



Tuesday 7th August 2018

Integrations prove a strategic goldmine for Xref

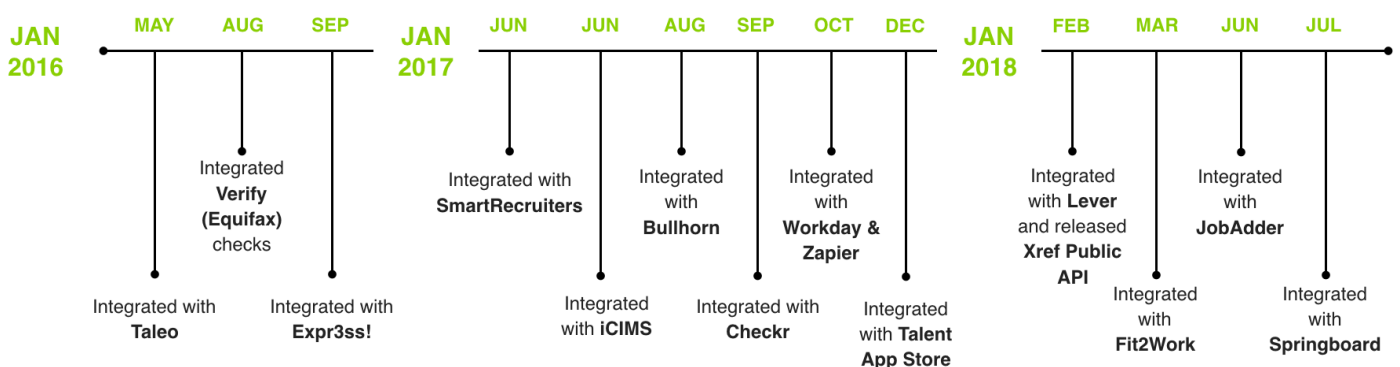
- FY18 credit usage through integration partners exceeds 350% year-on-year growth
- 126 integrated clients added in FY18
- Sales revenue from integrated clients contributes 24% to FY18 revenue

Xref Limited (ASX:XF1), the human resources technology company, today released an update on its channel growth strategy, which facilitates client acquisition through integration with the world’s leading HR technology platforms.

Many global enterprises use applicant tracking systems (ATS) to manage recruitment. To accelerate Xref’s growth in the enterprise market, in FY18 Xref increased the number of world-leading systems it integrates with, to 13, expanding the portfolio to include Bullhorn, Checkr, Equifax, Expr3ss!, iCIMS, JobAdder, Lever, Oracle Taleo, SmartRecruiters, SnapHire, Talent App Store, Workday and Zapier. These ATS integration partners also high-growth businesses and, collectively, they support more than 50,000 companies.

Integration partnerships are an important and valuable growth channel for Xref. They provide partners’ clients with direct access to Xref from their marketplaces and platforms. One of Xref’s key growth strategies is to enter into joint marketing activities with partners, which employ in total more than 10,000 support staff. As their sales teams become familiar with the benefits of Xref’s candidate reference checking solution they also become strong advocates of Xref’s services, which complement their own capabilities. Conversely, integration partners’ platforms can be accessed easily through Xref’s employer dashboard.

