



# JMP Securities

## Small-Cap Technology Forum



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CFO



# Business Overview

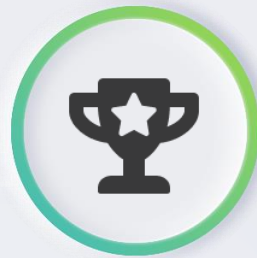


Nitro is a document productivity software company focused on the most critical and prevalent documents in the enterprise



### Key Capabilities

- PDF productivity
- Electronic signatures
- Document and workflow intelligence



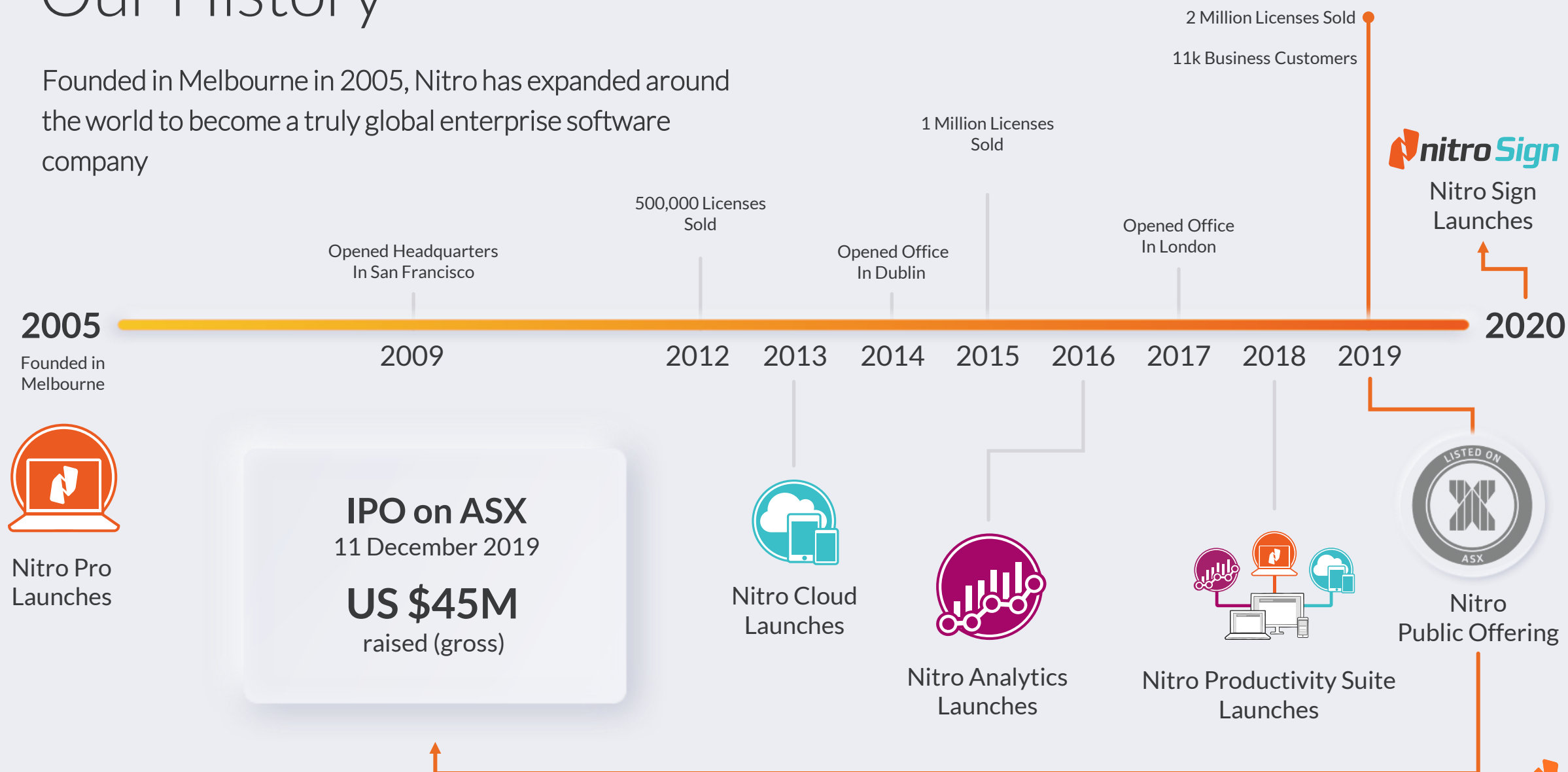
### Key Results

- 100% digital document workflows
- Business process acceleration and optimization
- Productivity anywhere – including remote

