



INVESTOR BRIEFING

FY24 Results

26 August 2024

Tyro Payments Limited ABN 49 103 575 042



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01

Introduction and
summary

02

Strategic delivery

03

Financial
performance

04

Outlook and Q&A

The logo for 'tyro' is displayed in a bold, lowercase, sans-serif font. The letters are black with a subtle, grainy texture. The logo is positioned on the right side of the slide, centered vertically between the '02' and '03' sections. The background behind the logo consists of a large, stylized arrow shape pointing to the right, composed of several overlapping rectangular segments in shades of blue and green.



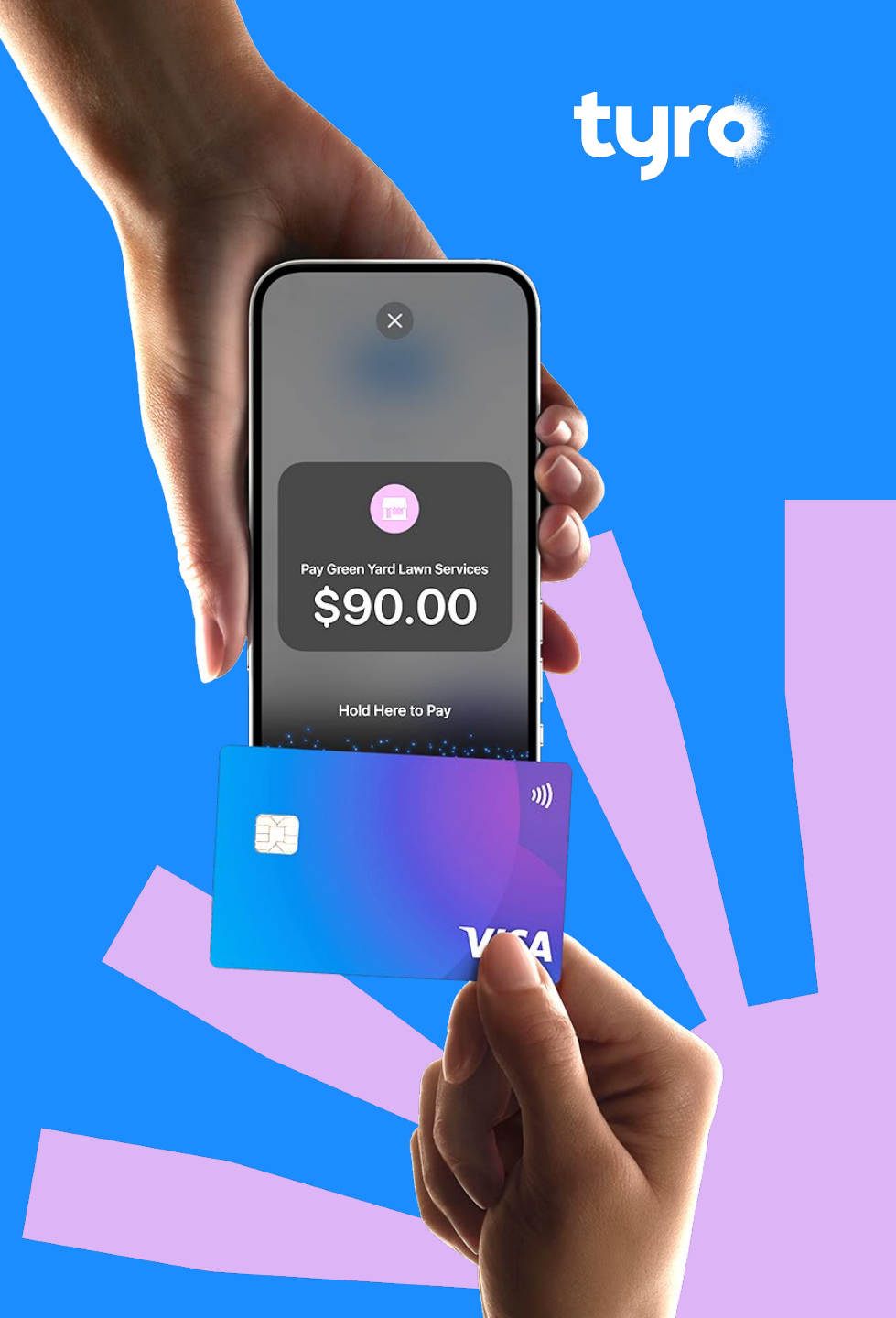
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INTRODUCTION AND SUMMARY



Jon Davey

CEO and Managing Director





GOOD PROGRESS AGAINST OUR STRATEGIC INITIATIVES

with focus on enhancing our proposition to merchants

STRONG FY24 FINANCIAL PERFORMANCE

transitioned to a significantly more profitable business

UNIQUELY POSITIONED FOR GROWTH OPPORTUNITIES

while delivering profitable and sustainable growth

GOOD PROGRESS AGAINST OUR STRATEGIC INITIATIVES

with focus on enhancing our proposition to merchants

**PRODUCT
INNOVATION**

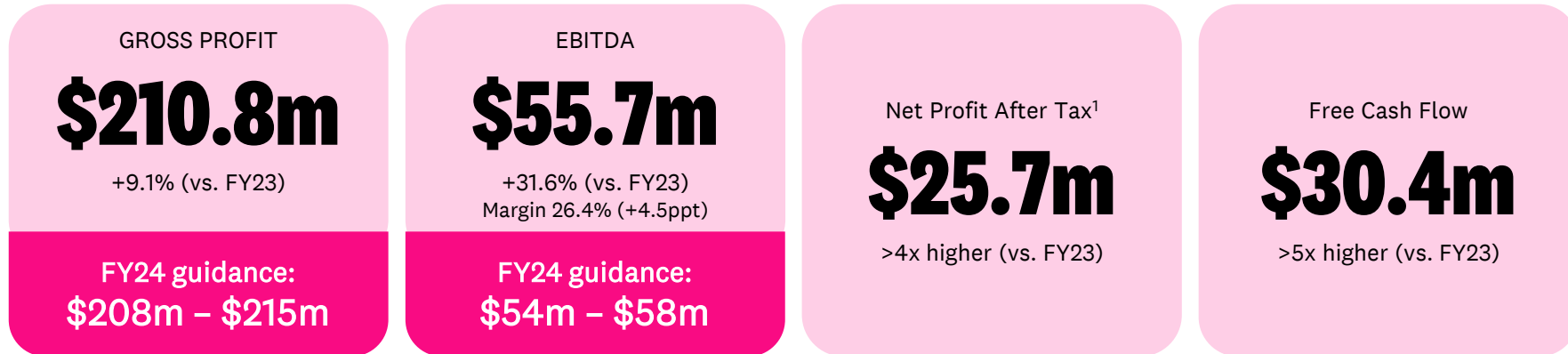
**PRICING
TRANSFORMATION**

**IMPROVED
OPERATING
EFFICIENCY**

**GROWTH AND
NEW VERTICALS**

STRONG FY24 FINANCIAL PERFORMANCE

transitioned to a significantly more profitable business



UNIQUELY POSITIONED FOR GROWTH OPPORTUNITIES

while delivering profitable and sustainable growth

WE WILL LEVERAGE:

- Strong balance sheet
- Tech stack: 100% owned end-to-end
- Targeted distribution channels
- Integrated payments + banking

TO DELIVER:

- Growth in addressable market
- More diverse customer base
- Better customer economics
- Improved profitability



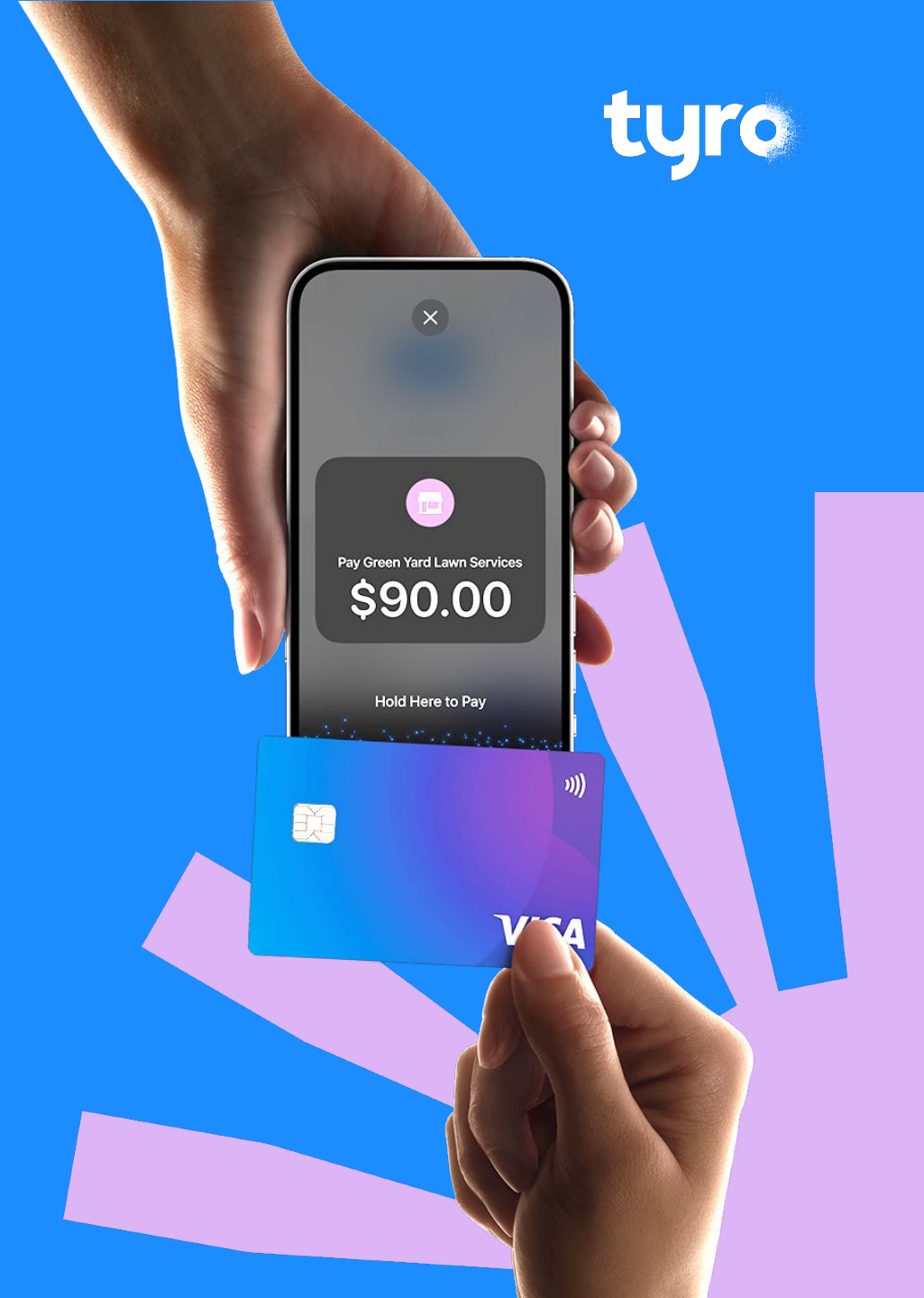
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STRATEGIC DELIVERY



