aconex

INVESTOR DAY

2017

Chairman’s remarks

Adam Lewis
Chairman

Project name: BATEG SFR Campus
Industry: Residential & Commercial I Location: Saint-Denis, France

Fireside Chat

People and Culture

Leigh Jasper
CEO and Co-Founder

Ilona Charles
Chief People Officer

Paul Koppelman
Chief Financial Officer

Investing for growth – Product

Rob Phillpot
Head of Product Strategy & Co-Founder

Project name: Wroclaw West Bypass | Industry: Road & Rail
Location: Wroclaw, Poland

Agenda

1. Industry trends
2. Investment over time
3. Key initiatives
4. Demo

The opportunity is ripe & Aconex is well positioned

Large and growing market

- The construction market is ~US$9.5T [1]
- By 2030 construction will account for ~14.7% of global GDP[1].

Industry dynamics

- Growing project size and complexity, e.g. mega projects 21% in 2014 from 4% in 2005[2]
- Delivery methods are changing e.g. D&C, PPPs, IPD
- Increasing compliance requirements
- Industry consolidation

Technology trends

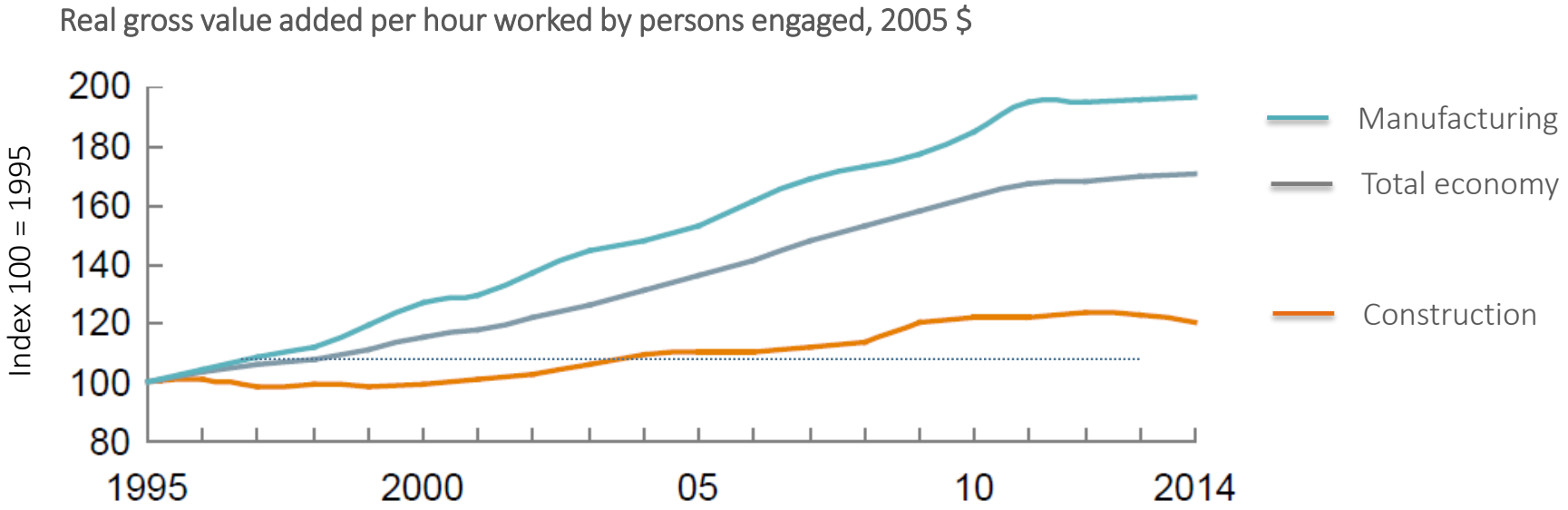
- Move to cloud / SaaS
- Mobility/ field enablement
- BIM & model management
- Increasing security
- Connected devices (IoT)
- An explosion of data and insights

Significant opportunity

The #1 cloud collaboration platform for digital project delivery.

[1] Oxford Economics Global Construction 2030.
[2] Source: McKinsey & Company.

Productivity over the past 20 years...
Construction lags behind, while manufacturing streaks ahead

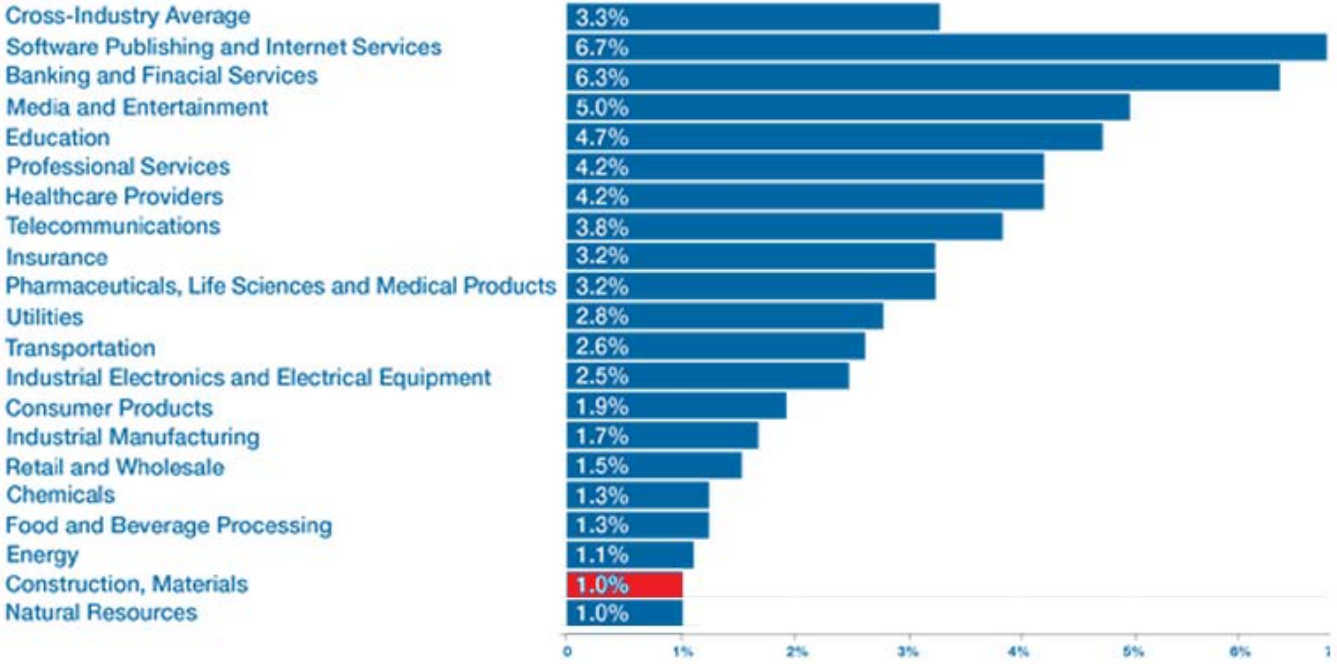


Source: McKinsey & Company. OECD; WIOD; GGCD-10, World Bank; BEA; BLS; national statistical agencies of Turkey, Malaysia, and Singapore; Rosstat; McKinsey Global Institute analysis

And it is because investment in technology is low

The construction industry is the equal lowest spender on IT

% Revenue spend on IT[1]



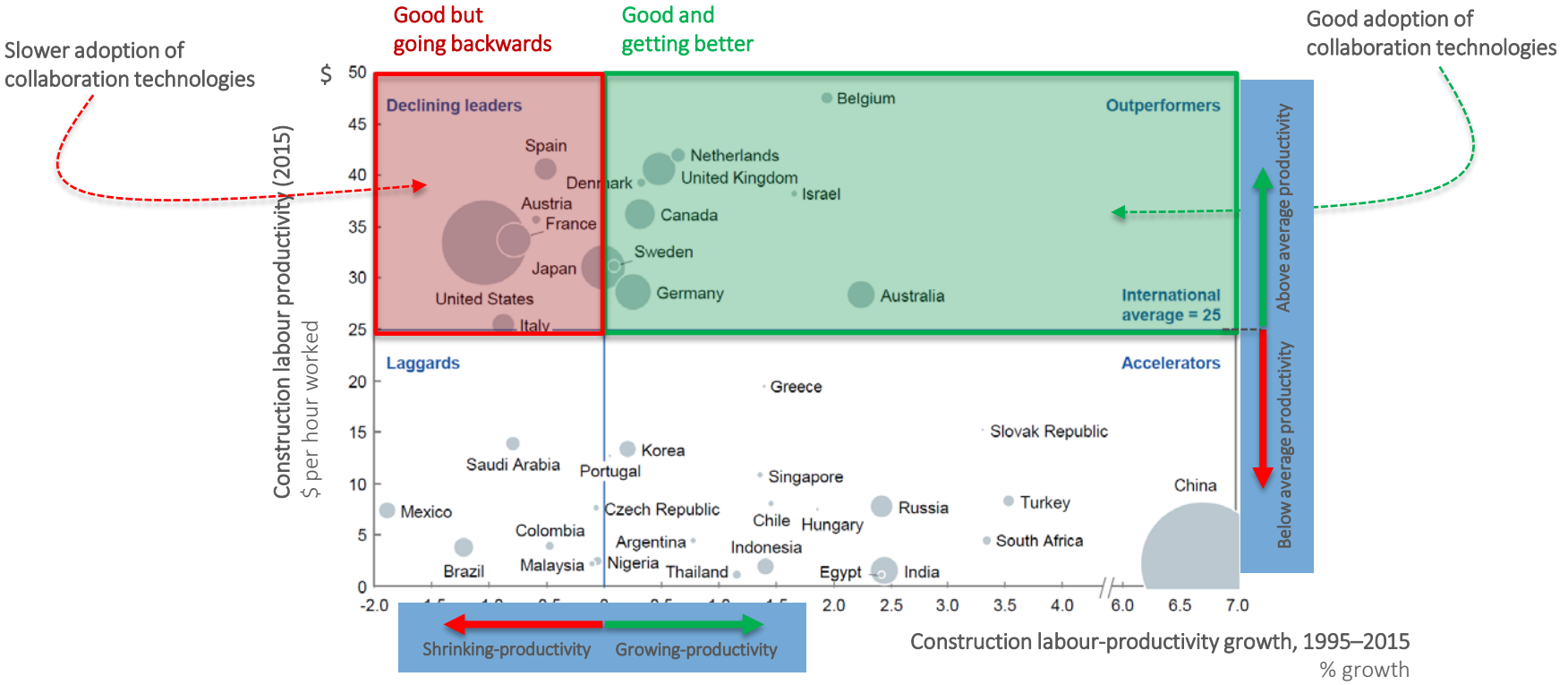
R&D spending and IT investment in construction run well behind that of other industries at less than 1 percent of revenues[2]

