



2017 ANNUAL GENERAL MEETING

Diversification and Innovation

15 November 2017

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Unless otherwise specified all information is for the year ended 30 June 2017, and is presented in Australian Dollars.

01 **FY2017 OVERVIEW**

02 **Q1FY2018**

03 **PRODUCT INNOVATION**

MORE \> OPPORTUNITY
ON A GLOBAL SCALE

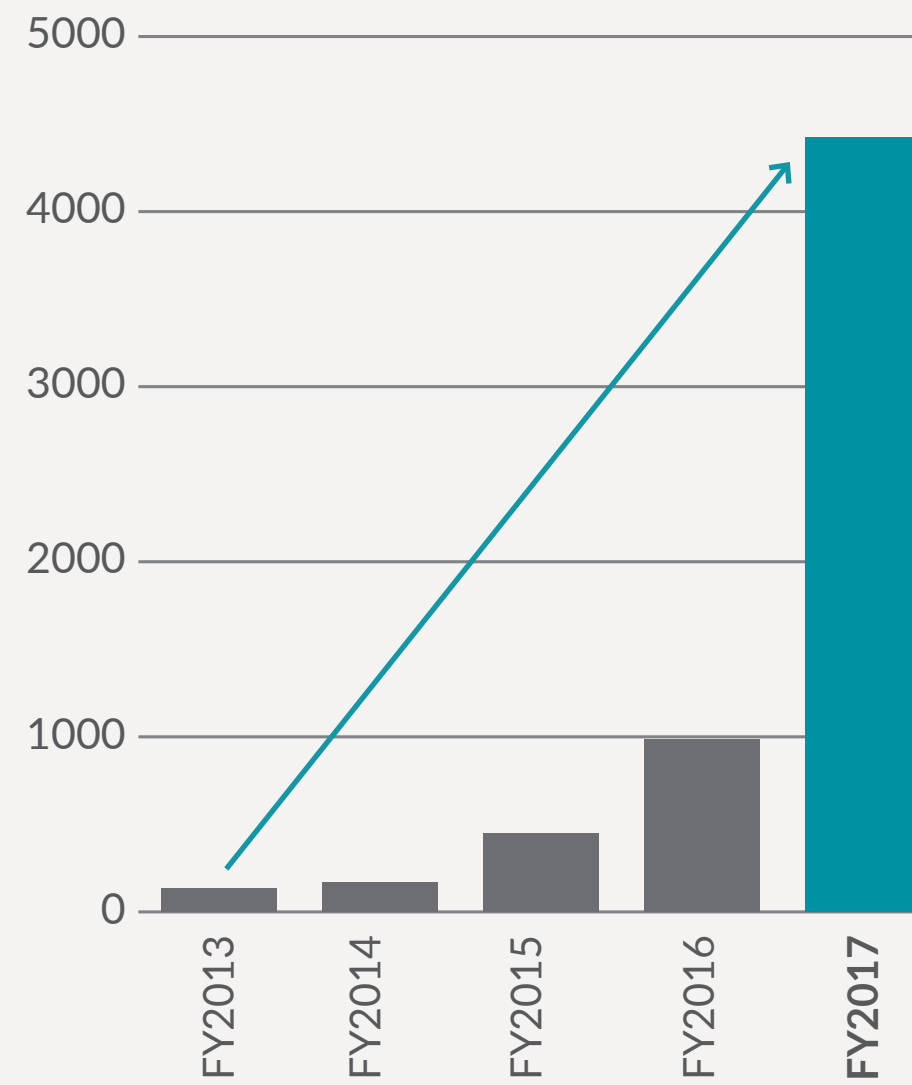


01 FY2017 OVERVIEW

Gross Debit Volume 2017

\$4.4bn ⬆️ 101%

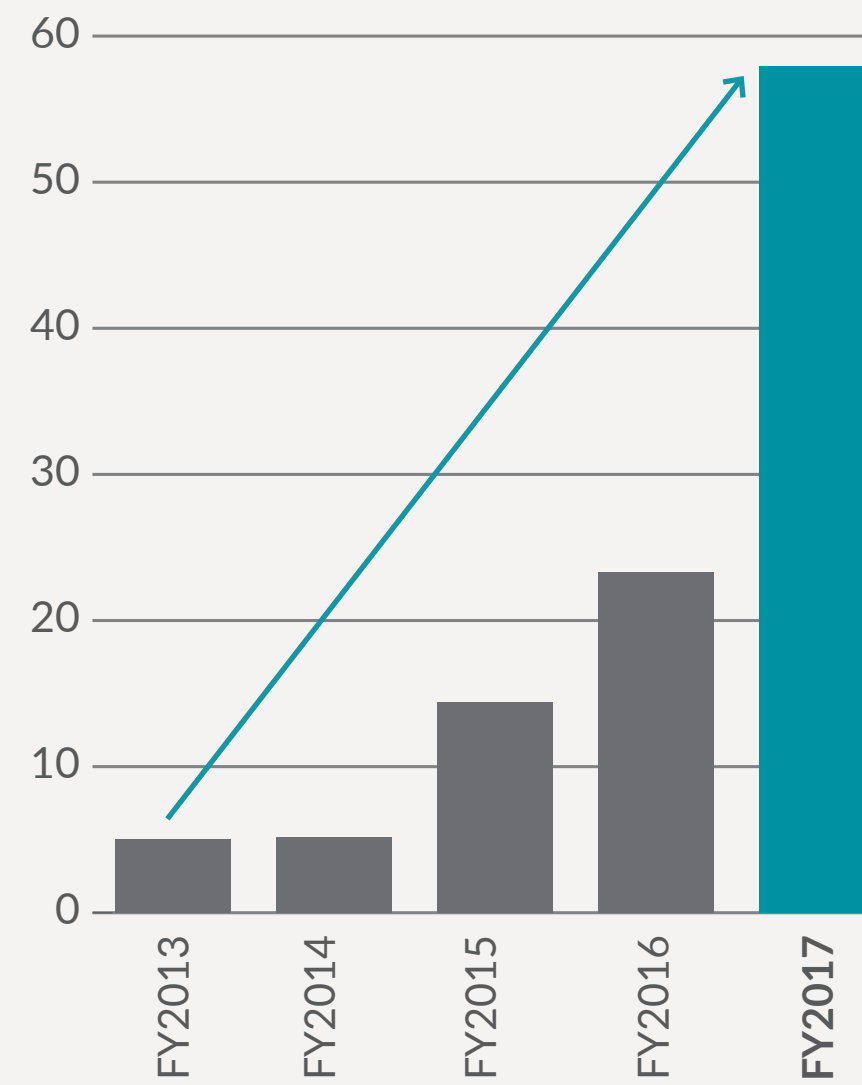
(AUD' millions)



Revenue 2017

\$58.0m ⬆️ 63%

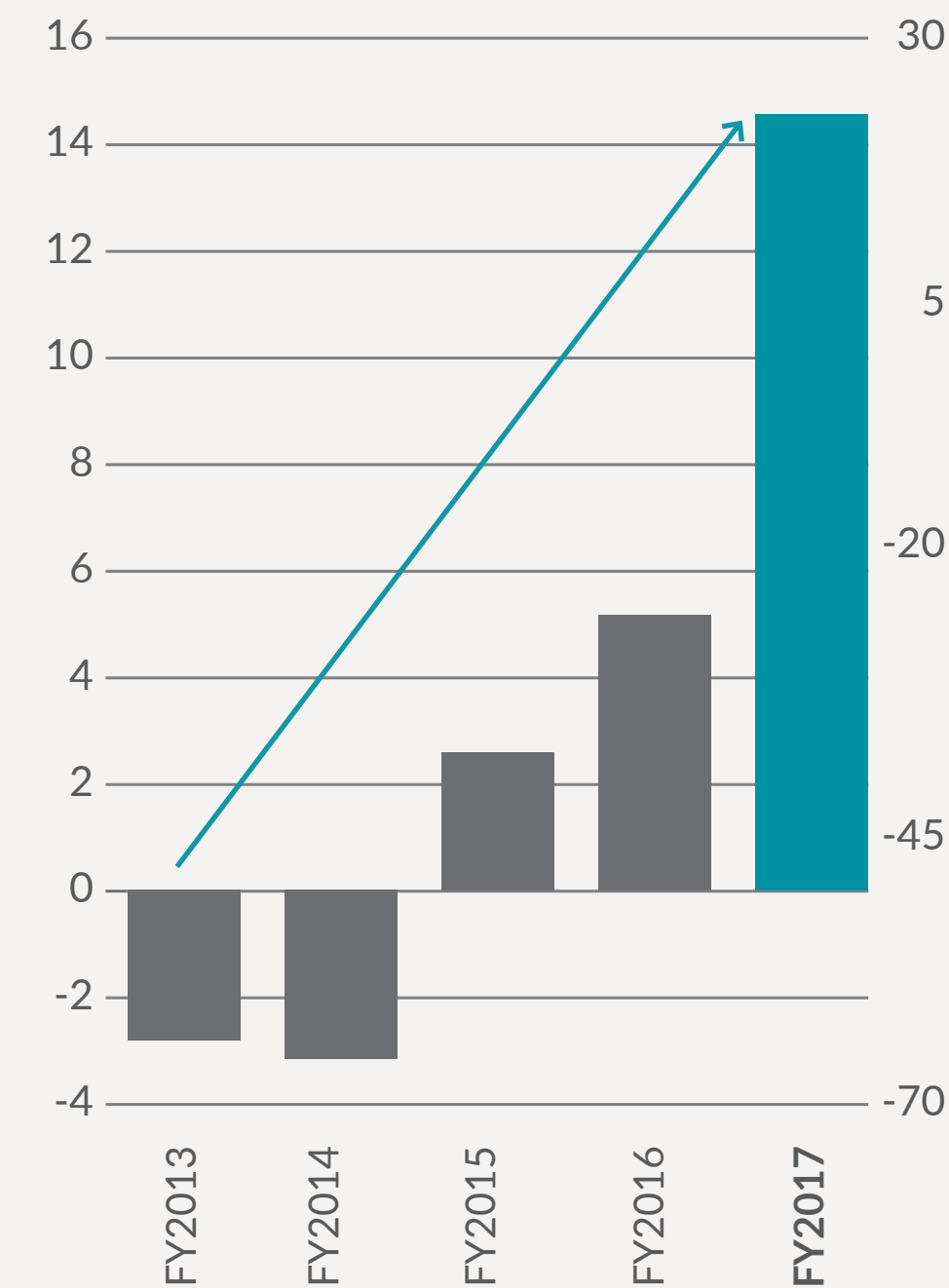
(AUD' millions)



EBTDA 2017

\$14.5m ⬆️ 237%

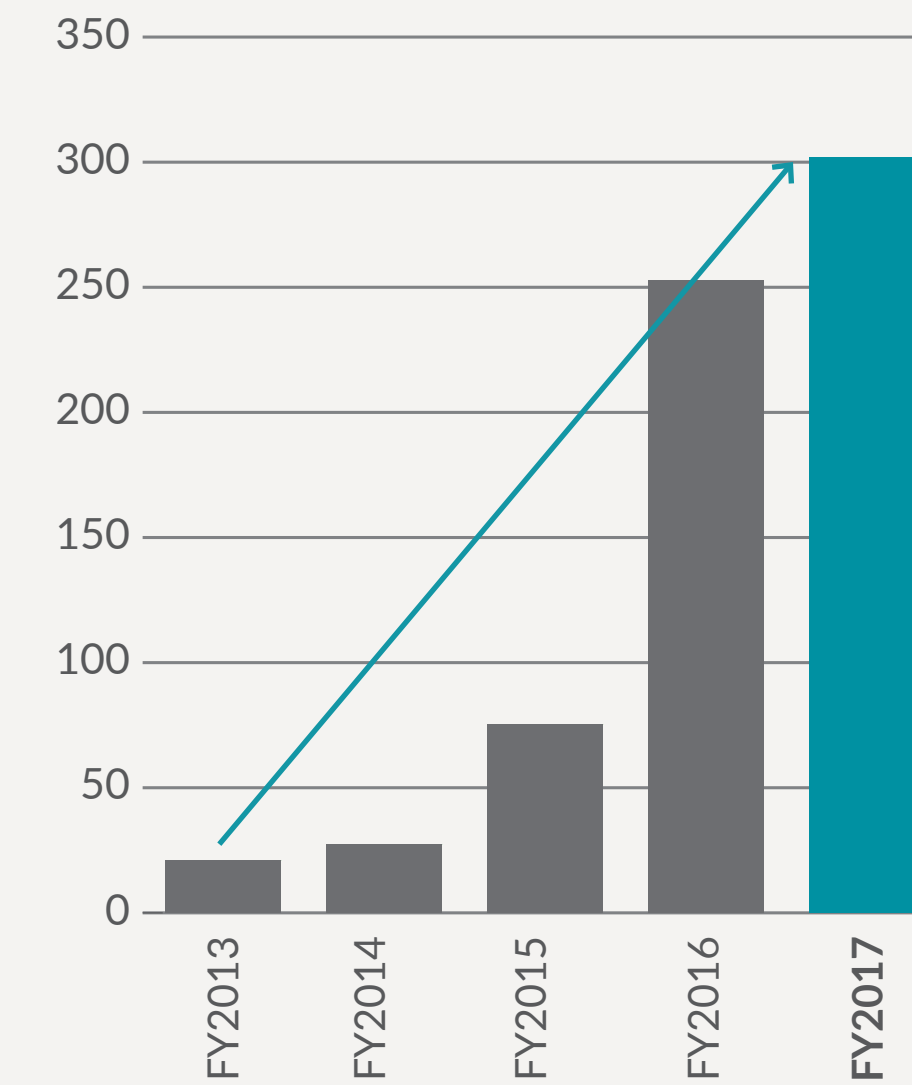
(AUD' millions)



