

Rubicon Water

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8 December 2021

Rubicon to host Investor Webinar - 8 December, 11.00am AEST

Australian water technology company Rubicon Water Limited (RWL), is pleased to release an updated investor presentation which will be used at today's 11.00 am virtual presentation hosted by, Chief Executive Officer Bruce Rodgerson and Chief Financial Officer, Jason York.

Presenting: Bruce Rodgerson, CEO and Jason York, CFO

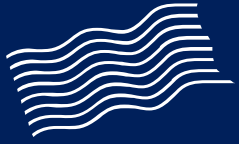
Time: 11:00am AEDT on Wednesday 8 December 2021

To register for the session and for more information on the conference click here:

https://us02web.zoom.us/webinar/register/WN_ki4d5IPsS9avzLf_S_5oGg

This announcement has been authorised for release to the ASX by:

Robert Walker
Company Secretary



RUBICON™

RUBICON WATER

Investor Update | Dec 2021

ASX:RWL

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ACKNOWLEDGMENTS

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PRESENTERS



MR. BRUCE RODGERSON

CHIEF EXECUTIVE OFFICER

- Founding Director and current CEO
- 30+ years in water irrigation
- Been involved with Rubicon since inception
- Prior to being appointed CEO, was responsible for the establishment of Rubicon's manufacturing and project delivery business
- Previously worked with Victorian Rural Water Corporation



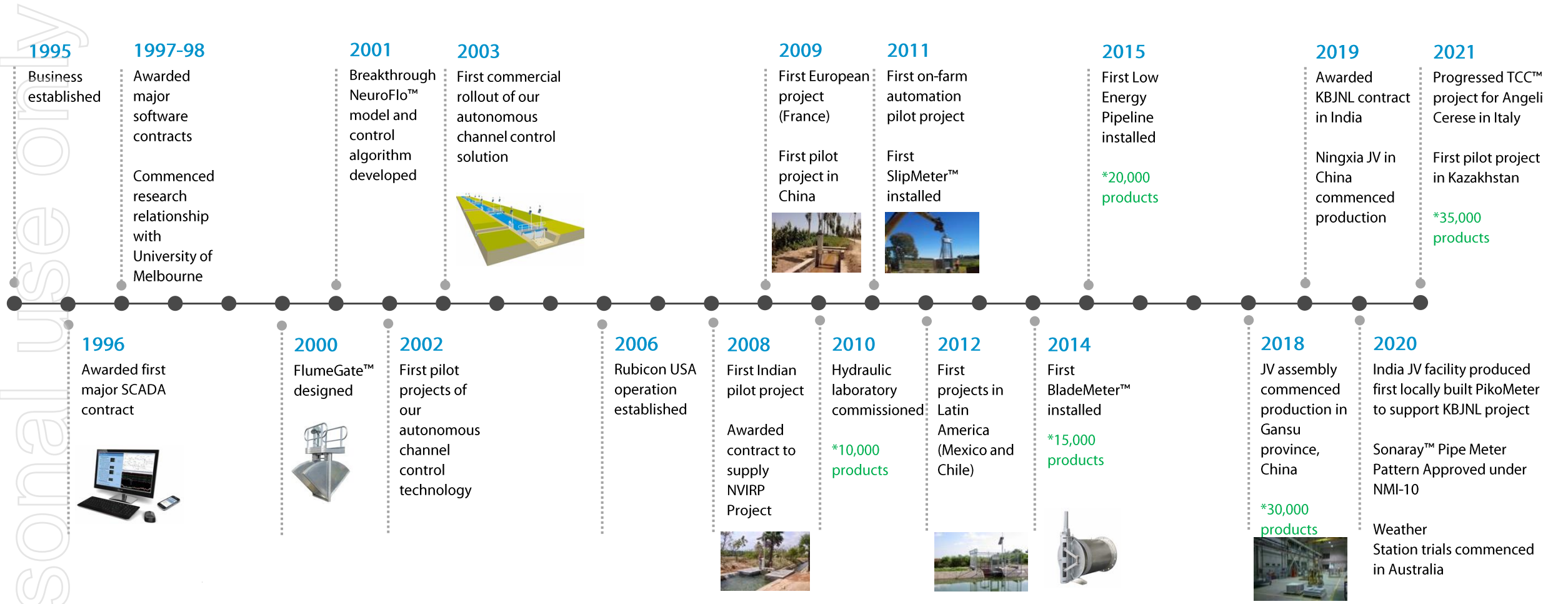
MR. JASON YORK

CHIEF FINANCIAL OFFICER

- 20+ years in chartered accounting and corporate finance
- Finance professional experienced in driving global expansion through the establishment and implementation of forecasting strategies, corporate structures and internal processes
- Previously was Vice President (APAC) for ConvaTec, a LSE listed medical device company

