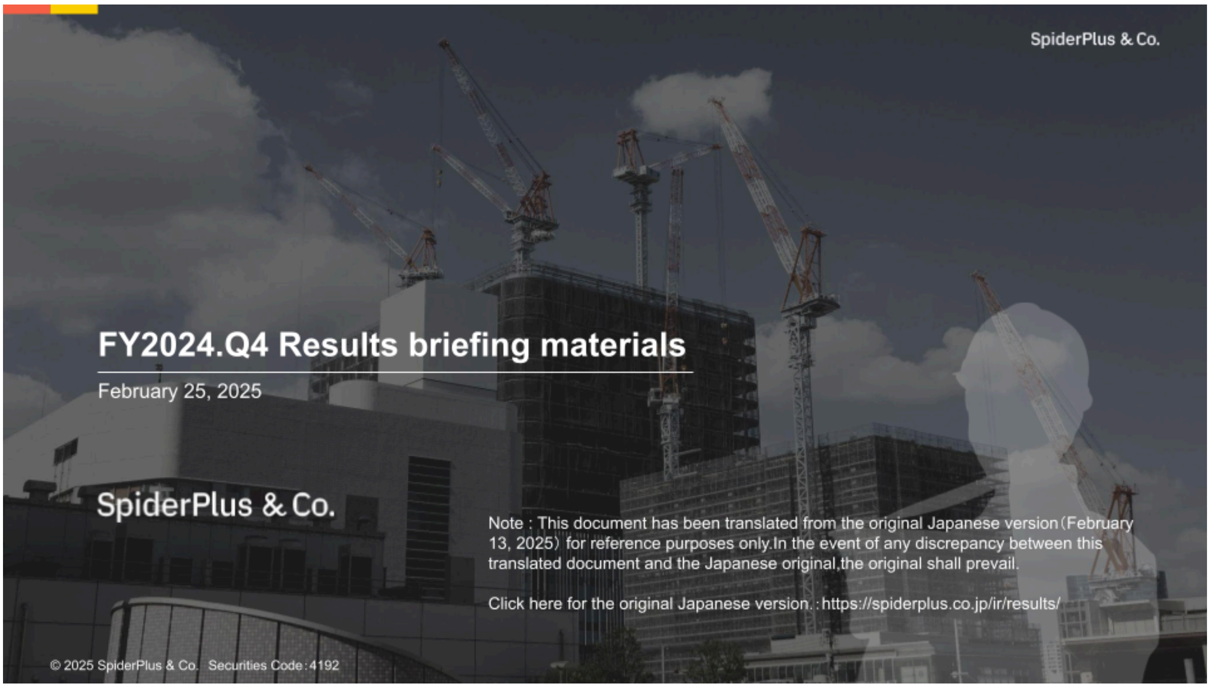
SpiderPlus & Co.

February 25, 2025
SpiderPlus&Co.
Kenji Ito, President and Representative Director
(TSE Growth: 4192)

Script FY2024.Q4 Results briefing materials



【Notes1】
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*1 : Click here for the original Japanese version. : https://spiderplus.co.jp/ir/results/

【Notes2】
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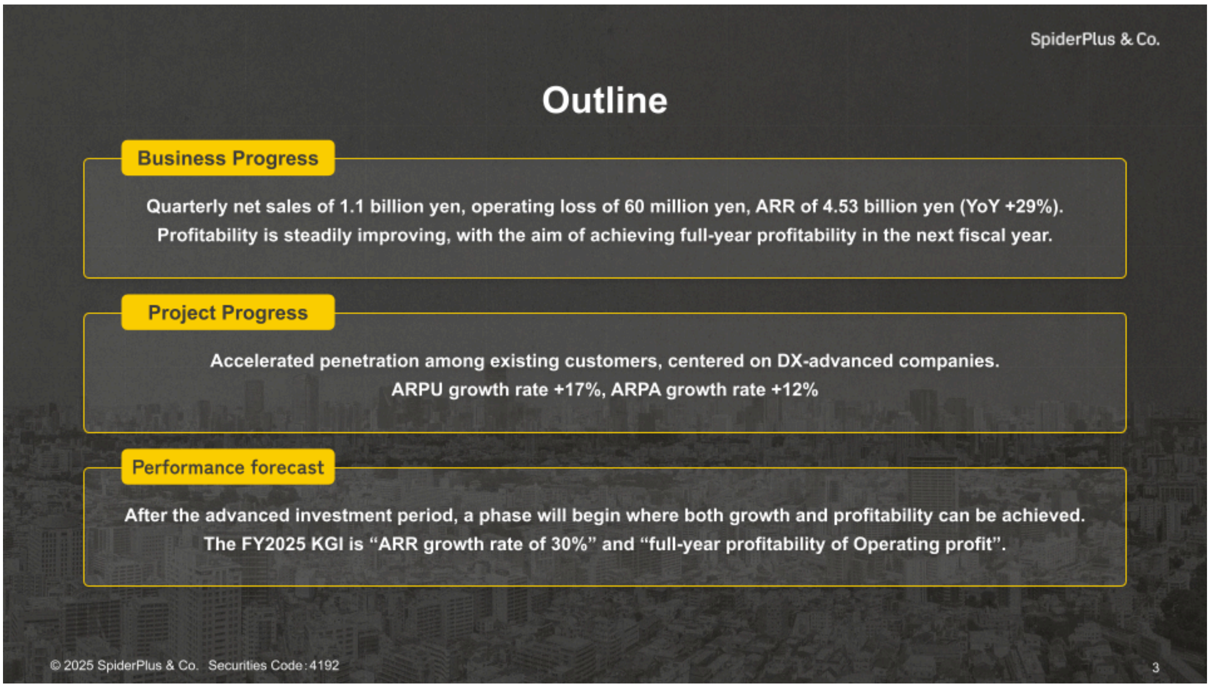
Executive Summary

Our company is a company that uses technology to solve issues in the construction industry.

We are developing and selling the site management SaaS “SPIDERPLUS” to the construction industry, where improving productivity is an urgent issue due to factors such as labor shortages and legal regulations.



The overview of the FY2024.Q4 financial results is as follows: Net Sales of 1.1 billion yen, QoQ +25%, due to the growth of the key performance indicator (KGI) ARR, which grew by +29% QoQ.

