

Rubicon Water

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Rubicon contract delivery and FY22 results update

Summary

- **Asia project award delays will result in lower than anticipated revenue and earnings for FY22 notwithstanding revenue growth ex-Asia of approximately 20% pc**
- **Expected timing of contract signings in India have been delayed, with management highly confident of contract signings and delivery progress in 1H FY23**
- **Project pipeline remains in excess of A\$1.8bn and Rubicon is well positioned to capitalise on future pipeline conversion**
- **Rubicon is well funded to execute on its global growth strategy**

Australian water technology solutions company Rubicon Water Limited (ASX: RWL) ("**Rubicon**" or "**the Company**") provides an update on its contract signings and impact on its FY22 financial results.

Rubicon forecasts FY22 revenue of \$64 million and EBITDA of \$1 million. Previous expectations were for 2H FY22 revenue to exceed the prior comparable period (2H FY21 \$41m); however, due to delays in the signing of contracts, some with existing customers, this revenue is now expected to occur in Q1 and 1H FY23. Management expects FY23 EBITDA to deliver growth against FY21 EBITDA (being \$12m normalised)¹.

In the previous market update given on 24 February 2022 we highlighted the impacts of delays in contract signings in Asia. Despite recent contract wins in both India and China, and following a detailed update from our Asia commercial teams this week, certain contracts that Rubicon had previously expected to sign and recognise revenue from prior to the end of FY22 are now expected to land in Q1 of FY23, which will impact Rubicon's FY22 result.

Outside of the Asia segment, revenue growth of 20% from FY21 has been achieved, which is in line with management expectations. Management remains highly confident of delivering on major contracts in FY23, with strong progression in the pipeline of opportunities.

Rubicon has a project pipeline of more than A\$1.8bn with growth outside the Asia segment indicative of the strength and progression of the Company's pipeline. The quality of pipeline opportunities remains strong, particularly within the Asia and ROW segments, as it builds from the Company's strategic focus of expanding to new customers in target markets and investment in localisation in overseas markets.

¹ FY21 Normalised EBITDA was \$12m (being reported EBITDA \$14.1m less JobKeeper and listed company costs of \$2.1m)

Rubicon Chief Executive Officer Bruce Rodgerson said: "Timing of tender releases and contract awards has remained a challenge throughout FY22, particularly in Rubicon's Asia segment, where contract award progress has been slower than previously expected."

"In Q4 FY22, our commercial teams and sales staff have been able to travel to India and as a result have successfully renewed face-to-face engagement with all key stakeholders.

"Our major KBJNL contract in the state of Karnataka, India is nearing practical completion and has already started showing remarkable results with improvement in water delivery to water stressed tail-end regions and farmers reporting farm productivity increases.

"The cumulative impact of restricted travel of key sales and executive staff over the past 2.5 years has had an impact on timing of contracting works, particularly in Asia where COVID has had a significant impact on our operations and our key staff were wholly resident in Australia over that period. This re-emphasises our strategy to invest in localisation of resources in each of our markets.

"Despite the contracting delays, Rubicon remains well capitalised to support delivery on our project pipeline."

The Company expects to provide further detail with the release of its FY22 results.

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



Rob Walker – Company Secretary

Authorised by: Rubicon Disclosure Committee

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