



INVESTOR BRIEFING

H1 FY24 Results

27 February 2024

Tyro Payments Limited ABN 49 103 575 042



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Business
update

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results

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Outlook and
Guidance update

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Q&A

The Tyro logo is positioned on the right side of the slide. It features the word "tyro" in a bold, lowercase, sans-serif font. The logo is set against a background of large, overlapping geometric shapes in blue and lime green. The "tyro" text is black and appears to be slightly shadowed or layered over the green shapes.

tyro



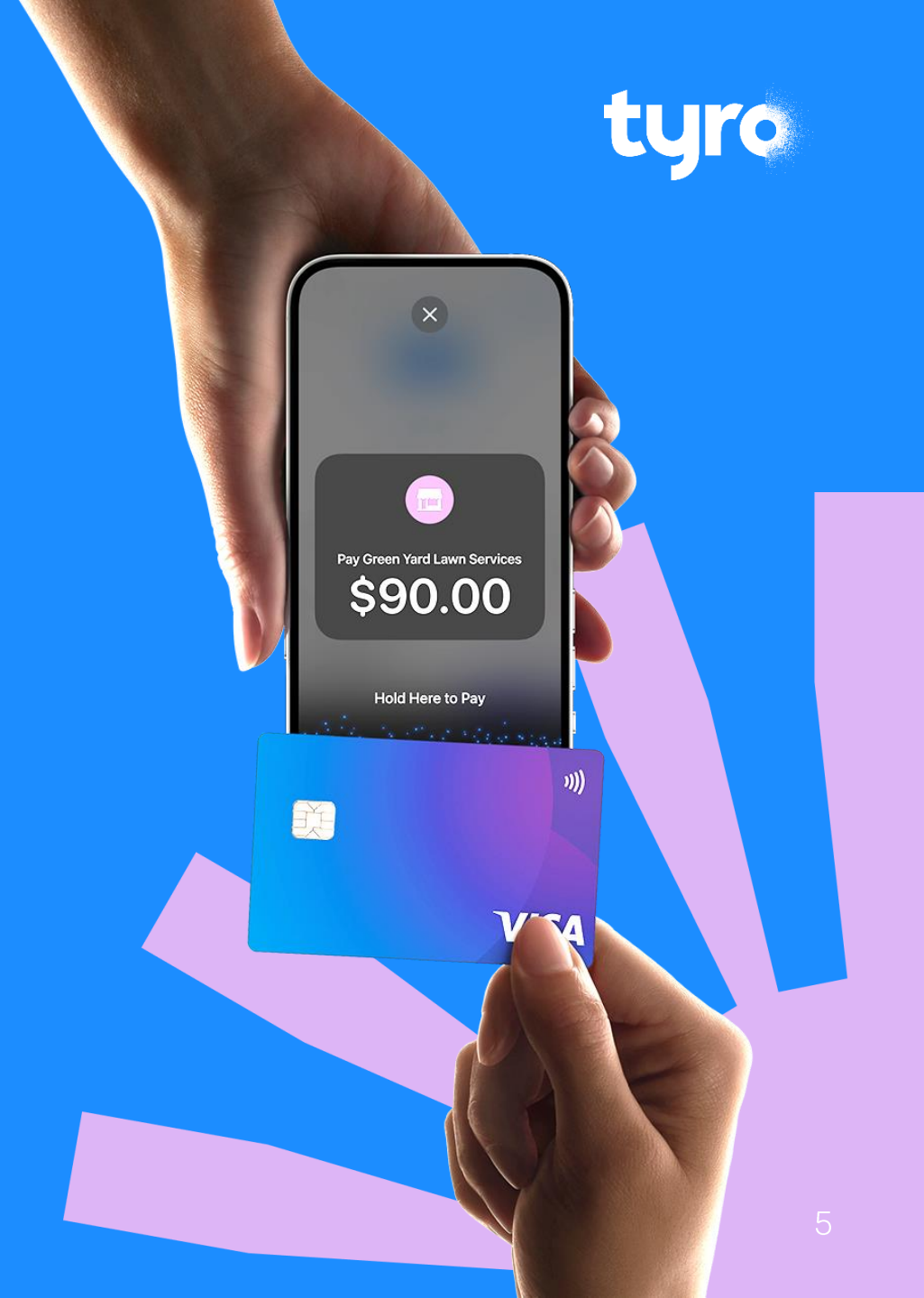
BUSINESS UPDATE

Jon Davey

CEO & MANAGING
DIRECTOR



TYRO'S VISION IS TO BE THE **LEADING PAYMENTS AND CASHFLOW MANAGEMENT PLATFORM** FOR AUSTRALIAN BUSINESSES



H1 FY24

RESULTS OVERVIEW

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+2.2%

\$22.2B

Transaction Value

+10.5%

\$105.2M

Gross Profit

+40.6%

\$27.3M

EBITDA

+5.6 ppt

26%

EBITDA Margin

H1 FY24

KEY THEMES

1. Strong profitability

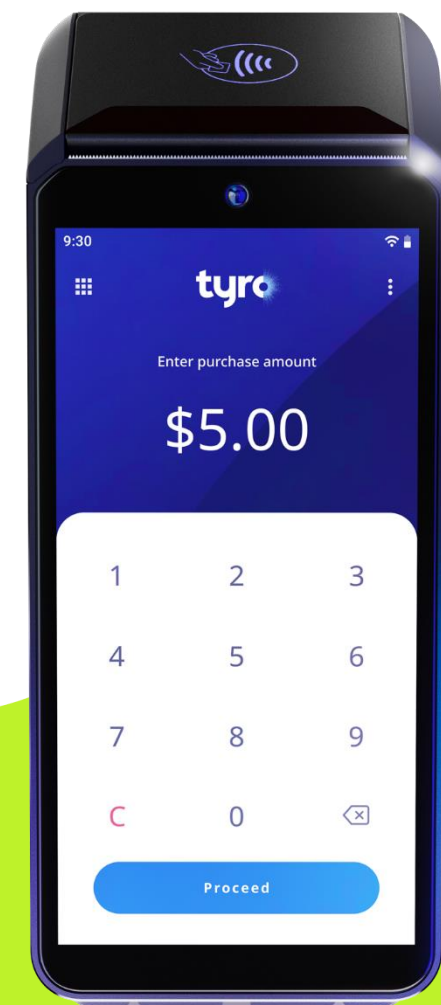
- **Revenue growth** and **margin improvements** (Gross Profit +10.5%, EBITDA margin +5.6 ppt, Free Cash Flow 17.8x).
- **Continued operating efficiency** driven by digitised processes, right-sized teams and investment in growth areas.

2. Growth through non-discretionary verticals

- Strong growth in non-discretionary **Health (+24.2% TV)** and **Services (+7.2% TV)** verticals.
- **Tyro core TV up 4.1%** despite hospitality and retail softening. Bendigo Powered-by-Tyro underperforming.

3. Building products customers want

- **Increasing multi-product uptake** driven by integrated payments and banking value proposition.
- **Enhancing our cashflow products** to solve our merchants' pain points.
- Accelerated development of **device and POS-agnostic embedded payments SDK** for new unified payments offering in H2 FY24.

