



27 August 2019

Transformation takes hold as A2B Group delivers 9.8% earnings growth

- 9.8% growth in underlying NPAT to \$14.9m
- 6.7% growth in revenue to \$197.9m
- 5.1% growth in underlying EBITDA to \$36.4m
- 8c per share full year dividend
- Net cash position of \$16.5m maintained
- \$14.1m improvement in statutory profit to \$11.9m

27 August 2019 – A2B Australia Limited has reported an all-time high revenue result of \$197.9m, underlying EBITDA of \$36.4m and underlying NPAT of \$14.9m for the year ended 30 June 2019. Revenue growth is flowing to the bottom line with a 9.8% increase in underlying NPAT in FY19.

Top line growth of 6.7% follows a sustained period of investment in technology and brands during which A2B has established a pattern of improving the sophistication and strength of its offerings.

FY19 was a busy year at A2B, which changed its name from Cabcharge Australia Limited to A2B following the support of 99% of Shareholders at its November 2018 Annual General Meeting. A2B is assembling and developing capabilities in technology, payments and personal transport and leveraging them to provide innovation and enhanced services under brands including Cabcharge Payments, 13cabs, EFT Solutions and the recently acquired Mobile Technologies International.

Cabcharge Payments was rebranded to reflect the increasingly digital nature of its offering, and A2B's national approach to Taxi services is visible in the rollout of a refreshed 13cabs brand across the almost 10,000 strong fleet. A2B's payments consulting business, EFT Solutions, has attracted new clients during a year in which A2B launched a world first closed loop digital payment service and embraced Apple Pay and Google Pay within its booking apps. The company's innovative development of payments technology lead to a 'Best Innovation' Award in its category at the Financial Review BOSS Most Innovative Companies awards.

Growth in earnings is supported by strengthening metrics including app ratings for the 13cabs and Silver Service apps – both increased to a class leading 4.8 stars in the iOS app store. A2B's approach to supporting the full range of Stakeholders contributed to a rise in the average trip rating to 4.5 stars (up from 4.4 stars a year ago). Vehicle standards have improved following the introduction of age limit requirements from 1 January 2019. Although higher standards had a temporary impact on fleet growth, particularly in NSW and Victoria, they support the delivery of services in keeping with Stakeholder expectations.



Passengers are responding as seen in a 41% increase in 13cabs app bookings during the year. Meanwhile 5,317 new Drivers joined the 13cabs network.

The acquisition of Mobile Technologies International (MTI) has fast tracked the opportunity for A2B to offer world class technologies designed to improve operations for personal transport businesses on the global stage. Notable examples include the commissioning of new systems for clients in Canada and New Zealand, provision of new app technology to Transdev in the USA, and the extension of services to support Bureau expansion for leading Scandinavian players Cabonline and Taksi Helsinki.

Affiliated fleet grew in Adelaide, Brisbane, Melbourne and Newcastle primarily as a result of market share gains. Despite a waiting list of Taxi Operators wanting to join 13cabs in Sydney, regulatory settings in NSW are restricting growth resulting in affiliated fleet declining in that city. Recently the NSW government released 78 plates by tender with the vast majority expected to join the 13cabs network.

Payment turnover during the year dipped below FY18. Outages at our switching partner and communications outages caused by Telstra substantially impacted our payments turnover and disrupted our business during the FY19 year. Unfortunately, a long Telstra outage that incapacitated our payment terminals coincided with the peak of Victoria's Spring Racing Carnival. We have invested in increasing the resilience of our communications networks, particularly those dependent on third parties.

In July 2019 A2B acquired the business operations of Gold Coast Cabs for \$2.5 million. Gold Coast Cabs provides booking and dispatch services to approximately 380 Taxis on the Gold Coast. The acquisition of Gold Coast Cabs further advances A2B's strategy of offering services on a national basis. A2B maintained a strong financial position and is positioned to execute on further investment opportunities with net cash of \$16.5 million and access to an undrawn finance facility of \$50 million.

Dividend

The full year dividend is 8 cents per share fully franked. This follows the declaration of a final dividend of 4 cents per share with a record date of 27 September 2019.

Outlook

Our commitment to technology leadership and marketing will continue. We will continue to leverage our capabilities and data to strengthen the value propositions of our offerings in a manner that benefits all Stakeholders while addressing the challenges of ongoing competition and regulatory constraints.

The acquisition of MTI positions A2B on the global stage and in FY20 the group will focus on removing duplication between MTI and A2B's pre-existing technologies, converging development efforts to accelerate the delivery of best in class products to clients.

We will continue to use our strong balance sheet position to evaluate strategic acquisitions that increase Shareholder value. The Gold Coast acquisition is expected to deliver an



additional \$1m of EBITDA once fully integrated. The organic cost base is broadly stable presenting the opportunity to capture benefits of scale as our reset business grows.

For further information call Dana Standfield 0403 372 612

About A2B Australia Limited

A2B is an Australian ASX listed Company with a leading position in personal transport. A2B's dispatch technology is deployed globally and our expertise in payments is embraced by retailers and the Taxi industry throughout Australia. A2B is home to brands including 13cabs, Cabcharge, EFT Solutions, and Mobile Technologies International. In support of Professional Drivers and their Passengers we provide class leading and cutting edge technology to 96% of Australia's 22,000 Taxis as well as to Taxis in 50 cities throughout the USA, Canada, Europe and New Zealand. Our 13cabs Taxi network is the largest in Australia directly supporting 10,000 vehicles and 40,000 Drivers. We believe in the importance of accessible, dependable and equitable transport in the community and are building the team, technology and brands to support its delivery.