



ASX RELEASE

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H1 FY2019 – SCALING FOR A GLOBAL OPPORTUNITY

Nearmap Ltd (ASX:NEA) is pleased to announce its financial results for the six months ended 31 December 2018 (H1 FY2019). The Company's annualised contract value (ACV) grew 42% in the previous twelve months to \$78.3m (on a constant currency basis), with continued record US growth and a strengthening market leadership position in Australia. Global customer numbers increased to over 9,300, with group average revenue per subscription (ARPS) increasing to \$8,410. Total revenue of \$35.5m was up 45% on corresponding prior period total revenue of \$24.4m.

CEO and Managing Director, Dr Rob Newman said that Nearmap is now positioned for long term sustainable growth in the global location intelligence market.

"Nearmap's portfolio growth in H1 FY2019 was achieved as we continued to expand our product, technology and content. We launched a range of new product features, enhanced our capture systems to fly higher and faster, and upgraded our sales and marketing, including launching in New Zealand. With our strengthened balance sheet, we are now well positioned to scale for a global opportunity."

H1 FY2019 Financial and Operational Overview

UNITED STATES – RECORD HALF-YEAR ACV GROWTH

- Continuing improvement in US sales & marketing delivered the largest half-yearly incremental ACV growth since operations began – the 7th consecutive half of growing incremental ACV
- Improvement evidenced by Sales Team Contribution Ratio of 113% (H1 FY2018: 95%)
- ACV portfolio of USD\$17.6m (30 June 2018: USD\$12.9m), with H1 FY2019 incremental ACV of USD\$4.8m (H1 FY2018: USD\$3.2m).
- ACV portfolio more than doubled in the past 12 months, now representing nearly one third of the Group portfolio.
- Subscriptions of 1,178 (30 June 2018: 946) and continuing growth in ARPS, from USD\$11,425 (31 December 2017) to USD\$14,975 (31 December 2018)

ANZ – MARKET LEADERSHIP DRIVES CONTINUED GROWTH

- ACV portfolio of \$53.3m (30 June 2018: \$48.8m), with H1 incremental ACV of \$4.5m (H1 FY2018: \$3.3m)
- Subscriptions of 8,134 (30 June 2018: 7,917)
- Strong and improving unit economics, with Sales Team Contribution Ratio of 117% (H1 FY2018: 101%) and churn of 5.3% (H1 FY2018: 8.3%)



GROUP – TECHNOLOGY LEADERSHIP AND STRENGTHENED BALANCE SHEET TO ACCELERATE GROWTH OPPORTUNITIES

- EBITDA¹ of \$8.1m (H1 FY2018: \$1.2m) demonstrating the scale economies of investments put in place over the preceding 18 months
- Group portfolio lifetime value exceeds \$1b demonstrating the effectiveness of the Nearmap business model (31 December 2017 \$481m)
- Operating cash inflows (excluding interest, taxes and the deployment of capital proceeds) of \$2.2m (H1 FY2018: operating cash outflow of \$(3.3)m)
- Strengthened balance sheet following \$70m institutional capital raise in September 2018 - Group cash balance closed at \$81.3m (30 June 2018: \$17.5m), comprising:
 - \$14.5m of cash from business as usual operations excluding the capital raise
 - \$66.8m of cash from the capital raise, after payment of costs associated with the raise (\$2.9m) and initial deployment of capital (\$0.3m).

Commenting on the results, Mr Andy Watt, Chief Financial Officer, said “2018 has been a landmark year, with new products and ongoing improvements in unit economics delivering strong ACV portfolio growth in our core markets. This H1 FY2019 performance follows a very strong H2 FY2018. The positive outlook for the business is enhanced by the recent capital raise, enabling Nearmap to accelerate its strategic objectives in pursuit of the considerable global market opportunity.

“Deployment of the proceeds are tracking to plan for the initiatives previously identified, namely:

- Focused investment in US sales & marketing, with at least \$5m to be invested over 12 months for deep penetration of a specific identified US vertical and geography;
- Expansion into Canada, with at least \$5m to be deployed over an 18 month period and the first capture planned for Q4; and
- At least \$5m to be invested over 18 months on:
 - Data science and intelligence
 - 3D enablement
 - Camera system evolution

“We reiterate our guidance for the core business to be cash flow breakeven during FY2019, excluding the deployment of capital raise proceeds, and will invest the funds as outlined to accelerate the growth opportunity through FY2020 and beyond.”



Outlook

In commenting on the outlook for the business, Dr Newman said that Nearmap is now positioned to continue its growth, together with accelerating its strategic objectives.

"H1 FY2019 has been another successful period of strong growth for Nearmap and we are well positioned for continued growth in H2. Our recently released products and features will be complemented by further exciting products planned for launch in the second half, including 3D content visualization through MapBrowser.

"With our unique technology and business model which no other aerial imagery company has been able to replicate at scale, Nearmap continues to scale for a global opportunity and become the world's leading provider of subscription-based location intelligence."

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Important Note

This announcement includes the following measures used by the Directors and management in assessing the on-going performance and position of the Group: EBITDA, EBIT, ACV, ARPS, Churn, LTV and STCR. These measures are non-IFRS and have not been audited or reviewed. A reconciliation of Statutory Net profit/(loss) after tax to EBITDA is included on page 19 of the accompanying Investor Presentation released to the ASX.

¹ EBITDA is net profit before interest, taxes, depreciation and amortisation

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VIEW THE WORLD, SO THEY CAN
PROFOUNDLY CHANGE THE WAY
THEY WORK.**

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