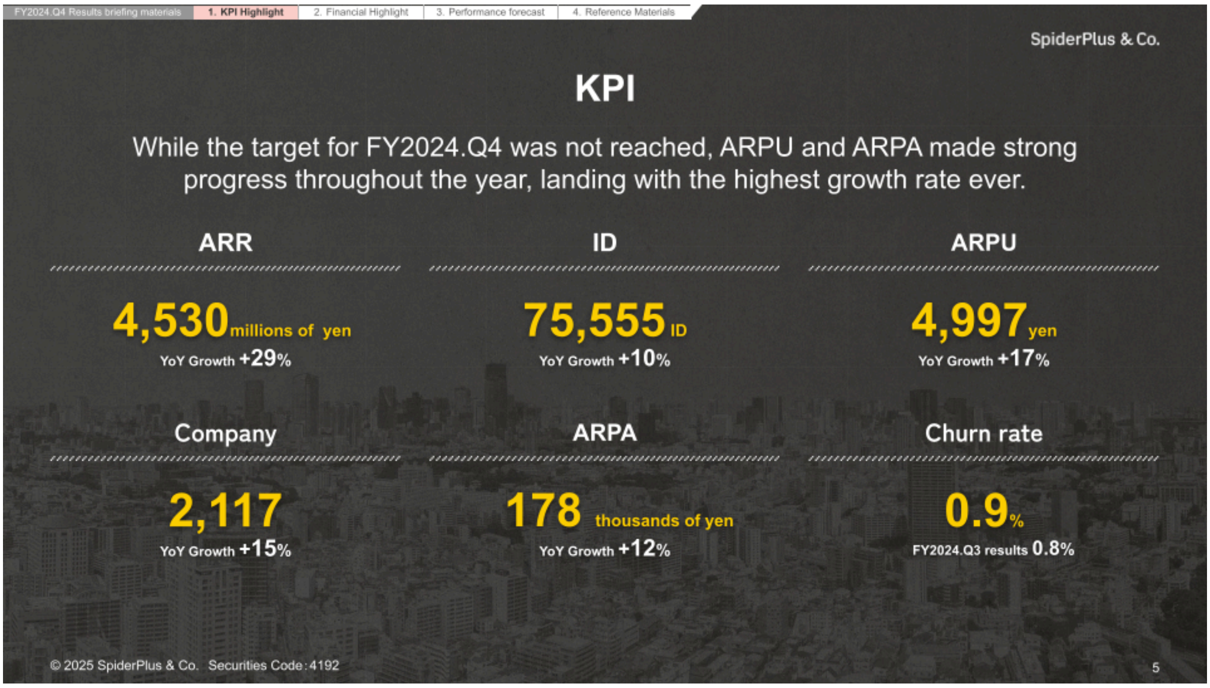
FY2024 was the final year of the advanced investment period that had been in place for approximately four years, resulting in an operating loss of -0.6 billion yen. Profitability is steadily improving towards full-year profitability in Operating profit next year.

In terms of business progress, ARPU and ARPA are growing strongly as a result of the penetration of our services within existing customers, particularly DX-advanced companies.

Regarding performance forecasts, we will enter a phase where we can achieve both growth and profitability.

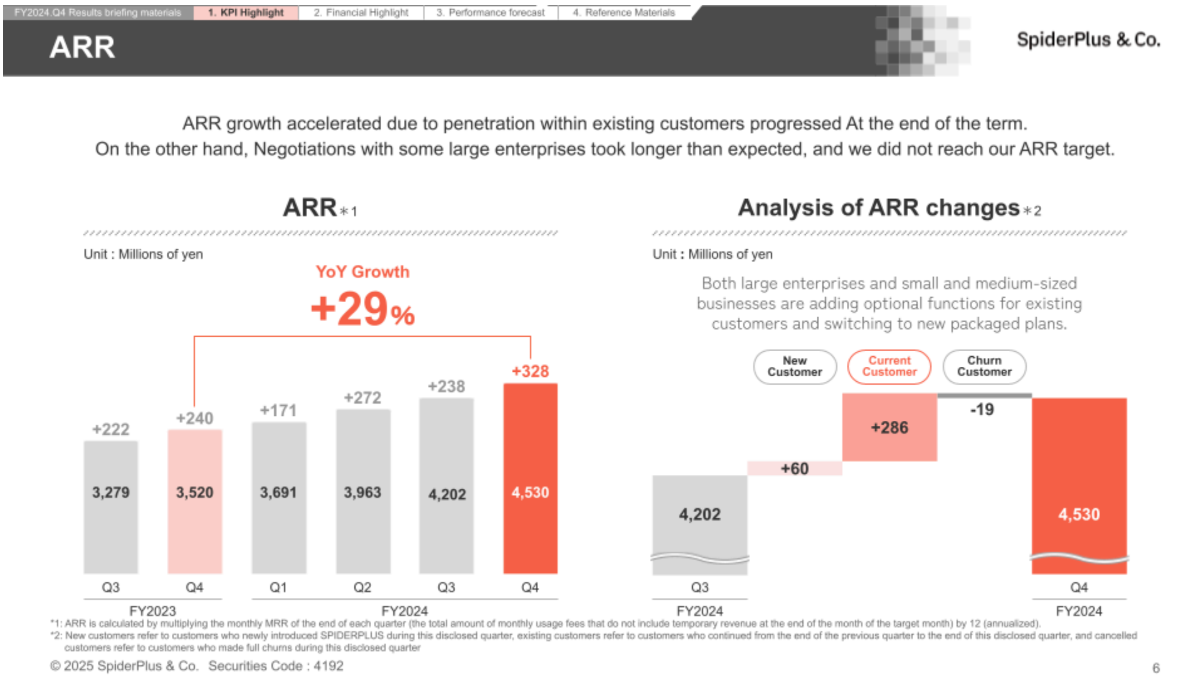
With this in mind, we have set a KGI of 30% ARR growth and full-year profitability in FY2025.

FY2024.Q4　KPI Highlights



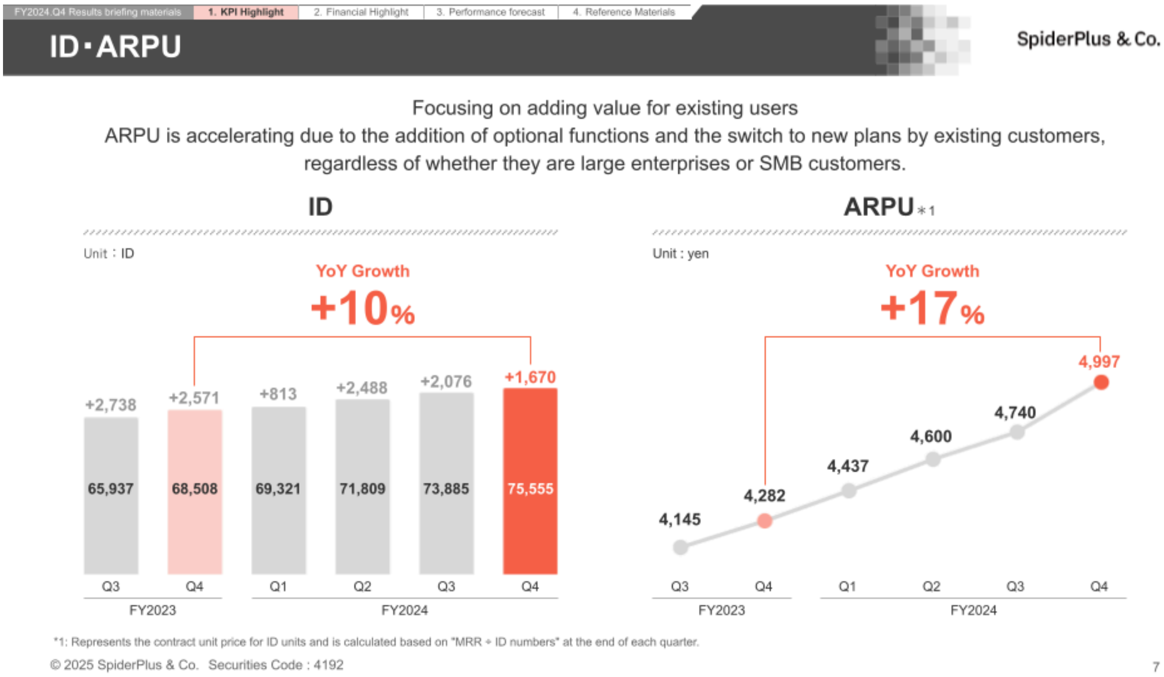
This is a list of KPIs. Although we did not reach our year-end target of 4.6 to 4.7 billion yen in the FY2024 Q3 financial results, ARPU and ARPA are progressing strongly at record-high growth rates due to the penetration of existing customers mentioned above.

The following explains each KPI.

