



APPLYDIRECT LIMITED (ASX: AD1)

1H17 RESULTS PRESENTATION

27 FEBRUARY 2017

ApplyDirect

1H17 HIGHLIGHTS: GROWTH FOUNDATIONS PUT IN PLACE

Execution of our strategic priorities is ahead of expectation

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OUTCOMES ACHIEVED

PRIORITY 1

Build scale and relevance in a select number of industry verticals

- Completed recruitment of highly credentialed sales team
- More than 10 health employers signed up to HealthBuzz subscription in just six weeks
- Strong pipeline building in both health and government

ON TRACK



PRIORITY 2

Engage channel partners to build leverage into sales & marketing initiatives

- Strategic alliance with Mercury executed in November 2016
- Leveraging Mercury's healthcare relationships to reduce cost of sales
- Joint promotional activities delivering important marketing synergies

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PRIORITY 3

Align and focus brand strategy with select industry verticals

- HealthBuzz successfully launched in December 2016
- Positioning as a 'fresh' health specific product providing immediate credibility and relevance
- ~400K visits to HealthBuzz since mid January 2017

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PRIORITY 4

Become the industry standard for candidate experience

- Completed integration with Mercury e-Recruit and Fit2Work
- HealthBuzz delivering candidates that are prequalified and fit to work
- Agreed development roadmap with Mercury to further separate HealthBuzz from the pack

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**1H17 KEY FINANCIALS:
REFLECT THE PLANNED CAPABILITY BUILD**

1H17 key financials reflect the planned investments in sales and marketing

SIX MONTHS TO 31 DEC 2016	1H17	1H16	Change
Summary	\$'000s	\$'000s	%
Revenue from continuing operations	320	306	4.6
Employee benefits expense	(1,086)	(382)	184.1
Total Expenses	(2,404)	(1,844)	30.3
Loss for the period	(2,084)	(1,538)	35.4

- Total revenue increased by 4.6% in 1H17
- Total expenses increased by 30.3%, which is consistent with our stated plan to build management capability during 1H17

Balance sheet is debt free following conversion of notes

	31 Dec 2016 \$	30 Jun 2016 \$
ASSETS		
Current Assets		
Cash and Cash Equivalents	5,188,077	7,384,118
Trade and Other Receivables	404,047	566,182
Other	48,150	-
Total current assets	5,640,274	7,950,300
Non Current Assets	38,314	25,191
Total Assets	5,678,588	7,975,491
LIABILITIES		
Current Liabilities		
Trade and Other Payables	445,450	908,573
Borrowings	-	1,214,020
Other	155,214	170,540
Total current liabilities	600,664	2,293,133
Non current liabilities	54,751	47,650
Total Liabilities	655,415	2,340,783
Net Assets	5,023,173	5,634,708

- Movement in Cash between 30 June 2016 and 31 December 2016 reflects the investments made to build the business
- Reduction of Other Receivables and Other Payables relative to 30 June 2016 relates to the one off nature of activities associated with the IPO
- All Notes converted prior to 31 December 2016, resulting in a debt free position

