2018 full year results

investor presentation

27 August 2018

amaysim

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- 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;
- CPA means cost per acquisition or the acquisition cost per subscriber, calculated as total marketing costs divided by gross subscriber additions over the relevant period
- EBITDA means earnings before income tax excluding interest, depreciation, amortisation and impairment 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 non-core income and expenses, strategic investments, any acquisition related expenses including consequential changes in the value of tax assets, integration and transaction costs with a related tax adjustment where applicable and impairment costs. Refer to appendix 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 indications or 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.

2018 full year results

Peter O'Connell, CEO and Managing Director

amaysim

2018 full year results – financial metrics

$577.6m
+76.8%
statutory net revenue

$37.6m
+11.0%
statutory EBITDA

$47.8m
+9.8%
underlying EBITDA

$22.4m
(11.2%)
underlying NPATA

$52.7m
+35.4%
underlying operating cash flow after capex

5.9 cents
(47.8%)
underlying EPS

amaysim is an asset light, telco and energy provider

Solid subscriber growth across all verticals

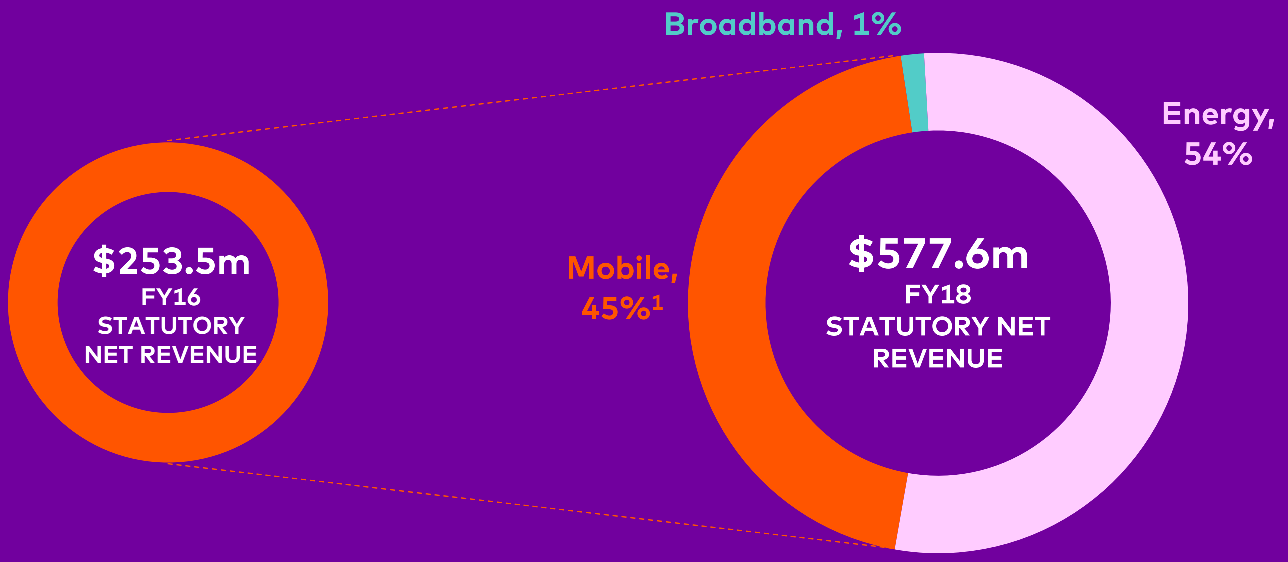
1,158k
mobile
+7.8% ▲

191k
energy
+15.9% ▲

15k
broadband
+196.0%▲

Energy is now a significant proportion of the business

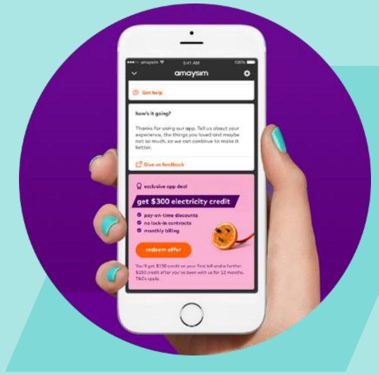
Statutory net revenue composition
FY18 v FY16



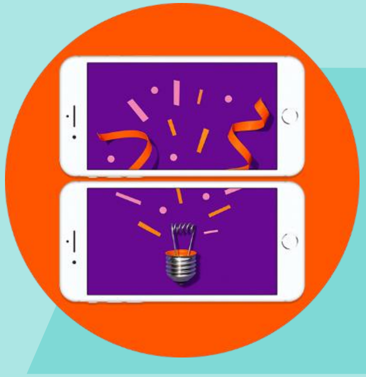
1. Includes FY18 devices statutory net revenue of $17.4m

2018 full year results - highlights

Won awards for Australia's best Virtual Network Operator, best mobile plans and customer experience[1,2,3,4]



Launched cross-sell feature in the amaysim app in May 2018



Trialed 400+ cross-sell campaigns in FY18

Strategically broadened the mobile portfolio in Jul & Nov 2017 and launched amaysim's "Small But Mighty" $10 mobile plan

Doubled brand awareness with our 'Just What You Need' marketing campaign in Nov 2017 & Feb 2018

Launched amaysim energy plans in Oct 2017

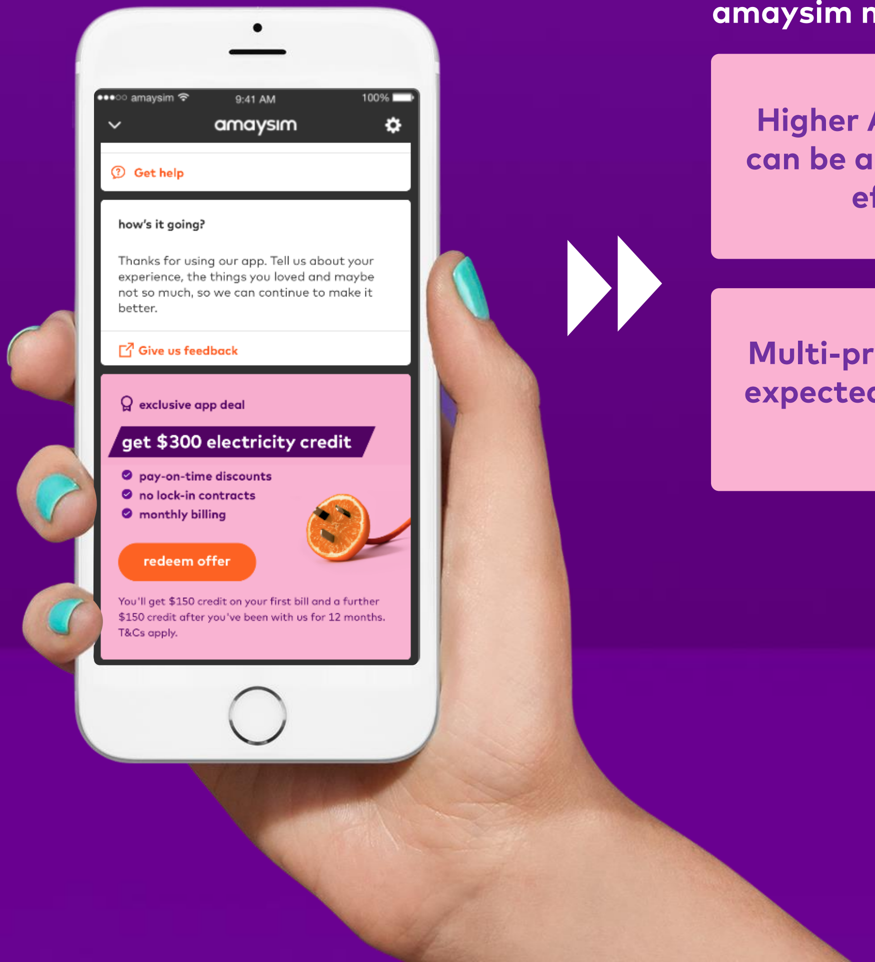
1. amaysim won 'Best Virtual Network Operator' at the CommsDay Edison 2018 Awards for the second year running
2. amaysim won the 2017 Canstar Blue award for Most Satisfied Customers – Mobile SIM Only; the fifth such award since 2013 (Canstar Blue Most Satisfied Customers – Prepaid Mobile Services award in 2013 & 2014; Canstar Blue Most Satisfied Customers – Mobile Phone Plan Providers in 2014; Canstar Blue Most Satisfied Customers – Mobile SIM Only Postpaid in 2016 & 2017)
3. amaysim won two gold Money Magazine Best of the Best 2018 awards (Best Value Prepaid Mobile Plan (Low Usage) category for its $10 UNLIMITED 1GB mobile plan; Best Value Mobile Plan in the International Calls category for its $30 5GB plan)
4. amaysim won Roy Morgan's Australian Customer Satisfaction Award for Mobile Phone Service Provider of the Year 2017; the third such award in the past five years

