



ASX:RDY

1H FY25 INVESTOR PRESENTATION

26 February 2025

Marc Washbourne – Co-Founder & CEO
Nimesh Shah – Chief Financial Officer



Next generation, mission-critical software crafted to closely meet customer needs across human led sectors

Supporting communities at scale

5,000+

Customers across Australia, NZ, UK & Europe

500+

Global team of mission-led ReadyTechers

2+ million

Students, apprentices and job seekers through our software

\$28+ billion

Payroll processed annually through our software for 1+ million employees

\$7+ billion

Council property rates processed annually

1+ million

Justice cases processed in UK alone

Principles of vertical SaaS



Know the customer inside-out



Target perfect product fit



Own the core system of record

Key customers

Workforce Solutions



Education & Work Pathways



Government & Justice





Financial & operational highlights

Total revenue

\$58.3m ↑

Increase of **6.6%**
Excluding Government sector: **9%**

Underlying EBITDA*

\$18.2m ↑

Increase of **4.6%**
EBITDA margin* of **31.2%**

Underlying cash EBITDA**

\$8.6m ↑

Increase of **10.2%**
Cash EBITDA** margin of **14.7%** (1HFY24: 14.3%)

Enterprise gross pipeline[^]

\$37.5m

FY24: \$31.8 million

Shortlisted/preferred stage opportunities[^]

\$13.5m

Leverage ratio^{^^}

0.86x

Headroom to support future growth

*Underlying EBITDA excludes the impact of LTIP \$0.5m and non-cash impairment of goodwill and related assets for Government and Justice segments CGU of \$20.6m fair value adjustment of contingent consideration of \$0.6m and \$1.5m relating to transactions and integration costs for acquisitions

**Cash EBITDA includes actual lease payments, labour capitalisation and exclude the impact of LTIP.

^Total value of first-year annualised subscription and implementation fees.

^^Net debt/LTM EBITDA as at 31 Dec 2024.



Key highlights



Momentum with contract wins across the enterprise strategy

- **Workforce Solutions** enterprise strategy delivered its largest contract win to date of more than \$1 million.
- In **Education**, first university win with Avondale University opens large new market.
- Major new tribunal contract win underpins **momentum in Justice**.



Local Government growth inhibitor addressed and pathway to accelerate growth unlocked

- Strategic acquisition of CouncilWise Property & Rating engine and capability addresses **customer proof points** with proven product across Australia, as well as augments the Local Govt. management team.
- Supports the unlocking of **long-term cloud upgrade strategy** with a fit-for-purpose enterprise ERP and resolves key product reference issue that has inhibited customer transitions to date.



Innovation and new product launches to drive future growth

- Next-generation **HR & LMS modules** unlocking new market opportunities and customer expansion in both Workforce and Government.
- Continued rollout of **AI-infused solutions**, including Talent IQ for Recruitment and Ask AI Policy Bot – delivering smarter, more efficient workflows.

ReadyTech well positioned for inflection point

Growth pillars launching ReadyTech for a step change in profitability, with operating leverage and margin expansion expected in 2H FY25 and beyond

Enterprise pipeline of \$37.5m including \$13.5m deal value of conviction opportunities at **shortlisted/preferred stage** with close date in 2H FY25.

Confidence in unprecedented **Education & Work Pathways** and **Justice pipelines** underpinned by level of procurement activity to replace legacy systems – supported by reference customers.

Full product scalability and expanded referenceability via CouncilWise will deliver accelerated cloud adoption and **growth in Local Government.**

The incremental cash margin from these active growth initiatives will drive **operating leverage and margin expansion** in 2H and beyond.

1H FY25 financial performance



1 H financial overview

\$ MILLIONS			
	1HFY25	1HFY24	YoY % change
Subscription revenue	49.9	47.2	5.7%
Implementation, training and other revenue	8.4	7.5	12.0%
TOTAL REVENUE	58.3	54.7	6.6%
Total expenses	(40.2)	(37.3)	(7.8)%
*Underlying EBITDA	18.2	17.4	4.6%
*Underlying EBITDA margin	31.2%	31.8%	
LTIP	(0.5)	(0.9)	44.4%
Depreciation and amortisation	(6.2)	(5.3)	(17.0)%
Amortisation of acquired intangibles	(5.0)	(3.8)	(31.6)%
Net finance expenses	(1.5)	(1.7)	11.8%
Underlying income tax expense (effective tax rate = 27%)	(1.3)	(1.6)	18.8%
*Underlying NPAT	3.7	4.1	(9.7)%
Amortisation of acquired intangibles (post-tax)	3.5	2.7	29.6%
*Underlying NPATA	7.2	6.8	5.9%
**Underlying cash EBITDA	8.6	7.8	10.2%
**Underlying cash EBITDA margin	14.7%	14.3%	

*Underlying EBITDA and NPATA excludes the impact of LTIP \$0.5m and non-cash impairment of goodwill and related assets for Government and Justice segments CGU of \$20.6m fair value of contingent consideration of \$0.6m and \$1.5m relating to transactions and integration costs for acquisitions.

