

*CABCHARGE AUSTRALIA LIMITED*

***RESULTS  
PRESENTATION***

*YEAR ENDED 30 JUNE 2015*

*Cabcharge*

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# FY15 KEY NUMBERS

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## REVENUE

**\$188M**

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Down 4.7% on pcp

## NET DEBT

**\$104.3M**

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Reduced by \$12.9M on pcp  
Net Debt / Equity 26%

## REPORTED NPAT

**\$46.8M**

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Down 16.6% on pcp  
Includes impairment charge of \$10.3m

## FINAL DIVIDEND 10 CENTS PER SHARE FULLY FRANKED

**10C**

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Taking full year dividend to  
20 cents per share fully franked

# HIGHLIGHTS

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**RECORD FLEET GROWTH  
IN TAXI SERVICES.**

TOTAL FLEET  
**7,259 CARS**  
An increase of 533 cars (up 7.9%)



**CONTINUED GROWTH  
IN TAXI FARES PROCESSED.**

**\$1,118 M**  
An increase of 8.6%



**ADDRESSING DECLINE  
IN CABCHARGE ACCOUNTS.**

**-0.4%**  
Previously - 4.8%



**OPERATIONALISED A PAYMENTS SWITCH.**



## ***Revenue of \$188m*** ***DOWN 4.7% ON PCP***

- Taxi Fares Processed grew by 8.6% as Cabcharge continued to win share in the changing market
- The resulting service fee revenue fell by 15.3% as a service fee limit was introduced in Victoria, NSW and WA
- Taxi Fleet grew by 7.9% and contributed to a 2.6% growth in members taxi related services revenue



## ***Cash operating expenses***

***DOWN 1.8% ON PCP\****

\*Excluding impairment charge on investments in associates and depreciation and amortisation.

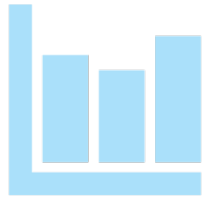
- Includes redundancies
- Including new hires
- Includes build of Payment Switch
- Previously announced initiatives reduced annualised costs by \$7m and reduced FY15 costs by \$4.5m



## ***Reported NPAT of \$46.8m***

***DOWN 16.6% ON PCP***

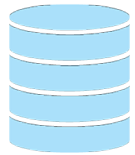
- Includes impairment charge on investments in associates of \$10.3m
- Excluding impairment charges NPAT was \$57.1m, down 13.3% on PCP
- Reported EPS is 38.9 cents (FY14: 46.6 cents)



## *Cash Flows and Balance Sheet*

- Continued strong cash generation from operations of \$50m
- Net debt reduced by \$12.9m
- Net Debt/Equity 26% at 30 June 2015

**“Balance Sheet positioned for growth initiatives”**



## *Final Dividend of 10 cents*

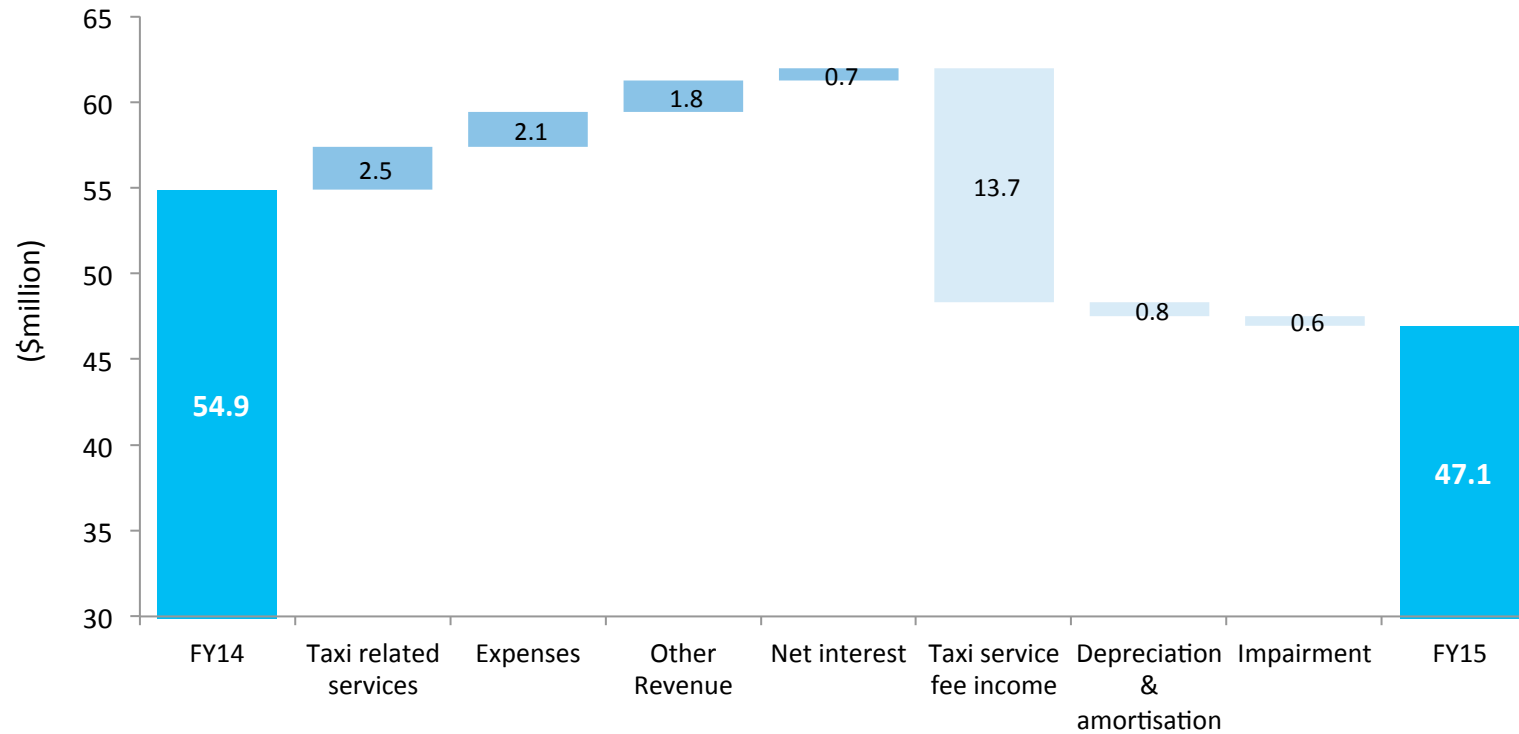
- Board declared Final dividend of 10 cents per share (fully franked)
- Takes full year dividend to 20 cents representing a payout ratio of 51% of Reported NPAT

