

# 2017 full year results

investor presentation

28 August 2017

amaysim

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Statutory information is based on reviewed financial statements. "Proforma" and "underlying" financial information has not been audited or reviewed. amaysim uses certain measures to manage and report on business performance that are not recognised under Australian Accounting Standards ("non-IFRS financial measures"). These non-IFRS financial measures that are referred to in this presentation include without limitation the following:

- Net Revenue means total service revenue and other revenue
- ARPU means average revenue per subscriber, calculated as net revenue for the period divided by average subscribers for that period, and expressed on a monthly basis;
- EBITDA means earnings before income tax excluding interest, depreciation and amortisation expense;
- EBIT means earnings before interest and tax;
- NPAT means net profit after tax;
- NPATA means NPAT and after adding back the tax affected amortisation relating to acquired contracts and intangibles other than software; and
- Underlying figures have been calculated from statutory data and exclude the impact of IPO expenses, non-core income and expenses, any acquisition related expenses including consequential changes in the value of tax assets, integration and transaction costs with a related tax adjustment where applicable. Refer to appendix A3 and A4 for reconciliation between statutory and underlying results.

Although the directors of amaysim believe that these measures provide useful information about the financial performance of amaysim, they should be considered as supplements to those measures that have been presented in accordance with the Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way amaysim has calculated these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.

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# 2017 full year results

Julian Ogrin, CEO and Managing Director

amaysim



# amaysim Group headline result<sup>1</sup>

\$ million (unless stated otherwise)	FY17	FY16	FY17 vs FY16
Statutory net revenue	326.7	253.5	29%
Statutory gross profit	99.1	85.4	16%
Underlying operating expenses	55.5	50.0	11%
<b>Statutory EBITDA</b>	<b>33.8</b>	<b>25.1</b>	<b>35%</b>
<b>Underlying EBITDA</b>	<b>43.5</b>	<b>35.4</b>	<b>23%</b>
Underlying NPATA	25.2	21.8	16%
Underlying operating cash flow after capex	38.9	31.0	25%
Closing mobile subscribers ('000)	1,074	966	11%
Underlying EPS (cents)	11.3	11.3	flat
Final dividend per share (cents)	5.1 fully franked	5.3 unfranked	(4%)
Total dividend per share for FY17 (cents)	9.1 partially franked	8.3 unfranked	10%

Strong FY17 performance with guidance delivered<sup>2</sup>

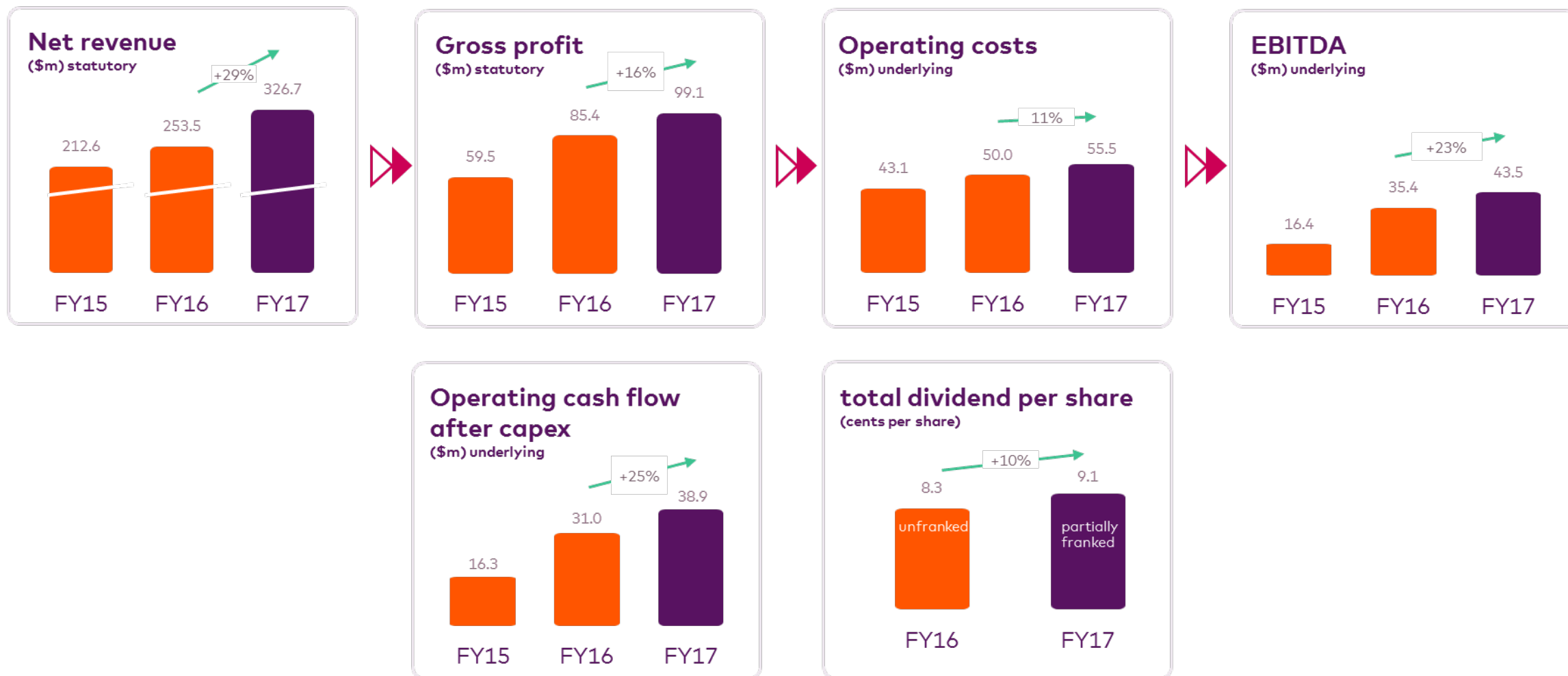
Continued growth in mobile underpinned by solid subscriber growth driven by competitive plans, strong customer satisfaction and low churn

Successful launch of amaysim nbn™ and performing well

Strong performance in energy (2-months contribution from Click) driven by solid growth in subscribers

1. All figures reported are for the amaysim Group, which includes the mobile (including devices), broadband and energy businesses. FY16 includes 6-months contribution from Vaya (acquired 1 January 2016) and FY17 includes ~10-months contribution from AusBBS (acquired 23 August 2016), ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click (acquired 1 May 2017)
2. Refers to the FY17 guidance for the amaysim Group provided 4 May on slide 16 of the Macquarie Australia Conference presentation

# FY17 Group financial performance - predominantly driven by mobile

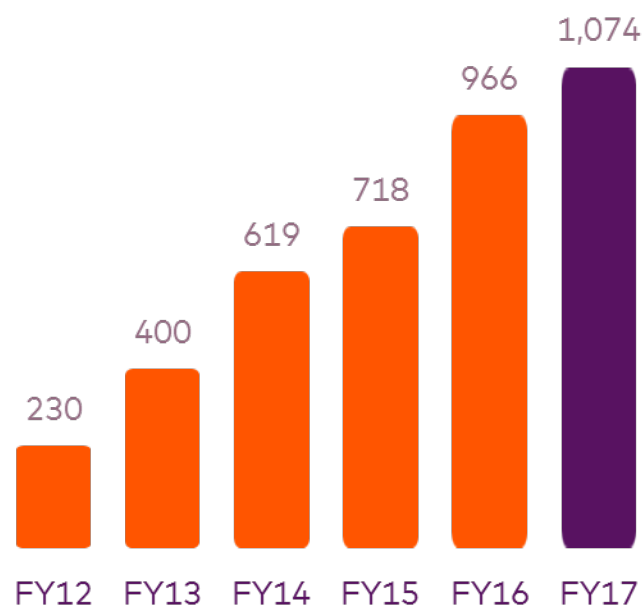


**Note:** All figures reported are for the amaysim Group, which includes the mobile (including devices), broadband and energy businesses. FY16 includes 6-months contribution from Vaya (acquired 1 January 2016) and FY17 includes ~10-months contribution from AusBBS (acquired 23 August 2016), ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click (acquired 1 May 2017)

# Our track record of delivering results

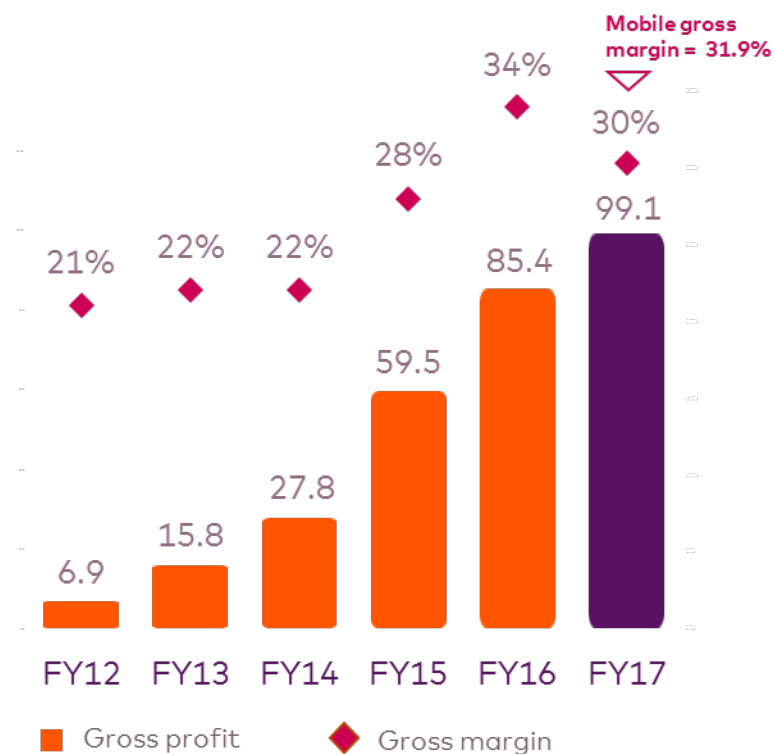
**Closing Group mobile subscribers ('000)**

