

# Shaw and Partners Presentation

SMARTPAY HOLDINGS LIMITED

2 December 2021

smartpay

# DISCLAIMER STATEMENT

---

This presentation may contain certain statements and projections provided by or on behalf of Smartpay Group (Smartpay) with respect to anticipated future undertakings. Any forward-looking statements reflect various assumptions by or on behalf of Smartpay. Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with the business of Smartpay which may be beyond the control of Smartpay which could cause actual results or trends to differ materially, including but not limited to competition, industry downturns, inability to enforce contractual and other arrangements, legislative and regulatory changes, sovereign and political risks, ability to meet funding requirements, dependence on key personnel and other market and economic factors. Accordingly, there can be no assurance that any such statements and projections will be realised. Smartpay makes no representations as to the accuracy or completeness of any such statement of projections or that any projections will be achieved and there can be no assurance that any projections are attainable or will be realised.

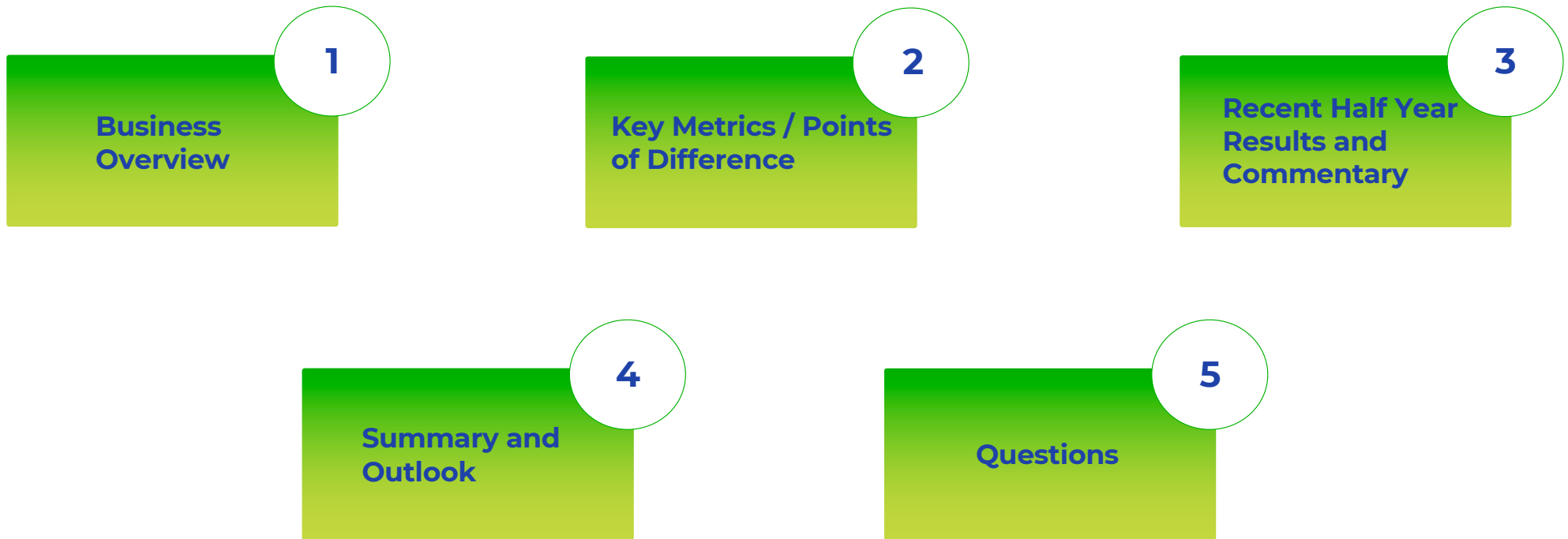
Additionally, Smartpay makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by Smartpay or by any of their respective officers, directors, shareholders, partners, employees, or advisers (Relevant Parties) as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any interested party or its advisers. In furnishing this presentation, Smartpay undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Except to the extent prohibited by law, the Relevant Parties disclaim all liability that may otherwise arise due to any of this information being inaccurate or incomplete. By obtaining this document, the recipient releases the Relevant Parties from liability to the recipient for any loss or damage which any of them may suffer or incur arising directly or indirectly out of or in connection with any use of or reliance on any of this information, whether such liability arises in contract, tort (including negligence) or otherwise.

This document does not constitute, and should not be construed as, either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Smartpay.

