



# **EVZ LIMITED**

## Investor Presentation

# **1H FY2023**

17 February 2023

# EVZ is a leader in innovative engineering solutions



A leading provider of steel bulk storage tanks, pressure pipe networks & maintenance services for liquid fuels, chemicals & water storage.

Recurring & Project Revenue  
64% of EVZ 1HFY23 Revenue



Technical and innovation leaders in the power generation & renewable biogas energy industry.

Recurring Revenue  
9% of EVZ 1HFY23 Revenue



The leader in syfonic roof stormwater drainage systems in Australia, New Zealand & South-East Asia.

Project Revenue  
27% of EVZ 1HFY22 Revenue



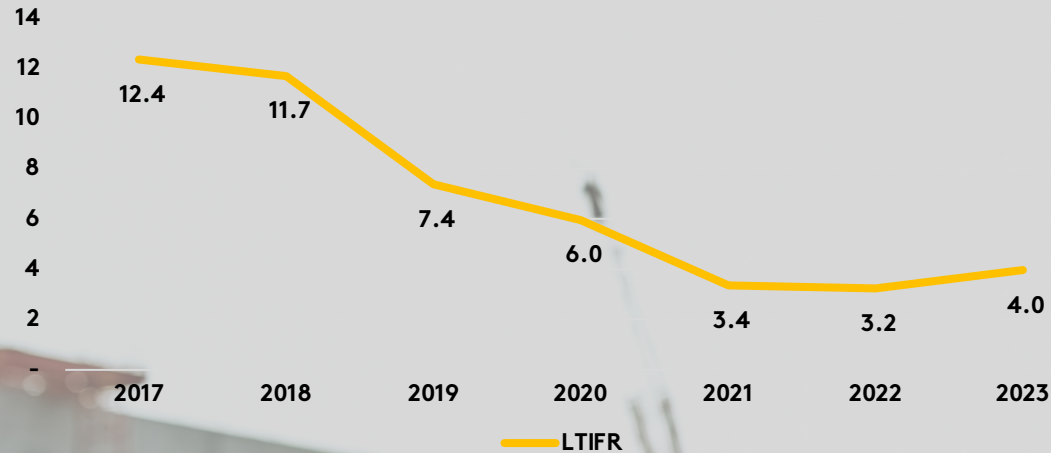
Leaders in high quality, cost effective, water storage and fire water tanks.

Project Revenue  
Recent Acquisition



# Health & Safety is a core cultural value

SAFETY PERFORMANCE 2017 - 23



EVZ has a direct workforce of 400 highly skilled engineers, technicians, and tradespersons.

The safety of every person that interfaces with EVZ is in foremost in everything we do, how we plan, think, and act.

Our goal is the pursuit of zero incidents and zero harm. At EVZ safety is by choice, not by chance, we strive to embed these cultural markers in every person in our team.

We are more than simple compliance; every day we ensure we strive to deliver our projects and work tasks safely.



# 1HFY23 Financial Results

	1HFY23	1HFY22
Revenue from ordinary activities	\$49,030,092	\$28,985,081
EBITDA	\$2,076,698	\$1,454,911
Profit before finance costs and income tax	\$970,043	\$623,676
Profit from ordinary activities before tax	\$847,895	\$416,427
Profit from ordinary activities after tax	\$836,385	\$407,660
Earnings per share (cents / share)	0.70	0.42

## Revenue Growth

Revenue of \$49.0M in 1HFY23, up 69% from \$29.0M in 1HFY22 reflecting the improved business conditions, additional new contract wins and a strong backlog.

## Improving EBITDA Performance

EBITDA was \$2.1M, up from \$1.5M reported in 1HFY22 driven by improved revenue despite incurring additional expenditure to augment the expansion of our workforce by 40%.

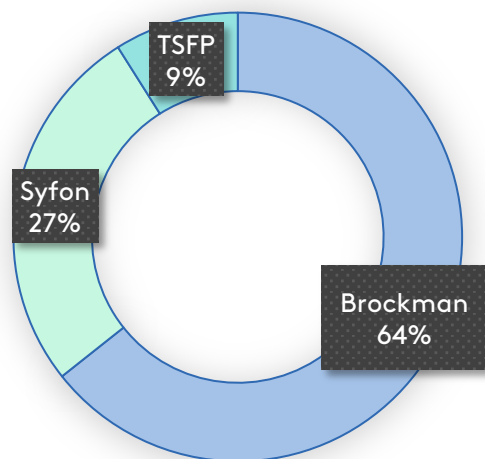
## Stronger Balance Sheet

Positive operating cashflow during the half of \$5.6M improving the balance sheet to further support strategic growth through new contract wins and complimentary acquisitions.

