



FY13 Results Presentation

Freelancer Limited

27 February 2014

Matt Barrie
Chief Executive

Important Notice and Disclaimer

This presentation has been prepared by Freelancer Limited (ACN 141 959 042) (**Freelancer** or the **Company**) and contains general background information about Freelancer's activities. That information is current at the date of this presentation. The information is a summary and does not purport to be complete. It is to be read in conjunction with the Freelancer full year results lodged with the Australian Securities Exchange on 27 February 2014 and other disclosures lodged with the Australian Securities Exchange.

This presentation is not (and nothing in it should be construed as) an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security in any jurisdiction, and neither this document nor anything in it shall form the basis of any contract or commitment. This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor which need to be considered, with or without professional advice, when deciding whether or not an investment is appropriate.

Forward looking statements

This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Freelancer, which may cause actual results to differ materially from those expressed or implied in such statements.

There can be no assurance that actual outcomes will not differ materially from these statements. Further information on important factors that could cause actual results to differ materially from those projected in such statements is contained in the Freelancer's Annual Financial Report.

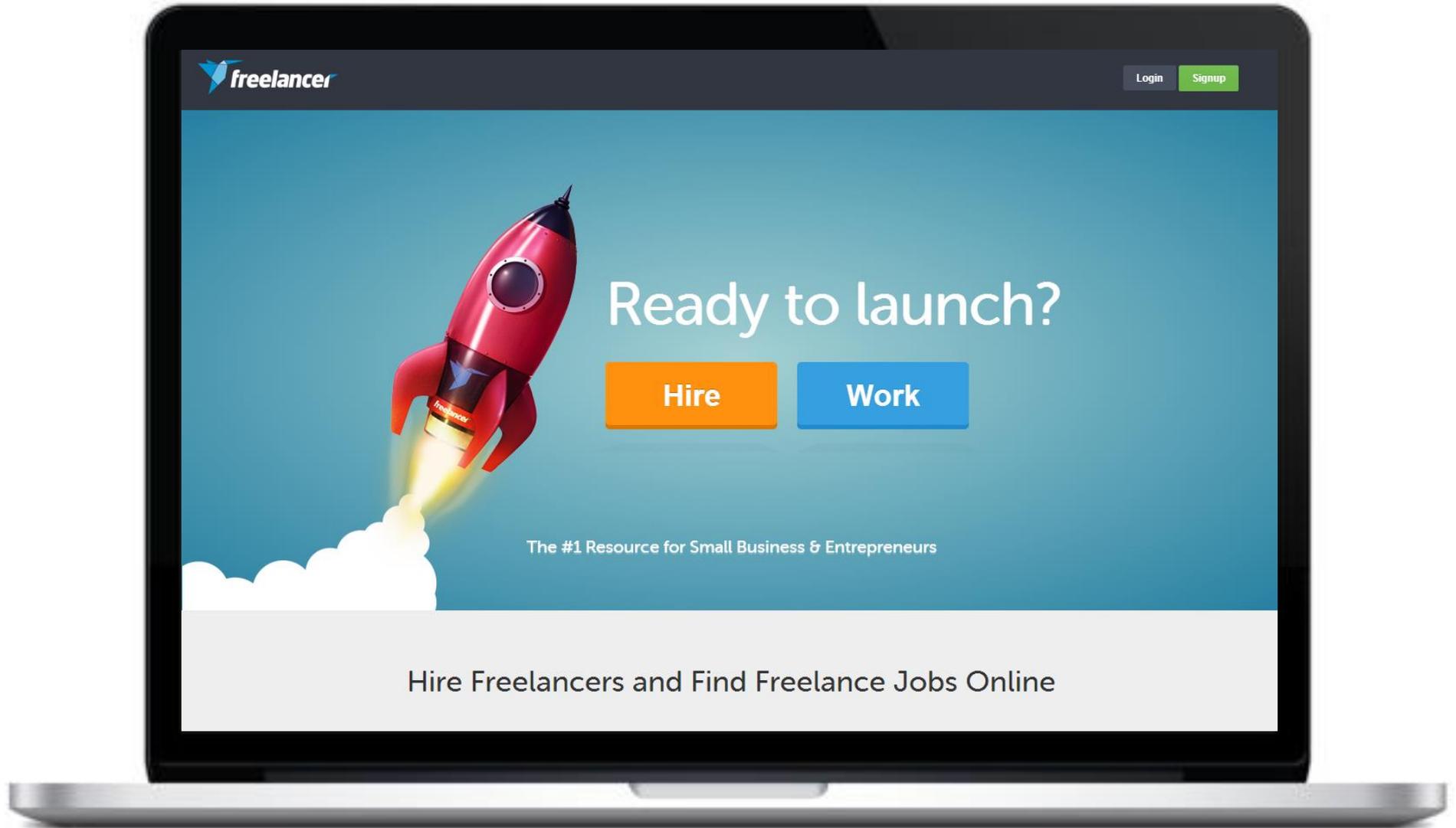
Non-IFRS information

Throughout this presentation, Freelancer has included certain non-IFRS financial information. The information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. Freelancer uses these measures to assess the performance of the business and believes that information is useful to investors. Gross Payment Volume, EBITDA, and EBIT have not been audited or reviewed.

All references to dollars are to Australian currency unless otherwise stated.

