



**ASX Announcement**

ASX code: SP1  
24 November 2016

**Annual General Meeting 2016**

Please find attached copies of the Chairman's Address and the CEO and Managing Director's presentation to be presented at the Search Party Group's Annual General Meeting which is being held today in the Composite Room, SMC Conference and Function Centre, 66 Goulburn Street, Sydney NSW at 10:00am (Australian Eastern Daylight Time).

**About Search Party**

Search Party Group Ltd (ASX:SP1) is a recruitment services marketplace that connects employers and recruiters to make hiring faster, easier and more effective. Search Party has offices in Sydney, London and Toronto. It also owns employer branding site, JobAdvisor. For more information, visit [thesearchparty.com](http://thesearchparty.com) and [jobadvisor.org](http://jobadvisor.org).

**For further Information, please contact:**

Managing Director

Ben Hutt

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## CHAIRMAN'S ADDRESS

Financial year 2016 involved a process of significant change in the company from Applabs Technologies via the implementation of a series of steps to acquire the Search Party business. Whilst this transaction only completed post 30 June the company is effectively now focussed solely on the Search Party recruitment marketplace business (with a few small and remaining historical investments of Applabs to be realised in due course).

I would like to thank Charles who was one of the original directors of Applabs for his cooperation and support in progressing and finalising Applabs acquisition of the Search Party and related relisting of the merged group.

In the context of our business focus, we will direct our remarks to the Search Party business and after some introductory remarks from me I will leave most of the business commentary to our CEO Ben Hutt.

We have an ambitious plan to become the dominant global recruitment marketplace.

The reason we are passionate about our vision is that we believe we have a great product, supported by sophisticated data science and a lot of learning along the way, which is designed to enhance the experience for the 3 key stakeholders in the recruitment process, employers, candidates, and recruiters.

Recruitment is a multibillion market and we are seeking to participate this by generating positive outcomes for everybody. We see ourselves as an enabler of improved process and profitability for all.

We think it is really important for investors to understand that marketplaces are difficult businesses to get right but when you do they become dominant and very profitable.

To achieve this will take a mixture of ongoing improvement in operational performance, investing in new systems and strategic and capital partnerships to build volume and market presence both in our core markets and in new markets.

We have proven that the model works and what we are now focussed on is improvements and meaningful scaling. The improvements in our systems, sales marketing are happening everyday. The scaling is happening steadily and in line with our capital base. As we have stated previously acceleration of any efforts are only expected together with strategic or capital partnerships and we have engaged advisers to support us in pursuing this aggressively to take advantage of our first mover position in Aus, UK and Canada and to build presence in new and attractive markets.

Another positive development which we have been working on is the appointment of a new director who can assist in expanding our global reach. I am pleased to say that we are in advanced discussions with Nick Gundry based in Singapore who currently works for Microsoft, focused on partnerships, acquisitions, and growth initiatives. We expect to make an announcement in this respect in the next few days. As Ben will explain we feel he has the potential to add a lot of value to our business and are excited by this prospect.

Before I hand over to Ben I would like to thank Ben and his entire team for the dedicated efforts and commitment over the past year and beyond. The transaction with Applabs and the conversion to a listed entity took longer than expected and required a huge effort over and above ongoing management and operation of the business.

I would also like to thank my fellow directors, Paul and Charles for their help and support over this challenging process and period.

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Finally I would like to acknowledge and thank our major shareholder and marketplace expert Josh Rogers who has been invaluable in supporting the company both as a shareholder, a director prior to relisting and as a consultant.

We know that we have a lot of work to do to turn this company into a huge success and look forward to working with all of our stakeholders to build a great business and generate attractive returns for our shareholders.

Thanks again to all of you for attending today and I now have great pleasure in handing over to our CEO Ben Hutt.

