



ASX RELEASE

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1H FY22 RESULTS – RECORD INCREMENTAL ACV GROWTH, STRONG CASH POSITION

Nearmap Ltd (NEA:ASX) is pleased to announce its financial results for the half year ended 31 December 2021 (1H22). A third consecutive period of record incremental Annual Contract Value (ACV) growth from the North American portfolio has seen the Group ACV portfolio end 1H22 at \$143.3m on a constant currency (CC) basis¹. Another period of record performance in North America and improved performance in Australia & New Zealand sees Nearmap **on track to deliver FY22 ACV growth at the upper end of the \$150m-\$160m ACV guidance range**².

GROUP PERFORMANCE HIGHLIGHTS

- ACV portfolio at 31 December 2021 of \$147.7m, which on a constant currency (CC) basis equals \$143.3m and represents 28% portfolio growth on the prior comparative period (pcp) (31 December 2020: \$112.2m)¹
- Strong operating leverage and scale benefits, with key regional performance metrics and cash generation
- Balance Sheet strength with cash at 31 December 2021 of \$110m (30 June 2021: \$123m); \$9m of cash consumed in support of leading Research & Development (R&D) initiatives³
- Statutory revenue of \$67.5m, an increase of 23% on the pcp (1H21: \$54.7m)
- ACV portfolio now expected to close FY22 at the upper end of the \$150m-\$160m guidance range (FY21: \$128.2m)²

Commenting on the result, Chief Executive Officer and Managing Director, Dr Rob Newman, said “Nearmap has delivered yet another exceptional result on the back of continued record performance in North America and an extension of our market leadership in Australia & New Zealand. This has been enabled by our ongoing commitment to invest in our leading Research & Development initiatives, which are delivering strong returns and will continue driving our future growth. Refinements to our go-to-market strategy in North America eighteen months ago are now embedded into our business and today’s results demonstrate our team in North America are continuing to deliver outstanding results for our customers.”

Dr Newman added “In the first half of FY22 we consumed only \$9m of cash excluding the cost of litigation in the Utah District Court, which itself continues to have no operational impact on our business as demonstrated by the 57% ACV growth in North America we reported today. Our growth and disciplined cash management leaves us with a very strong balance sheet and healthy cash balance of \$110m. We will continue to vigorously defend against the fundamentally meritless allegations.”

¹ Constant currency calculated at the 1H FY21 period end USD exchange rate of 0.7702

² Guidance remains based on the FY21 year-end USD exchange rate of 0.7516 as outlined at the time guidance was issued

³ Excluding U.S District Court litigation costs



1H22 FINANCIAL AND OPERATIONAL OVERVIEW

NORTH AMERICA (NA) – ACV PORTFOLIO EXCEEDS US\$50 MILLION FOLLOWING 57% PORTFOLIO GROWTH

- ACV portfolio at 31 December 2021 of US\$55.0m (30 June 2021: US\$44.5m). 1H22 incremental ACV of US\$10.6m (1H21: US\$6.3m) representing growth of 57% on the pcp (31 December 2020: US\$35.1m). Following a third consecutive record half of growth, the NA portfolio now exceeds the size of the ANZ portfolio for the first time
- ACV from Roofing, Insurance & Government delivered 62% growth on the pcp with ACV from Insurance increasing to almost 40% of the portfolio
- Average Revenue Per Subscription (ARPS) increased 29% to US\$22,350 (1H21: US\$17,313)
- Pre-capitalisation gross margin of 53% (1H21: 53%) with gross margin maintained during expansion of the U.S capture program. NA segment achieved positive cash flow milestone for the first time
- Sales Team Contribution Ratio (STCR) of 114% (1H21: 110%) and retention of 95.2% (1H21: 93.5%) with strong performance across all sales teams and customer segments⁴

AUSTRALIA & NEW ZEALAND (ANZ) – IMPROVED SALES PERFORMANCE, MARKET LEADERSHIP EXTENDED

- ACV portfolio at 31 December 2021 of \$71.9m (30 June 2021: \$69.1m). 1H22 incremental ACV of \$2.8m (1H21: \$2.1m), the highest since 2H FY20, and portfolio growth of 8% on the pcp (31 December 2020: \$66.6m)
- New business of \$3.2m demonstrates continued penetration of the ANZ market and represents 39% pcp growth. SME and Mid-Market segments continued to perform well, with an encouraging improvement in Enterprise
- Pre-capitalisation gross margin of 92% (1H21: 93%) demonstrating the strong and improving cash generation and profitability of the ANZ business
- STCR of 55% (1H21: 52%) and retention of 93.1% (1H21: 94.0%) with an improved half on half performance

