



ASX ANNOUNCEMENT

27 February 2017

amaysim 2017 half year result **amaysim delivers a solid first half result, reconfirming FY17 mobile guidance and set for diversification**

HIGHLIGHTS^{1,2}

- Statutory EBITDA of \$17.3 million up 564%. Underlying EBITDA of \$17.3 million up 38%
- Interim dividend of 4.0 cents per share (unfranked) up 33%
- Statutory net revenue of \$136.6 million up 17%
- Closing mobile subscribers of 1.03 million³ up 34%
- Statutory gross profit of \$40.5 million up 14%
- Underlying operating costs of \$23.2 million
- NPATA⁴ of \$10.3 million up 29%
- Strong underlying operating cash flow after capex⁵ of \$18.3 million implying 106% cash conversion of underlying EBITDA
- Positioned for diversification and growth in share of household wallet with the launch of amaysim broadband in 2H17
- FY17 mobile guidance⁶ reconfirmed - driven by continued growth in the mobile business and improvement in operational efficiency

amaysim Australia Limited (ASX:AYS) today announced its results for the half year to 31 December 2016.

amaysim's Chief Executive Officer and Managing Director Julian Ogrin said, "I'm pleased to announce these solid financial results, achieving an underlying EBITDA of \$17.3 million across the amaysim Group and to reconfirm our FY17 mobile guidance.

"The amaysim Group is performing well and in-line with management's expectations, driven by strong momentum in mobile services. In a competitive environment, our aim is to maintain a strong challenger brand position and achieve profitable growth by leveraging our superior operating platform, offering a competitive product suite and delivering high customer satisfaction. Our success is reflected in our ability to profitably grow subscribers and keep churn low.

¹ All comparisons are half year ended 31 December 2016 compared to financial year ended 31 December 2015 and are for the amaysim Group on an underlying basis unless otherwise noted

² Underlying figures have been calculated from statutory data after excluding the impact of IPO expenses, any acquisition related expenses including integration and transaction costs, non-core income and expenses, and the amortisation of acquired intangibles other than software

³ As at 31 December 2016

⁴ Net profit after tax and adding back the tax effected amortization expense related to acquired intangibles, IPO expenses, any acquisition related expenses including integration and transaction costs, non-core income and expenses

⁵ Underlying operating cash flow after capex excludes repayment of Optus liability assumed on acquisition of Vaya

⁶ Refers to the FY17 update for the amaysim Group's mobile business provided 30 November on slide 33 of amaysim's Investor Day presentation. This can be located on [amaysim's investor centre](#) and on page 4 of this ASX release

“In the half, we’ve grown our mobile subscriber base by 59,000 to 1.03 million across the amaysim Group, while holding operational expenditure flat through disciplined cost management.

“In line with our strategy to retain our challenger market position and to attract and retain subscribers, we consciously repositioned our ARPU⁷ lever to \$22.37. We achieved this by offering our subscribers a range of competitively priced products (with more inclusions) to suit their needs and by allowing them to change plans at any time. We expect ARPU to stabilise in 2H17, as we launch initiatives to broaden our mobile product suite and continue growing our Unlimited subscriber base, and to gradually increase in 1H18.

“Allowing subscribers the flexibility to switch plans is a key component of the amaysim experience and brand strategy. It improves customer satisfaction and tenure, and allowed us to simultaneously reduce churn to 2.0% and achieve a Group gross profit of \$40.5 million at margins of 29.6%,” Mr Ogrin concluded.

With the strength of the amaysim Group mobile’s performance, Mr Ogrin went on to highlight FY17 underlying EBITDA for the mobile business is expected to grow to \$42 to \$44 million. The total amaysim Group FY17 underlying EBITDA (including the investment in broadband⁸) is expected to be \$40 to \$42 million driven by strong growth in the mobile business, sustained low churn and disciplined cost management.

BROADBAND

“The success in our mobile business has positioned amaysim to continue to grow share of household wallet by acquiring new subscribers, while expanding our focus to become a multi-vertical company. We are excited to complement our competitive mobile products with a compelling broadband offering,” Mr Ogrin said.

amaysim announced that it had made an investment of \$0.4 million in 1H17 associated with amaysim broadband and expects a modest full year investment of approximately \$3 million to develop and launch the amaysim broadband offering in FY17.⁸

“We will launch our broadband offering in the next 90 days with an initial focus on our 1.03 million subscribers or over 600k households across the amaysim Group aligned to the nbn rollout. Building on the principles of value, transparent pricing and inclusions and a superior customer experience, we will launch three simple nbn plans under the amaysim brand,” Mr Ogrin said.

Mr Ogrin concluded by saying, “We are excited about the opportunity in front of us to leverage our loyal subscriber base and our technology platform with our entry into broadband.

