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# LiveHire

The next-generation Talent Acquisition Platform  
empowering the flow of the world's talent

LiveHire (ASX:LVH) FY18 Results Presentation



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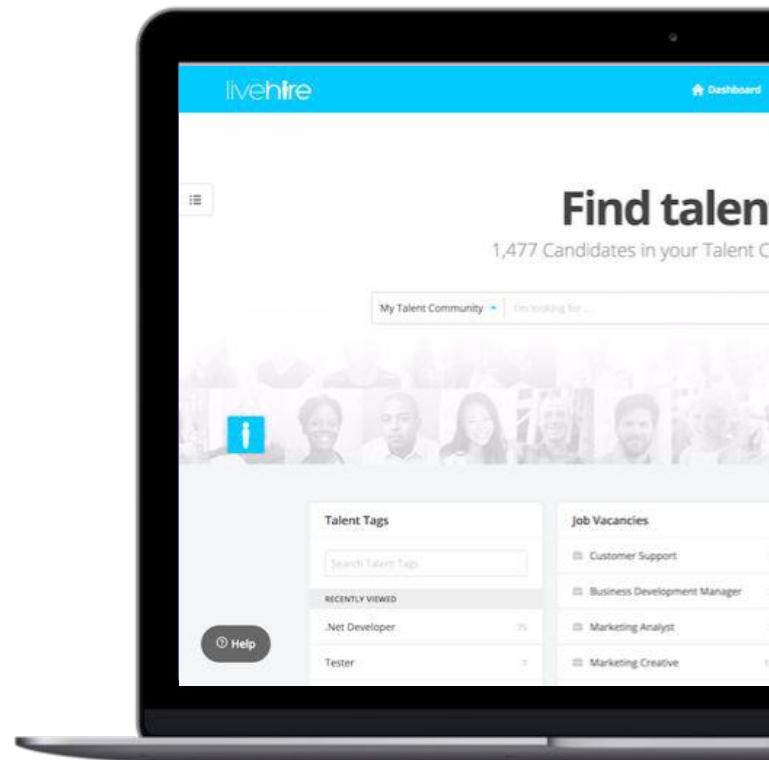
# Our Mission

**Mission:** To empower the flow of the world's talent

McKinsey<sup>1</sup> asserts that technological advancements and globalisation have created a more fast paced business environment, but labour markets are still dysfunctional as companies have been too slow to embrace the opportunity for fluidity and “just in time” talent.

**At LiveHire, we believe that...**

- The time is right for change. There is a better way for candidates to connect with companies on the jobs they'll love
- Change is good for everyone... companies and candidates
- Change doesn't have to be hard...we can help



1: [Reference Link](#)

# A Large and Growing Market that Needs to Change

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<sup>1</sup>  
\$240B

Currently spent each year in the US on Talent Acquisition alone.

<sup>2</sup>  
68  
Days

Average time to hire, more than twice that of 5 years ago, driving escalated costs, direct revenue loss, and impediments to workforce transformation for companies.

<sup>3</sup>  
16%

Talent acquisition spend on technology, increasing from 2% to 16% over the next 3 years as companies look to realise greater speed and efficiency.

The shift in **power to the candidate** mirrors the shift that has already occurred in consumer markets. The most progressive companies understand that candidates actively research companies and jobs ahead of time, and expect less rejection, personalised communication, transparency, ease and proactivity.

1: [Reference Link](#) 2: [Reference Link](#) 3: CEB Insights (now Gartner): 2017 State of the Recruiting Function (Benchmarks for Recruiting Budget, Staffing, and Workload). March 2017

# LiveHire's Proposition Beats the Competition

LiveHire provides companies with a Talent Engagement and Acquisition Platform that competes with and replaces traditional recruitment software to dramatically improve time and cost to hire, as well as candidate experience.