Jon Davey

CEO and Managing Director



PRODUCT INNOVATION

UNIFIED PAYMENTS

Innovating for the future with Tyro Unified Payments

BUNDLED PAYMENTS + POS

Promising response with bundled payments, with initial efforts focused on managing high churn-risk merchants

- 36 POS partnerships
- Almost 1,000 merchants using bundled pricing

DEVICE AND POS AGNOSTIC EMBEDDED PAYMENTS

Good progress integrating POS partners via the Tyro SDK

- 1 major POS partner already live
- >10 partners currently in development



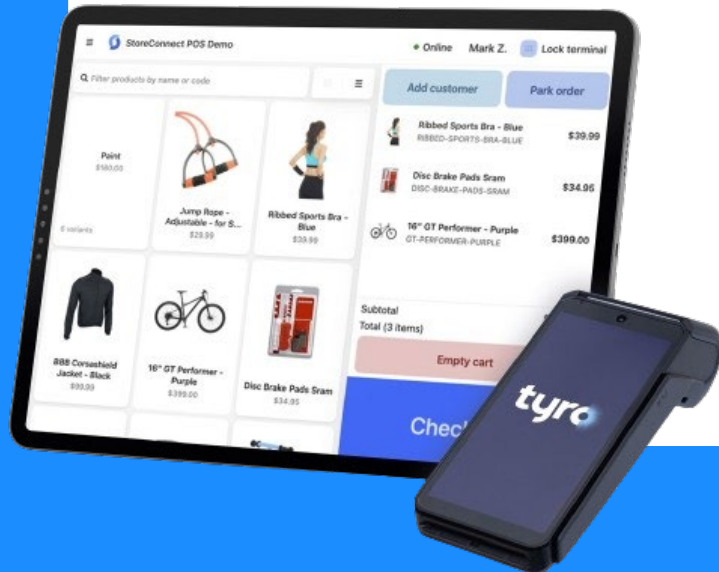
PRODUCT INNOVATION - PAYMENT ECOSYSTEM



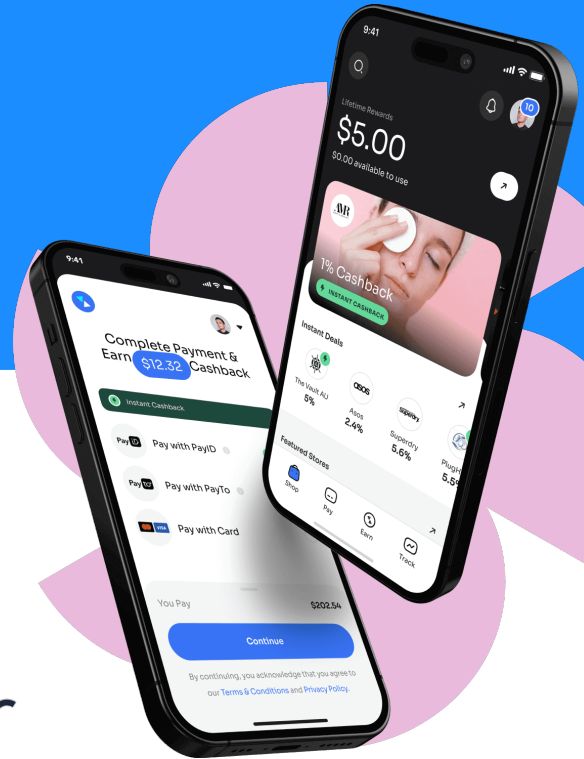
Our infrastructure is powering popular end-customer solutions



We enabled payments for StoreConnect, the world's first Salesforce integrated POS for small businesses



helloclever partnered with Tyro to build its revolutionary real-time cashback rewards scheme





CONTINUED GROWTH IN ACTIVE BANK ACCOUNT USERS



Our integrated payments and banking offering resonates with our merchants

Banking Gross Profit

+29% (YoY)

\$12.6m

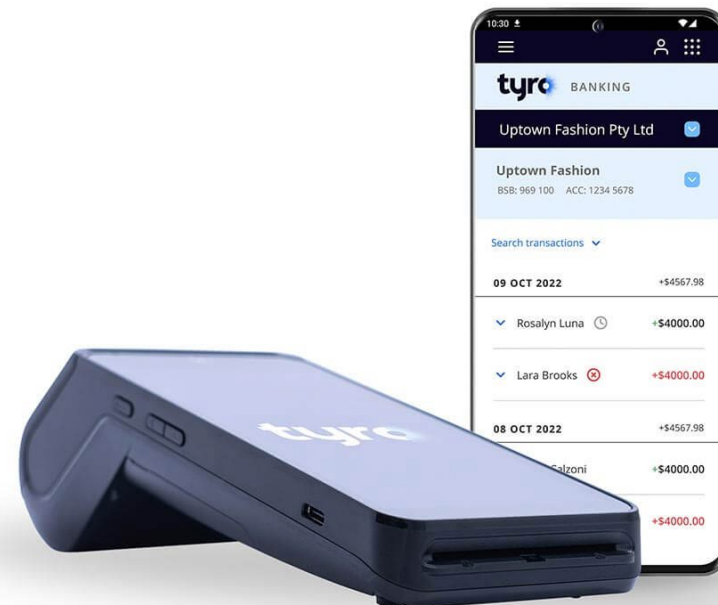
Active Tyro Bank Accounts

+27% (YoY)

7,643

Tightened lending policy led to lower loan originations

Loan originations **- 9% (YoY)**



**STRATEGIC GOALS
REMAIN UNCHANGED:**

50%

Front-book banking adoption

20%

Banking % of total gross profit



SUCCESS IN FURTHER EMBEDDING FINANCIAL DISCIPLINE

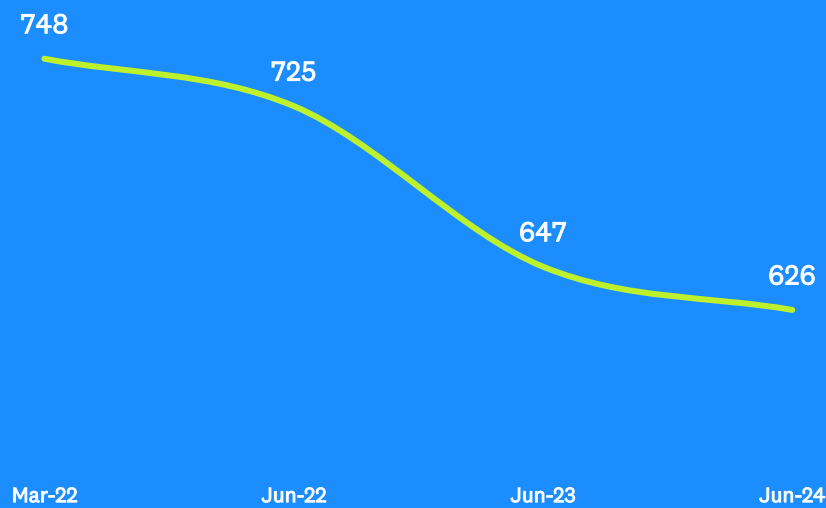
Pricing transformation



Improved operating efficiency

- Reprioritisation to focus on smaller number of high impact projects
- Process digitisation and automation
- Right-sizing of teams across the business

