

LiveHire

Empowering the flow of the
world's talent

LiveHire (ASX:LVH)
FY19 H1 Results Presentation

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From the CEO



Christy Forest
CEO - LiveHire

"I am excited to share another record half for LiveHire. Our game changing platform ecosystem is maturing rapidly at a time when companies are finding it increasingly difficult to find quality talent, whilst at the same time having to process an ever increasing volume of applicants, and taking longer and longer to hire.

At LiveHire, we continue to build our product and model for long-term, continuous scale, whilst maintaining impressive quarterly growth. We continue to be globally unique, first mover, and growing fast in a market that is large and growing each year, as more and more spend shifts from inefficient processes to A.I., automation, and machine learning, complementing the high value, human touch requirements of recruitment.

We would like to thank our RPO and Channel partners for their continued belief and passion for working with LiveHire to bring a new way of recruitment to life together."

The Talent Acquisition market is huge.

¹
\$240B

Currently estimated spend each year in the US on Talent Acquisition alone.

²
16%

Technology portion of this spend is expected to increase from 2% to 16% over the next 3 years as companies look for greater efficiency.

#1

LiveHire Technology: High CAGR (100%+)
High Gross Margin (70%+)³
Scarcity (disruptive, high ROI model, globally unique).

1: [Reference Link](#) 2: CEB Insights (now Gartner): 2017 State of the Recruiting Function (Benchmarks for Recruiting Budget, Staffing, and Workload), March 2017 3: Long term projection at scale assuming Account Management, Support and Implementation costs of 15% of revenue; AWS Hosting and Direct/Embedded Software Costs of 15% of revenue.

Companies are changing the way they recruit, the way they share and collaborate, the way they fundamentally treat candidates now like customers.

This is leading companies towards having to use the cloud to work and manage their talent data, to shift power to the candidate, to use AI, to unify data, and to communicate more personally.

LiveHire has created a new category, and built an architecture, a strategy, and a technology that is unique and enabling that vision of the future.

Board of Directors



Geoff Morgan AM
Non-Exec Chairman



Gigi Gozzi
Founder, CPO



Dr Mike Haywood
Founder, Growth



Christy Forest
CEO



Michael Rennie
Non-Exec Director



Adam Zorzi
Non-Exec Director



The way we've
been taught to
recruit is perfectly
suited to a world
that no longer
exists...

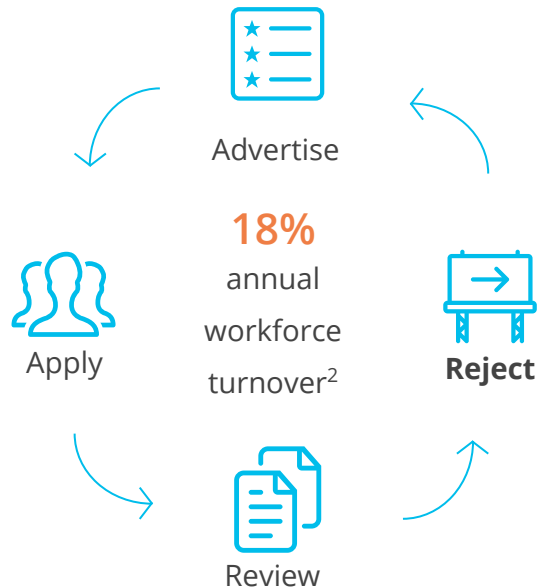


The traditional recruitment process lacks the agility, efficiency, and diversity³ of hire for the future workforce.

65 days

Median time to hire¹, has more than doubled since 2010.

The traditional recruitment process is making companies less agile, and deterring diverse candidates³.



Job boards

~\$300

Cost to advertise the role

cost per hire

~\$5,700

In recruitment team's time¹

+\$34,000

In company productivity loss¹

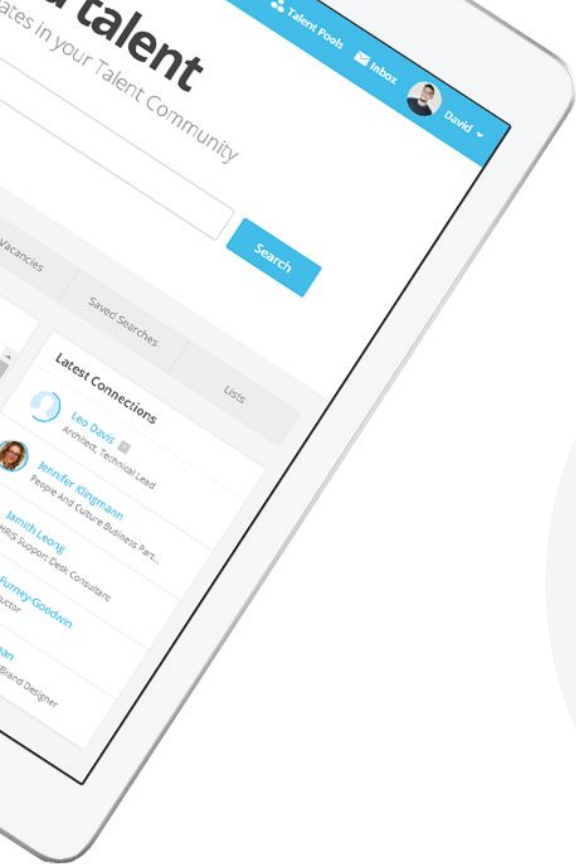
~48 per hire

People rejected from company

1: 2017 State of the Recruiting Function. Benchmarks for Recruiting Budget, Staffing, and Workload: CEB Gartner

2: https://www.ahri.com.au/media/1222/turnover-and-retention-report_final.pdf

3: <https://hbr.org/2014/08/why-women-dont-apply-for-jobs-unless-theyre-100-qualified>



LiveHire is the future process.



