

# Aconex 2017 Annual General Meeting

Adam Lewis, Chairman and Leigh Jasper, CEO

8 November 2017



# Important notice

## Disclaimer

To the maximum extent permitted by law, none of the Aconex Group Limited or its subsidiaries or their directors, employees or agents accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied, is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects, statements or returns contained in this presentation. Such forecasts, prospects, statements or returns are by their nature subject to significant uncertainties and contingencies. Actual future events may vary from those included in this presentation.

## Summary information

This presentation is for information purposes only and is not a recommendation or advice in relation to Aconex or any product or service offered by Aconex or any of its subsidiaries. The information in the presentation is of a general nature only and is not intended to be relied upon as advice to investors or potential investors.

## Past performance

Past performance information, including past share price information, given in this presentation is given for illustrative purposes only and should not be relied upon as an indication of future performance.

## Future performance

Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

## Financial information

Certain financial data included in this presentation is 'non-IFRS financial information.' These measures are used internally by management to assess the performance of the business and make decisions on the allocation of resources and are included in this presentation to provide greater understanding of the underlying financial performance of the Group's operations. When reviewing business performance, this non-IFRS information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS. Readers are cautioned not to place undue reliance on any non-IFRS financial information and ratios included in this presentation. The non-IFRS information has not been subject to audit or review by Aconex's external auditor. The non-IFRS measures do not have any standard definition under IFRS and may be calculated differently by other companies.

## Market share information

All market share information in this presentation is based on management estimates and internally available information, unless otherwise indicated.

## Currency

All amounts in this presentation are in Australian dollars unless otherwise stated.

## No offer of securities

Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell Aconex securities in any jurisdiction.

## Reliance on third party information

The views expressed in this presentation contain information that has been derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. This presentation should not be relied upon as a recommendation or forecast by Aconex.

# Agenda

① FY17 results review

② Business performance

③ Strategy and outlook



# FY2017 highlights

#1

Strengthened global leadership position



Delivered financial results in line with guidance



Conject integration complete



Connected Cost launch



Investment for growth





# Delivering growth in line with guidance

Revenue<sup>1</sup>  
\$161.2m  
+31% YoY

- \$163.0m @ 31 Dec 16 fx<sup>2</sup>
- +36.4% @ constant fx<sup>1</sup>.

EBITDA<sup>3</sup>  
\$15.0m  
+10% YoY

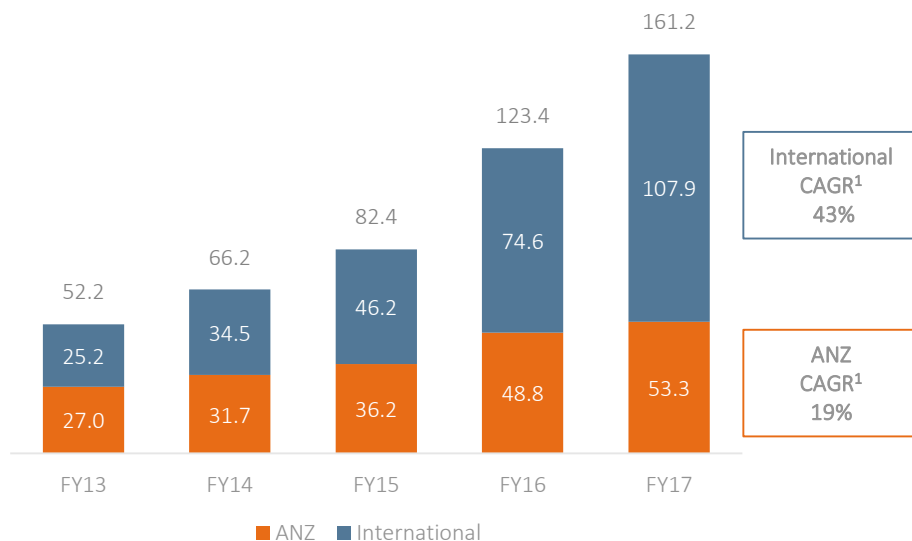
<sup>1</sup> Statutory actual revenue of \$161.2m. Revenue at constant currency FY16 to FY17 was \$168.4m.