— FY12 – FY17 CAGR = +36% —→



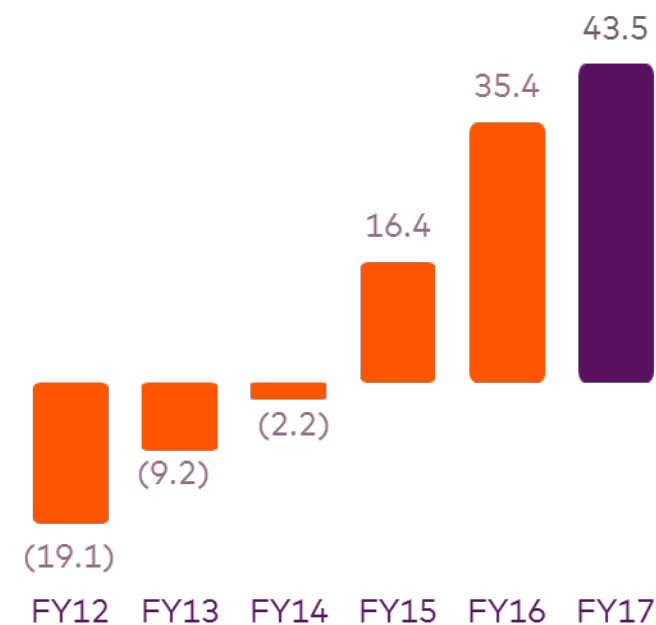
**Group statutory gross profit (\$m) & gross profit margin (%)**

— FY12 – FY17 CAGR = +70% —→



**Group underlying EBITDA (\$m)**

— FY12 – FY17 growth = \$62.6m —→



**Note:** All figures reported are for the amaysim Group, which includes the mobile (including devices), broadband and energy businesses. FY16 includes 6-months contribution from Vaya (acquired 1 January 2016) and FY17 includes ~10-months contribution from AusBBS (acquired 23 August 2016), ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click (acquired 1 May 2017)

# amaysim vision and FY17 strategic priorities

**Our vision is to empower customers to better manage their household services**



## **FY17 strategic priorities<sup>1</sup>**

### **Continue to develop & leverage our technology platforms**

Continue to develop and leverage our tech platforms to drive organic and profitable subscriber growth, remain asset light and increase efficiency

### **Increase subscriber growth**

Grow our subscriber base, improve customer satisfaction and reduce customer churn

### **Grow share of customer wallet**

Increase share of customer wallet via expansion of offerings (e.g. broadband, devices)

### **Evaluate M&A opportunities in the market**

Carefully assess strategic acquisition opportunities which may arise focusing on strategic alignment and shareholder value

1. FY17 strategic priorities presented on 30 November 2016 on slide 6 of the amaysim investor day presentation

# 2017 full year highlights - amaysim is delivering on its vision and FY17 strategic priorities

## Continue to develop & leverage our technology platforms

Continue to develop and leverage our tech platforms to drive organic and profitable subscriber growth, remain asset light and increase efficiency



**Australia's best Virtual Network Operator<sup>1</sup>**



**Best Telco Customer Service Innovation<sup>2</sup>**  
For amaysim's Help platform



**Launched single sign-on microservice in May 2017**  
Simplifying customer account login management



**Launched new amaysim mobile app in Jun 2017**



**Successfully integrated AusBBS into the amaysim technology platform**

## Increase subscriber growth

Grow our subscriber base, improve customer satisfaction and reduce customer churn



**Mobile subscribers**  
Up 11% yoy, as at 30 June 2017



**Award winning service<sup>3,4,5</sup>**



**Group mobile average monthly churn**  
Down 50bps yoy (FY16: 2.5%)



**Complaints per 10,000 customers<sup>6</sup>**  
One of the lowest levels of complaints in the industry



**amaysim mobile subscribers would recommend amaysim to their family and friends<sup>7</sup>**

## Grow share of customer wallet

Increase share of customer wallet via expansion of offerings (e.g. broadband, devices)



**Launched amaysim nbn in May 2017**



**Launched Vaya online device store in Nov 2016**  
Targeting to launch amaysim online device store in FY18



**Tried beta store for amaysim online devices in Mar 2017**

## Evaluate M&A opportunities in the market

Carefully assess strategic acquisition opportunities which may arise focusing on strategic alignment and shareholder value



**Acquired AusBBS in Aug 2016**  
Successfully integrated in FY17



**Acquired Click Energy in May 2017**  
Integration well-progressed. Click to continue operating in Melbourne and its relevant systems will be plugged into amaysim's technology platform

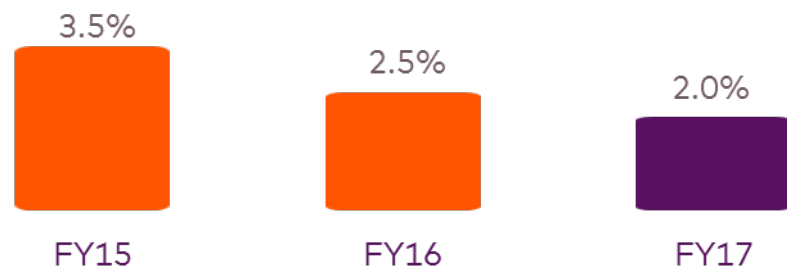
1. amaysim won the Best virtual network operator, CommsDay Edison Awards March 2017 ; 2. amaysim's Help platform named the Best Telco Customer Innovation at the inaugural finder Innovation Awards in 2016; 3. Both amaysim and Vaya won Gold awards in Money Magazine's annual 2017 Best of the Best Awards – amaysim for its As You Go plan, and Vaya for their Unlimited M mobile plan, December 2016 ; 4. amaysim won the 2016 Canstar Blue Customer Satisfaction Award – SIM-only postpaid mobile phone plans, July 2016 ; 5. amaysim won the 2017 Canstar Blue Customer Satisfaction Award – SIM-only postpaid mobile phone plans, July 2017 ; 6. amaysim received 1.0 complaint per 10,000 customers which was one of the lowest levels of industry complaints when compared with other carriers, including Telstra, Optus, Vodafone, Pivotal and Other participants, Telecommunications Complaints in Context, April – June 2017. Applies only to amaysim brand; 7. NPS tracking survey of 2679 customers, May 2017

# Mobile – solid mobile subscriber growth driven by competitive plans and customer experience

## Group mobile closing subscriber base by category ('000)



## Group mobile average monthly churn (%)



1. closing subscribers as at June 2017 includes impact of the 2G Optus network shutdown; 2. amaysim received 1.0 complaint per 10,000 customers which was one of the lowest levels of industry complaints when compared with other carriers, including Telstra, Optus, Vodafone, Pivotal and Other participants, Telecommunications Complaints in Context, April – June 2017. Applies only to amaysim brand; 3. NPS tracking survey of 2679 customers, May 2017; 4. Both amaysim and Vaya won Gold awards in Money Magazine's annual 2017 Best of the Best Awards – amaysim for its As You Go plan, and Vaya for their Unlimited M mobile plan, December 2016; 5. amaysim won the 2016 Canstar Blue Customer Satisfaction Award – SIM-only postpaid mobile phone plans, July 2016; 6. amaysim won the 2017 Canstar Blue Customer Satisfaction Award – SIM-only postpaid mobile phone plans, July 2017

## FY17 outcomes



### Strong growth in mobile subscribers and low churn

1.074m subscribers as at 30 Jun 2017 with growth driven by consumer preference for non-contract plans and average monthly churn of 2.0%



### High customer satisfaction

amaysim recorded one of the lowest levels of complaints across mobile service providers<sup>2</sup> and received a 93% referral rate from customers<sup>3</sup>



### Award winning mobile plans and subscriber experience

amaysim and Vaya mobile plans were recognised for their value and customer-first approach<sup>4,5,6</sup>



### Leveraged Network Services Agreement (NSA) with Optus

NSA with Optus supported a competitive edge in a dynamic market



### Launched the Vaya online device store in November 2016

## FY18 priorities



### Continue to grow subscribers and revenue

Through the refresh of the existing mobile product suite and expansion into untapped mobile segments and cross-sell



