

Aconex Delivers FY17 Financial Results in line with Guidance

Strong revenue growth supports accelerated investment

- Total revenue of \$161.2 million, up 31% year over year (36% on a constant currency basis).
- EBITDA from core operations, up 10% to \$15.0 million (excluding acquisition and integration costs and foreign currency gains and losses).
- International revenue growth of 45% with full year contribution from Conject (54% on a constant currency basis).
- Significant investment in product, sales, marketing and client service to accelerate growth.
- Integration of Conject complete.
- Launch of Connected Cost.

MELBOURNE, Australia, 22 August 2017 – Aconex Limited (ASX: ACX), provider of the #1 global platform connecting teams on construction and engineering projects, today announced its financial results for the year ended 30 June 2017 (FY17).

Financial results (\$ millions)	FY16	FY17	Change
Revenue	123.4	161.2	31%
Gross profit	92.5	119.5	29%
Contribution margin	46.4	60.3	30%
EBITDA from core operations	13.6	15.0	10%

Commenting on the result, Chief Executive Officer Leigh Jasper said that the solid FY17 result reflected a stronger second half performance, a full year contribution from Conject and further penetration of the Company’s international markets which together have significantly strengthened its leading global position.

“Revenue increased in the second half of the year as market conditions improved and we continued to transition project customers to enterprise agreements, especially in ANZ. With Conject fully integrated into the business we also saw stronger revenue growth in Europe,” said Leigh Jasper, Aconex CEO. “We are truly a global business with two-thirds of our revenues now generated outside Australia and New Zealand.

“To drive greater returns and take advantage of the rapid growth in technology adoption across the industry, we have ramped up our investment in sales & marketing and our operational infrastructure. We have also significantly increased investment in our product, with 22% of revenue committed to research and development. We enhanced our offering and developed several new modules, including Connected Cost, and extended our ecosystem. Connected Cost alone has considerably increased our total addressable market and improved our overall win rates in all our regions.

“Meanwhile, our certification for the Federal Risk and Authorization Management Program (FedRAMP) is in process, which will enable us to service government projects with the highest compliance requirements in the world. This is a major competitive advantage.

“In the coming year, we will continue to extend our leadership position through further investment in our international markets and ongoing product development. We expect to grow revenue by 15 to 19% while increasing EBITDA and generating positive cash.”

Strong revenue growth and alignment with cash

Total revenue for the year to 30 June 2017 grew 31% to \$161.2 million, (36% on a constant currency basis) from \$123.4 million in FY16. The uplift was principally driven by the Conject acquisition, strong growth in our international markets and an improved second half performance in ANZ.

Earnings before interest, taxes, depreciation, and amortisation (EBITDA) from core operations, excluding acquisition and integration costs, increased to \$15.0 million, up 10% on the prior year. The company’s EBITDA margin reduced slightly from 11.0% in 2016 to 9.3% in 2017, due to the acquisition of the Conject business and ongoing investment in product, sales, marketing and client service.

The company’s total cash and cash equivalents at 30 June 2017 were \$33.9 million, including restricted cash of \$2.9 million, compared with \$52.5 million at 30 June 2016. Gross cash receipts from customers were \$168.0 million, up 35% on the prior corresponding period’s total of \$124.6 million. Several investment activities impacted the cash balance during the year including:

- Acquisition, restructure and integration costs related to the Conject business of \$7.9 million;
- \$1.4 million related to the Worksite and CIMIC Keystone acquisitions; and
- Increased capital expenditure totaling \$7.2 million to support the growth of the business.

Ongoing investment to support growth

Expenses increased in line with revenue growth. Sales and marketing expenses grew 28% to \$59.2 million as the Company bolstered its international sales teams to drive further market penetration. G&A costs rose 24% year-on-year reflecting the Conject integration, new head office appointments and investment in operating systems to support growth.

Overall cash investment in engineering and product development grew from 17.8% to 22.1% of total revenue due to the addition of the Worksite and Conject engineering teams and corresponding investment in product. During the year, we added several new modules including Connected Cost, design management, packages, advanced mail routing, PDF checklists, new reports and insights. These product enhancements will drive improved yield over time and further accelerate the adoption of Aconex as the global industry standard for collaboration software.

International revenue up 45% YoY in line with long-term growth strategy

International revenue increased 45% to \$107.9 million or 54% on a constant currency basis in line with the Company’s successful regionally-focused growth strategy. Revenues in the ANZ region increased 9% from \$48.8 million in FY16 to \$53.3 million in FY17 due to new business growth and the ongoing conversion of customers to enterprise agreements, which now represent more than 65% of the region’s revenue.

Revenue	FY16 \$ millions	FY17 \$ millions	Growth YOY (%)	Growth YOY (%) (Constant currency)
ANZ	48.8	53.3	9.3%	8.9%
International	74.6	107.9	44.7%	54.0%
Total	123.4	161.2	30.6%	36.4%

Revenues in Europe and Africa increased 143% from \$17.5 million in FY16 to \$42.6 million in FY17. The uplift in was principally driven by the full-year contribution of Conject. Revenue was impacted by adverse foreign currency movements, particularly the depreciation of the GBP and EUR against the AUD. On a constant currency basis, revenues lifted 168%. In the Middle East, revenues increased 11% (15% on a constant currency basis) from \$22.4 million in FY16 to \$24.9 million in FY17.

In the Americas, revenues increased 16% (19% on a constant currency basis) from \$21.3 million in FY16 to \$24.6 million in FY17. Revenues in Asia increased 19% (24% on a constant currency basis) from \$13.3 million in FY16 to \$15.8 million in FY17. The Company continued to invest in sales and marketing to build awareness and leverage growing technology adoption in these high-growth markets.

FY18 Outlook

The Company expects to deliver revenue growth of 15-19% and increase EBITDA in FY18, while generating positive cash. In the medium term, Aconex expects revenue growth of more than 20% with increasing EBITDA.

Webcast and Teleconference

Aconex will host a public webcast and teleconference with the investment community at 10:00am (AEST) on 22 August 2017. The webcast and teleconference can be accessed at <http://webcast.openbriefing.com/3895/> The presentation materials and a transcript of the teleconference will be lodged with the ASX and available at investor.aconex.com

About Aconex

Aconex provides the #1 cloud collaboration platform for digital project delivery. 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 70,000 user organisations in 70 countries, Aconex is the industry's most widely adopted and trusted platform. Founded in 2000, Aconex has 47 offices in 23 countries around the world. 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.

For more information, please visit:

- Investor Centre: investor.aconex.com
- Website: www.aconex.com

Forward-Looking Statements

This news release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Aconex. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement. For example, the factors that are likely to affect the results of Aconex include its ability to attract and retain customers, competition from other market participants, challenges faced by its international expansion plans, or difficulties associated with its technology systems.

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