

Afterpay Limited ASX: APT

# ASX Announcement

19 August 2020

## Update regarding FY20

Afterpay Limited (**Afterpay or the Company**) is providing an update to the FY20 Trading Update in its ASX announcement dated 7 July 2020 (**July Trading Update**).

GLOBAL (A\$) (unaudited)	Current Update	7 July Trading Update	Improvement
Net Transaction Loss	0.38%	0.55%	17bp
Net Transaction Margin	2.25%	~2.0%	25bp
EBITDA (excluding significant items) <sup>1</sup>	\$44m	\$20-25m	96% <sup>2</sup>

Unaudited FY20 Net Transaction Loss (**NTL**) as a percentage of underlying sales is now expected to be approximately 0.38% compared to expectations at the time of the July Trading Update of up to 0.55% of underlying sales. This improvement in NTL is primarily due to higher than anticipated collections of instalment payments relating to the 30 June 2020 receivables balance that have occurred post 30 June 2020. This has in turn translated into a materially lower provision and lower losses than expected in FY20.

As a result of the positive change in NTL, unaudited FY20 Net Transaction Margin (**NTM**) as a percentage of underlying sales and EBITDA (excluding significant items)<sup>1</sup> are expected to be higher than the July Trading Update, with NTM% at approximately 2.25% and EBITDA (excluding significant items)<sup>1</sup> at approximately \$44 million.

<sup>1</sup> EBITDA (excluding significant items) excludes the impact of one-off items, share based payments, net loss on financial liabilities at fair value, and share of loss of associates, which are still being finalised. EBITDA also excludes foreign currency gains that will be higher than prior periods due to favourable foreign exchange rate movements in the period.

<sup>2</sup> Reflects percentage improvement from midpoint of range.



The unaudited provision for expected losses is expected to be approximately \$34 million on an unaudited gross consumer receivables balance at 30 June 2020 of approximately \$817 million.

The July Trading Update for the FY20 NTL% was based on a relatively short period of collections data relating to the 30 June 2020 receivables balance from 1 July 2020 through to the date of the 7 July 2020 announcement. Since that time, and with the benefit of more collections data reviewed as part of the process of preparing the full year financial statements, a reduced NTL% is now expected.

Further details on the financial performance of the Company for FY20 will be provided in our full year results scheduled to be released on Thursday 27 August 2020.

**Authorised by:**

Anthony Eisen  
CEO & Managing Director

**ENDS**

For further information contact

Investors	Company	Media
Marie Festa EVP Investor Relations & Communications <a href="mailto:marie.festa@afterpay.com">marie.festa@afterpay.com</a> +61 405 494 705	Amanda Street Company Secretary <a href="mailto:amanda.street@afterpay.com">amanda.street@afterpay.com</a>	Melissa Patch Director of Communications <a href="mailto:melissa.patch@afterpay.com">melissa.patch@afterpay.com</a> +61 412 124 195