



1H FY21 Financial Results

Presenters:

Rod Vawdrey, CEO
Stephen Doyle, CFO

ASX: NXL | [nuix.com](https://www.nuix.com)

Disclaimer

The material contained in this document is a presentation of general information about Nuix Limited's activities current as at the date of this presentation (26 February 2021). It is provided in summary and does not purport to be complete.

This information has been prepared by Nuix Limited without taking account of any person's objectives, financial situation or needs and because of that, you should, before acting on any information, consider the appropriateness of the information having regard to your own objectives, financial situation and needs. You should not rely upon it as advice for investment purposes. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate.

To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by Nuix Limited, including any of its related bodies corporate.

This document may contain forward looking statements with respect to the financial condition, results of operations, and business strategy of Nuix Limited. These forward-looking statements are based on estimates, projections, and assumptions made by Nuix Limited about circumstances and events that have not yet taken place. Although Nuix Limited believes the forward-looking statements to be reasonable, they are not certain. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that are in some cases beyond Nuix Limited's control, and which may cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results) Nuix Limited makes no representation or warranty as to the accuracy of any forward-looking statements in this document and undue reliance should not be placed upon such statements.

Forward-looking statements may be identified by words such as "aim", "anticipate", "assume", "continue", "could", "estimate", "expect", "intend", "may," "plan", "predict", "should", "will", or "would", or the negative of such terms or other similar expressions that are predictions of or otherwise indicate future events or trends.

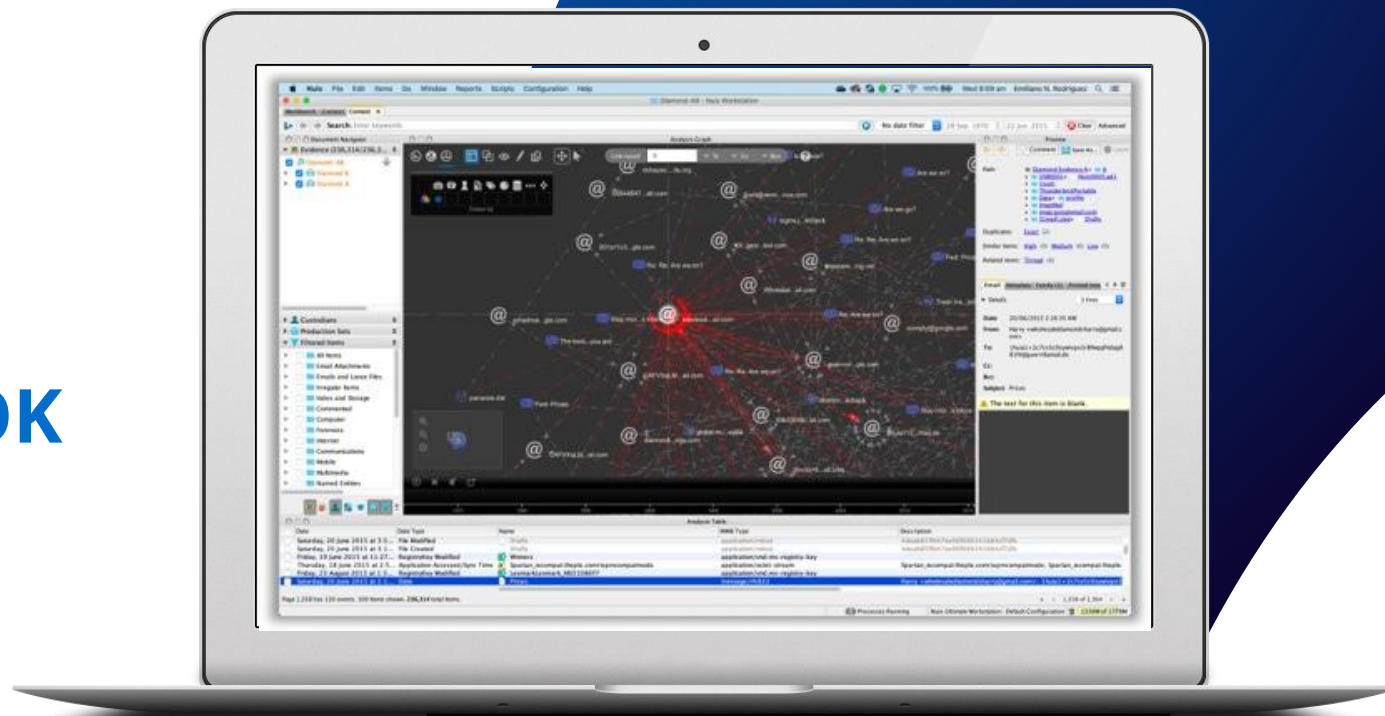
The forward-looking statements included in this document speak only as of the date of this document. Nuix Limited does not intend to update the forward-looking statements in this document in the future.

Agenda

1 1H FY21 HIGHLIGHTS

2 FINANCIAL RESULTS

3 STRATEGY & OUTLOOK



About Nuix

With Nuix you can transform massive amounts of messy data into actionable intelligence at scale and speed

Understand the context and connections across billions of items in your data

Search it, filter it, visualise it, analyse it, and **find the truth it holds**



The Patented Nuix Engine

A supercharged data processing, search, and intelligence platform



An End-to-End Solution

Products that solve real-world problems, from the endpoint to the courtroom



Investigative Analytics

Identify intelligence, patterns, and correlations that no human could find



A Fully Integrated Platform

Open, extensible, and intuitive for users



Our People

We hire the best and build their expertise into our software

1H FY21 Operating Highlights

1H FY21 results see Nuix on track to meet FY21 Prospectus forecast

IPO LISTING

1

Successful listing on 4 December 2020

Increased brand awareness

Access to capital to accelerate profitable growth

Strong investor support

ORDERS

2

Strong customer engagement

New business of \$13.1m, up 17% pcp

49 new customers

Number and dollar value of SaaS deals growing

PRODUCT

3

Latest releases deliver integrations, connectors and scalability

Progressing cloud use cases for Engine

R&D remains a key priority – continued investment of 26% of revenue

PEOPLE

4

Attracting key new hires with market expertise

Expanding EU reach

New Engineering talent

Key to our competitive advantage

CLIMATE

5

Data growth and regulatory compliance fueling new use cases

COVID-19

FX headwinds

US Government spending delays

1H FY21 Financial Highlights

1H FY21 revenue in line with seasonal expectations despite considerable FX headwinds, COVID and the US election; profit margins improved due to strong operating model

