



# Rapid Insights Conference

ASX: EVS

18 May 2023



## Disclaimer

This presentation provides additional detail on the Interim Report of Envirosuite Ltd and its subsidiaries (the Group) for the 6 months ended 31 December 2022. Therefore, it should be read in conjunction with the detailed information provided in those documents.

The material in this presentation is general background information and is current at the date of the presentation. The information is given in summary form and does not purport to be complete.

Information in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should consider the appropriateness of the information having regard to these matters, any relevant offer document and seek independent financial advice before making any investment decision. No representation is made as to the accuracy, completeness or reliability of the presentation.

Certain statements in this presentation constitute forward looking statements. Such forward looking statements involve both known and unknown risks, assumptions, uncertainties and other factors, many of which are beyond the control of the Company and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. There are a number of other important factors that could cause actual results to differ materially from those projected in such statements, including (without limitation) the risks and uncertainties associated with global events, such as the war in Ukraine, the changing Australian and global

economic climate and market conditions. Actual results may vary, with materially positive or negative impacts. Investors are cautioned not to place undue reliance on these forward-looking statements. Past performance is not indicative of future performance and no guarantee of future returns is implied or given.

While all reasonable care has been taken in relation to the preparation of this presentation, none of the Group, or their directors, officers, employees or advisors accepts responsibility for any loss or damage resulting from the use of or reliance on this presentation by any person.

This presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither this presentation nor anything contained in it shall form the basis of any contract or commitment. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any “U.S. person” (as defined in Regulation S under the Securities Act of 1933, as amended (the “U.S. Securities Act”)). This presentation is not a prospectus, disclosure document or investment statement, nor the solicitation of an offer to buy, in any jurisdiction.

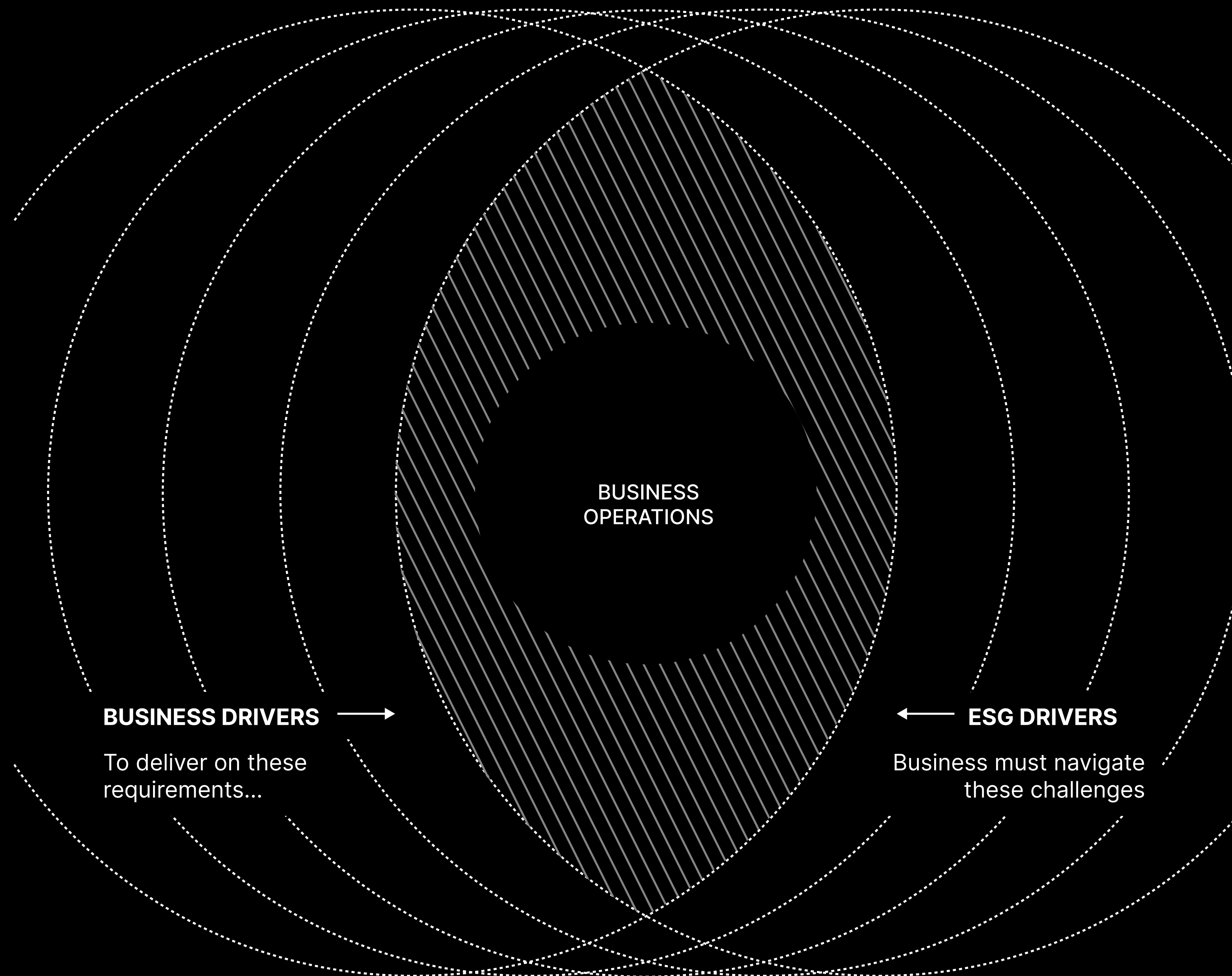
Any opinions expressed reflect the Group’s position at the date of this presentation and are subject to change.

All amounts are in Australian dollars unless otherwise stated.



