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# AEROMETREX INVESTOR PRESENTATION

Half year results to 31 December 2019

26 February 2020

SEE YOUR WORLD CLEARLY.





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All currency amounts are in Australian dollars unless otherwise noted.

Due to rounding, tables may not add up precisely to the totals and percentages may not precisely reflect the absolute underlying number.



# ORGANISATION OVERVIEW & EXPERIENCE

C2M signed distances

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# COMPANY OVERVIEW

## Long track record and premium service offering.

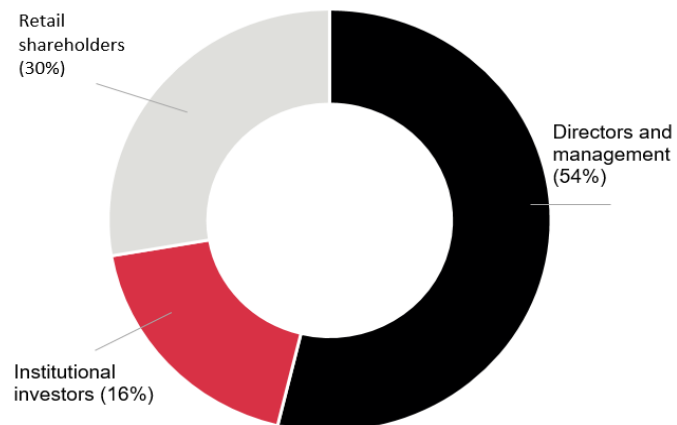
- An Australian based business established in 1980, Aerometrex has decades of industry experience in aerial imagery and photogrammetric mapping services.
- Aerometrex has expanded its offering across four operating divisions:
  - **Aerial photography and mapping:** project-based service offering of class-leading spatial accuracy.
  - **LiDAR:** using airborne laser sensors to accurately survey and map ground surfaces.
  - **3D modelling:** providing highest standards for 3D modelling (2cm pixel size and 5cm accuracy) domestically and internationally.
  - **MetroMap:** Aerometrex's subscription offering of 2D and 3D imagery across Australia.
- As a private business Aerometrex had a track record of profitability and growth with the business historically funded through internal cashflow.
- AMX listed on the ASX on 10 December 2019 to pursue growth opportunities (no sell down) to capitalise on the growing demand for aerial imagery and mapping services.

## Capital Structure

Shares on issue	94,400,000
Share Price (26 Feb 2020)	\$1.885
Market capitalisation	\$175.1m
Cash on hand	\$22m
Debt	\$3.3m
EV	\$156.4m
Escrowed shares <sup>1</sup>	64,800,000
Escrow (%)	68.6%

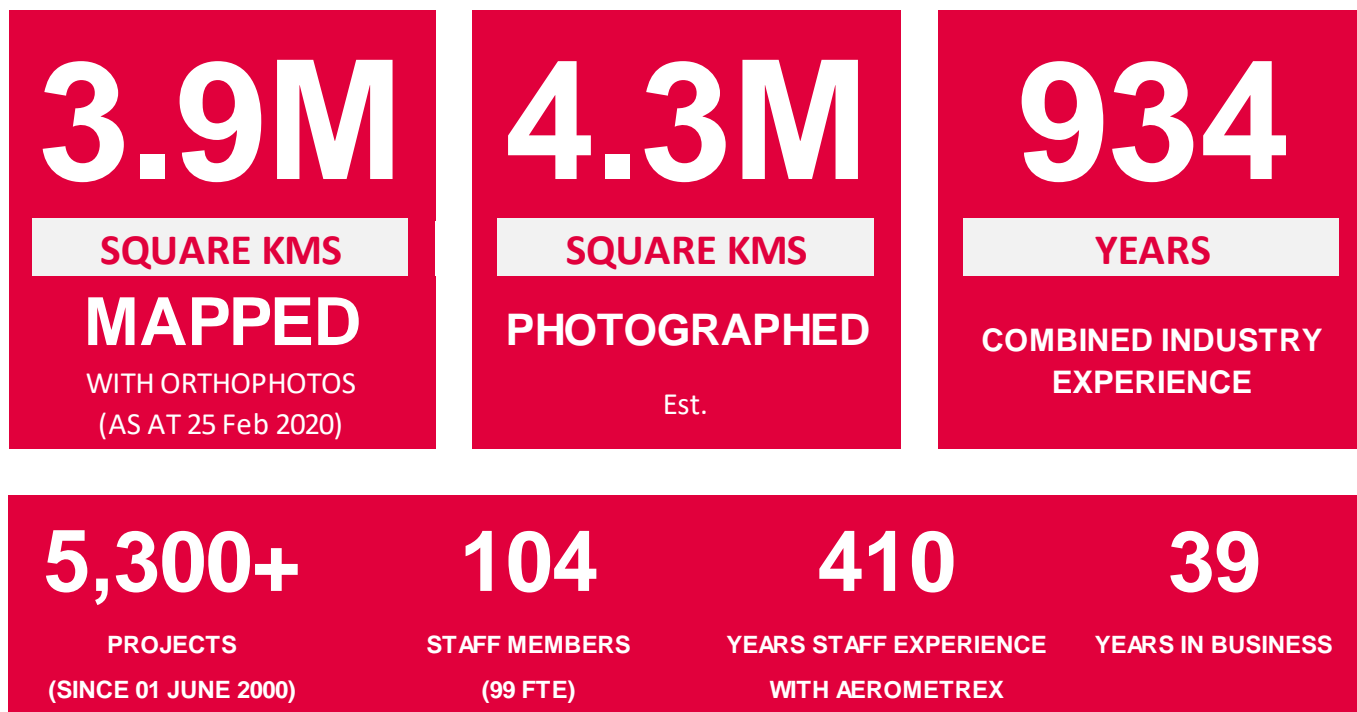
<sup>1</sup> 60.2m shares escrowed for 12 months, 4.6m shares escrowed for 6 months from listing date.

