



# RUBICON WATER

## FY22 Results Presentation

25 Aug 2022

Presenters: Bruce Rodgerson CEO / Jason York CFO

ASX:RWL

ersonal use only

# IMPORTANT NOTICE AND DISCLAIMER

This presentation has been prepared by Rubicon Water Limited (Company) to provide summary information about the Company and its associated entities which carry on the business of designing and manufacturing respiratory protection equipment as at the date of this presentation, and the information in this presentation remains subject to change without notice. The Company has no obligation to update or correct this presentation.

This presentation is not a prospectus or other form of disclosure document under the Corporations Act 2001 (Cth) (Corporations Act) and does not contain all the information which would be required to be disclosed in a prospectus or other disclosure document. The information presented in this presentation may differ materially from that presented in any disclosure document prepared in connection with any offer of securities.

The information contained in this presentation is for information purposes only. It is intended only for Recipients (as defined below) to whom it is delivered personally by or on behalf of the Company. The information contained in this presentation is of general background and does not purport to be complete. The information contained in this presentation does not constitute investment or financial product advice (nor taxation or legal advice) and is not intended to be used as the basis for making an investment decision. In providing this presentation, the Company has not considered the objectives, financial position or needs of any particular Recipients.

The information in this presentation is strictly confidential and is intended for the exclusive benefit of the Recipient to which it is presented. It may not be reproduced, disseminated, quoted or referred to, in whole or in part, without the express consent of the Company. By accepting the invitation and attending this presentation you agree to keep this presentation private and confidential, not to disclose any of the information contained in this presentation to any other person and not to copy, use, publish, record, disclose, disseminate or reproduce the information in this presentation to any party, in whole or in part, without the prior written consent of the Company, which may be withheld in its absolute discretion. Distribution of this presentation may be restricted or prohibited by law. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

This presentation is being provided to you (Recipient) on the basis that you are, and you represent and warrant that:

- if you are in Australia, you are the holder (or representative of a holder) of an Australian financial services licence and are also a "professional investor" or "sophisticated investor" (as those terms are used in section 708(11) and section 708(8) respectively of the Corporations Act and are also, in each case, a "wholesale client" (as defined in section 761A of the Corporations Act); or
- if you are outside Australia, you are a person to whom the provision of the information in this presentation is permitted by laws of the jurisdiction in which you are situated without the need for registration, lodgement or approval of a formal disclosure document or any other filing or formality in accordance with the laws of that foreign jurisdiction.

If you are not such a person, you are not entitled to read or attend this presentation, and must notify the Company immediately and promptly return this presentation to the Company and destroy all copies, whether held in electronic or printed form or otherwise, without retaining any copies.

## NO LIABILITY

While care has been taken in preparing the information in this presentation, no representation or warranty, express or implied, is made as to the currency, accuracy, reliability, completeness or fairness of the information, opinions and conclusions contained in this presentation. None of the Company, its related bodies corporate (as defined in the Corporations Act), shareholders or affiliates, nor any of their respective officers, directors, employees, affiliates, partners, representatives, consultants, agents or advisers (including, without limitation, none of the advisers nor their related bodies corporate (as defined in the Corporations Act), shareholders or affiliates, nor any of their respective officers, directors, employees, affiliates, partners, representatives, consultants, agents or advisers, together the "Advisers") (each a Limited Party) guarantees or makes any representations or warranties, express or implied, as to or takes responsibility for, the currency, accuracy, reliability, completeness or fairness of this presentation nor the information, opinions and conclusions contained in this presentation. The Company does not represent or warrant that this presentation is complete or that it contains all material information about the Company. To the maximum extent permitted by law, each Limited Party expressly disclaims any and all liability (whether direct, indirect, consequential or contingent), including, without limitation, any liability arising out of fault or negligence on the part of any person, for any expenses, damages, costs or loss arising from the use of information contained in this presentation including representations or warranties or in relation to the accuracy or completeness of the information, statements, opinions or matters, express or implied, contained in, arising out of or derived from, or for omissions from, this presentation including, without limitation, any financial information, any estimates or projections and any other financial information derived therefrom. The Company has not carried out due diligence investigations in connection with the preparation of this presentation, nor has it verified any of the contents of this presentation. You must consider your own financial situation, objectives and needs and conduct your own independent investigations, assessments and enquiries, including obtaining investment, legal, tax, accounting and other such advice as you consider necessary or appropriate. This presentation should not be relied on by the recipient in considering the merits of any particular transaction.

# IMPORTANT NOTICE AND DISCLAIMER

None of the Advisers have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this presentation and there is no statement in this presentation which is based on any statement made by any of the Advisers. To the maximum extent permitted by law, each of the Advisers expressly disclaims all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this presentation.

None of the Company nor any of the other Limited Parties act or are responsible as a fiduciary to you, your directors, officers, employees, affiliates, partners, representatives, consultants, agents, advisers, securityholders, creditors or any other person. You and each of the Company and the other Limited Parties expressly disclaim any fiduciary relationship. The Company and the other Limited Parties are relying on you complying with this important notice and disclaimer and on the truth and accuracy of the representations, warranties, undertakings and acknowledgments given by you.

## FUTURE PERFORMANCE

This presentation may contain certain forward looking statements, forecasts, estimates, projections and comments about future events, including the Company's expectations about the performance of its businesses and certain strategic transactions. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "goals", "aims", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause the Company's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, and many of these factors are beyond the Company's control. Any forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of the Company. As such, undue reliance should not be placed on any forward looking statement. Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statements, forecast financial information or other forecast. Nothing contained in this presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company. None of the Company, or any other Limited Party, makes any representation or warranty as to the accuracy of any forward looking statements contained in this presentation. Forward looking

statements speak only as at the date of this presentation and the Limited Parties disclaim any obligations or undertakings to release any update of, or revisions to, any forward looking statements in this presentation.

