growth business. We have seen consistent and sustained growth year on year driven by the increasing acceptance of our technologies and the development of our end markets.

To illustrate our steep trajectory over the past few years, in 2018, we generated \$2.2m in revenue. In FY24, this grew to \$109.2m. Given the strength of our technologies, balance sheet health, and the extent of our addressable markets, we are confident we can continue this growth journey.

While our top-line revenue growth is great, I'd like to emphasise that the standout feature of the year has been the substantial improvement in EBITDA and our operating cash flow demonstrating the fundamental strength of our business.

Our business units delivered strong and varied performances throughout FY24.

Chemical Services achieved an 11% increase in revenue, driven by a combination of winning new customers and expanding our operational footprint with existing ones. Hidden in this revenue growth is our success in transitioning customers from commodity products to our proprietary technologies, resulting in higher margins from the same revenue base.

As I highlighted earlier, Water Technologies delivered a remarkable 88% increase in top-line growth. This success is due to strategic investments we made in prior years, including the expansion of our team and fleet of equipment, setting us up for a double-up in revenue for FY24.

Our water business has also demonstrated its capability to secure large contracts, such as the two contracts with Acciona Construction on the Sydney Western Harbour tunnel, worth more than \$4.5m each.

This rapid growth has come with initial challenges, and EBITDA from Water Technologies did not increase in line with revenue over the past year. With these teething issues addressed, we are now well-positioned to drive sustainable and profitable growth in this segment moving forward.

Operationally, we've had some big wins. We saw a substantial increase in the sales of our proprietary chemistry in the US oil and gas sector as we successfully transitioned customers away from commodity-style chemistry towards SciDev products. The success of this approach can be seen in the 51.5% increase we've had for CatChek™ sales.

Within our Mining business, we've seen a strong performance in the domestic market driven by the proven performance of our MaxiFlox™ technology. In parallel, we've been actively expanding our international footprint by engaging existing SciDev customers and new prospects to support their global mining operations.

The Joint Venture with Nuocer Chemicals is an exciting development and will strengthen our push to secure market share in international mining.

Within Water Technologies, we have been successful in securing larger Design & Construct (D&C) contracts, unlocking a new segment of the domestic market. Internationally, we have been working to expand into North America and Europe as PFAS regulations tighten across both regions. I'm pleased to report that our efforts have already led to the first revenues in Europe and have generated strong interest in our FluorofIX™ technology from the US market.

Stepping back from the year's highlights and looking more broadly at the overall Group, I'd like to talk about the strategic market focus that will support SciDev's aspirations for the coming years.

At our core, we are a diversified portfolio of water-centric businesses and see true strength in this diversification.

The markets we have chosen to operate in share common traits: they are water-centric, growing addressable markets, have strong regulatory tailwinds, and require technology-driven solutions. As we look forward, these are the guardrails within the water sector that our business operates within.

Success in these markets will depend on having the right team, culture, operating model and capabilities required to capitalise on the extensive opportunities ahead of us.

Our operating model is built around distinct business units functioning within a structured governance framework. This approach allows our business units to remain agile and entrepreneurial as they continue to grow. Central to this strategy is fostering an 'owner mindset' across the organisation, empowering business unit leaders and their teams to drive progress and success within their respective areas.

From a group perspective, this approach enables us to build a diversified and scalable business that effectively operates across various geographies and end markets.

As we move through FY25, we are confident in delivering another strong and positive year for SciDev.

Our healthy balance sheet provides the financial stability and flexibility to continue investing in our existing business units as we capitalise on new opportunities.

In the oil field, our market penetration remains low, giving us substantial room to expand. We are well-positioned to leverage our proprietary chemistry, which continues to gain traction and acceptance, driving growth throughout FY25 and beyond.

In mining, we are focused on increasing our international market share by introducing MaxiFlox™ to new overseas customers, either directly or through the Nuoer-SciDev Joint Venture.