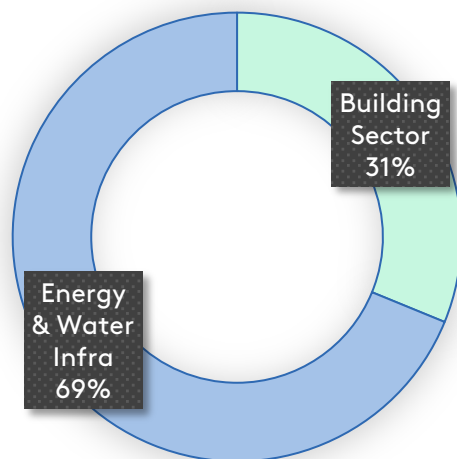
Our banking bank guarantee contingent liability facility has been increased by from \$5M to \$7M to enable the group to access a larger range of projects across our market sectors.

# 1H FY23 Results Snapshot

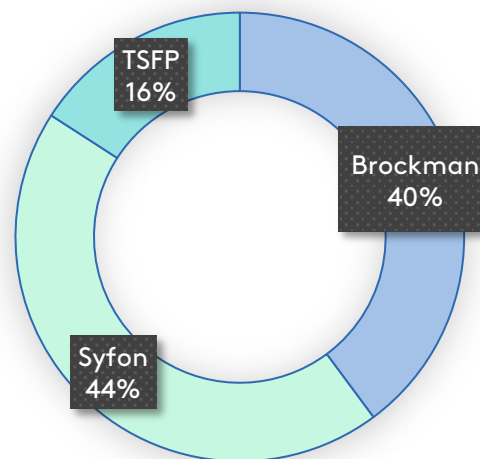
REVENUE DISTRIBUTION



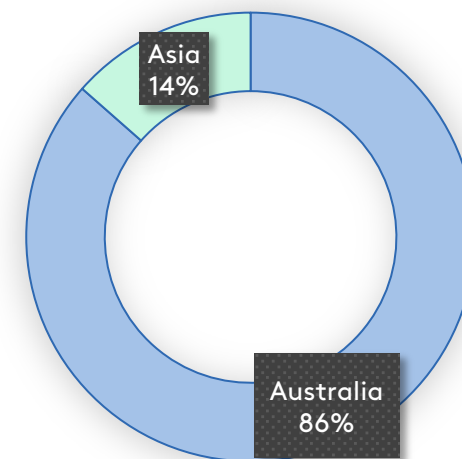
REVENUE SECTOR



EBITDA DISTRIBUTION



EBITDA REGION

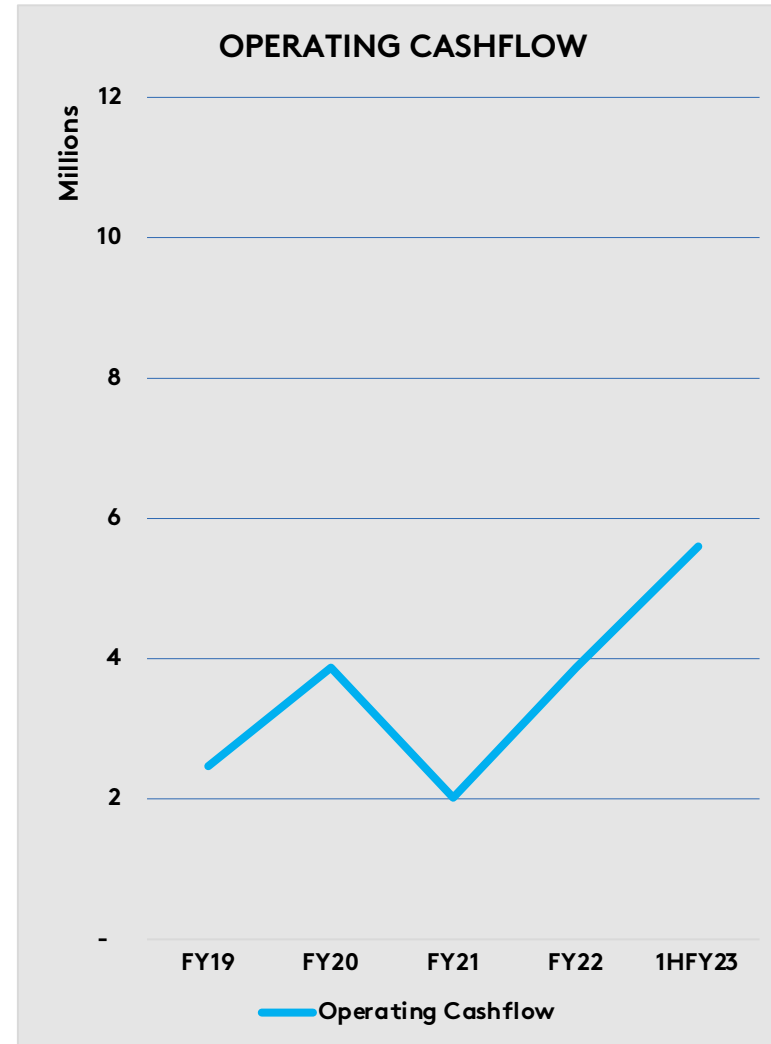
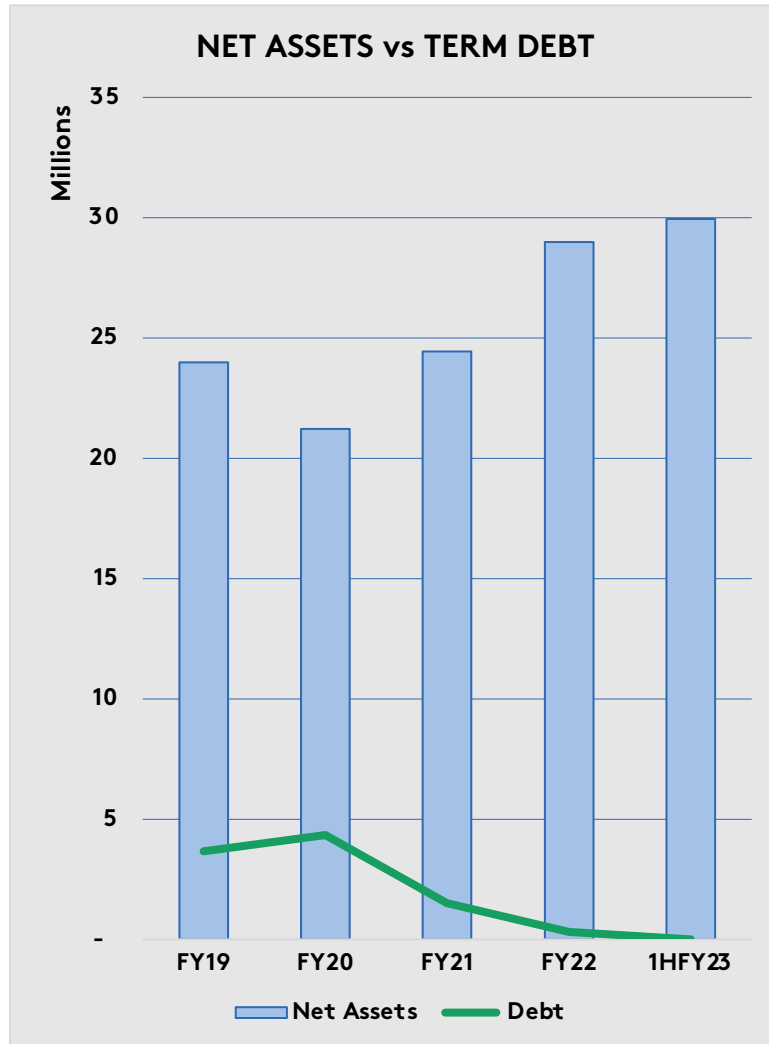


## Revenue & Sales Growth

Revenue during the period grew by 69% largely due to significantly increased sales at Brockman but also supported by increased sales at Syfon Australia and TSF Power. Achieving the sales growth at Brockman required significant increase in our workforce including expenses for onboarding, training and integration to commence the progression towards efficient delivery at the workplace. The investment in expanding our team by more than the 40% during the first half is expected to continue through the second half.

Forecast revenue for the 2H FY23 is expected to be consistent with the first half. Supply chain and inflationary pressures are expected to continue to burden some ongoing contracts that will be completed during 2023.

# Balance Sheet & Cashflow



## Balance Sheet

EVZ achieved the forecast zero debt milestone on 30 September 2022. This milestone provides the group with the capacity to pursue larger projects and fund new acquisitions more readily as the roll out of the strategic plan is implemented.