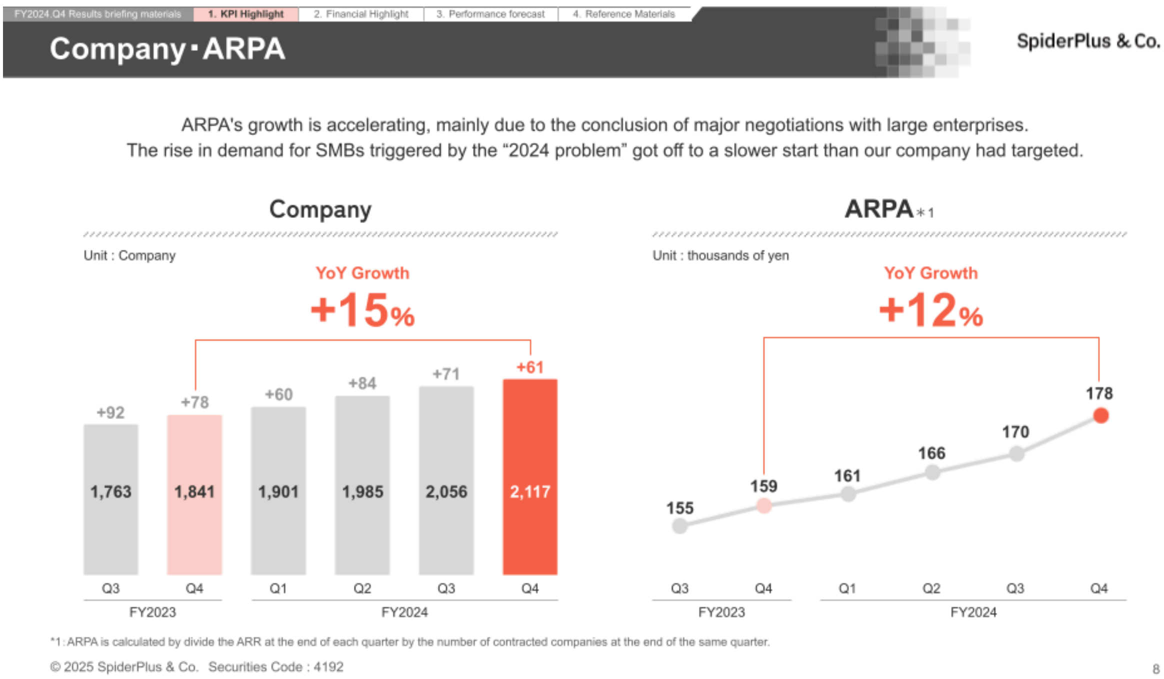


First, let's talk about ARR.

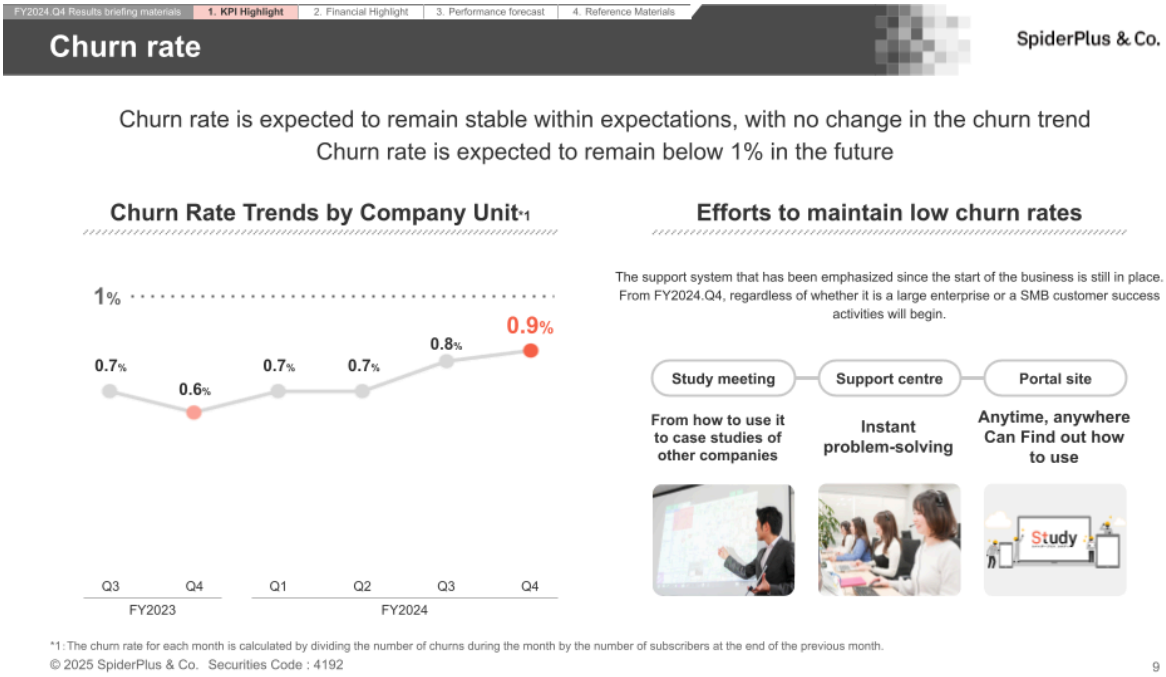
At the end of the term, the penetration of existing customers progressed, resulting in accelerated growth in ARR. On the other hand, negotiations with some large enterprise customers took longer than expected, so we did not reach our end-of-term ARR target.



With regard to ARPU, the ARPU growth rate is accelerating each quarter as a result of focusing on “improving added value” to capture the increasing DX needs, especially among existing customers.

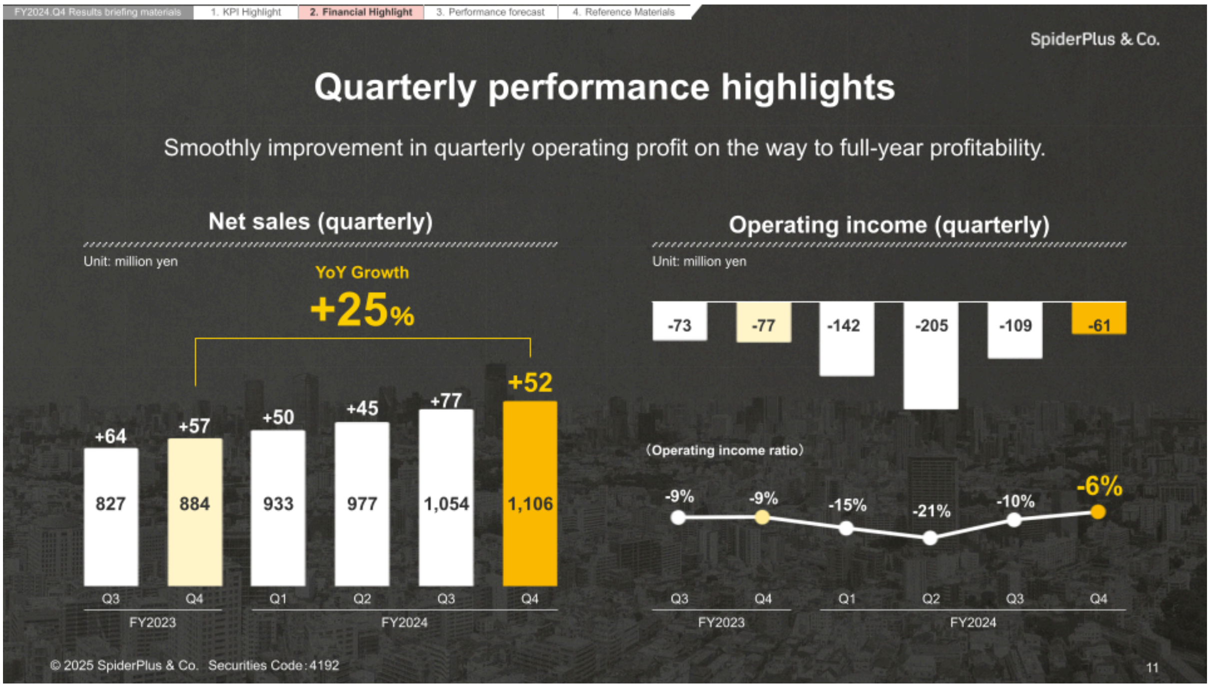


The number of contracted companies is progressing at a similar rate to previous years, as the expansion of DX needs among SMBs in the construction industry in the wake of the commencement of overtime work limit regulations in April 2024 has been slower than expected.
ARPA has accelerated its growth, mainly due to major negotiations with existing customers, as a result of measures to promote penetration among existing customers.



