



29 August 2018

## ASX ANNOUNCEMENT

### Revenue Growth returns in FY18 with momentum in Fleet and Payments

- Initiatives gaining traction with revenue growth enabling accelerated investment in services and brands
- 22% increase in revenue to \$185.5m
- Underlying EBITDA \$34.6m
- Underlying NPAT \$13.6m
- 28% increase in fleet size with 2,094 Taxis joining the Network in FY18
- 4.5% growth in Taxi fares processed to \$993m in FY18
- 74% YoY increase in 13cabs App downloads in face of increased competition
- Fully franked full year dividend of 8c per share
- Growth strategies internally funded with strong net cash position

**29 August 2018** - Cabcharge Australia Limited (Cabcharge ASX:CAB) today announced results for the full year ended 30 June 2018 and reported revenue of \$185.5m, underlying EBITDA of \$34.6m and underlying NPAT of \$13.6m. On a statutory basis, Cabcharge reported a net loss after tax from continuing operations of \$1.9m and a net loss after tax including discontinued operations of \$2.2m (FY17 \$90.6m).

Revenues increased by 22% following 4.5% organic growth in payment turnover, 12% organic growth in affiliated fleet and the acquisition of Yellow Cabs Queensland. The Company launched a new look brand for the 13cabs Taxi Network nationally and on-boarded an additional 4,862 new Drivers.

Investments in marketing have enabled the Company to grow even in the face of a new wave of international entrants with 13cabs app bookings increasing by almost 40% in the second half stemming from a 74% increase in year on year app downloads.

Most importantly, Passengers are acknowledging Cabcharge's focus on service improvements (such as a 14 second improvement to pick up times for asap bookings across the year) with a 42% improvement in trip ratings from an average of 3.1 stars in FY17 to 4.4 stars in FY18.

Commenting on Cabcharge's FY18 results, Andrew Skelton Managing Director and CEO said: *"We are seeing strong demand for personal transport in Australia. Our innovation in payment solutions, marketing initiatives and investments in technology that improves service are combining to attract more Passengers, Drivers, Operators and Corporate Clients."*

*"Notably, we initiated a major rebrand of our 13cabs Taxi Network which is creating a stronger identity, aligning our national operations and improving engagement levels with Drivers in the process."*

*"Cabcharge achieved substantial fleet growth and an upturn in payment processing while establishing new revenue streams including Taxi operations income in Queensland and South Australia, vehicle sales, courier services in Queensland and the addition of new insurance products for Taxi Operators. We're investing, we're growing, and we're generating tools and technology that enable the Taxi Industry across Australia to deliver better services to Passengers and Clients."*



The 28% growth in fleet size is attributable to both organic growth (888 cars) and acquisition-led growth (1,206 cars). Victoria leads organic growth following the removal of limits on the number of Taxis. Whilst NSW regulations have contracted the size of Sydney's total Taxi fleet, market share gains are testament to the Company's value proposition with 59 of the 60 new Sydney licences released in FY18 joining the 13cabs network.

Fares processed grew 4.5% for the full year to \$993m with strong momentum resulting in 9% growth in 2H18 vs pcp. Full year payment turnover growth was achieved in every jurisdiction other than Western Australia with New South Wales (up 7.7%) leading the gains. Payment turnover growth was supported by the rollout of 7,033 handheld terminals for Drivers by the end of FY18.

Significantly, the last quarter of FY18 saw Cabcharge Account turnover increase by 5% on pcp, indicating that the Company's efforts to provide world class solutions and service to Clients are gaining traction.

The Company continues to invest in initiatives that are strengthening its value propositions. Launching vertical fleet operations in Adelaide and enhancing the Brisbane fleet have enabled the Company to positively influence the quality and presentation of vehicles and de-risk network affiliation revenues. Expenses, including depreciation, have increased as we invested in upgrading the older vehicles supporting fleet operations in Brisbane and in commencing proprietary fleet operations in Adelaide (currently 70 cars). Investment in hardware has also increased to fit out the growing fleet and build a stock of handheld payment terminals ready to service the ongoing growth of Spotto which has grown to exceed 7,300 terminals since year end. FY19 will see the extension of our mini bus fleet in Adelaide to support recent Government Contract wins to provide school services for 60 routes.