# AGENDA

---



# OVERVIEW



- Leading NZ EFTPOS provider
- >30,000 terminals
- Predominantly fixed monthly revenue model



Smartpay is a merchant facing, in-store EFTPOS payments provider



We have a significant position in the New Zealand payments market and a fast-growing Australian business

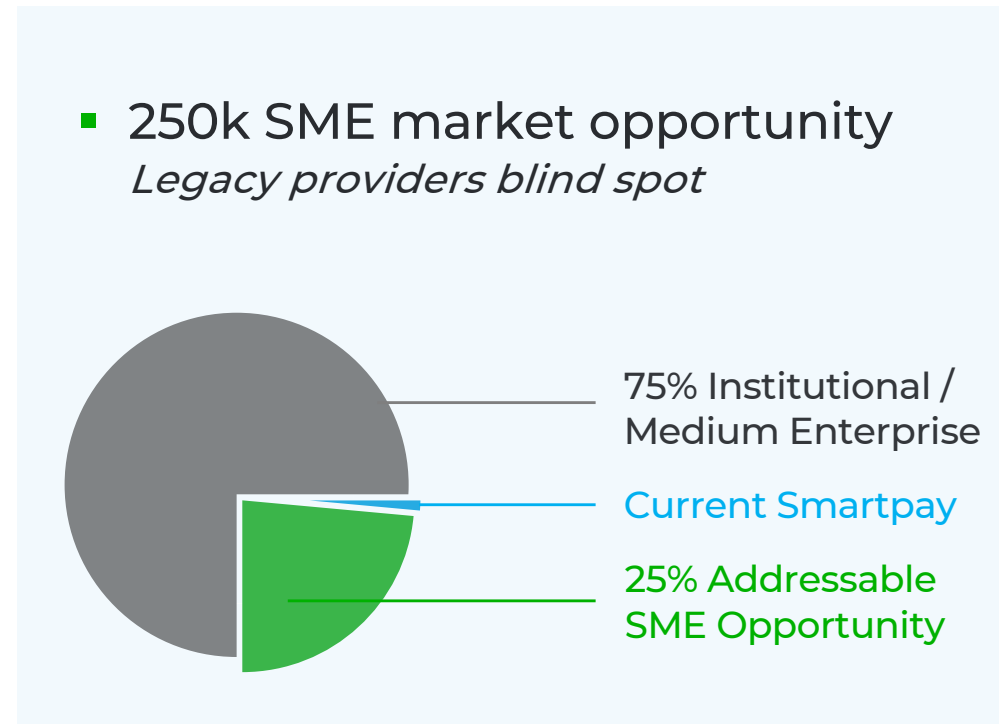
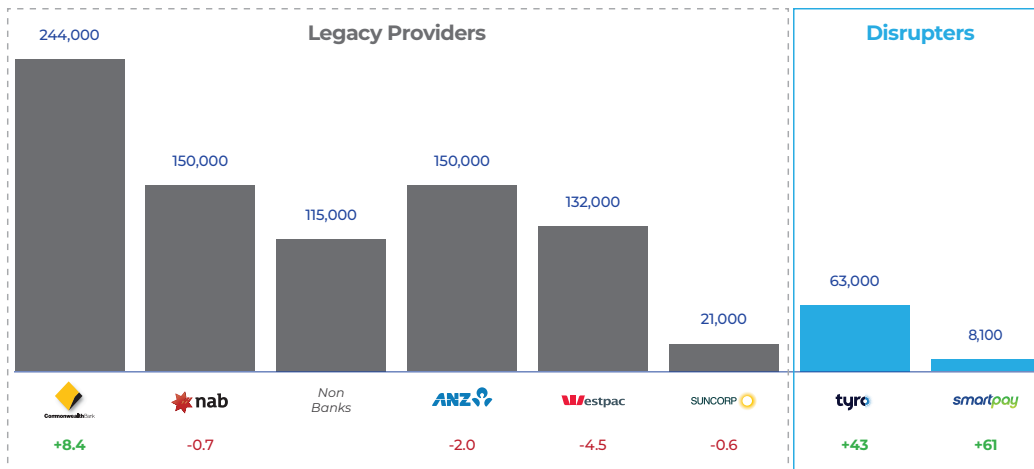


- Growth Market
- Transactional Revenue Model
- <0.5% current market share  
*(1m terminal market)*

*"I really liked the simplicity of SmartCharge and how the surcharge fees were automatically calculated."*



# AUSTRALIAN ACQUIRING MARKET – Quick Look



## Currently served by major banks;

- 'hygiene factor', basic payment solution
- lack of organizational / customer centric agility
- complex pricing structures
- structured for 'top end of town'
- no ability to properly contest technical 'arms race'
- *incumbents focused on issuing cards and consumer credit*

Source: APRA, Authorised deposit-taking institutions points of presence statistics, 30 June 2019; AusPayNet, Device Statistics EFTPOS Statistics, 30 June 2019. Other providers (labelled 'Non-banks' include terminals of other providers who are members of the Australian Payments Network <https://www.auspaymentnet.com.au/about/participant-members> for example, Ayden and First Data. Does not include non-bank payment providers who are not members of the Australian Payments Network (for example, Square).



