

**APPLYDIRECT LIMITED (ASX: AD1)**

## **BUSINESS UPDATE & INVESTOR PRESENTATION**

**March 2017**



# **BUSINESS UPDATE**

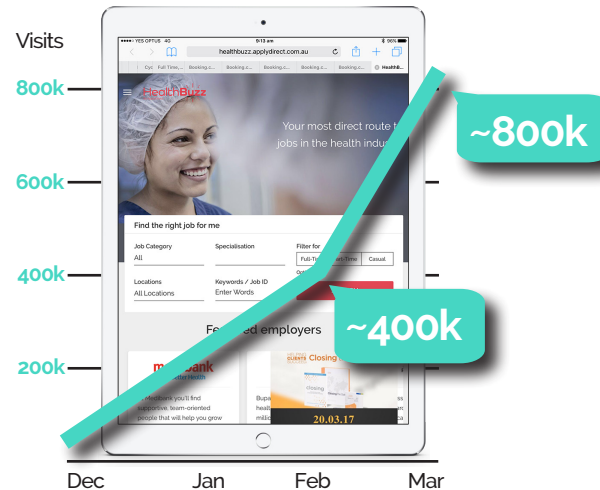
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# Significant progress achieved in the 4 weeks since late February

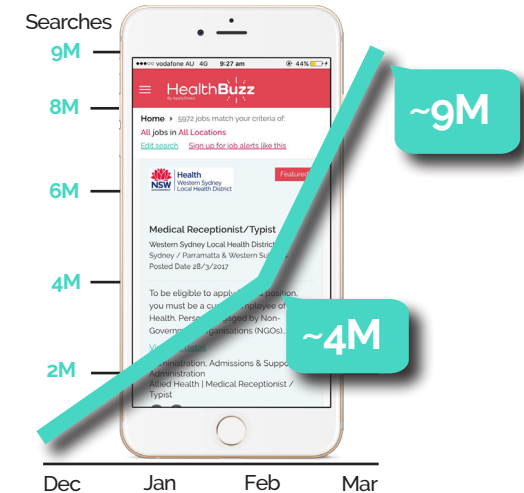
## Employer Visits



## Candidate Visits



## Jobs Searched



### ➤ Uplift in key HealthBuzz metrics since the end of February 2017:

- Over 50% increase in the employer subscriber base
- 85% increase in employer visits
- 100% increase in candidate traffic (4 million visits annualised)
- 125% increase in jobs searched
- 170% increase in Apply click-through rate

### ➤ In addition, the pipeline has almost doubled during this period, with government representing an important component

# **INTRODUCTION TO APPLYDIRECT**

# Introduction to ApplyDirect

## Our *purpose*

*To be the global destination where candidates and employers are empowered to discover each other directly and in a more satisfying way*

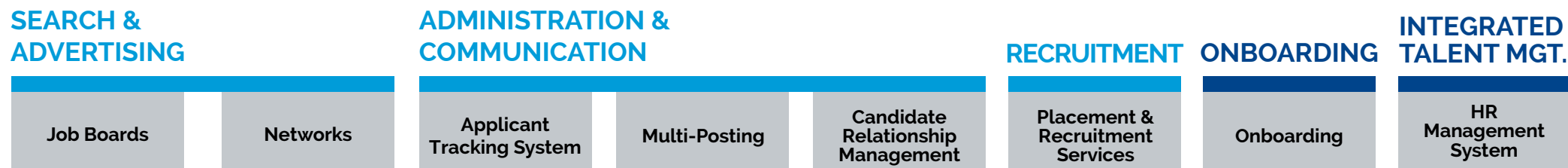
ApplyDirect is a provider of end-to-end digital recruitment solutions including:

- ▶ Online job advertising;
- ▶ Banner & other employer brand advertising;
- ▶ Systems development & integration;
- ▶ Hosting & maintenance; and
- ▶ Outsourced services.