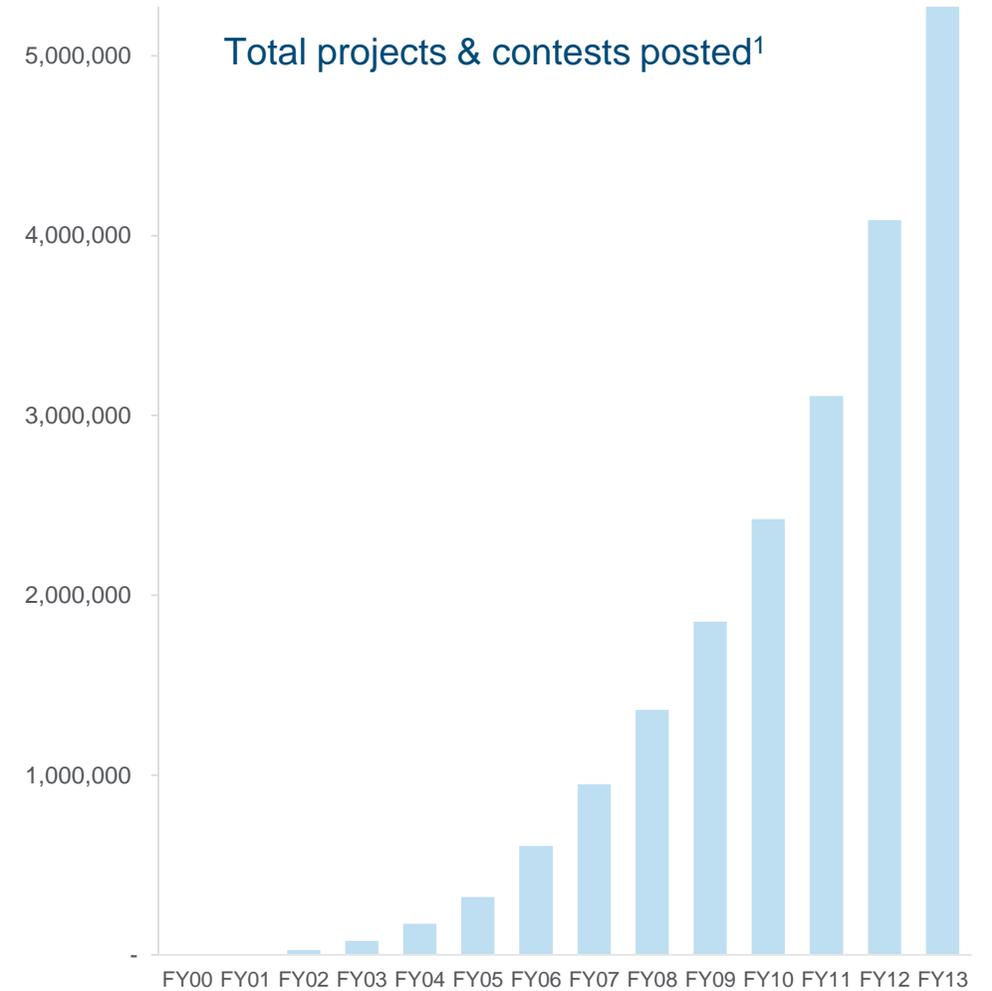
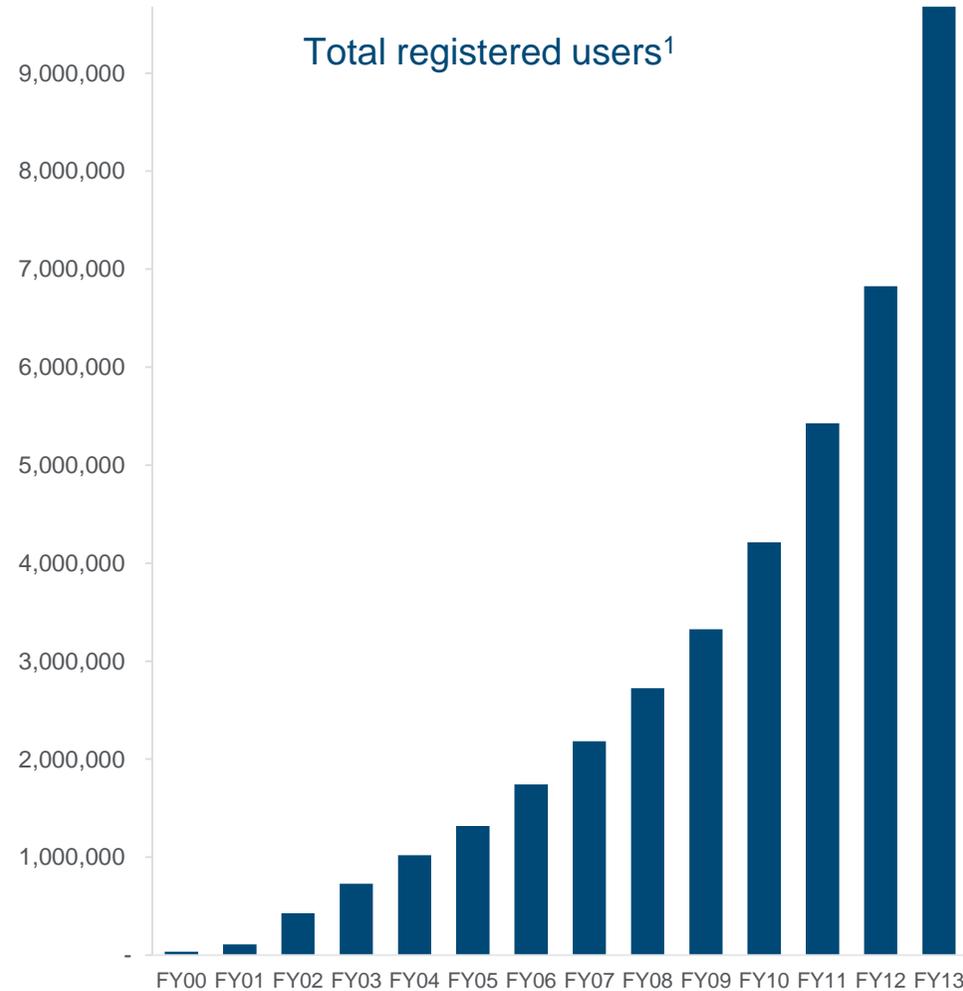
To the maximum extent permitted by law, Freelancer makes no representation or warranty (express or implied) as to the accuracy, reliability or completeness of any information contained in this document. To the maximum extent permitted by law, Freelancer shall have no liability (including liability to any person by reason of negligence or negligent misrepresentation) for any statements, opinions or information (express or implied), arising out of, contained in or derived from, or for any omissions from this document, except liability under statute that cannot be excluded.





