




# H1 FY2020 results

## 20 February 2020

Urbanise.com Limited  
ABN 70 095 768 086



A modern, multi-story apartment building at night. The building features a mix of light-colored panels and large glass windows. Many of the windows are illuminated from within, showing warm interior lights. Some balconies have glass railings and are also lit. The building is set against a clear blue night sky. In the foreground, there is a paved area, possibly a driveway or walkway, and some low-lying greenery. A small tree is visible near the base of the building. The overall scene is well-lit, with a combination of the cool blue tones of the night sky and the warm yellow/orange tones of the building's interior lights.

**Urbanise is a leading  
provider of industry-specific  
cloud-based SaaS platforms  
to strata & facilities  
managers across the globe**

# Agenda

1

H1 FY2020 Result Overview – Saurabh Jain, CEO

2

Urbanising the world – Saurabh Jain, CEO

3

H1 FY2020 Financial Overview – Simon Lee, CFO

4

FY2020 Outlook – Saurabh Jain, CEO



# H1 FY2020 Result Overview



# H1 FY2020 Result Summary

Financial summary	1H FY2020	1H FY2019	change
Revenue	\$4,560k	\$3,885k	17.4%
Licence Revenue	\$3,799k	\$2,846k	33.5%
Operating Expenses	\$5,846k	\$5,582k	4.7%
EBITDA Loss <sup>1</sup>	\$1,286k	\$1,697k	-24.2%
Net Loss	\$2,063k	\$2,210k	-6.7%
Average Monthly Cash Used	\$218k	\$327k	-33.3%
Cash end period	\$4,591k	\$4,925k	-6.8%

Key operational metrics	Dec 2019	Dec 2018	change
Recurring revenue	83.3%	73.3%	10ppts
ARR <sup>2</sup>	\$7.85m	\$5.90m	33.1%
Backlog <sup>3</sup>	~\$1.60m		
Strata customers (lots) <sup>2</sup>	~320k	~278k	15.1%
Facilities Users <sup>2</sup>	~2.21k	~1.25k	76.8%

- Strong revenue growth driven by 33.5% increase in licence revenue
- ARR for the month of December 2019 was 33.1% higher vs pcip
- Operating expenses were marginally higher due to increased hosting costs & general cost inflation
- Reduction in EBITDA loss due to strong revenue growth & stabilised cost base
- Strong revenue backlog & implementation progression during H1 FY2020

# H1 FY2020 Business Highlights



## Strong growth in licence revenue

- 33.5% growth in licence fees vs pcip
- 83.3% of revenue is recurring licence fees



## ARR driven by growth in lots & users billed

- ARR increased by 33.1% vs pcip
- Strata lots increased by 15.1% vs pcip
- Facilities users increased by 76.8% vs pcip



## Reduction in cash used

- Better working capital management
- Cost base stable post restructure in Q1 FY2019
- Disciplined investment for growth



