
Cabcharge

Interim Presentation

Half Year Ended 31 December 2016

Agenda

The New Cabcharge

1H17 Financial Performance

Operations

Appendix

The logo for Cabcharge, featuring the word "Cabcharge" in a stylized, white, outlined font. The letters are interconnected and have a double-line outline. The background is a dark blue gradient with a fine grid pattern.

Cabcharge

The New Cabcharge

A more focused business

Divestment of non-core business

Cabcharge reached an agreement to sell its 49% stake in CDC to partner ComfortDelGro for \$186 million
49% stake in CDC identified as non-core that was not returning cash to Cabcharge
Net proceeds of \$184 million after final capital gains tax assessment, transaction costs and CDC's repayment of loan

Payment of special dividend to shareholders

Directors have declared a special dividend of 80c per share fully franked
Special dividend will be payable on 28 April 2017
Interim dividend 10c per share fully franked

Appointment of Paul Oneile to Cabcharge Board

Paul Oneile commences as Chairman
Rick Millen continues on Board as Non-Executive Director
The Board remains focused on identifying Non-Executive Directors with skills and attributes that support the continued evolution of the Company

Acquisition of Yellow Cabs Queensland

Acquisition of the business operations of Yellow Cabs Queensland, subject to ACCC approval, for \$20 million
Advances strategy of offering services on a national basis and brings total affiliated fleet to 8,500 (increase ~1,200 cars)
Estimated \$40 million annual revenue contribution to Cabcharge and EBITDA contribution of \$3.5 million to \$4 million

1H17 Key Numbers

Revenue

\$79.1M

Down 10.7% on pcp

Interim
Dividend

10c

Per Share Fully Franked
1H16: 10 Cents

Special
Dividend

80c

Per Share Fully Franked

Underlying
NPAT

\$20.4M

(Statutory NLAT: -\$106.8M)
Underlying down 12.3% on pcp

Underlying
EBITDA

\$27.9M

(Statutory EBITDA: -\$2.2M)
Underlying down 13.3% on pcp

Net Debt

\$80.0M

Reduced by \$16.6m (Jun 16 \$96.6m)
Net Debt / Equity 29.5%

The World is Changing and so is Cabcharge ...

Demand for motorised trips continues to grow

Up by 11% over the past ten years

By 2021, Australians will be taking 27.6 billion motorised trips per year

Taxi and rideshare market valued at \$6.1 billion (IBISworld and Deloitte)

Less than 1% of motorised trips are taken in taxi and rideshare, leaving scope for significant growth

Rideshare legislation has changed the industry structure

Changes to accreditation, removal of knowledge test, removal of licence fees in certain states

Taxis well positioned to benefit from revised entry restrictions and increase drivers and fleet - greatly needed to service demand

New regulatory pricing regime has impacted payments

NSW, Victoria, Western Australia, Northern Territory, ACT and South Australia (from 3 April 2017) have introduced regulatory pricing regimes limiting payment processing at 5% including GST

Mainland states transition to this pricing regime anticipated to complete in 2017

We now have the regulatory clarity to invest

And consumer expectations continue to evolve

Convenience, service and technology are centre stage

Passengers expect the ease of two-tap bookings, in-app payments and certainty of service

The New Cabcharge

Connecting you with people and places

More supportive relationships with Drivers

Improved efficiency and connectivity by integrating our networks
(consolidated contact centres, restructured workforce, standardised dispatch, upgraded phone systems)

Investment in national flagship brand marketing and consolidation - 13CABS and Silver Service

