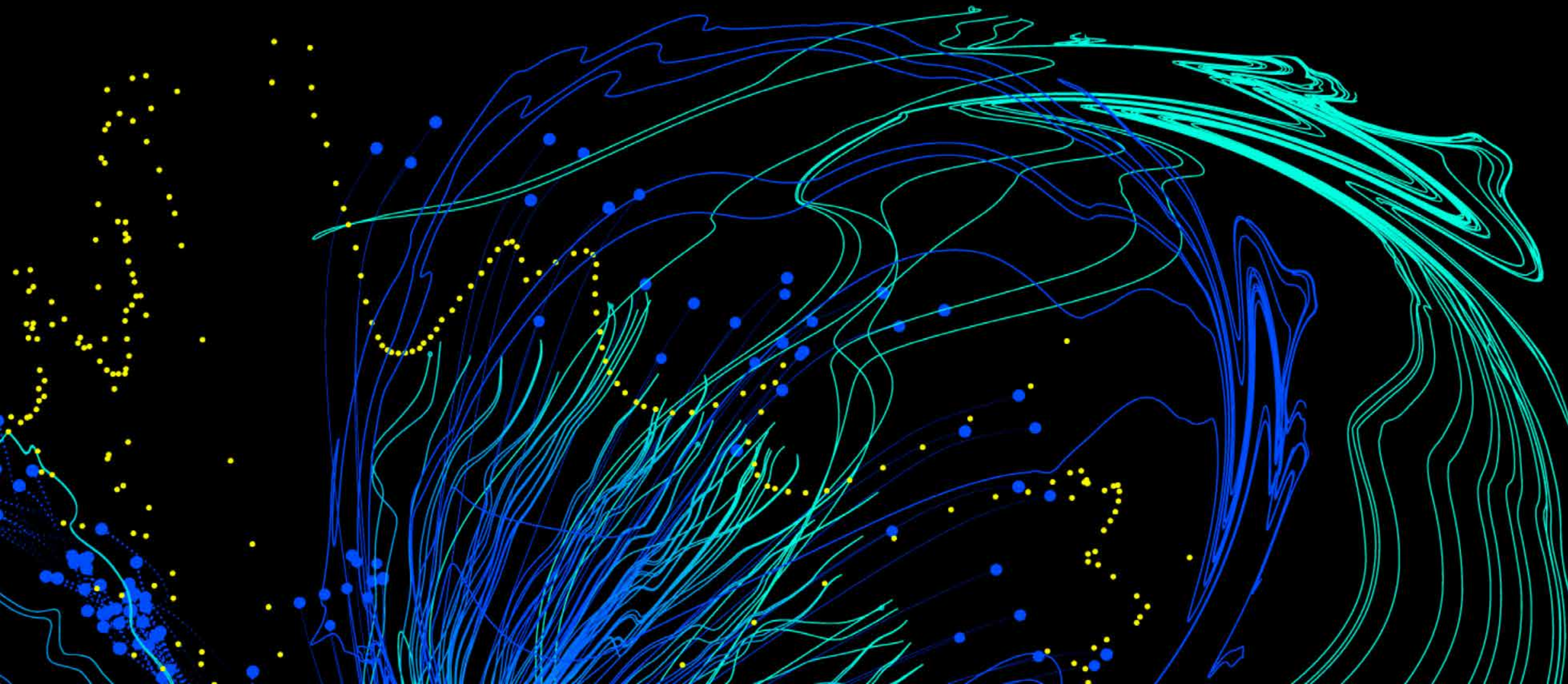


# FY2020 Financial Results

19 August 2020

EMI.



Money in Motion



**Tom Cregan**

Managing Director  
& Group CEO

**Rob Shore**

Group CFO

01  
**Business Update**

02  
**Strategy Update –  
Accelerator**

03  
**FY20 Financial Results &  
Outlook**

04  
**Q&A**

**Important Notice**

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**About Us**

At EML we develop tailored payment solutions for brands to make their customers lives simpler. Through next-generation technology, our portfolio of payment solutions offers innovative options for disbursement payout's, gifts, incentives and rewards. We're proud to power many of the world's top brands and process over \$17 billion in GDV each year across 28 countries in Australia, EMEA and North America. Our payment solutions in 27 currencies are safe and secure, easy and flexible, providing customers with their money in real-time. We know payments are complex, that's why we've made the process simple, smart and straightforward, for everyone.

For more information on EML Payments Limited, visit: [emlpayments.com](https://emlpayments.com)

This ASX announcement has been authorised for release by the Board.

# About Us – EML Snapshot

OPERATE IN

**28**

COUNTRIES

**444**

EMPLOYEES



EML is an ASX listed (ASX:EML) Payments Technology company operating proprietary processing platforms that enable Fintech disruption, with offices in Australia, United Kingdom, Europe, and the United States of America.

GROUP GDV (FY20)

**\$13.88bn**

↑ 54%

GROUP REVENUE<sup>2</sup> (FY20)

**\$121.6M**

↑ 25%

GROUP EBITDA<sup>2</sup> (FY20)

**\$32.5M**

↑ 10%

GROUP NPATA<sup>2</sup> (FY20)

**\$24.0M**

↑ 17%

GROUP GDV<sup>1</sup>

**\$17bn**

ANNUALISED GDV  
RUN RATE

GPR

**55%**

COMBINED GROUP  
FORWARD REVENUES<sup>1</sup>

ANNUAL ISSUE IN EXCESS OF

**11M**

GIFT & INCENTIVE  
CARDS

**2M**

GENERAL PURPOSE  
RELOADABLE CARDS

## TECHNOLOGY PLATFORMS

SUPPORTING THOUSANDS OF PROGRAMS  
ACROSS MULTIPLE INDUSTRIES

<sup>1</sup> GDV forward estimate based on June 2020 monthly run rate

<sup>2</sup> Revenue, EBITDA & NPATA are stated excluding the impacts of AASB3 Business Combinations, a full reconciliation is provided on page 42 of this Presentation

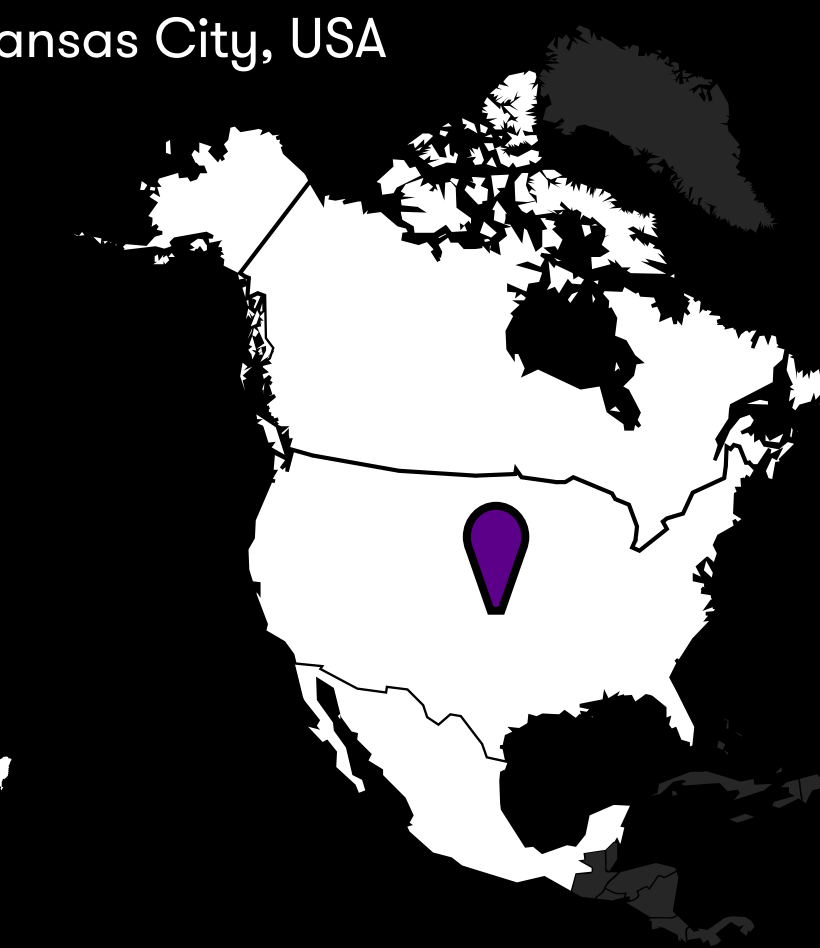
### Australia

Head Office  
Brisbane, Australia  
Melbourne, Australia



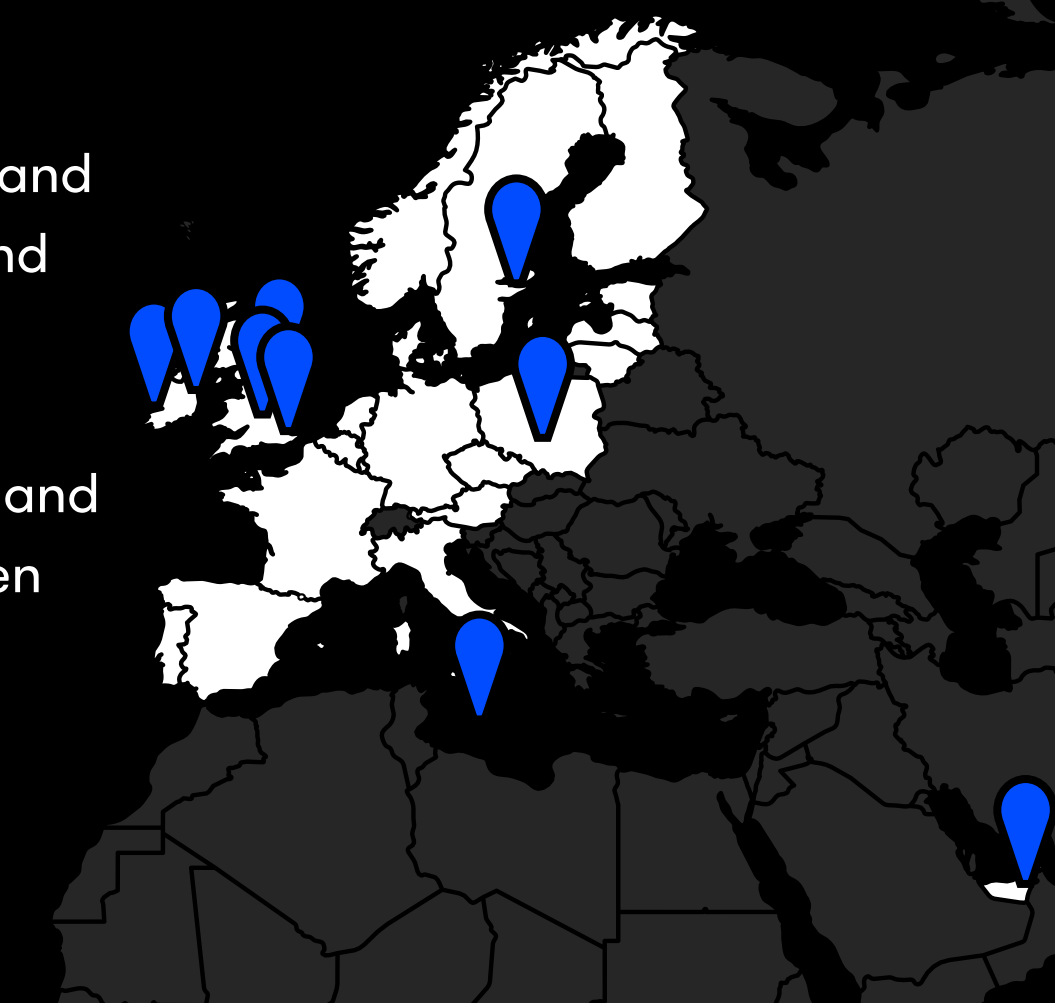
### Americas

Kansas City, USA



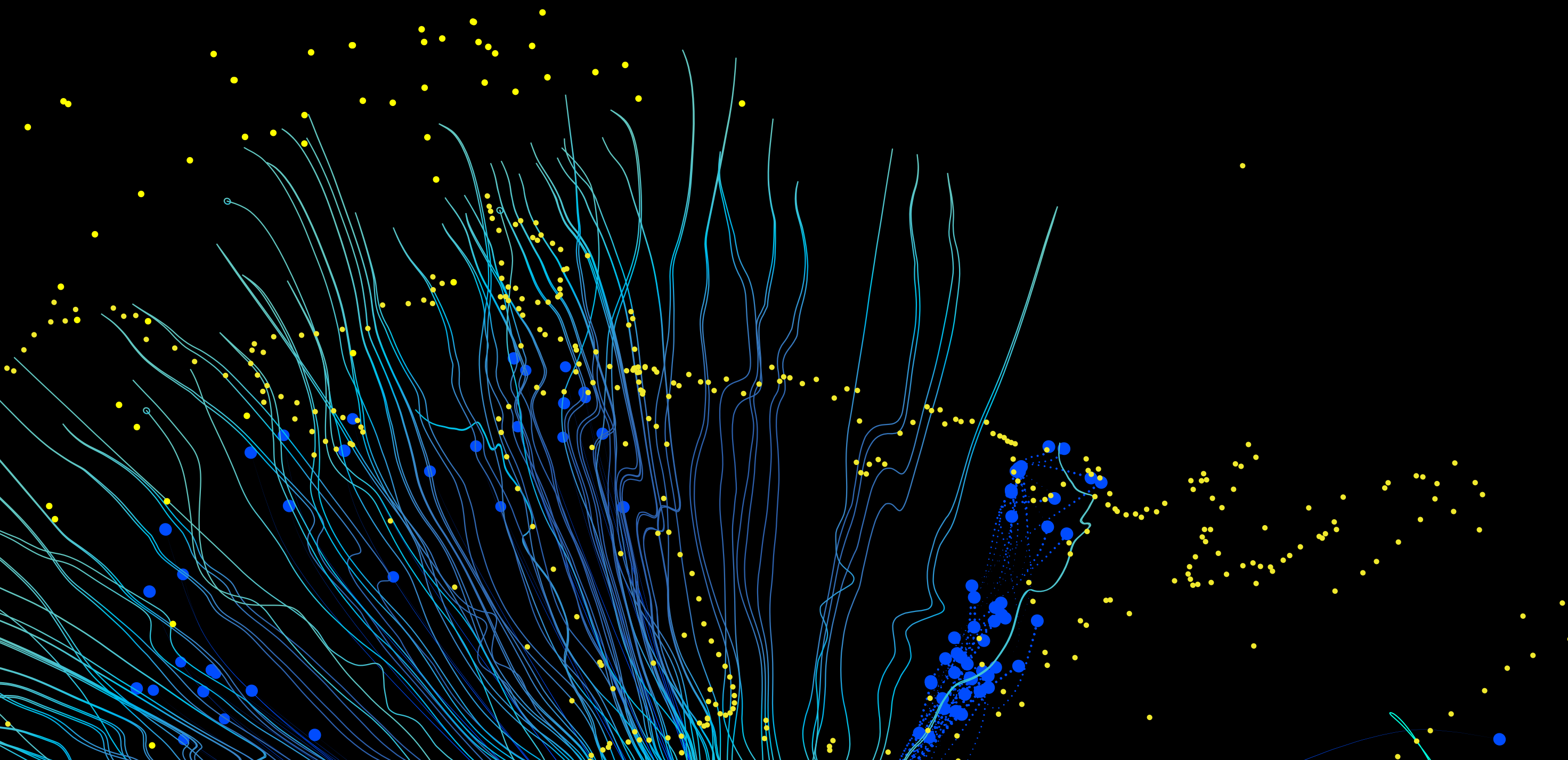
### Europe & Middle East

London, England  
Birmingham, England  
Newcastle, England  
Dublin, Ireland  
Galway, Ireland  
Czestochowa, Poland  
Stockholm, Sweden  
Dubai, UAE  
Malta



# Business Update

EMIL.



Money in Motion

## FY20 Highlights

- Record underlying EBITDA of \$32.5m (excludes acquisition costs) up 10% from \$29.7m in FY19
- Incurred one-off restructure costs of \$0.6m in March – June (included in EBITDA) for \$1.5m recurring savings (FY21 onwards)
- Record NPATA of \$24.0m up 17% from \$20.6m in FY19
- Group underlying cash conversion of EBITDA at 110.1% with \$118.4m of cash on hand at 30 June
- Strong financial performance during the first 8 months of the year before COVID-19 impacted trading conditions
- The Group has a strong balance sheet with significant cash reserves and no senior secured debt ensuring the Group has the resources to successfully execute on our Strategy and be positioned to take advantage of opportunistic M&A
- Acquired and commenced integration of Prepaid Financial Services (Ireland) Limited ('PFS'), which pivots the group to generating the majority of Revenues from the General Purpose Reloadable ('GPR') segment, a long term strategic priority
- Reviewed the Group Strategy post acquisition of PFS in April 2020 and launched Project Accelerator to drive the Group's growth over the next three years
- Signed and launched major new customers in all verticals with sales pipeline momentum evident in all markets
- Post COVID-19 sales momentum strengthened by companies seeking digital payment solutions as part of a global trend to move away from cash payments

## FY20

GDV	REVENUE <sup>1</sup>	EBITDA <sup>1</sup>	UNDERLYING OPERATING CASH FLOW <sup>2</sup>
<b>\$13.88bn</b>	<b>\$121.6M</b>	<b>\$32.5M</b>	<b>\$35.8M</b>
\$9.03bn (FY19) ↑ <b>54%</b>	\$97.2M (FY19) ↑ <b>25%</b>	\$29.7M (FY19) ↑ <b>10%</b>	\$22.0M (FY19) ↑ <b>63%</b>

<sup>1</sup> Revenue, EBITDA & NPATA are stated excluding the impacts of AASB3 Business Combinations, a full reconciliation is provided on page 42 of this Presentation

<sup>2</sup> Underlying operating cashflow is statutory operating cashflow adding back acquisition expense payments, tax and interest expense and deducting the cash FX gain on foreign exchange contracts in connection with the PFS acquisition

# PFS Acquisition

## Acquisition Summary

**\$264.8 million** Upfront enterprise valuation

- **\$157.3 million** paid in cash
- **\$67.2 million** equity consideration: held in voluntary escrow until April 2021 (29.4 million shares)
- **\$40.3 million** Deferred cash payments: GBP 20.0 million falling due on 30 June 2024 (50%) and 30 June 2025 (50%) interest bearing at 2.00% per annum until year 3

No secured debt from the transaction and no net debt post acquisition

**\$76.2 million<sup>1</sup>** Performance based earnout

Maximum performance based earn-out is capped at GBP 55 million (approx. AUD 110.3 million), payable in cash, contingent on PFS achieving annual EBITDA targets for the three financial years ending 30 June 2021 to 2023 reflecting growth of approx. 20% CAGR

[CLICK TO READ ASX UPDATE](#)

<sup>1</sup> Refer AASB3 valuation exercise in note F6 of the 2020 Financial Statements

## Business Summary



**Leading e-Money company and Banking-as-a-Service provider**

Pan-European footprint with strong underlying growth of existing business partner accounts and continued growth of core sector verticals



**Regulated entity**

FCA and CBOI regulated status as issuer of e-money for UK and SEPA region



**Attractive client base**

Deep-rooted client relationships including blue-chip financial institutions, non-financial corporates, SMEs, FinTech companies, public sector and NGOs



**Highly attractive financial profile**

Fast growing non-bank issuer of Mastercard physical and virtual accounts



**BaaS technology embeds sticky, long term relationships**

End-to-end service from digital/mobile banking, program management, analytics, reporting and issuing



**Platform for growth**

Proven track record of new business pipeline delivery. Live in 24 countries across Europe

# PFS Acquisition

## Banking-as-a-Service

**43%** of GDV

- Online / mobile banking and real-time payments
- Issuance of IBANs
- Partial current account switching services



## Government, Local Authority & NGO

**42%** of GDV

- Issuance to unbanked and underbanked individuals
- Online banking and real-time payments
- Real-time, secure funds, distribution and bulk payment



## Other including Multi-Currency Travel Cards

**15%** of GDV

- Customised e-money and digital banking solutions
- Multi-currency cards or e-wallets
- End to end payment services
- Reward and loyalty programmes



## Trading Update

- PFS experienced COVID-19 impacts to Banking-as-a-Service ('BaaS') and multi-currency program volumes
- Multi-currency volumes remain significantly below expected run rates
- BaaS volumes have recovered to now exceed Pre-COVID-19 levels.

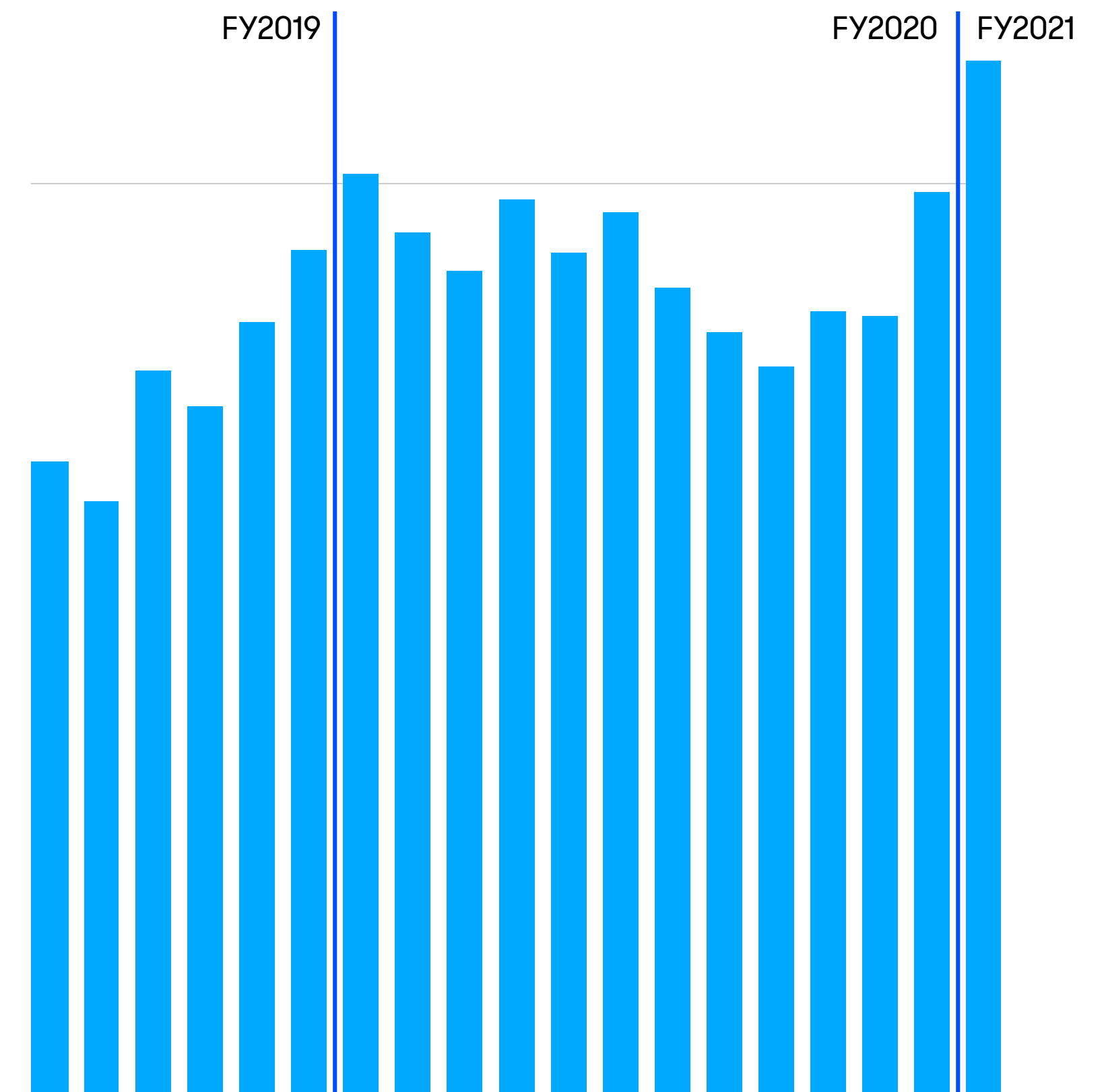
**124bps** APRIL to JUNE 2020

During the three months of ownership, PFS yield has averaged 124bps. Program mix shift (reduced multi-currency GDV), lower interest rates and establishment income being recorded under AASB accounting standards impact yield.

