



SaaS, cloud-based integrated HR software solutions

- Recruitment
- Onboarding
- Performance management
- Learning and development
- Course library
- Succession planning
- Employee administration

Annual General Meeting of Shareholders

2017



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- **FY** refers to the full year to 30 June.
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Chairman

Jim McKerlie



FY17 Key achievements

New product offerings



HR Core & Succession modules

Technology enhancements



128 product enhancements

Acquisition & integration



Techni Works

New Zealand



Established New Zealand office to support operations

Workforce



106 employees

Listed on the ASX on 29 June 2017

Raised \$25m in new equity

IPO list price \$2.00 per share



FY17 Financial and operational highlights

\$17.0 million

FY17 pro forma revenue



31% growth in FY17 SaaS revenue
Up 4% on prospectus forecast¹

\$1.2 million

FY17 pro forma EBITDA



Up 42% on
prospectus forecast¹

\$19.1 million

SaaS revenue run rate



Reflecting 89% of forecast
FY18 pro forma SaaS revenue²

524

Customer base³



Up 11% since
31 December 2016

2.29

Modules per customer⁴



Up from 2.22 since
June 30 2016⁴

92.3%

Customer retention rate^{4,5}

38.6% pro forma SaaS revenue CAGR (FY14 – FY17)^{3,4}

1. Vs. pro forma FY17 forecast as per IPO Prospectus on a like-for-like basis

2. June 2017 SaaS revenue annualised

3. As at 30 June 2017

4. Excludes Acquisitions

5. Customer retention is calculated by dividing the number of customers in the reference period who were customers at the end of the prior period by the number of customers at the end of the prior period



Large and growing addressable market

Total addressable market (TAM) for HCM solutions in ANZ ~AUD\$732¹

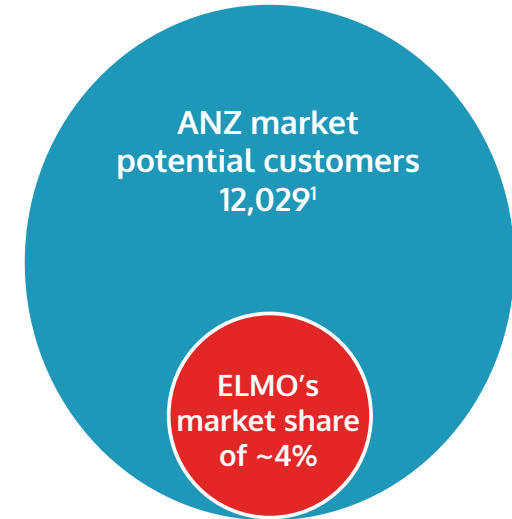
ANZ talent management ~AUD\$339m^{1,2}



Main focus

ANZ HR admin ~AUD\$391m¹

ANZ target market size ~12,029 organisations¹
ELMO currently has ~4% market share in ANZ¹



TAM for ANZ HCM solutions is growing at 10.1% CAGR from 2015-2020¹

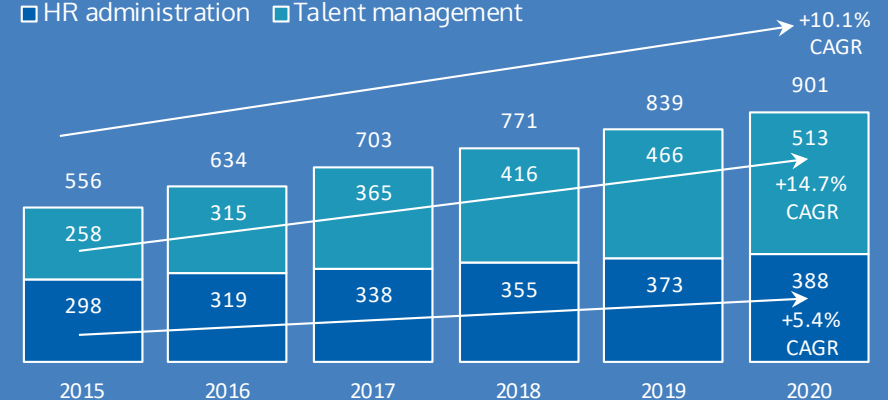
Talent management solutions TAM in ANZ of ~US\$258m growing at 14.7% CAGR from 2015-2020¹

