

# Investor Presentation Q4 2015

Developing a leading Australian  
financial technology and  
e-learning company

ASX: ENZ  
[www.enzumo.com](http://www.enzumo.com)



## Enzumo Summary

- A Leading profitable boutique financial technology and e-learning technology company, currently focused on the Financial Planning and Advisory Industry
- Positioned at the nexus of financial planners, information flows (from analysts, financial product providers, promoters and distribution specialists) and investors

### Enzumo's intellectual property and products/services/solutions consist of:

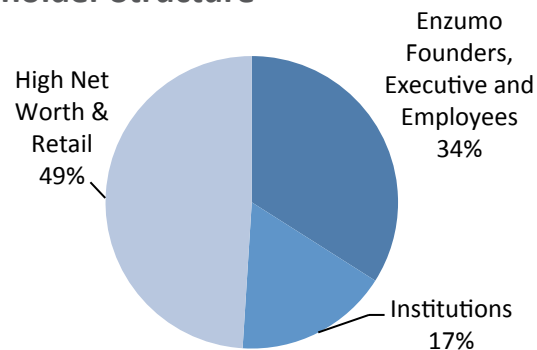
- Advisory services coupled with software and workflow solutions, e-learning management systems and content
- Learning Management System (**LMS**) that provide wealth management firms with the means to:
  - Support their proprietary workflows
  - Train financial planners and staff on software configuration, workflow systems and the underlying financial planning software platforms
- e-Learning management systems for wider training of financial planners
- Xplan Managed Service is a fully outsourced solution that allows IFA's to significantly improve operational efficiency and productivity.

## Corporate Overview

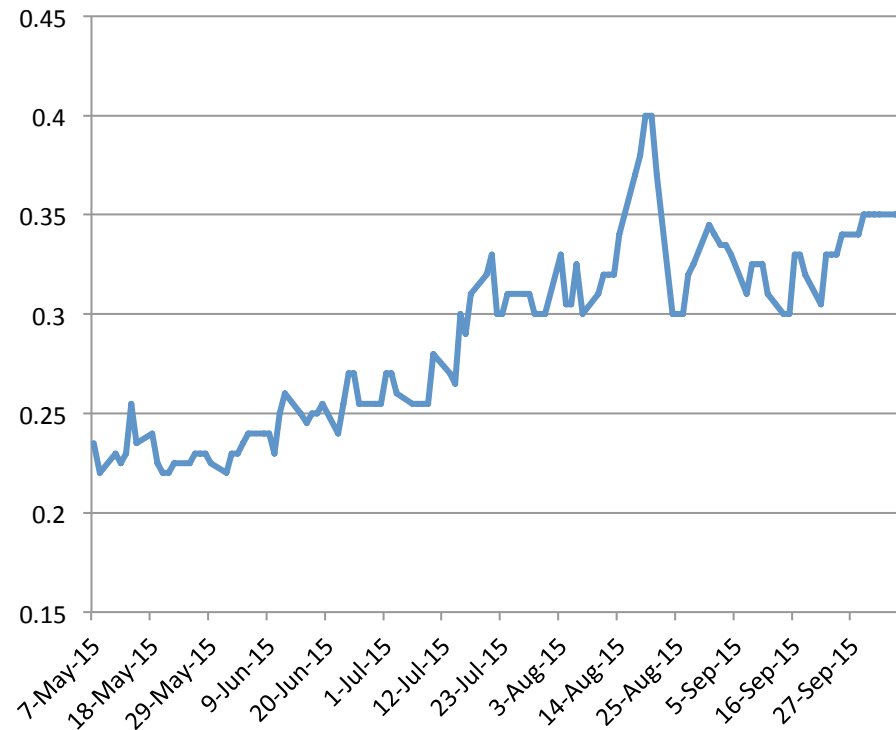
### Key Statistics [6 October 2015]

ASX Code	ENZ
Closing Share Price	\$0.35
52 Week High	\$0.41
52 Week Low	\$0.215
Shares on Issue (undiluted)	52,529,355
Options (strike price \$0.30)	3,150,000
Market Capitalisation	\$18,385,274
Performance Rights (triggers EBITDA \$2m 2017, \$3m & \$5m 2018)	5,400,000
Cash (30 June 2015)	~\$2.4m

### Shareholder Structure



### Share Price Performance



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## Key Investment Highlights

### Financial Highlights

Strong growth in revenue and profitability, with attractive financial metrics:

- Solutions and software services produce:
  - ✓ Advisory fees;
  - ✓ Software configuration license fees;
  - ✓ E-learning management SaaS and hosting fees and;
  - ✓ support and maintenance fees.
- 3 year revenue growth 80%, EBITDA 1,200% and continuing Gross Margins 65%
- FY15 revenue up 22% to \$2.8 million from \$2.3 million in 2014
- Recurring revenue derived from licenses, support and maintenance and subscriptions >45%
- Strong balance sheet, with no debt and \$2.4 million cash as at June 30 2015

### Operational Highlights

- Launch of Enzumo's Xplan Managed Service solution following strong market demand
- Growing blue chip customer base
- Significant intellectual property (IP) base, with a strong product and technology pipeline
- Market opportunity in Australia and New Zealand is significant (\$250m+ pa)
- Overseas market opportunities exist, initially in UK
  - The UK market, which we will be "pulled into" is many times bigger than Australia - \$1B+

## Key Development Milestones

### Committed to building a leading financial technology and e-Learning technology company

- ✓ Launched Xplan Managed Service in June 2015 due to strong market demand from the IFA sector
- ✓ Signed Master Services Agreement (MSA) with ANZ Bank's Wealth division in August 2015 – significantly strengthening Enzumo's blue chip client base and providing a solid platform for further expansion
- ✓ 15 additional clients signed to Enzumo's Managed Service and Customisation solution in September 2015
- ✓ Agreements executed in September 2015 with two leading Australian stockbroking firms to provide services to growing wealth management divisions
- ✓ Growth in Enzumo's Managed Service and Xplan Customisation client base underpins strategy targeting scalable growth opportunities in the IFA sector
- ✓ Enhanced product and service offerings and revenue models driving increased recurring revenues of >45%
- ✓ Strategic marketing plan and building of business development resources underway

## Expansion Strategy

### Growth Initiatives

### Status – September 2015

1	Continue expansion into key market segments – focus on IFA and blue chip client growth	<ul style="list-style-type: none"> <li>15 new clients acquired since 1 July</li> <li>Strong pipeline of prospects at different stages of sales process</li> </ul>
2	Increase number of software tools / products per client	<ul style="list-style-type: none"> <li>Implementation by Business Solutions team commenced</li> <li>Building continuous improvement roadmap with clients</li> </ul>
3	Develop new software tools and products and expand service offering	<ul style="list-style-type: none"> <li>Dealer solution development commenced</li> <li>Large client has agreed to work with Enzumo on development</li> </ul>
4	Xplan Managed Service solution	<ul style="list-style-type: none"> <li>Building prospect pipeline via marketing plan and increased business development resources</li> </ul>
5	Expand e-learning (eLMS) offering	<ul style="list-style-type: none"> <li>ANZ is expanding use of e-learning to professional services division</li> </ul>
6	Assess potential strategic acquisitions	<ul style="list-style-type: none"> <li>Continuous – Assesses opportunities as they arise</li> </ul>

### Build Management Bench Strength

Head of Business Solutions	Head of Operations	Head of Strategic Relationships
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## Business and Revenue Model

### Solutions and Services

- Xplan configuration and development services
- Proprietary software modules - Solutions range from wizards to support, building and reviewing Statements of Advice (SOA) to proprietary workflows and management of external data feeds
- Xplan Managed Service (launched June 2015)
- Site administration and support services

- Advisory services - time & materials
- Software modules – licenses, volume breaks, annual support and maintenance

