

Alright, everyone, we're gonna make a start of it today,
as you know, we're welcoming back Sean Helpin,
the CEO of Sky Dev.

SDV is the ticket code here.

It's a company that, uh, develops tech,
that helps businesses manage
and treat water more effectively.

So, cleaning up contaminants, improving efficiencies,
reducing environmental impacts, these kinds of things.

It's the kind of capability
that's increasingly relevant across a range of industries.

Uh, you know, not hard to imagine.

Things like mining, uh, energy construction,
and of course broader water management.

Um, I'm sure if you've been paying attention to the news,
uh, you'll be all across the,
the PFAS issue that's out there.

A very big problem that's, that's, uh, that here
and in a lot of places are facing.

We touched on that last time when,
and of course, you know, sky Dev develops tech,
that it's highly relevant to that.

And these are the kinds of challenges
that are driving increased regulatory pressures,
which is a nice tailwind to have.

And, uh, customers of course, always having to, you know,
try and, um, uh, make things a bit more, uh, efficient.

They're dealing with rising costs as we all are.

And there's, of course, higher community expectations in

terms of, um, you know, things like sustainability, environmental impact, and this kind of thing.

So the company just had results out last week as many did on the A SX.

We'll touch on those briefly.

Um, but look, we did see a bit of a pullback after a very strong run in recent years.

Uh, but good to see margins improve cashflow positive, uh, positivity was still maintained and a few contracts were secured.

So we will get into all of that.

Um, all it's left to say is the usual, uh, obligatory statement of none of this is financial advice.

And of course, if you do have any questions, uh, we've had a few good ones come through, but just use that, um, Slido link and we'll, we'll put them to Sean when we get the chance.

So that's all said and done, Sean, good to see you again.

Thanks for having me, Andrew. My pleasure.

Yeah. Yeah, so we were just saying it's, it's been like, you know, may of 2024 was when we just, uh, caught up one hot minute as you put it, which I think was pretty apt.

Um, so we'll, we'll get into the, the meat of things in a minute.

But, um, for those that are perhaps unfamiliar with the business, how would you sort of describe it?

What's the 40,000 foot view here?

Flesh out a little bit of what,
what I said in the intro, maybe.

No problem. Um, our purpose is
to deliver innovative solutions
to solve industry's most complex water problems.

We're functionally a portfolio of water centric businesses
that operate and taking proprietary technology into a range
of end markets, heavy industrial markets,
and now very much with a global footprint.

We're, uh, split into two key divisions currently,
and that's our chemical services
division and water technologies.

But, um, the solutions
and technologies that, that they provide, reduce the amount
of fresh water that's consumed by heavy industry,
promote the efficient use
of water within their core process,
and make them better at what they do, minimize the amount
of contaminated water and waste that they produce
or repair, um, legacy environmental damage.

And in, in a nutshell, that's, that's what we're about.

We have a lofty ambitions
and a winning aspiration to become a, a, um,
a global leader in that space
and, um, a globally, uh, significant business.

And, um, I think over the past 12 months,
we've really made some, some great advancements in in moving
towards that, that aspiration for sure.

Yeah. Yeah. I, well that's, that's, that's a good segue.

Well, maybe, maybe, um, let's,
let's tease them out a little bit.
So as the market just loves to focus on,
on high level numbers here,
and feel free to mention them if you want,
but what, what, what would a, um, an interested long-term
investor be on the lookout for with
what happened in the last 12 months,
perhaps from an operational standpoint?
Yeah, so I mean, just to briefly touch on the numbers,
I think at first glance you could say
that they were slightly underwhelming.
We've been on a really strong steady growth trajectory,
and this year we were slightly, slightly down on our Y 24,
both at the revenue line and the EBITDA line.
We are seeing margins, um, open up, which is, um, we'll,
we'll talk a bit to the, the reasons, uh, behind that, uh,
shortly and, and the strategy, um, behind that.
But positive operating cash positive, we've,
and we closed the year in, uh, in a stronger cash p
position than, than when we started it.
So, um, you know, despite some softness in those headline
results, there's some real positivity that,
that sits beneath that.
I think, um, more broadly though,
and more strategically,
it was a pivotal year for the business.
Uh, we may, we had a number

of strategically significant wins, uh,
and advancements on our core strategy, um, all while making
strategic investments across our
business to accelerate growth.

And, you know, it's both of those things hand in hand
that are really put us in a,
in a very solid position looking into FY, um, um, FY 26.

But to, to unpack some of those strategic wins,
you know, we, in the US oil field,
we saw a proprietary chemistry sales increase,
cat check in particular, which is a cornerstone of, uh,
product, uh, technology, um, of
that business in increase in sales, um, by 46% year on year,
we had a number of, um, multi-year contract secured, uh,
off the strength of our maxi flux technology in the mining,
uh, industry, uh, domestically.

And in PFAS, we saw some real advancements over the last
sort of two years, 18 months, we've been trying
to take the market leading technology
that we have in PFAS treatments, um, backed
by the significant runs on the board
that we have domestically take
that into international markets,
primarily Europe and North America.

And we have secured our first revenue generating contracts
and material contracts within both regions over
the last 12 months.

So each business certainly firing,
we're increasing market share, we're penetrating in, uh,

in, into new markets.

And it's all off of the, the strength of that tech.

