



# ELMO Software

HR | Payroll | Expense Management



Jarden Inaugural Future Leaders Conference

ASX:ELO  
October 2021



# Group overview

A leading provider of cloud HR, payroll and expense management solutions across ANZ & UK

## Convergent solution

- ✓ Multiple modules/revenue streams
- ✓ Integrated solution
- ✓ Competitive advantage: width of solution
- ✓ Two fit-for-purpose platforms

## Robust SaaS business model

- ✓ High recurrent subscription revenue
- ✓ High customer retention
- ✓ High level of organic growth
- ✓ Land and expand strategy



Mid-market solution



Small business solution

Providing customers with an all-in-one platform  
to manage people, process and pay

# Financial snapshot – Q1 FY22

Delivering on our growth strategy

**\$88.5 million**

ARR



61% growth from Q1 FY21

**\$20.7 million**

Q1 Revenue



52% growth from Q1 FY21

**\$27.7 million**

Q1 Cash receipts



Up 78% from Q1 FY21



**35%**

Q1 FY22 organic ARR  
growth



**\$76 million**

Cash balance

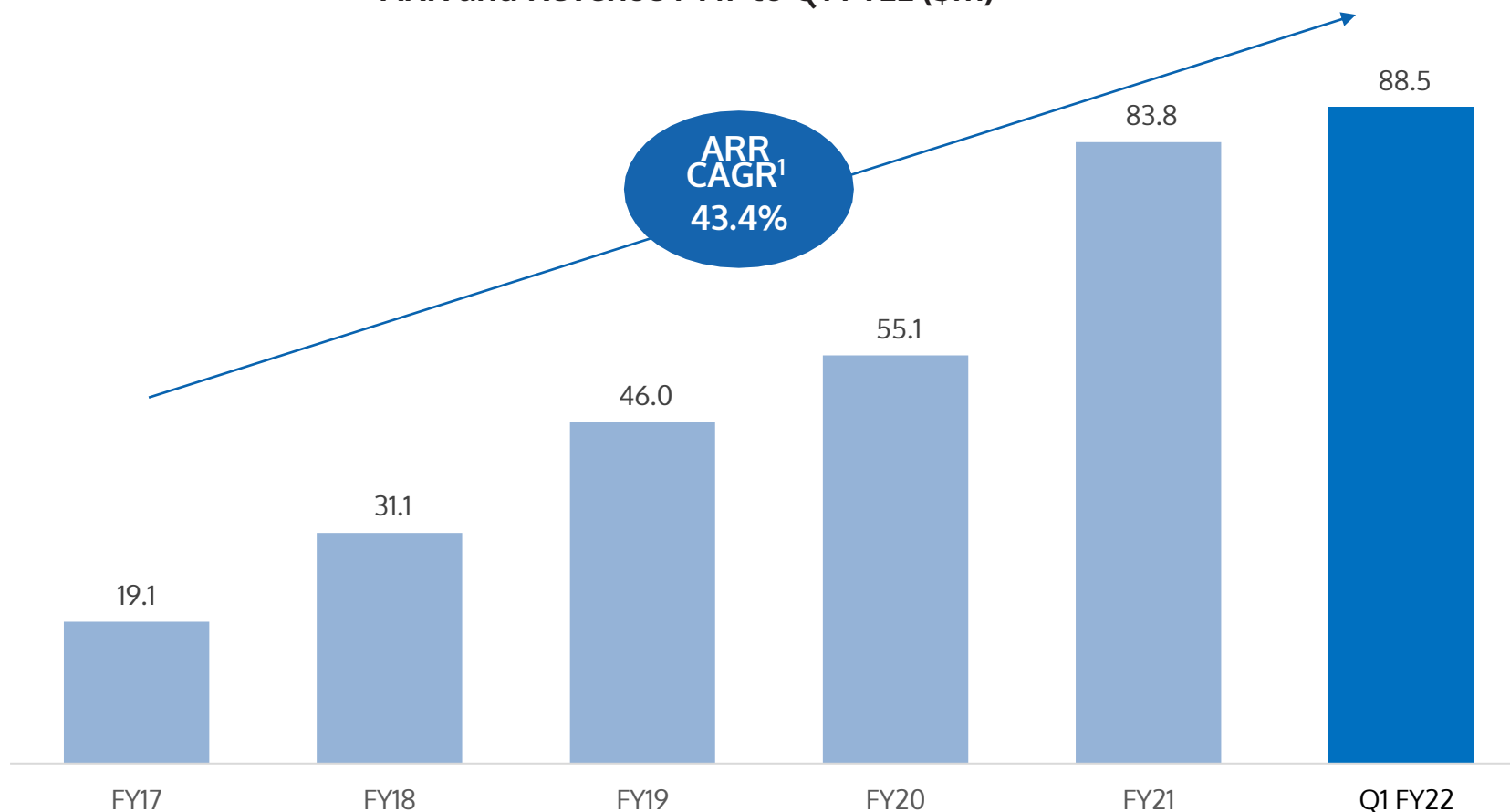
**The ELMO Group reaffirms FY22 guidance**