STORED VALUE 2017

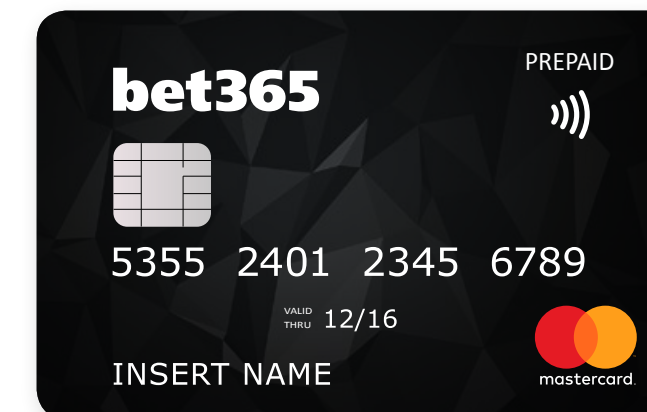
\$302m ⬆️ 20%

(AUD' millions)



Successful Integration of EML USA and Canada

Successful launch of initial Reloadable program in the UK (bet365)



Successful launch of initial Reloadable program in the USA (LuLaRoe)



Successful launch of Salary Packaging Reloadable programs in Australia



Signed several B2B Virtual Payments contracts in the USA that will generate significant GDV in future periods

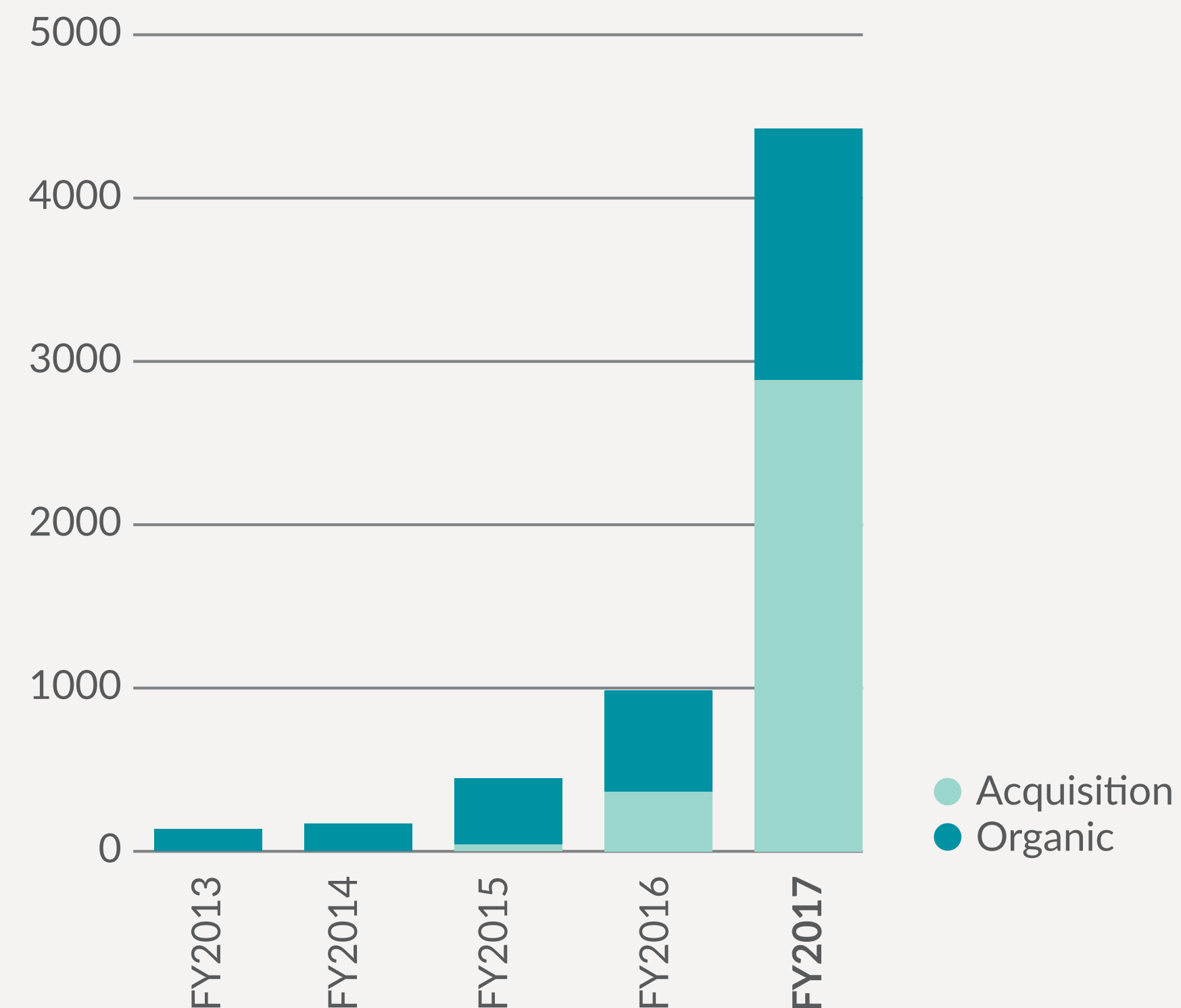
GDV from our established Australian gaming vertical grew by 59% on the prior year, driven by a 59% increase in issued cards in market

EBTDA of \$14.5m translated to operating cash flow of \$12.3m²

Completed pilot testing¹ on our first self-issued Reloadable program in Australia under our direct license with MasterCard

GDV (Organic vs Acquisition) 2017

(AUD' millions)



Organic GDV derives from new customers not signed upon acquisition of either EML Europe or EML North America. Growth in GDV from existing customers on acquisition of either EML Europe or EML North America is treated as acquisition growth. EMLs ability to launch new programs from our acquisitions is key to our growth & diversification strategy. EML generates interest income on Stored Value balances and as such is a source of core revenue. Earnings Before Tax, Depreciation & Amortisation ('EBTDA') is used as the most appropriate measure of assessing performance of the group. EBTDA includes R&D tax offset & excludes share based payments, and is reconciled to the statutory profit and loss within the FY2017 Annual Report.

1. Partner progressed program to commercial launch in August 2017.

2. Statutory operating cash flow was \$19.3m which included \$7m of breakage receipts which had not been paid out under our revenue sharing agreements.

Gross Debit Volume Q1FY18

\$1.65billion

UP FROM \$829m Q1FY17

EBITDA Q1FY18

⬆️ **UP 91%**

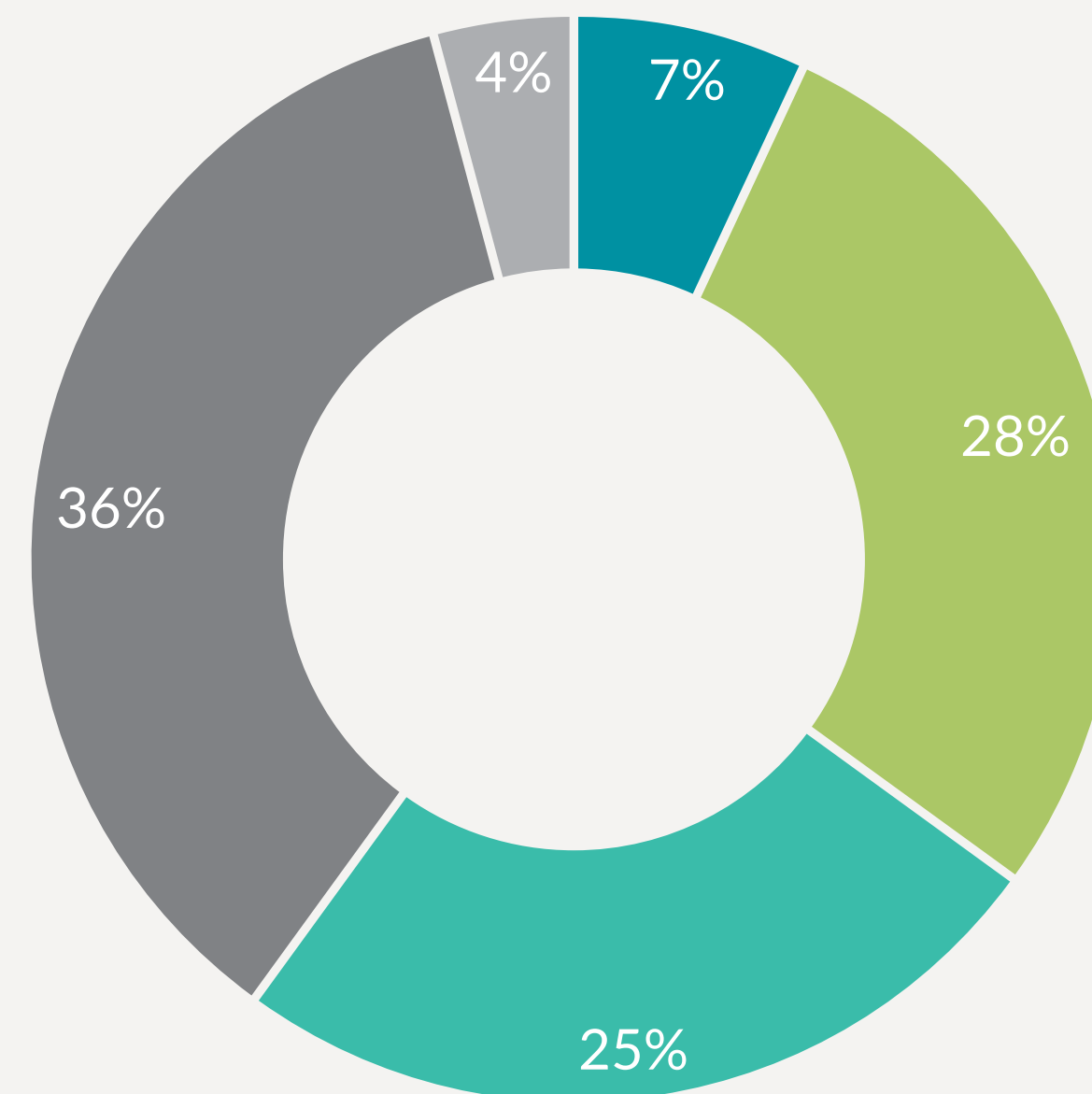
versus Q1FY17

REVENUE Q1FY18

⬆️ **UP 19.4%**

versus Q1FY17

Revenue Attribution Q1FY18



- Establishment income
- Breakage
- Transaction Fee Revenue
- Interest Received
- Interchange

BREAKAGE DOWN TO

36%

OF REVENUE Q1FY18

INTERCHANGE UP TO

25%

OF REVENUE Q1FY18

UP
90%
on Q1FY2016

NORTH AMERICA REGION
AUD1,228.6m
GDV

GDV NON-RELOADABLE
\$49.8m
down 4%

Non-Reloadable

GDV RELOADABLE
\$564.6m
up 100%

Reloadable

GDV VIRTUAL PAYMENTS
\$614.2m
up 4%¹

B2B Virtual Payments

UP
79%
on Q1FY2016

UK / EUROPE REGION
AUD59.4m
GDV

GDV NON-RELOADABLE
\$42.4m
up 27%

Non-Reloadable

GDV RELOADABLE
\$17.0m
up 100%

Reloadable

UP
141%
on Q1FY2016

AUSTRALIA / ASIAPAC REGION
AUD362.8m
GDV

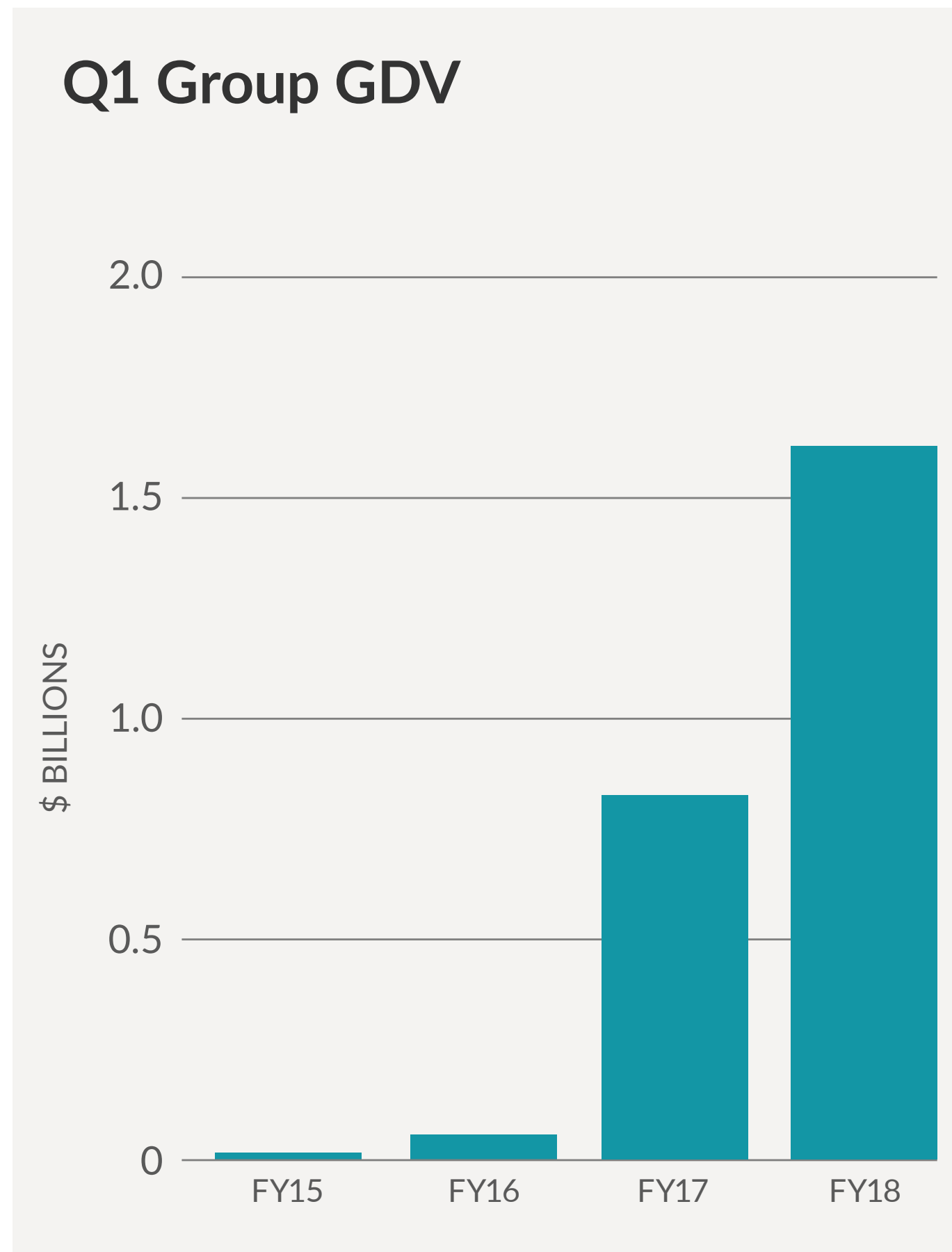
GDV NON-RELOADABLE
\$26.7m
up 20%

Non-Reloadable

GDV RELOADABLE
\$336.1m
up 162%

Reloadable

1. Excludes contracts signed in Q1FY18 (page 11)



GDV of \$1.65billion ahead of budget heading into Q2, historically our strongest quarter

EBTDA ahead of expectations heading into Q2 which is historically a stronger season for our Non-Reloadable business

Revenue mix changing to reflect higher revenues from interchange, generated from Reloadable and Virtual B2B programs, with breakage representing 36% of revenues (down from 59% as at 1HFY17)

Q1FY18 GDV converted to revenue at approximately 90bps and we expect H1 FY18 to finish at 100bps

Globally we have issued over 630k Reloadable cards with 530k of those in Australia for Gaming & Salary Packaging programs.

