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FOR



Money in Motion

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Level 12

333 Ann Street

Brisbane QLD 4000

**EML Payments Limited**

14 October 2020

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**ASX Market Announcements**

20 Bridge Street  
SYDNEY NSW 2000

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## INVESTOR BRIEFING

**EML PAYMENTS LIMITED (ASX: EML) (“EML”)** provides the attached investor briefing for release to the market.

EML’s Managing Director & Group CEO, Tom Cregan and Group CFO, Rob Shore will present the attached briefing for shareholders and the investment community throughout Wednesday 14<sup>th</sup> and Thursday 15<sup>th</sup> October at:

- Citi’s 12th Annual Australia & New Zealand Investment Conference; and
- Market Eye’s TechOpps Investor conference.

### About EML Payments Limited

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.

We encourage you to learn more about EML Payments Limited, by visiting: [EMLpayments.com](http://EMLpayments.com)

**This announcement has been authorised for release by the Joint Company Secretaries.**

### For further information, please contact:

**Robert Shore**

Group CFO

**EML Payments Limited (ASX: EML)**

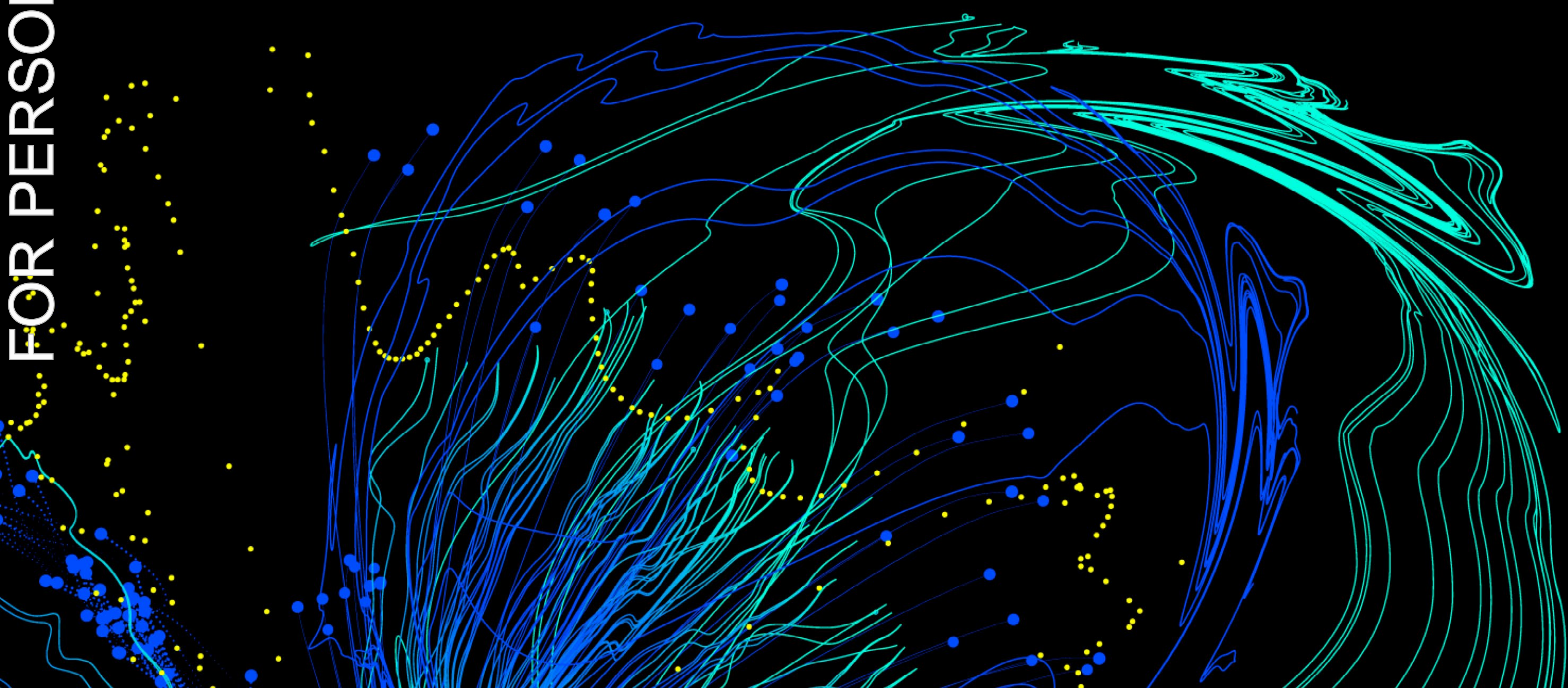
[rshore@emlpayments.com.au](mailto:rshore@emlpayments.com.au)

