



# FY19 Results



# FY19 Results – key points



- 6.7% growth in Revenue to \$197.9m
- 5.1% growth in underlying EBITDA to \$36.4m
- 9.8% growth in underlying NPAT to \$14.9m
- \$14.1m improvement in Statutory profit
- Investments in rebrands, technology and fleet are delivering
- Full year dividend 8c per share
- Strong net cash position of \$16.5m
- Access to global market via the acquisition of Mobile Technologies International

# FY19 highlights

Capabilities being leveraged for the benefit of the full range of stakeholders

## #1

### Taxi network



- Affiliated fleet 9,547 vehicles driving subscription revenue
- Introduction of vehicle age requirements on 1 January
- Addition of Gold Coast Cabs (400 vehicles) from July 2019

## #1

### Payment terminal provider



- \$983m Taxi fares processed
- Further digitisation of Cabcharge Account offering
- Strengthening handheld value proposition leveraged a 10% increase in handheld terminals into a 31% increase in fares processed handheld to \$135m

## #1

### Taxi app



- 66% increase in App downloads
- 41% increase in trips booked
- Class leading 4.8 star rating in the iOS App store

## No. 1

### Technology innovation



- World first Digital Pass wins a 'Best Innovation' Award at the Financial Review BOSS – Most Innovative Companies awards
- Extension of Apple Pay and Google Pay into App payments
- New clients for EFT Solutions payment consulting services

# Financial summary

Revenue growth and mix highlights the effectiveness of business investment

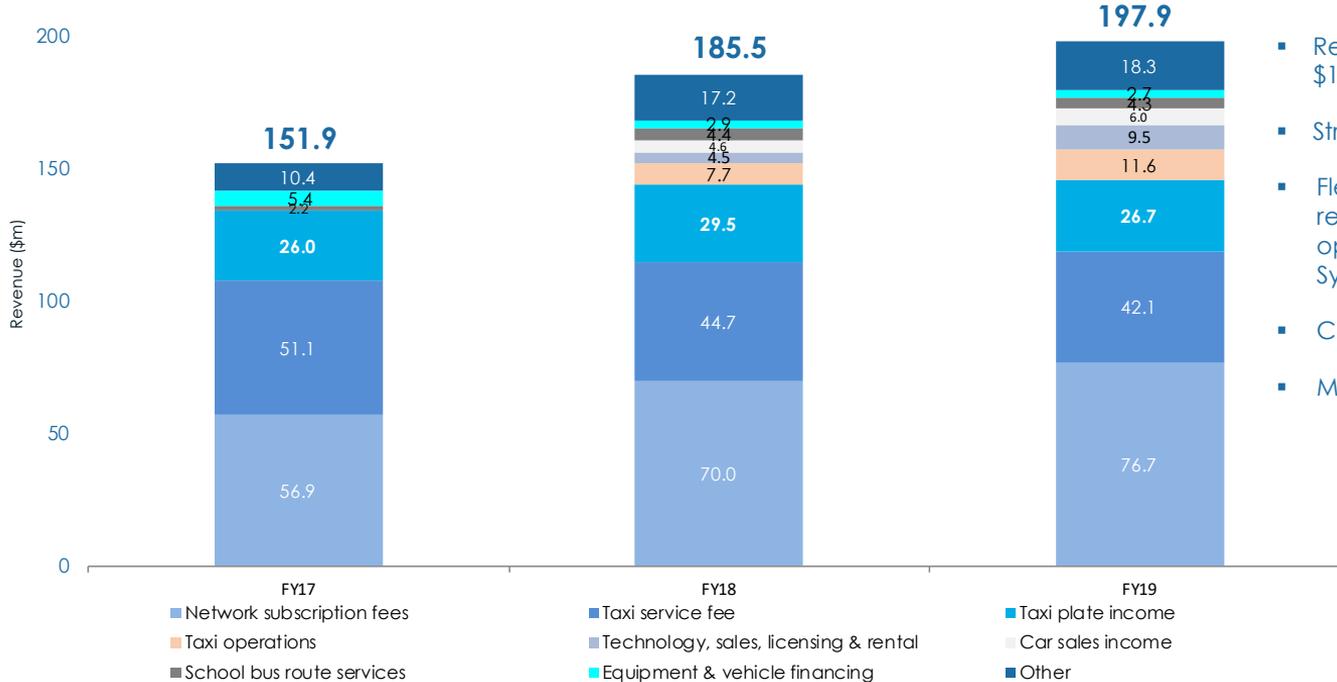
|  |  |
|--|--|
| <b>Revenue</b><br><br><b>\$197.9m</b><br>FY18 \$185.5m<br>Up 6.7% vs pcp                   | <b>Underlying EBITDA<sup>1</sup></b><br><br><b>\$36.4m</b><br>FY18 \$34.6m<br>Up 5.1% vs pcp |
| <b>Underlying NPAT<sup>1</sup></b><br><br><b>\$14.9m</b><br>FY18 \$13.6m<br>Up 9.8% vs pcp | <b>Net Cash</b><br><br><b>\$16.5m</b><br>As at 30 June 2019<br>free cash flow \$11.3m        |
| <b>Final Dividend</b><br><br><b>4 cents</b><br>Full year dividend 8 cents<br>FY18 8 cents  | <b>Taxi Fares Processed</b><br><br><b>\$983m</b><br>FY18 \$993m<br>down 1% vs pcp            |