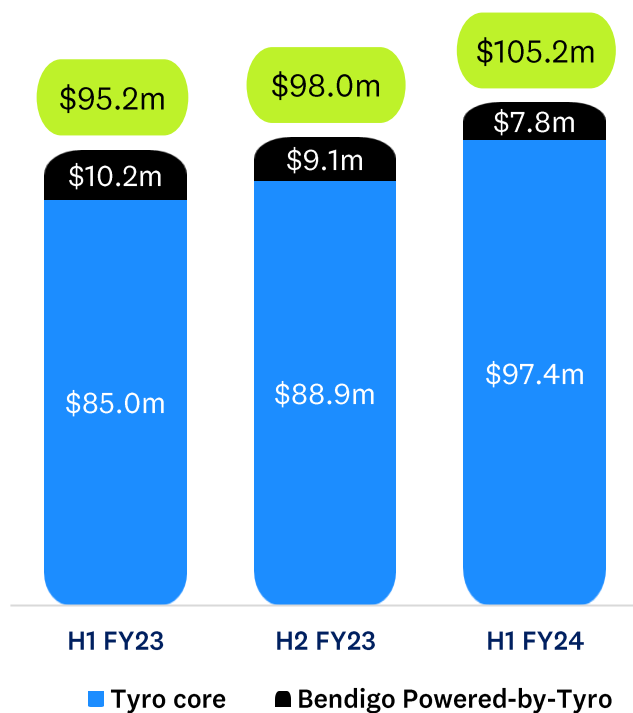


PROFIT MOMENTUM CONTINUES

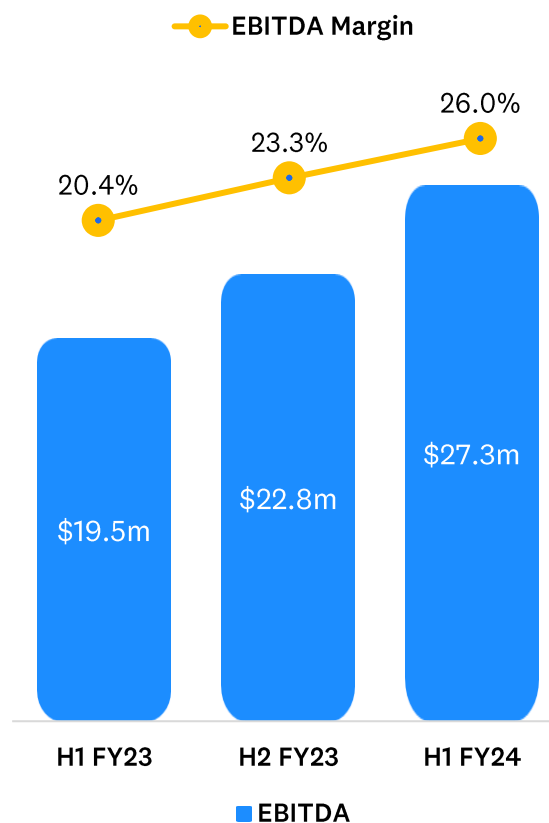


Resilience to the economic environment, delivered strong profit growth

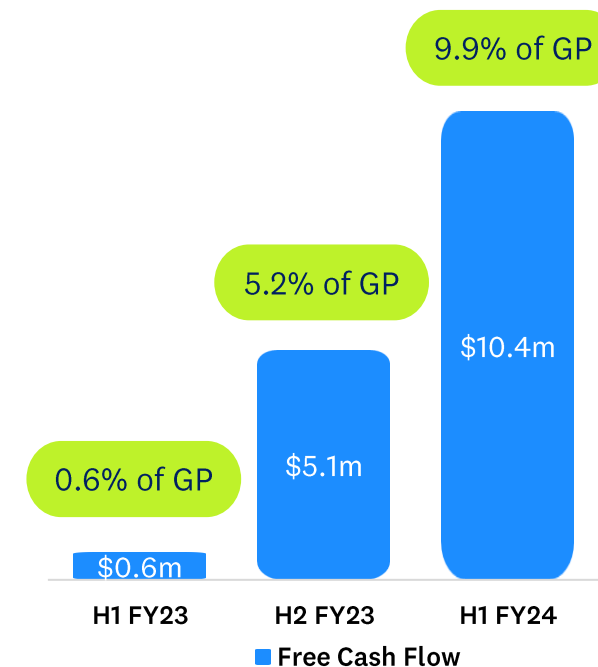
Gross Profit



EBITDA¹



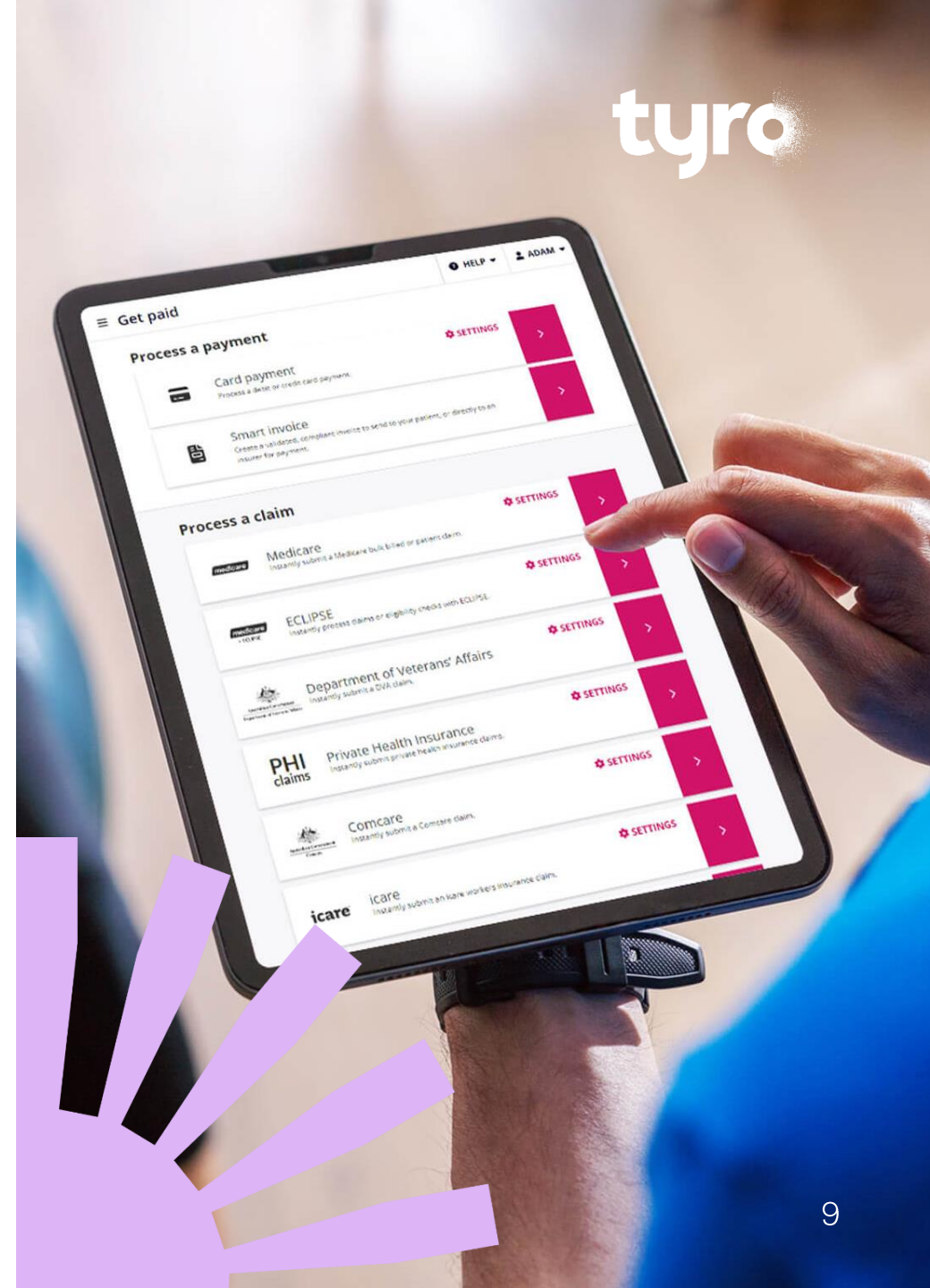
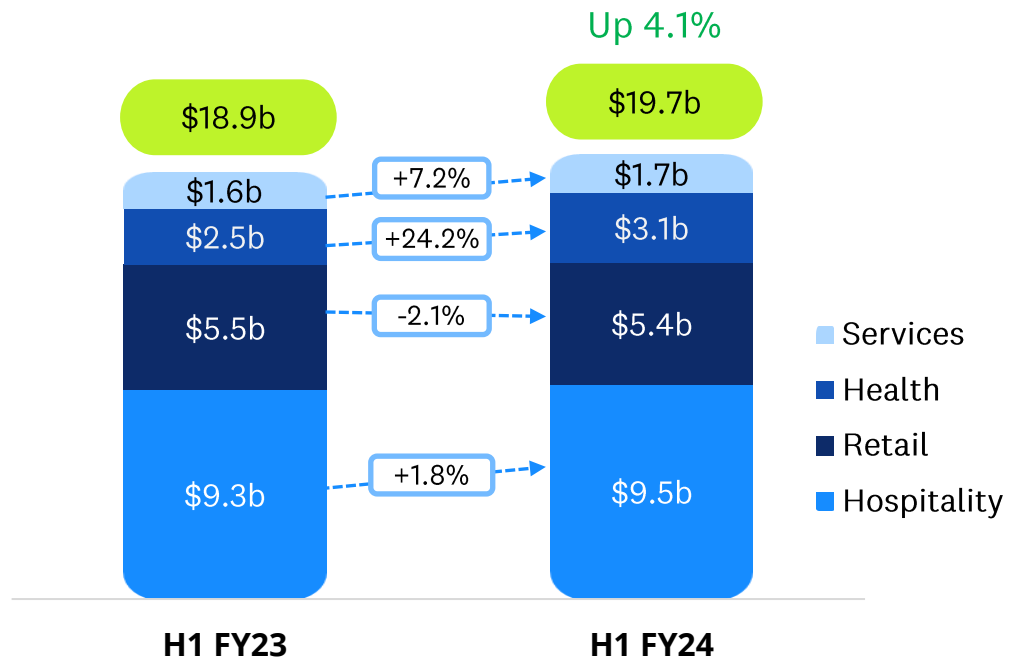
Free Cash Flow



