



ASX RELEASE

17 August 2022

FY22 RESULTS – STRONG GROWTH, STRONG CASH POSITION

Nearmap Ltd (NEA:ASX) is pleased to announce its financial results for the year ended 30 June 2022 (FY22). 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 **\$159.9m, at the top of initial FY22 guidance of \$150m-\$160m** (30 June 2021: \$128.2m)¹. This represents 25% year-on-year growth and was driven by continued strong performance from the North American business.

GROUP PERFORMANCE HIGHLIGHTS

- Reported ACV portfolio at 30 June 2022 of \$167.6m, 31% portfolio growth on the prior comparative period (pcp)²
- Balance Sheet strength maintained with a Group cash balance as at 30 June 2022 of \$93.7m
- Group cash outflow <\$20m in FY22 (initial guidance of \$30m) in support of leading Research & Development (R&D) initiatives primarily related to HyperCamera3, Nearmap AI and delivering vertical solutions for customers³
- Roofing, Insurance & Government verticals contributed 57% of North American IACV, demonstrating the continued successful execution of the core industry vertical strategy
- Reported statutory revenue of \$145.9m (\$143.6m on a CC basis), growth of 29% on the pcp (FY21: \$113.4m)
- Reported statutory loss after tax of (\$30.8m) (FY21: (\$18.8m)); underlying loss after tax of (\$20.4m) which excludes the impact of the litigation in the U.S District Court
- 73% of the portfolio (\$122m) now relates to subscriptions incorporating premium content, a 45% increase on the pcp (FY21: \$84.6m)

Commenting on the performance, Chief Executive Officer and Managing Director, Dr Rob Newman, said “Nearmap has produced another strong set of results, validating the razor-sharp focus we have on our strategy. Our team continues to successfully execute to this strategy, delivering consistently strong growth from our core industry verticals. We have now clearly established our market leadership position in the North American market and continue to extend our market leadership position in Australia & New Zealand. With the efficiency and productivity gains our content delivers, combined with the increased uptake of our premium content, we are seeing excellent levels of engagement and satisfaction from our customers.”

¹ FY22 guidance was based on the 30 June 2021 USD exchange rate of 0.7518 as outlined at the time guidance was issued

² Reported Group ACV portfolio calculated using 30 June 2022 exchange rate of A\$1 = US\$0.6889, C\$0.8885 and NZ\$1.1088

³ Excludes the impact of the litigation in the U.S District Court

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Dr Newman added “We’ve delivered these results with a disciplined approach to cash management, ending FY22 in a strong position with \$94 million of cash on the balance sheet and no debt. Excluding the impact of the litigation expense related to the U.S District Court, which I would reiterate continues to have no operational impact on our business, we consumed less than \$20m of cash in FY22, lower than initial guidance of \$30m. This ensures Nearmap is well positioned to continue defending ourselves against these fundamentally meritless allegations and drive even greater success by becoming an even more trusted partner to our customers.”

FY22 FINANCIAL AND OPERATIONAL OVERVIEW

NORTH AMERICA (NA) – 45% ACV PORTFOLIO GROWTH

- ACV portfolio at 30 June 2022 of US\$64.3m (30 June 2021: US\$44.5m) representing 45% portfolio growth on the pcp. In another record year for the NA business, incremental ACV of US\$19.8m was almost equivalent to the total NA ACV portfolio at 30 June 2020
- Sales Team Contribution Ratio (STCR) of 99% (FY21: 110%) with strong performance across all sales teams and customer segments, further validating the refined go-to-market vertical strategy⁴
- Retention of 93.3% (FY21: 93.5%) and Net Revenue Retention of 120% (FY21: 127%) reflect a strategic decision not to renew a customer subscription (adjusted would have delivered 97.1% and 124%)
- Closing subscriptions of 2,716 (FY21: 2,240), growth of 21%, with Average Revenue Per Subscription (ARPS) increasing 19% to US\$23,662 (FY21: US\$19,844)
- Pre-capitalisation gross margin of 54% (FY21: 50%), with margins increasing year-on-year in spite of an expansion of the U.S coverage program from 71 to 80% of the population
- NA ACV portfolio now comprises 56% of the Group ACV portfolio, an increase from 46% at 30 June 2021