We've grown the business through convenience and cross-sell

We continue to invest in our systems and technology platforms to maintain a low cost per acquisition, drive customer growth and increase the number of services per customer

amaysim's customer acquisition and service model

- Low cost per acquisition
- Subscribers can add products at the click of a button
- Efficient cost to service model utilising amaysim's DIY platform and customer service centre



Benefits of the amaysim model

- Higher ARPU products can be added easily and efficiently
- Multi-product accounts expected to have longer tenure

~17k
subscribers with more than one product across verticals since Nov 2017 with a strong sales pipeline

mobile

Strong growth in mobile subscribers

1.158m subscribers as at 30 June 2018 (up 7.8%) with growth driven by broadening of the mobile product suite, strong uptake of new $10 mobile plan and increased brand awareness through marketing efforts

Average monthly subscriber churn

Average monthly subscriber churn of 2.3% (up 28 bps) due to competition

Award winning mobile plans

amaysim won 2 gold Money Magazine Best of the Best 2018 awards and Vaya won the 2017 finder award for mobile[1]

Award winning subscriber experience

amaysim won the:

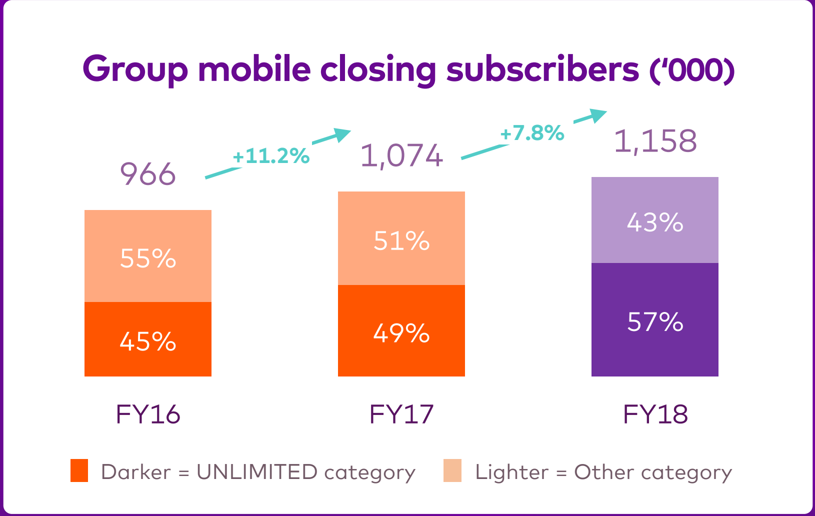
- 2018 CommsDay Edison Award for 'Best Virtual Network Operator'; the second year running
- 2017 Canstar Blue award for Most Satisfied Customers – Mobile SIM Only; the fifth such award since 2013[2]
- Roy Morgan's Australian Customer Satisfaction Award for Mobile Phone Service Provider of the Year 2017; the third such award in the past five years[3]

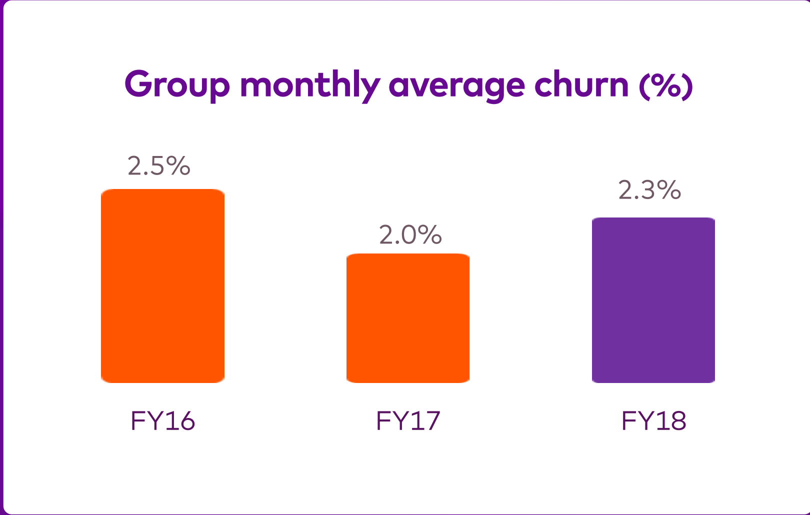
Strong customer satisfaction and word of mouth referral

amaysim recorded one of the lowest levels of complaints in the industry[4] and maintained a high customer referral rate of 90%[5]

Discontinuation of devices

amaysim will close its multi-brand device online stores in 1H19 to redirect capital to the mobile and energy businesses that have higher growth and returns





1. Money Magazine Best of the Best Awards 2018: gold winner in Best-Value Prepaid Mobile Plan (Low Usage) category for its $10 UNLIMITED 1GB mobile plan and gold winner in Best-Value Mobile Plan in the International Calls category for its $30 UNLIMITED 5GB plan ; 2.Canstar Blue Most Satisfied Customers – Prepaid Mobile Services award in 2013 & 2014; Canstar Blue Most Satisfied Customers – Mobile Phone Plan Providers in 2014; Canstar Blue Most Satisfied Customers – Mobile SIM Only Postpaid in 2016 & 2017 ; 3. Roy Morgan's Australian Customer Satisfaction Award for Mobile Phone Service Provider of the Year 2017; amaysim won the third such award in the past five years; 4. 1.0 complaint per 10,000 customers, Telecommunications Complaints in Context, April – June 2018. Applies only to amaysim brand; 5. NPS tracking survey of 1,706 customers, May 2018

energy

Launched amaysim energy in Oct 2017

Dual brand strategy supported strong growth throughout the year in a competitive market. Strong uptake of amaysim energy to both existing amaysim mobile subscribers and new subscribers

Strong growth in energy subscribers

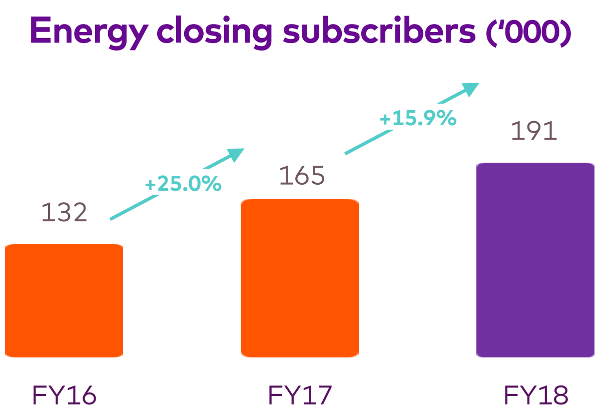
Subscriber growth of 15.9% (26k accounts) despite increased competition in the sector. Growth achieved through both Click's existing channels, amaysim energy and persistent campaigning with strong offers. We begin FY19 with a healthy pipeline of sales which are not yet billable accounts

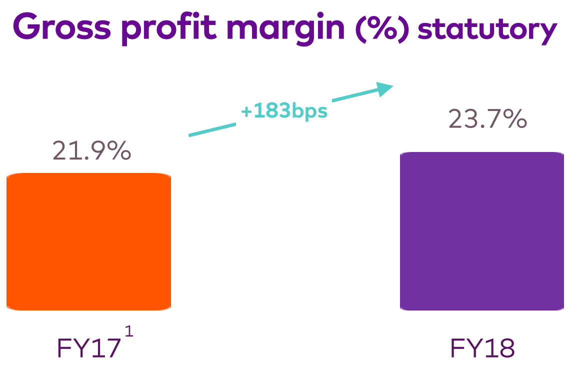
Solid gross margin contribution

Strong gross profit margin of 23.7% reflecting disciplined retail pricing

Increased cross-sell activity

Cross-sell activity progressively increased through 2H18 with multiple campaigns executed. We now have a clear understanding how customers view particular marketing offers and their conversion journey





