de.mem

De.mem Limited (ASX:DEM)

Investor Presentation
2025 Half Year Results

September 2025

CONTENTS

BUSINESS OVERVIEW

3	Diversified product & services
4	Recurring revenue model
5	Large, highly fragmented market
6	Geographic diversification
7	Case studies
9	Corporate snapshot

RESULTS OVERVIEW

10	Record first-half results
11	Record outlook
12	Financial performance
13	High operating leverage
14	Strong acquisition track record
15	Record outlook
16	Investment highlights

DIVERSIFIED WATER TREATMENT PRODUCT & SERVICES OFFERING

Only ASX-listed company with fully diversified offering and Australian metropolitan and regional presence

Packaged Membrane Systems

Membrane Modules

Membranes

Chemical Dosing Equipment

demem

Domestic Water Filters

Water Treatment Chemicals

Services (O&M, BOO)

Pumps & Hydraulics

HIGH MARGIN RECURRING REVENUE MODEL

De.mem generates more than 90% recurring revenues

Membrane Systems

Supply containerized water and waste water treatment plants

Project-based revenues

Services (BOO & O&M)

Build, Own, Operate (BOO) involves leasing of water treatment plants

Operations & maintenance (O&M) services provided under longer term contracts, often with equipment supply

Specialty Chemicals

For water treatment plant operations and stand-alone applications

Pumps, Services & Equipment

Supply pumps, small standardized equipment and maintenance for plant operations

Recurring Revenues

LARGE, HIGHLY FRAGMENTED MARKET

The Australian market is highly fragmented, with multiple small operators in narrow niches and limited geographies.

The global market is US$39 billion (4).

DEM is the only provider of a complete decentralised wastewater treatment product & service offering across Australia.

A$2.3 billion

Addressable Market (Australia)

Decentralised wastewater systems A$300m p.a.[1]

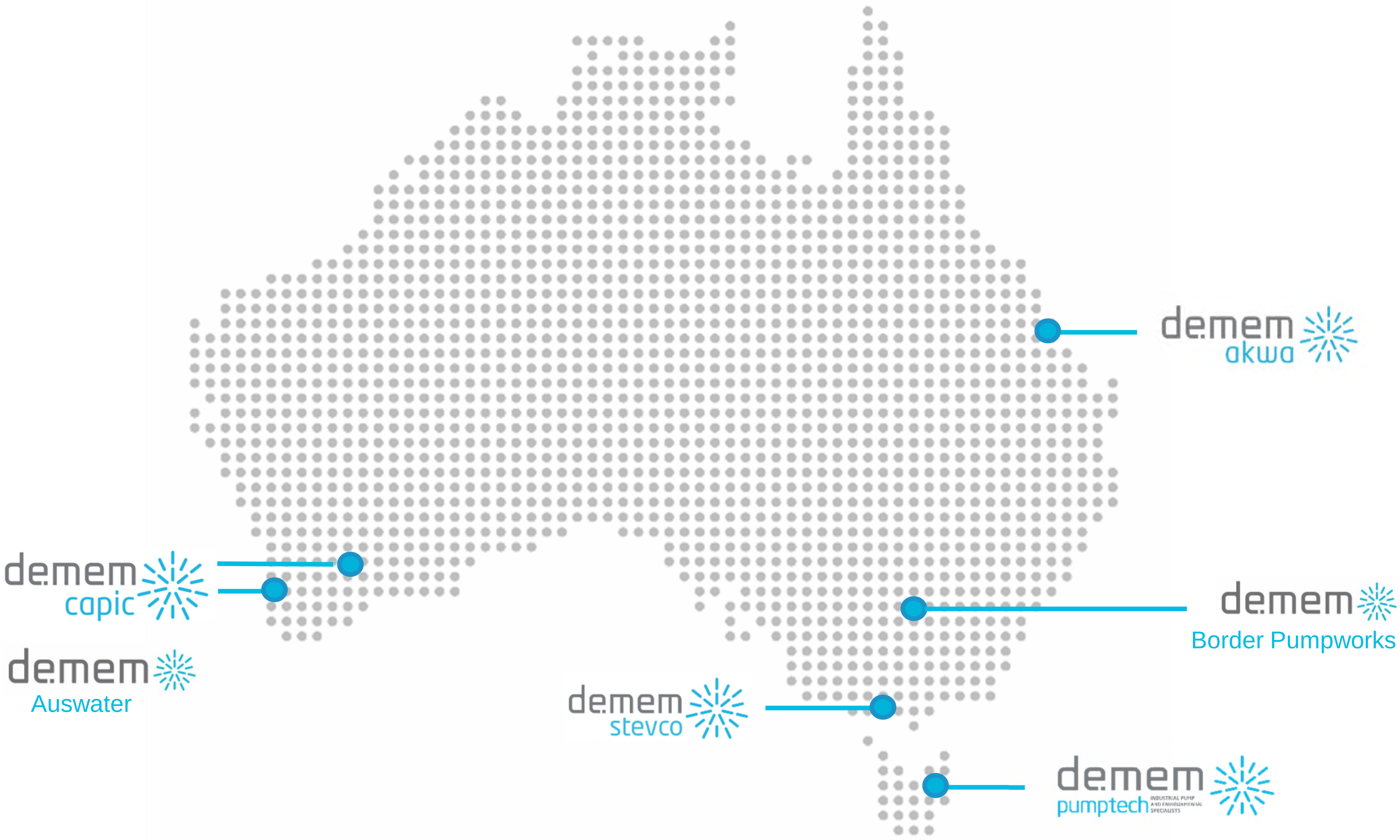
Pumps equipment market >A$1bn p.a.[2]

