



**FOR IMMEDIATE RELEASE, 7 February 2023**

## **Q3 FY23 Performance Update**

**YTD revenue of ~\$23.3m (+134% vs pcg)**

**Continued demonstration of operating leverage**

### **IKE performance update for Q3 FY23**

IkeGPS Group Limited (IKE) (NZX: IKE / ASX: IKE) is pleased to release an update for the nine-month period to 31 December 2022 (all figures in NZD).

IKE will host a webinar 7 February 2023 at 2pm AEDT/ 4pm NZDT to discuss the results. Please click [HERE](#) to register.

#### **Highlights:**

- + YTD revenue of ~\$23.3m (+134% vs pcg)
- + Q3 FY23 revenue of ~\$7.9m (+88% vs pcg)
- + Q3 FY23 recurring subscription and reoccurring transaction revenue of ~\$7.2m (+121% vs pcg).
- + New contracts closed in Q3 FY23 of \$7.3m
- + YTD gross margin approximately of ~\$12.3m (+98% vs pcg), with a YTD gross margin percentage of approximately 53%.
- + Total cash and receivables as at 31 December 2022 of ~\$23.5m, comprised of \$20.6m cash and \$3.0m receivables, with payables of \$1.8m and no debt.

#### **Commentary and outlook**

**IKE CEO Glenn Milnes commented,** "Q3 was a continuation of the very strong first half at IKE. We have achieved significant revenue and gross margin growth and are materially ahead of all internal stretch targets.

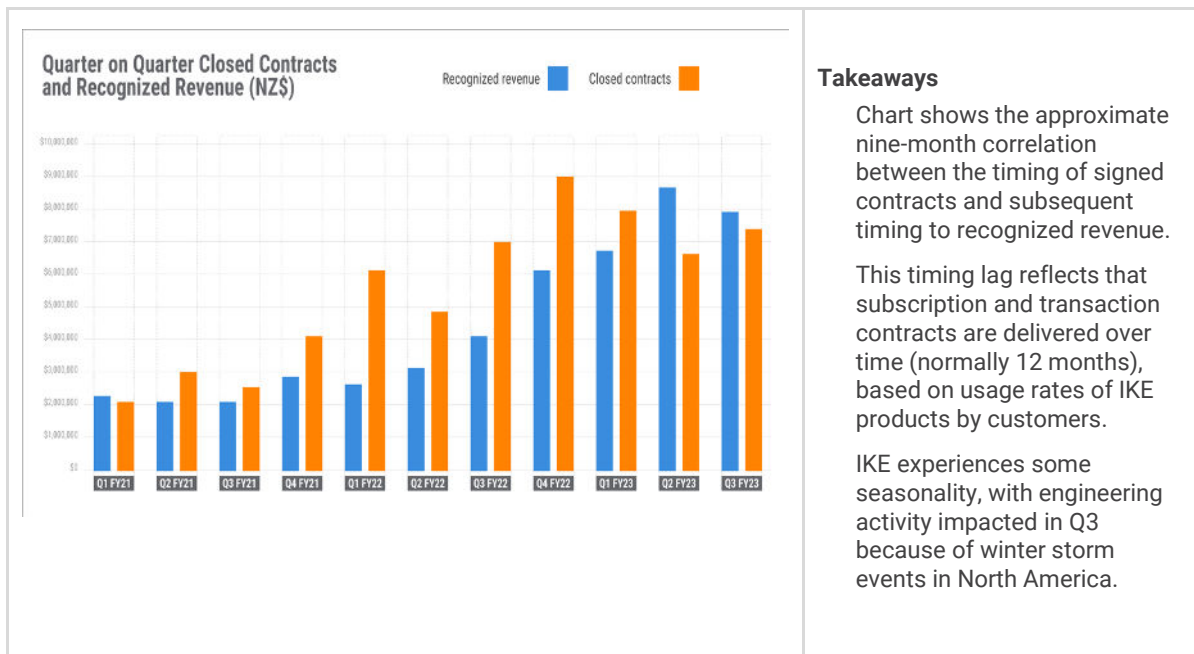
Our fortress balance sheet remains in place, noting that the USD and AUD fx rates impact our reported NZD position. Operating leverage is evident via the scalability of our software products and our disciplined approach to operating expenses.

