

amaysim 1H FY2016 Results Presentation

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amaysim

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Statutory information is based on reviewed financial statements. “Pro forma” and “underlying” financial information have 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 document include the following:

- Net Revenue means the total revenue and other income net of promotion costs, excluding interest income
- 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 interest, tax, depreciation and amortisation;
- EBIT means earnings before interest and tax; and
- NPATA means net profit after taxation but before amortisation of amaysim’s brand name acquisition. This measure is intended to remove the effect of non-cash charges attributable to the amortisation of the acquisition of the brand name of amaysim.

Although the Directors believe that these measures provide useful information about the financial performance of amaysim, they should be considered as supplements to the income statement and cash flow 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.

amaysim is on target

A disciplined approach to sustainable profitable growth in a dynamic and competitive market

- Underlying EBITDA¹ of \$12.6m - growth of 174% from 1H15, driven by net revenue growth of 17.9% and increasing operational leverage
- Statutory EBITDA of \$2.6m reflects accounting for costs related to IPO and the acquisition of Vaya
- Strengthened amaysim brand and delivered an amazingly simple product suite to market, resulting in stronger post launch subscriber growth
- Gross margin per subscriber² has exceeded Prospectus expectations by \$0.08, moving from an FY16 forecast of \$7.93 to \$8.01 for 1H FY16 – reflecting pursuit of quality customers and underpinned by a strong NSA, online engagement and scalable platforms
- Vaya integration on track and delivering benefits in-line with expectations
- Optimisation of the dual-brand and multi-channel strategy will drive growth across the group
- Maiden dividend of 3 cents per share (unfranked) – payout ratio of approximately 70% of underlying NPATA

1. Underlying EBITDA has been calculated from statutory data after excluding the impact of IPO expenses and any acquisition related expenses.

2. Gross margin per subscriber has been calculated as ARPU multiplied by the Gross Margin percentage, with the FY16 ARPU and Gross Margin numbers extracted from the Prospectus forecasts

Financial and operational highlights

1H FY16 Results Highlights

Operational gearing and online leverage translate subscriber growth to profit

December Half Year End \$ Millions (unless stated)	1H16 Underlying ¹	1H15 Pro forma ²	Growth (%)
EBITDA	12.6	4.6	173.9%
NPATA ⁵	8.0	2.3	247.8%
Underlying EPS ⁴ (cents per share)	4.6	1.4	228.6%

December Half Year End \$ Millions (unless stated)	1H16 Statutory ³	1H15 Statutory ³	Growth (%)
Net Revenue	117.3	99.5	17.9%
Gross Profit	35.7	25.8	38.4%
<i>Gross Profit Margin (%)</i>	<i>30.4%</i>	<i>25.9%</i>	<i>4.5%</i>
EBITDA	2.6	4.6	(43.5%)
<i>EBITDA Margin (%)</i>	<i>2.2%</i>	<i>4.6%</i>	<i>(2.4%)</i>
NPAT	0.7	17.1	(95.9%)
NPATA ⁵	1.1	17.5	(93.7%)
EPS ⁴ (cents per share)	0.4	10.4	(96.2%)

ARPU \$	\$26.34	\$25.17	4.6%
Closing Subscribers (000s)	764	679	12.5%

- Underlying EBITDA growth of 174% driven by net revenue growth of 17.9% and increasing operational leverage
- Increased ARPU due to broader and more competitive, higher value UNLIMITED products
- Subscriber growth reflects competitive market conditions
 - Subscriber growth gained momentum post launch of new UNLIMITED suite, online acquisition and brand activities
 - Targeted approach to marketing focused on maximising competitive strength, using data driven market insights
- Increased online acquisition and engagement has resulted in higher gross profit

1. Underlying 1H16 financial information has been calculated from statutory data after excluding the impact of IPO expenses and any acquisition related expenses. Earnings do not include Vaya, which was acquired post 31 December 2015.
 2. Pro forma financial information has been extracted from the amaysim prospectus to reflect the full period impact of the operating and capital structure that is now in place as if it had occurred at 1 July 2014 and with adjustments made for non-recurring items including the impact of the IPO.
 3. Statutory data extracted from Statutory financial statements and/or the directors report. Statutory NPAT is post one-off Vaya acquisition expenses and IPO expenses.
 4. EPS/underlying EPS is calculated as NPAT/underlying NPAT respectively divided by weighted average number of shares on issue.
 5. NPATA is defined as NPAT adding back amortisation of acquired intangibles other than software.

