



# Cornerstone

## Financial Analyst & Investor Day

NEW YORK CITY 2018

## KEY TAKEAWAYS

- CSOD maintains a strong competitive position within its large, healthy, and fragmented end markets and CSOD intends to grow market share within each of these markets.
- The partner ecosystem has embraced CSOD's new delivery model.
- CSOD's execution challenges were largely self-inflicted and fixes have been put in place.
- Brexit's impact is in the rear-view mirror and EMEA's momentum is resuming.
- The learning market is experiencing a "pull-driven" renaissance due to demographic changes and anticipated skills shortages.
- The content opportunity is significant and accretive to operating margins. It taps into existing budgets to drive incremental revenue to CSOD while driving a positive ROI to customers.
- The combination of CSOD's scale + machine learning + content creates a "network effect" or competitive moat that will help CSOD gain share.
- Recruiting just gained 50% more engineering resources and has a big 2018 product roadmap which should enable CSOD to gain share via cross-sell into the installed base.
- CHR has a high ROI for customers and is both offensive (new clients, higher ARPU) and defensive (more "at bats" in talent management) and is seeing very strong EMEA adoption.
- The experiment in SMB yielded very fruitful results – many of those learnings can be applied to other areas of CSOD's business.
- Bottom line is that Cornerstone has cleaned up the "noise" and now has several potential vectors of growth.
- 2020 target under moderate growth scenario is \$150M in uFCF, or \$2.00 per share.