New Driver app

Driver Training

Driver Services Team

Improved service for Passengers

Improved passenger pick up times and reduced cancellations

30% increase in speed to answer

Improved Cabcharge account services including 

Direct Driver / Passenger communication facilitated by Passenger Connect

New private hire offering augmenting services in pre-booked market

Significant investments in technology

Roll out of *FAREWAYplus*

New booking apps

New Driver apps

Launch of handheld terminals

New infrastructure

New payment products





1H17 Financial Performance

Financial Summary

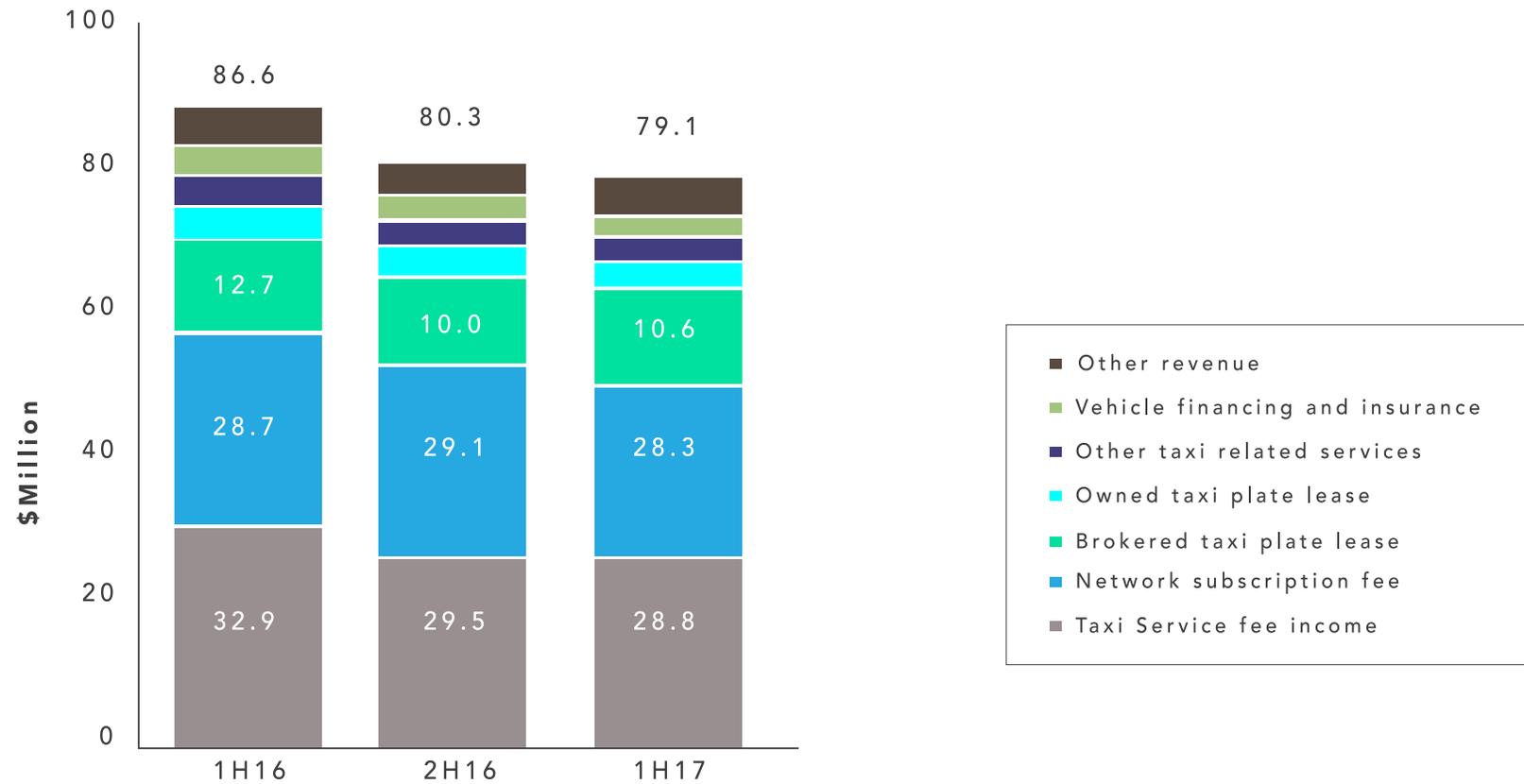
Strong profit margins maintained through effective cost control

Underlying basis excluding significant items*

	1H17 \$M	1H16 \$M	Change over PCP
Revenue	79.1	88.6	(10.7%)
Expenses	(51.2)	(56.4)	9.3%
EBITDA	27.9	32.1	(13.3%)
Depreciation & Amortisation	(7.5)	(6.9)	
EBIT	20.4	25.2	(19.2%)
Net interest	(1.9)	(2.5)	
Profit before tax	18.5	22.7	(18.4%)
Income tax	(6.4)	(8.3)	
NPAT (excl. associates)	12.1	14.5	(16.2%)
<hr/>			
EBITDA margin	35.2%	36.3%	
EBIT margin	25.8%	28.5%	
<hr/>			
Earnings per share (AUD)	10.1 cents	12.0 cents	

*please see appendix slide 28 & 29 for statutory financial summary and items excluded from underlying financial summary above

Revenue



Cash Expenses

Revenue decrease of 10.7% partly offset by 17.6% reduction in volume cash expenses
 Effective management of non-volume cash expenses
 Infrastructure Expenses 1H17 includes lease expense Riley St of \$0.5M