### e-Learning Management Systems (eLMS)

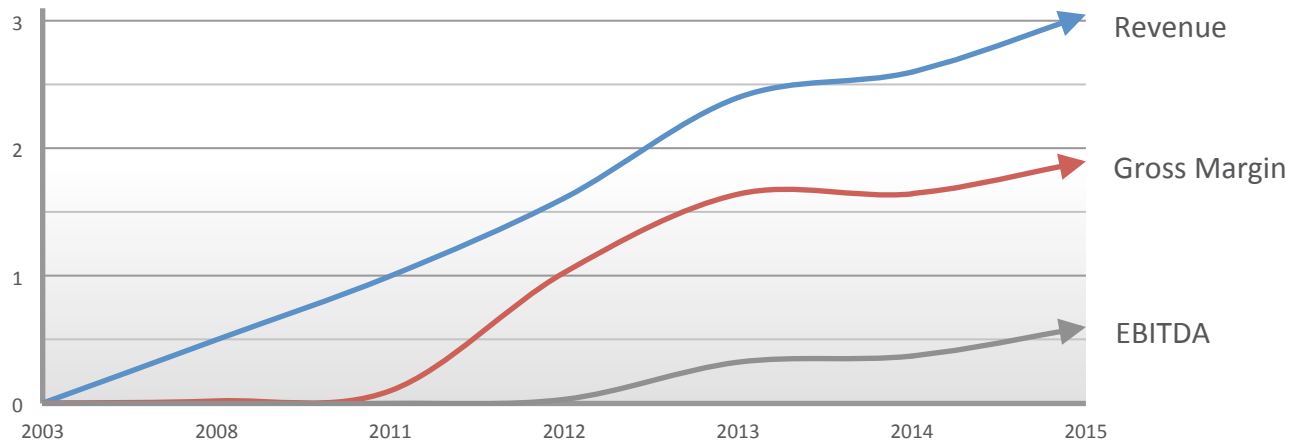
- Proprietary eLMS platform
- User training and support
- eLMS also available for non-financial planning clients

- Learning content - time & materials
- Software as a service (SaaS) – configuration charge / monthly subscription model, multi-year terms

Enzumo's revenue is > 45% license and subscription / SaaS based

## Enzumo – Growth Foundations

### Characterisation of Enzumo’s Development Phases



Start-up Phase	Initial Expansion & Commercialisation	Growth & New Capital	The Next Stage
<ul style="list-style-type: none"> <li>Stephen and Lyn Bell develop software tools to drive productivity in financial planning practice</li> <li>Xplan released and gains market share</li> <li>Stephen Bell starts Evolve Logic to act as a business and software consultant</li> <li>2008: Bell is full time at Evolve Logic</li> </ul>	<ul style="list-style-type: none"> <li>Bell being full time drives growth as an independent consultant to independent financial planning practices</li> <li>2011 Rawlinson meets Bell and undertakes Evolve review</li> <li>Results in commercialisation plan</li> <li>Rawlinson joins and Evolve becomes Enzumo</li> <li>Reduce product sets and increased focus</li> <li>Change business model and increase pricing</li> <li>Focus on entering institutional and dealer group markets</li> <li>MLC / NAB becomes 1<sup>st</sup> Institutional Client</li> </ul>	<ul style="list-style-type: none"> <li>Opportunities grow</li> <li>Revenue/Profit growth continues</li> <li>Subscription revenue &gt; 45%</li> <li>Enzumo assesses growth options</li> <li>Decision to seek new capital and partners</li> <li>Revenue model foreshadows continued strong EBITDA growth</li> <li>Enzumo , Kestrel &amp; GMX agreement (H2 CY2014)</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup> institutional client on board</li> <li>Subscription/license revenue % growing</li> <li>Product &amp; technology pipeline in place</li> <li>Capital in place to fund market, client and product expansion</li> <li>Assessment of acquisition opportunities</li> <li>Attractive financial metrics drive profitability (Gross Margin &gt; 65%)</li> </ul>

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## Enzumo - Financial Metrics

	2012	2013	2014	2015
<b>Revenue (\$'000)</b>	<b>1,763</b>	<b>2,379</b>	<b>2,312</b>	<b>2,796</b>
<b>Operating EBITDA (\$'000)</b>	<b>191</b>	<b>8</b>	<b>158</b>	<b>444</b> (Including Deferred Revenue \$700k)
<b>Performance Metrics</b>				
Gross Margin (NOM)	64%	66%	65%	65%
Operating EBITDA %	11%	0.3%	7%	16% (Inc. DR 27%) Target is 35%
<b>Growth Rates</b>				
Revenue		35%	0%	22%
Operating EBITDA			15x	281%

### Key Points:

- Revenue is > 45% subscription/license revenue
- FY15 has benefit of ANZ Stage 1 implementation, with Stage 2 (eLMS) at the end of the year, with the MAS was signed in early FY16
- FY15 impacted by Deferred revenue, as per Annual Report

**Note:** Financial information is from the Prospectus and 2015 Annual Report, except Gross Margin which is as per Notice of Meeting