- ELMO's FY17 SaaS revenue growth of ~31% is over 2x the market growth rate

Talent management is comprised of 70% SaaS-based solutions, expected to increase to 80% by FY18¹

ANZ HCM MARKET (US\$m)¹

□ HR administration □ Talent management



1. Frost and Sullivan independent market report.
2. As of AUD/USD Exchange 27/11/2017 at \$0.76.



ELMO in the community

This year ELMO supported

- Randwick Childrens Hospital
- Vinnies CEO Sleepout
- Cancer Councils Biggest Morning Tea
- RSPCA Paws Walk
- RUOK day morning tea

Established ELMO Toastmasters in Sydney & Melbourne

- Leadership and Public Speaking



“ELMO is focussed on building an organisation that supports its people and fosters innovation, and aims for sustainable growth”



Acknowledgements





Founder CEO

Danny Lessem



ELMO at a glance

ELMO is one of Australia and New Zealand's leading providers of integrated talent management software solutions

ELMO's SaaS, cloud-based platform provides organisations with a centralised approach to managing an employee's lifecycle from 'hire to retire'



ELMO employs 106 people with 4 offices in Australia and New Zealand¹



Integrated Human Capital Management (HCM) software providing 'hire to retire' software solutions across 7 modules³



Platform, technology, software solutions and learning content is developed and maintained in-house by ELMO's Australian based team



Over 400 eLearning course content library covering a broad range of topics which has been developed for over 15 years



Customer base of 524¹ organisations and deployed across 13² different industries



Primarily targets mid-market organisations (100 - 1,000 employees)



Scalable SaaS, cloud-based platform, multi tenant infrastructure, single source code

1. As at 30 June 2017

2. Includes construction and mining, education, finance, government, healthcare and pharmaceuticals, hospitality, industrials, IT, telecommunications and media, not for profit organisations, professional services, property, retail and transport.

3. Excludes Acquisitions



Leading integrated talent management platform





Broad, diversified customer base

Government				
Education				
Construction and mining				
Professional services				
Healthcare and pharmaceuticals				
Other ¹				



524² organisations across Australia, New Zealand and Singapore



Largest customer contributes <2.9% of FY17 revenue³



Top 10 customers contribute <16% of FY17 revenue³



Industry agnostic

1. Includes finance, IT, telecommunications and media, industrials, hospitality, property, retail, transport and not for profit industries