Marketplace Growth

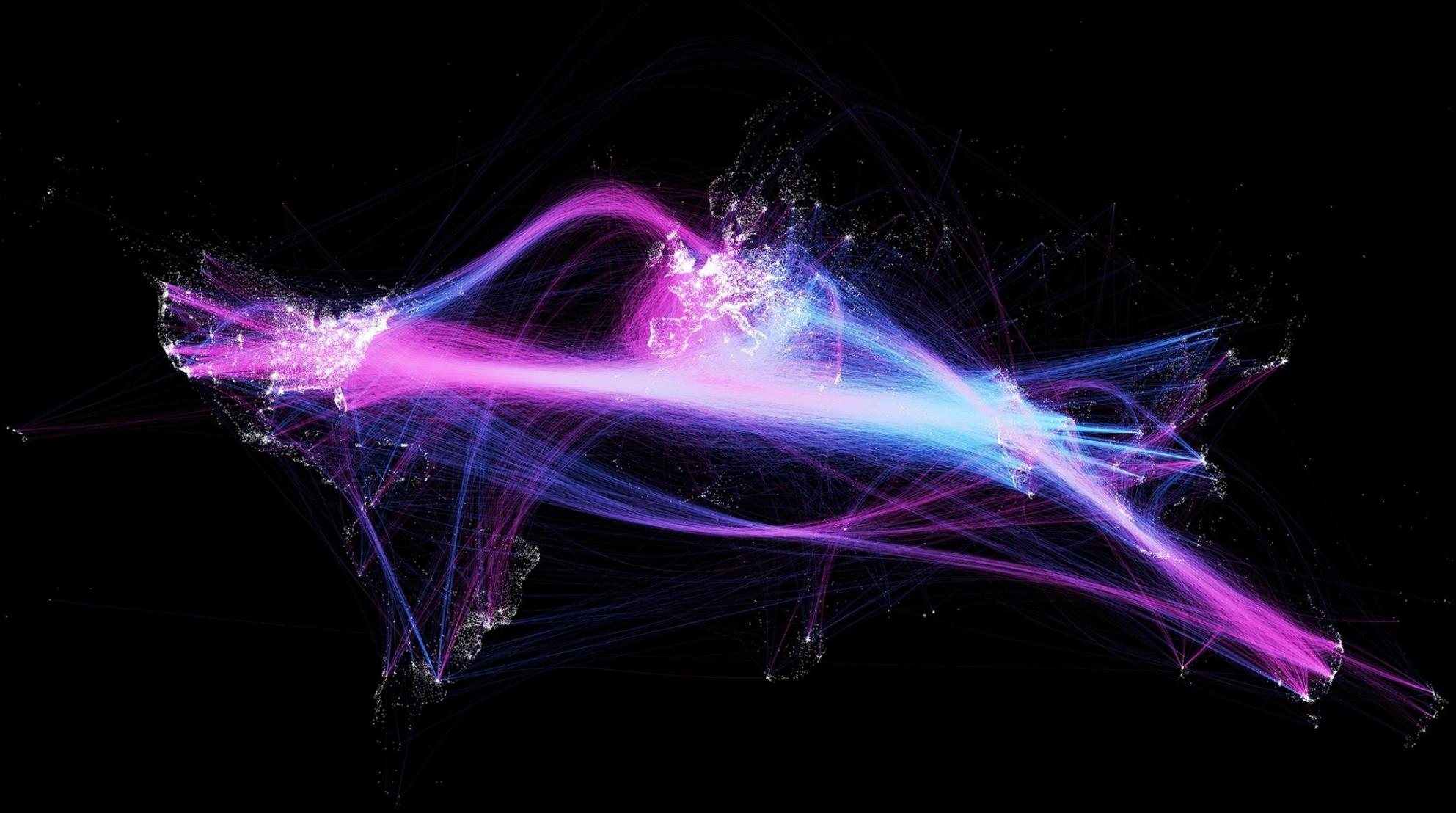
Significant growth in registered users, projects and contests posted



1. Number of user accounts, and projects/contests posted in the Freelancer marketplace as at 31 December 2013. User, project and contest data includes all users and projects from acquired marketplaces including, but not limited to GetAFreelancer, EUFreelance, Scriptlance, LimeExchange and vWorker/RentACoder. Prior to FY09, all data is from acquired marketplaces.



Freelancer's Online Economy



Note: The pink lines indicate where projects are being posted by employers, and the blue lines indicate where the projects are being performed by freelancers. Thicker lines indicate a higher dollar volume of work. White dots indicate the location of Freelancer's users. Data as of 21 February 2014.



FY13 Full Year Results

Freelancer has seen tremendous growth in FY13

A\$m, 31 Dec FYE	FY12	FY13	Growth Y/Y
Net Revenue	\$10.6m	\$18.8m	77%
Gross Payment Volume ¹	\$50.8m	\$84.4m	66%
<i>Take rate² (%)</i>	20.9%	22.2%	6%
<i>Gross margin (%)</i>	87.4%	87.6%	0.3%
Operating EBITDA ³	\$0.8m	\$1.2m	53%
Operating EBIT ³	\$0.7m	\$1.0m	46%
Operating NPAT ³	\$0.7m	\$1.1m	46%
New registered users	1.4m	2.9m	104%
Cash balance as at 31-Dec	\$9.7m	\$24.4m	152%

1. Gross Payment Volume (GPV) is calculated as the total payments to Freelancer users for products and services transacted through the Freelancer website plus total Freelancer revenue.