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

broadband

Growth in subscribers but average monthly churn higher than expected

14.8k broadband subscribers as at 30 June 2018 (up 196.0%). Subscriber growth impacted by decision to keep cost per acquisition low (i.e. reduced promotions, focus on lower cost/volume channels) and preserve margin in the face of increasing competition and nbn product changes. Churn driven by increased competition, end of promotional pricing and higher than anticipated number of customers relocating

Completed build of own national core network infrastructure

Uses highly efficient network design and current technologies to deliver margin and quality of service improvements as customer base grows

Implemented multiple carrier capability with launch of Optus and LBNCo network integration (in addition to AAPT)

Completed nbn direct to POI certification

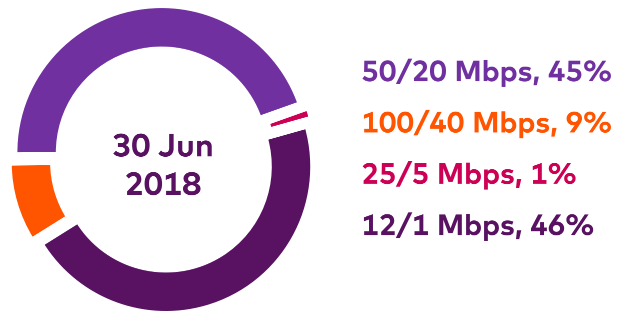
Able to connect direct to some POIs in FY19 to provide business autonomy, improve margins and improve customer experience

Review of broadband

Review of the broadband business driven by unsustainable wholesale costs imposed by the nbn

Group broadband closing subscribers ('000)

amaysim broadband: plan breakdown



amaysim's strategy to deliver shareholder value

Vision	To be Australia's best customer focused utilities provider						
Strategic pillars	Defend and grow mobile	Disrupt retail energy	Expand into other aligned services and segments	Extend technology platforms to enhance speed to deploy additional services	Refine and sharpen our marketing capabilities		
Strategic priorities	Cross-sell, up-sell and focus on quality customer relationships	Expand and improve product range across mobile and energy	Enter one new segment or market, including energy/mobile B2B, organically or via M&A	Unify the sales funnels and invest in tech stack to deploy additional services	Add features available in the amaysim mobile app	Enhance analytics capabilities to deliver insights that will drive customer value	Optimise operating costs, remaining lean and agile
Values	Agility	Simplicity	Reliability	Empathy			

2018 full year results

Leanne Wolski, Chief Financial Officer

amaysim

2018 full year results – financial metrics

$ million (unless stated otherwise)	FY18	FY17	FY18 vs FY17
Statutory net revenue	577.6	326.7	76.8%
Statutory gross profit	153.1	99.1	54.5%
Gross profit margin (%)	*26.5%*	*30.3%*	*(383 bps)*
Underlying operating expenses	106.1	55.5	91.0%
Statutory EBITDA	**37.6**	**33.8**	**11.0%**
Underlying EBITDA	**47.8**	**43.5**	**9.8%**
Underlying NPATA	22.4	25.2	(11.2%)
Underlying operating cash flow after capex	52.7	38.9	35.4%
Underlying EPS (cents)	5.9	11.3	(47.8%)

Refer to appendix A1 for detailed profit and loss statement and appendix A2/A5 for underlying to statutory results reconciliation

All figures reported are for the amaysim Group, which includes the mobile, broadband and energy businesses. FY18 includes 12-months contribution from AusBBS (acquired 23 August 2016) and Click (acquired 1 May 2017); FY17 includes ~10-months contribution from AusBBS, ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click

2018 full year result by segment

$ million (unless stated)	Mobile (ex. devices)	Mobile	Energy	Broadband	Group
Statutory net revenue					
FY18	241.5	259.0	310.0	8.6	**577.6**
FY17	278.5	278.5	45.7	2.5	**326.7**
FY18 v FY17	*(13.3%)*	*(7.0%)*	*578.8%*	*241.4%*	*76.8%*
Statutory gross profit					
FY18	81.7	80.9	73.5	(1.3)	**153.1**
FY17	88.9	88.9	10.0	0.2	**99.1**
FY18 v FY17	*(8.1%)*	*(9.1%)*	*635.3%*	*n.m*	*54.5%*
Gross margin					
FY18	33.8%	31.2%	23.7%	(15.2%)	**26.5%**
FY17	31.9%	31.9%	21.9%	6.0%	**30.3%**
FY18 v FY17	*189 bps*	*(70 bps)*	*181 bps*	*n.m*	*(383 bps)*
Underlying EBITDA					
FY18	31.2		22.9	(6.3)	**47.8**
FY17	43.1		3.1	(2.6)	**43.5**
FY18 v FY17	*(27.5%)*		*642.4%*	*142.2%*	*9.8%*

Refer to appendix A1 for detailed profit and loss statement and appendix A2/A3 for underlying to statutory results reconciliation.

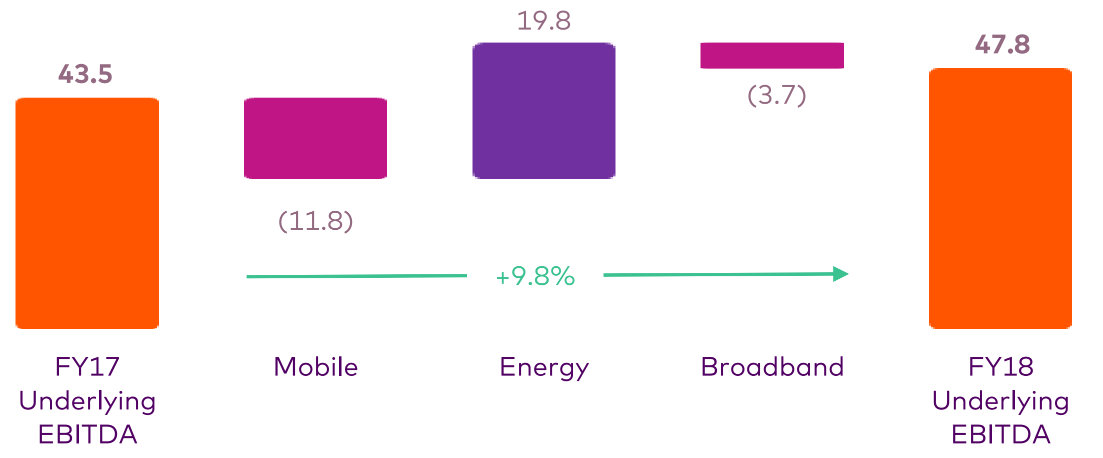
All figures reported are for the amaysim Group, which includes the mobile, broadband and energy businesses. FY18 includes 12-months contribution from AusBBS (acquired 23 August 2016) and Click (acquired 1 May 2017); FY17 includes ~10-months contribution from AusBBS, ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click

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

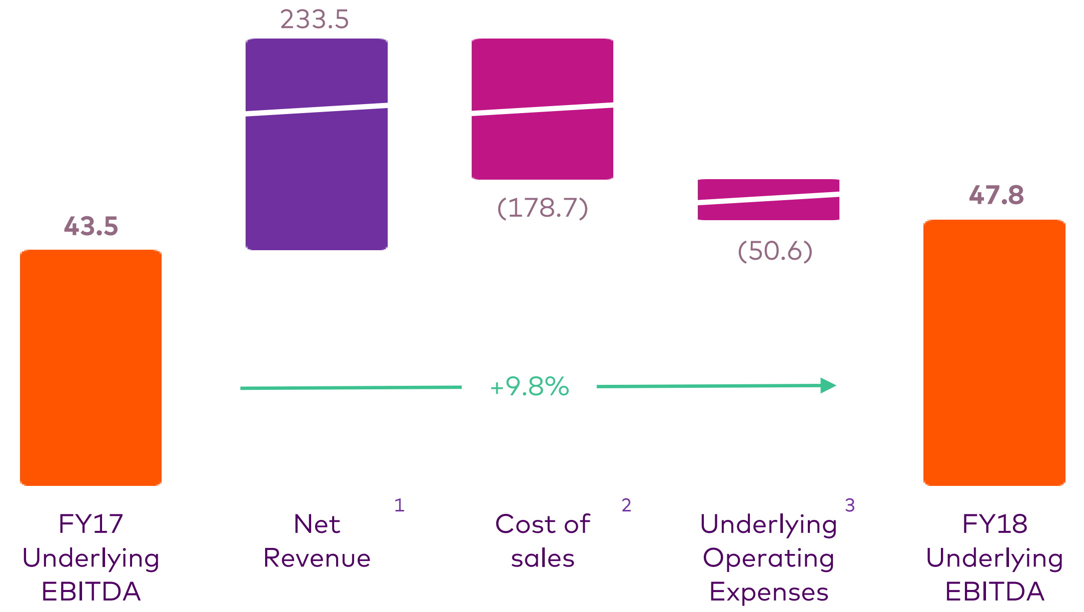
Underlying EBITDA

FY18 underlying earnings up 9.8% primarily driven by the strong 12-month contribution of energy offset by the performance of mobile and broadband

