

Full year results presentation

for the year ended 31 July 2024

Mark Furness

Chief Executive Officer & Founder

Greg Price

Chief Financial Officer

essensys

Powering the world's largest
community of flexible, tech
driven spaces.

FY24

Our Business



Helping our customers deliver digitally enabled buildings and spaces since 2006



Hines



bruntwood



Blackstone

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Highlights

**01**

Performance **ahead of expectations**

**02**

Successful **transition to pure-play SaaS model** supports scalable, sustainable growth

**03**

On track to be **EBITDA profitable in FY25**

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Strategic Progress

01 All customers now on our pure-play SaaS product, **essensys Platform**

02 Momentum with **strategic customers** driving revenue visibility and quality of earnings

03 Site growth across all regions

04 Success in **retaining and growing** strategic customers

05 Streamlined organisation supports **better decision-making**, collaboration and drive towards profitability



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Investment Case

Structural shift in the global office market driven by new world of hybrid working is creating long term opportunity



Transition to **pure play SaaS** model to deliver continued improvements to gross margins with lower barriers to entry for customers



A **market leader in software and technology** that overcomes complexity of operating large, multi-tenant portfolios



Developing **new product capabilities** that help our customers drive occupancy, increase yield and lower operating costs



Working with global leaders in commercial real estate & flexible workspaces



Financial Review



FY24

Financial highlights

Revenue, EBITDA and cash ahead of expectations,
reflecting progress with strategy

£20.3m

ARR at year end
+5%*

£24.1m

Total Revenue
-2%*

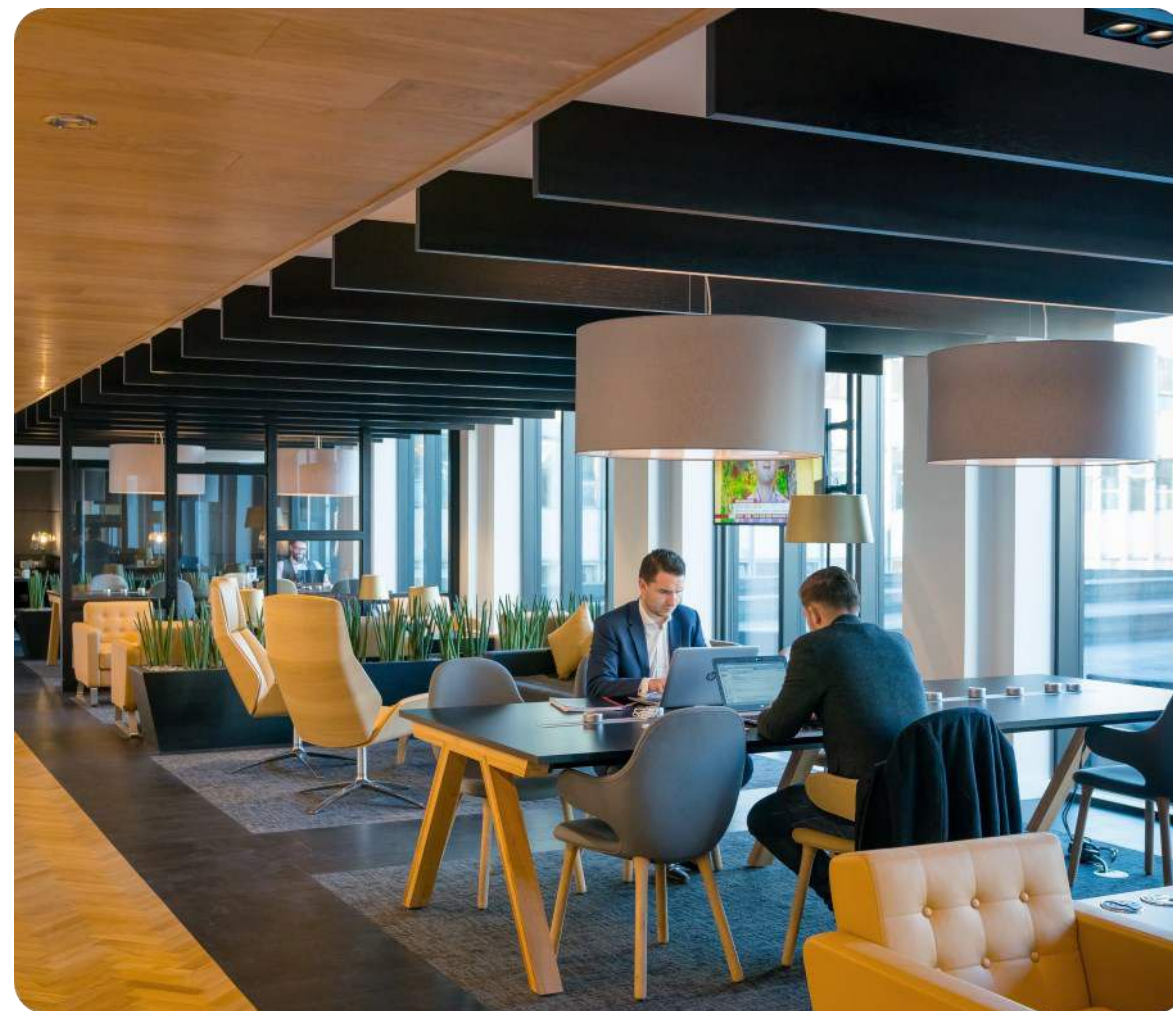
£(0.9)m

Adjusted EBITDA
86% improvement
vs. last year

£3.1m

Cash balance

* At constant currency



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Shift in model supports scalable, sustainable growth

