

21 October 2020

Company Announcements Office
Australian Securities Exchange
Rialto Tower,
525 Collins Street,
Melbourne, Vic, 3000

By Email


Dear Sir

RE: FY 20 – AGM PRESENTATION

Pursuant to the requirements of Listing Rules, please find attached FY 20 – AGM Presentation for immediate release to the market.

The announcement has been authorised for release by the Board of Directors.

Yours sincerely,



Petrina Halsall

Company Secretary

IODM Limited

For further information please contact

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IODM Limited

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Rein In Receivables

AGM Presentation

October 2020

Key highlights



Scalable adaptable technology: Customised automated software solution that revolutionises business cash flow management



Unique positioning: Unique offering capitalising on macro tailwinds, such as increased compliance regulations and flexible work arrangements



Robust business model: Growing annuity-style subscription revenue underpins significant operating leverage potential, coupled with recent diversified revenue streams



Validated strategy: Strong traction achieved with unique solutions delivered to a growing high-quality customer base



Exciting growth outlook: Well positioned to execute on high-value opportunities with a strong pipeline of global opportunities

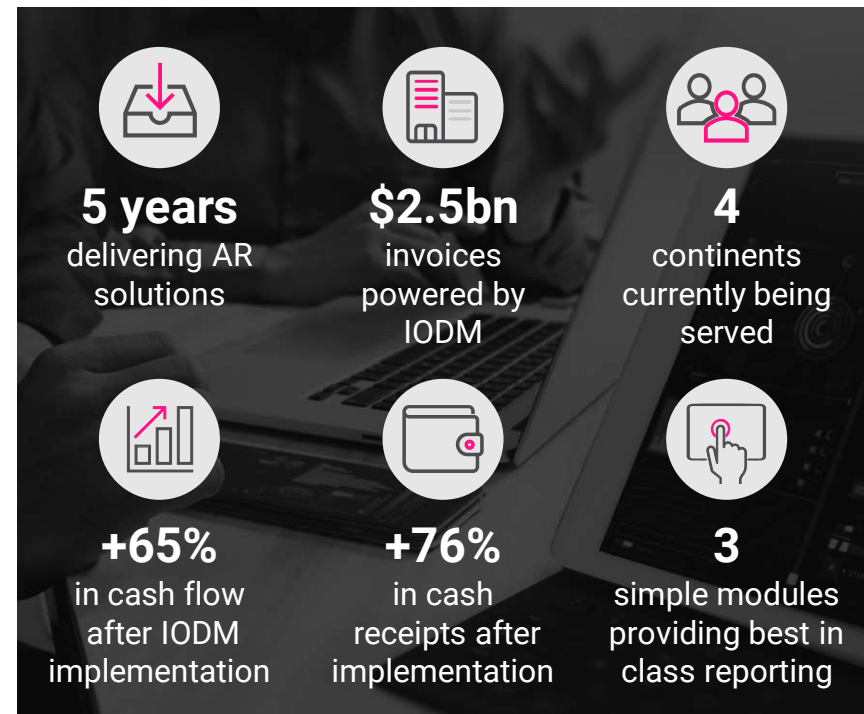
IODM snapshot

A new paradigm for managing Accounts Receivable (AR), with incredible automation that saves time, saves money and releases working capital back to businesses

