2019 full year results

investor presentation

26 August 2019

amaysim

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Operating segments

All comparisons, unless otherwise noted, are full year ended 30 June 2019 compared to full year ended 30 June 2018 and refer to the continuing operations of the Company with all comparisons relating to prior periods adjusted to reflect only continuing operations. The Company discontinued selling devices on 27 August 2018 and divested its fixed line broadband customer base on 26 October 2018 (completed 30 October 2018). As a result, the results of these businesses are reflected as discontinued operations for all periods presented.

Statutory, proforma and underlying information

Statutory information is based on audited financial statements. "Proforma" and "underlying" financial information has not been audited or reviewed. amaysim uses certain measures to manage and report on business performance that are not recognised under Australian Accounting Standards ("non-IFRS financial measures"). These non-IFRS financial measures that are referred to in this presentation include without limitation the following:

- 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;
- 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, 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.

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2019 full year results

CEO presentation

Peter O'Connell, Chief Executive Officer and Managing Director

amaysim

2019 full year results

reported financial metrics under the new accounting standards

$508.3m
-7.8%▼
Net revenue

$47.3m
-14.5%▼
Underlying EBITDA
(top end of guidance at HY19 Results)

($6.5m)
-144% ▼
NPAT (Loss)

207k
energy subscribers
+8.3% ▲

624k
recurring mobile subscribers
-4.8% ▼

$152.2m
-2.0%▼
Gross Profit

$43.9m
-8.9%▼
EBITDA

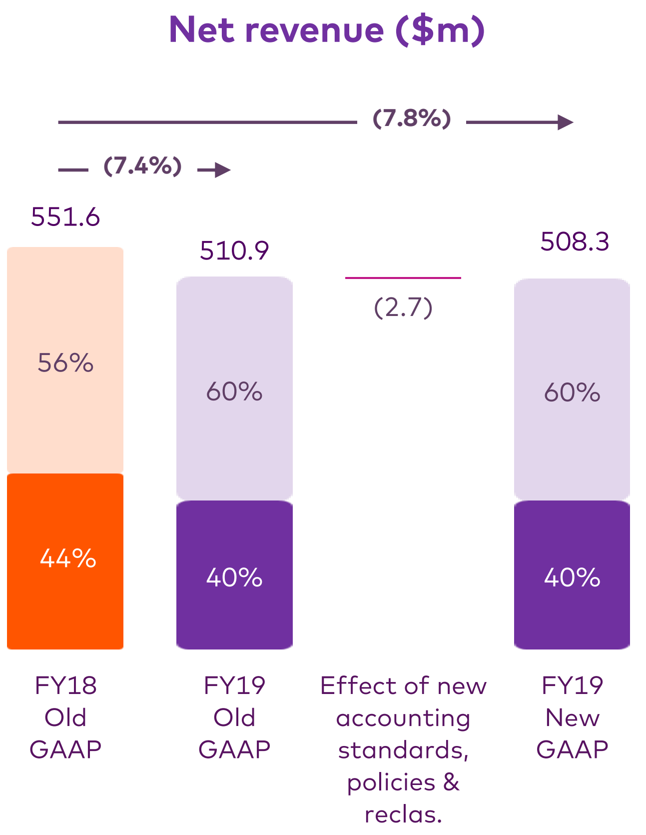
(2.8)
-140%▼
EPS

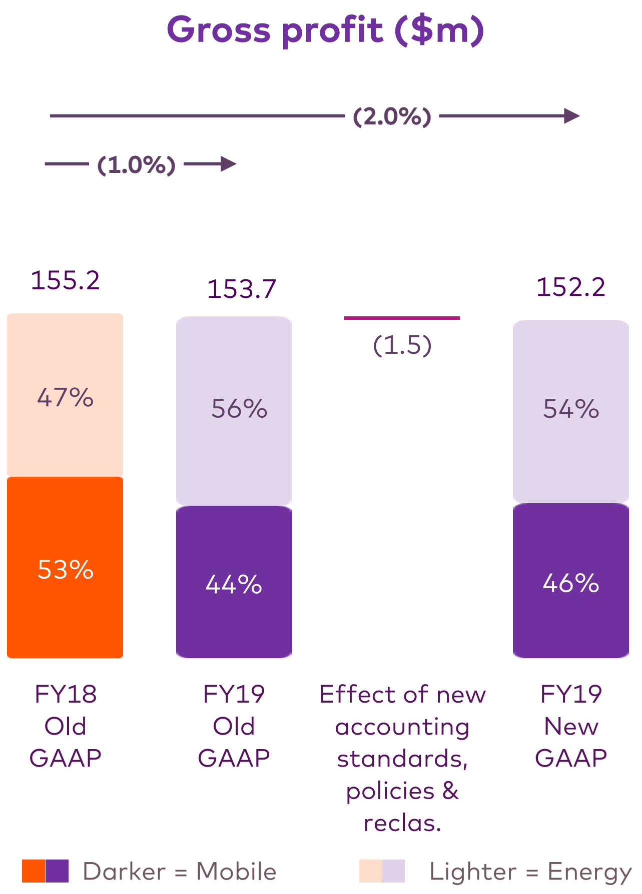
Recurring mobile subscribers includes all plans which contribute recurring subscription revenue and excludes sporadic subscribers on 'As You Go' (AYG) plans. These recurring mobile subscribers account for most of the mobile revenue (95%) and gives better clarity around the recurring nature of the mobile business.
See appendix A8 for a full breakdown.

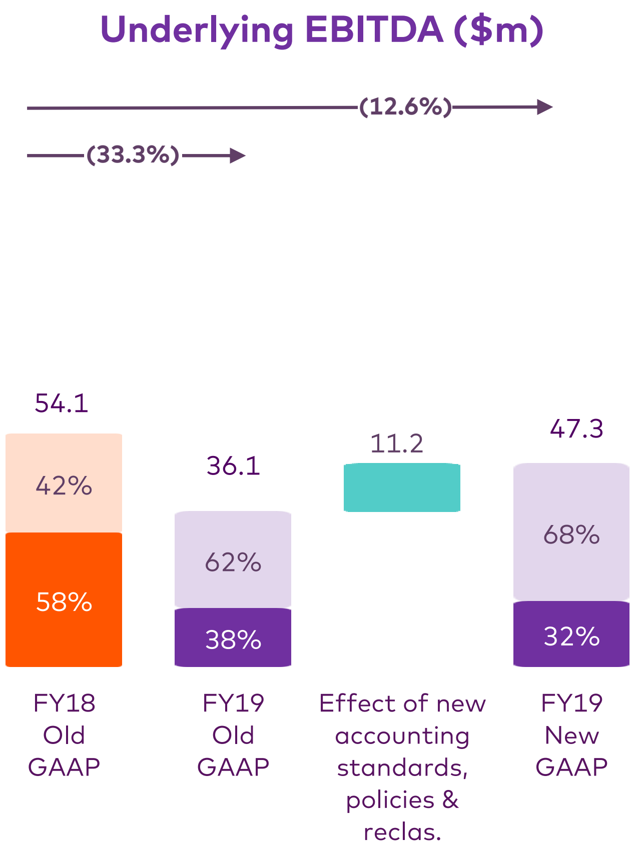
All comparisons above are full year ended 30 June 2019 compared to full year ended 30 June 2018. FY18 has been restated to exclude discontinued operations (broadband and devices). The changes to accounting standards and policies are summarised on slide 12. Comparisons above therefore do not reflect the reported results in the FY18 financial report. Refer to the Operating and Financial Review in the 2019 Annual Report for the performance summary.
The effect of the new Accounting Standards and related changes has a disproportionately positive effect on FY19 versus FY18 which distorts comparability. Care must be taken when analysing and comparing reported results after the effect of New GAAP. Subsequent analysis in this presentation focuses on the comparable previous Accounting Standards ("Old GAAP").
Refer to appendix A3 (Detailed profit and loss statement), A4 and A5 (Operating segments) and A6 (FY19 underlying to statutory results reconciliation) of this presentation as well as note 2 (Operating Segments), note 8 (Discontinued operations) and note 21 (Changes to existing accounting policies and adoption of new Accounting Standards) in amaysim's 2019 full-year financial report for a complete reconciliation of the effects of the new accounting standards and policies applied from 1 July 2018, as well as the effect of discontinued operations. These reconciliations detail, on a step-by-step basis, how these items have adjusted previously reported numbers.

