

# ASX: LVH MARKET RELEASE

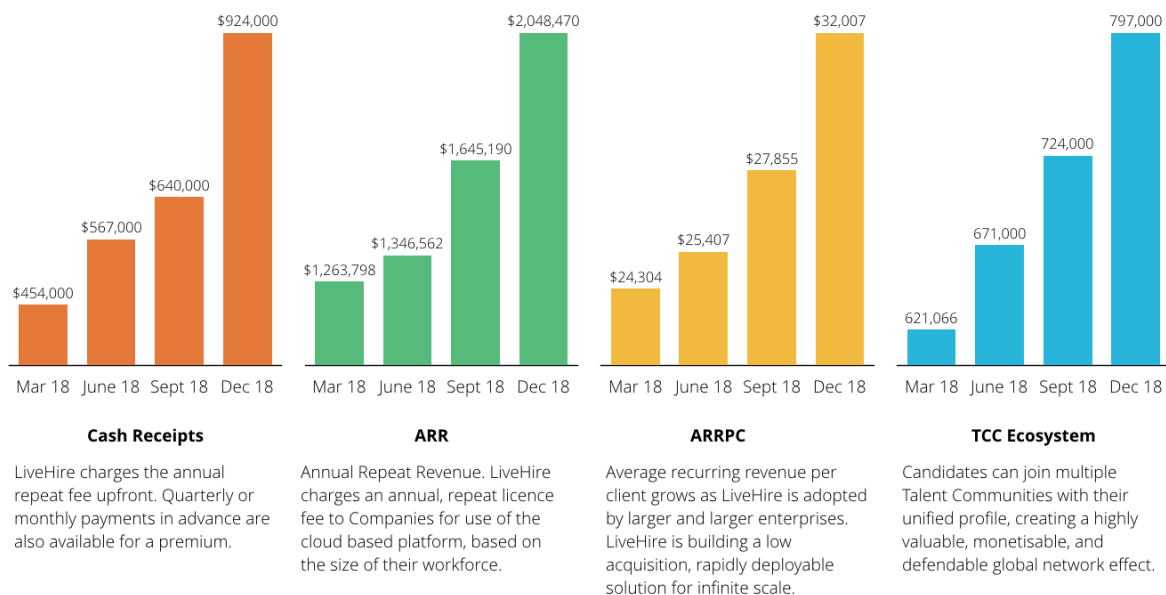
## LiveHire December Quarterly Report and Appendix 4C

14 January 2019 | Melbourne, Victoria

### Highlights

- Annualised Recurring Revenue (**ARR**)<sup>1</sup> grew \$403k (25% QoQ) to \$2.05m.
- Annualised Recurring Revenue Per Client (ARRPC) grew to \$32,007 (15% QoQ).
- Record cash receipts of \$924,000, up 44% QoQ.
- Talent Community Connections (TCC network), grew ~73,000 to 797,000 (10% QoQ).
- The Company is well capitalised with \$25.1m cash at bank as at 31 December 2018.

### Key business metrics



LiveHire Limited (ASX: LVH) (“LiveHire” or the “Company”), the award-winning<sup>2</sup> talent acquisition & engagement platform that revolutionises candidate experience and enables businesses to thrive with talent on demand, is pleased to provide its Quarterly Report and Cash Flow Report for the period ending 31 December 2018.

<sup>1</sup> Annualised Recurring Revenue or ARR represents Monthly Recurring Revenue at any point in time, multiplied by 12. It provides a 12 month forward view of recurring revenue at a point in time.

<sup>2</sup> [Reference Link 1](#) [Reference Link 2](#) [Reference Link 3](#) [Reference Link 4](#)

LiveHire's purpose is to empower the flow of the world's talent into and through organisations. We do this through a platform-based approach that is rapidly deployed, infinitely scalable, easily integrated with, and underpinned by a single unified profile of the candidate, aiming to provide a private and secure single source of truth of data for organisations, talent, and the economy. LiveHire believes that as its ecosystem grows, as reported through the above metrics, the value it can deliver to organisations and candidates alike continues to grow, accelerating further ecosystem growth.

#### **Annualised Recurring Revenue (ARR) grew by 25%**

During the December quarter, ARR grew \$403k (25%) to \$2.05m, as a result of eight new clients. Net client numbers increased by five after accounting for churn. There may be some continued churn of smaller clients as the Company moves to higher value annual enterprise pricing. Importantly, the overall ARR and ARR Per Client (ARRPC) increased by **25%** and **15%** respectively, highlighting the larger value (driven by FTE size) of new clients, and the evolved pricing model.

#### **New Contract Wins**

LiveHire continued to deliver accelerated growth through both its Direct and Recruitment Process Outsourcing (RPO) channels, with eight new contracts won with ARRPC of \$58k. New contract wins also contribute additional associated non-recurring revenue streams such as implementation and integration fees.