The group increased the capacity of the bank guarantee contingent liability facility to \$7M from \$5M. The total deferred tax assets available are \$3.9M, provided as \$2.6M on balance sheet and \$1.3M off balance sheet.

NTA increased to 14.8c/share.

## Operating Cashflow

Net positive operating cashflow of \$5.6M was recorded for the first half driven by prepayments for our services to be delivered in 2HFY23 and FY24.

# Contract Backlog & Pipeline

## Pipeline Outlook

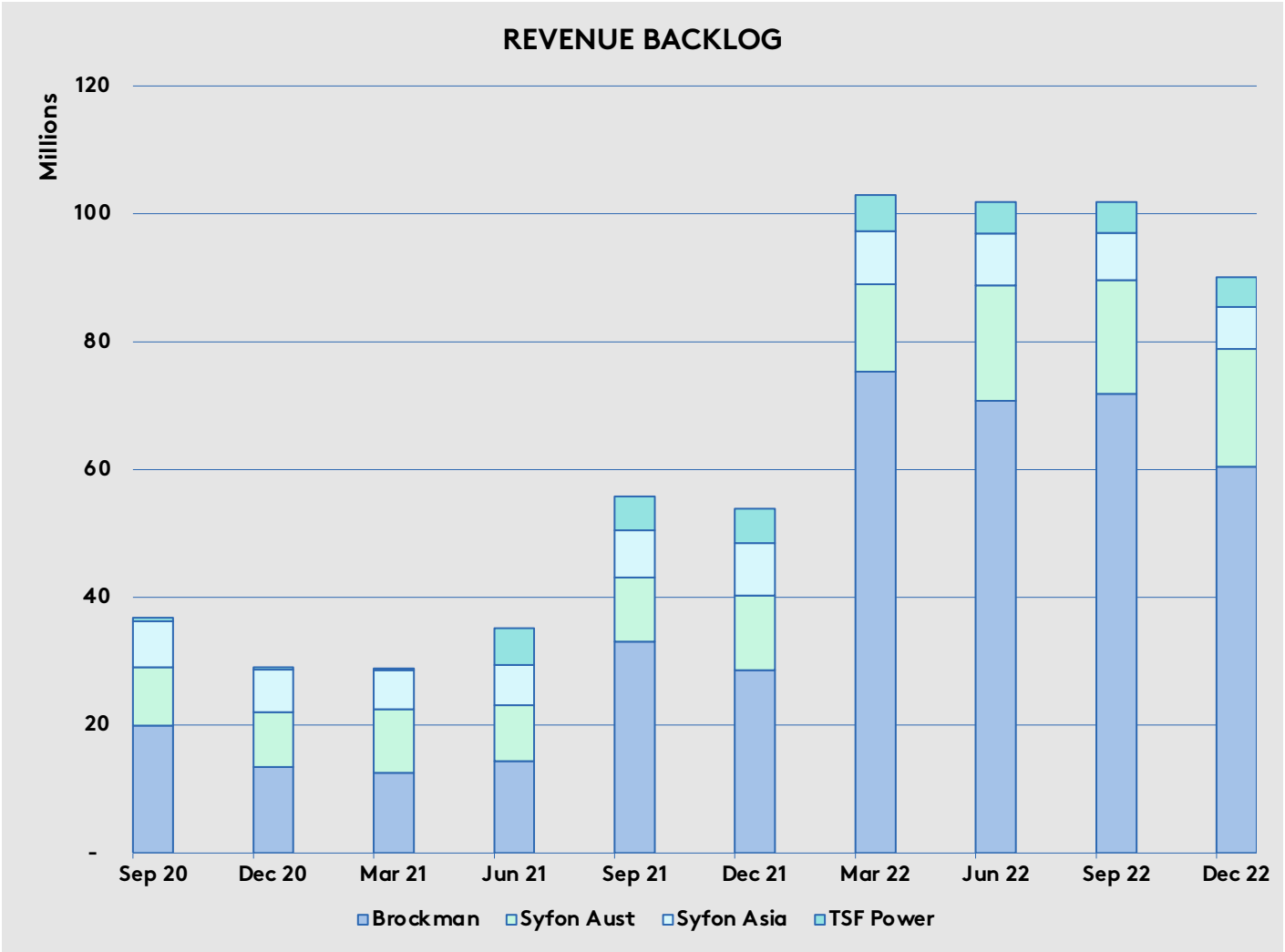
EVZ currently has more than \$90M of contract revenue backlog providing strong revenue conversion into 2HFY23 & FY24.

