



ELMO Software Limited
ABN 13 102 455 087

ASX ANNOUNCEMENT

27 October 2017

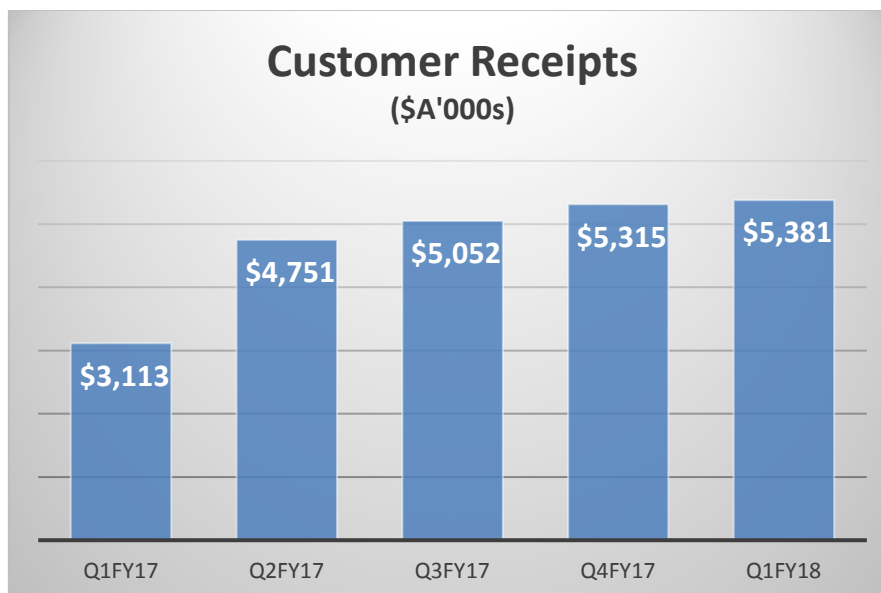
Strong start to FY18 – Record Cash Receipts

Quarterly Cash Report

Highlights

- Record cash receipts of \$5.4m in Q1FY18, an increase of 73% pcp (Q1FY17)¹
- Cash receipts continued to grow versus Q4FY17 despite Q1 being historically seasonally weaker than other quarters and included minimal contribution from one-off professional services fees
- \$24.4m net cash available to fund accelerated growth strategy after payment of \$1m for costs related to the IPO and additional hires during the quarter.
- Strong sales pipeline growth from a series of customer driven ELMO HR insights events and various national industry conferences during the quarter
- New modules (HR Core and Succession) continues to gain traction in the marketplace with multiple new customers onboarded
- Prospectus forecast for FY18 reaffirmed; FY18 SaaS revenue expected to be \$21.6m, an increase of 37% versus FY17 pro forma
- FY18 EBITDA expected to be \$2.7m, an increase of 120% versus FY17 pro forma

Continuing growth: Quarterly cash receipts (\$'000s)²



¹ Inclusive of Techni Works

² Actual cash receipts from customers including Techni Works from date of acquisition in October 2016.



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Accelerated growth

ELMO is well placed to deliver its accelerated growth strategy by increasing its market share and developing, expanding and commercialising its “hire to retire” integrated software product offering for its growing HR customer base.

ELMO Chief Executive Officer, Danny Lessem said, “Q1 was a record quarter of cash receipts as a result of sales growth. We are pleased to have started FY18 so well. The quarter demonstrates our strong momentum and accelerating growth.

We are well placed to execute our accelerated growth strategy. ELMO has substantial scope for market share gains. Our customer base is growing and as we successfully cross-sell into our existing customers, the number of software modules per customer is also increasing. We are committed to adding new modules to strengthen our integrated product offering. We reaffirm our FY18 Prospectus forecasts.”

FY18 Prospectus Forecast Reaffirmed

- FY18 SaaS revenue expected to be \$21.6m (total revenue expected to be \$22.4m), representing 37% growth versus FY17 pro forma
- FY18 EBITDA expected to be \$2.7m, an increase of 120% versus FY17 pro forma

ELMO's Annual General Meeting is to be held:

Date: Tuesday, 28th November 2017
Time: 2.30pm (AEDT)
Venue: Norton Rose Fulbright Australia
Level 18, Grosvenor Place
225 George Street, Sydney

For further information please contact:

Danny Lessem
Chief Executive Officer
02 8305 4600

Michael Brown
Investor Relations
+61 400 24 8080

About ELMO

Established in 2002, ELMO is a cloud-based software provider that automates HR processes in the employee lifecycle from ‘hire-to-retire’. The company offers customers a unified platform to streamline processes for employee administration, recruitment, onboarding, learning, performance and compliance training. ELMO operates on a Software as a Service (SaaS) business model based on recurrent subscription revenues.

For more information please visit www.elmotalent.com.au

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Elmo Software Limited

ABN

13 102 455 087

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,381	5,381
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(56)	(56)
(c) advertising and marketing	(678)	(678)
(d) leased assets	(4)	(4)
(e) staff costs	(3,056)	(3,056)
(f) administration and corporate costs	(1,581)	(1,581)
1.3 Dividends received (see note 3)		
1.4 Interest received	73	73
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	58	58
1.8 Other (provide details if material) GST	(173)	(173)
1.9 Net cash from / (used in) operating activities	(36)	(36)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(25)	(25)
(b) businesses (see item 10)	(274)	(274)
(c) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) intellectual property	(789)	(789)
	(e) other non-current assets	(93)	(93)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(1,181)	(1,181)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(1,007)	(1,007)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(1,007)	(1,007)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	26,621	26,621
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(36)	(36)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,181)	(1,181)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,007)	(1,007)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	24,397	24,397

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	24,397	26,621
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	24,397	26,621

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	327
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	(77)
9.3 Advertising and marketing	(516)
9.4 Leased assets	(5)
9.5 Staff costs	(3,969)
9.6 Administration and corporate costs	(1,433)
9.7 Other (provide details if material)	
- Purchase of Property, Plant & Equipment	(33)
- Further payments for business acquisition	(254)
- Tax payments and GST payments	(210)
- Other	(250)
9.8 Total estimated cash outflows	(6,747)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Techni Works Pty Ltd and its 100% owned subsidiary	
10.2 Place of incorporation or registration	Queensland Australia	
10.3 Consideration for acquisition or disposal	A\$1,310,000	
10.4 Total net assets	A\$22,500	
10.5 Nature of business	SaaS Cloud based on-line training course provider	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Anna Sandham
Company Secretary

Date: 30 October 2017

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.