



Money in Motion

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**EML Payments Limited**

26 November 2024

**ASX Market Announcements**

20 Bridge Street  
SYDNEY NSW 2000

## EML 2.0 Strategic Plan Investor Presentation and Trading Update

**EML Payments Limited (ASX:EML) ("EML")**, is pleased to provide our Strategic Plan FY25-FY28 Investor Presentation.

### Trading Update

Trading for Q1 FY25 is in line with management expectations.

UNAUDITED UNDERLYING RESULT (A\$m)	FY25 Q1	FY24 Q1	CHANGE %
<b>GDV</b>	5,857	5,448	7%
<b>REVENUE</b>	48.8	43.5	12%
<b>UNDERLYING EBITDA</b>	11.6	7.1	46%

EML affirms FY25 underlying EBITDA guidance in the range of A\$54-60m

### About EML Payments Limited

EML Payments is a global payments company that operates in Australia, the UK, Europe, and the US. Our customers are diverse and include major banks in Europe, government, retail brands and financial services companies. For more information:

[emlpayments.com](https://emlpayments.com)

This announcement has been authorised for release by the Board.

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# EML 2.0

Moving money  
smarter



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Those receiving the information are cautioned not to place undue reliance on any forward looking statements. Unless otherwise specified all information is for the twelve months ended 30 June 2024 ('FY24'), and is presented in Australian Dollars. Unless otherwise stated, the prior comparative period refers to the twelve months ended 30 June 2023 ('FY23').

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## About Us

EML Payments is a global payments company that operates in Australia, the UK, Europe, and North America. Our customers are diverse and include government, retail brands, human capital management and financial services companies.

Come and explore the many opportunities our platform has to offer by visiting us at : [EMLPayments.com](https://EMLPayments.com)

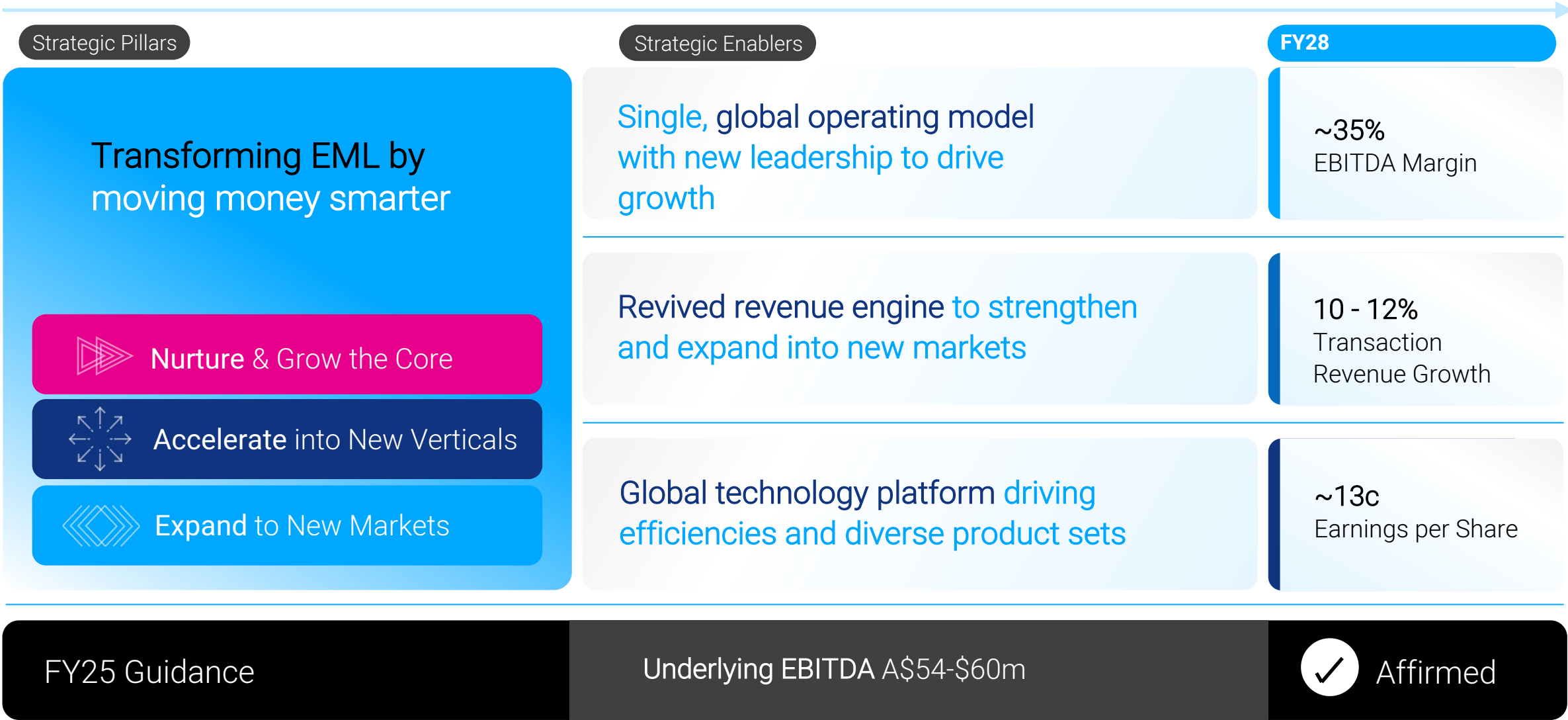


Solving complex money flows  
living at the intersection of  
business, government and  
consumers...

...on a mission to  
power double-digit  
transaction revenue<sup>1</sup>  
growth by FY27



