



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

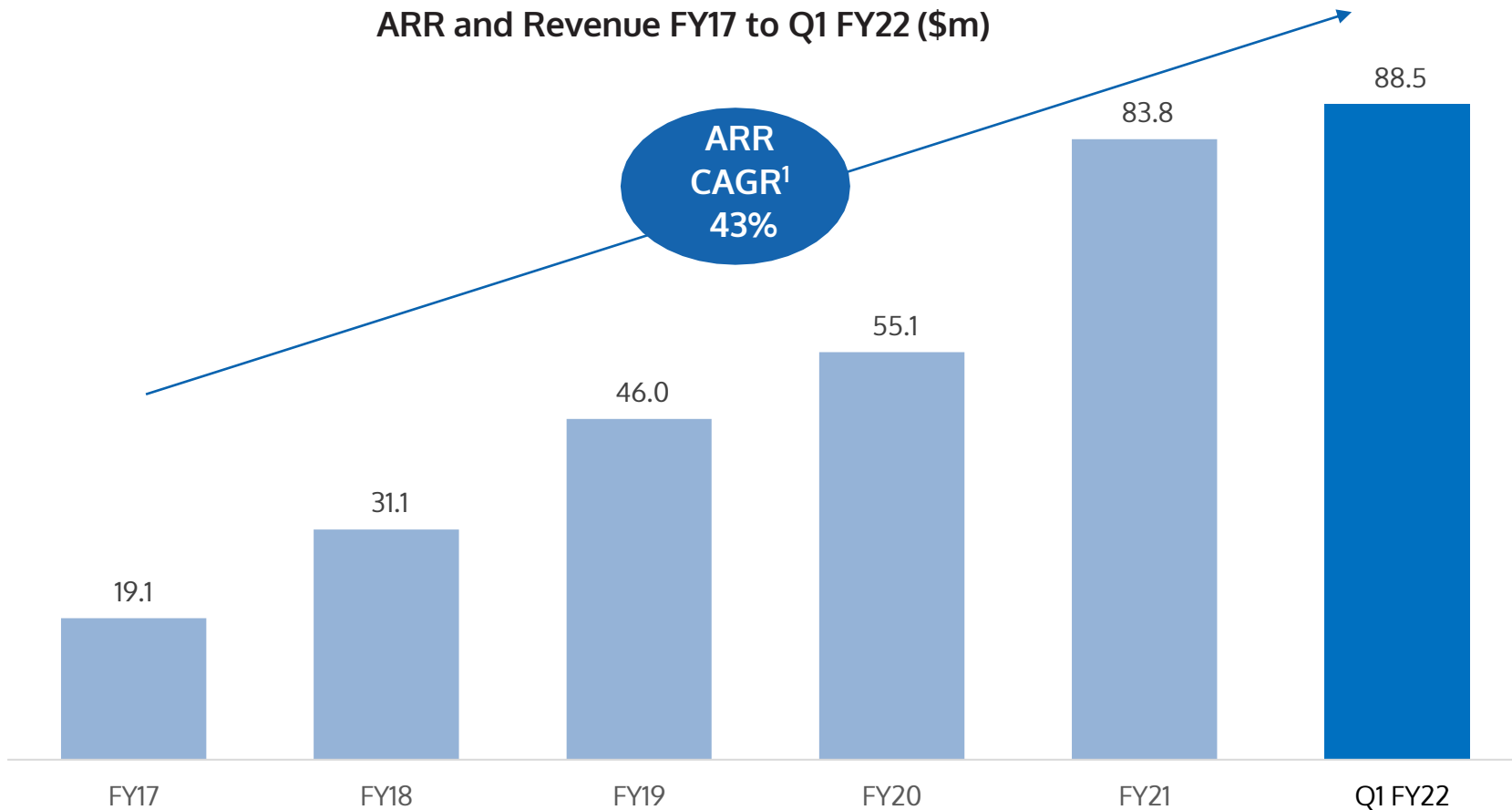
The ELMO Group reaffirms FY22 guidance

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

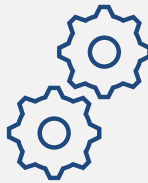
Executing on the growth strategy

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)

