

**25 May 2021**

**CLASS LIMITED (CL1) - INVESTOR DAY**

Today marks the 2021 Investor Day hosted by Class Limited.

A copy of the presentation is attached.

You can register to receive information about upcoming events by emailing [investor@class.com.au](mailto:investor@class.com.au)

**This announcement has been approved for release by:**

Andrew Russell  
Managing Director & CEO

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Investor Relations  
Email: [investor@class.com.au](mailto:investor@class.com.au)



# Investor Day

May 2021

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We will reimagine a more simple, automated world  
for our customers and they will love it!

Simplify. Automate. Connect.



# Welcome

**Andrew Russell**

Chief Executive Officer



# Agenda

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Investor Day 2021



## Welcome and Strategy Update

**Andrew Russell**  
Chief Executive Officer



## Customer Update

**Jason Wilson**  
Chief Customer Officer



## Technology Update

**Alexis Rouch**  
Chief Technology Officer



## Product Demonstration

**Amy Johnson**  
Head of Product



## Q & A

Executive Leadership Team



## Wrap

**Andrew Russell**  
Chief Executive Officer



# The Class Value Proposition



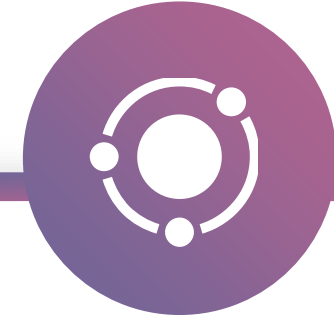
## Simplify

Removing complexity  
and manual back-office  
processes



## Automate

Automation that delivers  
efficiency at scale



## Connect

Trusted technology  
partner for accountants,  
administrators and  
advisers

## Our Vision

We will reimagine a simpler more automated world for our customers, and they'll love it.

# The Class software automates complex rules-based workflows

Our current capability is automating workflows across accounting, compliance and wealth in Australia



## AccountTech

- SMSF Administration
- Trust Administration
- Portfolio Administration



## DocTech

- Corporate Compliance
- Document Suite
- SMSF Compliance
- Trust Compliance



## WealthTech

- Portfolio Reporting
- Portfolio Administration



## Partner Integrations

- APIs
- Data services

### Financial Data Aggregation and Connectivity

Banks / Investment Platforms  
Brokers / Asset Managers

ATO / ASIC  
Exchanges

# Our Australian Technology Platform is Significant



Customers

6,400



Investor Accounts  
and Entities over

750,000



Feeds and Partner  
Integrations

250



Assets on  
Platform over

\$300b



Registered Companies  
Established

1 in 4<sup>^</sup>



Top 100 AU  
Firms

81\*

\*AFR Top 100 Accounting Firms 2020

<sup>^</sup> run rate since Reckon Docs acquisition



The 3-year transformation strategy has been to grow new revenues and TAM, scale and improve operating capability at speed



