

# Final Results FY 2023

Claire Milverton – CEO  
Stuart Ritchie - CFO



# Agenda



**Claire Milverton**  
CEO



**Stuart Richie**  
CFO

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# 1Spatial plc: Overview

## A unique proposition

- Software and solutions company helping our customers to make critical decisions from data with a specialism in location data
- Market-leading software platform for **Location Master Data Management (LMDM)**



## Market drivers



Government Investment Initiatives

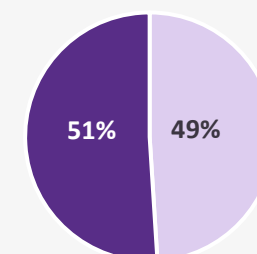


Digital Transformation



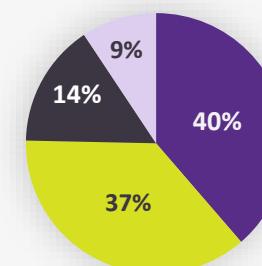
ESG

## FY23 Revenues



% Recurring revenue

■ Recurring  
■ Non-recurring



% Revenue by region FY 2023

■ UK/Ireland ■ Europe  
■ US ■ Australia

## Over 1,000 Customers

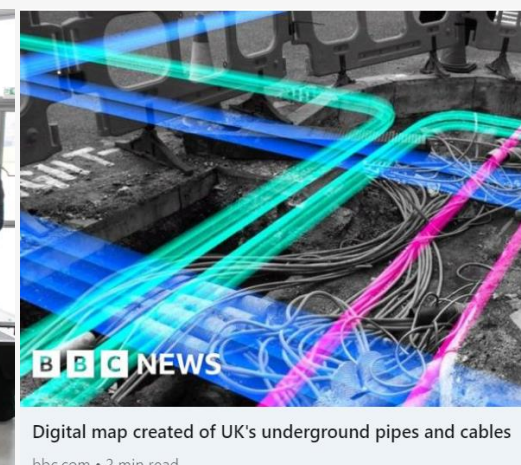
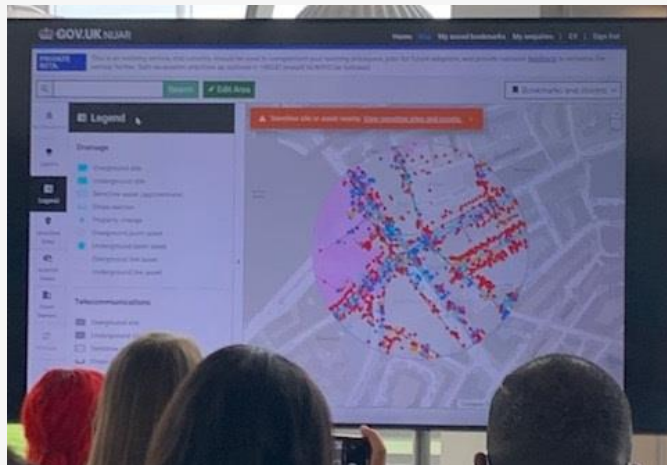