[1]IT Key metrics data 2014, Gartner Benchmark Analytics

[2] Imagining construction's digital future, Mckinsey June 2016

But those who invest get returns

Productivity vs growth



Source: McKinsey & Company. OECD Stat; EU KLEMS; Asia KLEMS; World KLEMS; CDSI, Saudi Arabia; Ministry of Labor, Saudi Arabia; WIOD; GGDC-10; Oanda; IHS; ITF; GWI; McKinsey Global Institute analysis

Adoption of collaboration technology improves productivity

The proof is in the results

AECOM
Nearly 50% reduction of submittal turnaround times

Arup
"75% faster review cycles"

Hensel Phelps
"30% reduction in handover time"

Hill International
"40% faster response time for RFIs"

Royal Melbourne Hospital
"80% faster access to documents for handover"

Parsons
"Improved document control Efficiency by 66%"

- There is clear evidence that collaboration leads to more efficient processes.
- Benefits flow to all involved on the project not just the Asset Owner and Contractor.

The perfect storm

What drives an accelerating paradigm shift?

Agenda

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2. **Investment over time**
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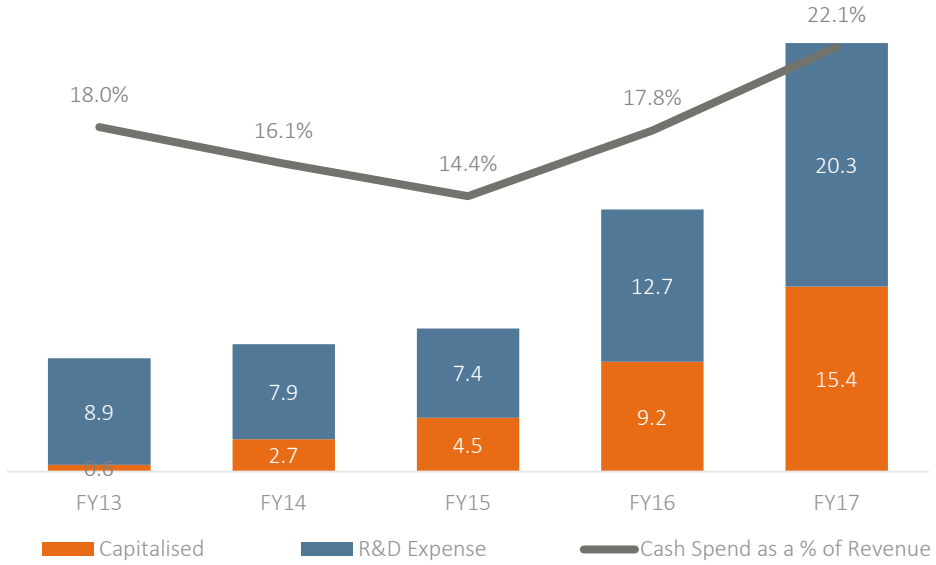
Aconex has invested more than $150m in to its product over time

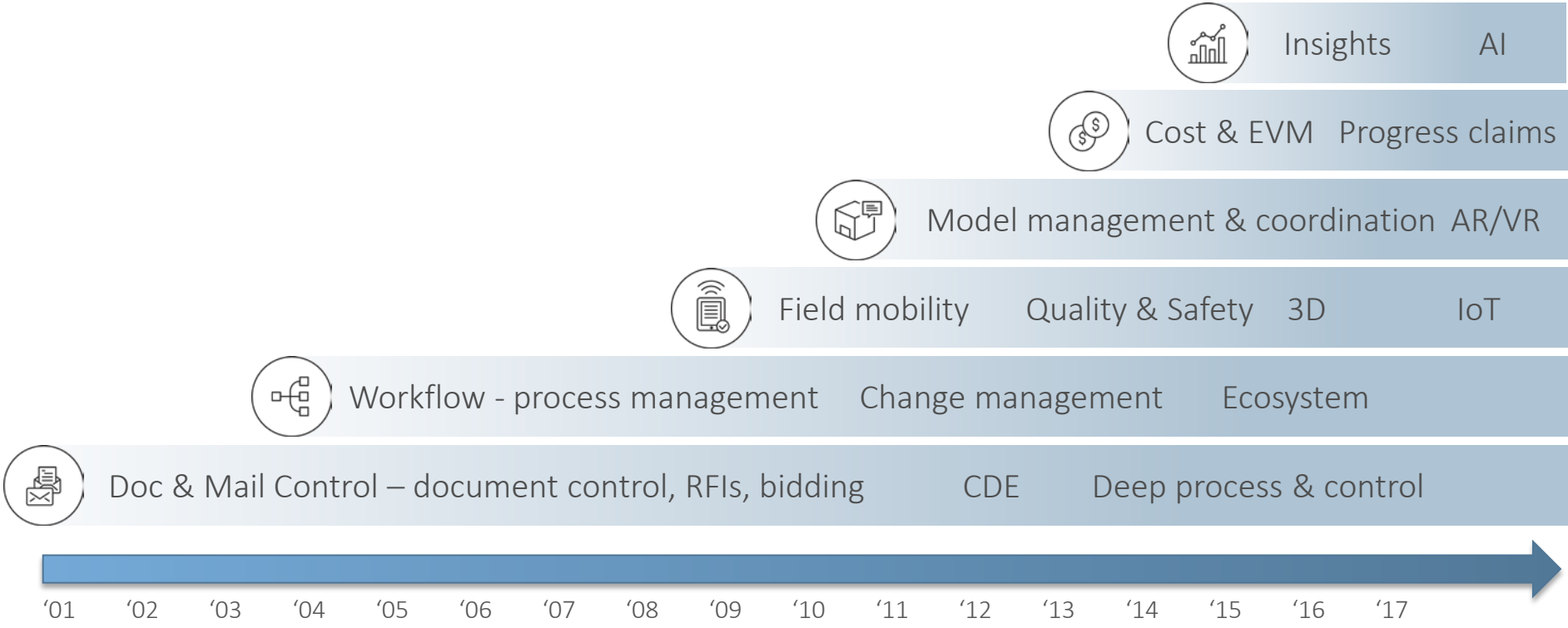
R&D cash spend
$ millions



- In FY18 Aconex will invest in excess of $30m
- In the medium to long term, 15-20% of revenue will be invested to advance our leading solution

