

# H1FY22 Results Presentation



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All amounts are in Australian dollars unless otherwise stated



# Agenda

01

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## BUSINESS UPDATE

02

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## FINANCIALS

03

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## OUTLOOK

04

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## Q + A



**Jason Cooper**  
Chief Executive Officer



**Justin Owen**  
Chief Financial Officer



**Michael Hamilton**  
Head of Strategy



## Our Purpose

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



# Business Snapshot

EVS operates across three software product suites:



📍 167 sites

**Market:**  
Airports



📍 219 sites

**Market:**  
Mining & Industrial,  
Waste & Wastewater



📍 5 sites\*

**Market:**  
Water Treatment

in three target regions:





# Key Metrics

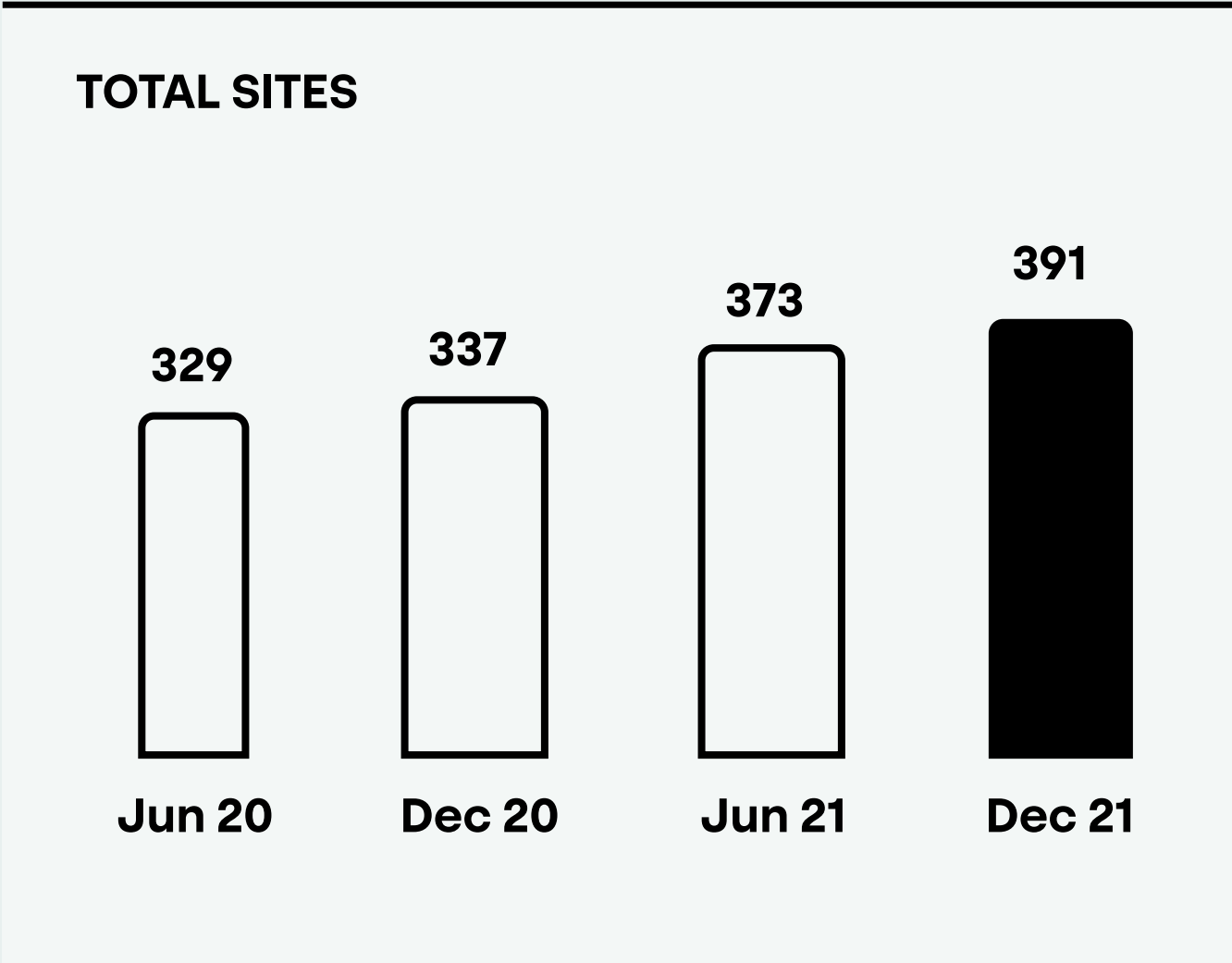
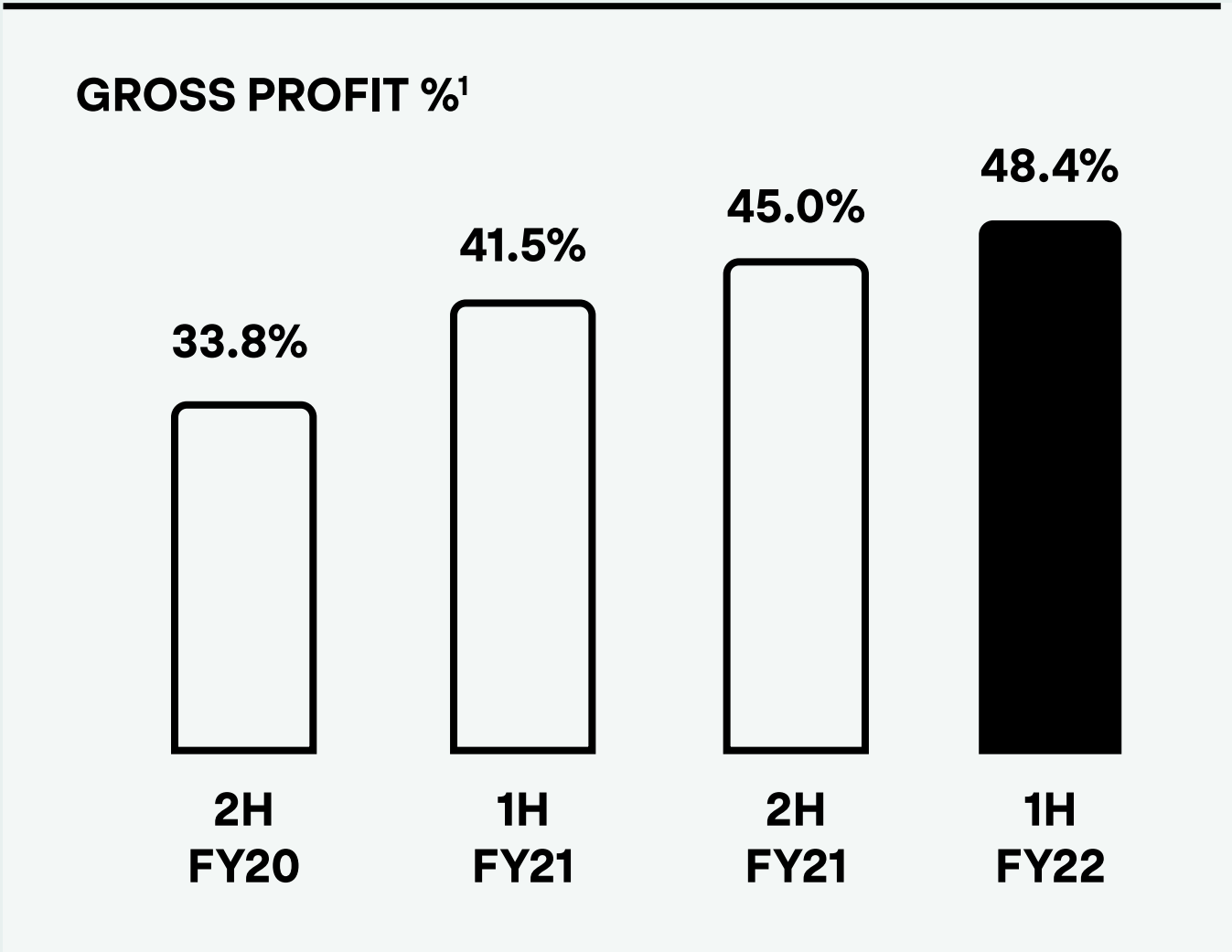
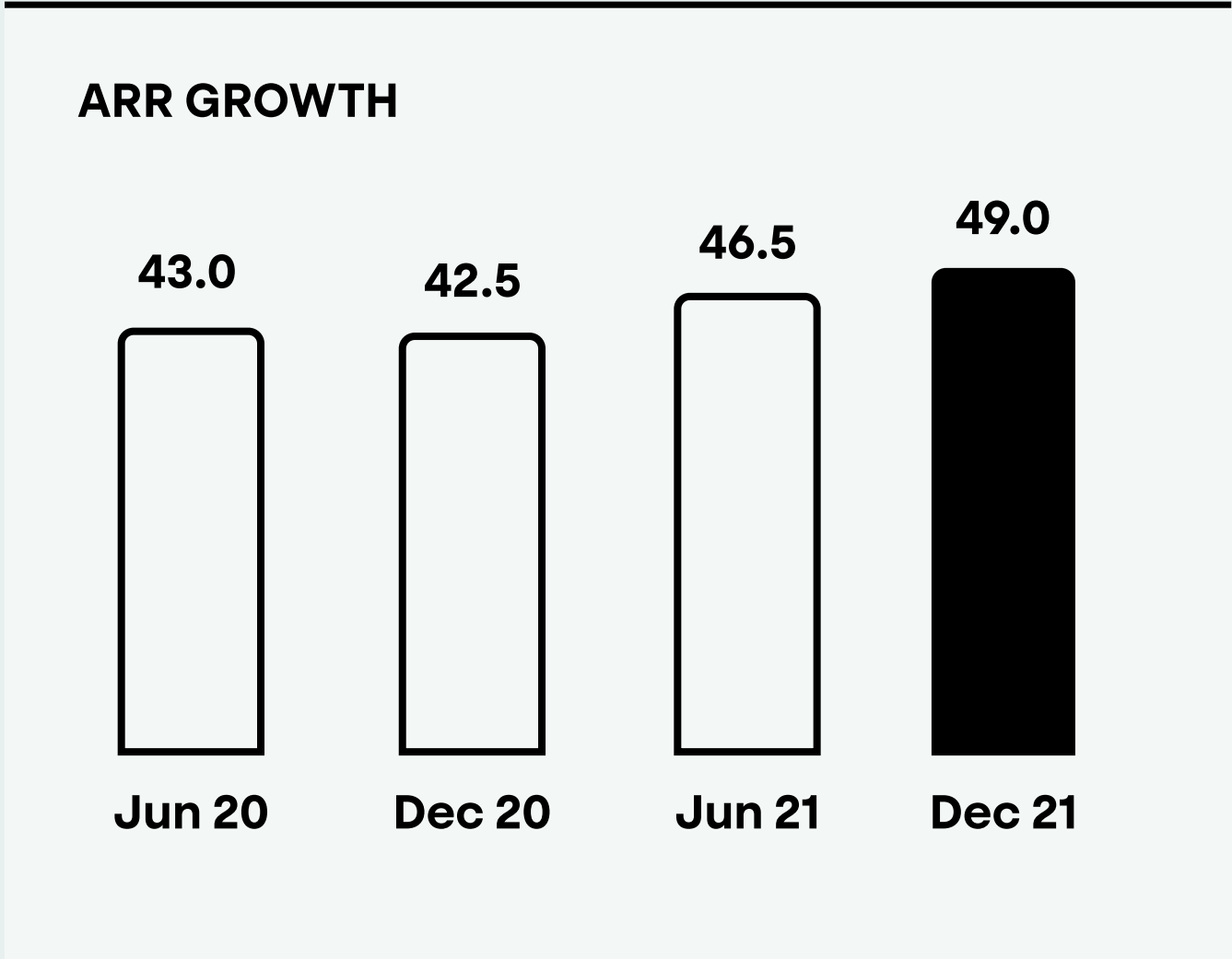
**\$49.0m**  
**Annual Recurring Revenue**  
+ 15.3% PCP

