

VYSARN



# VYSARN

ASX SMALL & MID CAP CONFERENCE  
PRESENTATION  
MARCH 2024

# Disclaimer



This presentation has been prepared by Vysarn Limited ("Vysarn" or the "Company") ("Presentation") and contains general and background information about Vysarn activities current as at the date of the Presentation. The Presentation should not be considered to be comprehensive or to comprise all the information that an investor should consider when making an investment decision. The information in the Presentation should be read in conjunction with Vysarn's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, available at [www.asx.com.au](http://www.asx.com.au).

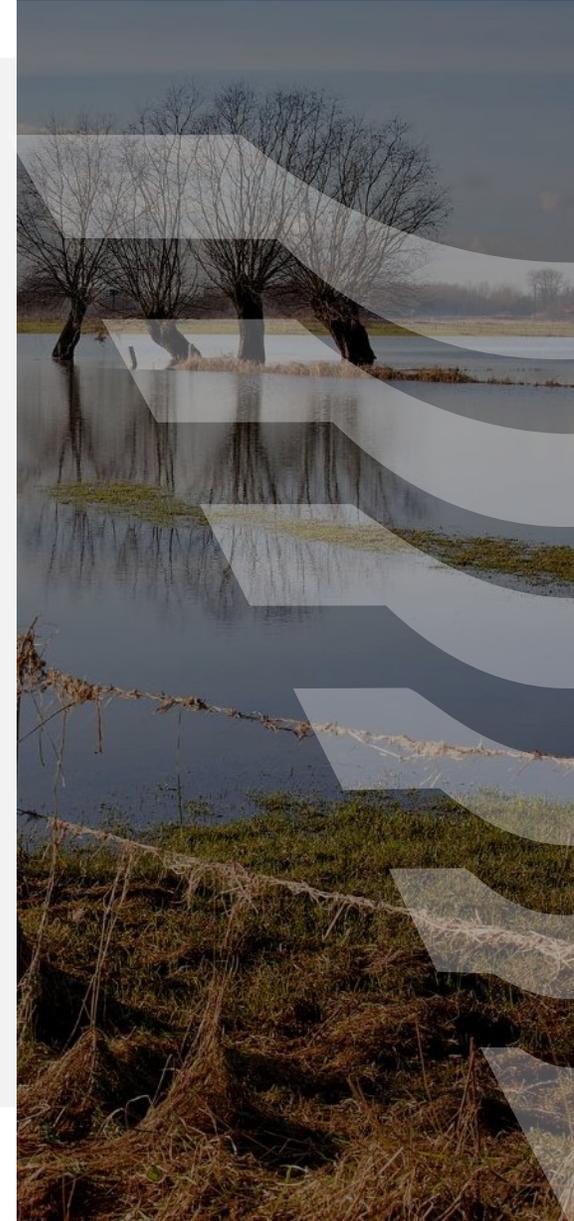
The Presentation contains statements, opinions, projections, forecasts and other material ("forward-looking statements") with respect to the financial condition, business operations and competitive landscape of the Company and certain plans for its future management. The words anticipate, believe, expect, project, forecast, estimate, likely, should, could, may, target, plan and other similar expressions are intended to identify forward-looking statements. Such forward-looking statements are not guarantees of future performance and include known and unknown risks, uncertainties, assumptions and other important factors which are beyond the Company's control and may cause actual results to differ from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. Any forward-looking statements contained in this document are qualified by this cautionary statement. The past performance of the Company is not a guarantee of future performance. None of the Company, or its officers, employees, agents or any other person named in the Presentation makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statements or any of the outcomes upon which they are based.

The Presentation is not financial product, investment advice or a recommendation to acquire Vysarn securities and has been prepared without taking into account

the objectives, financial situation or needs of individuals. Each recipient of the Presentation should make their own enquiries and investigations regarding all information in the Presentation including, but not limited to, the assumption, uncertainty and contingencies which may affect future operations of Vysarn and the impact that different future outcomes may have on Vysarn. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. Vysarn is not licensed to provide financial product advice in respect of its securities or any other financial products. Cooling off rights do not apply to the acquisition of Vysarn securities. Each investor must make its own independent assessment of Vysarn before acquiring any securities in Vysarn.