2. Take rate is calculated as Net Revenue divided by Gross Payment Volume.

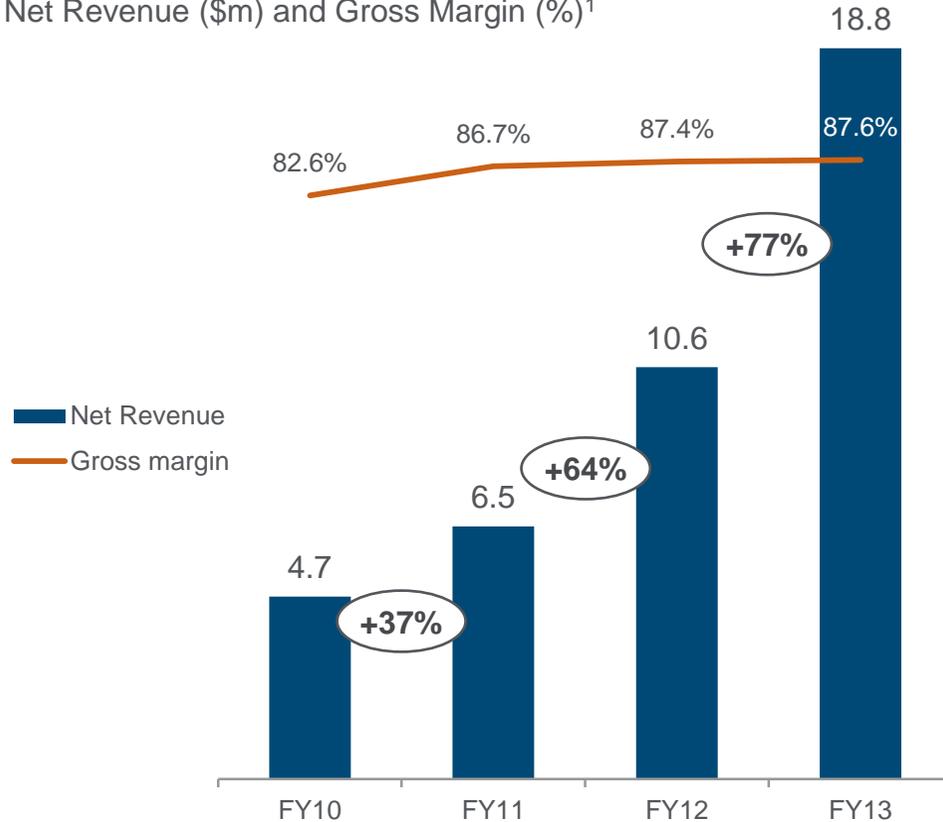
3. Exclusive of \$394k of expensed IPO costs (\$275k net of tax) and non-cash share based payments expense of \$33k in FY13.



Stellar Revenue Growth

Net revenue accelerates +77% FY13, gross margin ahead of prospectus forecast

Net Revenue (\$m) and Gross Margin (%)¹



Revenue (\$m)	4.7	6.5	10.6	18.8
Y/Y growth	-	37%	64%	77%
Gross margin	82.6%	86.7%	87.4%	87.6%

- Year on year monotonic acceleration in revenue growth FY10-13
- Year on year monotonic improvement in gross margin FY10-13
- FY13 Revenue of \$18.8m, ahead of prospectus forecast, +77% Y/Y
- FY13 Revenue growth drivers
 - GPV growth – user, project & contest acquisition and conversion rate improvements
 - Product development & increased take up of value-added services

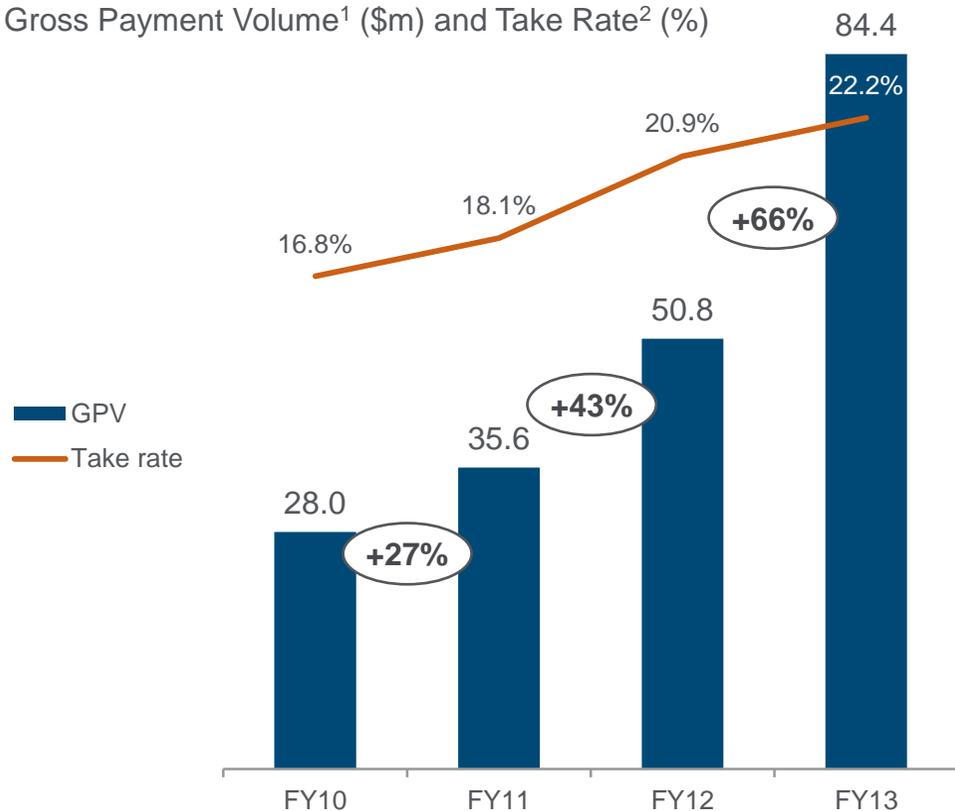
1. Based on Freelancer's pro-forma historical financial results for the years ended 31 December 2010 and 2011, its historical financial results for the year ended 31 December 2012, and its audited consolidated financial results for the year ended 31 December 2013.



