



Smartpay Holdings Limited

# 2023 ANNUAL RESULTS

29 May 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** Investor Update

PRESENTED BY:

**Marty Pomeroy**

Chief Executive Officer and Managing Director

**Cherise Barrie**

Chief Financial Officer

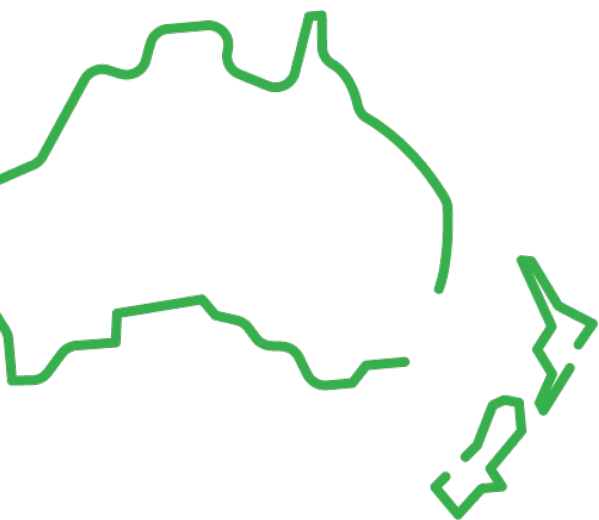
**Aidan Murphy**

Chief Business Officer

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- 1** FY23 – The Year That Was
  - 2** Financial Results
  - 3** Key Dates for 2024
  - 4** Sustainability at Smartpay
  - 5** 2024 – Looking Forward
  - 6** Appendices

# Who We Are, How We Are, What We Do

Smartpays Strategic Goal is to be recognised as the most reliable, capable, agile and innovative omni-channel payments provider in Australia and New Zealand



Smartpay designs, develops and implements innovative payment solutions for customers in New Zealand and Australia.

Our vision has been and remains to be **The Payments Partner of Choice.**



## **One Team**

We will work together to create an inspiring company that we are all proud to work for



## **Fearless**

In our approach to our focus on our customer



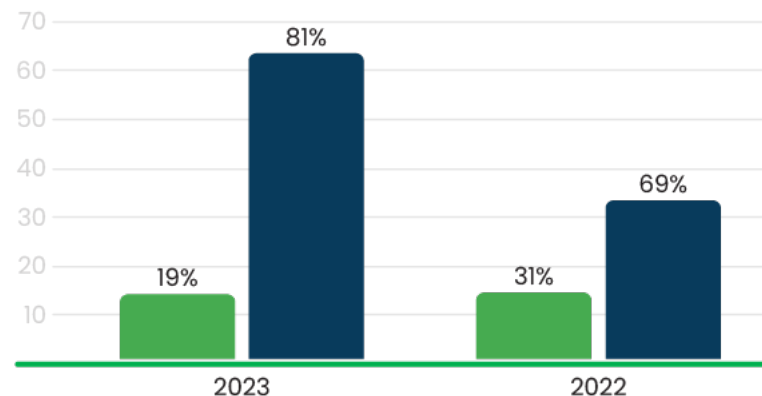
## **We Deliver**

By listening, engaging and being held accountable

# Our Products, Our Markets

## \$m Revenue by Country

● New Zealand ● Australia



### **SmartCharge**

A Zero Cost EFTPOS solution



### **Simple Flat Rate**

Simplified monthly statements



### **Retail Radio**

A compliant instore music and signage solution



### **Merchant Portal**

Summary of transactions across all payment types, by day, week, month and year.



