



Welcome to the

Tyro FY19 Half Year Investor Presentation

28 February 2019

Important Notice



- This presentation may contain forward-looking statements that involve risks, uncertainties, and assumptions. If any such risks or uncertainties materialise or if any of the assumptions prove incorrect, Tyro Payments Limited's ABN 49 103 575 042 (**Tyro**) products, services, features, performance and results (including financial performance) could differ materially from the products, services, features, performance and results (including financial performance) described or implied by the forward-looking statements we make.
- All statements other than statements of historical fact could be deemed forward-looking, including any statements regarding strategies or plans of management for future products and operations, statements of belief, any statements concerning new, planned, or upgraded services or technology developments. The risks and uncertainties referred to above include – but are not limited to – risks associated with developing and delivering new functionality for our products and services as well as new business models. 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. Partners or investors who engage with us or customers who contract our services should make sure their decisions are based upon features that are currently available.
- This presentation includes a trading update to 31 January 2019, which is based on figures that have neither been audited nor independently reviewed. Investors and prospective investors should accordingly use such information with caution. Tyro does not intend to update the information contained in this presentation, regardless of whether new information arises, except as required by law.
- Neither Tyro nor any other person makes any representation (express or implied) as to the accuracy or completeness of this presentation, including any forward-looking information, or as to reasonableness of any assumption or input used in the forward-looking information. Tyro does not intend to update or revise forward-looking statements or publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this presentation, except where required by law.
- The information contained in this presentation is of a general nature and does not purport to be complete nor to contain all information that an investor or prospective investor in Tyro may require in evaluating whether to deal in Tyro's shares or other securities. No part of this presentation constitutes a recommendation with respect to dealing with (including by sale or purchase) of Tyro's shares or other securities. To the maximum extent permitted by law, Tyro, its directors, officers, employees, consultants and advisors expressly disclaim any and all liability for loss or damage suffered by any person, directly or indirectly, as a result of relying on this presentation, including the forward-looking information (whether arising from negligence or otherwise), or as a result of any information contained in, or any omissions from this presentation or the forward-looking information.

