



# limeade<sup>®</sup>

## Annual Meeting of Stockholders

CEO Presentation to Stockholders – Henry Albrecht

9 June 2020 (PDT), 10 June (AEST)

ASX:LME

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# Agenda

**With  
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knows their  
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limeade



**FY19 Review**



**Strategy and Trading Update**



**Outlook**

# Company overview

Limeade is a provider of employee experience solutions that are designed to improve organisational culture, employee well-being and engagement to deliver quantifiable ROI for customers

**Limeade**

A platform that elevates the employee experience



## 258 Employees

across 3 countries including the United States, Canada and Germany



## 2.6m+ users

globally in medium to large enterprises that operate across a diverse range of industries



## Science and data driven

integrated employee experience platform. US\$77m+ invested into the business since inception in 2006



## 5-Year revenue CAGR<sup>1</sup> of 30%

from FY14 to FY19 primarily off a single solution; potential to accelerate growth with new solutions

# FY19 operational highlights



## Headcount Expansion

Headcount up 18% on FY19 to 258



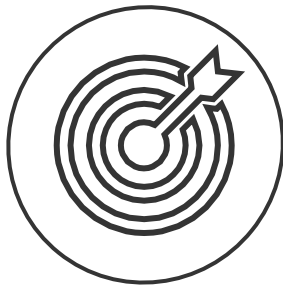
## ASX Listing

Raised US\$68.4 million (A\$100 million) and listed on ASX in December 2019



## Awards & Recognition

Top 100 HR Tech Influencers, Inc. 5000 List, Seattle Magazine's 100 Best Companies, Entrepreneur 360 Best Company, Certified Great Place to Work



## Customer Contracts

30 new customers, 23 direct contracts across 7 industries



## Continued Innovation

18 major platform initiatives and 100 product enhancements launched



## Environment, Social & Governance (ESG)

Focus on Board, employee diversity and product capabilities

# FY19 financial highlights

Limeade has met or exceeded pro-forma prospectus forecasts

**\$57.1m**

**CARR**

Up 20% vs. FY18 (\$47.5m)

**\$47.4m**

**Revenue**

Up 1% vs. prospectus forecast (\$47.0m) and up 18% on FY18 (\$40.1m)

**\$45.5m**

**Subscription revenue**

Up 1% vs. prospectus forecast (\$45.2m) and up 17% on FY18 (\$38.8m)

**(\$2.1m)**

**Pro forma EBITDA**

Up 57% vs. prospectus forecast (\$4.8m) and up 40% on FY18 (\$3.5m)

**(\$3.5m)**

**Pro forma NPAT**

Up 44% vs. prospectus (\$6.2m) and up 26% on FY18 (\$4.7m)

**76.6%**

**Gross Margin**

Up 1.2% vs. prospectus (75.4%) and up 3.0% on FY18 (73.6%)

**\$32.0m**

**Cash**

**\$1.4m**

**Pro forma operating cash flow**

Up 180% vs. prospectus forecast \$0.5

# FY19 key operating metrics snapshot

Limeade is seeing strong momentum with continued improvement across its key operating metrics

**5.7x**

**LTV<sup>1</sup> / CAC<sup>2</sup>**

In line with FY18

**97%**

**NRR<sup>3</sup>**

In line with prospectus forecast  
(97%) and down 1% on  
FY18

**96%**

**Recurring  
revenue**

In line with prospectus forecast  
and down 1% on FY18

**\$639k**

**Average CARR  
per Direct well-  
being customer**

Up 6% vs. prospectus forecast  
(\$605k) and up 22% on  
FY18 (\$526k)