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# CEO AGM Presentation

November 2016



**SEARCH PARTY**

Search Party Group Ltd (ACN: 139 977 772)

# Key achievements for 12 months to 31 Sep 2016

1. Search Party Group (SP1) re-listed on August 17<sup>th</sup> 2016, supported by multiple capital raises (\$9.6m).
2. Gross Revenues in September quarter \$460,946, up 274.4% on same quarter last year, growing consistently 50% quarter on quarter.
3. Employer and recruiter base growing, up 220% and 185% on 12 months ago. First placements occurred outside core operating locations (USA, Europe)
4. Customer activity and engagement increased significantly, with efficiency through the sales funnel much more effective than 12 months ago, and as at end-Sept 20% of all roles with a fee agreed converted to placement (up from 11%)
5. R&D grant for \$1.3m received into tax account, and bonus options issue for \$4m underwritten at 10c taking total cash at 31 Sept to ~\$8.5m.
6. Board expected to be expanded with the proposed appointment of Microsoft Exec Nick Gundry. Key focus on partnerships, co-investment, & acquisitions at Microsoft, previously Skype, IHG, Yahoo.

# Mid-quarter status

1. Entered Q4 with strong pipeline in all markets and completed 49 placements in October.
2. Roll-out of the new communications framework delayed to mid-November. Delayed changes to sales and marketing designed to increase efficiency and facilitate operating at greater volume.
3. Changes now taken effect and having desired impact on efficiency and customer engagement.
4. We anticipate Q4 being ahead of Q3 on both revenue and placements (133 & \$460k gross in Q3), and whilst still too early to predict with accuracy we may be slightly below the 177 forecast.
5. Pipeline strong and several catalysts for significant growth should materialise imminently including a national deal in the UK which opens up a new revenue stream.
6. We believe the model is well proven and the key now to significant scale is selection of appropriate partners in both new and existing markets. Discussions underway, and the strategy will be supported by the proposed appointment of Nick Gundry.
7. We continue to monitor our progress and expenditure closely and will adjust as appropriate.

# Why a marketplace in recruitment?

Potential \$1 trillion

Recruitment Industry  
\$456bn

Online  
\$9bn  
(3%)

Making it real: SMEs are the bulk of the opportunity

	# SMEs	# People	% Workforce	# Jobs p.a.	
NOW	AU	2.1M	6M	50%	1.2M
	UK	5.4M	15M	60%	3M
	CA	1.1M	5M	70%	1M
SOON	US	5.7M	130M	50%	26M
	<b>Total</b>	<b>14M</b>	<b>156M</b>	<b>60%</b>	<b>31M</b>

# What we deliver:

**Fast, affordable hiring for all  
businesses, everywhere...**

**...for recruiters a new and  
profitable way of doing business.**

# Business by Numbers Q3 2016 vs Q3 2015

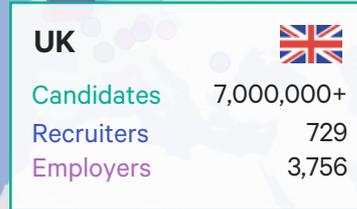
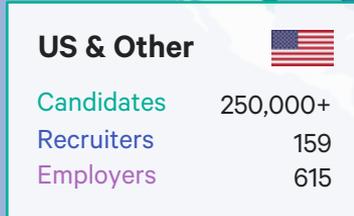
Users signed up	Total 31 Sep '15	Total 31 Sept '16	Growth %
Employer Users	2306	7 378	+220%
Recruiter Users	543	1 550	+185%

Metric	Q3 CY'15	Q3 CY'16	YOY Quarterly Growth %
Jobs Posted	432	1 615	+274%
Value of Fees Posted / Offered	\$1.99M	\$5.91M	+197%
Number of Jobs with a Fee Agreed	331	874	+164%
Value of Jobs with a Fee Agreed	\$1.16M	\$3.95M	+241%
Average Fee Agreed (\$)	\$4 846	\$4 519	-7%
Interviews Confirmed	325	828	+155%
Placements Confirmed	34	135	+297%
Gross Revenue (Recruitment Fees Billed)	\$123 106	\$460 000	+274%
Net Revenue*	\$25 141	\$92 000	+266%

