



RESULTS PRESENTATION FY20

26TH AUGUST 2020

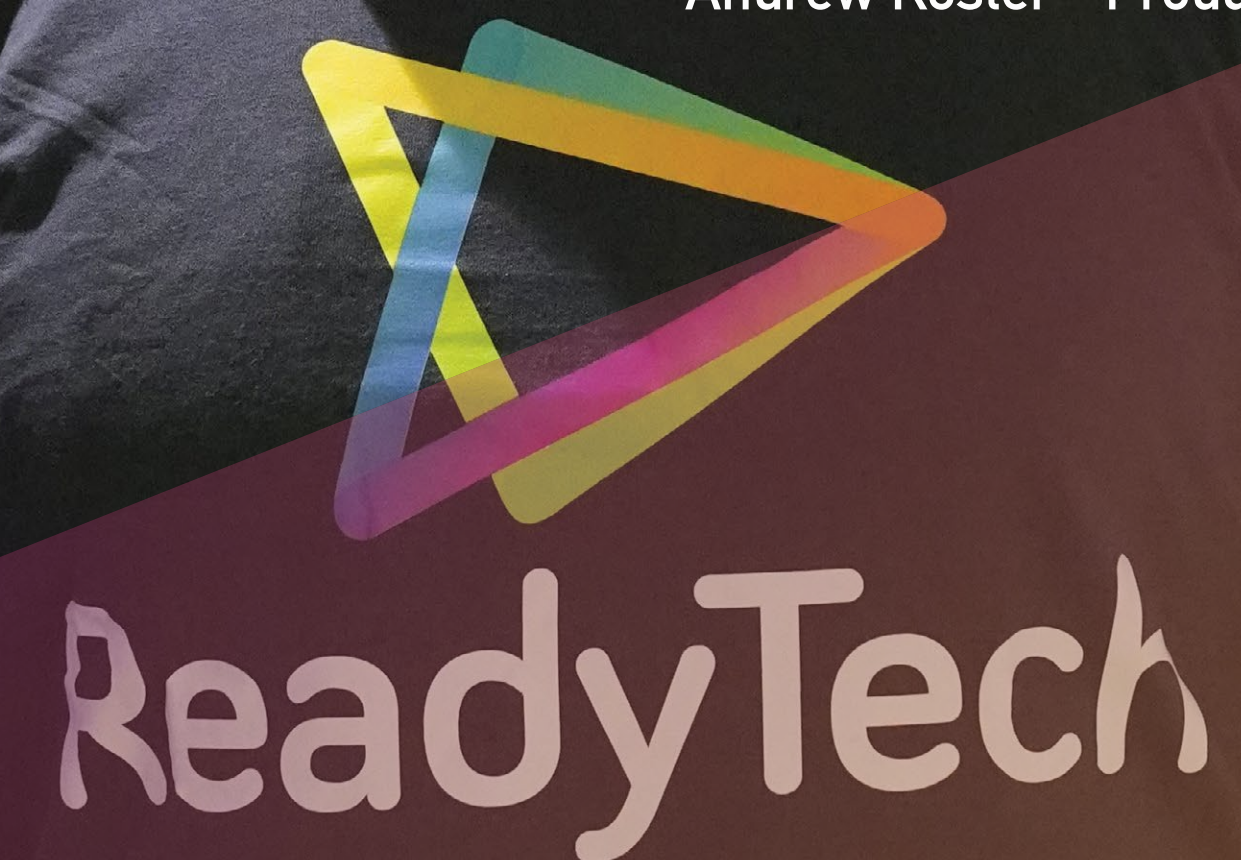
MARC WASHBOURNE – CEO

NIMESH SHAH – CFO

NEXT GENERATION SAAS

PEOPLE CENTRIC SOFTWARE

I'm a ReadyTecher
Andrew Koster - Product Manager



NEW BUSINESS DRIVING TOP LINE GROWTH

ReadyTech continues to expand its customer base with blue-chip clients



FY20 Q4 new business up 55% compared to FY19 Q4



Breakthrough Education contract win of \$7m (5 year subscription) with Kangan Institute and Bendigo TAFE



Strong Workforce Solutions (Employment) progress with new customer wins including Glassons, Samsung and dnata



Growing momentum in Back to Work and Skills sectors, supported by the upcoming Federal Government's \$2bn JobTrainer program



Accelerated adoption of remote servicing and next generation cloud technology

Example of New Customer Wins

Student Management Systems



Workforce Solutions (Employment)

