accesso: preliminary results 2016

Tuesday, 21 March 2017

2016 Highlights

Highlights

Achieving scale and leading the market

Strong performance across all key financial metrics

New wins and contract expansions

Group Revenue

10.0%

$102.5m

68 new wins in the year

Continued cross-selling success

Adj, Operating Profit

24.6%

$15.7m

Merlin roll out on schedule, with most major venues planned to be live by the end of 2017

***accesso Prism*[SM] smart park wearable introduced November 2016**

Operational Review

Success at scale

Growing footprint providing foundation for future growth

Footprint growth

5	**30%**	**362**
Continents served	*accesso Passport* volume up	Total headcount
68	**38%**	**10%**
New wins in the year	*accesso Passport* mobile share	Group revenue growth

Profit expansion

25.7%	**38.7%**
Adj. EBITDA Growth	EPS Growth

- Operational leverage increasing as Group gains scale
- Three queueing contracts won on three different continents during 2016
- *accesso ShoWare* leveraging scale and expertise to differentiate from competition

Globalising the platform

Readying *accesso Passport* for ongoing international expansion

accesso Passport

Platform upgrades

- *accesso Passport* Exchange & *accesso Passport* Control introduced
- First full year for our ACE portal, allowing clients improved access to our 24/7 support services
- Ski market development

Payments & Security

- POS certified to the highest security standards for payment applications per the Payment Card Industry Security Standards Council.
- All six datacenters placed under Rackspace Managed Security – leader in Gartner Magic Quadrant
- Identified and prevented more than $10M in fraudulent transactions

International readiness

- On-Boarded new 40 Venues
- 7 Languages / 7 Countries / 4 Continents
- First multi-language store launched – LEGOLAND Japan

Investing in people and products

Breaking new ground to ensure we stay ahead of the pack

Attract and retain the best talent

80 new hires

Cross-company and cross-country transfers

Facebook at work

iValue peer recognition

Generate the best ideas and provide the best service in the industry

accesso ShoWare rebrand

accesso Prism launch

accesso Passport Ski

accesso Siriusware Seminar 2017

Finding the answer

A solutions-based approach to meeting our clients' needs

Customer challenge	Example markets	accesso solution	Client win example
High-volume ticketing and queuing	• Theme parks • Water parks		
Ticketing, free movement within a confined space, point-of-sale, guest management and loyalty systems	• Cultural • Zoos and aquariums		
Queuing, point-of-sale, guest management and loyalty systems	• Tourist attraction • Ski		
Ticketing, Point-of-sale, guest management and loyalty systems, assigned seating	• Performing arts • Live entertainment • Tours and attractions		

Financial Performance

Financial KPIs

A year of ongoing success, demonstrating the rationale for the investments we've made

Group Revenue

10.0%

Adj. EPS

25.7%

Adj. EBITDA

25.7%

Operating Cash Flow

26.5%

Conversion from adj. EBITDA

97.4%

Income statement

Strong performance despite investments

	FY 2016 ($m)	% of revenue	FY 2015 ($m)	% of revenue	YoY %
Revenue	**102.5**	**100.0%**	***93.2***	***100.0%***	***10.0%***
COGS	(47.2)	-46.0%	*(47.2)*	*-50.6%*	***0.0%***
Gross Profit	**55.3**	**54.0%**	***46.0***	***49.4%***	***20.2%***
Administrative expenses	(36.2)	-35.3%	*(30.8)*	*-33.0%*	***(17.5%)***
Adj. EBITDA	**19.1**	**18.7%**	***15.2***	***16.4%***	***25.7%***
DA (excl. acquisition related)	(3.4)	-3.3%	*(2.6)*	*-2.8%*	***(30.8%)***
Adj. operating profit	**15.7**	**15.4%**	***12.6***	***13.6%***	***24.6%***
Acquisition amortisation/ SBP	(5.2)	-5.1%	*(4.9)*	*-5.3%*	***(6.1%)***
Finance expense	(0.4)	-0.4%	*(0.5)*	*-0.5%*	***20.0%***
PBT (IFRS)	**10.1**	**9.9%**	***7.2***	***7.8%***	***40.3%***

