



## Results Presentation

Year Ended 30 June 2017

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# FY17 Key Numbers

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<b>REVENUE</b> <b>\$151.9m</b>  FY16: \$168.8m	<b>UNDERLYING</b> <b>EBITDA*</b> <b>\$48.4m</b>  FY16: \$58.6m	<b>UNDERLYING</b> <b>NPAT*</b> <b>\$21.3m</b>  From continuing operations FY16: \$28.3m
<b>FY17 DIVIDENDS</b> <b>20 cents</b>  Per share fully franked FY16: 20 cents	<b>SPECIAL DIVIDEND</b> <b>80 cents</b>  Per share fully franked FY16: nil	<b>NET CASH</b> <b>\$25.8m</b>  FY16: Net debt of \$96.6m

\*please see slide 25 & 26 for statutory and underlying financial summary

# New Chapter for Cabcharge

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Successful conclusion of our 3 year program of work to reposition the Balance Sheet through the sale of non-core assets. During FY17 we sold our stake in CDC, our stake in CityFleet Networks and a Newcastle property for total cash proceeds of \$200 million.

Throughout that program we maintained consistent full year Dividends of 20c per share fully franked (including for FY17) as well as paying a Special Dividend of 80c per share fully franked paid in April 2017.

Cabcharge is now positioned for growth with a simplified business and a strong and flexible Balance Sheet highlighted by the company's net cash position.



# Refocusing the Business

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Until now we've been:

- Adjusting to regulatory changes
- Disposing of non core assets and strengthening the Balance Sheet
- Rolling out **FAREWAYplus**
- Consolidating our brands and integrating our network and technologies
- Launching new businesses to extend our offerings for Drivers and Taxi Operators
- Building up and transforming the technology team
- Creating a unified culture around our vision to be Australia's leading personal transport business by 2021

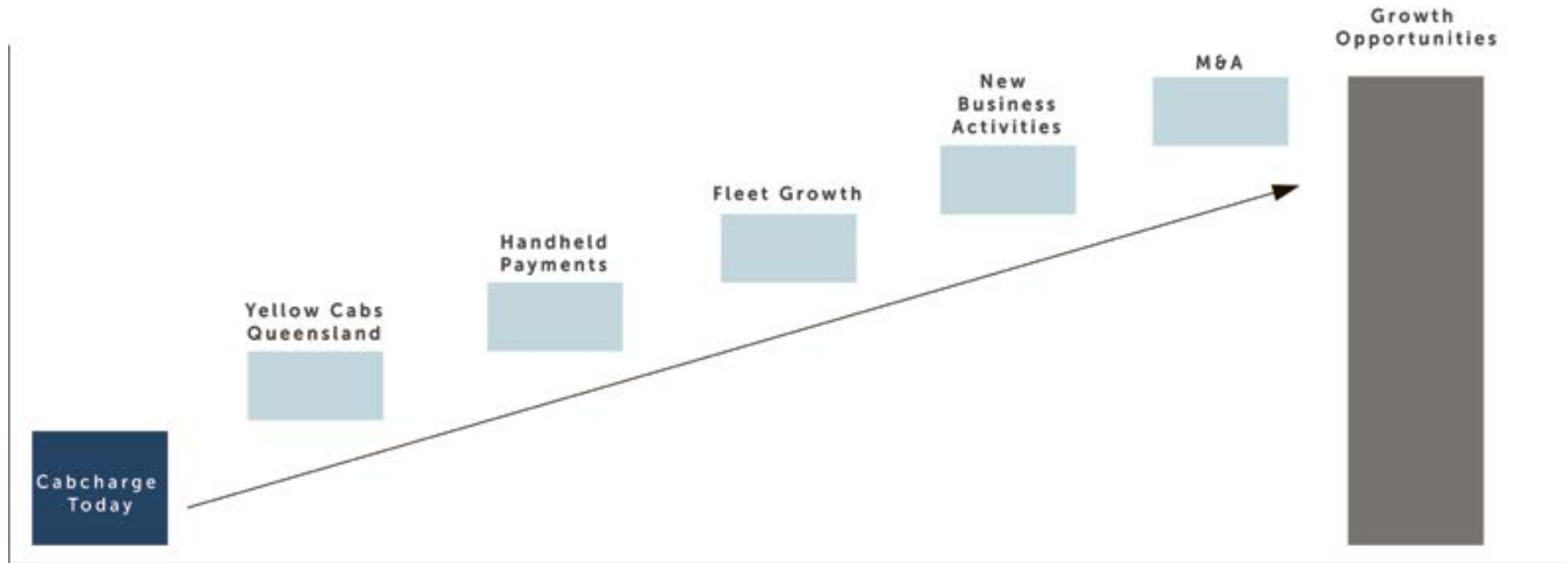
We are now focussed on fuelling the organic growth of our core businesses. To maximise organic growth in coming years we have been increasing our investments in marketing and technology. We are increasing these investments further in FY18.