Total headcount (period-end)¹



¹ Includes permanent employees and contractors



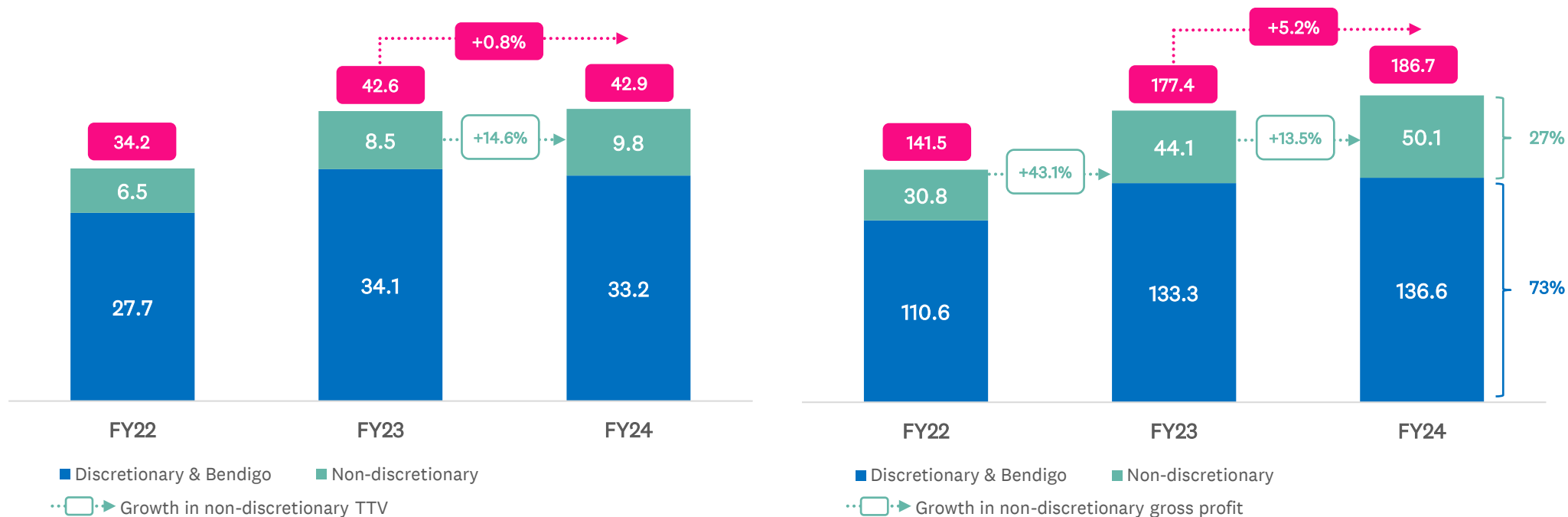
CONTINUED GROWTH IN OUR NON-DISCRETIONARY VERTICALS



Increasingly diversified into highly attractive non-discretionary verticals

PAYMENTS TTV (\$B)

PAYMENTS GROSS PROFIT (\$M)



- Volume and gross profit **growth in non-discretionary verticals continues to be strong**, and we have a strong position in these markets
- **More than 1 in 4** of all payments gross profit originates from **non-discretionary verticals**

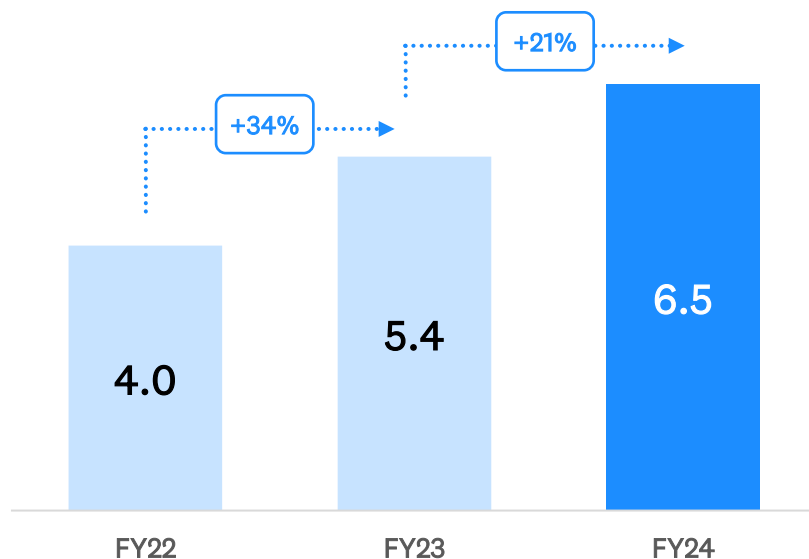


TYRO HEALTH CONTINUES TO DELIVER STRONG GROWTH



Tyro Health is a fast growth business that will generate durable cashflows into the future

HEALTH TTV (\$B)



FAST GROWTH

>20% growth in TTV in FY24; strong growth expected to continue over medium-term, supported by growing health related spend in Australia

COMPETITIVE ADVANTAGES

By solving a multitude of complex vertical-specific problems for a variety of connected groups, Tyro has created moat-like characteristics which deters competitors and entrants

LEVERAGING OUR CAPABILITIES

We're actively exploring opportunities to leverage our expertise into other Health sub-verticals and to apply our expertise across other similar industries where the same challenges exist

These characteristics will generate durable, dependable cashflows



SET TO LAUNCH 2 NEW VERTICALS IN FY25

New verticals leverage our existing capabilities and will support medium-term growth



ADJACENT TYRO HEALTH VERTICAL

- We have made good progress with work on our go-to-market in a **major, growing industry**
- We will **leverage our existing expertise** from the solutions we've already built in Tyro Health
- **Currently subject to final commercial terms**

UNATTENDED DEVICES

- **Large and growing market** opportunity with multiple avenues to market
- Perfect fit for Tyro as it's suited to a payment providers with its **own switch** and the ability to build seamless 3rd party integrations
- We're partnering with one of Australia's largest providers of **unattended payments infrastructure for parking and EV charging and vending machines**



CONTINUING TO INVEST FOR GROWTH: FY25 AND BEYOND



Develop payment ecosystem



Further enhance our go-to-market



Increase multi-product adoption



Grow new verticals



Explore inorganic opportunities





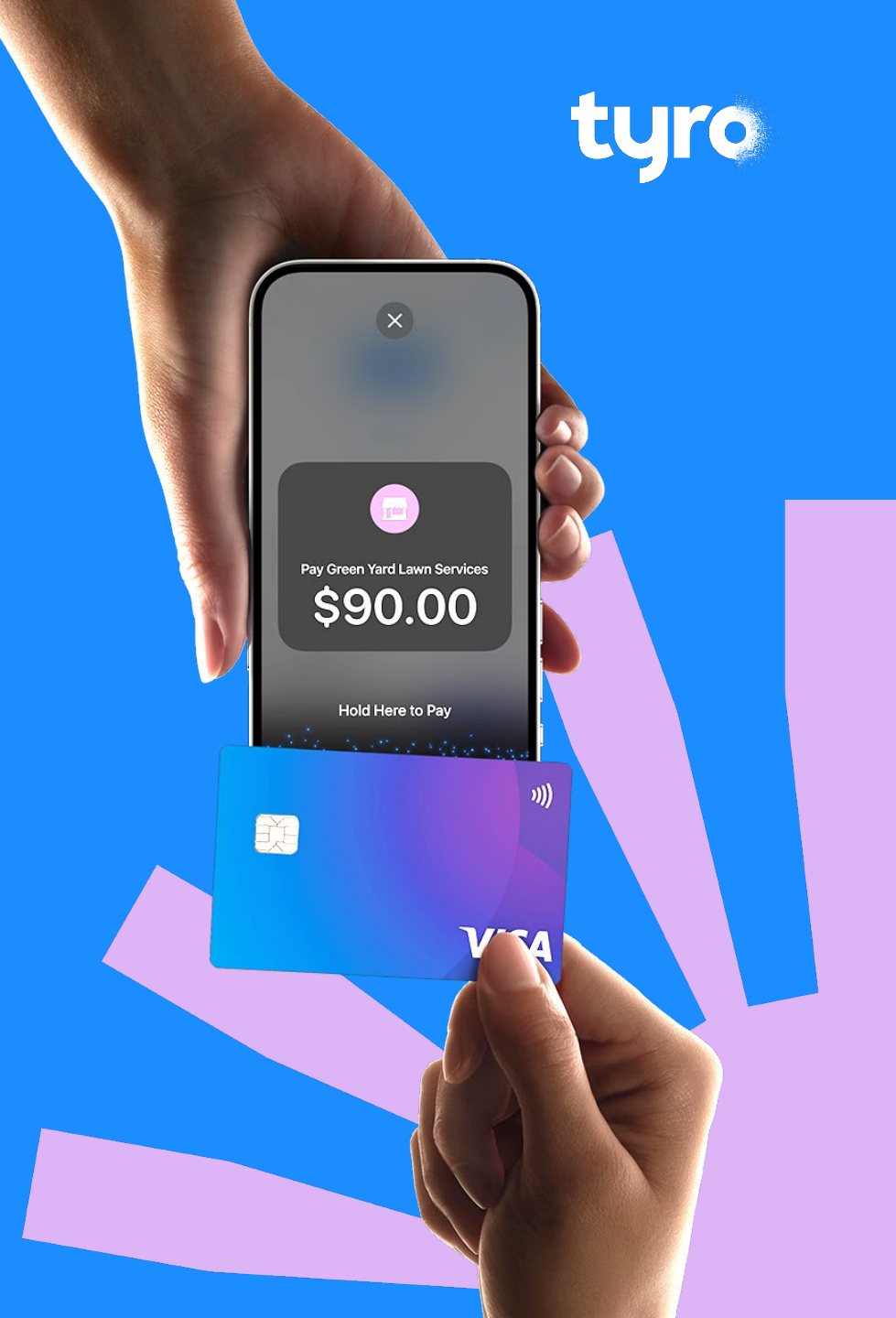
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FINANCIAL PERFORMANCE