Statutory Revenue¹

\$85.3m 44% of FY21F⁴,
down 4% yoy

- Continued new business momentum
- Increased migration to SaaS
- FX headwind of \$2.4m (budgeted US FX rate of \$0.69 versus Dec 20 rate of \$0.75)
- US Government revenue negatively impacted by Continuing Resolution² and consequently decreased Perpetual licences
- Contract signing slippage of ~\$2.4m subsequently closed in January 2021

Annualised Contract Value (ACV)

\$162m 3% yoy
growth as at
31 Dec 2020

- Continued new logo wins
- Strong new Subscription ACV
- Strong renewals and customer retention, churn decreasing to 4.2% and Net Dollar Retention >100%
- FX headwind of \$2.4m relative to FY21F
- Other ACV⁵ (Perpetual and Services) revenue decreased from US Government and Asia associated with US Elections and COVID
- Contract signing slippage of ~\$1.2m into Jan 21

Pro forma EBITDA³

\$31.6m 50% of FY21F,
up 3% yoy

- Pro forma gross margin strong at 89.2%
- Pro forma EBITDA margin improving to 37.0%
- Benefits from investing ahead in data centre capacity, disciplined headcount expansion and decreased marketing and travel expenses due to COVID

Notes:

1. Statutory revenue is the same as pro forma revenue

2. Continuing Resolution – no new spend while incoming US Government replaces outgoing

3. Pro forma EBITDA is earnings before interest, tax, depreciation and amortisation excluding IPO-related expenses

4. FY21F as per the IPO Prospectus

5. Other ACV reflects the last twelve-month contribution of Perpetual Licence sales, services and third-party software and short-term Software Licences, or licences with a term of less than 12 months but excluding Consumption Licences.

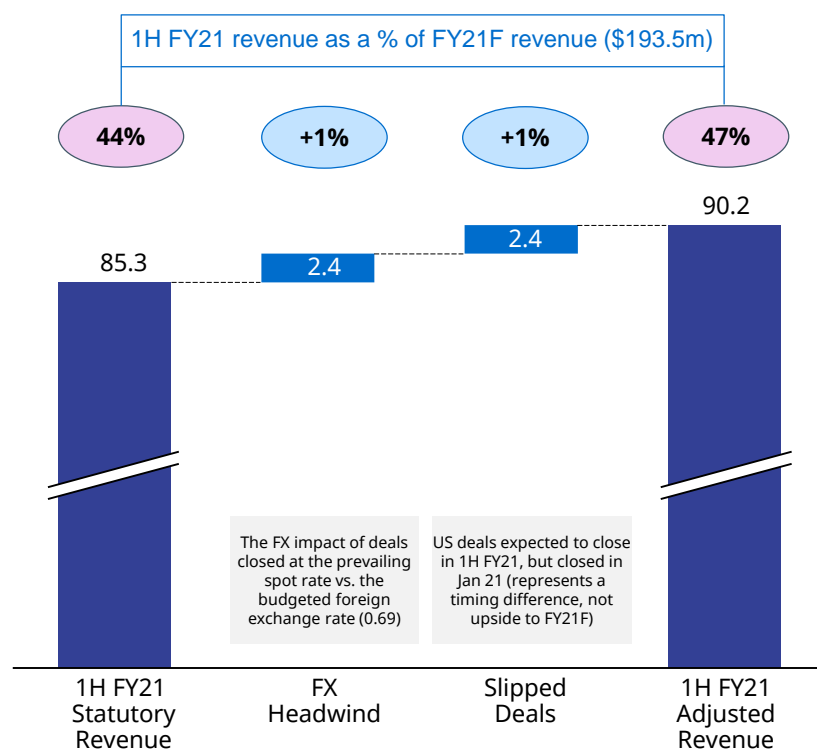


Financial Results

NUIX | 1H FY21 RESULTS

1H FY21 Revenue Bridge

1H FY21 revenue recognition includes the effects of new business, increased SaaS migration, FX headwinds and deal timing

