



# Mint

## FY19 Unaudited Financial Results & Investor Update

# Key FY19 financial & operational highlights

## Strong FY19 financial performance

- + Over \$799m in Total Transaction Value (TTV) (↑28%)
- + Total revenues of \$4.9m\* (↑34%)
- + Recurring revenues of \$2.7m\* (↑48%)
- + EBITDA of -\$3.7m\* (↓20%)

## Travel vertical emerges as key driver

- + Travel represented 73% of Mint's TTV and 58% of recurring revenues in Q4
- + Q4 recurring revenues up 100% on prior corresponding period (PCP)
- + Unique technology and onboarding platform to scale up and meet the demands of a large underserved market

## Capital management

- + 30 June: \$1.4m in cash and \$2.0m in debt available
- + Existing debt facilities extended through to Sept 2021
- + Major investment in product development complete for indirect channels
- + Significant increase in TTV and recurring revenue margins expected to deliver monthly cash flow break-even in 2020

## Outlook

- + Focus on competitive advantage in high growth travel vertical
- + Continue to develop platform functionality and invest in sales and marketing to drive new merchant onboarding
- + New global acquirer to drive material increase in margin across new and existing clients



# FY19 unaudited financial results



## Headline numbers for FY19\*

- + \$799m in total transaction values (up 28%)
- + 48% increase in recurring revenues
- + 20% improvement in EBITDA

## Key emerging trends

- + Direct (travel) channel emerged as the growth engine and is expected to drive Mint performance in FY20
- + Travel represented 73% of TTV and 58% of recurring revenue in Q4
- + Launch of 'same-day onboarding' in H2 drove acceleration of growth – travel TTV up 27% half-on-half
- + Concurrent launch of new acquiring partner led to increase in revenue

Combined impact of TTV growth and revenue margin expansion led to 59% half-on-half increase in recurring revenues in travel

	FY19	FY18	Variance	
	\$'000	\$'000	\$'000	%
<i>TTV</i>				
Direct	646,734	500,871	145,863	29%
Indirect	151,911	122,458	29,453	24%
<b>Total TTV</b>	<b>798,645</b>	<b>623,329</b>	<b>175,316</b>	<b>28%</b>
<i>Recurring revenue</i>				
Direct	2,044	1,246	798	64%
Indirect	629	555	73	13%
<b>Total recurring revenue</b>	<b>2,673</b>	<b>1,801</b>	<b>871</b>	<b>48%</b>
Other revenue	2,213	1,853	361	19%
<b>Total income</b>	<b>4,886</b>	<b>3,654</b>	<b>1,232</b>	<b>34%</b>
Direct & overhead costs	(8,611)	(8,313)	(297)	4%
<b>EBITDA</b>	<b>(3,725)</b>	<b>(4,659)</b>	<b>935</b>	<b>(20%)</b>