As a result our product has evolved to be #1 globally

We have the best combination of breadth + depth + support + security



Agenda

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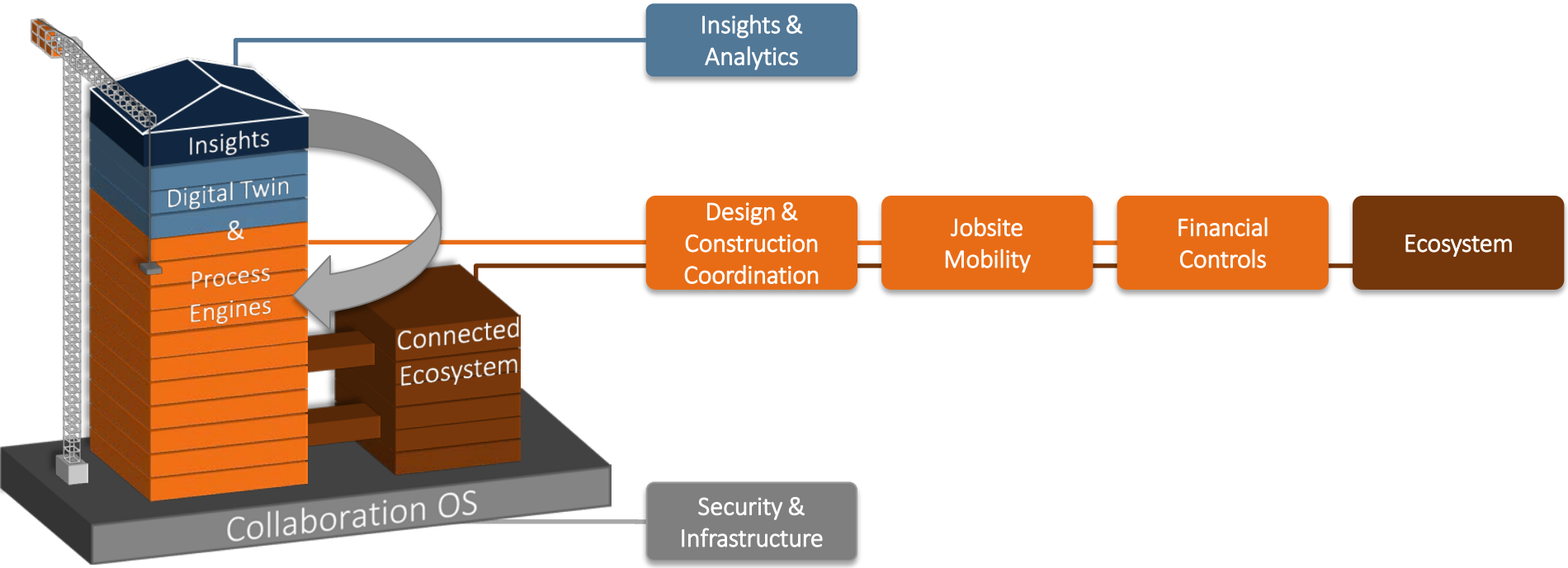
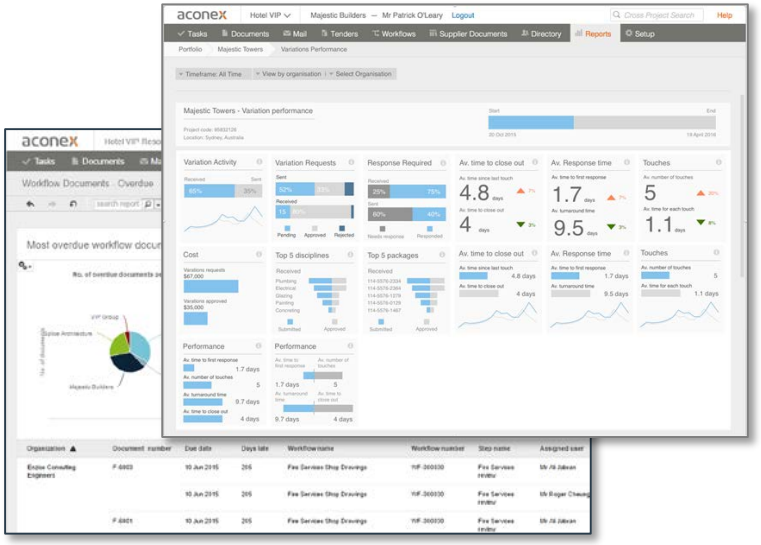
In FY18 we have 6 key product initiatives driving investments

The #1 platform for digital project delivery – Control and insights to drive performance



1. Insights and analytics

Help me anticipate problems so I can avoid them



Rationale

- Control is a key part of any project
- Aconex has the largest data set of construction activity in the world and can offer insights in to what processes need attention and provide early warnings *before* things go wrong
- Traditional reports and dashboards don't include what *might* happen
- Problems arise when it is too late

Initiatives

- Provide program / project / process level reporting on key processes (quality, safety, compliance)
- Deep insights for predictive analytics

2. Design & Construction Coordination

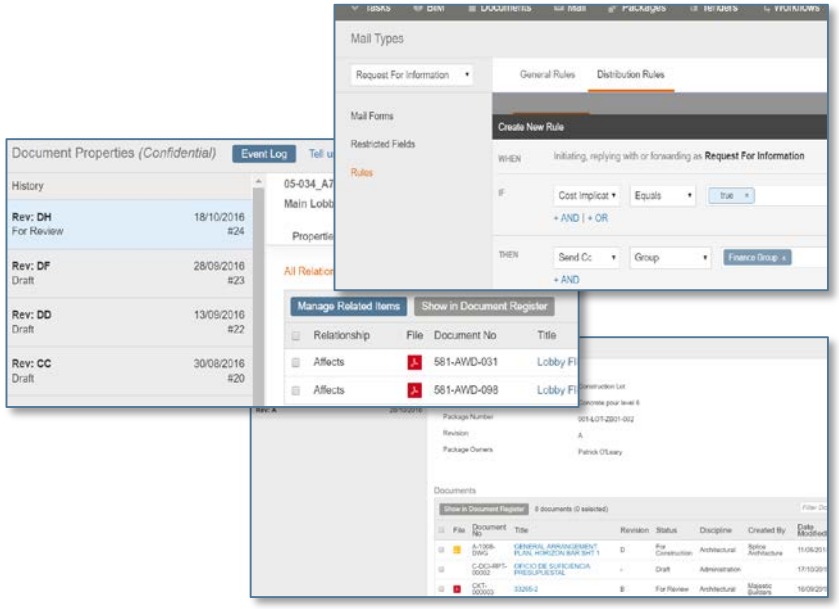
Manage the mayhem

Rationale

- Larger teams and more complex designs
- Flow on effects need to be carefully managed
- Data management not file management

Initiatives

- Mail Workflows, Packages, Linking & Relationships, Configuration Management. . .
- Build in processes & rules for better quality & repeatability
- Package management for better control & quality
- Linking data & objects together through relationships

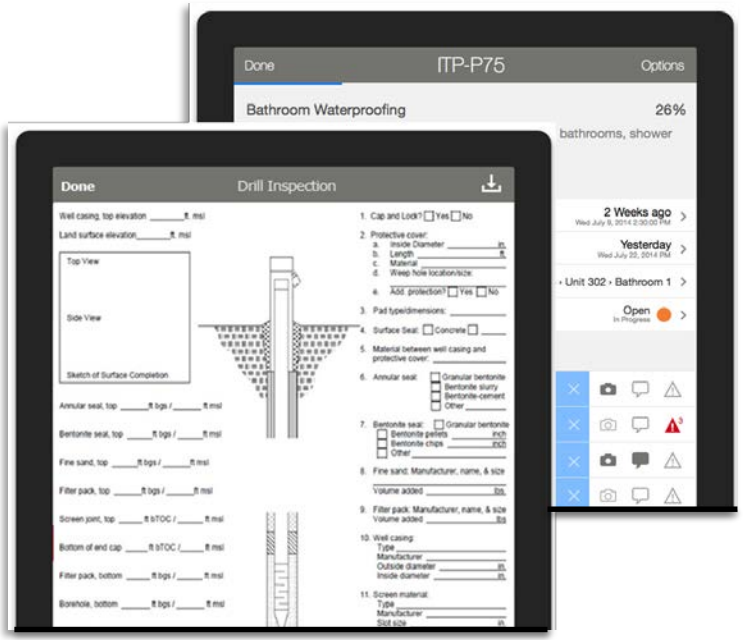


3. Quality & Safety

Pixel-perfect forms in the field

Rationale

- Every project needs to manage quality & safety
- Nuanced form requirements
- Change management hurdles
- “I want it to look like my paper form”



Initiatives

- Forms that look exactly like the paper form
- Visual navigation & pin-the-plan
- Location awareness
- Expand capabilities around scheduled inspections and ITPs

3. Jobsite mobility

Field enablement is king

Rationale

- We have more and more mobile apps (Mobile, Field, BIM, Progress Claims)
- “Let my workers stay in the field doing their job”
- Make it awesome

Initiatives

- Bring the separate apps into a single app with easier process flows
- Improved visual navigation
- Brings together 2D drawings, 3D models, pin the plan, pin the model, RFIs, defects, checklists & commissioning

Visual Navigation
2D/3D pin the plan

Location aware
Beacons, geolocation

Be served
Right info for the job

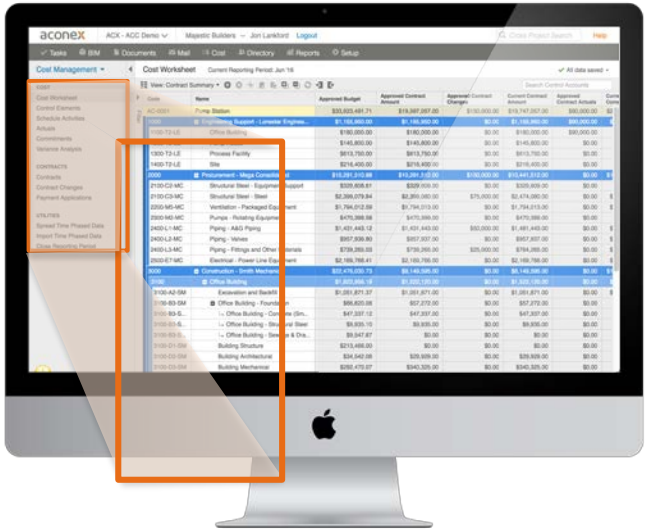
One app
Everything in one place

4. Financial Controls

Show me the money

Rationale

- Cost has many collaborative key processes
- Project Controls has multi-contracts / commitments
- Every project suffers from month-end madness
- Most decisions have cost implications



Initiatives

- Contracts Admin, Project Controls, Earned Value Management
- Collaborate with subcontractors to help month-end madness around Progress Claims
- Collaborative data + Project Controls = Early warnings

5. Ecosystem

The most connected ecosystem for the industry

Rationale

- Aconex has the biggest network of users
- We recognise that there are other tools for other processes
- Data flows to back-office systems can lift productivity and visibility

Initiatives

- We already have a set of robust APIs
- You can connect your tools or back office systems using our APIs
- Plus we are partnering with many providers so you don’t have to

6. Security and compliance

Aconex – The most secure cloud collaboration platform. Period.