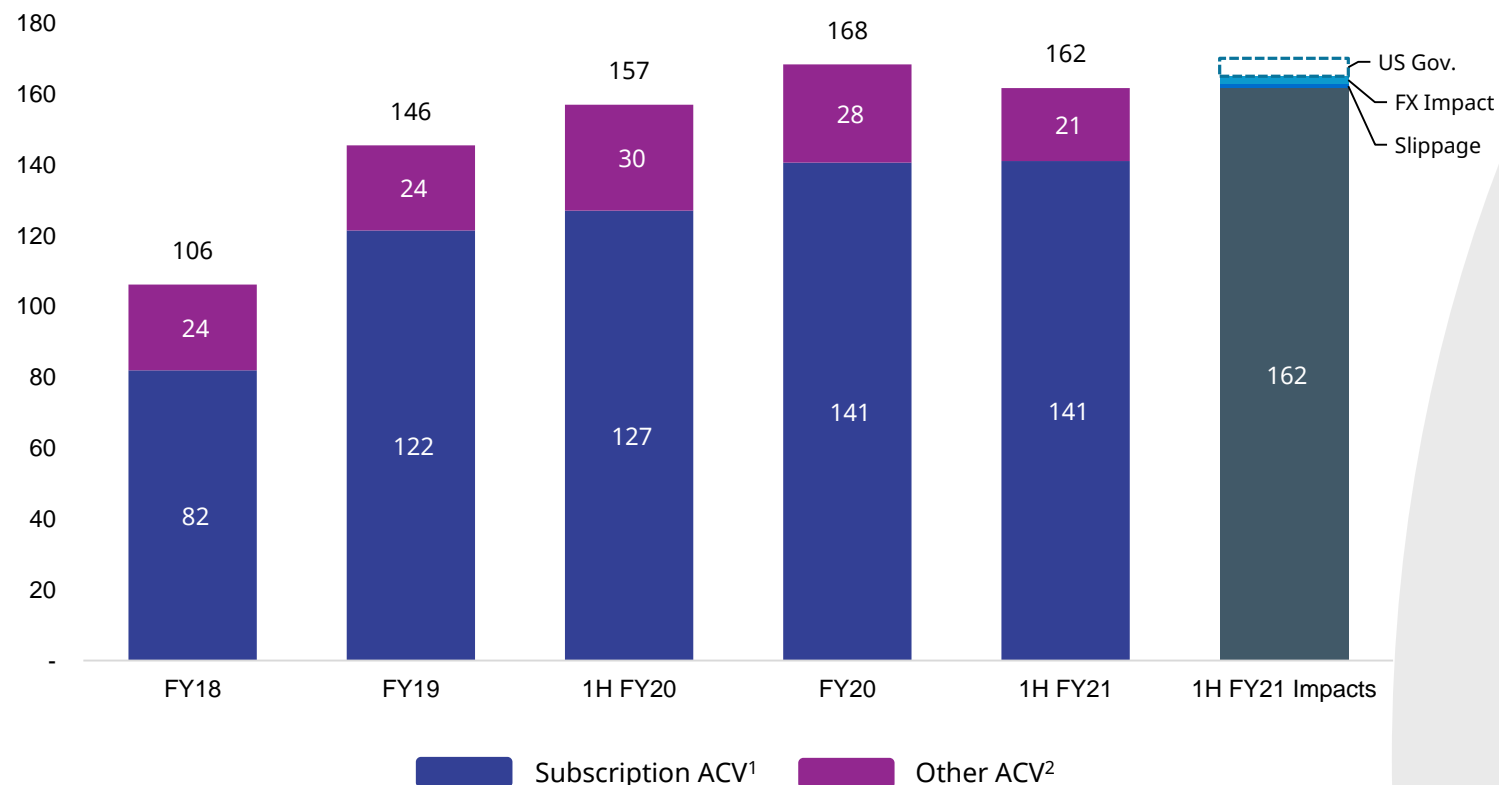


- Key observations:
 - Strong new business of \$13.1m in 1H FY21
 - FX headwind of \$2.4m relative to budgeted rate (0.69)
 - Slipped deals of \$2.4m (since closed in Jan 21)
 - US Government Continuing Resolution and administration change driving budget changes and delayed decision making
 - SaaS migration increase higher than anticipated
 - 1H FY21 revenue weighting anticipated to continue the trend of shifting toward 2H FY21, as indicated in the Prospectus
- Looking ahead:
 - Continued strong new business momentum, targeting ~\$15m in 2H FY21 with good pipeline coverage
 - Low customer churn and continued customer demand giving strong revenue visibility of \$100m+ revenue for 2H FY21

Annualised Contract Value (ACV)

Nuix has a demonstrated track record to attract new customers, retain existing customers and grow the contract value generated by its customer base over time, highlighted by low churn and NDR in excess of 100%

ACV (\$m)



1H FY21 ACV

\$162m as at 31/12/20

Driven by:

- Continued strong new Subscription ACV¹
- Strong renewals and customer retention shown through an improvement in churn and continued willingness by customers to enter into multi-year deals

Offset by:

- US Government elections and COVID causing a delay in spending by US Government, reducing Other ACV² yoy (perpetual and services)
- FX headwinds relative to FY21F (~\$2.4m)
- Contract signing slippage of ~\$1.2m into Jan 21 associated primarily with two customers representing ~\$1.1m

Notes:

1. Please see note 5 in the Glossary in the Appendix for a detailed definition of Subscription ACV
2. Please see note 6 in the Glossary in the Appendix for a detailed definition of Other ACV

Pro forma Income Statement

\$ millions	1H FY20	1H FY21	Change ¹
Software Revenue	84.8	83.5	-1.5%
Other Revenue	4.0	1.9	-53.8%
Total Revenue	88.8	85.3	-4.0%
Cost of Goods Sold	(9.4)	(9.2)	-2.6%
Gross Profit	79.3	76.1	-4.1%
<i>Gross margin</i>	89.4%	89.2%	-0.2%
Sales and Distribution	(30.9)	(23.8)	-29.6%
Research and Development	(2.4)	(5.5)	56.7%
General and Administrative	(15.5)	(15.3)	-1.7%
Operating Expenses	(48.8)	(44.5)	-8.6%
EBITDA	30.6	31.6	3.3%
<i>EBITDA margin</i>	34.4%	37.0%	2.6%
Depreciation	(2.5)	(1.8)	-27.7%
Amortisation	(10.8)	(13.0)	20.1%
EBIT	17.3	16.8	-2.8%
Net Finance Expenses	(1.1)	(3.9)	270.6%
Profit Before Tax	16.2	12.9	-20.5%
Tax Expense	(4.3)	(3.4)	-20.8%
Profit After Tax	11.9	9.5	-20.4%
<i>S&D (% of total revenue)</i>	34.8%	27.9%	-6.9%
<i>R&D (% of total revenue)</i>	2.7%	6.4%	3.7%
<i>G&A (% of total revenue)</i>	17.5%	17.9%	0.4%

Note:

1. Computation of % change based on unrounded figures

- 1H FY21 revenue down 4% yoy (refer to slide 8)
- Gross margin maintained during the period
- EBITDA margin improvements as a result of strong operating model
- S&D costs lower as a result of slower than anticipated hiring in the half
- 76% of R&D capitalised; 24% expensed – consistent with Prospectus forecasts
- G&A reflects lower travel and entertainment costs as a result of COVID persistence
- Net Finance Expenses include -\$3.0m relating to realised and unrealised losses from FX

Balance Sheet

\$ millions, as at	30 Jun 20	31 Dec 20
ASSETS		
Cash and cash equivalents	38.5	128.2
Trade and other receivable	60.2	60.6
Other current assets	1.9	7.9
Property, plant and equipment	2.4	2.1
Intangibles	197.2	192.0
Deferred tax assets & lease assets	13.4	20.9
Total assets	313.6	411.7
LIABILITIES		
Trade and other payables	21.0	58.0
Deferred tax and lease liabilities	20.6	17.8
Deferred revenue	47.8	44.5
Provisions	3.2	3.0
Borrowings	25.5	25.6
Total liabilities	118.1	148.8
EQUITY		
Issued capital	104.2	370.6
Reserves	5.1	(177.4)
Retained earnings	86.1	69.6
Total equity	195.5	262.8

- Strong balance sheet with net cash of \$102.6m
- Additional debt facilities of \$24m available
- Intangibles primarily comprise:
 - Internally developed software of \$180m (of which \$16.9m capitalised during 1H FY21)
 - Goodwill of \$4.1m related to Ringtail acquisition
- Increase in other current assets due to increase in prepaid insurance fees
- Increase in trade and other payables primarily relates to certain offer costs and insurance liabilities outstanding at the end of the period

Pro forma Cash Flow

\$ millions	Statutory	Pro forma adjustments		Pro forma
	1H FY21	P&L	Cash flow	1H FY21
EBITDA	(4.4)	35.9	-	31.6
Add back non-cash items	3.4	(3.0)	-	0.4
EBITDA excluding non-cash items	(1.0)	32.9	-	32.0
Change in working capital	16.9	-	(17.8) ³	(0.9)
Cash taxes	(0.1)	-	-	(0.1)
Operating cash flow	15.9	32.9	(17.8)	31.0
Capital expenditure - property, plant and equipment	(0.3)	-	-	(0.3)
Capital expenditure - intangible assets	(16.9)	-	-	(16.9)
Investing cashflow	(17.1)	-	-	(17.1)
Free cash flow	(1.2)	32.9	(17.8)	13.9
Issued cash flow	275.6	-	(275.6) ¹	-
Capitalised costs of the offer	(6.2)	-	6.2 ³	-
Cancellation of options	(175.6)	-	175.6 ²	-
Lease payments	(1.8)	-	-	(1.8)
Financing cash flow	92.1	-	(93.9)	(1.8)
Net cash flow	90.9	32.9	(111.7)	12.1

Notes:

1. Proceeds raised under offer
2. Cancellation of options – cash settled
3. Offer costs

- Strong cash generation
- Low capex, highly efficient operations
- Non-cash items in EBITDA:
 - Primarily relates to the non-cash impact of share-based payment expenses, net exchange rate differences and fixed asset and receivables write offs
- Capital expenditures – intangible assets:
 - Reflects the capitalisation of product and development costs



Strategy and Outlook

NUIX | 1H FY21 RESULTS

Growth Opportunities

The driving force behind Nuix's growth to date has been the ability of the Nuix Engine to effectively process large quantities of data, and the development of specific software applications for an increasing number of use cases. Future growth depends on expanding into new markets and gaining market share.