### Increase subscriber tenure

Through bundling of mobile with amaysim nbn and energy



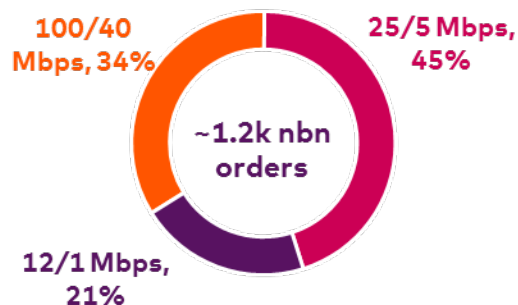
### Launch the amaysim online device store in FY18



# Broadband<sup>1</sup> – amaysim nbn successfully launched May 2017 and performing well



## amaysim nbn : product split by orders received as at 30 June 2017



## FY17 outcomes



**amaysim nbn launched 5 May 2017 and performing well**



**Good growth and conversion in amaysim nbn subscribers**

1k+ amaysim nbn subscribers activated from ~1.2k sales orders received as at 30 Jun 2017 and 3k+ amaysim nbn subscribers as at 28 Aug 2017

**~50%**

**amaysim nbn subscribers with an amaysim relationship<sup>2</sup>**

Driven by targeted marketing strategy focusing on Group's 455k household customer base in nbn serviceable areas

**5.9 days**

**Average number of days to activate a nbn customer<sup>3</sup>**

Over 2x quicker than industry average on similar technologies (ex. satellite)

## FY18 priorities



**Drive nbn subscriber growth in FY18 for profitability in FY19**

Through existing marketing strategy and competitive offers to new customers, including July 2017 promotion of amaysim's 12Mbps plan for \$40/month and 25Mbps plan for \$60/month



**Drive cross sell of energy and mobile**

Offer energy and mobile products at the same time as broadband



**Connect direct to some Points of Interconnect (POIs) in FY18**

To provide business autonomy, improve margins and improve customer experience



**Partner with other fibre networks to expand reach**

1. Includes amaysim nbn and AusBBS

2. Includes existing and churned amaysim Group mobile customers

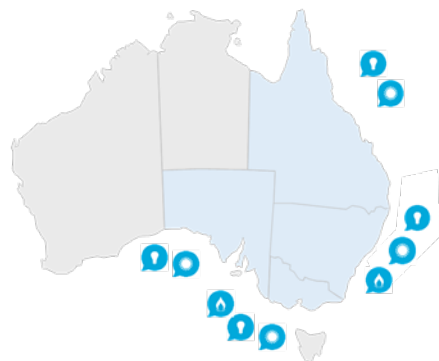
3. amaysim time taken to complete an order of 5.9 days versus industry average of 14.4 days on similar technologies (excluding satellite), amaysim Company data and NBN Co Company data, 21 July 2017

# Energy – strong performance by Click in May/June

## Closing customer accounts ('000)



## Click has strong offering in key deregulated markets



## FY17 outcomes

165k

### Customer accounts as at 30 June 2017

25% growth with 33k accounts added in FY17

↓ 20%  
v FY16

### FY17 servicing expense per customer

Driven by a focus on improving the customer engagement touchpoints and first call resolution



### Sales via "Click Direct"

Strong growth through owned channels with a lower cost to acquire driven by disciplined approach to controlled tactical marketing



### FY17 On The Move applications

Strong growth in applications via increased effectiveness of agency relationships leading to a strong pipeline for connections

## FY18 priorities



### Launch amaysim energy in 1H18

Extend single-sign on experience to energy - Australia's first service provider enabling customers to subscribe to mobile, energy, nbn



### Grow customer accounts in FY18

Continue to grow customer accounts and expand in key new markets such as gas in NSW and electricity in South Australia



### Drive cross-sell and channels capability

Cross-sell across the amaysim and Click customer base. Identify new and complimentary growth channels

~\$5m

### Achieve cost synergies by FY18

Deliver on migration synergies and expand customer service capability to improve cost to serve



# 2017 full year results

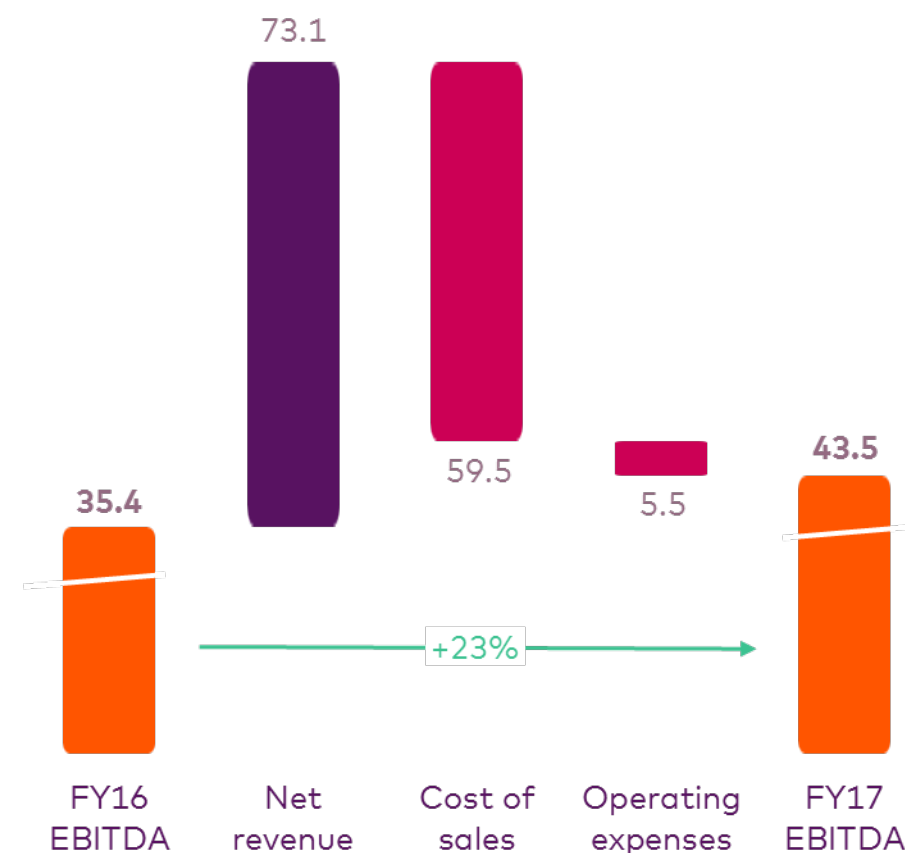
Leanne Wolski, Chief Financial Officer

**amaysim**

# FY17 Group result – income statement

\$ million (unless stated) <sup>1</sup>	FY17	FY16	FY17 v FY16
Statutory net revenue	326.7	253.5	29%
Statutory cost of sales	(227.6)	(168.1)	35%
Statutory gross profit	<b>99.1</b>	<b>85.4</b>	<b>16%</b>
<i>Gross profit margin (%)</i>	<i>30.3%</i>	<i>33.7%</i>	<i>-338bps</i>
Underlying operating expenses	(55.5)	(50.0)	11%
<b>Underlying EBITDA</b>	<b>43.5</b>	<b>35.4</b>	<b>23%</b>
<b>Statutory EBITDA</b>	<b>33.8</b>	<b>25.1</b>	<b>35%</b>
Underlying operating cash flow after capex	38.9	31.0	25%
Underlying EPS (cents per share)	11.3	11.3	flat
Final dividend per share (cents)	5.1 fully franked	5.3 unfranked	(4%)
Total dividend per share for FY17 (cents)	9.1 partially franked	8.3 unfranked	10%

## Underlying EBITDA<sup>1</sup> FY17 v FY16 (\$m)



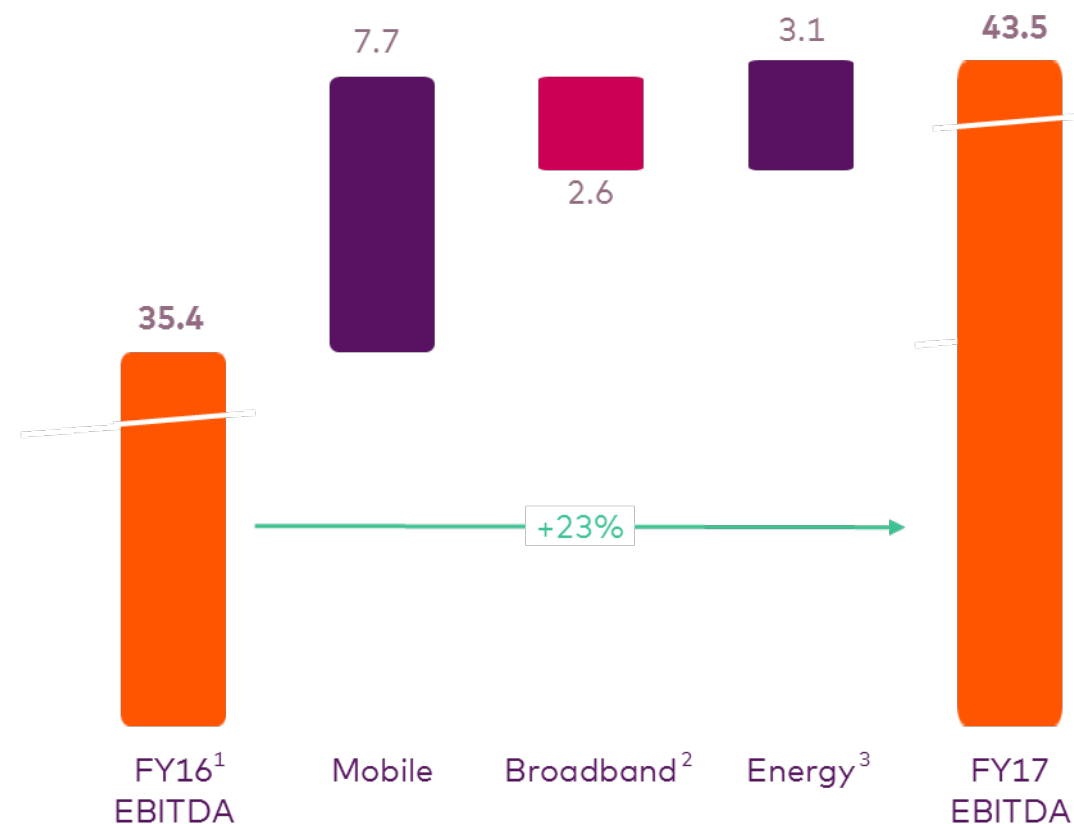
Refer to appendix A2 for detailed profit and loss statement and appendix A3 for underlying to statutory results reconciliation