Water treatment chemicals >A$1bn p.a.[3]

Sources:
(1) Company estimates
(2) Australian Pump Industry Association website, April 2022
(3) RFDTV, Australian Water Treatment Chemicals Market Size in 2018, 29/11/2021
(4) 2026 foreast, Research & Markets, “Decentralized Water Treatment Market – Global Outlook and Forecast 2021-26”, 24/9.2021

GEOGRAPHIC DIVERSIFICATION

Australia-wide offering
including key regions of Kalgoorlie (Western Australia) and Albury-Wodonga (regional VIC/NSW)



CASE STUDY: WASTE WATER TREATMENT FOR F&B CLIENT

De.mem provided a waste water treatment plant deploying its Ultrafiltration technology under a BOO agreement to a leading multinational from the F&B industry in Singapore

- **De.mem provided an integrated waste water treatment plant deploying our proprietary Ultrafiltration membrane technology and other treatment processes to a multinational client in Singapore under a $2.1m, minimum 6-year BOO agreement (announced on 29 August 2022)**
- The main components of the system are containerized for plug & play deployment on site
- Key treatment process are De.mem’s proprietary hollow fibre Ultrafiltration membranes
- De.mem operates & maintains the system on behalf of the client and provides all chemicals & consumables required
- Effectively, De.mem manages the entire waste water treatment process for the client’s site
- De.mem also manages the concentrate from the plant based on another, separate BOO; reducing the liquid waste to a minimum (“Zero Liquid Discharge”)

CASE STUDY: WATER TREATMENT MANAGEMENT FOR SNOW RESORT

De.mem provided a Membrane Bioreactor (MBR) plant under a BOO agreement to a snow resort in Australia for their waste water treatment and recycling

- **De.mem provided a Membrane Bioreactor (MBR) plant to an Australian snow resort under a $1m, 5-year BOO agreement (announced on 8 December 2021)**
- The system is containerized in 2 40-foot containers
- It is based on a very robust design, to operate reliably under extreme weather conditions
- The plant uses hollow fibre membrane technology to deliver high quality treated water for recycling/re-use of the resort's waste water and sewage i.e. for the snow making process
- De.mem assists the client with the ongoing operations of the system, ensuring the resort's regulatory compliance

Over the last 3 months, De.mem is recovering its prior underperformance relative to ASX Small Industrials index

