

Cabcharge



# Results Presentation

Year Ended 30 June 2018

# FY18 Highlights – momentum building

A

B

#1 PAYMENT  
TERMINAL  
PROVIDER

↑ **\$993m**  
Taxi fares  
processed

↑ **4.5%**  
yoy growth  
in fares processed

**7,033**  
handheld  
terminals

#1 TAXI  
NETWORK

↑ **9,471**  
affiliated fleet size

↑ **28%**  
yoy growth in fleet

**190**  
operated fleet

#1 TAXI APP

**1.5m+**  
downloads

↑ **74%**  
app downloads

**4.7**  
star rating in Apple's  
App Store

INVESTING IN  
BRANDS AND  
TECHNOLOGY

**13cabs**  
national rebrand

**4.4 star**  
average Passenger trip rating

**Digital Pass**  
payments Innovation

Our vision is to be Australia's leading personal transport business, the first choice for Passengers, the preferred Taxi Network and payments partner for Drivers, and the employer of choice in the personal transport sector.

Cabcharge

CABCHARGE

13cabs

Cabcharge

# Financial summary – a reset business

<p><b>REVENUE</b></p> <p><b>\$185.5m</b></p> <p>FY17: \$151.9m Up 22.1% vs pcp</p>	<p><b>FARES PROCESSED</b></p> <p><b>\$992.8m</b></p> <p>FY17: \$950.2m Up 4.5% vs pcp</p>
<p><b>UNDERLYING EBITDA*</b></p> <p><b>\$34.6m</b></p> <p>FY17: \$48.4m Down 28.4% vs pcp</p>	<p><b>UNDERLYING NPAT</b></p> <p><b>\$13.6m</b></p> <p>FY17: \$21.3m Down 36.2% vs pcp</p>
<p><b>FY18 DIVIDEND</b></p> <p><b>8 cents</b></p> <p>(Final dividend 4 cents) Per share fully franked FY17: 20 cents</p>	<p><b>NET CASH</b></p> <p><b>\$19.2m</b></p> <p>30 June 2017: \$25.8m free cash flow \$14.2m</p>

\*Please see slide 26 and 27 for underlying and statutory financial summary

## Reset earnings base

- First full year results following divestments of prior year
  - Underlying EBITDA of \$34.6m
  - Underlying NPAT of \$13.6m
- Represents a reset earnings base with strategic investments in people, marketing and technology

## Group revenue up 22% as growth continues in key revenue streams

- Fares processed up 4.5%
- Fleet size increased by 28%

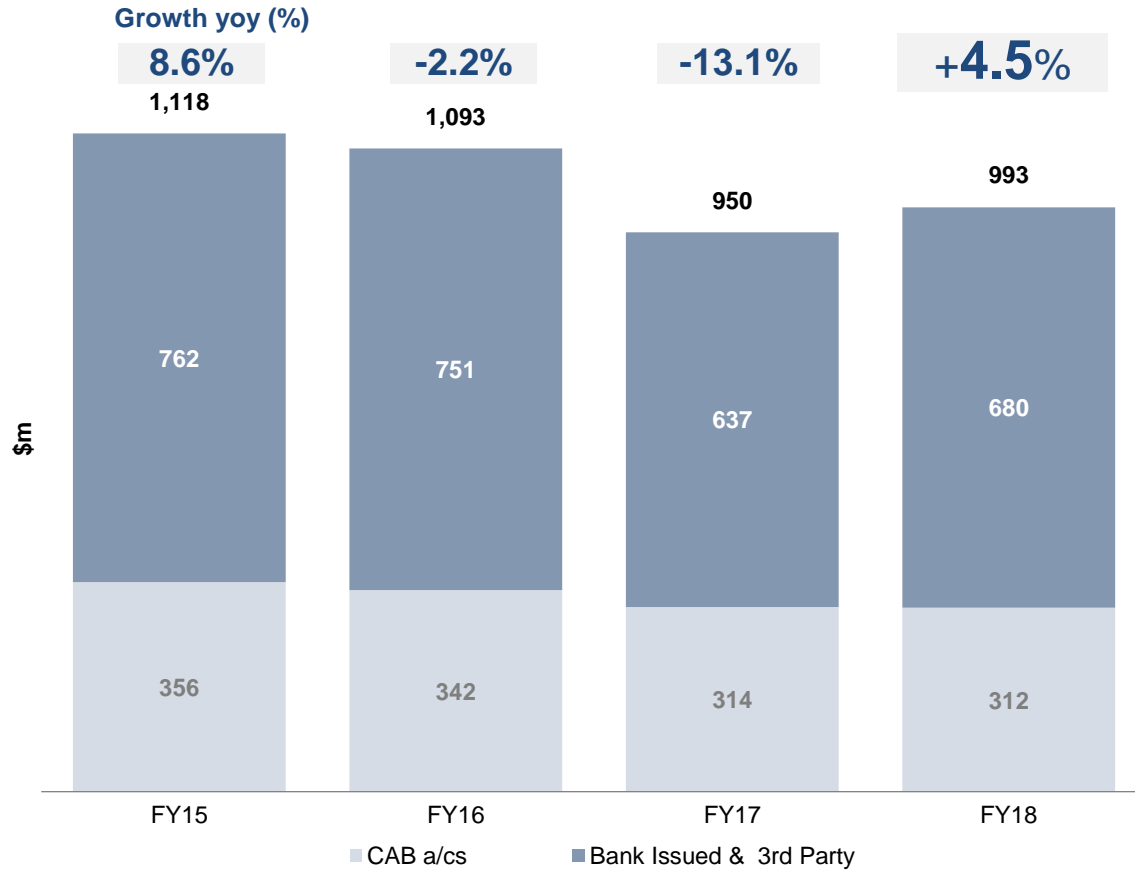
## Strong net cash position supports a disciplined approach to M&A

- \$6.6m acquisition of Mobile Technologies International (pending ACCC approval) to accelerate improvements for Passengers and Drivers
- Acquisition of Yellow Cabs Queensland

**Full year dividend of 8 cents represents a payout ratio of 71% of underlying NPAT**

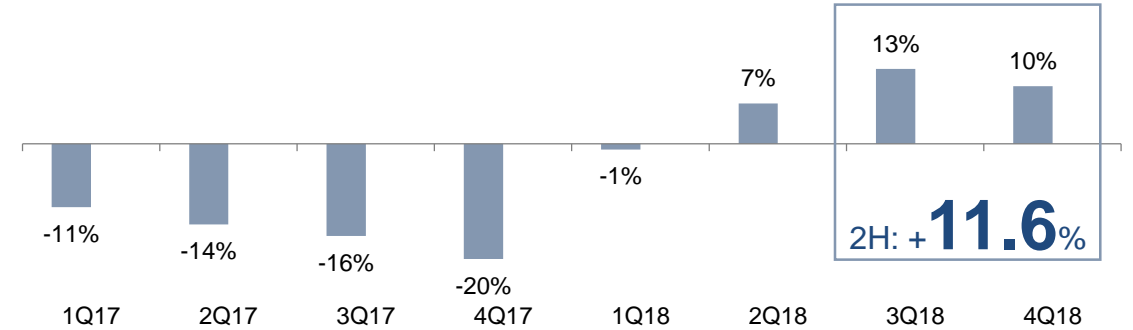
# Payments turnover – green shoots emerging

## Strong 2H18 momentum in fare turnover



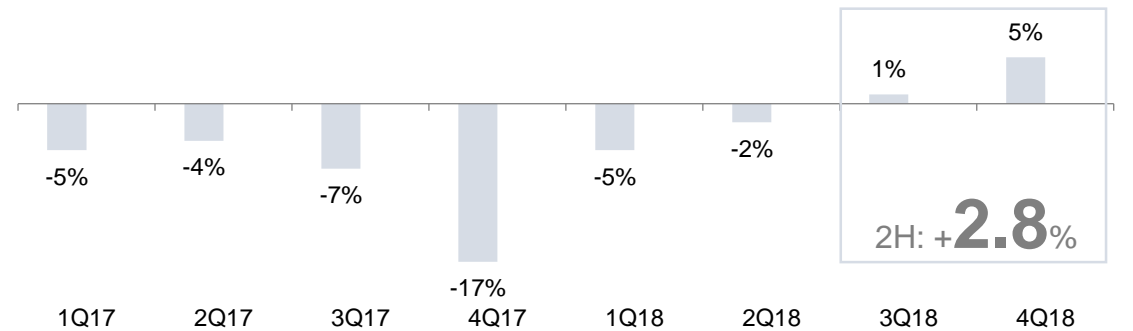
- \$993m total fares processed in FY18, up 4.5% vs pcp (2H18 +9%)
- 7,033 handheld terminals deployed as at 30 June 2018 generating 10% of total fare turnover

## Bank issued and 3rd party (vs pcp)



- \$680m bank issued and 3rd party fares processed in FY18, up 6.9% vs PCP (2H18 +11.6%)

