



Smartpay Holdings Limited

ANNUAL MEETING OF SHAREHOLDERS

2023



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Non-GAAP measures

This presentation contains references to Non-GAAP measures including EBITDA and adjusted NPAT.

Because Smartpay complies with accounting standards, investors know that comparisons can be made with confidence between reported profits and those of other companies. These non-GAAP figures are provided as a supplementary measure for readers to assess Smartpays performance alongside NZ GAAP reported measures.

Some reported measures have been amended from those previously reported due to the implementation of the IFRS Interpretations Committee (IFRIC) agenda decision which has resulted in a change in accounting policy in the year ended 31 March 2023.



Welcome to **Smartpays** Annual Meeting of Shareholders


PRESENTED BY:

Greg Barclay

Chair

Marty Pomeroy

Chief Executive Officer and Managing Director

- 
- 1 Chair's address to shareholders
 - 2 Chief Executive Officer's address to shareholders
 - 3 Shareholders questions and discussions
 - 4 Ordinary resolutions



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CHAIRS' ADDRESS TO SHAREHOLDERS

Greg Barclay



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CHIEF EXECUTIVE OFFICERS' ADDRESS TO SHAREHOLDERS

Marty Pomeroy



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2023 THE YEAR THAT WAS



“Vision without
execution is
hallucination”

- Thomas Edison

FY23. The Breakthrough Year



Terminals in Market

46,000+

+14% YoY



Smartpay People

160

+14% YoY

Continuing
Revenue Growth
Up 62% YoY

\$77.8m

FY22 \$48.1m

Operating Cash to
Fund Growth
Up 57% YoY

\$18.6m

FY22 \$11.8m*

Delivers to
EBITDA
Up 81% YoY

\$18.4m

FY22 \$10.2m*

Free Cash to
Repay Debt
Up 47% YoY

\$4.7m

FY22 \$3.2m

Drops to the Bottom
Profit Before Tax
Up 328% YoY

\$7.6m

FY22 \$1.8m*

From Net Debt
to Net Cash

\$2.0m

FY22 Net Debt \$1.6m

*Restated

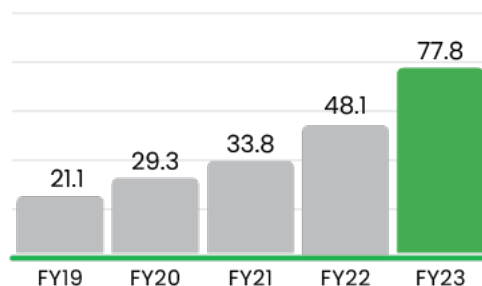
The Business Fundamentals – Measured Investment

	FY23	FY22*
EBITDA to revenue	↑ 23.7%	21.1%
Operating cost to revenue	↓ 37.4%	43.4%
PBT to revenue	↑ 9.7%	3.7%
Gearing ratio	↓ 23.6%	34.5%
Headcount	↑ 160	140
Revenue per head	↑ \$486k	\$343k
Marketing investment	↑ \$6.9m	\$4.0m
Transacting terminals	↑ 15,700+	9,650+
Trans-Tasman terminal fleet	↑ 46,000+	40,000+