- Queueing revenue growth mid single digit; ticketing mid teen growth
- Gross profit margin improvement: -mix of queuing revenue & increased proportion of ticketing
- Admin as % of revenue increased to 35.3% as business prepares itself for next stage of growth
- EBITDA Margin Improvement despite the accelerated investment in overhead base
- Opportunities for accelerated margin improvement once business exits its investment stage

Revenue

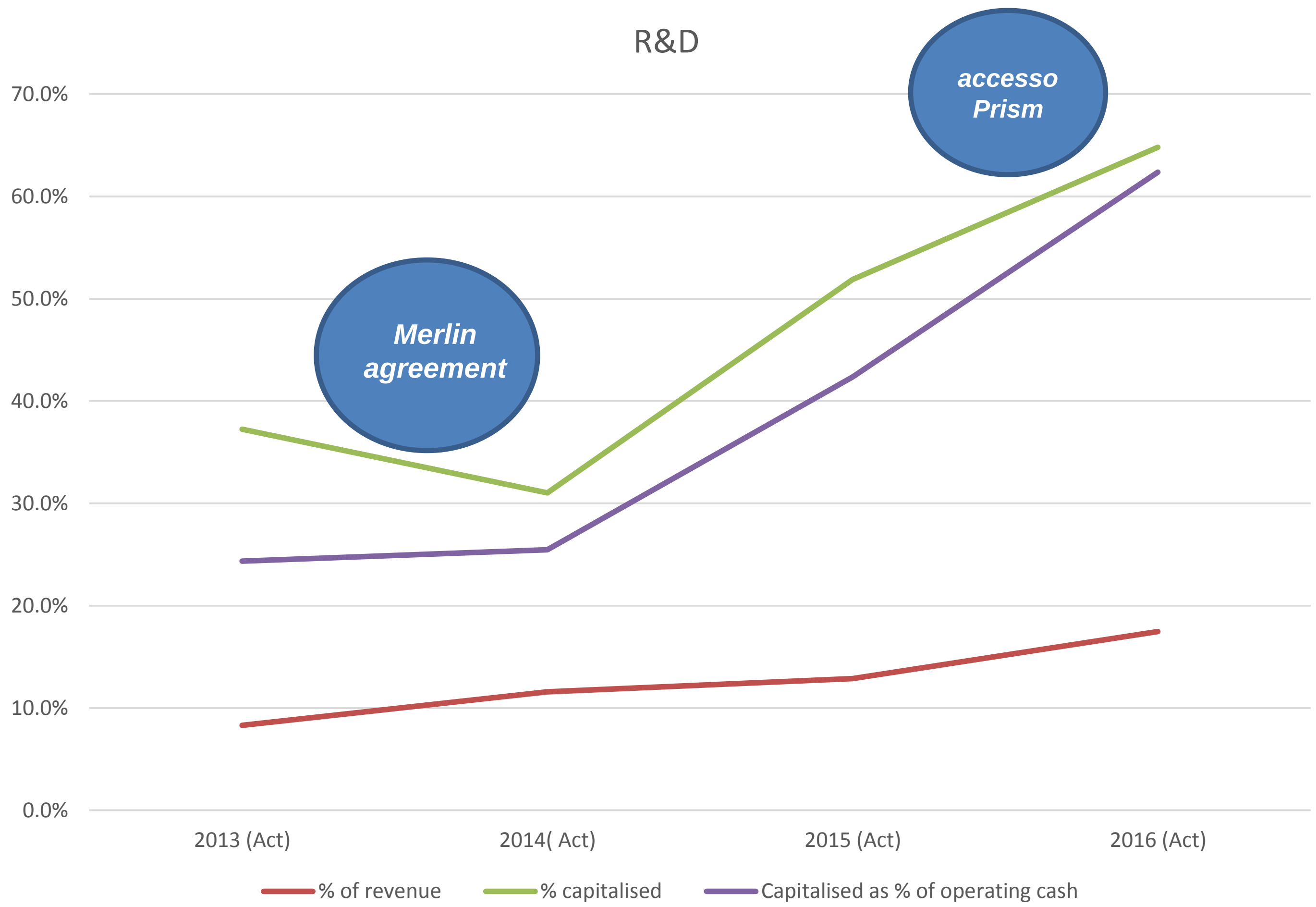
Highly repeatable revenue stream

	FY 2016 ($m)	*% of revenue*	FY 2015 ($m)	*% of revenue*
Transactional revenue	**84.9**	82.8%	77.8	83.5%
Other repeatable revenue	**7.9**	7.7%	7.0	7.5%
Total repeatable	**92.8**	90.5%	**84.8**	91.0%
Equipment sales	**1.7**	1.7%	2.1	2.3%
Other	**8.0**	7.8%	6.3	6.8%
Total revenue	**102.5**	100.0%	**93.2**	100.0%

- Repeatable (transactional and other repeatable) reflects revenue expected to repeat from existing agreements
- Repeatable revenue $'s expected to increase annually as derived as share of revenues or % of basket
- Other revenue reflects revenue requiring agreements with new customers or 'discretionary' revenue under current agreements
- Discretionary revenue approx. $2m and therefore has potential to repeat
- **This revenue visibility allows *accesso* to confidently assess investment on a longer term basis**

R&D Evolution

Ongoing investment ahead of anticipated return



- 2016 expenditure includes accelerated development relating to *accesso Prism*
- 2016 Total R&D spend $17.9m (2015:12.0m), with $11.7m (2015: $6.2m capitalised)

Cash Flow & funding

Pleasing cash conversion

	FY2016 ($m)	FY2015 ($m)	*Change ($m)*
Operating cash flow	**18.6**	**14.7**	**3.9**
Tax	(0.8)	(1.1)	**0.3**
Fixed assets - tangible	(1.9)	(1.8)	**(0.1)**
Fixed assets – development	(11.7)	(6.2)	**(5.5)**