## Old "system of record" method:

Competition: Applicant Tracking Systems

Process: Advertise → Apply → Review → Reject → Repeat

**68 days**

Average time to hire<sup>1</sup>

**\$34,000**

In lost productivity and recruiting costs per hire<sup>1</sup>

**48 candidates**

Rejected from job on avg. per hire.<sup>2</sup>

## LiveHire "engagement" method:

Total Talent Acquisition platform

Process: Grow Community → Talent Pool → SMS → Hire

**17 days**

Median time to hire<sup>2</sup>

**75%**

Reduction in productivity loss and recruiting costs<sup>3</sup>

**19 candidates**

Rejected from job on avg. per hire: 60% improvement<sup>2</sup>

1: [Reference Link](#) 2: Internal LiveHire data All companies. 3. Calculation: 51 day reduction in time to hire (68 less 17) / 68 days = 75%

“ *It's a tall order to transform a system of record into a system of engagement.*

*Talent organizations that really want to maximize their recruiting technology ROI should instead consider taking the exact opposite approach.* ”

Matt Charney - Chief Content Officer

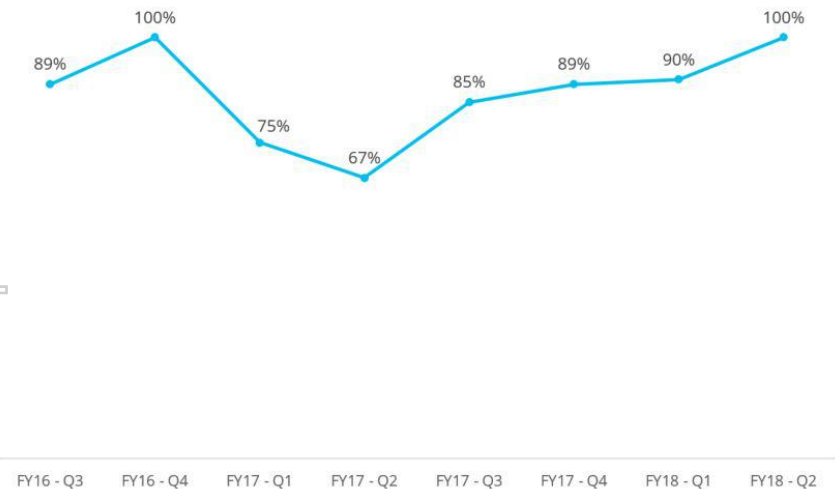
Allegis Global Solutions and Executive Editor at Recruiting Daily

# The Results: **KJR** Talent Community (Tech advisory talent: ~50 hires per year)

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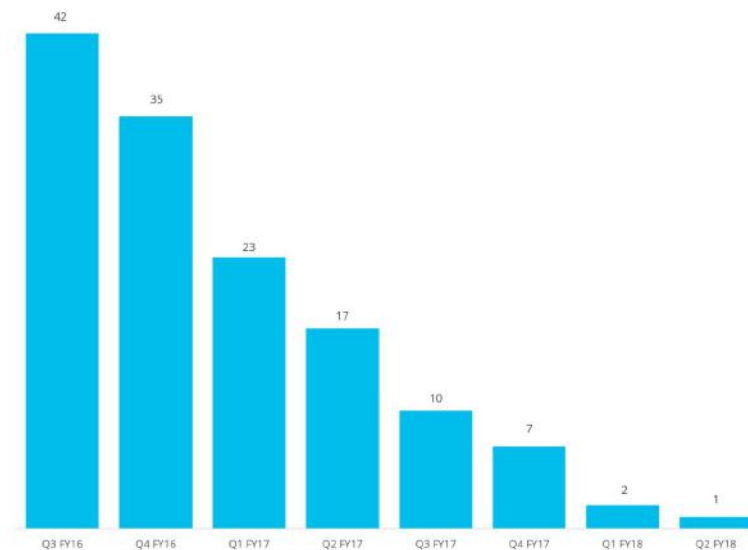
## Percentage of Hires from Talent Community

KJR maintains a consistently high proportion of hires from their Talent Community each quarter. When this happens, time to hire is fast, cost to hire is low, and fewer candidates are rejected.



## Median Time to Hire ongoing reduction (Days)

A key metric of a Talent Community's success and ROI is reduced time to hire. KJR shows how time to hire will decrease as you nurture and utilise your Talent Community. This drives fast business growth and agility.



## Award Winning Candidate Experience

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“*LiveHire is leading technology in the talent acquisition space*”

Alana Bennett - Head of Talent at oOh!media

oOh!media's transformational journey to proactive recruitment won them a CandE award for Candidate Experience



oOh! is a leading operator in Australia and New Zealand's fast-growing Out Of Home advertising industry.