GLASSONS

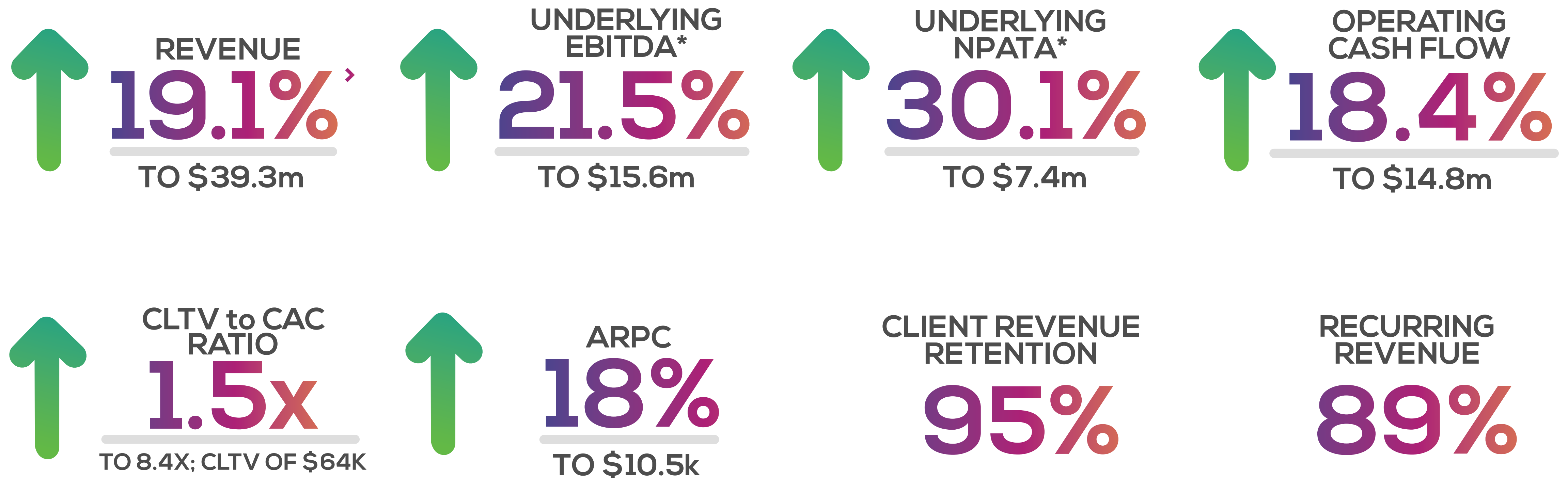
SAMSUNG

bed bath & beyond



dnata

KEY OPERATIONAL AND FINANCIAL HIGHLIGHTS



↑ YoY Comparisons to FY19

> Organic revenue growth of 10%

* Underlying results exclude the impact of non-recurring costs of \$0.6M

DELIVERING ACROSS ALL STRATEGIC PRIORITIES

Attract new and higher value (enterprise) clients

- Secured multiple high value, enterprise contracts including BKL TAFE
- Gross opportunity pipeline maintained at \$14M which reflects annualised subscription revenue and implementation fees

Grow ARPC via upsell, cross-sell and customer success

- ARPC up 18% to \$10.5K in FY20
- Module adoption for remote servicing driving organic growth
- Behavioural science cross-sell - multiple contracts signed during FY20

Continue R&D investment in platform and modules

- Maintained R&D spend at over \$11m in FY20
- New tech and modules to support:
 - Student health, digital credentials (Education)
 - Automated workflows, employee benefits (Workforce Solutions)

Execute on complementary acquisitions and explore strategic verticals

- Successfully completed two highly complementary acquisitions for Workforce Solutions (Employment)
- Launched and strong uptake HR3+, a unified payroll and workforce management platform

Retain and invest in new talent

- Investing in talent for growth including James Diamond appointed Chief Executive, Education
- Growing Sales & Marketing investment from 8.3% of revenue in FY19 to 9.2% of revenue in FY20

Leverage horizontal ReadyTech best practice playbook

- Consolidation of infrastructure (AWS) and Info Sec (ISO 27001)
- Investment in best practice product strategy, sales & customer success
- Amplification of ReadyTech brand and marketing

SUCCESSFULLY NAVIGATING THROUGH COVID-19



Safety of our team and continuity for customers

- Smooth transition to a "work from home" environment allowing projects and sales pipelines to be managed remotely
- Launched successful "Remote Control" initiative to support customers in remote transition



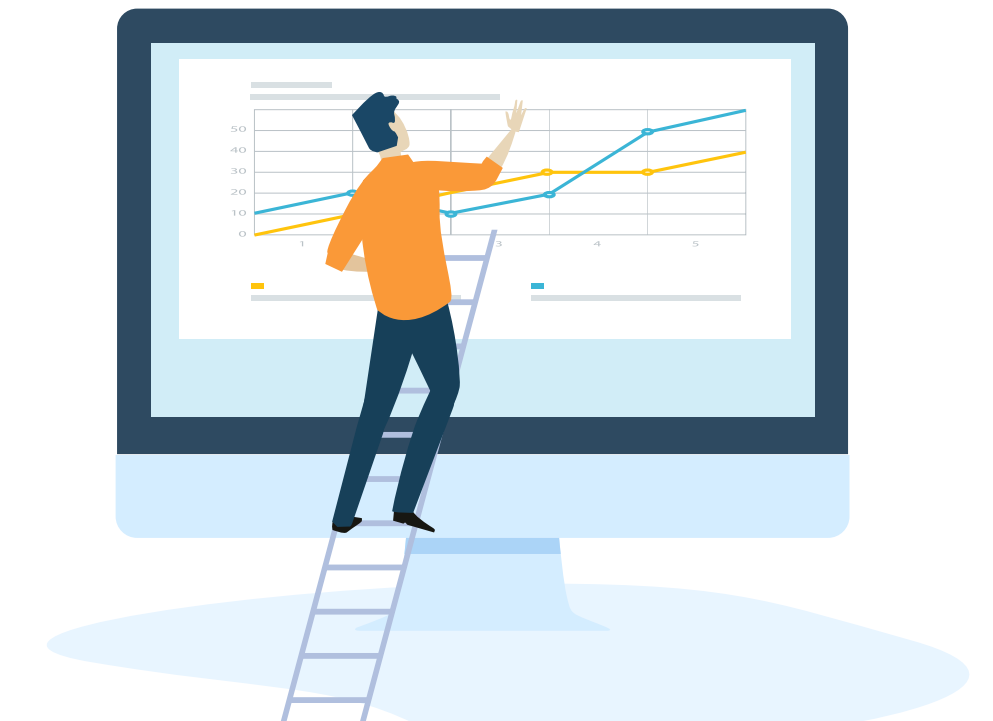
Investing in new talent for growth

- Not a single employee stood down due to COVID-19
- Increased investment in people resources to underpin next wave of growth, including new Chief Exec, Education & senior marketing roles



Investing in technological innovation

- Strong adoption of modules for remote servicing by existing customers including online learning and timesheets for remote staff
- Delivered features to support clients' JobKeeper requirements



Resilience and strong performance

- High recurring revenue profile and long-term customer tenure maintained
- Low exposure to international students, accounting for only 3% of students
- Growing momentum in the Back-to-Work sector with increasing JobSeeker caseloads