Maintaining SMSF  
product leadership  
and Launching  
Class Trust



Accelerating Growth  
through strategically  
aligned Acquisitions

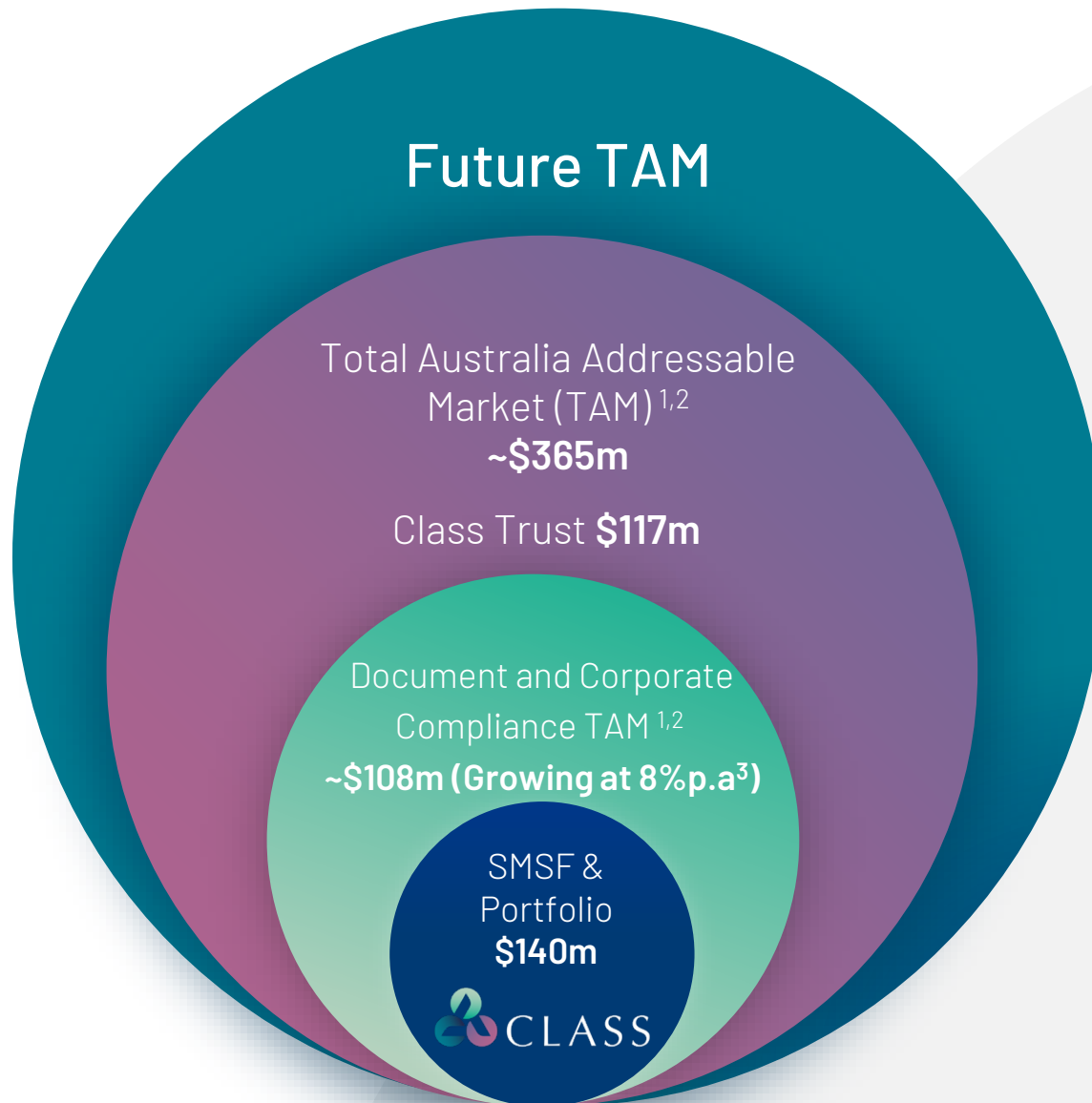


Growing the number of  
customer relationships



Rejuvenating the  
Technology Stack for  
Next Generation,  
World Class  
capabilities

# Our strategy has grown the Total Addressable Market by 2.5X



**We are exploring opportunities to grow our TAM in FY22 and beyond:**

1. Adjacencies where complex administration rules exist and can be automated by technology
2. Data aggregation and analytics
3. Offshore opportunities

1 Frost & Sullivan independent market report 2020

2 TAM includes accounting practices, SMSF administrators, lawyers, and financial planners/advisers

3 ASIC document YOY growth FY19

CLASS PRODUCT SUITE

# Class Super



Maintaining SMSF  
product leadership



# Super growth will come from margin improvement and the multiproduct strategy

SMSFs software market is mature, and Class maintains a significant leadership position

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We continue to maintain high retention of over 99%

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We will drive efficiency and price opportunities for margin improvement in FY22 and beyond

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Ongoing market share growth will come from the multiproduct strategy execution

# Class continues to be a significant leader in SMSF software

Image unavailable for public release – property of Investment Trends (2021 SMSF Planner and Accountant Report)

CLASS PRODUCT SUITE

# Class Trust



Launching Trust



# Class Trust has Market Leadership

Investment Trusts are the second biggest wealth vehicle outside of Super

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Accountants are currently using excel and practice management software to administer trusts

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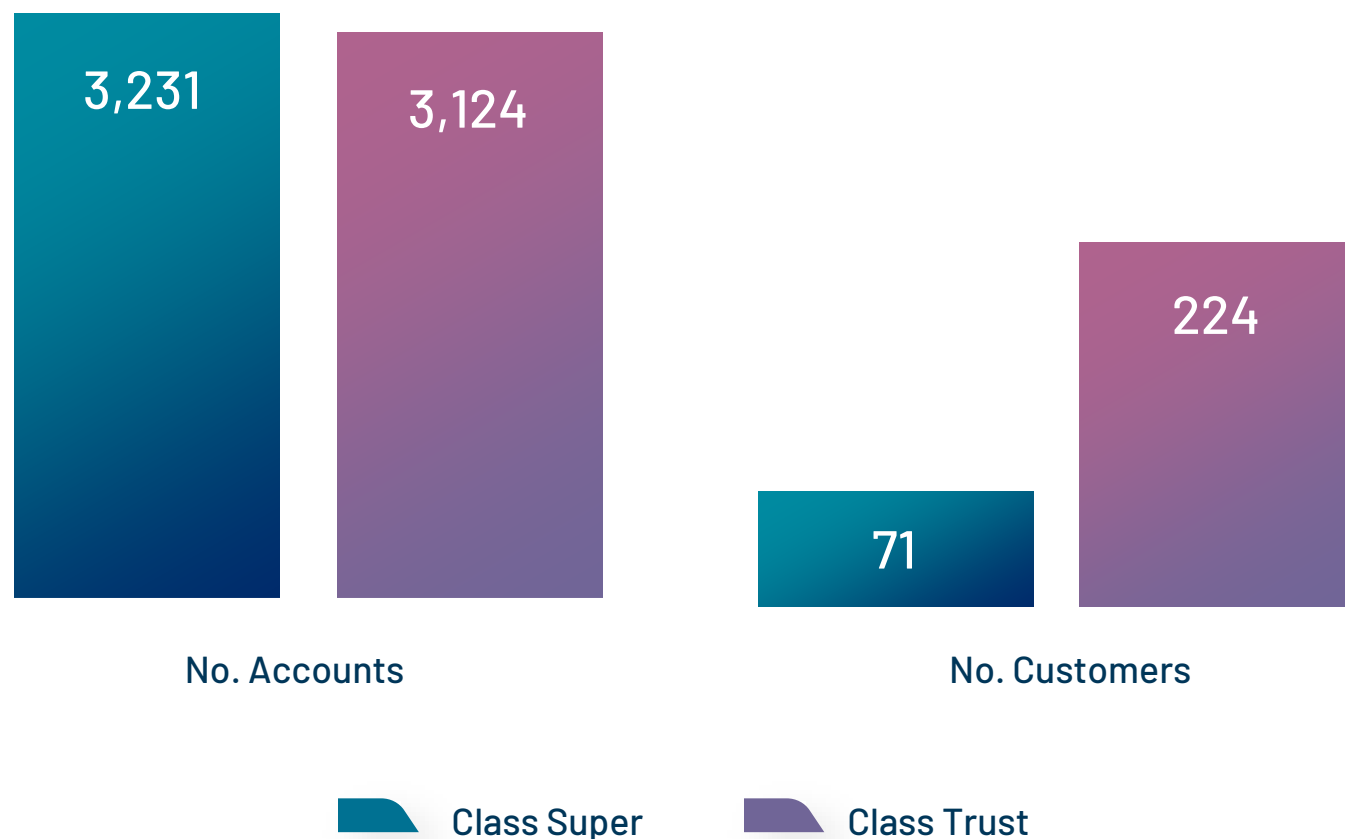
Class Trust is driving up to 68% improvement in time efficiency gains for adopting customers