Free cash flow	**4.2**	**5.6**	**(1.4)**
Other financing/ forex	1.8	(0.7)	2.5
Net debt reduction in year	**6.0**	**4.9**	**1.1**
Net Debt at year end	**3.4**	9.4	

- Operating cash represents 97.4% conversion from adj. EBITDA
- Free cash flow reduced due to accelerated development spend
- Other inflow principally from option exercises in the year
- Net debt at year end $3.4m - significant headroom due to amended $25m debt facility with Lloyds signed in March 2016

Effective rate of tax

Tax rate lower than initial 2016 guidance

- The full year rate at 25.5% (2015: 25.6%)
- Group continues to review opportunities for lowering its effective rate against a background of operating in markets that currently have significantly higher headline tax rates than the UK
- The Board expects the Group's tax rate to operate within the range of 20% to 23%

Looking ahead

The three pillars of our strategy

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

1 Core Product Demand

- Cross and upsell
- Benefits of ‘queue-less’ coming through
- Mix of sales from online growing and mobile shift ongoing

2 Market Expansion

- Growing within new verticals
- Clear plans in South America, APac and Europe
- APac will be World’s Largest Theme Park Market by 2020

3 M&A

- Proven track record
- Clear acquisition criteria
- Defined areas of interest

Outlook

Optimistic about the year ahead

- Reassuring start despite a strong 2016 comparator
- Ingredients in place to enjoy sustained period of increasingly profitable growth
- Ongoing investments in product, people and infrastructure to support global opportunities ongoing
- Restrained short-term operating margin, with opportunities for accelerating improvement as we exit investment period
- Board confident Group will meet its expectations for 2017

Q&A