

# 2019 Annual General Meeting

24 October 2019

amaysim

**Introduction**

**Andrew Reitzer**

**Slide 3**

**CEO presentation**

**Peter O'Connell**

**Slide 5**

**Chairman section and resolutions**

**Andrew Reitzer**

**Slide 21**

# Board of Directors



**Andrew Reitzer**  
Chairman



**Peter O'Connell**  
CEO and Managing Director



**Jodie Sangster**  
Non-executive Director



**Goetz Maeuser**  
Non-executive Director



**Craig Jackson**  
Non-executive Director

# Executive management team



**Isaac Ward**  
Chief Commercial Officer



**Alex Feldman**  
Chief Strategy Officer and  
General Counsel



**Gareth Turner**  
Chief Financial Officer



**Tracey Murphy**  
Director of People and  
Culture



**Richard Dean**  
Chief Technology Officer



**Renee Garner**  
Chief Marketing Officer

# CEO presentation

# 2019 repositioned the business for long term profitable growth

The first half of 2019 required some tough decisions which made us match fit...

Implemented closure of the online device store in Aug 2018

Divested broadband customer base in Oct 2018



Halted investment in marketing amid a highly competitive environment and inability to refresh products

Directed significant resources towards preparing for energy regulatory change which took effect on 1 July 2019

we achieved some important milestones, some of which were made possible by having made the tough decisions...

Bolstered the board and management team with two new NEDs, a new CEO and CFO

Completed a \$50.6m capital raise and debt refinance in March



Further integrated the Click business into the amaysim Group

Revitalised the network supply agreement (NSA) with Optus in late May 2019



and we're now in great shape to execute on our strategy and early signs are very positive...

Enhancement of \$20, \$30, \$40 and \$50 mobile plans in June, just one week after signing the revitalised NSA with Optus



Increased marketing activity to support launch of new plans and additional campaigns including marketing to drive awareness

New plans are improving customer retention and driving customer growth

**648k net recurring subscriber base at 18 October (3.8% growth since 30 June 2019)**

Investment into the tech stack is improving the technology and supporting growth

Soft launched first subscription energy plans in Victoria in April, switched on NSW and QLD in August and added solar in September



# Appointment of new directors in FY19



**Goetz Maeuser**

- Appointed Non-Executive Director, effective 26 October 2018
  - Extensive international experience, both as an advisor and director of private and listed businesses in the technology and media sectors
  - Chairman of Max 21 AG, a listed technology company on the Frankfurt Stock Exchange that operates in the Post and Mail Management and IT Security sectors, and has held this position since July 2015
  - Member of Board of Directors of PSquared Asset Management AG, Zürich
  - Previously a partner in private equity firm Permira Advisers and member of the supervisory board and served more than four years as chairman of MDAX-listed ProSiebenSat.1 Media AG, the leading German entertainment player with a strong e-commerce business
- 