- \$14.1m improvement in statutory NPAT to \$11.9m
- Group revenue up 6.7% to a record \$197.9m
- 5.1% growth in underlying EBITDA
- 9.8% growth in underlying NPAT
- Strong Balance Sheet and net cash position provide support for future organic and acquisition growth
- Full year dividend of 8 cents highlighting the continued strength in operations

1. From continuing operations. Please see slide 21 for statutory and underlying financial summary

# Revenue

Revenue diversification driven by transition to recurring revenue streams



- Record revenue result for the group \$197.9m (FY18 \$185.5m)
- Strengthening mix of revenues
- Fleet operations up 50.3% over pcp reflecting growth in fleet to 256 cars operating in Adelaide, Brisbane, and Sydney
- Car sales up 31% over pcp
- MTI contributed \$5.9m

# Payments turnover

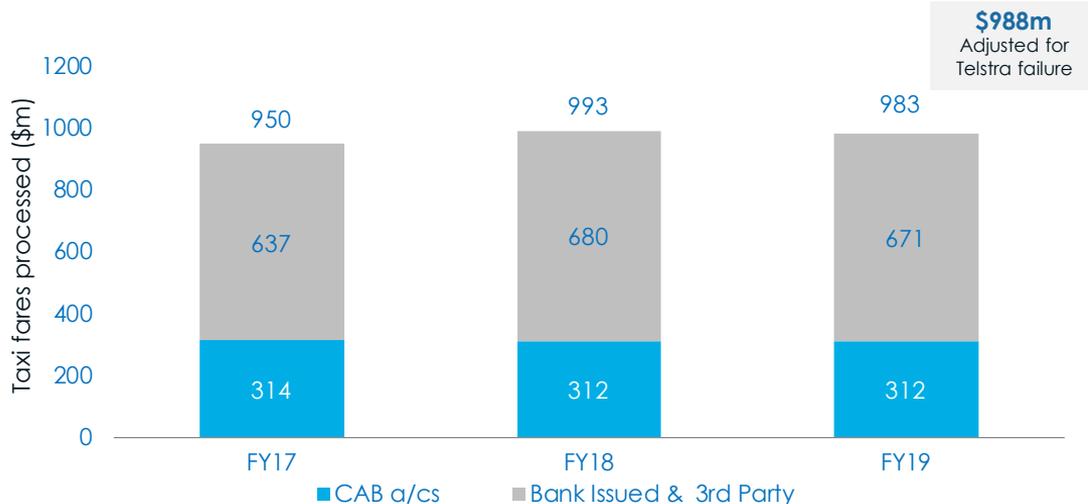
FY growth on pcp

-13.1%

+4.5%

-1.0%

(-0.5% incl. adj)

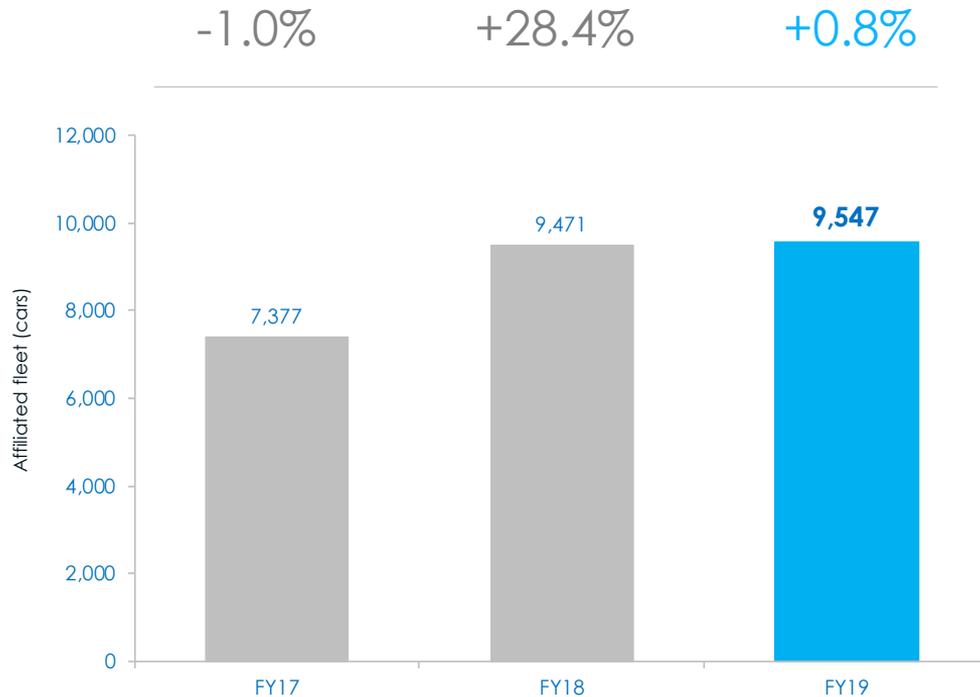


- \$983m total fares processed in FY19 (FY18 \$993m)
  - Cabcharge Accounts flat
  - Bank issued/3rd party down 1.3% vs pcp
- Strong growth in Qld and SA
  - Growth in payment turnover in Queensland following the transition to a 5% service fee cap with competitors no longer able to provide financial incentives to Drivers
  - SA Drivers have shown strong support for Cabcharge payment terminals due to the administrative benefits of the system, particularly with handling government levies
  - Declines in NSW and WA
- Telstra failure on 2-3 November resulted in an estimated \$5m of Taxi fares unable to be processed
- Cabcharge Account volumes maintained with early signs that the Digital Pass roll out is gaining traction
- FY19 saw a 10% increase in handheld terminals deployed and a 31% increase in fares processed. Handheld volumes contributed 13.7% or \$135m of total fares processed.