Items of Business

1. Key Achievements + Highlights

Robbie Cooke, CEO

2. H1 Results Analysis

Prav Pala, CFO

3. Trading Update + Initiatives

Robbie Cooke, CEO

4. Chairman's Update

Kerry Roxburgh, Chairman

5. Q&A

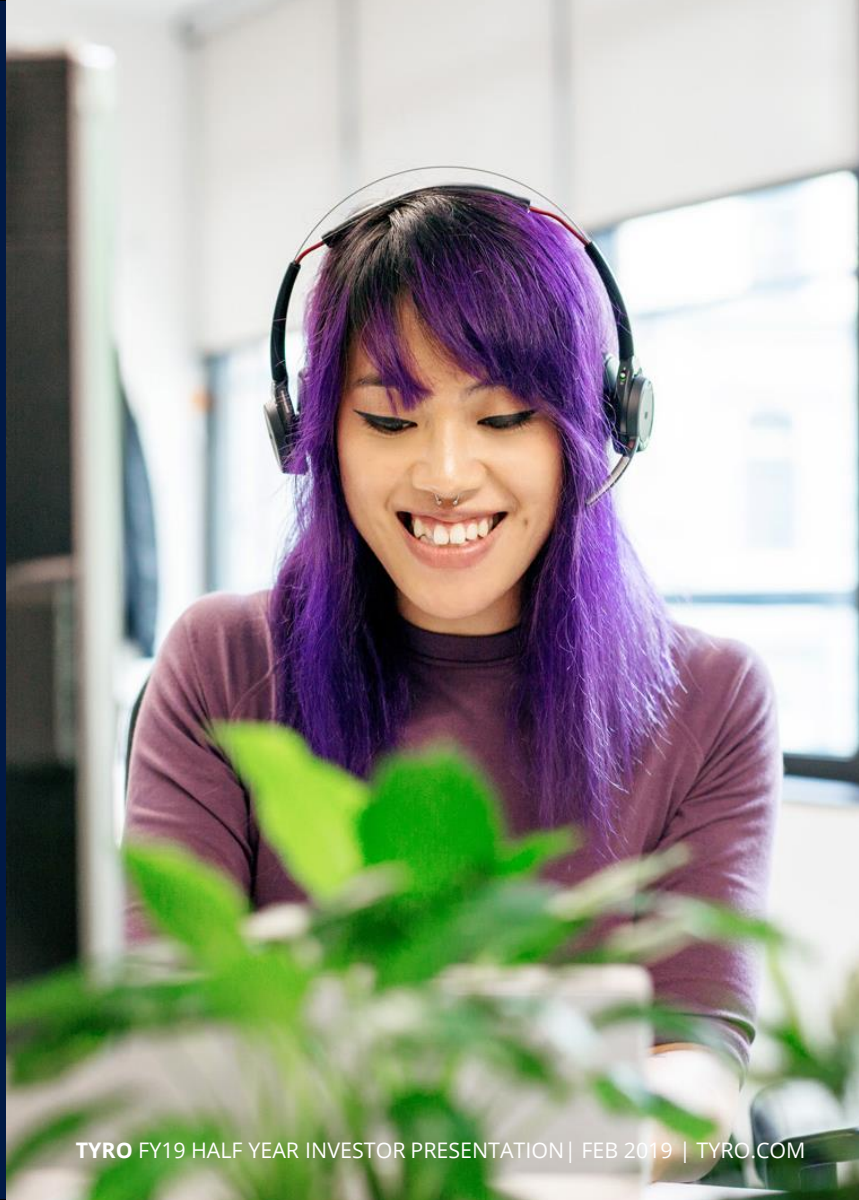


Key Achievements + Highlights

Robbie Cooke
Chief Executive
Officer

Tyro's DNA

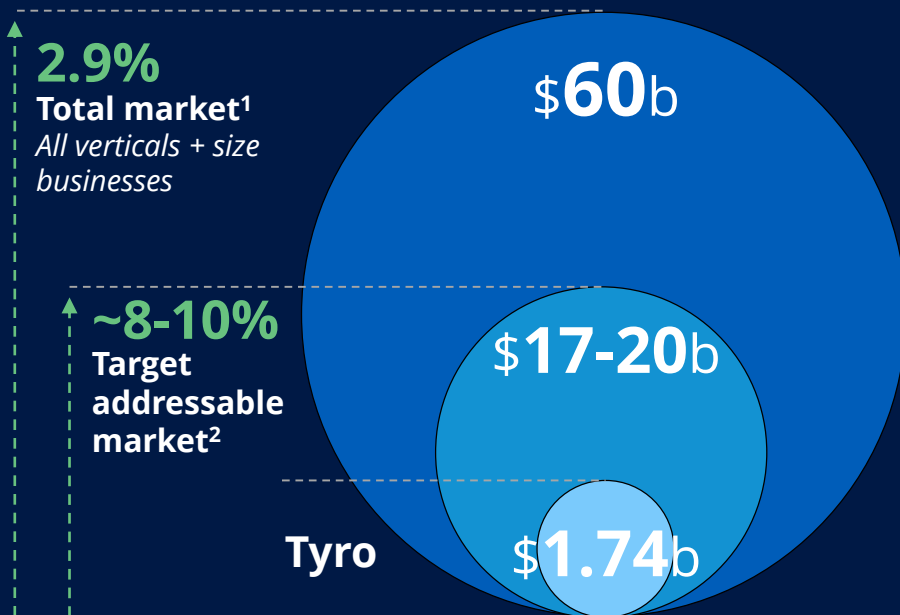
- **We are a challenger at heart** with an absolute focus on:
 - disrupting **the status quo** for the benefit of our customers;
 - re-engineering **banking and payments** to remove friction;
 - putting **our customers** at the centre of all that we do.
- We work with some amazing businesses and are **genuinely inspired** by their success.
- This is the **essence of being a Tyro** and what drives us as a team.



