

ASX Announcement | 29 August 2024

Bigtincan Holdings Ltd

Full Year FY24 Results

Bigtincan reports Record EBITDA with free cash flow positive for 2H FY24, with outlook for improved EBITDA and improving free cash flow for FY25.

FY24 Financial Highlights

- Full year FY24 EBITDA of \$11.3m up from (\$4.9m) in FY23.
- Full year Adjusted EBITDA of \$16.2m up from \$8.3m in FY23.
- Transition of business to cash flow positive with 2H free cash flow positive of \$5.4m, and full year operating cash flow of \$6.2m
- Total FY24 revenue of \$117.1m impacted by delays in some end of period services contracts, and EMEA revenue declining by 38% from FY23 reducing to \$8.9m from \$14.7m, this was partially offset by expansion in the Australia region with 35% growth from \$5.7m to \$7.7m and the impacts of the Modus transaction.
- Annualised Recurring Revenue of \$116m, with significant contributions from Multi-Hub and GenieAI products as Bigtincan continues to build a strong core customer base.

Operational Highlights

- Strengthened Board and realigned Executive Leadership Team
- Bigtincan secured its 2nd largest deal in the Company's history, with Align Technologies
- Recognised as a leader in sales enablement technology with over 2,000 customer deployments globally.
- Launch of GenieAI™, Bigtincan's Large Language Model-based technology with FY24 TCV impacts of \$5.6m.
- Bigtincan sees ongoing benefits from its FY24 business adjustments with an outlook for FY25 showing increases in EBITDA, growth in GenieAI products, free cash flow positive outcome and focus on Bigtincan's Ideal Customer Profile adding to Bigtincan's long term vision of being a global leader in Sales Enablement.

Bigtincan Holdings Limited (ASX:BTH), owner of Bigtincan® and Brainshark, Australia's largest publicly listed sales enablement platform and Software-as-a-Service (SaaS) provider of global sales training, sales content delivery and sales meeting facilitation, has today released its

Appendix 4E and is pleased to present commentary to accompany the lodgement of this report for FY24.

Business Commentary

In FY24, Bigtincan executed on its strategy to transition the business to become cash flow positive and achieve EBITDA growth. The company focused on its profitable core customer base and on creating market leadership with the development of GenieAI offerings across its product set. "FY24 was a transformative year for Bigtincan. The team worked together to change the buying experience of the future for our customers in a dynamic marketplace. We adjusted our business and refocused on core profitable customers, while at the same time realigning our organization structures and investing in AI capabilities through GenieAI technologies." said David Keane, CEO and co-founder of Bigtincan.

Impacts of GenieAI Development

The development of GenieAI in FY24 has been a transformative force for Bigtincan, positively impacting revenue growth and enhancing the company's market position. GenieAI integrates seamlessly into Bigtincan's Intelligent Enablement Platform, offering advanced features such as AI-driven roleplay, coaching feedback, and content generation. These capabilities have not only improved operational efficiency but also provided customers with powerful tools to enhance their sales processes. The strategic focus on GenieAI has led to a direct increase in Annual Recurring Revenue (ARR), with \$1.5 million attributed to AI-specific offerings with a total of \$1.8 million from AI-driven expansions and \$5.6m in TCV impacted. This growth underscores the value that our customers are placing on AI integration in improving the buying experience of their customers.

Development of Strategic Partnerships and Related Technology

In FY24, Bigtincan was a launch partner with Microsoft of the "Works With Copilot" program in collaboration with Microsoft 365 Copilot. This integration brings game-changing AI-powered collaboration features directly to Copilot and Teams, streamlining workflows and enhancing the sales engagement experience. By connecting Microsoft Copilot with Bigtincan, their joint customers can benefit from the exponential productivity gains of SearchAI. This translates to better content, more efficient meetings, and ultimately, increased revenue for Bigtincan and benefits and of much as a 10X productivity gain for Bigtincan's customers.

In FY24 Bigtincan embraced spatial computing, creating and launching Virtual Showrooms and extended reality capabilities to take sales enablement out of the office and into the world, with Bigtincan becoming the first and currently the only sales enablement application integrated into the Apple Vision Pro ecosystem. Leveraging Apple's spatial computing tools, Bigtincan can

empower businesses across industries to deliver immersive experiences to their customers, setting a new standard for B2B interactions.

In addition Bigtincan was recognized in 12 analyst reports and industry awards across multiple categories including revenue and sales enablement, readiness, coaching, AI, and conversation intelligence.

Revenue, EBITDA Improvements and Financial Progress

Whilst Bigtincan was impacted by customer contractions in 1H FY24, and delays in some end of period services contracts and with EMEA revenue declining by 38% from FY23 reducing to \$8.9m from \$14.7m, this was partially offset by expansion in the Australia region with 35% growth from \$5.7m to \$7.7m and the impacts of the Modus transaction with full year revenue ending at \$117.1m.