An intelligent **accounts receivable** solution

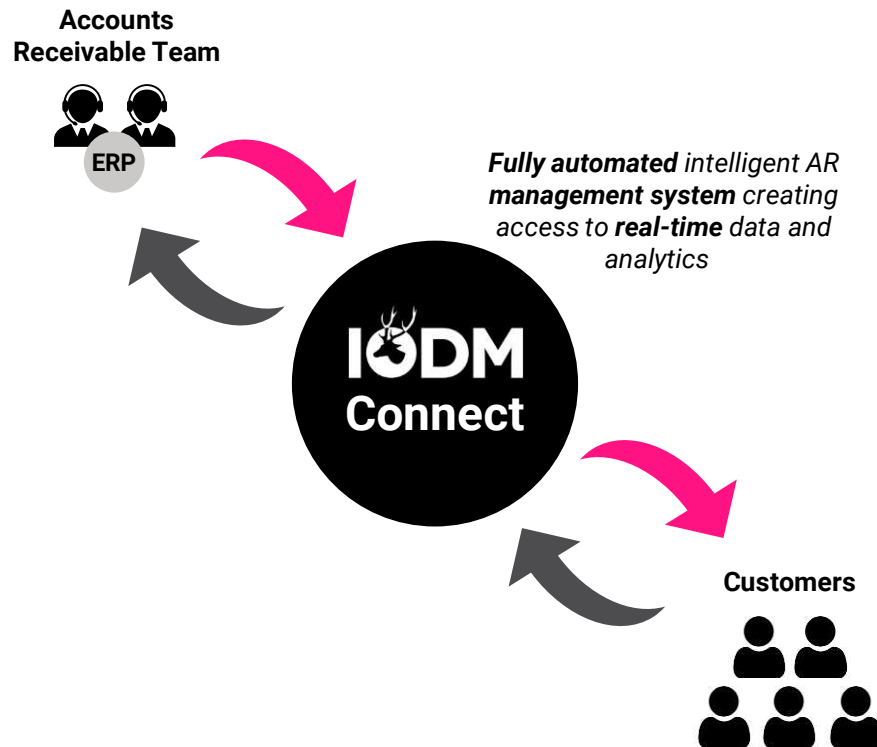


that utilises digital technology to optimise automation



IODM Connect – a digital solution

Provides a customisable end-to-end solution that seamlessly streamlines the AR process



Reduces costs, time, human error and increases timely payments

- ✓ Direct Integration with existing ERP system
- ✓ Bulk invoice delivery
- ✓ Task Manager with customised workflows
- ✓ 'Pay Now' Function and Payment Plan Module
- ✓ Query Management Function
- ✓ Credit Application Management Module
- ✓ Reconciliation/Receipting Module
- ✓ Credits Module and Audit Tracking
- ✓ Client note history and risk profiling
- ✓ Comprehensive reporting analytics
- ✓ Automatic escalation to collectors
- ✓ Cash-flow reporting
- ✓ Behavioural AI

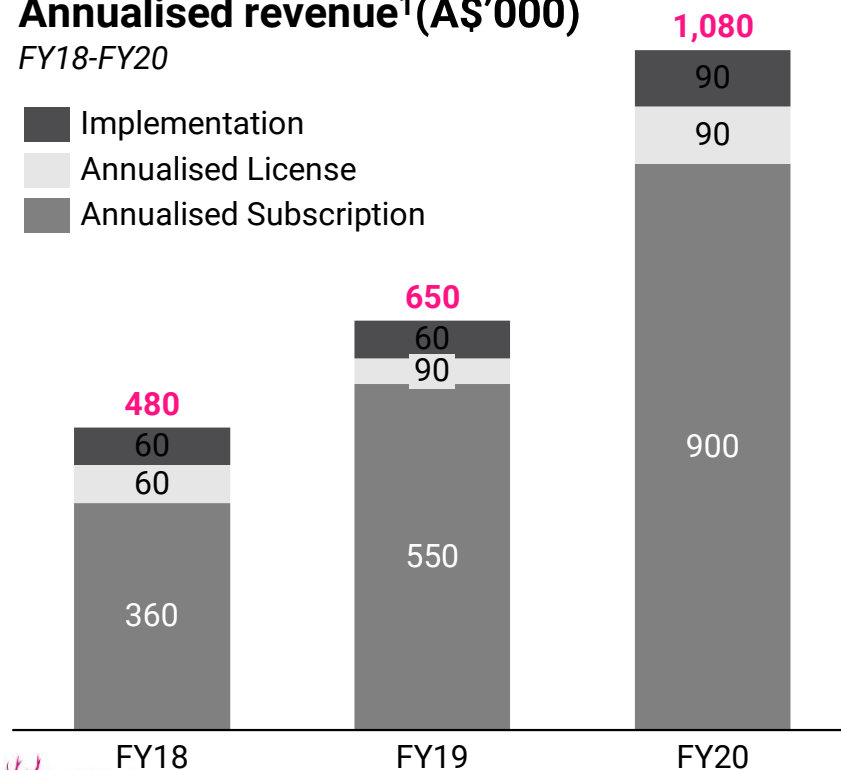
IODM achieving record revenue growth in FY2020

