

CABCHARGE AUSTRALIA LIMITED

RESULTS PRESENTATION

YEAR ENDED 30 JUNE 2016

Cabcharge

FY16 KEY NUMBERS

REVENUE

\$169M

Down 10.2% on pcp

CASH CONVERSION RATIO

85%

High cash flow generation to assist with debt reduction and paying sustainable dividends

UNDERLYING EBITDA

\$58.6M

(EXCLUDING NORMALISATIONS: \$42.7M)

Down 22.8% on pcp

NET DEBT

\$96.6M

Reduced by \$7.7m on pcp
Net Debt / Equity 24.9%

UNDERLYING NPAT

\$43.6M

(EXCLUDING NORMALISATIONS: \$25.6M)

Down 23.4% on pcp

FINAL DIVIDEND

10c

PER SHARE FULLY FRANKED

Full year dividend of 20 cents per share,
consistent with FY15

HIGHLIGHTS

INDUSTRY GROWTH



 EXPOSURE TO HIGH GROWTH PERSONAL TRANSPORT INDUSTRY

GROWTH IN
PERSONAL
TRANSPORT TO 2021

LEADING POSITION IN NON-CASH TAXI FARE PROCESSING



 OVER \$1.0BN TAXI FARES PROCESSED IN FY16
 CABCHARGE IS IN ~97% OF ALL TAXIS IN AUSTRALIA

#1 MARKET
SHARE
FOR TAXI
PAYMENT PROCESSING

LARGEST TAXI FLEET IN AUSTRALIA



 CONTINUED FLEET GROWTH
 FLEET SIZE - 7,448 CARS, AS AT 30 JUNE 2016
 ALL BROKERED AND OWNED TAXI LICENCES ARE FULLY UTILISED WITH A SIGNIFICANT WAITING LIST IN NSW

5.2%
5 YEAR CAGR IN FLEET

EVOLVING BUSINESS MODEL TARGETING GROWTH



 ACCELERATED ROLL OUT OF FAREWAYplus
 PLANNED ROLL OUT OF HAND HELD PAYMENT TERMINALS
 CONTINUED DEVELOPMENT OF MOBILE APPS (LINK PAYMENTS WITH BOOKINGS)



#1 TAXI
APP

REGULATORY CLARITY



 CLARITY ON FUTURE OUTLOOK FOLLOWING THE RECENT ANNOUNCEMENTS OF STATE AND TERRITORY REVIEWS ON THE TAXI INDUSTRY

WHAT WE ACHIEVED IN FY16

We have made significant progress on our strategic priorities previously identified

INTEGRATING NETWORKS



Restructured workforce, consolidated contact centres and standardised dispatch and phone systems

COMMITTING TO A KEY BRAND



Rebranding of Newcastle Taxis to 13CABS, with operations in Adelaide, Melbourne and Newcastle now aligned under common branding
Marketing campaigns undertaken to increase brand recognition

LINKING BOOKINGS + PAYMENTS



Bookings linked to payments through our apps as well through payment services to some of our Merchant Partners

SUPPORTING OUR MERCHANT PARTNERS



Installed *FAREWAY*plus and updated pinpad in 16,500 taxis in Australia, supporting a better payment experience for drivers and passengers

LOOKING AFTER OUR CUSTOMERS



Drivers can now call passengers on approach, enhancing certainty of service for passengers
Improvement in passenger pick-up times by 26 seconds in NSW to 8 minutes and 6 seconds on average

CAPITAL MANAGEMENT



Following a capital management review we identified non-core assets to dispose of including Riley Street premises and ComfortDelGro shares

CABCHARGE AUSTRALIA LIMITED

FY16 FINANCIAL PERFORMANCE

Cabcharge

FINANCIAL PERFORMANCE

Adverse regulatory changes and one-off asset impairments have been the key headwinds to our performance during FY16

PROFIT & LOSS

	FY16	Significant	FY16	FY15	Significant	FY15	Underlying
(\$M)	Statutory	items	Underlying	Statutory	items	Underlying	change (pcp)
1 Revenue ¹	168.8	-	168.8	188.0	-	188.0	(10.2%)
2 Other income ²	14.1	(14.1)	-	0.1	-	0.1	NM
Expenses ³	(112.5)	2.3	(110.2)	(112.2)	-	(112.2)	(1.8%)
3 Impairments ⁴	(27.7)	27.7	-	(10.3)	10.3	-	NA
4 EBITDA	42.7	15.9	58.6	65.6	10.3	75.9	(22.8%)
Depreciation & Amortisation ⁵	(15.6)	1.7	(13.9)	(13.4)	-	(13.4)	3.7%
EBIT	27.1	1.7	44.7	52.2	-	62.5	(28.5%)
5 Net finance costs ⁶	(0.4)	(4.5)	(4.9)	(5.7)	-	(5.7)	(13.3%)
Profit before tax	26.7	(4.5)	39.8	46.6	-	56.9	(30.0%)
Income tax ⁷	(16.4)	4.9	(11.5)	(16.7)	-	(16.7)	(30.9%)
NPAT (excl. associates)	10.3	4.9	28.3	29.9	-	40.2	(29.7%)
6 Investment in associates	15.3	-	15.3	16.7	-	16.7	(8.1%)
NPAT	25.6	-	43.6	46.5	-	56.9	(23.4%)
Key metrics							
EBITDA margin ⁸	25.3%		34.7%	34.9%		40.4%	
EBIT margin ⁸	16.1%		26.5%	27.8%		33.2%	
Effective tax rate (%) ⁹	(61.4%)		(28.9%)	(35.7%)		(29.3%)	

¹ Excludes interest income

² Includes \$14.1 million gain on sale of Riley Street

³ Includes \$2.3 million in employee separation costs

⁴ Includes non-cash impairment charges on taxi plate licences in FY16 and on CFN in FY15

⁵ Includes \$1.7 million accelerated amortisation on NSW wheel chair accessible taxi plate licences

⁶ Includes \$4.5 million gain on sale of shares in ComfortDelGro Corporation Limited

⁷ Excludes tax effect of gains on sale of Riley Street and shares in ComfortDelGro Corporation Limited

⁸ Calculation excludes equity accounted net profit of associates

⁹ Higher effective tax rate due mainly to exclusion of non-deductibility of impairment charges

1 **REVENUE**
Taxi Payments impacted by full year impact of regulatory pricing controls
Network subscription fees continues to provide stable growth

2 **OTHER INCOME**
Represents the gain on sale of Riley St

3 **IMPAIRMENTS**
Owned taxi licence impairments of \$27.7m resulting from impact of regulatory changes and a review of discount rate

4 **EBITDA**
EBITDA margin decline from 40.4% to 34.7% driven by regulatory impact on Taxi Payments revenue, despite flat cost base. Costs normalised for \$2.3m employee separation costs