## Cabcharge Accounts (vs pcp)

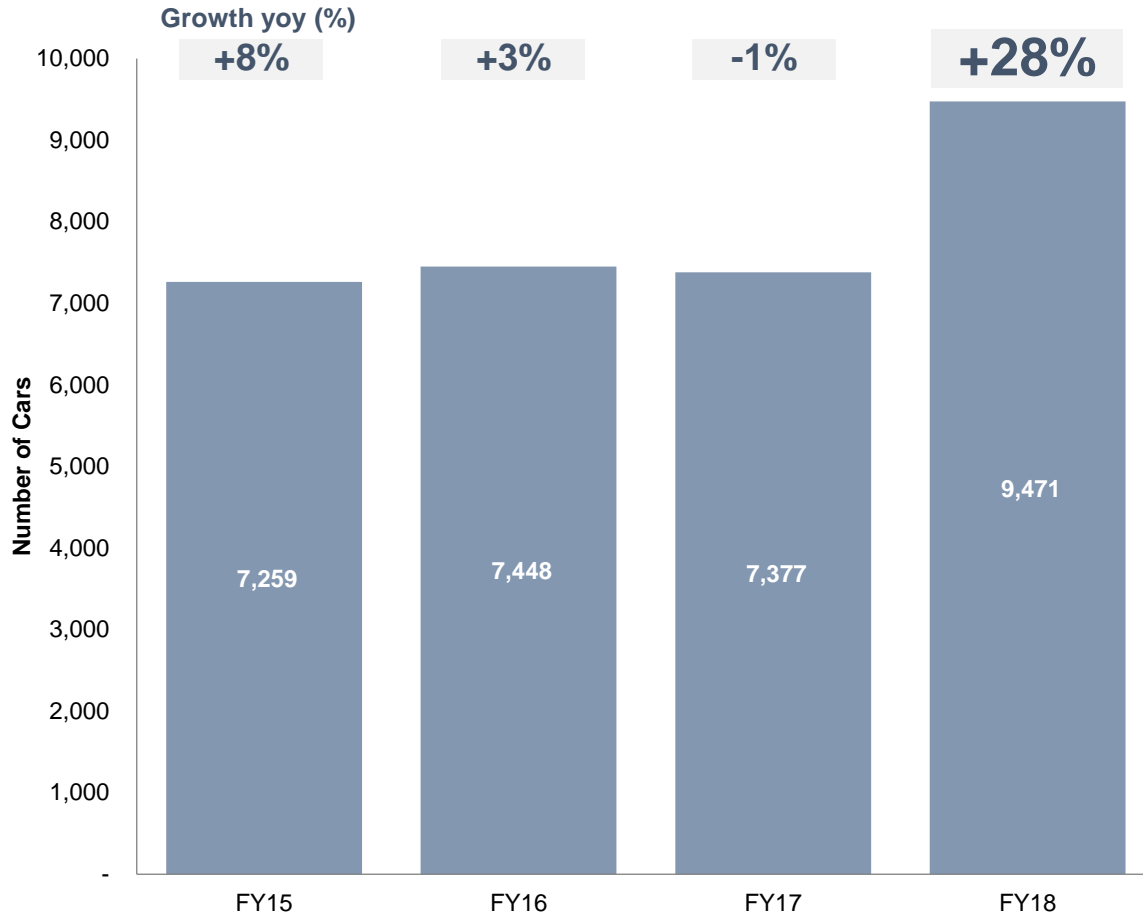


- \$312m Cabcharge Corporate Accounts fares processed down 0.4% vs pcp (2H18 +2.8%)



# Affiliated fleet growing

## Affiliated fleet growth



Where regulatory conditions permit, more Drivers and Operators are joining our Taxi network. Improvements in payment services, marketing, booking solutions and fleet management are creating a winning value proposition

- 28% growth in fleet size, representing 2,094 cars
- 1,206 Taxis from the acquisition of Yellow Cabs Queensland
- 12% organic growth or 888 cars since June 2017, including 37 cars from bureau clients
  - 30% fleet growth in Melbourne where the Victorian Government has removed licensing requirements
  - In New South Wales, 60 licences were released in Sydney of which 59 joined the 13cabs network in FY18
- 4,862 new Drivers onboarded with 13cabs in FY18

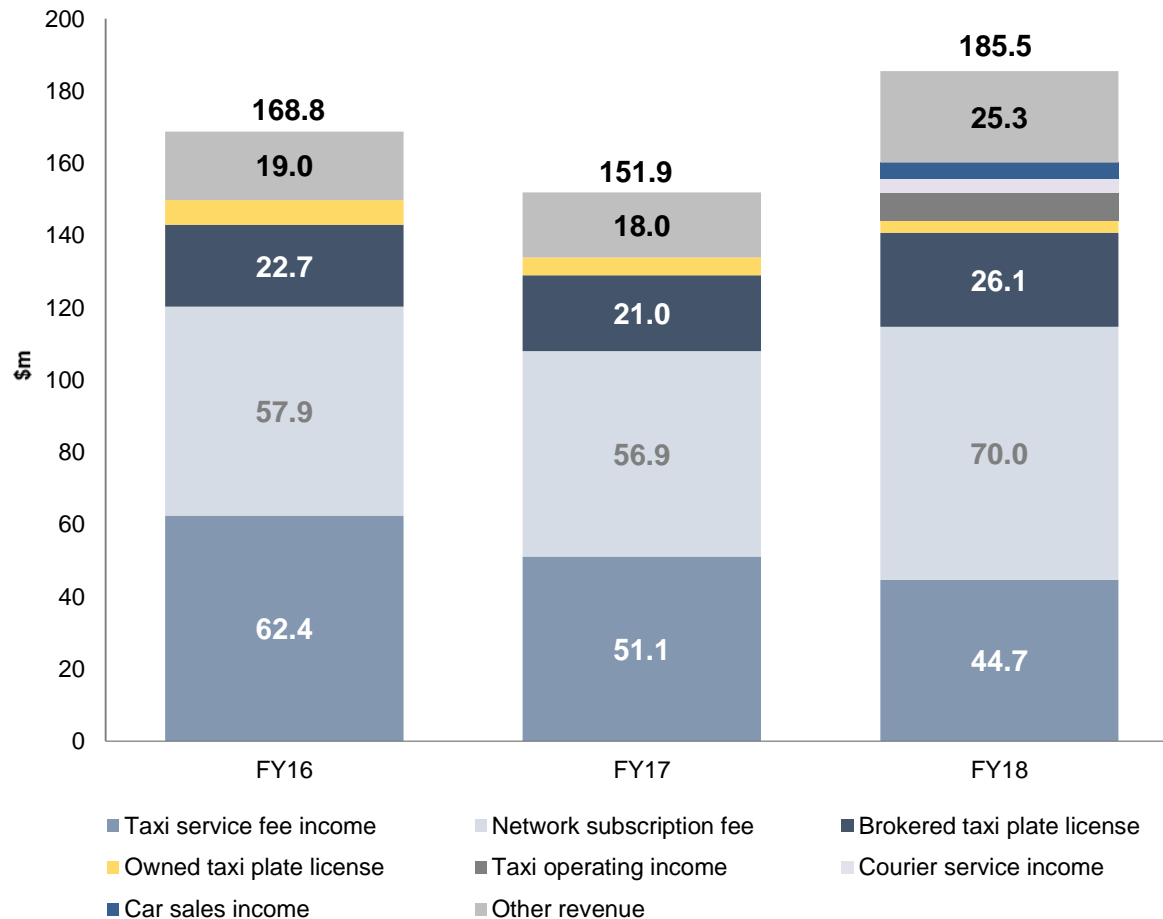
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# FY18 Financial Performance



# Revenue

## Revenue growth driven by strategic investments and organic growth



- Taxi service fee income reduced \$6.4m
  - \$8.3m unfavourable impact following introduction of service fee caps in QLD, SA, NT, ACT
  - 4.5% growth in Taxi fares processed partly offsetting impact of service fee caps
- Network subscription fee income up \$13.1m or 23%
  - Organic growth 12% or +888 cars
  - Yellow Cabs Queensland +1,206 cars
- Additional revenue channels in FY18
  - Taxi operating income in QLD and SA +\$7.7m
  - Courier service income in QLD +\$3.7m
  - Car sales income +\$4.6m
- Owned Taxi plate income reduced \$1.6m partly due to cessation of Taxi license plates in Victoria

# Financial summary

## Underlying basis excluding significant items\*

	FY18 \$m	FY17 \$m	Change over pcp
<b>Revenue</b>	<b>185.5</b>	<b>151.9</b>	<b>22.1%</b>
Other income	0.4	0.0	
Expenses	(151.3)	(103.6)	
<b>EBITDA</b>	<b>34.6</b>	<b>48.4</b>	<b>(28.4%)</b>
Depreciation & Amortisation	(14.9)	(13.7)	
<b>EBIT</b>	<b>19.7</b>	<b>34.7</b>	<b>(43.2%)</b>
Net interest	(0.7)	(1.7)	
<b>Profit before tax</b>	<b>19.0</b>	<b>33.0</b>	<b>(42.3%)</b>
Income tax	(5.5)	(11.7)	
<b>NPAT from continuing operations</b>	<b>13.6</b>	<b>21.3</b>	<b>(36.2%)</b>
EBITDA margin	18.7%	31.8%	
EBIT margin	10.6%	22.8%	
Earnings per share (AUD)	11.3 cents	17.7 cents	

\* Please see appendix slides 26 and 27 for underlying and statutory financial summary and items excluded from summary above