## Shareholder Structure



## ■ KEY STATISTICS

Substantial IP and experienced management team.



# FY2020 H1 FINANCIAL SUMMARY (ending 31 DEC 2019)

**Strong financial performance and increasing growth metrics.**

**REVENUE**  **\$10.1m**  
**+ 44.3%**

- Revenue up 44.3% on PCP to \$10.1m
- Driven by strong growth in LiDAR and 3D (on demand project work)
- Growth in MetroMap (DaaS subscription model) gaining momentum
- Historically project related revenue and earnings is skewed to H2

**EBITDA**  **\$2.2m**  
**(NORMALISED)** **+ 64.5%**

- EBITDA on normalised operations (ignoring one-off items) grew 64.5% to \$2.2m (PCP \$1.35m)
- One-off items of \$918k in the half included the capital raising costs on becoming a public company of \$543k, financing costs associated with pre-IPO convertible notes of \$177k and refinancing costs of \$198k on restructure of debt facilities.

**CASHFLOW**  **+ \$1.65m**  
**(FROM OPERATIONS)**

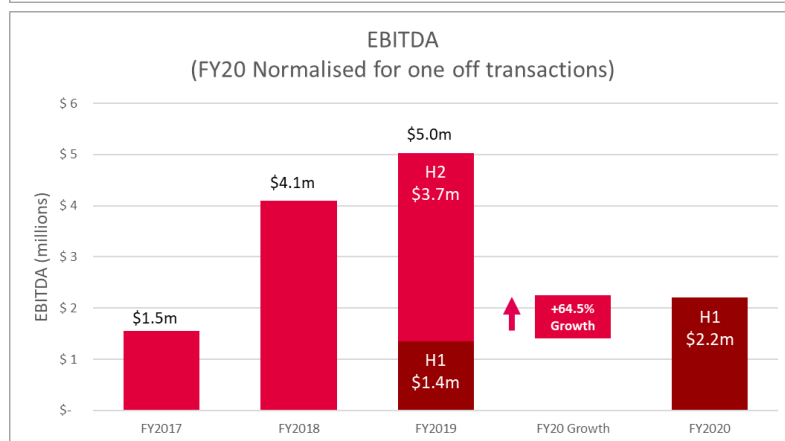
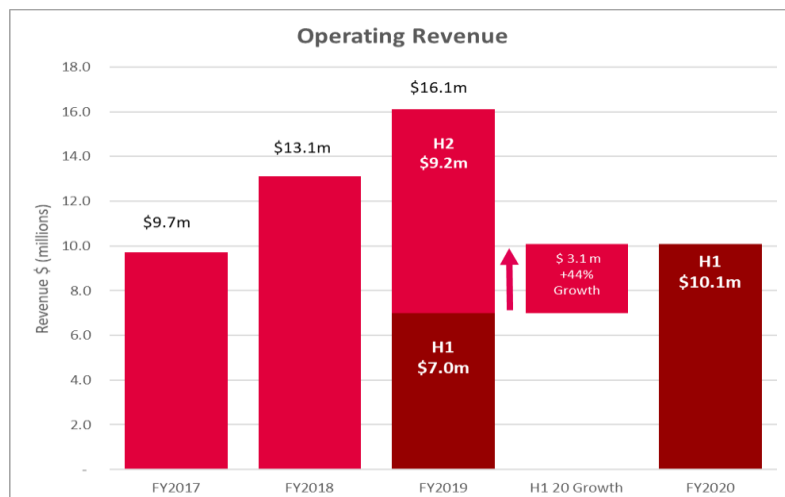
- Positive cashflow generated from operations of \$1.65m in H1
- Reduction in cashflow from operations compared to prior year driven by investment into key appointments of senior sales staff with a focus on MetroMap to pursue future growth plans and revenue opportunities with expected results to be delivered in H2
- Benefits of IPO growth capital to impact future reporting periods