¹ EBITDA Margin is measured as EBITDA (including lending and non-lending losses) divided by normalised gross profit (after Bendigo commission). 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)/gain from associates, the non-cash accounting impact of the Bendigo Alliance and other one-off costs.

NON-DISCRETIONARY VERTICALS GROWING STRONGLY

Tyro core transaction value growth led by Health

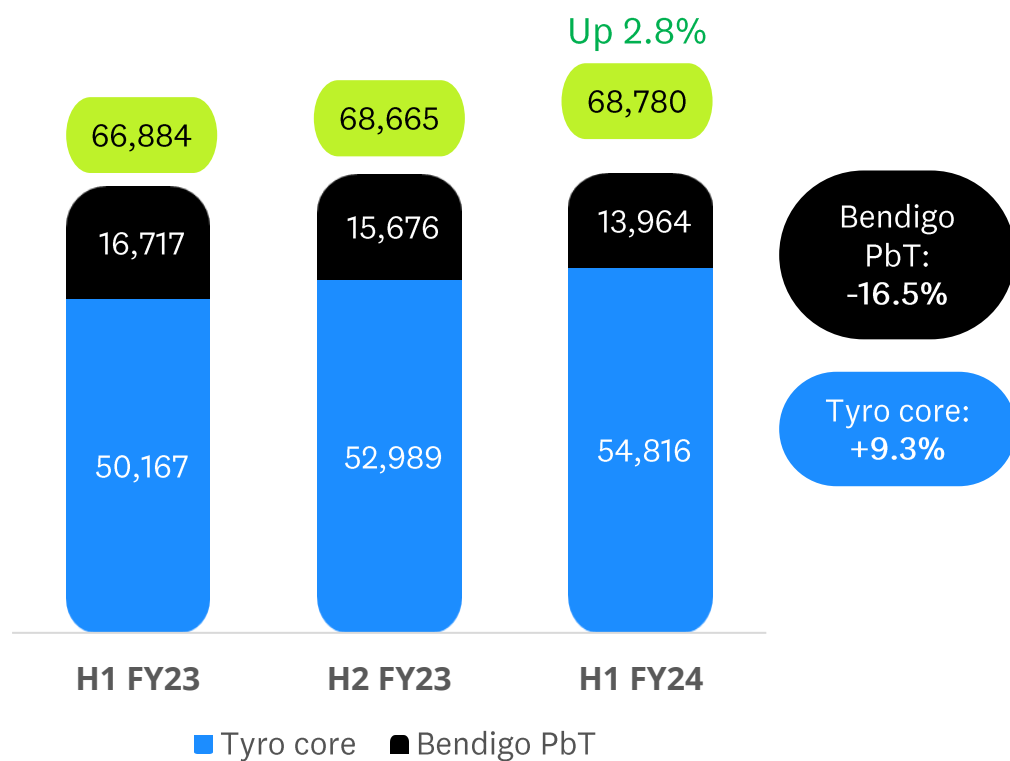


CORE BUSINESS GROWING

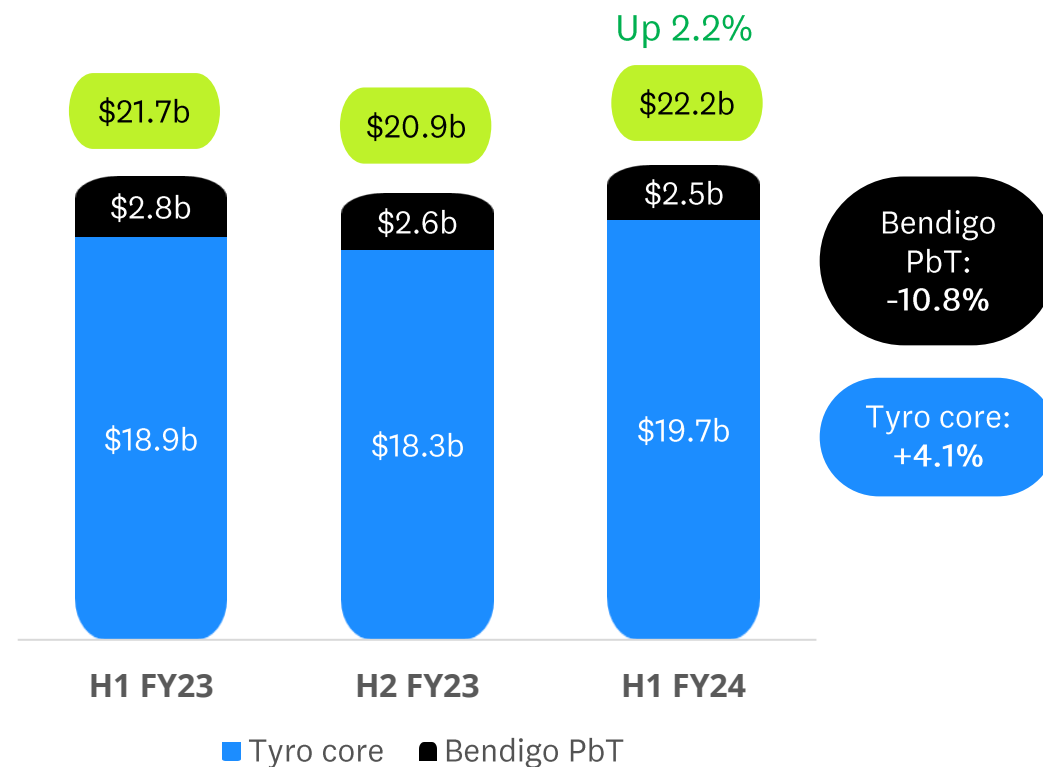


Overall growth impacted by lower Bendigo Powered-by-Tyro (PbT) merchant base

Merchants



Transaction Value



MULTI-PRODUCT ADOPTION DRIVING CUSTOMER VALUE

More value for merchants

>1 in 5

New leads requesting Tyro
Banking services

11.9%

(+1.2ppt)¹
Multi-product adoption

Better customer economics²

1.0x



Payments only

1.3x



Payments + Deposits

2.9x



Payments + Deposits +
Lending

¹ Comparison to H1 FY23.

² Multiples show estimated increase in gross profit per customer.

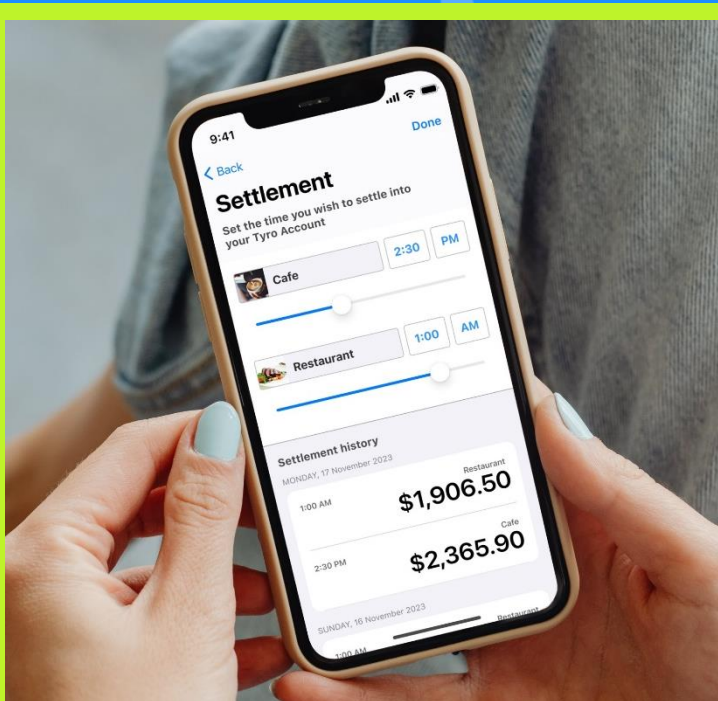
tyro



BUILDING PRODUCTS CUSTOMERS WANT

Delivering solutions that our merchants want in 2024

Multi-account settlement times



Sarah manages a bustling cafe during the day, which transforms to a boutique restaurant at night, all from the same location.

Sarah's bank settles into her account after hours the next day. Sarah is frustrated with the delay in getting her money. She also struggles to reconcile cafe and restaurant payments from a single bank account.