## Revenue increased by 22.1% or \$33.6m driven by organic and acquisition-led growth in fleet

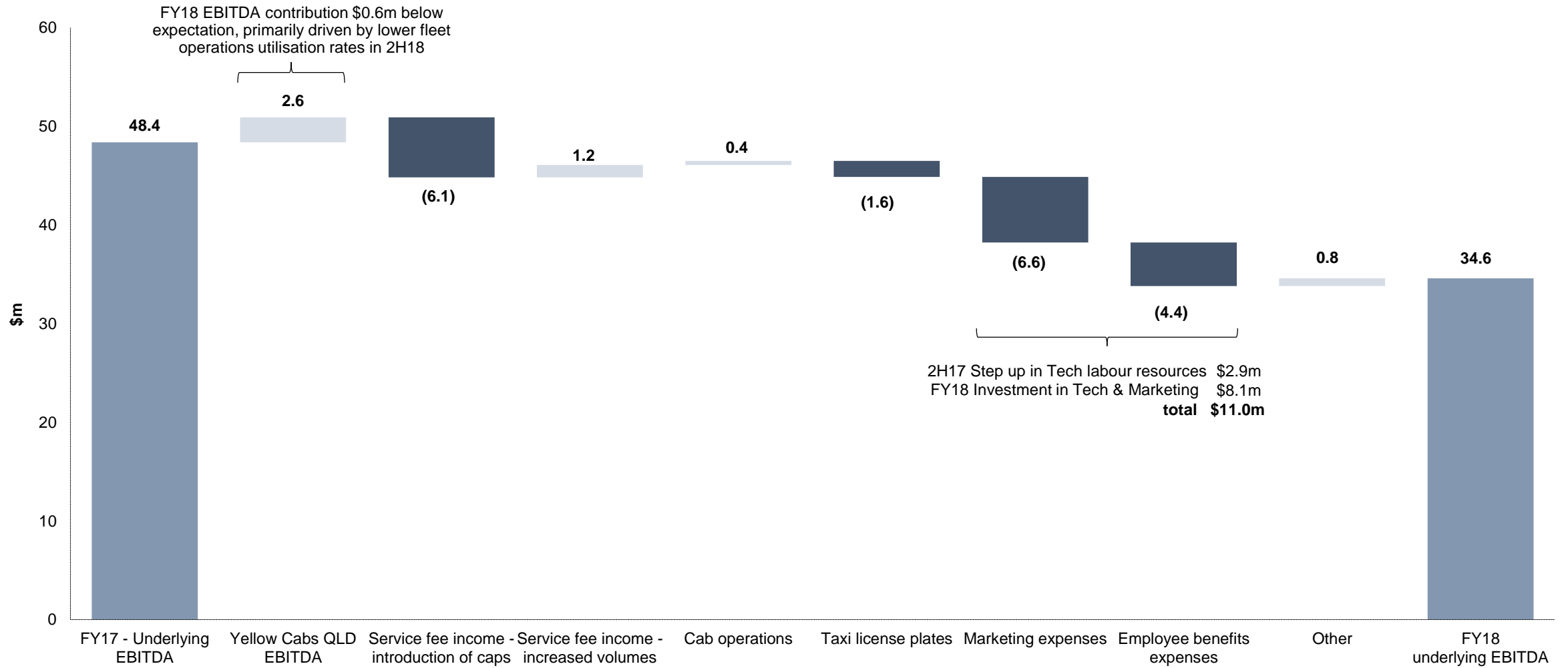
- Yellow Cabs QLD (\$33.8m)
- Organic fleet growth (\$3.2m)
- Launch of cab operations in Adelaide (\$1.2m)
- Impact of new service fee regulation (-\$8.3m) partially offset by growth in fare turnover

## Expenses reflect strategic investments

- Yellow Cabs operating expenses (\$31.4m)
- Increased investment in people, marketing and technology
  - \$2.9m full year impact of additional technology resources added in 2H17
  - \$8.1m additional investment in marketing and technology in FY18
- Depreciation and amortisation includes \$0.6m in amortisation charges relating to intangible assets acquired as part of Yellow Cabs Queensland

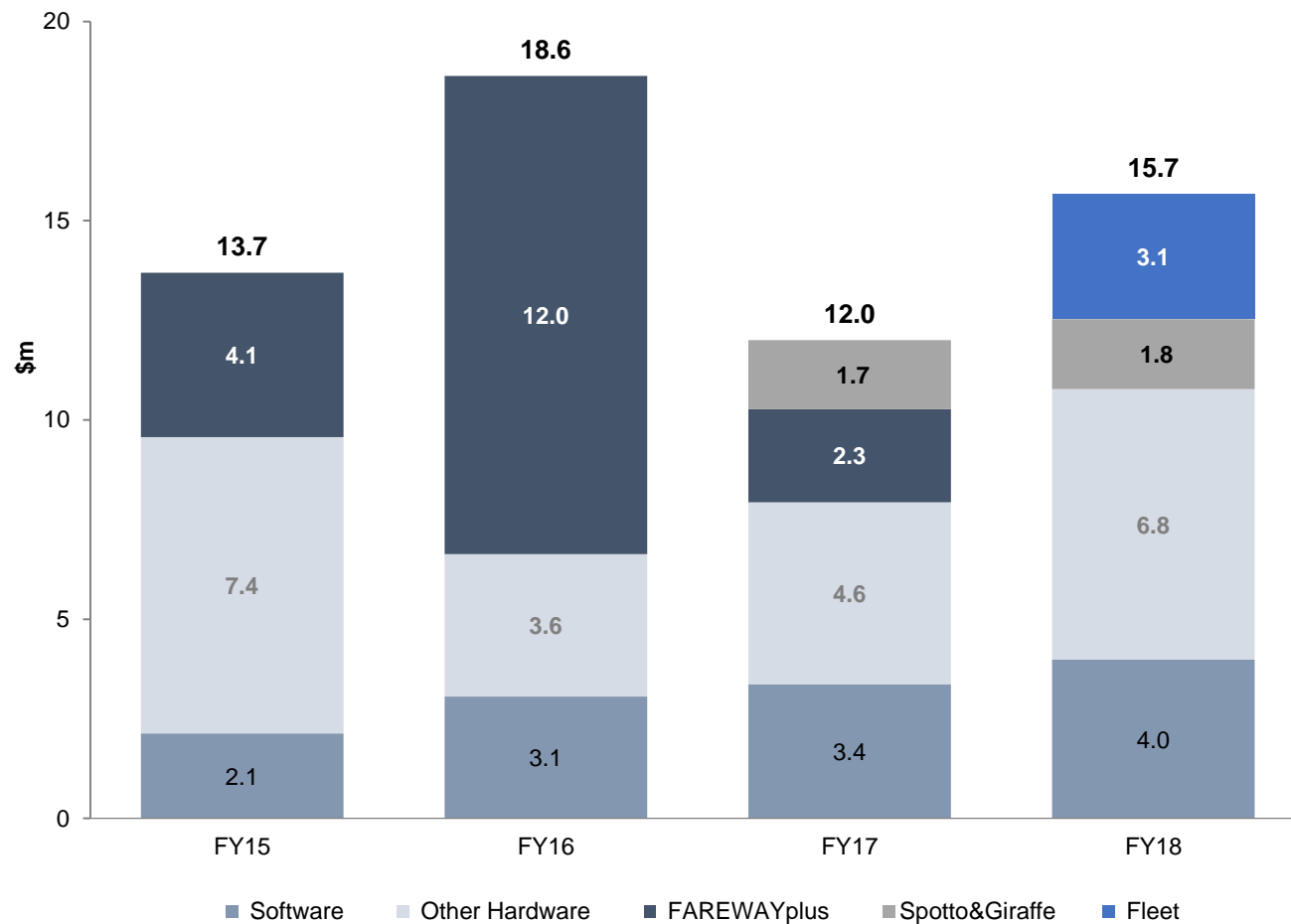


# Underlying EBITDA: FY18 vs FY17



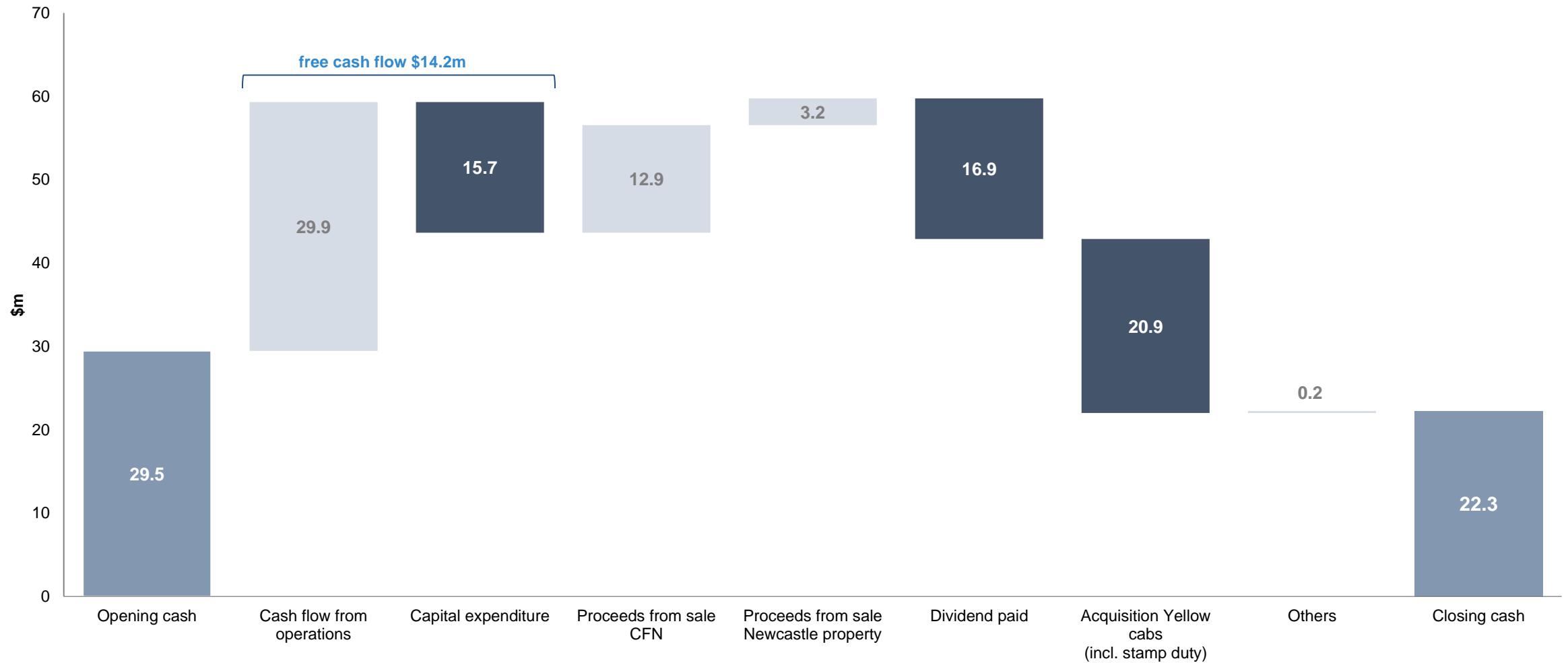
# Capital expenditure

## Cabcharge continues to invest in future growth initiatives



- Investment of \$3.1m in Fleet Operations
  - Launch of Adelaide operations \$1.9m
  - OurBus on demand public transport pilot NSW \$0.5m
  - Fleet replacement QLD \$0.7m
- Additional investment in handheld channel continued with \$0.8m not yet deployed as at 30 June 2018
- Investment in taxi equipment and hardware to support fleet growth (Dispatch units and security cameras) \$2.6m
- Increased spend on internally developed software, additional Technology resources and associated capitalised labour

