



**LiveTiles [LVT.ASX]**

FY23 Results Presentation

29 August 2023

ersonal use only

ersonal use only

# FY23 RESULTS OVERVIEW

David Vander, CEO



# Contents

**01**

FY23 Results  
Overview

**02**

FY23  
Financial  
Summary

**03**

Strategy &  
Market  
Context

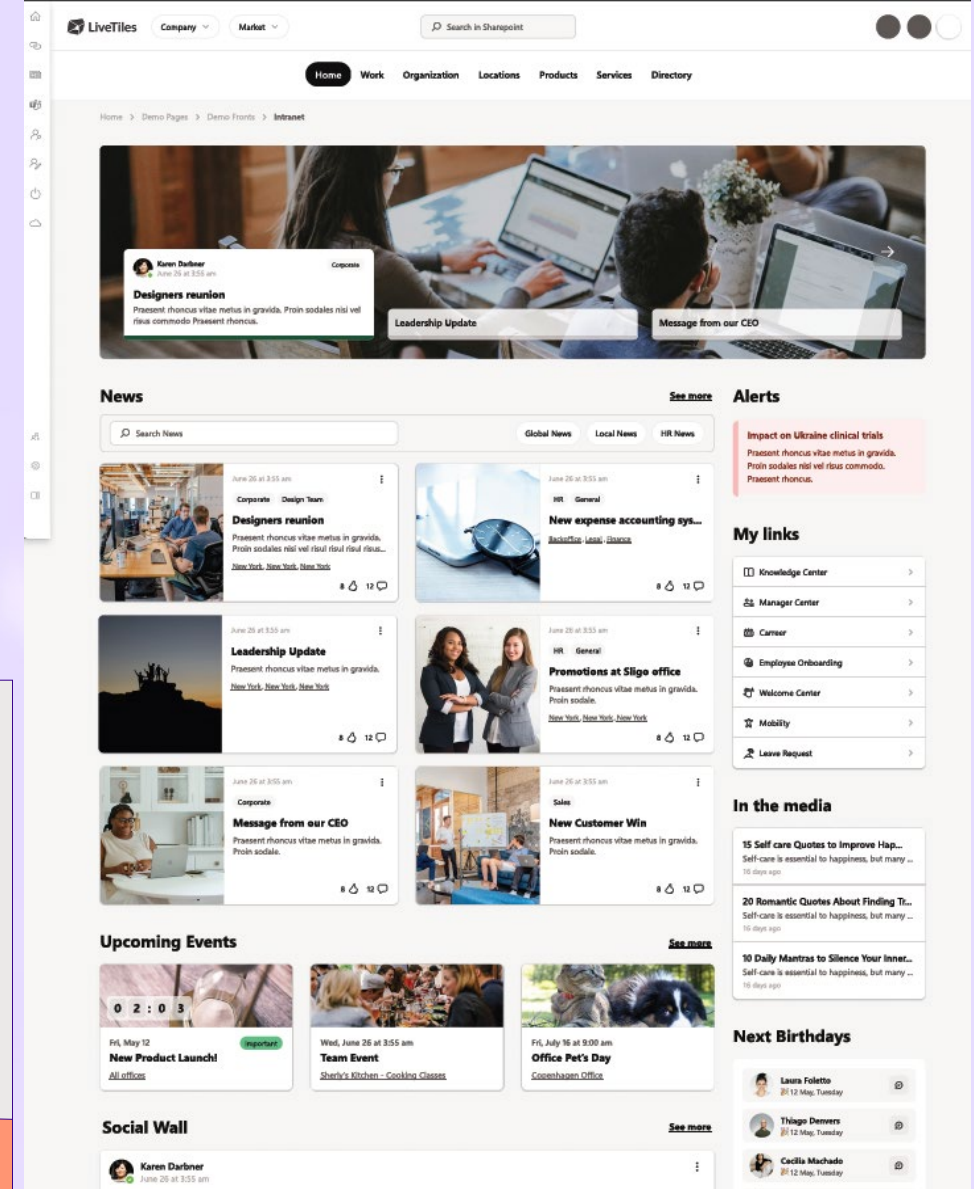
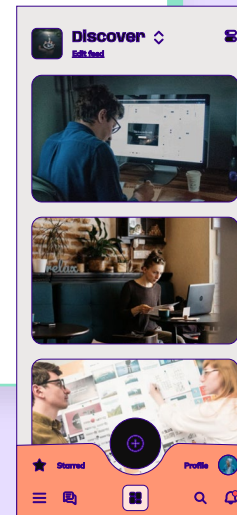
**04**