13CABS



Cabcharge

# Cabcharge is Now Focused on Growth



# Reinvesting for Growth

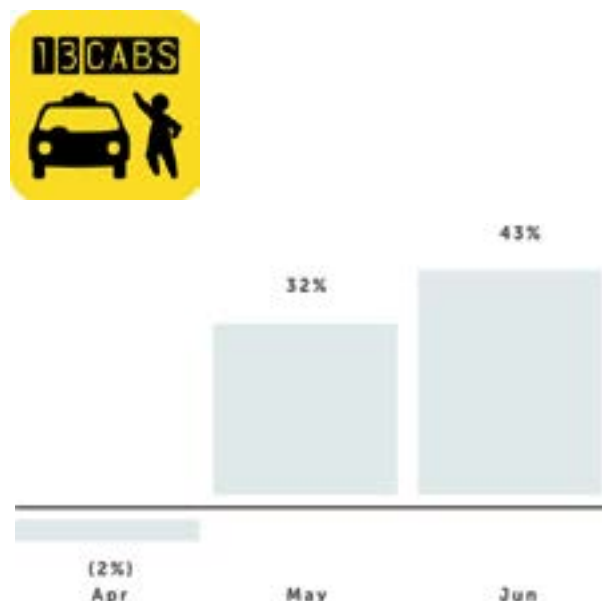
We have repositioned Cabcharge for growth. Our business has been simplified and consolidated. Our Payment products and our services for Passengers have been improved. Our workforce has been strengthened and extended.

We are increasing our investments in marketing and technology to promote the improvements we have made in our branding, products and services in order to attract and retain new customers that will generate revenue over the medium term.

We are encouraged by early signs of success which began in late FY17. Success indicators include improvements in 13CABS app downloads and payment trends in July and August 2017.

We plan to invest an additional \$8m in marketing and technology in FY18.

## 13CABS app downloads vs PCP



**"Handheld terminals contributing to payments momentum - Total Bank Issued and 3rd party volumes up 8.5% in NSW and 7.1% in VIC in August 2017 on pcp"**



# Investment in Brand

Passengers are now benefiting from enhanced Driver and vehicle presentation, faster pick up times, a more dependable service and multiple app upgrades. Combined with the strength of a consolidated brand the settings are now right for a significant step up in marketing investment. In FY17 Marketing spend represented c.2% of revenue.

In FY18 our objective is to establish 13CABS and the 13CABS app in the minds of consumers.



**"Anytime anywhere 13CABS  
will get you there!"**

# Investments in Technology

We launched multiple upgrades of the 13CABS app during FY17 (14 iOS upgrades and 13 android upgrades) and intend to continue this pattern of improvement throughout FY18.

Continued extension of capability in the technology team during FY18 to facilitate timely delivery of priority initiatives including:

- Digital payment products - facilitates just in time distribution and easy administration for Account Clients; lower costs for Cabcharge
- Upgrades of websites accessed by Clients and Passengers
- Delivering a new UX for our **FAREWAYplus** payment terminals - more intuitive and driver friendly; facilitating tips for Drivers
- New systems for in-app payments
- Introduction of web/contact centre payments to improve end-of-trip experience

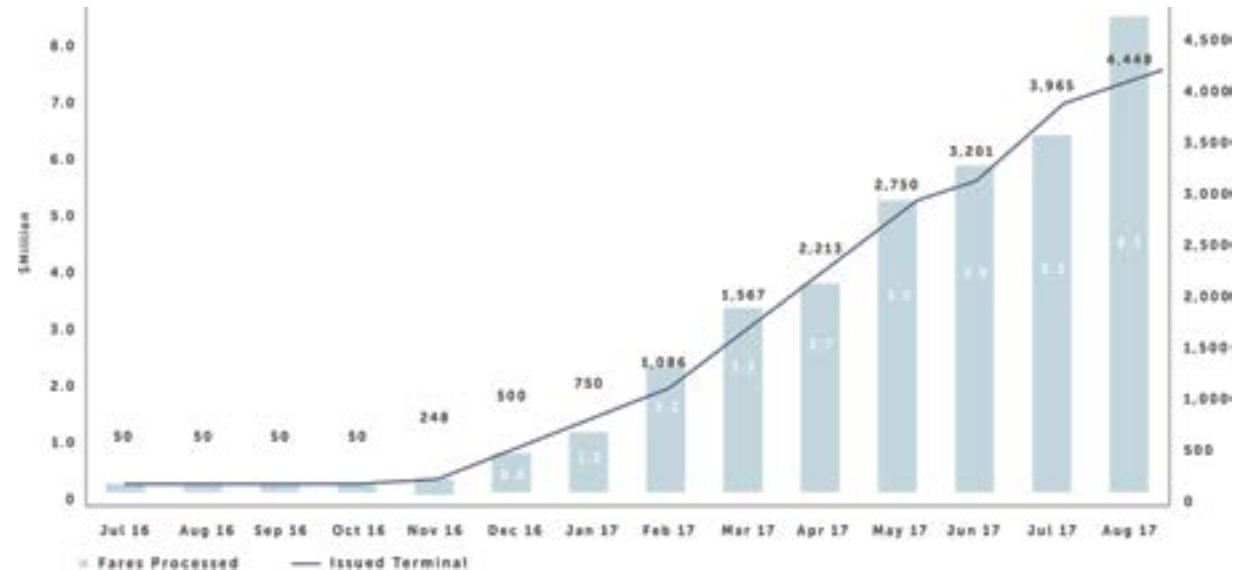




# Payments

- Queensland anticipated to adopt 5% service fees in October 2017
- Fleet size increasing in some jurisdictions as new business models and regulatory reversals respond to growing demand
- Improvement in success rates for transactions post the closure of Telstra's 2G network (from ~91% in December 2016 to ~99% in August 2017)
- Substantially enhanced Cabcharge Account Offering and new payment products
- Ongoing push into new distribution channel via handheld terminals Spotto and Giraffe

