

## ApplyDirect Limited June Quarterly Report and Appendix 4C

**Melbourne, Australia, 27 July 2017:** ApplyDirect Limited (ASX: AD1) (**ApplyDirect** or the **Company**) today released its Quarterly Report and Appendix 4C for the three months to 30 June 2017, highlighting revenue growth and strong business momentum as it commences the 2018 financial year.

ApplyDirect CEO, Lorcan Barden, said: “The period since April has seen significant progress towards our strategic objectives and we are very excited about the opportunities before us as we continue to build scale and further enhance our track record of developing and implementing innovative and value adding e-recruitment solutions.

“We have seen strong growth in all our key business metrics in the June quarter, and with the successful launch of our integrated talent acquisition solution in early June, strong renewals from existing customers and new contracts recently agreed with the NSW Government we are commencing the 2018 financial year with significant momentum.”

### Key Business Highlights

- Customer receipts in the June 2017 quarter were up 171% on the March 2017 quarter (i.e. \$356k compared to \$131k), reflecting both the strong growth in customers signed during the June quarter and the benefit of those signed during the March quarter. Total customer receipts for the year ended 30 June 2017 was \$800k
- Signed a three-year Managed Services Agreement with the NSW Government, both expanding and extending the long-term relationship between the parties and resulting in a significantly increased contribution to revenue over the next three years
- Launched the ApplyDirect/HealthBuzz integrated talent acquisition solution in early June 2017 with five (5) new customers already signed up by late July 2017 and three (3) of those customers signing long-term agreements
- ApplyDirect was engaged by NSW Health to upgrade the integration of its e-recruitment system with the iworkforNSW platform, whilst also advising the NSW Government on its iworkforNSW innovation roadmap. In terms of the latter, a pipeline of opportunities has resulted, which will be executed as the various components of the roadmap are rolled out
- As at 30 June 2017, the HealthBuzz platform listed over 95% of all employer jobs in the health sector. This has been a significant contributor to strong growth in candidate visits (over 1.5m visits since launch)
- Since the previous update in April 2017, HealthBuzz has enjoyed a further:
  - ~45% increase in candidate visits;
  - ~45% increase in jobs searched; and
  - ~110% increase in apply click-through rate
- Renewal of existing customers exceeded 80% for the year ended 30 June 2017, which continues to demonstrate the strong endorsement of ApplyDirect’s enduring value proposition

- Upgraded the ApplyDirect jobs platform in June 2017, leveraging the investment in HealthBuzz, to enhance both its functionality and user experience

## **Integrated talent acquisition solution**

In early June 2017 ApplyDirect launched its new end-to-end talent acquisition solution across both the ApplyDirect and HealthBuzz brands. The integrated product is a plug and play solution that combines the power of ApplyDirect's candidate attraction technology and digital marketing solutions with the Mercury Group's applicant tracking system and credentialing capabilities and it represents a strong endorsement of the Company's partnership with Mercury.

The initial response from employers has been very strong with five (5) new customers already signed up by late July 2017. Importantly, we have seen the majority of our new integrated solution customers signing up to three-year agreements reflecting that our customers are seeking longer term and deeper relationships with ApplyDirect. Bundling a broader range of services into the integrated product has also provided ApplyDirect with the opportunity to significantly increase its average revenue per customer. It is expected that the average revenue per customer will double as a result of these agreements.

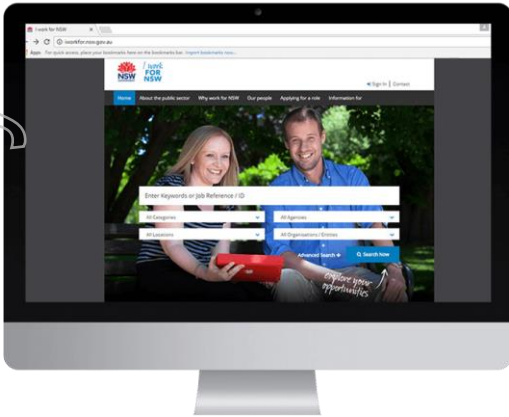
## **NSW managed services**

On 17 July 2017 ApplyDirect announced that it had signed a three-year Managed Services Agreement with the NSW Government.