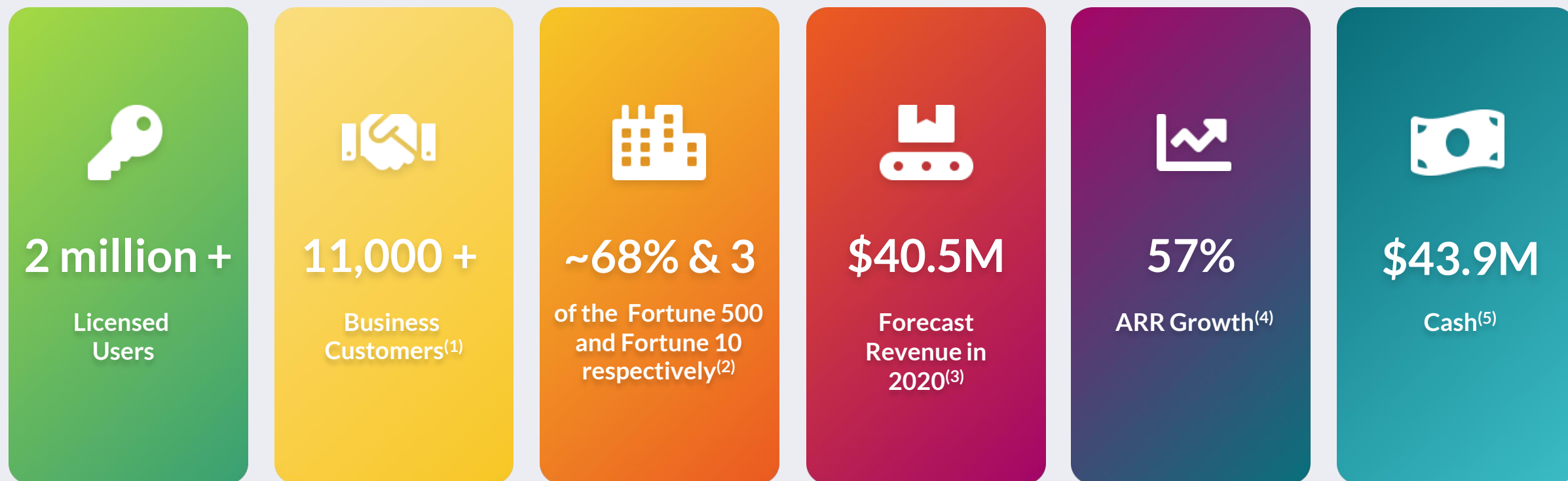


# Our History

Founded in Melbourne in 2005, Nitro has expanded around the world to become a truly global enterprise software company



# Nitro by the Numbers



\$ in USD

<sup>1</sup> Based on ten or more user licenses being held within the organisation

<sup>2</sup> Based on Nitro licenses purchased by organisations appearing in the 2019 Fortune 500 as published by Fortune

<sup>3</sup> Prospectus total revenue forecast for FY2020, in \$USD

<sup>4</sup> Annual Recurring Revenue growth in the 12 months to June 30, 2020

<sup>5</sup> Cash and cash equivalents as at June 30, 2020, in \$USD



# The Nitro Solution

A trusted platform of products that delivers productivity, workflow, and intelligence to the most critical documents in your enterprise.