## Handheld fares processed (\$m)\*



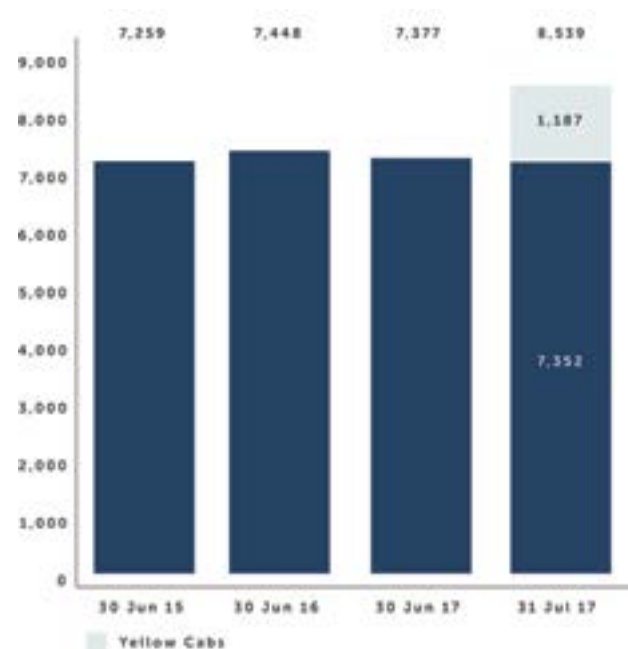
Current annualised run rate of transactions processed through handheld is \$100M

\* includes all categories of transactions

# Fleet Opportunities

- Capitalise on the successful initiation of Private Hire offering which has already contributed to fleet growth particularly in Adelaide (Private Hire now 17% of the fleet in Adelaide)
- Improved regulatory settings (mooted \$50 annual licences with quantity set by the market) anticipated in 1H18 in Melbourne
- Pursuing additional Bureau Contract opportunities in regional centres
- Launch of fleet operating model in Adelaide to improve coverage, strengthen influence on service quality, and increase scale
- Generation of increased bookings to attract more Drivers and Taxi Operators onto the 13CABS network
- Sustained growth in Silver Service fleet size and bookings
- Opportunities for select M&A from a position of Balance Sheet flexibility

## Total billed fleet



# Drivers

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- 6,264 new Drivers joined the 13CABS network during FY17
- Use of the Driver app is gaining traction
- Continued expansion of Driver Training in SA and NSW
- Fresh look 13CABS uniforms launched nationally
- New engagement initiatives are strengthening our relationship with Drivers
- Passenger Connect feature in the 13CABS app (where Drivers and Passengers can communicate directly) has been well received and has increased confidence in our services
- Drivers are supporting our efforts to improve Customer Service even as we have tightened business rules in favour of Passengers

Our Vision for 2021 includes being  
the **FIRST CHOICE** for Drivers in the  
personal transport sector



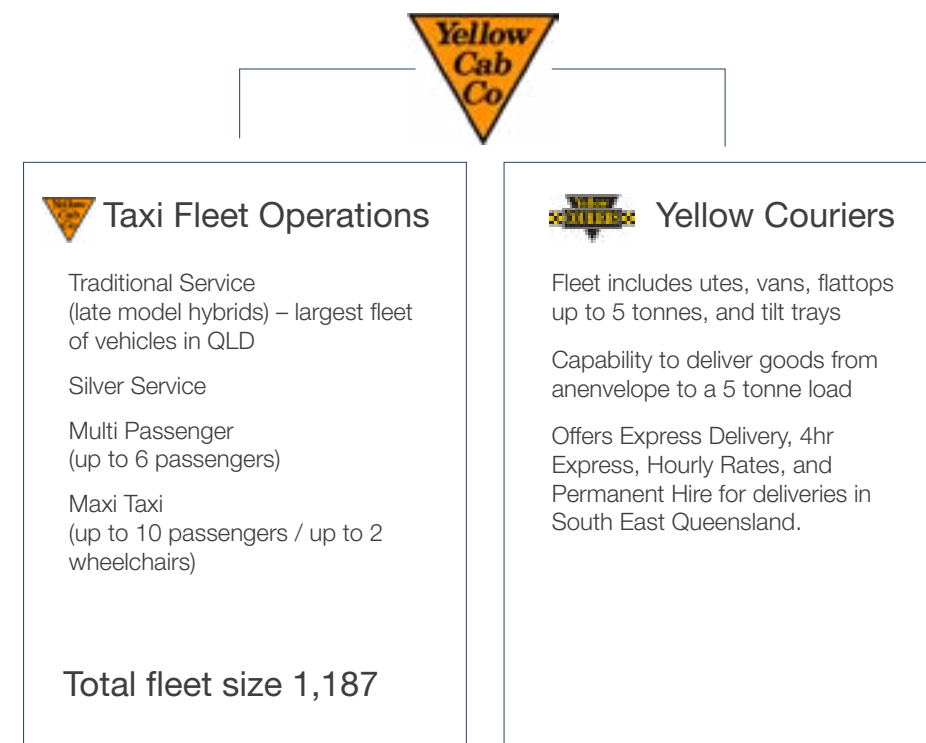
# Acquisition of Yellow Cabs

Cabcharge completed the acquisition of Yellow Cabs Queensland on 31 July 2017, delivering on our strategic target of increasing scale and offering personal transport services on a national basis. A key advantage of our strong balance sheet is being positioned to capitalise on future opportunistic acquisitions when available and in line with our long term strategy.