So, uh, from that perspective, uh, a really,
a really strong year from the business strategically.

Yeah. Yeah. Um, I mean, it's, it's one
of the things I think we touched on last time,
but it just comes up again
and again with a lot of our, our, our guests here.
It's that, you know, we've got a cool bit of tech,
but you know, it's just, it's hard
to get arrested at first, right?

And then, and then you start building up that portfolio
of reference sites and things get easier and easier.

So you've, you've kind of been on that path in,
uh, here domestically.

So with these sort of initial contract wins in the us, uh,
I, I suppose, do you expect things to get easier from here,
both within expanding out within the customer,
I dunno if you're able to mention them or not,
but the customers that you've actually secured.

So they, they usually sort
of dip the toe in the water and see how it goes.

And then with potential for expansion there,
but also with new customers, do you feel as though that's,
that's, uh, things are well placed there?

Absolutely. And great, great question, Andrew.

And I think the, the significance
and the relevance of those sort

of early reference points in, in these new markets, um, you know, shouldn't be underestimated.

Um, some of the, the headwinds that we've had over the, the last sort of 12, 18 months in particular is a lack of reference sites within region.

Um, and although we've got a market leading position domestically and those significant runs on the board, and all the data and all the case studies, you know, that, that you'd like to have entering into a new market, and the fact that the technology had not been demonstrated within the regions, um, and we didn't have those reference points was, um, was certainly impacting our ability to convert opportunities we'd get right to, to the end, um, point and, and then lose to a more established player with a less effective technology.

So, um, being now in a position, particularly in the US where we've secured, um, uh, a contract on multiple, um, US Department of Defense sites, which are, uh, U-S-D-O-D are a primary target in that market, and the largest holder of an owner of PFAS contaminated land globally, um, that is, it's, it's really significant for us.

This gives us access to multiple do OD sites, that's five of them.

This is through, through a consultant.

Um, but, uh, it gives us access to these sites,

it gives us pins on the map.

It, it allows us to demonstrate the,
the technology on region and,
and gives us multiple reference points.

So, um, uh,
and importantly all with U-S-D-O-D, so, um, yeah,
very, very significant.

And, um, if we look at Europe, on the other hand,
very similar, um, story, Europe is a more challenging market
because of the number of sub-markets that,
that sit within it as, uh, as a region.

And we had to be very strategic about the, uh,
approach for each individual region.

And, um, I think we've done that very well within the uk.

Um, in particular, we've gone in as the head contractor,
we've looked to engage directly with the,
the contaminated asset holders.

Um, but in the Nordics, which is a, a big, uh,
movement market and a huge target market,
we realized the challenges of not having
boots on the ground we're operating very lean,
and we didn't have the, the local language
and the connections that we needed.

And we found a great channel partner in Swedish Hydro that,
um, allowed us to get, gain access to
that market without the significant investment required in
building out a local presence and the time
and, uh, that, that, that would take as well.

Yeah. Um, so it's, uh, looking in into 26,
we've traversed those hurdles,
now we have those ones on the board,
and we've got a, a great deal of conviction in our ability
to convert the, um, those
steadily building pipelines going forward.

Yep. Uh, can you give us a sense too, from sort
of like the, the, the length of time to sort of
between the sort of the, the handshake
or, you know, the, the contract being signed
and then having, uh, actual operations set up, functioning,
delivering the data points, you know,
beyond the, and it is crazy.

I mean, I, I I know exactly what you mean.

The, the, the, the, the social proof
dimension is a real thing.

And you would think that that would be less of a thing in a,
in a, uh, science, technology,
engineering kind of field, but it's not.

Um, but, uh, yeah.

So in terms of generating sort of, um, yeah,
beyond the contract sign, the contract win,
what stage are some of these offshore sort of projects at?

So if we look at Europe, um, things moved quite quickly.

Uh, we announced the initial contract in Sweden in December,
um, of, um, of FY 25.

And I believe we had boots on the ground
and equipment, uh, on ground by February of, of that year.

Um, similarly with the contract in, in the uk,

it took a couple of months due to, um,
some regulatory requirements around the, the site
that we were operating on.

But that plant is, is up and running currently.

Um, and, you know,
and we're delivering on, uh, that project right now.

Yeah. Uh, the US has been slower.

Um, and it, it did come from the need
to build assets on our site.

Mm-hmm. But the work was, um, it's linked
to a drilling program
and sort of investigative drilling program
that was being undertaken by the environment,
the environmental consultant that, um,
that we were engaged by.

Um, and that has been a little bit slower than,
than we would've liked, but we now have an asset ready,
ready to go, um,
and we expect to be treating on
site within the next eight weeks.

But it's, it's a mixed bag really.

And that's, that's, um, not uncommon, I think with,
with our domestic business.

Um, some things are much more reactive,
some things can be signed contract,
we need you there next week, and we've got this to do that.