## THIS IS NOT AN OFFER OR FINANCIAL PRODUCT ADVICE

This presentation is not, and does not constitute, an offer to sell, or the solicitation of an offer to buy, invitation or recommendation to purchase any securities or other investment products in the United States or in any other jurisdiction and neither this presentation, nor any of the information contained herein, shall form the basis of any contract or commitment. Securities of the Company have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, any such securities may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the U.S. Securities Act (which the Company has no obligation to do or procure) or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

The distribution or release of this presentation outside Australia may be restricted by law and you should observe any such restrictions.

## FINANCIAL AND OTHER DATA

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation. All dollar values are in Australian dollars (A\$), unless otherwise stated.

## ACKNOWLEDGMENTS

In accessing, receiving or reviewing this presentation, each Recipient acknowledges and agrees to the foregoing terms and conditions. Any failure to comply with such terms and conditions may constitute a violation of applicable securities laws



# RUBICON

DELIVERING VALUE TO GOVERNMENTS, WATER MANAGERS AND FARMERS

Improved water-use  
efficiency



Globally-competitive  
farmers

Maximum value from  
investment



Improved  
economic output

Increased food  
security





# FULL-YEAR REPORT HIGHLIGHTS



Full-year results slightly up  
vs June update -  
(Revenue \$65m,  
Underlying EBITDA \$1.3m)



Sales pipeline continues to  
expand – currently \$1.85bn



Within pipeline, near-term  
opportunities have increased  
by 33% since February FY22 HY  
update



The realisation of various  
pipeline opportunities is  
expected to deliver  
Underlying EBITDA of greater  
than \$12m in FY23



Rubicon is funded to  
deliver on expected FY23  
growth



Project extension  
award in Asia  
expected to occur in  
1H FY23



Globalisation project well  
progressed / significant  
capacity capability now in  
place



Proactively managing global  
supply-chain issues  
by investment in inventory  
and forward purchase  
commitments



# FY22 RESULTS

ersonal use only



# FY22 RESULTS



FY22 audited result a slight uplift on market update provided in June 2022.



GM% down 1% versus pcip. On lower volumes, fixed portion of cost of goods sold is a headwind on GM%.

As we move into FY23, with increasing revenues we expect to see a recovery in GM%.



Continued to make investments in FY22, focused on our expanding international presence, including:

- Globalisation project
- Europe – expansion of headcount
- R&D programs

	FY22 \$'m	FY21* \$'m
Revenue	65.3	81.5
Gross margin	27.1	34.6
Gross margin (%)	41.5%	42.5%
Underlying EBITDA*	1.3	11.9
Profit / (Loss) before tax	(1.2)	7.7
Income tax	(0.4)	1.1
Profit / (Loss) after tax	(0.7)	6.6

\*Refer Appendix 1 for bridge of FY21 Normalised results

# FY22 REVENUE PERFORMANCE

BY SEGMENT	FY22 \$'m	FY21 \$'m
ANZ	25.4	26.5
Asia	15.5	41.1
ROW	24.4	13.9
Total	65.3	81.5

BY TYPE	FY22 \$'m	FY21 \$'m
Hardware	52.7	70.4
Software & Support	6.8	5.6
Other Components & Support	5.8	5.6
Total	65.3	81.5

ANZ	Asia	ROW	Recurring Revenue
<p>ANZ –\$1.1m (-4%) to \$25.4m:</p> <ul style="list-style-type: none"> <li>Continued capital investments from long-term customer base</li> <li>Growth in Support and Maintenance revenues</li> <li>Renewal of multiyear maintenance contract</li> </ul>	<p>Asia -\$25.6m (-62%) to \$15.5m:</p> <ul style="list-style-type: none"> <li><b>India</b> – project extension expected in 1H FY23</li> <li>Important new contracts signings; Lift Irrigation systems and Telangana state</li> <li>China market starting to recover from COVID-related slowdown</li> </ul>	<p>Rest of World +\$10.5m (75%) to \$24.4m:</p> <ul style="list-style-type: none"> <li>Droughts in Europe and Nth America leading to substantial growth in relevant government budget allocations and funding commitments</li> <li>2 MOUs signed for developing large modernisation plans in Central Asia</li> </ul>	<p>Software &amp; Support revenue up \$1.2m (22%) to \$6.8m.</p> <p>Components and support revenue up \$0.2m (4%).</p> <p>Overall, up \$1.4m (13%) to \$12.6m.</p>



# CASH FLOW STATEMENT HIGHLIGHTS

## CASH FLOW FROM OPERATIONS IMPACTED BY:

Strategic Investments		International Contracts
Global supply chain issues continue to impact – proactively increased holdings of component parts (+\$3.6m)	Strategic investment in pre-contracted solution development inventory in advance of expected contract awards (+\$4.2m)	Receipts in key growth markets continue to be managed and are within contract terms, but slower than desired

## CASH FLOW FROM INVESTING

Capital program – focused investment in software development & supply chain activities drove the increase versus prior year

## CASH FLOW FROM FINANCING

IPO rationale was to strengthen balance sheet to ensure Company was in a position to execute on the project pipeline

## FY23 OUTLOOK

As we continue to diversify the business, we expect working capital to release and to move to an improved operating cash flow position for FY23

	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Cash flows from operating activities	(16,806)	(10,454)
Cash flows from investing activities	(3,383)	(2,869)
Cash flows from financing activities	26,183	(4,204)
<b>Cash</b>	<b>11,019</b>	<b>4,829</b>

# BALANCE SHEET HIGHLIGHTS

Increase in working capital commitments versus pcip

Inventory +\$7.9m – strategic investments in pre-contracted solution development WIP and long lead-time component parts. Essential investment to deliver on FY23 forecasted projects.