£'M	FY24	FY23	% CHANGE	% CHANGE (CONSTANT CURRENCY)
ARR	20.3	20.0	+2%	+5%
Recurring Revenue	20.2	20.9	-3%	-1%
Total Revenue	24.1	25.3	-4%	-2%
ARR as % Total Revenue	84%	79%		



ARR Growth of 5%*, driven by strategic customer expansion



Recurring revenue decline of -1%*, driven by UK & Europe -8%*, offset by North America +2%* and APAC +60%*



Total Revenue decline of -2%* due to reduction in non-strategic customers & lower non-recurring revenue



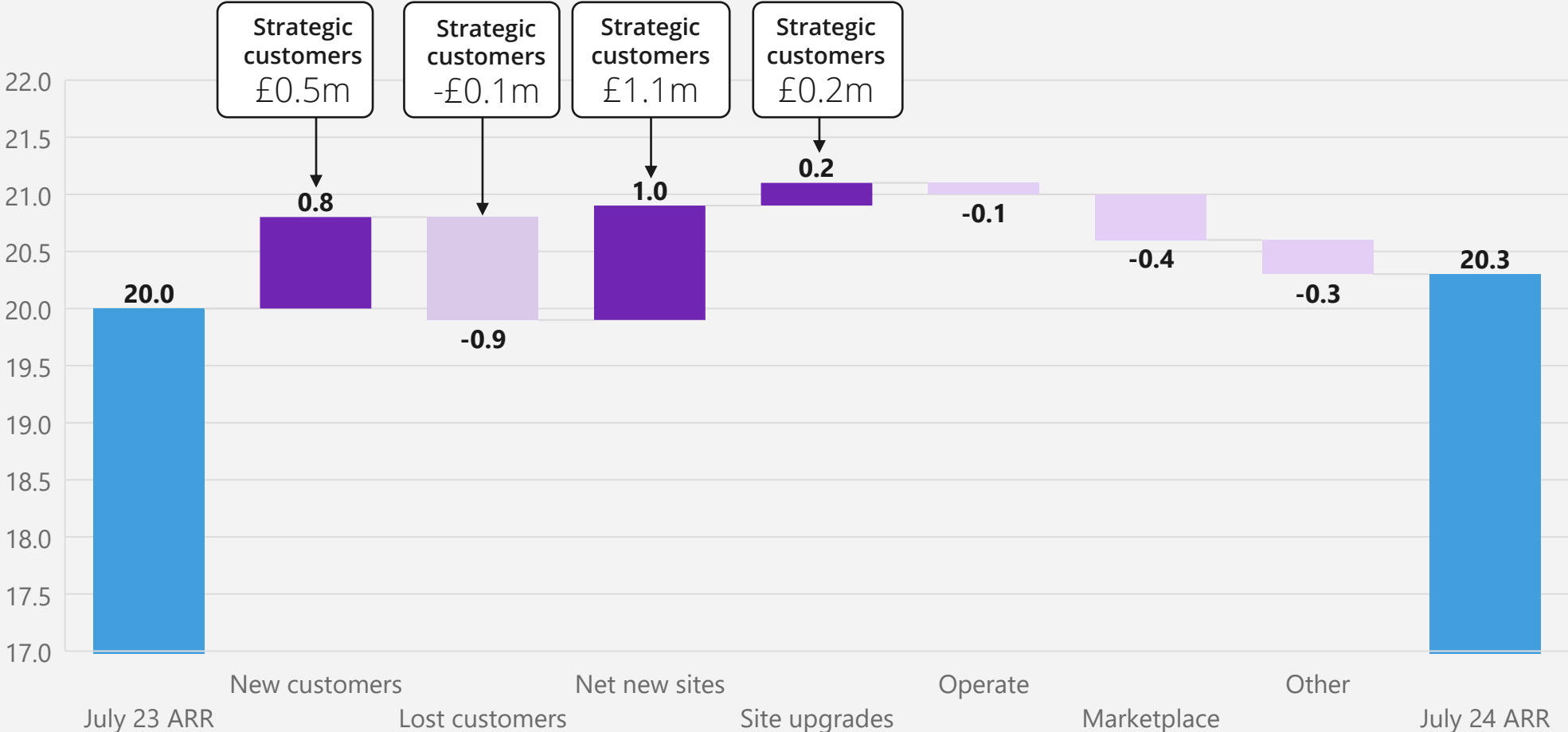
ARR as % revenue now 84%, reflecting emphasis on recurring revenue and increased quality of customer base

* At constant currency

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Momentum with strategic customers...