Talent From all Sources

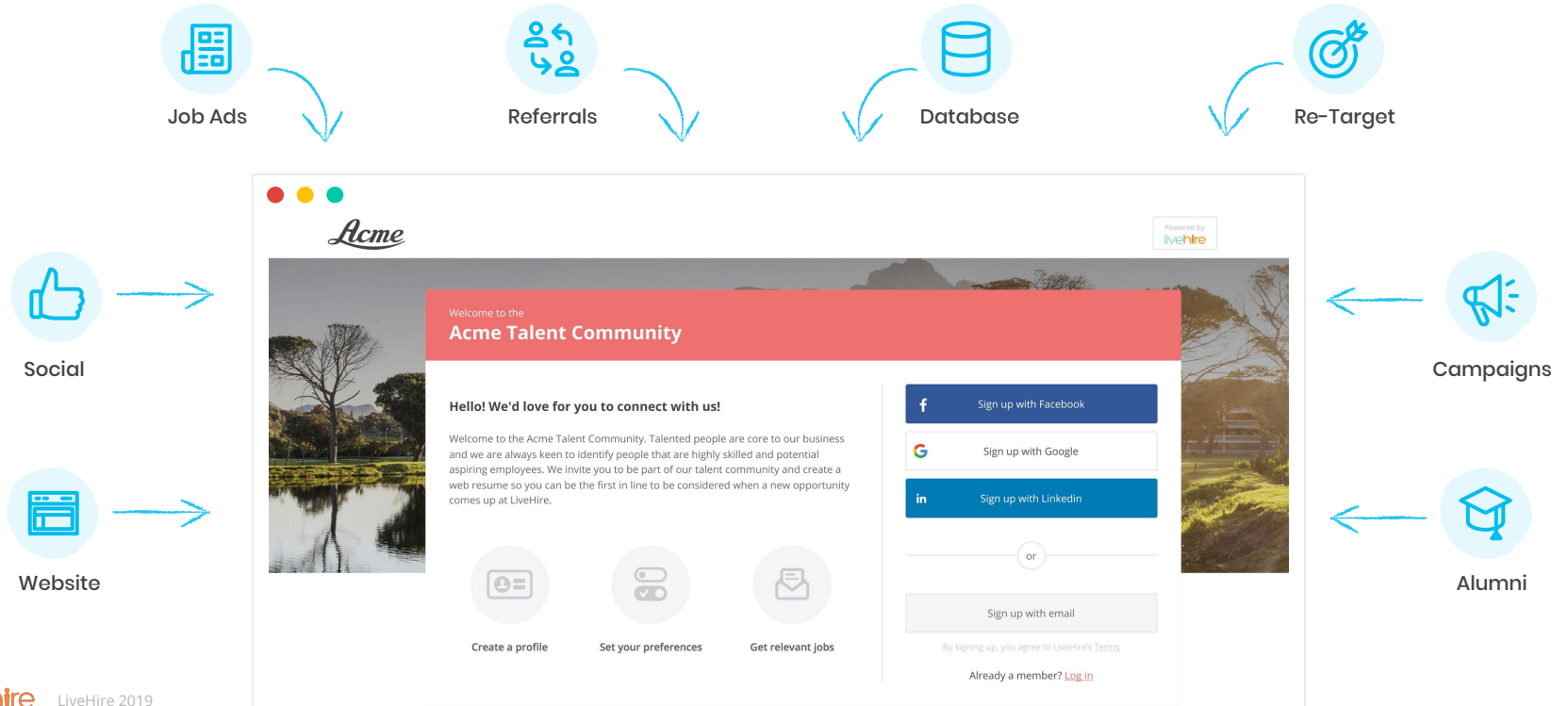
The internet of talent.

Discovered,
Talent Pooled,
Text Messaged,
and Hired.
On-demand.



A Live Talent Community

Your single, simple destination for all talent interested in you



Candidates complete a Talent Profile

In under 2 minutes...

One unified and private profile to engage all companies.

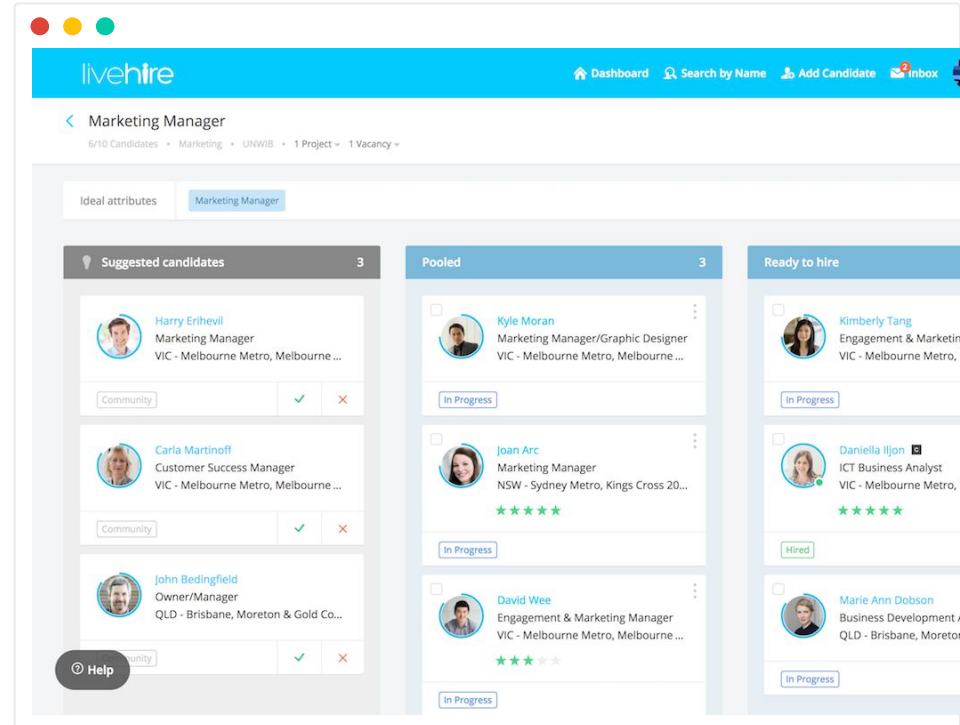
The screenshot displays the LiveHire Talent Profile for John Smith, a Customer Service Manager in Sydney, NSW 2000. The profile is structured as follows:

- Header:** Includes the LiveHire logo, navigation links (Dashboard, Search by Name, Add Candidate, Talent Pools, Inbox), and a user profile icon.
- Profile Card:**
 - Photo:** John Smith's profile picture.
 - Basic Info:** John Smith, Customer Service Manager, Sydney, NSW 2000.
 - Talent Pools:** Customer Support Worker, Store Manager, BDM Syd, Customer Success Managers, Marketing entry level +1.
 - Specialties:** Manager, Customer Service, Team Leader, All Rounder, Help Desk / Support.
 - Tags:** .net developer, BDM, Customer Success, Snr BDM, Software Engineer.
- Summary Section:**
 - Message:** "Type your perfect CV message here."
 - Summary:** "The perfect employee for the perfect company!" I am looking to live the career I love!
 - Career:** Mar 2010 - Jun 2011, Company Name - Unit 2 - Role Title, Construction & Infrastructure - Consulting & Strategy, NT, Australia.
 - Specialties:** Customer Service.
- Statistics & Preferences:**
 - Unique Views:** 26
 - CV Strength:** 100%
 - Years Experience:** 15.6
 - Desired Rate:** \$40/hr
 - Hourly Rate:** \$40
 - Preferred Workdays:** I'm Flexible
 - Preferred Workweeks:** 4 Weeks
 - International:** RFO/DIDO, International
- Right Sidebar:** Includes a Message button, Move To, Rating, Download CV, Relationship, Referred By, Add Notes, Tags, Milestones, Documents, Highlight, Talent Pool Assign, Job Invite, and Job Assign.

Create Talent Pools for all roles

Maintain a steady stream of candidates for the roles you'll need in the future

Artificial Intelligence is the recruiters best friend.

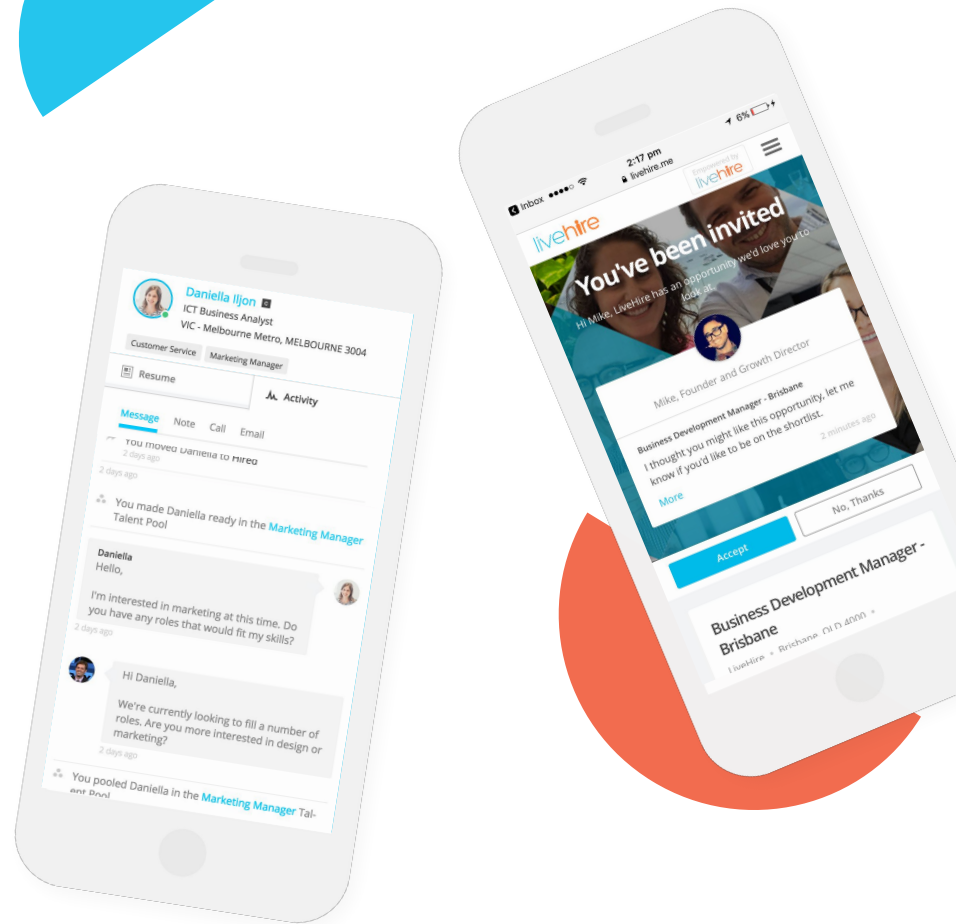


Seamlessly engage with candidates to deliver a better experience

Create a human connection with your candidates

Send *and receive* all communications between candidates and recruiters via SMS and email, direct to their smartphone, ensuring rapid responses and a better, more human candidate experience.

All communications between candidates and your team are automatically recorded in an easy to read organised format so anyone can pick up the conversation exactly where you left it.