- Following ACCC approval the transaction completed on 31 July 2017
- Yellow Cabs Queensland has been operating since 1924 and is the largest taxi network in Queensland
- Yellow Couriers is included in the transaction offering us the potential to roll-out the courier business model across Cabcharge's other Network locations



\* Brokered taxi plate licence revenue and costs have decreased since February 2017





FY17 Financial Performance

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# Financial Summary

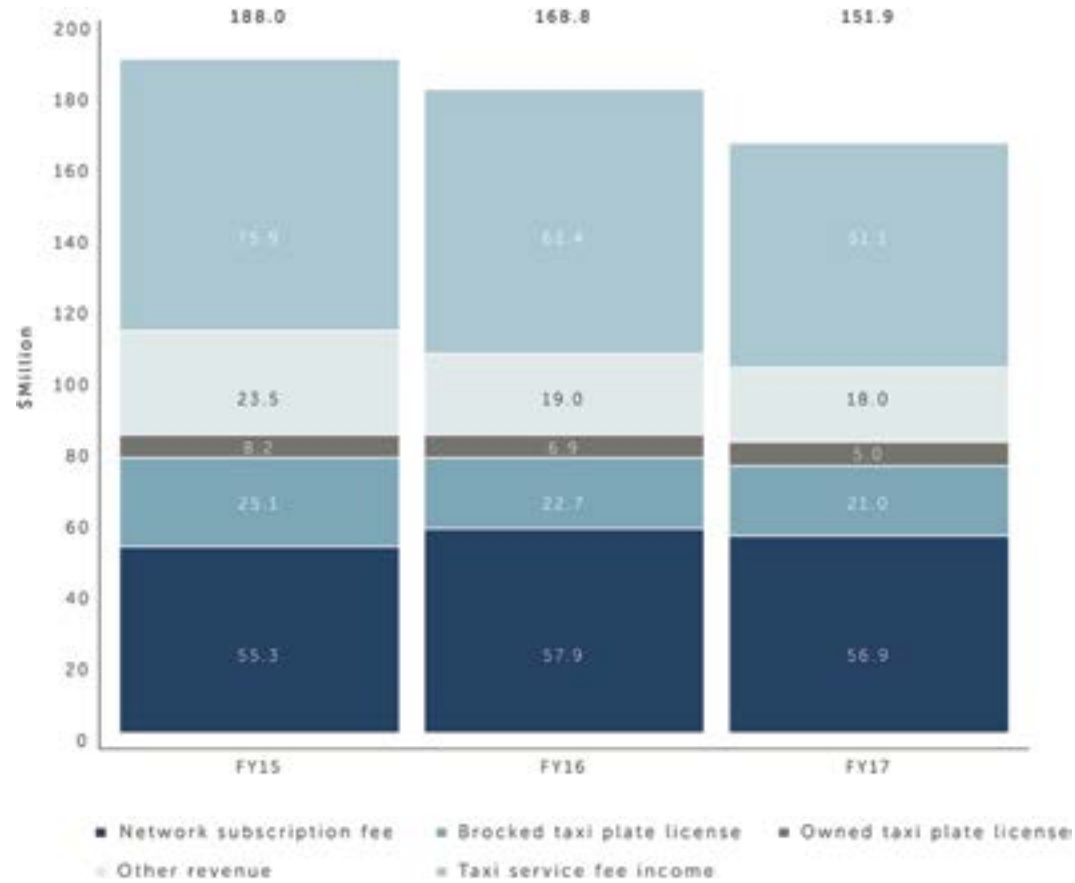
## Underlying basis excluding significant items\*

	FY17 \$M	FY16 \$M	Change over PCP
Revenue	151.9	168.8	(10.0%)
Expenses	(103.6)	(110.2)	6.0%
EBITDA	48.4	58.6	(17.4%)
Depreciation & Amortisation	(13.7)	(13.9)	
EBIT	34.7	44.7	(22.4%)
Net interest	(1.7)	(4.9)	
Profit before tax	33.0	39.8	(17.1%)
Income tax	(11.7)	(11.5)	
<b>NPAT from continuing operations</b>	<b>21.3</b>	<b>28.3</b>	<b>(28.3%)</b>
EBITDA margin	31.8%	34.7%	
EBIT margin	22.8%	26.5%	
Earnings per share (AUD)	17.7 cents	23.5 cents	

- Revenue impacted by volumes and regulatory environment for taxi fares processed, and taxi plate related income
- Strong EBITDA margin of 31.8% through effective management of volume cash expenses