And yeah, some, some contracts, there's, uh,
there's a longer lag

Given the, the strategic importance
of those reference sites
and, you know, proving yourself out to, to the locals there.
Do, does the business take the decision to, um,
eat a little bit of margin there or,
or give away a little bit more than you
otherwise would be prepared to
because of, of its importance?
Or did, were you, and,
and if you did, by the way, I don't think I would,
would blame you for that,
but was that, was that necessarily the case
or was you able to sort of, you know,
stand more just on the merits of, of the technology
and not have to give up too much to sort
of get it across the line, if you know what I mean?
We certainly didn't have to dip below our normal ranges,
um, that, that we see domestically.
And, um, uh,
I think when we look at the Swedish opportunity,
we're actually able
to deliver higher gross margins than we typically expect
for, um, for a project of that scope.
And that's 'cause we found a really amazing, um,
manufacturing partner out of Turkey that was able
to deliver these very, uh, very efficiently.
Um, we're also got, uh, upfront deposits, which is something
that we're, we don't normally see within the water
technologies industry.

So that was very capital efficient.

Um, and, you know, uh, drove some, some good margins within the us and particularly that part of work.

We just wanted the reference points.

So we went in, um, on the, on the leaner end of, of our typical ranges, but certainly didn't have to to eat too much or put ourselves out of our comfort zone.

Yeah, yeah. And it's, these aren't loss making operations I, I suspect.

Yeah. But yeah. Um, talk to us a bit about the bottlenecks here.

These are one of these great, I mean, this is the best problem you could ever hope for, but you know, a bunch of contracts land on your, on your doorstep next week.

What's the capability of the team, you know, given given the cost base, given the human resources and others that, that you've got there to sort of, um, uh, meet the, the aspirational growth that you might have? Or is there more, more bulking up that's gonna, I mean, I guess inevitably there will be more bulking up as you grow, but how, how, um, urgent potentially is that?

So we, we have invested over the last 12 months in increasing our, um, our capabilities and putting more boots on the ground within those regions over the last 12 months.

And I think we're, we're in a good position right now.

We're operating off of a hub
and spoke model within water technologies where all
of our design and engineering capability is
still coming out of Sydney.

Um, which really works for, for this type of industry,
allows us to maintain our standards.

There's some, um, local market
and alterations that, that certainly need
to be made primarily from,
from an electrical, um, perspective.

But, um, we've been able to do that
and just have project delivery teams and, and, um,
and business development resources locally.

Uh, and we've also been able
to share resources over the last 12 months.

We've had, um, guys from the Sydney team fly out to,
to Europe to aid in the commissioning and,
and installation works of, of some key projects.

Our, our model is to do this as lean as we possibly can.

Um, further expansion of those teams will be in line
with revenue and, and new contract wins.

And we look to continue to ize, um,
that workforce wherever possible so that we can do it as,
uh, in, as a efficient way
and as, uh, cost effective way as, um, uh, as possible.

So, we'll, we'll continue to run lean, um, at the moment.

In, in some ways we are limited project to project sort
of one, one, uh, medium size

to major project at a, at a time.

We, we will be limited to.

But, um, in terms of how quickly these are dropping, um, we've got a great pipeline, um, but they are quite staggered.

So it, uh, it's suitable. Uh, currently.

I have to ask you this, although I'll preface it by saying that it's not something that I, well, I think it's something that the market, they over egg this particular pudding, but, you know, there's a particular president in the White House, there's a lot of press coverage on tariffs and trade and all of this kind of stuff.

Is there much of an impact that you are seeing from all of that?

Or, or even just in terms of, not maybe directly, but just the general sense of added caution amongst potential customers or, yeah.

What's, what's the situation look like? Uh, there? So We're largely sort of insulated, um, from any, any tariff exposure, um, from, so we do manufacture our maxi floss chemistry in China, but we don't import that into the US currently, and we don't have any us, um, uh, mining customers in, in that space, right?

We are looking at Canada, which isn't, isn't a problem for us, um, at all.

And our energy services business, although there is have been some raw materials

that have been impacted, um, as a result of those tariffs,
it's all flown downstream to, um, to the customers.

And we're all in, in a,
in the same position within that industry.

So not, uh, no material impact when it comes
to the competitiveness of, of what we're providing from a,
from a cost perspective.

Um, one of the concerns early on was
that there would be a wind back in some of the recent PS uh,
regulation and legislation that, um, had landed, um,
through the Biden administration.

Um, we haven't seen that. Okay.

Um, we weren't concerned,
but I think there was a broader market concern that,
you know, an underfunded, um, U-S-E-P-A with less
of a mandate to really enforce regulation on on industry
would, would have had a, a significant impact.

What we have seen is some of the compliance periods on
that new, um, regulation push out.

So where there was, uh,
originally a three year compliance period
that's now been pushed out to five, um,
and that's in drinking water primarily.

And we were, we were always quite comfortable with that,
that our, our near term winds were gonna be in the
remediation space with the primary
and as our primary target,
and then our sort of midterm buildup would allow us
to be able to target the drink

and water eggs when, when they land.

So that, um, that, that extension of
that has no near term impact for us currently.

Yeah. Um, yeah, I mean, it, it, it's, it's nice
to have those sort of regulatory tailwinds,
but there's always a part of me that thinks, gosh,
wouldn't you do it anyway as a company?

Not for any touchy feel. I mean, it's the right thing to do.

Let me hasten to add all of that kind of stuff,
but I would imagine fear of litigation,
particularly in a litigious society like the US might be a
pretty strong motivator anyway to do this.

Like, in other words, you know, we don't, we don't want to
have an I'M Monsanto moment, I guess, or, or,
or, or is that not true?

No, it's, it's definitely a trend that, that we're seeing
and there's a number of industries that as,
as a collective are taking a more
forward facing approach to it.

