



JCurve Solutions (JCS)

Annual General Meeting

19 November 2019 9:30am AEDT

www.jcurvesolutions.com



ASX: JCS

Disclaimer

The information outlined in this AGM presentation (“Presentation”) has been prepared by JCurve Solutions Limited (“the Company”) and is delivered for informational purposes only.

The Company has prepared the Presentation Materials based on information available to it at the time of preparation. No attempt has been made to independently verify the information contained in this Presentation. The Presentation does not purport to contain all information that a prospective investor may require. While the information contained herein has been prepared in good faith, neither the Company nor its shareholders, directors, officers, agents, employees, or advisors give, has given or has the authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisors (all such information being referred to as “information”) and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisors take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of the accuracy or completeness of the information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss howsoever arising from the use of this Presentation. In furnishing this Presentation, the Company does not undertake or agree to any obligation to provide the recipient with access to any additional information or to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation which may become apparent.

This Presentation should not be considered as the giving of investment advice or recommendations by the Company or any of its shareholders, directors, officers, agents, employees or advisors. Each party to whom this Presentation is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgement, analysis and assumption and each recipient should satisfy itself in relation to such matters.


This Presentation may contain “forward looking statements”. Where the Company expresses or implies an extension or belief as to future events or results such expectation or belief is expressed in good faith and believed to have reasonable basis. However, “forward looking statements” are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such “forward looking statements”. The Company does not undertake any obligation to release publicly any revisions to any “forward looking statement” to reflect events or circumstances after the date of this Presentation or to reflect the occurrence of unanticipated events, except as may be required under applicable laws.

All forward looking statements, forecasts and projections contained in this Presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein.



Bruce Hatchman
Non-Executive Chairman

Appointed November 2014

 [/bruce-hatchman](#)

Mr Hatchman is an experienced Board Director having been appointed Chairman of Consolidated Operations Group Limited, Darwin Clean Fuels Limited, dwp International Limited and various other privately held businesses. He is a qualified Chartered Accountant and member of the Australian Institute of Company Directors. Mr Hatchman was a founding partner of Crowe Horwath and its former Chief Executive. That role included overall operational responsibility together with developing and executing a growth strategy that resulted in revenues and profits growing by 500%. Further activity included Merger & Acquisition assignments for firm clients including national iconic brands.



David Franks
Non-Executive Director & Secretary

Appointed September 2014

 [/david-franks](#)

Mr Franks joined the company in 2014 as Company Secretary/Non-Executive Director. With over 25 years' experience in finance and accounting, Mr Franks has been CFO, Company Secretary and/or Director for numerous ASX listed and unlisted companies in a wide range of industries.

Mr Franks is a Chartered Accountant, Fellow of the Financial Services Institute of Australia, Fellow of the Governance Institute of Australia, Justice of the Peace, Registered Tax Agent and holds a Bachelor of Economics (Finance and Accounting) from Macquarie University.



Mark Jobling
Non-Executive Director

Appointed April 2015

 [/mark-jobling](#)

Mr Jobling is a substantial shareholder of the Company and holds a Bachelor of Economics and Bachelor of Laws (Hons) from Monash University. Mr Jobling manages investments in a diverse range of industries including power technology and angel investing in Asian start-up companies and is currently based in Hong Kong. He began his career as a commercial lawyer with Mallesons Stephen Jaques in Australia and went on to hold senior executive roles in multi-billion dollar companies, including Managing Director of South East Asia and Taiwan for CLP Holdings Limited, and CEO of OneEnergy Limited, a CLP/Mitsubishi Corporation joint venture in Asia.



