



HCM software and
services for companies
dedicated to growth

Nasdaq
ASUR



Supplement to Third Quarter 2019 Earnings Call

Safe Harbor Statement

(Under the Private Securities Litigation Reform Act of 1995)

Statements made in this presentation regarding Asure's business which are not historical facts are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that involve risks and uncertainties. Such risks and uncertainties could cause actual results to differ materially from those contained in the forward-looking statements. The risks and uncertainties include—but are not limited to—adverse changes in the economy, financial markets, and credit markets; the failure to close the sale of our Workspace Management timely or at all; delays or reductions in information technology spending; the development of the market for cloud based workplace applications; product development; market acceptance of new products and product improvements; our ability to retain or increase our customer base; security breaches; errors, disruptions or delays in our services; privacy concerns; changes in the our sales cycle; competition, including pricing pressures, entry of new competitors, and new technologies; intellectual property enforcement and litigation; our ability to hire, retain and motivate employees; our ability to manage our growth; our ability to realize benefits from acquisitions; the level of our indebtedness; changes in sales may not be immediately reflected in our operating results due to our subscription model; changes in laws and regulations; change in the Internet infrastructure; disruptions in computing and communication infrastructure and changes in accounting standards. Please review our most recent annual report on Form 10-K as well as our quarterly report for the third quarter of 2019 on Form 10-Q for other risks or uncertainties that may cause our actual results to differ from those presented in this presentation.

Asure at a glance



Founded
1985



Pure-play HCM
Dec 2019

 **Nasdaq : ASUR**



Employees
~400



2019 Adjusted revenue guidance (HCM only)
\$72-73M

2019 adjusted Non-GAAP EBITDA guidance (HCM only)
\$11-12M (15.3% to 16.4% margin)

Workspace Management sale
expected to close December 2019



Workspace Management Sale Update

Agreed to sell Workspace Management for \$120 million to FM:Systems, which is backed by Accel-KKR

- We expect the transaction to close in December 2019
- Vast majority of the gain on the sale will be offset by the Company's accrued NOL's
- Approximately 120 direct Workspace Management employees will leave Asure and go to FM:Systems

Transaction Benefits

- Asure becomes a domestic pure-play HCM-SaaS company
- Pays down the majority of debt, eliminating about \$9 million of annual interest expense
- Recurring revenue mix will exceed 90%, up from about 85%
- Focused R&D investments and cross-sell initiatives

2020 Transition Year, Followed by Targeted Organic Growth

- Transition services agreement for a period upon close up to approximately 6 months
- Incremental overhead absorption will take approximately 12 months
- Organic growth investments (e.g., new sales hires) in 2020
- Expect positive organic growth exiting 2020, complemented by acquisitions throughout the year

