amaysim Australia Ltd
Level 6, 17-19 Bridge Street
Sydney NSW 2000
www.amaysim.com.au
ABN: 65 143 613 478

31 August 2020

The Manager
Market Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

Full Year 2020 Results Presentation

Dear Sir or Madam,

Please find enclosed the investor presentation of amaysim Australia Limited's (ASX: AYS) financial results for the financial year 2020.

Authorised by:

Alexander Feldman

amaysim | Chief Strategy Officer, General Counsel & Company Secretary

2020

full year results

investor presentation

31 August 2020

amaysim

Important notice and disclaimer

This presentation includes information about the activities of amaysim Australia Limited ("amaysim") which is current as at 31 August 2020. It is in summary form only and is not intended or represented to be complete. No representation, express or implied, is made as to the fairness, accuracy, completeness or correctness of information contained in this presentation. Please read this presentation in conjunction with amaysim's other periodic and continuous disclosure announcements filed with the ASX. These are available at https://investor.amaysim.com.au/site/content/.

Forward-looking statements

This presentation includes certain forward-looking statements that are based on amaysim's current views and assumptions as well as information known to date, and are subject to various risks and uncertainties. Forward-looking statements can be identified by the use of terminology such as "intend", "aim", "anticipate", "estimate", "plan", "believes", "expects", "target", "may", "should", "will", "objectives", "continue" or similar expressions. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond amaysim's control. These factors may cause actual results to differ materially from those expressed in or implied by this presentation. Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statements, forecast financial information or other forecast.

To the maximum extent permitted by law, amaysim and its related bodies corporate, directors, officers, employees and agents disclaim and do not assume any obligation or undertaking to release any updates or revisions to the information in this presentation to reflect any change in expectation or assumptions, and disclaim all responsibility and liability for any loss arising from use or reliance on this presentation or its content (including, without limitation, liability for fault or negligence).

Market share information

All market share information in this presentation is based on management estimates and internally available information, unless otherwise indicated.

Currency

All amounts in this presentation are in Australian dollars unless otherwise stated.

No offer of securities

Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell amaysim securities in any jurisdiction, or be treated or relied upon as a recommendation or advice by amaysim.

Reliance on third party information

The views expressed in this presentation contain information that has been derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

Operating segments

All comparisons, unless otherwise noted, are full year ended 30 June 2020 compared to full year ended 30 June 2019 and refer to the continuing operations of the Company with all comparisons relating to prior periods adjusted to reflect only continuing operations.

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;
- ARR means annualised recurring revenue - calculated as the recurring ARPU at a point in time, multiplied by the recurring subscriber base at that point in time and annualised.

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.

2020

full year results

CEO presentation

Peter O'Connell, Chief Executive Officer and Managing Director

2020 full year results – guidance exceeded

reported financial metrics under the new accounting standards

Performance exceeded guidance with underlying EBITDA of $40.1m versus guidance of $33.0m- $39.0m

Net revenue	Gross profit	Reported EBITDA
$490.5m -3.5%	**$151.1m** -0.7%	**$38.4m** -12.6%

Underlying EBITDA	NPAT	EPS
$40.1m* -15.2%	**$0.6m** N/A[1]	**0.2**cps N/A[1]

***Underlying EBITDA includes the effect of an additional mobile marketing investment of $9.1 million (opex and promotions) over the period that supported growth of the recurring mobile subscriber base.**

As of 1 January 2019 AASB16 Leases came into effect and as such care must be taken when analysing and comparing reported results after the effect of AASB16. Subsequent analysis in this presentation focuses on the comparable accounting standards before the impact of AASB16. Please refer to amaysim's annual report for the full year ended 30 June 2020 for full details of the changes to the accounting policies and adoption of new Accounting Standards and for a reconciliation of the effects of the new accounting standards and policies applied from 1 July 2019.

1. The percentage change cannot be defined due to moving from a loss in FY2019 to a profit in FY2020.

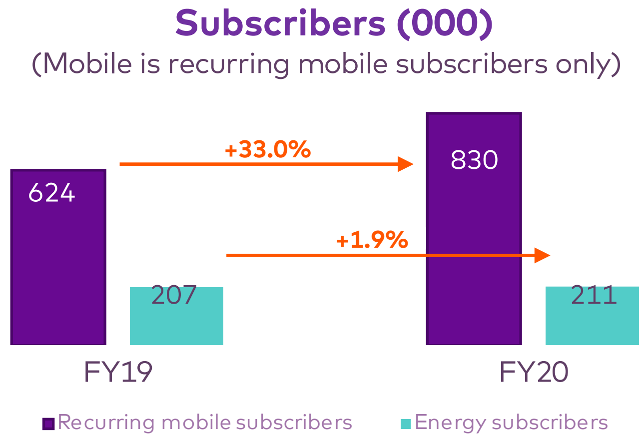
2H20 was focused on disciplined execution, while looking after our people and our customers during a difficult time. Our earnings have not been supported by any COVID-19 government assistance schemes

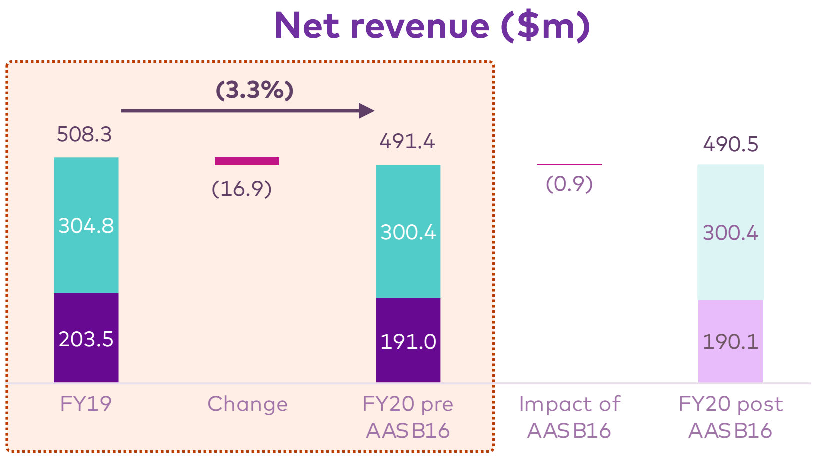
830k
recurring mobile subscribers
33.0% ▲

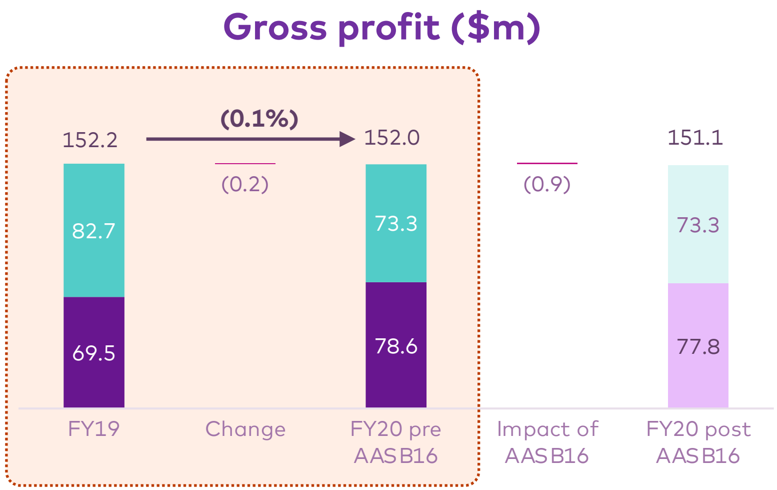
1.18m
Total subscriber base including AYG customers
23.8% ▲

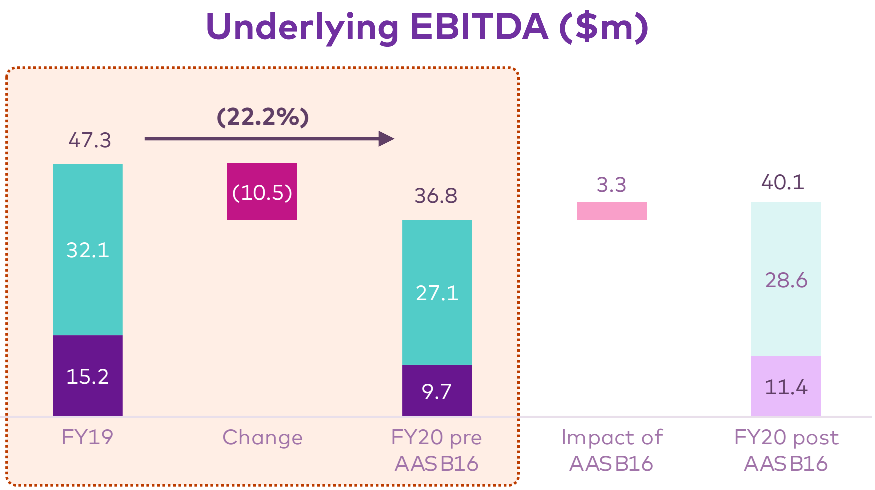
211k
energy subscribers (all-time high)
1.9% ▲

FY20 Group performance









Mobile Energy

Due to rounding, numbers presented in the graphs above may not add up precisely to the totals provided. Percentage changes have been calculated on actual numbers.