Graham Baillie
Non-Executive Director

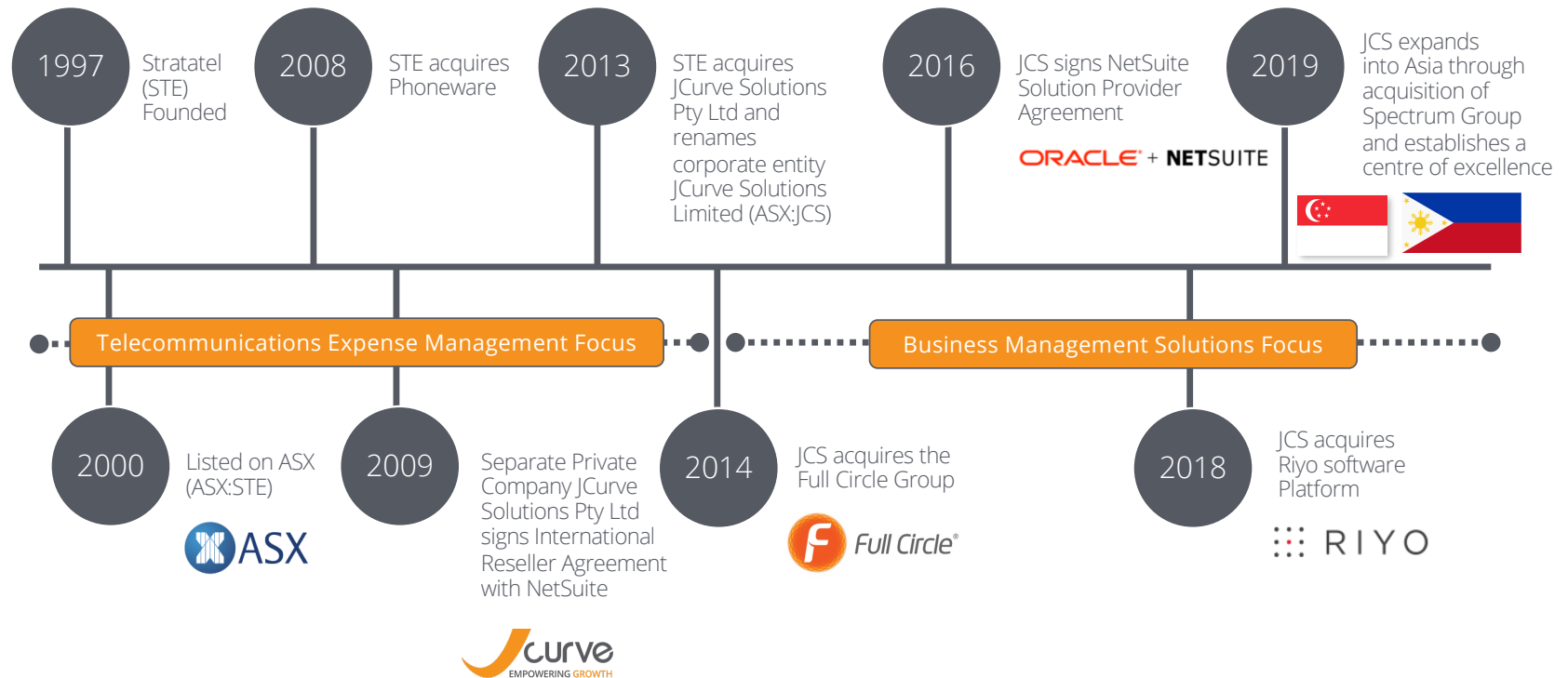
Reappointed August 2019

Mr Baillie originally joined the Company in 2007 as a non-executive Director and was appointed Chairman in 2012 before serving as the Managing Director for a short time and then Chairman. During this time, he saw the listing of JCurve Solutions Limited through Stratatel Limited.

Prior to Mr Baillie's involvement with the Company, he established and acted as CEO of Outsource Australia Pty Ltd (OSA – now known as Converga), developing the company nationally and internationally. Mr Baillie was also integral to the development of AUSDOC, and involved in establishing similar business operations in New Zealand, USA and United Kingdom.

The "When"

JCurve Solutions has evolved into a listed diversified solutions provider



The “Why”

JCS is a **specialist solution provider**. Our whole business is based around providing an **exceptional customer experience** by delivering the best possible solution to our clients through **market leading software applications** and **excellence in service delivery**.



Mission

We deliver world-class business management solutions that enable our customers to make lasting, substantial improvements to their business performance.







Vision

To become the most trusted cloud solutions partner for growing businesses throughout the Asia Pacific region.

The "What"

We deliver cloud solutions and services that drive **improvement in business performance.**

ERP	Service	TEMS
		 

The “Where”

We are **geographically diverse** with customers across Australia, New Zealand and South East Asia and teams in Sydney, Melbourne, Brisbane, Singapore and Manila.

Rapid geographic expansion through Asia is one of our key strategic priorities as highlighted by the relocation of our CEO in August 2019.



Our Offices

- Sydney
- Melbourne
- Singapore
- Manila

Our Territories

- Australia
- New Zealand
- Singapore
- Malaysia
- Thailand
- Indonesia
- Cambodia
- SAARC

The "How"

Across all our solutions and services, we stick to 5 principles that determine **HOW** we do anything.

01

Simplify complexity to reduce effort, bring operational efficiency and drive growth.

02

Deliver exceptional customer experience solving pain-points that others can't solve.

03

Grow the value of customers seamlessly giving us higher profit per customer.

04

Leverage scale and a lower cost base to ensure we are competitive and growing our profitability.

05

Live our corporate values and maintain our cultural vitality.