## Strong backlog

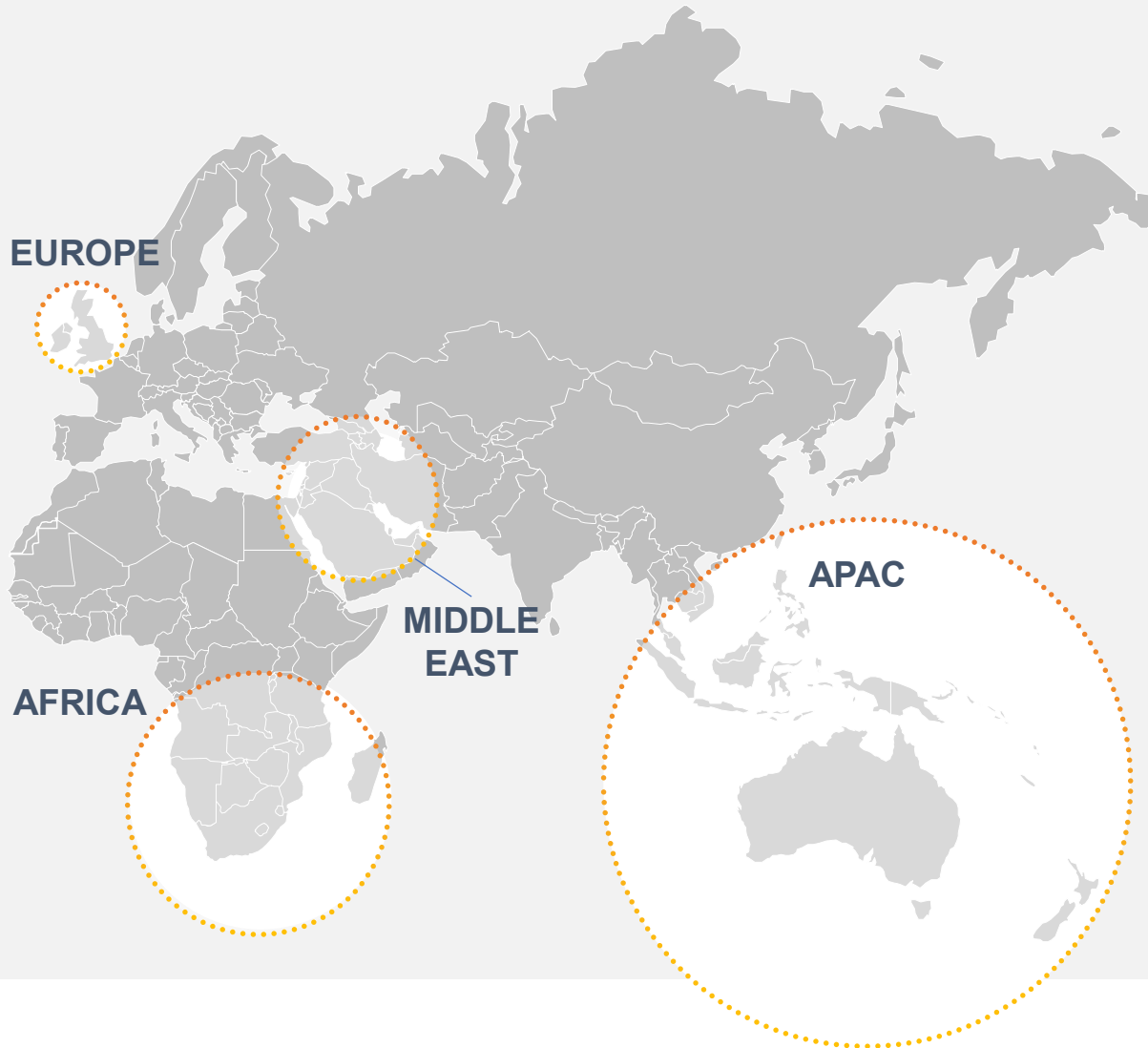
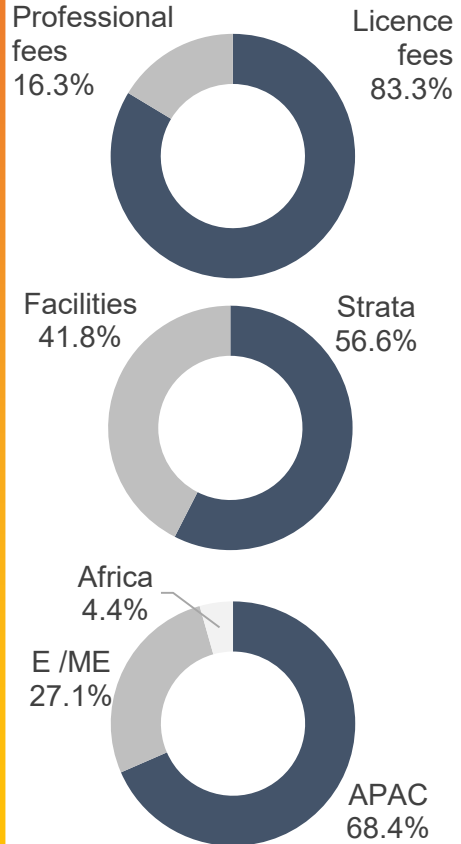
- Backlog of \$1.60m including ~270k strata lots & 4 new Facilities contracts