In water, we'll focus on increasing our domestic market share both in PFAS and our broader water treatment market. While Internationally, we will continue to pursue significant opportunities in Europe and North America driven by favourable regulatory environments and growing demand for our solutions.

To close, I'd like to thank the entire SciDev team for an outstanding FY24. I'm incredibly proud of how much we have achieved and, most importantly, the collective efforts that made these achievements possible. I'd also like to thank our shareholders for their continued support, and I look forward to an exciting and successful year ahead.

For Further Information

Corporate

Seán Halpin – Chief Executive Officer

Anna Hooper – Chief Financial Officer

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The Board of SciDev Limited authorises this announcement.

About SciDev

SciDev is a leader in environmental solutions focused on water-intensive industries. Our solutions allow clients to reuse water, improve operational efficiencies and reduce their environmental footprints. We deliver world-leading chemistry and water treatment technology with end-to-end support from our specialist scientists and engineers.

SciDev works with clients across a range of industries, including Mining, Oil & Gas, Construction & Infrastructure and Water Treatment.



Annual General Meeting 2024

21 NOVEMBER 2024

Seán Halpin
CHIEF EXECUTIVE OFFICER

SciDev Snapshot

Corporate overview

ASX code	SDV
Market cap (at \$0.49 per share)	A\$93.0m
Shares on issue	189.9m

As at 2 September 2024

Major shareholders

	% held
Board and Management	10%
Institutional	34%
Retail	56%

As at 10 April 2024

SCIDEV BOARD



Vaughan Busby
Non-executive
Chair



Jon Gourlay
Non-executive
Director



Dan O'Toole
Non-executive
Director



Mike Utsler
Non-executive
Director



Simone Watt
Non-executive
Director



Heath Roberts
Company
Secretary

SCIDEV EXECUTIVE LEADERSHIP TEAM



Seán Halpin
Chief Executive
Officer



Anna Hooper
Chief Financial
Officer



Sarah Stewart
Head of
Marketing & CX



Ollie Kelly
Head of People &
Culture



Jamiel Muhor
Head of Chemical
Services, APAC



Chris Dartez
President
Chemical Services,
North America



Mick Cox
Head of Water
Technologies,
APAC



John Wilson
Vice President,
Water Technologies,
Europe



Quinn Smith
Vice President
Water Technologies,
America

FY24 Financial Highlights

Strong growth through effective execution of the Group's strategy



\$109.2M

Revenue up **22%**



\$8.8m

EBITDA up **117%**



\$6.5m

Operating cash flow up **35%**



\$2.2m

NPAT FY23 loss of \$0.1m



\$3.3m

Free cash flow before
business acquisition

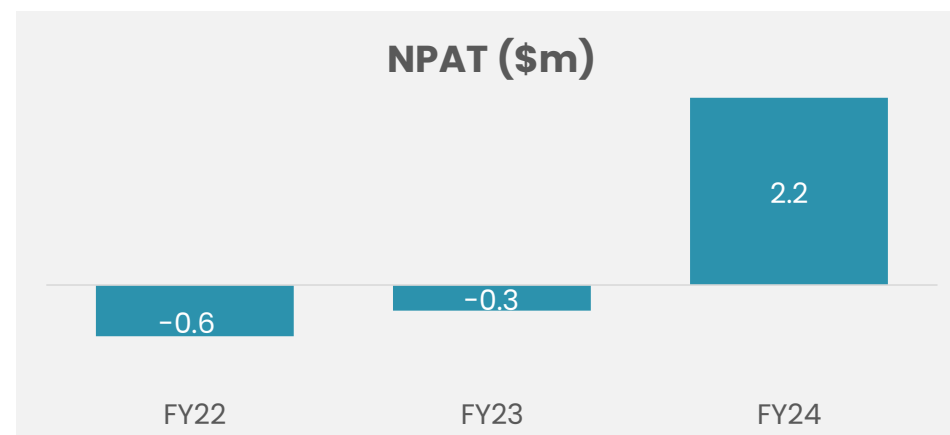
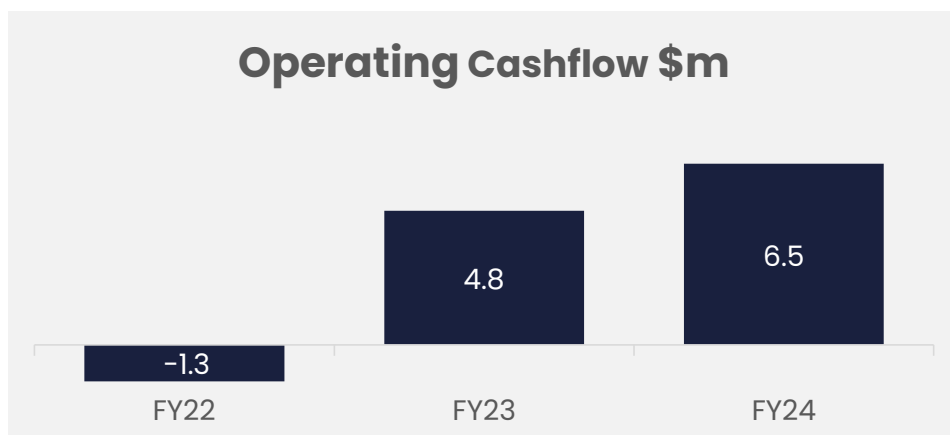
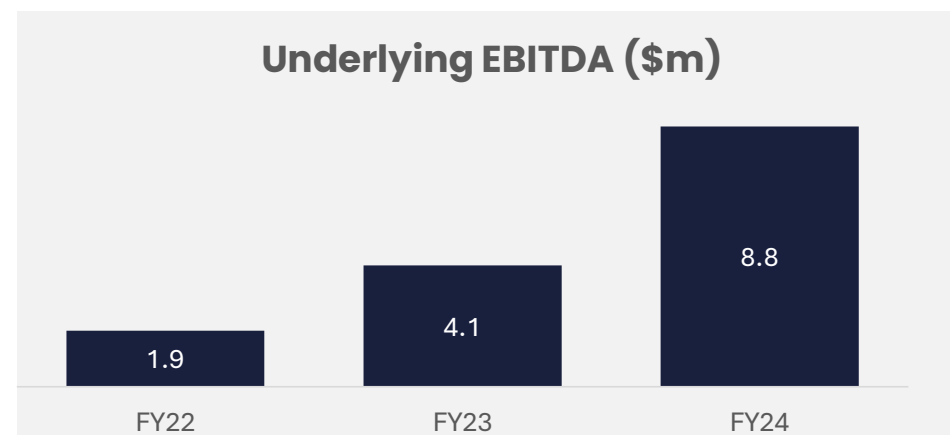
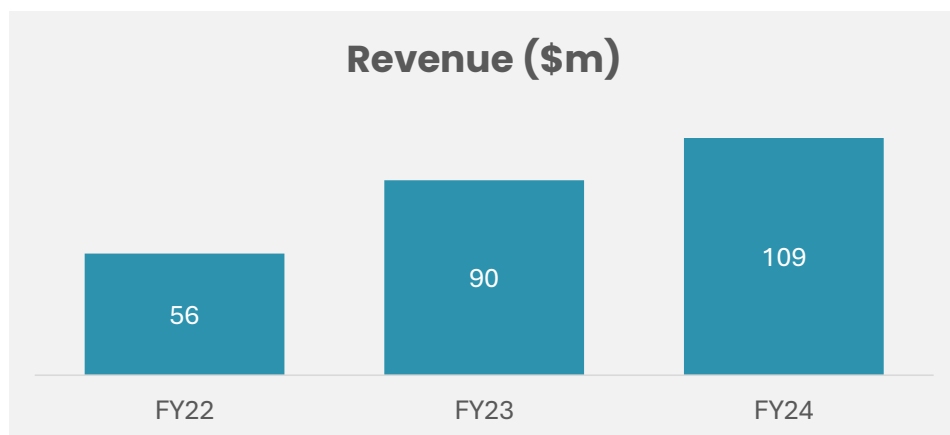