## Powerful Partners



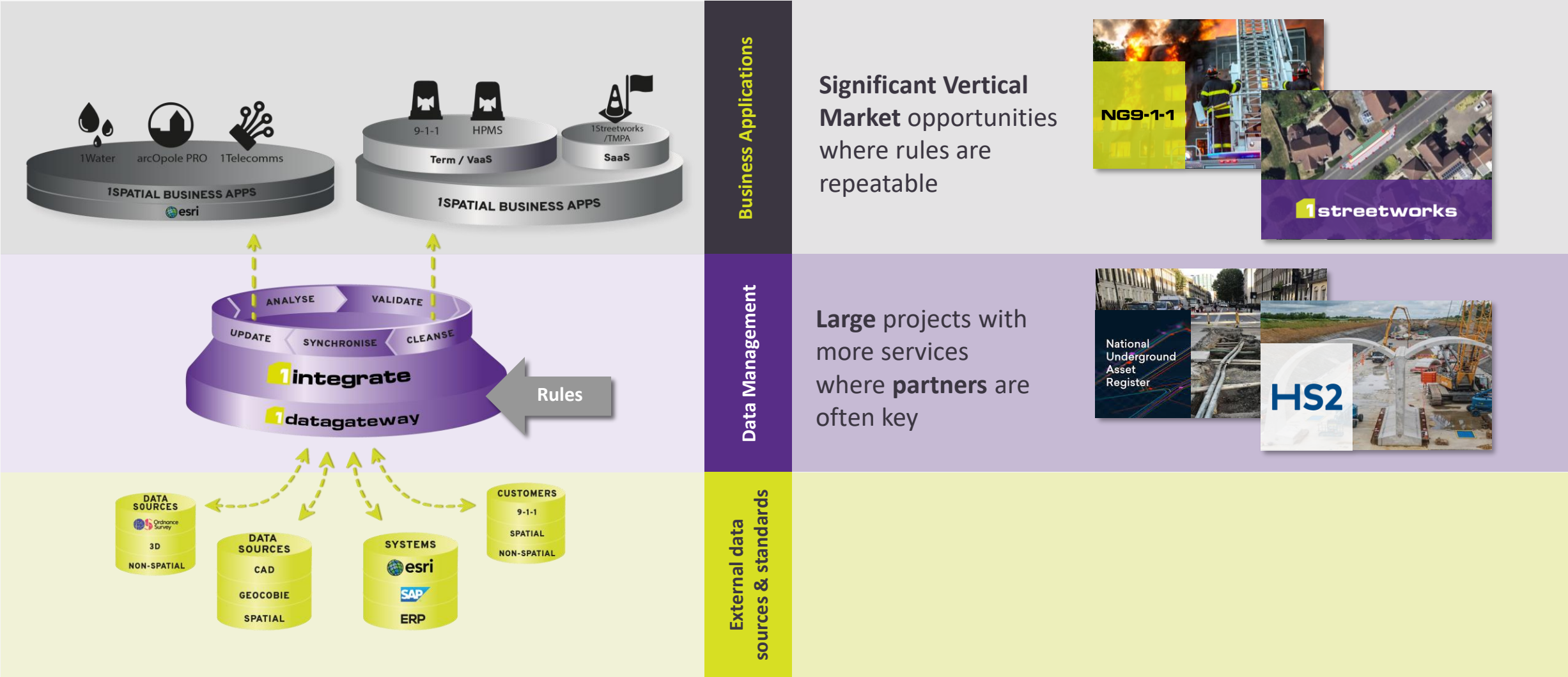


# Transformational opportunities



- ▶ Launch of pilot/MVP of **NUAR** at City Hall & HS2 site trip to Euston Station
- ▶ Both creating data platforms for managing spatial assets, to underpin National Infrastructure for the long term
- ▶ **Why we won:** Our market-leading software platform
- ▶ **Growth opportunity:** Replicate for other location-based platforms globally
- ▶ **Transformational growth:** Use our market-leading platform to build our own SaaS solutions for digital transformation

# Our market-leading platform



# A year of focused investment & delivery

## Investment and strategic focus

- Investment in:
  - 1Spatial platform including Cloud enablement and TMPA
  - Sales team and processes
  - Partner programme
- Strategic focus on:
  - Software licence sales







## Resulting in key wins and expanded offering

- Good level of **high-value** contracts signed combined with strong **growing pipeline** of prospects
- Significant growth in **recurring revenue**
- **US** largest contributor of ARR growth
- Move into **profitability** & better **cash generation**
- First **SaaS offerings** now in trials

**A strong basis on which to build as we head into FY24**



# Key wins provide basis for further expansion

	US	UK	FRANCE
LAND			
EXPAND			

# Financial Review FY23





# Financial Review – FY23



**Stuart Ritchie**  
CFO

1. Key financial highlights from FY23
2. Positive impact from recurring revenue growth
3. Continued progress on the evolution of our business model
4. Implementing the evolution through ARR growth and investment
5. Goals for FY24 and beyond

# Key FY23 Financial Highlights

## Income statement

### Summarised trading performance

- Steady increase in **recurring revenue** due to significant contract wins in UK and US. Recurring as a % of total revenue at 49% (FY22: 45%)
- **Gross margin 52%** (FY22: 52%) steady despite macro-economic inflationary pressures in late FY23
- **Adjusted EBITDA\*** margin **17%** (FY22: 15%)
- **Operating profit of £1.3m** compared to a profit of £0.4m in the prior year

Summarised P&L (£000)	FY23	FY22	Variance (%)
Recurring revenue	14,760	12,180	21%
Non-recurring revenue	15,242	14,847	3%
<b>Revenue</b>	<b>30,002</b>	<b>27,027</b>	<b>11%</b>
Recurring revenue %	49%	45%	
<b>Gross Profit</b>	<b>15,498</b>	<b>13,949</b>	<b>11%</b>
Gross Profit %	52%	52%	
<b>Adjusted EBITDA*</b>	<b>4,997</b>	<b>4,182</b>	<b>19%</b>
Adjusted EBITDA* %	17%	15%	
Less: depreciation and amortisation	(3,357)	(3,441)	(2%)
Less: share-based payment charge	(192)	(326)	(41%)
Less: non-recurring items	(194)	-	(100%)
<b>Operating profit</b>	<b>1,254</b>	<b>415</b>	<b>202%</b>

\* Adjusted EBITDA is a company-specific measure which is calculated as operating profit/(loss) before depreciation (including right of use asset depreciation), amortisation and impairment of intangible assets, share-based payment charge and strategic, integration, and other non-recurring items.