# Group Annualised Recurring Revenue growth

ARR CAGR of 43.4% per annum from IPO in FY17

- ARR \$88.5 million at June 2021, up 61% from Q1 FY21

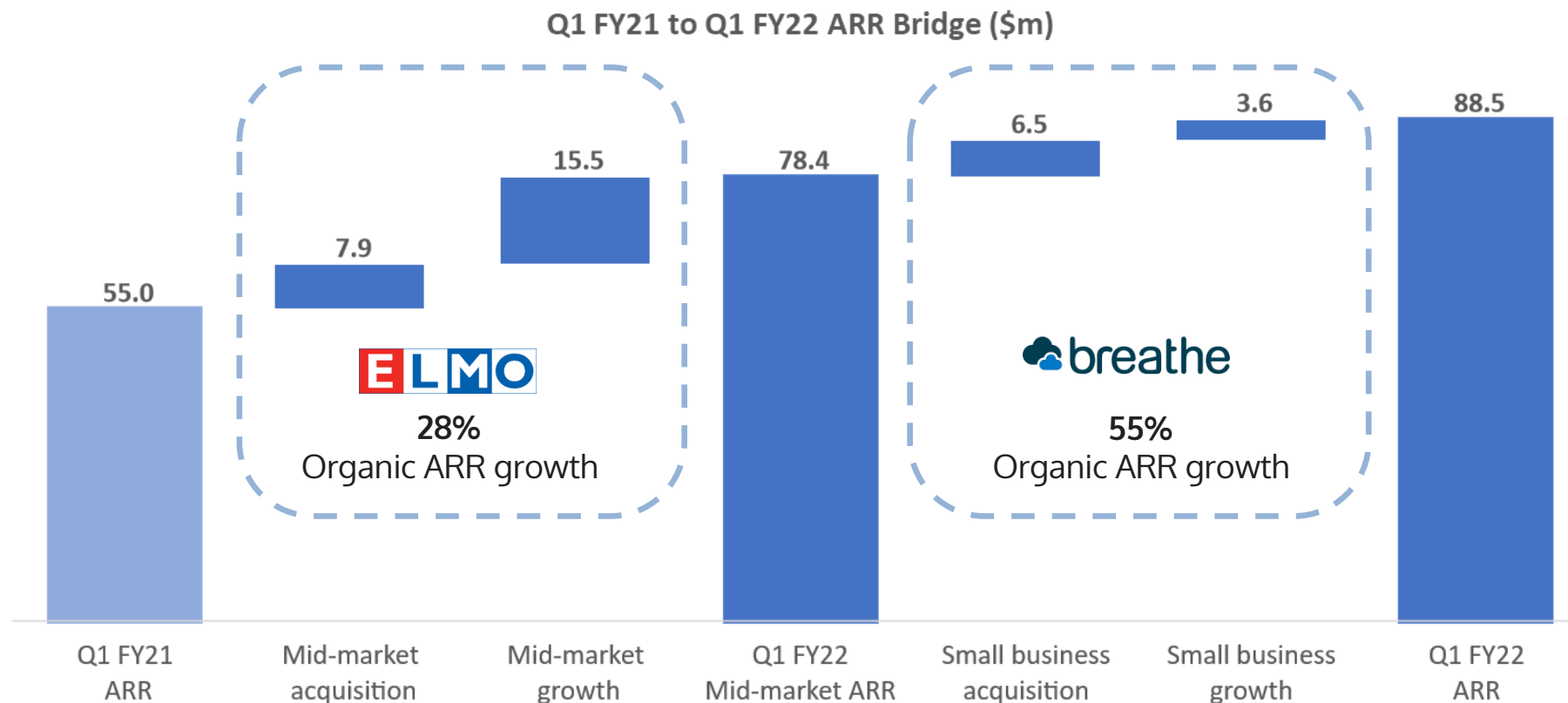
ARR and Revenue FY17 to Q1 FY22 (\$m)