1. All figures reported are for the amaysim Group, which includes the mobile (including devices), broadband and energy businesses. FY16 includes 6-months contribution from Vaya (acquired 1 January 2016) and FY17 includes ~10-months contribution from AusBBS (acquired 23 August 2016), ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click (acquired 1 May 2017)

# FY17 result by segment

\$ million (unless stated)	FY17	FY16 <sup>1</sup>	FY17 v FY16
<b>Statutory net revenue</b>			
Mobile	278.5	253.5	10%
Broadband <sup>2</sup>	2.5	-	n.a
Energy <sup>3</sup>	45.7	-	n.a
<b>Group</b>	<b>326.7</b>	<b>253.5</b>	<b>29%</b>
<b>Statutory gross profit</b>			
Mobile	88.9	85.4	4%
Broadband <sup>2</sup>	0.2	-	n.a
Energy <sup>3</sup>	10.0	-	n.a
<b>Group</b>	<b>99.1</b>	<b>85.4</b>	<b>16%</b>
<b>Gross margin</b>			
Mobile	31.9%	33.7%	(176bps)
Broadband <sup>2</sup>	6.0%	-	n.a
Energy <sup>3</sup>	21.9%	-	n.a
<b>Group</b>	<b>30.3%</b>	<b>33.7%</b>	<b>(338bps)</b>
<b>Underlying EBITDA</b>			
Mobile	43.1	35.4	21%
Broadband <sup>2</sup>	(2.6)	-	n.a
Energy <sup>3</sup>	3.1	-	n.a
<b>Group</b>	<b>43.5</b>	<b>35.4</b>	<b>23%</b>

## Underlying EBITDA by segment FY17 v FY16 (\$m)



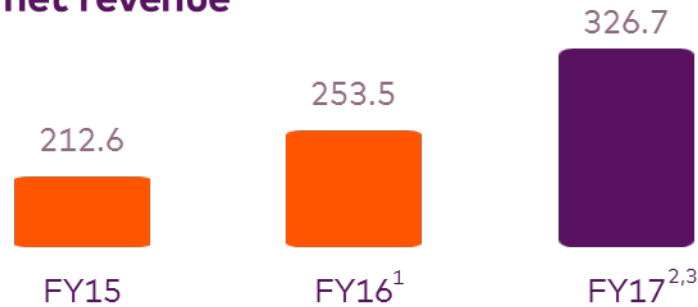
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2. Includes ~2 months contribution from amaysim nbn (launched 5 May 2017) and ~10-months contribution from AusBBS (acquired 23 August 2016)

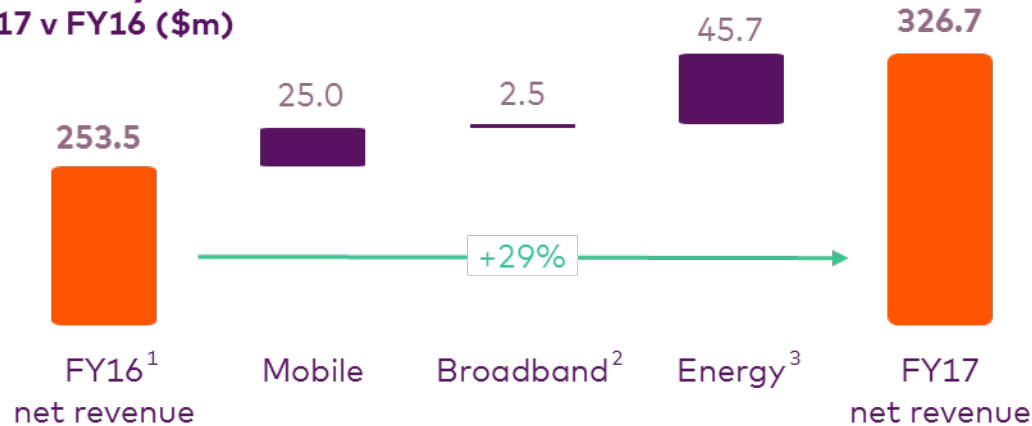
3. Includes 2-months contribution from Click (acquired 1 May 2017)

# Income drivers

## Statutory net revenue (\$m)



## Statutory net revenue FY17 v FY16 (\$m)



- Net revenue up 29% driven by:
  - Solid growth in mobile subscribers despite the Optus 2G network shutdown with closing subscribers up 11% to 1.074 million. Mobile churn was also down 50 bps to 2.0% driven by increased customer satisfaction
  - The full year inclusion of Vaya's revenue in FY17 (Vaya was acquired January 2016)
  - 2-months contribution from Click
- Click had a strong May/June 2017 with net revenue of \$45.7m driven by solid customer growth (FY17: 25% yoy) resulting from tactical campaigns executed through out the year
- Management remains focused on top-line growth and growing share of household wallet through the launch of new mobile products and cross-sell

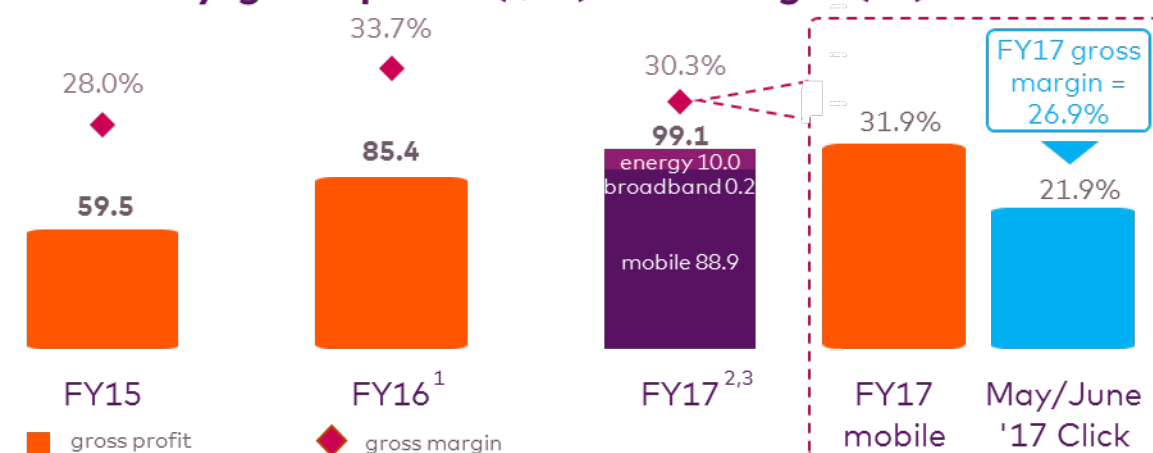
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3. Includes 2-months contribution from Click (acquired 1 May 2017)