Questions



# FY23 Highlights

- ✓ New CEO Feb 2023, David Vander
- ✓ Major restructure and refocus reflected in financials
- ✓ Simplification of our business driving better accountability
- ✓ Significant new customer adds proving demand
- ✓ Reinvigorated product innovation and roadmap
- ✓ Positioned for growth



# FY23 Results Overview

## UNDERLYING EBITDA

**\$(6.5)m**

**-319% (FY22: \$3.0m)**

## EBITDA

**\$(3.5)m**

**-168% (FY22: \$5.1m)**

## OPERATING REVENUES

**\$30.6m**

**-42% (FY22: \$52.8m)**

## GROSS PROFIT MARGIN

**65.1%**

**-118 pp (FY22: 76.9%)**

## REDUCTION IN OPERATING COSTS

**36%**

**vs PCP**

## CASH RECEIPTS

**37.4m**

**-34% (FY22: \$56.7m)**

Underlying EBITA = EBITDA *excluding* one offs and other non-cash items

EBITDA = Net Operating Profit/(Loss) less depreciation and amortisation

PCP = Prior Comparison Period (30 June 2022)

# FY23 Operational Highlights

## PRODUCT

Reinvigorate product innovation with lower cost base

- Commitment to 3 major product releases per year, with first release deployed in June
- Centered all development in 2 cost effective locations only
- Rated one of top vendors in Clearbox Intranet and Employee Experience Platforms Report 2023

## DRIVING PROFITABILITY

Highly diligent attitude towards capital expenditure, with cost saving initiatives during the period including:

- Reduced operating expense by \$14.1m (36%)
- Reduced headcount globally by 32 employees
- Transition of certain roles to lower-cost locations of Portugal, Ireland and Philippines

## TALENT

Refreshed organisational structure to better align with growth plans and accountability model

- Appointment of CEO, David Vander
- Appointment of new Head of Product, Kim Sorensen and Global Head of Marketing, Alexandra Morris

## STRATEGIC OPPORTUNITIES

Continued simplification of the business operationally and strategically

- Divestment of BindTuning and acquisition completion of My Net Zero
- Appointment of Atlas Technology Group to explore strategic opportunities

# FY23 Key Customer Wins

## KEY TAKEAWAYS

- During FY23 LiveTiles continued to expand its customer base, securing several high-profile contracts with prominent businesses
- LiveTiles secured 64 new customers in FY23
- These new partnerships have strengthened LiveTiles' market position and validated the value and competitiveness of the Company's product offering
- Strong growth in Enterprise Segment which is our target segment
- Several large successful customer rollouts during FY23

## Americas

- Global Law Firm (1k users)
- Large Gov't Municipality (2k users)
- Large Paper Manufacturer (1k users)
- National Hospital upsell (9k users)

## EMEA

- Global Construction Company (10k users)
- Large Swiss Gov't Agency (38k users)
- Global Law Firm (7k users)
- Danish Municipality (6k users)

## APAC

- Global Advertising and PR Firm (1k users)
- Global Mining Company (up to 32k users)
- Multi-National Food brand (12k users)
- Global Tech Company (2k users)

ersonal use only

# FY23 FINANCIAL SUMMARY

David Vander, CEO





# Profit & Loss Summary

	Jun-23 (\$000s)	Jun-22 (\$000s)	Movement
<b>Total operating revenue</b>	<b>30,606</b>	<b>52,830</b>	<b>(42)%</b>
Other income	351	400	(12)%
<b>Total Revenue</b>	<b>30,957</b>	<b>53,230</b>	<b>(42)%</b>
Cost of revenues	(10,681)	(12,191)	12 %
<b>Gross Profit</b>	<b>19,925</b>	<b>40,638</b>	<b>(51)%</b>
<i>Gross Profit Margin</i>	65.1%	76.9%	(118 pp)
Product research and development	(8,514)	(12,486)	32 %
Sales and marketing	(5,681)	(14,031)	60 %
General and administration	(10,687)	(12,470)	14 %
<b>Total operating expenses</b>	<b>(24,882)</b>	<b>(38,987)</b>	<b>36 %</b>
One off costs	(3,241)	-	-
Depreciation and amortisation	(4,503)	(4,112)	(9)%
Fair value movement through profit and loss	4,027	3,977	1 %
Human Link acquisition expenses	-	(1,013)	100 %
Other non cash expenses	(973)	(839)	(16)%
<b>Net Operating Profit / (Loss)</b>	<b>(9,296)</b>	<b>64</b>	<b>(14,667)%</b>
<b>EBITDA</b>	<b>(3,463)</b>	<b>5,095</b>	<b>(168)%</b>
<i>EBITDA Margin</i>	(11.3)%	9.6 %	(210 pp)
<b>Underlying EBITDA</b>	<b>(6,516)</b>	<b>2,970</b>	<b>(319)%</b>
<i>Underlying EBITDA Margin</i>	(21.3)%	5.6 %	(269 pp)
Impairment of intangible assets	(24,069)	-	-
<b>Net Profit / (Loss) after tax</b>	<b>(33,841)</b>	<b>(818)</b>	<b>(4,036)%</b>