Tyro's Segment Share

Payments

Month Transaction Volume - Dec 2018*

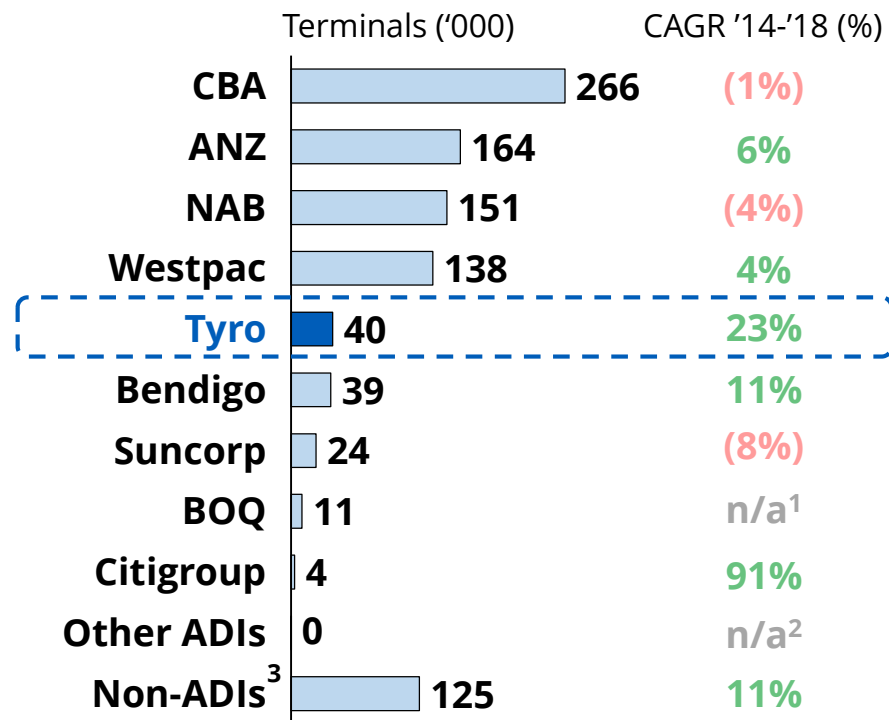


5th Largest



EFTPOS Terminals

Jun 2018



Note: 1) No 2014 data available; 2) Off of a base of 1 terminal; 3) Estimate derived from total terminal market data. Source: APRA; AusPayNet.

TYRO FY19 HALF YEAR INVESTOR PRESENTATION | FEB 2019 | TYRO.COM

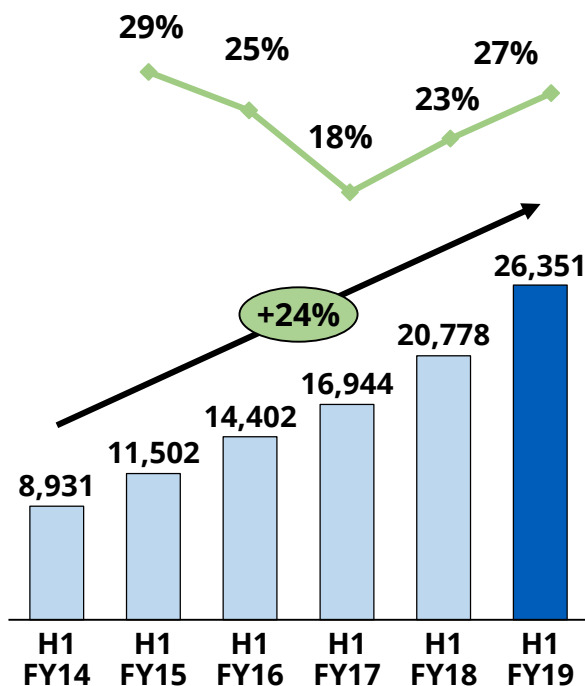
Source: Internal Analysis; RBA; ABS. Note: 1) Total value of credit, debit and charge card transactions; 2) Internal estimate of total value of transactions processed by Retail, Health + Hospitality small and medium businesses.

*Illustration not to scale.

