

## ASX RELEASE

20 February 2025

# H1 FY25: Total ARR \$65.7m up 9.3% on PCP, maiden positive H1 EBITDA result, \$4.1m New ARR Sales & \$6.0m Project Sales

### Key Highlights

- Continued improvement in EBITDA to \$0.2m, up \$0.4m or 225.9% on PCP.
- Total ARR grows to \$65.7m up 9.5% on PCP including New ARR Sales of \$4.1m, underpinned by continued international growth with the Americas region now contributing 45% of Total ARR.
- Significant momentum generated within Hitachi Construction Machinery relationship during the half, with first deal now in advanced stages of negotiation.
- \$6.0m in Project Sales, a record half-year result driven by upfront instrumentation sales, solution implementation fees, customer projects delayed in FY24, and a significant expansion of work under NASA X-59 QueSST mission.
- Recurring revenue for the half grows to \$27.0m up 3.5% on PCP, representing 91.5% of total revenue.
- Gross profit improvement of 1.7% on PCP to \$15.9m on an EBITDA basis, at a gross margin of 53.8% up 1.9% on PCP.
- 93 Day (53.8%) improvement in time to value over the last three years.
- Churn (LTM) steady at 4.2%.
- **EVS Industrial:** Improved ARR growth up 13.1% on PCP to \$26.7m, with ARPS improving 15% on PCP to \$107k, and 79.4% new ARR Sales coming from “expand” and “scale” at existing customers. Result reflects Envirosuite’s strategy to focus on high value core sectors and the strategic rationalisation of low-margin, non-core contracts.
- **EVS Aviation:** Consistent top-line growth with ARR of \$39.0m up 6.8% on PCP and expanded TAM following validation of ANSP<sup>1</sup> carbon optimisation solution.
- **Long term growth goal:** Double ARR every five years.
- Envirosuite will host an investor briefing session today at 10:30am AEDT.  
Click here to register: [Envirosuite H1 FY25 Results](#)

(1) Air Navigation Service Provider

## Results Summary

Leading environmental intelligence technology company **Envirosuite Limited (ASX: EVS) (Envirosuite or the Group)** is pleased to announce a \$0.2m EBITDA for H1 FY25, improved 225.9% on PCP. \$10.1m Total New Sales was achieved, underpinned by global Mining success and continued macro-economic momentum in the Americas.

### Annual recurring revenue by portfolio (\$m)

Portfolio	H2 FY23	H1 FY24	H2 FY24	H1 FY25
EVS Aviation	36.4	36.5	36.5	39.0
EVS Industrial	23.0	23.6	24.6	26.7

Recurring revenue has grown 3.5% on PCP to \$27.0m, representing 91.5% of total revenue. Lower Project Sales in H2 FY24 impacted available activations in the period, with non-recurring revenue down 27.0% on PCP at \$2.5m while gross profit improved 1.9% on PCP to 53.8%. Record Project Sales achieved in H1 FY25 will be activated in upcoming periods, translating to non-recurring revenue and supporting EBITDA improvement.

Operating expenses have decreased 3.2% on PCP. Sales and marketing spend increased, including the key appointment of a Global Head of Mining Sales to drive the strategic relationship with Hitachi Construction Machinery and investment to support continued growth, particularly in Mining and the Americas. This increase was balanced by cost management in product development and general and administration areas.

For the first time in the first half of a financial year Envirosuite achieved a positive EBITDA of \$0.2m, up \$0.4m on PCP. The improvement reflects the gross margin growth and Envirosuite's prudent focus on optimising the operating structure which aligns to the overall Group strategy of the pathway to profitability.

Cash at 31 December 2024 was \$4.0m and coupled with the \$4.7m undrawn debt facility, total funds available is \$8.7m. Cash reserves will continue to be used where possible to minimise interest-bearing debt.

During the half year Envirosuite invested in equipment inventory for instrumentation to be leased predominantly to EVS Industrial customers. Customers are adopting this offering, particularly in the Americas, preferring to bundle instrumentation into recurring revenue across the contract term.

### Strategic partnership with Hitachi Construction Machinery

In the first half of this year, Envirosuite has strategically deepened its partnership with Hitachi Construction Machinery (HCM), reinforcing Envirosuite's leadership in environmental intelligence for mining markets. This period has been defined by significant milestones that align with Envirosuite's long-term vision and growth strategy.