**OPERATIONAL REVIEW:
DELIVERING A PLAN AND NOW EXECUTING ON IT**

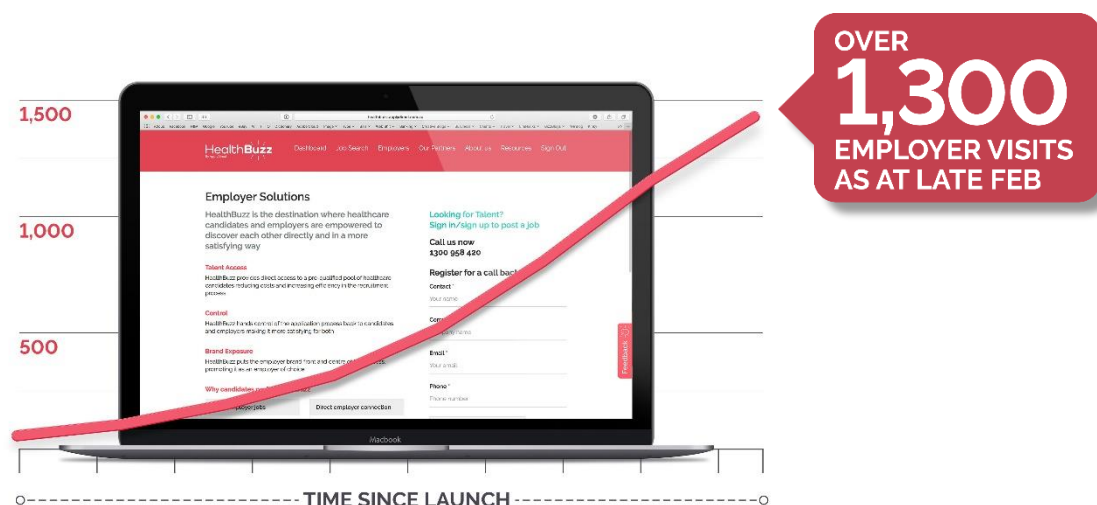
Highly credentialed sales team recruited, onboarded, and active in the market

Strengthening the sales capability to realise the significant opportunity available

- Following the commencement of our Sales Director, the sales team more than doubled by the end of January 2017
- Each member of the sales team has deep sector experience
- The majority of the team is field based, targeting large enterprise customers
- Small-to-medium size customers are targeted by inside-sales
- Within just six weeks, the sales team has developed considerable momentum across health and government verticals



Mercury strategic alliance is proving very effective



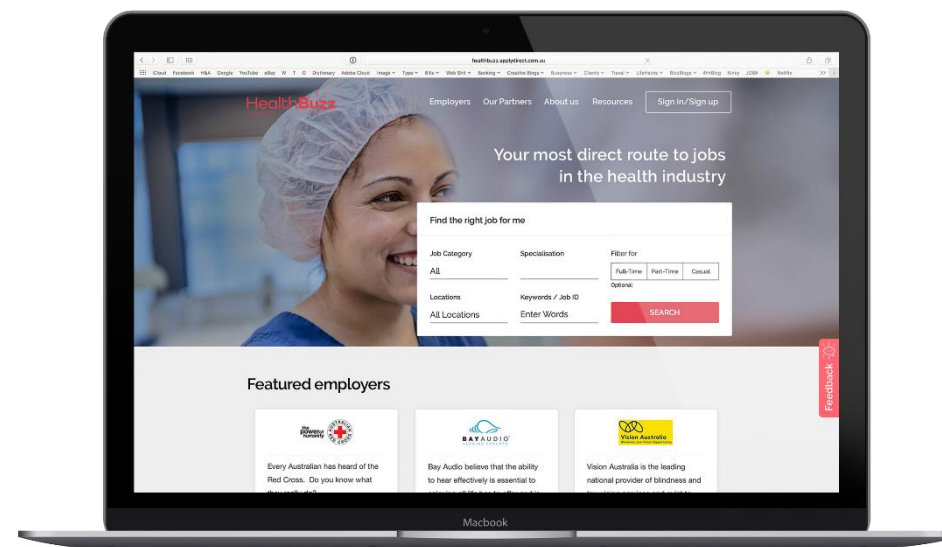
- Industry first integration with Mercury e-Recruit and Fit2Work platforms **separates HealthBuzz from the pack**
- Leveraging established footprint in health will significantly **reduce HealthBuzz's cost of sales**, including time to convert
- Joint promotional activity will **deliver important marketing synergies**
- **Collaboration on future development** will further strengthen HealthBuzz's points of difference
- Like minded partners **enables HealthBuzz to be nimble** in addressing the needs of the health sector

"Since the announcement of the strategic alliance with ApplyDirect, the feedback from customers has been fantastic. The market is clearly ready for change and sees HealthBuzz as a real alternative." **John Anastasiou, Mercury Founder and CEO**