# Getting to Double Digit Growth

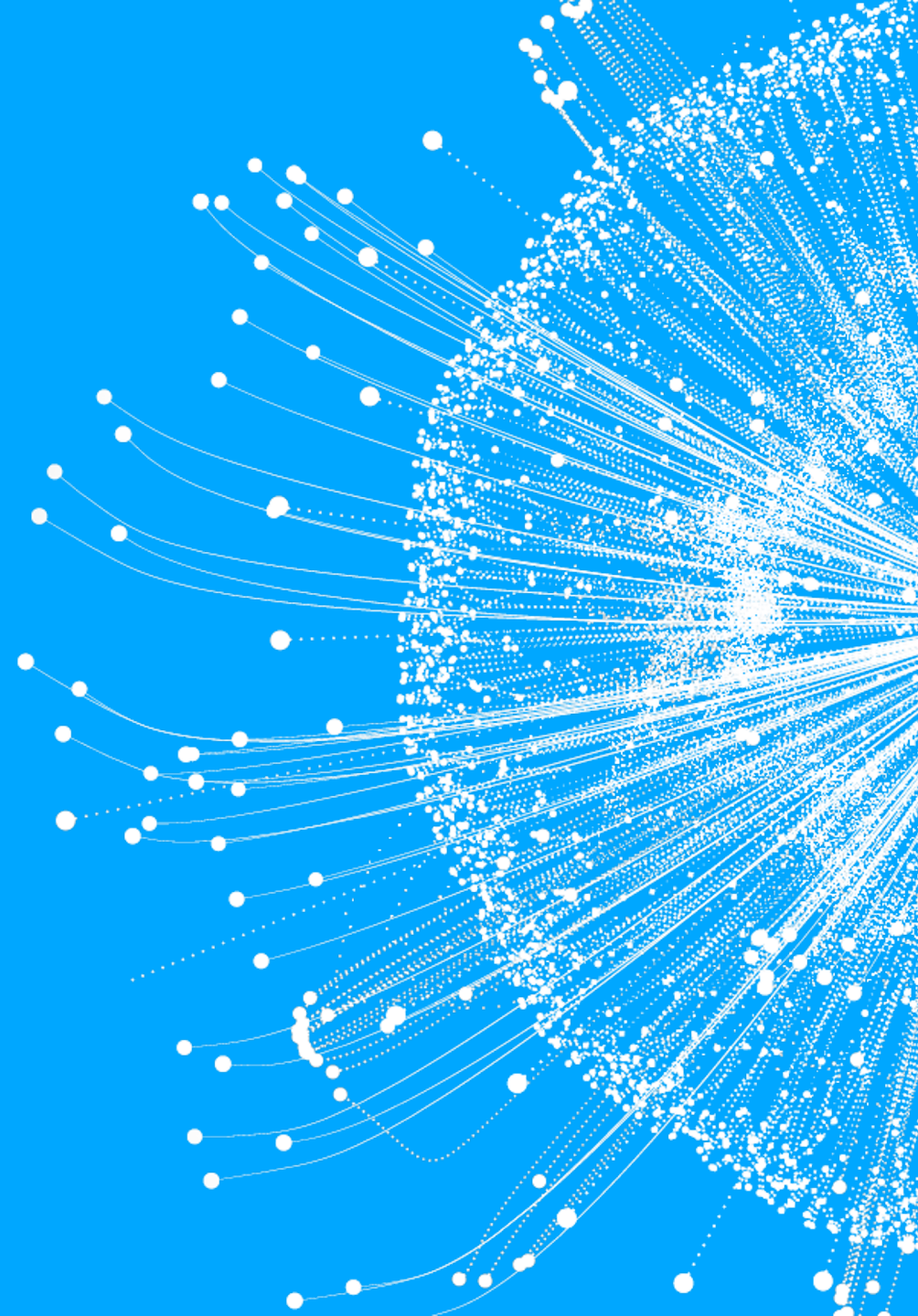


FY25 Guidance

Underlying EBITDA A\$54-\$60m

Affirmed

The conditions to  
grow are optimal



# An attractive and growing market



## Strong tailwinds and secular trends



### Digital payments continue to replace cash & paper

- \$38 trillion in cash payments, globally, declining at 4% YOY<sup>1</sup>



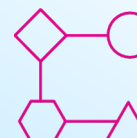
### Explosion of Digital Wallets<sup>2</sup>

- \$8 trillion volume, growing 21% YOY



### Experience and efficiency battlegrounds

- Corporates seek a richer experience to win consumer loyalty
- Governments strive for efficiency and transparency

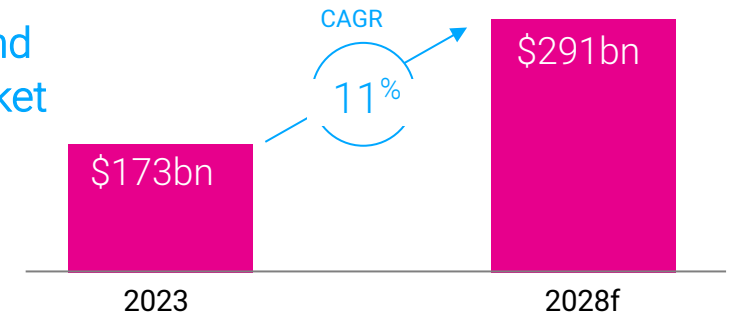


### Complex use cases remain underserved

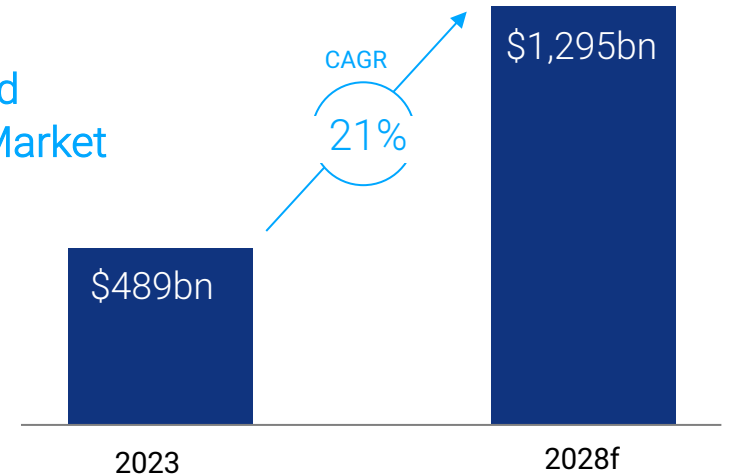
- Few providers have the focus to invest in complex use cases such as employee benefits

## Operating in a large and growing marketplace

### Global Prepaid and Debit Market



### Global Embedded Finance Market



<sup>1</sup>McKinsey Global Payments 2024 report  
<sup>2</sup>Global Data

Source: Global Data, McKinsey, Adyen and BCG, Flagship Advisory Partners



# A good business to grow from



An end-to-end,  
embedded payments  
issuer operating in 3 of  
the world's most highly  
valued payments  
markets

FY24<sup>1</sup>

1,100+  
B2B customers

27  
Countries

~\$23bn  
Gross Debit  
Volume

~30m  
Cards

~\$200m  
Revenue

+\$52m  
EBITDA

~45%  
Free Cashflow

415  
Team  
Members

1. Numbers exclude PCSIL & Sentenial

# Strength through a diversified revenue mix

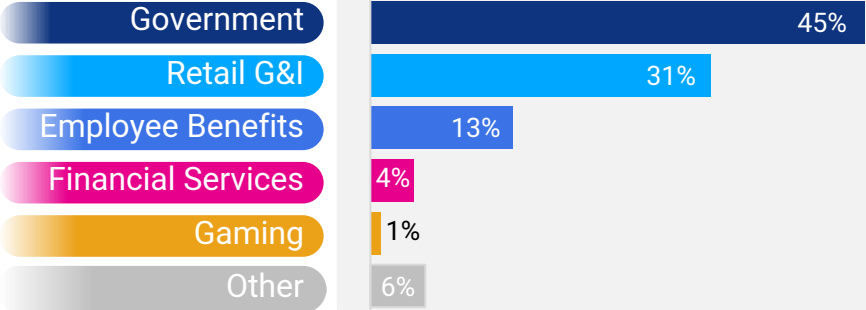


## Europe

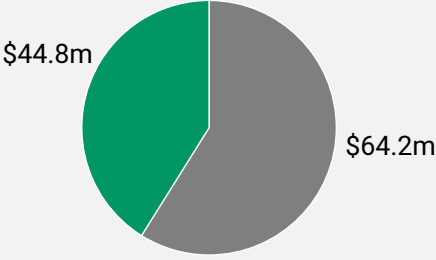
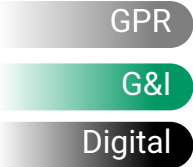
FY24 Total Revenue

\$109m

Revenue by Vertical



Revenue by Product



Clients & Cards



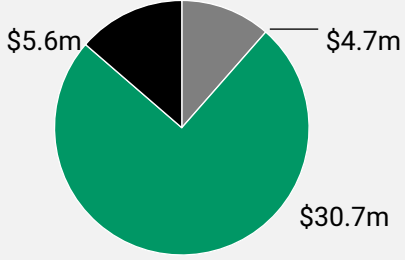
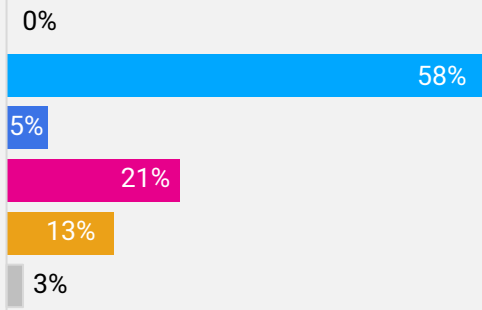
480



