

SHARE CAFE PRESENTATION

PayGroup Limited
(ASX: PYG)

Sachin Goklaney
Chief Commercial Officer



HOW DO WE INTRODUCE PAYGROUP TO YOU.....

**HAVE YOU EVER
HAD YOUR PAY
CALCULATED
INCORRECTLY?
OR KNOW
ANYONE WHO
HAS?**

**HAVE YOU READ
ABOUT
UNDERPAYMENTS
AND PAYROLL
FRAUDS?**

**HAS CHATTING
ABOUT HR
EVER
FRUSTRATED
YOU?**



PAYGROUP IS A LEADING PROVIDER OF PAYROLL AND HUMAN CAPITAL MANAGEMENT (HCM) SOFTWARE AND SERVICES

PayGroup (ASX: PYG) performs the most critical of outsourced HCM software and services for our client's employees and contractors including payroll, pay to bill, human resources, social benefits and treasury services

We service SME to enterprise customers in 33 countries primarily across Asia Pacific and the Middle East so that they can pay, lodge and invoice in complex regulatory, multi-currency and multi-lingual environments

Snapshot



4.7m payslips processed per annum



915 Clients



Scalable SaaS platform



Global Partner Program



Local geography expertise in servicing 33 countries



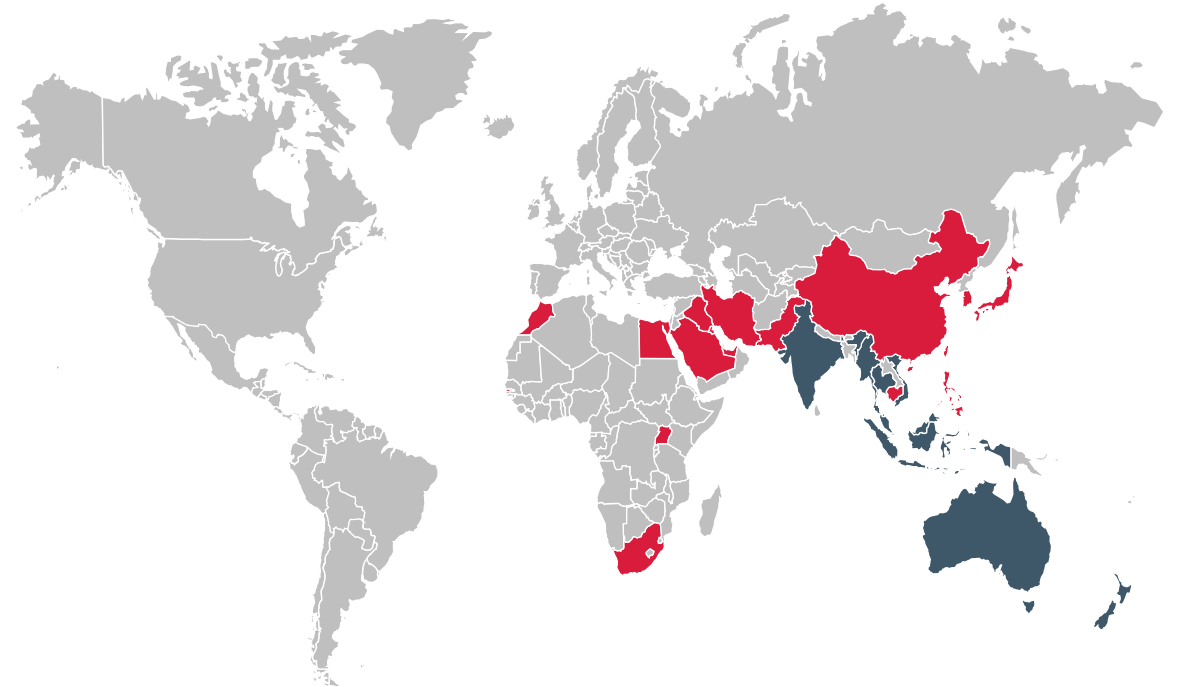
183 employees



Offices in 11 locations



Included in Gartner Guides – 3rd year running



Office Locations and Coverage



Service Coverage

PAYGROUP - FULL SUITE OF MODELS

Payroll and HCM

16

HCM modules

- Payroll (AU)
- Payroll (NZ)
- Timesheets
- Leave
- Claims
- Integrations
- Payslip delivery
- Employee self service
- Employee Onboarding
- Pay Conditions
- Invoicing
- Taxes, super & insurance
- Discussion board
- Document centre
- Data aggregation
- Native iOS / Android App