**Cash EBITDA includes actual lease payments, labour capitalisation and exclude the impact of LTIP.

Highlights

Revenue growth up 6.6% on PCP:

- ✓ Subscription revenue up 5.7% to \$49.9m; recurring revenue 85.6% of total revenue (FY24: 83.8%).
- ✓ Net revenue retention (NRR) of 102% reflects progress across all segments offset by 1H delays in upgrading IT Vision customers.
- ✓ Recurring revenue model and operational leverage drive improved profitability:
 - Underlying EBITDA* of \$18.2m, up 4.6% vs PCP
 - Cash EBITDA** margin of 14.7%, up 40bps on PCP
- ✓ Government revenue impacted by product delay as flagged in November 2024. Excluding Government, revenue growth was **9%** on PCP basis.
- ✓ Reflects timing of several enterprise deals shifting into 2H FY25. \$13.5m of opportunity pipeline is in shortlisted/preferred stage.

7.8% increase in expenses to \$40.2m reflects investment in capability to support future revenue growth and driving higher operating leverage:

- ✓ Dedicated agile AI squad for product enhancement across multiple products
- ✓ Total investment in R&D now represents 29% of revenue
- ✓ 8.6% of revenue invested in sales and marketing to support pipeline growth
- ✓ Ongoing cost savings targeted through initial AI-driven productivity improvements in software development and other key disciplines.

Non-cash impairment of \$20.6m of goodwill and related assets in Government segment relates to integration of legacy production platforms and 1H FY25 performance.



Strong cash flow and balance sheet support growth initiatives

NET DEBT AS AT 31 DEC 2024

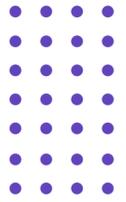
\$ MILLIONS	31 DEC 24	30 JUN 24
Bank debt	50.0	50.0
Bank guarantee	1.3	1.3
Cash and cash equivalents	19.3	29.9
Adjusted net debt	30.7	20.1
Net debt/EBITDA	0.86x	0.5x

*Operating cash flow excluding impact of interest, tax and normalised costs.

Highlights



- ✓ Gearing remains within the Company's target range with net leverage ratio of 0.86x as at 31 Dec 2024.
- ✓ \$10.1m paid for acquisitions and earn-outs upon achievement of milestones for IT Vision and Open Windows Software.
- ✓ Cash and cash equivalents of \$19.3m; supports growth initiatives and future contingent considerations.
- ✓ Generated \$14.5m operating cash flow*. EBITDA to operating cashflow* conversion at 85% and expected to exceed 95% for FY25 driven by receipt of annual subscription fee payments in Q4.



Higher value customer wins and upsell deliver growth in revenue

	EDUCATION & WORK PATHWAYS	WORKFORCE SOLUTIONS	GOVERNMENT	JUSTICE	GROUP
REVENUE (in millions)					
1HFY25	\$20.3	\$16.5	\$16.3	\$5.2	\$58.3
1HFY24	\$19.0	\$15.0	\$16.1	\$4.6	\$54.7
% Change	7.1%	10.4%	1.2%	13.0%	6.6%
EBITDA* (in millions)					
1HFY25	\$8.7	\$6.0	\$5.7		\$20.1
1HFY24	\$8.2	\$5.4	\$5.6		\$19.2
% Change	6.1%	10.1%	0.7%		10.8%
EBITDA MARGIN* %					
1HFY25	42.9%	36.4%	26.4%		34.5%
1HFY24	43.1%	36.0%	27.1%		35.1%
% Change	(0.2)%	0.4%	(0.5)%		(0.6)%

*EBITDA excluding the impact of LTIP.

^Deal value is the first-year annualised subscription and implementation fees.

Segment highlights



Total revenue growth excluding Government 9%; underpinned by enterprise wins and Net Revenue Retention (NRR) of 102%. Total revenue growth of 6.6% impacted by Government segment performance. Excluding Government revenue grew by 9%.

Education & Work Pathways – Education revenue grew on the back of continued growth in Higher Education and TAFE customers. Work Pathways revenue impacted by cyclical timing of contract renewals in 1H FY25. 2H FY25 well positioned to outperform and achieve prior period growth rates. EBITDA margin held above 40%.

Workforce Solutions – Revenue up 10.4% with software growing at 11.8% and Managed Services at 7.3%. Growth was underpinned by a number of enterprise customer wins including the single largest of \$1m+ win in late 2024. Ongoing success with upsell of modules, delivering EBITDA margin expansion

