



# ELMO Software

HR | Payroll | Expense Management



Annual General Meeting

ASX:ELO  
November 2021



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**Danny Lessem**  
CEO & Co-founder

**Founded ELMO in 2002**

Danny is responsible for leading the development and execution of ELMO's long term strategy and delivering on growth objectives for the business

# 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



**\$75.7 million**

Cash balance

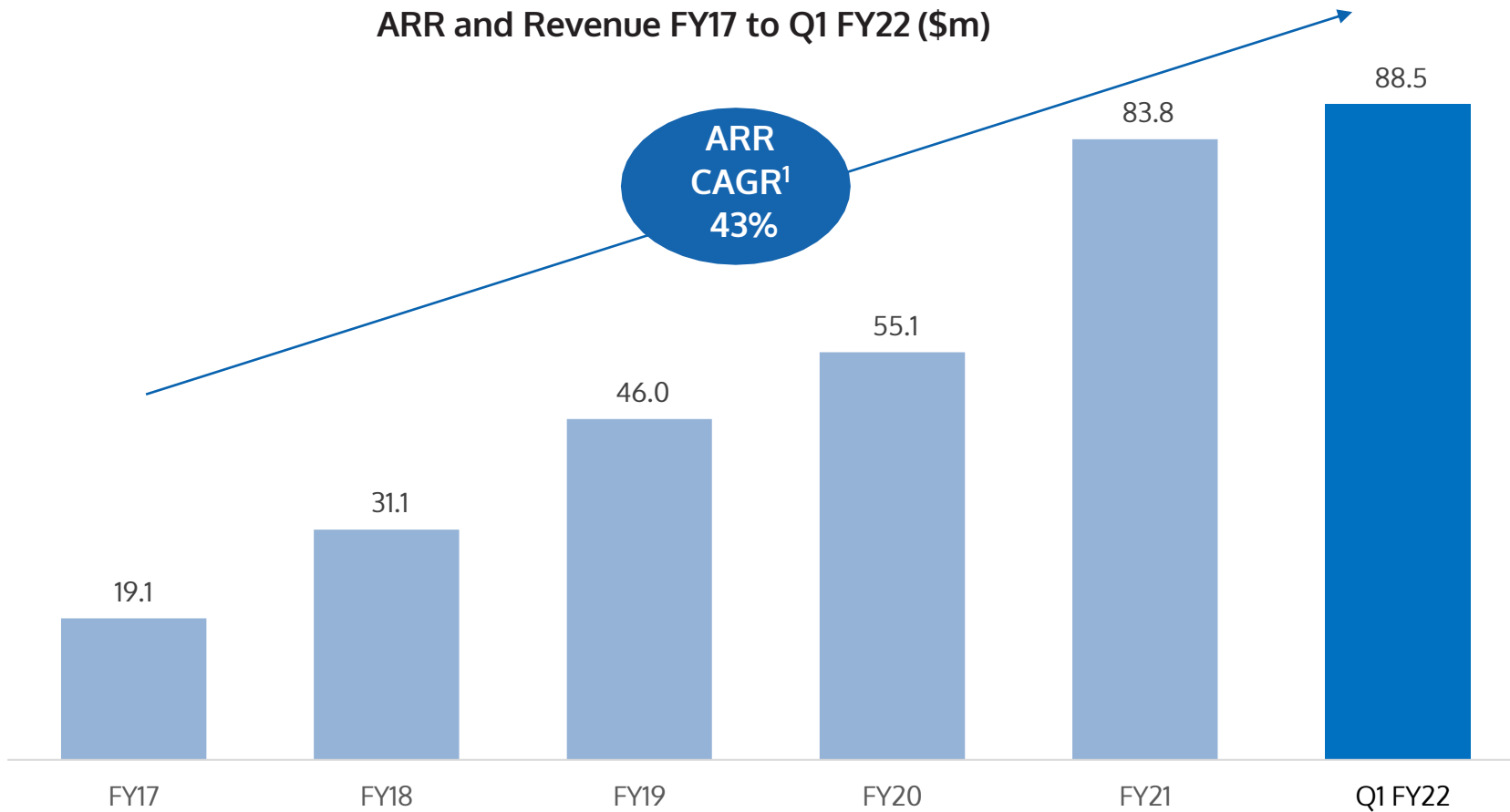
**The ELMO Group reaffirms FY22 guidance**