# Network subscriptions

Quality improving through standardisation and vehicle age requirements

FY growth on pcp



## Fleet growth continues

- Net fleet movement 76: Vic +129 (+3.1%); NSW -137 (-3.6%); Qld +60 (+5.0%); and SA +24 (7.1%)
- Vehicle age limit policy implemented on 1 January 2019 displacing older cars from the fleet
- 13cabs Brisbane (Yellow Cabs Qld) now delivering to expectations
- New premises and office refurbishment undertaken to support growth and Driver engagement
- Transport for NSW released 78 new Taxi licence plates for operation in FY20
- Waiting list to join 13cabs in NSW
- Gold Coast Cabs acquired in July with a fleet of 400 vehicles
- Prospect of Bureau Client growth

# Financial summary

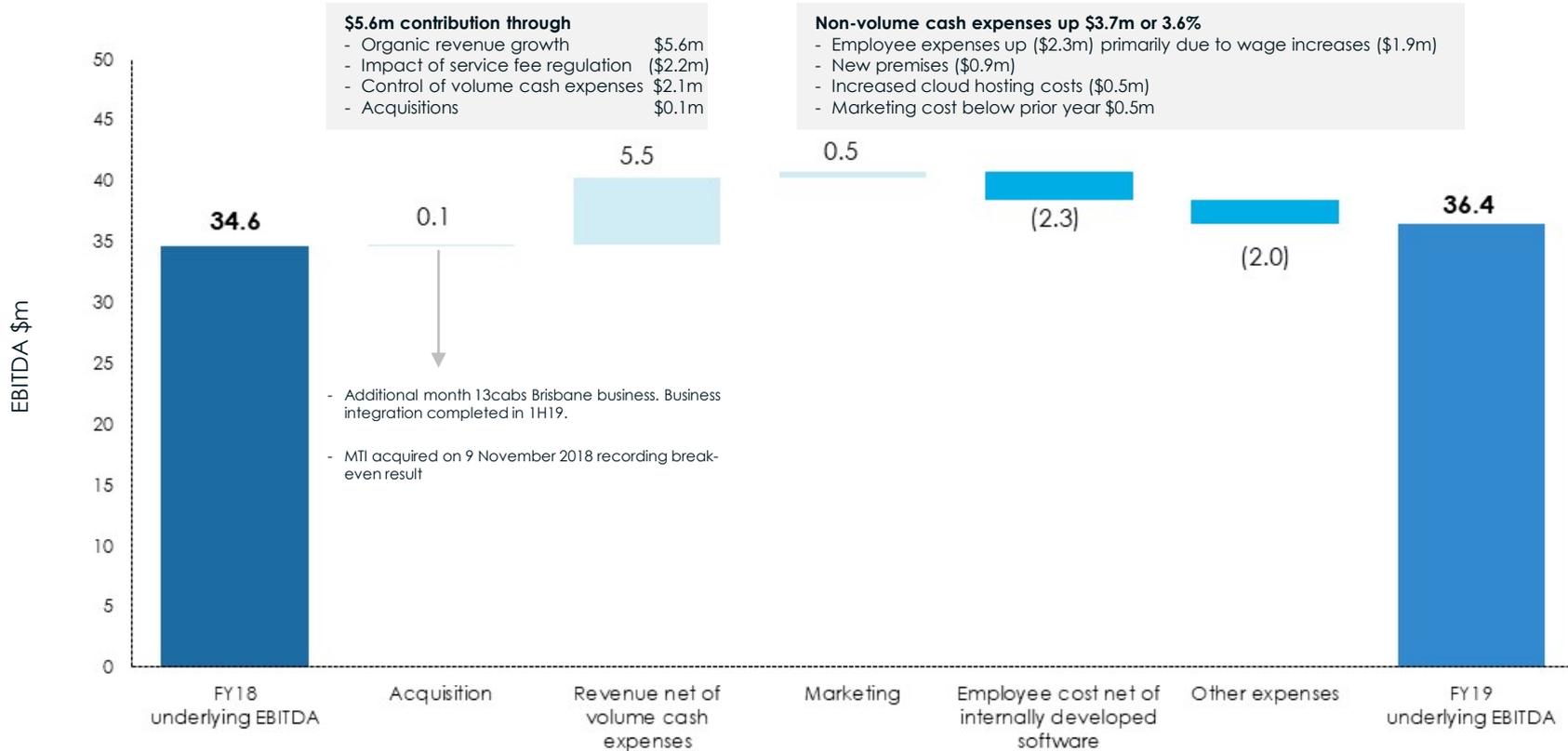
A2B's beginning to leverage scale demonstrated by growing revenue and cost control

