



FY22 Full Year Results Presentation

May 2022

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PayGroup at a glance

A leading provider of enterprise payroll and human capital management (HCM) solutions



Rapid revenue growth, with record statutory revenue of \$27.2m¹ in FY22 increasing 68% on pcp



Fully compliant payroll solution processing >8.1m payslip transactions² and trusted by >2,800 customers



Processing over \$11+ billion in payslips



Local regulatory and compliance expertise in APAC with global reach through partners



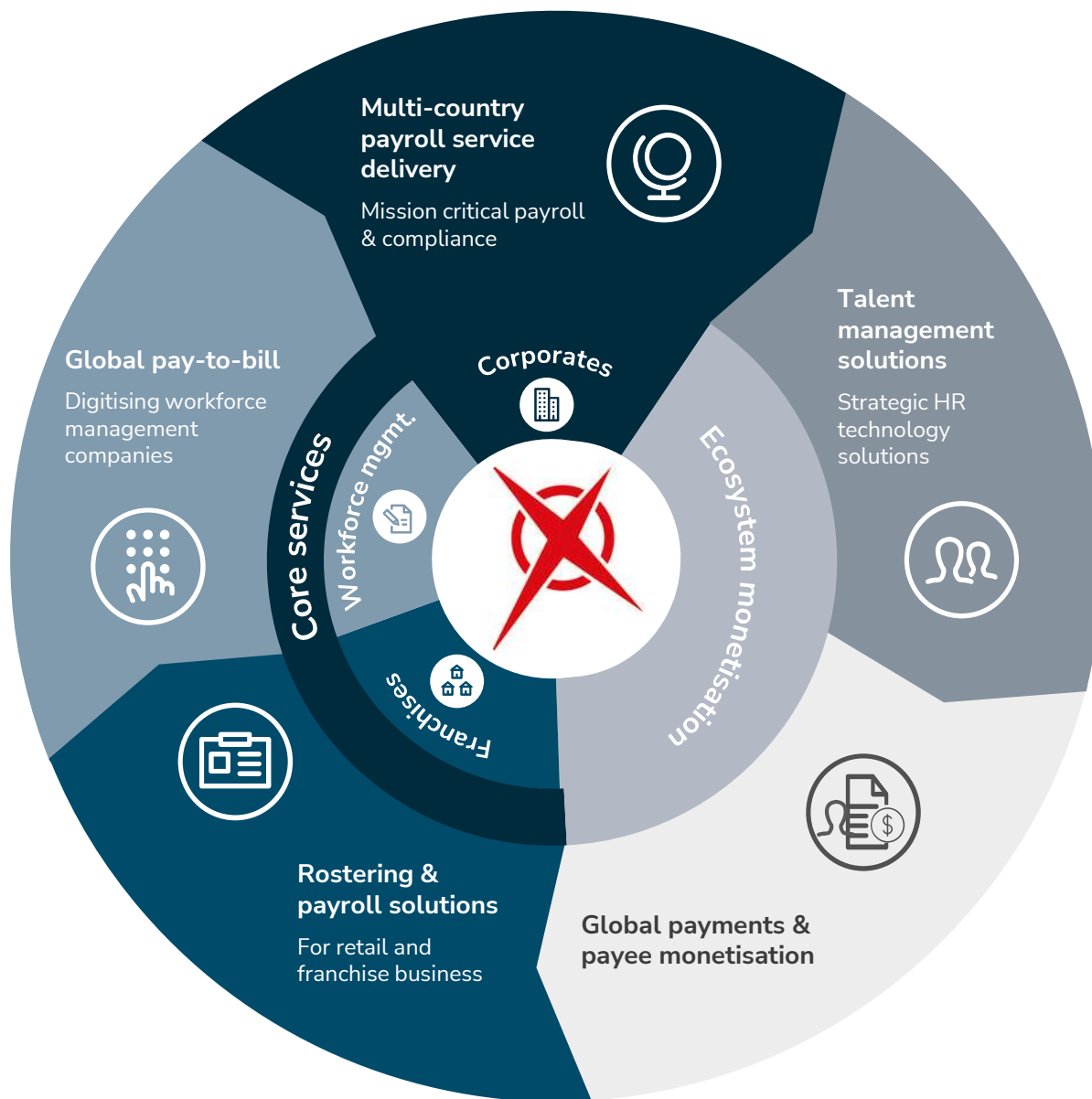
High margin monetisation activities enabled by strong loyalty economics



Maiden profit achieved with record earnings of \$0.1m

1. Including Other Income
2. Annualised as at 31 March 2022

We provide mission critical services through every step of our customers' hire-to-retire journey, across the world



Our world class solutions are trusted to deliver for over 2,800 leading global companies

Corporates

Franchises



Agenda

1

FY22 Financial Results

2

Commercial Update

3

Strategy and Outlook

FY22 financial highlights

PayGroup has delivered a maiden full year profit

Revenue¹

\$27.2m

+68% on pcp



Normalised EBITDA²

\$3.0m

+7% on pcp



New contracts

\$22.5m

+64% on pcp



ARR

\$39.1m

Up \$2.1m on FY21 guidance³



Cash receipts

\$29.6m

+54% on pcp



NPAT

\$0.1m

+\$0.6m on pcp



Note: PayGroup's financial year ends March

1. Includes Other Income

2. Normalised for one-off expenses including consulting fees, mediation costs and acquisition costs as well as annualising IWS revenue for 12 months