- HCM became the Group's largest single shareholder with a \$10m investment, underscoring confidence in Envirosuite's technology and market positioning.
- Signed a global sales distribution agreement that supports joint efforts to accelerate sales into the mining segment.
- Acceleration of Envirosuite's future product roadmap, particularly in greenhouse gas (GHG) emissions using advanced emissions tracking and operational intelligence.

- The partnership enables Envirosuite to scale more efficiently, leveraging HCM's global presence, customer base and partner ecosystem.

This strategic collaboration is already driving tangible results, further strengthening Envirosuite's credibility and positioning as a leading environmental intelligence partner in mining and expanding global reach. The Group is close to signing its first customer on the back of attending MINExpo in September with HCM.

### **NASA expands Envirosuite's role in X-59 QueSST Supersonic Flight Project**

Envirosuite's aviation innovation has been further validated through an expanded role in NASA's X-59 QueSST (Quiet SuperSonic Technology) mission. This groundbreaking initiative aims to enable supersonic flight over land by reducing sonic booms to a quieter "thump," potentially transforming global air travel. Envirosuite's technology plays a critical role in community response testing across the U.S., helping assess public perception of the new low-boom technology. The expansion, valued at \$2.9m Total Contract Value (TCV), commenced in FY25 Q2, with revenue now being recognised as part of a multi-year agreement with NASA and its consortium partners.

### **Airspace Carbon Optimisation Technology Expands Across Additional Airport Sites**

A leading Air Navigation Service Provider (ANSP) has expanded its partnership with Envirosuite, scaling its airspace carbon optimisation technology to additional airport sites. Initially implemented at four major airports, the solution has successfully measured and reported airspace efficiency metrics, supporting efforts to enhance sustainability and operational performance. This expansion further validates Envirosuite's capabilities in sustainable aviation, positioning Envirosuite to pursue additional global opportunities in airspace optimisation.

Envirosuite continues to extend its market-leadership with new wins in the Aviation industry, securing new business and renewing major customers through FY25. New ARR Sales were \$1.6m across multiple new airport sites during the half year.

### **Strategic focus on quality revenue driving site growth in high value focus sectors**

By prioritising customer engagement and product adoption, Envirosuite is strengthening its revenue base while increasing the predictability and quality of recurring revenue.

- Expansion within existing customers has proven highly successful with growth across key accounts, demonstrating tangible value creation to drive broader solution adoption. EVS Industrial ARPS grew to \$107k up 14.6% on PCP.
- Envirosuite's product strategy is focused on building solutions that solve high-value problems in the Group's core markets, leveraging deep subject matter expertise, AI, and data-driven technology.
- While the current pipeline remains strong in identified segments, new opportunities are also being targeted where the total addressable market (TAM) is still evolving, such as airspace optimisation.

### **Time to value improvement**

Envirosuite has reduced the "time to value" by 93 days over the last three years, from 173 days down to 80 days (a 53.8% improvement).

- This initiative accelerates revenue recognition, ensures customers derive benefits from solutions faster, leading to higher customer engagement.
- This efficiency contributes positively to EBITDA, as reduced deployment times lowers implementation costs and enhances operational leverage.

## Project Sales

In the first half of the year, Envirosuite achieved \$6.0m in Project Sales.

- The secured Project Sales create a pipeline of contracted work that will be progressively implemented over the coming periods, ensuring a steady revenue stream. With structured delivery timelines and efficient resource allocation, these Project Sales are expected to provide a meaningful contribution to the full-year EBITDA.
- The strength of Project Sales underscores the value the Group's solutions deliver to customers and the Group's position as a trusted partner for high-impact environmental intelligence requirements. As these projects roll out over the balance of FY25 and into FY26, they will not only drive revenue but also enhance long-term customer relationships, supporting the broader Land, Expand & Scale strategy.

## Setting a target for long term growth: Double ARR every five years

Envirosuite has a goal of doubling ARR every five years, which is supported by:

- Consistent historical growth rates across both portfolios, driven by increased customer adoption, regulatory tailwinds, and ongoing investment in innovation.
- Prioritising Land, Expand & Scale customers and focusing on delivering measurable value has improved retention and engagement, reducing churn and enhancing the predictability of the Group's revenue base.
- The partnership with HCM strengthens the Group's position in EVS Industrial, unlocking new opportunities in emissions and ESG solutions.
- The GHG-focused initiatives expand Envirosuite's addressable market in EVS Aviation, particularly as airspace optimisation and carbon reduction become global priorities.