# Cash flow



# Financial position

## Strong flexible balance sheet allows Cabcharge to investigate growth opportunities

	June 2018 \$m	June 2017 \$m
Cash and cash equivalents	22.3	29.5
Other current assets	76.1	83.2
<b>Total current assets</b>	<b>98.4</b>	<b>112.7</b>
Property, plant and equipment	38.3	35.4
Taxi plate licences	17.6	33.2
Other non-current assets	50.5	35.3
<b>Total non-current assets</b>	<b>106.3</b>	<b>103.9</b>
<b>Total assets</b>	<b>204.7</b>	<b>216.6</b>
Loans and borrowings	3.1	3.7
Other liabilities	39.4	31.8
<b>Total liabilities</b>	<b>42.5</b>	<b>35.4</b>
<b>Total net assets</b>	<b>162.2</b>	<b>181.2</b>
Net cash	19.2	25.8



# Our Strategic Focus



Improving the value proposition for **Passengers** in recognition of the growing demand for personal transport



Supporting **Drivers** to become the first choice in the personal transport sector



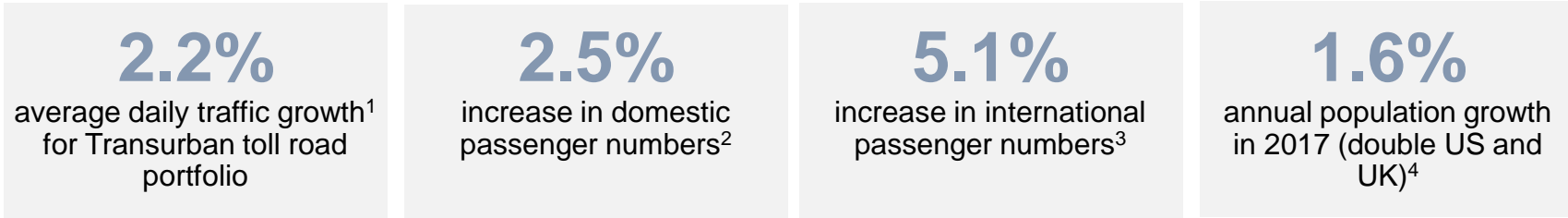
Engaging with **Taxi Operators** and **Taxi Networks** to provide supportive infrastructure



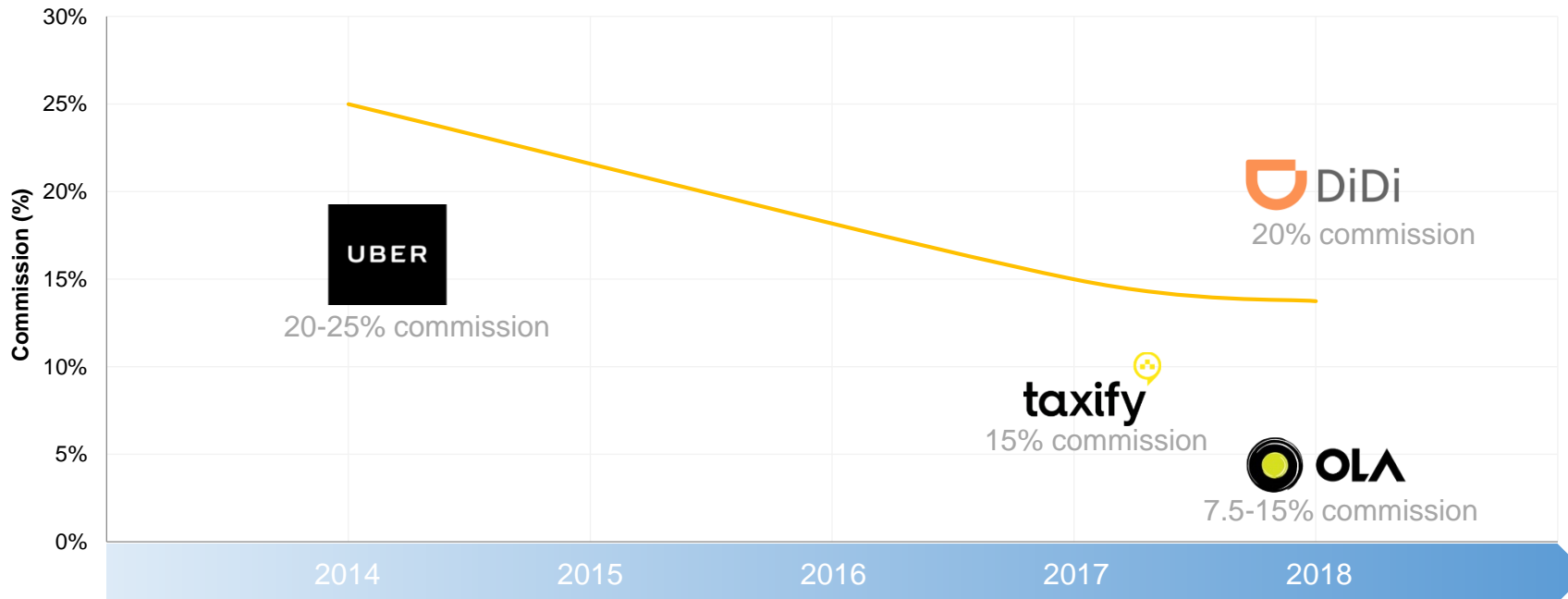
Developing world-class **Technology** and Marketing initiatives

# A growth industry buoyed by positive thematics

Cabcharge is growing and improving its service culture in the new market



Competition increasing...



<sup>1</sup> Transurban FY18 Results Presentation. Transurban is Australia's largest privately owned toll road operator. 2.2% average daily traffic growth incorporates 1.9% growth for its North American operations.  
<sup>2</sup> Bureau of Infrastructure, Transport and Regional Economics (year ending June 2018), 20 August 2018 <sup>3</sup> Bureau of Infrastructure, Transport and Regional Economics (year ending May 2018), 1 August 2018.  
<sup>4</sup> ABS [Population Clock](#)

## CABCHARGE DELIVERING

- ✓ Average passenger trip rating improved from 3.1 (FY17) to 4.4 (FY18)
- ✓ Passenger pick-up in FY18 between 14-22 seconds faster
- ✓ No surge pricing
- ✓ Service oriented culture
- ✓ Strong organic fleet growth
- ✓ Growth in taxi fares processed
- ✓ 74% yoy increase in 13cabs App downloads

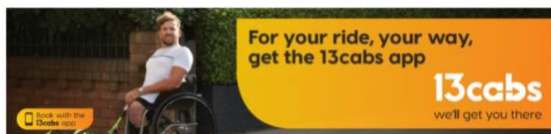
# Differentiating our services

Rebrand launched in May 2018 – differentiating the fleet

Personalised service

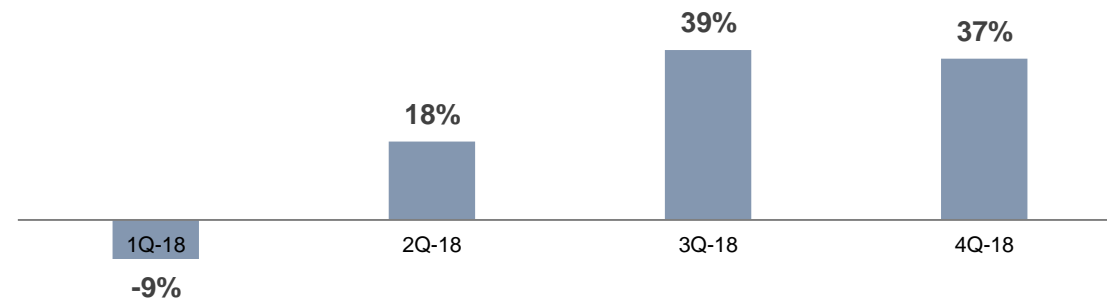
Book your way  
Ride your way  
Pay your way

We'll get you there

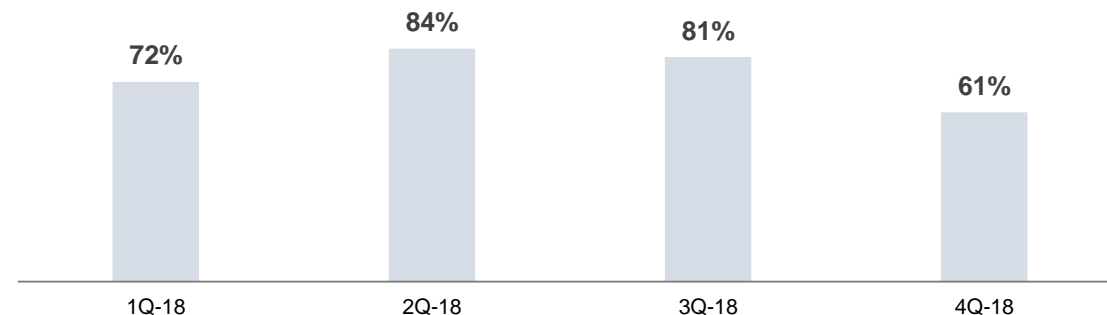


Expanded marketing efforts are contributing yoy growth in App bookings

App bookings vs pcp



App downloads vs pcp



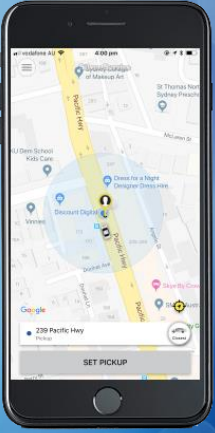
# Adapting to the needs of today

Ongoing investment in technology is delivering better service outcomes for Passengers, Drivers, Operators and Corporate Clients