Trade Receivables +\$5.3m – \$7.5m received in 2H FY22 from India – project payments within contracted terms / practical completion imminent. Expected to unwind in 1H FY23

We expect to see a release in working capital in FY23 as a broader base of contracts begin being delivered

Term loan repayments of \$3m made. As at June 2022, HSBC facility limits were \$40m, net debt was \$16m

	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Current assets	108,284	92,340
Non-current assets	17,526	14,613
Total assets	125,810	106,953
Current liabilities	24,090	33,021
Non-current liabilities	25,573	24,783
Total liabilities	49,663	57,804
Equity	76,147	49,149



# SIGNIFICANT COMMERCIAL PROGRESS

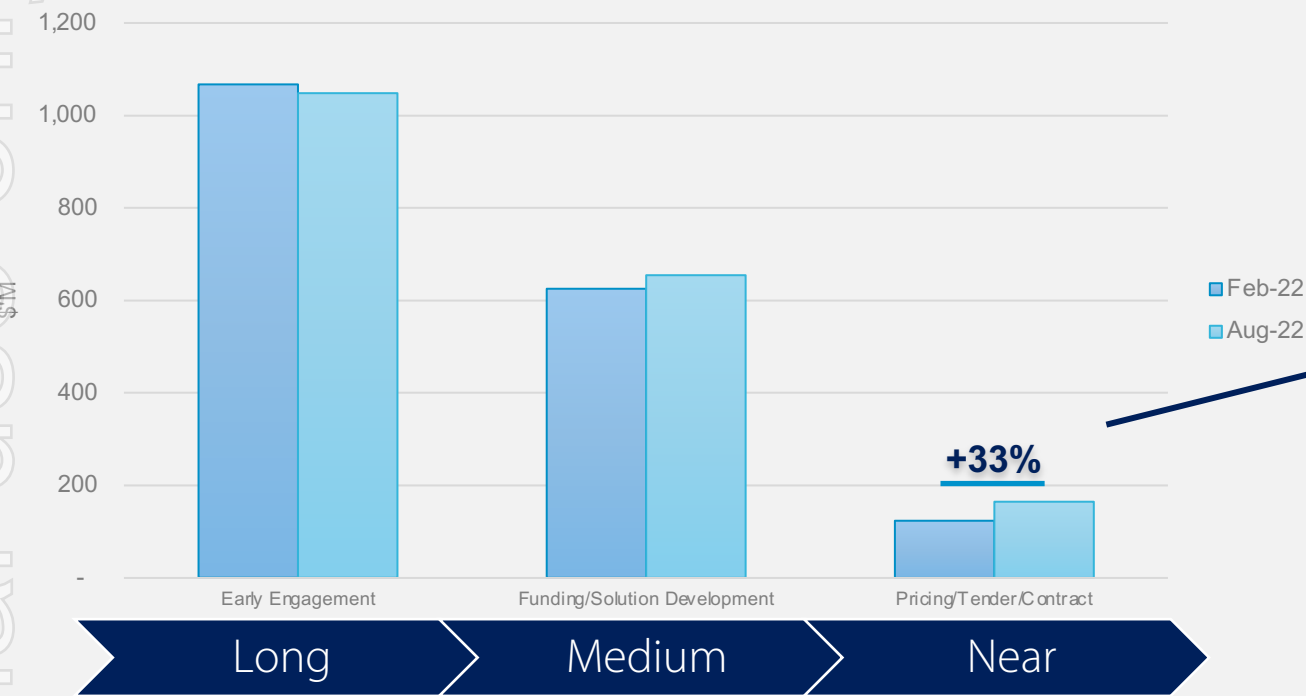
 Santa Cruz, Chile

ersonal use only

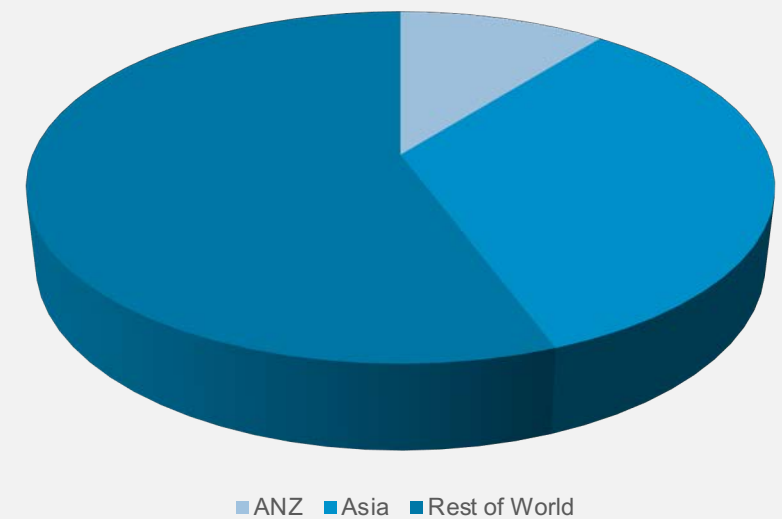
  
RUBICON™

# PROJECT PIPELINE – CONTINUED PROGRESS

RWL - Pipeline Progress



NEAR-TERM PROJECTS – BY SEGMENT