Within the us the semiconductor industry, uh,
in particular has been, has been quite forward looking.

Um, and in Europe, we're definitely seeing that our,
the contract that we're delivering in the UK at the moment
is a company that has PFAS stored within a huge
storage tank, um,

and had to reach out to the regulator to say, we want
to do something with this.

Um, we are worried about, you know,

the potential future impacts if we don't do the right thing.

And then we were pulled in to engage in that conversation and figure out what an appropriate discharge criteria would be.

Um, so there's definitely sort of forward facing companies out there that have seen what's happening with the DuPonts and the three M'S of the world, and, um, certainly don't want to be involved in, in, you know, similar outcomes further down the line.

Yeah, I mean, I, I think it's just smart, prudent business planning, frankly.

Um, uh, so I didn't, I mean, obviously I'm sure many people pick this up.

We, we've got, uh, a revenue guidance range for the current year of one 20 to one \$40 million.

So it's 20 to 40% increase at, at the top line.

Walk us through how you, how you, you get there.

It's, it's quite a lot of extra revenue.

So there's two, two pieces to this.

Um, one is that our FY 25 revenue line was impacted by the delayed execution of, of a number of contracts and revenue being pushed that into 26, which gives us a lot more conviction in terms of what 26 will look like.

But the other is in the strength of our pipeline and order book more broadly.

Um, and again, looping back to that investment that was made over, uh, over FY 25, the lion's share of

that was in additional BD resources across each,
each of our business units.

You know, we're very much a growth business.

That's, that's certainly how we identify, um, ourselves in,
uh, internally and to grow and to scale.

We need more boots on the ground,
we need to be knocking on more doors.

Um, and we, we have invested in that.

And FY 26 is, uh, when we, we expect to see the, um,
the, the green shoots and,
and the reward from that initial investment.

Yeah. Fantastic. Um,
so when we did last chat, one
of the things you mentioned was
that the market was a bit slow to notice the fundamentals,
uh, improving, which between you
and me long, may that be the case,
if I can be a little bit selfish here.

Um, uh, do you think, I mean, what, what,
what's the catalyst do you think, for, for
that change to occur?

Because it doesn't seem as though they're, they're,
they're paying that much attention.

It's pretty myopic
and short term, generally speaking, across the board.

Um, but do you see, do you see, I guess, um,
some things on the horizon at least in terms of
what you are able to deliver in a quantitative sense,

which is where all the focus tends to be, that might be that aha moment for the market.

Is it really just the case of just getting it done and, and, and, and putting the numbers out in the market eventually waking up?

Or, or is there something more specific do you think you could point to?

I think major contract wins are always going to get us attention.

And I think, you know, if we were to call it some big names in the oil field or secure some, you know, major contracts in, in PFA as in Europe and North America or even domestically, that's going to, to certainly, um, gain some attention.

But ultimately our strategy, uh, regarding this is to keep delivering, to do what we say, we're going to say what we're gonna do, and then do what we said we were going, we were going to do e effectively.

Yeah. And we're gonna become impossible to ignore by, by achieving that, by putting the results down, delivering the growth that we expect, demonstrating the strength of the technology, um, you know, using the operating leverage that we know exists within, uh, within the business.

And yeah, the market will, will have to take notice.

Yeah. I mean, it's the classic voting versus weighing machine.

It's, it's always true.

Um, let, let me ask you this one, and, and,
and again, it's not something that I, I think many
of us here would, would, um, put too much focus on,
but competition always comes up, and I mention it particular
because we, we have had several chats with EGL
and you know, they're not exactly, uh, similar kind
of things, but just more broadly on the competition front,
what's the, what's the landscape look like there?

Is this a situation, I think this is
what you mentioned last time,
which is when the pie is going pretty rapidly,
there's plenty of space for multiple winners here,
but I'm just sort of keen on an update sort of all
with a little bit of time passing.

Have have, have there been any obvious changes in the,
in the competitive landscape?

Not, not hugely since, since we last spoke.

I think I spoke the last time about, uh,
the Australian market being a breeding ground
for amazing technology and in PFAS treatment.

And I definitely, that that's still remains true.

Um, where we have seen some advancement is in PAS
destruction, but that is still quite a limited market
and very energy intensive, uh, current technologies, um,
are, and that cost effective piece doesn't line up.

Our biggest competition is in less effective
and efficient legacy technologies such as
granular activated carbon that appear cheaper in,

in the short term, but over the total lifecycle cost of,
of a project don't even nearly stand up. So, uh,
Does that, does that message get
through when you, when you're pitching?
Do, do you, do you think people get that?
It does, and definitely short e even in short term
projects, because, uh,
our fla fix technology has such a higher holding capacity
versus activated carbon
or other, um, sort of traditional ion exchange, um,
technologies, you get more bang
for your buck from it anyway.
It's a high performance technology that we can provide very,
uh, um, at a very cost effective position.
So it's, it, it is quite clear,
but there are still parts of the water industry that, um,
are like, we know what we've used in the past,
we're comfortable with that,
and we'll continue to go with that until the,
the commercial argument really becomes too strong.
Yeah. Nice one. Um,
let's talk a bit about capital allocation here.
So, you know, capital markets
can get very tight very quickly,
and you're in the fortunate position, as I said, of being,
um, cash cashflow positive, the cash position improving,
which is really, really, uh, position of strength.
One of those, one of those strengths you don't really,
you take for granted until, until, um,

until it's really needed.