1.15cps

Earnings per share
FY23 loss 0.18cps

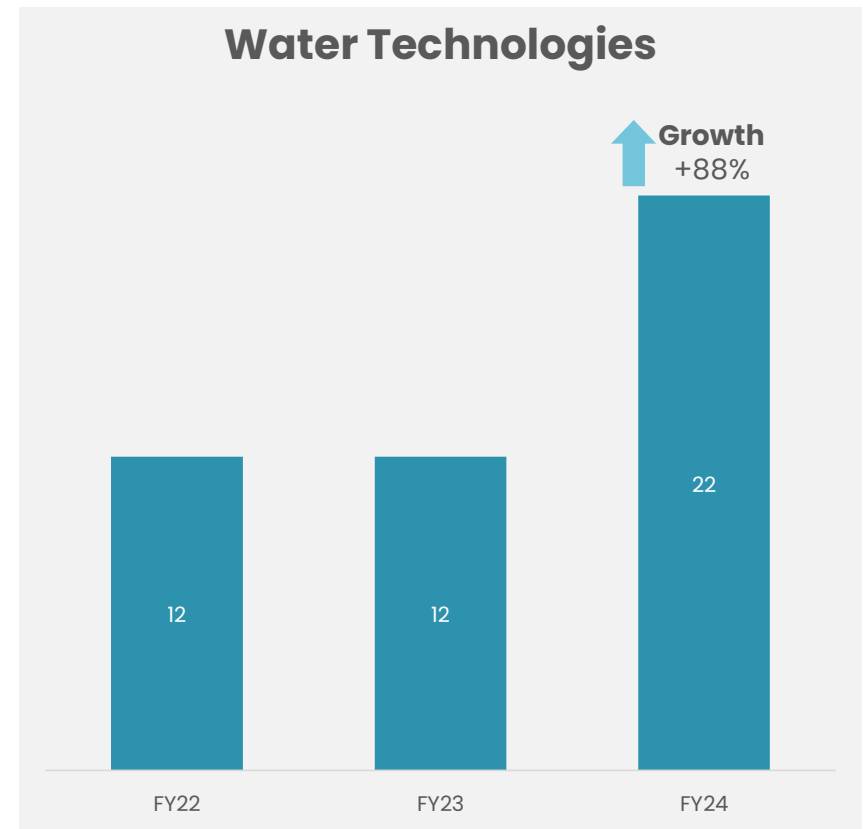
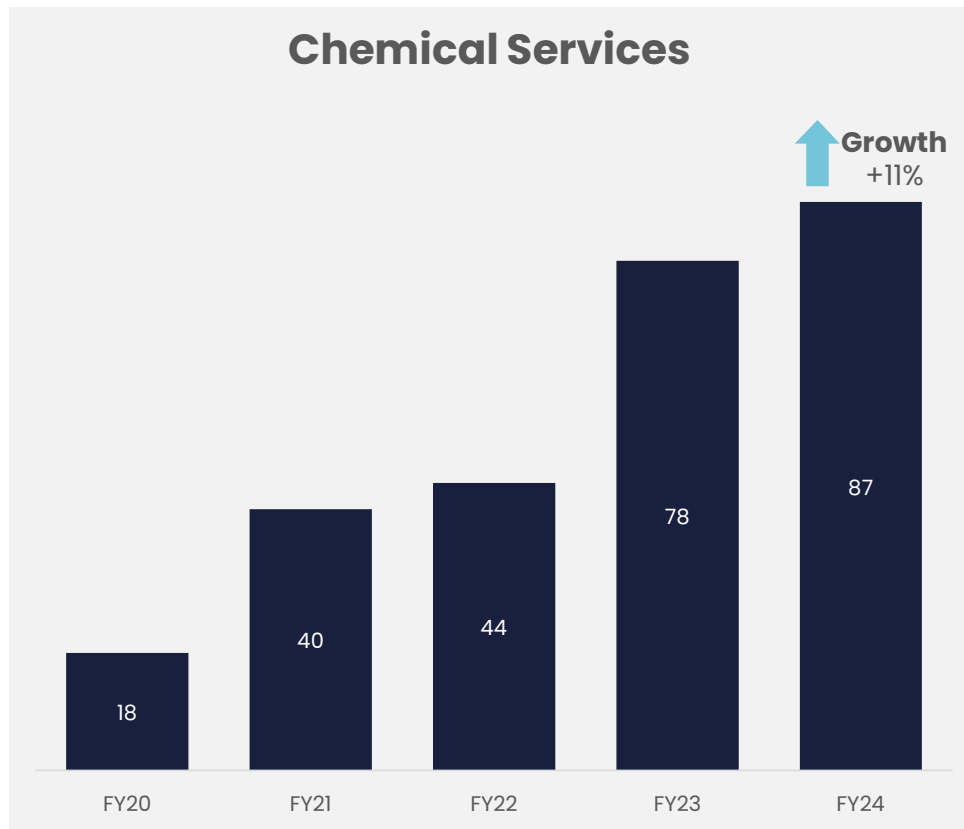
SciDev's Evolution

