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ASX RELEASE | De.mem Limited (ASX:DEM)

INVESTOR PRESENTATION

24 September 2024: Australian headquartered, international water technology company **De.mem Limited (ASX:DEM)** (“De.mem” or “the Company”) is pleased to release the attached Investor Presentation with updated information about the Company for current and future investors.

This announcement has been authorised for release by the Company’s CEO, Mr Andreas Kroell, on behalf of the Board of Directors.

-ENDS-

For further information, please contact:

De.mem Limited

Andreas Kroell

CEO

De.mem Limited

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De.mem Limited (ASX:DEM) is a decentralised water and wastewater treatment business that designs, builds, owns and operates turnkey water and wastewater treatment systems for some of the world’s largest companies in the mining, electronics, chemical, oil & gas, and food & beverage industries. Its systems also provide municipalities, residential developments and hotels/resorts across the Asia Pacific with a reliable supply of clean drinking water.

De.mem’s technology to treat water and wastewater is among the most advanced globally. The Company is headquartered in Australia and has international locations in Singapore, Germany and Vietnam. It is commercialising an array of innovative proprietary technologies.

To learn more, please visit: www.demembranes.com

Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of De.mem Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.



De.mem Limited (ASX:DEM)

Investor Presentation
September 2024

pre-release only



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On track for record CY2024 full year results, supported by record growth momentum and recurring cashflows

Record results

- Record half-year cash receipts of approximately \$13.6m
- Record 40% gross margins
- ~16% organic growth in 1H CY2024

Recurring revenue model

- More than 90% recurring cash receipts

Record outlook

- On track for record full year cash receipts
- 21 successive quarters of cash receipts growth vs. prior corresponding period
- Momentum to sustainable positive operating cashflow
- Recent acquisitions (Auswater Systems and Border Pumpworks) increased cash receipts +15% post-acquisition

Blue chip clients

- Blue chip clients across multiple segments
- Mining & resources – Rio Tinto, South 32, Pilbara Minerals
- Food & beverage – Coca Cola, Givaudan, Costa Group, Inghams
- Industrial – AGL, Alcoa

RioTinto

acciona

Coca-Cola

Pilbara Minerals

agl

INGHAM'S
Nourish Our World

Alcoa

TREASURY WINE ESTATES

KRONES

costa
well grown

Givaudan

SOUTH32

Strong acquisition value-add track record

- ~63% revenue growth over 4 acquisitions over 4 years
- Two recent acquisitions well integrated and adding value

Attractive valuation

- Trading at ~\$35m market cap, ~1.3x revenue, discount relative to global comparable companies and global acquisitions

RECURRING REVENUE MODEL

Demem generates more than 90% recurring revenues



LARGE, HIGHLY FRAGMENTED MARKET

The Australian market is highly fragmented, with multiple small operators in narrow niches and limited geographies.

The global market is US\$39 billion (4).

DEM is the only provider of a complete decentralised wastewater treatment product & service offering across Australia.

A\$2.3 billion
Addressable Market (Australia)