7.6m

## North America

\$41m



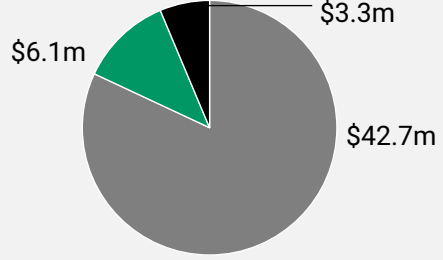
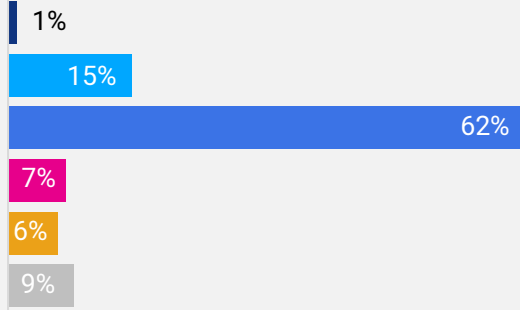
486



20.6m

## Australia

\$52m



173



1.5m

# Revenue levers across the entire value chain



		Trad. Program Managers	Processors	BaaS	Bank Issuers
<b>Program Set Up</b> Program design, technical integration, licensing	✓	✓	✓	✓	
<b>Platform Fees</b> Monthly/annual	✓		✓	✓	
<b>Issuance</b> Card/account issuance & monthly/annual fees	✓				✓
<b>Usage Fees</b> Load fees, transaction & interchange	✓	✓	✓	✓	✓
<b>Program Management Fees</b> Customer service, fraud management....	✓	✓			
<b>Float Interest</b>	✓				✓
<b>Breakage Fees</b>	✓	✓			

**Float Interest - Undervalued**

- Rates expected to be HIGHER for longer - ABOVE TREND for 3 – 5 years
- Float balance growth offsets yield easing
- ~47% of float effectively hedged at current UK cash rate for ~2 years

**HIGH VALUE, RECURRING, LONG TERM REVENUE**

# Unrivaled market-making capabilities



## Smarter capabilities

### Moving money smarter

Customised UI and embedded experiences

Product structures for complex use cases

Smart spend & load controls

White label or direct issuance

Fully tailored program services

## That build value



**Means more**  
Solving payment problems in unique ways that adds value to consumers, businesses and governments



**Made Easier**  
A one stop shop that provides end-to-end solutions so customers can get on with growing their business



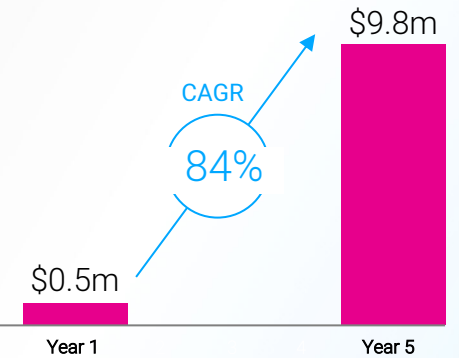
**Works Smarter**  
Thriving in complexity leveraging an end-to-end capability to make the impossible possible

## And deliver results<sup>1</sup>

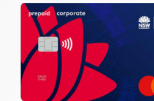
### Perx



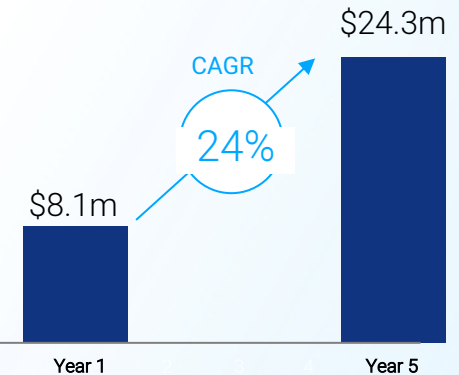
Direct to market employee benefit program including client acquisition through to issuance



### Salary Packaging

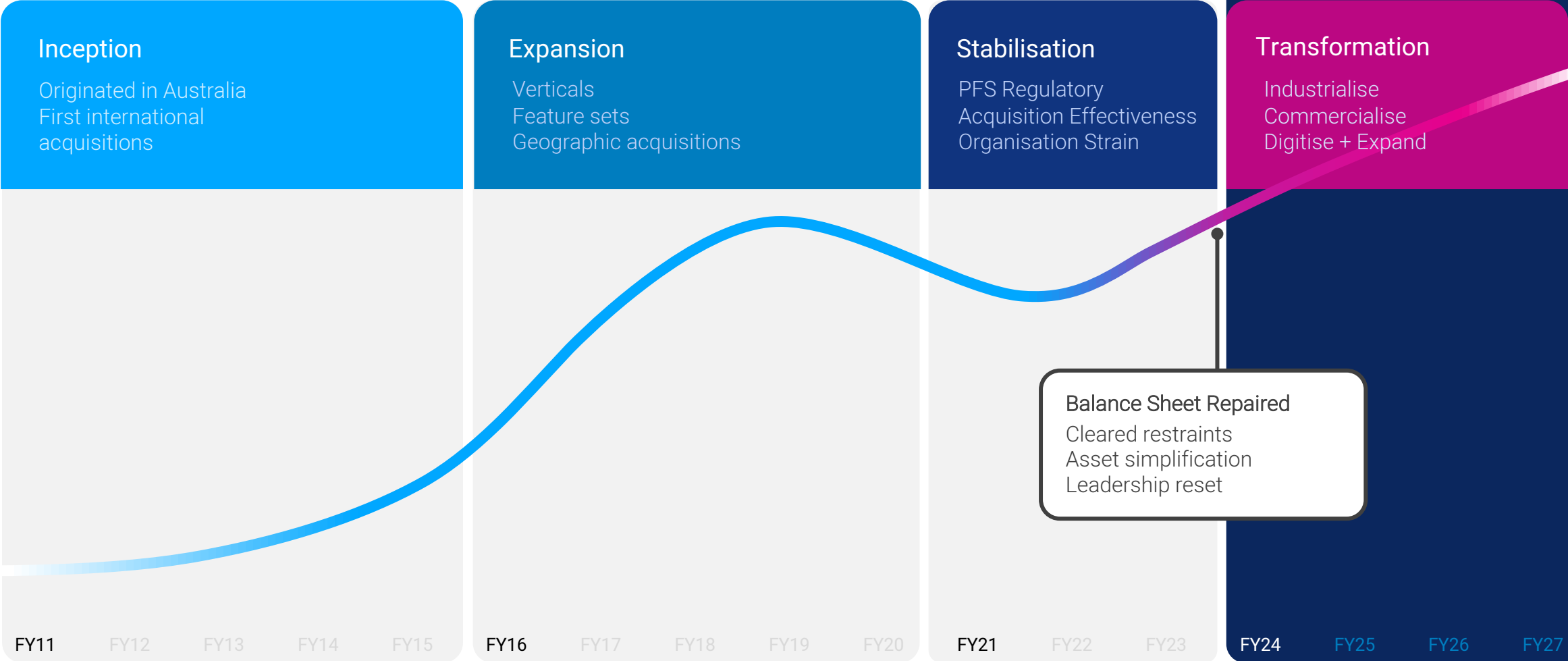


Unique one card/multi account solution for tax free benefits coupled with a real time loyalty program



1. First 5 years transaction revenues from new product development

# Making us focused, fearless and future ready





## EML 2.0

A new era of growth  
How we will win

# Activating the new era



Vision

Moving money smarter, around the world

Mission

Simplify complex payment flows for business and government to unlock value for users, worldwide