The Xref integration timeline



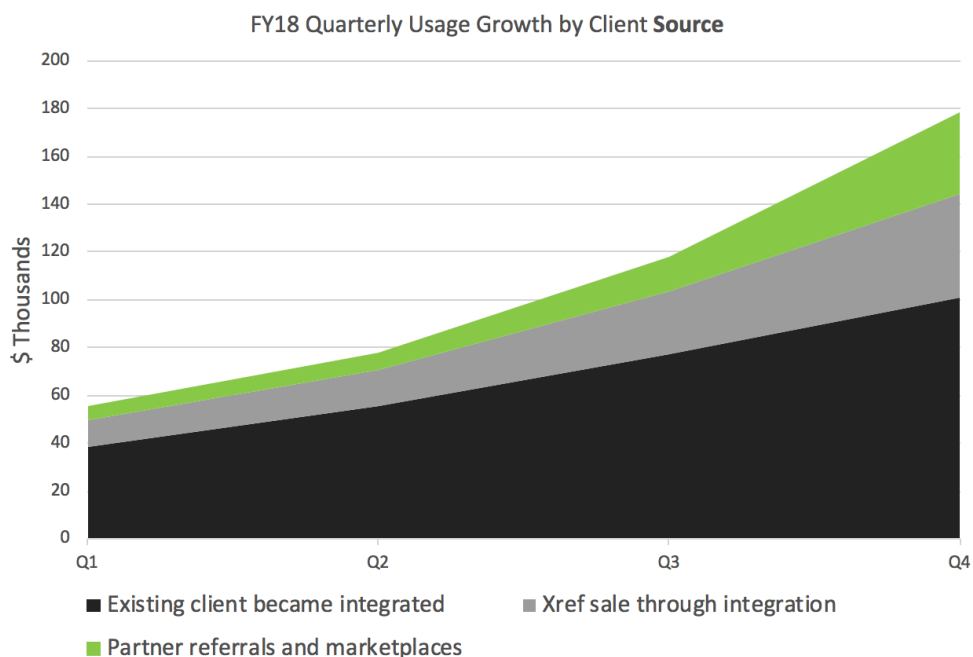
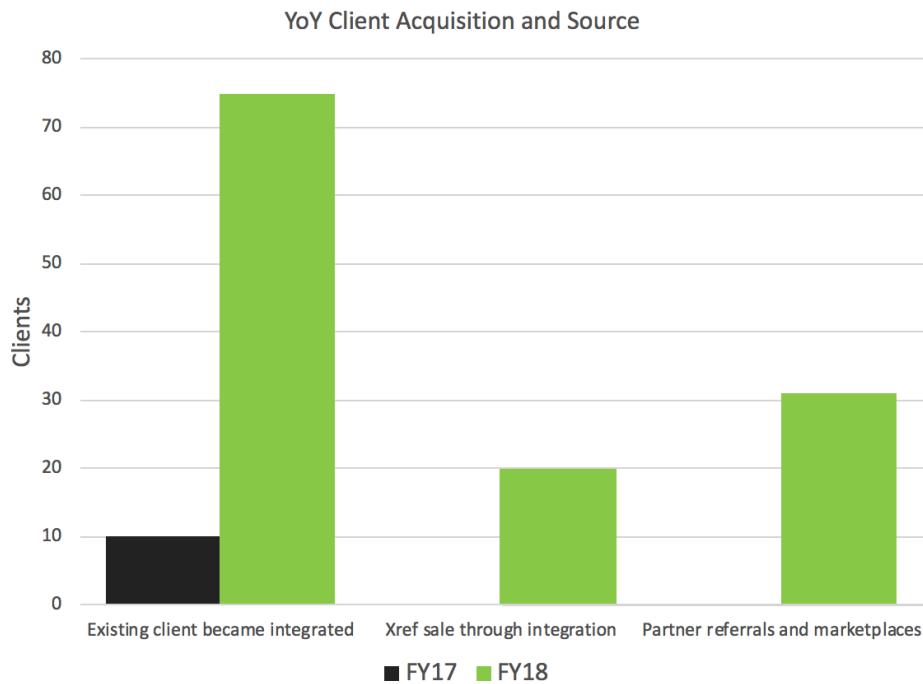
Xref has a track record of smooth and successful integrations and a pipeline of further agreements under way.

Xref has a track record of smooth and successful integrations and a strong pipeline of potential new integration partnerships, some at advanced stages.