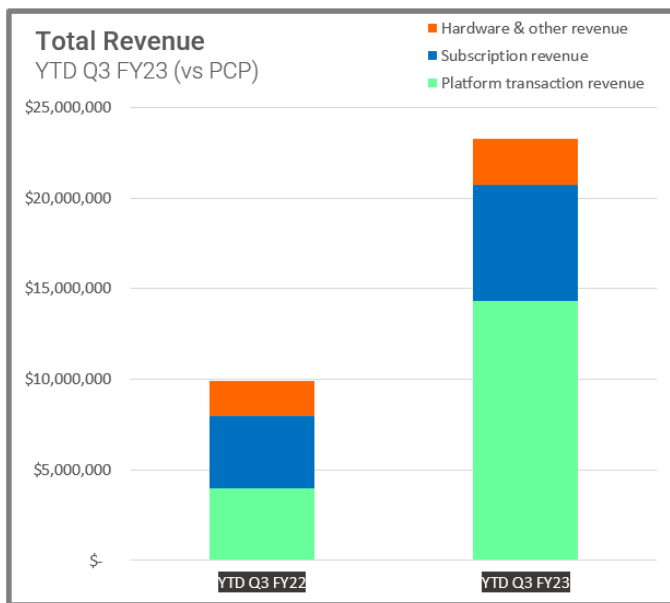
Macro-market tailwinds across North America remain, driven by the multi-year investment being made into building overhead fiber networks, and separately, the more than \$300B investment by electric utilities forecasted into building & maintaining distribution network capacity and associated network hardening. IKE's product drive material productivity gains to support these engineering activities.

We are executing on sizable sales opportunities and expect a healthy run rate of new contracts to close in the Q4 FY23 period and beyond."

The momentum across the business is set out in the following table and charts:

	YTD Q3 FY23	PCP (YTD Q3 FY22)	% Change
<b>Total Revenue</b>	\$23.3m	\$9.9m	+134%
<b>Platform Transactions</b>			
# of billable transactions	376k	234k	+61%
Platform transaction revenue	\$14.3m	\$4.0m	+258%
Gross Margin	\$5.3m	\$1.9m	+179%
Gross Margin %	37%	48%	
<b>Platform Subscriptions</b>			
# of enterprise customers	365	319	+14%
Platform subscription revenue	\$6.4m	\$4.0m	+60%
Gross Margin	\$5.7m	\$3.5m	+63%
Gross Margin %	89%	88%	
<b>Hardware &amp; Other</b>			
Hardware & Services revenue	\$2.5m	\$1.9m	+32%
Gross Margin	\$1.3m	\$0.8m	+63%
Gross Margin %	52%	44%	



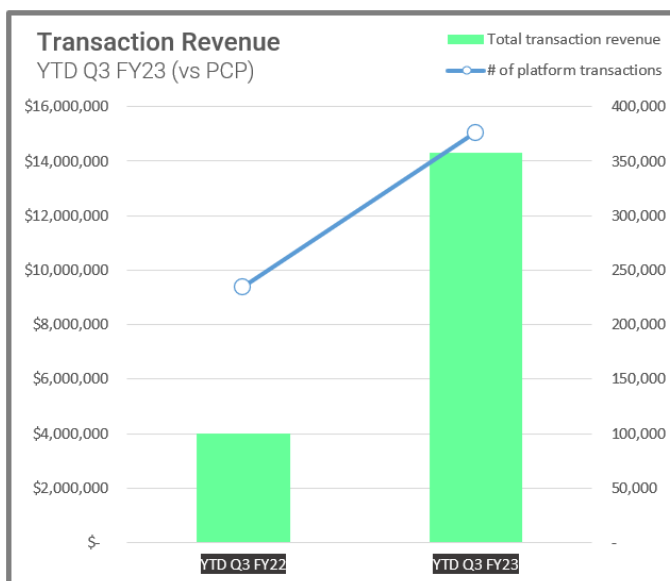


#### Takeaways

134% total revenue growth against PCP.

Recurring subscription and reoccurring transaction revenues (shown by the Green and Blue segments in this chart) dominate IKE's revenue mix, at >\$20m YTD..

This element continues grow because of the investment into extending software products, underpinning more predictable growth with higher quality revenue.



#### Takeaways

Significant growth in transaction revenue has continued, with >350k assets engineered on the IKE platform under the transaction model YTD.

This is one of the primary indicators of platform usage by IKE customers, and is expected to remain a growth driver for the business.

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## About IKE

We're IKE, the PoleOS™ Company. IKE seeks to be the standard for collecting, analysing and managing pole and overhead asset information for electric utilities, communications companies, and their engineering service providers.

The IKE platform allows electric utilities, communications companies, and their engineering service providers to increase speed, quality, and safety for the construction and maintenance of distribution assets.

The core revenue engine for IKE is driven by the number of enterprise customers subscribing to the IKE platform and the volume of assets (called Transactions) being processed through IKE's software.

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