Increased Customer Loyalty

“ I just wanted to say thank you for your support during this new world we find ourselves in. The timing of your information sheet for JobKeeper payments could not have been better and has just made my life a whole lot less stressful. I hope you all know how much we appreciate your efforts as we can see how hard you are all working. Jo, Payroll Office, Giorando (Australia) Pty Ltd ”

STRONG GROWTH

ACROSS KEY FINANCIAL METRICS

I'm a ReadyTecher
Miri Molcho, Senior Implementations Consultant



STRONG REVENUE GROWTH OF 19%



\$ MILLION			
	FY20	FY19 [#]	% YoY
Subscription and licence revenue	35.1	29.7	18.2%
Implementation, training and other revenue	4.2	3.3	26.1%
Total revenue	39.3	33.0	19.1%^{>}
Total expenses	(23.7)	(20.1)	(17.9%)
*Underlying EBITDA	15.6	12.8	21.5%
*Underlying EBITDA Margin	39.6%	38.8%	2.2%
Depreciation and amortisation	(9.3)	(8.1)	(15.1%)
*Underlying EBIT	6.2	4.7	32.5%
*Underlying PBT	5.3	3.1	72.0%
*Underlying NPAT	3.6	2.2	63.9%
Add: amortisation of acquired intangibles (post-tax)	3.8	3.5	7.7%
*Underlying NPATA	7.4	5.7	30.1%
Underlying Earnings per share	9.25c	7.13c	29.8%

- Total revenue of \$39.3M driven by strong growth in subscription and license revenue of 18.2% which now represents 89% of total revenue
- Strong organic revenue growth from new client wins and upsell/cross-sell to existing clients
- Total expenses of \$23.7M reflects continued investment in key sales and technology-related roles as well as increased hosting costs driven by client and revenue growth
- Earnings continuing to grow faster than revenue demonstrating strong operating leverage and scalable platform
- EPS of 9.25c based on underlying NPATA, up 29.8%

* Underlying results exclude the impact of non-recurring costs of \$0.6M # FY19 pro-forma reflects actuals as per Prospectus

> Organic revenue growth of 10%

INVESTING FOR GROWTH – SALES & MARKETING AND R&D



Sales & Marketing investment grown to 9.2% of revenue (FY19 8.3%)

New roles include enterprise sales, BDMs with wider territory coverage and senior marketing roles

R&D investment increased to 111 FTEs

New roles reflect focus on software development and solutions architects for enterprise opportunities

R&D spend of over \$50M in last 5 years

Deep investment in ReadyTech cloud platforms underpinning sustainable growth

[^] FY19 FTE figures adjusted to incorporate impact from acquisitions

INCREASED OPERATING CASHFLOW, DEBT HEADROOM AND COMFORTABLE BALANCE SHEET SUPPORT INVESTMENT

NET DEBT AS AT 30 JUNE		
\$ MILLIONS	30-Jun-20	30-Jun-19
Total Debt	25.0	21.5
Cash and cash equivalents	10.2	6.3
FY20 Net debt	14.8	15.2
FY20 Adjusted EBITDA	15.0	12.8
FY20 Net Debt/EBITDA	1.0x	1.2x

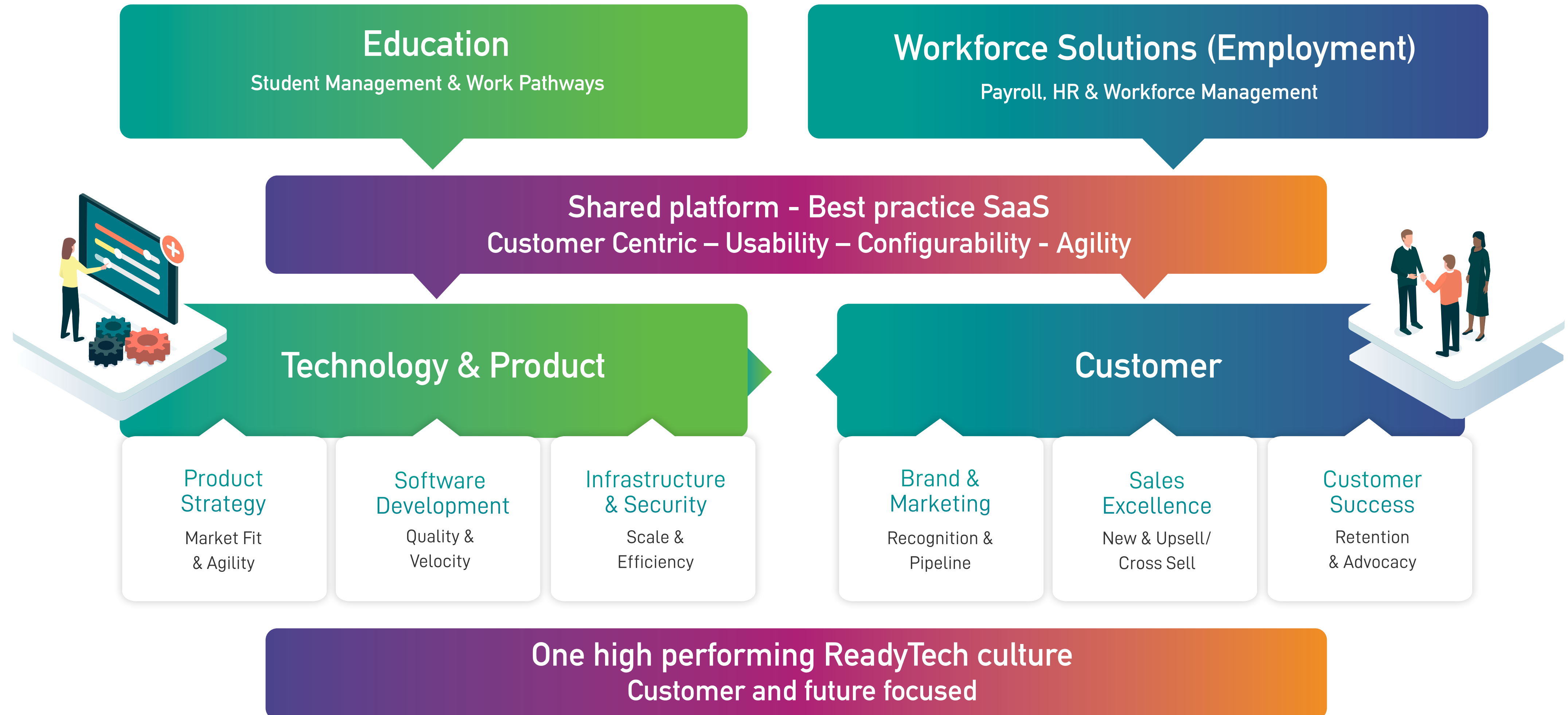
BALANCE SHEET		
\$ MILLIONS	30-Jun-20	30-Jun-19
Cash and cash equivalents	10.2	6.3
Trade and other receivables	3.5	3.5
Other current assets	1.3	0.5
Intangibles	62.6	52.9
Other non-current assets	8.2	6.5
Total assets	85.9	69.7
Trade and other payables	3.9	3.1
Contract liabilities	12.0	10.9
Deferred consideration	4.1	0.8
Borrowings	25.0	21.5
Other liabilities	7.8	4.3
Total liabilities	52.8	40.5
Net assets	33.1	29.2

