



Accelerating growth, pathway to profitability

ASX: EVS

FY22 Results 23 August 2022





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All amounts are in Australian dollars unless otherwise stated.



Agenda

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PRODUCT SUITE UPDATE

03

FINANCIALS

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Q&A

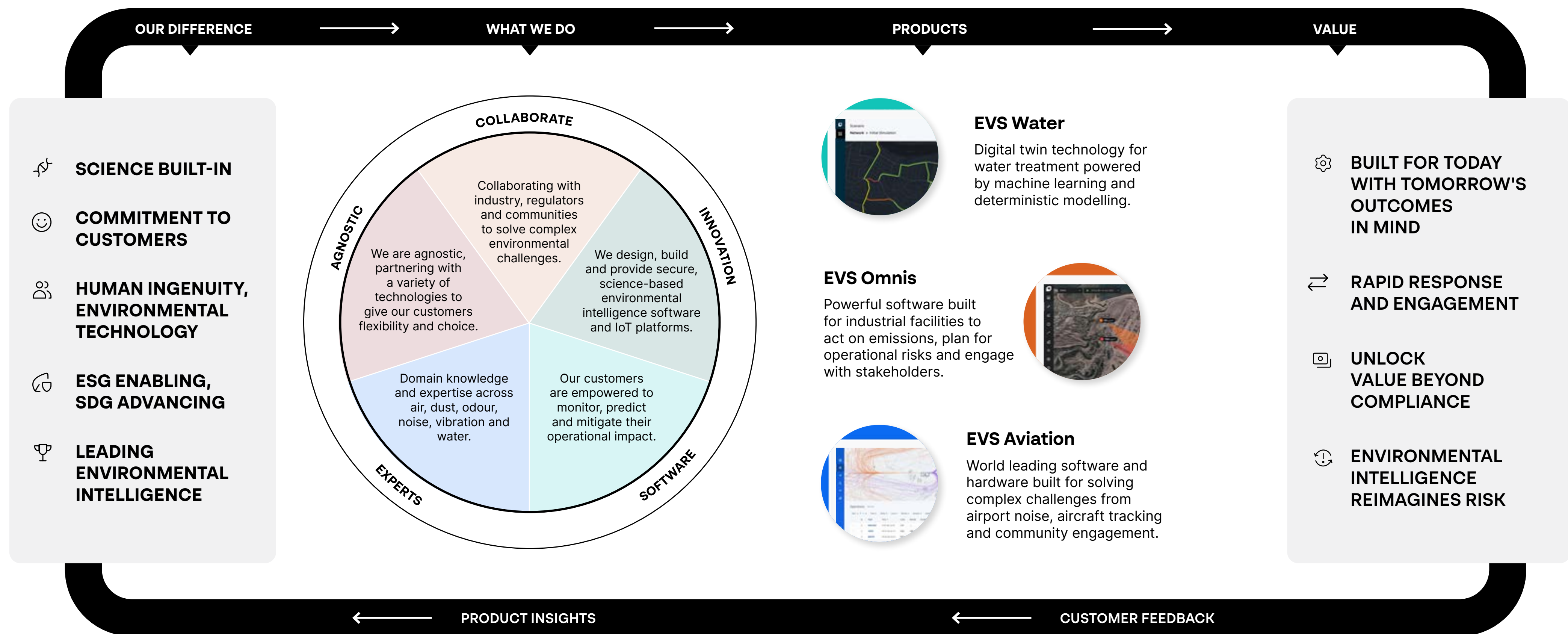


Jason Cooper
Chief Executive Officer



Justin Owen
Chief Financial Officer

World's most advanced environmental intelligence technology provider





FY22 Highlights

Revenue growth

- FY22 ARR of \$53.0m up 14.1% YOY
- Statutory revenue of \$53.5m up 10.1% YOY of which 82.1% is recurring revenue
- \$9.6m project revenue in FY22 up 17.3% YOY
- Driven by strong sales growth throughout the year with record new sales in Q4 of \$6.0m up 27.7% on PCP

Pathway to profitability

- Current growth trajectory provides a clear pathway towards Adjusted EBITDA profitability during FY23
- Significant improvement in cash flows from operating activities and revenue leverage, driven by sustainable revenue and gross margin growth to 47.9%
- Strong cash position with \$16.3m cash at bank and no debt
- Foundational investment into EVS Water product development and go-to-market substantially complete

Customers and sites

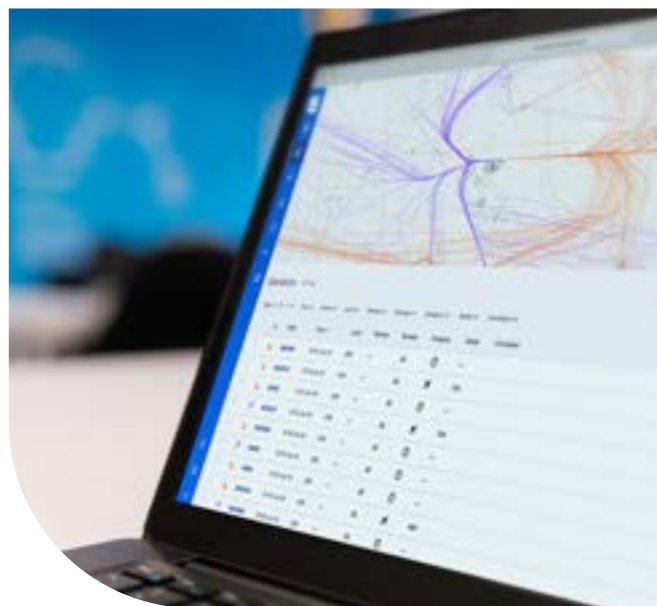
- Strong growth in total customer sites up 11.5% to 416 providing validation of Envirosuite's product performance
- FY22 has seen multiple cross sell opportunities across product suites, with EVS Omnis customers adopting EVS Water
- Enhanced our global geographic representation with the Americas region growing ARR by 31.3% to become our largest region by revenue
- Near term headroom for growth with total customer sites representing single digit penetration of existing client site footprint

Strategic and complementary product suite

- **EVS Omnis** is our growth engine, contributing more than 50% in New ARR for FY22
- **EVS Aviation** provides stable growth and, with product innovation introducing new add-on modules, and a resurgence in air traffic in FY22, continued future growth
- **EVS Water** is a high-margin SaaS product with global scale potential bringing new customers into the group and leveraging existing relationships

Business snapshot

Envirosuite provides our customers with the tools and software to be able to accurately measure their environmental and social impact and the data-driven intelligence to make better business decisions



Airport environmental management software built on decades of experience managing complex airport noise issues, engaging with communities and supporting growth initiatives.



Environmental management software built for today's operators to act on site emissions, plan for weather risk and engage transparently with stakeholders.



Digital twin technology water treatment software for plants powered by machine learning and deterministic modelling.