**\$520m** JULY 2020 (FY21) MONTHLY GDV

Combined with resilient & growing GDV from Government & Local Authority programs, PFS recorded their highest ever monthly GDV in July 2020 (FY21).

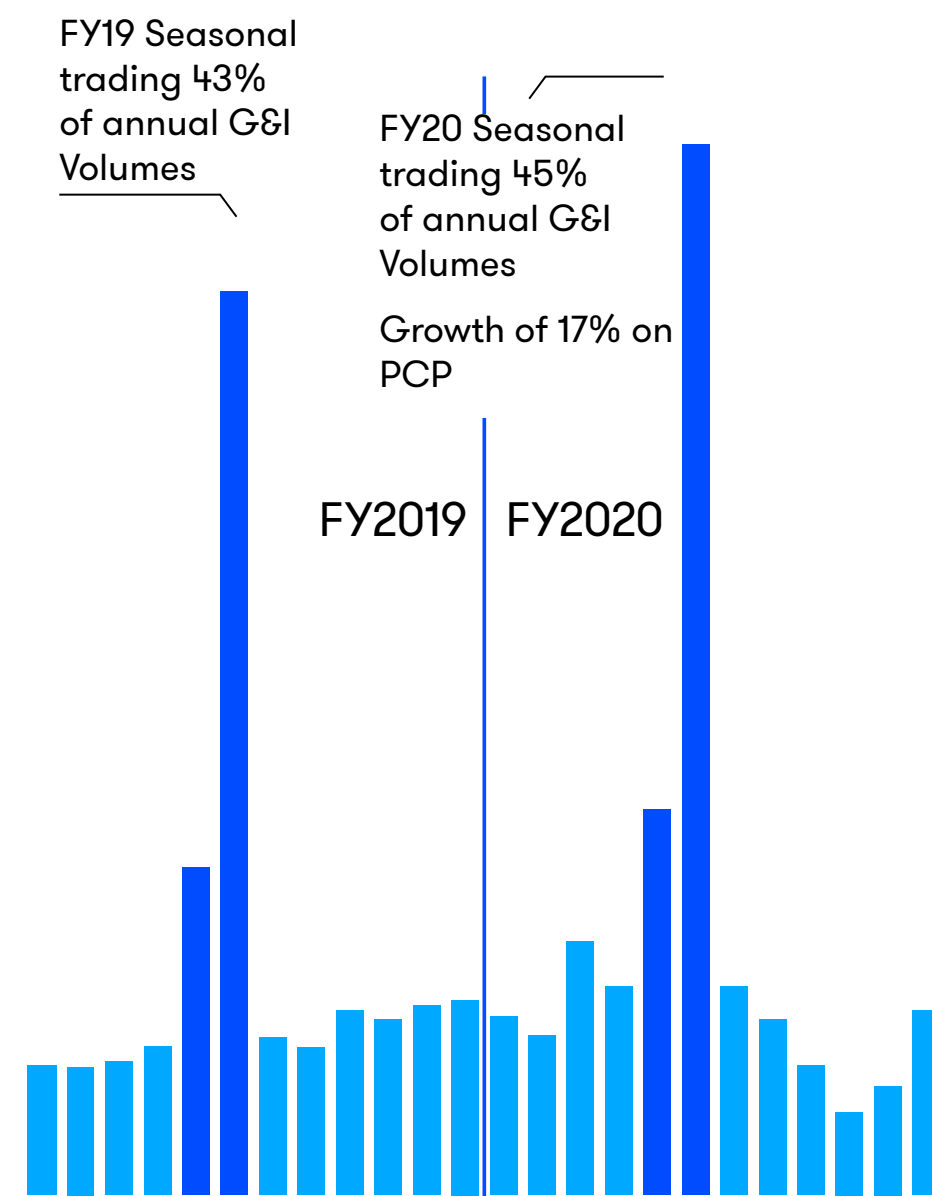
## PFS GROSS DEBIT VOLUME BY MONTH



# Trading update - GDV Trends

## Gift & Incentive

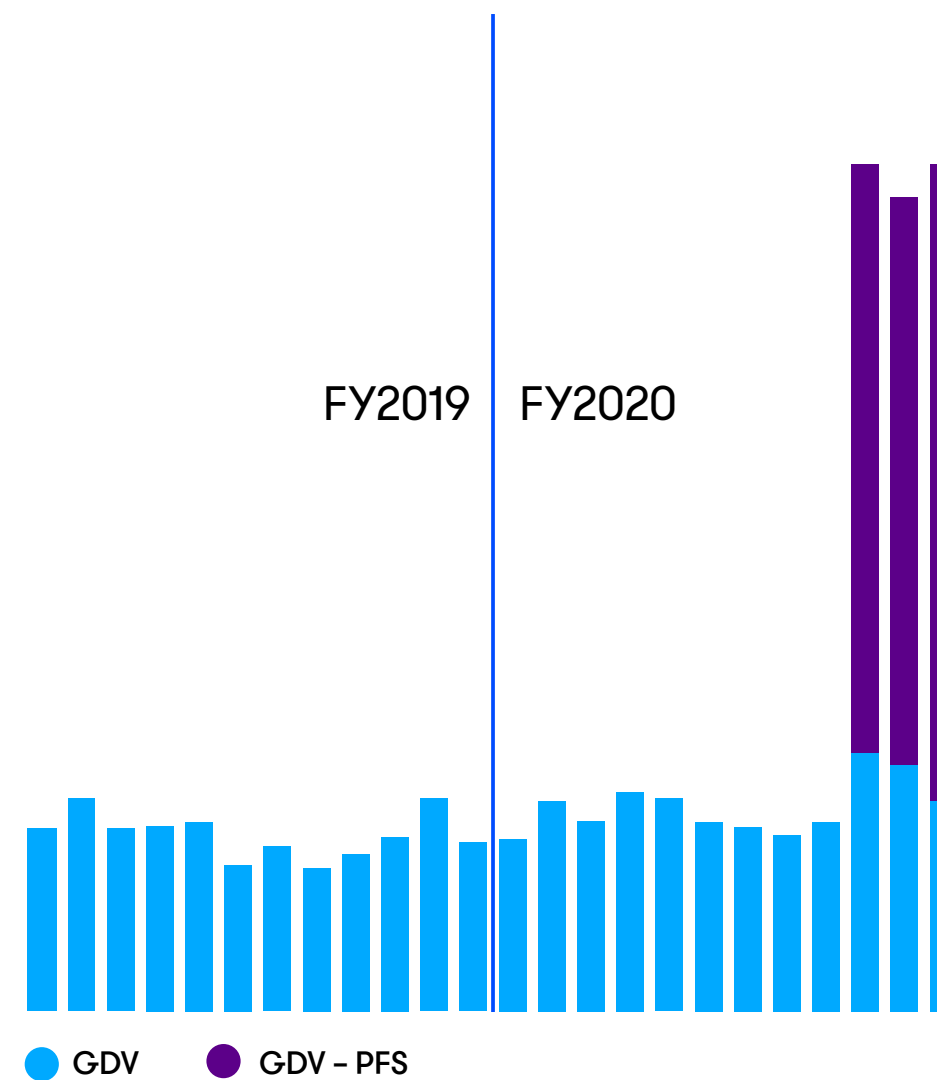
Monthly Gross Debit Volume  
(July 2018 - June 2020)



- Seasonal volumes (November & December) grew 17% over PCP continuing through to a strong January & February which were 26% up on PCP
- COVID-19 impact during March - June 2020 was a 32% decline over PCP bottoming out at c. \$30m GDV in April
- Segment GDV was c. \$70m per month in June & July 2020. Lower GDV from mall programs was offset by stronger GDV in incentive programs, particularly for online retailers. The mix of incentive programs increased to 50% of segment volumes in June & July.

## General Purpose Reloadable

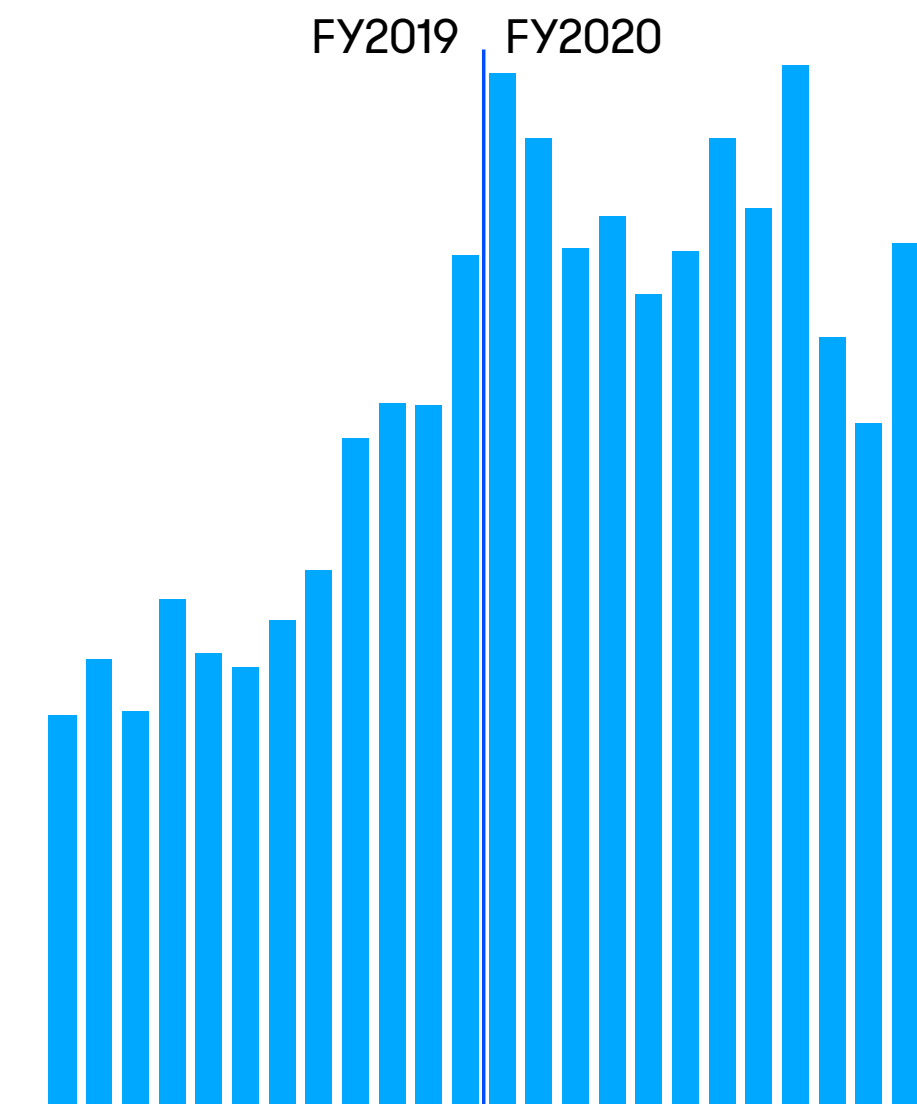
Monthly Gross Debit Volume  
(July 2018 - June 2020)



- Record GDV in Q4 as Salary Packaging continues to transition.
- Volumes have proven resilient through COVID-19 in most programs including gaming payouts
- PFS GDV recovered to record run rates in June after the COVID-19 impact in March (pre-acquisition) driven by Banking-as-a-Service & Government programs. Multicurrency program volumes remain impacted by COVID-19

## VANs

Monthly Gross Debit Volume  
(July 2018 - June 2020)



- VANS customers in the health industry were impacted by a slowdown in health spending during the pandemic



# Business Development Update.

EML empowers payments for major companies across multiple industries. We are targeting growing sectors in FINTECH, Rewards and Incentives with “As A Service” (AaS) solutions for banking (Multi-Currency, IBAN, Money Transfer), lending (BNPL, Neo-lenders), salary (Payroll, Salary Packaging, Wages on Demand) and disbursements (Gaming, Insurance, Charity, Government). As the transition to digital payments accelerates around the world, our growth opportunities within these sectors is expected to rapidly increase.

Currently, we operate in 28 countries. Our geographic reach provides new opportunities as markets and economies emerge from the impact of COVID-19. Our increased size and scalable solutions, married to a strong balance sheet, give us a significant competitive advantage.

We currently generate the majority of our revenue from General Purpose Reloadable (GPR) products, which have been a strategic focus since our inception and part of our long-term ambition to be the “FINTECH to the FINTECHS.” We are expanding investments in our product offerings and technology platforms to meet the needs of the rapidly evolving digital payment space in the coming years.

The benefit of these investments are evident in the number of new program launches and new client contracts that we have entered into, and in our robust sales pipeline. While not immediately material, we believe they reflect the breadth and depth of the opportunities before us in the near term.


















Gift & Incentive	Disbursements as a Service	Fintech and Banking as a Service	ControlPay		
<div data-bbox="1152 634 1412 752"> <p>Launched</p> </div> <div data-bbox="1452 634 1712 752"> <p>Launched</p> </div>	<div data-bbox="1819 634 2079 752"> <p>Launched</p> </div> <div data-bbox="2119 634 2379 752"> <p>Launch: Q1 FY21</p> </div>	<div data-bbox="2475 634 2735 752"> <p>Launched</p> </div>	<div data-bbox="2835 634 3095 752"> <p>Launched</p> </div>		
<div data-bbox="1152 784 1412 883"> <p>Launched</p> </div> <div data-bbox="1452 784 1712 883"> <p>Launched (Austria)</p> </div>	<div data-bbox="1819 784 2079 883"> <p>Launched</p> </div> <div data-bbox="2119 784 2379 883"> <p>Launch: Q2 FY21</p> </div>	<div data-bbox="2475 784 2735 883"> <p>Launch: Q2 FY21</p> </div>	<div data-bbox="2835 784 3095 883"> <p>Launch: Q1 FY21</p> </div>		
<div data-bbox="1152 915 1412 1014"> <p>Launched</p> </div> <div data-bbox="1452 915 1712 1014"> <p>Launched</p> </div>	<div data-bbox="1819 915 2079 1014"> <p>Launched</p> </div> <div data-bbox="2119 915 2379 1014"> <p>Launch: Q2 FY21</p> </div>	<div data-bbox="2475 915 2735 1014"> <p>Launch: Q2 FY21</p> </div>	<div data-bbox="2835 915 3095 1014"> <p>Launch: Q3 FY21</p> </div>		
<div data-bbox="1152 1046 1412 1146"> <p>Launched</p> </div> <div data-bbox="1452 1046 1712 1146"> <p>Launched</p> </div>	<th colspan="2" data-bbox="1769 1076 2425 1133">Salary as a Service</th>	Salary as a Service		<div data-bbox="2475 1046 2735 1146"> <p>Launch: Q2 FY21</p> </div>	<div data-bbox="2835 1046 3095 1146"> <p>Launched</p> </div>
<div data-bbox="1152 1178 1412 1277"> <p>Launched</p> </div> <div data-bbox="1452 1178 1712 1277"> <p>Launched</p> </div>	<div data-bbox="1819 1178 2079 1277"> <p>Launched</p> </div> <div data-bbox="2119 1178 2379 1277"> <p>Launched</p> </div>	<div data-bbox="2475 1178 2735 1277"> <p>Launched</p> </div>			
<div data-bbox="1152 1309 1412 1408"> <p>Launched</p> </div> <div data-bbox="1452 1309 1712 1408"> <p>Launched</p> </div>	<div data-bbox="1819 1309 2079 1408"> <p>Launched</p> </div>				
<div data-bbox="1152 1440 1412 1540"> <p>Launched</p> </div> <div data-bbox="1452 1440 1712 1540"> <p>Launched</p> </div>	<th data-bbox="1769 1470 2425 1527">VANS</th>	VANS			
<div data-bbox="1152 1572 1412 1690"> <p>Launched</p> </div>	<div data-bbox="1819 1572 2079 1690"> <p>Launched</p> </div>				

● Retail  
● Incentive

Click on any panel to learn more about our clients and their business.

This list is illustrative and is not intended to be fully inclusive of all programs signed or launched since 1 January 2020.

# New Business Update

Gift & Incentive	Fintech and Banking as a Service	Salary as a Service	ControlPay	Disbursements as a Service
 <p>Program manager migrating payment solutions for Consumer and corporate incentive and reward programs.</p> <p><b>Australia. Expected launch: Q3 FY21</b></p>	 <p>Digital Payment Solution to meet the unserved market demand for cash-flow management and payment flexibility.</p> <p><b>Australia. Expected Launch: Q2 FY21</b></p>	 <p>Devengo provides employers the ability to pay their employees on a flexible basis, as well as allowing cardholders to shop tax free based on Spanish regulations. Cardholders will also have access to salary advance payments loaded onto the card.</p> <p><b>Spain. Expected Launch: Q2 FY21</b></p>	 <p>Digital Payment Solution supporting the option to buy now pay later instore or online in the UK and Australia.</p> <p><b>UK, Australia. Expected launch: Q2 FY21</b></p>	 <p>Atlantis Gaming Corp: Prepaid disbursement card for winnings in the US. Daily Fantasy Sports Site/Operator.</p> <p><b>USA. Expected launch Q2 FY21</b></p>
 <p>The AVIA by SOSHOP.CLUB card is closed loop card which will allow the AVIA customer to buy fuel but also all the other products available at AVIA stations.</p> <p><b>France. Expected launch: Q3 FY21</b></p>	 <p>ImageNPay is a digital &amp; mobile platform that lets consumers personalise digital payment cards on their phone with their favourite images and dynamic content.</p> <p><b>UK. Expected launch: Q3 FY21</b></p>	 <p>Business expenses card linked to business expenses platform.</p> <p><b>Germany. Estimated launch: Q3 FY21</b></p>	 <p>Provision of single use Virtual Card Numbers (VCNs) to support the BNPL app for rental bond payments.</p> <p><b>Australia. Expected Launch: Q2 FY21</b></p>	 <p>The card is designed to help support families and carers with expenses and bills for live in care supported users. Currently launched in a beta.</p> <p><b>UK. Full Launch Date: Q3 FY21</b></p>
 <p>Incentive reseller. Program manager migrating payment solutions for Consumer and corporate incentive and reward programs.</p> <p><b>USA. Expected Launch: Q2 FY21</b></p>	 <p>OKAYMO is a peer to peer app sending funds instantly between friends, family or shopping.</p> <p><b>France. Expected launch: Q2 FY21</b></p>	 <p>Reloadable card for the money transfers from Spain. Offering a Spanish IBAN for EUR cards.</p> <p><b>Spain. Expected launch: Q3 FY21</b></p>	 <p>The program will utilise ControlPay to support a revolving credit line to their customers. The card will be linked to the fintech's existing product, the Elfin Purse, and will let customers make transactions and withdrawals on the go.</p> <p><b>UK. Estimated launch: Q2 FY21</b></p>	 <p>COVID-19 relief funds disbursement program using Pays. Extended our relationship with United Way to launch in California.</p> <p><b>USA. Expected Launch: Q1 FY21</b></p>
	 <p>The Reputation exchange work with Celebrities, cities, brands and sports teams connect with their fans and monetize their brand.</p> <p><b>UK. Expected launch: Q3 FY21</b></p>		 <p>Creal.sa offer alternative financing services to SMEs such as the discount of promissory notes, invoices and offer of credit lines.</p> <p><b>Spain. Expected launch: Q3 FY21</b></p>	<p><b>Click on any panel to learn more about our client's and their business.</b></p>

This list is illustrative and is not intended to be fully inclusive of all programs signed or launched since 1 January 2020.

