



MARKET RELEASE

19 February 2024

Nuix Announces 1H24 Results and Nuix Neo Update

Sydney, Australia – Global software company Nuix ('the Company', ASX: NXL) announces its results for the half year ended 31 December 2023 in line with the recent trading update. Nuix also today updates the market on the progress of the early stages of the rollout of Nuix Neo.

1H24 Results

- Annualised Contract Value (ACV) \$199.6m, up 17.3% on 1H23
- Statutory Revenue \$98.4m, up 12.3% on 1H23
- Underlying EBITDA \$28.4m, up 12.8% on 1H23
- Statutory EBITDA \$17.2m, down 17.6% on 1H23
- Statutory NPAT (\$4.8m), down from \$1.3m in 1H23

Annualised Contract Value (ACV), which provides an annualised "run rate" of the value of Nuix's contract value at a given point in time, rose by 17.3% compared to the prior corresponding period (pcp), and by 7.6% from June 2023. The ACV outcome of \$199.6 million is slightly above the expected guidance range provided in the trading update in January 2024, of \$196 - \$199 million.

ACV growth was primarily driven by strength in Nuix's existing customer base, with all three regions, specifically North America, EMEA and Asia Pacific, reporting double-digit ACV growth on pcp.

Statutory Revenue rose by 12.3% on pcp to \$98.4 million. As a proportion of revenue, multi-year deals fell to 24%, from 29% in the pcp, driven by an increased customer focus on annual contracts.

Underlying EBITDA, which excludes non-operational legal costs, rose 12.8% on pcp, to \$28.4 million. The growth in underlying EBITDA is in keeping with Nuix's full year strategic objective for revenue growth to exceed operating cost growth¹. Additionally, the rise in EBITDA occurred despite the measure now including additional Topos operating costs that were previously excluded.

¹ Excluding non-operational legal costs



As flagged in the January 2024 update, non-operational legal costs were particularly elevated in the half, primarily due to the ASIC Federal Court hearing which occurred during the period. For the half, non-operational legal costs amounted to approximately \$11.2 million, compared to \$2.4 million in the pcp and higher than the expected amount in the January market update. Non-operational legal costs are expected to be significantly lower in the second half of the current fiscal year.

The growth in Underlying EBITDA was not reflected in Statutory EBITDA due to the significant rise in non-operational legal costs. Accordingly, Statutory EBITDA of \$17.2 million was 17.6% lower than 1H23.

Net Dollar Retention (NDR) rose to 110.1%, from 103.1% in the pcp, on increasing net upsell to the Nuix customer base. This upsell more than offset a small rise in customer churn to 5.7%, from 4.8% in 1H23.

Total research and development spend fell 10% in 1H24 compared to 1H23, as the benefits of efficiency programs were realised. Further progress was made on important projects related to Nuix Neo, with Data Privacy and Investigations solutions launched during the half. As a proportion of revenue, research and development spend fell to 27%, compared to 34% in 1H23.

Positive Underlying Cash Flow

Nuix recorded positive underlying cash flow from operations, that is, cash flow before non-operational legal costs and payments related to the Rampiva acquisition, of \$6.6 million for the half year. This positive underlying cash flow is in keeping with the Company's stated objective of being underlying cash flow positive for the full year. Software development costs continue to be funded from operating free cash flow.

The Company ended the half with cash on hand of \$24.0 million and no debt.

New Revolving Debt Facility Agreement

As outlined in a separate release to the ASX today, Nuix has entered into a facility agreement with a global bank to provide a A\$30 million multi-currency revolving credit facility to the Company.

The facility has a maturity of three years, and is to be utilised for general corporate purposes, other than costs associated with litigation, arbitration or administrative proceedings.

The new debt facility provides Nuix with greater flexibility and options to drive growth as part of the Company's build, buy or partner approach.



Nuix Neo™ Update

During the half, the Nuix Neo platform was launched to a small group of early adopter customers.

The first Nuix Neo product solution, Data Privacy, was launched early in the half, followed by the Investigations solution late in the half.

Total ACV attributable to Nuix Neo amounted to \$4.1m in the half. The average ACV associated with each Nuix Neo sale to early adopters exceeds A\$500,000.

Development is progressing on the third Nuix Neo use case solution planned for FY24, Legal Processing, which is expected to be launched in the second half of the fiscal year to early adopters.

Group Chief Executive Officer Jonathan Rubinsztein commented:

“During the half, the Nuix team has not only delivered on further momentum in top line growth, but also made significant progress on our core strategic growth initiative, Nuix Neo.

We have continued to drive growth in ACV and Statutory Revenue, while remaining focused on costs, contributing to further growth in Underlying EBITDA. Commercial relationships with our customers remain strong, as evidenced by further momentum in our NDR and generally low churn.

The launch of Nuix Neo Data Privacy and Investigations solutions to early adopters in the half reflects an enormous effort right across the organisation. We are pleased to have delivered on these initiatives in line with the timetable we previously outlined. Combined with the Legal Processing solution, to be launched in the second half of this financial year, these solutions provide a step change in our offering to the Nuix customer base and will be a key driver underpinning further growth.



Outlook

Nuix is pleased to reconfirm its previously articulated strategic targets for the full year:

Strategic Targets FY24:

- Targeting ~10% ACV and Statutory Revenue growth in constant currency
- Successful rollout of Nuix Neo and associated Solutions to Early Adopters
- Broadened sales focus to further drive new business
- Revenue growth to exceed operating cost growth²
- Underlying cash flow positive for the full year

Results Webcast

Jonathan Rubinsztein, Group Chief Executive Officer, and Chad Barton, Chief Operating Officer and Chief Financial Officer, will present the 1H24 results via webcast today at 10:00am (AEDT).

To access the webcast, please use the following link:

<https://webcast.openbriefing.com/nxl-hyr-2024/>

A replay of the webcast will be made available on the investor section of the Nuix website shortly after the event:

<https://www.nuix.com/investors>

This announcement has been authorised by the Board of Nuix.

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² Excluding non-operational legal costs



About Nuix

Nuix is a leading provider of investigative analytics and intelligence software, that empowers customers to be a force for good by finding truth in the digital world. We help customers collect, process and review massive amounts of structured and unstructured data, making it searchable and actionable at scale and speed, with forensic accuracy.

For further information, please visit <https://www.nuix.com/investors>