Clients in
46
Countries

254
Employees

4000+
Connected IoT devices

30+
Years experience



Key metrics

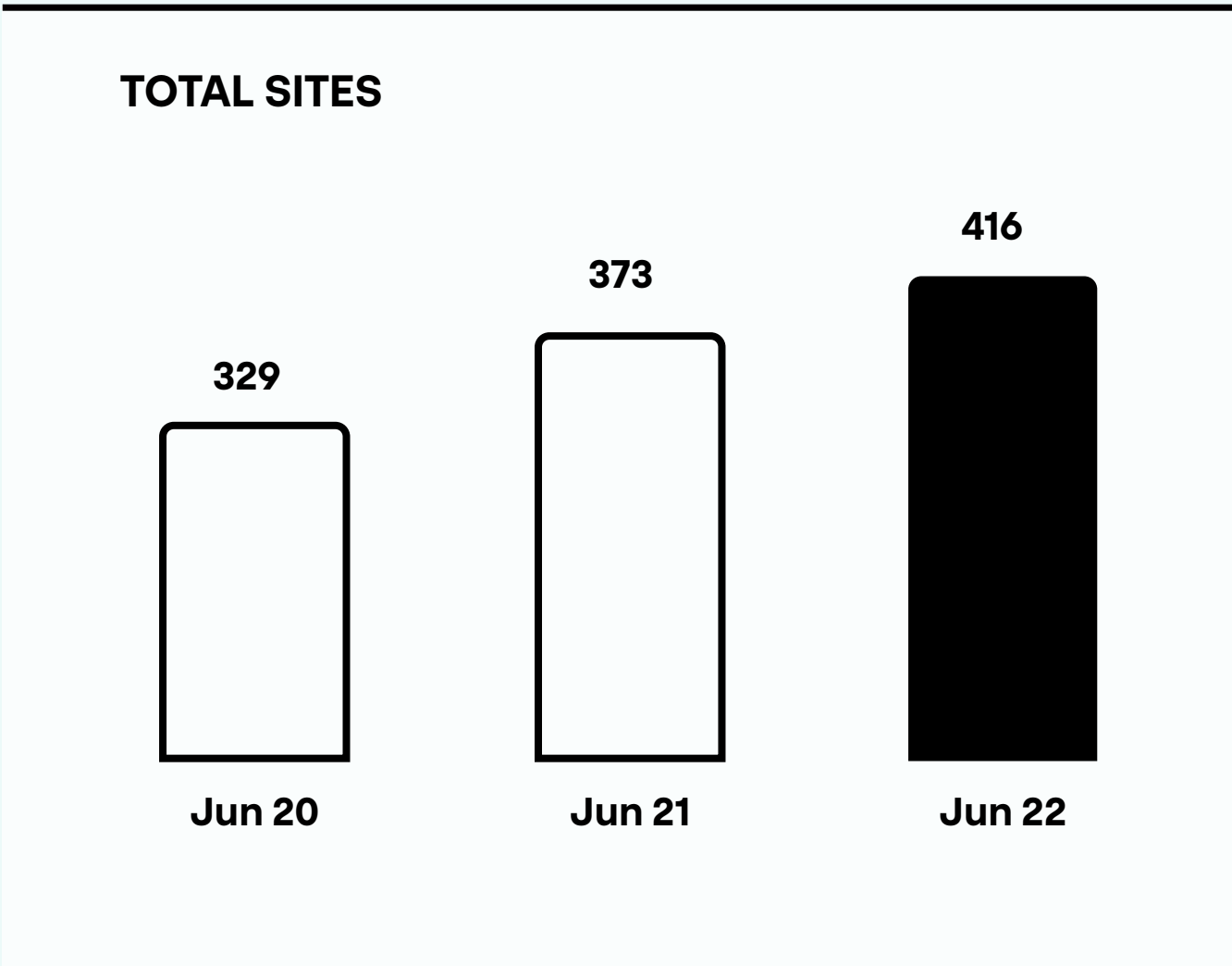
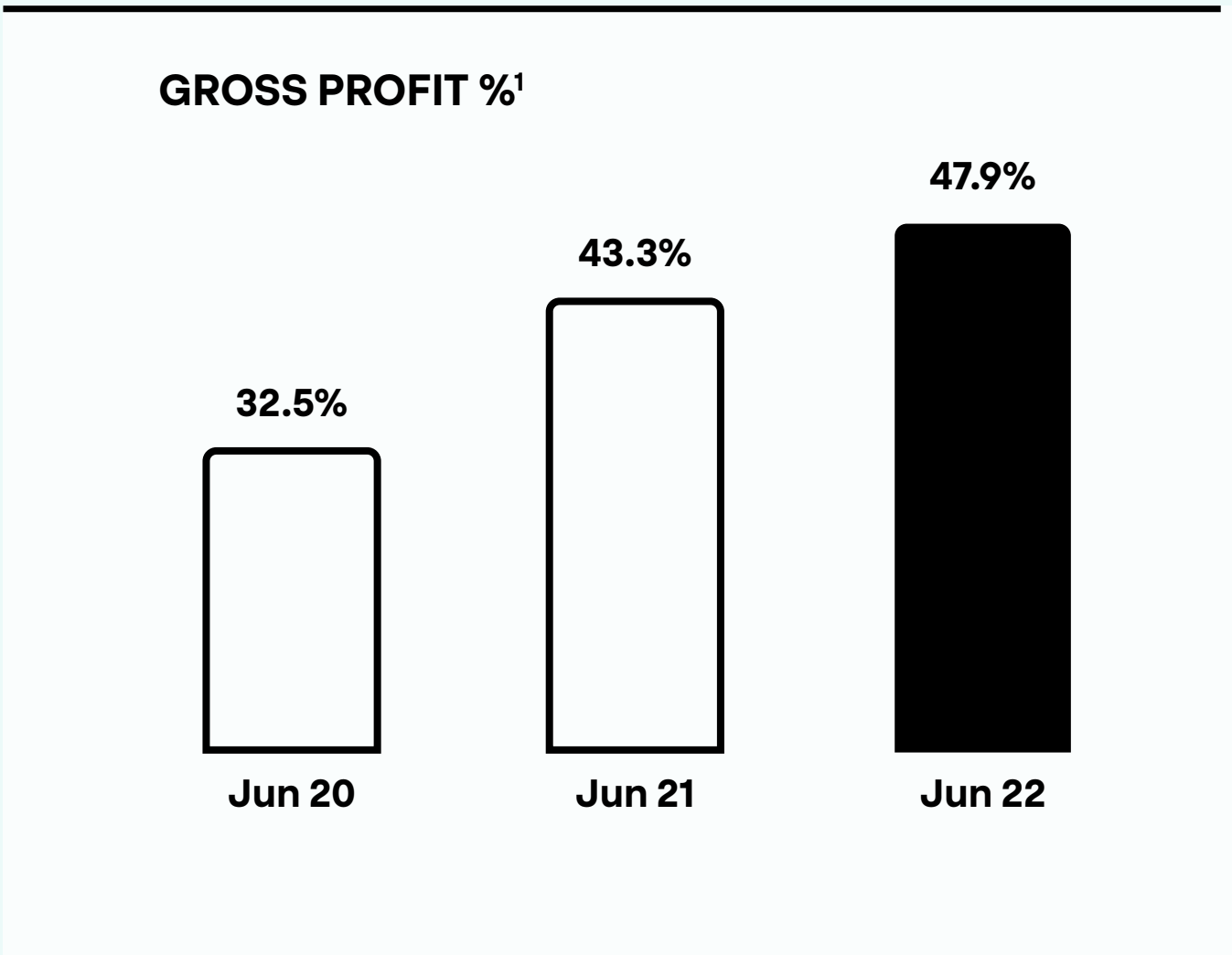
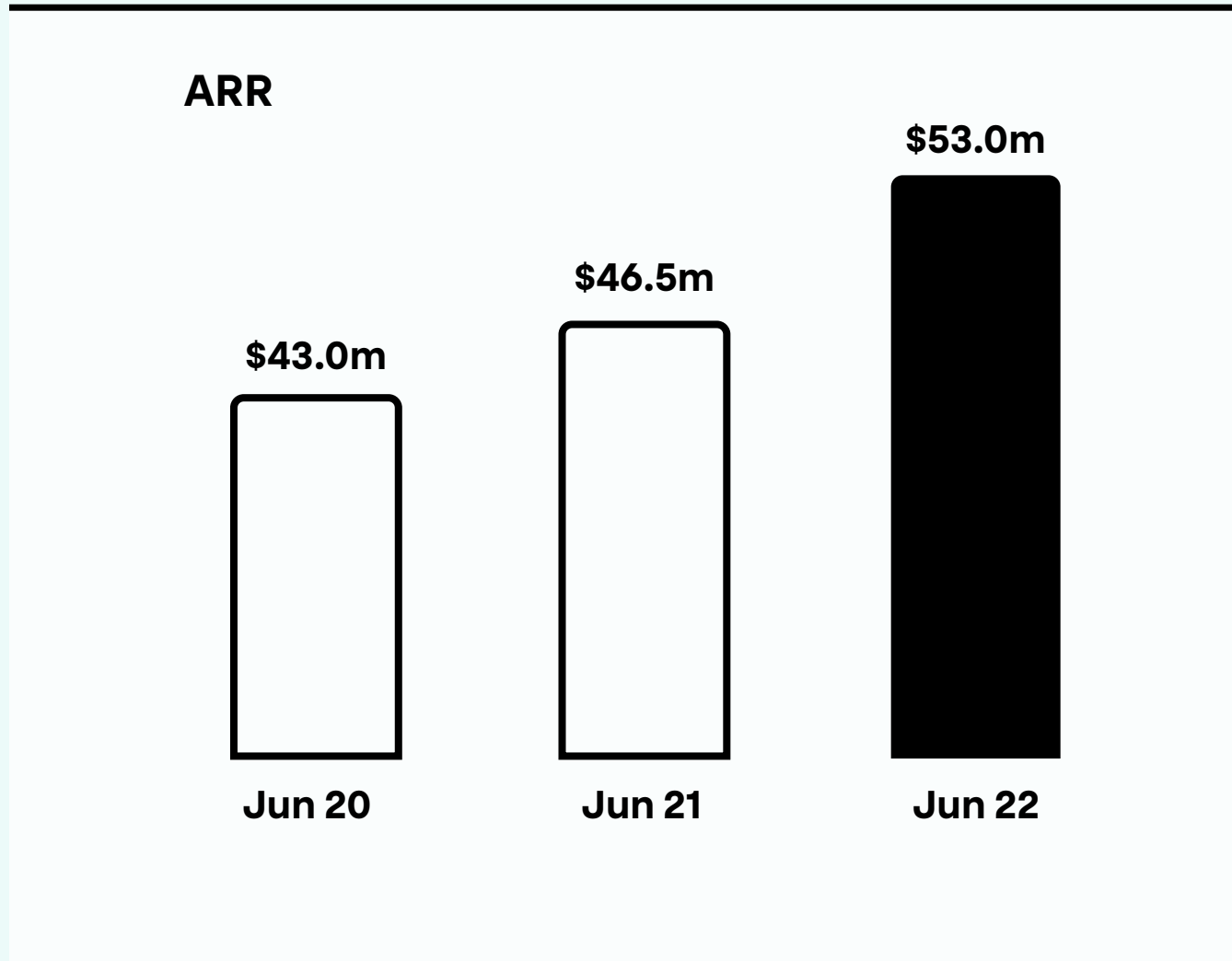
\$53.0m
Annual Recurring Revenue
+ 14.1% YOY

