



ASX:RDY

# 1H FY25 INVESTOR PRESENTATION

26 February 2025

Marc Washbourne – Co-Founder & CEO  
Nimesh Shah – Chief Financial Officer





# Supporting communities at scale

**500+** Global team of mission-led ReadyTechers

Students,  
apprentices and job  
seekers through our  
software

Payroll processed annually through our software for 1+ million employees

Council property rates processed annually

## Justice cases processed in UK alone

## Key customers



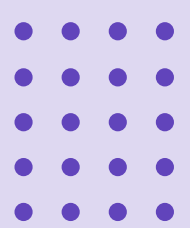
## Education & Work Pathways



**HM Courts  
& Tribunals  
Service**







# Financial & operational highlights

## Total revenue

**\$58.3m** ↑

Increase of **6.6%**  
Excluding Government sector: **9%**

## Underlying EBITDA\*

**\$18.2m** ↑

Increase of **4.6%**  
EBITDA margin\* of **31.2%**

## Underlying cash EBITDA\*\*

**\$8.6m** ↑

Increase of **10.2%**  
Cash EBITDA\*\* margin of **14.7%** (1H FY24: 14.3%)

## Enterprise gross pipeline^

**\$37.5m**

FY24: \$31.8 million

## Shortlisted/preferred stage opportunities^

**\$13.5m**

## Leverage ratio^^

**0.86x**

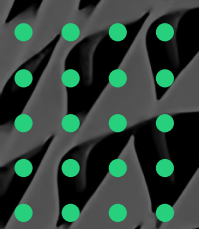
Headroom to support future growth

\*Underlying EBITDA excludes the impact of LTIP \$0.5m and non-cash impairment of goodwill and related assets for Government and Justice segments CGU of \$20.6m fair value adjustment of contingent consideration of \$0.6m and \$1.5m relating to transactions and integration costs for acquisitions

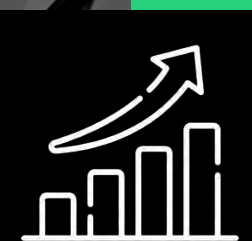
\*\*Cash EBITDA includes actual lease payments, labour capitalisation and exclude the impact of LTIP.

^Total value of first-year annualised subscription and implementation fees.

^^Net debt/LTM EBITDA as at 31 Dec 2024.



# Key highlights



**Momentum with contract wins across the enterprise strategy**

- **Workforce Solutions** enterprise strategy delivered its largest contract win to date of more than \$1 million.
- In **Education**, first university win with Avondale University opens large new market.
- Major new tribunal contract win underpins **momentum in Justice**.



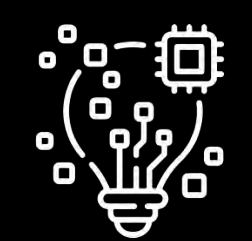
TRIPPAS WHITE GROUP



**Local Government growth inhibitor addressed and pathway to accelerate growth unlocked**

- Strategic acquisition of CouncilWise Property & Rating engine and capability addresses **customer proof points** with proven product across Australia, as well as augments the Local Govt. management team.
- Supports the unlocking of **long-term cloud upgrade strategy** with a fit-for-purpose enterprise ERP and resolves key product reference issue that has inhibited customer transitions to date.

councilwise | Part of readytech



**Innovation and new product launches to drive future growth**

- Next-generation **HR & LMS modules** unlocking new market opportunities and customer expansion in both Workforce and Government.
- Continued rollout of **AI-infused solutions**, including Talent IQ for Recruitment and Ask AI Policy Bot – delivering smarter, more efficient workflows.



# ReadyTech well positioned for inflection point

Growth pillars launching ReadyTech for a step change in profitability, with operating leverage and margin expansion expected in 2H FY25 and beyond

Enterprise pipeline of \$37.5m including \$13.5m deal value of conviction opportunities at **shortlisted/preferred stage** with close date in 2H FY25.

Confidence in unprecedented **Education & Work Pathways** and **Justice pipelines** underpinned by level of procurement activity to replace legacy systems – supported by reference customers.

Full product scalability and expanded referenceability via CouncilWise will deliver accelerated cloud adoption and **growth in Local Government**.

The incremental cash margin from these active growth initiatives will drive **operating leverage and margin expansion** in 2H and beyond.



# 1H FY25 financial performance





# 1 H financial overview

\$ MILLIONS			
	1HFY25	1HFY24	YoY % change
Subscription revenue	49.9	47.2	5.7%
Implementation, training and other revenue	8.4	7.5	12.0%
<b>TOTAL REVENUE</b>	<b>58.3</b>	<b>54.7</b>	<b>6.6%</b>
<b>Total expenses</b>	<b>(40.2)</b>	<b>(37.3)</b>	<b>(7.8)%</b>
<b>*Underlying EBITDA</b>	<b>18.2</b>	<b>17.4</b>	<b>4.6%</b>
<b>*Underlying EBITDA margin</b>	<b>31.2%</b>	<b>31.8%</b>	
LTIP	(0.5)	(0.9)	44.4%
Depreciation and amortisation	(6.2)	(5.3)	(17.0)%
Amortisation of acquired intangibles	(5.0)	(3.8)	(31.6)%
Net finance expenses	(1.5)	(1.7)	11.8%
Underlying income tax expense (effective tax rate = 27%)	(1.3)	(1.6)	18.8%
<b>*Underlying NPAT</b>	<b>3.7</b>	<b>4.1</b>	<b>(9.7)%</b>
Amortisation of acquired intangibles (post-tax)	3.5	2.7	29.6%
<b>*Underlying NPATA</b>	<b>7.2</b>	<b>6.8</b>	<b>5.9%</b>
<b>**Underlying cash EBITDA</b>	<b>8.6</b>	<b>7.8</b>	<b>10.2%</b>
<b>**Underlying cash EBITDA margin</b>	<b>14.7%</b>	<b>14.3%</b>	

