

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

8 April 2025

Update on impact of new USA tariffs and material Indian collections**Summary**

- Due largely to our proactive strategic initiatives in recent years, at this stage, Rubicon does not expect any material impact on its FY25 financial result as a result of the new US tariffs.
- A \$5.0 million AUD cash collection, received this week from Indian customers, has reduced our Indian receivables to \$5.6 million, with further collections anticipated prior to FY25 year-end.

Australian water technology solutions company Rubicon Water Limited (ASX: RWL) ("**Rubicon**" or "**the Company**") provides the following update in relation to recent developments affecting its international operations, including the introduction of new US import tariffs and a material cash collection from Indian customers.

US tariffs - mitigated financial impact

Rubicon notes the United States government's recently announced 10% tariff on selected imports from Australia. While this development affects a portion of Rubicon's product cost base in the US market, the Company has undertaken proactive strategic initiatives in recent years that are expected to mitigate the potential financial impact.

Rubicon's US business continues to be a significant and strategic contributor to the Group. In FY24, revenue from the United States totalled \$26 million AUD, representing 44% of Group revenue. In the first half of FY25, the US contribution remained consistent at \$14 million AUD, or 43% of Group revenue.

Sales into the United States are managed via Rubicon's wholly owned subsidiary, Rubicon Systems America. As part of the Company's globalisation strategy, Rubicon has established a manufacturing and assembly facility in Modesto, California. As a result, approximately 65% of the cost base of products sold in the US is currently imported from Australia and therefore subject to the new tariff.

Rubicon continues to pursue further localisation of its production and supply chain in the United States, where economically and operationally viable. While the introduction of the new tariff may influence future localisation decisions, the Company is already well progressed in this transition.

Importantly, the majority of Rubicon's US projects are contracted under the Company's standard terms of trade, allowing for the pass-through of duty-related costs to customers. In addition, all new project quotations are updated to reflect prevailing input costs. It is also worth noting that there is limited US industry manufacturing capability for products comparable to Rubicon's offerings.

In the short term, while the Company undertakes a detailed assessment of the broader implications of the tariff - including potential exchange rate impacts - Rubicon has opted to maintain current pricing for all contracted and quoted work through to 30 June 2025.

At this stage, Rubicon does not expect any material impact on its FY25 financial result as a result of the new US tariffs. The Company will continue to monitor the situation closely and provide further updates as required.

Material Indian cash collections

Rubicon is pleased to advise that over the past week, it has collected \$5.0 million AUD in cash payments from Indian customers. This brings the outstanding receivables balance from India down to \$5.6 million AUD, from \$13.4 million as at 30 June 2024. Further cash collections from India are expected prior to the close of FY25.

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

The Rubicon Disclosure Committee

For more information contact:

Bruce Rodgerson

Chief Executive Officer

Bruce.rodgerson@rubiconwater.com

03 9832 3000

Simon Hinsley

Investor Relations

simon@nwrcommunications.com.au

For personal use only