Mint

Investor Update Q4 FY2024

August 2024

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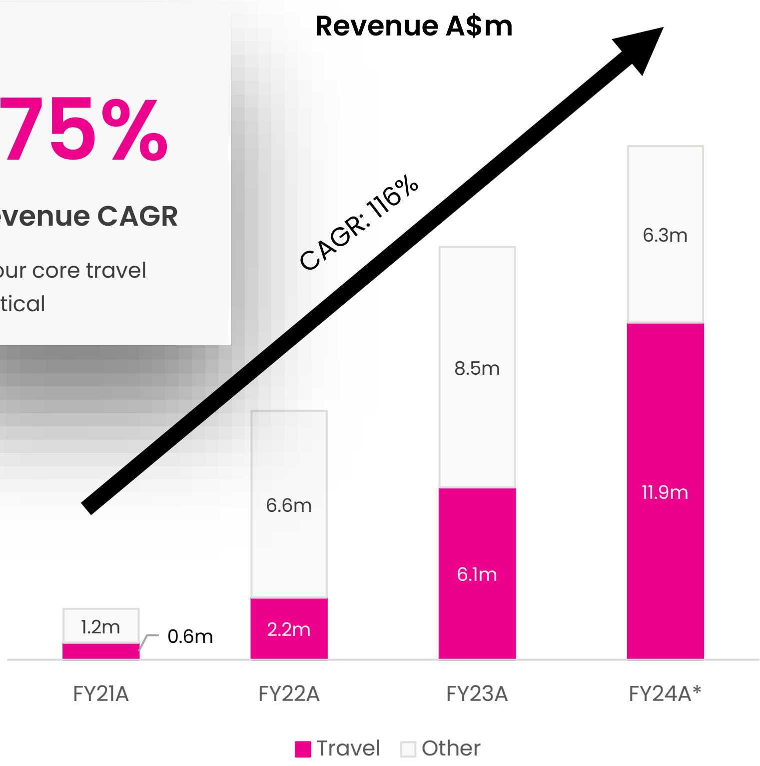
We are operating at scale and growing

Q4 FY2024 (Apr – Jun 24)

175%

Revenue CAGR

In our core travel vertical



* Draft and unaudited

$718m
Transaction value
(v $575m in Q4 FY23, ⬆ 25%)

$5.1m
Recurring revenues
(v $3.8m in Q4 FY23, ⬆ 33%)

108%
Revenue growth in our core travel vertical compared to Q4 FY23

$130k
Pro forma EBITDA for the quarter

S700
Payment terminal launched in June 2024

2,208
Merchants
(v 1,732 at June 2023, ⬆ 28%)

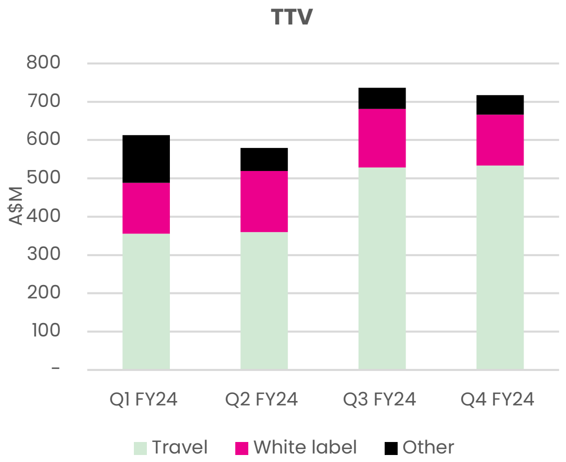
Q4 FY2024 | April to June

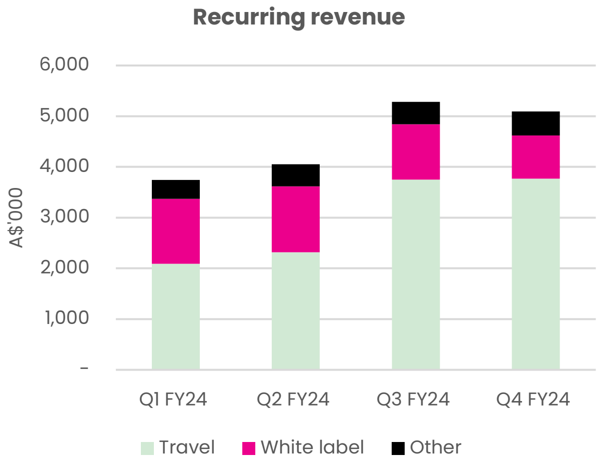
Financial Performance – Q4 FY2024 (unaudited)