**\$330k**

**Average CARR  
per customer**

Up 9% vs. prospectus forecast  
(\$302k) and up 30% (\$254k) on  
FY18

**173**

**Total  
customers**

**30**

**New customer  
contracts**

**258**

**Total  
headcount**

In line with prospectus forecast  
and up 18% on FY18 219

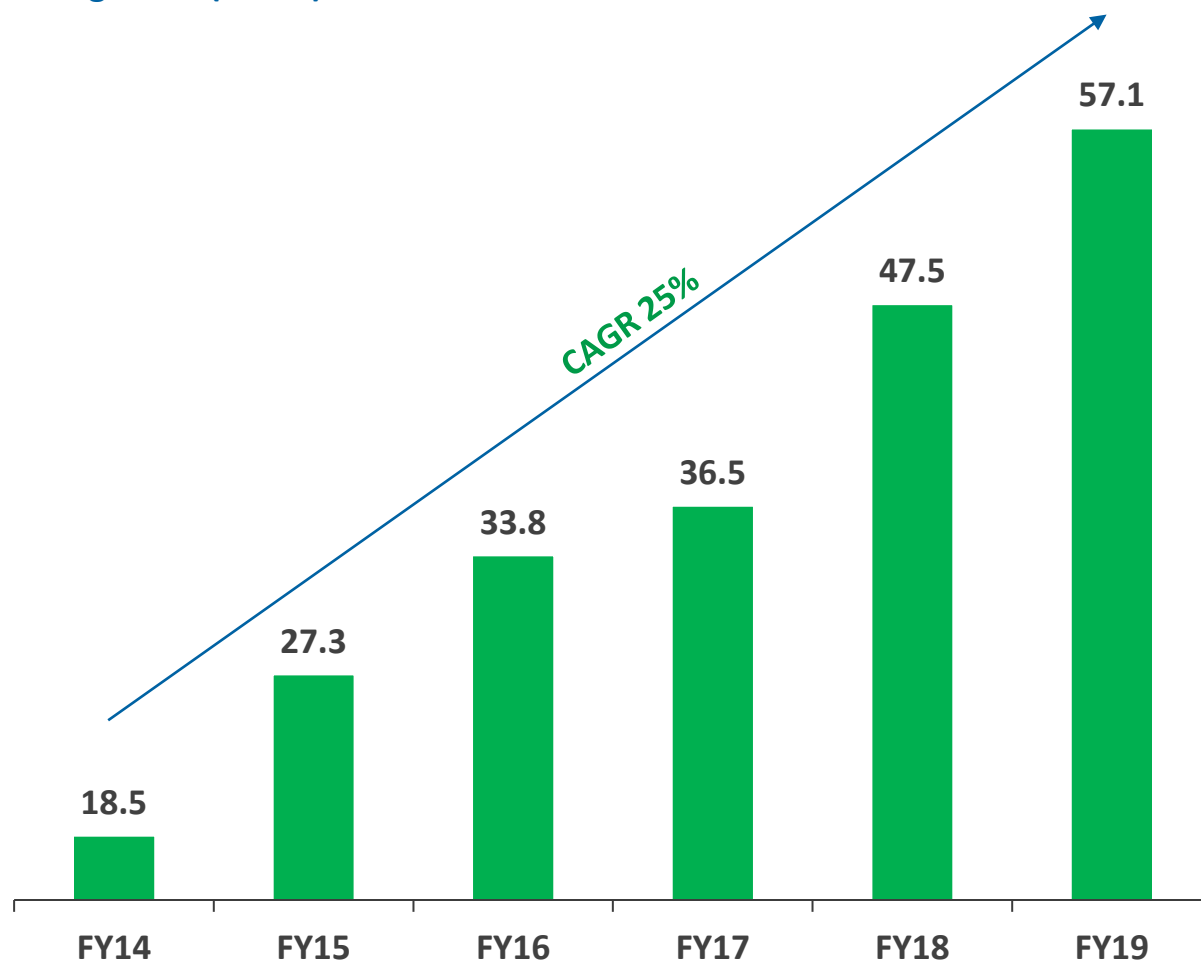
Notes: 1. **LTV** represents the lifetime value of \$1 in new customer CARR. LTV is calculated by Limeade as its gross profit margin (using the average over the last 12 months) divided by gross revenue churn (using the average over the previous four years). 2. **CAC** is a measure of the cost to acquire \$1 of CARR and is calculated by the total amount spent on customer acquisition through sales and marketing activities in a period, divided by the total new customer CARR acquired in that period. 3. **Net revenue retention (NRR)**: defined as CARR at the beginning of the period plus any CARR added in that period through sale of new solutions to customers who were customers at the beginning of the period (existing customers) or expansion in the number of employees of existing customers; less any reduction in CARR in that period through existing customers who terminate, decide not to renew their subscription or reduce usage of Limeade solutions amongst their employee population, divided by CARR at the beginning of the period.