Decentralised
wastewater
systems
A\$300m p.a.¹



Pumps
equipment
market
>A\$1bn p.a.²



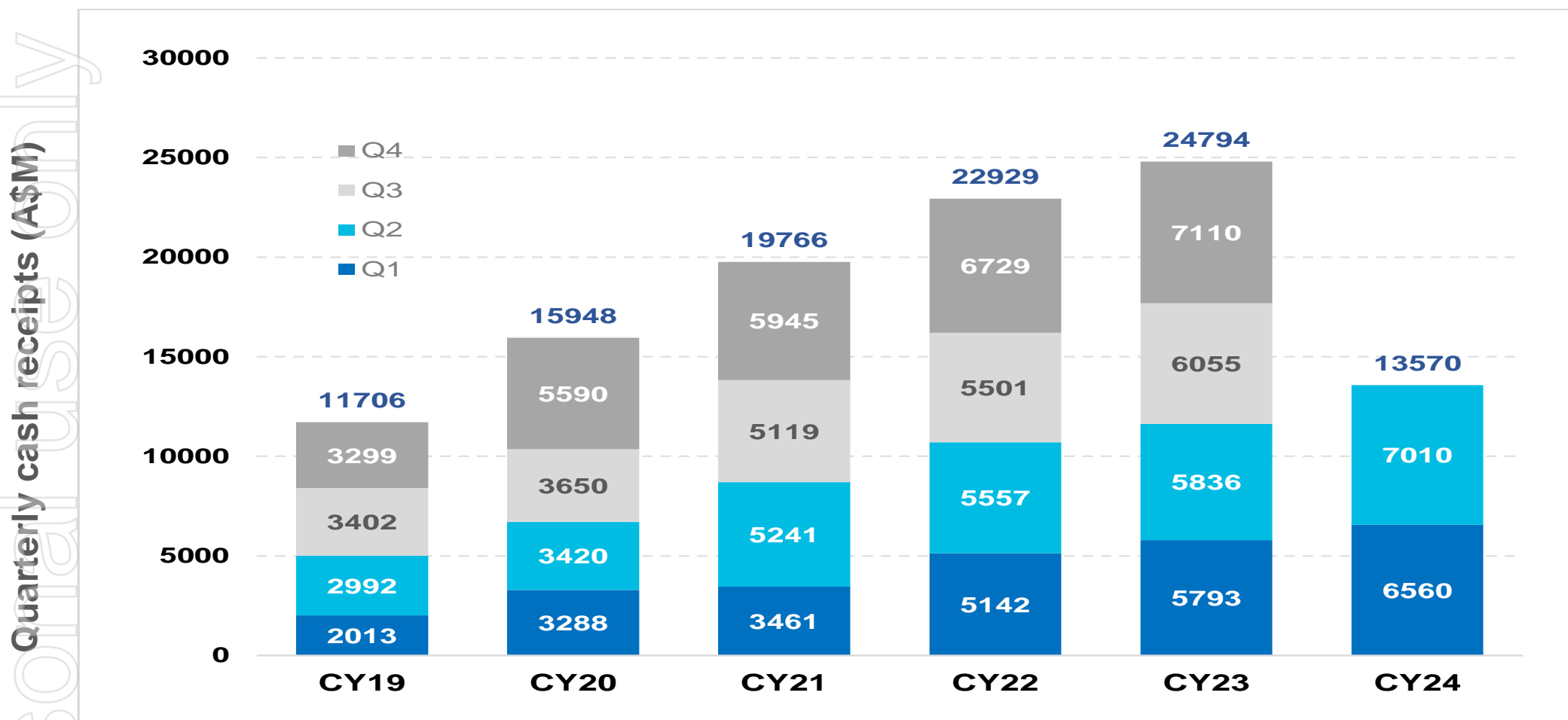
Water
treatment
chemicals
>A\$1bn p.a.³



Sources:

- (1) Company estimates
- (2) Australian Pump Industry Association website, April 2022
- (3) RFDTV, Australian Water Treatment Chemicals Market Size in 2018, 29/11/2021
- (4) 2026 forecast, Research & Markets, "Decentralized Water Treatment Market – Global Outlook and Forecast 2021-26", 24/9.2021