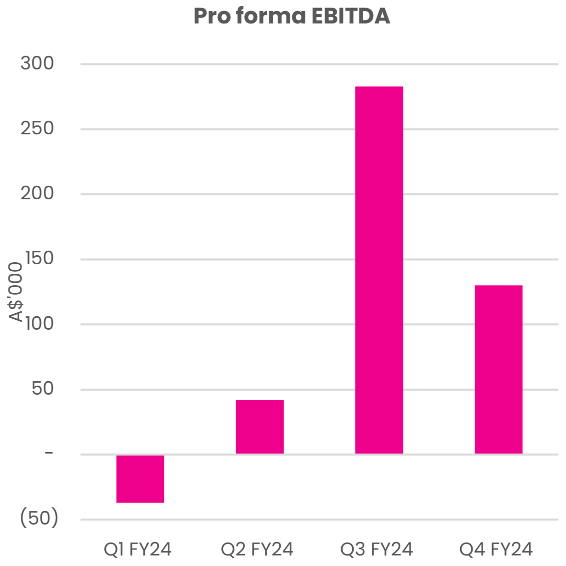
- **$717.7m** in Total Transaction Value (TTV) (⬇ 3% lower than the March 2024 quarter and ⬆ 25% higher than the June 2023 quarter). **TTV growth from the travel vertical** (⬆ 1% higher than the March 2024 quarter and ⬆ 61% higher than the June 2023 quarter) was offset by reductions in white label (⬇ 14% lower than the March 2024 quarter and ⬇ 30% lower than the June 2023 quarter). Lower white-label TTV does not directly impact revenue, as the white-label business is based on transaction volume, not TTV. However, revenue for the white label is down 49% against comparable periods.
- In line with **Mint's strategic growth plans** to mitigate against white label TTV and revenue concentration, TTV in travel (Mint's strategic growth vertical) pleasingly continued to increase for the quarter, driven by a number of large new merchants onboarded and activated at the start of 2024. Based on travel booking seasonality, Q4 is generally a lower quarter than Q3 for Mint.
- **Total Revenue of $5,094k** was ⬇ $191k vs. last quarter (4%) and ⬆ $1,266k vs. last year (like-for-like growth of 33%). Additionally, travel revenue increased 1% in Q4 FY24 compared to Q3 FY24 and up 108% compared to Q4 FY23.
- **Pro forma EBITDA** for the quarter was **$130k**. Mint has maintained positive quarterly EBITDA (from Q2 FY24), with Mint focused on driving travel growth to offset the anticipated decline in TTV and revenue from the European white label business, which has had a negative impact of c. $800k to gross profit compared to Q4 FY24 (total FY24 negative impact of $2.7m). The growth in travel, particularly in Q3 and Q4, has helped offset the decline, which, alongside recent cost minimisation strategies, positions Mint well to scale.
- With the white label reduction now stabilised, Mint's **strategic growth vertical of travel is projected to drive increased gross margins and EBITDA** going forward.