**391**  
**Client sites**  
+ 16.0% PCP

**\$26.8m**  
**Statutory Revenue**  
+ 13.8% PCP

**48.4%**  
**Gross Profit**  
+ 16.6% PCP

**\$(2.0)m**  
**Adjusted EBITDA (loss)**  
Improved 44.9% PCP





# Momentum Building

ARR Growth of

15.1%

in all products & regions

Completed a successful capital raise

of \$10.5m to accelerate development and sales growth of EVS Water, the high-margin SaaS product suite

Frost & Sullivan

Winner of the Global digital twin technology for water - entrepreneurial company of the year award.

36.8%

PCP ARR growth in Americas

ARR for EVS Omnis grew

33.5%

PCP

Strength in renewals

with Airservices Australia & Madrid City Council

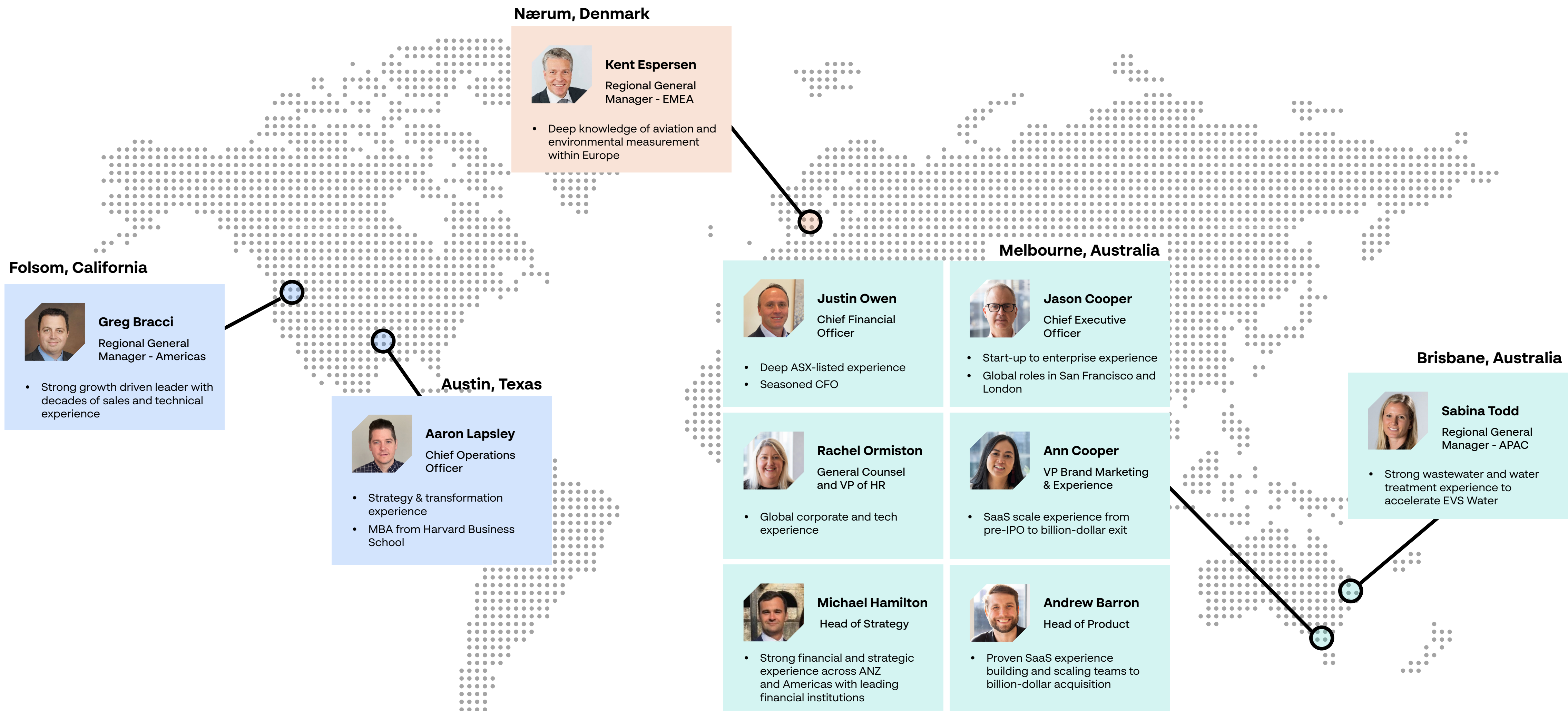
 NASA TV

NASA Selects Contractor for Quiet Supersonic Flight Community Testing



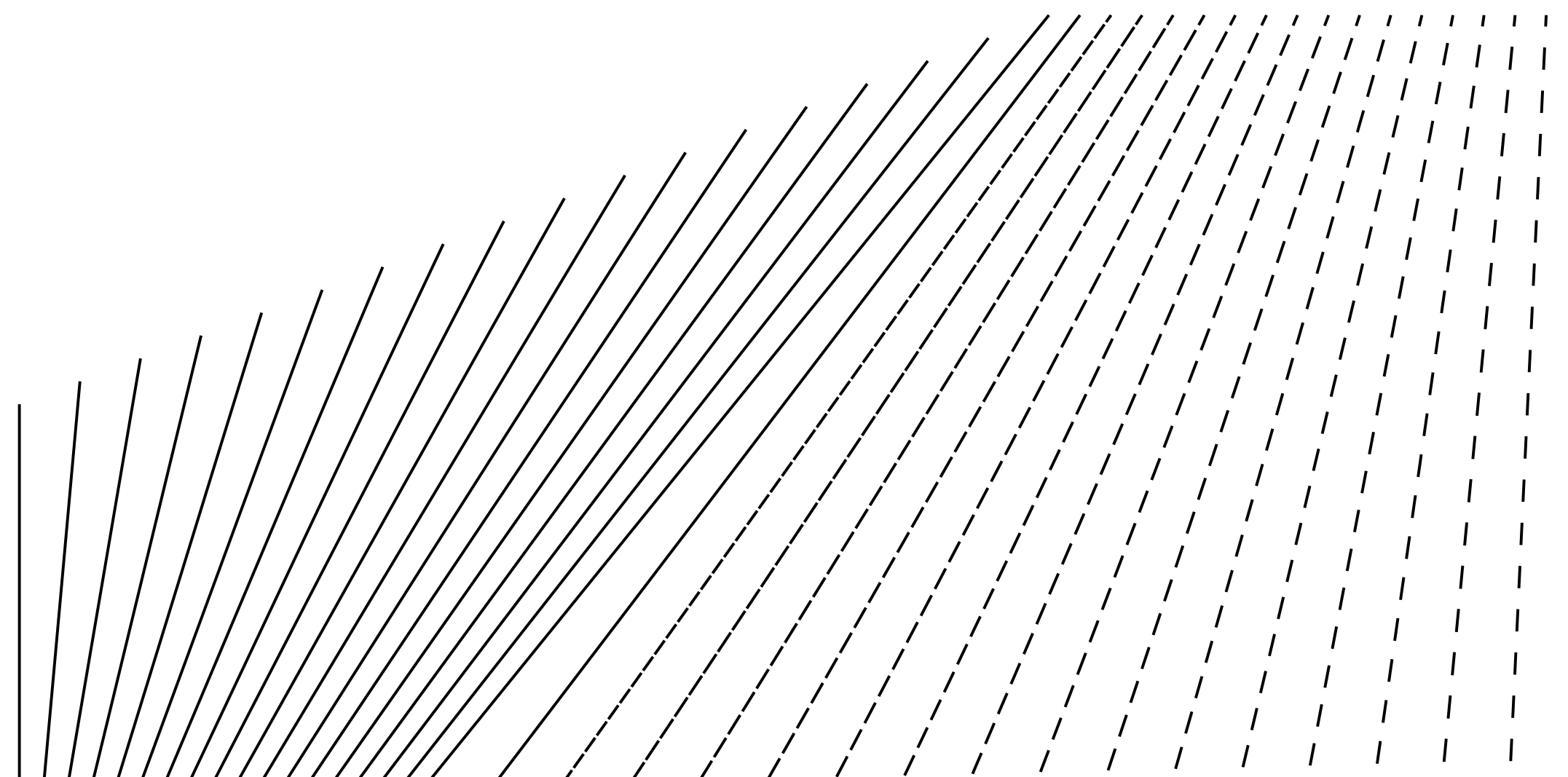


# Global leadership





# Execution & Scale





# Envirosuite's four key strategic focus areas FY22

## GROWTH

- Develop strategic partnerships that drive meaningful revenue, optimise costs and accelerate growth
- Combine data science with deep customer understanding to pinpoint high value opportunities with Ideal Customer Profiles (ICPs)
- Focus the customer account management discipline on expansion and cross selling opportunities (MEDDIC)
- Leverage brand and product innovation to drive customer awareness, demand generation and retention

