



JCurve Solutions (ASX: JCS)

Annual General Meeting Presentation

23 November 2020 9:30am AEDT

www.jcurvesolutions.com

This release has been authorized by the JCS Board

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ASX: JCS

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YOUR BOARD OF DIRECTORS



Bruce Hatchman
Non-Executive Chairman
Appointed November 2014

 [/bruce-hatchman](#)

Bruce Hatchman was appointed as the Chairman of JCurve Solutions on 27 November 2014.

Bruce is an experienced and successful finance professional. As the former Chief Executive of Crowe Horwath, Bruce has over 40 years' experience in providing audit and assurance, and M&A services to listed companies and other consulting services to large private enterprises. Bruce is a qualified Chartered Accountant and a member of the Australian Institute of Company Directors.



David Franks
Non-Executive Director & Secretary
Appointed September 2014

 [/david-franks](#)

David Franks joined JCurve Solutions on 15 September 2014 as Company Secretary and a Non-Executive Director.

David is a Chartered Accountant, Fellow of the Financial Services Institute of Australia, Fellow of the Governance Institute of Australia, Justice of the Peace, Registered Tax Agent and holds a Bachelor of Economics (Finance and Accounting) from Macquarie University.



Mark Jobling
Non-Executive Director
Appointed April 2015

 [/mark-jobling](#)

Mark Jobling joined the company on 8 April 2015 as a Non-Executive Director. Mark is a substantial shareholder of the Company and holds a Bachelor of Economics and Bachelor of Laws (Hons) from Monash University.

Mark manages investments in a diverse range of industries including power technology and angel investing in Asian start-up companies and is currently based in Hong Kong.



Graham Baillie
Non-Executive Director
Reappointed August 2019

Graham Baillie originally joined the Company in 2007 as a non-executive Director and was appointed Chairman in 2012 before serving as the Managing Director for a short time and then Chairman. During this time, he saw the listing of JCurve Solutions Limited through Stratatel Limited.

Prior to Graham's involvement with the Company, he established and acted as CEO of Outsource Australia Pty Ltd (OSA – now known as Converga), developing the company nationally and internationally. Mr Baillie was also integral to the development of AUSDOC, and involved in establishing similar business operations in New Zealand, USA and United Kingdom.

The impact of COVID-19

- Created a significant impediment to new business sales
- Focus shifted to customer retention and reducing existing business expenditure rather than business growth
- Focused on regular employee and customer communications
- Business Continuity Plans were enacted for all offices with employees working from home
- Delayed the progression of M&A opportunities with opportunities stalling at the start of the pandemic due to the need to visit target operations being prohibited

The recovery

- We are resilient and resolute in our strategy to accelerate growth again
- We are starting to see new business and M&A opportunities re-emerge
- We are well placed to accelerate growth as economies recover from the COVID-19 pandemic

Our resilience is driven by

- Being a cloud-based business there was a seamless transition to operating under the Business Continuity Plans
- Having strong levels of contracted recurring revenue
- Sticky products and low churn
- The actions taken to reduce the cost base of the JCurve Solutions team and our executed strategy of pivoting away from solely relying on the SME ERP market
- Being geographically and operationally diverse
- Having strong solid financial foundations (strong cash reserves and debt-free)

OUR SOLUTION PORTFOLIO



We deliver cloud solutions and services that drive improvement in business performance.

We have a diversified portfolio of business solutions which are at different stages in their business life cycles.