# Key FY23 Financial Highlights

## Cash-flow

### Positive free cash flow in FY23

- **Cash generated from operations of £5.4m** (FY22: £2.8m)
- **Free Cash Flow £0.2m** – significant improvement on FY22 (£1.2m)
- Increased **investment in R&D** to **£3.9m** (FY22: £2.5m)
- Additional **banking facilities** in place - **£3m RCF**, secured to June 2025 providing headroom – undrawn at year end FY23
- **Net cash** at 31 January 2023 of **£3.1m** (FY22: £3.1m) despite payment of £0.4m deferred consideration in FY23

Free Cash Flow (£000)*	FY23	FY22
<b>Cash generated from operations</b>	<b>5,400</b>	<b>2,791</b>
<b>Net interest paid</b>	<b>(210)</b>	<b>(134)</b>
<b>Net tax received</b>	<b>179</b>	<b>176</b>
Expenditure on product development and intellectual property capitalised	(3,854)	(2,449)
Purchase of property, plant and equipment	(163)	(164)
Lease payments	(1,099)	(1,088)
<b>Free cash flow* excluding non-recurring items</b>	<b>253</b>	<b>(868)</b>
Less: non-recurring items	<b>(48)</b>	<b>(294)</b>
<b>Free cash flow*</b>	<b>205</b>	<b>(1,162)</b>

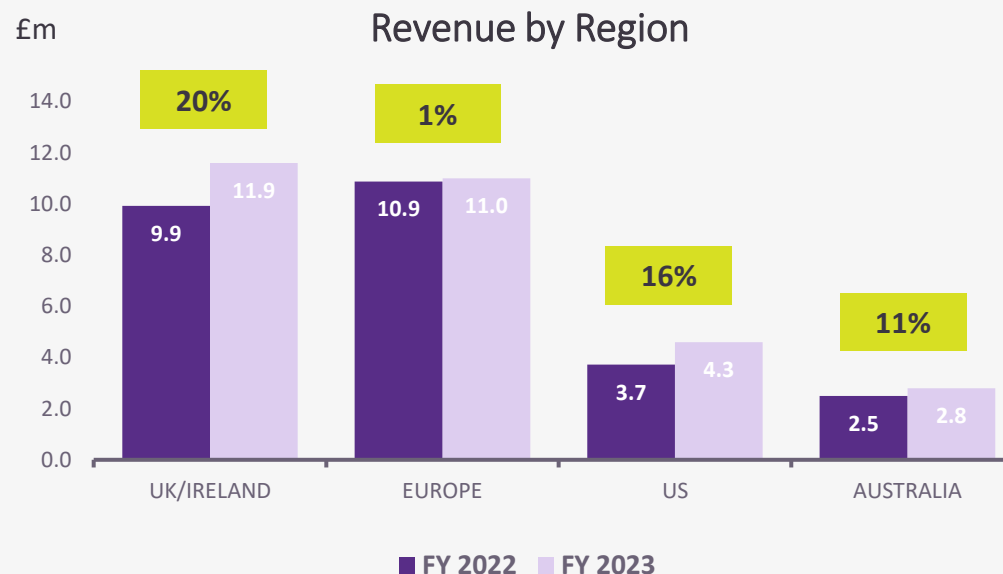
\*Free cash flow is defined as net increase/(decrease) in cash for the year before cash flows from the acquisition of subsidiaries, cash flows from new borrowings and repayments of borrowings and cash flow from new share issue. But excludes lease liabilities.

# Key FY23 Financial Highlights

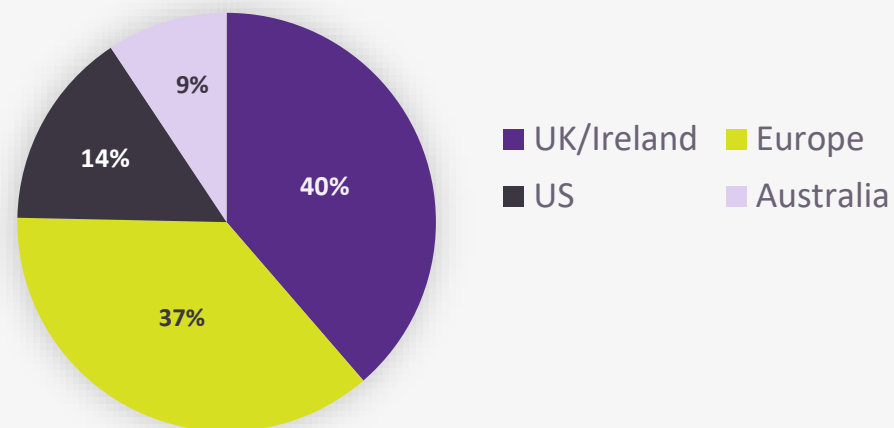
## Regional revenue

### Highest revenue growth rate in UK

- **Organic Revenue Growth** in all regions
- **UK** revenue fastest **growth rate** of **+20%**
- Double-digit growth in **US**
- **Europe** and **Australia** growth lower as switching to recurring revenue model