\*Underlying EBITDA and NPATA excludes the impact of LTIP \$0.5m and non-cash impairment of goodwill and related assets for Government and Justice segments CGU of \$20.6m fair value of contingent consideration of \$0.6m and \$1.5m relating to transactions and integration costs for acquisitions.

\*\*Cash EBITDA includes actual lease payments, labour capitalisation and exclude the impact of LTIP.

## Highlights

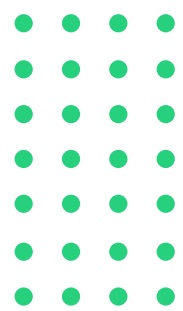
Revenue growth up 6.6% on PCP:

- ✓ Subscription revenue up 5.7% to \$49.9m; recurring revenue 85.6% of total revenue (FY24: 83.8%).
- ✓ Net revenue retention (NRR) of 102% reflects progress across all segments offset by 1H delays in upgrading IT Vision customers.
- ✓ Recurring revenue model and operational leverage drive improved profitability:
  - Underlying EBITDA\* of \$18.2m, up 4.6% vs PCP
  - Cash EBITDA\*\* margin of 14.7%, up 40bps on PCP
- ✓ Government revenue impacted by product delay as flagged in November 2024. Excluding Government, revenue growth was **9%** on PCP basis.
- ✓ Reflects timing of several enterprise deals shifting into 2H FY25. \$13.5m of opportunity pipeline is in shortlisted/preferred stage.

7.8% increase in expenses to \$40.2m reflects investment in capability to support future revenue growth and driving higher operating leverage:

- ✓ Dedicated agile AI squad for product enhancement across multiple products
- ✓ Total investment in R&D now represents 29% of revenue
- ✓ 8.6% of revenue invested in sales and marketing to support pipeline growth
- ✓ Ongoing cost savings targeted through initial AI-driven productivity improvements in software development and other key disciplines.

Non-cash impairment of \$20.6m of goodwill and related assets in Government segment relates to integration of legacy production platforms and 1H FY25 performance.



# Strong cash flow and balance sheet support growth initiatives

NET DEBT AS AT 31 DEC 2024		
\$ MILLIONS	31 DEC 24	30 JUN 24
Bank debt	50.0	50.0
Bank guarantee	1.3	1.3
Cash and cash equivalents	19.3	29.9
Adjusted net debt	30.7	20.1
Net debt/EBITDA	0.86x	0.5x

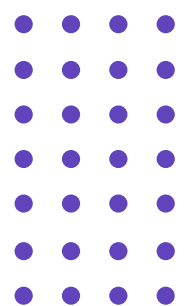
*\*Operating cash flow excluding impact of interest, tax and normalised costs.*



## Highlights

- ✓ Gearing remains within the Company's target range with net leverage ratio of 0.86x as at 31 Dec 2024.
- ✓ \$10.1m paid for acquisitions and earn-outs upon achievement of milestones for IT Vision and Open Windows Software.
- ✓ Cash and cash equivalents of \$19.3m; supports growth initiatives and future contingent considerations.
- ✓ Generated \$14.5m operating cash flow\*. EBITDA to operating cashflow\* conversion at 85% and expected to exceed 95% for FY25 driven by receipt of annual subscription fee payments in Q4.





# Higher value customer wins and upsell deliver growth in revenue

	EDUCATION & WORK PATHWAYS	WORKFORCE SOLUTIONS	GOVERNMENT	JUSTICE	GROUP
REVENUE (in millions)					
1HFY25	\$20.3	\$16.5	\$16.3	\$5.2	\$58.3
1HFY24	\$19.0	\$15.0	\$16.1	\$4.6	\$54.7
% Change	7.1%	10.4%	1.2%	13.0%	6.6%
EBITDA* (in millions)					
1HFY25	\$8.7	\$6.0	\$5.7		\$20.1
1HFY24	\$8.2	\$5.4	\$5.6		\$19.2
% Change	6.1%	10.1%	0.7%		10.8%
EBITDA MARGIN* %					
1HFY25	42.9%	36.4%	26.4%		34.5%
1HFY24	43.1%	36.0%	27.1%		35.1%
% Change	(0.2)%	0.4%	(0.5)%		(0.6)%

\*EBITDA excluding the impact of LTIP.  
^Deal value is the first-year annualised subscription and implementation fees.

## Segment highlights



Total revenue growth excluding Government 9%; underpinned by enterprise wins and Net Revenue Retention (NRR) of 102%. Total revenue growth of 6.6% impacted by Government segment performance. Excluding Government revenue grew by 9%.

**Education & Work Pathways** – Education revenue grew on the back of continued growth in Higher Education and TAFE customers. Work Pathways revenue impacted by cyclical timing of contract renewals in 1H FY25. 2H FY25 well positioned to outperform and achieve prior period growth rates. EBITDA margin held above 40%.