1. ARR CAGR FY17 to Q1 FY22

# Group ARR growth

Organic growth accelerating



**ELMO Group organic growth of 35% in Q1 FY22**

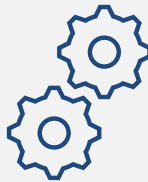
# Executing on the growth strategy

Three pillar strategy driving expansion

Key pillars of our expansion strategy:



**1. Segment Expansion**



**2. Module Expansion**



**3. Geographic Expansion**



**Multiple levers to continue high growth through FY22**

# Segment expansion

Growth opportunities across two key market segments



**Small business solution**  
(<50 employees)

- ✓ >9,000 customers
- ✓ Market penetration: <3%
- Update**
- ✓ Contextualised for local market
- ✓ Added modules in the UK platform with initial cross-sales completed
- ✓ Introduced to ANZ in H2 FY21, ramping up in FY22



**Mid-market solution**  
(50 - 2,000 employees)

- ✓ >3,000 customers
- ✓ Market penetration: ANZ <8%, UK <3%
- Update**
- ✓ Expenses module integrated into ELMO platform
- ✓ New modules **Predictive Analytics** and **Experiences** and **COVIDsecure**
- ✓ ELMO launched in the UK in FY22

**Fit-for-purpose solution for each market segment**

1. Frost & Sullivan independent market report 2019/2020

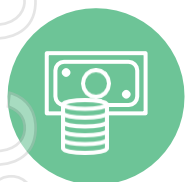


# Module expansion

Continuing to broaden our customer offering



## PAY



Payroll



Self-Service



Rostering / Time and Attendance



Expenses

## ENGAGE



HR Core



Survey



Connect



Experiences



COVIDsecure

## HIRE



Recruitment



Onboarding

## RETAIN



Performance Management



Rewards & Recognition



Remuneration



Succession Management

## DEVELOP



Learning Management



Course Builder



Course Library



Video Library

## PREDICT



Predictive People Analytics



## HR



## ROSTER



## LEARN



## PAYROLL



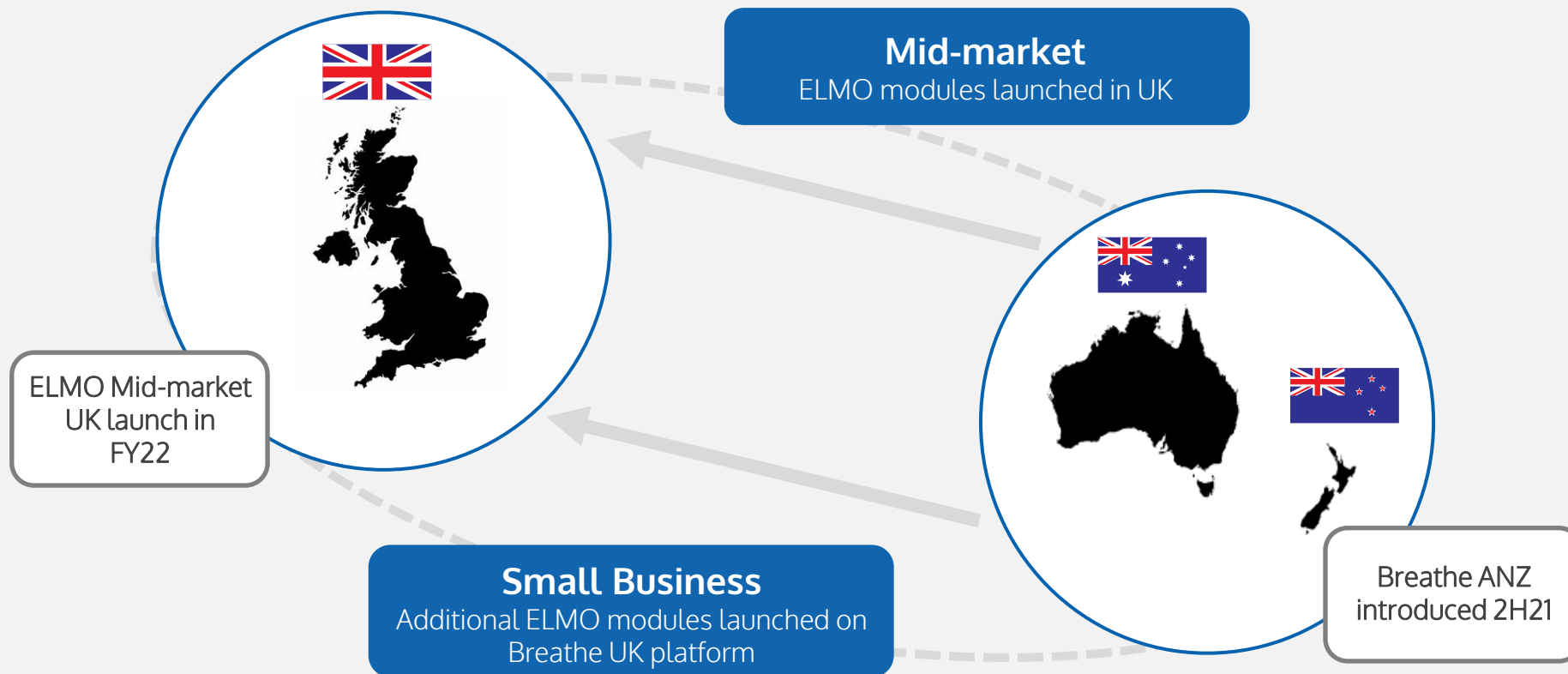
New FY21

New FY22



# Geographic expansion

Leveraging our technology in the UK and ramping up Breathe in ANZ

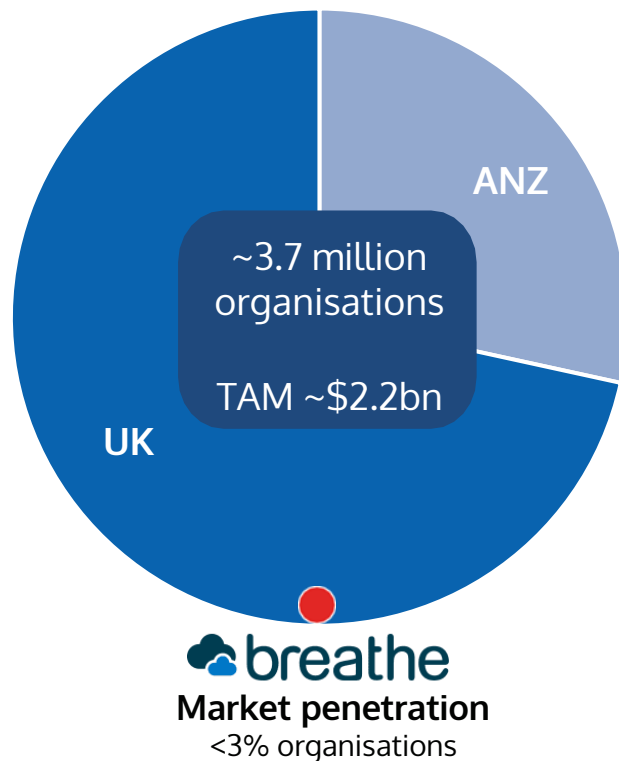


**Significant new revenue opportunities in the UK**

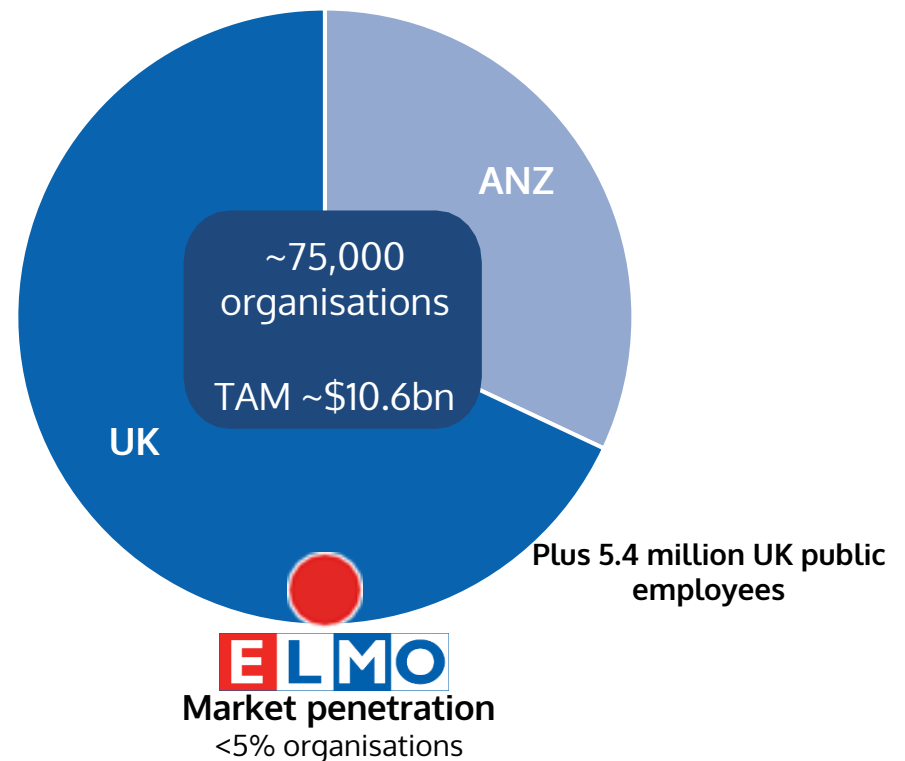
# ELMO Group Total Addressable Market (TAM)

Large market opportunity and headroom for growth

