

21 February 2024

## Urbanise.com Limited reports H1 FY2024 result

- H1 FY2024 license revenue of \$5.77m, up 3.7% vs prior corresponding period (pcp) as new and backlog contracts and organic growth deliver \$0.8m in underlying license fee growth.
- H1 FY2024 total revenue of \$6.27m, down 0.9% vs pcp with increase in license fees more than offset by a decline in professional fees; 92% recurring revenue.
- Annualised Recurring Revenue (ARR) of \$11.99m, up 6.3% on pcp driven by new customer and organic growth.
- Contracted ARR (CARR) of \$12.8m at 1 January 2024, up 4.0% on pcp; includes estimated backlog of \$0.8m.
- EBITDA loss of \$1.52m, 29.1% improvement vs pcp (H1 FY2023: \$2.1m), largely driven by lower operating expenses.
- H1 FY2024 underlying average monthly cash used of \$77k vs \$98k in H1 FY2023<sup>1</sup>.
- Closing cash balance of \$3.76m (30 June 2023: \$4.25m) and no material debt<sup>2</sup>.

**Urbanise.com Limited** (ASX: UBN) (“Urbanise” or “the Company”) today provides its half year result for the six months to 31 December 2023.

Urbanise is a leading provider of cloud-based Software-as-a-Service (SaaS) platforms, Urbanise Strata and Urbanise FM, which service the strata and facilities management sectors. Urbanise provides its solutions in Australasia, the Middle East, Europe and South Africa.

Urbanise’s CEO Simon Lee said: “During the first half, we continued to execute our growth strategy for the two businesses, Urbanise Strata and Urbanise FM. Within strata, we increased our footprint across small to medium strata managers in NSW, VIC and QLD as well as in the Middle East, New Zealand and parts of Asia. On the FM side, new customers included retirement villages, property managers and FM service providers reflecting our targeting of these key sectors. We continued to work closely with Colliers Australia and have rolled out the FM platform across all States except for NSW which we expect to complete by the end of FY2024. We continue to build a strong pipeline of opportunities and are exploring initiatives to reduce conversion lead times.

“Following the completion of a comprehensive operational review in Q1 FY2024, we identified \$2.4m in cash flow improvements that we expected to realise by September 2024. At 31 December 2023, 95% of this target has been achieved and we are on track to meet or exceed it in H2 FY2024. As a Company, we are making good progress towards our goal of achieving cashflow breakeven in FY2025. Our contract extension discussions with a major APAC customer continue and we expect to finalise a new fee structure in Q3 FY2024.”

<sup>1</sup> Underlying average monthly cash used excludes one off items and late receipts.

<sup>2</sup> No debt other than annual insurance premium funding.

## H1 FY2024 Financial Summary

Total revenue for H1 FY2024 was \$6.27m, down \$55k or 0.9% vs pcp (H1 FY2023: \$6.32m). License revenue growth was 3.7% vs pcp with underlying license revenue growth of \$0.8m offset by a \$0.6m decline due to customer loss and license fee reductions (one of which was temporary and involved a major Strata APAC customer). H1 FY2024 professional fees were \$0.3m or 34.0% lower vs pcp due to the successful completion of development work for customers in H1 FY2023.

H1 FY2024 operating expenses of \$7.8m were \$675k or 8.0% lower than pcp. This reflected headcount savings and non-wage overhead reductions that were realised following the completion of a comprehensive operational cost review in Q1 FY2024.

Urbanise's EBITDA loss of \$1.52m improved by 29.1% vs pcp largely due to lower operating expenses during the period.

Urbanise's ARR of \$11.99m in December 2023 was 6.3% higher on pcp and at 1 January 2024, the estimated backlog was \$0.8m. ARR growth was driven by new wins and backlog conversions as well as organic growth from existing customers. Total Contracted ARR (CARR) of \$12.8m was up 4.0% on pcp.

## Facilities Management

H1 FY2024 FM license revenue of \$2.12m was 11.6% higher vs pcp reflecting growth from new and backlog customers including Colliers Australia which went live in April 2023 with the roll out continuing in H1 FY2024. Recurring license fees represented 87.2% of total FM revenue in H1 FY2024.