% Revenue by region  
FY 2023

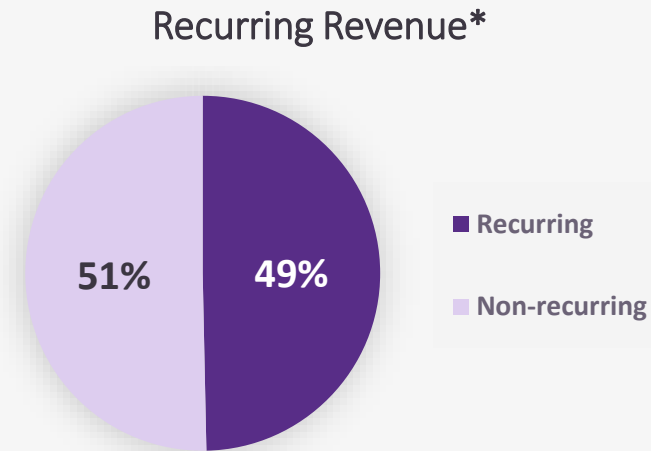
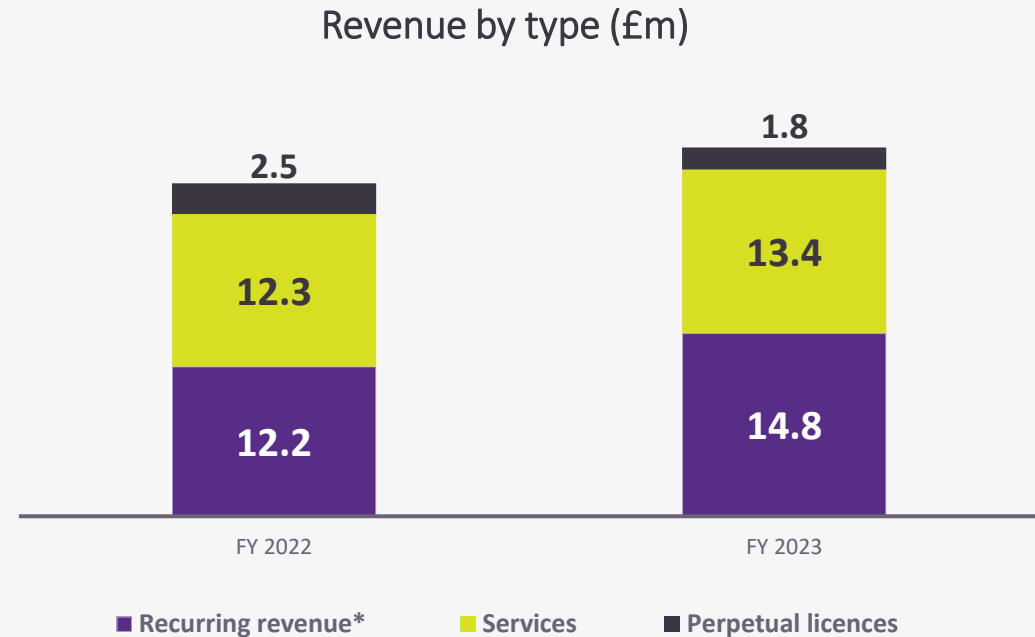




# Positive impact from recurring revenue\* growth

**Focus on increased recurring revenue\* growth resulting in improved EBITDA performance:**

- Total revenue up 10% to £30.0m (£27.0m)
- Recurring revenue\* up 21% to £14.8m (£12.2m)
- Recurring term licence revenue up over 110% to £5.3m (£2.5m)
- Recurring revenue\* now 49% of total revenue (45%)

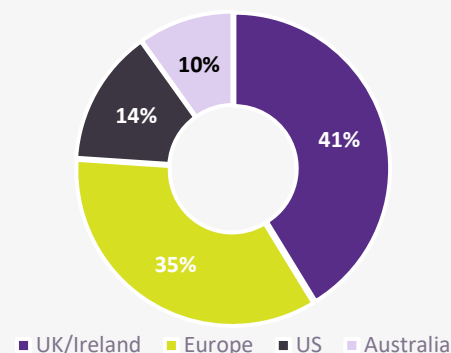


# Continued growth in Annualised Recurring Revenue\*

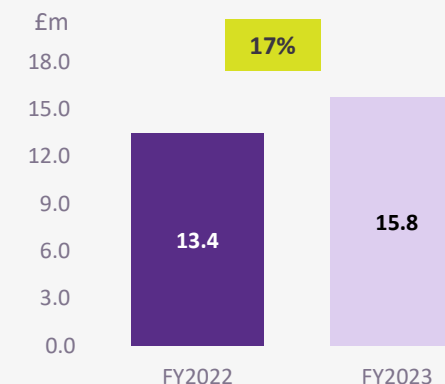
Double-digit ARR growth across all regions with a significant increase in US:

- Total ARR up 17% to £15.8m (£13.4m)
- Term licence ARR up 115% to £5.2m following focus on recurring licence growth
- US ARR up 58% to £2.2m (£1.4m)
- Strengthened Renewal Rate of 94% (93%)