## NEAR-TERM PROJECT VALUE HAS CONTINUED TO GROW ~33%

In particular, pleasing progress in ROW segment – Europe and Central Asia

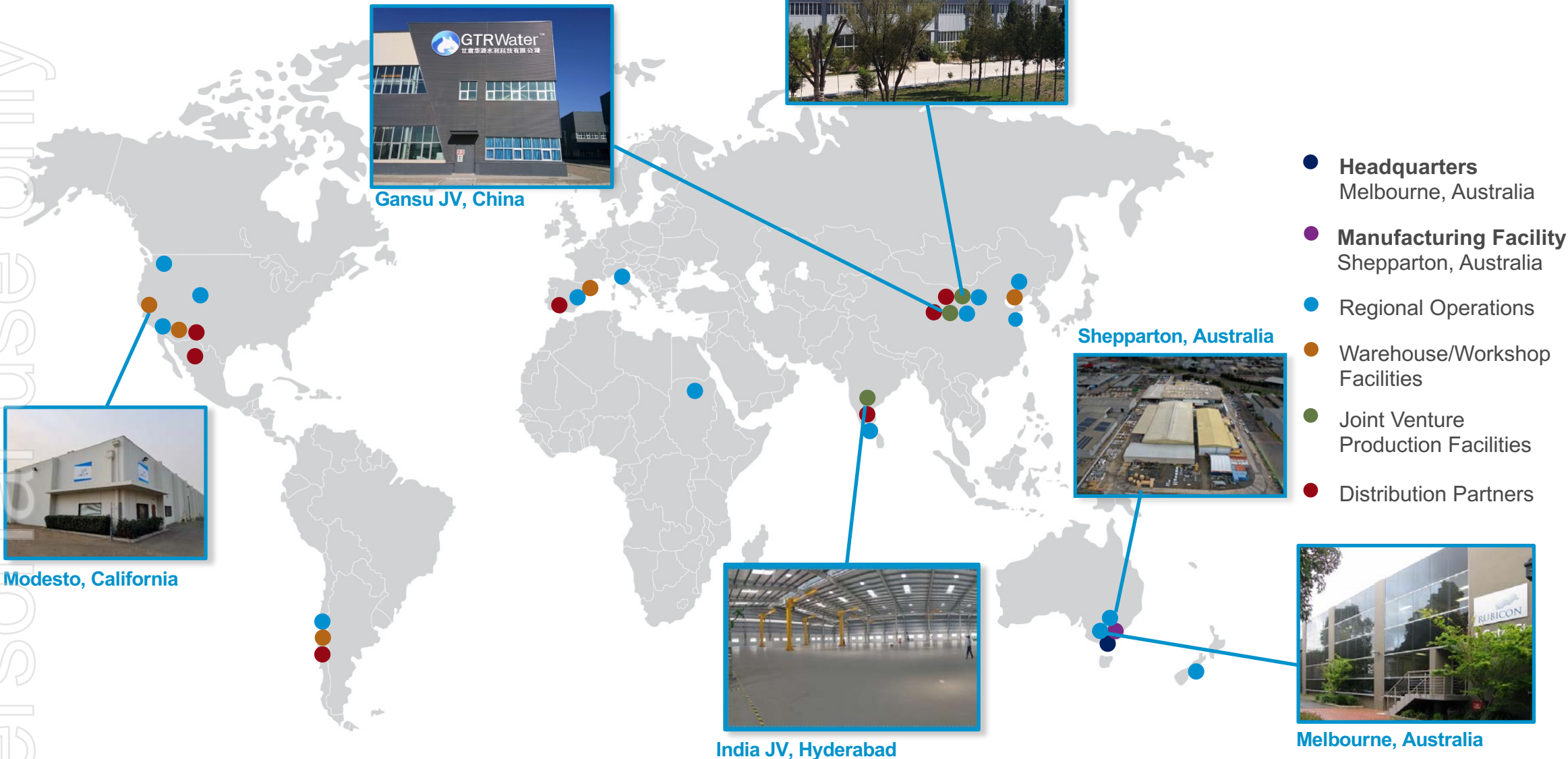
Broadening the near-term project opportunity base – 55% of near-term projects are in ROW segment – providing geographical diversity

Strategic investment in Europe –follows increase in govt funding for irrigation modernisation projects



# OUR GLOBALISATION JOURNEY

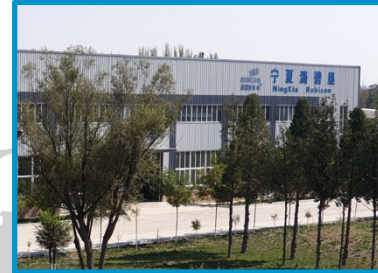
Global Footprint - 2020



# OUR GLOBALISATION JOURNEY

## Globalisation Project

Expansion of global production capability to enable delivery on expected future projects, reducing costs and shortening customer lead times.



First SlipMeter (SMB800) and PikoMeter PM300 products produced outside Australia



First assembly from new facility in Modesto, CA, USA



First exports to Chile & USA from India JV facility.

2,000+ components currently being sourced to directly supply our global assembly facilities.



Lease signed on future assembly facility in Talca, Chile.