2. As at 30 June 2017

3. Based on statutory SaaS revenue

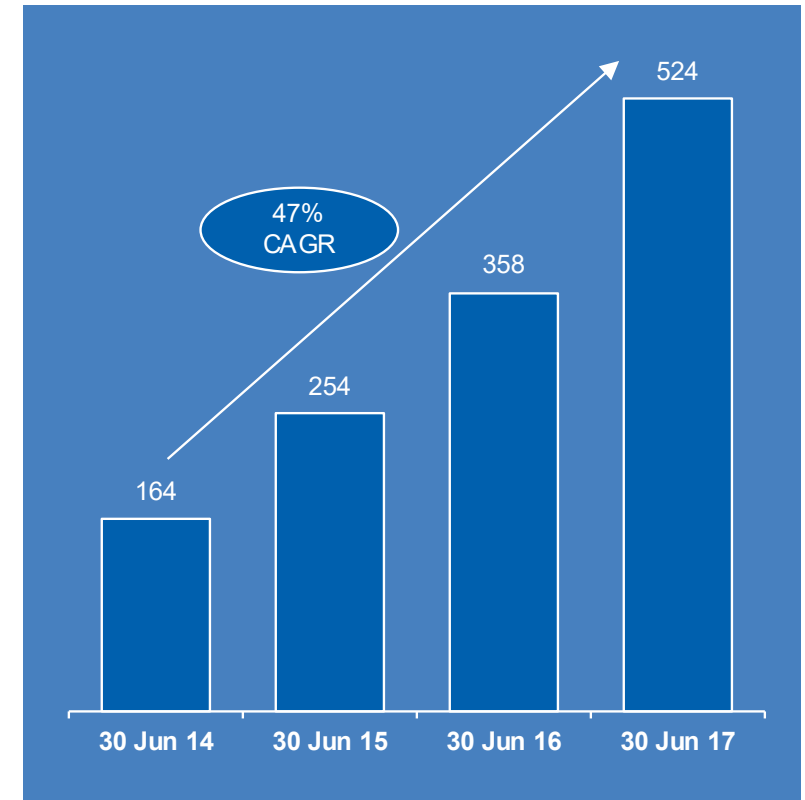


Customers

EXAMPLES OF RECENT CUSTOMER WINS

	Contract term	Number of employees	Modules purchased	Industry
	3 years	400	<ul style="list-style-type: none"> ✓ Course Library ✓ Learning ✓ Onboarding ✓ Performance ✓ Recruitment ✓ Succession 	Finance
	3 years	500	<ul style="list-style-type: none"> ✓ Course Library ✓ Learning ✓ Onboarding ✓ Performance ✓ Recruitment 	Industrials
	3 years	1,500	<ul style="list-style-type: none"> ✓ Course Library ✓ Learning ✓ Performance 	Government
	3 years	340	<ul style="list-style-type: none"> ✓ Course Library ✓ Learning ✓ Onboarding ✓ Performance ✓ Recruitment 	Finance
	3 years	200	<ul style="list-style-type: none"> ✓ Course Library ✓ Learning ✓ Onboarding ✓ Performance ✓ Recruitment ✓ Succession 	Healthcare and pharmaceuticals

ELMO'S CUSTOMER BASE GROWTH



166 additional customers added during FY17¹



Average annual FY17 revenue per customer of ~\$33.2k^{2,3}



Average modules per customer of 2.29³



Customer retention of 92.3%³

1. Includes 82 customers from Techni Works acquisition
 2. Based on pro forma revenue
 3. Excludes Acquisitions

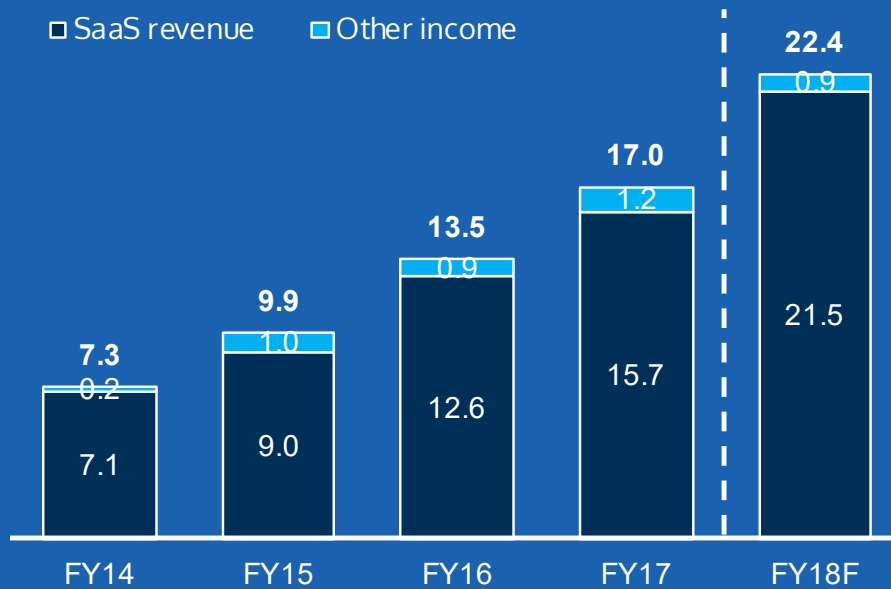


Financial snapshot

- Strong revenue visibility with 93% recurring revenue¹ and typical contract length of 3 years
- Customers pay annual license fees in advance – contributing to positive working capital position throughout the year
- Confident outlook with clear visibility on strong organic growth in FY18 and the accretive contribution from HR Software Solutions acquisition

Pro forma historical and forecast revenue (\$M)