Strategic HCM

11

HCM modules

- Organisation
- Recruitment
- Time & attendance
- Performance
- Competency
- Learning & development
- Career management
- Talent management
- Separation
- Payroll (India)
- Payroll (Malaysia)

Significant ongoing investment to continue to enhance modules

27 HCM modules

Full service HCM suite

Development teams in Australia, India and Philippines

HIGHLY DIVERSIFIED AND LOYAL CUSTOMER BASE

3-year repetitive revenue contracts, 95% retention rate, cross-sell and up-sell opportunities

Financial Services



Professional Services



Industrial



Healthcare / Pharmaceutical



Construction / Manufacturing



Other



GROWTH SCORECARD

	FY19	FY20
Annual Recurring Revenue (ARR)	8.4m	17.8m
Annual Payslips Processed	630k	4.7m
Acquisitions	PayAsia India	Astute One
Clients	450	875
Internal Employees	120	183
New Sales	4.9m	5.5m
Operating Cash Position	(4.8m)	(0.1m)
Global Partner Program	3	7

As at 31 March 2020



GROWTH OPPORTUNITIES & STRUCTURAL TAILWINDS

PayGroup is well positioned to take advantage of the current market opportunities, the accelerated shift to online workflow, and demonstrable success in expanding service offerings



Accelerated adoption of cloud-based software

- Accelerated transition from manual process and on-premise software to the cloud
- Shift to online workflow and remote workplace
- Increased usage and reliance on PayGroup's software and services from clients



Mission Critical Software and Services

- Evolving regulatory and legislative environment
- Mission critical software and services to pay and manage employees remotely
- Heightened awareness on risks around underpayment of employees
- Increasing focus on data security and privacy



Strategic Acquisitions & Partnerships

- "Bolt-on" acquisitions of customer bases (payslips)
- Complementary SaaS technology to enhance product offering
- Leverage operational efficiencies to extract synergies ("lift and shift")
- Cross-sell and upsell opportunities



Growth in SwaS, SaaS and Treasury

- Increases multi-country payroll demand across APAC – increased complexity
- Post Covid-19 expectation of increases in contractors vs full-time employees - Astute
- Increasing suite of SaaS modules
- Treasury Services launched in Q2 FY20

FY21 OUTLOOK



Continuing to sign new contracts

- \$3.0m TCV in Q1 FY21
- This represents 55% of the total FY20 signed contract value
- Continued focus on new customer acquisition and upsell opportunities



Global Partnership Program & Treasury Services delivering results

- GPP to make growing financial contribution in FY21 as product suite expanded
- Treasury Services continuing to onboard new customers, and provides the opportunity to sell additional services



Forecast earnings growth in FY21

- Strategic focus on margins, new markets and cross-sell of service offerings
- Continuing to make considerable investments for growth
- Launch of further Treasury products and services



Pre-identified cost efficiencies

- Identified annualised cost savings and efficiencies of \$1.5M in FY21



BOARD OF DIRECTORS



Ian Basser

Non-Executive Chairman (independent)

Ian was appointed to the Board in July 2017 as an independent Non-Executive Director and Chairman. Ian has over 30 years' experience in starting, running and building service companies around the world including Australia, Hong Kong, China, Singapore, USA, UK and Europe. He was Chief Executive Officer and Managing Director of Chandler Macleod Group Limited until August 2012. Prior to joining Chandler Macleod, he spent five years establishing and developing the Mettle Group as a strategic leadership and culture consultancy.

Prior to Mettle Group, Ian was Group Managing Director of Harvey Nash running operations in the UK, Europe and Asia. He was on the global management team of Michael Page International building operations in Australia, Asia and North America.



Mark Samlal

Managing Director

Mark co-founded PayAsia in 2006 where he was Non-Executive Chairman until being appointed to the role of Executive Chairman and Managing Director in July 2015. In July 2017, he was appointed to the Board of PayGroup and to the role of Managing Director of the Group. Mark has over 22 years' experience in leadership roles in Asia Pacific including being a Director and General Manager of ADP in Asia Australia (1999-2003).

His previous senior roles included Chief Executive Officer VicPlas Ltd a Singapore Stock Exchange listed company in (2008-2014) and Executive Director of Omni Industries in Singapore (2006-2008). Mark is affiliated with the major shareholder and is based in Singapore.