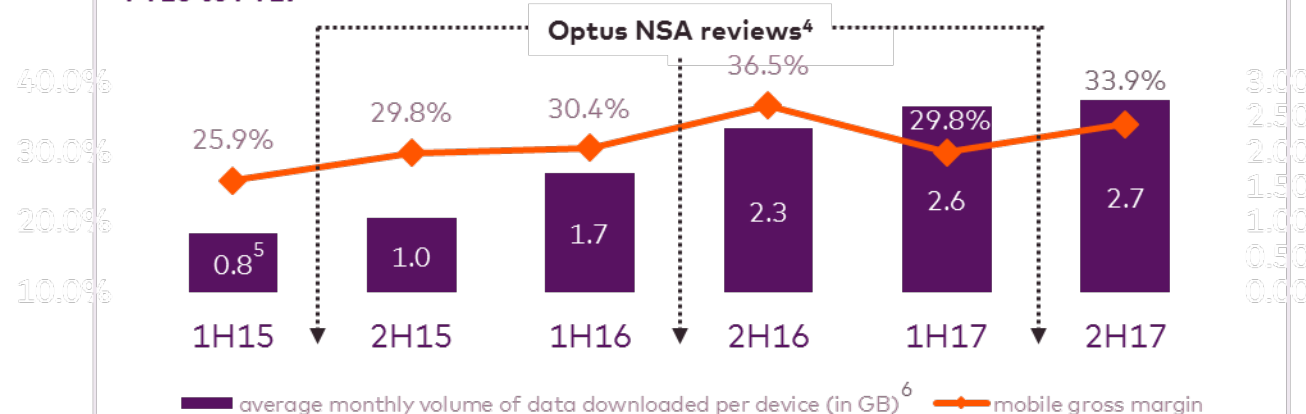
# Gross profit drivers

## Statutory gross profit (\$m) and margin (%)



## Mobile gross margin seasonality

FY15 to FY17

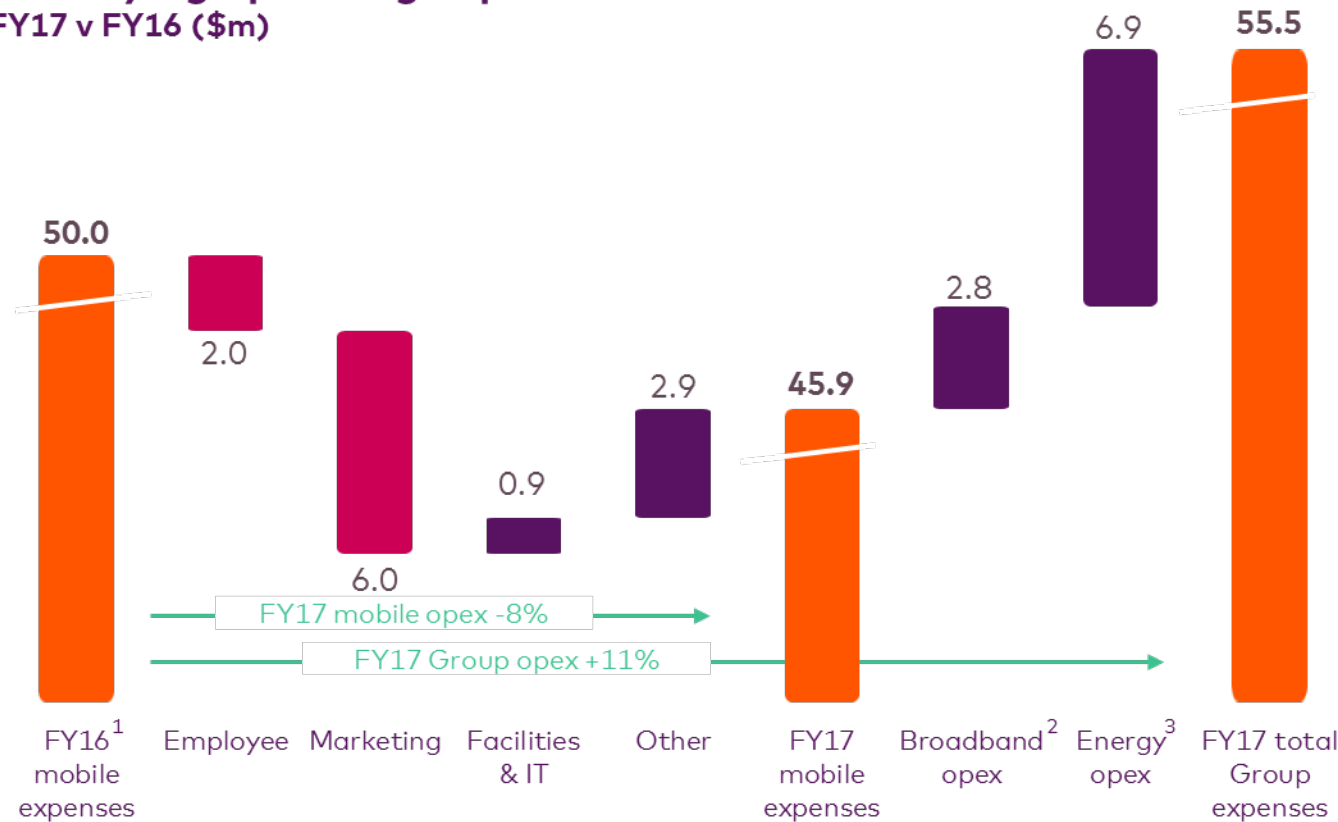


- FY17 gross margins declined by 338 bps to 30.3% predominantly driven by a strong mobile gross margin achieved in FY16 and the inclusion of 2-months of Click
- FY17 mobile gross margin was solid at 31.9% as the Group leveraged NSA with Optus with outcomes reflected in 2H17
- 1H17 / 2H17 mobile gross margin of 29.8% / 33.9% reflecting expected seasonality driven by timing of NSA reviews, which have historically been conducted at the end and start of the calendar year, and consistent growth in subscriber average monthly volume of data downloaded
- Click delivered \$10.0m gross profit in May/June 2017 at a gross margin of 21.9% which was aligned to managements expectations with FY17 gross margin of 26.9%. Refer to slide 21 for further explanation.

1. Includes 6-months contribution from Vaya (acquired 1 January 2016) ; 2. Includes ~2 months contribution from amaysim nbn (launched 5 May 2017) and ~10-months contribution from AusBBS (acquired 23 August 2016) ; 3. Includes 2-months contribution from Click (acquired 1 May 2017) ; 4. The NSA contains a pricing review mechanism that expressly aims to ensure that wholesale pricing reflects a competitive offering in the Australian BYO Mobile Services market. To facilitate this, the NSA provides for an annual price review process, which the parties agree to carry out in good faith and which involves consideration of a number of market and relationship specific factors. In addition, each of amaysim and Optus may request one additional discretionary price review per annum if it reasonably believes there is a significant change in the 4G BYO plans offered by MNOs in the Australian Mobile Services market. Refer to Sections 3.7.6 of amaysim Prospectus for information on the price review mechanism ; 5. represents average monthly volume of data downloaded per device (in GB) for January 2015 ; 6. estimated average monthly volume of data downloaded per device (in GB, 2H15-2H17)

# Underlying operating expense drivers

## Underlying operating expenses FY17 v FY16 (\$m)



- FY17 Group underlying operating costs up 11% due to acquisition of Click and inclusion of broadband
- On a comparable basis, FY17 mobile operating costs (excluding Click and nbn) is down -8% primarily driven by a reduction in marketing expenses with a decrease in campaigns during the period and an increased focus on delivering a low cost-per-acquisition
- FY17 employee expenses related to mobile decreased \$2.0m as the Company restructured to support the business in achieving its multi-vertical strategy
- Facilities, IT and other cost increases in FY17 attributed to the increase in the size of the business as a result of acquisitions (Vaya, AusBBS and Click)
- Broadband operating costs reflected mobile-led marketing approach to reduce cost-per-acquisition and variable and efficient spend

1. Includes 6-months contribution from Vaya (acquired 1 January 2016)

2. Includes ~2 months contribution from amaysim nbn (launched 5 May 2017) and ~10-months contribution from AusBBS (acquired 23 August 2016)

3. Includes 2-months contribution from Click (acquired 1 May 2017)

# Mobile segment performance

\$ million (unless stated)	FY17	FY16 <sup>1</sup>	FY17 vs FY16
Statutory net revenue	278.5	253.5	10%
Statutory cost of sales	(189.5)	(168.1)	13%
<b>Statutory gross profit</b>	<b>88.9</b>	<b>85.4</b>	<b>4%</b>
<i>Gross profit margin (%)</i>	<i>31.9%</i>	<i>33.7%</i>	<i>(176bps)</i>
Underlying operating expenses	(45.9)	(50.0)	(8%)
<b>Underlying EBITDA</b>	<b>43.1</b>	<b>35.4</b>	<b>22%</b>
<i>EBITDA margin (%)</i>	<i>15.5%</i>	<i>14.0%</i>	<i>150bps</i>
Closing subscribers ('000)	1,074	966	11%
ARPU (\$)	22.46	25.24	-11%

Refer to appendix A4 for underlying to statutory results reconciliation

1. Includes 6-months contribution from Vaya (acquired 1 January 2016)

- Strong growth of 21% in underlying EBITDA to \$43.1m driven by solid revenue growth and disciplined cost management. FY17 EBITDA margin up 150bps to 15.5%
- Statutory net revenue up 10% to \$278.5m driven by solid growth in mobile subscribers (up 11%) driven competitive plans and customer satisfaction
- Average revenue per user (ex. GST) (ARPU) declined 11% to \$22.46 as the impact of FY16 product initiatives to grow subscribers and reduce churn washed through in FY17. ARPU stabilised and increased in 2H17 to \$22.54 (1H17: \$22.37) driven by subscribers migrating to higher value plans and planned initiatives to grow revenue
- FY17 gross margin was solid at 31.9% as the Group leveraged its price review mechanism under the NSA with outcomes reflected in 2H17 gross margin of 33.9%. FY16 gross margin was strong reflecting outcomes from NSA price review that year
- Mobile underlying operating expenses down 8% predominantly driven by a reduction in marketing costs with a decrease in campaigns in FY17 and an increased focus on performance-skewed marketing and delivering a low cost-per-subscriber



