



Smartpay Holdings Limited

# ANNUAL MEETING OF SHAREHOLDERS

2023



# Important Notice

This presentation has been prepared by Smartpay Holdings Limited (**NZX: SPY/ASX: SPM**) (the **Company** or **Smartpay**) for the purpose of briefings in relation to its financial statements.

This presentation may contain certain statements and projections provided by or on behalf of Smartpay Holdings Limited Group (Smartpay) with respect to anticipated future undertakings. Any forward-looking statements reflect various assumptions by or on behalf of Smartpay. Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingences associated with the business of Smartpay which may be beyond the control of Smartpay which could cause actual results or trends to differ materially, including but not limited to competition, industry downturns, inability to enforce contractual and other arrangements, legislative and regulatory changes, sovereign and political risks, ability to meet funding requirements, dependence on key personnel and other market and economic factors. Accordingly, there can be no assurance that any such statements and projections will be realised. Smartpay makes no representation as to the accuracy or completeness of any such statement of projections or that any projections will be achieved and there can be no assurance that any projections are attainable or will be realised.

Additionally, Smartpay makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by Smartpay or by any of its officers, directors, shareholders, partners, employees, or advisers (Relevant Parties) as to or in relation to the accuracy or completeness of the information and statements contained in this presentation or the opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any interested party or its advisers. In furnishing this presentation, Smartpay undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Except to the extent prohibited by law, the Relevant Parties disclaim all liability that may otherwise arise due to any of this information being inaccurate or incomplete. By obtaining this document, the recipient releases the Relevant Parties from liability to the recipient for any loss or damage which any of them may suffer or incur arising directly or indirectly out of or in connection with any use of or reliance on any of the information contained in this document, whether such liability arises in contract, tort (including negligence) or otherwise.

This document does not constitute, and should not be construed as, either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Smartpay.

## 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



Smartpay Holdings Limited

# CHAIRS' ADDRESS TO SHAREHOLDERS

**Greg Barclay**





Smartpay Holdings Limited

# CHIEF EXECUTIVE OFFICERS' ADDRESS TO SHAREHOLDERS

**Marty Pomeroy**





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

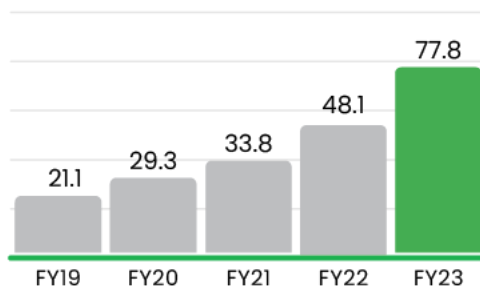
	FY23	FY22*
EBITDA to revenue	↑ 23.7%	21.1%
Operating cost to revenue	↓ 37.4%	43.4%
PBT to revenue	↑ 9.7%	3.7%
Gearing ratio	↓ 23.6%	34.5%
Headcount	↑ 160	140
Revenue per head	↑ \$486k	\$343k
Marketing investment	↑ \$6.9m	\$4.0m
Transacting terminals	↑ 15,700+	9,650+
Trans-Tasman terminal fleet	↑ 46,000+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