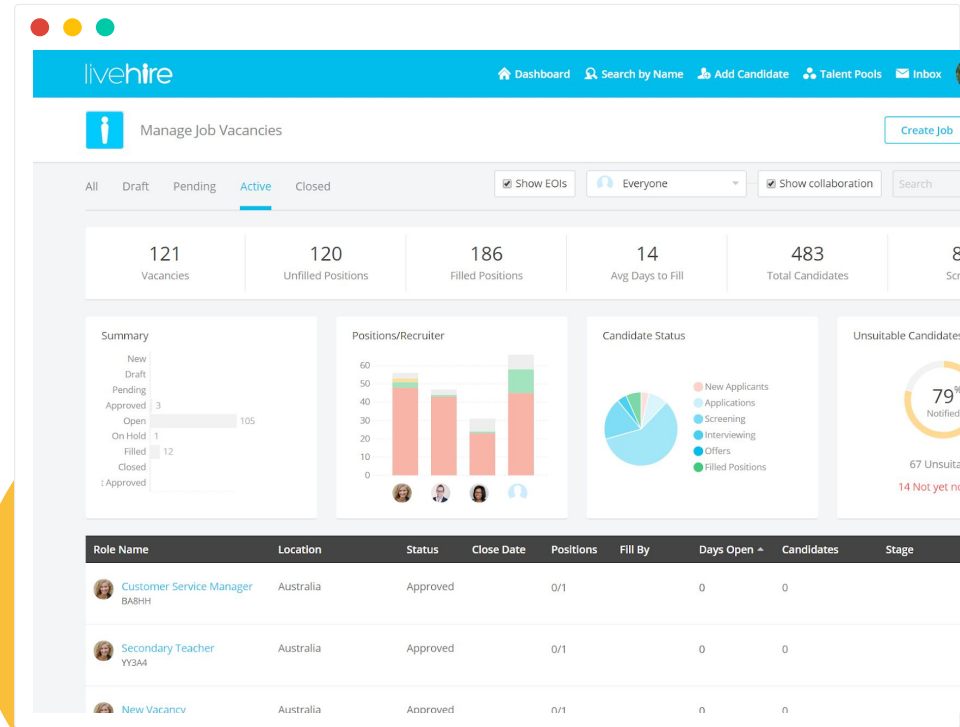


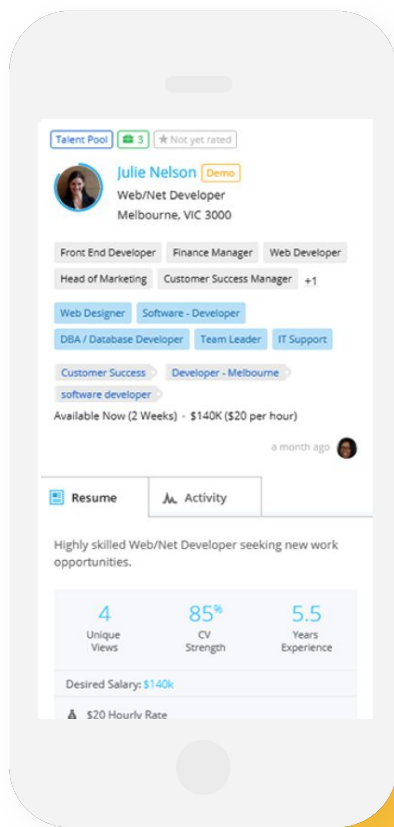
Manage the hiring process end-to-end.

Create, manage and track all open vacancies

Recruiters are able to collaborate with hiring managers to speed the hiring process and attract more qualified candidates.

- ✓ Greater insight into talent pipeline
- ✓ Real-time job approvals
- ✓ Review & select candidates based on their LiveHire Talent Profile
- ✓ Easily send employment contracts to new hires





What have we helped our clients achieve?

27%

of candidates in Talent Community accept an invitation to be on a shortlist for an open role. [#WeAreLive](#)

45 min

Median candidate response time to all communication. [#TalentOnDemand](#)

21 days

Median time to hire candidates already in Live Talent Communities¹. [#68%.Faster.Than.Industry.Median.](#)

56%

of all hires from companies using Talent Communities are female. [#DiversityMatters](#)

LiveHire Platform. The talent ecosystem architecture built for global scale.

1. The LiveHire Platform

Cloud based, open API, rapidly deployed, highly scalable.
Replaces the traditional Applicant tracking softwares.

2. Sourcing product integrations

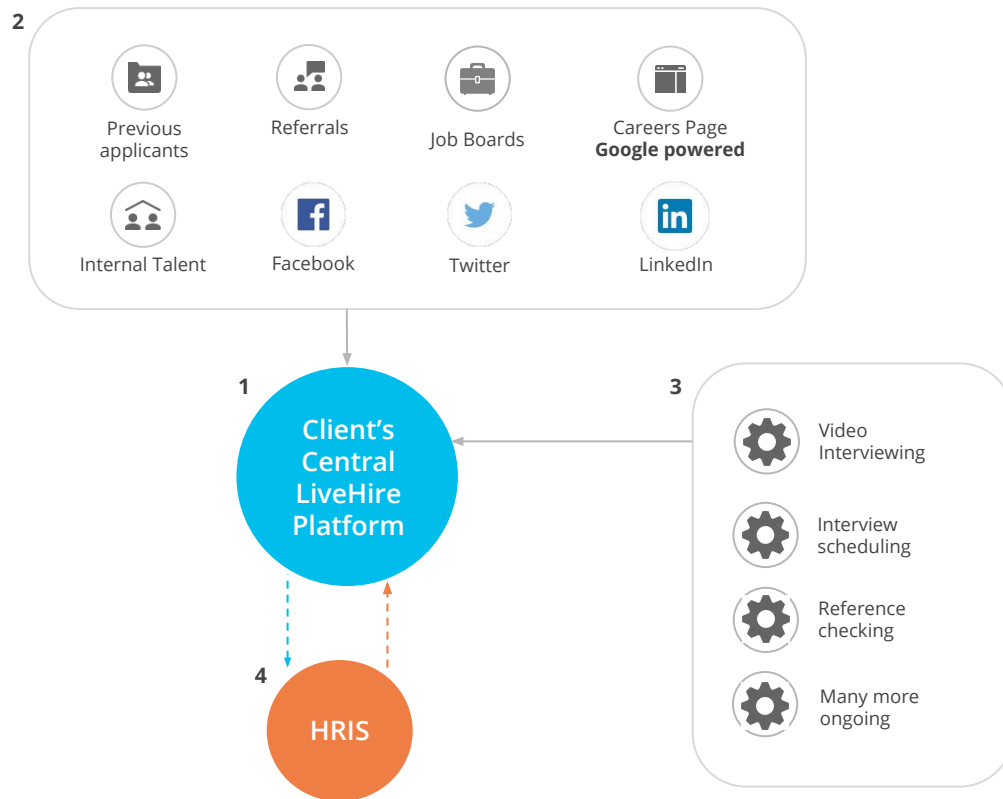
Deep integrations with major sources of talent online so clients can grow their communities fast.

