

# 2021 ANNUAL GENERAL MEETING

3 NOVEMBER 2021



**Tyro Payments Limited**  
ABN 49 103 575 042



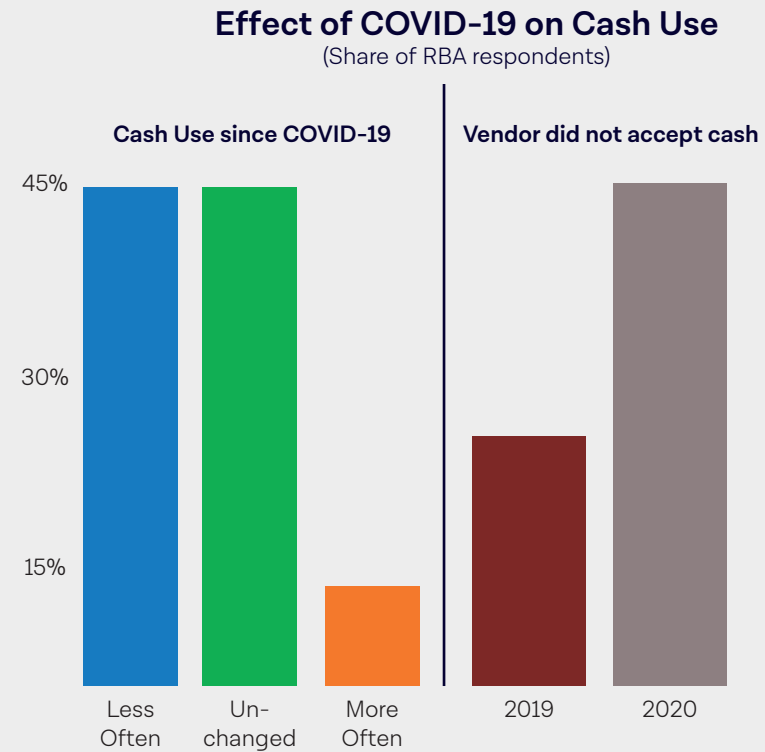


CHAIR'S  
ADDRESS

# Global Payments Landscape



- Structural shift in the way people pay
- Innovation in the payments industry
- Global partnerships
- Investment in growth



# Innovation - Executing against our Strategy



# FY21 Challenges



## COVID-19







- Continued impact on transaction value
- Assistance to our Merchants
- Safety of our Team

## TERMINAL CONNECTIVITY ISSUE

- Developing dongle failover solution for every merchant - industry first move
- Make good program in action
- Representative proceedings filed in the Federal Court of Australia on behalf of certain merchants - Tyro will defend these proceedings

## Sustainability Priorities

The priority targets that Tyro is seeking to achieve under its new Sustainability Framework are as follows:

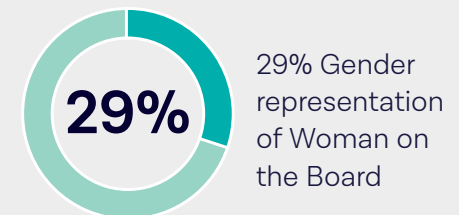
	PRIORITY	TARGET DESCRIPTION	TARGET DATE	ESG CATEGORY
	Gender balance - whole of organisation	Achieve a gender balance of 40/40/20 representing 40% of our workforce made up of women, 40% of men and 20% non-binary (refer to Page 17 of the Sustainability Report)	30 June 2023	Social
	Gender balance - Board representation	Achieve a gender balance of 30% for Directors of each gender (refer to Page 17 of the Sustainability Report)	30 June 2022	Social
	Employer of choice	Rated in the Top 20 best places to work in Australia (refer to Page 16 of the Sustainability Report)	30 June 2024	Social
	Employee engagement	Achieve an overall employee engagement score of 80% and above (refer to Page 16 of the Sustainability Report)	30 June 2023	Social
	Customer satisfaction	Achieve the highest Net Promoter Score amongst payment providers in Australia (refer to Page 23 of the Sustainability Report)	30 June 2022	Social
	Net Zero	Achieve a 'Net Zero' accredited status for our environmental footprint (refer to Page 28 of the Sustainability Report)	30 June 2025	Environmental