And I think a lot of companies get caught
with their pants down there thinking
that they've got a mandate to grow
and raise capital forever, and it, it, it can change around.

But I guess what I'm saying here is that,
and I know I, I raised it
because you did mention it as a priority last time,
it's clear in the numbers, the they've just been released.

But I guess the question is how do you prioritize,
because you are in a position here where there is a,
a big opportunity, and we did, we touched on this last time,
how do you, I guess, balance the competing priorities
of trying to sort of land as much business as you can,
but maintaining that balance sheet strength,
you can go too far on one end of the spectrum
and be so conservative that you miss out on a lot
of the work, and you can go too far this way in which you
get way over your skis and, and,
and get in all sorts of trouble.

So there's no really right answer here,
but I'm just curious as to your perspective
and whether that's evolved at all in, in terms of
how you sort of view all of that.

Um, I don't think there's been any material swing.

Um, however, I think we're in a really fortunate position
that we've got extensive opportunity across each one
of our business units and as a portfolio of businesses,

we have theus that are competing for capital.

So, um, as a corporate function, we're looking at where are we gonna get the best bang for our buck in terms of the allocation, um, of that capital.

And we've got a big focus on free cash generation so that, that, that can be reinvested to continue, uh, to give us the ability to continue on this, um, uh, self-funding our, our organic growth trajectory.

Now, we secured, uh, \$10 million working capital facility with Westpac last year, and that's to give us the, you know, we don't want to be turning down opportunities because we're capital constrained.

So we have that as a safety blanket to make sure that we're able to keep our business units hungry, keep them sort of, uh, advancing, um, aggressively, and we have the ability to fund that, but we, as a management team on board, we have no appetite for, um, raising capital in the markets to, to fund working capital.

Sure, sure. Although, I guess that's a, a depends kind of situation too.

I mean, if, if, if, if shares 10 x from here, you'd, you'd look at it, right?

We, we would, and you know, if a huge opportunity comes, you know, um, in PFAS for DOD and we need to, you know, raise \$20 million to, to build a, a build on operate plant, we've got that

as an avenue and we, and we know that it's there.

Um, but in, at, at this current sort of valuation of the business, it's certainly not something that we need or, or want to do right now.

Yep, yep. I mean, of course the, I I forget the exact saying, but what do they say? Equity is forever, debt is temporary.

So there, there are real debt tends to be seen as a fall letter word, but boy does it have its uses at times.

Um, uh, I think we touched on the potential for acquisitions last time.

What, what's the, what's the thinking there?

I if, if I'm correct, it was an i, the, the, the statement was, well, hell yeah.

If something came along that was looked right, we'd we'd be open to it.

Is it something that's, that's more, um, active than that?

And, and if so, yeah. What, what can you tell us there?

So it has been, um, and I think with the share price at 60 cents last year, we, um, we saw some, some value and, um, we are, I won't say constantly, but continuously looking at at opportunities that, that present themselves.

And, um, we know what good, good looks like.

Um, I mean, calling out from the results there, um, were transaction costs associated with, uh, um,

an acquisition that we backed out of, um, at,
at the latter stages because, um, from a funding perspective
with the backdrop of a falling share price,
it no longer became,
or it had become, um, too dilutive for existing shareholders
and were, were, was no longer in the, their best interest.
So, um, that was, when we say are,
are we more aggressive on,
we had a material very accretive transaction water tech
focused in Europe that we decided not to push ahead with
because it was no longer in the best interest of, um, uh,
of shareholders, which was disappointing,
but certainly the right decision to make.
Um, looking forward, we'll continue to look at these, um,
uh, opportunities as, as they present themselves.
But, um, as always, we have so much opportunity
and enough to do with the core business, um, delivering, uh,
organic growth that although m
and a will be part of the story,
it is not immediately, uh, required.
And, and, and we have enough to do right now.
Uh, I I actually think that's a, a,
a wonderful thing to hear.
Um, Sean, I, music to me,
I'm sure it disappointed potential investment bankers in,
in, in lost fees,
but as you say, it was,
it was potentially the right thing to do.
So I I, I, um,

if you haven't heard it from other shareholders,
let me at least, uh, put that, put that to you saying no is,
is very hard, um, particularly when it, at the end
of the day means a bigger business
and who doesn't like being the head of a bigger business?
So, well, well done on, on on that front. Um,
Yeah, it's, it, it, it stems back to that discipline
around capital allocation, you know,
and, um, a again,
we're very disappointed would've been an amazing Sure.
Acquisition to the business and,
and a real step change for us.
But yeah, there's nothing worse than the wrong acquisition
and, you know, there's, the,
the wrong acquisition will do more
damage than the right position.
So true will do benefits.
So I think being able to demonstrate that, um, you know,
that as a board
and management team, we are disciplined when, when looking,
um, at these opportunities is, is a silver lining
that we can take from it for sure.
Uh, for sure. I look, I, I can't tell you the number
of times that there's been a really,
a great little Aussie company, brilliant tech,
and they just bolted on this and that and the other,
and it just, it just, it, they, they lost focus.
They had integration issues, they became blo

and it was just, you know, it,
it execution things look very good on a spreadsheet.
Uh, execution is a whole other ball game, as you know.
So anyway, I I congratulate you for that.