Vysarn Limited results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non IFRS measures that are not prepared in accordance with IFRS and therefore are considered non-IFRS financial measures. The non-IFRS measures should only be considered in addition to and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

To the maximum extent permitted by law, the Company and its directors and advisers give no warranty, representation or guarantee as to the accuracy, completeness or reliability of the information contained in the Presentation. Further, none of the Company, or its officers, employees or agents accepts, to the extent permitted by law, any liability for any loss, claim, damages, costs or expenses arising from the use of the Presentation or its contents or otherwise arising out of, or in connection with it. Any recipient of the Presentation should independently satisfy themselves as to the accuracy of all information contained herein.



# Corporate Snapshot



A fundamentally driven company, solving critical water and environmental issues

## About Vysarn Limited (ASX:VYS)

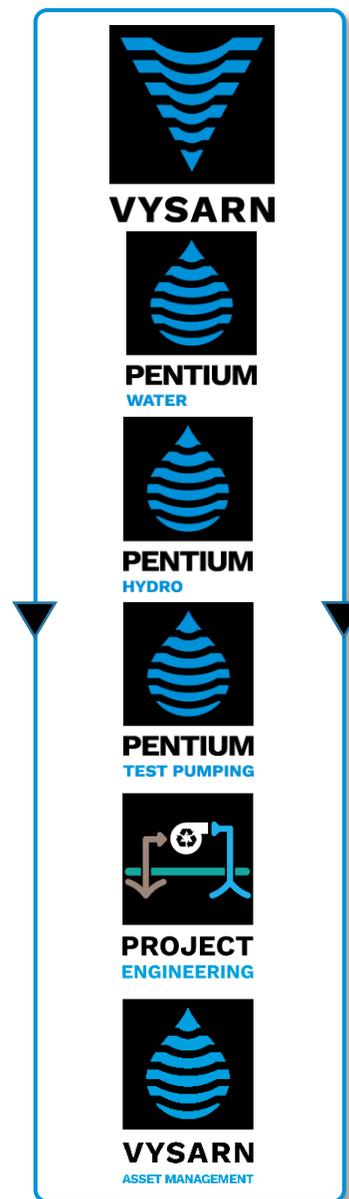
Vysarn Limited ('Vysarn' or 'the Company') is a dynamic company focused on the integration and development of water, carbon and environmentally specialised services and technologies.

Vysarn's vertically integrated model currently provides 'end-to-end' water services to various sectors, including resources, urban development, government, utilities and agriculture.

The responsible management of water and environment is a critical and escalating issue that the Company anticipates will continue to present significant growth opportunities, both vertically and horizontally.

## Corporate Snapshot\*

|                         |                 |
|-------------------------|-----------------|
| Share Price             | \$0.24          |
| Shares on Issue         | ~405.3m         |
| Market Capitalisation   | ~\$97.3m        |
| Net Cash                | ~\$1.7m         |
| <b>Enterprise Value</b> | <b>~\$95.6m</b> |
| Top 20                  | 57.3%           |
| Board and Management    | 24.5%           |



## Board of Directors

### Peter Hutchinson - Non-Executive Chairman

Business leader with over 30 years' experience managing a diverse portfolio of industrial investments in manufacturing, engineering, construction and property, at the most senior levels. Founding Director of Forge Group Ltd, floated in 2007 with a market cap of \$12m and reaching over \$450m market capitalisation at the time of his resignation as CEO and final sell down in July 2012. Former Chair of Resource Equipment Ltd and founding shareholder and Chairman of Mareterram Ltd both subject to successful takeover bids at significant premiums to market.

### James Clement - CEO & Managing Director

An experienced executive and ASX company director with a demonstrated history of successfully managing and leading businesses. Holds a MBA, a Bachelor of Science and a Graduate Diploma in Agribusiness. Previously the CEO and MD of ASX listed company Mareterram Ltd prior to its successful takeover at a significant premium to market.