IODM's annualised revenue is growing 50% year on year

Annualised revenue¹(A\$'000)

FY18-FY20

- Implementation
- Annualised License
- Annualised Subscription



IODM has continued strong growth despite the COVID-19 environment

- ✓ Annualised revenue has grown **50% annually** from FY18 to FY20
- ✓ Subscription revenue constitutes the majority of total revenue, growing **58% annually** from FY18 to FY20
- ✓ Implementation also demonstrated strong growth, with revenues **increasing 50% from last year**



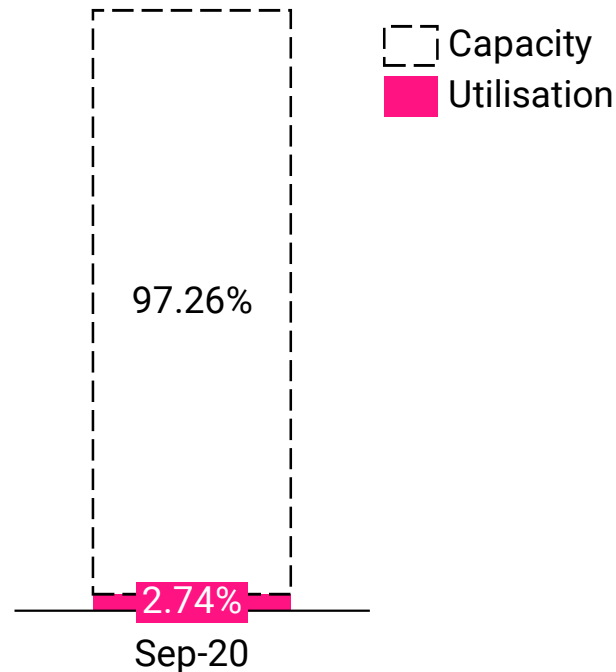
1. Annualised revenue is based on the monthly contracted revenue at time of disclosure multiplied by 12

IODM can service higher revenues on the same cost base

Investment in its product has provided IODM with significant operating leverage

IODM system utilisation¹

September 2020

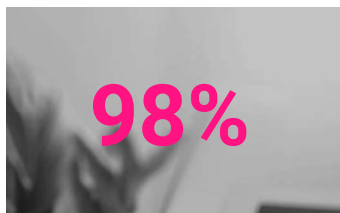


- ✓ By planning ahead during the development phase, IODM has been able to build in **latent capacity to foster growth**
- ✓ IODM currently has a system utilisation of only 2.74%, meaning there is **substantial scope** to serve a **growing customer base**
- ✓ The marginal cost of a new customer is negligible, **creating greater efficiencies** as IODM's customer base expands
- ✓ Given significant operating leverage, **revenue growth will directly translate to an increased operating margin**

Operating metrics

IODM has world class customer retention, while substantially increasing its customer base