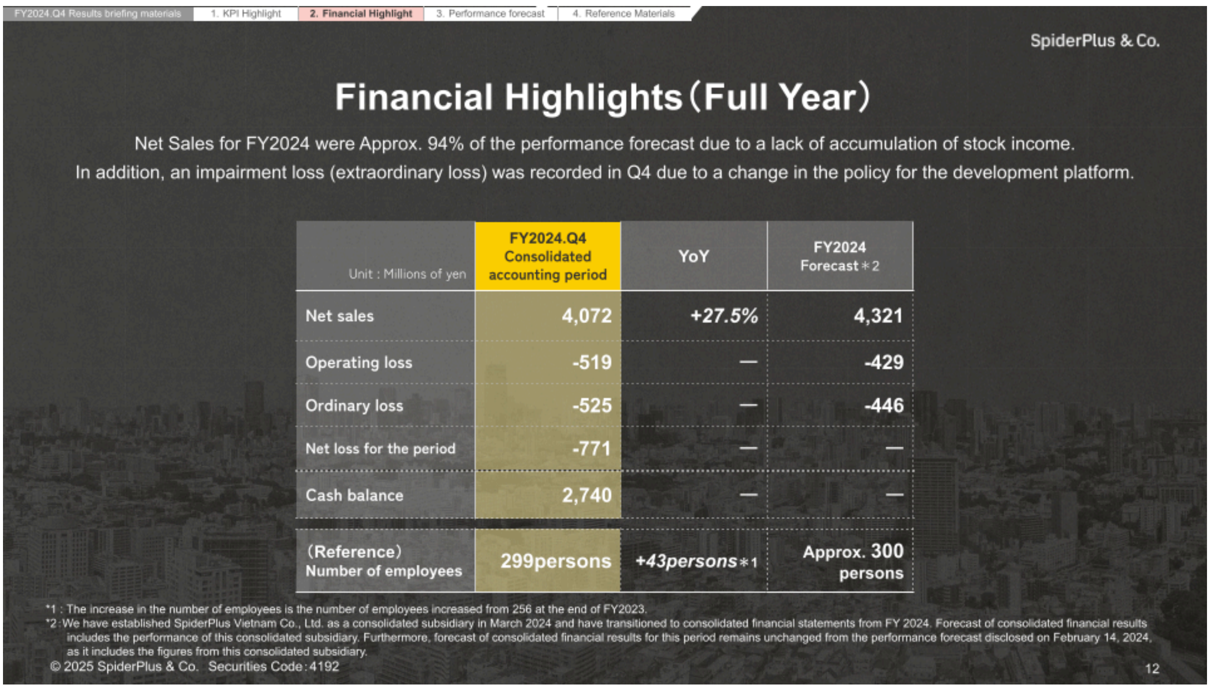
There have been no significant changes in the cancellation rate, along with the trend in the reasons for cancellation.
We expect it to remain at the level of less than 1% that we use as a benchmark.

FY2024.Q4　Financial Highlights



From here, I will explain the financial highlights.

Looking at Net Sales by quarter, the fourth quarter recorded approximately 1.1 billion yen, a 25% increase compared to the same quarter of the previous year. In terms of operating income/loss, we recorded an operating loss of 61 million yen for the fourth quarter, but profitability is steadily improving as we work towards returning to the black.



As a financial highlight for the full year, FY2024 Net Sales landed at approximately 94% of the performance forecast due to a lack of accumulation of stock income.
As FY2024 was the final year of the advanced investment period, we systematically invested in the expansion of scale, and as a result, we recorded a loss of approximately 500 million yen for the full year. In addition, the reason for the expansion of the net loss to the 700 million yen level is that we recorded an impairment loss of approximately 230 million yen as an extraordinary loss. This was due to the fact that some of the assets that had been recorded in the development infrastructure renewal project were no longer expected to be used in the future, so we recorded an impairment loss in accordance with accounting standards.

This is regarding the recording of extraordinary losses.
At the end of the fiscal year, we made a change in policy regarding the development infrastructure based on our product strategy for the next fiscal year and beyond.
As a result, we recorded a portion of the development costs invested in the SPIDERPLUS renewal project as an impairment loss in accordance with accounting standards.
The renewal project was launched in 2020 with the aim of “improving development productivity by renewing the development platform”, and we have been working on it while sequentially launching new products and new features that have been completed in the development process so far, but from now on we will work on improving development productivity under a new development policy.

FY2024.Q4 Results briefing materials | 1. KPI Highlight | 2. Financial Highlight | 3. Performance forecast | 4. Reference Materials

Consolidated Statements of profit and loss*1

SpiderPlus & Co.

Unit : Millions of yen (rounding down to the nearest unit))	FY2024.Q3 Accounting period (consolidation)	FY2024.Q4 Accounting period (consolidation)	From the previous quarter	FY2023.4 Cumulative period (non-consolidated period)	FY2024.Q4 Cumulative period (consolidation)	Year on year
Net sales	**1,054**	**1,106**	**+5.0%**	**3,194**	**4,072**	**+27.5%**
Of which, stock income	1,029	1,098	+6.7%	3,097	3,991	+28.9%
Stock income ratio	*97.6%*	*99.3%*	*+1.7pt*	*97.0%*	*98.0%*	*+1.0pt*
Gross profit	**724**	**787**	**+8.7%**	**2,071**	**2,768**	**+33.7%**
Gross profit margin	*68.7%*	*71.2%*	*+2.5pt*	*64.9%*	*68.0%*	*+3.1pt*
SGA cost	834	849	-%	2,514	3,287	+31.9%
SGA cost ratio	*79.1%*	*76.8%*	*-2.4pt*	*78.7%*	*80.7%*	*+2.0pt*
Operating loss	**-109**	**-61**	—	**-442**	**-519**	—
Operating profit margin	*-10.3%*	*-5.6%*	*+4.8pt*	*-13.9%*	*-12.7%*	*+1.2pt*
Ordinary loss	**-112**	**-65**	—	**-452**	**-525**	—
Loss before income taxes	**-112**	**-299**	—	**-452**	**-760**	—
Net sales	**-115**	**-302**	—	**-463**	**-771**	—

Net Sales
- As SPIDERPLUS ARR grows, so does stock income

Gross Profit Margin
- Increased due to revisions to development projects, etc
- Due to growth in net sales and an increase in the gross profit margin, gross profit for the cumulative period increased by 33.7% YoY.