Um, would you consider a more aggressive licensing
model if that meant accelerating global scale, um,
with less upfront CapEx?

I mean, you'd have to give away more, I suppose, to, for
that to happen, but it would allow you to sort
of land in more places.

Is that something you'd, you'd be open to
Something that we're pursuing that, that we're looking at?

I think finding the right partner, um,
and sort of licensee in that, um, in
that environment is absolutely key.

Um, I think we're, we're more aggressive on trying
to find channel partners that we can sort of, um, pair up
with to, to access those markets.

And that's what we got with Swedish Hydro.

Um, and again, it, it allowed us to, um,
accelerate our, our entry into
that market within the us though in, in particular,
looking at, uh, the big players
and how we could license that tech, um, is important,
but we do lose control of the implementation, um, of it, um,
in those environments.

And with a channel partner, you're more aligned.

Um, I think in a, in a license agreement, you can be,
but it needs to be with the, with the, um, with the right,

the right counterparty there.

So it's certainly something, uh, that we're looking at.

It's a tool in the toolbox that, that we can, um, uh, use, uh, as, as required.

And again, it's one of those things that we're, we're, we're looking at.

Yeah. Yeah. I'm, I'm gonna go to some of your questions just because if I don't do it now, I'll, I'll run out of time, which is often not happened.

So let, let me put some of these to you.

Um, in the annual report, there's mention of revenue pushed from FY 25 into FY 26 in energy and in process.

Has this now been received and can you give any indication of the amount?

So we can't, um, give any indication of the amount, but I think just going back to that original comment, um, it's more about the, um, delayed execution of contracts.

Um, and these are typically, um, multi-year contracts are, are long-term, uh, supply agreements, but it is that, that is giving us the, the conviction to be able to, to put out that, um, that revenue range that, that estimate.

Don't like to use the word guidance to, um, uh, too hard, but, uh, it's, um, you know, from a board management perspective, we have been quite conservative of that in, in the past that shows, you know, so the fact that we're, we've even put

that out to market shows the level
of conviction that we have around it.

Yeah. Great. Uh, next one, this one's from Cleo.

Um, it seems that expenses in FY 25 increased primarily
because of sales personnel in the US in energy
and in process, and also due
to third party validation of cat Check.

Presumably the former is going
and the is, sorry, presumably the former is ongoing,
and the latter is one-off.

Were there other one-off expenses from last year that will,
you don't expect to, uh, to appear in the current year?

I, I think the major one-off expense were the fees
relating to, to that transaction, um, of that acquisition
that, that we backed out of, um, the,
but we increased our sales team across the board.

Um, so in, in every aspect, uh, of the business in line
with our, our growth ambitions,
and we also increased the, um, delivery capability
and design and engineering capability within our domestic
water technologies business as well.

But from an investment perspective, the, the,
the line share of that, uh, really comes down
to increasing capabilities
and in personnel across the business.

Yep, yep. Nice one.

There's another one here on impact
of weakening environmental regulations,
but I think we've, we've touched on that, Cleo, if you are,

you're okay with that, let us know if not.

Um, so I'll go onto the next one.

Um, can you cast any light on the FY 26 outlook and which I guess you've, you've, you've done, but looking further ahead, what is your view of Sky Dev as a more mature business in say, 2030?

Um, not, not to like force you into disclosing a number or anything like that, but what, what's sort of the aspirational goal?

What, what, paint us a picture of what the business might look like in another four or five years time?

I'll tie that back into our, um, our sort of win and aspiration to be a globally significant player.

You know, I think that there's significant head space across each one of our business units we're operating, um, in global markets with, um, global problems and challenges that are continue to grow.

And, and we are seeing regulation in these areas increase, which drives a greater demand for our services.

So we, we are looking at multiples of, uh, of our current size, um, and I think from a, uh, a board perspective, very much, uh, uh, aligned with that vision.

So, um, yeah, we look to continue the, the growth trend that we've seen over, over the last five years, um, yeah, and, and grow into a business of scale.

Yeah. Fantastic. Hey, for the spreadsheet jockeys

amongst us, can you, can you, I mean, this is,

it's very, we know it well, right?

It, it's, it's hard to

apply something like a PE ratio to a business

that's in an accelerating growth phase, right?

Because there's all these upfront costs and investments
and it's just a little bit tricky.

So, again, not to wedge you to anything whatsoever,
but in terms of as a more mature business, as you say,
with sort of, um, uh, uh, growing,

growing into your potential,
where do you think things like operating margins would
hopefully settle around, um, or net margins or, or,
or anything like that that might, might help us with our,
with our spreadsheets?

That's a hard one to call

and might pass, uh, a pass on that.

Sure. I think even if, if we look to the, um,
short term growth, I've said it
before, the significant operating leverage across each one,
uh, uh, one of our businesses,
we know particularly in chemical services,
that we can continue to improve growth margins.

But that as we layer on on that revenue, um, we can support
multiples of existing revenue without, um, sort
of growing out the, the back of house
and the fixed cost that sit across
that business in, in line with that revenue.

So, um, I think it's a, a great model, uh, for, for us

to have, and we're subscale across
each one of our businesses.