WIN NEW CUSTOMERS

1

Expand across geographies and in targeted industries by winning new customers and gaining market share in \$27bn¹ total addressable market (TAM)

"LAND AND EXPAND" STRATEGY

2

Expand across key industry verticals. This involves driving new customer acquisition and upsell and renewal of existing customers

INVESTMENT TO EXTEND THE NUIX PLATFORM

3

Extend the functionality of the Nuix software platform by creating products which attract new customers, drive upsell or create renewal activity

OPERATING EFFICIENCY

4

Extract benefits of scale as the business grows; continue to drive improvements in operating margin

PARTNER CONSIDERATIONS

5

Build a network of strategic partners who can provide complementary delivery and market expansion capabilities to drive future revenue sources

VALUE ACCRETIVE M&A

6

Assess opportunities based on strategic fit, relevance and synergies and target the acquisition of capabilities rather than revenue alone

Note:

1. Refer to Appendix for more details on TAM

Re-affirm FY21 forecast as per the IPO Prospectus

- ✓ Total revenue of \$193.5 million
- ✓ Annualised contract value (ACV) of \$200 million
- ✓ Pro forma EBITDA of \$63.6 million

Nuix is building on its platform for long-term growth, leveraging its powerful data processing engine to help customers with an expanding range of investigative analytics use cases

Key focus areas as we look ahead:

- Repeat success of top 1H FY21 enterprise deals - multi-product, flexible deployment, multi-use case
- Support growing trend of customer migration to SaaS and consumption models
- Continue to monitor external factors such as FX headwinds¹, COVID and US Government Continuing Resolution and administration change driving budget changes and delayed decision making
- Further build-out of our strong near and mid-term pipeline
- Explore paths to capitalise on GRC² opportunity – privacy and compliance

Notes:

1. FX: a large portion of revenue for the half was recognised in Dec 2020 with an average AUD:USD rate of ~0.75c vs. a forecast rate of 0.69c
2. GRC – Governance, Risk and Compliance market



Q&A

NUIX | 1H FY21 RESULTS



Appendix

NUIX | 1H FY21 RESULTS

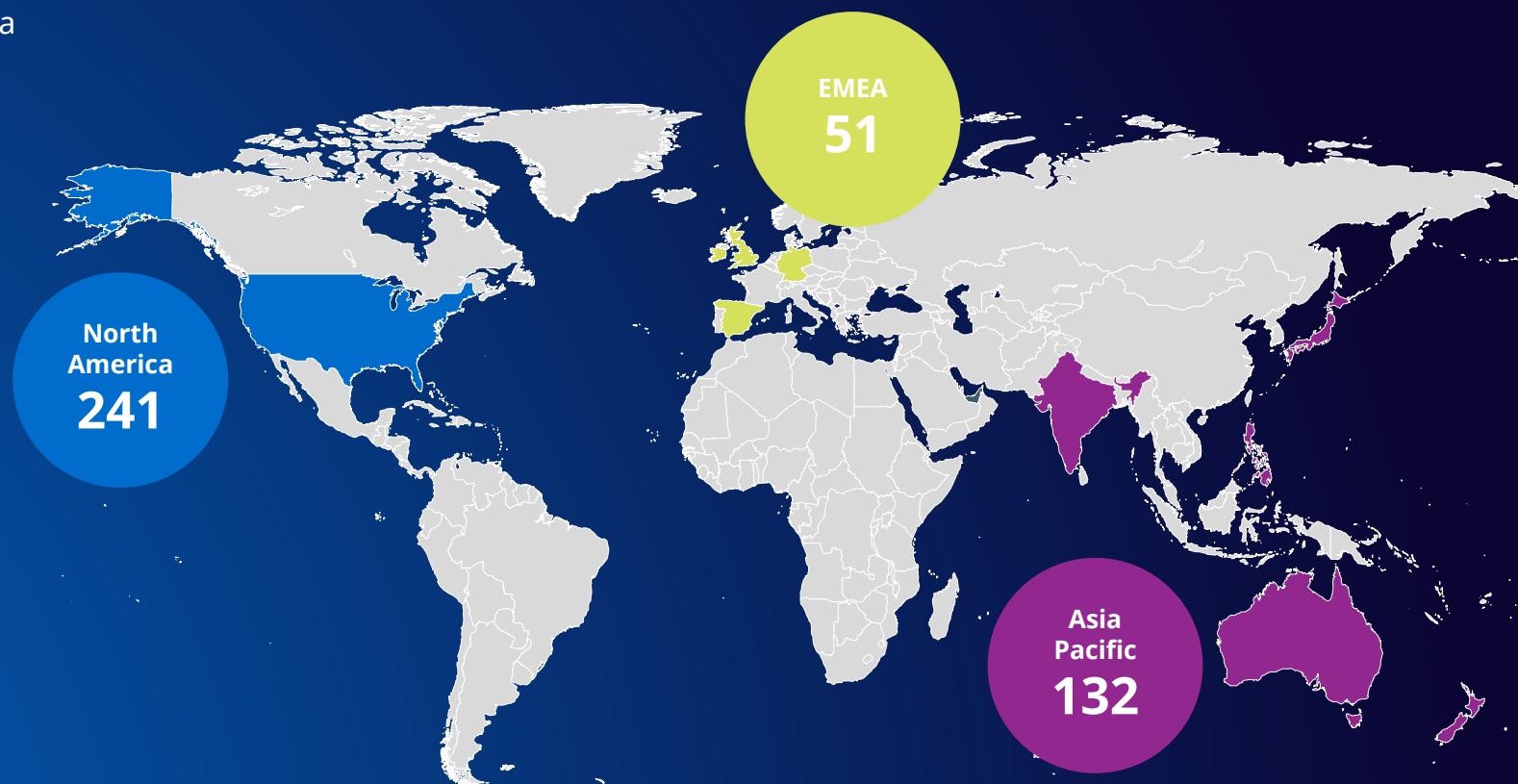
Nuix at a glance

- Leading provider of investigative analytics and intelligence software
- Software licensed to over 1,000 customers located in 78 countries
- Global footprint with 424 full time employees across North America, EMEA and Asia Pacific
- Listed on the ASX on 4 December 2020 (ASX:NXL)
- Headquartered in Sydney, Australia