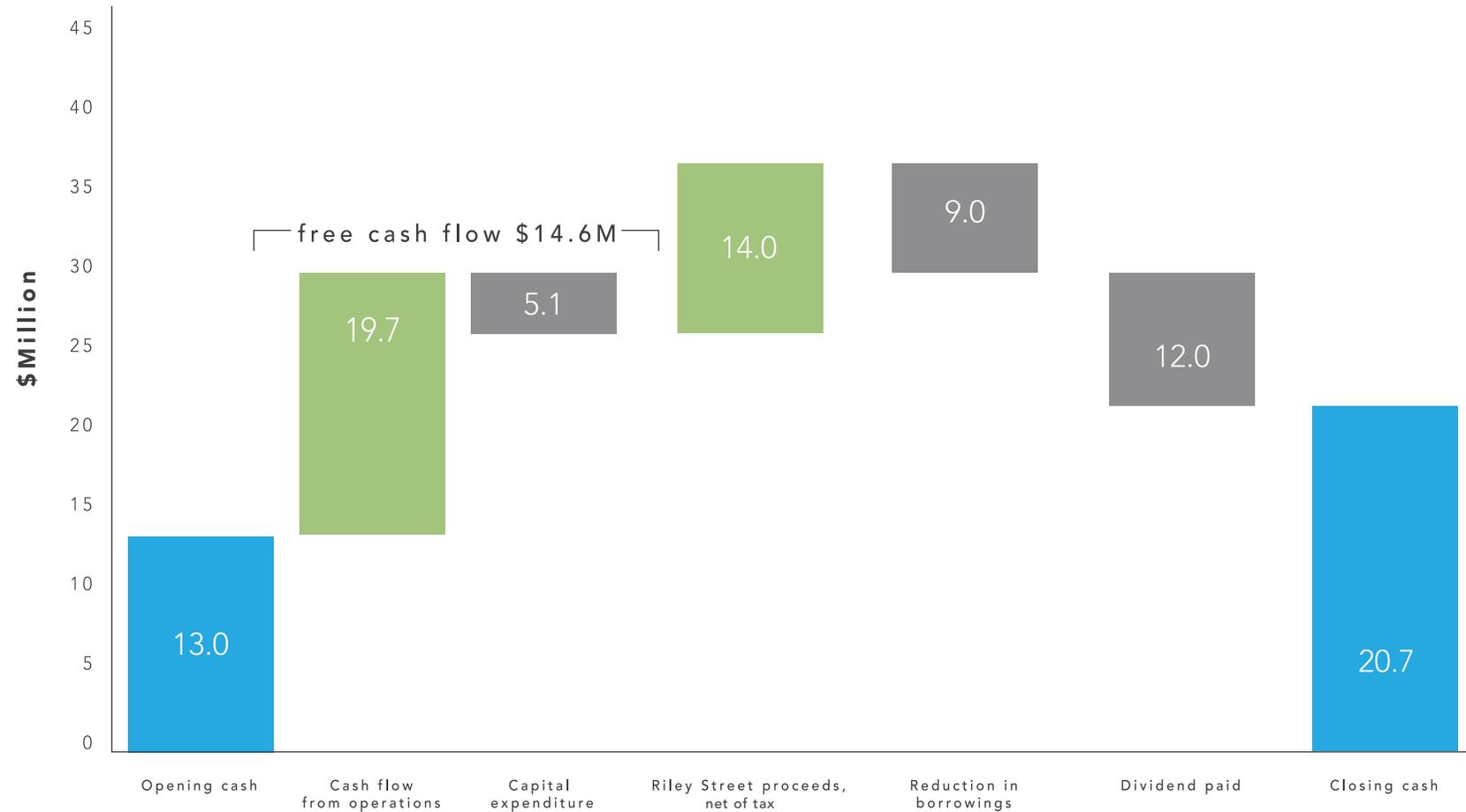
Underlying basis excluding significant items*

	1H17 \$M	1H16 \$M	Change over PCP
Processing fees to taxi networks	(4.6)	(5.2)	11.9%
Brokered taxi plate licence costs	(10.1)	(11.9)	15.5%
Transaction processing expenses	(2.3)	(2.5)	9.8%
Other taxi related costs	(1.2)	(2.3)	48.9%
Total volume cash expenses	(18.1)	(21.9)	17.6%
Marketing expenses	(1.6)	(1.9)	15.6%
Employee benefits expenses	(19.4)	(19.9)	2.7%
Infrastructure expenses	(5.7)	(6.9)	17.7%
Other non-volume cash expenses	(6.4)	(5.7)	(12.3%)
Total non-volume cash expenses	(33.1)	(34.5)	4.0%
Total cash expenses	(51.2)	(56.4)	9.3%

*please see appendix slide 28 & 29 for statutory financial summary and items excluded from underlying financial summary above