416
Client sites
+ 11.5% YOY

\$53.5m
Statutory revenue
+ 10.1% YOY

47.9%
Gross profit¹
+ 10.6% YOY

\$(4.0)m
Adjusted EBITDA (loss)
Improved 11.8% YOY



Revenue

\$53.0m

ARR
Exporting home grown Australian technology to the world

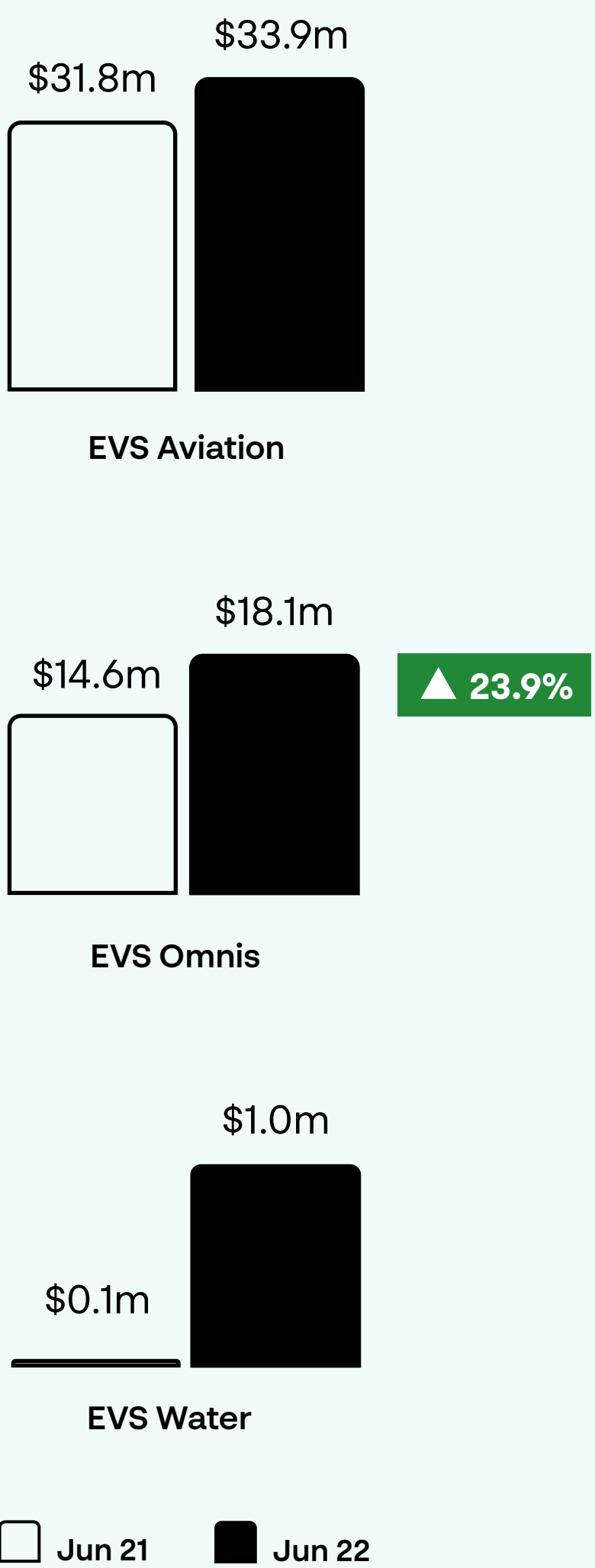
\$43.9m

Recurring revenue
SaaS based business model with blue chip customers

\$9.6m

Project revenue
Strong lead indicator for future ARR

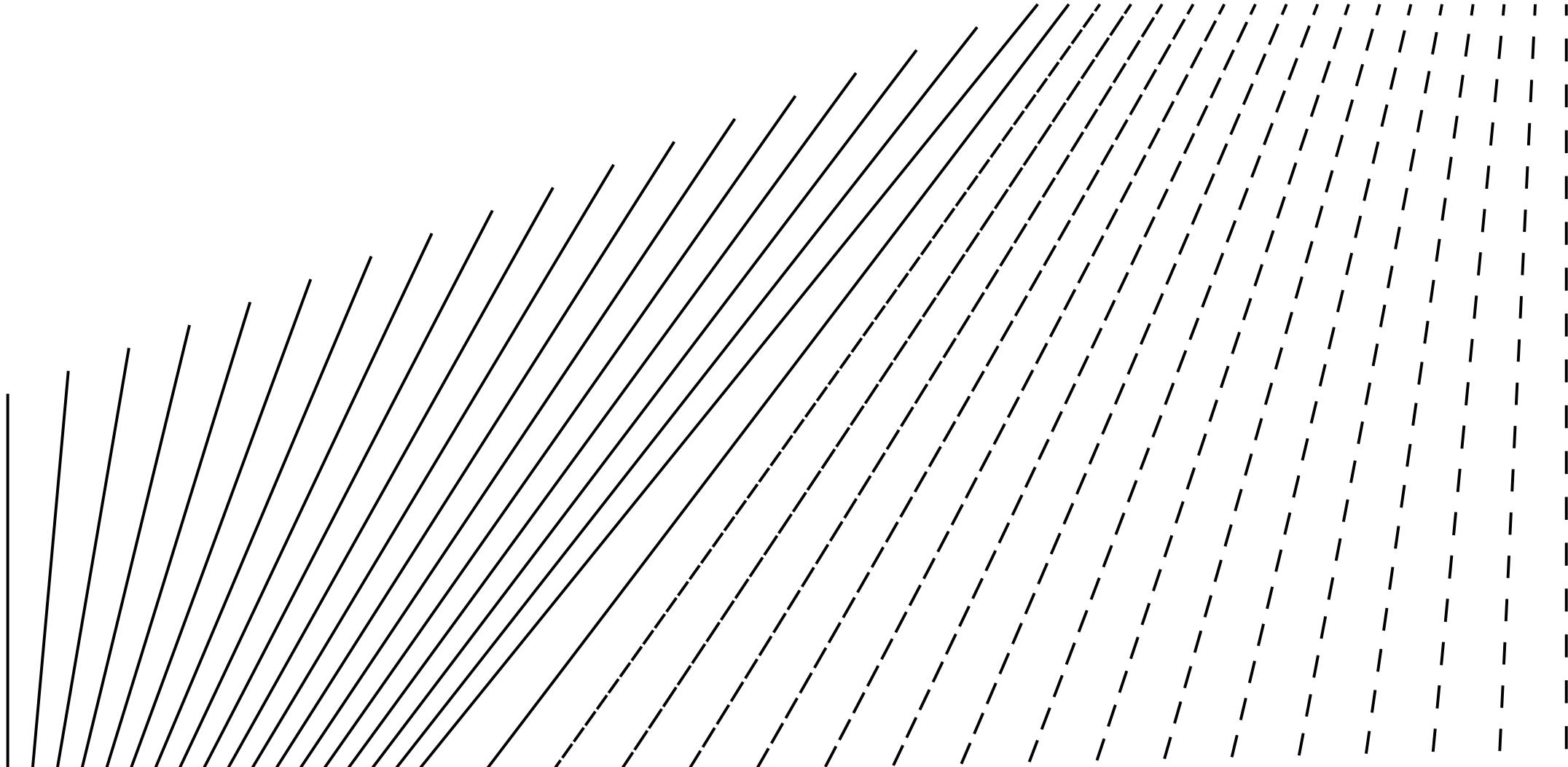
ARR by Product



ARR by Region



Product suite update





\$33.9m

Annual Recurring Revenue

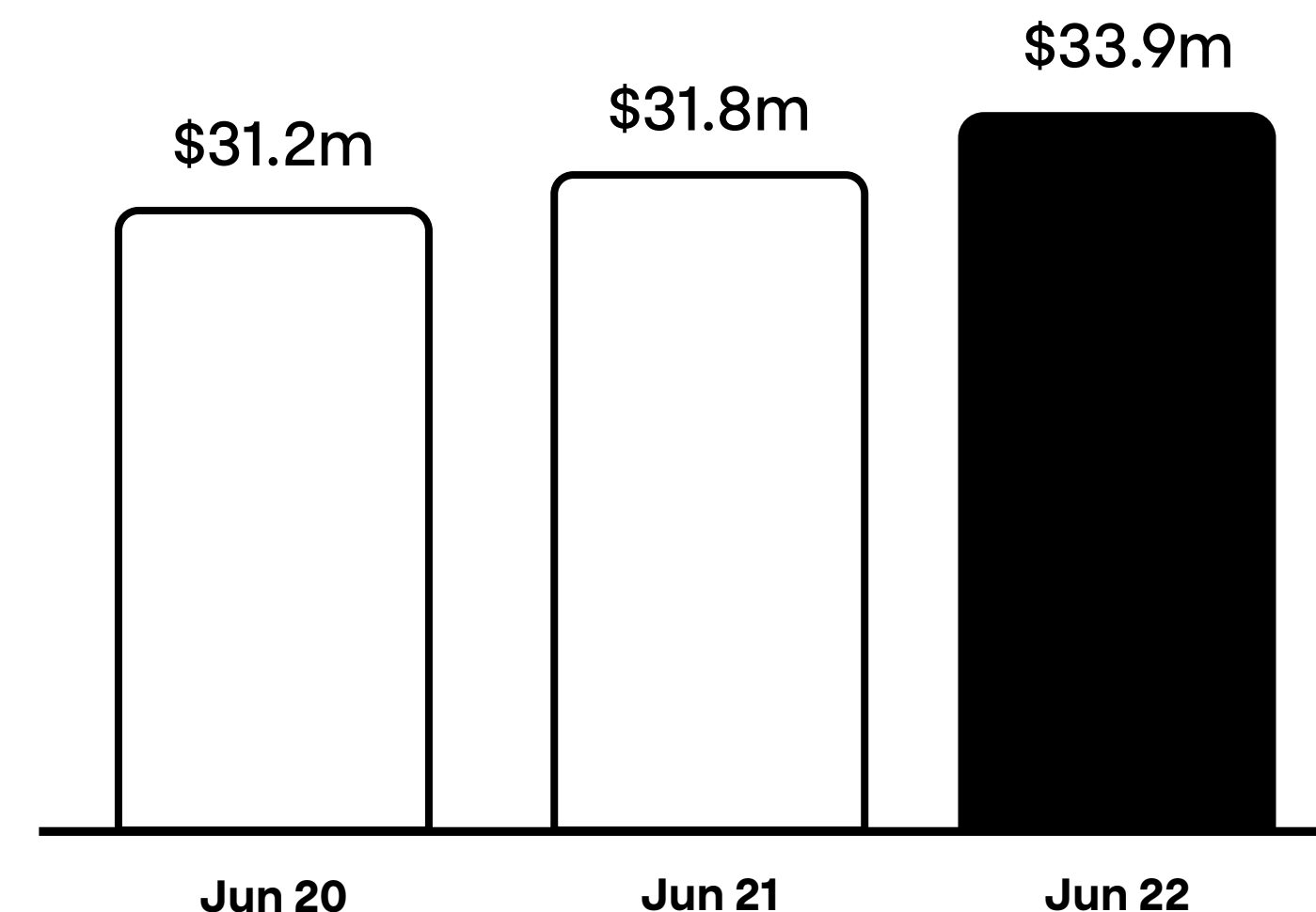
+ 6.7% YOY

172

Client sites

+ 5.5% YOY

Stable Growth and Innovation



FY22

- Global air traffic partially recovered from COVID-19, now at 68.7% of pre-pandemic levels
- Addition of globally significant airports as clients and achieved early adoption of innovative NoiseDesk software and Carbon Emissions technology
- Revenue growth despite significant disruption to air traffic demonstrates EVS Aviation's product leadership

Outlook

- Further recovery in air traffic to pre-pandemic levels will drive additional demand for EVS Aviation products
- Replacement of aging instrumentation across installed sites expected to drive growth in EVS Aviation project revenue



Case study

Aena

Product innovation with NoiseDesk and Carbon Emissions technology

Problem

Across Europe, improved compliance with green procedures to reduce emissions has become essential. Traditional methods of calculating GHG emissions for aircraft are inaccurate, untimely, and cannot be relied on to determine which reduction activities should be targeted to reduce emissions or to communicate with confidence to all stakeholders. Aena needed a fit-for-purpose solution particularly for Madrid, Barcelona and Palma de Mallorca airports (existing EVS Aviation sites).

Solution

Using Envirosuite's Carbon Emissions solution, Aena can automatically and continually assess the amount of GHG emissions during every flight phase, including taxiing, holding, landing, take-off and en-route.

Value

Aena can now engage with airlines and community stakeholders around flight emissions at Madrid, Barcelona and Palma de Mallorca airports with confidence, accessing timely and accurate GHG calculations and data at a lower cost than traditional methods. This will empower Aena to make more informed decisions about where and how they focus their reduction and mitigation activities.