Rationale

- Compliance and security requirements are lifting
- Federal government agencies require this certification

Initiatives

- FedRAMP certification
- Broader compliance initiative
- Officially “In Process” with FedRAMP (the only one in our space)

From the FedRAMP website

Agenda

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Demo

Platform for growth – Global operations

Paul Perrett

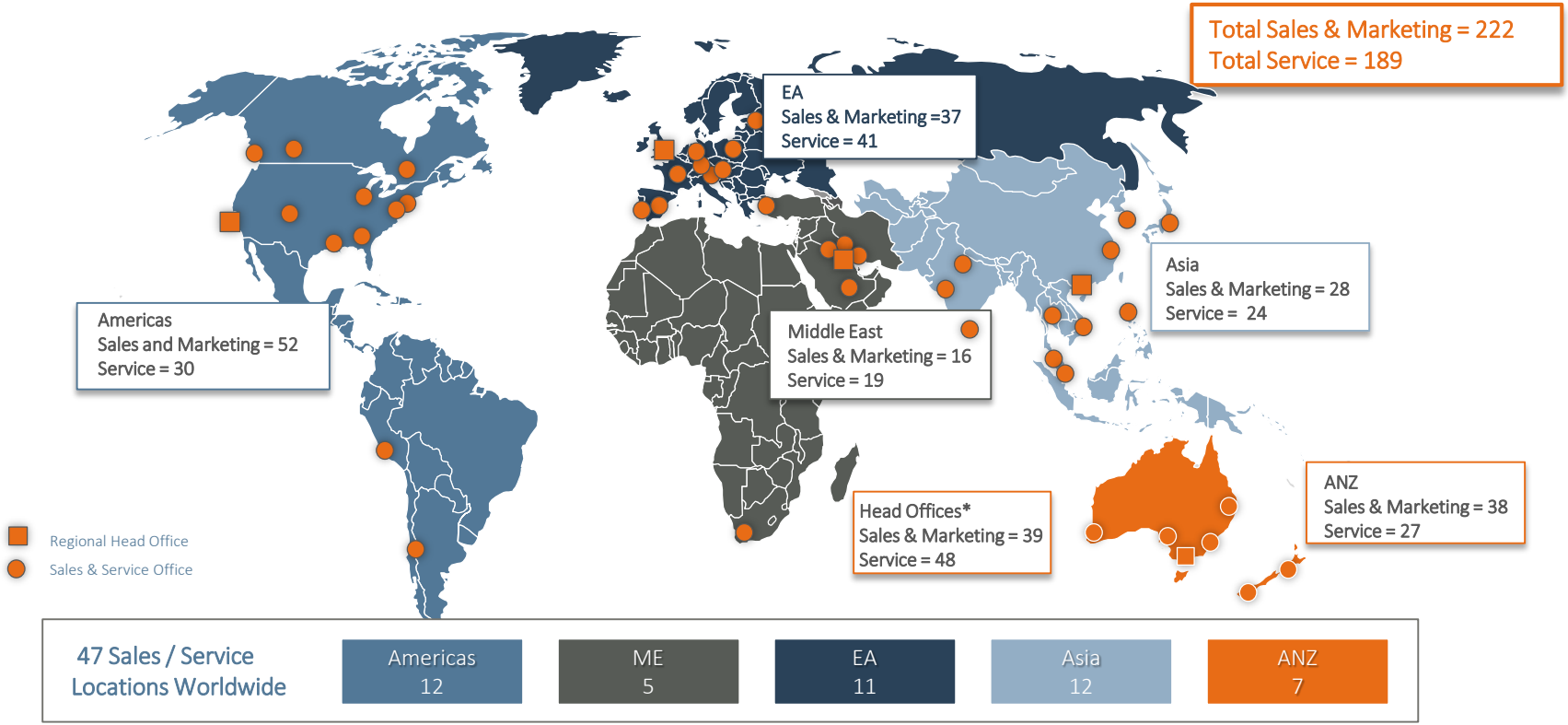
Chief Operating Officer

Project name: Dubai International Airport | Industry: Aviation & Port
Location: Dubai, UAE

Agenda

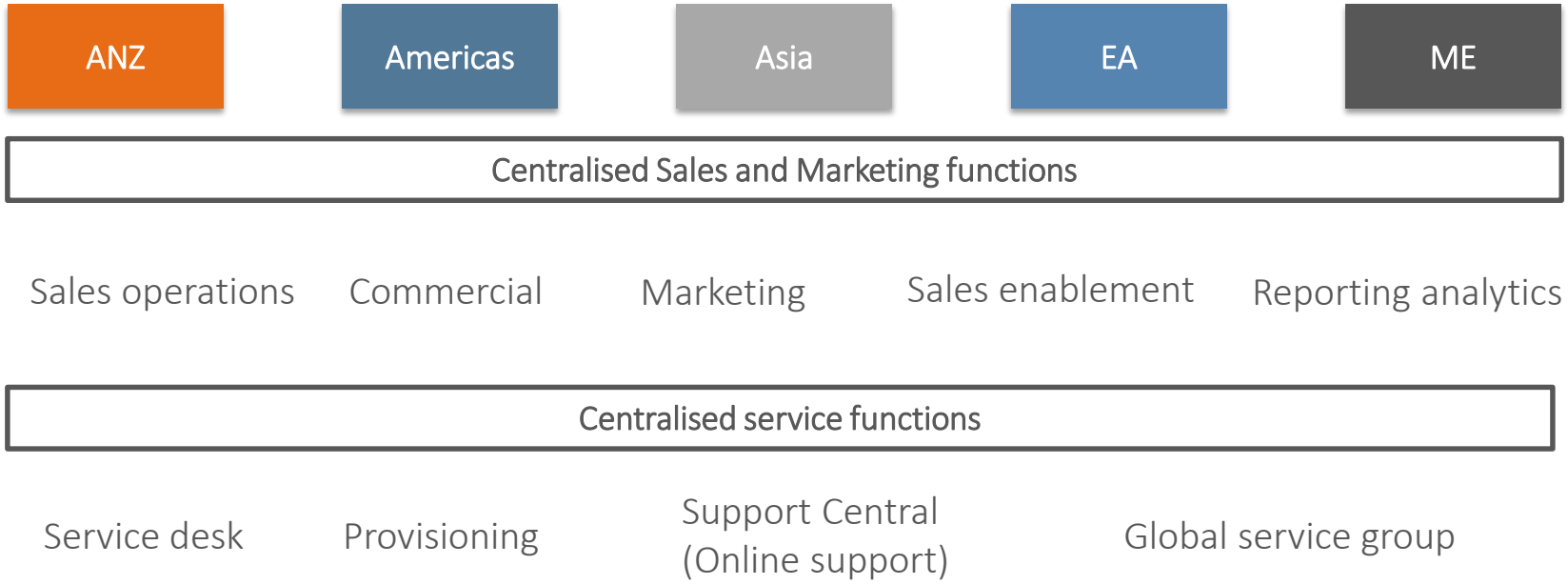
1. Go-to-market structure and philosophy
2. Client service – Efficiency and industry leading customer experience
3. Sales and Marketing – Investing for growth
4. Customer journey

A global sales and service organisation

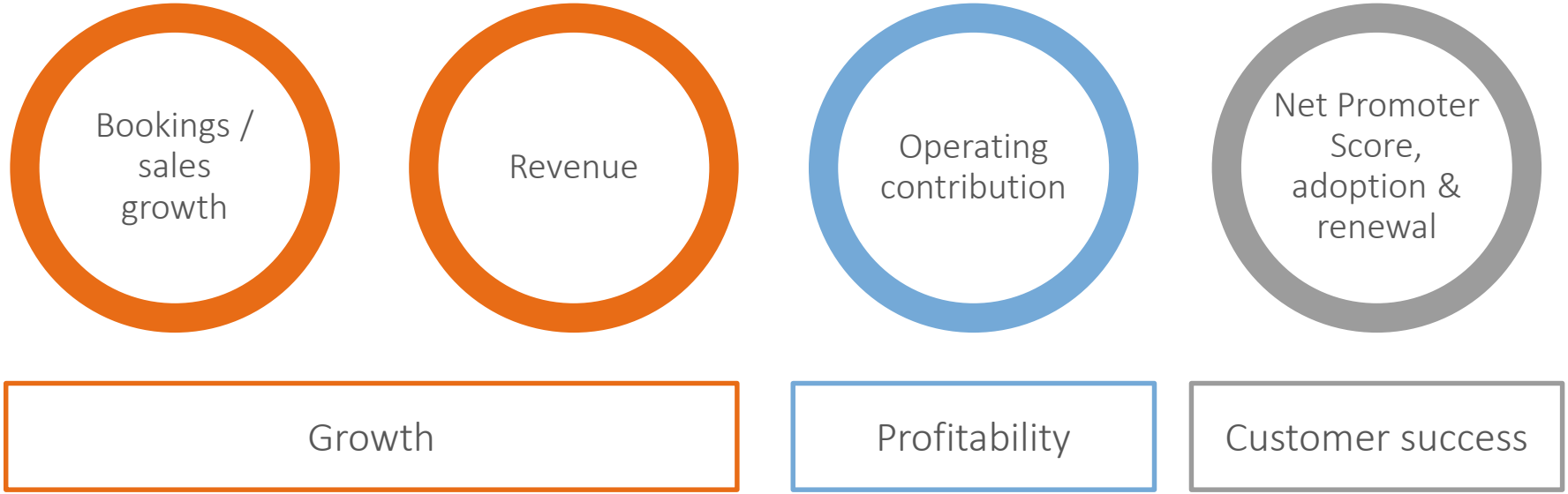


*Melbourne, Bangalore and San Francisco.

The regional businesses are supported by global functions to ensure consistency of execution and scaleability



Regional performance is measured across four key dimensions



Regional General Managers are responsible for the performance of their regional business unit as well as direct responsibility for the local sales and service delivery teams.