## PRODUCT

- Focus our R&D investment across Research, Product, and Engineering to deliver deeper science-based innovation to win in our chosen market sectors
- Implement best practices to intimately understand our customers and users challenges to directly inform our product plans
- Drive a culture of innovation and scientific excellence across our business to grow our capabilities and value for our customers
- Commercialise and grow the EVS Water portfolio globally
- Launch integrated EVS Omnis

## CUSTOMER

- Embed data analytics into all platforms to drive greater customer understanding, improve user experience and product adoption
- Deliver high value differentiation, customer retention and product innovation through Environmental Intelligence Services
- Deployment of new ticketing system to improve support and customer response times
- Optimisation of project deployment times and simplification of support centre times and simplification of support centre

## SCALE

- Utilise cloud infrastructure to drive efficiencies in development, support and leveraging tools to accelerate cost effective innovation
- One Data – One Customer project to align our data platforms for customer acquisition, experience and retention
- Continue to deliver significant improvement of Gross Profit through cost out, process improvement and product consolidation
- Optimisation of the global business structure to deliver cost effective support services
- Combine machine learning and EVS industrial environmental intelligence IP to deliver unique insights and efficiencies



# ARR Growth

ARR growth of 15.1% with positive growth in all products and regions.

## Americas

- 36.8% PCP ARR growth in Americas and 29.8% increase in sites in the region.

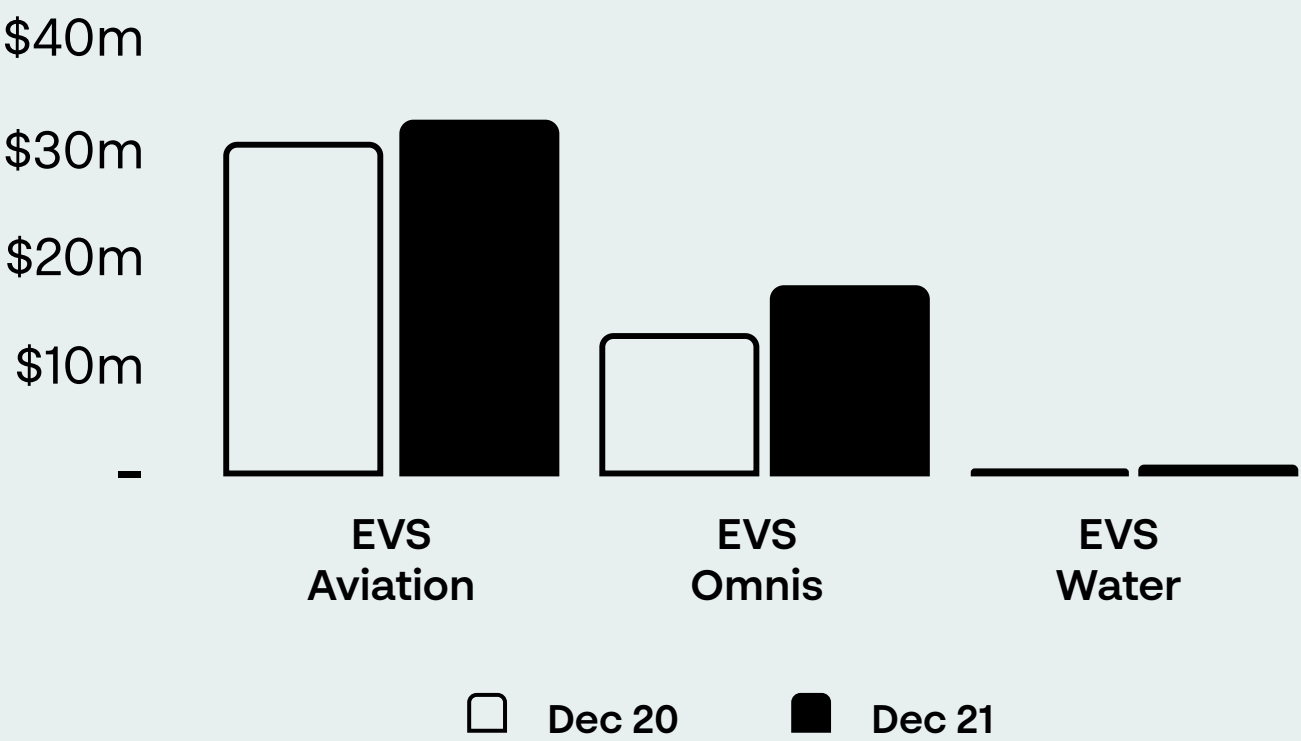
## EVS Omnis

- 33.5% PCP growth in EVS Omnis ARR particularly within the resource sector with strong growth in site numbers.

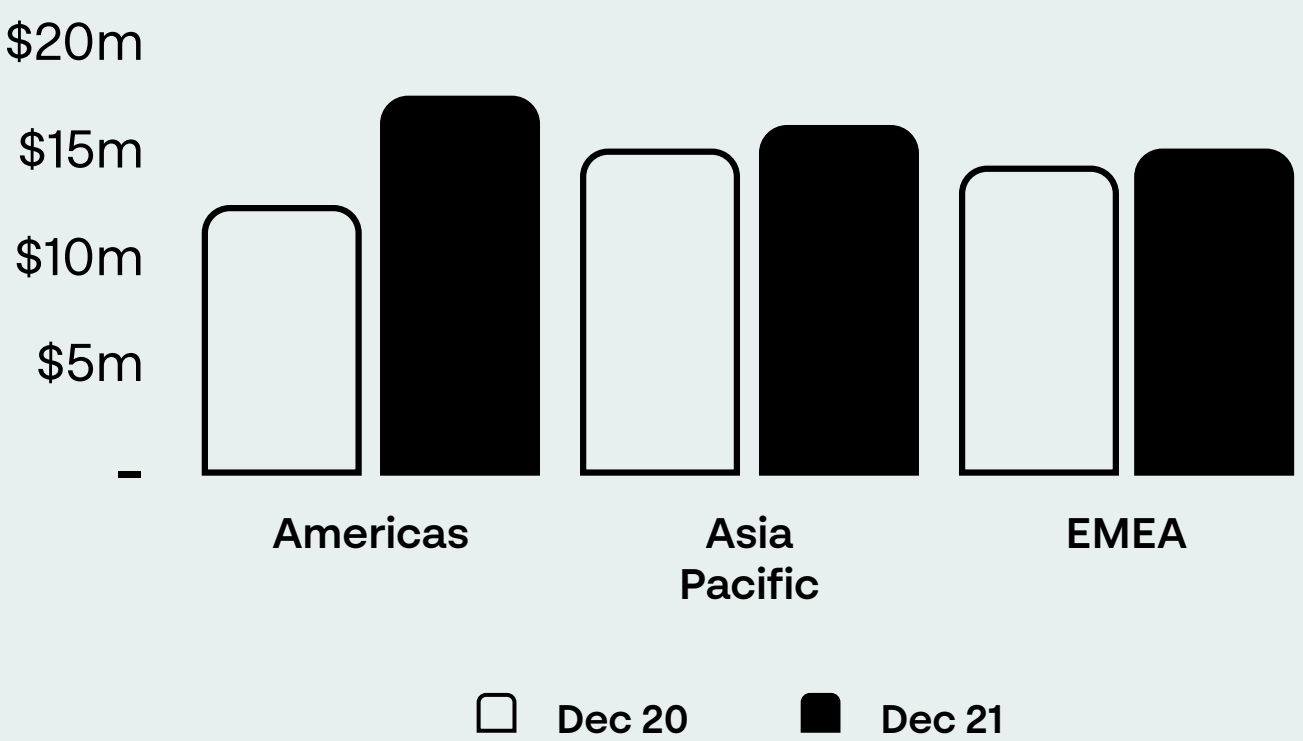
## EVS Aviation

- Growth of 6.5% PCP within EVS Aviation despite the current global conditions. Average ARR per site increased.