GROUP – SUBSCRIPTION RETENTION AT RECORD HIGHS, 21% INCREASE IN ARPS

- Incremental ACV growth of \$17.3m (\$16.5m on a CC basis), record growth from the North American portfolio
- Strong retention of 93.9% maintained (1H21: 93.9%), validating investment into Product and Customer Success teams
- Subscriptions of 11,701 (1H21: 10,785), with ARPS increasing 21% to \$12,621 (1H21: \$10,402)
- STCR of 97% (1H21: 86%); continuing strong sales efficiency during a period of Sales & Marketing investment
- EBITDA of \$10.7m (1H21: \$13.5m), Group EBIT of (\$13.3m) (1H21: (\$9.4m)) and statutory loss after tax of (\$11.9m) (1H21: (\$9.4m)) impacted by \$3.6m of Utah District Court litigation costs^{5,6}
- 43% of the Group ACV portfolio are on multi-year subscriptions (1H21: 42%)
- \$103m (70%) of the portfolio now relates to subscriptions incorporating premium content, a 56% increase on the pcp (1H21: \$66m)

⁴ Sales Team Contribution Ratio presented on a pre-capitalisation basis; refer accompanying investor presentation for further details

⁵ EBITDA is net profit before interest, taxes, depreciation and amortisation

⁶ EBIT is net profit before interest and taxes



Commenting on the result, Mr Andy Watt, Chief Growth and Operations Officer, said “1H22 has yet again seen another strong performance across the financial metrics we benchmark our business against and demonstrates the increasing operating leverage within our business. As part of our go-to-market strategy we target embedding our content into customer workflows, and retention rates of 94% are a clear indication we are achieving just that.

“Premium content adoption continues to go from strength to strength. ACV from customers with access to premium content now exceeds \$100m, delivering very strong returns from investments made. This is reflected in the significant 29% growth in Average Revenue Per Subscription in North America, highlighting the increasing value that very large Enterprise customers are deriving from our premium content types.

“In the last twelve months we have expanded headcount by adding 129 people to our team, a 45% increase on the pcp. This was primarily in support of our North American strategy, where we are investing in leading R&D initiatives to develop deeper vertical solutions and drive strong ACV growth. Our successful strategy in North America has delivered an outstanding half year performance, and the momentum in our business leaves us in an incredibly strong operational and financial position.”

FY22 OUTLOOK

Commenting on the outlook for the business, Dr Newman said “We have delivered another record half of ACV growth whilst maintaining our Balance Sheet strength, this leaves us well positioned to continue our investment and execution of our go-to-market strategy. Core to our leadership is investment in our product and technology and we will focus this investment on ensuring we continue to provide increasing value to our customers. We will complete prototype testing and commence manufacturing of our world leading aerial camera system, HyperCamera3. This represents a major milestone and will enable us to fly even higher and faster than we do today, significantly extending our already industry leading competitive advantage. This is ground-breaking technology being designed and manufactured right here in Australia and is the key priority for us for the remainder of FY22.”

Dr Newman added “We will also continue development of customised AI packs and tailored industry solutions for our core government and insurance industry verticals, where we’ve seen the strongest interest and adoption of our premium content types. We will continue the enhancement of our industry leading roof geometry content, to capitalise on the phenomenal growth we are experiencing. Our investment and innovation will ensure we are an increasingly valuable partner to our customers, and I am confident in our growth outlook given the significant opportunity in front of us.”

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.



About Nearmap | nearmap.com

Nearmap (ASX:NEA) provides easy, instant access to high resolution aerial imagery, city-scale 3D content, AI data sets, and geospatial tools. Using its own patented camera systems and processing software, Nearmap captures wide-scale urban areas in Australia, New Zealand, the United States and Canada several times each year, making current content instantly available in the cloud via web app or API integration. Every day, Nearmap helps thousands of users conduct virtual site visits for deep, data driven insights—enabling informed decisions, streamlined operations and better financial performance. Nearmap was founded in Australia in 2007 and is one of the largest aerial survey companies in the world.

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

NEARMAP.COM

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