

# Mint

*Mint Payments  
H1 FY20 Results Presentation  
February 2020*



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- + Mint helps companies of all sizes transact in more rewarding ways
- + In FY19, Mint unveiled a bold, new vision with the objective to radically differentiate Mint in the payments industry and deliver value rather than simply processing transactions
- + We aim to deliver **market leading, vertically focused, industry payment solutions** that reward our customers for just doing business
- + We believe every interaction a customer has with Mint should **add genuine value**. Whether that's through speedy onboarding, low transaction fees, amazing customer service, value-added integrations and reward programs

Mint is focussed on entering these vertical markets through its direct to customer channel and also has a white-label, indirect channel offering

## Rewarding Payments



# Results & Highlights – H1 FY20

## FINANCIAL RESULTS

- + 17% growth pcp in total transaction value (TTV) to \$435M
- + 40% growth pcp in recurring revenue to \$1.6M
- + 32% growth pcp in recurring margin to \$693K
- + Improved control of operational costs; 9% reduction

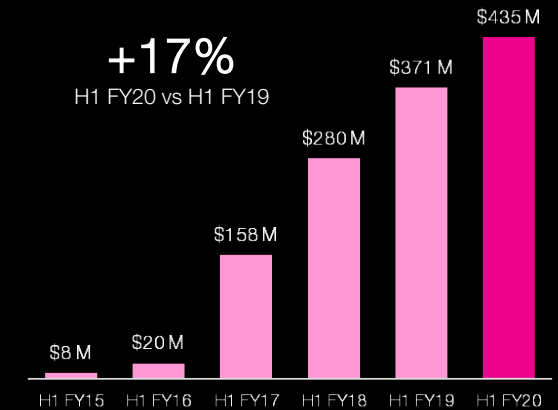
## OPERATIONAL HIGHLIGHTS

- + Successful launch of integration with global acquiring partner enabling end-to-end control of customer experience
- + Accelerating growth in our core travel vertical, ~300 merchants now onboard
- + Locked down product roadmap for travel vertical; the resulting suite of products further enhances Mint's attractiveness and revenue margins in the vertical
- + Successfully shifted Indirect channel partners to maintenance phase thereby maximising profitability

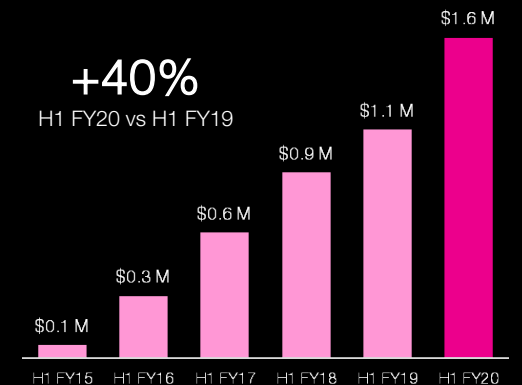
## SHORT TERM OUTLOOK

- + TTV growth expected to accelerate beyond current run-rate
- + The take-rate improves due to higher yielding direct channel
- + New revenue streams from enhanced product offering coming online in H2 FY20
- + Cashflow positive target remains for 2020

## Total Transaction Value



## Recurring Revenues





# Financial Results - Overview



## Strong Transaction growth

- + Total Transaction Value continues to improve year over year with H1 FY20 achieving \$435M, a 17% improvement over H1 FY19
- + The Travel vertical continues to be the driving force, growing 19% over pcg
- + Mint's Indirect Channel also represented well in the period, achieving 21% growth over pcg

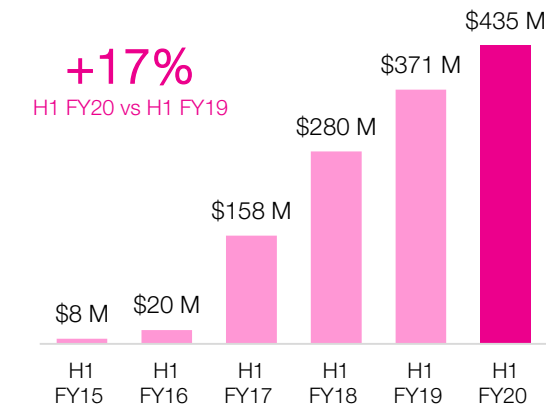
## Recurring revenue strength

- + Recurring Revenue up \$0.5M to \$1.6M versus the same period last year
- + Mint's improved take-rate\* being the direct result of its commercial arrangements with its new global acquirer