□ SaaS revenue □ Other income

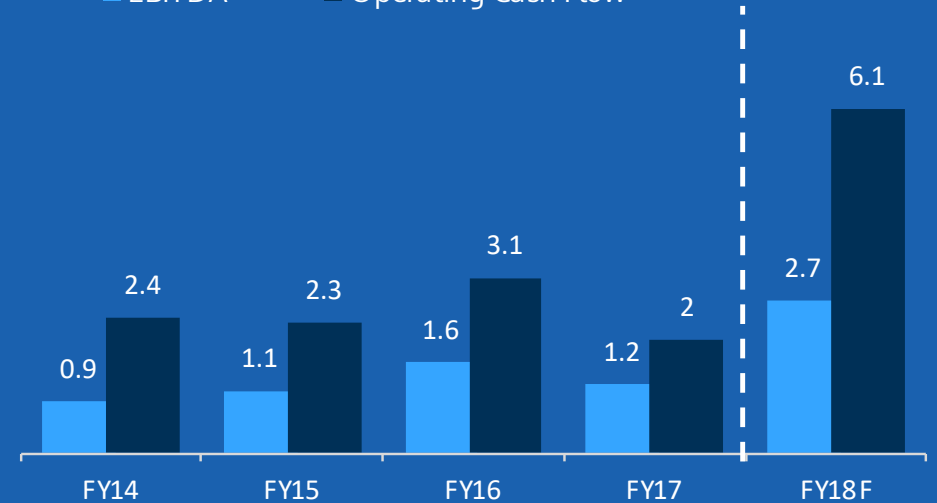


Recurring revenue³ **97%** **90%** **93%** **93%** **96%**

SaaS revenue growth³ **37%** **50%** **31%** **40%**

Pro forma EBITDA vs. operating cash flow (\$M)

■ EBITDA ■ Operating Cash Flow



Operating cash flow conversion² **253%** **218%** **195%** **165%** **227%**

1. Excludes RTO division

2. Operating cash flow conversion is operating cash flow expressed as a percentage of EBITDA

3. Excludes Acquisitions



Growth strategy



Greater usage from existing customers

Increasing penetration amongst existing customer base with average modules per customer of 2.29, up from 2.22 as at June 2016

Strong customer retention rate of 92.3%



New customers in existing markets

166 new customers, including Techni Works customers, added during FY17

Total customer base, including Techni Works, of 524 as at 30 June 2017

Continuation of strong sales momentum

Aim to further increase adoption amongst mid-market firms

Significant opportunity to further penetrate existing markets



Expand product line

Succession & HR Core module launched in FY17

Spent 15% of FY17 revenue on R&D^{1,2}

Continuous development and deployment of new features on existing modules with 128 enhancements released during FY17

4 new modules slated for release in the next 2-3 years



Growth through acquisitions

Completed acquisition and full integration of Techni Works during FY17

Actively seeking bolt on acquisitions or complimentary technology to augment ELMO's value proposition

Disciplined approach, with significant resource and management expertise to complete integrations well and deliver synergy benefits



Geographic expansion

NZ customer base of 31, up 41% since 31 December 2016

264% increase in NZ revenue base from FY16

1. Includes both expensed and capitalised Research and Development costs.
2. Based on pro forma revenue.



Accelerated Growth Strategy

Why we acquire

- Accelerate organic growth through targeted acquisitions
- Attractive client lists provide significant revenue growth opportunities through cross-sell and upsell
- Favorable valuations as point solutions face headwinds from unified solutions such as ELMO who can unlock the commercial opportunity available
- Sticky products with high customer retention and recurrent SaaS revenues mitigate integration risk
- Track record of acquiring and integrating well and delivering the anticipated synergies. Highly capable and experienced management team focused on strengthening the competitive advantage of the integrated product suite

What we target

1. Complimentary technology to enhance ELMO's suite of modules
 - Increases cross-sell ability to existing clients
 - Additional adjacent products increases "hooks" for new business acquisition
2. Attractive client lists
 - Gain market share and increase market penetration
 - Leverage operational efficiencies to extract synergies
 - Sell ELMO's multiple modules to target client base and/or;
 - Cross-sell target modules to ELMO client base



HR Software Solutions Acquisition

Transaction Summary:

ELMO recently announced the acquisition of two specialised, SaaS based, HR management software solutions, in one transaction:

- PeoplePulse, an online employee and customer feedback survey platform that includes specialised HR surveys such as staff pulse surveys, onboarding surveys, training evaluations, net promoter scores and exit surveys; and
- LiveSalary, an online salary database and benchmarking platform to assist customers better recruit, reward and retain employees.

Transaction Highlights:

- **Purchase price \$10m**
 - \$ 8m payable in cash upfront
 - \$ 2m cash earn out payable on anniversary of completion
 - \$ 2m cash payable on the first anniversary of completion should stretch targets be met
- **Over 300 customer licenses**
- **FY17 Revenue \$4.1m**
 - Over 90% recurring revenue
- **EV/FY17 Revenue multiple 2.4x**
- **EPS accretive in FY18 and beyond**
- **Net cash post transaction \$16.1m**
- **Integration well advanced with systems, employees and customers retained**

PeoplePulse and LiveSalary's highly scalable modules accelerate ELMO's product development program. In addition, the acquisitions represent a logical and complementary fit into ELMO's integrated HR Administration and Talent Management product suite.