Key growth metrics



customer retention
since 2016



increase in customers
since 2018



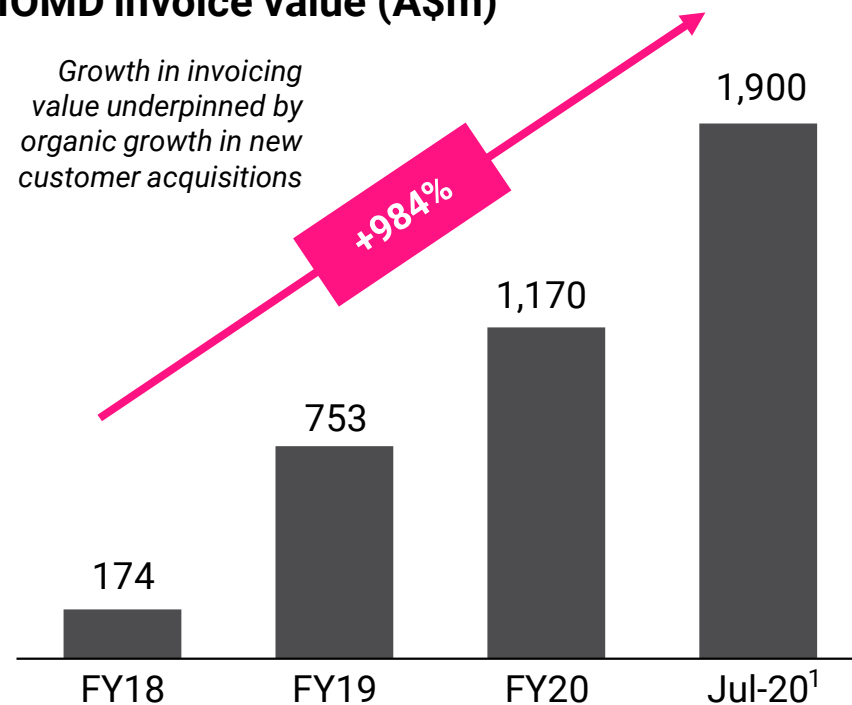
increase in invoices
since FY18¹



1. Annualised for July 2020

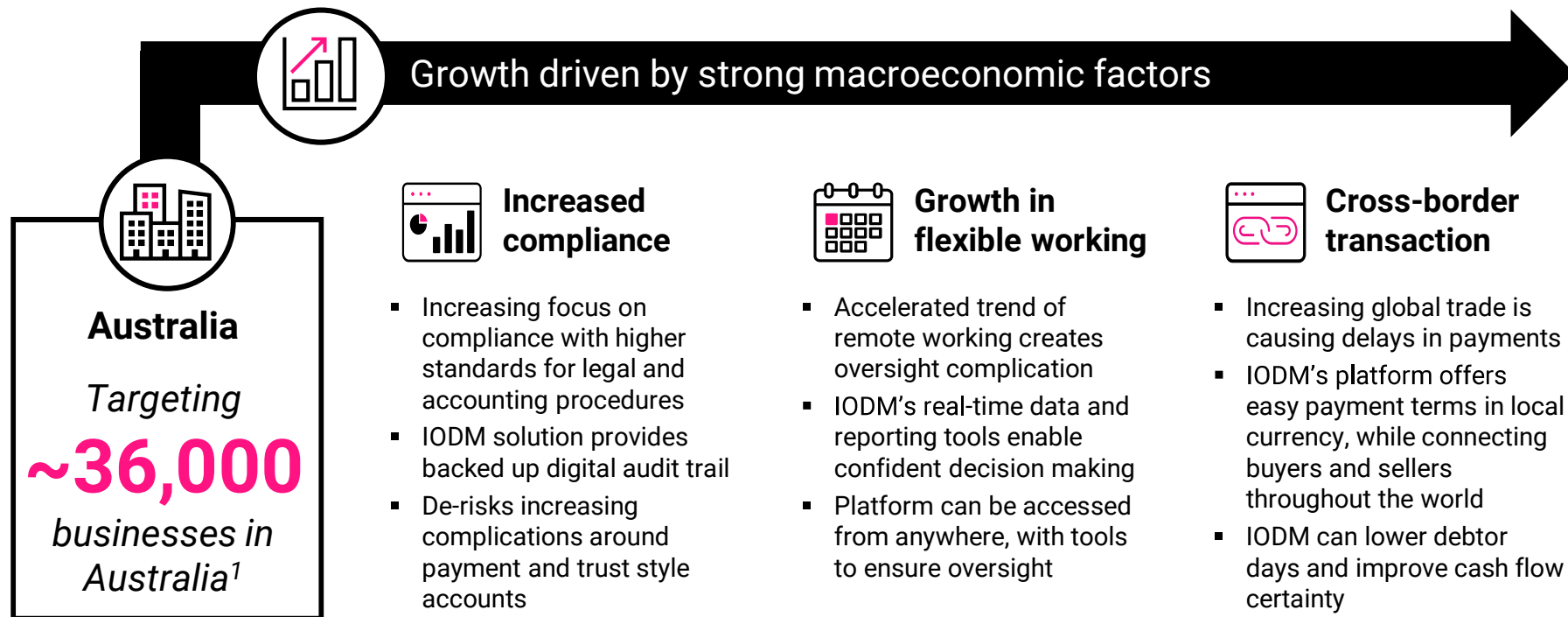
IODM invoice value (A\$m)