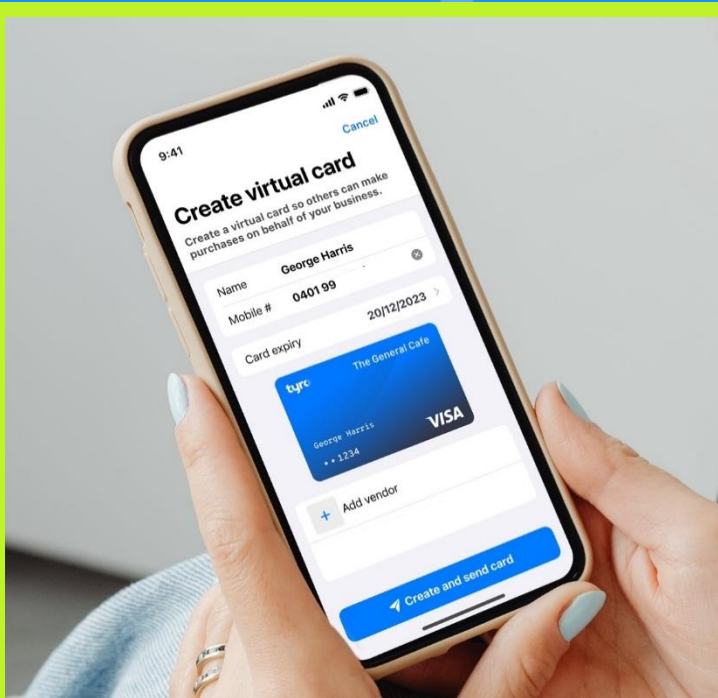
Multi-account settlement times will allow Tyro Bank Account merchants to select different settlement times for multiple business accounts on the same day and change these at any time via the Tyro Portal or Tyro App.



BUILDING PRODUCTS CUSTOMERS WANT

Delivering solutions that our merchants want in 2024

Virtual Debit Card



A few hours before opening, Phil realises the restaurant is low on napkins and needs an urgent order, which he knows he can get with his supplier. He doesn't have the time to do it herself, and his staff members don't have an easy way to make purchases on behalf of the business.

Merchants with a Tyro Bank Account will have access to a **virtual debit card**. Additional cards can be generated for staff on demand and easily added to a digital wallet for limited one-time use.



INNOVATING FOR THE FUTURE WITH **TYRO UNIFIED PAYMENTS**

Bundled Payments + POS

- Partnering with our network of POS providers to offer a complete Payments and POS solution, with a simple but flexible fee structure.
- Opportunity for merchants to leverage Tyro's No Cost EFTPOS to recover their EFTPOS fees.

Device and POS-agnostic **embedded payments**

- One simple integration between Tyro and a POS provider can allow an iOS or Android POS system with tap-enabled hardware to accept payments.
- Tyro's existing network of 400+ POS providers represents an opportunity to rapidly scale embedded payments.