- **Materially accretive**
 - On a pro forma basis, assuming the acquisition was completed on 1 July 2017, and hence includes a full 12 month contribution, ELMO's prospectus EBITDA guidance of \$2.7m would be \$4.4m an increase of \$1.7m. This excludes acquisition costs, synergies and integration costs.



Background on Vendor Business

Background

Established in 2001
14 employees



Deloitte. Awards and Recognition
Technology Fast 50

Deloitte.
Technology Fast 500™



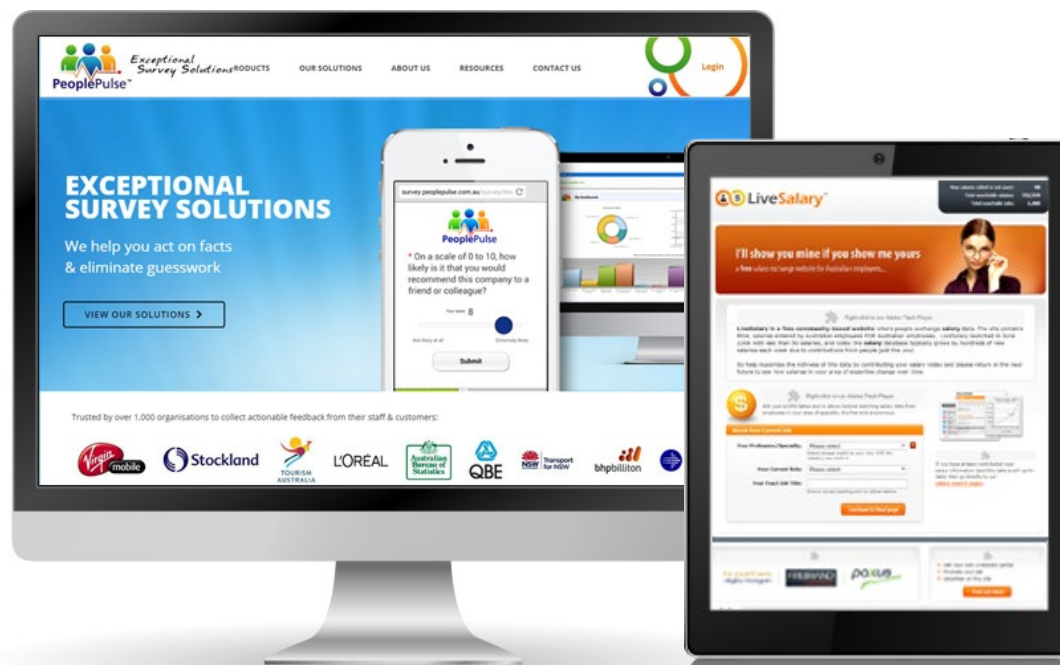
Modules

People Pulse - HR Survey Module

- Staff pulse surveys
- Onboarding surveys
- Training evaluation
- Net promoter score
- Exit surveys

LiveSalary - Salary Benchmarking Module

- Benchmark salary data to assist
- recruitment
 - reward
 - retention





Integration Strategy

1. Integrate Target: Assimilation

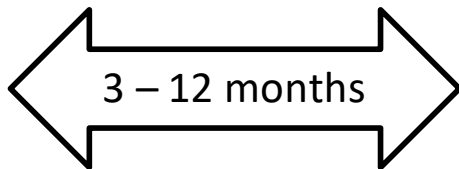
- Management control of operations
- Leverage operational efficiencies
- Tailor commercial standards to be consistent with ELMO business

2. Develop Product: Build out

- Fully integrate acquired product with ELMO Talent Management Suite
- Innovate and expand platform
- Upgrade functionality of acquired product
- Optimise user experience

3. Grow Revenue: Roll Out

- Conversion of acquired customer base
- Onboard and transition customers
- Expand module usage over time through cross-sell of additional modules in the ELMO suite





FY18 Outlook

Strong momentum into FY18

- Trading results for Q1 2018 are pleasing and in line with FY18 Prospectus forecasts
- Revenue growth across existing and new customers
- Continued trend towards automation in the mid-market
- 300+ new customer licenses from PeoplePulse & LiveSalary acquisition providing opportunity for cross-sell
- Enhanced brand from ASX listing, a multitude of successful implementations and deep industry partnerships
- Integrations of PeoplePulse/LiveSalary well advanced

Business is well positioned for growth

- 45+ events planned for FY18
- Continued to expand suite of modules available to new and existing customers through product development and targeted acquisitions
- Opportunity to cross-sell into enlarged customer base
- Strong balance sheet, high quality recurring revenues, high customer retention rate

Accelerate growth through ongoing strong organic growth and targeted low risk acquisitions that provide complementary modules or attractive client lists.