**1.5m+**  
downloads

**4.7**  
star rating in Apple's  
App Store

**48%**  
Increase in transactions  
processed in-App since FY17



- Make your booking with only ONE tap
- Track your Taxi/call Driver
- Pre-load credit card and pay through the App



Ready to order a taxi

City Taxi  
Wilson Street  
Main Street 88

TAXI BUTLER

- New mobile website enhances online booking experience
- Taxi Butler deployed in Queensland, New South Wales, Victoria and South Australia



- FAREWAY*Plus* interface and software upgraded with ability to process Digital Pass payments
- New interface deployed onto all terminals in NSW, VIC, SA, WA with other States to follow
- Optional Tipping feature now offered to Drivers



# Driver and Operator propositions improved



## Incentives

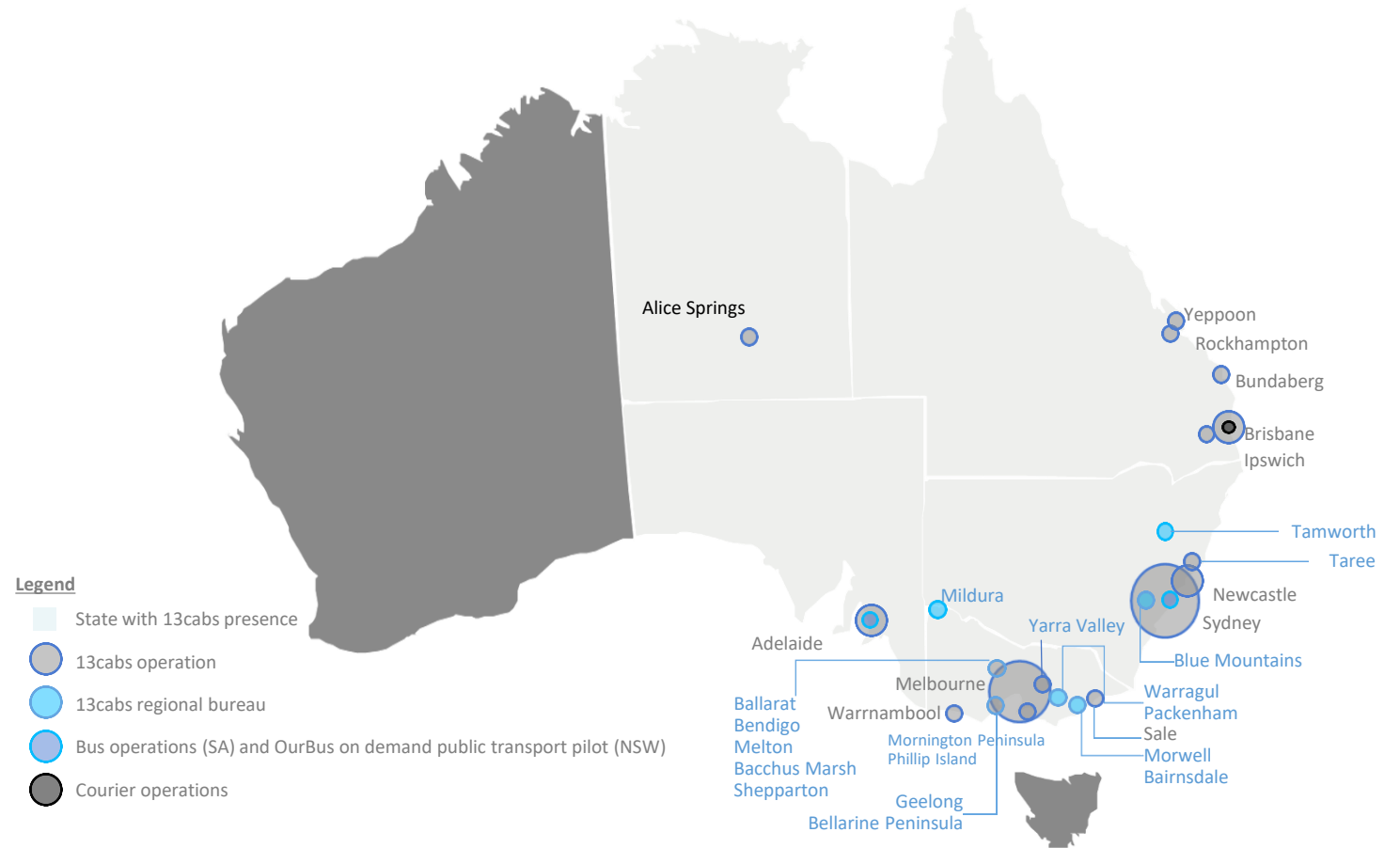
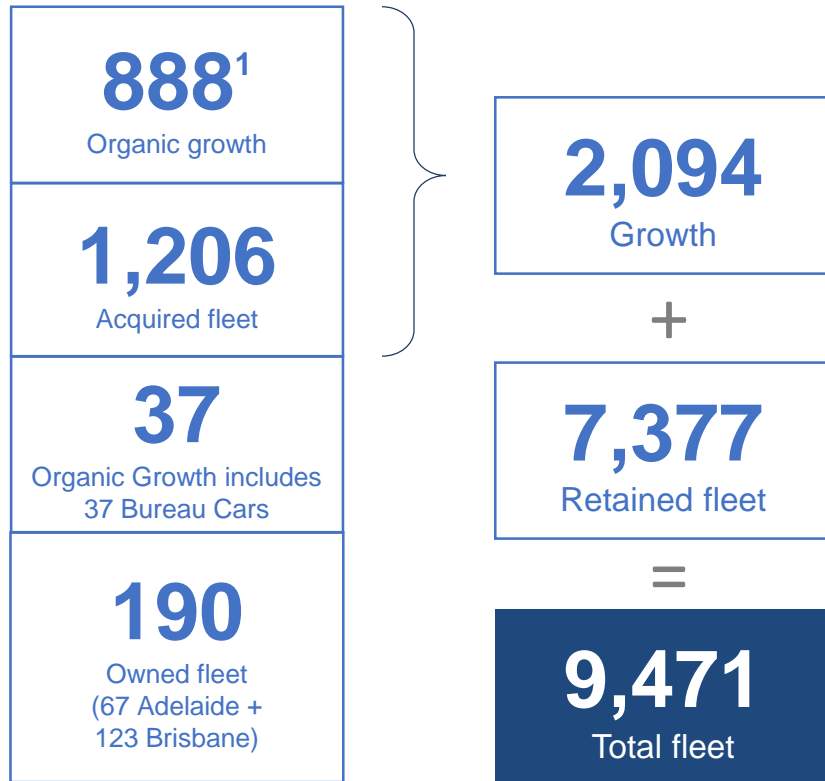
Fuel Card partnership with Viva Energy, the exclusive licensee of Shell, is being rolled out to provide discounted fuel to Operators and Drivers



## Driver engagement

Driver facilities refurbished and upgraded for 13cabs Drivers

# Multi-channel strategy achieving growth



# Cabcharge Accounts – the world has changed and so have we

## Transforming a household name into a modern digital payments player

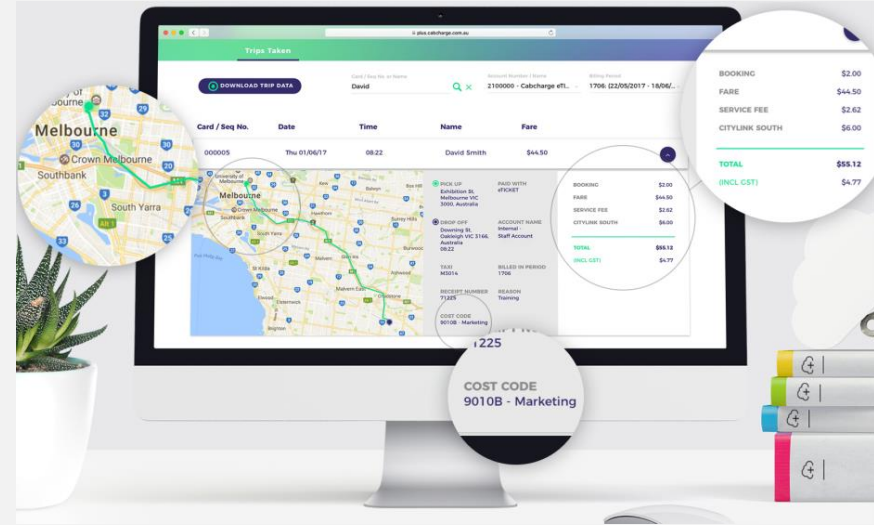
### We're rebranding

- 80% of the ASX 200 choose Cabcharge
- Simple expense reporting for 20,000 businesses



### We're investing

- Investing in our people – sales force expanded to promote new client acquisition and retention of ~30,000 corporate accounts
- Investing in marketing – new campaigns launched to promote rebrand and Digital Pass
- Investing in our systems – Cabcharge Plus, our new cloud based travel management platform simplifies month-end reconciliation processes with electronic receipts and automated cost coding, reducing the administrative burden on our clients
- Accounts utilising Cabcharge Plus are five times less likely to be lost to a competitor, improving revenue retention for Cabcharge
- The Digital Pass syncs with the Cabcharge Plus portal to provide a seamless solution for Corporate Customers