GP margin of 73.6% influenced by higher transaction COGS on Salary Packaging programs. We expect GP margin to increase to approx 75% in Q2FY18

Minimal currency impact in Q1FY18 of \$0.1million compared to headwinds in the full year 2017 of \$1.1million EBTDA impact

> Q1FY18 BUSINESS DEVELOPMENT

Non-Reloadable:



Reloadable:



B2B Virtual:



Continue to be positive about our sales pipeline in European gaming and European malls

- 4 European gaming operators now signed, giving us access to 12 countries, and we would expect to sign several more agreements prior to the end of FY18
- Continue to be positive about our growing European mall business

B2B Virtual Segment

- Currently processing annualised \$2.5billion
- Signed contracts represent approximately US\$12.0billion of cheque payments volume across 1500 sub-programs
- We expect this to convert to US\$1.8-\$2.4 billion in GDV over the FY19-21 period, at an expected 50-100 bps conversion range
- We will be increasing our business development spend in this segment in the USA from January onwards with an estimated impact of \$1-\$1.5m per annum

Mobile Payments Functionality

- We expect to complete development of the Pays (Apple Pay, Samsung PAY and Android Pay) and VISA integrations in all regions by the end of FY18
- Our intention is to offer the full range of functionality to all Reloadable customers in FY19 onwards
- We expect to incur approximately \$0.75m of one-off costs associated with this development, largely 3rd party fees

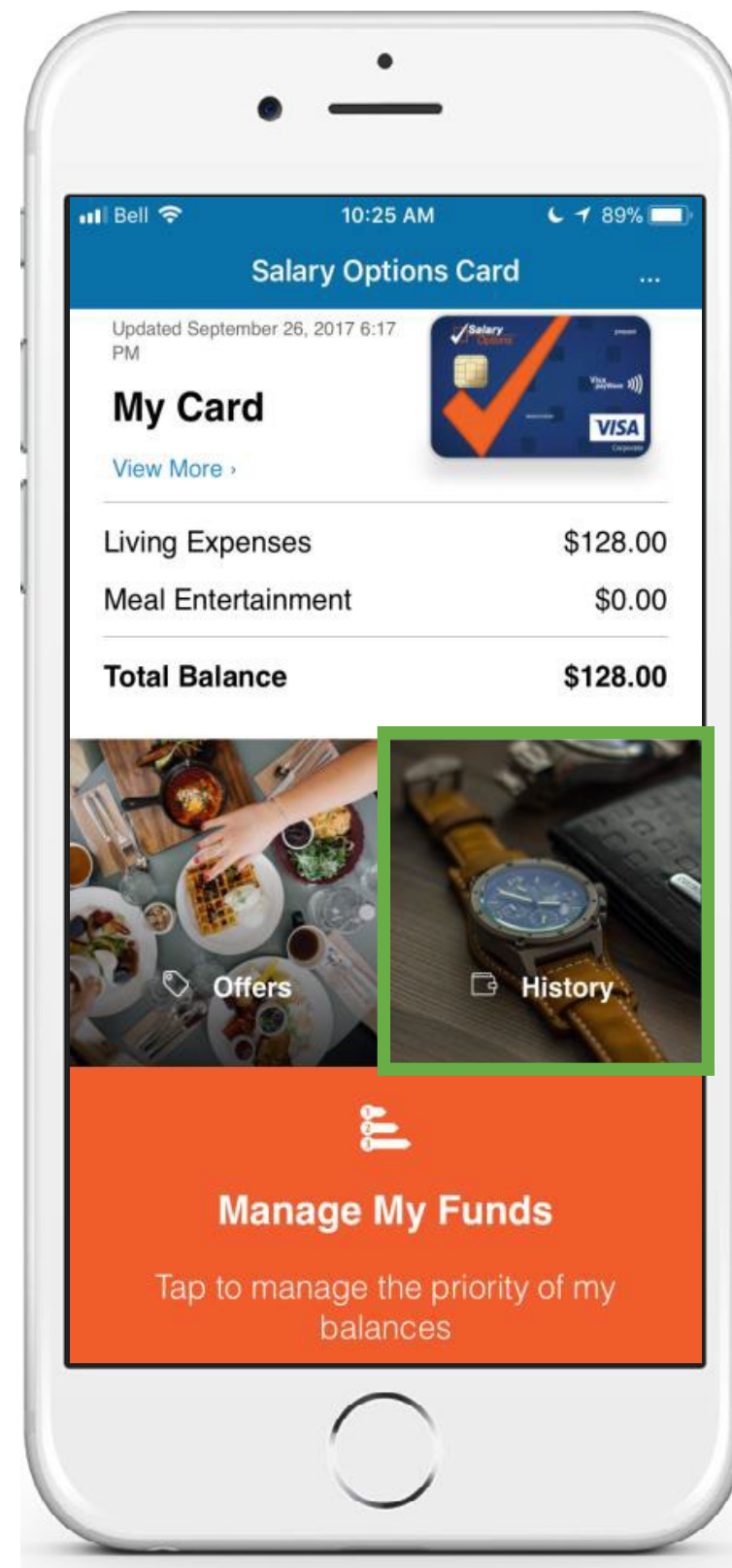
FY18 Priorities: EXECUTION

- Launch the various gaming programs launching in 2HFY18
- Continued penetration into B2B customer base
- USA GPR programs
- Product expansion

TRANSACTION RECEIPTS

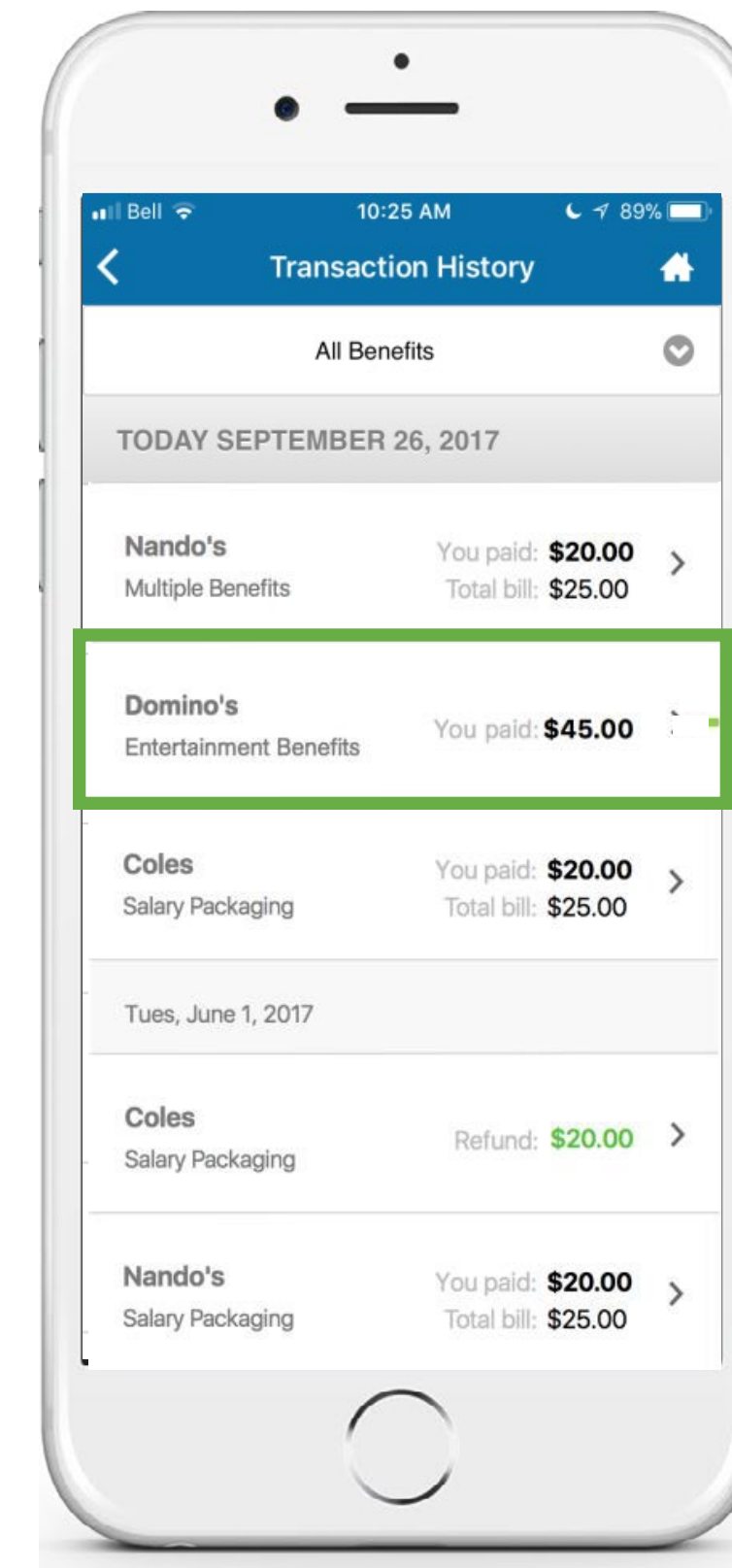
1

You can also access a detailed breakdown of the savings you made in a given transaction



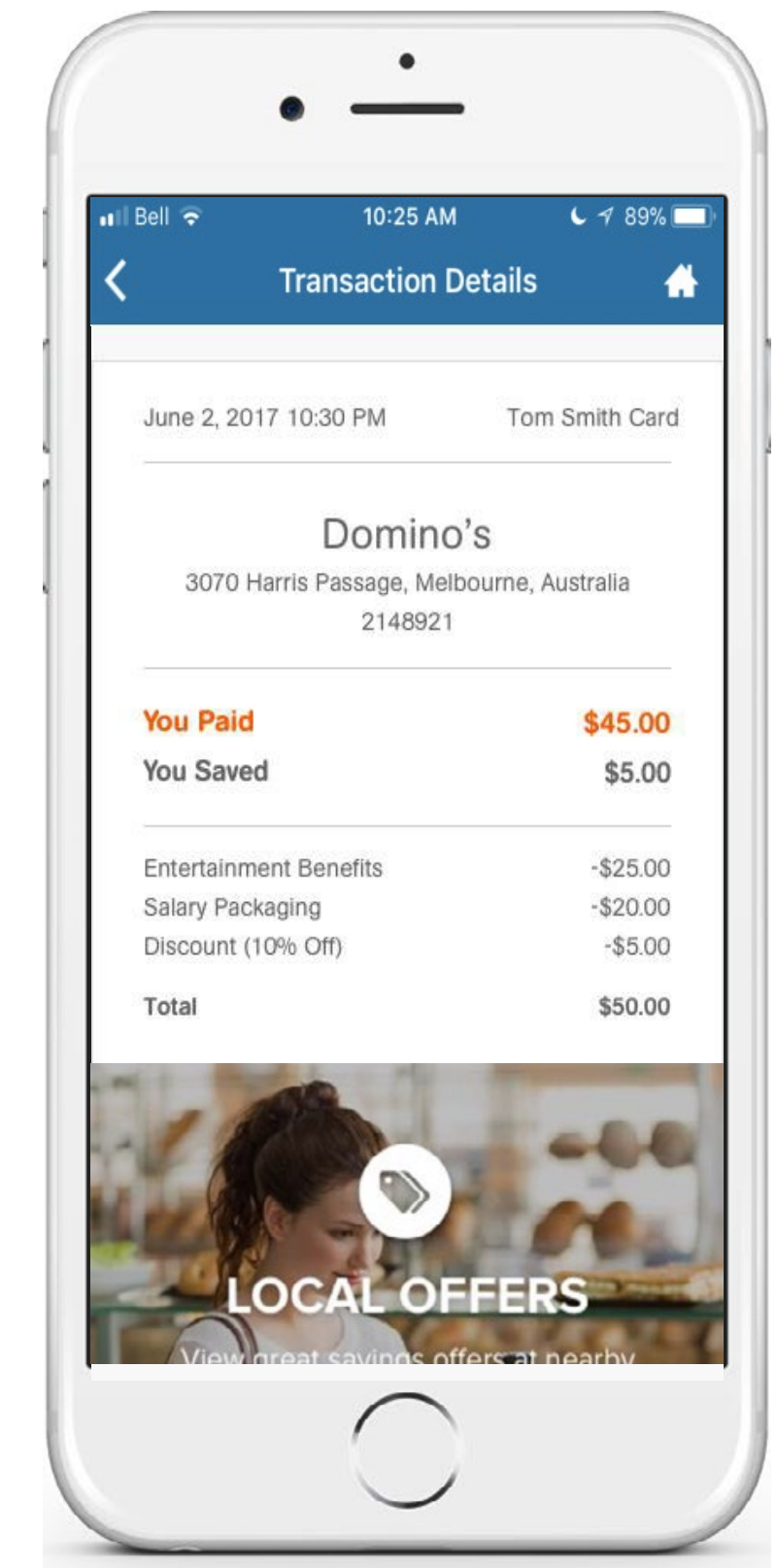
2

You can do this by tapping on the transaction and viewing the receipt available



3

This will show you what you spent, from which account you drew money and how much your total saving was