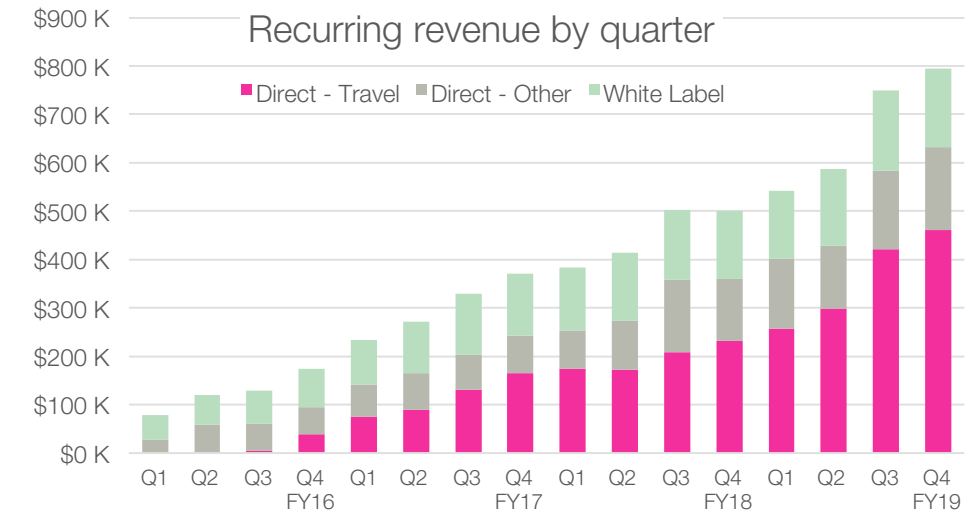
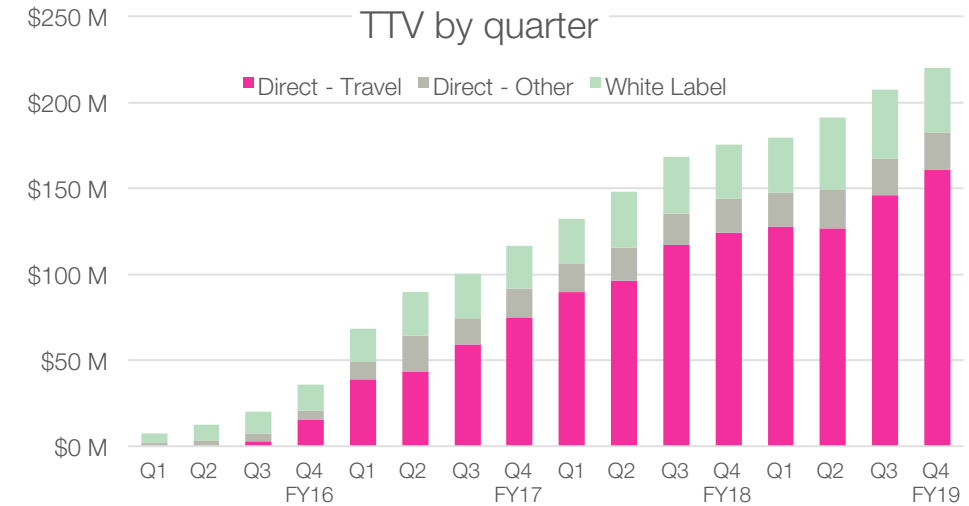
\* Unaudited FY19 financials

# Mint transaction values and recurring revenues



- + In the twelve months to 30 June, transaction values of \$799M (up 28% on PCP) and recurring revenues of \$2.7M (up 48% on PCP)\*
- + Mint's direct channel has been the key driver of growth over that period, contributing over \$2.0M of recurring revenues (up 64% on PCP). The travel vertical comprises 70% of the direct channel's recurring revenues and has grown 83% on PCP\*
- + Another record quarter in Q4 with \$220M in transaction values (up 26% on PCP) and recurring revenues of \$794K (up 59% on PCP)\*

Strong momentum to continue due to ongoing platform development and new global acquiring partnership that commenced in Q3 FY19





# Mint

## Direct Channel

% of FY19 Company TTV: 81%

% of FY19 Company Recurring Revenue: 76%

# Unlocking new growth in travel

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Mint is developing market leading payment solutions for small and medium enterprise (SME) travel agents that are largely misunderstood by traditional payment services providers:

- + Fast approvals & seamless onboarding
- + No bond required
- + Competitive fees
- + Integrations with leading travel software applications
- + Reward points on transactions through Mint's partnership with Velocity Frequent Flyer
- + First class customer success & support
- + Strong roadmap of new vertical specific product features

This targeted and unique offering lays the platform for Mint to deliver strong forward growth in the travel vertical



# Travel market size and growth opportunity

- + Mint targets travel agents including retail shopfronts, corporate travel and online bookings
- + Its focus is on small and medium (SME) businesses which make up \$11bn of the \$20bn+ industry in Australia\*
- + Mint's assumed growth in this segment is not reliant on larger operators like Flight Centre or Webjet