**Workforce Solutions** – Revenue up 10.4% with software growing at 11.8% and Managed Services at 7.3%. Growth was underpinned by a number of enterprise customer wins including the single largest of \$1m+ win in late 2024. Ongoing success with upsell of modules, delivering EBITDA margin expansion

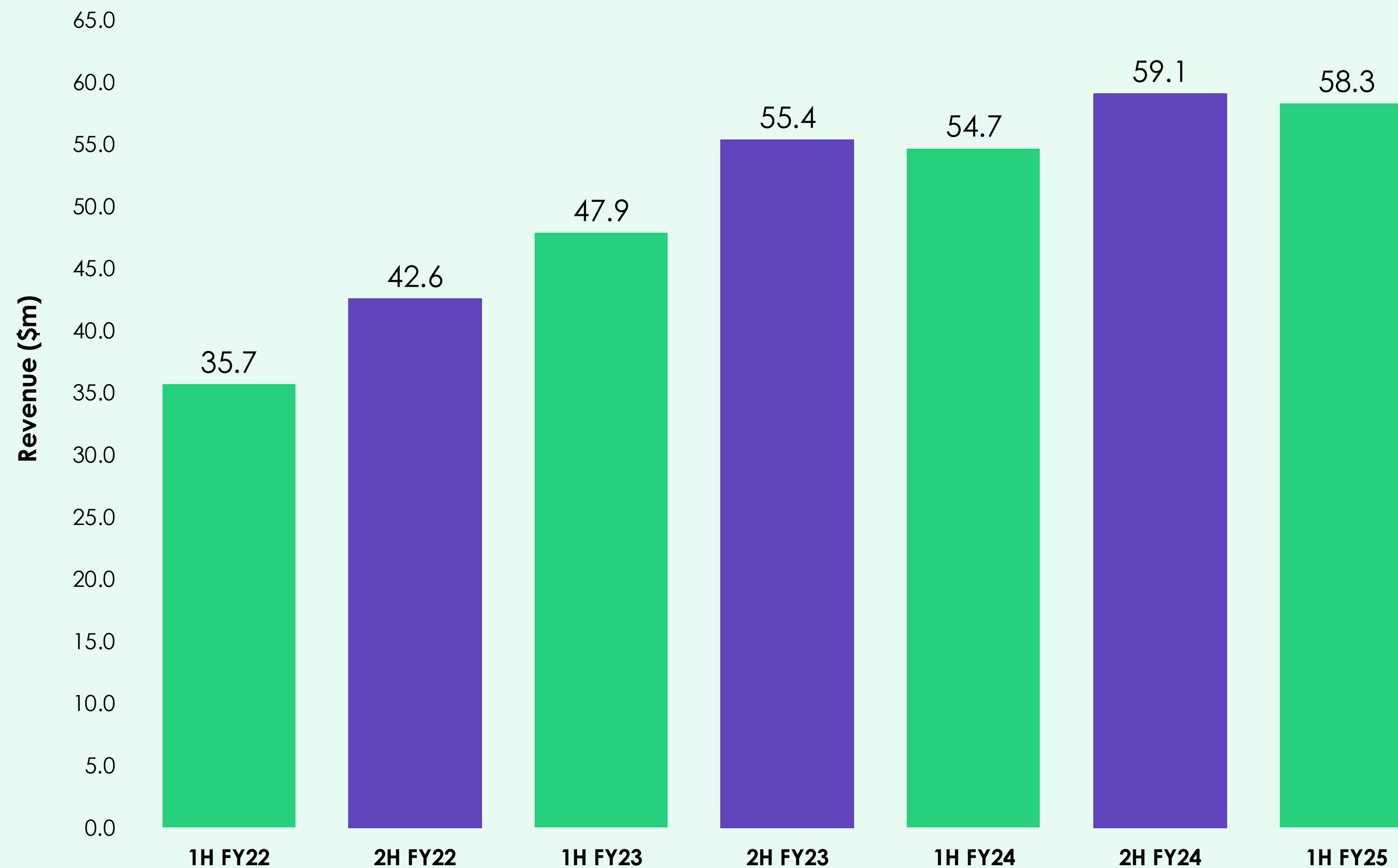
**Government & Justice** –Justice revenue performed strongly growing at 13.0% with new customer wins and upsell of additional services and modules across existing sticky customer base. Segment margin maintained at 26.4%. Government revenue flat on a PCP basis impacted by product delays with strong plan to address in 2H and beyond.

- Average value of **enterprise** customer contracts in CY24 was **\$711k**:
- ✓ High level of confidence remains for number of shortlisted/preferred stage opportunities which ReadyTech is participating in, bolstering growth beyond 2025.
  - ✓ 11 enterprise contracts with deal value^ of \$7.8m were secured in CY24.



# Annualised revenue growth has trend of higher weighting in 2H

Historically 2H performance underpinned by EOFY Workforce Solutions revenue, Q4 subscription 'true-ups', seasonality of customer spend and Disability Employment Services (DES) contract awards in Q4 (Work Pathways).