## Nitro Pro

PDF Productivity



View, create,  
and edit PDFs



Document  
Conversion



Manage Print  
Cost



## Nitro Sign

eSigning



Secure eSigning  
Workflows



Process  
Digitization

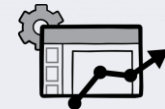


Remote  
Collaboration



## Nitro Analytics

Insights & Intelligence



User adoption  
management



Workflow  
monitoring



ROI  
measurement



## Customer Success

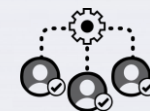
Best-in-class Service



24/7 support  
team



Licence  
management

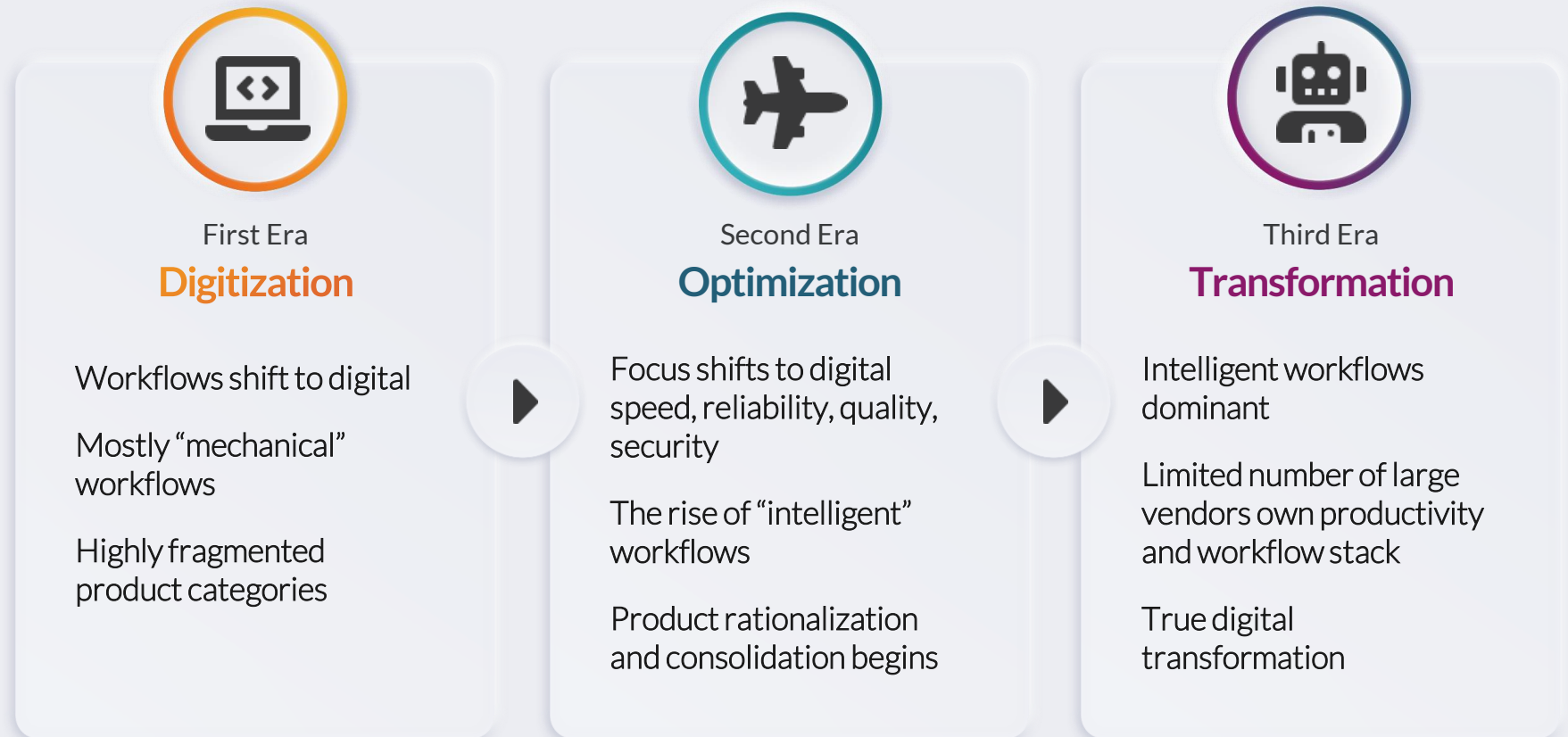


User  
management



# The Digitization Revolution is Only Beginning

Nitro's Forrester-assessed serviceable addressable market is **US\$5.5B** in PDF productivity and eSigning alone.