Tailored regional strategies, within an overarching global framework

Focus on building and leveraging growing global network	Focus on complex, high value projects (i.e. infrastructure)	Continued drive towards securing enterprise agreements
Rigorous approach to market segmentation, with highly targeted GTM strategies	Ongoing use of centralised assets and alignment with global processes	Integrated approach to marketing, sales and customer service

Agenda

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2. **Client service – Efficiency and industry leading customer experience**
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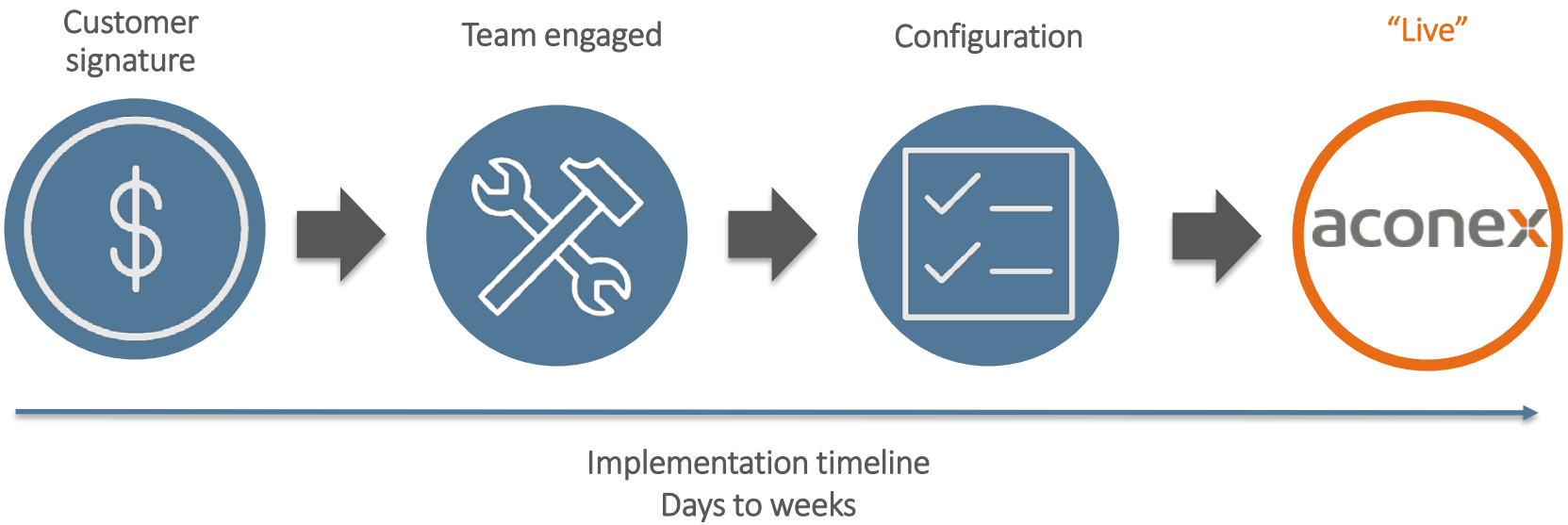
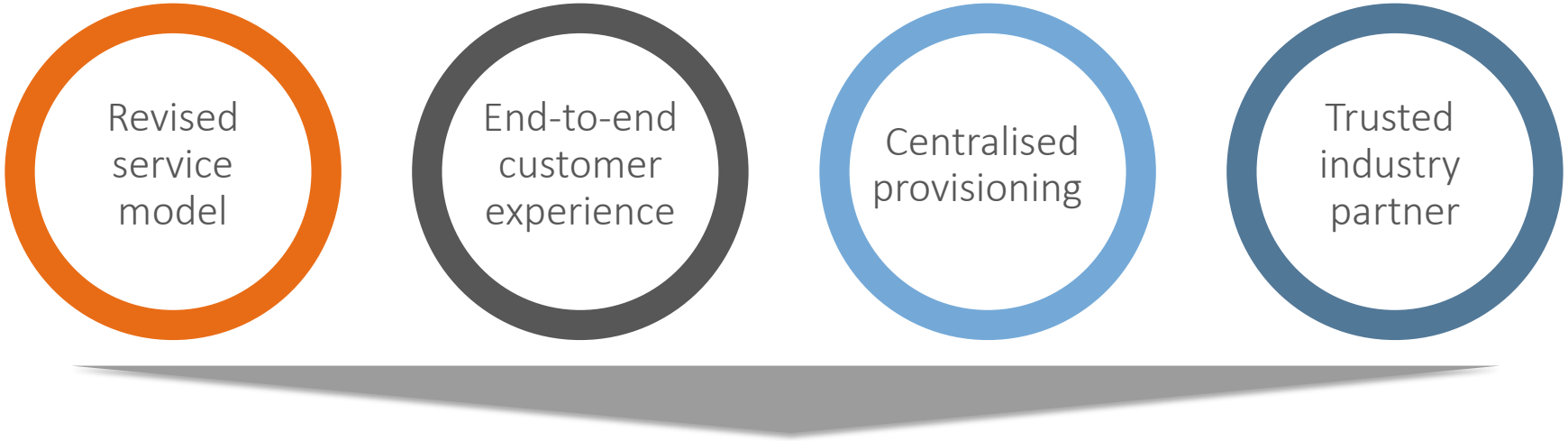
Global client service – a key differentiator



Four focus areas to continue driving efficiency and industry leading customer experience



- Seamless customer experience
- Highly efficient fulfillment with consistent delivery
- Integrated global capabilities
- Specialist consulting from experienced team

The Aconex service model is evolving to facilitate higher value delivery, balanced with cost recovery for specialist consulting

Relentlessly improving the end-to-end customer experience

Customer centricity	Make use of technology to drive efficiency, experience and reduce support costs	Use data and insights to drive focus
Help users help themselves, and each other	Improve the experience and reduce costs via automation programs	Invest in scalable, centralised resources for basic support, onboarding, adoption, training, etc (remote and online)

Aconex Provisioning – A global platform, process and resource pool for consistent and scaleable order fulfillment

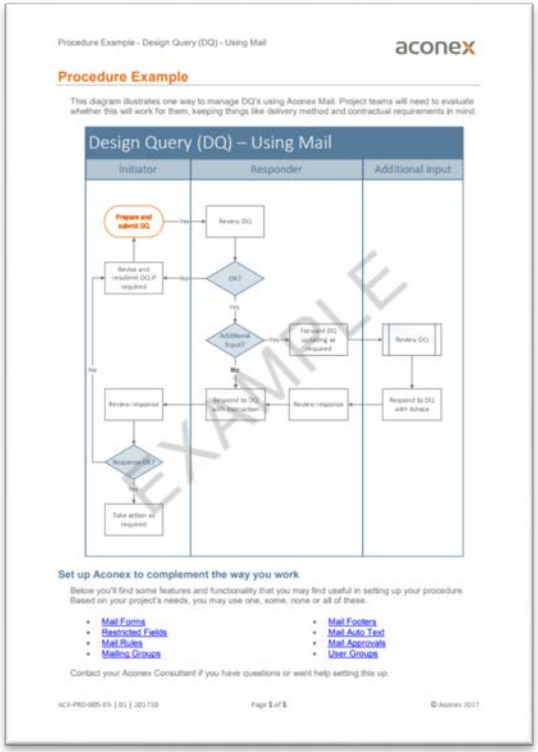
Sales | **Client Services**

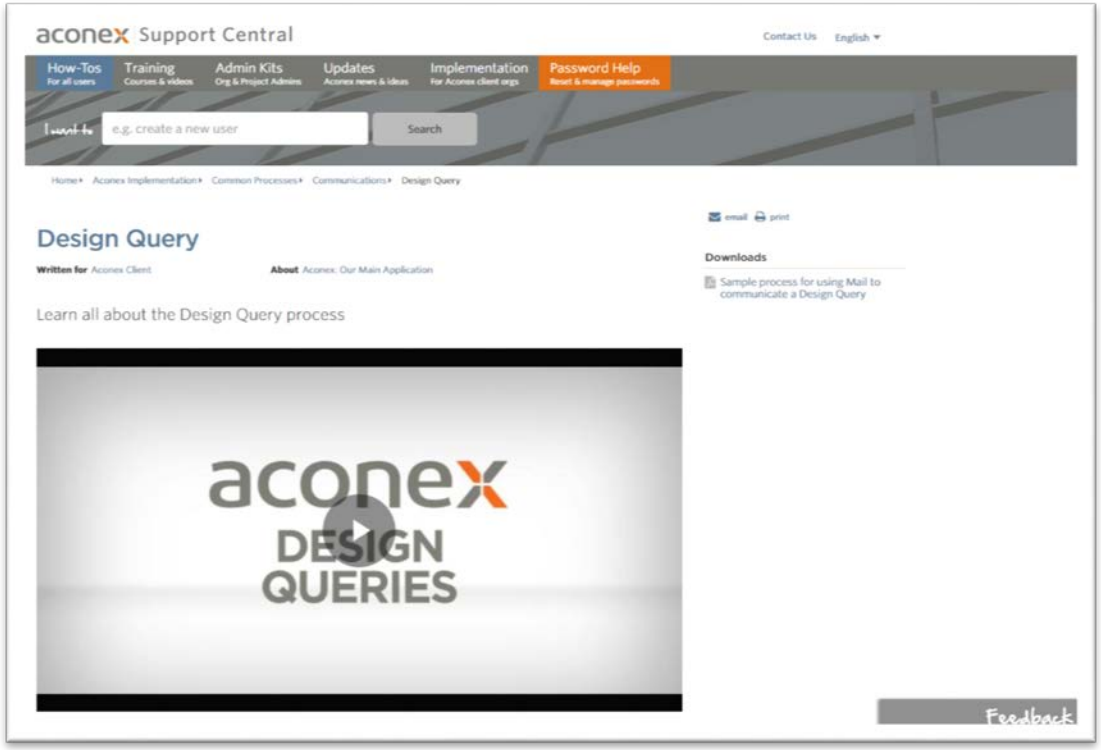
Order	Delivery	Support
What's been purchased	What needs to be delivered	Ongoing experience

