

**ASX: A2B**

21 February 2023

## Delivery of A2B's corporate turnaround strategy gains traction

### Key H1 FY23 highlights:

- **Fleet size at 31 December up 7.8% to 7,364 (vs 30 June 2022)**
- **Total fares up 73.7% to \$448.7 million (vs H1 FY22)**
- **Return to positive operating performance across all metrics**
  - **Revenue up 21.1% to \$72.3 million (vs H1 FY22)**
  - **Underlying EBITDA of \$9.3 million (H1 FY22: \$(1.7) million loss)**
  - **Statutory net profit after tax of \$3.7 million (H1 FY22: \$(6.7) million loss)**
- **New CEO & Managing Director appointed, commencing 1 March 2023**
- **Sold Bourke Road (Alexandria) property for \$19 million; proceeds will be utilised to repay debt and for general working capital purposes**

A2B Australia Limited (ASX: A2B) is pleased to announce its results for the six months ended 31 December 2022 (H1 FY23). The Company has made significant progress on its 'BETTER BEFORE BIGGER' corporate turnaround strategy and is on track to deliver on its full-year FY23 guidance provided in August 2022.

### Commenting on the Company's H1 FY23 results, Executive Chairman Mark Bayliss said:

"This has been a positive half, with our A2B team achieving what it said it would do and enabling our 'BETTER BEFORE BIGGER' corporate turnaround strategy to take hold. As A2B returns to operating conditions similar to pre-pandemic levels, we now have a stronger base from which to accelerate sustainable growth across Australia.

Our fleet numbers and total fares have increased over the last six months, underpinned by the trust and reputation in our taxi brands as people start to use individual transport more. This is driving growth in revenue, earnings and profit. We were also delighted to announce the appointment of A2B's new CEO and Managing Director, Daniela Fontana, who has the experience and capabilities to leverage the strengths of the brand and its leadership in the sector as further deregulation takes place."

### H1 FY23 results

Financial performance (\$m)	1H23	1H22	var (\$)	var (%)
Revenue	72.3	59.7	12.6	21.1%
Underlying EBITDA	9.3	(1.7)	11.1	640.3%
Statutory EBITDA	9.8	(1.2)	11.0	916.7%
Net profit after tax	3.7	(6.7)	10.4	155.6%

Increased fleet numbers and fares underpinned revenue growth of 21.1% to \$72.3 million. Underlying EBITDA was \$9.3 million for the period, a substantial turnaround from the \$(1.7) million earnings loss in H1 FY22.

## **Achieving 'BETTER BEFORE BIGGER'**

The execution of the Company's 'BETTER BEFORE BIGGER' corporate turnaround strategy has delivered on its core initial goal to return to profitability, and is now building momentum, which is allowing the rate of medium and long-term growth in the business to accelerate.

As at 31 December 2022, the total fleet across A2B's group of companies was 7,364 cars, up 7.8% from six months earlier. Fleet composition also improved with higher yield fleet (13Cabs/Silver Service combined fleet) up 972 cars or 16.4% as a result of the strategy to focus on higher yielding fleet.

Total fares processed were up 73.7% to \$448.7 million, reaching 90% of pre-Covid (H1 FY20) levels with all channels contributing to the increase as demand for taxi trips grows. This has been assisted by several recent fare price rises in a number of states, which is welcome news as Taxi fares have remained static for a significant time.

A2B is now on a solid path to generate sustainable growing returns for shareholders.

## **Strengthened balance sheet from property sale**

In December 2022, A2B agreed to sell the first of its two Alexandria properties, Bourke Road, for \$19 million. Settlement is due to occur in April 2023, with a 10% deposit already received. The proceeds from the sale of this property will be utilised to repay debt and for general working capital purposes.

As announced on 3 November 2022, A2B regards its 9-13 O'Riordan Street, Alexandria property as an attractive, strategic asset. A2B will continue evaluating its options regarding this site with the overarching objective of maximising value for shareholders.

## **New executive team and Board to take A2B forward**

A2B's new Chief Executive Officer & Managing Director, Daniela Fontana, commences on 1 March 2023. Daniela was most recently the Chief Executive Officer of the State Transit Authority, a NSW Government enterprise managing a fleet of over 1,400 buses carrying over 600,000 passengers daily throughout the State and managing a team of 3,400 people. She brings highly relevant experience in the consumer-focussed transport sector, great leadership skills, strong financial management, and an ability to transform organisations and to relate to business and growth requirements of a regulated industry.

Executive Chairman Mark Bayliss will remain in this position until 30 June 2023 to support the transition and handover to Ms Fontana. After this he will resume the role of Non-executive Chairman as previously foreshadowed to the market.

During H1 FY23, the Company also appointed Brent Cubis to the Board as an Independent Non-executive Director and Chair of the Audit and Risk Committee. Brent has over 20 years' experience at board level, advising companies such as Nine Network Australia, Cochlear, and Prime Media Group.

## **Commenting on the Company's outlook for H2 FY23, Mr Bayliss said:**

"The hard work of the whole A2B team in implementing the 'BETTER BEFORE BIGGER' turnaround strategy is delivering the results we were expecting. We have refocussed A2B on its core capabilities, and the company's performance is benefitting from a return to pre pandemic levels of fleet and fare revenue. The strong first half performance provides us with confidence to reaffirm our previous FY23 profit guidance. We also now expect a strong net cash position at 30 June 2023, as a result of the completion of the sale of Bourke Road in the next few months.

We are thankful for the support and commitment of our shareholders and look forward to providing further updates on A2B's continued progress through the second half of this financial year."

- ENDS -

*Authorised for lodgement by the Board of A2B Australia Limited.*

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**About us**

Operating since 1976, over the past 40+ years A2B has grown to become the market leader in the personal transport sector.

For further information, please visit: <https://www.a2baustralia.com/>.