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

# OUR GLOBALISATION JOURNEY

## Notable Project Awards

Uzbekistan: MOU signed with Govt of Uzbekistan to plan for the modernisation of the Fergana Valley Irrigation Network (1.2m hectares)



Kazakhstan: MOU signed with the Kyzaloda Regional Govt to prepare a modernisation plan for the Shirkeili Irrigation Canal System (365,000 hectares)

United States



Return orders with one of the larger irrigation districts in Central Valley California

\$1m order for an interesting solution on the Salton Sea in California



Lift irrigation project in Karnataka (\$5m)

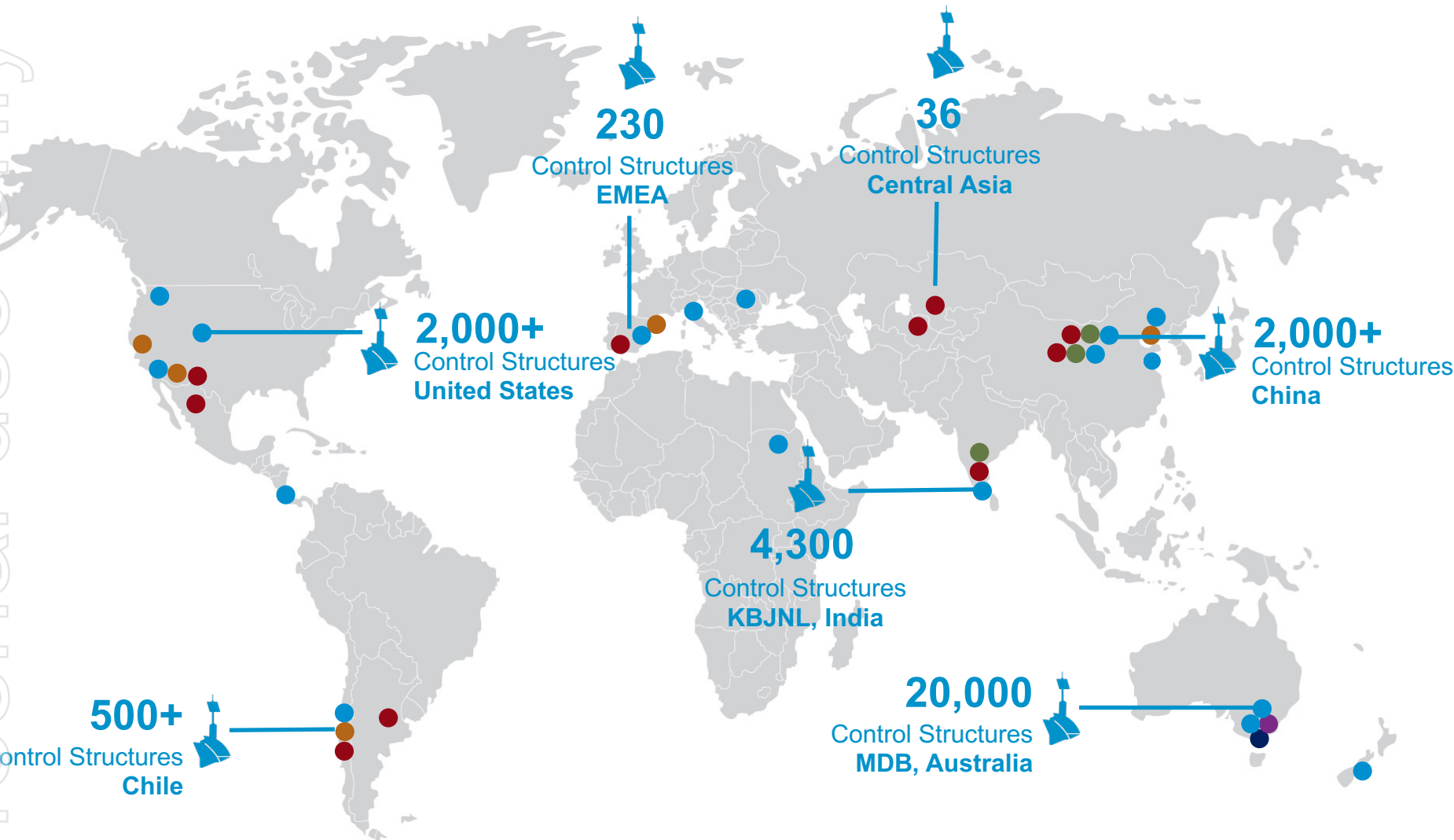
Pilot project in Telangana (\$0.5m)