Prav Pala

CFO



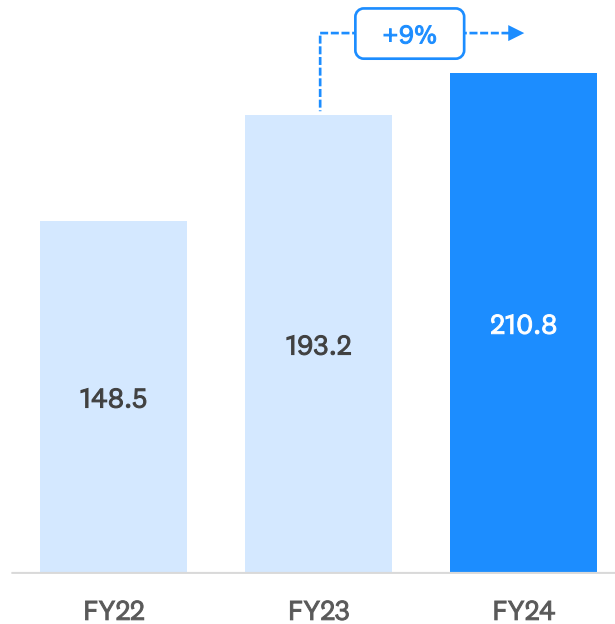
STRONG FINANCIAL PERFORMANCE

Performance reflects our transition to a significantly more profitable business



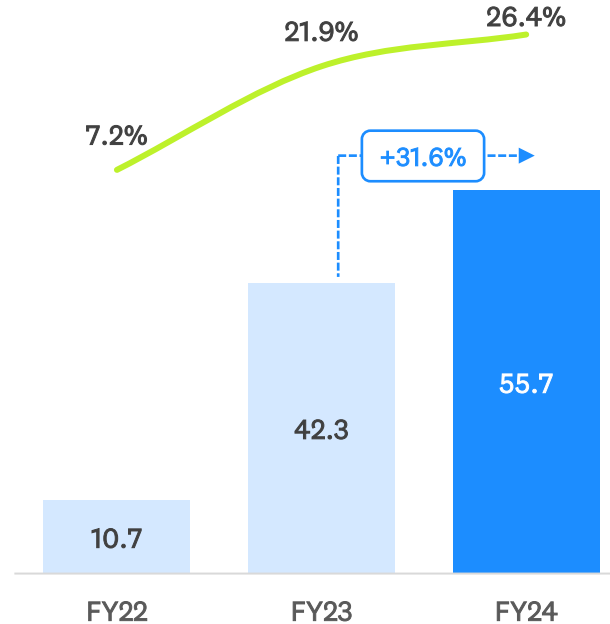
GROSS PROFIT¹ GROWTH

Gross Profit (\$m)



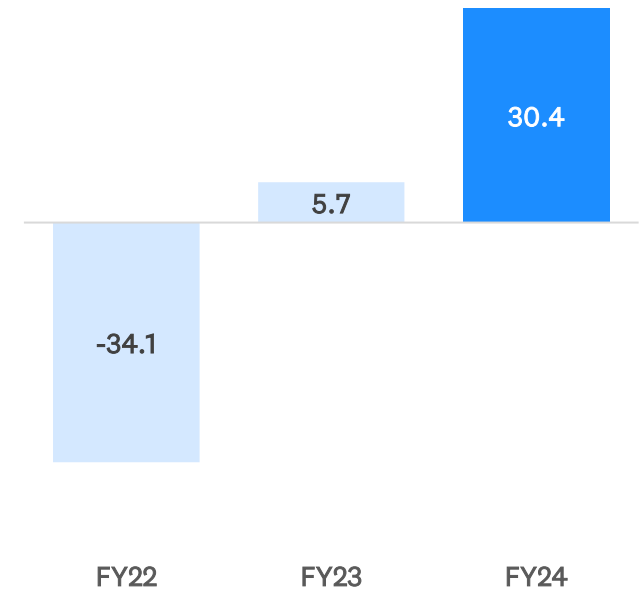
IMPROVING EBITDA MARGIN

EBITDA (\$m) and EBITDA margin (%)²



MORE CASH GENERATIVE

Free Cash Flow (\$m)



¹ Gross profit (normalised)

² EBITDA and EBITDA margin (normalised)

Note: Totals and movements based on unrounded numbers

INCREASINGLY DIVERSE TOP LINE

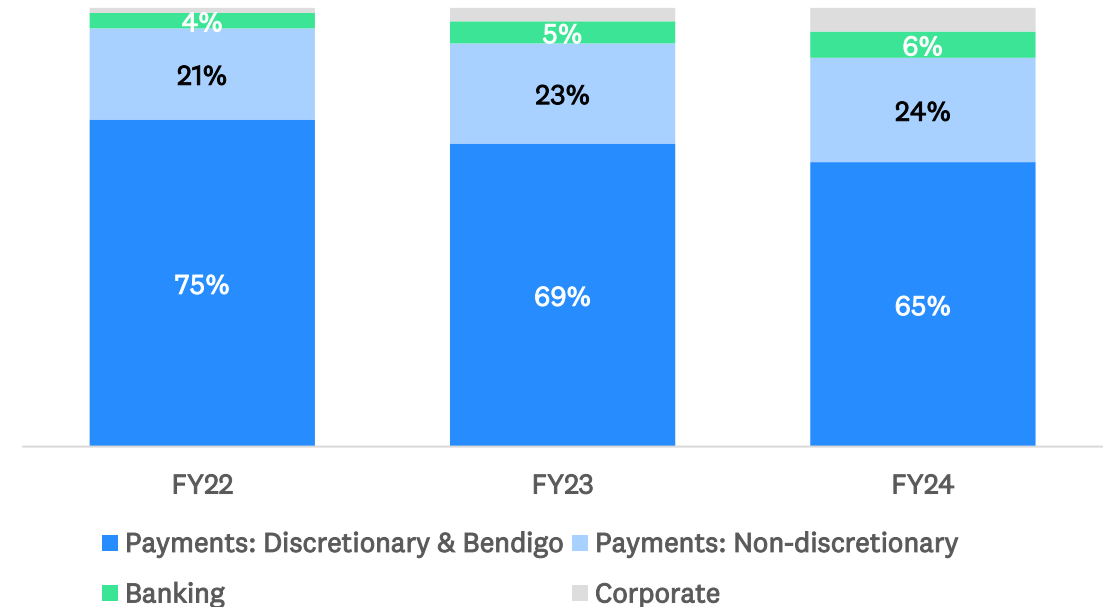
Higher quality gross profit driven by increasing contribution from Health and Banking



9.1% INCREASE IN GROSS PROFIT

\$m	FY24	FY23	Change
<i>Payments</i>			
<i>Discretionary & Bendigo</i>	136.6	133.3	2.5%
<i>Non-discretionary</i>	50.1	44.1	13.5%
Total payments	186.7	177.4	5.2%
Banking	12.6	9.7	29.4%
Corporate	11.5	6.0	90.2%
Total	210.8	193.2	9.1%

GROSS PROFIT CONTRIBUTION



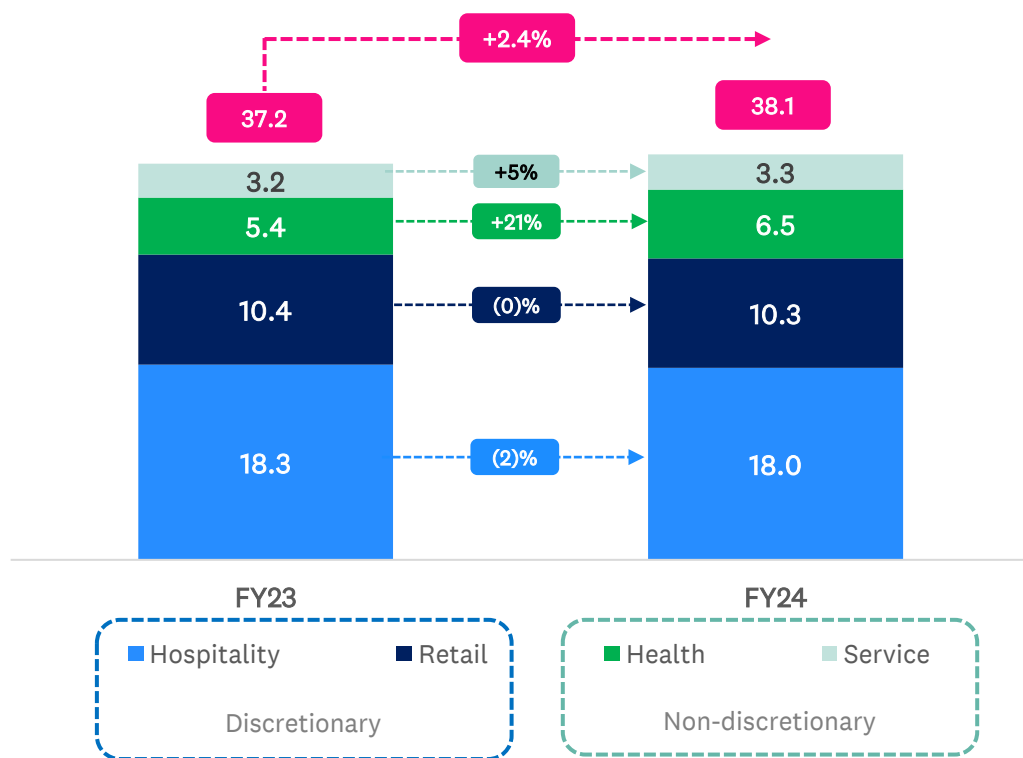
- Continued strong growth in Health will drive improvement in diversification of payments gross profit
- Greater banking adoption will support our medium-term growth targets



CONTINUED GROWTH IN TYRO CORE PAYMENT VOLUMES

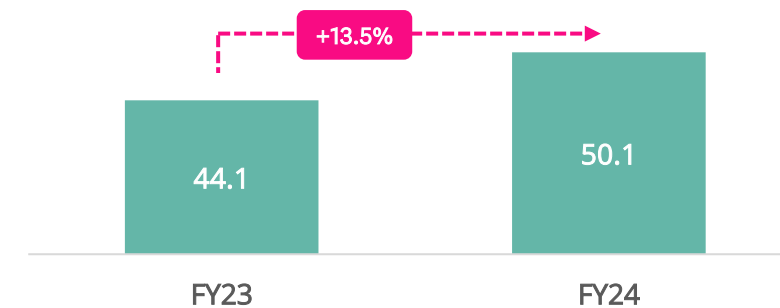


TTV: TYRO CORE¹ (\$B)



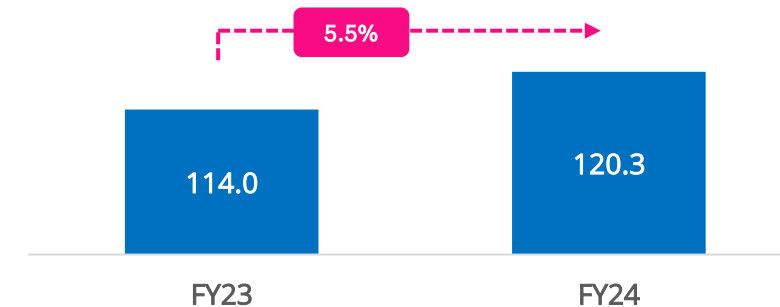
GROSS PROFIT

Tyro core non-discretionary verticals (\$m)