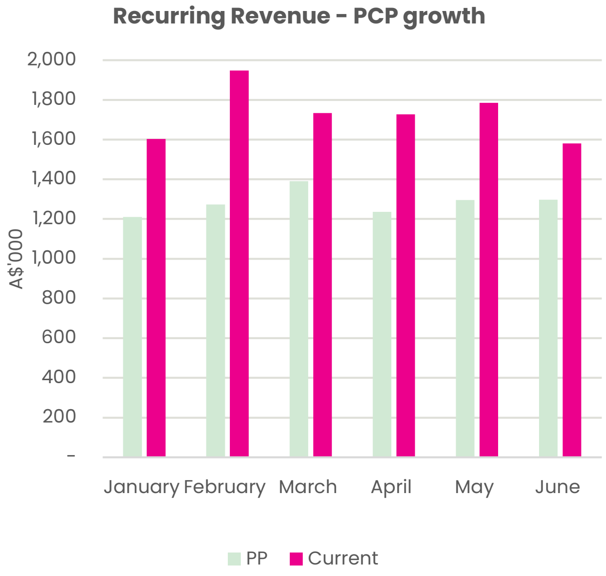
Highlights

- **Continued quarterly growth in travel** – Mint's travel TTV for the June quarter was $533.9m, compared to the March 2024 quarter of $528.2m (⬆ 1%) and June 2023 quarter of $332.4m (⬆ 61%), driven by new merchant growth and strategic travel partnerships.
- The increased TTV has resulted in June 2024 quarterly travel revenue being **1% higher than the March 2024 quarter** (despite lower seasonality in Q4) **and 108% higher than the June 2023 quarter.**









Financial Summary

Quarterly Performance (draft and unaudited)					
A$'000	Q1 FY24 (unaudited)	Q2 FY24 (unaudited)	Q3 FY24 (unaudited)	Q4 FY24 (unaudited)	FY24 (unaudited)
Travel	2,088	2,317	3,751	3,769	11,925
White label	1,285	1,300	1,088	853	4,526
Other	374	434	446	472	1,726
Revenue	3,746	4,052	5,285	5,094	18,177
Cost of sales	(1,824)	(2,106)	(3,238)	(3,285)	(10,453)
Gross profit (excl. other income)	1,922	1,946	2,047	1,809	7,725
Other income	50	727	529	676	1,982
Gross profit	1,972	2,673	2,577	2,485	9,706
Employee costs	(1,685)	(1,555)	(1,442)	(1,638)	(6,320)
Other overheads	(867)	(930)	(1,177)	(882)	(3,856)
Reported EBITDA	**(580)**	**187**	**(42)**	**(35)**	**(470)**
Pro forma adjustments	543	(145)	325	165	888
Pro forma EBITDA	**(37)**	**42**	**283**	**130**	**418**
KPIs					
TTV	*612,554,342*	*579,203,124*	*736,451,903*	*717,714,773*	*2,645,924,143*
Travel	*355,481,775*	*360,083,112*	*528,190,945*	*533,876,942*	*1,777,632,773*
White label	*133,202,369*	*159,144,484*	*152,988,923*	*132,133,278*	*577,469,055*
Other	*123,870,198*	*59,975,529*	*55,272,035*	*51,704,553*	*290,822,315*
Transaction volume	*11,530,296*	*12,360,498*	*9,807,213*	*7,627,398*	*41,325,405*
Avg. ticket size	*53.13*	*46.86*	*75.09*	*94.10*	*64.03*
Revenue % of TTV	*0.61%*	*0.70%*	*0.72%*	*0.71%*	*0.69%*
Gross margin (excl. other income)	*51.3%*	*48.0%*	*38.7%*	*35.5%*	*42.5%*