In delivering these solutions, ApplyDirect **enables employers to eliminate significant costs** from their recruitment processes, effectively recapturing a portion of the ~\$11.5bn\* otherwise spent on recruitment agencies in Australia annually

# INDUSTRY CONTEXT

# Overview of the talent management value chain



## TALENT ACQUISITION

- IBISWorld estimates the size of Employment Placement and Recruitment Services in Australia to be \$11.5bn in revenue terms, with an expected five year annual growth rate of ~2.5%. Further, it estimates the size of Online Recruitment Services to be ~\$300m, increasing by ~3% per annum over the next five years
- The combination of ApplyDirect's jobs platforms, and its software development (e.g. jobs platform, integrations, reporting, etc.) and outsourced services (e.g. SEO, systems administration, campaign management, etc.), provides it with a significant opportunity to become a key participant in this value chain

# Gaps in traditional **talent acquisition** solutions

Issue	Impacts
<b>No single portal into all employer only job ads</b>	<ul style="list-style-type: none"><li>› Candidates forced to deal through intermediaries rather than directly with employers</li><li>› Job boards capture and harvest candidate details for other purposes</li><li>› Inability to engage with employer brand early in the process</li></ul>
<b>Lack of systems integration</b>	<ul style="list-style-type: none"><li>› Inefficient hiring process imposed on employers and candidates</li><li>› Lack of process transparency for candidates</li><li>› Forced to rely on expensive recruiting agencies</li></ul>
<b>Candidates not qualified and fit to work</b>	<ul style="list-style-type: none"><li>› Potential erosion of trust in a health brand</li><li>› Slows down the time to hire</li><li>› Job ready checks at the end of hire process increase the cost to employers</li></ul>
<b>Poor candidate experience</b>	<ul style="list-style-type: none"><li>› High job seeker bounce rates on career websites</li><li>› Candidates frustrated with exploitation of their CVs</li><li>› Inconsistency in communications experienced by candidates</li></ul>

Collectively, these gaps significantly increase the **recruitment costs** for employers and reduce the **user experience** for candidates



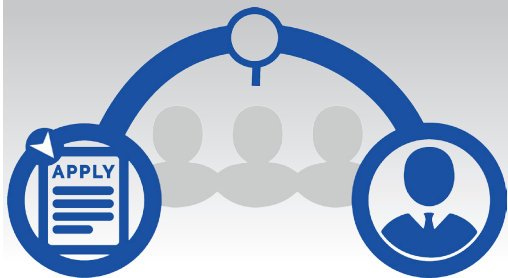
# THE APPLYDIRECT SOLUTION

# How ApplyDirect is different

In the context of the traditional talent acquisition industry, ApplyDirect represents a differentiated solution designed to address the needs of both employers and candidates

## DIRECT CONNECTION

No recruitment agencies or other intermediaries permitted on ApplyDirect. Candidates connect directly to the employer hiring process once clicking apply in the job ad



## TECHNOLOGY & SYSTEMS INTEGRATION

Integration with over 100 e-Recruitment systems, including all the majors. This enables the unlocking of significant efficiency gains which increases employer ROI. Further, the strategic alliance with Mercury provides a simple integrated end-to-end talent management solution

### e-Recruit Systems

PageUp  
Taleo  
KeneXa  
SAP  
Others



### Jobs Platforms



Mercury



# Benefits of ApplyDirect

ApplyDirect satisfies the employer's need for a higher return on its investment (ROI) in recruitment and the candidate's need for a more transparent and satisfying experience

## DIRECT CONNECTION

- Enables employers to reclaim the ~\$11.5bn\* spent on recruiting agencies
- Increases transparency and therefore candidate experience
- Confidential process for candidates with no harvesting of CVs



Up to **80%** reduction in recruitment costs

## TECHNOLOGY & SYSTEMS INTEGRATION

- Unlocks substantial efficiency gains by eliminating manual processes
- Simplifies application process for candidates thus significantly reducing bounce rates
- Enables better management of recruitment ROI



**100%** core process automation

## CANDIDATE PRE-QUALIFICATION

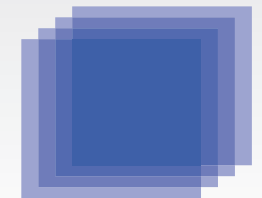
- Reduces recruitment time and costs, thus increases ROI
- One-stop-shop application process for candidates
- Leverages background checks across multiple job applications



More than **50%** reduction in time to hire

## TAILORED SOLUTIONS

- Substantial cost savings for institutional employers
- Ability to promote brand as employer of choice
- Enhances process transparency, governance and compliance



**100%** process compliance transparency across all departments

\*Source - IBISWorld 2016

# Economics of revenue model

## Vertical

## Revenue Drivers

## Basis

Health



Subscriptions  
On-site advertising

Usage  
No. of campaigns

Government



Job ads  
Media campaigns  
IT development  
Hosting & maintenance  
Managed services