### **SmartConnect**

Integrations to third party applications



### **EFTPOS Terminal**

A compliant rental EFTPOS terminal for New Zealand customers



Smartpay Holdings Limited

# 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

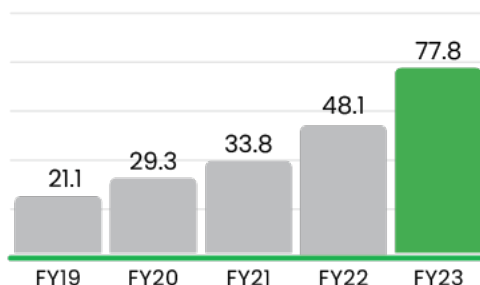
	FY23	FY22*
EBITDA to revenue	↑ 23.7%	21.1%
Operating cost to revenue	↓ 37.4%	43.4%
PBT to revenue	↑ 9.7%	3.7%
Gearing ratio	↓ 23.6%	34.5%
Headcount	↑ 160	140
Revenue per head	↑ \$486k	\$343k
Marketing investment	↑ \$6.9m	\$4.0m
Transacting terminals	↑ 15,700+	9,650+
Trans-Tasman terminal fleet	↑ 46,000+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

\*Restated

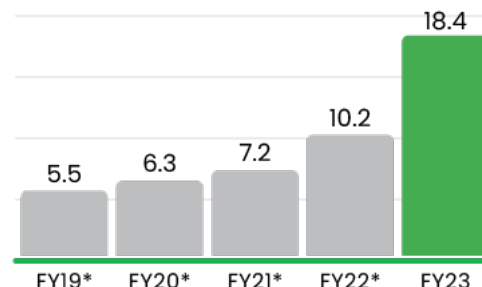


# FY23. Delivering Consistently with Improving Leverage and Cashflows

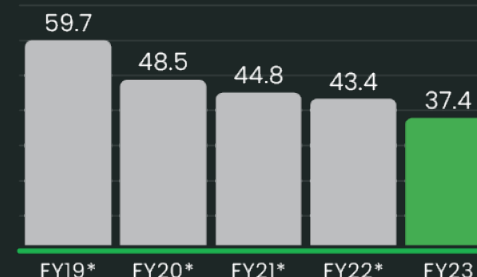
\$'m  
YoY Revenue Growth



\$'m  
YoY EBITDA Growth



% improving  
OPEX\*\* to Revenue



\$'m  
Profit Before Tax



\$'m  
Net Debt to Net Cash



\$'m  
Generating Free  
Cashflows

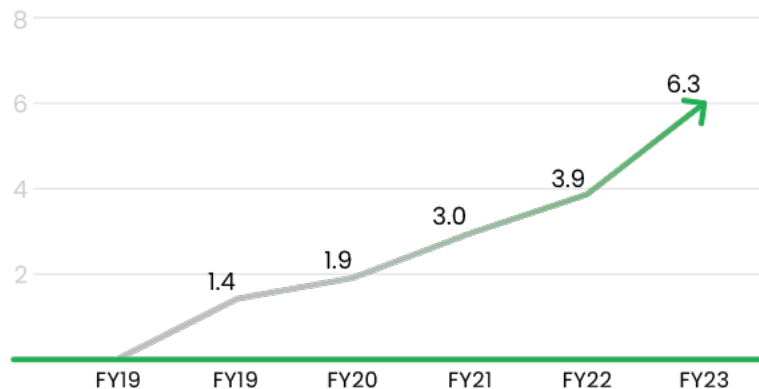


\*Restated

\*\*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**

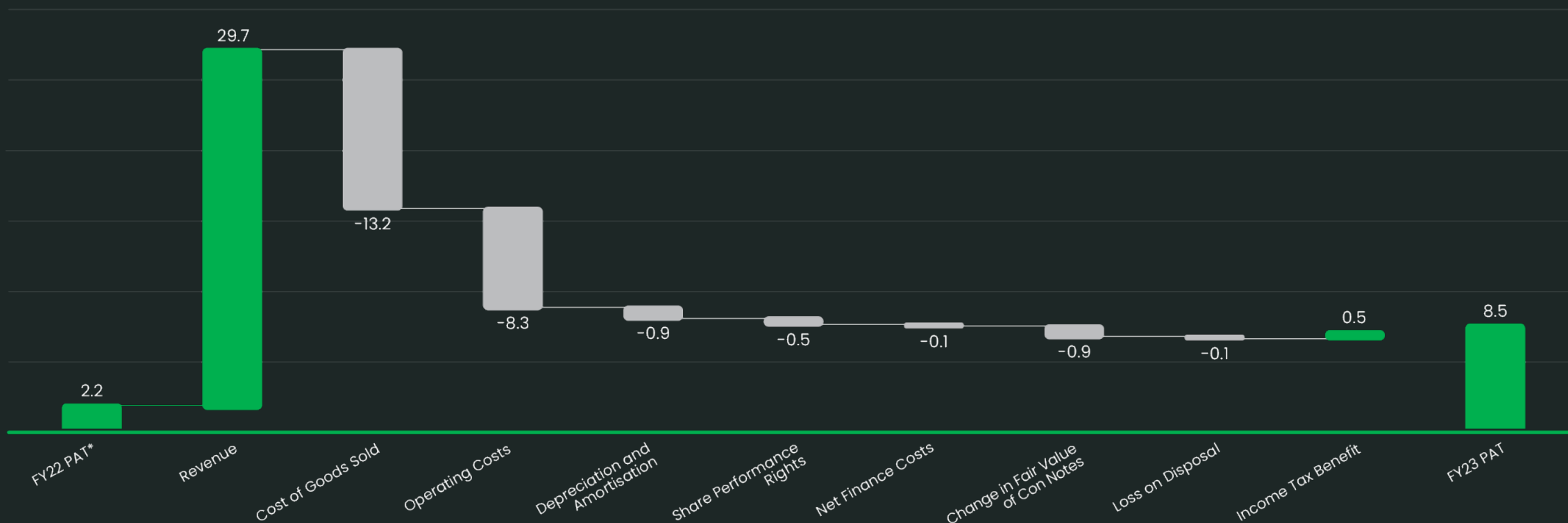
FY22 46

# FINANCIAL RESULTS

for the Year Ended  
31 March 2023



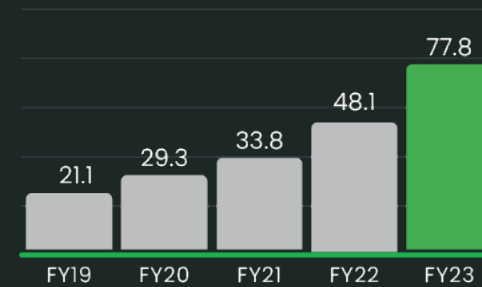
# Increase in Profit after Tax of 290% YoY