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FINANCIAL RESULTS

Prav Pala

CHIEF FINANCIAL
OFFICER

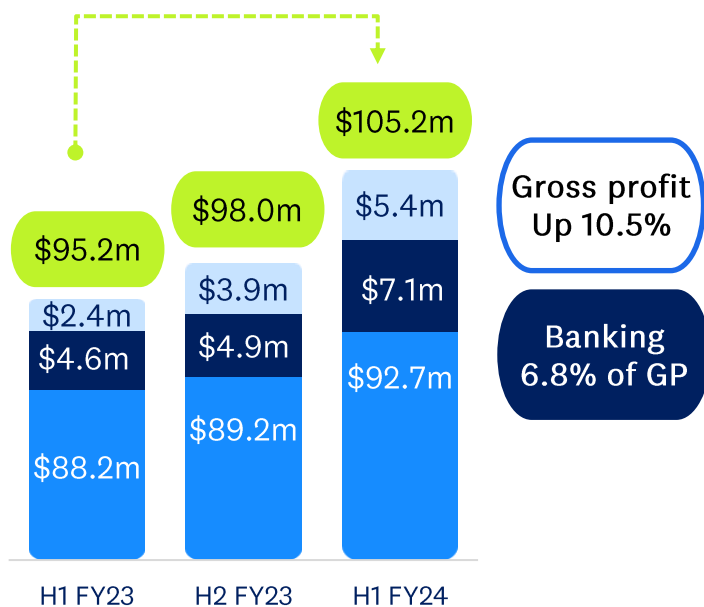


STRONG FINANCIAL PERFORMANCE

Building a resilient and more profitable business



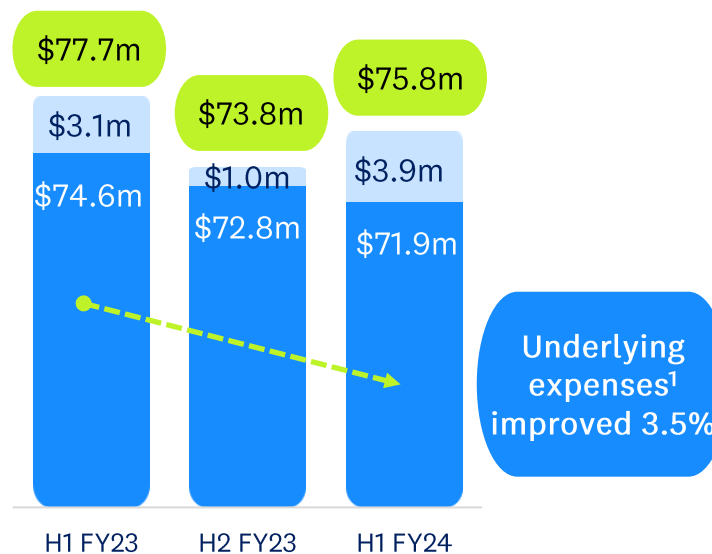
Increased Gross Profit



Gross Profit²

■ Payments ■ Banking ■ Corporate

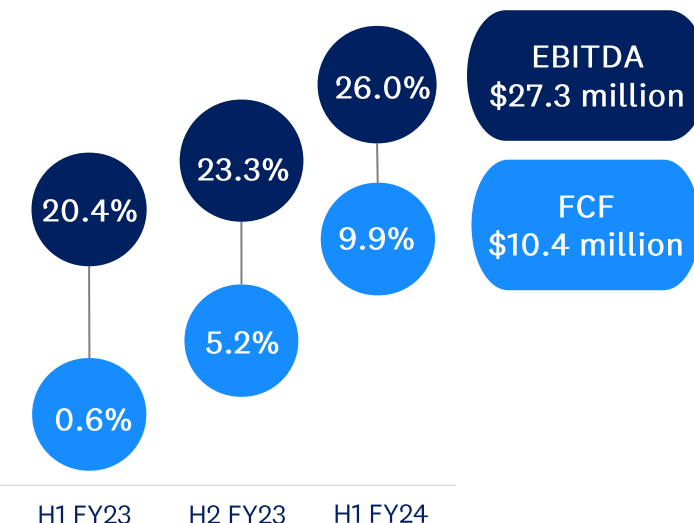
Disciplined cost management



Operating expenses²
(excluding lending & non-lending losses)

■ One-off costs
■ Underlying expenses

Increased profitability and cash generation



EBITDA and FCF

■ EBITDA as % of Gross Profit
■ Free Cash Flow (FCF) as % of Gross Profit

¹ Underlying expenses exclude one off costs and lending & non-lending losses.

² Prior comparatives reclassified for consistency.

PERFORMANCE IMPROVED ACROSS ALL KEY METRICS



\$'000 unless stated otherwise

	H1 FY24	H1 FY23	GROWTH
Total Transaction Value	\$22.2b	\$21.7b	2.2%
Payments Gross Profit	92,673	88,247	5.0%
Banking Gross Profit	7,133	4,572	56.0%
Corporate Gross Profit	5,361	2,341	129.0%
Gross profit¹ (normalised)	105,167	95,160	10.5%
Operating expenses ¹ (normalised)	(75,797)	(74,565)	1.7%
Lending and non-lending losses	(2,022)	(1,139)	77.5%
Total expenses ¹ (normalised)	(77,819)	(75,704)	2.8%
EBITDA	27,348	19,456	40.6%
EBITDA margin %	26.0%	20.4%	+5.6 points
Share-based payments (SBP)	(1,320)	(3,970)	(66.8%)
EBITDA (after SBP)	26,028	15,486	68.1%
Free Cash Flow (FCF)	10,367	583	17.8x

Increased gross profit

- Gross profit outpacing underlying TV due to margin improvements.
- Banking now contributes c. 6.8% of gross profit (H1 FY23: 4.8%).

Disciplined cost management

- 3.5% reduction in underlying operating expense² base.
- Reduction of share-based payments expense.

Increased profitability and cash generation

- Progressive improvement in FCF on consecutive halves.
- Stronger liquidity and capital position.

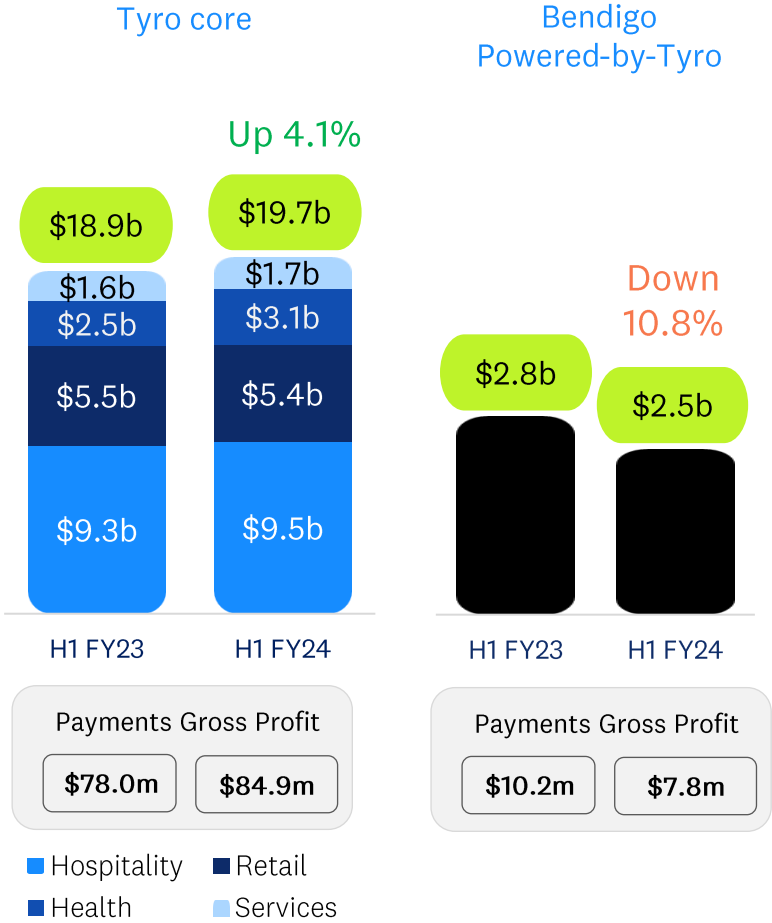
¹ Refer to page 28.

² Prior comparatives reclassified for consistency.