\*please see appendix slide 26 for statutory financial summary and items excluded from underlying financial summary above

# Revenue



- FY18 will be transformational with significant fleet growth and operator revenue from Yellow Cabs Queensland
  - 1,187 additional fleet
  - ~\$12 million network subscription fee income
- Network subscription fees have remained stable through FY17
- Networks the largest revenue source in FY17
- Impact of ongoing regulatory reforms on taxi plates and taxi service fee income shown over 3 year period (Queensland expected implementation in 1H18)

# Cash Expenses

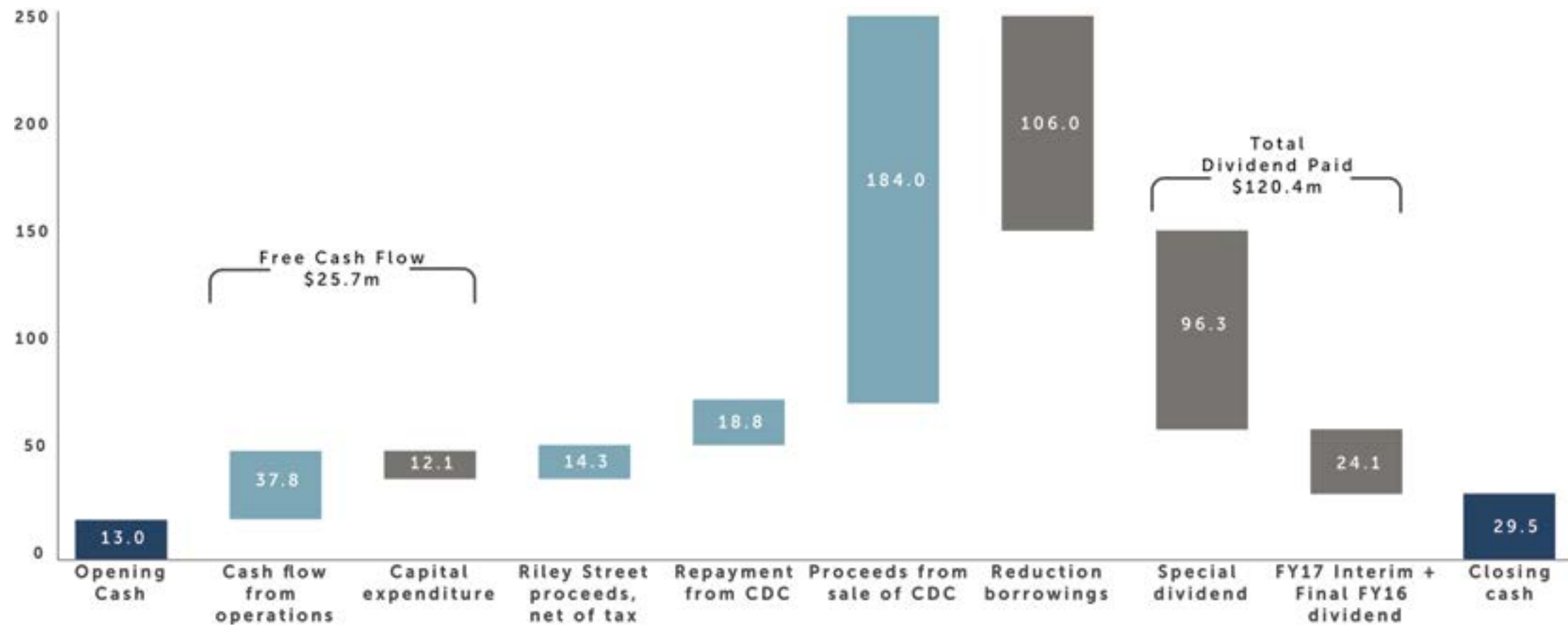
## Underlying basis excluding significant items\*

	FY17 \$M	FY16 \$M	Change over PCP	Change over PCP
Processing fees to taxi networks	8.8	10.1	(1.2)	(12.4%)
Brokered taxi plate licence costs	19.9	21.4	(1.5)	(6.9%)
Transaction processing expenses	2.5	4.0	(1.5)	(36.8%)
Other taxi related costs	2.8	5.4	(2.6)	(48.9%)
<b>Total volume cash expenses</b>	<b>34.1</b>	<b>40.9</b>	<b>(6.8)</b>	<b>(16.7%)</b>
Marketing expenses	3.4	4.6	(1.2)	(25.6%)
Employee benefits expenses	42.2	39.3	2.9	7.4%
Infrastructure expenses	12.9	13.7	(0.8)	(6.1%)
Other non-volume cash expenses	11.0	11.7	(0.7)	(6.0%)
<b>Total non-volume cash expenses</b>	<b>69.5</b>	<b>69.5</b>	<b>0.2</b>	<b>0.3%</b>
<b>Total cash expenses</b>	<b>103.6</b>	<b>110.2</b>	<b>(6.7)</b>	<b>(6.0%)</b>

- Effective management of volume cash expenses led to \$6.8 million decrease in FY17
- Non-volume cash expenses flat in FY17 despite additional investments in 25 technology positions