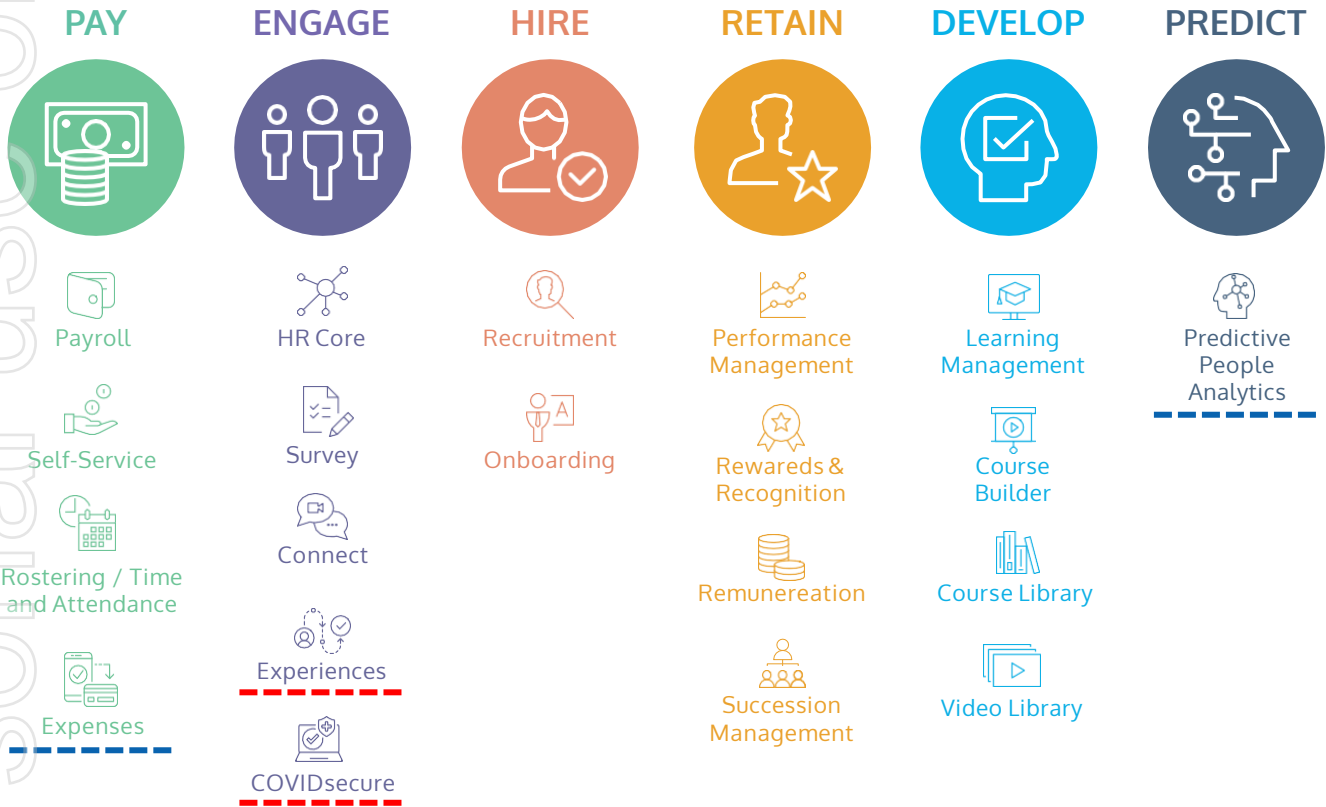
- ✓ >3,000 customers
- ✓ Market penetration: ANZ <8%, UK <3%
- Update**
- ✓ Expenses module integrated into ELMO platform
- ✓ New modules **Predictive Analytics** and **Experiences** and **COVIDsecure**
- ✓ ELMO launched in the UK in FY22

