



## ASX: LVH MARKET RELEASE

### LiveHire September Quarterly Report and Appendix 4C

24 October 2019 | Melbourne, Victoria

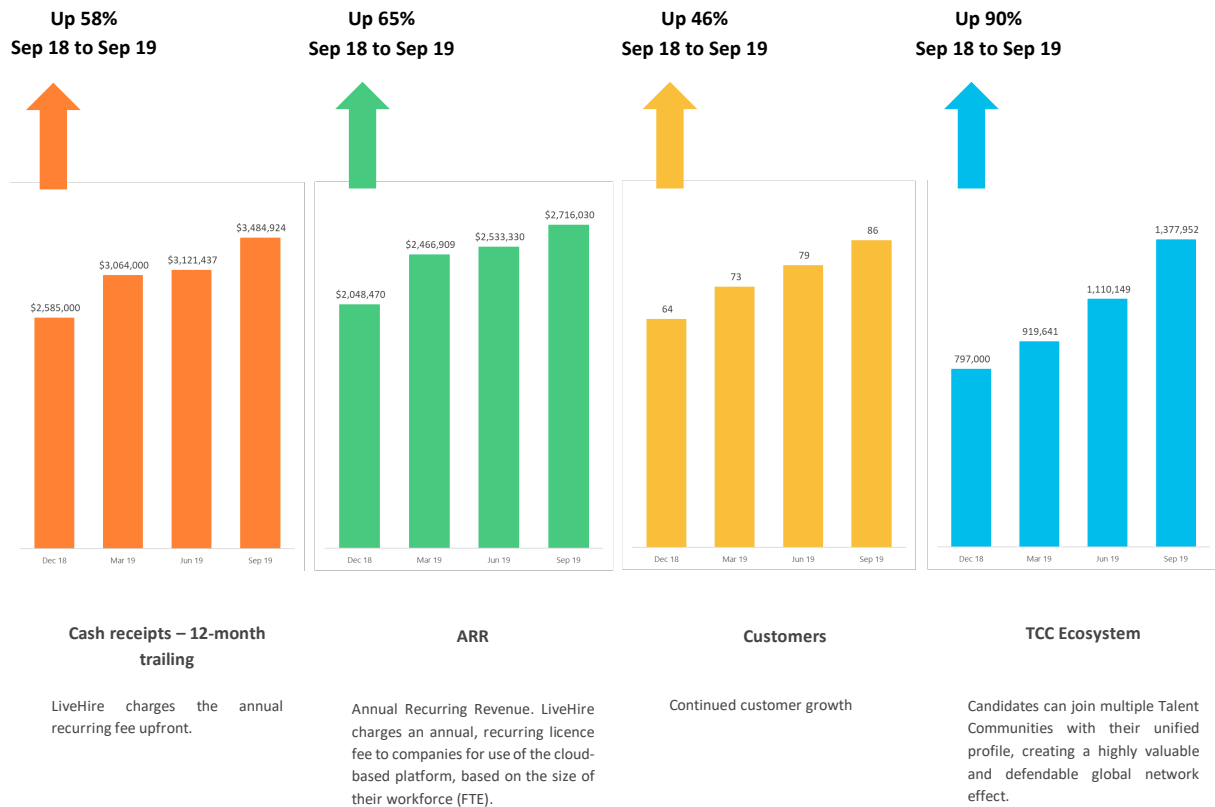
Talent acquisition and engagement platform LiveHire Limited (ASX: LVH) (“LiveHire” or the “Company”) today released its Quarterly Report and Cash Flow Report for the period ending 30 September 2019.

#### Highlights for the Quarter:

- Annualised Recurring Revenue (ARR)<sup>1</sup> was \$2.7m, an **increase of 65% YoY** (7% QoQ), driven by 10 new customers (net 7 after churn).
- 86 customers, an **increase of 46% YoY** (9% QoQ), resulting in Annualised Recurring Revenue Per Client (ARRPC) of \$31,582.
- 12-month trailing cash receipts rose to \$3.5m, representing **58% YoY growth**. Quarterly cash receipts were \$1m (61% QoQ growth from June cash receipts of \$624,000)
- The increased activity of the Direct Sales team is successfully translating into revenue growth, delivering \$387,000 in Total Annual Contract Value (\$314,000 ARR plus \$73,000 non-recurring) in the quarter.
- Continued execution of channel partner strategy, entering into seven partnerships during the quarter, bringing total partners to 13. These partners are building pipelines now.
- Advanced discussions with new MSP partners in the US to execute on the US expansion strategy.
- Talent Community Connections (TCCs) grew to 1.38m (24% QoQ). TCCs have grown 90% YoY.
- Significant step-change in expanding the capability and functionality of the LiveHire platform, with the successful launch of four new major product modules.
- The Company is very well-capitalised with \$30.3m cash at bank as at 30 September 2019.
- Board strengthened with the appointment of Michael Rennie as Executive Chairman and Reina Nicholls as an independent non-executive director.