Client acquisition

During FY18 clients accessing Xref through an integration partner increased from 10 to 136. These clients were acquired via three main sources:

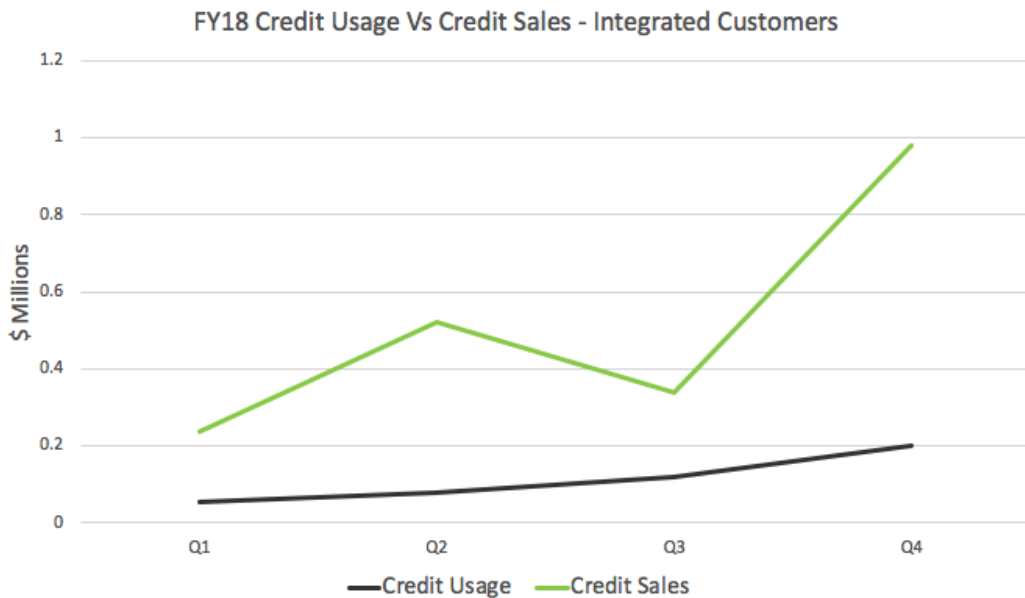
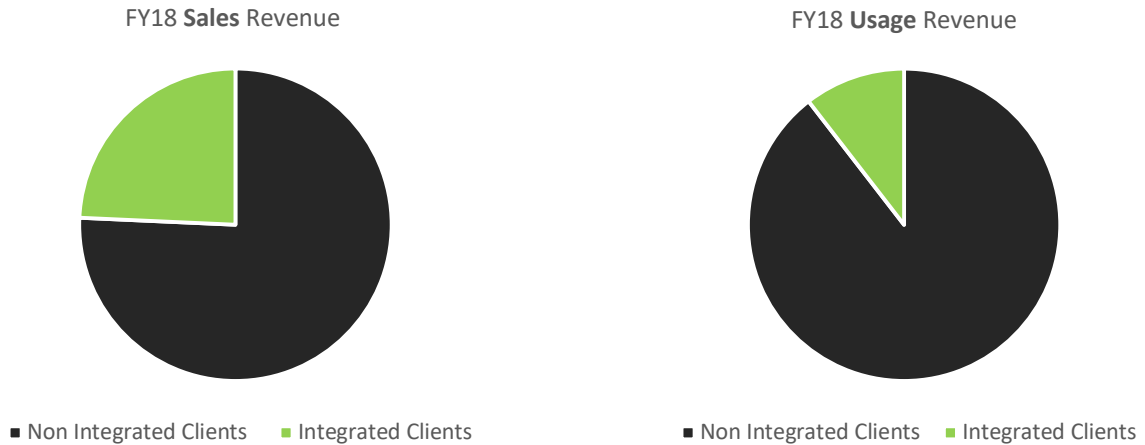
1. **An existing client** - organisations that have identified the need to integrate Xref into their key business platform, and have moved from using Xref directly, to consuming Xref credits via their platform of choice.
2. **Xref sale through an integration partner** - those that have joined Xref through a third-party platform. Xref's sales team has found integrations are a unique selling tool, enabling them to win clients that may otherwise not have been open to using Xref directly - 20 new clients have been added in this way
3. **Partner referrals and marketplaces** - clients that have joined as a result of partner referrals and marketplaces, and joined directly via an integration. The key strategic reason for Xref pursuing integrations is to acquire clients at a lower cost. In FY18, Xref welcomed 31 clients through referrals and marketplaces.



