



RUBICON™

RUBICON WATER

FY23 Results Presentation

25 August 2023

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ASX:RWL

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RUBICON WATER



Dedicated to addressing water scarcity by providing innovative solutions to governments, water management utilities, and growers. Our mission is to increase water availability and agricultural productivity through improved water-use efficiency. With advanced technology and a focus on precision water management, we empower our clients to optimise their water resources with unparalleled efficiency and control.

250+

Customers
worldwide

17

Countries,
6 continents

~2Mha

Irrigated land
served

35K+

Products
Installed

300+

Teammates
globally

OVERVIEW



FY23 Revenue of \$55m and Underlying EBITDA loss of \$8.8m.



FY23 result impacted by contract delays with a key customer.



Positive operating cashflow in 2H FY23 of \$5.6m, underpinned by a concerted push to lower inventory levels and unwind debtors in the Asia segment.



Investment for future growth of the business continued in FY23.



Recent signings in Asia segment provide for a solid start to FY24.



Pipeline progress continued, including several projects that have the potential to be transformational for the business.



Successfully renewed finance facilities with HSBC post June 30 2023.



Expected to return to profitability in FY24 and achieve sustainable growth moving forward.

FY23 RESULTS

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FY23 RESULTS



Underlying EBITDA loss of \$8.8m. Consistent with market guidance given on the 3/7/23.

Impacted heavily by delay in receiving signed Asian segment contracts.



Due to lower revenue levels, our GM% has been squeezed due to the fixed nature of a portion of our cost of goods sold. GM% down 8% versus pcip.



Continued investment to ensure company is positioned to deliver on expected contract awards, including:

- Software development program
- Product R&D programs
- Globalisation project – expansion of assembly & sourcing capability in India & USA

	FY23 \$'m	FY22 \$'m
Revenue	55.2	65.3
Gross margin	18.6	27.1
Gross margin (%)	33.7%	41.5%
Underlying EBITDA	(8.8)	1.3
Profit / (Loss) before tax	(13.2)	(1.2)
Income tax	2.0	0.5
Profit / (Loss) after tax	(11.2)	(0.7)

FY23 REVENUE PERFORMANCE

BY SEGMENT	FY23 \$'m	FY22 \$'m
ANZ	19.5	25.4
Asia	14.1	15.5
ROW	21.6	24.4
Total	55.2	65.3

BY TYPE	FY23 \$'m	FY22 \$'m
Hardware	37.8	52.7
Software & Support	11.5	6.8
Other Components & Support	5.8	5.8
Total	55.2	65.3

ANZ	Asia	ROW	Revenue
<p>ANZ down \$5.9m (-23.2%) to \$19.5m vs pcp:</p> <ul style="list-style-type: none"> Australian Off-Farm business in transition to recurrent business, support maintenance and product renewal. Early stages of uptake of Rubicon's new On-Farm solutions. 	<p>Asia down \$1.4m (-0.9%) to \$14.1m vs pcp:</p> <ul style="list-style-type: none"> China – Revenue was up modestly, as modernisation programs continued in Ningxia province. Pleasing result given impact of COVID India – Continued delays on contracting of additional works on KBJNL network in FY23. 	<p>ROW down \$2.8m (-11.5%) to \$21.6m vs pcp:</p> <ul style="list-style-type: none"> US had another solid year and Europe delivered strong growth (but off a low base) Latin America was disappointing, due to delays in expected contracts. Central Asia was also down, but in line with internal forecasts 	<p>Non project-based revenue up \$4.7m (69.1%) to \$11.5m vs pcp:</p> <ul style="list-style-type: none"> Software & Support revenue up \$4.7m (69%) to \$11.5m. Recurring revenue up \$1.3m year on year to \$12.8m (representing 23% of revenue base) on the back increased software deployments and maintenance.

CASH FLOW STATEMENT HIGHLIGHTS

SUMMARY:

Cash flow from operations improved by inventory unwind of \$1.3m in FY23.	Timing of receipts in key markets improved in 2H and is expected to continue into 1H FY24.	1H FY24 – business focus to secure and execute on projects expected to result in reduction in inventory holdings.
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CASH FLOW FROM INVESTING

Capital program – investment in software development of \$1.6m in FY23.

CASH FLOW FROM FINANCING

Cash inflow of \$1.1m in the period. Net \$2.0m drawn from HSBC facilities, while \$1.0m paid on lease liabilities.

FINANCE FACILITIES

Renewed HSBC finance facilities are 'fit for purpose' - working capital based. Better suited to large project work.

	FY23 \$'000	FY22 \$'000
Cash flows from operating activities	(1,363)	(16,806)
Cash flows from investing activities	(2,598)	(3,383)
Cash flows from financing activities	1,087	26,183
Cash and Cash Equivalents	8,495	11,019

BALANCE SHEET

Business maintains a significant asset base of c.\$112m, with net assets of c.\$66m.