\$18.1m

Annual Recurring Revenue

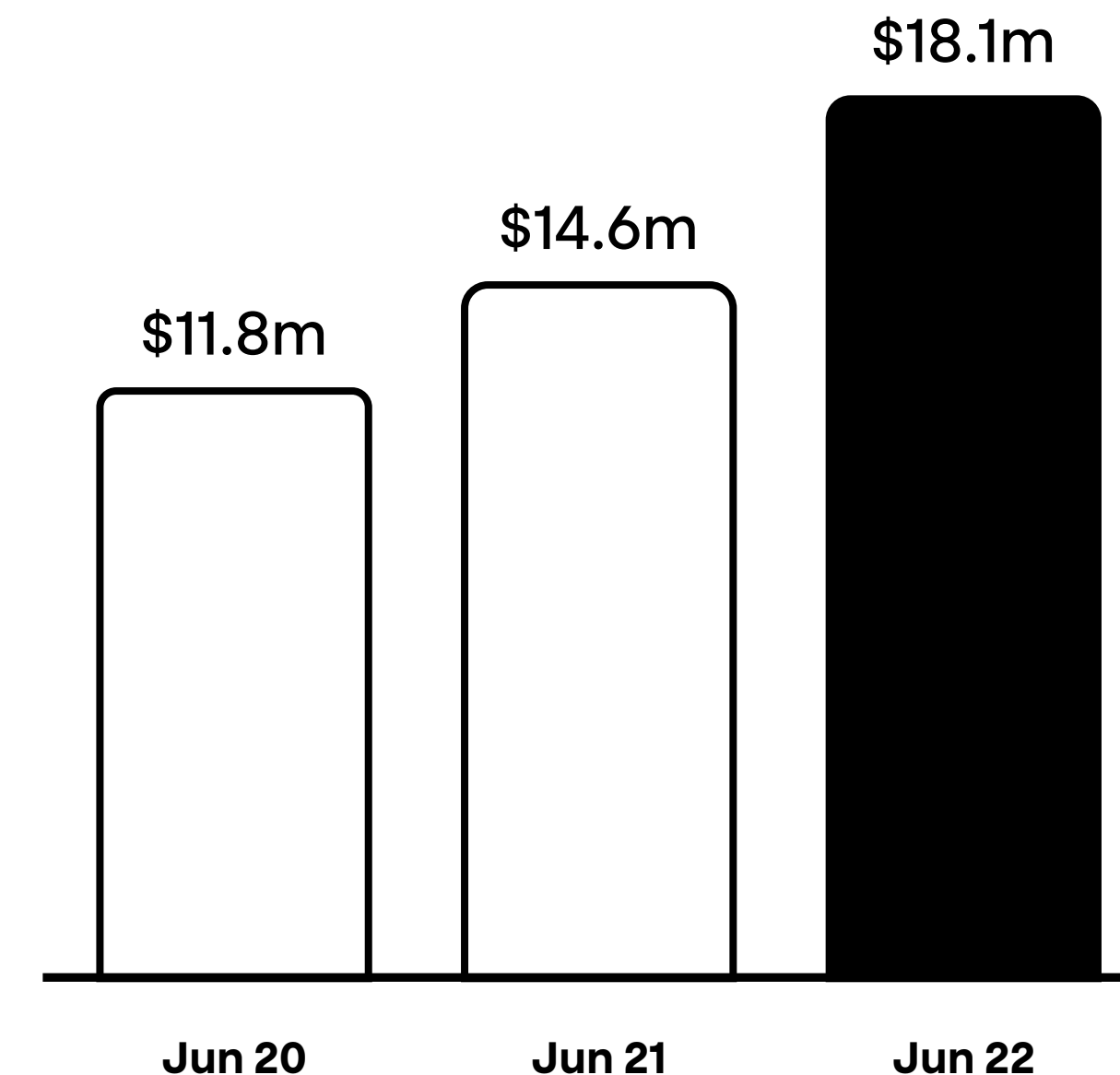
+ 23.9% YOY

231

Client sites

+ 11.6% YOY

High Growth Cross Sell



FY22

- EVS Omnis has landed in material new industry verticals including cement and energy (oil and gas)
- Strong growth has resulted in EVS Omnis contributing 56% of New ARR this year
- Enhanced digitisation and SaaS solution following launch of EVS Omnis platform combining air quality, noise and vibration onto a single platform

Outlook

- New platform capability driving additional revenue opportunities from existing and new customer base
- The inherent cross-sell potential between EVS Omnis and EVS Water will further enhance EVS Omnis value to the Company



Case study

Lafarge Cement

Aggregate Industries

(Noise + Dust + Odour)

Problem

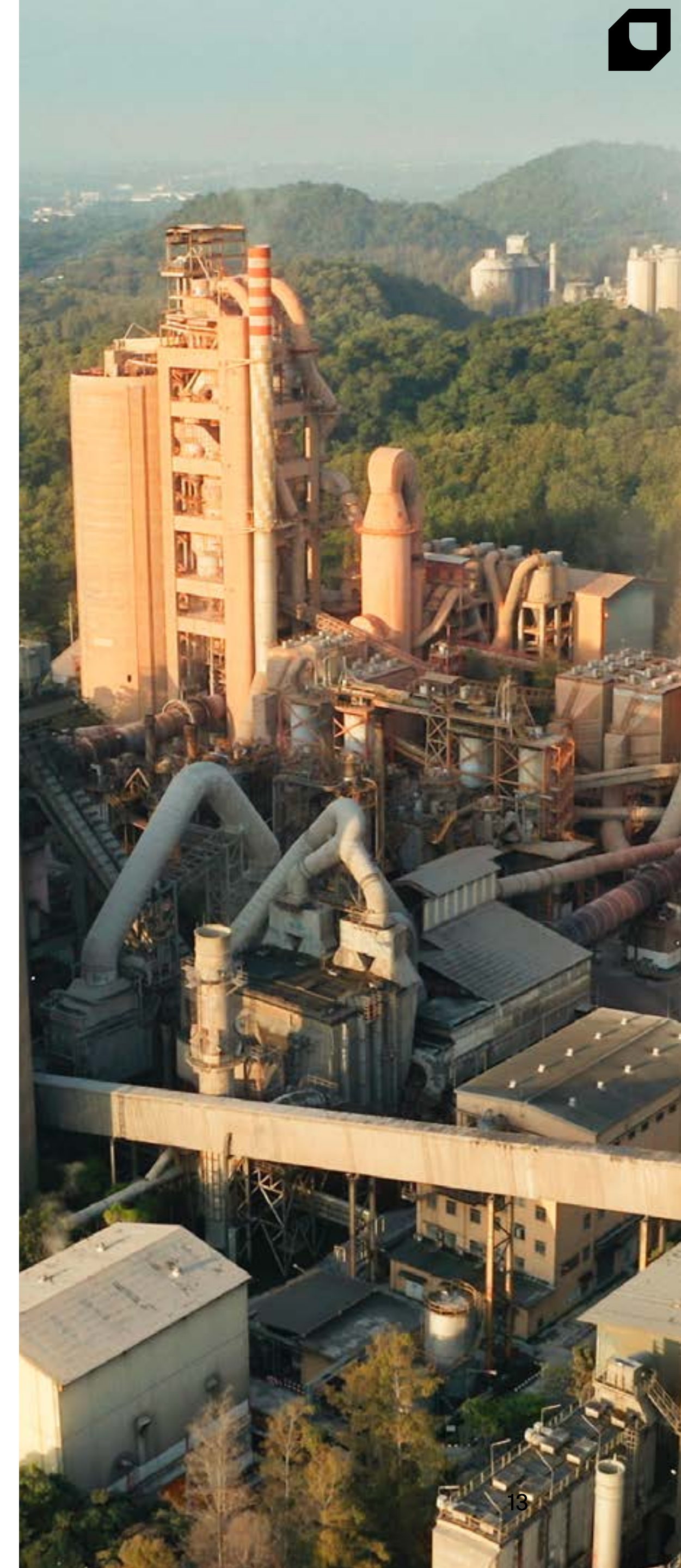
Aggregate Industries' Lafarge Cement facility in Cauldon, Staffordshire, UK is looking to develop a deeper understanding of the environmental impact of its operations on the local community and use that information to proactively mitigate impact risk. After receiving numerous noise, dust and odour complaints from the local community, the Environmental Agency recommended Lafarge put proactive measures in place.

Solution

Envirosuite is providing a turnkey, fully managed solution for the Lafarge Cement facility to manage their noise, dust and odour impacts. The solution consists of both our EVS Omnis software and a range of EVS IoT devices that will provide both real-time monitoring of emissions from site as well as predictive forecasting and risk analysis for operational decision making.

Value

Envirosuite's fully managed service model delivers peace of mind to Aggregate Industries from an operational standpoint, as we take responsibility for solution design, supply, delivery, installation, commissioning and maintenance of both the software and hardware components of the solution, allowing Lafarge to focus on using the data and insights from the Envirosuite solution to make more informed operational decisions that minimise risk of community impact while maintaining site productivity.





\$1.0m

Annual Recurring Revenue

+ 1,434% YOY

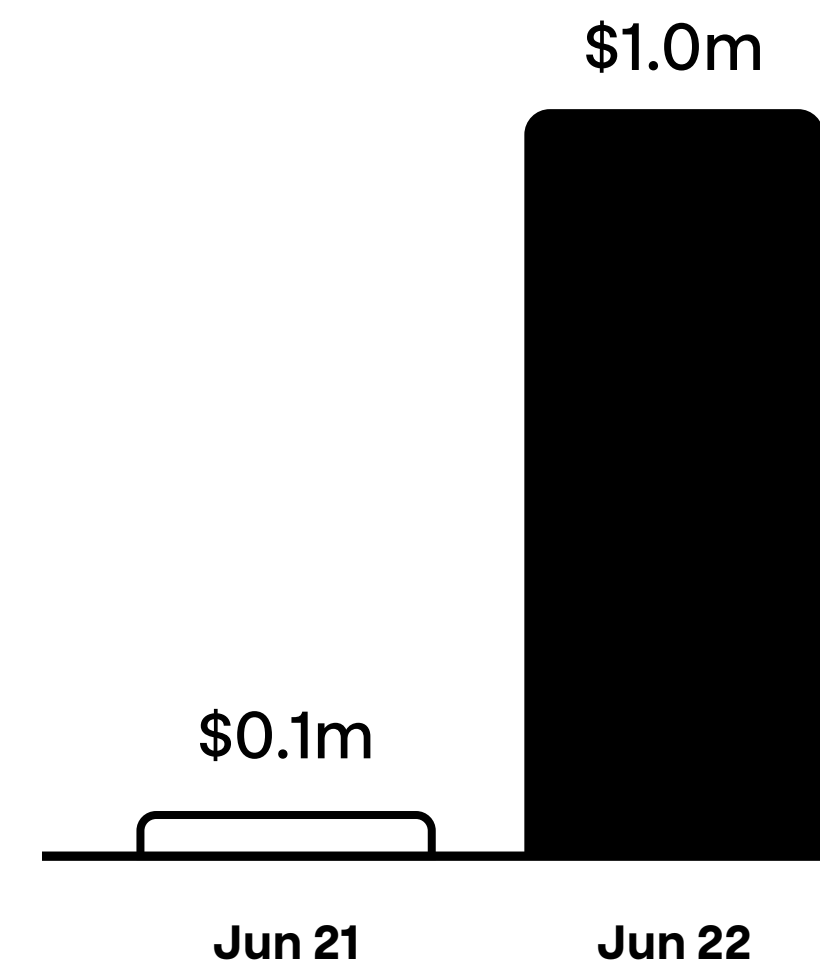
13

Client sites*

+ 333% YOY

* This number does not include EVS Water Designer sites

High Margin SaaS Model



FY22

- Achieved adoption in key global markets (Americas and EMEA) demonstrating the global scale potential
- Sold on a SaaS basis with high profit margins and 92.1% recurring revenue
- Average revenue per site of \$77k, at top end of expected \$40k - \$80k range, substantially impacted by expansion of existing subscriptions

Outlook

- Foundational investment into EVS Water product development and go-to-market substantially complete with strong market validation in all regions
- Strong demand from new customers plus the inherent cross-sell potential from EVS Omnis into EVS Water provides Envirosuite with a defined and immediate sales target



Case study

City of Kalamazoo

Cross-sell between EVS Omnis and EVS Water

Problem

The City of Kalamazoo is an existing EVS Omnis customer that is also facing multiple challenges in managing odour across its sewer network. Investigations into the root cause of the issues are time-consuming and costly and cannot completely cover the large area of the network. The city is evaluating the purchase of an odour mitigation option and wants to ensure the most optimal solution is selected that will reduce complaints and maximize the impact of the investment.