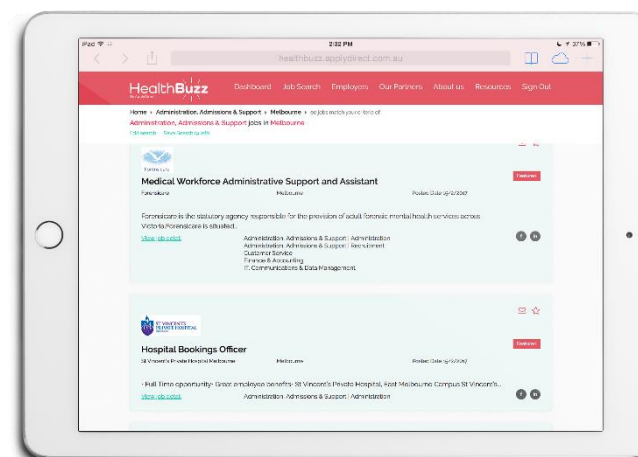
What customers are saying about HealthBuzz

- Positioning as an industry specific product with **all health jobs and all health candidates**, gives it relevance
- Strategic alliance with **Mercury** provides instant **credibility** among health employers
- **One-stop-shop** candidate value proposition provides reach, particularly for hard to fill roles
- Prequalified **candidates that are fit to work** is an important point of difference, significantly reducing time to hire and increasing return on investment
- Flexibility of services and responsiveness make us **easier to deal with**

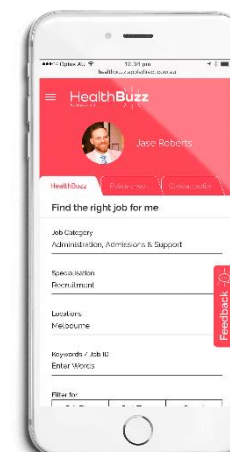
In summary, the health sector wants HealthBuzz to be successful and is ready to adopt!



Simple home page search



Matching candidates to employer jobs

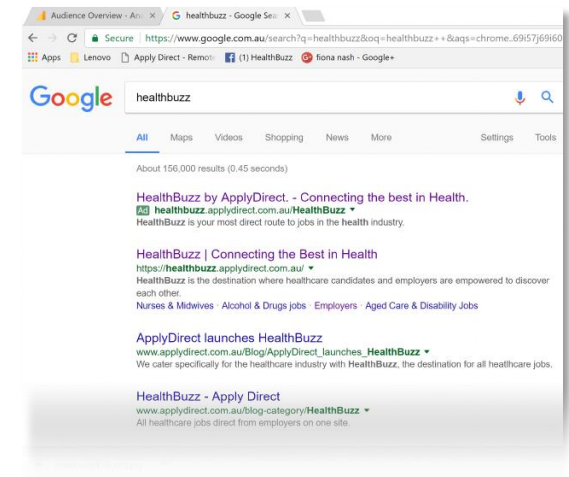


Candidate profile

Activity on HealthBuzz after six weeks...