# Urbanising the world



# Transferable delivery model across global footprint

## H1 FY2020 revenue



**13**

**Current markets**

**~320k**

**Strata lots billed**

**~2.21k**

**Facilities users billed**

**83.3%**

**Recurring revenue**



# Leading provider of multi-tenant cloud-based software

SaaS  
subscription  
model

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Intuitive user  
experience

Broad  
Product suite

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Mobile app  
drives demand

Advanced  
AI & analytics

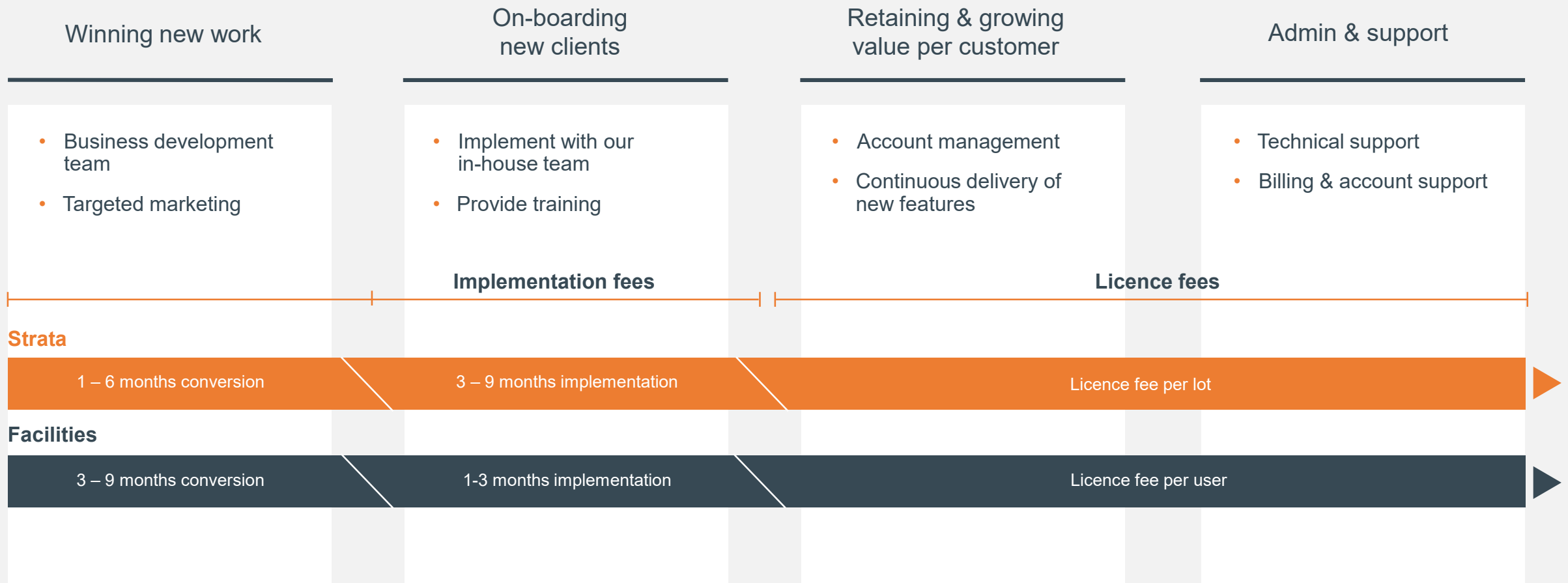
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Integrated strata  
& FM solution



Artificial intelligence,  
machine learning, analytics  
& integration capabilities  
are key differentiators