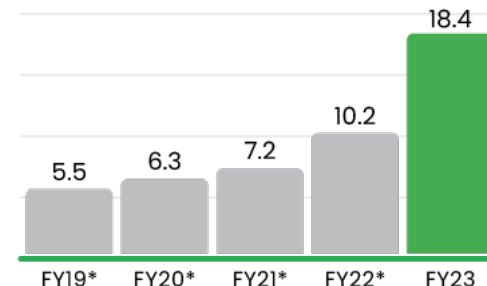
*Restated

FY23. Delivering Consistently with Improving Leverage and Cashflows

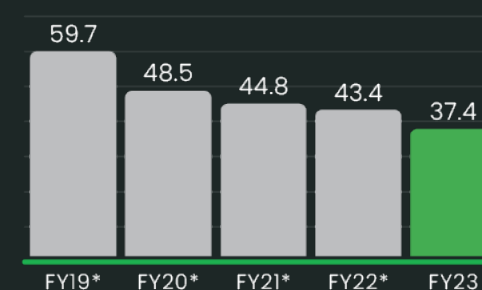
\$'m
YoY Revenue Growth



\$'m
YoY EBITDA Growth



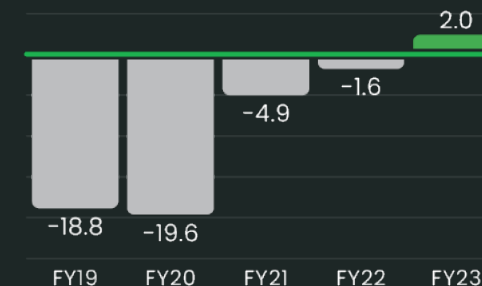
% improving
OPEX** to Revenue



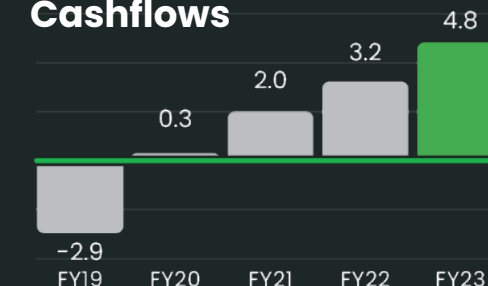
\$'m
Profit Before Tax



\$'m
Net Debt to Net Cash



\$'m
Generating Free
Cashflows

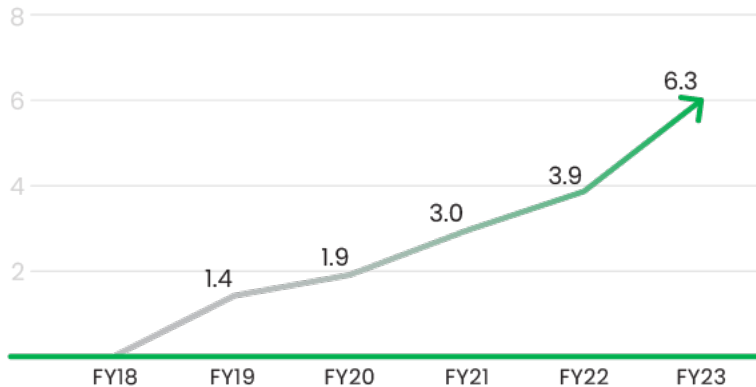


*Restated

**OPEX excludes cost of goods sold

Australian Metrics Show the Benefit of Measured Investment

62% increase YoY in % share of 250,000 addressable market



Acquiring Transactional Revenue

\$60.5m

Up 94% on FY22 \$31.2m

Transacting Terminals

15,700+

Up 62% on FY22 9,650+

Total Transaction Value

\$5.0b

Up 83% on FY22 \$2.7b

Average Revenue per Terminal

\$4,860

Up 18% on FY22 \$4,105

Monthly Acquiring Revenue

\$6.2m

Up 68% on March 22 of \$3.7m

Net Promoter Score

70

FY22 66

Consistent New Zealand Metrics - Maintaining the Asset for the Future

Revenue

\$14.6m

Down 2% on FY22 \$14.8m

Average Annual Revenue per Terminal

\$454

Down 2% on FY22 \$464

Terminals

31,000+

Consistent YoY

Net Promoter Score

49

FY22 46



Smartpay Holdings Limited

2024 QUARTER 1



FY24 – Quarter 1

Key Metrics Reflect Continued Growth (unaudited)



Terminals in Market

47,000+

+1,000 from FY23



Smartpay People

170

+10 from end FY23, sales, marketing and engineering

Consolidated Revenue

Up 39% YoY

\$22.6m

FY23 Q1 \$16.3m

Australian Acquiring Transaction Revenue

Up 52% YoY

\$18.2m

FY23 Q1 \$12.0m

EBITDA

Up 51% YoY

\$5.3m*

FY23 Q1 \$3.5m

Number of Transactions Processed

Up 50% YoY

42m

FY23 Q1 28m

Profit Before Tax

Up 2,300% YoY

\$2.4m*

FY23 Q1 \$0.1m

Total Transaction Value

Up 50% YoY

\$1.5b

FY23 Q1 \$1b

* Excluding one-off Cyber Incident costs



FY24 – Quarter 1

Current Trading Environment

We have an acceleration mindset, whilst retaining our measured approach and recognising the economic environment and changing profile of our company