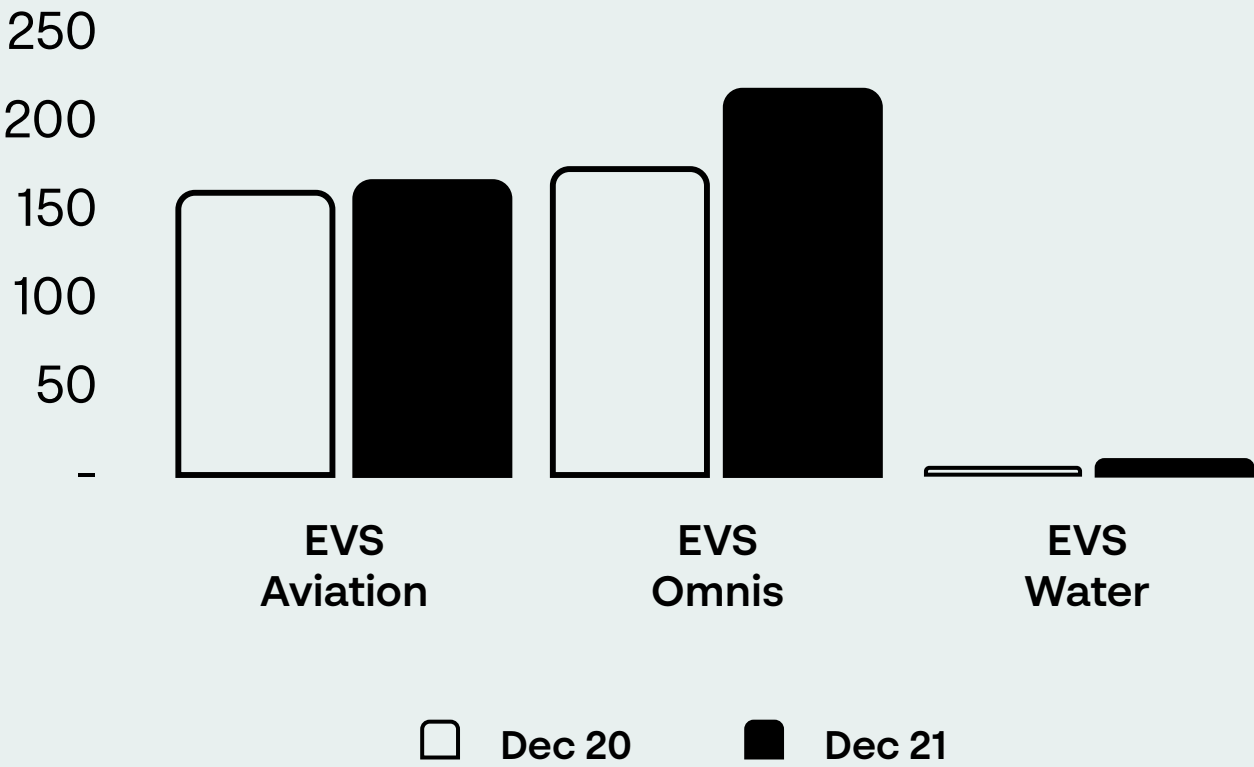
ARR by Product



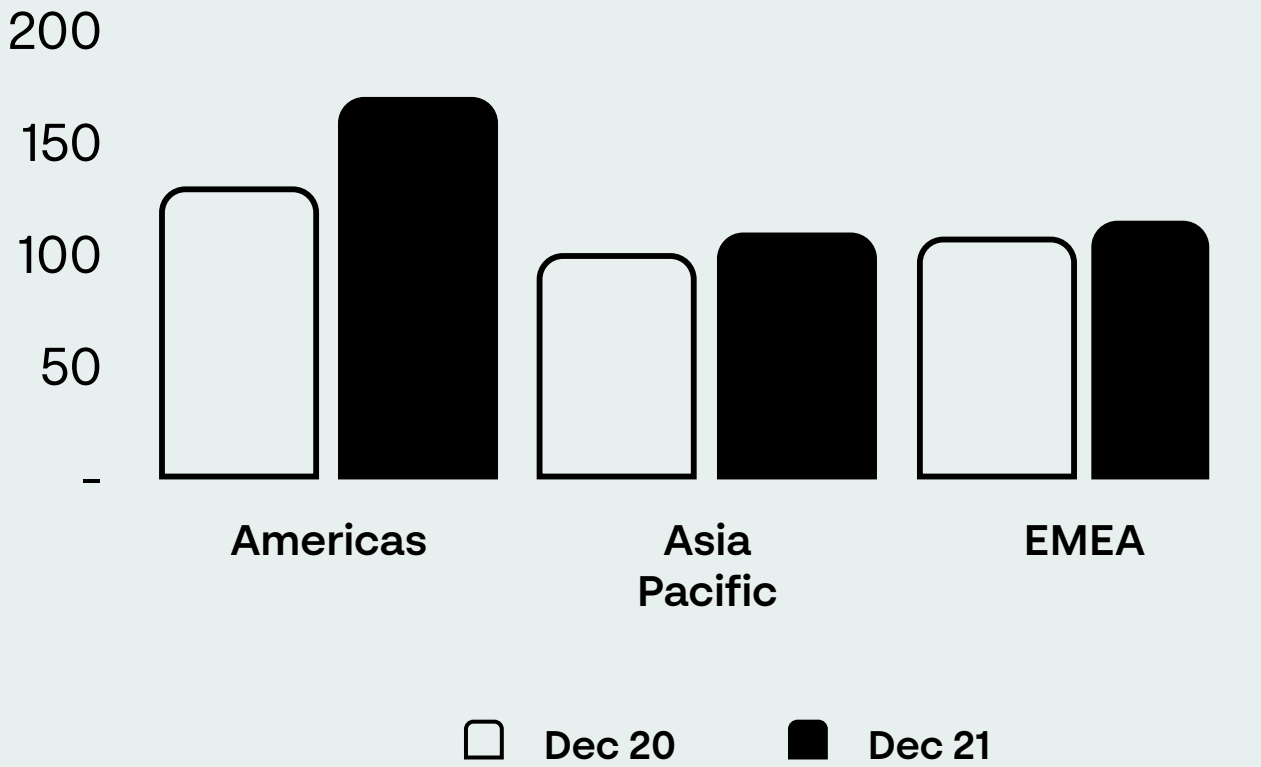
ARR by Region



Number of sites by Product



Number of sites by Region



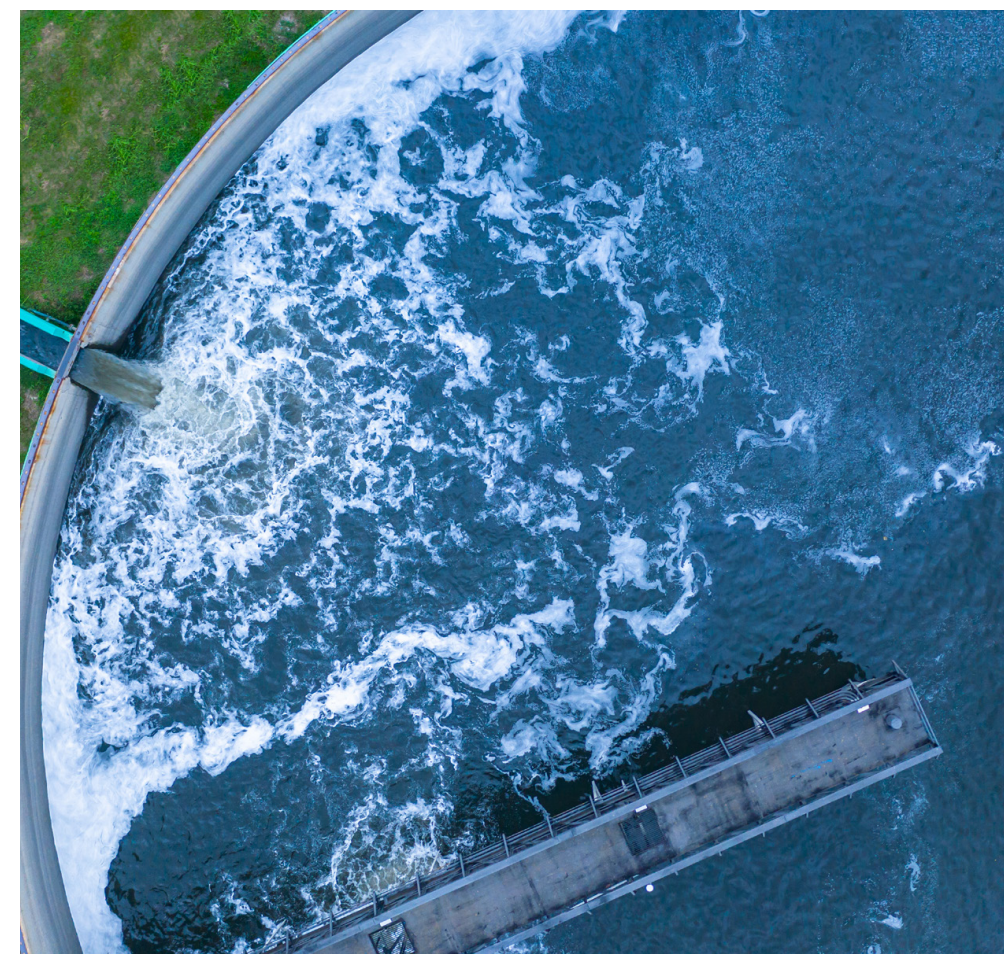
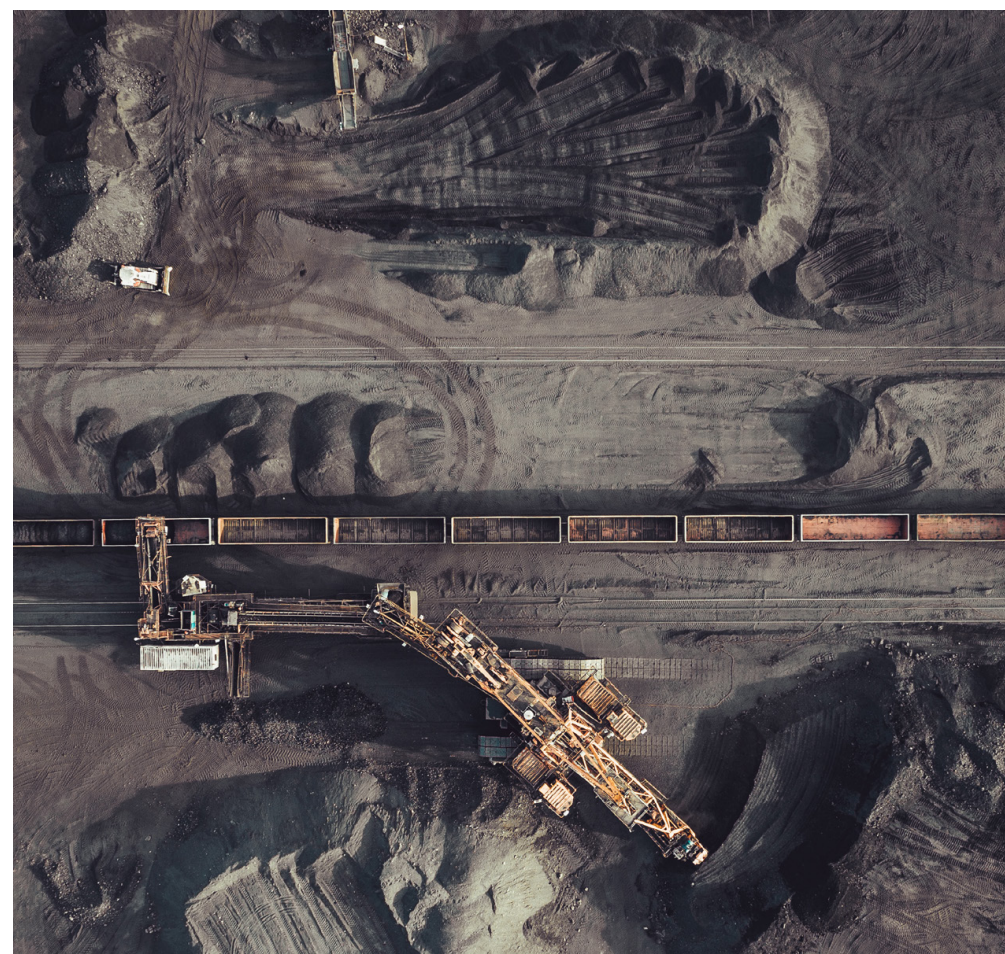




# Product-Led, Sales Focused

With a product-led, sales focused strategy, growth is driven primarily by the product itself by placing it at the centre of go-to-market and the buying journey.