## Award Winning Technology

In 2017, we were proud winners of the **AIIA** (Australian Information Industry Association) iAward. Previous winners of this prestigious award include Atlassian, Wotif, Xero, and WiseTech.

LiveHire offers an award winning, cloud based talent acquisition platform that dramatically accelerates the hiring process end to end through unique capabilities in candidate sourcing and engagement, revolutionising the candidate experience and enabling businesses to thrive with talent on demand.



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# LiveHire Is Delivering Talent On Demand

Across an ever expanding share of industries and regions.



## Our Differentiator: The Unified Profile

The unified candidate profile is a unique and valuable characteristic of the LiveHire platform, different to the traditional static applicant tracking software, difficult to replicate, creating a highly defensible and globally scalable platform that delivers the important and unrivalled hiring outcomes and ROI for clients.



Dynamic and expanded candidate data compared to static recruitment software and public social profiles.



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.



The entire recruitment process and candidate journey from source, to hire, to alumni and next career is visible live and near real-time.



Central source of valuable and live economic and employment data.

# Platform (not Product): The Centre Of The Talent Tech Ecosystem

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## 1. The Platform (LiveHire)

LiveHire's platform enables organisations to manage their current and future workforce live and end-to-end via a single source of truth, the unified profile. Live candidate data, A.I., Talent Pooling, personalised 2-way SMS, Applicant Tracking Software (ATS), and reporting & analytics.

## 2. Sourcing product integrations

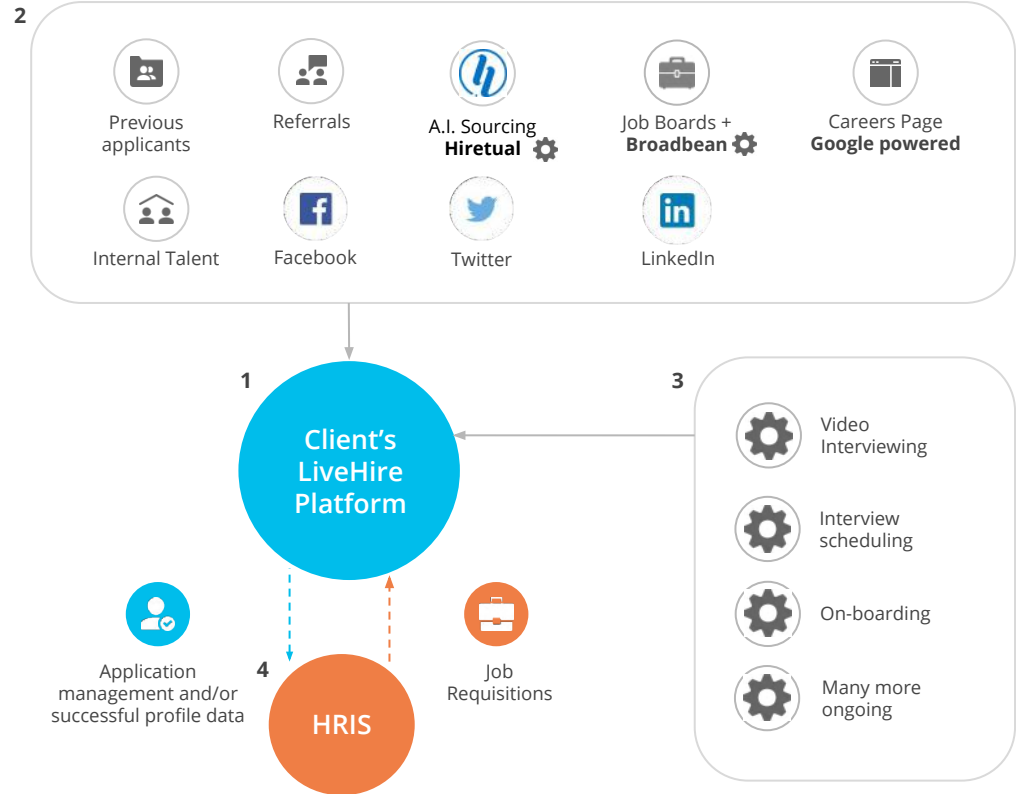
A platform enables LiveHire to create deep integrations with major sources of talent online so clients can grow their communities fast. Artificial Intelligence integrations access over 700 million online profiles<sup>1</sup>.