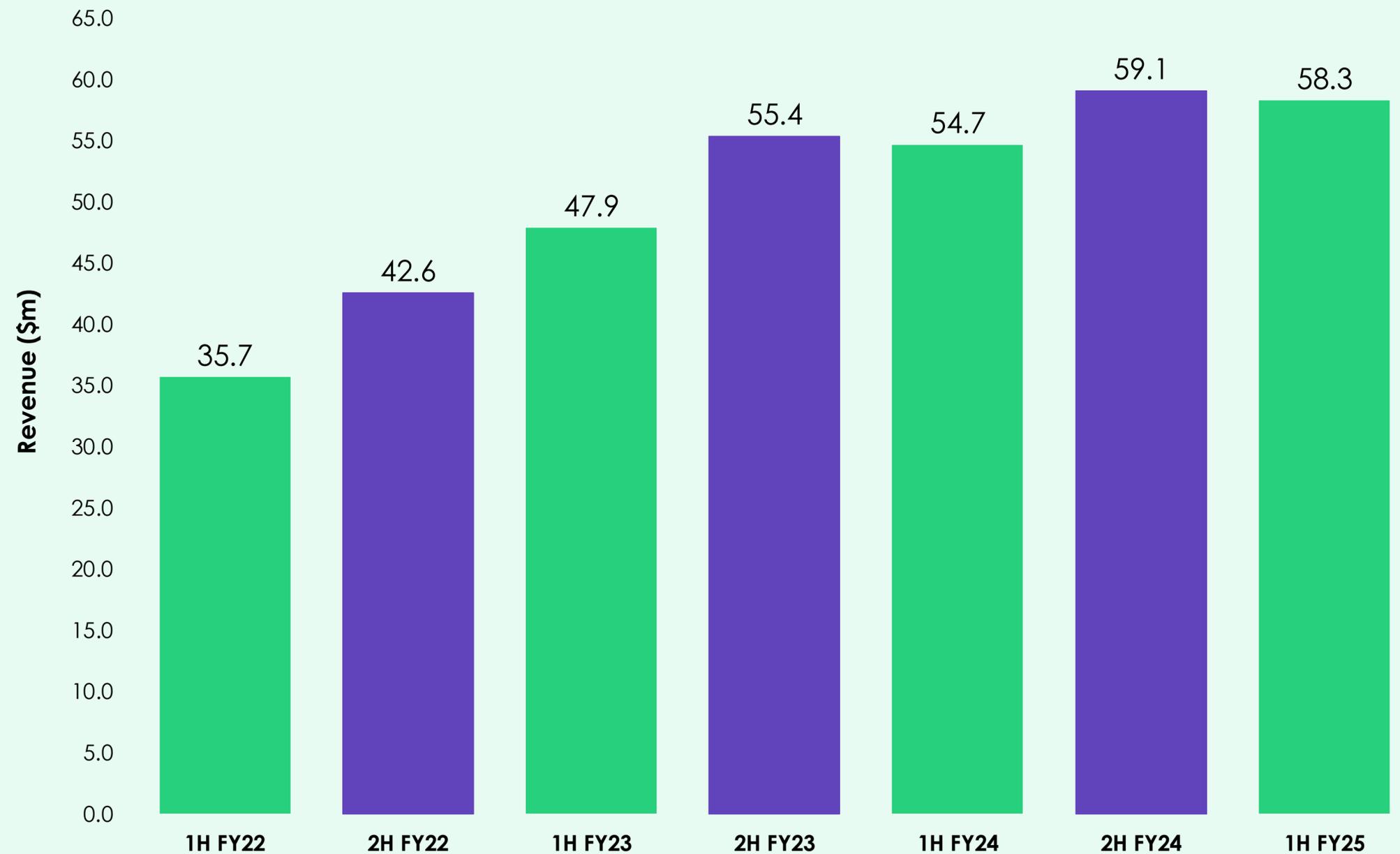
Government & Justice – Justice revenue performed strongly growing at 13.0% with new customer wins and upsell of additional services and modules across existing sticky customer base. Segment margin maintained at 26.4%. Government revenue flat on a PCP basis impacted by product delays with strong plan to address in 2H and beyond.

Average value of **enterprise** customer contracts in CY24 was **\$711k**:

- ✓ High level of confidence remains for number of shortlisted/preferred stage opportunities which ReadyTech is participating in, bolstering growth beyond 2025.
- ✓ 11 enterprise contracts with deal value[^] of \$7.8m were secured in CY24.

Annualised revenue growth has trend of higher weighting in 2H

Historically 2H performance underpinned by EOFY Workforce Solutions revenue, Q4 subscription 'true-ups', seasonality of customer spend and Disability Employment Services (DES) contract awards in Q4 (Work Pathways).



How we win in enterprise



Targeting large, high value enterprise customers across all segments

The 'why' of the enterprise strategy

- ready workforce
- ready community
- ready student



Acquire high value contracts with sizeable tech budgets, starting with break-through customers in key sectors

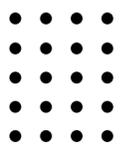
Large addressable market and continuing medium term movement to cloud and digital transformation creates huge disruption opportunity



