



Investor Briefing

Final Results Presentation | Year ended 30 June 2024



The Business

Rob Weisz

Chief Executive Officer

Executive Summary



Trading exceeded initial expectations for the year



Continued strong growth in international markets



Key segments of payments & messaging have continued to grow strongly



Increased dividend in line with progressive dividend policy

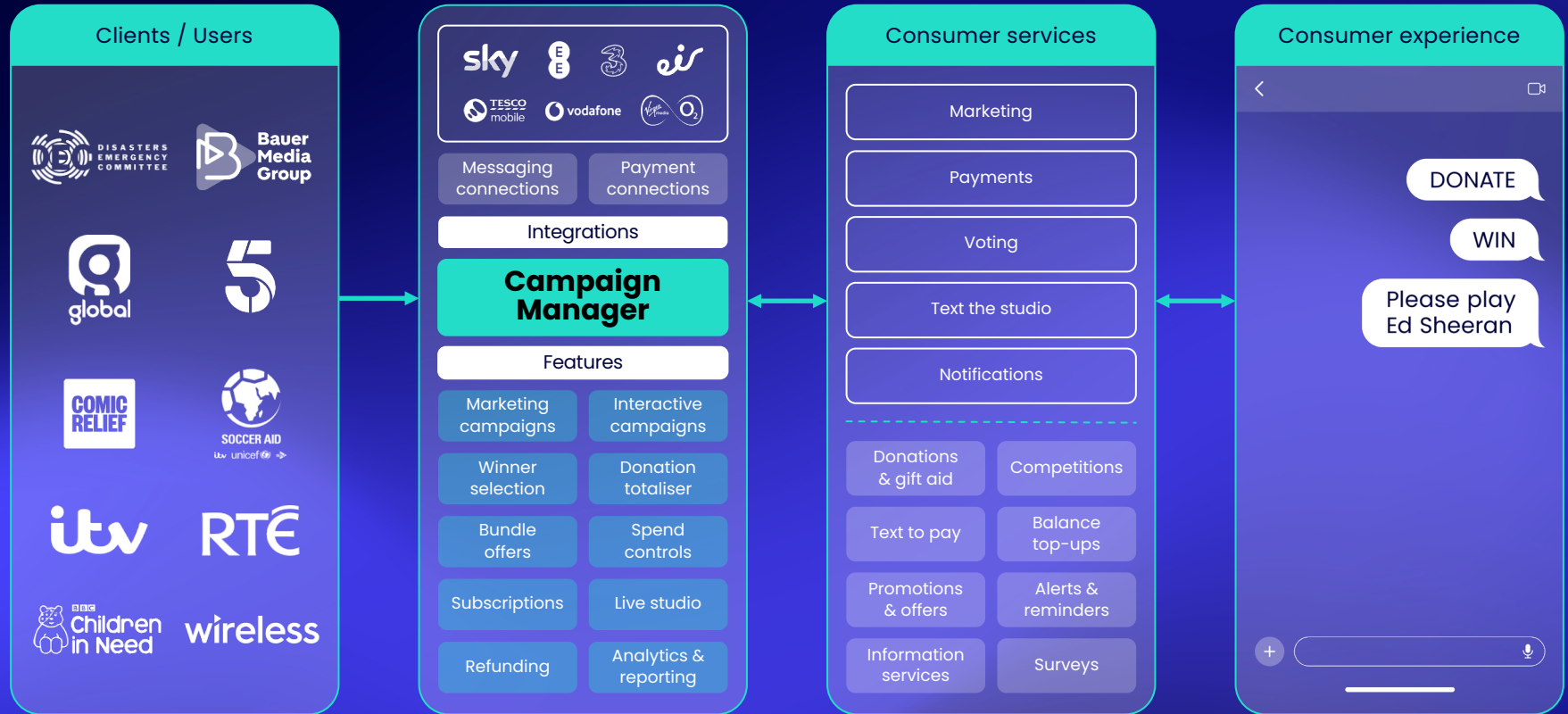


Growth strategy continues to deliver sustainable, long-term profitability



Increased product investment and greater focus on international markets

What we do and how



The Product & Technology

A market leading payments and messaging platform built by industry experts



Highly scalable
cloud based technology



Robust, secure & reliable
with 100% uptime throughout year



Commercially centric development
Focus on features to drive growth for clients





Financial Update

Michael Foulkes
Chief Financial Officer

Operational Highlights

Key achievements for the year ended 30 June 2024:



Product innovation



>12%

Gross profits from overseas



International investment



100%

Platform uptime



Expanded team



99%

Income of a repeating nature

Key Performance Indicators

Financial and operating key performance indicators for the year ended 30 June 2024:

TPV¹



£303m

+ 13% YOY

Gross Profit



£17.9m

+ 19% YOY

Adjusted EBITDA²



£13.7m

+ 18% YOY

Adjusted PBT³



£14.0m

+ 27% YOY

¹ TPV means the Total Payment Value and represents the gross value of consumer spend on both commercial and charity customer services.