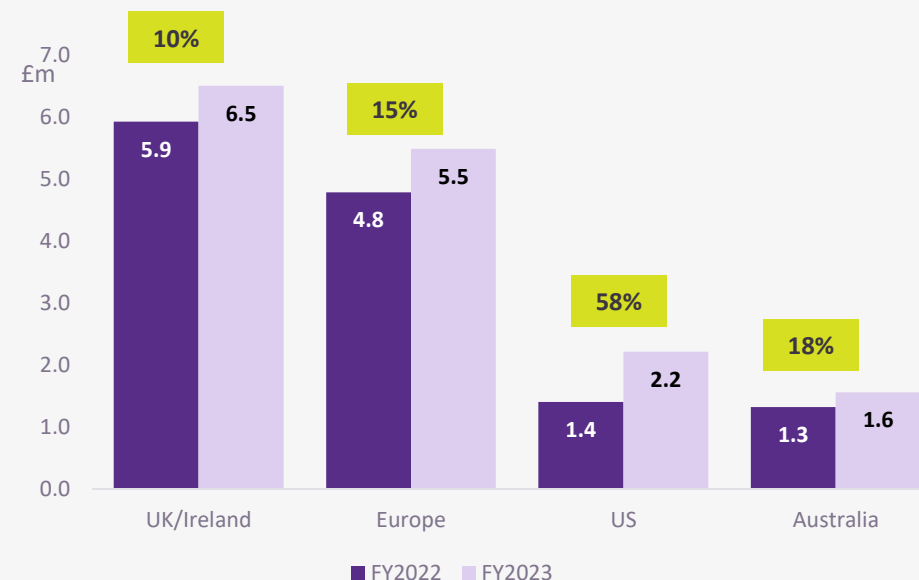
Closing ARR by Region



ARR Growth

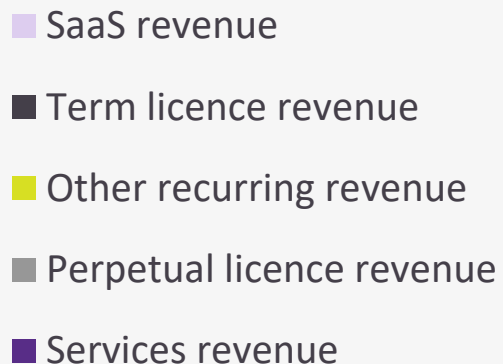


ARR Growth by Region



# Continued progress on the evolution of our business model

- Focus is on transitioning towards a full **SaaS cloud-based revenue model**
- Aiming for higher proportion of **recurring SaaS and term licence revenue**
- Building a **scalable business** with repeatable solutions
- **Driving margin expansion** from SaaS cloud solutions



# Implementing the evolution through ARR growth and investment

## The right ingredients

- **Great tech, amazing clients, substantial opportunity** within existing clients
- **Additional investment in our global sales team and go-to-market strategy**
- Adding this altogether can help us deliver **substantial value from the existing base**
- Upside from **large TAM**

## What do we need to focus on next year and beyond?

- **We continue to invest for future growth and have taken on three highly experienced sales directors in US, Europe and UK** to convert pipeline and capitalise on significant opportunities with existing and new customers
- Continued incremental sales of term licences (which automatically renew) and cloud-based SaaS solutions - **the catalyst for profitable growth**
- **Grow gross margin through increasing software sales** while maintaining a healthy services backlog

Medium term target to accelerate annual revenue growth and deliver the operational leverage inherent in our business model



# Goals for FY24 and beyond

Contract momentum driving increasing quality of revenues with improvement expected for FY24



- Term licence ARR up 115% to £5.2m following focus on recurring licence growth
- 29% growth in total ARR and 11% growth in total revenue
- A significant increase in Group profit before tax compared to FY 2022
- Improved operating cash flow, allowing increased R&D spend to capitalise on opportunity

# Areas of focus and opportunities for FY24



# Key areas of focus in FY24



US

Growing footprint in significant market



Partners

Provide access to multi-million pound opportunities



**1streetworks**

TMPA

Using our market leading rules engine and cloud platform to target a £250m revenue per year market opportunity

# Capturing the US opportunity

## Scalable opportunity

### US States – Existing enterprise repeatable solutions (includes NG 9-1-1)

- With 50 states the addressable market is US\$50m (US\$1m per state)
- Engagements with three new States won in the year including Arkansas with NG 9-1-1

## Land....



First contract wins with the State of New York and Indiana



Proving our tech.



8/8 competitive wins for NG 9-1-1 proving our credentials (Building ARR)

## .... and Expand, within each state

### Building to £1m ARR in each state

c70% of contract value is ARR



Expansion in California and transportation (Building ARR)



Win in Maryland (Building ARR)



Ability to sell our tech to transport dept. in 18 states (Building ARR)

## .. and into Counties and Cities via SaaS offerings

### NG 9-1-1 SaaS based solution

- With 23,000 cities and counties the addressable market US\$100million+
- Pilot trials underway