No. jobs  
No. of campaigns  
Time & materials  
Usage

All others



Subscriptions  
On-site advertising

Usage  
No. of campaigns

# OUR STRATEGIC PRIORITIES

# Key strategic priorities

Having established a differentiated product, management has developed a strategy to establish relevance quickly

- 1** Build scale and relevance in a select number of industry verticals
- 2** Engage channel partners to build leverage into sales and marketing initiatives
- 3** Align and focus brand strategy with select industry verticals
- 4** Become the industry standard for candidate experience

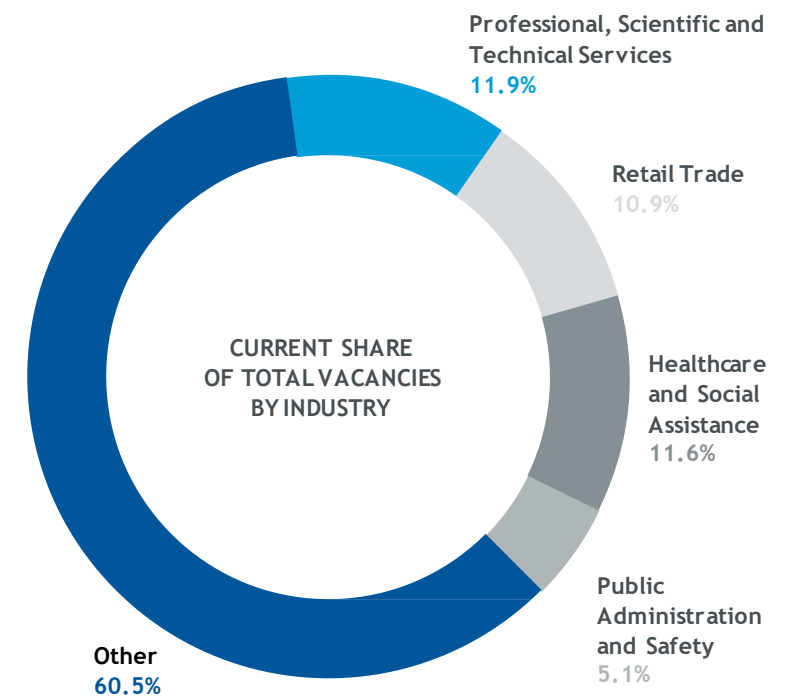
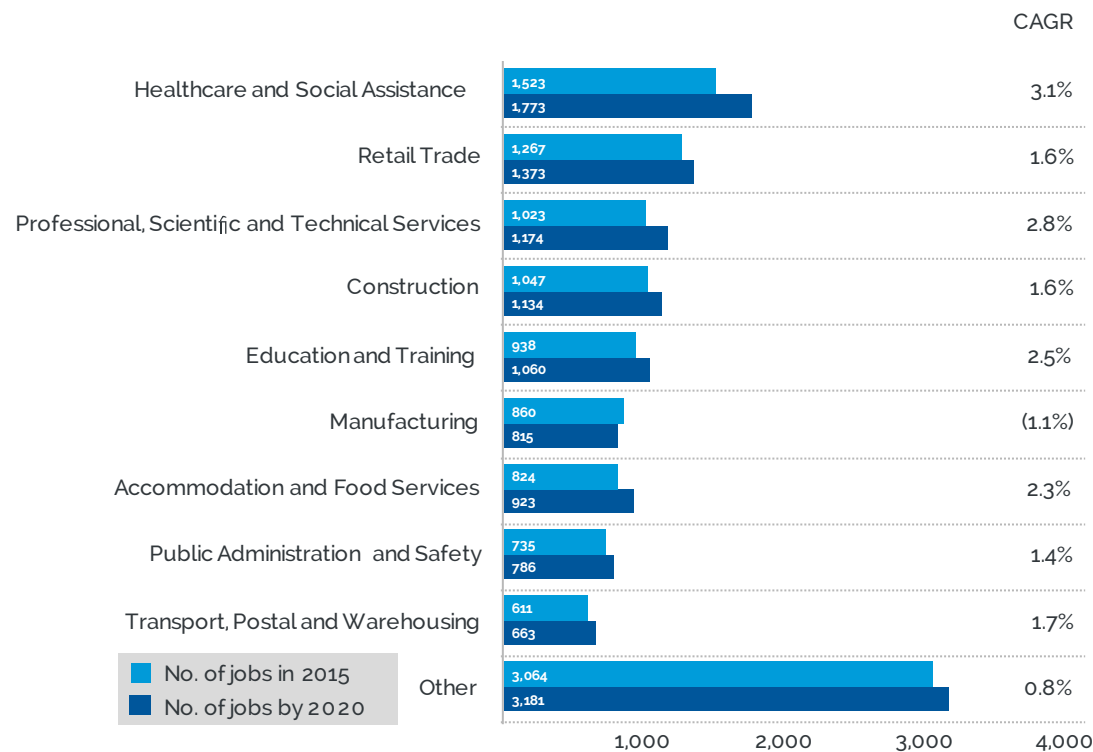
# Initial **industry verticals** targeted