COMPANY HISTORY

OVER 25 YEARS OF DEVELOPING AND DELIVERING SOLUTIONS AROUND THE WORLD



*Number of products produced globally

RUBICON IS A VERTICALLY INTEGRATED, WATER TECHNOLOGY SOLUTIONS BUSINESS



FOCUS

- Address the issue of global water scarcity through improved water use efficiency
- Modernise gravity-fed irrigation distribution channel networks and on-farm irrigation systems
- Maximise water availability and agricultural productivity
- Sustainably increase global food and fibre production



STRENGTHS

- Global differentiated offering with significant barriers to entry for competitors
- Extensive industry knowledge
- Comprehensive software portfolio
- Proprietary Control gate/valve and flow measurement technology
- Strong corporate and product brands
- Commitment to R&D



GROWTH

- Organic growth of existing customers into additional offerings
- Substantial and growing pipeline of international project opportunities
- Actively working on large global contracts, tenders and opportunities
- Timing of contract awards has been a challenge in 1H FY22
- This may adversely impact 1H revenue by ~ \$8m. Corresponding impact to underlying EBITA
- Management remains confident in delivering on FY22 market expectations

Rubicon

Addressing water scarcity & delivering value to governments, water managers and farmers



Improved water-use efficiency

Accurate volumetric measurement, robust water accounting, precise control and an improved supply service lead to more productive use of water withdrawals



Globally-competitive farmers

Farmers have access to the technology they need to grow better, higher-value crops using less labour, water and energy



Maximum value from irrigation investment

Economic, social and environmental benefits from integrated irrigation modernisation



Improved economic output

Better utilisation of water distribution infrastructure and agricultural land enables increased production and farming of higher-value crops and livestock



Increased food security

Meet the challenge of feeding growing populations on limited arable land by boosting long-term agricultural productivity and building food supply resilience

OUR CHALLENGE AND OPPORTUNITY

Projections towards the year 2050 state that....

Agriculture will need to produce **56% more food and fibre** to feed the world's population.



40% of the world's population will be living in river basins experiencing **severe water stress**.

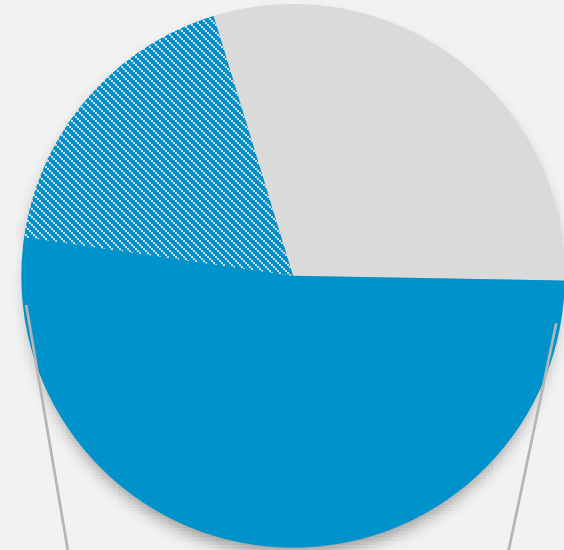


Currently...