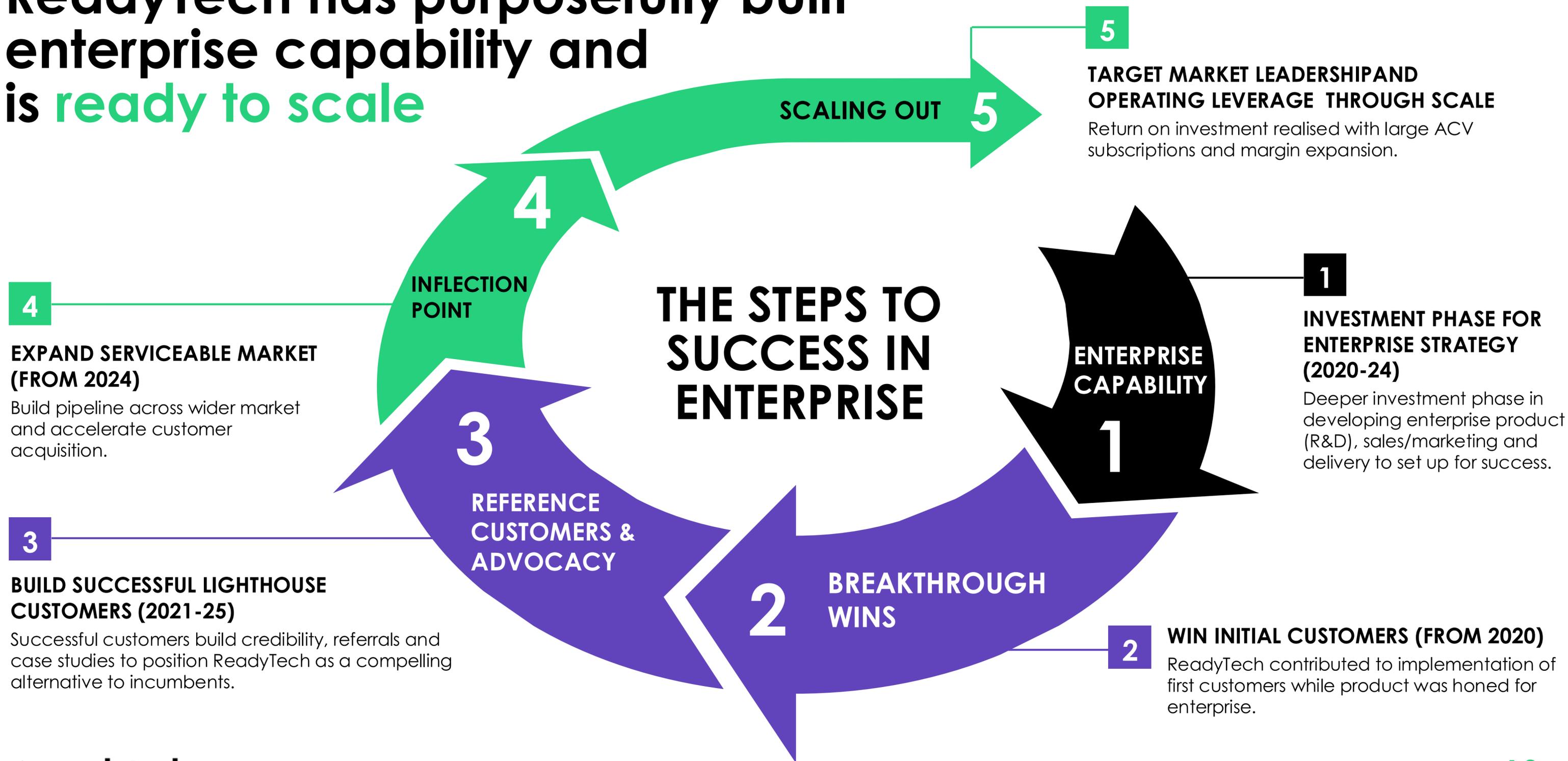
Opportunity to build strong moats with best-in-class products

Scalable, configurable platforms and vertical SaaS revenue model leading to higher margins





ReadyTech has purposefully built enterprise capability and is ready to scale



Momentum in enterprise contract wins in the last 2 years driving increased deal value



