



# Smartpay Interim Results Announcement

25 November 2020

The Board of Smartpay is pleased to announce its half year results to 30 September 2020.

ASX: SMP

NZX: SPY

## SHARE INFORMATION

Issued Shares: 209,466,562

## BOARD OF DIRECTORS

**Non- Exec Chairman:** Greg Barclay

**Managing Director:** Marty Pomeroy

**Non-Executive:** Matthew Turnbull

**Non-Executive:** Carlos Gill

**Non-Executive:** William Pulver

## WEBSITES

[www.smartpay.co.nz](http://www.smartpay.co.nz)

[www.smartpay.com.au](http://www.smartpay.com.au)

[www.smartpayinvestor.com](http://www.smartpayinvestor.com)

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## Business Highlights

- We are achieving record levels of lead generation and sales conversions in our Australian business off the back of our growing market presence, increased marketing activity and brand awareness campaigns.
- We are achieving this top-level growth together with continued increase in acquiring margin through the period.
- Australian transacting terminals grew to 4,611 at end September. Current transacting terminals has further increased to 5,098 as at the end of October.

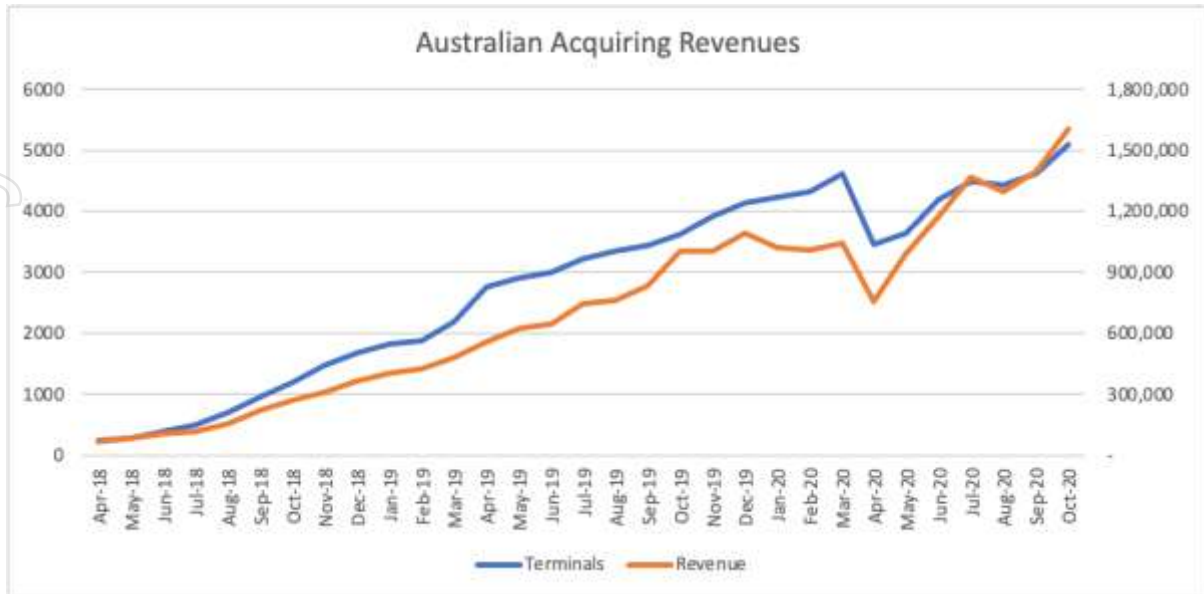
## Six Months Financial Highlights

- Revenue \$14.5m, an 8% increase on the prior year \$13.4m.
- Australian acquiring revenue:
  - \$6.3m, a 67% increase on the prior year \$3.8m.
  - Strong recovery post Covid-19 with September the largest month on record.
  - Current annualised run-rate over \$19m (based on October) compared to \$9.5m for the entire FY20 financial year.
- EBITDA of \$3.4m, a 6% decrease on prior year. The result includes approximately \$500k adverse Covid-19 related impact to the business and significant ramp up in marketing and sales activities.
- After Tax Loss of \$9.2m largely driven by \$7.7m non-cash fair value adjustment of existing convertible notes – a direct result of our strong share price increase.
- Net debt, excluding convertible notes, has reduced significantly to \$4.8m from \$19.4m at the beginning of the period through the capital raise.

## Operating Performance

With the period under review beginning on 1 April, aligning almost exactly with the start of the full Covid-19 lock-down in Australia and New Zealand, operating performance was heavily impacted in the first part of the period.

This is clearly reflected in the Australian Acquiring graph below which also highlights the speed of our recovery to pre Covid-19 levels and continued growth to the record level of both terminal deployment and revenue generation we are experiencing today. So, notwithstanding the strong revenue increase over the prior year period, this would have been even stronger but for the impact of Covid-19.



We experienced a similar trend in the level of activity of our New Zealand terminals during the initial period of much stricter lockdown in New Zealand, however the revenue impact was significantly mitigated due to the predominantly fixed rental fee nature our New Zealand business model.

We conducted a successful capital raise in late June as we sought to reduce our debt through the uncertainty of Covid-19 and prepare the business to be best placed for the opportunities we anticipated would present as both countries began to emerge from lockdown. This has allowed us to apply capital to rapidly ramp up our sales and marketing activities which saw us double the capacity in both our Australian sales and marketing teams in the second quarter and which had a direct benefit as evidenced in the growth in our Australian acquiring business currently being achieved.

**Summary and Outlook**

Notwithstanding the disruption of the Covid-19 lockdowns on both our business and those of our customers, we have come through the period well capitalised and with the business growing strongly.

Given the current level of growth and underlying performance of the business, we expect to generate record revenue in the second half.

**ENDS**

**Approved for release by the Board of Smartpay Holdings Limited  
25 November 2020**

**For further information contact: Marty Pomeroy, Managing Director, +64 27 3012427**

\*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.

## Corporate Directory

### Registered and Principal offices

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Website:

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### Shareholder Enquiries

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