

LiveTiles [LVT.ASX]

Q1FY22 Results Presentation

28 October 2021



LiveTiles [LVT.ASX]

A global leader in employee experience platform industry connecting workers globally.

GLOBAL

Offices and clients in the US, Europe and Asia-Pacific with 145 Staff

6

Years young

Founded in late 2014, listed on the ASX in late 2015.

>1000

Customers

Recent wins include Nestle and United Healthcare Group.

>2.3m

Licenses
(contracted)

As at 30 June 2021

Highlighted by
Gartner and
Forrester as an
industry leader.

\$300bn

Addressable
market

ARR \$64.5m

Cash \$20.9m

At 30 Sept 2021 (AUDm)

\$318m

LifeTime Value
(LTV)

ersonal use only

Q1 Highlights



\$64.5m

+13%

vs pcip

ARR as at 30 September 2021

\$14.6m

+21%

vs pcp

Cash Receipts for the quarter ending

30 Sep 2021

An equal
record quarter

Quarter Highlights



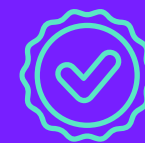
RECORD CASH RECEIPTS and ARR GROWTH

- Record cash receipts for the quarter of \$14.6m +22% vs pcq.
- ARR growth of 13% vs pcq to \$64.5m.
- \$1.1m net operating cash outflow (excl. govt-grants and one-off non recurring items). A continued improvement of 58% compared to June 2021 quarter.
- Cash on hand \$20.9m providing sufficient cashflow runway for company operations.



BUSINESS UPDATES

- LiveTiles has secured a \$10m debt facility¹ with OneVentures, and has received \$6m to fund strategic initiatives. The remaining \$4m will be issued as convertible notes upon shareholder approval at the AGM.
- LiveTiles hosted a successful “Let’s Connect” industry event, featuring Simon Sinek and over 8,000 registrations.
- Completed a brand refreshment and new website including a dedicated LiveTiles Reach website.



PREMIERSHIP PLAN IMPLEMENTATION ON TRACK

- LiveTiles has been working hard to implement the recommendations made following the recent strategic review, highlighting our commitment to continuous improvement.
- Key customer deployments delivered this quarter including United Health Group, Catholic Schools and an Australian hospitality business.

1. \$6m loan facility and upon shareholder approval, an additional \$4m in convertible notes. Fixed interest rate of 13.5% reducing to 9.5% upon ASX shareholder approval.

Financials

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Financial Summary

As at 30 September 2021 (A\$)

Annualised Recuring Revenue (ARR)

\$64.5m

+13% compared to Prior Corresponding Period (pcp)