Operational Highlights

- ✓ Product repositioning supported by NSA, maintaining competitiveness and product relevance
- ✓ Launched refreshed suite of amaysim UNLIMITED suite of plans in October and November, focusing on data as a key purchase influencer and appealing to wider price-points
- ✓ Unveiled the "amazingly simple" brand platform – a sophisticated, digitally-driven marketing proposition receiving favourable response
- ✓ Increased online acquisition and account management
- ✓ Strengthened executive management team with appointment of Legal Counsel, Chief Commercial Officer and Chief Operations Officer
- ✓ Post period end (January 2016) completed acquisition of Vaya, adding a complementary "price fighter" brand and ~140,000 new subscribers



No lock in contracts. T&Cs, Fair Go Policy and Standard Form of Agreement apply.

Summary profit and loss statement

NPAT growth higher than revenue due to operational leverage

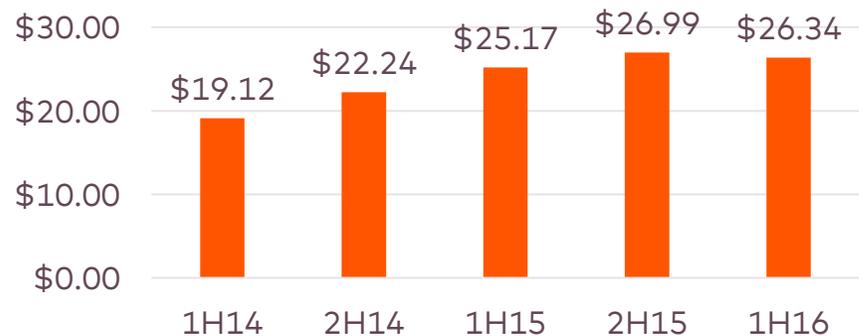
December Half Year End \$ Millions	1H16 Underlying ¹	1H15 Pro forma ²	Growth (%)	1H16 Statutory
A Net revenue	117.3	99.5	17.9%	117.3
Cost of Sales	(81.6)	(73.7)	10.7%	(81.6)
Gross profit	35.7	25.8	38.4%	35.7
B Employee expenses	(10.0)	(9.3)	7.5%	(10.0)
Marketing expenses	(6.4)	(6.3)	1.6%	(6.4)
B Facilities and I.T. expenses	(3.3)	(2.6)	26.9%	(3.3)
IPO expenses	-	-	0.0%	(8.3)
Acquisition expenses	-	-	0.0%	(1.7)
Other expenses	(3.4)	(3.0)	13.3%	(3.4)
Total expenses	(23.1)	(21.2)	9.0%	(33.1)
C EBITDA	12.6	4.6	173.9%	2.6
Depreciation and amortisation	(1.8)	(1.4)	28.6%	(1.8)
EBIT	10.8	3.2	237.5%	0.8
Net interest (expense)/ income	0.2	0.1	100.0%	0.2
Profit before tax	11.0	3.3	233.3%	1.0
Tax (expense)/benefit	(3.4)	(1.4)	142.9%	(0.3)
NPAT	7.6	1.9	300.0%	0.7
Add: Amorisatation of brand name	0.4	0.4	0.0%	0.4
NPATA	8.0	2.3	247.8%	1.1

- A** 17.9% growth in net revenue reflecting growth in subscriber base (compared to pcp)
- B** Disciplined approach to employee expenses, IT and other overhead expenses
 - Employee expenses increase relate to strategic hiring of additional staff
 - Facility and IT expenses increase largely attributable to office lease, IT consulting, ACMA number tax and software licences
- C** Underlying EBITDA increase of \$8.0m (up 174%) reinforcing scale benefits of amaysim's business model. Net revenue increased by \$17.8m supported by only \$1.9m corresponding increase in total underlying operating expenses

1. Underlying 1H16 financial information has been calculated from statutory data after excluding the impact of IPO expenses and any acquisition related expenses. Earnings do not include Vaya, which was acquired post 31 December 2015.
 2. Pro forma financial information has been extracted from the amaysim prospectus to reflect the full period impact of the operating and capital structure that is now in place as if it had occurred at 1 July 2014 and with adjustments made for non-recurring items including the impact of the IPO.