Enterprise Resource Planning (ERP)

Our Model

We acquire new customers, delight them with exceptional customer experience and a world class product so that they stay with us, grow with us and buy more services and solutions from us, and refer more customers to us.

www.jcurvesolutions.com/customers

We use the following four key metrics to measure the success of our ERP practice:

ARR

Annual Recurring Revenue (annualised licence and support income)

Deal Size

Average Net Income per New Business Sale

Acquisition

The number of customers and licensed users

Churn

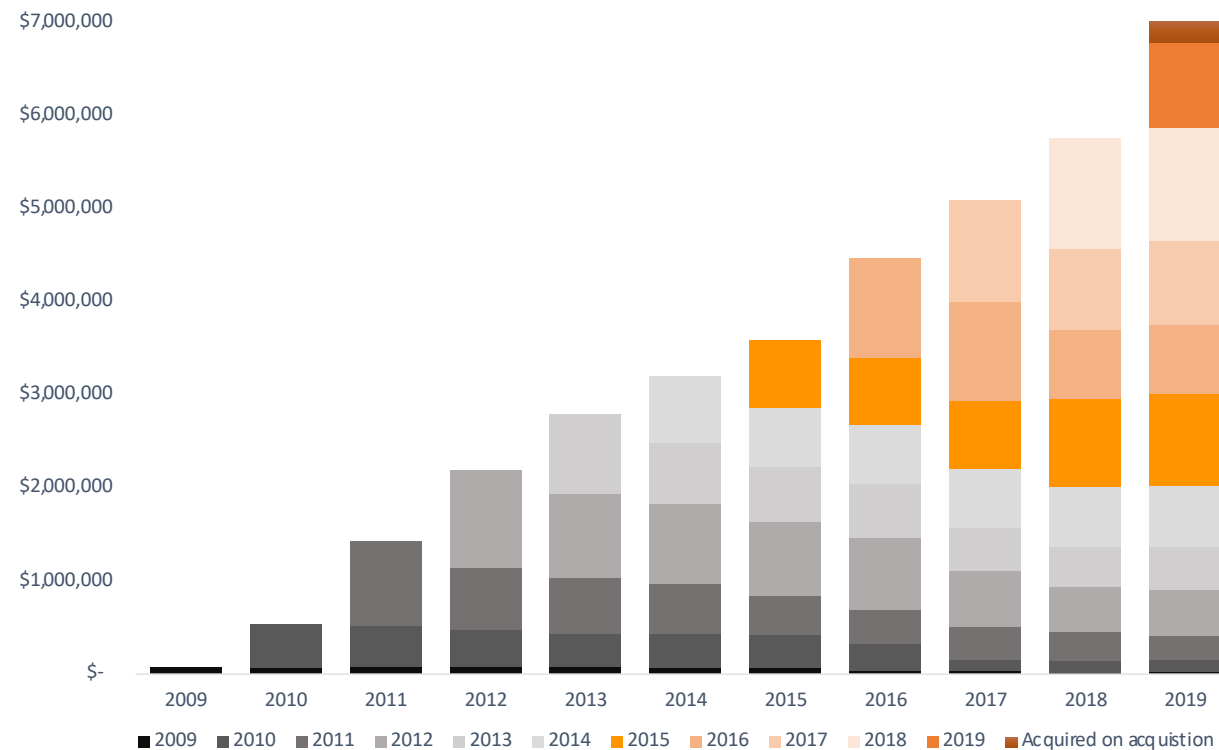
The percentage of Annual Recurring Revenue lost each year from the customer renewal base

ARR

The annualised contracted recurring revenue across the ERP contract base. This represents the net licence fees, plus support of our customer base.

What is driving ARR growth?

- Each year we acquire larger customers who buy more licenses/support
- Our existing customers grow and purchase more licenses/support
- We retain our customers better as shown by reducing levels of churn



\$7M

Current annualised contracted recurring revenue

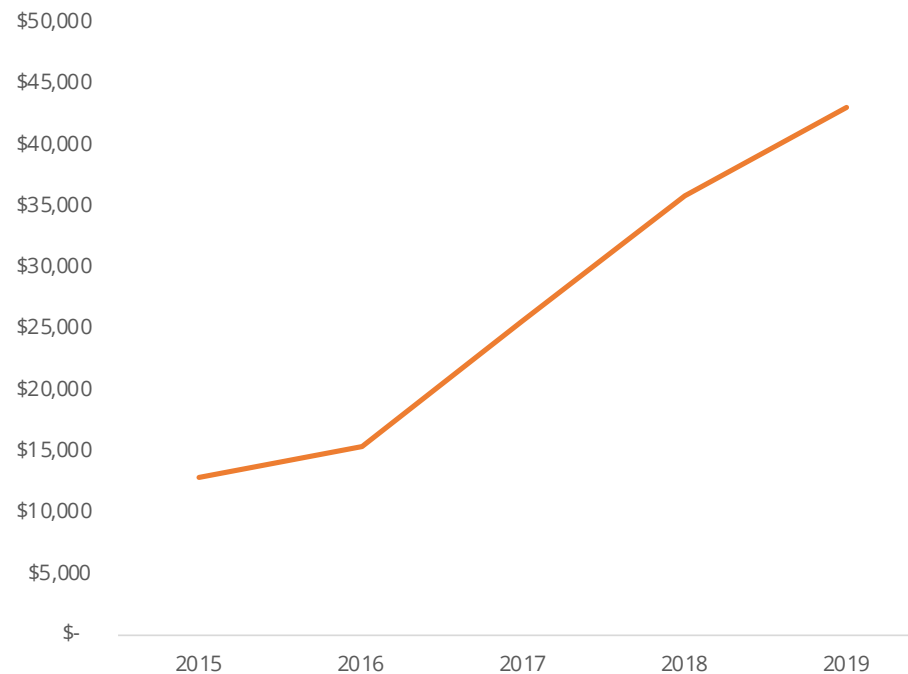
Average Net Income Per New Business Sale