Mobile

Strong organic and acquisitive subscriber growth

- Refreshed mobile plans and increased acquisition and retention marketing activities drove organic growth of 91k subscribers, or 15%; averaging +7k net subscribers each month
- Complemented by acquisition of Jeenee and OVO recurring mobile subscribers adding 115k

Customer satisfaction improved further

- NPS of +57 (for amaysim brand in the May quarter) – up from +41 YoY
- Average monthly churn across the total base improved to 2.2%[1]

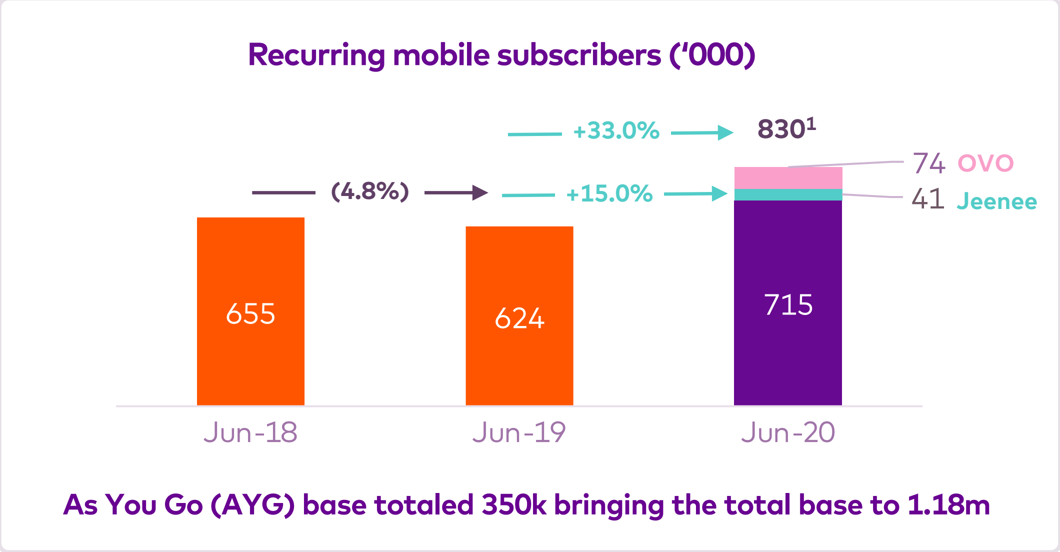
Annualised recurring revenue (ARR) growing

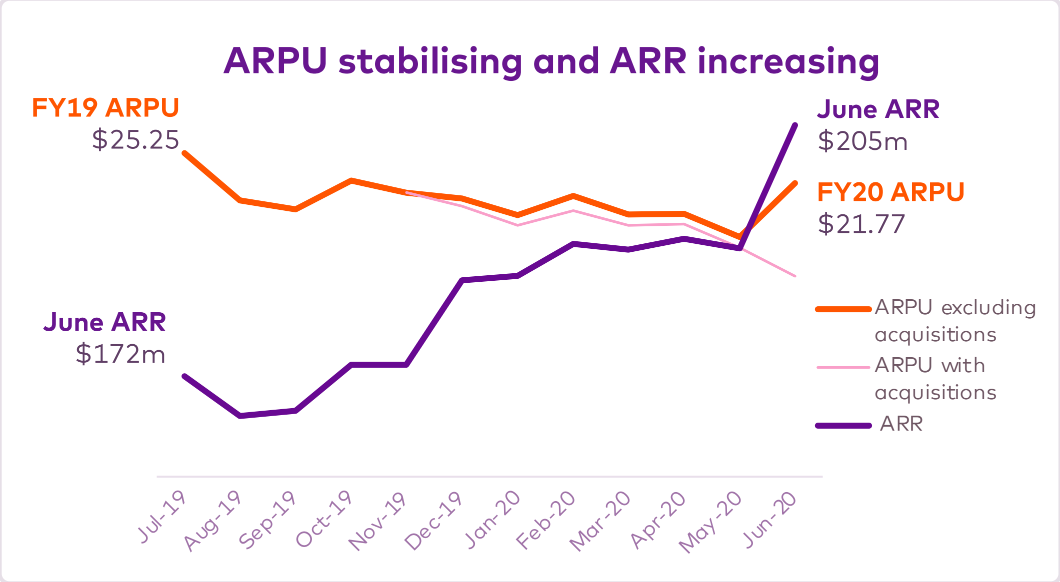
- ARPU decline was a result of an increase in inclusions and the business reduced reliance on excess revenue such as data top ups (see slide 8 for revenue mix breakdown)
- ARPU is now stabilising having decreased by 11.5% in 1H20 and only 2.5% in 2H20 and the divergence of ARR from ARPU indicates that subscriber growth is driving incremental revenue growth

Strong gross margin

- Mobile gross margin remained at the levels reported in 1H20 and was a significant improvement on FY19 of 673 bps to 40.9% (post AASB16), driven by the strength of our revitalised NSA

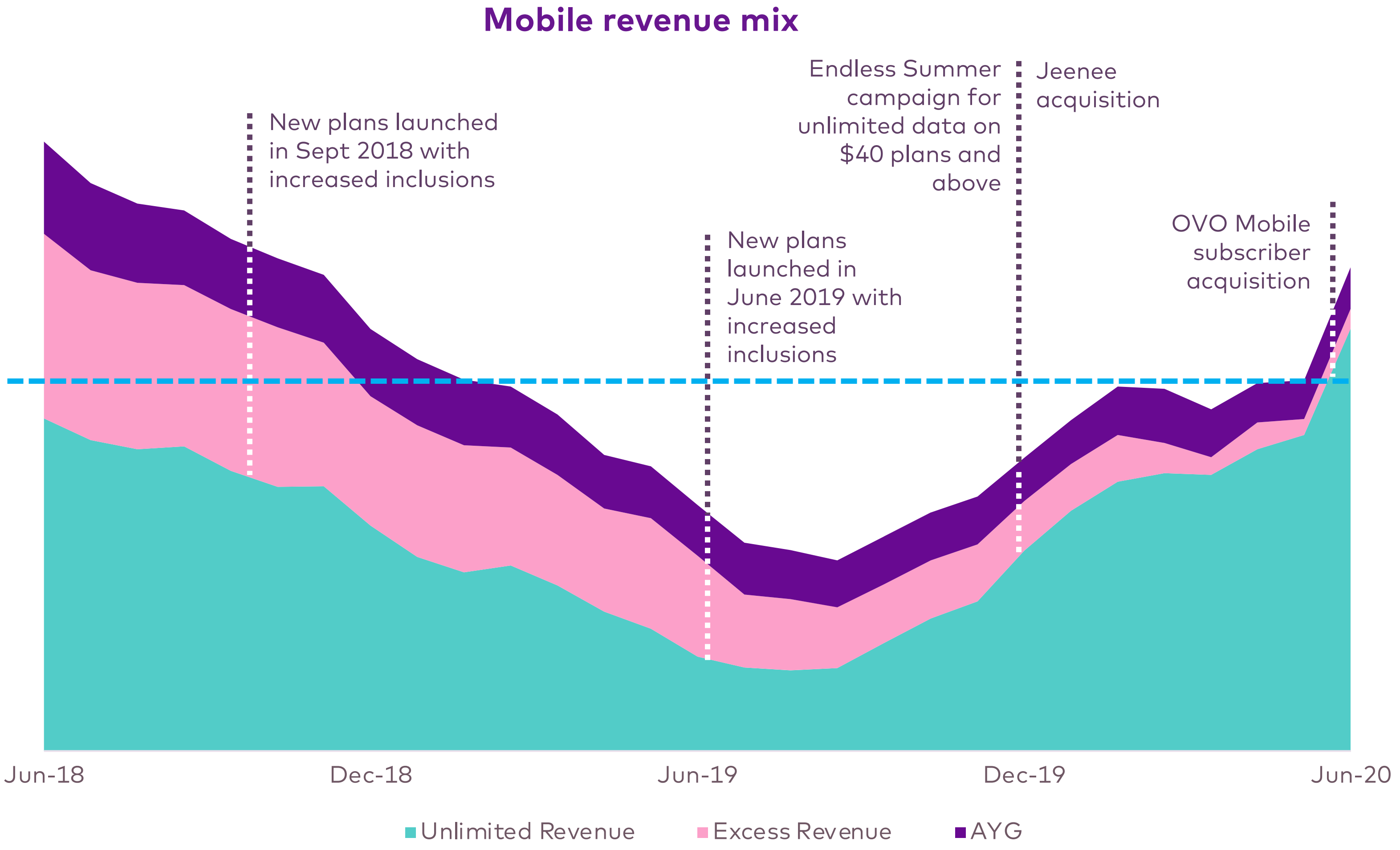
1. Churn is average monthly churn for FY20 on the total base (recurring and AYG)





1. Acquired bases were correct at the time of acquisition. Amounts as at 30 June 2020 may differ slightly due to churn but does not change the total base number.

