Rubicon Water

Rubicon Water Limited
ACN 651 852 470

Melbourne
1 Cato Street
Hawthorn East Vic 3123, Australia
phone +61 3 9832 3000
email enquiry@rubiconwater.com

www.rubiconwater.com

23 February 2023

Rubicon 1H FY23 results

Summary

- **Asia project award delays result in lower first-half revenue and EBITDA**
- **Management remains highly confident of contract signings and delivery progress in 2H FY23**
- **Full-year EBITDA guidance of in excess of $12m maintained**
- **Project pipeline remains in excess of A$1.9bn**
- **Rubicon has capacity to deliver on expected FY23 growth**

Australian water technology solutions company Rubicon Water Limited (ASX: RWL) ("**Rubicon**" or "**the Company**") announces its half-year results for the period ended 31 December 2022, confirming revenue of $27.2 million and EBITDA loss of $4.2 million.

Rubicon Chief Executive Officer Bruce Rodgerson said:

"Our India market remains a big part of our business and Rubicon's future growth. However, the last 12 months has been challenging both in terms of the awarding of new contracts and cash collections from our major project. Importantly, we have now made significant progress in unlocking the payment of monies due, as evidenced by the receipt of ~$5m from this project in December. We are now confident that payments will flow on a regular basis as our client receives capital funding allocations from the State Government. On new contract signings in India, we expect significant awards in the weeks and months ahead.

"In the 17 months since our IPO, we have invested heavily, in not only continuing the evolution of Rubicon's product developments but importantly in 'on the ground' resources to build the client relationships required, which will ensure Rubicon can convert and deliver on our pipeline opportunities. This is the foundation for the Company's future growth.

"Over the same period, Rubicon's Globalisation project is starting to see our Australian production footprint reduce whilst our global capacity increases. This allows the Company to produce efficiently in the volumes needed to deliver on our

pipeline and importantly, manufacture and assemble our products close to where our clients are.

"We are optimistic about the significant near-term opportunities for the business, as we continue to see strong progression through our sales funnel. Significant opportunities are emerging across most international geographies and while we continue to be enthused about our Asia segment, there are now major opportunities in our ROW segment, particularly in North Africa, Central Asia and North America, with several of these having the potential to be transformational for the business."

Revenue in 1H23 was below the previous corresponding period (1H FY22: $32.0m) predominantly on the back of delays in a contract award in India. As announced in December, Rubicon expects this contract award to occur in 2H FY23.

Underlying EBITDA in 1H FY23 was a loss of $4.2m, which was down from a profit of $1.3m in the prior corresponding period (pcp), while profit after tax declined from $0.4m in the pcp to a loss of $5.8m in 1H FY23. Net cash outflow from operations was $6.9m compared to a cash outflow from operations of $11.0m in the pcp.

Total Revenue declined by 15.1% to $27.2m. The Asian segment declined by 40.6% to $5.1m, predominantly on the back of a delay in a contract award in India. The ANZ segment recorded a reduction in revenue of 15.6% to $9.4m when compared to 1H FY22, driven by a reduction in orders from larger customers which can vary from year to year. Positive progress was made in the half year in the Rest of World segment where revenue increased by 2.8% to $12.7m when compared to HY22.

Outlook

Rubicon's sales pipeline continues to grow and progress, with the total pipeline now sitting at over$1.9bn. Within this, near-term opportunities have increased by 13% in the last 12 months.

The Company's globalisation project is well progressed and significant capacity capability is now in place. The global supply chain impacts resulted in significant investment made to increase inventory holdings, and this is an enabler to growth in 2H FY23.

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

While the Company acknowledges the timing of significant contract awards may continue to affect its ability to deliver consistent financial outcomes, over time the realisation of various pipeline opportunities is expected to deliver growth and greater earnings stability. Management maintains underlying EBITDA guidance for FY23 of in excess of $12m.

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

Robert Walker
Company Secretary

For more information contact:

Bruce Rodgerson
Chief Executive Officer
Bruce.rodgerson@rubiconwater.com
+61 419 377 046