Supported by company-wide alignment across teams—from engineering to sales, marketing and operations—around the product as the central source of sustainable, scalable business growth.





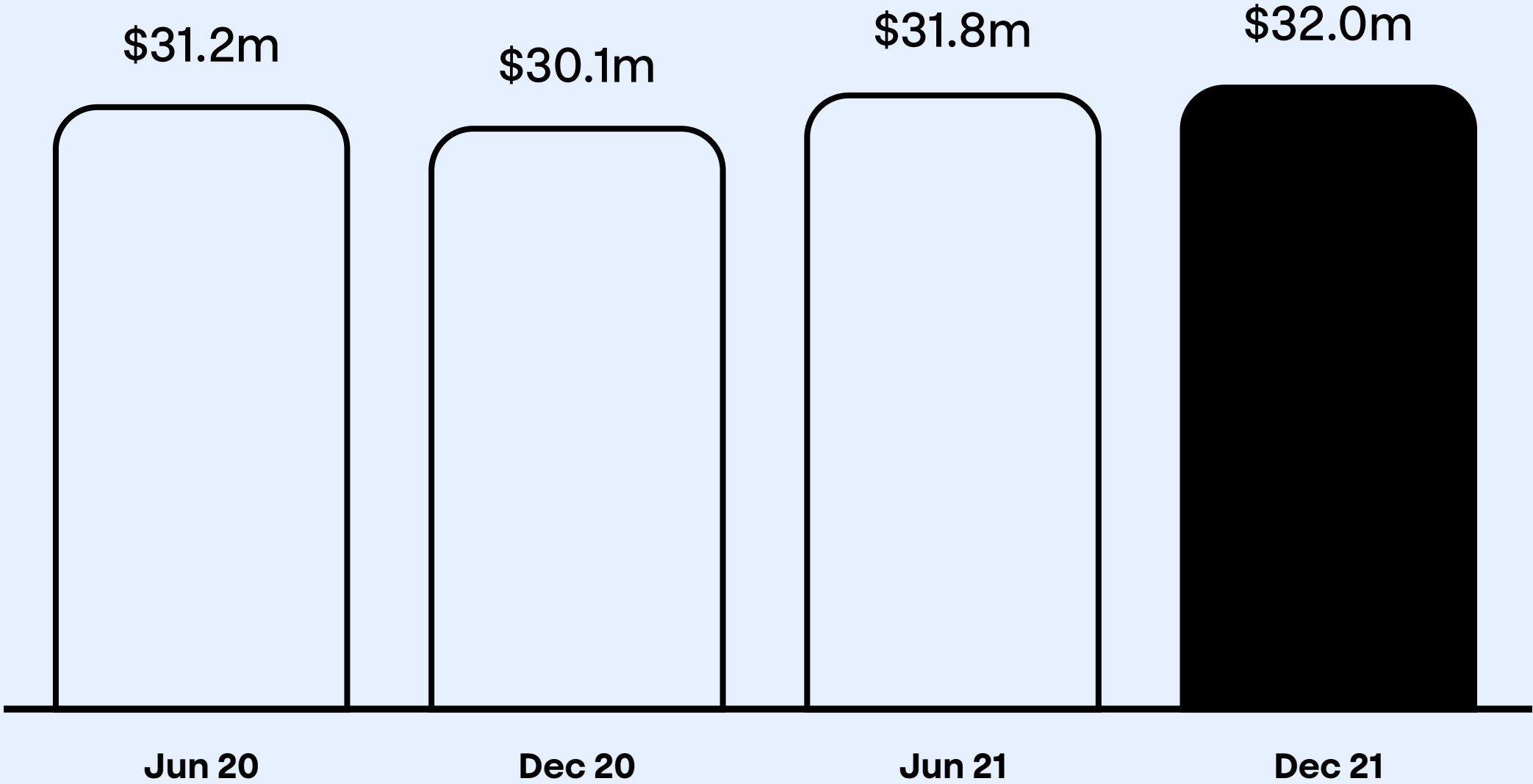


**\$17.4m** (half year)  
**Statutory Revenue**  
+ 14.4% on PCP

**88.5%**  
**Recurring Revenue**  
- 6.0% on PCP

**167**  
**Client Sites**  
+ 3.7% on PCP

**\$32.0m**  
**Annual Recurring Revenue**  
+ 6.5% on PCP







## Case study

Dublin Airport

Dublin Airport, a leading European secondary hub undertakes active noise management and reports on key performance indicators outlined in its noise management plan - achieved using technology from the EVS Aviation platform.





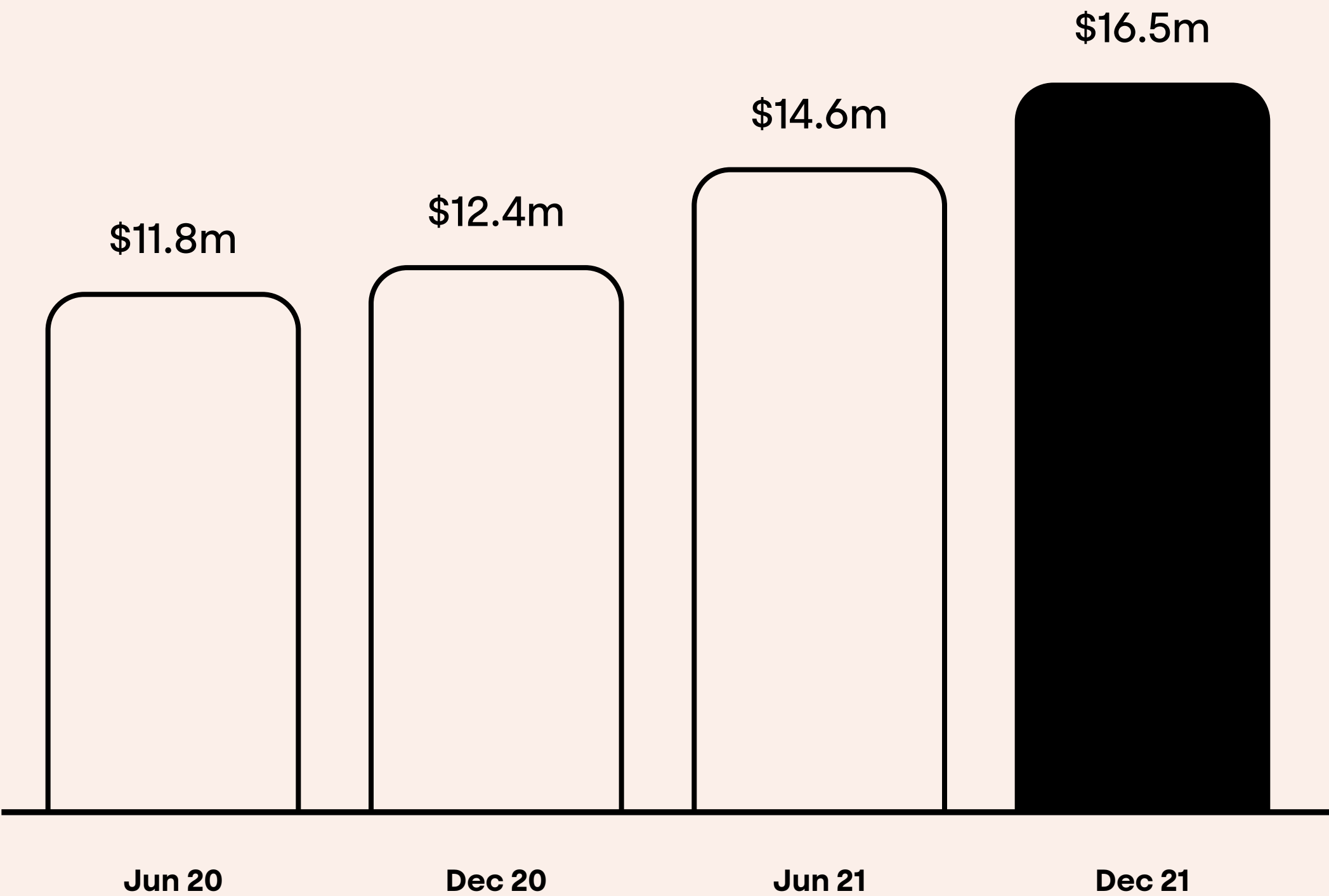


**\$9.3m** (half year)  
**Statutory Revenue**  
+ 12.2% on PCP

**65.5%**  
**Recurring Revenue**  
- 4.9% on PCP

**219**  
**Client Sites**  
+ 25.1% on PCP

**\$16.5m**  
**Annual Recurring Revenue**  
+ 33.5% on PCP







## Case study

Kalamazoo

*“Envirosuite has helped us to baseline local hydrogen sulfide levels to better evaluate odour mitigation efforts and keep the community informed of air quality in the area. The system is being expanded to track additional sources to best target odour reduction efforts and identify capital improvement projects that will have beneficial impacts on the Kalamazoo community.”*