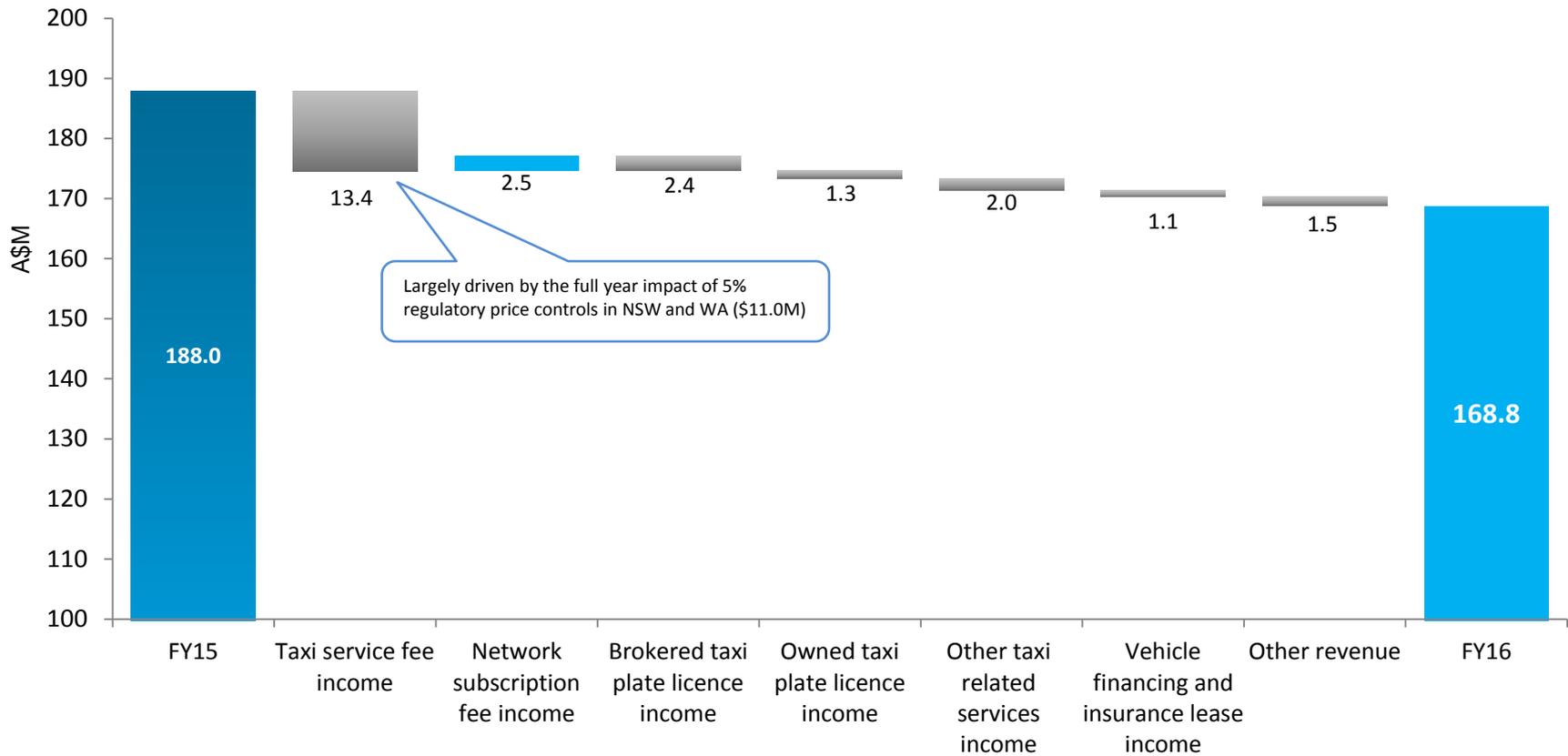
5 **NET FINANCE COSTS**
Includes the gain on sale from the divestment of ComfortDelGro shares

6 **INVESTMENT IN ASSOCIATES**
Include bus operations ComfortDelGro Cabcharge and CityFleet Networks

REVENUE

Largest single impact to revenue has been the full year impact of the imposition of non-cash taxi service fee price controls

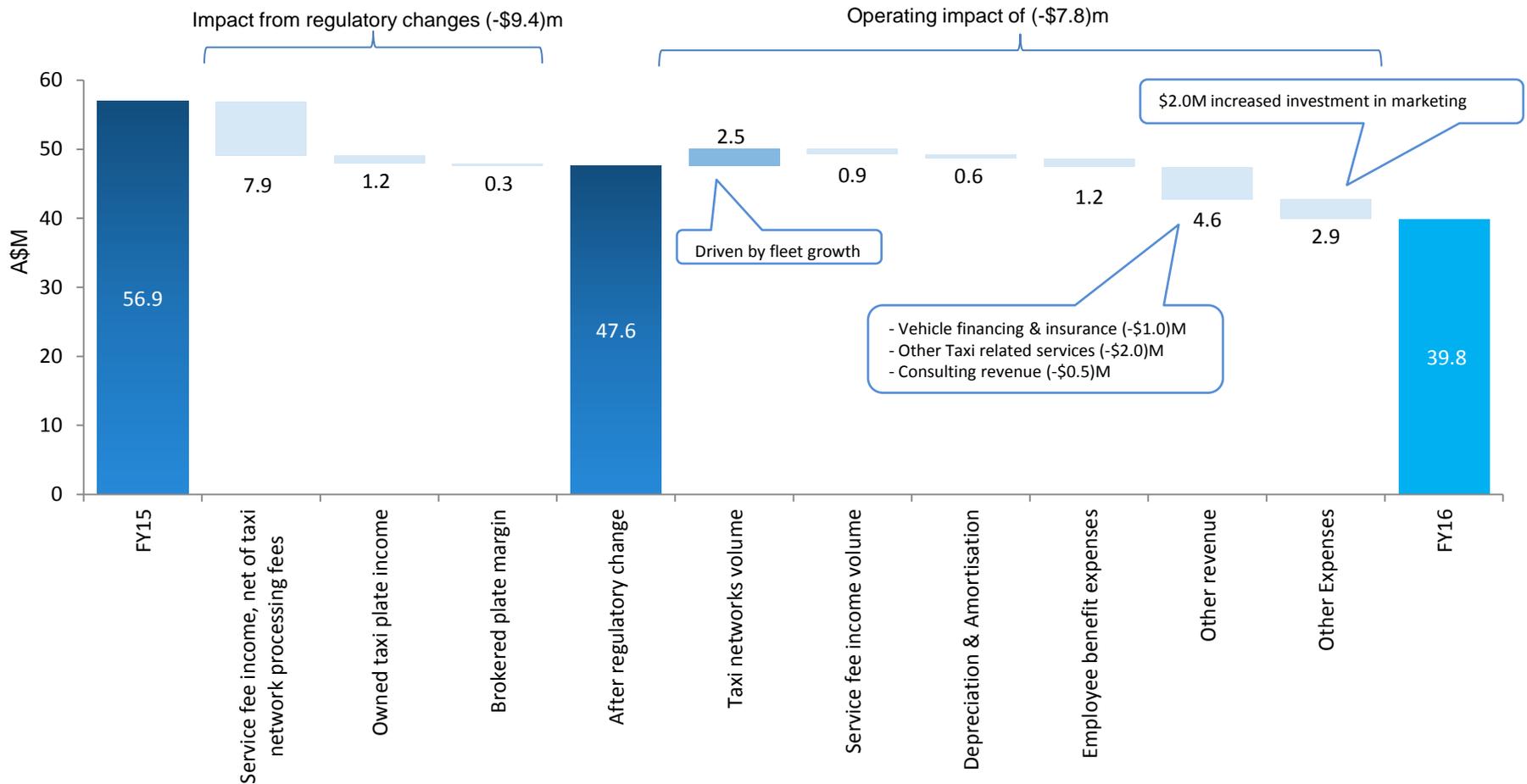
FY15 – FY16 REVENUE MOVEMENT



PROFIT BEFORE TAX (EXCL. ASSOCIATES)