## 3. Third party "widget" integrations

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

## 4. HRIS Integrations (Large Companies)

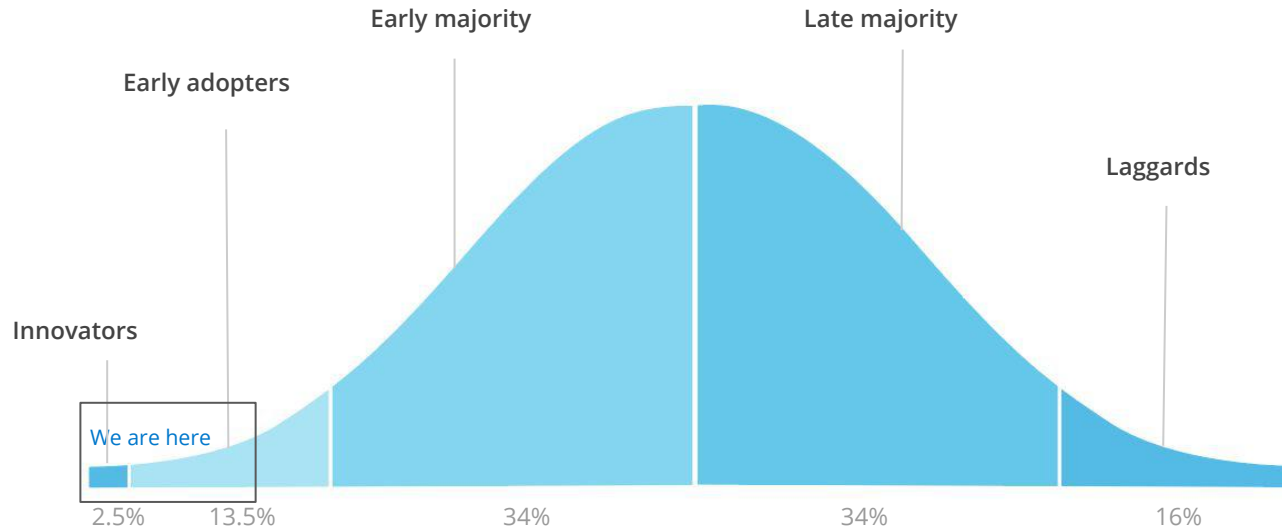
For ultra large organisations, 2-way deep data synchronisation with client's Human Resource Information Systems (HRIS) is available.



<sup>1</sup>: Reference Link

## Where We Are In Our Journey

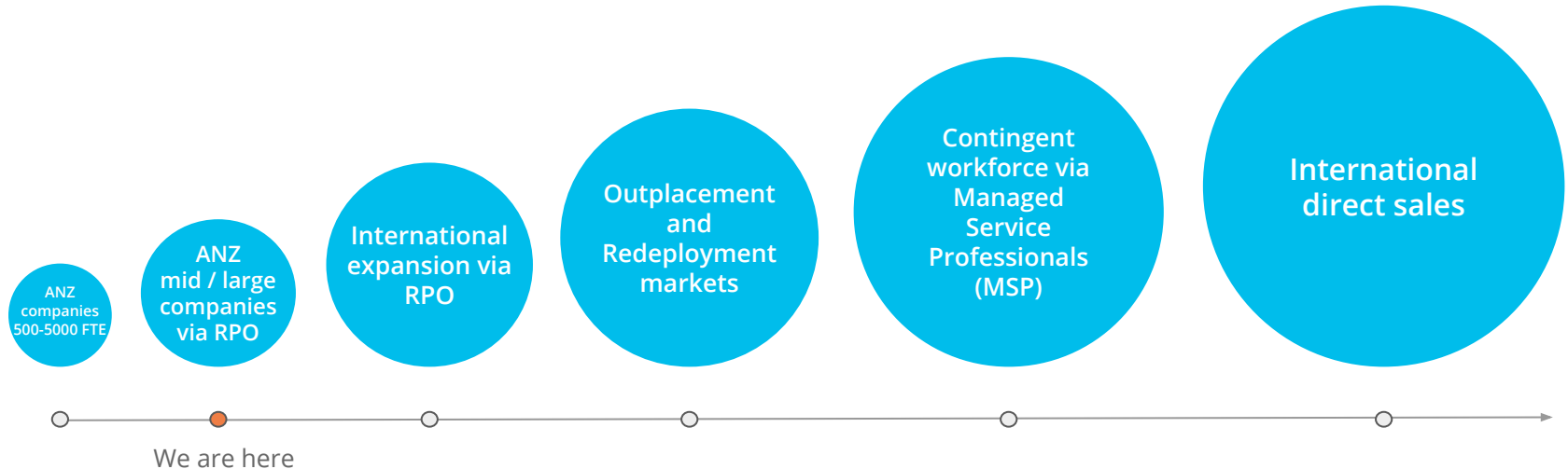
LiveHire changes the way teams recruit, and sells initially to fast-moving, innovative and early adopter mid-sized corporate clients as well as the progressive recruitment process outsource (RPO) providers, who serve a meaningful portion of the large corporate market. As we achieve greater scale, we aim to introduce new revenue streams through product extensions and data driven insights that deliver even more value to clients, candidates, and economies.