Processing	Fulfillment	PSA	Service Desk
	Activation and configuration	Services and resourcing	Case management
	Products and features	Activities, tasks and time	Triage, inbound/outbound

Provisioning or Local Team | **Global**

Trusted industry partner. Customers rely on us for “best practice” advice





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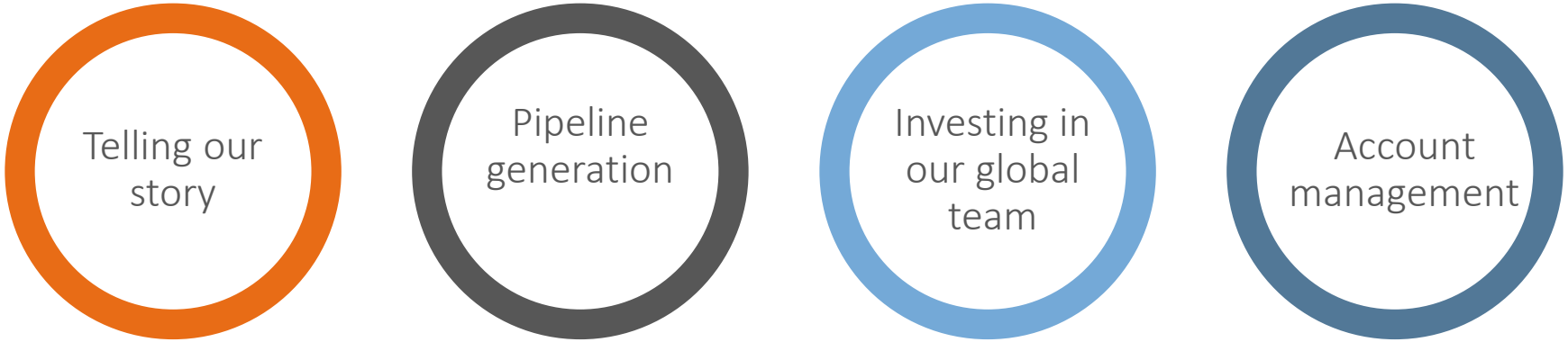
Our sales organisation has four key functions

	New Business	Strategic New Business	Inside Sales / Demand Gen.	Managed Accounts
Purpose	• Sales of new project and enterprise deals	• "Hunting" into strategic accounts • Heavy focus on global players	• #1 - appointment setting only • #2 - phone based sales	• Management of enterprise clients • Focus on upsell and renewal uplift
Who	• Regional BDM's	• Small specialist team of KAMs	• #1 – SDRs • #2 – ISRs	• Account managers
Maturity / Global Penetration	• Core of the Aconex sales organisation • Established in all regions	• Initiative introduced in FY16 • Increasing focus	• #1 – Core part of Americas model • #2 – Most developed in ANZ	• Highly developed in ANZ • Global standardisation in process

Sales and marketing – Four key initiatives to drive growth



Telling our story. Leveraging our global brand and first-mover advantage

Be bold and inspiring

Own our brand throughout the funnel

Focused demand & awareness

Engage through thought leadership

World-class GTM alignment

Share our story with international markets

Growing the ecosystem

CTS 2017 CONSTRUCTION TECHNOLOGY SUMMIT

Construction Technology Summit 2017

23 technology exhibitors

40 speakers and panelists across **2 days 500 delegates**

60+ technology vendors attended

Event Partners: VIC Government & ACA

Keynotes from **industry leaders**

A key management focus is driving opportunity generation, conversion and coverage

Context

- Strong and consistent win rates
- Established coverage in key markets
- Integrated set of global systems and pipeline management process

Key Initiatives

- Lead database mining
- Influencer mapping
- Field marketing events
- Customer referrals
- Online reach & conversion
- Webinars
- BDM prospecting

Investing in our global team to lift capability and improve productivity

Growing the team

- Recruitment
- Onboarding

Sales enablement

- Dedicated function
- Training investment
- Product specialists

Performance management

- Integrated global program
- Leverage new HRIS

- Sales representative profile varies by region but we focus on software technology experience
- High activity and challenger mindset
- Quota model: 10% cost of sale (5% base and 5% commission)

Expanding our proven account management model across the globe

Aconex account management

- Team focused on growth and retention of Enterprise Accounts
- Provides global visibility and confidence to customers.

Agenda

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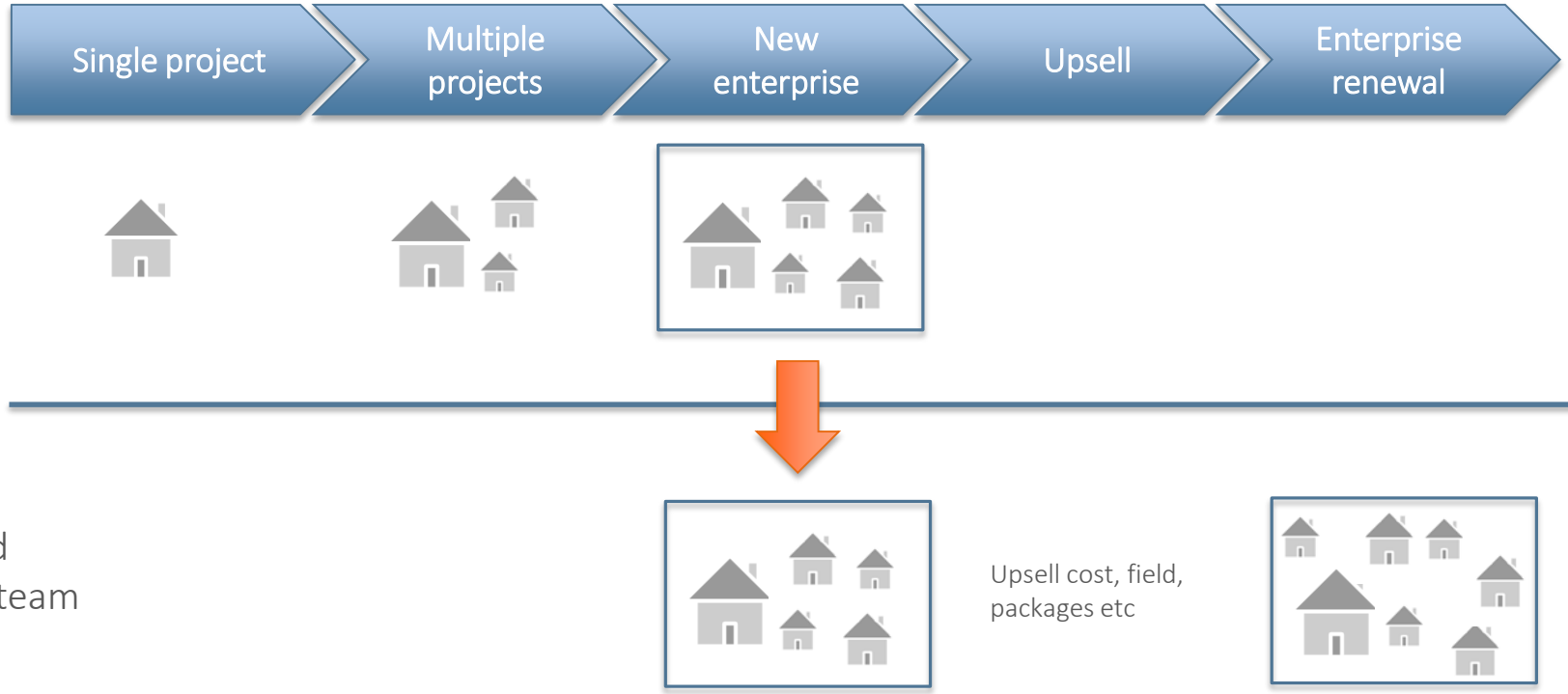
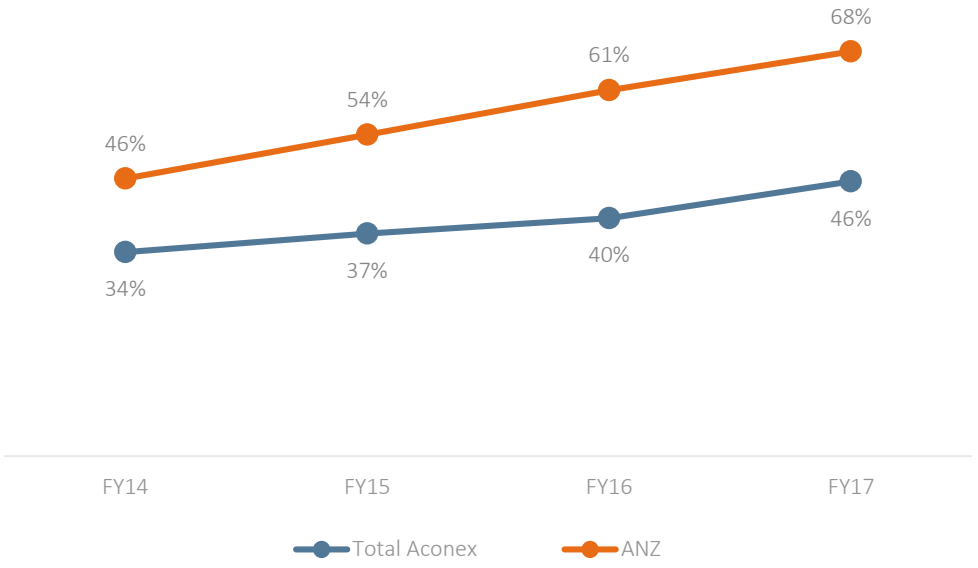
A ‘typical’ customer journey