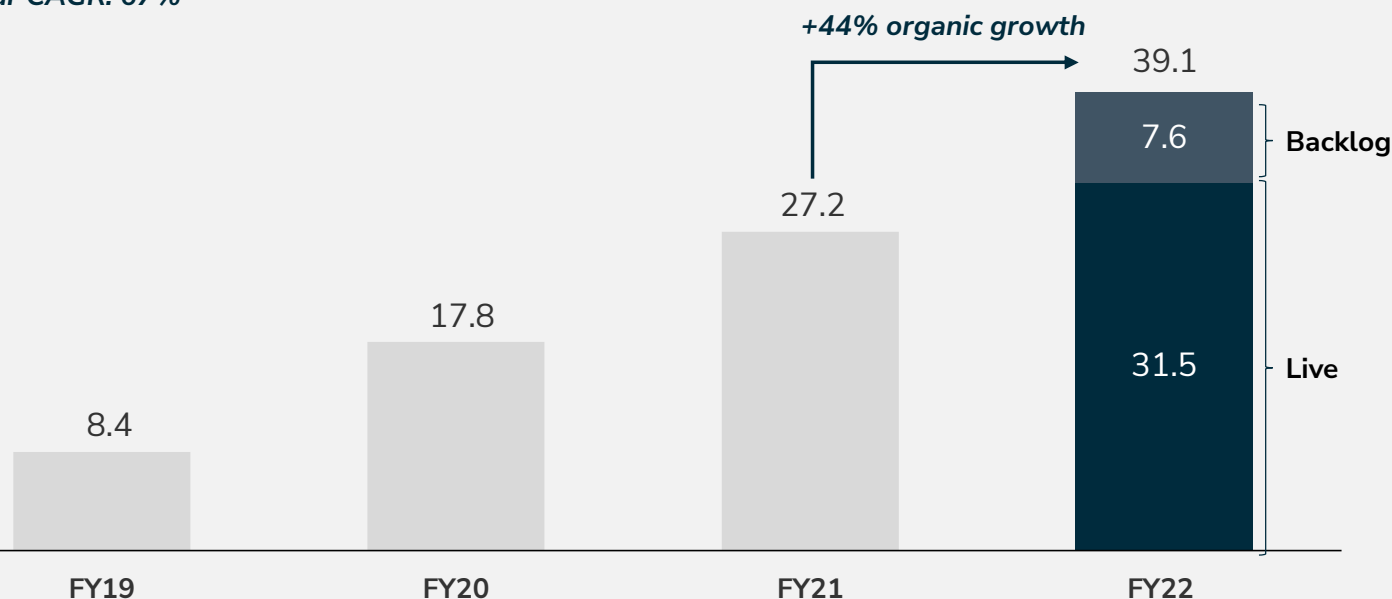
3. Guidance given on 22 July 2021

Record exit FY22 ARR of \$39.1m

Strong organic growth in ARR and rapid implementation of new contracts – 81% of ARR is live

ARR (\$m)

3 year CAGR: 67%

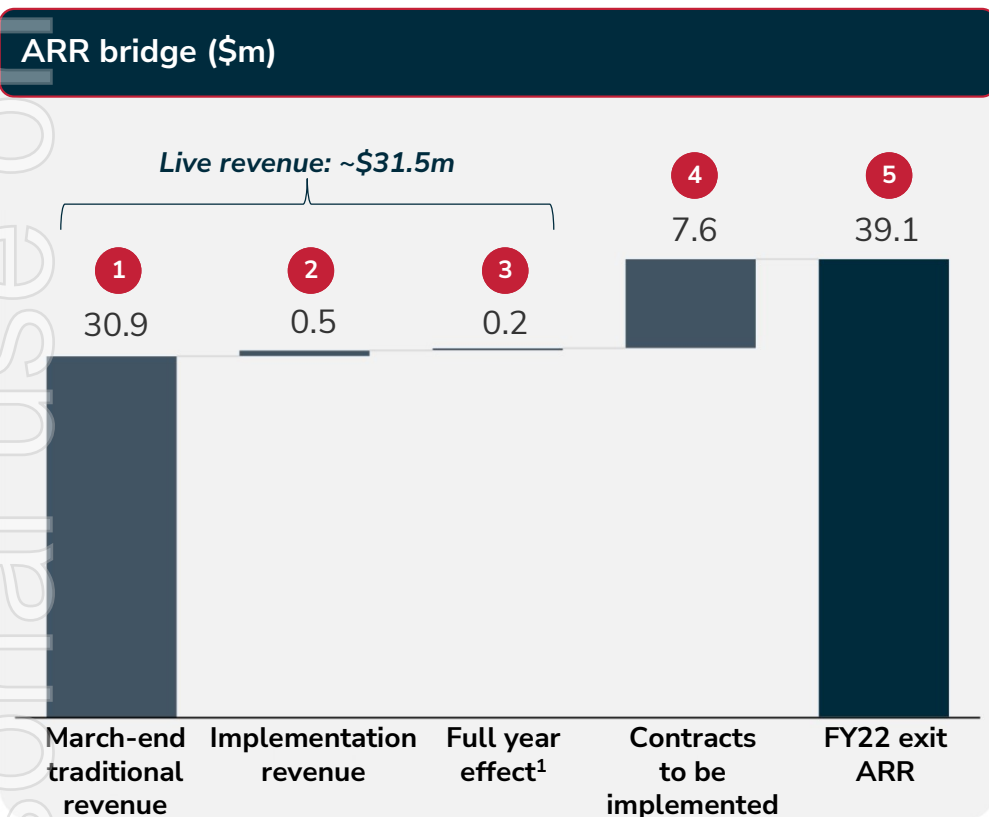


See slide 9 for further details

- Strong organic growth in ARR of 44%
- Growth is delivered by focus on sales and marketing, cross-selling and the Global Partnership Program (GPP)
- \$31.5m of ARR are already live , representing 81% of total exit ARR, highlighting PayGroup's ability to rapidly implement contracts
- Backlog largely attributed to strong sales momentum in final quarter of FY22, coupled with phased roll-out of multi country contracts