Credit sales to integrated clients and ARPA

Under Xref’s business model, when clients purchase credits (credit sales) to use the candidate referencing platform, the value of their purchases is recognised as unearned income. When they pay for the credits, the cash is recognised as cash receipts. Once the credits are used by the client (usage), Xref recognises the value of the credits used as revenue (recognised revenue).

Credit sales through integration partners were \$1.7 million in FY18, and represented 24% of total sales, demonstrating the early success of Xref’s channel strategy. Higher adoption rates and the acquisition of larger clients through integration partners have contributed to the increase in Xref’s Average Revenue per Account (ARPA), which is a key management performance indicator.



Xref will typically sell credits to clients in advance, which are consumed over time as required. As shown above.

Usage through integration increases 400%

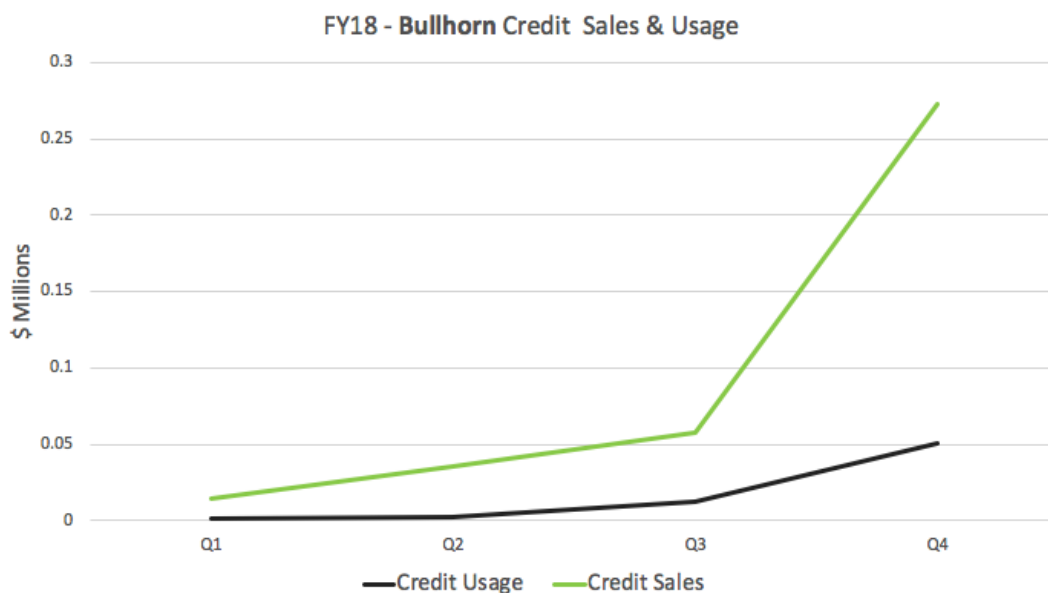
In FY17, usage through an integration represented 3.3% of total client usage. At that time, integration usage came primarily from the Oracle Taleo, Expr3ss! and SmartRecruiters platforms.

Usage through integrations increased more than 400% in FY18, with the addition of seven channel partners. By year-end, usage through an integration represented 10.5% of total usage.

Top channels

Xref has experienced significant growth through the Oracle Taleo, Bullhorn, SmartRecruiters and Talent App Store integrations. This is reflective of the larger organisations that are typically using these platforms, as well as the benefits of joint the marketing campaigns conducted with each of these partners.

Credit sales through integrations represented 10% of international sales, with the largest proportion of sales coming through the Bullhorn integration.



The ability to Integrate anywhere - why Xref built a public API

In February 2018, Xref launched its public [API](#) offering, which allows third-party organisations to more efficiently integrate their software with Xref. The public API allows partners to directly manage the connection of their service to the Xref platform, reducing the time and cost of integration. In the first month of the new financial year Xref introduced the first API-driven integration, with Springboard.