Cash Flow

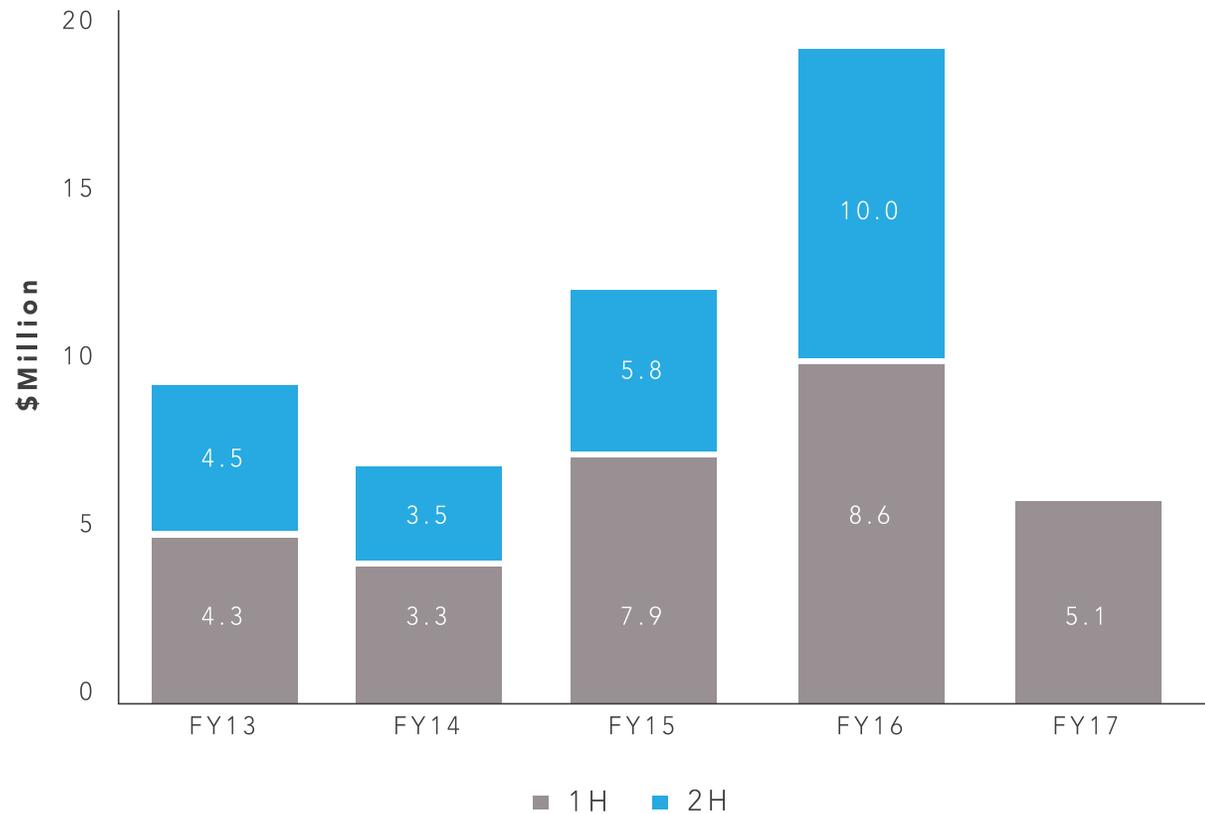
Continuing strong cash flow generation



Capital Expenditure

Improving capabilities through continued investment in software development

Historical Capital Expenditure (FY13 – FY17)



FAREWAYplus roll-out

FAREWAYplus roll-out completed in December 2016

Capital expenditure returns to longer term levels in 1H17

Software development

Increased investment in software development

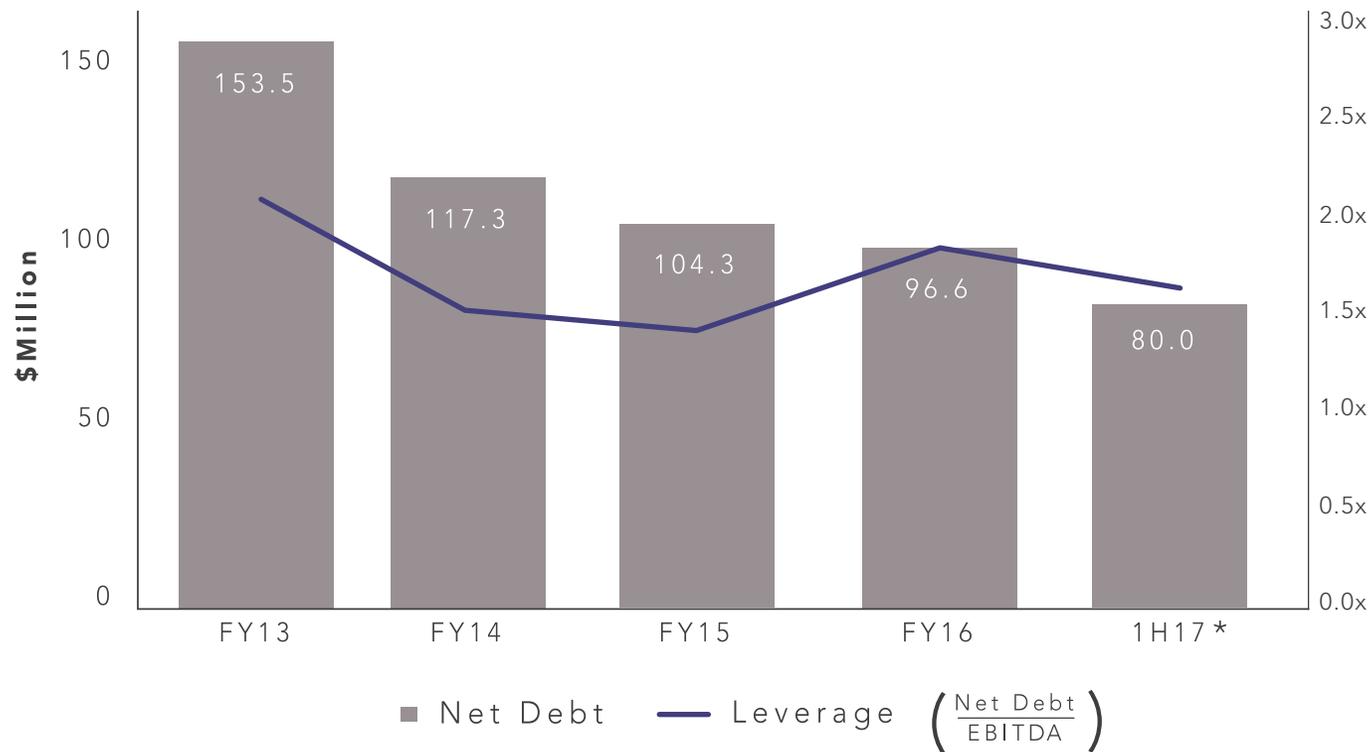
Future capital expenditure

Continued investment in software development

Further roll-out of Spotto & Giraffe products

Debt and Leverage

We have continued to repay borrowings



*based on 12 month trailing EBITDA

Reduction of \$16.6M over the past 6 months with net debt of \$80.0M as at 31 December 2016

Net debt to equity ratio 29.5% (30 June 2016: 24.9%)

Subsequent events

- Net proceeds from sale of Associate \$184M received in February 2017
- Finance facility limit reduced by \$60M to \$100M in February 2017
- Interim and special fully franked dividends (total \$108.4M) to be paid in April 2017
- Acquisition of Yellow Cabs Queensland for \$20M subject to ACCC approval

Cabcharge

Operations

Payments

2013 - 2017: successive States have introduced 5% service fee limits reducing Cabcharge revenue
 2016 onwards: Cabcharge implements new products for growth in Payments segments
 Continuing movement in Australia from cash to electronic payments



