



ASX RELEASE

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FY2018 – RECORD PORTFOLIO GROWTH

Nearmap Ltd (ASX:NEA) is pleased to announce its financial results for the year ended 30 June 2018 (FY2018).

- Group annualised contract value (ACV) grew by a record \$19.2m (41%) in the year to \$66.2m – the US comprises over 25% of the total portfolio.
- Global customer numbers exceed 8,800, with group average revenue per subscription (ARPS) increasing 25% to \$7,473 (30 June 2017: \$5,996).
- Group customer churn reduced to 7.5% (FY2017:10.3%) and FY2018 customer churn was lower in dollar terms (\$3.5m) than in FY2017 (\$3.7m).
- Group sales team contribution ratio (STCR) grew from 90% to 114%, reflecting the improved productivity from investment in sales & marketing in Australia and the US
- Over one third of the group ACV portfolio is backed by multi-year subscriptions, and \$9.0m (13%) of the group ACV portfolio already relates to subscriptions incorporating Oblique or Panorama product features.
- Total revenue of \$53.5m was up 32% on prior corresponding period total (\$40.6m).

CEO and Managing Director, Dr Rob Newman said that this portfolio growth was delivered whilst the investments to generate further scalable growth were put in place.

“I am pleased to confirm that Nearmap achieved record growth in its portfolio in FY2018 as the investments in our capture program, our expanded product suite and our sales and marketing capabilities have now been established. These investments are already delivering benefits to the group, through improved sales team productivity, increased customer retention and engagement and increased utility in our customer workflows.”

FY2018 Financial and Operational Overview

United States

- ACV portfolio more than doubled - largest annual incremental ACV in the US to date
- ACV portfolio of USD\$12.9m (30 June 2017: USD\$5.3m)
- Subscriptions of 946 (30 June 2017: 605)
- Sales Team Contribution Ratio of 109% (FY2017: 85%)
- US gross margin 27% (FY2017: 12%) demonstrating the increasing operating leverage as the US business scales.



Australia

- ACV portfolio of \$48.8m (30 June 2017: \$40.0m)
- Subscriptions of 7,917 (30 June 2017: 7,227)
- Sales Team Contribution Ratio of 118% (FY2017: 97%)
- AU gross margin 94% (FY2017: 94%)

Group

- EBITDA of \$4.9m (FY2017: \$6.0m)
- Cash balance of \$17.5m (30 June 2017: \$28.3m) reflecting returns commencing on FY2018 investments
- Net operating cash inflows of \$0.6m in H2 FY2018 (compared to net operating cash outflow of \$(3.3)m in H1 FY2018), as the investments yield positive returns
- Strong balance sheet, with no debt.

Commenting on the FY2018 result, Mr Andy Watt, Chief Financial Officer, said “The record portfolio growth validates the investments put in place in the previous 18 months, namely:

- Our capture program, with both expanded footprint and oblique imagery;
- Our product suite, with oblique product features and 3D content; and
- Our sales and marketing resource base.

“With disciplined cost management, we are focused on continuing to demonstrate the operational leverage of our business model. Nearmap has the resources and funding to generate scalable top-line growth. We expect FY2019 to be cash flow break even.”

Outlook

In commenting on the outlook for the business, Dr Newman said that Nearmap is now positioned for long term sustainable growth in the global location intelligence market.

“As well as generating record portfolio growth, FY2018 has seen Nearmap broaden its range of products, content, technology and talent. As we look to continue our growth in FY2019, we also look forward to the unique opportunities which creating and owning our own deep location data – and investing in the intelligence that can be derived from that data – provides.

“With our unique technology and business model which no other aerial imagery company globally has been able to replicate at scale, Nearmap is well positioned to execute on our vision to become the world’s leading provider of subscription access location intelligence.”

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

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