



## ASX RELEASE

25 July 2024

# FY24 Q4 Sales Update: New Sales of \$3.8m, ARR grows 2.9% PCP to \$61.1m

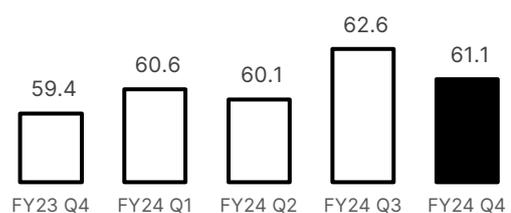
### Key Highlights

- New Sales of \$3.8m, including New ARR of \$2.1m and Project Sales of \$1.7m.
- EVS Industrial continues to drive the Company's growth with New ARR of \$1.5m, including a first landfill site in New Zealand with Porirua City Council, expanded solutions with a Vale mine and Braskem petrochemical facility in Brazil, and scaled to another BHP mine in Australia.
- EVS Aviation added New ARR of \$0.6m including expanded solutions with Salzburg Airport in Austria and Dublin Airport in Ireland.
  - The Company also secured a significant multi-year renewal with London Heathrow in the UK. London Heathrow is one of the world's leading airports and a strategic customer for Envirosuite that uses almost all EVS Aviation solutions.
- Total ARR grows 2.9% PCP to \$61.1m, with New ARR offset by unfavourable foreign exchange movement, downsell and churn.
- The Company won back two former customers during the quarter in strong demonstrations of Envirosuite's proven market value and competitive differentiation: a wastewater treatment plant with City of Woodland and Charlotte Douglas International Airport, both in the USA.
  - The Company also re-engaged commercially with a BHP mine in Chile that ceased using Envirosuite solutions earlier in FY24.
- Several construction contracts reached end of life during the quarter. Solution scope also reduced in some customer renewals for reasons including significant budget pressure on the customer side and facilities temporarily ceasing production due to capital works or force majeure events.
- Churn over the last twelve months (LTM) increased slightly to 4.1%.
  - The Company remains focused on driving growth and delivering value into its core sectors and continues to make strategic decisions to not renew or pursue non-core opportunities or low margin contracts.

**New ARR (\$m)**



**Total ARR (\$m)**



## **FY24 Q4 Sales Update**

Leading environmental intelligence technology company **Envirosuite Limited (ASX: EVS) (Envirosuite or the Company)** is pleased to announce that it has achieved \$3.8m of New Sales in FY24 Q4 (**Q4**), with New ARR of \$2.1m and Project Sales of \$1.7m. Total ARR has grown to \$61.1m, up 2.9% PCP.

### **Envirosuite CEO, Jason Cooper said:**

*“The Company has delivered sustainable ARR growth in Q4 in line with the guidance provided in the Q3 update, as we focused on prudent cost management. The Americas continues to headline Envirosuite’s growth, though it was also pleasing to see a strong contribution from the EMEA region with some notable wins.*

*“The momentum built in EVS Industrial through a clear focus on our four key sectors is delivering results, particularly in the Mining and Waste sectors where we continue to win initial sites with new customers and deepen relationships with existing customers through expanded solutions and scaling to additional sites. As a notable testament to our proven market value and the intensifying macro-economic pressures around Environmental Justice, we won back the City of Woodland wastewater treatment plant in California, USA. We also re-engaged commercially with a BHP mine in Chile that ceased using our solutions earlier in FY24. These wins are clear demonstrations of our position as the world’s most advanced environmental intelligence technology company.*

*“Our market leadership in EVS Aviation was also demonstrated with the win back of Charlotte Douglas International Airport in the USA through a competitive tender process. This win is testament to the proven value our solutions provide to the industry and the aviation expertise of our Envronauts. Most major airports have a clear and established need to effectively manage their operations and community relationships with a robust system and high-quality data, and we remain strongly positioned for ongoing success in this sector.*

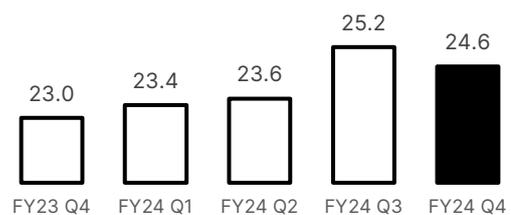
## EVS Industrial

- Total Sales of \$2.3m including New ARR of \$1.5m. Total ARR is now \$24.6m, up 7.0% PCP.
- Strong momentum established particularly in Mining and Waste sectors continues to deliver growth.
  - Won first landfill site with Porirua City Council in New Zealand for a combined odour, dust and community engagement solution.
  - Scaled to an additional site with BHP in Australia, where the Company will provide a mining dust management solution.
- Won back wastewater treatment plant site with returning customer City of Woodland in the USA, where Envirosuite will provide an odour management solution to improve complaint management and odour mitigation efficiency.
- The Company also re-engaged commercially with a BHP mine in Chile that ceased using Envirosuite solutions earlier in FY24.
- Churn LTM remains steady at 8.1%.
  - Several construction contracts reached end of life during the quarter. The Company also reduced solution scope with some customers for reasons including significant budget pressure on the customer side and facilities temporarily ceasing production due to capital works or force majeure events.