**CLOUD
BUSINESS
MANAGEMENT
SOLUTIONS
(ERP)**

**ORACLE
NETSUITE**

**SERVICE
MANAGEMENT
SOLUTIONS**

RIYO

**TELECOMMUNICATION
EXPENSE
MANAGEMENT
SOLUTIONS**



Consolidated Group

On current multiples (*)
(FY2020 results and \$8.6m
market cap):

- 0.8x revenue
- 1x on consolidated
recurring revenue base
- 12x Normalised EBITDA

() The multiples quoted assume none of the Company's current cash balance is a surplus asset. The ratios quoted have been calculated directly from the Company's market capitalisation as at 16 November 2020.*

Strong Financial Foundations

\$11.2m

Revenue for FY2020

\$0.7m

EBITDA for FY2020

\$3.7m

cash at bank
as at 31 October 2020

- Debt-free
- Growing recurring annual
ERP commissions

Growth

- Well positioned for market
trend towards cloud
adoption
- Industry leading suite of
products and services
- The acceleration of M&A
opportunities during
prevailing market
conditions
- Confidence that recent
acquisitions (Riyo and
Spectrum) will deliver
benefits over next 2 years
- Strong focus on an Asia
strategy via current
strategic ERP relationship
as well as other stand-
alone opportunities

Strong Operational Fundamentals

- Strategic relationship
with a world leading
vendor of cloud
ERP software
- Established market
reputation and footprint
- Experienced Board
- Experienced, industry
recognised senior
management team
- Attraction and retention of
talented team members

OUR RECENT FINANCIAL RESULTS

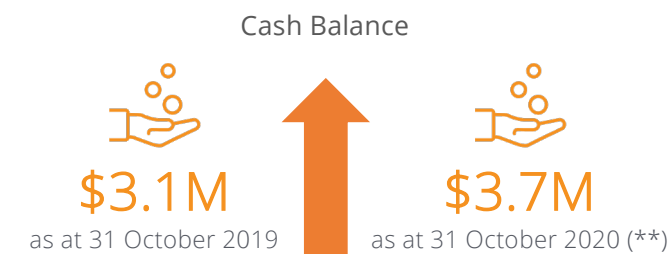
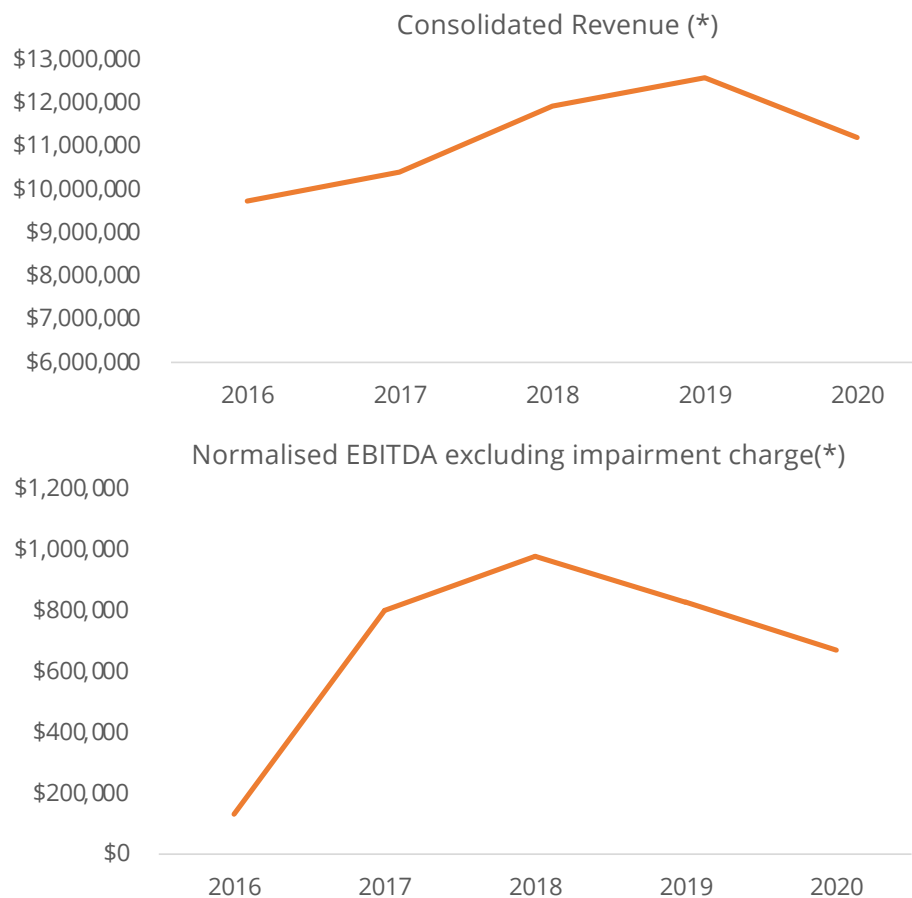