Commentary – Q4 FY24

- **Revenue of $5.1m for the June 2024 quarter**, 4% lower than the March quarter due to white label revenue decreasing by 22%. The white label decline was partially offset by a 1% increase in revenue from Mint's travel vertical and a 6% increase in Mint's other direct vertical (excluding travel), driven predominately by merchant wins in the ticketing vertical in Asia.
- **Travel revenue continued to increase**, with existing travel merchant seasonal decline (3% decline from existing merchants in Q4 compared to Q3) offset by new merchant volumes (5% growth from new merchants in Q4 compared to Q3). Mint's travel revenue for Q4 FY24 was 108% higher than Q4 FY23 due to new merchant growth, with a number of large new merchants onboarded in Q2 & Q3 transacting meaningful volumes in Q4. Mint should see the ongoing benefits of annualised TTV of over $500m from several large network groups won during Q2 and Q3. Mint's Q4 FY2024 travel revenue was more than 600% higher than pre-COVID levels before factoring in other verticals.
- **Gross margin** reduced in Q4 due to the change in revenue mix with the growth in travel exceeding growth in white label. White label does not incur any direct cost, compared to travel, which factors in acquiring (interchange and scheme fees) costs and other direct payment-related costs.
- **White label revenue continues to decline slowly, as anticipated.** Revenue and volume have reduced since February 2023 for Mint's white label business due to a loss of a number of key merchants and associated transaction volumes. This has since normalized to current volumes and we do not anticipate any further decline.
- **Other income primarily relates to the business recognising income in relation to the Australian Government's R&D tax rebate.** Mint's pro forma adjustments for each quarter factor in the reallocation of the R&D rebate equally each month for FY24.
- **Continued management of employee and overhead costs** to minimise EBITDA reductions due to decreased white label volume. While Mint continues investing in new product development, the business has ensured cost efficiencies where available to mitigate EBITDA decline.
- **Pro forma adjustments** for FY24 primarily relate to a $382k inventory write-down relating to M10 and M20 devices on the balance sheet (inventory was written down to nil) in February, with Mint planning to shut down this product line to be replaced by more modern terminals, one-off legal fees and M&A related costs and redundancy costs.
- **Well positioned to grow travel revenues in FY25.** Mint continues to be well-positioned to maximise revenue growth as travel market volumes exceed pre-COVID levels. Mint is forecasting travel total transaction value (TTV) and revenue to continue to increase materially in FY25, particularly due to continued new merchant wins and completion of key software integrations.
- **Margin expansion plans to increase Mint's share of wallet through the development and roll-out of Mint's travel product roadmap.** Mint's travel product roadmap developed significantly in Q4 with a key focus on delivering Mint's vision of being a full-service, end-to-end payments ecosystem, providing a seamless experience for travel merchants to manage all their customer payment acceptance and supplier payment transaction needs. Mint launched a new and modern payment terminal, the S700, in Q4 and is planning to launch a number of additional products throughout FY25, which should drive additional revenue and TTV growth from Mint's existing merchant base.

Balance Sheet

Consolidated balance sheet		
A$'000	Jun-23 (audited)	Jun-24 (unaudited)
Cash	1,171	1,010
Restricted cash	1,000	-
Trade debtors	1,368	1,428
Other debtors	1,908	1,850
Prepayments	420	495
Inventory	382	-
Other current assets	277	52
Current assets	**6,527**	**4,835**
PP&E	61	30
Goodwill & intangibles	8,215	6,282
ROU asset	1,133	890
Other non-current assets	628	854
Total assets	**16,564**	**12,892**
Trade creditors	(645)	(1,060)
Provisions	(806)	(885)
Other creditors	(648)	(673)
Employee liabilities	(329)	(599)
Deferred consideration	(4,329)	-
Current liabilities	**(6,757)**	**(3,217)**
Loans	(12,150)	(13,300)
Lease liability (AASB16)	(1,181)	(995)
Total liabilities	**(20,088)**	**(17,512)**
Net assets	**(3,524)**	**(4,620)**
Share capital	63,372	66,499
Reserves	2,954	3,279
Retained earnings	(69,851)	(74,398)
Equity	**(3,524)**	**(4,620)**