### Sheldon Burt - Executive Director

Industry professional with over 30 years of national and international experience, including field-based, operations, senior management and directorship roles. Former General Manager of Easternwell Minerals, a leading hydrogeological drilling specialist.

\*Share price, market capitalisation, share holdings as at 22<sup>nd</sup> March 2024. Net cash sourced from Vysarn Appendix 4D and 1HFY2024 results commentary released on ASX 23 February 2024

# Investment Highlights



A fundamentally driven company, solving critical water and environmental issues



## Strong Water Thematic

Water is the world's most precious resource. Vysarn is a unique vertically integrated end-to-end provider of water services and technologies.

## Pursuing Horizontal ESG Opportunities

Pursuing ESG opportunities in water ownership & infrastructure, carbon farming, irrigated agriculture and rehabilitation.

## Clear Demand Driving Strategy

Investment decisions are supported by clear demand from tier-1 organisations across numerous sectors.



## Executing Vertical Integration Strategy

Continued diligent execution of growth strategy supported by a strong balance sheet with net cash of \$1.7m\* and a \$25m acquisition facility.

## Diversified Revenue Streams

Vertically integrated model provides diversified revenue streams that deliver a growing level of defensiveness

## Strong Earnings Growth

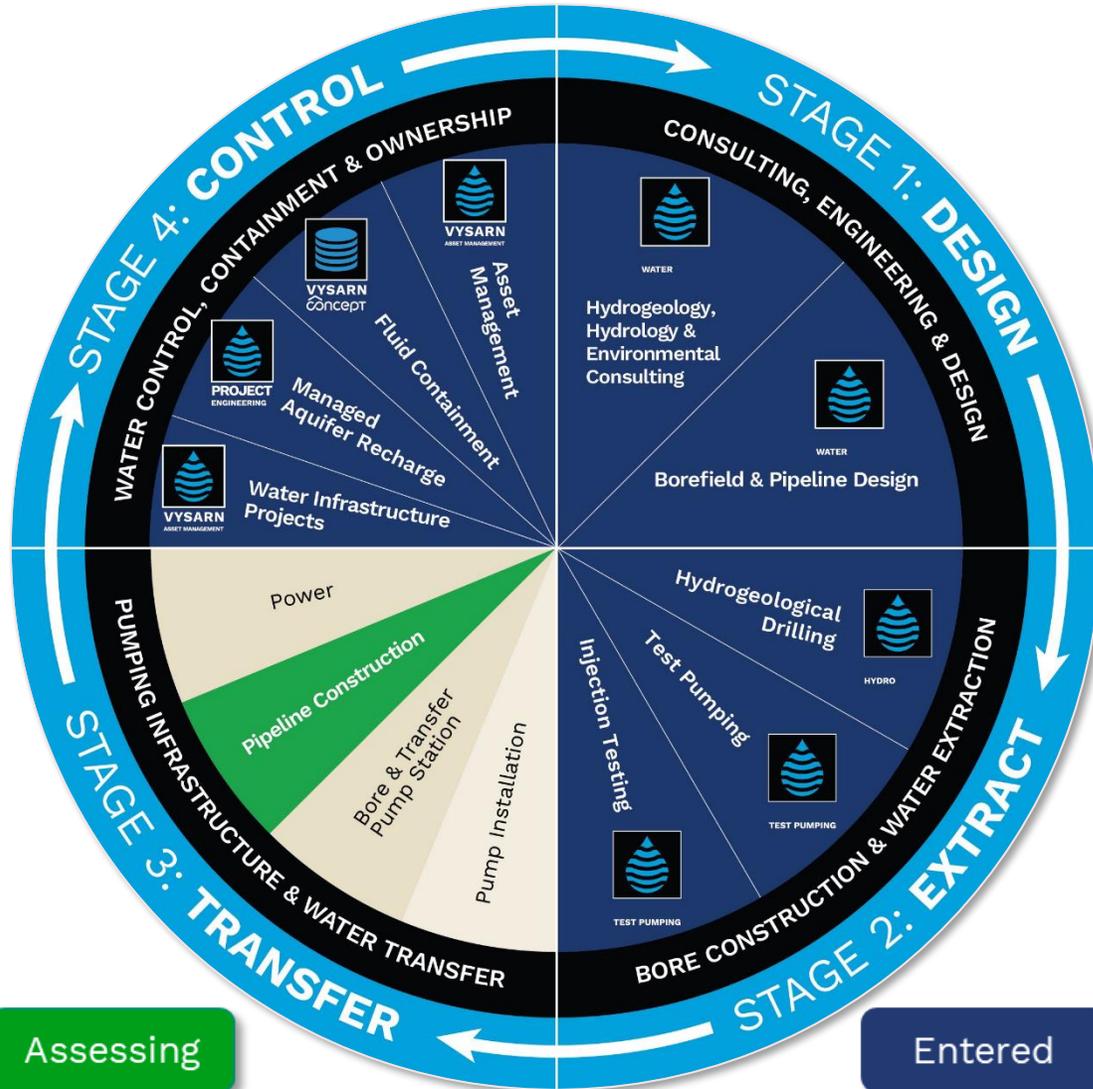
Delivering strong year-on-year growth, with NPBT of \$1.1m in FY21, \$4.1m in FY22, \$7.1m in FY23 and \$6.0m in 1HFY24.