LiveHire had contract wins across several key industries, some of these clients included:

- An industrial/natural/financial group of businesses via Korn Ferry (RPO Channel)
- A diversified real estate group via Korn Ferry (RPO Channel)
- Vodafone Hutchison Australia (Mobile telecommunications, Direct Channel)
- DuluxGroup (home improvement product manufacturer and marketer, Direct Channel)
- Jemena (Energy infrastructure and distribution, Direct Channel)

**LiveHire CEO, Christy Forest, said:** *"The December quarter, which is a shorter and typically tougher quarter, was LiveHire's best quarter yet with the company extremely well placed for continued growth in 2019.*

*"Our partnership with Korn Ferry has continued to drive strong growth with several significant new contracts secured from the developing pipeline.*

*"It is also encouraging to see the higher value clients we secured during the December quarter has generated growth in our annualised recurring revenue per client. We continue to activate more growth channels beyond RPO and Direct and we look forward to bringing these online soon."*

#### **Second consecutive quarter of record Cash Receipts**

Cash receipts for the quarter were \$924,000, an increase of 44% on September quarter when LiveHire recorded its previous record of \$640,000 in cash receipts.

As noted previously, as new and existing clients move to annual subscriptions, cash receipts may experience some QoQ fluctuations.

Operating cash outflow of \$3.87m was in line with estimated cash outflows provided in the September Quarterly 4C report. The cash balance as at end of the quarter was \$25.1m, with no debt.

Whilst LiveHire actively manages its cash burn, it has been prioritising investment in product development to capture the RPO and larger enterprise Direct Sales market with its unique and differentiated product, replacing

the traditional mid-tier and replacing or integrating with top tier Applicant Tracking Software (ATS). In addition, the Company invests in sales and marketing, and technology partnerships (especially in areas that are disruptive and market-leading, such as AI and machine learning). Over the remainder of the financial year, the Company expects to ramp its Direct Sales team to continue to scale the commercial growth of the business. Overall, the Company continues to carefully manage spend in line with its forward sales pipeline and product roadmap.

### **Talent Community Connections<sup>3</sup> for December quarter grew to 797,000**

TCCs grew by ~73,000 for the quarter to ~797,000. TCCs indicate the size of the networked ecosystem of candidates with unified profiles across private Talent Communities. Whilst TCCs are not a customer pricing mechanism, they are an important asset from which value to customers is derived. Thus, TCCs remain a growth focus for LiveHire as LiveHire believes that this unique networked ecosystem delivers the following benefits:

1. LiveHire sees who gets hired, who gets promoted, who leaves a business for another. This live data is not all available to Job Boards or static ATS.
2. This unified live hiring data means AI and Machine learning continues to improve over time, providing ongoing ROI and value to users.
3. New clients can grow their Talent Communities faster. Candidates can register quicker.
4. More scalable across entire industries globally. The industry standard.
5. More sticky platform and defensible from new market competitors.
6. Central source of valuable and live economic and employment data.

### **Product**

The Product team continued to focus on developing new features and initiatives to further *increase productivity* for sourcing and recruitment teams, both for RPO and Direct clients.

### RPOs

LiveHire works closely with its RPO partners, prioritising product improvements and new features that increase adoption and team productivity. RPO providers represent best practice in the recruitment industry. Building product first and foremost to deliver value to RPOs, means the LiveHire product becomes proven best in breed choice for the Direct Sales market also.

One example of RPO led product development this quarter was the Job Approval feature, adding 'smart reminders' for hiring managers and the option to have 'parallel approvals' (not just sequential). The results of these enhancements have been fast and significant, with reported reductions in the time to approve a job by 61% (5.5 days faster)<sup>4</sup> in early testing with a client, delivering a significant productivity improvement in the overall recruitment process.

LiveHire has rolled out these new features and initiatives along with several others that have continued to result in a very simple and improved user experience for clients. LiveHire will continue to maintain a focus on improving the LiveHire platform in partnership with RPOs to continue to maximise platform adoption, productivity and competitiveness.

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<sup>3</sup> A Talent Community Connection (TCC) represents a connection between a company and an employment candidate on the Livehire platform. An individual candidate may join multiple talent communities resulting in multiple TCCs per candidate. TCCs also include unclaimed candidate profiles created by a company or its service providers or by the candidate through a job application process. TCCs may also include claimed candidate profiles that remain on the platform available to be connected with live talent communities after being archived by their only active company connection.

<sup>4</sup> Internal LiveHire data

### Agency Management

Agency Management was released in the last quarter, allowing clients to invite Recruitment Agencies and Contractor Vendors to submit candidates directly through the LiveHire platform. This feature has been approved for 'general release', meaning that all LiveHire clients can enable it as part of their LiveHire solution.

Early adoption has been strong, with 65 agencies creating LiveHire accounts to submit over 600 candidates in just a few weeks<sup>5</sup>. This is a significant achievement for LiveHire as it is now empowering candidates from all sources through the platform, introducing many recruitment agencies to the award-winning LiveHire Platform at the same time.