Real-time tracking with trip maps

Electronic trip info updated in real-time

Fast access to digital receipts

Multi-account monitoring

Monitor policy compliance with single login, multi-account view

Cloud-based flexibility

Shared administration

Group wide tracking

Access anywhere

30 clients in advanced Pilot across multiple accounts and users

FLEXeTICKET FASTCARD

FLEXeTICKET

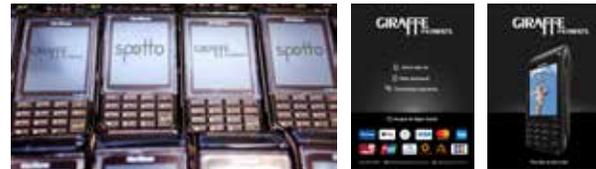
Launched in October 2016

107,000 ordered to date

Customised FASTCARD

200 Customised Cards in active Pilot across 5 clients

End to end individual order production tested successfully



Handheld Terminals – growth channel

More than 1,000 deployed since November 2016

Target 5,000 terminals by end FY17



Successful Pilot

Now distributing in Melbourne and Sydney

>50% of usage is for bank issued

Typical single driver usage of \$600 - \$700 per week

Spotto Driver app launched enabling drivers to track cashflows and targets

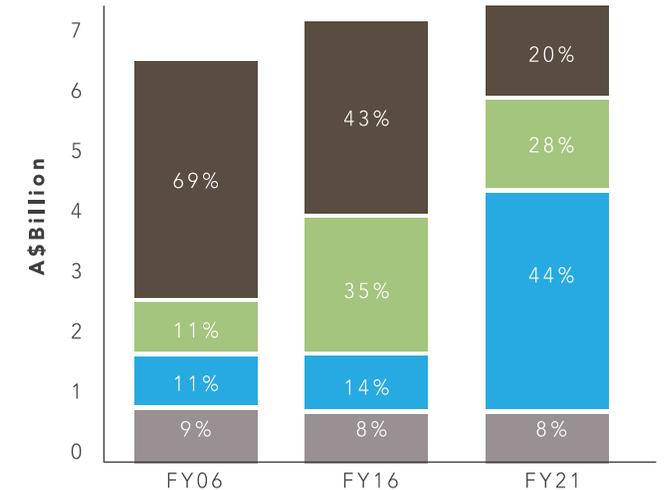


Targets growing area of hire car and rideshare Drivers seeking terminals

National rental model (\$90pm plus gst)

Experiencing 30% of turnover in Cabcharge products

Payment opportunity



Taxi Services

Brand consolidation powering ahead with Sydney rebrand to 13CABS 57% complete

18% growth in new users on 13CABS app in 1H17 vs 1H16
(iOS growth 12%, Android growth 30%)

1H17 Driver Recruitment up 262% nationally on pcp

Achieved formal accreditation of our Private Hire services in South Australia

New General Managers appointed to lead Sydney and Melbourne operations in 1H17

Launch of new national website imminent

Fleet

Largest taxi fleet in the country – positioned to grow

Regulatory influences have constrained fleet growth in recent times. Regulatory settings are changing in our largest markets, NSW and Victoria, setting the scene to resume fleet growth.

Separately we are exploring alternative mechanisms for taxi operators to facilitate growth. The acquisition of Yellow Cabs Queensland boosts fleet by 1,200 to 8,500 vehicles.



Fleet

Growing private hire opportunity

Regulatory changes have facilitated a push into the lightly-regulated pre-booked market. Cabcharge is supporting taxi operators to grow in areas where the community is underserved by taxis.

Private Hire now represents 6.2% of the Adelaide fleet.

Private Hire now represents 23% of the local fleet on the Mornington Peninsula enabling taxi operators to grow their business and improve service for their community.



Technology

Created 25 new roles in technology

Rebuilt 13CABS app - two tap bookings; seamless communication; in-app payments

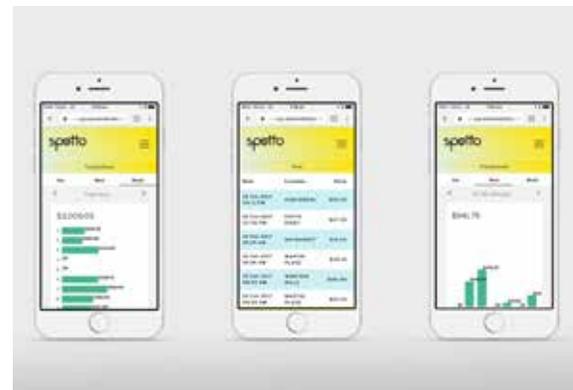
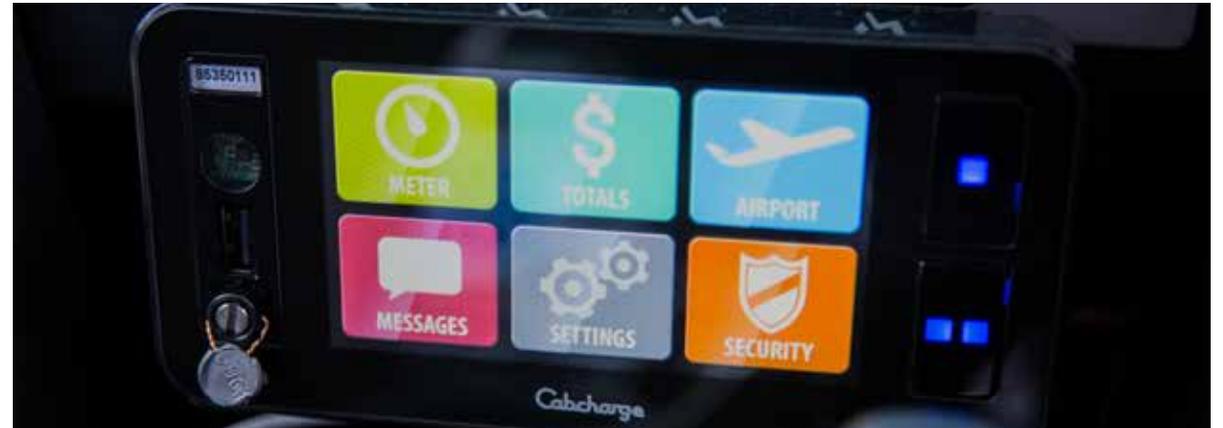
Investment in  to reposition offering with Corporates