# Our customer lifecycle



# Facilities Management Overview

## Our SaaS Platform

### Our customers

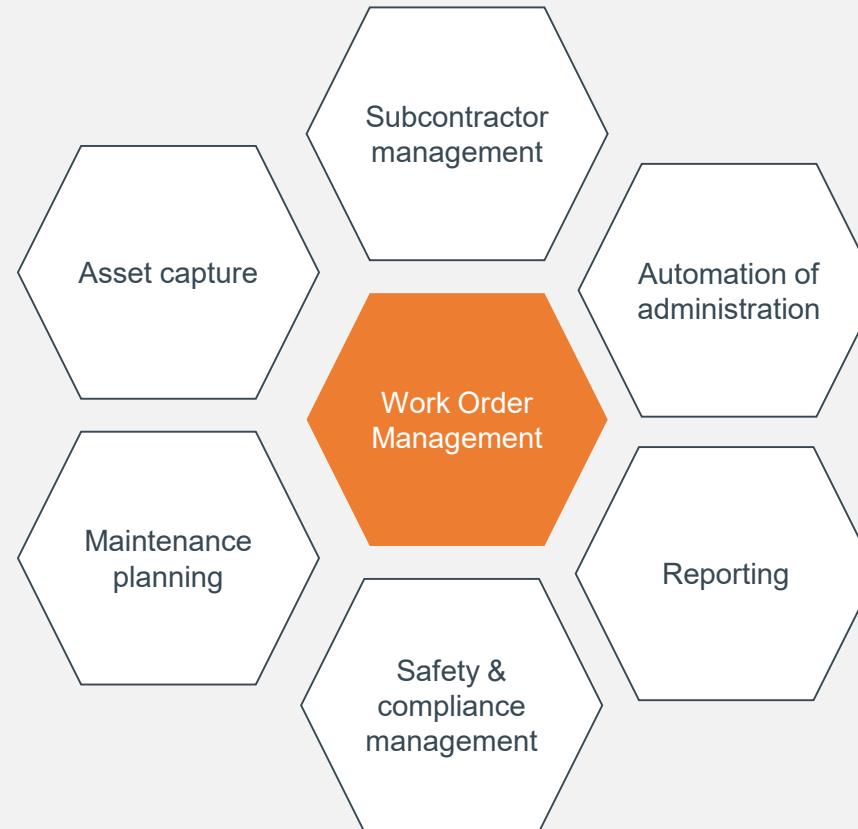
Tier 2 Facilities Management,  
Asset Owners, Strata

### What they want

- Reduce costs to manage assets, plan whole of life
- Transparency & accountability

### Enablers

- Cloud-based – new features easily released
- Integrations to automate data management & functionality



### Revenue generators

Licences for each user on our platform:

- Contractors in the field
- Desktop users in the office

Implementation:

- Configuration (on-boarding & customisation)

### Growth drivers

- Network effect – as client footprint grows, we grow
- More features leads to more value delivered & more revenue



# Network effect drives facilities management revenue

As facilities management customer adds clients & subcontractors, our revenue grows



# Strata Overview

## Our SaaS platform

### Our customers

Strata managers

### What they want

- Manage financial & legislative requirements of strata schemes
- Provide services to their strata members

### Enablers

- Cloud-based – new features easily released
- Integrations to automate data management & functionality



### Revenue generators

Licence for each strata member ('lot') on our platform

Implementation:

- Configuration (on-boarding & customisation)
- Migration of data

### Growth drivers

- As client lot footprint grows, we grow
- Integrating external services into our e-services platform
- Increasing demand for cloud-based platforms

# Strata community app



Popular with  
landlords & tenants,  
the strata mobile app  
increases the  
'stickiness' of our  
customer

# Market opportunity driven by industry & global trends

## Macro trends support LT growth



- Increasing regulation of strata & facility management driving demand for accurate, transparent information delivered in real-time
- Scale platform across multiple markets as Australian strata legislation is implemented in other countries
- Increased facilities management outsourcing & strata consolidation driving demand for multi-tenant functionality, mobility, automation & analytics
- Growing demand for integrated facilities management & strata offering in Middle East likely to be replicated across other markets

## Multiple business growth drivers



- Unique cloud-based, multi-tenant platform
- Scalable operating model with high customer retention
- Global expansion driven by multi-market presence & multi-national customer base
- Network effect as customers add clients & subcontractors
- Only provider of integrated facilities management & strata solution
- Inclusion of third party product & features on UBN platform (eg. Stratavote)



# H1 FY2020 Financial Overview



# H1 FY2020 Key Metrics

Continuing ARR growth as Urbanise implements backlog & builds FM presence



Strong growth in strata lots & ARR over the period. PICA implementation continued to progress



Growth in Facilities users & ARR highlight rapid customer take up & network effect