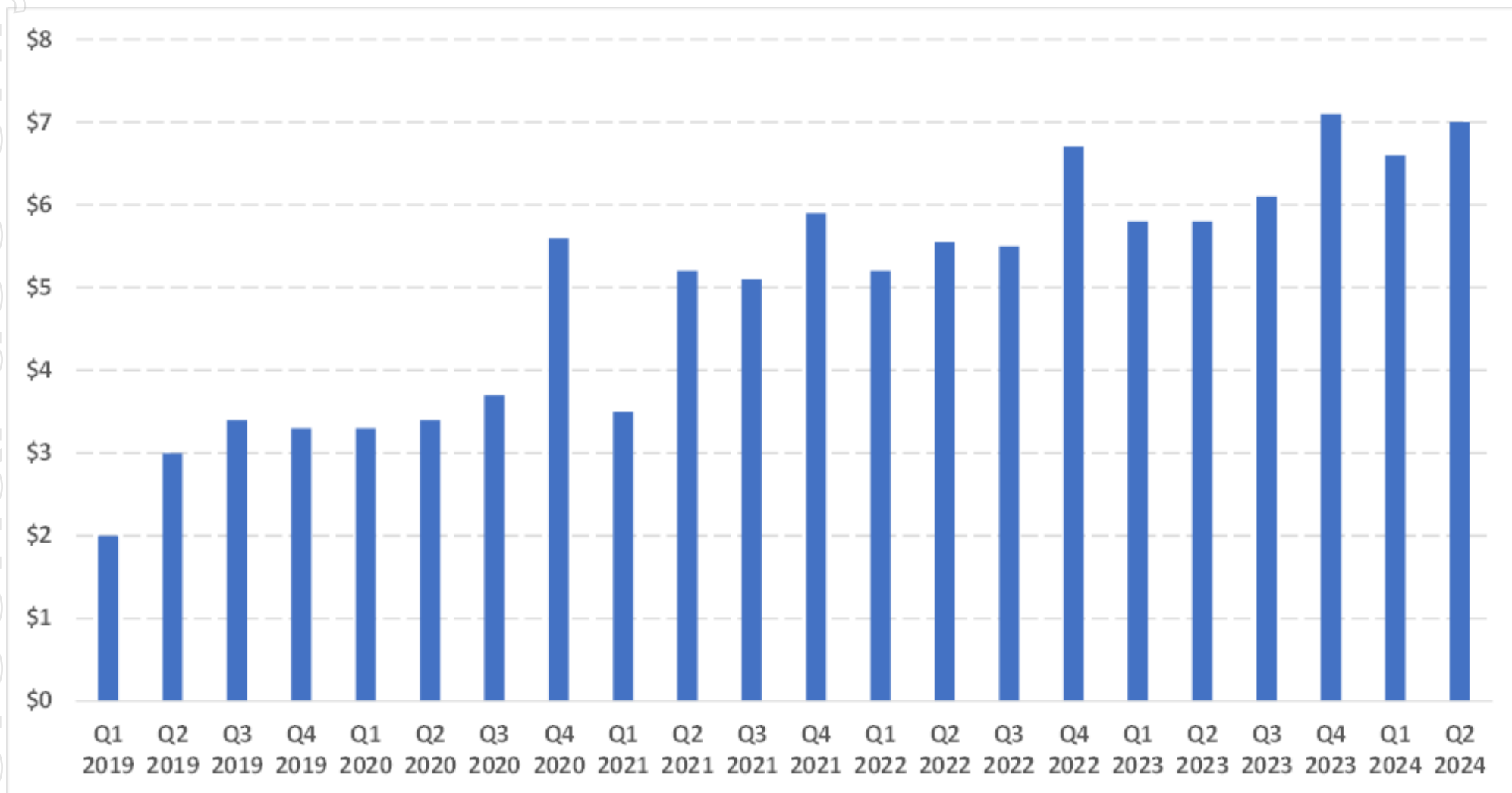
Record cash receipts and record full-year outlook



- Record 1H CY2024 cash receipts of \$13.57 million
- High organic growth: ~16% in 1H CY2024, 19% in CY23 (see ASX release 29 February 2024), with 2H typically stronger
- On-track for record full-year CY2024 cash receipts