Sustainable and consistent earnings year on year




Segment Performance

Solid revenue growth across business units



FY24 Operational Highlights

Increasing market penetration and acceptance of SciDev's core technologies



88% Growth of Water Technologies business driven by increase in domestic market penetration, growth in average contract value & uplift in D&C wins.

Nuoer SciDev JV Pte Ltd incorporation established in Singapore, expanding on the current partnership with Nuoer Group to take MaxiFlo[®] chemistry to the global mining industry.

Operated across four Oil & Gas basins in North America, supporting an average of eight completion fleets during FY24.

55% increase in sales of SciDev's proprietary CatChek[™] technology into the US Oil & Gas market.

Development of Fluorofix[™] pilot plants in Europe and North America to demonstrate the superior performance of our technology.

FY24 Drivers of Growth

Disciplined financial & operational approach



Chemistry profit improvement via increased acceptance of proprietary technology



Disciplined approach to capital management



Water growth supported by new D&C projects and larger value contracts



Expanding global footprint



Record growth via greater customer penetration and new sales



Investment in resourcing to support growth

Strategic Market Focus – Where we will play

Diversified portfolio of industry leading, water-centric businesses

Growing global addressable markets. Industrial & government clients. Technology driven solutions.

1

Water treatment technologies

Increasing global regulation driven by water scarcity, climate change and public sentiment.

Industries under increasing pressure to prove their 'license to operate.'

Increasing modernized water industry.

2

Speciality water chemistries

Demand for bespoke product and reliable service across solid industries including oil & gas, mining and infrastructure.

Diverse addressable market with common chemistry backbone enabling technical synergies across chemistry business units.

3

PFAS remediation

Strong global regulatory tailwinds driving demand for effective PFAS treatment and remediation solutions.