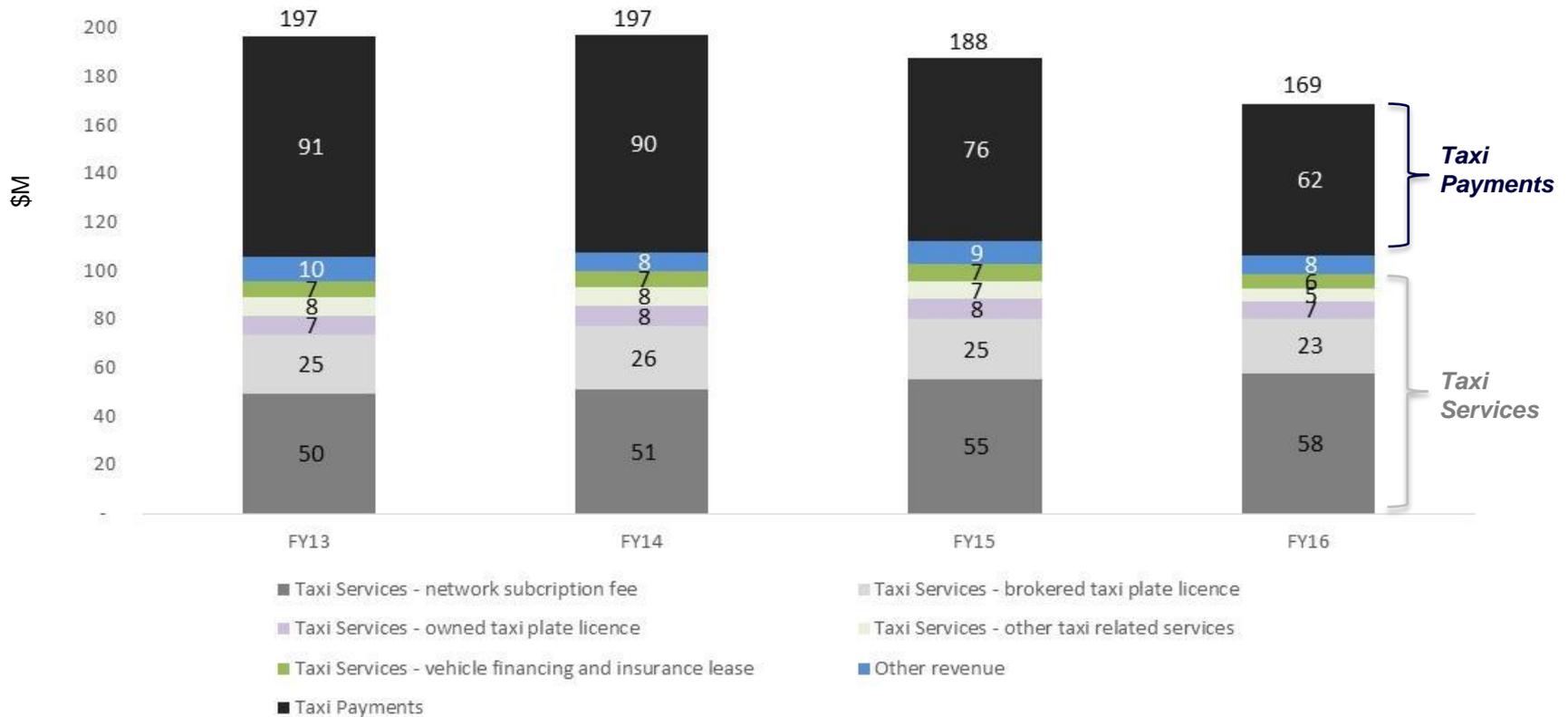
Regulatory changes have had the biggest impact on Cabcharge's earnings.

FY15 – FY16 UNDERLYING PROFIT BEFORE TAX BRIDGE (\$M)



REVENUE BREAKDOWN

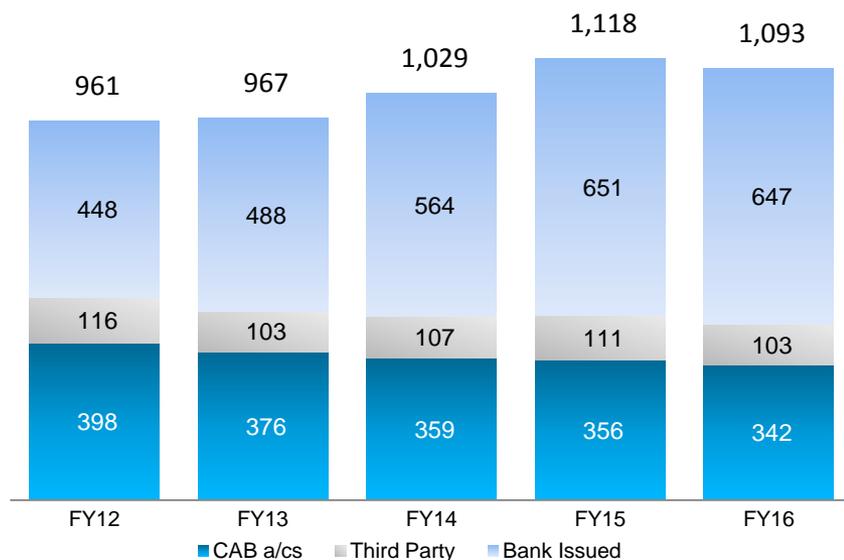
Taxi services revenue is supported by growth in recurring network subscription fees. Taxi fleet has grown at CAGR 5.2% over the past 5 years



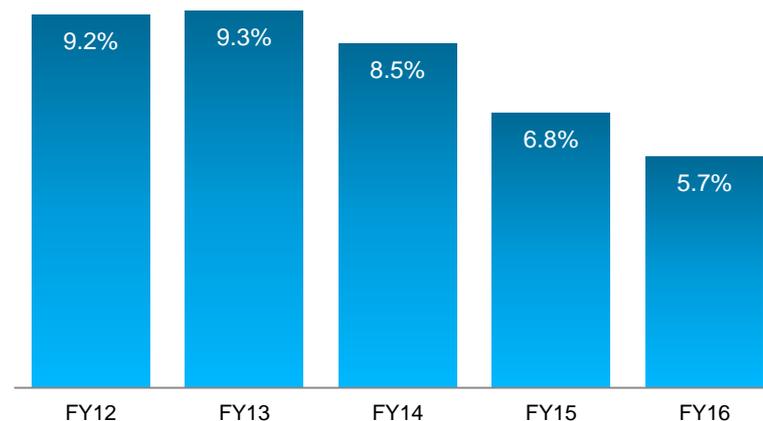
TAXI PAYMENTS – KEY DRIVERS

Resilient taxi fare volumes. The major impact has been regulation reducing the effective service fee rates

TAXI FARES PROCESSED (\$M)



EFFECTIVE SERVICE FEE RATE (%)