21 consecutive quarters cash receipts growth vs. prior corresponding period

perspective only

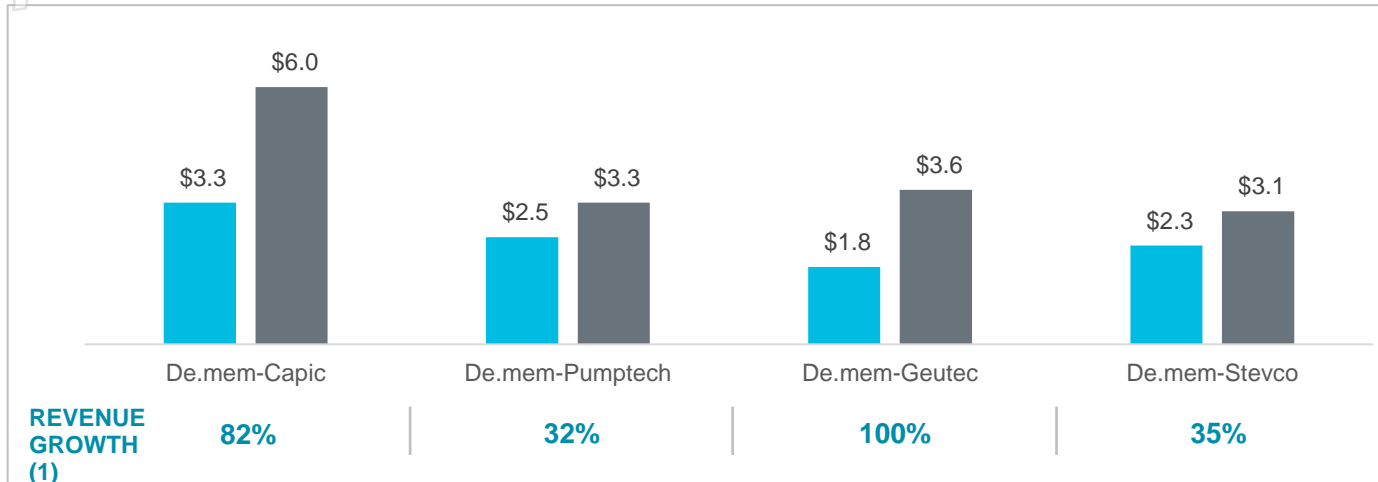


STRONG ACQUISITION VALUE-ADD TRACK RECORD

Since 2019, Demem has successfully grown 4 bolt-on acquisitions by average ~63%

Two recent acquisitions Border Pumpworks and Auswater Systems have grown +15% in July & August 2024 (unaudited)

Acquired business revenue growth



Demem
achieved 63%
revenue growth
of acquired
businesses

(1) revenue growth % = compares last financial year (preliminary/unaudited) vs. annual revenue pre acquisition. .

| BUSINESS, ACQUISITION DATE | FOCUS | PRICE | REVENUE MULTIPLE (x) | EBITDA MULTIPLE (x) | ACQUISITION & SHAREHOLDER VALUE-ADD RATIONALE |
|---|--|---------------|----------------------|---------------------|--|
| Border Pumpworks Wodonga, VIC April 2024 | Pumps, small water treatment equipment and maintenance | \$0.4m cash | 0.4x | 4.0x | <ul style="list-style-type: none"> Geographic diversification – into regional VIC/NSW Cross-sell - specialty chemicals and water treatment products & services Recurring, diversified revenues – more than 30 years operations and 50 customers including breweries, wineries, resorts, food & beverage, industrial manufacturing Earnings accretion - ~\$100k EBITDA, 4x EBITDA multiple; ~\$1.1m revenue. |
| Auswater Systems Pty Ltd, WA June 2024 | Service business with chemicals & consumables sales | Up to \$1.75m | 1.3x | 4.0x | <ul style="list-style-type: none"> Geographic complement – complements existing Capic business in Perth Revenue synergies – cross-sell of services, chemicals & consumables Cost synergies – proximity to Capic business provides cost synergies Recurring revenues - 50+ long term mining customers, 29 year operating history Earning accretion - ~A\$450k EBITDA, 4x EBITDA multiple, ~\$1.3m revenue |

+15% growth in recent acquisitions Border Pumpworks and Auswater Systems

OPERATIONAL UPDATE

Auswater Systems Pty Ltd – update

- Both revenue and cost synergies are being realized
- Cross sales underway, including sales of pumps & chemicals to existing Auswater clients
 - Sale of De.mem-Stevco pumps into existing Auswater mining client
 - Sale of De.mem-Capic chemicals into existing Auswater mining client
- Relocation into De.mem-Capic workshop completed
- Kalgoorlie representative office opened to service & support regional mining customers



BORDER PUMPWORKS

Border Pumpworks

- Fully integrated into De.mem-Stevco (Melbourne/VIC) operations
- Provides local workshop to roll out De.mem's extended offering into regional Vic/NSW

FINANCIAL UPDATE

Cash receipts of Auswater and Border Pumpworks (unaudited)

- Approximately \$500k combined cash receipts in July & August 2024
- Approximately 15% cash receipts growth
- Annualised July & August 2024 is \$3m cash receipts (vs \$2.6m combined pre-acquisitions)