\* Search Party earns ~ 20% of this gross revenue transaction few net revenue

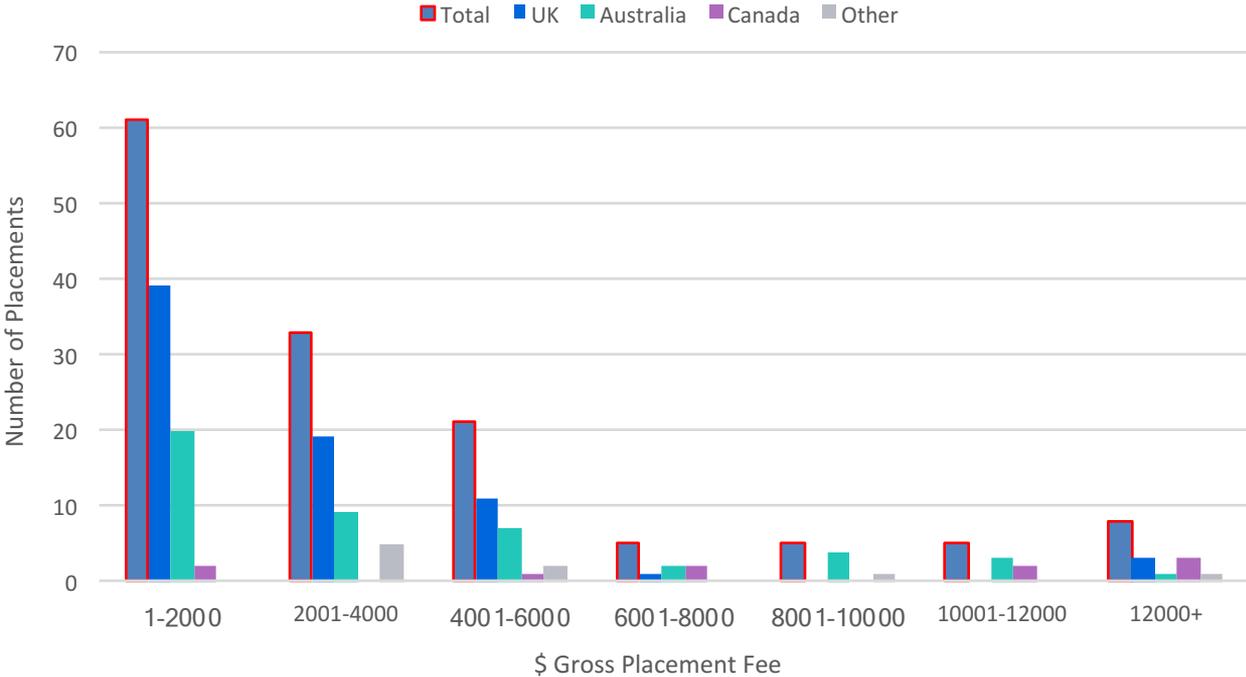
# 9 million+ professional candidates globally. More than 30 countries with 10,000+

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# Broad range of fees being paid

## Placement Fees Earned Q3 -2016 (AUD)



# The Recruitment Funnel



# The focus across the entire business has been on two key objectives:

## Improving efficiency

## Growing volume

### Product Innovation

- Platform enhancements to remove friction
- Complete UX review, user centric design completed
- Data science making its way more rapidly into the product
- In platform communications rolled out

### Sales Operations

- Clear focus of all teams in each geography with well defined roles throughout the sales funnel
- Developed infrastructure to allow better management of job pipeline
- Focused on narrow verticals for jobs and building community and engagement with key recruiters