Revenue gains have also supported investments in State Government on-demand public transport trials in both Sydney and Brisbane. OurBus is an on-demand bus service operating in the Sydney suburbs of Epping, North Rocks, and Carlingford and results from a collaboration between Cabcharge and ComfortDelGro Corporation Australia – maintaining longstanding operational ties between the two groups. Yellow Cabs Queensland has been commissioned by Queensland's TransLink Authority to operate a flexible shared transport service in the Logan area as part of the Demand Responsive Transport trials in that State. Both trials have been beneficial in advancing our knowledge of new transport models and developing our ability to cater for evolving transport needs in the community.

Whilst the regulatory environment is stabilising, the changing industry landscape impacted FY18 statutory results with non-cash items including impairment charges on Taxi license plates of \$15.6m of which \$3.25m occurred in 2H18. The introduction of service fee caps across various states had a \$8.3m unfavourable impact on Taxi service fee income. The Company's response to the changing landscape includes increased investment in people, marketing and technology amounting to \$11m. From the \$11m increase \$2.9m relates to the full year impact of additional technology labour resources that joined Cabcharge in 2H17 and \$8.1m relates to the additional investment in marketing and technology committed at the commencement of FY18.

*"We've launched a fresh new national 13cabs brand and Passengers are adopting the upgraded 13cabs app and new mobile website. Since year end we've also launched a new brand for Cabcharge payments and have begun leveraging the ground-breaking Digital Pass - the world's first closed loop digital payment method available for iPhone users. Strengthening our brands is contributing to our ability to execute and achieve growth - even after the introduction of additional competitors such as taxify, ola and DiDi. Whilst there is now some flex in our cost base our immediate focus is on service improvements and the top line gains from innovative technology initiatives."*



## **DIVIDEND**

Cabcharge has declared a fully franked final dividend of 4 cents per share bringing the total FY18 fully franked dividend to 8 cents per share.

## **OUTLOOK**

Commenting on the outlook for Cabcharge, Andrew Skelton said: *“A growing and competitive industry is offering new opportunities and new challenges in equal measure. Commitment to our strategy has placed Cabcharge in a healthy position and the Company is beginning to benefit from the momentum building across payment turnover, fleet size, and Passenger metrics.*

*“We are confident that we have positioned Cabcharge for growth following our investments in service improvements, brands, technology and our workforce. We will continue our current level of investment in technology and marketing in FY19 and focus on improving the calibre of the affiliated Taxi fleet - including the cars we operate - through a combination of fleet renewal, the introduction of vehicle age limits and an enhanced inspection program.*

In June 2018, Cabcharge announced the acquisition of Mobile Technologies International Pty Ltd (MTI) subject to ACCC approval. MTI is a global provider of innovative Software as a Service (SaaS) automatic dispatch and booking technology. If approved, the acquisition expands Cabcharge’s customer reach to a global level and, by bringing in house a core piece of dispatch technology, enables the combined firm to compete with other fully integrated personal transport companies on an equal footing in removing friction from the processes that support both Passengers and Drivers.

*“We are energised by our vision to be Australia’s leading personal transport provider and are actively engaging with Drivers and Operators who are now seeing the benefits of enhanced services for Passengers and Corporate Clients. The industry is growing, and Cabcharge is proud to be delivering innovative technologies that support Taxi Networks and communities across Australia.”*

-ENDS-

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## **About Cabcharge Australia Ltd**

Cabcharge is an Australian company listed on the ASX specialising in personal transport services and digital payment software, having developed Australia’s first Electronic Funds Transfer solution for Taxis. For over 40 years, Cabcharge has been servicing Corporate Clients, Passengers, Drivers, and Taxi Networks to provide secure, convenient and flexible travel solutions. Cabcharge is also the owner and operator of Australia’s largest taxi network – 13cabs – which supports over 9000 taxis across Australia. Cabcharge’s world-class mobile apps for 13cabs and Silver Service incorporate secure one-tap booking, rating systems, and in-app payment options.