**FINANCIAL** **\$22m in**  
**POSITION** **cash**

- Strong balance sheet with \$22m in cash
- Investment into aircraft, sensors and IT infrastructure to facilitate growth plans
- Increasing capture of datasets as part of the MetroMap subscription service (DaaS) (increase in intangibles)
- Reduction of debt utilizing offset/redraw facilities to minimize interest costs

# OPERATING RESULT

Growing margins on back of strong revenue growth



Key Information	H1 2020 \$'000	H1 2019 (PCP) \$'000	Percentage Change on PCP	Change in Value \$'000
Revenues from ordinary activities	10,097	6,997	+ 44.3%	3,100
Statutory (Loss) / Profit before income tax	(245)	432	(156.7%)	(677)
EBITDA	1,482	1,351	+ 9.6%	130
Normalised EBITDA (excluded one off costs)	2,223	1,351	+ 64.5%	871
Cash generated from operations	1,654	2,366	(30.1%)	(712)

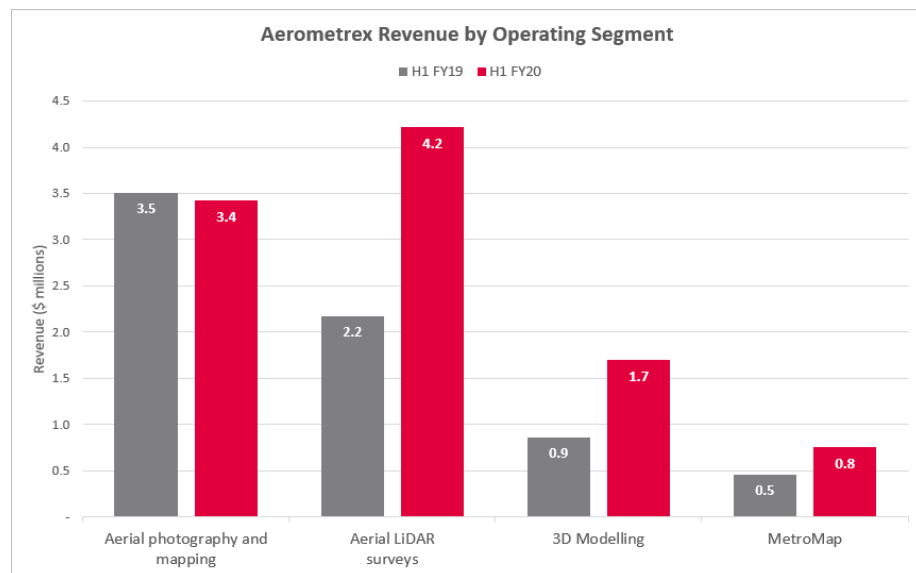
## Key points

- Revenue growth of 44.3% driven by strong demand in LiDAR and 3D modelling
- EBITDA margin improved from 19.3% to 21.8% driven by revenue growth and continued focus on cost management
- Normalised EBITDA increased 64.5% to \$2.22m (excluding one-off costs)
- One-off items of \$918k include:
  - IPO capital raising and listing costs (\$543k);
  - refinancing costs on restructure of debt facilities (\$198k); and
  - financing costs (interest) associated with pre-IPO convertible notes (\$177k)



# H1 RESULT BY OPERATING SEGMENT

Growth by division reflects Aerometrex's strategic priorities



## Aerial photography and mapping (-2.5% revenue growth on pcp)

- Steady demand for project-based services however revenue impacted by migration to the MetroMap subscription service offering.
- Bespoke project work to remain but strategic focus of growth capital is towards MetroMap with expectation of increasing revenue in MetroMap.
- Continued ability to execute project-based work effectively using company-owned fleet.