Franck Neron-Bancel

Executive Director & Chief Strategy Officer

Franck joined PayAsia in May 2017 as an Executive Director, and was appointed to the Board of PayGroup in July 2017 as the Chief Strategy Officer. Franck has over 21 years' industry experience in global HCM and payroll services with global leader Automatic Data Processing, Inc. (NASDAQ: ADP, Market Cap: US\$43.8 billion). Franck's tenure at ADP culminated in the role of Senior Vice President Strategic Account Management (2013-2017), with reporting to the ADP Global Enterprise Solutions President.

Franck holds a Bachelor's Degree (General Management, Finance & Marketing) from KEDGE Business School and is based in New York, United States of America.



David Fagan

Non-Executive Director (independent)

David was appointed to the Board in July 2017 as a Non-Executive Director. He will Chair the Audit and Risk Committee. David has over 38 years' experience in law practice including 30 years with Clayton Utz culminating in the role of Board Member and National Chief Executive Partner (2001-2010).

Current Non-Executive Director roles include ASX listed Medibank Private Limited (since 2014) including Chair of the Board Risk Management Committee, UBS Grocon Real Estate Investment Management (since March 2014), and Hilco Oz & Hilco Merchant Australia (since 2014). David holds both a Bachelor and Master of Laws from University of Melbourne and is based in Melbourne, Australia.

HOW DO YOU FIND OUT MORE...

[Click Here](#)

*If the above link does not work – click here: <https://paygrouplimited.com/index.php/analyst-coverage/>

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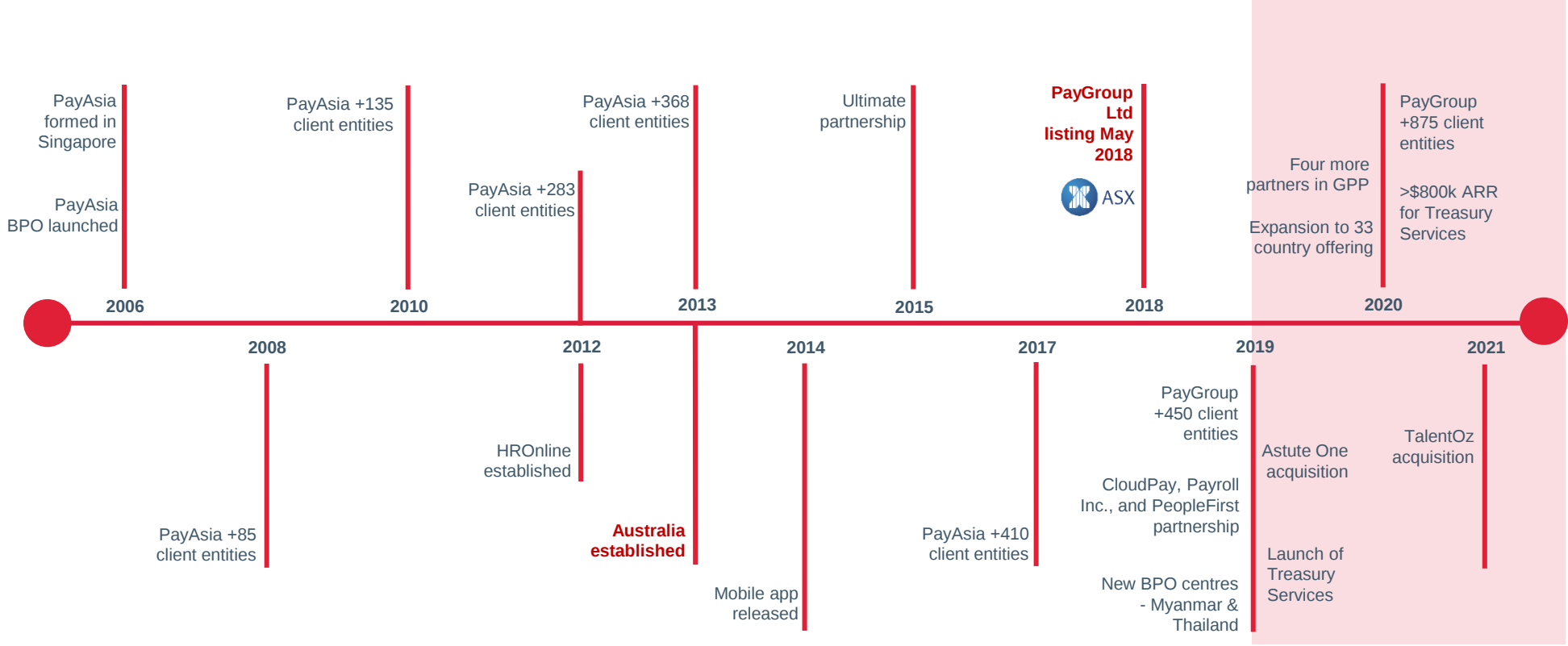
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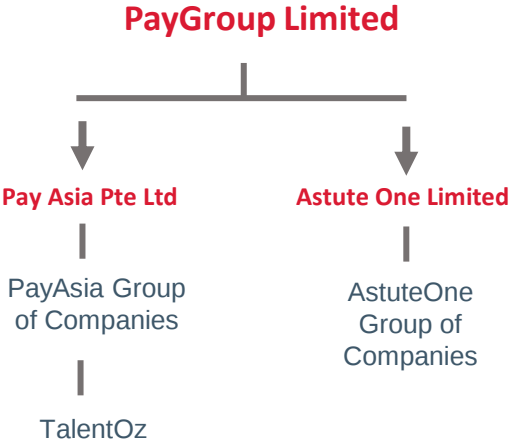
APPENDICES