Completed rollout of **FAREWAYplus** within Telstra 2G deadline

Spotto onboarding tools and supporting Driver apps delivered

Launch of 13CABS Driver app to improve communication and engagement

Generating technology consulting work with top tier clients



Service

Better technology facilitates better service

Simpler booking process

Close monitoring of service levels

15% improvement in 'Passenger No Show' rate

Direct linking of Passengers and Drivers

Improving fleet standards



Outlook

Regulatory stability anticipated by end of 2017 when all jurisdictions are expected to have imposed 5% service fee limits

Encouraging initial entry into handheld terminals (Spotto, Giraffe)

643 Spotto terminals in taxis in Sydney, now launching in Melbourne

363 Giraffe terminals in hire cars and limousines in Sydney, Melbourne, SE Queensland and Adelaide

Yellow Cabs Queensland advances our strategy of offering service on a national basis

Anticipated revenue uplift of \$40 million and \$3.5-\$4 million EBITDA contribution

Revenue mix includes fleet operations and courier services

Opportunity to deploy a ready-made diversified model from existing network sites

Upgraded *FAREWAYplus* technology

Provides dynamic vehicle position and status updates for passengers

Enhanced user experience as this technology is deployed during 2H17

We will continue to strengthen our focus on delivering certainty of service to passengers who book with us. Our Corporate and Government clients will be rewarded with step changes in how they utilise, deploy and monitor our taxi-specific payment products, building our position as the leading provider of payment services in the personal transport market

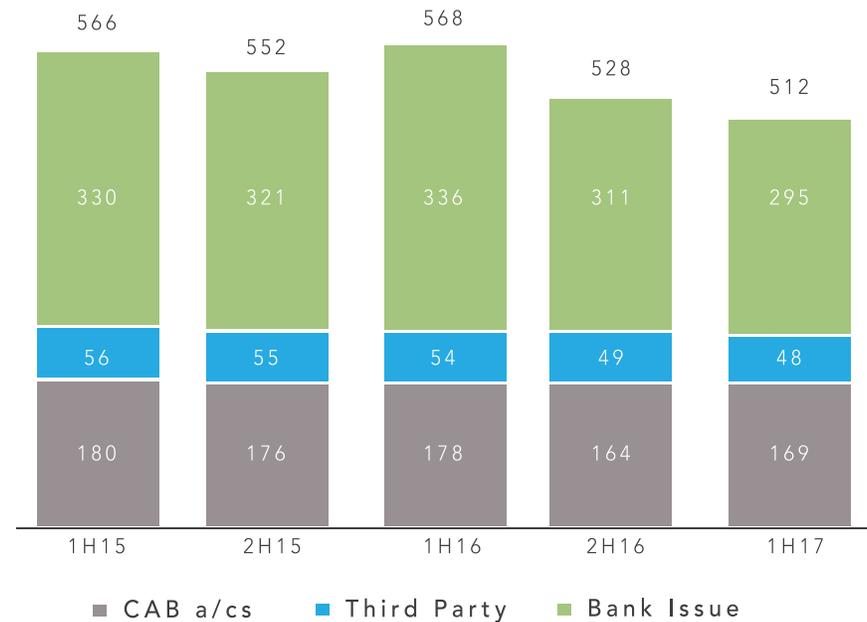
Cabcharge

Appendix

Taxi Payments - Key Drivers

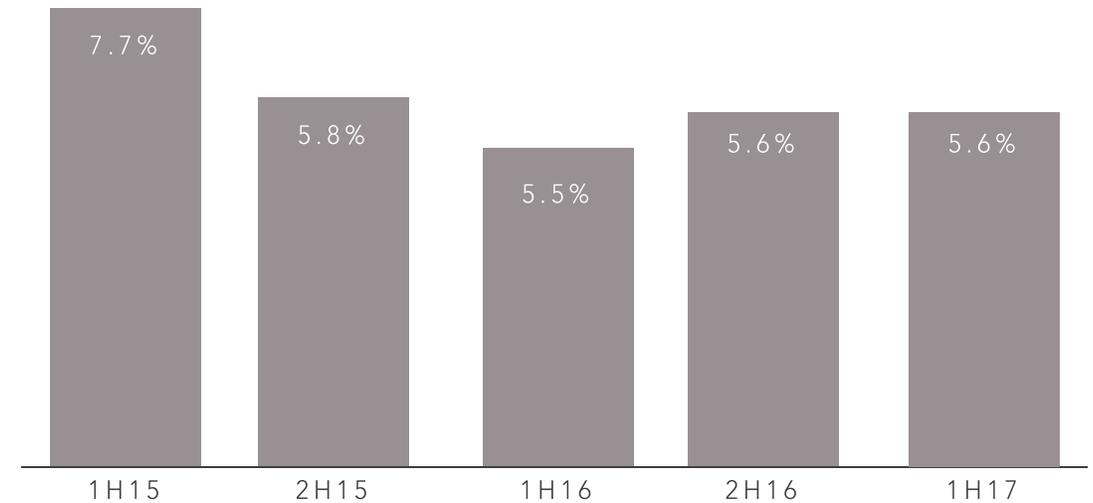
Decline in taxi fares processed volumes due to competitive pressure