2019 full year performance

Maintained gross profit and FY19 Underlying EBITDA at top end of guidance range

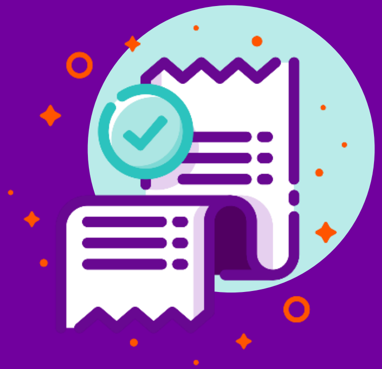






Due to rounding, numbers presented in the table above may not add up precisely to the totals provided

2019 full year milestones



Revitalised Network Supply Agreement (NSA) with Optus in late May 2019

Enhanced $20, $30, $40 and $50 mobile plans in June, just one week after revitalising NSA with Optus

Soft launched first subscription energy plans in Victoria in April 2019 and switched on NSW and Queensland in August

Commenced increased marketing activity in June 2019 to support new mobile plans

Strengthened the Board and senior management team with two new NEDs and a new CEO and CFO during the year

Successfully completed a $50.6m capital raise in March 2019, strengthening the balance sheet, reducing debt and supporting strategic growth initiatives

Implemented the difficult, but necessary, closure of the online device store in Aug 2018, and divested broadband customer base in Oct 2019

Awarded 'Best Mobile Solution' at the 2018 ACOMM Awards in September

Exceptional feedback and performance of new mobile plans

- Enhanced plans launched in June 2019 have received exceptionally positive customer feedback
- Subscriber growth accelerating and churn is improving - net +8k recurring mobile subscribers added in less than 7 weeks (since financial year end)
- Growth in unlimited subscribers follows launch of marketing campaigns in June to support release of enhanced plans

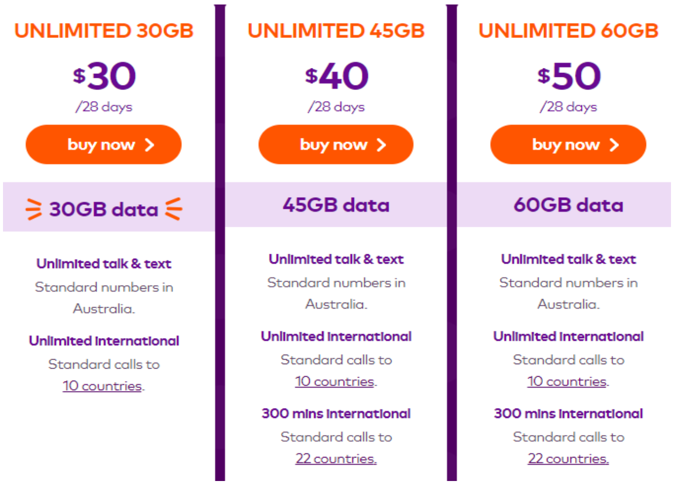
632k

unlimited mobile subscribers at 16 August 2019
(Refer to appendix A8 for a full breakdown)

@amaysimAU upgraded my phone plan today from $30/month with 10GB of data to $30/month with 30GB of data for no reason at all. I freaking love this phone company"

I have nothing but good things to say about @amaysimAU, and that they just upped my $30 plan to include 30GB (from 10GB) of data is adding to that list "

"Very pleasant surprise from @amaysimAU today – an extra 20GB per month at the same price, and without having to ask for it"



Mobile

New mobile plans and marketing initiatives to drive subscriber growth

- Signed revitalised network supply agreement (NSA) with Optus in May and launched new mobile plans to customers within one week
- Refreshed mobile plans and new marketing activities drove subscriber growth throughout the month of June and strong performance has continued throughout July and August

Intense competition in FY19, but moving to sustainable growth

- The mobile market remained highly competitive throughout FY19, however, there are early signs of sustainable pricing returning and the roll out of 5G is compelling network operators to turn attention back to profitability rather than aggressive and unprofitable growth (relative to their cost structure) – making room for amaysim to leverage its lean cost structure and accelerate subscriber growth

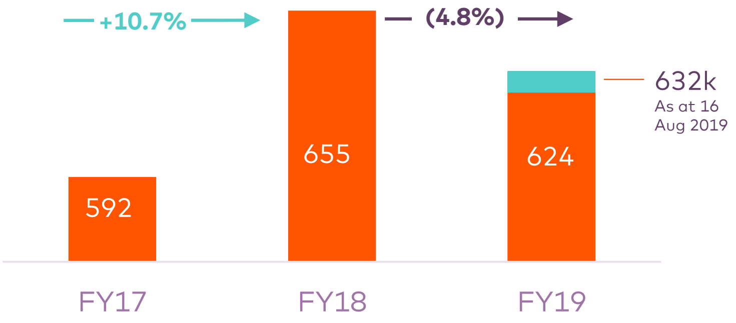
Significant strategic value in subscriber base

- Maintained market share (34% of MVNO market[2]) and inherent value of the mobile subscriber base provides wholesale and operating leverage with a wholesale re-contracting event to occur on or before 30 June 2022
- amaysim is highly likely to be recommended by its customers and was the least complained about service provider in the industry[1]

Strong gross margin

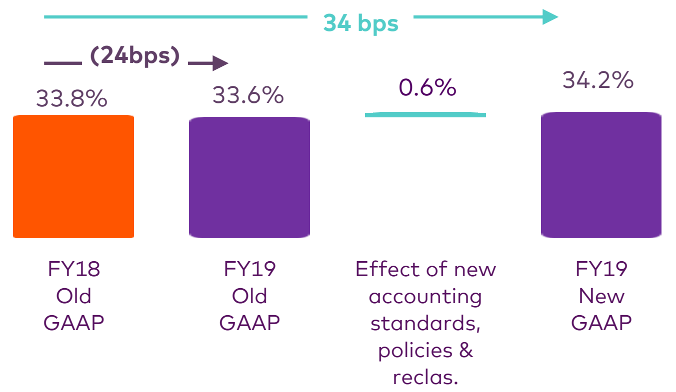
- Maintained a strong mobile gross margin driven by the strength of our NSA

Recurring mobile subscribers ('000)



Recurring mobile subscribers includes all plans which contribute recurring subscription revenue and excludes sporadic subscribers on 'As You Go' (AYG) plans. These recurring mobile subscribers account for most of the mobile revenue and splitting them out provides better clarity around the recurring nature of the mobile business.[3]

Gross profit margin (%)



Due to rounding, numbers presented in the chart may not add up precisely to the totals provided

1. 0.4 complaints per 10,000 customers, Telecommunications Complaints in Context, April – June 2019. Applies only to amaysim brand
2. Telsyte Australian Mobile Services Market Study 2019
3. See appendix A8 for a full breakdown of the mobile subscriber base

Energy

Continued subscriber growth in a challenging market

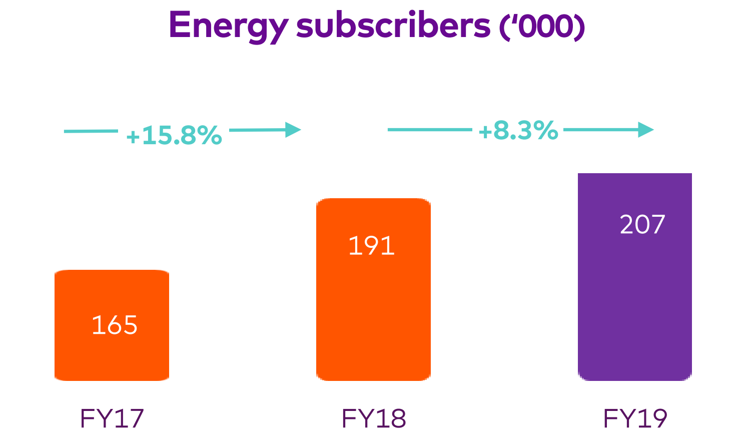
- Energy subscribers grew by 8.3% to 207k driven by our unique channels to market and compelling product mix
- The energy market is in a state of flux following the latest energy regulatory changes. This is the single biggest period of regulatory change since the sector was de-regulated

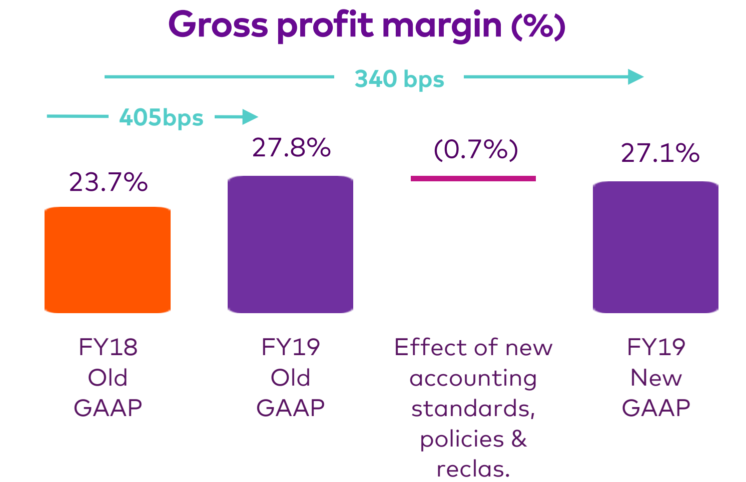
Gross margin contribution

- Disciplined margin management resulted in gross margin increasing by 340 basis points to 27.1%
- As the impact of the energy regulation takes effect, margins are expected to trend down to more sustainable levels. Our desire to run a business which is not reliant on price rises (with fair and sustainable margins from the outset) is also expected to drive lower margins