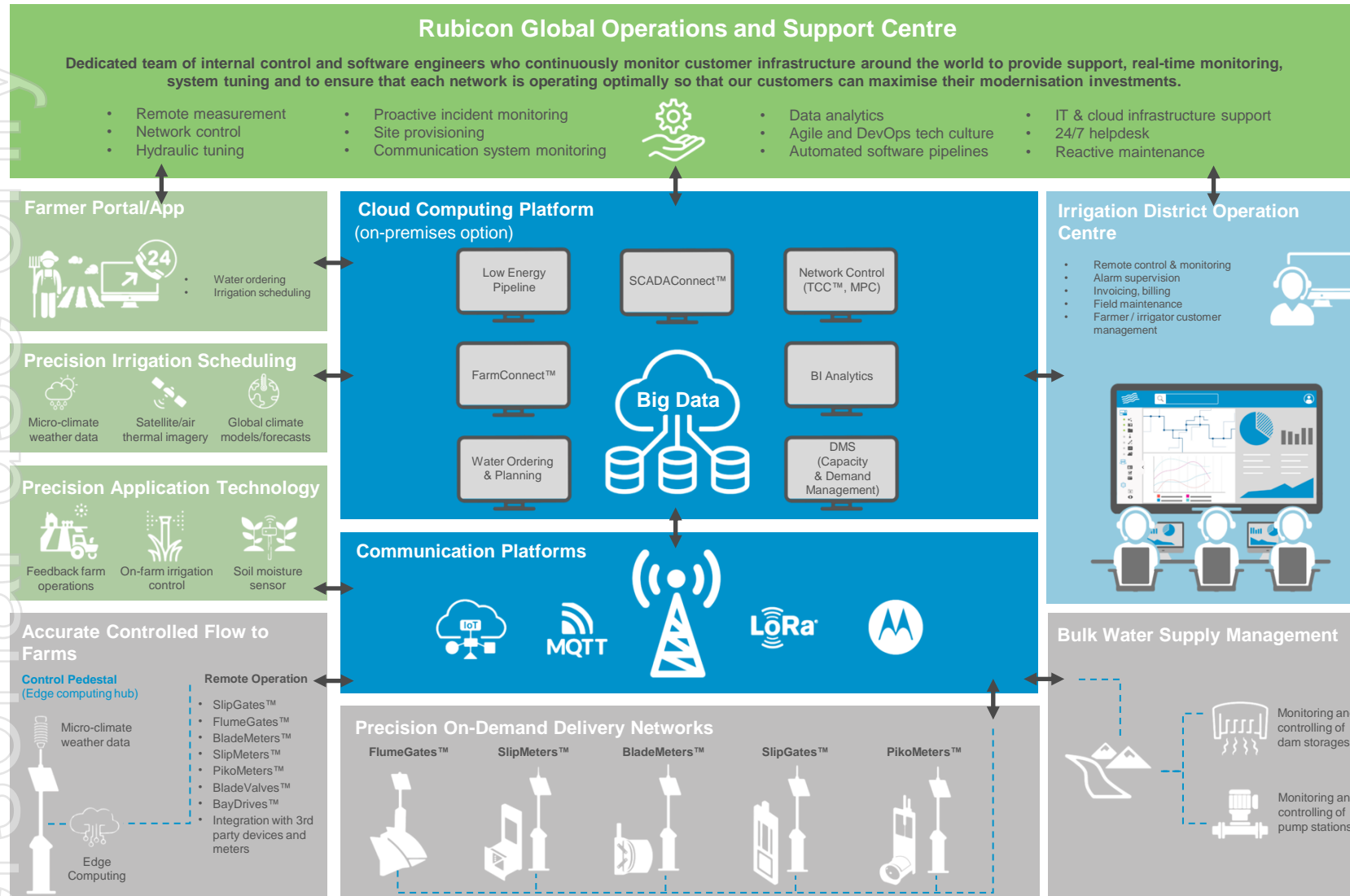
Agriculture consumes **70% of the world's freshwater** resources.

Surface water is the primary source of water, supplying approximately **60% of the world's irrigated land area**.

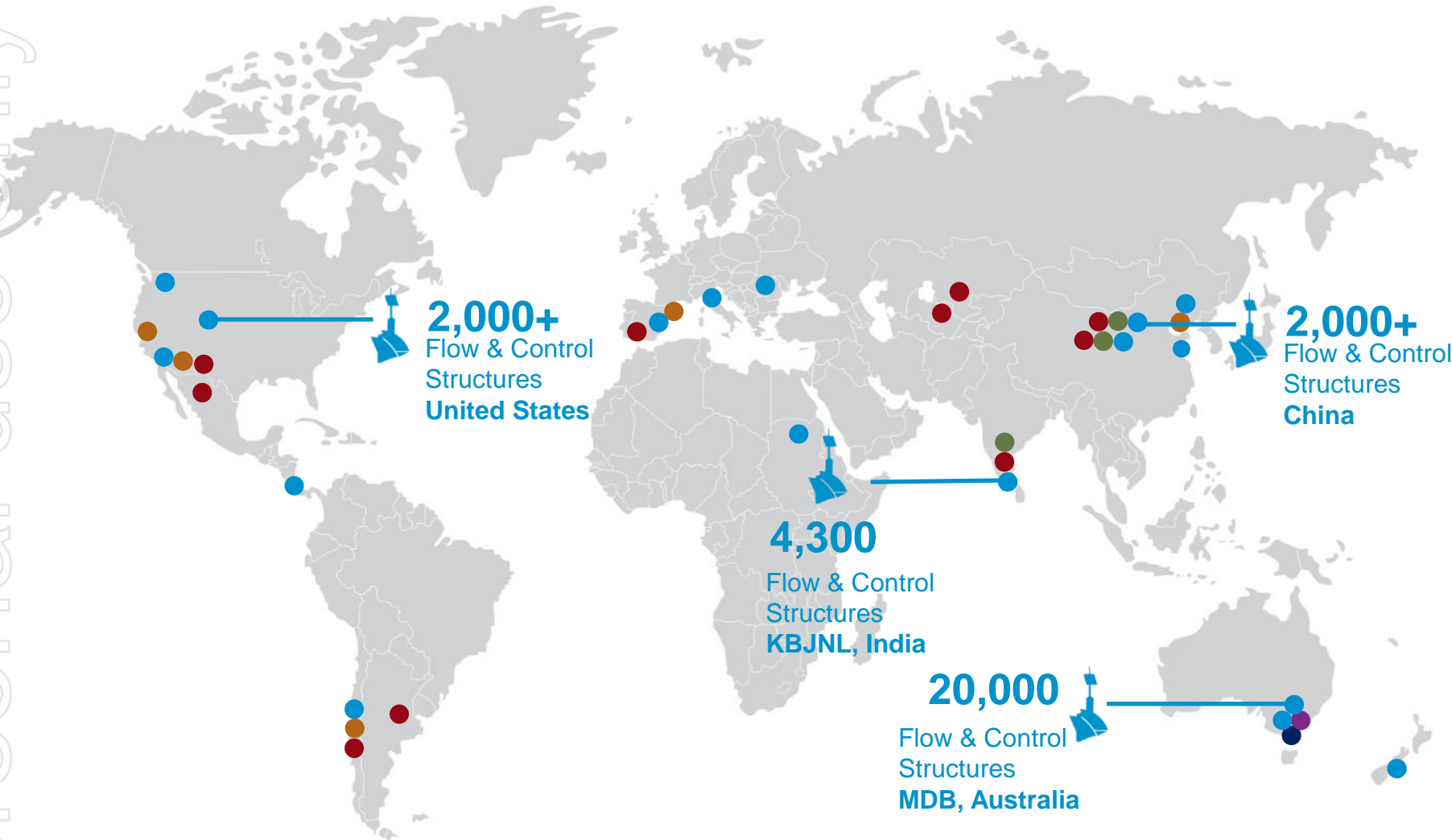
On average only **40-50%** of the water supplied to agriculture is used by the crops.