FINDING TRUTH IN A DIGITAL WORLD

424
staff worldwide⁽¹⁾
in **11** countries

1,000+
customers
across **78** countries



Notes:

1. FY21 total YTD headcount at December 2020

What we do

Nuix produces software to extract knowledge from unstructured data



Digital forensic investigation

Financial crime

Litigation support

Employee and insider investigations

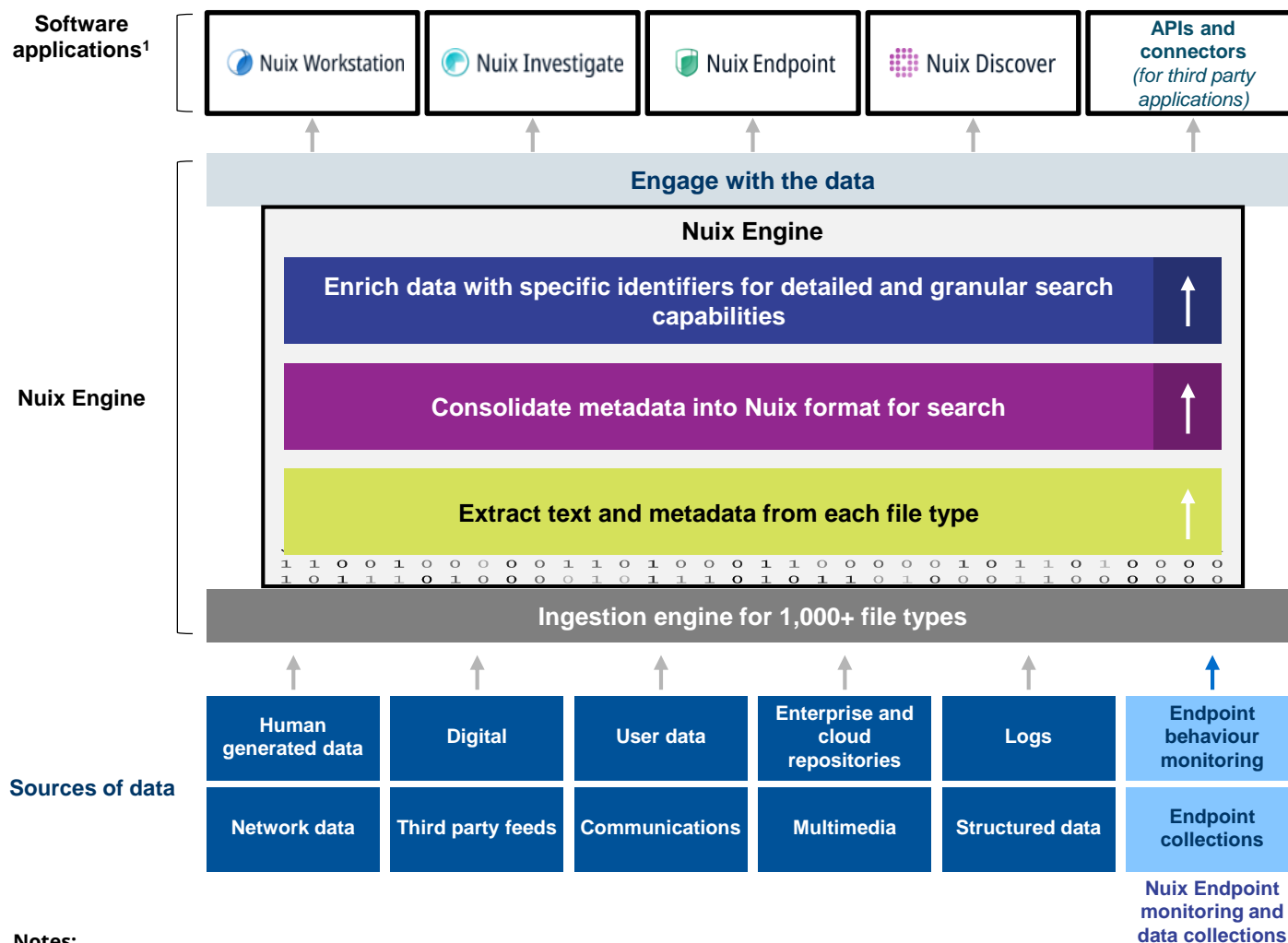
Data protection and privacy

Data governance

eDiscovery and regulatory compliance

Nuix Software Platform

Nuix produces software to extract knowledge from unstructured data. Its applications include digital forensic investigation, financial crime, litigation support, employee and insider investigations, data protection and privacy, data governance, eDiscovery and regulatory compliance