MOBILE WALLETS & MERCHANT COALITION OVERVIEW

FEATURES:

More control

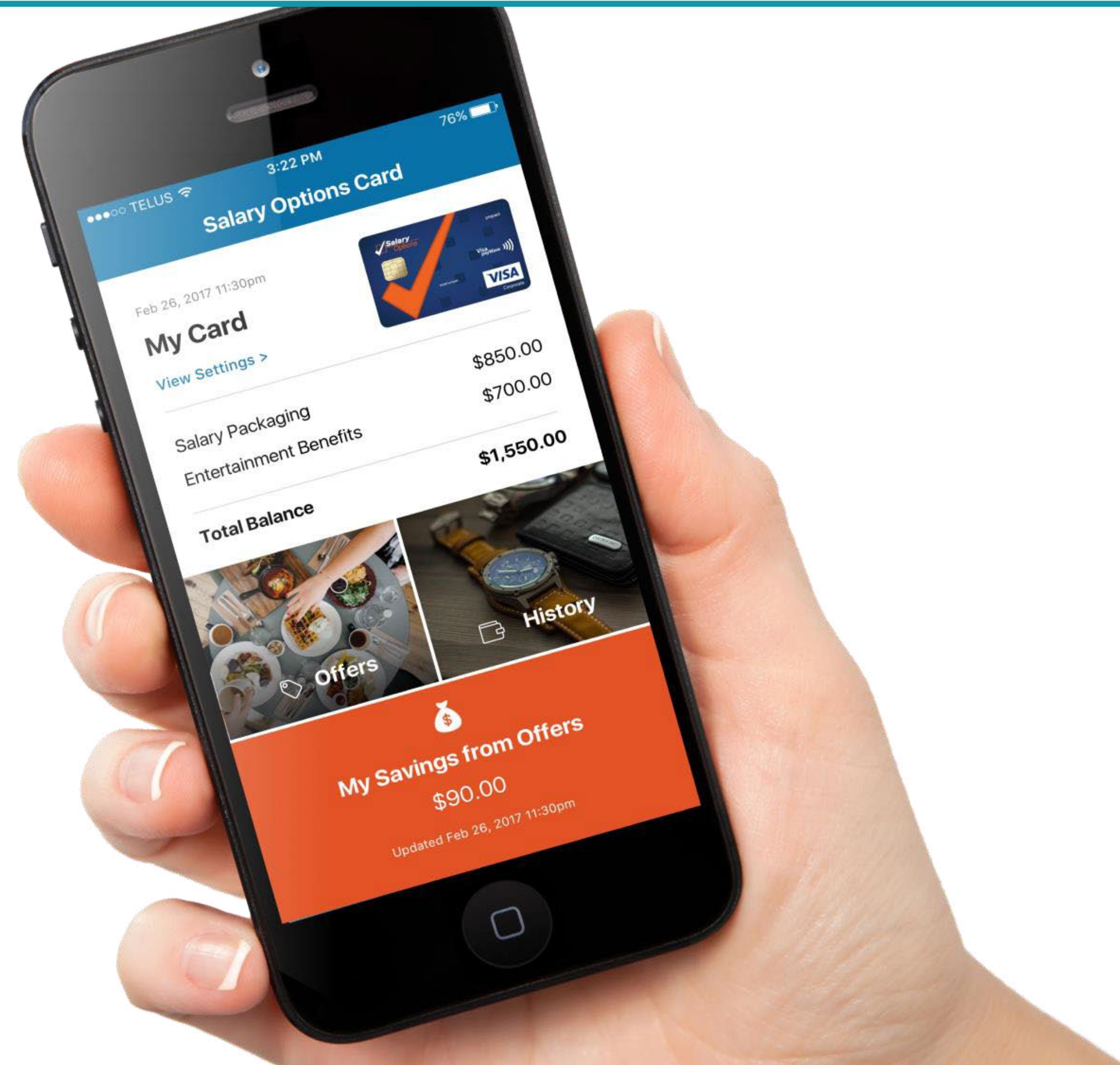
Quick balance history

Full transaction history

See all benefits

Find local offers

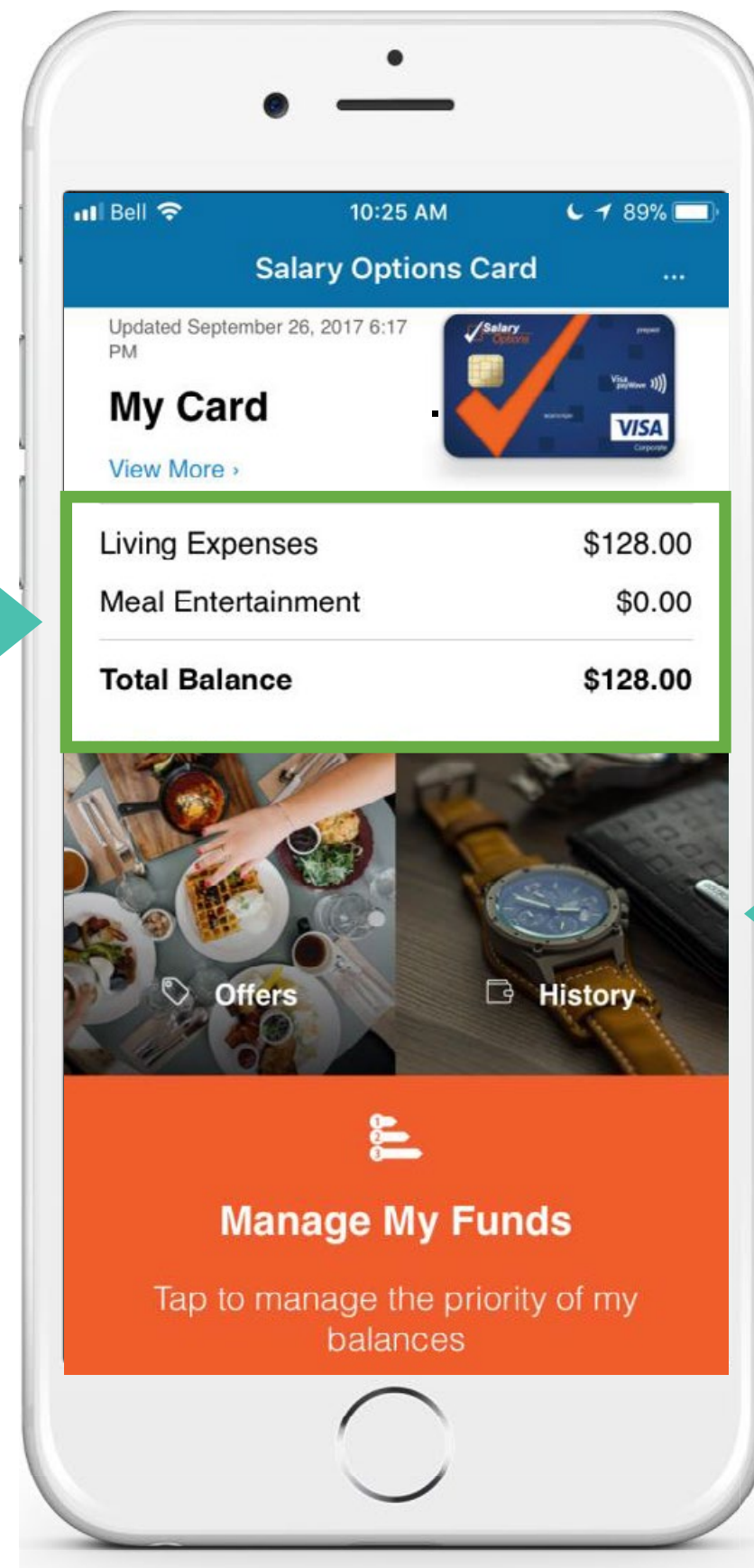
Track savings



ACCOUNT BALANCE AND TRANSACTIONS

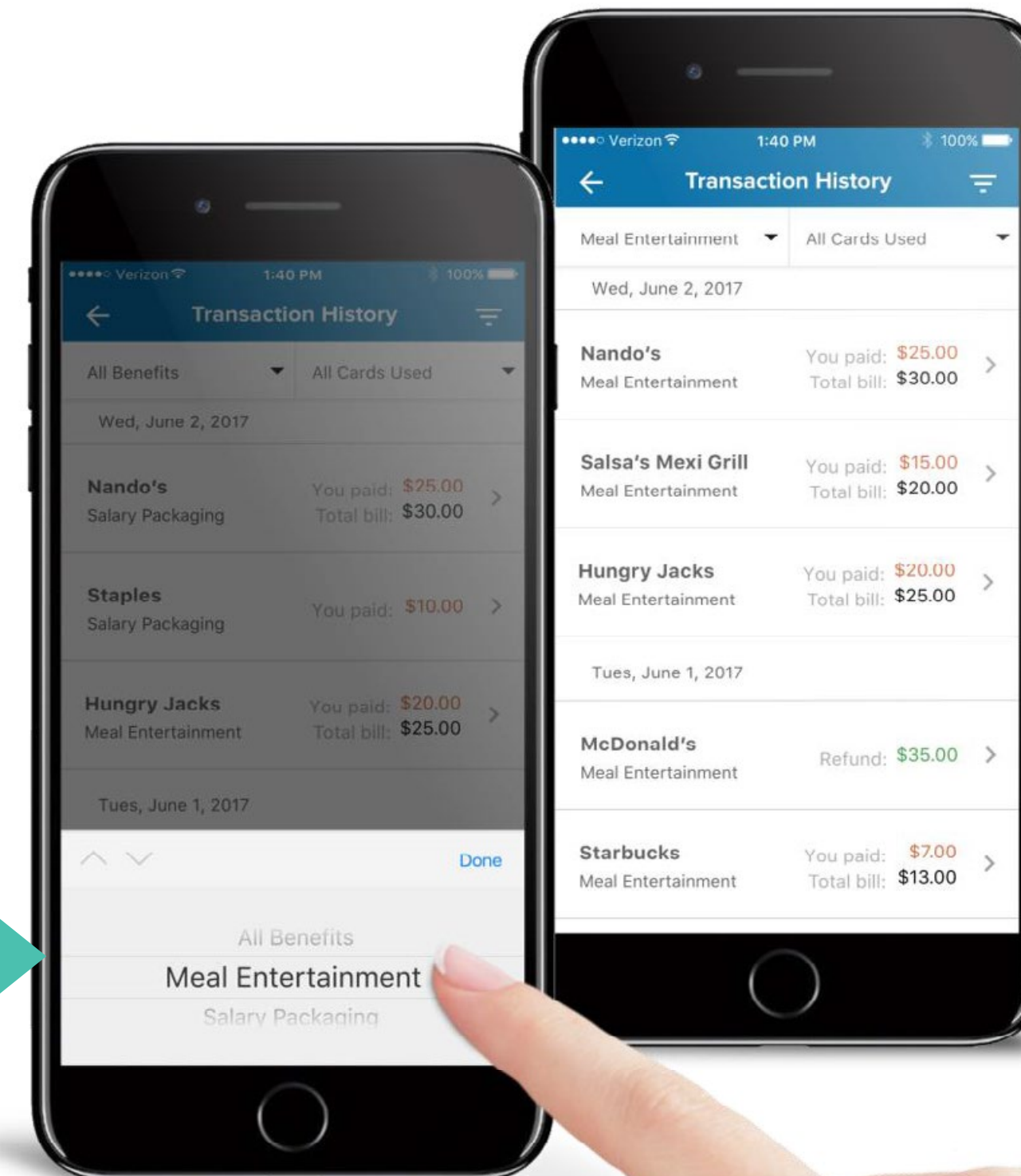
1

Your account balances are all displayed on the home page, with a total balance below