# FY20 Business Update

GDV  
**\$13.88bn**

REVENUE  
**\$121.6M**

YIELD  
**88bps**

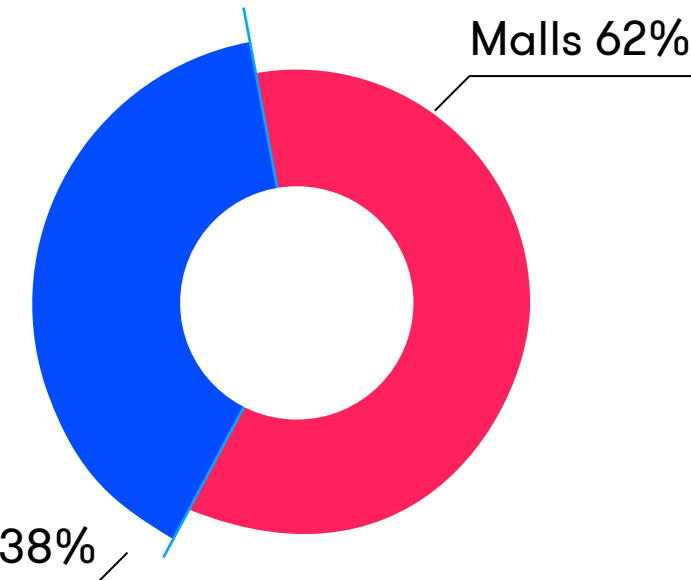
GP  
**\$88.7M**

GP%  
**72.9%**

SEGMENT COUNTRIES CUSTOMER INDUSTRY YIELD REVENUE GP% GP/ACCOUNT

G&I  
**\$1.17bn**  
PCP \$1.06bn

AU EU NA



**581bps**  
PCP 627bps

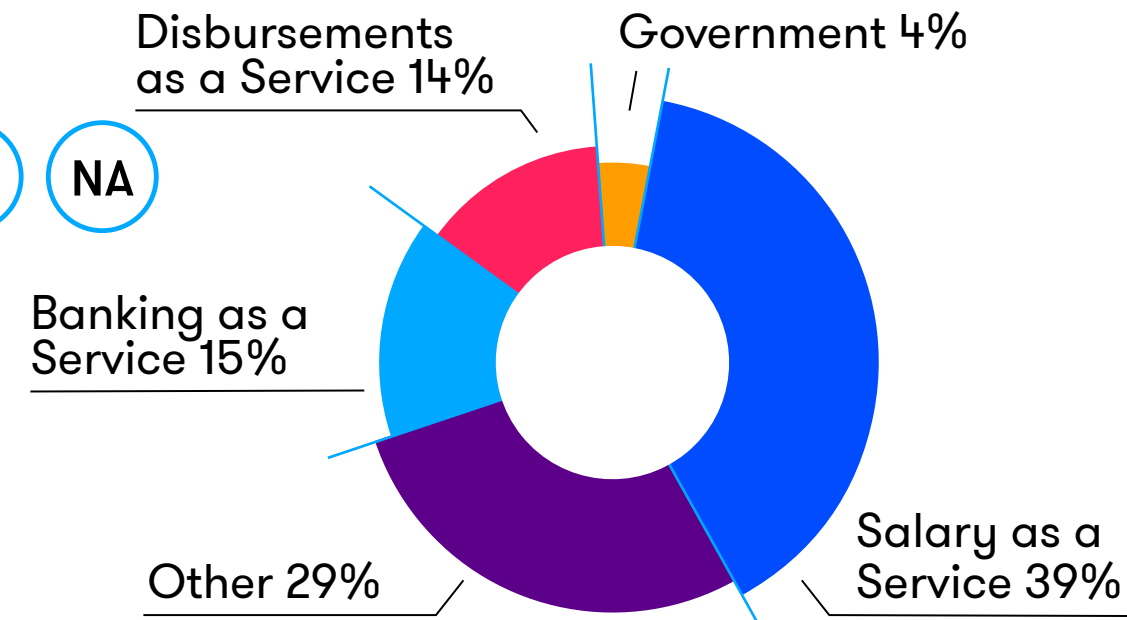
**\$68.2M**  
PCP \$66.4M

**82.1%**  
PCP 78.9%

**\$5.44**

GPR  
**\$2.98bn**  
PCP \$2.74bn

AU EU NA



**99bps**  
PCP 86bps

**\$41.9M**  
PCP \$23.9m

**59.7%**  
PCP 66.0%

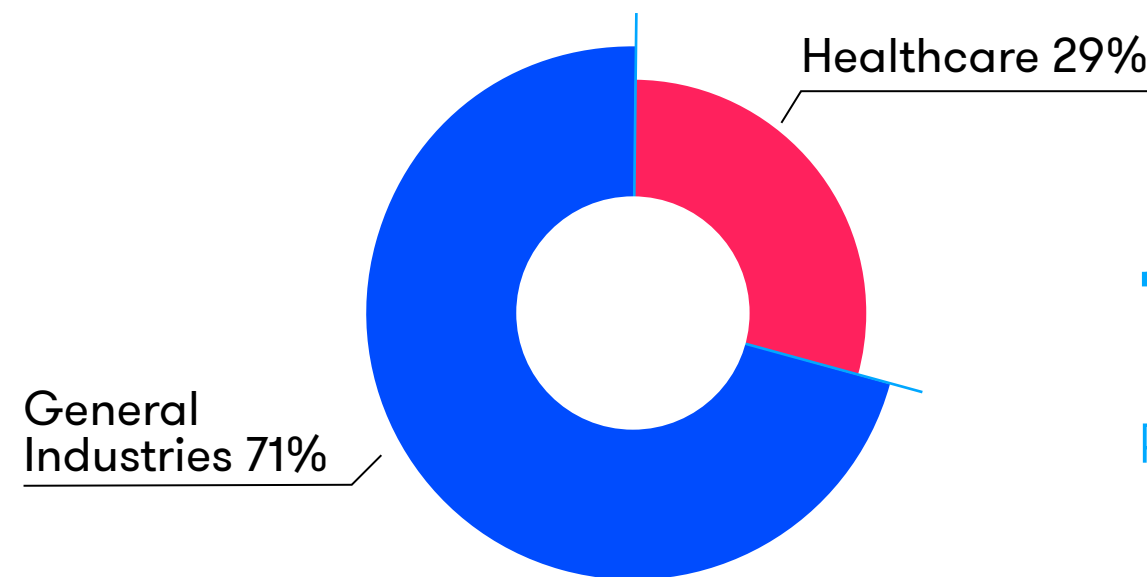
**\$25.41**

PFS  
**\$1.25bn**  
PCP \$nil

EU

VANs  
**\$8.47bn**  
PCP \$5.23bn

NA



**13bps**  
PCP 12bps

**\$10.7M**  
PCP \$6.4M

**64.8%**  
PCP 68.1%

**\$0.38**

# FY20 Business Update

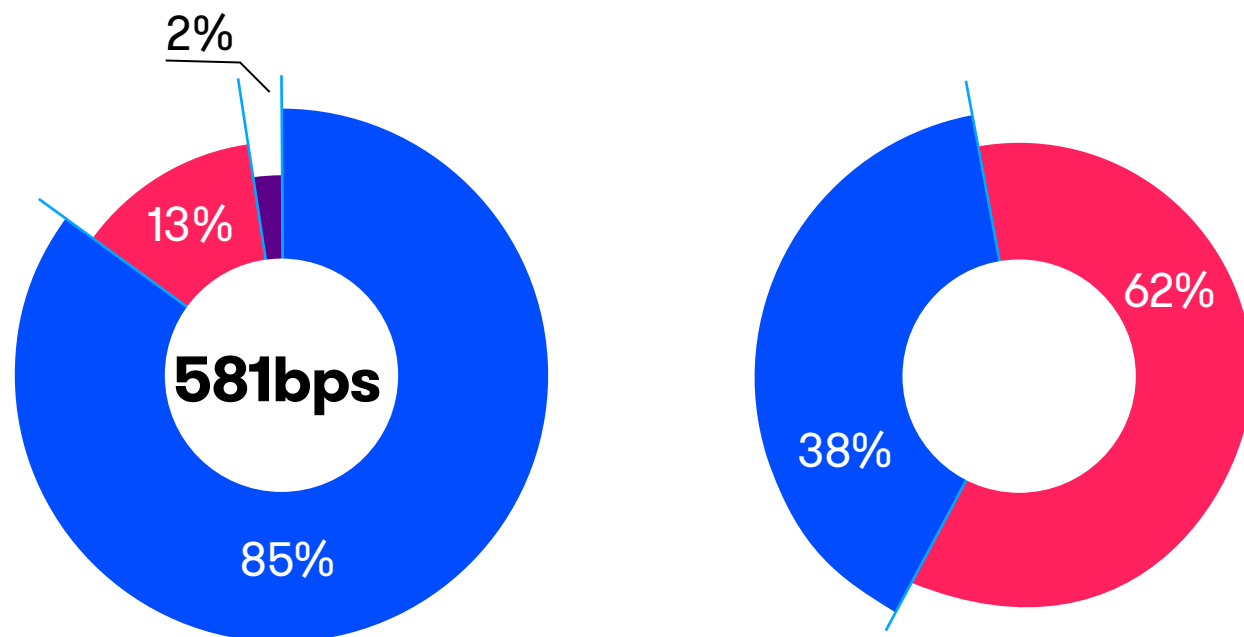
## Gift & Incentive

GDV	Revenue
<b>\$1.17bn</b>	<b>\$68.2M</b>
\$1.06bn (FY19)	\$66.4M (FY19)

### Revenue up 3% on pcp:

- Malls business impacted by COVID-19 from March 2020 with volumes reaching a low of \$5.2m in April (down 87% vs February)
- Non-malls volumes continue to grow, now accounting for 50% of total segment GDV in June (PCP: 42%)
- Driven by Europe, June 2020 Group mall volumes recovered to 76% of February 2020 & 73% of June 2019 volumes.

### Sources and Drivers of revenue



- Establishment Revenue
- Recurring Operating Revenue
- Interest Income
- Non – Mall Incentives
- Mall Gifts

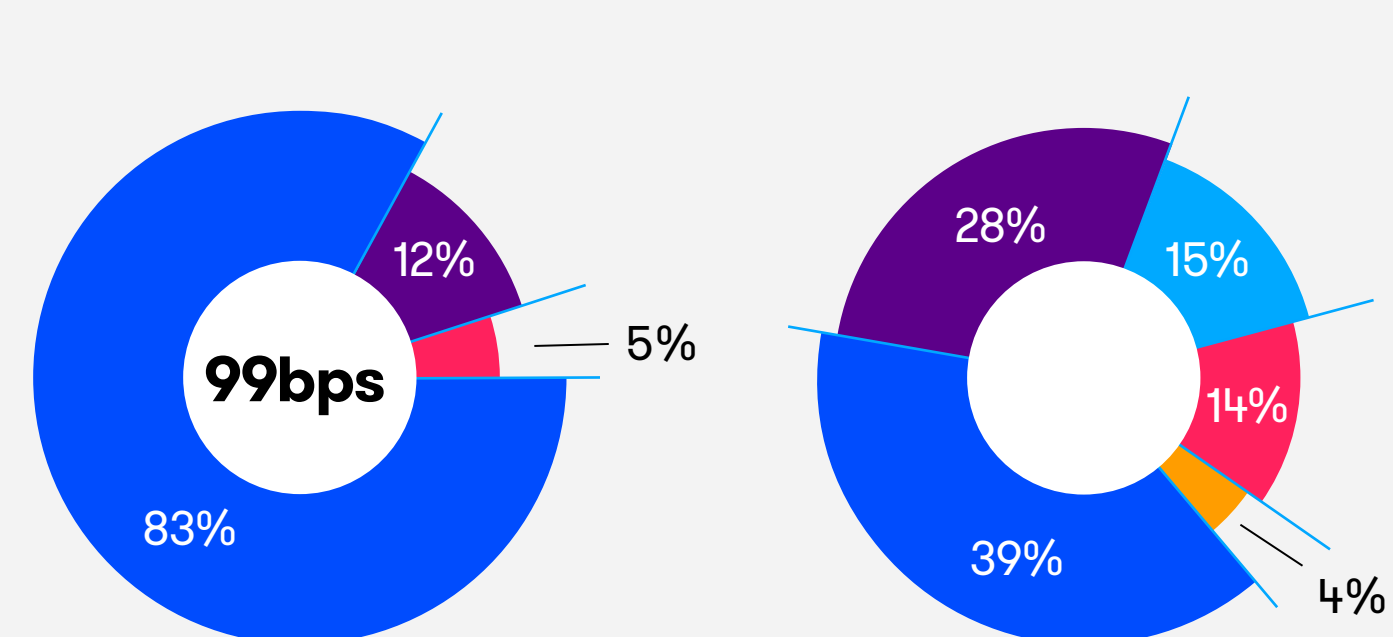
## General Purpose Reloadable (GPR) (Including PFS for 1 April to 30 June 2020)

GDV	Revenue
<b>\$4.23bn</b>	<b>\$41.9M</b>
\$2.74bn (FY19)	\$23.9M (FY19)

### Revenue up 75.3% on pcp:

- Organic growth in Salary Packaging drove non-PFS segment growth in FY20 up 9% for FY20 whilst Q4 was up 16% compared to the same period last year despite COVID-19
- The PFS acquisition transformed the Group and segment which is now weighted by GDV and growth rates to fast growth programs. PFS contributed \$1.25bn in Q4

### Sources and Drivers of revenue



- Establishment Revenue
- Recurring Operating Revenue
- Interest Income
- Fintech and Banking as a Service
- Salary as a Service
- Disbursements as a Service
- Government
- Other

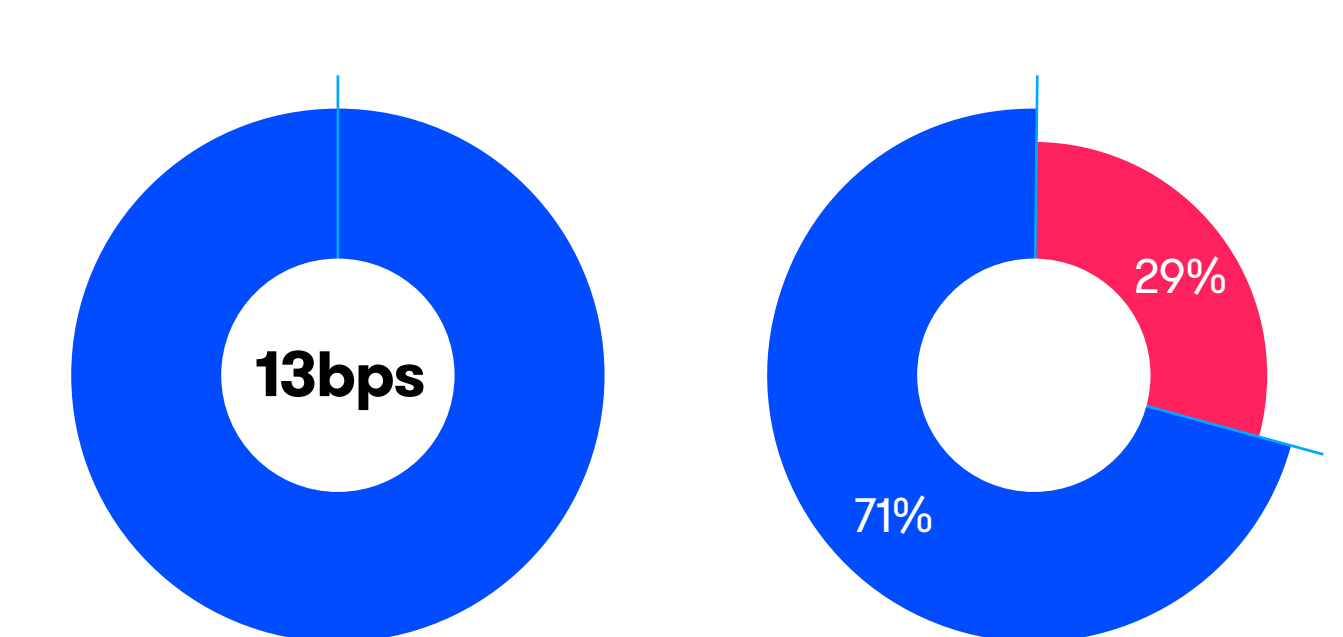
## Virtual Account Numbers (VANS)

GDV	Revenue
<b>\$8.47bn</b>	<b>\$10.7M</b>
\$5.23bn (FY19)	\$6.4M (FY19)

### Revenue up 66% on pcp:

- Growth in line with expectations for the segment
- Segment has been resilient to the impacts of COVID-19 with a small level of volume impact due to delayed healthcare visits impacting VANS processing volumes
- Exit run rate at June 2020 of c.\$685m GDV per month converting to revenue at a rate of 13bps, recovered to be less than 5% below pre-COVID-19 levels

### Sources of revenue



- Recurring Operating Revenue
- General Industries
- Healthcare

# Our Journey

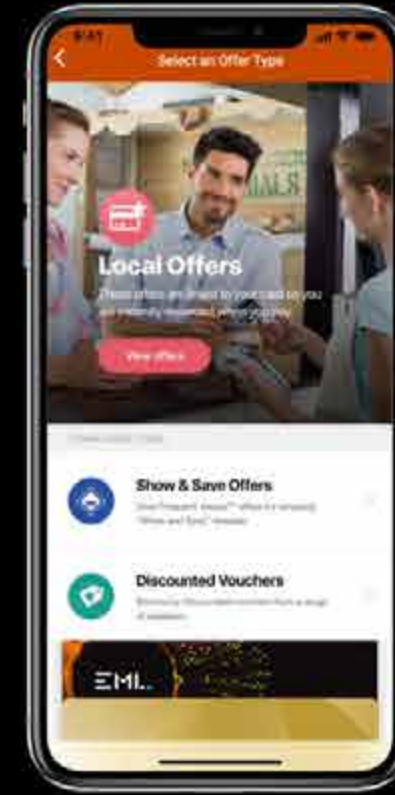
- Incentives
- B2B & B2C Cards



- Launch of GPR in Australia



- Launch of GPR in UK and Europe
- Mastercard licence



- Launch of GPR in North America
- Launch of Mobile Rewards
- Expansion into Scandinavia



- Launch of largest European mall program
- Expand into Poland
- Expanded technology use cases
- ControlPay
- Instant mobile gift

2011    2012    2013    2014    2015    2016    2017    2018    2019    2020



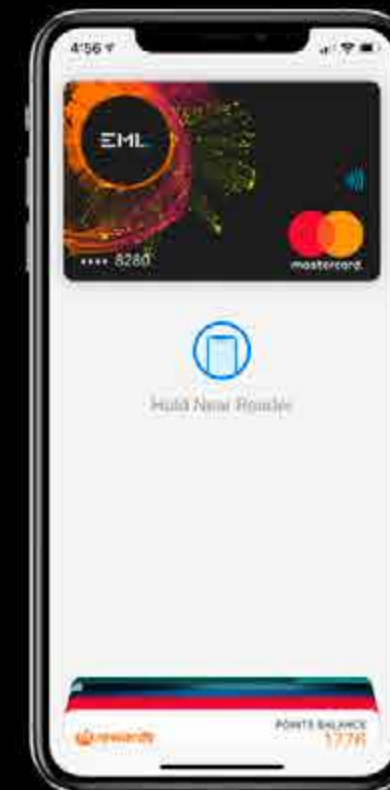
- Heritage-Issued Visa Integration



- Expansion into the UK and Europe



- Expansion into the USA and Canada
- Obtain MC licence in Australia

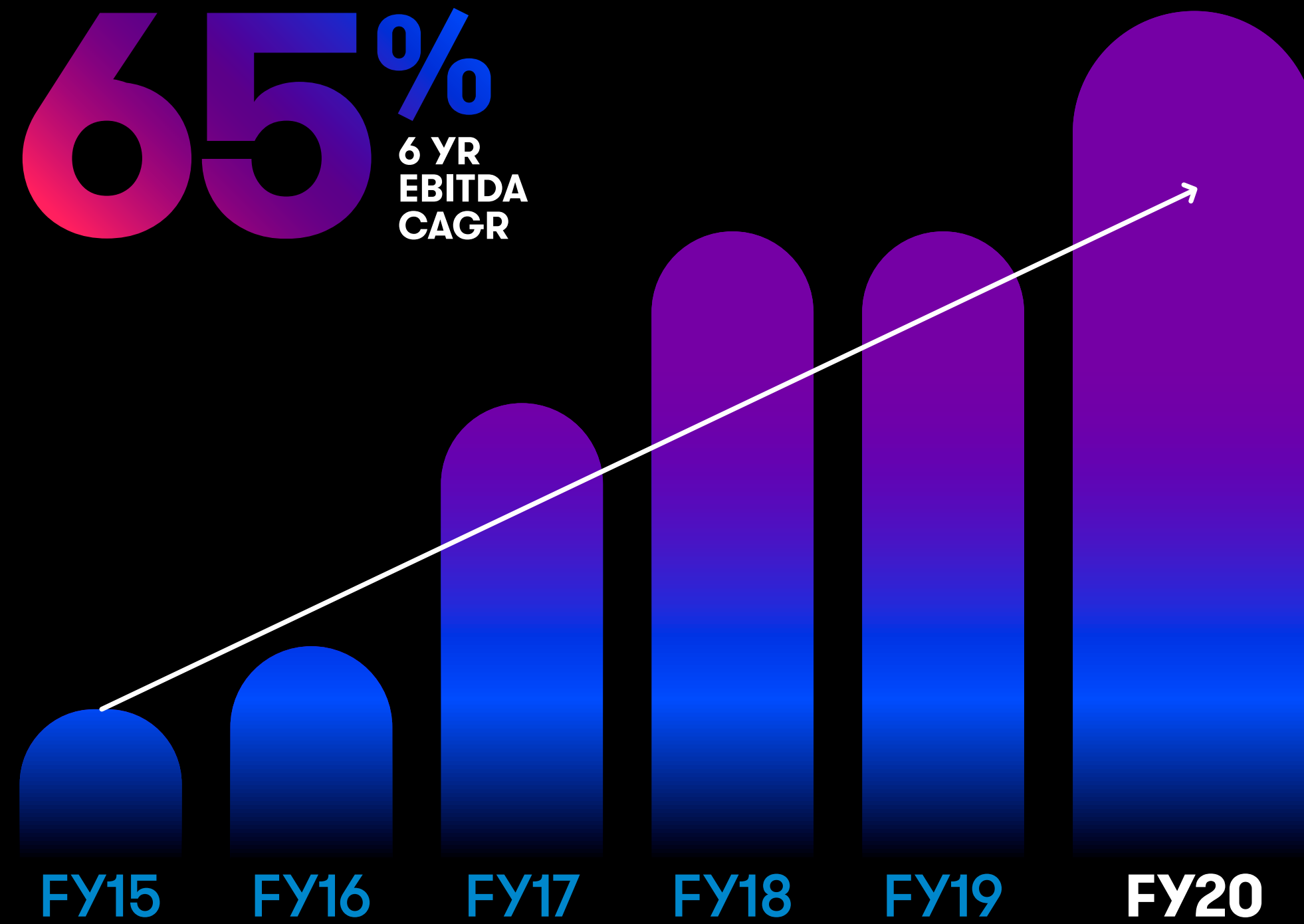


- Launch of mobile payments
- Obtain E-money licence in Europe



- Launch of EML Connect
- Acquisition of Prepaid Financial Services (PFS) for further expansion into Europe while adding new services:
  - Multi currency
  - Payments as a service

# Track Record of Growth



	FY15	FY16	FY17	FY18	FY19	FY20
<b>GDV</b>	\$0.5B	\$1.0bn	\$4.4bn	\$6.8bn	\$9.0bn	\$13.9bn
<b>REVENUE</b>	\$14.4m	\$23.3M	\$58.0M	\$71.0M	\$97.2M	\$121.6M
<b>EBITDA</b>	\$2.6M	\$5.0M	\$14.5M	\$21.0M	\$29.7M	\$32.5M
<b>HEADCOUNT</b>	55	150	170	182	275	450
<b>COUNTRIES</b>	10	13	13	21	23	28

# Growth Drivers

## BANKING AS A SERVICE

— Continued growth in Baas programs driven by increasing fragmentation of the traditional banking sector

## FINTECH

— Partnering with disruptive new technology players across a variety of industries

## SALARY AS A SERVICE

— Ending FY21 with ~300,000 active salary packaging accounts and a new programs centred on Payroll and wage access

## CONTROLPAY

— Expansion into the BNPL segment with multiple customers in all regions, supported by neo-lenders adopting digital first customer experiences with improved risk management