	FY18 Pro forma forecast (\$000's)	Growth vs pro forma FY17 (\$000's)
Total revenue	22,402	36.9%
EBITDA	2,684	139.0%



Company highlights



LEADING INTEGRATED TALENT MANAGEMENT PLATFORM

- Broad, integrated suite of modules
- Cloud delivery
- Single source code
- Extensive course library/ proprietary learning content



BROAD AND DIVERSE CUSTOMER BASE¹

- CAGR of customer base ~47% since FY14, 524 active customers
- Largest customer is < 2.9% of revenue
- Top 10 customers account for < 16% of total revenue
- Industry agnostic



HIGH RECURRING REVENUE WITH ATTRACTIVE CASH FLOW PROFILE

- 93% recurring revenue
- > 38% pro forma SaaS revenue CAGR (FY14 – FY17)
- Customer contracts typically ~3 years and pay annually in advance



LARGE AND GROWING ADDRESSABLE MARKET

- Global talent management TAM ~US\$6.1 billion (ANZ ~US\$258m)
- Accelerating penetration of cloud-based talent management solutions
- Increasing adoption in mid-market



MULTIPLE LEVERS TO DRIVE GROWTH

- Increasing module usage from existing customers
- New customers in ANZ
- Continued product innovation to broaden solution offering
- Strategic acquisition opportunities



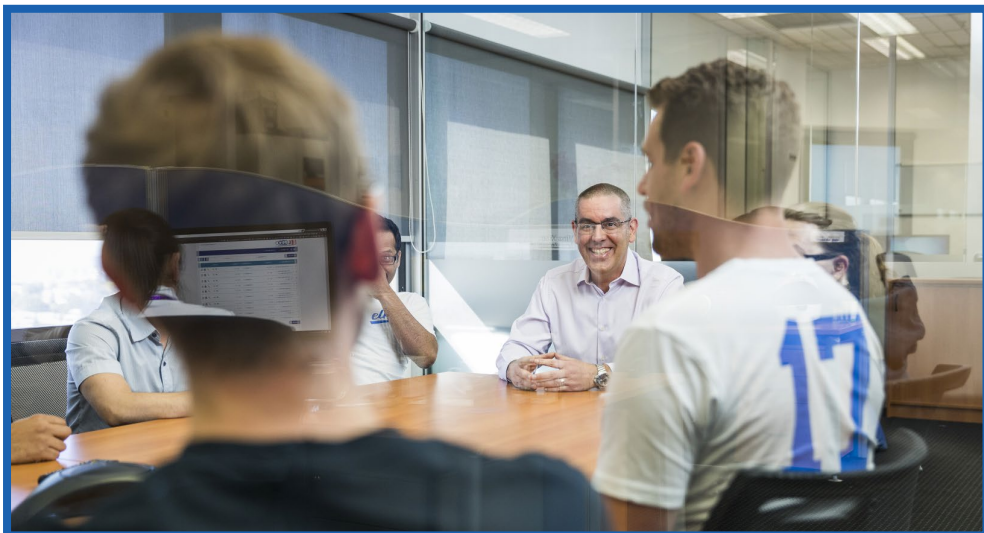
EXPERIENCED MANAGEMENT TEAM

- Danny Lessem founded ELMO in 2002, > 20 years software experience
- Stable management team with strong track record of growth and innovation
- Executive incentives aligned through equity ownership

1. Excludes Acquisitions



Q&A





Appendix

A person with long hair is seen from behind, sitting at a desk in an office. They are wearing a dark t-shirt with the word 'ELMO' printed on the back in large, colorful letters (E in red, L in white, M in blue, O in white). The desk in front of them has a laptop, a tablet, a mouse, and a water bottle. The background shows office equipment and papers, all under a blue tint.

