



# ASX RELEASE

18 August 2021

## FY21 RESULTS – RECORD NORTH AMERICAN PERFORMANCE DRIVES STRONG ACV GROWTH

Nearmap Ltd (NEA:ASX) is pleased to announce its financial results for the year ended 30 June 2021 (FY21). On a constant currency (CC) basis the Group delivered record Incremental Annual Contract Value (IACV) growth and ended the year with a Group ACV portfolio of \$133.8m, exceeding initial FY21 guidance of \$120m-\$128m<sup>1</sup>. This represents 26% year-on-year growth and was driven by record IACV growth in consecutive half year periods in North America.

### GROUP PERFORMANCE HIGHLIGHTS

- Reported ACV portfolio at 30 June 2021 of \$128.2m, which represents \$133.8m on a constant currency (CC) basis and 26% portfolio growth on the prior comparative period (pcp) (30 June 2020: \$106.4m)<sup>2</sup>
- Incremental ACV growth of \$21.8m (\$27.4m on a CC basis) driven by record growth from the North American portfolio, validating refined go-to-market strategy
- Reported statutory revenue of \$113.4m, growth of 17% on the pcp (FY20: \$96.7m)
- Reported statutory loss after tax reduced to (\$18.8m) from (\$36.7m) in FY20
- Group cash balance at 30 June 2021 of \$123.4m
- Group cash outflow <\$5m excluding the net proceeds of the capital raise
- Subscription retention increased to 93.1% (FY20: 90.1%) with an ongoing focus on improving customer experience and retention
- Sales Team Contribution Ratio (STCR) increased to 89% (FY20: 54%) with increased Sales & Marketing efficiency driven by the strategic focus on core industry verticals and positive returns from previous go-to-market investments<sup>3</sup>

Commenting on the performance, Chief Executive Officer and Managing Director, Dr Rob Newman, said “In an unprecedented year, Nearmap has delivered another record performance, with strong growth from new and existing customers demonstrating growth across all parts of our ACV portfolio. This performance validates the decision to focus our strategy on several core industry verticals where customers derive the most value from our knowledge, expertise and leading product and content types. FY21 also represents our first year of monetising commercially available wide-scale Artificial Intelligence content, with tens of millions of attributes now on subscription. And as we announced last month, we have tested a prototype of our next generation of world leading aerial camera systems, HyperCamera3, representing a significant technological breakthrough and further extending our technology leadership. Our Company has finished FY21 in a very strong position as we look forward to continuing to execute on our strategic objectives in FY22.”

<sup>1</sup> FY21 guidance was based on the 30 June 2020 USD exchange rate of 0.6863 as outlined at the time guidance was issued

<sup>2</sup> Reported Group ACV portfolio calculated using 30 June 2021 exchange rate of A\$1 = US\$0.7518, C\$0.9318 and NZ\$1.0745

<sup>3</sup> Sales Team Contribution Ratio presented on a pre-capitalisation basis; refer accompanying investor presentation for further details



## FY21 FINANCIAL AND OPERATIONAL OVERVIEW

### NORTH AMERICA (NA) – 54% ACV PORTFOLIO EXPANSION

- ACV portfolio at 30 June 2021 of US\$44.5m (30 June 2020: US\$28.8m) representing 54% portfolio growth on the pcp. In a record year for the NA business, incremental ACV of US\$15.6m was equivalent to total incremental ACV in the previous two financial years combined (30 June 2019: US\$9.8m, 30 June 2020: \$6.1m)
- ACV growth from Roofing, Insurance & Government was 48% on the pcp and was accompanied by a strong contribution from adjacent verticals
- STCR of 110% (FY20: 46%) with strong performance across all sales teams and customer segments, validating the refined go-to-market strategy rolled out in North America in FY21<sup>3</sup>
- Retention of 93.5% (FY20: 83.1%) following the roll-off of the unforeseen churn events reported in FY20
- Closing subscriptions of 2,240 (FY20: 1,856), growth of 21%, with Average Revenue Per Subscription (ARPS) increasing 28% to US\$19,844 (FY20: US\$15,511), demonstrating deeper integration of premium content into customer workflows
- Pre-capitalisation gross margin of 50% (FY20: 32%), with growing operating leverage as the business scales
- NA portfolio now comprises 46% of the Group ACV portfolio, an increase from 39% at 30 June 2020

### AUSTRALIA & NEW ZEALAND (ANZ) – CONTINUED GROWTH THROUGH MARKET LEADERSHIP

- ACV portfolio at 30 June 2021 of A\$69.1m (30 June 2020: A\$64.5m), representing 7% portfolio growth on the pcp and a further extension of the Company's market leadership position
- Strong ACV growth from the SME portfolio has continued, demonstrating the benefit of a scalable and repeatable Sales & Marketing engine
- Subscription retention of 92.3% (FY20: 94.1%); STCR of 49% (FY20: 74%) was impacted by Enterprise sales, new leadership is in place to drive improved performance
- Closing subscriptions of 9,015 (FY20: 8,602), with 413 net new subscriptions added (FY20: 227) and ARPS increased to \$7,663 (FY20: \$7,497); future upside opportunity through deeper premium content integration
- Consistently high pre-capitalisation gross margin of 92% (FY20: 91%)