### Marketing

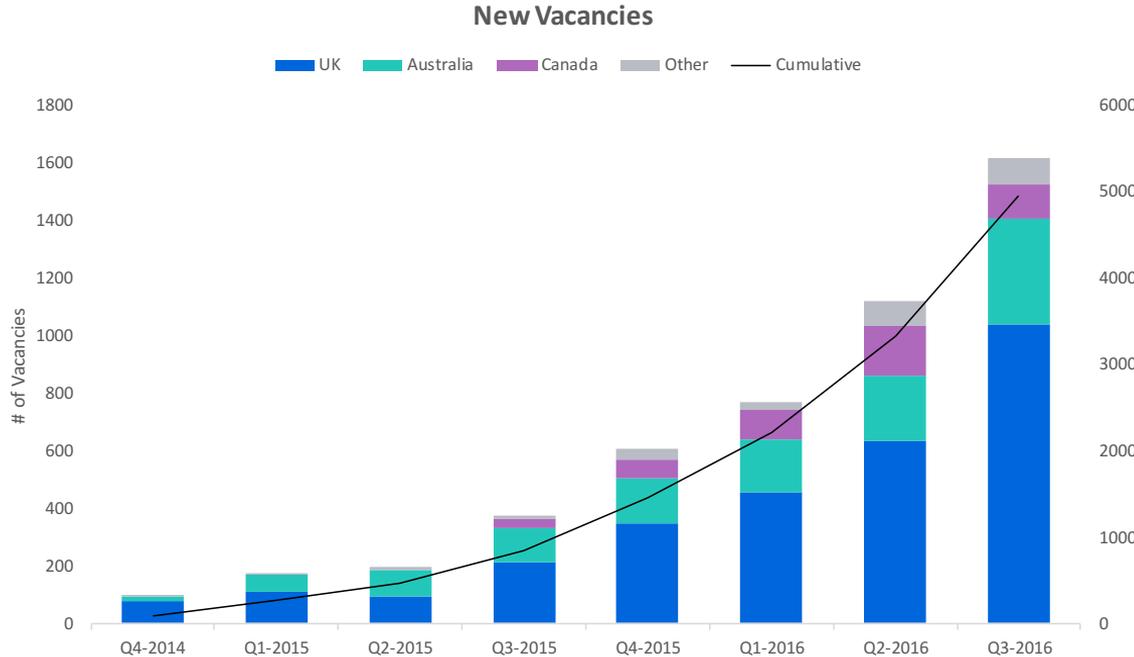
- Used full suite of marketing techniques to drive customer growth from the SME audience in our key markets
- Invested in content to generate cost effective traffic
- Released new website to more clearly explain what we do
- Automated nurture and sales process

### Customers/Partners

- Deepened relationships with repeat customers to grow share of recruitment spend moving forward and build out in key verticals
- Began engaging strategic operational and capital partners to support large scale expansion