**Small business TAM<sup>1,2</sup>**  
(<50 employees)



**Mid-market TAM<sup>1,3</sup>**  
(50+ employees)



**\$12.8 billion opportunity across small business and mid-market**

1. Frost & Sullivan independent market report 2019/2020  
2. Assumes full penetration of Breathe platform  
3. Assumes full penetration of ELMO platform

# FY22 guidance

Breaking through \$100 million in Annualised Recurring Revenue



Mid-market solution

**ARR**  
\$93.0 – 97.0 m

**Revenue**  
\$80.0 – 84.0m

**EBITDA**  
\$5.0 – 8.0m



Small business solution

**ARR**  
\$12.0 - 14.0m

**Revenue**  
\$10.5 – 11.5m

**EBITDA**  
\$(4.0) – (2.0)m

+

=

## FY22 Group Guidance

**ARR**  
\$105.0-111.0m  
(25 to 33% YOY growth)

**Revenue**  
\$90.5 – 95.5m  
(31 to 38% YOY growth)

**EBITDA<sup>1</sup>**  
\$1.0 – 6.0m

The ELMO Group reaffirms FY22 guidance

1. EBITDA guidance excludes significant non-recurring transactions and non-cash share-based payments

# Agenda

Q&A

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ELMO Software  
(ASX:ELO)