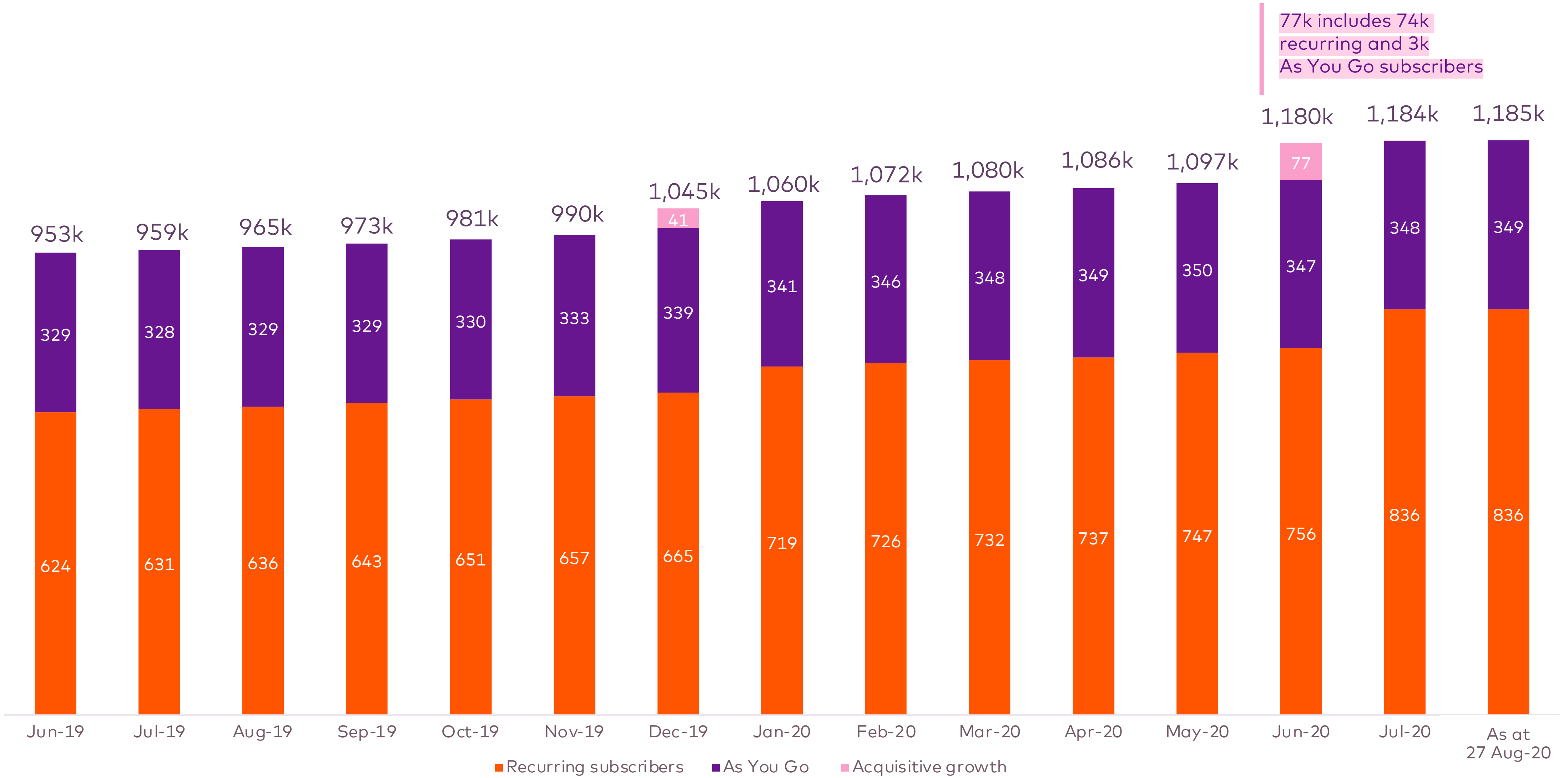
Reduced reliance on excess revenue; subscriber growth driving recurring revenue increase



Scale above has been zoomed into to provide a clearer view of the trend.

- Excess revenue charges accounted for 2.9% of recurring usage revenue in in FY20 – down from 8.2% in FY19 and 11.5% in FY18
- Reduced reliance on excess revenue means that each new mobile subscriber is now contributing directly to incremental revenue growth
- The business is now generating more in recurring revenue than it has in at least the last few years

Exceptional growth in FY20 and continued into FY21



Marketing investment is driving significant subscriber growth

We actively monitor cost per acquisition (CPA) and return on investment. Our marketing investment continues to drive a positive return (in addition to strategic upside) and we will continue to invest to drive further growth and long-term shareholder value.

Average CPA[1] for FY20	Average gross profit per subscriber[2] per month FY20	CPA payback within
$51.60	**$6.23**	**~8 months**

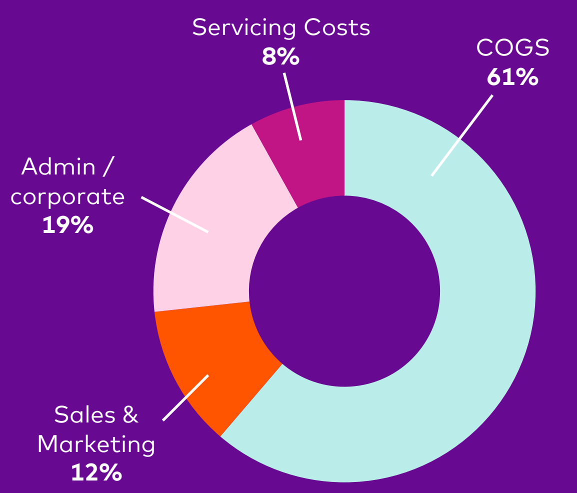
Every month after the initial payback period is profit

1. CPA is calculated as total mobile marketing spend including promotions / total gross adds (recurring and AYG) in FY20
2. Average gross profit per subscriber is FY20 mobile gross profit / total (recurring and AYG) monthly average closing base for FY20

All numbers are based on averages of current reporting period

Low cost to serve and nominal increase required to support growing subscriber base

Cost base FY2020



Servicing costs increased from 6% of the cost base in FY19 to 8% of our cost base in FY20– a nominal amount to support a 33% growth in recurring subscribers

COGS represent our single largest expense – highlighting our value to a carrier and the value that can be delivered from our wholesale agreement

Energy

Divestment of energy business

- We successfully navigated the regulatory changes, but not without dedicating significant resources. Given the further regulatory changes and a likely rise in bad debt (a result of COVID-19) we commenced a strategic review of the business and today announced a sale of the business
- The sale realises the inherent value in the business and removes the risks associated with ongoing exposure to a challenging and changing regulatory environment

Positive customer growth

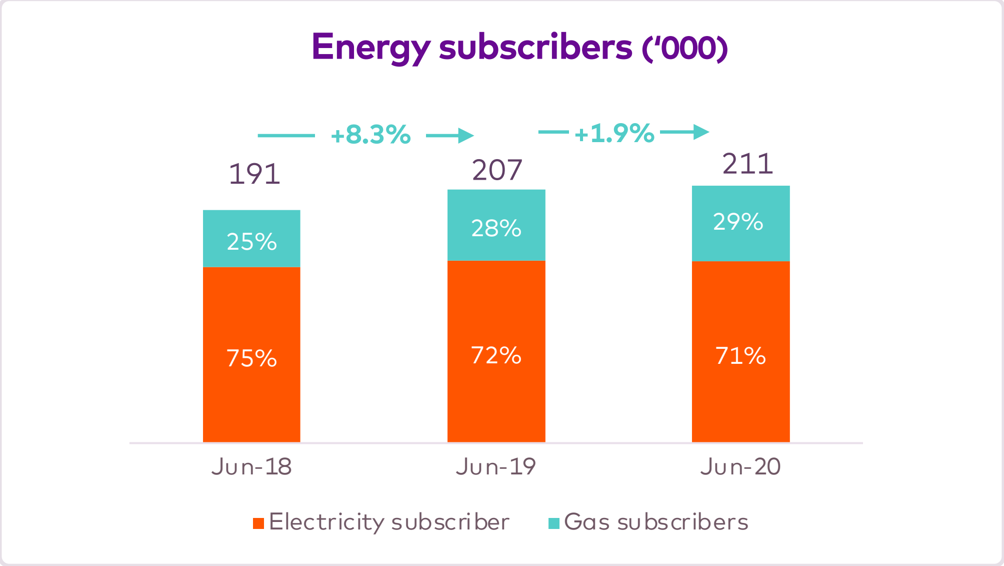
- Energy subscribers grew by 1.9% to an all time high of 211k. The majority of subscribers were added in the second half with subscriber growth increasing 5% in the six months to 30 June 2020. This growth continued into FY2021 and as at 27 August 2020 there were more than 215k subscribers.
- Gas accounts increased and accounted for 29% of subscribers, up from 28% in the prior year
- Sales contribution from owned channels (Click Direct and On The Move) is growing, accounting for 56% of sales during the year versus 46% in FY19

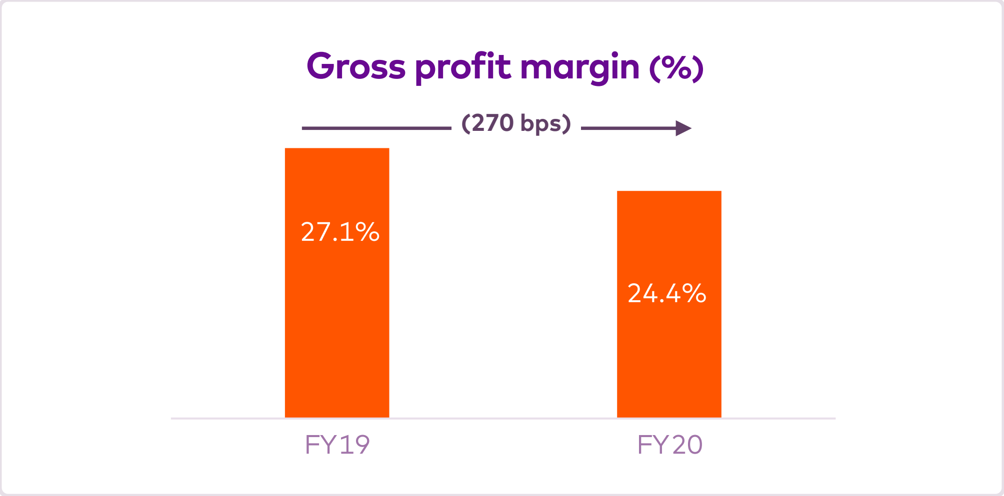
Gross profit margin – performance better than anticipated

- As anticipated, margins declined, however, not as significantly as initially expected – gross margin was down by 270 bps

Subscription energy live in all states we sell energy

- Subscription plans are now live in NSW, QLD, VIC and SA and we are organically adding subscribers without significant marketing investment





Percentage changes have been calculated on actual numbers.