# Business Performance

# Hiring demand growing



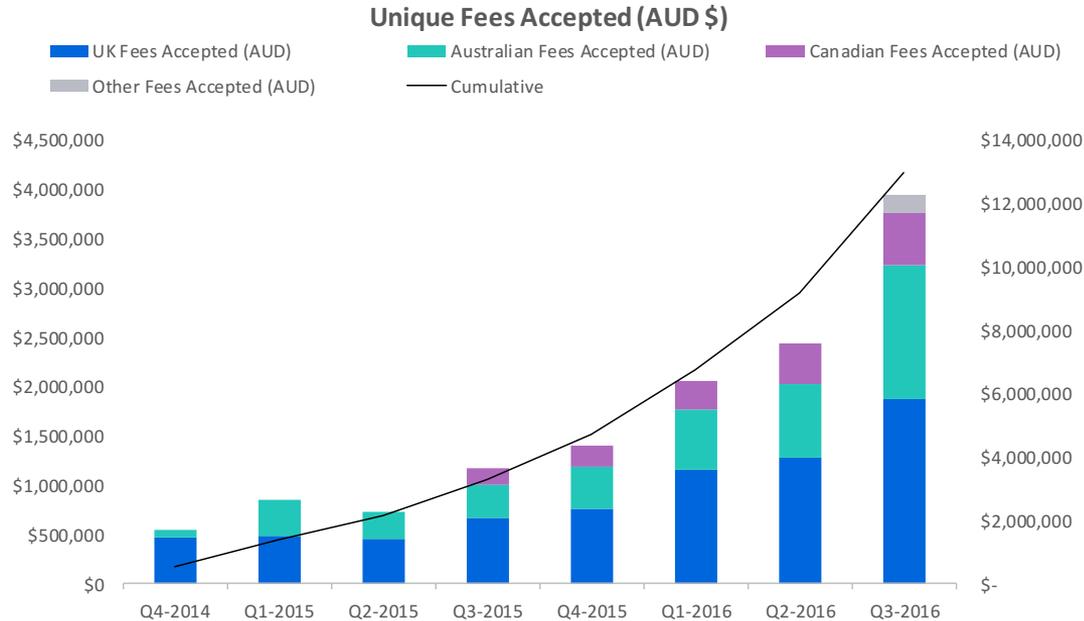
## Recruitment Funnel



**Jobs growing in core locations and in other countries**

# Value on platform growing significantly

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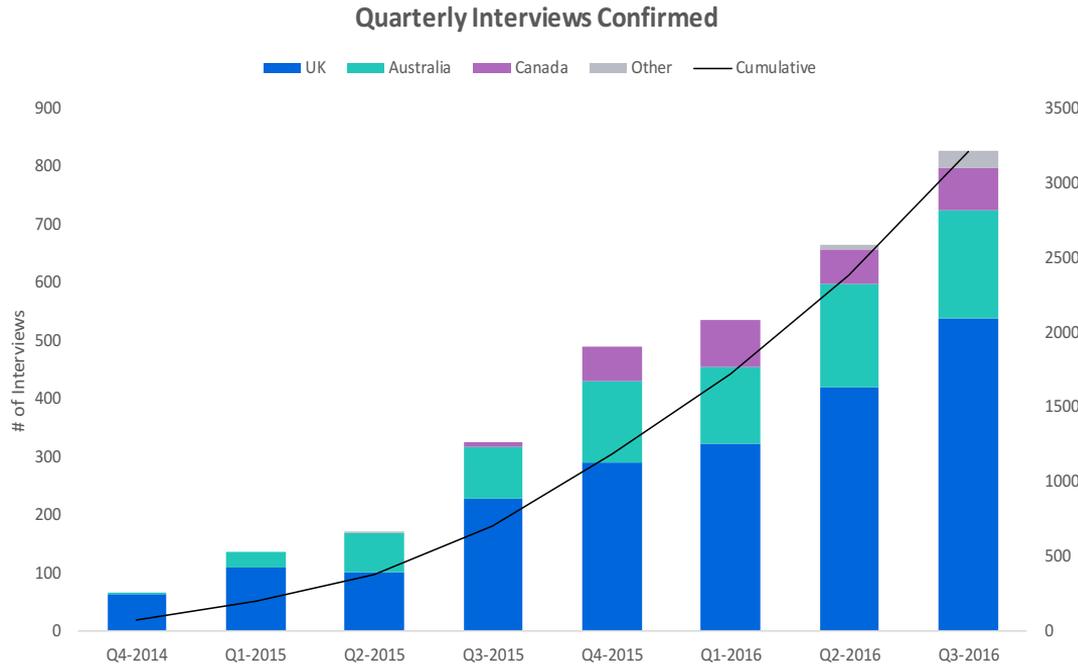