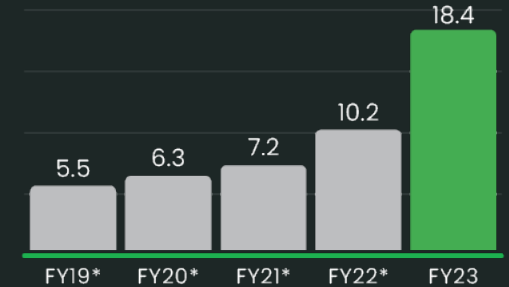
\*Restated

# Growth in Financial Performance Measures Year on Year

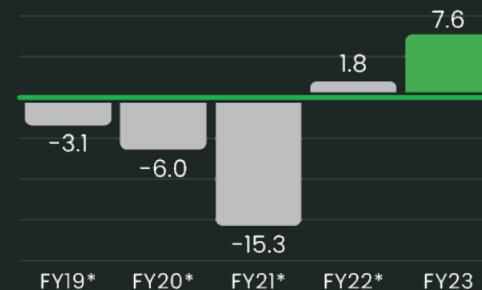
\$'m  
**Revenue**



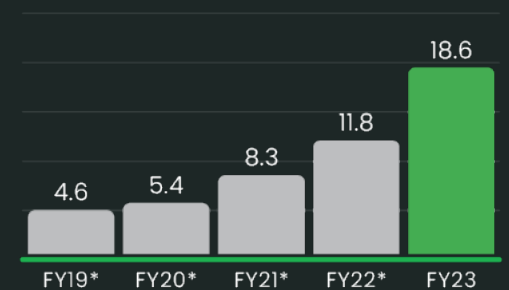
\$'m  
**EBITDA**



\$'m  
**Profit Before Tax**



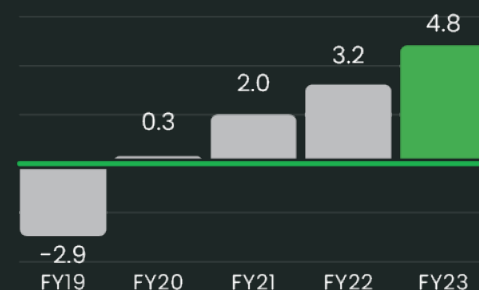
\$'m  
**Operating Cashflows**



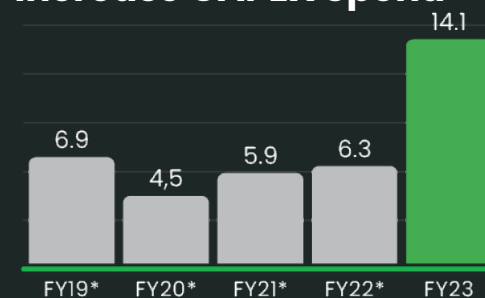
\*Restated

# Improving Free Cashflows, with Operating Cash Funding Investment and Debt Repayments

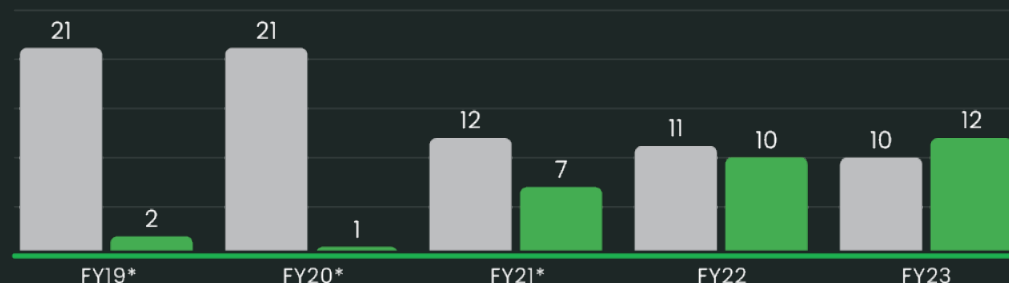
\$'m  
**Free Cashflows**



\$'m  
**Terminal Growth Drives increase CAPEX Spend**



\$'m  
**Bank Debt to Cash**




\*Restated

# 2024 KEY DATES







# Save the Date.

## Keep abreast of Smartpay through FY24



Annual  
General Meeting  
**27 July 2023**



2024 Interim Results  
Announcement  
**27 November 2023**



2024 Full Year Results  
Announcement  
**27 May 2024**



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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
- 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



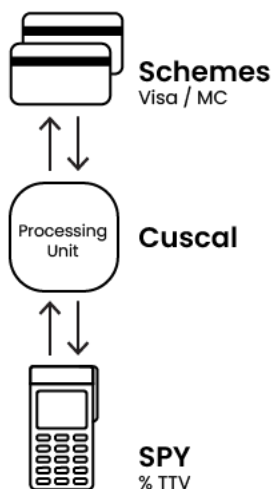
## **Preparing for the New Zealand Opportunity**

Develop and prepare to launch our New Zealand proposition

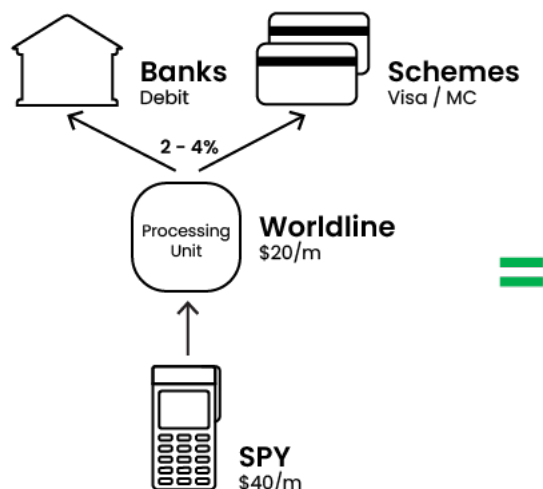
# Execute against our Strategic Ambition – Aligning the Two