<sup>2</sup> Revenue of \$163.0m at H1 FY17 actual plus H2 FY17 at 31 Dec 16 fx rates.

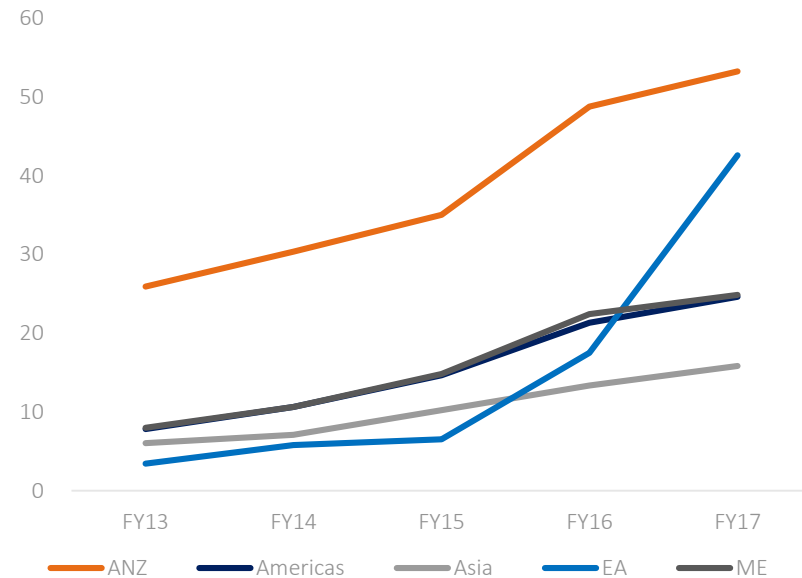
<sup>3</sup> For a full reconciliation of statutory results to NPAT from core operations please refer to Slide 19.

# International revenue increasing in line with growth strategy

Revenue - ANZ and International  
\$ millions



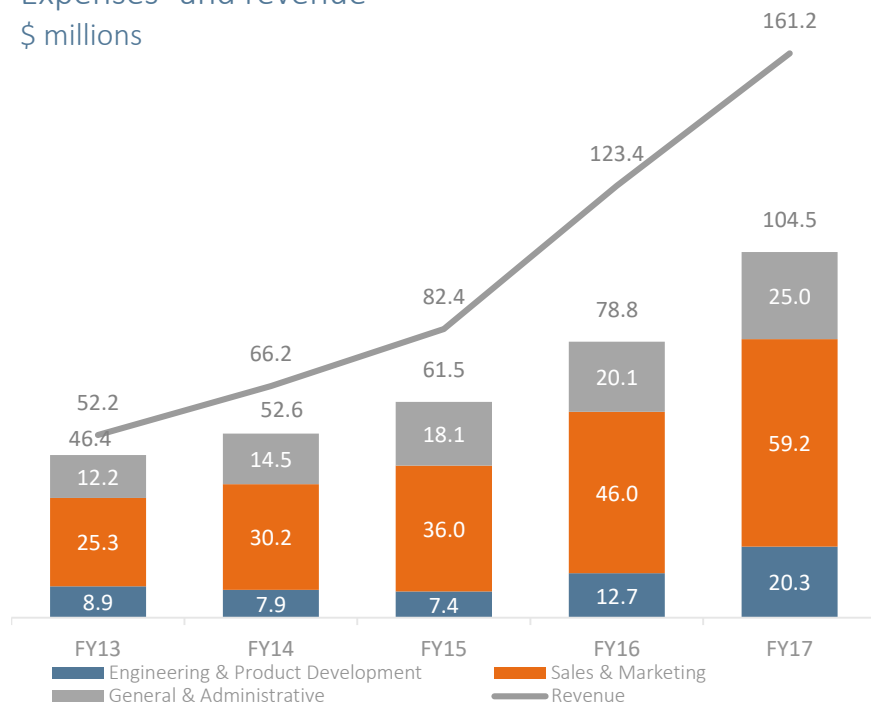
Revenue by region  
\$ millions



<sup>1</sup> CAGR: Compound Annual Growth Rate FY13 to FY17.