\$1.3m reduction in inventory in FY23, as excess safety levels due to Covid-related supply chain issues were unwound.

As at June 2023, HSBC facility limits were \$33.0m and net bank debt was \$20.5m. A further \$6.0m of undrawn unconditional working capital facilities were also in place, meaning there was \$18.5m of cash and facilities available.

Post 30 June – HSBC facilities were renewed.

\$32.4m of facilities

Largely working capital based with minimal annual amortisation.

	30 Jun 2023 \$'000	30 Jun 2022 \$'000
Current assets	93,058	108,284
Non-current assets	18,521	17,526
Total assets	111,579	125,810
Current liabilities	44,759	24,090
Non-current liabilities	1,017	25,573
Total liabilities	45,776	49,663
Equity	65,803	76,147

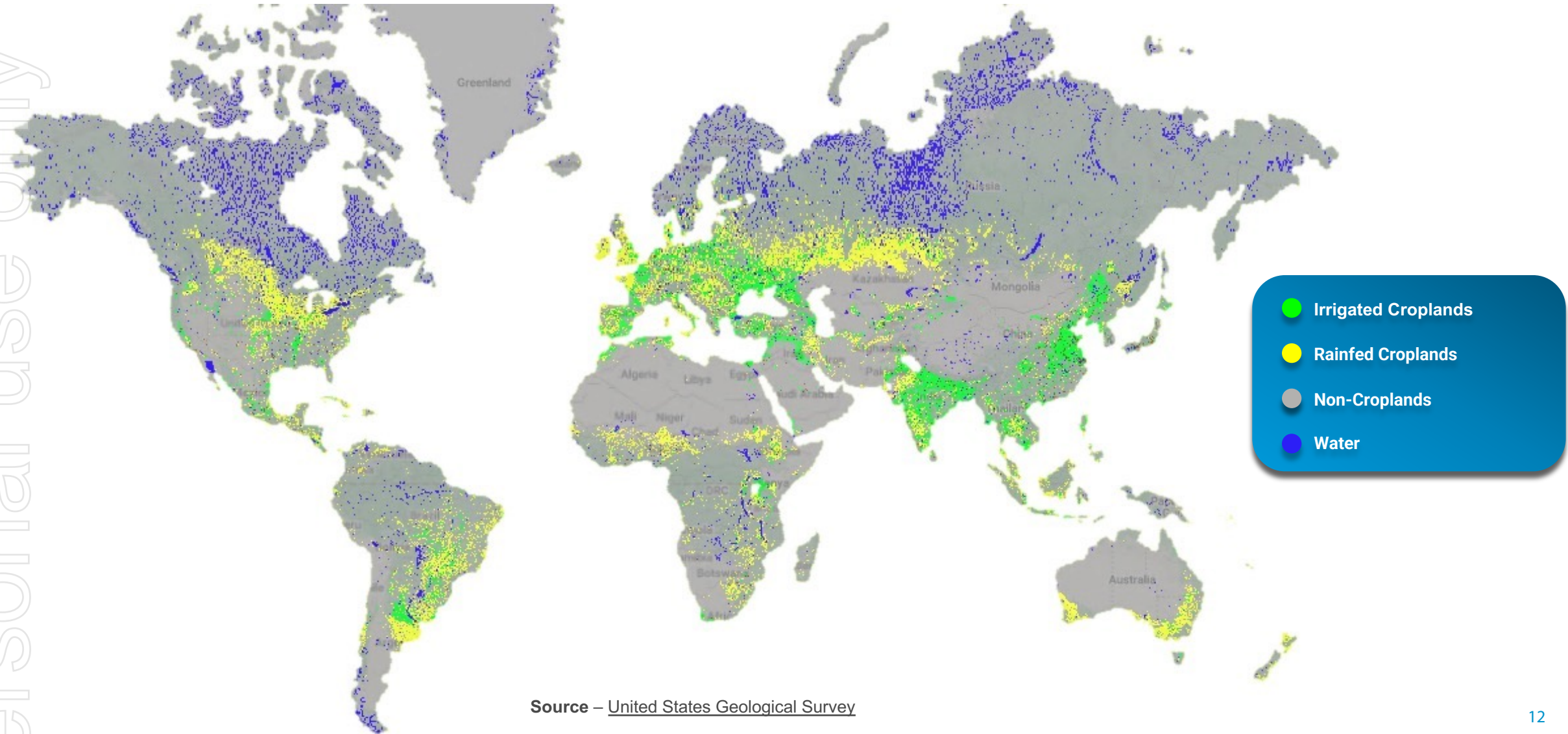
ADDRESSING WATER SCARCITY WORLDWIDE

California, USA

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GEOGRAPHIC FOOTPRINT AND GLOBAL THEMATICS

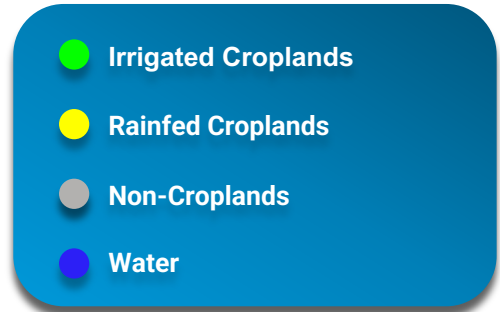
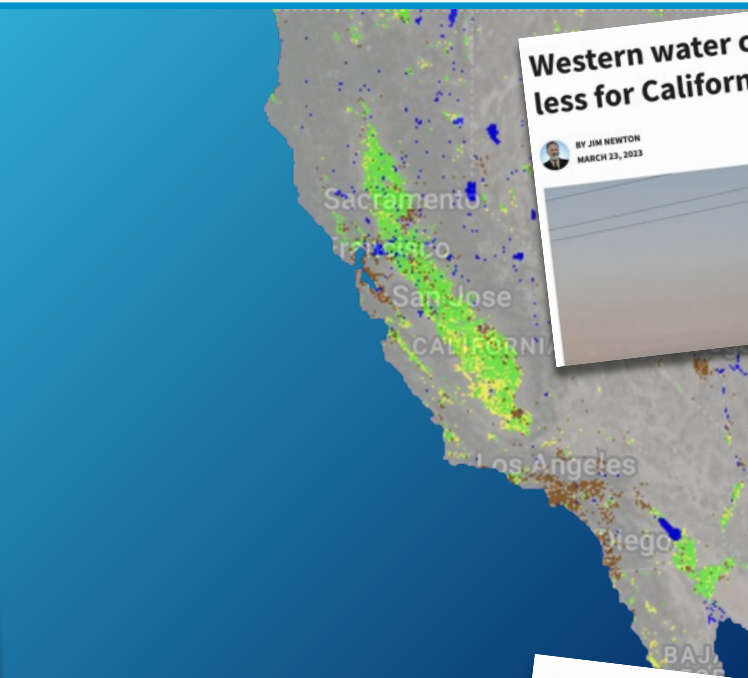
Landsat-derived overview and density of irrigated agricultural land



Source – United States Geological Survey

GEOGRAPHIC FOOTPRINT AND GLOBAL THEMATICS

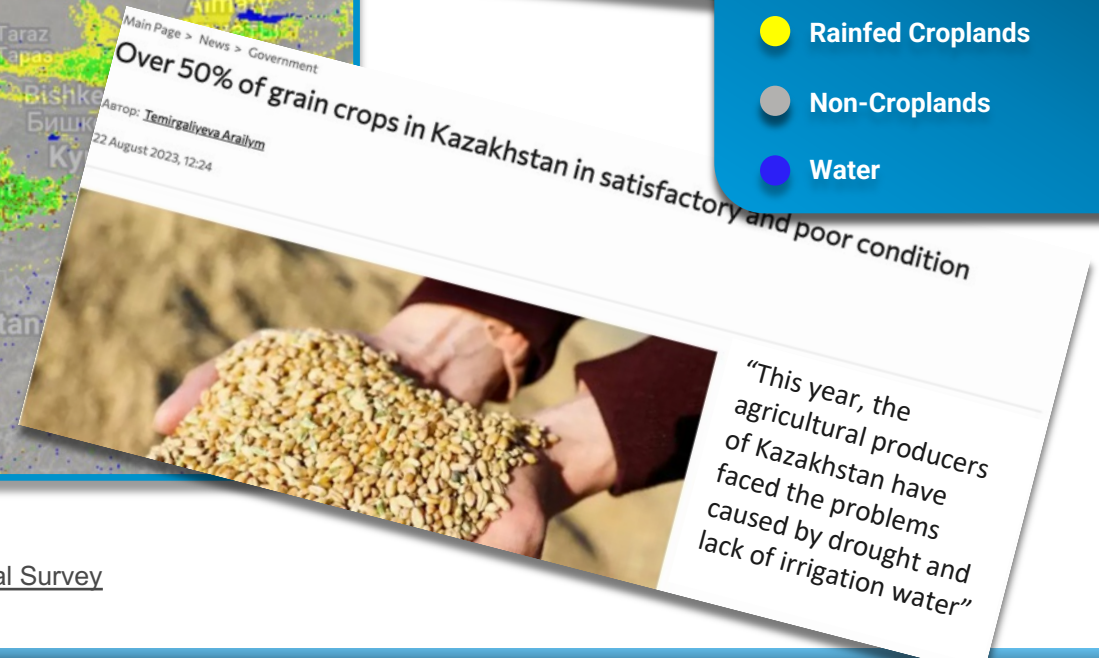
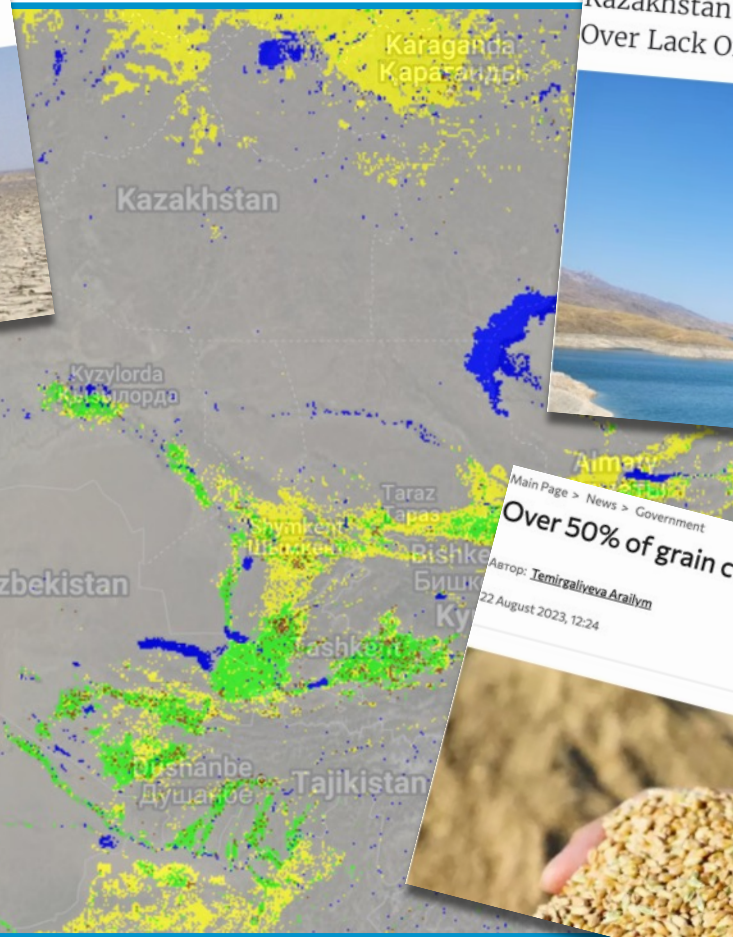
United States, California