ELMO



Solution offerings detail



HR CORE

Leave management - Leave requisition and authorisation workflows

Organisation charts - Overview of organisation's structure and reporting relationships

Employee self-service - Enables employees to access and update personal information, request leave and access payroll slips from any device, anywhere and at any time

Manager self-service - Enables managers to access employee information, approve leave requests and view team analytics from any device, anywhere and at any time



RECRUITMENT

Job requisition - Select the required job position, add specific requirements, alert recruitment manager, track and monitor progress, and customise approval workflows

Talent pool - Search existing employees, search the candidate database, match job criteria, and rank candidates

Job posting - Integrate with job boards and social media, preset posting rules, and track costs

Branded careers webpage - Embed customer organisation's website, customise branding, incorporate company media, and post jobs automatically



ONBOARDING

Personalised onboarding webpage - Present company information and video, guidelines for onboarding process, onboarding task list, and team member introductions

Workflows and approvals - Configure process and select stakeholders, prerequisites, time delays, and conditions

Electronic forms - Configurable forms, document upload facility, and integration with ATO and other 3rd parties



PERFORMANCE

Performance appraisals - Configure to customer's requirements, features goal setting, competency models, development plans and 360 reviews

Manager team view - Access direct and indirect reports, view current status of appraisals, search facility, export and print

Succession planning - Identify high performers, mitigate flight risk, recruit from within, foster strategic succession

Configurable reports - Generate at the click of a button, choose fields for comparison, coloured graphs for visual display, export to Excel and/or PDF, and email reports



Solution offerings detail



SUCCESSION

Ensure business continuity -

Determine role criticality, identify high performers and mitigate flight risk

Employee career progression -

View succession pathways, identify skills gaps and create development plans

Foster strategic succession -

Match high potential employees to critical roles and compare candidate suitability by skills, performance, potential and aspirations



LEARNING

Learner's view - Personalised learning plan, eLearning courses, instructor-led training (ILT), policy acknowledgements, assessments and surveys

Course catalogue - Course self-selection, search facility, configurable enrolment rules, access to over 400 pre-built eLearning courses

Manager team view - Access direct and indirect reports, view current status of learning, search facility, export and print

Configurable reports - Generate at the click of a button, choose files for comparison, use coloured graphs for visual display, export to Excel and/or PDF, automate report emails



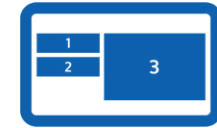
COURSE BUILDER

Create courses - Insert images/movies, edit text, record voice-over, and use interactive features (buttons, rollovers, hotspots, etc.)

Create assessments - Select question type (multi-choice, T/F, drag and drop), insert images/voice-over, randomise questions, and set pass mark

Create surveys - Select question type (multiple choice or free text), compulsory and anonymous optionality

Preview and publish - Customer branding, update customer in real-time, publish ELMO or SCORM compliant LMS



PRE-BUILT COURSES

Best practice eLearning content - Compliance sources updates, quality assurance, expert instructional design

Course editor - Accessible via the Internet, no programming skills required, access to ELMO royalty free image library, upload your own multimedia

Course features - Customer branding, multimedia enabled, touch screen optimised, modify content with the ELMO course editor

Assessment features - Automatic marking, multimedia enabled, touch screen optimised, modify Q&As with ELMO course editor



Experienced board and management team

BOARD



Jim McKerlie

CHAIRMAN AND INDEPENDENT
NON-EXECUTIVE DIRECTOR

Joined ELMO in 2017



Danny Lessem

CO-FOUNDER AND
CHIEF EXECUTIVE OFFICER

Founded ELMO in 2002



Trevor Lonstein

CHIEF FINANCIAL
OFFICER

Joined ELMO in 2014



David Hancock

INDEPENDENT NON-EXECUTIVE
DIRECTOR

Joined ELMO in 2017

SENIOR EXECUTIVES



Gordon Starkey

CHIEF OPERATING
OFFICER

Joined ELMO in 2007



Samuel Sun

CHIEF TECHNOLOGY
OFFICER

Joined ELMO in 2010



Darryl Garber

CHIEF COMMERCIAL
OFFICER

Joined ELMO in 2011



Monica Watt

GENERAL MANAGER
HUMAN RESOURCES

Joined ELMO in 2015



Deep knowledge of the
technology and HCM sector



Strong founder commitment
(Danny owns 22.1%)



Stable management team –
average tenure of 6 years



Incentives of key management
aligned to the success of the company



History of growth and innovation