**Craig Jackson**

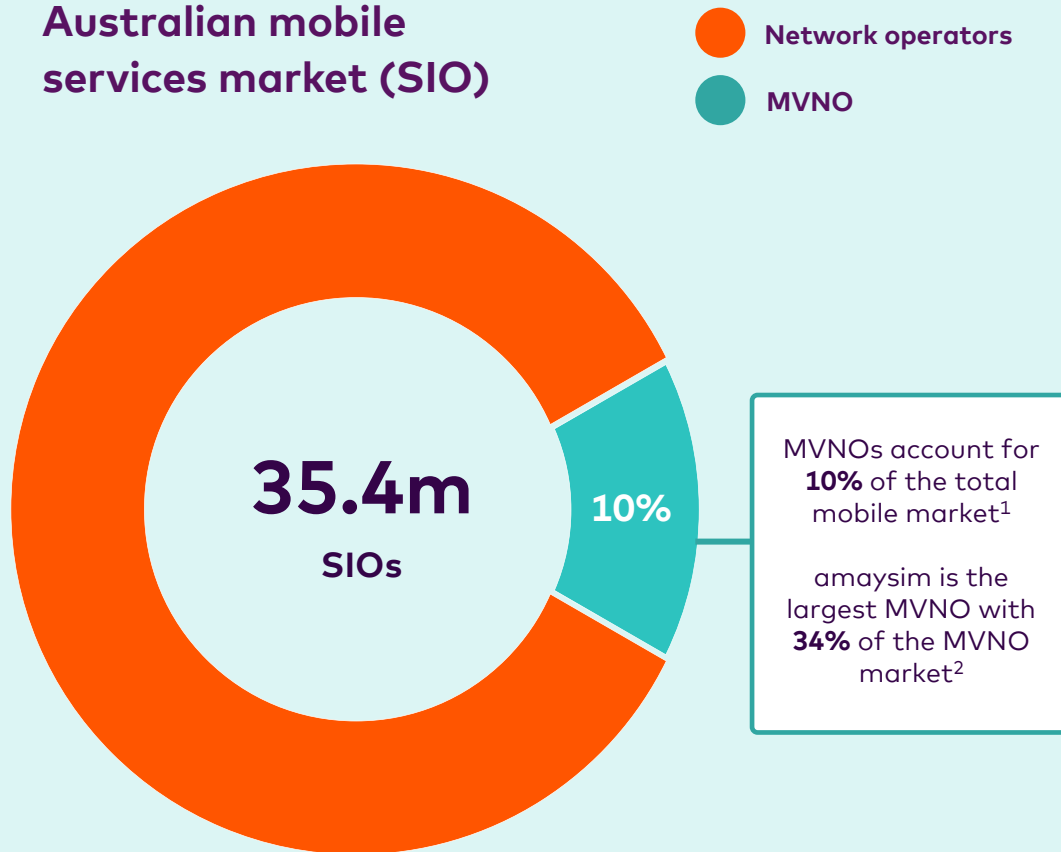
- Appointed Non-Executive Director, effective 27 November 2018
- Over 40 years professional accounting experience, including 28 years as Partner at KPMG, Andersen and Ernst & Young
- He has been the Lead Partner for International and domestic companies (ASX 100) and government organisations
- Craig serves as a Director of NSW Ports, Rheem Australia & Paloma Rheem Global, Kimbriki Environmental Enterprises (Chairman), Decideware Development (Chairman), Aderant and Bowel Cancer Australia (Chairman)
- He was previously a Director of Ernst & Young Asia Pacific and Oceania, Australian Institute of Company Directors, Ernst & Young ASIC Registered Companies, Australia Korea Business council and Sydney University Accounting Foundation
- He is a fellow of the Chartered Accountants Australia & New Zealand and a Fellow of the Australian Institute of Company Directors.

**Mobile**

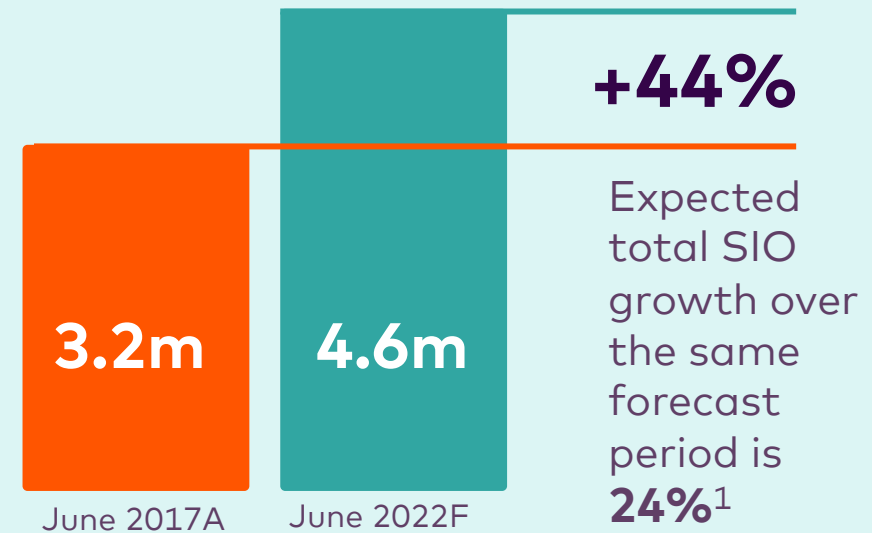
# Well positioned in a market with a continuing trend towards BYO and non-contract plans