\$ MILLIONS	PRO FORMA FINANCIALS		
	FY20	FY19	FY18
EBITDA	15.6	12.8	10.6
Changes in working capital	(0.8)	(0.3)	(1.7)
Cash flow from operating activities	14.8	12.5	8.9
% conversion (as % of EBITDA)	95%	98%	84%
Capitalised development costs	(4.1)	(3.4)	(3.2)
Other capital expenditure	(0.8)	(0.5)	(0.6)
Net cash flow pre financing and tax	9.9	8.6	5.2
% conversion (as % of EBITDA)	67%	67%	58%

- Current debt facility of \$27.5M with a leverage ratio of 1x represents significant bank covenant headroom
- Available cash for use \$12.7M which reflects \$10.2M Cash and Cash equivalents and \$2.5M headroom versus the debt facility
- Operating cash of \$14.8M which is a 95% conversion supported by continued growth in clients prepaying annual subscription fees

READYTECH'S PLAYBOOK DELIVERS HIGH VALUE TO SEGMENTS AND VERTICALS

Next Generation SaaS - Mission-Critical & Highly Trusted



EDUCATION: STUDENT MANAGEMENT SYSTEMS & WORK PATHWAYS

CONTINUED REVENUE GROWTH WITH STRONG
PIPELINE OF ENTERPRISE OPPORTUNITIES

I'm a ReadyTecher
Abhinesh Kharel - Product Owner





Highlights

\$ MILLIONS			
	FY20	FY19	Growth
Revenue	21.3	20.0	6.6%
EBITDA	8.8	8.1	8.5%
EBITDA Margin %	41%	41%	

- Strong new business achieved with securing of BKI TAFE contract in Q3 FY20 and over 150% increase in Q4 FY20 subscription sales versus Q4 FY19
- Greater existing customer spend due to user base growth and/or uptake of more modules especially relating to remote servicing and learning
- CLTV to CAC ratio of 7.4X (FY19 = 6.2X). CLTV of \$77K
- Client retention maintained at 95% of revenue with ongoing focus on client success initiatives
- Upsell of Esher House products to existing ReadyTech clients
- Continued investment in Sales and Marketing will drive high value qualified leads for the work pathways and tertiary education sectors

OPPORTUNITY

LEGACY
Sunset current legacy systems with digital transformation projects

CONSOLIDATION
Seeking improved productivity, efficiency and system consolidation

AGILITY
Seeking agility to evolve technology and maintain regulatory requirements, limited by rigid, slow-moving systems

EXPERIENCE
Focus on improving student outcomes and student experience

INVESTMENT MODEL
Sentiment has shifted from large, upfront technology investments

WHY WE WIN

Pure cloud provides agile development and regular releases via subscription

Customer-centric cloud solutions, providing an entire suite of student management services

Local and strong regulation expertise and technology partner offering

Student Coach – a unique value-added predictive capability focused on increasing student outcomes

Strong student self-service and support for “student life”. Marketplace manages employment pathways and internships

Attractive nature of SaaS subscription contracts and payments

CONTRACT WINS

- Landmark new contract signed Jan 2020 following intensive evaluation process. \$7m contract with initial 5-year software subscription
- Supporting 40,000+ students and 850+ staff
- supported by continued growth in clients prepaying annual subscription fees