**“Paying a sustainable dividend”**



# PROFIT BEFORE TAX (EXCL. ASSOCIATES)

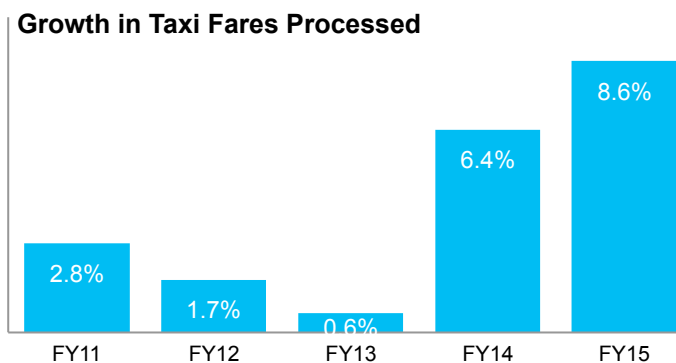
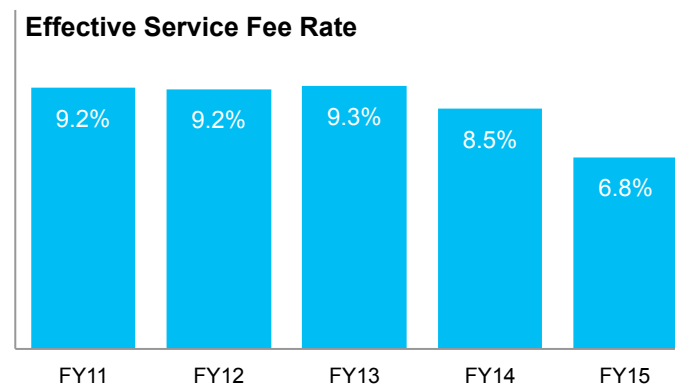
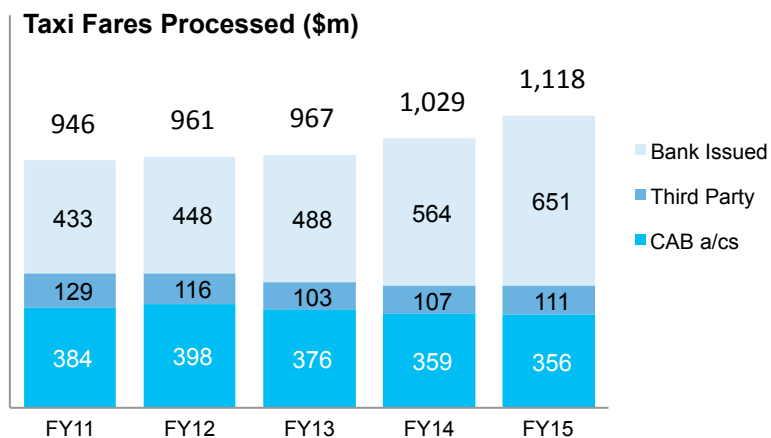
## Twelve Month Movement



# TAXI PAYMENTS

FY15 taxi fares processed = \$1,118m an increase of 8.6% from \$1,029m in FY14

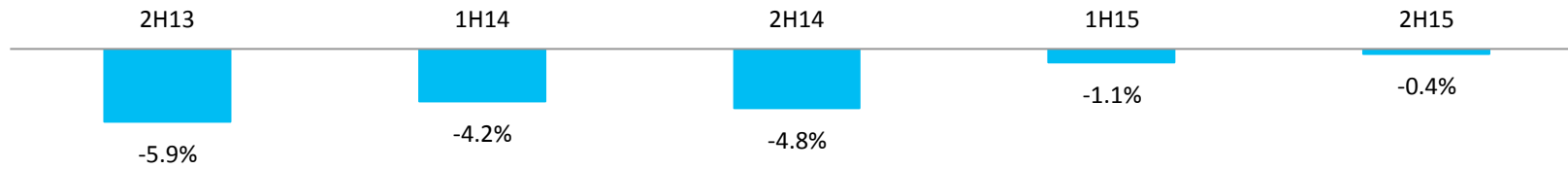
Effective service fee rate for FY15 was lower at 6.8% due to the limit on the service fee on taxi payments to 5% in Victoria, NSW and WA



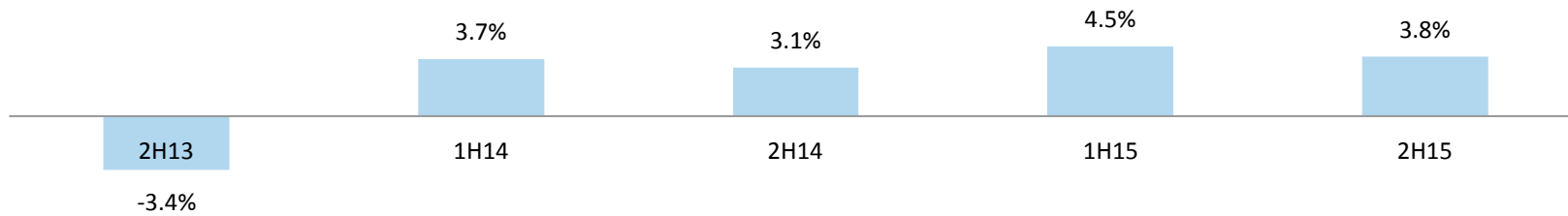
\* Taxi Fares Processed is payment turnover excluding service fees