# Ongoing investment to support growth

Expenses<sup>1</sup> and revenue  
\$ millions



Expenses grew 33% YoY to \$104.5m:

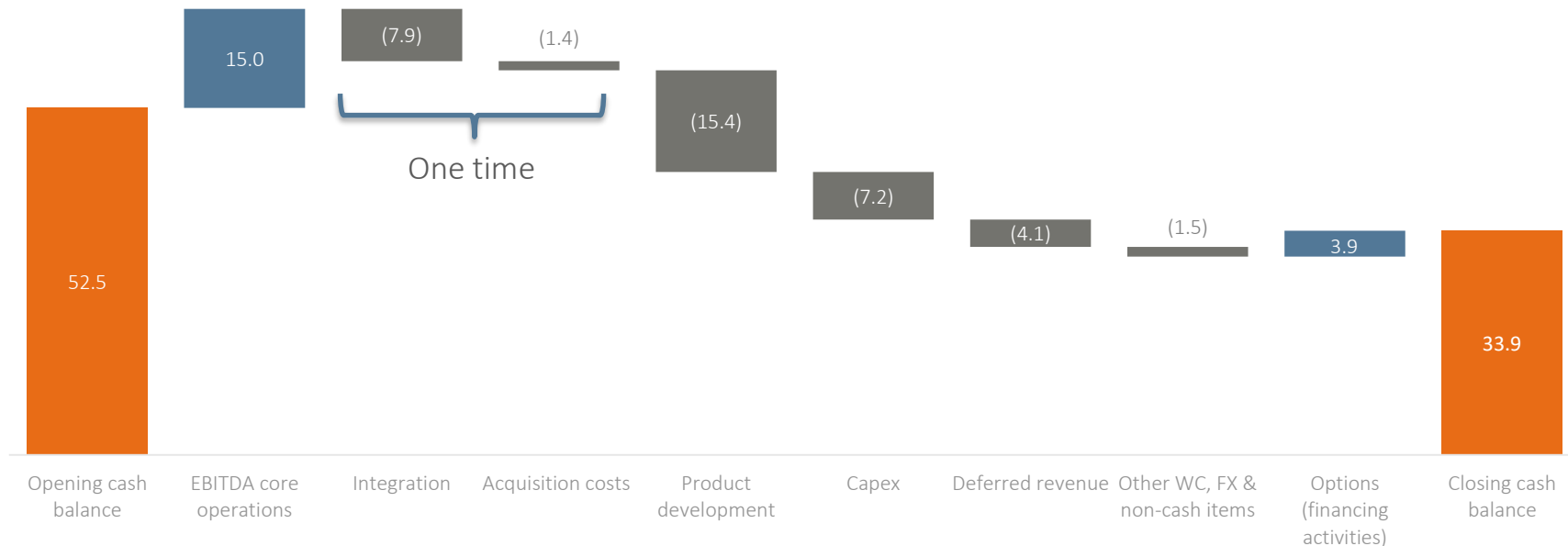
- Increased investment in sales and marketing by 29% to \$59.2m, to support growth.
- Engineering and product development increased 60% due to the addition of the Worksite and Conject engineering teams and subsequent product investment.
- G&A costs increased 24% YoY due to the Conject acquisition, key head office appointments and investment in operating systems to support management of growth.

<sup>1</sup> Excluding FX, depreciation and amortisation, acquisition and integration costs.