3. Third party “widget” integrations

LiveHire is a central platform to an ever growing ecosystem of third party plug-and-play software to add further efficiency, candidate experience, and automation to client's hiring process.

4. HRIS Integrations (Large Companies)

For ultra large organisations, 2-way deep data synchronisation with client's Human Resource Information Systems (HRIS).



Old way vs New way



Reset the bar on what good recruitment looks like



From transactional “System of Record”



Poor candidate experience

Desktop applications to single role, hour to complete, Automated email notifications.



Poor recruiter efficiency

Screening hundreds of different resumes.
High applicant withdrawal rates during process.



Poor hiring efficiency

65 days time to hire¹.
Job board applicants lack diversity



Damaged Brand

42 people rejected from application².
>80% of rejected candidates cease being consumers⁴



Award winning candidate experience

Mobile connection to register, minutes to complete
Live 2-way personalised text message communication.



High recruiter productivity

Inviting people via SMS to apply
Very low applicant withdrawal rates during process.



Talent on Demand

21 days time to hire (68% reduction)³.
>50% of all hires on platform are female².



Strengthened Brand (less rejection)

17 people unsuccessful during application¹
Moved to Talent Pools for future opportunities.

One integrated platform

For the entire talent ecosystem



From Traditional Applicant Tracking System



Pre-cloud technology

Static Applicant Tracking Systems

Process: Advertise → Apply → Review → Reject → Repeat



Slow Deployment

Requires extensive, fixed configuration.

Months to implement.



Non-integrated

Costly manual integrations, limited options.

Only connected to Job boards. Limited active talent.



Fixed versions

Different systems for different company sizes.

Ongoing version or system upgrades.

To Total Talent Acquisition and Engagement



Cloud based platform

Talent Engagement and On-demand Acquisition Platform

Process: Grow Community → Talent Pool → SMS → Hire



Rapid Deployment

Highly flexible configuration.

Days to implement.



Open API platform

Plug and play with the best HR tech widgets ongoing.

Connected to the whole internet of talent through AI.



Highly scalable

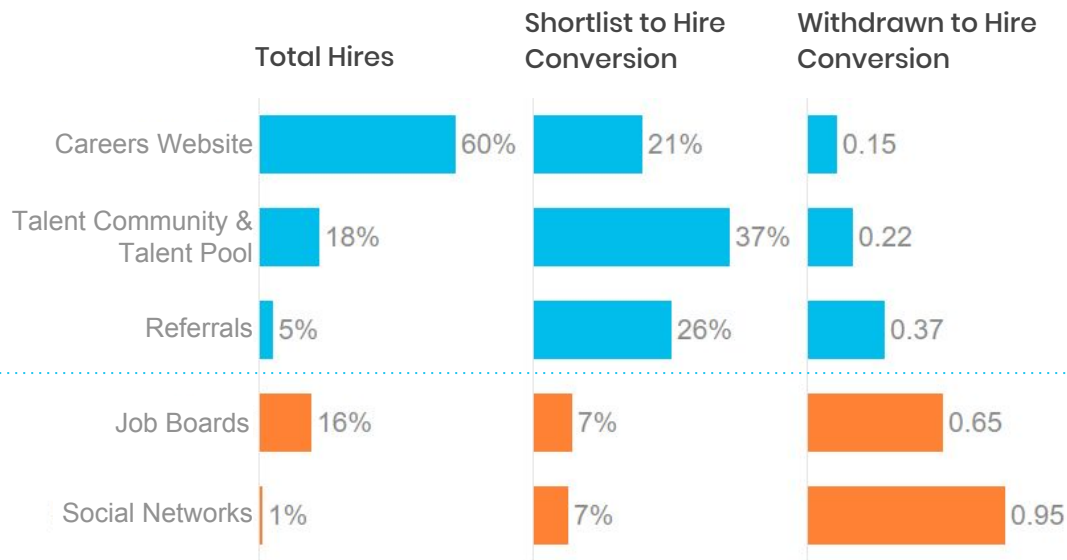
One size fits all from hundreds to millions of employees.

Grows as the company does.

Greater, faster hires, with less wasted recruiter time.

New way: A community experience with 2-way engagement, creates fast hiring and decisive candidates.

Old way: The traditional channels provide few hires, and less committed applicants.



Building a high value ecosystem of Talent Community Connections (TCCs)

The unified candidate profile is unique to the LiveHire platform, and difficult to replicate. As more companies switch to LiveHire and grow their own Talent Communities, the total talent ecosystem grows, until the majority of talent globally are on LiveHire, keeping their single data set live, and responding fast to communications. This domino effect means companies that wish to source, engage, and hire the best talent faster and more cost effectively, should join the LiveHire ecosystem.



LiveHire clients can benchmark their recruitment performance against their industry averages.