Fit-for-purpose solution for each market segment

1. Frost & Sullivan independent market report 2019/2020

Module expansion

Continuing to broaden our customer offering

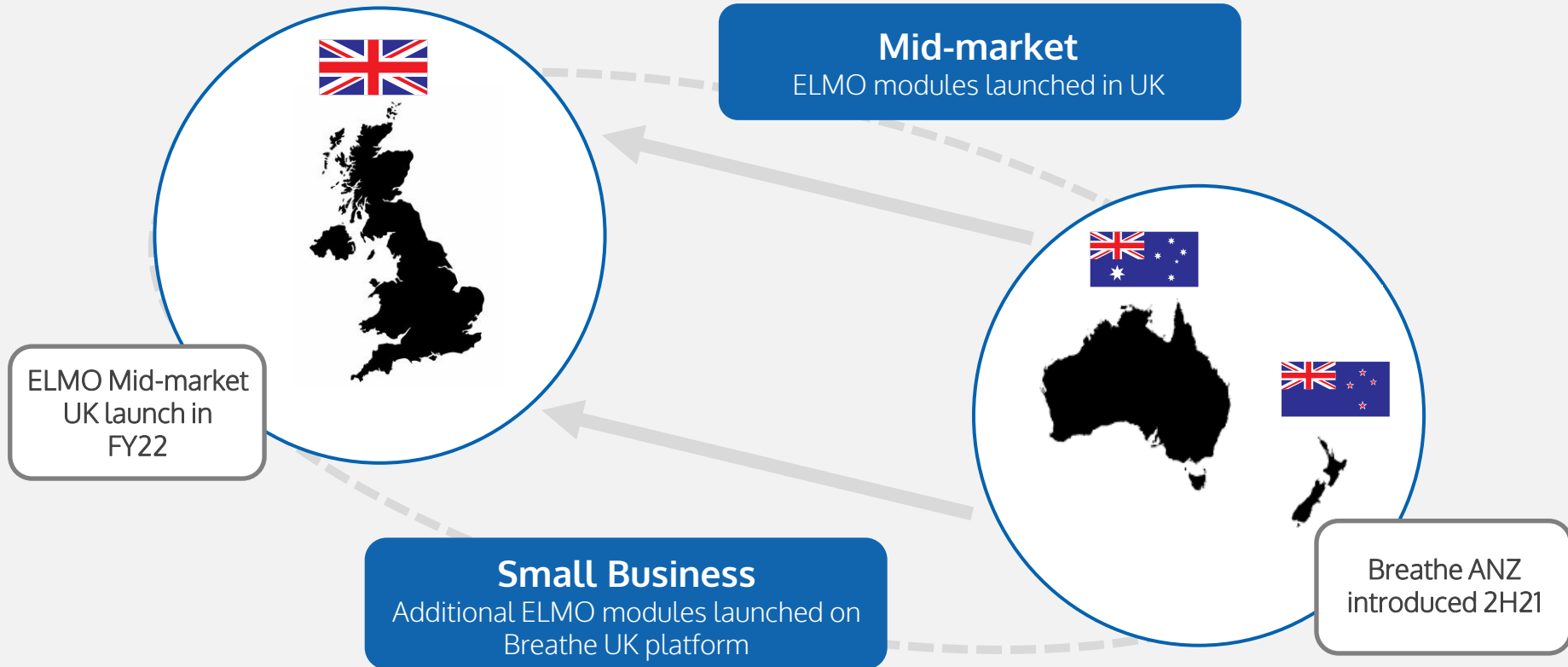


New FY21

New FY22

Geographic expansion

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

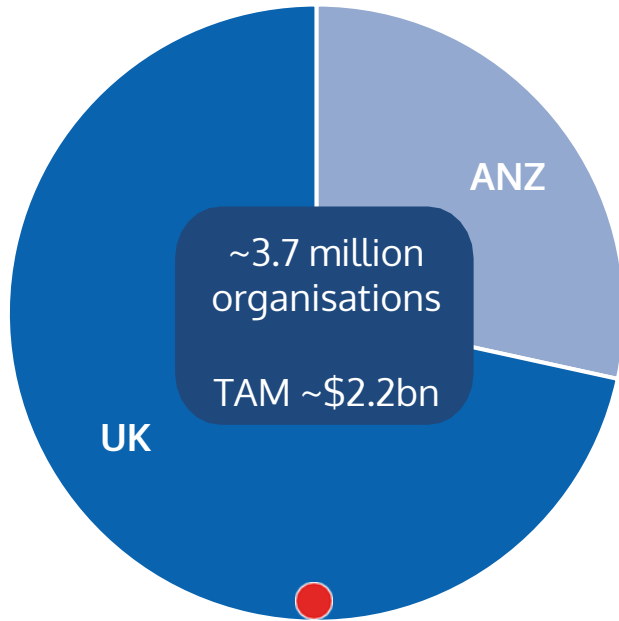


Significant new revenue opportunities in the UK

ELMO Group Total Addressable Market (TAM)