## LiDAR (+94% revenue growth on pcp)

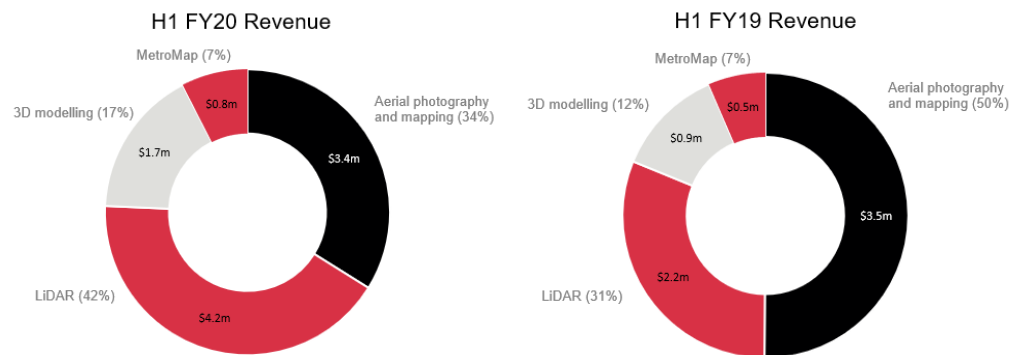
- Deployment of additional LiDAR sensor in July 2019 having an immediate impact on revenue.
- Demand remains strong.

## 3D modelling (+96% revenue growth on pcp)

- Delivered large project in Europe in H1. Delivered projects in both Europe and North America in prior year.
- Delivered Greater Western Sydney and other substantial engineering projects that demand our high resolution 3D service.
- Focus for international expansion with continued tendering internationally.

## MetroMap (+67% revenue growth on pcp)

- Expansion of sales team through recruitment of senior sales staff late in Q4 is beginning to flow through into sales momentum.
- IPO funds provide capital resources to accelerate revenue growth in H2.



# STATEMENT OF FINANCIAL POSITION

Strong balance sheet, available debt facilities and positive cashflow to fund growth.

	Dec 2019 \$'000	Jun 2019 \$'000
<b>Assets</b>		
Cash and cash equivalents	22,056	5,110
Trade and other receivables	3,901	2,759
Contract assets	1,205	1,276
Other	1,292	446
Property, plant and equipment	13,345	9,800
Intangible assets	3,588	3,102
<b>Total assets</b>	<b>45,387</b>	<b>22,493</b>
<b>Liabilities</b>		
Trade and other payables	1,677	1,103
Contract liabilities	405	522
Provisions	2,615	2,367
Financial liabilities	3,321	11,632
<b>Total liabilities</b>	<b>8,018</b>	<b>15,624</b>
<b>Net assets</b>	<b>37,369</b>	<b>6,869</b>
<b>Equity</b>		
Issued capital	32,921	2,377
Share based payments reserve	193	-
Retained earnings	3,873	4,122
Non-controlling interest	382	370
<b>Total equity</b>	<b>37,369</b>	<b>6,869</b>

## Key points:

- Strong balance sheet with \$22m in cash
- Positive cashflow of \$1.6m from operations
- Portion of IPO funds used to offset debt of \$3.3m to maximise return during low interest rate environment. This debt facility is available to be redrawn to working capital as required to fund growth plans
- Convertible note debt exchanged for equity in IPO process (50% of holding subject to escrow for six months)
- Increase in trade receivables balance was a function of the significant growth in revenue with a large number of projects completed towards the end of the reporting period
- Increase in property, plant & equipment reflects the investment in growth for the future with acquisitions being largely driven by aircraft (September 2019) and sensors used in data and image capture (LiDAR July 2019 and MetroCam November 2019)
- Increase in intangibles is through the acquisition of datasets for the MetroMap subscription platform