GOVERNMENT OF WESTERN AUSTRALIA
Department of Justice



Ready Skills

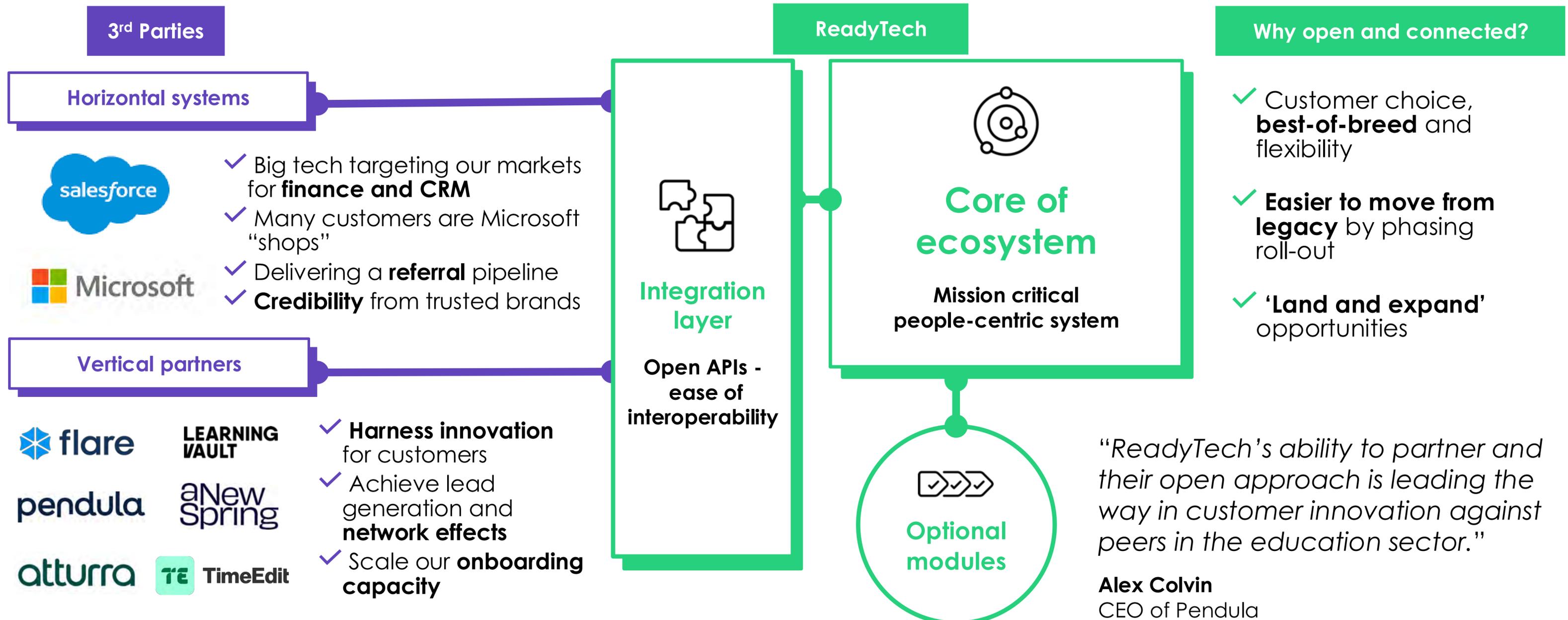


TRIPPAS WHITE GROUP



Environment, Land, Water and Planning

ReadyTech's open ecosystem is a major point of competitive difference versus platform monoliths



“ReadyTech’s ability to partner and their open approach is leading the way in customer innovation against peers in the education sector.”

Alex Colvin
CEO of Pendula

Education

ReadyTech is well placed to accelerate multiple enterprise growth engines across the tertiary education universe



20+ TAFEs

ReadyTech market position solidifying – better placed than ever to capitalise on TAFE opportunity.



44 Universities & 120 Private Higher Ed

ReadyTech's breakthrough university win and expansion of higher education customers and capability opens a large serviceable market ready for change.



8 Large scale State Government (Vocational Management)

ReadyTech has opportunity to extend reach with major contracts across State Government Vocational Education Management Systems.



"With ReadyTech, we found a partner who is as invested in our future growth and innovation as we are."

Nigel Quinn
CISO at Avondale University

*Management estimates by internal market/customer analysis.

Why Education is poised to outperform:



Growing conviction in pipeline opportunities ready to replace legacy student management systems with **cloud platform**



Proven product and delivery capability provides growing momentum on reputation and referenceability



Growing need for institutions to upgrade and digitise **student experience**



Major regulatory and data reform programs mean risk and burning platforms to upgrade from legacy

Workforce Solutions

Vertical strategy is gaining traction

ReadyTech is winning in the mid-to-enterprise stand-up economy by solving complex payroll and workforce management and achieving high customer intimacy



Deep understanding of stand-up economy market drivers



Rich customer insights & domain expertise



Efficiencies in GTM, delivery optimisation and high retention

Key market drivers of the stand-up economy



End-to-end cloud, single vendor relationship replacing legacy systems



Focus on payroll compliance and accurate pay from proven and trusted supplier



Remote and mobile workforces



Need to drive automation and cost efficiencies

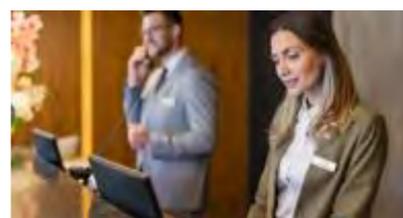
Recent stand-up economy enterprise wins



Transport & Logistics

northeast
auto group

MOVE



Hotels, Hospitality & Accommodation

MERCURE
RESORT

TRIPPAS WHITE GROUP



Aged & Disability Care

BaptistCare

Hōhepa
every life fully lived



Manufacturing

Meyer
TIMBER

douglas



Agriculture

Talley's

TEYS **Seeka**



Retail & FMCG

BARGAIN CHEMIST
Why pay more?

Nando's



Workforce Solutions Enterprise vertical strategy in action with largest customer win

Talley's Group is a prominent force in New Zealand's food industry, spanning seafood, agriculture, dairy, and vegetables.

With **6,000+ employees**, it operates at scale, supplying quality food locally and globally. Committed to sustainability and innovation, Talley's drives economic growth while reinforcing its industry leadership.

Why we won:

- 1 Comprehensive solution**
Integrated payroll, HRIS, and workforce management platform, meeting diverse operational needs across multiple sectors.
- 2 Proven track record**
Established reputation delivering robust solutions to large and complex agricultural enterprises in New Zealand, ensuring reliable payroll and HR management.
- 3 Commitment to innovation**
Valued for our continuous innovation, adaptability, and scalable platform to meet evolving industry needs.
- 4 Strong local support**
A dedicated local team providing exceptional customer intimacy and service, ensuring smooth implementation and ongoing support.

