

# ASX release

24 August 2015

## NEARMAP LAYS SOLID FOUNDATION FOR FURTHER GROWTH

**24 August 2015 – SYDNEY** - nearmap Ltd (ASX: NEA), is pleased to announce its results for the year ended 30 June 2015 (FY15), with the Company reporting revenue of \$23.6M, up 32% on corresponding prior year revenue of \$17.8M.

CEO Simon Crowther said that the results were an endorsement of the value add that the nearmap platform brings to customers.

“The revenue growth was driven by the growth in the market that we are defining and in many ways creating. It came from increased market share as more customers appreciate our value proposition, and it was underpinned and supported by continued high renewals.”

### FY15 Financial Overview

#### *Australia*

- Revenue up 32% to \$23.6M (FY14: \$17.8M)
- Gross profit up 36% to \$20.7M (FY14: 15.2M)
- Gross margins of 88% (FY14: 85%)
- EBIT of \$14.8M (FY14: \$12.4M)

#### *United States*

- \$11.3M investment in expansion, operations and capture
- Fully funded by internal cash resources
- \$3.2M investment in sales and marketing
- \$6.2M investment in survey operations

#### *Group*

- Strong balance sheet with no debt
- Cash balance of \$17.2M (30 June 2014: \$23.3M)
- R&D tax rebate of \$1.8M received post year end
- EBIT of \$0.6M (FY14: \$3.5M)

### About nearmap

Built around proprietary PhotoMaps™ aerial imagery technology, nearmap is a visual analytics company with a focus on empowering businesses with timely and reliable information on which to make decisions quickly and with confidence. Our breakthrough technology enables imagery to be updated much more frequently than other providers. With populations of multiple countries covered regularly, nearmap is changing the way governments, companies and communities see their world.

### Further Information

#### Investors

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## FY15 Operational Overview

- Expanded into the US and made first commercial sales, ahead of guidance
- Announced an initial US plan to capture 100M people in FY15 on a budgeted spend of \$8M. As a result of operational efficiencies achieved by using HyperCamera, we have since captured over 170M people while coming under budget by \$1.8M
- Launched HyperCamera – Federal Aviation Administration (FAA) approved new aerial camera system designed to fit in the cabin of any aircraft with a standard camera hole
- Launched nearmap Insurance – visual analytics solution designed to give insurers a competitive advantage when assessing risk and managing claims
- Launched nearmap Construction – construction planning solution with precise site information to map, measure and monitor progress of a build. It also provides for volume estimation

Commenting on the FY15 result, Mr Crowther said that high margins, coupled with a strong balance sheet fund nearmap's growth domestically and in America.

"We are pleased with this strong set of results. Our consolidated summary is a tale of two regions: Australia, where we are growing and generating high margins and the U.S, where we are investing for substantial growth and beginning to generate our first commercial sales.

"At a group level it is pleasing to see subscription revenues grew to \$23.4M, a 34% increase on FY14.

"Showing the leverage in our business model, gross profit in Australia increased by 36% to \$20.7M and gross profit margins increased by 3 percentage points to 88%."

## Outlook

In commenting on the outlook for the business, Mr Crowther said the Company sees compelling growth opportunities in the aerial imaging market in Australia and beyond.

"First the market overall is growing strongly. More uses for rich maps are being devised. Second, penetration within existing customers is rising, which is a focus of our sales team. Third we see growth in upselling as customers need more data and features on their maps and trade up to more sophisticated offerings. And fourth we see strong growth from new product development. These new products are also generating increased awareness and demand."

Mr Crowther also commented on the revenue run rate for Australia and the US:

“Over two years ago we set our Australian revenue run rate target at \$30M - \$50M to be achieved by December 2015. This target was as much for our own internal purposes to galvanize the firm into action as it was to guide investors to what we could generate in revenues by that date.

“Today we are narrowing that revenue run rate guidance range. We now expect the Australian revenue run rate to be between \$28M - \$32M by December 2015.

“This is around the previous lower end of guidance. This is not an indication of the total market size or the point at which the market matures. Quite the contrary. We expect substantial further revenue growth over the coming years. We are simply recalibrating for a point in time.

“In the US we have made enormous progress since starting there last October. We are completely focussed on growing sales and are encouraged by the pipeline that is building. We reaffirm our aspirational revenue run rate target of USD\$30M - \$50M by December 2017.”

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