# ■ OPERATING DIVISIONS

Aerial photography & mapping

MetroMap

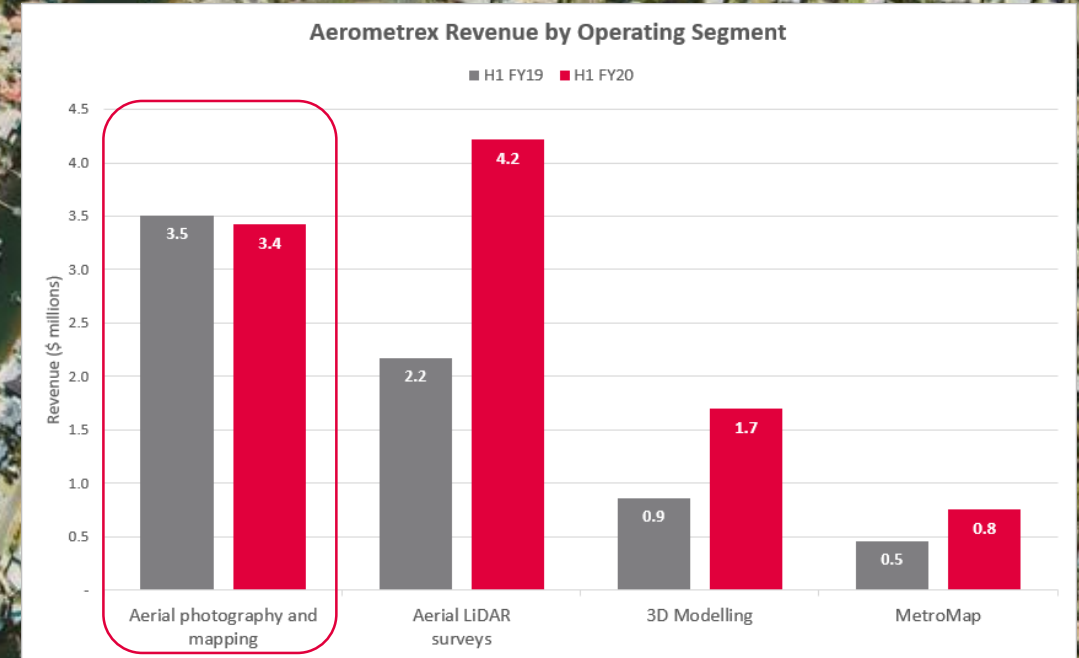
3D modelling

LiDAR



# AERIAL PHOTOGRAPHY & MAPPING

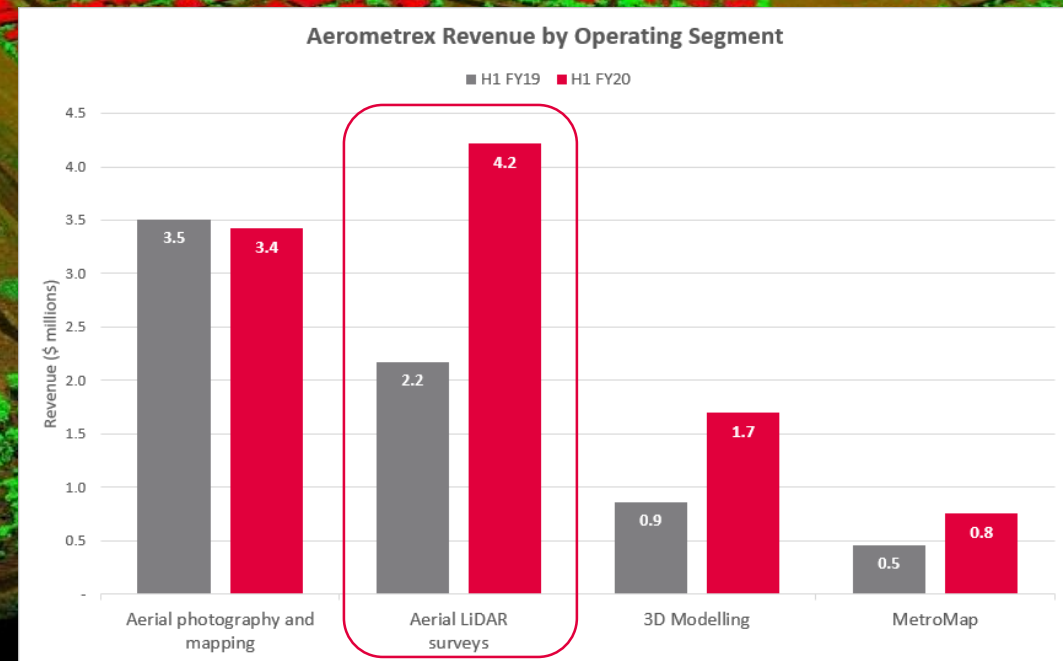
- Aerometrex expects to continue to see steady demand for this project-based service offering, particularly in regional areas.
- Strategic focus is on the conversion of project-based clients across to the MetroMap subscription service (shift in revenue between operating segments not loss of revenue)