Gross Payment Volume

Gross Payment Volume¹ (GPV) ahead of prospectus forecast, and improved take rate² in FY13

Gross Payment Volume¹ (\$m) and Take Rate² (%)



	FY10	FY11	FY12	FY13
GPV (\$m)	28.0	35.6	50.8	84.4
Y/Y growth	-	27%	43%	66%
Take rate ² (%)	16.8%	18.1%	20.9%	22.2%

- Year on year monotonic acceleration in GPV growth FY10-13
- Year on year monotonic improvement in take rate FY10-13
- FY13 GPV of \$84.4m, ahead of prospectus forecast, +66% Y/Y
- FY13 GPV growth drivers
 - User, project & contest acquisition growth
 - Conversion rate improvements
- Take rate improvement drivers
 - Growth in non-commission based revenues

1. Gross Payment Volume (GPV) is calculated as the total payments to Freelancer users for products and services transacted through the Freelancer website plus total Freelancer Revenue. Based on Freelancer's unaudited management accounts for the years ended 31 December 2010, 2011, 2012 and 2013, which have not been subject to an auditors review.

2. Take rate is calculated as Net Revenue divided by Gross Payment Volume.



Group Financial Highlights

Focus on re-investment in product development, user experience, user/project acquisition and customer service

(A\$m) 31 Dec y/e	FY12 Actual	FY13 Actual	Change (%)
Net Revenue	10.6	18.8	76.5%
Gross Profit	9.3	16.4	77.1%
<i>margin (%)</i>	87.4%	87.6%	0.3%
Operating expenses ¹	(8.5)	(14.9)	74.8%
FX gains / (losses)	0.0	(0.4)	n/m
IPO costs	-	(0.4)	n/m
EBITDA	0.8	0.7	(2.8%)
EBIT	0.7	0.6	(16.8%)
NPAT	0.7	0.8	3.5%
Excluding IPO and share based payments expenses²			
EBITDA	0.8	1.2	52.6%
EBIT	0.7	1.0	46.3%
NPAT	0.7	1.1	45.8%

- Strong revenue growth a result of current and prior year investment in talent and sales & marketing
 - FY13 opex growth predominantly from employee expenses, sales & marketing costs and higher corporate overheads
- Maintained profitability whilst re-investing for revenue growth through product development & customer service (employees) and increased sales & marketing (employees & SEM)
 - Approx. 300 FTEs at year end (approx. 35% up on pcp)
- FX losses related to unrealised changes in AUD value of cash and user obligations
- EBITDA in line with prospectus forecast despite exceeding revenue forecast, predominantly due to AUD depreciation, above forecast re-investment in sales & marketing and some IPO cost overruns
 - Refer to Appendix for a more detailed reconciliation to Prospectus forecast variances

1. Inclusive of non-cash share based payments expense of \$33k in FY13.

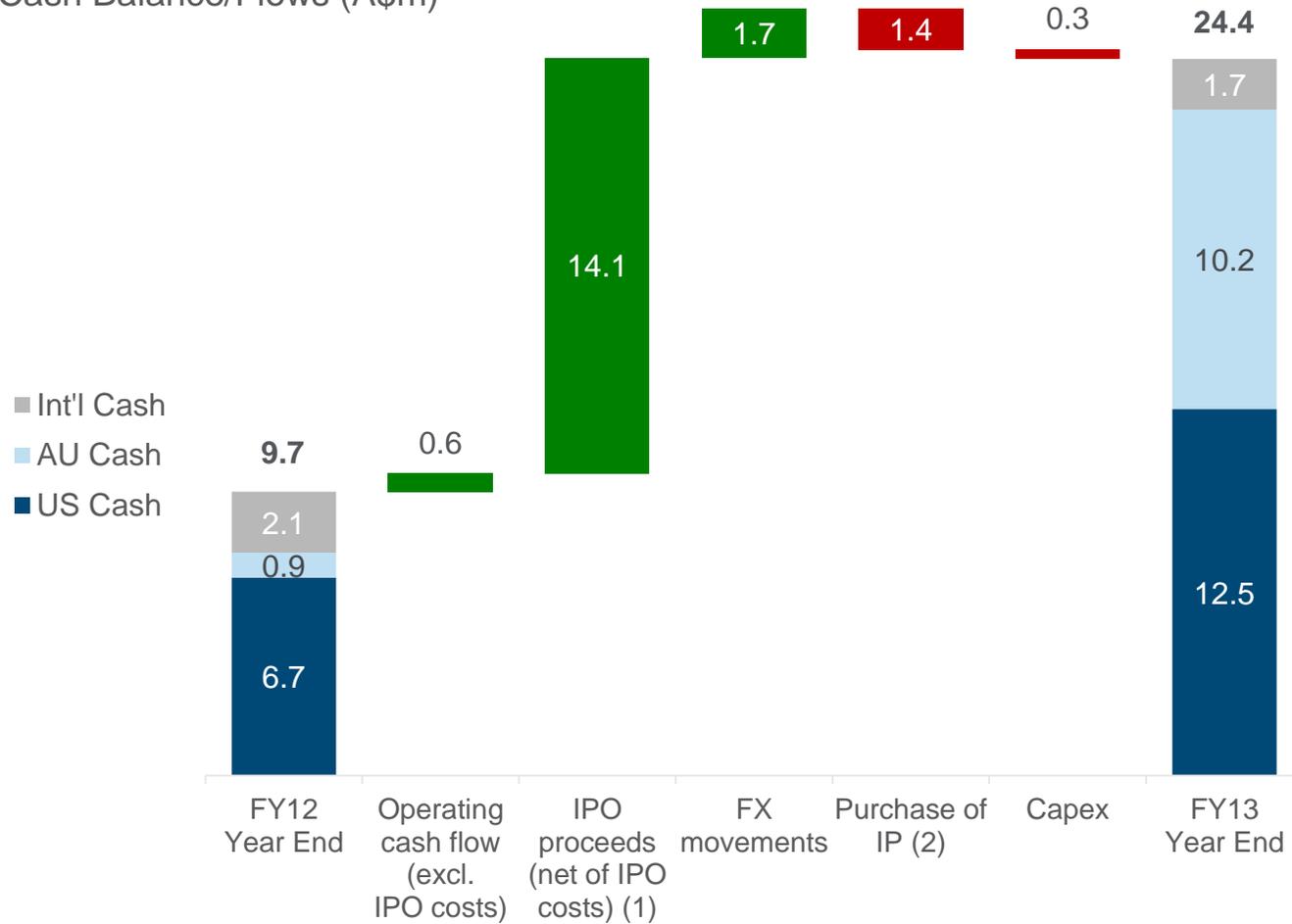
2. Exclusive of expensed IPO costs of \$394k (\$275k net of tax) and non-cash share based payments expense of \$33k in FY13.