Aconex has been very successful transitioning project customers to enterprise agreements over time

Enterprise agreements[1]
% of revenue

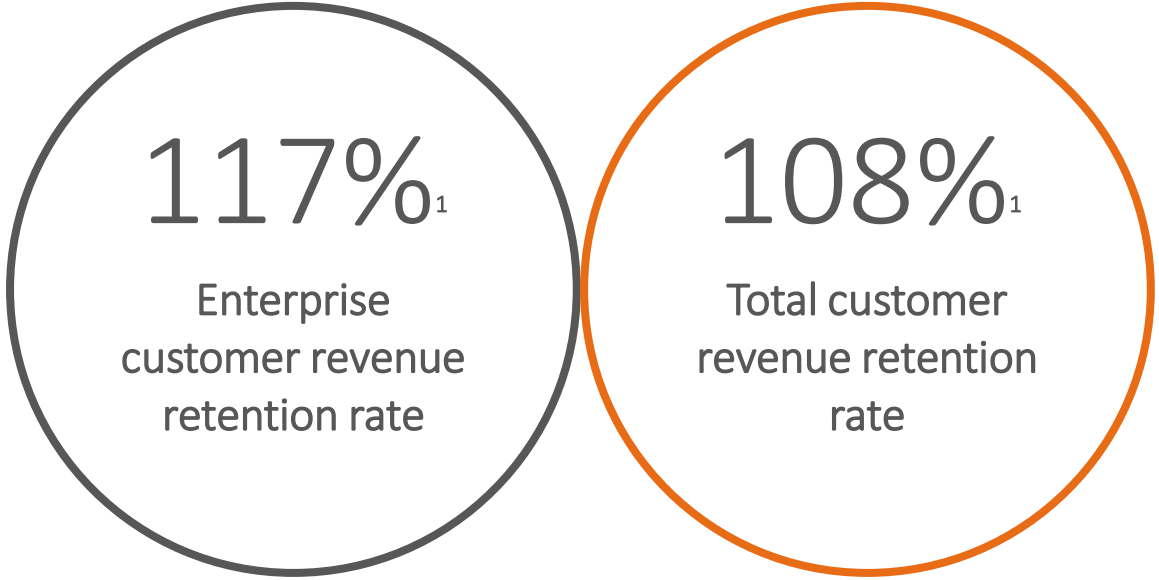


Benefits of enterprise agreements

- Standardisation
- Provide long-term revenue commitment and visibility
- Provide account growth opportunities
- Lower cost of service

[1] Aconex only.

Strong underlying customer retention growth metrics



[1]Retention rate is defined a the net % of Total Account Revenue retained from existing customers in 12 months, including expansion. Averaged over the last four years (FY13 to FY17).

Investing for growth - International markets

Henry Jones,
Executive Vice President,
International Growth

Project name: Riyadh Metro | Industry: Road & Rail
Location: Riyadh, Kingdom of Saudi Arabia

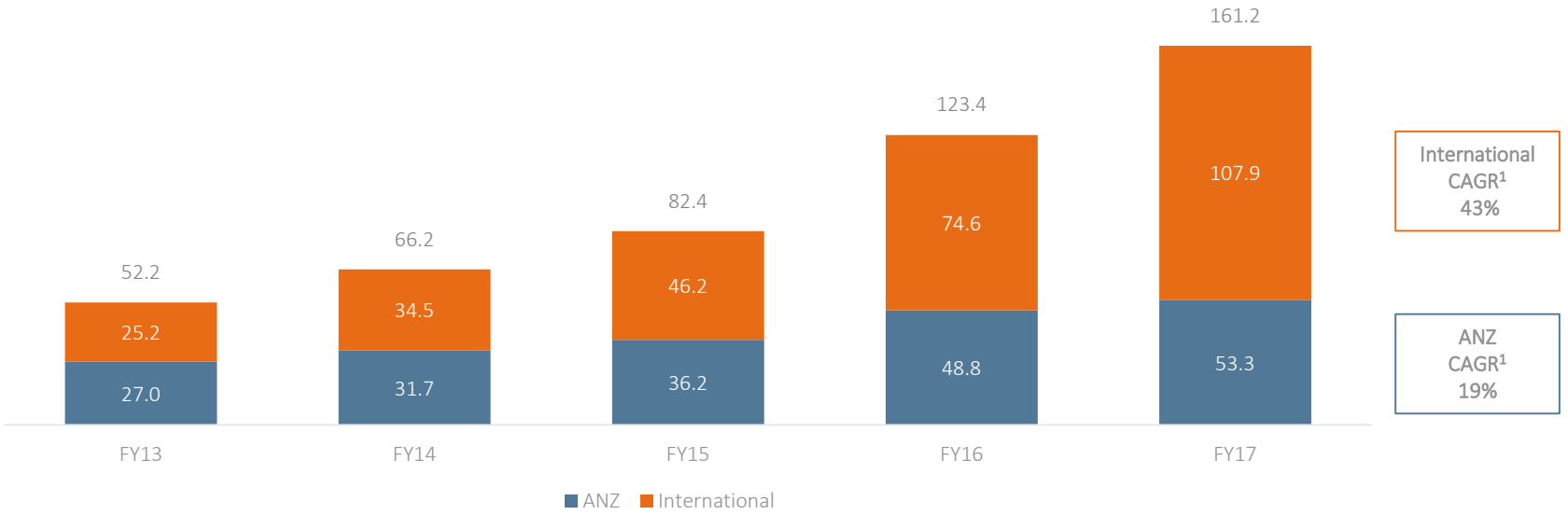
Agenda

1. Global leadership
2. Targeted initiatives to drive productivity and global standardisation
3. The international market opportunity

International revenue is now ~70%

Revenue - ANZ and International

$ millions

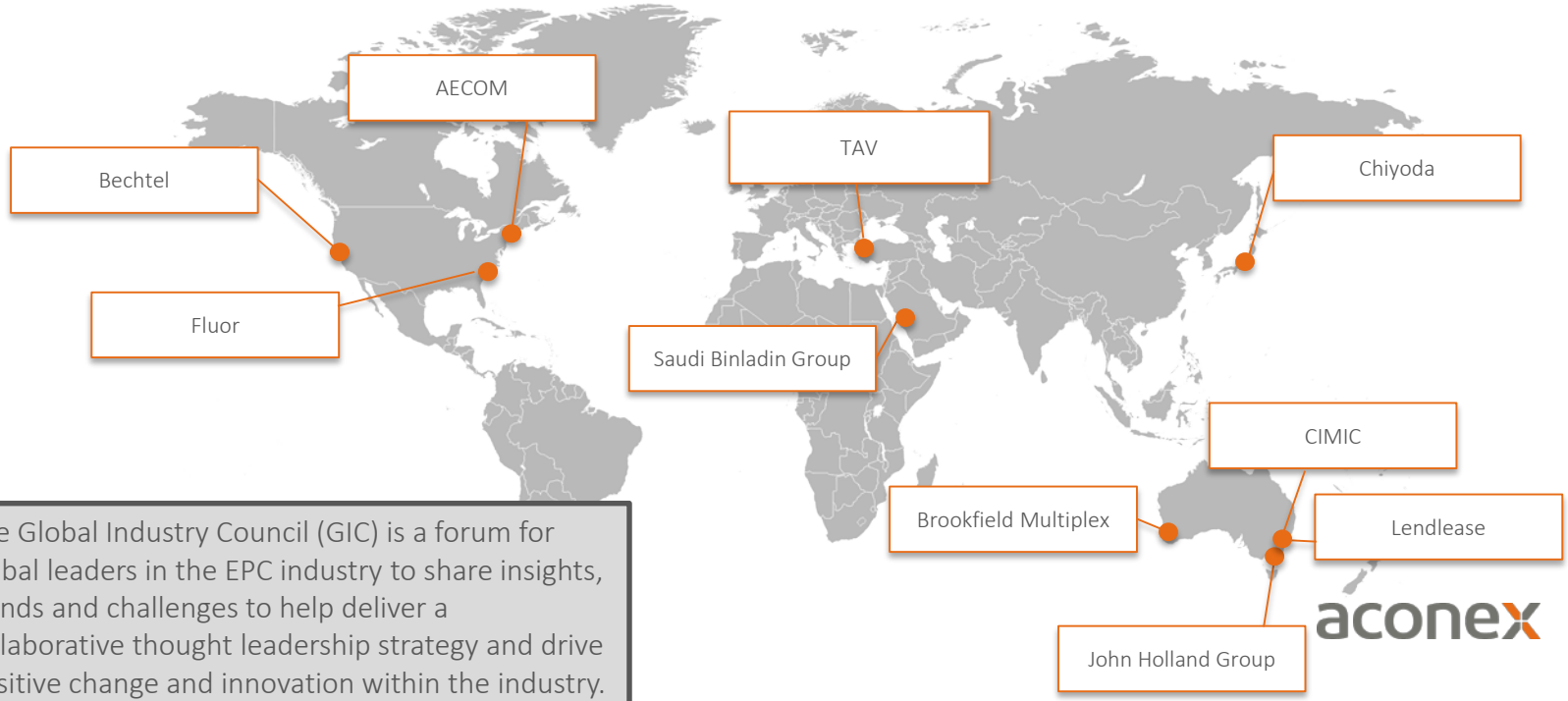


[1] CAGR: Compound Annual Growth Rate FY13 to FY17.