Underlying EBITDA by segment
FY18 v FY17 ($m)



Underlying EBITDA by line item
FY18 v FY17 ($m)

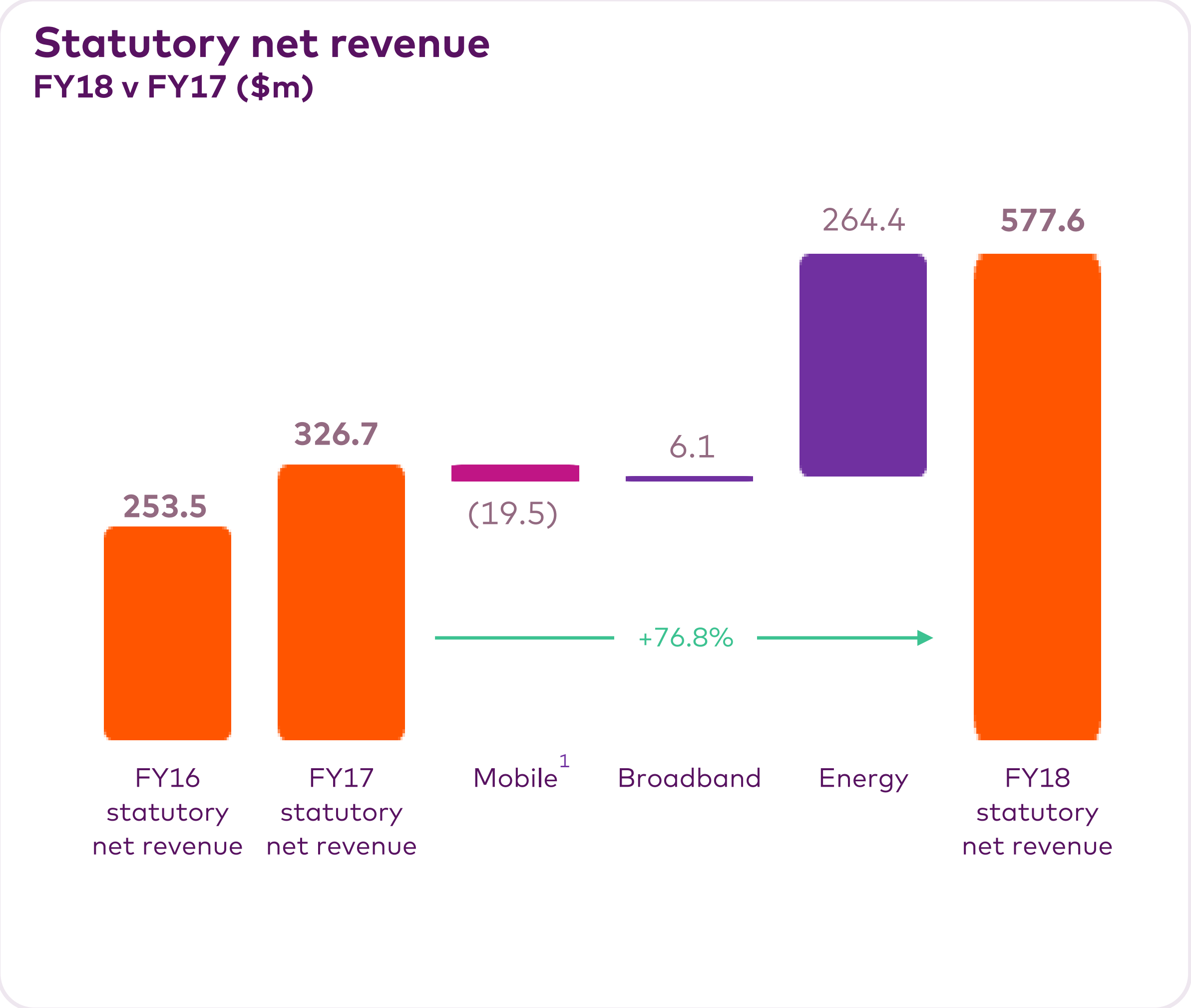


Refer to appendix A2/A3 for underlying to statutory results reconciliation.

All figures reported are for the amaysim Group, which includes the mobile, broadband and energy businesses. FY18 includes 12-months contribution from AusBBS (acquired 23 August 2016) and Click (acquired 1 May 2017); FY17 includes ~10-months contribution from AusBBS, ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click

1. FY18 statutory revenue of $577.6m less $17.4m of statutory net revenue relating to the launch and trading of the amaysim online device store; FY17 statutory revenue of $326.7m
2. FY18 statutory cost of sales of $424.4m less $18.2m of statutory cost of sales relating to marketing costs and promotions with the amaysim online device store; FY17 cost of sales of $227.6m
3. FY18 excludes costs relating to non-core expenses, investment to launch and trading result of amaysim online device store, investment in new mobile products and integration costs directly related to integrating and reorganising acquired businesses Click Energy Group Holdings Pty Ltd and Australian Broadband Services Pty Limited. Refer to appendix A2 for a full reconciliation