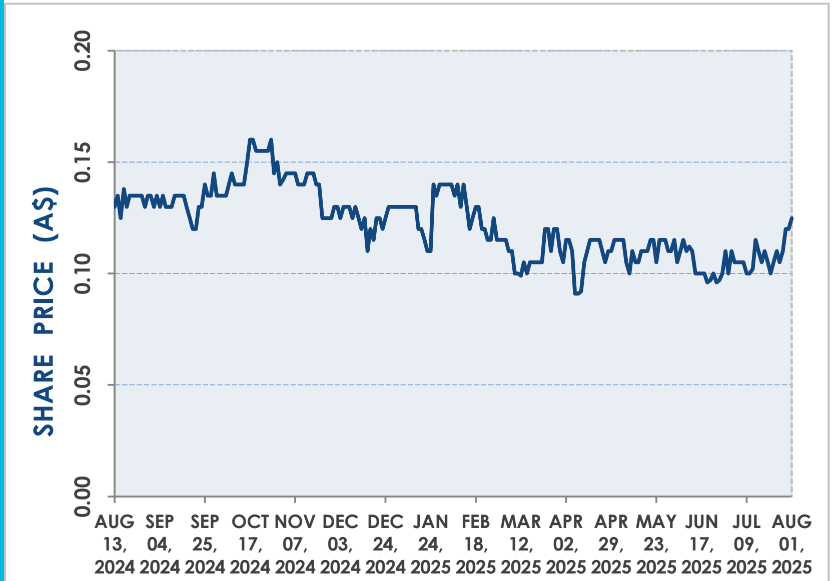
MARKET DATA

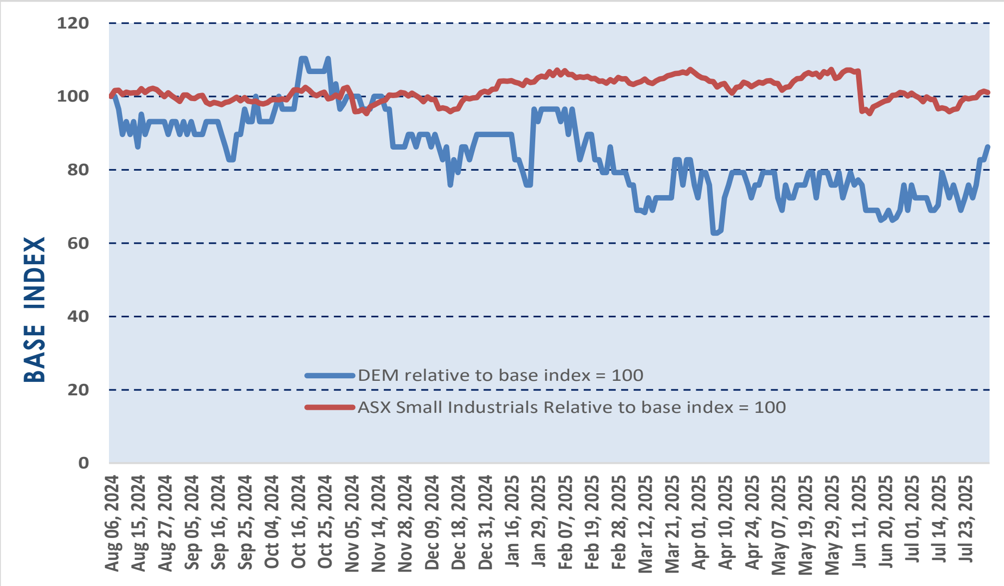
ASX code	DEM
Ordinary shares	~293m
Market capitalisation	$31m
Cash on hand (30.6.25)	$4.0m
Listed on ASX	7 April 2017
Last price (22.8.2025)	10.5cps
52 week high	16cps
52 week low	8cps
Cash receipts – last 12 months	~$30.5m
Market cap / LTM cash receipts	1.0x
GICS classification	Utilities

MAJOR SHAREHOLDERS

NA Singapore Early-Stage Venture Fund	~14%
Perennial Value Microcap Opportunities Fund	~14%
Mr Andreas Hendrik De Wit (Non-executive Director)	~7%
Pathfinder Fund	~5%
New Asia Investments Pte Ltd	~4%
Mr. Andreas Kroell (CEO)	~1%