*Growth in invoicing
value underpinned by
organic growth in new
customer acquisitions*



Australian snapshot

IODM is targeting a significant addressable global market driven by macroeconomic factors



Partnership: Western Union Business Solution

Strategic partnership with Western Union accelerates growth

Overview

Dec 2018

Collaboration and strategic partnership signed with Western Union¹ to focus on **Australia only**

Sep 2019

Entered into a reciprocal referral arrangement with Western Union that initially focused on **APAC and UK**, with potential for expansion into other global regions

Feb 2020

IODM entered into an umbrella agreement with Western Union Business Solutions in **key European markets²**

Strong long-term and trusted relationship established with Western Union, a global leader in cross-border, cross-currency money movements and payments

WesternUnion WU

Business
Solutions

Mutually beneficial arrangement

- ✓ Clear validation and endorsement of IODM's solution
- ✓ Enabled IODM to identify short-term target areas
- ✓ Has provided a foothold in the UK, APAC and Europe
- ✓ Aligned with Western Union Business Solution's global plans
- ✓ Offers Western Union Business Solution a point of difference in the competitive FX market
- ✓ Together provides an end-to-end, accounts receivable, payable and FX risk management solution



1. Undisclosed at the time

2. Immediate expansion into Italy, with further potential to cooperate in France, Ireland, Germany, Austria, Belgium, Netherlands, Spain, UK, Czech republic, Poland and Slovakia

Customers: top-tier portfolio

Geographic and sector diversified customer base with headroom for significant growth

Domestic

Dahlsens
SINCE 1877
For the Builder.

JAPARA



Spicers


northern health
the northern way of caring

 **Monash Health**


MaxiTRANS

RSEA
SAFETY

adaptalift 
forklift hire • sales • service • parts

Multinationals

 **Wilson Group**

BDO

BoardRoom

oncall
Interpreters & Translators

JCDecaux

Product development: invoice funding capability

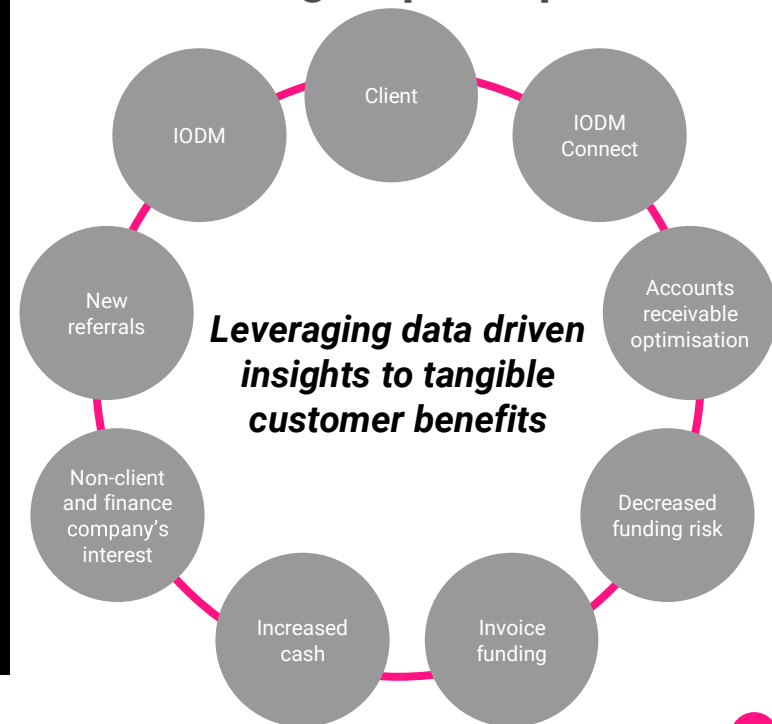
IODM is leveraging existing data to unlock significant value for customers

