



## ASX ANNOUNCEMENT

19 February 2016

### **amaysim reports strong profit growth and margin performance for 1H16**

*Disciplined subscriber growth, online engagement and scalable model driving profitable growth*

#### **HIGHLIGHTS**

- Net revenue for amaysim in 1H16 increased 17.9% to \$117.3m from \$99.5m in 1H15
- Underlying 1H16 EBITDA<sup>1</sup> of \$12.6m, up 173.9% on previous corresponding period<sup>2</sup> and underlying NPATA<sup>1,3</sup> of \$8.0m, up 247.8% on 1H15 pro forma NPATA<sup>2</sup>
- Statutory 1H16 EBITDA of \$2.6m and statutory NPATA<sup>3</sup> of \$1.1m, reflects accounting for costs related to IPO and the acquisition of Vaya
- Gross margin per subscriber<sup>4</sup> has exceeded Prospectus expectations by \$0.08, moving from an FY16 forecast of \$7.93 to \$8.01 for 1H FY16 – reflecting pursuit of quality customers and underpinned by a strong NSA, online engagement and scalable platforms
- Successful launch of new products and marketing campaign boosting growth
- Board announces a maiden dividend of 3 cents per share (unfranked) in line with Prospectus guidance
- Vaya integration on track and delivering benefits in-line with expectations

amaysim Australia Limited (ASX:AYS) today announced its results for the half year to 31 December 2015. amaysim's subscriber base increased 12.5% to 764,000 from 679,000 at the end of 1H15, reinforcing the company's position as the leading independent mobile services provider in Australia in a competitive and dynamic market.

Net revenue for amaysim in 1H16 increased 17.9% to \$117.3m from \$99.5m in 1H15, while underlying EBITDA<sup>1</sup> grew 173.9% from the previous corresponding period to \$12.6m. Underlying NPATA for 1H16 was \$8.0m, an increase of 247.8% from \$2.3m in 1H15.

The results were underpinned by solid gross margin performance in the period, positively impacted by the Network Services Agreement (NSA) with Optus, online engagement and the company's scalable, capital light business model.

The company also announced a maiden dividend of 3 cents per share (unfranked), reflecting a payout ratio of ~70% of underlying NPATA.

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<sup>1</sup> Underlying 1H16 financial information has been calculated from statutory data after excluding the impact of IPO expenses and any acquisition related expenses. Earnings do not include Vaya, which was acquired post 31 December 2015.

<sup>2</sup> Pro forma financial information has been extracted from the amaysim Prospectus to reflect the full period impact of the operating and capital structure that is now in place as if it had occurred at 1 July 2014 and with adjustments made for non-recurring items including the impact of the IPO.

<sup>3</sup> NPATA is defined as NPAT adding back amortisation of acquired intangibles other than software.

<sup>4</sup> Gross margin per subscriber has been calculated as ARPU multiplied by the Gross Margin percentage, with the FY16 ARPU and Gross Margin numbers extracted from the Prospectus forecasts

## 1H16 Key Financial Information

<i>December Half Year End A\$ million (unless stated)</i>	1H16 Underlying	1H15 Pro Forma	Growth (%)
EBITDA	12.6	4.6	173.9
NPATA	8.0	2.3	247.8
Underlying EPS (cents per share) <sup>5</sup>	4.6	1.4	228.6

<i>December Half Year End A\$ million (unless stated)</i>	1H16 Statutory	1H15 Statutory	Growth (%)
Net revenue	117.3	99.5	17.9
Gross profit	35.7	25.8	38.4
Gross profit margin %	30.4%	25.9%	4.5
EBITDA	2.6	4.6	(43.5)
NPAT	0.7	17.1	(95.9)
NPATA	1.1	17.5	(93.7)
EPS (cents per share) <sup>5</sup>	0.4	10.4	(96.2)
ARPU (\$)	\$26.34	\$25.17	4.6
Closing subscribers ('000s)	764	679	12.5

Julian Ogrin, amaysim's Chief Executive Officer and Managing Director, said, "We are pleased to report a solid first half result which reflects our ongoing approach to driving sustainable, profitable growth in a dynamic and competitive market. We are leveraging amaysim's core competencies of technology disruption, online engagement and scalable operating structures to drive returns for shareholders while maintaining our customer-centric approach to mobile services."

Mr. Ogrin said, "In late 2015, we launched our refreshed suite of UNLIMITED plans that focus on data as a key purchase influencer. This range of 'one-decision' plans has been very positively received by the market. We also launched the 'amazingly simple' brand platform, a sophisticated marketing proposition. We've seen broad and sustained brand exposure and favourable response from our target market. Together, the innovative plans and a strong marketing campaign had a positive impact on subscriber growth."

amaysim's earnings-accretive acquisition of the Vaya business is performing in-line with expectations with early synergies delivered and integration on track.

Mr Ogrin continued, "Vaya is a complementary brand that provides scale and support to the amaysim group through expanded customer service and web development resources at its Philippines based operations."

Mr Ogrin concluded, "This first half result demonstrated our ability to be disciplined, agile and strategic in our approach to sustainable growth. We are reaffirming our FY16 pro forma forecast of underlying EBITDA to meet \$31.7m across the amaysim group (including Vaya contribution net of integration and transaction costs) with subscriber numbers for the group expected to be 960,000 to 980,000 for the financial year ending June 30 2016.

<sup>5</sup> EPS / Underlying EPS is calculated as NPAT / Underlying NPAT dividend by weighted average number of shares on issue.

“In the remainder of FY16, our intention is to reinforce our position as Australia’s leading independent mobile services provider and as an online-based technology disruptor in the mobile services space. We will achieve this by further strengthening the amaysim brand, optimising our dual-brand strategy, leveraging the investments in growth we made in 1HFY16 and accelerating online customer acquisition and engagement.”

**For more information, please contact:**

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