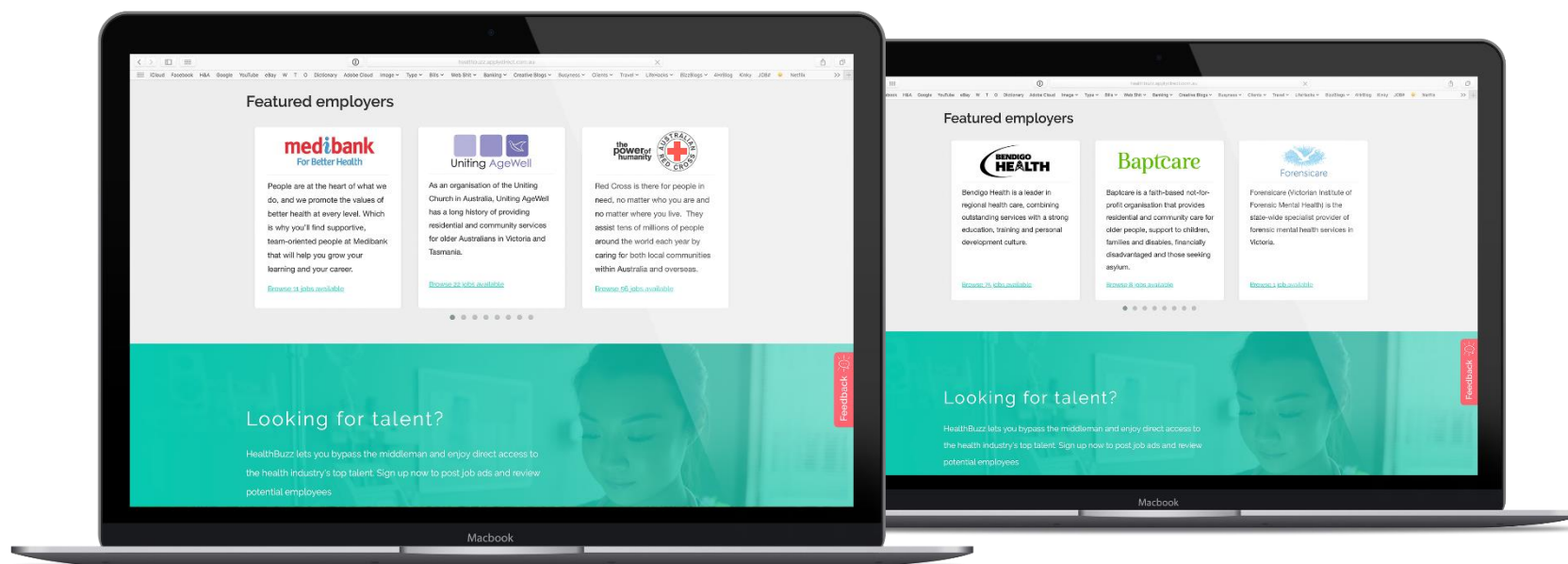
- Since late January, candidate traffic has more than doubled to ~400k, resulting in almost 4 million job searches
- SEO ranking building as content and authority expands
- Over 70% of health jobs currently advertised, with remainder to follow by 30 June 2017
- Very strong pipeline building, due not only to the Mercury partnership, but also the ready-made sales capability recruited into the business

Management is delighted with both the acceptance and adoption of HealthBuzz in such a short time period and is encouraged by the opportunity to significantly penetrate the market over the next six months



Primed to deliver strong revenue growth in 2H17

- The sales team has already developed momentum across the health and government verticals. For example:
 - As at late February, more than 10 health employers are subscribing to HealthBuzz;
 - Both the Department of Defence and the NSW Government are contributing to the sales pipeline, with other opportunities at various stages of advancement; and
 - Introduction of on-site advertising product, which is driven by our media specialist
- The enhanced sales capability positions the business to achieve significant growth in 2H17, with opportunities expected to be realised across both ApplyDirect and HealthBuzz



**OUTLOOK:
BUILDING SUSTAINABLE AND EXPANDING REVENUES**

Driving 1H17 investments in sales and marketing to build a sustainable and expanding revenue base

In the second half of FY17, ApplyDirect expects to achieve a number of key milestones, including:

- Strong growth in the number of paid job ads across all ApplyDirect domains, HealthBuzz in particular
- Attracting significant monthly candidate engagement to HealthBuzz, building on the strong run rate as at late February
- Significant number of renewals from existing ApplyDirect customers
- Focusing R&D on the development of additional government modules, which will greatly enhance ApplyDirect's points of difference in the government sector
- Expanding the contribution of government through both advertising and project based revenue



A quality sales team, supported by the Mercury alliance, receiving positive customer feedback, which is resulting in a strong pipeline, has positioned the business to deliver strong revenue growth in 2H17

QUESTIONS

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