# GROWTH BY CATEGORY (PERCENT PCP)

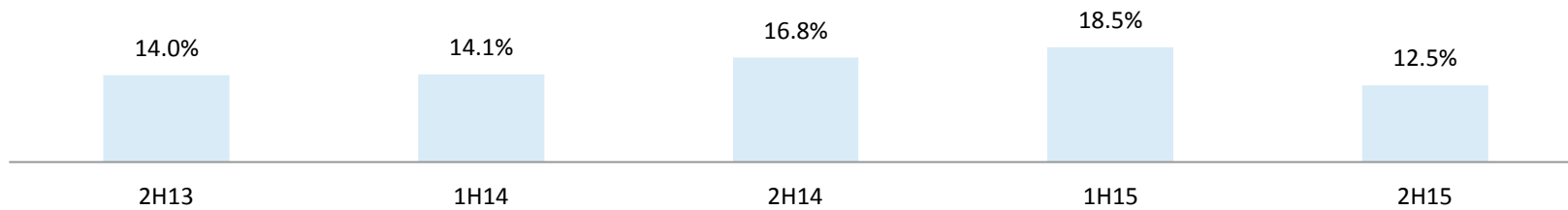
## Cabcharge Accounts



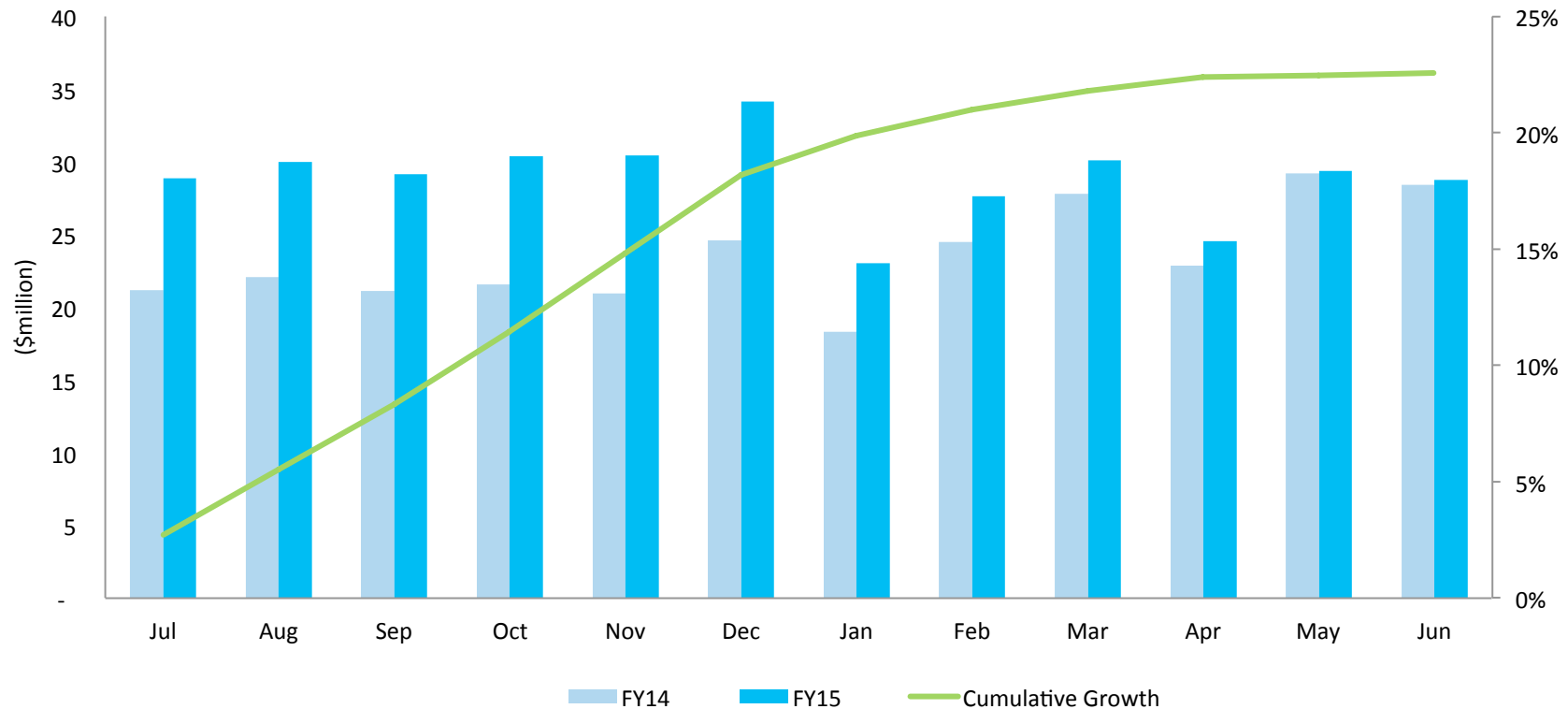
## Third Party



## Bank Issued

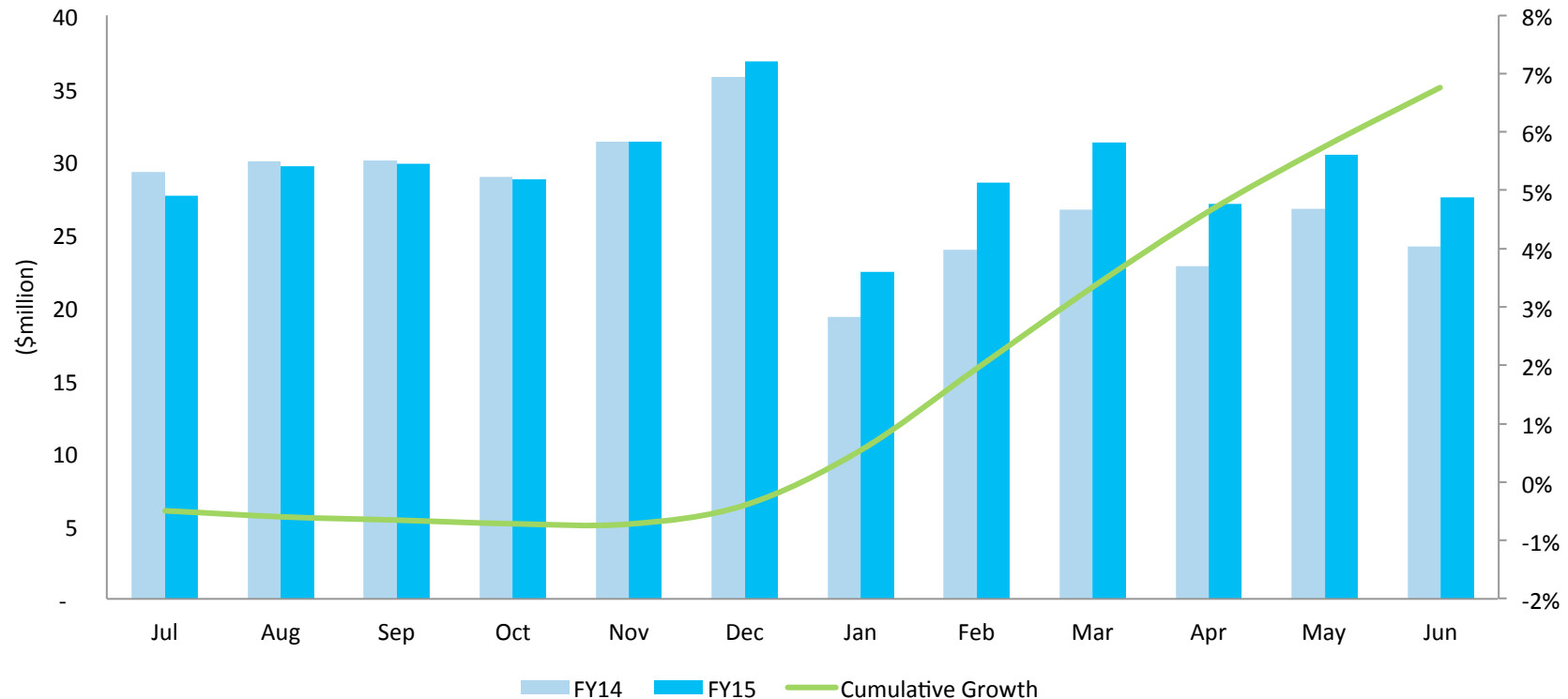


# VICTORIAN PAYMENT TURNOVER



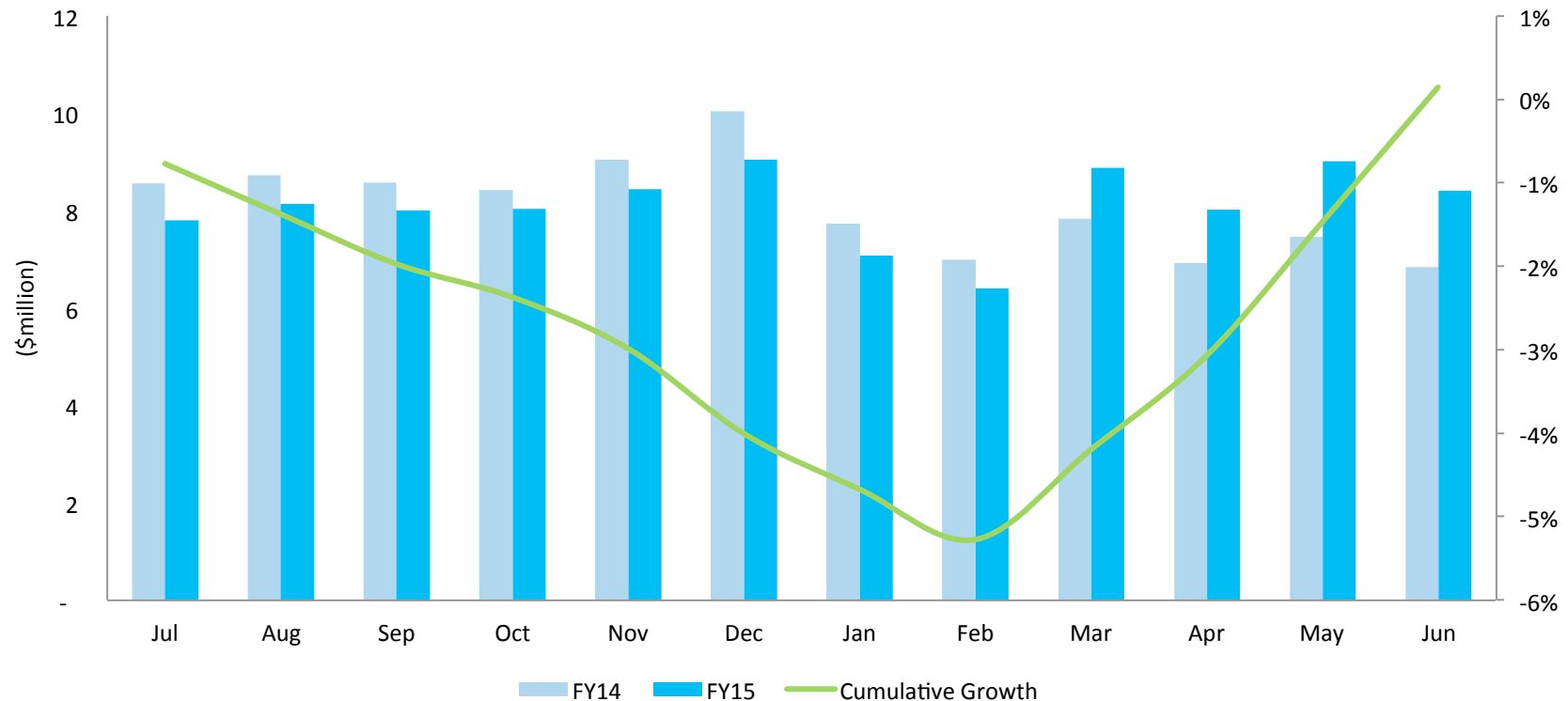
- FY15 turnover through Cabcharge payment terminals in Victoria increased by \$63.8m or 22.6% over PCP
- The combination of increased turnover and a price limit on service fees resulted in taxi service fee income lowering by approximately \$5m in Victoria for FY15 over PCP

