



ReadyTech Holdings Limited

ABN 25 632 137 216

18 November 2020

Annual General Meeting – Presentation

ReadyTech Holdings Limited (ASX: RDY) (**ReadyTech** or the **Company**) attaches the presentation to be made at ReadyTech's Annual General Meeting today which will be held online (virtually).

This announcement has been authorised for release to ASX by the Chair of ReadyTech,

For more **information** please contact:

Nimesh Shah
Chief Financial Officer
E: Nimesh.shah@readytech.com.io
P: + 61 437 980 296

Ronn Bechler
Market Eye
E: ronn.bechler@marketeye.com.au
P: +61 400 009 774



NEXT GENERATION SAAS

PEOPLE CENTRIC SOFTWARE

2020 Annual General Meeting

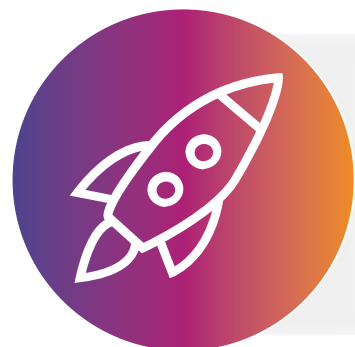
18 NOVEMBER 2020

NEW BUSINESS DRIVING TOP LINE GROWTH IN FY20

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

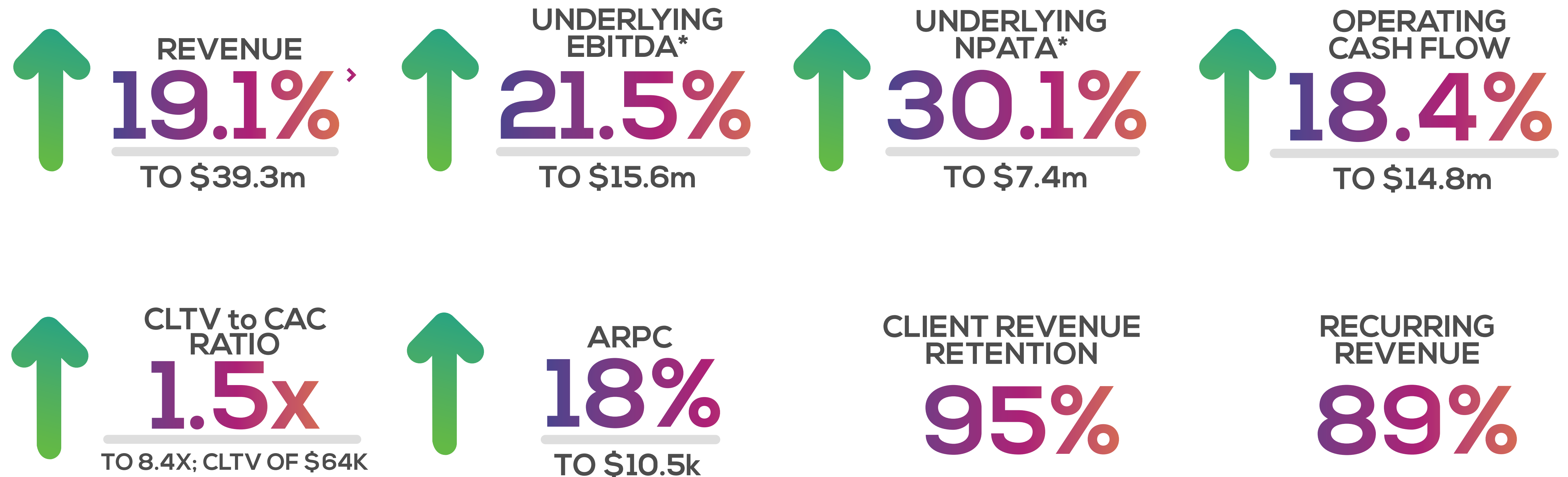
SAMSUNG

bed bath & beyond



dnata

KEY FY20 FINANCIAL AND OPERATIONAL HIGHLIGHTS



↑ YoY Comparisons to FY19

> Organic revenue growth of 10%

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

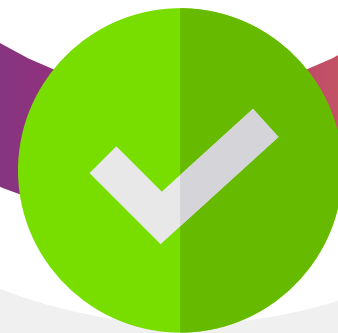
DELIVERING ACROSS ALL STRATEGIC PRIORITIES