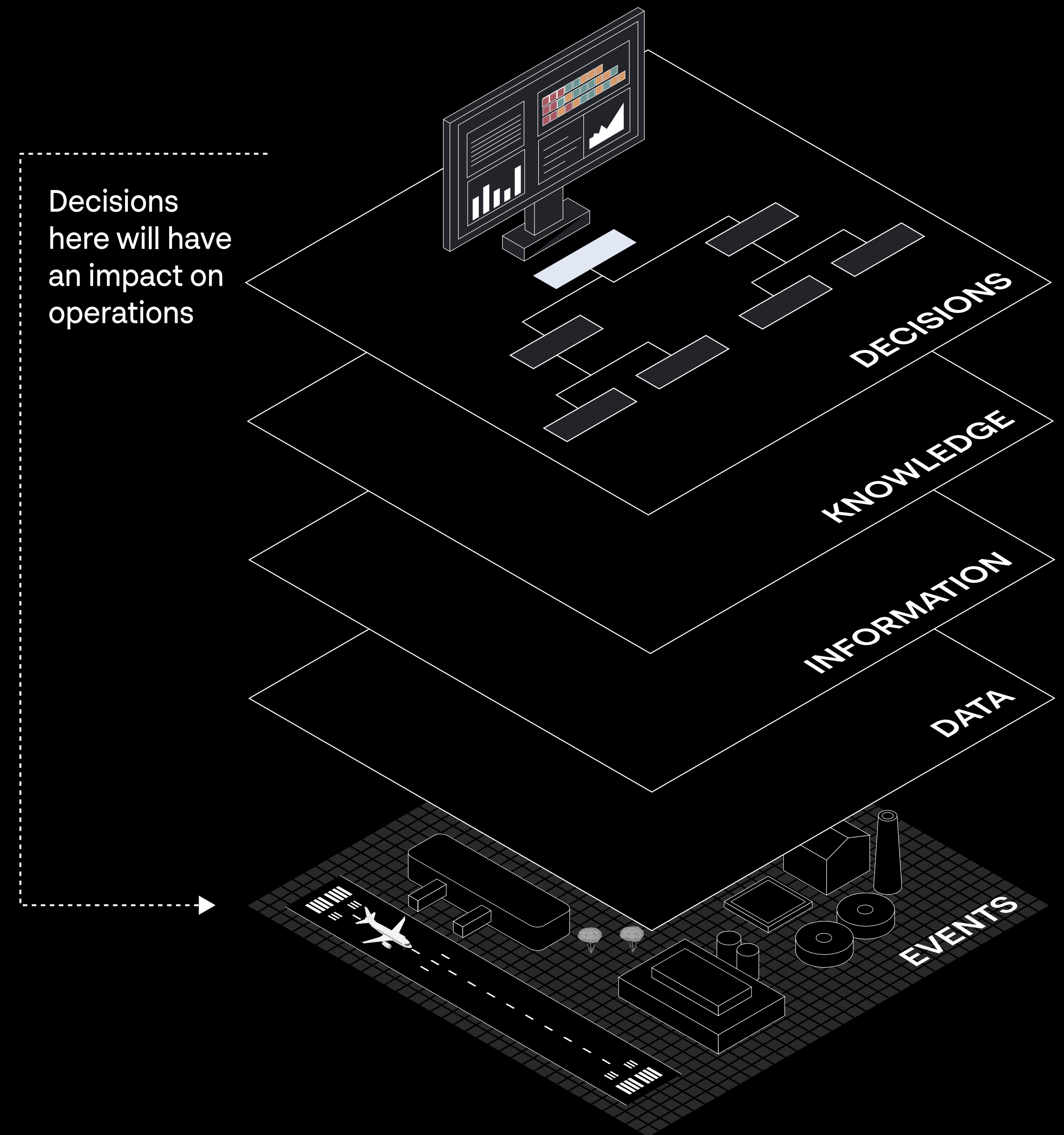
Anyone can achieve compliance, **we take our customers beyond that.**

The platforms  
**required** to operate in  
our evolving world.

