

ASX Market Disclosure

Aconex Reports Strong Revenue and Profit Growth for 1H FY16

Exceeds IPO Prospectus and August 2015 Forecasts at Top and Bottom Lines

- Total revenue of \$55.7 million, up 46% year over year, significantly above the IPO prospectus forecast and above the forecast update.¹
- ANZ revenue up 39%, with 47% growth in operating contribution.
- International revenue up 52%, with operating contribution more than tripling.
- EBITDA from core operations of \$7.0 million, excluding acquisition-related costs, significantly above both the IPO prospectus forecast and the forecast update.¹
- NPAT from core operations of \$5.3 million, excluding acquisition-related costs and including an income tax benefit, significantly above both the IPO prospectus forecast and the forecast update.¹

MELBOURNE, Australia, 23 February 2016 – Aconex Limited (ASX: ACX), provider of a leading cloud collaboration platform for the global construction industry, today announced its results from core operations for the six months ended 31 December 2015.

Results from core operations (\$millions)	1H FY15	1H FY16	IPO Prospectus Forecast ¹	Forecast Update ¹
Revenue	38.1	55.7	44.9	51-53
Gross profit	28.1	42.1	34.1	–
Gross margin	74%	76%	76%	–
Operating costs ²	29.5	37.7 ³	31.1	–
EBIT ²	(1.5)	4.4 ³	3.1	–
EBITDA ²	0.5	7.0 ³	5.4	5.5-6.5
NPAT ²	(2.1)	5.3 ³	2.6	2.5-3.5

¹ See the forecast in the initial public offering prospectus dated 25 November 2014 and the forecast update in the ASX market disclosure dated 25 August 2015.

² Results from core operations excluded one-time IPO costs and gains/losses associated with the Francisco Partners security, both in FY15, and foreign currency exchange losses of \$1.2m in 1H FY15 and \$0.2m in 1H FY16.

³ Including business acquisition costs, operating costs were \$38.3m, EBIT was \$3.9m, EBITDA was \$6.5m, and NPAT was \$4.8m. NPAT included a one-time income tax benefit of \$1.7 million on the recognition of a portion of tax losses.

Network Effects Driving Business Momentum

“Half-year FY16 results exceeded our outlook on the strength of operating performance and new enterprise agreements,” said Aconex CEO Leigh Jasper. “As these engagements roll out and we continue to win new business, our global market penetration and user network are expanding across all regions. While ANZ showed exceptionally strong growth year over year, the international regions recorded even stronger growth, with operating contributions more than tripling. This demonstrates the increasing leverage of our global scale as the international business follows our ANZ growth trajectory. The network effects of project-wide – and increasingly enterprise-wide – collaboration are clearly accelerating our business momentum and driving our earnings growth.”

Beginning in late June 2015, Aconex signed enterprise agreements with leading global contractors such as Bechtel, Lendlease, John Holland, the CIMIC Group, and Burns & McDonnell. During the half-year, enterprise agreements accounted for 59% of ANZ revenue and 44% of total revenue.

Strong Growth in Revenue, EBITDA and NPAT

Total revenue for the half-year ended 31 December 2015 grew 46% to \$55.7 million, compared with \$38.1 million for the prior year, an IPO prospectus forecast of \$44.9 million, and a forecast update of \$51-53 million. The revenue increase reflected the positive impact of strong organic growth and both new and existing enterprise agreements, as well as foreign currency exchange movements. Year-over-year revenue growth on a constant currency basis was 34%.

Earnings before interest, taxes, depreciation, and amortisation (EBITDA) from core operations were \$7.0 million, compared with \$0.5 million the prior year, an IPO prospectus forecast of \$5.4 million, and a forecast update of \$5.5-6.5 million.⁴ Including costs of \$0.5 million related to the acquisition of Worksite and the CIMIC Group’s INCITE Keystone collaboration platform, half-year FY16 EBITDA from core operations was \$6.5 million.

Net profit after tax (NPAT) from core operations was \$5.3 million, compared with a loss of (\$2.1) million the prior year, an IPO prospectus forecast of \$2.6 million, and a forecast update of \$2.5-3.5 million. Including acquisition-related costs of \$0.5 million, half-year 2016 NPAT was \$4.8 million. NPAT included a one-time income tax benefit of \$1.7 million on the recognition of a portion of the company’s tax losses.