Investment Highlights*



Pure-play
SaaS HCM Vendor



60,000+
SMB customers



Poised for Organic and
Acquired Growth



90%+
Recurring Revenue



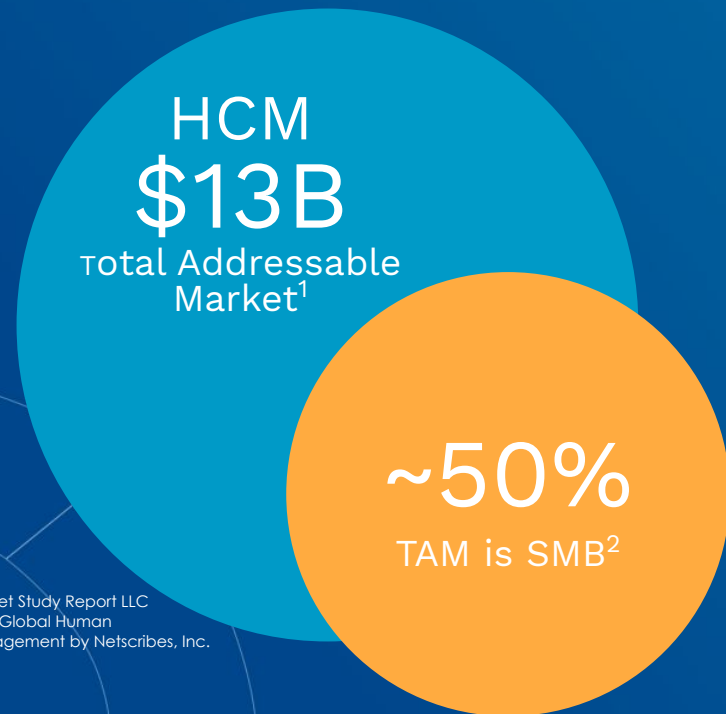
Self-Sustaining
Capital Structure



Experienced Exec Team -
Interests Aligned w/Investors

*Post sale of Workspace Management expected December 2019

Addressable Market



1. Source: Market Study Report LLC
2. Research on Global Human Resources Management by Netscribes, Inc.

At 7.6% CAGR, HCM market is expected to reach \$23B in 2025¹

Growing SMBs need easy-to-use integrated HCM products to get to the next level

Asure's unique direct/indirect strategy accelerates growth efficiently

HCM Solutions Every Growing SMB Needs...

Asure's Human Capital Management (HCM) Suite



Payroll & Tax



Time & Attendance



HR Consulting



Benefits



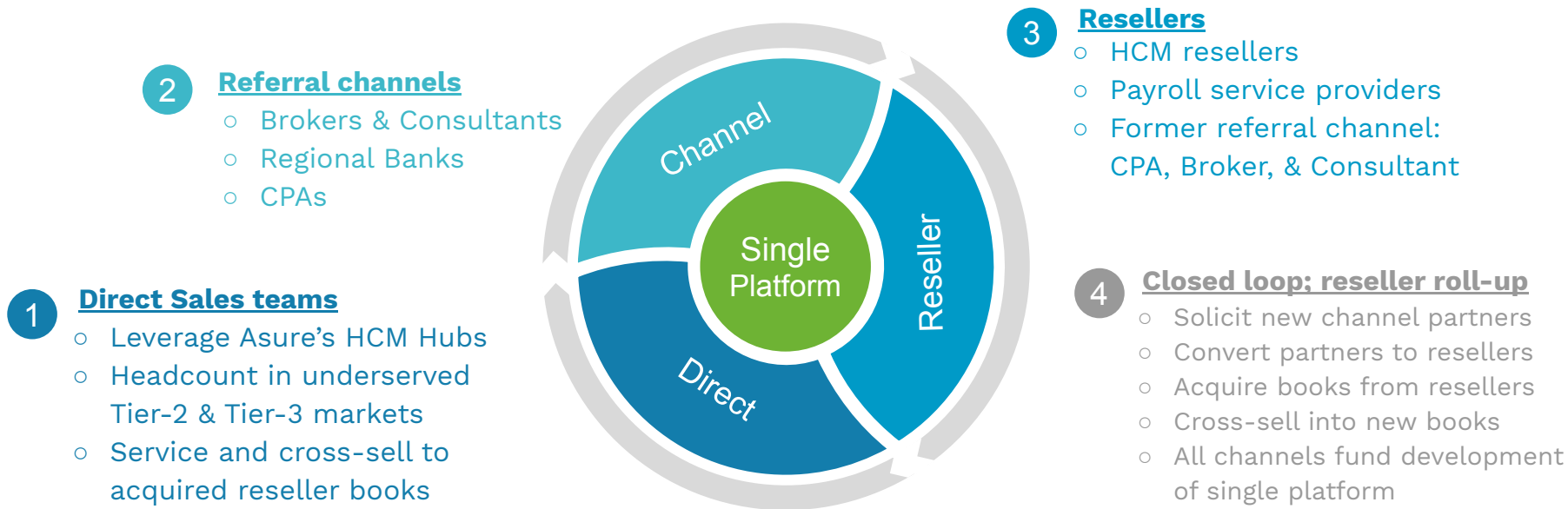
Talent Management



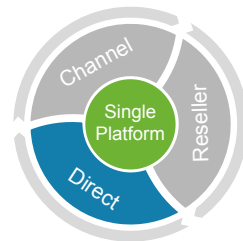
Recruitment

Integrated Go-to-Market Strategy

Multi-faceted sales model pursues underserved markets with efficient CAC — While all sales fund development of a single platform