# Cabcharge Accounts – WORLD FIRST DIGITAL PASS

## We're innovating

### How it works...



Finance team receives a request for business travel



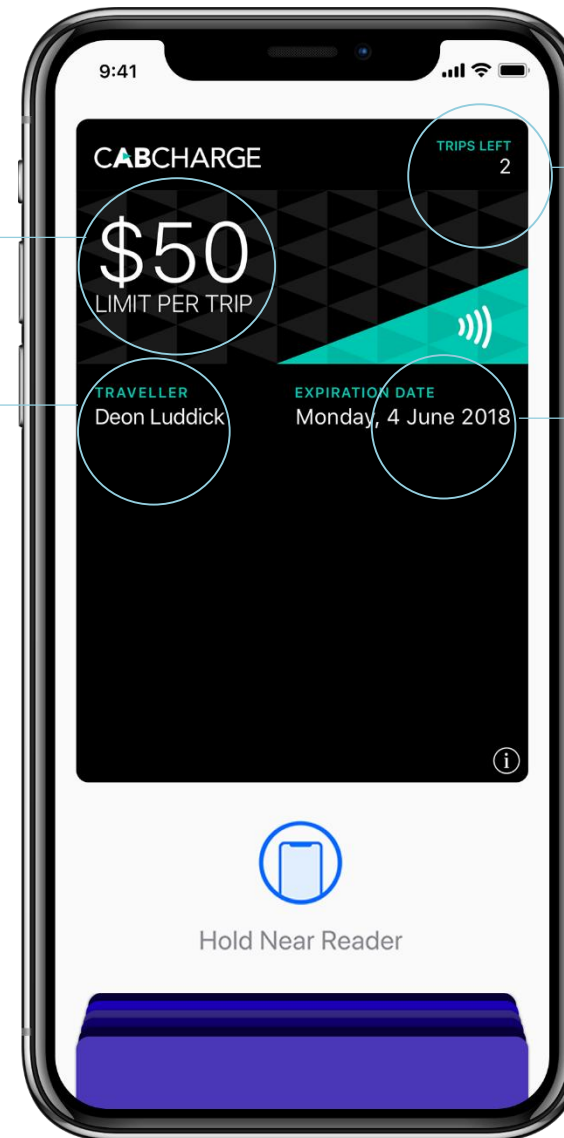
Cabcharge Digital Pass is issued by email with cost code and usage rules applied



Traveller downloads Digital Pass to smartphone wallet and taps to pay\*\*



Finance team receives digital receipt including route map via Cabcharge+\*



Set fare limits, as determined by your company policy

Assign pass to users and cost centres. Distributable via email

Set trips (max of 32)

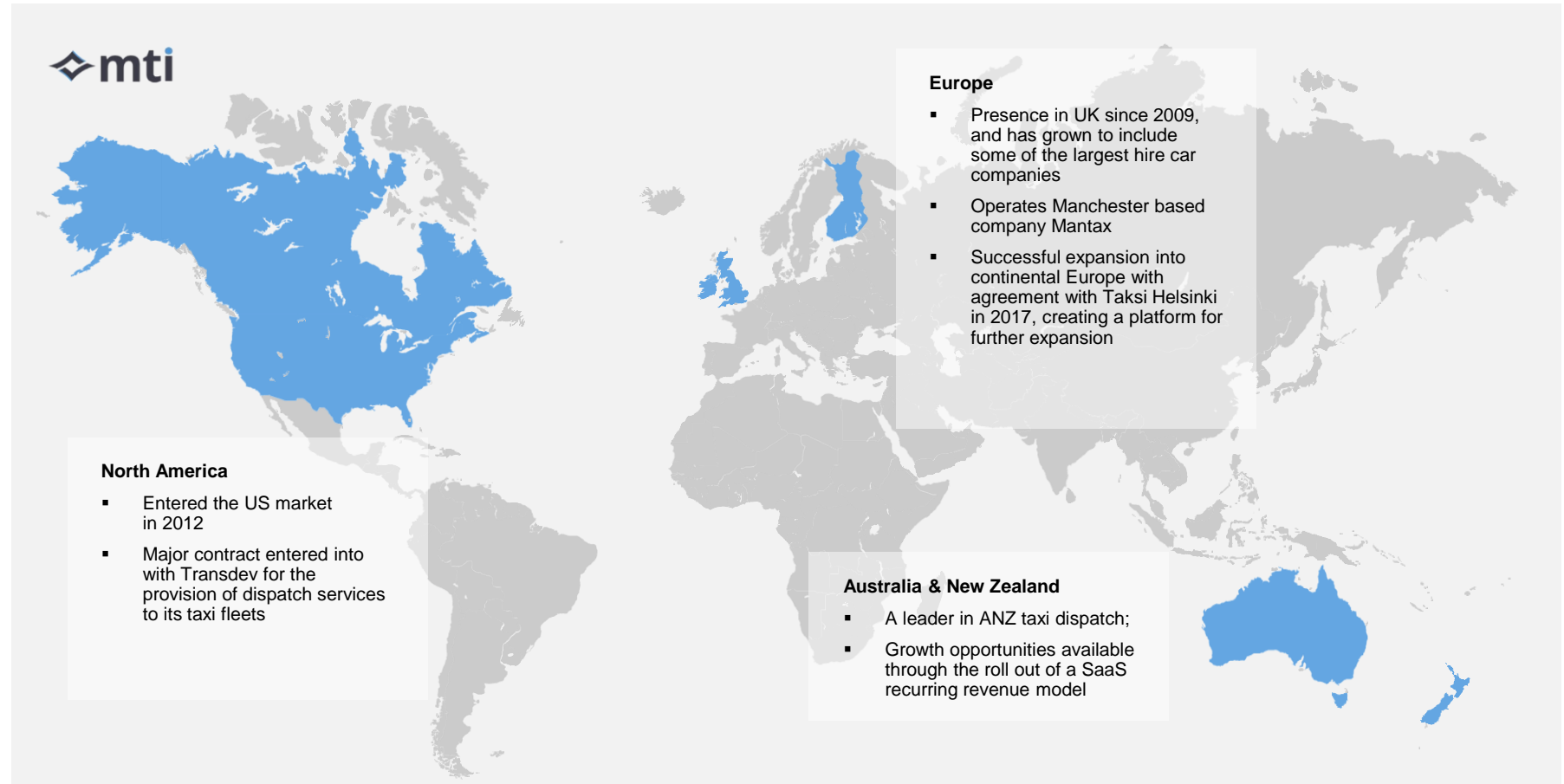
Utilises NFC tech available on iPhones (android in development)

Set expiry date



# Acquisition of Mobile Technologies International

- **Agreement to acquire Mobile Technologies International Pty Ltd (MTI) for \$6.6m announced June 2018 (pending ACCC approval)**
- MTI is a provider of automotive dispatch and booking technology to the Taxi industry
- Operations in Australia, New Zealand, North America, the UK, and Finland
- Transitioning from hardware and software sales to a Software as a Service (SaaS) business model, increasing recurring revenue
- Growth strategy to focus on potential in larger offshore markets
- Operations generated ~\$10m revenue over the LTM to April 2018 (unaudited)
- Acquisition includes Mantax, a black cab network located in Manchester



# Outlook

- At Cabcharge, we are on a mission to be the first choice for personal and corporate Passengers, and the preferred partner for Drivers, Operators, and Merchant Networks
- Our strategic investments in Technology and Marketing are growing our business – with green shoots in each core revenue stream – and contributing to further growth of the personal transport industry in Australia
- The culture at Cabcharge has shifted. We are more engaged and connected than ever with our Drivers and Operators and we're seeing the benefits of this flow through to Passenger satisfaction with our service





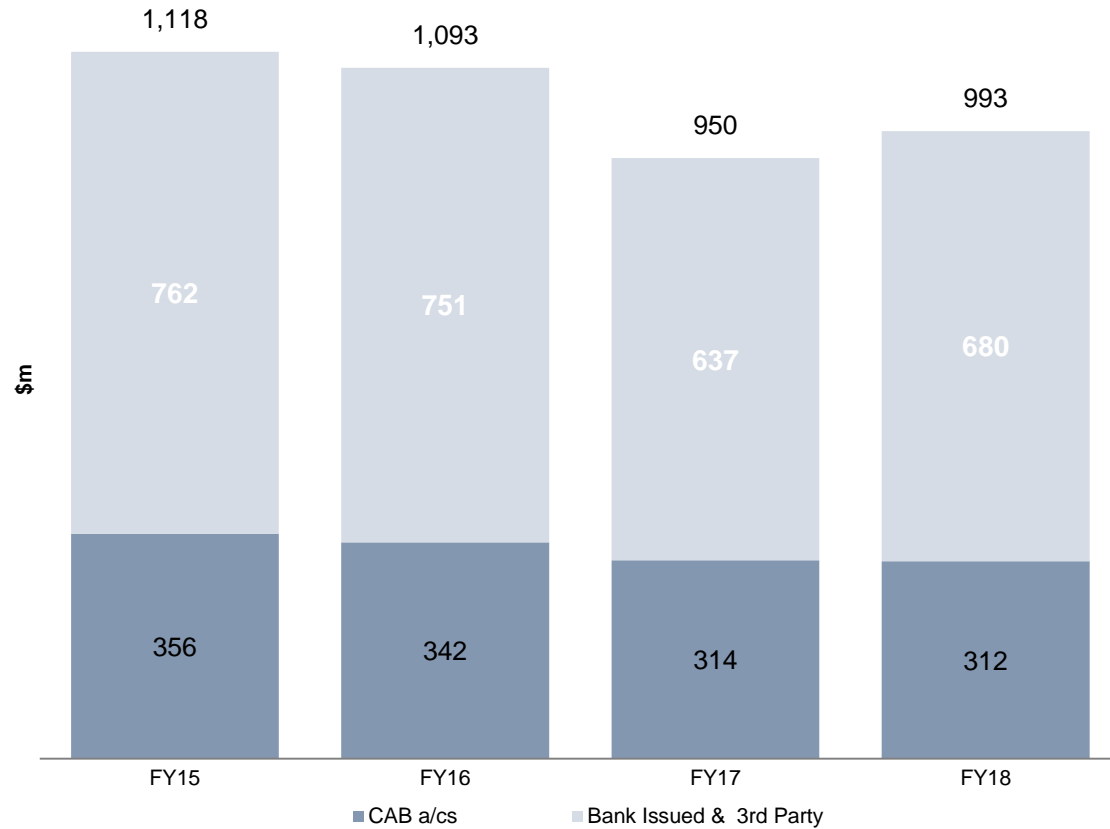
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# Appendix