SHARE PRICE PERFORMANCE

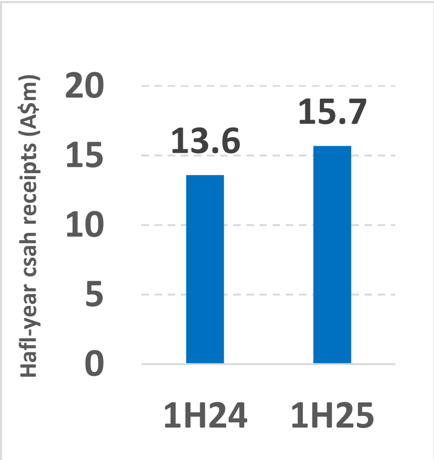




RECORD FIRST HALF 2025 RESULTS

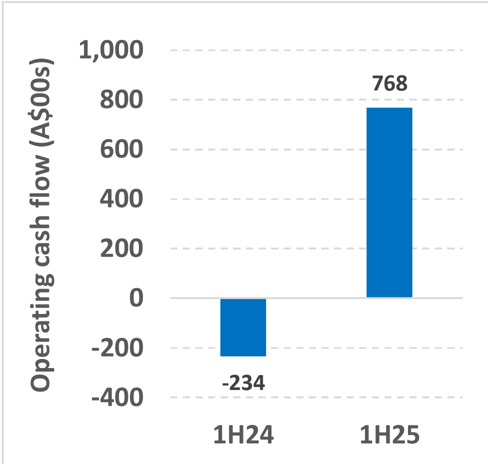
Record H1 2025 results set foundation for record full-year results

Cash receipts (A$m)



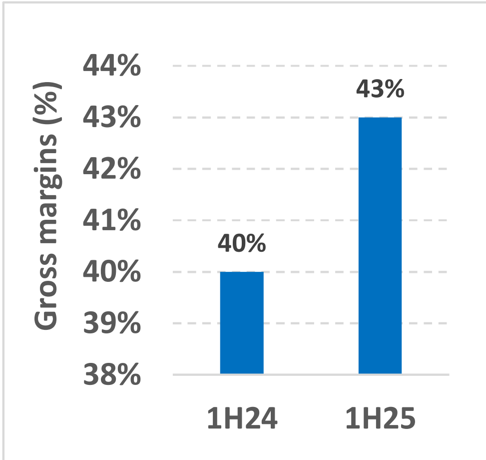
- **1H25 - Record $15.7m cash receipts**
- 16% growth vs pcp
- 25% CAGR over 6 years

Operating cashflow (A$m)



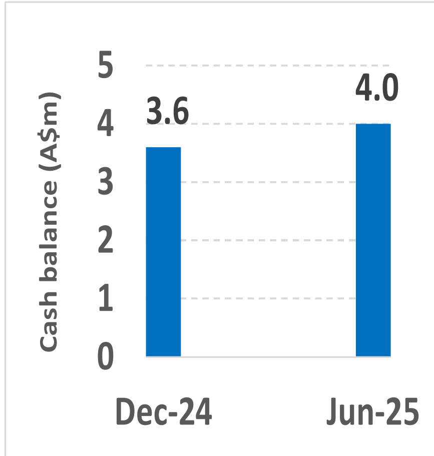
- **1H25 - $768k positive operating cash flows**
- Turnaround from -$234k in 1H24

Margins (%)



- **1H25 – 43% gross margins**
- Up from 40% in 1H24
- From 18% in CY 2017

Cash balance (A$m)