## Strong Market Dynamics Support Growth Prospects

### 1: Industry Groups

Client Segment	Characteristics	Size in Licences	Appropriate Authorised Reps
Wealth Institutions	<ul style="list-style-type: none"> <li>Typically bank owned</li> <li>Operate an employed adviser network</li> <li>Own and operate licensees (Dealers) made up of large numbers of self-employed advisers (Practices)</li> </ul>	Employed – 300 to 1,000 advisers  Self Employed – 100 + practices	11,000
Mid-Tier Licensees (Dealer Groups)	<ul style="list-style-type: none"> <li>Typically independent licensees</li> <li>Often more like a co-operative of like minded advisers</li> </ul>	50 to 300 Practices	5,000
Individual Practices	<ul style="list-style-type: none"> <li>Fiercely independent, fragmented</li> <li>Believe their way of advice delivery is unique and value adding to clients</li> </ul>	4+ employees	2,000

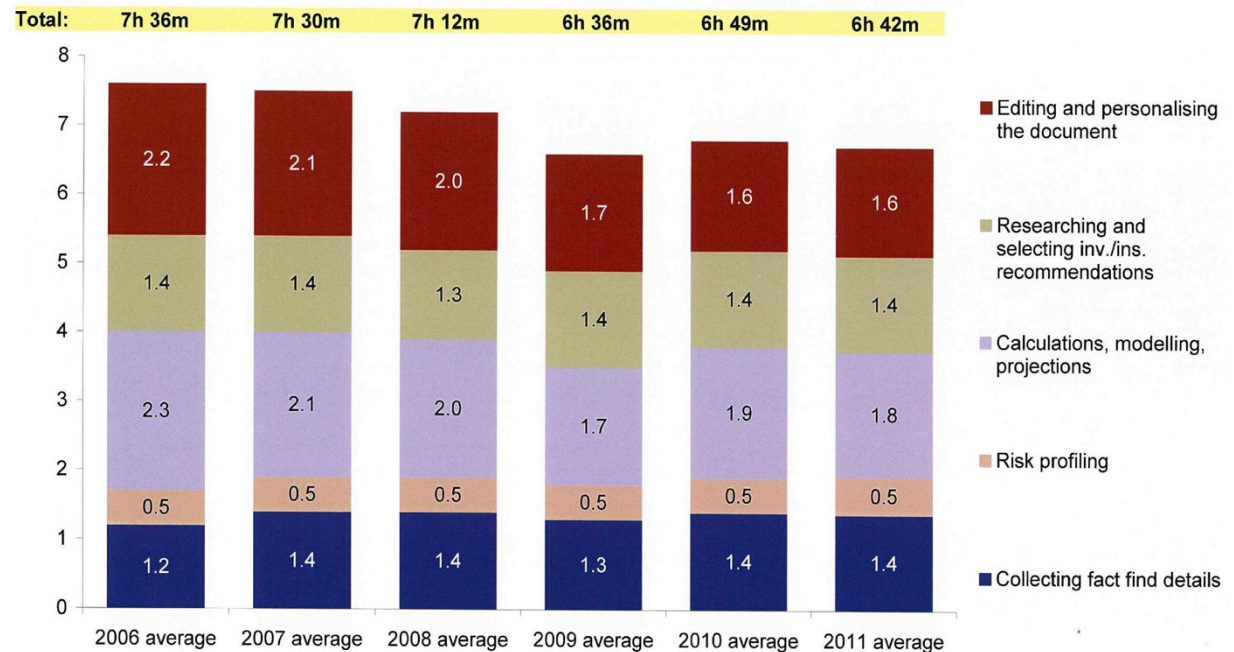
Enzumo currently has two Wealth Institutions, a growing number of the Dealer Groups and 80+ of the independent practices. There is room for significant growth.

## Strong Market Dynamics Support Growth Prospects

### 2: Purchasing dynamics of Australian Wealth Management Industry

The industry trend is that the time taken to deliver financial advice is reducing, but complexity is increasing

- Financial planning software systems enable market participants to deliver advisory services, whilst meeting legal obligations and demonstrating compliance
- Planning platforms typically selected by IFAs, dealer groups and institutions rather than individual planners
- Selection criteria (in order of importance): compliance/risk management, efficiency, low training burden, access to external data feeds