AUSTRALIA & NEW ZEALAND (ANZ) – MARKET LEADERSHIP CONTINUES TO EXTEND

- ACV portfolio at 30 June 2022 of \$74.3m (30 June 2021: \$69.1m), representing 8% portfolio growth on the pcp with \$5.3m of incremental ACV a further extension of the Company’s market leadership position (FY21: \$4.6m)
- Continued strong ACV growth from the SME portfolio, demonstrating the benefit of a scalable and repeatable Sales & Marketing engine
- Retention of 93.1% (FY21: 92.3%) and STCR of 46% (FY21: 49%) continues to be impacted by Enterprise sales performance; a General Manager for ANZ has now been hired to drive a refined go-to-market strategy similar to the vertical model implemented with great success in North America.
- Closing subscriptions of 9,426 (FY21: 9,015), with 411 net new subscriptions added (FY21: 413) with ARPS increasing to \$7,886 (FY21: \$7,663); future upside opportunity through deeper premium content integration
- Consistently high pre-capitalisation gross margin of 91% (FY21: 92%)

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

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GROUP – STRENGTH ACROSS KEY METRICS MAINTAINED

- Incremental ACV growth of \$39.4m (\$31.7m on a CC basis) driven by record growth from the North American portfolio reflecting the ongoing successful execution of the go-to-market strategy
- Retention of 93.0% (FY21: 93.1%); ongoing focus to maintain customer experience and retention
- Global subscriptions increased 8% to 12,142 (FY21: 11,255) and ARPS increased 21% to \$13,805 (FY21: \$11,391)
- STCR of 85% (FY21: 89%); continuing strong sales efficiency during a period of Sales & Marketing investment
- Reported Group EBITDA of \$16.6m (FY21: \$24.3m) and EBIT of (\$33.5m) (FY21: (\$20.8m)), with **underlying Group EBITDA of \$27.0m and EBIT of (\$23.1m)**⁵
- 43% of the Group ACV portfolio has a multi-year subscription (FY21: 42%) reflecting strength and stability of the ACV portfolio

Commenting on the results, Chief Financial Officer, Ms Penny Diamantakiou, said “Nearmap has delivered another strong performance in FY22, validating the strength of our underlying business model and our vertically aligned strategy.

“FY22 has been a year of continued investment in building our systems and processes to support the scaling of our business and as we continue to grow there is more to do.

“We continue to foresee the pathway to positive operating leverage in FY23. Our gross margins remain robust and together with an increase in the North American capture program to cover 80% of the population (FY21: 71%), the efficiency of our capture program enabled by our world leading aerial camera systems has ensured we were able to continue to expand our gross margin in North America to 54% (FY21: 50%), an outstanding achievement.”

Ms Diamantakiou, added “We’ve delivered this performance whilst maintaining a disciplined approach to our cost base - this has also assisted in solidifying the financial strength of our balance sheet. In FY23 we will remain conscientious of prioritising our key initiatives whilst continuing to adopt a rigorous process that demonstrates a clear return on our investment. This ensures we can continue to develop our world leading content for our customers whilst maintaining a strong and healthy margin and balance sheet position.

FY23 OUTLOOK

Commenting on the outlook for the Company, Dr Newman said "FY23 represents a year of execution for Nearmap. We will continue the roll out of our world leading aerial camera systems, HyperCamera3, with five systems targeted for production and delivery to North America in the first half of FY23. We will continue to invest in technology, delivering tailored industry vertical solutions for core growth verticals and more Nearmap AI solutions to customers, further extending our technology leadership position. We will remain focused on our strategy, successfully driving further growth from our ACV portfolio and we remain on track to generate positive free cash flow in FY24. I am confident in the outlook for our business as we remain focused on extending our global leadership in subscription-based location intelligence.”

At 9:30am AEST Chief Executive Officer Dr Rob Newman and Chief Financial Officer Ms Penny Diamantakiou will host an investor briefing to comment on the results. Please find a link to the webcast which will require registration and activate 30 minutes prior to the commencement of the briefing:

https://event.webcasts.com/starthere.jsp?ei=1561799&tp_key=ca72bdef1b

⁵ Underlying EBITDA and EBIT excludes the impact of the litigation in the U.S District Court



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 | www.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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