# LiDAR

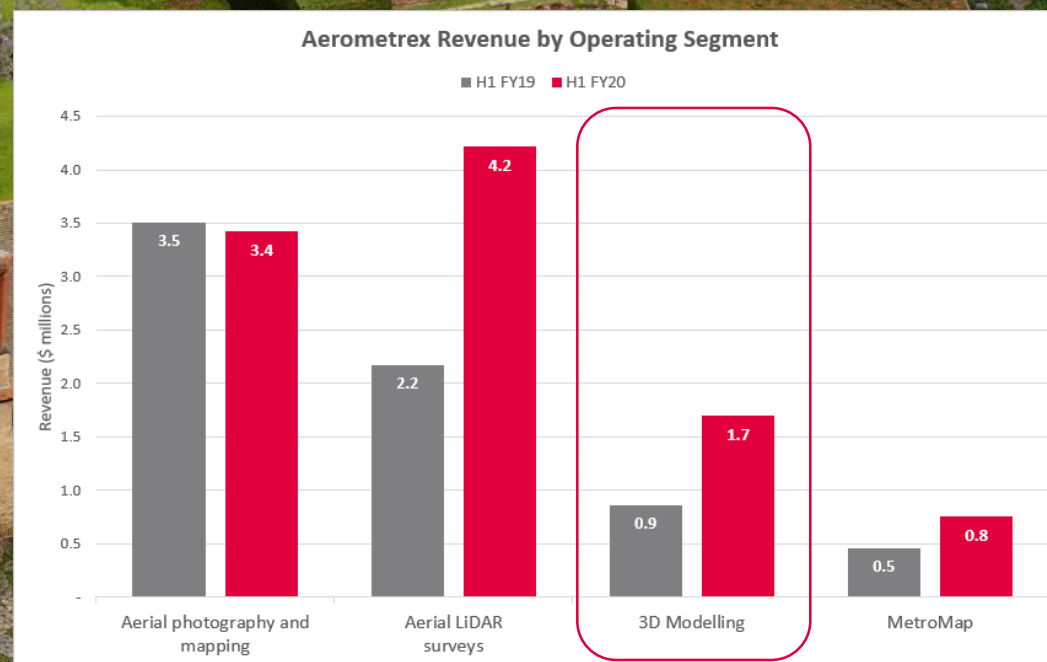
- LiDAR demand continues to grow rapidly with increasing need for digital terrain modelling and mapping.
- Industries serviced include mining, environment, coastal management, forestry, construction, civil engineering, telecommunications and transport.
- Growth in revenue reflects deployment of additional sensor in July 2019 to meet demand





## 3D MODELLING

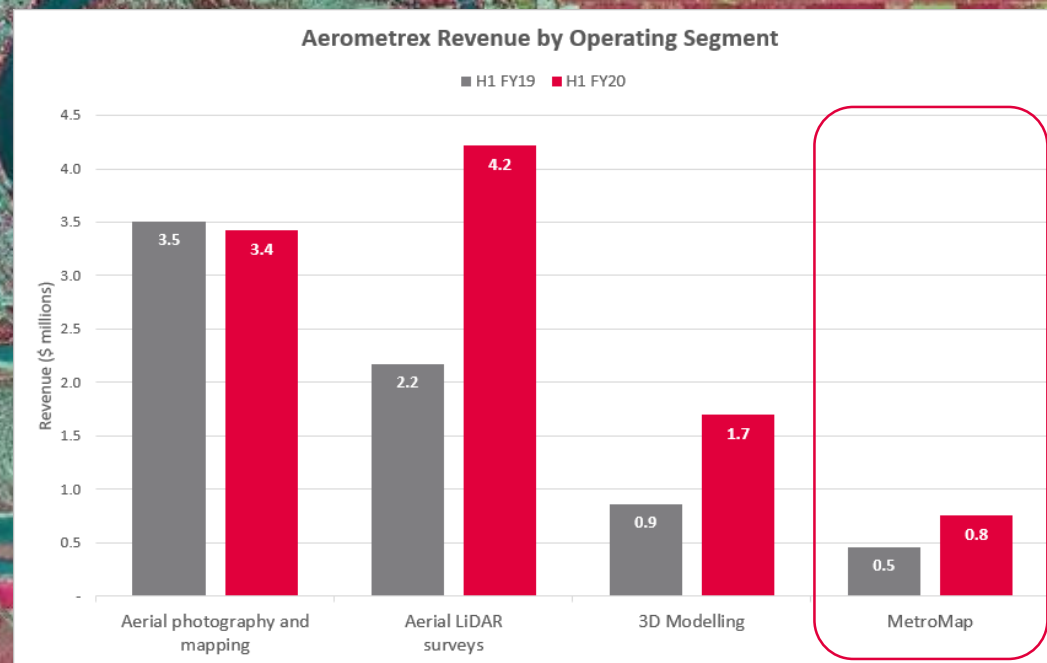
- Launched in 2012 as aero3Dpro, Aerometrex's 3D modelling service delivers the highest standards for 3D modelling of 2cm pixel size and 5cm accuracy.
- The 3D data industry is a new and rapidly growing market that Aerometrex is ideally poised to exploit.
- Aerometrex has completed high profile jobs in Europe, North America and Australia all on the back of in-bound enquiry.
- Appointment of key executives in Denver Colorado with 3D the focus of international growth.
- Investment into key sales channel staff to pursue opportunities with dedicated sales team in Australia.