The Nuix platform

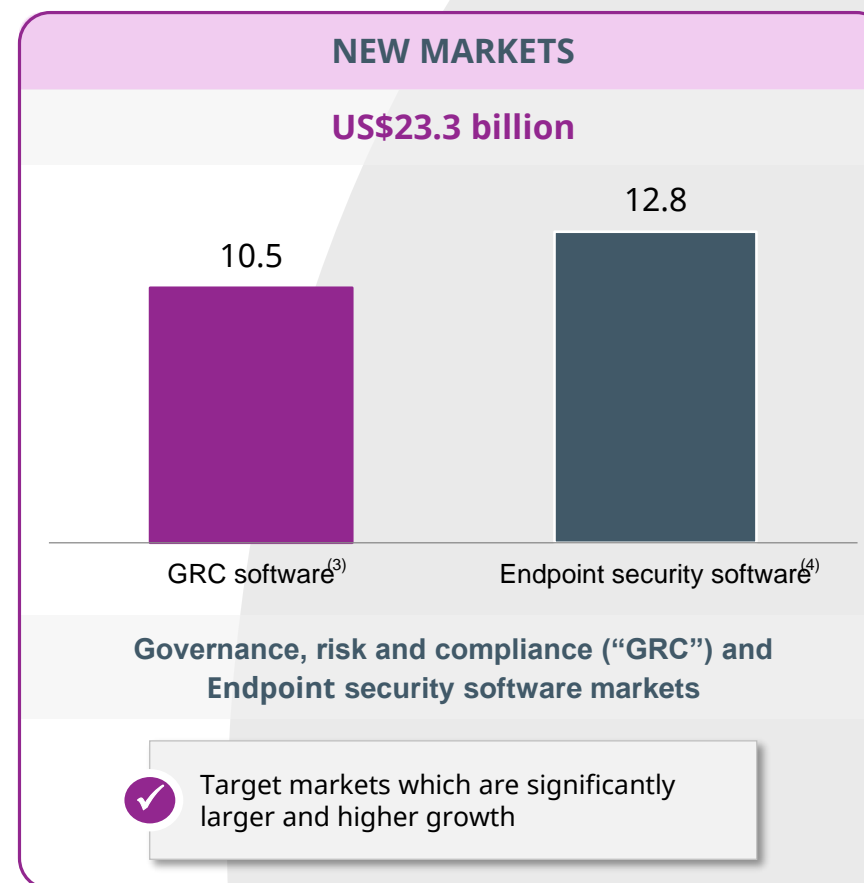
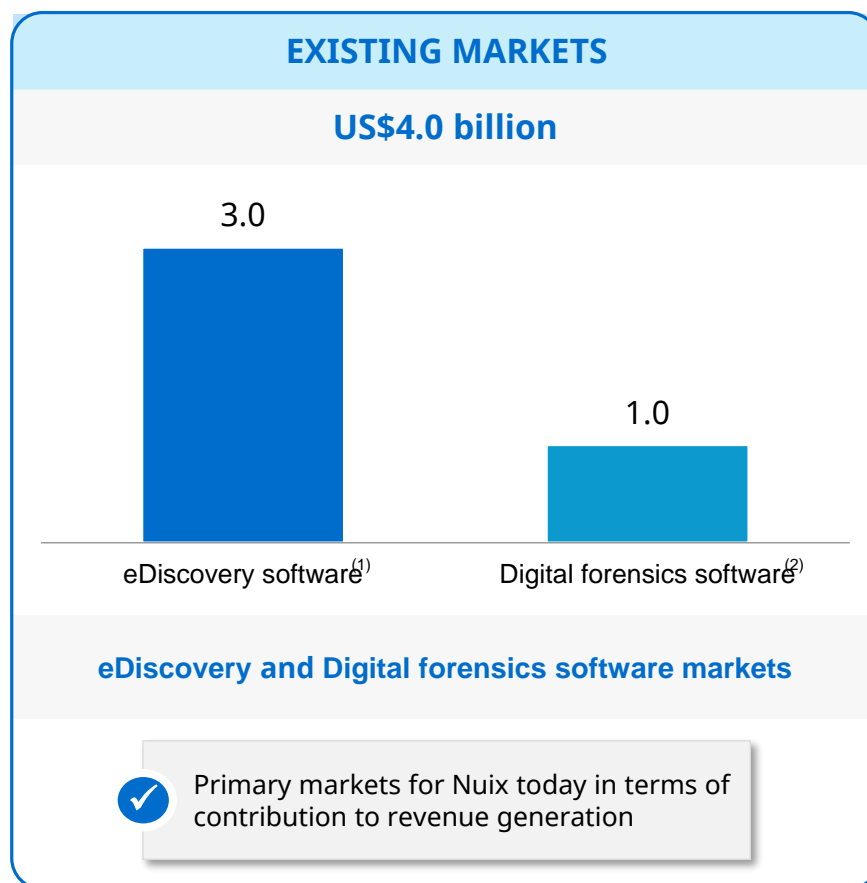
- comprises:
 - The Nuix Engine, that processes, normalises, indexes, enriches and analyses data at speed and scale
 - software applications which provide visualisation, analytics and relationship-mapping tools for customers
- has evolved over time, with 23 major releases and 157 minor releases of the Nuix Engine since 2008
- is integrated into the workflows for many of the world's major advisory firms, law firms, corporations, law enforcement and other government agencies

Notes:

1. Components of the Nuix platform are contained in the black boxes

Industry Overview

Nuix is a leading player in the US\$4 billion eDiscovery and Digital forensics software markets and an emerging player in the US\$23 billion GRC and Endpoint security software markets. Together these markets make up the investigative analytics and intelligence software market.

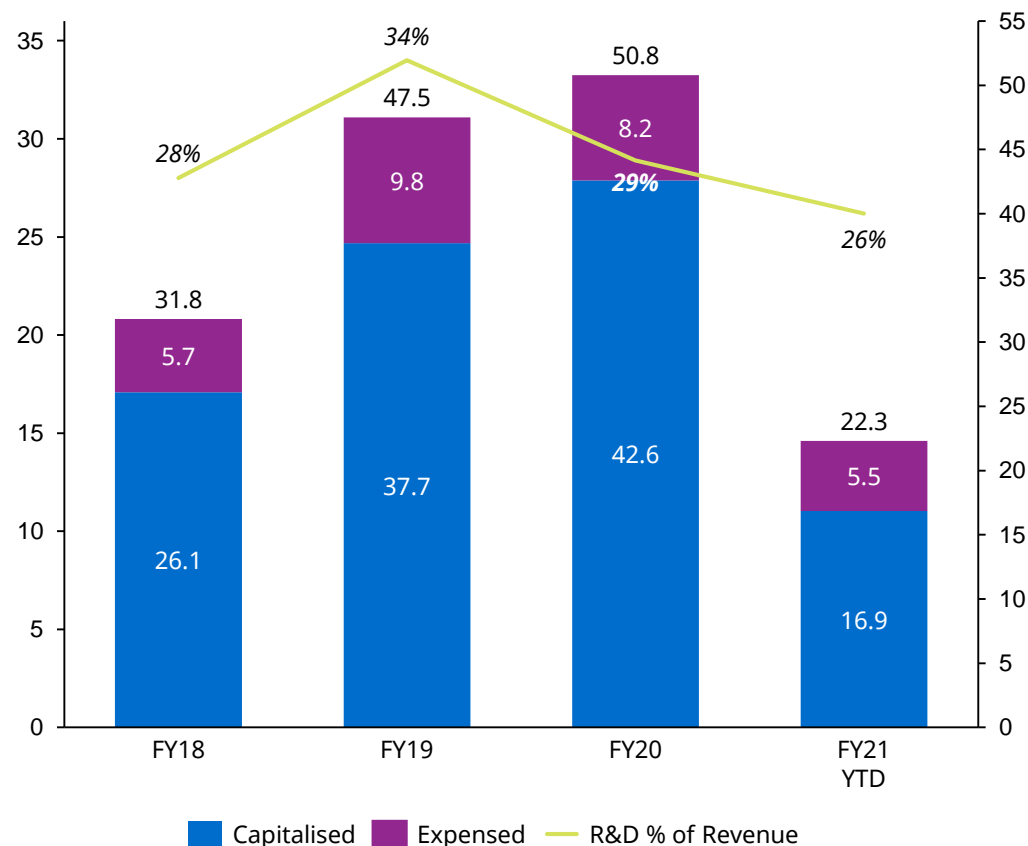


Notes:

1. Source: IDC Worldwide eDiscovery Software Forecast (report #US45857020), 2020–2024, published June 2020.
2. Source: Mordor Intelligence, Global Digital Forensics Market, 2020–2025, published May 2020
3. Source: IDC Worldwide Governance, Risk, and Compliance Software Forecast (report #US45856620), 2020–2024, published September 2020.
4. Source: IDC Semiannual Software Tracker, Forecast 2019H2 Release, published May 2020

Research & Development

TOTAL R&D (\$M) AND R&D AS A % OF TOTAL REVENUE (%)

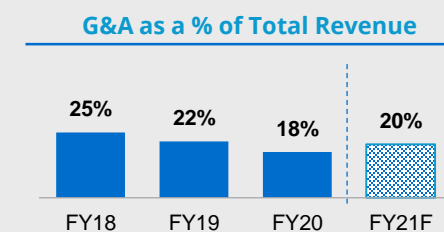
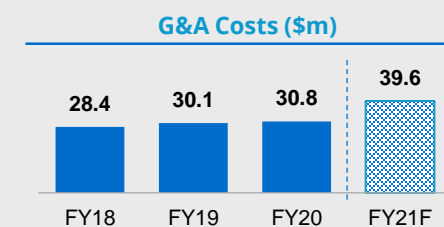
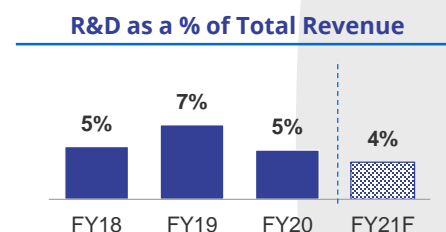
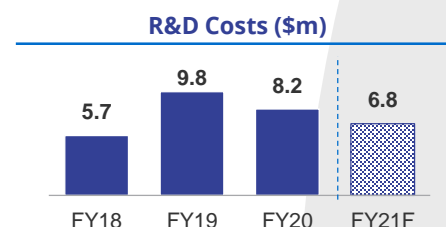
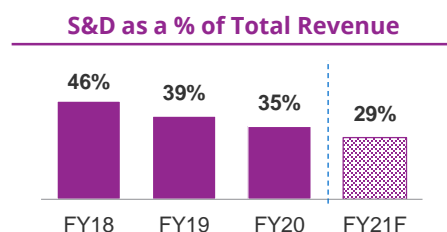
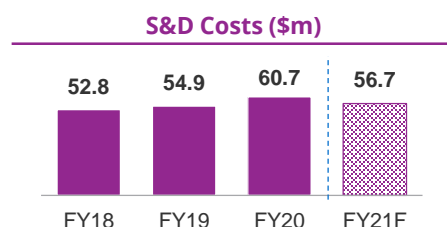
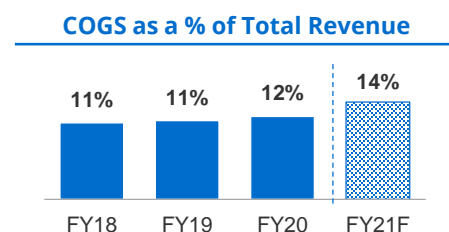
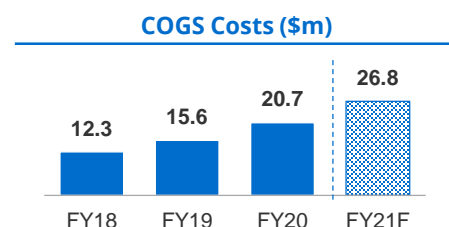
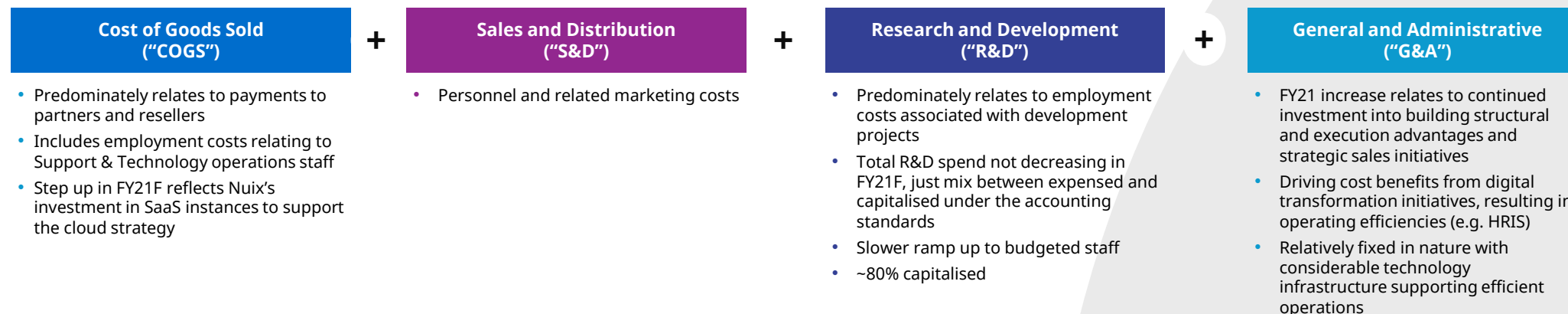


Note: Percentages reflect contribution to total R&D expenditure in the relevant period.

- Investment in innovation and product development
- Historically R&D spend has been:
 - ~30% of total revenue
 - ~80% capitalised
 - Focused on developing the Nuix engine
- Future spend on automation and systems alongside software testing automation and infrastructure and enhancing the cloud offering
- Nuix capitalises development expenditure related to the development activities of a project, including design and testing of new or improved products

Expense Analysis¹

Economies of scale leading to improved margins as ~80% of operating cost base being employee related expenses



Note:

1. Based on pro forma expenses disclosed in the IPO Prospectus

NPAT Statutory to Pro forma Reconciliation¹

\$ millions	1H FY20	1H FY21
Statutory NPAT	14.5	(16.6)
Incremental public company cost	(3.6)	(3.0)
Corporate actions	-	2.6
Offer costs	-	33.3
Share-based payment expense	-	3.0
Net finance costs	-	-
Tax impact	1.1	(9.9)
Pro forma NPAT	11.9	9.5

- Reconciliation of statutory NPAT to pro forma NPAT presented consistent with the adjustments made in the IPO Prospectus