SGA cost
- Increased compared to the previous quarter due to marketing investments such as exhibitions at the end of the year

Extraordinary loss
- In line with the renewal of the development platform, impairment was carried out on development costs incurred on the old development platform, which were recorded in the software suspense account

*1 : We have established SpiderPlus Vietnam Co., Ltd. as a consolidated subsidiary in March 2024 and have transitioned to consolidated financial statements from the fiscal year ending December 2024.

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Next, let's look at the consolidated income statement.
Net Sales are growing, mainly due to an increase in stock income in line with the growth of SPIDERPLUS.
Gross Profit has risen to 71.2% of quarterly sales, due to our efforts to improve development productivity by revising development staff and development projects.
SG&A expenses have increased from the previous quarter due to an increase in personnel expenses associated with human resource investment, as well as marketing investment such as exhibiting at the Construction DX theme exhibition held at the end of the year.
The recording of extraordinary losses is related to the impairment loss mentioned above.

FY2024.Q4 Results briefing materials | 1. KPI Highlight | 2. Financial Highlight | 3. Performance forecast | 4. Reference Materials

Consolidated Balance Sheet*1

SpiderPlus & Co.

Unit : Millions of yen (rounding down to the nearest unit)	FY2022 (non-consolidated period)	FY2023 (non-consolidated period)	FY2024.Q4 (consolidation)
Cash and deposits	3,044	2,846	2,740
Other current assets	497	575	655
Current assets	**3,542**	**3,421**	**3,395**
Software	558	463	335
Software in progress	183	220	21
Other fixed assets	510	490	459
Fixed assets	**1,252**	**1,174**	**815**
Total assets	**4,794**	**4,596**	**4,211**
Borrowings	443	499	1,029
Other liabilities	666	711	536
Total liabilities	**1,109**	**1,211**	**1,565**
Total net assets	**3,684**	**3,385**	**2,645**
Equity ratio	*76.8%*	*73.6%*	*62.8%*

Cash and deposits

- Although operating cash flow was negative due to advanced investment, we took out a loan to expand our cash reserves.

Software/Software suspense account

- Mainly investment related to the renewal and development of SPIDERPLUS
- An impairment loss of 229 million yen was recorded for software under development due to a change in development policy.

Loan

- Borrowed 350 million yen in Q2 FY2024 to expand cash reserves (4-year repayment period, fixed interest rate of 0.6%)

Net assets

- The equity ratio will fall to 62.8% due to the loan, but a stable financial base will be established.

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The consolidated balance sheet has decreased due to the impairment of the software suspense account. In addition, the equity ratio has decreased due to the borrowing of funds to expand cash reserves, but the financial base is stable.

FY2024.Q4 Results briefing materials | 1. KPI Highlight | 2. Financial Highlight | 3. Performance forecast | 4. Reference Materials

Consolidated Statements of Cash Flows*1

SpiderPlus & Co.

Unit : Millions of yen (rounding down to the nearest unit))	FY2021 (non-consolidated period)	FY2022 (non-consolidated period)	FY2023 (non-consolidated period)	FY2024.Q4 Cumulative period (consolidation)
Cash Flows from operating activities	-493	-1,000	-331	-369
Investment Cash Flow	-610	-508	-85	-52
Free Cash Flow	**-1,103**	**-1,509**	**-416**	**-421**
Financial Cash Flow	4,830	363	217	322
Effect of exchange rate changes on cash and cash equivalents	**—**	**—**	**—**	**-6**
Net increase (decrease) in cash and cash equivalents	**3,726**	**-1,146**	**-198**	**-105**
Cash and cash equivalents at beginning of year	464	4,191	3,044	2,846
Cash and cash equivalents at end of year	**4,191**	**3,044**	**2,846**	**2,740**

Operating Cash Flow

- Decrease in cash due to operating losses associated with advanced investment

Cash flows from investing activities

- Decrease due to expansion of Kansai branch office and development of in-house software

Cash flows from financing activities

- Increase due to the execution of a loan

Cash and cash equivalents at end of year

- Starting from this fiscal year, due to the establishment of a Vietnamese subsidiary

*1 : We have established SpiderPlus Vietnam Co., Ltd. as a consolidated subsidiary in March 2024 and have transitioned to consolidated financial statements from the fiscal year ending December 2024.