Based on Mint's FY19 TTV it currently has c5% of the SME travel market and is well positioned to aggressively build market share in the short term

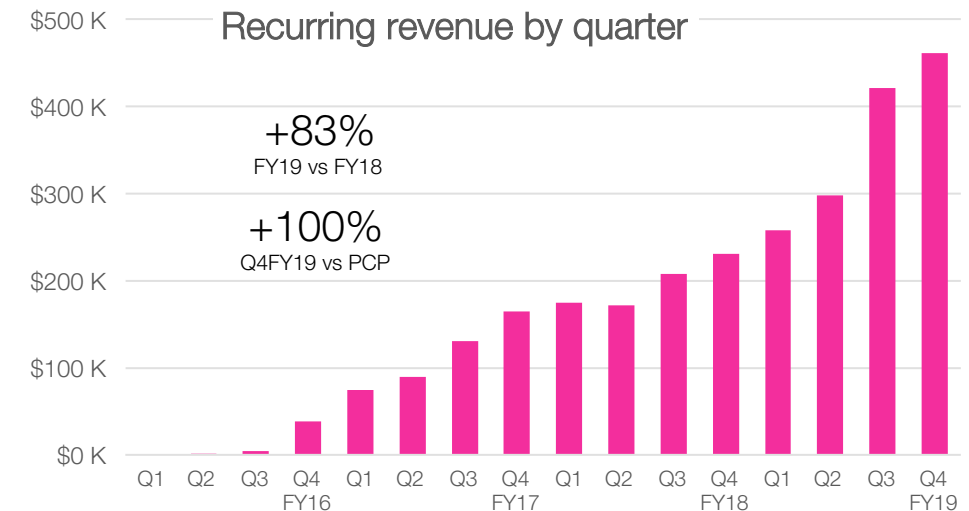
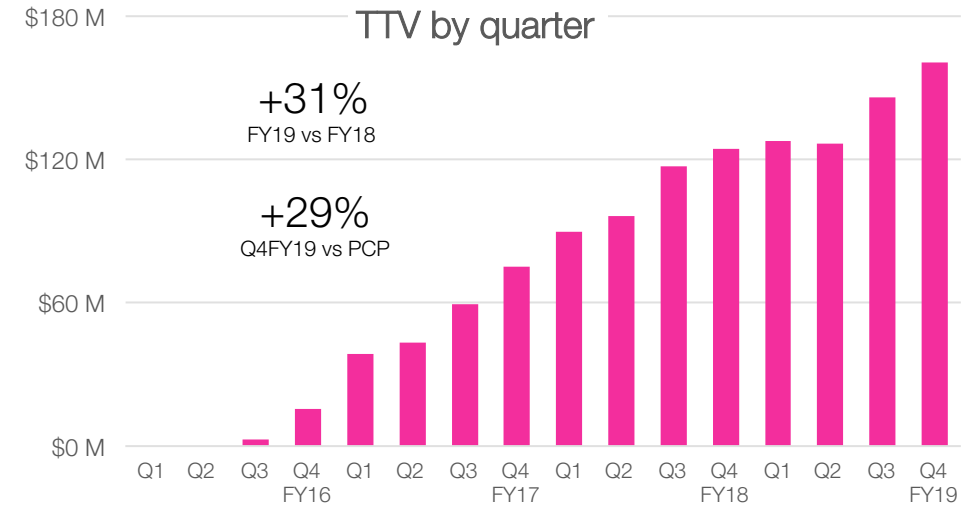




# Travel transaction values and recurring revenues

- + Mint's travel vertical has grown to ~230 merchants transacting \$650m+ in annualised transaction values in just over three years
- + Mint's billing is on a % of transaction value which maximises revenue growth as it onboards new clients or existing clients grow
- + Revenue growth has accelerated over the last two quarters after repositioning the Mint brand, new website and increased value proposition in the vertical
- + Impact of "same day onboarding" platform feature evident from Q3 resulting in an increased rate of new merchant acquisition