Application programming interfaces, or APIs, help to connect software services, allowing the exchange of information through the internet. APIs enable companies to create new products and channels at a lower cost, helping to improve operational efficiency.

Executive director / CEO Lee-Martin Seymour said: *“In a very short time, sales through integrations have increased to nearly one-quarter of total sales. Our integration strategy is centred on a cost-effective sales model, which allows clients to consume Xref credits through their HR platform of choice. Integrations enable us to introduce new clients while maintaining a lean sales team, ensuring cost-effective client acquisition. Once established, integrations also expedite sales through the immediate availability of Xref’s platform. This strategy is already demonstrating its potential at this early stage of global growth, and providing significant opportunities for the future.”*

Executive director / CTO Tim Griffiths said: *“Xref’s architecture is highly scalable and feature-rich, enabling us to build strong, well-rounded integrations. This is recognised by clients acknowledging that access to Xref’s platform through an integration is comparable with the value offered by the full Xref experience. This is a testament to our development team’s ability to build best of breed technology, and our great relationship with our partners’ development teams. The*

Xref public API also now allows us to scale faster into bespoke and proprietary systems that typically lack the ability to integrate.”

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Appendix –

Integrated client testimonials

Steven Miratana, Manager of Recruitment and Employer Brand at SkyCity, said: *“We are really excited to see Xref’s introduction to the Talent App Store and integration with the SnapHire solution. As a SnapHire customer, we recognise the value of being able to add the apps we use daily to one, centralised HR app ecosystem. Being able to include Xref - a tool we already use and love - to this connected process, will help to further streamline our recruitment.”*

Colliers International director, Liam Ovenden said: *“We use Xref and SmartRecruiters within our business. To now have a fully integrated experience is going to add huge value in record keeping, time saving and both recruiter and candidate experience. Xref and SmartRecruiters are two examples of technology providers working together to provide a consistent, simple and reliable experience to the customer and industry. We are very pleased with this partnership.”*

Stephen Abbott, Head of Client Delivery, PeopleScout said: *“Springboard powers many of PeopleScout’s APAC RPO solutions. The introduction of the Xref integration will create greater efficiencies for clients in allowing them to order and track reference requests directly from the Springboard system. The results generated using Xref will now be visible and accessible on a candidate’s job application record within the system. It reduces the need to double-handle candidates’ details and share reference check feedback between the two systems, which also saves our clients a huge amount of time and money.”*

Previous integration releases

Lever:	https://www.asx.com.au/asxpdf/20180207/pdf/43rdl0drvfxzq0.pdf
Fit2Work:	https://www.asx.com.au/asxpdf/20180313/pdf/43scs5vsmyqpwc.pdf
JobAdder:	https://www.asx.com.au/asxpdf/20180618/pdf/43vv1k7mq5tnvt.pdf
Springboard:	https://www.asx.com.au/asxpdf/20180710/pdf/43wf2fgxr2n17c.pdf
SmartRecruiters:	https://www.asx.com.au/asxpdf/20170502/pdf/43hyxff4h7yrw0.pdf
ICIMS:	https://www.asx.com.au/asxpdf/20170524/pdf/43jgm88s5g3l00.pdf
Checkr:	https://www.asx.com.au/asxpdf/20170919/pdf/43mfmbgfk97cj0.pdf
WorkDay:	https://www.asx.com.au/asxpdf/20170927/pdf/43mnqmj0942h72.pdf
Equifax:	https://www.asx.com.au/asxpdf/20170927/pdf/43mnqmj0942h72.pdf
Zapier:	https://www.asx.com.au/asxpdf/20170927/pdf/43mnqmj0942h72.pdf
Talent App Store:	https://www.asx.com.au/asxpdf/20171204/pdf/43pvwy5bqdgbjh.pdf
Xref Public API:	https://www.asx.com.au/asxpdf/20180207/pdf/43rdl0drvfxzq0.pdf