# NSW PAYMENT TURNOVER



- The Government of NSW introduced laws to set a price limit on taxi service fees to 5% including GST effective 12 December 2014
- Since the introduction of a price limit turnover through Cabcharge payment terminals in NSW increased by \$25m (up 15.9%) over PCP
- The combination of increased turnover and a limit on service fees resulted in taxi service fee income lowering by approximately \$7.2m in NSW

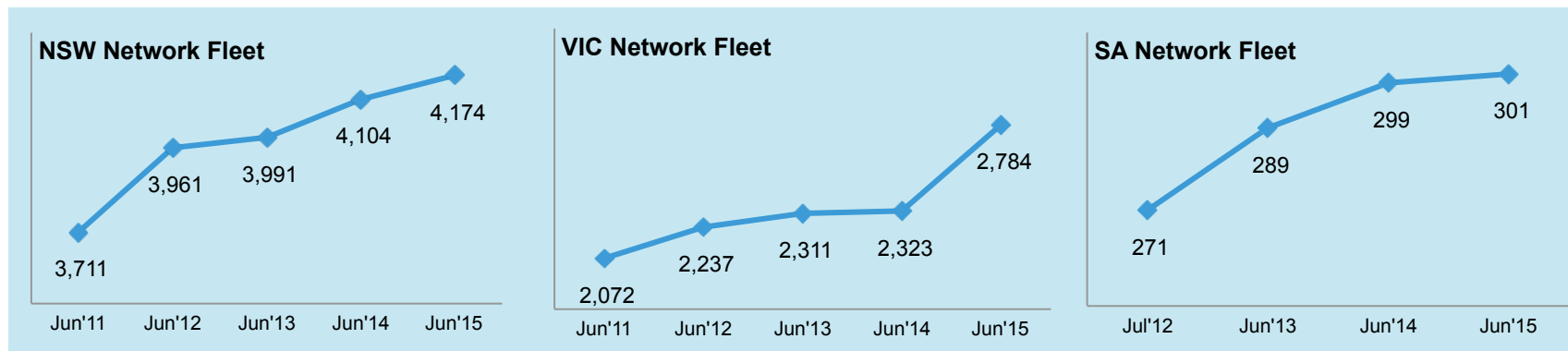
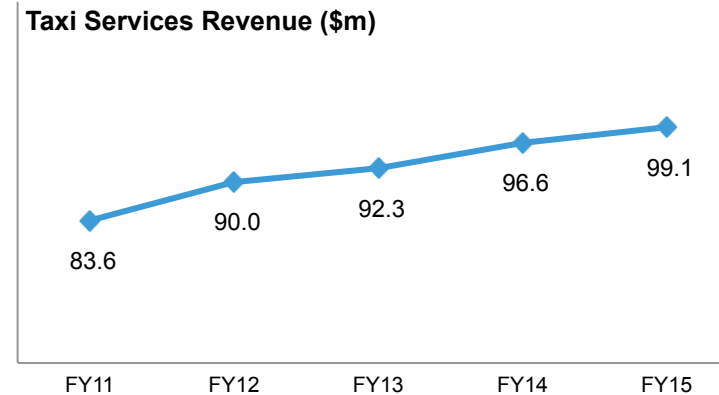
# WA PAYMENT TURNOVER