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Customers are trialing the software to assess the efficiency benefits before adoption

# Class Trust adoption meets expectations following pilot launch

## Comparison – 17mths after pilot launch



Class Trust has 3X the customers compared with Class Super at comparative stages.

13.3% Class Super customers now using Class Trust.

Lower accounts per customer due to trust administration spread across a range of customer business units.

## Our Strategy to Scale Trust is Clear

1. Breaking down the barriers for adoption is a function of time
2. Bespoke and targeted account management
3. Demonstrate efficiency gains compared to current administration operations
4. Extend the Trust feature offering





Legal Documentation and Corporate  
Compliance – Our new Vertical

# Acquisitions update



Accelerating Growth  
through Acquisition

# Our acquisitions are complementing and driving the core business

*Establishment*

**Documentation  
Suite**

*Entity Management*

**Super Comply and  
Trust Register**

*Corporate Compliance*

**Corporate  
Messenger**

*Administration*

**Class Super  
Class Portfolio  
Class Trust**

**13%** of all new SMSFs  
in FY20 were  
established on the  
Class' NowInfinity  
platform.

**28,000**  
Trusts were  
established on  
NowInfinity in the  
past 2 years.

# Our acquisition strategy has been targeted and well executed

## Winning Capabilities

Corporate Compliance



Trust Compliance



SMSF Compliance



Documents Suite



Printing



Industry recognized Legal Document provision



Scale Benefits



Customer Acquisition



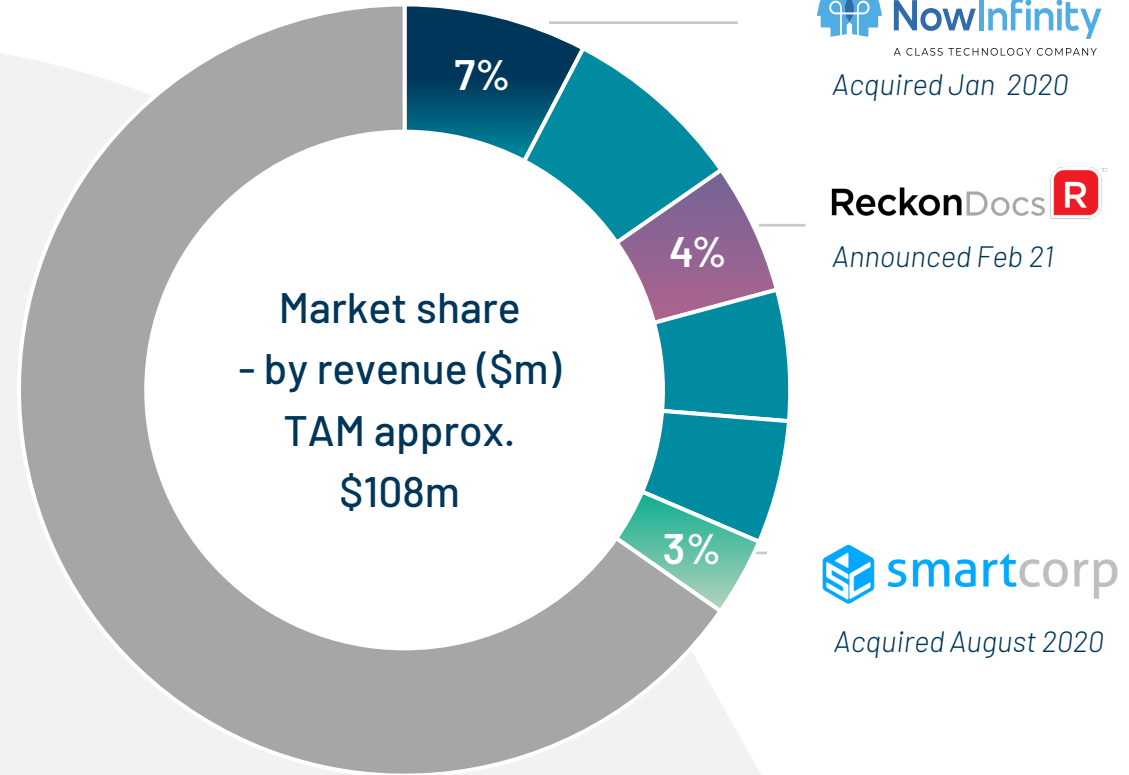
Enter complementary vertical via acquisition of the best-in-market scalable technology platform