# Increasing market opportunity over time

LiveHire's current focus is on the Australia & New Zealand market via the Direct Sales Channel (Mid Sized clients, 500-5000 FTEs), and the Recruitment Process Outsourcing (RPO) channel for mid-sized / large companies. The global market potential is enormous, with US\$240b spent on Talent Acquisition in the US alone.

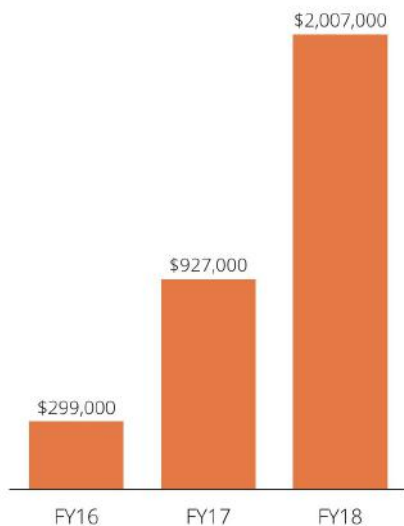
Empowering the flow of talent through all markets over time is made possible and efficient through the unified profile and live data.



# Growth

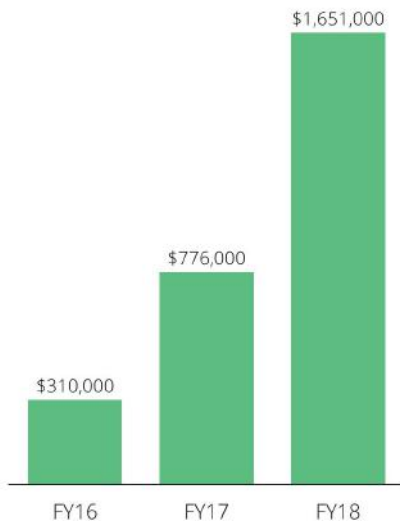
## Cash Receipts, Revenue, and Talent Community Connections (TCCs)

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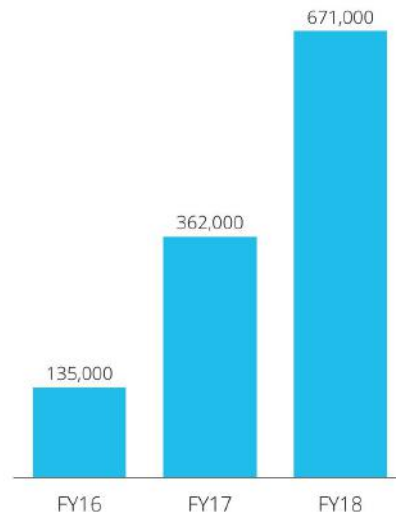
**Cash Receipts**

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



**Revenue**

LiveHire charges an annual, repeat licence fee to Companies for use of the cloud based platform, based on the size of their workforce.



**TCCs**

Candidates can join multiple Talent Communities with their unified profile, creating multiple Talent Community Connections (TCCs) and a strong network effect.