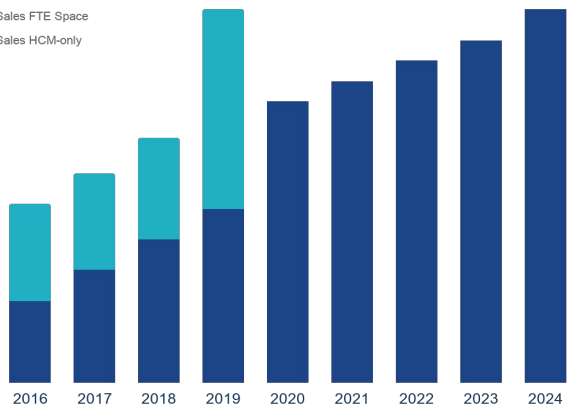
Go-to-Market | Direct Sales



Expansion of Direct Sales Force

Currently 34 highly productive HCM reps;
Accelerate hiring HCM sales reps in 2020

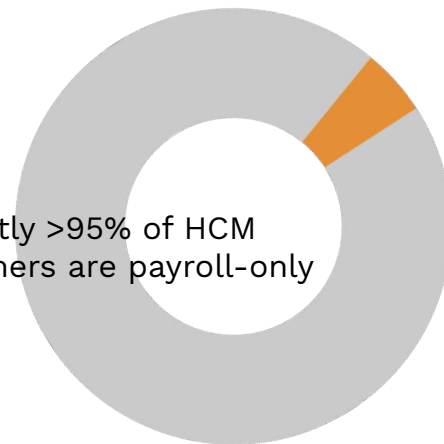
■ # Sales FTE Space
■ # Sales HCM-only



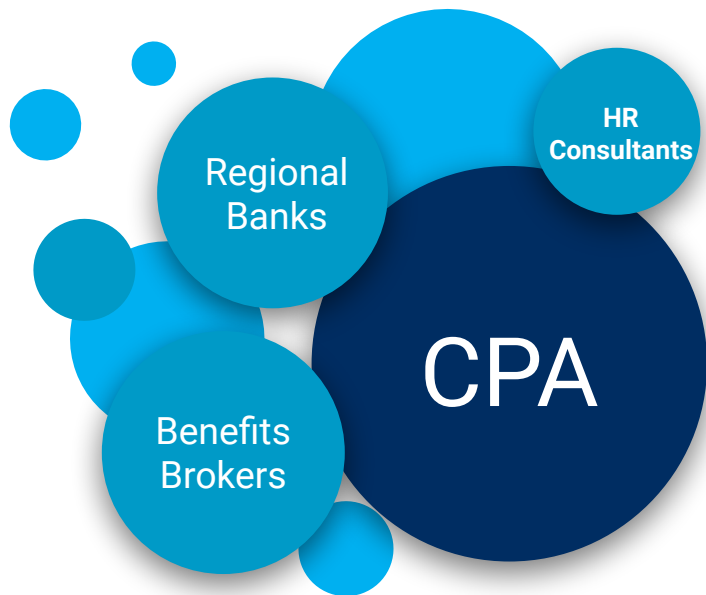
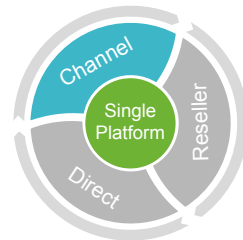
Significant Cross-Sell Opportunity

\$100M - \$150M HCM opportunity with
existing customers

Currently >95% of HCM
customers are payroll-only



Go-to-Market | Referral Channels

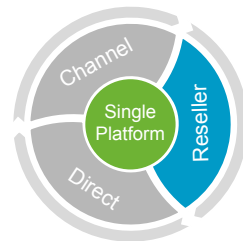


Building an SMB Referral Partner network to generate more leads and lower customer acquisition cost (CAC)