Revenue drivers

ARPU (\$ per month ex GST)¹



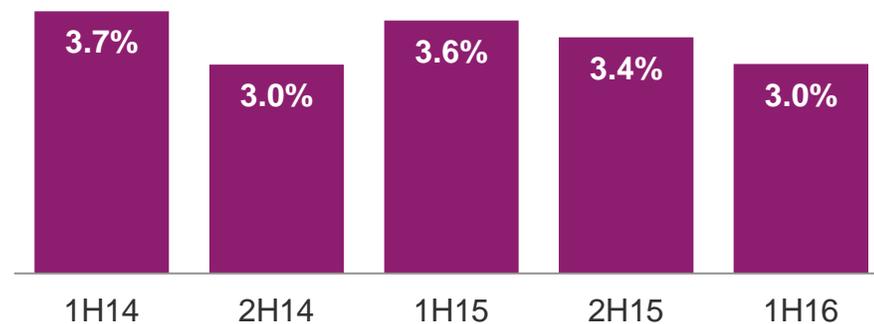
Comments

- 1H16 ARPU is up compared to pcp but is lower compared to 2H15 due to our revised and more competitive product suite (launched in Oct/Nov 2015)
- Subscriber growth reflects a competitive market, gaining momentum post new products and campaign launch
- Unlimited category continues to outperform
- Subscriber churn has reduced post 4G-launch. During 1H16 all subscribers were successfully migrated to 4G

Closing subscriber base by category ('000s)



Average monthly subscriber churn (%)²



Note: Financial information is presented on a pro forma basis

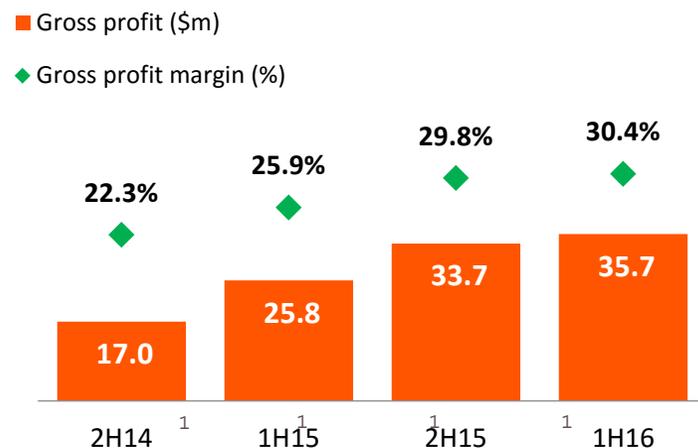
1. Average Revenue Per Subscriber (ARPU) calculated as statutory net revenue for the financial half year divided by average subscribers for the period and expressed on a monthly basis.

2. Calculated as an average of gross subscribers deactivated each month divided by the opening subscriber base for that month over a half year period expressed as a percentage

Margin trends

Gross margin growth is supported by our NSA, increasing online engagement and scalability of amaysim's platforms

Gross profit (\$m) and margin (%)



- 1H16 gross margin increase was driven by:
 - Expert management of data utilisation risk
 - Increasing online subscriber engagement reduces transaction costs and enhances gross margin over time
- The competitive market and product repositioning has caused some pressure on revenue and gross profit

ARPU Gross Margin \$ per Subscriber

	Prospectus FY16F	1H16
ARPU	\$27.54	\$26.34
Gross margin %	28.8%	30.4%
Gross margin per subscriber ²	\$7.93	\$8.01

Strong NSA, product repositioning, online engagement and scalable platforms have improved per subscriber gross margin by \$0.08

1. Statutory gross profit extracted from statutory financial statements.

2. Gross margin per subscriber has been calculated as ARPU multiplied by the Gross Margin percentage, with the FY16 ARPU and Gross Margin numbers extracted from the Prospectus forecasts

Balance sheet

Strong balance sheet with \$23.9m in net cash as at 31 December 2015

December Half Year End		31 Dec 2015	30 Jun 2015	
\$ Millions		Statutory	Actual	Movement
A	Cash and cash equivalents	16.6	15.0	1.6
B	Trade and other receivables	12.5	13.5	(1.0)
	Total Current Assets	29.1	28.5	0.6
	Property, plant and equipment	0.6	0.6	-
	Intangible assets	8.0	8.0	-
C	Deferred tax asset	12.5	12.8	(0.3)
A	Security deposits	7.3	3.1	4.2
	Total Non-current Assets	28.4	24.5	3.9
	Total Assets	57.5	53.0	4.5
D	Trade and other payables	42.0	51.0	(9.0)
	Provisions	0.6	0.6	-
	Total Current Liabilities	42.6	51.6	(9.0)
	Other liabilities	3.3	3.6	(0.3)
	Other provisions	0.5	0.4	0.1
	Total Non-current Liabilities	3.8	4.0	(0.2)
	Total Liabilities	46.4	55.6	(9.2)
E	Net Assets	11.1	(2.6)	13.7
	Contributed equity	48.1	35.5	12.6
	Equity compensation reserve	2.3	1.8	0.5
	Accumulated losses	(64.0)	(64.0)	-
	Retained profits	24.7	24.1	0.6
	Total Equity	11.1	(2.6)	13.7