\$64.9m on a constant currency basis¹

Net Operating Cashflow Improvement
(excl. govt. grant and non-recurring items)²

\$(0.5)m

+58% compared to 30June 2021 quarter

Average ARR per customer

\$62.9k

+23% compared to pcp

\$63.3k on a constant currency basis¹

Another record cash receipts quarter

\$14.6m

+21% compared to pcp

Cash on hand

\$20.9m

Trailing 12 months (TTM) Cash Receipts

\$54.4m

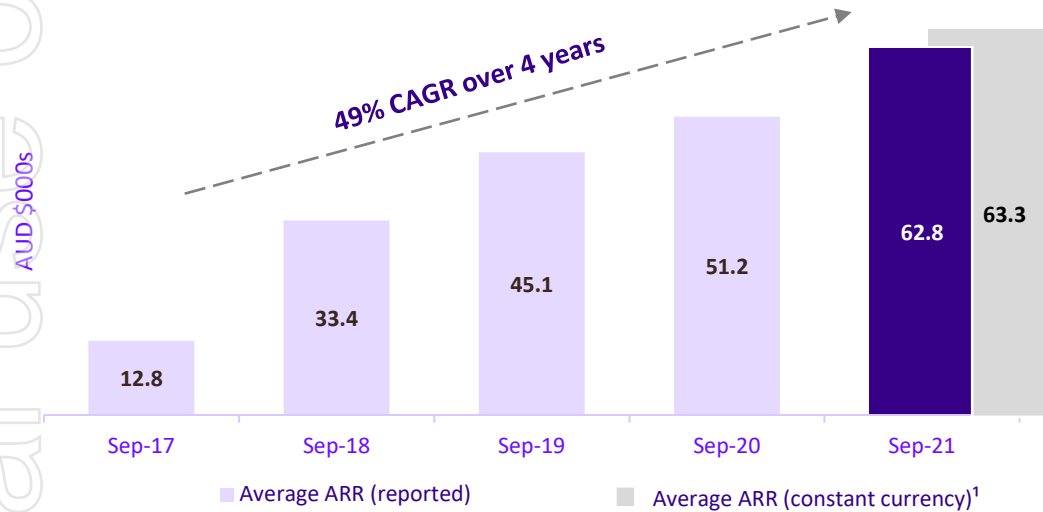
+22% compared to pcp

1. On a constant currency basis when using FX rates as at 30 September 2021.

2. Non-Recurring items of \$0.6m for the quarter relating to redundancy restructuring charges

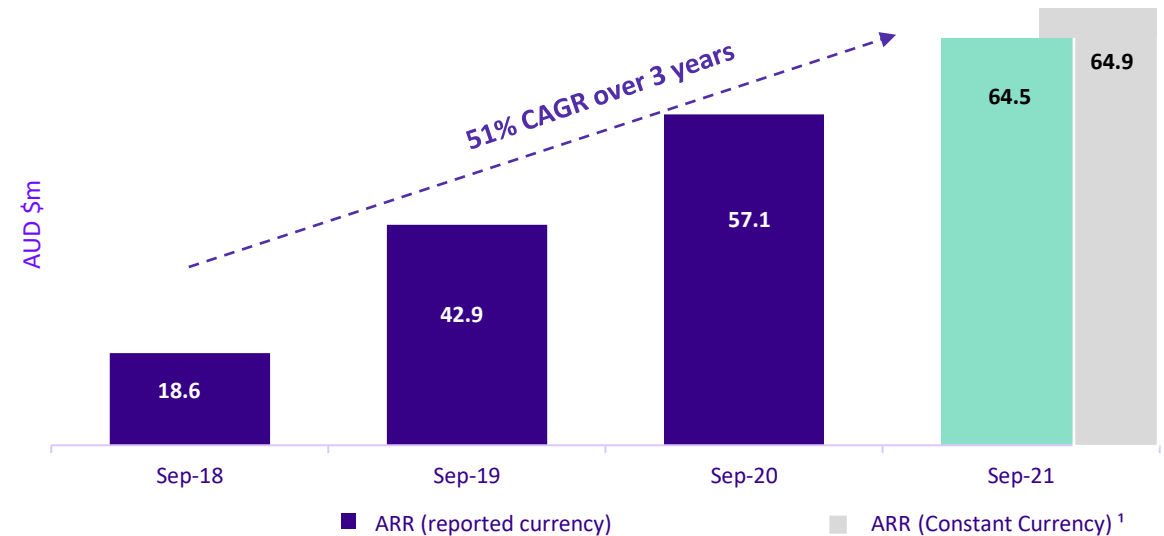
Continued Recurring Revenue Growth

Average ARR per customer



A double digit **+13%** rise in average ARR driven through a focused effort to shift customer mix towards larger mid-market and enterprise companies

Year-on-year ARR growth (A\$m)