Estimated backlog of \$1.60m at 1 Jan 2020

	Month of Jun 2018	Month of Dec 2018	Month of Jun 2019	Month of Dec 2019	Backlog as at 1 Jan 2020
<b>Strata lots</b> <b>Strata ARR*</b>	~212k \$3.28m	~278k \$3.95m	~300k \$4.36m	~320k \$4.66m	~270k lots <b>Est. ~\$1.30m</b>
<b>Facilities users</b> <b>Facilities ARR*</b>	~0.76k \$1.21m	~1.25k \$1.95m	~1.84k \$2.77m	~2.21k \$3.19m	4 new contracts <b>Est. ~\$0.30m</b>
<b>Total ARR*</b>	<b>\$4.49m</b>	<b>\$5.90m</b>	<b>\$7.13m</b>	<b>\$7.85m</b>	<b>Est. ~\$1.60m</b>

# H1 FY2020 Financial Summary

Strong licence fee growth, reduced EBITDA loss

\$000s	H1 FY2020	H1 FY2019	Var	Var %
Licence fees	3,799	2,846	953	33.5%
Professional fees	745	925	(180)	-19.5%
Other revenue	15	114	(99)	-86.8%
Total revenue	4,560	3,885	675	17.4%
Operating expenses	(5,846)	(5,582)	(264)	4.7%
EBITDA	(1,286)	(1,697)	411	-24.2%
Depreciation and amortisation	(713)	(600)	(113)	18.8%
Foreign exchange (loss)/gain	(56)	80	(136)	-170.0%
Other income	4	7	(3)	-42.9%
Interest expense	(11)	(0)	(11)	n/a
Net loss	(2,063)	(2,210)	147	-6.7%

- Licence fee revenue increased by 33.5% vs pcp
- Decrease in professional fees due to one-off development fees in FY2019 associated with PICA rollout
- Revenue increased by 17.4% vs pcp
- Expenses were up 4.7% due to:
  - IT hosting costs scaling with revenue
  - General cost inflation
- Higher amortisation reflected increase in capitalised development costs & the impact of AASB 16

# H1 FY2020 Facilities Management Summary

## Network effect drives strong licence fee growth

\$000s	H1 FY2020	H1 FY2019	Var	Var %
Licence fees	1,455	802	653	81.4%
Professional fees	448	377	71	18.8%
<b>Total revenue</b>	<b>1,904</b>	<b>1,179</b>	<b>725</b>	<b>61.5%</b>

<b>Licence fees % total</b>	<b>76.4%</b>	<b>68.0%</b>		
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	Month of Dec 2019	Month of Dec 2018	Var	Var %
Facilities users billed	~2.21k	~1.25k	~0.96k	76.8%
ARR*	\$3.19m	\$1.95m	\$1.24m	63.6%

	As at 1 Jan 2020
Backlog	~\$0.30m

- 81.4% increase in licence fee revenue due to implementation of new customers & expanded reach of facilities managers
- 18.8% increase in professional fees reflects implementation revenue associated with onboarding of new customers
- 61.5% increase in total revenue reflects strategic focus on facilities management outsourcing companies & associated network effects
- Backlog as at 1 January 2020 includes 4 new contracts estimated at \$0.30m in annual licence fee revenue



# H1 FY2020 Strata Summary

Strong licence revenue growth and major client implementation continues

\$000s	H1 FY2020	H1 FY2019	Var	Var %
Licence Fees	2,282	1,966	316	16.1%
Professional fees	297	535	(238)	-44.5%
<b>Total revenue</b>	<b>2,579</b>	<b>2,501</b>	<b>78</b>	<b>3.1%</b>

<b>Licence fees % total</b>	<b>88.5%</b>	<b>78.6%</b>
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	Month of Dec 2019	Month of Dec 2018	Var	Var %
Strata lots billed	~320k	~278k	~42k	15.1%
ARR*	\$4.66m	\$3.95m	\$0.71m	18.0%

	As at 1 Jan 2020
Backlog	~\$1.30m

- Recurring licence revenue was up 16.1% driven by onboarding of new customers
- Total backlog as at 1 January 2020 estimated at \$1.30m
- Lower professional fees reflected the inclusion of one-off development fees in pcip related to onboarding of a major client