# Group Annualised Recurring Revenue growth

ARR CAGR of 43% per annum from IPO in FY17

- ARR \$88.5 million at June 2021, up 61% from Q1 FY21
- Organic growth CAGR of 32% since IPO in FY17

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



1. ARR CAGR FY17 to Q1 FY22

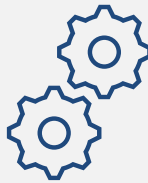
# Executing on the growth strategy

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)

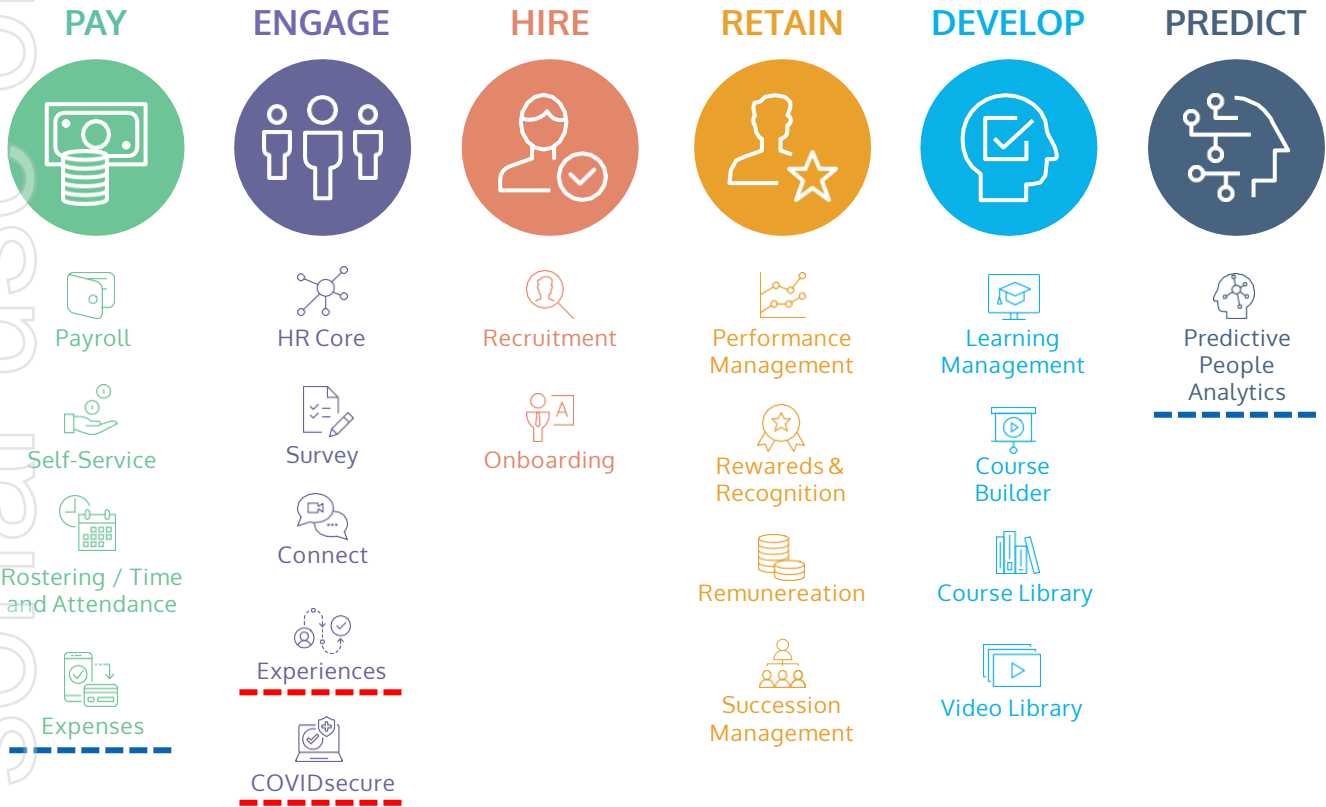
- ✓ >3,000 customers
- ✓ Market penetration: ANZ <8%, UK <3%
- Update**
- ✓ Expenses module integrated into ELMO platform
- ✓ New modules **Predictive Analytics** and **Experiences** and **COVIDsecure**
- ✓ ELMO launched in the UK in FY22