New disruptive subscription products and focus on sustainable growth

- In April, the new energy subscription plans were soft launched in Victoria and the plans were switched on in New South Wales and Queensland in August. The plans will disrupt the retail energy market, in time, with an unprecedented level of transparency, predictability and flexibility
- New subscription plans, operational efficiencies and a FY20 plan that is not reliant on price rises aims to ensure that our energy business remains focused on delivering long term sustainable returns, while coping with short term pressure





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2019 full year results

CFO presentation

Gareth Turner, Chief Financial Officer

amaysim

Changes to financial reporting

- The period ended 30 June 2019 reflects the **discontinuation** of Broadband and Devices, the adoption of the new Accounting Standards and changes in accounting policies. The comparative period ended 30 June 2018 has been restated to reflect the same.
- During the period, **new Accounting Standards** AASB 15 "Revenue from Contracts with Customers" and AASB 9 "Financial Instruments" were adopted (as of 1 July 2018) and the Group's accounting policies for Energy Trailing Commissions was changed.
- During this transition phase, the impact of adopting the new Accounting Standards and related changes[1] has a **disproportionately positive effect** on FY19 versus FY18 that distorts comparability. Analysis in this section of the presentation is focused on the Old GAAP operating measures (on a "**comparable basis**").This will no longer be an issue from FY20 when we report only 'New GAAP' numbers.

Changes to existing accounting policies and adoption of new Accounting Standards

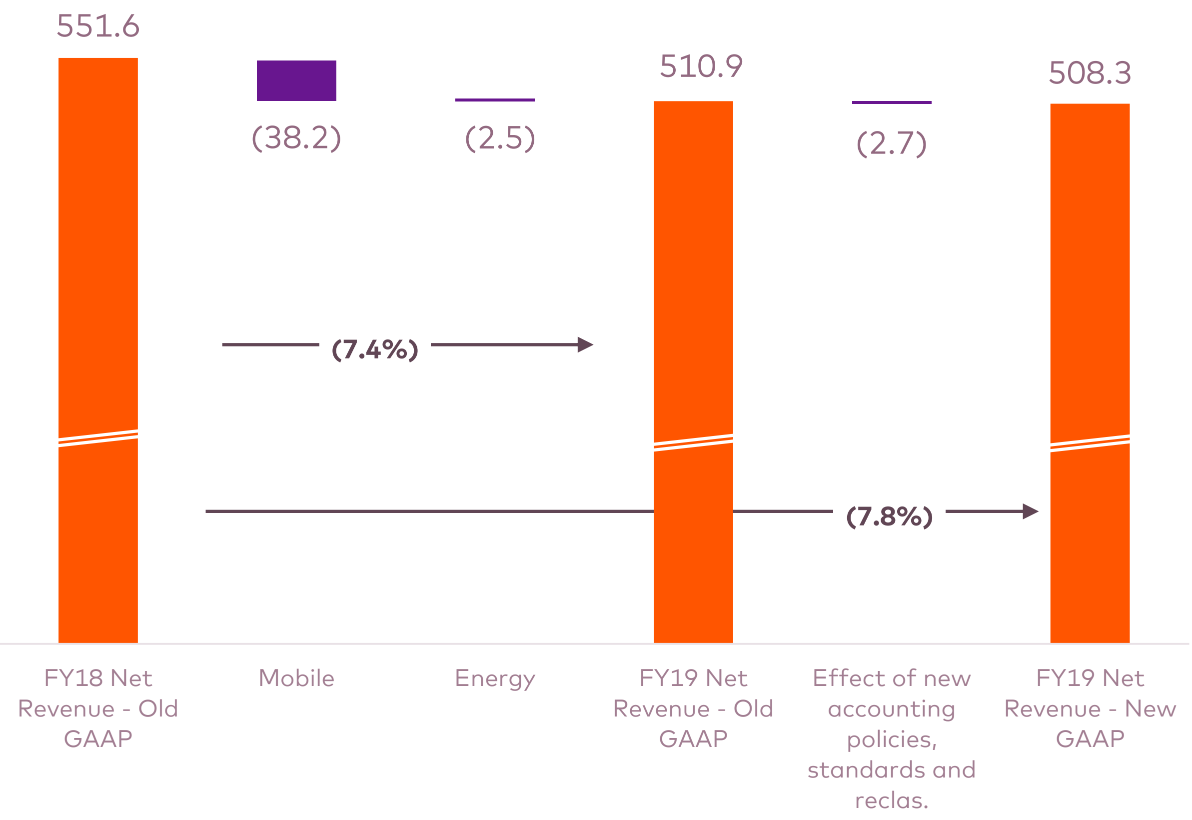
AASB 15 Revenue from Contracts with Customers	• Mobile access fees are recognised on a straight-line basis over the period of the contract (previously recognised upfront) • Energy service revenue is recognised over time when the supply of energy has occurred. Revenue on 'Occupier Accounts' is now only recognised when cash is received (previously recognised when billed) • Upfront fees and commissions incurred to obtain customer contracts (i.e. sales commissions) are now capitalised to intangible assets on the balance sheet and amortised (to the amortisation expense in the P&L) over the expected life of the customer (previously expensed when incurred) • Revenue from cross-sell products are allocated based on the standalone selling price of each service/product and discounts included are allocated proportionally across all verticals. For certain bundles, AASB 15 results in slower revenue recognition
AASB 9 Financial Instruments	• No change to the classification, measurement and recognition of derivatives and hedging activities • Provision for expected credit losses based on lifetime expected loss allowance for receivables (previously recognised when losses incurred)
Change in accounting policy	• Future trailing commissions used to be estimated and accrued for up-front. Under new AASB 15, these estimated costs would have been capitalised thereby introducing significant uncertainty to the balance sheet.Under the new policy, amaysim no longer accrues for these costs but expenses them to marketing costs when they are due and payable

1. The impact of adopting the new Accounting Standards, changes to existing policies, and discontinued operations is clearly reported as step changes set out in note 2 (Operating Segment), note 8 (Discontinued operations) and note 21 (Changes to existing accounting policies and adoption of new Accounting Standards) in amaysim's 2019 full-year financial report

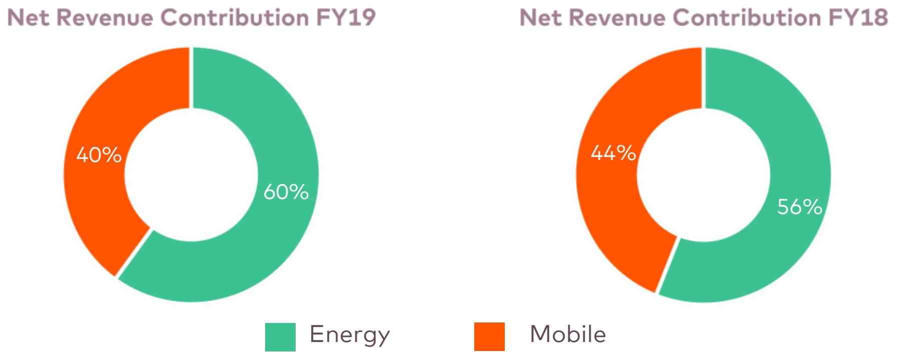
Net revenue

FY19 v FY18 ($m)