GROSS PROFIT

Tyro core discretionary verticals (\$m)



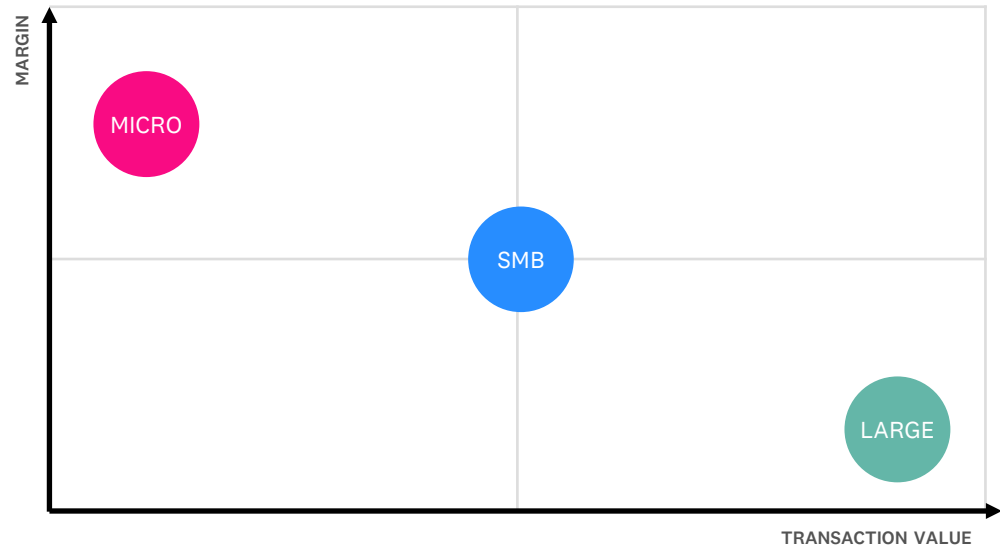
¹ Tyro core excludes Bendigo-powered-by-Tyro. Total volumes including Bendigo-powered-by-Tyro are \$42.9bn for FY24 and \$42.6bn for FY23. Please refer to Appendix for further details.
 Note: Totals and movements based on unrounded numbers

HIGHER PAYMENTS MARGIN IN FY24



Payments gross margin benefitted from successful pricing transformation in FY24

ILLUSTRATIVE VOLUME AND MARGIN PROFILE BY SEGMENT

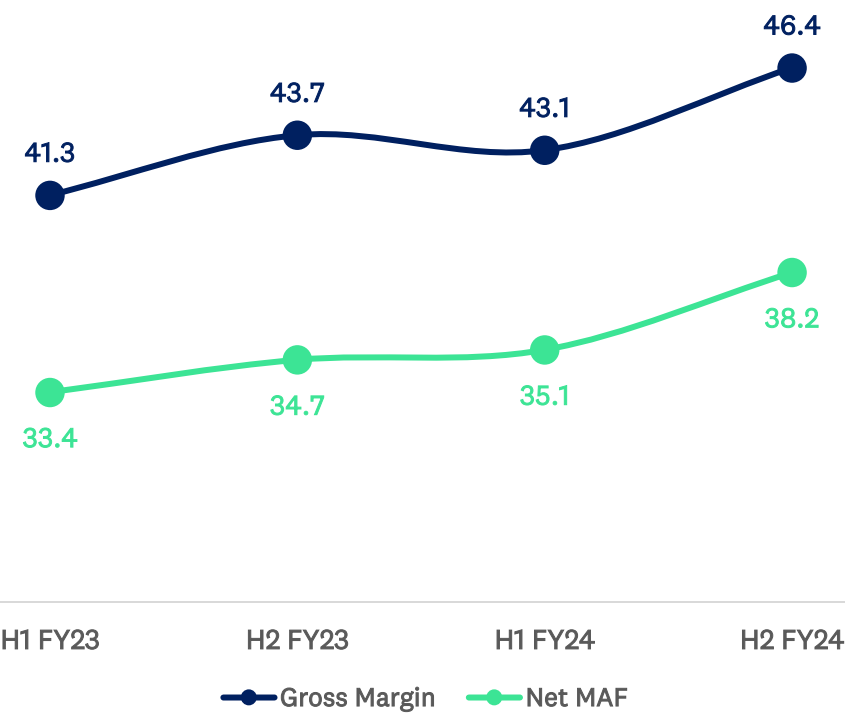


- Providing simple offering to Micro
- SMB remains our primary segment
- Selectively targeting large/enterprise merchants

Whilst margin on selective large merchants may be lower, it can be offset by:

- Scaling significantly more transaction volume
- Fixed cost payments Switch

PAYMENTS MARGIN¹ (BASIS POINTS)



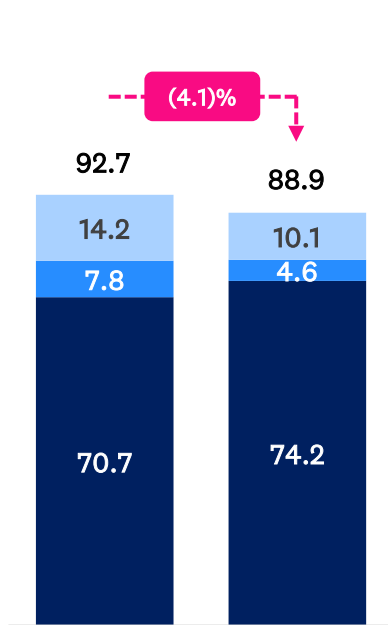
¹ Payments margins for Tyro core only. Net MAF = Net Merchant Acquiring Fee.

BANKING RETURNS IMPROVED IN FY24

Banking gross profit increased by 29.4% to \$12.6 million

DEPOSITS AND LOAN ORIGINATIONS (\$M)

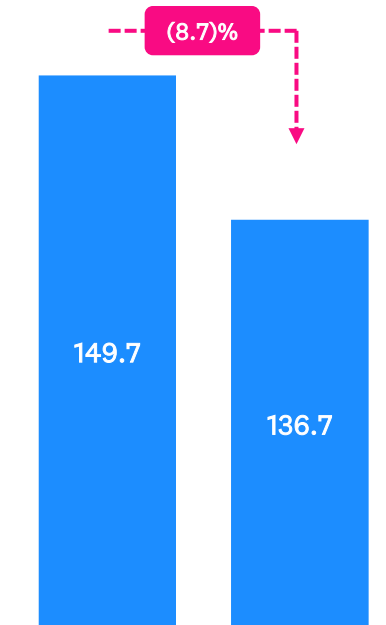
Deposits



FY23 FY24

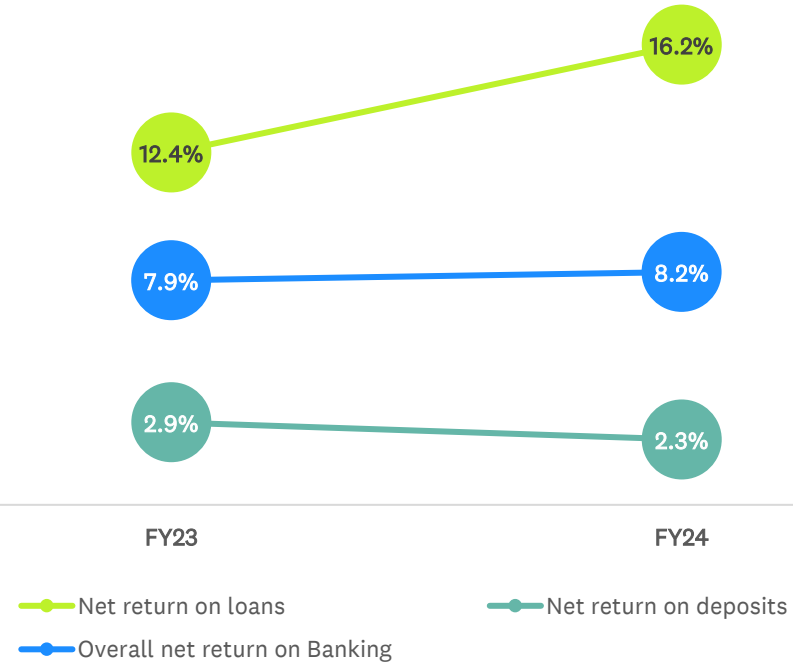
- Tyro Bank Account
- Retail Term Deposits
- Wholesale

