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ASX release

29 August 2013

New subscriptions drive nearmap's revenue growth

nearmap ltd (ASX: NEA) today announced its results for the 12 months ended 30 June 2013 (FY13). New digital subscriptions to the nearmap.com website helped drive strong growth in revenue, up 93% to $11.0 million (FY12: $5.7 million).

Managing Director Simon Crowther said that the strong top-line growth, positive cash flows, and a positive EBITDA reflected the early success of the realigned strategic focus on nearmap and its attractive growth opportunities.

"At the end of November 2012, we launched a new subscription-based content model. The new customer sales following this launch have driven nearmap's strong performance. Importantly, the 2013 full year result only contained seven months of the new subscription revenues and bodes well for the future performance of the company," added Mr Crowther.

FY13 financial overview

- Revenue up 93% to $11.0 million (FY12: $5.7 million)
- EBITDA of $1.0 million (FY12: EBITDA loss of $5.6 million)
- Net loss after tax of $1.1 million, a significant turnaround on prior year (FY12: loss of $10.4 million)
- Net operating cash flows of $8.1 million (FY12: net outflows of $3.1 million)
- Strong balance sheet with no debt, and cash balance growing to $13.4 million (30 June 2012: $5.4 million).

FY13 operational overview

- Launched new nearmap.com website – monetising nearmap's high quality, current and changing PhotoMaps™ content, and generating recurring subscription revenues
- Relocated corporate head office to Sydney to be closer to the company's customer base, expand its presence on the East Coast and access a broader range of employee talent
- Strengthened senior management team with the appointment of several key executives
- Closed down IP licensing and assertion business
- Signed cloud hosting agreement with Amazon Web Services to host nearmap content in Sydney
- Post balance date (July 2013) received an aerial mapping system patent from the US Patent Office – extending the company's international patent portfolio.

About nearmap

nearmap is an innovative online PhotoMap™ content provider that creates and serves high quality, current and changing PhotoMaps™. The Company's breakthrough technology enables PhotoMaps™ to be updated much more frequently than other providers. With more than 75% of Australia's population covered regularly, nearmap is changing the way Australian governments, companies and communities see their world.

Further Information

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Commenting on the FY13 result, Mr Crowther said that the past 12 months had been transformational for the company:

“A lot has happened over the past 12 months as we took two businesses that were burning cash and had no earnings visibility, shut down the IP licensing and assertion business, and transformed nearmap into a cash generating business with attractive growth opportunities.

“During the 2013 financial year we implemented a number of operational initiatives aimed at growing nearmap’s paid customer base and improving its value proposition. While the immediate results from these strategic initiatives have led to improved financial results, importantly these initiatives have laid the foundations for sustainable growth in shareholder value going forward,” said Mr Crowther.

Outlook

In commenting on the outlook for the business Mr Crowther said that he looked forward to continuing to leverage the growth opportunities that exist for nearmap.

“We remain focused on strategically and carefully monetising nearmap’s unique PhotoMaps™ content given our highly developed scaleable technology platform, and unique intellectual property.

“We have been able to successfully grow the business since launching the subscription service, yet have been able to do this with a very limited product range targeting a narrow market and almost no marketing spend.

“We are in the process of developing and launching a suite of new products that will broaden our customer base by making the site more accessible to the casual business user, as well as deepen our customer relationships via new industry verticals and richer data sets.

“We believe our proprietary technology and unique business model that is now proven can be rolled out in a number of markets outside of Australia. We have begun evaluating new market entry opportunities, and last month received an aerial mapping system patent from the US Patent Office to extend our international patent portfolio.

“Having implemented a major transformation over the past 12 months, we now have the right foundations in place. We are all very excited at the opportunities we see for nearmap, not only those we are currently working on but also those for the future. With growing revenues and earnings, a strong balance sheet, and a scalable business model, nearmap is now well placed to generate growth in shareholder value over the long term,” said Mr Crowther.

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