# Significant growth trajectory

Limeade has a long history of maintaining strong and consistent growth with predominantly US-based customers and has invested in a range of growth accelerators

CARR growth (US\$m)



## Commentary

### 25% CAGR (of CARR) since FY14

- CARR has exhibited strong growth since FY14 driven by a focus on higher value customers

### High proportion of Enterprise customers

- Customers with >10,000 employees account for a significant proportion of CARR and CARR growth over time

### Industry Diversification

- Diversification of CARR by industry over time has reduced sector specific cyclicity effects



# Our valued employees – Anything is Possible Day, Sept 11, 2019



# Showing Care – Values and Benefits



## Limeade Benefits



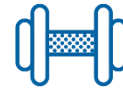
COMPETITIVE  
HEALTHCARE PLANS



FLEXIBLE WORK  
ENVIRONMENT



EMPLOYEE  
DEVELOPMENT FUNDS



ON-SITE GYM



4 WEEKS PTO



SUBSIDIZED  
COMMUTING OPTIONS



MANAGER SUPPORT  
FOR WELL-BEING



LIMEMATES WELL-  
BEING PROGRAM



8 WEEKS FULLY PAID  
PARENTAL LEAVE



FREE FITNESS DEVICE



FUN COMPANY EVENTS



10 PAID HOLIDAYS



GENEROUS  
COMPREHENSIVE  
COMPENSATION  
PACKAGE



INCLUSION AT  
LIMEADE



HEALTHY SNACKS



SMALL DELIGHTS



49%

51%



## Limeade Values



# Agenda

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**FY19 Review**







**Growth Strategies and Trading Update**



**Outlook**

# Growth Strategies

To execute on its growth initiatives, Limeade remains committed to its four-point growth strategy

1	New customer acquisition and expansion into key markets 	<ul style="list-style-type: none"><li>Investing in sales and marketing to accelerate pipeline growth and new customer acquisition including in key markets across APAC and Europe</li><li>Ability to acquire new customers enhanced with potential release of new solutions</li><li>Leverage Limeade scalable solutions that are available in up to 14 different languages and 100 countries</li></ul>
2	Expansions and upsells with existing customers 	<ul style="list-style-type: none"><li>Increase number of solutions through upsells to existing customers</li><li>Expand solutions footprint to additional geographies and populations of existing customers</li></ul>
3	Expand platform offering 	<ul style="list-style-type: none"><li>Expand platform offering through investment in additional solutions, features and capabilities to expand into new adjacent market opportunities</li><li>Increasing the range of capabilities available on the Limeade platform will expand addressable market and support continued growth in the contracted revenue base</li></ul>
4	Accelerating growth through acquisitions 	<ul style="list-style-type: none"><li>Limeade remains open to pursuing strategic, technology aligned and culturally compatible acquisitions to accelerate its growth or obtain complementary technology solutions and skilled employees</li></ul>



# Trading Update



## First Quarter Highlights

### 5 New enterprise contracts signed

- Including a single enterprise customer who is a leading player in the financial services sector

### \$1.9 million in operating cash flows

- Demonstration of financial and strategic discipline with cash receipts of \$25.4 million recorded, \$32.4 million in cash and no debt

### Limeade Engage conference re-imagined

- Limeade Engage customer and prospect conference was delivered virtually in webinar format and saw registrations increase 258% on the prior corresponding period (pcp)



## COVID-19 Initiatives

### Promotion of >160 relevant activities

- Through the Limeade Platform relating to social distancing, hand washing, working from home and how managers can enhance team performance remotely

### Limeade delivers “Care in Crisis”

- Free subset of Limeade Platform capabilities focused on helping large populations who are not yet Limeade customers, available to over 200,000 people

### Substantial increase in Limeade product participation

- Employee traffic on the Limeade Platform has increased over the pcp to address added emotional, financial and job stress with company communications and activities



## Recent Developments

### Limeade People

- Limeade did not furlough or layoff employees in response to COVID-19, and reported strong employee engagement in recent survey

### Customer and prospect behaviors since COVID-19

- Entering FY20, our top 20 customers on average have 24 months remaining on their contract. Limeade has not experienced a material increase in customer terminations or non-renewals (i.e. churn).
- The company has seen some delays in finalizing contracts with some new customers in advanced contract discussions. Sales activity is solid but there has been some impact to the velocity of upsell and new sales cycles

### Global changes post COVID-19

- Significant and lasting effects on the employee experience software industry anticipated. The long-heralded digital and cultural transformations of work are projected to accelerate in the aftermath of COVID-19

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**Growth Strategies and Trading Update**



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# Outlook



## Forecasts

- Limeade reaffirms FY20 prospectus forecasts for revenue, EBITDA and NPAT



## Limeade Focus

- Limeade continues to focus on elevating the employee experience for the largest companies in the world, leveraging its core data, science and technology pertaining to well-being and employee engagement

## Pro Forma FY20F

REVENUE  
\$56.1m

EBITDA  
(\$10.7m)

NPAT  
(\$12.4m)



# Thank you

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