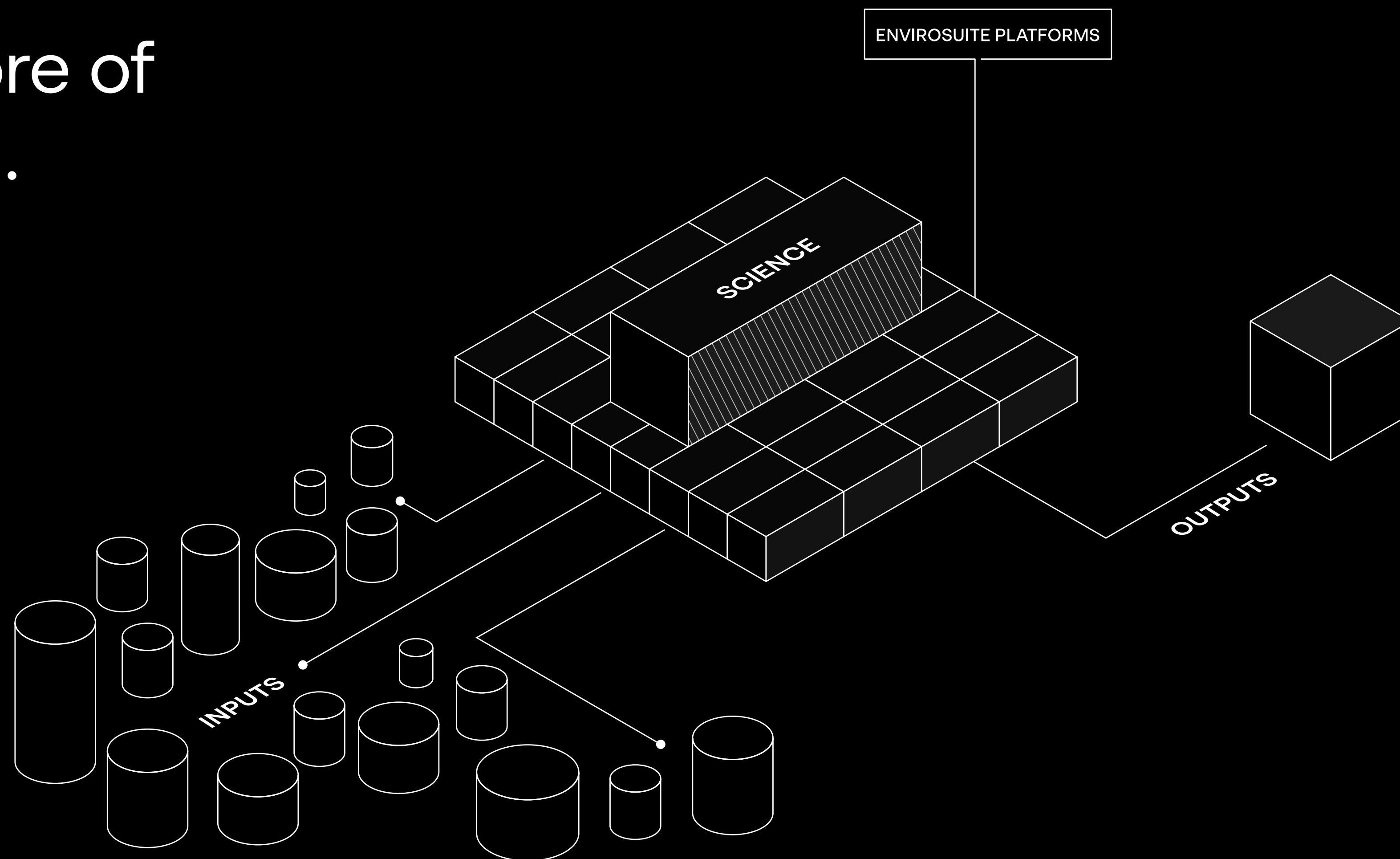




From NASA to BHP,  
we are an intrinsic  
part of efficient,  
modern day  
operations, enabling  
**data to decisions.**



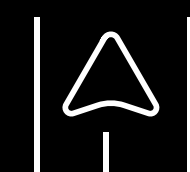
Science is at the core of everything we build.



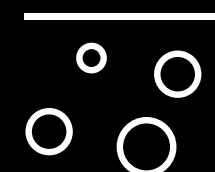


We help companies across  
a variety of sectors.