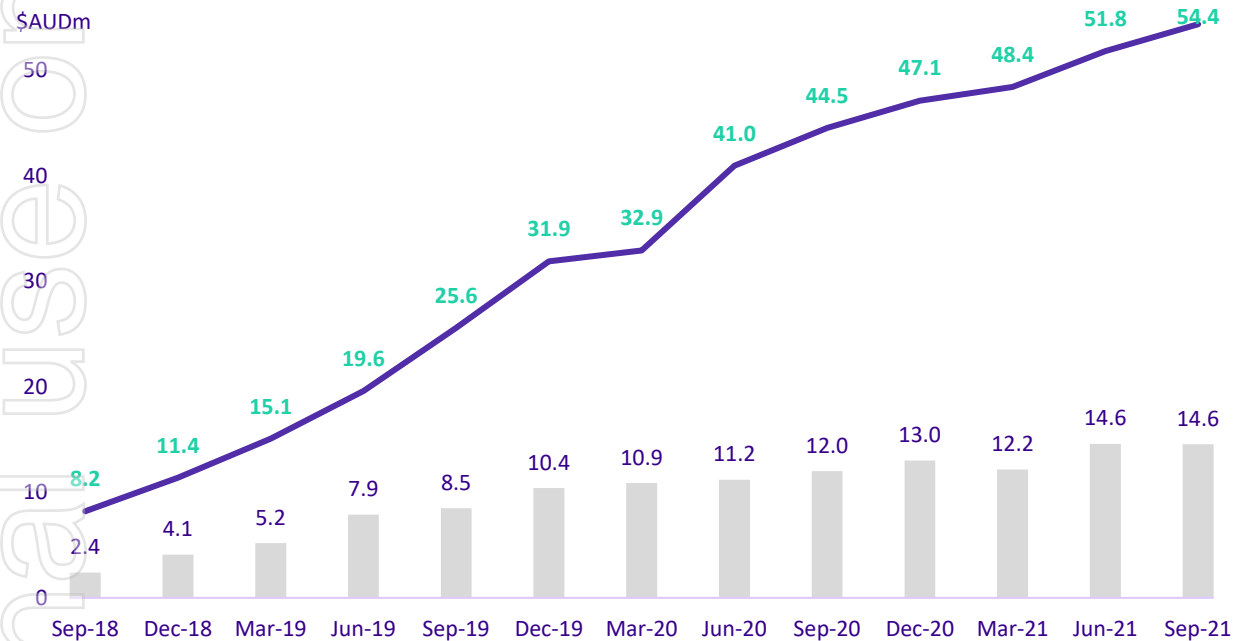


Year on year ARR growth of +13% (reported) and +14% (constant currency)

1. On a constant currency basis, using FX rates as at 30 September 2020.

Improving Cash Management

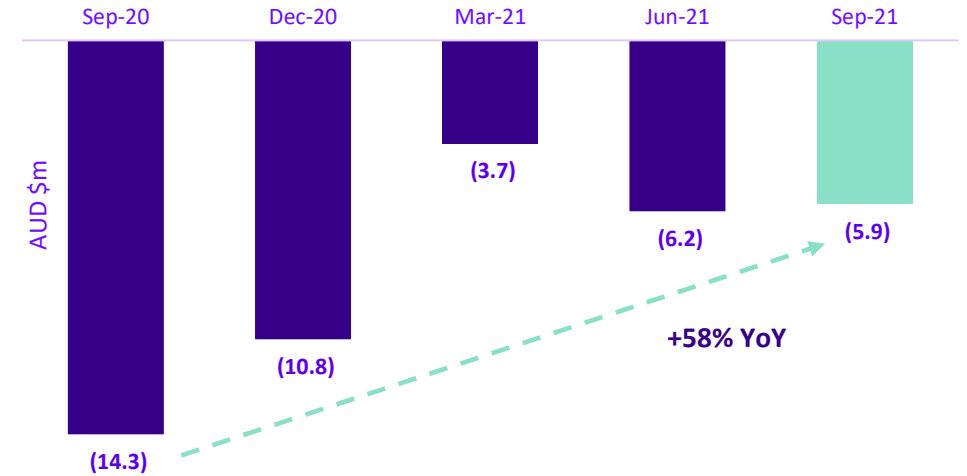
STRONG CASH RECEIPTS (TTM) GROWTH (+21% vs September 2020)



An equal record quarter of cash receipts
\$14.6m in Q1FY22 with +21% growth vs pcip

NET OPERATING CASH FLOW (TTM)

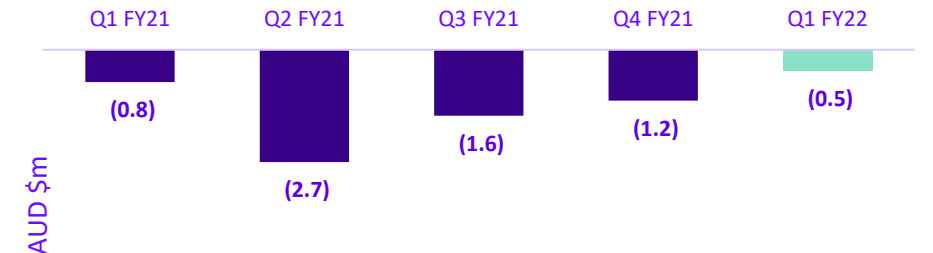
(excl. government grant income and non-recurring items)



Continued growth in cash receipts and disciplined cost management driving string improvements in operating cashflows.