- The Government of WA introduced laws to set a price limit on taxi service fees to 5% including GST effective 24 February 2015
- Since the introduction of a price limit turnover through Cabcharge payment terminals in WA increased by \$5.3m or 17.5% over PCP
- The combination of increased turnover and a limit on service fees resulted in taxi service fee income lowering by approximately \$1.4m in WA

# TAXI SERVICES

- Revenue increased 2.6% to \$99.1m from \$96.6m
- Total fleet increased by 533 cars to 7,259 cars:
  - NSW: increased by 70 cars to 4,174 cars
  - VIC: increased by 372 cars to 2,619 cars
  - Bureau (VIC): increased by 89 cars to 165 cars
  - SA: increased by 2 cars to 301 cars



# FINANCIAL PERFORMANCE

(\$m)	FY15	FY14	Change over PCP
<b>Revenue</b> <sup>1</sup>	<b>188.0</b>	<b>197.3</b>	<b>-4.7%</b>
Expenses <sup>2</sup>	(111.7)	(113.8)	-1.8%
Impairment charge on CityFleet	(10.3)	(9.7)	
<b>EBITDA</b>	<b>66.0</b>	<b>73.8</b>	<b>-10.5%</b>
Depreciation & Amortisation	(13.4)	(12.6)	
<b>EBIT</b>	<b>52.6</b>	<b>61.2</b>	<b>-13.9%</b>
Net interest	(5.6)	(6.3)	
<b>Profit before tax</b>	<b>47.1</b>	<b>54.9</b>	
Income tax	(16.9)	(19.4)	
<b>NPAT (excl. associates)</b>	<b>30.2</b>	<b>35.5</b>	<b>-14.9%</b>
Equity accounted net profit of associates	16.7	20.6	-19.2%
<b>NPAT</b>	<b>46.8</b>	<b>56.1</b>	<b>-16.6%</b>
<hr/>			
EBITDA margin <sup>3</sup>	<b>35.1%</b>	37.4%	
EBIT margin <sup>3</sup>	<b>28.0%</b>	31.0%	
Effective tax rate (%) <sup>4</sup>	<b>35.9%</b>	35.4%	

<sup>1</sup> Excludes interest income

<sup>2</sup> Operating expenses excluding impairment charge on investments in associates

<sup>3</sup> Calculation excludes equity accounted net profit of associates

<sup>4</sup> Higher effective tax rate due mainly to non-deductibility of impairment charge on CityFleet



# ***COST MANAGEMENT***

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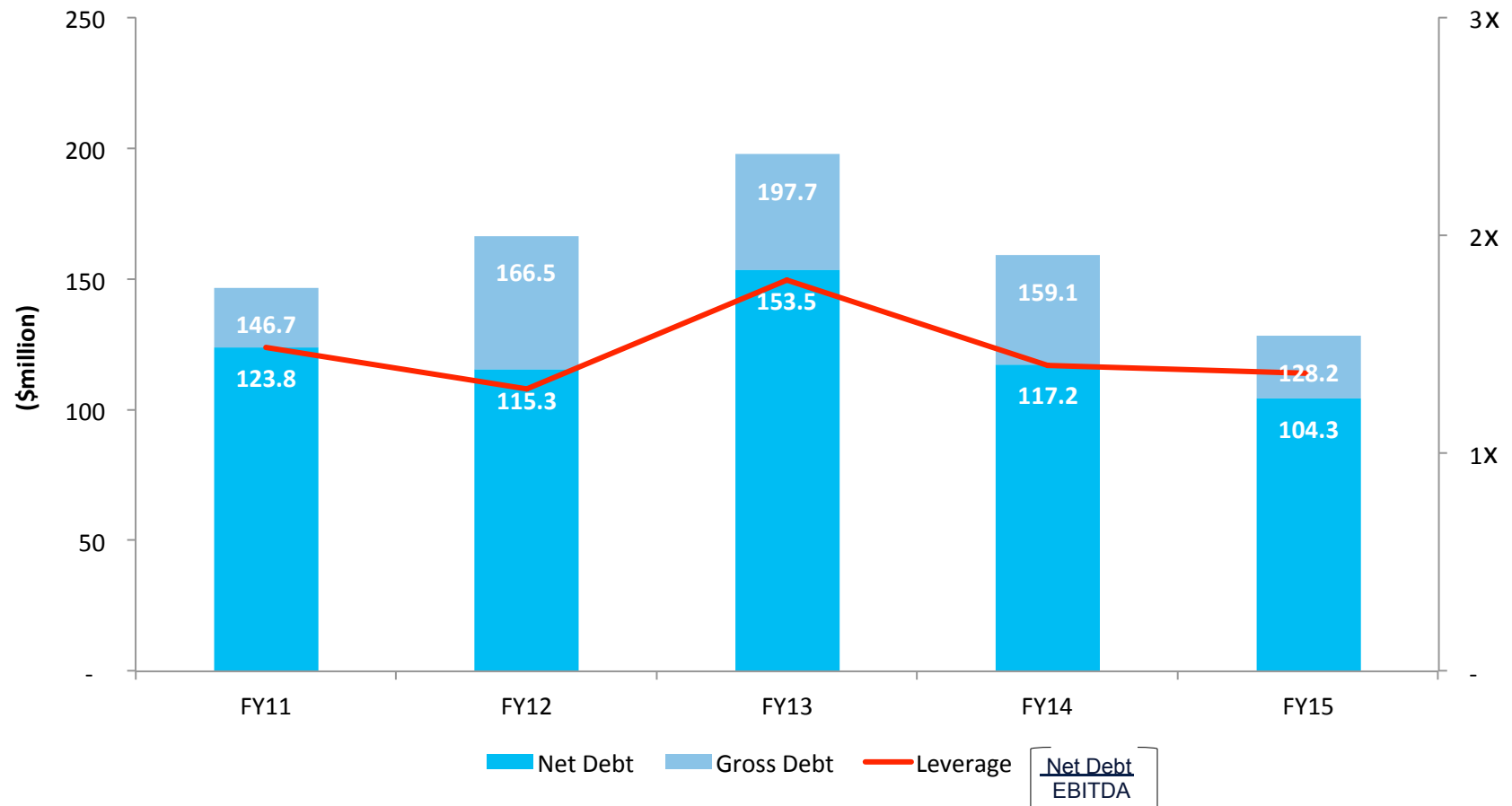
- Previously announced cost initiatives \$7M annualised achieved (FY15 impact \$4.5M cost reduction)
- Transaction processing expenses increased \$0.8M due to the take up in use of Cabcharge contactless FASTeTICKET
- Excluding the above cash expenses held to \$1.6M increase (1.4%) while supporting \$2.5M increase in taxi networks revenue, \$1.8M increase in other revenue and also investing in executing the previously announced revenue and product focused Strategic Tasks
- We will continue to challenge the efficiency of our operating costs and use of assets