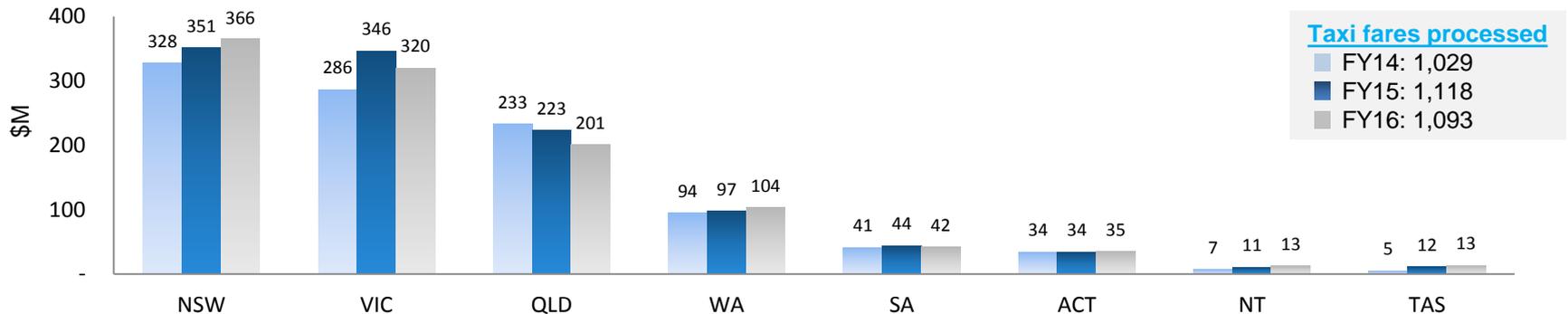


- The value of taxi fares processed in FY16 fell marginally; this is partly due to a reduction in Cabcharge account usage
- Almost half of the decline was driven by lower Cabcharge volumes in states affected by the slowdown in the resources sector, Western Australia, South Australia and Queensland
- Non Cabcharge account volumes declined 1.5% mainly to the hand held terminal segment, in which Cabcharge has not competed
- Cabcharge is currently trialling its hand held terminal offering and will roll out a competitive product in FY17 to grow market share and re-establish growth of fares processed

- Reduction in service fee rate due to state regulated price caps in NSW (effective 12 December 2014) and Western Australia (effective 24 February 2015)
- Effective service fee rate in states where 5% cap is in place (VIC/NSW/WA) is 4.7%
- QLD have announced a 5% cap, in line with other states, which will be active in 2017

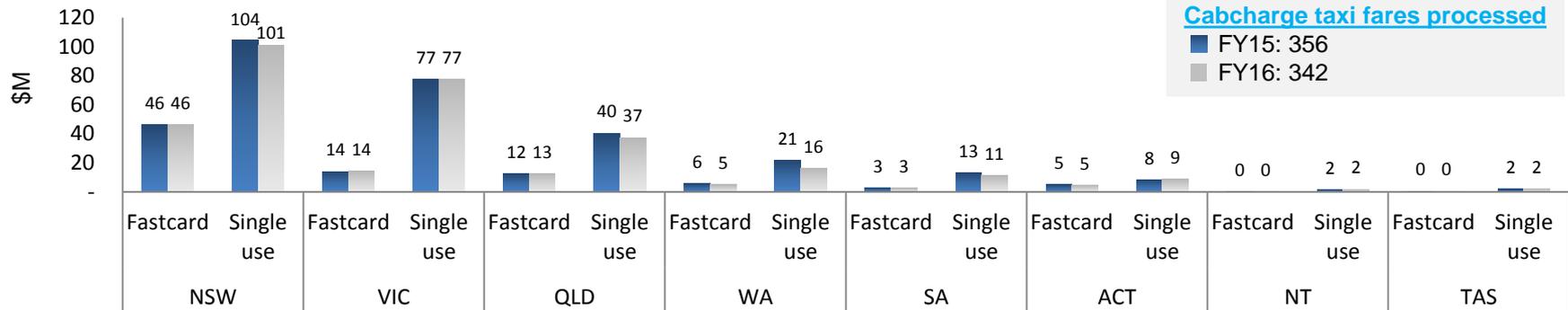
TAXI FARES PROCESSED

TOTAL TAXI FARES PROCESSED BY STATE



- Strong growth experienced in New South Wales and Western Australia, combined growth of 4.7%
- Lost some of market share gains experienced in Victoria and volume reduction in Queensland due to competition and slowdown resources sector
- Other states and territories show a combined growth of 2.7%