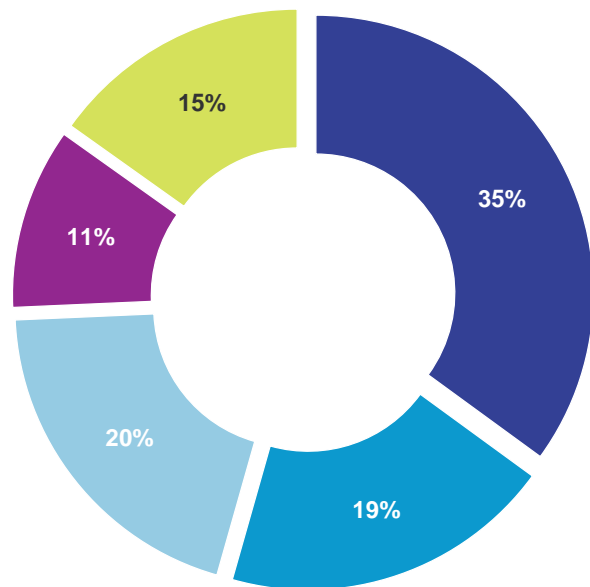
Note:

1. Numbers may not add properly due to rounding.

Diversified Business Model

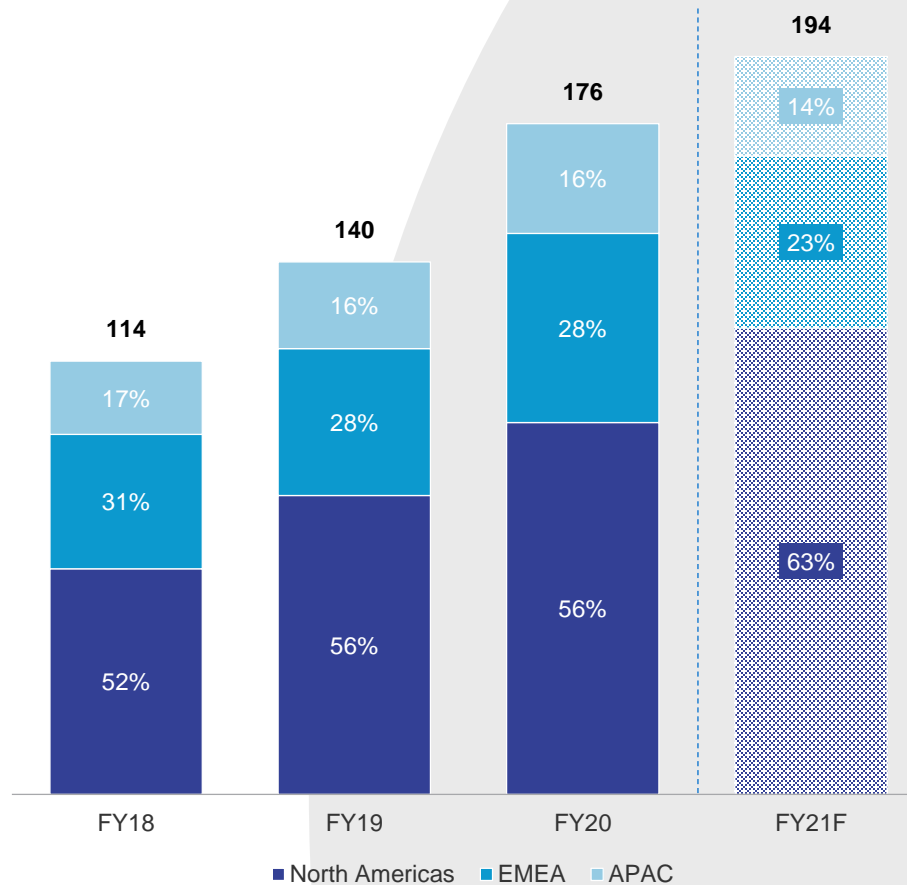
Well diversified by both industry and region

FY20 Total Revenue by Industry (%)



■ Advisories ■ Corporate ■ Government ■ Law Firms ■ New Strategic Markets

Total Revenue by Region (\$m)



Glossary

- 1) **ACV** is an adjusted, non-IFRS measure and does not represent Total Revenue in accordance with AAS or Nuix's accounting policies or cash receipts from customers. ACV is used by Nuix to assess the total contract value of its software contracts on an annualised basis (removing fluctuations from Multi-Year Deal contracts in Nuix's Total Revenue which results from its revenue recognition policies). The calculation of ACV at the end of the relevant financial period adjusts Total Revenue to account for: A) Revenue generated from Subscription Licences with a term of 12 months or more, as well as Consumption Licences which exists at the end of the relevant financial period as if those contracts' revenues were generated (and recognised) in each financial year on a straight-line basis over the relevant contract period, expressed on an annualised basis B) last 12 month contribution from short term Software Licences (including Perpetual Licences) or other Software Licences with a term of less than 12 months, excluding Consumption Licences; and C) the last 12 month contribution of services and third party software sales;
- 2) **LTV/CAC** measures the multiple of the lifetime value calculated for customers over the costs of acquisition. LTV is calculated by Nuix as its gross profit margin (using the average over the last 12 months) divided by Churn (calculated over the same historical period). CAC is a measure of the cost to acquire additional ACV, and represents the total amount spent on customer acquisition through sales and marketing activities in a period;
- 3) **NDR**, expressed as a percentage, represents the ACV from the sale of Subscription Licences (excluding short-term Software Licences, or licences with a term of less than 12 months, but including Consumption Licences) from a constant set of customers (the "NDR Constant Customer Set") across comparable periods (i.e. it excludes the impact of new customers acquired in the subsequent (i.e. more recent period), taking into account the impact of Upsell, Downsell and Churn (as described in note 4) between these two periods;
- 4) **Churn**, expressed as a percentage, reflects the lost customer ACV from Subscription Licences (excluding short-term Software Licences, or licences with a term of less than 12 months, but including Consumption Licences) in respect of a twelve-month period which are terminated or not renewed (a contract will not count towards Churn if it was renewed or recommenced within three months of the end of the given period), as a proportion of ACV from Subscription Licences (excluding short-term Software Licences, or licences with a term of less than 12 months, but including Consumption Licences) at the start of that period;
- 5) **Subscription ACV** reflects revenue generated from Subscription Licences with a term of 12 months and Consumption Licences which exists at the end of the relevant financial period as if those contracts' revenues were generated (and recognised) in each financial year on a straight-line basis over the relevant contract period, expressed on an annualised basis. Subscription ACV excludes short term Software Licences (including Perpetual Licences) or other Software Licences with a term of less than 12 months, but includes Consumption Licences;
- 6) **Other ACV** reflects the last twelve-month contribution of Perpetual Licence sales, services and third-party software and short-term Software Licences, or licences with a term of less than 12 months but excluding Consumption Licences.