# Broadband<sup>1</sup> segment performance

\$ million (unless stated)	FY17 <sup>2</sup>	FY16
Statutory net revenue	2.5	-
Statutory cost of sales	(2.4)	-
<b>Statutory gross profit</b>	<b>0.2</b>	<b>-</b>
<i>Gross profit margin (%)</i>	<i>6.0%</i>	<i>-</i>
Underlying operating expenses	(2.8)	-
<b>Underlying EBITDA</b>	<b>(2.6)</b>	<b>-</b>
Closing subscribers ('000)	5	-
ARPU (\$)	52.76	-

Refer to appendix A4 for underlying to statutory results reconciliation

1. The amaysim broadband segment includes amaysim nbn and AusBBS

2. Includes ~2 months contribution from amaysim nbn (launched 5 May 2017) and ~10-months contribution from AusBBS (acquired 23 August 2016)

- amaysim nbn launched 5 May 2017 with gross margin % reflecting start up of the vertical
- Underlying EBITDA of -\$2.6m driven by disciplined management of operating costs, with marketing strategy focused on targeting the Group's 455k household customer base in nbn serviceable areas and delivering a lower than expected marketing cost
- Closing broadband subscribers of ~5k as at 30 June 2017 with ~7k subscribers as at 28 August 2017
- ARPU for amaysim broadband of ~\$52.76 which includes AusBBS (that offers ADSL, fibre and telephone) and amaysim nbn
- ARPU for amaysim nbn of ~\$68 well ahead of expected guided ARPU of ~\$62 announced in May 2017 and driven by current product mix with 79% of subscribers choosing a speed tier 25/5 Mbps or 100/40 Mbps. Long-term nbn ARPU expected to migrate towards ~\$62 (ex. GST) as product mix changes



# Energy segment performance

\$ million (unless stated)	FY17 (2-months contribution)	FY16
Statutory net revenue	45.7	-
Statutory cost of sales	(35.7)	-
<b>Statutory gross profit</b>	<b>10.0</b>	-
<i>Gross profit margin (%)</i>	<i>21.9%</i>	-
Underlying operating expenses	(6.9)	-
<b>Underlying EBITDA</b>	<b>3.1</b>	-
Closing subscribers ('000)	165	-
ARPU (\$)	139.82	-

Refer to appendix A4 for underlying to statutory results reconciliation

1. Refers to the FY17 guidance for the amaysim Group provided 4 May on slide 16 of the Macquarie Australia Conference presentation

- Strong 2-month performance from Click with underlying EBITDA of \$3.1m ahead of FY17 underlying EBITDA guidance of \$2.0-\$3.0m provided in May 2017<sup>1</sup>
- Statutory net revenue of \$45.7m driven by strong customer acquisition following tactical campaigns run through the year
- Gross margins over May/June of 21.9% (FY17 gross margin: 26.9%) was aligned with management expectations and due to timing associated with solar export, customer payment timing, actual customer consumption and On The Move sales
- Underlying operating expenses of \$6.9m lower than FY17 market guidance of \$7.0-\$8.0m<sup>1</sup> driven by improved operating leverage with a reduction in servicing costs per customer year on year

## Balance sheet – growth driven by acquisition of Click

as at 30 June 2017 \$ million	Jun 17 statutory	Jun 16 statutory	movement
Cash and cash equivalents	18.1	13.4	4.7
Trade receivables	43.8	9.1	34.8
Derivative financial instruments	7.6	0.0	7.6
Other current assets	6.2	1.0	5.2
<b>Total current assets</b>	<b>75.7</b>	<b>23.5</b>	<b>52.2</b>
Property, plant and equipment	3.1	1.0	2.1
Intangible assets	209.7	76.7	133.0
Deferred tax asset	-	1.4	(1.4)
Derivative financial instruments	3.3	-	3.3
Other non-current assets	0.9	13.9	(13.0)
<b>Total non-current assets</b>	<b>216.9</b>	<b>93.0</b>	<b>123.8</b>
<b>Total assets</b>	<b>292.5</b>	<b>116.5</b>	<b>176.0</b>
Trade and other payables	82.8	55.8	27.0
Customer deposits	3.2	3.3	(0.1)
Deferred revenue	9.9	7.4	2.4
Borrowings - current	13.6	0.0	13.6
Provisions	6.2	2.6	3.6
Current tax liabilities	10.1	0.7	9.4
<b>Total current liabilities</b>	<b>125.7</b>	<b>69.8</b>	<b>55.9</b>
Borrowings – non-current	82.6	0.0	82.6
Provisions	3.1	0.8	2.3
Other liabilities	0.0	13.6	(13.6)
Deferred tax liabilities	4.9	0.0	4.9
<b>Total non-current liabilities</b>	<b>90.6</b>	<b>14.4</b>	<b>76.2</b>
<b>Total liabilities</b>	<b>216.3</b>	<b>84.2</b>	<b>132.1</b>
<b>Net assets</b>	<b>76.2</b>	<b>32.3</b>	<b>43.9</b>
Contributed equity	114.7	62.5	52.2
Equity compensation reserve	(5.0)	2.8	(7.8)
Cash flow hedge reserve	5.4	-	5.4
Foreign currency translation reserve	(0.2)	-	(0.2)
Retained Profits	25.3	31.0	(5.6)
Accumulated losses (prior years)	(64.0)	(64.0)	-
<b>Total equity</b>	<b>76.2</b>	<b>32.3</b>	<b>43.9</b>

- Trade receivables increased \$34.8m primarily driven by acquisition of Click
- Derivative financial instruments are used to hedge against wholesale energy price risk
- Intangible assets grew \$133.0m primarily driven by an increase in goodwill and other intangibles associated with the acquisition of Click as well as an increase in acquired software associated with the acquisition of AusBBS and other internal software development
- Other non-current assets decreased \$13.0m following the restructure of Optus security arrangements and release of deposits held in relation to wholesale supply contracts
- Trade and other payables grew \$27.0m driven by acquisition of Click and partially offset by a \$11.0m reduction in the Optus activation fee liability following restructure of security arrangements and \$7.0m reduction in the current portion of the Optus Vaya liability
- Non-current other liabilities decreased by \$13.6m to nil due to unwind of non-current portion of Optus Vaya Liability
- Current borrowings of \$13.6m and non-current borrowings of \$82.6m relate to a new working capital, letter of credit and term debt facility with the CBA/WBC to fund the acquisition of Click:
  - Term debt facility to be repaid over 3 years at a market rate with quarterly repayments of \$3.75 million starting Sep 2017
- amaysim remains conservatively geared

**Notes:** 1. due to rounding, numbers presented in the table above may not add up precisely to the totals provided; 2. All figures reported are for the amaysim Group, which includes the mobile (including devices), broadband and energy businesses. FY16 includes 6-months contribution from Vaya (acquired 1 January 2016) and FY17 includes ~10-months contribution from AusBBS (acquired 23 August 2016), ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click (acquired 1 May 2017)

# Cash flow – underlying operating cash flow after capex of \$38.9m implying a 89% cash conversion of underlying EBITDA

as at 30 June 2017			
\$ million	FY17 underlying	FY16 underlying	movement
<b>EBITDA</b>	43.5	35.4	8.1
Non-cash expenses	0.7	1.0	(0.3)
Changes in working capital	6.1	(0.6)	6.7
Capital expenditure	(11.5)	(4.8)	(6.7)
<b>Operating cash flow after capex</b>	<b>38.9</b>	<b>31.0</b>	<b>7.9</b>
Income tax paid	(2.9)	-	(2.9)
Net Interest (expense)/income	(0.2)	0.5	(0.7)
<b>Free cash flow</b>	<b>35.8</b>	<b>31.5</b>	<b>4.3</b>
Payments to Optus (Vaya)	(20.3)	(17.8)	(2.5)
Decrease/(increase) in security deposit and bank guarantees	13.0	(5.7)	18.7
Proceeds from share issue	-	12.9	(12.9)
Proceeds from Airtasker share sale	2.0	-	2.0
IPO transaction expenses	-	(10.5)	10.5
Acquisition related expenses	(5.5)	(1.7)	(3.8)
Integration related expenses	(1.4)	-	(1.4)
Restructure of debt facilities on acquisition	(1.9)	-	(1.9)
Repayment of Optus activation fee liability on debt restructure	(13.4)	-	(13.4)
Non core expenses	(2.9)	-	(2.9)
Proceeds from borrowing	100.0	-	100.0
Payments of capitalised transaction costs	(3.8)	-	(3.8)
Payment for acquisition of subsidiary net of cash acquired	(79.8)	(5.0)	(74.8)
<b>Net cash flow before dividends</b>	<b>21.9</b>	<b>3.7</b>	<b>18.2</b>