We chose ReadyTech because their integrated solutions align with our operational goals, providing us with the tools to manage our workforce efficiently and effectively. Their commitment to innovation and local support made them the ideal partner for Talley's as we continue to grow and evolve.



Greg Kingston
Chief Financial Officer
Talley's Group

Local Government

Strong addressable market position with service digitisation agenda and cloud transition to drive growth



Scale – ReadyTech benefits from position as a leading provider at scale with relationships with 280 Local Government customers, well distributed across Australia, using one, multiple modules, or entire ERP solution.

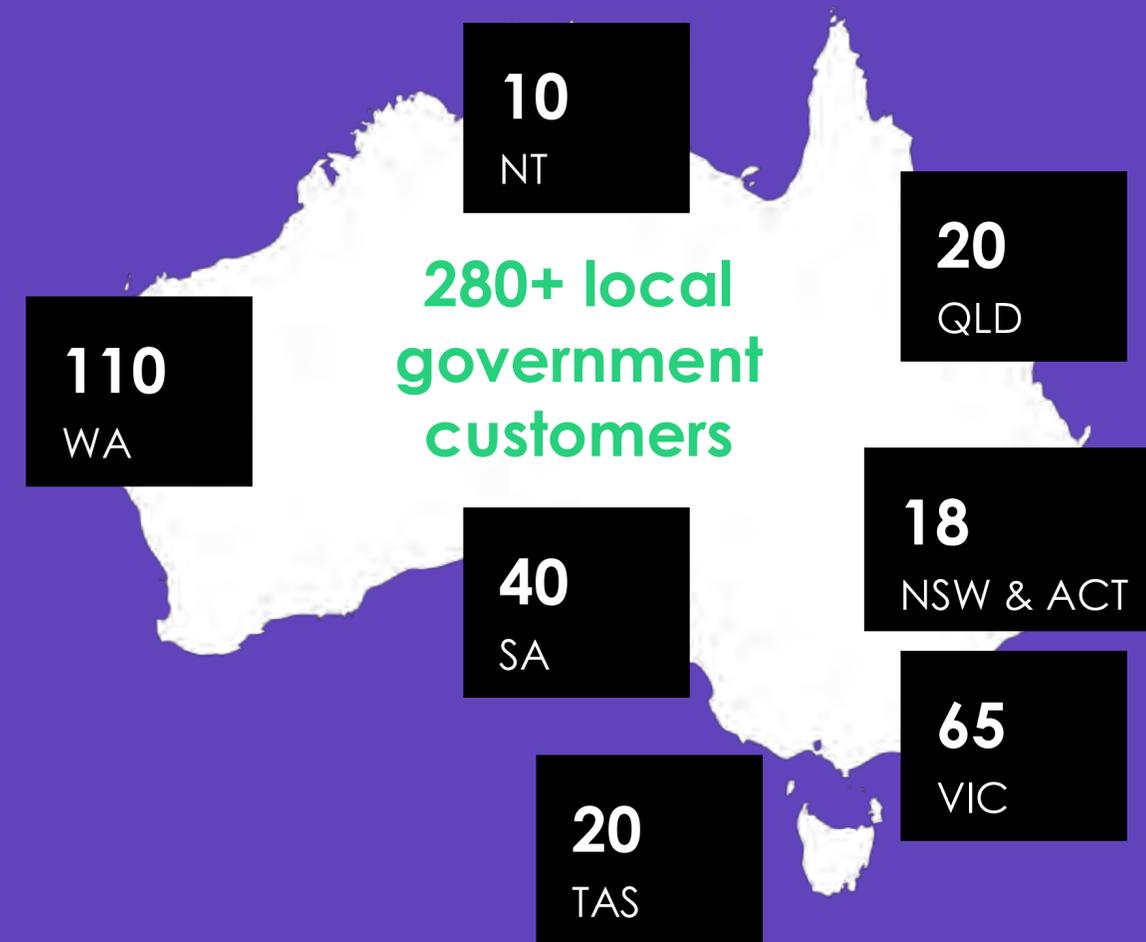


Tailwinds – Growing market demand for improved efficiency and digitised services to meet community expectations.