New clients can grow their Talent Communities faster. Candidates join Talent Communities quicker.



More scalable across entire industries globally. The industry standard.



More sticky platform and defensible from new market competitors.



Unified live data means AI and Machine learning continues to improve over time, providing ongoing ROI and value to users.



Central source of valuable and live economic and employment data.

Adopted by leaders in the industry. Recruitment Outsourced partners (RPO & MSP)

Providing efficient and fast geographical scale to the largest enterprises with minimal sales infrastructure. Building the technology of the future for the industries best.



8 Enterprise clients to date with a large forward pipeline of some of the most well known brands in Australia and New Zealand.

Manpower Group

2 government contracts to date with a focus on growth across multiple verticals in Australia and New Zealand.



Exploring MSP opportunities in **new markets**

Joint proposals and advanced discussions underway with multiple other national and international RPO providers.

RPO & MSP Channel to Market

40% of organisations globally use RPO & MSP firms to deliver all or parts of their end to end recruitment inside their organisations as a business partnership¹.

LiveHire aims to be the preferred technology used by RPO & MSP partners to deliver improved value to end clients, and improved EBIT to RPO.

LiveHire's direct sales team focus on medium organisations (200–5,000 FTE)



Because LiveHire helps us showcase who we are as a company and who we are as a brand, it means we attract candidates who are looking for companies that are just like us.

Zoe Sharan

Employee Experience Manager at Amicus

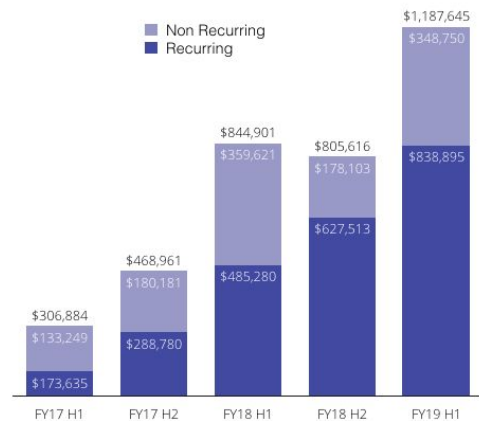


FY19 H1 Performance & Financial Metrics

To be read in conjunction with the FY19 H1 Interim Financial Report, released to the ASX on 26th February 2019.

Growth

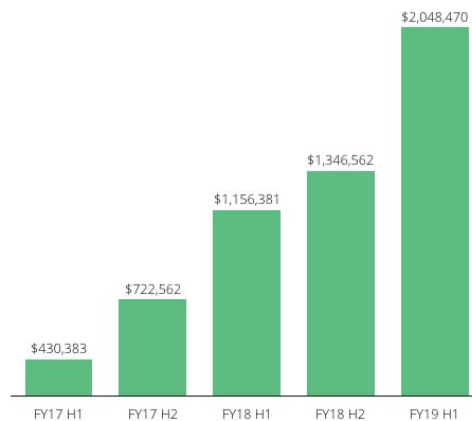
Revenue, Annualised Recurring Revenue (ARR), and ARR Per Client (ARRPC) all showed continued strong growth.



Revenue

LiveHire charges an annual, recurring hosting fee to Companies for use of the cloud based platform, based on the size of their workforce. Recurring revenues are recognised on a pro-rata basis in relation to elapsed subscription period, in line with accounting standards.

In addition, LiveHire charges non-recurring revenue such as implementation and integration fees, which are largely recognised as revenue upfront.



ARR

Annual Repeat Revenue. 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 (in this instance, as at 31 December 2018).

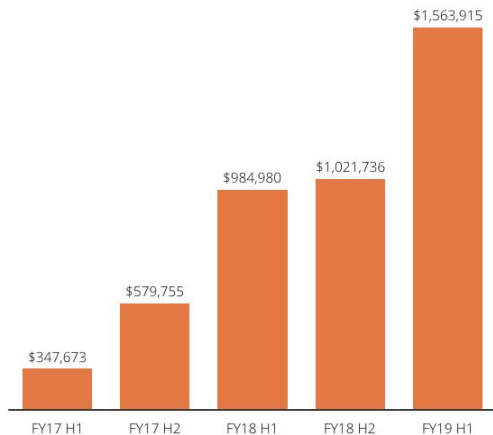


ARRPC

Average recurring revenue per client grows as LiveHire is adopted by larger and larger enterprises. LiveHire is building a low acquisition, rapidly deployable solution for infinite scale.

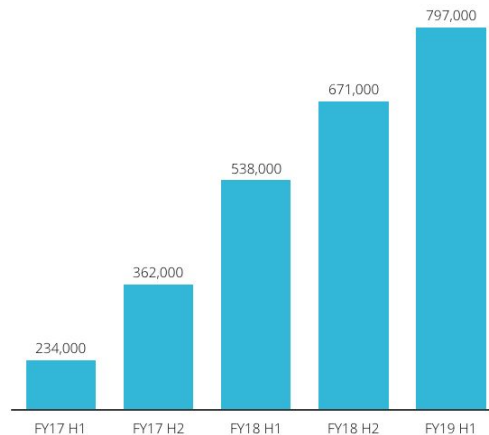
Growth

Cash Receipts and Talent Community Connections (TCCs) also showed continued strong growth.



Cash Receipts

LiveHire charges the annual repeat fee upfront. Quarterly or monthly payments in advance are also available for a premium.



TCC Ecosystem

Candidates can join multiple Talent Communities with their unified profile, creating a highly valuable, monetisable, and defensible global network effect.

LiveHire's Performance Metrics – Glossary

Below we explain a handful of the headline performance metrics, and inputs into key metrics, that we use every day to manage and drive LiveHire's performance.