**EVS Industrial New ARR (\$m) <sup>1</sup>**



**EVS Industrial Total ARR (\$m) <sup>1</sup>**



## Porirua City Council

Envirosuite landed its first waste site in New Zealand during the quarter, signing an agreement to provide an odour and dust management solution for Porirua City Council's Spicer's Landfill facility.

Since 2021 Porirua City Council has seen a significant increase in community odour complaints in relation to Spicer's Landfill, impacting community relationships. Responding to these complaints using traditional methods is challenging and time-consuming, with the Council determining it needed a solution to better manage complaint volumes and improve complaint resolution to protect its social license.

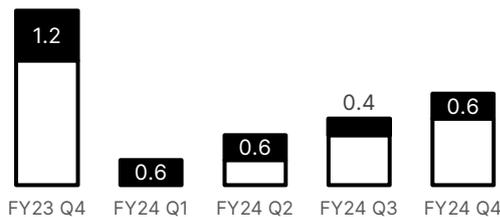
Envirosuite's Omnis platform will empower Porirua City Council to understand its odour and dust impact in real-time as well as predict high-risk impact periods ahead of time so it can review operating plans accordingly. This combination of real-time monitoring data and predictive modelling allows the Council to provide informed responses to community complaints that are backed by science, quickly. Envirosuite will also provide a public portal as part of the agreement, where community members can self-serve to see the odour and dust impacts of Spicer's Landfill themselves.

(1) Includes EVS Water ARR following portfolio consolidation in FY24 Q3

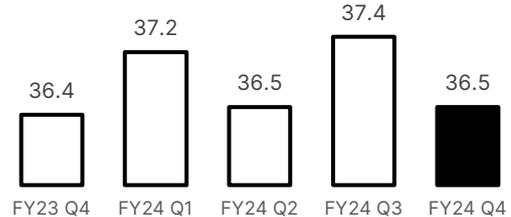
## EVS Aviation

- Total Sales of \$1.5m, including New ARR of \$0.6m bringing Total ARR to \$36.5m, up 0.3% PCP.
- The Company secured a significant multi-year renewal with London Heathrow in the UK. London Heathrow is one of the world’s leading airports and a strategic customer for Envirosuite that uses almost all EVS Aviation solutions.
- Landed Charlotte Douglas International Airport in the USA for a flight operations management system and flight investigation community portal. Won via competitive tender, this is a win-back for Envirosuite and further demonstrates the Company’s market leadership in Aviation.
- Further expansion with key customer Dublin Airport in Ireland, which will see Envirosuite’s Airline Compliance module used to improve airline adherence to the airport’s air traffic control noise abatement procedures. This win is especially pleasing on the back of Dublin Airport’s multi-year renewal and solution expansion with Envirosuite in Q3.
- Signed major expansion with Salzburg Airport in Austria, which will see the customer upgrade from NoiseDesk to the more powerful ANOMS solution as well as adopt community engagement solutions WebTrak and InsightFull as the airport looks to maintain and strengthen its community and regulatory stakeholder relationships.
- Churn LTM increased slightly to 1.5%.
  - The Company reduced solution scope with some customers for reasons including significant budget pressure on the customer side and reduced aircraft operations.

**EVS Aviation New ARR (\$m)**



**EVS Aviation Total ARR (\$m)**



## Charlotte Douglas International Airport

Charlotte Douglas International Airport (CLT) in North Carolina, USA has selected Envirosuite via a competitive tender process to provide a flight operations management and community flight tracking solution under a multi-year agreement.

While the noise challenges at CLT are not as pronounced as some airports, community stakeholders still expect transparency around the airport’s operations and scrutinise the data and information communicated. Similarly, CLT requires a robust flight operations management platform that they can rely on to run the airport and manage stakeholders proactively with quality data and insights.

In addition to the technology solution put forward in the bid, CLT saw strong value in both the Company’s deep domain expertise and the sense of community and industry network available through the Envirosuite Forum events. These are unique differentiators for the Company made possible through the market-leading position and decades of experience servicing airports globally.