Class continues to assess further acquisition opportunities

Today

# Class has quickly obtained market leadership

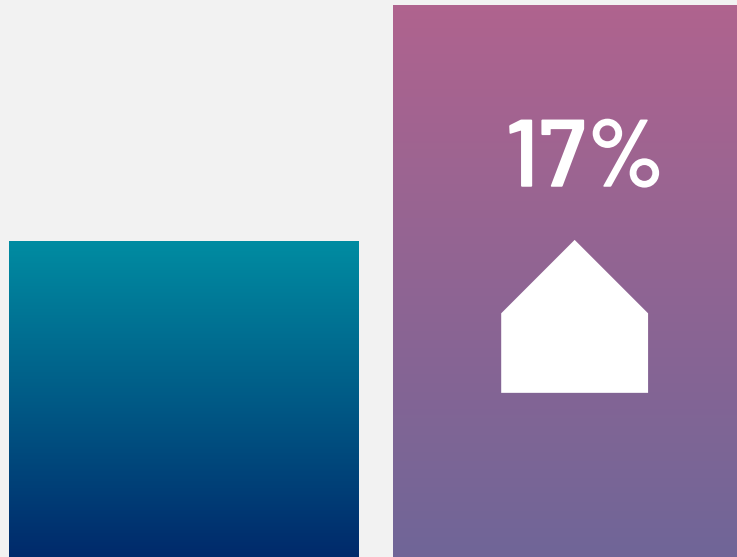
- We have strategically scaled the business through complementary customer acquisitions
- Class is now the market leader in this vertical with over 14% market share by revenue



Fragmented market that is ripe for consolidation as the Class brand builds confidence as the leading provider

# Our acquisitions are driving impressive organic revenue growth in a short period

April FY21 YTD Actual vs PCP Revenue



YTD\*

■ PCP ■ Actual

The average revenue multiple paid for acquisitions

**3.18x**

EV \$40.7m

Organic EV uplift

**\$6.9m (+17%)**

Based on April roll forward revenue





# Executing the Transformation Strategy is to plan and fast paced



3 Year Re-imagination  
Strategy

# The Transformation Score Card after 20 months

	FY19 	FY21 
Products in market	2	7
Tech Capability	Under invested	Investing and building a Next Gen Tech Stack
Total Addressable Market (TAM)	\$140m	\$365m – Expanded 2.5X
Revenue	\$38m	\$54m* (19% CAGR)
Underlying EBITDA Margin	47%	40%*
Female Employee Mix	41%	52%
Employee Advocacy	eNPS at -2.2	eNPS at +34

\*FY21 Forecast- refer to 1H 21 Results Presentation



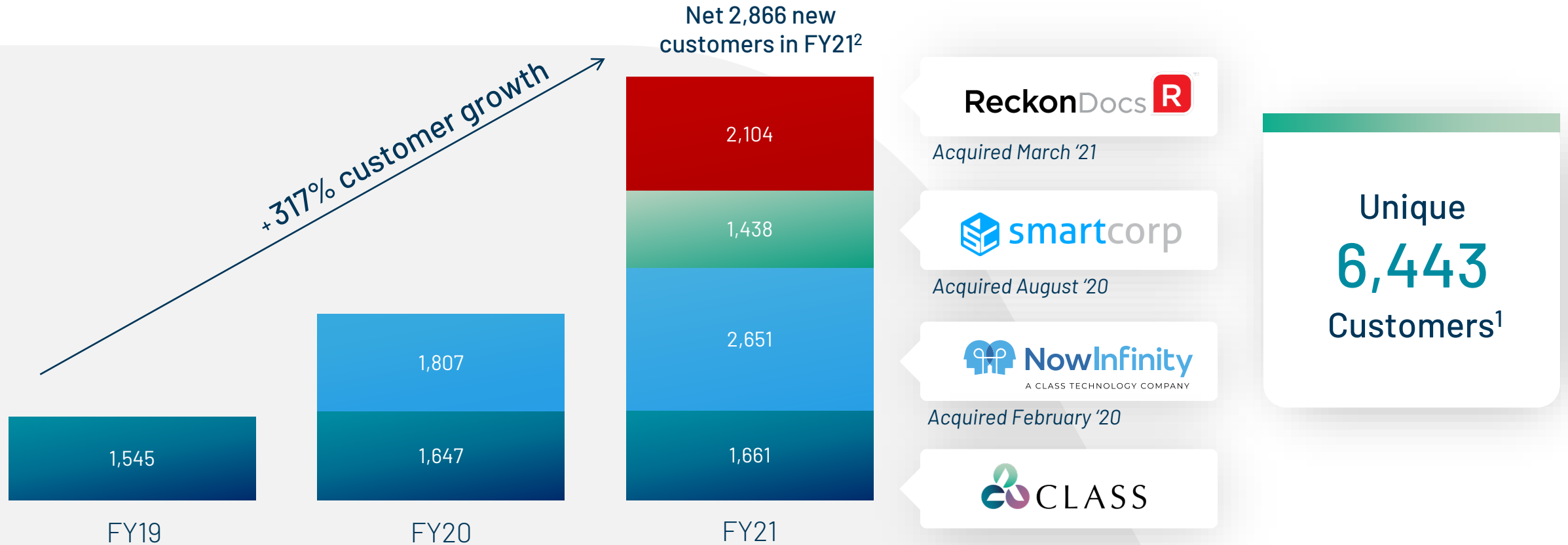
# Customer Update

**Jason Wilson**

Chief Customer Officer

# Our Customer relationships are growing

Our Strategy is to significantly grow our customer base to create opportunities for multi-product relationships



<sup>1</sup> Total 7,854 customers minus 1,411 customers using multiple products equals 6,443 unique customers