Commentary

- Mint recorded **positive operating cash flows of $489k** for FY24. This was offset by deferred consideration payable in relation to the IPG acquisition (net of $1.0m) and interest repayments on Mint's debt facilities ($1.2m), with equity raised and debt draw downs (outlined below) which has allowed Mint to maintain its cash balance for FY24.
- Mint's **cash balance** at June 2024 was $1.0m. In April 2024, a capital raise of $634k in equity was completed from new and existing shareholders at a 2.9c per share value, implying a pre-money enterprise value of $67.8m and equity value of $55.8m. Furthermore, the Company accessed $800k in funding in May 2024, secured against the FY24 R&D refund to bolster the Company's cash position to support the rapid growth experienced by Mint in 2024.
- Restricted cash of $1m was released as part of the final deferred consideration paid to the IPG vendor. Mint paid $1m from unrestricted cash and $1m held in restricted cash to fund the $2m final consideration. Additionally, as part of the final deferred consideration process, $2.5m of deferred share consideration was released from escrow (to fully paid ordinary shares) and reallocated from liabilities to share capital.
- Other debtors predominantly relate to Mint's accrual of the R&D tax incentive, with c. $1.75m to be received in October 2024.
- As part of the half-year audit, Mint determined to write down all inventory (relating to M10 and M20 devices) on the balance sheet to nil (write-down of $382k) with Mint shutting down this product line in August 2024, replaced by the more modern S700 payment terminal launched in June 2024. Management does not anticipate any resale value for the inventory with the M10 and M20 fleet no longer considered modern payment terminals, hence writing the value to nil.
- Intangible assets and goodwill related to the IPG acquisition, with $4.3m in intangibles (amortised over five years) and $2.0m in goodwill.
- Mint has recognised a right of use asset and associated lease liability in accordance with AASB 16 in relation to Mint's new Sydney CBD office. Under AASB 16, the right-of-use asset is depreciated, interest is recorded relating to the lease liability, and cash rental payments are allocated to reduce the lease liability balance. As such, rental costs are recorded below EBITDA on the P&L under AASB 16 (as depreciation and interest). For Mint's management accounts on the previous page, we have presented EBITDA pre-AASB 16 to recognise rental expenses in EBITDA. During the half-year audit, Mint also reclassified its Sydney CBD office security deposit from current to non-current assets. This resulted in the movement in the two accounts from June 2023 to June 2024.
- Mint's total debt obligations are:
  - July 2026: $12.5m debt with Roadhound.
  - Earlier of ATO R&D receipt and December 2024: $800k R&D loan

