

ApplyDirect Limited (ASX:AD1)

Full year results for the year to 30 June 2017

30 August 2017



FY17 key business highlights



FY17 key highlights

During FY2017 ApplyDirect made significant progress towards its strategic priorities and enters FY2018 with considerable momentum. Over the past 12 months, ApplyDirect's technology and digital marketing services were further refined and enhanced, having regard to continuous feedback from its targeted customer segments – government, institutional corporate, medium enterprises and small enterprises. The specific tailoring of its solutions relative to the characteristics of these customer segments enhances ApplyDirect's differentiation and relevance.

In summary, management is excited by the size of the opportunity available and has set aggressive growth targets for the next 12 months.



Build scale & relevance

➤ Mercury strategic alliance is delivering significant benefits:

Launch of HealthBuzz platform in December 2016

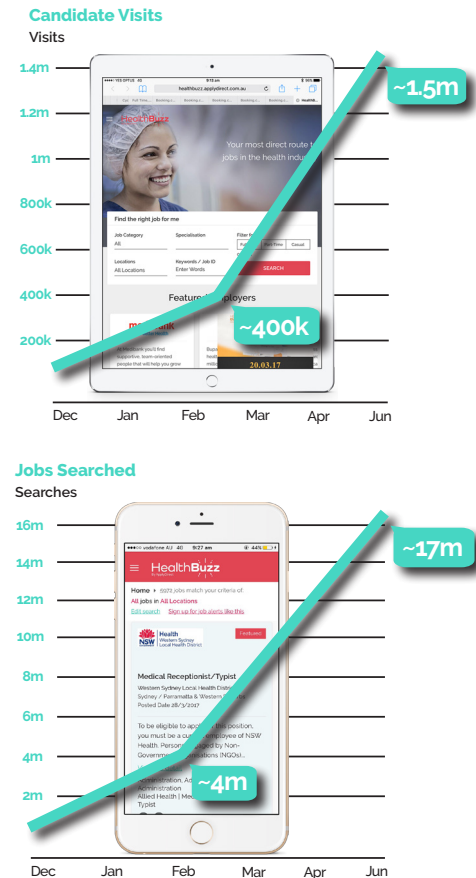
- Accelerated brand awareness through the Mercury partnership
- Health specific product providing immediate credibility and relevance
- ~95% of all health jobs on-site by 30 June 2017
- Over 1.5m candidate visits resulting in ~17m job searches

Launch of the HealthBuzz integrated solution in June 2017 and extended that product to ApplyDirect

- 'Plug and play' solution combining ApplyDirect's candidate attraction technology and digital marketing solutions with Mercury Group's applicant tracking system
- 5 customers already signed up and currently being onboarded
- Long term commitments - 3 year agreements
- Significant uplift to the average customer size

➤ Renewal of existing customers exceeded 80% to the year ended 30 June 2017

HealthBuzz Key Metrics

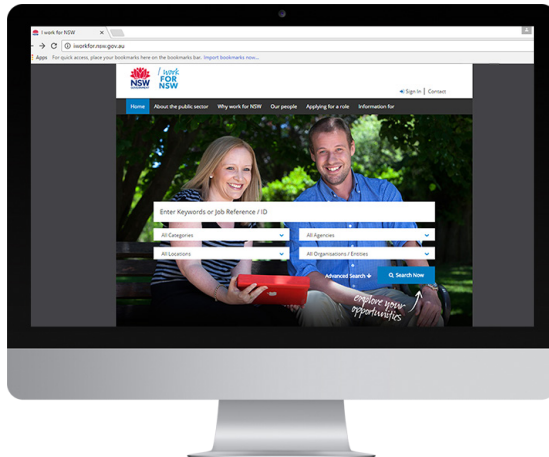




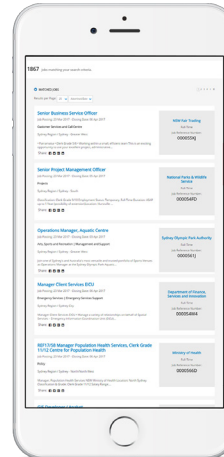
Consolidated our position in Government

- Expanded and extended agreement with NSW Government
- The three year commitment is a strong endorsement of our unique value proposition
- Creation of further opportunities with NSW Government (e.g. NSW Health)
- Outstanding case study for the application of similar solutions in other governments, which we expect will facilitate similar opportunities