Monthly Recurring Revenue

Monthly recurring revenue is a point in time monthly view (in this instance, as at 31 December 2018) of LiveHire's recurring revenue components. This is a combination of fixed monthly recurring revenue streams, variable monthly recurring revenue streams, and monthly recognised recurring revenue streams for upfront paying clients.

Annualised Recurring Revenue (ARR)

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 (in this instance, as at 31 December 2018).

Opening ARR

Opening ARR represents the ARR at the beginning of the period.

New Business ARR

New Business ARR represents the ARR derived from new clients secured in that period.

Net Upsell ARR

Net Upsell ARR represents the incremental ARR derived from re-negotiated contract renewals with existing clients and net ARR changes from existing clients with variable recurring revenue streams.

ARR Churn

ARR Churn represents the value of ARR which was not renewed by clients in that period.

Closing ARR

Closing ARR represents the ARR at the end of the period and is calculated as: Opening ARR + New Business ARR + Net Upsell ARR - Churn ARR.

Churn %

ARR Churn as a percentage of Opening ARR.

Annualised Recurring Revenue Per Client (ARRPC)

ARRPC is calculated as: Closing ARR / number of clients
ARRPC is a key metric and can be grown by securing higher value clients, and by adding new products and functionality to provide more value to clients.

Client

A client is defined as being an entity from which ARR is generated at a point in time.

Talent Community Connection (TCC)

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 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.

LiveHire's Performance Metrics

	FY19 H1	FY18	% Change for 6 month period
Opening ARR (\$'000)	1,347	723	
New Business ARR (\$'000)	827	611	
Net Upsell ARR (\$'000)	46	92	
ARR Churn (\$'000)	(172)	(79)	
Closing ARR¹	2,048	1,347	52%
ARR Churn %	13%	11%	
Client Numbers¹	64	53	21%
ARRPC (Recurring) (\$'000)²	32,007	25,407	26%
TCCs	797,483	671,254	19%
FTE³	61	54	11%

1. ARR & Client Numbers

ARR has increased 52% for the 6 month period, driven by 18 new clients including Jemena, Dulux Group, Xero, Calibre Group, Komatsu Australia, Nissan Australia, iSelect, and several via the RPO Channel via Korn Ferry and Manpower Services (Aust) Pty Ltd.

2. ARRPC

ARRPC grows as LiveHire is adopted by larger and larger enterprises.

2. FTE

FTE has grown 7 for the 6 month period. Growth in personnel was in line with budget and capital raising communication, to accelerate commercial expansion and continue product development and technology.

LiveHire's Financial Metrics – Glossary

Below we explain a handful of the headline financial metrics that we use every day to manage and drive LiveHire's performance.

Recurring Revenue

Recurring revenue is the component of statutory reported operating revenue that relates to recurring revenue streams earned during the period being reported on. Recurring revenue streams include hosting fees, user licence fees and ongoing support and maintenance fees.

Non-Recurring Revenue

Non-recurring revenue is the component of statutory reported operating revenue that relates to one-off revenue streams earned during the period being reported on. This predominantly consists of upfront implementation and integrations fees as well as people service/consulting fees.

Management EBITDA

EBITDA excluding Share Based Payments and R&D rebate income, and prior to the transfer of certain costs to the software development asset. It provides a normalised view that excludes significant non-cash expenses, income not considered part of core operations, and includes all salary costs (including those able to be capitalised under the applicable accounting standards).

Statutory EBITDA

EBITDA including Share Based Payments and R&D rebate income, and after the transfer of certain costs to the software development asset.

Annual Cash Burn excluding financing activities

Cash Burn excluding financing activities is calculated as operating and investing cash flows as reported in the statutory cash flow statement.

It does not include net cashflows from financing activities (e.g. capital raise).

Annual Cash Burn excluding financing activities, R&D and interest

Cash Burn excluding financing activities, R&D and interest is calculated as operating and investing cash flows as reported in the statutory cash flow statement, excluding cash received from R&D rebates and interest received, and excluding net cashflows from financing activities (e.g. capital raise).

It provides a normalised Annual Cash Burn, excluding items not considered by management to be within core operations.

LiveHire's Financial Metrics

	FY19 H1	FY18 H2	FY19 H1 % Change		FY18 H1	FY19 H1 % Change
Management EBITDA (\$'000) ¹	(5,654)	(5,040)	(12%)		(4,040)	(40%)
Statutory EBITDA (\$'000)	(5,704)	(5,165)	(10%)		(4,878)	(17%)
Recurring Revenue (\$'000) ²	839	627	34%		485	73%
Non-recurring Revenue (\$'000) ³	349	179	96%		360	(3%)
Total Operating Revenue (Statutory) (\$'000)	1,188	806	47%		845	41%
Cash Burn excluding financing activities	(5,536)	(3,618)	(53%)		(3,428)	(61%)
Cash Burn excluding financing activities, R&D and Interest	(5,939)	(4,463)	(33%)		(3,613)	(64%)

1. Management EBITDA

Increased loss driven by continued investment in Product Development, and other associated costs, partially offset by increased revenue, which has grown proportionately more than expenditure (compared to FY18 H2 47% revenue growth, 17% expenditure growth).

2. Recurring Revenue

Growth against both FY18 H2 (34%) and FY18 H1 (73%) has been driven by new clients secured in FY19 accompanied by improved revenue from existing customers through contract renewals.

Note to market: SaaS pricing to corporate clients determined by workforce size. Pricing model not driven by TCCs.

3. Non-recurring Revenue

Growth against FY18 H2 has been driven by new clients secured in FY19. Minor reduction compared to FY18 H1 is due to revenue from a pilot program within FY18 H1 non-recurring revenue.