Income drivers

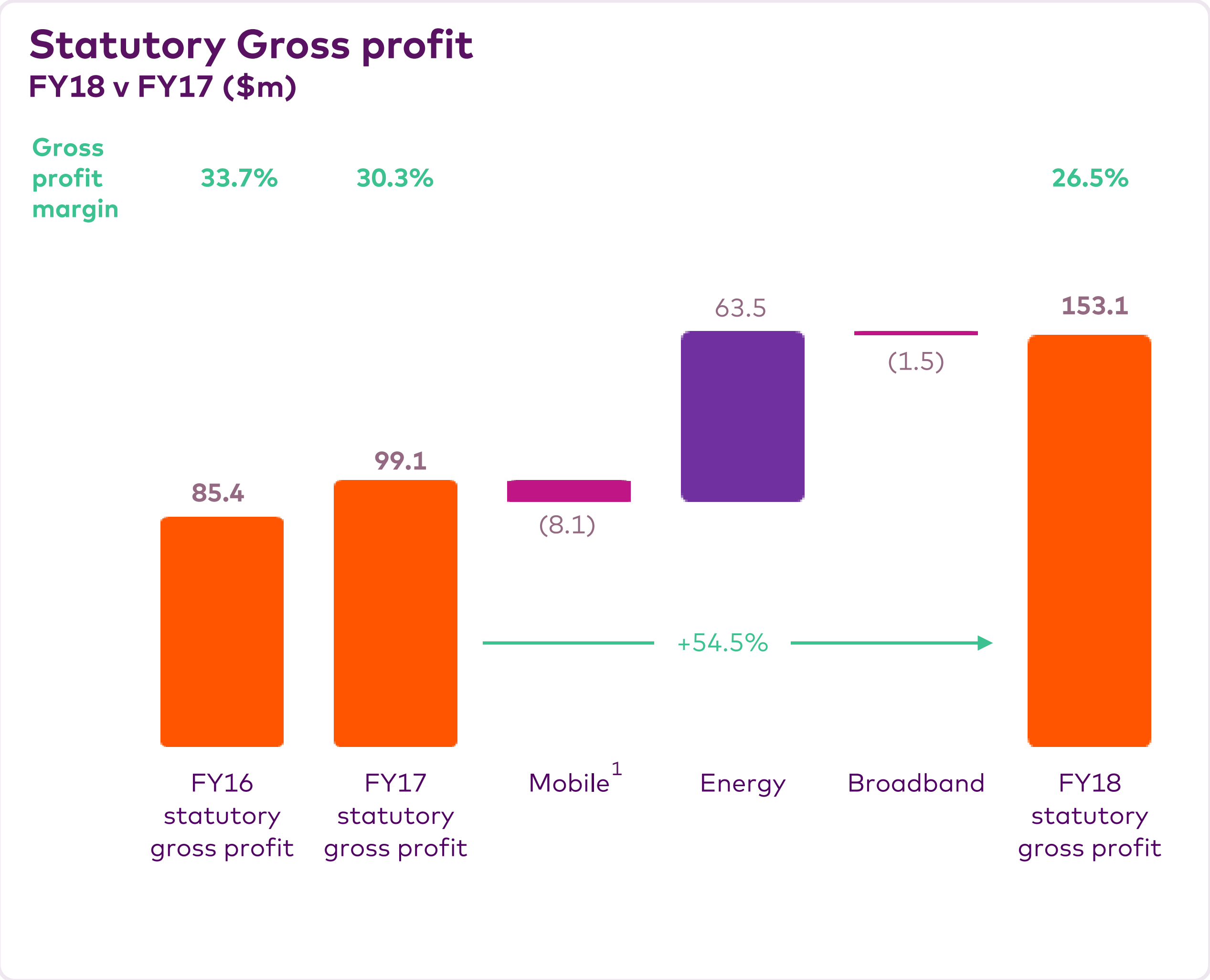


- Statutory net revenue up 76.8% driven by the strong 12-month contribution of energy, solid growth in subscribers across the Group and the launch of devices and amaysim energy
- Energy had a strong revenue performance in FY18 driven by robust growth in subscribers and strong ARPU
- Energy represents ~54% of the Group's net revenue. The amaysim diversification strategy is providing growth and resilience in the business and puts amaysim in a much stronger position to face unprecedented competition in mobile
- Mobile statutory net revenue decreased -7.0% (excluding devices -13.3%) driven by a decline in mobile ARPU following the broadening of the mobile product portfolio into lower priced segments and increased competition
- Broadband statutory revenue grew by 241.3% off a low base driven by subscriber growth and solid ARPU performance

FY18 includes 12-months contribution from AusBBS (acquired 23 August 2016) and Click (acquired 1 May 2017); FY17 includes ~10-months contribution from AusBBS, ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click

1. Includes FY18 devices statutory net revenue of $17.4m

Gross profit drivers



- FY18 gross profit of $153.1m (up 54.5%) primarily driven by the full year contribution of energy
- FY18 gross profit margins declined -383 bps to 26.5% impacted by the inclusion of new verticals (energy has a lower percentage margin than mobile)
- Energy gross profit reflects strong subscriber growth and gross profit margins of 23.7% driven by disciplined retail pricing
- Mobile impacted by the inclusion of devices in FY18 with gross profit down -9.1%. Excluding devices, mobile gross profit was down -8.1% impacted by the reduction in mobile ARPU
- Mobile gross profit margin (excluding devices) was strong at 33.8% (up 189 bps) reflecting a strong relationship with Optus
- Broadband gross profit loss reflects the front loaded expenses of a startup business, including promotional activity to drive customer growth, and higher than expected churn in 2H18

FY18 includes 12-months contribution from AusBBS (acquired 23 August 2016) and Click (acquired 1 May 2017); FY17 includes ~10-months contribution from AusBBS, ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click

1. Includes FY18 devices gross loss of $0.8m

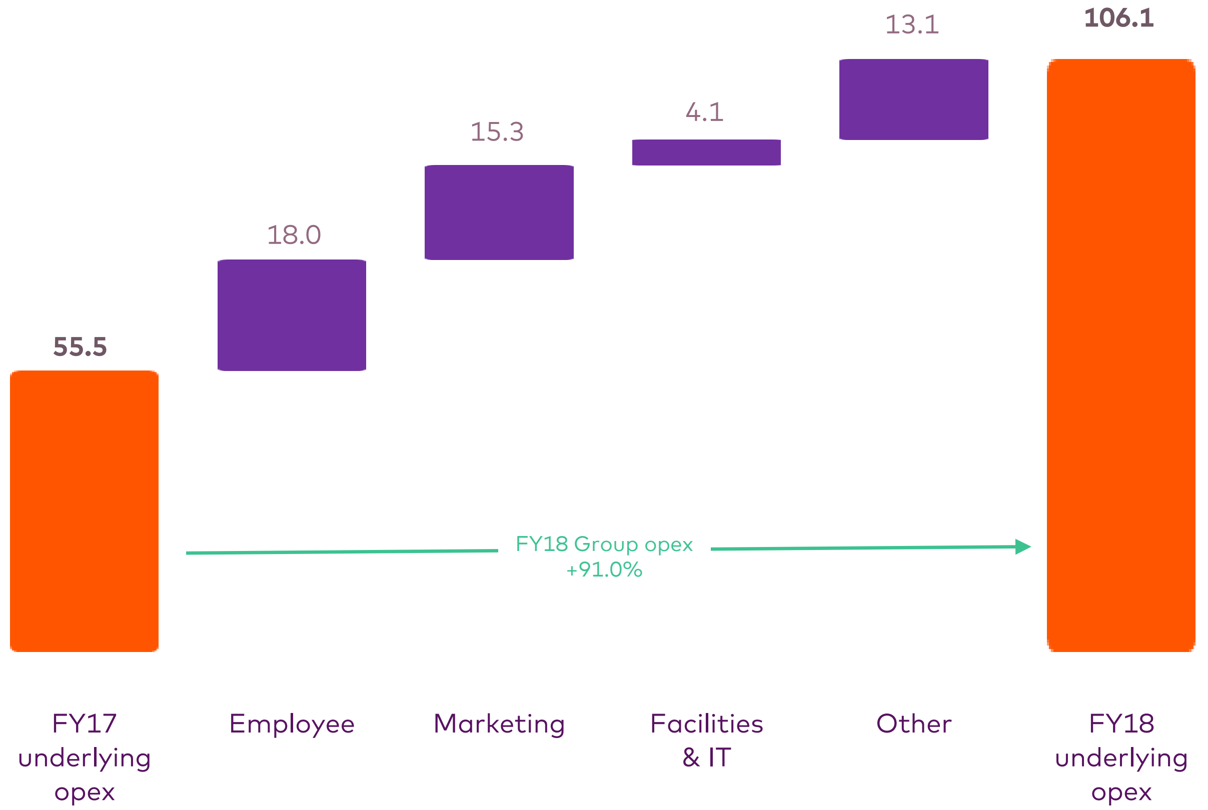
Operating expense drivers

FY18 Group underlying operating costs up 91.0% primarily driven by the addition of new verticals – energy and broadband. Excluding new verticals, FY18 operating costs were up 10.1% reflecting increased cost for shared services

- Employee expenses increased by 78.2% reflecting higher headcount from addition of new verticals and growth in business
- Marketing costs up 166.7% driven by increased marketing efforts to increase brand awareness, additional acquisition costs to launch amaysim energy and from traditional energy channels (i.e. marketing, commissions) and promotional activity in broadband
- Other costs increased 88.8% reflecting higher provisioning for doubtful debts as the energy business and revenue grows

Underlying operating expenses[1]

FY18 v FY17 ($m)



FY18 includes 12-months contribution from AusBBS (acquired 23 August 2016) and Click (acquired 1 May 2017); FY17 includes ~10-months contribution from AusBBS, ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click

1. Underlying operating expenses exclude non core expenses, acquisition and integration costs as well as strategic investment in new mobile products and devices. Refer to appendix A1/A2 for full reconciliation of underlying to statutory operating expenses

Mobile segment performance

$ million (unless stated)	Mobile (ex. devices) FY18	FY17	FY18 vs FY17	Devices FY18	Mobile + Devices FY18
Statutory net revenue	241.5	278.5	(13.3%)	17.4	259.0
Statutory cost of sales	(159.9)	(189.5)	(15.7%)	(18.2)	(178.1)
Statutory gross profit	**81.7**	**88.9**	**(8.1%)**	**(0.8)**	**80.9**
Gross profit margin (%)	*33.8%*	*31.9%*	*189 bps*	*(4.7%)*	*31.2%*
Underlying operating expenses	(50.5)	(45.9)	10.1%		
Underlying EBITDA	**31.2**	**43.1**	**(27.5%)**		
EBITDA margin (%)	*12.9%*	*15.5%*	*(254 bps)*		
Closing subscribers ('000)	1,158	1,074	7.8%		
ARPU ($)	$17.87	$22.46	(20.4%)		

Refer to appendix A2/A3 for underlying to statutory results reconciliation.
Due to rounding, numbers presented in the table above may not add up precisely to the totals provided.