ARR composition highlights FY23 momentum

Investments in people, process and technology have driven improved conversion of ARR to revenue

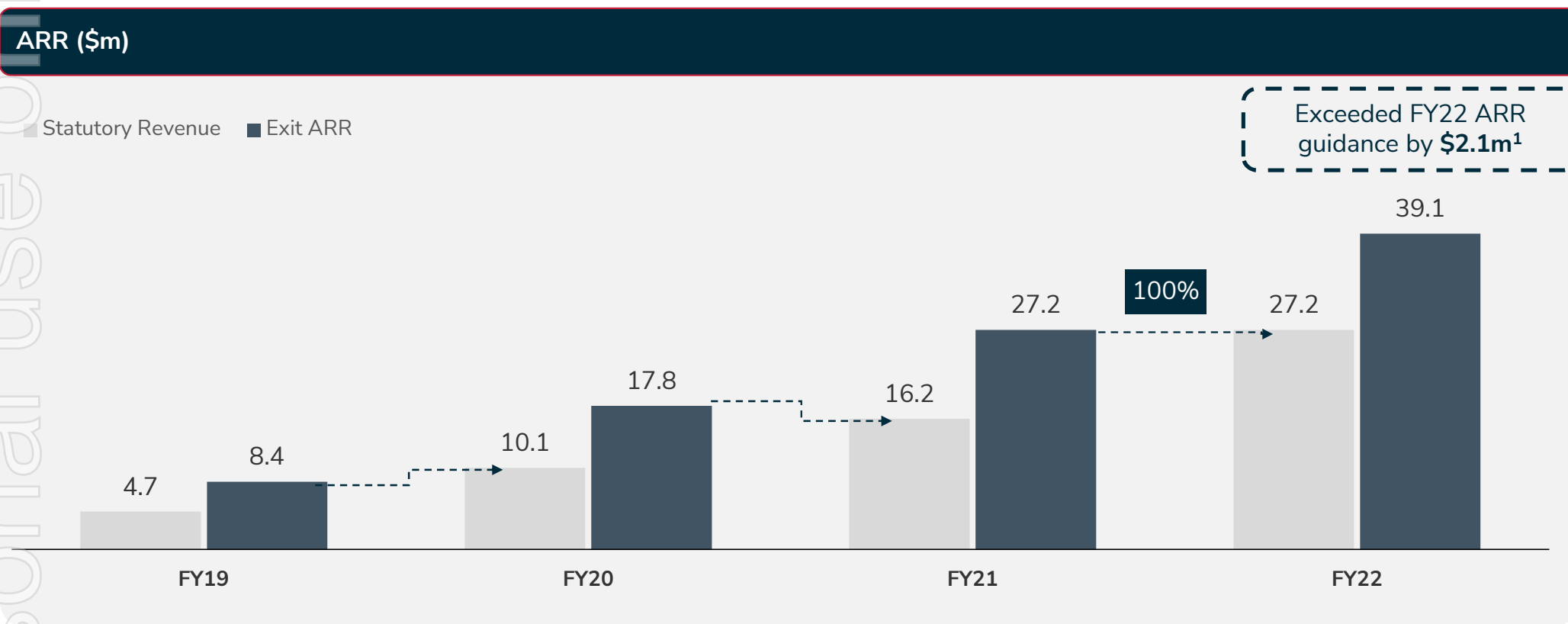


Composition

- 1
 - ✓ Payroll services
 - ✓ SaaS software revenue
 - ✓ Superannuation monetisation
 - ✓ Treasury
 - ✓ Lodgements
- 2
 - ✓ Implementation
 - ✓ Accessing Wages Earned
 - ✓ Other contracted revenues
- 3
 - ✓ Contracts going live in April 2022, which will provide a full year of revenue in FY23
- 4
 - ✓ Contracted future recurring revenue
 - ✓ Contracted future implementation revenues
- 5
 - ✓ FY22 annualised recurring revenue

