

RESULTS PRESENTATION FOR THE YEAR ENDED 31 MARCH 2016



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AGENDA

Full Year Results

1

Results Commentary

2

Outlook for the
Current Year

3



FULL YEAR FINANCIAL RESULTS

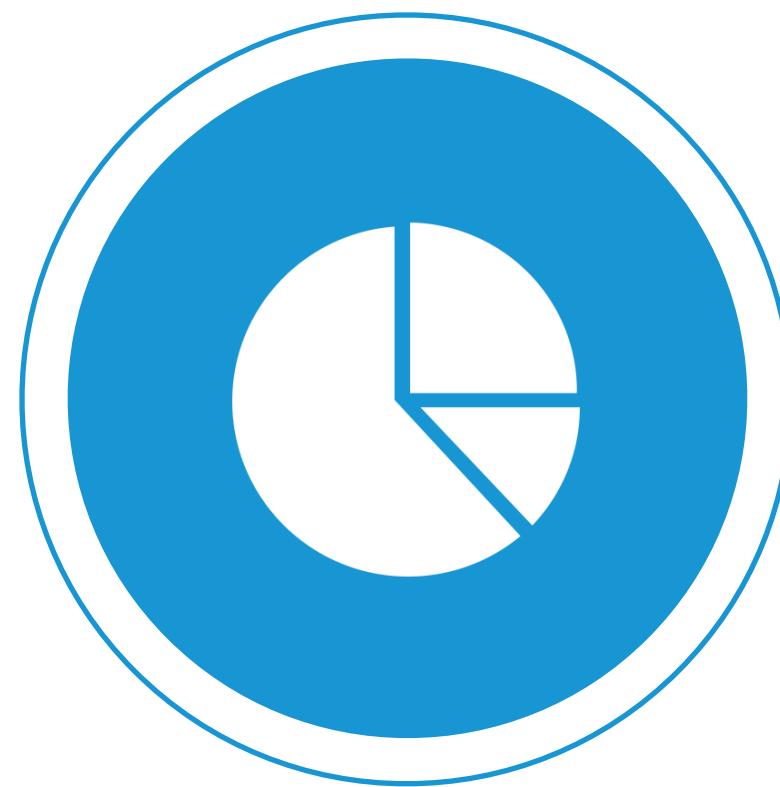
FULL YEAR FINANCIAL RESULTS

REVENUE



\$20.4m, 8% lower than the prior year \$22.2m

EBITDA*



\$8.1m, 12% lower than the prior year \$9.2m

NET PROFIT AFTER TAX



Net Profit after Tax \$0.2m, 86% lower than the prior year \$1.6m

DILUTED EARNINGS PER SHARE



Diluted Earnings Per Share (EPS) of 0.13 cents, 86% lower than the prior year 0.91 cents

*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.

RESULTS TABLE

Statement of Comprehensive Income For the year ended 31 March 2016

	Group	
	2016	2015
	\$'000	\$'000
Continuing operations		
Revenue	20,361	22,191
Other income	8	21
Operating expenditure	(12,250)	(13,009)
Earnings before interest, tax, depreciation, share options expense, amortisation, impairments and unrealised foreign exchange	8,119	9,203
Depreciation and amortisation	(5,713)	(4,703)
Unrealised foreign exchange adjustments	502	(201)
Share option amortisation	(98)	(117)
Net finance (costs)	(1,903)	(2,191)
Impairments	(811)	(540)
	(8,023)	(7,752)
Profit before tax	96	1,451
Tax benefit	119	119
Profit for the year from continuing operations of owners	215	1,570
Other comprehensive income		
Foreign currency translation differences for foreign operations which may be reclassified subsequently to profit and loss (no tax effect)	(256)	49
Share based payments reversal which will not subsequently be reclassified to profit / (loss) (no tax effect)	369	50
Total comprehensive income of owners	328	1,669
Earnings / (losses) per share from continuing operations attributable to the equity holders of the company during the year		
Basic earnings per share	0.13 cents	0.91 cents
Diluted earnings per share	0.13 cents	0.91 cents

*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.

RESULTS COMMENTARY

1

As foreshadowed in our interim results Smartpay started the financial year at a lower level of revenue and profitability mainly due to the cessation of our largest Australian taxi contract shortly before the beginning of the financial year.

2

Other contributing factors to the lower revenue and profit relative to the prior period were:

The prior period included revenue contribution from two software development projects. As these projects were concluded in the prior period there was no corresponding income in the current period; and

The timing effect of expired contracts which concluded at points earlier in the period relative to the start dates of new contracts.

3

Through ongoing execution of our growth strategy the company is currently performing at a higher level than indicated by the full year result.

This is evident in the 19% increase in EBITDA in the second half of the financial year over the reported first half result.

4

The foundation is set for what we expect will be significant growth in profitability in the current financial year.

RESULTS COMMENTARY

Recent achievements contributing to current increased profitability include:

- The launch of our latest taxi payments technology into the New Zealand market resulting in a significant increase in revenue and profit from our largest customer.
- Growth in our Australian taxi business over the period. We have grown our deployed fleet of taxi terminals in Australia from around 200 at the beginning of the financial year to the current level of 1,900 deployed / 1,700 active terminals. The period under review therefore only included a partial contribution of the revenue and profit currently generated from this growing fleet
- The steady growth in our Australian retail business which should increase further following the recent release of our market leading D-Series MPOS integrated mobile payment terminals.