# Cash impacted by investment for growth

## Cashflow bridge<sup>1</sup>

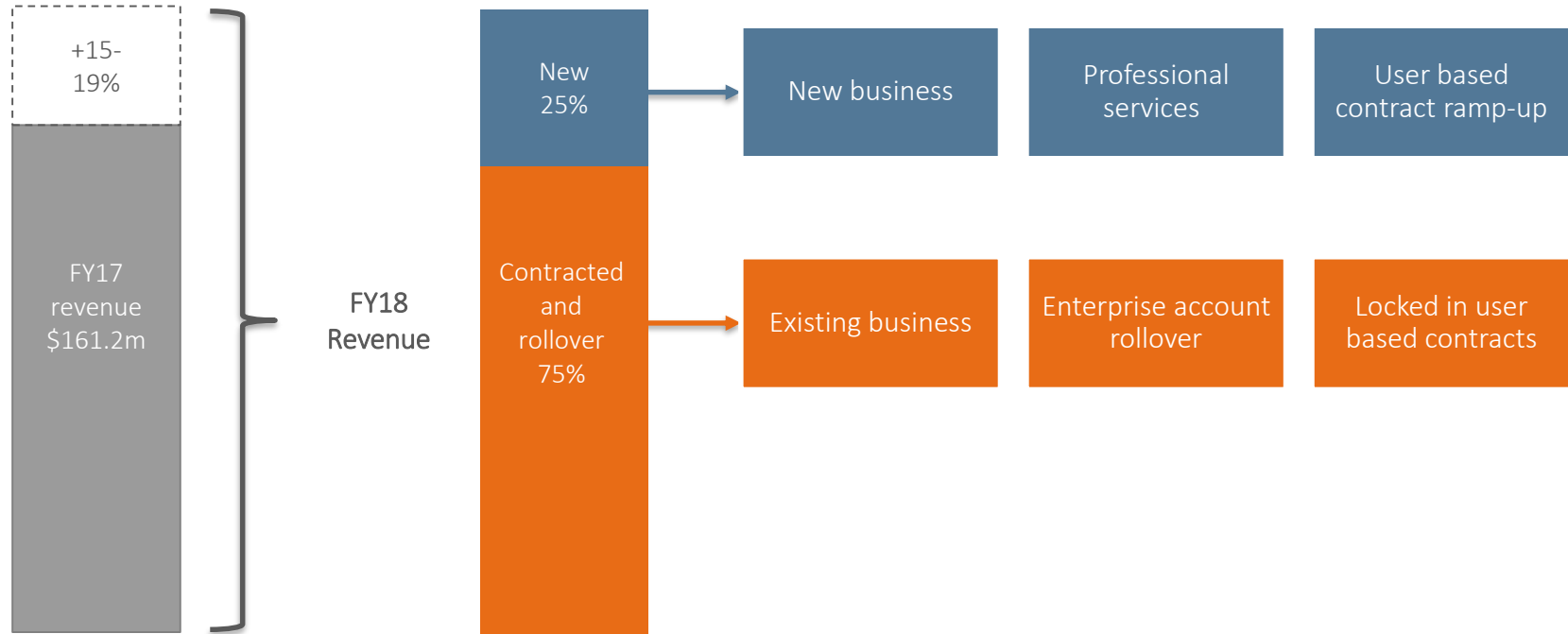
\$ millions



<sup>1</sup> Including restricted cash of \$2.9m.



