

ApplyDirect Limited September 2017 Quarterly Report and Appendix 4C

Melbourne, Australia, 31 October 2017: ApplyDirect Limited (ASX: AD1) (ApplyDirect or the Company) today released its Quarterly Report and Appendix 4C for the three months to 30 September 2017 highlighting continued business momentum through the first quarter of the 2018 financial year.

ApplyDirect CEO, Lorcan Barden, said: “The first quarter of the 2018 financial year has been instrumental in realising the benefits from the new customer agreements signed in recent months, including the NSW Government Managed Services Agreement and the initial group of customers signed to our integrated talent acquisition solution.

“Equally, new customer acquisition was also an important priority during the quarter. Pleasingly, this focus resulted in the addition of UBER, nab, TAC and the Australian Institute of Business to our customer base. The acquisition of such brands, combined with year-to-date existing customer renewal rate of over 80%, is a very strong endorsement of the value that our solutions deliver across all our customer segments.

“The on-boarding of the majority of our initial integrated solution customers has now been completed and the early results have been very impressive. Specifically, our customer’s enhanced online discoverability has resulted in an over 200% increase in visits to their (ApplyDirect powered) careers pages, with over 80% of candidate applications now coming directly. Further, the processing of these direct candidates through our integrated e-recruitment solution has reduced the time to hire by over 65%.

“Execution of the iworkforNSW innovation roadmap is also providing the pipeline of additional revenue opportunities that we had expected. The next project workstream is currently being scoped and is expected to commence in November 2017.

“Importantly through this period cash receipts have been maintained, with strong growth expected in the December quarter driven by the new customers acquired year-to-date, the ramp up of project work with the NSW Government, the increased contribution of our new integrated solution customers, and a very strong sales pipeline.”

Key Business Highlights

- Successfully on-boarded the majority of new integrated solution customers. The early results have been outstanding with customers experiencing significant improvements in terms of the number and quality of candidates, and in the significantly reduced time and cost to hire.
- In addition to the new three-year managed services agreement, ApplyDirect is working with the NSW Government to implement its iworkforNSW innovation roadmap. This provides an additional source of revenue beyond the Managed Services Agreement. The next project is expected to commence in November 2017.
- ApplyDirect’s relevance and market penetration continue to expand with over 1.1 million visitors per month now being attracted to its ecosystem. This has enabled the recent acquisition of such customers as UBER, nab, TAC and the Australian Institute of Business. Further, it has also supported the existing customer renewal rate of over 80%.
- New Head of Corporate Solutions, Rebecca Freer, was appointed to accelerate growth of ApplyDirect’s integrated talent acquisition solution, leveraging the strong pipeline of opportunities among the thousands of medium enterprises in Australia that currently have limited investment in HR systems and largely manual recruitment processes.

- Cash receipts in the September quarter were \$326,000, with strong growth expected in the December 2017 quarter driven by the new customers acquired year-to-date, the ramp up of project work with the NSW Government, the increased contribution of the recently on-boarded integrated solution customers, and a very strong sales pipeline.

Integrated solution customer on-boarding

A core priority for ApplyDirect in the September quarter was the on-boarding of customers recently signed to our integrated talent acquisition product, a plug and play end-to-end solution that combines ApplyDirect's candidate attraction technology and digital marketing solutions, with the Mercury Group's e-recruitment system and credentialing solutions.

On-boarding of the majority of customers was successfully completed in September, with all customers enjoying the benefits of the ApplyDirect careers platform, inclusive of their unique employer branding, an integrated e-recruitment solution to process the applicants now coming directly, and industry first transparency and insight into the end-to-end process from advertising to hire.

The early results from those customers that have completed on-boarding have been very impressive. For example:

+230%

increase in visitors to the ApplyDirect powered employers careers pages

+80%

of applications come directly from candidates that visit the employer careers pages

↓ 65%

reduction in the time to hire

The full financial benefits to ApplyDirect of the agreements with these customers will begin to flow from the second full month after the completion of on-boarding.