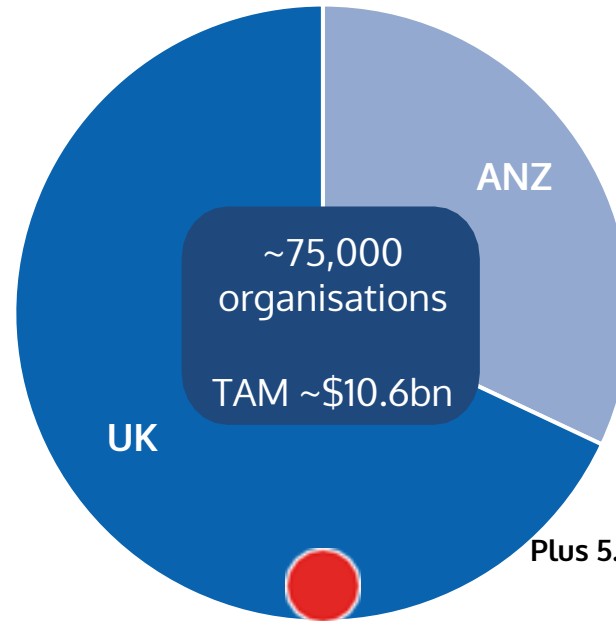
Large market opportunity and headroom for growth

Small business TAM^{1,2}
(<50 employees)