Profit & Loss – Reconciliation to Statutory Results

	FY19 H1	FY18 H2	FY19 H1 % Change		FY18 H1	FY19 H1 % Change
Operating Revenue ¹	1,188	806	47%		845	41%
Expenditure ²	(6,842)	(5,845)	(17%)		(4,885)	(40%)
EBITDA³ (Management Reporting)	(5,654)	(5,040)	(12%)		(4,040)	(40%)
Share-based payments expense ⁴	(1,082)	(948)	(14%)		(1,931)	44%
R&D rebate income ⁵	43	164	(74%)		302	(86%)
Capitalisation of software development ⁶	990	659	50%		791	25%
EBITDA³ (Statutory Reporting)	(5,704)	(5,165)	(10%)		(4,878)	(17%)
Interest, Depreciation & Amortisation	(14)	41	(134%)		(94)	85%
Net Loss (Statutory Reporting)	(5,718)	(5,124)	(12%)		(4,972)	(15%)

1. Operating Revenue

Revenue excluding R&D rebate income and interest income.

2. Expenditure

Expenditure excluding non-cash share-based payments expense and depreciation & amortisation, and including software development expenditure (both expensed and capitalised).

3. EBITDA

Earnings before interest, tax, depreciation and amortisation.

4. Share-based payments expense

Share-based payments is a non-cash cost relating to the value attributed to equity based employee benefits.

5. R&D rebate income

R&D rebates are considered to be outside of operating revenue for management reporting purposes. This number includes the P&L portion of R&D rebates received, in addition to an accrual for the P&L portion of the estimated FY18 R&D rebate.

6. Capitalisation of software development

Software development costs attributed to the Statutory Profit & Loss are impacted by the amount capitalised to the value of Intangible Assets under the relevant accounting standards.

Appendix 4C to Statutory Cashflow Reconciliation

FY19 H1 Appendix 4C to Statutory Cashflow Reconciliation	FY19 H1 Appendix 4C	Adjustments	FY19 H1 Statutory Cashflow
Receipts from customers	1,564	0	1,564
Payment to suppliers and employees ¹	(7,417)	985	(6,433)
Interest Received	346	0	346
Net Cash from / (used in) operating activities	(5,507)	985	(4,522)
Payment to acquire tangible and intangible assets ¹	(85)	(985)	(1,070)
Payments for other non-current financial assets ²	0	(115)	(115)
Net Cash from / (used in) investing activities	(85)	(1,100)	(1,186)
Proceeds from the issue of shares	56	0	56
Net Cash from / (used in) financing activities	56	0	56
Net increase in cash and cash equivalents²	(5,536)	(115)	(5,652)
Opening Cash Balance ²	30,592	(519)	30,073
Closing Cash Balance²	25,056	(634)	24,421

1. Payment for intangible assets

In the statutory cash flow statement payments for intangible assets are separately identified. However, in the Appendix 4C these costs are included as payments to suppliers and employees. The reason for this difference in treatment is due to the fact that capitalised salaries are processed bi-annually as a statutory adjustment, and are subject to detailed documentation and audit review, which does not occur on a quarterly basis. During the financial year these payments amounted to \$985k.

2. Payments for other non-current financial assets

Accounting standards require term deposits that mature in greater than 90 days from the date of the report to be shown as other non-current financial assets rather than cash. In the Appendix 4C these term deposits are considered to be cash. The \$634k adjustment represents the balance of the these term deposits, \$115k of which was a current period addition.

Balance Sheet

	FY19 H1 (\$ '000)	FY18 (\$ '000)	% Change
ASSETS			
Current assets			
Cash and cash equivalents ¹	24,421	30,073	(19%)
Trade and other receivables ²	1,591	1,095	45%
Total current assets	26,013	31,168	(17%)
Non-current assets			
Plant and equipment	164	106	55%
Other non-current financial assets ³	635	520	22%
Intangible assets ⁴	2,880	2,423	19%
Other non-current assets	56	0	-%
Total non-current assets	3,735	3,049	22%
Total assets	29,748	34,216	(13%)
LIABILITIES			
Current liabilities			
Trade and other payables	694	1,057	34%
Provisions	417	397	(5%)
Deferred revenue	838	407	(106%)
Total current liabilities	1,949	1,861	(5%)
Non-current liabilities			
Provisions	87	65	(34%)
Total non-current liabilities	87	65	(34%)
Total liabilities	2,037	1,925	(6%)
Net assets	27,711	32,291	(14%)
EQUITY			
Issued capital	46,736	46,680	0%
Reserves	8,083	7,001	15%
Accumulated losses	(27,108)	(21,391)	(27%)
Total equity	27,711	32,291	(14%)

1. Cash and cash equivalents

Refer to Cash Flow

2. Trade and other receivables

\$238k of the variance relates to the revised estimate of R&D Tax Incentive receivable for FY18 (balance from FY18 still receivable at 31 December). \$252k of the variance relates to trade receivables due due a significant increase in invoicing for the month of December 2018, compared to June 2018.

3. Other non-current financial assets

Term Deposits in relation to corporate credit card facility and bank guarantees on property leases.

4. Intangible Assets

Despite \$990k in additions, net intangible assets increased by \$457k compared to June 18, due to credits to the Balance Sheet in relation to the R&D rebate accrual that relate to costs that were capitalised, plus amortisation.

LiveHire Capital Structure

Share price since listing



Share price ¹	\$0.54
Shares on issue ¹	268.9m
Cash at bank ²	\$27.8m
Market capitalisation ¹	\$145.2m
Enterprise value	\$117.4m
Options and performance rights on issue ¹	21.98m
Major Shareholders	
Board & Management (including founders) ¹	28.06%
Antonluigi Gozzi ¹	11.07%
Michael Haywood ^{1†}	10.47%
Fidelity ³	8.38%
Telstra Super ⁴	5.5%

¹ As at 22 February 2019 ² As at 30 Sept 2018 ³ As at 18 January 2019 ⁴ As at 18 December 2017



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