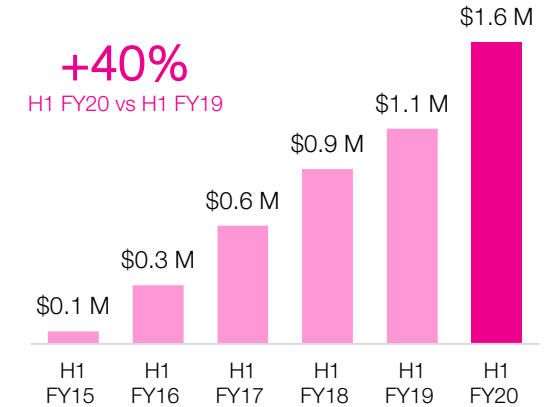
## Improving margins

- + Mint's recurring margin improved 32% to \$0.7M versus the same period last year
- + The improving unit economics reinforces the strategic decision to partner with the new global acquirer and supports further opportunities for H2 as we onboard new and existing merchants under the new commercial arrangement

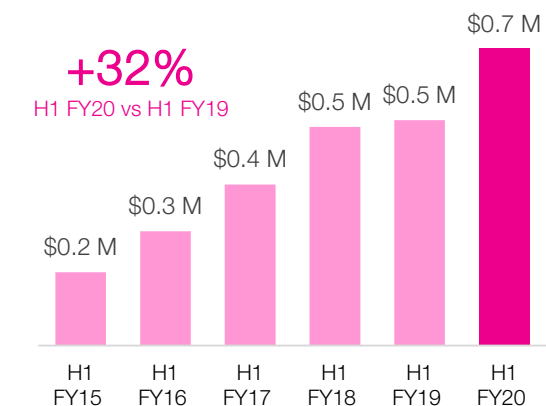
### Total Transaction Value



### Recurring Revenue



### Recurring Margin



	H1 FY20	H1 FY19	Growth %
Total Transaction Value	\$435 M	\$371 M	▲ 17%
Recurring Revenue	\$1.6 M	\$1.1 M	▲ 40%
Recurring Margin	\$0.7 M	\$0.5 M	▲ 32%

\* Take-rate = recurring revenue as a % of total transaction value (TTV)

# Financial Results - Detail

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	H1 FY20 \$'000	H1 FY19 \$'000		Growth %
<b>Income</b>				
Recurring Revenues	1,582	1,129	▲	40%
Non-Recurring Revenue	104	367	▼	72%
<b>Total Sales Revenue</b>	<b>1,686</b>	<b>1,496</b>	▲	<b>13%</b>
Other Revenue	344	514	▼	33%
<b>Total Revenue</b>	<b>2,030</b>	<b>2,010</b>	▲	<b>1%</b>
Cost of Sales	(978)	(665)	▲	47%
<b>Margin</b>	<b>1,052</b>	<b>1,345</b>	▼	<b>22%</b>
Other CoS	(191)	(226)	▼	15%
Operating Expenses	(2,720)	(2,976)	▼	9%
<b>EBITDA</b>	<b>(1,859)</b>	<b>(1,857)</b>	—	<b>0%</b>
Depreciation & Amortisation	(130)	(155)	▼	17%
<b>EBIT</b>	<b>(1,989)</b>	<b>(2,012)</b>	▲	<b>1%</b>
Interest Expenses	(302)	(255)	▲	19%
<b>Net Loss</b>	<b>(2,291)</b>	<b>(2,267)</b>	▲	<b>1%</b>