QUARTER NET OPERATING CASH FLOW

(excl. government grant income and non-recurring items)

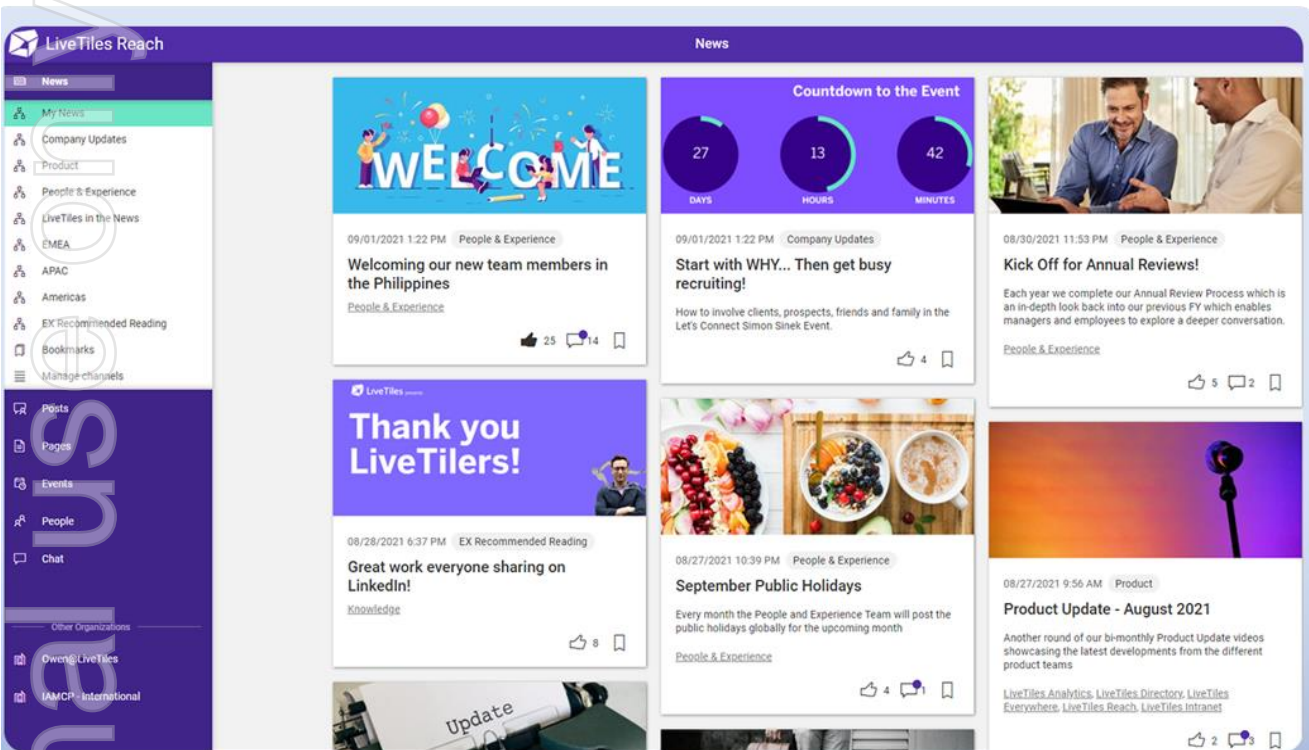


Outlook and Summary



Outlook

- Since the completion of the strategic review and formulation of the Premiership Plan, LiveTiles has been focussed on implementing the recommendations from the review with a view to improving all operational metrics.
- Financially, we are in a good position and we will continue to focus on cash generation and ROI.
- Let's Connect – Simon Sinek. With over 4,300 attendees globally, this event created a lot of interest and our team has reported strong increases in trials, website traffic and enquiries and have over 500 qualified leads to pursue.
- Our recent wins with Nestlé, United Healthcare Group and other large enterprises in highly competitive tenders reaffirms our leading position in the Employee Experience Market.
- There is continued focus on new product innovation and investment to expand our footprint in the Employee Experience market – a key pillar of our Strategic Plan



Summary



Leading player in \$300bn global market

Pioneered the low code intranet market and has evolved to be a leading player in the Employee Experience market.

