

Media Release

H1 FY24: TYRO DELIVERS STRONG PROFITABILITY, WITH 40.6% EBITDA UPLIFT AND \$105.2M GROSS PROFIT

H1 FY24 Highlights

- Gross profit increased 10.5% on H1 FY23 to **\$105.2 million**.
- EBITDA increased 40.6% on H1 FY23 to **\$27.3 million**, improving EBITDA margin by 5.6 ppt to 26%.
- Free cash flow increased 17.8x on H1 FY23 to **\$10.4 million**.
- Transaction value increased 2.2% on H1 FY23 to **\$22.2 billion**.
- Record results from Tyro Health with transaction value up 24% on H1 FY23.

Sydney, 27 February 2024 – Tyro Payments Limited (**Tyro** or the **Company**) today announced its results for the first half of the 2024 financial year. The Company reported strong profitability, with EBITDA and gross profit growth, and an improved EBITDA margin driven by an ongoing focus on margin management and cost discipline.

A webinar hosted by CEO and Managing Director Jon Davey and CFO Prav Pala will be held for investors today at 9:00am (AEDT). Registration via this [link](#).

Summary of Results

	H1 FY24 \$'million	H1 FY23 \$'million	Growth
Transaction value	22,173.5	21,693.4	2.2%
Gross profit ¹ (normalised)	105.2	95.2	10.5%
EBITDA ^{1,2}	27.3	19.5	40.6%
EBITDA margin	26.0%	20.4%	5.6 ppt
Net profit after tax	5.1	1.1	367.2%

Percentages are based on full reported numbers (i.e., non-rounded source data)

^{1.} Refer to page 28 of the HY FY24 Investor Presentation for a reconciliation of statutory to normalised results.

^{2.} 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.

Tyro CEO and Managing Director Jon Davey commented on the Company's results.

Driving operational efficiency and growth in non-discretionary verticals.

“Our strong financial results were driven by our ongoing focus on margin and cost management, and growth from our non-discretionary health and services verticals. These verticals are showing resilience to broader economic challenges, with Tyro Health seeing a record 31% increase in customers and a 24% increase in transaction value. These results, together with accelerated product innovation and delivery, position us well for sustainable growth and profitability.”

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Increasing uptake of our complementary solutions to improve customer lifetime value.

“Our customers appreciate the simplicity of our integrated payments and cashflow offering. During the half, almost one in five new customers signed up for our payments and banking products, valuing the benefits that an integrated solution provides, and we expect this number to grow significantly over the calendar year. Our data shows that these customers are likely to stay with Tyro for longer, giving us confidence in future merchant and transaction value growth.”

Innovating to meet our merchants’ unique needs.

“We know what our customers want. At the top of the list is receiving their funds quickly, being able to make payments, and accepting payments in a variety of ways, including non-traditional terminals. We have accelerated the development of new payments and banking features to meet these needs, which will be available from June.

“For merchants with a Tyro Bank Account, we will be launching multi-account settlement times, making it easy to choose when they receive their daily takings. We will also launch a virtual debit card, which can be generated on demand by merchants to make payments. We are also introducing a unified payments solution. Tyro’s embedded payments software development kit can be integrated with any iOS or Android POS system, making it easy for merchants to accept payments on any tap-enabled hardware device.”

Confidence for the second half.

“Despite the macroeconomic environment, we are confident in the resilience of our business and opportunities for growth. Our disciplined approach to operational efficiency and cost management has paid off and is engrained into our way of working. In line with our strategy, we will expand into at least one new vertical this calendar year, boosting our customer base across a more diverse portfolio of industries, and we will continue to develop and promote our cashflow solutions alongside our payments services.”

Earnings guidance range for FY24¹

Transaction value	\$43 billion	to	\$44 billion
Gross Profit ² (after Bendigo commission)	\$208 million	to	\$215 million
EBITDA ³ (before share-based payments)	\$54 million	to	\$58 million
Targeted EBITDA margin ⁴	~26.0%		

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.

For detailed commentary, please refer to Tyro’s 2024 Interim Report and H1 FY24 Investor Presentation.

For further information, please contact:

Media:

Gemma Garkut
+61 422 040 559
ggarkut@tyro.com

Investors:

Martyn Adlam
+61 452 112 621
investorrelations@tyro.com

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 statement. 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.

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 payment solutions as a merchant acquirer, along with complementary business banking products. More than 68,700 Australian merchants chose to partner with Tyro at 31 December 2023. The Group processed \$22.2 billion in transaction value in H1 FY24 and generated \$105.2 million in normalised gross profit, originated a \$67.9 million in loans and held deposits totaling \$111.8 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 also offers eCommerce solutions. 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.