Source – United States Geological Survey

GEOGRAPHIC FOOTPRINT AND GLOBAL THEMATICS

Central Asia – Kazakhstan, Uzbekistan



Source – [United States Geological Survey](#)

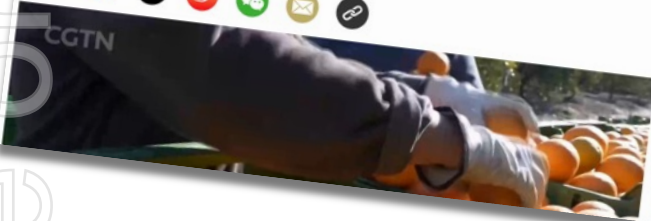
GEOGRAPHIC FOOTPRINT AND GLOBAL THEMATICS

Europe, Middle East & Africa

Water scarcity: Spain's new drought measures threaten mass job losses

Updated 01:53, 11-Feb-2023

Ken Browne in Orihuela



TOP NEWS



Water Crisis, 18% of Italy's GDP at risk

Treatment plants, dams and water networks are essential to protect water and avoid an economic crisis

19/04/2023

Global Severe Water Stress, Billions Face Urgent Action Needed

The World Resources Institute's report reveals severe global water stress, underscoring the need for immediate action

Samia Qbaibi Aug. 16, 2023 2:21 p.m.



