

ASX release



18 February 2015

NEARMAP PROFITABLE GROWTH CONTINUES

nearmap Ltd (ASX: NEA), is pleased to announce it's a strong set of results for the six months ended 31 December 2014 (1H15).

Revenue is up by 44% to \$11.4m. Gross profits in our Australian business are up by 51% to \$10.1m and encouragingly, substantial progress is being made in building our new exciting business in the US supported by \$4.4m of expansion investments.

nearmap CEO Mr. Simon Crowther said that the results reflect the decisions and the investments the company has made to enable and ensure continued profitable growth in Australia and in the US.

"We have reported pleasing growth in Australia in the period, and we made significant progress in building a new business in the US. While FY14 was all about verifying our opportunity, setting the strategy and creating the business plan, FY15 is about execution and on the ground activity."

1H15 financial overview

Australia

- Revenue up 44% to \$11.4 million (1H14: \$9.7 million)
- Gross profit of \$10.1 million (1H14: 6.7 million)
- Gross margins of 89% (1H14: 85%)
- EBIT of \$7.2 million (1H14: \$6.7 million)
- Adjusted EBITDA of \$7.5 million (1H14: \$5.6 million)

United States

- Cash spend of \$4.4 million to date, expected to be \$8 million total for FY15. This investment has been fully funded by internal cash resources.
- Adjusted EBITDA loss of \$0.9 million (1H14: nil)

Group

- EPS of 0.09 cents (1H14: 0.24 cents)
- Net operating cashflows of \$1.3 million (1H14: 4.1 million)
- Strong balance sheet with no debt
- Cash balance of \$21.8 million (30 June 2014: 23.3 million)
- Adjusted EBITDA of \$4.3 million (1H14: \$2.5 million)

About nearmap

Built around proprietary PhotoMaps™ aerial imagery technology, nearmap is a visual analytics company with a focus on empowering businesses with timely and reliable information on which to make decisions quickly and with confidence.

Our breakthrough technology enables imagery to be updated much more frequently than other providers. With populations of multiple countries covered regularly, nearmap is changing the way governments, companies and communities see their world.

Further Information

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1H15 operational overview

- Launched HyperCamera, a Federal Aviation Administration (FFA) approved new aerial camera system designed to fit in the cabin of any aircraft with a standard camera hole.
- Expanded into the US, with an initial plan to capture 100 million people in FY15 on a budgeted spend of \$8m. As a result of operational efficiencies achieved by using HyperCamera, we have since upped the capture target to 150 million people without an increase in spend.
- Launched nearmap Insurance – a visual analytics solution designed to give insurers a competitive advantage when assessing risk and managing claims.
- Launched nearmap Construction – a construction planning solution with precise site information to map, measure and monitor progress of a build. It also provides for volume estimation.

Commenting on the 1H15 result, Mr. Crowther said that nearmap is on track to deliver.

“For the six months ended 31 December 2014, we delivered a positive result with good momentum. Our revenues increased by 44% versus pcp to \$11.4 million and adjusted EBITDA came in at \$4.3 million, while gross margin also increased to 89% in Australia.

This result was again underpinned by high renewal rates with active subscribers across local, state and federal government and commercial sectors.

It is encouraging that this great set of results has been achieved while we are also strengthening and scaling our internal systems, processes and building a strong team to deliver long term sustainable profitability.”

Outlook

In commenting on the outlook for the business Mr. Crowther said CY15 has started well for nearmap with strong momentum, focus and drive.

“We have a wonderful opportunity and much to do. We reaffirm our aspirational revenue run rate targets both for Australia at \$30m - \$50m by December 2015 and the same rate in the US by December 2017.

“When we are proven and established in the US we can assess other new markets, several of which look highly suitable for nearmap to enter. While the investments in growth have and will impact our reported profits, we are a growth company firmly in growth mode.

“I continue to expect our first enterprise commercial sales in the US to land this year. While this is a year of investment and building I am confident the decisions we make today will generate strong sustainable returns in the future.”

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