accesso: interim results 2016

Wednesday, 14 September 2016

First half highlights

First half highlights

Strong year-on-year growth in good market conditions

Growth across all key financial metrics

Mix shift towards mobile continues

57 new wins

Six Flags extension signed & Merlin roll-out continuing on-time and on-track

72 new installations

Performance will this year, as in prior years, remain second half weighted

Group Revenue

↑ 23.7%

$39.7m

Adj, Operating Profit

↑ 212.5%

$5.0m

Since we last met

Change at the macro, management, operational and product levels

Board Changes → Ensures structure reflects how Group is run, enables the pursuit of growth and places key leadership roles in the right geographic locations

ShoWare Rebrand → Rebrand complete on May 5 2016, reflecting ShoWare's full integration into the Group

Product innovation → We continue to invest heavily in our all our products. e.g. Globalising *accesso Passport®* and further developing our queueless park offering

Progress in APac → New office opened in Sydney, Australia & Region MD hired

Brexit → With c.90% of revenue outside of the UK, we believe any impact will be minimal

Operational Review

Accesso at the heart

Embedding accesso at the heart of a venue's operations through long-lasting partnerships

- **Four solutions addressing challenges and obstacles all operators share**
- **The guest journey is geography and vertical-ambivalent. Any region, any season, any industry**
- ***accesso* helps generate revenue at every stage of the consumer journey**
- **Long-term agreements reflect confidence, trust and belief in *accesso's* ability to deliver**

Winning new business

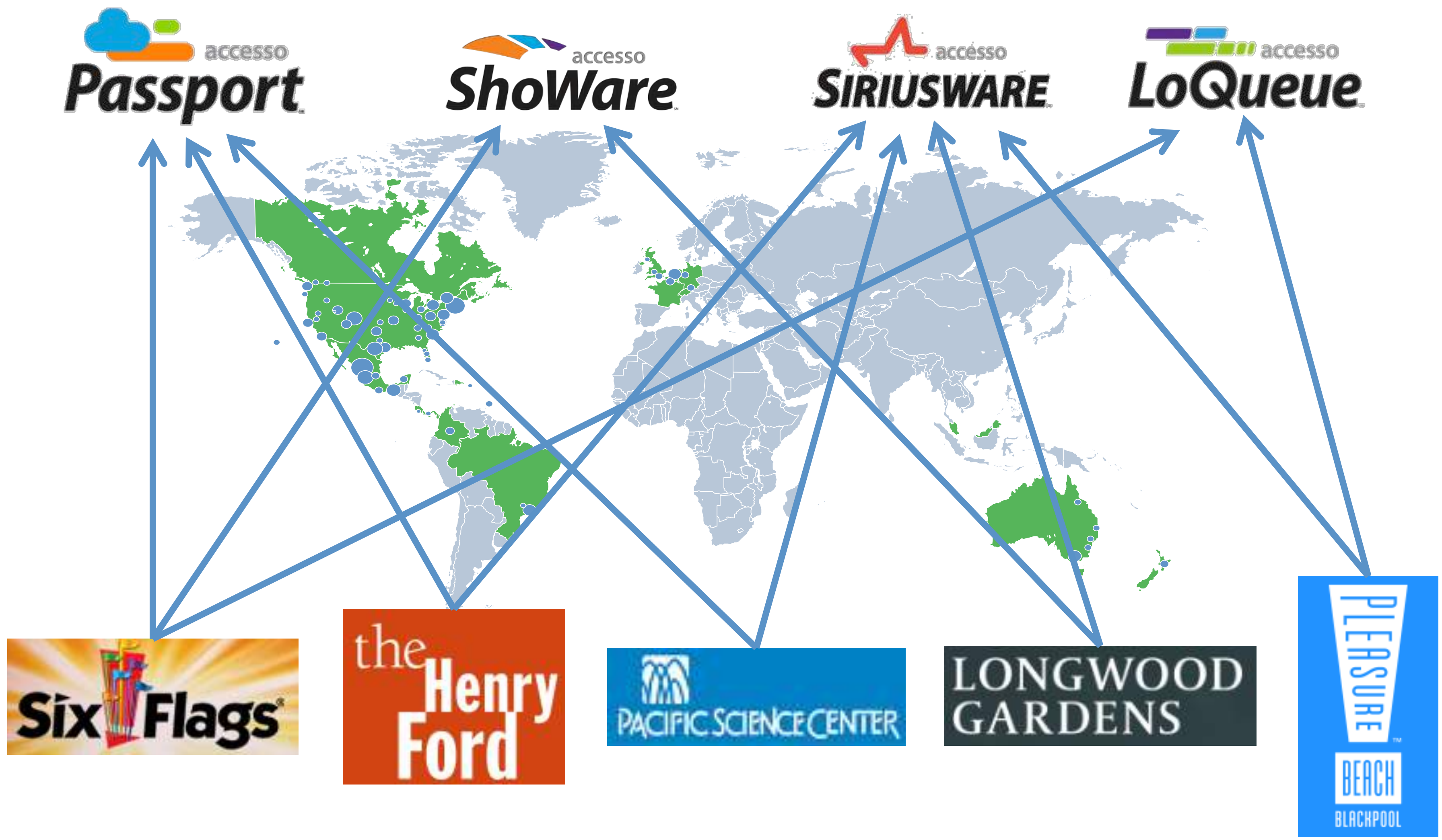
Attracting new clients across both ticketing & queueing businesses