RESULTS COMMENTARY

This has been a year of significant investment for the company:

New products:

- NZ taxi payments technology;
- Aus taxi payments technology;
- MPOS / Integrated payment terminals for Aus;
- New payments software for existing NZ customers

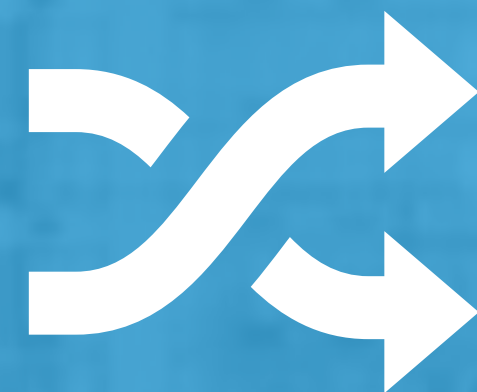
Investment in terminals:

- upgrades to our deployed terminal base in New Zealand;
- growth in the number of terminals deployed into Australia;
- a relatively high level of stock of new terminals in our warehouse at year end pending deployment

- This investment cycle has resulted in an increase in cash usage during the period with net debt increasing to \$23.9m from \$21.1m over the year

- With the recent completion and release of a number of products and with the current upgrade of our New Zealand fleet nearing completion, we expect our net debt to remain around the current level until mid this year at which point our debt will start to reduce again as our cash flows grow in line with our higher profitability. 9





OUTLOOK FOR THE CURRENT YEAR

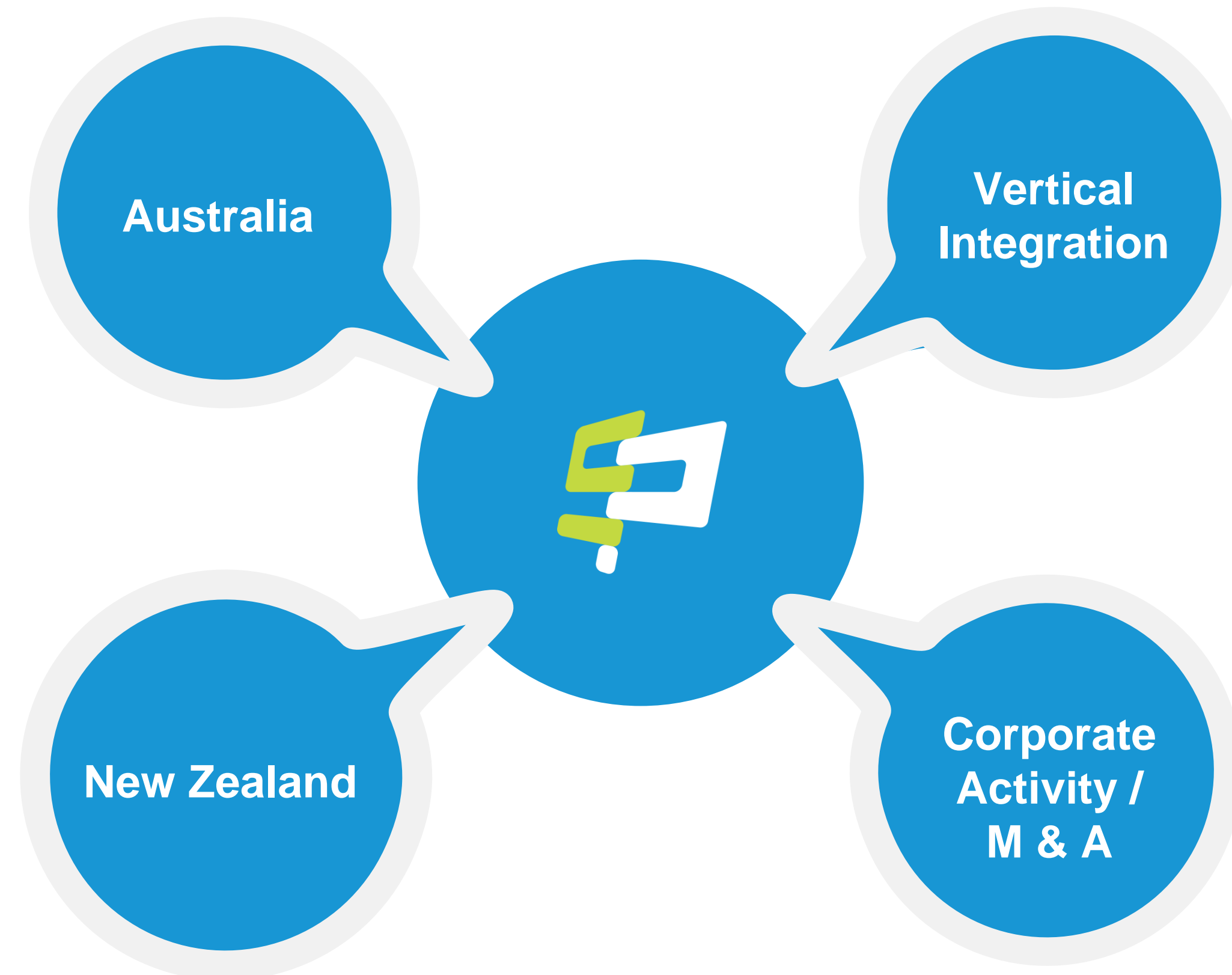
FOCUS AREAS FOR THE CURRENT YEAR

Australia

The continued growth of our Australian taxi and general retail businesses, in particular off the back of the introduction of our recently released mobile and integrated payment terminals.

New Zealand

Execute on emerging growth opportunities in the New Zealand market.



Vertical Integration

Develop the opportunity to participate in the opening of the EFTPOS / card acquiring market in Australia.

Corporate Activity / M&A

Continue to evaluate acquisition opportunities to add scale and scope.



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QUESTIONS