Consolidated Group

We measure our overall business success and position through three key metrics:

- Revenue performance
- EBITDA performance
- Cash position

(*) Full year audited statutory results.



(**) \$577,000 of government subsidies from the JobKeeper Payment were received

Cloud Business Management Solutions (ERP)

Our Model

We acquire new customers, delight them with exceptional customer experience and a world-class product so that they stay with us, grow with us, buy more services and solutions from us, and refer more customers to us.

www.jcurvesolutions.com/customers

We use the following four key metrics to measure the success of our ERP practice:

ARR

Annual
Recurring
Revenue
(annualised
licence and
support
income)

Deal Size

Average Net
Income per New
Business Sale

Acquisition

The number of
customers and
licensed users

Churn

The percentage
of Annual
Recurring
Revenue lost
each year from
the customer
renewal base

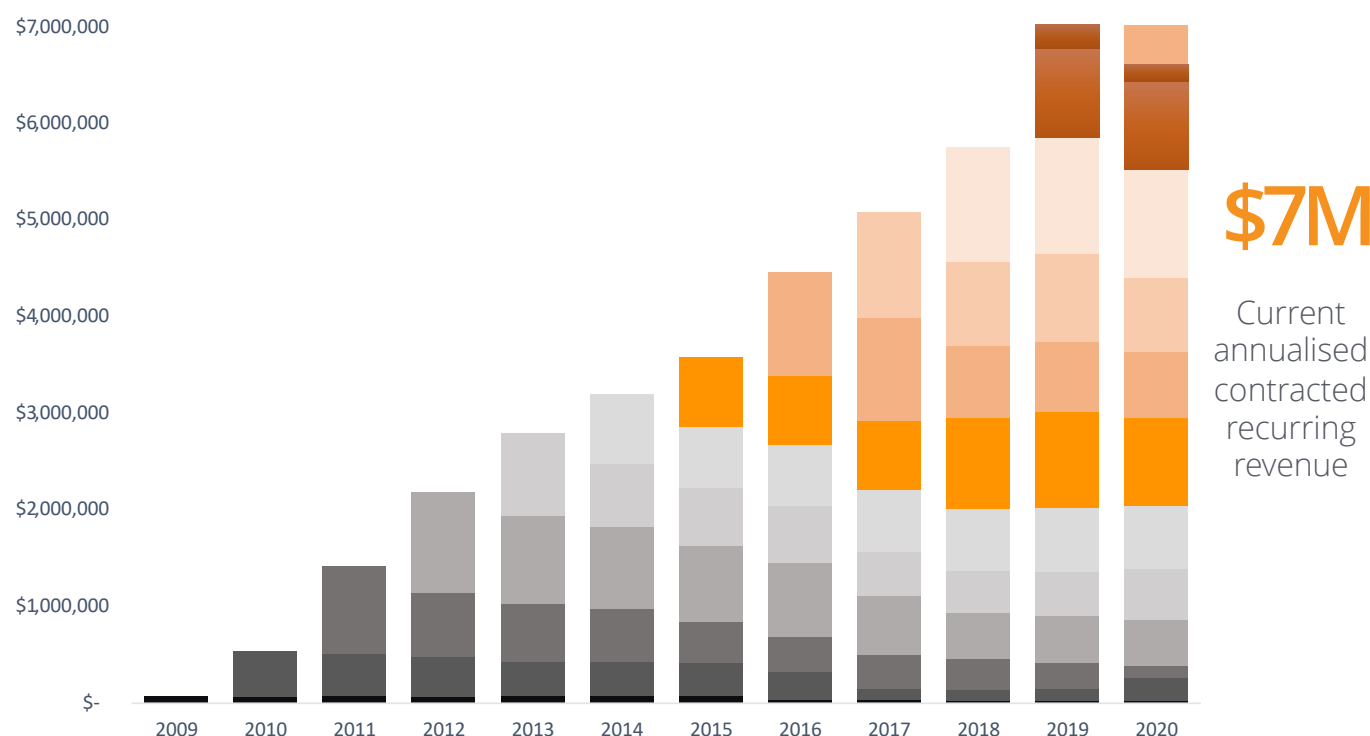
ARR

The annualised contracted recurring revenue across the ERP contract base. This represents the net licence fees, plus support of our customer base.

Protecting ARR through the COVID-19 pandemic was key. While we didn't see the growth of previous years, we navigated this period without a significant reduction in ARR.

The long-term trend is we expect to see ARR grow as a result of the following factors:

- Each year we acquire larger customers who buy more licenses/support
- Our existing customers grow and purchase more licenses/support
- We retain our customers better and see reducing levels of churn

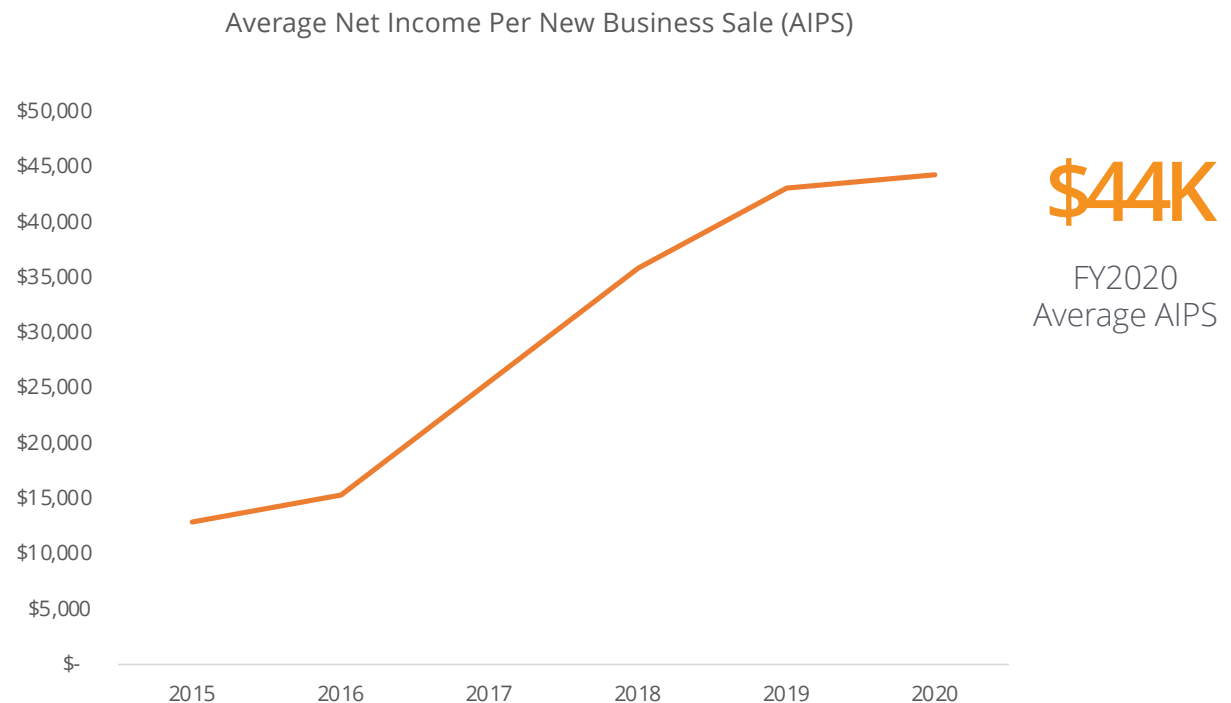


Average Net Income Per New Business Sale

This is the licence commission received on NetSuite edition customers or licence fee charged for JCurve ERP customers, plus implementation fees, plus support plus any third-party products.