- A Strong balance sheet position with net cash balance of \$23.9m consisting of \$16.6m in Cash and cash equivalents and \$7.3m held in Term deposits (restricted cash security)
- B Trade receivables decreased by \$1.0 partly due to:
 - EPAY collections partially received pre-Christmas
 - Increase in online customer acquisition
- C Deferred tax asset reduced by \$0.3m through utilisation of tax losses
- D Trade payables decreased by \$9.0m predominantly due to early settlement of accounts with key suppliers
- E Net asset position improvement largely attributable to new capital issued on IPO

Note: excludes impact of Vaya acquisition completed on 1 January 2016

Cash flow statement

December Half Year End \$ Millions	1H16 Underlying ¹	1H15 Pro forma ³	Movement	1H16 Statutory ¹
Underlying²/proforma³/statutory EBITDA	12.6	4.6	8.0	2.6
Non-cash expenses	0.5	0.4	0.1	0.5
A Changes in working capital	(8.5)	(3.0)	(5.5)	(8.5)
Capital expenditure	(1.7)	(1.6)	(0.1)	(1.7)
IPO expenses	-	-	-	8.3
Acquisition expenses	-	-	-	1.7
Operating cash flow after capex	2.9	0.4	2.5	2.9
Income tax paid	-	-	-	-
Net Interest income/(expense)	0.2	(0.1)	0.3	0.2
Free cash flow	3.1	0.3	2.8	3.1
Changes in term deposits	(4.2)	(0.6)	(3.6)	(4.2)
B Proceeds from share issue	12.9	-	12.9	12.9
B IPO transaction costs	(10.1)	-	(10.1)	(10.1)
C Acquisition costs of investment	(0.1)	-	(0.1)	(0.1)
Repayment of leases	-	-	-	-
Net cash flow before dividends	1.6	(0.3)	1.9	1.6
Operating cash flow after capex / EBITDA (%)	23%	9%	14%	112%

- A** Change in working capital of (\$8.5m) was predominantly due to early settlement of accounts with key suppliers
- B** \$12.9m in gross proceeds from IPO was partly offset by \$10.1m in payments of IPO transaction costs
- C** Acquisition costs of investment relate to Vaya acquisition costs paid in the period before completion of the acquisition on 1 January 2016

1. Cash flow information has been formatted to be consistent with the presentation of cash flow information in the amaysim prospectus. The statutory information has been calculated from the statutory financial statements. The actual statutory cash flow statement and a reconciliation to statutory operating cash flow is included in the Appendices.
2. Underlying EBITDA has been calculated after excluding IPO expenses and any acquisition related expenses. Earnings do not include Vaya, which was acquired post 31 December 2015. Statutory NPAT is post one-off Vaya acquisition expenses and IPO expenses.
3. Pro forma financial information has been extracted from the amaysim prospectus to reflect the full period impact of the operating and capital structure that is now in place as if it had occurred at 1 July 2014 and with adjustments made for non-recurring items including the impact of the IPO.

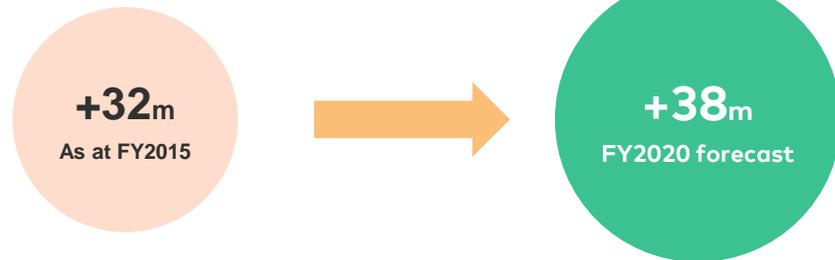
Competitive strengths

Large addressable Australian market

amaysim's addressable market in Australia is large and supported by favourable structural trends