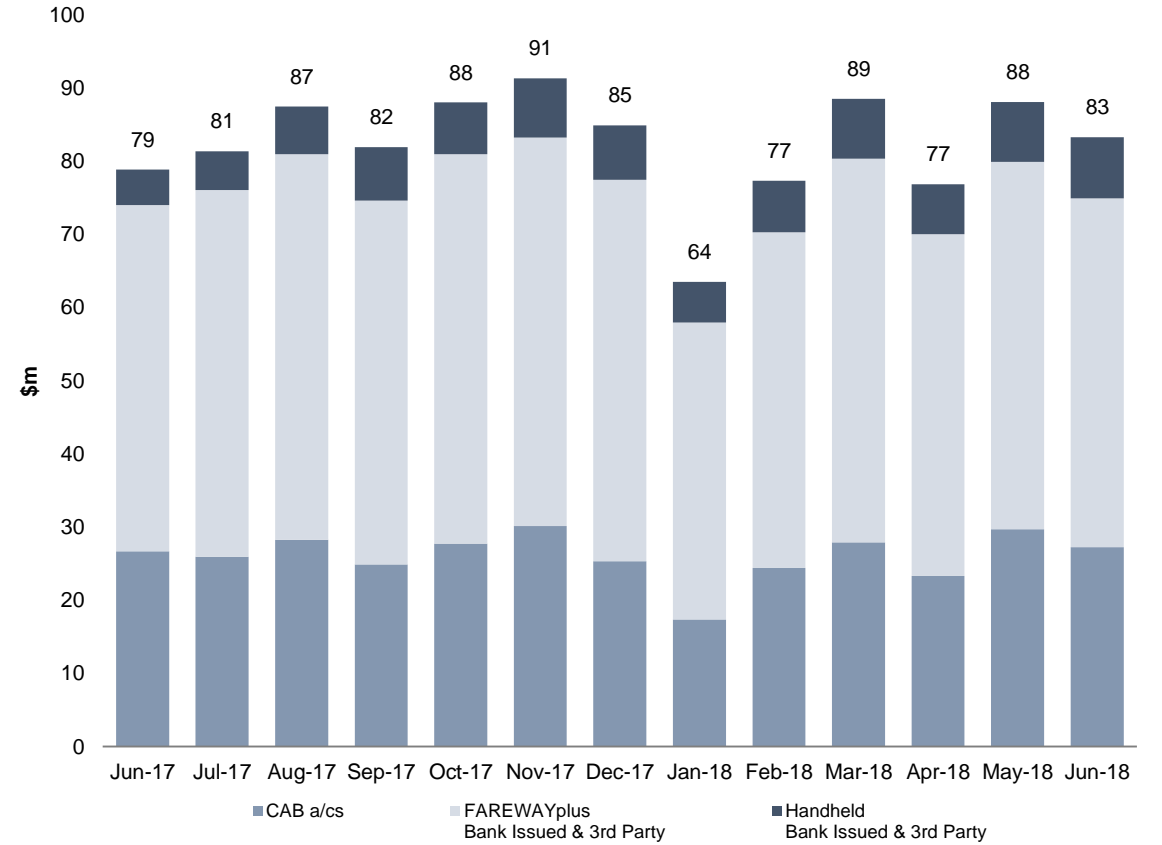


# Service fee income - key drivers

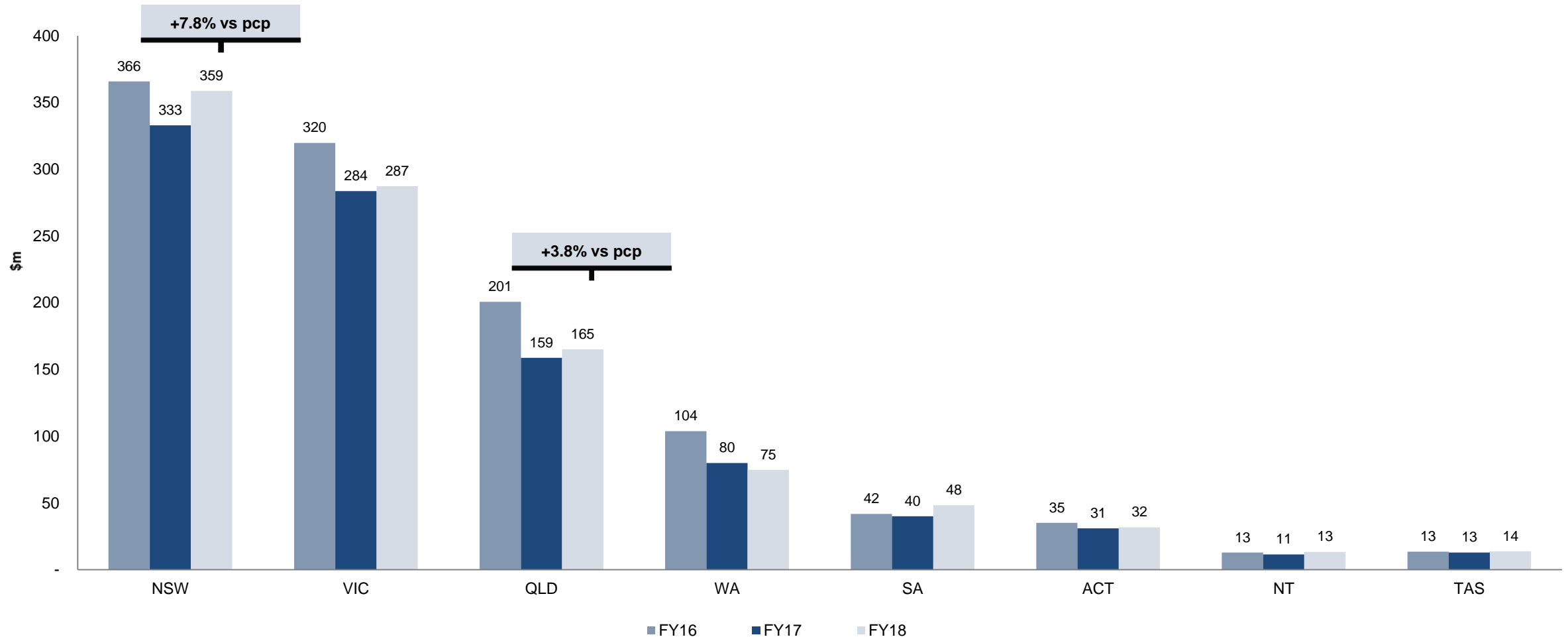
Annual total Taxi fares processed (\$m)



Monthly total Taxi fares processed (\$m)



# Taxi fares processed by state





# Financial performance – underlying

	FY18 \$m	FY17 \$m	Change over pcp
<b>Revenue</b>	<b>185.5</b>	<b>151.9</b>	<b>22.1%</b>
Other income <sup>1</sup>	0.4	0.0	
Expenses <sup>2</sup>	(151.3)	(103.6)	
Impairment Charges <sup>3</sup>	0.0	0.0	
<b>EBITDA</b>	<b>34.6</b>	<b>48.4</b>	<b>(28.4%)</b>
Depreciation & Amortisation <sup>4</sup>	(14.9)	(13.7)	
<b>EBIT</b>	<b>19.7</b>	<b>34.7</b>	<b>(43.2%)</b>
Net interest	(0.7)	(1.7)	
<b>Profit before tax</b>	<b>19.0</b>	<b>33.0</b>	<b>(42.3%)</b>
Income tax <sup>5</sup>	(5.5)	(11.7)	
<b>NPAT from continuing operations</b>	<b>13.6</b>	<b>21.3</b>	<b>(36.2%)</b>
EBITDA margin	18.7%	31.8%	
EBIT margin	10.6%	22.8%	
Earnings per share from continuing operations (AUD)	11.3 cents	17.7 cents	
Earnings per share attributable to owners of the company (AUD)	11.3 cents	23.9 cents	

1. Excludes \$2.2m taxi licence compensation (Gain on sale property Newcastle \$1.7m FY17)

2. Excludes \$1.4m YCQLD acquisition related costs, \$0.1m employee separation costs (\$1.6m write-off capitalised development costs and \$0.5m employee separation costs FY17)

3. Excludes taxi plate non-cash impairment charges \$13.7m (non-cash impairment charges \$8.3m FY17)

4. Excludes \$0.3m accelerated amortisation

5. Excludes tax effect of above items

# Financial performance – statutory

	FY18 \$m	FY17 \$m	Change over pcp
<b>Revenue</b>	<b>185.5</b>	<b>151.9</b>	<b>22.1%</b>
Other income	2.6	1.7	
Expenses	(152.8)	(105.7)	
Impairment charges	(15.7)	(8.3)	
<b>EBITDA</b>	<b>19.6</b>	<b>39.7</b>	<b>(50.6%)</b>
Depreciation & Amortisation	(15.2)	(13.7)	
<b>EBIT</b>	<b>4.4</b>	<b>26.0</b>	<b>(83.1%)</b>
Net interest	(0.7)	(1.7)	
<b>Profit before tax</b>	<b>3.7</b>	<b>24.3</b>	<b>(84.7%)</b>
Income tax	(5.6)	(10.6)	
<b>NPAT from continuing operations</b>	<b>(1.9)</b>	<b>13.7</b>	<b>(113.6%)</b>
(Loss) / profit from discontinued operation	(0.4)	(104.3)	
<b>NPAT</b>	<b>(2.2)</b>	<b>(90.6)</b>	<b>97.5%</b>
EBITDA margin	10.6%	26.1%	
EBIT margin	2.4%	17.1%	
Earnings per share from continuing operations (AUD)	(1.5 cents)	11.4 cents	
Earnings per share attributable to owners of the company (AUD)	(1.8 cents)	(75.2 cents)	