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



# OUR GLOBALISATION JOURNEY

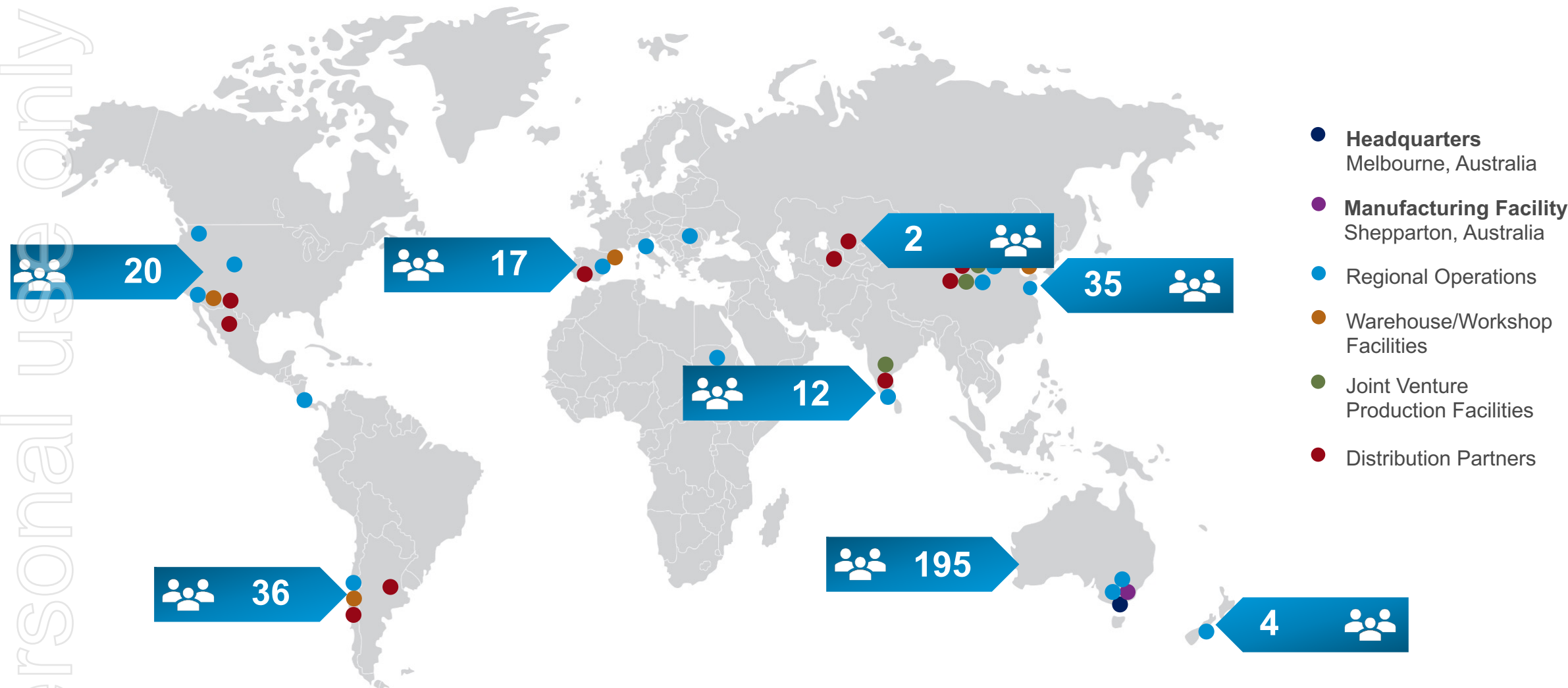
## Existing Install Footprint






# OUR GLOBALISATION JOURNEY

## Global Headcount



ersonal use only

# RUBICONS CASE STUDY & SOLUTIONS

 Coleambally, Australia

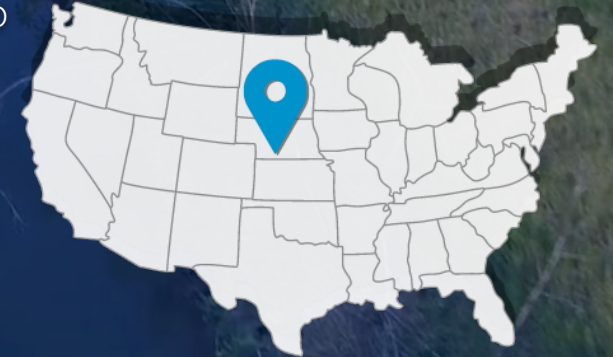


## CASE STUDY - FCID Nebraska, USA

Operational water spills have reduced by more than 85% since implementation of TCC, enhancing river basin sustainability to farmers.