The growth in AIPS is due to:

- An increase in the average size of our new customers with more sales of mid-market NetSuite editions
- Increased additional modules and professional services sold

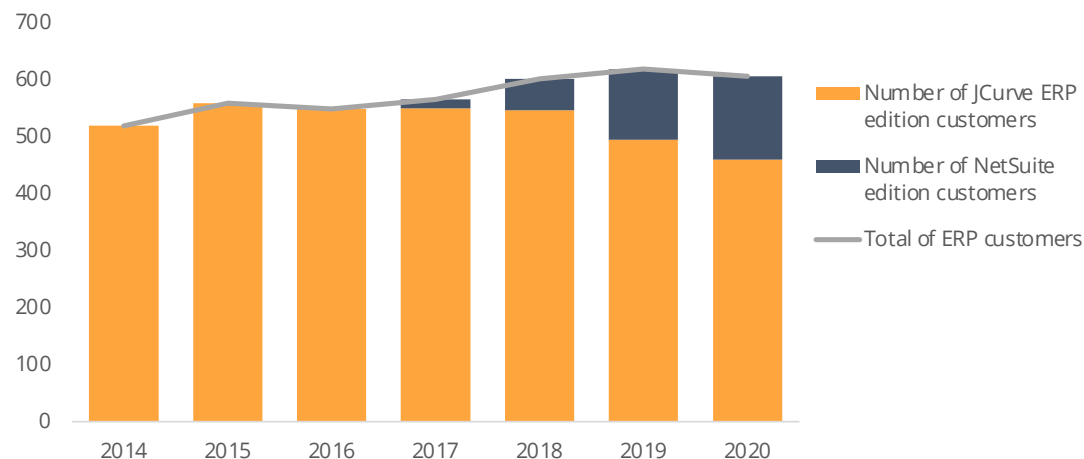


Customer Acquisition

Since becoming a NetSuite Solution Provider in 2016, our focus has moved to larger mid-market and enterprise customers. Larger customers deliver increased ongoing revenue and are more profitable.

The majority of our NetSuite edition clients have been acquired in the last three years.

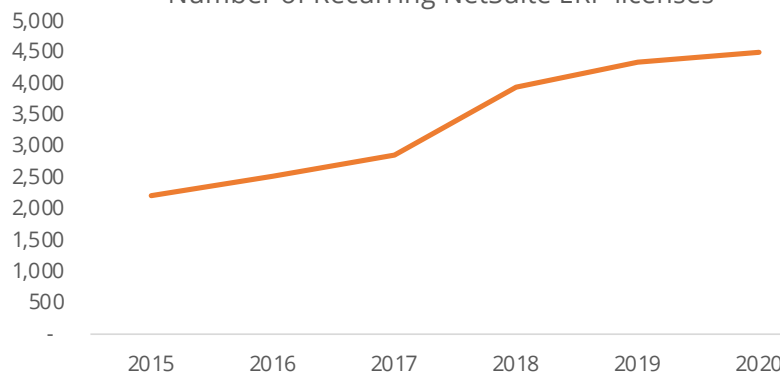
Customers by NetSuite ERP Solution Edition