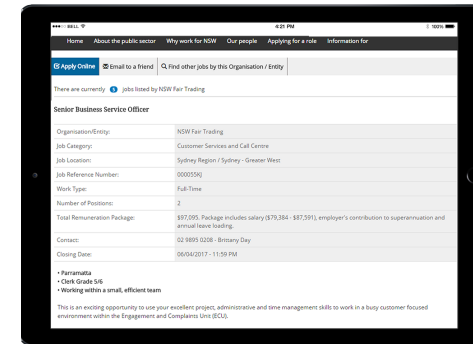
Search for job



Search results



Apply for job



Leveraged scale & relevance

- Launch of media product
 - Opportunities created to expand media advertising campaigns leveraging the increasing market penetration achieved by ApplyDirect and HealthBuzz
 - Range of businesses using our media products, including superannuation funds, business services providers and retailers

FY17 key financials



FY17 Summary P&L

Year ended 30 June 2017	Fy17	FY16	Change
Summary	\$'000s	\$'000s	%
Revenue from continuing operations	1,052	887	18.7
Employee benefits expense	(2,819)	(898)	214.1
Total expenses	(5,533)	(4,344)	27.3
Loss for the period	(4,480)	(3,458)	29.6

- Revenue increased by 18.7% during the year, reflecting the investments made in sales and marketing
- It is noted that the recently signed integrated solution customers are currently being onboarded and are expected to contribute to revenue in the second quarter of FY18
- Expense growth in FY17 reflects the significant capability build during the year

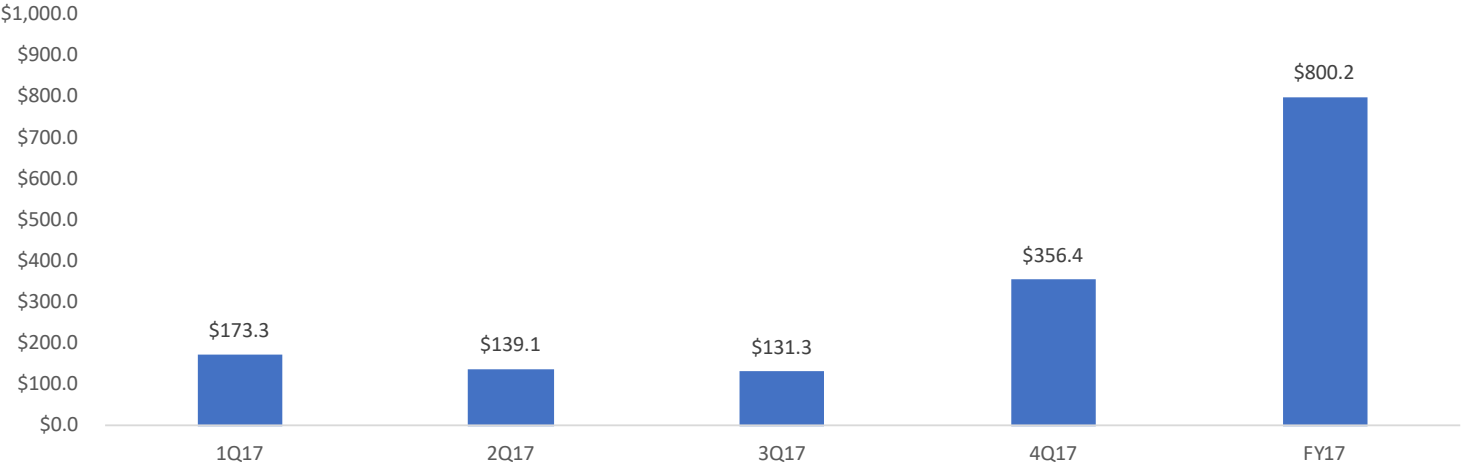
Balance sheet as at 30 June 2017

- Cash outflow reflects investments made to build business capability, particularly in the second half of FY17
- The year on year reduction in 'trade and other payables' reflects the settlement of one off costs incurred in FY16
- Following conversion of all convertible notes in December 2016, balance sheet is ungeared