## Recruitment Funnel



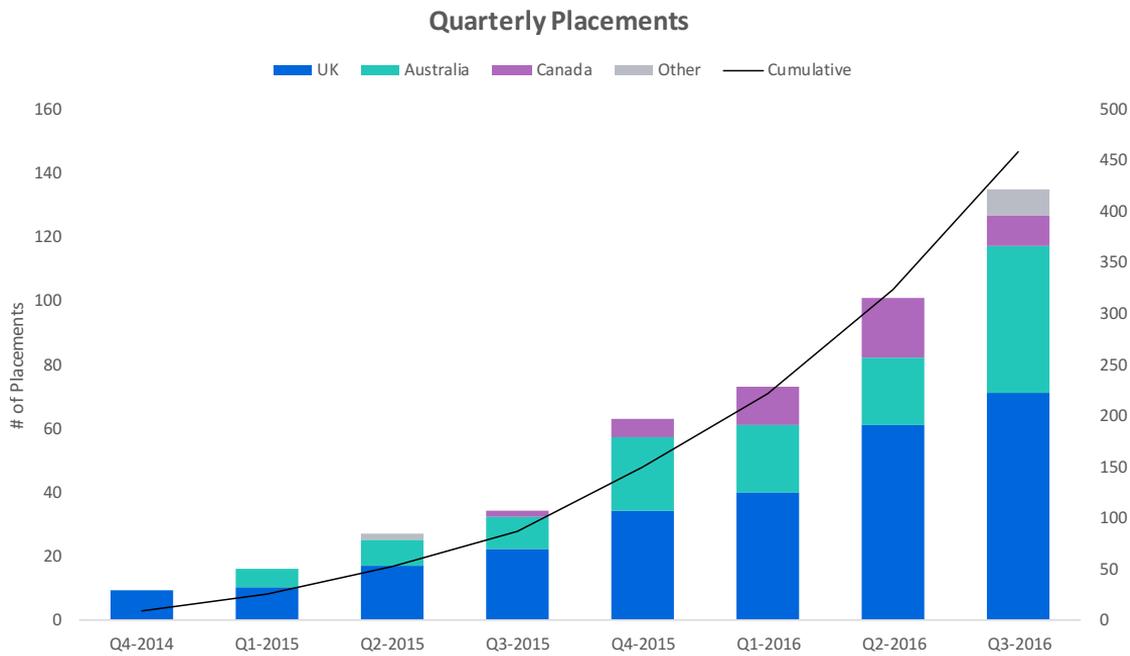
More than \$4m in fees agreed in Q3

# Interviews building well



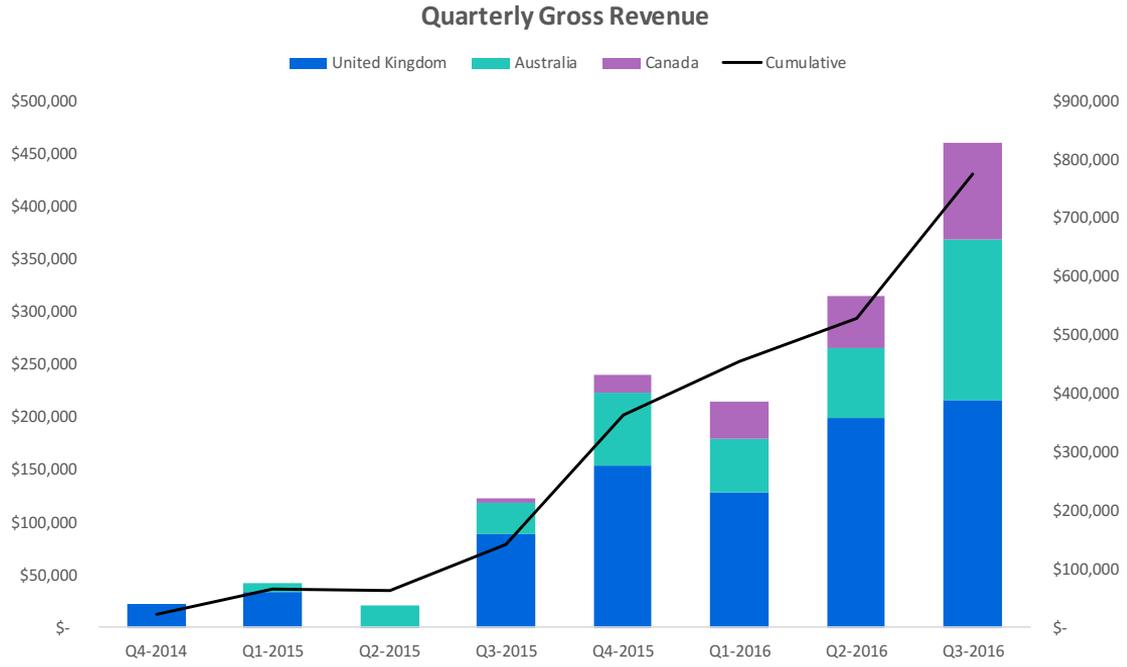
**Conversion from interview to placement 1 in 4 (and improving)**