mlw MOROCCO WORLD NEWS



- Irrigated Croplands
- Rainfed Croplands
- Non-Croplands
- Water

Climate change poses challenges to achieving water security in Egypt: Minister

Amr Kandil, Tuesday 30 May 2023

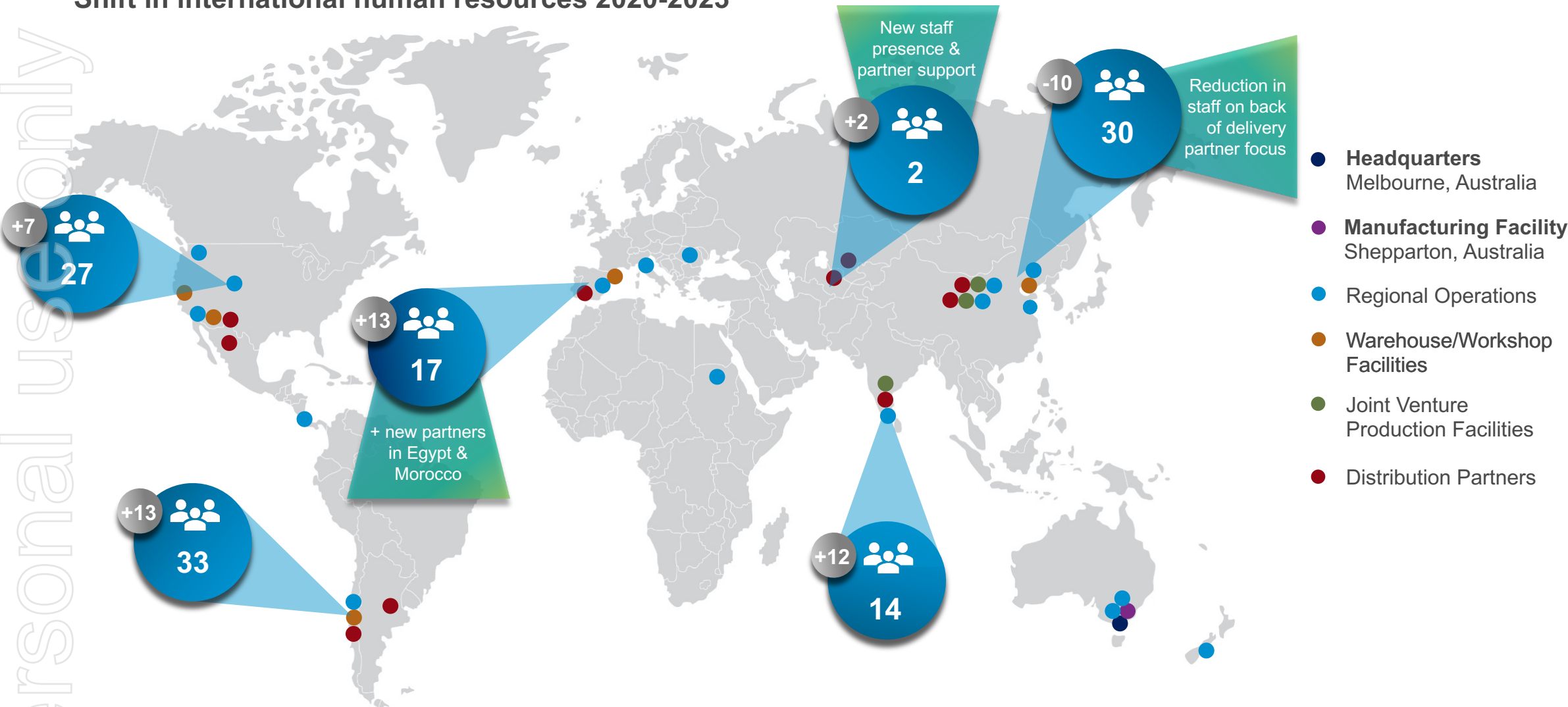
Climate change and water scarcity pose challenges to achieving food security and meeting water needs in Egypt, according to Minister of Irrigation and Water Resources Hani Sewilam.

Source – [United States Geological Survey](#)


GEOGRAPHIC FOOTPRINT AND GLOBAL THEMATICS

Extending resources & investing in people across international areas with increasing demand