The functionality is also critical in opening the contingent workforce market to the LiveHire platform, where Managed Service Providers (MSP) manage contractor hires for large organisations, in a similar outsourced fashion in which RPO firms provide for permanent hires.

### Volume Recruitment

During the quarter, there was a significant focus on new product features and enhancements for 'High-Volume Recruitment', which usually involves hiring many candidates in very short timeframes for similar positions, usually in various locations around the country. This type of recruitment is quite common in industries such as retail and hospitality, but also other seasonal industries. These features continue to expand LiveHire's addressable market into larger organisations and high volume hiring based industries.

To deliver on these requirements, LiveHire developed Recruitment Process Automation, Job Templates, and Configurable Recruitment Workflows to deliver the additional efficiencies and productivity required for this type of recruitment. LiveHire's Hiring Manager functionalities have also been enhanced to enable greater and more seamless hiring manager collaboration in high volume recruitment.

### Integrations

Building on the delivery of the Open API in the previous quarter, LiveHire continued building out the integrations with 3rd party HR software which is made available to all clients as part of the LiveHire Platform. This quarter LiveHire have built the integration platform and services to support 'Checks and References', integrating with a provider that is used by the majority of our RPO clients.

LiveHire is now able to automate the entire checks and assessments process, and recruiters can now manage the entire checks and assessments process without leaving the LiveHire Platform, improving the overall user experience.

In the coming quarters, LiveHire will continue to integrate more best in class providers of checks and assessments solutions, based on client demand. LiveHire's continued focus on open API integrations with a significant pipeline of high priority third party software's aims to deliver on LiveHire's vision of a *fully integrated end-to-end Talent Acquisition and Engagement platform*.

### **People & Culture**

Appointed Chris Cooper (ex-CEB and EY) as Commercial Director to oversee both sales and client success, and Chris Tithof (ex-Netsuite) as Head of Channel Development to expand LiveHire's significant market opportunity through technology reseller partnerships.

Full Time Equivalent Employees remained at 61. The current organisation FTE mix consists of 50% of staff within Product Development and Technology roles, and 36% within customer facing and commercial roles.

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<sup>5</sup> Internal LiveHire data

The Direct Sales team is currently being scaled from 2 to 10 business development managers, following the products clear market adoption across RPO and mid to large enterprise, and to capitalise on the significant addressable market and pipeline of prospective clients in the Direct Sales mid-market.

#### **Note to market**

None of the information included in this announcement should be considered individually material, unless specifically stated. All figures in this announcement are provided on an unaudited basis.

#### **For more information:**

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[www.livehire.com/investor](http://www.livehire.com/investor)

#### **About LiveHire**

LiveHire is a Human Capital performance platform that delivers a proactive sourcing and talent mobility solution called Live Talent Communities. The platform makes managing the flow of talent into and through businesses seamless, delivering value through detailed visibility of talent, shifting recruitment from reactive to proactive, improving fit, reducing time and cost to hire, with an unrivalled candidate experience.

Founded in 2011, LiveHire is an Australian company headquartered in Melbourne, with offices also in Sydney and Perth.

[www.livehire.com](http://www.livehire.com)

#### **Disclaimer**

This announcement contains "forward-looking statements." These can be identified by words such as "may", "should", "anticipate", "believe", "intend", "estimate", and "expect". Statements which are not based on historic or current facts may be forward-looking statements. Forward-looking statements are based on:

- assumptions regarding the Company's financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and
- current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

You must not place undue reliance on these forward-looking statements.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

LiveHire Limited

**ABN**

59 153 266 605

**Quarter ended ("current quarter")**

31<sup>st</sup> December 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	924	1,564
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(51)	(106)
(d) leased assets		
(e) staff costs	(2,809)	(5,223)
(f) administration and corporate costs	(1,008)	(2,089)
1.3 Dividends received (see note 3)		
1.4 Interest received	164	347
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,781)</b>	<b>(5,508)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(43)	(84)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(43)</b>	<b>(84)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	43	56
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other - IPO / Capital Raising Transaction Costs		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>43</b>	<b>56</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	27,837	30,592
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,781)	(5,508)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(43)	(84)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	43	56

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>25,056</b>	<b>25,056</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,421	2,494
5.2	Call deposits	22,000	24,750
5.3	Bank overdrafts		
5.4	Other – Deposits for Bank Guarantees	635	593
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>25,056</b>	<b>27,837</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

265

Payment of Directors salaries, superannuation and fees.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**



<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<b>9.</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Research and development	
9.2	Product manufacturing and operating costs	
9.3	Advertising and marketing	(120)
9.4	Leased assets	
9.5	Staff costs	(2,750)
9.6	Administration and corporate costs	(1,280)
9.7	Other (provide details if material)	
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>(4,150)</b>

<b>10.</b>	<b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
(Director/Company secretary)

Date: 14 January 2019

Print name: Charly Duffy

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.