

ASX Announcement

25 February 2022

1H FY2022 Results Announcement

Ongoing execution and scale benefits realised as Bigtincan achieves ARR of \$112m, organic revenue growth of 32% with growing efficiency across the business and first positive adjusted EBITDA Half.

Bigtincan Holdings Limited (ASX:BTH) ('Bigtincan'), a global software company providing a leading AI-powered sales enablement automation platform, has today released its Appendix 4D and is pleased to present commentary on activities in 1H FY22 ("Half") to accompany the lodgement of results for the half year ending 31 December 2021. Key highlights include:

1H FY22 Financial Highlights

- Annualised Recurring Revenue increased by 132% to \$112m.
- Revenue increased by 142% to \$45.9m.
- Organic Revenue growth increased by 32% to \$25.1m from PcP.
- Gross margin of 86% post Brainshark acquisition, vs 85% for 1H FY21 demonstrating Bigtincan's strong operating model.
- Adjusted EBITDA of \$1.2m, a 133% improvement from 1H FY21 of (\$3.6m).
- Q2 FY22 operating cash positive of \$1.1m.
- Strong SaaS metrics:
 - Lifetime Value increased by 98% to \$741m, with 75% 3 year CAGR.
 - Net Retention Ratio of 107% improved by 2% from 1H FY21, supported by Brainshark cross sell.
 - LTV/CAC of 4.7, with 4 year average of 4.0.

1H FY22 Trading Highlights & Outlook

- Completion of Brainshark acquisition adding operating scale, with Brainshark synergies driving improved adjusted EBITDA position.
- New technology releases across Content, Learning and Engagement Hubs continued to drive technology leadership.
- Continued track record of new customer wins and expansions.
- ARR per employee of \$252,000 for 1H FY22 with overall operating metrics improving 17% to 77% of revenue.
- Bigtincan continues to be recognized as a global leader in a large and growing TAM space.
- Bigtincan is on track to achieve or exceed \$119m in ARR and \$109m revenue for FY22.

Commenting on the results Bigtincan CEO, David Keane, said: “1H FY22 was a transformational period for Bigtincan as we announced, completed and executed on the Brainshark acquisition to further build on our investments in creating a leading platform for sales enablement on a global scale. Thanks to the ongoing execution of our global team, during the Half Bigtincan was able to demonstrate our ability to improve operating metrics, realise growing efficiency and continue to create the technology that customers love.”

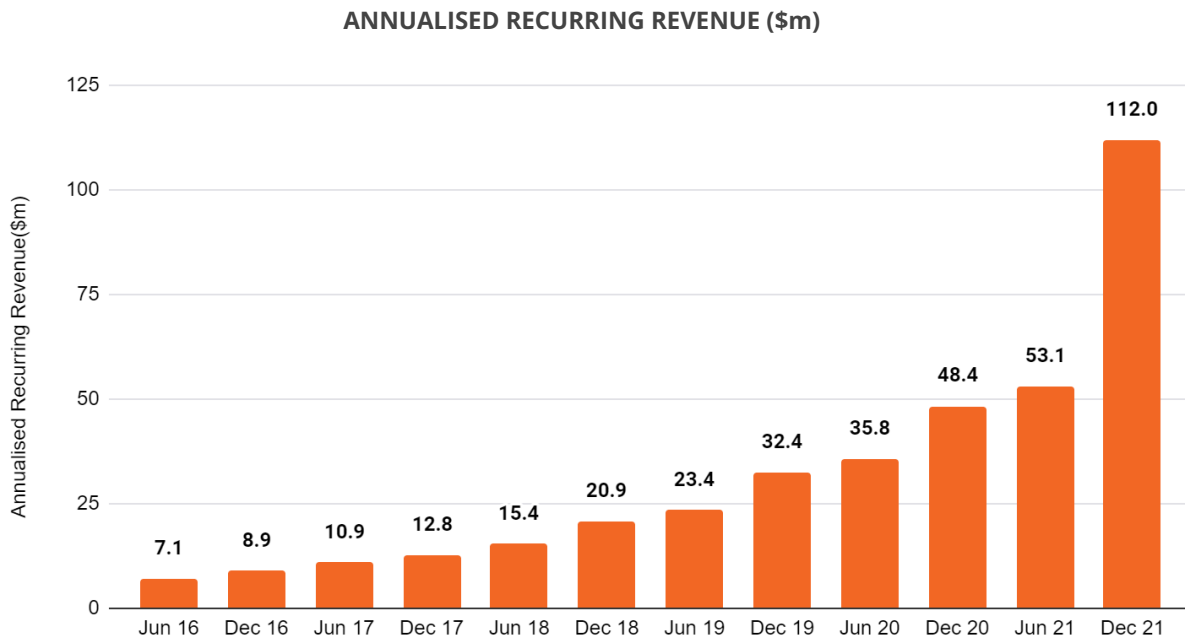


Figure 1: Demonstrating consistent ARR growth

Key Operational Milestones Achieved in ARR/Revenue & EBITDA Position

Achieving ARR of \$112m in the Half represents an important milestone for Bigtincan, showing that the Company has the scale to achieve operational excellence and to invest in growth at the right levels to continue market momentum.