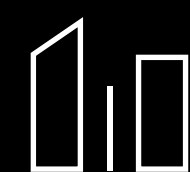
Aviation



Mining



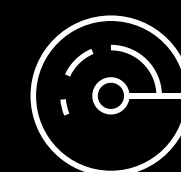
Industrial



Waste



Wastewater



Water  
Treatment







## Our Purpose

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





# Key metrics

31 December 2022

\$56.9m

Annual Recurring Revenue

+ 16.3% PCP

436

Client sites

+ 11.5% PCP

\$27.6m

Statutory revenue

+ 2.8% PCP

51.4%

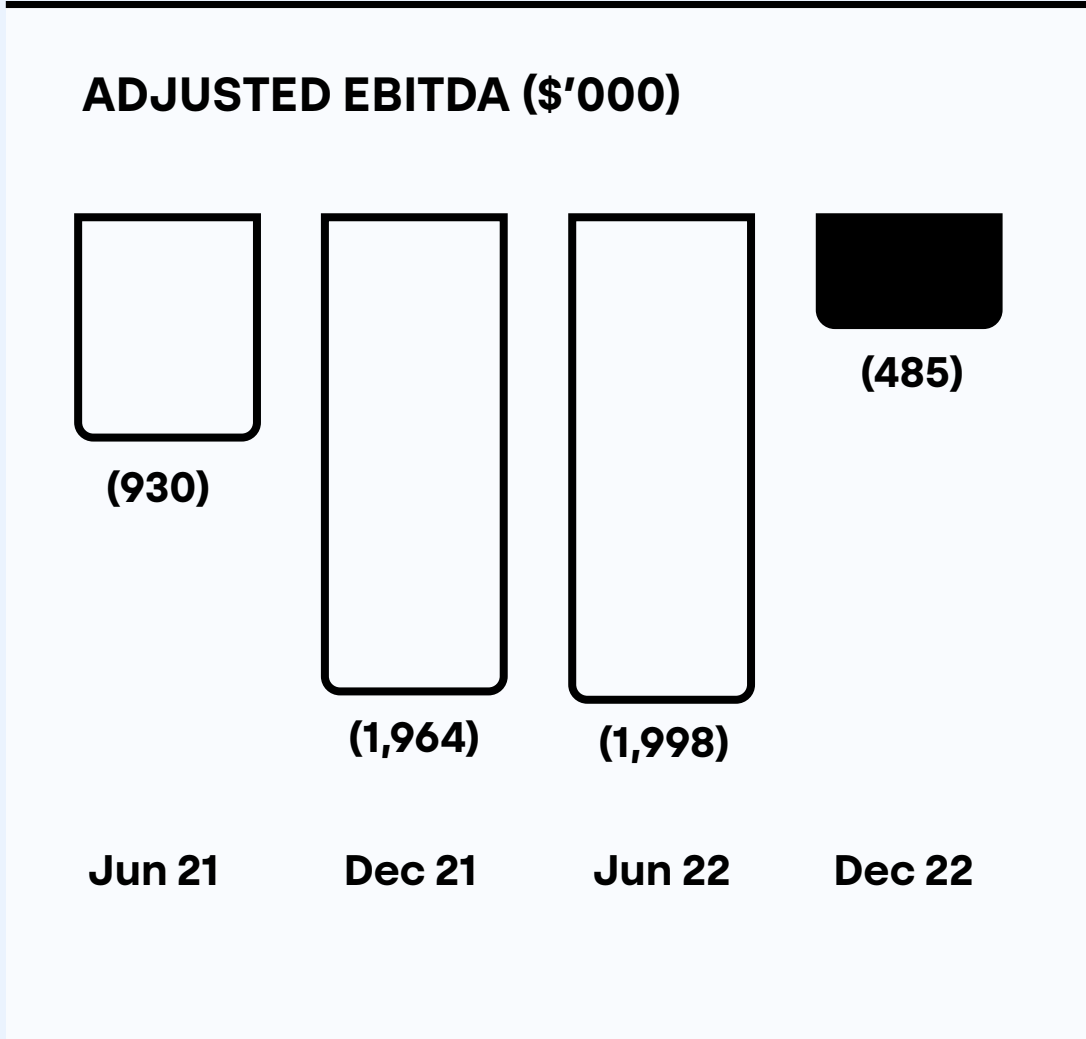
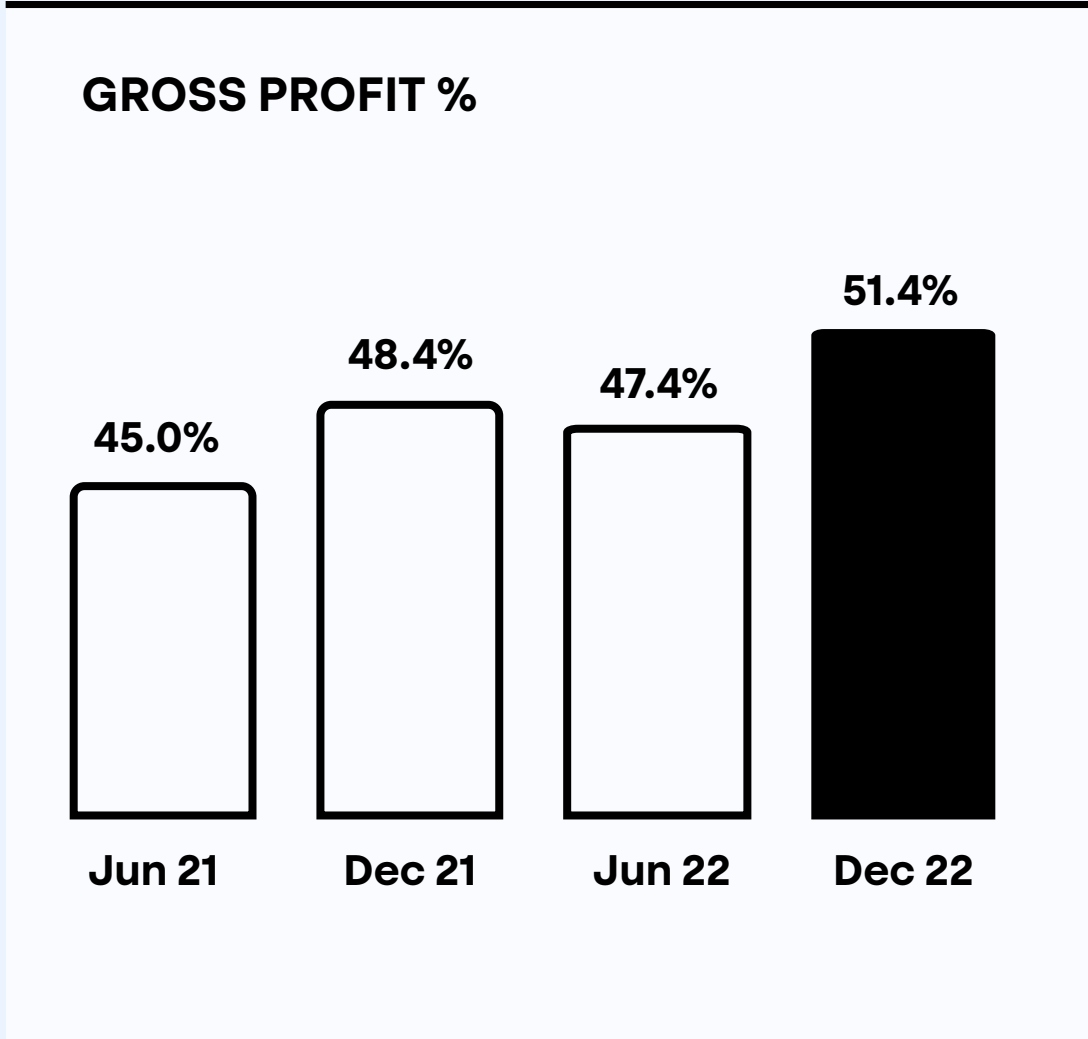
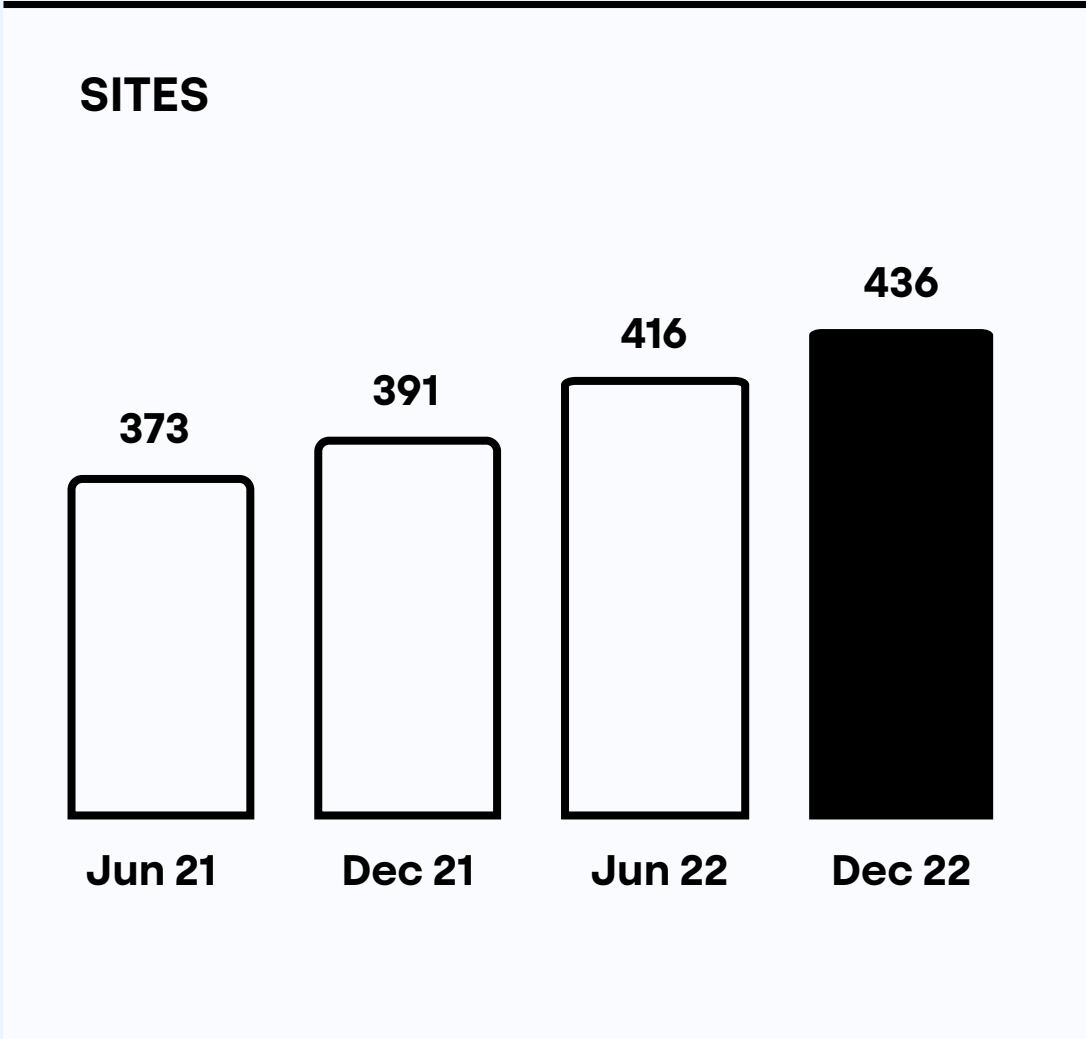
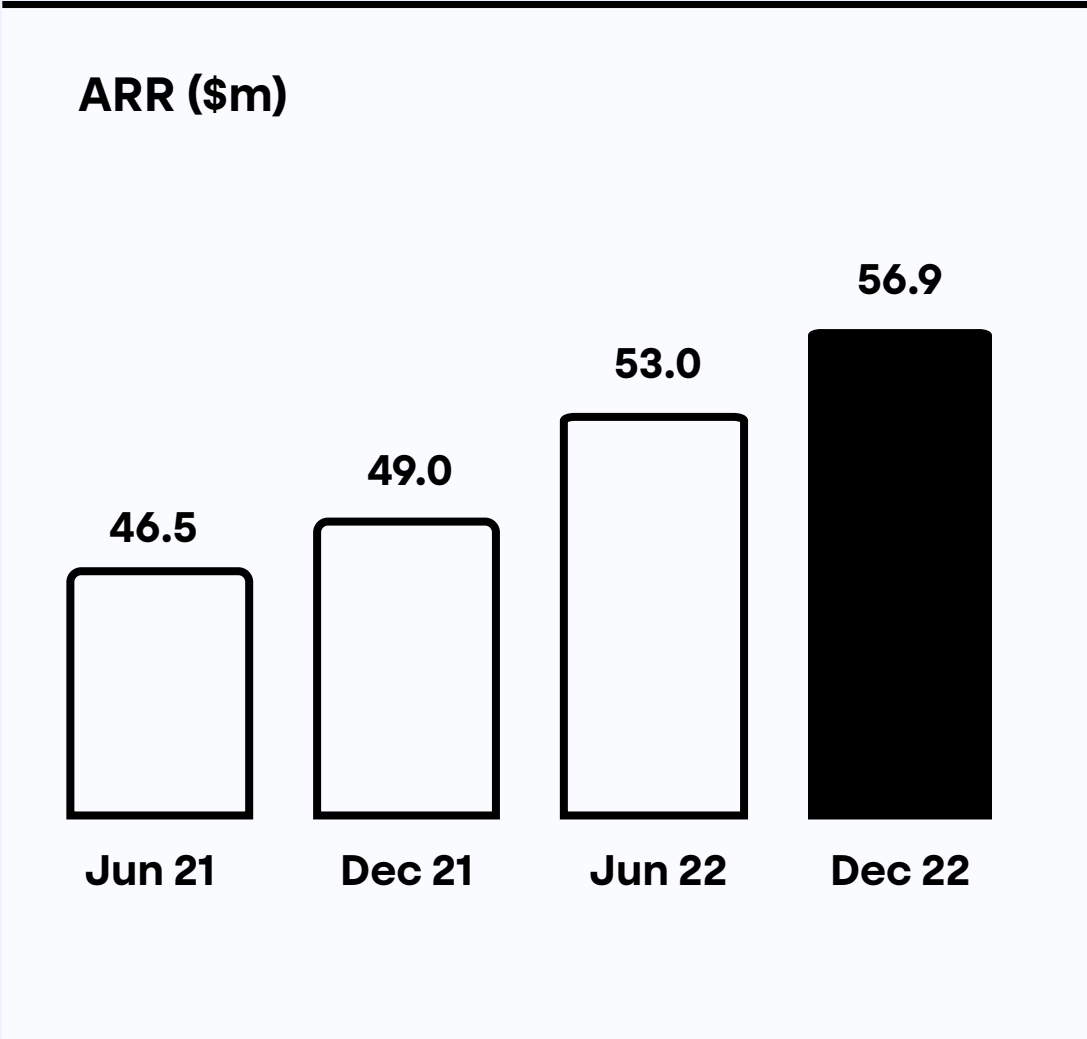
Gross profit\*