RUBICON'S INTEGRATED SYSTEMS SOLUTION FOR SURFACE IRRIGATION NETWORKS



OUR GLOBAL PROJECTS



- **Headquarters**
Melbourne, Australia
- **Manufacturing Facility**
Shepparton, Australia
- Regional Operations
- Warehouse/Workshop Facilities
- Joint Venture Production Facilities
- Distribution Partners

RUBICON ANNUAL REPORT HIGHLIGHTS



Our results for the year ended 30 June 2021 were in line with the unaudited statutory forecasts presented in our Prospectus, except final income tax expenses were \$0.9m lower.



As a result, our profit after tax for the year ended 30 June 2021 was \$0.9m higher than the statutory forecast profit after tax presented in the Prospectus.



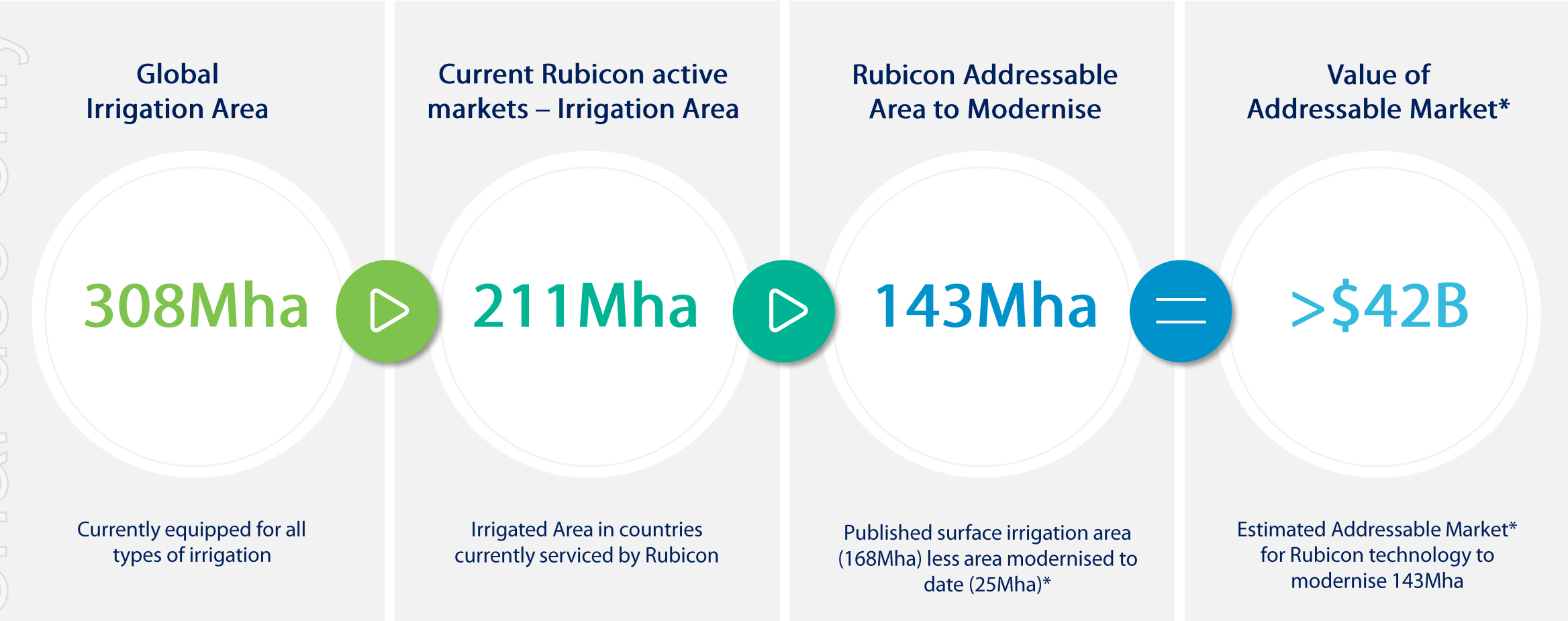
A comparison of these financial results to those within the unaudited statutory forecasts for FY21 as presented in the prospectus is shown right