Continued growth into the Australian market – 7% market share

New Zealand fleet remains consistent

Softening revenue per unit reflective of the economic environment

Continued measured investment in growth and core operations

Elevated investment in internal technology infrastructure to strengthen the company reflecting the size and visibility of Smartpay

Accelerating the R&D spend on the Android terminal and operating environment

Attracting talent and implementing One-team One-organization across Smartpay

Enhancing the risk culture across the company

Sustainability – continuing the work to ensure compliance within the Financial Sector (Climate –related Disclosures and Other Matters) Amendment Act 2021 from FY24



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SUSTAINABILITY AT SMARTPAY



Sustainability we are Always Improving

“We are who we are –
we just do the right thing –
by our team, our customers,
our community and environment”

The Environment

- Measurement of greenhouse gases to support **Aotearoa Climate Reporting** and implement changes to reduce Smartpays impost – preparing for reporting as at 31 March 2024
- 100% of fully depreciated terminals sent for **recycling**
- **Hybrid cars** to partially replace existing vehicle fleet whilst also reducing overall fleet size
- **Terminal packaging** in Australia updated to reduce the requirement for plastic satchels

Delivery socially

- Increasing the Smartpay team by 20 people taking total permanent headcount to 160
- Living wage employer
- Accredited Work Visa employer
- Contributing to the community through donating to charities
- A team led Wellbeing Committee running events to support the wellness and diversity of our Smartpay team
- Implemented policy of company contributions for KiwiSaver and Superannuation to staff over 65

Governance

- **Reduced debt** and focus on **good governance**



Smartpay Holdings Limited

2024

**LOOKING
FORWARD**



The Smartpay Philosophy is to Deliver Outcomes, Not Sell Dreams



Continued acceleration into the Australian opportunity

Explore new opportunities to accelerate



Android Terminal in store

Australia and thereafter New Zealand



One-Team, One-Organisation

Maximise capability as we grow



Continued strengthening of Smartpay

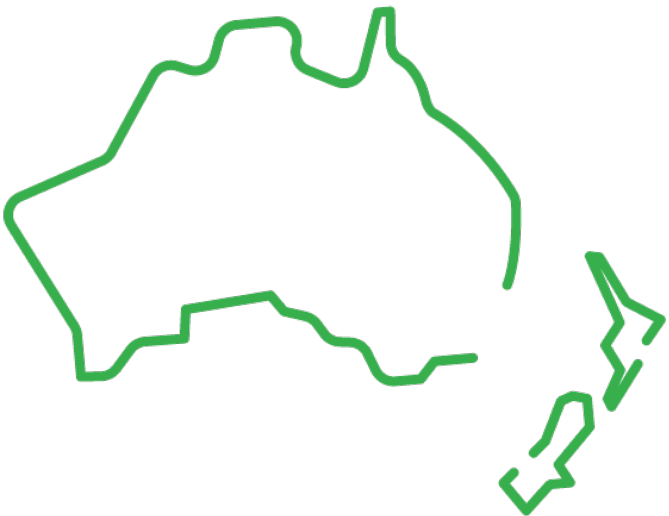
Measured and disciplined investment together with continuous improvement to ensure the business is operating in a manner appropriate for the size, scale and volume we contribute to the payments and settlements system