Price and data are now the main factors for BYO customers when choosing a plan<sup>1</sup>

## Australian mobile services market (SIO)



## MVNO market growth



- Increasing handset longevity and rising handset costs are driving growth of the MVNO and BYO market
- More than 70% of handsets are now BYO<sup>1</sup>

1. Telsyte Australian Mobile Services Market Study 2019. Please see Telsyte disclaimer on slide 23.  
2. Includes total amaysim mobile customers

# Great plans and 'always on' marketing strategy is driving growth

On 31 May 2019, we revitalised our network supply agreement with Optus, enabling us to **rapidly launch highly competitive plans**.

These plans have been receiving excellent customer feedback and are driving growth.

**24k**

recurring mobile subscribers added from 1 July to 18 Oct 2019

**NPS 44**

Highest score since May 2017<sup>1</sup>



@amaysimAU thank you for the 20gig extra for no reason and no extra cost. Is this 30 gig and unlimited calling and texting for \$30 a month permanent?



Pleasantly surprised to discover that @amaysimAU upgraded my mobile plan for free today – I've gone from 20GB/month to 45GB/month for exactly the same price!! AND, I didn't even need to wait for the rollover date for the data. NIIICE #NotAnAd #amaysinglysimple

To continue to grow, we need not only great plans, but **consistent marketing**

- In July, we launched an 'always on' marketing strategy
- We have tested 'out of home' marketing, including advertising on public transport, billboards, radio and outdoor furniture across major cities
- We continue to drive subscriber growth through core digital channels
- As the network operators focus more on investment in 5G, we expect our marketing will become more visible in the 4G marketing channels

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**\$10**

**30GB**  
/28 days

**mobile offer ends Sep 30**

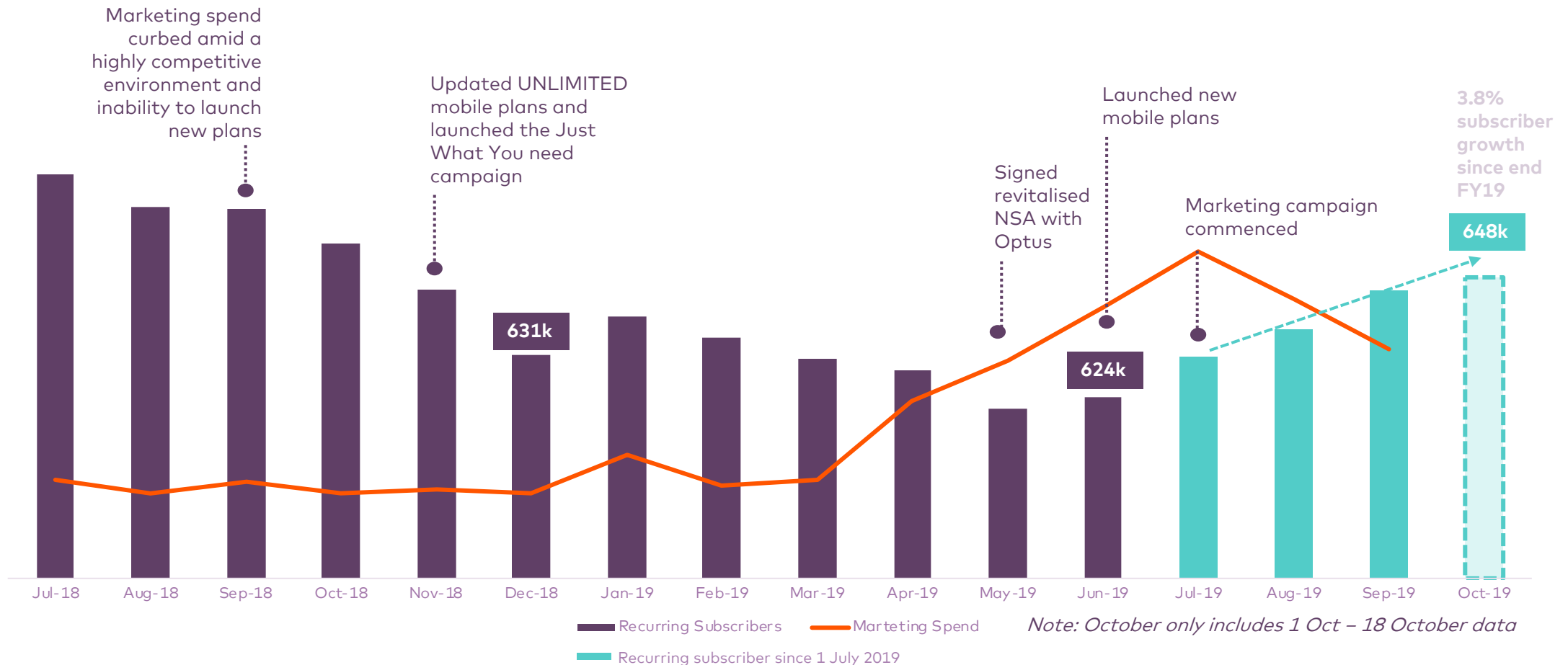
Ongoing cost is \$30/28 days  
All for use in Australia. Excludes calls to \$0.05/min or \$0.05/min.  
Personal use only. Terms and Conditions apply.