- During the financial year ended 30 June 2023, LiveTiles' performance was impacted by challenging global market conditions across the SaaS and digital landscape
- Operating Revenues** decreased -42% to \$30.6m (FY22: \$52.8m), though underlying operating revenues decreased \$(7.2)m after excluding R&D partnerships. Underlying cash receipts movement account for \$35.2m excluding R&D partnerships vs the prior comparison period of \$39.2m, a 10% underlying decrease
- Total operating costs improved \$14.1m +36%**, driven through operating review, restructure and other operational and organisational efficiencies
- EBITDA** result of \$(3.5)m, a \$(8.6)m decline compared to FY22: \$5.1m. On an **Underlying EBITDA basis**, there was a \$(9.5)m decline vs prior comparison period to \$(6.5)m (FY22: \$3.0m)
- As part of the Operational Review conducted in H1, leading to the appointment of new CEO, David Vander, **the Company continues to execute upon a more efficient and effective means of engaging our customers.** Cost of revenues declined 12% versus FY22
- Pursuant to the Operational Review, LiveTiles has **paused all R&D partnerships.** Whilst LiveTiles received a benefit from these arrangements, through enhanced development & engineering into our platforms, the reduced level of third-party R&D partners has led to a reduction in costs, though also a reduction in revenue
- Impairment cost of \$24.1m** relates to the revaluation in the fair value of the LiveTiles business, with the findings of Operational Review concluding to reset operations to grow LiveTiles' core value proposition
- S&M** savings of +\$8.4m (60%) with aggressive brand campaign and advertising activity during FY22 not repeated, and savings in salaries resulting from the Operational Review changes

# Balance Sheet

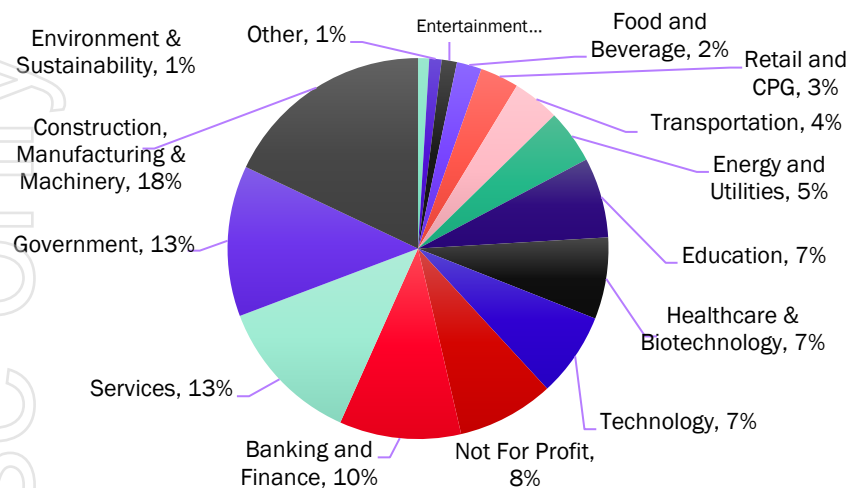
	Jun-23	Jun-22	Movement	
			\$	%
Cash and cash equivalents	6,694	13,177	-6,483	-49%
Trade and other receivables	4,704	8,139	-3,435	-42%
Assets held for sale	7,380	0	7,380	0%
<b>Total current assets</b>	<b>19,023</b>	<b>23,444</b>	<b>-4,421</b>	<b>-19%</b>
Intangibles	59,308	74,742	-15,434	-21%
Investment in Associates	0	6,567	-6,567	-100%
<b>Total non-current assets</b>	<b>63,366</b>	<b>86,601</b>	<b>-23,235</b>	<b>-27%</b>
<b>Total assets</b>	<b>82,389</b>	<b>110,045</b>	<b>-27,656</b>	<b>-25%</b>
Trade and other payables	5,179	8,089	-2,910	-36%
Provisions	7,531	12,926	-5,395	-42%
Borrowings	8,962	5,479	3,484	64%
<b>Total liabilities</b>	<b>43,905</b>	<b>50,939</b>	<b>-7,034</b>	<b>-14%</b>
<b>Total equity</b>	<b>38,484</b>	<b>59,106</b>	<b>-20,622</b>	<b>-35%</b>