>600

Current # ERP Customers

Number of Recurring NetSuite ERP licenses



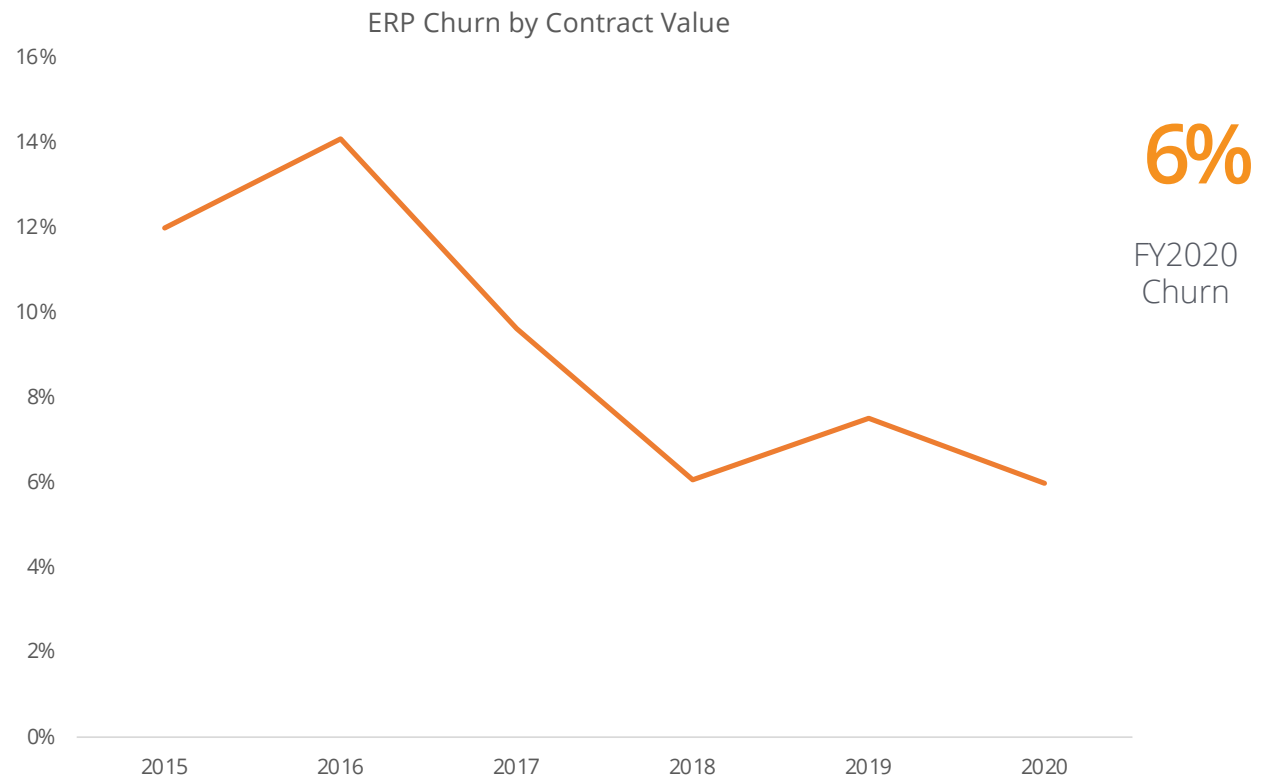
4K+

Current # ERP Users

Churn

The reduction in churn has been achieved from:

- Our dedicated support/customer success team focusing on delivering an exceptional customer experience
- The move to larger, more stable customers



What to expect in FY2021

- Continued growth in licensed users as our average customer size increases
- Continued growth in the average deal size of new customer wins. See customer win update below
- Continued growth in ARR
- Relatively static customer numbers in Australia as we focus on larger customer wins and the customer mix shifts away from Small Business
- Moderate growth from the Australian ERP practice
- Accelerating growth from the Asia ERP practice
- Increasing levels of unearned income as we sell to larger customers whose implementation takes longer to complete
- Further M&A activity in Asia once the impact of Covid-19 subsides
- Strengthen our position as Oracle NetSuite's #1 ERP partner
- Maintain Oracle NetSuite 5-star status
- Continue to lower our cost base through continued growth of our JCS Philippines delivery centre of excellence
- Gross margin growth
- Re-investment of profit and cashflow into opportunities once the impact of Covid-19 subsides

FY2021 Customer win update: In November 2020 JCurve Solutions won its largest ERP initial customer contract worth \$1.7m of revenue over the signed five-year contract (sales income of \$827,000 expected to be invoiced in FY2021)

Service Management Solutions

What have we have achieved so far?