⁴ For more information on the reconciliation of EBIT and EBITDA from core operations to statutory figures, see Appendix 4D and the results webcast presentation for the six months ended 31 December 2015, both lodged with the ASX on 23 February 2016.

The company's total cash and cash equivalents at 31 December 2015 were \$19.8 million, including restricted cash, compared with \$29.1 million at 30 June 2015. The difference included acquisition payments of \$9.6 million. Operating cash flow for the half-year was positive at \$2.4 million, an increase of \$7.2 million from (\$4.8) million for the same period a year earlier.

Operating Leverage Increasing with Revenue Growth and Scale

Revenue for the ANZ region was \$23.9 million, up 39% year over year. Revenue for the international regions was \$31.8 million, up 52% from the year earlier.

Revenues (\$m)	1H FY15	1H FY16	% Change
ANZ	17.2	23.9	39%
Americas	6.6	10.0	51%
Asia	4.8	6.2	29%
EMEA	9.5	15.6	64%
Total	38.1	55.7	46%

The segment operating contribution of the ANZ business grew by 47% year over year, while the contribution of the international business increased by 217%. Total regional operating contributions grew by 80%.

Operating contributions (\$m)	1H FY15	1H FY16
ANZ	11.6	17.0
Americas	(0.3)	1.5
Asia	0.5	0.7
EMEA	2.7	7.0
Total	14.5	26.1

Business Highlights – Growing the Network, Expanding Product Breadth, Driving Scale

- Continued expansion of global market penetration and the user network through enterprise agreements with Bechtel, Lendlease, John Holland, the CIMIC Group⁵ (formerly Leighton Holdings), and Burns & McDonnell, a leading U.S. engineering, architecture, construction, and consulting firm.
- Continued new customer and project wins across geographic regions and industry sectors, led by infrastructure megaprojects in the Americas and the Middle East.

⁵ The strategic partnership agreements between Aconex and the CIMIC Group were signed on 4 August 2015.

- Acquisition and ongoing integration of Worksite⁶ to develop a connected cost solution providing unified cost management across the project lifecycle, including claims and payments, contract administration, earned value management, budgeting, cost performance, and forecasting.
- Acquisition and ongoing integration of the CIMIC Group's INCITE Keystone collaboration platform.

Operating Model Reaffirmed

In view of the half-year FY16 operating results reported today, Aconex reaffirmed its operating model, as disclosed with FY15 results on 25 August 2015. In the near term, the company expects revenue growth of 25-30%, gross margin of 75-77% of revenue, and EBITDA margin of 11-16% of revenue.

Public Webcast and Teleconference

Aconex will host a public webcast and teleconference with the investment community at 8:30am (AEDT) on 23 February 2016. The webcast and teleconference can be accessed at <http://webcast.openbriefing.com/2581/>. The webcast presentation materials and a transcript of the teleconference will be lodged with the ASX.

About Aconex

Aconex Limited provides a leading cloud collaboration platform for the global construction industry. The platform connects owners, contractors and their project teams in the construction, infrastructure, and energy and resources sectors, providing project-wide visibility and control between the many different organizations collaborating across their projects. With more than 60,000 user organizations and over \$1 trillion of project value delivered in more than 70 countries, Aconex is the industry's most widely adopted and trusted platform. Founded in 2000, Aconex has 41 offices in 22 countries around the world, including headquarters in Melbourne, Australia and San Francisco, California. The company's ordinary shares are traded on the Australian Securities Exchange (ASX) under the ticker code ACX.

Supporting Resources

For more information on Aconex, please visit:

- Investor Center: <http://investor.aconex.com>
- Website: <http://www.aconex.com>

⁶ The acquisition agreement between Aconex and Worksite was signed on 14 July 2015.

Forward-Looking Statements

This news release includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Aconex. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement. For example, the factors that are likely to affect the results of Aconex include its ability to attract and retain customers, competition from other market participants, challenges faced by its international expansion plans, or difficulties associated with its technology systems.

Aconex Contacts:

Tod Bottari
+1 650 538 3309
tbottari@aconex.com

Citadel-MAGNUS
Matthew Gregorowski
+61 2 9290 3033
mgregorowski@citadelmagnus.com

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