Business Objective

Double digit transaction revenue growth by FY27

Strategic Pillars



**Nurture**

Solidify and grow our core customer base



**Accelerate**

All products in all regions and entering new verticals



**Expand**

Enter new, attractive and viable markets via strategic partnerships

Strategic Enablers



Global Operating Model

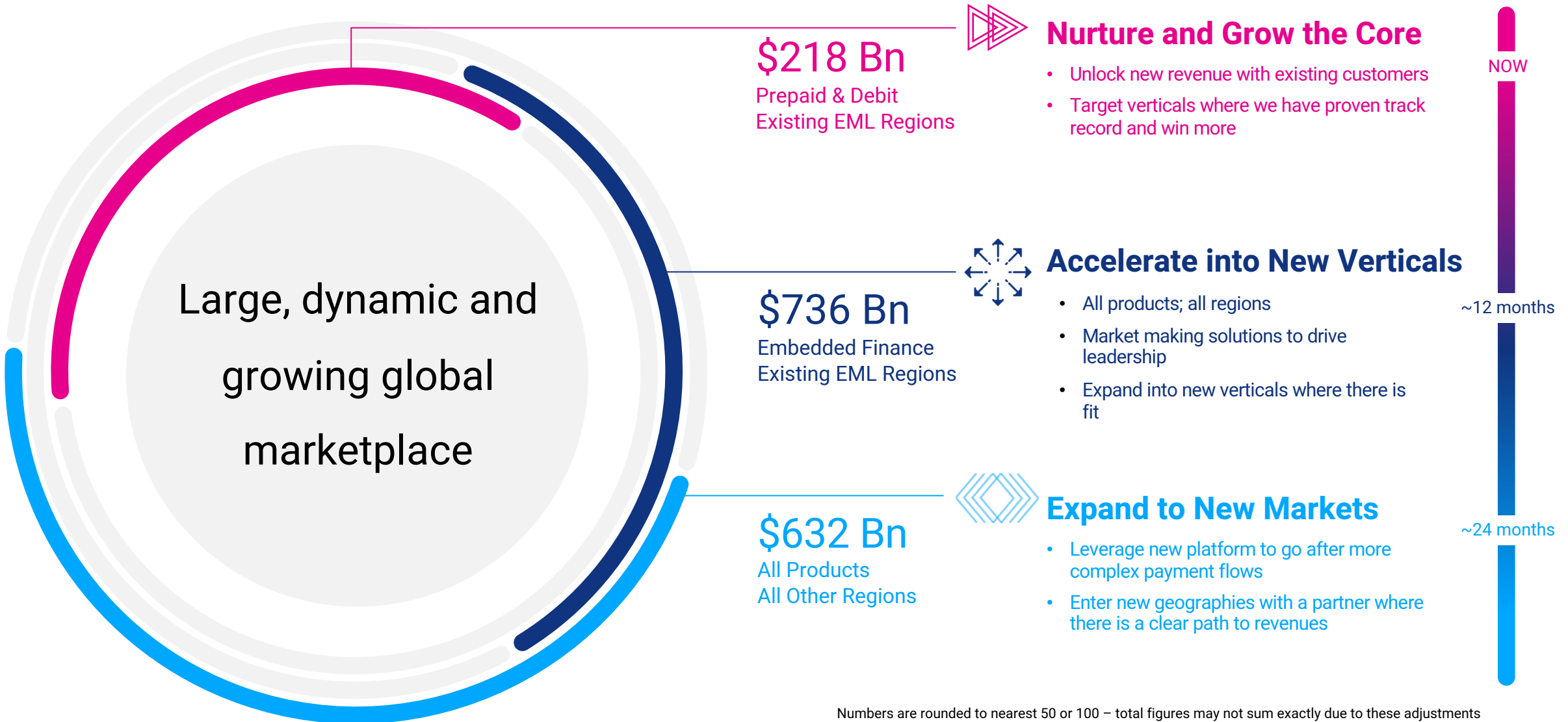


Revived Revenue Engine



Single Platform

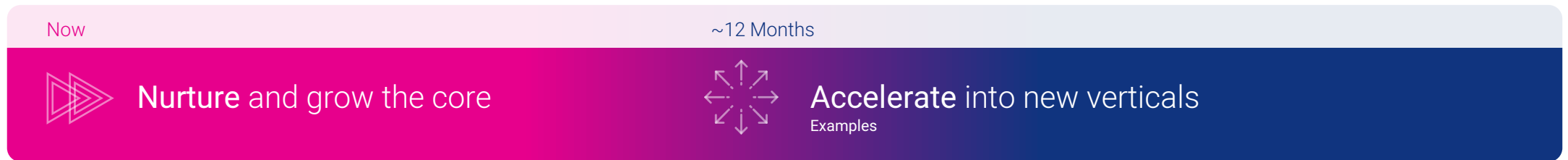
# Winning more than our share of the global market



Numbers are rounded to nearest 50 or 100 – total figures may not sum exactly due to these adjustments  
Source: Global Data, McKinsey, Adyen and BCG, Flagship Advisory Partners