FY20 – GROWTH YEAR FOR PAYGROUP



Group Structure



GLOBAL PARTNERSHIP PROGRAM

KEY STRATEGIC FOCUS

**Partnerships
with
multinational
payroll partners**

**Accelerating
growth with low
customer
acquisition cost**

Efficient customer acquisition cost

- PYG is the “back-end” delivery arm
- Limited marketing costs
- Limited legal fees on customer contracts
- Thin account management responsibilities

Leverages PYG extensive Asian infrastructure

- Increased utilisation in many Asian based locations
- Ability to increase work outside typical peak hours
- Smart-shoring opportunities

Attractive financial proposition → Standard service fees & delivered using existing infrastructure

COVID-19 BUSINESS CONTINUITY UPDATE

Uninterrupted service for clients & no adverse financial impact



OUR BUSINESS

- All employees across 11 global offices working from home
- Carefully following Government protocols for re-opening offices
- Enhanced IT security & training measures to protect critical information in remote environment
- Operational delivery and service has not been impacted



OUR CLIENTS

- Assisting clients with rapid changes to payroll legislation & stimulus packages
- Leveraging product strengths & knowledge of multiple jurisdictions
- Increased demand for outsourcing to ensure compliance and reduce costs
- Expansion of service offering to leverage opportunities
- Continuing to be a trusted HR Partner



OUR FINANCIALS

- Strong sales pipeline & contract wins in Q4 FY20
- Demonstrates size and stability of client base
- Balancing investment for growth with cost efficiencies
- Positive operating activities cash flows since H2 FY20 (pre acquisition costs)

Glossary of Terms

Active Client Employees:	A key performance indicator to count the number of active (working) unique employees on the Astute platform
Annualised Recurring Revenue (ARR):	Annualised Recurring Revenue represents contracted recurring revenues of term subscriptions normalised to the single calendar year
Customer Acquisition Cost (CAC):	A company's CAC is the total sales and marketing cost required to earn a new customer over a specific time period
Customer Retention Rate:	Customer retention rate designates the percentage of customers the company has retained over a given time period
The Cloud:	Refers to software and databases that run over the internet. Cloud servers are located in data centers all over the world
Global Partnership Program (GPP):	PayGroup's partnership and mutual referral agreements with leading global payroll and HCM providers who do not operate in Jurisdictions within Asia Pacific
Human Capital Management (HCM):	HCM is a set of practices related to human resource management and the organisational need to provide specific competencies
Software as a Service (SaaS):	SaaS is a method of software delivery in which software is accessed online via a subscription rather than purchased and installed on individual devices
Software with a Service (SwaS):	Managed payroll and outsourcing using software with a range of physical delivery models
Total Addressable Market (TAM):	The annual revenue opportunity or market demand available for a product or service
Total Contract Value (TCV):	TCV measures how much value a contract is worth over the life of that contract. It includes recurring revenues as well as one-off charges like implementation fees
Treasury Services:	Transaction services derived from the handling of client funds as an extension of providing payroll services. Revenue is generated through a per transaction per client employee basis.