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9 August 2021

ELMO Software Limited

(ASX:ELO)

ELMO (ASX:ELO) releases FY21 Financial Results

Strong ARR growth and positive EBITDA

Key Highlights

- Annualised Recurring Revenue ('**ARR**') of **$83.8** million, up **52.1%** pcp
- Revenue of **$69.1** million, up **38.1%** pcp
- EBITDA of **$0.4** million, up **$3.3** million pcp
- Cash receipts of **$79.8** million, up **38.8%** pcp
- Well capitalised with **$81.9** million cash on hand

Sydney, Australia 9 August 2021: ELMO Software Limited ('**ELMO**' or '**Group**') today announced results for the full year ending 30 June 2021, reporting strong growth in annualised recurring revenue ("**ARR**"), revenue, cash receipts and customers. In addition, the Group generated a positive EBITDA.

Group ARR grew **52.1%** to a record **$83.8** million. Group organic ARR growth increased to **26.0%** which is up from **17.2%** in FY20.

Revenue increased **38.1**% to **$69.1** million. Over **96%** of revenue was subscription based, which is recurrent in nature. Cash receipts grew **38.8%** to **$79.8** million. EBITDA grew to **$0.4** million, up **$3.3** million from FY20.

ELMO's mid-market business continued to grow strongly, to **3,114** customers, up **85.1%** pcp. Mid-market ARR grew to **$74.7** million, up **35.7%** pcp. Mid-market revenue grew to **$63.6** million, up **27.1%** pcp. The mid-market gross profit margin increased to **86.4%**, up **1.0%** pcp.

The small business solution, Breathe, grew rapidly with annualised ARR growth of **51.8%.** The Breathe customer base grew to **9,069** at 30 June 2021. Gross profit margin remained high, at **89.5%**.

ELMO remains well capitalised with **$81.9** million cash on hand.

ELMO Software CEO and Co-Founder Danny Lessem said: "ELMO's growth journey continued in FY21 as we delivered on our growth strategy.

"We saw strong growth returning throughout 2H FY21 from the mid-market segment and growth accelerating in the Breathe (small business) segment. In addition, our cost ratios reduced as we saw some operating leverage come through and were also able to generate a positive EBITDA.

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"In FY21, ELMO completed two significant acquisitions. The first was Breathe, a rapidly growing self-service small business HR solution. The second was Webexpenses, a market leading expense management solution for the mid-market in the UK.

"We have completed integration of the Webexpenses solution, and it is being successfully cross-sold in the ANZ region. We have also leveraged Webexpenses operational footprint in the UK to launch ELMO's mid-market HR solution there.

"Breathe, the small business segment posted exceptional growth of 51.8%. In 2H FY21, we added modules to the Breathe suite in the UK and it's pleasing to see strong uptake. We recently launched the Breathe solution in ANZ and expect to ramp up activities in the region during FY22.

"Returning business confidence and the increase in remote based working is driving the adoption of cloud-based business tools, including HR technology. FY22 is shaping up to be a good year for ELMO, across both mid-market and small business segments.

"We anticipate strong growth in FY22 and expect to surpass $100 million in ARR, an exciting milestone."

Outlook

FY22 Group Guidance:

A$m	Guidance
Anualised Recurring Revenue	105.0 - 111.0
Revenue	90.5 - 95.5
EBITDA	1.0 - 6.0

Results Webcast

ELMO management will host a webcast to discuss the result at **9.30am** (Sydney AEDT), 9 August 2021.

Webcast link:

https://bit.ly/ELMOFY21ResultsWebcast

Participants are encouraged to pre-register for the webcast. A replay of the webcast will be available shortly after the event on the ELMO investor website:

https://investors.elmosoftware.com.au/Investors

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About ELMO

Established in 2002, ELMO Software offers cloud-based solutions for small businesses and mid-market organisations to manage people, process, pay and expenses. Spanning across Australia, New Zealand and the United Kingdom, ELMO operates on a software-as-a-service ("SaaS") business model, based on recurrent subscription revenues.

For more information, please visit www.elmosoftware.com.au

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