Travel TTV (Mint's key growth vertical) increased by 57% to $1.8bn for FY24

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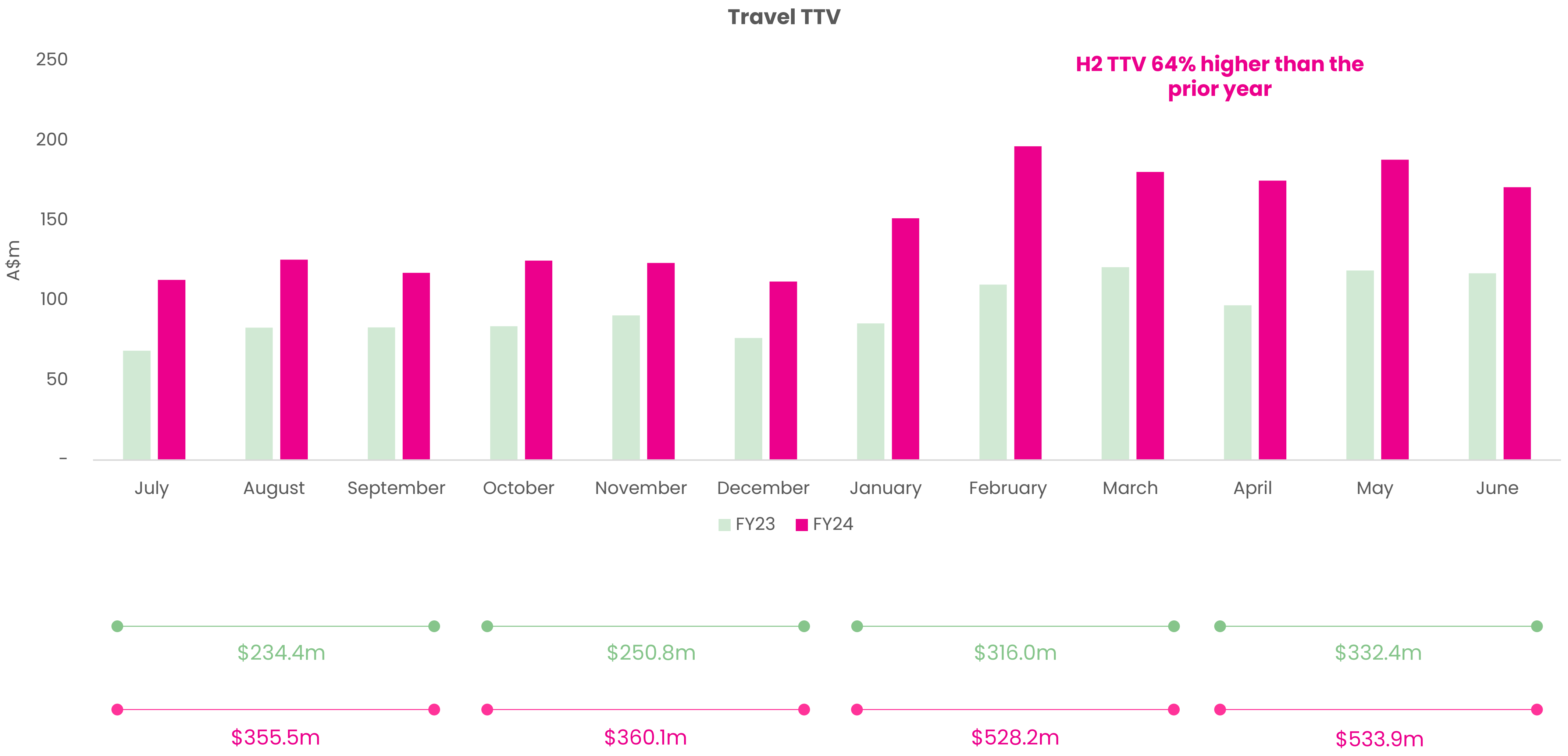
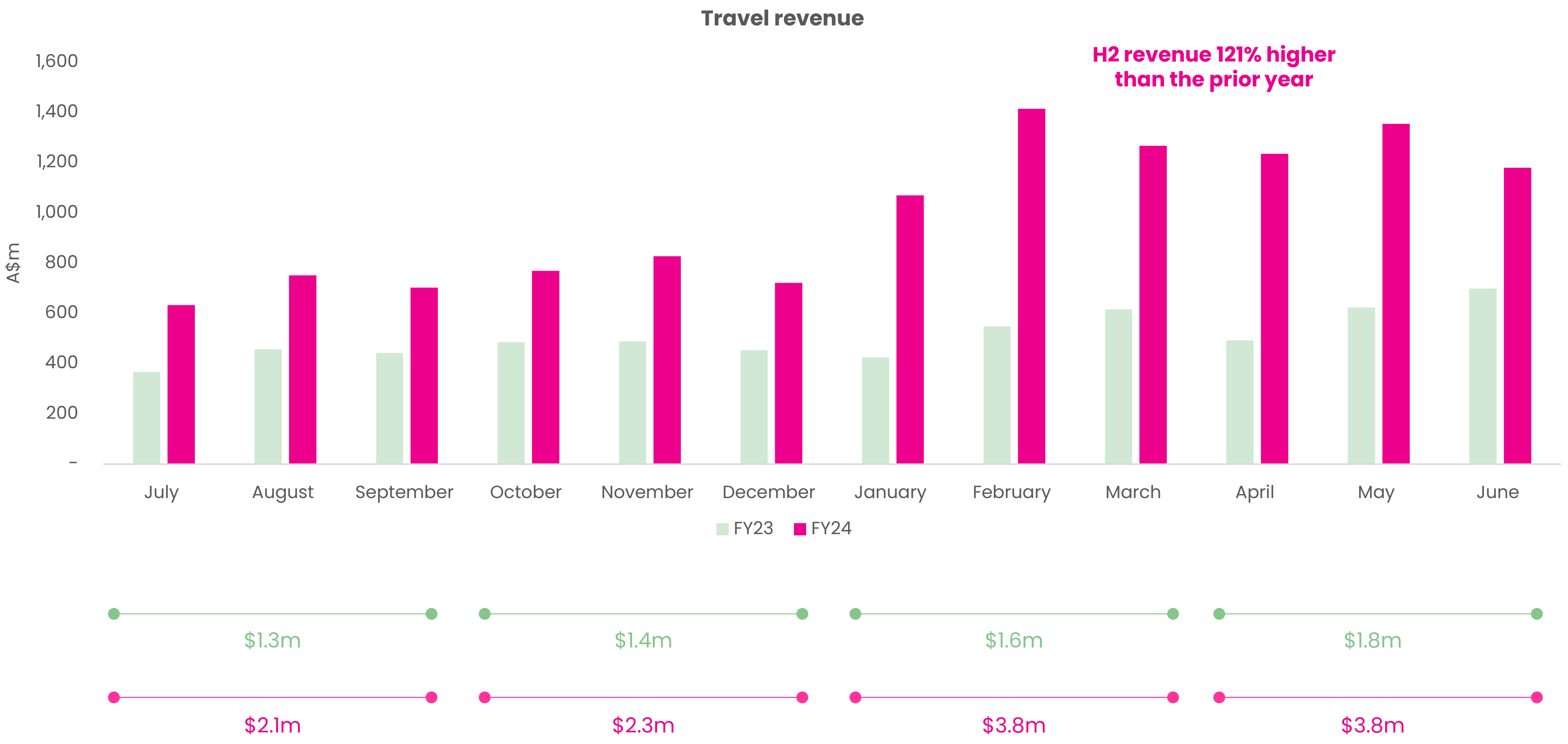