# LiveHire's Leadership Team

## Board



**Geoff Morgan**  
Chairman  
Morgan & Banks, Talent2



**Gigi Gozzi**  
Founder, CPO



**Mike Haywood**  
Founder, Growth



**Christy Forest**  
CEO  
MD CEB Gartner



**Michael Rennie**  
Non-Exec Director  
Global Head of Org. Practice  
McKinsey & Co



**Adam Zorzi**  
Non-Exec Director

## Leadership



**Matt Ryan**  
CTO  
20 years tech and data



**Ben Malone**  
CFO  
REA, Australian Unity



**Alastair Schirmer**  
Technology Ecosystem  
SEEK, iSelect



**Grant Galvin**  
Client Success  
Coca-Cola, EY, AMEX



**Robbert Lammers**  
Marketing  
CEB Gartner

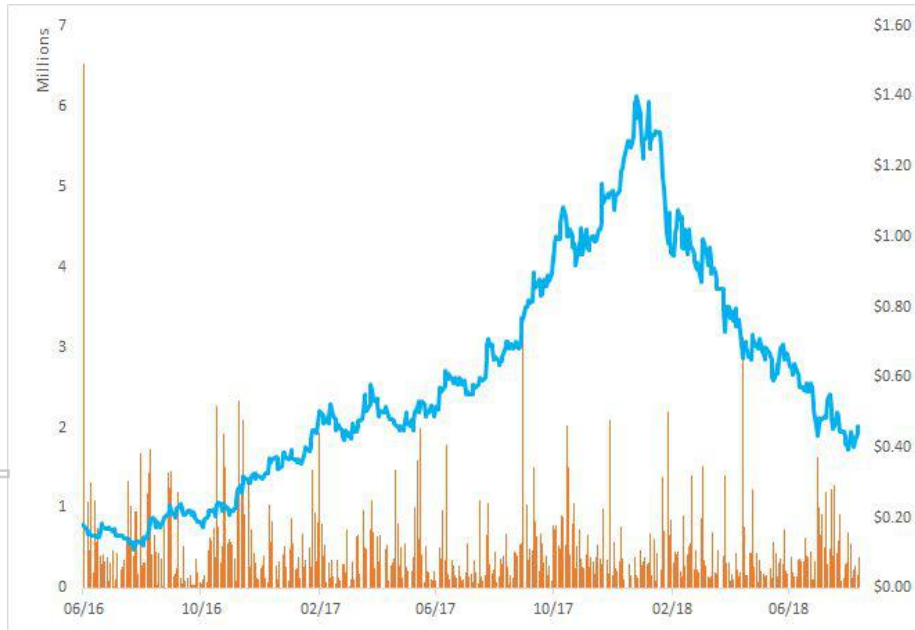


**Jacqui Davy**  
General Counsel & Privacy  
REA



# LiveHire Capital Structure

Share price since listing



Share price <sup>1</sup>	\$0.52
Shares on issue <sup>1</sup>	263.2m
Cash at bank <sup>2</sup>	\$30.1m
Market capitalisation	\$136.9m
Enterprise value	\$106.8m
Options and performance rights on issue <sup>1</sup>	23.8m
<b>Major Shareholders</b>	
Board & Management (including founders) <sup>1</sup>	33.3%
Antonluigi Gozzi	11.2%
Michael Haywood	10.7%
Fidelity <sup>3</sup>	7.2%
Telstra Super <sup>4</sup>	5.5%

<sup>1</sup> As at 27 August 2018 <sup>2</sup> As at 30 June 2018 <sup>3</sup> As at 20 July 2018 <sup>4</sup> As at 18 December 2017

# FY18 Performance & Financial Metrics

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# FY18 Performance & Financial Metrics

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We are pleased to provide LiveHire's FY18 results for shareholders and investors, summarising key performance and financial metrics.

FY18 has been an exciting year for LiveHire. The appointment of Christy Forest as CEO ushers in a new phase of growth and leadership. Operationally, we consolidated our understanding of the ideal customer and best channels to market, with a current dual focus on ANZ mid-sized companies (500-5000 FTE) via the Direct Sales channel, and large companies in Australia and internationally via our RPO channel.

The business also shifted pricing schedule to one banded by company size, providing a value-based price that delivers clear return on investment in a single, annual transaction. This change has provided LiveHire with a more consistent upfront payment, removed any disincentives for customers to grow TCCs, and simplified the sales process with greater pricing certainty for customers.