ARR is a leading indicator of statutory revenue

Strong conversion of prior period exit ARR to statutory revenue



FY22 Results



Elise Nguyen
Chief Financial Officer

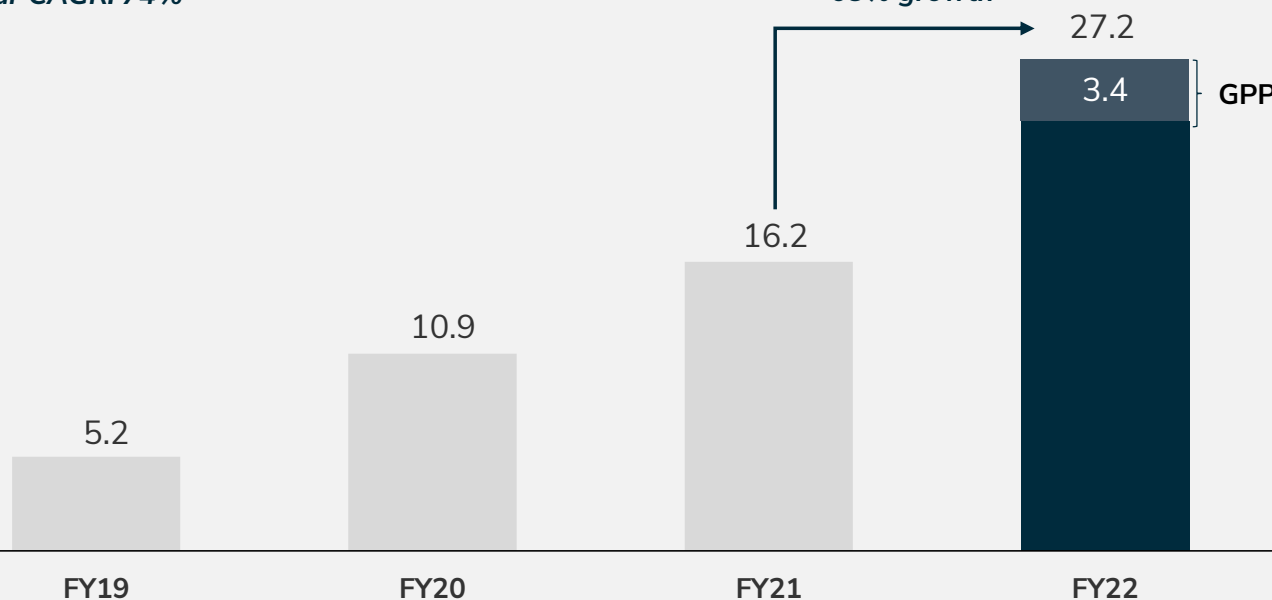
Standout revenue growth of 68%

Record statutory revenue of \$27.2m, highlighting strength of core business

Statutory revenue¹ (\$m)

3 year CAGR: 74%

+68% growth



- Record statutory revenue growth in FY22 following strong sales performance
- FY22 statutory revenue **only includes 11 months** of contribution from IWS
- Continued referrals through the GPP highlight the **strength of the sales channel**
- Cross-sells have contributed strongly to direct revenue, demonstrating the **broad usability of the platform**

Strong financial performance

Maiden profit enabled by the significant growth in revenue

Income Statement

\$m	FY22	FY21	Change
1 Revenue¹	27.2	16.2	68%
COGS	(12.6)	(7.7)	64%
Gross profit	14.6	8.5	72%
GM%	53.7%	52.5%	0.6%
2 Operating expenses	(13.1)	(6.9)	[90]%
Statutory EBITDA	1.5	1.6	(6)%
3 Normalised EBITDA	3.0	2.8	7%
4 Net profit after tax	0.1	(0.5)	+ 0.6m

1 Record revenue driven by strong focus on organic growth, sales through GPP and high margin monetisation opportunities

2 Increased operating expenses attributed to: ~\$1.1m in one-off costs², IWS licensing costs (\$700k), absorption of IWS team, and the strategic hires of key personnel including global and ANZ operations directors

3 Record normalised EBITDA of \$3.0m, highlighting strength of underlying operating business

4 Achieved **maiden profit** of \$0.1m, a \$0.6m improvement on FY21

Note: PayGroup's financial year ends March

1. Includes Other Income

2. One-off costs include consulting fees, mediation costs and acquisition costs

Strong cash position

Enhanced implementation processes drive record cash receipts

Cash flows

\$m	FY22	FY21	Change
1 Cash receipts	29.6	19.2	54%
2 Cash payments	(28.8)	(18.8)	53%
Other	0.1	1.2	(92)%
Operating cash flow	0.9	1.6	(44)%
3 Normalised operating cash flow	1.5¹	0.7²	114%
4 Investing cash flow	(12.0)	(3.1)	288%
5 Financing cash flow	14.1	2.8	406%
Net cash flow	3.0	1.3	131%
Cash at beginning	3.1	2.0	57%
6 Cash at end	6.2	3.1	100%

- Generated record cash receipts driven by record revenue and faster implementation for new contracts
- Cash payments include one-off payments and strategic investment in growing GPP with in-country partners
- Normalised operating cash flow increased by 114% against FY21, excluding 'other' cash flows
- Increase in investing cash flow related to the IWS acquisition and software and technology enhancements. Investment in technology in line with that reported in the 1H FY22
- Financing cash flow primarily relates to the capital raising in March 2021
- Strong cash position of \$6.2m to execute on strategic priorities

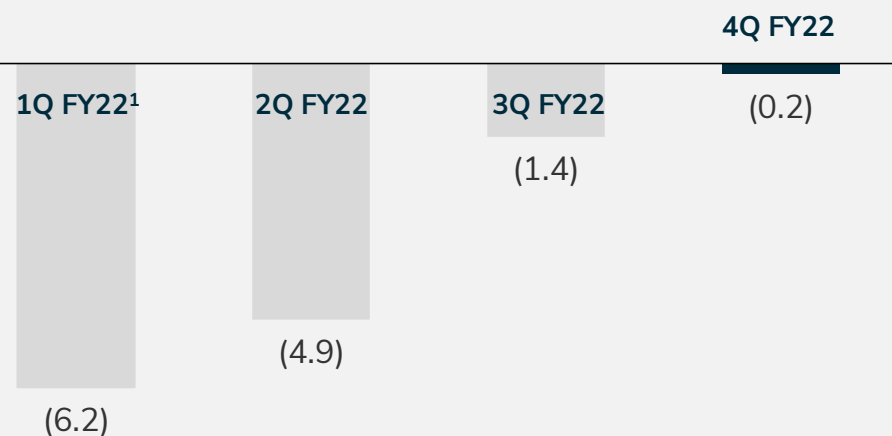
Note: PayGroup's financial year ends March

- FY21 normalised operating cash flow is cash receipts less cash payments, plus one-off expenses relating to consulting and other costs
- FY22 normalised operating cash flow is cash receipts less cash payments, plus one-off expenses relating to consulting and other costs