² Adjusted EBITDA excludes share-based payment charges along with depreciation, amortisation, interest, R&D tax credits and tax from the measure of profit.

³ Adjusted PBT is profit before tax excluding share-based payment charges and R&D tax credits.

Trading Growth YOY



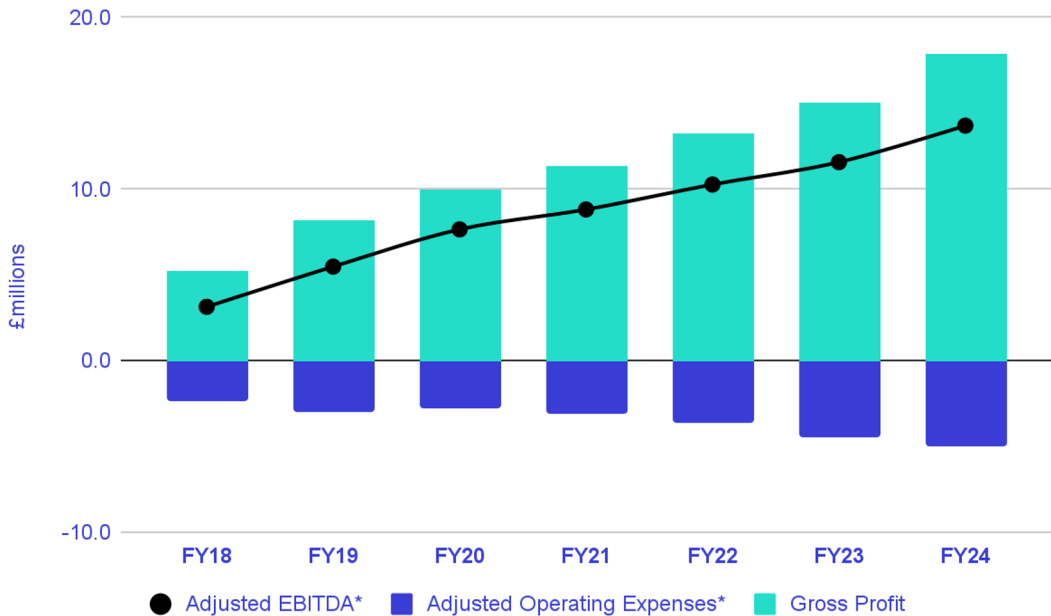
Revenue, gross profit and adjusted EBITDA growth all in line with expectations.

Once again, YoY growth in H1 was higher than H2, due to some seasonality with our media customers. However, this was in line with management expectations and the YOY trading direction remains very positive.

Compound annual growth rates (CAGR) in gross profit and adjusted EBITDA of 23% and 28% respectively over the last 6-years.

Financial performance

(July 2017 to June 2024)



** Adjusted EBITDA and Adjusted Operating Expenses exclude share-based payment charges along with depreciation, amortisation, interest, R&D tax credits and tax from the measure of profit.*

Segmental Analysis

Gross profit continues to be the business' most important financial indicator as this represents the company's share of revenue for processing mobile payments and SMS messages.

Mobile payments represents charges made to consumers on behalf of merchants. Revenue comprises Fonix margin (gross profit) + mobile operator margin (cost of sale). GP increase driven by growth in media sector, both in the UK and overseas.

Mobile messaging represents notification and marketing SMSs sent to consumers by merchants. GP growth largely driven by inbound demand for Fonix's wholesale messaging services.

Managed services represents other fees and non-transactional revenue. GP increase driven by growth in charity sector.

	FY24 £'000	FY23 £'000	Change YoY	Share of FY24
Revenue				
Mobile payments	54,199	47,607	14%	71%
Mobile messaging	19,859	15,513	28%	26%
Managed services	2,031	1,796	13%	3%
Total revenue	76,089	64,916	17%	100%
Gross profit				
Mobile payments	14,782	12,689	16%	83%
Mobile messaging	2,332	1,626	43%	13%
Managed services	772	760	2%	4%
Total gross profit	17,886	15,075	19%	100%
Gross profit %	%	%		
Mobile payments	27.3%	26.7%		
Mobile messaging	11.7%	10.5%		
Managed services	38.0%	42.3%		
Total gross profit %	23.5%	23.2%		
GP by geography	£'000	£'000	Change YoY	Share of FY24
United Kingdom	15,691	13,534	16%	88%
Rest of Europe	2,195	1,541	42%	12%
Total gross profit	17,886	15,075	19%	100%

Financial Performance

Gross profit growth of 19% YOY, driven primarily by increased income in media sector, with strong international growth and expansion in messaging services.