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

1. Frost & Sullivan independent market report 2019/2020

# Module expansion

Continuing to broaden our customer offering



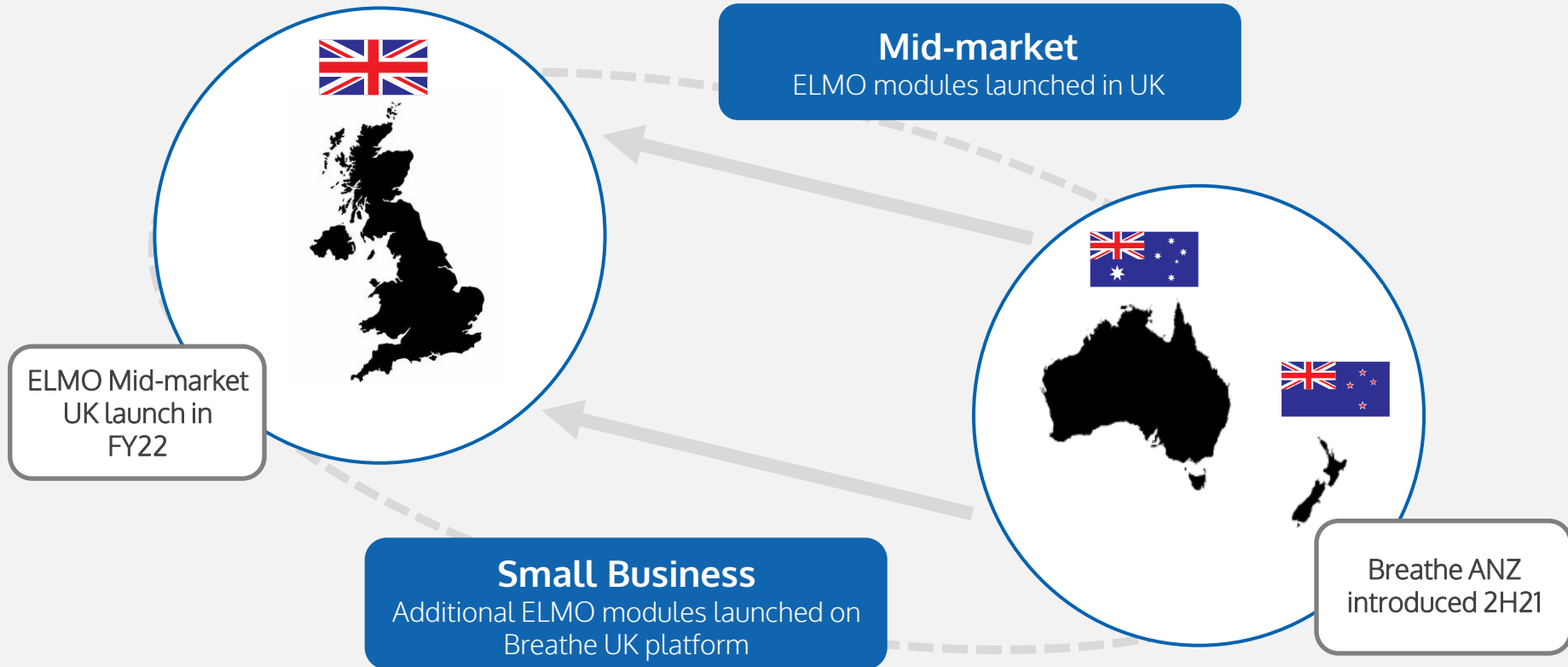
New FY21

New FY22



# Geographic expansion

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

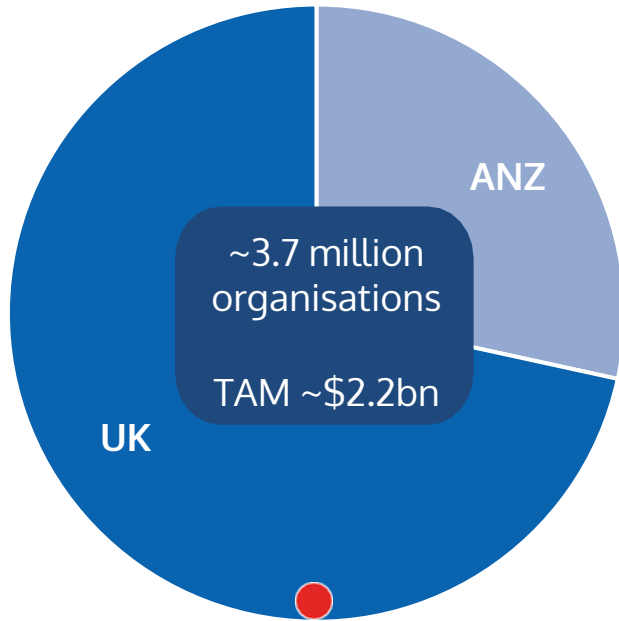


**Significant new revenue opportunities in the UK**

# ELMO Group Total Addressable Market (TAM)

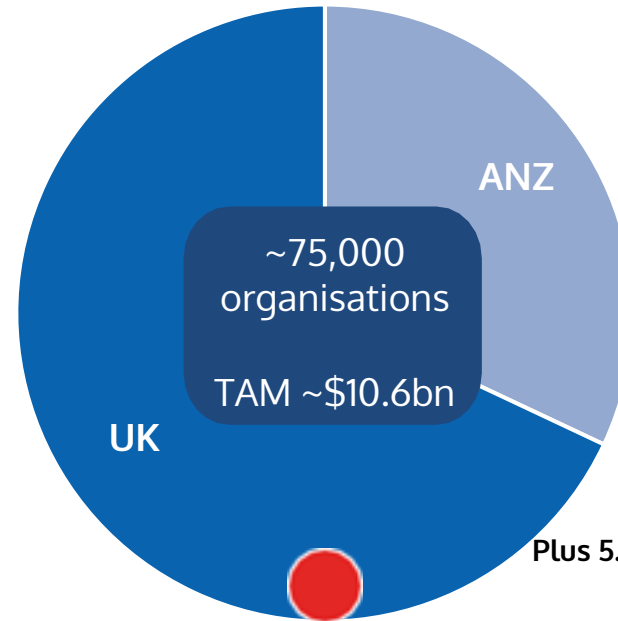