PROJECT UPDATE

- System is live and subscription commenced
- UQ becomes key client reference



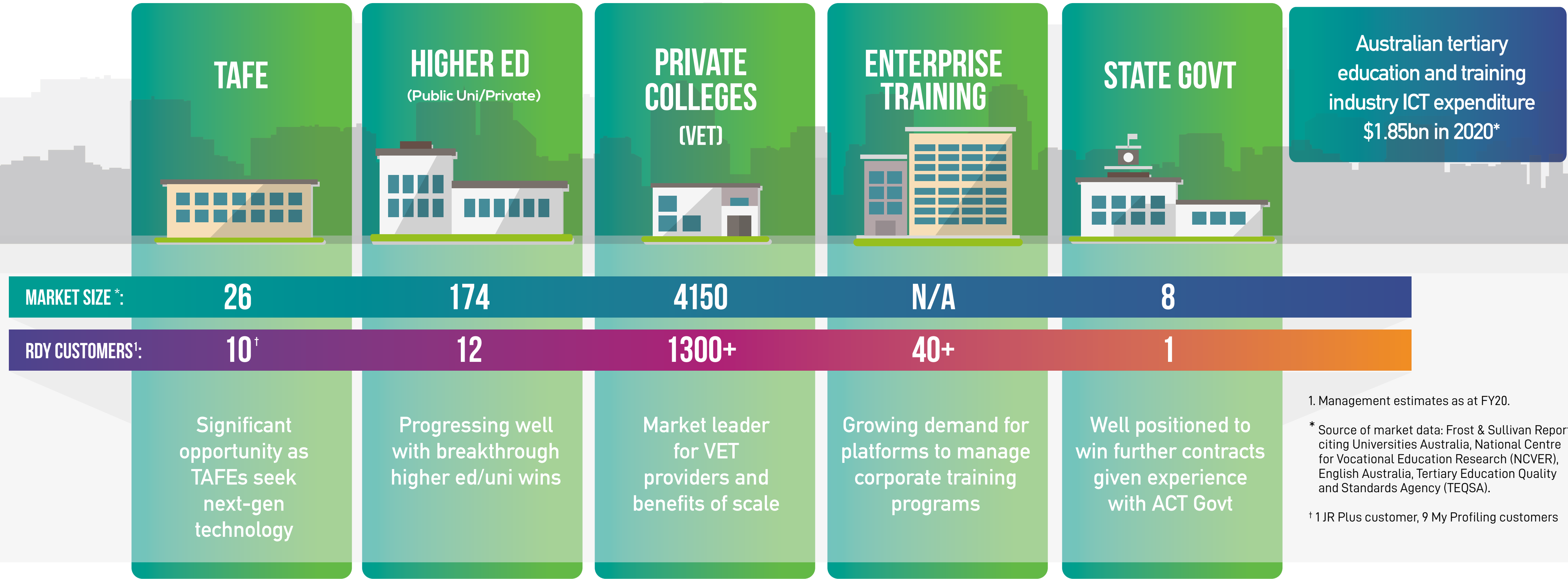
ENTERPRISE PIPELINE UPDATE

- Growing reputation as a viable alternative SaaS platform
- Expanding pipeline of enterprise opportunities to deliver future growth

READYTECH EDUCATION MARKET OPPORTUNITY

EDUCATION

Strong progress made penetrating the large addressable market of tertiary education and training



Example Clients:











ReadyTech is well positioned to support increasing caseloads and government funding for Back-to-Work sector with market leading cloud based products and services



Market leading SaaS platform for Back-to-Work and disability employment providers

- Identify employment barriers and training/skills gaps to support work readiness
- Job matching and work placement capability to drive job outcomes
- Job seeker self-service to support remote delivery of critical services

JR Live is one of only three systems security accredited by Department of Education, Skills and Employment



Highly respected behavioural science technology and data analytics to drive employment outcomes

- Assessment of work readiness – unique behavioural science informed IP
- Tech-enabled tools and timed interventions to build resilience in job seekers and triage to supporting services
- Strong return on investment and proven to improve job outcomes



jobactive is the Australian Government's \$1.3bn program to get more Australians into work. It connects job seekers with employers and is delivered by a network of jobactive providers in over 1,700 locations across Australia

Clients Include:



WORKFORCE SOLUTIONS

REVENUE GROWTH DRIVEN BY
CLIENT GROWTH

I'm a ReadyTecher

Sinyi Chan, Financial Planning & Analysis Manager



STRONG GROWTH IN REVENUE AND EBITDA

WORKFORCE SOLUTIONS (EMPLOYMENT)



\$ MILLIONS			
	FY20	FY19	Growth
Revenue	17.9	13.0	37.9%
EBITDA	8.3	6.2	34.3%
EBITDA Margin %	46%	48%	(2.0%)

Organic revenue growth of 14.6% and organic EBITDA growth of 19.4%

- Revenue growth driven by new client wins and growth in client spend through additional modules
- Increased investment in business development and national coverage are both reaping rewards
- Continued investment in compliance and driving new sales and customer retention
- Integration of Zambion's Rostering and Time & Attendance products are performing well and in line with expectations
- CLTV to CAC ratio of 11.3X (FY19* = 9.1X). CLTV of \$60K

* FY19 figures adjusted to incorporate impact from acquisitions

WORKFORCE SOLUTIONS WITH UNIQUE DIFFERENTIATORS AND “BURNING PLATFORMS” FOR CHANGE

WORKFORCE SOLUTIONS (EMPLOYMENT)

OPPORTUNITY

REGULATORY CHANGES
Continuous regulatory and legislative changes, affecting awards, annualised salaries ('underpayment' issues) & Single Touch Payroll

OPTIMISE
Increasing necessity to optimise the workforce. Efficiency gains through productivity, managing people better

REMOTE
Growing demand for remote staff management

ALL-IN-ONE
Growing demand to shift from legacy systems to pure cloud and all-in-one offering

MANAGED
Growing demand to outsource all or part of payroll compliance management due to growing complexity or cost & changing market conditions

WHY WE WIN

Compliance is ReadyTech's key strength. Flexible cloud-based system with regular releases, such as JobKeeper payments. Highly trusted brands

Date effective (what and when it happened) automation including in-platform automated compliance checker

State-of-the-art cloud workforce management including timesheets, rostering and employee self-service

Unified cloud offering with payroll, workforce management and HR, delivered with mobile employee experience

ReadyTech offers a trusted managed service on its platforms, locally based with dedicated payroll consultants with easy transitions (hybrid model)

NEW CUSTOMER WINS

GLASSONS **SAMSUNG**

dnata

bed bath & beyond

moos

"The entire Hr3+ experience has been a very positive one and the whole team have been professional, supportive and great to work with. dnata is on a transformational journey, and through Hr3+'s all-in-one solution, we now have the ability to modernise our payroll (with its complex industrial agreements) and workforce management across our national network of employees, giving us visibility across every site, in the one platform!"