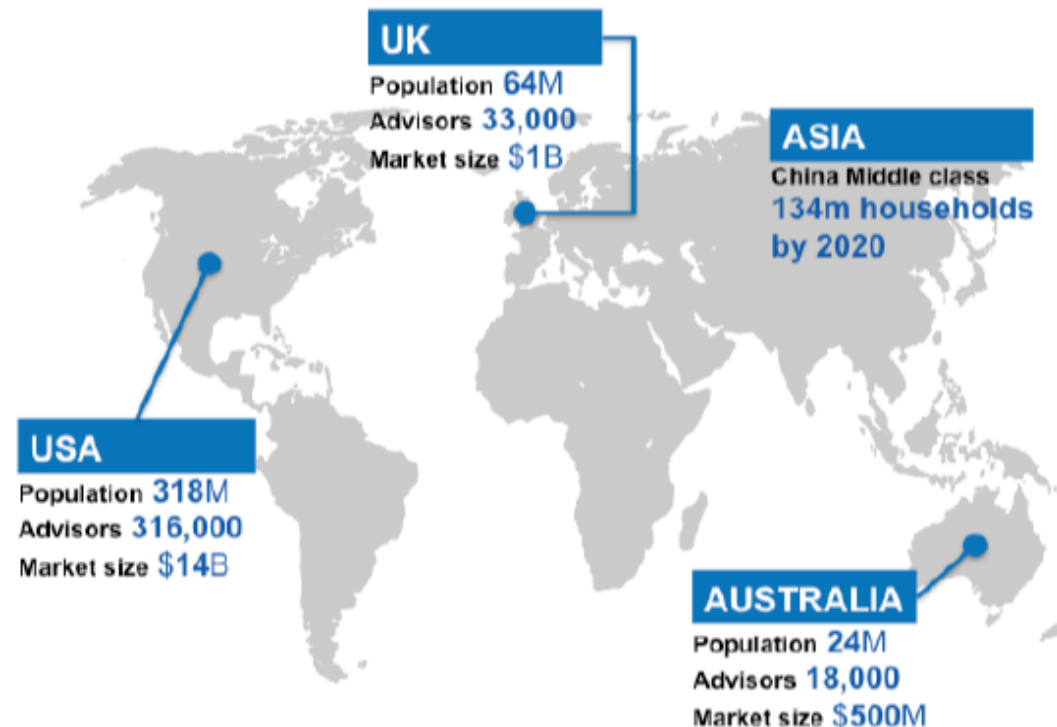
Enzumo's solutions enable clients to increase productivity, manage complexity, reduce costs and drive down the time taken to deliver financial advice.

## Strong Market Dynamics Support Growth Prospects

### 3: Funds Under Management Market

The Fund Management market is growing strongly

- Industry traditionally remunerated on Funds Under Management (FUM)
- Australian financial advisers FUM over \$2.2 trillion – 3<sup>rd</sup> largest globally
- Growth driven by Government – superannuation to increase from 9% to 12% of income by 2022
- Secondary growth drivers:
  - Investor education
  - Provision of advice smaller investors
  - Aspirations of self funded retirees
  - Population growth



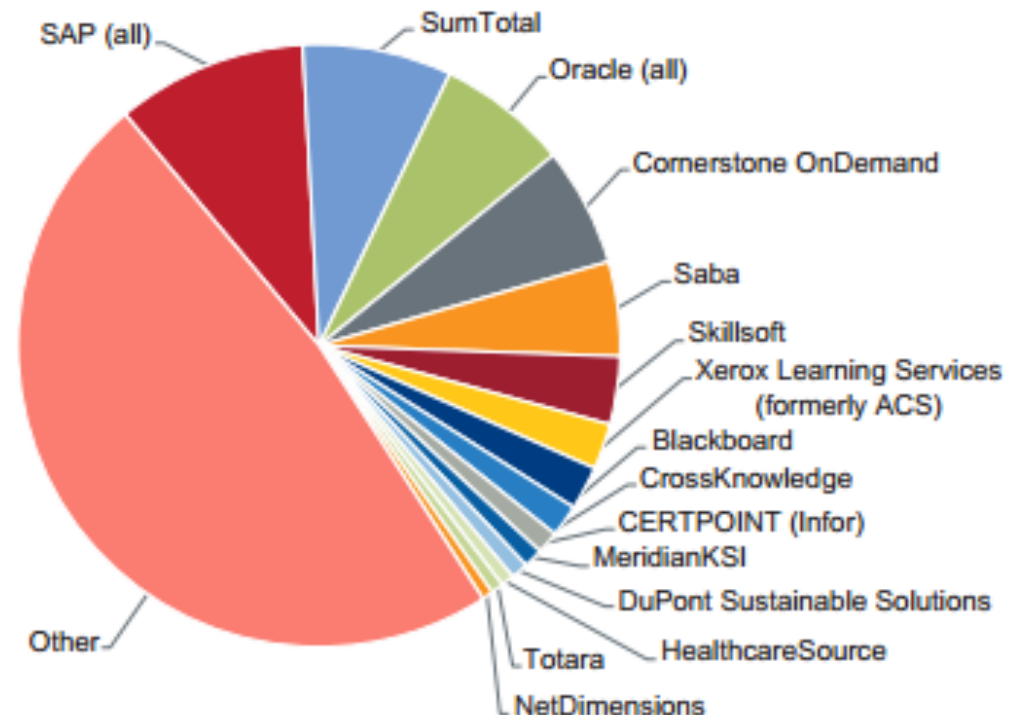
Enzumo's solutions enable financial planners/advisers to scale, increase productivity and reduce costs