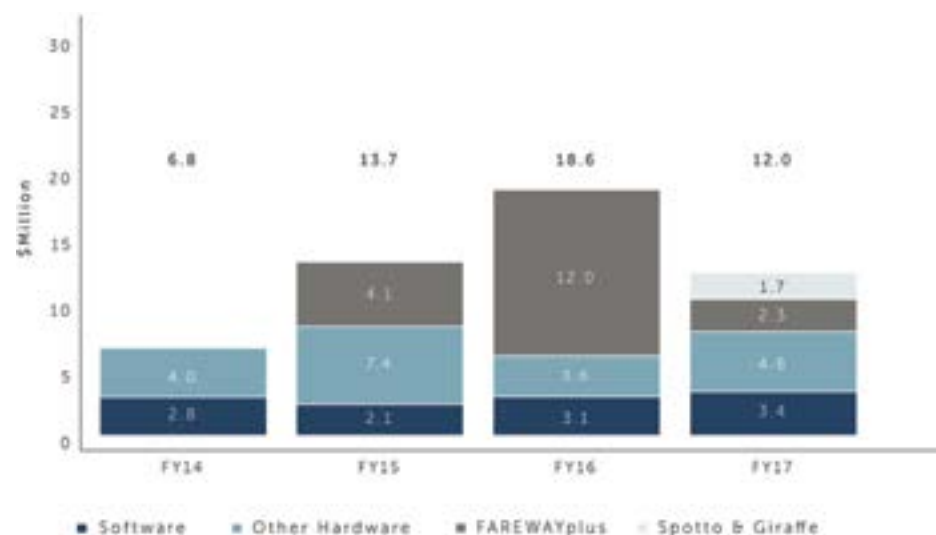
\*please see appendix slide 26 for statutory financial summary and items excluded from underlying financial summary above

# Cash Flow



# Capital Expenditure

## Historical capital expenditure (FY14 – FY17)



## FAREWAYplus roll-out

FAREWAYplus roll-out completed in December 2016



FY17 invested in handheld payment products for Drivers

## Future capital expenditure

Increased investment in software development

Continued roll-out of Spotto & Giraffe products FY18



Cabcharge



# Balance Sheet

	Jun 2017 (\$M)	Jun 2016 (\$M)
Cash and cash equivalents	29.5	13.0
Other current assets	83.2	85.1
<b>Total current assets</b>	<b>112.7</b>	<b>98.1</b>
Investments in associates	-	296.6
Property, plant and equipment	35.4	40.2
Taxi plate licences	33.2	41.2
Other non-current assets	35.3	55.0
<b>Total non-current assets</b>	<b>103.9</b>	<b>433.1</b>
<b>Total assets</b>	<b>216.6</b>	<b>531.2</b>
Loans and borrowings	3.7	109.7
Other liabilities	31.8	34.5
<b>Total liabilities</b>	<b>35.4</b>	<b>144.1</b>
<b>Total net assets</b>	<b>181.2</b>	<b>387.0</b>
Net Debt/Equity	(14.2%)	25.0%

# Outlook

— Cabcharge is focused on being Australia's leading personal transport company

Our business has been reset to accelerate our performance in the growing personal transport market.

Our services, technology, marketing and culture will continue to improve in FY18.

We are stepping up our investment in marketing and technology by an additional \$8m in FY18 to grow our core revenues over coming years.

Fleet growth is being achieved where regulatory conditions permit and the acquisition and integration of Yellow Cabs Queensland will strengthen network revenue.

Our improved services and marketing will encourage Drivers and Taxi Operators to grow our fleet. Together with active promotion of the upgraded Cabcharge Account Offering we expect these trends to contribute to growing taxi use and payment turnover.

Payment turnover is already benefitting from the distribution of our handheld terminals and we are targeting 8,000 terminals in the field by the end of FY18.

**We look forward to reporting our progress in FY18.**



Questions & Answers

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Appendix

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# Service Fee Income - Key Drivers