# Board of Directors



David Thodey AO	Chair & Non-executive Director	Independent	Appointed November 2018 + Chair since October 2019	
Robbie Cooke	CEO   Managing Director	Executive	Appointed CEO March 2018 + Managing Director since October 2019	
Hamish Corlett <sup>1</sup>	Non-executive Director	Independent	Appointed April 2019	
David Fite <sup>1</sup>	Non-executive Director	Independent	Appointed July 2018	
Catherine Harris AO, PSM <sup>2</sup>	Non-executive Director	Independent	Appointed December 2015	Retired on 30 June 2021
Aliza Knox <sup>3</sup>	Non-executive Director	Independent	Appointed April 2021	
Fiona Pak-Poy <sup>4</sup>	Non-executive Director & Chair of People Committee	Independent	Appointed September 2019	
Paul Rickard	Non-executive Director & Chair of Risk Committee and Audit Committee	Independent	Appointed August 2009	

- Board succession planning remains a key area of focus for the Board
- We continually evaluate the skills and competencies required for effective board governance
- We will be looking to add an additional director to the Board in FY22.



<sup>1</sup> The last Board assessment of independence concluded that Hamish Corlett and David Fite are Independent Directors.

<sup>2</sup> Catherine Harris AO, PSM retired as Chair of the People Committee on 21 June 2021 and as Non-executive Director effective 30 June 2021.

<sup>3</sup> Aliza Knox was appointed to the Tyro Board as a Non-executive Director on 21 April 2021.

<sup>4</sup> Fiona Pak-Poy was appointed as Chair of the People Committee on 21 June 2021

# CEO | MANAGING DIRECTOR'S ADDRESS



## Our Purpose

Setting businesses free to get on with business

by  
simplifying payments + banking solutions

## Our Mission

We eliminate friction with payments + banking solutions, that:

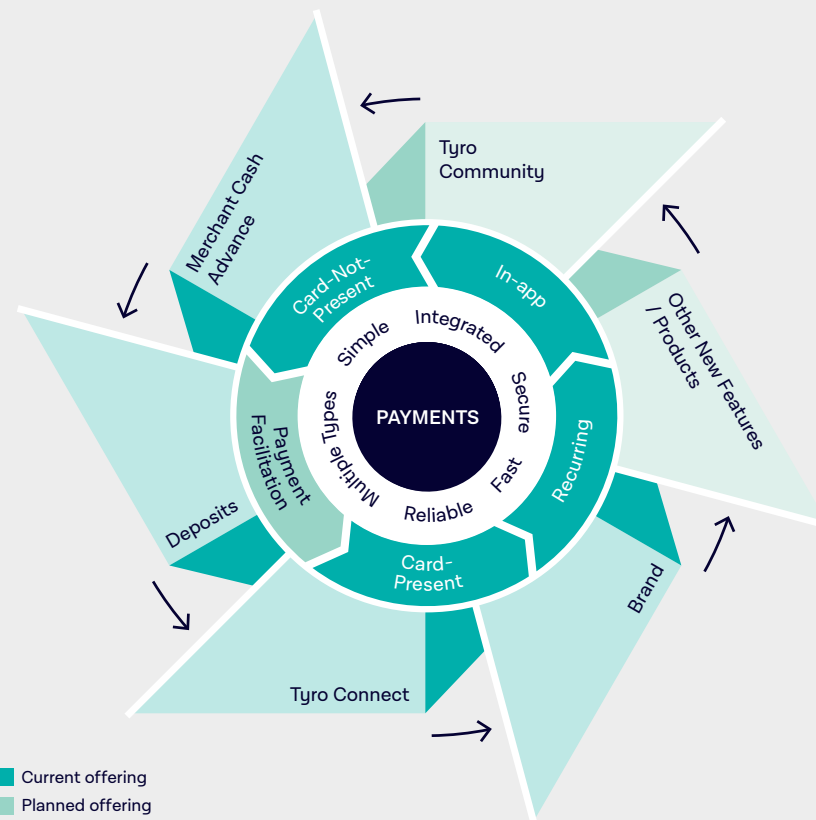
-  **Businesses trust**
-  **Partners advocate**
-  **Employees are proud of**
-  **Our community backs**