\*Net cash sourced from Vysarn Appendix 4D and 1HFY2024 results commentary released on ASX 23 February 2024

# Vertical Integration Strategy



Vysarn is now embedded in three major phases of the water service vertical



- Reaching Scale**

  - **Vysarn is now at a scale** that can facilitate a ‘company transformational’ acquisition
  - **\$25m acquisition debt facility** provided by Westpac on favourable terms
  - **Robust financials** support utilising debt and cash
- Stage 1 Design**

  - ✓ **Water and Environmental Consulting** – A leading provider
  - **Design & Engineering** – Executing client & internal projects
- Stage 2 Extract**

  - ✓ **Borefield Establishment** – Leading Provider
  - ✓ **Test Pumping (abstraction)** – Leading Provider
  - ✓ **Injection Testing** – Emerging Opportunity
- Stage 3 Transfer**

  - ✓ **Pipeline Construction** - Undertaking scoping studies on potential pipelines. Carefully assessing construction sector
- Stage 4 Control**

  - **Infrastructure Projects & Asset Management:** Executing pre-feasibility and bankable studies for large water infrastructure projects, carbon farming and asset management.
  - ✓ **Managed Aquifer Recharge:** A leading provider
  - ✓ **Fluid Containment:** JV with Concept Environmental Services