# PROPOSITIONS THAT MAKE SENSE

6



## Zero Cost EFTPOS



- Removes variable cost for Small to Medium Enterprise
- Supports customers' cash-flow focus

- Reduces complexity, uncertainty and 'bill shock' for the merchant
- Allows the merchant to build known acceptance cost into retail margin



## Simple Flat Rate

*"From the first conversation to receiving the terminal, it was straightforward, quick and efficient"*

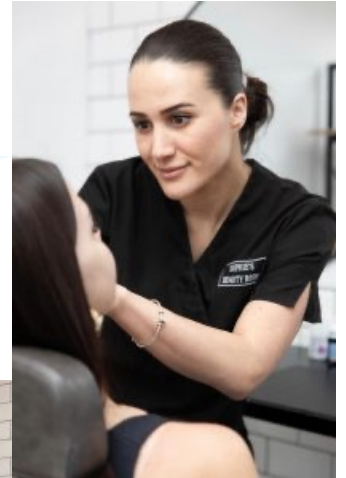


**smartpay**

# STUNNING! – Beauty salon saves \$7,000 p.a in card fees

Card transaction fees were costing the business about **\$600 every month**, and it was **becoming a cost they could no longer overlook**, says business manager Michael.

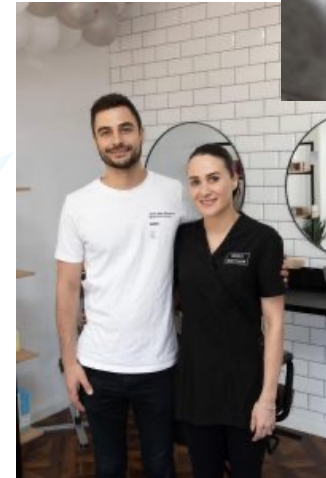
*“We now know exactly what’s going into our bank account.”*



## Giving back to those loyal customers

Today, **Sophies Beauty Room** is using its newfound savings to do what its always done best: **Look after its loyal customers.**


*“We’re using the savings to pay for our new loyalty programme, so our customers still benefit,”*