So it exists in, um, in
different volumes

or, um, across each
of our businesses the most being in our
energy business, I would say.

And, um, and within mining
and then within our, our water tech business, we,
we are gonna have to grow at the, the framework that sort
of sits, sits behind that in order
to deliver further contracts.

But there's operating leverage in there as well, for sure.

And we've, we've grown at that team.

We, we have a, a business there
that we know can support revenue growth, um,
and then fundamentally, um, expansion
of the EBITDA line as a result.

Yeah, operating leverage is two
of the most beautiful words in the, in English language
as far as I'm concerned.

Um, Sean, last time, you, we, you,
one way is really picked up last time,
'cause you, you did spend a bit
of time talking about culture, which I think something
that a lot of CEOs pay lip service to,
but maybe not much more than that.
Um, so that was encouraging.

I guess there's probably nothing new to add there other than with, you know, the headcount growth is, are there challenges that come with that?

How, how do you sort of seek to, to make sure that people that come in into the tent sort of share the same purpose and vision and, and you know, integrate properly into the culture?

Well, it's certainly a part of that initial screening process and sort of identifying it as a, as a potential risk.

And it's as, as you mentioned before, execution is key on this.

And if, uh, cultures are pulled apart, then, you know, no matter what the spreadsheet looks like, uh, again, as, as you said, um, it's gonna be quite challenging now as a portfolio operating with a portfolio structure, um, with a number of business units across geographies and, and end markets.

There is diversity in the cultures within each of the business units.

But what we've established is this narrative around a common side of DNA that still exists.

So whether it's our energy business in Houston with a certain de demographic, uh, or our water tech business outta Sydney, which is very young, you know, sort of high energy business, the, the cultures will vary, but there's a, um, a common DNA that that sits across it.

And I think embracing that, um, with regard to expansion

of those teams, but also sort of bolt on, um, acquisitions or adding new pillars, um, and businesses to, to the portfolio, that's what we would look to replicate, allow these teams to be themselves and, uh, but at the same time having a, a common culture that that connects us all.

Yeah, nice. Um, we've talked a bit about, um, some of the growth investments, headcount, et cetera.

Um, I'm interested in the r and d side of things now.

You've got, you've got a pretty cool portfolio of, of tech there.

So is it a case at this point in time just to leverage as best you can, what you've got?

Um, and if so, what, what degree of focus is there on r and d?

Is it something that's just always chipping away there in the background or is it something that you will think you'll need to accelerate at some point?

Or just your, just your general thinking on on the longer term sort of investments that, that a business like yours needs to make?

We are constantly looking at this and the, even for our core established technologies, there's a constant refinement, um, of that.

And we're always looking, how can we improve the performance?

How can we make this better?

Um, and we're also looking more broadly in the market
and going, well, what else, what else is out there?
Because fundamentally side of is the technology business.
And without having that competitive edge
and that, um, strength from a technology perspective,
you know, things are gonna get pretty difficult for us, um,
very quickly from the use of the word r
and d we're always much more on the development side.
Um, I would say,
and when I say that, I mean we're finding solutions
for problems that our client base have today, um, be
that micro innovation where we're just taking
existing products and trying to tweak them and,
and make them more specific to an application
or whether it's trying to come out with sort of, you know,
break breakthrough
and technology such as cat check,
where it's relatively peerless and, uh, in, in the market.
It's much more about product development.
I think what we've been really good at in the past is being
able to take new technology off of the bench
and actually commercialize, uh, in, in,
in a very short period.
And that's what we'll continue to do.
Yeah, so constant refinement of what we've, we've got
constant assessment of, of the market
and the needs of our end markets, uh,
and then work to, to make sure
that we've not only got the answers for the,

the questions today,

but what our clients need tomorrow as well.

Yeah, I I really love that actually.

It's, it's, um, I, I think too often we think

of innovation r

and d as looking for that zero to one moment,

but what is often overlooked is,

I wrote about this recently, in fact is just like the,

the degree of upside that can be had through just,

um, in, in inverted commas, you know, just, uh,

optimization here.

So internal combustion engine's been around for a hell

of a long time, but, you know, modern,

modern ice engines are world apart from the,

from the model T kind of thing.

So I guess my, my question here is with, with the tech

that you do have,

what is the flex potential you have just on the optimization

sort of side of things in ta in taking

what you are doing in terms of a general concept,

a general process, but being able

to do it far more effectively?

Um, look, we're looking for marginal gains in, in

that space, but constantly, um, pursuing the,

those marginal gains.

And I think if we look at they

Up The birth of catch check from, you know,

when it was taken out to, to what we're providing now

with our end, uh, inflow range of, uh, of catch check,
they're absolutely pulled apart.

And that's, it's incremental.

And, and I think we just as a business need to ensure that
that's a constant part of our story
and a constant part of our, um, our,
our journey going forward.

Yeah, yeah. Nice one, gosh, I'm racing
through the questions pretty quick.

We might actually finish early here.

Um, I, I guess one of the, the things that,
that I always like to ask is, you know, someone in your,
in your position, you have to deal
with stakeholders all the time.

Um, what's the question that you, you don't often get asked
but you feel should be asked more, at least, you know,
if you were on the other side of the desk
or the other side of the screen that you would,
you would think was, was a pertinent question,
but one that the market just doesn't seem
to have picked up on in terms of its importance
or significance, or maybe there's not, but, but,
but if there is, what would that be?

