



**RESULTS PRESENTATION FOR  
THE 12 MONTHS ENDED  
31 MARCH 2015**



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# Full Year Financial Highlights



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# Full Year Financial Highlights



- Revenue \$22.2m, 3% lower than the prior year \$22.9m
- EBITDA\* \$9.2m, 3% lower than the prior year \$9.4m (prior year normalised for reported non-recurring items)
- Net Profit After Tax \$1.6m, 10% lower than the prior year \$1.7m
- Diluted Earnings Per Share (EPS) of 0.91 cents, 10% lower than the prior year 1.01 cents
- Growth in new taxi business underway

\*EBITDA = Earnings Before Interest, Tax, Depreciation, Amortisation (including share option amortisation), impairments and foreign exchange adjustments. EBITDA is a useful non-GAAP measure as it shows the contribution to earnings prior to finance costs and non cash items.

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# Results Table for the Full Year

## Full Year - Audited

	Group	
	2015	2014
	\$'000	\$'000
<b>Continuing operations</b>		
Revenue	22,191	22,884
Other income	21	22
	22,212	22,906
<b>Operating expenditure</b>	(13,009)	(13,239)
<b>Earnings before interest, tax, depreciation, share options expense, amortisation, impairments and foreign exchange</b>	9,203	9,667
Depreciation and amortisation	(4,703)	(4,049)
Unrealised foreign exchange adjustments	(201)	(983)
Share option amortisation	(117)	(380)
Net finance (costs) / income	(2,191)	(1,837)
Impairments	(540)	(682)
	(7,752)	(7,931)
<b>Profit / (loss) before tax</b>	1,451	1,736
Tax benefit	119	-
<b>Profit / (loss) for the year from continuing operations of owners</b>	1,570	1,736
<b>Other comprehensive income</b>		
Foreign currency translation differences for foreign operations	49	485
Share based payments reversal	50	116
<b>Total comprehensive income of owners</b>	1,669	2,337
<b>Earning / (losses) per share from continuing operations</b>		
Basic earnings/(loss) per share	0.91 cents	1.01 cents
Diluted earnings/(loss) per share	0.91 cents	1.01 cents

# Results Commentary



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- The primary contributor to the lower revenue and profit was the cessation of our largest Australian taxi contract revenue at the end of December 2014.
- This was an anticipated outcome driven by Smartpay's decision to participate directly in the Australian taxi industry rather than through an indirect wholesale relationship.
- The result in the current period was a 9 month revenue and profit contribution from this Australian taxi contract compared to a full 12 month contribution in the prior period.
- EBITDA\* of \$9.2m is 3% lower than the previous period normalised result of \$9.4m (adjusted for previously reported non-recurring items).

\*EBITDA = Earnings Before Interest, Tax, Depreciation, Amortisation (including share option amortisation), impairments and foreign exchange adjustments. EBITDA is a useful non-GAAP measure as it shows the contribution to earnings prior to finance costs and non cash items.

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# Review of Operations



- Smartpay made good progress across the business during the year:
- New Zealand:
  - A number of new distribution deals for our new mobile integrated payments terminals (including our mPos solution for ASB Bank)
  - The conclusion of the Epay deal announced in July last year
  - The launch of an integrated mobile taxi booking and payment app for our New Zealand taxi partners
- Australia:
  - Delivered a significant Australian state government transport authority software payments project
  - Launched our new Taxi Payments business
  - Continue to build our SME terminal base

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- Smartpay's Current business comprises two parts:
  1. Mature, stable NZ business with significant market position, supporting;
  2. Relatively small but growing Australian business
- Our Australian experience over the past 2 years has led us to focus on opportunities where we have:
  - Competitive advantage, defined by;
  - Differentiated product:
    - Integrated payments for general retail and mobile
    - Advanced taxi payments technology
- We have made some recent changes to our Australian business to align capability with our new product set including the recent appointment of a General Manager based in Sydney.

## Australian Taxis

- “Smartpay Taxis” business launched Dec 2014 to capitalise on changes underway in the Australian taxi market:
  - Regulatory change reduced payment surcharge fees from 10% to 5% in Vic and NSW
  - Technology disruption as smartphone booking “apps” disintermediate traditional dispatch networks
- Smartpay’s solution offers market leading taxi payment ecosystem combining terminal, payments processing and integrated booking app
- We provide a better commercial framework for drivers and operators
- Since launch:
  - Deployed 600 terminals
  - Substantial pipeline expected to deploy this financial year

## General Retail

- New Zealand
  - Our New Zealand business maintains a significant market position
  - We continue to see growth opportunities as the industry consolidates towards fewer, larger players
  - Our scale and range of differentiated products and capability position us well for continued growth in this part of our business
- **Australia**
  - The core opportunity for volume growth in Australia remains in the area of integrated payments, both for the corporate and mobile market
  - We have demonstrated success with these products in NZ
  - Progress to release these products into Australia has been slower than anticipated
  - Target release date late Q3 / early Q4 (calendar 2015)

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## Targets for The Current Year

1. Substantial growth of Australian taxis to replace and grow previous revenue line
2. Certify mobile / wireless integrated terminals in Australia and launch Australian corporate business
3. Continued growth in NZ general retail

# Questions.