This is the licence commission received on NetSuite edition customers or licence fee charged for JCurve ERP customers, plus implementation fees, plus support plus any third-party products.

What is driving AIPS growth?

- Increase in customer size with the sales of NetSuite editions
- Increased additional modules and professional services sold

Average Net Income Per New Business Sale (AIPS)



\$50K

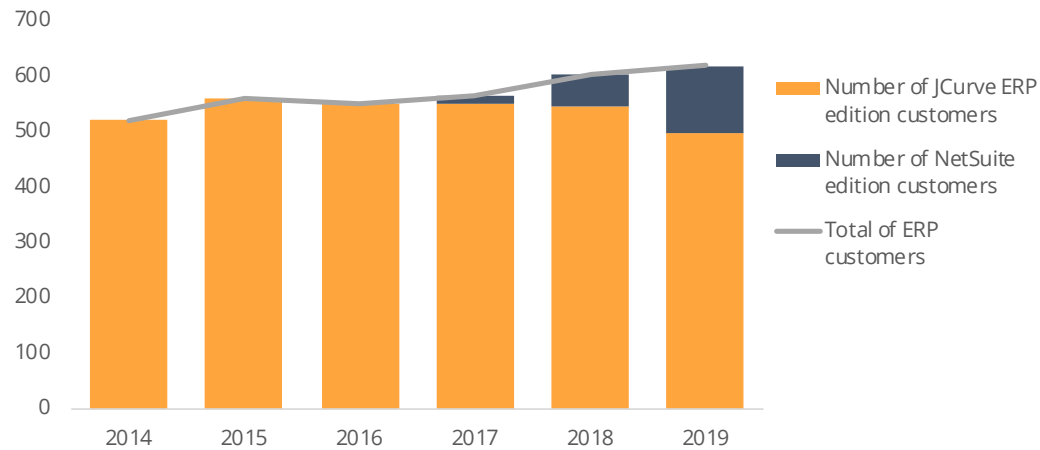
Current FY2020
Average AIPS

Customer Acquisition

Since becoming a NetSuite Solution Provider in 2016, our focus has broadened to include not only small business customers but also the larger mid-market and enterprise customers. Larger customers deliver increased ongoing revenue and are more profitable.

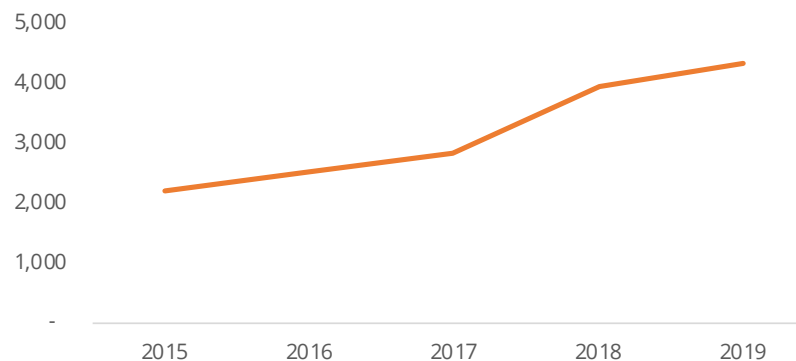
The majority of our NetSuite edition clients have been acquired in the last 2 years.