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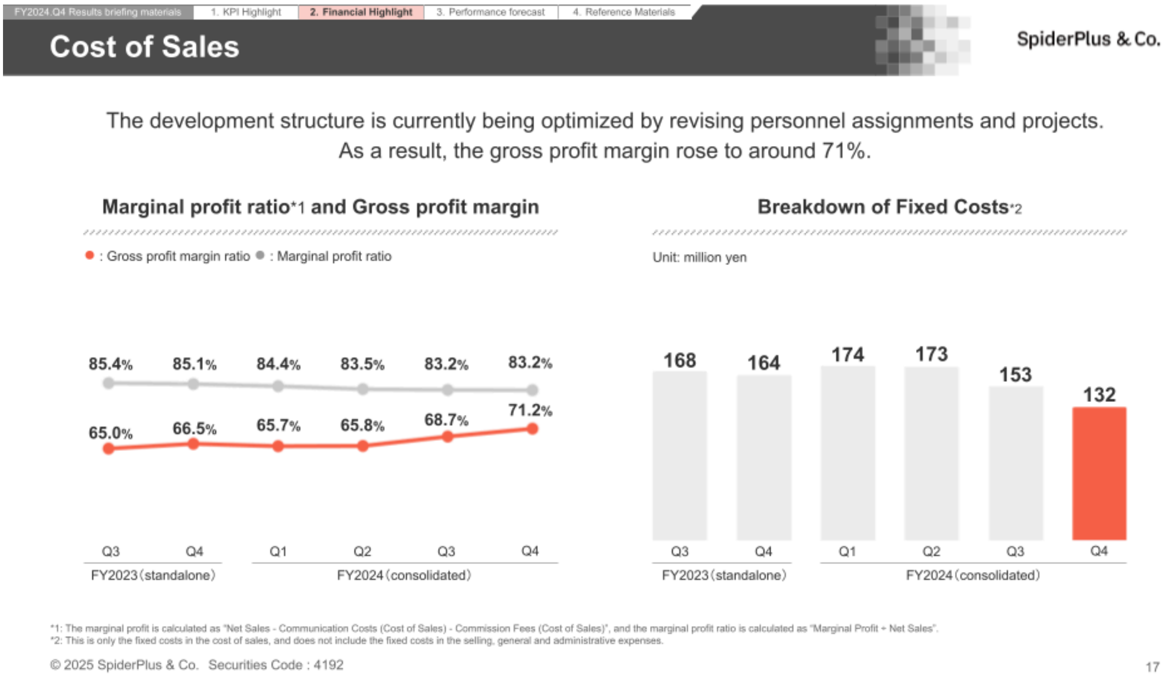
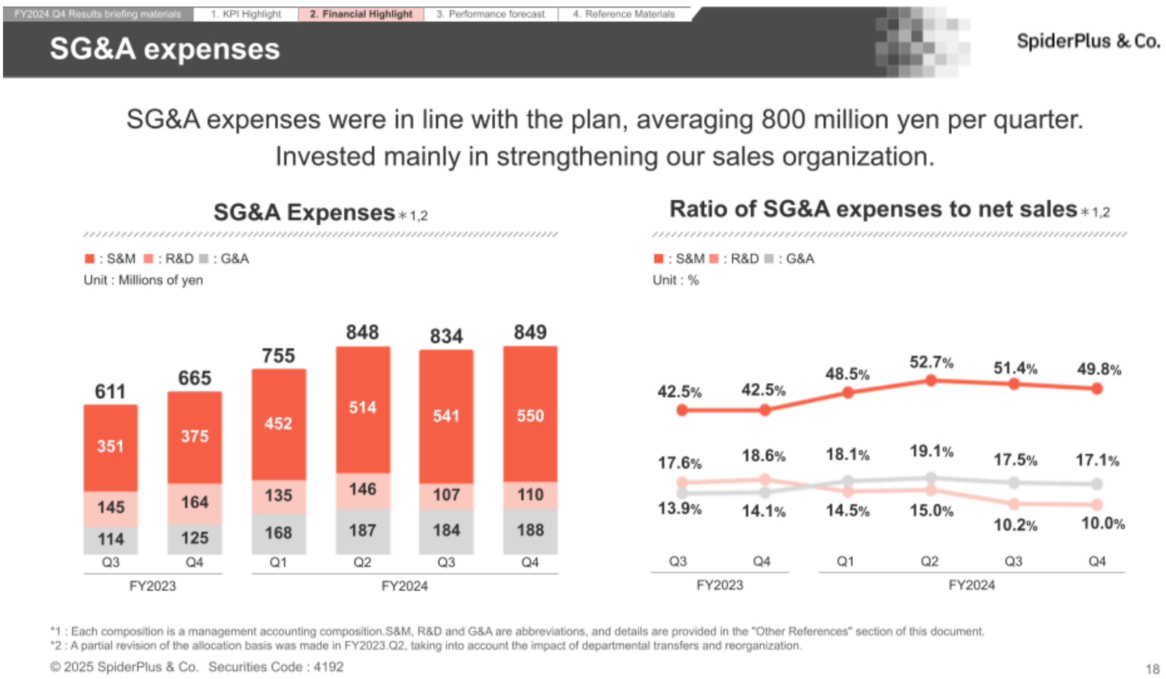
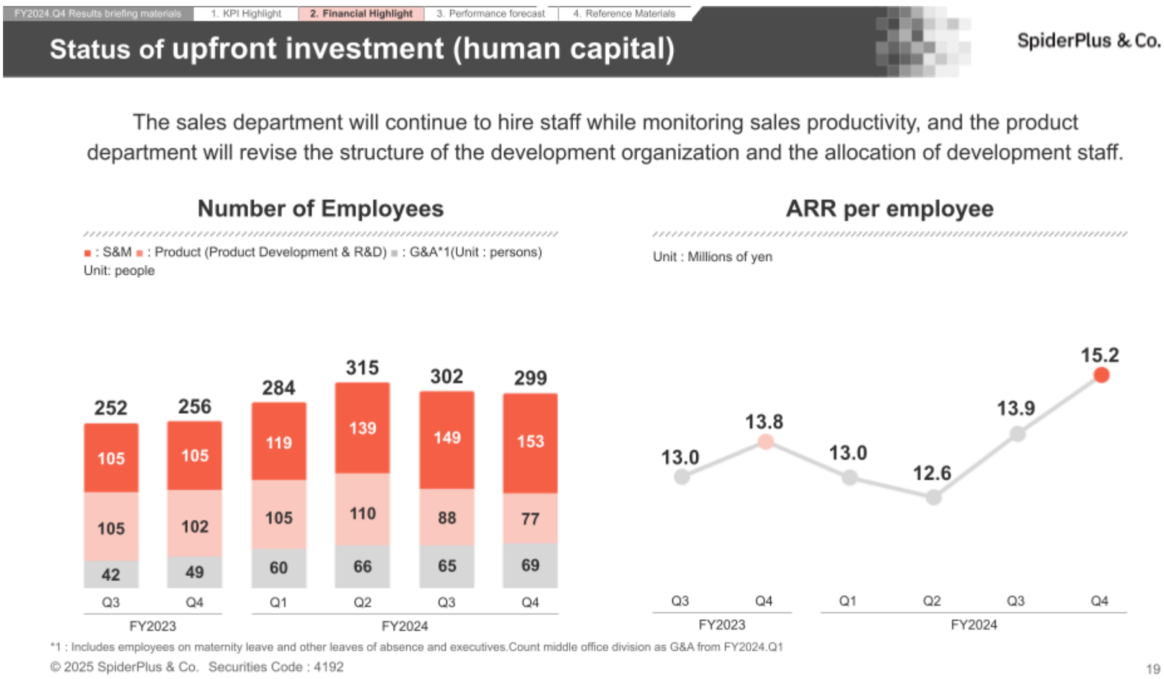
With regard to consolidated cash flow, operating cash flow and investment cash flow have decreased due to advanced investment, but operating cash flow is expected to become positive in the future as the advanced investment period comes to an end.



With regard to cost of sales, the gross profit margin has risen to around 71% as a result of the company's efforts to improve development productivity, including the reallocation of development staff and the revision of development projects. The marginal profit ratio has also remained stable in the high 80% range, and we believe that the profit ratio has improved as a result of progress in optimizing fixed costs.

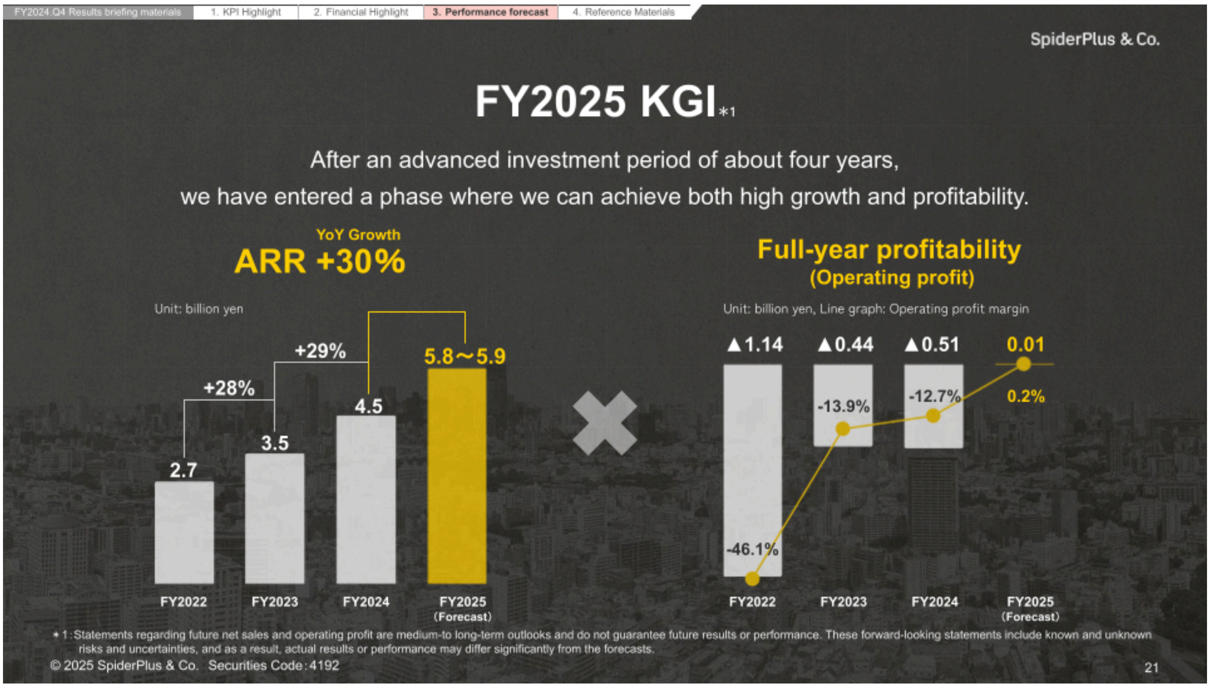


SG&A expenses were in line with our plan, averaging approximately 800 million yen per quarter. In FY2024, we invested in strengthening our sales organization, including the Customer Success department.