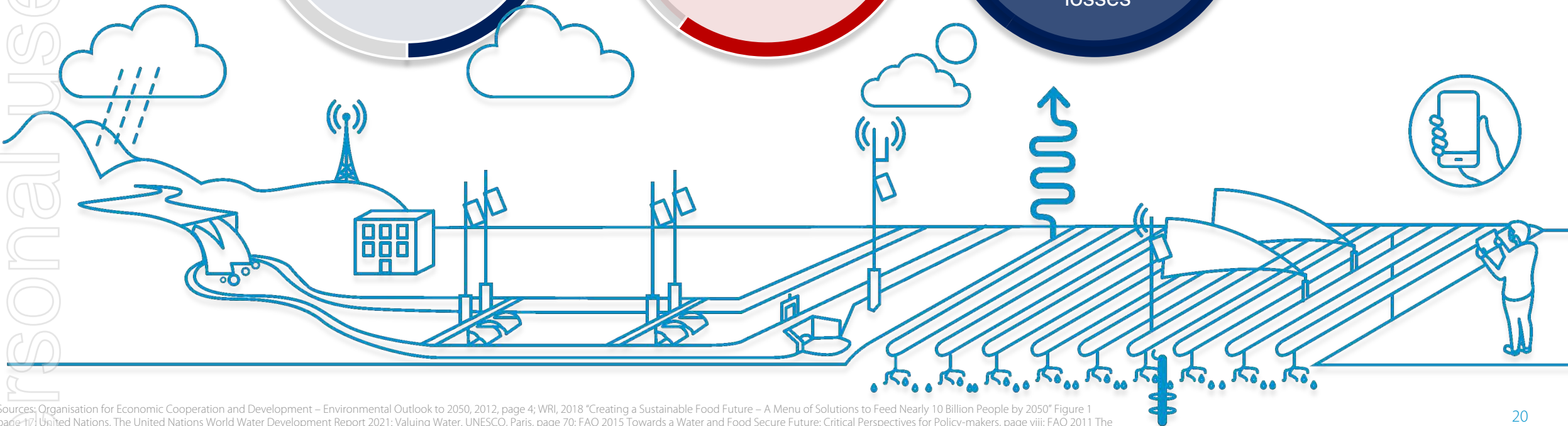
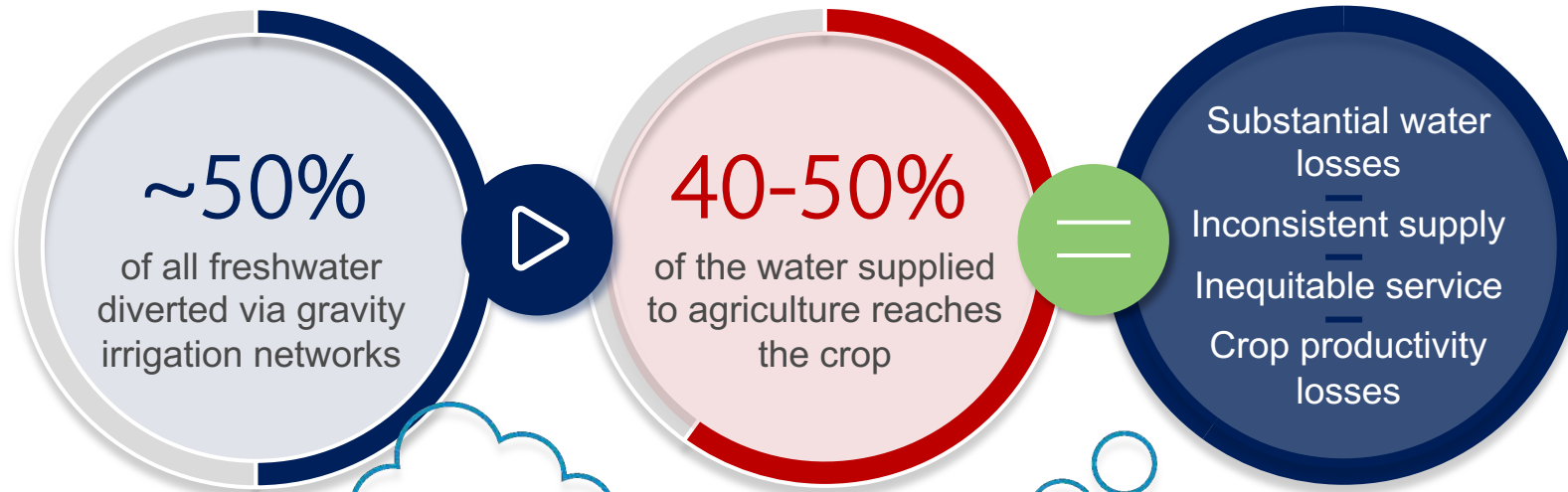
FCID delivers water to over 18,000 ha of land, throughout four primary canal systems that span 250km.

Water losses for the 2016–2019 seasons averaged **18.6 ML/d**. Losses following the implementation of Network Control for combined 2020-2022 seasons are averaging **2.5 ML/d**, equating to an **85% reduction** in system spills.





# Making water available to the world

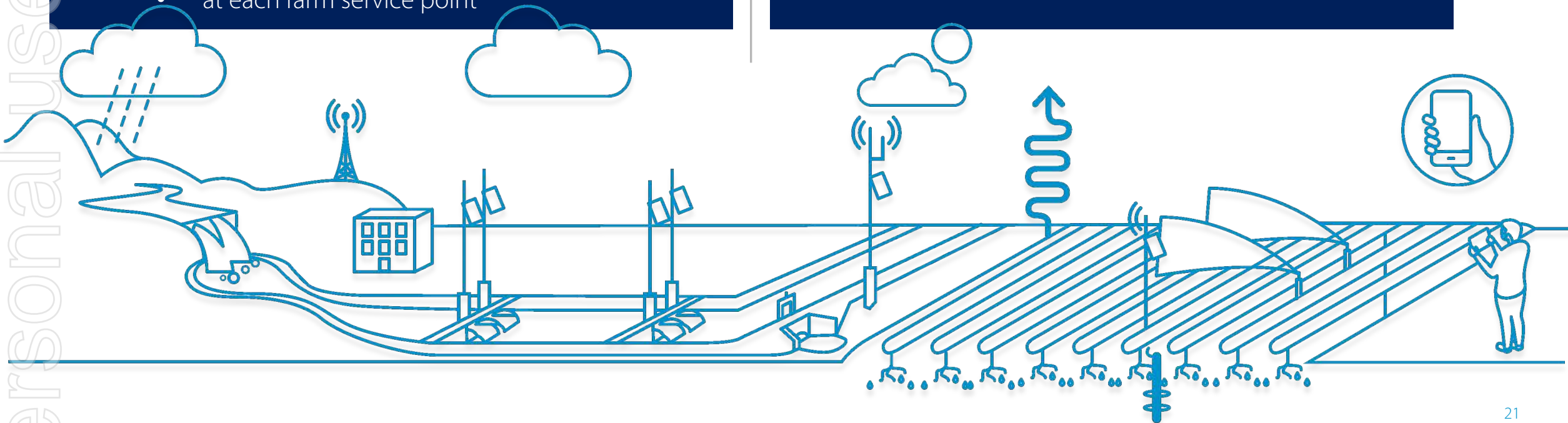




# Rubicon solution outcomes

- Farmers receive water when their crops need it – an on-demand supply
- Water is precisely measured and controlled from the dam to the farm:
  - at the dam
  - at each cross regulator
  - at each farm service point

- Water is equitably distributed throughout the network
- All irrigators receive the same level of service
- Up to 90% distribution efficiency – typically improving by 20-30%