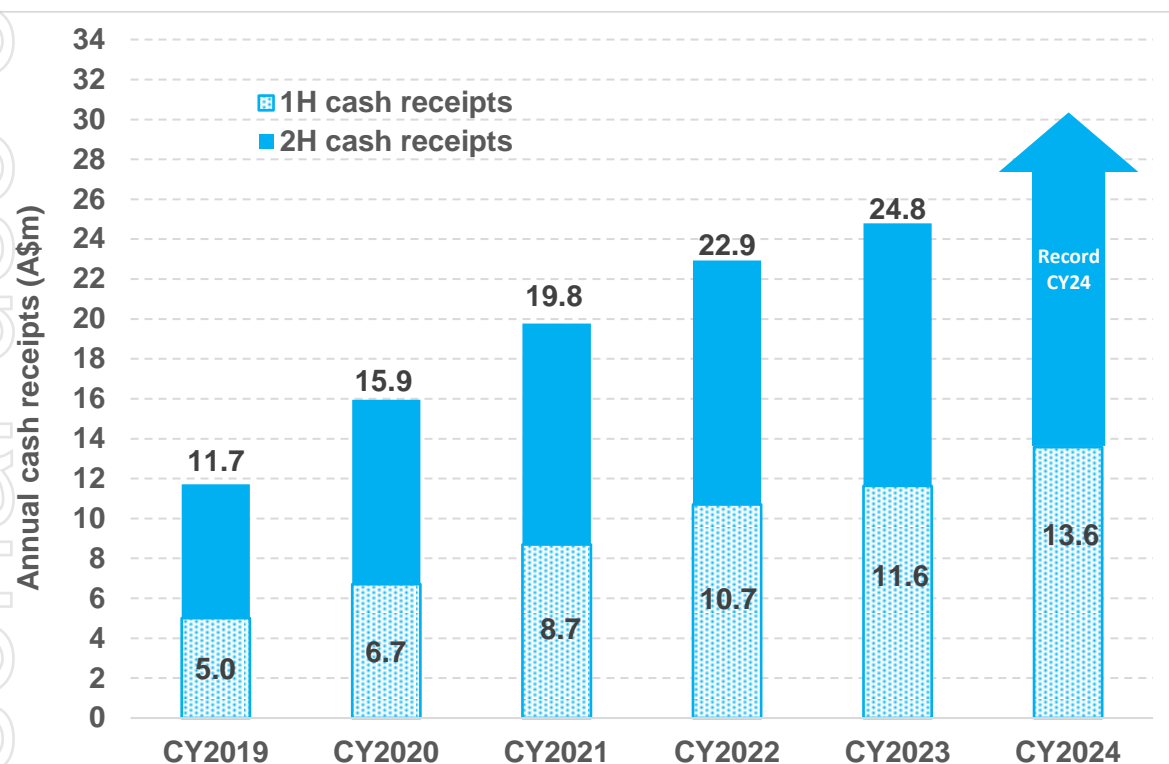


Operating cashflow of Auswater and Border Pumpworks (unaudited)

- Combined approximately \$120k positive net operating cashflows in July & August 2024