	FY21	
	ACTUAL	PROSPECTUS
Gross Profit	\$34.6	\$34.4
Statutory EBITDA	\$13.5	\$13.5
Profit before Tax	\$10.0	\$10.0
Income tax expense	\$1.8	\$2.7
Profit after tax	\$8.2	\$7.3

ADDRESSABLE MARKET & PROJECT PIPELINE

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RUBICON'S ADDRESSABLE MARKET



Source: "World Irrigated Area" ICID 2018

* Management Estimate

MARKET WELL SUPPORTED BY ANNOUNCED GOVERNMENT FUNDING

Govt funding for Irrigation
in Rubicon markets



Govt funding suitable for
Rubicon technology



Value of Addressable
Market*



Rubicon active project
pipeline



Government announced funding
for irrigation in countries currently
serviced by Rubicon

Estimate of announced
government funding* that could
be applicable to Rubicon
technology

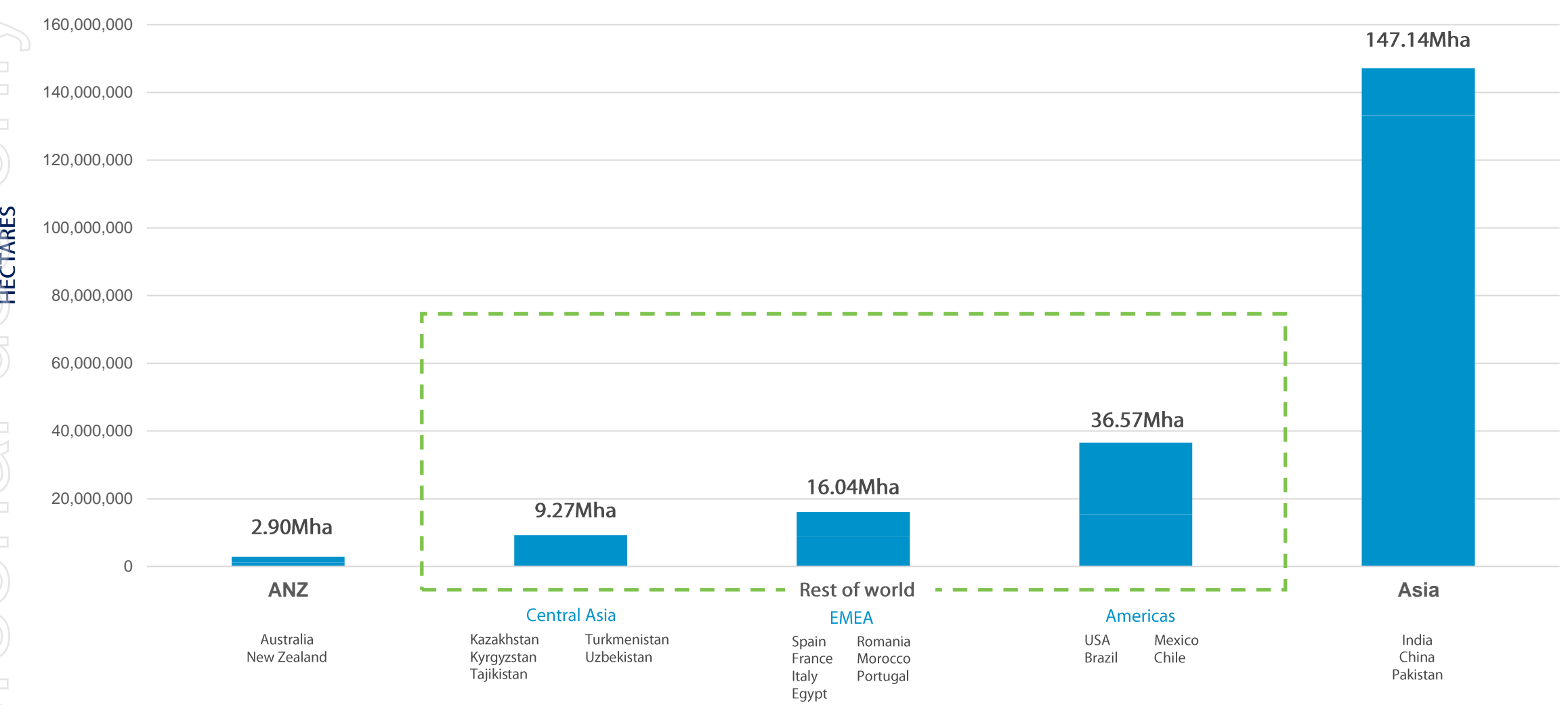
Estimated Addressable
Market* for Rubicon
technology to modernise
140Mha