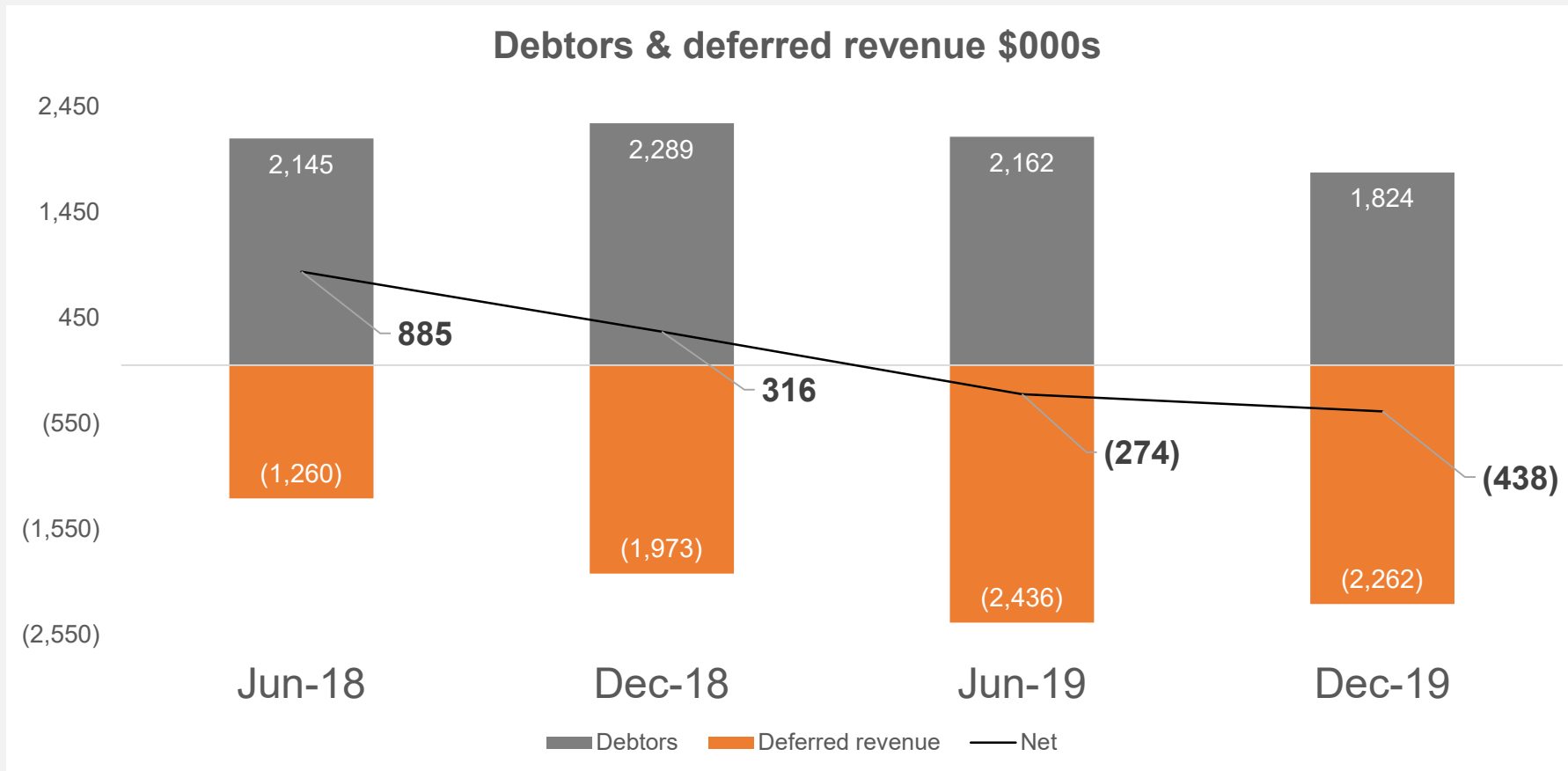
# H1 FY2020 Cash Flow

Strong cash position, reduction in cash burn vs pcg

\$000s	H1 FY2020	H1 FY2019
<b>Cash at 30 June</b>	<b>3,702</b>	<b>3,072</b>
Receipts from customers	4,990	4,634
Payments to suppliers and employees	(5,719)	(6,239)
Interest	(7)	6
<b>Net cash used in operating activities</b>	<b>(736)</b>	<b>(1,599)</b>
Payments for equipment	(108)	(21)
Payments for intangibles / capitalised development	(473)	(347)
<b>Net cash used in investing activities</b>	<b>(581)</b>	<b>(368)</b>
Net proceeds from placement/capital raise	2,197	3,813
<b>Net increase in cash and cash equivalents</b>	<b>879</b>	<b>1,846</b>
Effect of movement exchange rates on cash balances	10	7
<b>Cash at 31 December</b>	<b>4,591</b>	<b>4,925</b>
<b>Average monthly cash used excl. placement/ capital raise</b>	<b>218</b>	<b>327</b>