Bigtincan saw a material increase in EBITDA, with EBITDA of \$11.3m and Adjusted EBITDA at \$16.2m driven by focussed execution on the core customer base and Ideal Customer Profile (ICP) and a rationalization of organizational functions within the company.

Adjusted EBITDA as a percentage of revenue improved from 7% in FY23 to 14% in FY24, with total operating expenditure as a % of revenue reducing from FY23 of 93% to 84% in FY24 showing the benefits of Bigtincan's enterprise business model and strong operating leverage in FY24.

	FY22	FY23	FY24
Total Revenue	\$108.6m	\$123.1m	\$117.1m
EBITDA	(\$10.2m)	(\$4.9m)	\$11.3m
EBITDA as a % of revenue	-	-	10%
Adjusted EBITDA	\$4.1m	\$8.3m	\$16.2m

Operating cash flow	(\$4.6m)	(\$11.7m)	\$6.2m
Total Operating expenses (cash) as a % of revenue	102%	93%	84%

Large Customer Win

During FY24 Bigtincan was successful in a competitive bid process winning a contract with Align Technologies (NASDAQ: ALGN) for a deployment of Bigtincan software with a total contract value (TCV) of AUD\$4.94m over 30 months. Align Technologies is a company specialising in advanced digital technologies primarily focused on orthodontics and dental care. Their flagship product, Invisalign, is a market leader in clear aligner therapy, providing a modern alternative to traditional braces.

The software will be used by thousands of Align employees and partners globally to help empower these users for remote onboarding and training, and to help promote and sell Align Technology products in customer facing scenarios. Bigtincan was chosen in a competitive bid process. This is the 2nd largest TCV deal in the history of Bigtincan and demonstrates the opportunity for BTH software in the global market.

Capital Raising to support Generative AI Investments

In FY24, Bigtincan conducted a fully underwritten accelerated pro-rata non-renounceable entitlement offer to raise approximately A\$20.5 million from institutional and retail shareholders.

The capital raised is intended to fund investments in core AI technology, including GenieAI, data infrastructure, market awareness and development, working capital, and transaction costs. The equity raising was structured with both an institutional and a retail component, allowing eligible shareholders to participate in the offer.

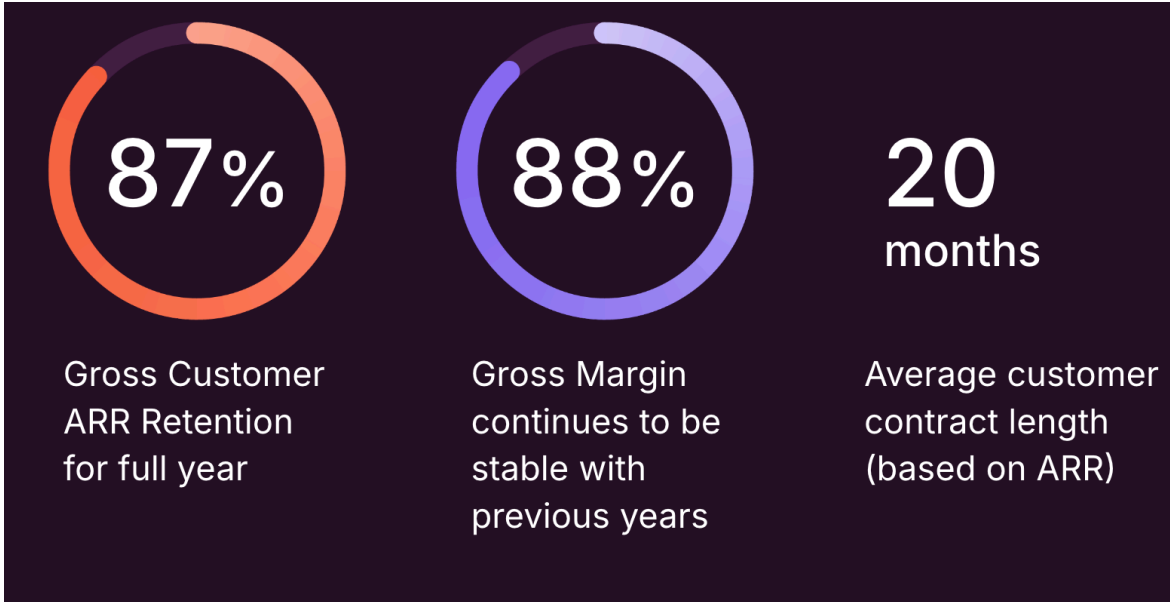
It is planned to deploy the funds from the capital raising as follows:

<p>Investments in core AI technology <i>Including AuthoringAI, and GenieAI technology</i></p>	<p>\$5m. Multi year investment in GenieAI technology;</p> <ul style="list-style-type: none"> → Build out of technology and infrastructure → Advancements in platform deployment – connecting GenieAI throughout the Bigtincan platform → Core IP and patent protection for GenieAI based developments
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	<ul style="list-style-type: none"> → Extension to Genie features in multi-hub → Creation of software models to allow Bigtincna to build AI offerings with customer approved data
<p>Data infrastructure <i>related to provisioning of GenieAI technologies across Bigtincan's infrastructure in the USA, EMEA and Australia</i></p>	<p>\$4m. Multi year investment in infrastructure to support the deployment of existing GenieAI technology into Bigtincan enterprise customers in the USA, EMEA and Asia/Pacific -powered by SecureGLP</p>
<p>Market awareness and market development <i>around GenieAI</i></p>	<p>\$3m. Expand group sales and marketing capability to support and accelerate growth with a focus on GenieAI based technologies primarily in the USA & Europe</p> <p>Sales, marketing and customer resources in FY25 to support revenue growth and customer retention to take advantage of GenieAI technology developments</p>
<p>Market development</p>	<p>\$3m. Multi year program to promote GenieAI technology to build pipeline on AI technology and Bigtincan brand development in AI</p>
<p>Working Capital <i>And offer costs</i></p>	<p>\$5.5m. Working capital for business operations, seasonal revenue and offer costs</p>

Customer Retention and Growth

Bigtincan achieved a gross customer ARR retention rate of 87% in the second half of FY24, reflecting strong customer satisfaction and loyalty from its core customer base, with average contract length growing to 20 months from 16 months in FY23, and gross margin constant at 88%.



FY25 Outlook

For FY25, Bigtincan is building on FY24 and anticipates a significant increase in revenue opportunities from GenieAI technology, combined with the impacts from strategic investments in market development projected to enhance new and expansion opportunities, leading to a pipeline growth of over 25% in Bigtincan's Ideal Customer Profile (ICP) customers over June FY24. These growth strategies are designed to support revenue opportunities, underpinned by solid infrastructure prepared for future developments.

While there remains some uncertainty in the US economy in the lead up to the US Presidential election, Bigtincan expects to see further benefits from the transition work undertaken in FY24. Our refocus on core customers, investments in AI and realigned organization position us well to capture revenue opportunities in the coming year.

Bigtincan are projecting an initial FY25 outlook of;

- Improving free cash flow position.
- EBITDA target of \$14+ (20%+ growth).
- ARR to grow in FY25.

Bigtincan will provide FY25 guidance at the AGM.

Investor Webinar

Bigtincan Holdings Limited (ASX:BTH) ("Bigtincan") is scheduled to announce its financial results for the full year ended 30 June 2024 on 29 August 2024. Bigtincan is pleased to invite shareholders and investors to attend a webinar during which management will provide an overview of results. The webinar will be hosted via Zoom and commence at **11.00am (AEST) on Thursday 29th August 2024**.

Details of the event are as follows:

Event: Bigtincan Holdings Limited Full Year FY24 Results Investor Webinar

Presenters: Chief Executive Officer and Co-founder, David Keane, Global Head of Finance, Cyril Desouza

Date and Time: Thursday 29 August 2024 at 11.00 am AEST (US 9.00pm EDT 28 August 2024)

Where: Zoom Webinar - details to be provided upon registration

To register your interest for the webinar please click through to the link below:

https://janemorganmanagement-au.zoom.us/webinar/register/WN_YnSqY2inQRixfHOMe5NYiQ

After registering your interest, you will receive a confirmation email with information about joining the webinar. Participants will be able to submit questions via the panel throughout the presentation, however we encourage shareholders and investors to send questions via email beforehand to jm@janemorganmanagement.com.au

Authorised by: Tom Amos, Chairman – Bigtincan Holdings Limited

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[1] Bigtincan uses certain measures to manage and report on its business that are not recognised under AAS or IFRS. These measures are collectively referred to under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. Annualised Recurring Revenue (ARR) represents contracted, recurring revenue on an annualised basis.

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Everything we offer is designed to be smart, flexible, and easily adapted to unique business processes with highly personalized experiences that people and brands love. We're on a mission to help companies deliver branded buying experiences that are engaging, personalized, provide value, and guide people to the best decisions with confidence. World-class companies like Nike, Guess, Prudential, and Starwood Hotels trust Bigtincan to enable customer-facing teams to intelligently prepare, engage, measure and continually improve the buying experience for their customers.

For more information about Bigtincan (ASX: BTH), visit: bigtincan.com or follow Bigtincan on social media:

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