# Results & Highlights

1H 2020



# 1H 2020 Highlights

**\$19.1 million**  
Revenue

100% of prospectus forecast



Subscription Revenue  
Up **60%** Y/Y

**\$20.2 million**  
Ending ARR

103% prospectus forecast



ARR  
Up **57%** Y/Y

**(\$1.6 million)**  
EBITDA

+\$1.4M of prospectus forecast

**(\$0.4 million)**  
Adjusted EBITDA <sup>1</sup>

ex-FX gains & losses

**\$43.9 million**  
Ending Cash

+\$8.7M of prospectus forecast

\$ in USD

<sup>1</sup>EBITDA excluding foreign exchange gains and losses



# Subscription Sales Accelerating and Dominating

Q2 2016  
<10%



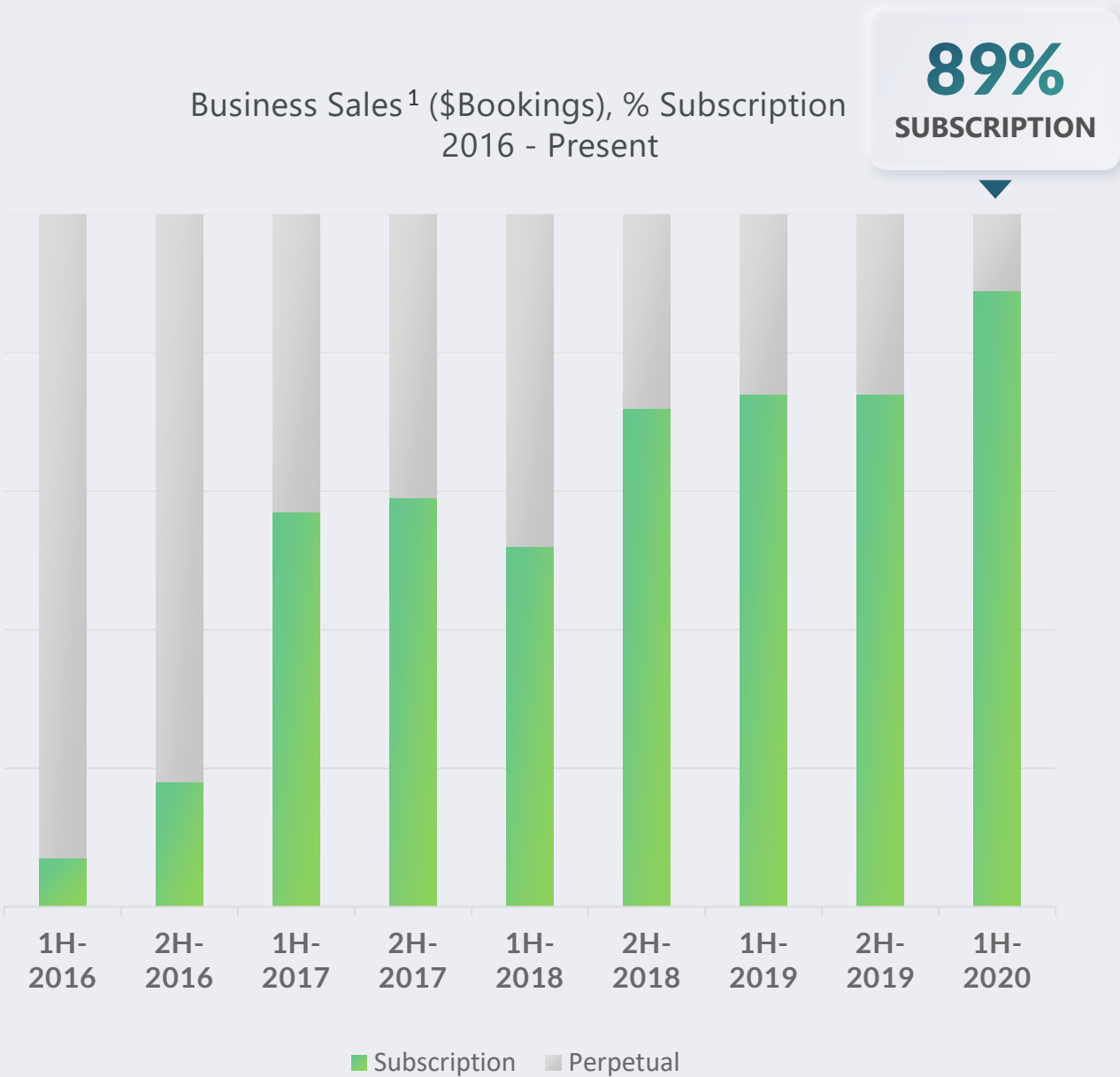
Q2 2020  
>90%

Business sales<sup>1</sup> (Bookings) are approaching  
100% subscription

**97%**

of deals > \$10K ACV in  
1H were subscription<sup>2</sup>

<sup>1</sup>Business sales excludes self-serve online/eCommerce sales via Nitro's web site  
<sup>2</sup>Based on Annual Contract Value (ACV), as measured by deal count (number of deals)



# Major Enterprise Wins

Notable new and renewing customers:

## NEW CUSTOMERS



## RENEWING CUSTOMERS



68%

OF THE  
**Fortune 500**

ARE NITRO CUSTOMERS<sup>1</sup>

<sup>1</sup> Percentage of the 2019 Fortune 500 with paid Nitro licenses





# Business Strategy & Outlook

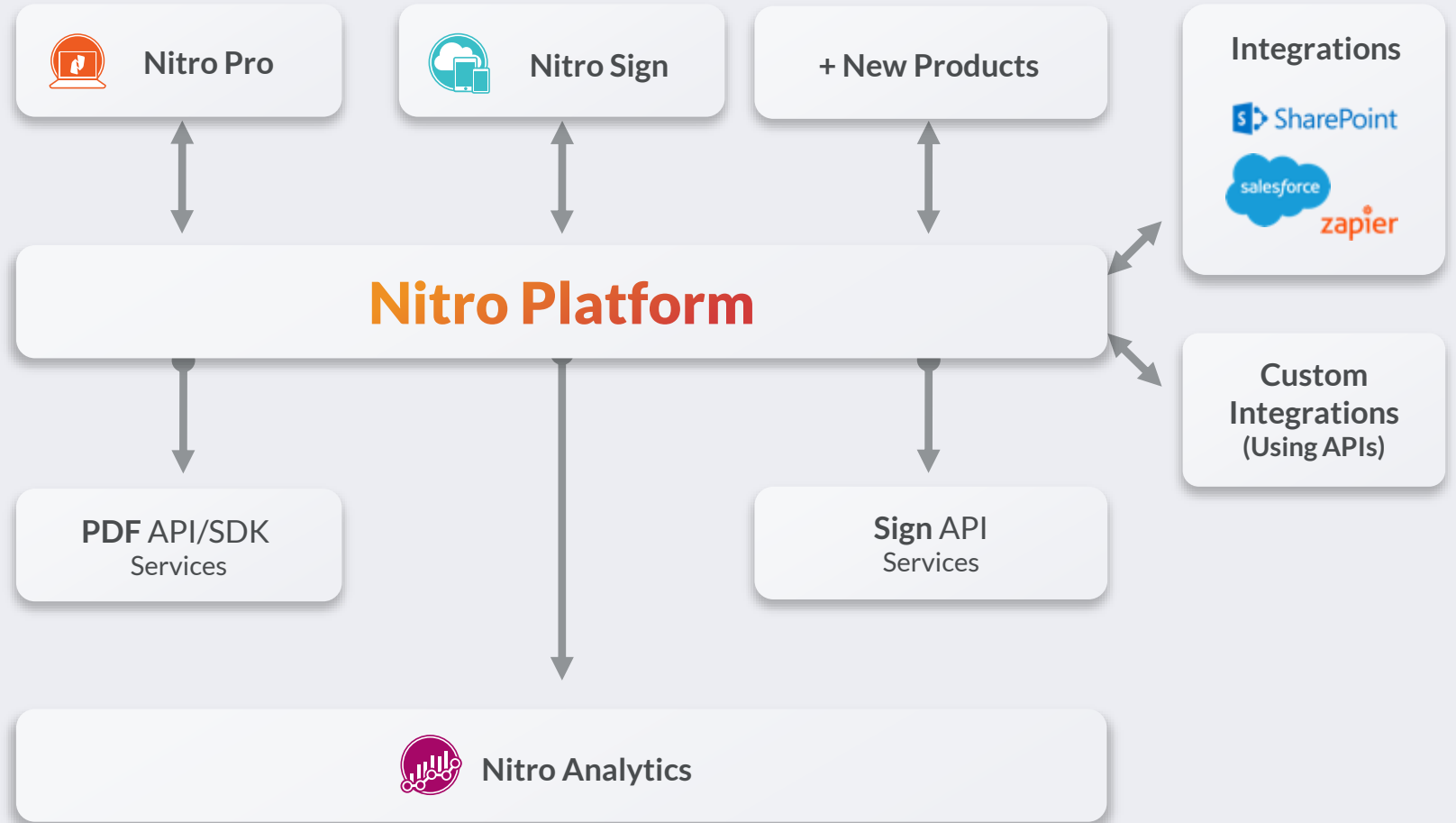
FY2020 & Beyond

# A Platform for Growth

Building for the future

## Future direction & vision:

- Seamless, simple & delightful document productivity from any device
- Faster document processes with intuitive experiences and no-code automation
- eSigning workflows optimised for individuals and teams
- Signing integrations with the most-used business apps
- A vibrant ecosystem built around enterprise-grade document productivity and eSigning services
- Rich insights that make productivity visible for individuals and businesses



# Multiple Levers of Growth

An attractive investment profile



## **Very large, fast- growing market**

Independently-assessed combined PDF productivity and eSigning serviceable market of US\$5.5B, now experiencing additional remote work and digitization tailwinds

## **High-growth, high-quality recurring revenues**

Global, diversified and increasingly enterprise customer base generating predictable and expanding revenues

## **Proven success in the world's largest companies**

The choice of multiple Fortune and FTSE 100 companies at scale including GE, Exxon Mobil, Cigna, RBS, Lloyds, BP, Caterpillar and more