<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.

## Key business metrics



## Channel Partnership Strategy

Strategic channel partnerships enable LiveHire to achieve scale at speed through one-to-many client relationships. Channel partners refer or sell the LiveHire technology as an annual license to their clients. LiveHire delivers the technology, receives payment for the annual license and recognises the Annual Recurring Revenue. Partnerships facilitate a less capital-intensive approach to expanding across Australia as well as into new markets such as the United States.

LiveHire's channel partnership strategy continued to expand during the quarter, with seven new agreements signed:

- US-based Cognitus Consulting, a leading SAP SuccessFactors systems implementer with over 500 consultants.
- Proactive Talent, a US-based recruitment advisory firm that provides holistic strategic advisory services to enable clients to build a powerful recruiting engine.
- Bayard, a US-based firm providing recruitment advisory services in 17 countries from 15 office locations.
- Extension of Memorandum of Understanding with Deloitte.

- Discovery Consulting, a certified SAP Gold Partner that manages and supports over 80 SAP enterprise customers in Australia.
- HR Consulting Melbourne, a mid-market recruitment consulting firm in Australia.
- Strategic Talent Solutions, a boutique consulting firm with expertise in talent identification, development and engagement in Australia.

In addition to the aforementioned new partnerships, LiveHire also strengthened their partnership with ManpowerGroup Australia via the signing of a formalised MSA. ManpowerGroup Australia are a leading provider of contingent and permanent recruitment workforce solutions.

LiveHire continues to support existing channel partners in building out their pipelines of well-fitted clients to be introduced to LiveHire technology.

LiveHire also continues to progress discussions with a large number of potential strategic partners, including systems implementers, in both Australia and the United States.

LiveHire is well advanced with discussions with new MSP partners in the United States as the Company seeks to execute on its US expansion strategy.

LiveHire's total number of channel partners is now 13, of which four are generating revenue for the Company and nine are in pipeline building phase.

Definitions of channel partner categories can be found in the Appendix.

## **Client wins**

LiveHire achieved 10 client wins for the quarter across a range of industries, all of which came from the Direct Sales team who carried their strong momentum from the June quarter into the September quarter. The new client wins include an enterprise agreement with a large State Department, an employer of approximately 10,000 people. This enterprise agreement includes an Internal Mobility solution to improve visibility, data quality and mobility of the 10,000 employees.

The Direct Sales team continues to build a strong pipeline, and the direct sales channel remains a key pillar of LiveHire's growth strategy.

**LiveHire CEO, Christy Forest, said:** *"During the quarter we achieved an increase of 65% Annualised Recurring Revenue compared to the same period last year. As has been our articulated plan for growth, the direct sales team has been established and is producing consistent results whilst we secure partner agreements that are expected to contribute to revenue growth in the second half of this financial year."*

*"Our Direct Sales team carried the strong momentum from the June quarter into the 2020 financial year. The enterprise agreement signed with a major state government is a direct result of the intensified focus on direct*

*sales and is a strong endorsement of our capability to deliver best-in-breed solutions to larger and more complex enterprises, including the placement of both internal and external talent.*

*“In the United States, we have received significant interest, with three of the seven new partner agreements for the quarter via the US. We also continue to progress advanced discussions with several MSP partners as we execute our US market expansion strategy.*

*“We are delighted to be working with seven new best-in-class partners, who are well placed to capitalise on the growing market appetite for our cloud-based solution as we accelerate towards our next phase of growth. These strategic partnerships convey the success of LiveHire’s implementation of a go-to-market strategy designed for scale and growth.*

*“We are committed to generating returns for our shareholders and we are very pleased with the progress made during the quarter that demonstrates the validity of our continued focus on our three-pillar growth strategy – US entry, channel partner expansion and direct sales. This strategy is delivering a foundation for sustained long-term revenue growth.”*

## **Board and Governance**

LiveHire has an active and ongoing board renewal and succession planning process to ensure that it has the right experience and skills mix to support the Company in its strategy.

During the quarter, Michael Rennie was appointed Executive Chairman following the retirement of inaugural Chairman Geoff Morgan.

In addition, Reina Nicholls was appointed as an independent non-executive director.