- **Cash position of \$6.7M** provides sufficient cash for business operations and growth
- **Non-Current Assets** value decreased primarily due to \$21.0m impairment (adjusted by \$6.5m on FX movements on original carrying value) relating to intangible asset revaluation in the LiveTiles business – findings from executive management operational review conducted during 1H FY23 concluded that resources would be diverted to servicing core business segments expected to deliver the strongest growth
- Shift in BindTuning investment, from **Investment in Associates** to **Asset held for sale**, as the Group had been in discussions at 30 June 2023 with BindTuning to conclude its IP agreement. On 6 July 2023, the Group announced it had completed discussions and mutually agreed with BindTuning to conclude its arrangement in exchange for IP, US\$100,000 in cash, and for all LiveTiles shares returned. The BindTuning carrying and provision values will be removed in the FY24 Balance Sheet
- **Deferred ('unearned') revenue** (reflected within Total Liabilities) was \$12.1m (FY22: \$13.2m); a result of invoicing customers their full fees in advance of their subscription period, a feature of Software as a Service (SaaS) business models. This amount represents future guaranteed revenue streams that will unwind from the Balance Sheet and move into P&L as Revenue over the lifetime of each customer subscription period
- **Borrowings** increased \$3.5m due to remaining facility with OneVentures fully drawn down at 27 September 2022

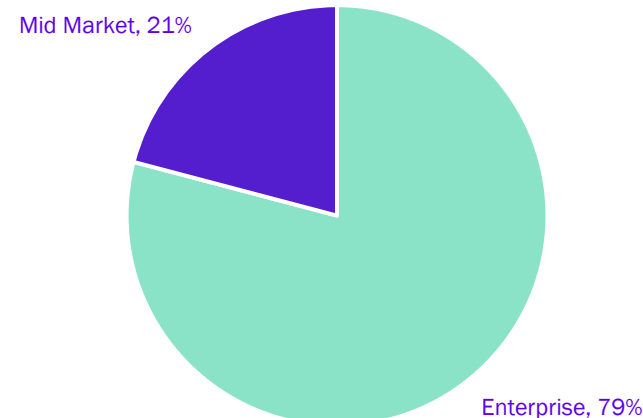
# Blue Chip Customer Validation Across a Range of Industry Verticals

Leveraged by 900+ customers across more than 20 countries, LiveTiles supports both front-office and back-office functions

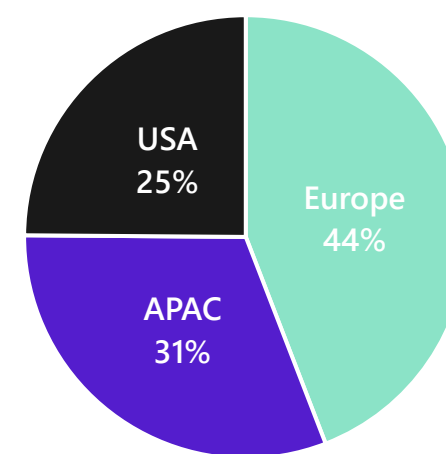
BY INDUSTRY



BY CUSTOMER SIZE



BY GEOGRAPHY



SELECT CUSTOMERS

## EDUCATION



## GOVERNMENT



## INDUSTRIALS



## FINANCIAL SERVICES



## HEALTHCARE



## NOT-FOR-PROFIT



## RETAIL/CONSUMER



## SERVICES



## OTHER



ersonal use only

# STRATEGY & MARKET CONTEXT

David Vander, CEO



# Significant Addressable Market

LiveTiles has significant opportunity in a large and growing market

- Software market potential alone is large AU\$16.1bn & growing at 15% CAGR to 2027<sup>1</sup>
- Conservative estimate we are at only <7% of our Serviceable Obtainable Market
- Market definitions keep evolving as opportunities present i.e., AI, visual collab, analytics etc. There is currently no specific market definition or sizing for Intranet Packaged Solutions (IPS)
- Gartner Hype Cycle has at least 16 interesting additional scope items<sup>2</sup>
- Total software revenue from IPS competitors estimated at AU\$0.4 to \$0.5bn<sup>3</sup>
- Clear opportunity with adjacent markets and additional scope<sup>4</sup>
- Market consolidation likely in the next five years