Current business profile

- 11 Customers
- >200 Subscribed Users
- >\$100k recurring licence revenue
- 2 Global channel partners

What to expect in FY2021

- Growing customer numbers
- Rapidly increasing revenue contribution in FY2021
- Increasing levels of unearned income
- Establishment of channel partnerships
- Global business opportunities
- Being profitable in FY2022

BUSINESS UPDATE - SERVICE MANAGEMENT SOLUTIONS



Businesses that may benefit from our Riyo solution



Post-purchase
assembly and
Installation



Healthcare and
medical services



Aged and disability
care



Maintenance



Inspection and
assessment



Insurance inspection
and assessment



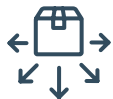
Cleaning services



Pest control



Specialised
transportation



Facilities
management

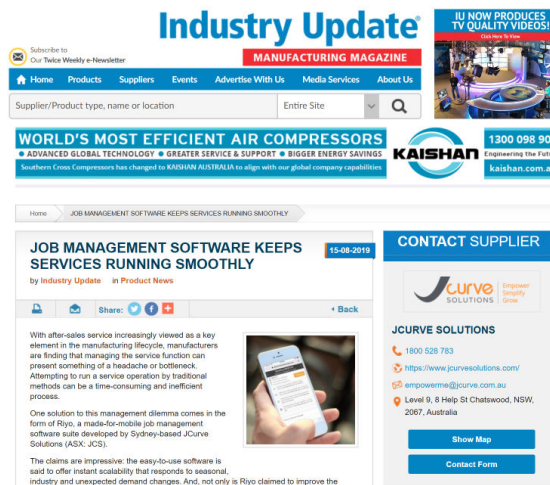


Real estate
management



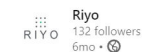
Storage services

Riyo in the news and press



Epicor targets Australia's aged care industry with new solution

27 Feb 2020
Colleen Kewley
SHARE
LinkedIn
Twitter
Facebook
Epicor has launched a new Community Care solution with the primary aim of adding in-home services for aged care providers. The new solution is part of the company's Epicor Service User (ESU) platform which is integrated towards providers and clients in the aged care industry.
According to the company, Epicor Service User (ESU) platform which is integrated towards providers and clients in the aged care industry.
The Epicor Community Care solution of Epicor ESU is delivered through the cloud and based in Australia, so that it meets privacy and legislative requirements.
According to Epicor, the solution provides a middle-way for organisations to manage field staff and for field staff to



How can you keep your #ServiceBusiness running smoothly? Find out how technology can help in this new story about #Riyo Job Management Software: <https://hubs.ly/H0kwVGJ0>