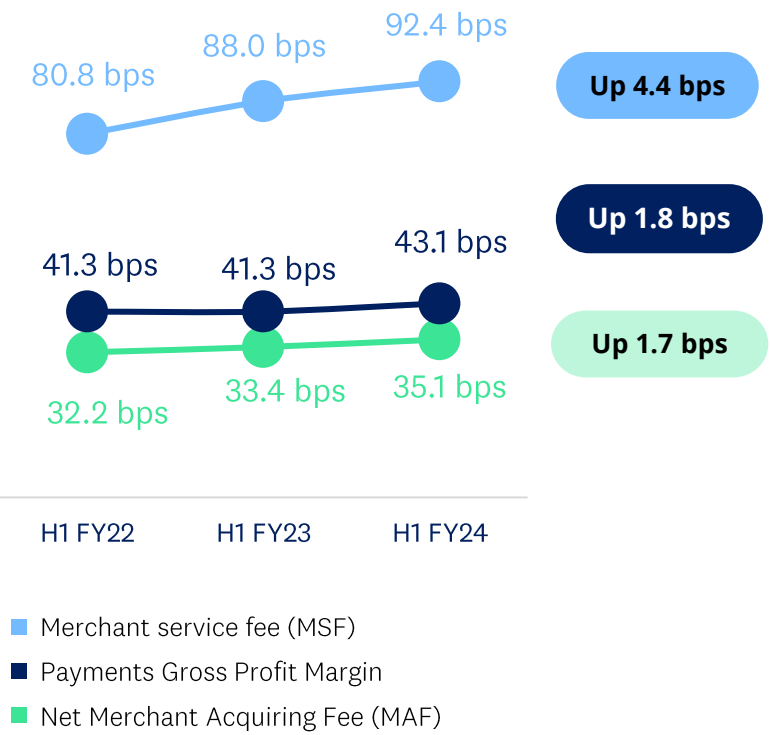
PAYMENTS AT THE CORE OF OUR BUSINESS



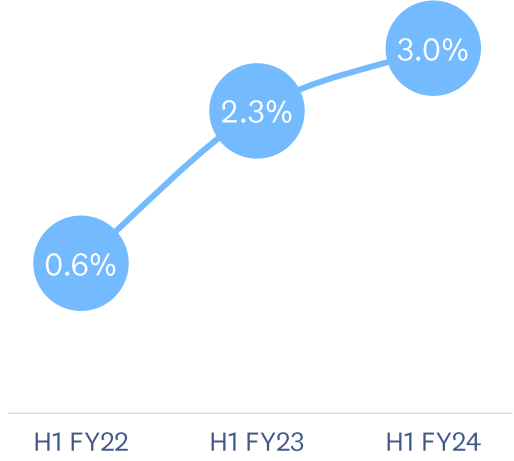
Tyro core TV growth



Tyro core margin strengthening



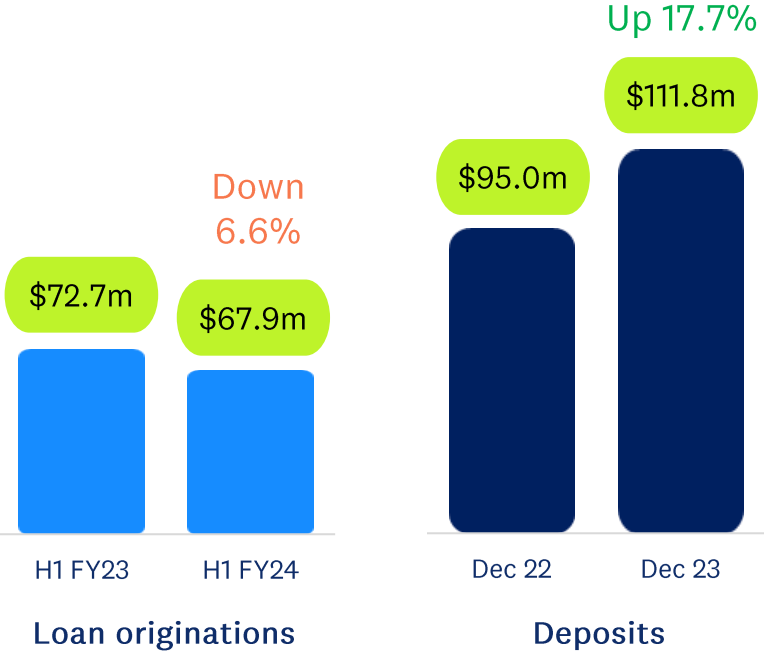
International card mix stabilising



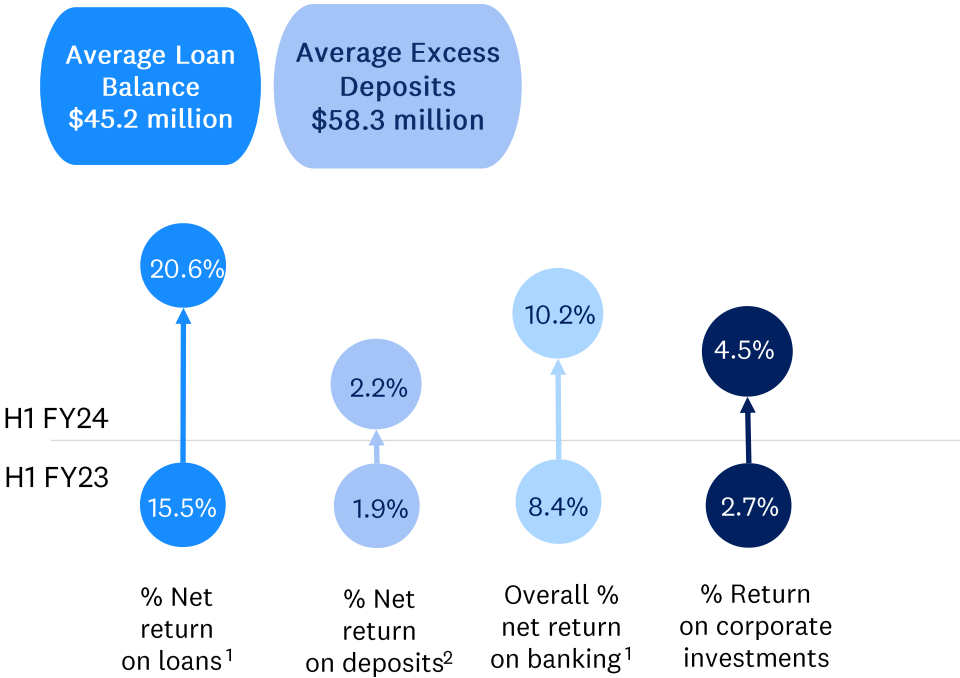
BANKING IMPROVING CUSTOMER ECONOMICS



Loan originations
and Deposits



Banking and Corporate
return metrics

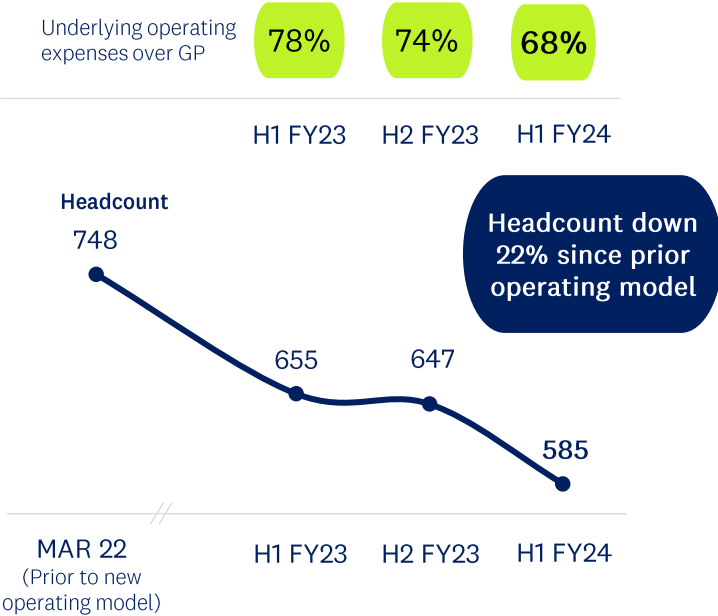


¹Including lending losses and funding costs.
²Represents spread achieved by investing excess deposits.