The Board is committed to ensuring the Board comprises a majority of non-executive directors in keeping with best practice and the ASX Corporate Governance Council recommendations on board composition.

A comprehensive search for additional non-executive directors with the appropriate capabilities to make a meaningful contribution to the LiveHire Board is currently underway and these appointments will be made as soon as practicable.

## **Cash Receipts**

12-month trailing cash receipts rose to \$3.5m, representing 58% YoY growth. Quarterly cash receipts for the quarter were \$1,000,000 (61% growth on prior quarter). Operating cash outflow of \$4.9m was in line with the estimated cash outflows provided in the June Quarterly 4C report. The cash balance as the end of the quarter was \$30.3m, with no debt.

Moving forward, the Company will continue to judiciously manage expenditure, with incremental spend expected in the United States and through partner commissions. Expenditure for Q2 is expected to be in line with Q1.

## 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 an award-winning<sup>2</sup> talent acquisition & engagement platform that revolutionises the candidate experience and enables businesses to thrive with talent on demand. Our Talent Acquisition & Engagement platform 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)

## LiveHire's purpose and investment proposition

LiveHire's purpose is to empower the flow of the world's talent into and through organisations. LiveHire does this through a platform-based approach that is rapidly deployed, infinitely scalable, easily integrated with, and underpinned by a single unified (federated) profile of a candidate, aiming to provide a private and secure single source of truth of data for organisations and talent. LiveHire believes that as its ecosystem grows, the value it can deliver to organisations and candidates alike continues to grow.	
Leading SaaS Talent Acquisition & Engagement Platform	LiveHire's platform allows mid to large clients (from ~200 FTE and above) to transform their Talent Acquisition process whilst delivering exceptional levels of engagement for an authentic, personal and instant candidate experience. The next generation cloud-based platform creates measurable results for client companies in terms of speed, quality and cost of hire, along with improved diversity outcomes.
Architecture built for rapid scale	The way that companies recruit and share talent is rapidly changing, leading people to being comfortable using the cloud to store, manage, protect, and share their career and talent data. Through its cloud platform and unified candidate profile, LiveHire continues to build a valuable ecosystem of candidates who are able to privately connect to companies (creating a "Talent Community Connection"). This "one-click" connection to a company with a single live profile creates a highly scalable platform as well as a rich and growing live ecosystem.
Large market opportunity with significant organic growth runway	With well over US\$200 billion spent on Talent Acquisition in the United States, of which only around 2.5% is attributed to the software and platform part of the market, there is a continued trend in Talent Acquisition budgets being reallocated towards technology <sup>1</sup> . Within Australia there are over 4,000 companies with over 200 FTEs <sup>2</sup> . In the United States, there are over 60,000 companies with over 200 FTEs <sup>3</sup> . Based on current ARRPC, this represents a significant addressable market of over \$2 billion.
Strong Balance Sheet for growth	LiveHire has scope to pursue organic growth both domestically and internationally.
High recurring revenue and cash conversion	LiveHire's SaaS revenue model has generated >85% annual growth in Annualised Recurring Revenue (ARR) for the past two financial years, and 100% cash conversion, as customers pay annually in advance. Contract terms are 1 – 3 years, with a greater weighting to three-year contracts expected going forward.

<sup>1</sup>) Josh Bersin: 2019 HR Technology Market <sup>2</sup>) Australian Bureau of Statistics (ABS) <sup>3</sup>) North American Industry Classification System (NAICS)

<sup>2</sup> [https://drivenxdesign.com/SYD17/winners\\_list.asp](https://drivenxdesign.com/SYD17/winners_list.asp)