ARR bridge July 2023 to July 2024 (£m)



FY24

...is improving revenue quality

Strategic customer performance (£m)

£'M	FY24	FY23	% CHANGE
ARR	16.7	15.5	+8%

Recurring Revenue	16.1	14.8	+9%
Total Revenue	19.8	18.7	+6%
ARR as % Total Revenue	84%	83%	



ARR Growth of 8%*, driven by 9% increase in total volume of cohort



11 new customers, contributing £0.5m of ARR



Net Revenue Retention of 111% shows ability to grow existing base



Total Revenue growth of 6% held back by non-recurring revenue (-5%) due to customer capital constraints



ARR from strategic customers now 82% of total ARR (FY23: 77%), reflecting focus on this cohort

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Cost savings underpin improving financial results

YEAR ENDED 31 JULY	FY24	FY23
TOTAL REVENUE	24.1	25.3
Cost of sales	(10.4)	(10.4)
GROSS PROFIT	13.7	14.9
Gross margin %	57%	59%
Operating expenses	(14.4)	(21.2)
ADJUSTED EBITDA	(0.9)	(6.3)
Adjusted EBITDA margin	-3%	-25%
Exceptional costs	(0.2)	(2.6)
Share option charge	0.4	(0.6)
Depreciation, amortisation & impairment	(4.7)	(6.0)
Finance charges (net)	(0.1)	0.1
LOSS BEFORE TAX	(5.5)	(15.5)
Tax	2.2	(0.2)
LOSS AFTER TAX	(3.3)	(15.7)



Gross profit decrease of 8%, driven by reduced revenue, with margin pressure relating to hardware installations



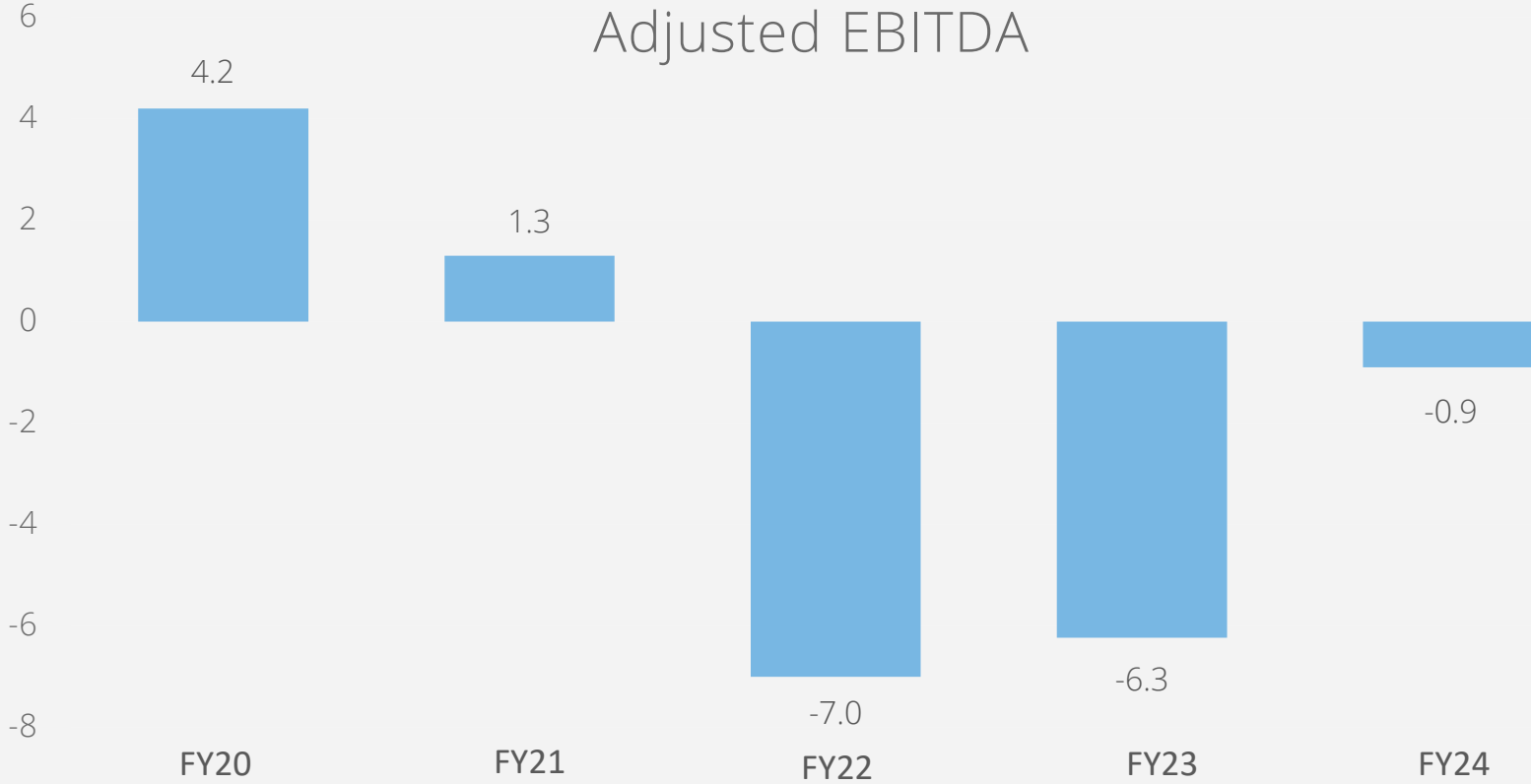
Operating expenses reduced by £6.6m (31%) vs. prior year, driven by cost savings achieved by Group re-organisation