Large market opportunity and headroom for growth

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



**breathe**  
Market penetration  
<3% organisations

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



Plus 5.4 million UK public employees

**ELMO**  
Market penetration  
<5% organisations

**\$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



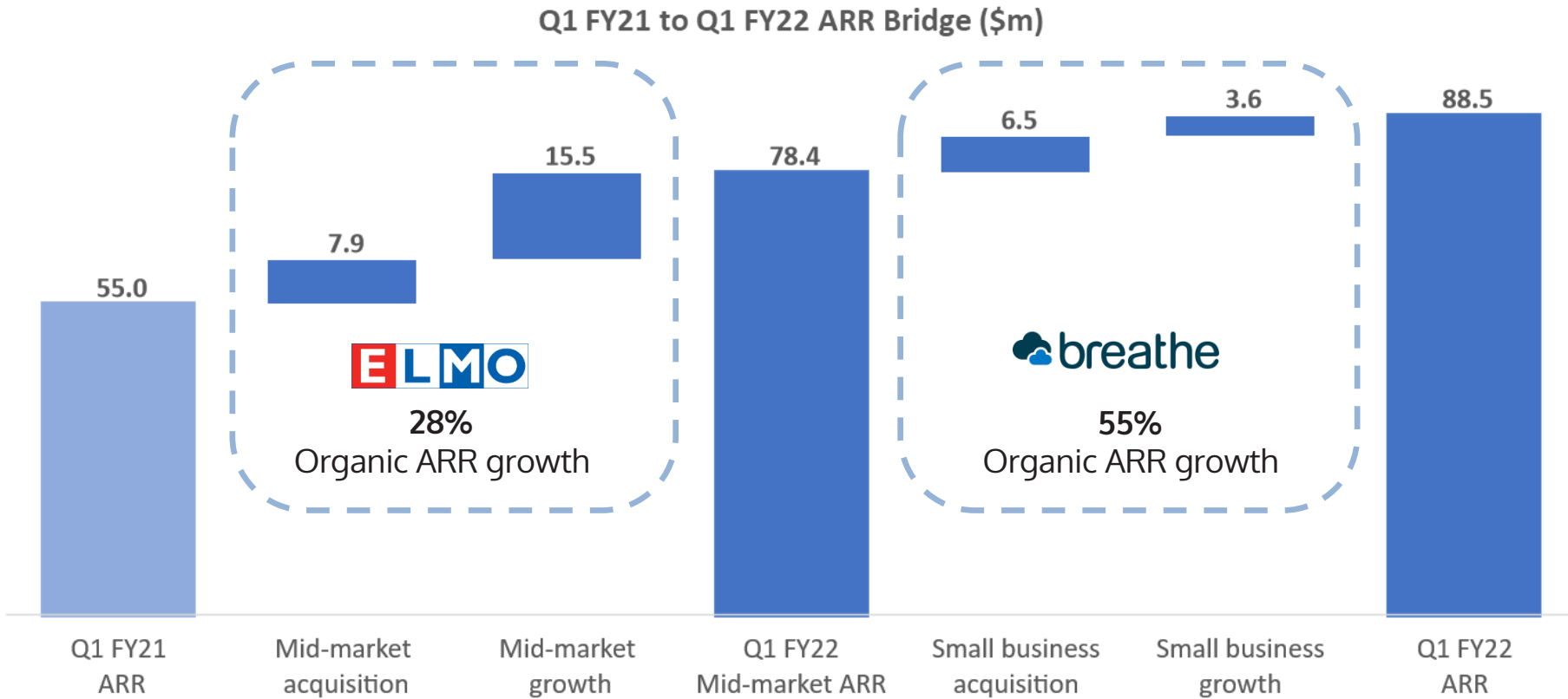
**James Haslam**  
Chief Financial Officer