- Average monthly cash used of \$218k in H1 FY2020 (H1 FY2019: \$327k) excluding proceeds from the recent institutional placement
- Payment for intangibles reflected capitalised development costs of \$473k during the half related to strata. Facilities development costs are fully expensed as are the majority of strata development costs
- Cash held at 31 December of \$4.59m includes net proceeds of \$2.20m from an institutional-led private placement completed during the first half

# Working capital trends negative



- Continued progress to reduce outstanding debts from customers
- Advance billings (quarterly & annually) recognised as deferred revenue drive advance payments
- Net effect is shift in working capital from positive to negative

# H1 FY2020 Balance Sheet

\$000s	31-Dec-19	30-Jun-19
Cash and cash equivalents	4,591	3,702
Trade and other receivables	1,824	2,162
Other assets	584	796
<b>Total current assets</b>	<b>7,000</b>	<b>6,660</b>
Property, plant and equipment	204	135
Development	2,355	2,131
Goodwill and other intangibles	7,715	8,100
Right of use asset	252	0
Other assets	52	52
<b>Total non-current assets</b>	<b>10,578</b>	<b>10,418</b>
<b>Total assets</b>	<b>17,577</b>	<b>17,078</b>
Trade and other payables	(1,268)	(1,154)
Provisions	(533)	(600)
Lease liabilities	(81)	0
Deferred revenue	(2,262)	(2,436)
<b>Total current liabilities</b>	<b>(4,144)</b>	<b>(4,190)</b>
Provisions	(74)	(26)
Lease liabilities	(170)	0
<b>Total non-current liabilities</b>	<b>(245)</b>	<b>(26)</b>
<b>Total liabilities</b>	<b>(4,389)</b>	<b>(4,216)</b>
<b>Net Assets</b>	<b>13,188</b>	<b>12,863</b>
Issued capital and contributed equity	100,091	97,635
Employee Share Option Reserve	963	2,608
Foreign currency translation reserve	(561)	(539)
Accumulated losses	(87,305)	(86,841)
<b>Total equity</b>	<b>13,188</b>	<b>12,863</b>

## Positive cash balance, zero debt

- Net cash position of \$4.59m at end of first half reflects recent institutional placement
- 15.6% reduction in trade & other receivables reflecting improvement in collections
- Deferred revenue relates to advance billings ranging from 3 months to a year in advance & revenue is recognised over the appropriate period
- Adoption AASB 16 Leases requires recognition of 'right of use asset' & corresponding liability (included in current & non-current provisions) for leased assets with a term greater than 12 months. These relate mostly to property leases for the group
- Development increased by 10.5% reflecting investment in strata platform and automation of on-boarding process



# Impact of AASB 16 'Leases'

The impact of the adoption of AASB 16 'Leases' (AASB 16) from 1 July 2019 on Urbanise's financial statements is set out below. There is no adjustment to prior year comparatives.

## **PROFIT & LOSS**

Net impact of AASB 16 on the Profit & Loss for H1 FY2020 is nil.

AASB16 impact broken down by:

- \$49k lease expense removed from rental expense
- \$40k additional depreciation expense relating to the Right of Use Assets
- \$9k additional interest expense relating to the Lease Liabilities

## **BALANCE SHEET**

- Difference between recognition of assets & liabilities as a result of AASB 16 was nil
- Total recognised Right of Use Assets of \$252k & Lease Liabilities of \$252k as at 31 December 2019

## **CASH FLOW**

- \$9k interest expense is disclosed as interest paid. Nil impact to net cash flow

# FY2020 Outlook



## Transformation continues

- Focus remains on licence revenue growth & increasing recurring revenue as a percentage of sales
- Maintain cost discipline & continue to reduce monthly cash used
- Strata team to continue PICA implementation & Facilities Management team to drive organic growth
- Build on existing presence in South East Asia



# Q&A



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