DIVIDEND

The Company announced a 2017 interim dividend per share of 4.0 cents (unfranked) up 33% on the 2016 interim dividend. In line with the Board’s commitment to target a full year payout ratio⁹ of between 60% to 80% the total dividend for the 2017 financial year is expected to be 10 cents per share (partially franked) up more than 20% on the 2016 total dividend. amaysim expects to maintain a full year payout ratio towards the upper range of the 60% to 80% underlying NPATA target⁹ reflecting the solid performance in mobile, repayment of the Vaya liability by February 2018 and strong cash flow.

⁷ Average Revenue Per User

⁸ Investment in broadband refers to the impact of the amaysim broadband business on amaysim Group EBITDA and primarily relates to operating expenses including marketing, employee, IT development and facility costs in FY17

⁹ Dividend payout ratio represents the total interim dividend as a ratio of amaysim’s underlying NPATA

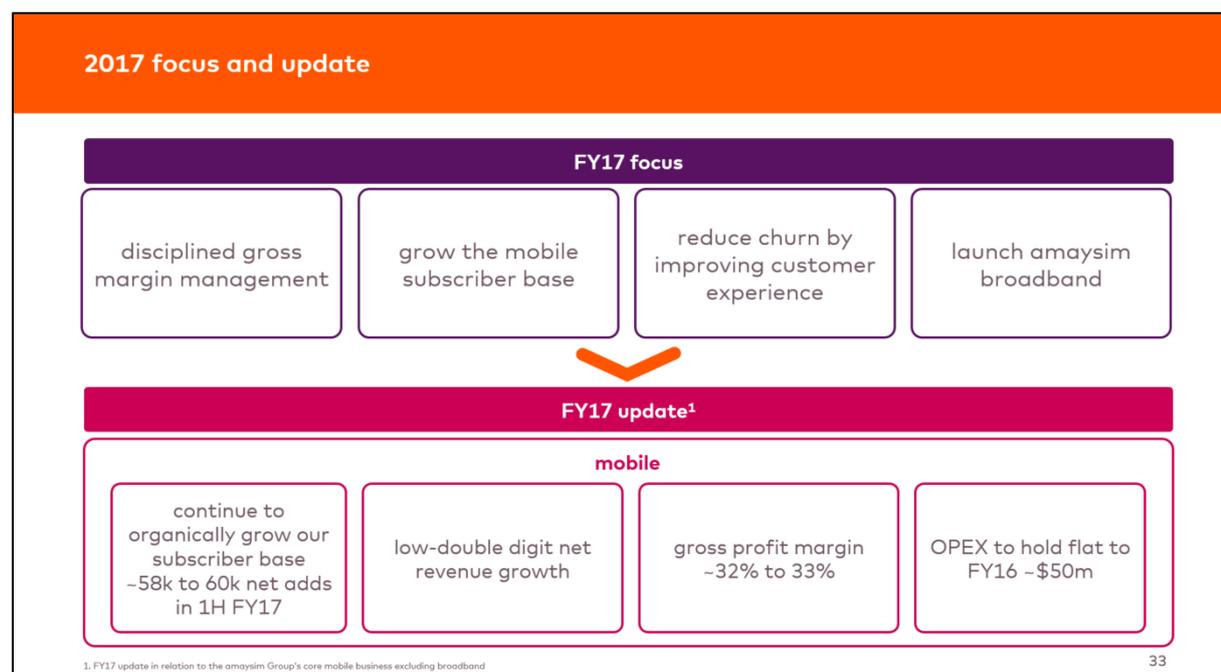
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FY2017 guidance



Source: November 2016 Investor Day Presentation, Slide 33

1H17 Key Financial Information

December half year end \$ million (unless stated otherwise)	1H17 Underlying	1H16 Underlying	1H17 v 1H16
EBITDA	17.3	12.6	38%
<i>EBITDA margin %</i>	12.7%	10.7%	+240bps
EBITDA (ex. broadband investment ⁷)	17.7	12.6	41%
NPAT	8.3	7.6	10%
NPATA ⁴	10.3	8.0	29%
EPS (cps) ¹⁰	4.6	4.6	flat

December half year end \$ million (unless stated otherwise)	1H17 Statutory	1H16 Statutory	1H17 v 1H16
Net revenue	136.6	117.3	17%
Gross profit	40.5	35.7	13%
<i>Gross profit margin %</i>	29.6%	30.4%	-80 bps
EBITDA	17.3	2.6	564%
<i>EBITDA margin %</i>	12.7%	2.2%	large
NPAT	8.3	0.7	1088%
NPATA ⁴	10.3	1.1	836%
EPS (cps) ⁹	4.6	0.4	large
ARPU (\$)	22.37	26.34	-15%
Closing subscribers ('000)	1,025	764	34%

¹⁰ Statutory EPS/underlying EPS is calculated as NPAT/underlying NPAT respectively divided by weighted number of shares on issue