**New Sales Director now in place from April 2023 to develop and scale team**

***In 2017 we had only 1 client in the USA (US Census) → We now have 30 and many more in the pipeline***



# Growth with partners



## New partner engagement in the year

**RIZING**

Four-year  
Caltrans contract

**CGI**

Strategic  
Framework  
Five-year Home  
office contract

**Atos**

Horizons  
programme

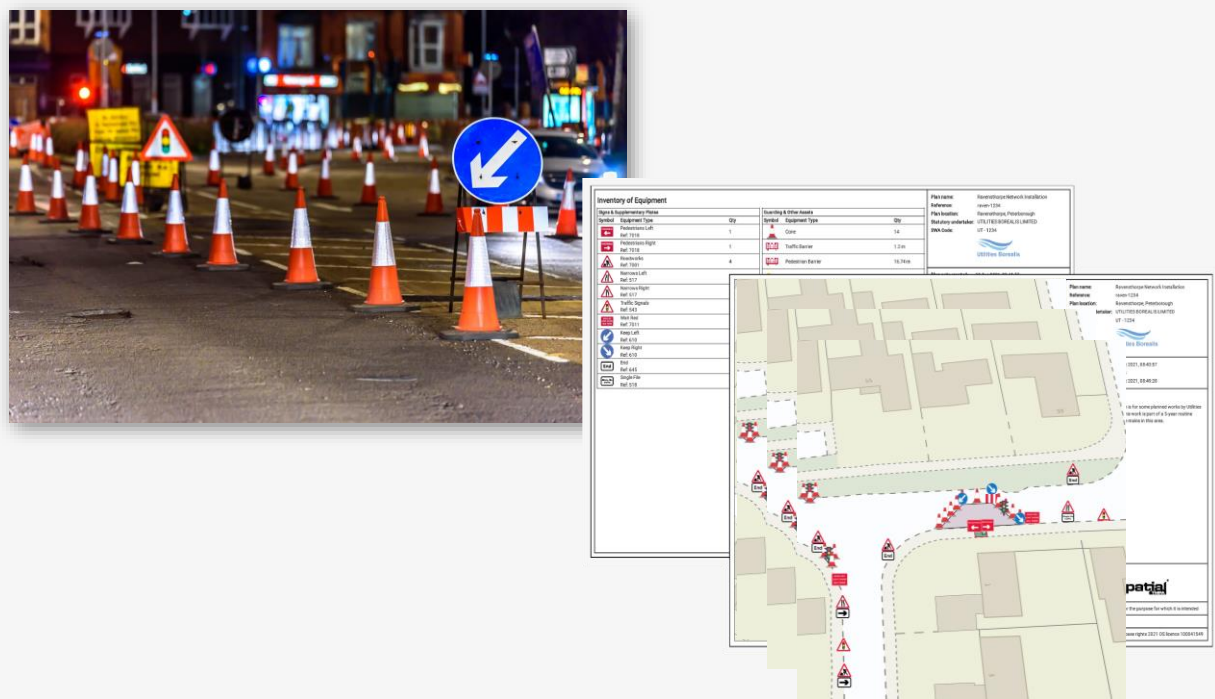
*"Working with 1Spatial to develop the National Underground Asset Register is a truly exciting and transformative project for the infrastructure sector."*

**Guy Ledger, Digital Director, Atkins**

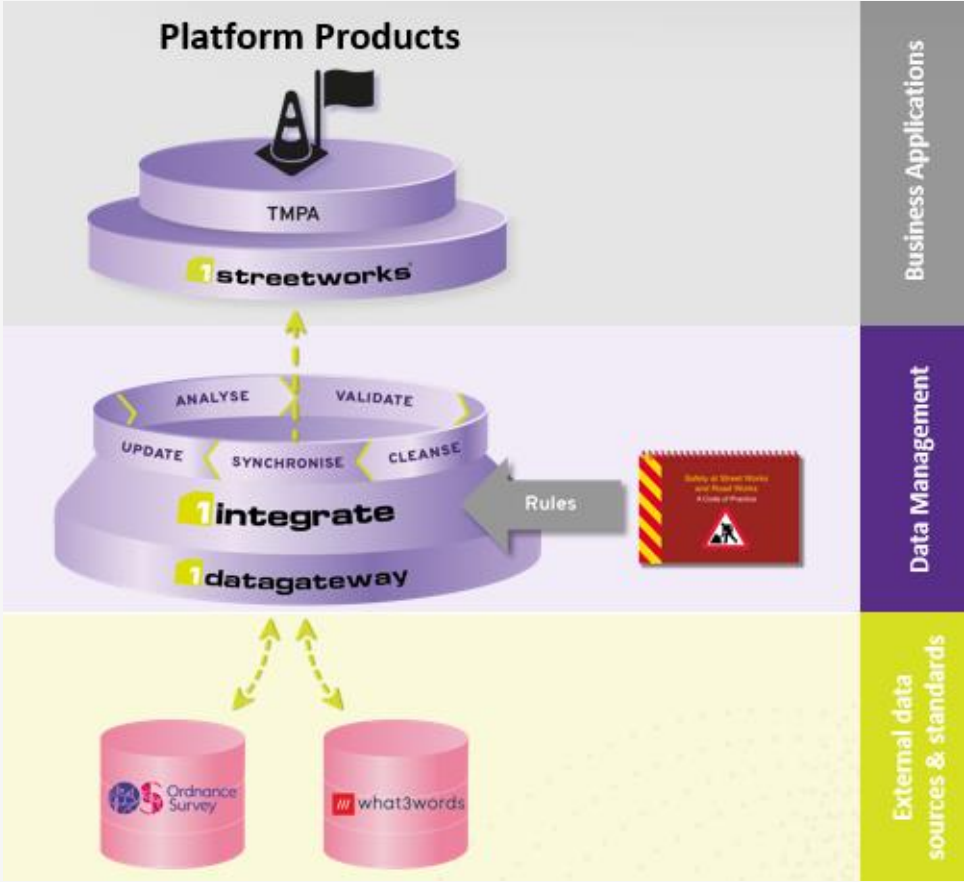
# SaaS Solutions – transformational potential