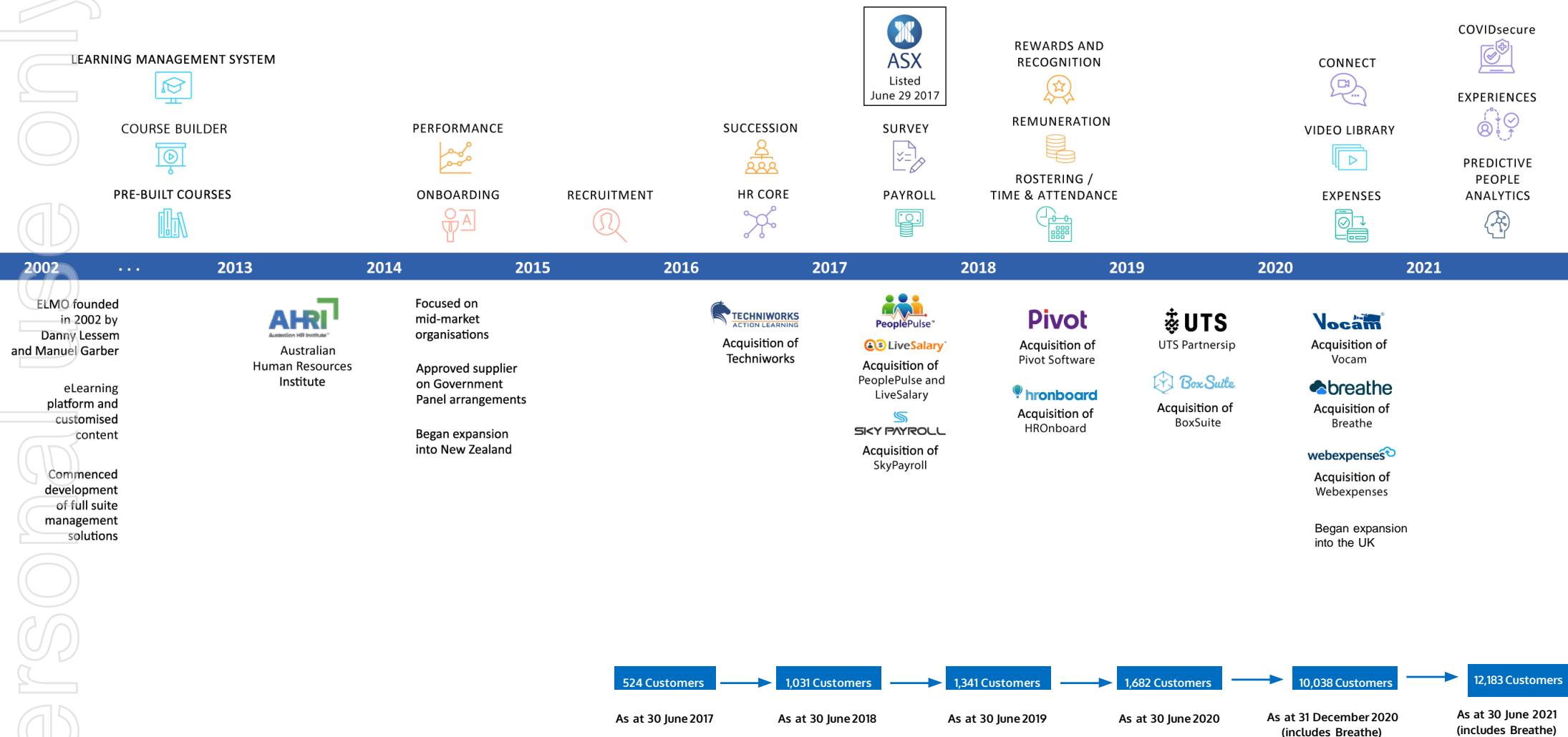


# Appendix

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# History

ANZ's leading unified cloud HR, payroll, expense management solution



# Glossary

Term	Definition
Annualised recurring revenue (ARR)	<i>Annualised recurring revenue at the period end</i>
Customer retention rate	<i>Customer retention is calculated by dividing the number of customers in the current period who were active customers at the end of the prior period by the number of customers at the end of the prior period</i>
Lifetime value (LTV)	<i>LTV is calculated by multiplying the average ARR per customer over the past 12 months by gross profit margin (%) divided by ARR churn</i>
TAM	<i>Total Addressable Market</i>
Net customer dollar retention	<i>Customer dollar retention is calculated by dividing the ARR at June 2021 by the ARR at June 2020 of the same customer cohort</i>
CAGR	<i>Compound annual growth rate</i>
EBITDA	<i>Earnings before interest, taxation, depreciation and amortisation</i>
CAC	<i>Customer acquisition cost: includes the allocation of sales and marketing costs associated with acquiring new customers</i>



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