Adjusted operating expenses increased 20%, largely due to an increase in staff costs and incentives.

Adjusted EBITDA increased 18% YOY due to gross profit growth and prudent expense management.

DPS of 8.30p (FY23: 7.25p) proposed for the year in line with progressive dividend policy – equivalent to 77% of adjusted earnings per share.

Financial Performance	FY24 £'000	FY23 £'000	Change YoY
TPV	303,300	268,100	13%
Revenue	76,089	64,916	17%
Gross profit	17,886	15,075	19%
Adjusted operating expenses	(4,193)	(3,508)	20%
Adjusted EBITDA	13,693	11,567	18%
Other income	58	–	
Share-based payment charge	(100)	(125)	–20%
Depreciation and amortisation	(825)	(924)	–11%
Operating profit	12,826	10,518	22%
Financial expense, income	1,108	336	229%
Taxation	(3,317)	(2,057)	61%
Net profit	10,617	8,797	21%

Cashflow

Underlying cash shows the business' true available cash flow and excludes cash held on behalf of customers. Underlying cash continued to grow in the period driven by strong cash flows from operating activities. Net cash flow from investing activities predominantly relates to capitalised software development expenditure less interest received on bank deposits. This has become a net inflow due to the increase in interest income.

Actual cash includes cash held on behalf of customers and therefore fluctuates substantially period to period depending on the timing of mobile operator inflows at month end.

	Actual cash FY24 £'000	Actual Cash FY23 £'000	Underlying cash FY24 £'000	Underlying cash FY23 £'000
Actual & underlying cash flow				
Net cash flows from operating activities	15,319	11,849	11,365	9,852
Net cash flows from investing activities	48	(718)	48	(717)
Net proceeds from issue of equity	119	-	119	-
Dividends paid	(7,481)	(6,860)	(7,481)	(6,860)
Purchase of own shares	(2,040)	(495)	(2,040)	(495)
Capital payments in respect of leases	(115)	(116)	(115)	(116)
Interest paid in respect of leases	(18)	(4)	(18)	(4)
Net (decrease)/increase in cash	5,832	3,656	1,878	1,660
Cash at beginning of period	20,648	16,992	9,446	7,786
Cash at end of period	26,480	20,648	11,324	9,446



Strategy Update

Rob Weisz

Chief Executive Officer

Growth Strategy



Existing clients

Retain, innovate and grow



Sector focused

New clients & strong pipeline of prospects



Recurring client revenues

Delivering business that provides long term predictable revenues



International expansion

Focus on replicating core strategy in the right territories



Product expansion

Robust technology and new product innovations providing clients value

Disciplined Sector Focus



Media

**Payments & interactivity
for TV & radio**

- **£174m+** UK TV engagement market ⁽²⁾
- **Significant international expansion opportunity** across neighbouring European markets



Charity

**Mobile donation
technology**

- **£13.9bn donated** in the UK ⁽¹⁾
- **£36m+ donated** via carrier billing in UK ⁽²⁾
- **Significant international expansion opportunity**



Gaming

**Payments &
gaming operators**

- **£15bn+ UK** gambling market ⁽³⁾
- **£61m spent** via carrier billing in UK ⁽²⁾



Transport & Ticketing

**Payments for e-mobility
and parking**



Digital Services

**Publishers, lifestyle &
digital entertainment**



Outlook

Rob Weisz

Chief Executive Officer

Executive Summary

Trading



Trading exceeded initial expectations for the year

Growth



Continuing to grow existing accounts and win new accounts in our core sectors

Investment



Investing in growth with increased spend on product and international exploration

International



Imminent launch of interactive services in Portugal

Pipeline



A significant pipeline of commercial opportunities across all sectors and markets

Thank you for
your time



Appendix



The Team

Board



Ed Spurrier
Chair



Carmel Warren
Non-executive Director



Will Neale
Non-executive Director



Rob Weisz
CEO



Michael Foulkes
CFO



Francesca Gangemi
Director of Technology
and Engineering



Marcus Kern
Head of Tech
Strategy



Louisa Harris
Operations &
Delivery Director



Steve George
Client Success &
Partnerships Director



Clare Charles
Head of Client
Management



Anthony Baladi
Commercial
Director

Balance Sheet

Balance sheet	FY24 £'000	FY23 £'000	Change YoY
Intangible asset	1,606	1,239	30%
Right of use asset	286	42	576%
Tangible assets	30	28	8%
Trade and other receivables	35,947	36,058	0%
Cash and cash equivalent (actual cash)	26,480	20,648	28%
Total assets	64,349	58,015	11%
Current liabilities	53,264	48,470	10%
Non-current liabilities	383	157	144%
Total liabilities	53,647	48,627	10%
Total equity / net assets	10,702	9,388	14%
Underlying cash and cash equivalent	11,324	9,446	20%

The Market