## 1streetworks

Traffic Management Plan Automation

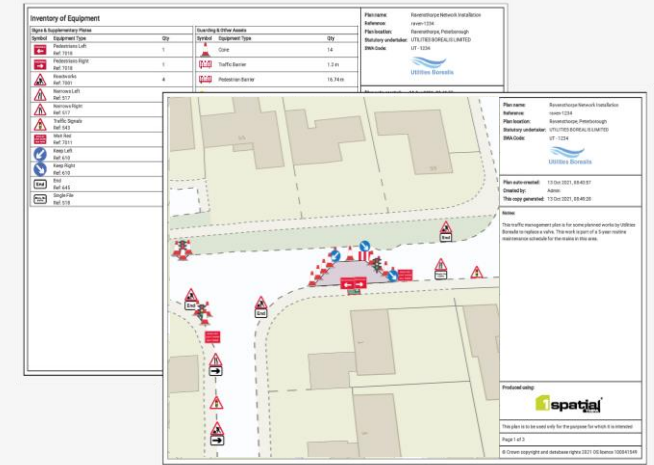


Leveraging our rules engine, in the cloud



# SaaS solutions

Product market fit - Potential transformational growth



- **First solution in the market** to fully automate the production of traffic management plans
- Ensures **compliance** with rules, saves **time, money** (including fines) and addresses workforce **resource** and **skills** issues
- **£250m** market opportunity in low-speed roads in the UK (currently costing at least £500m to do this 'manually')
- Solution had been in development for over 3 years and has been through **rigorous review**
- Interest from **all technical users** has been very positive, now in procurement stages with paid trials and initial sales. **Significant** pipeline of opportunities in place.
- **Pure SaaS** - No Services revenue, quick to access, one platform to maintain, Gross margin **80-90%**

# FY24 objectives & outlook

## Objectives



Capitalise on TMPA in the UK and the considerable opportunity in the US



Continue investment in our LMDM platform and next SaaS opportunities



Maintain and expand our partnership strategy in all key geographies



Grow recurring revenue, EBITDA margins and increase cash conversion over the long-term

## Outlook

- Solid FY23 performance, with **high profile wins** in key geographies providing **confidence for future growth**
- Trading in the new financial year has begun positively with a **significantly growing sales pipeline**
- Continuing to **grow ARR and our backlog of revenue**, providing comfort during challenging macro environment
- **Increased investment** to accelerate scale up of the sales team to capture the **substantial opportunity**



# Q&A



# Appendix



# Growth strategy underpinned by 1Team



## Our People - the lifeblood of 1Spatial – delivering confidence in everything we do

*Key focus on talent development, diversity and inclusion, employee experience and community impact*



**Newsweek's Top 100 Most Loved Workplace® (UK)**- backed by Best Practice Institute (BPI) research and analysis

## Key findings from our employee engagement survey:

- 82.3% are happy with their line manager relationship;
- 74.2% consider at least one colleague a friend;
- 84.2% feel respected and trusted by their line manager and peers;
- 70% agree that they are regularly updated with relevant 1Spatial news

**ESG – Our strategy is based on 4 pillars:**

**Planet**

**People**

**Practices**

**Product**



# Why we are needed



- **No register** of all the pipes and cables
- Fatalities and cost to UK economy **£1.2bn p.a.**
- UK Gov. creating register – **National Underground Asset Register**
- **650+ asset providers** (utilities, local authorities)
- **Contract WIN** for 1Spatial software platform for £6.5m
  - Sharing data
  - Different systems
  - Formats
  - Data quality
  - Update
- **Replicable** across other infrastructure projects and geographies



# Why we are needed

# HS2



The Chipping Warden Green Tunnel construction site in Northamptonshire

- ▶ Europe's largest infrastructure project
- ▶ Data needs to be pulled together
  - ▶ Different types
  - ▶ Different contractors
- ▶ HS2 needs a view of all assets for **planning, maintenance and ESG** – Common Data Environment (CDE)
- ▶ **Initial contract WIN** to automate **creation of CDE** (£0.9m over 2 years)
  - ▶ Won because we are becoming recognised leader in the field
  - ▶ 1Data Gateway (portal for data sharing)
  - ▶ Patented 1Integrate - check data quality, consistency and compliance HS2 Standards
  - ▶ Keep data up to date – **long term**
- ▶ Land and expand strategy with common engagement model
  - ▶ Prove concept
  - ▶ Scale up the system in phase 1 and further phases
  - ▶ Further use in global supply chain e.g. Tiers 2 and 3
  - ▶ Provider of choice Globally for National Platforms where location data and supply chain is key