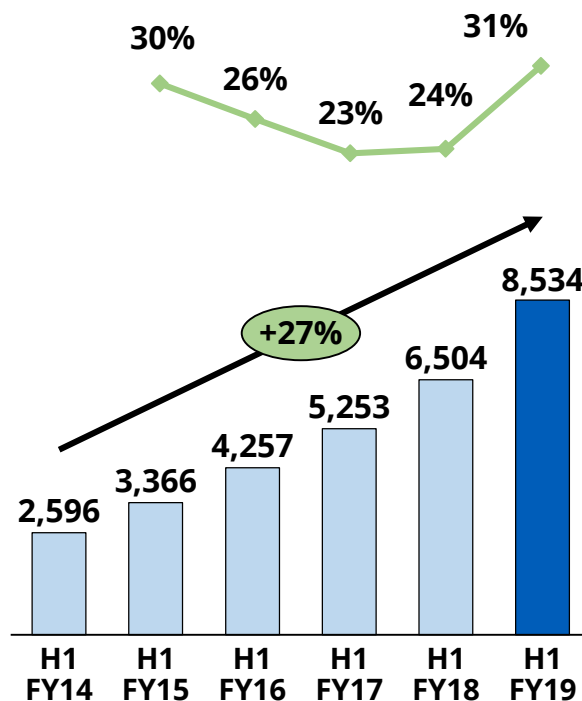
Growth Across Key Indicators



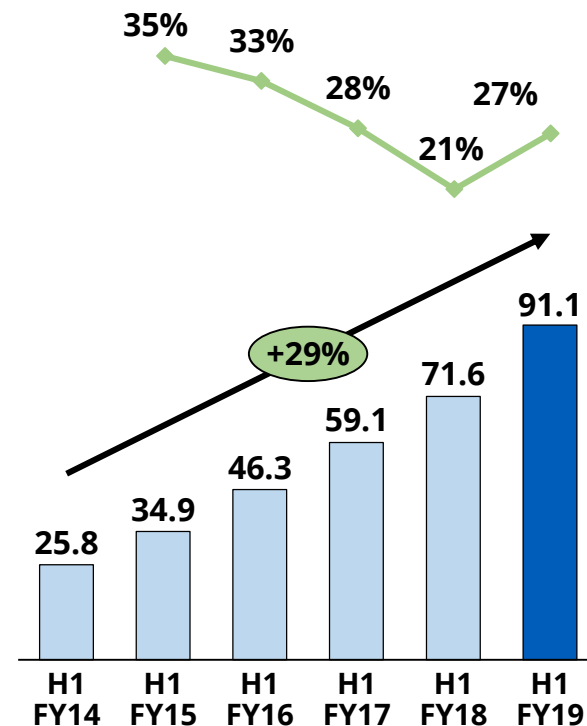
Customers¹ (PCP %, CAGR %, #)



Transaction Volume² (PCP %, CAGR %, \$m)



Revenue³ (PCP %, CAGR %, \$m)

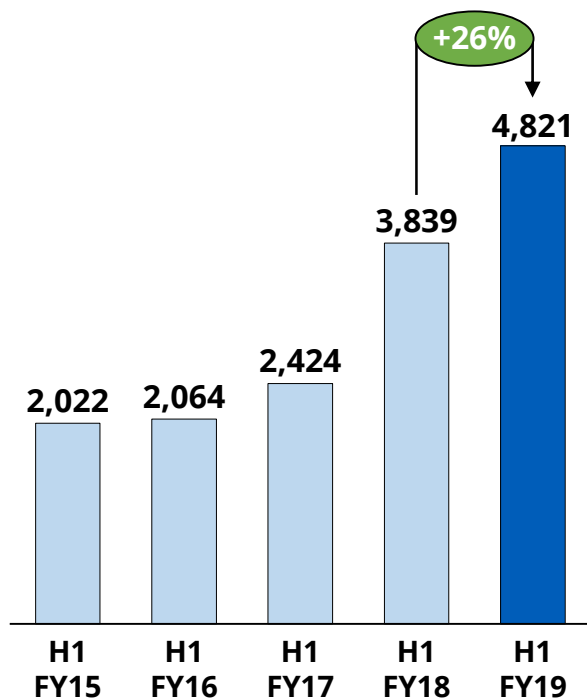


Source: Internal Data. Note: 1) Merchant IDs (MIDs) used as proxy for customers and not representing 'single customer view'; 2) Excludes switching-only transactions processed; 3) Revenue = Fees and commission income + Interest income + Fair value gain on merchant loans + Terminal and accessories sales + Other income.