Value of Rubicon's active
project pipeline

* Management Estimate

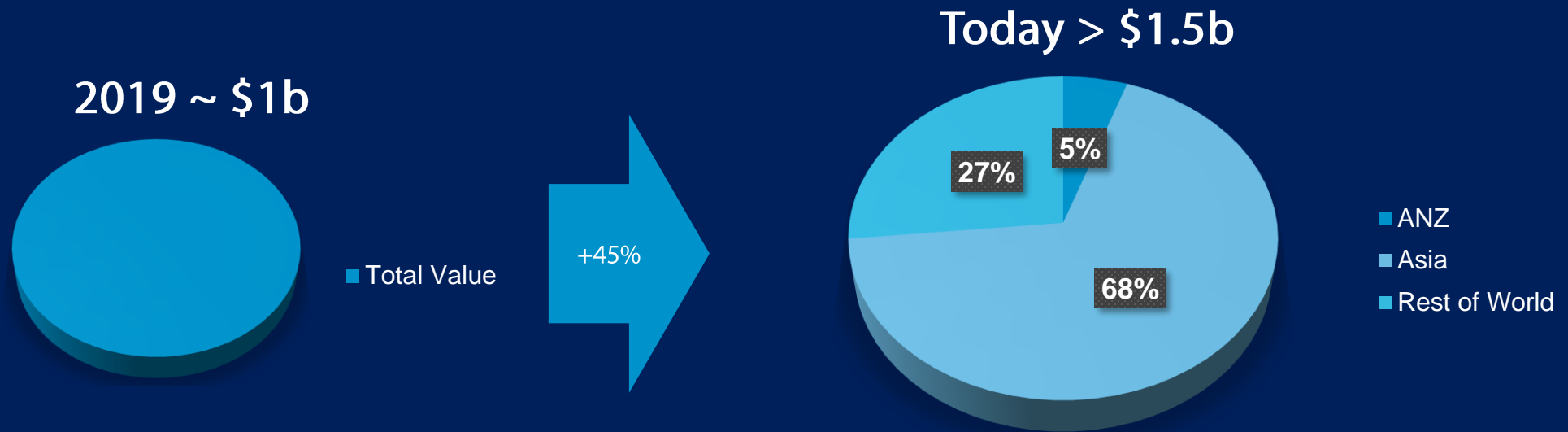
- 56% more food and fibre to feed the world by 2050
- 70% of world's water used in Agriculture
- On average only 40-50% of the water supplied to agriculture reaches the crops.
- Proprietary Rubicon Technology – Providing a solution to water availability and agricultural productivity
- More funding being directed at Rubicon demonstrated solutions

GLOBAL IRRIGATED AREA



PROJECT PIPELINE

Ongoing international investment delivering growth in pipeline projects



- Currently >\$1.5b in project pipeline
- More than 570 projects ranging in size from 10s of thousands of dollars to more than \$100m
- Average project size of ~ \$2.9m
- All pipeline projects involve active engagement with customers (but not contracted)
 - Project Scoping – Customer consultation – Perform network study – Prelim design & costing estimates
 - Solution Development – Detailed project design, hydraulic modelling, detailed cost estimates (can include cost/benefit analysis)
 - Final proposals – at negotiation / tenders / contract stage

GLOBAL SUPPLY CHAIN PROJECT UPDATE


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ASSEMBLY CAPABILITY

Global Assembly Sites

Original

Shepparton, Australia
Est 1995



Last Four Years

Gansu JV, China
Est 2017/2018



Ningxia JV, China
Est 2018 (SM) / 2019 (PM)




MRWTPL JV, India
Est 2020




In Progress

USA

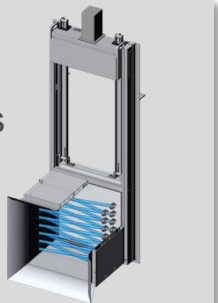


Chile



Next Site

OCT 2021 – SMB-800 SlipMeter, first non-Piko product to have components sourced and assembled Internationally.