+ 6.1% PCP

\$(0.5)m

Adjusted EBITDA (loss)

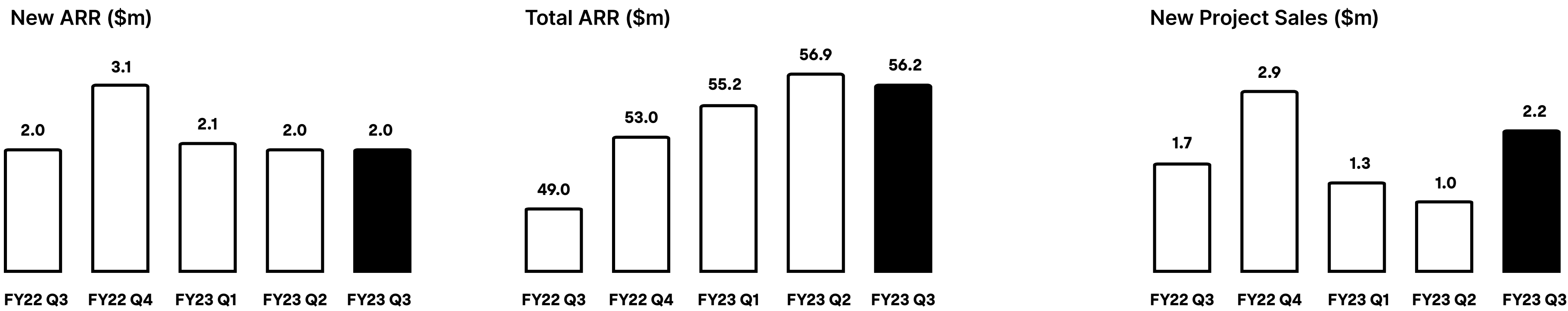
Improved 75.3% PCP





# FY23 Q3 Sales

New sales of \$4.2m, up 14% on prior corresponding period



## New ARR and Total ARR

- ARR grows 15% on PCP to \$56.2m
- EVS Aviation excluding churn event achieved 21% growth in ARR
- Abnormal increase in annualised churn to 8.8% primarily due to cessation of revenue in Q3 for 3 of 5 Department of Defence sites

## Project Sales

- Strong project sales in Q3 supporting future ARR growth
- Project sales represent strong base for business as it turns to cash faster
- Instrumentation remains core component of Envirosuite’s solutions with historical global supply issues now fully resolved



# The Future of Cities:

NEOM chooses EVS  
Water to help deliver  
water optimisation and  
environmental objectives







NEOM<sup>1</sup> is a visionary cross-border city in north-western Saudi Arabia, built on a 10,230-square-mile area. Fueled by USD \$500 billion in funding and with a projected population of 8.5 million, NEOM will be a model for future cities with a strong focus on environmental responsibility and sustainability, including energy efficiency, renewable energy, water, and sustainable transportation.