Professional fees of \$310k includes work undertaken for Colliers Australia as well as other FM customers across the Middle East and APAC. Professional fees were 12.4% lower on pcp due to the inclusion of implementation fees from two APAC projects in H1 FY2023.

Total revenue of \$2.43m was up 7.9% on pcp reflecting the strong growth in license fees during the period.

FM ARR in December 2023 increased by 7.2% on pcp to \$4.17m due to the partial implementation of Colliers, new and backlog customers and growth from existing customers. At 1 January 2024, the FM backlog included seven contracts expected to contribute an estimated \$0.4m in annual license fee revenue. These customers included retirement villages, property managers and FM service providers and reflected the Company's focus on these key sectors.

Urbanise continues to work closely with Colliers Australia and have rolled out the FM platform across all States except NSW. The final stage of the roll out is expected to be completed in H2 FY2024.

## Strata Management

H1 FY2024 Strata license fees of \$3.65m were flat on pcp mainly due to a temporary reduction in license fees from a large APAC customer. Urbanise is in contract extension discussions with this customer and expects to finalise fee structures in Q3 FY2024. A \$283k reduction in license fees vs pcp is expected to be resolved as part of the new fee structure. Excluding this fee reduction, Strata license revenue increased by 8.2%.

Professional fees were 52.8% lower on pcp due to the successful completion of development projects for Middle East customers in H1 FY2024. Total revenue of \$3.84m was 5.5% lower vs pcp with 95.0% of revenue recurring.

Strata ARR in December 2023 increased by 5.8% on pcp to \$7.82m and at 1 January 2024, the backlog was estimated at \$0.4m. This reflected Strata ARR wins of \$163k in H1 FY2024 with eleven strata managers added in Australia across various states and four new customers in the Middle East.

**Cashflow and Balance Sheet**

Receipts increased by 16.9% to \$8.34m driven by strong billing in the half and related cash collection. Urbanise had a closing cash balance of \$3.76m and no material debt.

**FY2024 Outlook**

In H2 FY2024, Urbanise will continue to execute its growth strategy, driving revenue growth across its core markets and implementing its backlog. It expects to complete the roll out of its FM platform across Colliers Australia’s portfolio and finalise contract extension discussions with a large APAC Strata customer. The Company is focused on the conversion of its sales pipeline, cautious cost and working capital management. Urbanise remains on track to reach cash flow breakeven in FY2025.

**H1 FY2024 Investor Webinar**

CEO Simon Lee will host a zoom webinar with the investment community including a Q&A session at **10am AEDT today 21 February 2024.**

To register for the zoom webinar, please follow the link below.

[https://us02web.zoom.us/webinar/register/WN\\_kBzDojWaTdeF\\_mkllZqs2Q](https://us02web.zoom.us/webinar/register/WN_kBzDojWaTdeF_mkllZqs2Q)

**This announcement has been authorised for release by the UBN Board of Directors**

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**About Urbanise**

Urbanise is a leading provider of cloud-based Software as a Service (SaaS) platforms for property management, specifically strata and facilities management. The Strata platform manages the communications and accounting functions for apartment buildings, strata commercial towers and large housing communities. The Facilities Management platform manages the repair and maintenance for infrastructure, buildings, residential and commercial properties. Urbanise technology is used in some of the tallest towers and most prestigious communities around the globe. [www.urbanise.com](http://www.urbanise.com)

**Forward-looking statements**

This announcement may contain forward-looking statements regarding the Company’s financial position, business strategy and objectives (rather than being based on historical or current facts). Any forward-looking statements are based on the current beliefs of the Company’s management as well as assumptions made by, and information currently available to, the Company’s management. Forward-

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looking statements are inherently uncertain and must be read accordingly. There can be no assurance that some or all of the underlying assumptions will prove to be valid.

All data presented in this announcement reflects the current views of the Company with respect to future events. Forward-looking statements are subject to risk, uncertainties and assumptions relating to the operations, results of operations, growth strategy and liquidity of the Company. To the maximum extent permitted by law, the Company, its officers, employees and agents do not accept any obligation to release any updates or revisions to the information (including any forward-looking statements) in this announcement to reflect any change to expectations or assumptions; and disclaim all responsibility and liability for any loss arising from reliance on this announcement or its contents.

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