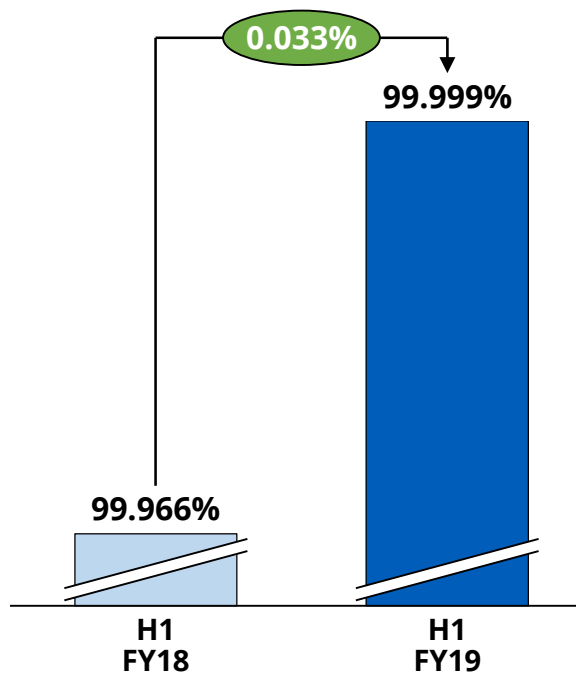
Key Performance Indicators



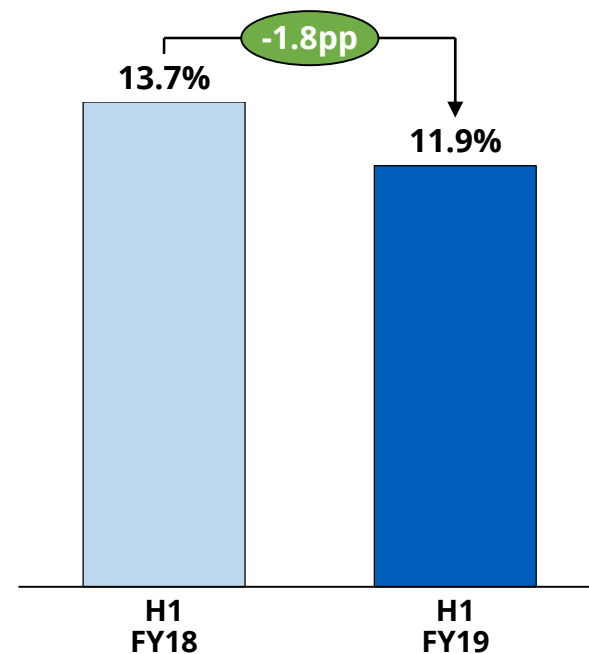
Sales Applications (#)



Core Platform Availability (6 month average %)



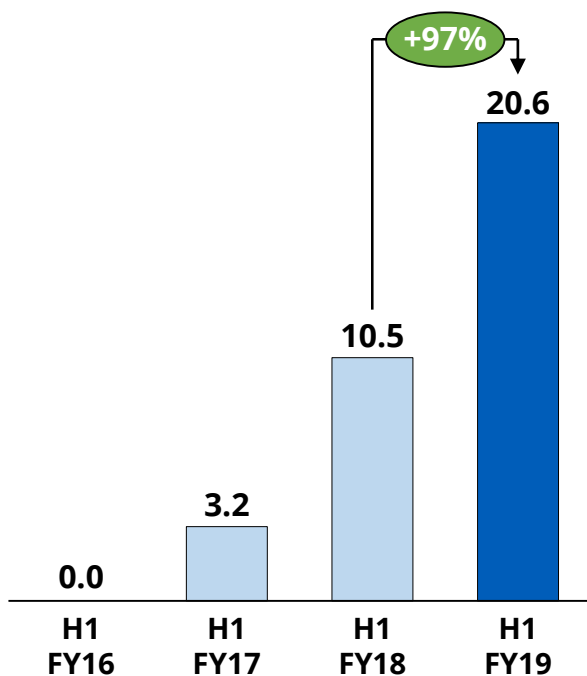
Customer Churn¹ (%)