Taxi fares processed (\$M)



Value of taxi fares processed declined by 9.9% vs PCP and 2.4% vs 2H16

Effective service fee rate (%)



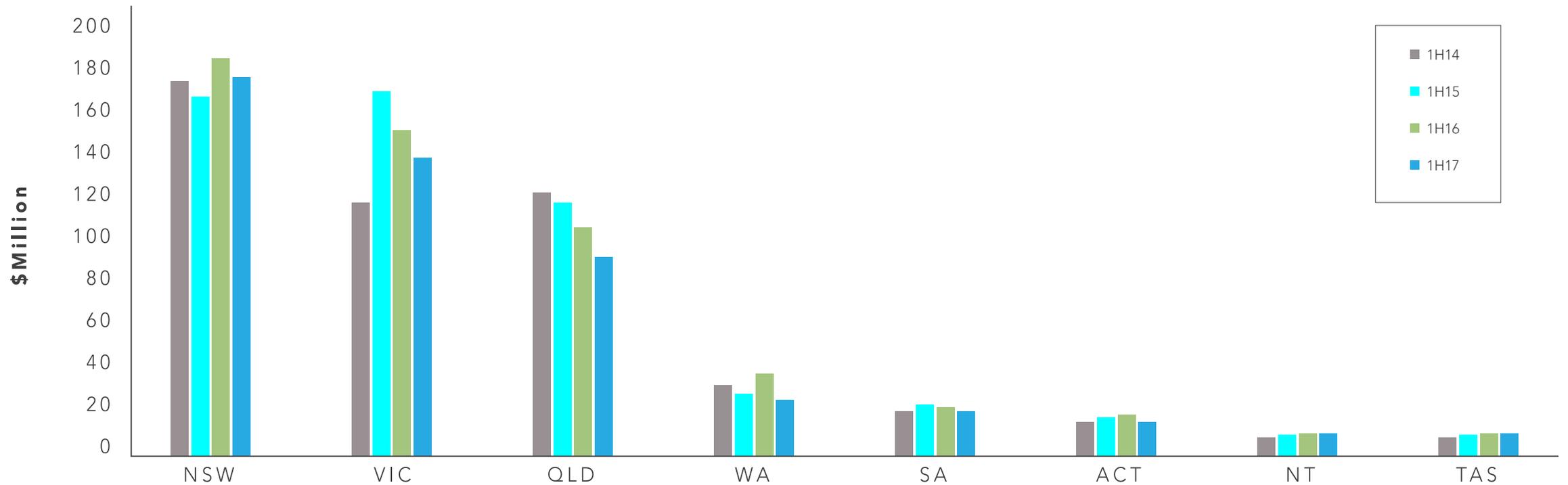
Effective service fee rate marginally improved over 1H16 due to increase in relative share of Cabcharge volumes

In 1H17 the Northern Territory and ACT introduced a 5% limit on service fees, effective 1 Oct16 and 1 Nov16 respectively

Queensland and South Australia have announced a 5% limit on service fees which will be active in 2017

Taxi Fares Processed

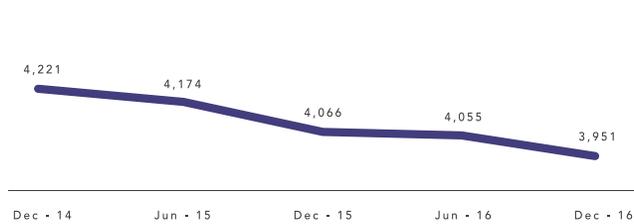
Total taxi fares processed by state



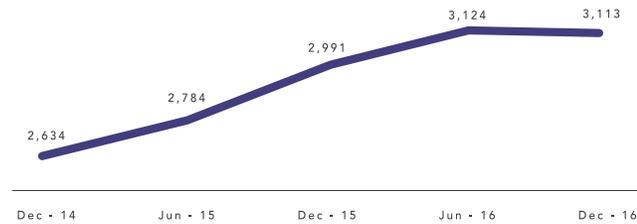
Taxi Services

Fleet movement

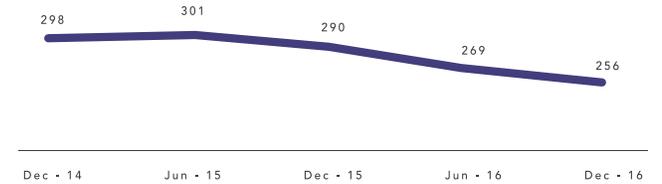
NSW: Sydney fleet has declined by 100 cars and Newcastle fleet has declined by 4 cars since 30 June 2016. The key factor is the handback by operators of NSW government issued plate licenses which are significantly higher in cost than plate licenses in the private market. An announcement on government plates will occur in March 2017 at which point a release of licences previously handed back is expected, paving the way to resume fleet growth.



VIC: Fleet in Melbourne and Victorian Bureaus has remained stable since 30 June 2016. Subject to the enactment of legislation, the Victorian government is transitioning to an equal playing field for taxis, hire cars and ride share by removing the requirement for annual plate licence fees (\$23k per annum). By lowering the costs for operators, Victorian fleet has future growth potential.