- SMBs ask their accountant, banker, broker, or HR consultant which HCM vendor to use
- Attractive revenue sharing model keeps channel partners engaged at a lower cost than direct marketing
- Channel Partners present co-marketing opportunities
- *Channel Partners become prospects to become resellers*

Go-to-Market | Resellers

By recruiting Referral Partners to become HCM resellers, we monetize the relationship and create future roll-up prospects.



Why resellers love Asure

- Leading Payroll and Tax engine for service providers
- The Payroll company for Payroll companies - we “get it”
- “Partner for life” approach

Why Asure loves resellers

- Access to new markets
- Long-term repetitive revenue with zero CAC
- Acquisition opportunities:
 - Cash out founders
 - No migration for clients
 - High margin revenue adds

	Total	0-3 Years	3-5 years	5+ years
# Resellers	180	20	100	60
Asure’s license revenue*	\$14M	\$1.5M	\$8M	\$5M
Reseller’s Payroll-only revenue	\$175M	\$18M	\$100M	\$60M
Reseller’s TOTAL revenue	\$220M	\$20M	\$120M	\$80M

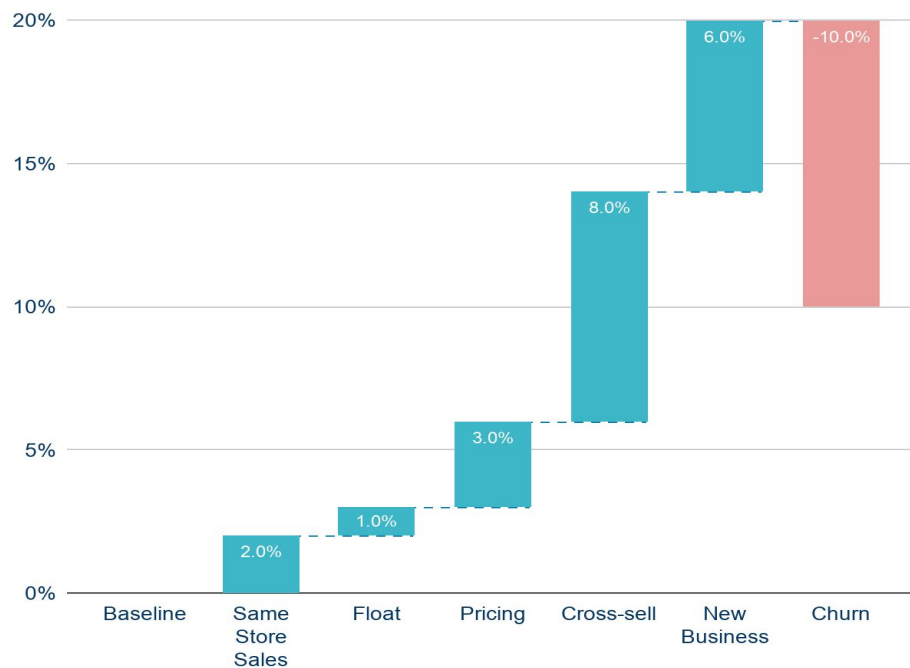
*TTM September 2019

Target Organic Growth Model

Long-term growth model with multiple ways to achieve 8-12% organic growth

	Growth %
Same Store Sales	1% - 3%
Float	1% - 2%
Pricing	2% - 4%
Cross-sell	6% - 10%
New Business	5%+
Churn (current 90%+ retention)	(8% - 12%)
NET Organic growth	¹Average 10%

¹ This is our growth model and not 2020 Guidance. We expect that 2020 will be a transition year for Asure, where we expect to make investments in sales, product innovation and harmonize Workspace Management overhead. Our growth model is being provided for informational purposes only.



