
Tyro prepares response to short report

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Staff at ASX-listed payments company Tyro spent the weekend trying to fix its terminal outage problem, while executives are preparing a response to [an activist short-seller report published on Friday](#) that claimed the problem was worse than the company has admitted.

"Our focus remains getting all our impacted merchants back up and running as soon as possible and we are making strong progress in returning functioning terminals to our customers," chief executive Robbie Cooke said in a statement to *The Australian Financial Review*.

"We will provide an update to our customers and the market tomorrow [Monday] on our recovery efforts, alongside our response to the false assertions made against Tyro on Friday."



Robbie Cooke has had a busy weekend dealing with an operational and market crisis. **Robert Shakespeare**

Tyro's shares plunged almost 12 per cent on Friday morning after activist short-selling outfit Viceroy released a report that alleged about 50 per cent of Tyro payments terminals were experiencing problems.

Within an hour of the report being disseminated on social media, a trading halt was called. The company said in a statement on Friday afternoon that its previous updates "remained correct" and branded the assertions in the Viceroy report false.

The report followed coverage in the the *Financial Review* [of growing discontent among merchants](#) that used Tyro payments terminals after more than 10 days of outages that arose after a software installation.

Tyro told the stock exchange on January 13 that 19 per cent of merchants were "impacted" by the outage, which it said would be largely resolved by the end of last week.

The outage has shaved almost \$500 million, or 30 per cent, from the fintech's market value since the issue came to light on January 7.

Tyro is scheduled to release its regular Monday update on transaction values, a disclosure it has had in place since the onset of the COVID-19 pandemic in March. That release will give insights into the effect of the terminal outages.

Short fuse

The company has been praised in [the past for stepping up its disclosure during the pandemic](#) while other listed companies took advantage of temporary changes to requirements to pare back updates to the market.

But Viceroy analyst Gabe Bernarde told the *Financial Review* on Friday its disclosures relating to the terminal outages were "unacceptable".

Viceroy's report has again ignited [the debate around short-seller reports](#) being released inside trading hours, catching listed companies off-guard.

Company executives say their immediate responses are constrained or limited by continuous disclosure obligations.

While activist short reports have exposed poor corporate governance, companies are proving more adept at winning back market trust, particularly in the technology sector.



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In late October, [Blue Orca](#) published a [short report on Seek Ltd](#) claiming the Chinese online jobs site it majority owns – Zhaopin – was populated with fake adverts.

Though the shares initially fell 8 per cent, Seek's rebuttals helped the share-market to retrace those losses. Seek shares are now 20 per cent higher than before the report was released.

Logistics software firm WiseTech has also largely beaten back [claims made by activist short sellers](#), although at \$27.73 its share price is lower than before the attacks began.

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