## **Highly experienced leadership team**

Founder-led, highly-experienced senior leadership team with startup, scaling and large company enterprise software experience



# 2H/FY2020 Outlook



Nitro FY2020 Prospectus  
revenue forecast reaffirmed



Subscription ARR forecast  
raised to \$26-27M



EBITDA loss of \$8.1-8.6M;  
Operating EBITDA in line  
with forecast

\$ in USD

Subject to foreign currency fluctuations

## FY2020 Prospectus Forecast

\$USD, millions 31 December 2020	
Subscription Revenue	20.2
Perpetual Revenue	20.2
<b>Total Revenue</b>	<b>40.5</b>
COGS	4.5
<b>Gross Profit</b>	<b>35.9</b>
Total Operating Expense	41.3
<b>EBITDA</b>	<b>(5.3)</b>
<b>Subscription ARR</b>	<b>24.4</b>







Q&A



# Appendix

# The Nitro Difference

Nitro benefits vs competitors:



## Unparalleled Offering from One Vendor

Only Nitro offers PDF productivity, eSigning, and analytics to partner in the digital transformation journey



## A Trusted Partner

Customer Success program/team ensures change management and adoption success and business ROI



## Actionable Analytics

Unique insights to show, measure, prove and expand digital transformation ROI, including print reduction



## Easier Deployment

Easier to deploy, easier to manage, and easier for individuals and teams to use and self-service



## Incomparable Value

Lower price point and attractive licensing model allows significant cost savings and/or expanded deployments



## Proven in the Fortune and FTSE 100s

Exxon Mobil, UnitedHealth, Cigna, Experian, Lloyds, RBS/NatWest, GE, Caterpillar and more

## CUSTOMER SPOTLIGHT

# Enabling Users with Productivity Tools during COVID-19

- One of the world's largest banking and insurance companies, based in the UK
- Selected Nitro as >50,000 employees began working remotely due to COVID-19
- Nitro rollout completed in <45 days, ensuring business continuity for critical document workflows and enabling remote productivity
- Nitro Analytics quantified dramatic reduction in printing activity, supporting the bank's aggressive sustainability and environmental impact targets

**“We have successfully replaced 99% of our Adobe estate with Nitro. This exceeds all of our expectations and is a fantastic outcome. Most importantly, the user feedback has been noise-free. Our CTO commented that the transition to Nitro has been seamless – and this is consistent with the message from our user base.”**

Office of the CIO

A “Big Four” UK bank

**INDUSTRY**  
Banking

**INCUMBENT**  
Adobe

**EMPLOYEES**  
67,000

**CUSTOMER SINCE**  
2020



## CUSTOMER SPOTLIGHT

# eSigning to Maintain Business Continuity for Remote Workers

- US-based international insurance services firm providing claims adjustment and risk management services to clients around the world
- First became Nitro customer in 2013 and grew Nitro Pro footprint every year
- Upgraded to Nitro Productivity Suite subscription in March 2020 to gain access to Nitro Sign
- Nitro Sign's ease of implementation provided immediate value, delivering swiftly-deployed eSigning capabilities as 95% of workforce went remote

Largest Publicly-listed  
Claims Provider

**INDUSTRY**

Insurance

**INCUMBENT**

None

**EMPLOYEES**

9,000 in 70+ countries

**CUSTOMER SINCE**

2013

“***The Nitro Sign implementation has been stellar!***

*Users are saying this is a huge improvement to their workflow – and it has saved considerable time and money. The product is very intuitive and user-friendly. It has been a lifesaver over the last several months and helped with the adjustment of working from home.”*

Office of the CIO



# 1H Operational Highlights



## COVID-19

- Transitioned to fully remote operations quickly and successfully
- Some sales pipeline disruption, but balanced by new COVID-related demand
- Remote work “new-normal” expected to drive continued increased demand over long-term



- Launched Nitro Sign as standalone eSignature solution
- Available at no cost through 2020 to support organizations transitioning to remote work
- Exceeding internal targets for user acquisition, growth, and signature volumes



## Key Executive Appointments

- Chief Financial Officer
- Chief Product Officer
- Chief Marketing Officer
- SVP Global Sales
- VP of Design & UX
- Head of Revenue Operations



# Key SaaS Metrics

High-growth, high-quality recurring revenue on track to meet or exceed prospectus forecast while maintaining sales and marketing efficiency