	30 June 2017	30 June 2016
ASSETS	\$'000s	\$'000s
CURRENT ASSETS		
Cash and cash equivalents	3,210	7,384
Trade and other receivables	401	566
TOTAL CURRENT ASSETS	3,611	7,950
NON CURRENT ASSETS	50	25
TOTAL ASSETS	3,662	7,975
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	574	909
Borrowings	-	1,214
Other	264	171
TOTAL CURRENT LIABILITIES	838	2,293
NON CURRENT LIABILITIES	2	48
TOTAL LIABILITIES	841	2,341
NET ASSETS	2,821	5,635

Summary FY17 cashflow

Cash Receipts by Qtr (\$'000)



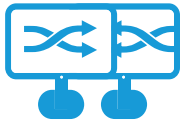
Cashflow by Qtr (\$'000)	1Q17	2Q17	3Q17	4Q17	FY17
Cash inflow from operating activities	\$173.3	\$139.1	\$131.3	\$356.4	\$800.2
Cash outflow from operating activities	(\$1,190.0)	(\$1,353.6)	(\$1,077.3)	(\$1,371.8)	(\$4,992.6)
Net investing activities	(\$6.7)	(\$8.1)	(\$10.8)	(\$6.1)	(\$31.7)
Net financing activities	\$0.0	\$49.9	\$0.0	\$0.0	\$49.9
Total net cash movement	(\$1,023.4)	(\$1,172.7)	(\$956.8)	(\$1,021.5)	(\$4,174.3)
Cumulative cash	\$6,360.8	\$5,188.1	\$4,231.3	\$3,209.8	\$3,209.8

Outlook



Short term growth drivers

The primary objective of ApplyDirect in FY2018 is to leverage its success over the past 12 months in order to accelerate penetration of its targeted industry verticals and expand revenue aggressively. Harnessing the positive momentum, particularly that of the past three months, will enable it to deliver strong and sustainable revenue growth throughout FY2018 and beyond.



Integrated solution

- › Early success has been very encouraging
- › Revenue is generated on a per jobs basis, but the expanded service offering effectively doubles the average revenue per customer
- › We expect that over time a significant proportion of new medium enterprises will adopt this solution



Government

- › The scale of these employers make this sector very attractive for ApplyDirect
- › Widely recognised success with NSW has been the catalyst for strong interest from other governments
- › Revenue model is based on ongoing managed services and project based functionality enhancements
- › NSW Government innovation roadmap to continue to provide an ongoing pipeline of project work
- › Opportunities to leverage HealthBuzz, as government is the largest hirer in the health sector



Media

- › Increasing scale and market penetration driving increased demand of digital marketing campaigns (e.g. First State Super recently)
- › Exploit opportunity to up sell media customers other digital recruitment solutions



Renewals

- › Continuing to drive a renewal rate of ~80%

Beyond the next 12 months

Institutional corporates will become an important focus in the medium term.



Institutional corporates

- › Will increasingly be prioritised over the course of FY18
- › Development, implementation and ongoing managed services similar in nature to the government opportunities
- › Will be assisted by our increasing portfolio of media customers



Medium Enterprise

- › Continue penetration of the market via our integrated recruitment and media solutions, extending our industry verticals of focus
- › The early success of this solution, combined with the size of the potential customer base, means it will be an important source of revenue in the medium term.



Government opportunities

- › Government opportunities will continue to be a focus beyond the next 12 months
 - › New / additional governments
 - › Ongoing managed services contracts
 - › Upgrades / integrations within the existing customer base



Longer term opportunities

- › Significant opportunity offshore once the ApplyDirect business is well established in Australia
- › ApplyDirect's government solutions will be directly applicable to many government situations offshore

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