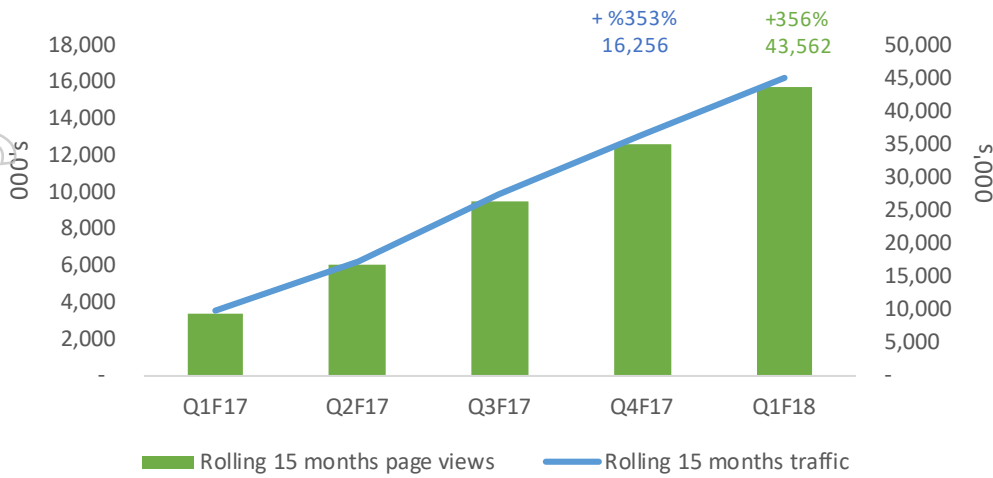
Building scale and relevance

With the successful on-boarding of customers using the integrated solution, ApplyDirect now has a comprehensive suite of tailored products producing efficiency and cost reduction outcomes for our targeted customer segments: government; institutional corporates; medium enterprises; and small enterprises.

This product suite is highly scalable and can be quickly and seamlessly implemented without the need for IT / change management projects and has been proven to produce immediate benefits for customers.

Platforms powered by ApplyDirect solutions are now attracting over 1.1 million visitors per month for customers such as the NSW Government, Bupa, Monash Health, Sunsuper, Uber, St. Vincent's Hospital and many others.

Traffic Growth and Page Views Across ApplyDirect Ecosystem



ApplyDirect’s increasing relevance with candidates has facilitated the recent acquisition of such customers as UBER, nab, TAC and the Australian Institute of Business. Further, it has also supported existing customer renewals of over 80% year-to-date.

UBER



NSW Government innovation roadmap

ApplyDirect’s three-year Managed Services Agreement with the NSW Government was signed in July 2017, extending the existing long-term relationship between the parties and also expanding the scope of services to include digital marketing. In addition to the scope of the managed services agreement, ApplyDirect also has a role in advising the NSW Government on the *iworkforNSW* innovation roadmap which will deliver ongoing enhancements to the platform.

The first of those was the previously announced upgrade for NSW Health that was delivered in the June 2017 quarter. ApplyDirect is currently working with the NSW Government to scope the next project, which is expected to commence in November 2017.

ApplyDirect expects that implementation of the *iworkfor.nsw.gov.au* innovation roadmap will provide a significant and ongoing source of revenue above and beyond the scope of the NSW Government Managed Services Agreement and will contribute to the expected strong growth in revenue in the December 2017 quarter.

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Revenue outlook

Cash receipts in the September 2017 quarter were \$326,000 driven by good growth in subscription revenue and managed services fees, but lower project revenue during the period. Cash receipts during the period were enhanced by the Company's R&D rebate of \$287,000. Net cash outflows from operating activities reduced to (\$928,000) from (\$1,015,000) in the June 2017 quarter.

ApplyDirect expects strong growth in both subscription revenue and project revenue in the December quarter driven by the new customers acquired year-to-date, the ramp up of project work with the NSW Government, the increased contribution of the recently on-boarded integrated solution customers, and a very strong sales pipeline.

END

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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.

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 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	326	326
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(205)	(205)
(c) advertising and marketing	(315)	(315)
(d) leased assets	-	-
(e) staff costs	(706)	(706)
(f) administration and corporate costs	(314)	(314)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(1)	(1)
1.7 Government grants and tax incentives	287	287
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(928)	(928)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(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)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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)	-	-
3.10	Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	3,210	3,210
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(928)	(928)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	2,282	2,282

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,282	2,282
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,282	2,282

6. Payments to directors of the entity and their associates	Current quarter \$A'000
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. Payments to related entities of the entity and their associates	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. Financing facilities available <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. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	214
9.3 Advertising and marketing	366
9.4 Leased assets	-
9.5 Staff costs	707
9.6 Administration and corporate costs	374
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,661

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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: 31 October 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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