

ASX Release

Envirosuite reports robust sales and strong pipeline despite global impact of COVID-19

13 August 2020

Key Highlights:

- › Over \$14.5m received in sales orders since 1 March 2020
- › Strong business resilience across all sectors and geographies including new revenue growth in key markets and industry sectors
- › No customers lost in airports sector despite COVID-19
- › Strong sales order pipeline of more than \$30m
- › Company reaffirms positive EBITDA target by end of Q3 FY2021 and medium-term target of \$100m revenue with strong EBITDA and high recurring revenues

Global leader in the provision of environmental intelligence solutions, **Envirosuite Limited (ASX:EVS)** (the **Company**) is pleased to provide an update on the Company's progress since 1 March 2020 following the completion of the Company's acquisition of EMS Bruel & Kjaer.

Despite the global downturn and during the post-completion integration process, the Company is very pleased to report that sales orders totaling \$14.5m have been received in the period from 1 March 2020 – 12 August 2020.

Of the total sales orders signed there was \$8m in new business as well as \$6.5m in renewal contracts. Renewal contracts included \$3.5m from the airport sector, and significantly Envirosuite has retained all of its customers in this sector despite the effects of COVID-19 on the industry. The strong results demonstrates the resilience of the Company's business that is sourced from multiple industry sectors and every major economic region, providing diversity of commercial risk and opportunity.

The current sales order pipeline exceeds \$30m. The target percentage of recurring revenues to total revenue is 70% and the Company is currently tracking above this at around 75% across both existing revenues and the sales order pipeline.

The Company has recently seen increased demand for its new community-engagement solution which allows airports to manage expectations of noise levels as flights return to pre-COVID-19 levels.

Envirosuite CEO Peter White said:

"The robust sales to date and the strong pipeline provide validation of Envirosuite's strategic acquisition of EMS. They also highlight the resilience of the Company's business model and the essential role Envirosuite plays for its customers that continues even in the pandemic.

"While sales growth was healthy across every geographic region and in every sector in which Envirosuite operates, we are particularly encouraged by the resilience of the airports sector which saw \$3.5m in contract renewals despite the large reduction in international and domestic flights due to COVID-19.

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“Noise monitoring is still required as a licence condition for all contracted airports, regardless of flight volumes. Currently there are 600 airports globally which have noise monitoring requirements and Envirosuite services around 220 of them with significant opportunities to upsell into the existing customer base as well as to new customers. Since COVID-19 and the move to remote working, there has been an increased sensitivity to aircraft noise that is likely to increase as flights volumes recover thus creating heightened demand and new opportunities for Envirosuite. While passenger numbers remain significantly lower, domestic flight volumes in many countries are already starting to move back towards pre-pandemic levels. For example, China has rebounded to 85% of the pre-COVID-19 domestic traffic.

Mr White said the resilience of the airports sector as well as sales growth and pipeline prospects across all the regions in which Envirosuite operates enables the Company to reaffirm its positive EBITDA target of Q3 FY2021 and remain on-track for its medium term goal to move through \$100m revenue in 2023. We are particularly encouraged by the opportunity in China for new airports which are planning comprehensive environmental solutions to support their operations.”

Envirosuite will report its annual results for the financial year ended 30 June 2020 on 28 August 2020. The result includes the full impact of the restructuring and integration of the EMS business. The Company starts the 2021 financial year as an integrated company with no material additional restructuring or integration costs anticipated in FY21.

Authorised for release by the Board of Envirosuite Limited

For further information contact investor@envirosuite.com or visit www.envirosuite.com

About Envirosuite

Envirosuite (ASX:EVS) is a global leader in environmental intelligence spanning more than 15 countries and is a trusted partner to the world’s leading industry operators in airports, cities, construction, mining, heavy industry, waste and water.

Envirosuite’s solutions combines leading-edge science and predictive technology with industry expertise to produce actionable insights, allowing customers to optimise their operations whilst managing their environmental impact.

By harnessing the power of environmental intelligence, Envirosuite helps industry grow and communities thrive.

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