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



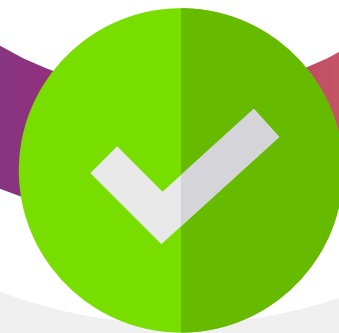
- ARPC up 18% to \$10.5K in FY20
- Module adoption for remote servicing driving organic growth
- Behavioural science cross-sell - multiple contracts signed during FY20

Continue R&D investment in platform and modules



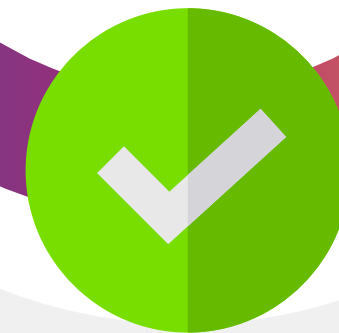
- Maintained R&D spend at over \$11m in FY20
- New tech and modules to support:
 - Student health, digital credentials (Education)
 - Automated workflows, employee benefits (Workforce Solutions)

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



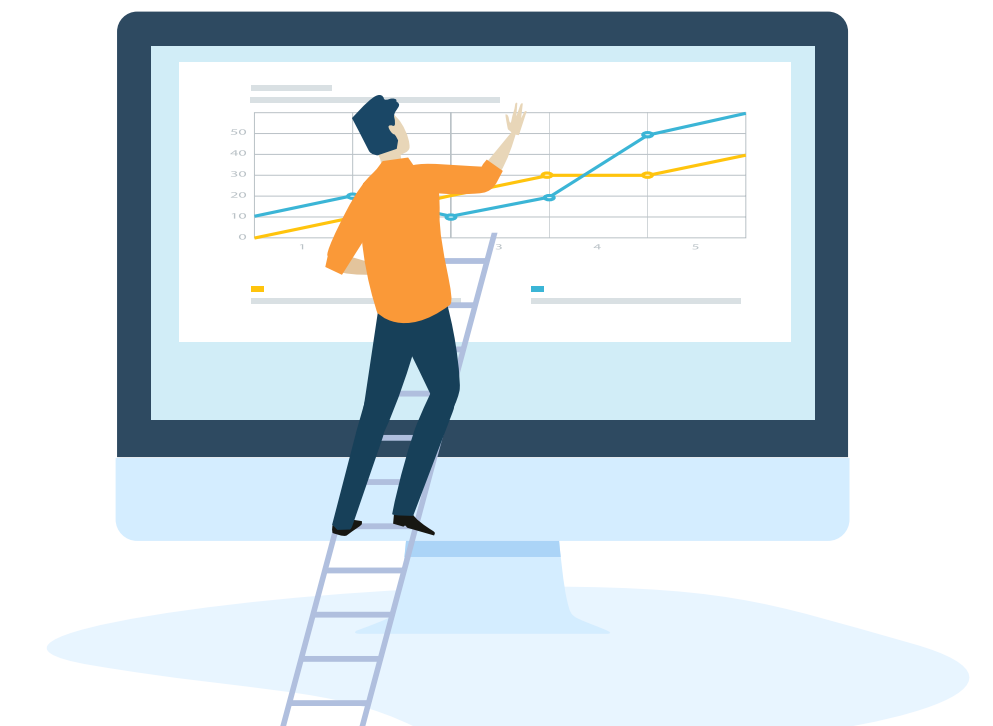
Investing in new talent for growth

- 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 ”