£9m annualised cost savings delivered, £1m more than initially identified

FY24

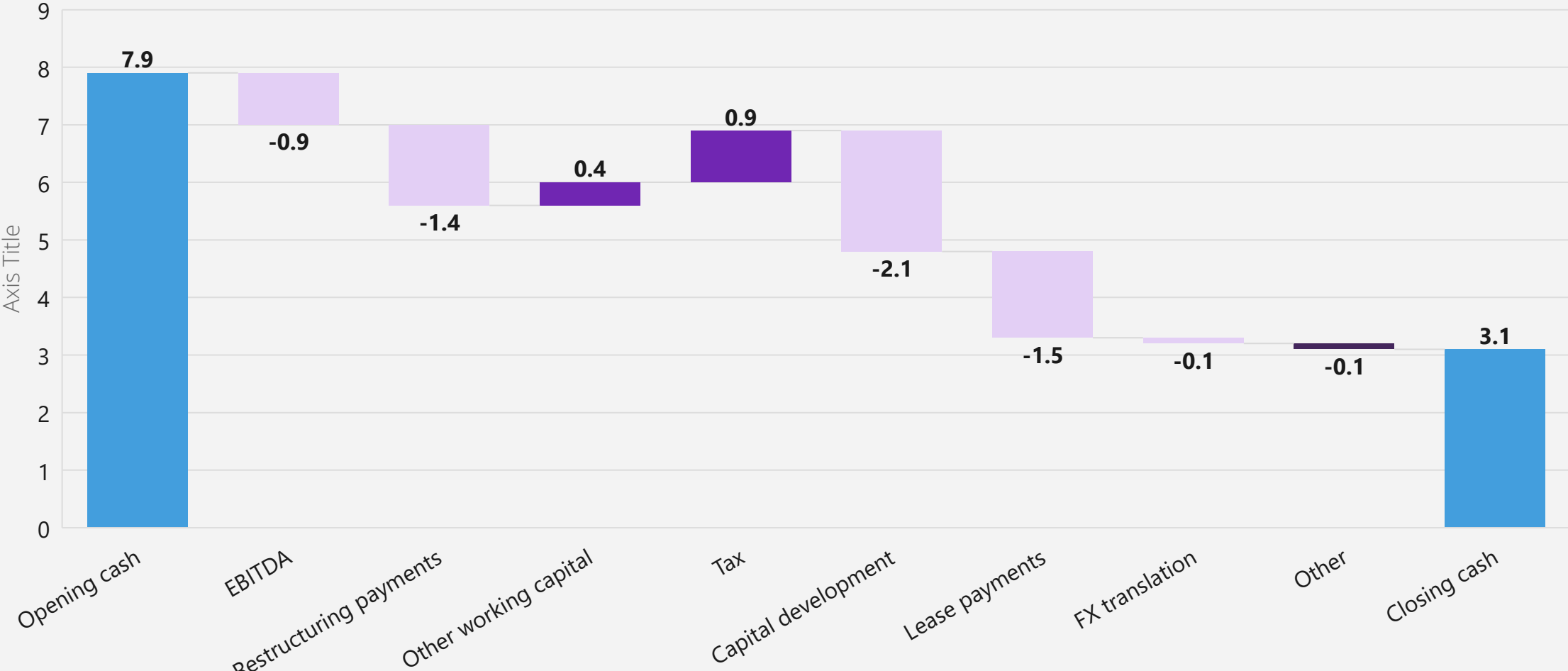
Progress towards profitability



FY24

Cash outflows significantly reduced

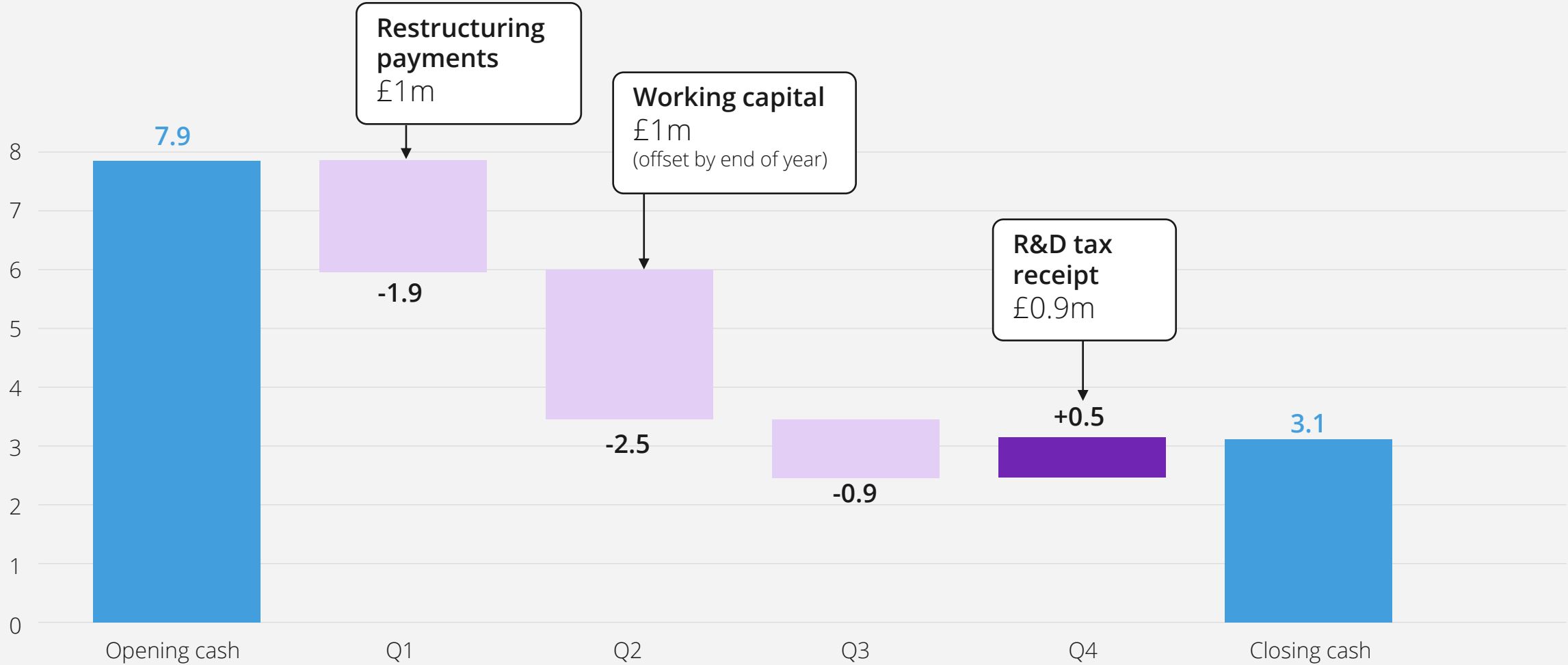
Cashflows FY 24 (£m)



FY24

H2 FY24 shows path to run rate cash generation in FY25

FY24 Cash burn by quarter (£m)



Operational Review



FY24

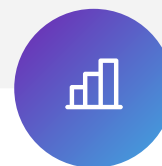
Operational highlights FY24



Focus on **strategic customers driving evolution** of customer base



Pure play SaaS transition lowering barriers to entry and adoption



Operating model aligned with strategic customer focus and pure play solution