**Jim Cornell,**

Kalamazoo Wastewater Division Manager, City of Kalamazoo





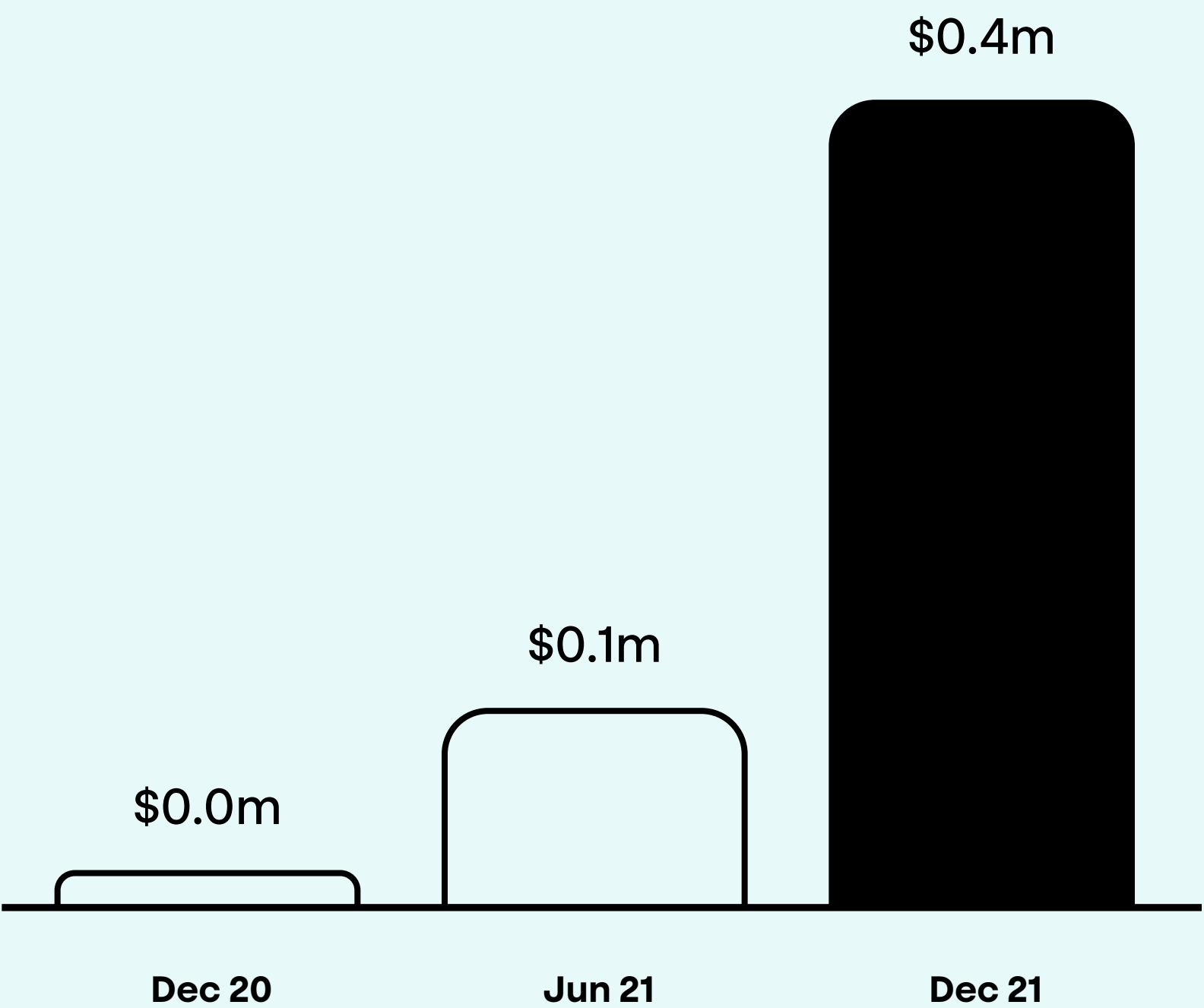


**\$0.1m** (half year)  
**Statutory Revenue**  
+ 224% on PCP

**5<sup>\*</sup>**  
**Client Sites**  
+ 400% on PCP

\* This number does not include EVS Water Designer sites

**\$0.4m**  
**Annual Recurring Revenue**  
+ 864.1% on PCP







## Case study

Water Corporation

Envirosuite delivering SaaS product SeweX, to Water Corporation, Western Australia's water utility. SeweX will be used to support the proactive management of corrosion, odour and safety in sewer networks related to sulphide and methane. SeweX is designed to help water utilities to safely manage the biological processes occurring within sewer networks and improve the health, safety and environmental (HSE) performance, while avoiding and mitigating costly network disruption.

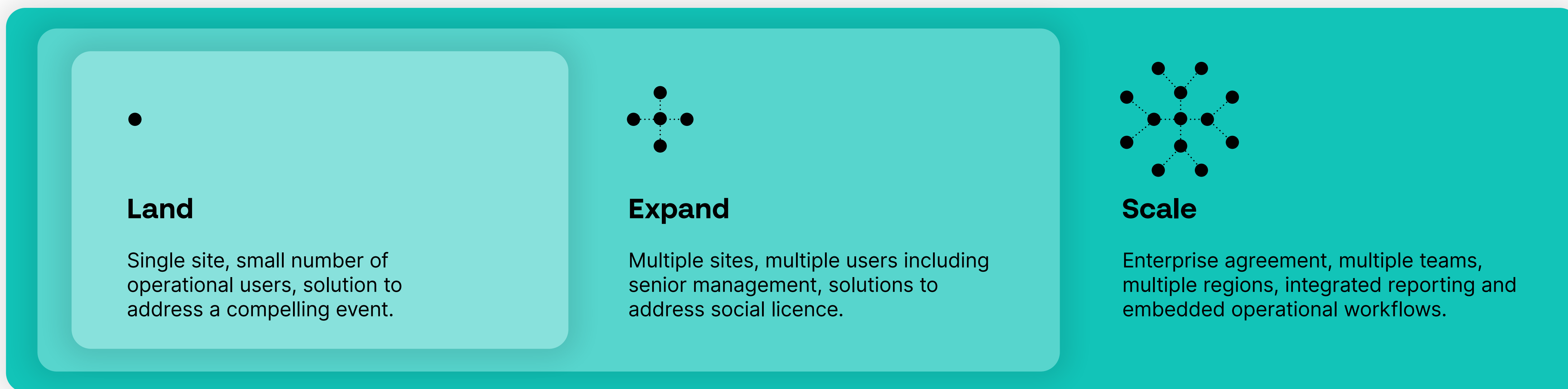






# Our sustainable, long-term growth strategy

To develop robust profitability, our sustainable long term growth strategy is to Land, Expand and Scale. Envirosuite is focused on developing long term customer relationships, growing from single site to multi-site, expanding our value with customers, and ultimately shifting to enterprise agreements. This strategy will reduce our cost of acquisition and focus the team on creating and communicating long term value to our customers.



Q1, FY22

**Won 1<sup>st</sup> site & added 2<sup>nd</sup> site**

Q2, FY22

**Added 3<sup>rd</sup> site**

Q3, FY22

**Exploring opportunities**



# Financials





# 1H FY22 Financial performance

Revenue of

**\$26.8m**

+ 13.8% on PCP

Gross Profit improved to

**48.4%**

41.5% PCP

Adjusted EBITDA improved to

**\$(2.0)m**

\$(3.6)m PCP

## Income Statement EBITDA

| A\$000   | 1HFY22          | 1HFY21          | Movement \$      | Movement %    |
|--|-----------------|-----------------|------------------|---------------|
| Recurring revenue                                | 21,580          | 20,071          | 1,509            | 7.5%          |
| Non-recurring revenue                            | 5,216           | 3,477           | 1,739            | 50.0%         |
| Other revenue                                    | 21              | 17              | 4                | 23.5%         |
| <b>Total revenue</b>                             | <b>26,817</b>   | <b>23,565</b>   | <b>3,252</b>     | <b>13.8%</b>  |
| Cost of revenue                                  | (13,825)        | (13,778)        | (47)             | (0.3%)        |
| <b>Gross profit</b>                              | <b>12,992</b>   | <b>9,787</b>    | <b>3,205</b>     | <b>32.7%</b>  |
| Gross profit %                                   | 48.4%           | 41.5%           | 6.9 bps          | 16.6%         |
| Sales and marketing                              | (6,404)         | (6,067)         | (337)            | (5.6%)        |
| Product development                              | (4,080)         | (2,980)         | (1,100)          | (36.9%)       |
| General and administrative                       | (4,196)         | (5,204)         | 1,008            | 19.4%         |
| <b>Total operating expenses</b>                  | <b>(14,680)</b> | <b>(14,251)</b> | <b>(429)</b>     | <b>3.0%</b>   |
| <b>EBITDA</b>                                    | <b>(1,650)</b>  | <b>(4,844)</b>  | <b>3,194</b>     | <b>65.9%</b>  |
| <b>Adjusted EBITDA</b>                           | <b>(1,964)</b>  | <b>(3,562)</b>  | <b>1,597</b>     | <b>44.9%</b>  |
| <b>Recurring revenue as a % of total reveune</b> | <b>80.5%</b>    | <b>85.2%</b>    | <b>(4.7) bps</b> | <b>(5.5%)</b> |



# Key Metrics by Product

Significant growth opportunities  
across the product suites.

| A\$000                       | EVS Aviation  | EVS Omnis    | EVS Water       |
|------------------------------|---------------|--------------|-----------------|
| SAM <sup>1</sup>             | 194,000       | 1,200,000    | 2,800,000       |
| ARR                          | 32,041        | 16,538       | 376             |
| # Sites                      | 167           | 219          | 5 <sup>2</sup>  |
| ARPS                         | 192           | 76           | 67 <sup>2</sup> |
| Churn %                      | 0.5%          | 5.0%         | 0.0%            |
| ARR Growth %                 | 6.5%          | 33.5%        | 863.9%          |
| <b>Statutory revenue</b>     |               |              |                 |
| Recurring revenue            | 15,425        | 6,092        | 63              |
| Non-recurring revenue        | 2,001         | 3,215        | -               |
| <b>Total Trading revenue</b> | <b>17,426</b> | <b>9,307</b> | <b>63</b>       |
| <i>% Revenue recurring</i>   | <i>88.5%</i>  | <i>65.5%</i> | <i>100%</i>     |