## Recurring Revenue

40%  
YTD vs. last year

## Recurring Margin

32%  
YTD vs. last year

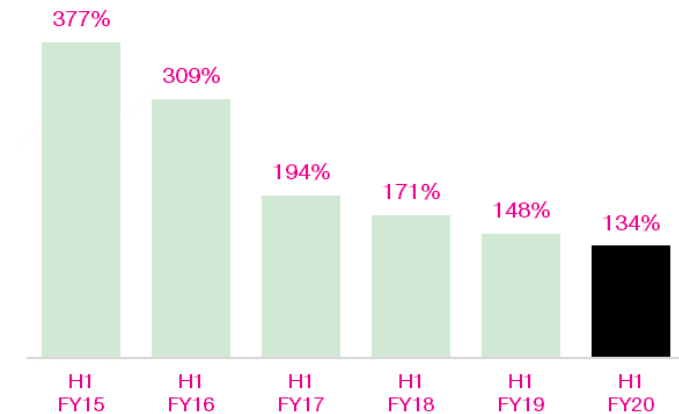
## EBIT

1%  
YTD vs. last year

	H1 FY20 \$'000	H1 FY19 \$'000		Growth %
<b>Travel Channel</b>				
Recurring Revenue	885	556	▲	59%
Recurring Margin	228	133	▲	72%

	H1 FY20 \$'000	H1 FY19 \$'000		Growth %
<b>Other Channels</b>				
Recurring Revenue	697	574	▲	22%
Recurring Margin	465	393	▲	18%

## Operating Expenses as a % of revenue



# Mint

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## DIRECT CHANNEL

% of H1 FY20 Company TTV: 81%

% of H1 FY20 Company Recurring Revenue: 80%

# Travel industry is a \$1 trillion payments market

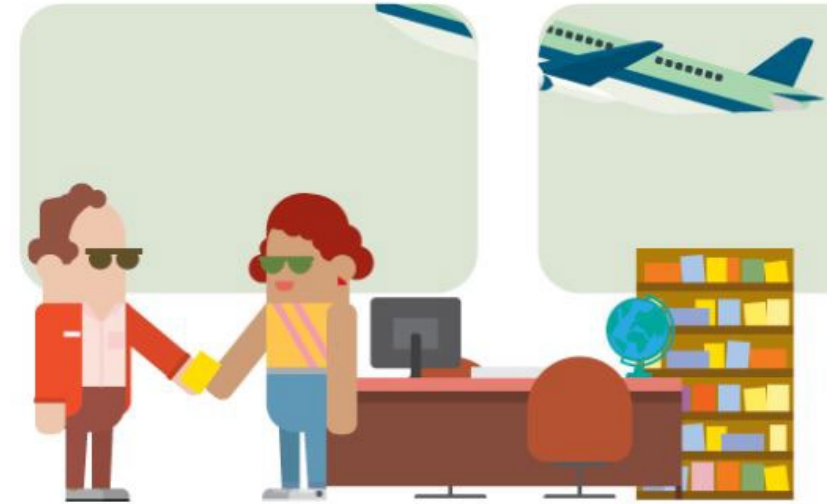
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Mint is developing market leading payment solutions for small and medium enterprise (SME) travel agents, including retail shopfronts, corporate travel and online bookings that are largely misunderstood by traditional payment services providers

Mint's value proposition includes:

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

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



Online, in-store, in-app and beyond



Virtual Terminal / Integrated Payments



Eftpos



Mobile Eftpos



# Mint has over 300 travel agents transacting over \$600M annually

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SMARTFLYER



itravel



There are over 3,000 travel agents in Australia, with a significant proportion of these travel agents that are accredited with the Australian Federation of Travel Agents (AFTA). Mint is a key payments partner for AFTA

In Australia, SME travel agents process over \$11B of the \$20B+ in the travel industry, with Mint presently processing ~5% of the Australian market. We have a near term target to grow our market share to in excess of 10% of the Australian market

# Don't take our word for it ...



Customer case study: <https://www.youtube.com/watch?v=DKXoL7x-f0>

"I cannot recommend Mint enough to any business owner. Exceptional customer service is becoming rarer in today's world, yet that's exactly what we received from initial sign up and it continues on. Velocity Points are now an exciting value add, but its their service that has really impressed us."