# How we win in enterprise





# Targeting large, high value enterprise customers across all segments

The 'why' of the enterprise strategy

➤ ready workforce

➤ ready community

➤ ready student



**Acquire high value contracts** with sizeable tech budgets, starting with break-through customers in key sectors

**Large addressable market and continuing medium term movement to cloud and digital transformation** creates huge disruption opportunity

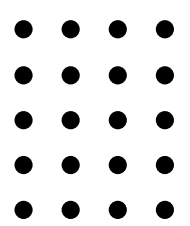


**Opportunity to build strong moats** with best-in-class products

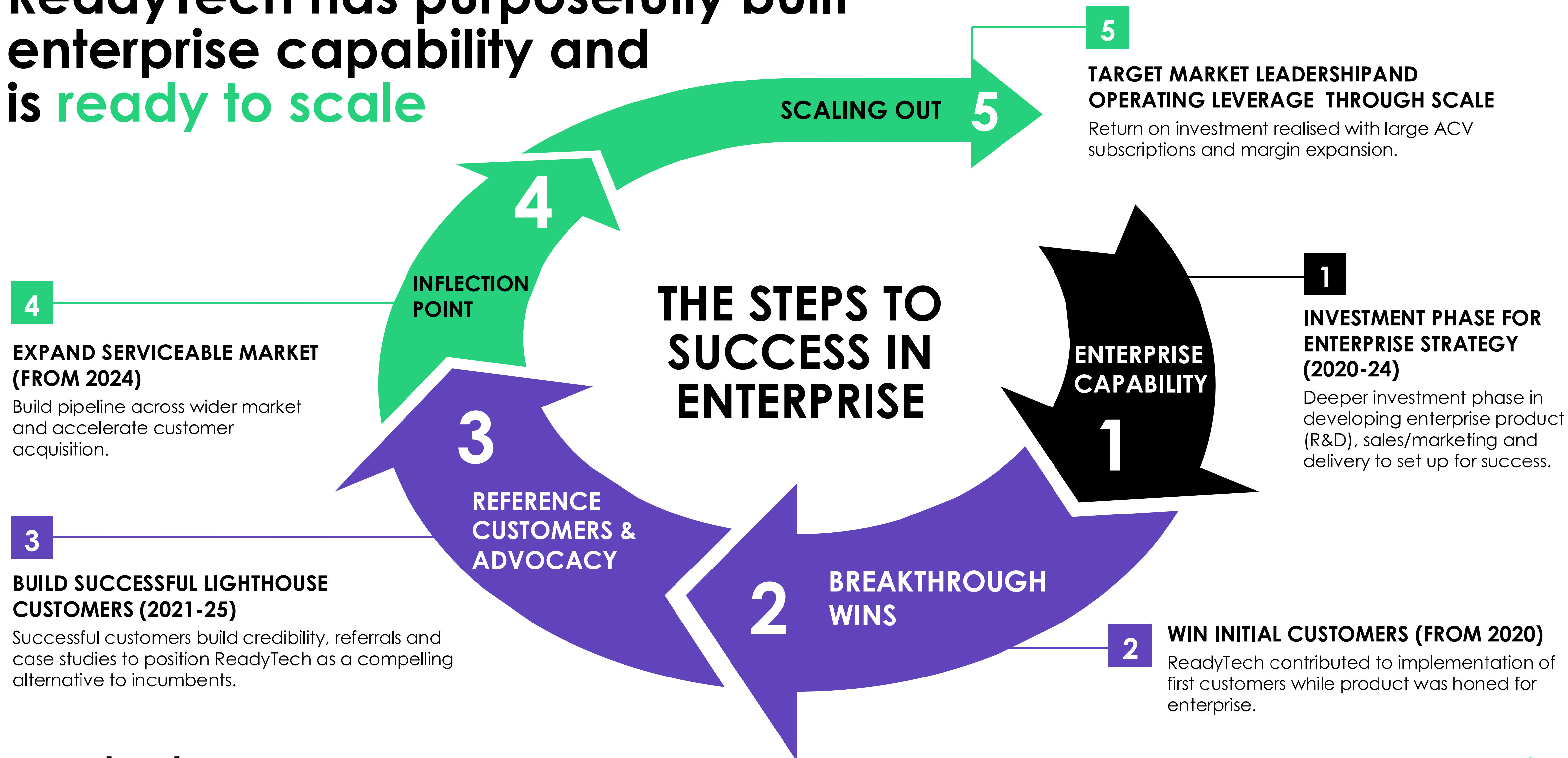
**Scalable, configurable platforms** and vertical SaaS revenue model leading to higher margins







# ReadyTech has purposefully built enterprise capability and is **ready to scale**





Momentum in  
enterprise  
contract wins in  
the last 2 years  
driving  
increased deal  
value



MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT  
HĪKINA WHAKATUTUKI



GOVERNMENT OF  
WESTERN AUSTRALIA  
Department of Justice



Ready Skills



TRIPPAS WHITE GROUP



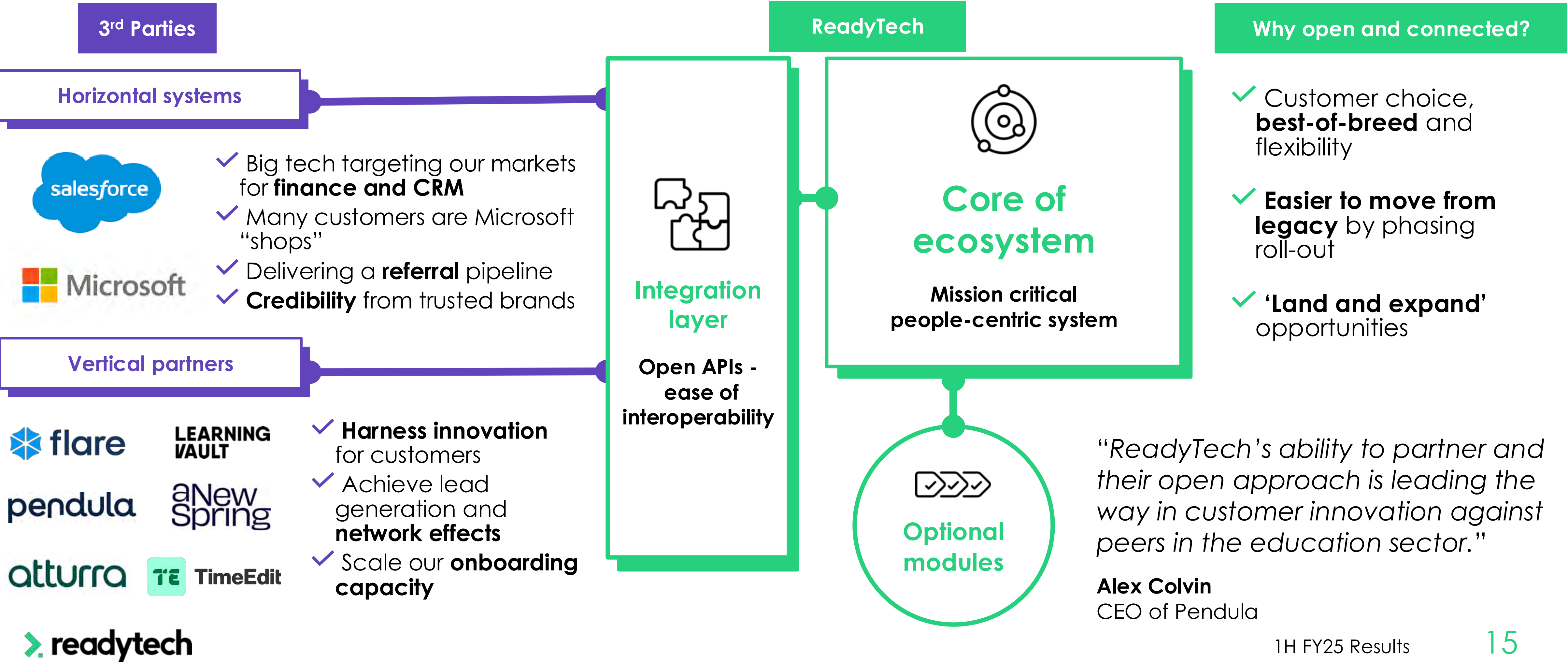
Upgrade (TAFE)



Environment,  
Land, Water  
and Planning



# ReadyTech's open ecosystem is a major point of competitive difference versus platform monoliths





# Education

ReadyTech is well placed to accelerate multiple enterprise growth engines across the tertiary education universe



## 20+ TAFEs

ReadyTech market position solidifying – better placed than ever to capitalise on TAFE opportunity.



## 44 Universities & 120 Private Higher Ed

ReadyTech's breakthrough university win and expansion of higher education customers and capability opens a large serviceable market ready for change.



## 8 Large scale State Government (Vocational Management)

ReadyTech has opportunity to extend reach with major contracts across State Government Vocational Education Management Systems.



"With ReadyTech, we found a partner who is as invested in our future growth and innovation as we are."

Nigel Quinn  
CISO at Avondale University

\*Management estimates by internal market/customer analysis.

## Why Education is poised to outperform:



**Growing conviction in pipeline** opportunities ready to replace legacy student management systems with **cloud platform**



**Proven product and delivery capability** provides growing momentum on reputation and referenceability



Growing need for institutions to upgrade and digitise **student experience**



**Major regulatory and data reform programs** mean risk and burning platforms to upgrade from legacy



# Workforce Solutions

## Vertical strategy is gaining traction

ReadyTech is winning in the mid-to-enterprise stand-up economy by solving complex payroll and workforce management and achieving high customer intimacy



Deep understanding of stand-up economy market drivers



Rich customer insights & domain expertise



Efficiencies in GTM, delivery optimisation and high retention

## Key market drivers of the stand-up economy



End-to-end **cloud**, single vendor relationship replacing legacy systems



Focus on **payroll compliance** and accurate pay from proven and trusted supplier

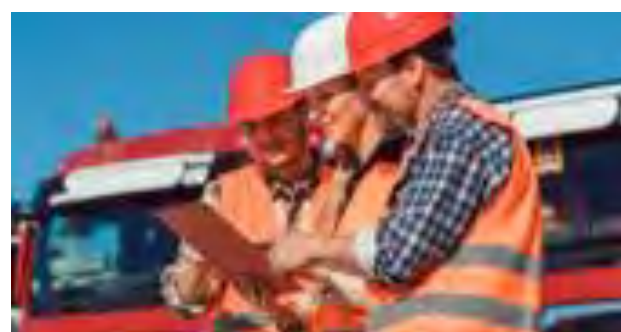


Remote and **mobile** workforces



Need to drive automation and cost **efficiencies**

## Recent stand-up economy enterprise wins



Transport & Logistics

**northeast**  
auto group

**MOVE**



Hotels, Hospitality & Accommodation

**MERCURE**  
RESORT

TRIPPAS WHITE GROUP



Aged & Disability Care

**BaptistCare**  
**Hōhepa**  
every life fully lived



Manufacturing

**Meyer**  
**TIMBER**  
**douglas**



Agriculture

**Talley's**  
**TEYS** **Seeka**



Retail & FMCG

**BARGAIN CHEMIST**  
Why pay more?  
**Nando's**





## Workforce Solutions Enterprise vertical strategy in action with largest customer win

Talley's Group is a prominent force in New Zealand's food industry, spanning seafood, agriculture, dairy, and vegetables.