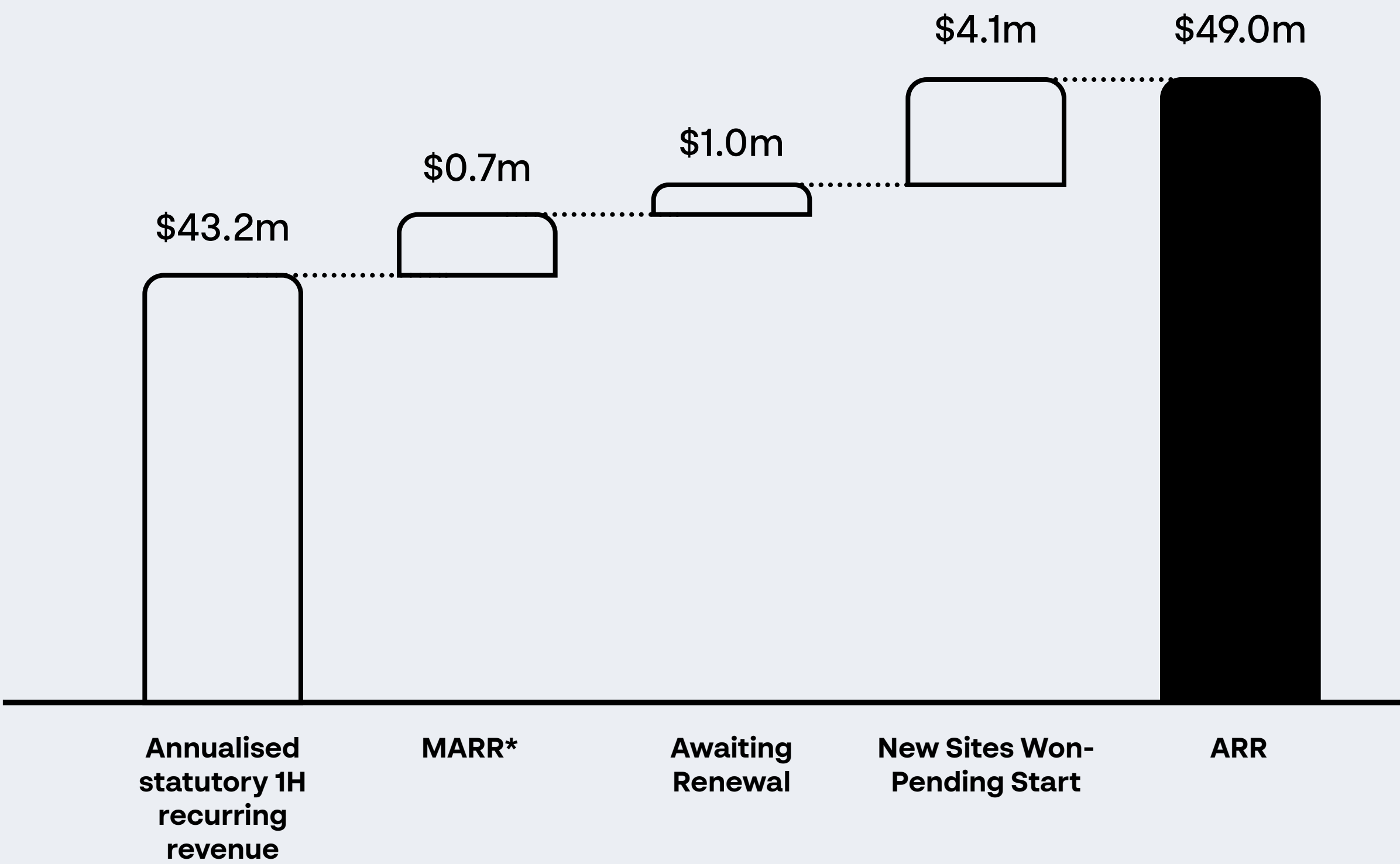


# Annual Recurring Revenue

## ARR of \$49.0m

Continued focus on managing and signing renewals – Customer Success Managers maintaining ongoing contact with customers with opportunities to upsell.

New sites won - growth as a result of strong sales performance in 1HFY22.  
Opportunity for improving implementation timeframes supported by inventory management strategy.



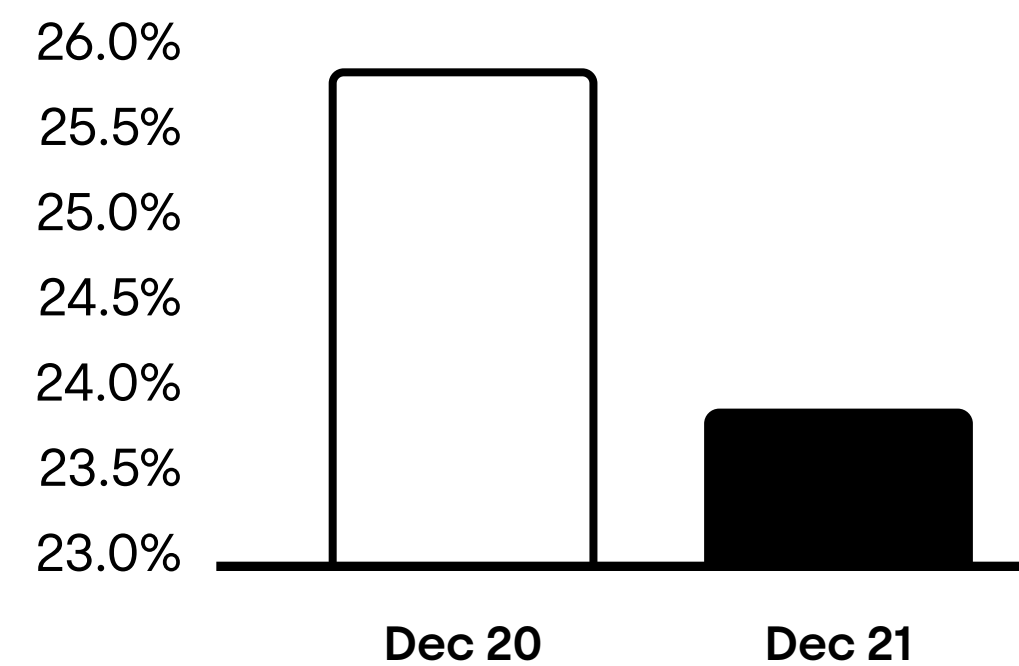
\* MARR = Monthly Annualised Recurring Revenue represents the month-to-date recurring revenue booked in the P&L in June multiplied by 12. The MARR includes temporary discounts offered.



# Operating leverage

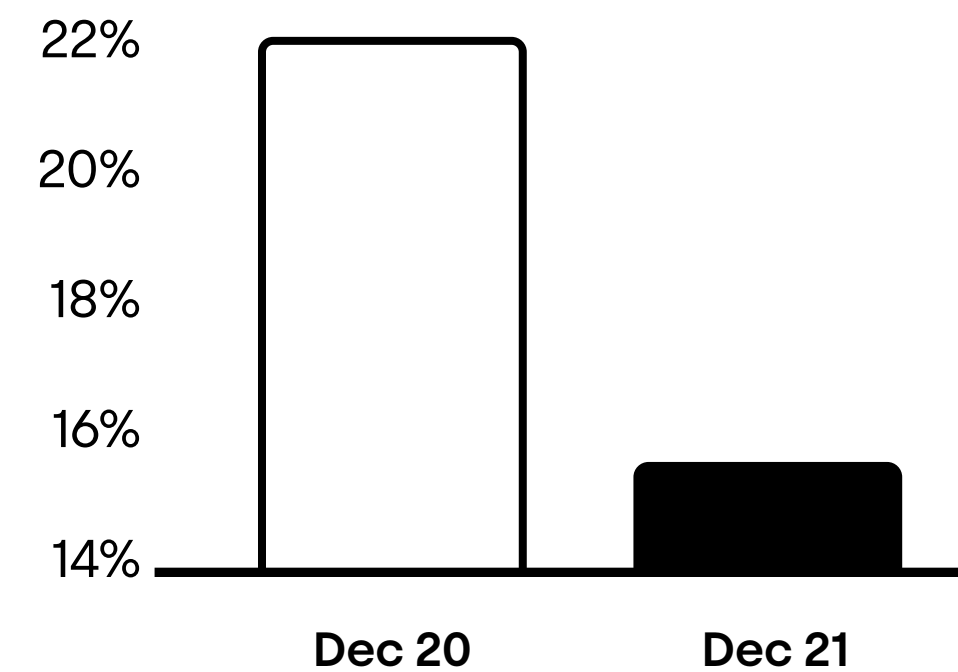
Percentage of revenue

Sales and marketing



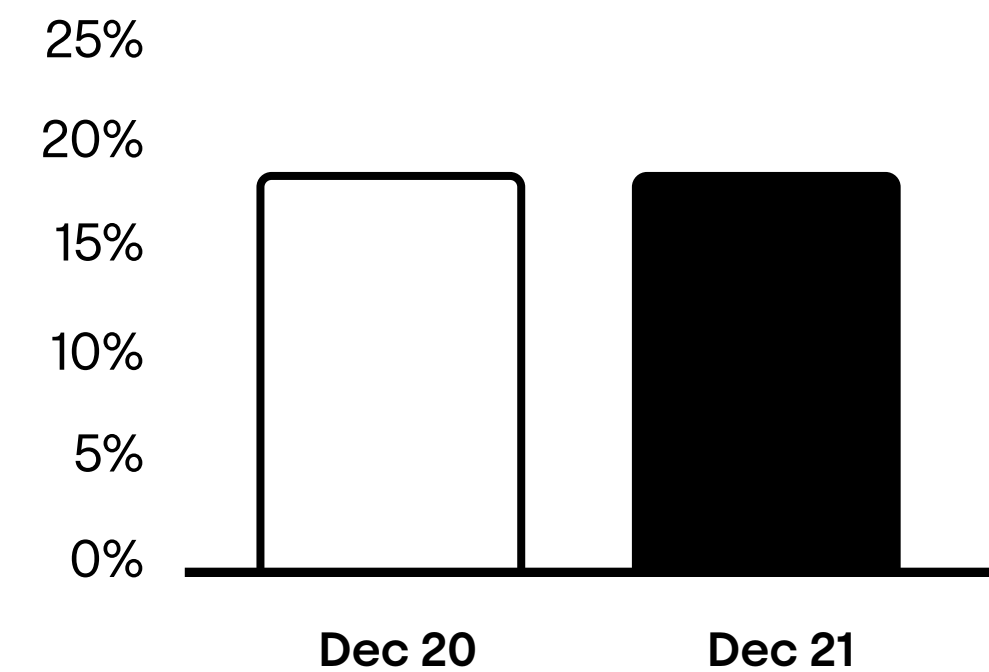
Improved sales effectiveness and focus on implementations particularly in Americas has driven improvement.