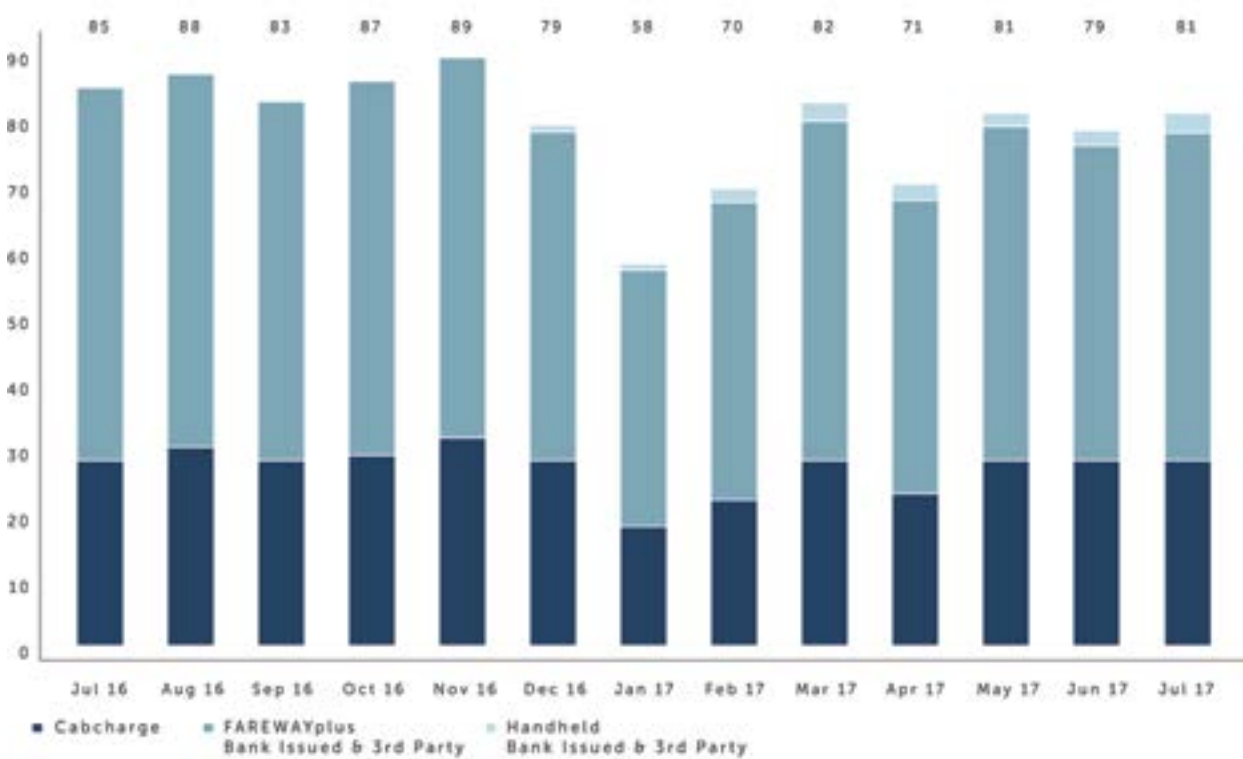
## Annual

Total taxi fares processed (\$m)



## Monthly

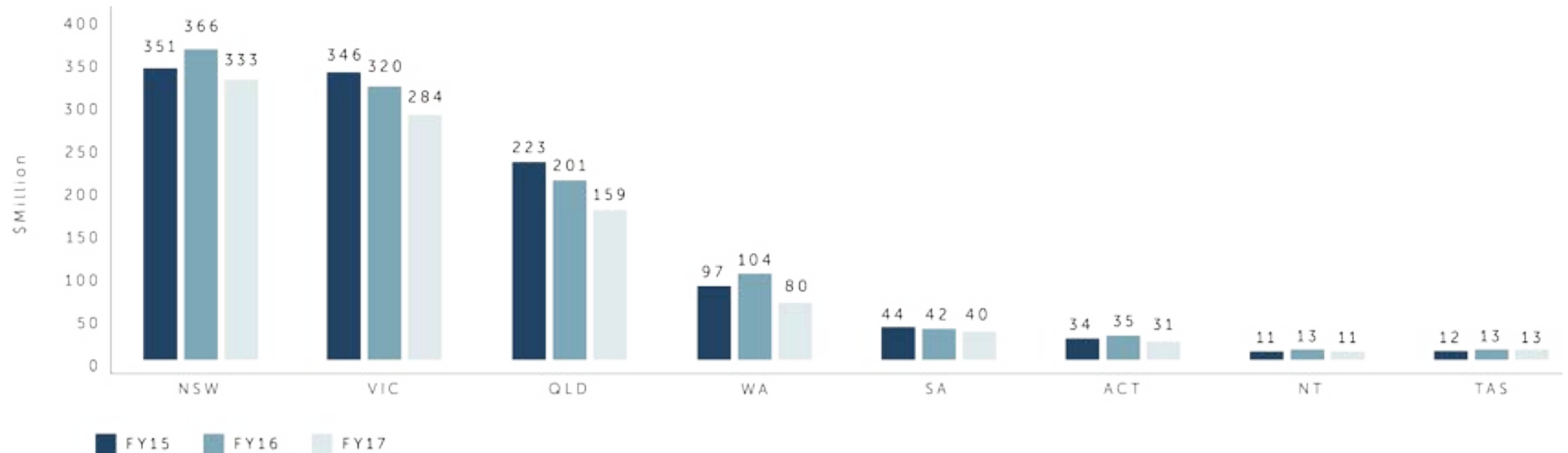
Total taxi fares processed (\$m)