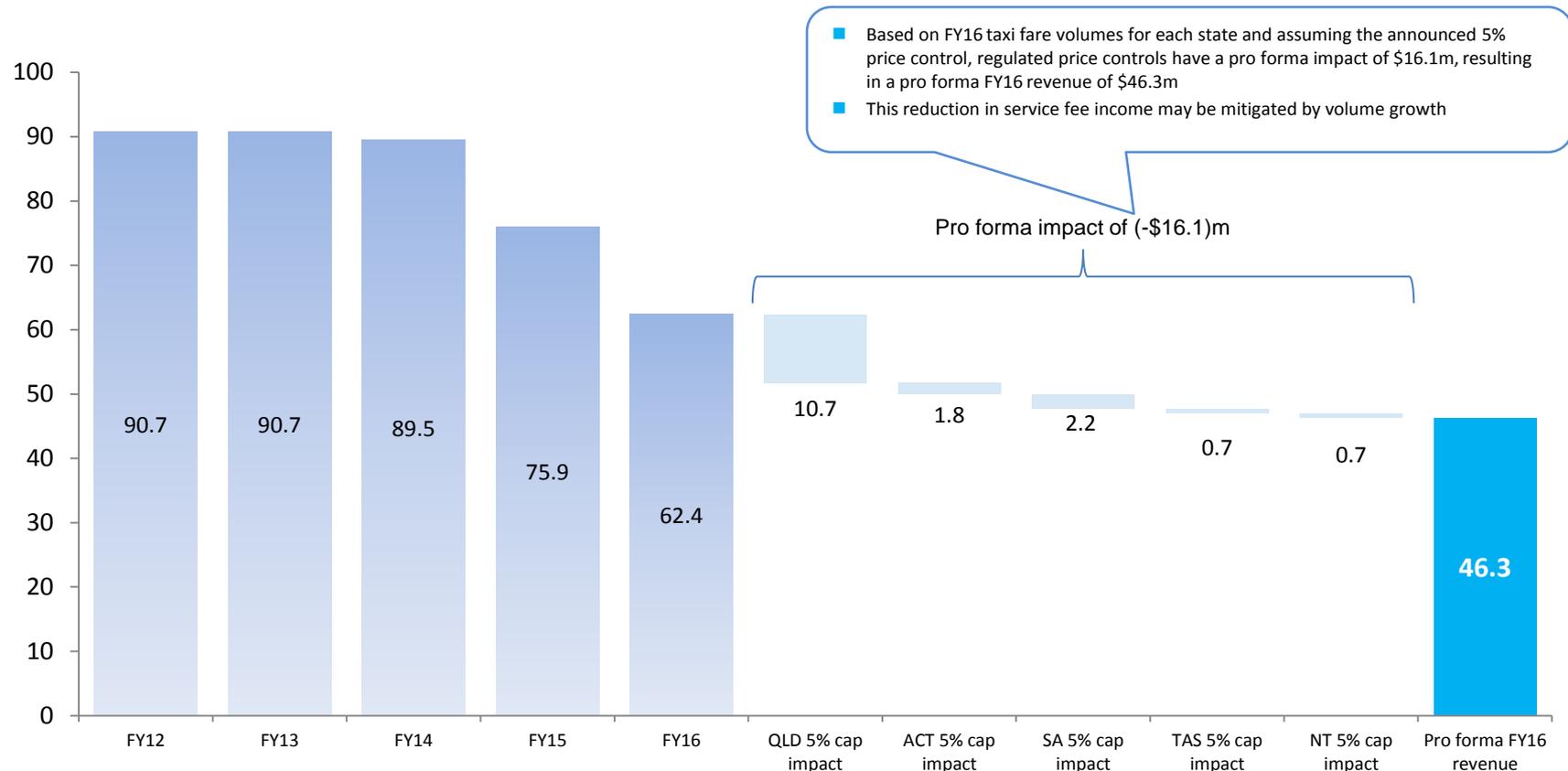
CABCHARGE TAXI PRODUCTS PROCESSED BY STATE AND TYPE



- Reduction in Cabcharge account usage, primarily on single use products, is driven by lower volumes in states that are affected by the slowdown in the resources sector, Western Australia, South Australia and Queensland
- Customer account base remains consistent, with the decline primarily visible on single use product volumes
- 25% of total Cabcharge volumes are generated in Western Australia, South Australia and Queensland while representing 80% of the YoY decline
- In FY17 new products will be released to reinvigorate the value proposition for Cabcharge customers

TAXI PAYMENTS – REBASED REVENUE

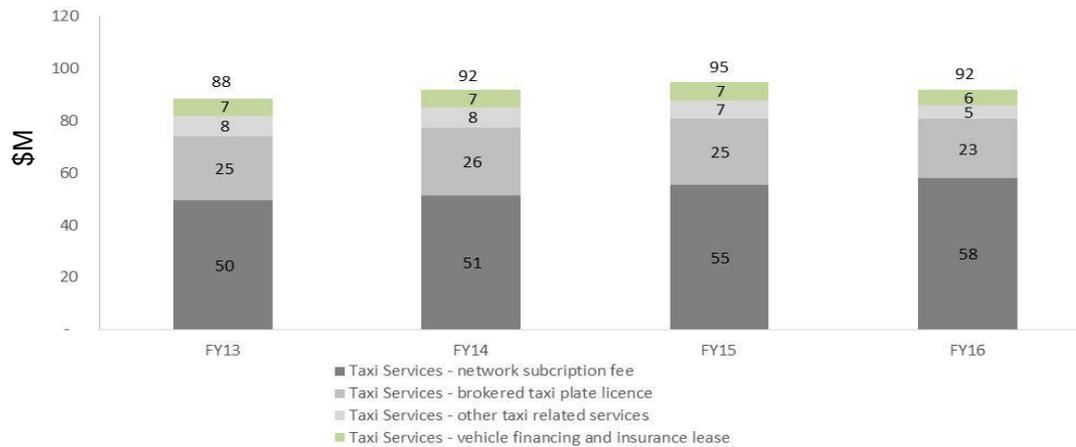
Queensland's introduction of a 5% cap in 2017 signals the rounding out of the new regulatory pricing environment. Cabcharge's payments model will evolve to focus on growth and gaining market share



TAXI SERVICES

Taxi Services revenue is supported by a 5th consecutive year of fleet growth, resulting in a corresponding increase in recurring network subscription revenues

TAXI SERVICES – REVENUE \$M



COMMENTARY

NETWORK SUBSCRIPTION FEE

FY16 REV. **\$58** MILLION ■ Fleet has grown at a CAGR of 5.2% over past 5 years

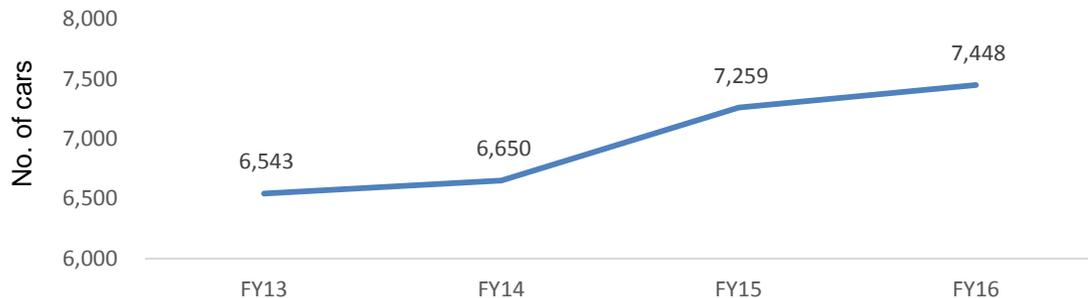
BROKERED TAXI PLATES

FY16 REV. **\$23** MILLION ■ Maintained margin, revenue reduction offset by brokered licence plate costs

VEHICLE FINANCING AND INSURANCE LEASE

FY16 REV. **\$5** MILLION ■ Reduced demand due to regulatory uncertainty, this is partly offset by savings on interest expense

FLEET SIZE (CARS)



CASH EXPENSES

- Revenue decrease of 10.2% partly offset by 12.5% reduction in volume cash expenses
- Previously announced initiatives reduced annualised costs by \$8.6M (reduced FY15 costs by \$4.4M and FY16 a further \$4.2M)
- Employee benefits expenses includes \$2.3M separation expenses and new hires. 56% of KMP and their direct reports have joined the Company in the last two years
- Sale & lease back of Riley St, FY17 \$0.9M rent expense

(\$M)	FY16	FY15	Change over PCP	Change over PCP %
Processing fees to taxi networks	(10.1)	(14.5)	4.4	30.5%
Brokered taxi plate licence costs	(21.4)	(24.0)	2.6	10.7%
Transaction processing expenses	(4.0)	(4.6)	0.6	13.2%
Other taxi related costs	(12.6)	(11.8)	(0.8)	(6.5%)
Total volume cash expenses	(48.1)	(54.9)	6.8	12.5%
Marketing expenses	(4.6)	(2.6)	(2.0)	(75.8%)
Employee benefits expenses	(41.6)	(38.2)	(3.4)	(8.9%)
Fixed infrastructure expenses	(13.7)	(12.7)	(1.0)	(7.6%)
Other non-volume cash expenses	(4.5)	(3.6)	(0.9)	(23.9%)
Total non-volume cash expenses	(64.4)	(57.2)	(7.2)	(12.6%)
Total cash expenses	(112.5)	(112.1)	(0.4)	(0.3%)