Approaching cash flow break-even

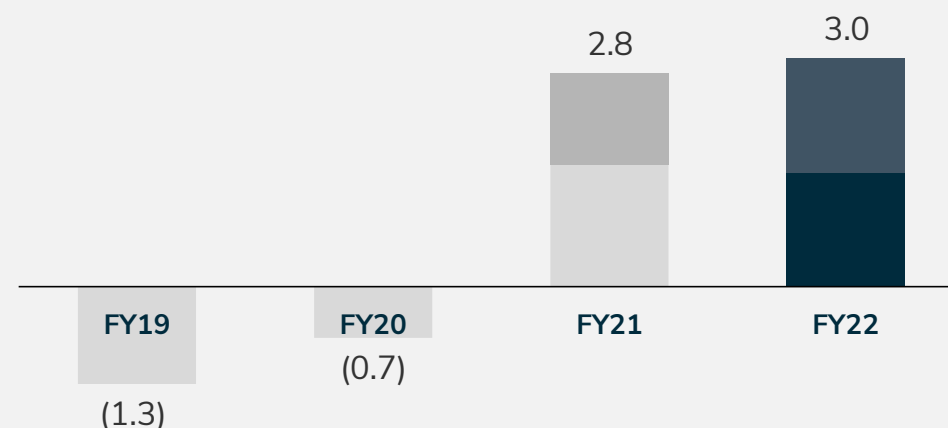
Significant improvement in cash flow profile across FY22

Cash burn (\$m)



- Significant reduction in net cash outflows to \$0.2m in 4Q FY22 highlights the **improving cash flow trajectory into FY23**
- Accelerating trajectory towards cash flow break-even with significant investments in technology and key hires largely completed

Normalised EBITDA (\$m)

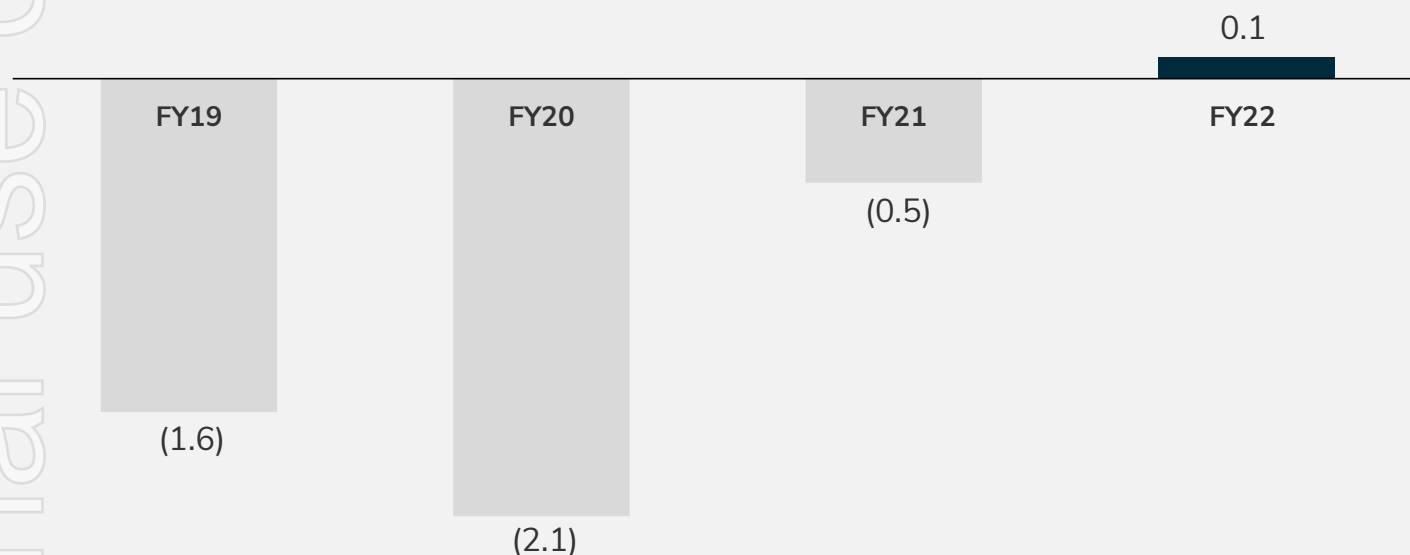


- PayGroup delivers its second consecutive year of positive EBITDA
- Normalised EBITDA of \$3.0m, highlighting the underlying strength of PayGroup

PayGroup achieves maiden full year profit

Management focused on sustainable growth to unlock further earnings potential of PayGroup

NPAT¹ (\$m)



- **First full year profit in FY22** attributed to the record sales momentum
- Deferred tax benefit of \$1.5m recognised, which is typically viewed as a **leading indicator of future profitability**
- Strategic execution on delivering organic growth and greater adoption of higher margin products to drive future operating performance