*Monica, Travel Focus Group*

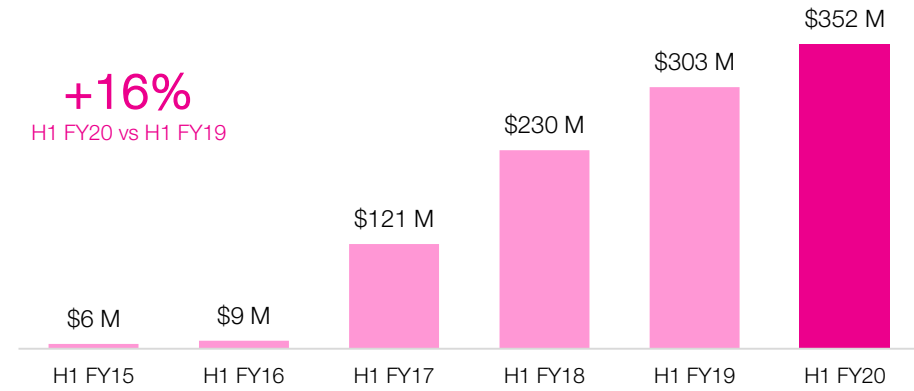
# Accelerating growth in TTV and Revenues



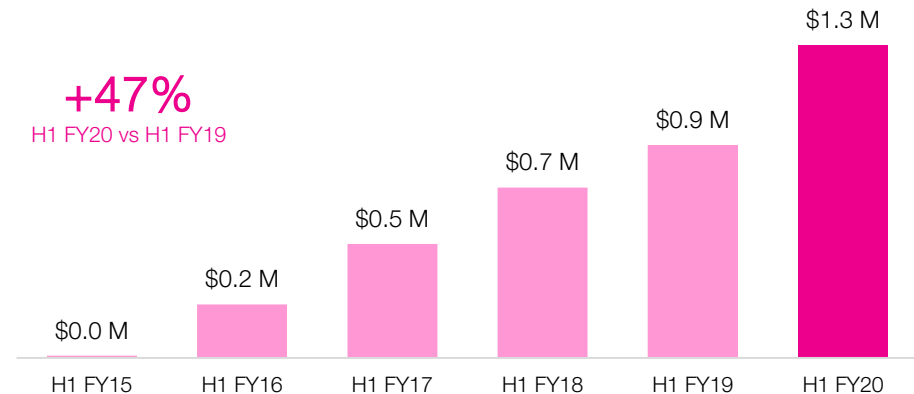
- + Mint's Direct Channel continues to grow successfully YoY to \$352M in Total Transaction Value (TTV), achieving 16% growth over the pcp
- + Travel's share of Direct Channel TTV increased 2% (to 86%) over H1 FY19
- + The travel vertical has grown to ~300 merchants in the first half of FY20
- + Recurring Revenue from our Direct Channel grew 47% over the pcp to \$1.3M, with Travel being the driving force, achieving a 59% growth over the pcp
- + Supporting this is Mint's partnership with its new global acquiring partner, enabling Mint to onboard clients with greater speed and success than previously possible

Mint continues to focus its resources and plans on achieving deep integration with the travel vertical and to continue realising strong returns from this sector

## Total Transaction Value – Direct Channel



## Recurring Revenue – Direct Channel



# Take-rate and recurring margin continues to improve



Continuing to deliver against Mint's strategic vision of a vertically focussed and integrated product offering will bring additional revenue streams, improving Mint's take from every interaction

- + Improved margins as part of Mint's partnership with its new global acquiring partner has supported the growth of its take-rate
- + This is expected to improve further over the second half of FY20 as we onboard new and existing merchants utilising our new acquiring partner
- + By integrating new payment products with our existing merchant services functions, we will further enhance the product offering and attractiveness to the travel vertical and in-turn increase the revenue capture from each transaction

## Near term outlook (6-12months)

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- + TTV growth expected to accelerate beyond current run-rate / historical trends as Mint executes on its customer acquisition strategy
- + The take-rate improves as new and existing merchants are onboarded to higher yielding acquiring partner
- + Mint's rich product road map begins to return additional revenue streams and supports the ever-growing take rate