# Placements up 34% on Q2

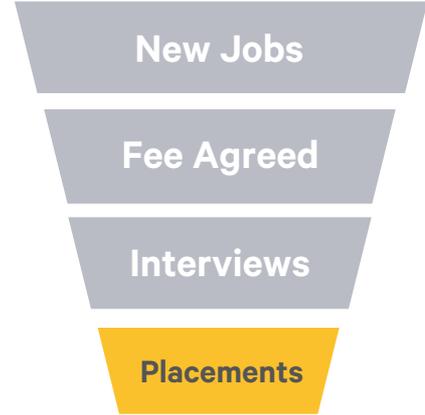


Placements occurring outside our core markets, ready to grow

# Revenue building fast



## Recruitment Funnel



**53% compound quarterly growth in revenue**

# Overview against quarterly market KPIs

Users signed up	Total 30 June '16	Total 31 Sept '16	Quarterly Growth %
Employer Users	5 960	7 378	+23.8%
Recruiter Companies	1 284	1 550	+20.7%

Metric	Q2 CY'16	Q3 CY'16	Quarter on Quarter Growth %
Jobs Posted	1 119	1 615	+44.3%
Value of Fees Posted / Offered	\$3.52M	\$5.91M	+68%
Number of Jobs with a Fee Agreed	836	874	+4.5%
Value of Jobs with a Fee Agreed	\$2.53M	\$3.95M	+56.4%
Average Fee Agreed (\$)	\$3 026	\$4 519	+50%
Interviews Confirmed	664	828	+24.7%
Placements Confirmed	101	135	+34%
Gross Revenue (Recruitment Fees Billed)	\$314 000	\$460 000	+47%
Net Revenue*	\$63 000	\$92 000	+47%

\* Search Party earns ~ 20% of this gross revenue transaction few net revenue

# Looking ahead

# Core drivers of growth next 12 months

Our focus is on growing volume and efficiency, which will be achieved by a portfolio of activities

Product	New revenues	Strategic Alliances	New Geographies
<ul style="list-style-type: none"><li>• Platform enhancements</li><li>• Payment/collections automation</li><li>• Deep learning, chat-bots, natural language search &amp; other R&amp;D activities</li><li>• Mobile</li><li>• Candidate build-out</li></ul>	<ul style="list-style-type: none"><li>• Implement master vendor solution for temp/perm for large companies</li><li>• Implement on-demand RPO offering</li><li>• Implement sourcing offering for agencies &amp; employers</li><li>• Implement factoring / "premium funding"</li></ul>	<ul style="list-style-type: none"><li>• Expand and scale through alliances with significant companies in jobs, internationally.</li><li>• Discussions underway in several geographies</li><li>• Appointment of Nick Gundry to the Board will support this</li></ul>	<ul style="list-style-type: none"><li>• Develop strategic capital and operational partners to support expansion to USA, HK, Singapore, Ireland</li></ul>

# Conclusion & Thank You



**SEARCH PARTY**