HCM Stand-Alone Revenue

	FY2018A	1Q19A	2Q19A	3Q19A	2019 Guidance	2020 Guidance
HCM Revenue	\$63.6M	\$20.4M	\$17.2M	\$17.9M	\$72.0-73.0M	\$72.0-74.0M

Organic Growth + Accretive Acquisitions Position for Long-term Success

2020 will be transition year with expected investment in HCM sales and harmonizing Workspace Management overhead. EBITDA improves over time as accretive acquisitions tuck into existing infrastructure.

	Transition year 2020	Multi-year growth plan
Baseline revenue	\$71-73M	
Organic Growth	0-1%	8 - 12% annual organic growth
Acquisitions	0-10%	8 - 12% annual growth from acquisitions
Total Revenue	\$72-74M	Revenue approx. doubles over 5 years
EBITDA	\$11-12M	20%+ margins grow w/tuck-in acquisitions

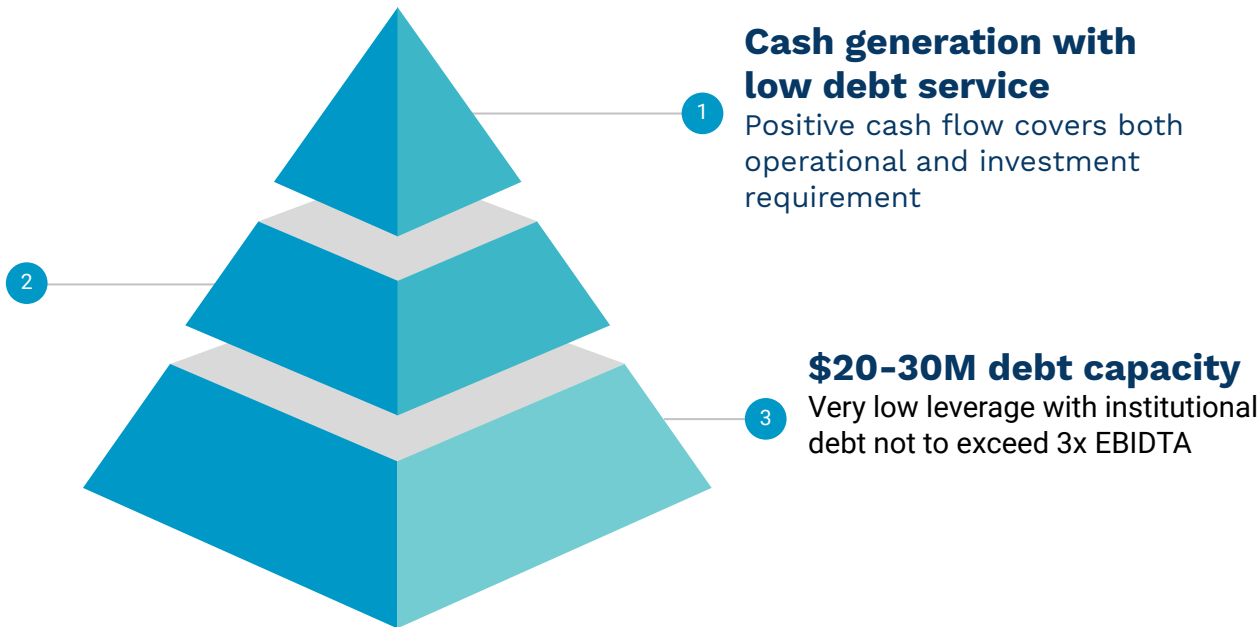
2020 Transition Year Initiatives

- Additional headcount to get to double digit revenue growth
- Multi-product innovation work
 - T&A integration
 - Advanced HR
 - Web-based payroll
- Shared Services
 - Span of control
 - Vendor optimization & consolidation
 - TSA - Elimination of TSA services after 6 months
- Service Center Hubs
 - Operational optimization
 - Multi-product: Sales, implementation, and support

Self-sustaining Capital Structure

Funded Acquisitions

Acquisitions funded by combination of cash, stock, and seller notes.



Thank you