The primary focus over the next six months is healthcare and government



# Sector attractiveness

- Initial focus is on the most attractive verticals in order to access compounding growth annuity streams
- The top three industry sectors below are estimated to represent ~35% of the total vacancies in Australia by 2020



\*Source: Department of Employment, March 2016



# Importance of the **healthcare** sector

- The number of employees in the healthcare sector is the highest compared to other industries
- Growth in jobs expected to be higher than any other vertical

**1.5m**

Employees in 2015

**0.25m**

Jobs forecast to  
be added in the  
healthcare sector  
by 2020

**1.8m**

Employees in 2020

**3%**

5 year CAGR

**15%\***

Annual Turnover rate

Opportunity exists to leverage industry leading channel partner to build **critical mass**

\*Source: Department of Employment, March 2016.

\*ApplyDirect management estimate

# MERCURY STRATEGIC ALLIANCE

# Why Mercury strategic alliance

Healthcare is one of the key sectors which will receive initial focus. In order to accelerate sector penetration, ApplyDirect selected Mercury Group of Companies (the leading workforce management software provider in healthcare) as its strategic partner



Strategically positions ApplyDirect to quickly penetrate the highly attractive healthcare sector



Is consistent with the strategy of orchestrating network partners to deliver high value solutions to clients



Mercury is a highly credentialed and well established technology provider into the healthcare sector



Leverages complementary offerings of both organisations to provide a seamless and integrated solution

# Mercury's **key healthcare metrics**

The key healthcare metrics illustrated below enable ApplyDirect to quickly establish scale