2

Filter by benefits account, or by which card the transaction was made with

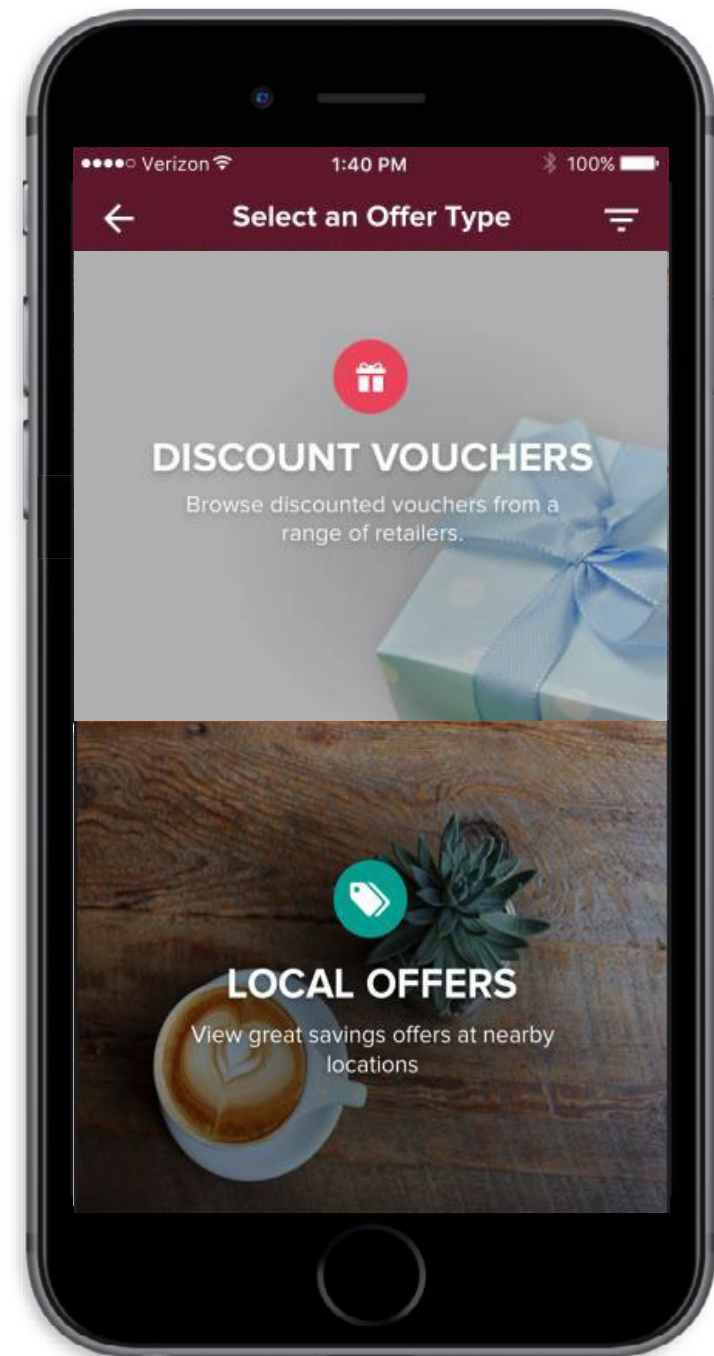


3

You can access and view every single transaction you've ever made through the app in the Transaction History page

LOCAL MERCHANT OFFERS: Save with ease

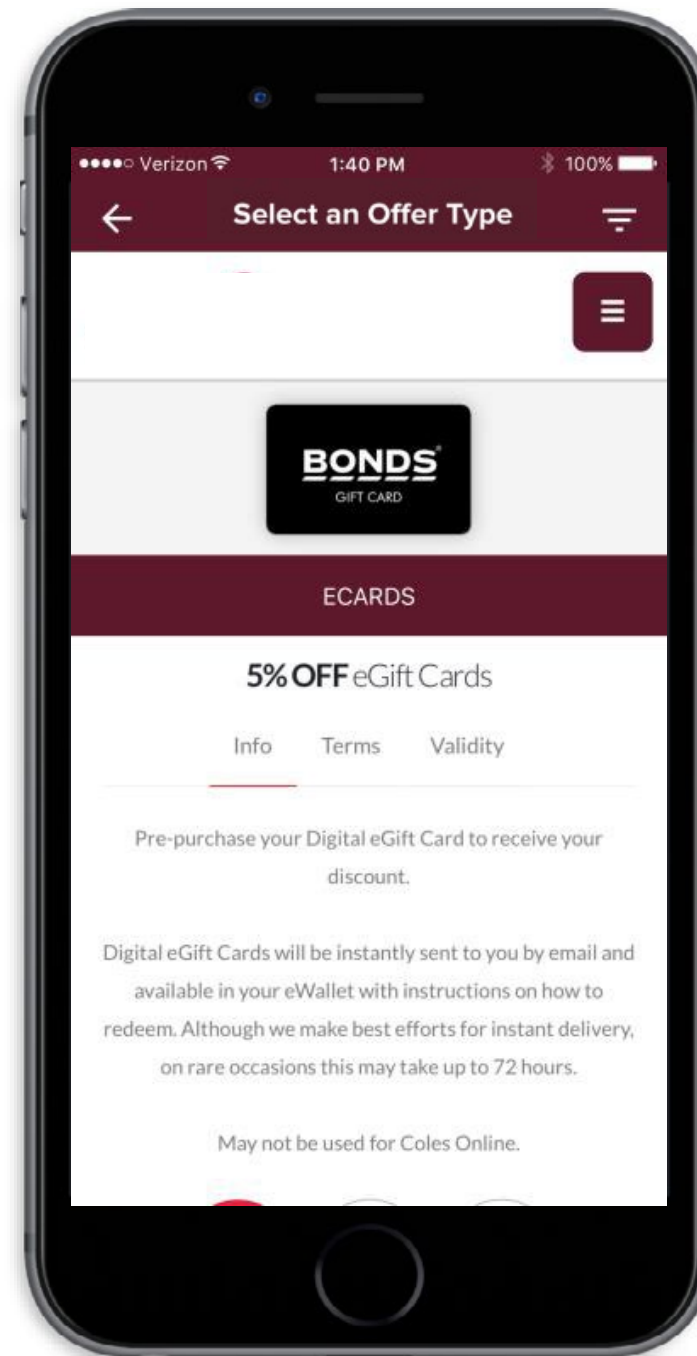
- 1 **Select Discount Vouchers**
You can save up to 10% on vouchers from all your favourite companies.



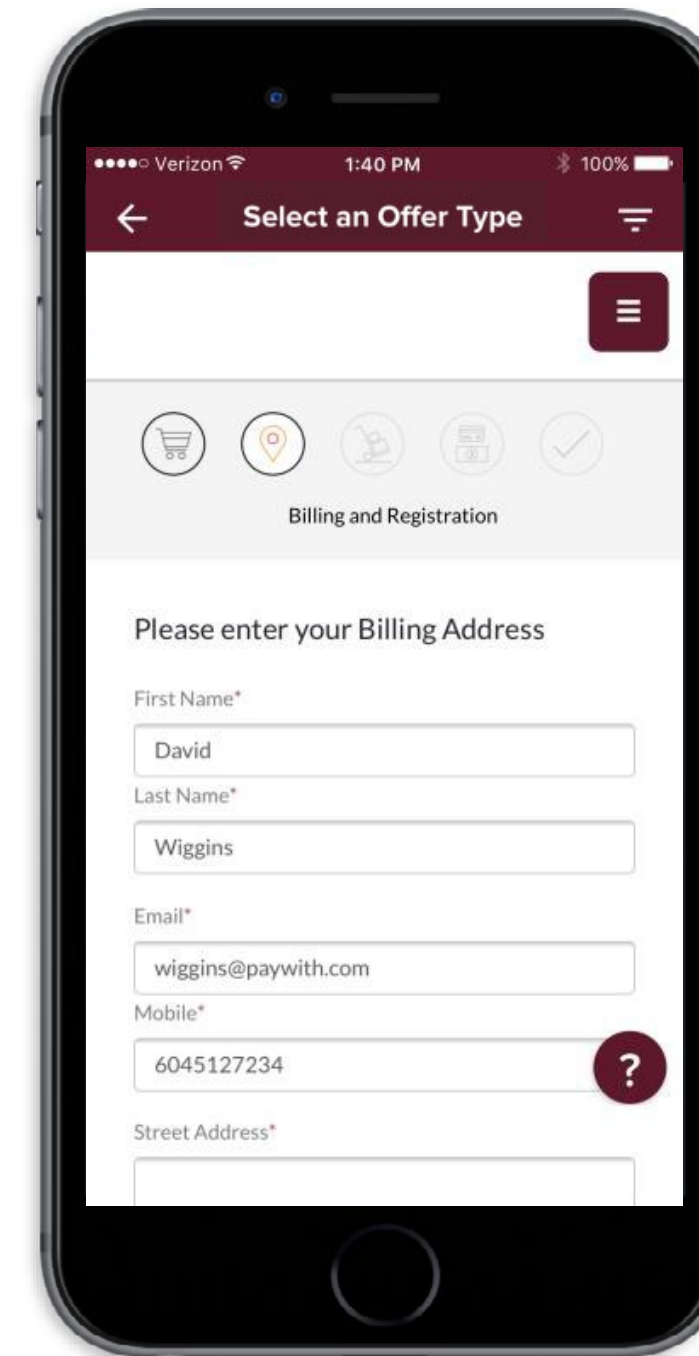
- 2 **Select Voucher**
Simply select the company.



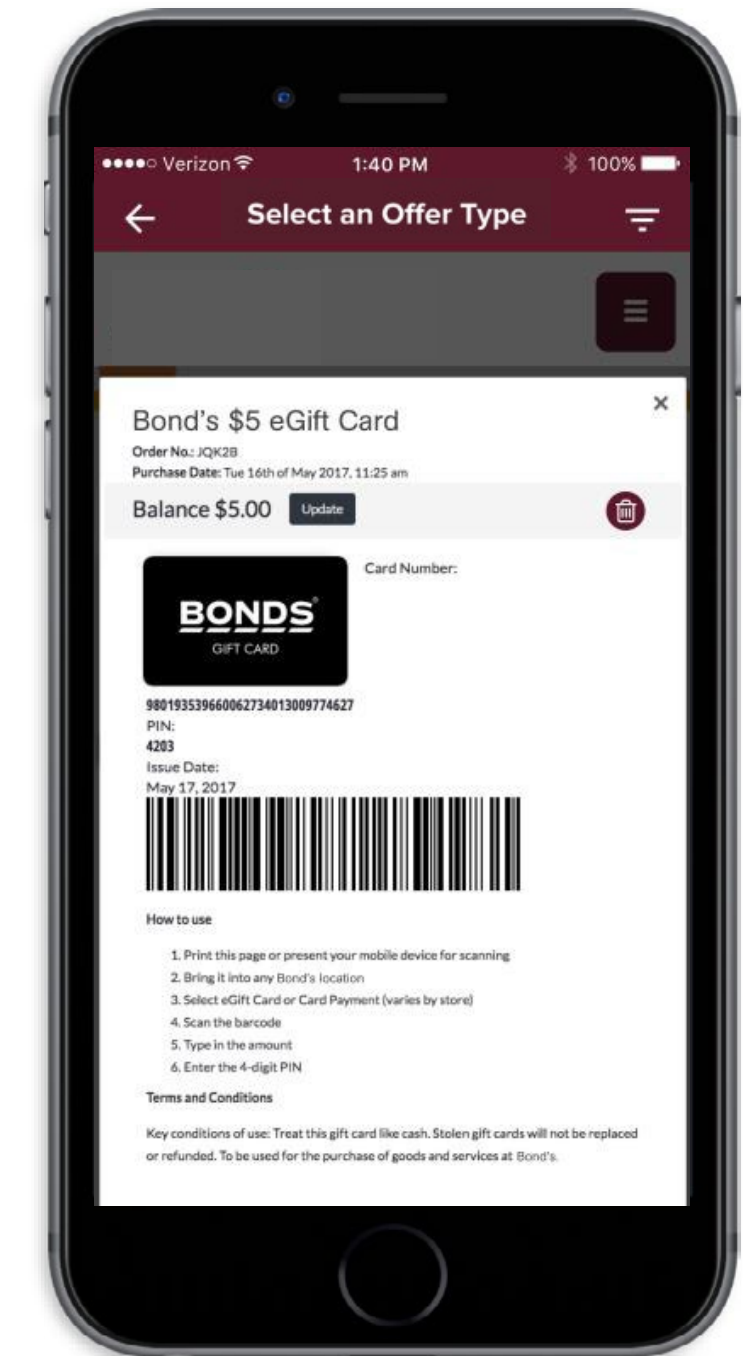
- 3 **View Voucher details**
Choose the amount.



- 4 **Enter Billing information**
Provide the necessary payment information.



- 5 **Receive Virtual Voucher**
Your voucher will be emailed to you and is live and ready to go.