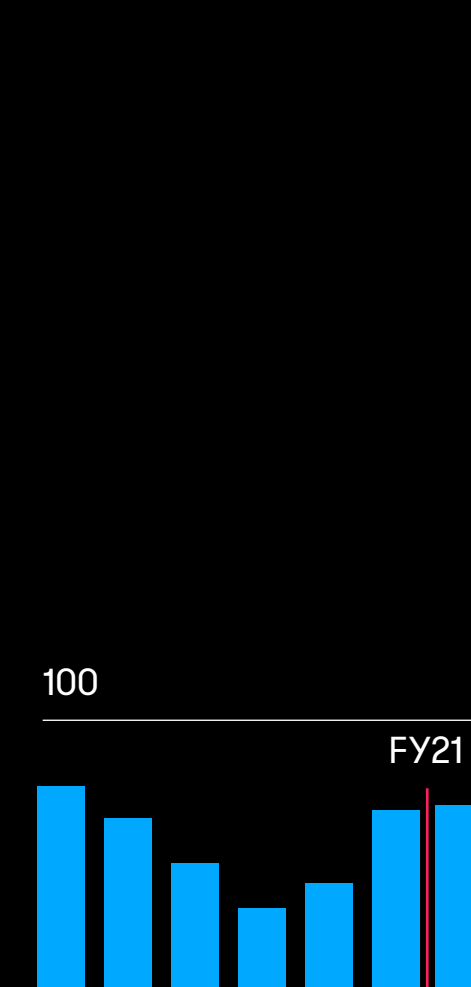
## DIGITAL INCENTIVE PROGRAMS

— Our innovative PAYS mobile gifting programs are growing through new partnerships and programs, displacing traditional physical gift card incentive programs

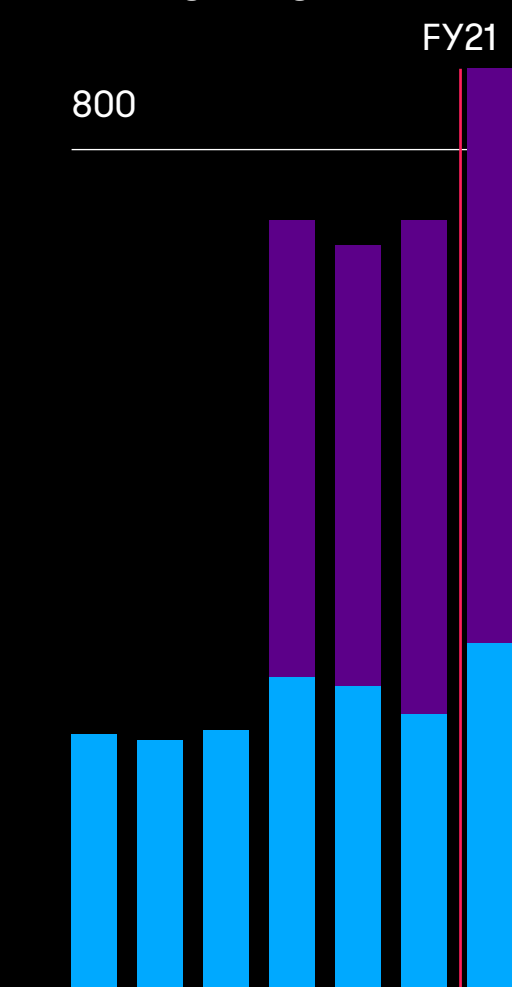
## MALL GIFT CARDS

— Recovery in mall gift cards in a post-Covid world provide earnings upside

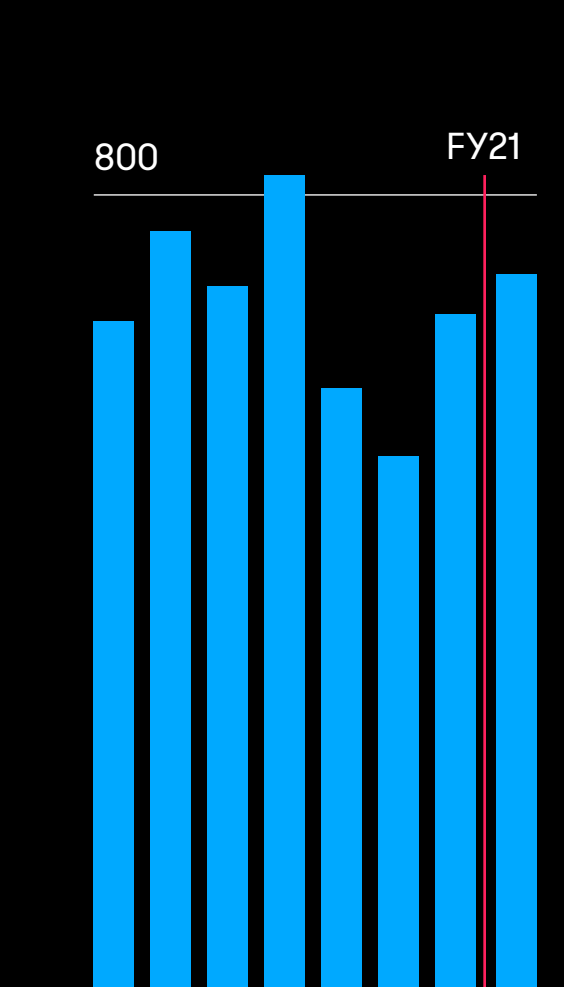
G&I GDV  
January - July 2020



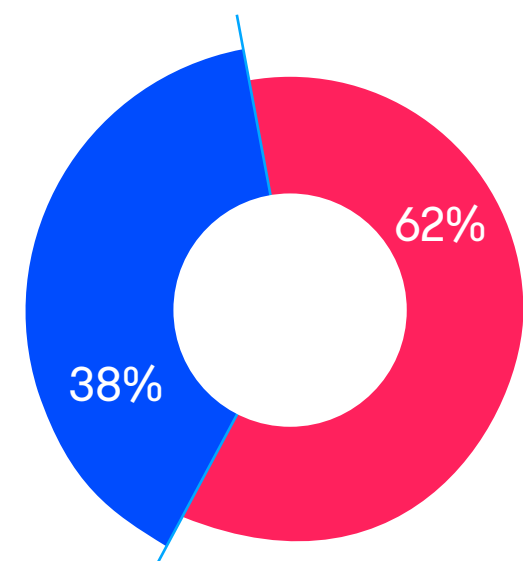
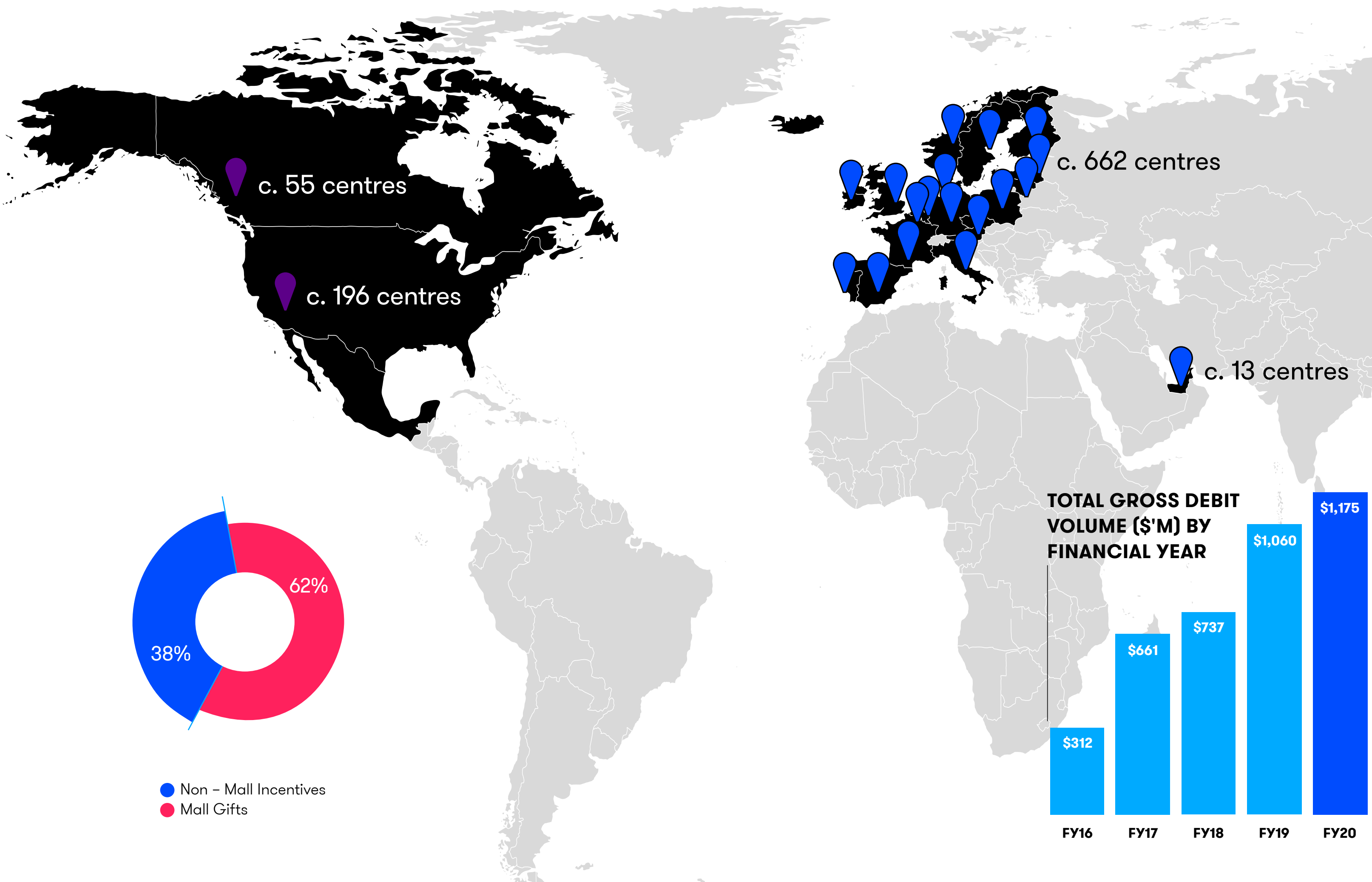
GPR GDV  
January - July 2020



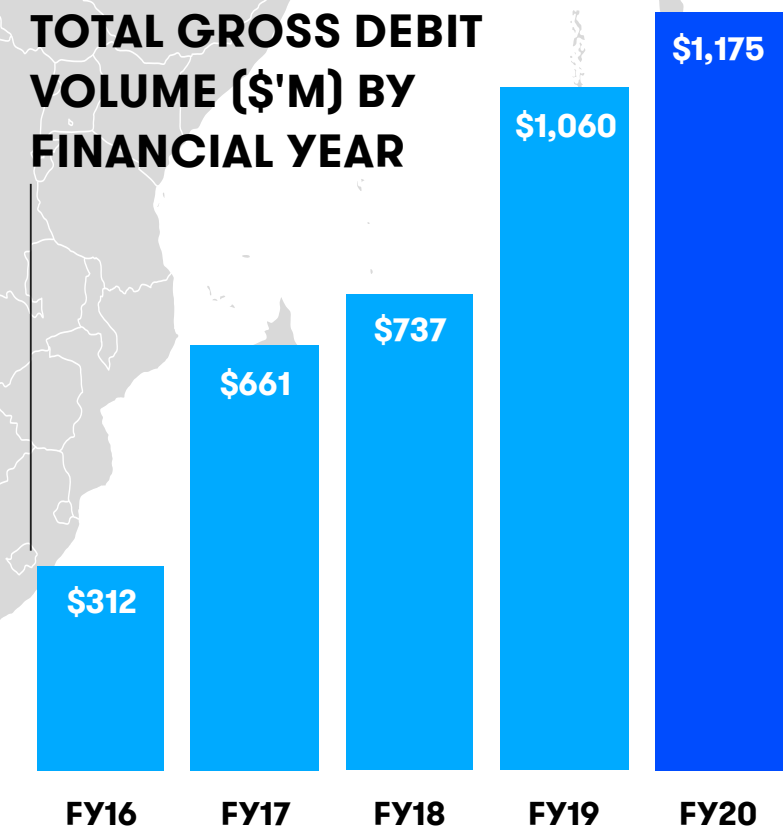
VANS GDV  
January - July 2020



# Gift and Incentive



● Non - Mall Incentives  
● Mall Gifts



## COVID-19 Impact

Mall programs in our Gift & Incentive segment were negatively impacted by mall closures, social distancing and unmanned kiosks leading to lower GDV in March through June. We remain cautious in our outlook for the immediate 12 months as the impact of these challenges looks set to continue for the foreseeable months ahead. Lower gift card redemptions over the period to June 2020 have not been factored into breakage rates pending further data over the next 12 months.

## Focus on incentives and mobile pays

EML supports over 1,200 malls globally and we will maintain our industry leading position. Whilst COVID-19 has impacted our shopping mall programs, new and existing consumer cashback and incentive programs have rebounded quicker as we gain share through our innovative mobile pays technology. Further growth in non-mall incentive programs will drive G&I segment growth

## EML Connect

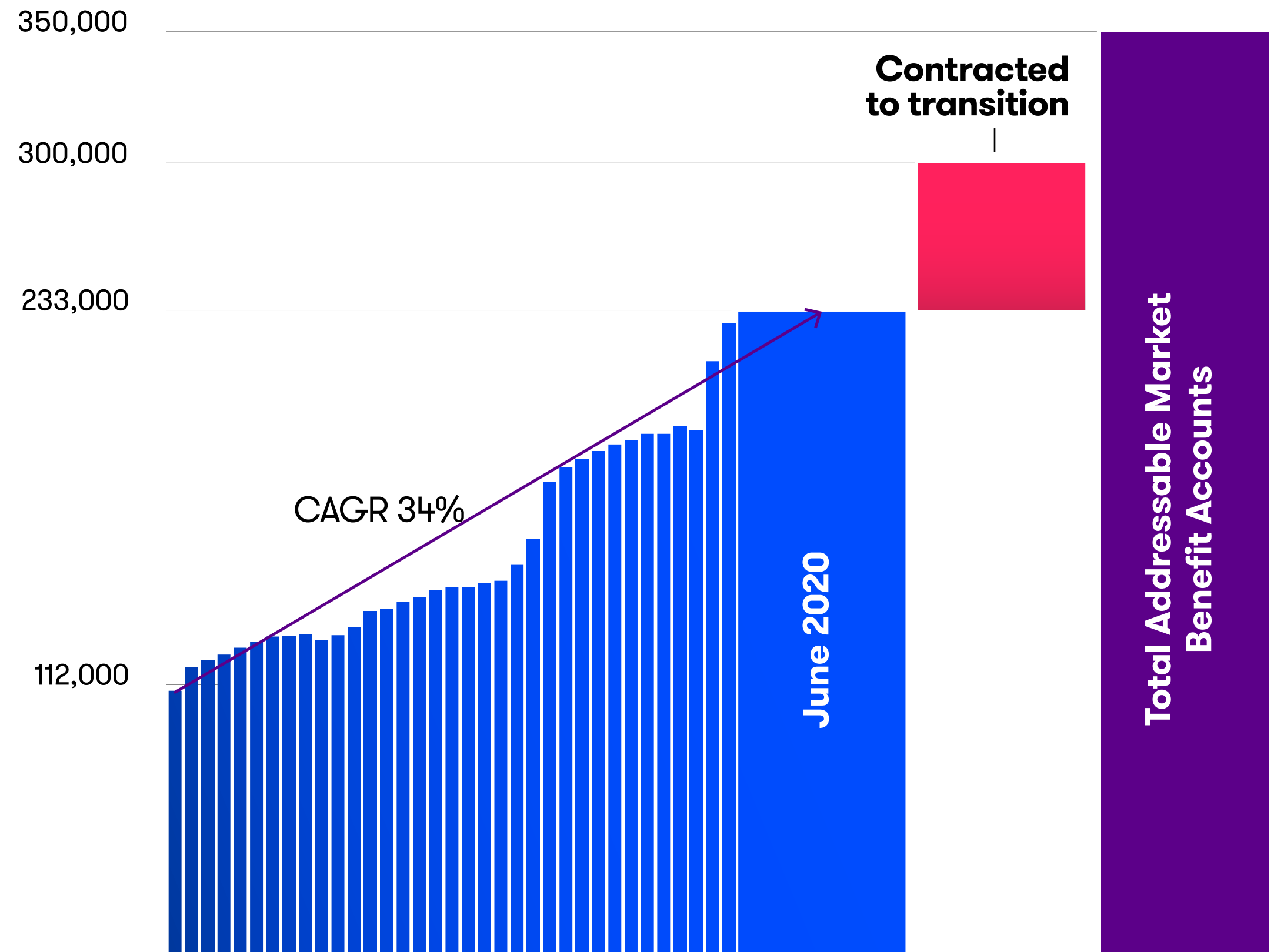
In late FY20 we launched EML Connect, an innovative platform for our customers to connect with EMLs systems in a secure manner. Our mall partners will transition to this portal in FY21 giving them a single interface to access mobile, physical and virtual cards for in person or online distribution

## UAE Closure

Following a strategic review, in June 2020, the Group has decided to discontinue operations in the UAE to focus resources and efforts on core operations. In FY20, the UAE contributed GDV of \$31.6m, Revenue of \$0.7m and an EBITDA loss of \$0.5m

# Salary Packaging Update

## Salary Packaging Benefit Accounts



**233k** BENEFIT ACCOUNTS

at June 2020 (PCP 175k)

**300k** BENEFIT ACCOUNTS

Addressable audience exceeds 350k benefit accounts

Smart Group and NSW Health transition is on track

Salary Packaging is a specialised prepaid Payroll card for healthcare and not for profit workers.

EML is the largest provider of payment solutions to the Salary Packaging industry with more than 233,000 benefit accounts already in market with a further 67,000 to transition in FY21.

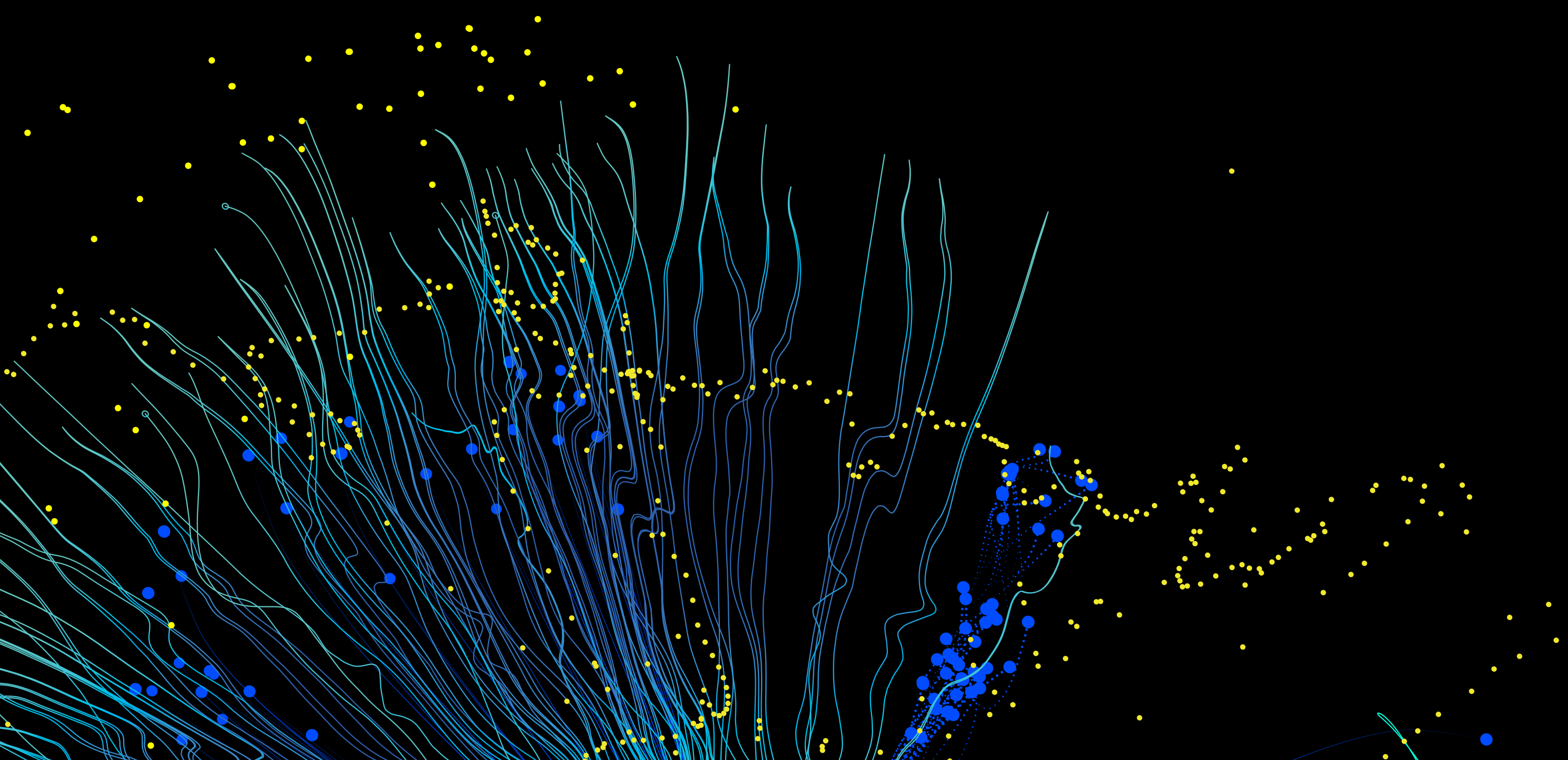
Total annual Gross Debit Volume for this vertical is expected to be approximately \$2.5 billion once the transition is complete.

Transition expected to complete in FY2021 with the segment generating approximately \$18M of revenue annually and a weighted average contract of 5.6 years.



# Strategy Update - Accelerator

EMIL.