Acknowledged by Forrester and Gartner as a leading player in this market.



Quality client book

>1000 clients across EMEA, Americas, Asia Pacific.

Diversified across industries.

Quality names such as United Healthcare Group, Nestle, Footlocker Pepsico, Nike, US Marine Corp.



Great product

Reach (mobile) has increased licences by 1211% yoy as at 30 Jun 2021.

LTV differentiates by being able to offer a holistic offering to suit any workplace environment.



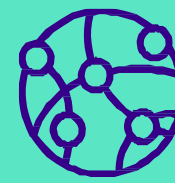
Solid track record

19% Operating Revenue growth despite Covid \$45m (Jun 30 2021)

Revenue CAGR of 99% over 3 years (Jun 30 2021)

Q1 FY22 Cash receipts of \$54.4m (TTM)

Cash on hand \$20.9m (30 Sept 21).



Great people

145 staff across 3 continents

Strong core values :

- Decent human beings
- Get Stuff done
- Create unforgettable experiences.



We've listened

LVT recognises the share price performance and as a result of feedback undertook the Strategic Review.

We have a clear plan on how best to optimise the business to achieve scale and improve returns to shareholders.

Capital structure

ASX : LVT



Share Price as at 27 th October close	\$0.12
Shares on Issue	912M
Market Capitalisation	\$119M
Cash as at 30 Sep 2021	\$20.9M
Enterprise Value	\$140M
Life Time Value as at 30 Sep 2021	\$318M

Share Register



Founders	18.8%
Managements & Directors (ex founders)	~4.2%
Institutional Shareholders	~22%
Retail Shareholders	~55%
Total	100%

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Appendix



The LiveTiles Story

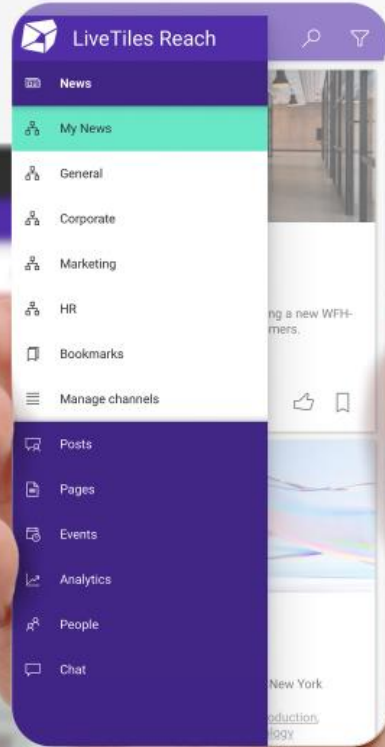
From humble beginnings in 2014, LiveTiles is now a global pioneer in the Employee Experience Platform space. After only 6 years LiveTiles has achieved \$45m+ in revenue and has over 1000 clients, including the likes of Nestle, Nike and United Health Group.

Having been recognised by leading industry consultants Gartner and Forrester.

LiveTiles has recently launched a mobile product, Reach, aimed at the dispersed workforce with extraordinary success.

With a total addressable Employee Experience market in excess of US\$300bn, LiveTiles has a huge opportunity on which to capitalise.

As a global company, LiveTiles like others in the global enterprise software environment have felt the impact of Covid-19 and has undertaken a Strategic Business Review in order to re-position itself for the next 3 years and beyond.