## Appendix

### LiveHire growth strategy and recent progress

Channel	Direct	Outsourced Provider Partners		Reseller / Referrer Partners
		RPO	MSP	
Description	<ul style="list-style-type: none"> <li>Direct Sales team, currently solely focused on the ANZ market only, with 200-5,000 FTEs</li> </ul>	<ul style="list-style-type: none"> <li>Recruitment Process Outsource providers managing permanent hires on behalf of organisations</li> </ul>	<ul style="list-style-type: none"> <li>Managed Service Providers managing contingent (contractor) hires on behalf of organisations</li> </ul>	<ul style="list-style-type: none"> <li>System Implementers managing the implementation of enterprise management software</li> <li>Recruitment Consulting and Advisory Firms</li> <li>Recruitment Advertising Agencies</li> </ul>
How to track success?	<ul style="list-style-type: none"> <li># of customers</li> <li>ARR</li> </ul>	<ul style="list-style-type: none"> <li># of RPO partners</li> <li>ARR</li> <li># of customers</li> </ul>	<ul style="list-style-type: none"> <li># of MSP partners</li> <li>ARR</li> <li># of customers</li> </ul>	<ul style="list-style-type: none"> <li># of partners</li> <li>ARR</li> <li># of customers</li> </ul>
FY20 Q1 progress	<ul style="list-style-type: none"> <li>10 new clients, \$387,000 in total annual contract value (\$314,000 ARR).</li> </ul>	<ul style="list-style-type: none"> <li>ManpowerGroup Australia Master Services Agreement</li> </ul>	<ul style="list-style-type: none"> <li>Workforce Logiq (US) two Talent Communities live</li> </ul>	<ul style="list-style-type: none"> <li>Bayard (US)</li> <li>Proactive Talent (US)</li> <li>Cognitus Consulting (US)</li> <li>Discovery Consulting (ANZ)</li> <li>HR Consulting Melbourne (ANZ)</li> <li>Deloitte MOU extension (ANZ)</li> <li>Strategic Talent Solutions (ANZ)</li> </ul>

These channels provide LiveHire opportunity to access:

Australian Market<sup>1</sup>  
>4,000 companies with 200+ FTEs



US Market<sup>2</sup>  
>60,000 companies with 200+ FTEs

Channel	Direct	Outsourced Provider Partners	Reseller / Referrer Partners	Total
ARR	\$1.93m	\$0.79m	-	\$2.72m
# Customers	69	17	-	86
# Partners	N/A	4 <sup>1</sup>	9 <sup>2</sup>	13

1) As at 30<sup>th</sup> September 2019: 4 x Transactional Partners

2) As at 30<sup>th</sup> September 2019: 9 x Pipeline Building Phase Partners

## Channel Partnership Strategy – Glossary

LiveHire's partnerships generally fall into two major categories:

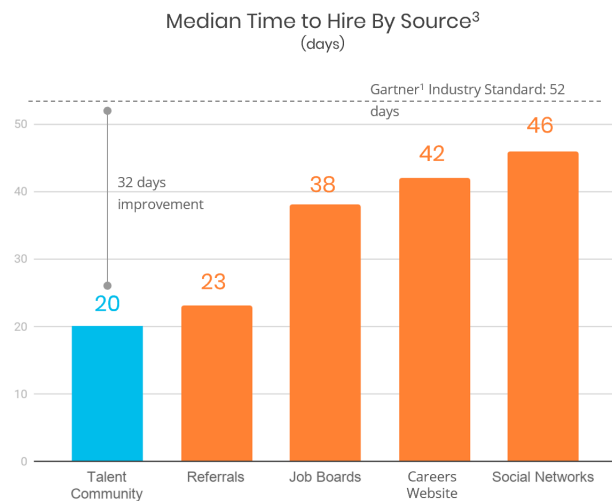
1. **Outsourced Provider Partner:** A company which provides an outsourced talent acquisition service to multiple client companies and enters into itself, or its client enters into a contract with LiveHire for the purpose of using LiveHire's technology for that client. While there is no obligation on an outsourced provider partner to promote LiveHire, once an outsourced provider partner contracts the LiveHire technology into more than one client, LiveHire classifies them as a partner. The types of outsourced provider partners are:
  - RPO - Recruitment Process Outsourcing Providers, managing permanent hires on behalf of organisations.
  - MSP - Managed Service Providers, managing contingent (contractor) hires on behalf of organisations.
2. **Reseller and Referral Partner:** A company which contracts with LiveHire to refer and/or resell the LiveHire product into its client base. In such situations, LiveHire will pay a sales commission to the reseller/referrer partner. The types of reseller/referrer partners are:
  - SI – Technology System Implementers who sell and implement enterprise management software, e.g. Human Resource Information Systems (HRIS), with which LiveHire integrates.
  - Talent Acquisition Boutique Consultancies
  - Recruitment Advertising Agencies

## LiveHire Talent Community results

### Talent Community is the fastest source of hire across all source channels

LiveHire delivers a faster time to hire<sup>2</sup> than the industry standard **across all source channels** demonstrating the value of this technology for our clients.

More specifically, hires made directly from your Talent Community are 32 days faster than the industry standard, implying significant cost savings for cost to hire and increased productivity<sup>4</sup> (\$9k+ per hire).