Money in Motion

## Mission.

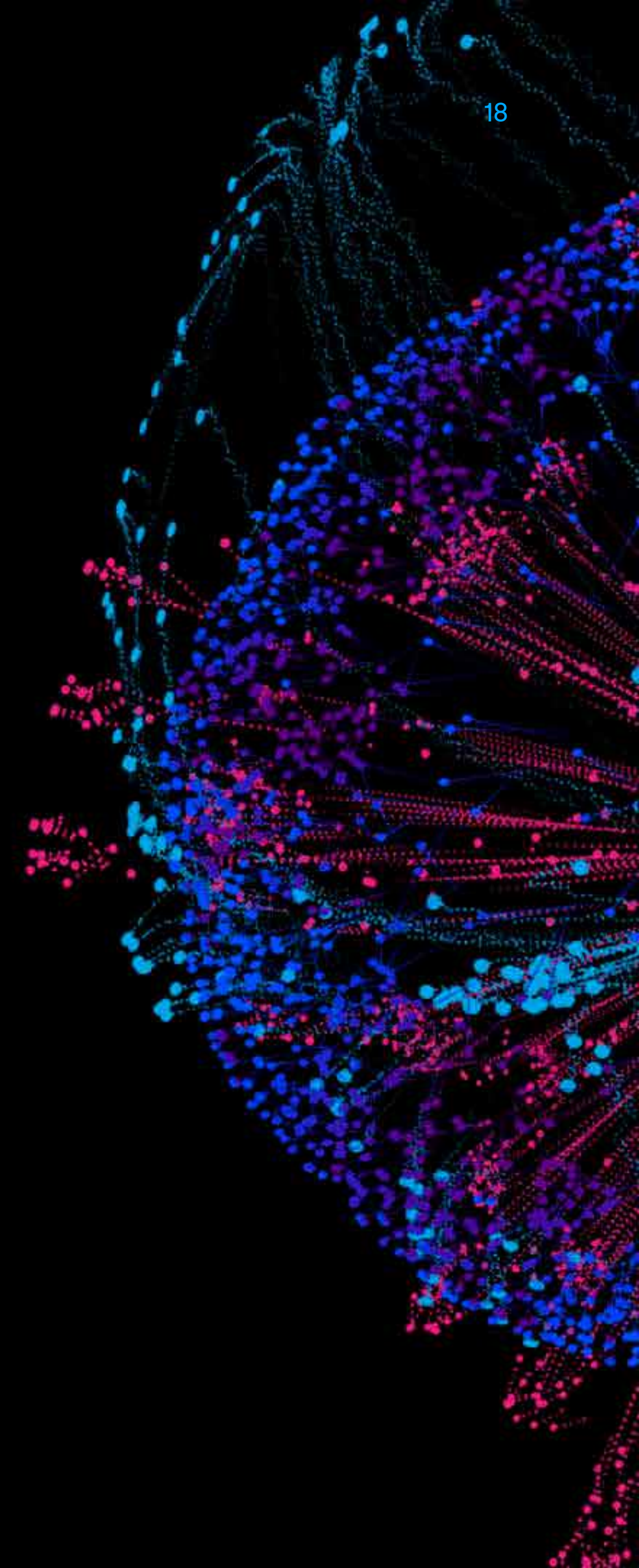
We create awesome, instant and secure payment solutions that connect our customers to their customers, anytime, anywhere, wherever money is in motion.

## Vision.

To offer customers a feature rich, fully embedded payment solution, via a simple, single touchpoint.

## Purpose.

Inspiring transformative digital change for our customers and communities.



# The Pillars of Acceleration – How we will ‘Accelerate’ our strategy!

## Global Technology Infrastructure

- One global application layer
- One integration touchpoint
- Enhanced sandbox development environments
- Zero downtime deployments
- Product parity at scheme level
- Global cloud hosting
- Investment ~\$10-15m in FY21/FY22

## FinLabs

- Enhancement of EML products/technology through partnership/purchase
- Target investments in key feature/functionality EML wants to own
- Expand access to 3rd party sales teams, reselling EML capabilities
- Backed by ability to provide targeted investments using balance sheet funding

## Product Strategy/ Digital Enablement

- Adopt a digital first strategy for EML and our clients
- Scheme agnostic/Open Banking/ Emerging Payment Players
- Embed payment processing into emerging BaaS, IaaS, SaaS, Lending/Credit companies
- Evaluate build/partner/buy opportunities across the globe

## Purpose Driven Alignment

- Decisions across organisation, into the regions, and down into teams align to Project Accelerator.
- Investment spend/M&A activity/ Partnerships
- Product development and solutions
- Marketing and Sales alignment

EML.

**Partner with disruptive fintechs**

**Integrate fintech solutions, white label and extend our feature set**

**We may invest and / acquire fintech partners**

**Use our fintech partnerships for distribution**

# **Acceleration Strategy**

**Take our enhanced product offering to both fintechs and highly established corporates to help them remain relevant in the digital age**

**We will target fast growing sectors and capitalise on the declining use of cash in global payments**

**We will use our gift card business as a steady income stream allowing us to 'Accelerate' our strategy**

**VANS: we will continue to target B2B opportunities requiring our critical processing infrastructure**

# Interchecks is our first finlabs investment

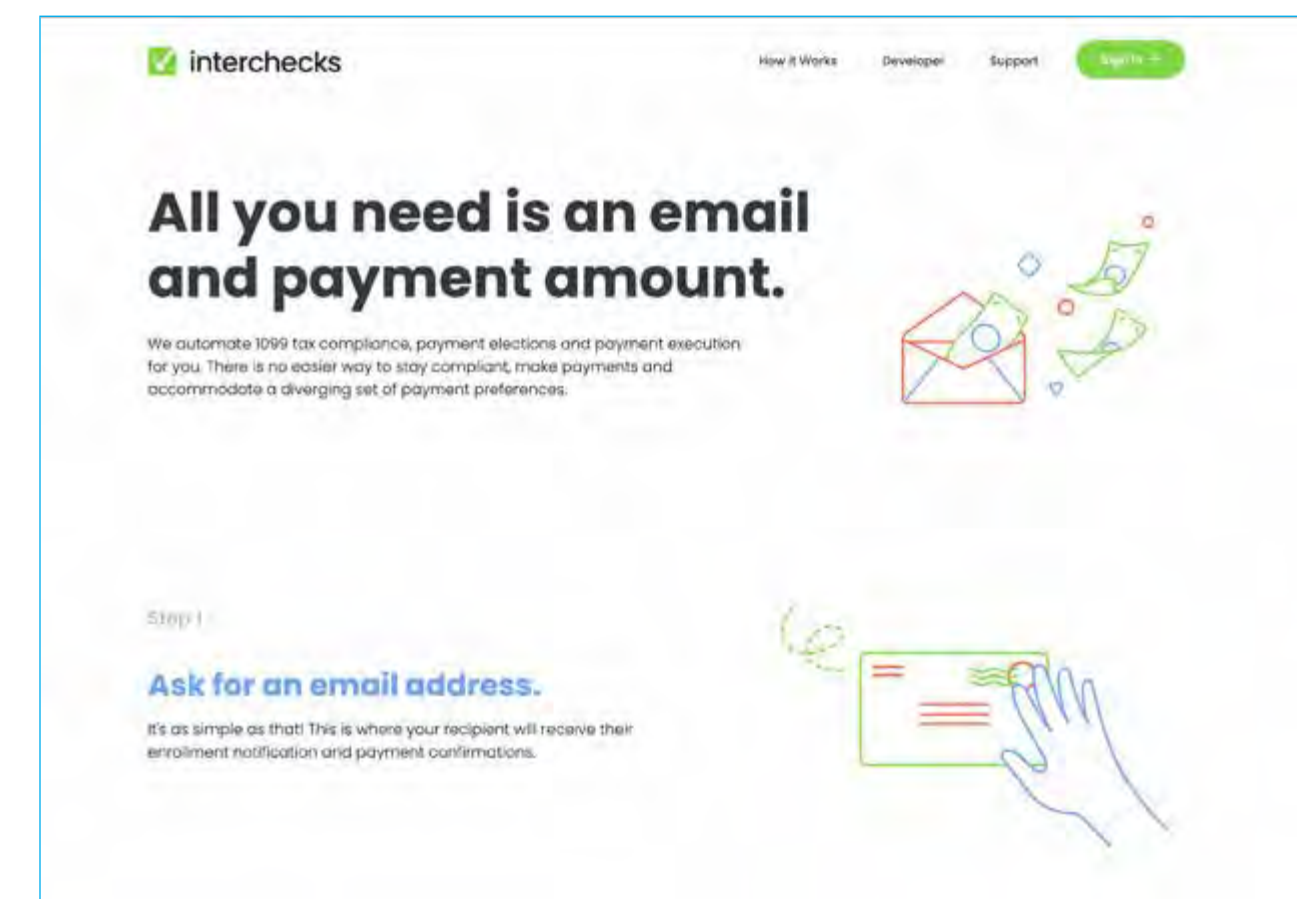
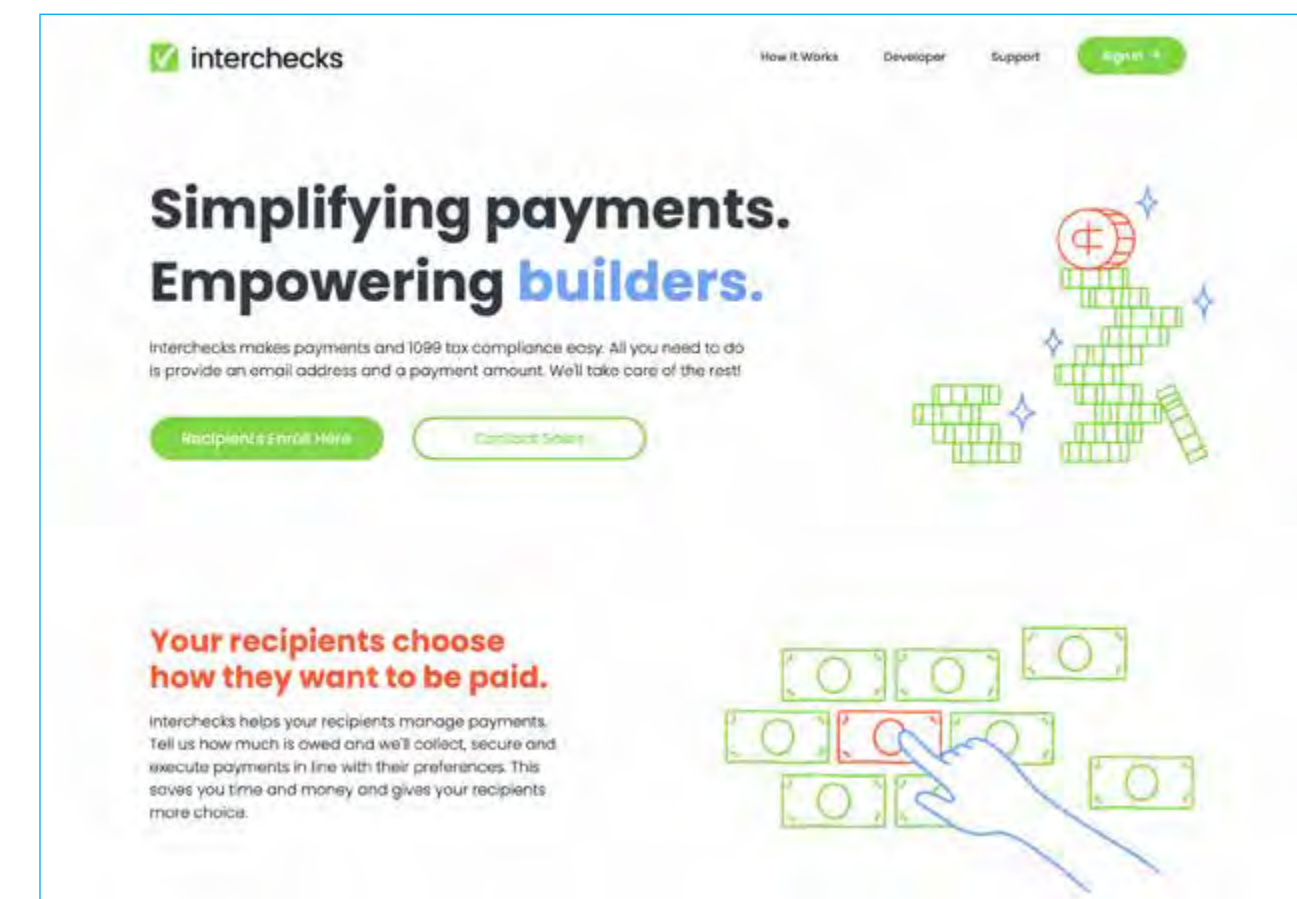
## Minority investments in early stage fintech companies that can accelerate our global growth via:

- Expanding our range of payment solutions to include non-card payments and providing an omni-channel customer solution
- Expand our ability to integrate our payment solutions into other disruptive fintech businesses
- Expansion of our geographic reach
- Increasing our distribution capabilities and expanding our sales reach
- Targeted investments with capabilities that we can seek to leverage globally
- Investments focused on ROI and driving Project Accelerator versus a primary focus on the potential exit valuations of such investments



**Co-Founders:** Dylan Massey, Bob Chevlin and Brandon White  
**Florida, USA and New York, USA**

- Disbursement tools for non-card payment solutions
- EML to embed prepaid payments capability into the Interchecks to expand distribution opportunities. Sales opportunities in progress.
- EML to re-sell the Interchecks platform
- Current USA focus but with potential for international expansion
- Series A investment of USD\$2m on a USD\$20m post-money valuation
- Funds used to expand development capabilities
- [www.interchecks.com](http://www.interchecks.com)



# Mastercard is introducing Fintech Express

12 November 2019 5 0 0

Global payments industry giant, Mastercard is taking big steps towards embracing Fintech. During the Singapore Fintech Festival taking place from Nov-11 to Nov 13 of this year, Mastercard announced its latest innovation - Fintech Express. The program aims to onboard partners at record speed and provides immediate access to a cross-functional team of experts to support multiple work streams across Product, Partnership, Licensing and Legal as put by Mastercard. This new addition to the company was brought by the MasterCard Accelerate platform, designed to simplify the way Mastercard global

# These Are the 4 Secrets to Replicating Stripe's Billion Dollar Growth

STAY UPDATED

A financial investor backed by a worldwide organisation, with the goal of maximizing value creation for entrepreneurs

Capital denred

Edenred Capital Partners is the Venture Capital investment arm of the Edenred group.

We are looking for ambitious teams of entrepreneurs reshaping interactions between companies, workers and merchants.

Edenred Capital Partners has a traditional Venture Capital governance.

and operational support

to Series C, usually

illitates relationships rate operational

Creating opportunities for entrepreneurs

# Real Time Payments: Innovation in an accelerating instant world

# CBA offers \$150,000 in seed funding to startups helping small businesses

29 May 2020 1 0 0

# FIS Accelerates Innovation with \$150 Million of New Capital for Venture Investments

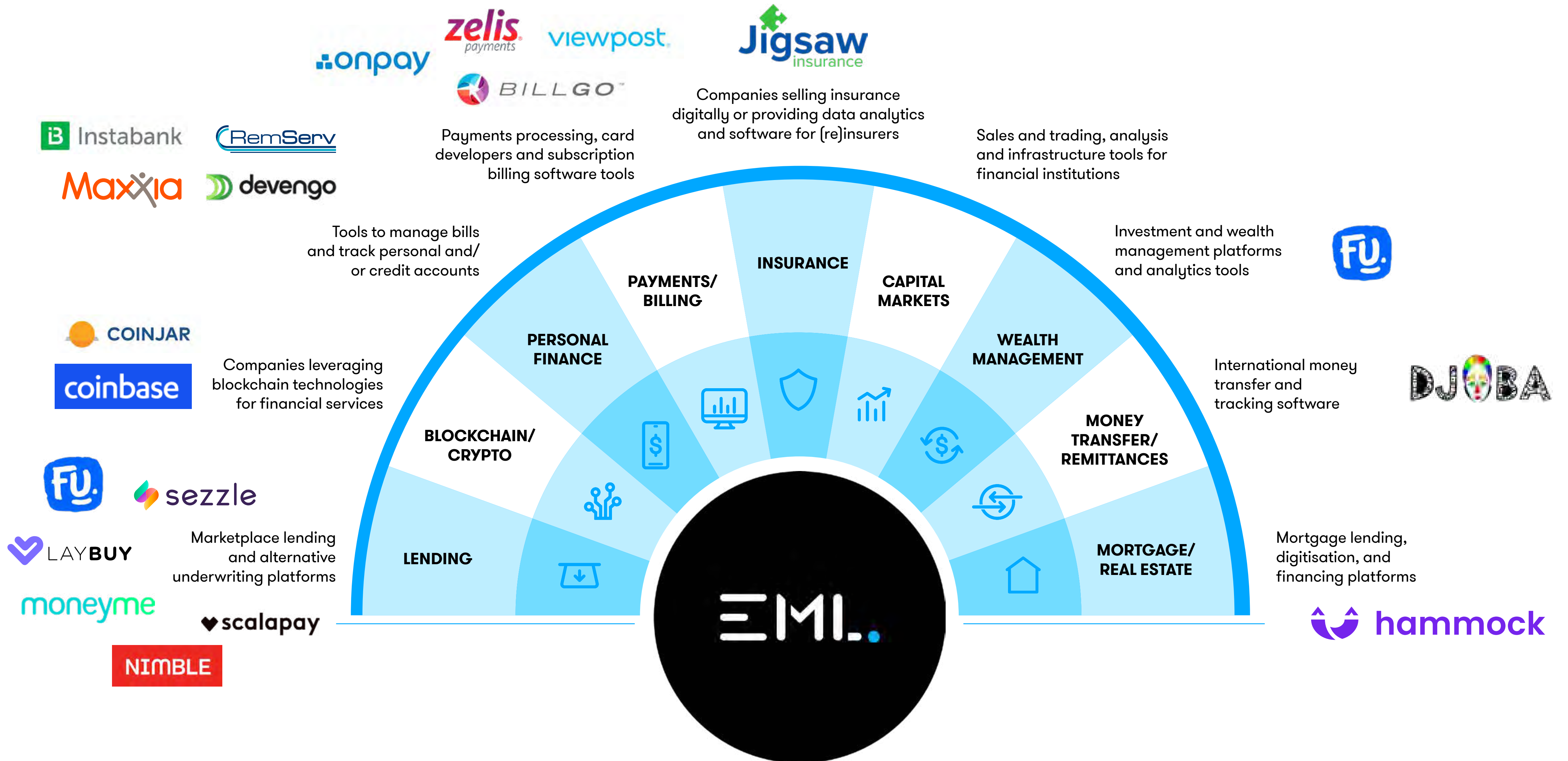
April 28, 2020 [Back To Previous](#)

# Visa's Fast Track Program Propels Growth of the Fintech Industry Worldwide

Global Fintech Fast Track program grows 280% in less than a year, supporting women-owned Fintechs, digital currency wallets, B2B and B2C innovators

Initiatives from Fast Track alumni help provide relief for COVID-19 recovery

# We provide mission critical infrastructure to the fintech industry.



# EML.CON

GLOBAL

**Premiere EML Virtual Event**

Date: **29th October 2020**

[Click here to register for EML.CON](#)

**Speakers will include:**

Partners, Customers, Capital Markets, Schemes, FinLabs, Industry Experts, Global Perspective



# Our people and culture sets us apart

## People are at the heart of EML

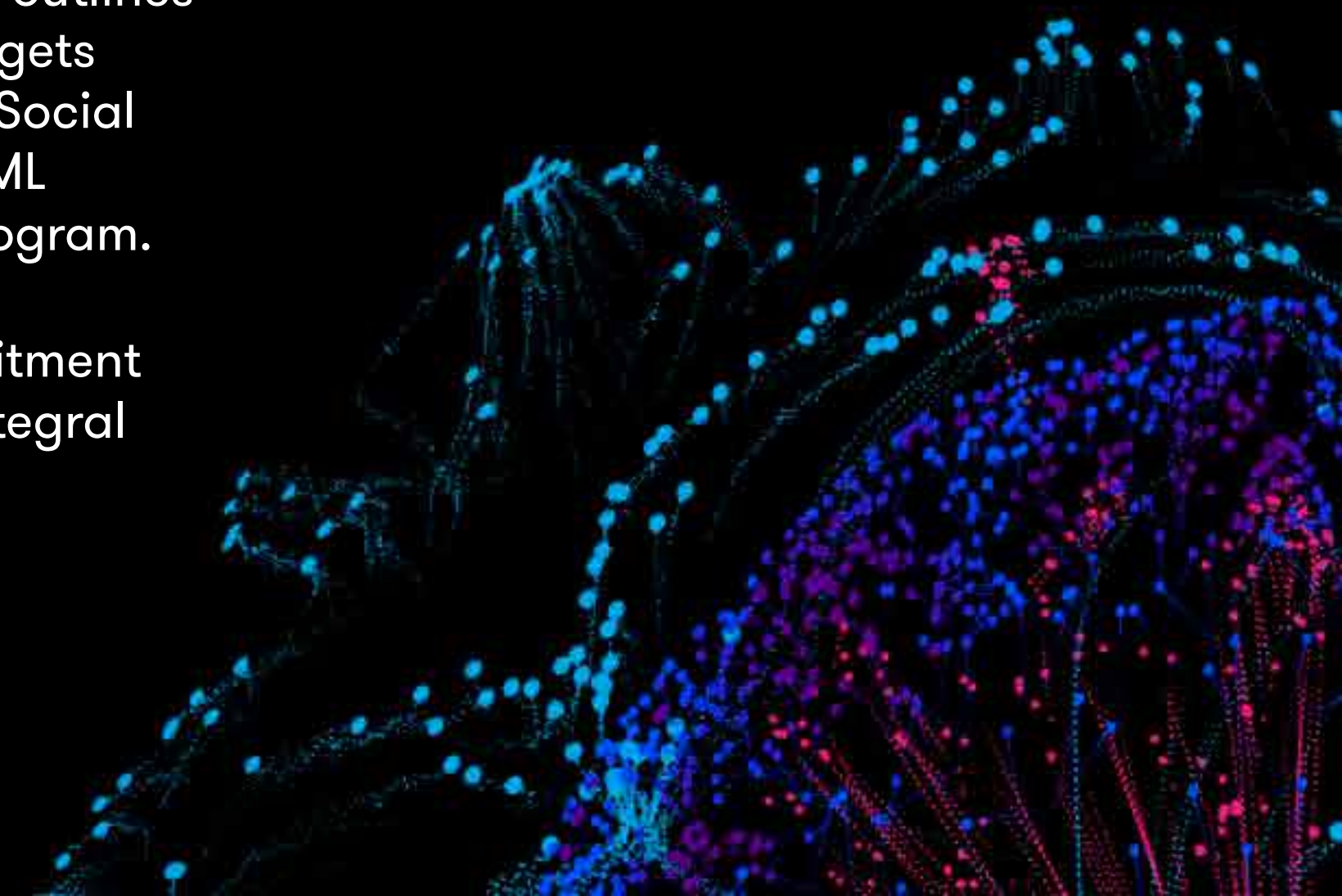
- Over 440 talented people across Australia, Europe and North America.
- Global Employee Value Proposition helping to attract and retain the best talent (introduction of flexible working for all, paid parental leave & volunteer leave).
- In 2020, our global engagement survey score increased from 68% to 70% with participation rates continually above 90%.

## Diversity, inclusion & talent

- 50:50 Executive Leadership Team gender representation.
- One third of employees have been internally promoted in the last 12 months including 2 Executive level roles.
- 19% technology roles held by women, an increase of 72% in 2020.

## Sustainability program launched

- Commitment to responsible and sustainable business practices to underpin everything we do.
- Sustainability Report outlines performance and targets across Environment, Social and Governance – EML Change for Good program.
- Our long-term commitment to sustainability is integral to ongoing success.