The LiveTiles Difference

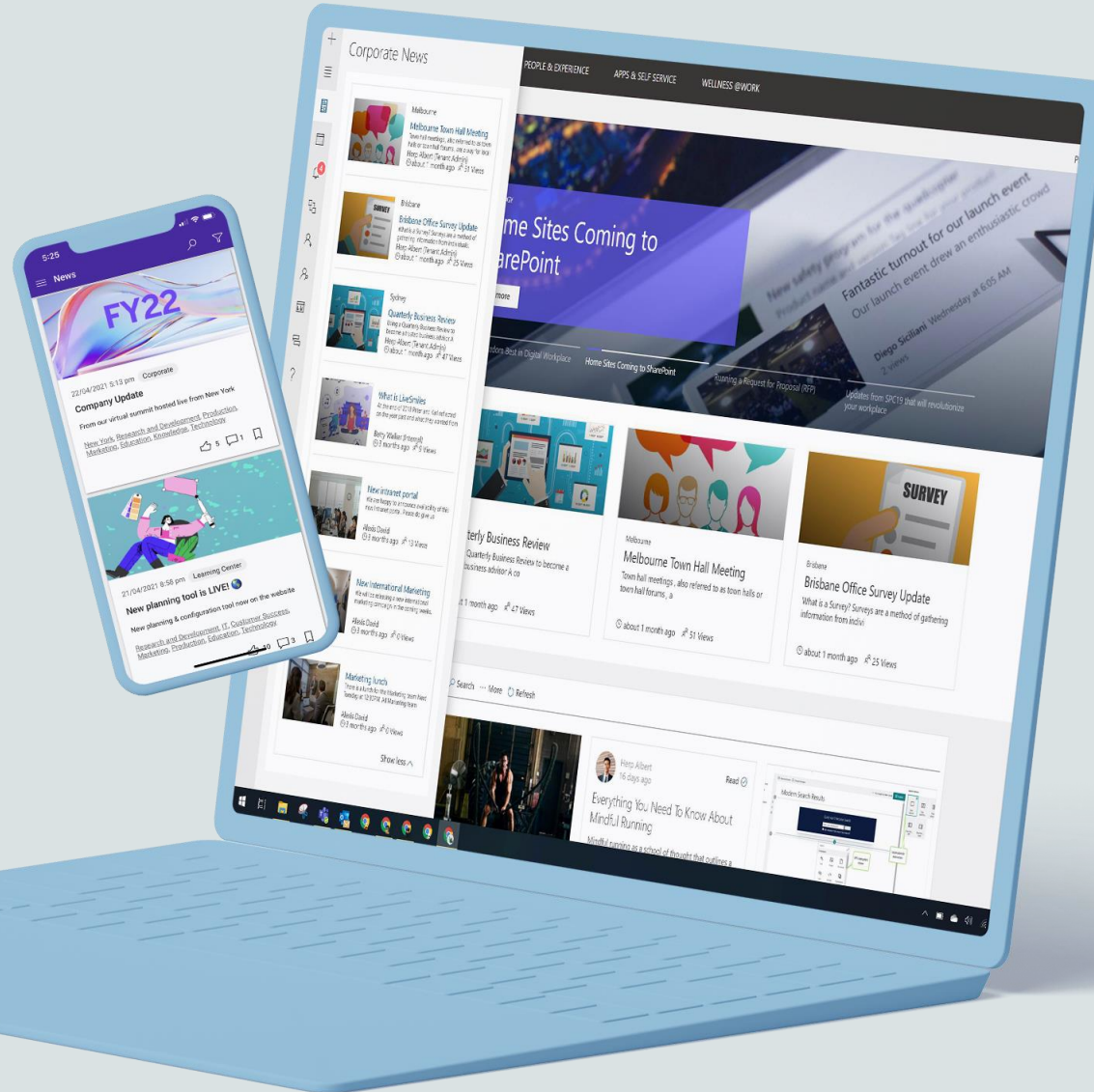
LiveTiles is a pioneer in the Employee Experience Platform space, an evolving industry growing at a rapid rate.

Our tech stack offers a range of proprietary features including a core integration service which facilitates the seamless integration of applications. Unlike competitors who see the Employee Experience Platform as a destination (dashboard/hub), LiveTiles sees the employee as the destination.

With both Desktop and Mobile solutions LiveTiles is one of the few companies in the world that offer a holistic solution to all workers.

MOBILE

Newly launched mobile application for staff communications. Primary target market : Frontline workers with no PC access.