Bigtincan was able to report adjusted EBITDA of \$1.2m, an improvement from -\$3.6m for 1H FY21, with Brainshark contributing positively to the improved result as the Company realised synergies from the Brainshark acquisition.

Strong SaaS Metrics

SaaS operating metrics continued to show significant progress during the Half including;

- Operating leverage consisting of S&M, product and engineering (excluding capitalisation) improved by 12% compared to prior year.
- Lifetime Value (LTV) increased 98% to \$741m.
- LTV/Cost to Acquire Customer (LTV/CAC) improved 23% to 4.7 from 3.8 in 1H FY21.

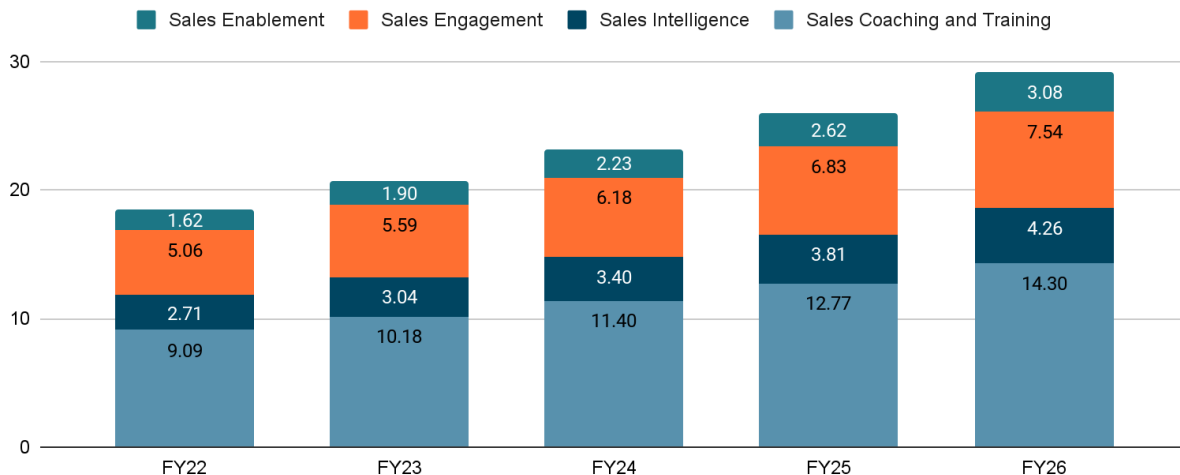
- Gross Margins improved to 86% with Brainshark renewals coming in above expectations.
- MRR Retention decreased by 2% to 87%, with the migration of legacy customers to new offerings in the period, whilst Net Retention Ratio (NRR) increased to 107% from 105% in 1H FY21 with the benefit of Brainshark related cross sell and upsell.

Market Development

With the Brainshark acquisition, Bigtincan's significant market opportunity has continued to grow. Based on data from Aragon Research, Gartner and Forrester plus Bigtincan internal market research (links to 3rd party source materials available on www.bigtincan.com including free downloads of reports), the market for sales enablement platforms is forecast to grow to ~US\$29 billion with a CAGR of over 100% between the 2022 and 2026 Calendar Years.

Bigtincan currently has offerings in these key market sectors with roadmap items being added in each sector in CY2022.

Sales Enablement Sectoral Growth CY22-CY26 in US\$B



Source¹

Customer Wins and Expansions

Bigtincan continued its track record of new customer wins and expansions in both quarters with notable wins in Q1 included Asurion, Alyaxis, Trinetx and Bio-Rad Laboratories with expansion including Linx Cargo, Ashfield Healthcare, Reddit, State Street and T-Mobile. Notable wins in Q2 included Konecranes, Clorox, Singer Equipment, Doma, Yokohama Tires and expansion in Genentech, Delta Airlines, Brookdale, Guess and ThermoFisher, RevRV, Convatech and Lion.