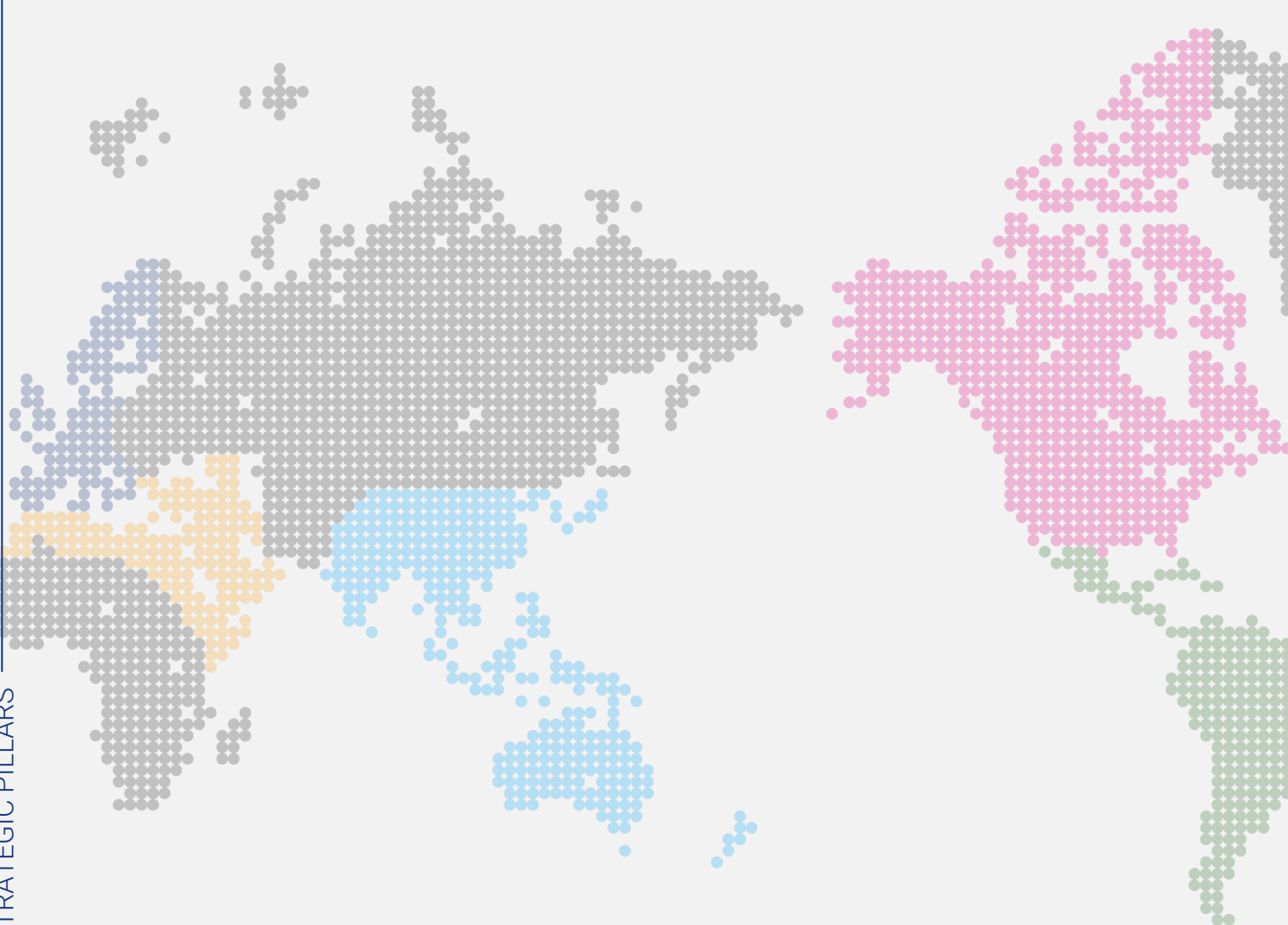
# Ready to serve **key verticals**



<b>Market Size</b>	High	High	Med > High	Med	High	High	High	Med	High
<b>Market Growth</b>	Med - High	Low - Med	Med - High	Med - High	Med - High	Med - High	Med - High	High	Med - High
<b>Target Customers</b>	<ul style="list-style-type: none"> <li>Major employers</li> <li>Payroll providers</li> <li>HR &amp; benefits providers</li> </ul>	<ul style="list-style-type: none"> <li>Federal/ national government</li> <li>State &amp; local governments</li> </ul>	<ul style="list-style-type: none"> <li>Marketing agencies</li> <li>Retailers</li> <li>Large corporates</li> </ul>	<ul style="list-style-type: none"> <li>Online gaming</li> <li>Land-based gaming</li> </ul>	<ul style="list-style-type: none"> <li>Fintechs</li> <li>Investments</li> <li>Crypto</li> <li>Accounts Payable</li> </ul>	<ul style="list-style-type: none"> <li>Pet</li> <li>Health</li> <li>Travel</li> </ul>	<ul style="list-style-type: none"> <li>Marketplaces</li> <li>Travel agencies</li> <li>Airlines</li> </ul>	<ul style="list-style-type: none"> <li>Fleet mgmt. SaaS</li> <li>Fuel &amp; fleet providers</li> <li>Expense mgmt. providers</li> </ul>	<ul style="list-style-type: none"> <li>Providers</li> <li>Insurers</li> <li>Mgmt. companies</li> <li>HR providers</li> </ul>
<b>Key use cases</b>	Salary Packaging	Immigration	Mall Gift Cards	Payouts	Crypto	Payouts	Embedded Payments	Fuel Cards	Payouts
<b>EML today</b>	Employee Benefits	Disaster Relief	Corporate Initiatives	Wallets	Disbursements	Wallets	Instalments	Expense Mgmt.	Embedded Payments
	Payroll	Welfare & Pension	Wallets		Wallets	Embedded Payments	Wallets	Embedded Payments	
		Social Benefits							

STRATEGIC PILLARS

# Disciplined market expansion



## Key Criteria for Success

- ✓ Large/growing economies
- ✓ Similar conditions to those we successfully operate in today
- ✓ Regulation evolved and broadly consistent to our existing markets
- ✓ Enter with strategic partnerships

	Forecast	
	2028 GDV* (AUD, tril.)	'23 - '28 CAGR
Europe	\$1,359	15%
North America	\$1,952	3%
Asia Pac	\$242	7%
Latam	\$99	7%
Mena	\$55	30%

\*GDV includes all payment cards and A2A  
Source: Global Data, Flagship Advisory Partners

# Three strategic enablers to deliver the plan



# A unified global business



## Global Operating Model

Global operating model, delivering synergy and improving execution and responsiveness  
Strengthened leadership powering growth, heightening urgency and focusing on outcomes



## Revived Revenue Engine

Focused revenue engine to nurture the core and win an outsized share of the global market



## Single Platform

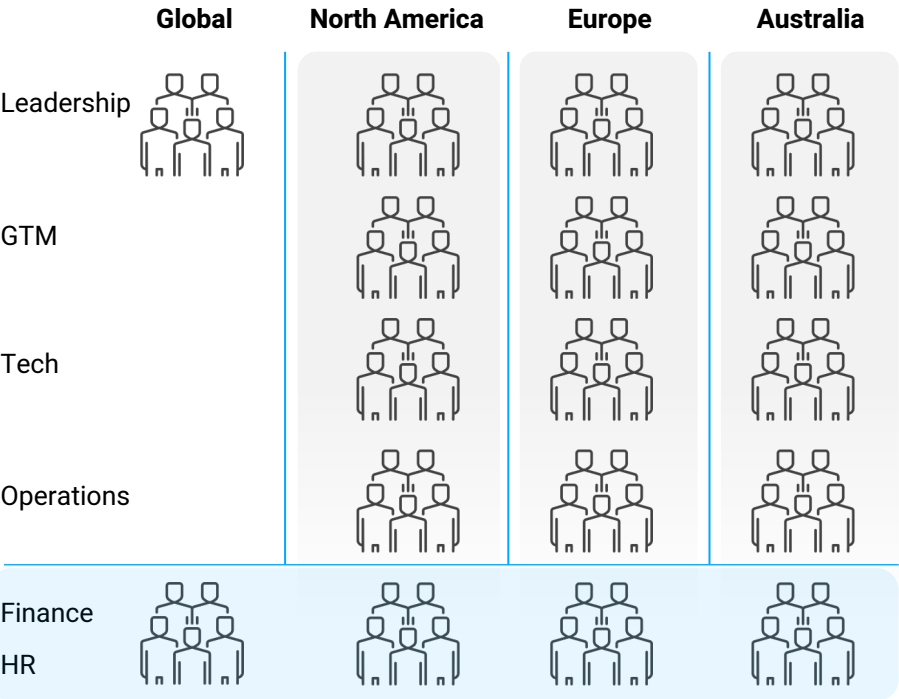
A global technology platform serving all markets  
Broader product offering, simplified technology and streamlined operations