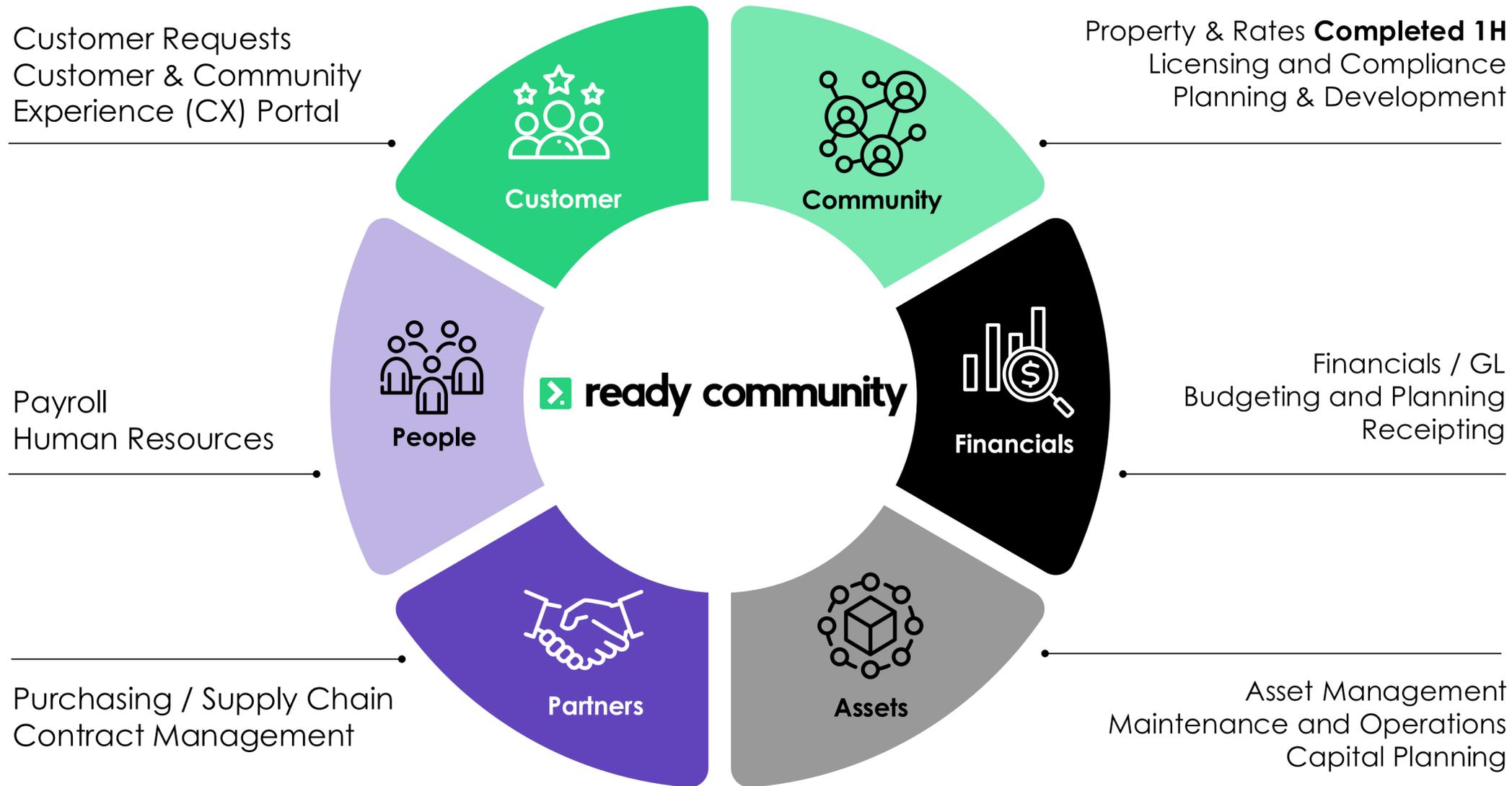
Opportunity – ReadyTech estimates Local Government serviceable market opportunity of \$280m+ by attracting new enterprise logos on competitor legacy technology, as well as unlocking cloud migration of existing customers, including transition to subscription. Key product reference issues addressed that have inhibited customer transitions to date.

32% of LGAs believe their council doesn't have a digital transformation vision and strategy/plan



Local Government

Complete ERP readiness fast-tracked to meet needs with referenceability across Australia to unlock cloud transition opportunities



councilwise | Part of readytech

Meeting customer cloud transition demand and growth to accelerate

- Property & Rating product bottleneck resolved with proven and scalable engine acquired.
- Referenceability across Australia with over 30 customers Property & Rating de-risks customers to adopt ReadyTech solution.
- Complete ERP ready for roll-out to customers who have commenced and not yet committed to cloud transition.

Local Government

Refreshed and high-quality management team with track record of enterprise success



Daniel Wyner

Executive Leader

Responsibility

Strategic leadership for sustainable and long-term growth.



Michelle Cross

Enterprise Delivery

Previously Salmat

Responsibility

Highly scalable customer transition and implementation capability and excellence in customer experience.



David Rajasingham

Enterprise Sales

Previously Enterprise Local Government

Responsibility

High performing, customer-centric Sales & Account Management team driving customer transition, secure new customers, maximize customer value and leverage partner network.



Chris Dunn

Enterprise Product

Previously Xero & Datacom

Responsibility

Repeatable, scalable product and highly configurable to meet the diverse needs of Local Government customers.

Augmented with CouncilWise management team

Local Government and Property & Rating specialists strengthen our leadership and value to customers



Ben Dornier



Scott Christian

Justice

Experiencing growth and expansion of conviction pipeline as sector digital transformation accelerates

Growth drivers for Justice sector

- ✓ Massive legacy technology burden
- ✓ Drive for productivity and efficiency programs
- ✓ Expectation of digital experience of citizens and participants
- ✓ Increasing acceptance of digital by influential judiciary

Product-market fit

Citizen-centric justice case management solutions with serviceable market of ~\$230m* across:



Courts
(Federal, State)



Commission & Legal Services



Tribunals
(Federal, State)



Public Prosecutors

*Management estimates by internal market/customer analysis.