US\$250 billion addressable market

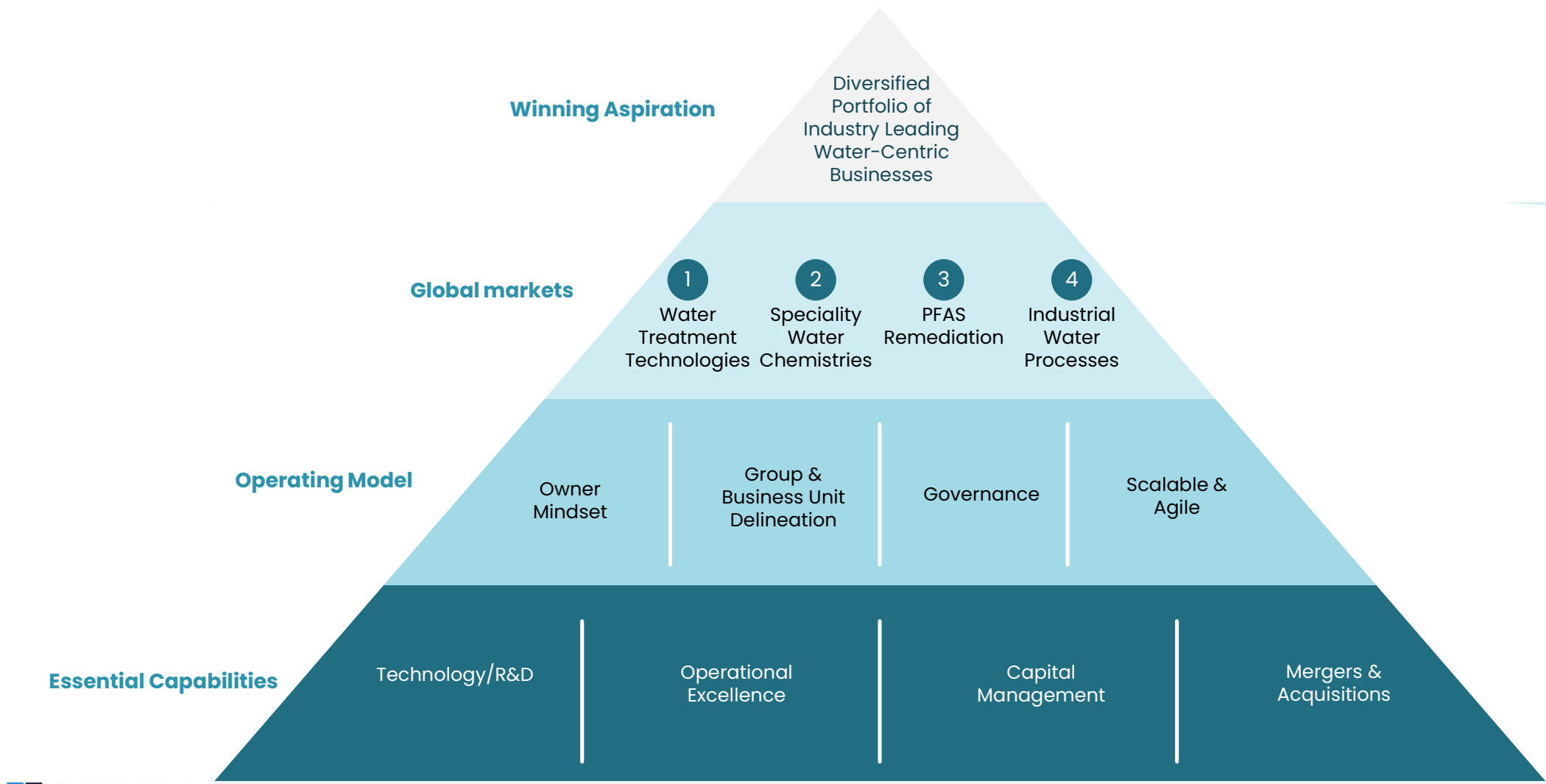
SDV has an established track record at treating commercially to the lowest levels of detection

4

Industrial water processes


Growing demand for improvements in water-based processes and infrastructure that deliver operational, financial and environmental outcomes.

Strategy for Growth – How we will win



Outlook

Continuing momentum in core business, while investing in growth opportunities



Strong balance sheet, well positioned to support organic growth: \$10m Finance facilities agreement with Westpac provide balances sheet flexibility to drive growth.

Continuing to diversify our Oil and Gas industry client base as our proprietary CatChek™ and XSlik product lines gain increasing market acceptance.

Growth and expansion of market share in global mining by delivering MaxiFlo[®] directly to new clients via direct sales, local licencing and partnership agreements & leveraging our Joint Venture with Nuocer Chemicals.

Use FluorofIX™ and RegenIX™ to generate revenue from our developing North American PFAS pipeline spanning the US Department of Defence and private industry.

Exploring opportunities to accelerate growth in Europe as PFAS regulations build in the region (including recent USA EPA PFAS national primary drinking water regulations), while also exploring leachate and industrial wastewater treatment opportunities to secure initial revenue.