

# ASX Announcement

## TYRO UPGRADES FY23 GROSS PROFIT AND EBITDA GUIDANCE

**Sydney, 15 May 2023** – Tyro today upgraded its FY23 gross profit and EBITDA guidance ranges after strong results were achieved year-to-date to 30 April 2023.

- Gross profit: upgraded to **\$192 million to \$194 million** (previously \$187 million to \$191 million).
- EBITDA: upgraded to **\$41 million to \$43 million** (previously \$37 million to \$41 million).
- Transaction value: revised to **\$42.25 billion to \$42.75 billion** (previously \$42.5 billion to \$43.5 billion).

As a result, Tyro is now targeting operating leverage of 78% and an EBITDA margin of 22% (previously 21%) which has been driven by a focus on margin improvement and cost reduction.

Tyro CEO Jon Davey said: *“Having achieved profitability and free cash flow in the first half of FY23, we continue our growth trajectory giving us the confidence to upgrade our gross profit and EBITDA guidance ranges. The strong performance over the 10-months of FY23 has been driven by a combination of improved margins and an ongoing focus on cost reduction.*

*“Transaction value across our three core verticals remains strong albeit with some expected softening due to a slowdown in consumer discretionary spending. Despite this, we remain optimistic about the outlook for FY24.”*

### Revised FY23 Guidance<sup>1</sup>

|  | FY23<br>Guidance Range |    |                 |
|--|------------------------|----|-----------------|
| Transaction Value <sup>2</sup>                       | \$42.25 billion        | to | \$42.75 billion |
| Gross Profit <sup>3</sup> (after Bendigo commission) | \$192 million          | to | \$194 million   |
| Targeted Operating Leverage <sup>4</sup>             | ~78%                   |    |                 |
| EBITDA <sup>5</sup>                                  | \$41 million           | to | \$43 million    |
| Targeted EBITDA Margin                               | ~22%                   |    |                 |

1) This FY23 guidance includes forward-looking statements. Refer below.

2) H1 FY23 had 3 national public holidays while H2 FY23 has 8 national public holidays.

3) Gross profit is stated as normalised gross profit, namely adjusted for Bendigo Alliance support fees associated with transition of Bendigo merchants to the Tyro platform. Bendigo gross profit share is not deducted from statutory gross profit but deducted to calculate normalised gross profit.

4) Operating leverage is measured as operating costs (including lending and non-lending losses) divided by gross profit (after Bendigo commission).

5) Tyro uses EBITDA as a non-IFRS measure of business performance, which excludes the non-cash impact of share-based payments expense, share of losses from associates, expenses associated with the terminal connectivity issue and other significant one-off costs.

As per its ASX release of 27 March 2023 Tyro remains in talks with Potentia Capital Management Pty Ltd in relation to a possible change of control transaction. Tyro shareholders do not need to take any action. There is no certainty that these discussions will result in a non-binding indicative offer, a binding offer or a transaction of any kind.

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*Pursuant to Listing Rule 15.5, Tyro confirms this document has been authorised for release to the market by its Board.*

**About Tyro** - Tyro is a technology-focused and values-driven Group providing Australian businesses with payment solutions and value-adding business banking products. The Group provides simple, flexible, and reliable payment solutions as a merchant acquirer, along with complementary business banking products. More than 66,800 Australian merchants chose to partner with Tyro at 31 December 2022. The Group processed \$21.7 billion in transaction value in the first half of FY23. The Group generated \$95.2 million in normalised gross profit, originated a record \$72.7 million in loans and held merchant deposits totaling \$95.0 million. Tyro is Australia's fifth largest merchant acquiring bank by number of terminals in the market, behind the four major banks.

The business was founded in 2003 with a goal of being the most efficient acquirer of electronic payments in Australia. Tyro has a track record of innovation, creating purpose-built solutions and being first to market. This approach saw the company become the first technology company to receive an Australian specialist credit card institution licence in 2005. In 2015 that licence was replaced by the award of an Australian banking licence, making Tyro the first new domestic banking licensee in over a decade.

Payments are at the core of Tyro's business, using its proprietary core technology platform to enable credit and debit card acquiring. This offering is enhanced by features purpose-designed for those merchants who choose to partner with the company, including Point of Sale systems integrations, least-cost routing (Tap & Save) and alternative payment types such as integrated Alipay. While traditionally focused on in-store payments, Tyro has recently expanded into eCommerce. Further, Tyro provides value-adding solutions to its partners, such as loans in the form of merchant cash advances and fee-free, interest-bearing merchant transaction accounts.

**Forward-Looking Statements:**

Tyro's financial expectations and guidance included in this announcement 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 lockdowns, no material changes to current business plan and no material change in the regulatory environment.

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 2022.

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).

No representation is made, or guarantee given 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 statement.