**88%**

Subscription Renewal Rate<sup>1</sup>



**118%**

Net Revenue Retention<sup>2</sup>



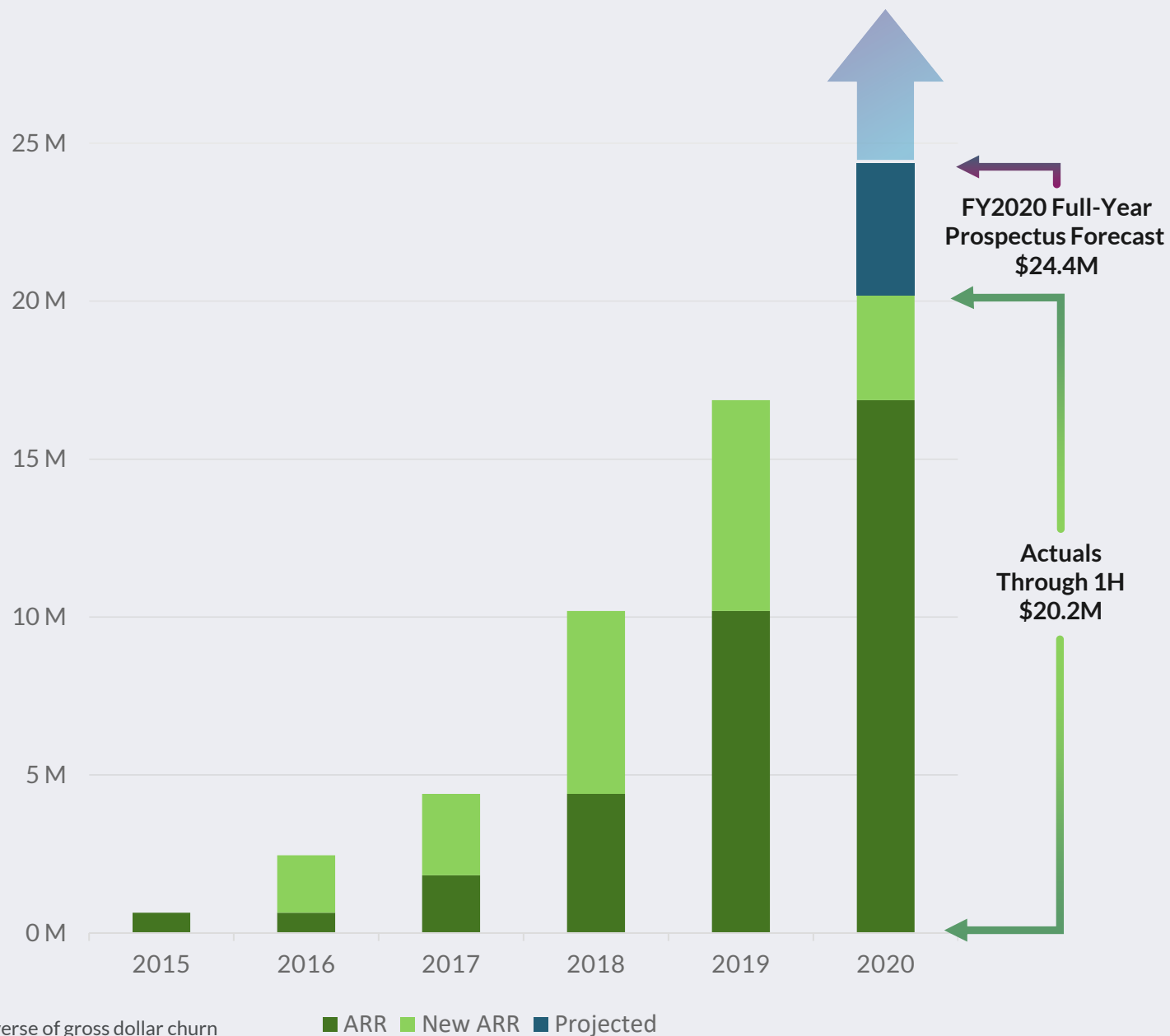
**4.7**

LTV/CAC<sup>3</sup>

<sup>1</sup>Based on subscription dollars retained, also commonly known as gross dollar retention, and the inverse of gross dollar churn

<sup>2</sup>NRR reflects the growth in recurring revenue in the current financial reporting period from subscription customers who were customers in the last annual reporting period, net of churn