| Underlying basis excluding significant items* | FY19<br>\$m  | FY18<br>\$m  | Change<br>over PCP |
|---|--------------|--------------|--------------------|
| <b>Revenue</b>                                | <b>197.9</b> | <b>185.5</b> | <b>6.7%</b>        |
| Other income                                  | 0.3          | 0.4          |                    |
| Expenses                                      | (161.8)      | (151.3)      |                    |
| <b>EBITDA</b>                                 | <b>36.4</b>  | <b>34.6</b>  | <b>5.1%</b>        |
| Depreciation & Amortisation                   | (14.6)       | (14.9)       |                    |
| <b>EBIT</b>                                   | <b>21.8</b>  | <b>19.7</b>  | <b>10.9%</b>       |
| Net interest                                  | (0.6)        | (0.7)        |                    |
| <b>Profit before tax</b>                      | <b>21.3</b>  | <b>19.0</b>  | <b>11.8%</b>       |
| Income tax                                    | (6.4)        | (5.5)        |                    |
| <b>NPAT from continuing operations</b>        | <b>14.9</b>  | <b>13.6</b>  | <b>9.8%</b>        |
| EBITDA margin                                 | 18.4%        | 18.7%        |                    |
| EBIT margin                                   | 11.0%        | 10.6%        |                    |
| Earnings per share (AUD)                      | 12.4 cents   | 11.3 cents   | <b>9.8%</b>        |

\* see appendix slide 21 for underlying and statutory financial summary and items excluded from the above

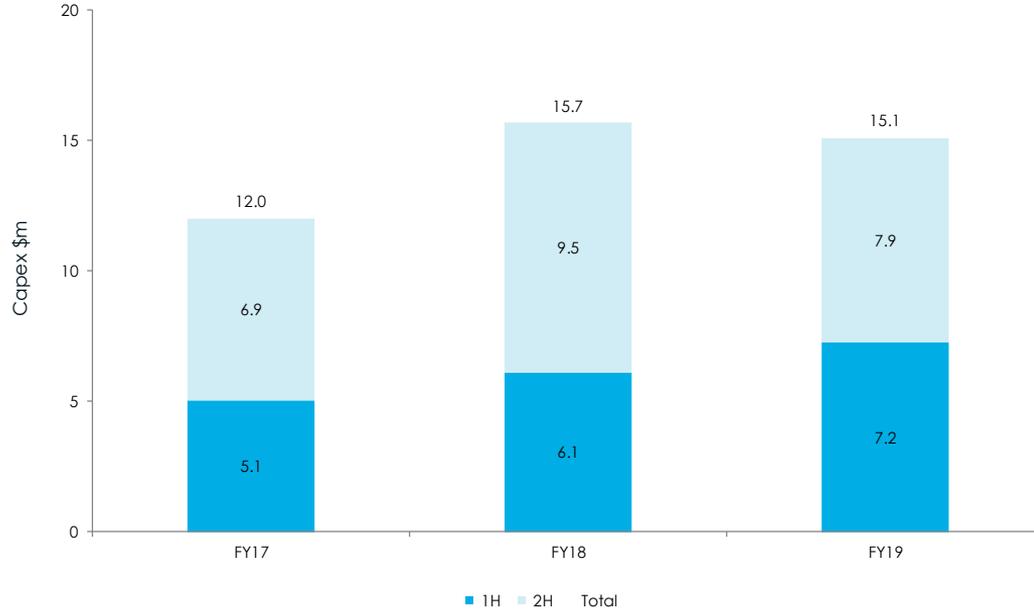
- Revenue up 6.7% or \$12m to \$198m
- Effective cost management
  - Total cash expenses up 1.1% on a like-for-like basis
  - Cash expenses including impact of acquisitions up 7%
  - Volume cash expenses reduced by 4.1% (excluding impact of acquisitions)
- Revenue growth coupled with cost focus resulted in an increase in profit and improved underlying margins
  - 19% EBITDA margin excluding MTI (FY18 18.7%)
  - 11.7% EBIT margin excluding MTI (FY18 10.6%)
- MTI acquired in 1H19 contributing \$5.9m in revenue and recording break-even result in line with expectations
- Depreciation and amortisation includes \$0.9m in amortisation charges relating to intangible assets recognised following the MTI and Yellow Cabs Qld acquisitions

# Underlying EBITDA: FY19 vs FY18



# Capital expenditure

Disciplined capital expenditure with investments supporting technological capabilities, vertical integration and recurring revenue streams