<sup>2</sup> Total 3,454 customers minus 588 customers using multiple products equals 2,866 net customers

# We have segmented our customers for service and product engagement

	Number of customers	Avg \$ Rev. / customer	Avg Products / customer
Enterprise	88	\$189.6k	3.4
Mid-Tier Firms	608	\$36.2k	2.7
Small - Medium Businesses	3,307	\$4.7k	1.5





Source: Internal Class reporting. Excludes Partnership revenue, ReckonDoc customers and Smartcorp customers yet to transact since acquisition

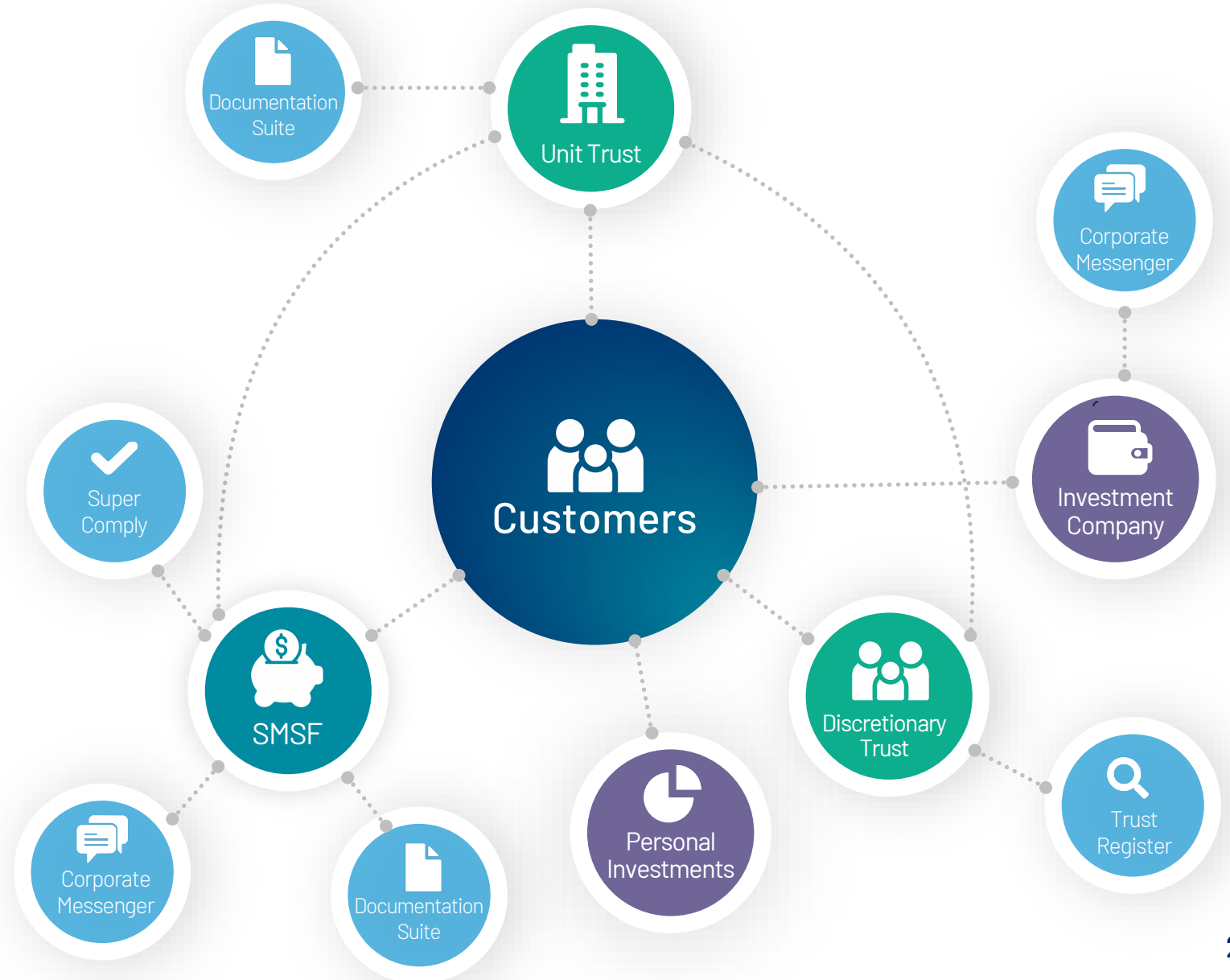
Revenue synergies are being achieved through greater cross sell via targeted sales activity.



# Helping our customers meet their clients' needs

Class software is simplifying and automating the back office by bringing Wealth Accounting to an integrated platform.

-  **Class Super** – SMSF Administration
-  **Class Trust** – Trust Administration
-  **Class Portfolio** – Investment Management
-  **NowInfinity** – Corporate Compliance & Documentation



# Our customers are at the heart of our strategy development and transformation



## We are **listening**

Creating a **two-way dialogue** with our customers.



## We are **discovering**

Using proven methods for **customer centric designs**.



## We are **innovating**

Recognised as most **feature rich** and **innovative** brand for SMSF Administration\*



## We are **measuring**

We leverage **data** and **analytics** to ensure we are achieving success.



# Strong support from our customers

“

Class support is unrivalled in its **professionalism** and willingness to support its users. Whenever I reach out for assistance, the team always deliver and go the extra mile, no matter how tedious my request may end up being! I never hesitate to pick up the phone when I am stuck. I only wish all tech support services were like Class.