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Benefits of simplified operating model

Simplified operating structure enables **better decision-making**, collaboration and focus on strategic customers



£9m annual cost savings delivered through reorganisation in FY23



Focus on **product innovation**; 30% of total headcount dedicated to research and development



We are **better placed to support** our customers' growth plans



FY24

Landing and expanding high value strategic customers

Improving quality of customer base

9%

Growth in strategic customers

82%

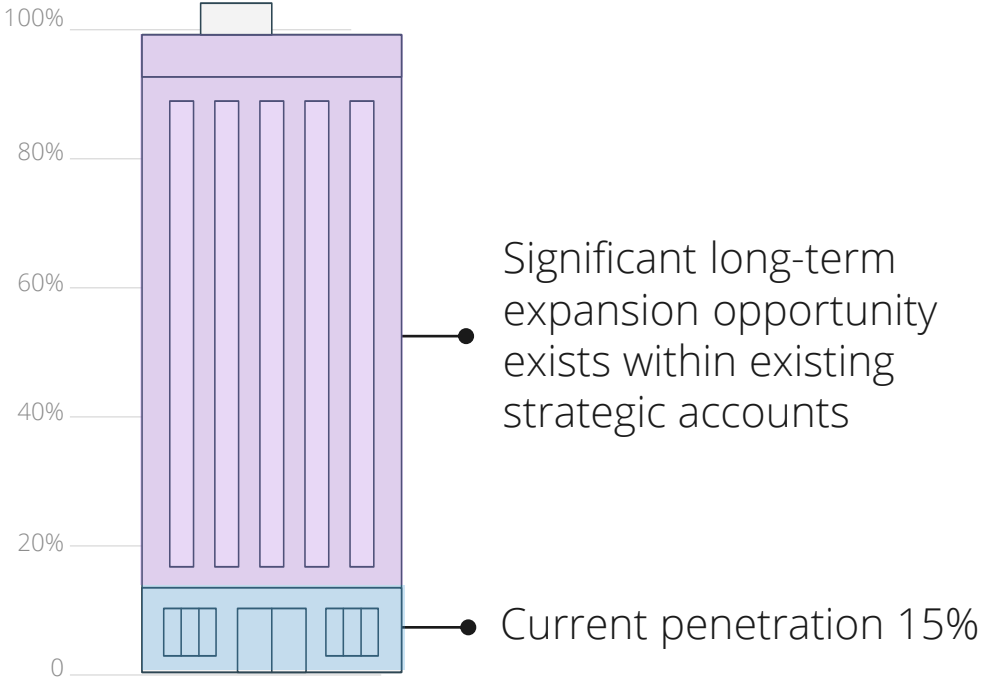
Of ARR and total revenue
(FY23: 77%)