CASH FLOW

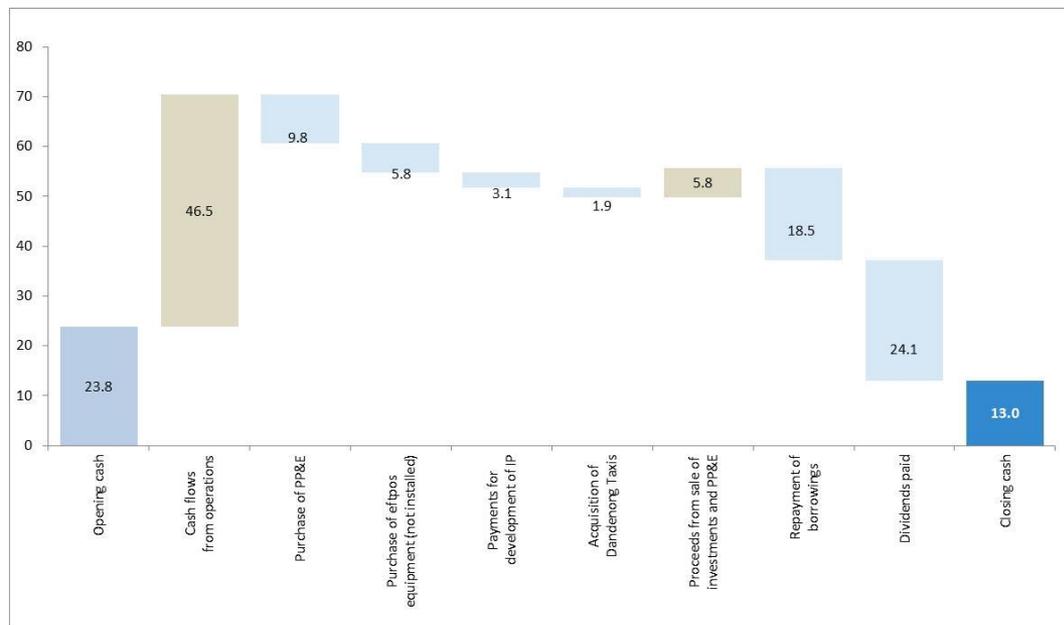
Highly cash generative business with sufficient capital available to fund growth projects and pay dividends to shareholders

CASH FLOW STATEMENT

(\$M)	FY16	FY15
Net cash from operating activities	46.5	50.0
Net cash from (used in) investing activities	(14.7)	(13.1)
Net cash (used in) financing activities	(42.6)	(54.9)
Net movement in cash	(10.8)	(18.0)
Cash and cash equivalents at 1 July	23.9	41.9
Cash and cash equivalents at 30 June	13.1	23.9
Cash Conversion	85%	83%

Cash Conversion is 'Ungeared pre-tax operating cash flow/underlying EBITDA'

FY15 – FY16 CASH FLOW MOVEMENT



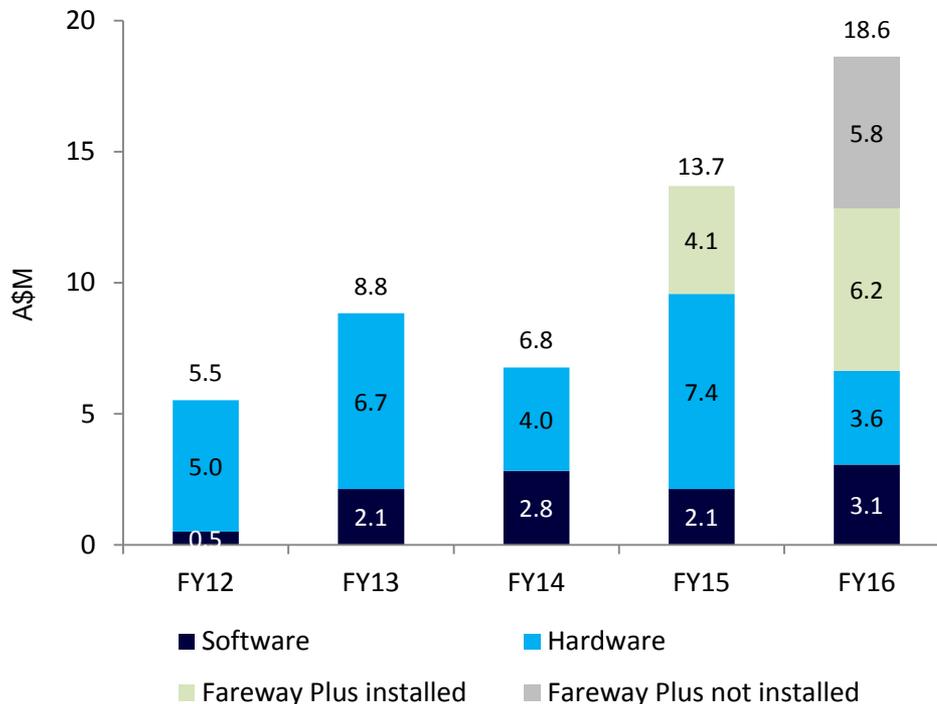
“Continuing strong cash generation”

Proceeds from the sale of Riley St not included as received in August 2016.

CAPITAL EXPENDITURE

Technology is a key arm to our growth strategy and we continue to invest to ensure we are positioned to capitalise on opportunities to grow our market share and revenues

HISTORICAL CAPITAL EXPENDITURE (FY12 – FY16)



FAREWAYPLUS ROLL-OUT

As at 30 June 2016 substantially all equipment to complete FAREWAYplus roll-out purchased

SOFTWARE DEVELOPMENT (APPS)

Increased resources on software development for Cabcharge products

FUTURE CAPITAL EXPENDITURE

- Continued investment in software development
- FAREWAYplus roll-out complete
- Scalable incremental cost for hand held roll-out

“We are investing in future growth platforms”

BALANCE SHEET

Total asset value has decreased due to \$27.7M impairment on taxi licences. Focus on balance sheet efficiency continues with the recent sale and leaseback of Riley St premises

BALANCE SHEET AND KEY METRICS

(\$M)	FY16	FY15
Cash and cash equivalents	13.1	23.8
Other current assets	82.6	76.9
Investments in associates	296.6	284.3
Property, plant and equipment	40.2	39.0
Taxi plate licences	41.2	70.9
Other non-current assets	57.0	61.9
Total assets	530.6	556.8
Loans and borrowings	109.7	128.2
Other liabilities	32.0	35.6
Total liabilities	141.7	163.8
Total net assets	388.9	393.0
Key metrics		
Net Debt/Equity	24.9%	26.6%
Ungear return on Australian taxi related services ¹	21.4%	20.4%
Ungear return on investments in assoc (excl. impairment)	6.0%	6.0%