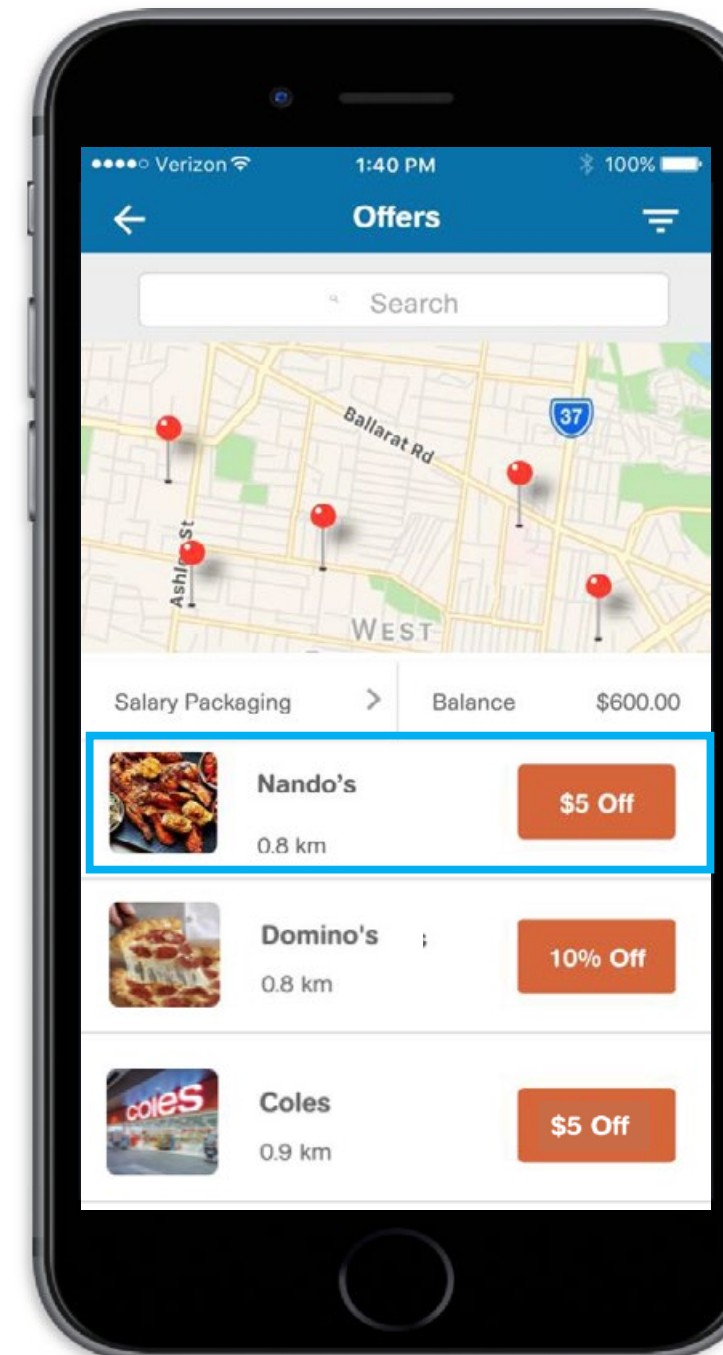


LOCAL MERCHANT OFFERS: Save with ease

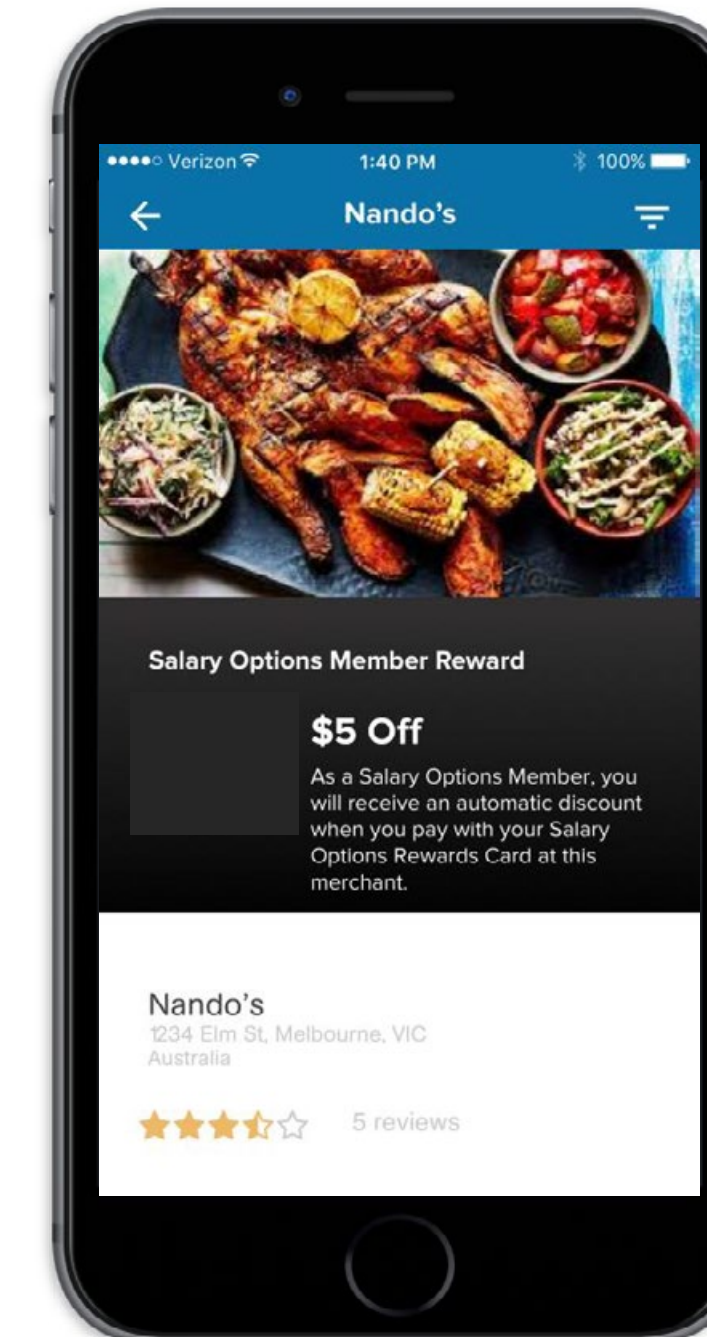
Claiming Local Offers:

- 1 Use the Paywith enabled Card at the merchant with the offer you want to take advantage of
- 2 The merchant will ring through the transaction and the discount will be taken off in our system
- 3 There is no need to show or ask the merchant to do anything. Your receipt from the merchant will reflect the entire purchase amount
- 4 Your benefit account will reflect the reduced total factoring in the discount

View Local Merchant Offers List

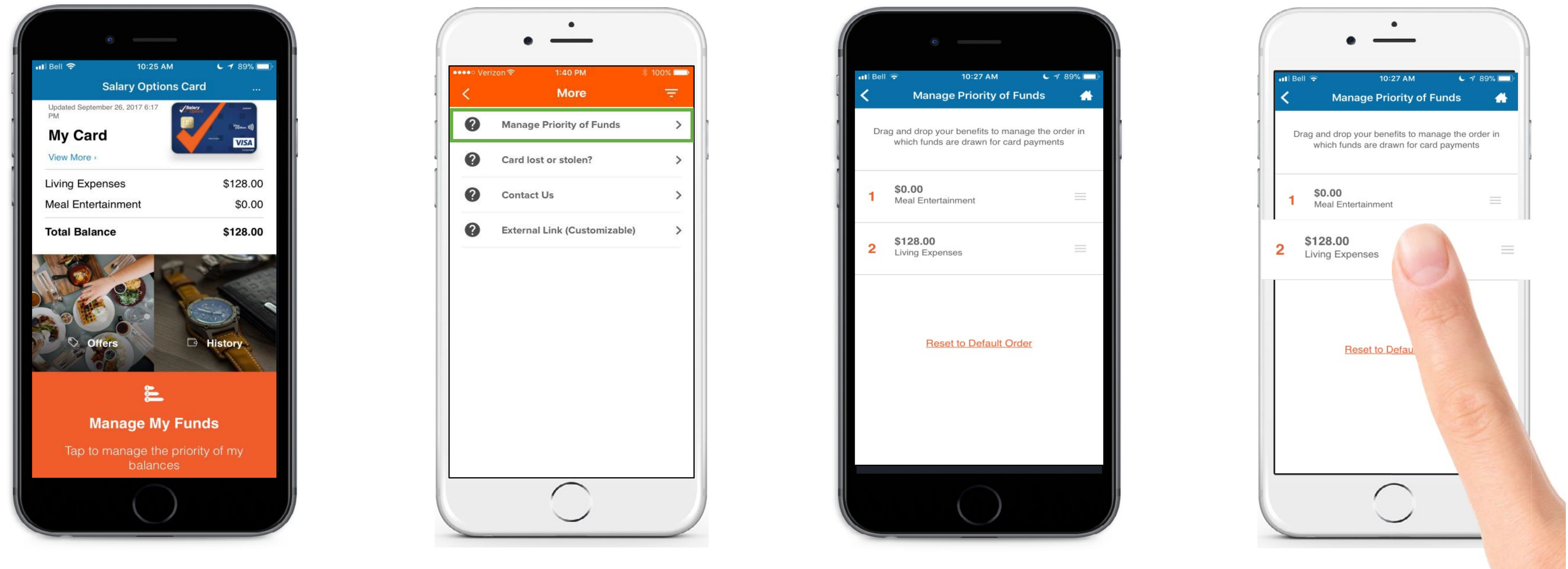


View Merchant Profile & transact with your Salary Options Card



MANAGE PRIORITY OF FUNDS

Easily reprioritise the flow of funds from your accounts when making payments



BUOY LOCAL PROGRAM OVERVIEW

FEATURES:

Points Redemption

General Funds

Card Lock

Locations / Offers

Transaction

Card Manager

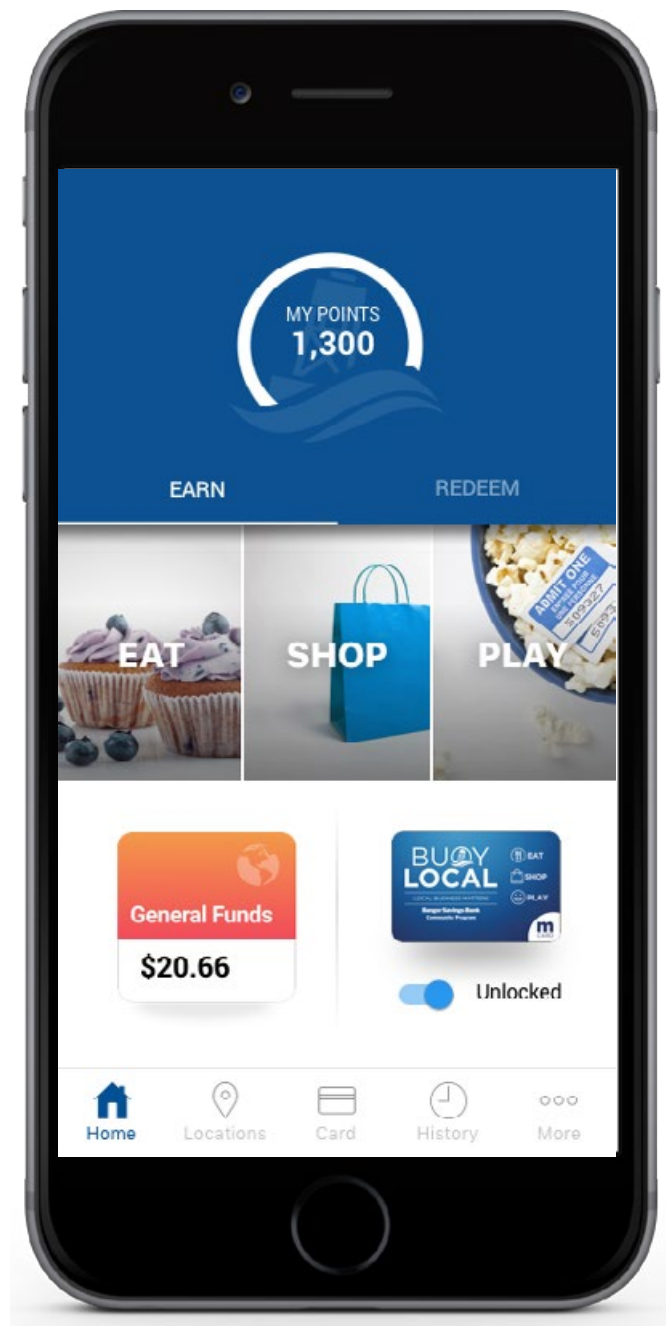
Full Transaction History

More / Support

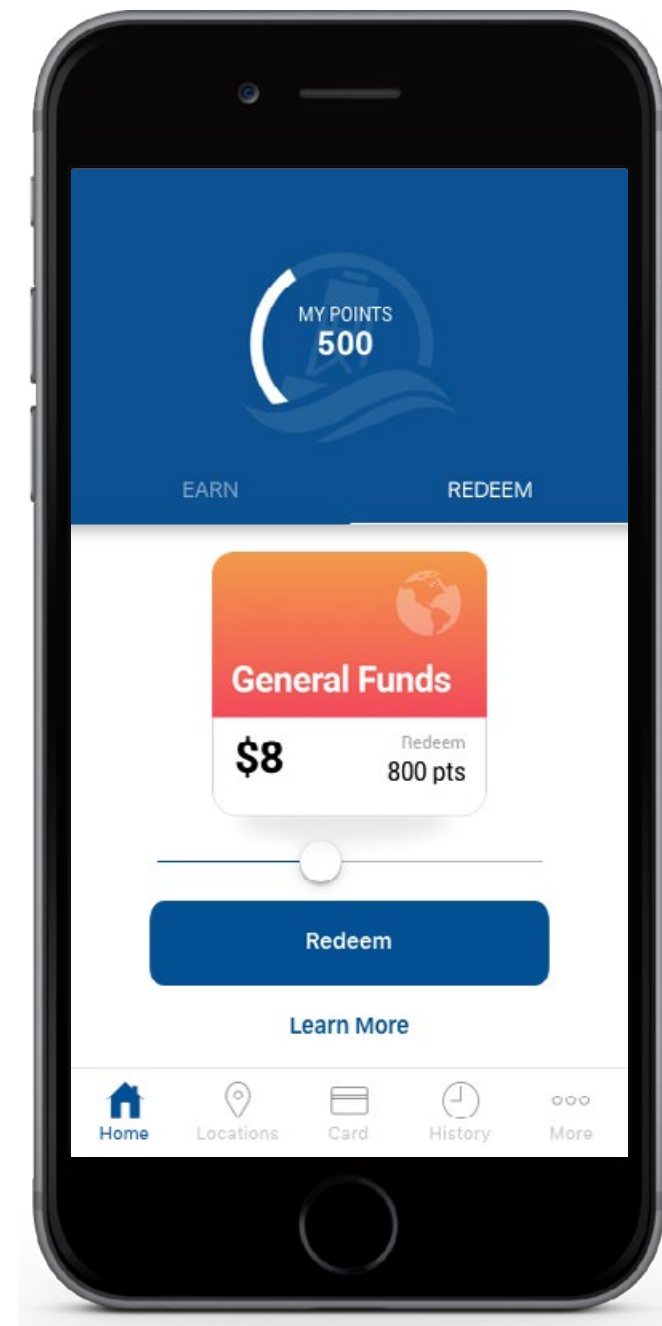


POINTS REDEMPTION

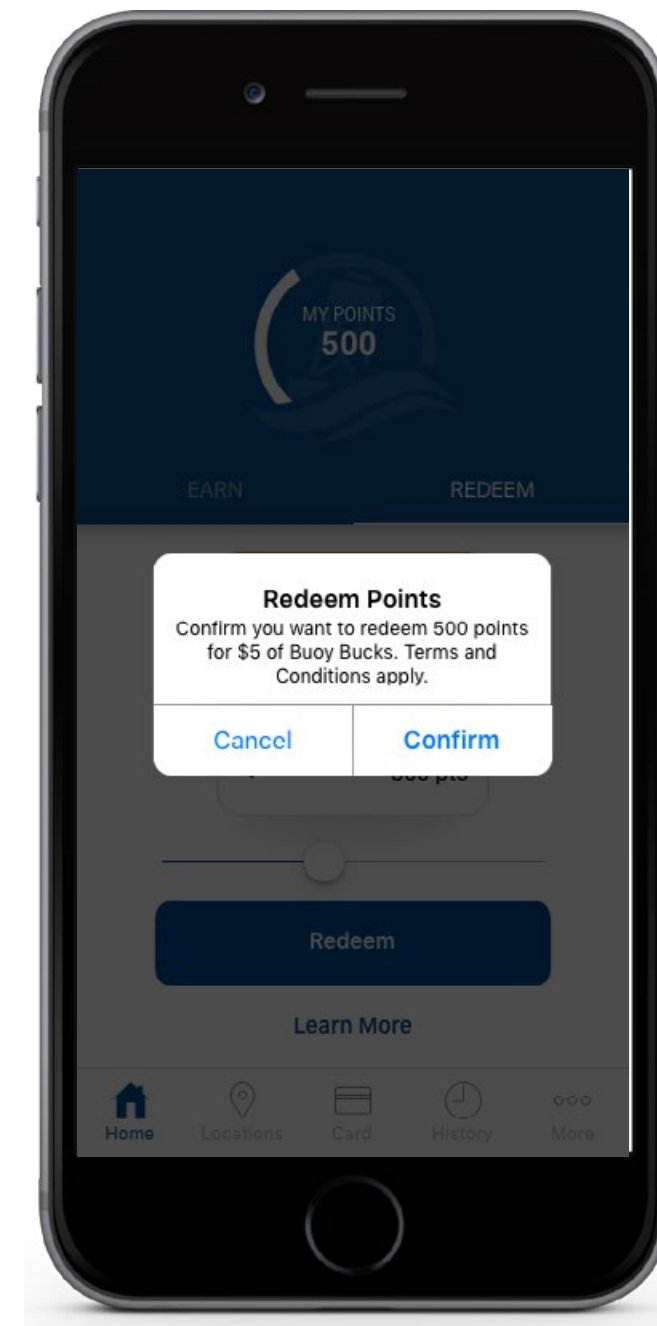
- 1 **Home**
From the home screen, to redeem points the user taps the 'Redeem' tab.