Diversion weir – GMW, Victoria

# END-TO-END SOLUTION COMPONENTS



Water Source  
Typically dam or river



Pump Station - Angeli Ceresse, Italy







Murrumbidgee, Australia

# END-TO-END SOLUTION COMPONENTS

ersonal use only

Primary supply canal automation





# END-TO-END SOLUTION COMPONENTS

ersonal use only

Distributary canal automation

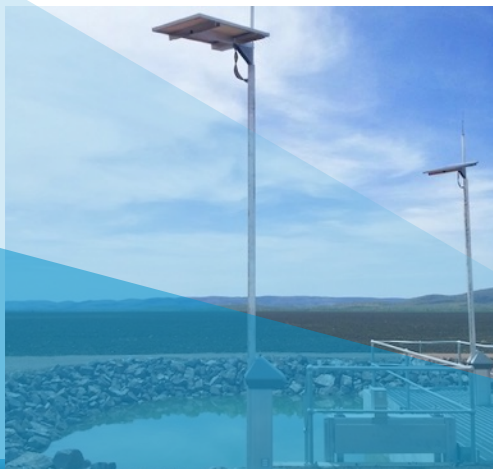




# END-TO-END SOLUTION COMPONENTS

ersonal use only

Metered farm outlets





# END-TO-END SOLUTION COMPONENTS

Karnataka, India



Integrated communication  
infrastructure



# END-TO-END SOLUTION COMPONENTS

ersona  
use only



Irrigation district software









# KEY TAKEAWAYS

1

FY23 Underlying EBITDA expected to exceed \$12m.

2

Sales pipeline continues to grow and progress – total pipeline of \$1.85bn.

Within the pipeline, near-term opportunities have increased by 33% since Company's February update.

3

Global supply chain impacts resulted in significant investment made to increase inventory holdings – enabler to growth in FY23.

Globalisation project is well progressed – significant capacity capability now in place.

4

Rubicon is funded to deliver on expected FY23 growth / near-term unwinding of trade receivables is in progress.

5

Asia – new projects secured in India:

- Lift irrigation project in Karnataka (\$5m)
- Pilot project in Telangana (\$0.5m)

Project extension award in India expected to occur in 1H FY23.

6

ROW – pleasing near-term pipeline growth in Europe / 2 MOUs signed for developing large modernisation plans in Central Asia.

Tangible progress from localisation investments in overseas markets.

7

The timing of significant contract awards may continue to affect ability to deliver consistent financial outcomes. Over time, the realisation of various pipeline opportunities is expected to deliver greater earnings stability.



# Appendix 1 – P&L Reconciliation

	Statutory FY22 \$'m	Statutory FY21 \$'m	Pro-forma adjustments \$'m	Pro-forma* FY21 \$'m
Revenue	65.3	81.5		81.5
Cost of sales	(38.2)	(46.9)		(46.9)
<b>Gross Profit</b>	<b>27.1</b>	<b>34.6</b>		<b>34.6</b>
Other income	0.1	1.6	(1.5)	0.1
Other gains and (losses)	1.4	0.1		0.1
Employee benefits expense	(18.4)	(17.8)	(0.4)	(18.2)
Professional fees	(2.5)	(2.4)		(2.4)
Travel costs	(0.8)	(0.4)		(0.4)
Occupancy expenses	(0.4)	(0.3)		(0.3)
Administrative expenses	(4.1)	(4.3)	(0.4)	(4.7)
Share of profit of Joint Venture	0.3	3.0		3.0
<b>Underlying EBITDA**</b>	<b>1.3</b>	<b>14.1</b>	<b>(2.3)</b>	<b>11.8</b>
Unrealised foreign exchange gains and (losses)	1.3	0.1		0.1
<b>EBITDA**</b>	<b>2.6</b>	<b>14.2</b>	<b>(2.3)</b>	<b>11.9</b>
Depreciation and amortisation expense	(2.6)	(2.5)		(2.5)
<b>EBIT**</b>	<b>0</b>	<b>11.7</b>	<b>(2.3)</b>	<b>9.4</b>
Net finance costs	(0.9)	(1.0)		(1.0)
Transaction costs associated with the IPO	(0.3)	(0.7)		(0.7)
<b>Profit before tax</b>	<b>(1.2)</b>	<b>10</b>	<b>(2.3)</b>	<b>7.7</b>
Income tax benefit / (expense)	0.5	(1.8)	0.7	(1.1)
<b>Net profit after tax</b>	<b>(0.7)</b>	<b>8.2</b>	<b>(1.6)</b>	<b>6.6</b>

\*Pro-forma FY21 results have been adjusted to reflect incremental public company costs of \$0.85m shown under employee benefit expense (\$0.4m) and administrative expenses (\$0.45m) as well as non-recurrent JobKeeper shown under Other income (\$1.5m). Tax impact from pro-forma adjustments is an income tax benefit calculated at 30% of the pro-forma adjustments total.

\*\*Underlying EBITDA, EBITDA and EBIT are before transaction costs associated with the Initial Public Offering.



RUBICON™

## CONTACT

Bruce Rodgerson

CEO

Bruce.Rodgerson@rubiconwater.com

Jason York

CFO

Jason.York@rubiconwater.com

[www.rubiconwater.com](http://www.rubiconwater.com)

© 2022 Rubicon Water.

RUBICON logo and BayDrive, BladeMeter, BladeValve, CableDrive, FarmConnect, FerIT, FlumeGate, FlumeMeter, FormiPanel, MicronLevel, NeuroFlo, PikoGate, PikoMeter, SCADAConnect, SlipGate, SlipMeter, SolarDrive, Sonaray, TCC and Total Channel Control are trademarks and service marks, or registered trademarks and service marks of Rubicon Water or its affiliates in Australia, the United States of America and other jurisdictions. Systems, components, methodologies and software supplied by Rubicon Water may be the subject of patent and design rights in Australia and elsewhere.