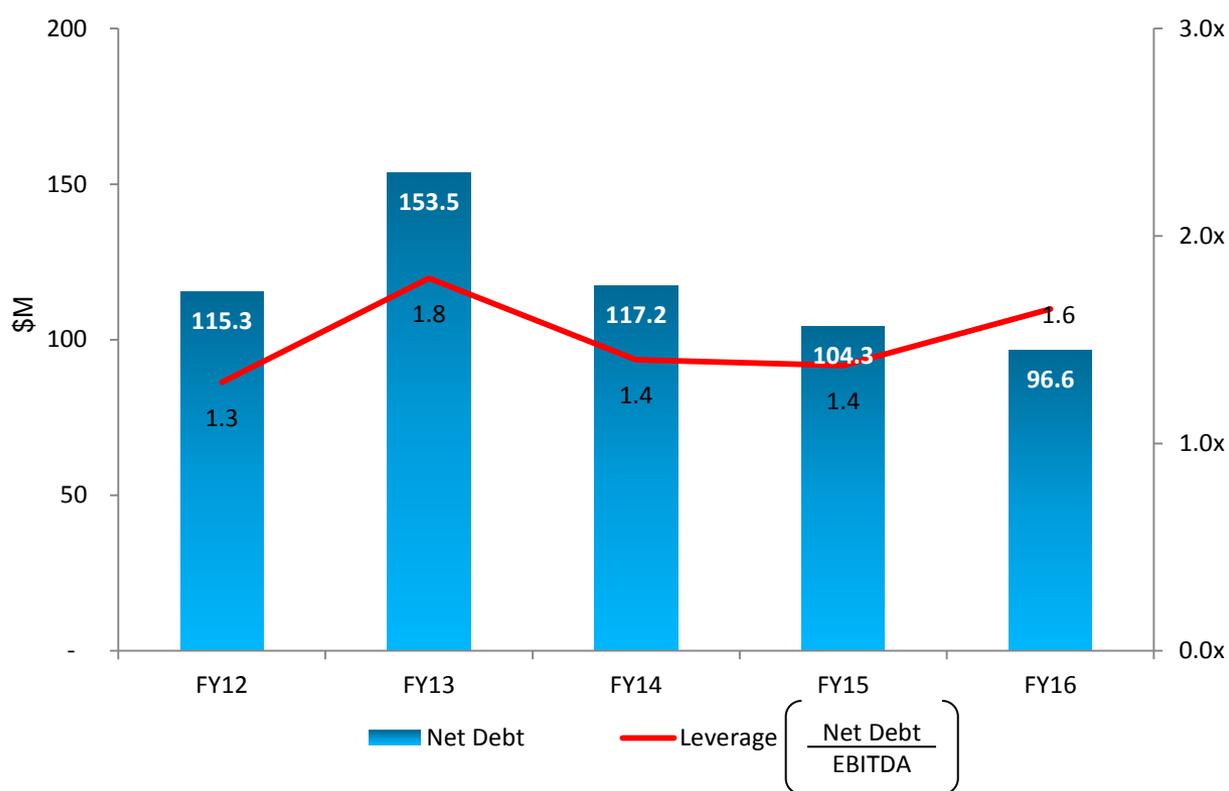
* NPAT excluding associates' profit, impairment, interest expense
Net assets excluding bank loan and investments in associates

COMMENTARY

- The \$29.7M movement on taxi plate licenses comprises:
 - \$1.7M accelerated amortisation on NSW WATs licences December 2015
 - \$6.7M reflecting the full carrying value of taxi plate licences in Victoria following reforms announced August 2016
 - \$21.3M provision against carrying value of the remaining portfolio due to ongoing regulatory changes
- Capital management review has resulted in the sale of non-core assets including
 - Riley St sale (\$18.1M)
 - ComfortDelGro shares (\$4.5M)
 - Repayment of debt (net debt reduced \$7.8M)
- Will continue to review opportunities to increase the efficiency of our balance sheet and action these if in the best interest of our shareholders

DEBT AND LEVERAGE

We have continued to repay borrowings and have significant covenant headroom. Additionally, we have successfully extended our financing facilities



- Reduction in total borrowings to \$109.7M at 30 June 2016, \$18.5M lower than a year prior
- Net debt to equity ratio 24.9% (30 June 2015: 26.6%)
- Available liquidity at 30 June 2016 was \$107M, consisting of \$13M in cash and \$94M in unused facilities
- The Company in August 2016 entered into agreements with its lending banks :
 - Extending the current finance facility term for a further two years from 1 July 2017 to 1 July 2019
 - We reduced finance facility limits in August 2016 from \$200M to \$160M given an extended period of operating significantly within our credit facility levels, reducing commitment fee cost of unutilised lines of credit
 - We took advantage of the low base interest rate environment to enter into new medium term interest rate swaps at a lower rate

“Prudent approach to gearing while positioning for growth initiatives”

ASSOCIATES

COMFORTDELGRO CABCHARGE (CDC)

(\$M)	FY16	FY15	Change over PCP %
Revenue	353.0	345.6	2.1%
Expenses	(301.3)	(290.6)	3.7%
EBIT	51.7	55.0	(6.0%)
Net interest	(8.9)	(11.5)	(22.6%)
Profit before tax	42.8	43.5	(1.6%)
Income tax	(13.2)	(12.5)	5.6%
NPAT	29.6	31.0	(4.5%)
49% share	14.5	15.2	(4.5%)

- Cabcharge holds a 49% investment in ComfortDelGro Cabcharge Pty Ltd (CDC), Australia's largest private bus operator
- The net profit contribution from CDC of \$14.5M (FY15: \$15.2M) included a \$0.8M gain on sale of a property asset and \$0.3M of increased credit provisions relating to prior year services provided
- Lower fuel prices resulted in lower fuel reimbursement income in New South Wales and Victoria, partly offset by growth in Region 4 and Hunter Valley bus services

CITYFLEET NETWORKS(CFN)

(\$M)	FY16	FY15	Change over PCP %
Revenue	115.6	114.6	0.9%
Expenses	(112.7)	(110.9)	1.6%
EBIT	2.9	3.7	(21.8%)
Net interest	0.1	0.1	0.0%
Profit before tax	3.0	3.8	(21.3%)
Income tax	(0.3)	(0.8)	(62.5%)
NPAT before closure Birmingham	2.7	3.0	(10.3%)
Birmingham closure costs	(1.0)		
NPAT statutory	1.7		
49% share	0.8	1.5	(43.3%)

- 49% interest in CityFleet Network (CFN) in the UK, providing account, booking and dispatch services for taxis and private hire vehicles in London, Liverpool, Edinburgh and Aberdeen, and coach services in London
- Net profit contribution from CFN of \$0.8M, \$0.5M lower than pcp due to the closure costs of ComCab Birmingham, which had been loss making for a number of years
- No requirement for impairment charges. We continue to carefully monitor the carrying value of CFN in relation to operational results and future outlook as well as current discount rates and currency exchange rates