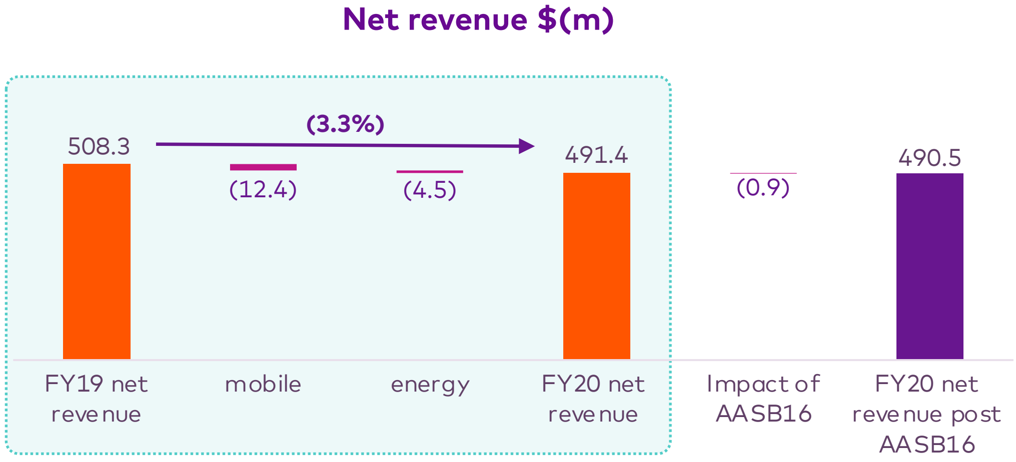
2020

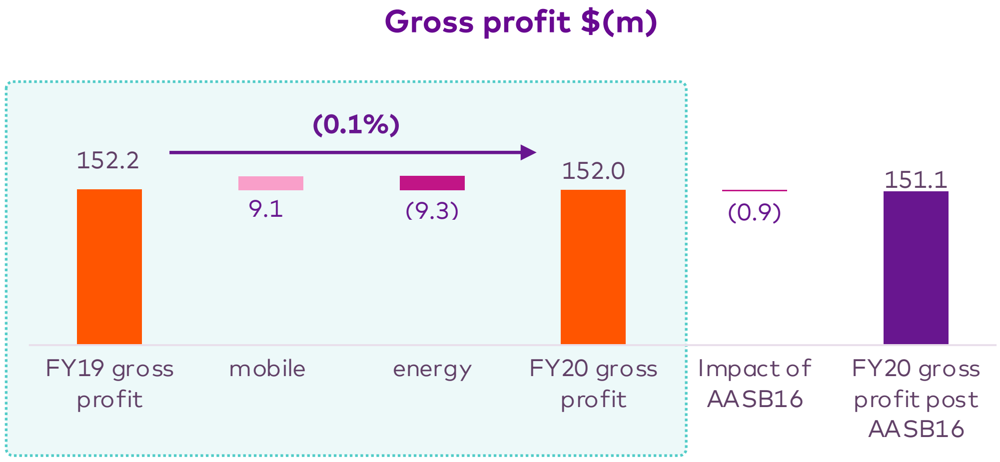
full year results

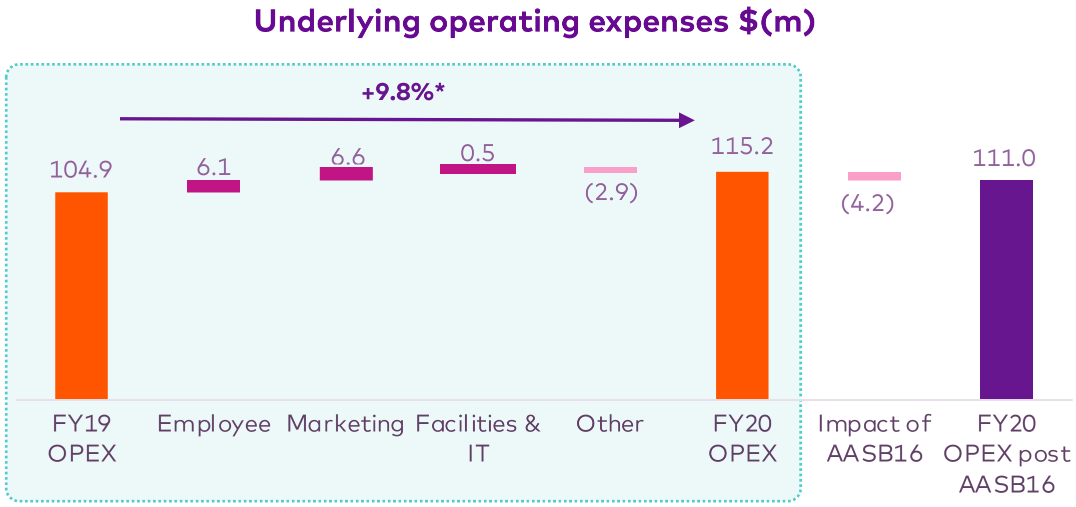
CFO presentation

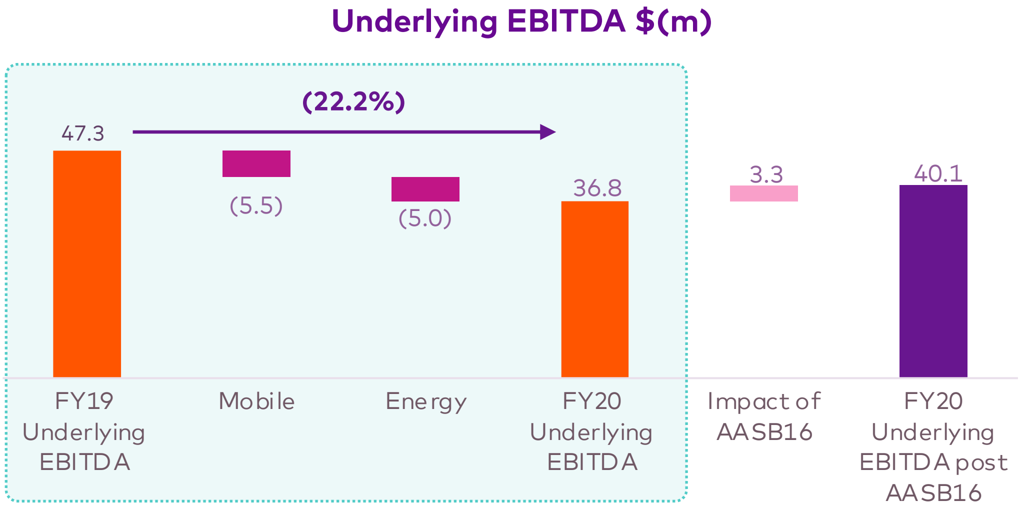
Gareth Turner, Chief Financial Officer

Group results



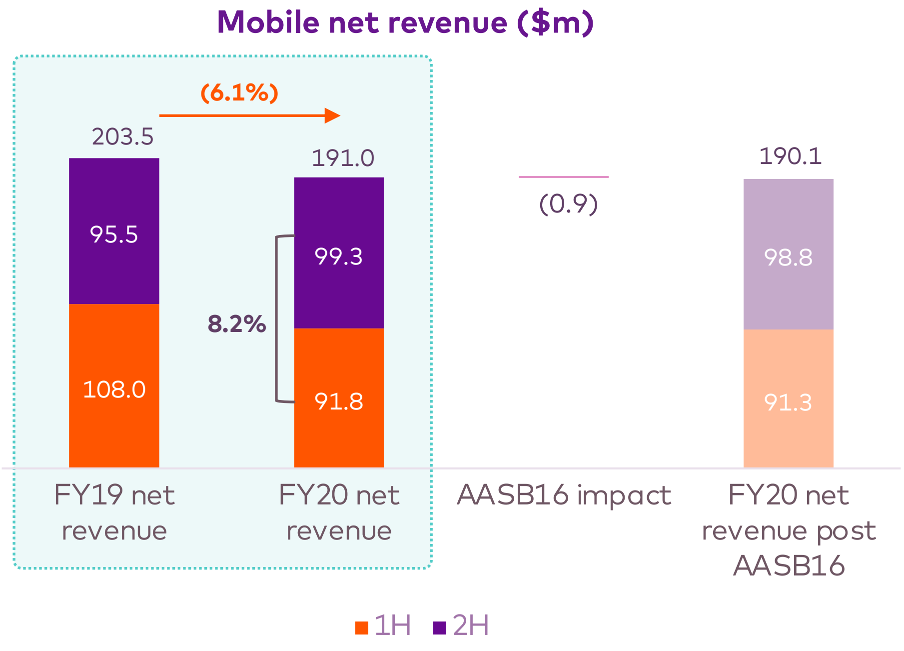


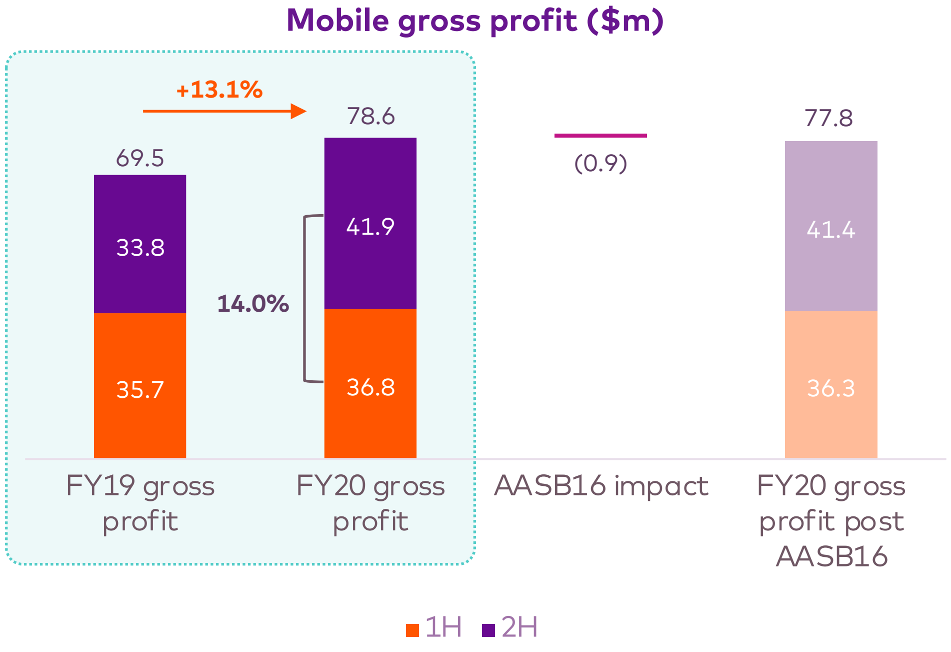




*Excluding the marketing increase, underlying opex increase would have been +3.5%