Following a review of potential solutions on the market, NEOM's water department (ENOWA) has partnered with Envirosuite to help optimise the city's water infrastructure and water operations and achieve their environmental objectives at two desalination plants. The scalability and flexibility of the EVS Water software and its advanced combination of deterministic modelling and AI, coupled with the technical expertise of the EVS Water team, gave ENOWA confidence that Envirosuite was the right technology partner for NEOM.

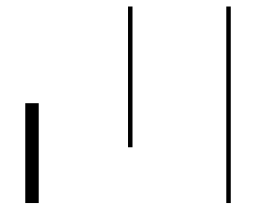
Envirosuite and the EVS Water software will empower ENOWA to develop and optimise its water treatment process designs and capital cost plans, and support climate change initiatives by simulating net zero technologies and assessing their performance, such as Zero liquid discharge.



# Envirosuite lands first site with Melbourne's largest water utility, Yarra Valley Water







Providing water and sewerage services to over 30% of the Victorian population, Yarra Valley Water is focused on its 2030 Strategy, to deliver on its purpose of contributing to the health and well being of its customers and to create a brighter future for communities and the natural environment.

Yarra Valley Water has chosen to collaborate with Envirosuite to deliver a new odour management system at its Aurora Sewage Treatment Plant site. Using the EVS Industrial platform, Envirosuite will optimise air quality data monitoring and management for Yarra Valley Water, streamlining data analysis and reporting to demonstrate improvements in environmental performance while driving improved visibility and engagement with the community and other key stakeholders.

With the upcoming release of new Worksafe Australia Guidelines, Envirosuite is also in active discussions with multiple Australian water utilities on how SeweX can model H<sub>2</sub>S concentrations to help ensure maintenance workers can enter the sewer network safely.



# ANA Aeroportos de Portugal renews with Envirosuite: five airports for a further five years







Envirosuite continues to prove its global market leadership in the commercial aviation space, with ANA Aeroportos de Portugal (the airport authority in Portugal and part of the much larger Vinci Airport Group) renewing its agreement with Envirosuite for a five year term plus a two-year option. The renewed agreement will see Envirosuite continue to provide world-leading noise management, noise modelling and community engagement services at five airports in Portugal: Lisbon, Porto, Faro, Madeira and Porto Santo.

ANA Aeroportos de Portugal has trusted Envirosuite to provide noise management solutions for well over a decade. Following a competitive tender process, Envirosuite was chosen due to a proven track record in delivering a complete, fully managed solution with accredited services for noise management and community engagement. Backed by a knowledgeable and skilled team of experts, Envirosuite delivers international best practice in commercial aviation.