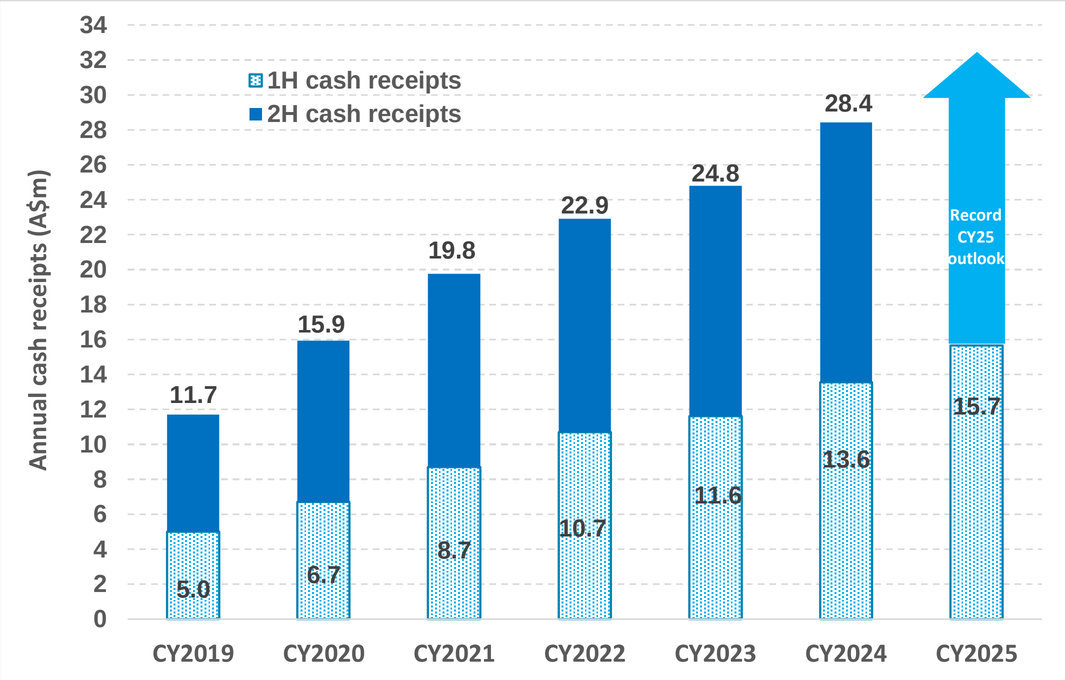


- **30 June 2025 - Cash increased to $4.0m** (from $3.6m)

RECORD OUTLOOK

On track for record full year CY2025 results

Record full-year outlook (A$m)



RECORD FULL-YEAR OUTLOOK

- **Record H1 2025 results** provide strong foundation
- **25 consecutive quarters of growth** momentum maintained
- **90% recurring revenue** base provides cash flow visibility

FINANCIAL PERFORMANCE (P&L)

Strong results across all key metrics – delivered on key objective of positive EBITDA

H1 2025 results summary

A$M	1H 24	1H 25	% change
Revenue	**$11.7**	**$14.0**	**+20%**
Cost of Goods Sold	$7.0	$8.0	+14%
Gross profit	**$4.7**	**$5.9**	**+26%**
Gross margin	40%	43%	+3%
Administrative & corporate expenses	$5.1	$5.5	+8%
Adjusted EBITDA[3]	**($389k)**	**$556k**	**+$945k**

HIGH OPERATING LEVERAGE

Well positioned for high free cashflow generation with high gross margins and relatively fixed cost base

Full calendar year

A$M	CY23	CY24	% change
Cash receipts	$24.8	$28.4	15%
Operating costs	$26.2	$28.2	8%
Net operating cashflow	**-$1.4m**	**$115,000**	

Half-year

A$M	1H24	1H25	% change
Cash receipts	$13.6	$15.7	16%
Operating costs	$13.8	$14.9	8%
Net operating cashflow	**-$234k**	**$768k**	

POSITIVE OPERATING LEVERAGE

- High positive operating leverage, increasing from 7% to 8%
- CY24 full calendar year: 7% positive operating leverage (15% cash receipts less 8% cash costs growth)
- H1 2025 half-year: 8% positive operating leverage (16% cash receipts less 8% cash costs growth)

HIGH QUALITY CASH FLOWS

- Over 90% recurring cash receipts
- Revenues well diversified by geography, product/service, customer
- Blue-chip customer base