Mobile revenue has turned a corner increasing in 2H20

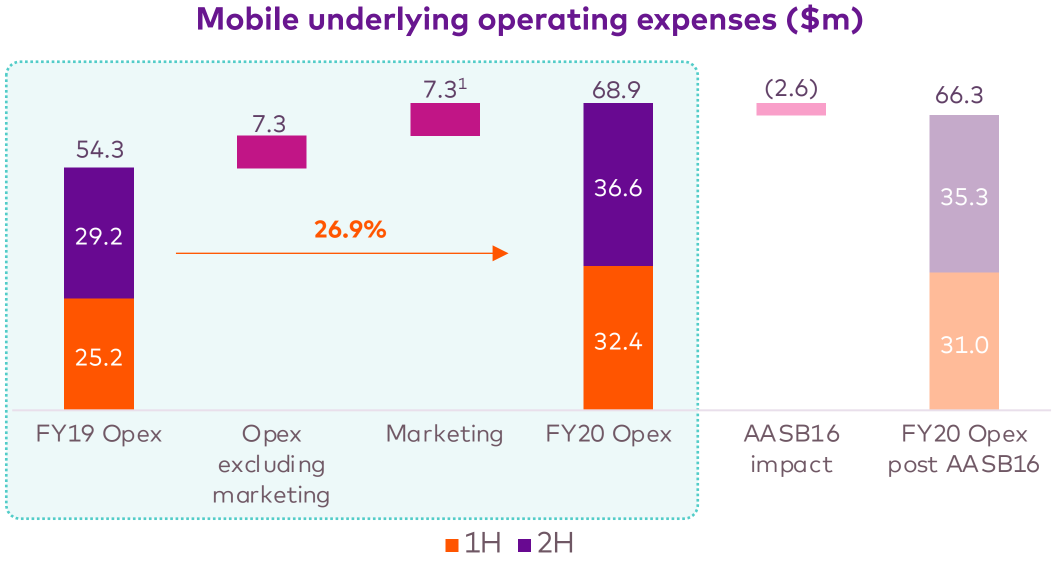




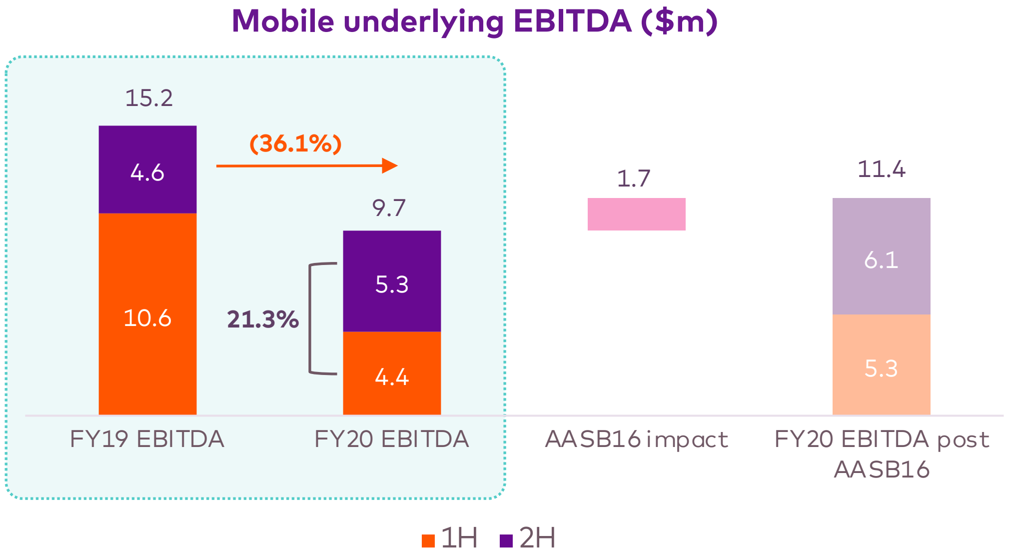
- Mobile net revenue decreased by 6.1% to $191.0m impacted by lower ARPU as a result of the competitive landscape in prior periods and an increase in data inclusions which reduced excess revenue from data top ups.
- Revenue in 2H20 was 8.2% higher than 1H20. The lower revenue in 1H20 compared to 1H19 reflects the impact of increased inclusions on ARPU mostly taking effect in 1H20 and the growth in 2H20 is a result of the continued growth in recurring subscribers driving incremental revenue growth.

- Mobile gross profit increased by 13.1% to $78.6m due to growing revenue in the second half and the strength of our new wholesale agreement.
- Gross margin improved significantly to 41.2% (pre AASB16), up from 34.2% in FY19.

Increased mobile marketing spend driving lower earnings in the short term while building long term shareholder value



- Underlying operating expenses were up $14.6m, or 26.9%, to $68.9m. The increase reflects the $7.3m increase in marketing spend. The total marketing spend increase was $9.1m which includes $1.8m in promotions that do not manifest in operating costs and are accounted for as a deduction to revenue.
- Of the remaining $7.3m increase in opex, $5.9m was attributable to an increase in employee expenses that includes the $3.6m increase in non-cash charges associated with an increase in the long-term employee incentive plan in lieu of cash bonuses; and increases to resources of $2.3m to support marketing activity and tech stack enhancements. The remaining $1.4 million is attributable to a $1.9m increase in facilities and IT expenses partly associated with the technology stack enhancements which was then offset by a $0.5m reduction in other costs that was due to savings in bad debt expenses.



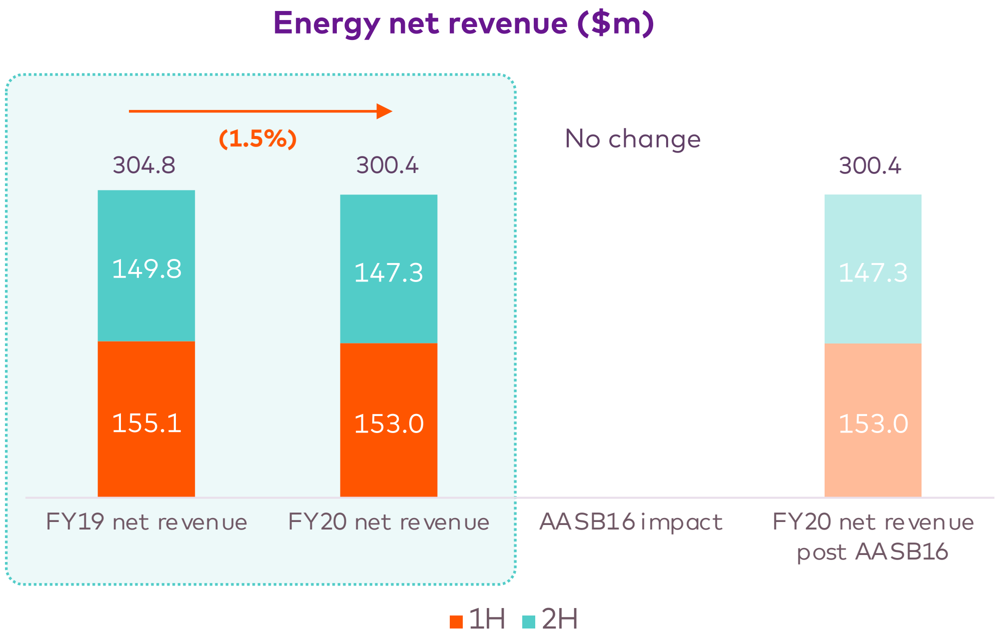
- EBITDA was stronger in the second half, reflecting the growing revenue profile as the subscriber base continues to increase.
- Overall EBITDA is down on FY19 due to the increased investment in marketing activity and resources that are driving sustained subscriber growth.