Revenue backlog in Syfon Australia is at record levels supporting ongoing growth in domestic market. Syfon Asia is forecast to rebound in FY24 as the economy recovers from the COVID era.

TSF Power has improving revenue backlog from recent new long-term contracts with Sydney Water. The business outlook is well balanced across all sectors of the renewable gas and power generation industries.

Tank Industries commenced trading in the group on 10 January 2023 and upon integration will work closely with Syfon Systems to expand the range of products available to support our built infrastructure client base.

Overall market demand for our services is increasing steadily.



# Operational Outlook

The positive momentum created in 2022 and maintained during 1HFY23 is expected to continue during 2HFY23 and into FY24. The augmentation of the growth in revenue at Brockman includes the recent expansion into the NSW market with the appointment of a local management team to focus on executing on the contract opportunities within the northern states. A new general manager has also recently commenced to lead the overall Brockman business to increase our penetration in the local market and continue the good work done by our current management team.

Our teams at Syfon Australia & TSF Power are delivering their strategic goals excellently and our Syfon Asia expansion continues with the recent commencement in Indonesia with Rucika. Syfon Malaysia is forecast to maintain its position during FY23 and return to its growth agenda when the local economy rebounds in 2024.

Forecast revenue for the 2HFY23 is expected to be comparable with the first half following the inclusion of the Tank Industries business.

# Strategic Development



## Syfon Expansion to Indonesia

During the first half Syfon executed a five-year license agreement with Wahana Duta Jaya Rucika ('Rucika') to market, distribute, sell and install Syfon's range of siphonic stormwater products throughout Indonesia

Revenue will be derived through the relationship via a range of fixed and variable fees that will grow proportionally as sales in the geography expands to fill the demand.

Completion of this strategic objective will bring value to the group through delivery of Syfon's technology and practical know how in the region.



## Acquisition of Tank Industries

The acquisition of Tank Industries provides an expansion of EVZ's presence in the water products market.

Tank Industries designs, manufactures, and installs steel bolted water storage tanks to order for the building, heavy industrial and manufacturing industries.

The Tank Industries will work in conjunction with Syfon Systems and is forecast to be earnings accretive in FY23 following its transition and integration into the EVZ group.

Completion of this strategic objective will enhance the value of the group's synergies.

# Investment Thesis

## Balance sheet strength

- Improved capital position provides flexibility and ability to drive scale in our business
- Achieved zero debt on 30 September 2022.
- Growth capacity to be utilised in combined strategic approach to acquisitions and select contract wins.

## Supportive macro environment

- Strong pipeline of opportunities from increasing infrastructure spend in Australia.
- Increasing activity in Asia which has been slower than Australia to emerge from impacts off COVID.
- Expansion into Indonesia underway.
- Asia is forecast to rebound in FY24.

## Ability to execute

- Highly skilled work force.
- Ability to attract and retain staff.
- Strong reputation in Australian and Asian markets
- Strong operational and financial turnaround.
- Experience and committed senior management.

## Growth and scale

- Scale up strategy in the forefront of our strategic agenda.
- Organic growth to be driven by private and government expenditure across the liquid fuels storage, infrastructure and renewable power sectors
- Bolt on acquisition opportunities to provide further scale in additional lateral

# EVZ Limited: Company Directory

## EVZ LOCATIONS

### EVZ Head Office

Melbourne, VIC

### TSF Power

Glendenning, NSW

Norlane, VIC

Tingalpa, QLD

Forrestdale, WA

### Brockman Engineering

Norlane, VIC

Glendenning, NSW

### Syfon Systems

Huntingdale, VIC

Glendenning, NSW

Meadowbrook, QLD

Kuala Lumpur, Malaysia

Ho Chi Minh City, Vietnam

Jakarta, Indonesia

### Tank Industries

Dingley Village, VIC

[www.evz.com.au](http://www.evz.com.au)

---

# Important Notice

---

This presentation has been prepared by EVZ Limited for professional investors. The information contained in this presentation is for information purposes only and does not constitute an offer to issue, or arrange to issue, securities or other financial products. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. The presentation has been prepared without taking into account the investment objectives, financial situation or particular need of any particular person.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in the presentation. To the maximum extent permitted by law, none of EVZ Limited, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault.

In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies.

Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance.

The distribution of this document in jurisdictions outside Australia may be restricted by law. Any recipient of this document outside Australia must seek advice on and observe such restrictions.