111%

Net revenue retention
(FY23 : 108%)

93%

Gross Revenue Retention
(FY23 : 83%)




+11 New strategic customers added in FY24

FY24

Milestone customer expansions

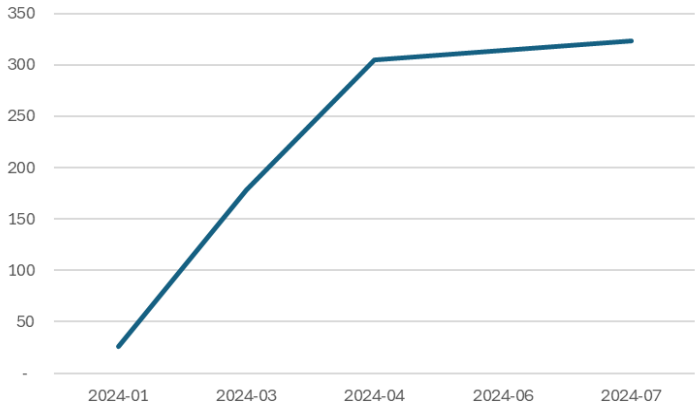
United States

 3 year term

 +350 sites in total

 \$1M ARR min. contracted


 US headquartered global CRE company



BOOKINGS
£324k ARR

LIVE
£287k ARR

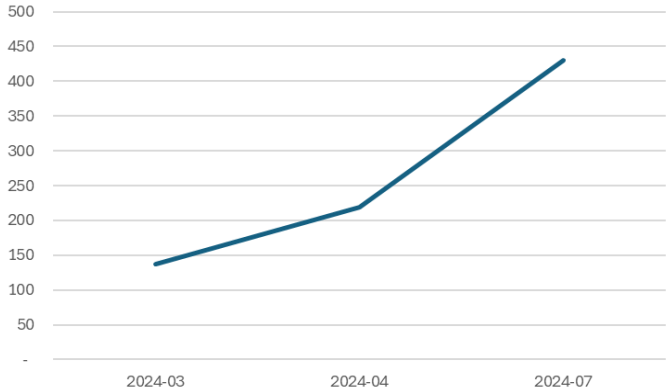
Australia

 5 year term

 30 sites for Phase 1

 \$1M ARR min. contracted

 Listed Australian REIT



BOOKINGS
£431k ARR


LIVE
£246k ARR

FY24

Evolution of office market creating long term structural growth opportunity




Utilisation is key in new world of hybrid working

93% 


Premium buildings command a 93%+ premium in net rent vs. lower-tier buildings²

9% 

Premium buildings have 9%+ higher occupancy rates vs. lower-tier buildings²

30% 

Organisations have increased space sharing by 30% since 2021 due to hybrid work³

44% 

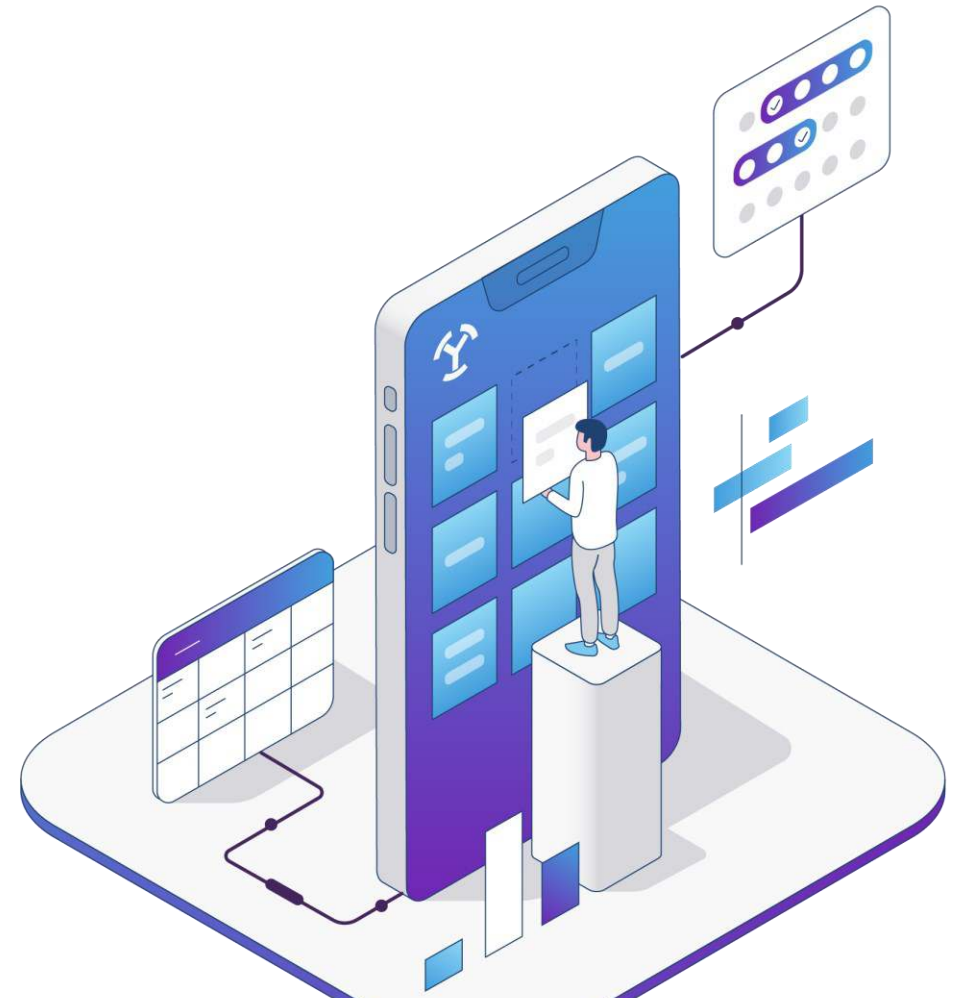
Use of collaboration space has increased by 44% since 2021³