*“The setup process was so easy. Real plugin and play.”*

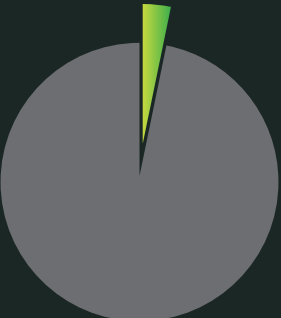


# KEY METRICS/KPI'S – At a Glance




**5 – 7  
month**


**ATS  
\$30 - \$40**

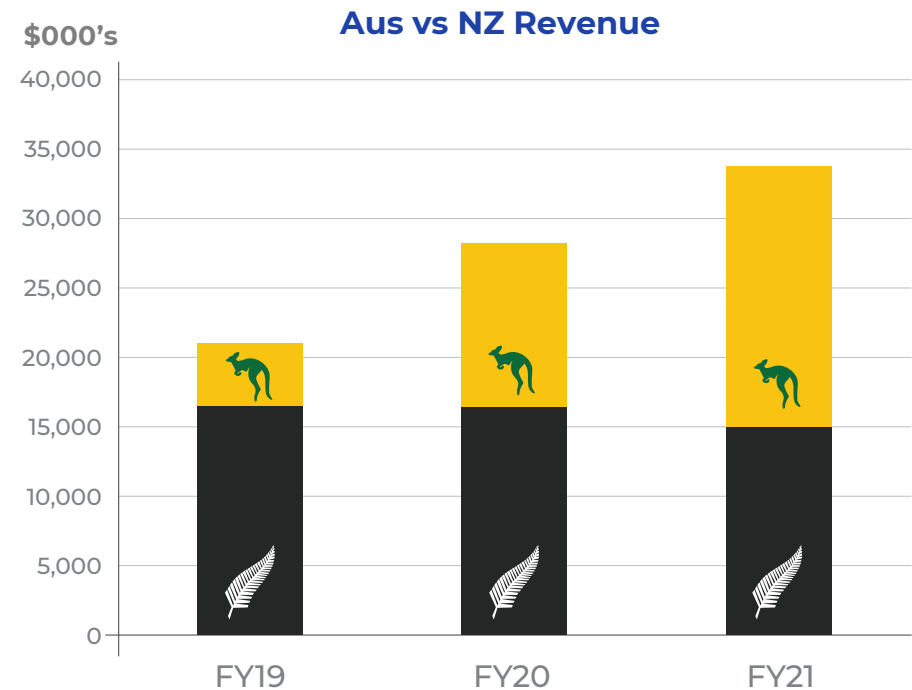


**Acquiring  
margin**



**Variable cost volume-  
based transaction  
processing**





*"Since switching, I'm saving nearly \$5,000 a year and that's money I am using to pay other bills and re-invest into the business"*





# First Half Results 2022 Financial Year

Ended 30 September 2021

*smart*pay

# FY22 HALF YEAR FINANCIAL RESULTS

10

## REVENUE



↑ 45%

1<sup>st</sup> Half FY22: **\$21.0m**  
vs  
1<sup>st</sup> Half FY21: **\$14.5m**

## EBITDA\*



↑ 10%

1<sup>st</sup> Half FY22: **\$3.7m**  
vs  
1<sup>st</sup> Half FY21: **\$3.4m**

## NET PROFIT AFTER TAX



1<sup>st</sup> Half FY22: **\$0.4m**  
vs  
1<sup>st</sup> Half FY21: **(\$9.3m)**

## NET DEBT



1<sup>st</sup> Half FY22: **(\$5.5m)**  
vs  
1<sup>st</sup> Half FY21: **(\$4.8m)**

\*EBITDA = Earnings Before Interest, Tax, Depreciation, 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.

**smartpay**

# RESULTS COMMENTARY



**ON-GOING  
IMPROVEMENT IN  
ACQUIRING  
MARGIN**

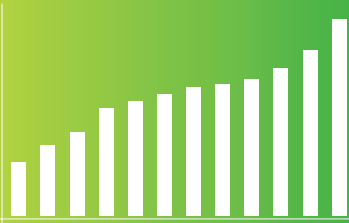
After Tax Profit of  
**\$0.4m**  
versus (\$9.3m) in prior year

**Australian  
transacting  
terminals fleet**  
**6,737**  
end of September 2021

---

post "freedom day" in  
NSW & VIC, increased to:  
**8,083**  
end of October 2021

**Total  
Transaction  
Value (TTV)**



**\$1.1b**  
versus \$545m in prior year



**Revenue**  
**\$21.0m**  
Up 45% on prior year \$14.5m

**Australian acquiring  
transactional revenue**



**\$12.6m**  
An increase on the  
prior year \$6.3m

*"Thanks to SmartCharge, we expect to save \$14,000 a year. I have invested some of this into social media advertising, which is helping us grow"*

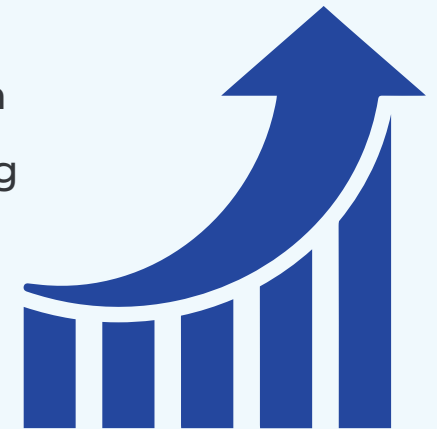


# SUMMARY & OUTLOOK

We continue to see positive results from our investment in both our marketing and sales functions in Australia.

The quality of our NZ business continues to show through our resilience during the most recent nationwide COVID lockdowns.

With the ongoing momentum in our Australian customer acquisition through the period and a strong 'bounce back' effect seen in our Australian transacting terminal numbers and acquiring revenues in October, we look forward to improved operating leverage and a strong second half performance to the 22 financial year.



*"There seems to be a growing trend where businesses are trying to reduce their overheads. To be honest, I should have made the switch a lot sooner"*



**smartpay**

*payment solutions made easy*

[smartpay.com.au](https://smartpay.com.au) | [smartpayinvestor.com](https://smartpayinvestor.com)

1800 433 876