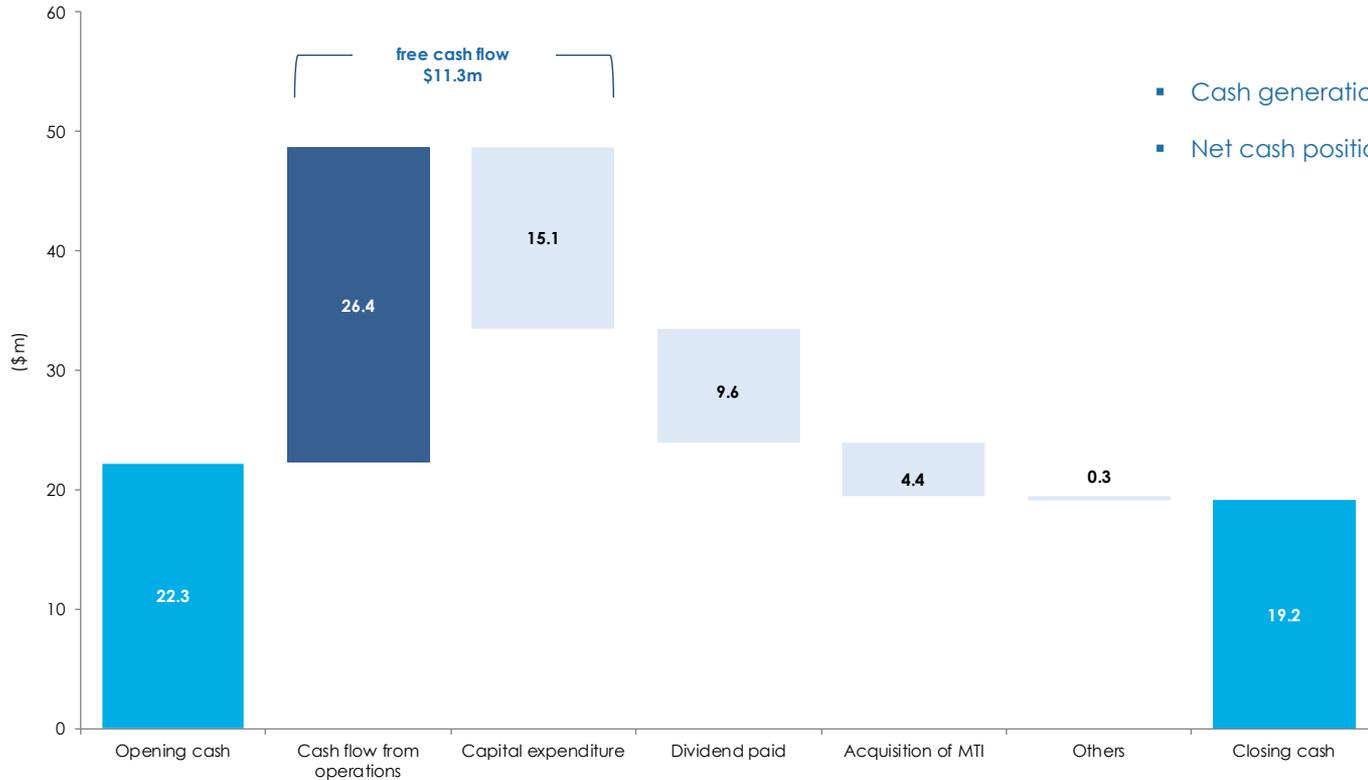


- Software development \$6.1m
- In car equipment supporting recurring revenue \$2.9m
- Vertical integration through investments in Taxi operations \$2.7m
- Site refurbishments supporting Driver engagement \$1.8m



# Cash flow

Continued strong cash flow generation



- Cash generation funding dividends and acquisitions
- Net cash position maintained

# Financial Position

A healthy balance sheet and funding capacity available to execute on investment opportunities

|                                 | FY19<br>\$m  | FY18<br>\$m  |
|---------------------------------|--------------|--------------|
| Cash and cash equivalents       | 19.2         | 22.3         |
| Other current assets            | 81.3         | 76.1         |
| <b>Total current assets</b>     | <b>100.5</b> | <b>98.4</b>  |
| Property, plant and equipment   | 38.9         | 38.3         |
| Taxi plate licences             | 17.5         | 17.6         |
| Other non-current assets        | 58.1         | 50.5         |
| <b>Total non-current assets</b> | <b>114.5</b> | <b>106.3</b> |
| <b>Total assets</b>             | <b>214.9</b> | <b>204.7</b> |
| Loans and borrowings            | 2.7          | 3.1          |
| Other liabilities               | 48.1         | 39.4         |
| <b>Total liabilities</b>        | <b>50.8</b>  | <b>42.5</b>  |
| <b>Total net assets</b>         | <b>164.1</b> | <b>162.2</b> |
| Net cash                        | 16.5         | 19.2         |

- Net cash of \$16.5m and \$50m financing facility available
- MTI acquired in 1H19 contributing \$4.4m in net assets including \$2.8m in intellectual property
- Goodwill increased \$0.6m following the acquisition of MTI

# Fleet Strategy

Vertical integration and network acquisitions build national footprint and improve service outcomes

## Acquisition of Gold Coast Cabs

|                     | Direct          | Bureaus  |            |                            |       |
|---------------------|-----------------|--|------------|----------------------------|-------|
|                     | Gold Coast Cabs | TAXI SERVICE<br>TWEED COOLANGAITA<br>Tweed Heads | Kingscliff | HERVEY BAY<br>TAXI SERVICE | Total |
| Affiliated Vehicles | 357             | 20   | 5          | 18                         | 400   |

- Acquisition completed July 2019
- Generates revenue from network subscription fees, managed taxis, transport contracts and taxi rank marshal services
- Business case assumes Gold Coast Cabs generates \$5m in annual revenue and \$1m in EBITDA once fully integrated



## Taxi Fleet operations



- Accessing a greater share of the value chain through growing Taxi fleet operations to 256 vehicles
- Tiger Taxi fleet model launched in Sydney supporting the transition pathway from Driver to Operator
- 20 operated vehicles added as part of Gold Coast acquisition from 1 July 2019