Commercial update

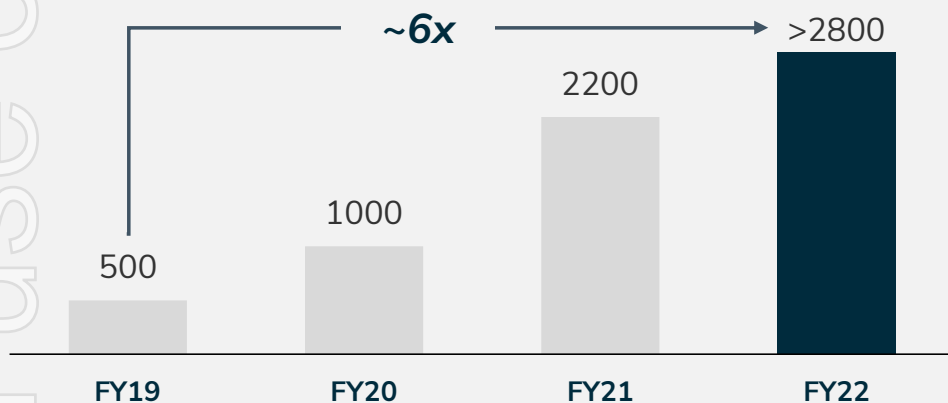


Sachin Goklaney
Chief Commercial Officer

Rapidly scaling operating metrics

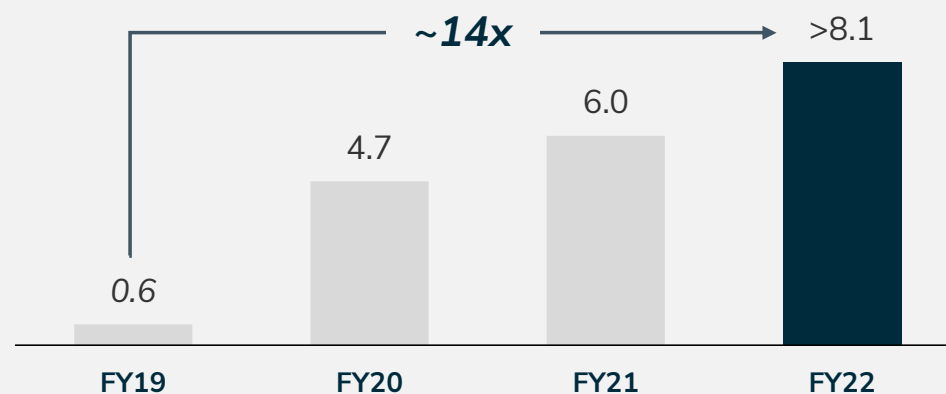
Growth across key operating metrics provide additional opportunities to increase share of wallet

Enterprise customers



- Increased number of leading domestic and global enterprise customers, such as Hudson RPO (NASDAQ:HSN) and Dexu (ASX:DXS)
- Large pool of enterprise customers provide opportunities to drive increased adoption of enterprise monetisation solutions

Payslips (m)



- The growth in payslips processed is amplified by market tailwinds such as the 'great resignation' and low unemployment
- Each new payslip is a revenue generating event, significantly expanding opportunities for further monetisation revenue streams

Unlocking value of customer base

Growing scale of core business and market tailwinds drive monetisation revenue

Enterprises – reducing complexity and improving productivity

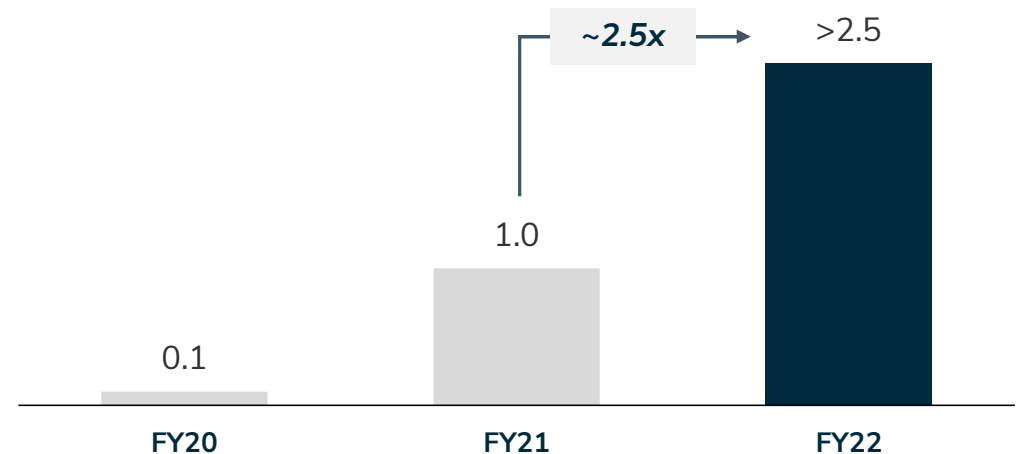
- **Payments:** Enabling customers to pay staff in regions where they do not have a presence
- **HCM Modules:** Providing customers with a full-suite of HR related modules to better manage staff and optimise productivity

Payees – promoting financial well-being

- **Superannuation choice:** Allowing customer's employees the option of choosing a superannuation fund while onboarding to new employer
- **Accessing wages earned:** Allowing payees' to access wages earned – i.e. not in advance. Paid by enterprises to promote financial well-being – i.e. no debt leverage or predatory loans involved

Annualised monetisation stat revenue¹ (\$m)