On track for record CY2024 cash receipts

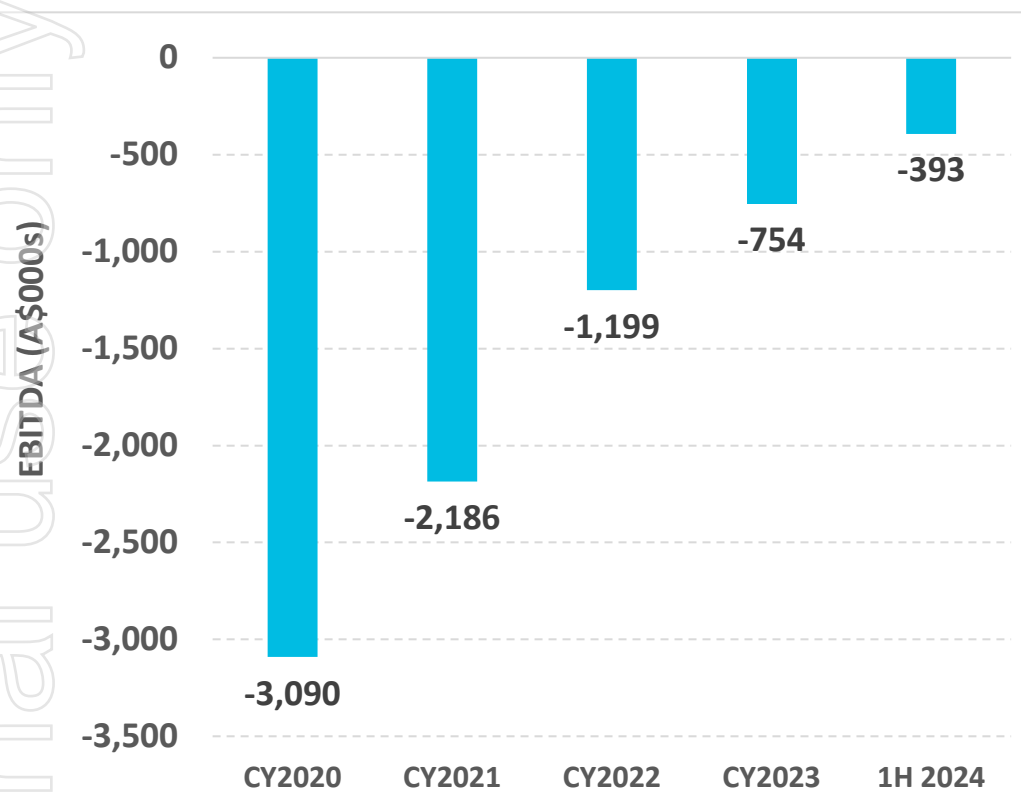
Cash receipts (A\$m)



Record full year 24 cash receipts outlook

- Record 1HCY2024 cash receipts of approximately \$13.6m,
- Approximately ~16% organic growth 1H24
- First half has historically contributed ~45% of full year results (5-year average)
- Second half to include cash receipts contribution of recent acquisitions of Auswater Systems Pty Ltd and Border Pumpworks

EBITDA (A\$000s)



Path to positive operating cashflow

DEM expects the following 2H 2024 factors to further improve EBITDA:

- Organic growth (~16% in 1H24 and typically higher revenue/cash receipts in 2H24)
- Positive contribution from two recent acquisitions Border Pumpworks and Auswater Systems (with no contribution in 1H24 from these)
- North American domestic water filtration system revenues (see ASX released dated 7 February 2024)

DIVERSIFIED PRODUCT & SERVICES OFFERING

Only ASX-listed company with fully diversified offering and Australian metropolitan and regional presence

Packaged Membrane Systems



Membrane Modules



Membranes



Chemical Dosing Equipment



Domestic Water Filters



Water Treatment Chemicals



Services (O&M, BOO)



Pumps & Hydraulics



Australia-wide offering
including key regions of Kalgoorlie (Western Australia) and Albury-Wodonga (regional VIC/NSW)



Over the last 12 months, De.mem has traded in line with ASX Small Industrials index