Karen Edwards, Head of Human Resources, dnata

UNIFYING AND EXPANDING OUR WORKFORCE CLOUD OFFERING

WORKFORCE SOLUTIONS (EMPLOYMENT)



BENEFITS OF ALL-IN-ONE PLATFORM



ONE VENDOR

Traditionally in mid-market, separate systems – legacy technology



UNIFIED

Single view of employee and unified employee experience via mobile



EFFICIENT

Real-time management of connected data



HIGH VALUE

Average revenue per client is typically 3 times greater than payroll-only client



EXPANDED

Ability to support Aus and NZ on one platform

CASE STUDY - OUTDOOR EDUCATION GROUP

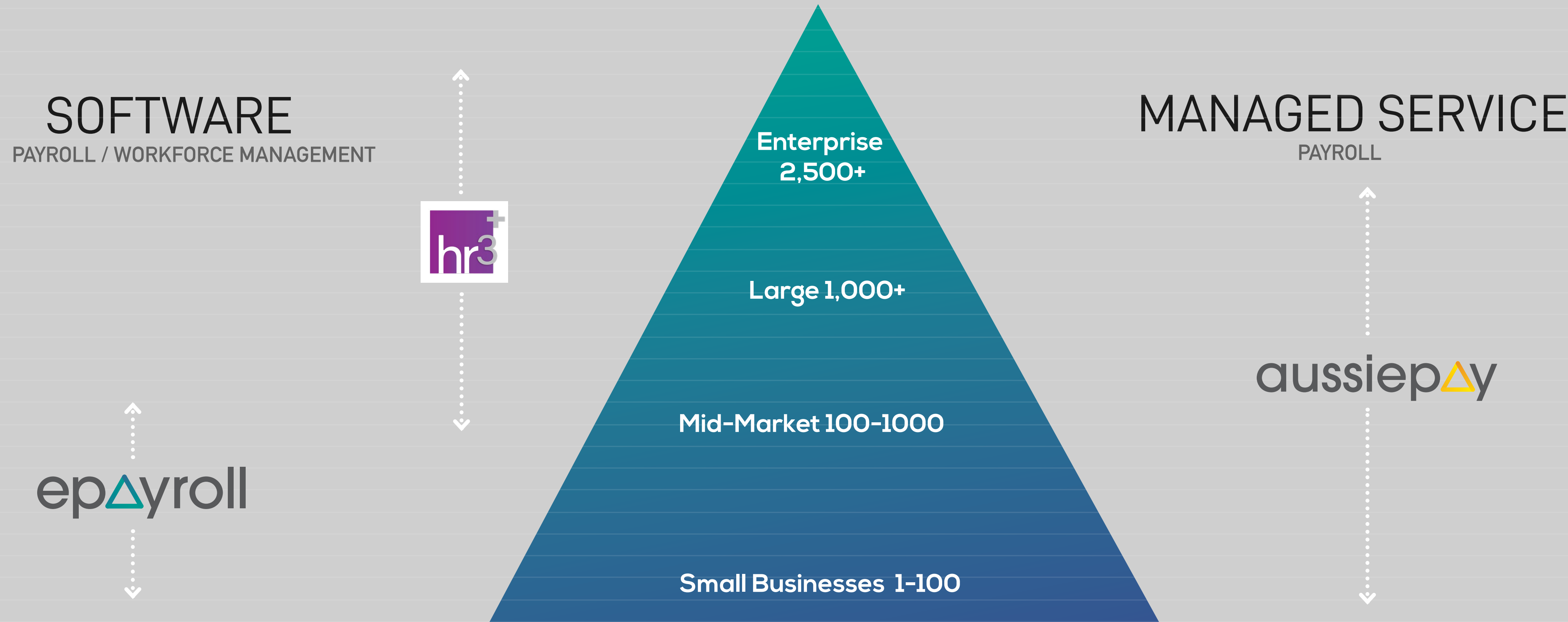
- Long-term ReadyTech HR3 payroll customer. Strong two-way relationship
- To ensure better compliance, needs became broader than just payroll (Timesheets, Rostering, Kiosk, eLearning)
- Went to market to investigate some competitor offerings
- Presented option to upgrade to the all-in-one HR3+ unified cloud offering
- Chose HR3+ as superior offering, including a managed service component
- Significant increase in annual contract value (ACV)



READYTECH OFFERINGS COVER THE EMPLOYMENT SECTOR

WORKFORCE SOLUTIONS (EMPLOYMENT)

Comprehensive and complementary Employment product suite targeting higher value customers with significant upside potential



Clients
Include:

dyson



dnata

GLASSONS

SAMSUNG

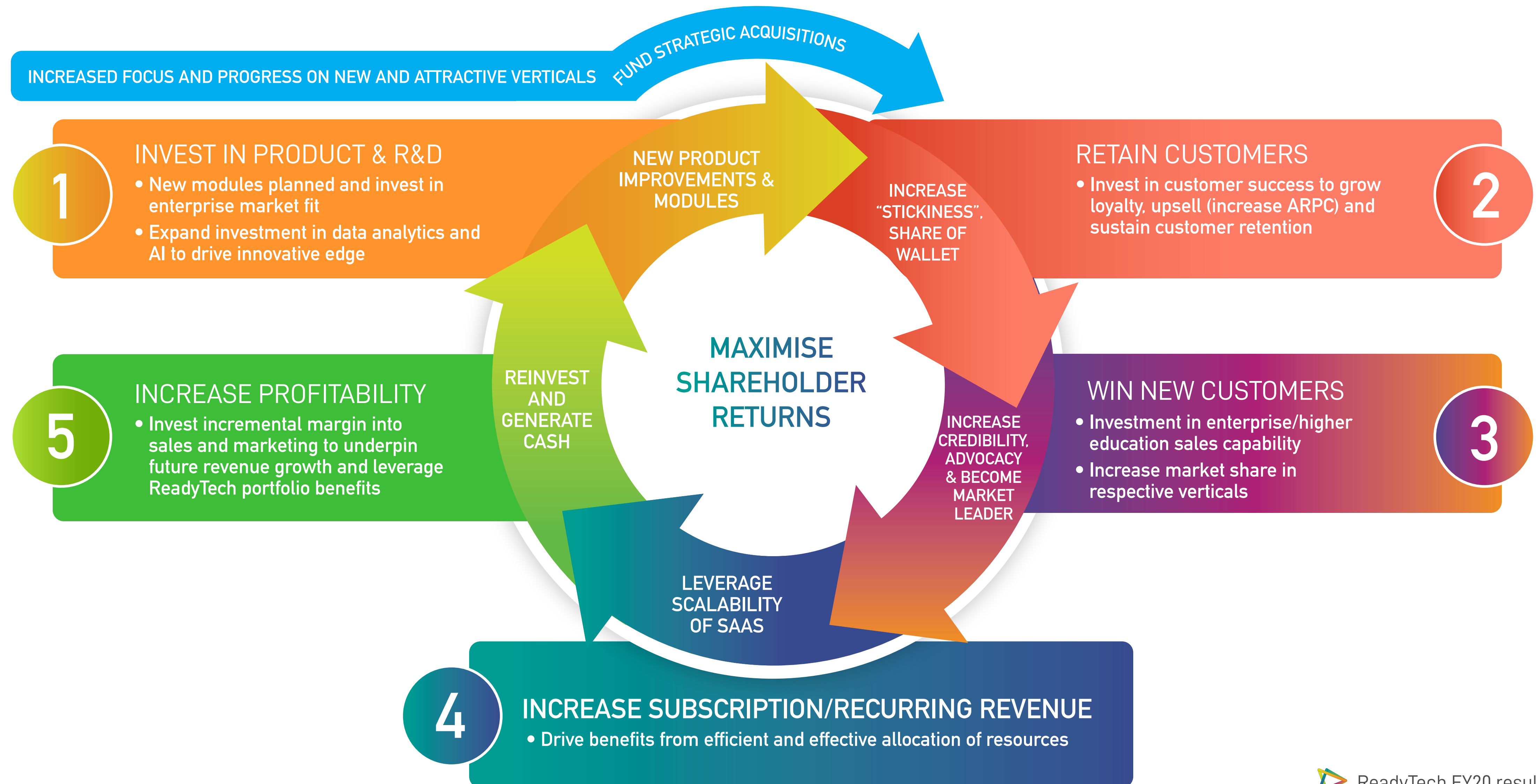
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OUTLOOK

RDY expects FY21 revenue growth rate in the mid teens, with EBITDA margin in the range of 37%-39% (inclusive of LTIP)

STRATEGIC PRIORITIES



BACK-TO-WORK AND SKILLS SECTORS GAINING MOMENTUM

Significant opportunity fueled by “jobactive” and JobTrainer Government Programs

BACK-TO-WORK SECTOR

jobactive is the Government's \$1.3bn program to get more Australians into work. Job seeker caseloads are growing exponentially

ReadyTech has Back to Work offerings:

- Market leading SaaS platform for Back-to-Work sector
- Highly respected behavioural science and data analytics technology to assess and support work readiness of job seekers

Significant momentum gained via:

- Job seeker remote support required due to COVID-19
- Integrated SaaS platform with behavioural science enablement proven to improve job outcomes
- Expanding caseloads and investment in sector

INVESTMENT IN SKILLS

The Government's JobTrainer package is a \$2bn investment which aims to deliver more than 340,000 new training places across Australia

ReadyTech has key offerings:

- **Student Management Systems for skills training providers**
- **JobReady apprenticeship support platform**

ReadyTech well positioned via:

- Broadly, when unemployment increases, the numbers in training increase
- Significant new \$0.5 billion investment in skills, to be matched by States, will benefit private and TAFE providers supported by ReadyTech
- Supporting Apprentices and Trainees (SAT) wage subsidy \$1.5 billion investment supported by ReadyTech platform



KEY TAKEAWAYS



Q4 FY20 new business up 55% vs Q4 FY19 and strong pipeline of \$14m annualised subscription revenue and implementation fees



Navigating through COVID-19 with software supporting companies to remotely manage people (jobs) and students (skills)



Strong scalable growth in revenue and earnings; increased client lifetime value and average revenue per client



Continued investment in sales and marketing, technology and talent



Acceleration of digital transformation / Govt support programs underpins substantial growth opportunities



RDY expects FY21 revenue growth rate in the mid teens, with EBITDA margin in the range of 37%-39% (inclusive of LTIP)