- Mobile statutory net revenue of $259.0m (down -7.0%). Excluding devices, mobile statutory net was $241.5m (down -13.3%) reflecting increasing competitive pressure
- Net revenue was driven by solid subscriber growth (up 7.8%) but offset by a decrease in ARPU. 2H18 subscriber growth of (up 2.8% hoh) reflecting increased competition in the sector
- ARPU declined -20.4% following the inclusion of lower priced plans within the amaysim mobile product portfolio and increased data inclusions. ARPU stabilised in 2H18 as the rate of existing subscribers migrating to lower price plans slowed
- Churn has remained stable at approximately 2.3%
- Mobile gross profit margin excluding devices was strong at 33.8% (up 189 bps) reflecting a strong relationship with Optus
- Underlying operating expenses up 10% reflecting the growth in the Group as costs of shared services have been included in mobile (including accounting, IT, engineering)
- Devices generated a gross profit loss of $0.8m reflecting marketing and promotions associated with the launch. This activity was reduced in 2H18 resulting in statutory net revenue growth decreasing -50% hoh

Energy segment performance

$ million (unless stated)	FY18	FY17[1] (2 months contribution)	FY18 vs FY17
Statutory net revenue	310.0	45.7	578.8%
Statutory cost of sales	(236.5)	(35.7)	563.0%
Statutory gross profit	**73.5**	**10.0**	**635.3%**
Gross profit margin (%)	*23.7%*	*21.9%*	*183 bps*
Underlying operating expenses	(50.6)	(6.9)	632.2%
Underlying EBITDA	**22.9**	**3.1**	**642.4%**
EBITDA margin (%)	*7.4%*	*6.8%*	*63 bps*
Closing subscribers ('000)	191	165	15.9%
ARPU ($)	142.96	139.82	2.2%

Refer to appendix A2/A3 for underlying to statutory results reconciliation.
Due to rounding, numbers presented in the table above may not add up precisely to the totals provided.
1. FY17 reflects ~2 months contribution from Click that was acquired on 1 May 2017

- Solid earnings performance delivering underlying EBITDA of $22.9m driven by strong revenue and gross profit margin performance
- Statutory net revenue of $310.0m driven by solid growth in subscribers (up 15.9%) driven by the launch of new amaysim energy in October 2017 and continued growth in Click's existing channels
- Strong gross margin of 23.7% (up 183 bps) due to segmented acquisition focus and disciplined retail pricing
- Operating expenses of $50.6m in line with business growth and driven by:
  - increased acquisition costs to launch amaysim energy and drive strong energy subscriber growth (i.e. marketing, commissions)
  - higher provisioning for doubtful debts as a result of revenue and subscriber growth

Broadband segment performance

$ million (unless stated)	FY18	FY17[1]	FY18 vs FY17
Statutory net revenue	8.6	2.5	241.4%
Statutory cost of sales	(9.9)	(2.4)	318.5%
Statutory gross profit	**(1.3)**	**0.2**	**n.m**
Gross profit margin (%)	*(15.2%)*	*6.0%*	*n.m*
Underlying operating expenses	(5.0)	(2.8)	81.2%
Underlying EBITDA	**(6.3)**	**(2.6)**	**142.2%**
Closing subscribers ('000)	15	5	196.0%
ARPU ($)	60.97	52.76	15.6%

Refer to appendix A2/A3 for underlying to statutory results reconciliation.

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

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

- Statutory net revenue of $8.6m (up 241.4%) driven by growth in subscribers and solid ARPU performance
- Broadband subscribers up 196.0% to approximately 15k as at 30 June 2018. In 2H18, subscriber growth slowed to 13.9% hoh impacted by:
  - the decision to keep cost per acquisition low and preserve margin in the face of increasing competition and NBN product changes
  - an increase in churn driven by increased competition, end of promotional pricing and higher than anticipated number of customers relocating
- ARPU for amaysim broadband of $60.97 driven by amaysim nbn product mix with ~54% of subscribers choosing a speed tier of 50/20 Mbps or 100/40 Mbps
- Gross margin loss of $1.3m reflecting the front loaded expenses of a startup business, including promotional activity to drive customer growth, and higher than expected churn in 2H18
- Underlying operating costs of $5.0m (up 81.1%) driven by growth in the business. 2H18 operating costs of $2.0m (down 31% hoh) reflecting lower marketing spend

Balance sheet

As at 30 June $ million	Jun 18 statutory	Jun 17 statutory	movement
Cash and cash equivalents	9.8	18.1	(8.3)
Trade receivables	60.0	43.8	16.2
Derivative financial instruments	0.1	7.6	(7.5)
Current tax assets	3.2	-	3.2
Other current assets	5.4	6.2	(0.8)
Total current assets	**78.5**	**75.7**	**2.9**
Property, plant and equipment	4.4	3.1	1.3
Intangible assets	203.3	209.7	(6.4)
Derivative financial instruments	-	3.3	(3.3)
Other non-current assets	0.5	0.9	(0.3)
Total non-current assets	**208.3**	**216.9**	**(8.6)**
Total assets	**286.8**	**292.5**	**(5.8)**
Trade and other payables	107.6	82.8	24.9
Customer deposits	2.4	3.2	(0.7)
Deferred revenue	8.4	9.9	(1.5)
Borrowings	13.6	13.6	(0.0)
Derivative Financial Instruments	7.7	-	7.7
Provisions	6.1	6.2	(0.2)
Current tax liabilities	-	10.1	(10.1)
Total current liabilities	**145.8**	**125.7**	**20.1**
Derivative Financial Instruments	0.2	-	0.2
Borrowings	76.0	82.6	(6.6)
Provisions	4.1	3.1	1.0
Deferred tax liabilities	3.0	4.9	(1.9)
Total non-current liabilities	**83.3**	**90.6**	**(7.2)**
Total liabilities	**229.2**	**216.3**	**12.9**
Net assets	**57.6**	**76.2**	**(18.6)**
Contributed equity	118.3	114.7	3.6
Equity compensation reserve	(8.2)	(5.0)	(3.2)
Cash flow hedge reserve	(5.5)	5.4	(10.9)
Foreign currency translation reserve	(0.3)	(0.2)	(0.1)
Retained Profits	17.3	25.3	(8.0)
Accumulated losses (prior years)	(64.0)	(64.0)	-
Total equity	**57.6**	**76.2**	**(18.6)**

Notes: Due to rounding, numbers presented in the table above may not add up precisely to the totals provided. All figures reported are for the amaysim Group, which includes the mobile, broadband and energy businesses.

- Cash and cash equivalents decreased by $8.3m due to net repayment of borrowings ($8.0m), repayment of the Optus liability as a result of the Vaya acquisition ($11.8m), payment of the 2017 final dividend ($10.8m) offset by operating and investing cash inflows of $22.2m
- Trade receivables increased $16.2m primarily driven by energy due to an increase in subscribers and higher energy prices
- Current tax assets represents an income tax receivable from the ATO. This is driven by income tax instalments paid during the year
- Intangible assets decreased by $6.4m driven by internal software development offset by amortization over the period, in particular the additional amortization from the finalisation of the Click purchase price allocation, and impairment of intangible assets (website and platforms) related to the devices and broadband verticals
- Net deferred tax liability decreased by $1.9m due to the balance of derivative financial instruments changing to a liability position in FY18 and recognition of additional Click intangible assets
- Derivative financial instruments represents fair value of energy hedges with the movement driven by a fall in forward energy prices
- Trade and other payables grew $24.9m driven by increased energy subscribers and wholesale prices