Shift in international human resources 2020-2023



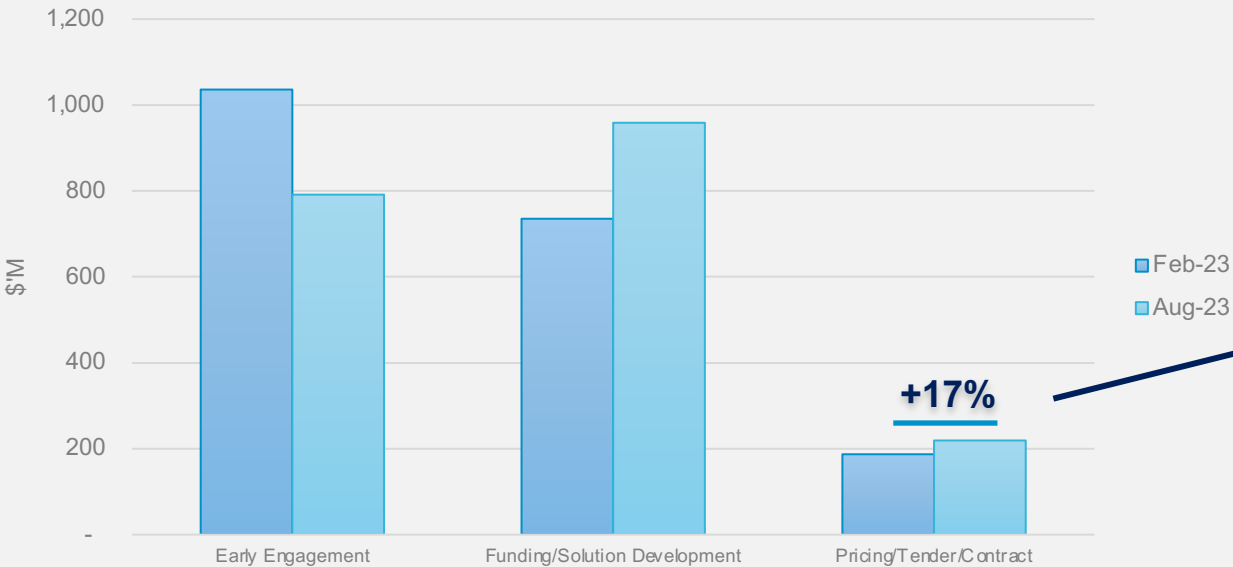
PIPELINE AND OUTLOOK

 Griffith, Australia

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PROJECT PIPELINE

RWL – PIPELINE PROGRESS

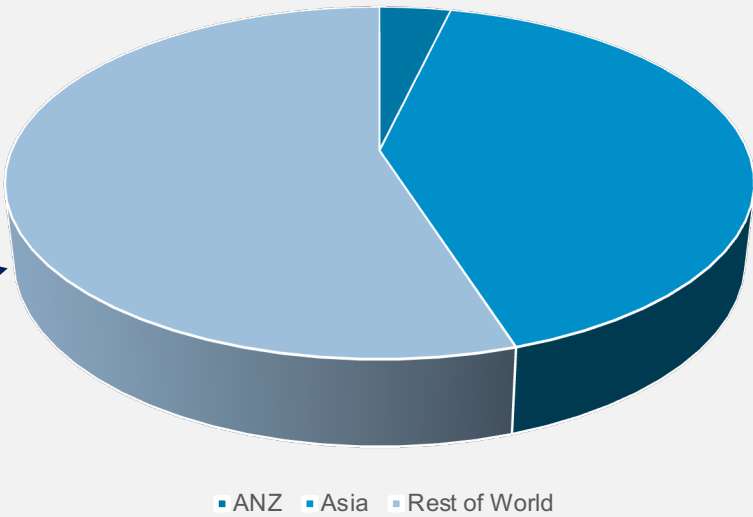


Long

Medium

Near

NEAR-TERM PROJECTS – BY SEGMENT



NEAR-TERM PROJECT VALUE HAS CONTINUED TO GROW ~17%

Modest growth in overall pipeline but focus on progression within pipeline stages.

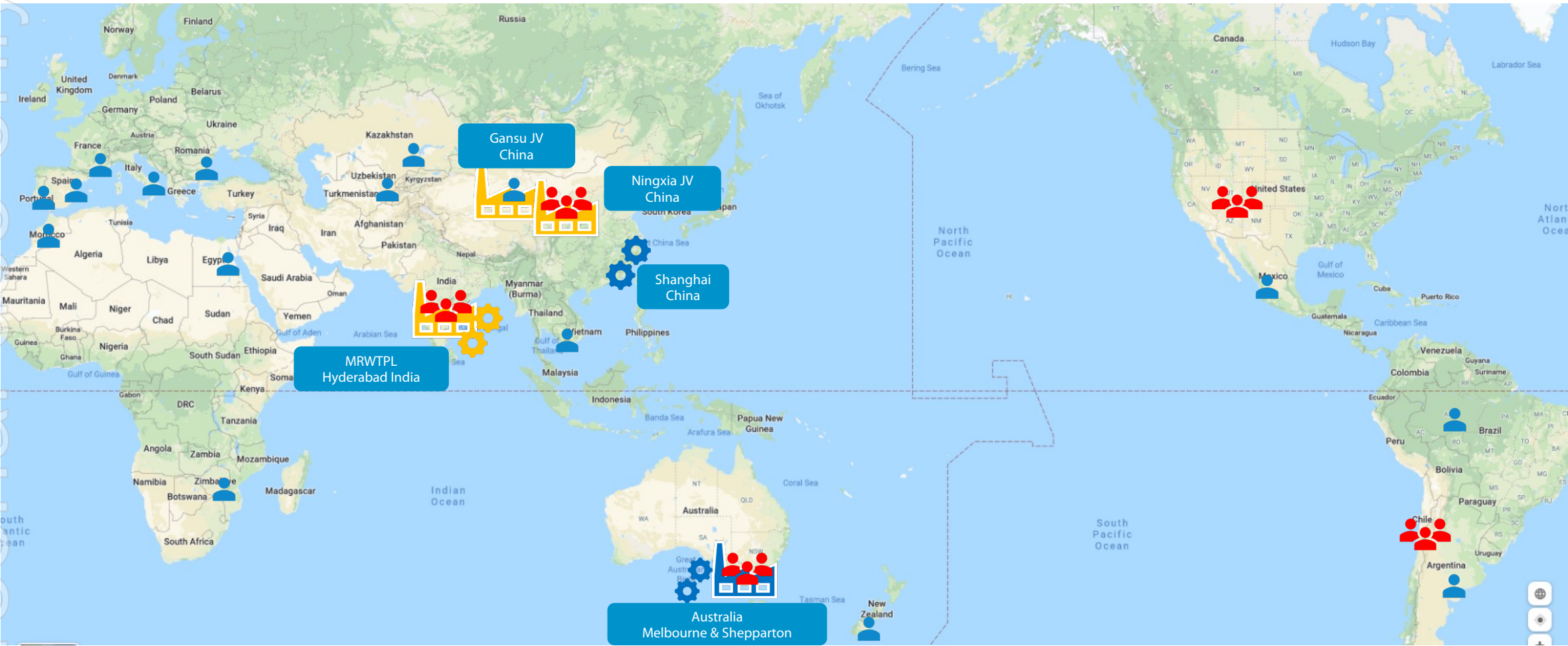
Growth in near-term and solution development proposals continues to be driven by global thematics, local crises and compelling business cases.