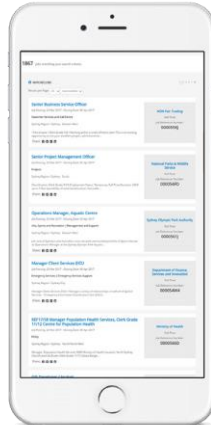
The new agreement extends the existing long-term relationship with the NSW Government, whilst also expanding the scope of services to include digital marketing, thus complementing the ApplyDirect technology both in attracting job seekers to, and engaging candidates on, the iworkforNSW platform. The ability of ApplyDirect to now combine its proprietary technology and its digital marketing capabilities in this expanded services agreement underscores its unique position in the e-recruitment market and demonstrates the importance of ApplyDirect to the largest employer in Australia.

The managed services agreement is in addition to ApplyDirect's role in advising the NSW Government on the iworkforNSW innovation roadmap, and in delivering ongoing platform enhancements such as the recent technology integration between NSW Health's e-recruitment system with the iworkforNSW platform that was announced to the ASX on 24 May 2017. The long-term commitment of the NSW Government is expected to support a pipeline of additional opportunities such as those previously announced.

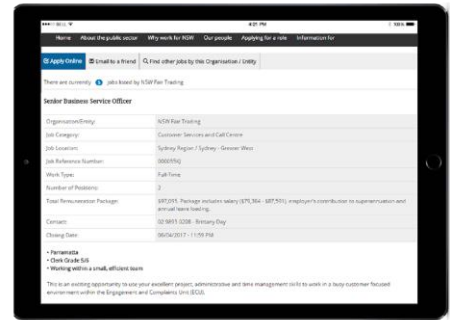
Search for job



Search results



Apply for job



## Examples of iworkforNSW platform features

The success of ApplyDirect's relationship with the NSW Government has been an outstanding case study on ApplyDirect's capability to deliver innovative and value creating recruitment solutions to large public-sector employers, and that experience has been critical in opening up additional opportunities that ApplyDirect is currently pursuing with other governments in Australia.

## Building scale and relevance

The critical mass and increasing market penetration achieved by ApplyDirect has also attracted increasing interest from advertisers looking to take advantage of ApplyDirect's on-site advertising capability. On-site advertising campaigns have been conducted across both the ApplyDirect and HealthBuzz platforms by a range of businesses including employers, superannuation funds, service providers and retailers. Major recent campaigns have included Defence Force Recruitment, Australia Post, Pearson Education, Federation University, Society One and Media Super. In addition, First State Super recently signed a six (6) month multi-faceted digital media campaign, which will be our largest and longest running on-site advertising campaign to date.