# Operations Snapshot

## Improving service levels



- Trip rating has improved from 3.1 stars in FY17 to 4.5 stars in FY19
- 13cabs has employed a dedicated Head of Engagement to work with our Drivers nationally to deliver better experiences for Drivers and Passengers
- A recent review and upgrade of the Brisbane fleet dispatch rules focusing on improving passenger experience has led to pick-up times improving by 53 seconds
- 13cabs introduced its national Driver training and induction program to the rebranded 13cabs Brisbane network resulting in a 42% increase in new Drivers joining in Brisbane

## 13cabs support services



- Building Customer and Staff engagement
- Site relocations and improvements are being undertaken to enhance the look, feel, and function of our sites
- Upgraded facilities in Alexandria NSW, Darlinghurst NSW, Newcastle NSW, Oakleigh Vic and Thomastown Vic
- 5,317 new 13cabs Drivers joined during FY19

## CHAMP



- Launch of new digital only network
- Response to emergence of low-cost network providers
- CHAMP caters for Drivers and Operators with their own book of client work and for Drivers content with servicing rank and hail trips
- Offering suited for vehicles that don't meet the 13cabs vehicle Age Requirements
- Deploying off the shelf MTI products and technologies

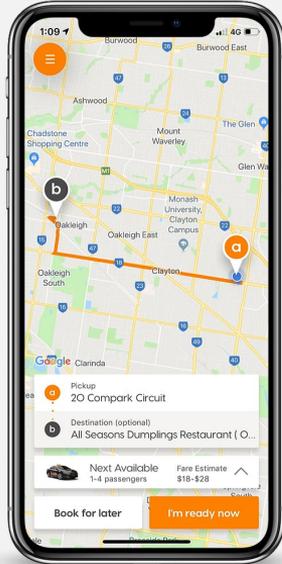
## New partnership



- New partnership agreement entered with Smartgroup to potentially secure vehicles for the 13cabs affiliated fleet
- Provides Smartgroup's novated lease customers with an additional channel to dispose of vehicles
- Opportunity to supply Operators and Drivers with quality vehicles to support fleet growth and retention



## #1 taxi app in Australia



- Passed 2 million app downloads
- 66% increase in App downloads
- 41% increase in trips booked

## New features

### In-app payments



- Pay within the app using Apple Pay & Google Pay
- New payment channel immediately contributing 20% of total app payments

### Optimised sign-up

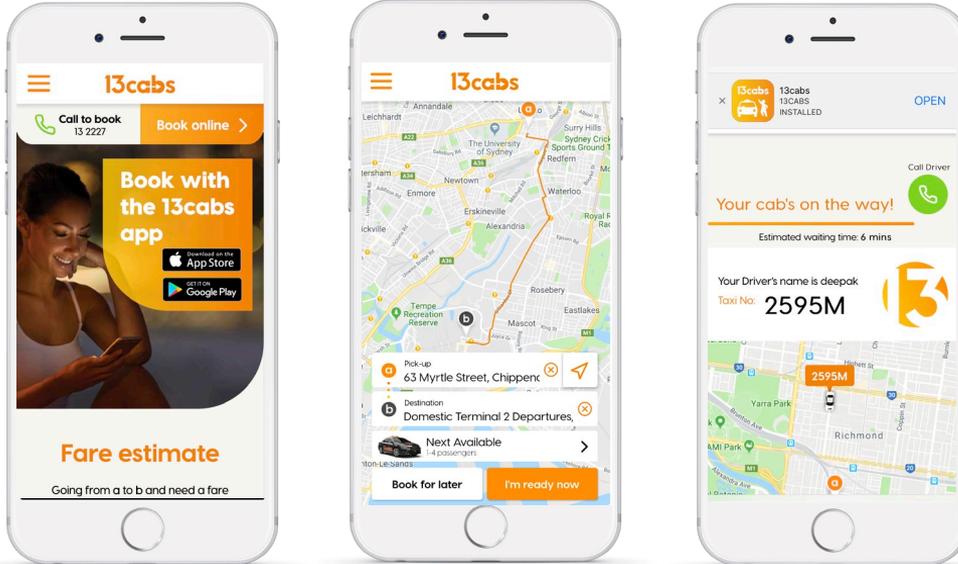


- Optimised account sign up experience
- 43% uplift in sign-up conversion rate

# Web bookings

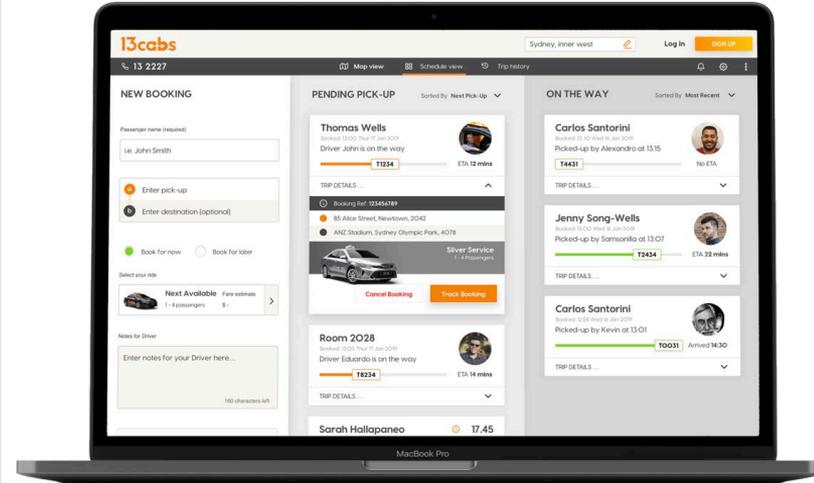
Multi channel offering leveraging capabilities in technology