Loan originations



FY23 FY24

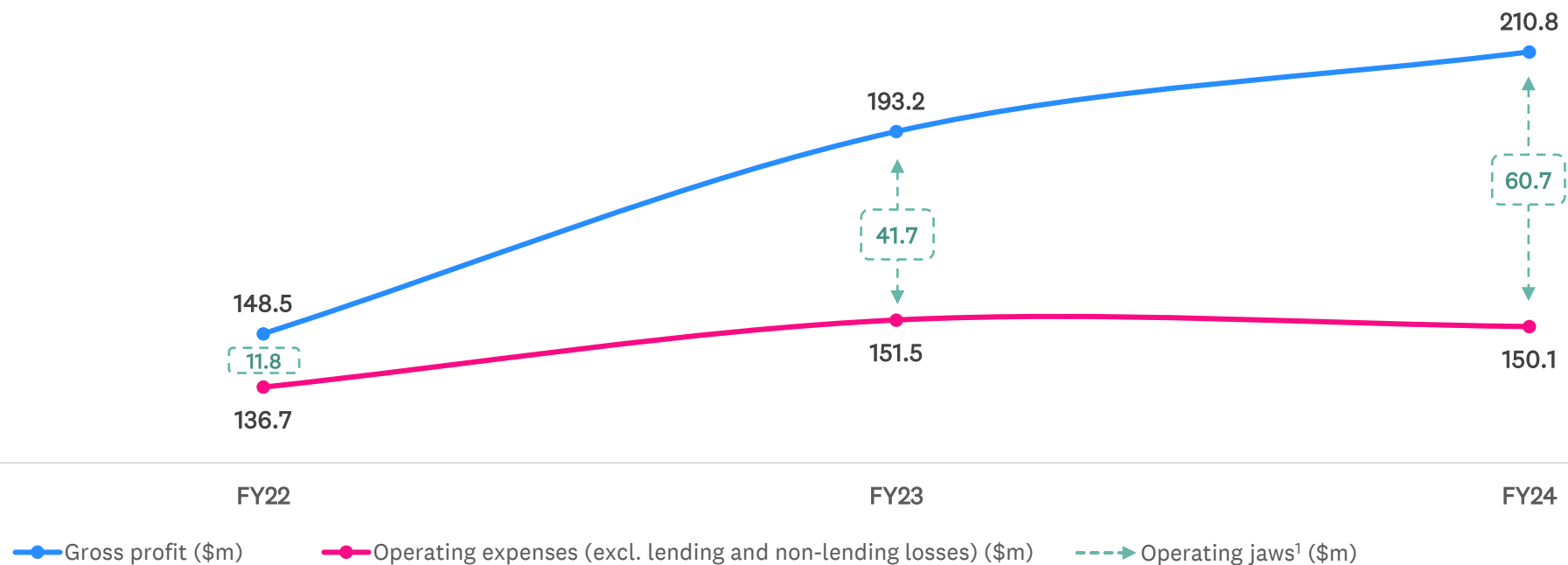
BANKING RETURNS



IMPROVED OPERATING EFFICIENCY

Continued emphasis on disciplined cost management to ensure ongoing efficiency improvements

IMPROVED OPERATING JAWS¹

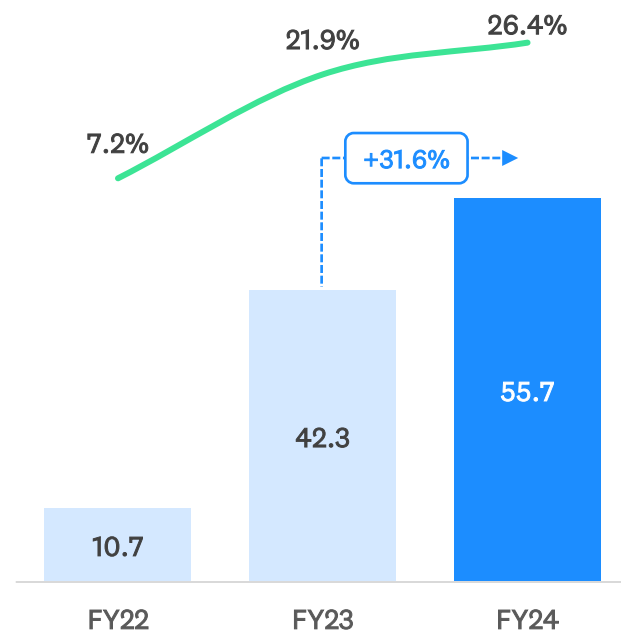


¹ Operating jaws is defined as the gap between gross profit and operating expenses (excluding lending and non-lending losses). FY24 normalised expenses are inclusive of any one-off costs – prior periods have been adjusted to align to FY24 approach.

← MORE PROFITABLE AND CASH GENERATIVE

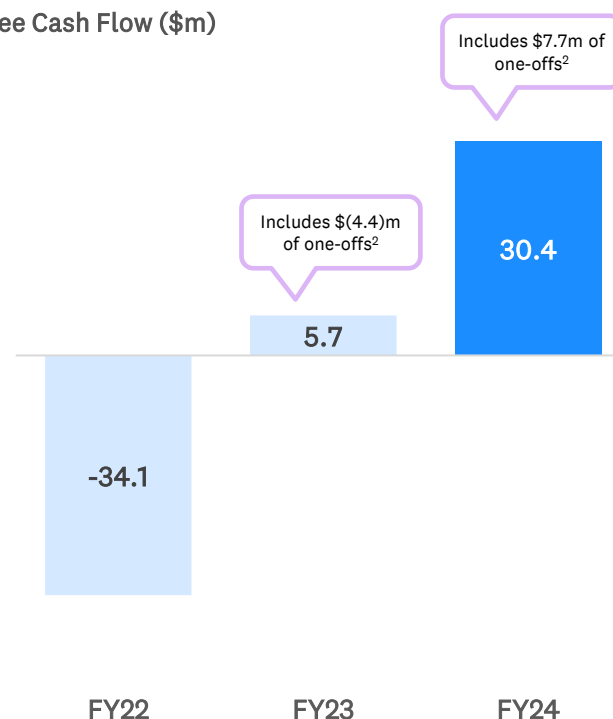
CONTINUED IMPROVEMENT IN EBITDA MARGIN..

EBITDA and EBITDA margin¹



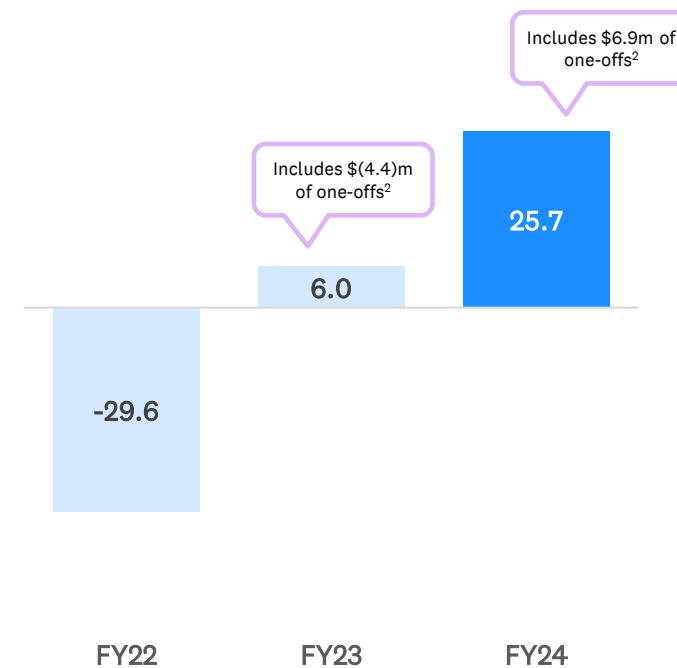
...SUPPORTING STRONG FREE CASH FLOW GENERATION...

Free Cash Flow (\$m)



...AND A SIGNIFICANT INCREASE IN STATUTORY EARNINGS...

Net Profit after Tax (statutory, \$m)



Earnings per share (cents)



¹ EBITDA and EBITDA Margin on normalised basis

² One-offs include compensation from legal proceedings, recovery of incident insurance, strategic review costs, M&A related costs, and termination payments.

Note: Totals and movements based on unrounded numbers

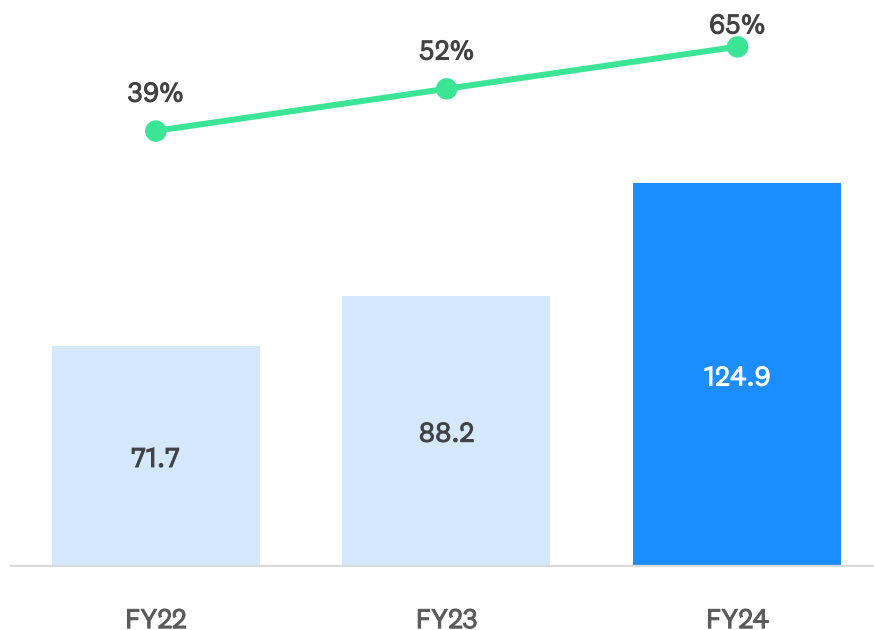


ROBUST BALANCE SHEET

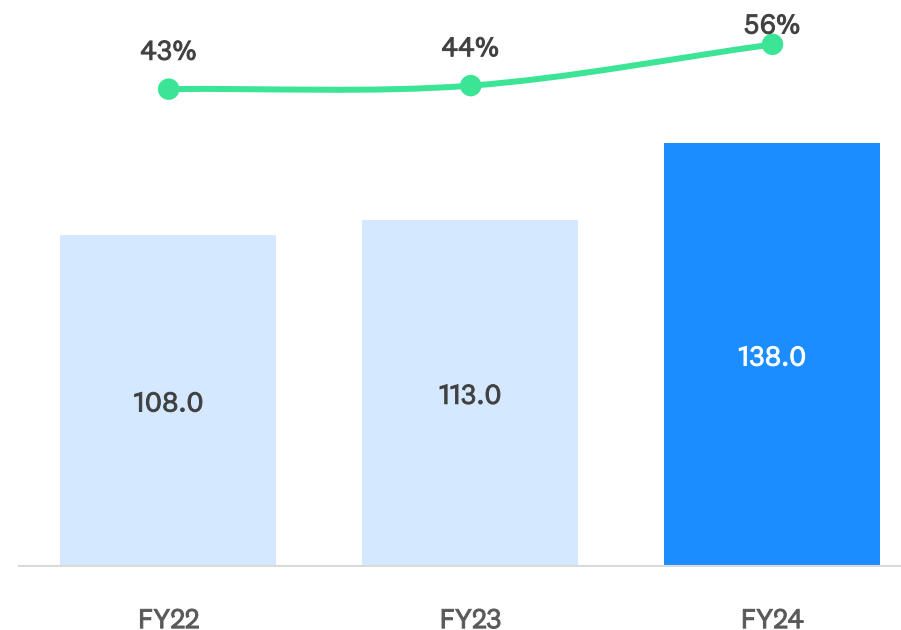


Strong capital position enables us to pursue growth whilst retaining capacity for strategic opportunities