# Delivering synergies and customer centricity



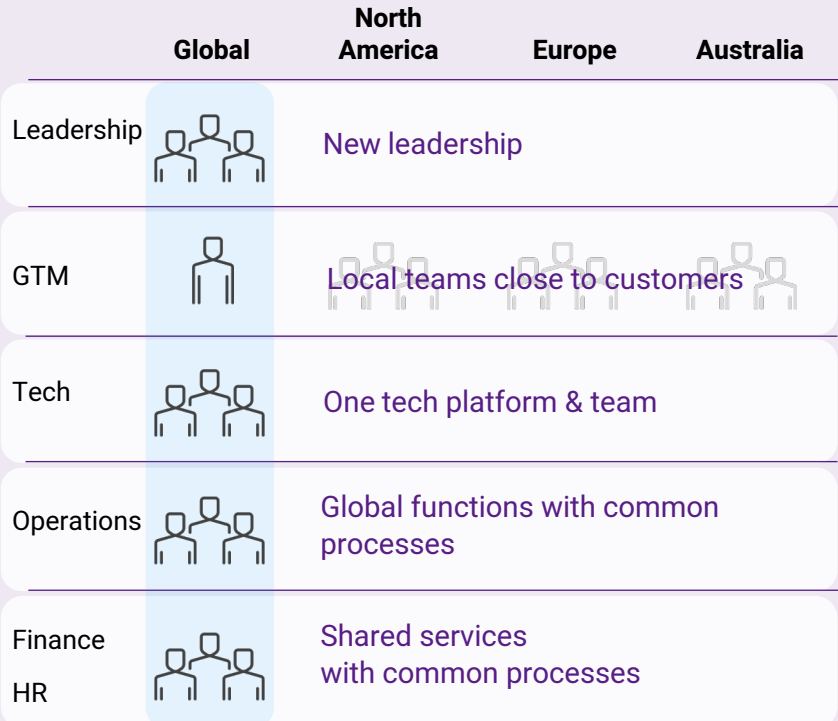
From

Siloed regional operating businesses with no synergies



To EML 2.0

Centralised operations supporting local go-to-market



- Efficiency & cost reduction
- Optimise quality & responsiveness
- Delivering deep functional knowledge
- Optimal risk & compliance

# Led by a growth-minded executive team



**Bryan Lewis**  
Chief Operating Officer

Seasoned executive with 25 years extensive global experience in transforming businesses across a range of industries and brands.



**Shabab Muhaddes**  
Chief Revenue Officer

20 years payments expertise across multiple geographies leading sales teams to double digit growth results.



**Tom Cronin**  
Chief Product Officer

30 years of experience in developing global payments and financial services products across credit, debit, prepaid, BNPL, and digital.



# Scaling our revenue engine



## Build Commercial Team

More hunters right sized to grow pipeline

Dedicated end-to-end team; accelerating time to close, contract and revenue

Grow customers with local account teams



## Targeted GTM Plan

One unified brand across all markets

Targeted marketing focused on key markets and customer verticals

Activated by bolder marketing across all regions



## Broader Product Set

All products in all regions

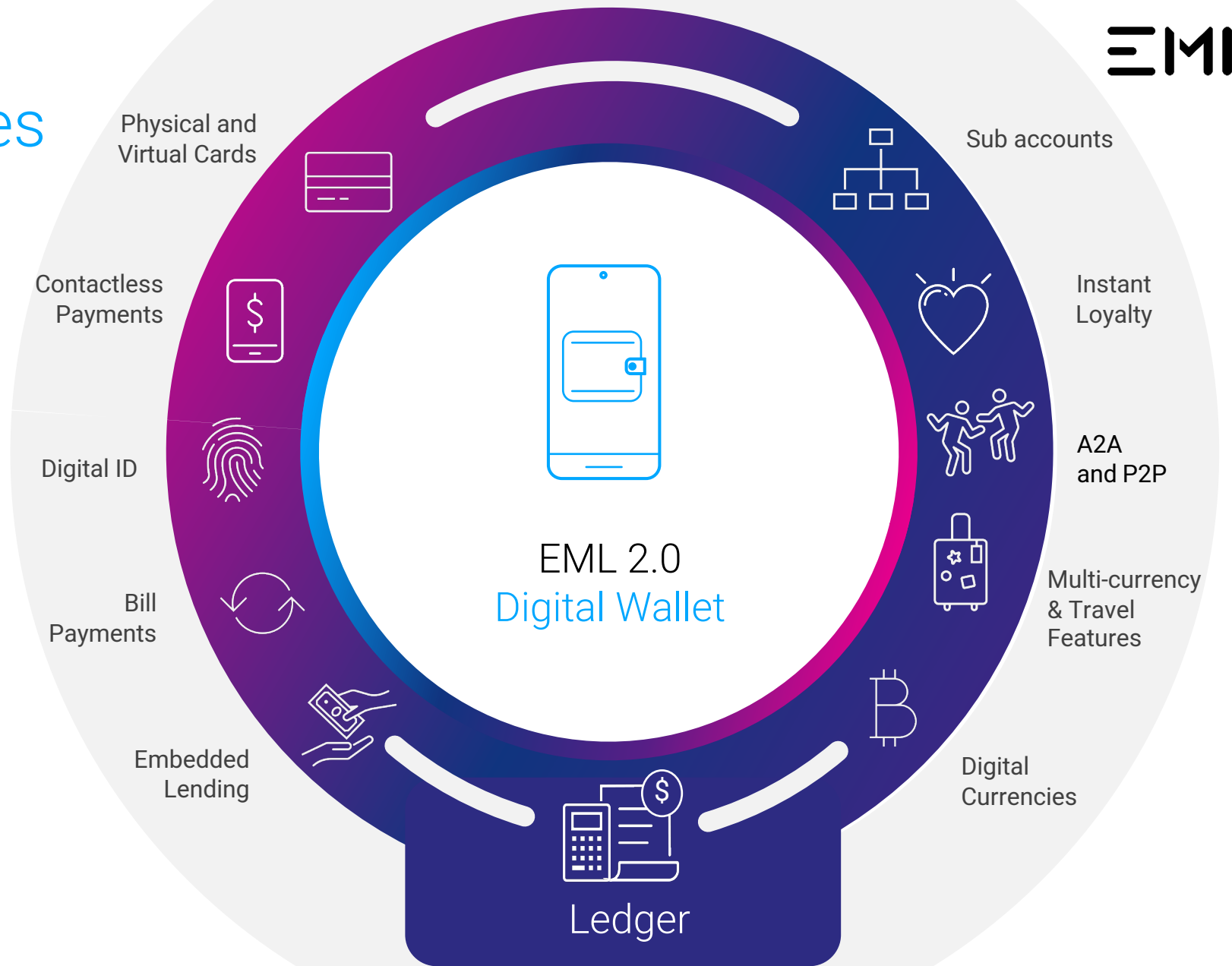
Feature-rich product sets with more capabilities

Global design, local tailoring to solve complex use case

# Broader global product capabilities



All products; all regions  
Expanded product and feature set  
One stop shop, globally





# Powered by a smarter, single global tech platform



## From

Three bespoke card technology platforms

High technology cost base to maintain

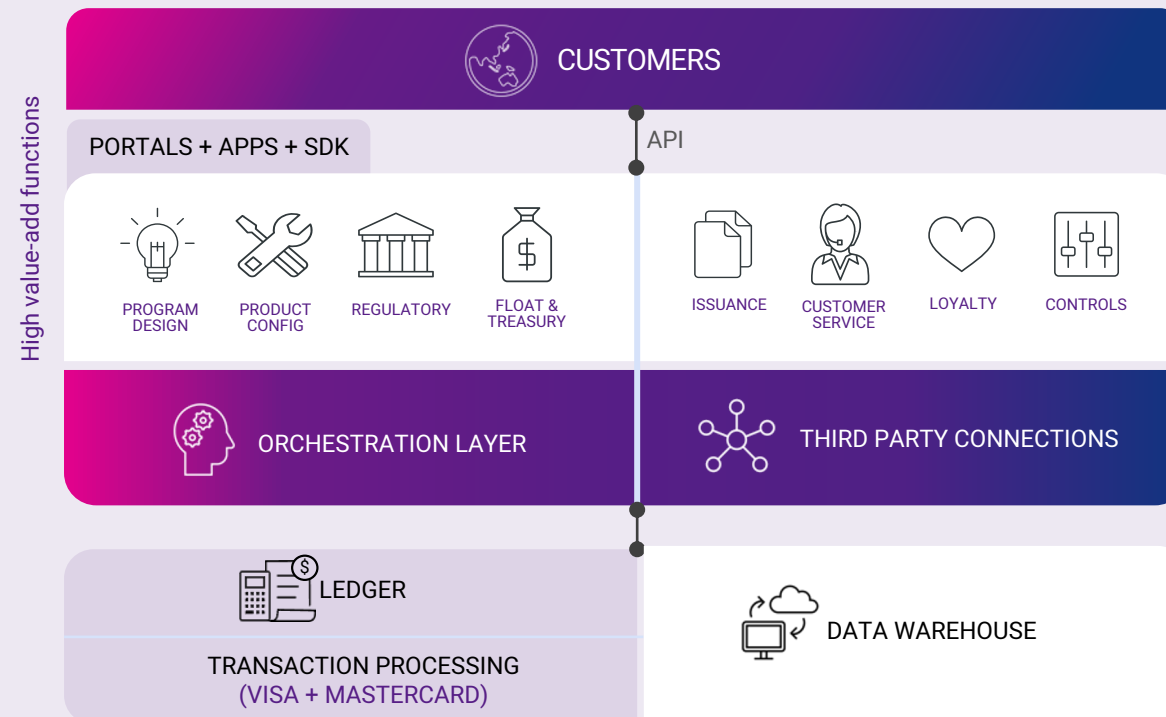
3 legacy platforms with limited interoperability

