



Tyro chips away at payments

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Break-even is "in sight" for specialist payments provider Tyro Payments, though management is not putting a date on this milestone-to-be.

Tyro reported a loss of A\$1.8 million for the year to June 2011, the same size as the loss incurred in 2010.

Tyro is achieving reasonable top-line growth in for what remains an immature business. The company began processing card payments under a restricted banking licence in 2007.

Revenue from merchant fees increased by 47 per cent to \$18.6 million, though net revenue from transaction processing increased by only 25 per cent, thanks to higher commission payments to one sales partner who had deferred some commission payments from the previous year.

Accumulated losses at Tyro stand at \$28 million.

Merchant numbers increased 50 per cent to 4250; the number of credit and debit card transactions increased to 2.5 million, and the value of transactions increased 44 per cent to \$183 million. Tyro also processed 800,000 Medicare payments.

Tyro's share of the market remains less than one-tenth of one per cent measured by both transaction numbers and value.

Jost Stollman, chief executive of Tyro, said that, taking into account the commission arrangements for one partner (who back-loaded expenses into 2011) and foreign exchange losses in 2011, the company recorded a "significant improvement in operating profit" over the year.

He said Tyro was a business with "significant fixed-cost characteristics" and that "break-even is in sight".

Stollman said the firm was now targeting hospitality sector to complement its early strength in medical practices. He said Tyro technology could handle bill splitting and tipping at the point of sale with mobile devices, for example.

The company continues to rely on funding from directors and key shareholders, four of whom have provided a \$2.5 million loan that is likely to convert into equity later this year.

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