TOTAL CAPITAL (\$M) & TOTAL CAPITAL RATIO (%)



LIQUID ASSETS (\$M) AND MINIMUM LIQUIDITY HOLDING RATIO (%)



Capital Management

- Tyro Employee Share Trust established to purchase shares for employee rights and options. Initiative to mitigate dilution from share-based compensation; expect to purchase c.\$5m in FY25
- Continuing to explore on-market buy-back



SUMMARY

Strong financial performance reflects our transition to a significantly more profitable business

01

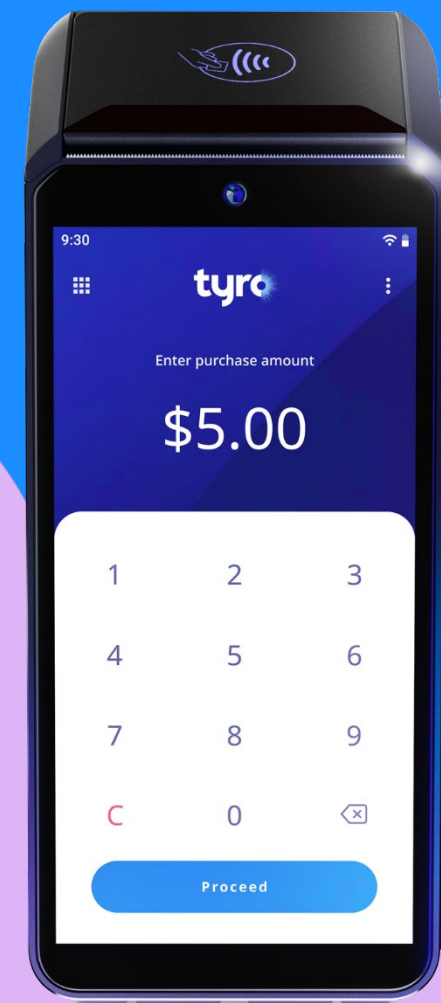
Gross profit growth

02

Improving EBITDA margin

03

More cash generative





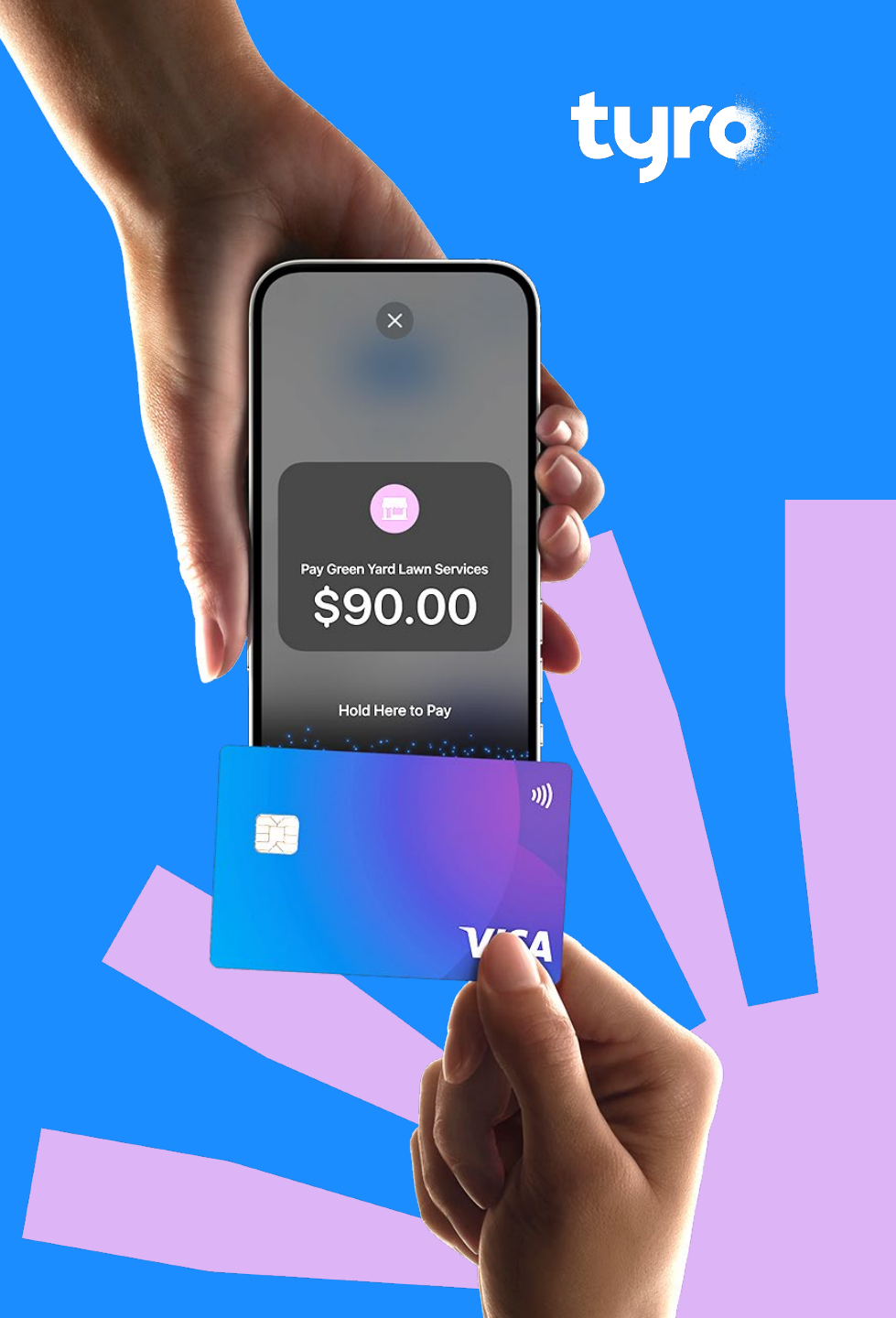
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OUTLOOK AND Q&A



Jon Davey

CEO and Managing Director





UNIQUELY POSITIONED FOR GROWTH OPPORTUNITIES



WHY TYRO IS PAYMENT PROVIDER OF CHOICE TO >70,000 MERCHANTS

100% owned end-to-end tech stack

Complete control and flexibility to purpose build vertical-specific solutions and integrate seamlessly with partners



Targeted distribution channels

Multiple channels designed to optimise the allocation of resources based on vertical and business size



Integrated payments + banking

A differentiated proposition that integrates best in class payments with high quality banking solution – all in one place

WHAT THESE STRENGTHS POSITION US TO ACHIEVE IN FY25 AND BEYOND

Growth in addressable market

- New POS and partner integrations
- New Health sub-verticals
- Launch of new verticals
- Greater banking penetration

Improved customer economics

Payments + Banking + Lending

Improved profitability

Gross profit growth + Operating efficiency = Improved profitability



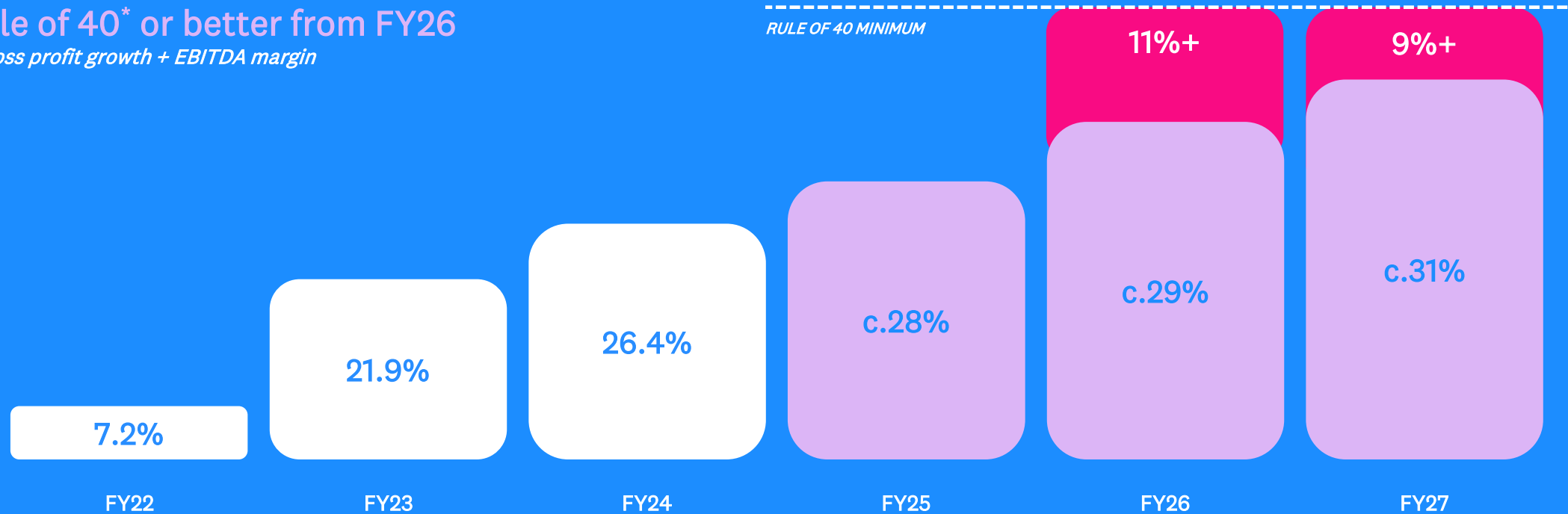
IMPROVING PROFITABILITY OVER THE MEDIUM-TERM

Continued focus on balancing growth and profitability

Rule of 40* or better from FY26

=Gross profit growth + EBITDA margin

RULE OF 40 MINIMUM



- EBITDA MARGIN
- EBITDA MARGIN
- GROSS PROFIT GROWTH (NORMALISED)

FY24
 Gross profit growth: 9.1%
 EBITDA margin: 26.4%
 Rule of 40 basis: 35.5

* Rule of 40 basis is the sum of normalised gross profit growth and EBITDA margin. Achieving Rule of 40 requires the sum of these two components to be a minimum of 40. For example, in FY24 we achieved 35.5 on the Rule of 40 basis as our normalised gross profit growth was 9.1% and our EBITDA margin was 26.4%.