Solution

EVS Water SeweX provides a comprehensive characterization of odour, corrosion, and safety risk across any network under consideration and provides rapid and accurate understanding of the implications of applying new control and operating methods. The SeweX model will give the city staff and partners an easy-to-use representative baseline model of the current Interceptors' odour and corrosion conditions and a tool to model all odour mitigation options to optimize the most effective and economic investment.

Value

SeweX will help the City of Kalamazoo to represent odour and corrosion-related risk more effectively across the entire network and evaluate the impacts of different control options. The city will better understand the root cause of current complaints and risk for complaints based on proposed upgrades to the network and identify potentially unknown areas of risk associated with current operations and possible future operating scenarios. SeweX will make better use of monitoring data and hydraulic model information that is currently available for planning and management related to odour and corrosion issues and use taxpayer funds more effectively when selecting control options.



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

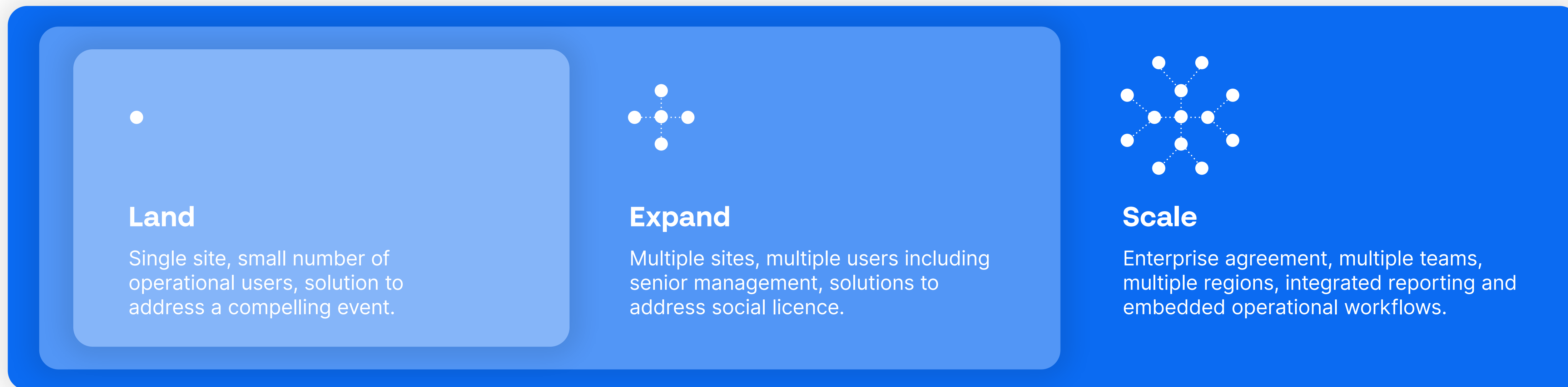
- Utilise cloud infrastructure to drive efficiencies in development, support and leveraging tools to accelerate cost effective innovation
- One Data – One Customer project to align our data platforms for customer acquisition, experience and retention
- **Continue to deliver significant improvement of 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



Our multiplier effect

Land, Expand and Scale, our strategy is working

Our sticky customer base and strategy will reduce our cost of acquisition and focus the team on building long term value with our customers



2006
Won 1st Airport, 3 products

2008, 2010, 2015, 2017
Added 11 Airports, including 3 additional products

2022
Expanded product range to 3 additional airports

Financials

FY22 Financial performance

Revenue of

\$53.5m

+ 10.1% YOY

Gross profit improved to

47.9%

10.6% YOY

Adjusted EBITDA improved to

\$(4.0)m

Improved 11.8% YOY

Income Statement EBITDA

A\$000	Jun 22	Jun 21	Movement \$	Movement %
Recurring revenue	43,877	40,391	3,486	8.6%
Non-recurring revenue	9,563	8,154	1,409	17.3%
Other revenue	19	25	(6)	(24.0%)
Total revenue	53,459	48,570	4,889	10.1%
Cost of revenue	(27,852)	(27,538)	(314)	(1.1%)
Gross profit	25,607	21,032	4,575	21.8%
Gross profit %	47.9%	43.3%	4.6%	10.6%
Sales and marketing	(13,033)	(11,833)	(1,200)	(10.1%)
Product development	(6,360)	(5,091)	(1,269)	(24.9%)
General and administrative	(10,722)	(8,477)	(2,245)	(26.5%)
Total operating expenses	(30,115)	(25,401)	(4,714)	(18.6%)
Other income/expenses	90	(377)	467	123.9%
EBITDA	(4,418)	(4,746)	328	6.9%
Adjusted EBITDA	(3,962)	(4,492)	530	11.8%
Recurring revenue as a % of total revenue	82.1%	83.2%	(1.1%)	(1.3%)

Key metrics by product

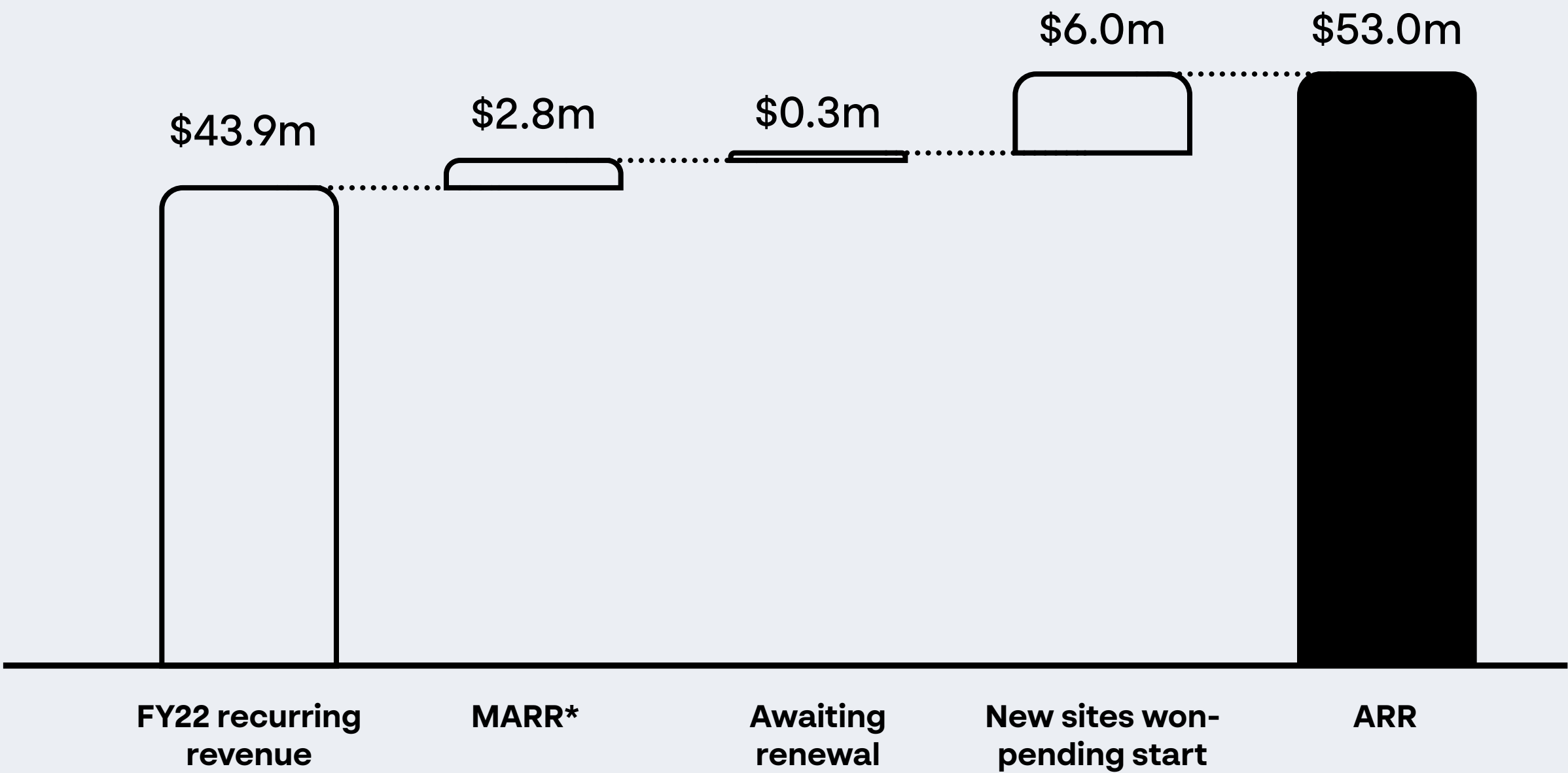
Significant growth opportunities across the product suites

A\$000	EVS Aviation	EVS Omnis	EVS Water
SAM ¹	194,000	1,200,000	2,800,000
ARR	33,908	18,139	997
# Sites	172	231	13 ²
ARPS	197	79	77 ²
Churn %	1.0%	6.6%	0.0%
ARR Growth %	6.7%	23.9%	1433.8%
Statutory revenue			
Recurring revenue	31,061	12,699	117
Non-recurring revenue	3,900	5,653	10
Total trading revenue	34,961	18,352	127
Recurring revenue as a % of total revenue	88.8%	69.2%	92.1%

Annual Recurring Revenue

ARR of \$53.0m

Sales growth in FY22 Q3 and Q4, along with effective inventory management has placed Envirosuite in a strong opening position for FY23