## ARR on a Reported and Constant Currency Basis (refer 'Definitions' below)

### Reported Basis

Product suite	ARR Reported \$m			
	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4
EVS Aviation	37.2	36.5	37.4	36.5
EVS Industrial <sup>2</sup>	23.4	23.6	25.2	24.6
Total	60.6	60.1	62.6	61.1

### Constant Currency Basis

Product suite	ARR Constant Currency \$m			
	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4
EVS Aviation	36.8	37.1	37.2	37.1
EVS Industrial <sup>2</sup>	23.2	24.1	25.0	25.0
Total	60.0	61.2	62.2	62.1

## Outlook

Envirosuite expects to lodge its FY24 Annual Report and Full Year Results in late August 2024 and plans to host an investor webinar at that time. Details on how to register will be communicated in due course.

Through FY23 and FY24 the Company has maintained a strong focus on exercising prudent cost management while delivering sustainable growth. With a strong opportunity pipeline across its focus sectors supported by global macro-economic drivers including ESG, the Environmental Justice social movement in the USA, and environmental and social responsibility, the Company enters FY25 with a renewed growth mindset.

Analysis of FY24 results remains in progress in terms of determining Adjusted EBITDA, however the Company does note that Project Sales and associated non-recurring revenue, particularly those anticipated in Q4, have been below expectations. Project Sales are variable in nature, with some anticipated customer projects being deferred into FY25.

## Corporate activity

As noted most recently in the ASX announcement released 13 June 2024, the Company in consultation with its advisors, continues to explore a range of possible strategic opportunities with third parties. There is no certainty that any transaction will result. The Company will provide market updates in accordance with its disclosure obligations.

(2) Includes EVS Water ARR following portfolio consolidation in FY24 Q3

## Definitions

<b>ARR</b>	<p>Annual Recurring Revenue represents contracted monthly recurring revenue at the reporting date that the company expects to receive from customers based on sales orders received net of any churn. A minimum contract term of 12 months is required for recognition of ARR.</p> <p>Reporting date ARR denominated in foreign currency is translated into AUD based on foreign exchange rates prevailing at the reporting date. The movement in ARR between reporting periods includes the impact of new ARR sales, churn, down sells and FX movements.</p>
<b>Churn %</b>	<p>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 or where there remain other contractual relationships with the customer or site.</p>
<b>Adjusted EBITDA</b>	<p>Earnings Before Interest, Tax and Depreciation and Amortisation adjusted to (a) exclude share-based compensation, which is a non-cash expense; (b) exclude foreign exchange gains/losses, transformation 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.</p>
<b>Constant Currency</b>	<p>For the purpose of quarter-to-quarter comparison during the reporting period, Constant Currency adjusts the ARR for the reporting basis translating ARR at the same foreign exchange rates prevailing as at the most recent year end reporting date.</p>
<b>EVS Aviation</b>	<p>The Company's product portfolio focused on the Aviation industry. The portfolio includes world-leading platforms for airports to demonstrate compliance with local regulations, maintain trust with their communities and support growth initiatives.</p>
<b>EVS Industrial</b>	<p>The Company's product portfolio focused on the Mining, Industrial, Waste and Wastewater industries. The portfolio's flagship software, Omnis, provides highly accurate, predictive insights for operators to balance increasing community and regulatory expectations with production goals.</p>
<b>EVS Water</b>	<p>The Company's product portfolio focused on the Water Treatment industry including sewer networks. The portfolio includes powerful digital twin technology for water utility operators and engineers to address increasing business, operational, customer and environmental challenges.</p>
<b>Project Sales</b>	<p>Project Sales include upfront instrumentation sales, consulting project work, and solution implementation fees. While continuing to trend upwards annually, new Project Sales exhibit quarterly variability around project timing.</p>

<b>Land</b>	Terminology used when the Company signs an initial site with a new customer.
<b>Expand</b>	Terminology used when the Company provides additional solutions on top of solutions already being provided to an existing customer site.
<b>Scale</b>	Terminology used when the Company signs an additional site(s) with an existing customer for a similar solution to that provided at existing sites.
<b>Environmental Intelligence</b>	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.

To follow the Envirosuite journey, subscribe to our investor mailing list via the [Investor Page](#) on the Company's website and follow us on [LinkedIn](#).

For the purpose of compliance with Guidance Note 8 of the ASX Listing Rules, the Company confirms, as at the date of this announcement, that the new commercial contracts referred to above are not individually financially material to annualised Company revenues. There are no other material contract provisions or conditions to be satisfied prior to the parties being legally bound to proceed with any contract mentioned above.

Authorised for release by the Board of Envirosuite Limited.

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## **ABOUT ENVIROSUITE**

Envirosuite (ASX: EVS) is the world's most advanced environmental intelligence technology company, trusted by leading operators across the aviation, mining, industrial, waste and wastewater sectors.

Envirosuite combines evidence-based science and industry expertise to build category-leading technology that helps customers manage complex operational challenges, reducing risk and improving productivity while protecting and strengthening social license and community relationships.

By harnessing the power of environmental intelligence, Envirosuite is helping to create a world where people, planet and industry can prosper in partnership.

[www.envirosuite.com](http://www.envirosuite.com)