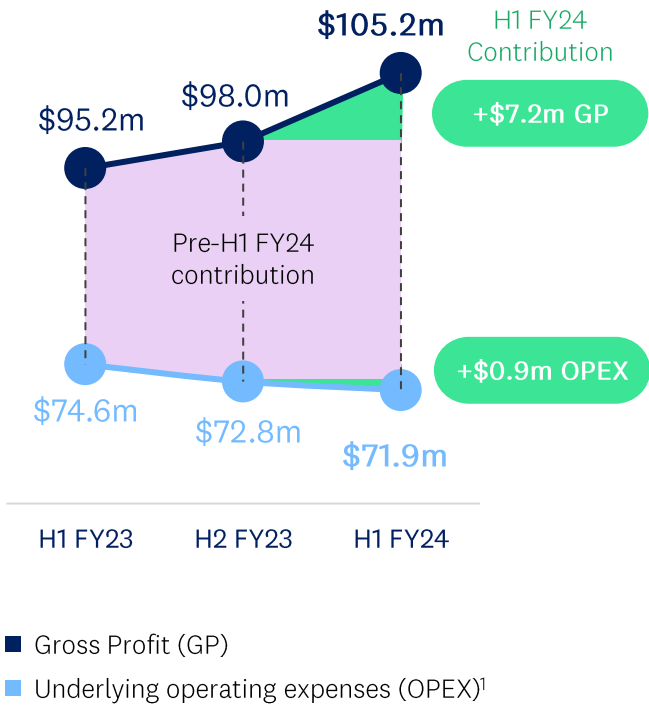
DISCIPLINED COST MANAGEMENT



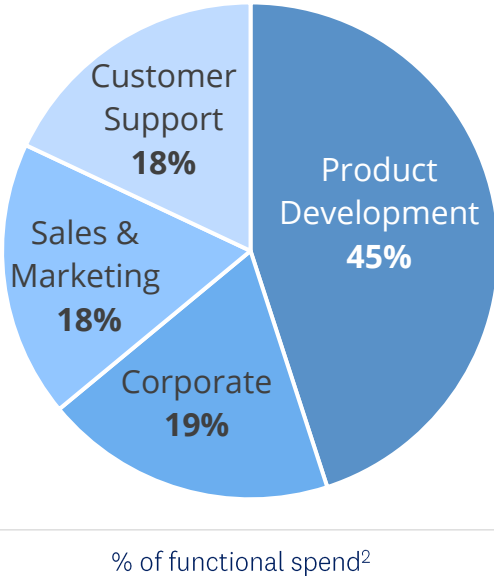
Investment in efficiency



Continued improvement in positive jaws



Investing in the right areas



¹ Underlying expenses exclude one off costs and lending & non-lending losses.
² Includes spend on software development capitalised and excludes one-off costs in the period.

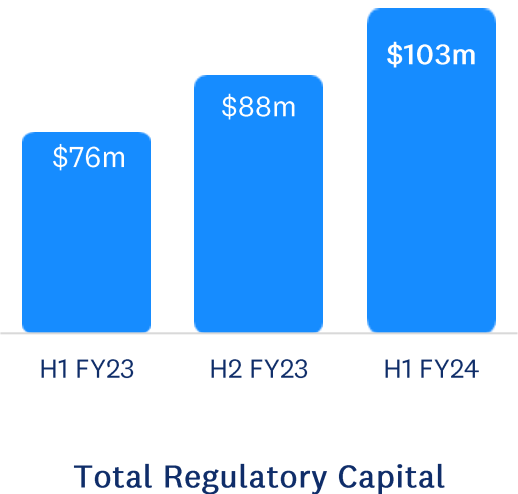
STRONG FINANCIAL POSITION



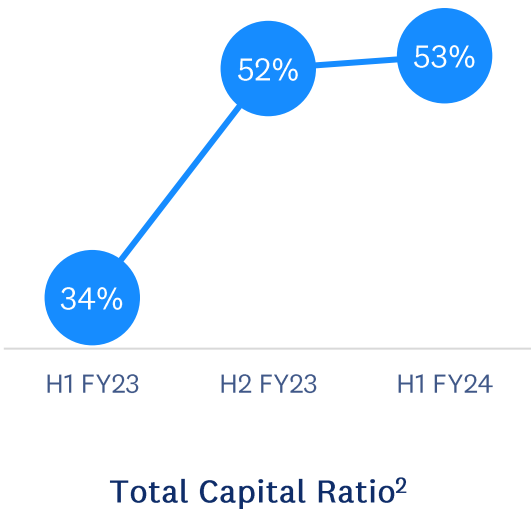
Strong liquidity position



Positive capital generation



Strong capital position



¹Cash and financial investments excluding equity investments.
²H1 FY22 calculated under the previous capital regime. The new capital regime came into effect on 1 January 2023 which lowered total Risk Weighted Assets.

FINANCIAL SUMMARY

- ✓ Increased gross profit
- ✓ Disciplined cost management
- ✓ Improved profitability and cash generation



OUTLOOK AND GUIDANCE UPDATE

Jon Davey

CEO & MANAGING
DIRECTOR



FY24

UPDATED GUIDANCE¹



Earnings guidance range for FY24

Transaction value	\$43 billion	to	\$44 billion
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Gross Profit ² (after Bendigo commission)	\$208 million	to	\$215 million
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EBITDA ³ (before share-based payments)	\$54 million	to	\$58 million
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Targeted EBITDA margin ⁴	~26%		
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Continued Positive Free Cash Flow⁵

¹ This FY24 guidance includes forward-looking statements. Refer below.

² Gross profit is stated as normalised gross profit, namely adjusted for Bendigo Alliance partner share and non-operating gains recognised in the period. Bendigo gross profit share is not deducted from statutory gross profit but deducted to calculate normalised gross profit.

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)/gain from associates, the non-cash accounting impact of the Bendigo Alliance and other one-off costs.

⁴ EBITDA Margin is measured as EBITDA (including lending and non-lending losses) divided by gross profit (after Bendigo commission).

⁵ 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. Guided positive Free Cash Flow is prior to recognition of \$10 million of settlement proceeds received from Kounta subsequent to balance date.