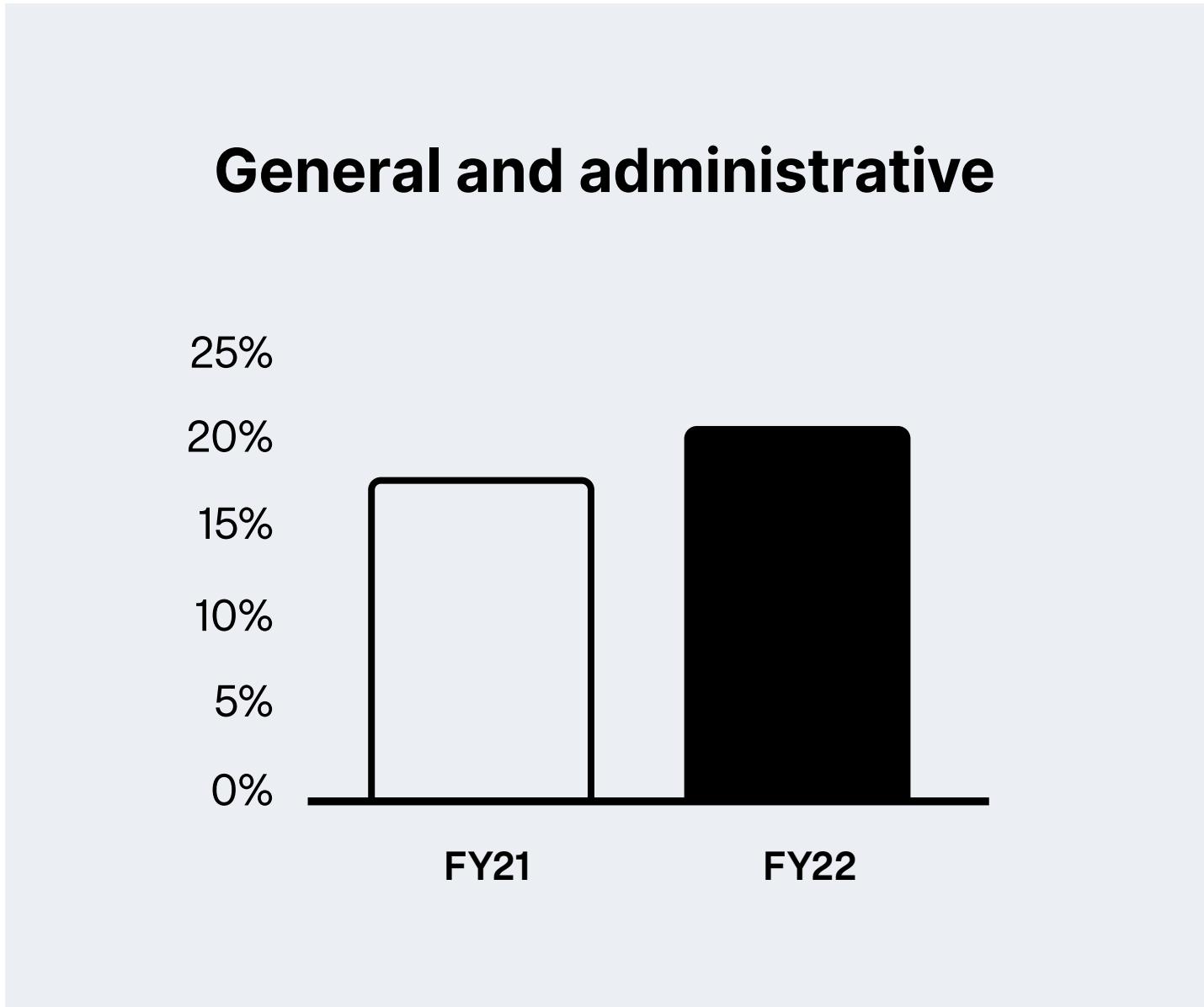
* MARR = Monthly Annualised Recurring Revenue represents the month-to-date recurring revenue booked in the P&L in June multiplied by 12.

Operating leverage

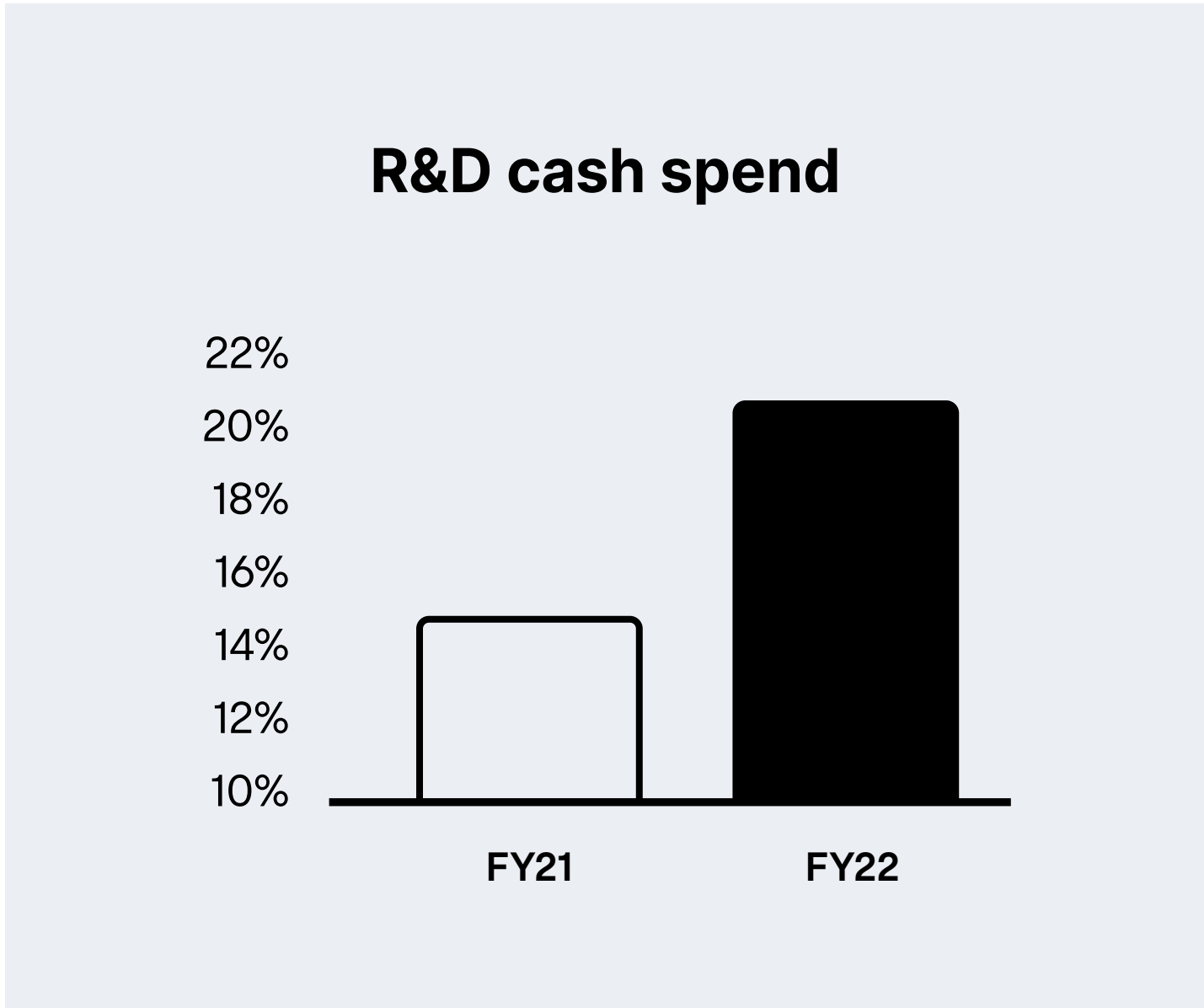
Percentage of revenue



Leveraging global experience to successfully identify new industries with ESG solution requirements.

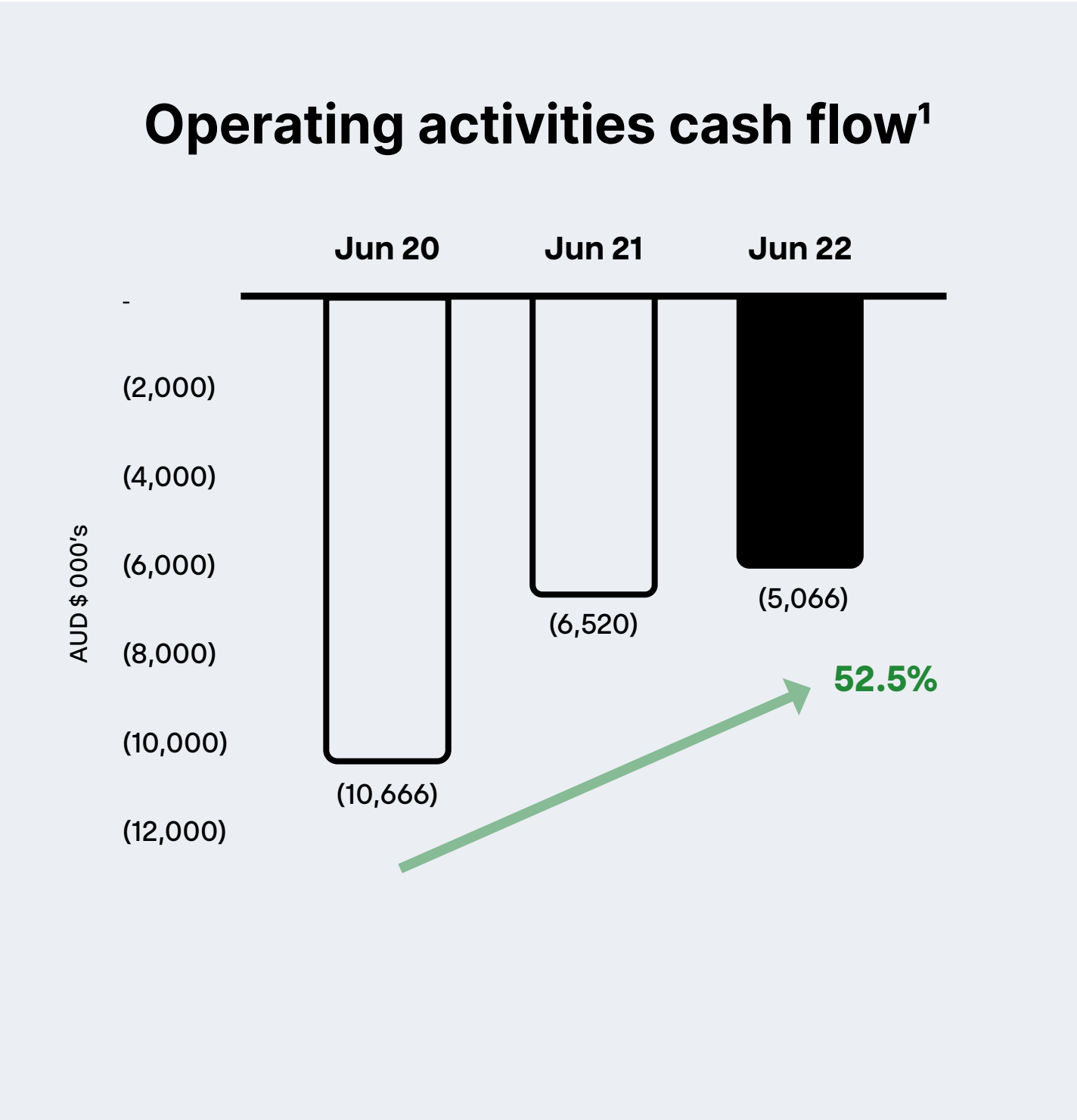


Built out global leadership team, with global Centre of Excellence in Philippines and infrastructure additions.