# BALANCE SHEET

(\$m)	2015	2014	2013	2012
Cash and cash equivalents	23.8	41.9	43.9	51.2
Advances to associates	-	-	18.0	17.7
Other current assets	76.9	71.1	71.5	80.2
Investments in associates	284.3	274.8	261.6	220.8
Property, plant and equipment	39.0	38.3	43.8	46.6
Taxi plate licences	70.9	71.4	71.8	60.4
Other non-current assets	61.9	62.8	62.5	46.5
<b>Total assets</b>	<b>556.8</b>	<b>560.3</b>	<b>573.1</b>	<b>523.4</b>
Loans and borrowings	128.2	159.1	197.4	166.5
Other liabilities	35.4	34.9	36.6	36.2
<b>Total liabilities</b>	<b>163.6</b>	<b>194.0</b>	<b>234.0</b>	<b>202.7</b>
<b>Total net assets</b>	<b>393.2</b>	<b>366.3</b>	<b>339.1</b>	<b>320.7</b>
Net Debt/Equity	26.0%	32.0%	45.3%	36.0%
Ungeared return on Australian taxi related services*	20.3%	22.5%	20.5%	22.5%
Ungeared return on investments in associates (excl. impairment)	6.0%	7.1%	7.8%	8.8%

\* NPAT excluding associates' profit, impairment, interest expense  
 Net assets excluding bank loan and investments in associates

# DEBT AND LEVERAGE



“Positioning for growth initiatives”

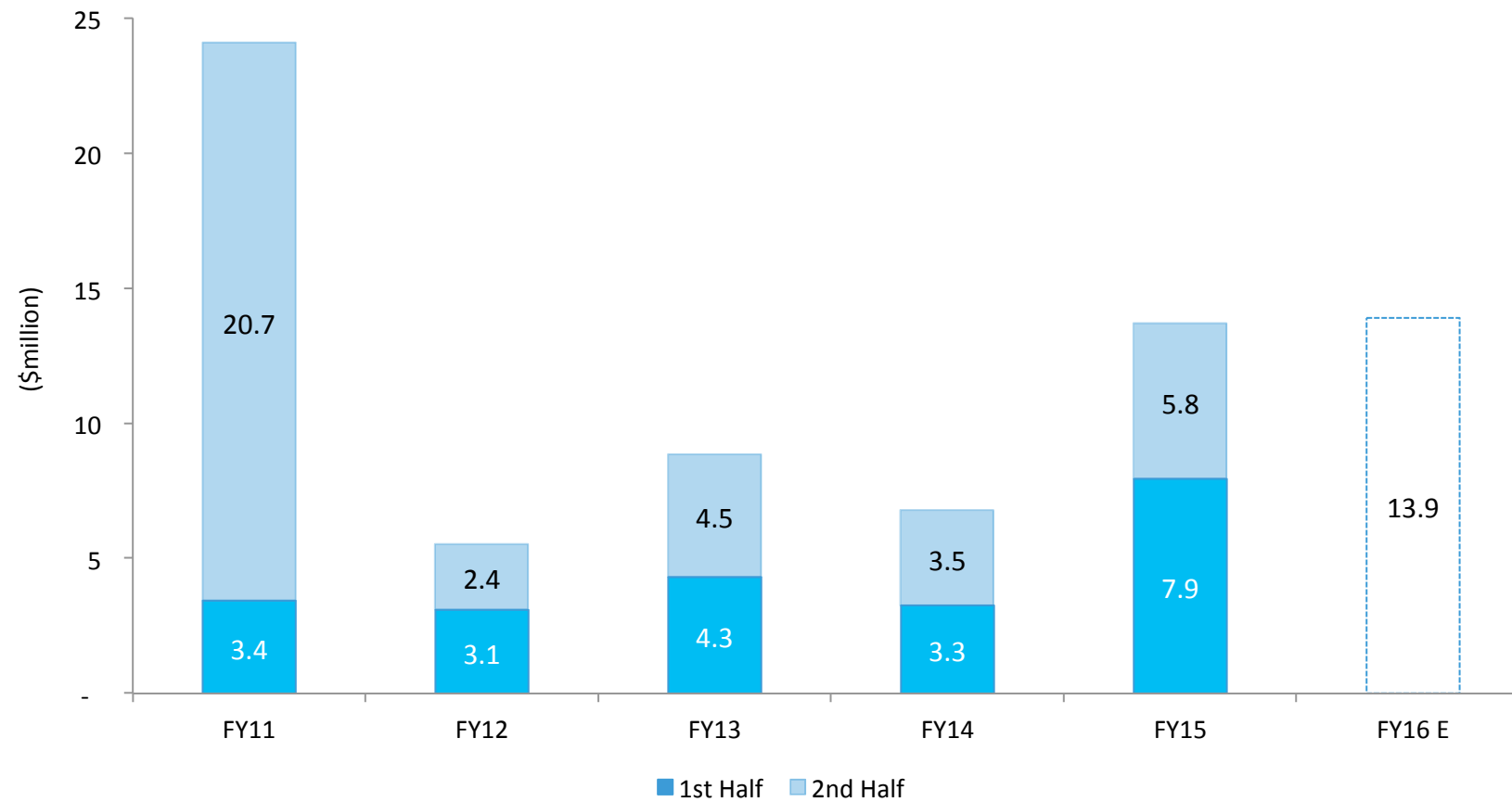
# CASH FLOW

(\$m)	2015	2014	2013	2012
Net cash from operating activities	50.0	57.8	70.4	69.9
Net cash from (used in) investing activities	(13.1)	11.0	(66.3)	(15.8)
Net cash (used in) financing activities	(54.9)	(70.8)	(11.3)	(25.8)
	(18.0)	(2.0)	(7.2)	28.3
Cash and cash equivalents at 1 July	41.8	43.9	51.1	22.9
<b>Cash and cash equivalents at 30 June</b>	<b>23.8</b>	<b>41.9</b>	<b>43.9</b>	<b>51.2</b>
Cash Conversion	83%	80%	91%	89%

Cash Conversion is 'Ungearred pre-tax operating cash flow/EBITDA'

**“Continuing strong cash generation”**

# CAPEX



**“We are investing in future growth platforms”**

# ASSOCIATES

## ComfortDelGro Cabcharge (CDC)

(\$m)	FY15	FY14	FY13
<b>Revenue</b>	<b>345.6</b>	<b>356.9</b>	<b>375.1</b>
Expenses	(290.6)	(288.6)	(303.2)
<b>EBIT</b>	<b>55.0</b>	<b>68.3</b>	<b>71.9</b>
Net interest	(11.5)	(14.0)	(16.7)
<b>Profit before tax</b>	<b>43.5</b>	<b>54.3</b>	<b>55.2</b>
Income tax	(12.5)	(15.7)	(16.6)
<b>NPAT</b>	<b>31.0</b>	<b>38.6</b>	<b>38.6</b>
<b>49% share</b>	<b>15.2</b>	<b>18.9</b>	<b>18.9</b>

- CDC's equity accounted net profit contribution for the year ended 30 June 2015 was \$15.2m, a decline of \$3.7m or 19.7% over the same period last year. This is due to costs incurred from transition into the new Region 4 contract and compressed margins for the new Region 4 contract, as well as loss of Regions 1 and 3 in October 2013, offset by the contributions of Blue Mountain Transit and an increase in services of existing business.
- CDC's Net Debt (including bus financing) to Equity Ratio at 38% (30 June 2014: 37%).