57 New wins in the period	**2** New queuing Parks	**11** New Siriusware clients
44 Ticketing Wins	**31%** Queueing guest revenue up	**31%** Passport volumes up

- Strong new business performance from each division
- New wins driving volume increase and top-line expansion
- Geographical and vertical expansion continues – Europe now at 9% of *accesso Passport* volumes and wins coming from sports, music and other growth areas

Expanding existing relationships

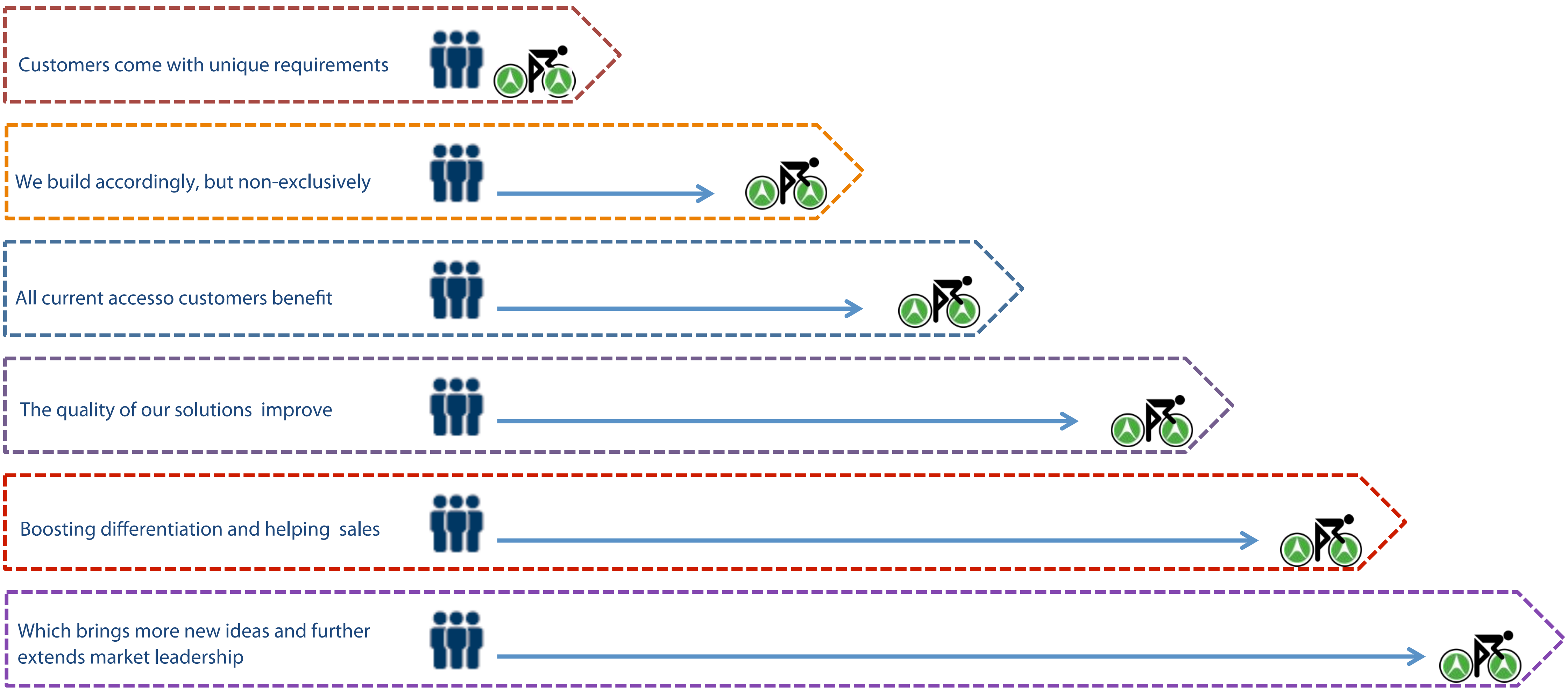
Leveraging the strength of our portfolio to sell additional services to existing clients



Extending Market Leadership

Decision to focus product R&D around customer needs is central to our strategy

Operators standardising on our technology. Creates distance and differentiation from competitors