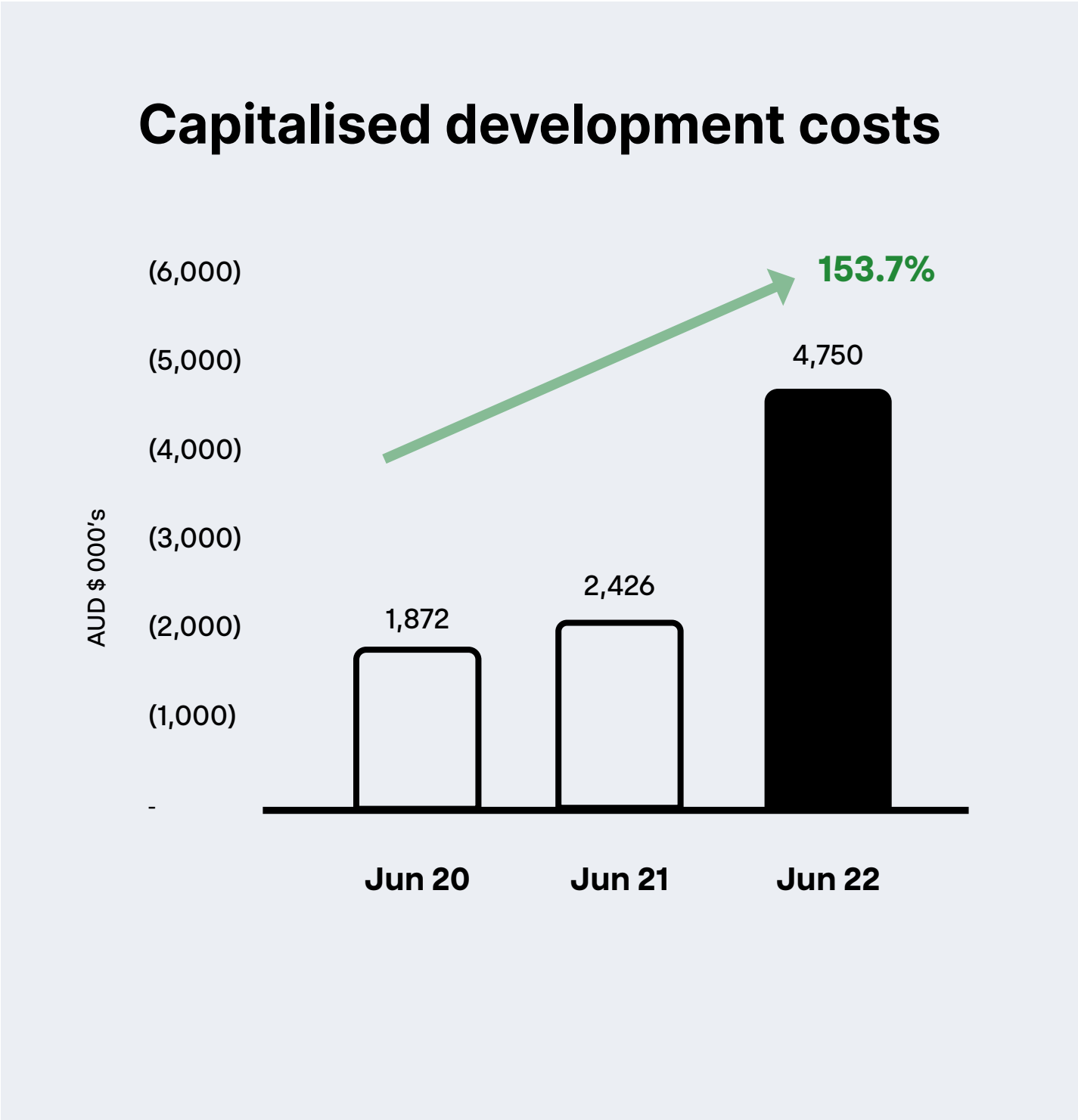


Growth in R&D cash spend supported by FY22 capital raise for EVS Water. Product suite roadmaps achieving deliverables.

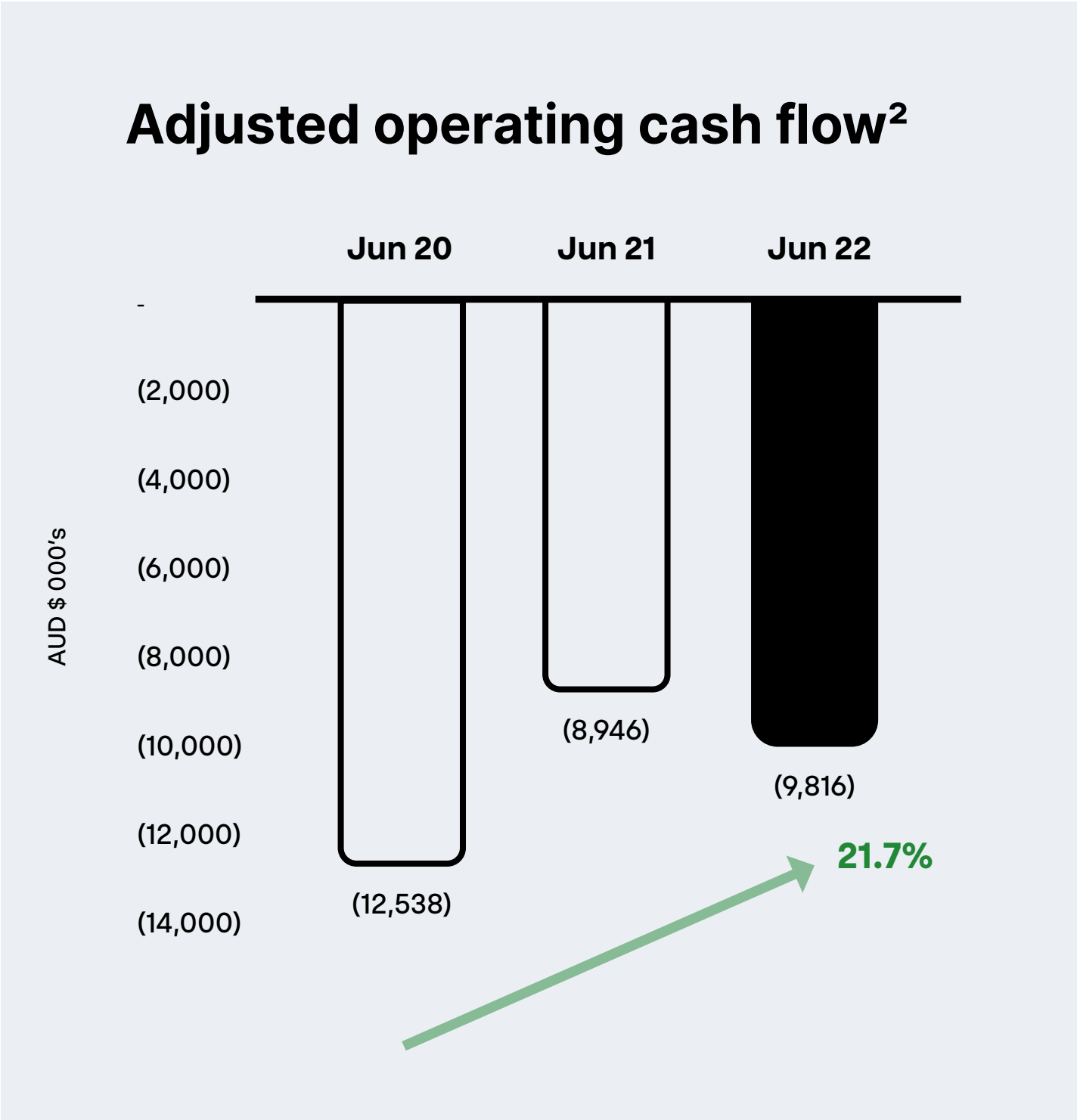
Improvement in cash flow



Significant improvement in cash flows from operating activities, driven by sustainable revenue and gross margin growth.



Innovation, customer driven improvements and strategic perspectives continue to drive investment in the product suite. Expansion of EVS Water benefitting from the capital raised during the year.



Improvements in Adjusted Operating Cash flow supporting the investment in product innovation.

Strong balance sheet

Strong cash management with no debt

Balance Sheet

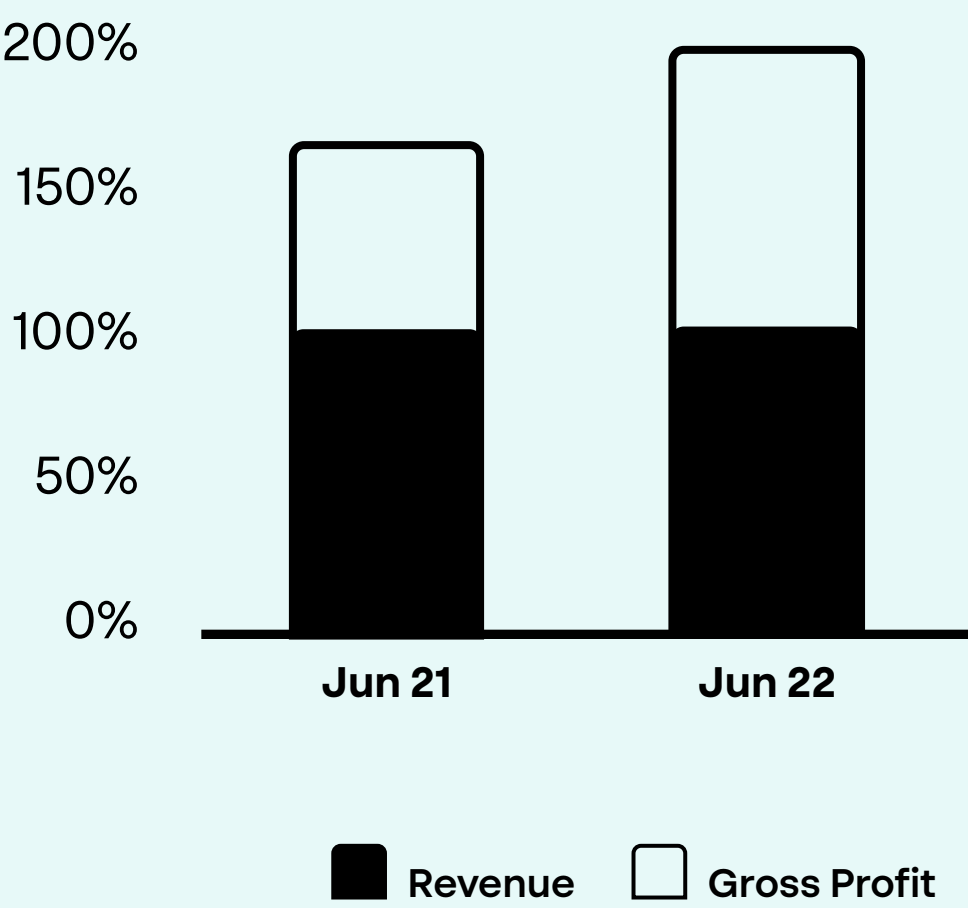
A\$000	Jun 22	Jun 21
Cash and cash equivalents	16,292	17,640
Trade and other receivables	12,448	11,555
Inventories	2,355	2,474
Intangible assets	108,652	108,931
Other	10,991	9,243
Total Assets	150,738	149,843
Trade and other payables	8,467	7,973
Provisions	4,687	4,035
Other	11,863	10,535
Total Liabilities	25,017	22,543
Net Assets	125,721	127,300
Total Equity	125,721	127,300
Current Ratio	1.78	2.03
Quick Ratio	1.66	1.88