# Cash expenses

## Underlying basis excluding significant items\*

	FY18 \$m	FY17 \$m	Change over pcp	Change over pcp
Processing fees to taxi networks	7.4	8.8	(1.4)	(15.7%)
Brokered taxi plate licence costs	24.5	19.9	4.6	23.1%
Transaction processing expenses	3.1	2.5	0.6	21.7%
Taxi operating expenses	5.1	0.0	5.1	-
Courier service expenses	2.5	0.0	2.5	-
Cost of good sold - Car	4.5	0.0	4.5	-
Other taxi related costs	7.4	2.8	4.7	168.6%
<b>Total volume cash expenses</b>	<b>54.5</b>	<b>34.1</b>	<b>20.5</b>	<b>60.2%</b>
Marketing expenses	10.6	3.4	7.2	209.5%
Employee benefits expenses	54.1	39.8	14.4	36.1%
Infrastructure expenses	13.1	10.8	2.4	22.0%
Other non-volume cash expenses	18.8	15.6	3.3	21.1%
<b>Total non-volume cash expenses</b>	<b>96.7</b>	<b>69.5</b>	<b>27.2</b>	<b>39.1%</b>
<b>Total cash expenses</b>	<b>151.3</b>	<b>103.6</b>	<b>47.7</b>	<b>46.1%</b>

Please see appendix slides 26 and 27 for underlying and statutory financial summary and items excluded from summary above  
 Reclassification of \$3.1m in capitalised labour for FY17 from other-non volume cash expenses to employee benefit expenses

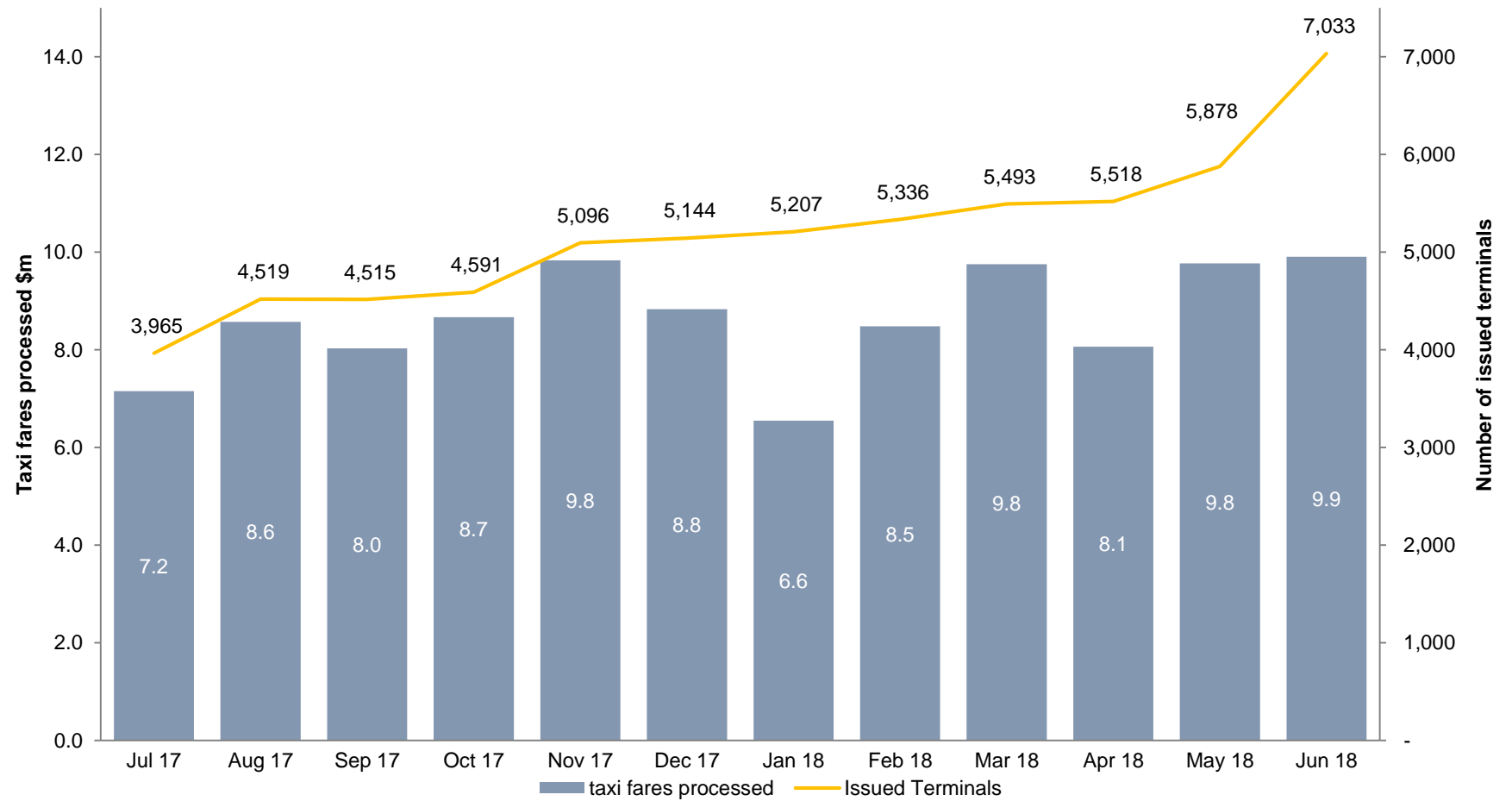
## Expenses increased \$47.7m reflecting strategic investments and activity growth

- Yellow Cabs QLD operating expenses \$31.4m
- On a like-for-like basis cash expenses increased \$16m or 14%
  - Increased investment in Marketing and Technology \$11m
  - Introduction of fleet operations in Adelaide \$1.2m
  - Growth in car sales with cost of goods sold \$4.5m

# Handheld payments

## Handheld fares processed (\$m) and terminals issued

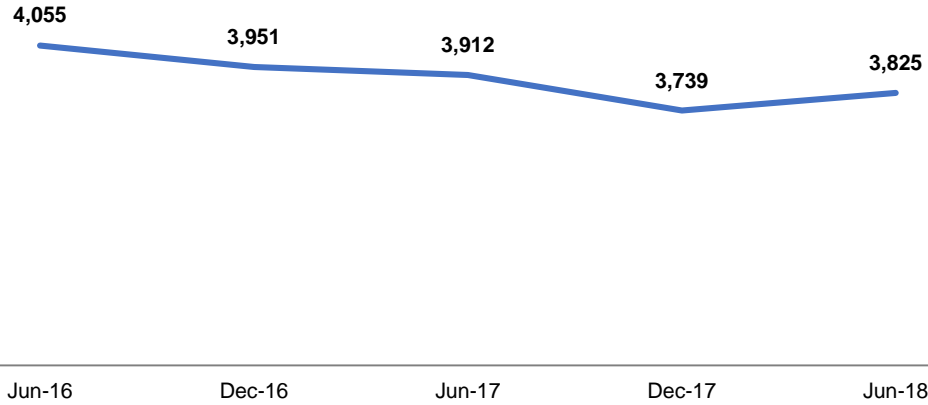
- 7,033 handheld terminals deployed at 30 June 2018
- Spotto extended roll out to QLD, SA and WA, in addition to NSW and VIC



# Fleet dynamics

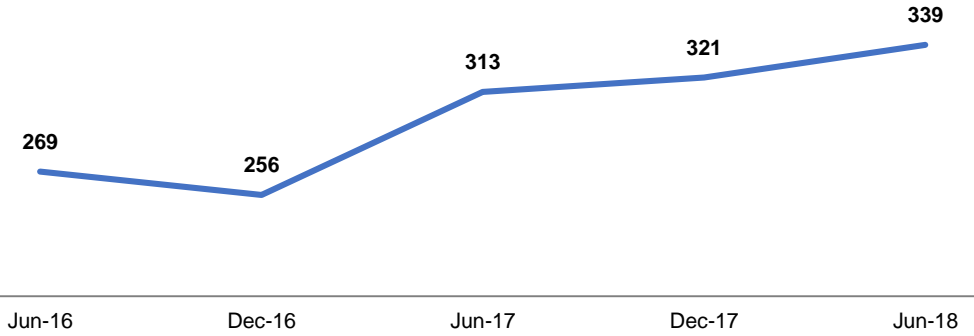
## New South Wales

Sydney fleet growth returned in 2H18



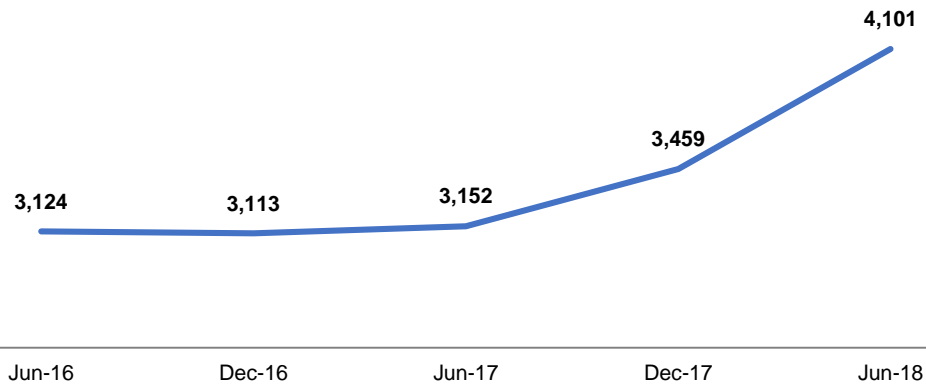
## South Australia

Fleet operations were launched in FY18, currently operating 70 cars



## Victoria

With regulatory settings in Victoria facilitating organic fleet growth, the fleet has increased 949 cars or 30% since June 2017



## Queensland

Fleet size stable and performing in line with expectations