This pack is to be read in conjunction with the FY18 Annual Report, released to the ASX on 28th August 2018.

We trust that you find this information helpful with your analysis of LiveHire's FY18 results.

# 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 30 June 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 30 June 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.

## Average Revenue Per Client - Recurring (ARPC -Recurring)

ARPC (recurring) is calculated as: Closing ARR / number of clients  
ARPC 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 TCC is an individual that has joined the Talent Community of a client of LiveHire.

# LiveHire's Performance Metrics

	FY18	FY17	% Change
<b>Opening ARR (\$'000)</b>	723		
New Business ARR (\$'000)	611		
Net Upsell ARR (\$'000)	92		
ARR Churn (\$'000)	(79)		
<b>Closing ARR</b>	<b>1,347</b>	<b>723</b>	<b>86%</b>
<b>ARR Churn %</b>	<b>11%</b>		
<b>Client Numbers<sup>1</sup></b>	<b>53</b>	<b>44</b>	<b>20%</b>
<b>ARPC (Recurring) (\$'000)<sup>1</sup></b>	<b>25,407</b>	<b>16,422</b>	<b>55%</b>
<b>TCCs</b>	<b>671,254</b>	<b>362,130</b>	<b>85%</b>
<b>FTE<sup>2</sup></b>	<b>54</b>	<b>38</b>	<b>45%</b>

## 1. Client Numbers & ARPC

ARPC has increased in FY18 as well as there being an increase in the number of clients. This demonstrates an improved ARPC for clients secured during FY18.

During FY18 a number of low value clients who did not fall within ideal client profile were churned - these clients had an average ARPC of \$7,201.

## 2. FTE

FTE has grown 16.9 from FY17. Growth in personnel was in line with budget and capital raising communication, to accelerate 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

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	FY18	FY17	% Change
Management EBITDA (\$'000) <sup>1</sup>	(9,080)	(5,793)	(57%)
Statutory EBITDA (\$'000)	(10,043)	(4,300)	(134%)
Recurring Revenue (\$'000) <sup>2</sup>	1,122	462	143%
Non-recurring Revenue (\$'000) <sup>3</sup>	529	313	69%
Total Operating Revenue (Statutory) (\$'000)	1,651	776	113%
Annual Cash Burn excluding financing activities	(7,046)	(4,569)	(54%)
Annual Cash Burn excluding financing activities, R&D and Interest	(8,076)	(5,822)	(39%)

## 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 (113% revenue growth, 63% expenditure growth).

## 2. Recurring Revenue

This growth has been driven by new clients secured in FY18 accompanied by improved revenue from existing customers through contract renewals. Also note recurring revenue growth in FY18 H2 of 29% over FY18 H1.

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

## 3. Non-recurring Revenue

This growth has been driven by new clients secured in FY18 as well as more integrations being paid for as a result of the expanding portfolio of available integrations.

# Profit & Loss – Reconciliation to Statutory Results

	FY18 (\$ '000)	FY17 (\$ '000)	% Change
Operating Revenue <sup>1</sup>	1,651	776	113%
Expenditure <sup>2</sup>	(10,730)	(6,569)	(63%)
<b>EBITDA<sup>3</sup> (Management Reporting)</b>	<b>(9,080)</b>	<b>(5,793)</b>	<b>(57%)</b>
Share-based payments expense <sup>4</sup>	(2,879)	(1,710)	(68%)
R&D rebate income <sup>5</sup>	466	523	(11%)
Capitalisation of software development <sup>6</sup>	1,450	2,680	(46%)
<b>EBITDA (Statutory Reporting)</b>	<b>(10,043)</b>	<b>(4,300)</b>	<b>(134%)</b>
Interest, Depreciation & Amortisation	(53)	(352)	85%
<b>Net Loss (Statutory Reporting)</b>	<b>(10,096)</b>	<b>(4,652)</b>	<b>(117%)</b>

## 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 (Management Reporting)

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 current year 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