With **6,000+ employees**, it operates at scale, supplying quality food locally and globally. Committed to sustainability and innovation, Talley's drives economic growth while reinforcing its industry leadership.

### Why we won:

1

#### Comprehensive solution

Integrated payroll, HRIS, and workforce management platform, meeting diverse operational needs across multiple sectors.

2

#### Proven track record

Established reputation delivering robust solutions to large and complex agricultural enterprises in New Zealand, ensuring reliable payroll and HR management.

3

#### Commitment to innovation

Valued for our continuous innovation, adaptability, and scalable platform to meet evolving industry needs.

4

#### Strong local support

A dedicated local team providing exceptional customer intimacy and service, ensuring smooth implementation and ongoing support.



*We chose ReadyTech because their integrated solutions align with our operational goals, providing us with the tools to manage our workforce efficiently and effectively. Their commitment to innovation and local support made them the ideal partner for Talley's as we continue to grow and evolve.*



**Greg Kingston**  
Chief Financial Officer  
Talley's Group



# Local Government

## Strong addressable market position with service digitisation agenda and cloud transition to drive growth



**Scale** – ReadyTech benefits from position as a leading provider at scale with relationships with 280 Local Government customers, well distributed across Australia, using one, multiple modules, or entire ERP solution.



**Tailwinds** – Growing market demand for improved efficiency and digitised services to meet community expectations.



**Opportunity** – ReadyTech estimates Local Government serviceable market opportunity of \$280m+ by attracting new enterprise logos on competitor legacy technology, as well as unlocking cloud migration of existing customers, including transition to subscription. Key product reference issues addressed that have inhibited customer transitions to date.

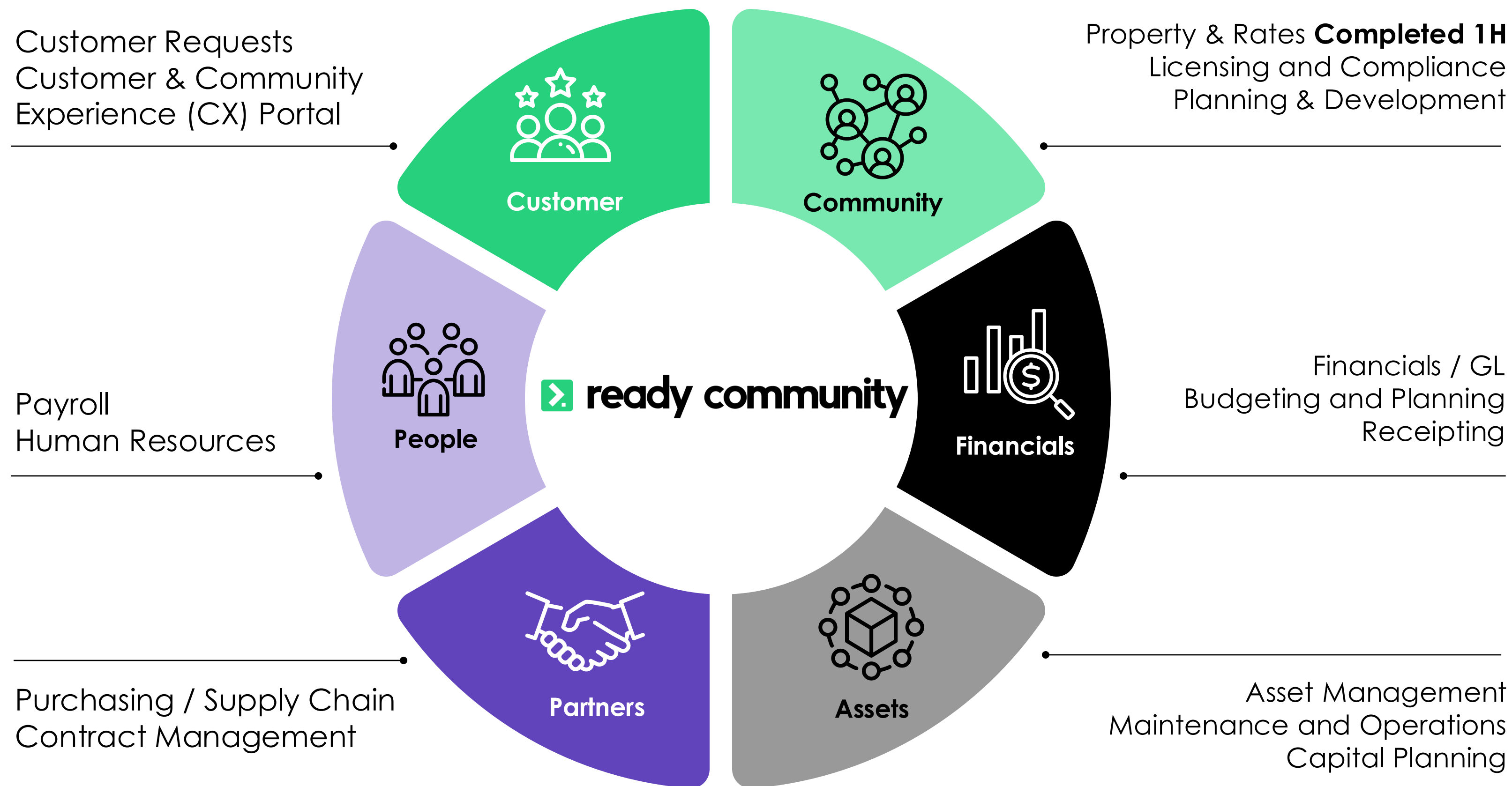
**32% of LGAs believe their council doesn't have a digital transformation vision and strategy/plan**