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**Karen Glover**  
Argyle Professionals

“

Being able to review financials and investment reports in real time has enabled our staff to have more meaningful conversations with our clients. **Class Trust has also removed a significant number of bottlenecks** we would traditionally see when processing Trusts, and as a result we have seen **great efficiency gains in our first year of using the system.**

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**Timothy Kyriazis,**  
Findex

“

If you're an accountant or an administrator, what you really want for your actuarial certificates is to be able to press a button, send the data off to your actuary, and **get the response back in the shortest possible time with the least amount of effort at your end**, and that's exactly what we can do with Class.

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**Meg Heffron,**  
Heffron SMSF Solutions



# Technology Update

**Alexis Rouch**

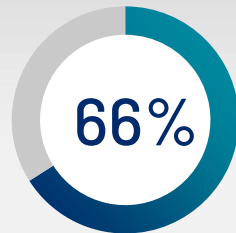
Chief Technology Officer

# Class' product suite and technology investment is a differentiator



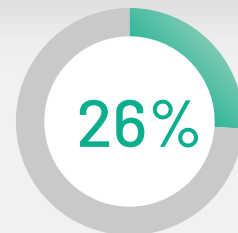
## Platform Investments

- High performing, Scalable, Multi-product Platform
- Market leader in Quality, Secure Data feeds automation
- Fully ISO Compliant



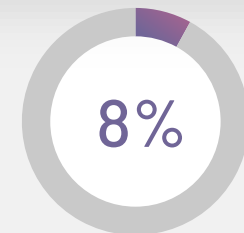
## Product Development

- Leader in automated Trust Accounting Solutions
- Digital Signatures
- Complex Corporate Compliance and Legal Services



## Business Enablement

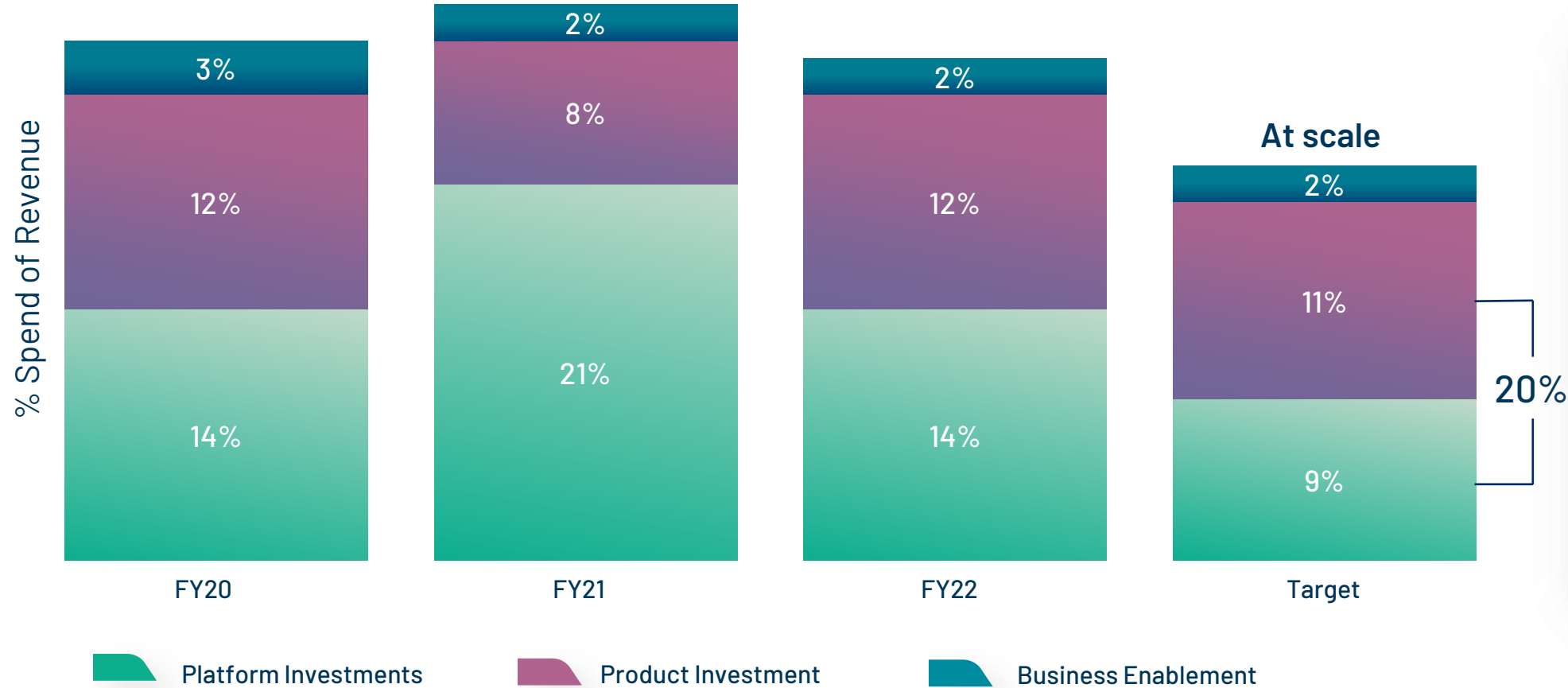
- Enterprise account management and Cross-Sell
- Operational resilience at Scale
- Customer Self-service



FY21  
Delivery

FY21  
Tech spend

# Technology investment as % revenue is normalising as we scale



Accelerated spend in H2 to fast-track transformation and delivery of new features