Rapid growth



Further monetisation opportunities are contracted to go live in FY23

PayGroup continues to expand its reach

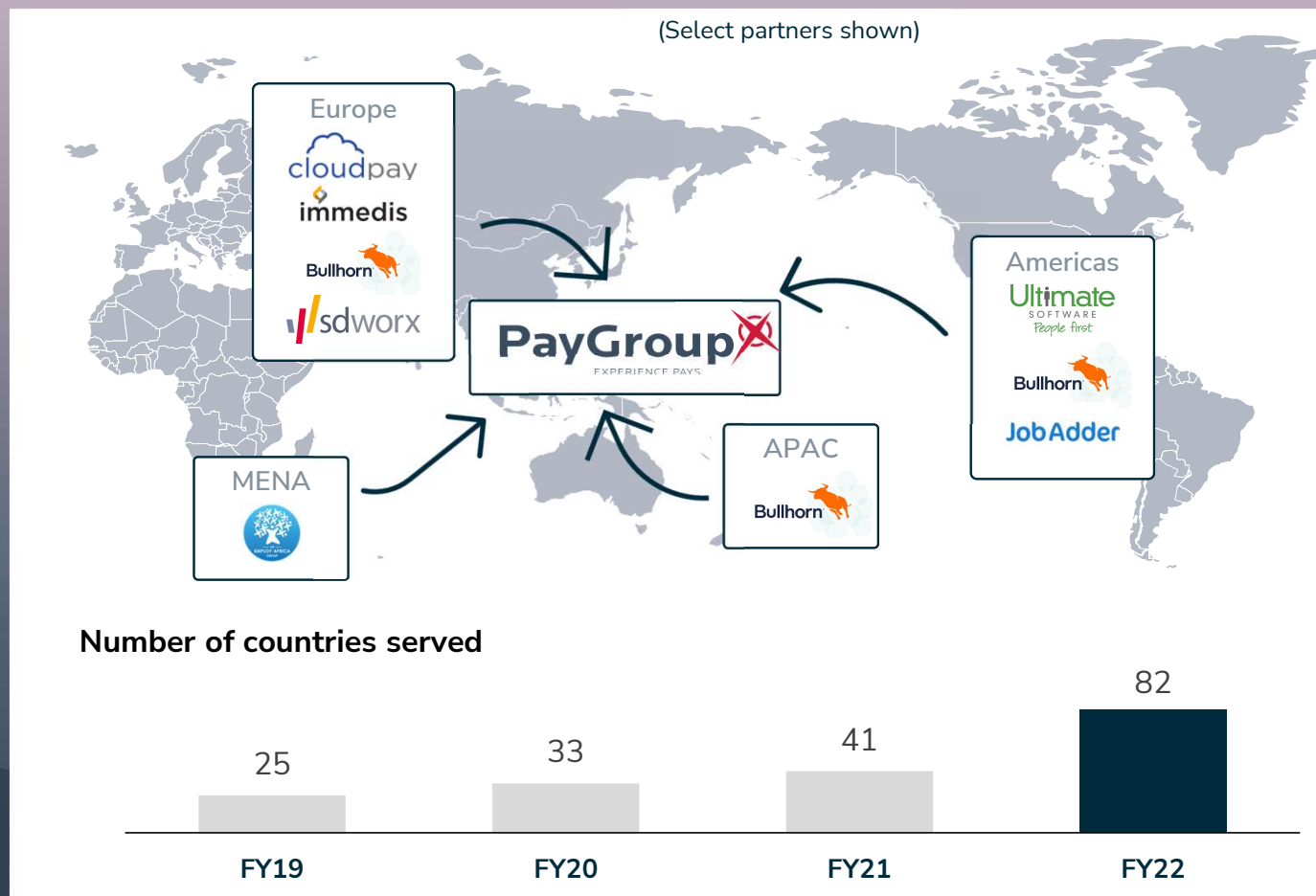
Large global partners choose PayGroup

Global Partner Program (GPP)

- Partners drive new customers from all over the world for multi-nationals needing APAC expertise
- Lower customer acquisition costs and high margin channel complement direct sales activities

New partner signed

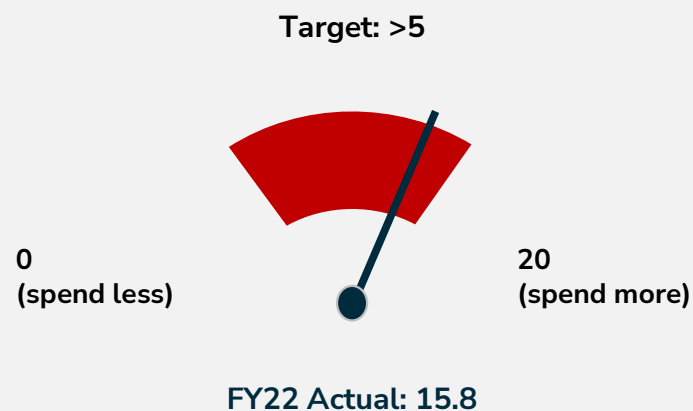
- SD Worx, signed in 4Q FY22, services over 76,000 customers across Europe
- SD Worx's APAC clients will be serviced through PayGroup's existing infrastructure



Customer lifetime value to customer acquisition cost

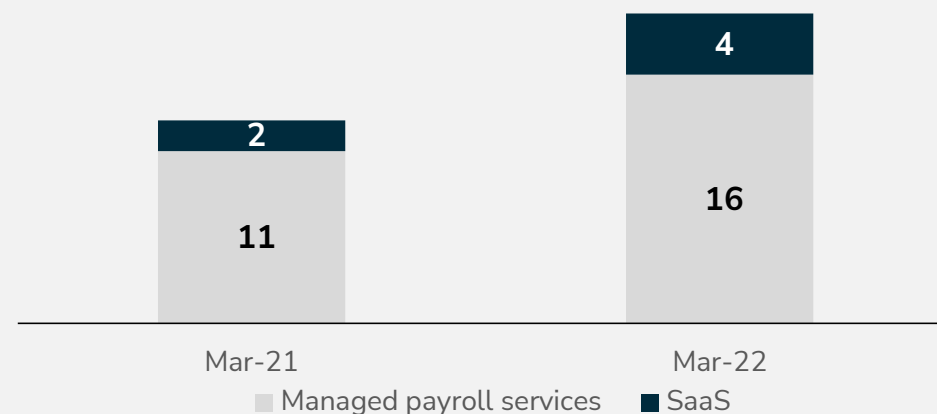
High lifetime value of customers driven by investment in sales and marketing

LTV¹ to CAC²



- PayGroup boasts a **strong Lifetime Value to Cost of Customer Acquisition ratio**, driven by strong customer retention, GPP initiatives and building upsell/cross sell wins
- GPP compliments the direct sales team, with a large network of international sales teams providing a strong sales channel

Sales personnel FTE by service (#)



- PayGroup's lean and **effective sales team** is the main driver behind the CAC cost base
- Sales personnel increased in FY22 to help support growing demand for PayGroup products
- Average cost per FTE in FY22 is \$108k

Note: PayGroup's financial year ends March

1. LTV refers to lifetime value of a customer calculated by taking the average customer lifetime (1-customer retention rate) multiplied by average revenue per customer multiplied by gross margin percentage
2. CAC reflects the total spend on sales and marketing expenses associated with securing new customers divided by the total number of customers added in the period

Loyalty business with long-term customers

Strong loyalty economics drive significant long-term value creation

Customers stay ...