#JobManagement #SmartBusiness



Riyo in the news

Telecommunication Expense Management Solutions

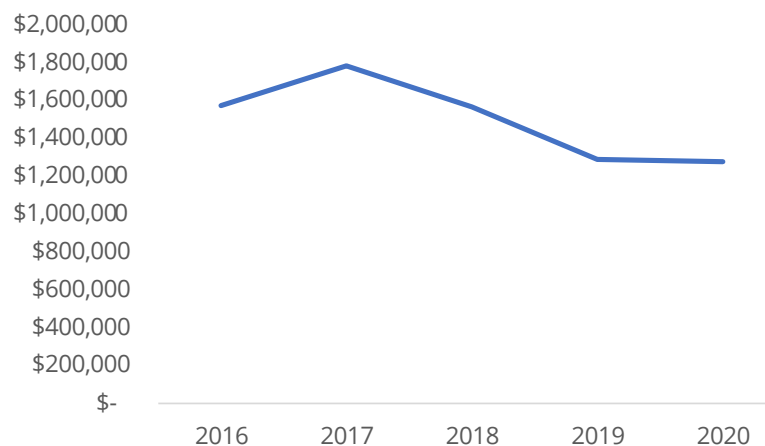
BUSINESS UPDATE - TELECOMMUNICATION EXPENSE MANAGEMENT SOLUTIONS



What to expect in FY2021

- Ongoing profitable contribution to JCS
- Continued support for TEM solutions
- Ongoing churn

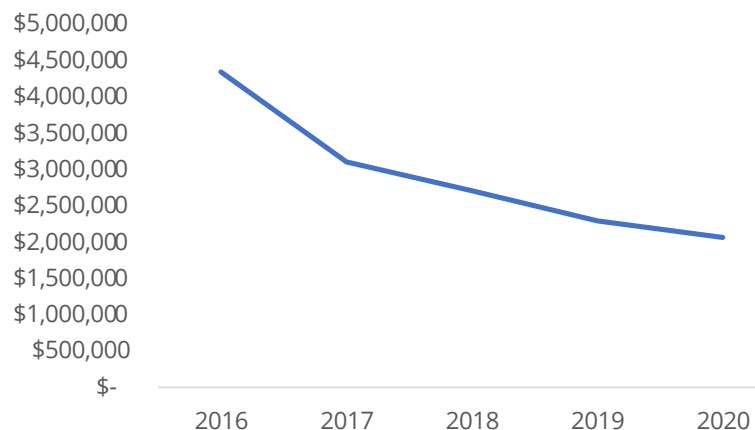
TEMS Statutory Profit (ex impairment)



>50

Customers

TEMS Revenue



10%

Annualised Customer
Churn for the past 12 months

Strategic Direction

We currently have four key strategic priorities



Profitably Grow ERP in Australia

- Win new business in mid-market
- Increase upsell to existing customers
- Reduce customer churn
- Looking for value accretive acquisitions



Rapidly Grow JCS ERP in Asia

- Grow ERP Sales from Singapore and Philippines offices
- Grow JCS Philippines centre of excellence delivery team
- Establish the JCS brand in Asia
- Further M&A activities



Accelerate Global Riyo go to market

- Product enhancements from existing customer feedback
- Expand into the existing customer base
- Focus on larger opportunities
- Look beyond Australia



Increase shareholder value

- We are focused on delivering value to shareholders through share price growth
- Short term focus on core operating fundamentals during the COVID-19 pandemic, but we are now looking to drive growth
- With no debt and strong cash we are seeking to deliver the right opportunity for the best shareholder outcome

CAPITAL STRUCTURE, HISTORY AND SHAREHOLDERS



Key Statistics (ASX: JCS)	As at 16/11/2020
Share Price	\$0.026
Shares on Issue	327,856,900
Performance Rights	9,800,000
Market Capitalisation	\$8.6m
Cash	\$3.9m
Debt	Nil
Enterprise Value	\$4.7m
52 week high / low share price	\$0.021 / \$0.038

5-year historical share price graph

Source: <https://www2.asx.com.au/markets/company/jcs>

Ordinary Fully Paid Shares as at 16/11/2020	Units	% of Units
Directors and Executive Interests	148,598,642	45.32%
Other Top 20 Holders	105,006,616	32.03%
Remaining Holders	74,251,642	22.65%
Substantial Shareholders (*)	Units	% of Units
Gramell Investments Pty Limited	83,124,215	25.35 %
Mr. Mark Jobling	50,704,301	15.47 %
Dr. Philip Ewart and related entities	44,328,672	13.52%

(*) last substantial shareholder notice lodged





www.jcurvesolutions.com

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