PRODUCT DEVELOPMENT UPDATE

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SOFTWARE PROGRESS

Launch of new software application

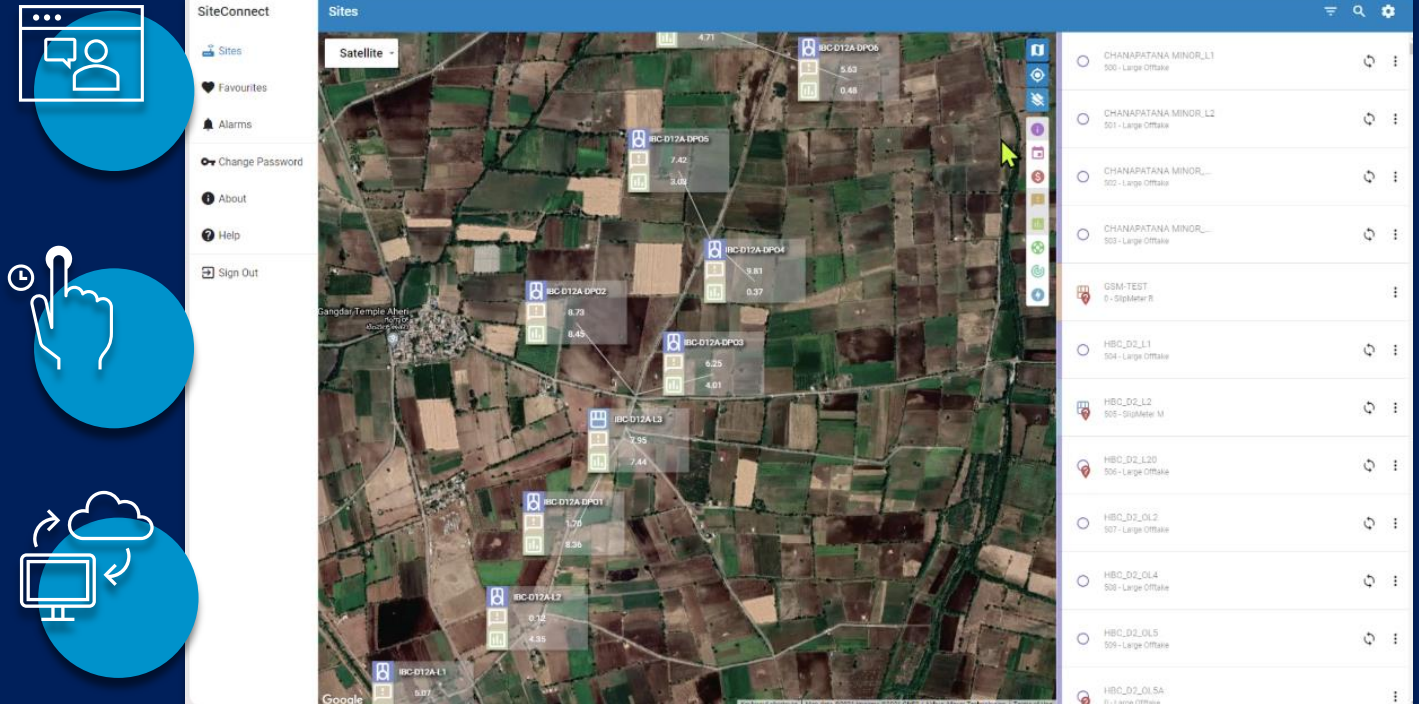
- Modern geographical web interface
- Uptake by 25+ irrigation districts
- Responsive for mobile & desktop
- Suited to on-prem and cloud
- Simple to use
- Works in low-bandwidth environments

Uptake of cloud-based solutions

- Cloud software sales in pipeline for 1H FY22
- Private cloud install for USA-based customer
- More customers desiring cloud solutions
- Full Cloud environment operational in China