Premium outperforms

Headwinds remain

1 CBRE, Is this what is known as bifurcation in the office market?, 2023
 2 Brookfield, The Misunderstood U.S. Office Market, 2024
 3 CBRE, 2023-2024 CBRE Global Workplace & Occupancy Insights, 2023

Product Development



FY24 A Digital Experience and Intelligence platform essensys Platform

Access

Manage occupiers, spaces and digital services



Intelligence

Real-time insights deliver deep understanding of space utilisation and occupier experience



Experience

Powerful automation engine delivers seamless in-building experiences



Next-gen design

API first platform
Serverless microservices architecture
Autoscaling services



Customer migrations now complete



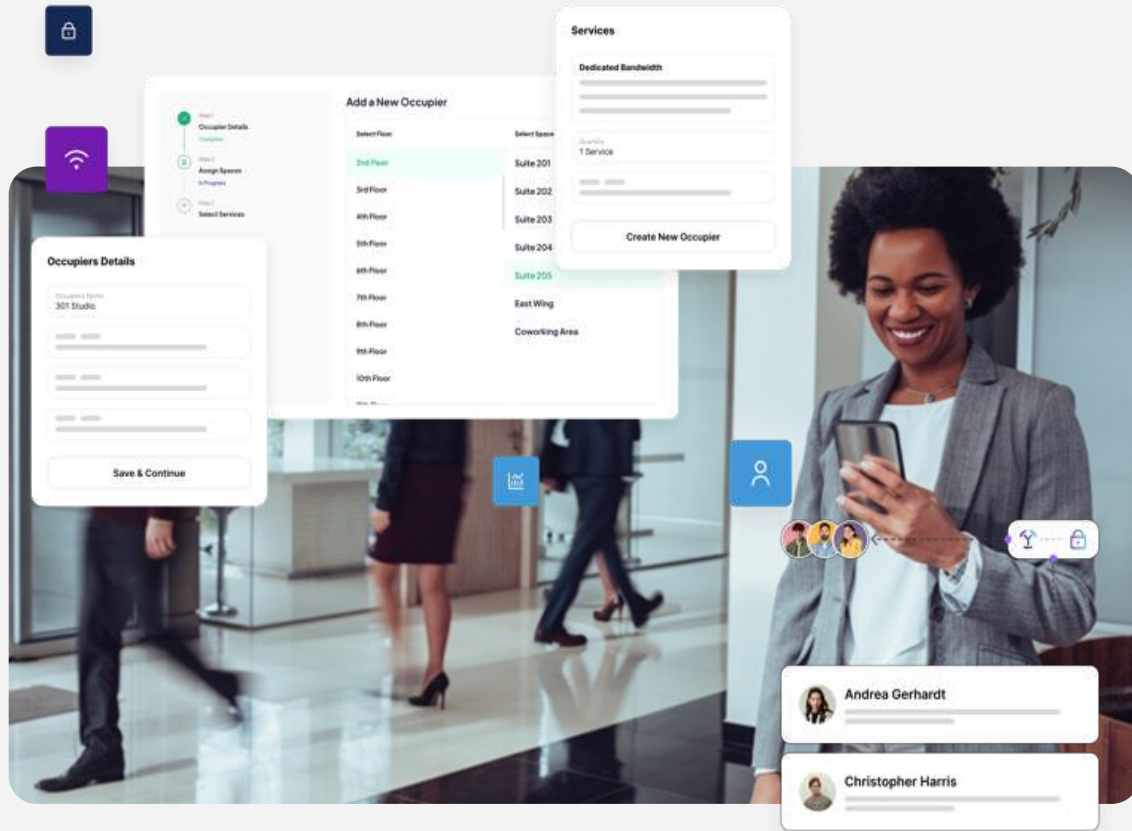
Pure play proposition

Simple onboarding

In-product upgrades

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Access



Manage and control access to spaces and services with powerful identity and role-based rules and permissions