FY25 OUTLOOK AND GUIDANCE

Continued gross profit growth coupled with an improvement in our EBITDA margin



Continued gross profit growth and improved profitability, despite ongoing challenging market conditions facing our merchants.

**GROSS PROFIT:
\$218m - 226m**

Growth of 3% to 7%

**EBITDA MARGIN:
c.28%**



QUESTION & ANSWER



Jon Davey

CEO and Managing Director



Prav Pala

CFO



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APPENDIX



SUMMARY OF FINANCIAL PERFORMANCE



	FY24 \$'000	FY23 \$'000	Growth %
Transaction value	42,932,748	42,601,263	0.8%
Payments revenue and income	445,216	419,215	6.2%
Banking revenue	14,725	10,550	39.6%
Other revenue and income	11,483	6,037	90.2%
Revenue (normalised)¹	471,424	435,802	8.2%
Payments direct expenses (including Bendigo Alliance gross profit share)	(258,528)	(241,783)	(6.9)%
Interest expense on deposits	(2,127)	(815)	large
Total direct expenses	(260,655)	(242,598)	(7.4)%
Gross profit (normalised)²	210,769	193,205	9.1%
Operating expenses (excl. share-based payments and lending and non-lending losses)	(150,105)	(147,395)	(1.8)%
Lending and non-lending losses	(4,984)	(3,511)	(42.0)%
Total operating expenses	(155,089)	(150,906)	(2.8)%
EBITDA (normalised)³	55,680	42,299	31.6%
Share-based payments expense	(3,862)	(11,165)	65.4%
Depreciation and amortisation	(30,960)	(25,172)	(23.0)%
EBIT	20,858	5,962	large
Net interest expense	(1,402)	(1,484)	5.5%
Profit before tax (normalised)⁴	19,456	4,478	large
Significant items	2,902	(2,017)	large
Profit before tax (statutory)	22,358	2,461	large
Income tax benefit	3,347	3,552	(5.8)%
Profit after tax (statutory)	25,705	6,013	large

1 Normalised revenue is adjusted to exclude the gain on remeasurement of the commission liability related to the Bendigo Alliance, Lightspeed compensation received and the recognition of the me&u investment as a financial asset after Tyro's ownership reduced in prior period, resulting in a gain on revaluation.

2 Normalised gross profit is adjusted to reflect the Bendigo Alliance gross profit share not deducted from statutory gross profit but reflected within the movement on commission liability relating to the Bendigo Alliance.

3 Tyro uses EBITDA as a non-IFRS measure of business performance, which excludes the non-cash impact of share-based payments expense, share of loss from associates, the non-cash accounting impact of the Bendigo Alliance and other one-off costs

4 Normalised profit before tax excludes the non-cash accounting impact of the Bendigo Alliance and other one-off costs.



RECONCILIATION OF STATUTORY TO NORMALISED RESULTS

\$'000 unless stated otherwise	FY24 Statutory	Normalisation adjustments				FY24 Normalised
		Bendigo Alliance gross profit share	Bendigo Alliance impairment and revaluation	Investment in associate	Compensation and remediation	
Total revenue	497,715		(17,324)		(8,967)	471,424
Payments direct expense	(251,674)	(6,854)				(258,528)
Interest expense on deposits	(2,127)					(2,127)
Total direct expenses	(253,801)					(260,655)
Gross profit	243,914	(6,854)	(17,324)		(8,967)	210,769
Employee benefits expense (excl. share-based payments)	(95,905)					(95,905)
Licencing, hosting and communication costs	(20,174)					(20,174)
Administrative and other expenses	(15,930)					(15,930)
Marketing expenses	(10,389)					(10,389)
Contractor and consulting expenses	(7,707)					(7,707)
Operating expenses	(150,105)					(150,105)
Lending and non-lending losses	(4,054)				(930)	(4,984)
Total expenses	(154,159)					(155,089)
EBITDA	89,755	(6,854)	(17,324)		(9,897)	55,680
Share-based payments	(3,862)					(3,862)
Share of losses from associates	(1,063)			1,063		-
Depreciation and amortisation	(40,890)	9,930				(30,960)
Impairment of intangible assets	(18,755)		18,755			-
EBIT	25,185	3,076	1,431	1,063	(9,897)	20,858
Other interest expense	(2,827)	1,425				(1,402)
Net profit before tax	22,358	4,501	1,431	1,063	(9,897)	19,456



FINANCIAL POSITION

\$'000 unless stated otherwise	30 June 2024	30 June 2023
Assets		
Cash and financial investments	169,000	132,906
Loans to merchants	39,325	50,526
Property, plant and equipment	51,334	42,785
Intangible assets and goodwill	97,772	126,502
Right-of-use assets	23,630	26,344
Other current assets	49,764	33,625
Other non-current assets	20,633	18,349
Total assets	451,458	431,037
Liabilities		
Deposits	88,882	92,704
Commissions payable to Bendigo Bank	59,031	85,049
Other current liabilities	67,453	44,534
Non-current liabilities	28,418	31,066
Total liabilities	243,784	253,353
Equity		
Contributed equity	279,466	279,422
Accumulated losses and reserves	(71,792)	(101,738)
Total equity	207,674	177,684



FREE CASH FLOW¹



\$'000 unless stated otherwise	FY24	FY23	Change
Operational cash flows			
EBITDA	55,680	42,299	13,381
Capital expenditure	(29,592)	(32,090)	2,498
Rent	(4,434)	(1,897)	(2,537)
Bendigo top-up payment ²	(3,265)	(1,861)	(1,404)
Items in EBITDA moved to one-offs	3,018	-	3,018
Working capital movements	1,313	3,650	(2,337)
Total operational cash flows	22,720	10,101	12,619
One-off cash flows			
Compensation from legal proceedings	10,000	-	10,000
Termination payments	(1,218)	(1,295)	77
Insurance recovery	1,750	-	1,750
Other one-off cash flows	(2,833)	(3,106)	273
Total one-off cash flows	7,699	(4,401)	12,100
Free cash flow¹ (before banking)	30,419	5,700	24,719

¹ Free cash flow is calculated before changes in banking funds and timing differences relating to net scheme receivables. It is calculated as EBITDA before share based payments adjusted for non-cash items in Tyro's working capital movements, statutory adjustments (including rent payments) and capital expenditure including internally generated intangibles. Terminal capital expenditure includes both new and replacement terminals.

² Tyro is required to make a minimum commission payment under the Bendigo Alliance, which was equivalent to \$10 million in FY24.

SUPPLEMENTARY INFORMATION: PAYMENTS



Performance by vertical	Transaction Value (TV)				Merchant Count		
	FY24 \$'million	FY23 \$'million	Growth %	Proportion of FY24 TV	FY24 #	FY23 #	Growth %
Hospitality	18,049	18,347	(1.6)%	42.0%	16,114	17,425	(7.5)%
Retail	10,301	10,360	(0.6)%	24.0%	10,639	10,874	(2.2)%
Health	6,464	5,361	20.6%	15.1%	22,069	16,165	36.5%
Service/Other	3,311	3,169	4.5%	7.7%	8,944	8,525	4.9%
Tyro core	38,125	37,237	2.4%	88.8%	57,766	52,989	9.0%
Bendigo	4,808	5,364	(10.4)%	11.2%	13,581	15,676	(13.4)%
Total	42,933	42,601	0.8%	100.0%	71,347	68,665	3.9%



SUMMARY OF TYRO PRICING STRUCTURES



	Cost-plus pricing	Card Based pricing	Simple pricing
Merchant Service Fee (MSF)	Variable Based on cost incurred by Tyro	Variable Based on merchant size and card type	Fixed (bps) For all transactions
Example	<p>Tyro charges merchant:</p> <ul style="list-style-type: none"> • Cost incurred (interchange + scheme fees) • Margin <p>Tyro retains fixed margin (bps)</p>	<p>Tyro charges MSF based on card type for:</p> <ul style="list-style-type: none"> • eftpos • Visa/MC domestic consumer debit • Visa/MC domestic consumer credit • Premium, commercial and international <p>Margin embedded within MSF to merchant</p>	<p>Tyro charges one MSF for all card types</p> <p>Margin embedded within MSF to merchant</p>
Typical use case	Large merchants comfortable with variable MSF	Most commonly used by Micro, Small and Medium merchants	<ul style="list-style-type: none"> • Smaller, less complex businesses valuing price stability • Simple rates are also used for Tyro's No Cost Eftpos solution (where terminal rental and stationary cost is included in the MSF)
Margin profile	<ul style="list-style-type: none"> • Margin typically lower, but predictable through contract terms • Offset by larger transaction volume and fixed cost of switch 	Variable margin with limited margin risk	Higher margin, but some risk depending on card-type (e.g. high levels of international cards)

tyro

THANK YOU

