

31 August 2022

ASX Announcement (AMX)

Aerometrex delivers record revenue in FY22

Aerometrex Limited (ASX: AMX) today announced its results for the twelve months ended 30 June 2022 (FY22), delivering a record statutory revenue result of \$25.03 million.

FY22 key highlights included:

Revenue

- Statutory revenue up 19.5% from \$20.94 million to \$25.03 million
- Total revenue up 31.1% from \$21.24 million to \$27.84 million including profit on sale of non-core property assets
- Largest ever off-the-shelf data sale of \$2.58 million
- Continued transition towards subscription business with subscription revenue contributing 23.4% of operating revenue, up from 17.4% in FY21
- Strong growth in LiDAR revenue, up 26.8% to \$11.3m following continued investment in sensor capacity
- First significant contribution from USA 3D modelling business of \$0.9m up from \$0.03m

Annual Recurring Revenue

- YoY growth of Annual Recurring Revenue (ARR) up 42% to \$6.84 million

EBITDA

- EBITDA up 168.9% to \$7.70 million with normalised EBITDA up 21.6% to \$5.1 million

Board Appointments

- Mr Steve Masters to the position of Managing Director & CEO
- Mr Donald McGurk as an independent non-executive director

Commenting on the FY22 results, Aerometrex Managing Director Steve Masters said:

“Aerometrex delivered record revenue of \$25.03m in FY22, up 19.5% on FY21 and achieved several key milestones during the year. The company’s impressive outcomes were especially pleasing given the COVID-19 related operational challenges encountered throughout the year.

The company has continued to focus on the transition towards a subscription-based business with subscription revenue now contributing 23.4% of group revenue, up from 17.4% in FY21. MetroMap Annual Recurring Revenue (ARR) was up 42% YoY to \$6.84 million driven by a strong partnership model and continued growth in SME subscribers.

In June 2022, we announced the largest ever off-the-shelf data sale in the company's history of \$2.58 million to the Australian Federal Government. This milestone sale validated the company's strategy to focus on creating high quality datasets where the intellectual property ownership belongs to Aerometrex that can be re-sold to all customers.

Our LiDAR business delivered strong revenue growth, up 26.8% to \$11.32 million following investment into an additional sensor and sensor upgrades during FY21. We successfully completed our BARS (Basic Aviation Risk Standard) accreditation, enhancing aviation safety standards and expanding market opportunities.

Our US business, which has been impacted by COVID-19 issues over the past few years, delivered its first significant revenue contribution of \$0.9 million, up from \$0.03 million in FY21. Focused on our high-resolution 3D modelling product, this revenue was achieved from the delivery of our San Francisco dataset to Google, off-the-shelf dataset sales to metaverse companies and global project work with tier one engineering firm WSP.

EBITDA was up 168.9% to \$7.70 million with normalised EBITDA up 21.6% to \$5.1 million. The most significant component of the normalisation reflects the gain on sale of non-core property assets that were disposed of during the year."

Operational performance

The company continued to focus on the scaling of the MetroMap subscription business during FY22. This included the completion of aerial project photomapping during the year, as announced in June 2021, to enable shared resources to be dedicated to MetroMap. The company has also continued to invest into people and systems to support future growth ambitions ahead of the revenue curve. Subscription revenue was a larger contributor to the overall revenue mix, now providing 23.4% of total statutory revenue compared to 17.4% in the prior year. Statutory subscription revenue increased 60.7% to \$5.85 million and contract liabilities for subscription revenue billed in advance increased 29.8% to \$2.85 million, up from \$2.19 million at June 2021.

LiDAR revenue increased 26.8% to \$11.32 million following continued investment into a fourth sensor and upgrades to the existing sensor fleet in the prior year. The company completed its BARS accreditation which will open a number of potential opportunities to work with some of the largest mining companies in the country.

The company continued to focus on building its portfolio of high-resolution 3D datasets in the US capturing Las Vegas, Manhattan and Brooklyn in New York, Tampa, and San Diego, as well as completing project work. The US operations provided its first significant contribution of revenue being \$0.9 million being a combination of off-the-shelf data sales to emerging Metaverse companies and project work for large tier engineering firms.

The company was not immune from the ongoing impacts of COVID-19 and its impact on supply chain disruptions, border restrictions, staff quarantine and isolation requirements. Ongoing border restrictions in the first half created logistical issues in relation to aviation asset and staff movements, all of which had a negative impact on costs and other efficiencies.

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The ongoing tightening of the employment market and supply chain disruptions will continue to add some complexity for the coming year.

The company continued to invest into Research & Development (R&D) enhancements particularly in areas of Artificial Intelligence (AI) and Machine Learning (ML). These R&D initiatives span both internal process efficiency and scalability as well as external product development through the significant wealth of geospatial data the company owns.

FY23 focus is building pathway to profitability

Aerometrex will continue to focus on its three core product lines, namely MetroMap, LiDAR and high-resolution 3D modelling. Initiatives will be undertaken throughout FY23 with the objectives of growing revenue, improving asset utilisation and optimising organisational structures. These include:

- Transitioning the organisational structure to align with product lines to drive performance;
- Continue to build MetroMap sales momentum;
- Expanding our LiDAR sensor fleet in 2H23 to capture growing customer demand;
- The secondment of a small team to the USA in 1H23 to rejuvenate our 3D modelling business with the objectives of selling existing datasets and building our opportunity pipeline; and
- Assessing options to optimise long-term aviation and sensor strategies for our MetroMap and LiDAR businesses.

Commenting on the company's outlook, Mr Masters said:

"We continue to have a business with enormous potential. Moving forward, in addition to objectives such as growing revenue and enhancing our products, there will also be a focus on building a pathway to profitability. The journey will not be without its challenges given the unpredictability of the general external environment, the recent volatility in global financial markets, and the competition for talent. The underlying focus is to build profitable and sustainable value for our shareholders across all product lines."

This release is approved by the Board of Directors of Aerometrex Limited.

- ENDS -

ADDITIONAL INFORMATION

For further information, contact:

Mr Steve Masters
Chief Executive Officer

Mr Chris Mahar
Chief Financial Officer

+61 8 8362 9911

E: investorrelations@aerometrex.com.au

W: <https://aerometrex.com.au/asx-announcements>

MetroMap: www.metromap.com.au

About Aerometrex Limited

Aerometrex Limited is a professional aerial mapping business specializing in an aerial imagery subscription service (MetroMap), LiDAR and 3D. The company operates the full range of services throughout Australia and extends its 3D services on a global scale. The company has staff based in the US delivering its 3D product.

The company, established in 1980, has a strong Board and executive team with significant industry experience.

For further information, please visit www.aerometrex.com.au.

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