## 13cabs National Mobile Website



- No download necessary, no registration required
- Over 1 million visitors since launch
- Generating the lead position in organic (unpaid) search results

## New Desktop Website

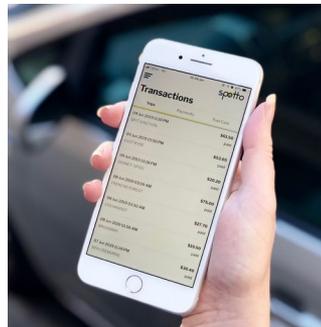


- New desktop booking solution tailored to assist key clients to book travel for their customers while providing data on estimated arrival time, Driver name, vehicle details
- Platform can also be used for tracking the delivery of parcels

# Spotto

Streamlining payments for Drivers that value speed

- Spotto Card increasing speed of remittance launched 26 June 2019
- Drivers can cash-out at any ATM
- Able to pay multiple times a day
- Synergies with Spotto app – a platform to drive engagement through transparency

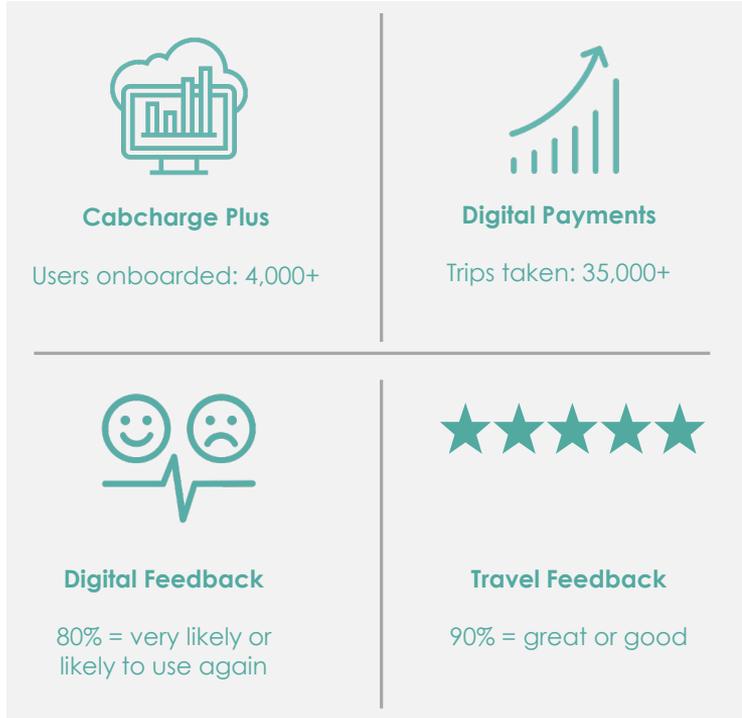


Passenger pays → Payment processor → Network → Operator → Driver



# Digitisation

Evolution of our Corporate solution in 2H19..



..leading to industry innovation award



- Launched integration with expense management systems to create a seamless experience and reduce admin time

SAP Concur 

Frædom<sup>®</sup>

inlogik





# Outlook

We are investing, growing and delivering innovation and service improvements

A2B is setting itself apart through its capabilities in technology, payments and personal transport. A2B's capabilities are being leveraged to build products and services that solve transport problems.

- A2B is committed to ongoing innovation that delivers service improvements for Stakeholders
- A2B is continuing to focus on investing in technology and marketing
- Cost discipline is contributing to a stable base while enabling the reallocation of resources to higher value projects and activities
- Strategic acquisitions that increase returns for Shareholders will continue to be examined on their merits
- We anticipate challenging competitive dynamics, regulatory settings and economic conditions to continue for a period of time
- Strengthening value propositions, geographic expansion, and a healthier mix of revenues are combining to set the foundations for growth



*"A2B believes in the importance of accessible, dependable and equitable transport throughout the community and we are building the team, technology and brands to support its delivery. We are passionate about working collaboratively to make a difference to the lives of those around us."*

