



28 July 2022

ELMO Software Limited

(ASX:ELO)

ELMO releases preliminary unaudited FY22 results & FY23 guidance
*Strong ARR growth and increasing operating leverage
to reach operating cash flow breakeven in FY23*

Key Highlights

- Annualised Recurring Revenue ('ARR') of **\$108.2** million, up **29%** compared to 30 June 2021
- Revenue of **\$91.4** million, up **32%** pcp
- Cash receipts of **\$116.9** million, up **46%** pcp
- Underlying EBITDA¹ of **\$7.1** million, up **\$6.5** million pcp
- **\$47.9** million cash balance
- ARR guidance for FY23 **\$134-\$140** million, organic growth of 24% to 29%
- Operating cash flow breakeven forecast for FY23

Sydney, Australia 28 July 2022: ELMO Software Limited ('ELMO' or 'Group') today announced its preliminary FY22 results, reporting strong growth in annualised recurring revenue ('ARR'), revenue, cash receipts and improved operating cash flow.

Group ARR grew to **\$108.2** million, representing **29%** organic growth from 30 June 2021. Revenue increased to **\$91.4** million, up **32%** pcp. Cash receipts grew to **\$116.9** million, up **46%** pcp.

The Group recorded underlying EBITDA of **\$7.1** million, up **\$6.5** million pcp and above the top end of the upgraded guidance range. The cash balance was **\$47.9** million. Total operating cash outflow reduced to negative **\$17.4** million, a **34%** improvement pcp.

Commenting on the result, CEO Danny Lessem said that FY22 was a strong year for the ELMO Group underpinned by high growth and increasing operating leverage.

"ELMO continues to experience strong growth as small and medium sized businesses adopt cloud-based solutions to manage a flexible or hybrid workforce. ELMO's ARR surpassed the \$100 million milestone, growing 29% from 30 June 2021 to \$108.2 million.

"We are now experiencing the benefits of scale as a result of the many years of growth and investment into the product and team. The investment phase has been materially completed and the existing cost base will be leveraged through FY23. As a result, underlying EBITDA came in at positive \$7.1 million, up \$6.5 million pcp.

"Our strong brand in the markets we operate, our many years of investment into our product and the increased adoption of people management software, have ensured that we have strong momentum going into FY23. Despite the broader macroeconomic environment, this momentum is supported by our sales pipeline which underpins our FY23 guidance.

"In addition, we continue to see increased operational efficiencies as we reap the benefits of scale. We expect to reach operational cashflow breakeven in FY23."

¹ FY22 and FY21 comparative EBITDA excludes non-recurring items and non-cash share based payments

Outlook:

FY23 Group guidance

ARR
\$134 – 140m
24% to 29% YoY growth

Revenue
\$114 – 120m
25% to 31% YoY growth

EBITDA¹
\$20 – 25m

Operating cash flow²
\$(2.0) – 2.0m

1. EBITDA guidance excludes significant non-recurring transactions and non-cash share-based payments

2. Operating cash flow excludes significant non-recurring transactions and financing costs

Results Webcast

Mr Danny Lessem (CEO and Co-Founder) and Mr James Haslam (CFO) will present the FY22 preliminary results via conference call today at **2.00pm AEST, 28 July 2022**.

Conference ID: 10023554

Participant toll: 02 9007 3187

Participant toll-free: 1800 558 698

Overseas numbers:

Canada: 1 855 881 1339

China: 4001 200 659

Hong Kong: 800 966 806

India: 0008 0010 08443

Japan: 005 3116 1281

New Zealand: 0800 453 055

Singapore: 800 101 2785

United Kingdom: 0800 051 8245

United States: 1 855 881 1339

-ENDS-

Authorised by:

Danny Lessem, Chief Executive Officer

Contacts

Investor & Media Enquiries

Darryl Garber

Chief Commercial Officer

+61 2 8305 4686

investors@elmosoftware.com.au

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