DESKTOP

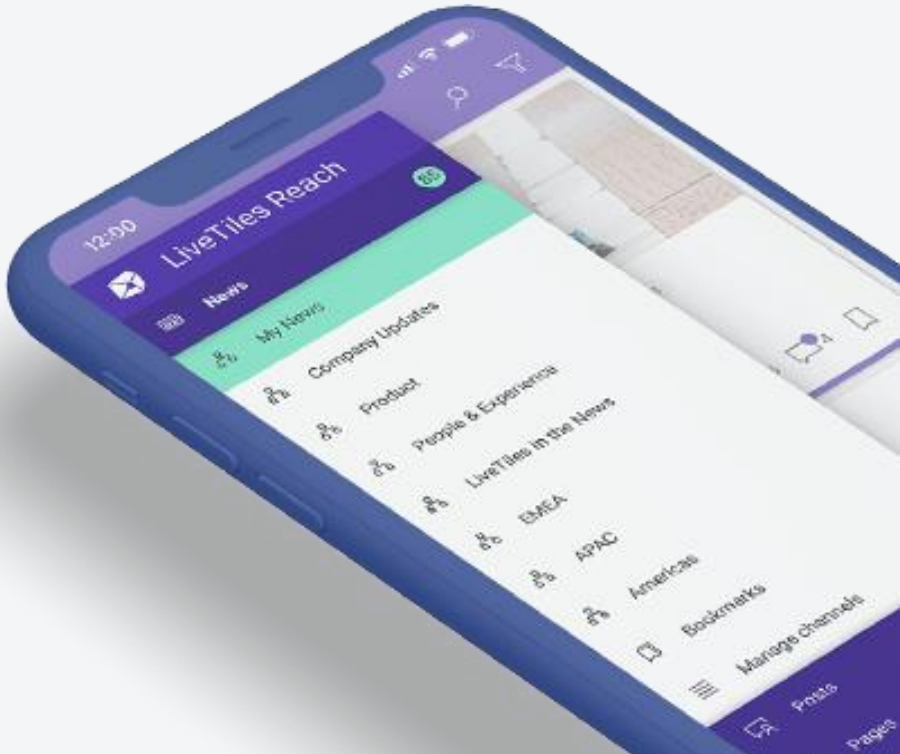
Solutions for improving the workplace tech environment. From intranet to more complex Employee Experience Platforms (EXP). Our products make it easy for employees to get the information they want, in the application or environment of their choice.

LiveTiles Reach

Demand has exceeded expectations

Description	Employee communications app. SaaS product hosted by LiveTiles.
Primary Target market	Frontline workers with no PC access. e.g. Healthcare, Retail, Services, Construction, Manufacturing
Market size	US \$11bn ¹
Competitors	Workplace by Facebook, Staffbase, Workjam, Beekeeper, Dynamic Signal, Slack etc
Complexity	Low
Go to market	Direct and via Partners
Sales cycle	1-6 months + . In person meetings preferable. Installation within minutes.

“Stay in the loop with personalised employee experiences for everyone.”



1. Source : Statista <https://www.statista.com/statistics/633178/worldwide-communication-software-market-size/>

Intranet

A solution to simplify the complexity of the traditional digital workplace

Description

What was a traditional intranet has transformed into a much more complete offering. Low code, customisable solutions with a variety of additional features to drive strong employee experience.

Target market

Medium to large enterprises with >500 employees

Market size

US \$300bn

Competitors

Highly fragmented market. Traditional IT firms, Company in-house developers, Unily, Simplrr, LumApps, Igloo, Valo, Powell etc.

Complexity

Medium to high. Most large organisations require integration and customisations of “tool kit”. LVT’s proprietary integration hub facilitates this. LVT also offers a variety of advanced add-on capabilities such as “Directory” and “Everywhere”.