## Our Vision

To be Australia's:

-  **fastest growing**
-  **most loved + trusted**
-  **sustainable**

payments + business banking partner



# Seven Key Initiatives in FY21



1 ✓

Transformational Bendigo Bank Alliance



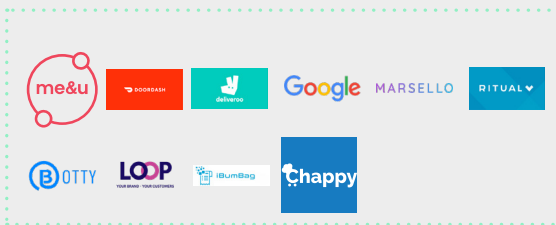
2 ✓

Acquisition of Medipass



3 ✓

Tyro Connect integration hub



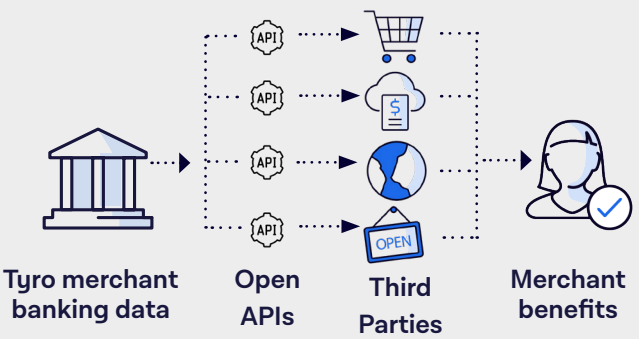
4 ✓

me&u + eCommerce



5 ✓

Open Banking



6 ✓

Investment in Paypa Plane



7 ✓

Terminal Connectivity Issue Remediation Process

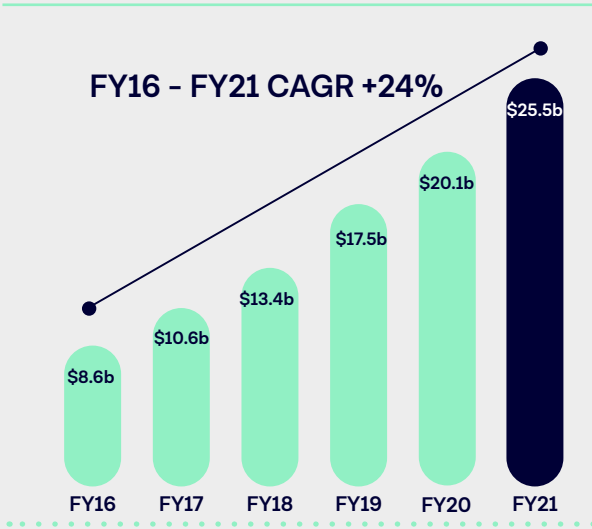


# Summary Financial Performance - FY21

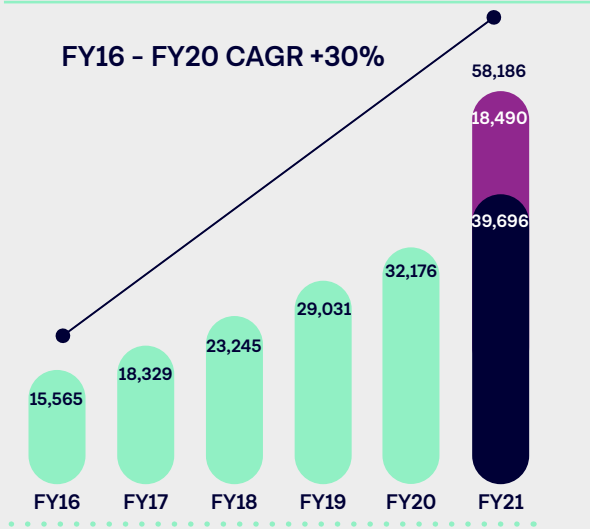


- ↑ 26% in transaction value to record \$25.5 billion (FY20: \$20.1 billion)
- ↑ 81% in merchants choosing Tyro reaching 58,186 (FY20: 32,176)
- Churn remains low:
  - Transaction churn rate of 8.7% (FY20: 8.0%)
  - Merchant churn rate of 11.3% (FY20: 11.7%)