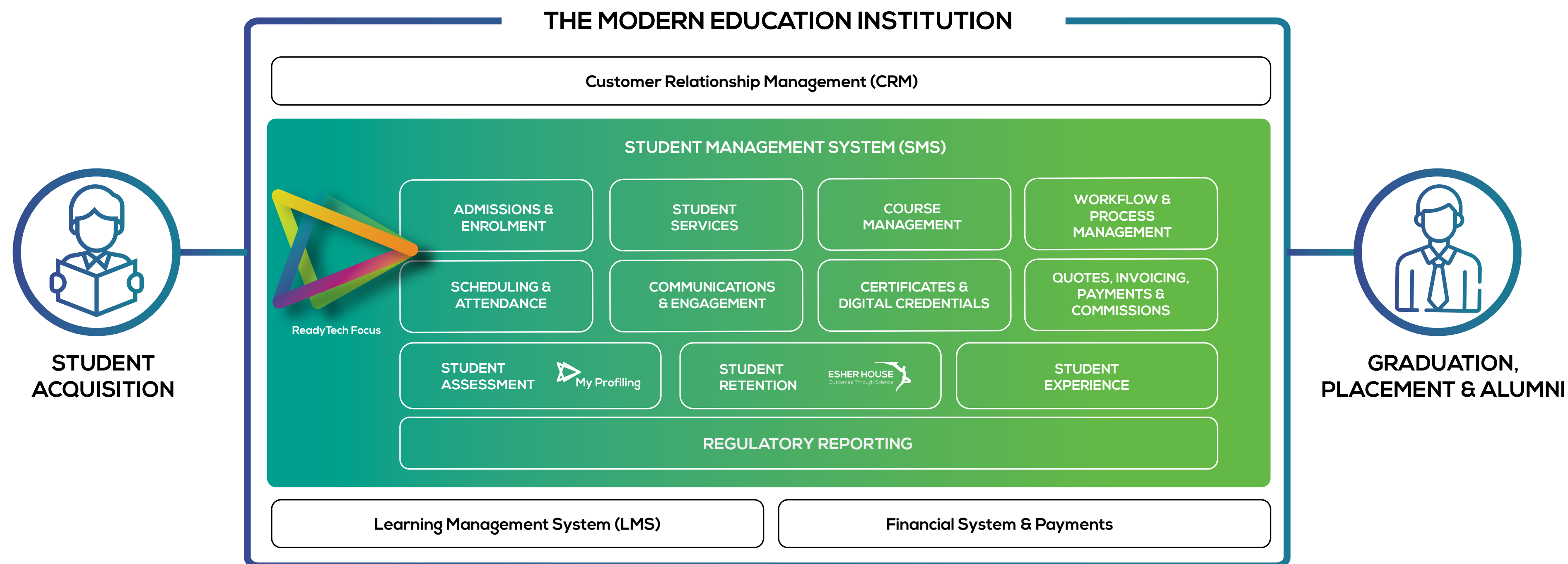
Q&A



I'm a ReadyTecher
Antoni Brdarovski - Client Success Manager

STUDENT MANAGEMENT SYSTEMS (EDUCATION)

ReadyTech provides mission-critical student management systems (SMS) which are at the core of modern tertiary education institutions and then seeks to drive key performance outcomes such as improved student experience and graduation rates



Manage the key aspects of the student journey from education to employment



SMS represents the single 'source of truth' for student data

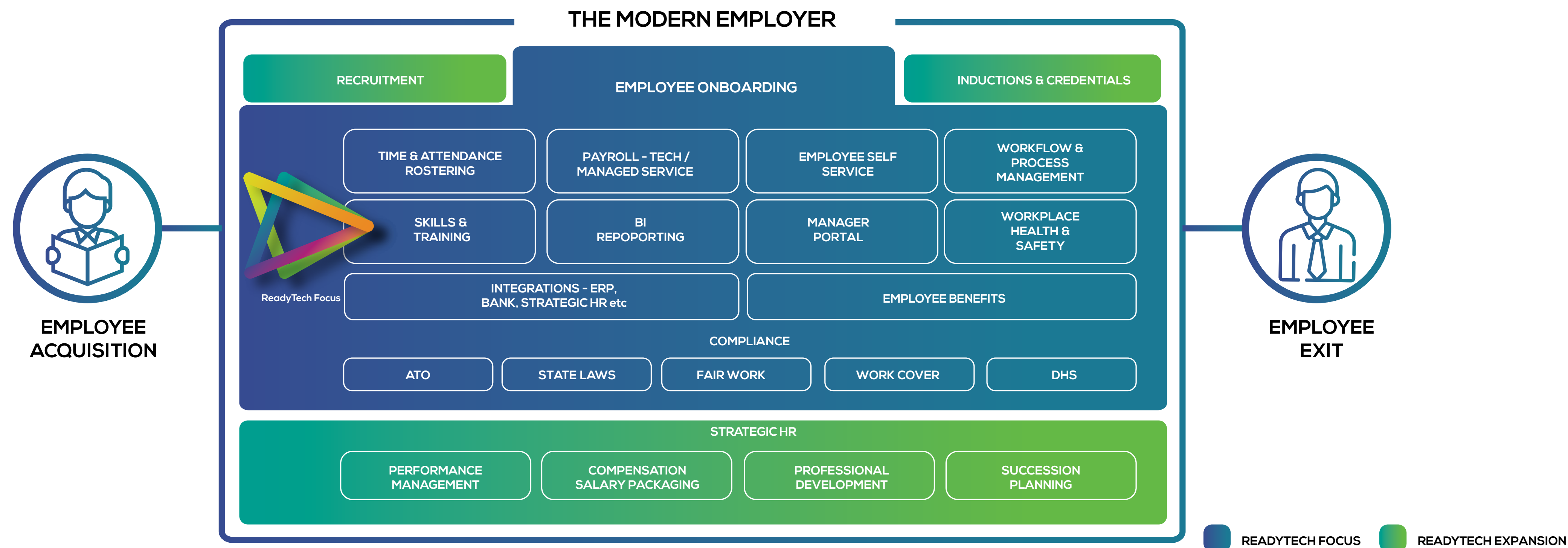


Integrates with other systems such as LMS/ key partners including Canvas



WORKFORCE SOLUTIONS (EMPLOYMENT)

ReadyTech is at the core of the employment software ecosystem offering mission-critical Payroll and Workforce Management solutions



Mission-critical HR functions such as HR admin and payroll



Enable our customers to remain compliant with evolving regulatory compliance



Add-on modules such as T&A, WHS, BI Reporting and workflow automation enhance value for customers



GLOSSARY

ACV	Annual contract value
ARPC	Average revenue per customer
CAC	Customer acquisition cost
CLTV	Customer lifetime value
DHS	Department of Human Services
FY	Refers to the financial year ending 30 June
LTIP	Long-term Incentive Plan
NPATA	Net profit after tax but excluding the non-cash amortisation of acquired intangibles (including customer-related intangibles and acquired software) from acquisitions undertaken by ReadyTech
SMS	Student management system



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About ReadyTech

ReadyTech is a leading provider of SaaS technology that helps providers of education and employment manage the increasingly complex human journey through study, work and career transitions. ReadyTech provides people management software to over 4,000 educators, employers and facilitators of work transitions. Bringing together the best in student management, apprenticeship management, payroll and HR admin, employment services and behavioural science technology, ReadyTech supports the development and success of tomorrow's workforce.