In-market investments paying dividends with increased opportunities in Europe, Morocco, Egypt and Central Asia.

OPERATIONAL UPDATE: SET-UP FOR SUCCESS

Current Map

-  Sales Region
-  JV Site
-  JV Supply Chain
-  Rubicon Assembly
-  Larger Sales Region
-  Rubicon Supply Hub



OPERATIONAL UPDATE: SET-UP FOR SUCCESS

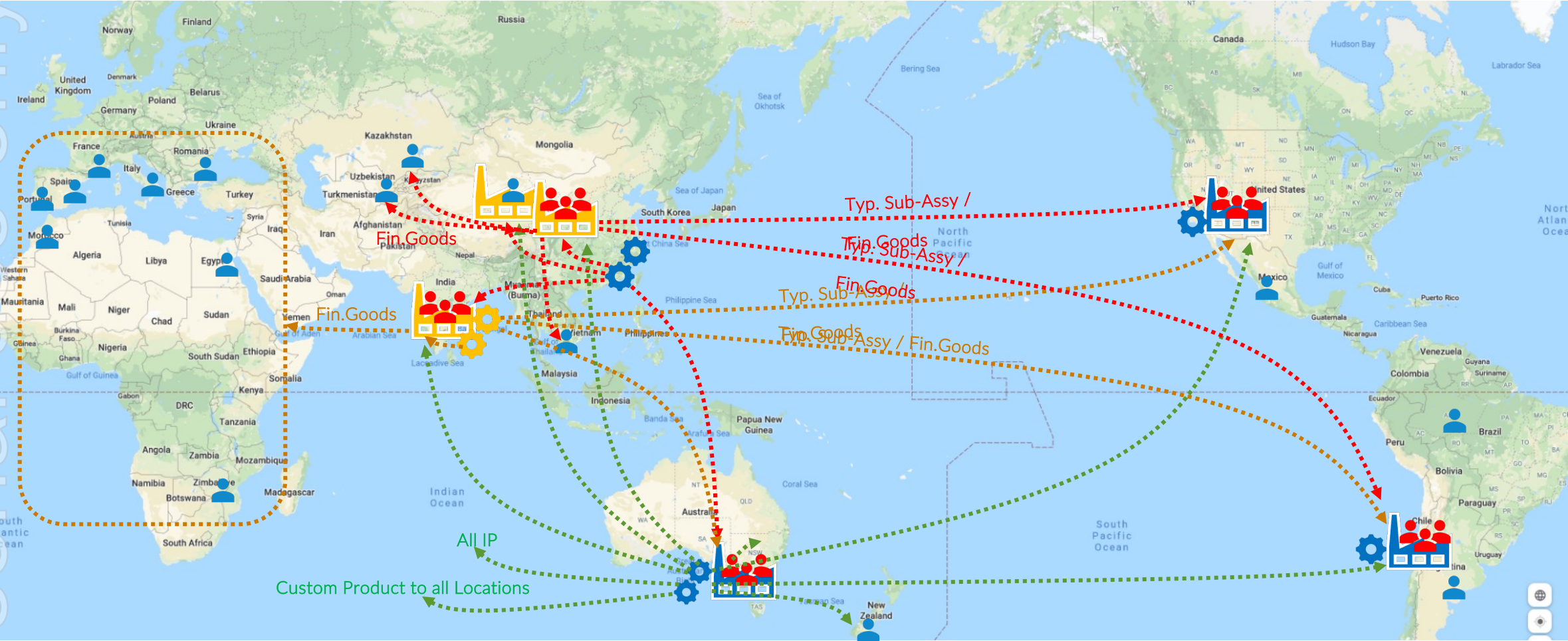
Supply lines are indicated for example only.