+61 (0) 419 590 128

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# Investor Briefing

October 2020



Money in Motion

## Mission.

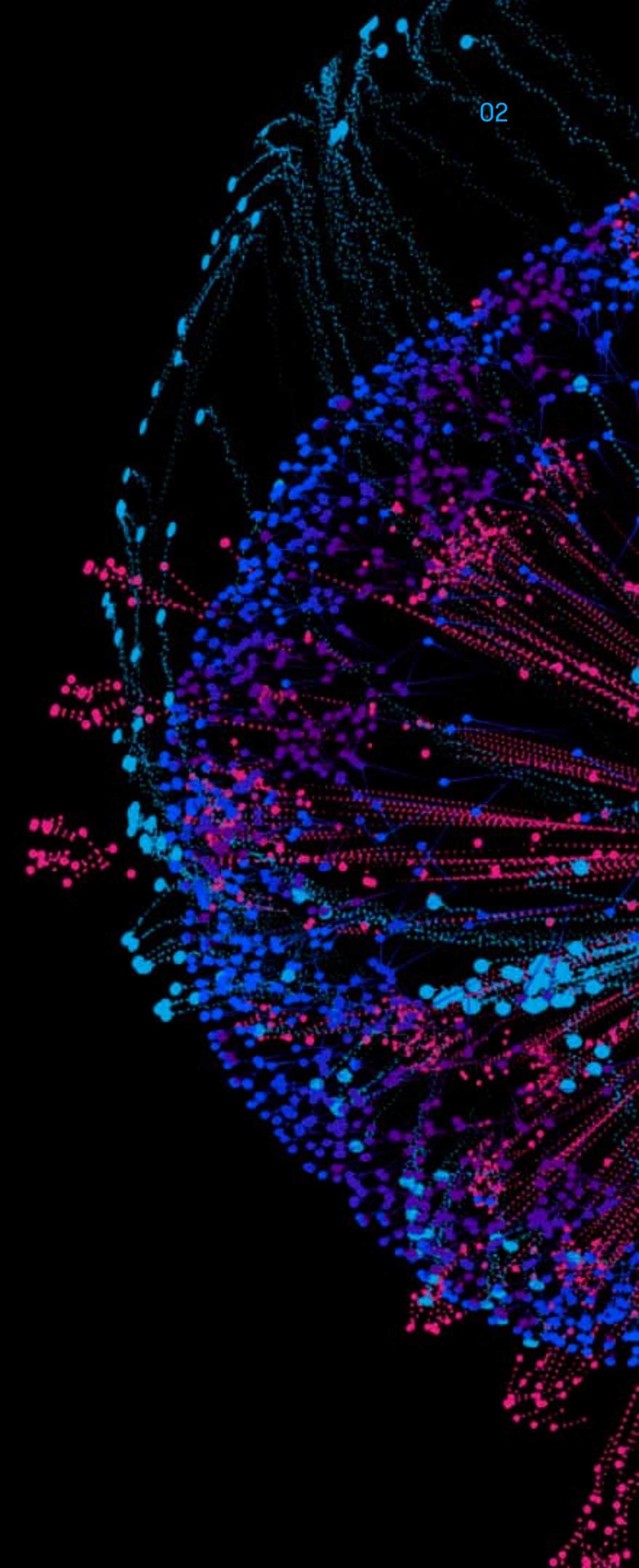
We create awesome, instant and secure payment solutions that connect our customers to their customers, anytime, anywhere, wherever money is in motion.