Fit for today's purpose, but not EML 2.0

Some components nearing end-of-life

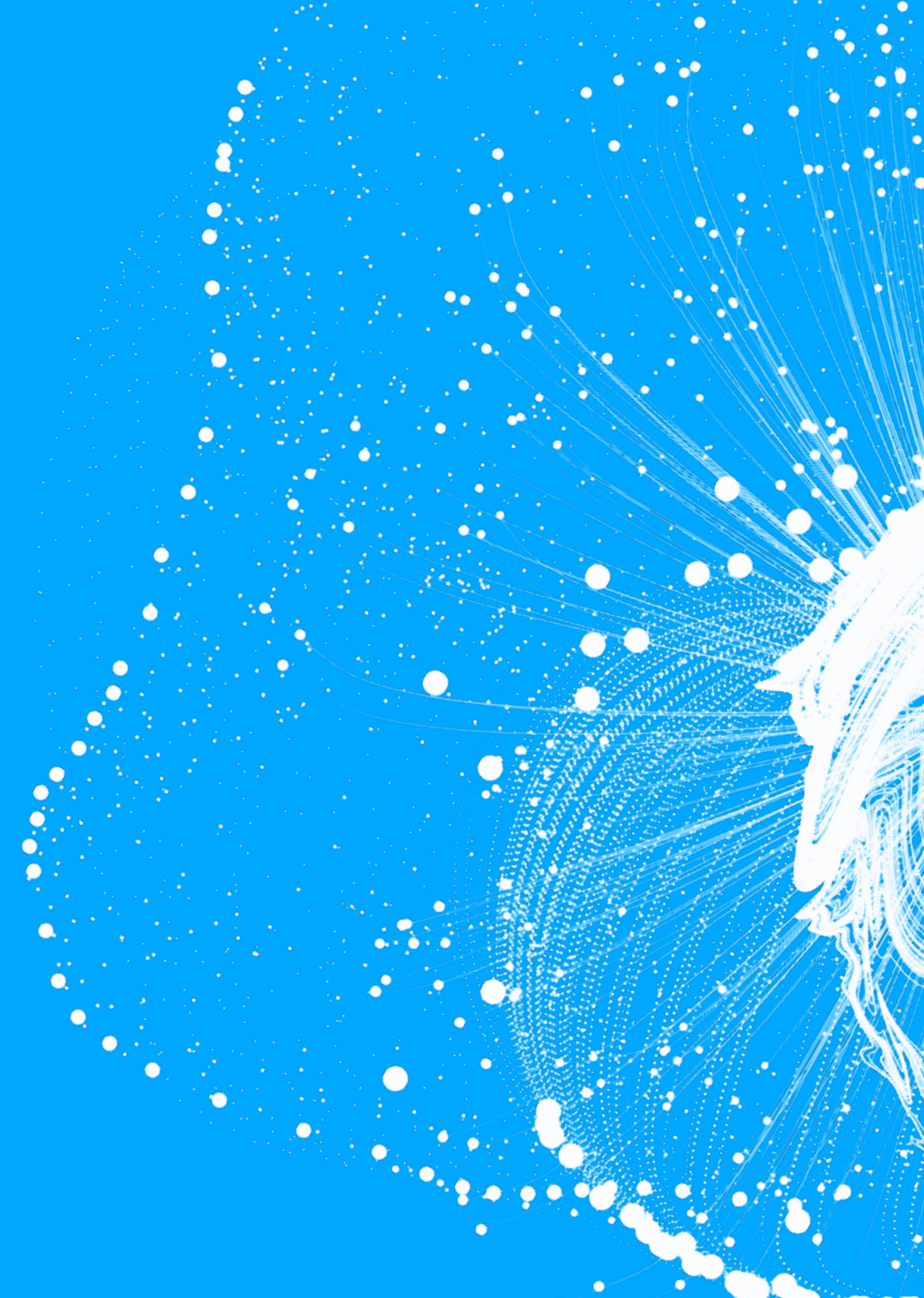
## To EML 2.0

One unified highly configurable, account-based platform to drive efficiencies and serve complex use cases at scale



- Highly configurable
- Digitising today's manual processes
- Built for direct issuance & embedded solutions
- Modern & scalable technologies

We're already  
moving smarter



# We have achieved a lot in a short time



Cleared  
Constraints

Exited Irish business, PCSIL

Completed remediation programme  
in UK

Voluntary growth cap successfully  
lifted in UK



Asset  
Simplification

Core business perimeter defined

Sentential sale complete, PCSIL exit

Balance sheet net cash, strengthened  
further, through new debt facility



Leadership  
Reset

Growth-oriented CEO

A new operating model designed and  
being implemented

Key executive appointments made to  
lead the company

# The plan in action



Jul 24

Jan 25

Jul 25

Jan 26

Jul 26

Jan 27

Transforming EML by moving money smarter



## Global Operating Model

Optimising our operating model + strengthening leadership



**Opex Investment:** \$2m - \$3m<sup>1</sup>

**Save:** \$3-5m annualised saving from FY26



## Revived Revenue Engine

Building a focused revenue engine to nurture the core and expand



**Opex Investment:** \$2m - \$3m<sup>1</sup>

**Growth:** Powering double digit growth by FY28



## Single Platform

Deploying a single platform with broader product set + digitised operations



**Capex:** \$12-15m over 24 months

**Save:** \$8-12m annual saving by FY27

# Moving the metrics that matter



# Medium term financial outlook

FY26 – FY28

FY28<sup>1</sup>

**Transaction Revenue Growth**  
10-12% CAGR

**Cost Base Flat**  
~A\$105m

**Customer Float Interest**  
Yield ↓30-50bps from FY24

**Capex**  
One-off \$12-\$15m Jan '25-Dec '26

~A\$95m EBITDA  
~35% EBITDA Margin

Growth in existing business 4-5% pa  
New business momentum building  
Key enablers:

- Global sales team build
- Go-to-market investments
- Product enhancements

Savings of \$15-\$20m  
Offsetting:

- Annual cost inflation (~3%)
- Investment in leadership, product and go-to-market teams

- Bulk of abatement expected by end FY26
- Float increase via growth offsets yield reduction and momentum builds from FY27
- UK Bond program providing effective hedge

- Single global platform investment ~A\$15m
- Will yield annual efficiencies of ~\$15m from full deployment
- Extend product and geographic reach

