

02 July 2020

## MIE Pay Limited

### Delivering payments optionality

MIE Pay Ltd is a technology driven payments company that facilitates both online and offline commerce between retail merchants and their customers. MIE listed on the NSX on May 25 after raising \$3.3m at \$0.10/share. MIE intends to use the capital raised to fund the growth and development of its two business units, digital payment solutions provider IE Pay and e-commerce platform IE Mall. The company's two divisions, IE Pay and IE Mall, had their origins in New Zealand. In 2016, IE Pay became the first NZ partner to Alipay and WeChat and subsequently to Unipay. The company currently has ~1,100 merchants on the platform and processes ~NZ\$60m in transactions annually.

### Business model

MIE Pay operates two divisions, IE Pay and IE Mall. IE Pay is a multi-channel and multi-currency payments solution operating in New Zealand that allows merchants to accept Alipay, WeChat Pay, UnionPay and POLi at low rates. IE Pay targets both bricks and mortar merchants in the tourism, hospitality, luxury, health and beauty sectors, and online retailers offering access to pay terminals, QR scans and mobile payments. IE Pay's customised mobile payment solutions are accepted by more than 1,100 merchants New Zealand wide, including Green Cross Health (NZX: GXH), which operates the Unichem and Life pharmacy chains and Auckland-based digital gifting company Gifticon.

IE Mall is an e-Commerce, online marketplace platform solution for merchants to attract international customers. The platform uses social media and breadth of product from Australia and New Zealand to bring in customers and delivers merchants multiple dashboards to manage orders, shipping and payments. IE Mall's integration with IE Pay ensures businesses trading through it receive payment swiftly and securely and provides a complementary revenue stream for the aggregated payment platform.

MIE Pay intends to use the capital raised at float to fund the development of IE Pay and IE Mall in Australia and expand its presence in New Zealand.

### Recent News

MIE has reported a 40.9% increase in FY20 revenue to NZ\$0.34m and a net loss, adjusted for one-off costs of NZ\$2.06m. The company noted that revenue in the quarter ending March 31 accelerated with growth of 49% over the same quarter in 2019. However, with the ensuing lockdown in New Zealand due to COVID-19, revenue in April 2020 had fallen 25% over the previous corresponding period and the outlook on future revenues and results was uncertain while the situation was still evolving.

#### Earnings history (NZ\$m)

Year ended	Revenue	EBITDA	NPAT Adj*	NPAT reported	EPS (c) Adj*	EPS (c) Reported	EV/Sales x
Mar-18	0.024	(0.11)	(0.11)	(0.11)	(0.05)	(0.05)	nm
Mar-19	0.244	(0.68)	(0.71)	(0.71)	(0.32)	(0.32)	nm
Mar-20	0.344	(1.86)	(2.06)	(2.66)	(0.78)	(1.01)	95.1

Source: Company data \*Adjusted for IPO costs/one time costs

#### Shares Summary

Share Code	MIE
Share price at 19 Jun 20	\$0.10
Market Capitalisation	\$32.0M
Number of Shares	319.96M
Net Debt 31 March 2020	\$0.7M
Share Registry	Computershare Investor Services Ltd

#### RaaS 5-Point Score\* = 2/5

Revenue increasing (1); EPS increasing (0), Return on Capital Employed [ROCE] (0); EBIT interest cover >3x (0) Gross Operating cash flow/EBITDA >90%(1)

#### Upside Case

- Digital payments forecast to grow at a CAGR of 21% in Australia to 2024 – Statista
- Opportunity to expand its NZ presence across the Tasman to Australia
- Smartphone adoption will help drive mobile payments growth

#### Downside Case

- Merchant payments a competitive market with significant local (Tyro, E-Merchants) and international (PayPal) players
- E-Commerce platforms dominated in NZ by TradeMe and in Australia by Amazon, Ebay and the Iconic
- Fast moving technology requires continuous investment to stay abreast of the competition

#### Board of Directors

Chairman	Roger Kerr
Managing Director	Andy Zhang
Director	Jack Yin
Director	Nicholas Ong
Director	Tony Leung

#### Catalysts

- Continued demonstrated resilience | COVID-19 environment
- Expansion of MIE Pay in Australia

#### Comparative Companies

TYR.AX, EML.AX, SMP.AX

#### RaaS Advisory contacts

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\* The RaaS 5-Point score is based on the company's performance in its last reported full year. Past performance is not a reflection of future performance.

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# FINANCIAL SERVICES GUIDE

**RaaS Advisory Pty Ltd**

**ABN 99 614 783 363**

**Corporate Authorised Representative, number 1248415**

**of**

**BR SECURITIES AUSTRALIA PTY LTD**

**ABN 92 168 734 530**

**AFSL 456663**

**Effective Date: 26<sup>th</sup> November 2018**



## About Us

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License (“AFSL”) number 456663. RaaS Advisory Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS’s services and includes such things as

- who we are
- our services
- how we transact with you
- how we are paid, and
- complaint processes

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RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

**What Financial Services are we authorised to provide?** RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
  - Securities
- deal on behalf of retail and wholesale clients in relation to
  - Securities

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## Our dealing service

RaaS can arrange for you to invest in securities issued under a prospectus by firstly sending you the offer document and then assisting you fill out the application from if needed.

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We may also receive a fee for our dealing service, from the company issuing the securities.

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BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.

Website: [www.afca.org.au](http://www.afca.org.au); Email: [info@afca.org.au](mailto:info@afca.org.au); Telephone: 1800931678 (free call)  
In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

## Professional Indemnity Insurance

BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.