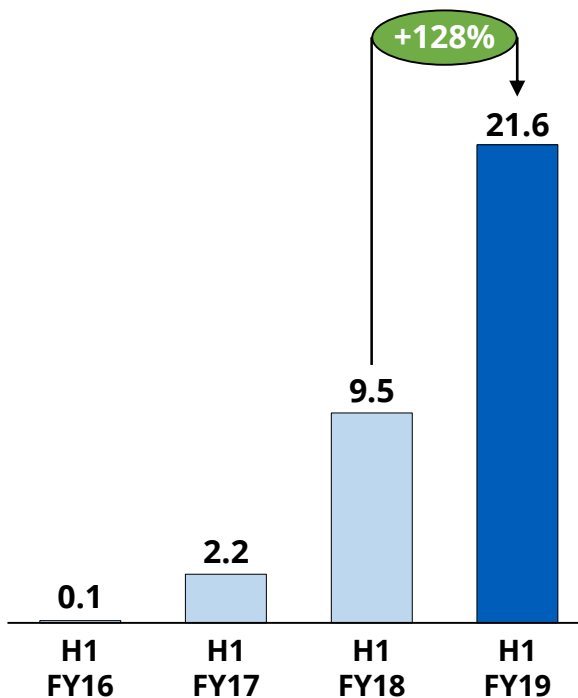
Key Performance Indicators



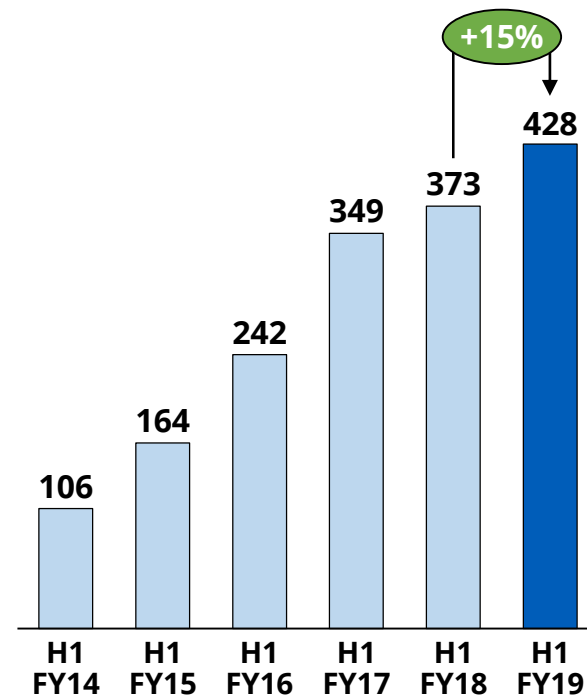
Loan Originations (\$m)



Deposit Balance (\$m)



Staff Headcount¹ (#)



Payments + Banking Operations



Payments

- A record 6 months with **\$8.5 billion** transacted, up 31% on prior comparative period.
- A record **\$1.74 billion** in transaction value in the single month of Dec 2018.
- Now over **260** certified Point-of-Sale (POS) and Practice-Management-System (PMS) partners.



Deposits

- Fee-free interest-bearing business bank account.
- **1,734** active Tyro Bank Accounts up from 809.
- **\$21.6 million** of funds on deposit.



Loans

- Cash-flow based unsecured loan repaid via a pre-agreed percentage of daily EFTPOS settlements.
- Almost **\$60 million** in originations since inception.
- Over **50%** repeat rate and less than **2%** loss rate.¹

Source: Internal Data. Note: 1) Repeat rate - total number of active subsequent loans divided by total number of active loans as at the end of each period. Loss rate - cumulative lending losses divided by lending balance as at the end of each period.



H1 Results Analysis

Prav Pala
Chief Financial
Officer

Key Financial Metrics



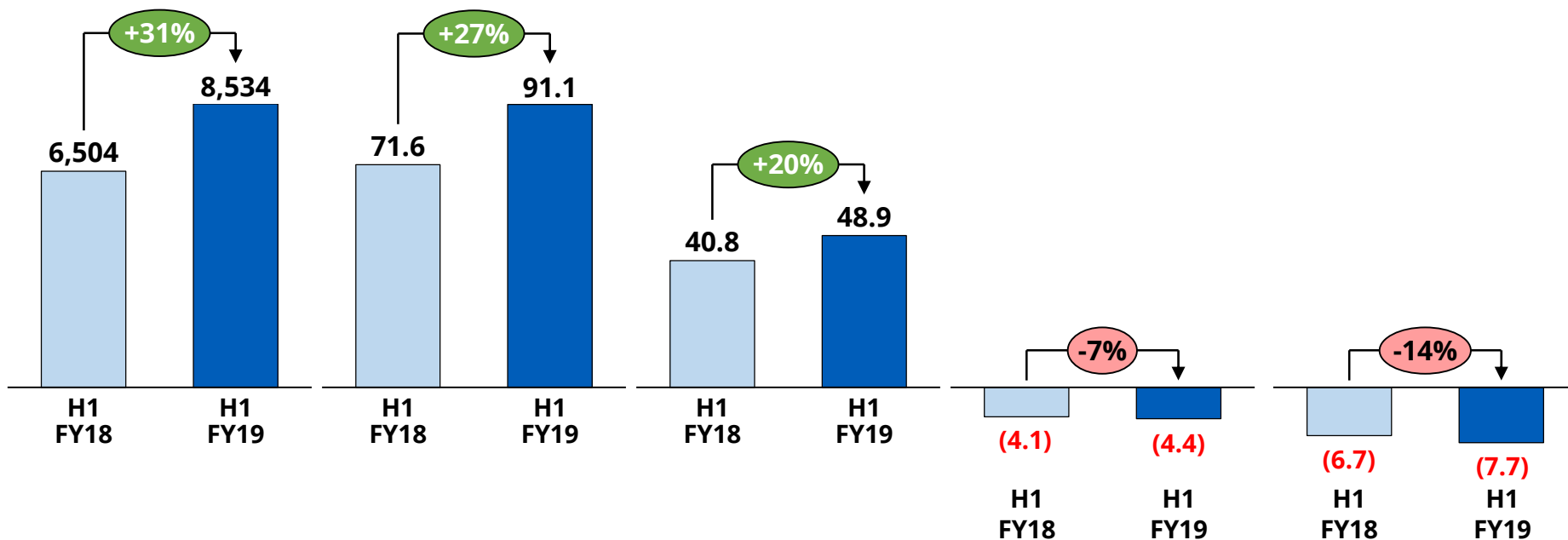
Transaction Volume¹ (PCP %, \$m)