Customers by NetSuite ERP Solution Edition



>600
Current # ERP Customers

Number of Recurring NetSuite ERP licenses

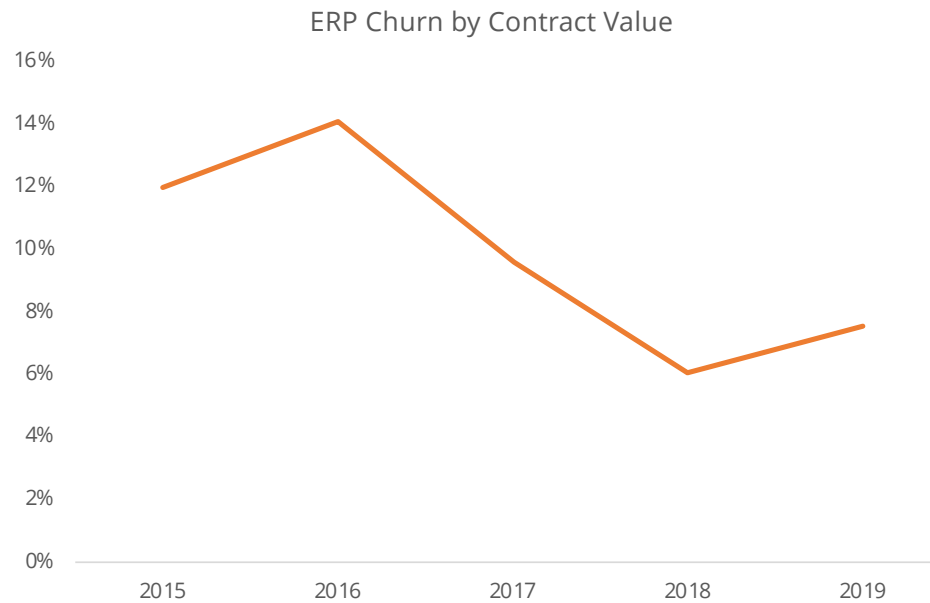


4K+
Current # ERP Users

Churn

What has been driving the reduction in long term churn?

- Our dedicated support team
- Our local account management team who are committed to ensuring customers get ongoing value from their ERP solution
- The move to larger, more stable customers



5%

Current FY2020 Churn

What to expect

- Continued growth in licenced users as our average customer size increases
- Continued growth in Deal Sizes
- Continued growth in ARR
- Relatively static customer numbers in Australia as we focus on larger customer wins and the customer mix shifts away from Small Business
- More customers in new verticals for JCS (e.g. Service and Software businesses)
- Improving contribution from JCS Asia to our HY2 FY20 result
- Increasing levels of unearned income as we sell to larger customers whose implementation takes longer to complete
- Further M&A activity in Asia
- Strengthen our position as NS #1 ERP partner
- Growth in Asia
- Maintain 5-star status
- Lower cost base with expansion of JCS Philippines centre of excellence
- Gross margin growth
- Re-investment of profit and cashflow into opportunities
- Expansion of territory

"In line with JCS' stated intent to be a diversified technology solutions company we will seek to both acquire technology intellectual property and also to deliver value to our shareholders by realising the inherent value of the businesses that we grow".

Stephen Canning

CEO

JCurve Solutions July 2019

RIYO Service Management Software

What is Riyo?

- Whatever the size of a business, if you need to take a booking, deliver a service at a certain place and time, take payment, then we've got it covered
- Retailers and service businesses often lose control of the customer experience in "the last mile" – we've fixed that
- Riyo improves visibility and collaboration for all parties involved in delivering and consuming a service
- Riyo delivers the mobile experience demanded by today's consumers
- Powered by AI, the whole customer interaction is monitored to ensure an outstanding customer experience

Explainer video: https://youtu.be/sZZT_jOXTiw



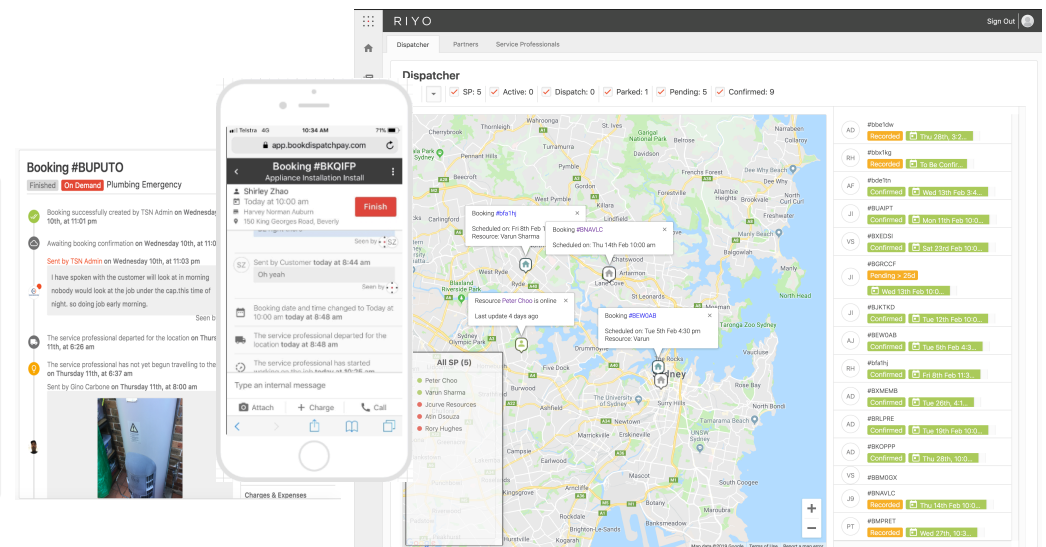
What to expect

- Growing customer numbers in HY2 FY20 from a number of proof of concept engagements currently being evaluated by larger service based prospects
- Rapidly increasing revenue contribution in HY2 FY20
- Increasing levels of unearned income
- Establishment of channel partnerships
- Global business opportunities

