



**ASX: SMP**

**NZX: SPY**

#### SHARE INFORMATION

**Issued Shares:** 171,752,278

#### BOARD OF DIRECTORS

**Non- Exec Chairman:** Greg Barclay

**Managing Director:** Bradley Gerdis

**Non-Executive:** Matthew Turnbull

**Non-Executive:** Carlos Gill

**Non-Executive:** William Pulver

**Executive Director:** Marty Pomeroy

#### WEBSITES

[www.smartpay.co.nz](http://www.smartpay.co.nz)

[www.smartpay.com.au](http://www.smartpay.com.au)

[www.smartpayinvestor.com](http://www.smartpayinvestor.com)

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# Smartpay Interim Results Announcement

28 November 2019

The Board of Smartpay is pleased to announce its half year results to 30 September 2019.

#### Six Month Financial Highlights

- Revenue \$13.4m, a 32% increase on the prior period \$10.2m
- Australia acquiring income:
  - \$3.8m, a 530% increase on the prior period \$0.6m
  - Current annualised run rate (as of late November) over \$12m compared to \$2.4m for entire 2019 financial year.

#### Operating Results

The strong revenue increase is a direct result of the continued growth in our Australian terminal and acquiring business over the period.

Although EBITDA\* at \$3.6m is marginally below \$3.7m for the corresponding period last year, this is due to the investment in additional capacity to support the growth in our Australian business. This saw an increase in the cost base from the second half of last year which is apparent in this period but not the corresponding first half last year. A better comparison is the 32% increase in EBITDA\* of \$3.6m this half compared to \$2.7m for the prior 6 month period (to 31 March 19).

#### Business Update

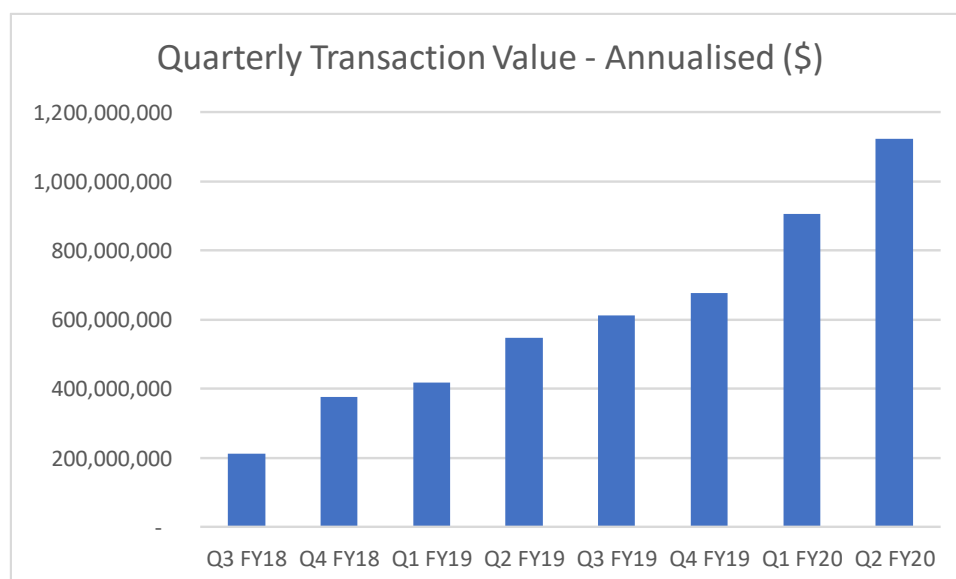
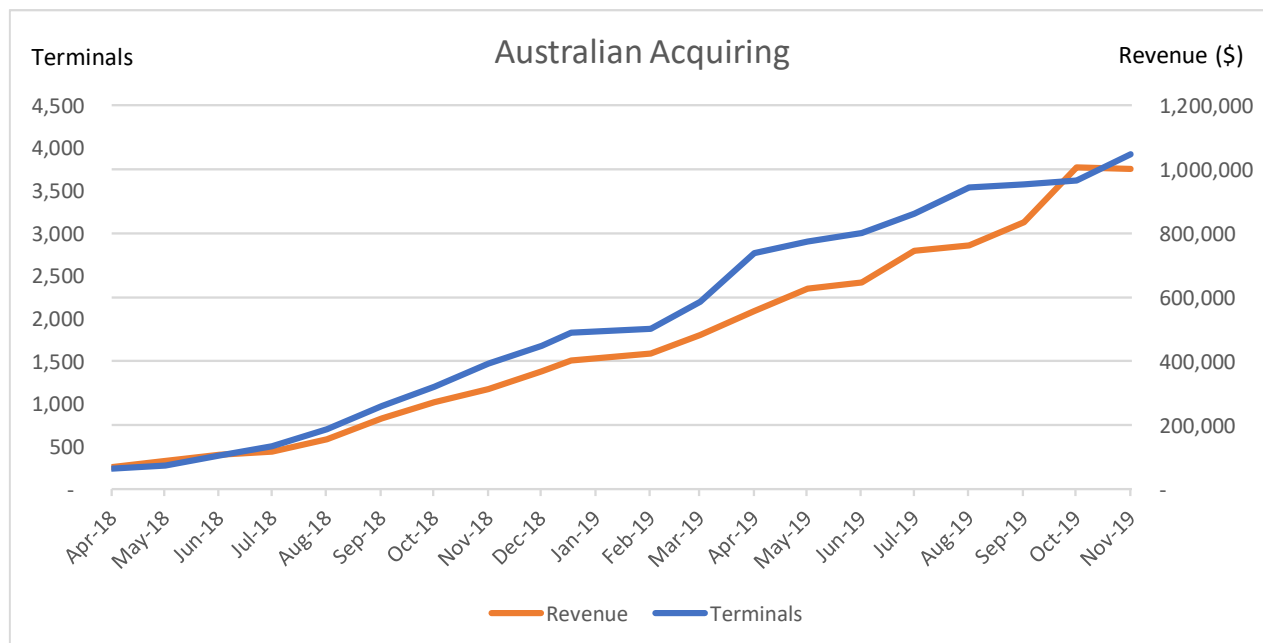
Our Australian acquiring terminal fleet now stands at 4,000 self acquired terminals, up from ~1,500 at the same time last year and ~2,200 at March 19.

We are now processing over \$1Bn of EFTPOS transactions on an annualised basis.

Monthly acquiring revenue has now exceeded \$1m, or over \$12.0m on an annualised basis, which when compared to the \$2.4m of total acquiring income for the full 2019 financial year provides a clear indication of the growth being achieved and underpins a higher starting position for the second half.

This is pleasing validation of our Australian strategy to seek growth from this large market.

The graphs below show the growth in terminal numbers, acquiring transaction value and revenue growth in the Australian acquiring business.



While we no longer report on gross margin contribution per unit as its increasingly commercially sensitive in the market we compete in, we are pleased to confirm that our margins per unit have increased during the period.

### Summary and Outlook

We continue to make significant progress in the execution of our growth strategy. Australian terminal numbers and revenue are showing strong growth and at good margin. The result presented here for the half year sets a good platform for a strong full year result.

**ENDS**

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\*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.

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## Corporate Directory

### Registered and Principal offices

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Website:

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### Shareholder Enquiries

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