# Financial summary

## P&L – Statutory and underlying reconciliation

|  | Statutory    |              | Underlying   |              |
|--|--------------|--------------|--------------|--------------|
|  | FY19<br>\$m  | FY18<br>\$m  | FY19<br>\$m  | FY18<br>\$m  |
| <b>Revenue</b>   | <b>197.9</b> | <b>185.5</b> | <b>197.9</b> | <b>185.5</b> |
| Other income <sup>1</sup>                                | 0.3          | 2.6          | 0.3          | 0.4          |
| Expenses <sup>2</sup>                                    | (165.9)      | (152.8)      | (161.8)      | (151.3)      |
| Impairment Charges <sup>3</sup>                          | 0.0          | (15.7)       | 0.0          | 0.0          |
| <b>EBITDA</b>  | <b>32.3</b>  | <b>19.6</b>  | <b>36.4</b>  | <b>34.6</b>  |
| Depreciation & Amortisation <sup>4</sup>                 | (14.6)       | (15.2)       | (14.6)       | (14.9)       |
| <b>EBIT</b>  | <b>17.8</b>  | <b>4.4</b>   | <b>21.8</b>  | <b>19.7</b>  |
| Net interest   | (0.6)        | (0.7)        | (0.6)        | (0.7)        |
| <b>Profit before tax</b>                                 | <b>17.2</b>  | <b>3.7</b>   | <b>21.3</b>  | <b>19.0</b>  |
| Income tax <sup>5</sup>                                  | (5.3)        | (5.6)        | (6.4)        | (5.5)        |
| <b>NPAT from continuing operations</b>                   | <b>11.9</b>  | <b>(1.9)</b> | <b>14.9</b>  | <b>13.6</b>  |
| (Loss) / Profit from discontinued operation <sup>6</sup> | 0.0          | (0.4)        | 0.0          | 0.0          |
| <b>NPAT</b>  | <b>11.9</b>  | <b>(2.2)</b> | <b>14.9</b>  | <b>13.6</b>  |
| EBITDA margin  | 16.3%        | 10.6%        | 18.4%        | 18.7%        |
| EBIT margin  | 9.0%         | 2.4%         | 11.0%        | 10.6%        |
| Earnings per share from continuing operations            | 9.9 cents    | (1.5 cents)  | 12.4 cents   | 11.3 cents   |
| Earnings per share attributable to owners of the company | 9.9 cents    | (1.8 cents)  | 12.4 cents   | 11.3 cents   |

**Underlying exclude the following items:**

<sup>1</sup> \$2.2m taxi licence compensation FY18

<sup>2</sup> \$2.1m acquisition and integration costs, \$1.7m rebranding costs and \$0.3m in employee separation (FY18 \$1.4m acquisition related costs and \$0.1m employee separation cost)

<sup>3</sup> \$15.7m taxi plate impairment charges in FY18

<sup>4</sup> \$0.3m accelerated amortisation on NSW ESR in FY18

<sup>5</sup> Tax effect of significant items

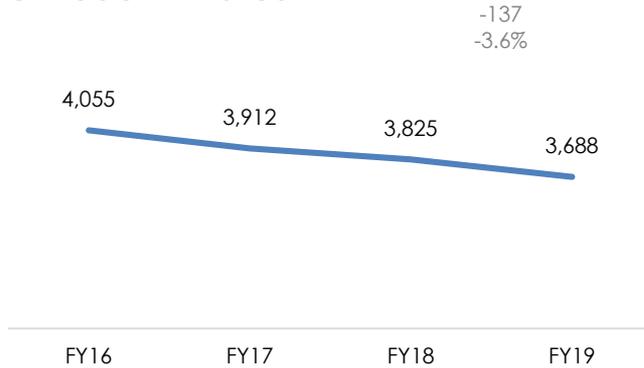
<sup>6</sup> \$0.4m foreign exchange loss on sale of stake in CFN in FY18

# Cash expenses

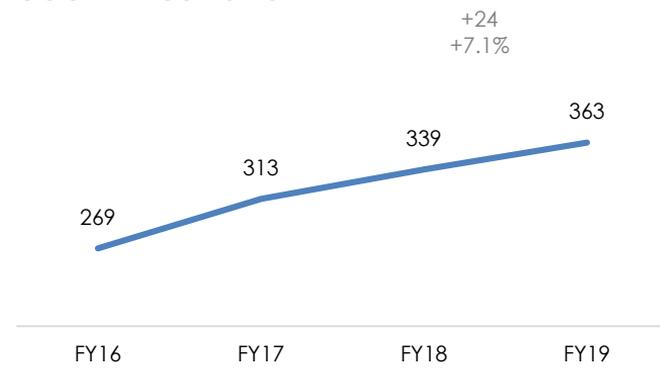
|                                       | FY19<br>\$m  | FY18<br>\$m  | Change over<br>PCP | Change over<br>PCP |
|---------------------------------------|--------------|--------------|--------------------|--------------------|
| Processing fees to taxi networks      | 6.7          | 7.4          | 0.7                | 9.8%               |
| Brokered taxi plate licence costs     | 22.0         | 24.5         | 2.6                | 10.5%              |
| Taxi operating expenses               | 7.1          | 5.1          | (2.0)              | (39.6%)            |
| Courier service expenses              | 3.0          | 2.5          | (0.5)              | (19.8%)            |
| Cost of cars and hardware sold        | 6.6          | 4.5          | (2.1)              | (46.9%)            |
| Other taxi related costs              | 5.3          | 5.7          | 0.4                | 6.5%               |
| <b>Total volume cash expenses</b>     | <b>50.6</b>  | <b>49.7</b>  | <b>(0.9)</b>       | <b>(1.9%)</b>      |
| Marketing expenses                    | 10.4         | 10.6         | 0.3                | 2.5%               |
| Employee benefits expenses            | 60.4         | 54.1         | (6.3)              | (11.6%)            |
| Infrastructure expenses               | 13.9         | 13.1         | (0.8)              | (5.8%)             |
| Other non-volume cash expenses        | 26.5         | 23.7         | (2.8)              | (11.9%)            |
| <b>Total non-volume cash expenses</b> | <b>111.2</b> | <b>101.6</b> | <b>(9.6)</b>       | <b>(9.5%)</b>      |
| <b>Total cash expenses</b>            | <b>161.8</b> | <b>151.3</b> | <b>(10.5)</b>      | <b>(7.0%)</b>      |

# Fleet dynamics

## New South Wales



## South Australia



## Victoria



## Queensland

