



ASX ANNOUNCEMENT

26 June 2018

Leadership changes - Peter O'Connell appointed CEO and Managing Director; amaysim FY18 earnings guidance

The Board of amaysim Australia Limited (ASX:AYS) ("amaysim" or "company") today announced that Chief Executive Officer and Managing Director (CEO) Julian Ogrin will be leaving the company and the role of CEO will be assumed by Peter O'Connell. The changes will take effect on 1 July 2018.

Mr Ogrin joined amaysim in 2013 and has served as CEO since 2015 prior to amaysim listing as a public company. Mr Ogrin has accepted an executive position in the newly merged Foxtel and Fox Sports.

Mr Ogrin said: "It has been a privilege to lead amaysim during a pivotal period as we transformed from a private to a publicly listed company and embarked on a diversification strategy. I'm proud that, despite the changes in our business and industries in which we operate, we have kept true to our values as a challenger brand focused on delivering an exceptional customer experience. I have great confidence in Peter and amaysim's highly skilled management team and look forward to celebrating their success from the sidelines as a shareholder and keen supporter of the company, its people and its strategy."

Mr O'Connell is an internationally experienced executive with more than 20 years' experience across multiple industries, including the telecommunications industry. He co-founded amaysim in 2010 and served as the company's Chairman from inception until June 2015 and has remained involved with the company as a non-executive director from June 2015 until now, including being a member of the Board Energy Committee.

amaysim Chairman Andrew Reitzer said: "I would like to thank Julian for his leadership and tremendous commitment to the company. He has worked tirelessly and been steadfast in his determination to execute on amaysim's strategy to diversify into new markets and build a more successful and resilient business. Julian leaves a terrific legacy at amaysim and the Board wishes him all the best in his future endeavours.

"The appointment of Peter to CEO comes after consideration of the company's strategic plans as well as the skills, experience and attributes we believe are necessary to carve out a strong future for amaysim in an increasingly competitive market, drive profitable growth across the group and build shareholder value.

Mr O'Connell said: "I'm delighted to take the CEO position and excited to lead this company, which I co-founded in 2010 and have remained passionate and committed to. I look forward to the challenges and opportunities of this role."

The material terms of the Chief Executive Officer and Managing Director contract are outlined in Appendix 1.

The company today also announced its FY18 earnings guidance¹ based on its year to date results to May 2018.

A summary of the FY18 earnings guidance is set out below:

	FY18 Guidance
Statutory net revenue (\$m)	573 – 583
Statutory EBITDA (\$m)	36 – 39
Underlying EBITDA (\$m) ²	45 – 48
Subscribers ('000)	
Mobile	1,150 – 1,160
Energy	190 – 192
Broadband	14.5 – 15.5

The earnings guidance is based on the solid growth year to date in subscribers across mobile, energy and broadband, with new product launches, the refresh of the mobile product suite and successful marketing campaigns all contributing.

The company's diversification strategy is providing growth and resilience in the business and puts it in a much stronger position to face unprecedented competition in mobile than when it listed in 2015.

The management team has been proactively positioning the company for the changing dynamics in the mobile sector. In May 2017, the Company diversified with acquisition of Click Energy and in October 2017, it pre-empted its competitors by repositioning the amaysim mobile product portfolio into lower priced segments, much earlier than others in the market, allowing it to maintain competitiveness and continue to grow mobile subscribers.

Pleasingly, after this period of repositioning, mobile ARPU has stabilised in the second half as the rate of existing subscribers migrating to lower price plans has slowed.

amaysim remains focussed on cross-selling higher ARPU broadband and energy to its significant mobile subscriber base and management is pleased with the progress being made in both these verticals. The key focus in the coming months will be to execute on a number of tactical cross-sell initiatives and grow brand awareness as a multi-service provider.

PETER O'CONNELL BIO

Peter O'Connell is an experienced corporate executive, entrepreneur and Board director with particular expertise in the telecommunications, technology and energy industries. He is a co-founder of amaysim, was Chairman of amaysim from incorporation until June 2015, and a non-executive director from 2015 until now. He has held senior executive and board roles at Optus Communications, BellSouth, eircom (Ireland's national carrier) and Meteor (Irish mobile operator). He is the founder of Hargrave Consultants, a boutique advisory business in telecommunications and technology, and was previously a partner at Minter Ellison and Gilbert & Tobin. Peter was very involved in the formation of Optus and Australian Telecommunications reform and has served on a number of boards for private and public companies. Peter holds a Bachelor of Arts (Hons) from the University of Sydney and an LLB Bachelor of Law from Australian National University.

