

1Spatial

Contract win

\$0.6m contract secured with new US customer

Software & comp services

1Spatial has won a \$0.6m contract with California's Office of Emergency Services (CalOES). This multi-year contract is for 1Spatial's 1Integrate and 1Data Gateway software-as-a-service (SaaS) products and contains a \$0.1m recurring revenue element. Following recent wins with the State of Michigan and the US Geological Survey, momentum in the United States and for the 1Data Gateway product appears encouraging.

13 January 2021

Price 28p
Market cap £31m

Year end	Revenue (£m)	EBITDA* (£m)	EBIT* (£m)	EPS* (p)	EV/sales (x)	EV/EBIT* (x)	P/E (x)
01/19	17.6	1.2	(0.3)	(0.6)	1.6	N/A	N/A
01/20	23.4	3.2	1.0	0.6	1.2	28.2	48.0
01/21e	23.4	2.8	(0.4)	(0.4)	1.2	N/A	N/A
01/22e	25.1	3.6	0.4	0.2	1.1	69.4	129.3

Note: *EBITDA, EBIT and EPS exclude amortisation of acquired intangibles, exceptional items and share-based payments. Geomap-Imagis consolidated from May 2019 (FY20).

1Spatial has secured a contract with CalOES to implement its Next Generation 911 programme. The multi-year contract will use its 1Integrate and 1Data Gateway products to validate data from multiple sources. The total value is c \$0.6m over two years, including a \$0.1m recurring revenue element.

This deal follows recent wins with the State of Michigan (\$2.6m over five years) and the US Geological Services. Aside from suggesting encouraging momentum in the United States, it is also potentially significant for three reasons. First, The Next Generation 911 programme is a nationwide initiative. With recent US elections hopefully providing greater clarity on the outlook for governmental spending, this programme may be rolled out in other states, creating the opportunity for 1Spatial to secure further wins. Second, it is a further positive sign for 1Data Gateway. This product enables 1Integrate (1Spatial's key differentiator) to be delivered as a SaaS platform, significantly enhancing its scalability (see [Launch of 1Data Gateway](#)). Launched in March 2020 and already incorporated in the State of Michigan contract, this win bodes well for adoption. Finally, there is potential for follow on sales. The \$0.6m is the minimum expected value over two years. 1Spatial may be able to extend the contract and previous customer wins in the US (eg State of Michigan) have resulted in follow-on orders (part of its 'land and expand strategy').

Our review of the interims highlighted that a refreshed product line up, rising recurring revenue and a growing order book of contracted revenue was fuelling increased confidence in 1Spatial's long-term prospects. However, a resurgence of COVID-19 (and the knock-on economic impacts) could affect the timing of deal closure (see [Resilience and a growing pipeline](#)). While no broader update on trading is provided, this announcement highlights the company is still converting its pipeline despite the wider macroeconomic uncertainty.

Net cash (£m) at end FY20	3.9
Shares in issue	111m
Free float	93%
Code	SPA
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



Business description

1Spatial's core technology validates, rectifies and enhances customers' geospatial data. The combination of its software and advisory services reduces the need for costly manual checking and correcting of data.

Analysts

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