Stable performance in energy supporting softer mobile performance



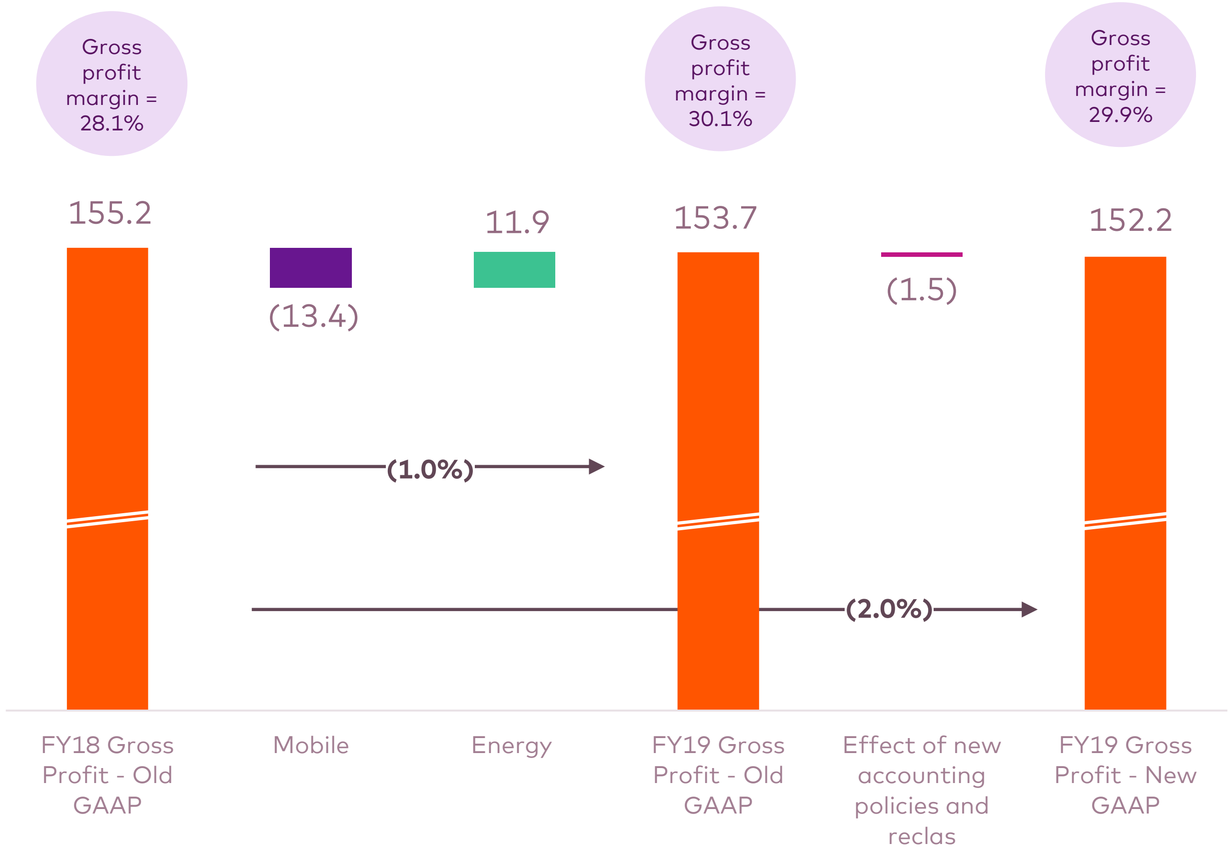
- On a comparable basis, net revenue decreased by 7.4% to $510.9m reflecting the intense competition in the mobile market supported by a stable energy performance, despite a challenging energy market
- On a comparable basis, mobile net revenue decreased by 15.8% to $203.4m. Mobile revenue was impacted by a decline in subscribers and lower ARPU that was a result of competition and a trend towards lower value plans
- On a comparable basis, energy net revenue fell by 0.8% to $307.6m, despite a rise in subscribers. This was due to lower ARPU attributable to lower consumption across the market
- Energy represents ~60% of the Group's net revenue and has supported the Group in withstanding difficult mobile market conditions



Due to rounding, numbers presented in the chart may not add up precisely to the totals provided

Gross profit

FY19 v FY18 ($m)



- On a comparable basis, gross profit for the Group remained relatively stable at $153.7m and gross margin improved 194 basis points to 30.1% a result of strong margins in energy and the strength of our mobile wholesale agreement
- On a comparable basis, energy gross profit increased $11.9m, or 16.2%, to $85.4m driven by disciplined margin management
- Energy margins expected to trend downwards in FY20 as a result of increasing regulatory pressure on energy retailers and amaysim's desire to run an energy business that isn't reliant on price rises
- On a comparable basis, mobile gross profit fell by $13.4m, or 16.4%, to $68.3m as a result of a decline in ARPU
- Mobile gross margin remained strong at 33.6% on a comparable basis due to the strength of our wholesale agreement

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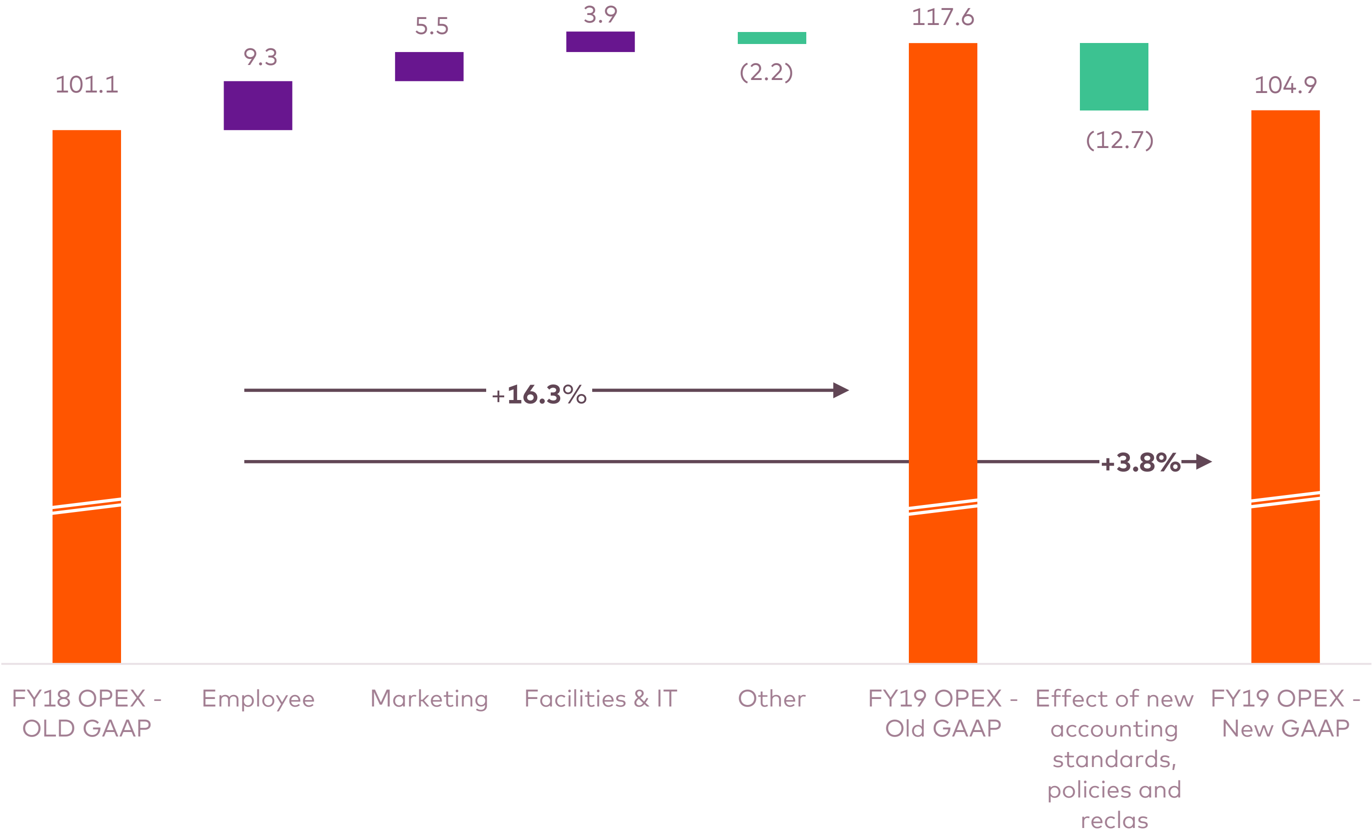
Underlying operating expenses

FY19 v FY18 ($m)



- On a comparable basis, the Group's underlying operating expenses were up 16.3% to $117.6m
- Employee costs increased $9.3m, or 26.3%, reflecting in order of magnitude: the provisioning for employee incentives that had been reversed in FY18; increased resource to support mobile plan development and the development of new subscription energy plans; and reduced capitalisation after the discontinuation of devices and the sale of broadband
- Marketing expenses increased $5.5m, or 20.8%, supporting the soft-launch of subscription energy and growing channels to market
- IT and facilities expenses increased by $3.9m or 33.7%. The increase was driven by the relocation of the amaysim Philippines office to accommodate growth and increased investment in the technology stack to support future growth
- Other expenses decreased by $2.2m, or 7.8%, driven mainly by the completed integration of Click call centre activities that were previously outsourced