CABCHARGE AUSTRALIA LIMITED

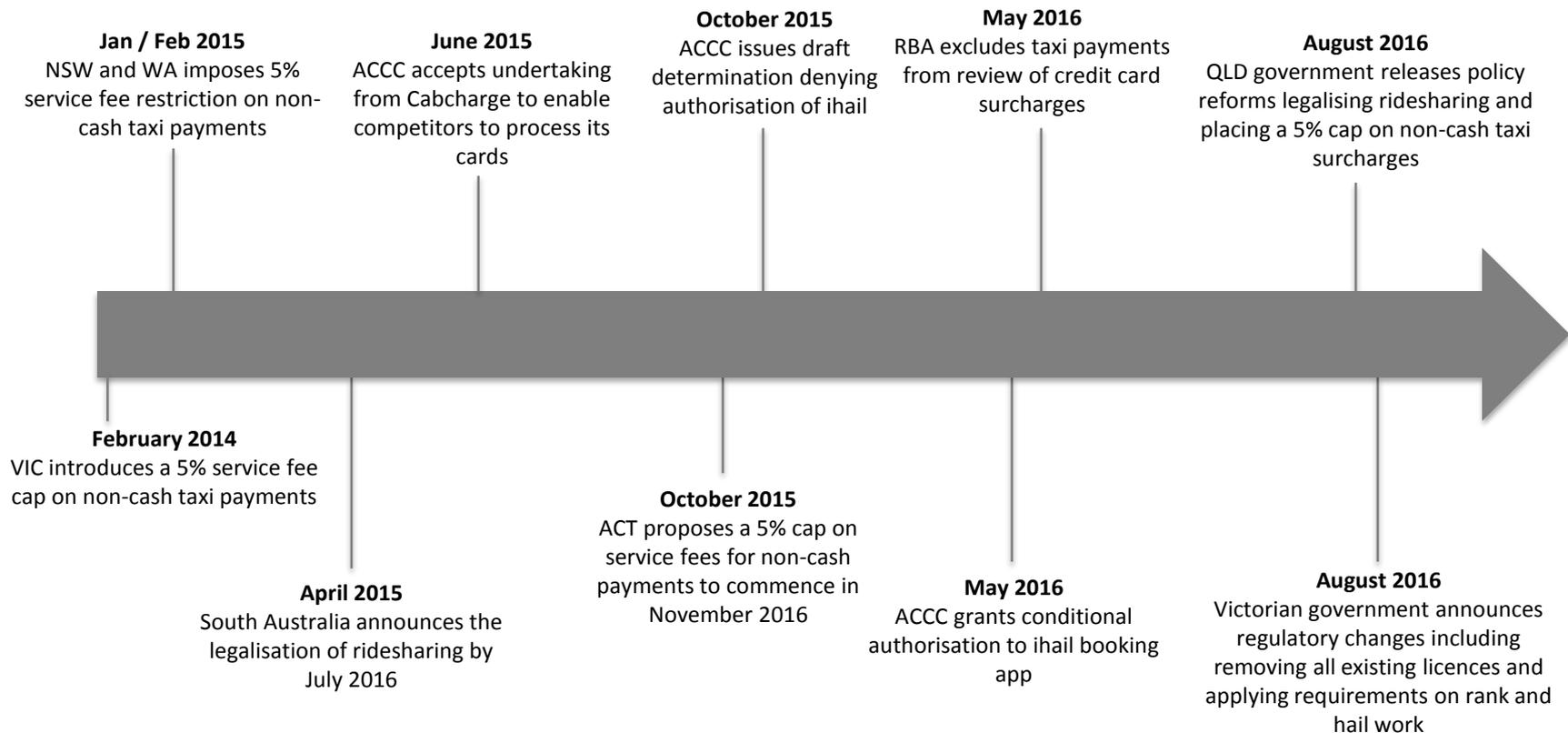
INDUSTRY AND STRATEGIC INITIATIVES

Cabcharge

REGULATORY IMPACT ON INDUSTRY

We have a much clearer picture of the future

- Completion of Australia-wide transition to 5% cap on non-cash taxi payments expected in 2017
- Well positioned to grow leading position in personal transport
- New regulations move industry closer to providing equal playing field for all participants and allows us to invest in future growth initiatives to benefit our customers

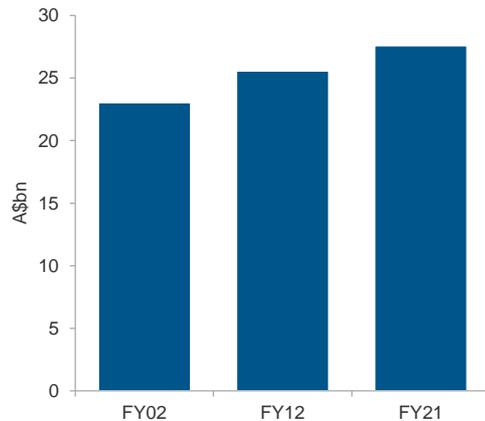


POSITIONED FOR FUTURE GROWTH

Cabcharge is well positioned in a growing industry

Industry Growth

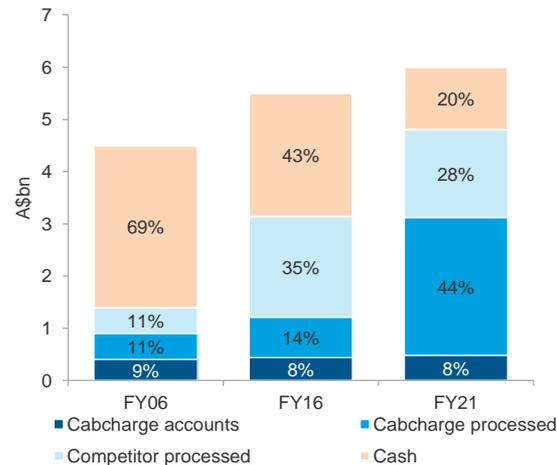
Number of motorised-trips p.a.



- Demand for motorised-trips grew by ~11% in the 10 years leading up to FY12
- Momentum expected to continue with ~8% growth to FY21 to ~\$27.6bn

Cabcharge has a leading position in a market that is growing

Payments Opportunity

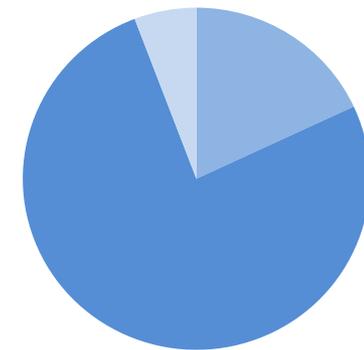


- Fares processed growth due to cash to card conversion, which will continue given move to 5% service fee caps
- Future growth expected through launch of hand held terminal and frictionless payments

Our market continues to grow and we aim to win share

Market Size

Taxi and rideshare market size: ~\$6.1bn



- Cabcharge payments processed
- Non Cabcharge payments processed
- Rideshare
- Aggregate value of taxi payments is large
- Ridesharing expected to gradually gain share from taxi segment and other forms of transport
- Cabcharge focused on improving service and pursuing new business models

To date ridesharing has not presented a significant threat to our taxi payments business

OPPORTUNITIES FOR GROWTH

A level playing field opens up opportunity

1 BROADENING DISTRIBUTION CHANNELS

- Driver preferences are influencing in car payments
- Feedback from drivers highlight their preference for timely receipt of cash and ease of terminal use
- Hand held terminal prototype developed with Pilot currently being tested in Sydney
- **We will roll-out hand held terminals in Sydney and Melbourne in FY17**

2 LINKING BOOKINGS AND PAYMENTS

- Customers can pay when booking
- We are investing in payment technology
- Fully integrated booking applications will support payments growth in pre-booked market
- **We will link payments to telephone bookings in FY17**

3 NEW MARKETS

- Recent regulatory changes have removed constraints on growth
- Customers want certainty of service in peak periods
- Fleet can be demand responsive
- **We will expand in the private hire segment in FY17**



DELIVERED ON PREVIOUS PRIORITIES

1. ACCC

S87B UNDERTAKING



Pathway for handheld terminals

2. iHAIL

INTERNATIONAL OFFERING FOR TAXI USERS



ACCC authorisation to launch and operate ihail

3. APPS

CONTINUED ENHANCEMENTS WITH STEP CHANGES (INCL. PAYMENTS) SCHEDULED FOR 1H16



#1 taxi app (13CABS)

4. PREMISES

SALE AND LEASE BACK OF RILEY STREET, EAST SYDNEY PREMISES SCHEDULED FOR FY16



Completed sale and lease back for \$18.1m