<sup>1</sup> Gartner: Forecast Analysis: Social and Collaboration Software in the Workplace, Worldwide <https://www.gartner.com/document/4173199?ref=solrAll&refval=370140494>

<sup>2</sup> Gartner: Hype Cycle for Digital Workplace Applications, 2022s <https://www.gartner.com/interactive/hc/4017167?ref=solrctp&refval=370140864&ipDocCd=772459>

<sup>3</sup> Gartner: Craig Roth, VP Analyst

\$AUD

## TAM

Total Available Market  
\$16.1bn

- Starts with Social & Collab market
- Excluding scope i.e., SharePoint & Teams
- Includes some adjacent and infra

## SAM

Service Available Market  
\$8.1bn

- Segmentation
- Geographies
- Operational GTM

## SOM

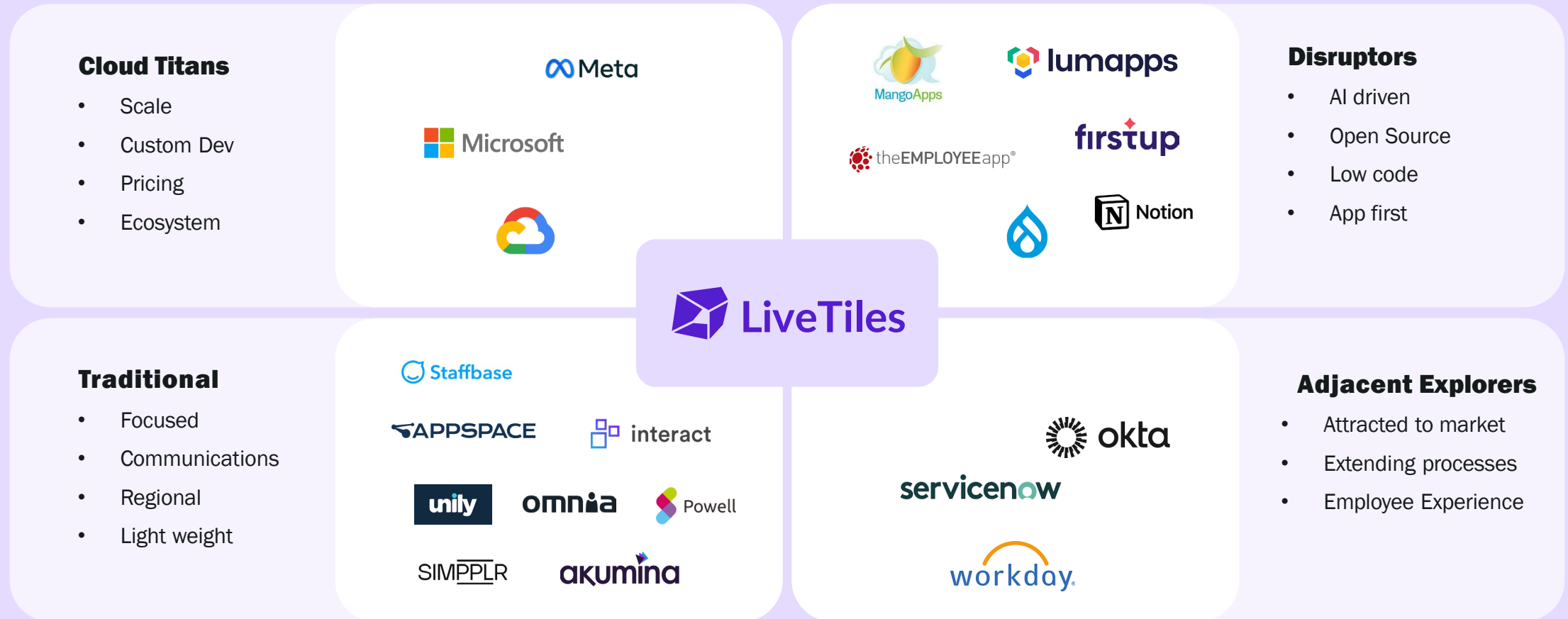
Serviceable Obtainable Market  
\$0.74bn

- Competitors
- Replacement Cycles
- Capacity



# Our Competitive Landscape

LiveTiles at the center of a converging ecosystem



<sup>1</sup> Analysis conducted by LiveTiles and based on ClearBox <https://www.clearbox.co.uk/best-intranet-platforms-reviewed-2023/> and Forrester <https://www.forrester.com/report/the-forrester-wave-tm-intranet-platforms-q1-2022/RES176320>