- FY17 underlying operating cash flow after capex of \$38.9m implying an 89% cash conversion of underlying EBITDA
- Changes in working capital driven by acquisition of Click
- Capital expenditure grew \$6.7m driven by internal software development in relation to broadband and mobile
- There are 7 monthly payments remaining to Optus in relation the Vaya acquisition with the last payment due in Jan 2018. The Optus liability acquired on Vaya acquisition was \$11.5m as at 30 June 2017
- Cash inflow of \$2.0m from sale of Airtasker shares in September 2016
- Non core expenses relate to staff redundancy and termination expenses associated with restructuring activities
- Acquisition and integration expenses, restructuring of debt facilities and security arrangements, proceeds from borrowing, capitalised transaction costs and payments for acquisitions relate to the acquisition of Click and AusBBS

**Notes:** 1. due to rounding, numbers presented in the table above may not add up precisely to the totals provided ; 2. All figures reported are for the amaysim Group, which includes the mobile (including devices), broadband and energy businesses. FY16 includes 6-months contribution from Vaya (acquired 1 January 2016) and FY17 includes ~10-months contribution from AusBBS (acquired 23 August 2016), ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click (acquired 1 May 2017)

# 2017 full year results

## summary

Julian Ogrin, CEO and Managing Director

**amaysim**

# Competitive advantage driven simplicity and experience

**Our key assets allow us to create products and services customers want**

Industry-leading technology platform based on microservices, focused on scale and customer experience

Services underpinned by strong wholesale agreements

**Delivering them simply without fuss**



**Empowering customers to better manage their household services**

- > Allow customers to order mobile plans, devices, nbn and energy with the touch of a button
- > Eliminate time consuming and repetitive tasks through automation, including managing account details and changing plans according to customers evolving needs
- > Enhance existing services and introduce new services with ease by leveraging our next generation microservices platform

# Strategic priorities for FY18 – focusing on delivering shareholder value

## FY18 strategic priorities

### Continue to develop and leverage our technology platforms

- Continue to develop and improve our microservices architecture with a focus on experience leadership
- Extend single sign-on for energy and devices
- Integrate Click's acquired systems into amaysim's technology platform

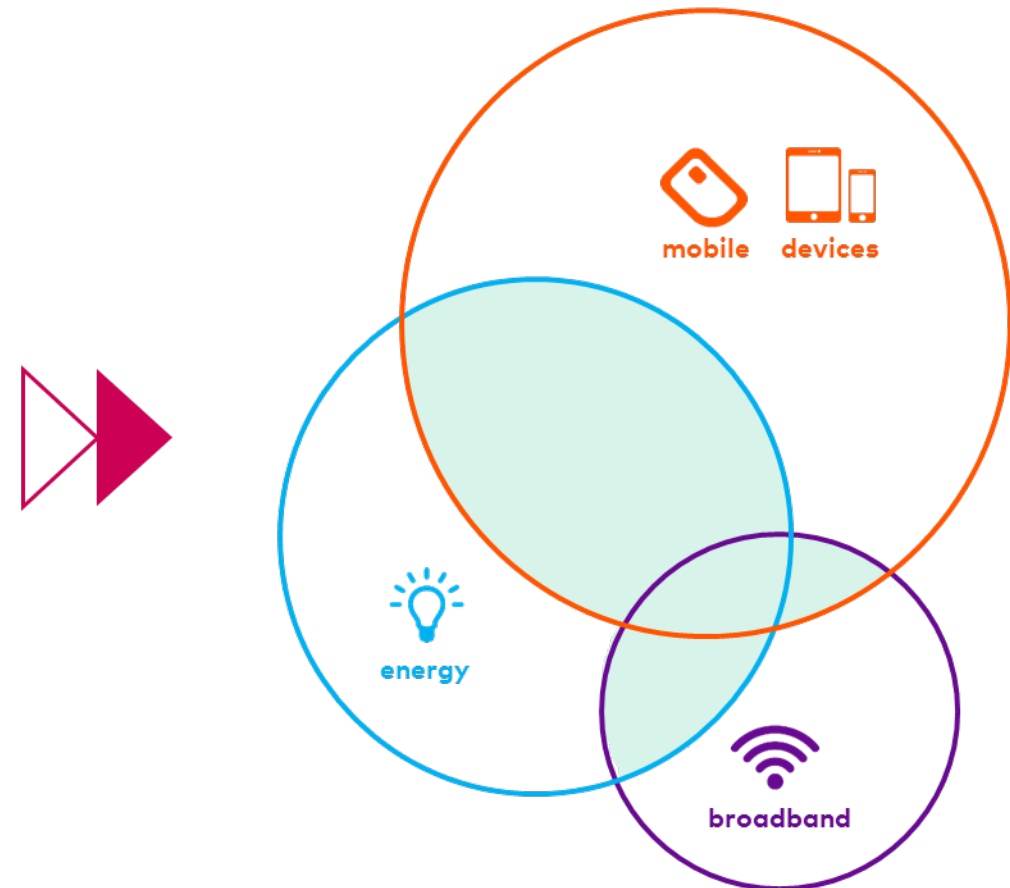
### Increase subscriber growth

- Launch new mobile, nbn and energy products in FY18 that are competitive, simple and transparent
- Ensure customer satisfaction remains at industry highs and maintain low customer churn

### Grow share of customer wallet

- Increase share of customer wallet through efficient cross-sell of products across the Group's household customer base

## Cross-sell vision for the amaysim Group



## Summary

- Exceptional 2017 financial performance underpinned by strong mobile performance, disciplined cost management and solid 2-month contribution from Click
- We are no longer just a telco – we are a customer-centric technology company, bringing amazingly simple products and services into Aussie homes
- We have a clear strategy to increase share of the household wallet through cross-sell across the Group
- We will continue to remain competitive supported by our strong relationship with Optus and proprietary technology platforms that allow us to remain competitive in a dynamic market
- Positioned for continued top-line growth in FY18 across all vertical businesses. Updates on FY18 performance and new initiatives to be provided throughout the year. FY18 is on-track and in-line with management's expectations



# 2017 full year results

## appendix

amaysim



## A1: amaysim Group overview

- Leading Australian mobile service provider and broadband provider with a multi-vertical business model built on innovative technology and exceptional user experience
- Australia's best Virtual Network Operator<sup>1</sup>, largest MVNO and #4 mobile telco powered by the Optus 4G Plus network
- Multi-brand and multi-product offering – BYO mobile, nbn<sup>TM</sup>, devices and energy
- Over 1.2 million customers representing more than 800k households<sup>2</sup>
- Focused on providing an exceptional and award-winning customer experience
- Asset light model driving sustainable growth
- Mobile and broadband products can be found online with SIM packs available from over 14,000 retail outlets

1. amaysim was named Australia's best Virtual Network Operator at the 2017 Comms Day Edison Awards  
2. As at 30 June 2017



# A1. Our vision is to empower customers to better manage their household services

- > Multi-product approach to increase relevance to Australian households
- > Best of breed IT platforms to deliver a superior customer experience in new verticals
- > Monetise our greatest asset: cross-sell products to over 800k household customers<sup>1</sup>
- > nbn™ forced migration event creates opportunity to target over 8 million premises to discuss nbn, energy and mobile at the same time



## A2. Detailed profit and loss statement

\$ million	FY17 underlying	FY16 underlying	FY17 vs FY16 underlying	FY17 statutory	FY16 statutory	FY17 vs FY16 statutory
<b>Total revenue &amp; other income</b>	<b>328.9</b>	<b>254.0</b>	<b>29.5%</b>	<b>328.9</b>	<b>254.0</b>	<b>29.5%</b>
Less other income *	(2.0)	-	-	(2.0)	-	-
Less interest income	(0.2)	(0.5)	<b>(68.2)%</b>	(0.2)	(0.5)	<b>(68.2)%</b>
<b>Net revenue</b>	<b>326.7</b>	<b>253.5</b>	<b>28.8%</b>	<b>326.7</b>	<b>253.5</b>	<b>28.8%</b>
Cost of Sales	(227.6)	(168.1)	35.4%	(227.6)	(168.1)	35.4%
<b>Gross profit</b>	<b>99.1</b>	<b>85.4</b>	<b>15.9%</b>	<b>99.1</b>	<b>85.4</b>	<b>15.9%</b>
<i>* Other Income (Airtasker income excluded from underlying)</i>	-	-	-	2.0	-	-
Employee expenses	(23.0)	(22.0)	4.7%	(25.9)	(22.0)	17.8%
Marketing expenses	(9.2)	(12.5)	(26.6)%	(9.2)	(12.5)	(26.4)%
Facilities and I.T. expenses	(8.5)	(7.5)	13.9%	(8.5)	(7.5)	13.9%
IPO Expenses	-	-	-	-	(8.6)	(100.0)%
Acquisition expenses	-	-	-	(8.8)	(1.7)	409.1%
Other Expenses	(14.8)	(8.0)	84.6%	(14.8)	(8.0)	84.8%
<b>Total expenses</b>	<b>(55.5)</b>	<b>(50.0)</b>	<b>11.1%</b>	<b>(67.3)</b>	<b>(60.3)</b>	<b>11.5%</b>
<b>EBITDA</b>	<b>43.5</b>	<b>35.4</b>	22.8%	<b>33.8</b>	<b>25.1</b>	34.6%
Depreciation and amortisation	(9.5)	(5.4)	77.6%	(9.5)	(5.3)	78.7%
<b>EBIT</b>	<b>34.0</b>	<b>30.1</b>	<b>13.1%</b>	<b>24.3</b>	<b>19.8</b>	<b>22.7%</b>
Net interest (expense)/income	(3.3)	(1.3)	151.6%	(3.3)	(1.3)	157.8%
<b>Profit before tax</b>	<b>30.8</b>	<b>28.8</b>	<b>6.9%</b>	<b>21.1</b>	<b>18.5</b>	<b>13.9%</b>
Tax expense	(9.6)	(8.9)	7.4%	(9.6)	(6.2)	54.6%
<b>NPAT</b>	<b>21.2</b>	<b>19.9</b>	<b>6.6%</b>	<b>11.5</b>	<b>12.3</b>	<b>(6.5)%</b>
Add: Tax affected amortisation of acquired contracts and intangibles other than software	4.0	1.9	110.4%	4.0	1.9	110.4%
<b>NPATA</b>	<b>25.2</b>	<b>21.8</b>	<b>15.6%</b>	<b>15.5</b>	<b>14.2</b>	<b>9.1%</b>

