

MARKET RELEASE

30 August 2021

Nuix announces FY21 results

Sydney, Australia – Global software company Nuix (ASX:NXL) announces its results for the full year ended 30 June 2021 on both a statutory and pro forma basis¹.

Key Highlights

- Revenue (statutory and pro forma) of \$176.1m, up 0.1% on FY20, up 7.4% on a constant currency² basis
- Annualised Contract Value³ (ACV) of \$165.6m, down 1.7% on FY20, up 4.1% on a constant currency basis
- Pro forma EBITDA of \$66.7m, up 20.2% on FY20, up 31.3% on a constant currency basis
- Pro forma NPAT of \$25.0m, up 33.2% on FY20, up 74.3% on a constant currency basis

	FY21 Statutory \$m	FY20 Statutory \$m	Statutory Change	FY21 Pro forma \$m	FY20 Pro forma \$m	Pro forma Change
Revenue	176.1	175.9	0.1%	176.1	175.9	0.1%
Gross Profit	157.2	155.2	1.3%	157.2	155.2	1.3%
EBITDA	30.2	62.9	-52.1%	66.7	55.5	20.2%
NPAT	(1.6)	23.6	-107.0%	25.0	18.8	33.2%

Statutory revenue rose to \$176.1m, up 0.1% on a functional currency basis, and 7.4% on a constant currency basis. New business contributed \$27.6m to the revenue outcome, with subscription-based revenue rising to 93% of total revenue.

Annualised Contract Value (ACV), which mitigates variability associated with multi-year deals, grew by 4.1% in constant currency. Importantly, Subscription ACV, which is recurring in nature, grew by 10.3% on FY20 in constant currency. The rise in subscription ACV was partly driven by a strong rise in consumption (including SaaS) licences.

¹ The pro forma results exclude one-off costs primarily related to the Initial Public Offering (IPO).

² Constant Currency has been calculated using the weighted average exchange rates per FY20 statutory revenue, and applying these to FY21 transactions.

³ Annualised Contract Value (ACV) is an adjusted, non-IFRS measure and does not represent Total Revenue in accordance with AAS or Nuix's accounting policies or cash receipts from customers. ACV is used by Nuix to assess the total contract value of its software contracts on an annualised basis (removing fluctuations from Multi-Year Deal contracts in Nuix's Total Revenue which results from its revenue recognition policies).

Consumption ACV grew by 22% in constant currency on increasing customer demand, with SaaS Consumption ACV up 20% in constant currency. At the end of the financial year, total SaaS customers had increased to 112, from 71 in the prior corresponding period. Contracts commencing in FY22 suggest further strong growth in consumption and SaaS ACV.

Customer churn continued to track lower, to 3.7% for the full year, highlighting the stickiness of Nuix's diversified customer base.

Nuix contracted 100 new customers over the course of the year. Average new order value rose to \$240k, driven by higher value wins through a focus on enterprise sales. Customers displayed a continued willingness to enter into multi-year deals, with these contracts rising to 36.3% of revenue for the full year.

Nuix continued to invest in innovation and product development during FY21. Key projects included further investment in SaaS capability, connectors to market leading products and productivity applications. Material progress was made towards FedRAMP⁴ accreditation.

Total Research and Development spend was \$44.3m, or 25% of revenue. It is anticipated that Research and Development spend will increase in FY22.

As noted in the first half results release, trading conditions affected upsell opportunities, particularly in the United States. In addition, the trend towards consumption-based licences impacted the timing of revenue recognition. Although this transition weighs on customer upsell in the short term, the shift to consumption licences, including SaaS, allows Nuix to benefit more fully from growth in data volumes over time.

In North America, corporate and law firms were areas of strength, with 27 new customers signed. Nuix's US Government (USG) team secured several significant contract wins with governmental agencies in the latter part of the year, building momentum into FY22. Preparatory work has commenced to deploy resources into Canada. Upon completion, the FedRAMP initiative will materially enhance Nuix's opportunity set in the USG market.