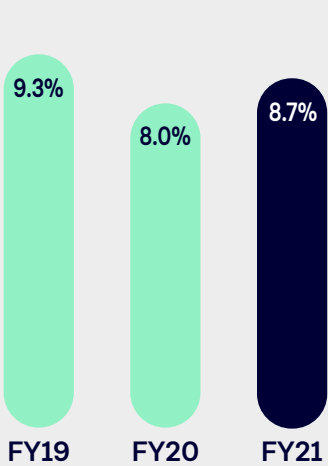
Transaction Value (\$'billion)



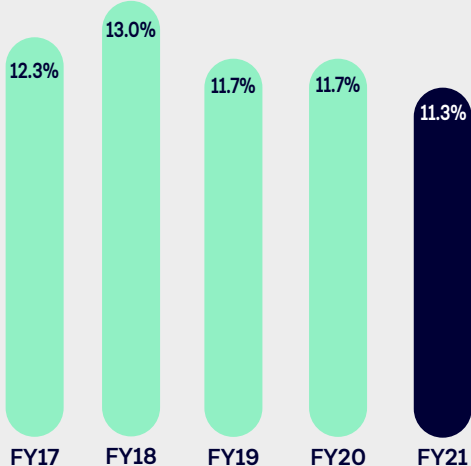
Merchants (#)



Transaction Value Churn (%)



Merchant Number Churn (%)



# Summary Financial Performance - FY21 *(cont.)*

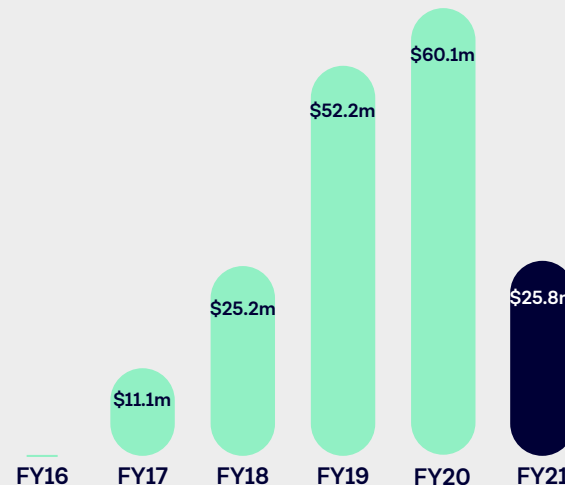
## Tyro Business Loan

- \$25.8 million in loan originations (FY20: \$60.1 million)
- Auto approval suspended due to COVID 1 July 2020 to 31 Jan 2021 - \$3.2 million in originations in this period vs. \$43.8 million pcp
- Since January 2021 originations averaging ~\$4 million per month
- Record \$8.1 million in originations in May 2021
- 2.7% lending loss to originations - equating to \$0.7 million in lending loss ↓36.4% (FY20: 1.8%, \$1.1 million)

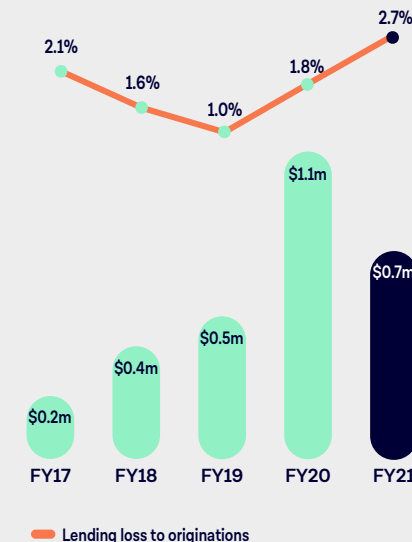
## Tyro Bank Account + Term Deposit Account

- \$75.5 million in deposits on the balance sheet at 30 June 2021 (FY20: \$50.5 million)
- +4,650 active accounts