## Longer term opportunity

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- + Mint continues to run down its near-term growth targets which would see it achieving ~10% of the domestic SME Travel market.
- + International travel markets with similar characteristics provide further opportunity

# Mint

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## INDIRECT CHANNEL

% of H1 FY20 Company TTV: 19%

% of H1 FY20 Company Recurring Revenue: 20%



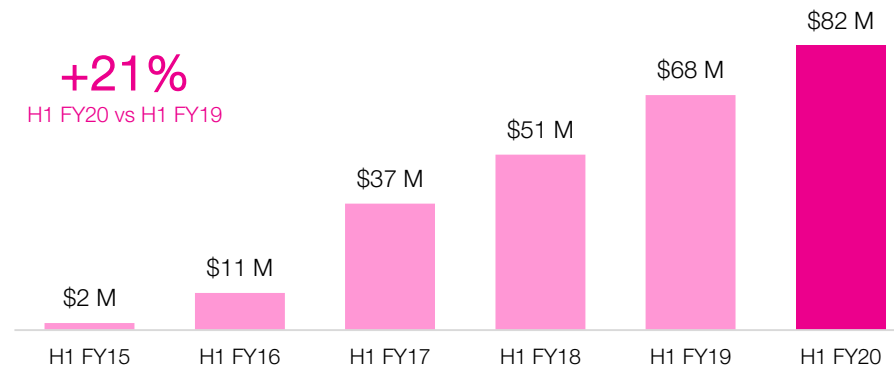
# Stable growth from our Indirect channel partners



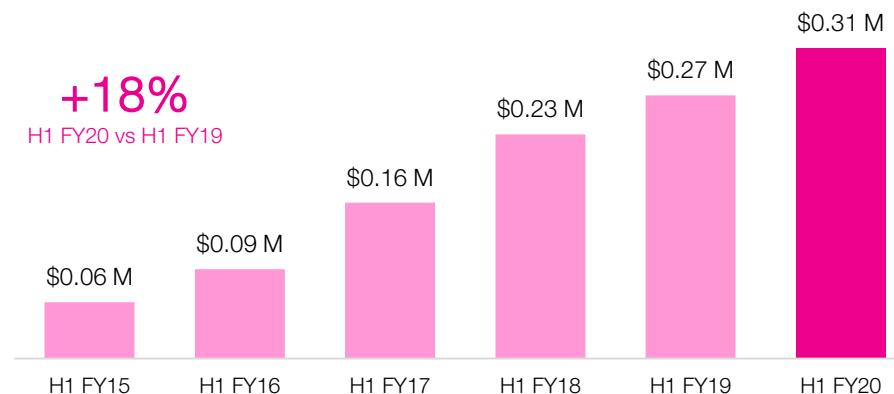
- + H1 FY20 TTV of \$82m (up 21%) and recurring revenues of \$0.3M (up 18%)
- + Margin contribution = 100% of revenues with no variable cost of sales associated with the indirect channel
- + Mint's TTV and revenue growth from these channel partners will be derived from the number of merchants they onboard and the amount those merchants transact
- + Major investment in platform development has been completed
- + New payment product in testing with major partner targeting high value and volume transacting merchants in the indirect channel

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

## Total Transaction Value – Indirect Channel



## Recurring Revenue – Indirect Channel



# Mint

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## SUMMARY & OUTLOOK

### DIRECT

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- + Mint's Direct Channel continues to grow successfully YoY to \$352M in Total Transaction Value (TTV), achieving 16% growth over the pcp
- + TTV is expected to accelerate beyond current run-rate and Mint's take-rate to improve as new and existing merchants are onboarded to higher yielding acquiring partner
- + Mint's rich product road map to bring online new revenue streams in H2 FY20

### INDIRECT

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- + Strong year on year growth with a record \$82M of TTV processed in H1 FY20
- + Successfully shifted Indirect channel partners to maintenance and optimisation phase thereby maximising profitability

### OVERALL

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- + Mint continues to run down its near-term growth targets which would see it achieving ~10% of the domestic SME Travel market.
- + International travel markets with similar characteristics provide further opportunity
- + Cash-flow positive position achieved in 2020



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