Financial performance

Financial KPIs

Strong year-on-year key metric growth

Group Revenue

23.7%

Adj. EPS

260.2%

Adj. Operating Profit

212.5%

Operating Cash Flow

$3.2m

Income statement

Step-change in performance following period of significant investment

	1H 2016 ($m)	% of revenue	1H 2015 ($m)	% of revenue	YoY %
Revenue	**39.7**	**100.0%**	*32.1*	*100.0%*	***23.7%***
COGS	(17.4)	(43.8)%	*(15.2)*	*(47.4)%*	***(14.5)%***
Gross Profit	**22.3**	**56.2%**	*16.9*	*52.6%*	***32.0%***
Administrative expenses	(15.8)	(39.8)%	*(13.9)*	*(43.3)%*	***(13.7)%***
Adj. EBITDA	**6.5**	**16.4%**	*3.0*	*9.3%*	***116.7%***
DA (excl. acquisition related)	(1.5)	(3.8)%	*(1.4)*	*(4.4)%*	***(7.1)%***
Adj. operating profit	**5.0**	**12.6%**	*1.6*	*4.9%*	***212.5%***
Acquisition amortisation/ SBP	(2.5)	(6.3)%	*(2.4)*	*(7.5)%*	***(4.2)%***
Finance expense	(0.2)	(0.5)%	*(0.3)*	*(0.9)%*	***33.3%***
PBT (IFRS)	**2.3**	**5.8%**	*(1.1)*	*(3.5)%*	

- LfL – no acquisitive impact
- Experiencing an increased H1, as % of FY – operator driven
- Gross profit % driven by improved margins on ticketing business
- Impact of currency immaterial at revenue and approx. $0.4m at EBITDA
- Higher proportion of FY expected to be traded in 1H 2016
    - Two extra trading days and increased season pass penetration
- Admin increase partly reflects investment in H2 2015 and further investment in 2016, incl. Australian office

Cash Flow

Improvement in EBITDA substantially converted into cash

	1H 2016 ($m)	1H 2015 ($m)	*Change ($m)*
Operating cash flow	**2.2**	**(1.0)**	**3.2**
Fixed assets - tangible	(0.7)	(0.5)	**(0.2)**
Fixed assets – intangible - development	(6.2)	(2.8)	**(3.4)**
Share issue	2.1	0.0	**2.1**
Other financing/ forex	(0.5)	(0.2)	(0.3)
Net debt movement in period	**(3.1)**	**(4.5)**	**1.4**
Net debt at period end	**12.5**	18.8	

- Broadly reflects peak net debt position
- Intangible - acceleration of hardware and software development spend
  - Significant proportion of increase – non recurring
- Share issues inflow - employee option exercises and sale of trust shares

Balance Sheet

Balance sheet healthy

	1H 2016 ($m)	FY 2015 ($m)	*Change ($m)*
Intangible assets	74.9	71.9	3.0
Tangible assets	3.1	3.1	0.0
Inventory/ receivables/ payables	3.8	0.5	3.3
Income tax	0.4	0.8	(0.4)
Deferred tax	(2.6)	(3.2)	0.6
Finance lease	(0.1)	(0.1)	0.0
Cash & debt	(12.5)	(9.4)	(3.1)
Net assets	**67.0**	63.6	**3.4**

- Working capital increase consistent with activity
- Significant headroom to borrowing facility
- Broadly reflects peak net debt position

Debt Facility

Facility with Lloyds

- Signed – 14 March 2016
- $25m – fixed throughout term
- Term: March 2019 but extendable to March 2020
- Additional $10m (accordion) available to fund acquisitions
- Interest on drawdowns: 1.35% above Libor (Previously 1.75%)
- Fee on undrawn funds: 0.54% (previously 0.70%)

Looking ahead

Strong foundations for the future

A strategy underpinned by recurring revenue and loyal client base

1	2	3
Transaction-based revenue model	**Enviable revenue visibility**	**Long-term partnerships**
c.90% of full year revenue stream is transaction-based, or repeatable.	Revenue from current contracted customers expected to generate 60% + of annual revenues through 2022.	Long-term commitments from Merlin, Six Flags, Cedar Fair and others reflect trust in our plan and ability to deliver.

Strategy: accelerating accesso's growth

A strong organic growth strategy with the ability to accelerate considerably via M&A and other initiatives

1 ORGANIC GROWTH

- Further penetration with existing clients
- New clients, in both existing and new verticals
- Continued product development
- Very scalable, internationally

2 CONSOLIDATION THROUGH M&A

- Existing platform for bolt-ons already proven
- Given the fragmented nature of the market, a very large number of potential targets
- Instant ability to cross sell acquired solutions to existing clients

3 PRODUCT DEVELOPMENT

- Technology innovation continues
- The ultimate long term goal, maintain clear market leadership across all our platforms

Outlook

Promising 1H momentum, with work to do in the second half

- Strong start to 2016
- Challenges in July and August
- Any impact from Brexit expected to be minimal
- Board is comfortable with Group's ability to meet its targets for the full year

Q&A