We are the global #1 and have a growing international customer base

Working with global leaders to transform the industry

Global Industry Council (GIC) members



The Global Industry Council (GIC) is a forum for global leaders in the EPC industry to share insights, trends and challenges to help deliver a collaborative thought leadership strategy and drive positive change and innovation within the industry.

Driving innovation and delivering collaborative thought leadership

The GIC provides opportunities for all members to:

- Contribute to advancing and transforming the industry;
- Establish relationships with like-minded individuals in a confidential and vetted environment;
- Share insights and perspectives about best practice and the future of the industry; and
- Co-create thought leadership content.

Agenda

1. Global leadership
2. **Targeted initiatives to drive productivity and global standardisation**
3. The international market opportunity

Four overarching goals, tailored for each region

Adopting a flexible approach to accommodate unique market characteristics including:

- Construction market
- Market maturity
- Competitive landscape
- Customers

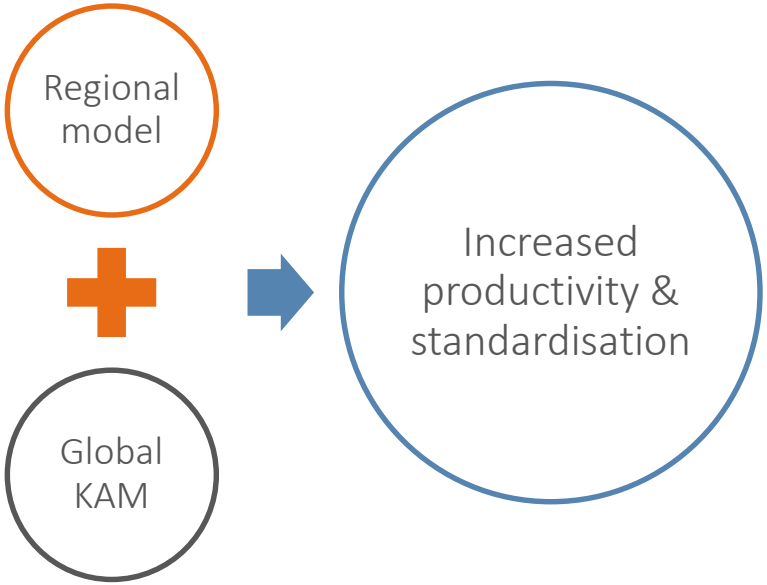
Key Account Management (KAM) – a global approach leveraging the best of the regional model

Regional model benefits

- Local sales team and relationships
- Local service delivery and professional services capabilities
- Local marketing

Global KAM benefits

- Streamline global account coordination
- Standardise and simplify
- Support large EPCs and increase enterprise volume
- Drive upsell
- Leverage global relationships



The plan for standardisation

Strategy
Regional Managed Accounts

Implementation
Accounts / People / Processes & Procedures

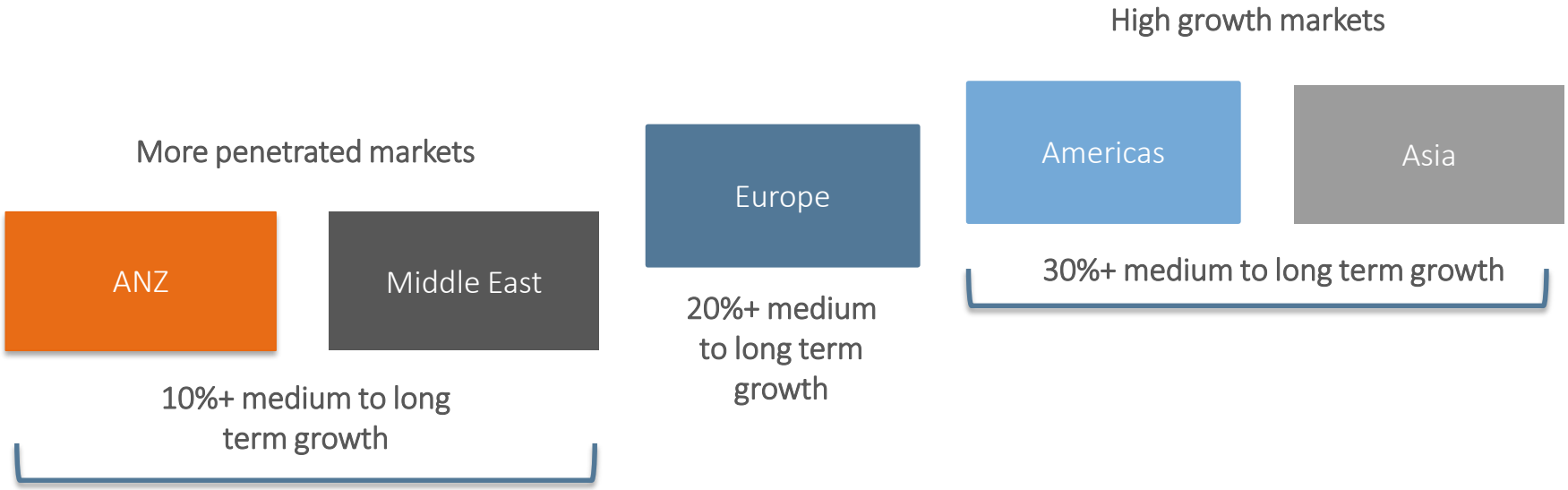
Change Management
Internal & Client Communication, Awareness & Adoption

Monitor & Innovate
Report, Improve & Innovate

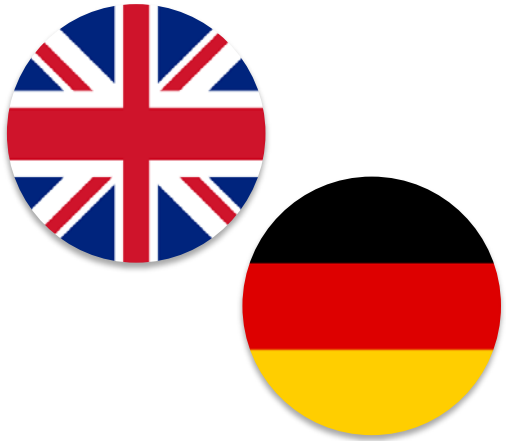
Agenda

1. Global leadership
2. Targeted initiatives to drive productivity and global standardisation
3. **The international market opportunity**

Future growth will come primarily from international markets



We are focusing our investment in four countries



UK and Germany

USA

Greater China

UK & Germany: significant committed and planned infrastructure investment

Market overview

Europe is the second largest construction market after Asia[1]

European companies account for 16% of the world's top 400 contractors[2]

Forecast infrastructure investment to 2039[3]
UK US$1.7t
Germany US$1.5t

VINCI SIEMENS Balfour Beatty Connect Plus

Bovis Lend Lease mace BATTERSEA POWER STATION Heathrow Making every journey better

[1] Global Construction Perspectives and Oxford Economics, Global Construction 2030, November 2015 – 5. Germany, 7. UK, 8. France, and 10. Russia.
[2] ENR 2016 Top Global Contractors Report.
[3] Global infrastructure outlook - A G20 initiative https://outlook.gihub.org/.

Leveraging our leadership position

Key initiatives		
Leverage combined business synergies	Build a strong client reference base	Win with Connected Cost e.g. project controls
Building a high quality sales team	Target Aconex sweet spots e.g. Infrastructure, Global Key Accounts	Build Aconex brand awareness

US infrastructure investment is growing

Market overview

US$1.3t[1] market

Forecast infrastructure investment of US$8.5t to 2039[2]

Home to many of the world's largest EPCs

[1] Global Construction Perspectives and Oxford Economics, Global Construction 2030, November 2015.
[2] Global infrastructure outlook - A G20 initiative https://outlook.gihub.org/.

Leveraging our leading customer network

Key initiatives		
Increase sales coverage and extend client operations	Leverage increasing infrastructure spend	Drive Connected Cost
Invest in FedRAMP	Build account management capabilities	Expand EPC customer base

China: huge market with increasing adoption of technology

Market overview

World's largest construction market	41% of total global construction[1]	Four largest contractors in the world and seven of the top 20[2]	Forecast infrastructure investment of $26t to 2039[3]

HITACHI Inspire the Next

熔盛重工 RONGSHENG

UNIVERSAL BEIJING

ABInBev

CHIYODA

SINOPEC

SWIRE

CSCEC 中国建筑 CHINA STATE CONSTRUCTION

CNPC

中国交通建设 CHINA COMMUNICATIONS CONSTRUCTION

[1] Global Construction Perspectives and Oxford Economics, Global Construction 2030, November 2015.
[2] ENR 2014 Top Global Contractors Report.
[3] Global infrastructure outlook - A G20 initiative https://outlook.gihub.org/.

Expanding our partner ecosystem to grow the network

Key initiatives

- Secure enterprise deals
- Belt and Road (OBOR) and other international projects
- Increase SOE customer base
- Drive adoption of Connected Cost
- Position for internal infrastructure investment
- Leverage social media to build awareness

Building the platform for long term international growth

Closing remarks

Leigh Jasper
Chief Executive Officer &
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Industry: Residential & Commercial I Location: London, England

aconex

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