## Strong Market Dynamics Support Growth Prospects

### 4: The E-Learning Market

- \$2.5b - \$2.7b spent globally on Learning Management Systems (LMS)
- 15% of training spend on learning technologies in 2013
- Features becoming commoditised
- SaaS-based systems with saleable prices becoming norm
- Highly fragmented market
- Buyers typically support specialised local providers
- Two prolific open source communities exist – both focused on education market

Global LMS Market Share - 2014



Enzumo's eLMS is focused on the financial planning and advisory market

## The E-Learning Management Systems Opportunity

### Australia & New Zealand

\$250m p.a. opportunity

- ❑ Banking, Accounting, other Financial Services and other service providers
- ❑ Initial opportunity - Institutions that are existing customers for the products and services provide the gateway into other verticals within their business
- ❑ Train new employees, cross skill, maintain CPD, effectively introduce new software programs (e.g. Zero) and enable employees (older or inexperienced)

For example:

MLC/NAB Wealth Management

~ 5,000 Planners & Staff



NAB Group (global)

~ 42,000+ Employees (Clerks, Tellers etc)

Big Four Accounting Firm

~ 4,000 - 6,000 Employees (Aust only)



Accountants in Australia

~ 181,900 (2014)

## Investment Summary

- **Enzumo's solutions meet a market need**
  - Enzumo's solutions increase productivity and efficiency of producing and managing financial advice
  - Enabling clients/advisors to compete in largest untapped market segment – 'scalable advice'
  - Advisory capability ensures effective implementation of technology solutions for financial advice providers
- **Enzumo is a well established profitable business**
  - Growing blue chip financial services client base
  - Significant IP with a strong product and technology development pipeline
  - Strong organic growth prospects
  - Market dynamics support growth strategy
  - e-Learning platform drives adoption of the solution to underpin realisation of productivity and efficiency gains
  - Experienced Board and management team (Enzumo and Kestrel)
- **Enzumo offers compelling value based on**
  - Market Capitalisation and vend in value of Enzumo Group
  - Growth prospects
  - Financial metrics

## Experienced and Committed Board & Management

### Niall Cairns – Non-Executive Chairman

- Joint Managing Director of Kestrel Capital with 25+ years experience of direct seed, venture capital, private equity and listed company experience focused on technology growth investments
- Significant transaction expertise, operational and director level experience, technology investment and a track record of value creation and exits in the listed and unlisted markets

### Andrew Rawlinson – CEO & Executive Director

- 20+ years experience in starting and growing business value in the financial services industry
- Co-founder of Oasis Asset Management (now owned by ANZ wealth)
- Key strengths are institutional sales and building and providing portfolio admin services to financial advisers, both independent and institutional

### Phillip Carter – Non-Executive Director

- Joint Managing Director of Kestrel Capital, Phillip has extensive experience developing and financing technology rich companies in Australasia, Europe and USA
- Previously a director of leading UK-based firm and where he managed the InterTechnology Fund, recognised by EVCA as one of the most active development capital funds in Europe

### Stephen Bell – Enzumo Director of Innovation

- Founder of Enzumo and Director of Innovation
- Over 20 years experience in the financial services industry as a financial planner and FP business owner with 10 years customising XPLAN
- Owned and operated financial planning practice Logiro in 2006

### Lyn Bell – Enzumo Operations Director

- 20+ years experience owning and operating financial planning businesses
- Previous experience in executive management positions with large national and international companies such as Terry White Chemist Group and The Estee Lauder Companies Inc
- Manages the day-to-day operations of Enzumo



## Contact Details

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