

30<sup>th</sup> April 2021

## Pointerra

### Annual Contract Value tracking to expectation

Pointerra Ltd (ASX:3DP) provides an end to end, cloud-based data as a service solution for capturing, storing, manipulating and analysing massive 3D datasets in the geospatial sector. Its customer base spans companies across the pole and power sector, resources, construction, data capture and surveyor and mapping, as well as government agencies. Pointerra has reported Annual Contract Value (ACV) of US\$7.89m as of 29 April, an increase of 15% on the ACV reported on 29 January. The company noted that the growth came from both existing and new customers across a broad range of key sectors (utilities, surveying and mapping, engineering, mining, and oil & gas) in both the US and Australian markets. Pointerra also noted that it remains profitable on an ACV-run rate basis. Last Friday, the company reported Q3 FY21 positive operating cashflow of \$0.22m, its best ever operating result. The company has also today announced that it will acquire the business assets and undertakings of US drone-based digital asset management business, Airovant, for US\$1m in Pointerra shares which will bring and an additional estimated US\$2m in annual recurring revenue (ARR) to Pointerra in FY22. We are forecasting that Pointerra reports US\$10.2m in ACV when it next reports in late July and view the current ACV as on track to meet our forecasts.

### Business model

Pointerra offers a suite of Software as a Service (SaaS) products to its clients: Data as a Service (DaaS), Analytics as a Service (AaaS), and Data Processing as a Service (DPaaS). Pointerra's DaaS offering manages 3D data using its digital management platform and is priced according to the amount of data (in terabytes) that Pointerra hosts on behalf of the client, and the number of users required. Additional revenue is generated from processing client data (DPaaS) and building and/or deploying analytics tools (AaaS) to interpret the client's 3D data. Pointerra has also soft-launched its 3D data marketplace, 3Dinsight.ai, which sells insights into assets condition through subscription- and event-based models.

### ACV now more than 2.5 times the same quarter in FY20

Pointerra continues to demonstrate momentum in ACV growth, adding US\$1.01m in additional annualised contracts in the three months to 29 April. ACV of US\$7.89m is now more than 2.5x the ACV reported at the same time one year ago and up 15% on the ACV reported in January. The company has noted that while ACV growth in recent quarters had been dominated by the US utilities and mapping sectors, in recent months it had experienced a broader adoption across target sectors (architecture, engineering & construction, mining, oil & gas, as well as utilities and surveying/mapping). The result does not include any contribution from the Airovant acquisition, which is still subject to due diligence and documentation and due to settle in June.

### Base case valuation is \$0.75/share, based on US\$50m ACV by FY25

Our base case DCF valuation of \$0.75/share is based on Pointerra achieving US\$50m ACV by FY25. We are forecasting ACV of US\$10.2m for FY21 and have yet to incorporate the Airovant acquisition in our forecasts.

### Historical earnings and RaaS Advisory estimates (in A\$m)

| Year end | ACV <sup>a</sup><br>(US\$m) | Total<br>Revenue* | Gross<br>Profit | EBITDA<br>(A\$m) | NPAT<br>(A\$m) | EPS<br>(c) | EV/Sales<br>(x) | EV/EBITDA<br>(x) |
|----------|-----------------------------|-------------------|-----------------|------------------|----------------|------------|-----------------|------------------|
| 06/19a   | 1.3                         | 0.9               | 0.9             | (1.9)            | (1.9)          | (0.4)      | nm              | nm               |
| 06/20a   | 2.9                         | 1.9               | 1.8             | (1.7)            | (1.8)          | (0.3)      | nm              | nm               |
| 06/21e   | 10.2                        | 5.9               | 5.3             | (0.6)            | (0.6)          | (0.1)      | nm              | nm               |
| 06/22e   | 19.1                        | 16.0              | 14.3            | 5.6              | 5.7            | 0.8        | 28.4            | 74.7             |

Source: Company data, RaaS Advisory Estimates for FY21e, and FY22e

### Share details

|                                  |          |
|----------------------------------|----------|
| ASX Code                         | 3DP      |
| Share Price (intraday)           | \$0.65   |
| Market Capitalisation (intraday) | \$435.5M |
| Shares on issue                  | 675.2M   |
| Net cash at 31 March             | \$5.0M   |
| Free float                       | ~68%     |

### Share price performance (12-months)



### Upside Case

- Highly scalable business model
- Endorsed by tech veteran's investment in the stock
- Substantial growth opportunities in US market

### Downside Case

- Long enterprise sales cycle taking 9-12 months
- Competing with multinationals for business
- Substantial growth built into current share price

### Catalysts

- Demonstrated substantial growth in Annual Contract Value
- Additional contract wins in US utilities
- Development of data as a marketplace business

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## FINANCIAL SERVICES GUIDE

RaaS Advisory Pty Ltd

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of

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ABN 92 168 734 530

AFSL 456663

Effective Date: 26<sup>th</sup> November 2018

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- how we are paid, and
- complaint processes

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