Cash Flow Profile

Positive operating cash flows in FY13

Cash Balance/Flows (A\$m)



- Positive operating cash flow (before IPO costs) of \$0.6m
- IPO proceeds net of total cash costs of \$14.1m
- Purchase of IP predominantly relates to the acquisition of various domain names from Startive Ventures Inc as disclosed in the Prospectus
- Capex driven by headcount growth and site operations
- Total cash at year end of \$24.4m (NTA of \$8.7m)

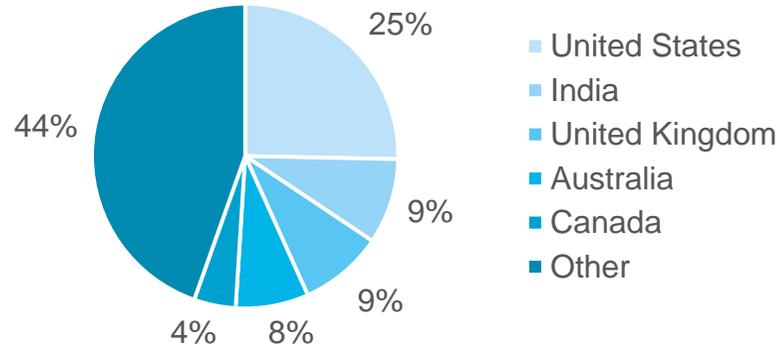
1. Inclusive of expensed and capitalised IPO costs of \$394k and \$485k respectively.
 2. Inclusive of \$1.3m cost to acquire various domain names from Startive Ventures Inc.



Marketplace Dynamics – still dominated by IT, but changing

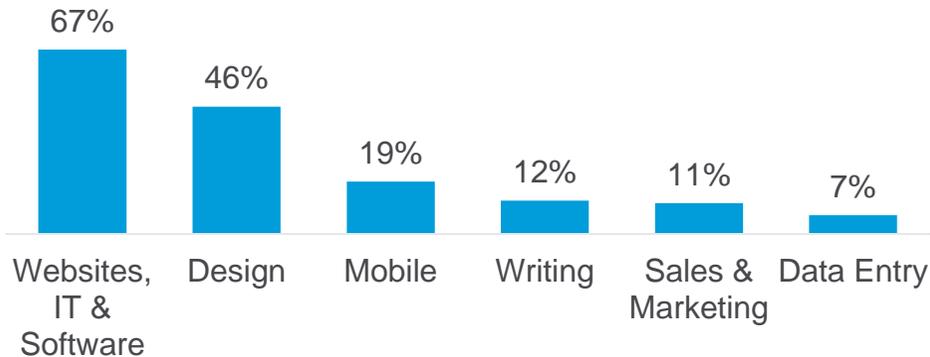
Horizontal (regional & multilingual) and vertical (job category) growth

Top country sources for project & contests in FY13¹



- FY13 y/e: 32 languages, 18 currencies
- Exceptional growth in project volumes in Europe, Latin America and Middle East due to multilingual strategy
- “Every job, every country, every language, every currency, at any time”
- Land grab

Top project work categories by volume FY13²



- IT jobs still dominate
- High growth categories of work include mobile development and product sourcing & manufacturing
- Complexity and sophistication of projects grows year by year

1. Based on the number of good projects & contests posted (a subset of total projects & contests posted) in the Freelancer Marketplace in FY13.

2. Based on the value of project payments in the Freelancer Marketplace in FY13. Note that projects may be associated with multiple job categories which results in the addition of each category of work being greater than 100%.



Quality of work increasing YoY



3D modeling of kitchen

By mkms3D

AU\$334

7.2k

1

10



Logo Design for Online Kingdom

By airbrusheskid

AU\$239

1.6k

0

8



messenger

6ulab
messenger

Icon Design

By jass191

AU\$27

3.1k

1

13



Splash screen design for app

By jeanniefreelance

AU\$111

1.2k

0

3



Complexity & sophistication of work increasing YoY

Post Project Dashboard My Projects Profile Inbox Finances Disputes Support USD \$1,035.00

Bluetooth location device



Bids	Avg Bid (USD)	Project Budget (USD)	4 days, 14 hours left
10	\$3782	\$1500 - \$3000	OPEN

Project Description:

We are looking for someone to design a very small, flat bluetooth activated speaker device. We would like the initial prototype to be activated via a keyfob type design, although the device will eventually be one of many paired to a mobile device.

The device must:

- * be able to be actived by the keyfob sending unit within at a minimum distance of 30 yards (Bluetooth 4.x)
- * be highly durable(enclosure) and impact and water resistant(entire unit)
- * The device must be battery powered
- * The device must emit a noise loud enough to be heard at a minimum distance of 50 yards with normal outdoor background noise
- * The device must weigh less than 6grams and have a max height of 6mm and max surface area of 12 square cm(3cm x 4cm would be fine, for instance).
- * The device must include an adhesive backing to attach it to flat plastic surface. The adhesive must also be durable and weather resistant.