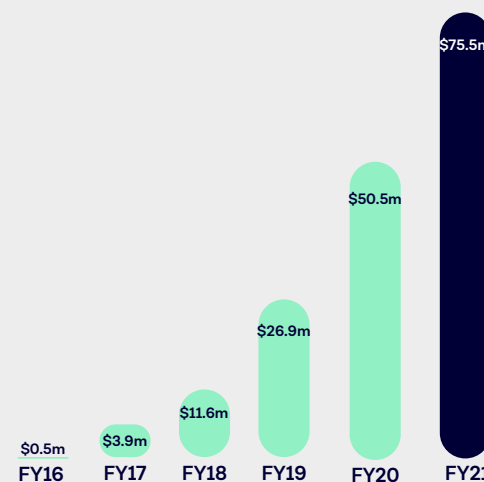
Loan originations (\$'million)



Lending loss (\$'million)



Merchant deposits - including term deposits (\$'million)



# Summary Financial Performance - FY21 *(cont.)*

- ↑ 14% total revenue to record \$238.5 million (FY20: \$210.7 million)
- ↑ 28% gross profit to record \$119.4 million (FY20: \$93.5 million)
- Operational leverage - operating costs<sup>1</sup> controlled - ↑ 7.9% vs. gross profit ↑ 28%
- ↑ 424% in EBITDA<sup>2</sup> to a record \$14.2 million (FY20: Loss of \$4.4 million)
- \$29.8 million statutory net loss after tax - includes \$13.3 million in costs associated with the connectivity issue + \$5.0 million in costs associated with the IPO, Bendigo transaction and Medipass transaction
- Liquidity position remains strong - \$172.8 million in cash + investments<sup>3</sup> (\$188.3 million at 30 June 2020)
- Total regulatory capital at 30 June 2021 - \$83.7 million + capital ratio of 73%



<sup>1</sup> Operating costs accounted for on a normalised basis.

<sup>2</sup> 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, expenses associated with the terminal connectivity issue and the IPO and other significant one-off costs.

<sup>3</sup> Includes merchant deposits of \$75.5 million (FY20: \$50.5 million)

# Looking Ahead



- **Appetite to continue investing to capture segment share growth opportunities - step-up in operational and capex investment in key projects areas:**
  - Tyro Go dongle
  - eCommerce platform
  - Next generation terminal
- **Extend Merchant Cash Advance product**
- **Opportunity with Medipass in combination with our existing health solutions, to create the leading unified claiming and payments platform for Australian healthcare practitioners.**
- **Deploy IP in Alliance model to other market opportunities:**
  - Pilot in operation with Telstra that includes 29 of its retail locations where business customers can view and sign up to Tyro Terminals
- **Continuing appetite for 'bolt on' acquisitions - gain scale, leverage platform or capability add**

*"...our experience has been that businesses rebound rapidly as normality returns and we remain optimistic as vaccination rates increase..."*

*"It is an exhilarating time to be a Tyro, we have achieved a lot in the last year, but it is the opportunity in front of us that remains large and exciting..."*

*"We have a mix of features and products in train that will continue to build out our payments centric ecosystem..."*

*"With the digital claiming capabilities...available via Medipass, we have an opportunity in combination with our existing health solution, to create the leading unified claiming and payments platform for Australian healthcare practitioners..."*

*"We have created IP in our model for Bendigo Bank...with potential applicability to other market opportunities. We continue to have appetite for 'bolt on' acquisitions...to gain scale, leverage our platform or capabilities, enhance our market position or supplement our ecosystem."*

*Extracted from Tyro Payments Limited FY21 Media Release 26 August 2021. Quotes from CEO | Managing Director*

# Trading Update<sup>1</sup>



## PAYMENTS BUSINESS:

- Averaged 1,259 new merchant applications per month for first 4 months of FY22
- Transaction value to 29 October 2021 ↑25% to \$8.97 billion (pcp \$7.16 billion)
- Transaction value in the 2 weeks since NSW came out of lockdown ↑46%
- eCommerce transaction value to 31 October 2021 ↑1,848% to \$178.6 million