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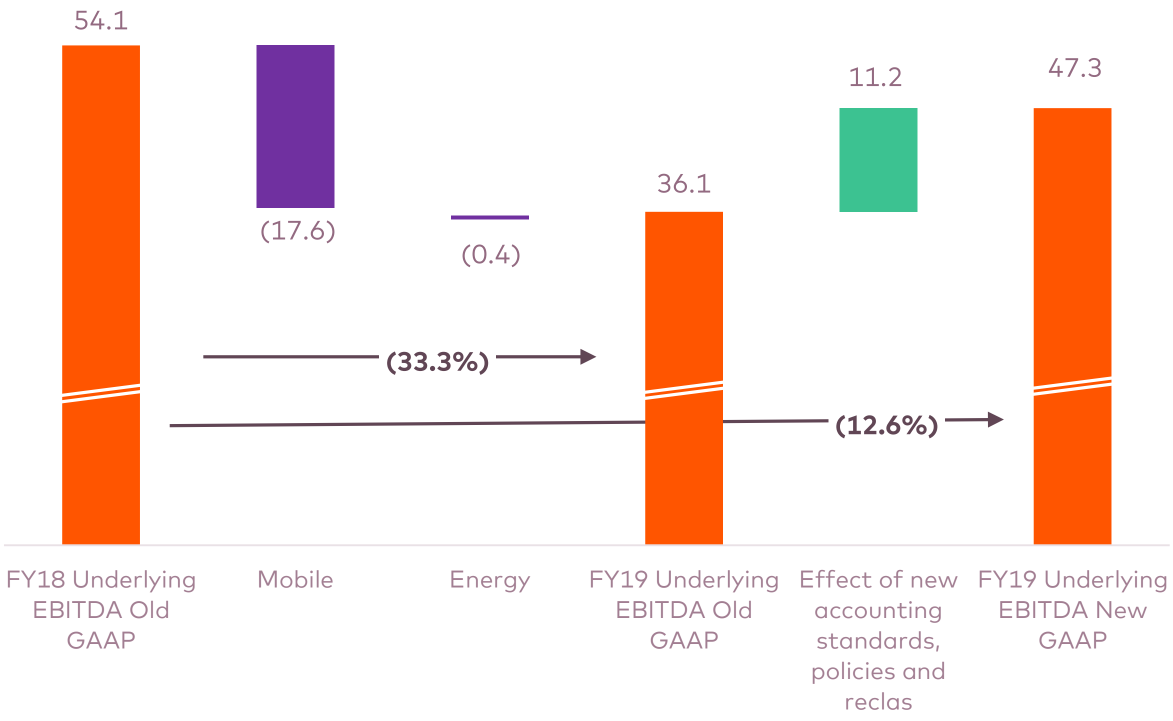
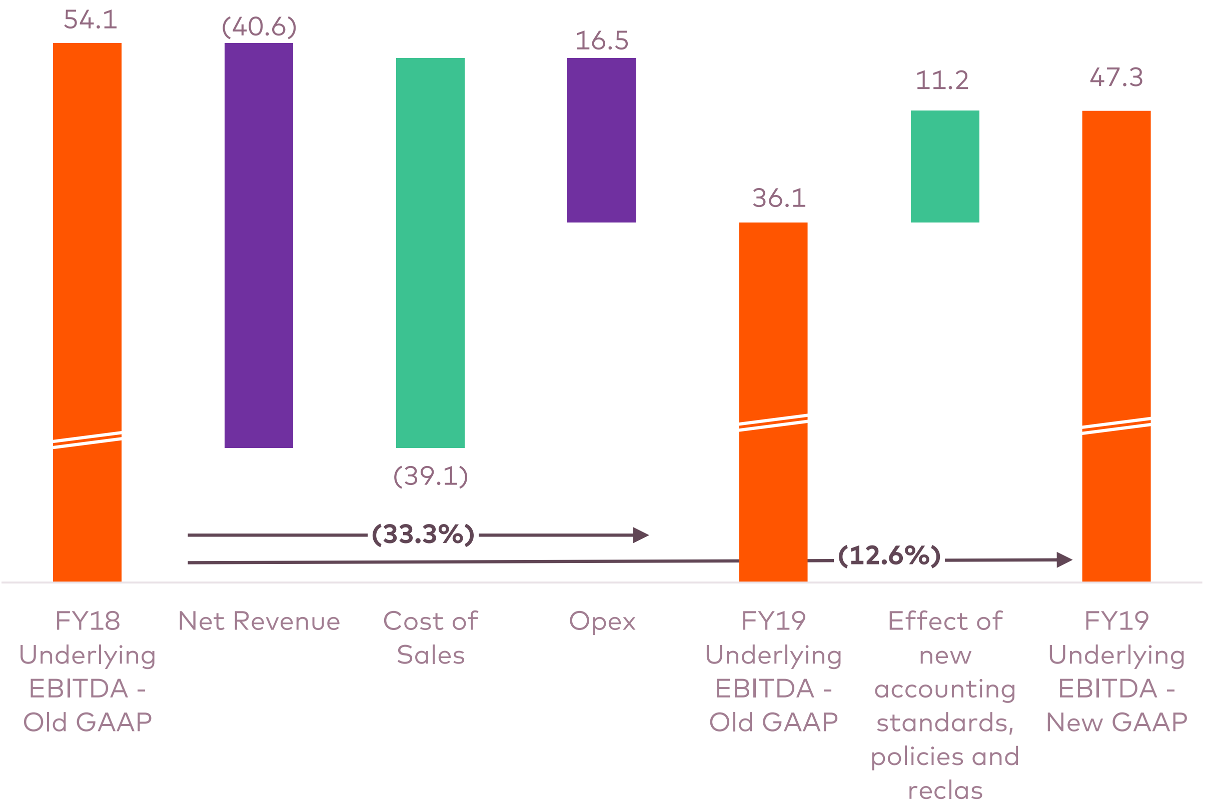
Underlying EBITDA

FY19 EBITDA top end of guidance met

Underlying EBITDA by segment
FY19 v FY18 ($m)



Underlying EBITDA by line item
FY19 v FY18 ($m)



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Mobile segment performance

$ million (unless stated)	New GAAP FY19	Change from new accounting standards, policies & reclassifications to Old GAAP	Old GAAP FY19	Old GAAP FY18	Change
Revenue from recurring subscribers	194.1	(0.1)	194.0	222.7	(12.9%)
Revenue from Other and AYG	9.4	-	9.4	18.9	(50.2%)
Total revenue	**203.5**	**(0.1)**	**203.4**	**241.5**	**(15.8%)**
Cost of sales	(134.0)	(1.1)	(135.1)	(159.9)	(15.5%)
Gross profit	**69.5**	**(1.2)**	**68.3**	**81.7**	**(16.4%)**
Gross profit margin (%)	*34.2%*	*(59 bps)*	*33.6%*	*33.8%*	*(24 bps)*
Underlying operating expenses	(54.3)	(0.4)	(54.7)	(50.5)	8.4%
Underlying EBITDA	**15.2**	**(1.6)**	**13.6**	**31.2**	**(56.5%)**
EBITDA margin (%)	*7.5%*	*(79bps)*	*6.7%*	*12.9%*	*(625bps)*
Closing recurring subscribers ('000)			624	655	(4.8%)
ARPU ($) (based on recurring subscribers)			25.3*	29.3*	(13.7%)

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

- On a comparable basis, net revenue for mobile decreased by 15.8% to $203.4m reflecting the intensely competitive environment
- The decrease in subscribers can be attributed to a purposeful delay of marketing investment until the revitalised Optus NSA was in place and new plans were live in June
- On a comparable basis, underlying EBITDA decreased by 56.5% to $13.6m amid a highly competitive environment
- Operating expenses increased 8.4% due the provisioning for incentives, increased resources for plan development and reduced capitalisation following the discontinuation of devices and broadband
- ARPU decreased by 13.7% to $25.3*. This was the result of intense competition driving lower value plans, however ARPU decline is slowing year on year
- The new competitive plans are showing signs of boosting customer retention and are driving new subscriber growth
- On a comparable basis, mobile gross margin was maintained - a result of the strength of our wholesale agreement

***ARPU for FY18 and FY19 has been calculated on the recurring subscriber base only (excluding AYG customers) to give a more accurate representation of the business. See appendix A8 for a full breakdown of the subscriber base and ARPU**

Energy segment performance

$ million (unless stated)	New GAAP FY19	Change from new accounting standards, policies & reclassifications to Old GAAP	Old GAAP FY19	Old GAAP FY18	Change
Electricity plans	247.1	2.7	249.8	264.5	(5.5%)
Gas plans	56.8	-	56.8	44.5	27.7%
Other revenue	1.0	-	1.0	1.1	(9.9%)
Total revenue	**304.8**	**2.7**	**307.6**	**310.0**	**(0.8%)**
Cost of sales	(222.2)	-	(222.2)	(236.5)	(6.1%)
Gross profit	**82.7**	**2.7**	**85.4**	**73.5**	**16.2%**
Gross profit margin (%)	*27.1%*	*65 bps*	*27.8%*	*23.7%*	*405 bps*
Underlying operating expenses	(50.6)	(12.3)	(62.9)	(50.6)	24.2%
Underlying EBITDA	**32.1**	**(9.5)**	**22.5**	**22.9**	**(1.7%)**
EBITDA margin (%)	*10.5%*	*(319 bps)*	*7.3%*	*7.4%*	*(6bps)*
Closing electricity plans			150	144	3.6%
Closing gas plans			57	47	22.8%
Total closing fuels ('000)*			207	191	8.3%
ARPU ($)*			128.5	143.0	(10.1%)