**Joined ELMO in 2019**

James is responsible for all aspects of the accounting and finance function and also assists to drive the strategic direction of ELMO

# Group ARR growth

Organic growth accelerating

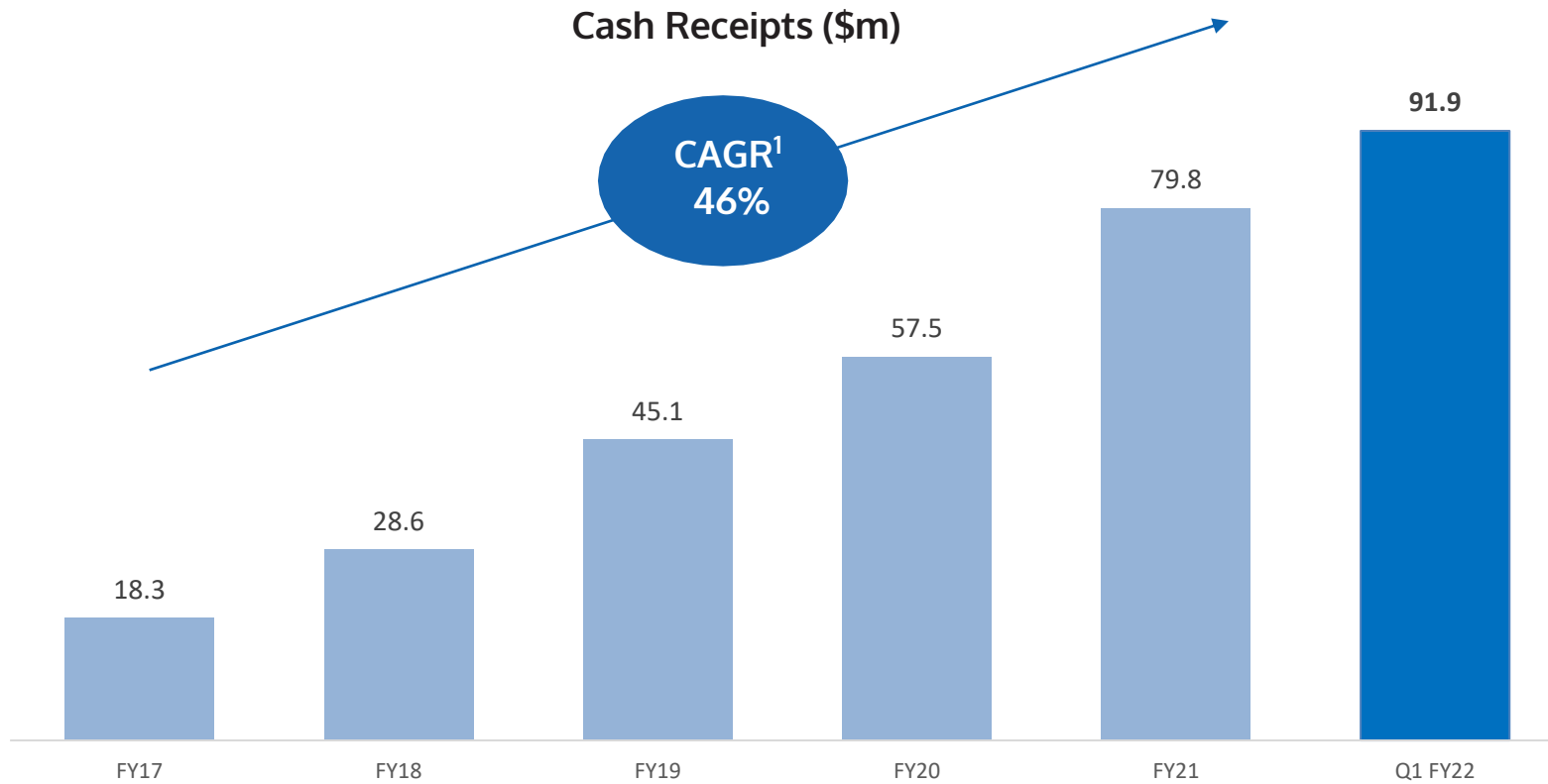


**ELMO Group organic growth of 35% in Q1 FY22**

# Group cash

## Record cash receipts

- Total cash receipts \$91.9m, up 50% on pcp
- Bank balance of \$75.7 million at the end of Q1 FY22
- Well capitalised to fund ongoing investment for growth



1. CAGR from FY17 to Q1 FY22

# FY22 guidance

Breaking through \$100 million in Annualised Recurring Revenue



Mid-market solution



Small business solution

**ARR**  
\$93.0 – 97.0 m

**Revenue**  
\$80.0 – 84.0m

**EBITDA**  
\$5.0 – 8.0m

**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

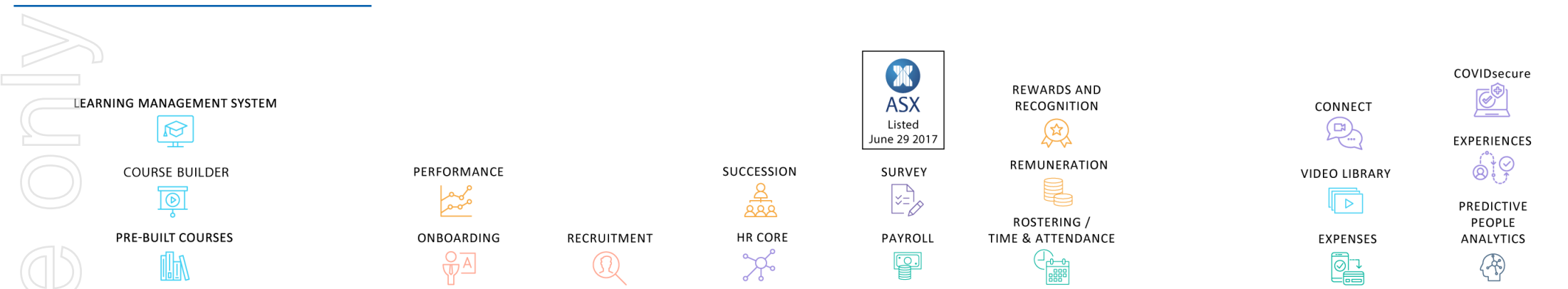


# Appendix

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# History

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



2002 ... 2013 2014 2015 2016 2017 2018 2019 2020 2021