Travel now makes up the majority of Mint's transaction value and recurring revenues and is expected to deliver significant growth



# Travel TTV and Revenue Margin to drive growth

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Mint expects to deliver significant ongoing growth in travel via:

- + Platform enhancement to support the end to end customer experience including onboarding, payment processing and settlement of funds
- + Sales & marketing activity including partnerships with buying groups, inbound and outbound sales and promotions
- + Implementation of the merchant risk function including establishment of the team, software implementation and provisioning
- + By integrating the technology and merchant acquiring functions, Mint has complete control over the customer experience and captures more revenue from each transaction

**New acquirer relationship will drive material increases in Revenue Margin\* for new and existing customers**

## Near term outlook (12-18 months)

- + TTV growth expected to continue in line with recent historical trends
- + From Q2FY20 all new customers will be onboarded with a materially higher margin structure
- + New margin structure also to be rolled out progressively into the existing customer base
- + Revenue Margin\* run-rate expected to grow by up to 100%

## Longer term opportunity

- + Delivering near term growth targets would capture ~10% of domestic SME travel market. Medium term goal is to continue to aggressively build off this base and capture further market share
- + International travel markets with similar characteristics provide further opportunity

\* Revenue Margin = recurring revenue as a % of transaction value (TTV)

# Mint

## Indirect Channel

% of FY19 Company TTV: 19%

% of FY19 Company Recurring Revenue: 24%



# Partnering with leading payment companies

- + Mint has developed and licensed a custom white-label payments platform for the Bank of New Zealand (BNZ) and NETS
- + NETS is Singapore's largest merchant acquirer and is working with Mint to target small mobile businesses looking to accept payments in-person or online
- + The Bank of New Zealand mPOS solution is being used by over 10,000 small businesses in NZ
- + A new EFTPOS terminal order from BNZ valued at over \$1m will be launched in FY20, complimenting Mint's existing mobile payments offering in market
- + With the new EFTPOS terminal positioned to address the needs of higher transacting merchants in the retail and hospitality vertical, this product will drive further growth in TTV and recurring revenues from this channel



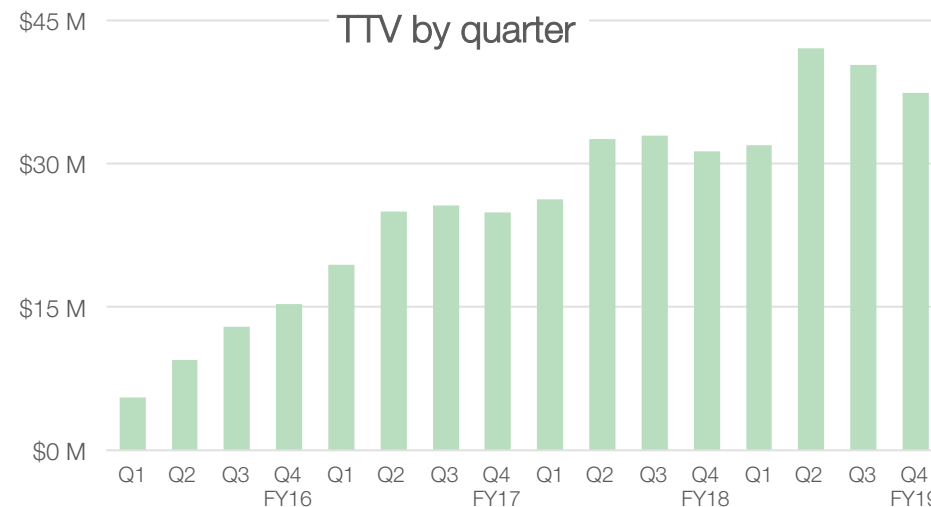
Minimal investment required with the focus now on supporting these partners and maximising channel profit