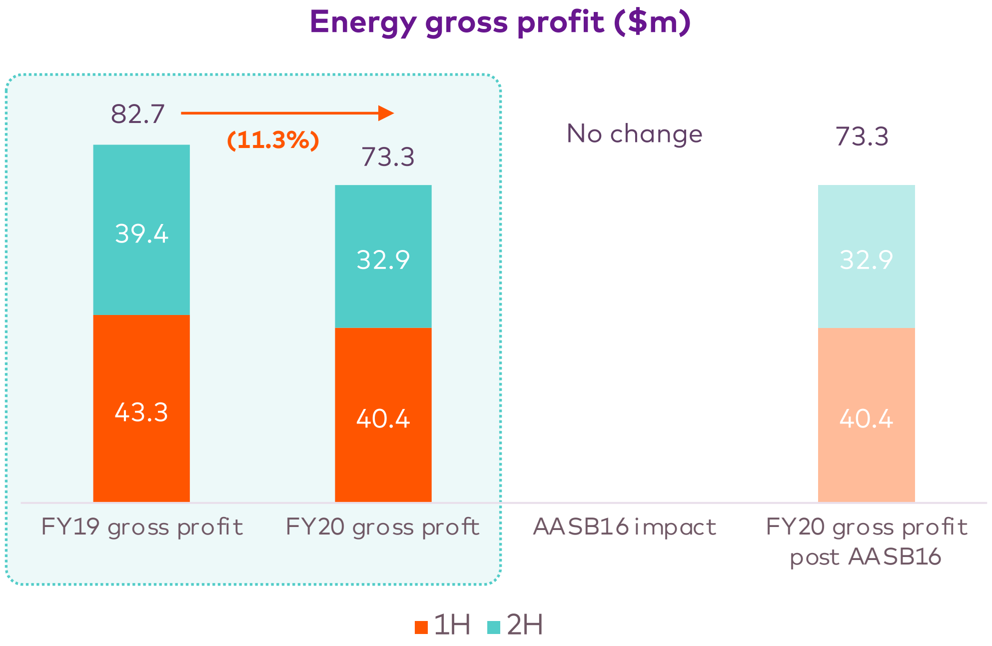
1. Marketing expenses do not include promotional campaigns which involve discounts are a reduction to revenue and do not manifest in our operating costs. Including these costs the total marketing spend increased by $9.1m.

Mobile segment overview

$ million (unless stated)	FY19	FY20 pre AASB16	Impact of AASB16	FY20 post AASB16	Change between FY19 and FY20 pre AASB16
Revenue from recurring subscribers	194.1	183.3	-	183.3	(5.6%)
Revenue from Other and AYG	9.4	7.8	(0.9)	6.9	(17.3%)
Total net revenue	**203.5**	**191.0**	**(0.9)**	**190.1**	**(6.1%)**
Cost of sales	(134.0)	(112.4)	-	(112.4)	(16.1%)
Gross profit	**69.5**	**78.6**	**(0.9)**	**77.8**	**13.1%**
Gross profit margin (%)	34.2%	41.2%	(27bps)	40.9%	700 bps
Underlying operating expenses	(54.3)	(68.9)	2.6	(66.3)	26.9%
Underlying EBITDA	**15.2**	**9.7**	**1.7**	**11.4**	**(36.1%)**
EBITDA margin (%)	7.47%	5.09%	92 bps	6.01%	(238 bps)
Closing recurring subscribers ('000)	624	830	-	830	33.0%
ARPU ($) (based on recurring subscribers)	25.25	21.77	-	21.77	(13.8%)

Energy revenue stable but gross margin impacted by regulatory pressure

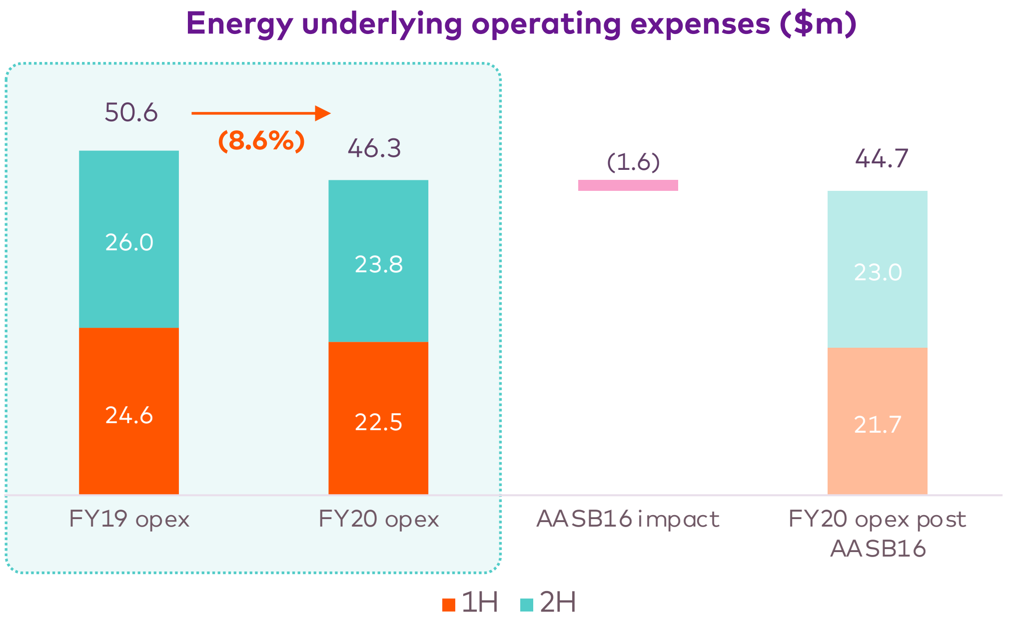


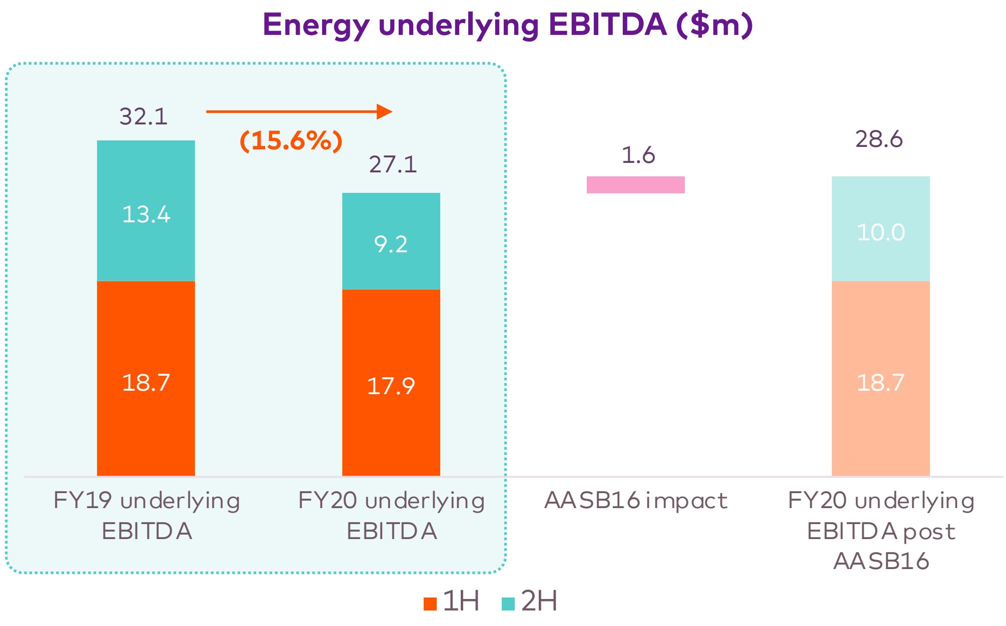


- Net revenue decreased by 1.5% to $300.4m vs $304.8m in FY19.
- The decrease in revenue was a result of lower ARPU of $122.25, down 4.9% on FY19.
- This can be attributed to lower energy consumption across the market; growth of gas accounts which are typically lower billing; and growth of solar.

- Gross profit was down 11.3%, or $9.3m.
- Gross profit margin has begun to come down, albeit not as significantly as expected. Gross profit margin was 24.4% for FY20 versus 27.1% for FY19.
- There was a greater impact in the second half on margin, which was down from 26.4% at 1H20.

Disciplined cost management resulting in lower opex however EBITDA lower due to gross margin





- Underlying operating expenses decreased by 8.6%, or $4.3m.
- We carefully managed costs in energy that included a $0.7m reduction in marketing spend; a $2.4m decrease in other costs associated with an improvement in bad debt; and a $1.4m decrease in facilities and IT expenses mostly related to a reduction in costs related to subscription energy development.
- Bad debt expected to increase in FY21 as the impact of the pandemic becomes more prevalent as government support programs may be reduced or ceased.

- Underlying EBITDA was down 15.6%, or $5.0m, to $27.1m, reflecting the lower gross profit that was put under pressure from regulatory changes that stipulate what retailers can charge.
- The impact was greater in the second half as gross profit was impacted more significantly in the second half.

Energy segment overview

$ million (unless stated)v	FY19	FY20 pre AASB16	Impact of AASB16	FY20 post AASB16	Change between FY19 and FY20 pre AASB16
Electricity plans	247.1	233.0	-	233.0	(5.7%)
Gas plans	56.8	65.9	-	65.9	16.1%
Other revenue	1.0	1.4	-	1.4	44.1%
Total net revenue	**304.8**	**300.4**	-	**300.4**	**(1.5%)**
Cost of Sales	(222.2)	(227.0)	-	(227.0)	2.2%
Gross Profit	**82.7**	**73.3**	-	**73.3**	**(11.3%)**
Gross Profit Margin %	*27.1%*	*24.4%*	-	*24.4%*	*(270 bps)*
Underlying operating expenses	(50.6)	(46.3)	1.6	(44.7)	(8.6%)
Underlying EBITDA	**32.1**	**27.1**	**1.6**	**28.6**	**(15.6%)**
EBITDA Margin %	*10.52%*	*9.01%*	*52 bps*	*9.54%*	*(150 bps)*
Closing electricity plans ('000)	150	149	-	149	(0.4%)
Closing gas plans ('000)	58	62	-	62	8.0%
Total closing fuels ('000)	207	211	-	211	1.9%
ARPU ($)	128.49	122.25	-	122.25	(4.9%)