	AUSTRALIA	NEW ZEALAND
CURRENT STATE		
Monthly Revenue	Terminal rental plus transactional revenue	Terminal rental revenue
THE OPPORTUNITY		
Monthly Revenue	Terminal rental plus transactional revenue	Terminal rental plus transactional revenue
Customer Acquisition	Sales team Marketing \$'s to generate leads	~ 30,000 terminals in market ⇒ conversion of fleet
Marketing Collateral	New	Leverage Australian materials

## AUSTRALIA

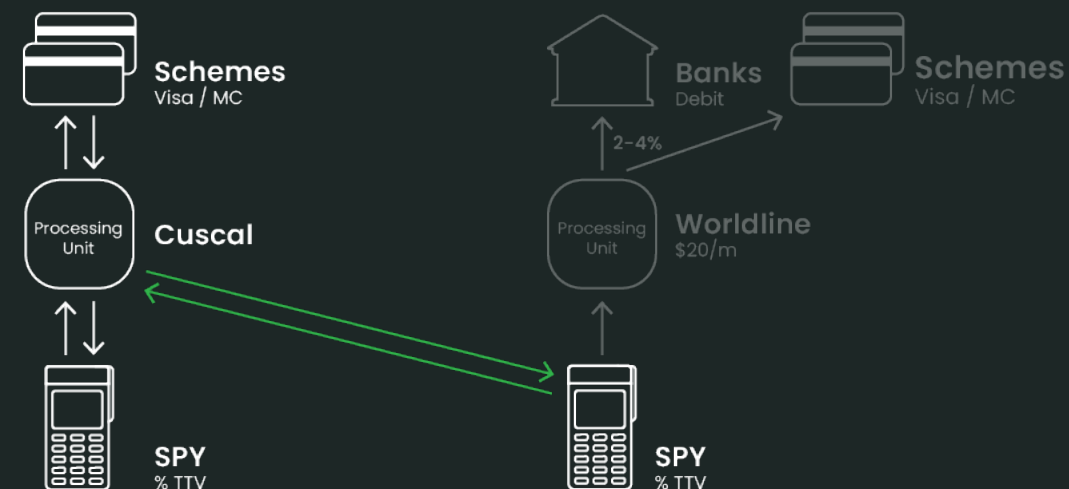


## NEW ZEALAND



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# APPENDICES



# Statement of Comprehensive Income for the Year Ended 31 March 2023

## Income Statement

For the year ended 31 March 2023

	Note	2023 \$'000	2022 restated* \$'000
Revenue	5, 6	77,775	48,080
Other income		4	4
Operating expenditure	7	(59,158)	(37,812)
Impairment losses on financial assets		(227)	(110)
Earnings before interest, tax, depreciation, amortisation expense, foreign exchange adjustments, share performance rights amortisation expense, financial instrument realised/unrealised revaluation movements, and impairment and loss on disposal of property, plant and equipment		18,394	10,182
Depreciation and amortisation expense		(8,824)	(7,972)
Foreign exchange adjustments		(86)	(87)
Share performance rights amortisation expense	27	(1,035)	(539)
Finance income		270	37
Finance costs		(908)	(575)
Net finance costs	7	(638)	(538)
Change in fair value of convertible notes		-	909
Impairment and loss on disposal of property, plant and equipment		(238)	(164)
		(10,821)	(8,391)
Profit before tax		7,573	1,771
Income tax (expense) / benefit	8	885	399
Profit for the year		8,458	2,170
<b>Earnings per share attributable to the shareholders of the Parent during the year</b>			
Basic and diluted earnings per share (cents)	9	3.55	0.92

\*Restated due to the implementation of the IFRS Interpretations Committee (IFRIC) agenda decision, see Note 2h.  
The above Income Statement should be read in conjunction with the accompanying notes.

## Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	2023 \$'000	2022 restated* \$'000
Profit for the year		8,458	2,170
<b>Items that may be classified to profit or loss</b>			
Exchange differences on translation of foreign operation	30	(115)	(83)
Other comprehensive loss, net of tax		(115)	(83)
Total comprehensive income for the year		8,343	2,087

\*Restated due to the implementation of the IFRS Interpretations Committee (IFRIC) agenda decision, see Note 2h.  
The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.





# THANK YOU

Smartpay Holdings Limited