SA: Adelaide fleet declined by 13 cars during 1H17. We have achieved accreditation from the SA government to provide booking services to private hire cars since 31 December 2016 with 17 additional private hire cars joining the fleet so far in 2H17 and total fleet currently at 275.



Associate

Financial performance

	1H17 \$M	1H16 \$M	Change over PCP	Change over PCP %
Revenue	47.0	59.5	(12.3)	(20.7%)
Expenses	(47.0)	(57.3)	10.3	(18.0%)
EBIT	0.2	2.2	(2.0)	(92.0%)
Net interest and asset sales	0.0	0.1	(0.1)	(97.1%)
Profit before tax	0.2	2.3	(2.1)	(92.2%)
Income tax	(0.1)	(0.6)	0.6	(92.3%)
NPAT before closure cost and goodwill Impairment	0.1	1.6	(1.5)	(92.1%)
Closure cost and goodwill Impairment	(1.6)	(1.4)		
NPAT Statutory	(1.5)	0.3	(1.7)	
49% share	(0.7)	0.1	(0.9)	

49% interest in CityFleet Network (CFN) in the UK, providing account, booking and dispatch services for taxis and private hire vehicles in London, Liverpool and Aberdeen, and coach services in London

Net loss contribution from CFN of \$0.7M, \$0.8M lower than pcp due to the closure costs of Edinburgh and goodwill write down

Trading conditions deteriorated in 1H17, resulting in the carrying value of this investment being impaired down to \$21.7M balance sheet carrying value

Financial position

(\$M)	Dec 2016
Cash and cash equivalents	23.4
Trade receivables	7.3
Other current assets	1.5
Total current assets	32.1
Goodwill	1.2
Property, plant and equipment	17.3
Total non-current assets	18.5
Total assets	50.6
Trade and other payables	4.9
Other liabilities	0.6
Total liabilities	5.5
Total net assets	45.1
49% share	22.1

Financial Performance

Underlying basis excluding significant items

	1H17 \$M	1H16 \$M	Change over PCP
Revenue ¹	79.1	88.6	(10.7%)
Expenses ²	(51.2)	(56.4)	9.3%
Impairment Charges ³	0.0	0.0	
EBITDA	27.9	32.1	(13.3%)
Depreciation & Amortisation ⁴	(7.5)	(6.9)	
EBIT	20.4	25.2	(19.2%)
Net interest ⁵	(1.9)	(2.5)	
Profit before tax	18.5	22.7	(18.4%)
Income tax ⁶	(6.4)	(8.3)	
NPAT (excl. associates)	12.1	14.5	(16.2%)
Equity accounted net (loss) / profit of associates ⁷	0.1	0.6	
NPAT from continuing operations	12.2	15.1	(19.4%)
Profit from discontinued operation ⁸	8.2	8.1	
NPAT	20.4	23.2	(12.3%)
EBITDA margin ⁹	35.2%	36.3%	
EBIT margin ⁹	25.8%	28.5%	
Earnings per share from continuing operations (AUD)	10.1 cents	12.5 cents	
Earnings per share attributable to owners of the company (AUD)	16.9 cents	19.3 cents	

1. Excludes interest income
2. Excludes \$1.1M write-off capitalised development costs and \$0.5M employee separation costs (\$1.5M in 1H16)
3. Excludes non-cash impairment charges on taxi plate licences, CFN and trademark
4. Excludes \$1.7M accelerated amortisation on NSW wheel chair accessible taxi plate licences in 1H16
5. Excludes \$4.5M gain on sale of shares in ComfortDelGro Corporation Limited in 1H16
6. Excludes tax effect of significant items
7. Includes equity net profit share of CFN, excluding division closure costs of \$0.8M (\$0.5M 1H16)
8. Includes equity net profit share of CDC, up until 21 Dec16
9. Excludes loss on sale of discontinued operations

Financial Performance

Statutory Basis

	1H17 \$M	1H16 \$M	Change over PCP
Revenue ¹	79.1	88.6	(10.7%)
Expenses ²	(52.8)	(57.9)	8.9%
Impairment charges	(28.5)	0.0	
EBITDA	(2.2)	30.6	(107.2%)
Depreciation & Amortisation	(7.5)	(8.6)	
EBIT	(9.7)	22.0	(143.9%)
Net interest	(1.9)	2.0	
(Loss) / profit before tax	(11.5)	24.0	(148.0%)
Income tax	(5.9)	(7.8)	
NPAT (excl. associates)	(17.5)	16.2	(208.2%)
Equity accounted net (loss) / profit of associates	(0.7)	0.1	
NPAT from continuing operations	(18.2)	16.3	(211.9%)
(Loss) / profit from discontinued operation	(88.6)	8.1	
NPAT	(106.8)	24.4	(537.2%)
EBITDA margin ³	(2.8%)	34.6%	
EBIT margin ³	(12.2%)	24.9%	
Earnings per share from continuing operations (AUD)	(15.1 cents)	13.5 cents	
Earnings per share attributable to owners of the company (AUD)	(88.6 cents)	20.3 cents	

1. Excludes interest income

2. Operating expenses excluding impairment charges

3. Calculation excludes equity accounted net profit of associates

Taxi Payments – Rebased Revenue

Northern Territory and ACT introduced 5% service fee limit in 1H17 Queensland and South Australia are expected to introduce 5% service fee limit in 2H17