# Forward revenue visibility is high at 75%



# Agenda

①

FY17 results review

②

Business performance

③

Strategy and outlook



# Growing our global customer network

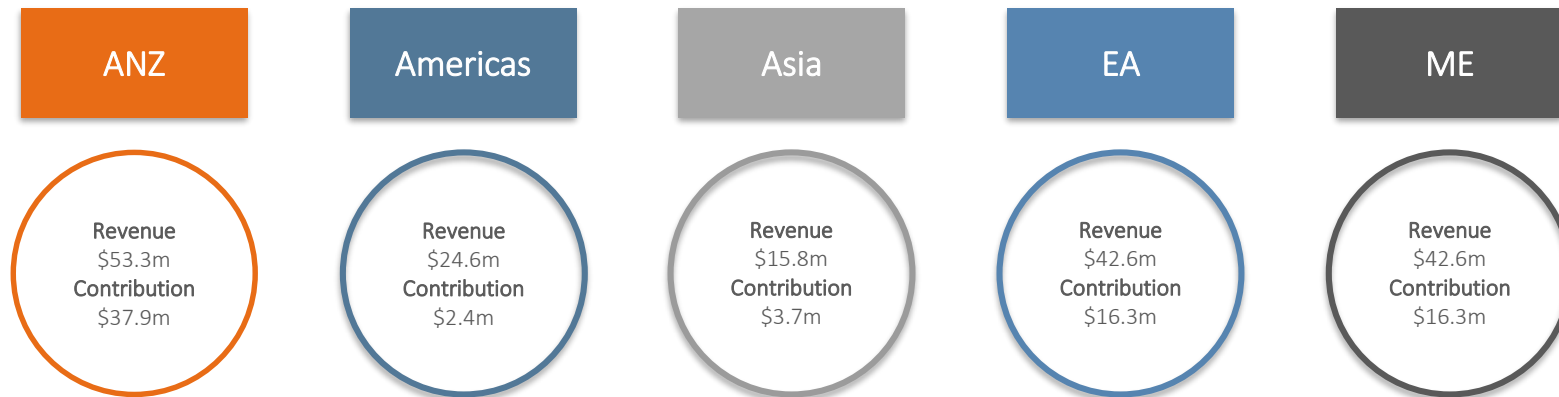


- Over one trillion dollars in project value across 70 countries.
- 5.4 million project users managing 2.6 billion documents<sup>1</sup>.
- More successful projects, controlling more data than any other platform.



<sup>1</sup> Documents and correspondence as at 1 November 2017.

# Strong performance in all regions



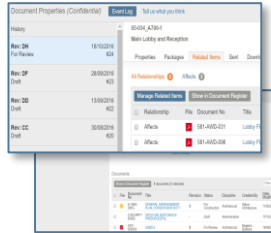


# Investing in new modules and functionality to drive yield

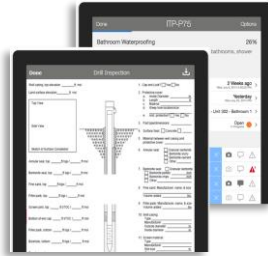
Connected  
Cost



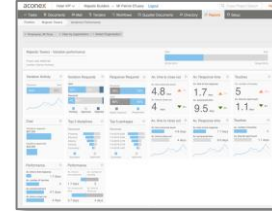
Packages



Field



Insights



Security



# Agenda

① FY17 results review

② Business performance

③ Strategy and outlook





# Large, underpenetrated market with growing adoption

Large and growing market



- The construction market is ~US\$9.5T<sup>1</sup>
- By 2030 construction will account for ~14.7% of global GDP<sup>1</sup>.

Positive industry dynamics



- Growing project size and complexity, e.g. mega projects 21% in 2014 from 4% in 2005<sup>2</sup>
- Delivery methods are changing e.g. D&C, PPPs, IPD
- Increasing compliance requirements
- Industry consolidation

Increasing technology adoption



- Move to cloud / SaaS
- Mobility/ field enablement
- BIM & model management
- Increasing security
- Connected devices (IoT)
- An explosion of data and insights

Significant opportunity



The #1 cloud collaboration platform for digital project delivery.

<sup>1</sup> Oxford Economics Global Construction 2030.

<sup>2</sup> Source: McKinsey & Company.

# Aconex is #1 and is uniquely positioned for growth

## Business model

The industry's most trusted platform – working with the world's leading construction companies

Experienced global team

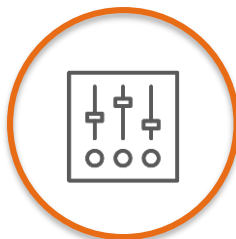


The best at connecting project teams:

- Largest network
- Complete neutrality



Broadest suite of applications



Most easily adaptable



Most secure



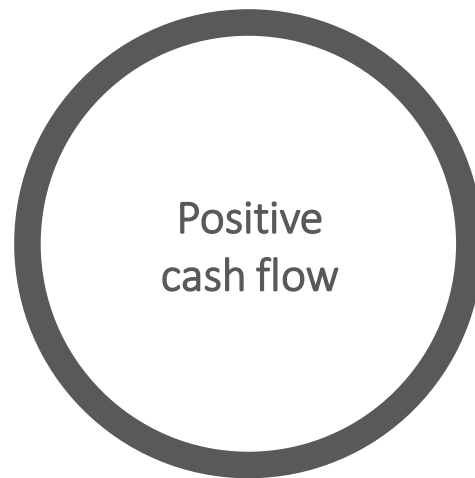
Open ecosystem



The leading service partner

Fully connected processes, creating the largest data set, to enable the deepest insights for our customers.