Forward-Looking Statements

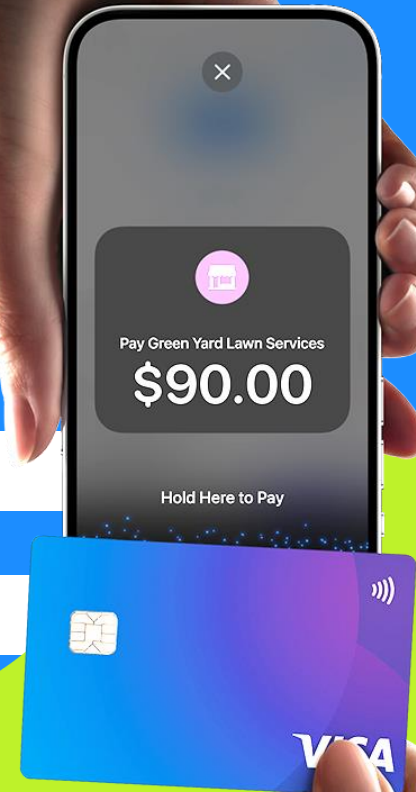
Tyro's financial expectations and guidance included in this announcement reflect Tyro's intent, belief or current expectations as at the date of this presentation and are subject to there being no material deterioration in market or macroeconomic conditions, and are based on a number of key assumptions which may not prove to be correct, or which may change over time, including no material changes to current business plan and no material change in the regulatory environment. These factors are beyond Tyro's control, which may cause actual results to differ materially from those expressed or implied. During the ordinary course of business, the Group is exposed to credit risk, operational risk, market risk and liquidity risk. For details on the management of these risks, please refer to the Annual Report including the Financial Report for the year ended 30 June 2023. Certain statements contained in this announcement are forward-looking statements or statements about future matters, including indications and expectations of, and guidance and outlook on, the future earnings, financial position and/or performance of Tyro. These statements are based on information available as at the date of this announcement, and involve known and unknown risks and uncertainties and other factors (many of which are beyond the control of Tyro).

Other than as required by law, no representation is made or guarantee given by Tyro that the occurrence of any of the events expressed or implied in these statements will actually occur. Actual future events may vary from these forward-looking statements and it is cautioned that undue reliance should not be placed on any forward-looking statements. Subject to any continuing obligations under applicable law, we expressly disclaim any obligation to provide any updates or revisions to any forward-looking statements in this presentation to reflect events or circumstances after the date of this presentation.

H1 FY24 SUMMARY

tyro

- ✓ Delivering strong profitability and non-discretionary vertical growth
- ✓ Ongoing cost discipline driving sustainable operating efficiency
- ✓ More resilient business creating opportunities for growth





Q&A

Jon Davey

CEO & MANAGING
DIRECTOR



Prav Pala

CHIEF FINANCIAL
OFFICER



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APPENDIX



RECONCILIATION OF STATUTORY TO NORMALISED RESULTS



\$'000 unless stated otherwise	H1 FY24 Statutory	NORMALISATION ADJUSTMENTS			H1 FY24 Normalised
		Bendigo Alliance Gross Profit Share	Bendigo Alliance Impairment and revaluation	Investment in Associate	
Total revenue	254,382	-	(17,324)	-	237,058
Payments direct expenses	(127,657)	(3,135)	-	-	(130,792)
Interest expenses on deposits	(1,099)	-	-	-	(1,099)
Total direct expenses	(128,756)	(3,135)	-	-	(131,891)
Gross profit	125,626	(3,135)	(17,324)	-	105,167
Employee benefits expense (excl. share-based payments)	(48,833)	-	-	-	(48,833)
Contractor and consulting expenses	(5,250)	-	-	-	(5,250)
Communication, hosting and licencing costs	(9,254)	-	-	-	(9,254)
Administrative and other expenses	(8,222)	-	-	-	(8,222)
Marketing expenses	(4,238)	-	-	-	(4,238)
Operating expenses	(75,797)	-	-	-	(75,797)
Lending and non-lending losses	(2,022)	-	-	-	(2,022)
Total expenses	(77,819)	-	-	-	(77,819)
EBITDA	47,807	(3,135)	(17,324)	-	27,348
Share-based payments	(1,320)	-	-	-	(1,320)
Share of losses from associates	(753)	-	-	753	-
Depreciation and amortisation	(20,532)	5,629	-	-	(14,903)
Impairment of intangible assets	(18,755)	-	18,755	-	-
EBIT	6,447	2,494	1,431	753	11,125
Other interest expense	(1,309)	597	-	-	(712)
Net profit before tax	5,138	3,091	1,431	753	10,413

FINANCIAL POSITION



<i>\$'000 unless stated otherwise</i>	31 Dec 2023	30 Jun 2023
Assets		
Cash and financial investments	153,908	132,906
Loans to merchants	39,828	50,526
Property, plant and equipment	47,438	42,785
Intangible assets and goodwill	101,933	126,502
Right-of-use assets	24,607	26,344
Other current assets	61,713	33,625
Other non-current assets	17,596	18,349
Total Assets	447,023	431,037
Liabilities		
Deposits	111,819	92,704
Commissions payable to Bendigo Bank	65,187	85,049
Other current liabilities	56,186	44,534
Non-current liabilities	29,253	31,066
Total liabilities	262,445	253,353
Equity		
Contributed equity	279,422	279,422
Accumulated losses and reserves	(94,844)	(101,738)
Total Equity	184,578	177,684

Cash + Financial Investments

- Total cash and other investments of \$150.0 million (30 June 2023: \$128.9 million) ¹
- \$10.4 million contributed from an increase in positive free cash flow generated in the period (H1 FY23: \$0.6 million)
- Remainder due to increase in banking cashflows less movement in net scheme receivables

Other current assets

- Increase in other current assets of \$28.1 million primarily reflective of an increase in net scheme receivables

Capital Expenditure

- H1 FY24 capex on terminals and software development costs of \$15.0 million (H1 FY23: \$17.0 million) – more targeted investment in the period
- Depreciation and amortisation on a normalised basis - \$14.9 million
- FY24 capex expected to be in the range of \$30 million to \$35 million

¹ Cash and financial investments excluding equity investments.

FREE CASH FLOW¹

<i>\$'000 unless stated otherwise</i>	H1 FY24	H1 FY23	Change
Operational cash flows			
EBITDA	27,348	19,456	7,892
Capital expenditure	(15,014)	(17,024)	2,010
Rent	(1,435)	-	(1,435)
Bendigo top-up payment ²	-	-	-
Working capital movements	(532)	(388)	(144)
Total operational cash flows	10,367	2,044	8,323
One-off cash flows			
Termination payments	-	(1,240)	1,240
Remediation payments	-	(221)	221
Total one-off cash flows	-	(1,461)	1,461
Free Cash Flow¹ (before loans and deposits)	10,367	583	9,784

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 equivalent to \$10 million in FY24. The top up payment for the full year will occur in H2 FY24 cash flows.

PAYMENTS BUSINESS – SUPPLEMENTARY INFORMATION



Performance by vertical	TRANSACTION VALUE				MERCHANT COUNT		
	H1 FY24 \$'million	H1 FY23 \$'million	GROWTH %	PROPORTION OF H1 FY24 TV (%)	H1 FY24 (#)	H1 FY23 (#)	GROWTH %
Hospitality	9,455	9,286	1.8%	42.6%	16,333	17,072	(4.3%)
Retail	5,393	5,508	(2.1%)	24.3%	10,850	10,783	0.6%
Health	3,139	2,527	24.2%	14.2%	18,716	14,306	30.8%
Service/Other	1,704	1,589	7.2%	7.7%	8,917	8,006	11.4%
Tyro core	19,691	18,910	4.1%	88.8%	54,816	50,167	9.3%
Bendigo	2,483	2,783	(10.8%)	11.2%	13,964	16,717	(16.5%)
Total	22,174	21,693	2.2%	100%	68,780	66,884	2.8%