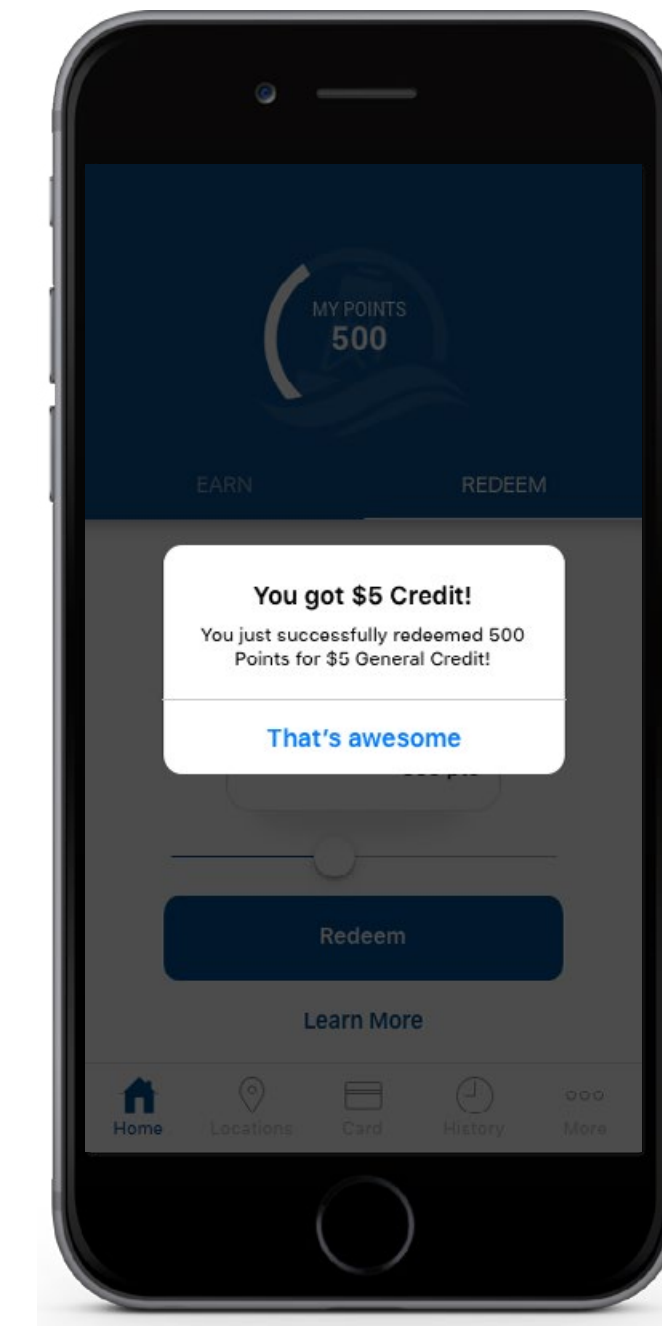
- 2 **Redeem Points**
The user moves the slider to their desired amount and taps the 'Redeem' button.



- 3 **Confirm Redeem**
The user is asked to confirm before their points are converted.

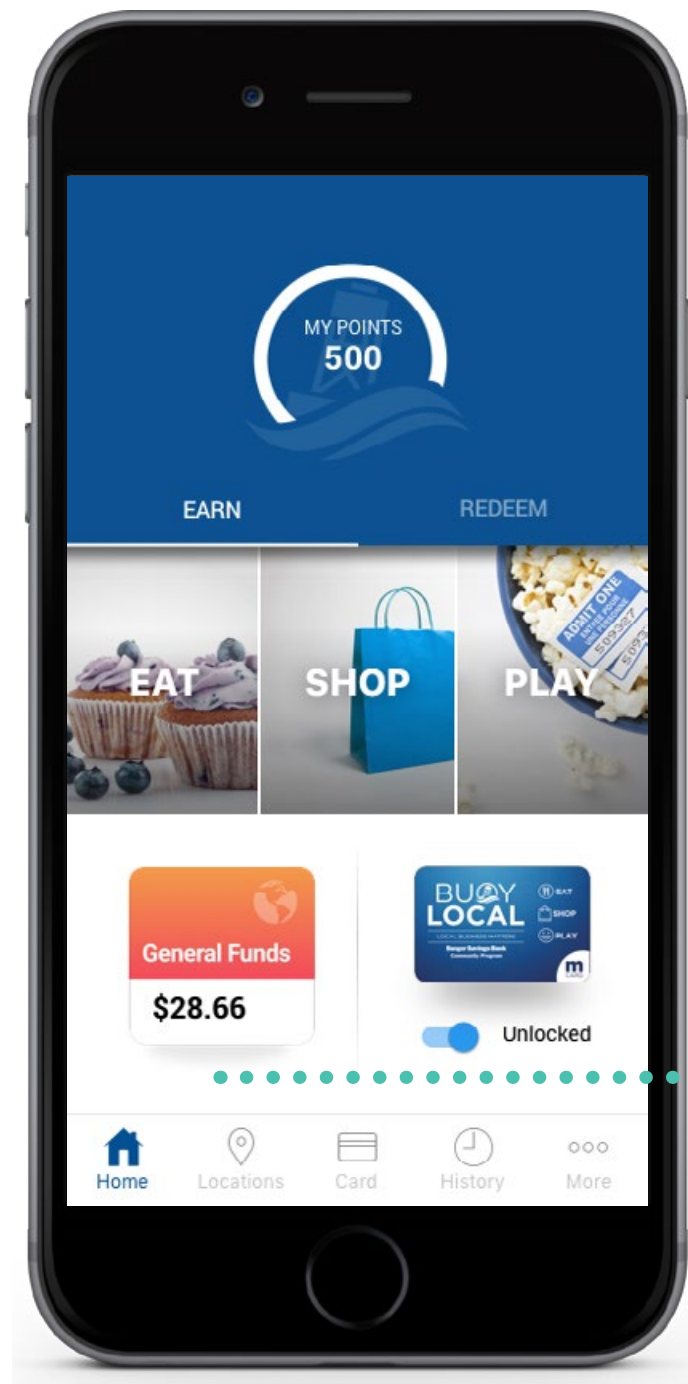


- 4 **Successful Redeem**
Once the user confirms, their desired amount of points is converted into general credit.

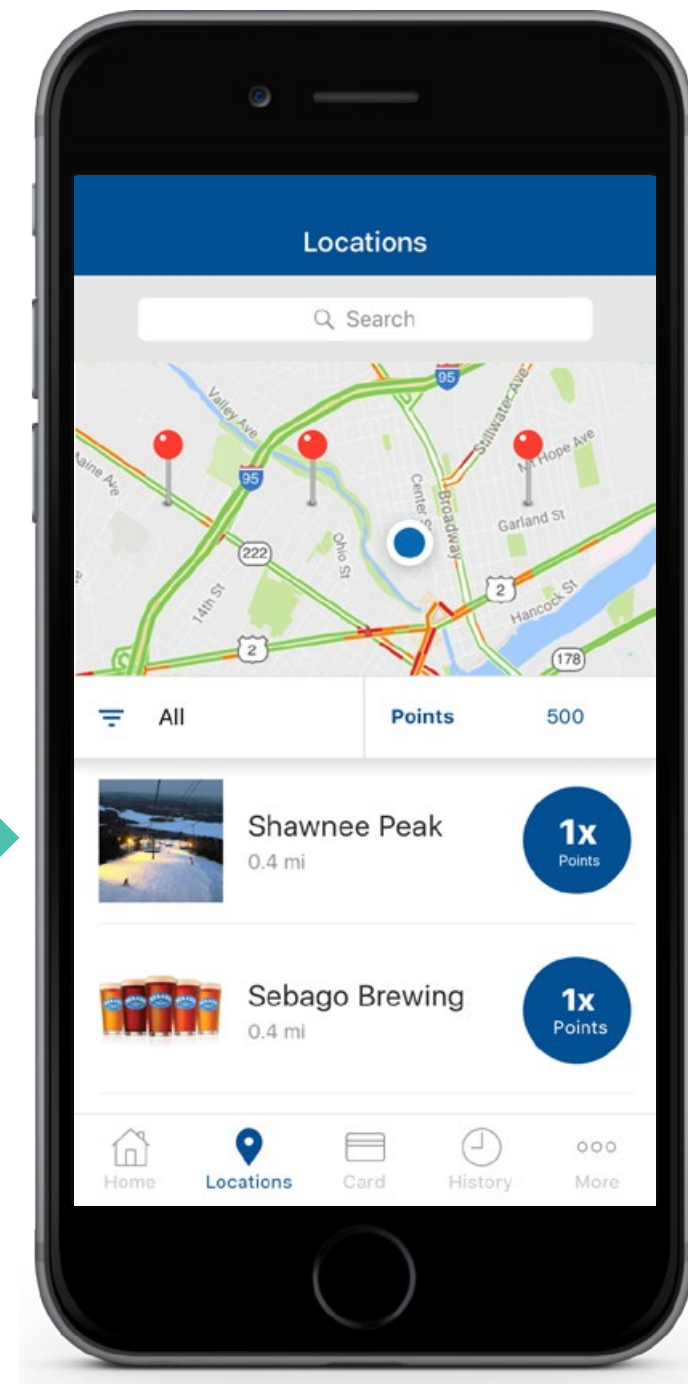


LOCATIONS / OFFERS

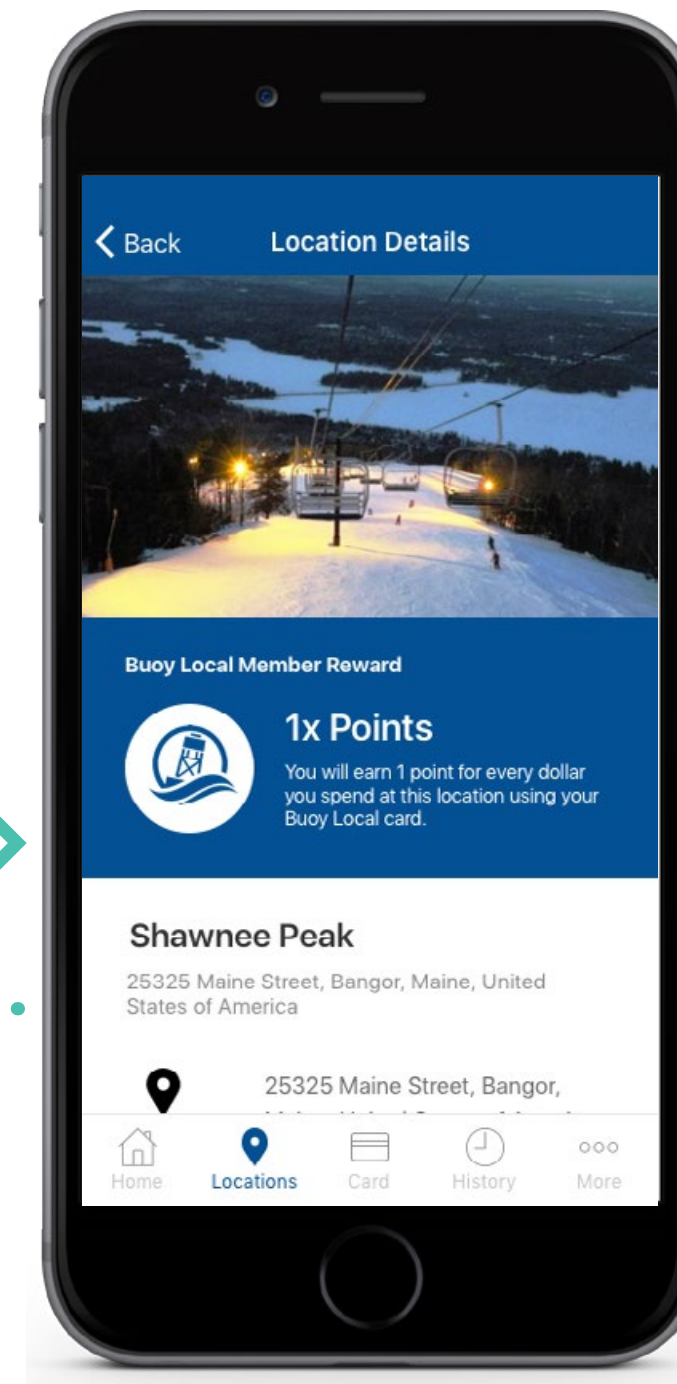
1 Home
With their points and credit updated, the user taps the 'Locations' tab to view offers.