Opportunity

Growing mobile services in operation¹



Sizeable market opportunity¹



Strong overseas immigration²



Trends

Strong demand for BYO mobile

65% of smart phones in 2015 purchased outside of contract³

Focus on customer satisfaction

Over a quarter of users are considering switching providers in 2016³

Strong smart phone penetration in Australia

73% of Australians have a smart phone³

Growing demand for e-commerce solutions

22% of dollars spent online on physical goods and services in 2015 was done on mobile devices³

1. Telsyte Australian Mobile Services Market Study FY2015

2. Australian Bureau of Statistics (Feb 2016) overseas migration data for 2015

3. Telsyte Australian Digital Consumer Study 2016

Online-led distribution platform

Online-led distribution complemented by extensive national retail distribution network



Brand and plan innovation to reset competitive position

- Launch of amaysim UNLIMITED suite of one-decision plans across broad price range, rolled out in October and November
- Refreshed and more sophisticated brand with launch of "amazingly simple" platform in November 2015, with H1 marketing investment expected to have ongoing positive impact in H2
- Increased online-driven marketing focus with performance-skewed campaigns to cut through a competitive market

UNLIMITED 1GB	UNLIMITED 2GB	UNLIMITED 5GB	UNLIMITED 5GB PLUS	UNLIMITED 8GB
\$24.90 /month	\$29.90 /month	\$39.90 /month	\$44.90 /month	\$49.90 /month
1GB data KB rounding 7.2c/MB excess data	2GB data KB rounding 7.2c/MB excess data	5GB data KB rounding 7.2c/MB excess data	5GB data KB rounding 7.2c/MB excess data	8GB data KB rounding 7.2c/MB excess data
unlimited talk & text to standard numbers				
unlimited international text to standard numbers in 32 countries*	unlimited international text to standard numbers in 32 countries*	unlimited international text to standard numbers in 32 countries*	unlimited international text to standard numbers in 32 countries*	unlimited international text to standard numbers in 32 countries*
International calling rates (from 6c/min)	International calling rates (from 6c/min)	International calling rates (from 6c/min)	300 mins international to standard numbers in 32 countries*	300 mins international to standard numbers in 32 countries*
4G/3G enabled				
All in Oz				



Vaya acquisition on track

- Vaya is a 100% online MVNO utilising the Optus 4G Plus network with ~140,000 subscribers and customer service centre & web development resources in Philippines
- Vaya's Philippines operations provide the amaysim group with expanded customer service and web development to support in-house capabilities
- Vaya's "price fighter" brand complements amaysim's "customer champion" market positioning
- Performing in-line with expectations, with early synergies being delivered. Recent product enhancements have been well received

Enhanced Vaya "Power Plans" ¹			
Plans	Most Popular		
	Power Plan 18	Power Plan 22	Power Plan 28
Access Fee p.m.	\$18	\$22	\$28
Data	1.5GB	2GB	3GB
Talk	\$650	\$650	\$650
Standard 2min call	\$2.33	\$2.33	\$2.33
Excess data rate	\$10 per 1GB	\$10 per 1GB	\$10 per 1GB
1 st Month Free in February	✓	✓	✓
Unlimited Standard SMS	✓	✓	✓

Enhanced Vaya "Unlimited Plans" ¹			
Plans	Most Popular		
	Unlimited 24	Unlimited 28	Unlimited 34
Access Fee p.m.	\$24	\$28	\$34
Data	1.5GB	2.5GB	4GB
Talk	Unlimited	Unlimited	Unlimited
Standard 2min call	n/a	n/a	n/a
Excess data rate	\$10 per 1GB	\$10 per 1GB	\$10 per 1GB
1 st Month Free in February	✓	✓	✓
Unlimited Standard SMS	✓	✓	✓