Cash flow

as at 30 Jun 2018 $ million	FY18 underlying	FY17 underlying	movement
EBITDA	**47.8**	**43.5**	**4.3**
Non-cash expenses	1.4	0.7	0.7
Changes in working capital	18.8	6.1	12.7
Capital expenditure	(15.3)	(11.5)	(3.8)
Operating cash flow after capex	**52.7**	**38.9**	**13.8**
Income tax paid	(13.7)	(2.9)	(10.8)
Net Interest (expense)/income	(6.3)	(0.2)	(6.1)
Free cash flow	**32.7**	**35.8**	**(3.1)**
Payments to Optus (VAYA)	(11.8)	(20.3)	8.5
Decrease/(increase) in security deposit and bank guarantees	(0.2)	13.0	(13.2)
Launch of new verticals	(3.3)	-	(3.3)
Investment in new mobile products	(2.6)	-	(2.6)
Non-core expenses	(0.7)	(2.9)	2.3
Proceeds from Airtasker share sale	-	2.0	(2.0)
Acquisition of Click			
Acquisition related expenses	-	(5.5)	5.5
Integration related expenses	(3.7)	(1.4)	(2.3)
Restructure of debt facilities (P&L expense)	-	(1.9)	1.9
Repayment of Optus activation fee liability on debt restructure	-	(13.4)	13.4
Repayment of borrowings	(15.0)	-	(15.0)
Proceeds from borrowing	7.1	100.0	(93.0)
Payments of capitalised transaction costs	-	(3.8)	3.8
Payment for acquisition of subsidiary net of cash acquired	-	(79.8)	79.8
Net cash flow before dividends	**2.5**	**21.8**	**(19.3)**

- Underlying operating cash flow after capex increased $13.8m to $52.7m implying a cash conversion rate of approximately 110%. This was primarily driven by a $12.7m increase in working capital reflecting favourable payment terms from trade and other suppliers and the inclusion of energy
- Capital expenditure increased $3.8m as the company invested in its website and platforms
- The last payment remaining to Optus in relation to the Vaya liability was paid in January 2018
- Investment in new mobile products of $2.6m was associated with the 'Just What You Need' marketing campaign
- Launch of new verticals relates to the $3.3m loss associated with the amaysim online device store
- Non-core expenses relate to staff redundancy and termination expenses associated with restructuring and consultant costs related the adoption of new accounting standards

Notes: Due to rounding, numbers presented in the table above may not add up precisely to the totals provided. All figures reported are for the amaysim Group, which includes the mobile, broadband and energy businesses. FY18 includes 12-months contribution from AusBBS (acquired 23 August 2016) and Click (acquired 1 May 2017); FY17 includes ~10-months contribution from AusBBS, ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click

Australian accounting standard changes impact – AASB 15

- The new revenue standard AASB 15 is applicable from 1 July 2018 for the financial year ending 30 June 2019

- The Group will adopt the modified retrospective method with the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of retained earnings as of 1 July 2018

- The Group has analysed and assessed the impact of the new standard on its financial results. The following implications are expected from 1 July 2018:

  - Upfront fees and commissions incurred to obtain contract and contract fulfillment costs, which are currently expensed when incurred, will be capitalised and amortised over the expected life of the customer

  - Mobile access fees, do not meet the definition of a performance obligation under the new standard, and will be recognised over the period of the contract

  - Occupiers revenue which is currently recognised when billed, will be only recognised when cash is received

  - Discounts included in most cross-sell offers will be allocated proportionally across all verticals. Currently only the vertical benefiting from the offer bear the related costs. For specifics bundles (including an option for future services), AASB 15 might result in a latter revenue recognition.

- The financial impact of these changes on the consolidated statement financial position on transition is a cumulative net increase in retained earnings of ~$12.2m (before tax) due primarily to the capitalisation of previously expensed contract acquisition costs.

2018 full year results

Peter O'Connell, CEO and Managing Director

amaysim

FY19 outlook

FY19 underlying EBITDA

for the amaysim Group will reflect:

- Continued earnings growth in energy whilst we closely monitor the government's response to the ACCC electricity pricing inquiry and finalisation of the National Energy Guarantee
- Competition to continue to put pressure on mobile ARPU and margins despite mobile subscriber growth
- Reduction in operating costs driven by simplification of the Group's structure and disciplined cost management
- Discontinuation of devices

Other FY19 catalysts

that may drive earnings:

- Plans in place to defend and grow mobile, including the launch of new mobile products
- Continued investment in spectrum and mobile networks (4.5G and 5G) by carriers and potential consolidation of TPG and VHA, which may set the trend for a more rational market and lead to an increase in mobile ARPU and margin by the end of the financial year
- Outcome from review of broadband business

Summary

- Solid performance in a competitive environment across mobile and energy driven by new product launches, the refresh of the mobile product suite and successful marketing campaigns

- Continued to execute on initiatives that will drive future growth:

    - introduced lower price points into the mobile product suite targeting new segments, protecting against future market changes and broadening amaysim's competitive positioning

    - continued to develop our technology platforms to enable the company to launch new verticals under the amaysim brand (devices, energy) and drive cross-sell

    - launched the Just What You Need marketing campaign to raise brand awareness and drive growth

- The company's diversification strategy is providing growth and resilience in the business and puts it in a much stronger position to face unprecedented competition in mobile

- Focus for management team is to grow awareness of amaysim as a utilities provider and increase cross-sell of energy to our significant mobile subscriber base

2018 full year results

Appendix

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A1. Detailed profit and loss statement

$ million	FY18 underlying	FY17 underlying	FY18 vs FY17 underlying	FY18 statutory	FY17 statutory	FY18 vs FY17 statutory
Net revenue	**560.2**	**326.7**	**71.5%**	**577.6**	**326.7**	**76.8%**
Cost of Sales	(406.3)	(227.6)	78.5%	(424.6)	(227.6)	86.5%
Gross profit	**153.9**	**99.1**	**55.3%**	**153.1**	**99.1**	**54.5%**
****Other Income (Airtasker income excluded from underlying)***	**-**	**-**	**-**	**-**	**2.0**	**n.a**
Employee expenses	(41.0)[1]	(23.0)	78.2%	(44.0)	(25.9)	69.8%
Marketing expenses	(24.5)[2]	(9.2)	166.7%	(27.7)	(9.2)	202.1%
Facilities and I.T. expenses	(12.7)[3]	(8.5)	48.3%	(13.1)	(8.5)	53.2%
Integration costs	-	-	-	(2.3)	-	n.a
Acquisition expenses	-	-	-	-	(8.8)	(100.0%)
Other Expenses	(27.9)[4]	(14.8)	88.8%	(28.3)	(14.8)	91.7%
Total expenses	**(106.1)**	**(55.5)**	**91.0%**	**(115.5)**	**(67.3)**	**71.8%**
EBITDA	**47.8**	**43.5**	9.8%	**37.6**	**33.8**	11.0%
Depreciation, amortization and impairment	(23.2)	(9.5)	144.1%	(26.6)	(9.5)	180.3%
EBIT	**24.6**	**34.0**	**(27.6)%**	**10.9**	**24.3**	**(55.2%)**
Net interest (expense)/income	(7.9)	(3.3)	141.6%	(7.9)	(3.3)	141.6%
Profit before tax	**16.7**	**30.8**	**(45.6)%**	**3.0**	**21.1**	**(85.7%)**
Tax expense	(4.4)	(9.6)	(53.7)%	(0.3)	(9.6)	(96.8)%
NPAT	**12.3**	**21.2**	**(41.9)%**	**2.7**	**11.5**	**(76.4%)**
Add: Tax affected amortisation of acquired contracts and intangibles other than software	10.1	4.0	151.7%	10.1	4.0	151.7
NPATA	**22.4**	**25.2**	**(11.2)%**	**12.8**	**15.5**	**(17.6%)**

Due to rounding, numbers presented in the table above may not add up precisely to the totals provided. All figures reported are for the amaysim Group, which includes the mobile, broadband and energy businesses. FY18 includes 12-months contribution from AusBBS (acquired 23 August 2016) and Click (acquired 1 May 2017); FY17 includes ~10-months contribution from AusBBS, ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click

1. Excludes $3.0m of employee costs in relation to the integration of Click ($1.4m), staff redundancy and termination expenses associated with restructuring activities ($0.3m), employee costs related to the amaysim online device store ($1.3m)
2. Excludes $3.2m in costs consisting of costs the launch the 'Just What You Need' marketing campaign to promote amaysim's new sub-$20 mobile plan and support the Group's brand awareness ($2.6m) and marketing and promotion costs related to the amaysim online device store ($0.6m)
3. Excludes $0.4m of costs related to the devices business that has been discontinued
4. Excludes $0.5m of costs that includes non-core expenses related to the implementation project for new accounting standards which are effective in 2019 ($0.4m) and the other costs related to the devices business that has been discontinued ($0.1m)