# METROMAP

- Launched in 2018, MetroMap allows users to access high quality aerial 2D and 3D imagery from a browser interface.
- Increasing subscription revenue driven by growth in subscriber numbers with several client wins late in the half yet to have an impact on reported revenue.
- Deployment of proprietary camera system, MetroCam, into operations with ability to capture imagery from higher altitudes avoiding high traffic air-space over metropolitan areas.
- Second MetroCam expected in June quarter 2020.
- Continued product enhancement – recent introduction of a range of 3D measurement tools into MetroMap.
- Marketing and sales efforts starting to increase and expected to drive sales growth with IPO funds received at end of half.
- On-going R&D and product developments.





# GROWTH AND OUTLOOK

Industry tailwinds and positive outlook remains.

## H2 FY20 Outlook

- Increased profile through listing on ASX has increased opportunities to engage in initial sales discussions.
- Expecting see the benefit of additional camera resources being put to work.
- Expecting to see growth in MetroMap revenue with the appointment of sales team through H1 driving revenue.
- MetroMap focus with this being the core delivery platform for data and imagery.
- Aerometrex expects to see growth trends continuing noting the historical skew of revenue to H2 however strategic focus is growth of MetroMap subscription revenue.

## Near term strategic priorities

- Continue building subscription revenue for the MetroMap subscription service (2D and 3D available).
- Secure additional international 3D projects – Europe and US.
- Establish the US presence with bespoke 3D projects following appointment of key US executives.
- Continue to expand sales and marketing domestically and overseas.
- Growth initiatives carefully managed with management pursuing high ROI and low-risk initiatives to drive revenue growth.





# ■ BOARD OF DIRECTORS

Directors and Managers have a combined total of over 127 years experience in aerial surveying, aerial photography, photogrammetry, mapping/GIS and LiDAR and related activities.



## **Mark Deuter**

### Managing Director

- 30 years experience in photogrammetry and aerial photography
- 13 years experience in airborne geophysical surveying as Managing Director of Pitt Research Pty Ltd
- B.Sc.(Maths) Uni of Adelaide



## **Mark Lindh**

### Independent Non-Executive Chairman

- Corporate advisor with >15yrs experience in equity and debt markets
- Founder of Adelaide Equity Partners and prior to that Rundle Capital Partners Limited
- Current Director of Bass Oil (BAS.ASX) and Advanced Braking Technology (ABV.ASX)



## **David Byrne**

### Executive Director

- 19 years as Chief Photogrammetrist and Production Manager at Aerometrex
- 2 years as Digital Photogrammetric Engineer at Kevron, WA (Fugro)
- 4 years in Photogrammetry research/ commercial work at UniSA.
- B. Surveying (Hons), Uni SA



## **Matthew White**

### Non-Executive Director

- Financial Controller for the Aerometrex Group since 2008
- Founder and Principal of Business Initiatives since 1997
- BA Accounting from Uni SA
- Chartered Accountant, Financial Planner and Mortgage Broker



## **Dr Peter Foster**

### Independent Non-Executive Director

- Entrepreneur with broad experience in developing technologies for global markets.
- Current Director of VivoSense (private pharma services company based in USA).
- PhD Physics from University of Adelaide

## ■ APPENDICES

# INCOME STATEMENT

Statutory Statement of Profit or Loss and Other Comprehensive Income	Half Year Ended 31 Dec	
	2019 \$'000	2018 \$'000
Revenue from ordinary activities	10,097	6,997
Other income	108	42
Cost of sales	(3,682)	(2,495)
Employee benefits expense	(2,800)	(2,081)
Depreciation of property, plant & equipment	(947)	(653)
Amortisation of intangible assets	(513)	(124)
Travel and accommodation	(44)	(50)
IPO and Capital Raising Costs expensed	(543)	-
Shared based payment for director options	(69)	-
Refinance costs	(198)	-
Other expenses	(1,388)	(1,062)
Finance costs	(313)	(144)
Finance income	47	2
<b>(Loss) / Profit before income tax</b>	<b>(245)</b>	<b>432</b>
Income tax (expense) / benefit	8	142
<b>(Loss) / Profit after income tax</b>	<b>(237)</b>	<b>574</b>