India Software development Hub launched

- 5 S/W developers already employed



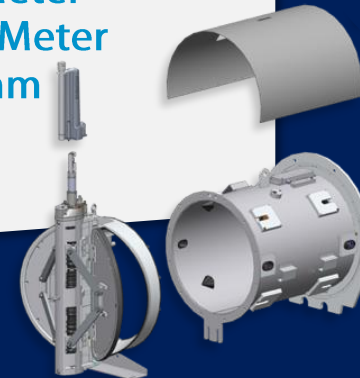
Piko300 PRODUCT RANGE RELEASED

- PikoMeter 300mm range (scaled down unit to the high selling 450mm range).
- Required Development & Release of a smaller transducer to suit the 300mm range of products.
- Ideally suited to smaller farm offtake infrastructure particularly in Asia and parts of Europe

**PikoMeter™
– 300mm**



**BladeMeter™
& Pipe Meter
– 300mm**



**Mini acoustic
transducer
technology**



FY22 OUTLOOK

1

Timing of some tender releases and contract awards has been a challenge in 1H FY22, particularly in Asia. This is predominantly due to the unpredictability of timing of customer decision making - made harder this year due to COVID

3

Management remains confident in delivering on FY22 market expectations – strong pipeline of projects to support this confidence. Rubicon will keep the market informed in line with our continuous disclosure obligations

5

We continue to invest in our globalisation strategy – in-market customer-facing headcount, global supply chain and assembly project, acceleration of new product and software development

7

We continue to win contracts as expected despite some delays. Expected signings are progressing logically but at a slower than anticipated pace, partly due to COVID

2

ANZ & ROW segments are broadly in line with management expectations for 1H FY22. However, 1H revenue may be negatively impacted by a ~\$8m shortfall in Asia with a corresponding impact on underlying 1H EBITDA

4

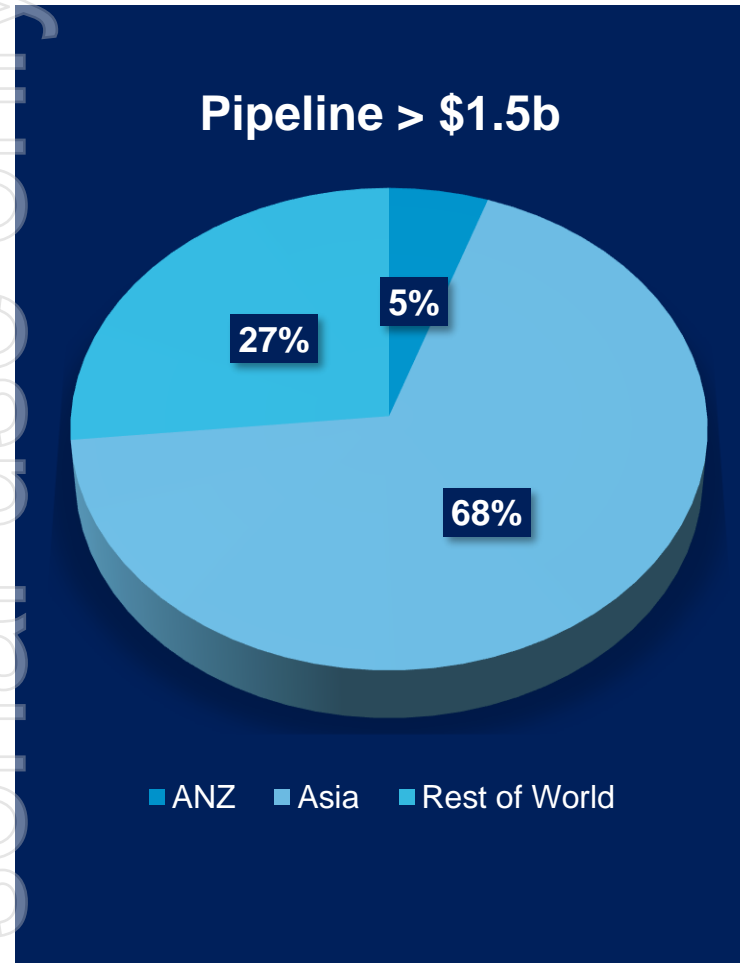
Advanced pre-contract solution production well progressed to support delivery of expected contracts in 2H FY22, despite contract signing delays in Asia

6

We are proactively managing supply chain issues which have led to longer lead time ordering / increased inventory holdings

KEY TAKEAWAYS

Strong pipeline to support FY22 & beyond



- Management remains confident in delivering on FY22 market expectations
- We continue to invest in and deliver our globalisation strategy
- Growing project pipeline (>\$1.5b) underpins FY22 and beyond
- First US cloud-based software sales in 1H FY22
- US assembly line established - First product to be complete early in CY22
- First Slipmeter model sourced and assembled outside of Australia
- Software development hub established in India



CONTACT

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Jason York

CFO

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