# Strong Financial Performance



Vysarn has delivered notable earnings growth to date

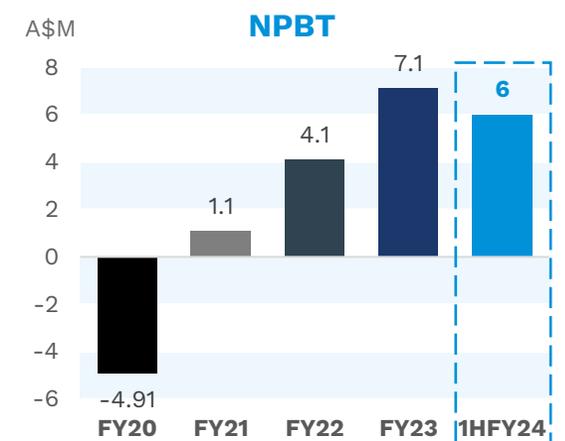
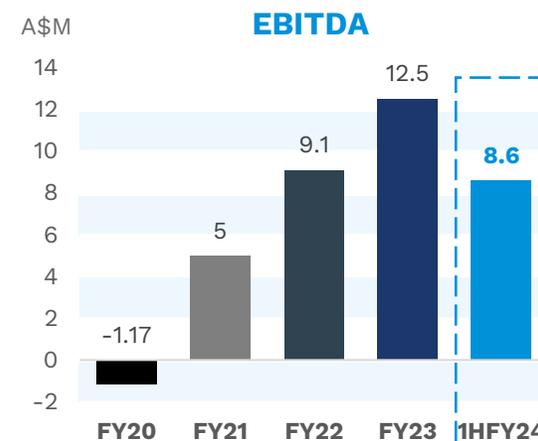
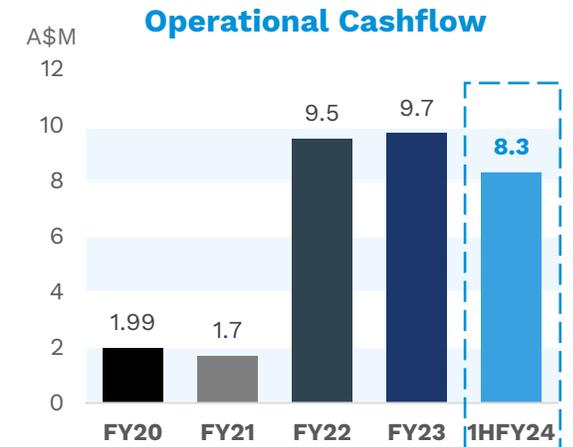
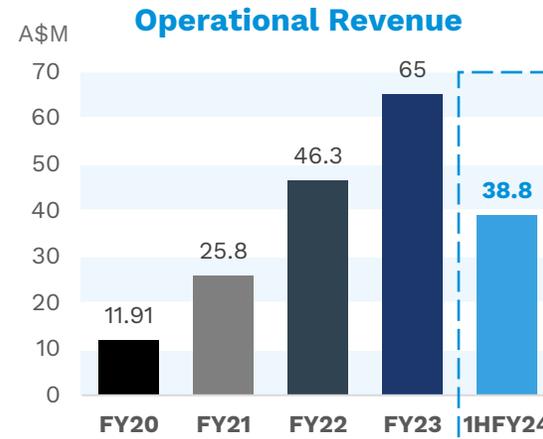
## Vysarn: Financial Performance<sup>^</sup>

|                    | FY23    | 1HFY24         |
|--------------------|---------|----------------|
| <b>REVENUE</b>     | \$65.0m | <b>\$38.8m</b> |
| <b>EBITDA</b>      | \$12.5m | <b>\$8.6m</b>  |
| <b>NPBT</b>        | \$7.1m  | <b>\$6.0m</b>  |
| <b>NPAT</b>        | \$3.9m  | <b>\$4.1m</b>  |
| <b>OP CASHFLOW</b> | \$9.7m  | <b>\$8.3m</b>  |

### Record 1HFY24 results set foundation for FY24\*

- **Record 1HFY24 record results** reaffirm the baseline earnings capabilities of Vysarn, setting the Company up for a strong FY24.
- **Forecast meaningful year-on-year earnings growth for FY24.**
- Anticipated that 2HFY24 EBT will not exceed 2HFY23 EBT due to:
  - Investment in further resources to support future growth initiatives;
  - Strategic rotation of drill rigs through compliance upgrades;
  - Potential reallocation of rigs exposed to the nickel sector; and
  - Potential for MAR projects to increase in scope but get pushed into FY25.
- **Foundations are established for continued growth in future periods**

## Key Financial Indicators: Past 4 years & 1HFY24



\*Financial performance is typically not linear over the financial year given potential seasonal impacts of client site shutdowns over the Christmas period and the risk of work stoppages in the Pilbara wet season.

<sup>^</sup>Audited FY23 & 1HFY24 Results

# Vertically Integrated Services



Vysarn has a unique vertically integrated business model



**Pentium Water** is one of Australia's premier advisers in:

- Mine water management
- Integrated stormwater & urban water management
- Environmental planning & management
- Sourcing resource and industrial water supply

## Phase: Growth

- Expanding capabilities & services
- Expanding team organically + assessing acquisitions
- Division helps identify and execute Vysarn's broader growth strategies

## Financial Snapshot

|                   | FY23   | 1HFY24 |
|-------------------|--------|--------|
| <b>Revenue</b>    | \$4.1m | \$2.5m |
| <b>NPBT</b>       | \$0.6m | \$0.4m |
| <b>Net Assets</b> | \$0.8m | \$0.8m |



**Pentium Hydro** is one of the preeminent providers of hydrogeological borefield construction services in Australia. Establishes large-scale production and injection bore fields critical for tier-1 mining companies to sustain operations.