# Stable and consistent growth from partners



- + FY19 TTV of \$152m (up 23%) and recurring revenues of \$0.6m (up 13%)
- + Margin contribution = 100% of revenues with no variable cost of sales associated with the indirect channel
- + Mint's TTV and revenue growth from these channel partners will be derived from the number of merchants they onboard and the amount those merchants transact
- + Major investment in product development for partners has been completed

Shift to lower cost platform maintenance focus will allow Mint to maximise profitability from the indirect channel



# Mint

## Summary & outlook



## Travel

- + Maintain the recent strong growth trend in TTV via unique product offering to the \$11bn SME travel market
- + Expand new acquirer relationship and technology partnerships to both existing and new customers, driving step change in TTV and Revenue Margins

## Indirect

- + Steady growth expected to continue from key partners (BNZ, NETS), with upside expected from the delivery of new EFTPOS terminal
- + Shift from initial investment phase (platform build) to maintenance and optimisation phase will allow for maximising profitability

## Overall

- + Exposure to high growth travel product (73% of TTV) will drive higher growth in FY20
- + Increased investment in H1 to unlock travel vertical TTV and Revenue Margin, with cash flow break-even expected in 2020
- + Long term opportunity established:
  - + Further build share of domestic SME travel market
  - + Expand travel product to international markets that share the same merchant onboarding pain points
  - + Apply targeted product approach to other verticals

# Mint

## Appendix – Detailed Financials

# FY19 unaudited financial results

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## P&L

	FY19 \$'000	FY18 \$'000	Variance \$'000	%
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<b>Total TTV</b>	<b>798,645</b>	<b>623,329</b>	<b>175,316</b>	<b>28%</b>
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Direct	2,044	1,246	798	64%
Indirect	629	555	73	13%
<b>Total recurring revenue</b>	<b>2,673</b>	<b>1,801</b>	<b>871</b>	<b>48%</b>
Other revenue	1,000	1,594	(594)	(37%)
Other non-recurring revenue	1,213	259	955	369%
<b>Total income</b>	<b>4,886</b>	<b>3,654</b>	<b>1,232</b>	<b>34%</b>
Direct costs	(2,478)	(1,404)	(1,074)	77%
Overhead costs	(6,133)	(6,909)	776	(11%)
<b>EBITDA</b>	<b>(3,725)</b>	<b>(4,659)</b>	<b>934</b>	<b>(20%)</b>
Other income & expenses	(488)	(613)	125	(20%)
<b>NPAT</b>	<b>(4,213)</b>	<b>(5,272)</b>	<b>1,059</b>	<b>(20%)</b>

## Balance Sheet

	Jun-19 \$'000	Jun-18 \$'000
<i>Current assets</i>		
Cash & equivalents	1,368	3,023
Trade & other receivables	1,784	2,253
Inventories	892	701
Other current assets	337	262
<b>Total current assets</b>	<b>4,381</b>	<b>6,239</b>
<i>Non-current assets</i>		
Plant & equipment	201	196
IT development	184	292
<b>Total non-current assets</b>	<b>385</b>	<b>488</b>
<b>TOTAL ASSETS</b>	<b>4,766</b>	<b>6,727</b>
<i>Current Liabilities</i>		
Payables	1,688	1,285
Provisions	513	453
<b>Total current liabilities</b>	<b>2,201</b>	<b>1,738</b>
<i>Non-current liabilities</i>		
Provisions	11	71
Borrowings	8,500	6,525
<b>Total non-current liabilities</b>	<b>8,511</b>	<b>6,596</b>
<b>TOTAL LIABILITIES</b>	<b>10,712</b>	<b>8,334</b>
<b>NET ASSETS</b>	<b>(5,946)</b>	<b>(1,607)</b>





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