### Candidate Visits

Visits



### Jobs Searched

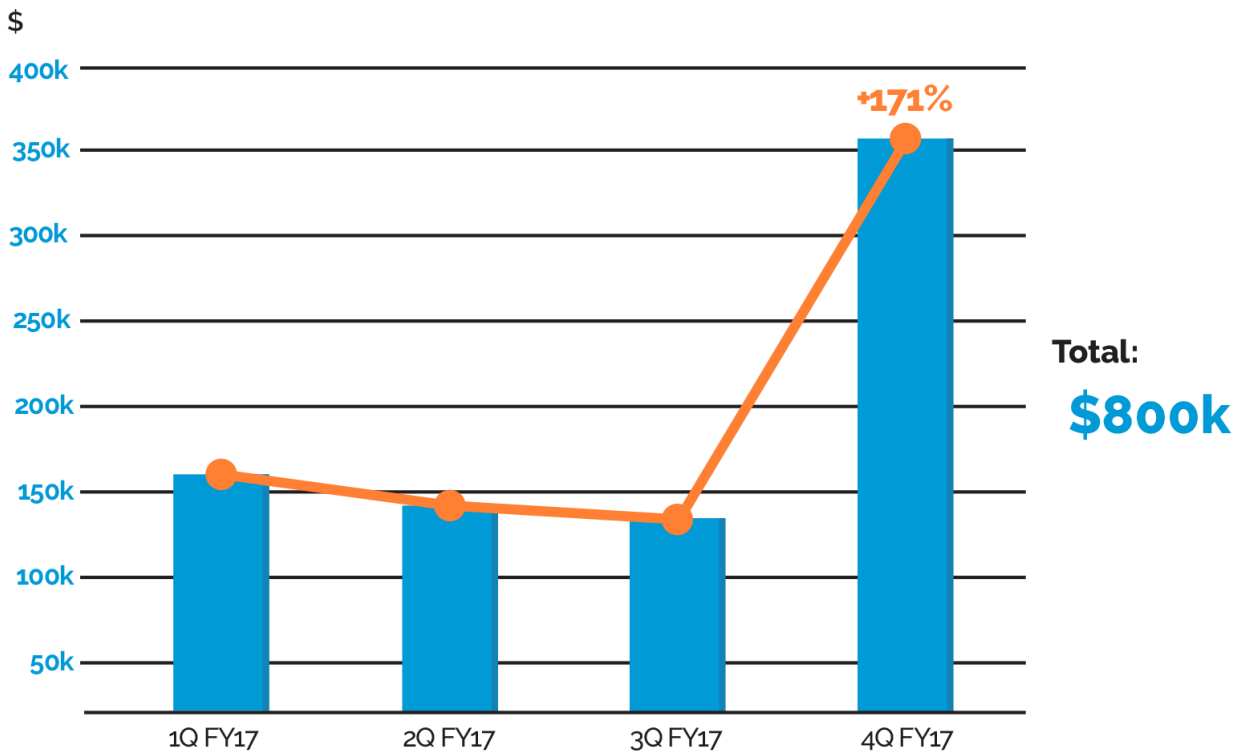
Searches



## Revenue outlook

Customer receipts in the June 2017 quarter were up 171% over the March 2017 quarter, driven by new customers signed during the quarter, the full benefit of new customers signed through the March quarter, growth in project based revenue, and strong existing customer renewals. Customer receipts for the 12 months to 30 June 2017 were ~\$800k.

### Customer Receipts



The recently signed integrated talent acquisition solution customers are currently being onboarded and will 'go live' in August 2017. As such, those new customers, together with the significantly increased contribution from the NSW Government will lead to a significant increase in revenue towards the end of the September 2017 quarter and beyond.

END

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CEO

ApplyDirect

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## About ApplyDirect

ApplyDirect is a marketplace where employers and candidates can discover each other directly. We give control back to candidates and employers.

We aim to provide employers with fast, direct access to high quality talent at a lower cost, with less hassle and in a way which cuts out the middle man.

Jobseekers discover the job they've always wanted but could never find, or access. We connect them with companies actually looking for candidates – organisations for which they want to work. We give candidates the platform and tools to develop their careers and secure the job that is right for them.

We aim to end the inefficiencies that exist in the market today, providing candidates and employers with a better experience. Our search engine assesses, consolidates and catalogues job listings and makes them easily available to the right candidates. Our platform takes the stress out of looking for the right job, and brings strong talent straight to an employer's door.

In October 2016, ApplyDirect entered into a strategic alliance with Mercury Group of Companies Pty Ltd (Mercury), the largest supplier of workforce management software to the healthcare sector.

The alliance connects ApplyDirect's industry first platform, HealthBuzz, with Mercury's workforce management software, bringing together employers and candidates directly – without the need for recruitment agents and job boards.

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Apply Direct Limited

**ABN**

29 123 129 162

**Quarter ended ("current quarter")**

30 June 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	356	800
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(78)	(466)
(c) advertising and marketing	(395)	(1,587)
(d) leased assets	-	-
(e) staff costs	(754)	(2,337)
(f) administration and corporate costs	(156)	(930)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	14	70
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	252
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,015)</b>	<b>(4,200)</b>

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(7)	(24)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(7)</b>	<b>(24)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	50
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>50</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	4,231	7,384
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,015)	(4,200)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(7)	(24)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	50
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>3,210</b>	<b>3,210</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	946	1,981
5.2 Call deposits	2,264	2,250
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3210</b>	<b>4,231</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	154
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

The amount at 6.1 includes payment of directors' fees and payments to a director related entity excluding superannuation and reimbursement for administrative expenses and travel expenses.

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7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

N/A

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	208
9.3 Advertising and marketing	400
9.4 Leased assets	-
9.5 Staff costs	723
9.6 Administration and corporate costs	272
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>1,603</b>

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10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
Company secretary

Date: 27 July 2017

Print name: Phillip Hains

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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