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

***See appendix A8 for a full breakdown of the subscriber base and ARPU**

- On a comparable basis net revenue decreased 0.8% to $307.6m vs $310m
- The relatively flat revenue, despite subscriber growth, is due to a lower ARPU of $128.5, down 10.1% and attributable to a reduction in customer consumption (driven by milder weather, increased efficiency of devices, growth of solar and more vigilant use). In NSW, the business also achieved strong growth of new gas plans (+22.8%), that tend to be lower billing than electricity accounts
- Energy subscribers grew 8.3% to 207k driven by the success of our unique mix of brands and channels to market
- On a comparable basis, underlying EBITDA decreased by 1.7% to $22.5m due to higher costs associated with subscriber acquisition and developing and launching the new subscription energy plans
- Disciplined margin management saw comparable gross profit of $85.4m and gross margin increased by 405 bps to 27.8%
- It is expected that margins will trend down over time to more sustainable levels due the regulatory changes that have put pressure on margins and due to our desire to run an energy business that doesn't rely on price rises

Balance sheet

CURRENT ASSETS	FY19 $'000	FY18 (restated) $'000	Movement
Cash and cash equivalents	30.7	9.8	20.9
Trade receivables	48.1	60.0	(11.9)
Derivative financial instruments	3.3	0.1	3.2
Current tax assets	-	3.2	(3.2)
Other current assets	5.0	5.4	(0.4)
Total current assets	**87.1**	**78.5**	**8.6**
NON-CURRENT ASSETS			
Property, plant and equipment	6.2	4.4	1.7
Intangible assets	180.0	203.3	(23.3)
Derivative financial instruments	0.2	-	0.2
Other non-current assets	0.6	0.5	0.1
Deferred tax assets	0.4	0	0.4
Total non-current assets	**187.3**	**208.3**	**(20.9)**
TOTAL ASSETS	**274.5**	**286.8**	**(12.3)**
CURRENT LIABILITIES			
Trade and other payables	85.1	107.6	(22.6)
Customer deposits	2.2	2.4	(0.2)
Deferred revenue	7.5	8.4	(0.9)
Borrowings	-	13.6	(13.6)
Derivative financial instruments	2.1	7.7	(5.6)
Provisions	9.5	4.4	5.1
Current tax liabilities	0.2	-	0.2
Total current liabilities	**106.6**	**144.1**	**(37.5)**
NON-CURRENT LIABILITIES			
Derivative financial instruments	0.4	0.2	0.2
Borrowings	56.5	76.0	(19.5)
Provisions	1.4	1.9	(0.5)
Deferred tax liabilities	-	4.2	(4.2)
Other non-current liabilities	3.1	-	3.1
Total non-current liabilities	**61.4**	**82.3**	**(20.9)**
TOTAL LIABILITIES	**168.0**	**226.5**	**(58.4)**
NET ASSETS	**106.5**	**60.3**	**46.1**
EQUITY			
Contributed equity	167.2	118.3	48.9
Equity compensation reserve	(8.4)	(8.2)	(0.2)
Cashflow hedge reserve	1.1	(5.5)	6.5
Foreign currency translation reserve	0.1	(0.3)	0.5
Retained profits	10.5	20.0	(9.5)
Accumulated losses (prior years)	(64.0)	(64.0)	-
TOTAL EQUITY	**106.5**	**60.3**	**46.1**

- Cash and cash equivalents up $20.9m due to the increased funds following the $50.6m capital raise
- Trade receivables decreased by $11.9m, mainly due to reduced revenue and the new accounting standards that de-recognise revenue from energy occupier accounts
- Intangible assets fell $23.3m driven by:
  - a $15.7m impairment of acquired energy customer contracts, distributor relationships and channel partners intangible assets as a result of the shortening of expected useful lives of these assets; and
  - a write-off of broadband intangibles following the discontinuation of the broadband business
- Trade and other payables down $22.6m driven by lower wholesale energy costs
- Current Borrowings fell by $13.6m to nil due to the repayment of $30m of the Syndicated loan facility made following the capital raising. The facility was also re-structured, and no principal repayments are required until maturity in March 2023
- Current Provisions increased by $5.1m reflecting; provisioning for employee incentives that were reversed in the prior year; provisions in relation to wind-down costs associated with the devices operation; and provisions for further energy restructuring and integration costs

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

1. Balances as at 30 June 2018 have been restated to take account the effect of changes in Accounting Standards and policies. Refer to amaysim's 2019 full-year financial report for further details.

Cash flow

For the year ended $ million	30 June 2019 $'000	30 June 2018 $'000	Change
Cash flows from operating activities			
Receipts from customers (incl. of GST)	560.9	615.8	(54.9)
Payments to suppliers and employees (incl. of GST)	(537.5)	(558.1)	(20.6)
Repayment of Optus liability acquired on Vaya acquisition	-	(11.8)	11.8
Income tax refund/(expense)	(0.5)	(13.7)	13.2
Finance expenses	(5.8)	(6.4)	0.6
Interest received	0.5	0.2	0.3
Net cash inflows from operating activities	**17.6**	**25.9**	**(8.2)**
Cash flows from investing activities			
Payments for property, plant and equipment	(4.6)	(2.9)	(1.6)
Payments for intangible assets	(8.5)	(12.4)	3.9
Proceeds from intangible assets	3.0	-	3.0
Decrease / (Increase) in security deposits and bank guarantees	0.2	(0.2)	-
Net cash outflows from investing activities	**(9.9)**	**(15.5)**	**5.6**
Cash flows from financing activities			
Dividends paid	-	(10.8)	10.8
Repayment of borrowings	(35.0)	(15.0)	(20.0)
Proceeds from issue of shares	50.6	7.1	43.5
Payments of capitalised transaction costs	(2.5)	-	(2.5)
Net cash outflows from financing activities	**13.1**	**(18.7)**	**31.8**
Net increase/(decrease) in cash and cash equivalents	20.9	(8.3)	29.2
Cash and cash equivalents at the beginning of the financial period	9.8	18.1	(8.3)
Cash and cash equivalents at end of period	**30.7**	**9.8**	**20.9**

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

The Consolidated statement of cash flows has not been restated for Discontinued Operations, in line with Australian Accounting Standards.

- Net cash flows from operating activities were down $8.2m – a result of lower customer receipts and non-operating items including costs associated with closing the discontinued operations and the ACCC proceedings
- Net cash flow from investing activities improved $5.6m mainly due to proceeds from the sale of the Broadband customer base together with a reduction in payments for intangible assets (software development). This was then offset by payments for property, plant and equipment related to the new Manila site
- Financing cash flows improved by $31.8m following the successful $50.6m capital raise and offset by a repayment of an existing loan of $35m
- The Company closed the financial year end with a cash balance of $30.7m providing the funding to continue to execute on our strategic growth initiatives

2019 full year results

strategy and outlook

Peter O'Connell, Chief Executive Officer and Managing Director

amaysim

Strategy update

Implementation of strategic growth initiatives well underway

Grow and defend mobile

- Increased marketing activities to drive organic growth, including having launched radio and TV marketing campaigns and commenced out of home advertising backed by online digital assets
- Considering acquisitive opportunities that make strategic sense and will deliver shareholder value
- New in-market plans launched, supported by revitalised NSA

Disrupt retail energy

- Soft launched first subscription energy plans in Victoria in April
- Switched on subscription plans in New South Wales and Queensland in August
- New features being developed and tested, continuously improving the plans and expanding the potential customer reach

Enhance technology stack

- Technical architecture has been defined and vendor evaluation and testing is well underway
- Implemented new billing platform, purpose built for subscription plans, and launched new subscription energy plans on the platform

FY20 outlook

Significant reinvestment into the business to support strategic growth initiatives

Grow and defend mobile

- Up to an additional $15m investment into sales and marketing in FY20 to increase overall brand awareness and subscriber acquisition
- New plans being developed to support existing customers, maintain competitiveness and target new segments, supported by our revitalised NSA with Optus

Disrupt retail energy

- Unprecendented regulatory changes in energy are expected to put pressure on retail energy margins
- Lower energy consumption is expected to continue
- FY20 earnings to be impacted by our desire to run an energy business that isn't reliant on price rises as well as ongoing investment into subscription energy plans and growing awareness

Enhance technology stack

- Up to an additional $5m - $7m investment over two years to enhance our technology stack, supporting long term growth and driving efficiencies in our cost-to-serve through improved automation
- Architecture design will: drive operational efficiencies; improve ability to effectively service customers; enable simpler implementation of cross-selling; and improve speed to launch new plans

FY20 guidance

Significant reinvestment expected to result in materially lower earnings compared to FY19

- FY20 underlying EBITDA is expected to be in the range of $33m–$39m (on a 'New GAAP' basis) compared to $47.3m in FY19 (on a 'New GAAP' basis)*
- Company is well funded, following the capital raise, to take advantage of growth opportunities and maintains more than adequate headroom in all senior debt covenants

*Guidance reflects : the mobile market continuing to remain highly competitive; a softer performance in energy due to no expected price rises in FY20 as we transition away from a front-book / back-book model; uncertainty in respect of the impact of recent changes in energy regulations; significantly higher marketing investment to fuel mobile subscriber growth; and investment into the technology stack.