- ✓ Instant or scheduled **onboarding & offboarding of tenants** – allocate spaces, assign services and grant access quickly & easily using powerful workflow automations
- 👤 Ensure **only trusted users** can access your digital environment with personalised user permissions
- 🛡️ Keep your business & customers – **secure** with enterprise-grade security & compliance

FY24

Intelligence

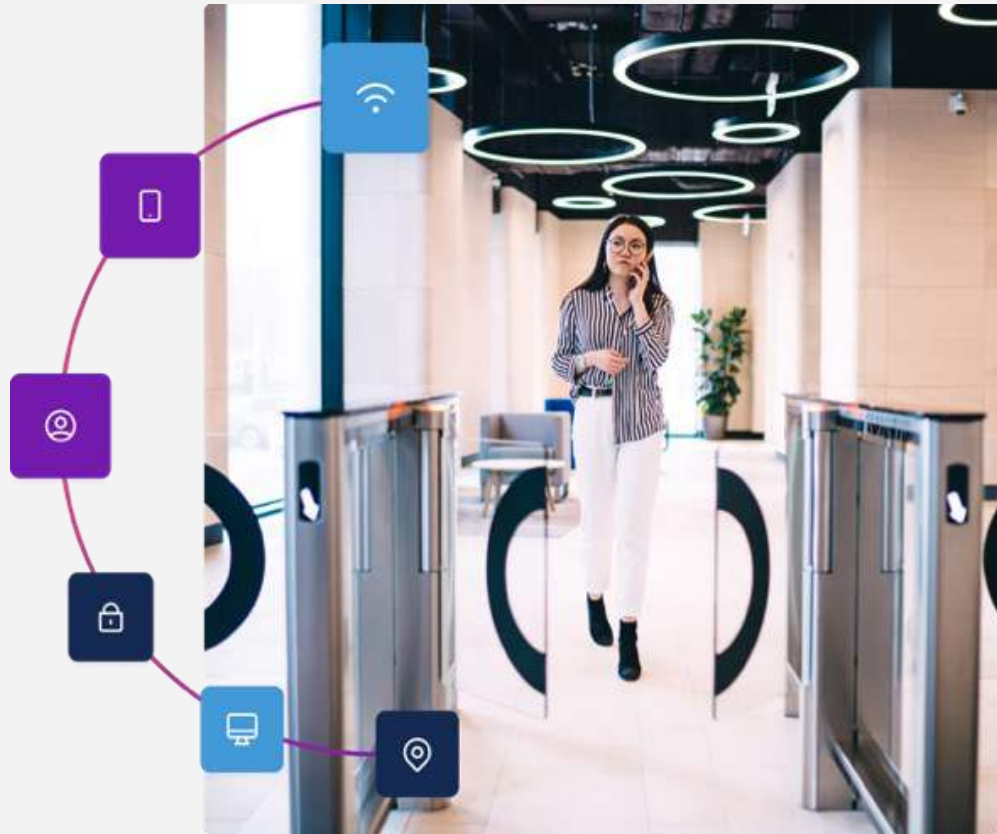


Powerful insights into the relationship between buildings, spaces and users





-  Get **high-resolution, high-fidelity insights** pulled from multiple proprietary datasets with Intelligence Engine
-  Understand **how spaces are used**- by who, how often, when & more – with space utilisation insights
-  **Quantify & measure** the Digital Experience from a user's perspective with DX insights
-  Identify **trends, risks & opportunities**, & **improve performance** with actionable insights

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Experience



Frictionless, digital-first journeys throughout the tenant lifecycle.

-  Create a **network of connected spaces** where users can seamlessly move throughout & between spaces, safely & securely
-  Keep **users well-connected** as they roam without connectivity blackspots or issues
-  Make your **spaces easy-to-use**, with powerful automation & integrations to deliver frictionless journeys
-  Provide **digital-first journeys** that let users access & book with your spaces using their smartphone

Outlook



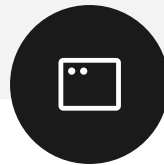
FY24

Well placed to capture the long-term opportunity

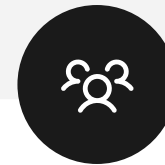
On track for **positive adjusted EBITDA** in FY25 and **run-rate cash generation** by year-end.



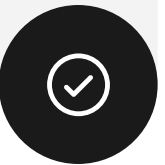
Continued improvement in revenue mix as customers adopt our pure-play SaaS solution **essensys Platform**.



Sales **bookings expectations supported** by strategic customer expansions and new opportunities.



We remain **confident in the long-term** structural growth opportunity in the office and flexible workspace market



Our vision is to power the world's largest community of flexible, tech driven spaces.

Questions

Thank you

Nominated advisor & broker:

Singer Capital Markets
+44 (0)20 7496 3000

Financial public relations:

FTI consulting
+44 (0)20 3727 1000

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26 November 2024