



MARKET RELEASE

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Nuix announces 1H23 results and Strategic Refresh Update

Sydney, Australia – Global software company Nuix ('the Company', ASX: NXL) announces its results for the half year ended 31 December 2022 in line with the recent trading update. Nuix also today updates the market on the progress of Strategic Refresh initiatives.

1H23 Results

- Annualised Contract Value (ACV) \$170.2m, up 3.4% on 1H22
- Statutory Revenue \$87.6m, up 4.3% on 1H22
- EBITDA \$20.9m, up 51.6% on 1H22
- Underlying EBITDA \$25.1m, up 8.5% on 1H22
- NPAT \$1.3m, up 153.8% on 1H22

Annualised Contract Value (ACV), which provides an annualised "run rate" of the value of Nuix's contract value at a given point in time, rose 5.0% in comparison to the full year results ending June 2022, and is also higher than reported at the Company's Annual General Meeting.

ACV rose by 3.4% compared to the prior corresponding period (pcp). The ACV outcome is in line with the guidance range provided in the trading update in January 2023.

Subscription ACV, an important metric given its generally recurring nature, grew by 7.0%, to now represent 93.0% of Total ACV.

Statutory Revenue rose by 4.3%, driven by a stronger trading performance in December and currency tailwind, as indicated in the January trading update.

Underlying EBITDA, which excludes non-operational legal costs and Topos costs, rose 8.5% on pcp, to \$25.1 million.

As previously flagged, non-operational legal costs were significantly lower during the half compared to the prior corresponding period. This impact, along with revenue growth and general cost containment, meant Statutory EBITDA was materially higher than the prior corresponding period, up 51.6% to \$20.9 million.



Customer churn rose slightly over the full year to 4.8%, although was lower than the outcomes at the FY22 result and AGM update.

Net Dollar Retention (NDR) rose to 103.1% on general containment of customer churn, increased upsell to customers and currency benefits.

Nuix maintained elevated levels of research and development spend during the half, continuing its strategic commitment to further investment in sustainable revenue generation. Important progress was made on critical projects including further development on the Nuix Unified Platform, Natural Language Processing (NLP) integration and new productised offerings including the launch of the Data Privacy offering. As previously flagged, the Company also achieved FedRAMP Ready status during the half.

The higher levels of research and development spend were broadly funded from operational cash flow, in keeping with the Company's stated cash flow strategy. During the half, Nuix recorded a small fall in underlying cash flow, that is, cash flow before non-operational legal costs and acquisition and operating costs related to the Topos acquisition.

The company ended the half with cash on hand of \$37.1 million and no debt.

Diversified Customer Base

The highly diversified nature of Nuix's customer base means that no individual customer represents more than 3% of ACV, with the Top 20 customers accounting for 34% of ACV combined. Around 85% of ACV is generated outside Australia. Over 40% of customer ACV has a tenure of over 10 years.

During the half, Nuix saw strong growth in Government ACV in particular, along with continued demand from law firms for Nuix's Discover SaaS product.

Strategic Refresh Update

Group Chief Executive Officer Jonathan Rubinsztein provided further detail on the progress of Strategic Refresh initiatives, commenting:

"We've previously articulated our strategic refresh agenda, involving a greater focus on customer centricity and initiatives across three key horizons. An enormous amount of strategic work occurred during the half, and we are seeing some early positive impacts on our financial results.



During the half the team made impressive progress on Horizon 1 initiatives, including further implementation of a new price book, the development of an optimised sales process, an improved renewal approach more closely focused on ACV, NDR and churn, and an enhanced focus on embedding and refining Nuix's service offering to our customers.

Building on the existing talent in our organisation, significant progress has also been made in relation to leadership, culture and value propositions. We have made further important hires into key leadership roles, invested in capabilities across engineering, corporate services and product development, commenced a culture refresh program including new branding and company values and refocused on employee value propositions.

Nuix's licence modernisation program, targeting a simplified licencing framework built around solution and data velocity, continued during the half, along with efficiency and prioritisation projects in research and development and further operational efficiency discipline through the Fit for Growth program.

As previously highlighted, during the half Nuix achieved FedRAMP Ready designation, at the High Security impact level, for its Discover SaaS platform. Nuix is now in the Pre-Authorization stage, during which it formalises its partnership with a US Government agency. On Authorization, Nuix's Discover SaaS platform will be able to be used by US Government agencies to store their most sensitive unclassified data.

Nuix Unified Platform and High Value Repeatable Use Case Solutions

The team has made solid progress on our core Horizon 2 project, the Nuix Unified Platform, which we expect to release to customers in the first half of FY24. The Unified Platform will offer Nuix customers a step-change in data processing excellence and customer-aligned commercials, getting users from request to results much faster, smarter, and easier.

The Unified Platform utilises Nuix's Natural Language Processing (NLP) capability and will become the foundation for solving our customers' data challenges.

Alongside this critical work, the team behind our Horizon 3 strategy, creating new, high value, repeatable use case solutions, delivered its first product to market: Nuix's Data Privacy Solution. The Data Privacy Solution provides customers with forensic depth and defensibility to analyse sensitive data and protect businesses and customers. More productised use cases enabled by our data processing capabilities are in the pipeline.

Nuix is growing and evolving – we are excited about the changes we are implementing as a team and the early momentum evident in our financial results. There is still much to do, and the team is motivated and excited to take Nuix through the next stages of its evolution.”



Results Webcast

Jonathan Rubinsztein, Group Chief Executive Officer, and Chad Barton, Chief Operating Officer and Chief Financial Officer, will present the 1H23 results via webcast today at 10:30am (AEDT).

To access the webcast, please use the following link:

<https://webcast.openbriefing.com/nxl-hyr-2023/>

A replay of the webcast will 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.

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About Nuix

Nuix Limited is a leading provider of investigative analytics and intelligence software, with the vision of “being a force for good by 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.

For further information, please visit investors.nuix.com