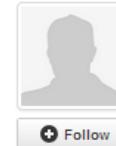
This quote is for the prototype design only, with deliverables including a sourcing list and approximate material and construction costs. This is to determine the feasibility of designing a 3-pack of these devices at approximately a \$25-30USD price range.

Please include a list of qualifications in any bid or response - further details will be provided to qualified candidates.

Skills required:

Electrical Engineering, Electronics, PCB Layout, Product Design

[Post a Project like this](#)



Project posted by:

joleenshook

☆☆☆☆ 0.0 (0 Reviews)

VERIFIED

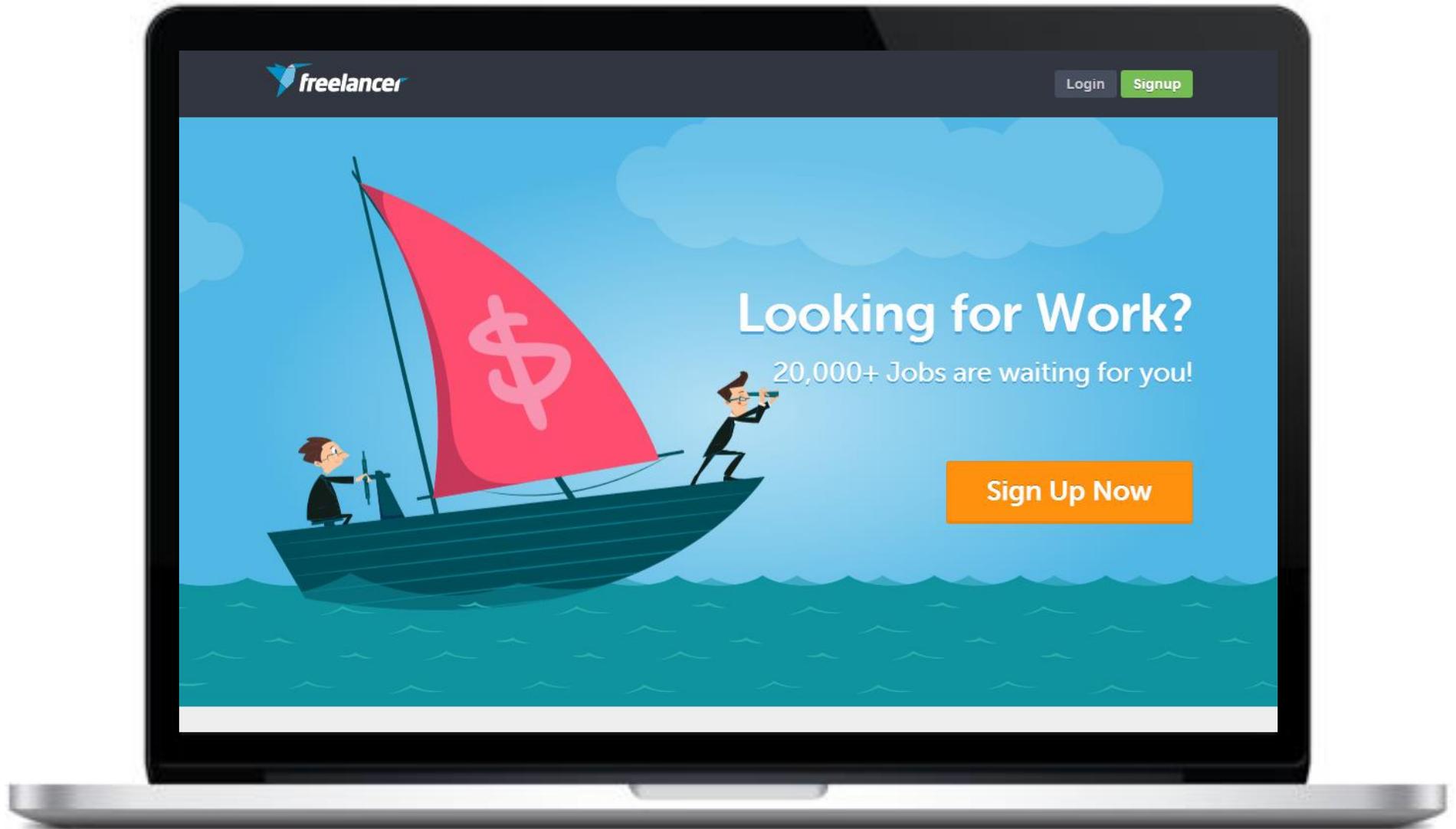
[Follow](#)