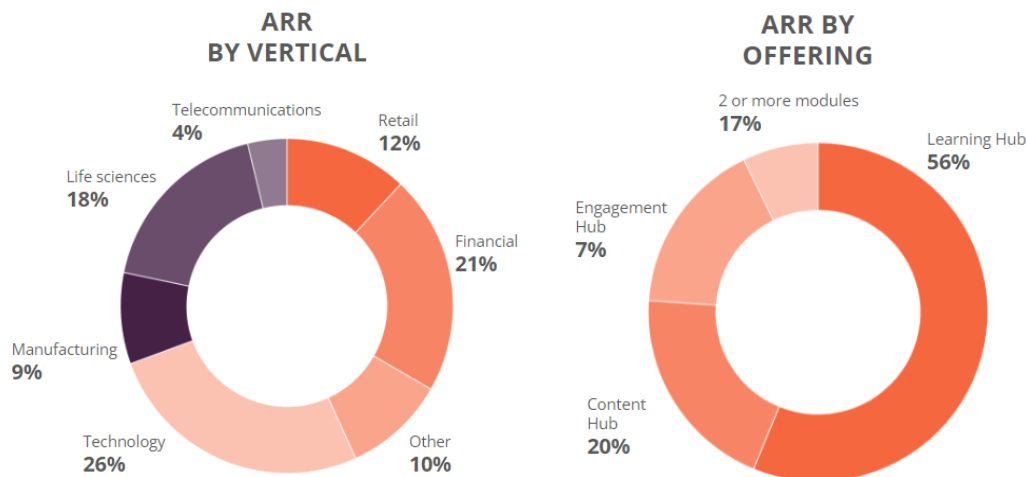
¹ 1 Based on calculations made by Bigtincan and consultants from data publicly available in the cited references. ² Sales Enablement is based on Global Sales Enablement Platform Market Size. Status and Forecast 2020 -2026. ³ Sales Coaching and Training is based on 360 Market Updates, Jan 2020 ⁴ Sales Engagement is based on Product Based Sales Training, Technavio, June 2020. ⁵ Sales Intelligence is based on Sales Intelligence Market, Market and Markets, Nov 2019

Diversified Recurring Revenue Model

Together with Brainshark, Bigtincan has continued to build on its diversified recurring revenue model with the ability to both drive revenue growth from each of the Hubs, but also to increase revenue from customers purchasing multiple Hubs in key verticals.

At the end of 1H FY22, Bigtincan continued the diversified revenue growth strategy with the top 6 verticals making up 90% of ARR and a strong rebound in Retail from the FY21 year.

Bigtincan's multi-Hub strategy continued to progress with 2 or more Hubs/Modules at 17% of ARR post Brainshark, recurring revenue was 98% of total revenue, and diversified international growth, with North America now representing 80% of total global revenue.



Revenue Growth

Post the completion of the Brainshark acquisition (completed in September 2021), Bigtincan achieved record revenue of \$45.9m, with organic revenue increased 32% to \$25.1m

IFRS Revenue for 1H FY22 was slightly less than predicted due to the timing of the completion of the Brainshark deal, however the Company's performance remained strong as indicated by ARR and EBITDA uplifts.

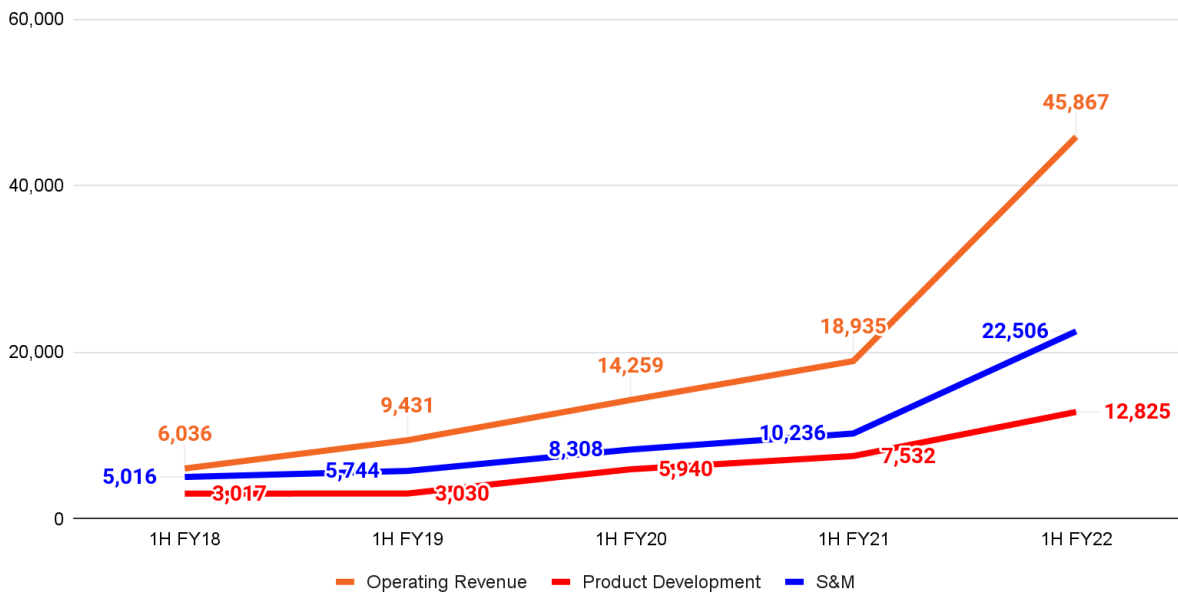
	1HFY22	REVENUE(\$m)	% OF TOTAL REVENUE
Organic Revenue		25.1	55%
Acquisition		19.6	43%
Historical acquisition		1.2	3%
Total Revenue		45.9	100%

Significant Improvement in Operating Metrics through Sales, Product and Engineering Efficiency

With the scale benefits from the Brainshark acquisition, Bigtincan continued to demonstrate efficiencies across the business particularly in sales and marketing and product and development.