READYTECH'S PLAYBOOK DELIVERS HIGH VALUE TO SEGMENTS AND VERTICALS

Next Generation SaaS - Mission-Critical & Highly Trusted



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



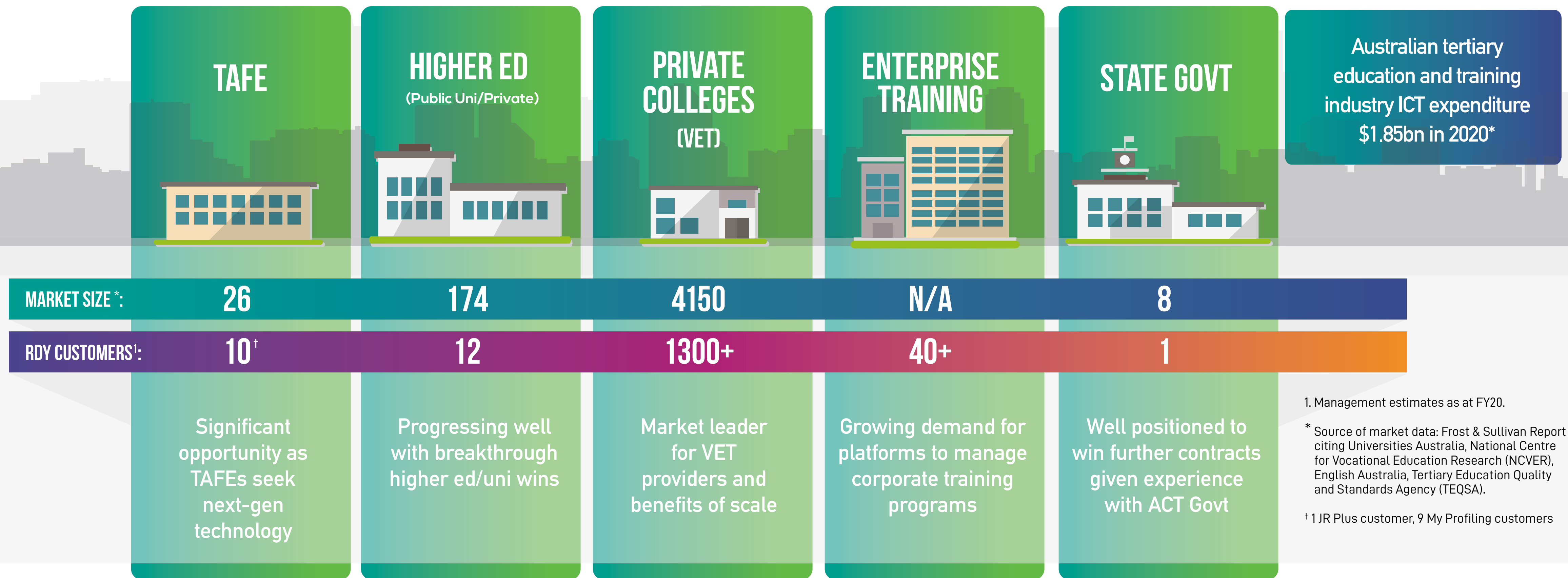
ENTERPRISE PIPELINE UPDATE

- 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:



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

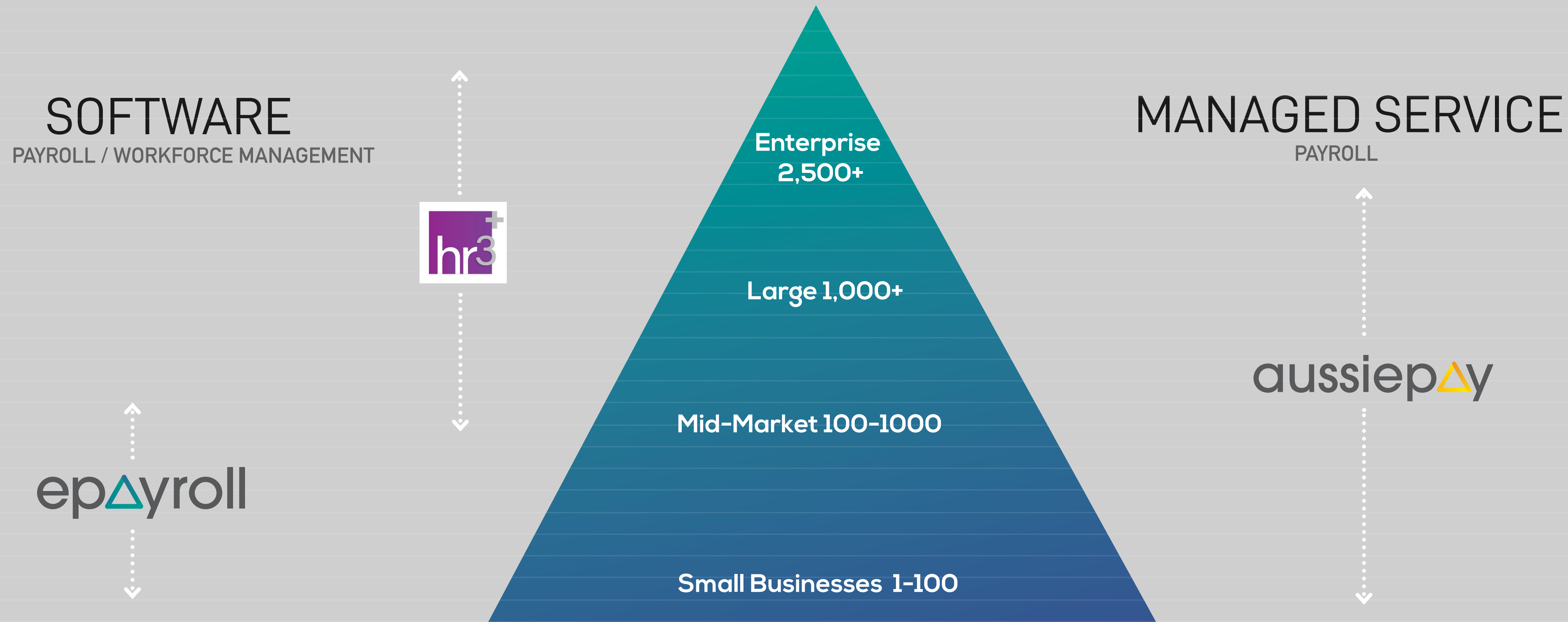
- Long-term ReadyTech HR3 payroll customer. Strong two-way relationship
- To ensure better compliance, needs became broader than just payroll (Timesheets, Rostering, Kiosk, eLearning)
- Went to market to investigate some competitor offerings
- Presented option to upgrade to the all-in-one HR3+ unified 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