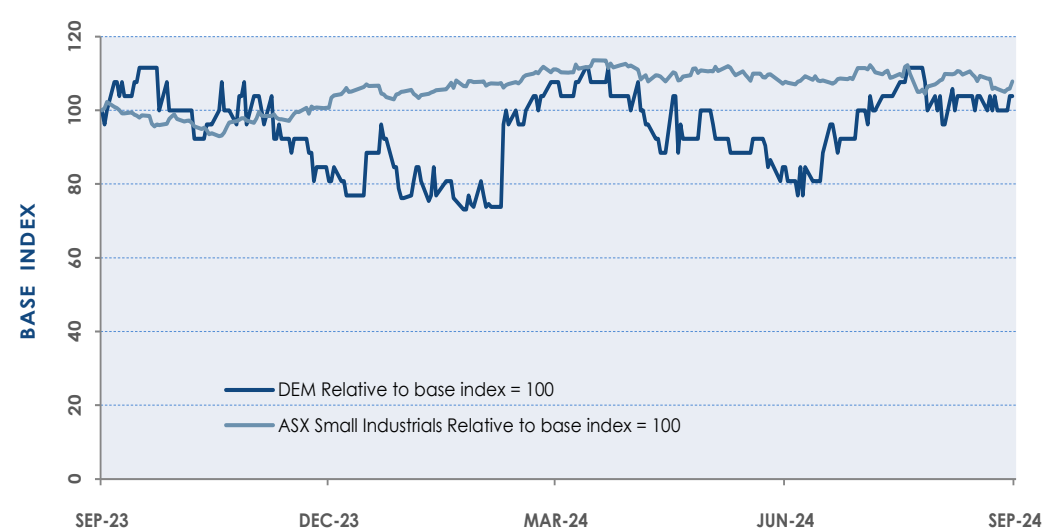
MARKET DATA

| | |
|---------------------------------|--------------|
| ASX code | DEM |
| Ordinary shares | ~292m |
| Market capitalisation | \$35m |
| Cash on hand (30.6.24) | \$4.9m |
| Listed on ASX | 7 April 2017 |
| Last price (20.09.2024) | \$0.12 |
| 52 week high | \$0.145 |
| 52 week low | \$0.095 |
| Cash receipts – last 12 months | ~\$27m |
| Market cap / CY23 cash receipts | 1.3x |
| GICS classification | Utilities |

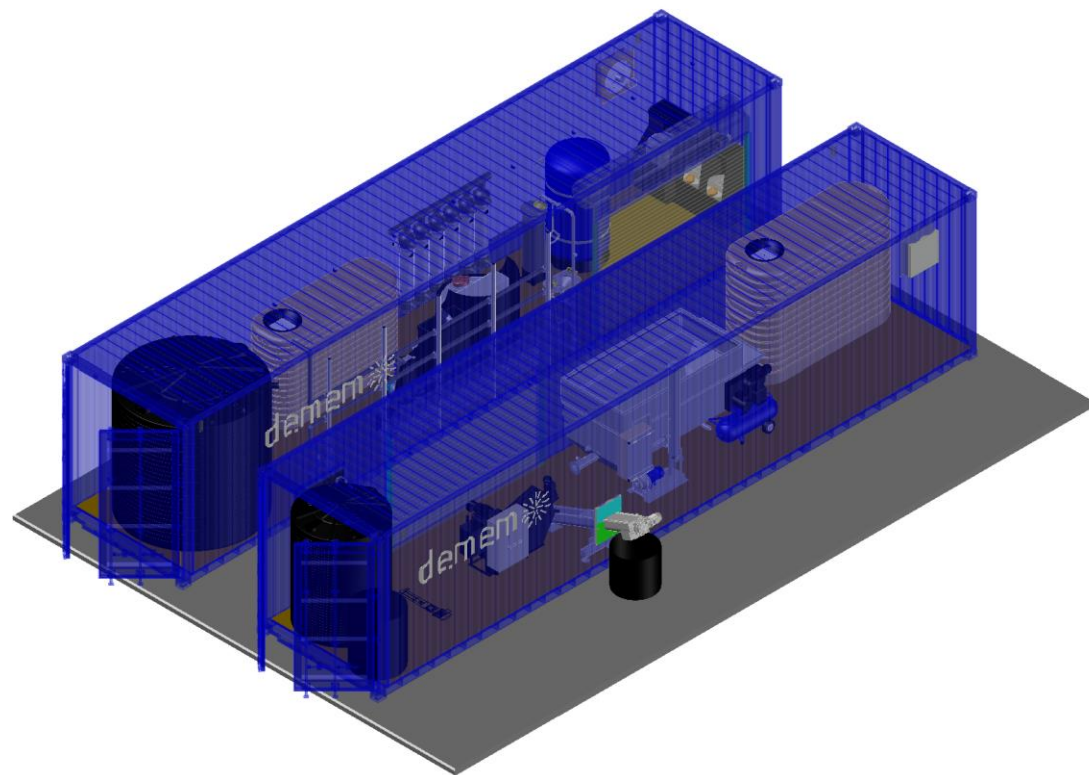
MAJOR SHAREHOLDERS

| | |
|--|-------|
| NA Singapore Early-Stage Venture Fund | 14.0% |
| Perennial Value Microcap Opportunities Fund | 13.7% |
| Mr Andreas Hendrik De Wit (Non-executive Director) | 7.0% |
| Pathfinder Fund | ~5.0% |
| New Asia Investments Pte Ltd | 4.0% |
| Mr. Andreas Kroell (CEO) | ~1.0% |

SHARE PRICE PERFORMANCE



demem 



Andreas Kroell

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