Revenue² (PCP %, \$m)

Operating Expenses (PCP %, \$m)

EBITDA³ (PCP %, \$m)

Net Loss (PCP %, \$m)



Source: Internal Data. Note: 1) Excludes switching-only transactions processed; 2) Revenue = Fees and commission income + Interest income + Fair value gain on merchant loans + Terminal and accessories sales + Other income; 3) Includes interest from banking operations.

Operating Income – H1FY19



Key Results	H1FY19 \$'000	H1FY18 \$'000	Movement \$'000	Movement %
Acquiring revenue	88,123	69,169	18,954	27%
Banking revenue	1,301	687	614	89%
Other revenue	1,629	1,782	(153)	(9%)
Total revenue	91,053	71,638	19,415	27%
Less: Scheme, interchange and support fees	(49,393)	(37,055)	(12,338)	(33%)
Less: Other expenses	(501)	(384)	(117)	(30%)
Net operating income	41,159	34,199	6,960	20%

Operating Expenses – H1FY19



Key Results	H1FY19 \$'000	H1FY18 \$'000	Movement \$'000	Movement %
Employee benefits expense (exc. SBP)	29,465	26,378	3,087	12%
Administrative expenses	12,815	9,610	3,205	33%
Marketing expense	1,829	980	849	87%
Bank fee and other expenses	173	100	73	73%
Operating expenses before non-cash items	44,282	37,068	7,214	19%
Depreciation	3,821	3,431	390	11%
Share-based payments expense	792	317	475	150%
Total operating expenses	48,895	40,816	8,079	20%

Financial Review – H1FY19

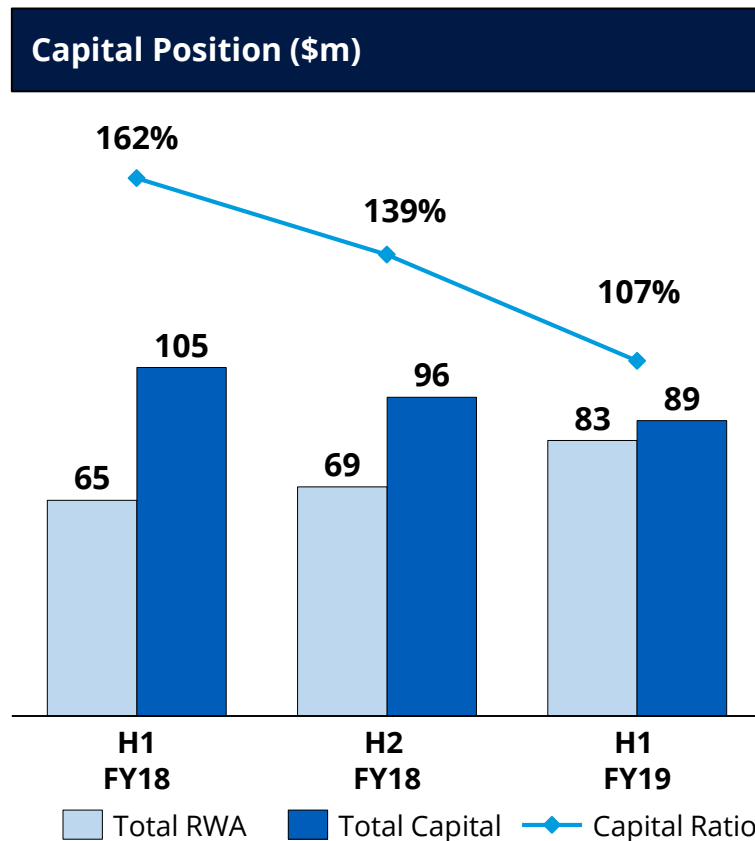


Key Results	H1FY19 \$'000	H1FY18 \$'000	Movement \$'000	Movement %
Total revenue	91,053	71,638	19,415	27%
Net operating income	41,159	34,199	6,960	20%
Operating expenses before non-cash items	(44,282)	(37,068)	(7,214)	(19%)
EBITDA	(4,373)	(4,089)	(284)	(7%)
Non-cash items ¹	(4,516)	(3,912)	(604)	(15%)
Passive interest income	1,250	1,220	30	2%
Operating loss before tax	(7,639)	(6,781)	(858)	(13%)
Income tax benefit	(28)	75	(103)	(137%)
Net loss	(7,667)	(6,706)	(961)	(14%)

