

A SHORT INTRODUCTION TO SMARTPAY

ASX Small / Mid Cap
Conference

6 September 2018



smartpay
payment solutions made easy

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OVERVIEW

- ❑ Smartpay is a merchant focused FinTech – *“We’re Not A Bank”!*
- ❑ We have a significant position in the New Zealand payments market and a growing Australian business

Leading NZ Provider

~ 110,000 terminal market

>30% market share

Payments partner to 3 of 4 banks

~110 staff

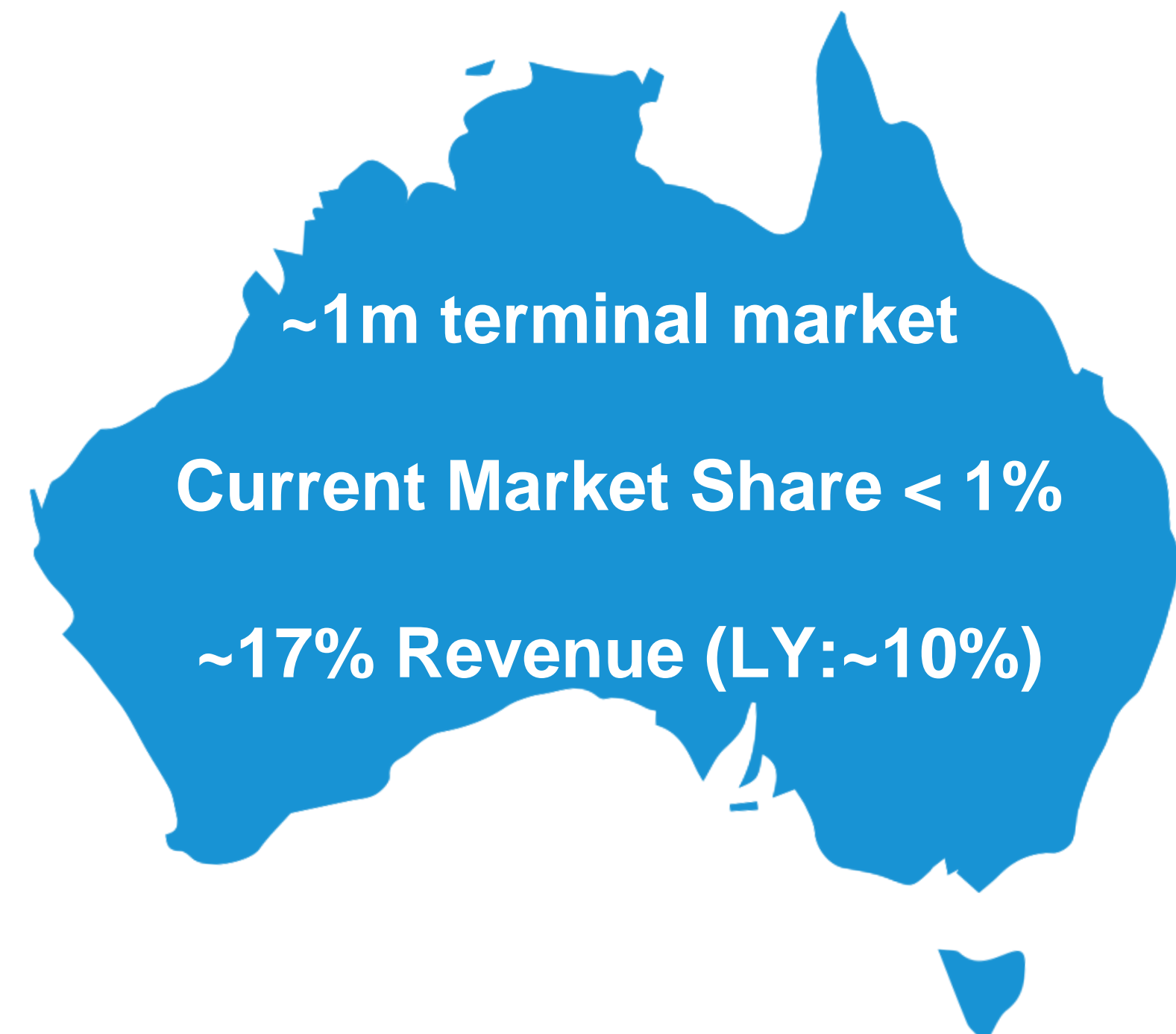
~83% Revenue (LY:~90%)



~1m terminal market

Current Market Share < 1%

~17% Revenue (LY:~10%)

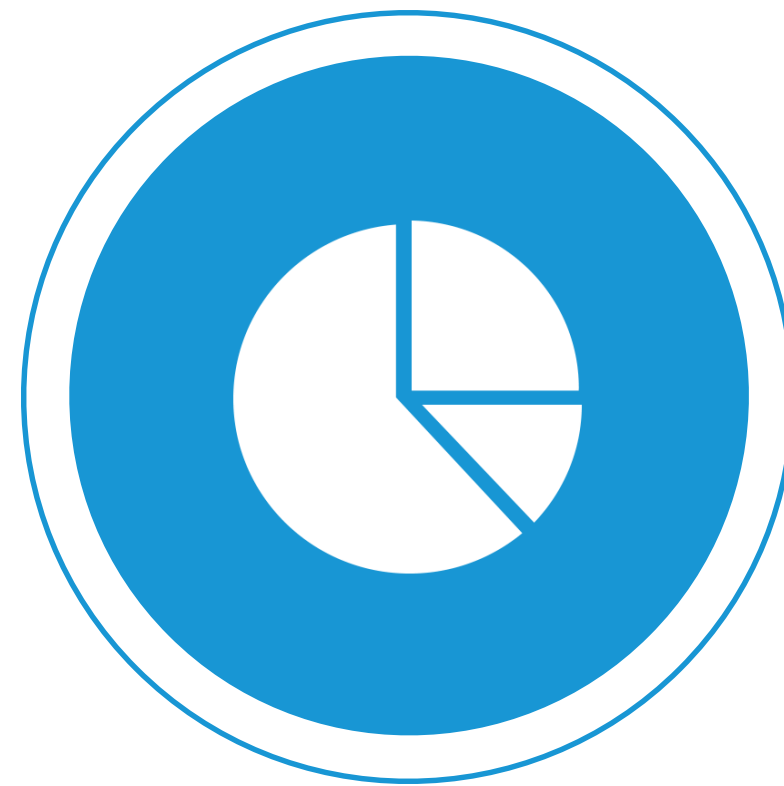


FULL YEAR FINANCIAL RESULTS

31 March 18



Revenue: \$20.4M



EBTIDA*: \$9.6M



NPAT: \$2.5M



EPS: 1.5 cents



Net Debt: \$23M

*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.

REVENUE MODEL



Pure Rental Model

- Term: 3-5 year contracts
- Ave rental: NZ\$48 / month
- Terminal payback period: 6 - 8 months

Every 1,000 terminals adds: ~\$500k incremental revenue / EBITDA



Transitioning from fixed rental to transactional

Legacy:

- Predominantly fixed rental
- Ave RPU = AU\$43 / month
- Terminal payback period:
6 – 8 months



New:

- Predominantly “clip of ticket”
- Target RPU AU\$100 + / month
(variable by customer size)
- Terminal payback period: 3 – 4
months (variable)

~\$1m + incremental revenue / EBITDA

Other revenue lines: transaction processing, software development, terminal sales; content delivery; etc

OUR STRATEGY

1. Australian Acquiring



0 – 12 months

2. Monetise NZ Network



12 – 24 months

3. Add Adjacent Product



24 months +