# FY18 Outlook – Maximising growth with positive cash



Medium to long term  
Revenue growth +20% and increasing EBITDA.

# Appendix

# Reconciliation of results from core operations to statutory results

\$ millions	2016	2017
<b>Significant items</b>		
Business acquisition and integration expenses	4.1	8.1
Foreign currency (gains) / losses	0.0	(0.7)
Amortisation of acquired intangibles	2.1	7.6
<b>Total significant items (pre-tax)</b>	<b>6.2</b>	<b>15.0</b>
Income tax benefit	(3.4)	0.0
<b>Total significant items (post-tax)</b>	<b>2.8</b>	<b>15.0</b>
<b>Reported EBIT</b>	<b>2.0</b>	<b>(10.5)</b>
Add: Significant items pre-tax	6.2	15.0
<b>EBIT from core operations</b>	<b>8.2</b>	<b>4.5</b>
Add: Depreciation and amortisation expense (excl. acquired intangibles)	5.4	10.5
<b>EBITDA from core operations</b>	<b>13.6</b>	<b>15.0</b>
<b>Reported net profit (loss) after tax</b>	<b>5.7</b>	<b>(10.0)</b>
Add: Significant items post-tax	2.8	15.0
<b>Net profit after tax from core operations</b>	<b>8.5</b>	<b>5.0</b>
<b>Reported net operating cash flows</b>	<b>6.7</b>	<b>2.6</b>
Add: Business acquisition and integration costs paid	2.1	7.9
Add: Payment of assumed Conject liabilities on acquisition	0.6	0.0
<b>Net operating cash flows from core operations</b>	<b>9.4</b>	<b>10.5</b>

# Financial summary - Half by Half

H1 results summary \$ millions	H1 FY16	H1 FY17	Change
Revenue	55.7	77.0	38%
Cost of revenues	(13.4)	(20.6)	54%
Gross profit	42.3	56.4	33%
Direct expenses (sales and marketing)	(20.9)	(28.3)	(35%)
Contribution margin	21.4	28.1	31%
Operating expenses	(14.6)	(20.7)	(42%)
EBITDA from core operations	6.8	7.4	9%
Depreciation expense	(0.9)	(1.5)	(57%)
Amortisation of internally generated software (ex acq intangibles)	(1.4)	(2.8)	(100%)
EBIT from core operations	4.5	3.1	(31%)
NPAT from core operations	4.6	3.5	(24%)

H2 results summary \$ millions	H2 FY16	H2 FY17	Change
Revenue	67.7	84.2	24%
Cost of revenues	(17.5)	(21.1)	(21%)
Gross profit	50.2	63.1	26%
Direct expenses (sales and marketing)	(25.2)	(30.9)	(23%)
Contribution margin	25.0	32.2	29%
Operating expenses	(18.2)	(24.6)	(35%)
EBITDA from core operations	6.8	7.6	12%
Depreciation expense	(1.0)	(1.9)	(90%)
Amortisation of internally generated software (ex acq intangibles)	(2.1)	(4.3)	(105%)
EBIT from core operations	3.7	1.4	(62%)
NPAT from core operations	3.9	1.5	(62%)



## Long-term operating model.

	FY15	FY16	FY17	Medium-long term growth expectations
Revenue \$ millions	82.4	123.4	161.2	+20%
EBITDA \$ millions	3.0	13.6	15.0	Increasing.
R&D cash spend % of revenue	14%	18%	22%	15-20%
S&M % of revenue	44%	37%	37%	In line with revenue.
G&A % of revenue	22%	16%	16%	Reducing as a proportion of revenue.