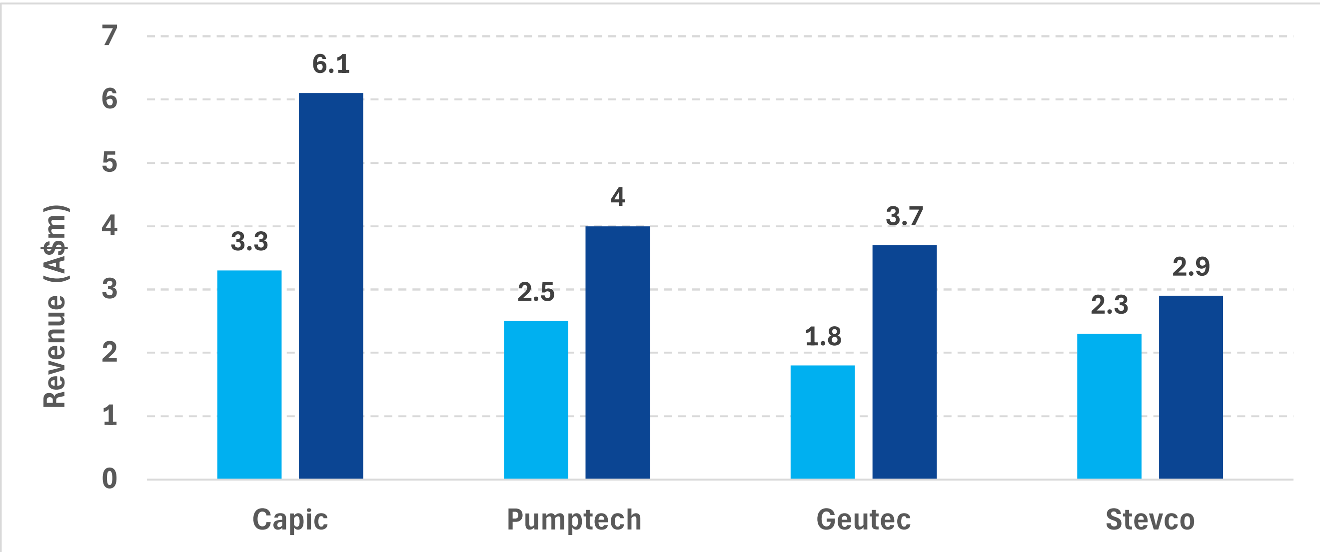
STRONG ACQUISITION VALUE-ADD TRACK RECORD

Since 2019, De.mem has successfully grown 4 bolt-on acquisitions by average ~69%

Historical acquisition growth

- Since 2019, ~$11m total value has been paid to acquire 6 businesses (with Border Pumpworks and Auswater acquired in 2024), adding approximately ~$12m revenue at acquisition (vs $28.4m CY24 cash receipts)
- Revenues of the 4 historical acquisitions have increased by ~69% since acquisition
- Revenues of two recent acquisitions (Border Pumpworks and Auswater Systems) have grown by approx. 42% in the first 6 months of 2025 (vs pre-acquisition average for both entities)