\*Restated

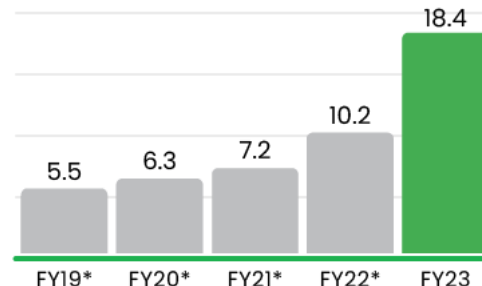


# FY23. Delivering Consistently with Improving Leverage and Cashflows

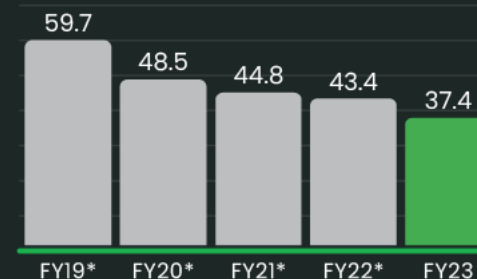
\$'m  
**YoY Revenue Growth**



\$'m  
**YoY EBITDA Growth**



% improving  
**OPEX\*\* to Revenue**



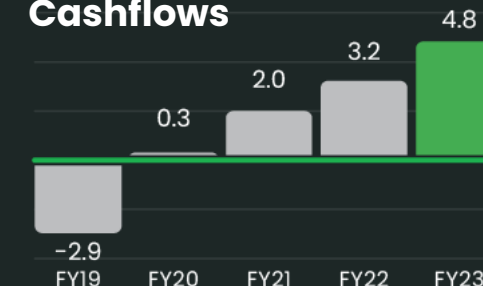
\$'m  
**Profit Before Tax**



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



\$'m  
**Generating Free  
Cashflows**

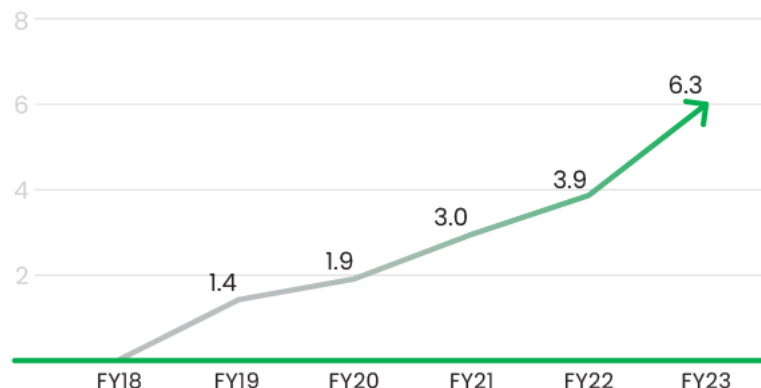


\*Restated

\*\*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



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



Smartpay Holdings Limited

# **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**

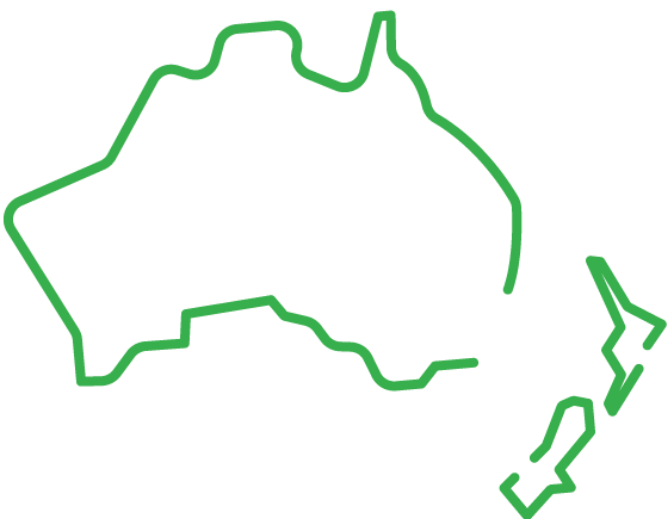
Measured and disciplined investment together with continuous improvement to ensure the business is operating in a manner appropriate for the size, scale and volume we contribute to the payments and settlements system



## **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**

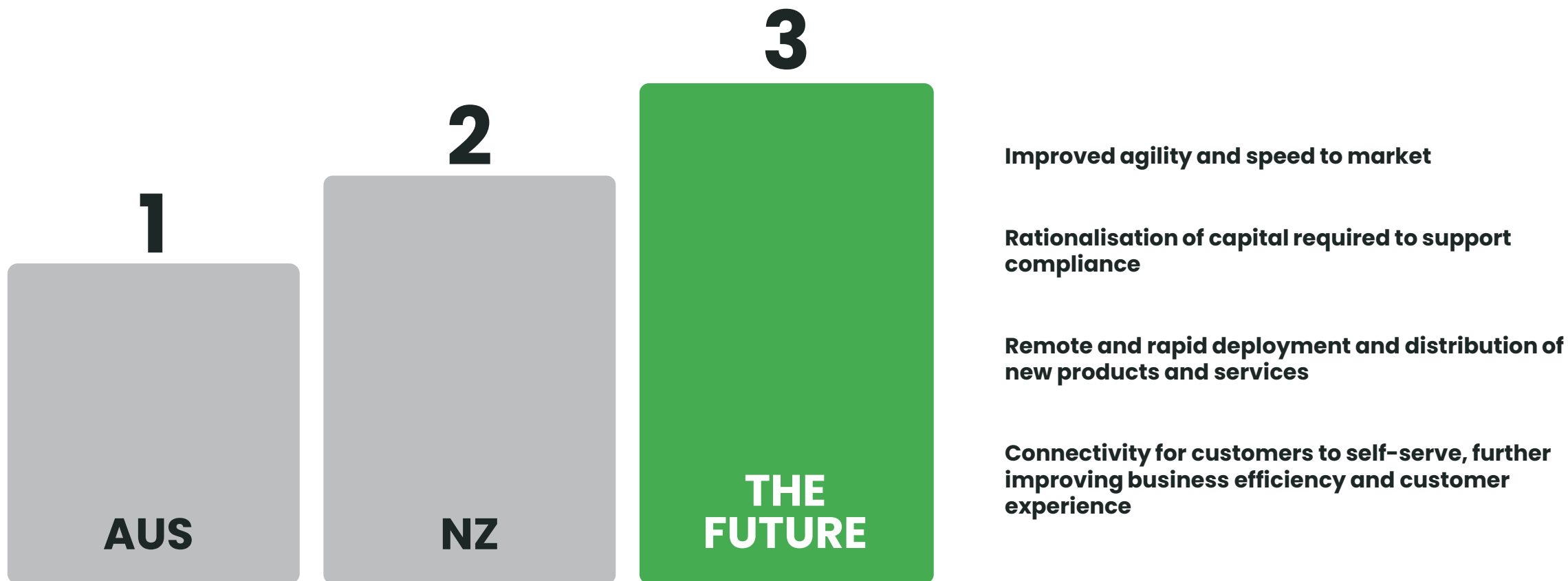
- Australia and thereafter New Zealand



## **Key partner agreements:**

- Cuscal
- Commercials being finalised
- Draft agreements received

# The 'Network Effect'





Smartpay Holdings Limited

# SHAREHOLDERS QUESTIONS AND DISCUSSION

**Greg Barclay**  
Chair





Smartpay Holdings Limited

# 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)



# THANK YOU



Smartpay Holdings Limited