- July 17 v. July 1 ↓4%
- FY17 v. FY16 ↓13%

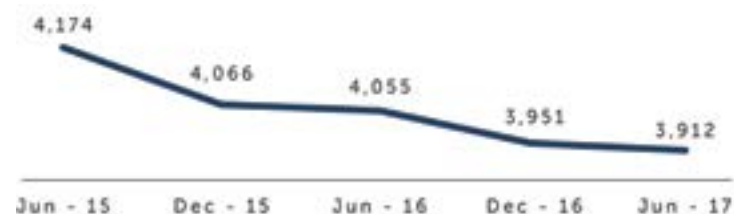


# Taxi Fares Processed by State

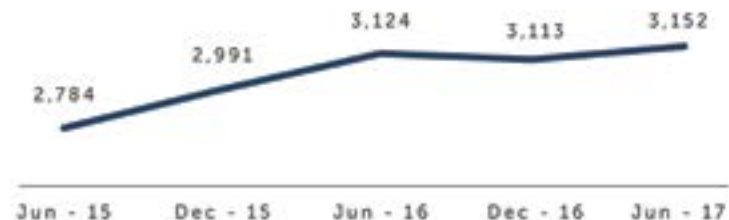


# Fleet Dynamics

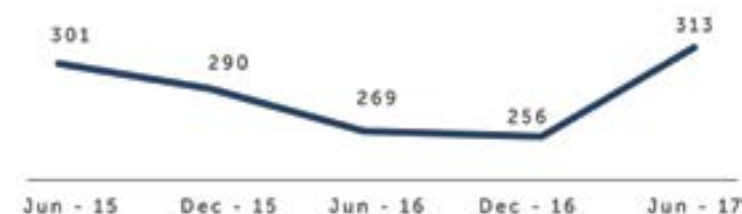
**NSW:** Sydney fleet has declined by 145 cars and Newcastle fleet increased by 2 cars since 30 June 2016. The key factor is the handback by operators of NSW government issued plate licenses which are significantly higher in cost than plate licenses in the private market.



**VIC:** Fleet in Melbourne and Victorian Bureaus have increased by 28 cars in FY17. Subject to the enactment of legislation, the Victorian government is changing the requirement for annual plate licence fees (formerly \$23k per annum). By lowering the costs for operators, Victorian fleet has future growth potential.



**SA:** Strong fleet growth in Adelaide in 2H17 up 57 cars and 22% in the half. This growth has primarily been driven by the introduction of our private hire attracting 49 vehicles to the fleet in FY17.



# Financial Performance

## Underlying basis excluding significant items

	FY17 \$M	FY16 \$M	Change over PCP
<b>Revenue</b>	<b>151.9</b>	<b>168.8</b>	<b>(10.0%)</b>
<b>Other income<sup>1</sup></b>	<b>0.0</b>	<b>0.0</b>	
<b>Expenses<sup>2</sup></b>	<b>(103.6)</b>	<b>(110.2)</b>	<b>6.0%</b>
Impairment Charges <sup>3</sup>	0.0	0.0	
<b>EBITDA</b>	<b>48.4</b>	<b>58.6</b>	<b>(17.4%)</b>
Depreciation & Amortisation <sup>4</sup>	(13.7)	(13.9)	
<b>EBIT</b>	<b>34.7</b>	<b>44.7</b>	<b>(22.4%)</b>
Net interest <sup>5</sup>	(1.7)	(4.9)	
<b>Profit before tax</b>	<b>33.0</b>	<b>39.8</b>	<b>(17.1%)</b>
Income tax <sup>6</sup>	(11.7)	(11.5)	
<b>NPAT from continuing operations</b>	<b>21.3</b>	<b>28.3</b>	<b>(24.9%)</b>
Profit from discontinued operations <sup>7</sup>	7.5	15.3	
<b>NPAT</b>	<b>28.7</b>	<b>43.6</b>	<b>(34.2%)</b>
EBITDA margin	31.8%	34.7%	
EBIT margin	22.8%	26.5%	
Earnings per share from continuing operations (AUD)	17.7 cents	23.5 cents	
Earnings per share attributable to owners of the company (AUD)	23.9 cents	36.2 cents	

<sup>1</sup> Excludes gain on sale Newcastle property \$1.7M (\$14.3M in FY16, gain on sale Riley St property)

<sup>2</sup> Excludes \$1.6M write-off capitalised development costs and \$0.5M employee separation costs (\$2.3M in FY16)

<sup>3</sup> Excludes non-cash impairment charges on taxi plate licences

<sup>4</sup> Excludes \$1.7M accelerated amortisation on NSW wheelchair accessible taxi plate licences in FY16

<sup>5</sup> Excludes \$4.5M gain on sale of shares in ComfortDelGro Corporation Limited in FY16

<sup>6</sup> Excludes tax effect of significant items

<sup>7</sup> Includes equity net profit share of CDC and CFN up until disposal date, excludes loss on sale

# Financial Performance

## Statutory basis

	FY17 \$M	FY16 \$M	Change over PCP
Revenue	151.9	168.8	(10.0%)
Other income	1.7	14.1	
Expenses	(105.7)	(112.5)	6.1%
Impairment Charges	(8.3)	(27.7)	
EBITDA	39.7	42.7	(7.1%)
Depreciation & Amortisation	(13.7)	(15.6)	
EBIT	26.0	27.1	(4.2%)
Net interest	(1.7)	(0.4)	
(Loss) / Profit before tax	24.3	26.7	(9.0%)
Income tax	(10.6)	(16.4)	
NPAT from continuing operations	13.7	10.3	33.3%
(Loss) / Profit from discontinued operations	(104.3)	15.3	
NPAT	(90.6)	25.6	(453.5%)
EBITDA margin	26.1%	25.3%	
EBIT margin	17.1%	16.1%	
Earnings per share from continuing operations (AUD)	11.4 cents	8.5 cents	
Earnings per share attributable to owners of the company (AUD)	(75.2 cents)	21.3 cents	

# Rebased Service Fee Income

- Northern Territory, ACT and South Australia introduced a 5% service fee limit in FY17, Queensland and Tasmania are expected to introduce a 5% service fee limit in FY18