WHY WE ARE WINNING CUSTOMERS

- ✓ Deep domain expertise
- ✓ Track record of delivery, referenceability in UK
- ✓ Modular & configurable platform
- ✓ Proven rapid time to go-live

Growing reputation following major contract and successful project in UK:

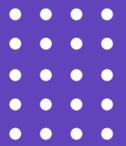
"This is a significant step towards achieving our goal of bringing the Courts and Tribunals service into the 21st Century. Listing can take a huge amount of time for our hardworking staff and this investment will support them to focus on important work helping all court and tribunal users"

UK Courts Minister, Chris Philp MP



RECENT CONTRACT WINS IN 2024 BELOW AND HIGH CONVICTION PIPELINE





Focus on innovation to support future growth

ReadyTech continues to invest in R&D to drive growth and NRR with focus on new module releases and accelerating high value AI-releases via our dedicated Emerging Technology Team

ReadyTech released major upgrades for its workforce offering and accelerated AI-infused product releases

Next-level HR & LMS modules



- Expanding coverage across the entire employee lifecycle, our next generation HR & Learning Management System (LMS) modules consolidate essential workforce functions into a **seamless, end-to-end solution**.
- By integrating capabilities previously reliant on third-party products, ReadyTech will receive **additional value** while enhancing efficiency for Workforce and Local Government customers.

AI-infused product innovation



ReadyTech's AI solutions are progressing rapidly, delivering real-world impact through completed and in-progress projects

Examples include:

- **Talent IQ for Recruitment** streamlines high-volume hiring with AI-driven candidate matching and skill assessments, reducing time-to-hire and improving placement success by up to 50%.
- **Ask AI for Policy Bot** enhances compliance with instant, AI-driven policy guidance, minimising manual intervention and accelerating decision-making.
- **Council DA Agent** in development, set to transform a critical part of the housing supply chain by streamlining development approvals and reduce administrative bottlenecks.

In 2025, ReadyTech will deliver on a **pipeline of AI projects** targeting automation and efficiency with measurable benefits across workforce transformation, regulatory processes, and service delivery.

Scaling smarter: AI-driven operating leverage

ReadyTech is targeting **cash EBITDA margin of 20%+** leveraging cutting-edge AI technologies to enhance operational efficiency while delivering superior value to customers



Customer support



ReadyTech's AI support agents further embedded into customer service, drafting high quality responses to queries with a LLM trained on previous tickets:

- **Improved response times** for superior customer experience.
- **Enhanced support efficiency** freeing up our human support staff to focus on more complex issues.

70%
drafted tickets

Software development



AI-assisted coding has improved efficiency, while AI is now expanding across the product development lifecycle to enhance ticket quality and streamline pull request reviews:

- **Increased development speed** allowing us to deliver features and improvements more quickly.
- **AI-Enhanced code quality**, improving software reliability and reducing time spent on debugging and rework.

25%+
coding efficiency

Quality assurance

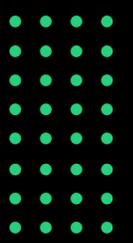


Automated testing has streamlined our QA processes, achieving high test coverage for premium products:

- **Continuous feedback** running automated tests daily provides engineers with faster feedback, enabling quicker identification and resolution of issues.
- **Enhanced stability** automating repetitive QA tasks helps us maintain a more stable and issue-free software environment.

85%+
test coverage

Scalability of customer support, software development and QA teams without a corresponding increase in human resources.



Enterprise strategy ready to drive future growth in revenue and margin expansion

FY25 outlook

- Revenue growth for all segments in FY25 excl. Local Government expected to be low double digits, underpinned by pipeline of \$37.5m including shortlisted/preferred stage opportunities of \$13.5m.
- Group revenue growth in FY25 expected to be at high single digits.
- Underlying EBITDA* margin expected in the range of 33-34%, excluding the impact of LTIP.
- Underlying Cash EBITDA** margin to be in the range of 17.5-18.5%.

Medium-term target – FY27

- Depth of current sales opportunity pipeline and advanced stage opportunities forming an inflection point for a return to mid-teens growth, underpinning a revenue target of \$160m-\$170m.
- Cash EBITDA* margin to be greater than 20%.

**Underlying EBITDA excludes the impact of LTIP \$0.5m and non-cash impairment of goodwill and related assets for Government and Justice segments CGU of \$20.6m fair value adjustment of contingent consideration of \$0.6m and \$1.5m relating to transactions and integration costs for acquisitions*

***Cash EBITDA includes actual lease payments, labour capitalisation and exclude the impact of LTIP.*



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About ReadyTech

ReadyTech is a leading provider of mission-critical SaaS for the education, employment services, workforce management, government and justice sectors. Bringing together the best in people management systems from students and apprentices to payroll, employment services, and community engagement, ReadyTech creates awesome technology that helps their customers navigate complexity, while also delivering meaningful outcomes. To learn more about ReadyTech's people-centric approach to technology, please visit readytech.io.