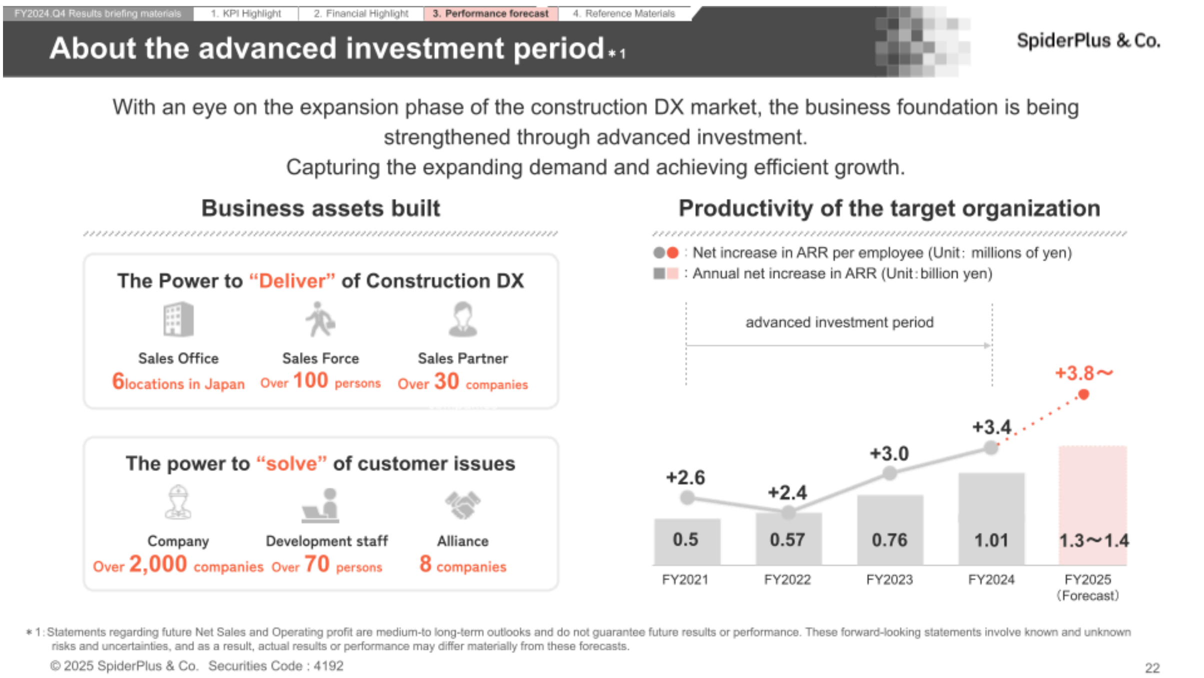


This is the situation regarding advanced investment. In FY2024, we stepped up our recruitment activities in the first half of the year, and in the second half we controlled recruitment while monitoring the productivity of our sales organization.

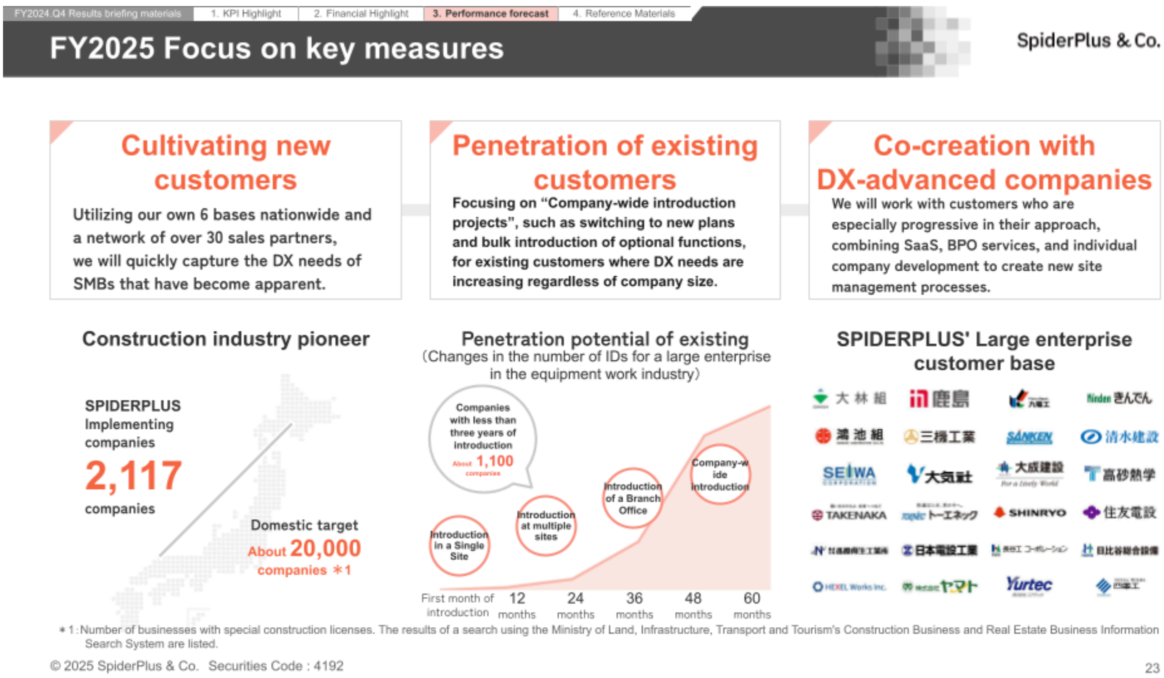
FY2025 Performance forecast



This is regarding our performance forecasts.
After an advanced investment period of around four years, our company will enter a phase where we can achieve both high growth and profitability. Specifically, we are aiming for an ARR growth rate of 30% and above, as well as full-year profitability, and we plan to move from a loss of around 500 million yen in the previous term to profitability in one go.



We have also put in place a system that makes it easy to expand sales channels to local areas and SMBs in collaboration with sales partners. As a major result of our advanced investment period, we expect that we have been able to strengthen our foundations in both development and sales. We are now able to respond to the advanced and diverse needs of our customers as the demand for construction DX finally begins to take off. As a result, we expect that there is plenty of room to further increase sales per user and sales per company.