1. Calculated by an external party - The Clever Stuff and based on the NPS survey for the August 2019 quarter

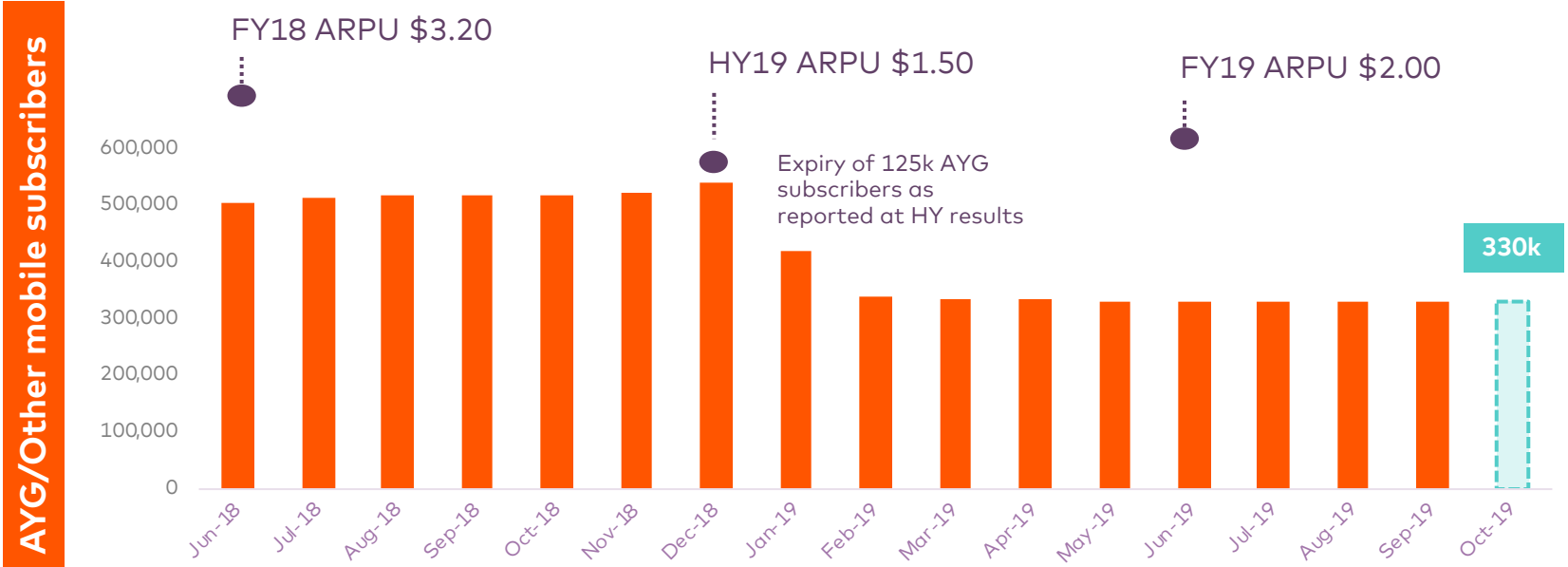
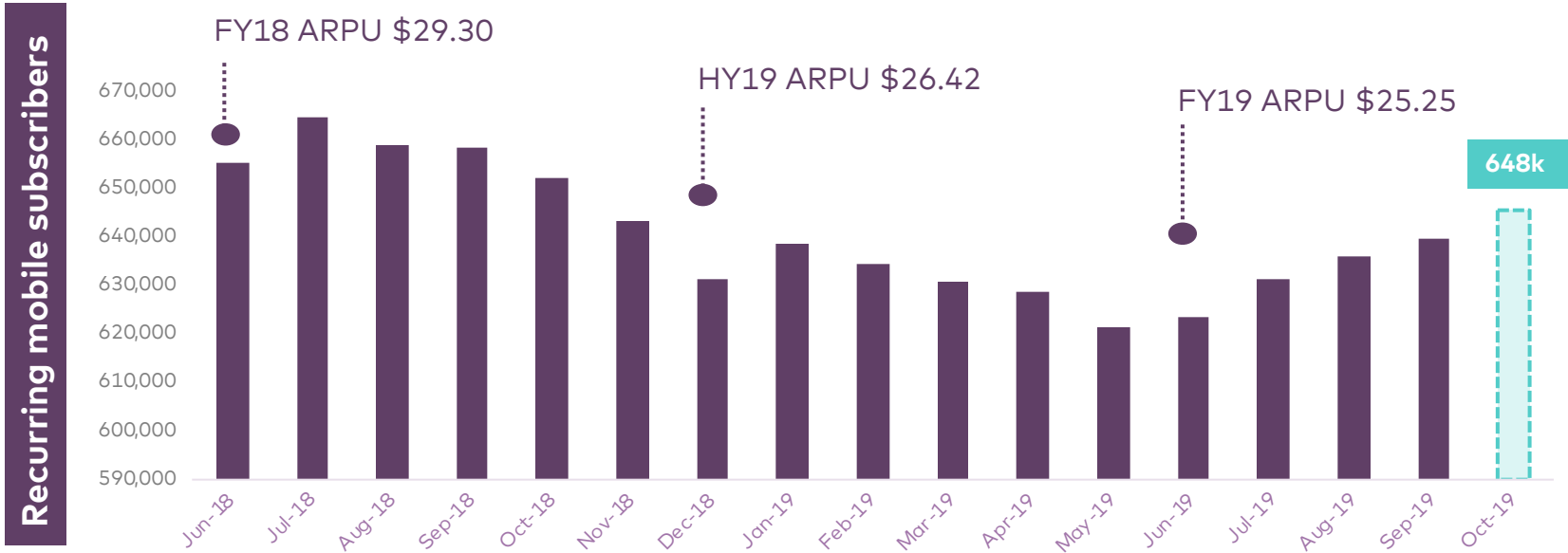
# Mobile growth supported by ongoing marketing