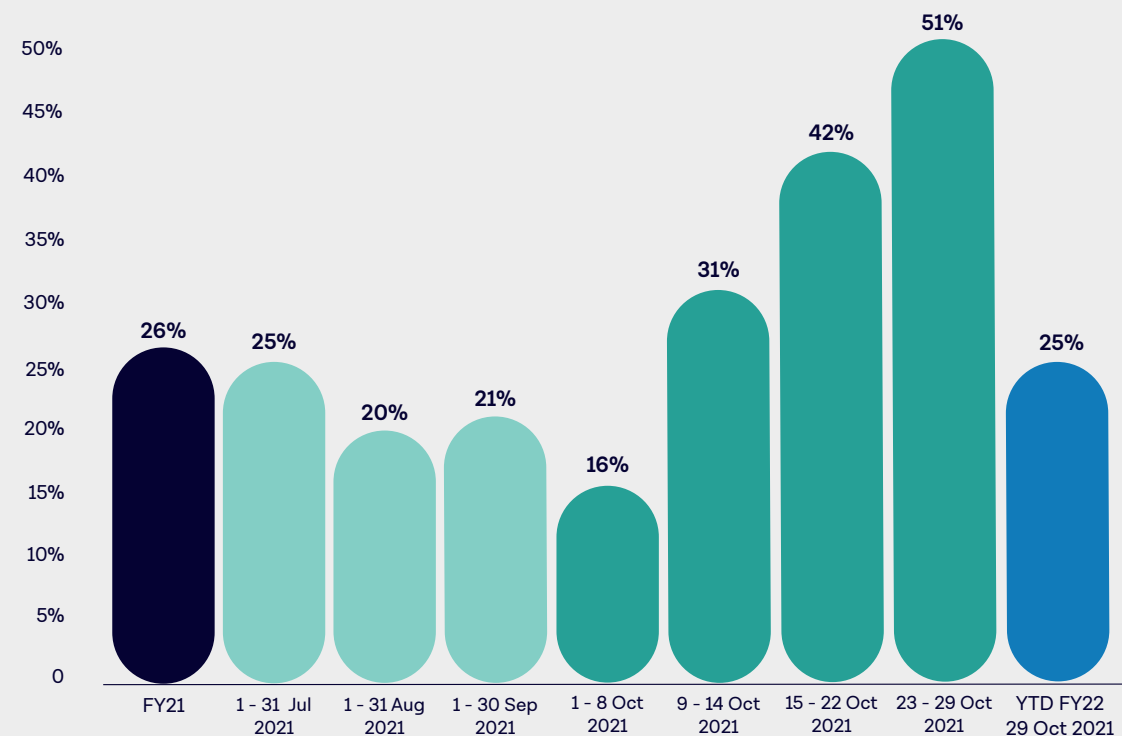
## BANKING BUSINESS:

- Loan originations to 31 October 2021 \$20.6 million, ↑1,447% (\$1.3 million in pcp)
- Deposit balances of \$97.7 million at 31 October 2021, ↑7% (\$91.2 million in pcp)

## GROUP GROSS PROFIT:

- Gross profit to 31 October 2021 \$38.5 million, ↑14% (\$33.8 million in pcp<sup>2</sup>)

Weekly Transaction Value Growth - FY22



<sup>1</sup> These numbers are based on unaudited management accounts that have not been independently reviewed or verified.

<sup>2</sup> Excludes JobKeeper receipts of \$4.5 million received in the period 1 July 2020 to 30 September 2020



# Disclaimer



The material in this presentation is general background information about Tyro Payments Limited (Tyro) and is current at the date of the presentation, 3 November 2021. The information in the presentation is given for informational purposes only, is in summary form and does not purport to be complete. It is intended to be read by a professional analyst audience in conjunction with Tyro's other announcements to ASX, including the Chair's address to the 2021 Annual General Meeting and the CEO and Managing Director's update to shareholders at the 2021 Annual General Meeting, the FY21 Media Release, Appendix 4E and 2021 Annual Report. It is not intended to be relied upon as advice to current shareholders, investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular shareholder or investor. No representation is made as to the accuracy, completeness or reliability of the presentation. Tyro is not obliged to, and does not represent that it will, update the presentation for future developments.

All currency figures are in Australian dollars unless otherwise stated. Totals may not add up precisely due to rounding.

This presentation contains statements that are, or may be deemed to be, forward looking statements. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believe", "estimate", "plan", "target", "project", "anticipate", "expect", "intend", "likely", "may", "will", "could" or "should" or similar expressions, or by discussions of strategy, plans, objectives, targets, goals, future events or intentions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. You are cautioned not to place undue reliance on such forward-looking statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Tyro which may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.