**Notes:** 1. Due to rounding, numbers presented in the table above may not add up precisely to the totals provided ; 2. All figures reported are for the amaysim Group, which includes the mobile (including devices), broadband and energy businesses. FY16 includes 6-months contribution from Vaya (acquired 1 January 2016) and FY17 includes ~10-months contribution from AusBBS (acquired 23 August 2016), ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click (acquired 1 May 2017)

## A3. Underlying to statutory results reconciliation

\$ million	Note	EBITDA		EBIT		NPAT		NPATA		Total expenses <sup>1</sup>	
		FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17	FY16
<b>Statutory results</b>		<b>33.8</b>	<b>25.1</b>	<b>24.3</b>	<b>19.8</b>	<b>11.5</b>	<b>12.3</b>	<b>15.5</b>	<b>14.2</b>	<b>67.3</b>	<b>60.3</b>
Add back/(deduct):											
IPO expenses	i		8.6		8.6		8.6		8.6		(8.6)
Acquisition related expenses	ii	5.5	1.7	5.5	1.7	5.5	1.7	5.5	1.7	(5.5)	(1.7)
Integration expenses	iii	1.4		1.4		1.4		1.4		(1.4)	
Restructure of debt facilities on acquisition	iv	1.9		1.9		1.9		1.9		(1.9)	
Non-core income - Airtasker share sale	v	(2.0)		(2.0)		(2.0)		(2.0)			
Non-core expenses	vi	2.9		2.9		2.9		2.9		(2.9)	
Derecognition of tax losses due to acquisition of Click	vii					1.8		1.8			
Income tax adjustment	viii					-1.8	(2.7)	-1.8	(2.7)		
<b>Underlying results</b>		<b>43.5</b>	<b>35.4</b>	<b>34.0</b>	<b>30.1</b>	<b>21.2</b>	<b>19.9</b>	<b>25.2</b>	<b>21.8</b>	<b>55.5</b>	<b>50.0</b>

Due to rounding, numbers presented in the table above may not add up precisely to the totals provided

1. operating expenses exclude expenses related to network, finance, amortisation and depreciation, with underlying total expenses adjusted to be consistent with other underlying results

### Notes:

- i. IPO expenses relate to expenses incurred when the company listed on the ASX
- ii. Acquisition related expenses comprise transaction expenses incurred in the process of acquiring Click Energy Group Holdings Pty Ltd, Australian Broadband Services Pty Limited and Vaya Pty Limited
- iii. Integration related expenses comprise of costs directly related to integrating and reorganising acquired businesses
- iv. Debt financing fees associated with the restructuring of Optus security arrangements to allow new CBA/WBC debt facilities for acquisition of Click
- v. During the period shares held in Airtasker were sold
- vi. Non-core expenses relate to staff redundancy and termination expenses associated with restructuring activities
- vii. Future Income Tax Benefit written off due to acquisition of Click and change in business
- viii. Income tax adjustment is the tax impact of the underlying NPAT adjustments

## A4. FY17 EBITDA underlying to statutory results reconciliation by segment

\$ million	Note	Mobile FY17	Broadband FY17	Energy FY17	Group FY17
<b>Statutory EBITDA</b>		<b>34.7</b>	<b>(3.6)</b>	<b>2.8</b>	<b>33.8</b>
Add back/(deduct):					
Acquisition related expenses	i	5.5	-	-	5.5
Integration expenses	ii	0.1	1.0	0.3	1.4
Restructure of debt facilities on acquisition	iii	1.9			1.9
Non-core income - Airtasker share sale	iv	(2.0)			(2.0)
Non-core expenses	v	2.9			2.9
<b>Underlying EBITDA</b>		<b>43.1</b>	<b>(2.6)</b>	<b>3.1</b>	<b>43.5</b>

Due to rounding, numbers presented in the table above may not add up precisely to the totals provided

1. Operating expenses exclude expenses related to network, finance, amortisation and depreciation, with underlying total expenses adjusted to be consistent with other underlying results

### Notes:

- i. Acquisition related expenses comprise transaction expenses incurred in the process of acquiring Click Energy Group Holdings Pty Ltd, Australian Broadband Services Pty Limited and Vaya Pty Limited
- ii. Integration related expenses comprise of costs directly related to integrating and reorganising acquired businesses
- iii. Debt financing fees associated with the restructuring of Optus security arrangements to allow new CBA/WBC debt facilities for acquisition of Click
- iv. During the period shares held in Airtasker were sold
- v. Non-core expenses relate to staff redundancy and termination expenses associated with restructuring activities



## A5. Cash flow statement - statutory

\$ million	30 Jun 2017	30 Jun 2016	movement
<b>Cash flows from operating activities</b>			
Receipts from customers (incl. of GST)	355.9	279.3	76.6
Payments to suppliers and employees (incl. of GST)	(317.3)	(245.2)	(72.0)
Repayment of Optus activation fee liability on debt restructure	(13.4)	-	(13.4)
Repayment of Optus liability assumed on Vaya acquisition	(20.3)	(17.8)	(2.6)
Income taxes paid	(2.9)	-	(2.9)
Finance expenses	(0.4)	(0.0)	(0.3)
Interest received	0.2	0.5	(0.3)
<b>Net cash inflows from operating activities</b>	<b>1.8</b>	<b>16.7</b>	<b>(14.9)</b>
<b>Cash flows from investing activities</b>			
Payments for acquisition of subsidiary net of cash acquired	(79.8)	(5.0)	(74.8)
Proceeds from sale of investment	2.1	-	2.1
Payments for property, plant and equipment	(2.6)	(0.7)	(1.9)
Decrease/(increase) in security deposits and bank guarantees	13.0	(5.7)	18.7
Payments for intangible assets	(8.9)	(4.1)	(4.8)
<b>Net cash outflows from investing activities</b>	<b>(76.1)</b>	<b>(15.4)</b>	<b>(60.7)</b>
<b>Cash flows from financing activities</b>			
Proceeds from IPO	-	12.9	(12.9)
Dividends paid	(17.1)	(5.4)	(11.8)
Payments for IPO expenses	-	(10.5)	10.5
Proceeds from borrowing	100.0	-	100.0
Payments of capitalised transaction costs	(3.8)	-	(3.8)
<b>Net cash inflow/(outflows) from financing activities</b>	<b>79.0</b>	<b>(2.9)</b>	<b>82.0</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4.7</b>	<b>(1.6)</b>	<b>6.3</b>
Cash and cash equivalents at the beginning of the financial year	13.4	15.0	(1.6)
<b>Cash and cash equivalents at the end of the year</b>	<b>18.1</b>	<b>13.4</b>	<b>4.7</b>

**Notes:** 1. Due to rounding, numbers presented in the table above may not add up precisely to the totals provided ; 2. All figures reported are for the amaysim Group, which includes the mobile (including devices), broadband and energy businesses. FY16 includes 6-months contribution from Vaya (acquired 1 January 2016) and FY17 includes ~10-months contribution from AusBBS (acquired 23 August 2016), ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click (acquired 1 May 2017)

## A6. Statutory to underlying operating cash flow after capex reconciliation

\$ million	FY17
<b>Statutory net operating cash flows</b>	1.8
Net interest paid	0.2
Income tax paid	2.9
Repayment of Optus activation fee liability on debt restructure	13.4
Repayment of Optus liability assumed on Vaya acquisition	20.3
Capital expenditure	(11.5)
Acquisition related transaction and integration expenses	6.9
Non-core expenses	2.9
Restructure of debt facilities on acquisition	1.9
<b>Underlying operating cash flows after CAPEX</b>	<b>38.9</b>

**Notes:** 1. Due to rounding, numbers presented in the table above may not add up precisely to the totals provided; 2. All figures reported are for the amaysim Group, which includes the mobile (including devices), broadband and energy businesses. FY17 includes ~10-months contribution from AusBBS (acquired 23 August 2016), ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click (acquired 1 May 2017)

amaysim