

## ASX Announcement

### **Aconex Delivers Solid 1H FY18 Revenue Growth**

*Increase driven by strong performance in high-growth international markets*

- Total revenue of \$86.9 million, up 13% on prior corresponding period (14% on a constant currency<sup>1</sup> basis).
- International revenue growth of 14% (16% on a constant currency basis), led by strong US growth of 26% (31% on a constant currency basis).
- Total revenue from enterprise agreements up 3% to 47%.
- Earnings before interest, taxes, depreciation and amortisation ("EBITDA") from core operations<sup>2</sup> up 23% to \$9.1 million.
- Gross profit margins up 3% to 76%.
- Shareholder meeting to vote on the proposed acquisition of Aconex by Oracle Corporation (NYSE: ORCL) ("Oracle") (through its wholly owned subsidiary Vantive Australia Pty Ltd) via a scheme of arrangement scheduled ("Scheme Meeting").

**MELBOURNE, Australia, 20 February 2018** – Aconex Limited (ASX: ACX) ("Aconex"), the #1 global platform connecting teams on construction and engineering projects, today announced its results for the six months ended 31 December 2017.

Aconex CEO Leigh Jasper said that the solid first half result reflected a strong international performance, particularly in the high-growth markets of Asia and the Americas.

"During the half year there was again a strong revenue performance in our international markets, especially the high-growth Americas and Asia regions. This highlights the success of our targeted strategic initiatives and ability to leverage the Aconex brand and global scale to expand our user network, increase customer value and further extend our leadership position," Leigh Jasper said.

#### **Revenue increase reflects strong performance in high-growth international markets**

Total revenue for the half-year ended 31 December 2017 grew 13% to \$86.9 million, compared with \$77.0 million for the six months to 31 December 2016. This was \$87.8 million on a constant currency basis, up 14% on the prior corresponding period.

New business wins and the ongoing conversion of project customers to enterprise agreements drove a 10% uplift in Australia and New Zealand (ANZ) revenue which increased to \$27.8 million in 1H FY18.

On a constant currency basis, revenues generated outside of the ANZ region increased 16% to \$59.1 million, representing 68% of total revenue. On a constant currency basis, all regions grew and delivered

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<sup>1</sup> Constant currency growth based on weighted average exchange rates for the six months ended 31 December 2016.

<sup>2</sup> For more information on the reconciliation of EBITDA from core operations to statutory figures, see the Appendix 4D for the six months ended 31 December 2017 lodged with the ASX on 20 February 2018.

positive operating contributions. Revenue growth was highest in the Americas region which delivered a 31% uplift on the prior corresponding period, while revenue in Asia increased 22%. Sales growth and improved operating leverage led to higher gross profit margins, which rose 3% from 73% to 76%.

EBITDA from core operations, excluding acquisition and integration costs, increased 23% to \$9.1 million, compared with \$7.4 million in the prior corresponding period.

The company's total cash and cash equivalents at 31 December 2017 were \$26.9 million, including restricted cash of \$2.6 million. Net cash flows from core operations were \$0.1 million in the six months to 31 December 2017 compared to \$5.4 million in the prior corresponding period. The reduction in cash was largely due to working capital movements of \$10.9 million. Trade receivables increased \$6.8 million because of the timing of customer invoicing and payments, and trade payables fell \$4.1 million due to the payment of annual bonuses. Adjusting for the seasonality of the bonus payments and increased trade receivables, Aconex was cash flow positive.

Gross cash receipts from customers were \$87.7 million in the first half, an uplift of 5% on the prior corresponding period's total of \$83.8 million.

### **Operational highlights**

- Ongoing transition of customers from project to enterprise agreements.
- First half revenue from enterprise agreements accounted for 47% of total revenue, compared with 44% in 1H FY17.
- First half revenue from enterprise agreements accounted for 69% of ANZ revenue, compared with 65% in 1H FY17.
- Key infrastructure wins driving international revenue growth.
- Ongoing investment in product, sales and marketing and client service to support growth.
- Customer feedback has been positive towards the proposed Oracle acquisition.

### **Oracle proposal to acquire Aconex**

On 18 December 2017, Aconex announced that it had entered into a binding Scheme Implementation Deed with Oracle under which it is proposed that Oracle (through its wholly owned subsidiary Vantive Australia Pty Ltd) will acquire 100% of the issued shares of Aconex for A\$7.80 per share in cash ("Scheme"). The Directors of Aconex unanimously recommend that Aconex shareholders vote in favour of the Scheme, in the absence of a superior proposal.

Aconex will hold the Scheme Meeting to vote on the Scheme at 10.00am (Melbourne time) on Wednesday, 14 March 2018 at the Australian Centre for the Moving Image, Federation Square, Flinders Street, Melbourne.

The Scheme Booklet, which includes the Independent Expert's Report, notice of Scheme Meeting and a copy of the proxy form for the Scheme Meeting was registered by ASIC and announced to the ASX on 9 February 2018.

Deloitte Corporate Finance Pty Ltd ("Deloitte") has considered the financial statements of Aconex for the six months ended 31 December 2017 and confirmed that its opinion, namely that the Scheme is fair and reasonable and in the best interests of Aconex shareholders, has not changed.

Deloitte consents to be named in this announcement in the form and context in which it is named.

Deloitte:

- has not authorised or caused the issue of this announcement;
- does not make, or purport to make, any statement in this announcement or any statement on which a statement in this announcement is based, other than as specified in this section headed 'Oracle proposal to acquire Aconex'; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this announcement, other than a reference to its name and the statements included in this section headed 'Oracle proposal to acquire Aconex'.

Should you have any questions in relation to the Scheme, the Scheme Booklet, or the Scheme Meeting, please contact the Aconex Shareholder Information Line on 1300 494 781 (within Australia) or +61 1300 494 781 (outside Australia) Monday to Friday from 8.30 am to 7.30 pm (Melbourne time), excluding public holidays.

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## About Aconex

Aconex provides the #1 cloud and mobile collaboration platform for the global construction industry. This platform connects owners, contractors and their project teams in the construction, infrastructure, and energy and resources sectors, providing project-wide visibility and control between the many different organisations collaborating across their projects. With more than 80,000 user organisations and over \$1 trillion of project value delivered in more than 70 countries, Aconex is the industry's most widely adopted and trusted platform. The company's ordinary shares are traded on the Australian Securities Exchange (ASX) under the ticker code ACX and are included in the S&P/ASX 200 Index.

## Further information:

### Investors

Rachel Cooper  
+61 3 9240 0269  
[rcooper@aconex.com](mailto:rcooper@aconex.com)

### Media

Citadel-MAGNUS  
Matthew Gregorowski  
+61 2 9290 3033  
[mgregorowski@citadelmagnus.com](mailto:mgregorowski@citadelmagnus.com)

Investor Centre: <http://investor.aconex.com>

Website: <https://www.aconex.com>