Increased marketing activity boosts subscribers, so in July we launched a new, intensive marketing program

## Recurring mobile subscribers versus marketing spend



# Mobile subscriber growth versus ARPU



Note: October only includes 1 Oct – 18 October data

978k

total mobile subscribers

Recurring mobile subscribers are our core focus and contribute >95% of mobile revenue.

ARPU decline has slowed and churn has improved since the launch of the new plans in June 2019



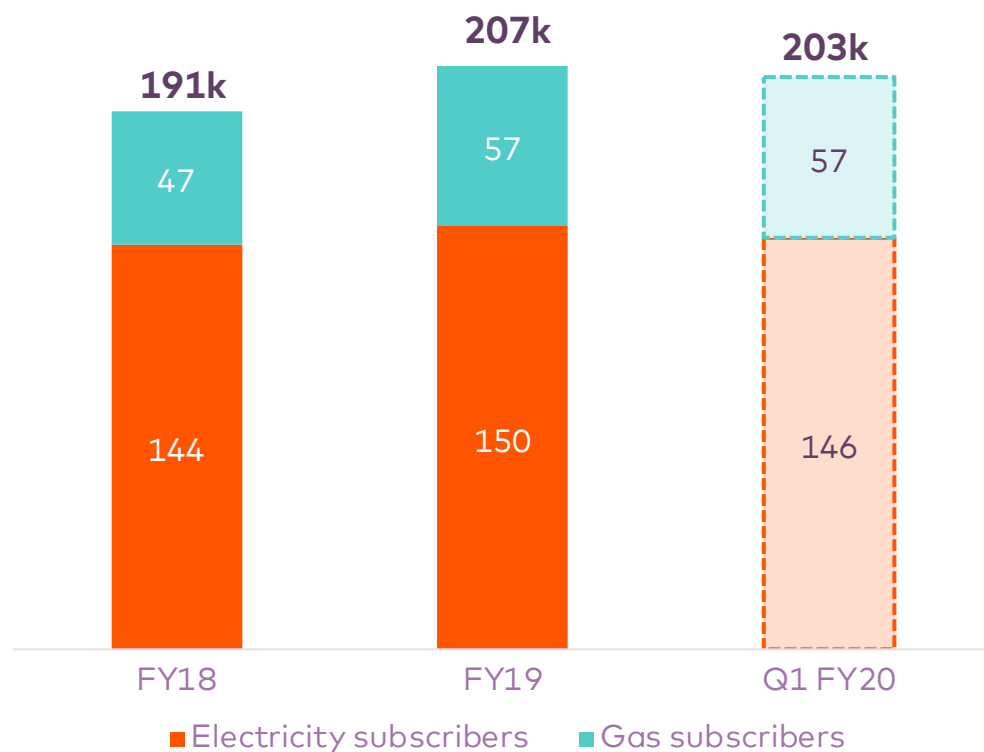
Average churn for 1Q20 on total subscriber base

**Energy**

# Managing our energy business in a changing market

We've begun implementing positive changes across our energy business and reduced investment in marketing as we ascertain the impact and consumer response to the recent regulatory changes

Energy subscribers (000s)



## What we've done so far...

### ✓ Repositioned our energy plans



















- Removed complex pricing constructs from new plans such as 'pay on time' discount pricing
- Begun rebuilding plans and channels to increase sustainability from day one, reducing reliance on systemic price rises

### ✓ Began the development of subscription energy plans and brought these to market earlier this year

- Ahead of a full and significant marketing campaign, the plans have already begun organically attracting a modest number of customers
- The plans will, in time, disrupt the retail energy market with energy plans that are fair, transparent and simple

# Energy market is ripe for disruption

The energy market resembles the mobile market from a decade ago

issues						
	confusing pricing constructs	lack of transparency	limited access to usage data	long switching times	poor customer satisfaction	frequent bill shock
energy	Upfront discounts and systemic price hikes make it impossible to understand how much your energy costs over time	The true price you pay for your energy is masked by complicated pricing and there's no way of knowing the cost of your next bill	Most energy customers do not know how much energy they use per activity or per day	It can take months to switch your energy provider	Average NPS score for energy companies in Australia is -6% <sup>1</sup>	Our research shows that more than half of energy consumers (55%) experienced bill shock over the past year
						
mobile	Set price per month, every month	Monitor usage and monthly price is clear	Monitor data usage minute by minute	This now takes a matter of hours	Average NPS of 8 <sup>1</sup> for the mobile industry and amaysim is well above this. +44 for mobile	ACMA study shows continuing decline in bill shock. 33% in 2013 to 19% in 2017
						

1. The Clever Stuff NPS survey August 2019

# Disrupting the market with subscription energy

- ✓ Track your energy usage with our mobile app
- ✓ Roll over unused energy
- ✓ Top up if you run out
- ✓ No lock-in contract
- ✓ Smart meter included at no extra cost
- ✓ Same price every month
- ✓ No more bill shock



Subscription energy services are now available in Victoria, New South Wales and Queensland with full and significant marketing campaign expected to commence in 2H FY20

# FY20 strategy and outlook

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# Strategy and achievements

Deliver profitability and create long-term shareholder value by being Australia's best subscription utilities provider

## PILLARS

## KEY ACHIEVEMENTS

### GROW



Increase our core mobile recurring subscriber base

- Finalised revitalised NSA with Optus
- Launched new, competitive mobile plans and commenced intensive marketing campaign
- Increased recurring mobile subscribers: 648k as at 18 October 2019
- Churn of 2.4% (average 1Q20) across total base
- 34% MVNO market share<sup>1</sup>