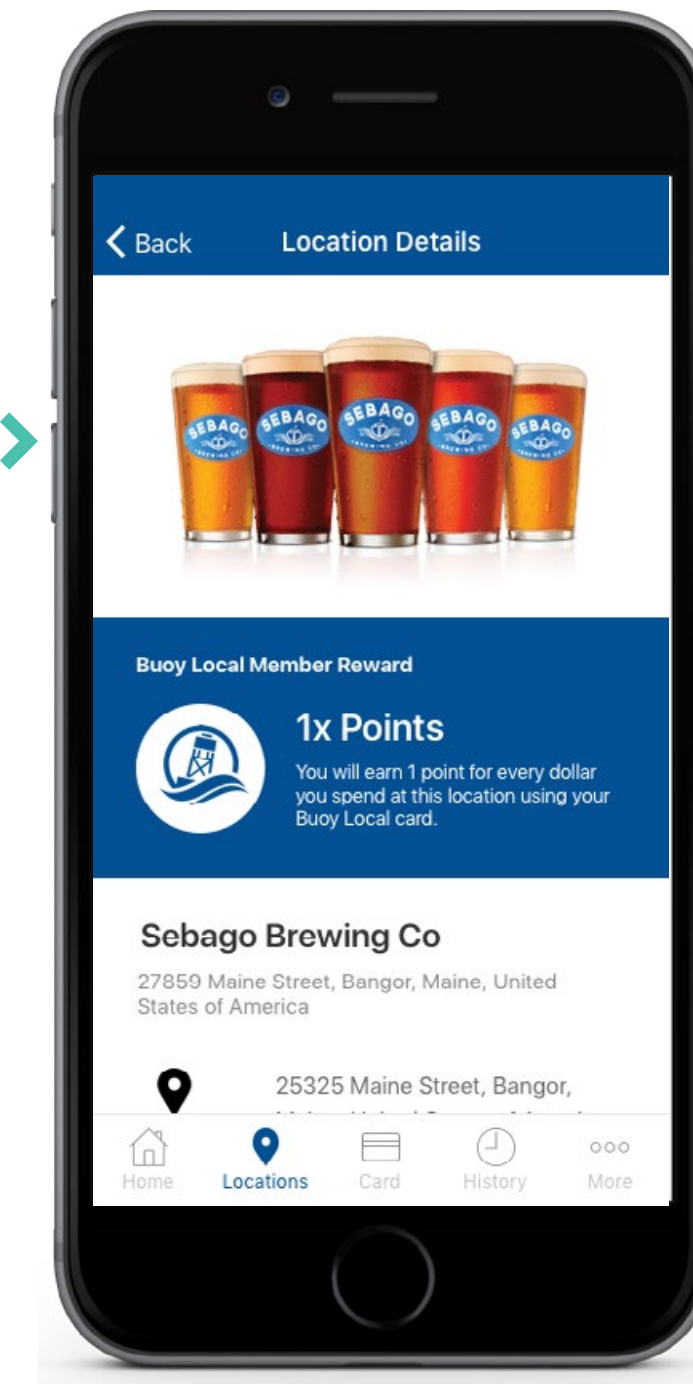
2 Locations / Offers
The user can view all nearby merchant locations from this page.



3 Shawnee Peak Offer
Shawnee Peak merchant profile page with 1x Points Offer.



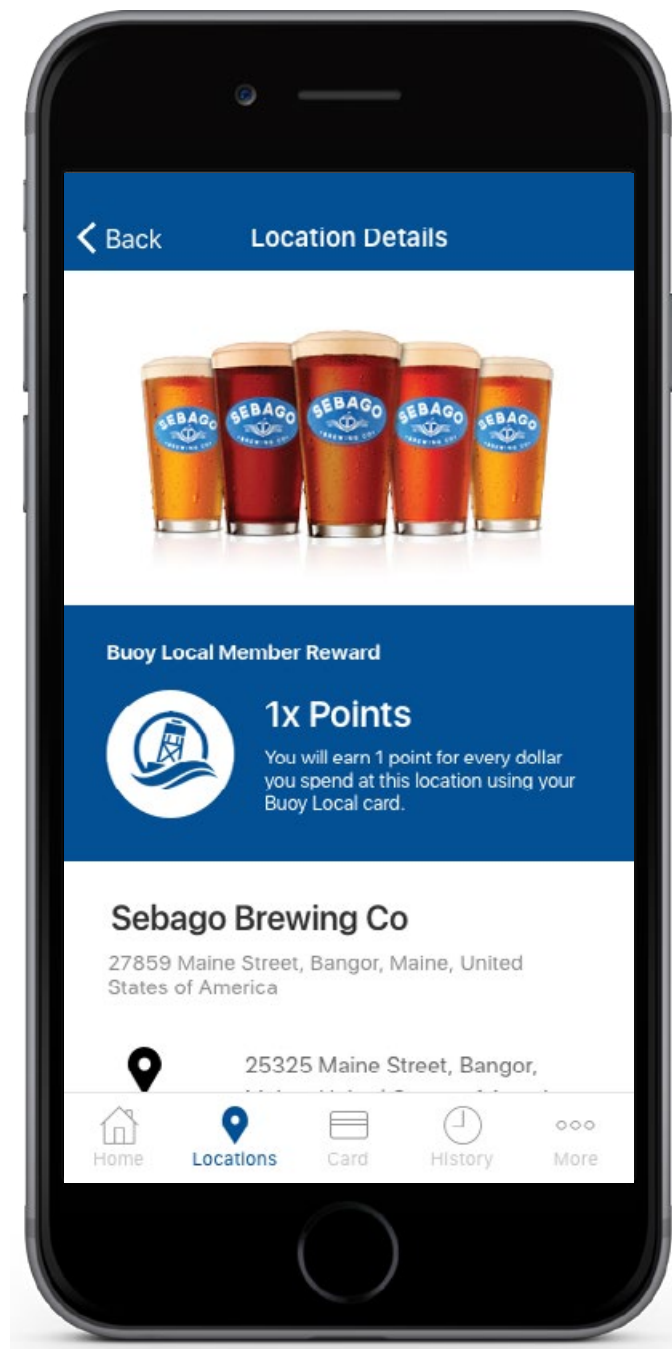
4 Sebago Brewing Offer
Sebago Brewing merchant profile page with 1x Points Offer.



TRANSACTION

① Merchant Profile

The user has selected Sebago Brewing Co.



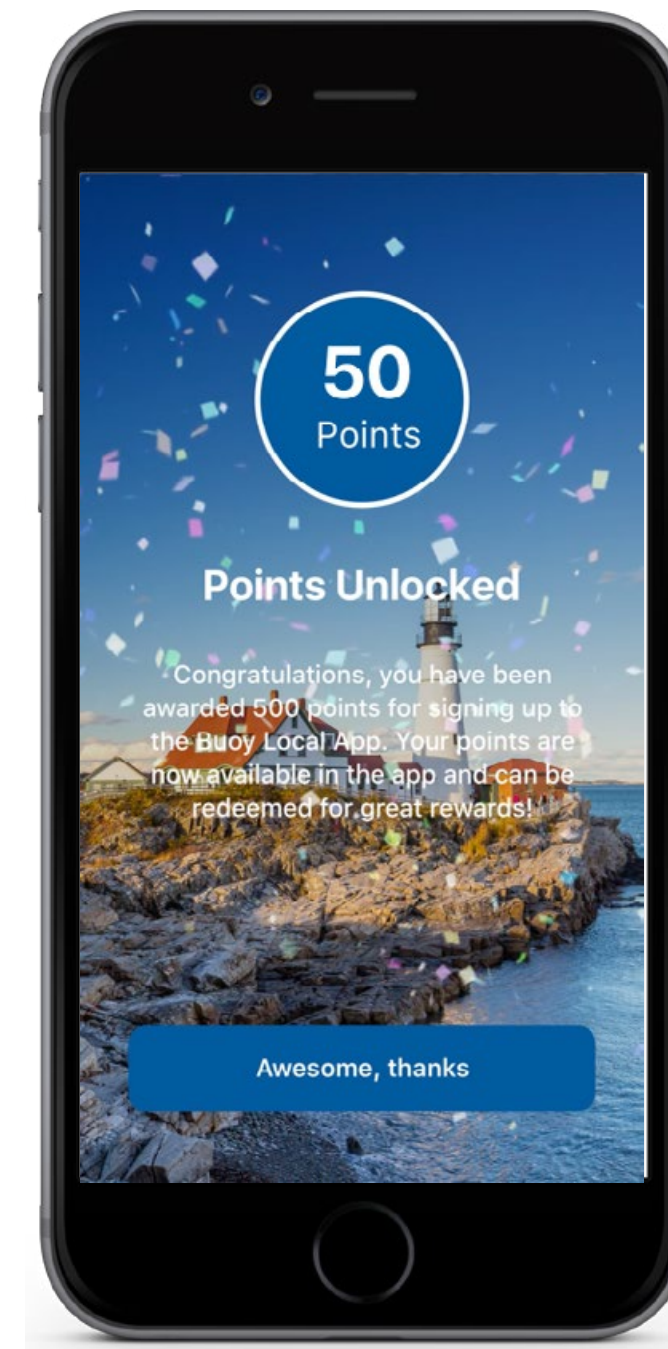
② Transaction

The user transacts at Sebago Brewing location with their Buoy Local card.



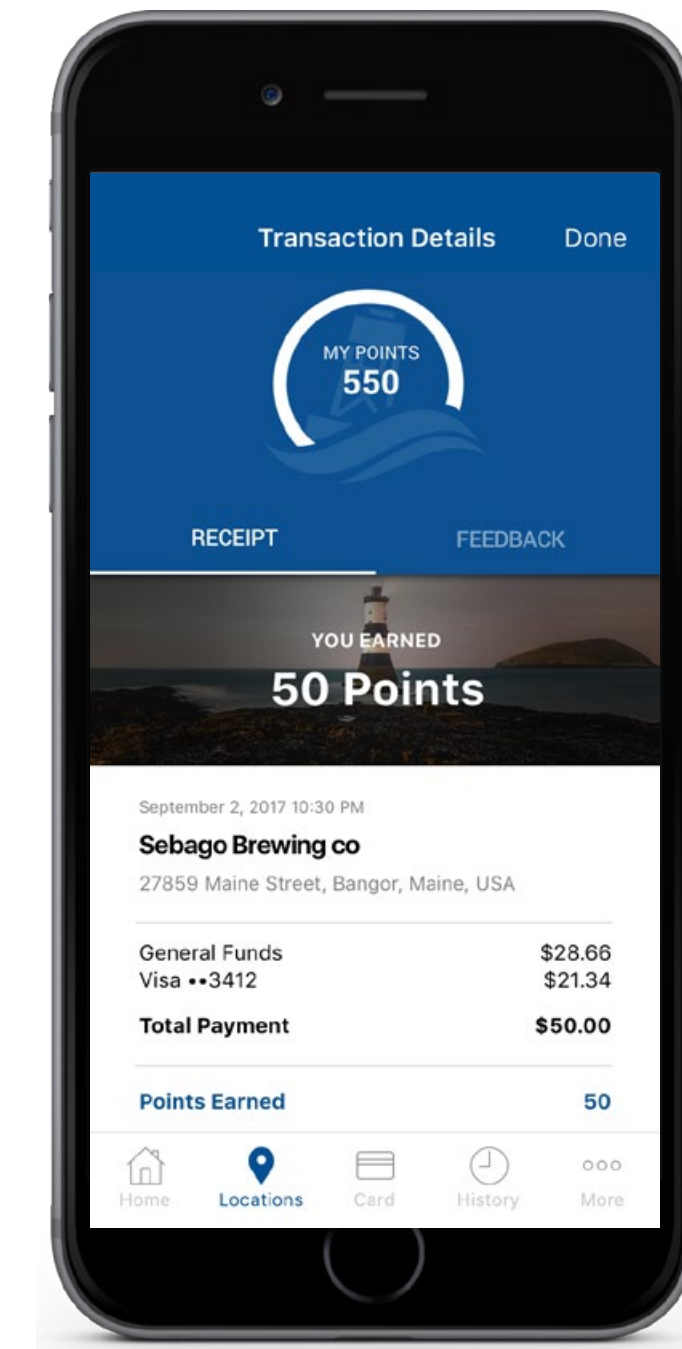
③ Points Unlocked

The user gets a celebration success screen to show the points they just earned.



④ Transaction Details

The user is shown their transaction details page which is a detailed breakdown of their transaction.



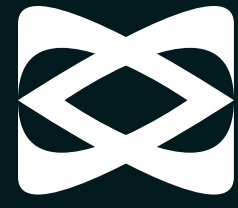
Q1 has been a positive start to the 2018 financial year, leading into our seasonally strongest quarter

We see FY18 as a year of continued execution in business development and onboarding in each of our 3 sales segments

We will increase our investment in B2B Virtual business development given the significant long term opportunity in that segment

We also see FY18 as a year of continued innovation in our products, particularly in the Reloadable segment (Mobile Payments, Merchant coalition, Points conversion, Wearables)

Merchant coalition, through our investment in PayWith, is in its infancy in Australia and America and is initially targeted at increasing cardholder utilisation. As the merchant coalition expands there is potential for EML to generate 3rd party merchant commissions



EML

empowering your payments

Level 2, 26 Commercial Road
Newstead QLD 4006

Telephone: (07) 3607 0100
Facsimile: (07) 3607 0111

www.emlpayments.com