Guidance also assumes no material changes in, or adverse effects from, market conditions, operating environments (including further regulatory change), business circumstances or supplier arrangements.

2019 full year results

appendix

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A1. 2019 full year results – summary of financial metrics

$ million (unless stated otherwise)	New GAAP FY19	Change from new accounting standards, policies & reclassifications to Old GAAP	Old GAAP FY19	Old GAAP FY18	Change between FY18 and FY19 Old GAAP
Net revenue	508.3	2.7	510.9	551.6	(7.4%)
Gross profit	152.2	1.5	153.7	155.2	(1.0%)
Gross profit margin (%)	29.9%	14 bps	30.1%	28.1%	194 bps
Underlying operating expenses	(104.9)	(12.7)	(117.6)	(101.1)	16.3%
Underlying EBITDA	**47.3**	**(11.2)**	**36.1**	**54.1**	**(33.3%)**
Underlying NPAT	6.8	(0.9)	5.9	18.9	(68.7%)
Underlying NPATA	22.1	(10.8)	11.3	28.9	(61.0%)

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

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the new standards. Refer to appendix A3 (Detailed profit and loss statement), A4 and A5 (Operating segments) and appendix A6 (FY19 underlying to statutory results reconciliation) of this presentation as well as note 2 (Operating Segment), note 8 (Discontinued operations) and note 21 (Changes to existing accounting policies and adoption of new Accounting Standards) in amaysim's 2019 full-year financial report for a complete reconciliation of the effects of the new Accounting Standards and policies applied from 1 July 2018, as well as the effect of discontinued operations. These reconciliations detail, on a step-by-step basis, how these items have adjusted previously reported numbers.

A2. 2019 full year result by segment

$ million (unless stated)	New GAAP FY19	Change from new accounting standards, policies & reclassifications to Old GAAP	Old GAAP FY19	Old GAAP FY18	Change between FY18 and FY19 Old GAAP
Net revenue					
Mobile	203.5	(0.1)	203.4	241.5	(15.8%)
Energy	304.8	2.7	307.6	310.0	(0.8%)
Group	**508.3**	**2.7**	**510.9**	**551.6**	**(7.4%)**
Gross profit					
Mobile	69.5	(1.2)	68.3	81.7	(16.4%)
Energy	82.7	2.7	85.4	73.5	16.2%
Group	**152.2**	**1.5**	**153.7**	**155.2**	**(1.0%)**
Gross margin					
Mobile	34.2%	(59 bps)	33.6%	33.8%	(24 bps)
Energy	27.1%	65 bps	27.8%	23.7%	405 bps
Group	**29.9%**	**14 bps**	**30.1%**	**28.1%**	**194 bps**
Underlying EBITDA					
Mobile	15.2	(1.6)	13.6	31.2	(56.5%)
Energy	32.1	(9.5)	22.5	22.9	(1.7%)
Group	**47.3**	**(11.2)**	**36.1**	**54.1**	**(33.3%)**

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

A3. Detailed profit and loss statement

$ Millions	Underlying FY19 (new GAAP)	Underlying FY19 (old GAAP)	Underlying FY18 (old GAAP)	Underlying Change (old GAAP)	Statutory FY19 (new GAAP)	Statutory FY19 (old GAAP)	Statutory FY18 (old GAAP)	Statutory Change (old GAAP)
Net revenue	508.3	510.9	551.6	(7.4)%	508.3	510.9	551.6	(7.4)%
Cost of Sales	(356.1)	(357.3)	(396.4)	(9.9)%	(356.1)	(357.3)	(396.4)	(9.9)%
Gross profit	152.2	153.7	155.2	(1.0)%	152.2	153.7	155.2	(1.0)%
Employee expenses	(44.7)	(44.7)	(35.4)	26.3%	(49.9)	(49.9)	(39.9)	24.8%
Marketing expenses	(22.0)	(31.7)	(26.2)	20.8%	(18.5)	(28.2)	(25.9)	8.8%
Facilities and I.T. expenses	(15.6)	(15.6)	(11.7)	33.7%	(15.6)	(15.6)	(11.7)	33.7%
Integration Costs	-	-	-	-	(0.2)	(0.2)	(2.3)	(93.7)%
Other Expenses	(22.7)	(25.7)	(27.8)	(7.8)%	(24.1)	(27.0)	(28.2)	(4.1)%
Total expenses	(104.9)	(117.6)	(101.1)	16.3%	(108.2)	(120.9)	(108.1)	11.8%
EBITDA	47.3	36.1	54.1	(33.3)%	43.9	32.8	47.1	(30.3)%
Depreciation, amortisation and impairment	(28.7)	(18.8)	(20.2)	(6.8)%	(44.4)	(34.5)	(20.2)	71.2%
EBIT	18.6	17.3	34.0	(49.0)%	(0.4)	(1.7)	27.0	(106.3)%
Net interest (expense)/income	(7.8)	(7.8)	(7.9)	(0.9)%	(7.8)	(7.8)	(7.9)	(0.9)%
Profit before tax	10.8	9.5	26.1	(63.5%)	(8.3)	(9.5)	19.1	(150.0%)
Tax expense	(4.0)	(3.6)	(7.2)	(50.2%)	1.7	2.1	(5.1)	(141.1%)
NPAT	6.8	5.9	18.9	(68.7)%	(6.5)	(7.4)	13.9	(153.1)%
Add: Tax affected amortisation of acquired hedging reserves and intangibles other than software	15.3	5.4	10.1	(46.5)%	15.3	5.4	10.1	(46.5)%
NPATA	22.1	11.3	28.9	(61.0)%	8.8	(2.0)	24.0	(108.4)%

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

A4. FY19 Operating segment performance

For the financial year ended 30 June 2019	Results as previously reported				Remove Discontinued Operations (i)			Continuing operations under previous accounting standards and previous accounting policies			Add back the effect of new accounting standards, policies and reclassifications (ii)			Continuing operations under new accounting standards and new accounting policies		
	Mobile (inc Devices)	Energy	Broadband	TOTAL	Devices	Broadband	TOTAL	Mobile (exc Devices)	Energy	TOTAL	Mobile	Energy	TOTAL	Mobile	Energy	TOTAL
Service revenue	200.9	306.6	4.2	511.6	-	4.2	4.2	200.9	306.6	507.5	0.1	(2.7)	(2.7)	200.9	303.8	504.8
Other Revenue	3.3	1.0	0.2	4.5	0.8	0.2	1.0	2.5	1.0	3.5	-	-	-	2.5	1.0	3.5
Net Revenue	**204.2**	**307.6**	**4.3**	**516.1**	**0.8**	**4.3**	**5.2**	**203.4**	**307.6**	**510.9**	**0.1**	**(2.7)**	**(2.7)**	**203.5**	**304.8**	**508.3**
Network and wholesale related expenses	(136.2)	(222.2)	(5.5)	(363.8)	(1.1)	(5.5)	(6.5)	(135.1)	(222.2)	(357.3)	1.1	-	1.1	(134.0)	(222.2)	(356.1)
Gross margin	**68.1**	**85.4**	**(1.2)**	**152.3**	**(0.2)**	**(1.2)**	**(1.4)**	**68.3**	**85.4**	**153.7**	**1.2**	**(2.7)**	**(1.5)**	**69.5**	**82.7**	**152.2**
Operating Expenses	(55.4)	(62.9)	(2.1)	(120.4)	(0.7)	(2.1)	(2.8)	(54.7)	(62.9)	(117.6)	0.4	12.3	12.7	(54.3)	(50.6)	(104.9)
Underlying EBITDA	**12.7**	**22.5**	**(3.3)**	**31.9**	**(0.9)**	**(3.3)**	**(4.2)**	**13.6**	**22.5**	**36.1**	**1.6**	**9.5**	**11.2**	**15.2**	**32.1**	**47.3**
Underlying expenses (excluding impairment charge)				(2.9)			(0.4)			(3.3)						(3.3)
EBITDA				**29.0**			**(3.8)**			**32.8**	**1.6**	**9.5**	**11.2**			**43.9**
Depreciation, amortisation and impairment										(34.5)			(9.9)			(44.4)
Net Finance cost										(7.8)			-			(7.8)
Profit before tax										**(9.5)**			**1.2**			**(8.3)**
Income Tax										2.1			(0.4)			1.7
Profit after tax										**(7.4)**			**0.9**			**(6.5)**
Segment Assets as at 30 June 2019 (iii)														79.9	194.5	274.4
Segment Liabilities as at 30 June 2019 (iv)														(110.9)	(56.4)	(167.3)

Notes:

(i) Refer to Note 8 in the 2019 financial report for further details about discontinued operations.
(ii) Refer to Note 21 in the 2019 financial report for further details about change in and new accounting policies.