## Envirosuite CEO, Jason Cooper said:

*"FY25 started well for Envirosuite with the \$10m strategic investment from Hitachi Construction Machinery. This investment has provided strong validation around our technology, our roadmap and long-term strategy. We are already seeing this validation drive an acceleration in our sales and pipeline for FY25.*

*"Our achievement of a \$0.2m EBITDA in the first half is based on a continued focus on balanced approach to growth and fiscal management. We will continue to focus on controlling our costs, whilst we maximise our sales efforts in our chosen high value focus sectors. We have continued to drive innovation where we can see a clear market opportunity and this has resulted in strong sales of \$10.1m for the first half. With a record first half result of \$6.0m in project sales, we will be focused on activating this revenue throughout the rest of FY25 and into FY26."*

## Outlook

Envirosuite's goal is to double ARR every five years, driven by a disciplined approach to high-quality revenue growth, strengthening customer support and ongoing investment in leading technology. EVS Industrial continues to be the Group's primary growth engine, with the HCM partnership accelerating momentum in mining where demand for advanced ESG and operational intelligence solutions is increasing. The rolling 12-month EVS Industrial pipeline has grown by 51%, reinforcing confidence in sustained growth.

In EVS Aviation, Envirosuite's market leadership and cutting-edge solutions is capturing new opportunities. The expansion of the total addressable market (TAM) is now validated by leading Air Navigation Service Providers (ANSPs), proving the value of airspace optimisation technology.

With strong execution across both verticals, the Group is well-positioned for long-term, scalable, and predictable revenue growth.

Investors are encouraged to read this release in conjunction with the detailed information contained in Envirosuite's Half Year Report for the 6 months ended 31 December 2024 released today on the ASX Market Announcements Platform in full.

## Definitions

<b>Recurring revenue</b>	Revenue that Envirosuite expects to continue for 12 months or more based on the 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.
<b>Non-recurring revenue</b>	Revenue activated from projects including upfront instrumentation sales, solution implementation fees, and project-specific development and consulting work.
<b>EBITDA</b>	Earnings Before Interest, Tax and Depreciation and Amortisation
<b>ARR</b>	Annual Recurring Revenue represents contracted recurring revenue at the reporting date that Envirosuite expects to receive from customers, including contracted revenue that Envirosuite has not yet activated. A minimum of 12 months is required to recognise ARR.
<b>Churn LTM</b>	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 suite.
<b>Site</b>	A separate and distinguishable site (e.g., airport, mine site, waste or wastewater facility, industrial site, etc.) at which Envirosuite's environmental intelligence 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.
<b>ARPS</b>	Average ARR Per Site which is calculated by taking ARR divided by the number of sites.
<b>Total New Sales</b>	Total New Sales is the sum of New ARR plus Project Sales for the period.
<b>New ARR Sales</b>	ARR added over the period as a result of sales, not including churn.
<b>Project Sales</b>	Project Sales include upfront instrumentation sales, solution implementation fees, and project-specific development and consulting work.
<b>Land</b>	Terminology used when Envirosuite signs an initial site with a new customer.
<b>Expand</b>	Terminology used when Envirosuite provides additional solutions on top of solutions already being provided to an existing customer site.
<b>Scale</b>	Terminology used when Envirosuite signs an additional site(s) with an existing customer for a similar solution to that provided at existing sites.
<b>EVS Industrial</b>	Envirosuite's product portfolio focused on the Mining, Industrial, Waste and Wastewater industries including sewer networks. The portfolio includes cutting edge platforms for providing real-time and predictive insights for operators to balance increasing community and regulatory expectations with production goals, as well as digital twin technology for water utility operators and engineers to address increasing operational, customer and environmental challenges.
<b>EVS Aviation</b>	Envirosuite'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.
<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 community liveability.

## Investor Briefing

Envirosuite invites investors to register for an online briefing which will be held today at 10:30am AEDT. Register via this link: [Envirosuite H1 FY25 Results](#)

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)

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