Total spend as % of revenue will continue to trend down as we scale



# Creating an agile, resilient, integrated & data-driven technology business

## Agile@Class

Delivering outcomes faster to market

## Innovation Labs

Driving future value through innovation

## Engineering Excellence

Delivering quality at scale

## Data Analytics & Insights

Unlocking the value of our data

## Platform Investments

Integrated platform provides strategic agility



# Product Demonstration

**Amy Johnson**

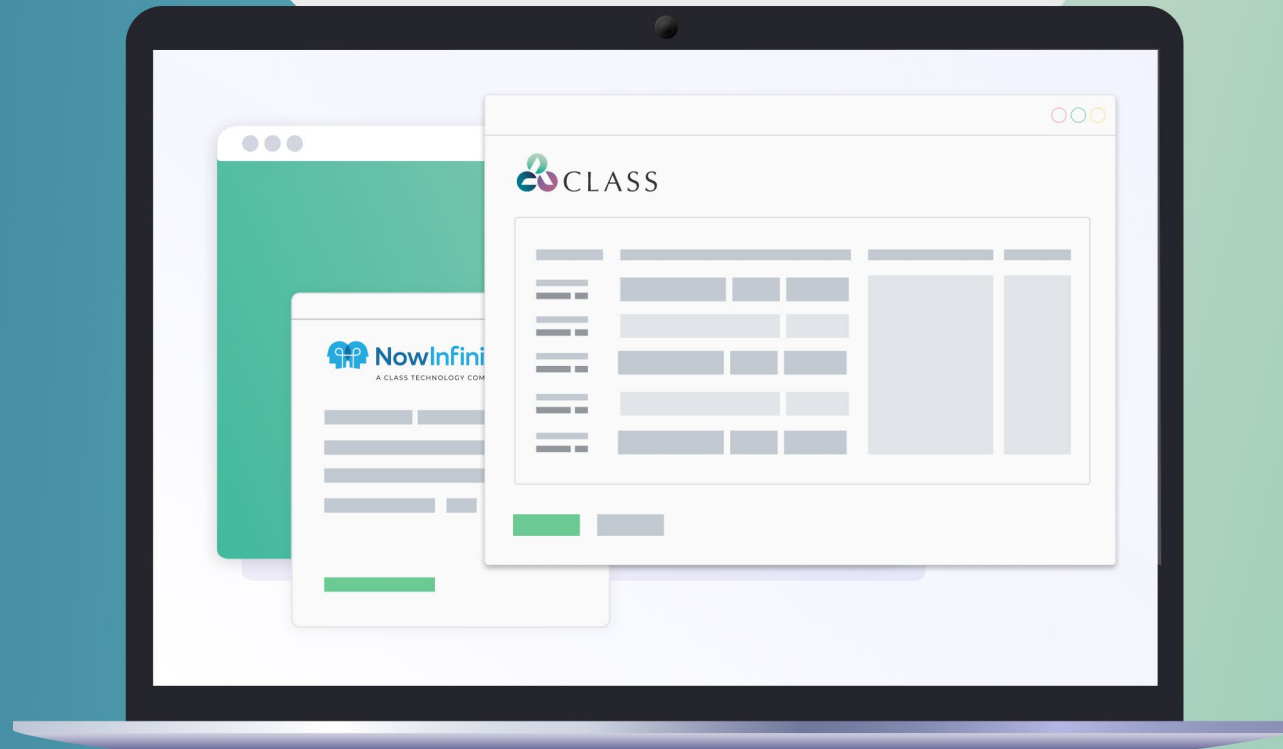
Head of Product

# Product Synergy

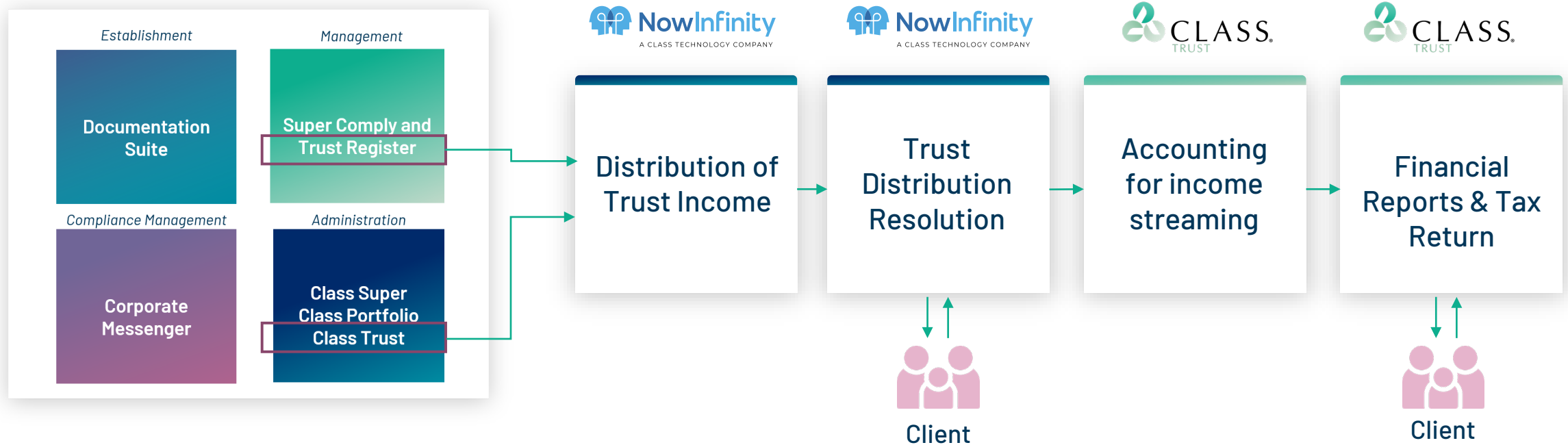
Powerful together



+



# Delivering automation & connectivity, delighting customers and unlocking sell through opportunities



# PRODUCT SYNERGY

Powerful together



Show

Active

Sort by

Name of Trust

Hit Return Button for Advanced Search

Q







All

[Submit Feedback](#)