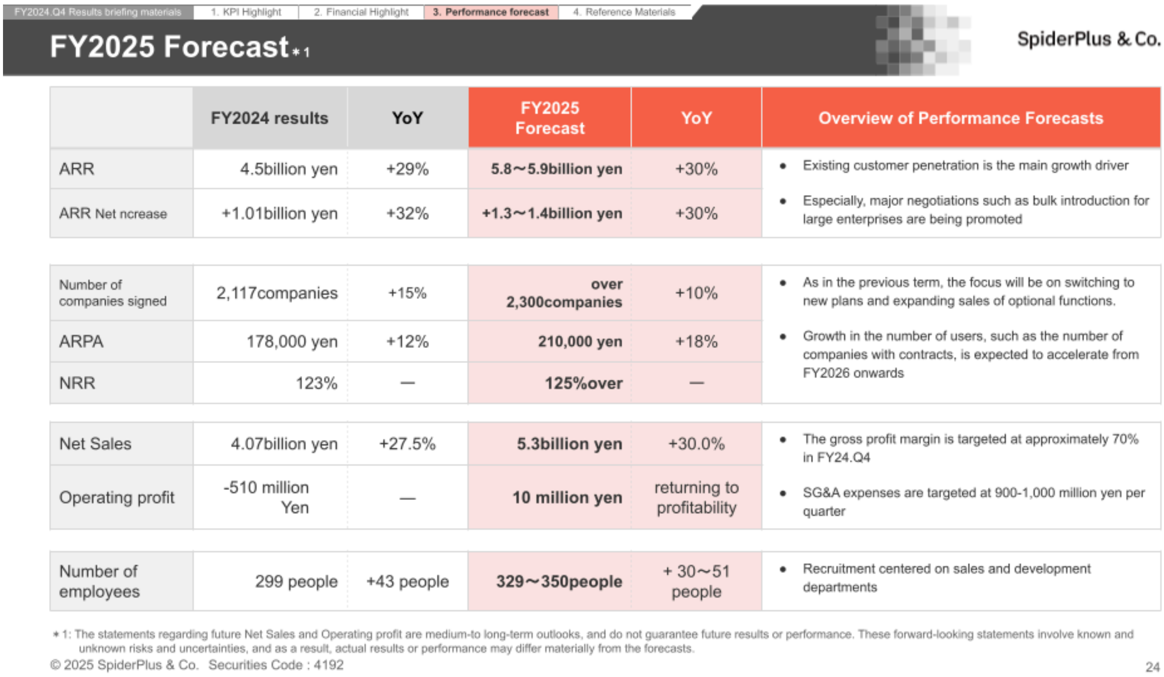


The key measures for FY2025 will continue from the second half of FY2024, and will be "exploring companies that have not yet introduced the service", "penetration of existing customers", and "co-creation with DX-advanced companies".

Especially, we expect that "penetration to existing customers" will drive ARR growth. For companies that are already using our services, we expect that there is significant room for growth in ARR, ARPU, and ARPA through expansion of the number of users (increase in IDs) through horizontal deployment to other departments and other sites, and through the introduction of additional functions (use of optional functions).

In terms of "exploring new customers", we plan to accelerate new introductions nationwide, including in rural areas and SMBs that we have not been able to reach directly until now. The main initiatives are as follows.

In terms of co-creation with DX-advanced companies, these companies are already actively using tablet devices and IT tools at construction sites, and are sensitive to new feature proposals and sophisticated requests. Here, we will take a policy of deepening collaboration to evolve the service itself.



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FY2025 Forecast ＊1

SpiderPlus & Co.

	FY2024 results	YoY	FY2025 Forecast	YoY	Overview of Performance Forecasts
ARR	4.5billion yen	+29%	**5.8～5.9billion yen**	+30%	• Existing customer penetration is the main growth driver • Especially, major negotiations such as bulk introduction for large enterprises are being promoted
ARR Net ncrease	+1.01billion yen	+32%	**+1.3～1.4billion yen**	+30%	
Number of companies signed	2,117companies	+15%	**over 2,300companies**	+10%	• As in the previous term, the focus will be on switching to new plans and expanding sales of optional functions. • Growth in the number of users, such as the number of companies with contracts, is expected to accelerate from FY2026 onwards
ARPA	178,000 yen	+12%	**210,000 yen**	+18%	
NRR	123%	—	**125%over**	—	
Net Sales	4.07billion yen	+27.5%	**5.3billion yen**	+30.0%	• The gross profit margin is targeted at approximately 70% in FY24.Q4 • SG&A expenses are targeted at 900-1,000 million yen per quarter
Operating profit	-510 million Yen	—	**10 million yen**	returning to profitability	
Number of employees	299 people	+43 people	**329～350people**	+ 30～51 people	• Recruitment centered on sales and development departments

＊1: The statements regarding future Net Sales and Operating profit are medium-to long-term outlooks, and do not guarantee future results or performance. These forward-looking statements involve known and unknown risks and uncertainties, and as a result, actual results or performance may differ materially from the forecasts.

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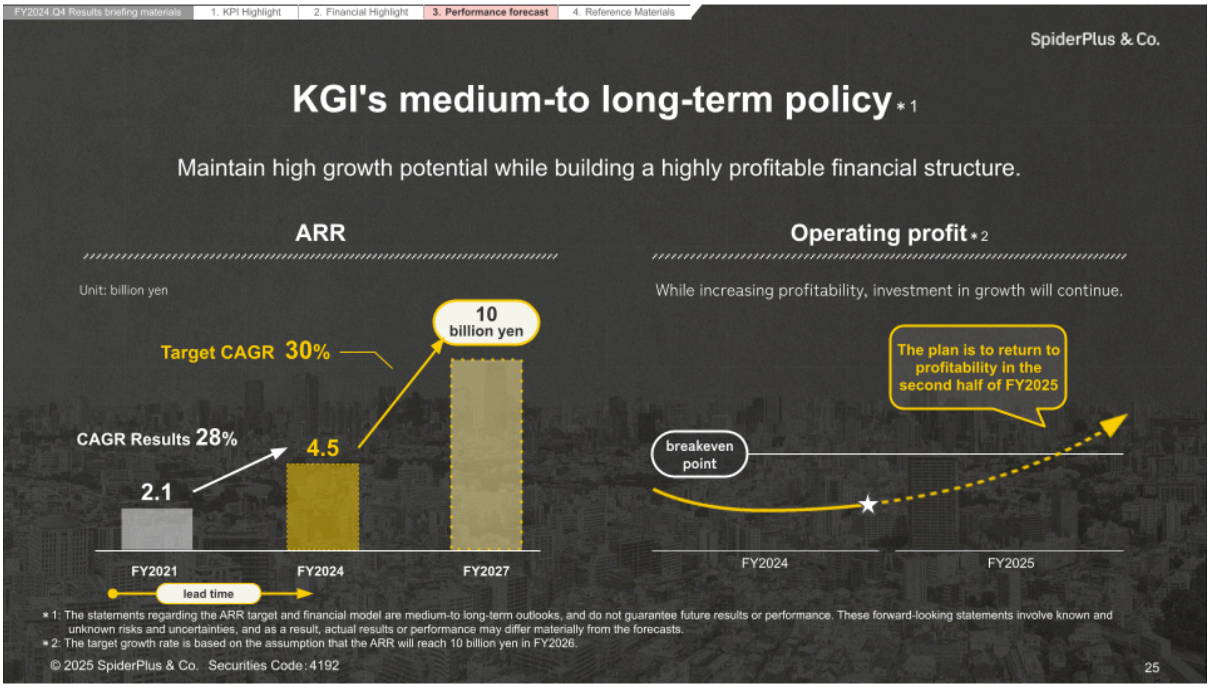
By promoting the three key measures listed above, we aim to achieve both a 30% ARR growth rate and full-year profitability by 2025.
As part of our key measures, we will focus on "penetration of existing customers", so we are targeting accelerated growth in the number of companies and users from FY2026 onwards.
In terms of recruitment, we will focus on recruiting mainly for the sales and development departments, but we will control recruitment while monitoring organizational productivity, and aim to achieve a surplus in operating profit by increasing organizational productivity.
Please note that the target for operating profit is a conservative forecast, as we plan to significantly eliminate the 510 million yen deficit from the previous term.



Finally, here is our medium-term policy regarding KGI.

From FY2025 onwards, we aim to achieve 10 billion yen in ARR as soon as possible, based on a 30% growth rate in ARR.

In terms of profitability, while we have a policy of ensuring high profitability in the medium-to long-term, we expect demand for construction DX to continue to expand in the future, so we plan to continue investing in growth to capture market expansion from FY2025 onwards.

and above

For inquiries regarding this matter, please contact

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