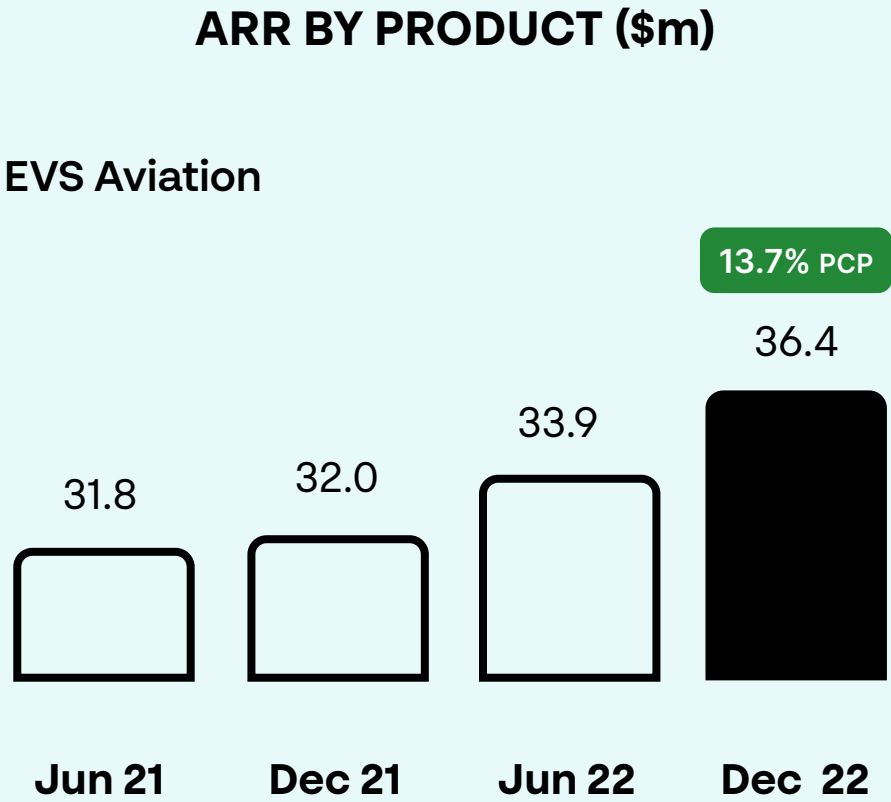
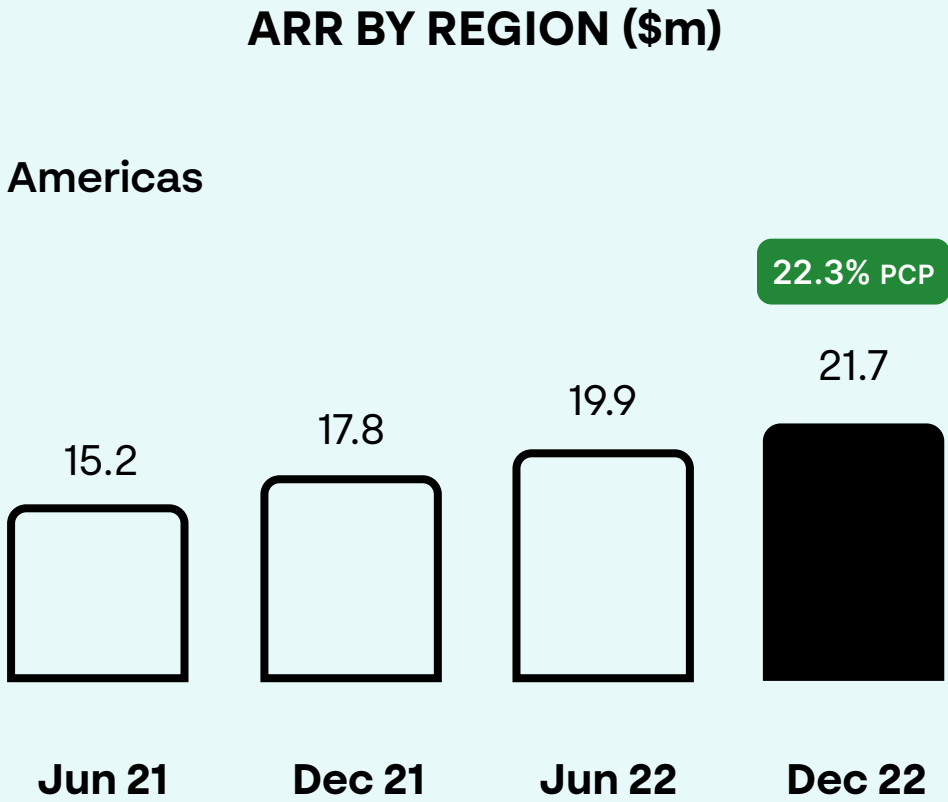
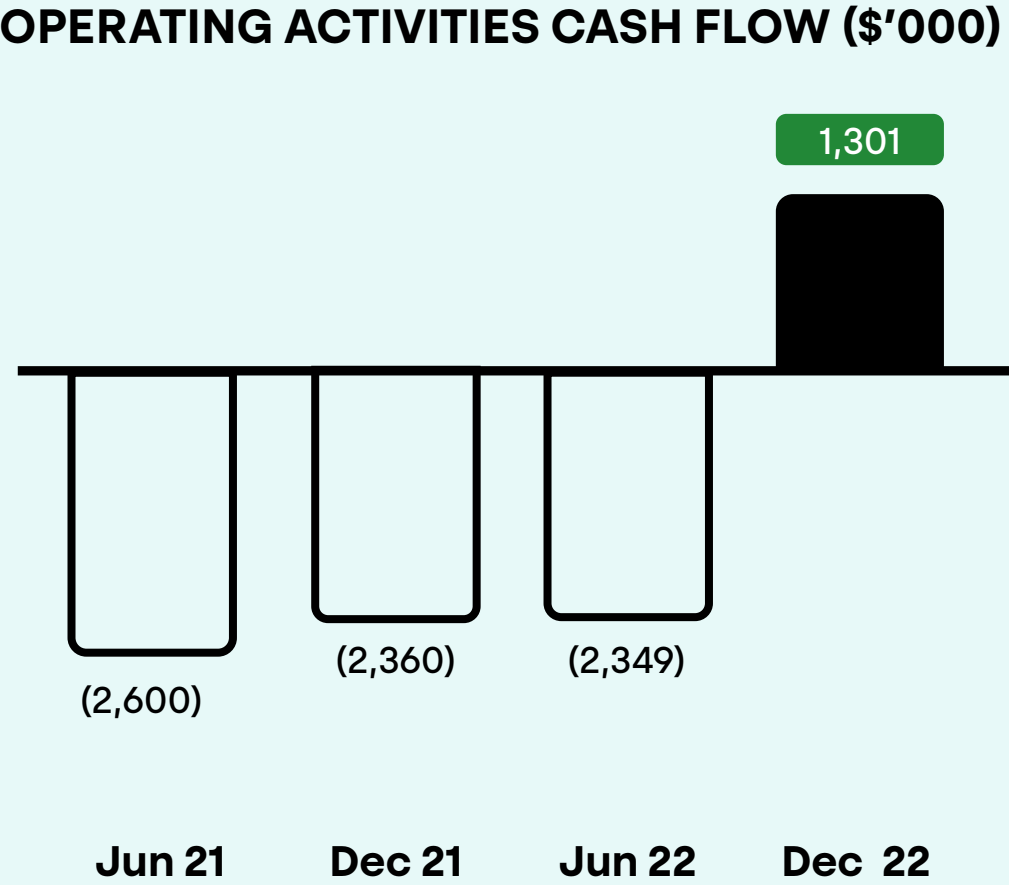
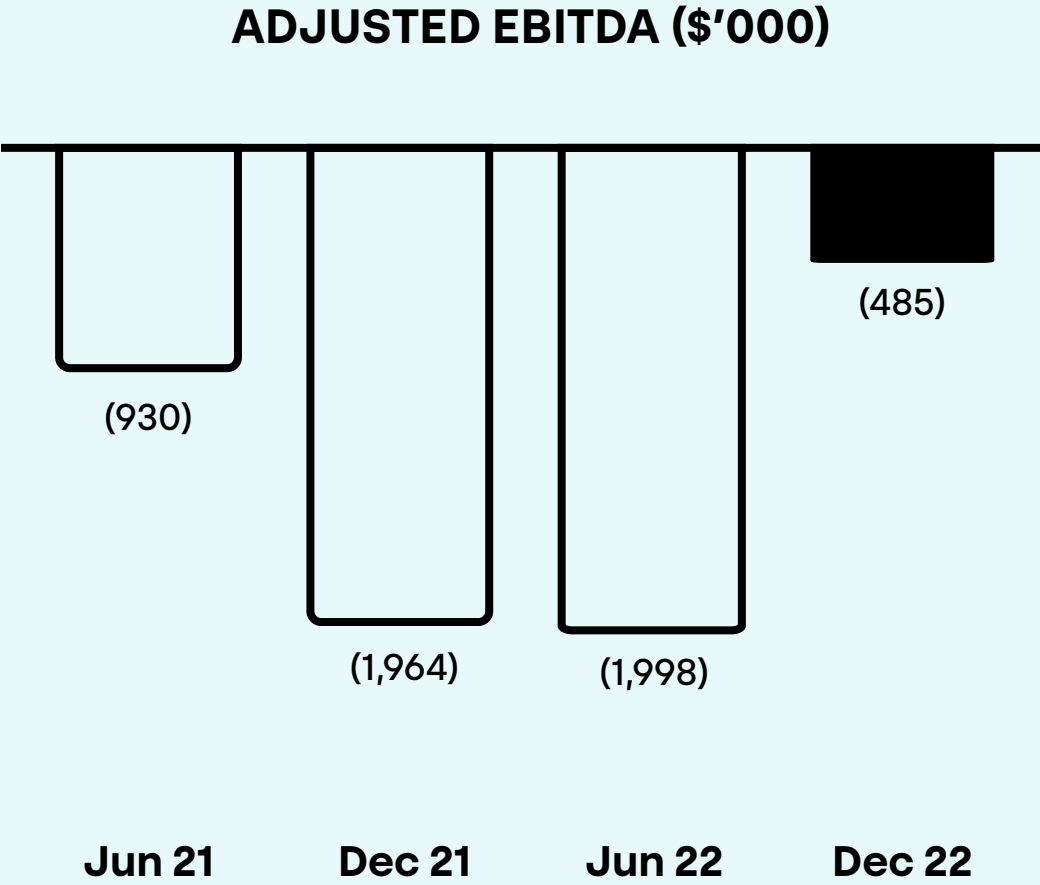
This renewal continues to strengthen Envirosuite's relationship with the Vinci Airport Group, which also includes London Gatwick and Belgrade airports.