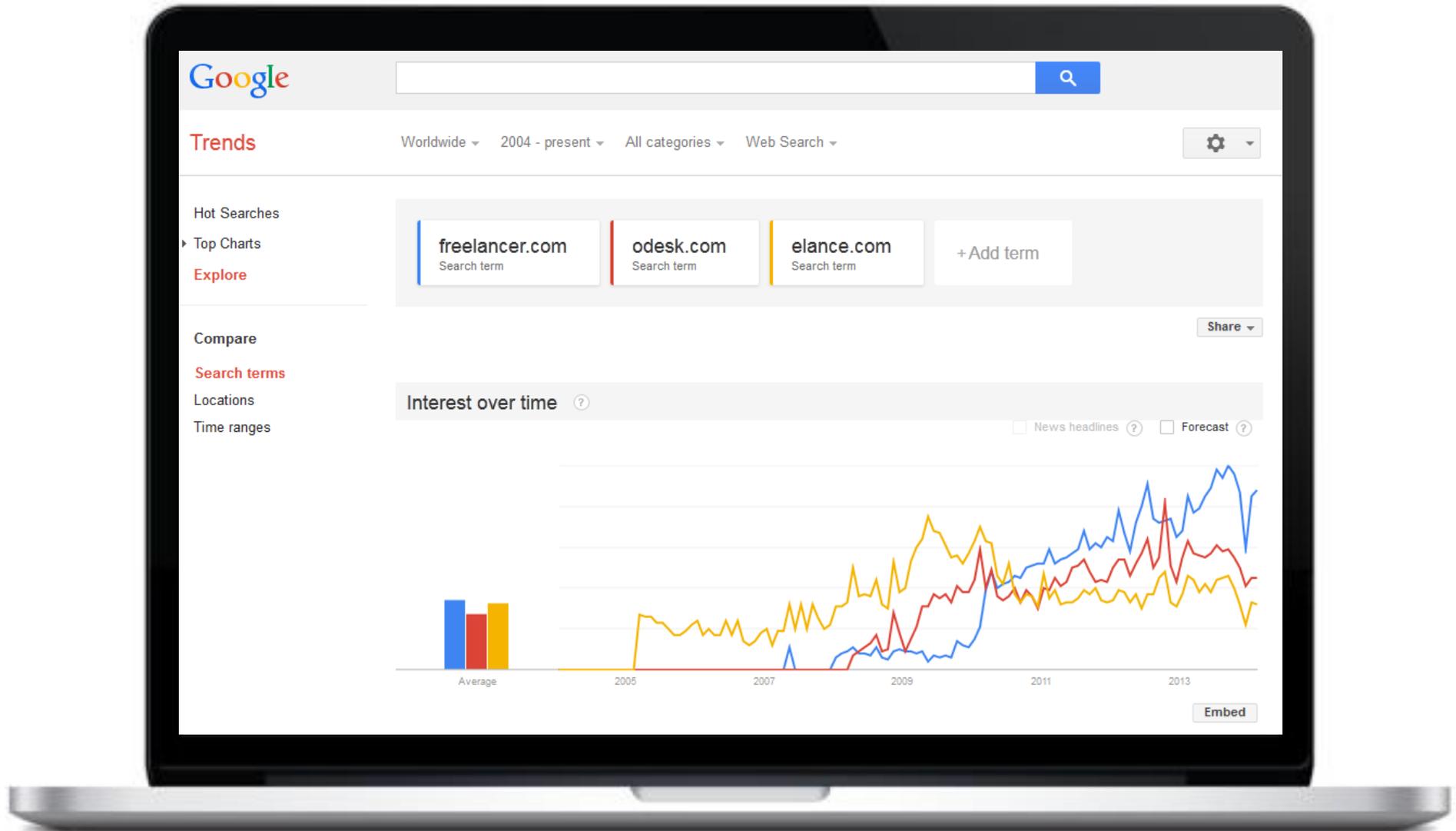


Project ID: 5469819
[Report Project](#)



Beautiful Product





Source: Google



FY14 Outlook

“Every job, every country, every language, every currency, at any time”

- Operational and product development outlook for FY14
 - Execution is key
 - Land grab; horizontally and vertically
 - Continued focus on platform scalability
 - Product & user experience to drive engagement
 - Build out a world class team
 - Increased focus on user and project acquisition channels
 - Expand global presence
 - Launch mobile offerings, Android messaging in beta
 - Continually assess strategic and complimentary growth opportunities



APPENDIX



Summary Balance Sheet

Strong balance sheet

(A\$m) 31 Dec FYE	FY12 Actual	FY13 Actual	Change (%)
Cash and cash equivalents	9.7	24.4	152%
Trade and other receivables ¹	1.4	2.3	66%
Other current assets	0.3	0.4	23%
Plant and equipment	0.4	0.6	31%
Intangibles	7.5	8.9	19%
Deferred tax assets	0.3	0.8	145%
Total assets	19.6	37.4	90%
Trade and other payables ¹	16.1	18.3	14%
Other liabilities	0.3	0.7	102%
Total liabilities	16.4	19.0	16%
Net assets	3.2	18.4	474%
Contributed equity	2.9	17.6	500%
Reserves	-	(0.2)	n/a
Retained earnings	0.3	1.0	271%
Total equity	3.2	18.4	474%

- Total cash at year end of \$24.4m after IPO proceeds in November 2013
- Trade and other receivables inclusive of receivables from various payment gateways
- Increase in intangibles predominantly relate to the purchase of various domain names from Startive Ventures Inc (as outlined in the Prospectus)

1. FY12 restated for a reclassification of \$0.7 million of user receivables and \$0.5 million of provisions for the impairment of those user receivables that were previously reflected on a net basis as a reduction in user obligations in trade and other payables.



Comparison to Prospectus Forecast

Exceeded key metrics forecast in prospectus

(A\$m) 31 Dec y/e	FY13 Prospectus	FY13 Actual	Change (%)
GPV (unaudited)¹	80.9	84.4	4.3%
Net Revenue	18.3	18.8	2.3%
<i>Take rate² (%)</i>	22.7%	22.2%	(1.9%)
Gross Profit	16.1	16.4	2.3%
<i>margin (%)</i>	87.6%	87.6%	-
Operating expenses	(14.5)	(14.9)	2.9%
FX gains / (losses)	(0.5)	(0.4)	n/m
IPO costs	(0.3)	(0.4)	13.2%
EBITDA	0.7	0.7	1.7%
EBIT	0.6	0.6	1.6%
NPAT	0.5	0.8	60.0%

- Gross payment volume and revenue exceeded prospectus forecast due to investment in talent and sales & marketing and in small part a result of AUD depreciation in Q4
- Gross profit margin in line with prospectus forecast
- Take rate improved in FY13 but slightly less than prospectus forecast due to increase in non-commission revenue lines
- Increase in opex over prospectus forecast due to increased investment in sales & marketing and increased hosting costs due to AUD depreciation in Q4
- FX losses below prospectus forecast due to AUD depreciation in Q4
- Minor IPO cost overruns due to unanticipated legal costs
- Unanticipated tax benefit from R&D tax credits received

1. Gross Payment Volume (GPV) is calculated as the total payments to Freelancer users for products and services transacted through the Freelancer website plus total Freelancer Revenue. Based on Freelancer's unaudited management accounts for the years ended 31 December 2012 and 2013.

2. Take rate is calculated as Net Revenue divided by Gross Payment Volume.