breathe
Market penetration
<3% organisations

Mid-market TAM^{1,3}
(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



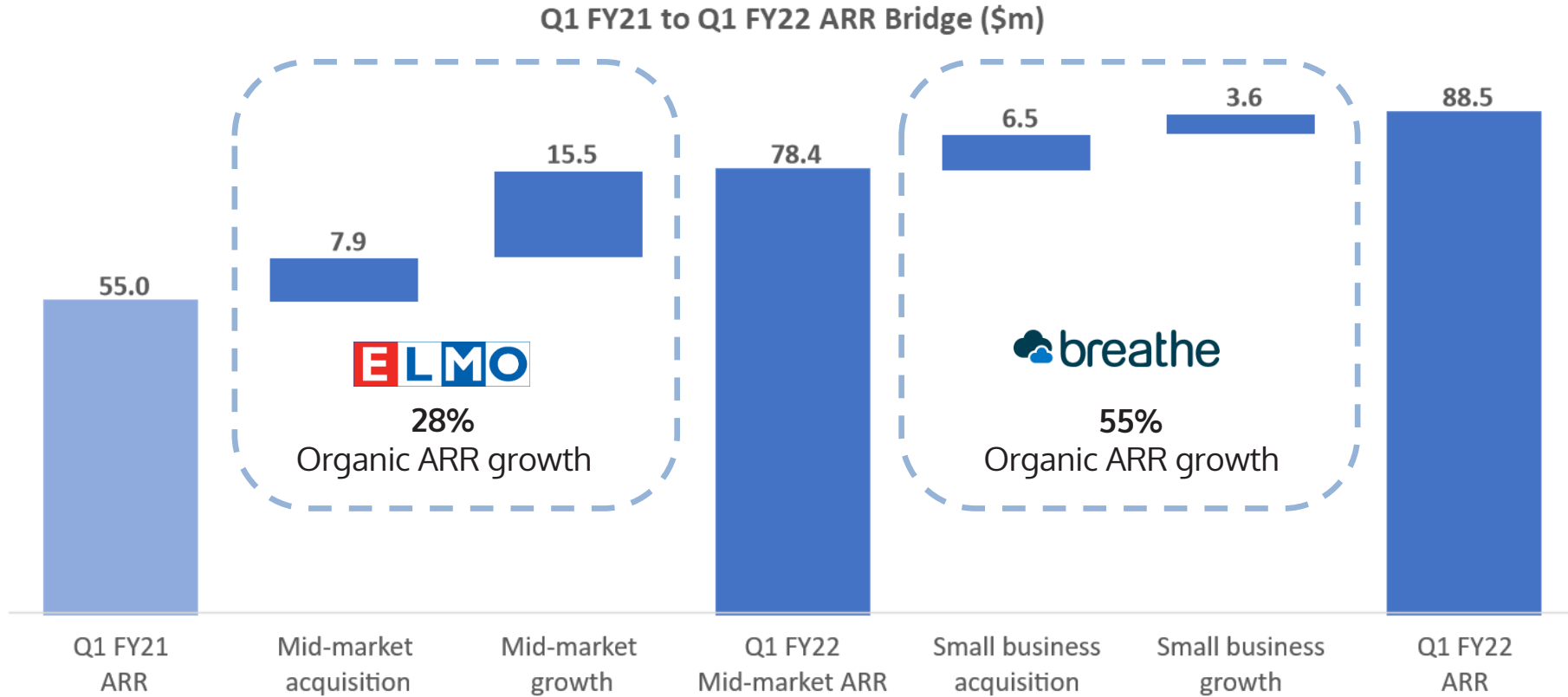
James Haslam
Chief Financial Officer

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

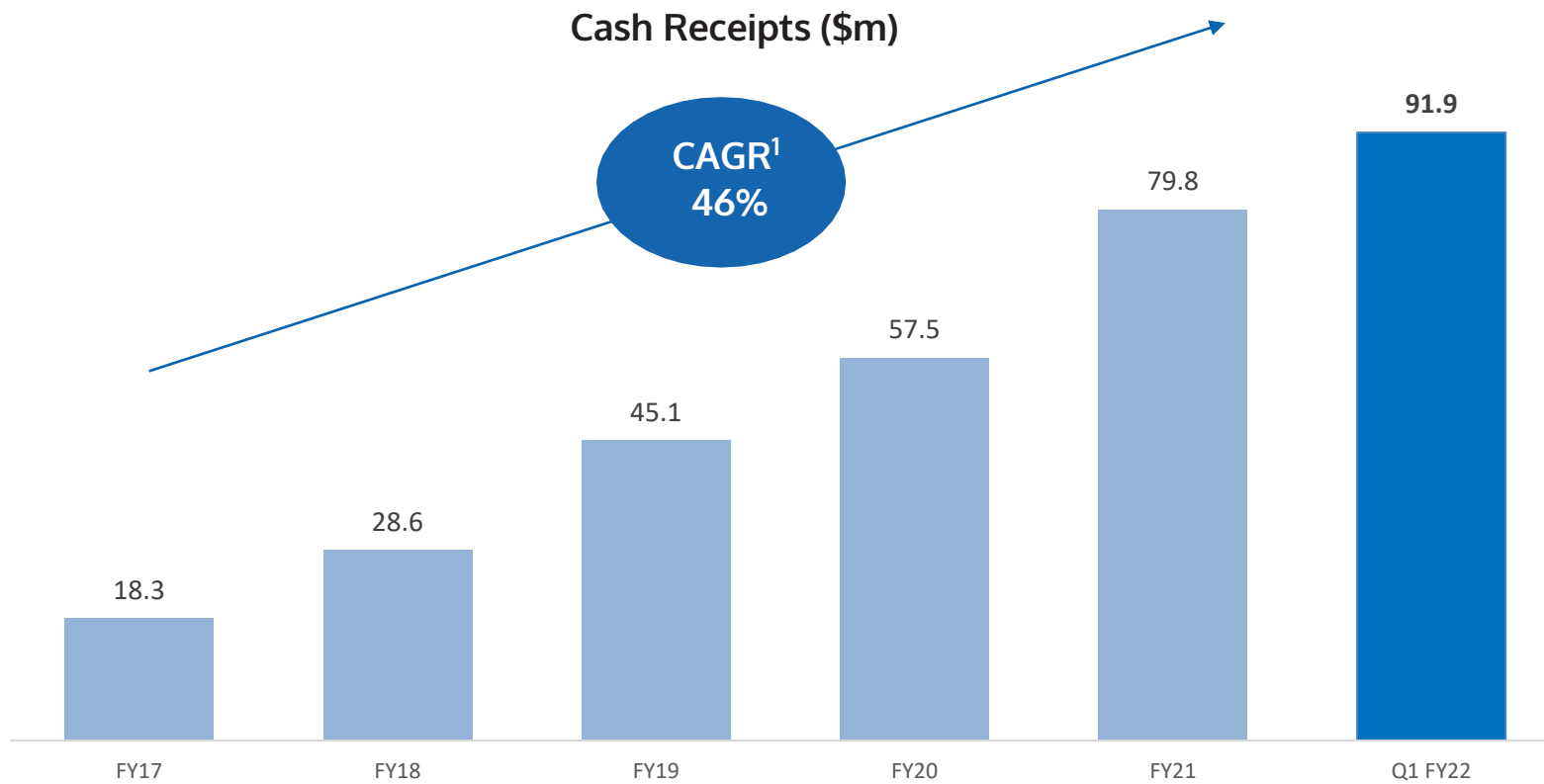


ELMO Group organic growth of 35% in Q1 FY22

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

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)

EBITDA¹
\$1.0 – 6.0m

The ELMO Group reaffirms FY22 guidance

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

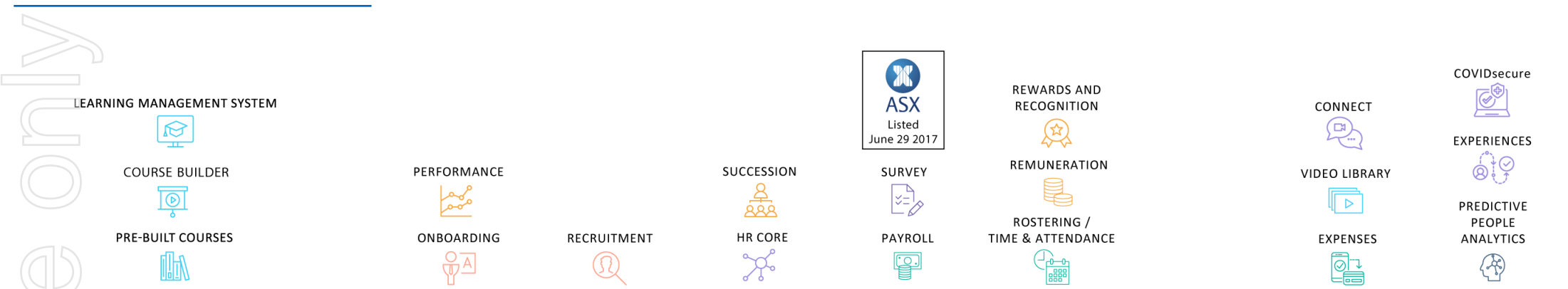


Appendix

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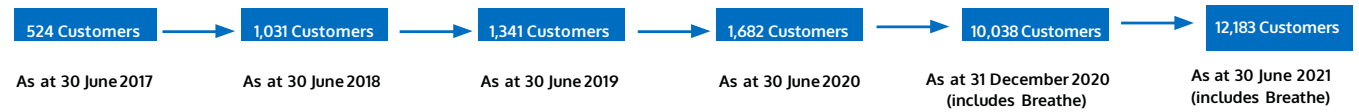
History

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>AHRI 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>TECHNIWORKS ACTION LEARNING</p> <p>Acquisition of Techniworks</p>	<p>PeoplePulse</p> <p>Acquisition of PeoplePulse and LiveSalary</p> <p>SKY PAYROLL</p> <p>Acquisition of SkyPayroll</p>	<p>Pivot</p> <p>Acquisition of Pivot Software</p> <p>hronboard</p> <p>Acquisition of HRonboard</p>	<p>UTS</p> <p>UTS Partnership</p> <p>BoxSuite</p> <p>Acquisition of BoxSuite</p>	<p>Vocam</p> <p>Acquisition of Vocam</p> <p>breathe</p> <p>Acquisition of Breathe</p> <p>webexpenses</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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