<p>ELMO founded in 2002 by Danny Lessem and Manuel Garber</p> <p>eLearning platform and customised content</p> <p>Commenced development of full suite management solutions</p>	<p><b>AHRI</b> Australian Human Resources Institute</p>	<p>Focused on mid-market organisations</p> <p>Approved supplier on Government Panel arrangements</p> <p>Began expansion into New Zealand</p>	<p><b>TECHNIWORKS</b> ACTION LEARNING</p> <p>Acquisition of Techniworks</p>	<p><b>PeoplePulse</b></p> <p>Acquisition of PeoplePulse and LiveSalary</p> <p><b>SKY PAYROLL</b></p> <p>Acquisition of SkyPayroll</p>	<p><b>Pivot</b></p> <p>Acquisition of Pivot Software</p> <p><b>hronboard</b></p> <p>Acquisition of HRonboard</p>	<p><b>UTS</b></p> <p>UTS Partnership</p> <p><b>BoxSuite</b></p> <p>Acquisition of BoxSuite</p>	<p><b>Vocam</b></p> <p>Acquisition of Vocam</p> <p><b>breathe</b></p> <p>Acquisition of Breathe</p> <p><b>webexpenses</b></p> <p>Acquisition of Webexpenses</p> <p>Began expansion into the UK</p>
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# Glossary

Term	Definition
Annualised recurring revenue (ARR)	<i>Annualised recurring revenue at the period end</i>
TAM	<i>Total Addressable Market</i>
CAGR	<i>Compound annual growth rate</i>
EBITDA	<i>Earnings before interest, taxation, depreciation and amortisation</i>

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