<sup>2</sup> Staffbase [acquires Valo](#) Nov 2021 and [announce layoffs](#) Jun 2023

<sup>3</sup> Appspace [acquires Beezy](#) Oct 2021

# How is LiveTiles different?

The LiveTiles special sauce



## Expertise, adaptability & high speed

Freedom for choice of infrastructure and ability to implement quickly



## Industrial Strength

Our products and support are geared ready to deliver for global enterprise



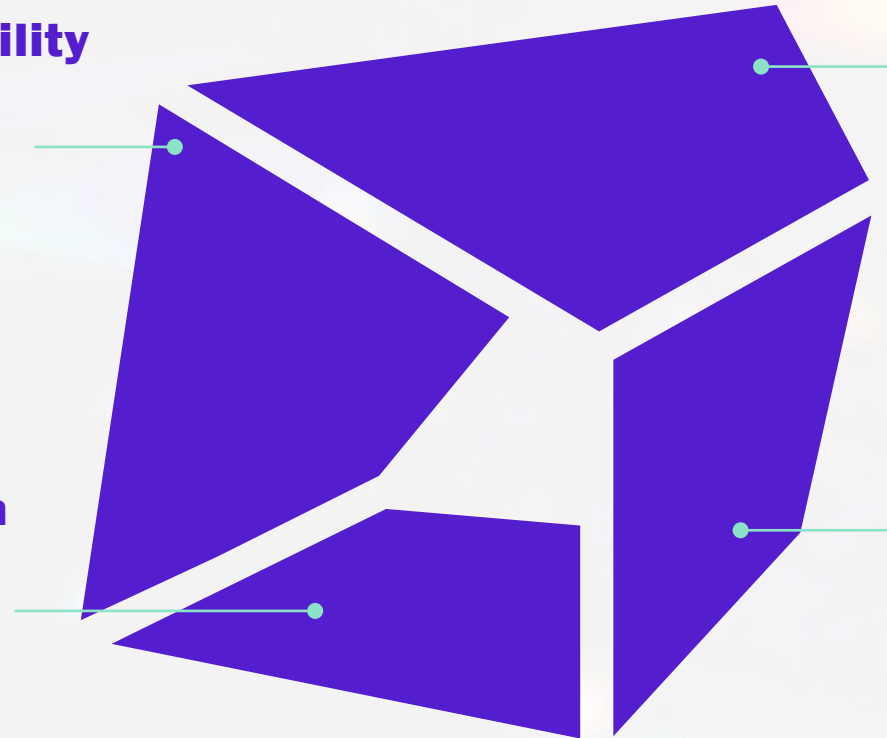
## Most Innovative

Leading R&D spend  
Closest to Microsoft  
Highest number of features/year



## Our People

Our expertise & commitment to the best possible business outcome



# Strategic Execution

Our strategic program for FY24

## Objectives

### Product

- Reinvigorate our innovation profile
- Create the market leading product
- Seen as leading edge and must have

### Penetration (Sales & Marketing)

- Significant increase in lead flow
- Do not lose an existing customer
- Increase win rates

### People

- Aligned and motivated teams
- Leadership factory
- Magnet for talent

## Initiatives

- 3 Major releases a year
- Product Managers (4)
- 2 Dev locations - Porto & Sligo