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ABOUT AMAYSIM

amaysim exists to make household services amazingly simple. Australia's fourth largest mobile service provider, with over 1.1 million subscribers, now also provides home internet, energy and devices to approximately 800,000 Australian homes. All amaysim products feature no lock-in contracts, transparent pricing, and are built to deliver great customer experience, convenience and outstanding value. At its core, amaysim is a technology-driven company, offering customers DIY account management backed by award-winning, online-first customer support. The ultimate home service simplifier, amaysim is removing the unnecessary hassle from everyday life by bringing home services under one roof. For home services explained click [here](#) and for more about amaysim visit www.amaysim.com.au.

¹ All financial information provided in this announcement is based on unaudited 31 May 2018 management accounts and management's forecast trading for June 2018. The final actual FY18 earnings results will be subject to year end close processes and audit by the Company's auditors. The guidance provided for the 2018 financial year assumes revenue stability with no changes to amaysim's product offering, competitive developments affecting our products, legislation or regulations that affect our products. The guidance also assumes wholesale product price stability, no impairment to assets, and excludes the sale of businesses, mergers and acquisitions.

² Underlying figures have been calculated from forecast statutory data after excluding integration related expenses, investments in strategic initiatives and other non-core expenses. Refer to appendix 2 for reconciliation between forecast statutory and forecast underlying results. Given the integration related costs, non-core expenses and strategic investments included in the forecast statutory results, the directors are of the opinion that forecast underlying financial information should also be used in understanding the forecast statutory EBITDA of the Group. This information should be considered as supplementary to the forecast statutory EBITDA that has been presented in accordance with the Australian Accounting Standards and not as a replacement. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way amaysim has calculated these measures may differ from similarly titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.

IMPORTANT DISCLAIMER

Forward-looking statements included in this announcement are based on the company's current views and assumptions as well as information known to date (subject to various risks and uncertainties). Actual results, performance or achievements could be materially different from those expressed in, or implied by, these forward-looking statements. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond amaysim's control. These factors may cause actual results to differ materially from those expressed or implied by this announcement. Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast.

To the maximum extent permitted by law, amaysim and its related body corporate, directors, officers, employees and agents disclaim and do not assume any obligation or undertaking to release any updates or revisions to the information in this announcement to reflect any change in expectation or assumptions and disclaim all responsibility and liability for any loss arising from use or reliance on this announcement or its content (including without limitation, liability for fault or negligence).

Appendix 1. Summary of material terms of employment agreement of Peter O'Connell

Name	Peter O'Connell
Position	Chief Executive Officer and Managing Director
Commencement	1 July 2018
Termination and notice	Customary termination rights and 12 months' notice for either party
Fixed remuneration	\$750,000 per annum, inclusive of superannuation
Short Term Incentive	<p>Participation in amaysim's annual STI Plan.</p> <p>The maximum STI payment in respect of each financial year is 100% of fixed remuneration and is subject to vesting conditions and customary discretion reserved for the Board.</p>
Long Term Incentive	<p>Participation in amaysim's annual LTI Plan.</p> <p>To ensure appropriate alignment between shareholder returns and the CEO's performance, the Board will recommend an issue of performance rights at the 2018 AGM.</p> <p>Subject to shareholder approval, 4,000,000 performance rights will be issued. These performance rights will be subject to testing at the end of a 3-year period. Subject to achievement of the relevant performance requirements, the rights will vest at the end of this 3-year period. Half of the rights will automatically vest in the event of a takeover or scheme of arrangement (with the remainder being subject to the Board's discretion).</p>

Appendix 2. FY18 EBITDA statutory to underlying reconciliation

\$ million	Note	FY18 Guidance
Statutory EBITDA		36 – 39
Add back/(deduct):		
Acquisition related expenses	i	0.1 – 0.2
Non-core expenses	ii	0.6 – 0.8
Launch of new verticals	iii	1.9 – 2.0
Investment in new mobile products	iv	2.6
Integration expenses	v	3.6 – 3.8
Underlying EBITDA		45 – 48

Due to rounding, numbers presented in the table above may not add up precisely to the totals provided. All figures reported are for the amaysim Group, which includes the mobile, devices, broadband and energy businesses.

Notes:

- i. Acquisition related expenses comprise costs relating to previous acquisitions
- ii. Non-core expenses relate to staff redundancy and termination expenses associated with restructuring activities and consultant costs related the adoption of new accounting standards
- iii. Investment relating to the launch of the amaysim online device store, comprising marketing launch costs and promotions
- iv. 'Just What You Need' marketing campaign to promote amaysim's new \$10 small but mighty mobile plan and support the Group's brand awareness
- v. Integration related expenses comprise of costs directly related to integrating and reorganising acquired businesses Click Energy Group Holdings Pty Ltd and Australian Broadband Services Pty Limited and allocated employee expenses