#EMLChangeForGood  
#DemandToBePlasticFree  
#EcoWayToPay

EML.

# CHANGE FOR GOOD

x56

EML will eliminate 25 million plastic cards by 2023.  
That's 250,000kg or the weight of 56 elephants.



1 elephant

4,400kg

56 elephants

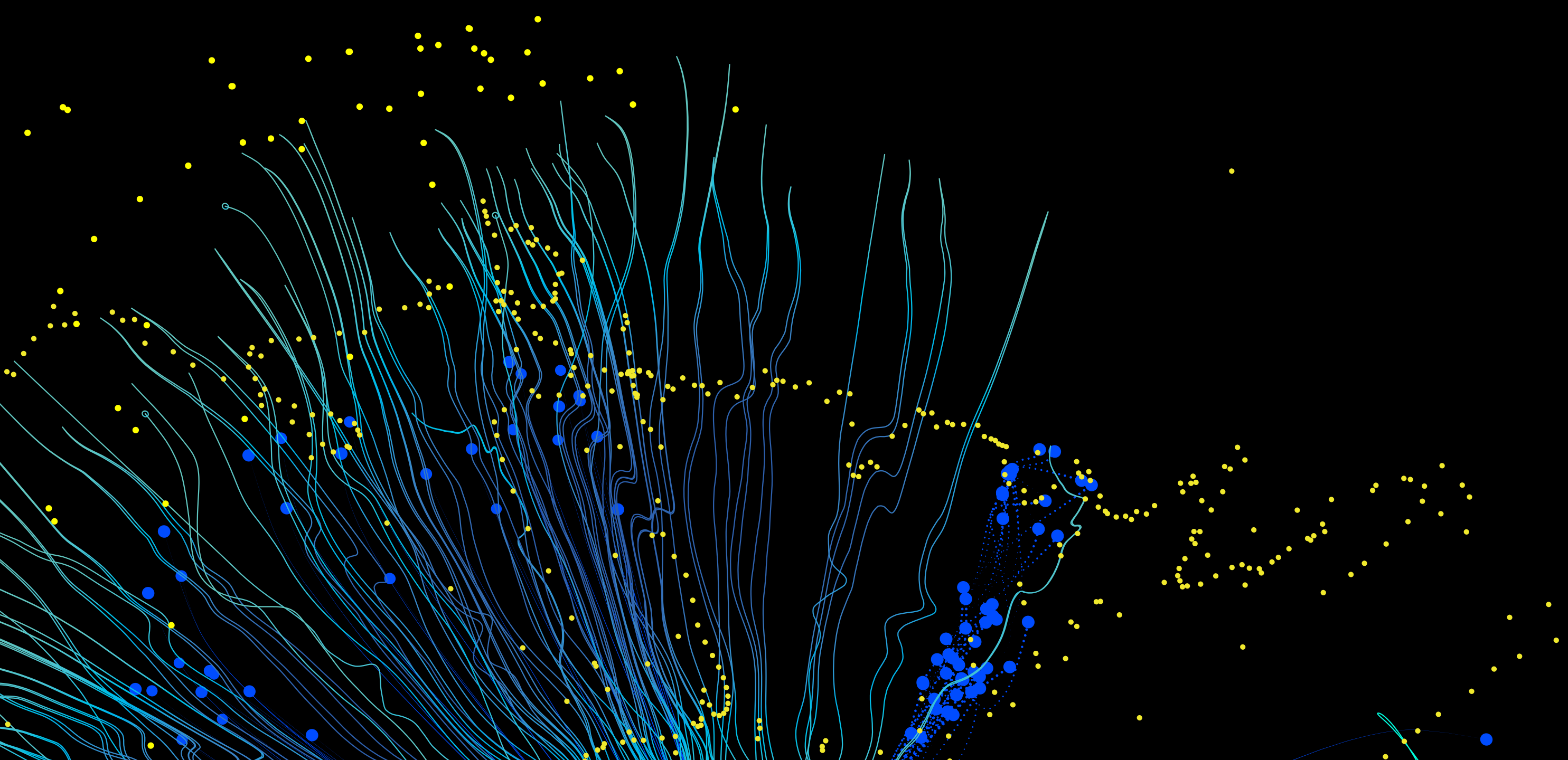
250,000kg

EML.  
change  
for good.



# FY20 Financial Results

EML.



Money in Motion

# Financial Overview – Profit & Loss

(\$'000s)	FY2019	FY2020	GROWTH
GDV	9,030,911	13,875,936	54%
<b>TOTAL REVENUE</b>	<b>97,195</b>	<b>121,629</b>	<b>25%</b>
Revenue conversion bps	108ps	88	(20%)
<b>GROSS PROFIT</b>	<b>73,015</b>	<b>88,746</b>	<b>22%</b>
GP margin	75%	73%	(2%)
<b>OVERHEAD EXPENDITURE</b>			
Employee benefits expense	(29,079)	(39,073)	34%
Professional fees	(2,857)	(2,999)	5%
Other operating expenses	(12,659)	(15,481)	22%
R&D Offset	1,281	1,343	5%
<b>EBITDA (INCL. R&amp;D TAX OFFSET)</b>	<b>29,701</b>	<b>32,536</b>	<b>10%</b>
EBITDA margin	31%	27%	(4%)
Other income	-	3,137	100%
Other non operating expenses	(2,481)	4,436	(279%)
Acquisition costs	(567)	(15,794)	2,684%
Share-based payments	(4,214)	(6,146)	46%
Depreciation and amortisation expense	(10,267)	(18,656)	82%
Finance Costs	(1,865)	(4,072)	118%
Add back R&D offset & non cash bond amortisation incl. in EBITDA	(1,281)	(2,014)	57%
<b>NET PROFIT / (LOSS) BEFORE TAX</b>	<b>9,026</b>	<b>(6,573)</b>	<b>(201%)</b>
Tax (including Research and Development tax offset)	(576)	719	(48%)
<b>NET PROFIT AFTER TAX</b>	<b>8,450</b>	<b>(5,854)</b>	<b>(211%)</b>
NPATA Adjustments <sup>3</sup> , refer slide 34	12,124	29,903	98%
<b>NPATA<sup>1,2</sup></b>	<b>20,574</b>	<b>24,049</b>	<b>17%</b>

## \$13.9bn

Record Gross Debit Volume, up 54% on prior year driven by GPR, VANs growth and acquisition of PFS

## 88bps<sup>1</sup>

Higher volumes from the VANs segment and less G&I volumes, alongside yields on PFS programs in the GPR segment resulted in group revenue conversion declining 20bps

## \$121.6m<sup>1</sup>

Record revenue growth in all segments through organic and acquisition growth

## 45.6%

Cash Overheads increased slightly as a proportion of revenue (44.6% in FY2019) primarily due to challenging trading conditions in Q4

## \$15.8m

Acquisition costs incurred in the year, principally relating to the acquisition of PFS and associated funding

## \$32.5m

Record EBITDA up 10% on prior year

## \$24.0m

Record NPATA up 17% on prior year

<sup>1</sup> Revenue, EBITDA & NPATA are stated excluding the impacts of AASB3 Business Combinations, a full reconciliation is provided on page 42 of this Presentation

<sup>2</sup> NPATA represents the profit generated by the business excluding all acquisition related costs including; amortisation, contingent considerations, share based payments and cash expenses that relate to acquisitions.

<sup>3</sup> NPATA Share based payment expense adjustment is inclusive of a one off \$2.0m share based payment in FY20 to buy back a contractual agreement with a Salary Packaging consultant (announced 22 July 2019).

# Gross Debit Volume (GDV)

## GIFT & INCENTIVE

**\$1.17bn**

↑ 11%

COVID-19 impacted the G&I segment in the March to June period, with improving conditions driven by incentive programs in June 2020.

Overall Q4FY20 was down 33% compared to PCP. Improving trading conditions and volume growth in the incentives vertical offset some of the COVID-19 impact to malls with June 2020 segment GDV down 6% vs June 2019

## GENERAL PURPOSE RELOADABLE TOTAL

**\$4.23bn**

↑ 54%

The GPR delivered both organic and acquisition GDV growth in the period with positive signs for further worldwide rollout of our technology in FY21

## EML

**\$2.98bn**

↑ 9%

Continued to transition Smartgroup and NSW Health to our payroll card solution for the Salary Packaging industry in the GPR segment

## PFS

**\$1.25bn**

↑ 100%

EML Acquired PFS on 1 April, contributing \$1.3bn of GDV in Q4 of the year

## VIRTUAL ACCOUNT NUMBERS

**\$8.47bn**

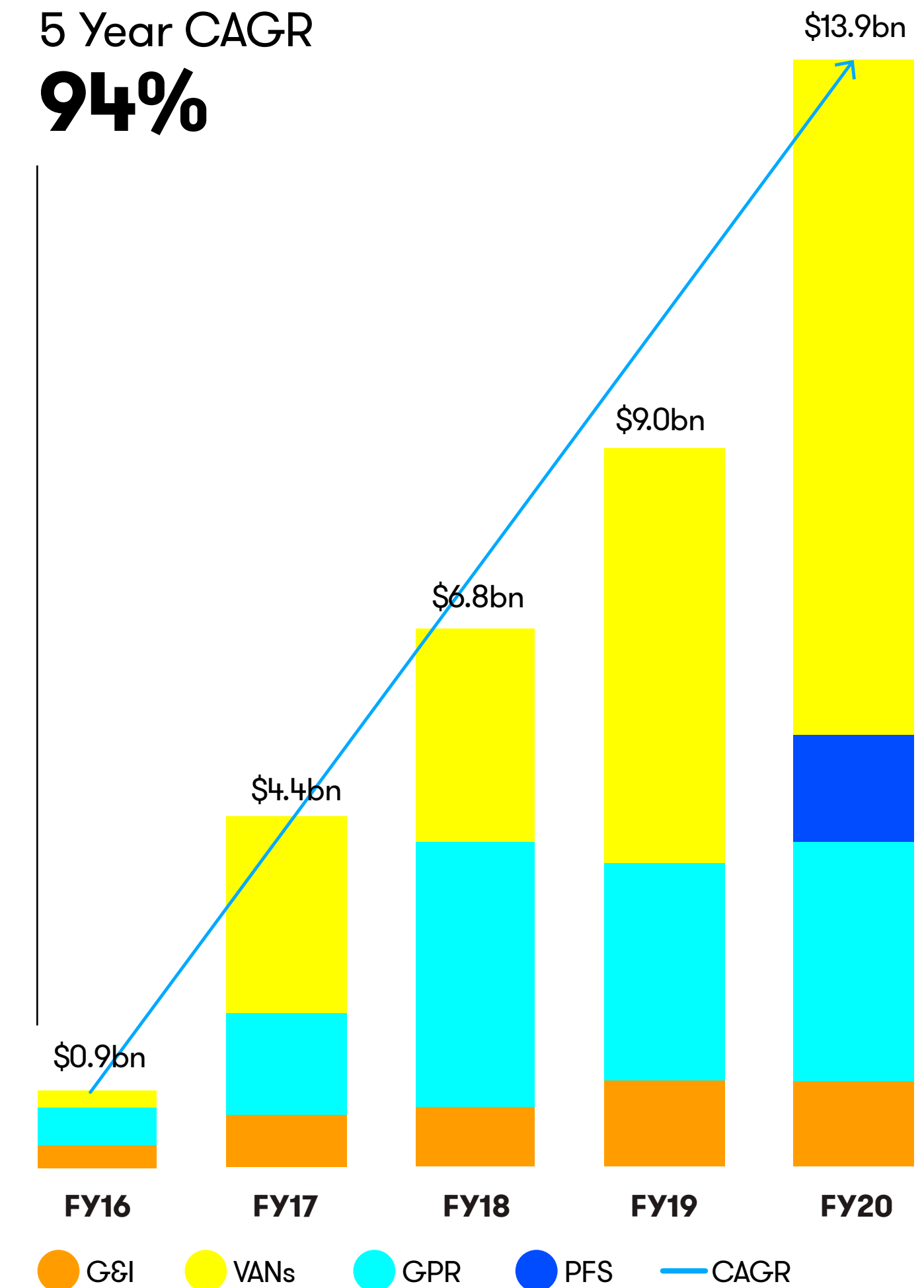
↑ 62%

The VANS segment continued to grow with increased volumes from existing customers. Newly launched customers, including in the large BNPL vertical, began to contribute in Q4 and are expected to grow in FY2021

## GDV by Segment (A\$m)

5 Year CAGR

**94%**



EML generates revenues from processing payment volumes of prepaid stored value products on our processing platforms. The gross value of these transactions are defined as Gross Debit Volumes ('GDV') and are a key indicator of current & future revenues.

# Revenue

**\$121.6m** ↑ 25%

Revenue growth of 25% on PCP despite impacts of COVID-19. PFS was consolidated from 1 April 2020.

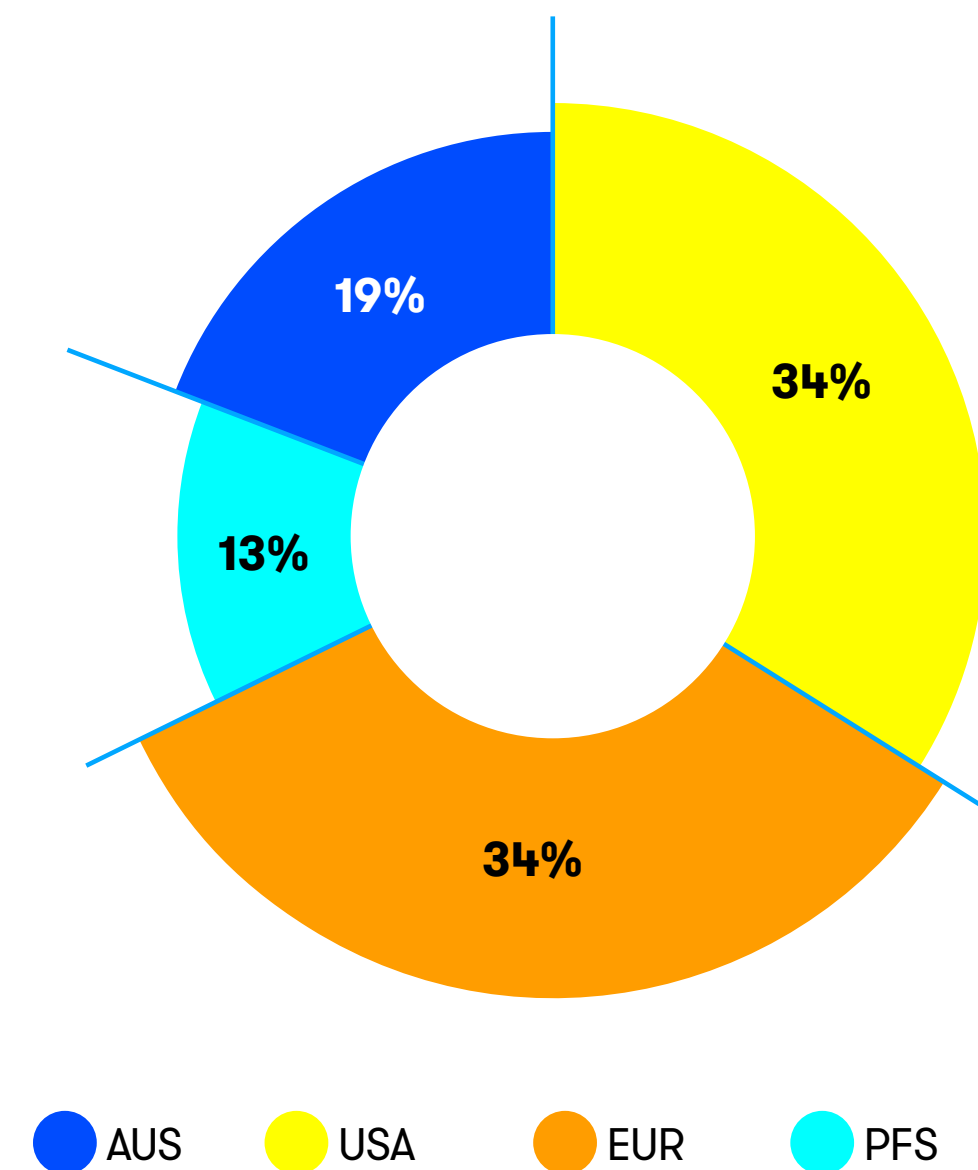
**85%** Generated from recurring revenue streams

\$103.6m from recurring revenue streams.

Breakage now represents 22.8% of group revenue, down from 32.8% in FY19 and is expected to represent a lower % of Group revenue in FY21 with further growth in the GPR segment

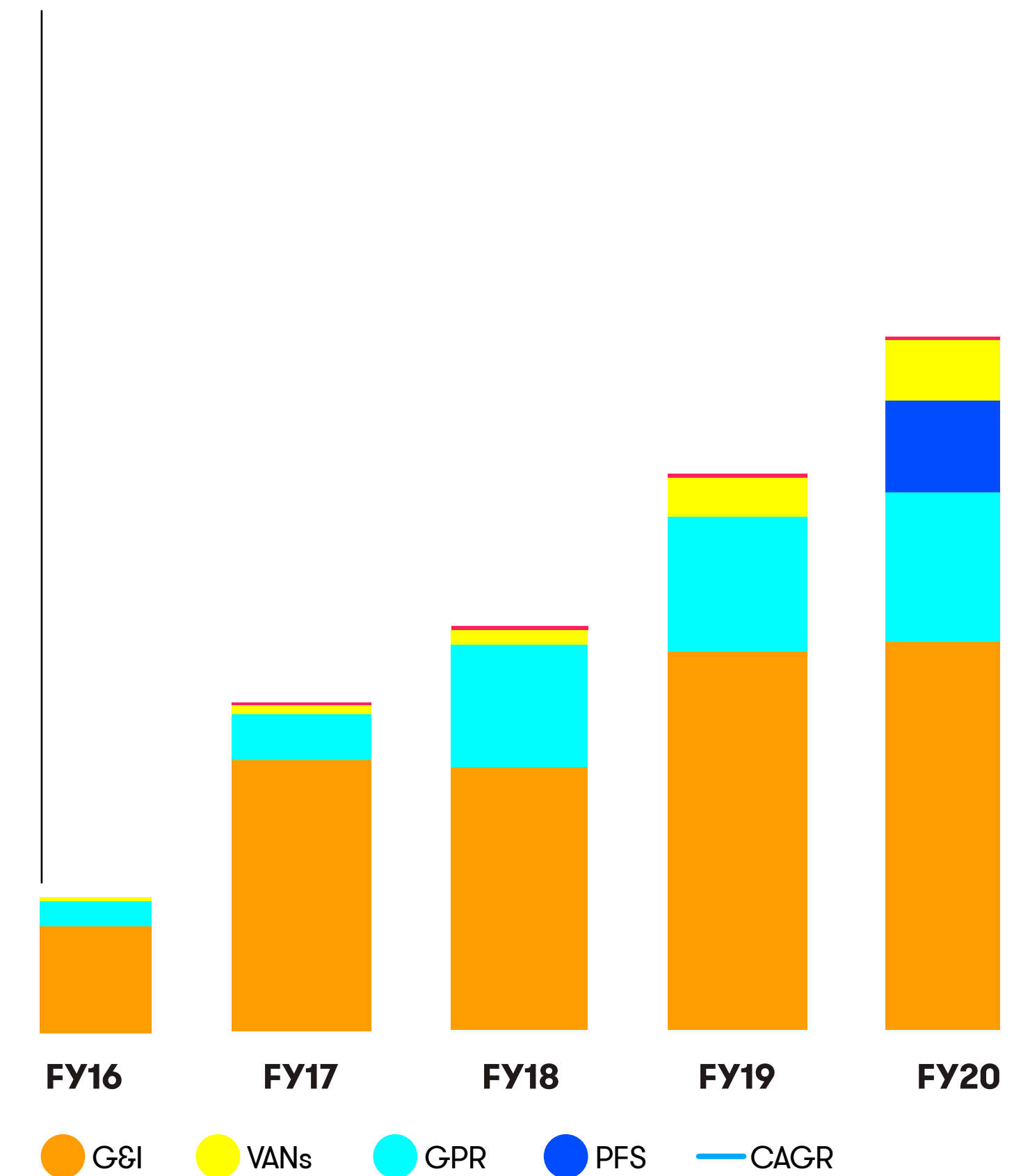
Interest income fell as a percentage of our Stored Value Float to 0.10% (FY19: 0.47%) due to (a) the acquisition of PFS which has a large cardholder float, held in Europe at historically low interest rates, (b) inclusion of \$3m of interest on PFS balances but the entire stored value amount, and (c) reductions in global central bank interest rates