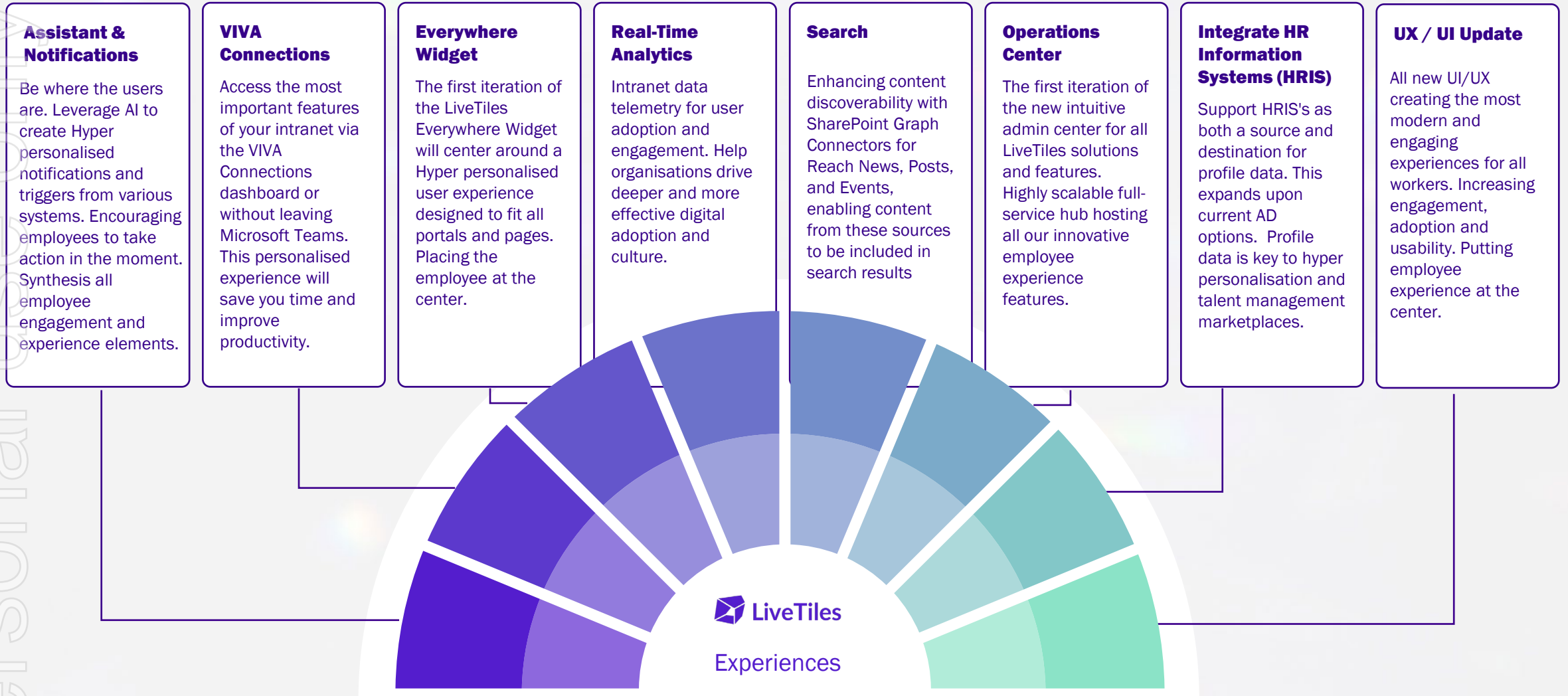
- New Marketing program
- Sales Excellence and rigour
- Reinvigorate Partner ecosystem

- Talent reviews
- EX Action plan
- Leadership Development

**Operational & Financial Discipline and Rigour**

# Product Roadmap

Exciting focus areas for FY24 and beyond



# Product Roadmap - AI: Beyond the Hype

LiveTiles is enhancing our data estate and going beyond the buzzwords to real business value

## Reach

Enhancing Internal Communications through AI

- **Content Enhancement:**  
AI-powered features for content generation, sentiment analysis, keyword generation, and more
- **Engagement Analytics:**  
Post-publication insights on engagement metrics, keyword resonance, and audience demographics

## Intranet

Boosting Operational Efficiency and ROI

- **Governance & Automation:**  
AI to automate content management, categorise content, and handle duplications
- **Content Personalisation:**  
Suggestions based on user preferences, enhanced language translations with contextual understanding
- **Enhanced Search:**  
State-of-the-art NLP models for improved content discovery, semantic search, and cross-product feature integration

## Analytics

Harnessing Data for Actionable Insights

- **Data Management:**  
Harnessing user-generated data across all products to fuel AI exploration and machine learning
- **Behavioral Insights:**  
AI analytics for understanding user behavior, forecasting trends, and real-time reporting

## Assistant

Personalised AI Assistant with Smart Notifications

- **Smart Notifications:**  
Personalised AI assistant offering hyper personalised notifications and triggers from various systems
- **Insights:**  
The assistant uses AI for sentiment analysis, content prioritisation and filtering, providing a tailored view of user suggested activities
- **Resource Prioritisation:**  
Assistant employs AI to highlight learning resources and ensures timely policy reviews



# In Summary

## Back to basics – focused on customer growth

- 64 new customers
- Reduced attrition to <7%

## Simplification of the business

- Conclusion of BindTuning
- Capitalise on H1 Operational Review and lean cost base

## Refreshed leadership team

- New Chief Executive Officer
- New Head of Product
- New Head of Marketing

## Reinvigorated product innovation

- 3 major releases per year
- New leadership & discipline
- 2 low cost dev locations only