There's nothing that really jumps off the page.

I think we do a lot of IR work and a lot of engagements.

There's a lot of questions bounce through
and they're very, very different.

And I think with looking at side of, as a business,
there's something for everyone be that, you know,

the oil field exposure and,
and that upside in, um, LNG development going forward,
whether it's that legacy mining business
and, um, our ability to grow and expand in that space
or whether, whether it's uh, um, in the PFAS world,
we're a bit of a lolly bag.

So questions come from, um, from, from different avenues.

I think the questions that I've received twice from you now,
Andrew, that I don't think I've, uh,
received from anyone else in that space is around culture.

And I think that's a really important,
and I may have answered this question the same way, uh,
the last time you, you asked me,
but that's, um, yeah, I think it's a really important part,
um, be it in in m and a,
but just, uh, creating an environment
where we can attract the best people.

'cause we are going to need the best people
to achieve our growth ambitions and execute on our strategy.

So, uh, it's a key component of it that, um, doesn't always,
um, I suppose get, get the time of day that it should.

Yeah, I I, I, I assume from all of that, you're, you're,
you're not afraid to pay up for quality.

The old saying it's a bit derogatory,
but the old saying is, you know, you pay peanuts,
you get monkeys, and again, and
so sometimes when the market's in a very cost focused
or, um, mindset that they can be pressured to do that,

but do, do you, well, what's your philosophy on that?

I suppose, you know, you can, you can also easily overpay
for genius that perhaps isn't as genius
as they themselves might think.

So how, how do you sort of balance that sort of keeping
that cost discipline

but not being pennywise pound foolish when it comes
to something as significant as, as the people?

It starts with internal development
and I think, yeah, you know, you will get much more reward
for investments, um, by challenging our existing team
to, to take, you know, to really step up, uh,
to the challenge and investing in, uh,
in, in their development.

Um, that allows us to be able to backfill at, um, at, um,
lower levels, um,
and really craft the, the, the type of side of
employee that, that we want to have running this business
and, and develop our, our future leaders, um,
as a rapidly growing business, we are gonna have to go
to market at times and, you know,
and when, when we're access
or when we're delivering on, on those, uh,
on those growth ambitions.

But if we can keep that internal development piece going,
it can in some way limit, um, our exposure
to labor markets that where just given, you know,
macro economic conditions can be either very competitive,
uh, you know, and are very cost, cost effective

or, or you're overpaying.

So, um, yeah, that's, yep, that's largely the approach.

Um, I'll flip, I'll flip my former question,

uh, upside down.

What's the question that comes up often

that you think people are, um,

overestimating in terms of its significance?

I'm sure you get a lot of questions on something

and you kind of think, gosh, everyone seems

to be really focused on this.

And it's not that it's not important,

but it's not as important as perhaps people tend to think

There's probably a few of them.

Um, as well. I think the hardest question to, to ask, um,

or to, sorry, the hardest question to answer is

where do we see, um, growth coming from in the business?

You know, um, 'cause the answer is we have opportunities

for growth across the entire portfolio.

Um, and um, so that's the challenge.

I, I think what we're able to do is break that down, um,

into sort of short term, medium term, long term.

And I think we've got a great mining business

that can continue to be a cash cow for us.

Cash conversion rates are, um, are high in that business,

a huge amount of operate and leverage.

Um, I think we can see short term, uh,

growth coming from the oil field, um,

with the increased acceptance of, of our cash a technology.

And then PFAS is certainly, um, a huge mid to, to long term play, and we're positioning ourselves incredibly well.

We know that we can, uh, generate, uh, revenue and profitability from operations in the short term, but that market is, is getting bigger every day.

We're continuing as a species to introduce PFAS into the environment on a daily basis, um, even now.

So, uh, it's an addressable market that that's grown and one that we've got a, a really great position to, to take hold of.

That's just wild to me that we know the problem and yet we're not doing anything about it.

But anyway, um, closing thoughts, Sean?

Um, I'll let you go. What, what's, what's the, what's the one or two things that you would like investors to take away from this discussion?

I think it's, um,

As I opened, um, this year at face value, um, the, the financials aren't sort of, you know, setting the, the sheet on fire, but we've had made significant progress on strategy throughout the year, um, and we've laid the, the foundations for a, a really solid FY 26.

And, um, I think what the market should be looking for over the next 12 months to sort of indicate that we're progressing as we should, is those continued contract wins.

Yeah, it's continued wins in, in PFAS, um,
uh, internationally.

It's, um, you know, strong performance
of a domestic water business, increase sales
and cat check, uh, or securing more mining contracts.

That's the focus at the moment is just, um, uh, growing,
growing revenue, growing profitable revenue, um,
and, you know, really maxim maximizing the returns
that we're getting from that, from that, uh, capital
allocation and, uh, we we're off quality reporting,
but, um, we're certainly making a commitment
to keep the market as informed as possible as,
as we can throughout the next 12 months.

Gosh, that's gotta be a nice monkey to get off your back.

Um, uh, you don't have to comment.

Um, mate, I always,

I always enjoy our, our conversations mate.

I really do appreciate it.

And, um, yeah, good luck and,

and we'd love to touch base again next year.

Look forward to it, Andrew. Thank you very much.

Awesome. Cheers.