## CityFleet (UK)

- CityFleet's equity accounted net profit contribution for year ended 30 June 2015 was \$1.4m, a decrease of \$0.3m or 15.5% compared to the same period last year.
- The impairment charge for CityFleet reflects the impact of the downturn in the oil and gas industry on profits from the Aberdeen taxi services and continuing competitive pressures on taxi services in London affecting margin and revenue. Aberdeen operations are a material contributor to CityFleet profit and cash flow. The pre-tax discount rate used at 30 June 2015 is 9.1% (2014: 7.3%)

# *STRATEGIC TASKS*

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1.



*INTEGRATING  
NETWORKS*

2.



*COMMITTING  
TO A KEY BRAND*

3.



*LINKING  
BOOKINGS  
AND PAYMENTS*

4.



*SUPPORTING  
OUR MERCHANT  
PARTNERS*

5.



*LOOKING AFTER  
OUR CUSTOMERS*

## *New Board Appointments* *EFFECTIVE 21 AUGUST 2015*

- **Stephen Stanley** – Previously Head of Strategy and M&A at Toll Group and CEO of Mayne Logistics
- **Trudy Vonhoff** – Director of Ruralco Holdings and AMP Bank Limited. Previously a Senior Executive at Westpac and AMP.



# PEOPLE & CULTURE

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## Staff & Culture

### “Embracing Change”

#### Past

Silos  
Cost focussed,  
defensive  
‘We’ve always  
done it this way’

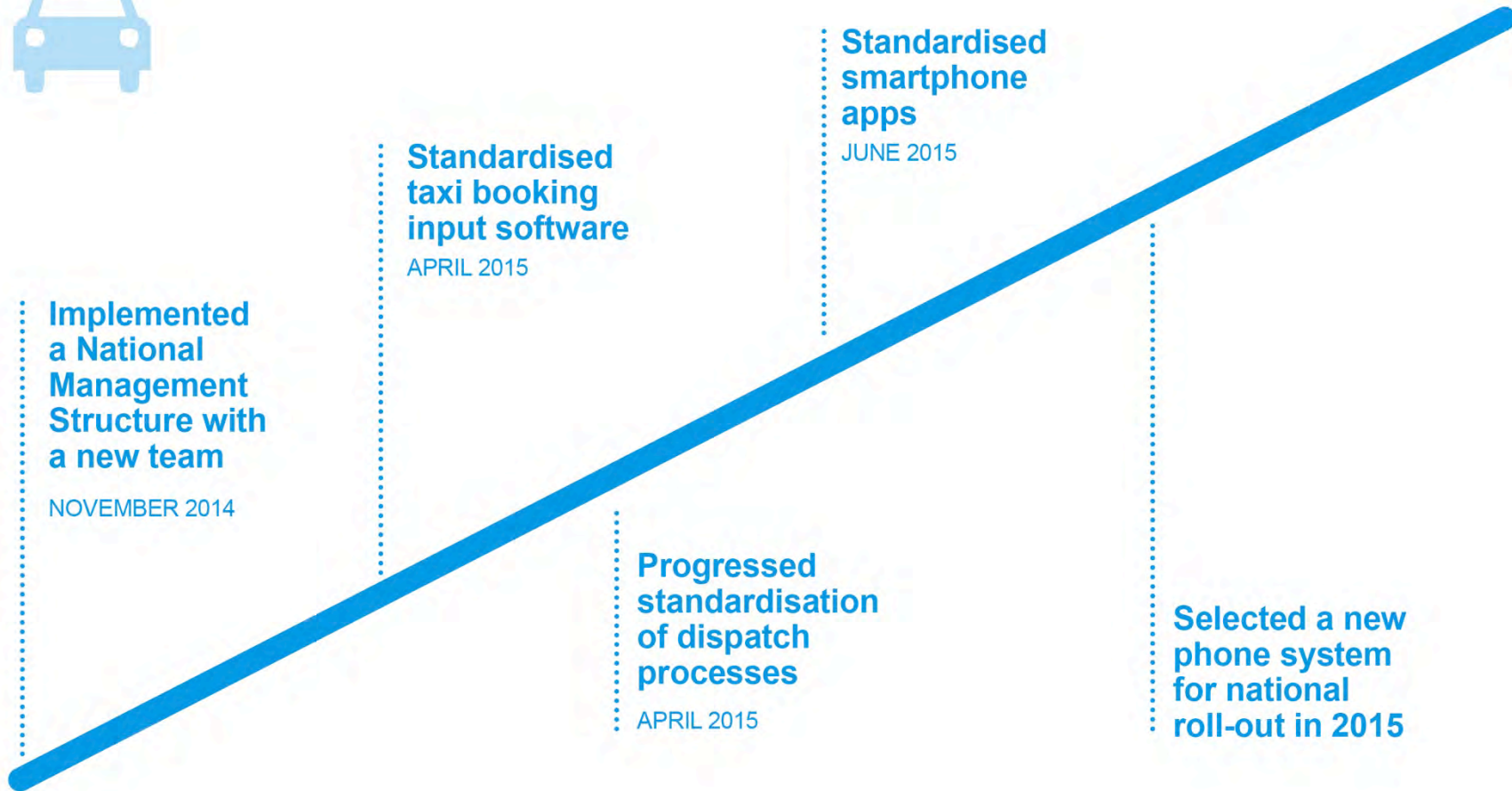
#### Now

Agile & Active  
Structured multi-  
disciplinary project  
approach  
Broader vision of  
Cabcharge’s  
relevance

#### Looking Ahead

Sophisticated HR  
practice group  
linking  
recruitment,  
development and  
performance with  
corporate strategy