Long lifetime value and low churn

Average lifetime:

9 years

Customer retention¹:

95%

... spend more ...

Increasing customer share of wallet

Recent cross-sells:

laserclinics
AUSTRALIA

Weatherford®

BOMBARDIER

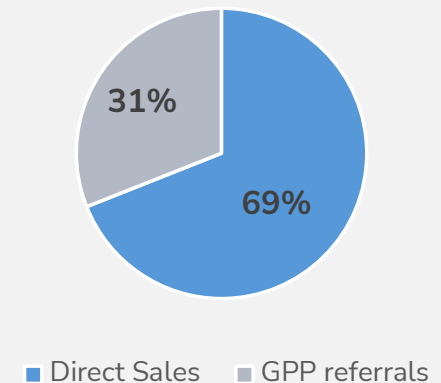
HUDSON RPO

**24% of \$22.5M sales
are cross-sells**

... and drive referrals

Accelerating growth through high margin referrals

New sales by source:



Outlook



Mark Samlal

Founder and Managing Director

Progress against our strategic priorities

Continued focus on strategic execution of key pillars

Deliver organic growth



- ✓ Rapid implementation processes have improved conversion of pipeline into statutory revenue
- ✓ Executed on increasing uptake of monetisation opportunities
- ✓ Enhanced platform capabilities, driving further cross-sells

Realise operating leverage



- ✓ Increased adoption of higher margin products - monetisation and HCM modules
- ✓ Increased efficiency from smart-shoring
- ✓ Enhanced technological capabilities to realise operating efficiencies

Execute on monetisation opportunities



- ✓ Phased roll-out of superannuation product to broader client set
- ✓ Increased revenue through new products (e.g. Accessing Wages Earned)
- ✓ Integration of monetisation solutions into product suite to drive increased adoption





Leverage global partners



- ✓ Large new global partners added, expanding geographic reach and pool of customers
- ✓ Channelled increased opportunity to core APAC market
- ✓ High margin channel expanded, leveraging global sales network of partners

Investable thematicatics of PayGroup

FY23 poised to be a transformative year for PayGroup

	FY22	FY23 outlook
Revenue	\$27.2m	Expected trend: 
	<ul style="list-style-type: none"> Consistent conversion of exit ARR to statutory revenue Revenue growth of 68% Increasing sales team deliver record \$22.5m in new contract signed: +64% 	<ul style="list-style-type: none"> Proven conversion of ARR to statutory revenue 7x sales pipeline even after record sales Leverage GPP partners to drive inbound referrals
Operating leverage	53.7% gross margin	Expected trend: 
	<ul style="list-style-type: none"> Transition to low code technology Established presence in 82 countries with in-country partners Phased roll-out of new monetisation solutions 	<ul style="list-style-type: none"> Standardised onboarding processes to reduce implementation times of new contracts signed Higher GPP contribution margins with foundational investment made Increased adoption of monetisation / HCM products
Net cash flow	\$(0.2)m (4Q FY22)	Expected trend: 
	<ul style="list-style-type: none"> Consistent reduction in cash outflow over FY22 Rapid implementation processes accelerating conversion of contracts to cash 	<ul style="list-style-type: none"> PayGroup aims to be self-sustainable in the near term Record net cash outflow in 4Q FY22 highlight the improving cash flow trajectory into FY23
NPAT	\$0.1m	Expected trend: 

PayGroup's leaders

Experienced and diverse team driving the organisation toward profitability



Mark Samlal

CEO & MD



Elise Nguyen

Chief Financial Officer



Christine Budd

Group Operations Director



Rob Dryden

General Manager - Australia



Shelley Mackie

Client Service Director, Astute



Philip Knox

Sales Director, ANZ



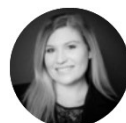
Sachin Goklaney

Chief Commercial Officer



Murali Ramakrishnan

Chief Product Officer



Eloise Roberts

Group PMO Director



Lawrence Pushpam

Chief Sales Officer



Anish Majithia

Commercial Director &
Treasury Services



Krishna Prasad

Sales Director, PayAsia



Franck Neron-Bancel

Chief Strategy & Alliances Officer



Chris Brunton

COO & CTO



Barry Tang

Group Partner Alliance Director



Douglas Tan

Group HR Director



Len Grooms

Product Director



Elliot Stevenson

Sales Manager, Astute

“

We are extremely proud of the record results achieved in FY22, enabled by the continued execution of our strategic priorities. This focus has been spearheaded by our experienced and diverse leadership team, who have all helped drive us to a maiden full year profit. Over the year, we have invested in growing and developing our leaders to ensure our company is well-placed for long term sustainable growth. We firmly believe we have the right people to carry us forward, as we unlock the full earnings potential of PayGroup and create value for our shareholders.

Mark Samlal
Founder and Managing Director
Major Shareholder (19.31%)

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