Partnership and flexible funding solutions...

- IODM recently launched new invoice funding capability on its platform through a partnership with Grow Finance
- IODM is leveraging existing data to unlock further value for customers, who now have seamless access to invoice financing
- Funders also have in-depth transparency on outstanding invoices, resulting in better financing terms for IODM's customers, and more surety on lending for funders
- The data collected facilitates compliance and governance oversight
- This strategic partnership creates another valuable source of referrals for IODM

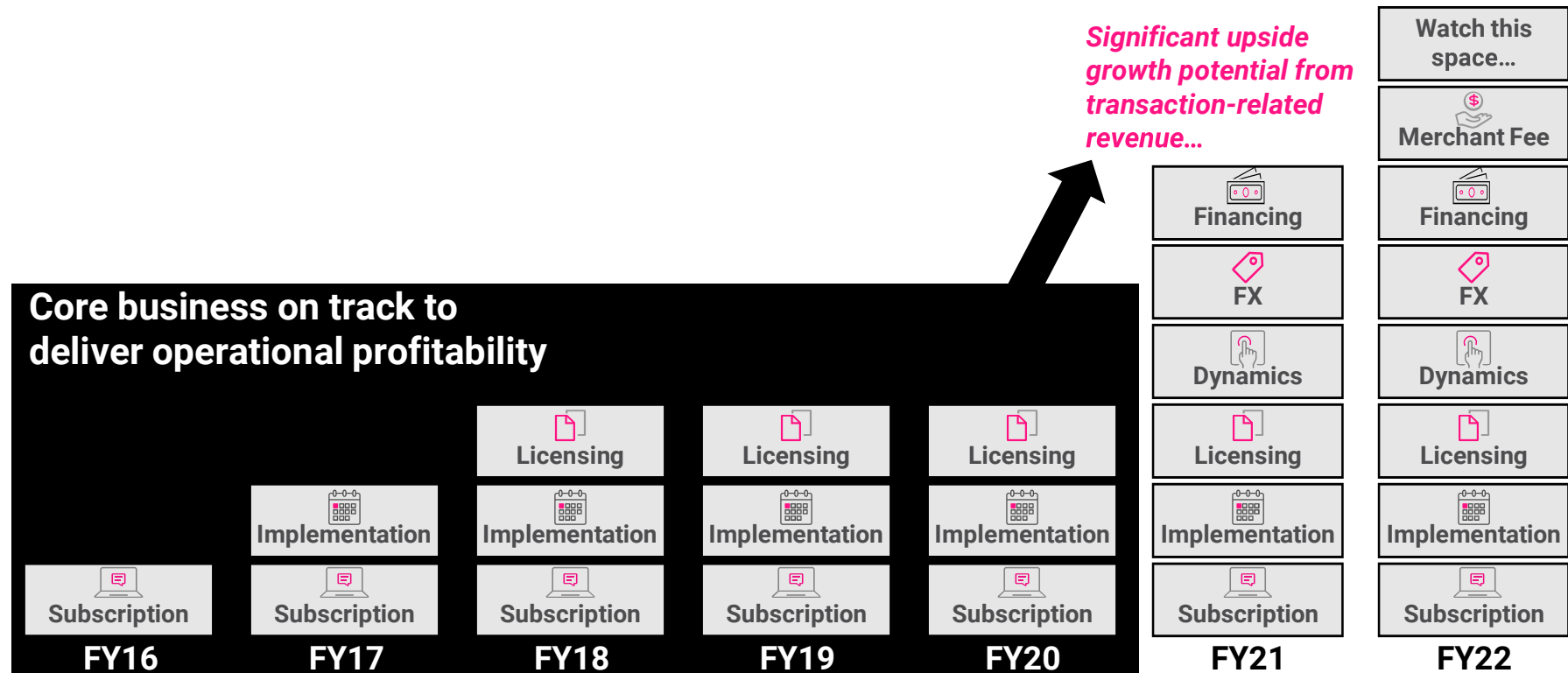
grow

...benefitting all participants



Revenue streams

IODM is diversifying its revenue mix through additional streams of income



Strategic geographical expansion

IODM is executing an international expansion strategy leveraging key partnerships

EMEA (near to medium term)

- **UK:** benefiting from Western Union partnership to build pipeline across healthcare, manufacturing and professional services sectors
 - First UK customer signed and implemented, further de-risking business opportunity.
- Also targeting Italy, France, Ireland, Germany, Austria, Belgium, Netherlands, Spain, Czech Republic, Poland and Slovakia

Americas (medium to long term)

- **North America:** represents a lucrative opportunity to target
