



**RESULTS PRESENTATION FOR
THE 12 MONTHS ENDED
31 MARCH 2015**



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Agenda



1 Full Year Financial Highlights

2 Results Table for the Full Year

3 Results Commentary

4 Review of Operations

5 Business Update

6 Summary and Outlook

Full Year Financial Highlights



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Full Year Financial Highlights



- Revenue \$22.2m, 3% lower than the prior year \$22.9m
- EBITDA* \$9.2m, 3% lower than the prior year \$9.4m (prior year normalised for reported non-recurring items)
- Net Profit After Tax \$1.6m, 10% lower than the prior year \$1.7m
- Diluted Earnings Per Share (EPS) of 0.91 cents, 10% lower than the prior year 1.01 cents
- Growth in new taxi business underway

*EBITDA = Earnings Before Interest, Tax, Depreciation, Amortisation (including share option amortisation), impairments and foreign exchange adjustments. EBITDA is a useful non-GAAP measure as it shows the contribution to earnings prior to finance costs and non cash items.

Results Table for the Full Year



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Results Table for the Full Year



Full Year - Audited

Group

	2015	2014
	\$'000	\$'000
Continuing operations		
Revenue	22,191	22,884
Other income	21	22
	22,212	22,906
Operating expenditure	(13,009)	(13,239)
	9,203	9,667
Earnings before interest, tax, depreciation, share options expense, amortisation, impairments and foreign exchange		
Depreciation and amortisation	(4,703)	(4,049)
Unrealised foreign exchange adjustments	(201)	(983)
Share option amortisation	(117)	(380)
Net finance (costs) / income	(2,191)	(1,837)
Impairments	(540)	(682)
	(7,752)	(7,931)
Profit / (loss) before tax	1,451	1,736
Tax benefit	119	-
	1,570	1,736
Profit / (loss) for the year from continuing operations of owners		
Other comprehensive income		
Foreign currency translation differences for foreign operations	49	485
Share based payments reversal	50	116
Total comprehensive income of owners	1,669	2,337
Earning / (losses) per share from continuing operations		
Basic earnings/(loss) per share	0.91 cents	1.01 cents
Diluted earnings/(loss) per share	0.91 cents	1.01 cents

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- The primary contributor to the lower revenue and profit was the cessation of our largest Australian taxi contract revenue at the end of December 2014.
- This was an anticipated outcome driven by Smartpay's decision to participate directly in the Australian taxi industry rather than through an indirect wholesale relationship.
- The result in the current period was a 9 month revenue and profit contribution from this Australian taxi contract compared to a full 12 month contribution in the prior period.
- EBITDA* of \$9.2m is 3% lower than the previous period normalised result of \$9.4m (adjusted for previously reported non-recurring items).

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Review of Operations



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Review of Operations



- Smartpay made good progress across the business during the year:
- New Zealand:
 - A number of new distribution deals for our new mobile integrated payments terminals (including our mPos solution for ASB Bank)
 - The conclusion of the Epay deal announced in July last year
 - The launch of an integrated mobile taxi booking and payment app for our New Zealand taxi partners
- Australia:
 - Delivered a significant Australian state government transport authority software payments project
 - Launched our new Taxi Payments business
 - Continue to build our SME terminal base

Business Update



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Business Update



- Smartpay's Current business comprises two parts:
 1. Mature, stable NZ business with significant market position, supporting;
 2. Relatively small but growing Australian business
- Our Australian experience over the past 2 years has led us to focus on opportunities where we have:
 - Competitive advantage, defined by;
 - Differentiated product:
 - Integrated payments for general retail and mobile
 - Advanced taxi payments technology
- We have made some recent changes to our Australian business to align capability with our new product set including the recent appointment of a General Manager based in Sydney.

Australian Taxis

- “Smartpay Taxis” business launched Dec 2014 to capitalise on changes underway in the Australian taxi market:
 - Regulatory change reduced payment surcharge fees from 10% to 5% in Vic and NSW
 - Technology disruption as smartphone booking “apps” disintermediate traditional dispatch networks
- Smartpay’s solution offers market leading taxi payment ecosystem combining terminal, payments processing and integrated booking app
- We provide a better commercial framework for drivers and operators
- Since launch:
 - Deployed 600 terminals
 - Substantial pipeline expected to deploy this financial year

General Retail

- New Zealand
 - Our New Zealand business maintains a significant market position
 - We continue to see growth opportunities as the industry consolidates towards fewer, larger players
 - Our scale and range of differentiated products and capability position us well for continued growth in this part of our business
- **Australia**
 - The core opportunity for volume growth in Australia remains in the area of integrated payments, both for the corporate and mobile market
 - We have demonstrated success with these products in NZ
 - Progress to release these products into Australia has been slower than anticipated
 - Target release date late Q3 / early Q4 (calendar 2015)

Summary and Outlook



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Targets for The Current Year

1. Substantial growth of Australian taxis to replace and grow previous revenue line
2. Certify mobile / wireless integrated terminals in Australia and launch Australian corporate business
3. Continued growth in NZ general retail

Questions.