<40% Cost to Income

~13c Earnings per Share Target

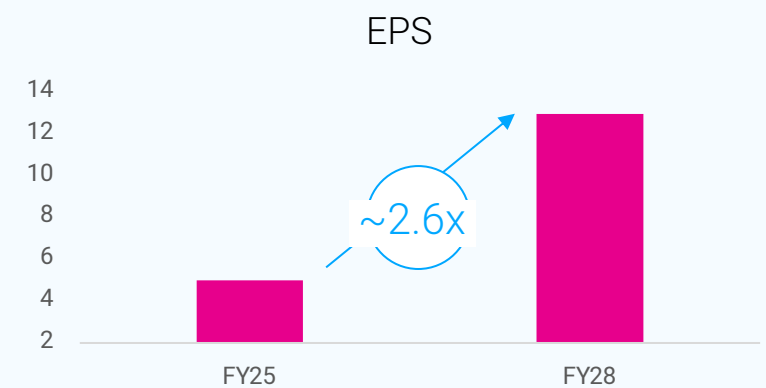
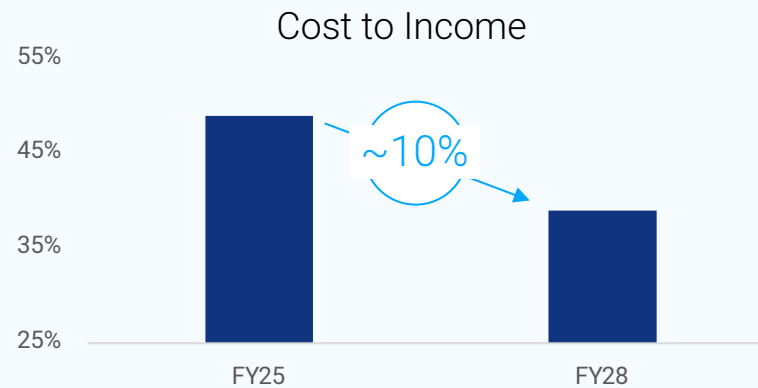
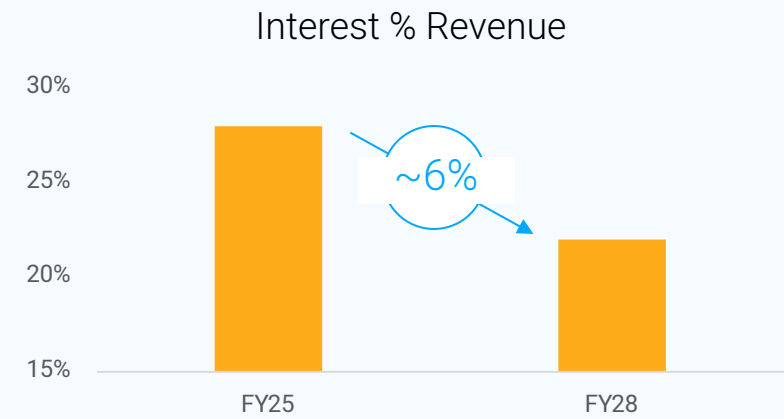
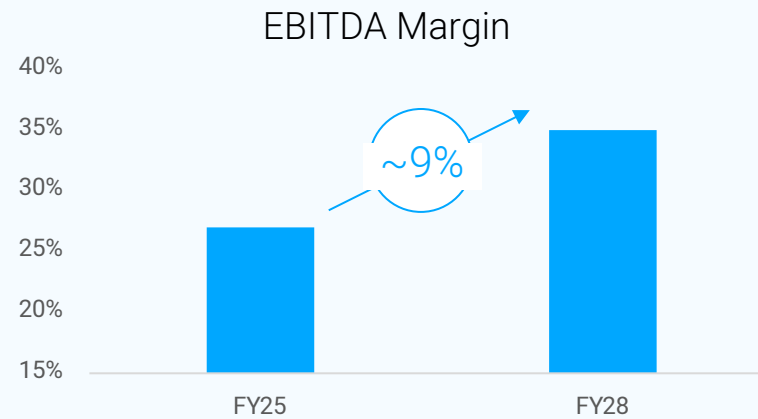
~60% Free Cashflow

1. Refers to underlying results

# Our key metrics will move positively



Disciplined operational execution will deliver superior financial metrics



# Global Operating Model



FY24 (A\$M)	Europe	North America	Australia	Group
Transaction revenue	72.4	38.6	41.4	152.3
Interest revenue	36.6	2.6	10.5	49.7
<b>Total revenue</b>	<b>109.0</b>	<b>41.1</b>	<b>51.9</b>	<b>202.0</b>
Cost of sales	(22.8)	(10.1)	(16.6)	(49.5)
<b>Gross Profit</b>	<b>86.2</b>	<b>31.1</b>	<b>35.3</b>	<b>152.5</b>
Underlying business overheads	(49.8)	(17.8)	(16.1)	(83.6)
Corporate overheads	(7.4)	(3.4)	(3.8)	(14.7)
Group central costs (Holdco)				(2.9)
Other Income				0.2
<b>Underlying EBITDA</b>	<b>29.0</b>	<b>9.9</b>	<b>15.4</b>	<b>51.6</b>
Gross Margin	79%	76%	68%	76%
Gross Margin (ex interest)	69%	74%	60%	68%
<b>EBITDA Margin</b>	<b>27%</b>	<b>24%</b>	<b>30%</b>	<b>26%</b>
FTE	238	72	65	415



# Money moves smarter on EML

Our payment solutions are designed to work smarter, move faster, go further and mean more for our customers, every day.

# EML Glossary



Abbreviation	Meaning
A2A	Account-2-Account
AASB	Australian Accounting Standards Board
ACPR	Autorite de Controle Prudential et de Resolution (France)
AFSL	Australian Financial Services License
AMF	Account Management Fee
ASX	Australian Stock Exchange
BNPL	Buy Now Pay Later
CAGR	Cumulative Annual Growth Rate
CBI	Central Bank of Ireland
COGS	Cost of Goods Sold
D&A	Depreciation and Amortisation
Digital	Digital Payment Product Suite such as VANS

Abbreviation	Meaning
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation. EBITDA is equivalent to the net profit/(loss) for the period including R&D tax offset and excluding share-based payments, depreciation and amortisation expense, gains and losses on disposal of assets and unrealised foreign exchange included within the Statement of Profit or Loss and Other Comprehensive Income.
EMEA	Europe, Middle East and Africa
EMI	A legal person or company that has been granted authorisation to issue e-money in either the UK or Europe.
EML	EML Payments Ltd, head entity for the EML Group
FCA	Financial Conduct Authority (UK)
FY24	Financial Year Ending 30 June 2024
FY28	Financial Year Ending 30 June 2028
GPR	General Purpose Reloadable Product Suite
G&I	Gift and Incentive Product Suite
GDV	Gross Debit Volume
GP	Gross Profit
GP Margin	Gross Profit Margin
ISV	Independent Software Vendor

Abbreviation	Meaning
OH	Overheads
PCI-DSS	Payment Card Industry Data Security Standard
PCP	Prior Comparative Period
PCSIL	PFS Card Services Ireland Ltd
PFS	Prepaid Financial Services
PSP	Payment Service Provider
NPATA	Net Profit After Tax Adjusted.  NPATA is net profit/(loss) after tax, with adjustments for acquisition related costs including: Costs associated with the acquisition of a business; Amortisation expense relating to the fair valued intangible assets for software and customer relationships; and Fair value movements and financing costs relating to contingent consideration. EML acquisitions often include a contingent consideration tied to the future short to medium term performance of the acquired business.
VANs	Virtual Account Numbers
Yield	Revenue Yield