Balance sheet

- Cash increased $14.4m, or 46.9%, this year reflecting the $29.6m cash generated from operating activities, approximately half of which was used to fund group investments and acquisitions during the year
- The $16.3m increase in other current assets reflects net prepayments made by the group under its wholesale contract
- Non-current assets increased $26.5m largely reflecting the Jeenee and OVO acquisitions made during the year
- The group's total derivative position moved from a net asset position at 30 June 2019 of $1m to a net liability position of $28m as at 30 June 2020. This swing of $29m reflects significant recent decreases in spot and forward energy prices as a result of COVID-19
- Non-current borrowings increased $20m to fund the Jeenee acquisition and part of the OVO acquisition made during the year
- The other equity balance of ($2.0m) reflects the amaysim Equity Plans trust purchasing 5.6m treasury shares to meet part of the future obligations under the Long-Term Incentive Plan (LTIP). These shares were purchased at an average price of 38c during the year
- The equity compensation reserve increased $4.4m reflecting the non-cash net share based payments expense recognised during the year
- The cash flow hedging reserve decreased $20.3m largely reflecting the decrease in value of energy hedges during the year as discussed above
- Retained earnings increased $1.1m reflecting the net profit after tax for the year

As at	30 June 2020 $'000	30 June 2019 $'000	Movement
CURRENT ASSETS			
Cash and cash equivalents	45.0	30.7	14.4
Trade receivables	44.9	48.1	(3.2)
Other current assets	21.3	5.0	16.3
Derivative financial instruments	-	3.3	(3.3)
Net investment in sublease	0.8	-	0.8
Total current assets	**112.1**	**87.1**	**25.0**
NON-CURRENT ASSETS			
Intangible assets	192.3	180.0	12.3
Property, plant and equipment	11.7	6.2	5.6
Other non-current assets	0.6	0.6	-
Derivative financial instruments	0.4	0.2	0.2
Deferred tax assets	8.7	0.4	8.4
Total non-current assets	**213.8**	**187.3**	**26.5**
TOTAL ASSETS	**325.9**	**274.5**	**51.5**
CURRENT LIABILITIES			
Trade and other payables	92.0	85.1	7.0
Deferred revenue	10.1	7.5	2.7
Provisions	10.2	9.5	0.7
Lease liabilities	3.6	-	3.6
Derivative financial instruments	25.7	2.1	23.6
Customer deposits	2.6	2.2	0.4
Other current liabilities	3.1	-	3.1
Current tax liabilities	0.9	0.2	(0.6)
Total current liabilities	**148.3**	**106.6**	**41.7**
NON-CURRENT LIABILITIES			
Borrowings	76.5	56.5	20.0
Lease liabilities	5.4	-	5.4
Other non-current liabilities	1.8	3.1	(1.3)
Provisions	1.7	1.4	0.2
Derivative financial instruments	2.7	0.4	2.3
Total non-current liabilities	**88.1**	**61.4**	**26.6**
TOTAL LIABILITIES	**236.4**	**168.0**	**68.4**
NET ASSETS	**89.6**	**106.5**	**(16.9)**
EQUITY			
Contributed equity	167.2	167.2	-
Other equity	(2.0)	-	(2.0)
Equity compensation reserve	(4.0)	(8.4)	4.4
Cashflow hedge reserve	(19.2)	1.1	(20.3)
Foreign currency translation reserve	0.1	0.1	-
Retained profits	11.5	10.5	1.1
Accumulated losses (prior years)	(64.0)	(64.0)	-
TOTAL EQUITY	**89.6**	**106.5**	**(16.9)**

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

Cash flow

- Net cash inflow from operating activities of $29.6m largely reflects the underlying EBITDA earned during the year of $40.1m, with a cash conversion ratio of 84% for the full year
- Net cash outflow from investing activities of $29.8m for the year is mostly driven by the purchase of Jeenee and OVO during the year of $22.4m with the balance being investments software of $7.4m during the year
- Net cash inflow from financing activities of $14.5m largely reflects additional borrowings to fund the Jeenee and OVO acquisitions during the year
- In summary, operating cash inflows during the year of ~$30m funded approximately half of the groups ~$30m investments during the year, with the balance of the investments funded by a net increase in borrowings, resulting in total cash increasing $14.3m, or 46.9%, during FY20

For the financial year ended	30 June 2020	30 June 2019	
$ million	**$'000**	**$'000**	**Change**
Cash flows from operating activities			
Receipts from customers (incl. of GST)	545.4	560.9	(15.5)
Payments to suppliers and employees (incl. of GST)	(512.3)	(537.5)	25.2
Income tax payments	(0.3)	(0.5)	0.2
Finance expenses	(3.7)	(5.8)	2.1
Interest received	0.5	0.5	-
Net cash inflows from operating activities	**29.6**	**17.6**	**12.0**
Cash flows from investing activities			
Payment for the acquisition of subsidiary, net of cash acquired	(6.6)	-	(6.6)
Payments for property, plant and equipment	(0.9)	(4.6)	3.7
Payments for intangible assets	(23.2)	(8.5)	(14.7)
Proceeds from intangible assets	-	3.0	(3.0)
Decrease in security deposits and bank guarantees	0.1	0.2	(0.1)
Principal payments from sublease	0.8	-	0.8
Net cash outflows from investing activities	**(29.8)**	**(9.9)**	**(19.9)**
Cash flows from financing activities			
Proceeds from issue of shares	-	50.6	(50.6)
Proceeds from borrowings	20.0	-	20.0
Principal payments of lease liabilities	(3.5)	-	(3.5)
Purchase of shares acquired by amaysim Equity Plans Trust	(2.0)	-	(2.0)
Payment of capitalised transaction costs	-	(2.5)	2.5
Repayment of borrowings	-	(35.0)	35.0
Net cash flows from financing activities	**14.5**	**13.1**	**1.4**
Net increase in cash and cash equivalents	14.3	20.9	(6.6)
Cash and cash equivalents at the beginning of the financial period	30.7	9.8	20.9
Cash and cash equivalents at end of period	**45.0**	**30.7**	**14.3**

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

Cash conversion

Improved cash conversion at 84% was slightly above trend due to efforts to conserve cash through COVID-19

$ million	FY20 pre AASB16	FY20 post AASB16	FY19 New GAAP
Underlying EBITDA	**36.8**	**40.1**	**47.3**
Statutory net operating cash flows	29.6	29.6	17.6
Income tax paid	0.3	0.3	0.5
Finance expenses	3.7	3.7	5.8
Adjusted pre-tax ungeared cash flow	**33.6**	**33.6**	**23.9**
Cash conversion	**91%**	**84%**	**51%**

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

2020

full year results

Strategy and outlook

Peter O'Connell, Chief Executive Officer and Managing Director

Progress against our strategy

Our FY20 strategy was to **grow, change and build**. This year we successfully **grew** the mobile subscriber base and **built** on our trusted brand. The unprecedented regulatory change in the energy market meant that we put our strategy to **change and disrupt** the retail energy market on hold and focused on **strengthening** our existing offering and position in the mobile market.

grow

Increased our core mobile recurring subscriber base

- Launched new, competitive mobile plans following signing revitalised NSA with Optus
- Invested in increased marketing activity and retention programs
- Launched 'Endless Summer' campaign for unlimited mobile data over the summer period which drove sales at the $40+ price point
- Drove subscriber growth:
    - Organic growth of 91k recurring mobile subscribers
    - Acquired Jeenee Mobile and successfully completed integration; adding ~41,000 recurring mobile subscribers
    - Acquired ~77,000 OVO mobile subscribers; migration now completed and churn is well below expectations
- Customer retention initiatives reduced churn to 2.2%
- Awarded Canstar Blue's customer satisfaction award for prepaid mobile providers; best post-paid month-to-month SIM under $40 by Finder; Mozo People's Choice Value for Money; and three WhistleOut awards for 2020

strengthen

Strengthened and maintained our position in the retail energy market

- Successfully navigated a highly complex regulatory environment while maintaining excellent customer service and steady growth
- Grew the energy subscriber base to an all-time high of 211k subscribers; 215k as at 27 August 2020
- Cost effective growth achieved by; leveraging owned sales channels; cross selling gas and electricity plans to existing customers; and improving retention
- 36% growth in On The Move applications: 62.3k applications in FY20
- 56% of growth delivered through owned sales channels in FY20 (compared to 46% in FY19)
- Subscription energy plans available in NSW, QLD, VIC and SA
- Added solar capabilities; launched live bill upload to allow customers to upload bills and compare plans; and improved the subscription energy mobile app with daily usage data tracking
- Announced the sale of the energy business that realises the inherent value that has been built and reflects the exceptional work of the team particularly throughout this period of significant regulatory change

build

Built on our trusted brand for Australian subscription utility services

- Increased marketing activity to drive awareness of brand and subscription services
- Rallied across all 3 sites to support our customer service team in Manila amid initial COVID disruption and customer service continues to excel with mobile NPS now +57 for the amaysim brand[1]
- Remain the least complained about telco company in Australia[2]
- Unprompted brand awareness score is trending upwards; achieved a high of 22% in the March 2020 quarter and a quarterly average of 19% in FY20 versus 16% in FY19
- Advanced deployment of strategic and technical capabilities (customer data platform, SaaS platforms and enhancements to customer service platforms) to support and deliver future growth
- Energy delivered the best NPS[3] score in the Company's history; +6 for FY20 and +17 in Q4 FY2020 and Ombudsman cases down by 43%

1. Survey by The Clever Stuff prepared for amaysim – May quarter 2020
2. 0.4 complaints per 10,000 customers, Telecommunications Complaints in Context, Jan – March 2020. Applies only to amaysim brand
3. Energy NPS is transactional. It is internally calculated and based on a customer's interaction with the company.

