

FY17 Outlook Update

CEO, Leigh Jasper and CFO, Steve Recht

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Aconex Group outlook

FY17 Outlook				
Previous outlook			Updated outlook	
	\$ Millions	YoY growth	\$ Millions	YoY growth
Revenue ¹	172-180	39-46%	160-165	30-34%
EBITDA ²	22-25	62-84%	15-18	10-32%

The change in FY17 outlook takes in to consideration the following:

- Lower than expected 1H FY17 sales performance in U.K. and the Americas
- Performance in the ANZ, Asia, Europe (excluding U.K.) and Middle East regions in line with expectations
- Higher proportion of long term contracts resulting in lower additional short term revenue
- U.K./Europe
 - Faster than expected transition to selling Aconex solutions in the U.K.
 - Impact of GBP and Euro exchange movements on revenue
 - Brexit uncertainty and its impact on buying decisions
- Americas
 - Slower than anticipated ramp up in user based contracts
 - Softer than expected sales performance due to U.S Presidential election and transition uncertainty, impacting buying decisions
- Ongoing investment in product, sales and marketing to leverage global market opportunity
- Connected Cost released to market in November 2016

¹ Incorporates unfavorable currency movements of approximately \$2m

² Excluding acquisition and integration costs.

Summary

- 1H FY17 revenue of \$76.5-77.5 million and EBITDA of \$6.3-7.3 million
- Full year FY17 revenue growth of 30-34%
- Lower than expected 1H FY17 sales performance in U.K. and the Americas
- Performance in the ANZ, Asia, Europe (excluding U.K.) and Middle East regions in line with expectations
- FY17 growth rate impacted by Brexit and delayed decision making in the lead up to the Presidential transition
- Increase in Q2 FY17 operating cash flow of \$3.9 million compared to the prior year
- Operating performance remains solid with a solid opportunity pipeline across our regions, including the UK and the US
- Continued investment in product, sales and marketing to capitalise on the large global market opportunity
- Continue to balance profitability and long term growth

1H17 Results – 21 February 2017

Aconex will remain in blackout until the release of its 1H FY17 results.

Aconex plans to report its 1H FY17 results before the market opens on Tuesday, 21 February. CEO Leigh Jasper and CFO Steve Recht will host a teleconference and webcast presentation at 8:30 a.m. AEST on that date.

To listen to the teleconference and view the webcast, please use the access link below: <http://webcast.openbriefing.com/3250/>