Facilitates **80m** job alerts per year



Advertises **2,500** Healthcare jobs per week



**500,000** people using FIT2WORK software per year

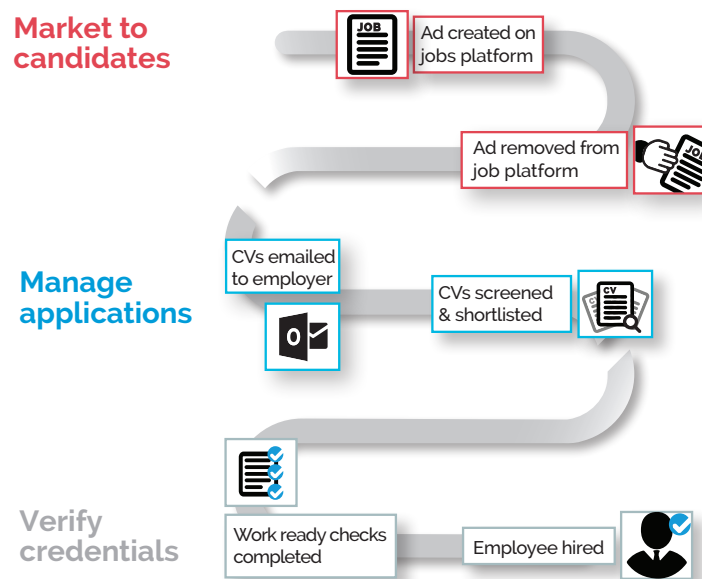


**80,000** clinicians on credentialing database

# A simple **integrated talent acquisition** solution for healthcare

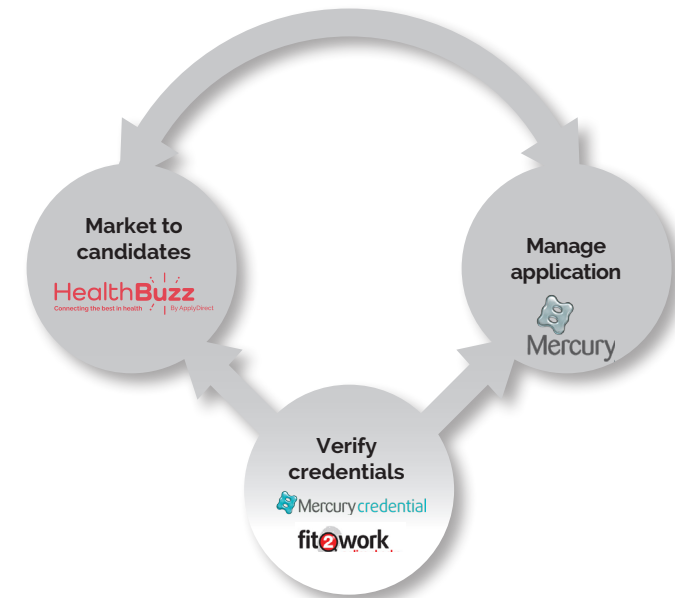
The intent of the strategic alliance is to address the needs of both the candidates and employers by providing a seamless end-to-end talent management technology solution. The HealthBuzz brand was created to enable this outcome

## Traditional **non-integrated** solution



- The traditional process is heavily manual, particularly for small to medium sized businesses, often resulting in the duplication of data entry
- This non-integrated solution serves to increase the time to hire and the associated costs
- To solve this problem in the past, an expensive IT implementation was typically required. However, such investments do not easily integrate the necessary work ready checks