FY18 Appendix 4C to Statutory Cashflow Reconciliation	FY18 Appendix 4C	Adjustments	FY18 Statutory Cashflow
Receipts from customers	2,007	0	2,007
Payment to suppliers and employees <sup>1</sup>	(9,964)	1,450	(8,514)
Interest Received	566	0	566
Government grants & tax incentives <sup>2</sup>	984	(816)	168
<b>Net Cash from / (used in) operating activities</b>	<b>(6,408)</b>	<b>634</b>	<b>(5,774)</b>
Payment to acquire tangible and intangible assets <sup>1</sup>	(118)	(1,450)	(1,568)
Government grants & tax incentives <sup>2</sup>	0	816	816
Payments for held-to-maturity investments <sup>3</sup>	0	(520)	(520)
<b>Net Cash from / (used in) investing activities</b>	<b>(118)</b>	<b>(1,153)</b>	<b>(1,272)</b>
Proceeds from the issue of shares	20,242	0	20,242
IPO / Capital Raising Transaction Costs	(872)	0	(872)
<b>Net Cash from / (used in) financing activities</b>	<b>19,370</b>	<b>0</b>	<b>19,370</b>
<b>Net increase in cash and cash equivalents<sup>3</sup></b>	<b>12,844</b>	<b>(520)</b>	<b>12,325</b>
Opening Cash Balance	17,748	0	17,748
<b>Closing Cash Balance<sup>3</sup></b>	<b>30,592</b>	<b>(520)</b>	<b>30,073</b>

## 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 \$1,450k.

## 2. Government Grants & Tax Incentives

In the Appendix 4C the R&D Tax Incentive is treated as an operating activity. However, from an accounting perspective the grant must be apportioned between the Balance Sheet and Profit & Loss in proportion with the accounting treatment of the costs. As such an adjustment is made here to reflect \$816k as investing activities.

## 3. Payments for held-to-maturity investments

Accounting standards require term deposits that mature in greater than 90 days from the date of the report to be shown as held-to-maturity investments rather than cash. In the Appendix 4C these term deposits are considered to be cash. The \$520k adjustment represents the balance of these term deposits.

# Balance Sheet

	FY18 (\$ '000)	FY17 (\$ '000)	% Change
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents <sup>1</sup>	30,073	17,748	69%
Held-to-maturity Investments <sup>2</sup>	520	0	-
Trade and other receivables <sup>3</sup>	1,095	264	315%
<b>Total current assets</b>	<b>31,687</b>	<b>18,012</b>	<b>76%</b>
<b>Non-current assets</b>			
Plant and equipment	106	3	3199%
Intangible assets <sup>4</sup>	2,423	2,825	(14%)
<b>Total non-current assets</b>	<b>2,529</b>	<b>2,829</b>	<b>(11%)</b>
<b>Total assets</b>	<b>34,216</b>	<b>20,841</b>	<b>64%</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	1,057	334	(216%)
Provisions	397	194	(105%)
Deferred revenue	407	179	(128%)
<b>Total current liabilities</b>	<b>1,861</b>	<b>707</b>	<b>(163%)</b>
<b>Non-current liabilities</b>			
Provisions	65	59	(10%)
<b>Total non-current liabilities</b>	<b>65</b>	<b>59</b>	<b>(10%)</b>
<b>Total liabilities</b>	<b>1,925</b>	<b>765</b>	<b>(152%)</b>
<b>Net assets</b>	<b>32,291</b>	<b>20,075</b>	<b>(61%)</b>
<b>EQUITY</b>			
Issued capital	46,680	27,247	71%
Reserves	7,001	4,122	70%
Accumulated losses	(21,391)	(11,294)	(89%)
<b>Total equity</b>	<b>32,291</b>	<b>20,075</b>	<b>61%</b>

## 1. Cash and cash equivalents

Refer to Cash Flow

## 2. Held-to-maturity Investments

Term Deposits > 90 day maturity

## 3. Trade and other receivables

\$733k of the variance relates to as estimate of R&D Tax Incentive receivable in relation to FY18. R&D estimates were not booked in FY17 as the amount was unable to be reliably estimated

## 4. Intangible Assets

Despite \$1.45m in additions, net intangible assets reduced compared to prior year due to \$1.25m of credits to the Balance Sheet in relation to the portion of the FY17 R&D rebate and FY18 R&D rebate accrual that relate to costs that were capitalised, plus \$0.59m of amortisation



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