## Phase: Mature

- Established market leader
- Optimising asset mix and allocations
- High demand to sustain deployment
- Further double-shifting opportunities

## Financial Snapshot

|                   | FY23    | 1HFY24  |
|-------------------|---------|---------|
| <b>Revenue</b>    | \$51.0m | \$28.7m |
| <b>NPBT</b>       | \$7.3m  | \$5.0m  |
| <b>Net Assets</b> | \$28.5m | \$24.2m |



**Pentium Test Pumping** is a leading provider of innovative test pumping and injection testing technology solutions to tier-1 clients in Western Australia. Accurately characterises individual well, borefield and aquifer performance.

## Phase: Growth

- Expanded fleet from 1 → 2 (further expansion to demand)
- New injection testing capabilities
- Double shifting opportunities to enhance performance

## Financial Snapshot

|                   | FY23   | 1HFY24  |
|-------------------|--------|---------|
| <b>Revenue</b>    | \$2.8m | \$1.9m  |
| <b>NPBT</b>       | \$0.4m | \$0.04m |
| <b>Net Assets</b> | \$4.1m | \$4.0m  |



**Project Engineering** is Australia's leading managed aquifer recharge technology company. Advanced, patent-pending MAR systems are widely deployed by resource and government clients to satisfy the stringent and growing focus on environmentally responsible water disposal standards.

## Phase: Growth

- Expanded production facility/capacity to meet demand
- Expanding product offering
- Assessing new technologies (organic / small acquisition)

## Financial Snapshot

|                   | FY23   | 1HFY24 |
|-------------------|--------|--------|
| <b>Revenue</b>    | \$7.1m | \$5.8m |
| <b>NPBT</b>       | \$1.6m | \$1.9m |
| <b>Net Assets</b> | \$1.4m | \$2.0m |

# Vysarn Asset Management: Infrastructure Fund



Vysarn Asset Management to unlock opportunities to own and fund water infrastructure

## VYSARN ASSET MANAGEMENT

**Vysarn Asset Management (VAM) aims** to own and fund water infrastructure projects identified and developed in-house:

- **Opportunities are being identified** across physical water, infrastructure assets and associated opportunities to control, own and toll water.

## INITIAL FOCUS PIPELINES

**VAM has a three-pillar approach** to develop water and pipeline projects:

1. **Source and secure water**
2. **Establish transmission infrastructure to convey water**
3. **Secure long term offtake agreements to high demand sites**, such as:
  - Industrial precincts
  - Mining operations
  - Municipalities
  - Large-scale irrigated agriculture
  - Traditional Owner projects

## PROPOSED STRUCTURE

**Capital to be raised by VAM** (non-dilutionary to Vysarn Ltd)

1. Vysarn Ltd (via Pentium Water) to identify & develop projects
2. VAM to invest in and fund projects
3. VAM investors to receive investment returns on assets
4. Vysarn Ltd to position itself to earn management fees and potential tolls on water

**VYSARN**  
ASSET MANAGEMENT



**Identifying water resources that VAM can own in perpetuity**

**Secure infrastructure funding for pipeline construction**

**Enter into long term take or pay offtake agreements**



## Key Contacts

### Vysarn Limited

**James Clement**  
Managing Director

### Registered Office

Level 1, 640 Murray St, West  
Perth WA 6005,

Telephone: +61 8 6144 9777

ASX Code: VYS

Website: [www.vysarn.com.au](http://www.vysarn.com.au)

### Investor Relations

#### **Alastair Murray**

Candour Advisory

M: +61 415 629 977

E: [alastair@candouradvisory.com.au](mailto:alastair@candouradvisory.com.au)

# VYSARN