- IODM will continue to assess opportunities and seek to strategically enter at the appropriate time

APAC (near term)

- **ANZ:** strong domestic foothold with opportunity for growth
 - Leveraging Western Union and Grow Finance partnerships to build pipeline of leads
 - Established core sales team and network of referrals
- **Singapore:** achieved sales with de-risked implementation process
 - Government stimulus to support technology automation driving demand and favourable payment terms
- **Hong Kong:** well positioned to execute on key opportunities
 - Established marketing initiatives while leveraging existing relationships to deliver growth

Upcoming catalysts

IODM is well positioned for growth



Domestic revenue uplift: Investing in sales and marketing to accelerate pipeline growth in Australia



International expansion: Grow sales team in target geographies (e.g. UK, Singapore, Hong Kong)



Operating leverage recognition: Capitalise on increasing scale and margin



Product expansion: Leverage data and relationships to create new revenue streams



Leverage client scale: Facilitate further use of IODM for existing clients in new geographies





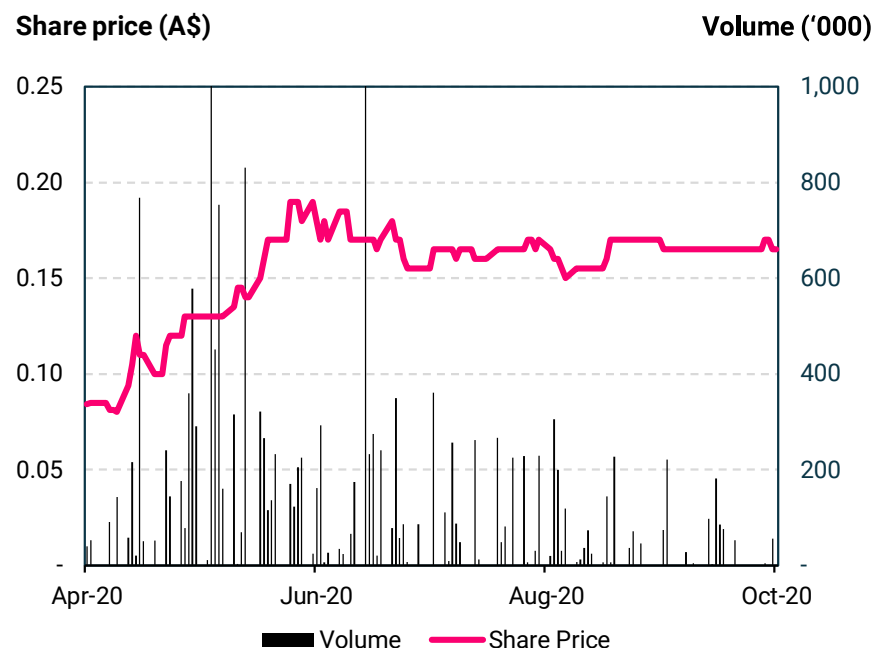
Appendix



Corporate overview

IODM uses technology to automate your accounts receivable process and communications