**FY20 Revenue**



**Total Revenue (A\$m)**

5 Year CAGR  
**51%**



# Gross Profit Margins

GROSS PROFIT MARGIN

**73.0%** down on FY19 (75.1%)

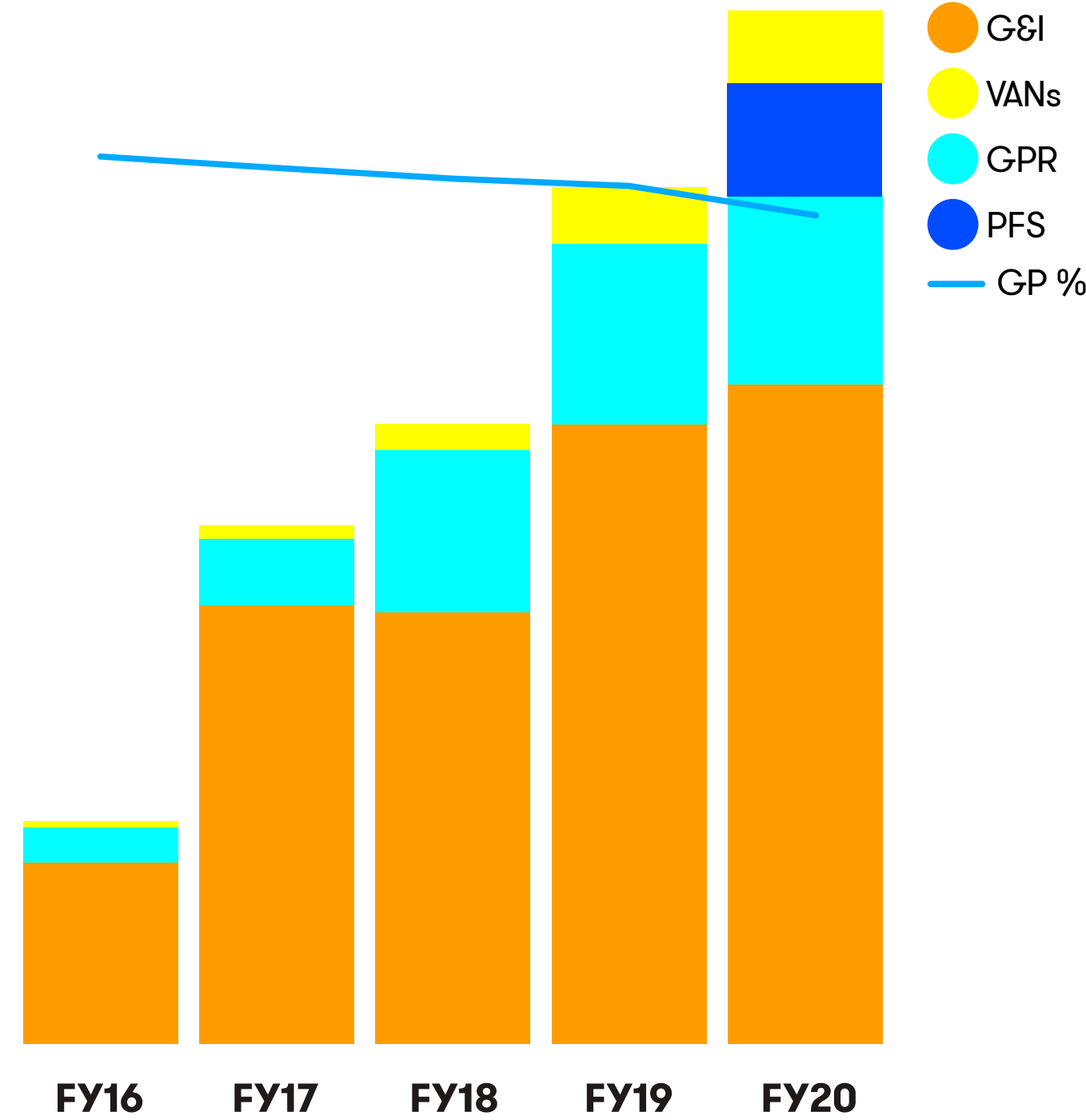
EXCLUDING PFS GROSS PROFIT MARGIN

**82.1%** up on FY19 (75.1%)

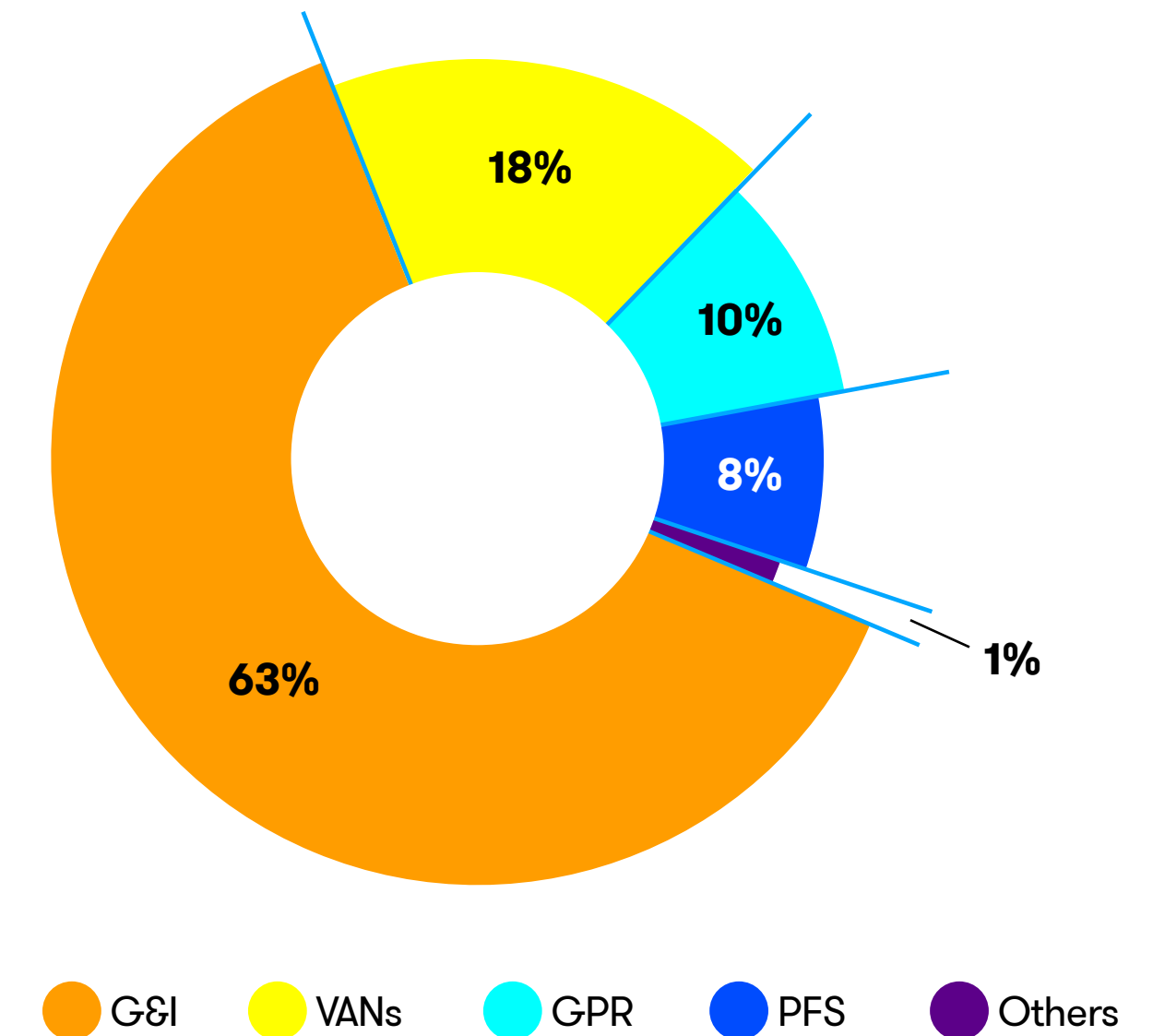
Group Gross Profit Margins down in FY20 due to:

- COVID-19 impacts on volumes in our high margin G&I segment over the last four months of the financial year
- Reduced interest income due to lower central bank interest rates throughout FY20 and in response to weaker macro economic conditions in Q4FY20
- Higher volumes from Salary Packaging programs which are high transaction and thus lower margin programs
- PFS Gross Profit margins average 57%, lower than EML as it currently outsources processing
- Offset by the majority of our programs in Europe and Australia now operating under our own licence which has benefited our margins

## Gross Profit Margins



## Gross Profit



- Individual program and segment margins are expected to be stable through FY21
- Group overall margin will be linked to segment mix shift
- PFS margins are expected to see improvement in 12-24 months as volumes transition to in-house processing and synergies are realised from direct connections to Faster Payments infrastructure



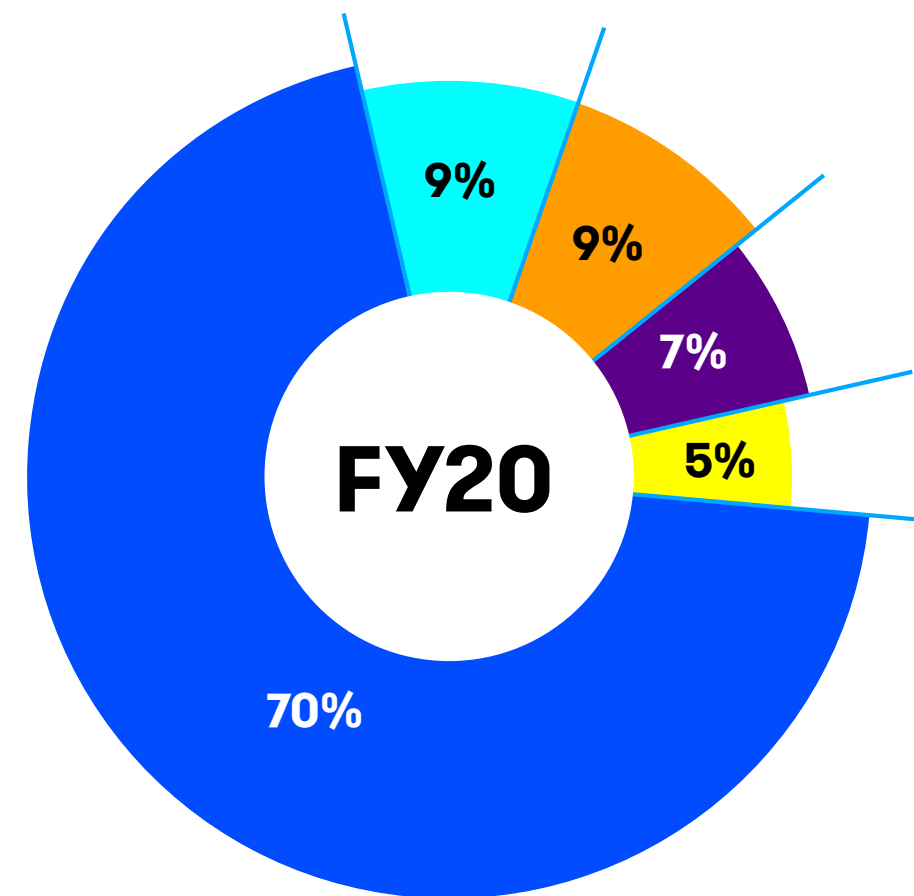
# Overhead Expenditure & Non-Recurring Cost Analysis

## CASH OVERHEADS

**\$56.2M** FY19: \$43.3M

## CASH OVERHEADS AS % OF REVENUE

**46.2%** up on FY19 (44.5%)



- Employee Costs
- ICT
- Professional Fees
- Other
- Offices & Travel Costs

Group Cash Overheads increased in FY20

- Cash overheads increased \$12.9m (29.8%) over PCP, of which \$10.8m (83.7%) relates to the business acquired in the year (Flex-e-Card and PFS)
- Cash overheads rose to 46.2% of Revenue, up on FY19 (44.5%) due to acquisitions (FEC and PFS \$10.6m)
- Lower Revenue in our G&I segment as a result of COVID-19 negatively impacted the ratio

## FY20 RESTRUCTURE

ONE OFF COSTS

**\$0.6M**

RECURRING SAVINGS

**\$1.6M**

Non-Recurring costs of \$0.6m incurred in restructuring costs in March to June.

Restructuring of certain roles post acquisition of PFS to generate synergies in FY21 of at least \$1.6m

FY21 ESTIMATED CASH OVERHEADS

**\$64M - \$72M**

## FY21: UAE EXIT

Following a strategic review, the Group has decided to discontinue operations in the United Arab Emirates to focus our efforts on core operations.

The exit is expected to be complete by 30 June 2021 and will improve EBITDA by \$0.5m per annum. The Group expensed a non-cash, one-off impairment charge against goodwill through Other non-operating benefit/expenses in FY20.

# Income Statement

(\$'000s)	FY2019	FY2020	GROWTH
GDV	9,030,911	13,875,936	54%
<b>TOTAL REVENUE</b>	<b>97,195</b>	<b>121,629</b>	<b>25%</b>
Revenue conversion bps	108ps	88	(20%)
<b>GROSS PROFIT</b>	<b>73,015</b>	<b>88,746</b>	<b>22%</b>
GP margin	75%	73%	(2%)
<b>OVERHEAD EXPENDITURE (Incl. R&amp;D tax offset)</b>	<b>(43,314)</b>	<b>(56,210)</b>	<b>30%</b>
<b>EBITDA (Incl. R&amp;D tax offset)</b>	<b>29,701</b>	<b>32,536</b>	<b>10%</b>
EBITDA margin	31%	27%	(4%)
Net other expenses, refer slide 29	(20,675)	(39,109)	89%
<b>Net Profit / (Loss) before tax</b>	<b>9,026</b>	<b>(6,573)</b>	<b>(201%)</b>
Tax (including Research and Development tax offset)	(576)	719	(48%)
<b>Net Profit after tax</b>	<b>8,450</b>	<b>(5,854)</b>	<b>(211%)</b>
Add back: Amortisation on acquisition intangibles	7,459	10,621	42%
Add back: Share based payment expenses related to acquisitions	2,260	2,495	10%
Deduct: Gain on cashflow hedge for acquisition consideration	-	(3,026)	100%
Add back: Non cash amortisation of AASB3 fair value uplift to bond investments	-	671	100%
Add back: Finance costs on contingent consideration (other non cash charges) related to acquisitions	1,838	3,348	82%
Add back: Acquisition costs	567	15,794	2,685%
<b>NPATA <sup>1,2</sup></b>	<b>20,574</b>	<b>24,049</b>	<b>17%</b>

1 NPATA represents the profit generated by the business excluding all acquisition related costs including; amortisation, contingent considerations, share based payments and cash expenses that relate to acquisitions.

2 NPATA Share based payment expense adjustment is inclusive of a one off \$2.0m share based payment to buy back a contractual agreement with a Salary Packaging consultant (announced 22 July 2019).

## \$24.0m ↑ 17%

Record Group NPATA

**Other income** of \$3.1 million mostly relates to a cash FX gain on unwinding forward exchange contracts entered into in relation to the acquisition of PFS, not required following the acquisition price renegotiation

**Non-cash fair value amortisation of bond valuation arising on acquisition** of \$0.7 million added back to revenue as acquisition related

**Acquisition due diligence expenses** totalling \$15.8 million, principally relating to Prepaid Financial Services (Ireland) Limited, were expensed during the period.

**Share based payment expense** up 46% inclusive of a one-off \$2.0m share based payment to buy back a contractual agreement with a Salary Packaging consultant (announced 22 July 2019). FY20 Short Term Incentive Plan determined by Board at 50% for all employees was paid in equity, deferred for 12 months as a retention tool

**Depreciation & Amortisation** up 82% inclusive of AASB16 Leases expenses and impact of PFS acquisition. Approx 57% relates to the amortisation of intangibles arising upon acquisitions.

**Finance costs** up in relation to the unwinding of discounted contingent consideration on acquisitions and fx movements on overseas assets & liabilities.

**Tax** benefit of \$0.7m reflects multiple rates in effect across our regions and deductions for share based payments in the period. The Group has significant tax losses available for use in future years, principally in Australia.

# Balance Sheet

(\$'000s)	FY2019	FY2020	GROWTH	CARDHOLDER ASSETS/ LIABILITIES	CORPORATE BALANCE SHEET
Cash and cash equivalents	33,085	118,381	258%		118,381
Contract Asset	18,217	22,344	23%		22,344
Segregated funds and Bond investments	244,824	833,407	240%	822,682	10,725
Other current assets	17,712	26,961	52%		26,961
<b>TOTAL CURRENT ASSETS</b>	<b>313,838</b>	<b>1,001,093</b>	<b>222%</b>	<b>822,682</b>	<b>178,411</b>
Contract assets	13,611	9,485	-30%		9,485
Plant, equipment and right of use assets	5,355	14,629	173%		14,629
Intangibles	104,554	404,748	287%		404,748
Deferred tax asset	22,653	25,044	11%		25,044
Segregated funds and Bond investments	-	443,214	100%	443,214	-
Other non current assets	16,696	8,053	-52%		8,053
<b>TOTAL NON CURRENT ASSETS</b>	<b>162,869</b>	<b>905,173</b>	<b>450%</b>	<b>443,214</b>	<b>461,959</b>
<b>TOTAL ASSETS</b>	<b>476,707</b>	<b>1,906,266</b>	<b>300%</b>	<b>1,265,896</b>	<b>640,370</b>
Trade and other payables	(33,853)	(47,461)	40%		(47,461)
Liabilities to stores value account holders	(244,824)	(1,265,896)	417%	(1,265,896)	-
Contingent consideration	-	(4,328)	-100%		(4,328)
Interest bearing borrowings	(15,000)	-	-100%		-
Other current liabilities	(5,315)	(8,568)	100%		(8,568)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(298,992)</b>	<b>(1,326,253)</b>	<b>344%</b>	<b>(1,265,896)</b>	<b>(60,357)</b>
Deferred tax liabilities	(7,315)	(16,445)	125%		(16,445)
Contingent consideration	(11,831)	(69,279)	100%		(69,279)
Other non current liabilities	(14,338)	(53,297)	272%		(53,297)
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>(33,484)</b>	<b>(139,021)</b>	<b>315%</b>		<b>(139,021)</b>
<b>TOTAL LIABILITIES</b>	<b>(332,476)</b>	<b>(1,465,274)</b>	<b>341%</b>	<b>(1,265,896)</b>	<b>(199,378)</b>
<b>TOTAL EQUITY</b>	<b>144,231</b>	<b>440,992</b>	<b>206%</b>		<b>440,992</b>

Cash on hand of \$118.4m, with no secured debt. Underlying Operating Cash Flow of \$35.8m converted at 110% of EBITDA

Contract Asset (breakage accrual) in line with PCP due to strong trading to February, including the key Christmas period, offset by lower volumes during Mar - June due to COVID-19. \$22.3m expected to convert to cash within 12 months

Cardholder assets now include low risk bond investments and cash held at financial institutions. Where a premium is paid to purchase the investment, corporate funds are used to fund this resulting in a balance sheet asset of c. \$15m of cash interest received in future periods

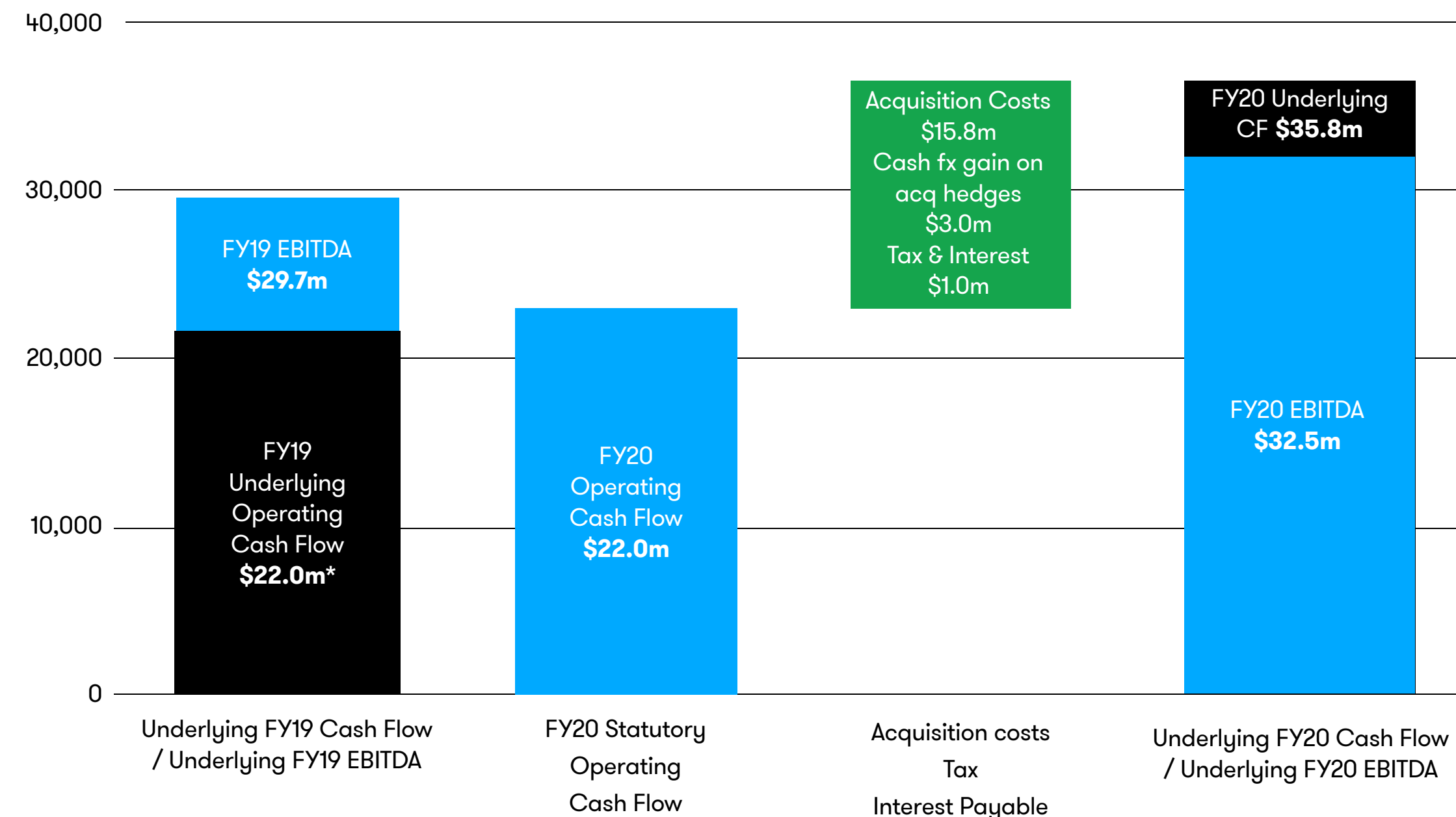
Deferred tax asset relates to tax losses primarily in Australia, USA and the UK

Contingent consideration of \$73.6m relates to the acquisitions of EML Money (PerfectCard) and Prepaid Financial Services

Interest bearing borrowings of \$35.8m relate to unsecured vendor finance relating to the PFS acquisition repayable in 2024 (50%) and 2025 (50%)

# Financial Overview – Cash Flow

## FY20 Underlying Cash Flow Movements



(\$'000s)	30 June 2019	30 June 2020	% CHANGE
Cash flows from operating activities	29,162	22,070	(24%)
Cash flows used in investing activities	(49,818)	(154,615)	(210%)
Cash flows from financing activities	15,014	219,870	1,364%
Impacts of foreign exchange	(279)	(2,029)	(627%)

\* FY19; Accelerated breakage of \$7.1m has been added back to underlying cashflow consistent with the treatment in the FY19 results presentation

## CASH & CASH EQUIVALENTS

**\$118.4m** ↑ 258%

Cash & Cash equivalents increased \$85.3m from 30 June 2019

Underlying operating Cash Flow for FY20 was \$35.8m (FY19: \$22.0m) excluding acquisition costs of \$15.8m, cash fx gain on acquisition hedges of \$3.0m, tax payments of \$0.7m and cash interest payments of \$0.3m.

Underlying Cash Flow : Underlying EBITDA was 110.2% (FY19: 75.6%) due to breakage cash exceeding accrued income whilst trading was impacted by COVID-19.

The Group benefits from a strong balance sheet cash holding due to the equity raise of \$240.8m (net of raise costs) in November 2019. The Group repaid a debt facility of \$15m in the year and has no secured debt.

The Group invested cash of \$142.5m for the acquisition of PFS and a further \$1.1m in contingent consideration relating to a prior acquisition made by PFS that fell due in Q4.

The Group invested \$7.8m in internally generated software, alongside the acquisition of software from Paywith Worldwide, Inc. of \$1.5m that supports EMLs Salary Packaging vertical. Significant projects include a new Global reporting reporting solution, EML Connect (malls), ControlPay and tokenized technology for the BNPL vertical.