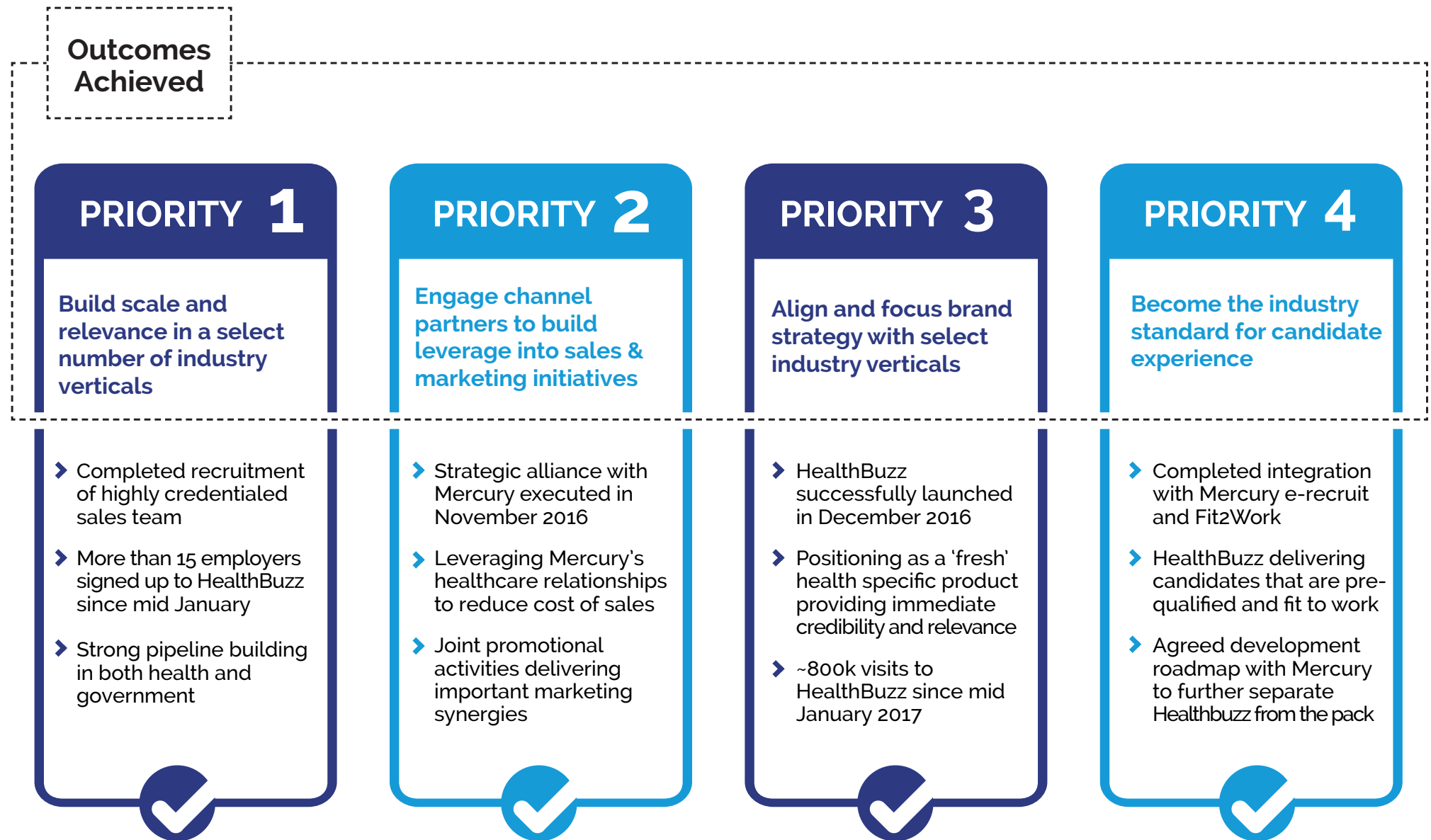
## Integrated **HealthBuzz** solution



- HealthBuzz offers a simple automated end-to-end talent acquisition solution, inclusive of job advertising, applicant management and credentialing
- This plug and play solution combines the technology and services of both ApplyDirect and Mercury
- Importantly, the integration of candidate credential checking as part of the application process significantly enhances its governance levels, whilst also greatly reducing the time to hire

# EXECUTION OF OUR STRATEGY

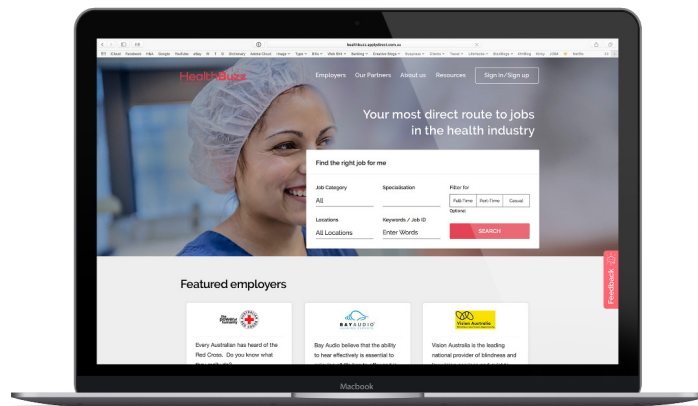
# Execution of our **strategic priorities** is ahead of expectation



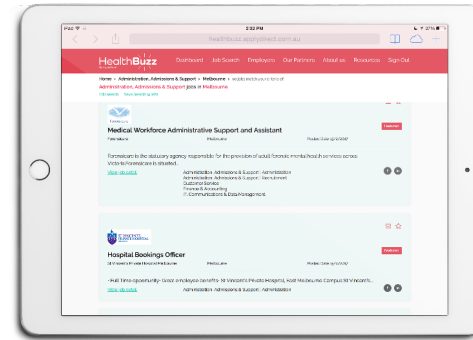
# What customers are saying about HealthBuzz

- Positioning as an industry specific product with all health jobs and all health candidates, gives it relevance
- Strategic alliance with Mercury provides instant credibility among health employers
- One-stop-shop candidate value proposition provides reach, particularly for hard to fill roles
- Prequalified candidates that are fit to work is an important point of difference, significantly reducing time to hire and increasing return on investment
- Flexibility of services and responsiveness make us easier to deal with

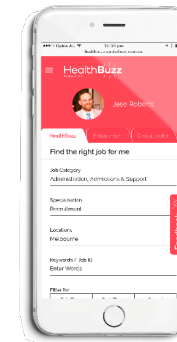
In summary, the health sector wants **HealthBuzz** to be successful and is ready to adopt!



Simple home page search



Matching candidates to employer jobs



Candidate profile

“Since the announcement of the strategic alliance with ApplyDirect, the feedback from customers has been fantastic. The market is clearly ready for change and sees HealthBuzz as a real alternative.” **John Anastasiou, Mercury Founder and CEO**



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**THANK YOU.**