5
Current # of paying Riyo Customers

Customer Acquisition Strategy

- Self Service online sign-up for small businesses
- Channel partnerships
- Leverage existing 600+ ERP customer base
- Targeting larger, high-volume service-based organisations



Telecommunication Expense Management Solutions (TEM Solutions)

Our TEM Solutions **simplify** telecom expense management

Our TEM Solutions Story

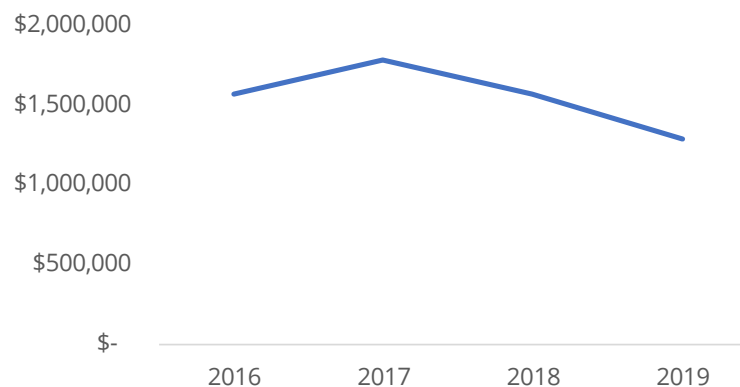
- Proprietary owned portfolio of solutions
- Original product proposition was to prevent “bill shock”
- TEM Solutions Market has declined for a number of years due to telco commoditisation
- Our solutions are still of benefit to larger organisations looking for admin efficiency and cost control
- Our solutions are mature. We are committed to continuing support for our TEM solutions



What to expect

- Ongoing profitable contribution to JCS
- Continued support for TEM solutions
- Reducing churn as larger more stable customers make up the majority of the remaining customer mix
- More lumpy churn if some of our larger customers decide to cancel their TEM services
- We will seek opportunities in less mature telco markets in Asia

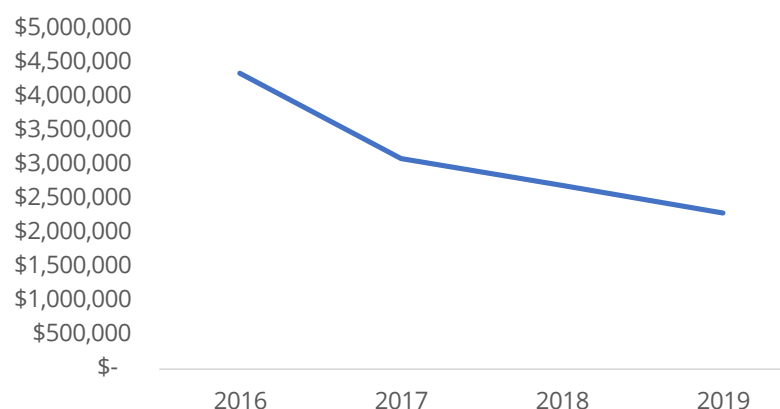
TEMS Statutory Profit (ex impairment)



>90

Customers

TEMS Revenue



16%

Annualised Customer Churn for the past 12 months

Strategy and Consolidated Results

We currently have three key strategic priorities



Grow ERP in Australia

- Win new business in mid-market
- Increase upsell to existing customers
- Reduce customer churn