(iii) Assets for Mobile include the current tax assets of the Group.

(iv) Liabilities for Mobile include total Group borrowings (Note 14 in the 2019 financial report) accrued interest expense and deferred tax liabilities

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

A5. FY18 Operating segment performance

For the financial year ended 30 June 2018	Results as previously reported				Remove Discontinued Operations(ii)			Continuing operations under previous accounting standards and previous accounting policies (iii)			Add back the effect of new accounting standards, policies and reclassifications**			Continuing operations under new accounting standards and new accounting policies		
	Mobile (inc Devices)	Energy	Broadband	TOTAL	Devices	Broadband	TOTAL	Mobile (exc Devices)	Energy	TOTAL	Mobile	Energy	TOTAL	Mobile	Energy	TOTAL
Service revenue	238.9	308.9	7.3	555.2	(0.2)	7.3	7.1	239.2	308.9	548.1	(1.9)		(1.9)	237.3	308.9	546.2
Other Revenue	20.1	1.1	1.3	22.5	17.7	1.3	18.9	2.4	1.1	3.5	1.9		(1.9)	4.3	1.1	5.4
Net Revenue	**258.9**	**310.0**	**8.6**	**577.6**	**17.4**	**8.6**	**26.1**	**241.5**	**310.0**	**551.6**	-	-	-	**241.5**	**310.0**	**551.6**
Network and wholesale related expenses	(178.1)	(236.5)	(9.9)	(424.6)	(18.2)	(9.9)	(28.2)	(159.9)	(236.5)	(396.4)				(159.9)	(236.5)	(396.4)
Gross margin	**80.9**	**73.5**	**(1.3)**	**153.1**	**(0.8)**	**(1.3)**	**(2.1)**	**81.7**	**73.5**	**155.2**	-	-	-	**81.7**	**73.5**	**155.2**
Operating Expenses	(52.9)	(50.6)	(5.0)	(108.5)	(2.4)	(5.0)	(7.4)	(50.5)	(50.6)	(101.1)	-	1.2	1.2	(50.5)	(49.5)	(99.9)
Underlying EBITDA (i)	**27.9**	**22.9**	**(6.3)**	**44.6**	**(3.3)**	**(6.3)**	**(9.6)**	**31.2**	**22.9**	**54.1**	-	**1.2**	**1.2**	**31.2**	**24.1**	**55.3**
Underlying expenses (i)			-	(7.0)						(7.0)			-			(7.0)
EBITDA				**37.6**			**(9.6)**			**47.1**	-	**1.2**	**1.2**			**48.3**
Depreciation, amortisation and impairment										(20.2)			-			(20.2)
Net Finance cost										(7.9)			-			(7.9)
Profit before tax										19.1			1.2			20.2
Income Tax										(5.1)			(0.3)			(5.5)
Profit after tax										13.9			0.8			14.8
Segment Assets as at 30 June 2018 (iv)														89.8	188.3	278.1
Segment Liabilities as at 30 June 2018 (v)														(160.8)	(61.4)	(222.1)

Notes:

(i) For presentation purpose, underlying EBITDA for Mobile includes $3,256k of costs in relation to the investment cost in the devices vertical, disclosed as an underlying adjustment at 30 June 2018. As a result underlying EBITDA does not reconcile to amounts disclosed in the prior period.

(ii) Refer to Note 8 in the 2019 financial report for further details about discontinued operations.

(iii) Refer to Note 21 in the 2019 financial report for further details about change in and new accounting policies.

(iv) Assets for Mobile include the current tax assets of the Group.

(v) Liabilities for Mobile include total Group borrowings (Note 14 in the 2019 financial report), accrued interest expense and deferred tax liabilities

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

A6. FY19 underlying to statutory results reconciliation

$ million	Note	EBITDA FY19	EBITDA FY18	NPAT FY19	NPAT FY18	NPATA FY19	NPATA FY18	Total expenses[1] FY19	Total expenses[1] FY18
Restated statutory result		**43.9**	**48.3**	**(6.5)**	**14.8**	**8.8**	**24.8**	**108.2**	**107.0**
Add back/(deduct):									
Non-core expenses	i	1.7	0.7	1.7	0.7	1.7	0.7	(1.7)	(0.7)
Investment in new mobile plans	ii	-	2.6	-	2.6	-	2.6	-	(2.6)
Integration expenses	iii	0.2	3.7	0.2	3.7	0.2	3.7	(0.2)	(3.7)
ACCC legal proceedings	iv	1.4	-	1.4	-	1.4	-	(1.4)	-
Impairment	v	-	-	15.7	-	15.7	-	-	-
Income tax adjustment	vi	-	-	(5.7)	(2.1)	(5.7)	(2.1)	-	-
Underlying results		**47.3**	**55.3**	**6.8**	**19.7**	**22.1**	**29.7**	**104.9**	**99.9**

Notes:

i. Non-core expenses relate to staff redundancy and termination associated with restructuring activities in so far as they impacted continuing businesses during the year.

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

iii. Integration expenses are related to Click's reorganisation and transition of the On The Move call centre.

iv. ACCC legal proceedings are related to penalties and legal costs in relation to the Australian Competition and Consumer Commission legal proceedings which were commenced on 9 July 2018 against an amaysim subsidiary, amaysim Energy Pty Ltd, in relation to statements about discounts and savings related to its energy products.

v. Impairment charge related to Energy customer contracts and distributor relationships, as a result of a higher churn therefore a shorter customer life. Refer to Note 17 of the 2019 financial report and to the following section.

vi. Income tax adjustments relate to the tax impacts of the underlying NPAT and NPATA adjustments.

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

A7. Cash conversion

$ million	FY19 New GAAP	FY19 Old GAAP	FY18 Old GAAP
Underlying EBITDA	**47.3**	**36.1**	**54.1**
Operating cashflow	**17.6**	**17.6**	**25.9**
+ Tax paid (- tax refund)	0.5	0.5	13.7
+ Finance expenses paid	5.8	5.8	6.5
+ Optus liability from Vaya acquistion	0.0	0.0	11.8
Adjusted pre-tax ungeared cash flow	**23.9**	**23.9**	**57.9**
Cash conversion	**51%**	**66%**	**107%**

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

A.8 Breakdown of mobile and energy subscribers and revenue

Mobile subscriber base FY19 v FY18

	FY19 Mobile plans (000s)	FY18 Mobile plans (000s)	Variance	FY 19 Mobile revenue ($m)	FY18 Mobile revenue ($m)	Variance	FY19 % of mobile revenue base	FY18 % of mobile revenue base	Variance	FY19 Mobile ARPU ($)	FY18 Mobile ARPU ($)	Variance
Recurring subscribers	624[1]	655	(4.8%)	194.1	222.7	(12.8%)	95%	92%	3.2%	25.3	29.3	(13.7%)
AYG/Other	329	503	(34.5%)	9.4	18.9	(50.2%)	5%	8%	(3.2%)	2.0	3.2	(37.8%)
TOTAL	**953**	**1,158**	**(17.7%)**	**203.5**	**241.5**	**(15.8%)**	**100%**	**100%**	**-**	**16.4**	**17.9**	**(8.3%)**

Energy subscriber base FY19 v FY18

	FY19 Energy plans (000s)	FY18 Energy plans (000s)	Variance	FY19 Energy revenue ($m)	FY18 Energy revenue ($m)	Variance	FY19 % of energy revenue base	FY18 % of energy revenue base	Variance	FY19 Energy ARPU ($)	FY18 Energy ARPU ($)	Variance
Electricity subscribers	150	144	3.6%	247.1	264.5	(6.6%)	81%	85%	(4.3)%	141.1	154.3	(8.6%)
Gas subscribers	57	47	22.8%	56.8	44.5	27.7%	19%	14%	4.3%	91.3	97.7	(6.5%)
TOTAL	**207**	**191**	**8.3%**	**304.8**[2]	**310.0**[2]	**(1.7%)**	**100%**[2]	**100%**[2]	**-**	**128.5**	**143.0**	**(10.1%)**

1. As at 16 August 2019 recurring mobile subscribers totaled 632k
2. Includes "Other Revenue" as described in the Energy segment performance slide on page 18 and as such numbers do not exactly add

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