Travel revenue (Mint's key growth vertical) increased by 96% to $11.9m for FY24



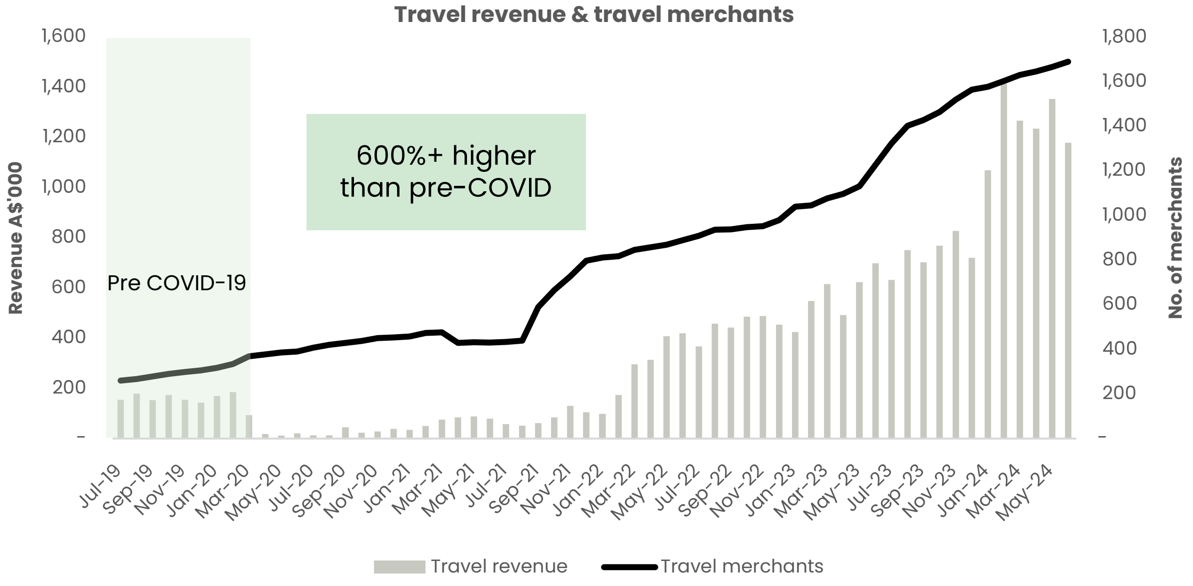
Looking Ahead

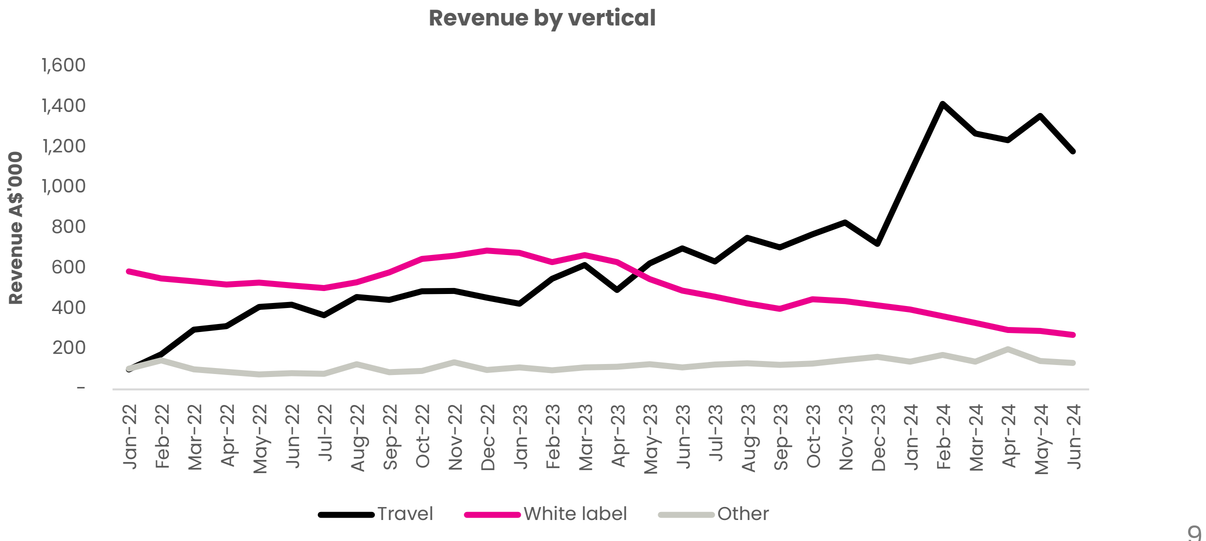
FY24

- **TTV of $2.6bn**, **annualised revenue of $21m**, driven by material quarterly growth from the travel vertical (96% growth compared to FY23), and **positive EBITDA of $0.4m**. TTV and revenue were significantly higher than pre-COVID-19 levels, driven by the IPG acquisition, and significant uplift in travel merchants onboarded and transacting.
- Mint travel revenue for Q4 FY2024 was 108% higher than the period year and was more than 600% higher than pre-COVID levels.
- Although TTV growth for FY24 has been relatively flat, as per the "revenue by vertical" graph on the bottom right, Mint's travel revenue since Q2 far exceeded the white label business, off the back of Mint's focus on driving growth in this focus area (evidenced in the growth from January 2024) to reduce customer concentration risk. We expect this trend to continue, with revenues from travel payments being the source of the Group's growth, in line with Mint's long-term strategic plans.

Looking ahead

- As illustrated in the charts opposite, Mint has experienced substantial merchant growth in the travel industry since the commencement of the COVID-19 pandemic.
  - Mint's travel TTV was c. $55m per month pre-COVID-19 with only c. 300 merchants.
  - Mint's travel TTV was $188m in May 24, with nearly 1,700 merchants.
- We anticipate travel TTV and revenue to continue increasing materially in FY25 as Mint is well positioned to maximise growth as the recovery of travel continues and as new payment acceptance (S700 payment terminal launched in June 2024, with additional products to follow in Q1 FY25) and supplier payment solutions are rolled out; resulting in an increase share of wallet.
- Whilst the current economic climate is an area Mint remains conscious of, 20+ years of economic data shows that pre-Covid Australian Households historically spent between 6.5% and 7.5% of their Gross Disposable Income on Holiday travel, with an average of around 7%. This points to the fact that Consumers prioritise spending on Holidays regardless of economic circumstances, with Holiday Travel spend typically behaving as a non-discretionary spend item.
- Mint's white label gateway continues to perform as a core revenue stream despite a revenue reduction in FY24. As a white-label gateway, Mint has lower-level controls over customer behaviour and influence on volume. However, we are expecting revenues from our white label to remain at current levels.





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