Acquired business revenue growth



REVENUE GROWTH (1)	85%	60%	106%	26%

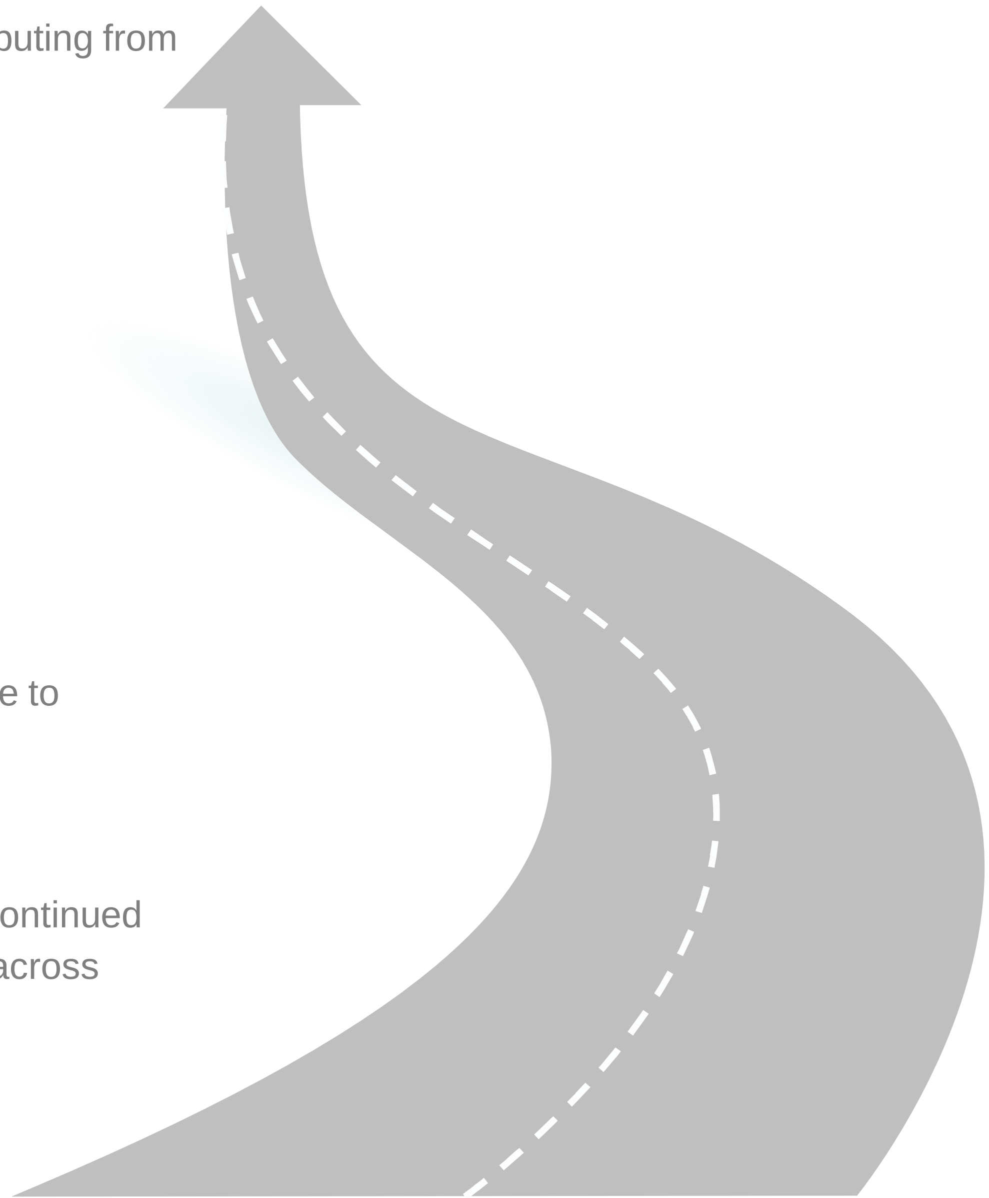
Demem achieved 69% revenue growth of acquired businesses

(1) revenue growth % = compares last financial year (preliminary/unaudited) vs. annual revenue pre acquisition. .

RECORD OUTLOOK

Several stock re-rating catalysts

Record CY2025 outlook



Acquisition integration upside
Border Pumpworks and Auswater Systems (contributing from mid-year 2024)

Domestic water filter sales
Expand domestic water filtration system sales into Asia-Pacific region

Product gross margin expansion via cross-sales
Increased to 43% in H1 2025 as high margin products are cross-sold (vs 18% CY17)

Financial leverage
Leverage positive cashflows to access debt finance to enhance return on equity (ROE)

Record results momentum
Maintain double-digit growth momentum through continued margin expansion and cross-selling opportunities across expanded national footprint

INVESTMENT HIGHLIGHTS

On track for record CY2025 full year results, supported by record growth momentum and recurring cashflows

Record results, with positive operating cashflow

- Record half-year revenue of $14.0m, up 20% vs prior corresponding period.
- Record half-year cash receipts of $15.7m, up 16% vs prior corresponding period.
- Record growth momentum, with 25 consecutive quarters of cash receipts growth.
- Record 43% gross margins, up from 40% in H1 2024.