General and administrative



Strong cost management during the period – constant review by executive to ensure optimal global structure.

R&D Cash spend



R&D cash spend commensurate with revenue growth as EVS enhances product market fit.

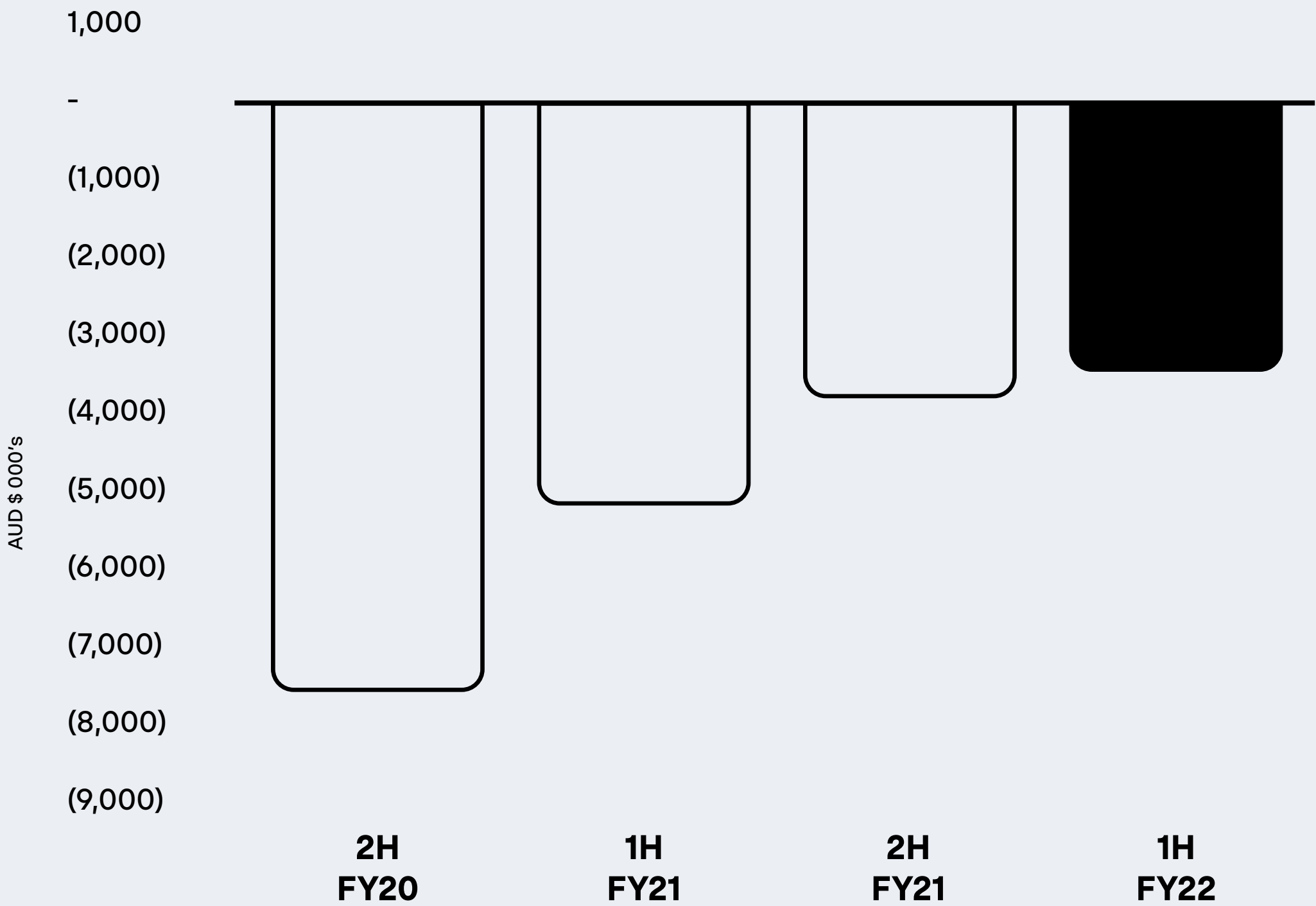


# Operating cash flow improvement

Improvement in operating cashflow over recent half year periods demonstrates the growth opportunity within the product segments along with improved gross margin.

Investment in EVS Water and expansion in the geographical footprint will see this flatten out over next 12 – 18 months.

Adjusted Operating Cashflow





# Strong balance sheet

Positioned for growth

## Balance Sheet

|                             | Dec 21         | Jun 21         |
|-----------------------------|----------------|----------------|
| Cash and cash equivalents   | 23,714         | 17,640         |
| Trade and other receivables | 11,051         | 11,555         |
| Inventories                 | 2,482          | 2,474          |
| Intangible assets           | 108,797        | 108,931        |
| Other                       | 9,949          | 9,243          |
| <b>Total Assets</b>         | <b>155,993</b> | <b>149,843</b> |
| Trade and other payables    | 9,806          | 7,973          |
| Provisions                  | 3,603          | 4,035          |
| Other                       | 10,284         | 10,535         |
| <b>Total Liabilities</b>    | <b>23,693</b>  | <b>22,543</b>  |
| <b>Net Assets</b>           | <b>132,300</b> | <b>127,300</b> |
| <b>Total Equity</b>         | <b>132,300</b> | <b>127,300</b> |
| Current Ratio               | 2.22           | 2.09           |
| Quick Ratio                 | 1.94           | 1.82           |





# Outlook





# Strategic priorities



## Growth

Leverage ESG tailwinds,  
strategic partnerships  
and Americas  
momentum.



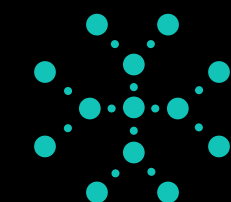
## Product

Drive a culture of  
innovation and scientific  
excellence to deliver  
environmental intelligence.



## Customer

Deliver high value  
differentiation through  
customer success for  
retention and growth.



## Scale

Build for global scale  
and innovation while  
optimising for gross  
profit improvement.



# Q&A







# Definitions

|                                   |   |   |  |
|-----------------------------------|---|---|--|
| <b>ARPS</b>                       | Average Revenue Per Site which is calculated by taking the ARR divided by the number of sites.  | <b>Adjusted EBITDA</b>                      | Earnings Before Interest Depreciation and Amortisation adjusted to (a) exclude share-based compensation, which is a non-cash expense; (b) exclude foreign exchange gains/losses, 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>CLTV</b>                       | Customer Lifetime Value which is calculated by taking the ARPS divided by the churn rate and multiplied by the gross margin percentage for the customer segment. In this presentation, a gross margin rate of 42.4% has been applied to calculate the CLTV.   | <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 and other 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>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>Recurring revenue</b>          | Revenue that the company expects to continue for more than 12 months based on 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>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.   |
| <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.  |   |  |



Thank you.





# Appendix







# Net loss after tax to adjusted EBITDA Reconciliation

| A\$000   | For the 6 months ended |                | Movement     |              |
|--|------------------------|----------------|--------------|--------------|
|  | Dec 21                 | Dec 20         | Dec 20       | Dec 20       |
| Net loss after tax                             | (5,802)                | (7,808)        | 2,006        | 25.7%        |
| Add back: Tax expense / (benefit)              | (51)                   | (422)          | 371          | 87.9%        |
| Add back: Net finance expense (income)         | 131                    | 136            | (5)          | (3.7%)       |
| Add back: Depreciation & amortisation          | 4,072                  | 3,250          | 822          | 25.3%        |
| <b>EBITDA</b>                                  | <b>(1,650)</b>         | <b>(4,844)</b> | <b>3,194</b> | <b>65.9%</b> |
| Less: AASB 16<br>depreciation & interest       | (855)                  | (747)          | (108)        | (14.5%)      |
| Add back: Share-based payments                 | 311                    | 1,306          | (995)        | (76.2%)      |
| Add back: Foreign<br>currency losses / (gains) | 118                    | 380            | (262)        | (68.9%)      |
| Add back: Transaction and<br>integration costs | 112                    | 343            | (231)        | (67.3%)      |
| <b>Adjusted EBITDA</b>                         | <b>(1,964)</b>         | <b>(3,561)</b> | <b>1,598</b> | <b>44.9%</b> |

# Operating cashflow

| A\$000                              | 1HFY20       | 1HFY21       | 2HFY21       | 1HFY22       |
|-------------------------------------|--------------|--------------|--------------|--------------|
| Adjusted Operating Chashflow        |              |              |              |              |
| Cash used in operating activities   | 6,804        | 6,504        | 2,006        | 1,562        |
| Less: Transition costs              | (593)        | (3,511)      |              |              |
| Plus: Capitalised Development costs | 998          | 1,394        | 1,032        | 1,087        |
| Plus: Repayment of AASB 16 Lease    | 489          | 677          | 844          | 910          |
| <b>Adjusted Operating Cash Flow</b> | <b>7,698</b> | <b>5,064</b> | <b>3,882</b> | <b>3,559</b> |