<sup>3</sup>Customer Lifetime Value divided by Customer Acquisition Cost





# 1H Financial Results

## Commentary on the Half

- Subscription revenue grew 60%, driven by the success of the Nitro Productivity Suite
- Perpetual revenues reduced by 9% as Nitro's subscription strategy accelerated
- Gross margins increased to 91% due to the increase in subscription bookings, which have a lower cost of sale
- Sales and marketing expenses reduced from 52% to 45% of revenue, primarily as a function of revenue growth, but some operational savings were realised as a result of COVID-adjusted spending, partially offset by increased advertising expenses
- Research and development expenses increased by 7%, due to increased headcount, but reduced from 22% to 20% of revenue
- Total general and administration expenses increased from 23% to 28% of revenue, primarily as a result of increased costs as a public company and investments ahead of anticipated growth and scale, when these costs will normalise again

## Abridged Statement of Comprehensive Income

\$USD, millions	FY2019 <sup>1</sup>	1H2019 <sup>2</sup>	1H2020 <sup>2</sup>	Change compared to 1H2019	
Subscription	13.2	5.7	9.1	3.4	60%
Perpetual (inc. maintenance and support)	22.5	11.0	9.9	(1.0)	-9%
<b>Revenue</b>	<b>35.7</b>	<b>16.7</b>	<b>19.1</b>	<b>2.4</b>	<b>14%</b>
Cost of revenues	(3.7)	(1.9)	(1.8)	0.1	-5%
<b>Gross profit</b>	<b>32.0</b>	<b>14.8</b>	<b>17.3</b>	<b>2.5</b>	<b>17%</b>
<b>Gross margin</b>	<b>90%</b>	<b>89%</b>	<b>91%</b>		
Sales and marketing	(18.7)	(8.7)	(8.6)	0.1	1%
Research and development	(7.0)	(3.7)	(3.9)	(0.2)	-7%
General and administrative	(11.3)	(3.9)	(5.3)	(1.4)	-36%
Other income/(loss), net	1.2	(0.1)	(1.0)	(0.9)	-974%
Finance costs	(1.8)	(0.3)	(0.1)	0.2	69%
Depreciation and amortisation expense	(2.0)	(0.9)	(0.9)	0.1	7%
<b>Loss before income tax</b>	<b>(7.6)</b>	<b>(2.7)</b>	<b>(2.5)</b>	<b>0.2</b>	<b>8%</b>
Income tax benefit/(expense)	(0.4)	(0.1)	0.4	0.5	549%
<b>Loss for the year/period</b>	<b>(7.9)</b>	<b>(2.8)</b>	<b>(2.1)</b>	<b>0.7</b>	<b>26%</b>

\$ in USD

<sup>1</sup> Audited consolidated statement of comprehensive income for the year ended 31 December 2019

<sup>2</sup> Unaudited consolidated statement of comprehensive income for the half year ended 30 June 2020



# 1H Balance Sheet

## Commentary

- Cash balance of \$43.9M with no debt <sup>3</sup>
- Cash balance closed \$8.7M ahead of prospectus plan of \$35.2M and provides substantial resources to support working capital requirements and growth, including acquisitions
- No material impact on cash flows or receivables/collections observed during the half despite macroeconomic environment

## Statement of Financial Position

\$USD, millions	Statutory 30 Jun 2020 <sup>1</sup>	Statutory 31 Dec 2019 <sup>2</sup>
Cash and cash equivalents	43.9	47.0
Receivables	6.3	4.8
Current tax receivables	0.0	0.1
Other current assets	1.7	1.9
<b>Current assets</b>	<b>52.0</b>	<b>53.8</b>
Receivables and contract assets	-	-
Property, plant and equipment	0.5	0.6
Intangible assets	0.0	0.1
Deferred tax assets	0.4	0.2
Right of use assets	2.4	3.1
Other non-current asset	3.4	3.0
<b>Non-current assets</b>	<b>6.7</b>	<b>6.9</b>
Trade payables	1.9	2.8
Deferred revenue	18.6	16.4
Lease liability	1.3	1.4
Employee benefits	1.7	2.1
Other current liabilities	0.7	0.7
<b>Current liabilities</b>	<b>24.2</b>	<b>23.4</b>
Deferred revenue	1.2	2.0
Deferred tax liability	0.2	0.3
Lease liability	0.9	1.5
<b>Non-current liabilities</b>	<b>2.3</b>	<b>3.9</b>
<b>Net assets</b>	<b>32.2</b>	<b>33.4</b>
Contributed equity	90.3	90.2
Other reserves	2.5	1.7
Retained earnings	(60.7)	(58.5)
<b>Equity</b>	<b>32.2</b>	<b>33.4</b>

\$ in USD

<sup>1</sup> Unaudited statement of financial position as at 30 June 2020

<sup>2</sup> Restated in relation to unbilled receivables as disclosed in note 5 of the 2020 Half Year Report

<sup>3</sup> Except finance leases covered under AASB 16