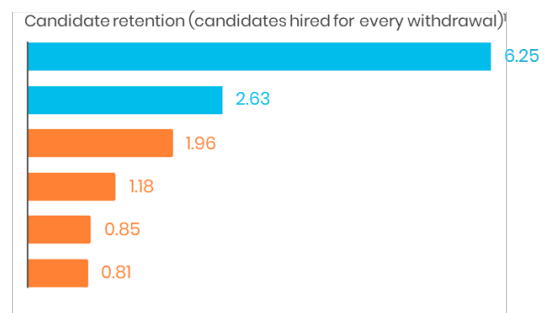
(1) Gartner CEB 2019 - Recruitment Report; (2) Time to hire: time job opening to offer accepted; (3) LiveHire proprietary data from Jan'17 to Mar'19, including 550,000 applications and 8,000+ hires across 78 companies; minor sources of talent have not been included in the graphic; (4) Increased Productivity: based on average vacancy productivity loss of \$500/day - 18 days x 500 = \$9,000 cost saving - CEB 2017

### Talent Community delivers high-quality, engaged hires

Source Quality = High Converting Shortlist + High Candidate Retention



TC candidates are **at least 5x more** likely to be hired than those from Job Boards and Social Networks, **saving significant high touch hiring manager and recruiter testing and interview time**.

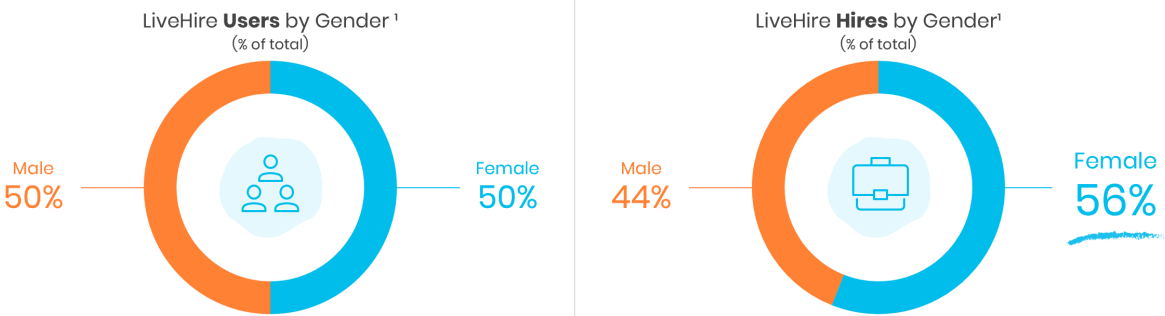


Candidates from Job Boards and Social Networks are at least **3x more likely** than that of TC candidates to withdraw late in the recruitment process.

<sup>1</sup> LiveHire proprietary data for candidates and hires from Jan 1, 2017 to March 30, 2019, including 550k applications and 8k hires across 78 companies  
<sup>2</sup> Top 5 clients includes 5 clients who hired at least 25 candidates and make the largest percentage of hires from the Talent Community



Improved diversity outcomes with our cutting edge AI and engagement model



**Diverse workforces** are **35%** more likely to outperform competitors.<sup>2</sup>

(1) LiveHire users by gender per March 2019, the gender option of "Not Specified" makes up less than 1% of candidates and hires; (2) McKinsey "Delivering through Diversity" 2018

**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")**

30<sup>th</sup> September 2019

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		1,003	1,003
1.2 Payments for			
(a) research and development			
(b) product manufacturing and operating costs			
(c) advertising and marketing		(181)	(181)
(d) leased assets			
(e) staff costs		(3,158)	(3,158)
(f) administration and corporate costs		(1,568)	(1,568)
1.3 Dividends received (see note 3)			
1.4 Interest received		162	162
1.5 Interest and other costs of finance paid			
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>(3,741)</b>	<b>(3,741)</b>
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire:			
(a) property, plant and equipment		(15)	(15)
(b) businesses (see item 10)			
(c) investments			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property		
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	1	1
	(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)		
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(14)</b>	<b>(14)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	53	53
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		
3.10	<b>Net cash from / (used in) financing activities</b>	<b>53</b>	<b>53</b>

<b>4.</b>	<b>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	34,013	34,013
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,741)	(3,741)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14)	(14)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	53	53

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>30,310</b>	<b>30,310</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,610	4,352
5.2	Call deposits	22,700	29,662
5.3	Bank overdrafts		
5.4	Other – Deposits for Bank Guarantees		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>30,310</b>	<b>34,013</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**

243

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**

8. <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.		

9. <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	(195)
9.4 Leased assets	
9.5 Staff costs	(3,400)
9.6 Administration and corporate costs	(1,400)
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>(4,995)</b>

10. <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: 24 October 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.