Aligning the Two

Develop and prepare to launch our New Zealand proposition

Progress against the **Strategic** **Ambition** of Aligning the Two



Android Terminal for Australia – ETA Calendar Year 2023

- Scheme testing and Certification about to commence



Android Terminal for New Zealand – ETA Calendar Year 2024

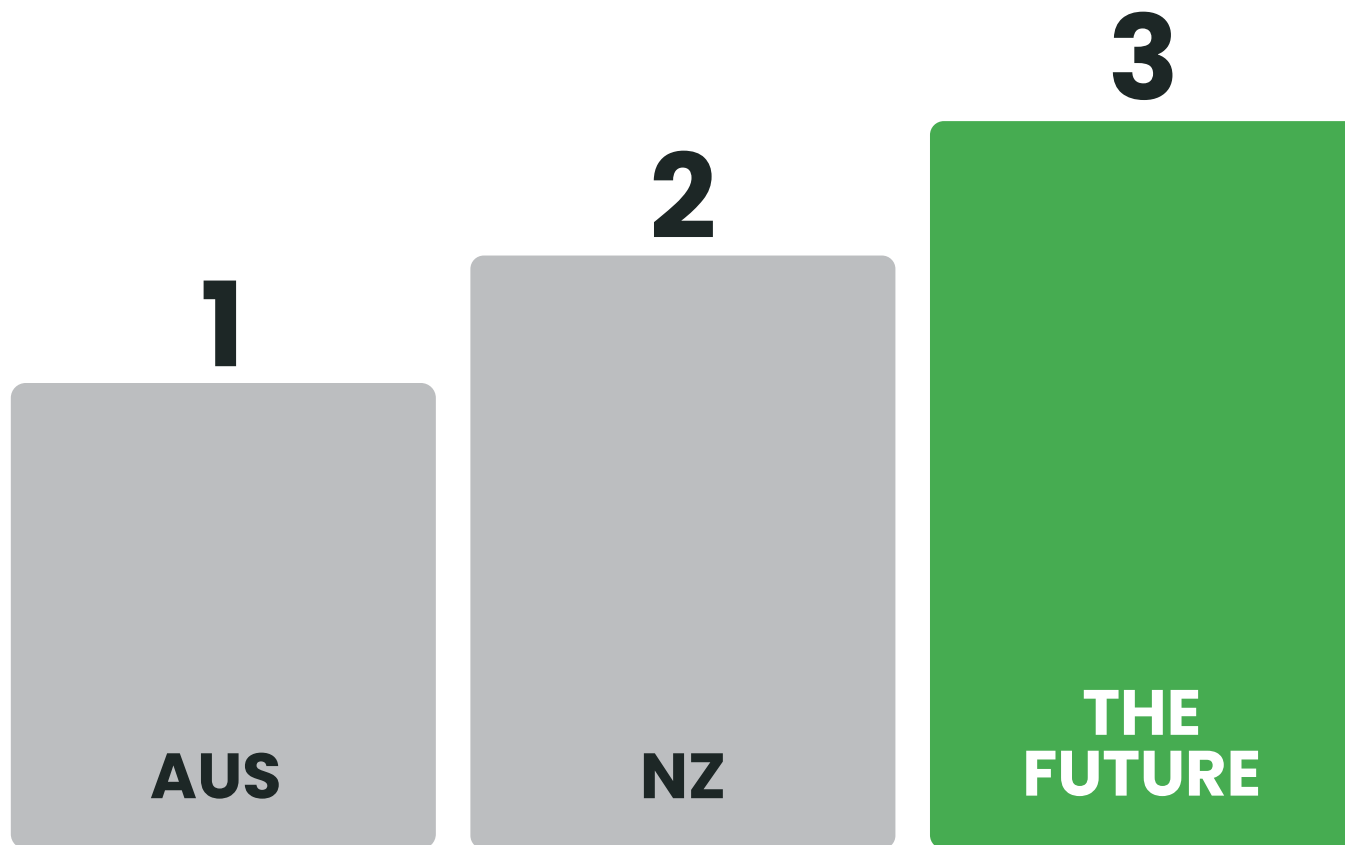
- Australia and thereafter New Zealand



Key partner agreements:

- Cuscal
- Commercials being finalised
- Draft agreements received

The 'Network Effect'



Improved agility and speed to market

Rationalisation of capital required to support compliance

Remote and rapid deployment and distribution of new products and services

Connectivity for customers to self-serve, further improving business efficiency and customer experience



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SHAREHOLDERS QUESTIONS AND DISCUSSION

Greg Barclay
Chair





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ORDINARY RESOLUTIONS

Greg Barclay
Chair



Ordinary Resolutions

Resolution 1: Appointment of Auditors

“That the reappointment of PricewaterhouseCoopers as external auditors of the Company be ratified and approved”

Proxies:

For:	122,188,921	(51.28% of all securities)
Against:	112,372	(0.05% of all securities)
Discretionary:	200,742	(0.08% of all securities)
Abstain:	815,778	(0.34% of all securities)

Resolution 2: Fixing Remuneration of Auditor

“That the Board be authorised to fix the auditors remuneration for the ensuing year”

Proxies:

For:	122,983,017	(51.61% of all securities)
Against:	40,733	(0.02% of all securities)
Discretionary:	203,542	(0.09% of all securities)
Abstain:	90,521	(0.04% of all securities)



Smartpay Holdings Limited

**THANK
YOU**