Go to market

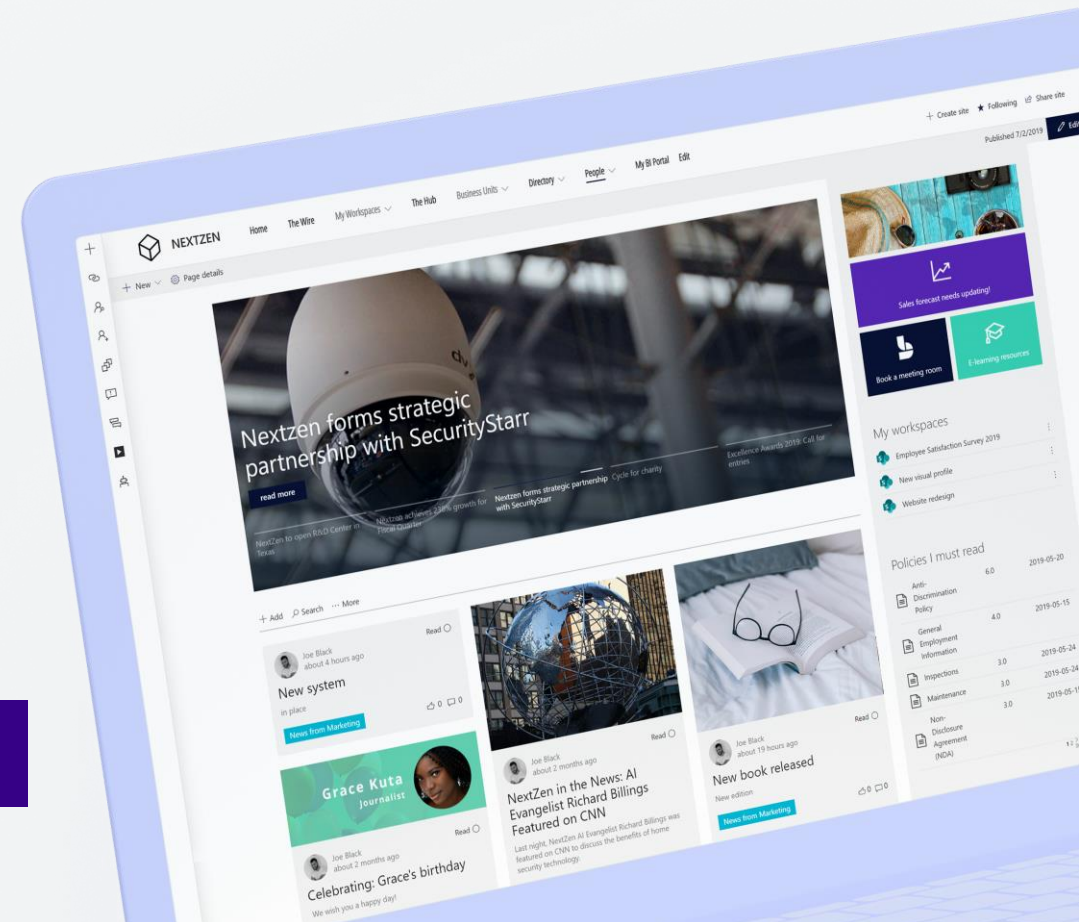
Direct and via Partners

Sales cycle

6-12 months. In person meetings preferable.

More than an “intranet”, LiveTiles is a pioneer in this evolving space.

Desktop



Glossary

Underlying EBITDA

Accounts for the removal of one-off non-recurring items, and non-cash expenses (unrealised foreign currency movements and share based payments).

Note: In the 31 December 2020 results presentation, the term Adjusted EBITDA was used; this has now been changed to Underlying EBITDA as a more accurate and appropriate measure of underlying company performance. There is no change however to the calculation or interpretation of the measure.

Employee Experience Platform (EXP)

A software platform that enables organisations to take complete control of the interactions a person will have while using your systems – without actually replacing the underlying applications

ARR

LiveTiles defines ARR as contracted revenue, normalised on an annual basis, that LiveTiles has a reasonable expectation it will continue to receive from its customers for providing them with products and services. This definition includes committed recurring subscriptions for products and services and includes service types where there is a demonstrable track record of repeat revenues such as support. It excludes revenue deemed unlikely to be recurring in nature.

Licences (Contracted)

The number of licences currently contracted customers. This licence count does not include trial and/or non-paying customers.

Customer acquisition cost (CAC)

The cost related to acquiring a new customer.
 $CAC = \text{Sales \& Marketing expense} / \text{number of new customers}$
 $CAC \text{ Months} = \text{Months of ARR to recover the cost of acquiring each new customer.}$

Lifetime value (LTV)

LTV assumptions: 73% gross margin, net churn rate 8% and discount rate 8% (as per 30 June 2021 reported assumptions)

Churn

The value of ARR from customers who are no longer customers.

Net Retention

ARR expansion from existing customers less any down sells or cancellations in the period / ARR at the beginning of the period.

This does not include any ARR contracted to new customers or impact of FX currency movements in that period

Constant currency

LiveTiles uses constant currency to highlight the underlying business performance. It will use the appropriate currency relevant to the time period. For example; If comparing Jun30, 2021 result to Jun30, 2020, the currency rate as at June 30, 2020 will be used to show the underlying business performance with no currency impact. If comparing June quarter to March quarter the currency on 31 March would be used.

TTM

Trailing 12 months

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LiveTiles

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