Strong Balance Sheet for Growth



Key Results	H1FY19 \$'000	H2FY18 \$'000	Movement \$'000	Movement %
Cash + Investments	75,888	85,473	(9,585)	(11%)
Total Assets	148,008	139,558	8,450	6%
Total Liabilities	44,635	30,017	14,618	49%
Capital	88,990	96,473	(7,483)	(8%)
Capital Ratio	107%	139%	(32pp)	n/a
Deposits	21,629	11,563	10,066	87%
Lending	10,409	7,590	2,819	37%





Trading Update + Initiatives

Robbie Cooke
Chief Executive
Officer

Initiatives Update



Tap & Save

Mar 2018

Tyro launched Tap & Save.

Apr 2018

Recommended deadline for least-cost routing by the House of Representatives.¹

Dec 2018

Over 6,000 merchants have saved collectively over **\$2.3 million (8.8%)** on their Merchant Service Fees since launch.²



Platform

**Coming
Soon**

General availability of the first use case – integrated loyalty.

Pilot of the integrated booking use case.

Pilot of integrated data insights.

Coming Soon



Alipay

- Deal signed with Alipay.
- Gold Coast International Airport + Sydney Airport now live, with Heinemann Australia.
- General availability for Tyro merchants this year.



Ecommerce

- Single settlement and reporting across online and in-store channels.
- Speed, reliability and fraud protection.
- Simple and transparent pricing.



Brand Refresh

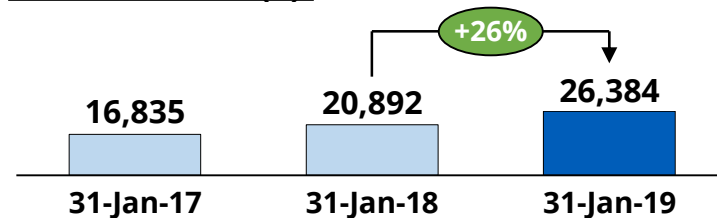
- Encapsulate the essence and ambition of Tyro.
- Cross-company project kicked off in July 2018.
- New website.
- Roll out in 2019.

Momentum Continuing in January 2019*

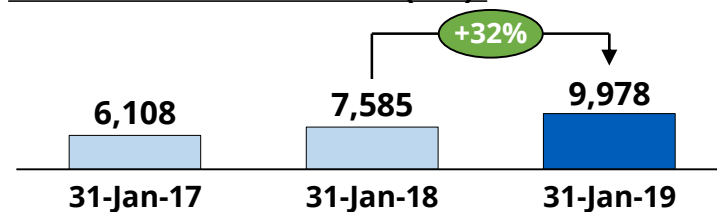


Key Results	Jan 2019 YTD	Jan 2018 YTD	Movement %
Customers (#) ¹	26,384	20,892	26%
Transaction Volume (\$m) ²	9,978	7,585	32%
Revenue (\$m) ³	106.8	83.9	27%
Lending Originations (\$m)	25.0	12.4	101%
Deposit Balance (\$m)	20.9	8.6	144%

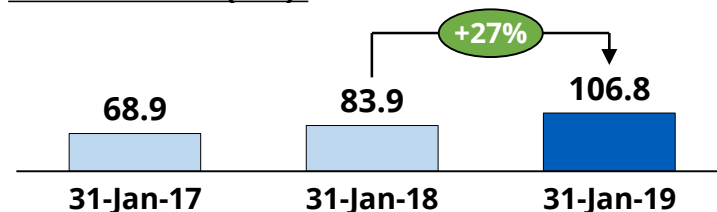
Customers YTD (#)¹



Transaction Volume YTD (\$m)²



Revenue YTD (\$m)³



*These numbers are neither audited nor independently reviewed.

Source: Internal Data. Note: 1) Merchant IDs (MIDs) used as proxy for customers and not representing 'single customer view'; 2) Excludes switching-only transactions processed; 3) Revenue = Fees and commission income + Interest income + Fair value gain on merchant loans + Terminal and accessories sales + Other income.

Outlook for H2 FY19

New and some increased costs in H2, relating to:

- step-up in marketing activity;
- continued development of Tyro Platform;
- ecommerce solution;
- additional headcount.





Q&A

Thank you