The EMEA business achieved important new customer wins during the year, with demand from Corporates particularly strong. In Germany Nuix signed 27 new SaaS customers in the first year, and employees have been onboarded for expansion into Southern Europe. Growth in Asia Pacific was driven by customers across a range of industries and included a break-through corporate deal in Japan. In Australia, Discover SaaS data under management tripled.

The Nuix team globally continued to deliver during the difficult backdrop of the pandemic. During the financial year, 119 people joined the organisation, with voluntary turnover at 15-18%. Nuix continues to invest in headcount, with a further 32 hires since 1 July.

⁴ Federal Risk and Authorization Management Program

Outlook and Commentary

In the coming year, Nuix will continue to invest for growth. Further investment will be made in Nuix's journey to the cloud beyond the Discover SaaS offering. In addition, Nuix will further accelerate its product development pipeline, building on the strong product base and delivering further value-added solutions. In conjunction with an increased investment in Research and Development, Nuix will also further build and enhance its Sales and Distribution capability.

Through continuing to broaden its product portfolio, pursuing a land and expand strategy, and entry into Governance, Risk and Compliance (GRC) use cases, Nuix can continue to benefit from the global proliferation of data and increasingly complex regulatory and compliance framework of corporates and governments.

Group Chief Executive Officer, Rod Vawdrey, commented, "This last year has been challenging for Nuix and our stakeholders. Despite this, the Nuix team has delivered significant customer wins, important technology developments and strategic expansion.

We are optimistic and remain confident in Nuix's future. Our employee base continues to grow, and our technology is best in class, and critical for our customers and partners. Further investment in our technology will enhance and consolidate Nuix's market position."

Nuix Chairman, Hon. Jeff Bleich, said, "The Board and senior management are focussed on strengthening all aspects of the company and addressing the issues that surfaced during our first eight months as a publicly listed company. Progress on our agenda continues apace with expansion of our Board through the pending appointment of two additional independent non-executive directors and a strong field of candidates for the CEO position. We have concentrated on our valued team members around the globe to ensure they have the right support and incentives to drive future success.

"Our technology is world leading and unique. Our customers have stuck with us in a competitive environment not out of sentimentality. It is because of the tremendous value our solutions bring to their operations. We recognise there are areas for improvement and necessary change. We must learn from recent challenges and ensure we address any underlying problems. We have been listening and we have been taking action. I'm confident we are in the process of emerging as a stronger business that can reach its incredible potential."

Results Webcast

Rod Vawdrey, Group Chief Executive Officer, and Chad Barton, Interim Chief Financial Officer, will present the FY21 results via webcast today at 10.30am (AEST). Nuix's Chairman, Hon. Jeff Bleich, will also join the call for some introductory comments.

To access the webcast, please use the following link:

<https://webcast.openbriefing.com/7684/>

A replay of the webcast will also be made available on the investor section of the Nuix website shortly after the event:

<https://investors.nuix.com/investor-centre/>

This announcement has been authorised by the Board of Nuix.

Investor Contact

Brett Dimon
Head of Investor Relations
+61 (0)410 671 357
brett.dimon@nuix.com

Media Contact

Helen McCombie
Citadel-MAGNUS
+61 (0)411 756 248
hmccombie@citadelmagnus.com

About Nuix

Nuix Limited is a leading provider of investigative analytics and intelligence software, with the vision of "finding truth in a digital world". Nuix helps customers to process, normalise, index, enrich and analyse data from a multitude of different sources, solving many of their complex data challenges. The Nuix platform supports a range of use cases, including criminal investigations, financial crime, litigation support, employee and insider investigations, legal eDiscovery, data protection and privacy, and data governance and regulatory compliance. Headquartered in Sydney, Australia, Nuix licenses its software to more than 1,000 customers across 79 countries in North America, Asia Pacific and EMEA.

For further information, please visit investors.nuix.com