# Financial Outlook

## Guidance expected to resume in Q3FY21

Guidance suspended due to significant continuing uncertainties as to the impact of COVID-19 in our Gift & Incentive programs, particularly in regard to volumes in the lead up to Christmas. We expect to resume guidance in February as this uncertainty is resolved

Gift & Incentive segment averages \$6m of Revenue and \$4.8m of Gross Profit per \$100m of GDV. Seasonal sales in November & December typically account for 43-46% of annual volumes for the segment

## June & July Trading has been encouraging

Improved trading conditions in the Gift & Incentives segment driven by non-mall programs.

Australian GPR performing strongly driven by Salary Packaging volumes

Trading relative to PCP	June 2020		July 2020	
	GDV	% vs PCP	GDV	% vs PCP
Gift & Incentive	69	(6.2%)	72	7.2%
General Purpose Reloadable	696	+211.4%	834	+270.0%
Virtual Account Numbers	685	+1.0%	727	(11.5%)
<b>Group</b>	<b>1,450</b>	<b>+48.7%</b>	<b>1,633</b>	<b>+46.6%</b>

## Pricing & Cost Base

Program pricing and therefore segment yield and Gross Profit are expected to remain stable through FY21. Group Gross Profit will be tied to the segment mix outcome and G&I volumes

Synergies of \$1.5m annually already realised post PFS acquisition with further processing synergies expected in FY22 as processing is in-sourced

Reaffirm prior cash overheads guidance of \$64-72m for FY21

Underlying Operating Cash Flow expected to be 70-75% of EBITDA in FY21 due to lower G&I volumes in Q4FY20 and the resultant impact in FY21. This is the normalisation of the strong underlying operating cashflow in FY20 (110%)

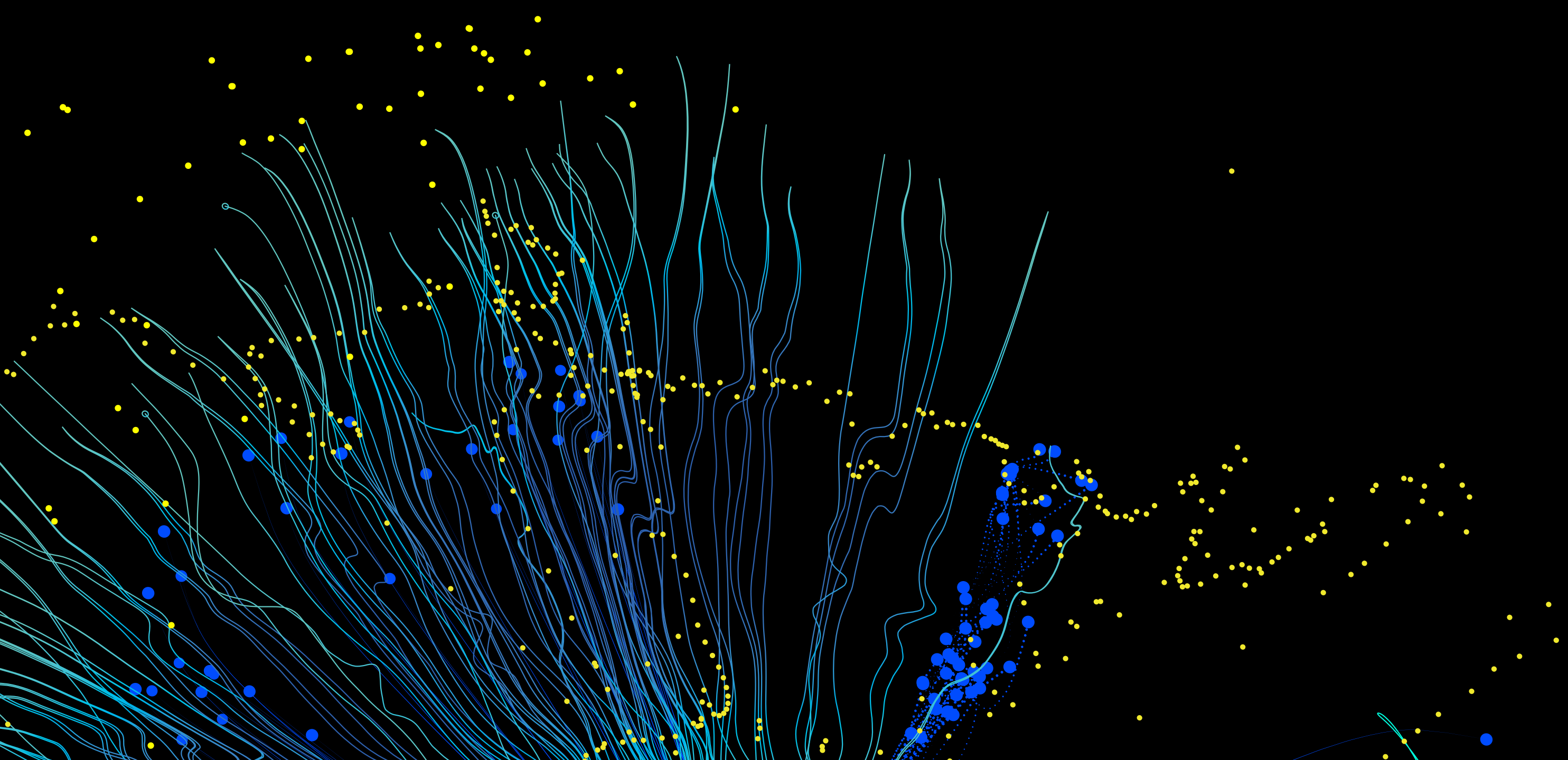
Internally generated software expected to increase to approx. \$12-16m (FY20: \$8m) as we invest in Project Accelerator, alongside an increase in opex costs of c. \$2m (included in cash overheads range above)

Declining central bank interest rates globally, including negative cash rates in Europe, will continue to be a headwind

Depreciation & Amortisation expected to be in range of \$26-29m in FY21 (76-80% relating to acquisitions), Share Based Payments \$7-9m and unwind of discount on contingent consideration approximately \$7m.

Q&A

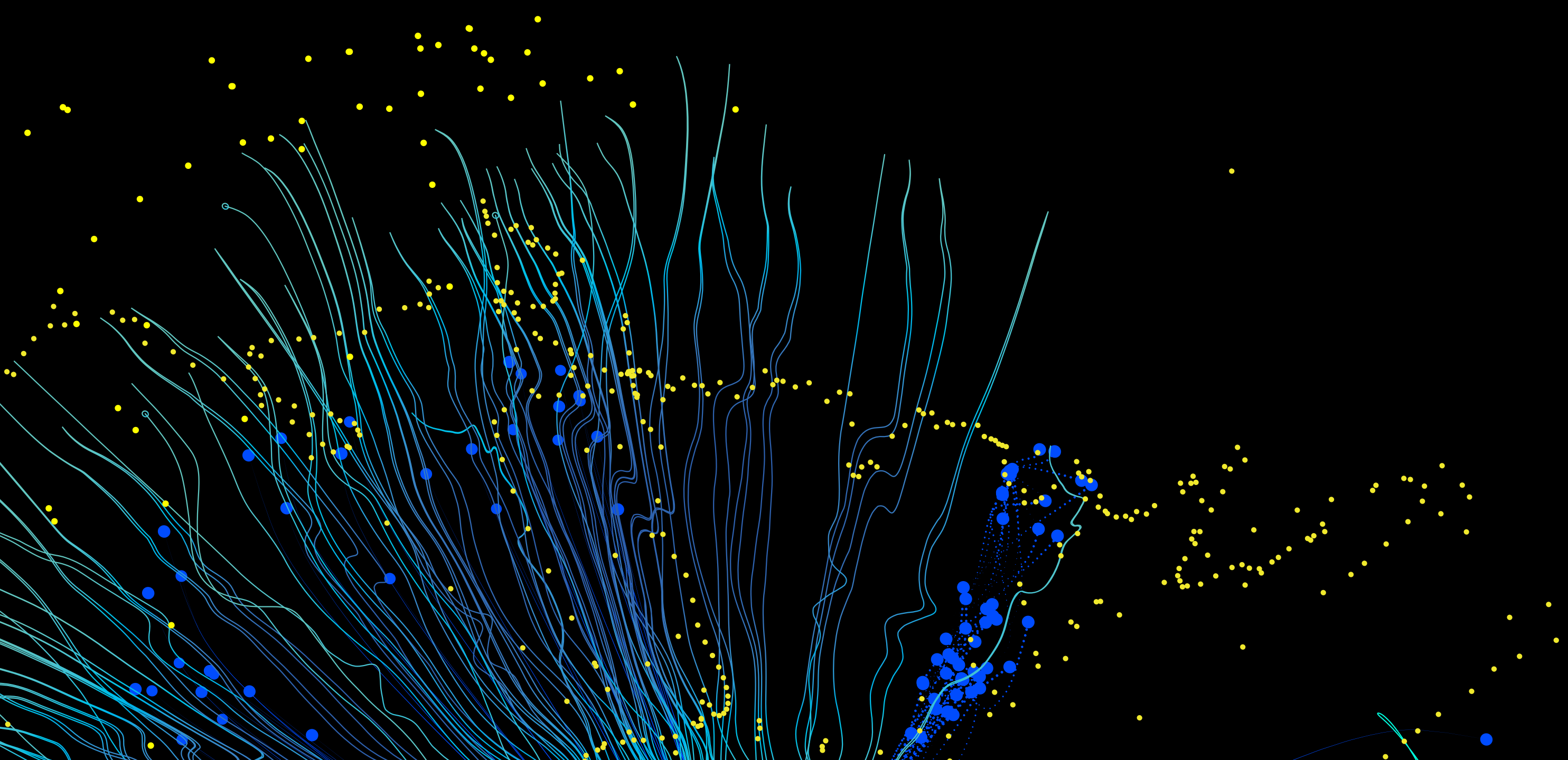
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# Key Data

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# Key Data - 3 Years

Key Metrics (\$'000s)	H1 2018	H2 2018	FY2018	H1 2019	H2 2019	FY2019	H1 2020	H2 2020	FY2020
	6mths	6mths	12 mnths	6mths	6mths	12 mnths	6 mnths	6 mnths	12 mnths
Headcount (closing)	184	182	184	236	275	275	272	450	<b>450</b>
Average Headcount for the period	174	185	180	217	221	219	264	334	<b>299</b>
<b>Gross debit volume (GDV)</b>	<b>\$3,583,289</b>	<b>\$3,168,921</b>	<b>\$6,752,210</b>	<b>\$4,148,106</b>	<b>\$4,882,805</b>	<b>\$9,030,911</b>	<b>\$6,616,240</b>	<b>\$7,259,696</b>	<b>13,875,936</b>
Gift & Incentive	\$467,085	\$270,296	\$737,381	\$664,133	\$395,850	\$1,059,983	\$838,729	\$336,239	<b>1,174,969</b>
General Purpose Reloadable	\$1,840,281	\$1,508,166	\$3,348,447	\$1,392,659	\$1,346,678	\$2,739,337	\$1,465,909	\$2,768,260	<b>4,234,169</b>
Virtual Account Numbers	\$1,275,924	\$1,390,459	\$2,666,382	\$2,091,314	\$3,140,277	\$5,231,591	\$4,311,602	\$4,155,186	<b>8,466,788</b>
<b>Total Stored Value</b>	<b>\$514,521</b>	<b>\$411,069</b>	<b>\$411,069</b>	<b>\$636,216</b>	<b>\$495,400</b>	<b>\$495,400</b>	<b>\$710,671</b>	<b>\$1,435,446</b>	<b>\$1,439,446</b>
Interest on Stored Value (exc group funds)	\$1,116	\$1,227	\$2,343	\$1,296	\$1,029	\$2,325	\$872	\$545	<b>\$1,417</b>
Effective Interest Rate (%)	0.43%	0.60%	0.57%	0.41%	0.42%	0.47%	0.25%	0.04%	<b>0.10%</b>

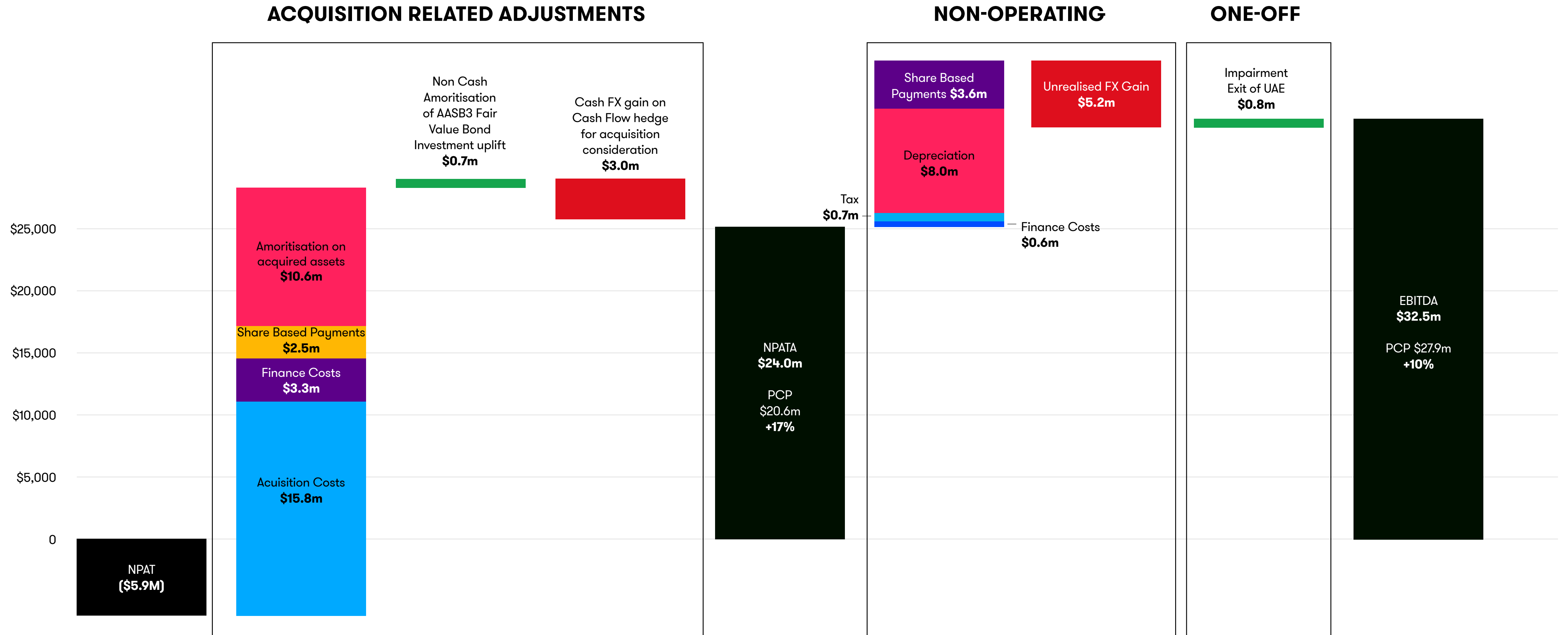


# Key Data - FY18-FY20

Key Financials (\$'000s)	H1 2018	H2 2018	FY2018	H1 2019	H2 2019	FY2019	H1 2020	H2 2020	FY2020
	6mths	6mths	12 mnths	6mths	6mths	12 mnths	6mths	6mths	12 mnths
<b>Revenue</b> (includes interest income)	<b>\$33,908</b>	<b>\$37,112</b>	<b>\$71,020</b>	<b>\$47,194</b>	<b>\$50,001</b>	<b>\$97,195</b>	<b>\$59,156</b>	<b>\$62,473</b>	<b>\$121,629</b>
Gift & Incentive	\$21,753	\$24,470	\$46,223	\$32,380	\$33,985	\$66,365	\$40,149	\$28,063	\$68,212
General Purpose Reloadable	\$10,886	\$10,711	\$21,597	\$12,251	\$11,865	\$23,936	\$13,106	\$28,748	\$41,854
Virtual Account Numbers	\$1,042	\$1,383	\$2,425	\$2,319	\$4,096	\$6,415	\$5,522	\$5,139	\$10,660
Group interest & adjustments	\$227	\$548	\$775	\$244	\$235	\$479	\$379	\$523	\$902
<b>Gross profit</b>	<b>\$24,376</b>	<b>\$28,925</b>	<b>\$53,301</b>	<b>\$34,450</b>	<b>\$38,565</b>	<b>\$73,015</b>	<b>\$44,803</b>	<b>\$43,942</b>	<b>\$88,745</b>
Gift & Incentive	\$16,237	\$20,383	\$36,619	\$24,529	\$27,844	\$52,373	\$32,287	\$23,692	\$55,979
General Purpose Reloadable	\$7,192	\$6,969	\$14,161	\$8,092	\$7,705	\$15,797	\$8,738	\$16,270	\$25,007
Virtual Account Numbers	\$871	\$1,198	\$2,069	\$1,561	\$2,805	\$4,366	\$3,447	\$3,465	\$6,913
Group interest & adjustments	\$76	\$375	\$452	\$244	\$235	\$479	\$331	\$515	\$845
Overheads (excl acquisition costs)	(\$15,647)	(\$17,991)	(\$33,638)	(\$20,887)	(\$23,708)	(\$44,595)	(\$25,581)	(\$31,971)	(\$57,552)
Research and development credit	\$605	\$772	\$1,377	\$300	\$981	\$1,281	\$500	\$843	\$1,343
<b>EBITDA</b>	<b>\$9,144</b>	<b>\$11,616</b>	<b>\$21,040</b>	<b>\$13,741</b>	<b>\$15,393</b>	<b>\$29,134</b>	<b>\$19,722</b>	<b>\$12,814</b>	<b>\$32,536</b>
EBITDA margin	27%	31%	29%	29%	31%	30%	33%	21%	27%
<b>NPATA</b>	<b>\$2,876</b>	<b>\$9,787</b>	<b>\$12,663</b>	<b>\$9,400</b>	<b>\$10,634</b>	<b>\$20,034</b>	<b>\$10,318</b>	<b>\$13,371</b>	<b>\$24,049</b>
<b>Cash opening</b>	<b>\$39,872</b>	<b>\$34,697</b>	<b>\$39,872</b>	<b>\$39,006</b>	<b>\$50,114</b>	<b>\$39,006</b>	<b>\$33,085</b>	<b>\$256,812</b>	<b>\$33,085</b>
Operating activities	(\$3,361)	\$9,733	\$6,372	\$17,008	\$12,154	\$29,162	\$8,611	\$13,459	\$22,070
Investing activities	(\$1,835)	(\$4,802)	(\$6,637)	(\$5,864)	(\$43,954)	(\$49,818)	(\$6,547)	(\$148,068)	(\$154,615)
Financing activities (incl FX)	\$21	(\$622)	(\$601)	(\$36)	\$14,771	\$14,735	\$221,663	(\$3,822)	\$217,841
<b>Cash closing</b>	<b>\$34,697</b>	<b>\$39,006</b>	<b>\$39,006</b>	<b>\$50,114</b>	<b>\$33,085</b>	<b>\$33,085</b>	<b>\$256,812</b>	<b>\$118,381</b>	<b>\$118,381</b>

\* FY18 has been re-presented to show pro forma adjusted results as if the Group had reported under AASB15 Revenue from contracts with customers, there is no impact on full year values, half year split only

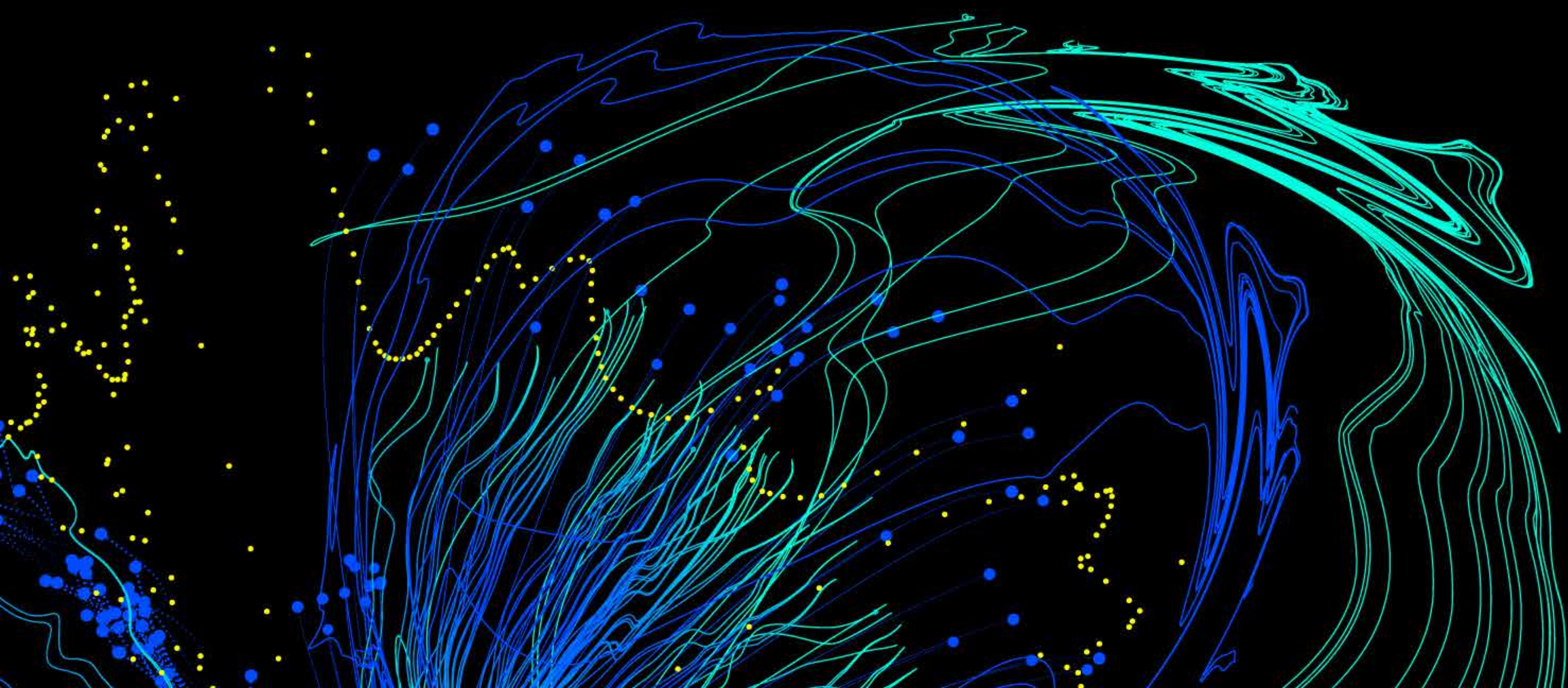
# Statutory Earnings Reconciliation



# Thank you

**EML.**

Level 12, 333 Ann Street  
Brisbane QLD 4000  
Telephone: +61 7 3557 1100  
[emlpayments.com](http://emlpayments.com)



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