Proforma Profit Statement	2020 H1 Reported 31 Dec 2019 \$'000	Items not in the ordinary course of operations \$'000	2020 H1 Normalised result 31 Dec 2019 \$'000
Revenue	10,205		10,205
Cost of sales	(3,682)		(3,682)
Operating expenses - ongoing	(4,300)		(4,300)
Operating expenses - one-off	(741)	741	-
<b>EBITDA</b>	<b>1,482</b>	<b>741</b>	<b>2,223</b>
Depreciation of property, plant & equipment	(947)		(947)
Amortisation of intangible assets	(513)		(513)
Finance costs	(313)	177	(137)
Finance income	47		47
<b>Loss before income tax</b>	<b>(245)</b>	<b>918</b>	<b>673</b>
Income tax (expense) / benefit	8		8
<b>Loss before income tax</b>	<b>(237)</b>	<b>918</b>	<b>681</b>

Items not in the ordinary course of operations	\$'000
<b>1 Operating expenses - one-off</b>	
IPO and Capital Raising Costs	543
Refinance costs	198
<b>Operating expenses - one-off</b>	<b>741</b>
<b>2 Finance costs on Convertible Notes</b>	<b>177</b>
<b>Total of items not in the ordinary course of operations</b>	<b>918</b>

Proforma EBITDA Calculation	Consolidated		2020 H1 Normalised result 31 Dec 2019 \$'000
	Half Year Ended 31 Dec 2019	Half Year Ended 31 Dec 2018	
<b>Profit / (Loss) before income tax</b>	<b>(245)</b>	<b>432</b>	<b>(245)</b>
Addback finance costs	313	144	313
Less Interest income	(47)	(2)	(47)
Addback depreciation	947	653	947
Addback amortisation	513	124	513
Addback items not in ordinary course	-	-	741
<b>EBITDA</b>	<b>1,482</b>	<b>1,351</b>	<b>2,223</b>
<b>EBITDA Margin</b>	<b>14.6%</b>	<b>19.3%</b>	<b>21.8%</b>



# STATEMENT OF FINANCIAL POSITION and CASH FLOWS

Statement of Financial Position	Consolidated	
	Dec 2019 \$'000	Jun 2019 \$'000
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	22,056	5,110
Trade and other receivables	3,901	2,759
Contract assets	1,205	1,276
Other	193	97
<b>Total current assets</b>	<b>27,355</b>	<b>9,242</b>
<b>Non-current assets</b>		
Property, plant and equipment	13,345	9,800
Intangible assets	3,588	3,102
Deferred tax assets	1,099	349
<b>Total non-current assets</b>	<b>18,032</b>	<b>13,251</b>
<b>Total assets</b>	<b>45,387</b>	<b>22,493</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	1,677	1,103
Current tax liabilities	157	293
Contract liabilities	405	522
Financial liabilities	405	8,520
Employee benefits	1,075	890
<b>Total current liabilities</b>	<b>3,719</b>	<b>11,328</b>
<b>Non-current liabilities</b>		
Financial liabilities	2,916	3,112
Employee benefits	121	93
Deferred tax liabilities	1,262	1,091
<b>Total non-current liabilities</b>	<b>4,299</b>	<b>4,296</b>
<b>Total liabilities</b>	<b>8,018</b>	<b>15,624</b>
<b>Net assets</b>	<b>37,369</b>	<b>6,869</b>

Statement of Financial Position	Consolidated	
	Dec 2019 \$'000	Jun 2019 \$'000
<b>Equity</b>		
<b>Equity attributable to the owners of Aerometrex Limited:</b>		
Issued capital	32,921	2,377
Share based payments reserve	193	-
Retained earnings	3,873	4,122
Non-controlling interest	382	370
<b>Total equity</b>	<b>37,369</b>	<b>6,869</b>

Statement of Cash Flows	Half Year Ended 31 Dec	
	Dec 2019 \$'000	Dec 2018 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	9,924	9,072
Payments to suppliers and employees	(8,044)	(6,464)
Income taxes paid	(136)	(100)
Interest received	47	2
Interest and other finance costs paid	(137)	(144)
<b>Net cash from / (used in) operating activities</b>	<b>1,654</b>	<b>2,366</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(3,792)	(1,483)
Deposits paid for property, plant and equipment	(701)	-
Purchase of other intangible assets	(1,016)	(809)
<b>Net cash from / (used in) investing activities</b>	<b>(5,509)</b>	<b>(2,292)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	7,633	885
Proceeds from issue of shares - IPO	25,000	-
IPO Costs	(2,204)	-
Proceeds from issue of convertible notes	1,500	-
Repayment of borrowings	(11,128)	(681)
Dividends paid	-	(680)
<b>Net cash from / (used in) financing activities</b>	<b>20,801</b>	<b>(476)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>16,946</b>	<b>(402)</b>
Cash and cash equivalents at the beginning of the financial half-year	5,110	974
<b>Cash and cash equivalents at the end of the financial half-year</b>	<b>22,056</b>	<b>572</b>



**THANK YOU**