Rapidly Grow JCS in Asia

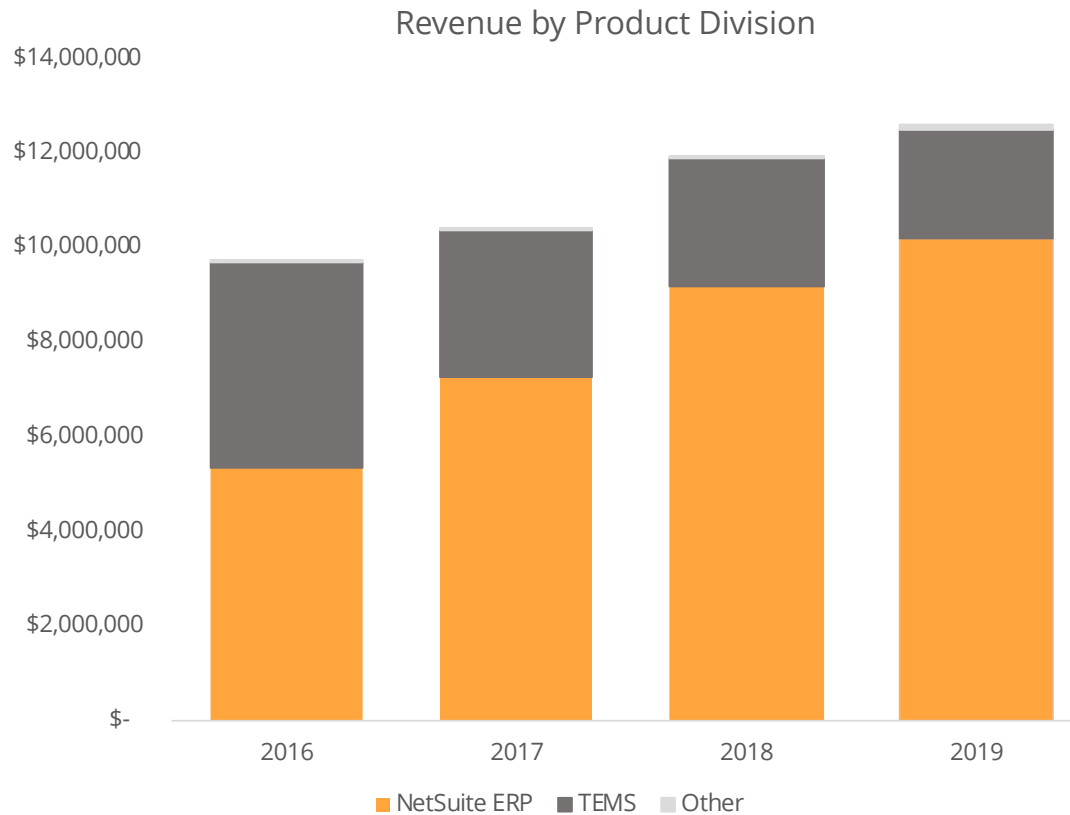
- Grow ERP Sales from Singapore office
- Grow JCS Philippines centre of excellence team
- Establish JCS brand in Asia
- Further M&A activities



Grow Riyo Faster

- Product enhancements from existing customer feedback
- Expand into existing customer base
- Focus on larger opportunities
- Look beyond Australia

JCurve Solutions is striving to be a **diversified technology solutions Company**



What to expect

- Sustained revenue growth in ERP in Australia based around mid-market
- Further expansion in ERP in Asia both organic and through acquisition
- Flattening of cost base growth
- Rapidly increasing revenue contribution from Riyo
- Ongoing, profitable contribution from TEM Solutions albeit declining
- Revenue diversification through product IP based acquisitions

Growth through Acquisition

JCurve Solutions continues to seek acquisitions that:

- Add to our product IP (revenue diversity)
- Grow our ERP business, especially in Asia (geographic diversity)

The relocation of the JCS CEO to Asia in August 2019 is fast tracking both of these objectives.

When looking at potential acquisitions we ask ourselves the following questions:

01

Does it align to our purpose?

02

Is it scaleable?

03

Does it solve a significant market need?

04

Can we do it better than the rest?

05

Does it leverage our core capabilities?

06

Does it fit our risk profile?

07

Will it create long term shareholder value?