Pathway to profitability

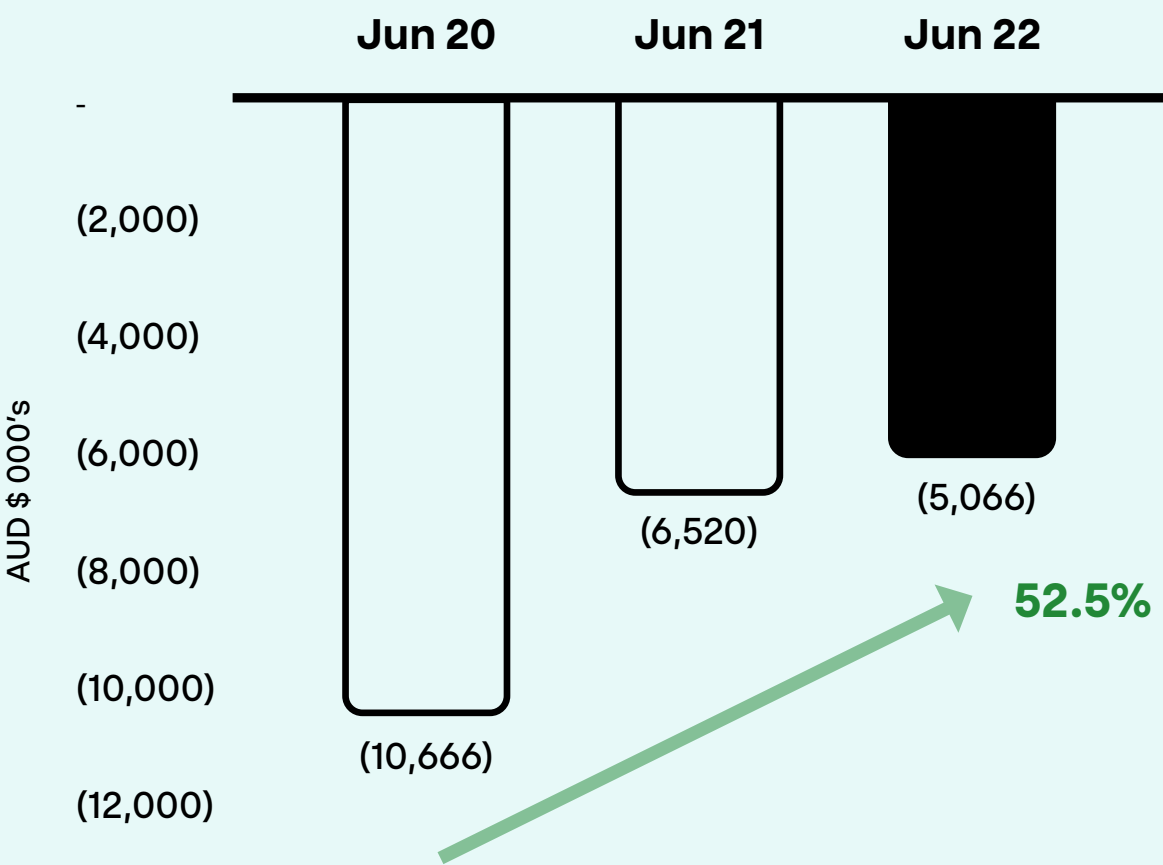


- Global leading environmental intelligence technology provider
- Significantly improving revenue leverage
- Substantial operational cash flow improvement, positive trajectory
- Proven product strategy recognised as a leading provider in ESG
- Successful regional strategy – Americas largest segment by ARR
- Established, experienced and focussed global leadership team
- Adjusted EBITDA positive during FY23

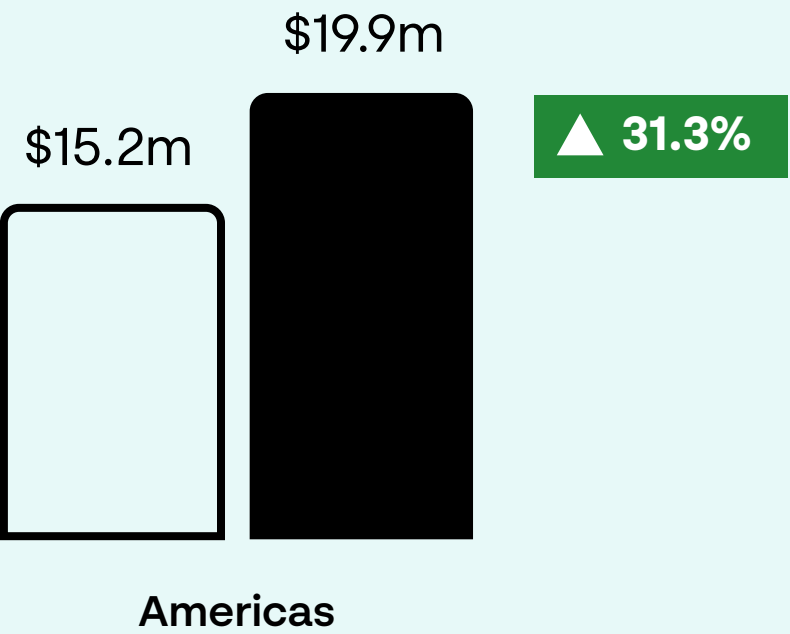
REVENUE LEVERAGE



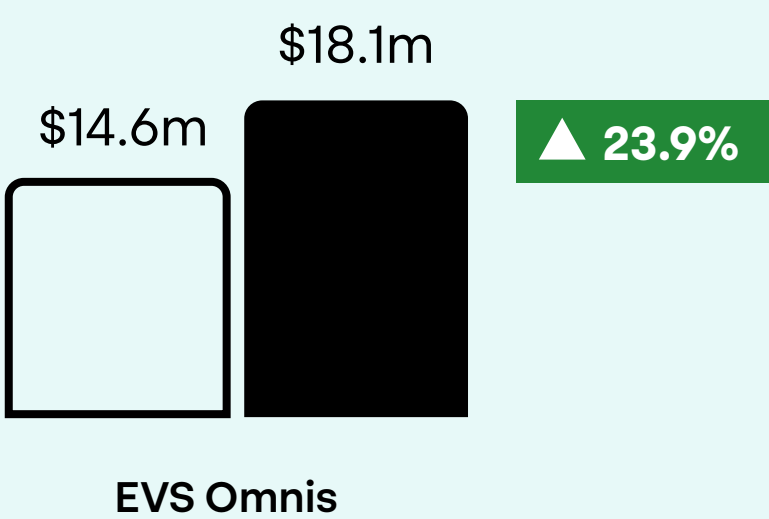
OPERATING ACTIVITIES CASH FLOW



ARR BY REGION



ARR BY PRODUCT





Outlook

Strategic priorities



Growth

Drive growth through customer site acquisition.



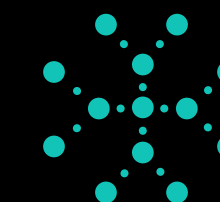
Product

Innovative science-driven Environmental Intelligence and cloud-based platforms.



Customer

Focus on measurable value creation.



Scale

Reinvest in people, technology and processes to rapidly scale.

Q&A



Definitions

ARPS	Average ARR Per Site which is calculated by taking the ARR divided by the number of sites.	Adjusted EBITDA	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.
ARR	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.		
Churn %	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.	Current ratio	Measures the ability of the group to pay current liabilities with its current assets. It's calculated by current assets divided by current liabilities.
Site	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.	Quick ratio	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.
Recurring revenue	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.	Serviceable Addressable Market (SAM)	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.
Environmental Intelligence	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.	Total Addressable Market (TAM)	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.

Thank you



Appendix





Net loss after tax to Adjusted EBITDA reconciliation

A\$000	FY22	FY21	Movement	
			\$	%
Net loss after tax	(13,195)	(12,497)	(698)	(5.6%)
Add back: Tax expense	410	468	(58)	(12.4%)
Add back: Net finance expense	210	287	(77)	(26.8%)
Add back: Depreciation and amortisation	8,157	6,996	1,161	16.6%
EBITDA	(4,418)	(4,746)	328	6.9%
Less: AASB 16 Depreciation & interest	(1,688)	(1,578)	(110)	(7.0%)
Add back: Share-based payments	1,477	946	531	56.1%
Add back: Foreign currency (gains) / losses	(202)	293	(495)	(68.9%)
Add back: Transaction and integration costs	112	593	(481)	(81.1%)
Add back: Philippines set up costs	245	-	245	-
Add back: Property make good provisions	512	-	512	-
Adjusted EBITDA	(3,962)	(4,492)	530	11.8%

Operating cash flow

A\$000	FY22	FY21	FY20
Cash used in operating activities (statutory)	(3,188)	(8,510)	(10,699)
Plus: Repayment of AASB 16 lease payments	(1,878)	(1,521)	(560)
Less: Transition costs	-	3,511	593
Cash used in operating activities excluding capitalised development costs	(5,066)	(6,520)	(10,666)
Plus: Capitalised development costs	(4,750)	(2,426)	(1,872)
Adjusted operating cash flow	(9,816)	(8,946)	(12,538)