 Larger Sales Region

 Rubicon Assembly

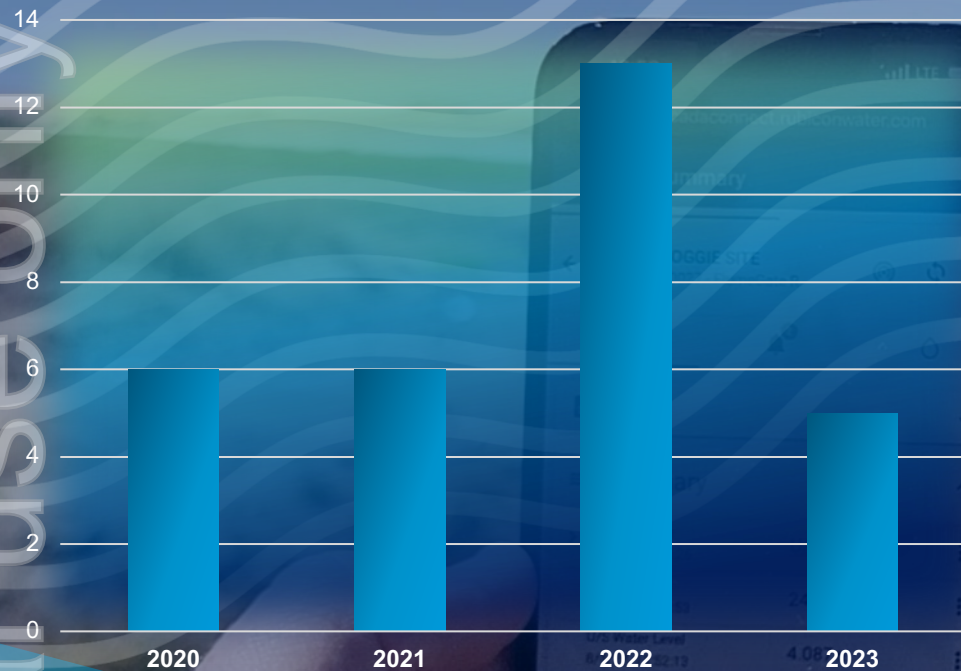
 Rubicon Supply Hub

 Basic Supply



Note: Any region can be considered for further supply and/or assembly capability pending sufficient sales volume and business case review, which also reflects any government local content requirements

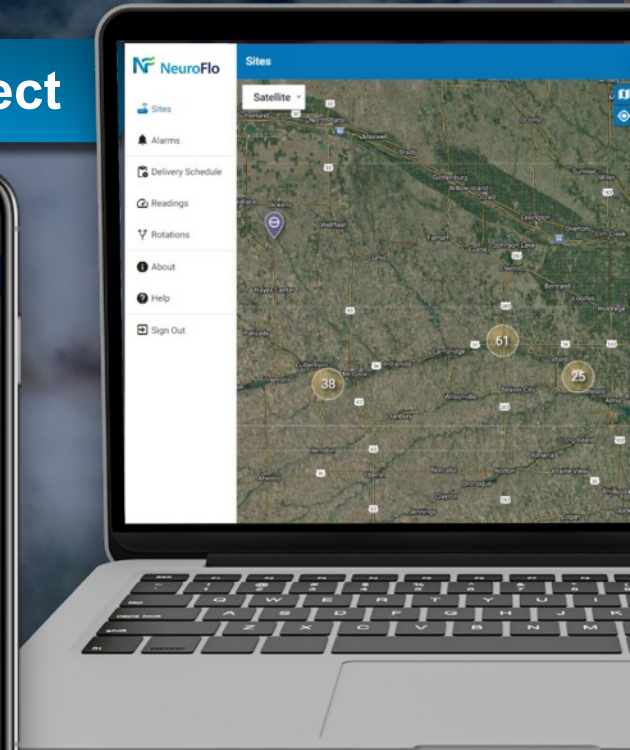
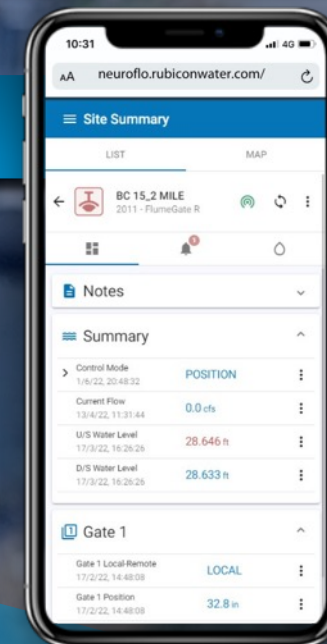
New software installs per calendar year



FY23 saw a record number of new software deployments, among both large and smaller-scale clients, setting the foundations for future growth.

NetworkConnect

SiteConnect



SUMMARY

1

FY23 was a challenging year where continued delays in project signings heavily impacted financial results.

2

A conscious decision was made, despite the challenging conditions, to continue investments in localisation of sales resources, continuation of our software and product roadmap – the foundations of our future success.

3

Sales pipeline has made substantial progress.
Within the pipeline, near-term opportunities have increased by 17%, and medium term by 30%.

4

Positive operating cashflow in 2H FY23 of \$5.6m, underpinned by a concerted push to lower inventory levels and some unwinding of debtors in the Asia segment.

5

Renewed facilities with HSBC are 'fit for purpose' - working capital based. Better suited to large project based work..

6

Orders across China and India of \$15.5m in late FY23 underpins start to FY24.

7

Over time, the realisation of pipeline opportunities is expected to provide a broader base for future growth and greater earnings stability.



CONTACT

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