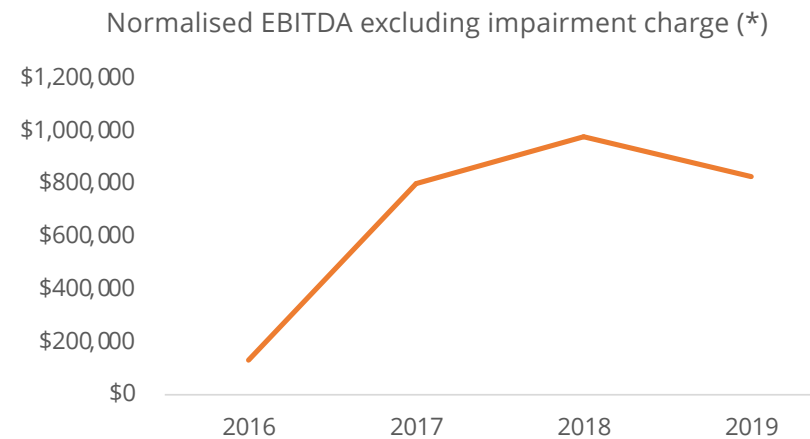
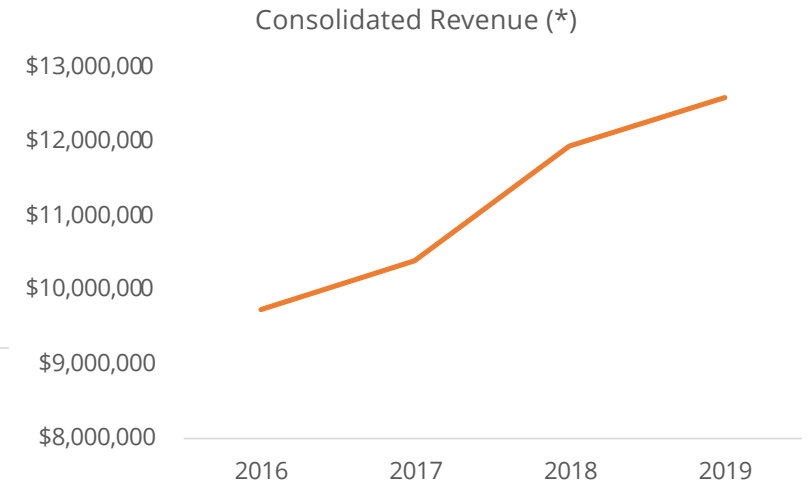
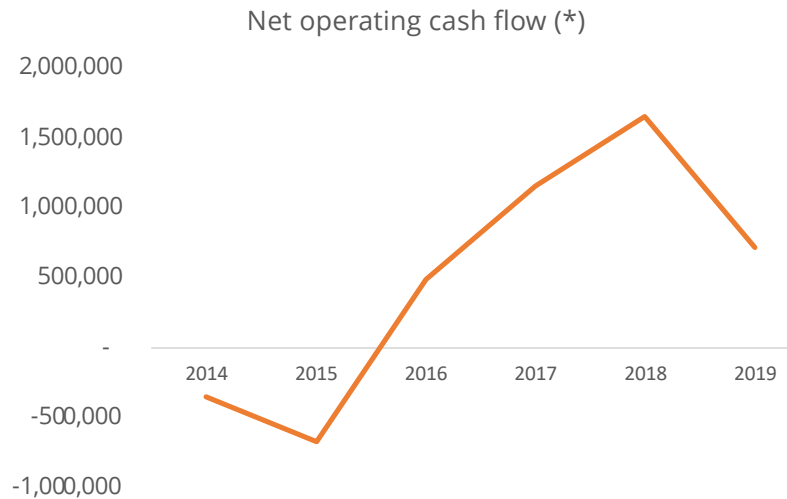
08

Will it fit our corporate culture?

Our Company Performance

How do we measure our overall success?

- Our Operating Cash Flow performance
- Our Revenue performance
- Our EBITDA performance



(*) Full year audited statutory results

Our Forecast Company Financial Performance FY2020

Our forecast guidance for FY2020 is as follows:

Measure	FY2019 Actual	FY2020 Guidance
Sales Income (*)	\$12.3M	Range: \$12.5M to \$15.5M
Revenue	\$12.6M	Range: \$10.5M to \$13.5M
EBITDA (**)	\$0.9M	Range: \$0.0M to \$0.6M
NPBT (**)	\$0.6M	Range: (\$0.3M) to \$0.3M
Unearned Income	\$2.2M	Range: \$3.5M to \$4.2M

- The guidance is reflective of organic growth from our existing operations and assets and does not include any acquisitions or any associated transaction costs
- A large range reflects the uncertainty surrounding a number of larger Enterprise opportunities currently being worked through across the businesses strategic growth areas
- The shift to larger more complex NetSuite Solutions for our ERP Practice is expected to continue at pace
- JCurve Solutions forecasts a significant increase in deferred revenue as the Company implements larger NetSuite Solutions and fulfils its performance obligations associated with the Riyo Solution

(*) Not revenue as per the accounting standards and not reported in the statutory financial results

(**) The positive impact of adopting AASB 16 from 1 July 2019 has not been included in the above forecast guidance for comparability purposes

Overall Summary

On current multiples (FY2019 results and \$9.5m market cap):

0.8x revenue, 1.1x on consolidated recurring revenue base, 11.1x Normalised EBITDA

Strong Financial Foundations

\$12.6m

Revenue for FY2019

\$0.9m

EBITDA for FY2019

\$3.1m

cash at bank as at 31 October 2019

- Operating cash flow positive for FY2019
- Debt free
- Growing recurring annual ERP commissions

Growth

- Continued organic revenue and profit growth
- Market trend towards cloud adoption
- Industry leading products
- Through acquisitions such as Riyo and Spectrum Partner Group
- Other M&A opportunities continue to be evaluated
- Product diversification
- Geographical diversification
- Continued investment in proprietary products

Strong Operational Fundamentals

- Growing revenue
- Strategic relationship with #1 vendor of cloud ERP software
- Expanding list of additional solutions
- We have a proven track record
- Experienced Board
- Experienced, industry award recognised senior management team
- Attraction and retention of talented team members



Stephen Canning
Chief Executive Officer
stephen.canning@jcurve.com.au



James Aulsebrook
Chief Financial Officer
james.aulsebrook@jcurve.com.au

www.jcurvesolutions.com