1. As at 10 February 2016

amaysim today – well positioned for sustainable growth

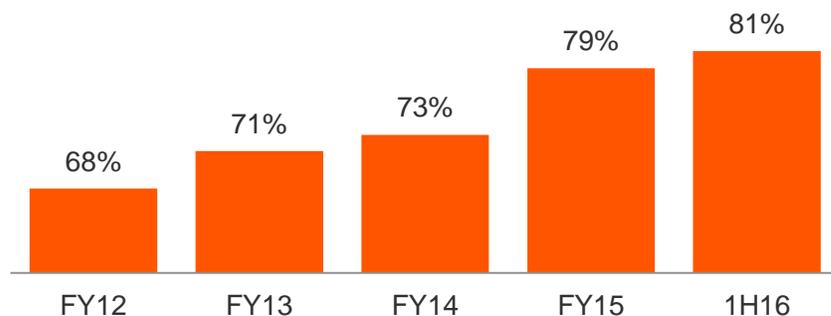
- Underlying EBITDA of \$12.6m - growth of 174% driven by net revenue growth of 17.9% and increasing operational leverage
- Strengthened amaysim brand and delivered an amazingly simple product suite to market, resulting in stronger post launch subscriber growth
- Gross margin per subscriber has exceeded Prospectus expectations by \$0.08, moving from an FY16 forecast of \$7.93 to \$8.01 for 1H FY16 – reflecting pursuit of quality customers and underpinned by a strong NSA, online engagement and scalable platforms
- Maiden dividend of 3 cents per share (unfranked) – payout ratio of approximately 70% of underlying NPATA
- FY16 prospectus pro forma forecast EBITDA of \$31.7m is on track for the amaysim group (including Vaya contribution net of integration and transaction costs) with subscriber numbers expected to be 960,000 to 980,000 for the financial year ending June 30 2016
- 2H FY16 to benefit from disciplined subscriber growth, optimisation of dual-brand strategy, growth investments made in 1H FY16 and accelerating online leverage

Appendix

A1. Continued trend towards online engagement

Online penetration further driving gross margin benefit and operating cost efficiencies

Online top-up payments as % of total



- Top-up payments refer to monthly subscription costs and additional credit acquired by subscribers
- Top-up payments made through online mechanisms continue to increase

Online activations as % of total



- amaysim subscribers can activate their SIM cards prior to use through either online or retail channels
- amaysim's customer base continues to move towards online activation of SIM cards as a result of amaysim promotions and general consumer acceptance of using online and mobile channels to acquire products

A2. Underlying to statutory results reconciliation

December Half Year End: \$ Millions	Net Revenue		EBITDA		EBIT		NPATA	
	1H16	1H15	1H16	1H15	1H16	1H15	1H16	1H15
Statutory results	117.3	99.5	2.6	4.6	0.8	3.3	1.1	17.5
Add back/(deduct):								
IPO expenses	-	-	8.3	-	8.3	-	8.3	-
Acquisition expenses	-	-	1.7	-	1.7	-	1.7	-
Executive remuneration	-	-	-	(0.3)	-	(0.3)	-	(0.3)
Employee share plans	-	-	-	1.0	-	1.0	-	1.0
Public company expenses	-	-	-	(0.7)	-	(0.7)	-	(0.7)
Other expenses	-	-	-	-	-	(0.1)	-	-
Income tax adjustment	-	-	-	-	-	-	(3.1)	(15.2)
Underlying¹ / Pro forma² results	117.3	99.5	12.6	4.6	10.8	3.2	8.0	2.3

A3. Statutory cash flow statement

December Half Year End \$ Millions	1H16 Statutory	1H15 Statutory
Cash flows from operating activities		
Receipts from customers (inc. GST)	127.1	107.4
Payments to suppliers (inc. GST)	(126.6)	(105.0)
Finance expenses	-	(0.1)
Interest received	0.2	0.1
Net cash inflows from operating activities	0.7	2.4
Cash flows from investing activities		
Payments for acquisition of subsidiary	(0.1)	-
Payments for property, plant & equipment	(0.2)	(0.1)
Payments for intangibles	(1.6)	(3.5)
Net cash (outflows) from investing activities	(1.9)	(3.6)
Cash flows from financing activities		
Proceeds from IPO	12.9	-
Payments for IPO expenses	(10.1)	-
(Repayment) from redemption of convertible notes	-	(0.1)
Repayment of leases	-	(0.2)
Net cash inflows/(outflows) from financing activities	2.8	(0.3)
Net increase/(decrease) in cash and cash equivalents	1.6	(1.5)
Cash and cash equivalents at the beginning of the period	15.0	7.4
Cash and cash equivalents at the end of the period	16.6	5.9

A4. Statutory operating cash flow reconciliation

Reconciliation of statutory operating cash flow to operating cash flow after capex

December Half Year End	
\$ Millions	\$M
Statutory net operating cash flows	0.7
Interest received	(0.2)
Capital expenditure	(1.8)
Changes in security deposits	4.2
Operating cash flows after CAPEX	2.9