### CHANGE



Change the Australian retail energy market by disrupting it with subscription energy

- Soft launched first subscription energy plans in Victoria in April
- Switched on plans in NSW and QLD in August
- Organically attracted a modest number of customers that continue to steadily grow
- Ongoing testing and optimisation of plans
- Added support for solar customers

### BUILD



Become a trusted brand for Australian subscription utility services

- Increased marketing activity to drive awareness of brand and subscription services
- Net promoter score (NPS): +44 for mobile brand
- Lowest number of TIO complaints compared to other top 3 telecom companies<sup>2</sup>

1. Telsyte Australian Mobile Services Market Study 2019

2. 0.4 complaints per 10,000 customers, Telecommunications Complaints in Context, April – June 2019. Applies only to amaysim brand

# Strategy and outlook

Deliver profitability and create long-term shareholder value by being Australia's best subscription utilities provider

## PILLARS

## OUTLOOK

### GROW



Increase our core mobile recurring subscriber base

- New plans supported by intensive marketing delivering positive early signs of growth; 24k net subscriber adds since 1 July 2019 to 18 October 2019 and growth expected to continue
- Retain customers with superior customer service and great value
- Consider complementary bolt-on acquisitions which allow us to leverage our skills and scale

### CHANGE



Change the Australian retail energy market by disrupting it with subscription energy

- Full feature launch of subscription energy in VIC, NSW and QLD
- Inclusion of solar and concession schemes will expand potential market for plans
- Launch of significant marketing campaign to support customer acquisition and focus on educating market on benefits of subscription

### BUILD



Become a trusted brand for Australian subscription utility services

- Continue to invest in marketing to grow subscribers and brand awareness
- Maintain consistency across products that are synonymous with amaysim: no lock-in contracts, transparent pricing, outstanding value and great customer service
- Initiatives to ensure customers are always on the best available mobile plan to reward loyalty

**amaysim reaffirms FY20 underlying EBITDA guidance of \$33m - \$39m**  
(on a 'New GAAP' accounting basis) assuming no material changes or adverse effects from market conditions, operating environments or business circumstances

# Our sustainable competitive advantages

How is amaysim different?



## Lean and scalable operating model

- Underpinned by technology, our **capital-light business model** enables amaysim to acquire and service many customers at a lower rate than our competitors



## Core values create a leading culture

- Practice our values of **agility, simplicity, reliability and empathy** on a daily basis
- Underpins how we conduct ourselves, how we run our business and supports a great culture



## Engaged and satisfied customer base

- Subscription utilities provider with **better customer service** than larger incumbents
- Better, more **transparent and simpler subscription plans** put power back in the hands of the consumer



## Clear strategy supported by strong balance sheet

- **A clear strategy for long-term growth** supported by a strong and well funded balance sheet, enabling us take advantage of growth opportunities in line with our strategy

# Chairman speech and resolutions

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# Strong belief in long-term performance

## Established an employee share trust, which is buying stock on-market to settle future Long Term Incentive Plan (LTIP) obligations

- An employee share trust has been established via Computershare. This trust is buying stock on-market which will be used to satisfy some, or all of, the Company's future obligations under the LTIP
- This means less dilution for existing shareholders when LTIP rights / options vest as fewer new shares will need to be issued
- Beneficiaries of the trust are eligible employees with future entitlement under LTIP
- Belief in the Company's strategy and the recent share price movements have made this a prudent way to allocate some of the Company's capital. The trust's activities are funded from existing cash reserves
- Trust has been purchasing shares on-market and as at 14 October 2019, it held 4.2m ordinary shares, purchased at an average price of \$0.36 per share
- In accordance with Listing Rule 4.10.22, the total number of securities purchased during the reporting period and average price per security at which the securities were purchased will be disclosed in the 2020 Annual Report

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- 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;
- CPA means cost per acquisition or the acquisition cost per subscriber, calculated as total marketing costs divided by gross subscriber additions over the relevant period
- 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, strategic investments, 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.

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