## Financial discipline and focus on profitability

- Focus on break even
- Rigour & discipline
- Transparency & Predictability

## Position for growth

- Focused on AI and data
- Capitalise on lean set up
- Accelerate target markets

ersonal use only



**LiveTiles**

**[www.livetilesglobal.com](http://www.livetilesglobal.com)**

**[ir@livetilesglobal.com](mailto:ir@livetilesglobal.com)**

ersonal use only

# APPENDIX



# Refreshed leadership team

Supported by a well respected and tenured board

## MANAGEMENT TEAM



**David Vander**  
Chief Executive Officer



**Alexandra Morris**  
Head of Marketing



**Kim Sorensen**  
Head of Product



**Cameron Smith**  
Head of Operations



**David Salter**  
GM Americas



**Martin Trachsel**  
GM EMEA



**Annalise Meurant**  
Head of Legal



**Darren Pruscino**  
Director of Finance

## BOARD



**Karl Redenbach**  
Executive Director



**Jesse Todd**  
Chair



**Vanessa Ferguson**  
Non-Executive Director



**Kevin Young**  
Non-Executive Director

# Disclaimer

All currency amounts in this presentation are in Australian Dollars (AUD).

This presentation has been prepared by LiveTiles Limited (ABN 05 066 139 991) ("LiveTiles"). Each recipient of this presentation is deemed to have agreed to accept the qualifications, limitations and disclaimers set out below.

This presentation contains summary information about LiveTiles and its activities which is current as at the date of this presentation. No member of LiveTiles, its subsidiaries or respective directors, officers, employees, advisers or representatives (each a "Limited Party") makes any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained in this presentation, including any forecast or prospective information. This presentation should be read in conjunction with the Company's Annual Report, market releases and other periodic continuous disclosure announcements, which are available at [www.asx.com.au](http://www.asx.com.au).

This presentation is not a prospectus, product disclosure statement or any other disclosure or offering document under Australian law (and has not been, and will not be, lodged with the Australian Securities and Investments Commission) or any other law. The distribution of this presentation outside Australia may be restricted by law. Any recipient of this presentation who is outside Australia must seek advice on and observe any such restrictions. This presentation may not be reproduced or published, in whole or in part, for any purpose without the prior written permission of LiveTiles. This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any shares in the United States or in any other jurisdiction in which such an offer would be illegal.

This presentation contains certain "forward-looking statements" about LiveTiles and the environment in which LiveTiles operates. Forward-looking statements often include words such as "may", "anticipate",

"expect", "intend", "plan", "believe", "continue" or similar words in connection with discussions of future operating or financial performance. The forward-looking statements included in this presentation involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, LiveTiles and each Limited Party. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based.

Given these uncertainties, you are cautioned to not place undue reliance on such forward-looking statements.

This presentation contains certain financial measures that are "non-IFRS financial information" under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC and also "non-GAAP financial measures" within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS).

The non-IFRS financial information/non-GAAP financial measures contained in this presentation include Annualised Recurring Revenue (ARR), EBITDA, Underlying EBITDA, LifeTimeValue and Customer Acquisition Cost. LiveTiles believes such non-IFRS/non-GAAP financial information provides useful information to users in measuring the financial performance and business conditions of LiveTiles. The non-IFRS/non-GAAP financial information does not have a standardised meaning prescribed by AAS and IFRS and therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-

GAAP financial information and ratios included in this presentation.

Certain market and industry data included in this presentation has been obtained from public filings, research, surveys or studies conducted by third parties, including industry and general publications, and has not been independently verified by LiveTiles. LiveTiles cannot warrant or guarantee the accuracy or completeness of such information.

This presentation is a general overview only and does not purport to contain all the information that may be required to evaluate an investment in LiveTiles. The information in this presentation is provided personally to the recipient as a matter of interest only and has been prepared without taking into account the objectives, financial situation or needs of prospective investors. It does not amount to an express or implied recommendation with respect to any investment in LiveTiles, nor does it constitute financial, legal, tax, investment or other advice or a recommendation to acquire LiveTiles shares.

The recipient, intending investors and respective advisers should:

conduct their own independent review, investigations and analysis of LiveTiles and of the information contained or referred to in this presentation; and/or seek professional advice as to whether an investment in LiveTiles is appropriate for them, having regard to their personal objectives, risk profile, financial situation and needs.

Except insofar as liability under any law cannot be excluded, neither LiveTiles nor any Limited Party shall have any responsibility for the information contained in this presentation or in any other way for errors or omissions (including responsibility to any persons by reason of negligence).