A2. FY18 underlying to statutory results reconciliation

		EBITDA		EBIT		NPAT		NPATA		Total expenses[1]	
$ million	Note	FY18	FY17	FY18	FY17	FY18	FY17	FY18	FY17	FY18	FY17
Statutory results		**37.6**	**33.8**	**10.9**	**24.3**	**2.7**	**11.5**	**12.8**	**15.5**	**115.5**	**67.3**
Add back/(deduct):											
Acquisition related expenses	i	-	5.5	-	5.5	-	5.5	-	5.5	-	(5.5)
Non-core income - Airtasker share sale	ii	-	(2.0)	-	(2.0)	-	(2.0)	-	(2.0)	-	-
Non-core expenses	iii	0.7	2.9	0.7	2.9	0.7	2.9	0.7	2.9	(0.7)	(2.9)
Launch of new verticals	iv	3.3	-	3.3	-	3.3	-	3.3	-	(2.4)	-
Investment in new mobile products	v	2.6	-	2.6	-	2.6	-	2.6	-	(2.6)	-
Restructure of debt facilities on acquisition	vi	-	1.9	-	1.9	-	1.9	-	1.9	-	(1.9)
Integration expenses	vii	3.7	1.4	3.7	1.4	3.7	1.4	3.7	1.4	(3.7)	(1.4)
Derecognition of tax losses due to acquisition of Click	viii	-	-	-	-	-	1.8	-	1.8	-	-
Impairment	ix	-	-	3.4	-	3.4	-	3.4	-	-	-
Income tax adjustment	x	-	-	-	-	(4.1)	(1.8)	(4.1)	(1.8)	-	-
Underlying results		**47.8**	**43.5**	**24.6**	**34.0**	**12.3**	**21.2**	**22.4**	**25.1**	**106.1**	**55.5**

Due to rounding, numbers presented in the table above may not add up precisely to the totals provided. All figures reported are for the amaysim Group, which includes the mobile, broadband and energy businesses. FY18 includes 12-months contribution from AusBBS (acquired 23 August 2016) and Click (acquired 1 May 2017); FY17 includes ~10-months contribution from AusBBS, ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click

1. Operating expenses exclude expenses related to network, finance, amortization, depreciation and impairment 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 and Australian Broadband Services Pty Limited
ii. During the prior period shares held in Airtasker were sold
iii. Non-core expenses relate to staff redundancy expenses associated with restructuring and costs associated with the implementation project for new accounting standards which are effective in 2019
iv. Investment to launch and trading result of amaysim online device store, which is to be closed in 1H19 as a result of review of capital allocation strategy
v. 'Just What You Need' marketing campaign to promote amaysim's new sub-$20 mobile plan and support the Group's brand awareness
vi. Debt financing fees associated with the restructuring of Optus security arrangements to allow new CBA/WBC debt facilities for acquisition of Click
vii. Integration related expenses comprise of costs directly related to integrating and reorganising acquired businesses Click Energy Group Holdings Pty Ltd and Australian Broadband Services Pty Limited and allocated employee expenses
viii. Future Income Tax Benefit written off due to acquisition of Click and change in business
ix. Impairment of intangible assets related to the devices and broadband business due to reassessment of future capital allocation strategy
x. Income tax adjustment is the tax impact of the underlying NPAT and NPATA adjustments

A3. FY18 EBITDA underlying to statutory results reconciliation by segment

$ million	Note	Mobile FY18	Mobile FY17	Broadband FY18	Broadband FY17	Energy FY18	Energy FY17	Group FY18	Group FY17
Statutory EBITDA		**23.4**	**34.7**	**(6.3)**	**(3.6)**	**20.4**	**2.8**	**37.6**	**33.8**
Add back/(deduct):									
Acquisition related expenses	i	-	5.5	-	-	-	-	-	5.5
Non-core income - Airtasker share sale	ii	-	(2.0)	-	-	-	-	-	(2.0)
Non-core expenses	iii	0.7	2.9	-	-	-	-	0.7	2.9
Launch of new verticals	iv	3.3	-	-	-	-	-	3.3	-
Investment in new mobile products	v	2.6	-	-	-	-	-	2.6	-
Restructure of debt facilities on acquisition	vi	-	1.9	-	-	-	-	-	1.9
Integration expenses	vii	1.3	0.1	-	1.0	2.5	0.3	3.7	1.4
Underlying EBITDA		**31.2**	**43.1**	**(6.3)**	**(2.6)**	**22.9**	**3.1**	**47.8**	**43.5**

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

Notes:

i. Acquisition related expenses comprise transaction expenses incurred in the process of acquiring Click Energy Group Holdings Pty Ltd and Australian Broadband Services Pty Limited

ii. During the prior period shares held in Airtasker were sold

iii. Non-core expenses relate to staff redundancy expenses associated with restructuring and costs associated with the implementation project for new accounting standards which are effective in 2019

iv. Investment to launch and trading result of amaysim online device store, which is to be closed in 1H19 as a result of review of capital allocation strategy

v. 'Just What You Need' marketing campaign to promote amaysim's new sub-$20 mobile plan and support the Group's brand awareness

vi. Debt financing fees associated with the restructuring of Optus security arrangements to allow new CBA/WBC debt facilities for acquisition of Click

vii. Integration related expenses comprise of costs directly related to integrating and reorganising acquired businesses Click Energy Group Holdings Pty Ltd and Australian Broadband Services Pty Limited and allocated employee expenses

A4. Cash flow statement - statutory

$ million	30 Jun 2018	30 Jun 2017	movement
Cash flows from operating activities			
Receipts from customers (incl. of GST)	615.8	355.9	260.0
Payments to suppliers and employees (incl. of GST)	(558.1)	(317.3)	(240.9)
Repayment of Optus activation fee liability on debt restructure	-	(13.4)	13.4
Repayment of Optus liability acquired on Vaya acquisition	(11.8)	(20.3)	8.5
Income taxes paid	(13.7)	(2.9)	(10.8)
Finance expenses	(6.4)	(0.4)	(6.1)
Interest received	0.2	0.2	0.0
Net cash inflows from operating activities	**25.9**	**1.8**	**24.1**
Cash flows from investing activities			
Payments for acquisition of subsidiary net of cash acquired	-	(79.8)	79.8
Proceeds from sale of investments	-	2.1	(2.1)
Payments for property, plant and equipment	(2.9)	(2.6)	(0.3)
(Increase) /decrease in security deposits and bank guarantees	(0.2)	13.0	(13.2)
Payments for intangible assets	(12.4)	(8.9)	(3.5)
Net cash outflows from investing activities	**(15.5)**	**(76.1)**	**60.7**
Cash flows from financing activities			
Dividends paid	(10.8)	(17.1)	6.4
Repayment of borrowing	(15.0)	-	(15.0)
Proceeds from borrowing	7.1	100.0	(93.0)
Payments of capitalised transaction costs	-	(3.8)	3.8
Net cash (outflows)/ inflows from financing activities	**(18.7)**	**79.0**	**(97.7)**
Net increase/(decrease) in cash and cash equivalents	**(8.3)**	**4.7**	**(13.0)**
Cash and cash equivalents at the beginning of the financial year	18.1	13.4	4.7
Cash and cash equivalents at the end of the year	**9.8**	**18.1**	**(8.3)**

Due to rounding, numbers presented in the table above may not add up precisely to the totals provided. All figures reported are for the amaysim Group, which includes the mobile, broadband and energy businesses. FY18 includes 12-months contribution from AusBBS (acquired 23 August 2016) and Click (acquired 1 May 2017); FY17 includes ~10-months contribution from AusBBS, ~2-months contribution from amaysim nbn (launched 5 May 2017) and 2-months contribution from Click

A5. Statutory to underlying operating cash flow after capex reconciliation

$ million	FY18
Statutory net operating cash flows	**25.9**
Net interest paid	6.3
Income tax paid	13.7
Repayment of Optus liability assumed on Vaya acquisition	11.8
Capital expenditure	(15.3)
Acquisition related transaction and integration expenses	3.7
Non-core expenses	0.7
Investment in devices	3.3
Investment in new mobile products	2.6
Underlying operating cash flows after CAPEX	**52.7**

Due to rounding, numbers presented in the table above may not add up precisely to the totals provided. All figures reported are for the amaysim Group, which includes the mobile, broadband and energy businesses.

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