Overall operating metrics improved in 1H FY22 with S&M improving 5% to 49% of operating revenue, and product and engineering improving 12% to 28% of operating revenue (excluding capitalisation improvement was 7%). Combined sales, product and engineering represented 77% of operating revenue at the end of December 2021, compared with 94% at December 2020 (excluding capitalisation, efficiency improved 12%).

OPERATING LEVERAGE (\$'000s)



	1H FY18	1H FY19	1H FY20	1H FY21	1H FY22
S&M as % of Rev	83%	61%	58%	54%	49%
Prdt. Dev. as % of Rev	50%	32%	42%	40%	28%
Total	133%	93%	100%	94%	77%

Overall efficiency increased across the business with ARR per employee increasing 9.8% to \$252,000 at end December 2021.

EBITDA Results

Strong revenue growth, and effective business operations, together with synergies from the integration of Brainshark contributed to Bigtincan achieving adjusted EBITDA of \$1.2m for the Half, improved from (\$3.6m) for 1H FY22.

Income Statements (\$'000)	1H FY22	1H FY21	Movement	Movement %
Loss before income tax	(10,509)	(8,816)	(1,693)	19%
EBITDA	(8,561)	(6,240)	(2,321)	37%
Adjusted for the removal of various non-cash, one-time, irregular and non-recurring items:				
Acquisition costs	8,273	2,120	6,153	290%
Share based payments	1,470	546	924	169%
Sub-total of acquisition and non-recurring items	9,743	2,666	7,077	265%
Adjusted EBITDA	1,182	(3,574)	4,756	(133%)

Cash

Significantly improved operating cash position from (\$8.6m) in 1H FY21 to (\$2.4m) in 1H FY22 as per the appendix 4D.

The most recent Q2 FY22 quarter resulted in a positive net cash from operating activities of \$1.1m. Cash at bank \$49.9m at 31 Dec 2022

FY22 Outlook

Bigtincan is well positioned to take advantage of the growing platform market in sales enablement to win new logos and expand existing customers with cross sell and upsell opportunities expected to be strong in 2H FY22. This growth together with Bigtincan's proven go to market and R&D effectiveness is expected to continue to show benefits in the current half year.

Bigtincan remains on track to deliver ARR of \$119m+ and Revenue of \$109m+.

Investor Product and Technology Day Event

To provide investors with a view to the product development progression and future direction of the Bigtincan platform, the Company is pleased to announce that the next Investor Product and Technology Event will be held on 10 March 2022, with details to be made available on the ASX website and at <https://investor.bigtincan.com> in the coming weeks.

Investor Briefing Call

Following the release of Bigtincan Holdings Limited's (ASX:BTH) 1H FY22 results on Friday, 25 February, the Company will be hosting an online briefing for investors and analysts at 11.00am AEDT on Friday 25 February / USA Thursday 24 February 7:00 pm EST.

To register your interest for the webinar please click through to the link below:

https://janemorganmanagement-au.zoom.us/webinar/register/WN_UfRPYIx_QOO1ZhTY5NzIGA

A recording will also be made available at investor.bigtincan.com.

To learn more about Bigtincan and Bigtincan Hub, visit www.bigtincan.com or read the Aragon Research and Gartner reports available for download [here](#).

*Annualised Recurring Revenue (ARR) represents contracted, recurring revenue on an annualised basis. All amounts are AUD.

Retention numbers exclude acquisition related impacts.

For further information, please visit the Bigtincan Investor Center:

<https://www.bigtincan.com/company/investors/>

Or alternatively, please contact us via the details below:

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About Bigtincan

Bigtincan is helping the world's leading brands facilitate the buying experience of the future. Everything we offer is designed to be smart, flexible, and easily adapted to unique business processes with highly personalised experiences that people and brands love. We're on a mission to help companies deliver branded buying experiences that are engaging, personalised, provide value and guide people to the best decisions with confidence. Innovative companies like Nike, Guess, Prudential, and Starwood Hotels trust Bigtincan to enable customer-facing teams to intelligently prepare, engage, measure and continually improve the buying experience for their customers.

For more information about Bigtincan (ASX: BTH), visit: www.bigtincan.com or follow @bigtincan on Twitter.