Share price performance (six months)



Trading Information

Share price (16-Oct-20) A\$0.165

Shares on issue 559.5m

Market capitalisation A\$92.3m

Cash (as at 30-Sep-20) A\$0.7m

Debt (as at 30-Sep-20) -

Enterprise value A\$91.7m

Top shareholders (as at 30 June 2020)

Rogers IODM Portfolio Trust 10.77%

Arena IODM Portfolio Trust 9.29%

Anthony Smith 6.44%


Yongala Investments (Dr Paul Kasian) 5.15%

Mark Reilly 4.99%

Board of Directors

 <p>Dr Paul Kasian Non-Executive Chairman</p>	<ul style="list-style-type: none"> • Significant experience leading strategy, investment and risk roles in domestic and international companies • Former Chief Investment Officer at HSBC Asset Management and Head of HSBC Global Financial Team • Founding Director of Accordius and Wallara Asset Management • Current directorships at Atomo Diagnostics (ASX:AT1) • Former Chairman and CEO of Genetic Technologies Limited
 <p>David Ireland Non-Executive Director</p>	<ul style="list-style-type: none"> • 30+ years experience in the ICT industry and in the sale of enterprise solutions to large companies and Government • 28 years experience at Unisys, holding senior roles including Director of Sales for Asia Pacific Japan
 <p>Anthony Smith Non-Executive Director</p>	<ul style="list-style-type: none"> • 30+ years experience in finance with expertise in corporate finance, institutional research sales and private wealth advisory • Former Head of Securities and Country Director of Austock Group and Phillip Capital • Current Senior Investment Advisor at Cashel Family Office
 <p>Brian Jamieson Non-Executive Director</p>	<ul style="list-style-type: none"> • 30+ years experience providing advisory and audit services to a diverse range of public and private companies • Former Chief Executive of Minter Ellison Melbourne and Chief Executive Officer at KPMG Australia • Currently a Non-Executive Director of Highfield Resources Limited • Former directorships at Sigma Healthcare (ASX:SIG), Mesoblast Limited (ASX:MSB), OZ Minerals (ASX:OZL), Tatts Group Limited (ASX:TTS) and Tigers Realm Coal (ASX:TIG)

Executive team

 <p>Mark Reilly Chief Executive Officer</p>	<ul style="list-style-type: none"> Chartered Accountant with 25+ years of experience in the banking and finance industries in an advisory capacity, across Australia, UK and Asia Formerly at Coopers & Lybrand (now PwC) in Insolvency before establishing his own accounting practice Previously held Director positions at Black Star Petroleum, Harvest Minerals and Forte Energy
 <p>Petrina Halsall General Manager</p>	<ul style="list-style-type: none"> Experience in advising small to medium enterprises (SME) on growth strategies, valuations and corporate restructuring Formerly held managerial roles at Horwath and BDO Wealth Management Associate of the Institute of Chartered Accountants Australia and New Zealand
 <p>Chris Ward Chief Technology Officer</p>	<ul style="list-style-type: none"> 20+ years of experience in managerial roles in software development at RAC WA, Netfira and Quickflix Experience in managing business critical websites and building cloud-based infrastructures for growing businesses Holds a Bachelor of Engineering, with honours, from University of Western Australia
 <p>Peter Claydon Head of Business Development</p>	<ul style="list-style-type: none"> Extensive work in small to medium sized companies creating Sales and Marketing plans Grew the Shaver Shop from 16 stores to 100, which culminated with a listing on the ASX for more than \$100m value
 <p>Isaac Smith Sales Consultant</p>	<ul style="list-style-type: none"> 20+ years of experience in marketing and digital sales Broad sector experience, formerly held executive roles in marketing and sales across REA Group, GSK Singapore and Optus

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