



APPENDIX 4E PRELIMINARY FINAL REPORT

NAME OF ENTITY	AFTERPAY TOUCH GROUP LIMITED
ACN	618 280 649
REPORTING PERIOD	FOR THE YEAR ENDED 30 JUNE 2018
PREVIOUS PERIOD	FOR THE YEAR ENDED 30 JUNE 2017

RESULTS FOR ANNOUNCEMENT TO THE MARKET

STATUTORY RESULTS SUMMARY

The 30 June 2018 report is the first period of results to show the financial performance, position and cash flows of the combined Afterpay Touch Group (the Group), reflecting the Merger of Touchcorp by Afterpay which became effective on 28 June 2017. Comparatives for the period 30 June 2017 represent the performance of Afterpay Group only, except for the financial position as at 30 June 2017 which reflects the Group's financial position post-merger.

		%	CHANGE FROM YEAR ENDED 30 JUNE			
				CONSOLIDATED 2018 \$M		AFTERPAY 2017 \$M
Revenue from ordinary activities	▲	397%	TO	113.9	FROM	22.9
Loss before tax	▼	(47%)	TO	(7.6)	FROM	(14.4)
Loss after tax attributable to the members of Afterpay Touch Group Limited	▼	(6%)	TO	(9.0)	FROM	(9.6)

The Group has performed strongly in the 2018 financial year with the successful launch of Afterpay services in the United States in May 2018 and New Zealand in August 2017. The Group raised \$50m of senior unsecured notes in April 18 and increased the prevailing facility with National Australia Bank (NAB) from \$200m to \$350m in November 2017. Revenue for the year increased from \$22.9m to \$113.9m or 397% primarily due to the significant increase in the number of merchants who have adopted the Afterpay payment platform and the increase in the number of customers now using Afterpay as their payment method and budget tool across Australia, New Zealand and the United States. Part of the increase in revenue is also attributable to this being the first year consolidating the Touchcorp business of \$25.6m.

The Group recorded a statutory loss before and after tax of \$7.6m and \$9.0m, respectively. The loss before tax significantly decreased by 47% compared to the prior financial year. Overall, statutory profitability was impacted by share-based payments (non-cash) for new senior executives and one-off costs, primarily related to the Merger and international expansion as shown in the following table.

FINANCIAL SUMMARY	NORMALISED RESULTS			STATUTORY RESULTS		
	YEAR ENDED 30 JUNE			YEAR ENDED 30 JUNE		
	CONSOLIDATED	AFTERPAY		CONSOLIDATED	AFTERPAY	
	2018	2017	MOVEMENT	2018	2017	MOVEMENT
	\$M	\$M	%	\$M	\$M	%
Revenue and other income	142.3	29.0	391%	142.3	29.0	391%
Earnings before interest, tax, depreciation and amortisation (excl significant items)	33.8	6.0	463%	33.8	6.0	463%
Net finance expense	(6.1)	(0.2)	2950%	(6.1)	(0.2)	2950%
Earnings before tax, depreciation and amortisation (excl significant items)	27.7	5.8	378%	27.7	5.8	378%
Share-based payments (non-cash)	-	-	-	(16.4)	(1.8)	811%
One-off costs	-	-	-	(3.0)	(2.1)	43%
International expansion costs	-	-	-	(1.2)	-	N/A
Merger related costs	-	-	-	(1.7)	(1.5)	13%
Facility establishment costs	-	-	-	(0.1)	(0.6)	(83%)
Foreign currency gains	-	-	-	1.4	-	N/A
Depreciation and amortisation	(17.3)	(2.7)	541%	(17.3)	(2.7)	541%
Touchcorp customer development contract	-	-	-	-	(13.6)	N/A
Net profit/(loss) before tax attributable to the members of Afterpay Touch Group Limited	10.4	3.1	235%	(7.6)	(14.4)	(47%)

*Normalised results have been adjusted for share-based payments (non-cash), one-off items and foreign currency gains for the 2018 and 2017 financial years. The one-off items are costs related to the Merger, international expansion, new facility establishment and amending the current facility to fund the fast paced business expansion and strong growth.

NET TANGIBLE ASSET PER SECURITY	CONSOLIDATED	CONSOLIDATED
	2018	2017
	'000	'000
Weighted average number of ordinary shares	216,204	212,409
	\$	\$
Net tangible assets per share	\$0.51	\$0.17
LOSS PER SHARE		
Loss per share (Basic, loss for the period attributable to ordinary equity holders of the Parent)	(\$0.04)	(\$0.05)

DIVIDENDS

No dividends were declared or paid for the year ended 30 June 2018.

ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Not applicable.

BASIS OF PREPARATION

This report is based on the consolidated financial statements which have been audited by Ernst & Young. The audit report is included within the Group's Financial Report which accompanies this Appendix 4E.

OTHER INFORMATION REQUIRED BY LISTING RULE 4.3A

Other information requiring disclosure to comply with Listing Rule 4.3A is contained in the 30 June 2018 Financial Report (which includes the Directors' Report).

ACCOUNTING STANDARDS

This report has been compiled using Australian Accounting Standards and International Financial Reporting Standards.