Recurring revenue model

- More than 90% recurring cash receipts

Strong balance sheet

- Cash balance increased to $4m (30 June 2025) vs $3.6m (31 December 2024)

Record outlook

- On track for record full year cash receipts, underpinned by 90% recurring cash receipts and 25 consecutive quarters of cash receipts growth

Blue chip clients

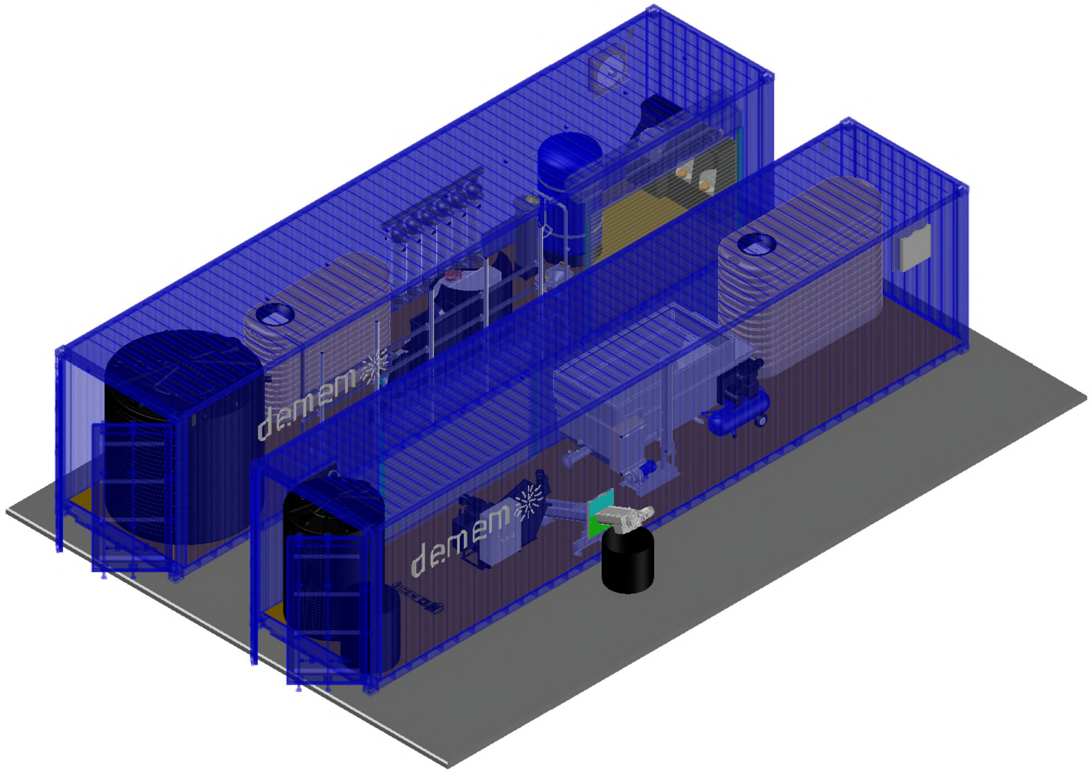
- Blue chip clients across multiple segments
- Mining & resources – Rio Tinto, South 32, Pilbara Minerals
- Food & beverage – Coca Cola, Givaudan, Costa Group, Inghams
- Industrial – AGL, Alcoa

Strong acquisition value-add track record

- ~69% revenue growth over 4 acquisitions over 4 years
- Two recent acquisitions well integrated and adding value

Attractive valuation

- Trading at ~$31m market cap, ~1.0x cash receipts (H1 2025 annualized)
- Significant discount relative to global comparable companies and global acquisitions



Andreas Kroell
Chief Executive Officer
De.mem Limited
investor@demem.com.sg

George Gabriel, CFA
Investor relations
BLETCHLEY Park Capital
gg@bletchleyparkcapital.com.au

Follow us on
Linked In