# Local Government

Complete ERP readiness fast-tracked to meet needs with referenceability across Australia to unlock cloud transition opportunities



councilwise | Part of readytech

## Meeting customer cloud transition demand and growth to accelerate

- Property & Rating product bottleneck resolved with proven and scalable engine acquired.
- Referenceability across Australia with over 30 customers Property & Rating de-risks customers to adopt ReadyTech solution.
- Complete ERP ready for roll-out to customers who have commenced and not yet committed to cloud transition.



# Local Government

## Refreshed and high-quality management team with track record of enterprise success



### Daniel Wyner

#### Executive Leader

#### Responsibility

Strategic leadership for sustainable and long-term growth.



### Michelle Cross

#### Enterprise Delivery

Previously Salmat

#### Responsibility

Highly scalable customer transition and implementation capability and excellence in customer experience.



### David Rajasingham

#### Enterprise Sales

Previously Enterprise Local Government

#### Responsibility

High performing, customer-centric Sales & Account Management team driving customer transition, secure new customers, maximize customer value and leverage partner network.



### Chris Dunn

#### Enterprise Product

Previously Xero & Datacom

#### Responsibility

Repeatable, scalable product and highly configurable to meet the diverse needs of Local Government customers.

## Augmented with CouncilWise management team

Local Government and Property & Rating specialists strengthen our leadership and value to customers



Ben Dornier



Scott Christian





# Justice

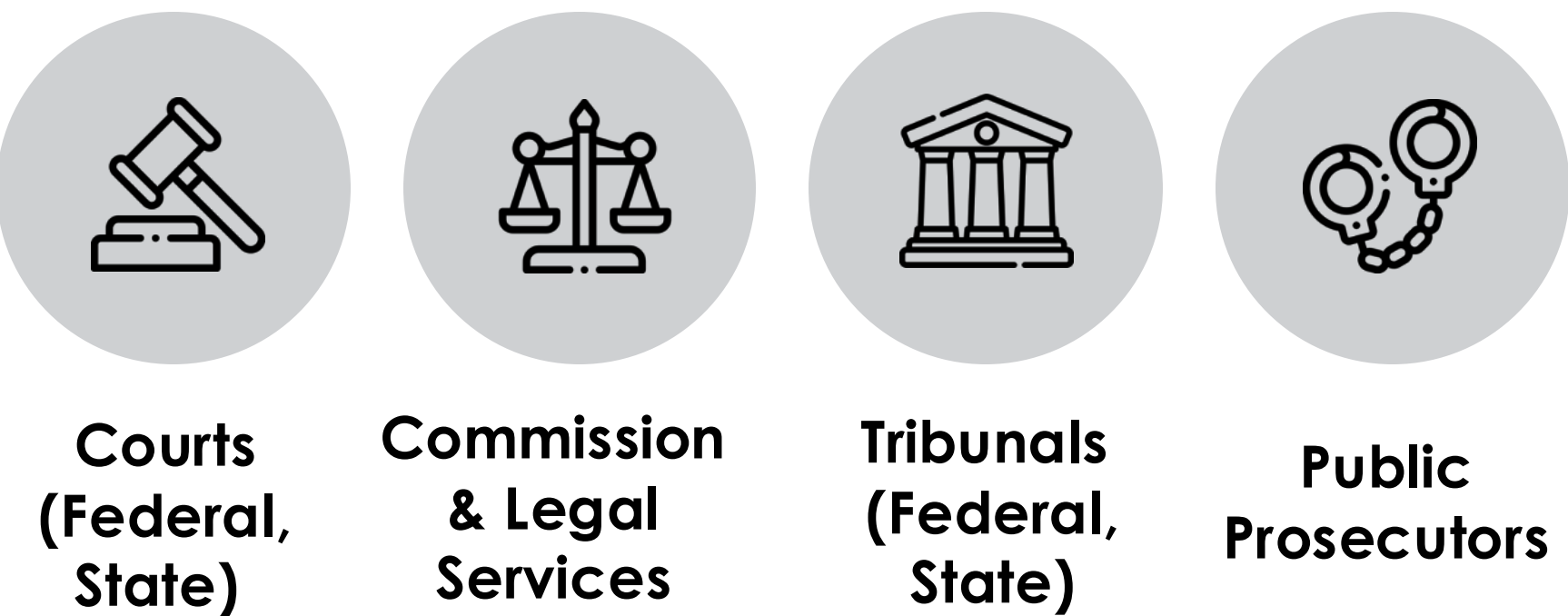
## Experiencing growth and expansion of conviction pipeline as sector digital transformation accelerates

### Growth drivers for Justice sector

- ✓ Massive legacy technology burden
- ✓ Drive for productivity and efficiency programs
- ✓ Expectation of digital experience of citizens and participants
- ✓ Increasing acceptance of digital by influential judiciary

### Product-market fit

Citizen-centric justice case management solutions with serviceable market of ~\$230m\* across:



\*Management estimates by internal market/customer analysis.