Outlook and COVID-19 impact

mobile

- Well positioned to drive further growth in mobile with sustained investment in marketing to continue in FY2021 in order to build long term shareholder value
- Expected softening in retail sales channels in line with sporadic pandemic lock-down measures
- Approaching a key strategic milestone in connection with our mobile wholesale agreement
- Growth of recurring subscriber base and revenue has continued into FY2021
- Recurring subscriber base of 836,000 as at 27 August 2020

energy

- Sale of energy business to AGL for $115 million announced today removes the risks associated with ongoing exposure to a challenging and changing regulatory environment and a potential COVID-19 related increase in bad debt
- Refer to today's announcement (31 August 2020) for further information on the sale

The business is trading well and in line with expectations. However, given the unprecedented level of economic uncertainty we will not be providing guidance at this time but look forward to providing a business update at the AGM.

2020

full year results

Appendix

Breakdown of mobile and energy subscribers and revenue

Mobile subscriber base FY20 v FY19

	FY20 Mobile plans (000s)	FY19 Mobile plans (000s)	Variance	FY20 Mobile revenue ($m)	FY19 Mobile revenue ($m)	Variance	FY20 % of mobile revenue base	FY19 % of mobile revenue base	Variance	FY20 Mobile ARPU ($)	FY19 Mobile ARPU ($)	Variance
Recurring subscribers	830	624	33.0%	183.3	194.1	-5.6%	96.4%	95.4%	1%	21.77	25.25	-13.8%
AYG/Other	350	329	6.3%	6.9	9.4	-26.7%	3.6%	4.6%	-1%	1.69	1.99	-14.7%
TOTAL	**1,180**	**953**	**23.8%**	**190.1**	**203.5**	**-6.6%**	**100%**	**100%**	-	**15.23**	**16.38**	**-7.1%**

Energy subscriber base FY20 v FY19

	FY20 Energy plans (000s)	FY19 Energy plans (000s)	Variance	FY20 Energy revenue ($m)	FY19 Energy revenue ($m)	Variance	FY20 % of energy revenue base	FY19 % of energy revenue base	Variance	FY20 Energy ARPU ($)	FY19 Energy ARPU ($)	Variance
Electricity subscribers	149	150	-0.4%	233.0	247.1	-5.7%	77.6%	81.0%	-3.5%	132.79	141.11	-5.9%
Gas subscribers	62	58	8.0%	65.9	56.8	16.1%	22.0%	18.6%	3.3%	93.88	91.34	2.8%
TOTAL	**211**	**207**	**1.9%**	**300.4**[1]	**304.8**[1]	**-1.5%**	**100%**[1]	**100%**[1]	-	**122.25**	**128.49**	**-4.9%**

1. Includes "Other Revenue" as described in the Energy segment performance slide on page 21 and as such numbers do not exactly add

Due to rounding, numbers presented in the chart may not add up precisely to the totals provided. Percentage changes have been calculated on actual numbers.

2020 full year results – summary of financial metrics

$ million (unless stated otherwise)	FY19	FY20 pre AASB16	Impact from AASB16	FY20 post AASB16	Change between FY19 and FY20 pre AASB16
Net revenue	508.3	491.4	(0.9)	490.5	(3.3%)
Gross profit	152.2	152.0	(0.9)	151.1	(0.1%)
Gross profit margin (%)	29.9%	30.9%	(12bps)	30.8%	99bps
Underlying operating expenses	(104.9)	(115.2)	4.2	(111.0)	9.8%
Underlying EBITDA	**47.3**	**36.8**	**3.3**	**40.1**	**(22.2%)**
Underlying NPAT	6.8	2.0	(0.2)	1.8	(70.2%)

Due to rounding, numbers presented in the chart may not add up precisely to the totals provided. Percentage changes have been calculated on actual numbers.

2020 full year result by segment

$ million (unless stated)	FY19 New GAAP	FY20 pre AASB16	Impact from AASB16	FY20 post AASB16	Change between FY19 and FY20 pre AASB16
Net revenue					
Mobile	203.5	191.0	(0.9)	190.1	(6.1%)
Energy	304.8	300.4	-	300.4	(1.5%)
Group	**508.3**	**491.4**	**(0.9)**	**490.5**	**(3.3%)**
Gross profit					
Mobile	69.5	78.6	(0.9)	77.8	13.1%
Energy	82.7	73.3	-	73.3	(11.3%)
Group	**152.2**	**152.0**	**(0.9)**	**151.1**	**(0.1%)**
Gross margin					
Mobile	34.2%	41.2%	(27 bps)	40.9%	700bps
Energy	27.1%	24.4%	-	24.4%	(270bps)
Group	**29.9%**	**30.9%**	**(12 bps)**	**30.8%**	**99bps**
Underlying EBITDA					
Mobile	15.2	9.7	1.7	11.4	(36.1%)
Energy	32.1	27.1	1.6	28.6	(15.6%)
Group	**47.3**	**36.8**	**3.3**	**40.1**	**(22.2%)**

Due to rounding, numbers presented in the chart may not add up precisely to the totals provided. Percentage changes have been calculated on actual numbers.

Detailed profit and loss statement

	Underlying			Reported		
$ Millions	**FY20**	**FY19**	**Change**	**FY20**	**FY19**	**Change**
Net revenue	**490.5**	**508.3**	**(17.8)**	490.5	508.3	(17.8)
Cost of Sales	(339.4)	(356.1)	16.7	(339.4)	(356.1)	16.7
Gross profit	**151.1**	**152.2**	**(1.1)**	**151.1**	**152.2**	**(1.1)**
Employee expenses	(50.7)	(44.7)	(6.1)	(53.6)	(49.9)	(3.7)
Marketing expenses	(28.6)	(22.0)	(6.6)	(25.7)	(18.5)	(7.2)
Facilities and I.T. expenses	(11.9)	(15.6)	3.7	(11.9)	(15.6)	3.7
Integration and acquisition expenses	-	-	-	(1.0)	(0.2)	(0.8)
Other Expenses	(19.8)	(22.7)	2.9	(20.4)	(24.1)	3.7
Total expenses	**(111.0)**	**(104.9)**	**(6.1)**	**(112.7)**	**(108.2)**	**(4.5)**
EBITDA	**40.1**	**47.3**	**(7.2)**	**38.4**	**43.9**	**(5.5)**
Depreciation, amortisation and impairment	(32.2)	(28.7)	(3.5)	(32.2)	(44.4)	12.2
EBIT	**7.9**	**18.6**	**(10.7)**	**6.3**	**(0.4)**	**6.7**
Net interest (expense)/income	(4.1)	(7.8)	3.7	(4.1)	(7.8)	3.7
Profit before tax	**3.8**	**10.8**	**(7.0)**	**2.2**	**(8.3)**	**10.4**
Tax expense	(2.0)	(4.0)	2.0	(1.5)	1.7	(3.3)
NPAT	**1.8**	**6.8**	**(5.0)**	**0.6**	**(6.5)**	**7.1**

Due to rounding, numbers presented in the chart may not add up precisely to the totals provided. Percentage changes have been calculated on actual numbers.

FY20 underlying to statutory results reconciliation

$ million	Note	EBITDA FY20	EBITDA FY19	NPAT FY20	NPAT FY19
Statutory results		**38.4**	**43.9**	**0.6**	**(6.5)**
Add back/(deduct):					
Restructure expenses	(i)	-	1.7	-	1.7
Integration and acquisition expenses	(ii)	1.0	0.2	1.0	0.2
ACCC proceedings		-	1.4	-	1.4
ESC costs	(iii)	0.6	-	0.6	-
Impairment		-	-	-	15.7
Income tax adjustment	(iv)	-	-	(0.5)	(5.7)
Underlying results		**40.1**	**47.3**	**1.8**	**6.8**

Notes:

(i) Restructure expenses relate to the reversal of an over provision of staff redundancy and termination costs in energy which were associated with restructuring activities.
(ii) Integration expenses are related to legal and consulting expenses incurred on the acquisition of Jeenee Communications Pty Ltd and the OVO Mobile customer base.
(iii) ESC (Essential Services Commission) costs are related to penalties incurred due to the misconduct of an amaysim energy external third party sales channel who had signed up customers to products without their consent, which occurred in May and June 2018.
(iv) Income tax adjustments relate to the tax impacts of the underlying NPAT adjustments.

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

Further changes to reporting in FY20

- During the prior year FY19, the group's results were impacted by several financial reporting changes including the implementation of new Accounting Standard AASB 15 "Revenue from Contracts with Customers". These changes distorted comparability between FY19 and FY18 results and so amaysim disclosed the FY19 results on an "Old GAAP" and "New GAAP" basis to enhance comparability between the periods.
- FY20 results are all presented on a "New GAAP" basis but FY20 now **also** includes the effect of the group implementing **new Accounting Standard** AASB 16 "Leases" for the first time in FY20. The reported FY20 results are therefore comparable to FY19 results on a "New GAAP" basis, except for the effect on FY20 of implementing AASB16 "Leases".
- Again, to enhance comparability between periods, amaysim has made additional disclosures showing FY20 (on a "New GAAP" basis) both before and after the effect of implementing AASB16 "Leases" in FY20.

Changes to existing accounting policies and adoption of new Accounting Standards

AASB 16 Leases	
	AASB 16 "Leases" is effective for accounting periods beginning on or after 1 January 2019. Under this new standard, the distinction between an operating and finance lease has been removed with operating leases now also being brought to account on the group's balance sheet. A summary of the effects of this change in accounting are as follows: • lease expenses are recognised as depreciation of the right of use the asset and the effective interest on lease liability recognised. Previously, operating lease rentals were expensed on a straight-line basis over the lease term within operating expenses; • repayment of principal portion of lease payments are reported as financing activities in the consolidated cash flow statement. The interest portion is reported within operating activities in the consolidated cash flow statement. Previously, total operating lease rental payments were reported as operating activities in the cash flow statement.

Refer to Note 2 "Operating Segments" and Note 22 "Adoption of new accounting standards" of amaysim's Annual Report for further information .

amaysim