### GROUP – STRONG BALANCE SHEET POSITION

- Group cash balance at 30 June 2021 of \$123.4m (30 June 2020: \$33.8m<sup>4</sup>); minimal cash consumption with capital raise proceeds selectively deployed
- Group EBITDA of \$24.3m (FY20: \$9.1m) and EBIT of (\$20.8m) (FY20: (\$37.6m)) reflecting operating leverage of increased scale in North America
- Global subscriptions increased 8% to 11,255 (FY20: 10,458) and ARPS increased 12% to \$11,391 (FY20: \$10,178)
- \$84.6m (66%) of the portfolio now relates to subscriptions incorporating premium content, a 47% increase on the pcp (FY20: \$57.7m)
- 42% of the Group ACV portfolio has a multi-year subscription (FY20: 43%) reflecting strength in the ANZ SME portfolio

Commenting on the results, Chief Financial Officer, Mr Andy Watt, said "Nearmap has delivered a strong performance in FY21, validating the strength of our underlying business model and our vertically aligned strategy. The strong growth in premium content uptake is driving increased returns and demonstrates the benefits of investments previously made. Our North American business continues to go from strength to strength, with the 28% increase in Average Revenue Per Subscription evidence that larger North American organisations are deriving increasing value from our unique content types. With minimal cash consumption following the selective and disciplined deployment of capital raise proceeds, we are well positioned to continue our investment in growth

<sup>4</sup> Excludes bank guarantees of \$2.3m which have been classified as cash on the Balance Sheet



initiatives in FY22, allowing us to integrate more deeply into customer workflows and to further monetise our investment in premium content types. Our track record of successfully executing on our growth initiatives gives me the confidence we can successfully capitalise on the strong momentum in our business into FY22 and beyond.”

#### PEOPLE & MANAGEMENT UPDATE

Nearmap has always facilitated flexible working conditions and has seamlessly transitioned its workforce back to remote working where necessary, enabling employees to work productively and efficiently. Employee engagement remains strong and the Company remains committed to supporting its people throughout the ongoing impact of the pandemic.

Nearmap continues to build out the foundations and operational systems necessary to support increased scale and an acceleration of the Company's growth opportunities. In support of this growth strategy, Nearmap is pleased to announce the appointment of Mr Andy Watt as Chief Growth & Operations Officer. In his new role, Mr Watt is primarily responsible for ensuring alignment of the go-to-market functions across the regions and driving predictable and sustainable growth to meet the Company's long term growth aspirations. Mr Watt will also continue in his role as Chief Financial Officer until such time as a replacement is made. Nearmap is also pleased to announce the appointment of Mr Tony Agresta as General Manager, North America, reporting into Mr Watt. Mr Agresta, who previously oversaw North American sales, is now responsible for managing the North American business and has oversight of all functional areas in the region.

Commenting on the appointments, Dr Newman said "It gives me great pleasure to announce the promotion of Andy to Chief Growth & Operations Officer and Tony to General Manager, North America. Andy and Tony have been with Nearmap since 2016 and know our business and our industry inside-out. As we scale our Company for growth it's important to have high calibre leaders in our team and considering the leadership qualities Andy and Tony have consistently demonstrated, it's clear we have exactly that. I congratulate them on their promotions and look forward to working with them as we scale our business and our regions for growth.”

#### FY22 OUTLOOK

Commenting on the outlook for the Company, Dr Newman said "FY22 represents yet another milestone year for Nearmap. We will build on our successful execution of our vertically aligned go-to-market strategy, adding industry specialists and targeted marketing programs to deliver a superior experience for our customers. We will complete testing of our world leading HyperCamera3 aerial camera systems prior to manufacture and commercial roll-out over the course of this financial year. Under the direction of our new Chief Growth & Operations Officer, we will focus our investment into building out the foundations and operational systems in support of our strategy. And we will continue to innovate, investing in our technology capabilities and further extending our technology leadership position. I am confident in the outlook for our business as we remain focused on becoming the global leader in subscription-based location intelligence.”

Authorised by: Board of Nearmap Ltd

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#### Important Note

This announcement includes the following measures used by the Directors and management in assessing the ongoing performance and position of the Group: EBIT, ACV, ARPS, Retention and STCR. These measures are non-IFRS and have not been audited or reviewed. A reconciliation of statutory net loss after tax to EBITDA and EBIT is included in the Appendices of the accompanying Investor Presentation released to the ASX.

All figures presented are on an "as reported" basis, unless otherwise stated

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

#### NEARMAP.COM

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