### WHY WE ARE WINNING CUSTOMERS

- ✓ Deep domain expertise
- ✓ Track record of delivery, referenceability in UK
- ✓ Modular & configurable platform
- ✓ Proven rapid time to go-live

### Growing reputation following major contract and successful project in UK:

"This is a significant step towards achieving our goal of bringing the Courts and Tribunals service into the 21st Century. Listing can take a huge amount of time for our hardworking staff and this investment will support them to focus on important work helping all court and tribunal users"

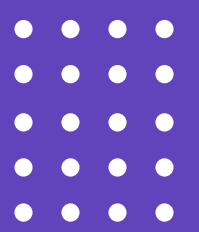
**UK Courts Minister, Chris Philp MP**



### RECENT CONTRACT WINS IN 2024 BELOW AND HIGH CONVICTION PIPELINE





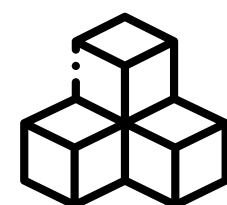


# Focus on innovation to support future growth

ReadyTech continues to invest in R&D to drive growth and NRR with focus on new module releases and accelerating high value AI-releases via our dedicated Emerging Technology Team

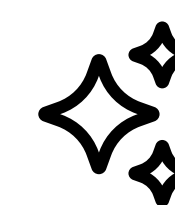
ReadyTech released major upgrades for its workforce offering and accelerated AI-infused product releases

## Next-level HR & LMS modules



- Expanding coverage across the entire employee lifecycle, our next generation HR & Learning Management System (LMS) modules consolidate essential workforce functions into a **seamless, end-to-end solution**.
- By integrating capabilities previously reliant on third-party products, ReadyTech will receive **additional value** while enhancing efficiency for Workforce and Local Government customers.

## AI-infused product innovation



ReadyTech's AI solutions are progressing rapidly, delivering real-world impact through completed and in-progress projects

Examples include:

- **Talent IQ for Recruitment** streamlines high-volume hiring with AI-driven candidate matching and skill assessments, reducing time-to-hire and improving placement success by up to 50%.
- **Ask AI for Policy Bot** enhances compliance with instant, AI-driven policy guidance, minimising manual intervention and accelerating decision-making.
- **Council DA Agent** in development, set to transform a critical part of the housing supply chain by streamlining development approvals and reduce administrative bottlenecks.

In 2025, ReadyTech will deliver on **a pipeline of AI projects** targeting automation and efficiency with measurable benefits across workforce transformation, regulatory processes, and service delivery.



# Scaling smarter: AI-driven operating leverage

ReadyTech is targeting **cash EBITDA margin of 20%+** leveraging cutting-edge AI technologies to enhance operational efficiency while delivering superior value to customers



## Customer support



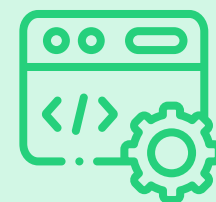
ReadyTech's AI support agents further embedded into customer service, drafting high quality responses to queries with a LLM trained on previous tickets:

- **Improved response times** for superior customer experience.
- **Enhanced support efficiency** freeing up our human support staff to focus on more complex issues.

**70%**

**drafted tickets**

## Software development



AI-assisted coding has improved efficiency, while AI is now expanding across the product development lifecycle to enhance ticket quality and streamline pull request reviews:

- **Increased development speed** allowing us to deliver features and improvements more quickly.
- **AI-Enhanced code quality**, improving software reliability and reducing time spent on debugging and rework.

**25%+**

**coding efficiency**

## Quality assurance



Automated testing has streamlined our QA processes, achieving high test coverage for premium products:

- **Continuous feedback** running automated tests daily provides engineers with faster feedback, enabling quicker identification and resolution of issues.
- **Enhanced stability** automating repetitive QA tasks helps us maintain a more stable and issue-free software environment.

**85%+**

**test coverage**

**Scalability of customer support, software development and QA teams** without a corresponding increase in human resources.



# Enterprise strategy ready to drive future growth in revenue and margin expansion

## FY25 outlook

- Revenue growth for all segments in FY25 excl. Local Government expected to be low double digits, underpinned by pipeline of \$37.5m including shortlisted/preferred stage opportunities of \$13.5m.
- Group revenue growth in FY25 expected to be at high single digits.
- Underlying EBITDA\* margin expected in the range of 33-34%, excluding the impact of LTIP.
- Underlying Cash EBITDA\*\* margin to be in the range of 17.5-18.5%.

## Medium-term target – FY27

- Depth of current sales opportunity pipeline and advanced stage opportunities forming an inflection point for a return to mid-teens growth, underpinning a revenue target of \$160m-\$170m.
- Cash EBITDA\* margin to be greater than 20%.

\*Underlying EBITDA excludes the impact of LTIP \$0.5m and non-cash impairment of goodwill and related assets for Government and Justice segments CGU of \$20.6m fair value adjustment of contingent consideration of \$0.6m and \$1.5m relating to transactions and integration costs for acquisitions

\*\*Cash EBITDA includes actual lease payments, labour capitalisation and exclude the impact of LTIP.







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**About ReadyTech**

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