# Evidence of our winning strategy: US NG-911

Next Generation 9-1-1 (NG911) - Accurate data for emergency services to improve response times



## Problem we are solving

- Ensuring compliance with NENA standards in the USA for NG911 which includes accuracy of data (Spatial and non-spatial)
- Ensuring mirror image of data held by the State and the counties, cities and **Public Safety Answering points (PSAPS)**
- Critical **spatial data** issues include boundary **overlaps** between Public Safety Answering points
- 1Spatial solution – Validates data for accuracy and compliance with standards. Data needs to be validated regularly to check for changes.

## Evidence we are winning

- Won 8 NG911 State Tenders in the last 24 months with a pipeline of future deals
- We are gaining significant credibility in this space with our NG911 Business Application
- US\$500 million funding for Next Generation 911 projects



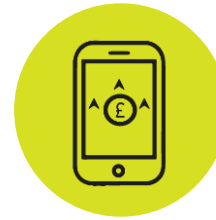
# Significantly growing market opportunity

## Key Market Drivers Growth



### Government Investment Initiatives

- US\$1.2 trillion infrastructure investment - USA
- £600 billion investment – Build Back Better – UK
- €750 billion stimulus fund – European Commission
- US\$500 million funding for Next Generation 911 projects



### Digital Economy

- Drive for digital representation of assets (digital twins)
- Greater need to share data across organisations and the public sector
- Increasing demand for Cloud First and SaaS-enabled solutions



### Environmental, Social and Governance (ESG)

- 169 targets to measure and achieve
- Mapping and location data playing a significant role
- A need for improved data quality, driven by the UN

# Board of Directors



## Claire Milverton – Chief Executive Officer

Claire has been CEO of 1Spatial since January 2017 having previously been the CFO. Claire is passionate about leading and working collaboratively; making the best of her team's skills to create a great organisation and a positive culture - extending this approach to all other stakeholders including customers and partners. Having worked in finance, Claire is no stranger to issues in relation to poor quality data and recognises the importance of getting an excellent return on the data investment. She is a great believer in good data governance and building innovative solutions that can then capitalise on the high-quality data underpinning the solution. Claire has had a significant number of years in the technology sector from both her time working within 1Spatial and through her experience at PwC where she was a technology specialist. Claire is a qualified Chartered Accountant.



## Stuart Ritchie – Chief Financial Officer

Stuart joined the Board as Chief Financial Officer in December 2022. He is an experienced finance director with a strong background in publicly quoted international technology companies. Most recently Stuart was Group CFO at Fusion Global Limited, a provider of SaaS-based workflow software that generated £30m in annual revenue across its US, UK and continental European operations. His previous roles include Global Head of Accounting and external reporting at Zeal Network SE, a Frankfurt-listed eCommerce group. Stuart is a fellow of the Institute of Chartered Accountants, qualifying with EY.



## Andrew Roberts – Non-Executive Chairman

Andrew joined the Board in September 2016 and was Executive Chairman from 30 December 2016 until 31 January 2018 when he became Non-Executive Chairman. Andrew brings significant experience to 1Spatial from both a technology and equity capital markets perspective. Andrew led The Innovation Group plc from 2009 until its sale to Carlyle Group in 2016 for £500 million. Previously Chairman of Kewill plc, a leading international supply chain software business, Non-Executive Director and Chairman of Civica, a leading UK IT services business and Non-Executive Chairman of Vega Group plc until its sale in 2008 to Finmeccanica SPA for £61 million. Andrew started his career at ICL and then led the management team that turned-around private-equity owned Data Sciences (then a leading BPO business), which was sold to IBM in 1996.



## Francis Small – Non-Executive Director

Francis joined the Board in August 2017 as a Non-Executive Director. Francis brings significant experience from his financial services background, having been at Ernst & Young from 1979 to 2015 where he held key positions, including as London and then UK head of corporate finance, global vice chair and then managing partner of UK & Europe transaction advisory services, global leader of sovereign wealth funds (based in the Middle East) and ultimately senior partner for international clients. Francis graduated from Cambridge University with a degree in law, is a chartered accountant and a fellow of the ICAEW.



## Peter Massey – Non-Executive Director

Peter joined the Board in July 2018 as a Non-Executive Director. Peter brings significant industry expertise and strategic insight to the Board in the key focus areas of Government, Utility and Transport which he has developed through his long career driving business growth within these industries. Peter has held a number of Senior Executive positions during his career including at Space Time Insight Inc., National Grid plc, Transco plc and British Gas plc.

In Peter's current roles as Business Development Director at On Device Solutions Limited and Founder and Managing Director at Upcurve Limited, he helps organisations enhance business performance and growth. Peter is a Chartered Engineer and graduated from the University of Salford with a BSc (Hons) in Natural Gas Engineering.

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