



MARKET RELEASE

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Nuix Announces FY23 Results and Nuix Neo Update

Sydney, Australia – Global software company Nuix ('the Company', ASX: NXL) announces its preliminary results for the full year ended 30 June 2023 in line with the recent trading update. Nuix also today updates the market on the progress of Strategic Refresh initiatives, including Nuix Neo.

FY23 Results

- Annualised Contract Value (ACV) \$185.5m, up 14.5% on FY22
- Statutory Revenue \$182.5m, up 19.8% on FY22
- EBITDA \$34.9m, up 189.2% on FY22
- Underlying EBITDA \$46.4m, up 59.0% on FY22
- NPAT (\$5.6m), from (\$22.8m) in FY22

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 14.5% compared to the prior corresponding period (pcp). The ACV outcome is at the upper end of the guidance range provided in the trading update in July 2023.

All three reporting regions, specifically North America, EMEA and Asia Pacific, reported double-digit ACV growth for the year¹.

Subscription ACV, an important metric given its generally recurring nature, grew by 14.4%, to represent 92% of Total ACV.

Statutory Revenue rose by 19.8%, driven by a stronger trading performance in June and currency tailwind, as indicated in the July trading update. This rise in Statutory Revenue was despite a moderation of the proportion of multi-year deals to 30%, from 40% in FY22.

Underlying EBITDA, which excludes non-operational legal costs and Topos costs, rose 59.0% on pcp, to \$46.4 million.

¹ All regions reported double digit ACV growth in AUD. In constant currency, North America rose 9.1%, EMEA rose 11.2% and APAC rose 14.2%.



As previously flagged, non-operational legal costs were lower during the year compared to the prior year. This impact, along with revenue growth and general cost containment, meant Statutory EBITDA was materially higher than the prior corresponding period, up 189.2% to \$34.9 million.

Customer churn remained stable, falling slightly to 5.3%, from 5.4% in the previous corresponding period.

Net Dollar Retention (NDR) rose to 109.2% on lower customer churn, increased upsell to customers and currency benefits.

Nuix maintained elevated levels of research and development investment during the year, with total spend up 3% on foreign exchange movements. Important progress was made on critical projects including the development of Nuix Neo. As a proportion of revenue, research and development spend fell to 33%, compared to 38% in FY22.

Nuix recorded positive underlying cash flow of \$9.1m for the year, that is, cash flow before non-operational legal costs and acquisition and operating costs related to the Topos acquisition. This positive underlying cash flow was ahead of the company's stated aim of being underlying cash flow neutral for the full year.

The company ended the year with cash on hand of \$29.6 million and no debt.

Diversified Customer Base

Nuix's customer base is highly diversified with a generally long tenure. No individual customer represents more than 4% of ACV and the Top 20 customers combined account for 33% of ACV. Around 85% of ACV is generated outside Australia. 39% of ACV is derived from customers with a tenure over 10 years.

During the year, Nuix saw strong growth in Government ACV, along with continued demand from Law Firms for Nuix's Discover SaaS product, which grew ACV by 35.5% in the year.

Strategic Refresh Update

Group Chief Executive Officer Jonathan Rubinsztein provided further detail on the progress of Strategic Refresh initiatives, commenting:

"The strategic refresh agenda that we first articulated 18 months ago was built upon a greater focus on customer centricity and structured around three horizons of growth. I'm pleased to report that very significant progress has been made on projects across all three horizons.



Horizon 1 initiatives were implemented to drive near term business momentum and provide NuiX with a solid foundation for future growth. The key Horizon 1 initiatives we previously outlined are now at or near completion.

We have achieved our near term goals in relation to the new price book, improved renewal process, organisational restructure and the build out of the marketing function. These areas now enter into a continuous improvement operating cycle.

In addition, we will shortly complete our work on sales enablement optimisation and performance and reward alignment.

We are investing in our service offerings, which provide an opportunity to embed and refine upgraded service offerings as part of a standardised process, and will be an important part of our NuiX Neo rollout.

Important work is underway on modernising our licencing framework, aligning it with solution and data velocity in conjunction with NuiX Neo Solution offerings.

The Engineering team has continued to refine its project prioritisation, while the Fit for Growth program has further embedded operational efficiency discipline, yielding tangible cost optimisation and a pivot of spend towards areas of growth.

Lastly, I'm very pleased with the culture transformation that's underway, incorporating our new corporate values, promoting greater transparency and more frequent employee engagement and feedback cycles.

An enormous amount of work has taken place over the last year to deliver on these Horizon 1 initiatives, the outcomes of which are evident in today's result. Importantly, these initiatives now provide us with the foundation for further growth.

NuiX Neo™ Launch

As previously articulated, NuiX's critical Horizon 2 project is the development of a unified platform. Important work was undertaken during FY23, resulting in the launch of NuiX Neo in July 2023.

NuiX Neo is an AI-enriched single platform that helps customers identify, process and understand complex data in ways that are faster, easier and smarter.



Nuix Neo places market-leading Nuix processing at the heart of an integrated, solutions-focused platform. Accessed through a browser-based, collaborative interface, Nuix Neo includes end-to-end automation, investigative analytics and AI-enabled workflows.

Nuix Neo resets commercial relationships by accelerating customers' productivity, deployment flexibility and AI innovation in a fully integrated platform. Licencing is centred on a consumption-based subscription model allowing on-demand scalability, with deployment on premise or customer cloud.

Nuix Neo now becomes the foundation for specific use case solutions – the Horizon 3 objective we previously articulated. These use case solutions provide an easy to use, templatised, repeatable approach to specific customer needs.

The first use case solution, Data Privacy, was launched in July 2023 to Early Adopters. Nuix's Data Privacy solution provides users with forensic depth and defensibility to analyse sensitive data and protect businesses and customers. Use cases include cyber breach notification, data protection, personally identifiable information (PII) identification and regulatory compliance.

Data Privacy is the first use case solution underpinned by Nuix Neo. Over the course of FY24, we will also launch Investigations and Legal Processing solutions.

Nuix will partner with a small number of customer and partner Early Adopters in FY24 as solutions are released. These Early Adopters will receive dedicated expert services to accelerate and ensure smooth adoption.

We will work with customers on managed commercial pathways migrating to Nuix Neo via the multiple use-case specific solutions, with Nuix Neo pathway plans for customers beyond the Early Adopter group. Nuix Advantage subscriptions will offer right-sized customer support packages in addition to the solutions.

Nuix Neo and the associated solutions, starting with Data Privacy, are a step change in our customer offering and will provide the basis for growth in coming years.”



Outlook

Nuix provides the following commentary in relation to the outlook for FY24:

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 growth
- 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 FY23 results via webcast today at 10:00am (AEST).

To access the webcast, please use the following link:

<https://webcast.openbriefing.com/nxl-fyr-2023/>

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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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>