Actions

TRUSTS BETA

My Trusts

<input type="checkbox"/>	NAME OF TRUST		COMMENCEMENT DATE	ACCOUNT MANAGER		PINS		ACTIONS
<input type="checkbox"/>	Demo Discretionary Trust	READY: 95%	17/12/2003	Angelique Faes		Discretionary	NSW	 
<input type="checkbox"/>	Porte & Perry Family Trust	✓	01/01/2000	Angelique Faes		Discretionary	SA	 
<input type="checkbox"/>	Porte & Perry Property Trust Porte & Perry	✓	17/12/2003	Unassigned		Fixed	VIC	 



## ADDITIONAL INFORMATION

## TRUST DISTRIBUTION MINUTES

DATE CREATED

29 Apr 2021 4:34 PM

LAST UPDATE

29 Apr 2021 4:34 PM

LAST EDITOR

Angelique Faes

STATUS

Draft

Trust Details


Trustee Details

Beneficiary 1


Beneficiary 2

Beneficiary 3

## Beneficiary Details

[← Back to previous page](#)Remove this tab 

Beneficiary

Individual 

Name of Individual

Ellyse Perry Add Beneficiary 

Next Step

[Save and Complete Later](#)

Distributions

Legal Review

Presentation

Ready to Submit

# Integration driving adoption and cross sell



**97,000**

Trusts on the  
Trust Register



**25,000+**

Trust Distribution  
resolutions per  
annum



**Integration**

Class Trust integration  
opportunity enabling  
further adoption



[Fund](#)[Feeds](#)[Transactions](#)[Beneficiaries](#)[Investments](#)[Periodic Processing](#)[Reports](#)[Settings](#)

Demo Discretionary Trust / Financial Years / 2019-20: Financial Year

### Financial Year Summary

Description 2019-20: Financial Year

Status Open

Auto Publish To Client View Yes

### Period Updates

Period Description	Period Start Date	Period End Date	Execution Date	Processed By	Published To Client View	
<a href="#">2019-20: Financial Year</a>	01 Jul 2019	30 Jun 2020	23 Apr 2021 09:59	angelique.faes@class.com.au	Yes ( <a href="#">Revoke</a> )	<a href="#">View/Rollback</a>

### Beneficiary Distribution

Distribute Retained Earnings

Last Period Update processed by angelique.faes@class.com.au on 23 Apr 2021 09:59 . Current Retained Earnings balance \$179,365.12

### Tax Finalisation and Return

Finalise Tax



## Beneficiary Distribution

Status: New



Retained Profits at the beginning of the Period

\$58,000.00

Increase in Retained Earnings

\$121,365.12

Adjustment to comply with Definition of Trust Income

\$0.00

Transfer To/(From) Capital Losses Reserve

(\$8,900.00)

Transfer To/(From) Asset Revaluation Reserve

(\$34,124.76)

Retained Earnings available for Distribution

\$136,340.36

Streaming



\$

%

Subtotal

Porte Pty Limited

\$0.00

0.00

\$0.00

0.00%

Mrs Ellyse Perry

\$0.00

0.00

\$0.00

0.00%

Mr Richie Porte

\$0.00

0.00

\$0.00

0.00%

Unallocated Amount

\$136,340.36

100.00%

Residual amount beneficiary



## Delivering value for our clients

Automation delivering significant **time savings** for accountants

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**83% of surveyed customers are satisfied** with the MVP launch of Class Trust,  
with 0% dissatisfied

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**NowInfinity legal documents** complement Class admin products



Demo Discretionary Trust / Financial Years / 2019-20: Financial Year

**Financial Year Summary**

Description 2019-20: Financial Year

Status Open

Auto Publish To Client View Yes

**Period Updates**

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**Beneficiary Distribution**

Distribute Retained Earnings

Last Period Update processed by angelique.faes@class.com.au on 23 Apr 2021 09:59 . Current Retained Earnings balance \$0.00

**Tax Finalisation and Return**

Finalise Tax



## In summary

- Integration driving adoption and organic revenue growth
- Faster and smarter about how we take products and features to market
- Targeting our product investment to enable scale and deliver customer value





**Wrap**

**Andrew Russell**

Chief Executive Officer

# Our ambitions are achievable given our successful track record of execution

	FY19 	FY21 	Ambition 
Products in market	2	7	>7
Tech Capability	Under invested	Investing and building a Next Gen Tech Stack	Next Gen Tech Stack
Total Addressable Market (TAM)	\$140m	\$365m – Expanded 2.5X	New Verticals and Offshore
Revenue	\$38m	\$54m* (19% CAGR)	↑
Underlying EBITDA Margin	47%	40%*	↑
Female Employee Mix	41%	52%	Diversity and Inclusive role model
Employee Advocacy	eNPS at -2.2	eNPS at +34	Employer of Choice

# Today's takeaways



We have an  
impressive strategy  
execution score card



Acquisitions are  
delivering double digit  
organic revenue growth



Technology investment is  
delivering and trending  
down to  
20% of revenue target  
(22% including BE)



Strong revenue growth  
and TAM expansion  
opportunities exist in  
FY22, FY23 and beyond



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Q & A

Executive Leadership Team

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