



6 August 2020

ELMO Software Limited

(ASX:ELO)

ELMO (ASX:ELO) releases FY20 Financial Results
ELMO reports strong growth in revenue and customer base

Key Highlights

- Annualised Recurring Revenue (ARR) of **\$55.1** million, up **19.7%** pcp
- Statutory Revenue of **\$50.1** million, up **25.0%** pcp
- Cash receipts of **\$57.5** million, up **27.6%** pcp
- Number of customers **1,682**, up **25.4%** pcp
- Well capitalised with cash balance of **\$139.9** million

Sydney, Australia 6 August 2020: ELMO Software Limited (ELMO) today announced results for the full year ending 30 June 2020, reporting strong growth in annualised recurring revenue (ARR), statutory revenue, cash receipts and customers.

Despite the effects of COVID-19, ARR grew 19.7% to a record \$55.1 million, driven primarily by organic growth from new and existing customers.

Statutory revenue rose 25.0% to \$50.1 million and over 97 per cent of revenue was subscription based, which is recurring in nature. Cash receipts grew 27.6% to \$57.5 million. Gross profit margin remained high, at 85.3%, down 1.3% on FY19 due to further investment in client services to support an enlarged and growing customer base. Statutory EBITDA of (\$4.2) million reflecting our continued investment to support the longer term growth initiatives.

ELMO's customer base grew to 1,682 organisations over the year, an increase of 25.4%. Average modules per customer increased from 2.4 to 2.7. Customer concentration remains very low, with the largest customer representing less than 2% of ARR, and the 10 largest customers accounting for less than 7% of ARR. ELMO's LTV/CAC ratio remains high at 8.1, underpinning our continued investment thesis in growth.

ELMO's closing cash balance of \$139.9 million means the company remains well capitalised to continue investing in both organic growth and strategic acquisitions.

CEO and Co-Founder Danny Lessem said, "Despite some of the challenges associated with COVID-19, FY20 has been another year of robust growth for ELMO.

Particularly at this time, businesses are recognising the benefits of cloud-based technologies to deliver flexible and innovative workplace solutions.

ELMO's overall strategy remains unchanged: delivering organic growth supplemented with strategic acquisitions, continuing our growth trajectory into FY21 and beyond. We are well placed to capitalise on anticipated tailwinds in the adoption of cloud-based business tools, including HR-technology."

COVID-19 Response

Throughout the COVID-19 pandemic ELMO has remained focused on protecting the wellbeing of its employees, customers and the community. ELMO has adopted appropriate flexible working arrangements for its staff, as well as a range of extra wellbeing initiatives.

Additionally, ELMO recognised that its customers may require additional support, information and resources during this period. To aid customers, ELMO implemented several initiatives to help businesses manage their people during this crisis, such as offering its new ELMO Connect module to existing customers for free for six months, expanding video and online content and creating a COVID-19 resources hub.

ELMO is a cloud-based platform, and the business tools ELMO uses are also cloud based and accessible remotely. Hence, throughout the entire period ELMO was able to maintain its high levels of service to customers, uninterrupted.

Outlook

ELMO provides the following guidance for FY21:

- Annualised Recurring Revenue (ARR): **\$65-70** million
- Revenue: **\$57-61** million
- EBITDA: (**\$4-7** million)

ELMO remains committed to its growth strategy, driven by strong organic growth supplemented with selective acquisitions.

Results Webcast

ELMO's FY20 results webcast at 10.00am AEST on 6 August 2020 can be accessed at:

<https://webcast.openbriefing.com/6245>

Participants are encouraged to pre-register for the webcast using the link. A replay of the webcast will be available shortly after the event on ELMO's investor website:

<https://investors.elmosoftware.com.au/Investors/>

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About ELMO

Established in 2002, ELMO is a cloud-based HR, payroll and rostering / time & attendance software provider. The company offers customers a unified platform to help organisations streamline their people, process and pay. ELMO operates on a software-as-a-service (“SaaS”) business model based on recurrent subscription revenues.

For more information, please visit www.elmosoftware.com.au