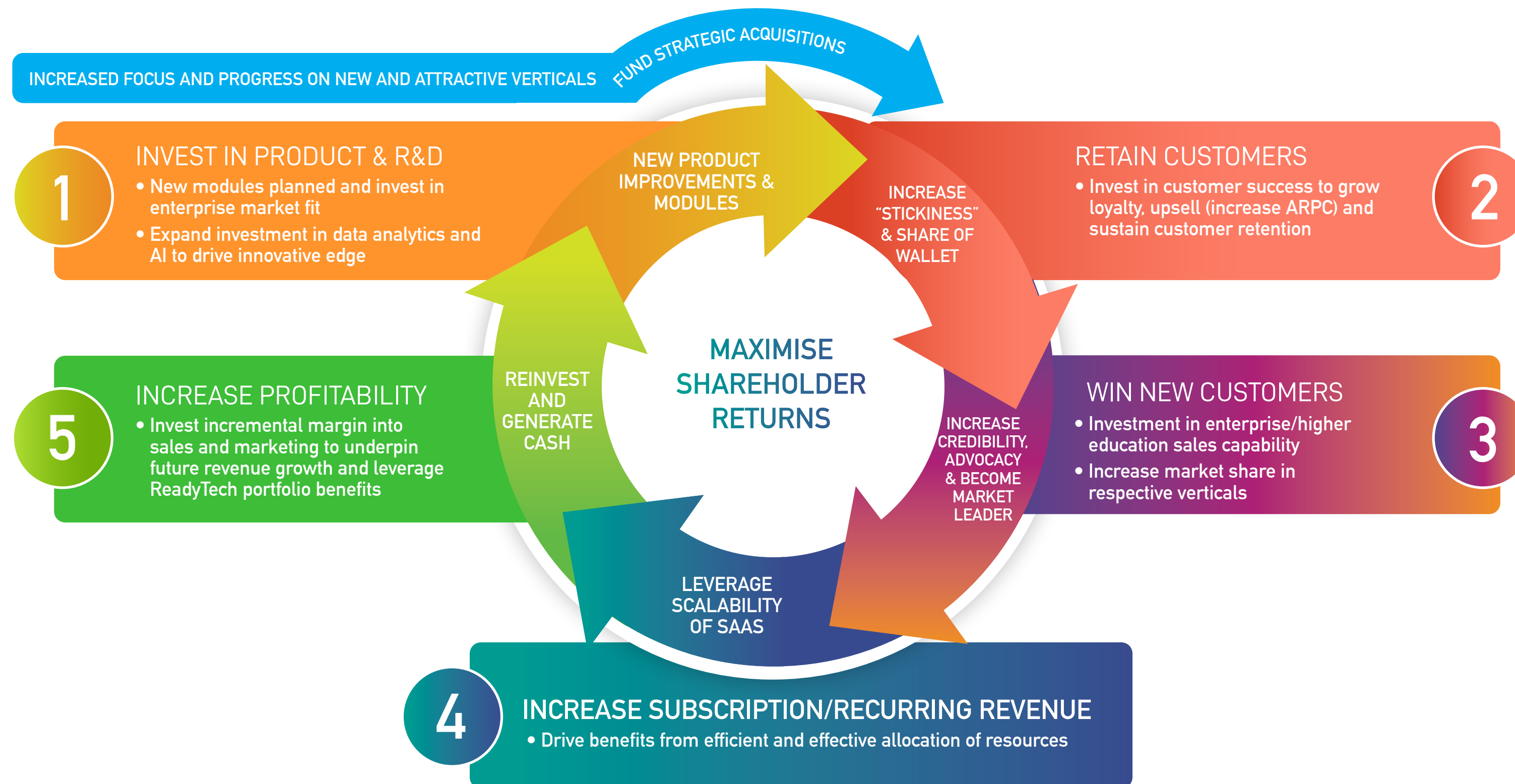
dnata

GLASSONS

SAMSUNG

bedbath&beyond

STATED STRATEGY TO INCREASE FOCUS ON NEW VERTICALS



- ReadyTech looks to expand into a third vertical with potential strategic acquisition of Open Office & McGirr (collectively **Open Office**)
- Potential opportunity is in line with strategy to identify new verticals and provide mission critical SaaS, underpinned by our best practices approach to deploying customer-centric software
- Strategy focused on identifying additional technologies to expand reach into different vertical markets, continuing a successful track record of expanding into new markets
- Strategically compelling for ReadyTech, enabling acceleration of growth through entry into the government and justice sectors
- Unlocks new target addressable markets and leverages Open Office's experienced management team and capabilities to create ReadyTech market share in these new markets
- Delivers incremental recurring revenue adding to ReadyTech's existing strong subscription revenue streams

Q1 TRADING UPDATE AND REAFFIRMATION OF FY21 GUIDANCE



Ready Tech reaffirms FY21 guidance as disclosed to the market on 26 August 2020 with Q1 trading in line with guidance assumptions (revenue retention for Q1 maintained at 95%)



Gross new business pipeline maintained at \$14.0m



Continued growth in Sales and Marketing investment to drive top line revenue, ReadyTech has secured experienced Heads of Marketing for each of our Education and Workforce Solutions segments, established a “deal desk” and are rolling out best-of-breed customer relationship management (CRM)



ReadyTech is well positioned to support the back-to-work and skills sectors, and considers skills for the future to be a key plank of economic recovery. We are encouraged by the ability of our software to assist businesses to facilitate the provision of training and services as part of the Federal Government's \$2 billion JobTrainer Skills package which aims to deliver 340,000 new training places.