## Integrating Networks



*“We are building a stronger company”*

## Committing to a Key Brand

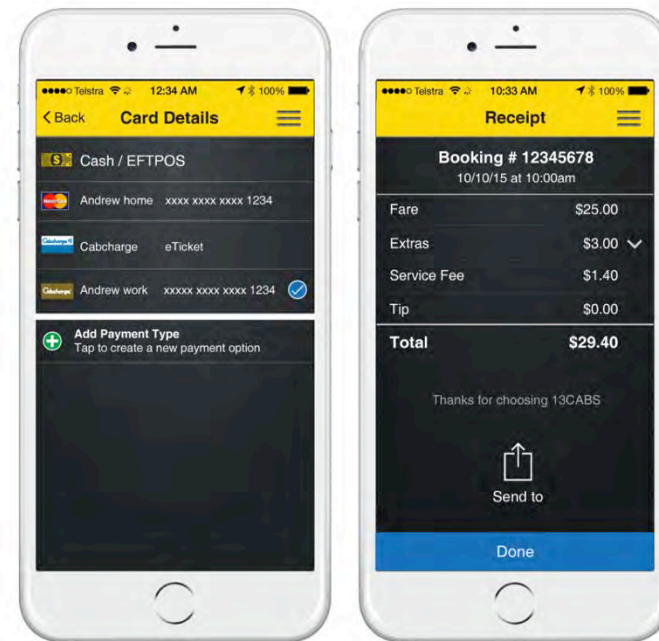


Consolidated legacy network brands in Sydney (Silver Service and Taxis Combined)

Relaunched taxi network brand in Adelaide and consolidated branding between Adelaide and Melbourne networks

MAY 2015

Prepared national brand for 2015 launch of app



## Linking Bookings + Payments



Built and tested app for rank and hail payments

NOVEMBER 2014

Designed and successfully processed in-app payments for Bellarine Taxis (Pilot)

MARCH 2015

Built and delivered in-app payments functionality to MTData for testing with MTData clients

MAY 2015

Payment functionality to be released for network apps (eg 13CABS) in 1H16

*“Preparing to launch step change service improvements”*

## Supporting our Merchant Partners



Introduced a dedicated Merchant Support Team

NOVEMBER 2014

Entered new Merchant Agreements with networks affected by the introduction of government price controls

FROM DECEMBER 2014

Introduced daily payment of transactions for taxi networks

MARCH 2015

Rolled out new application process for Merchants

DECEMBER 2015

Implemented CRM system for Merchant Partners

JANUARY 2015

Designed and implemented new website for Merchants

MAY 2015

*“Focussed on supporting market share gains”*

## Looking after our Customers



Instituted national call answer standards

OCTOBER 2014

Restructured the CCN Contact Centre to adopt a best practice team based structure

MARCH 2015

Introduced Transport Solutions staff in Adelaide and Sydney

MARCH 2015

Reconfigured Driver Services team at CCN

Upgraded recruitment and training processes and increased number of customer service roles

*“Retention is a cornerstone of our growth”*

# PREVIOUS OUTLOOK

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## PRICE CAP

The Government of Western Australia imposed a price cap on service fees of 5% including GST with effect from 24 February 2015. Revenue impact is anticipated at approximately \$4M.

PRICE LIMITS MITIGATED BY TURNOVER GROWTH

## COST SAVING INITIATIVES

We have taken a first round of cost saving initiatives. Decisive actions enabled us to achieve savings of \$7M. We will continue to reduce our cost base in light of the price cap.

IMPLEMENTED ANNUALISED SAVINGS OF \$7M. \$4.5M FY15 IMPACT.

## PAYMENTS

We are determined to leverage our payments expertise outside the taxi industry.

SIGNED AGREEMENT TO PROCESS PAYMENTS FOR SECURE PARKING.

## TECHNOLOGY

And we are taking a coordinated approach to technology to broaden our offerings in taxi network services.

2 NEW BUREAU SERVICE CUSTOMERS ADDED IN FY15.

## FOCUS AND IMPROVEMENT

Our business continues to be challenged by competitors and market disruptions. Our best response is to focus on retaining our existing customers by improving our offerings and services.

RECORD FLEET GROWTH ACHIEVED. CONTINUED GROWTH IN PAYMENTS.

**“We are delivering on strategy”**

# STRATEGY – FY15

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## Mission:

Develop the Infrastructure and culture that can be leveraged to propel Cabcharge's legacy of growth and market leadership.

## Characterised by:

Resetting and reconfiguring our teams, facilities and processes and by standardising our technology.

## Outcomes:

We are beginning to benefit from our fresh approach to technology and our new teams and processes. The taxi network business has grown strongly, the payments business has evolved rapidly and we have addressed the decline in our Cabcharge Accounts.

**“FY15 has seen us successfully combine sound financial management with resetting our business for the future.”**



# STRATEGY – FY16

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## **Mission:**

Utilise the teams' strength and technical competence to begin to exceed customer expectations.

## **Characterised by:**

Strengthening metrics that align with market priorities.

## **Outcomes:**

More taxis in the fleet and the emergence of new revenue opportunities.  
A foothold established in the payments industry beyond taxi payments.  
Growth in Cabcharge Accounts.

**“FY16 is about delivering on key growth initiatives for our customers.”**

# PAYMENTS STRATEGY

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- **Inside a vehicle (with a terminal)**
  - Maximise processing of payments for personal transport on payment terminals inside vehicles
    - Strengthen relationship with network merchants
    - Product enhancements and new products introduced
    - Refocus on hire car terminals
- **Outside a vehicle (no terminal required)**
  - Initiate and grow a market position in the processing of payments for personal transport outside the vehicle
    - App payments for bookings
    - App payments for rank and hail
    - Payments processed in contact centres
- **Non Taxi Payments**
  - Grow a market position in the processing of payments for services other than personal transport (eg Secure Parking)

# NETWORKS STRATEGY

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- **Increase fleet size (target > 5%)**
  - Increase market share of network affiliation market
    - Strengthen ability to deliver services to passengers and drivers
    - Enhance benefits of scale in cost management
    - Extend other revenue opportunities (eg finance, uniform sales, car sales)
- **Establish a uniform national operating plan for our Networks**
  - Develop and roll out the standardised best practice model for operating our taxi networks
    - Ensure consistency of service for the communities in which we operate (lift the standard)
    - Optimise cost management and capture synergies
    - Roll out operational improvements at the national level
- **Launch services to third parties (eg Taxi Networks)**
  - Share the benefit of Cabcharge's resources and competence across more of the taxi industry
  - Strengthen bureau (outsourced contact centre) and other product offerings to external taxi networks

# OPPORTUNITIES

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## **1. ACCC**

*S87B UNDERTAKING*

## **2. iHAIL**

*INTERNATIONAL OFFERING  
FOR TAXI USERS*

## **3. APPS**

*CONTINUED  
ENHANCEMENTS  
WITH STEP CHANGES  
(INCLUDING PAYMENTS)  
SCHEDULED FOR 1H16*

## **4. PREMISES**

*SALE AND LEASE BACK  
OF RILEY STREET, EAST  
SYDNEY PREMISES  
SCHEDULED FOR FY16*