Envirosuite is excited to hold its flagship customer event, the Aviation Forum, in both Europe and North America this September. Highly valued by customers, this event connects the Envirosuite aviation ecosystem together to collaborate around current and emerging challenges, working as a group to find new solutions.



# Pathway to profitability

- Significant improvement in Adjusted EBITDA
- Revenue growth and improved gross margin along with effective cost management driving improved performance
- Adjusted operating cash flows providing trajectory to cash accretive performance
- Strong growth PCP for Aviation, largest segment of the group, along with ongoing strong performance in the Americas
- Successful regional strategy – Americas largest segment by ARR
- Established, experienced and focused global leadership team
- Adjusted EBITDA positive<sup>1</sup> on a monthly basis since November 2022





# Q&A



# Thank you



For the purpose of compliance with Guidance Note 8 of the ASX Listing Rules, the Company confirms that the new commercial contracts referred to above are not individually financially material to the Company revenues. There are no other material contracts 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.

For further information contact:

Warrick Lace

E: [warrick.lace@envirosuite.com](mailto:warrick.lace@envirosuite.com)

M: +61 404 656 408





# Definitions

<b>ARPS</b>	Average ARR Per Site which is calculated by taking the ARR divided by the number of sites.	<b>Adjusted EBITDA</b>	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.
<b>ARR</b>	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.		
<b>Churn %</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.	<b>Current ratio</b>	Measures the ability of the group to pay current liabilities with its current assets. It's calculated by current assets divided by current liabilities.
<b>Site</b>	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.	<b>Quick ratio</b>	Measures the ability of the group to meet short-term obligations with the most liquid assets. It's calculated by current assets less inventory divided by current liabilities.
<b>Recurring revenue</b>	Revenue that the company 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>Serviceable Addressable Market (SAM)</b>	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.
<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.	<b>Total Addressable Market (TAM)</b>	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.

# 1H FY23 Financial performance

Recurring revenue of

**\$24.2m**

+ 11.9% PCP

Gross profit improved to

**51.4%**

+ 6.1% PCP

Adjusted EBITDA improved to

**\$(0.5)m**

Improved 75.3% PCP

## Income Statement EBITDA

A\$000	1HFY23	1HFY22	Movement \$	Movement %
Recurring revenue	24,156	21,580	2,576	11.9%
Non-recurring revenue	3,279	5,216	(1,937)	(37.1%)
Other revenue	146	21	125	595.2%
<b>Total revenue</b>	<b>27,581</b>	<b>26,817</b>	<b>764</b>	<b>2.8%</b>
Cost of revenue	(13,411)	(13,826)	415	3.0%
<b>Gross profit</b>	<b>14,170</b>	<b>12,991</b>	<b>1,179</b>	<b>9.1%</b>
Gross profit %	51.4%	48.4%	2.9%	6.1%
Sales and marketing	(6,304)	(6,404)	100	1.6%
Product development	(2,130)	(4,080)	1,950	47.8%
General and administrative	(7,435)	(4,196)	(3,239)	(77.2%)
<b>Total operating expenses</b>	<b>(15,869)</b>	<b>(14,680)</b>	<b>(1,189)</b>	<b>(8.1%)</b>
Other income/expenses	(129)	39	(168)	430.8%
<b>EBITDA</b>	<b>(1,828)</b>	<b>(1,650)</b>	<b>(178)</b>	<b>(10.8%)</b>
<b>Adjusted EBITDA</b>	<b>(485)</b>	<b>(1,964)</b>	<b>1,479</b>	<b>75.3%</b>
<b>Recurring revenue as a % of total revenue</b>	<b>87.6%</b>	<b>80.5%</b>	<b>7.1%</b>	<b>8.8%</b>

# Significant improvement in Adjusted EBITDA

- Adjusted EBITDA positive<sup>1</sup> on a monthly basis since November 2022
- On track to transition to sustainable Adjusted EBITDA positive during FY23
- Cost restructuring completed February 2023

## Adjusted EBITDA Reconciliation

A\$000	1HFY23	1HFY22	Movement \$	Movement %
EBITDA	(1,828)	(1,650)	(178)	(10.8%)
Less:				
AASB 16 depreciation & interest	(527)	(855)	328	38.4%
Add back:				
Share based payments	(216)	311	(527)	(169.5%)
Foreign currency loss / (gains)	112	118	(6)	(5.1%)
Restructuring costs	1,548	112	1,436	1,282.1%
Transaction and integration costs	306	-	306	-
Philippines set up costs	159	-	159	-
Property make good	(39)	-	(39)	-
<b>Adjusted EBITDA</b>	<b>(485)</b>	<b>(1,964)</b>	<b>1,479</b>	<b>75.3%</b>