## 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.



# About Us – EML Snapshot

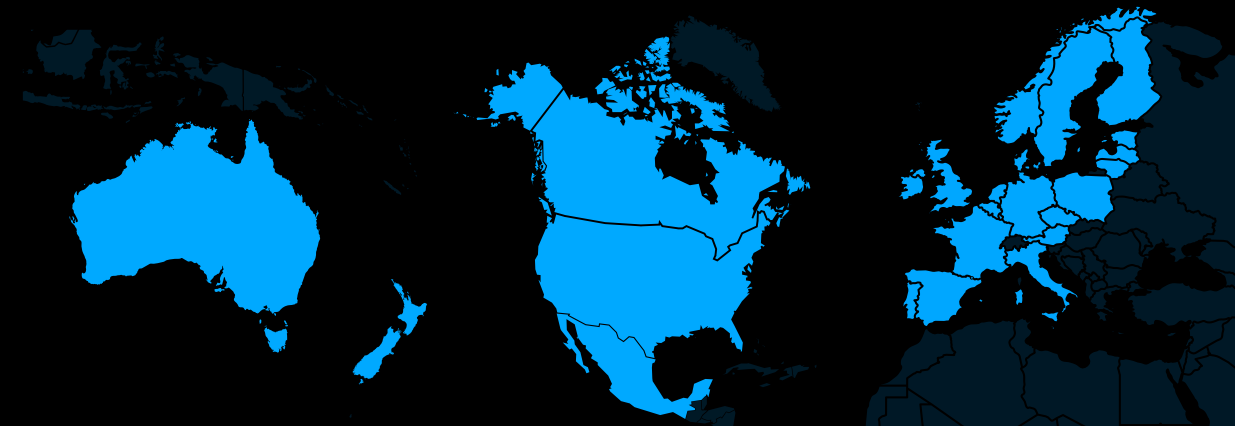
OPERATE IN

**28**

COUNTRIES

**450**

EMPLOYEES



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

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

**\$32.5M**

↑ **10%**

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

**\$121.6M**

↑ **25%**

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

**\$24.0M**

↑ **17%**

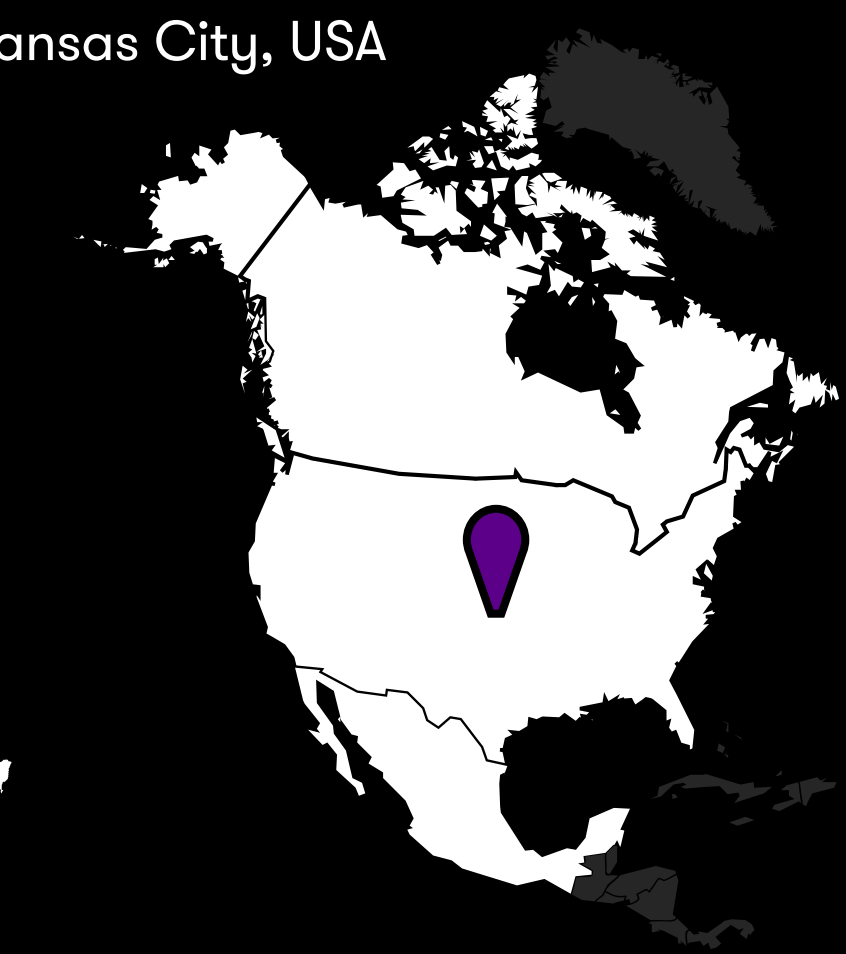
### Australia

Head Office  
Brisbane, Australia  
Melbourne, Australia



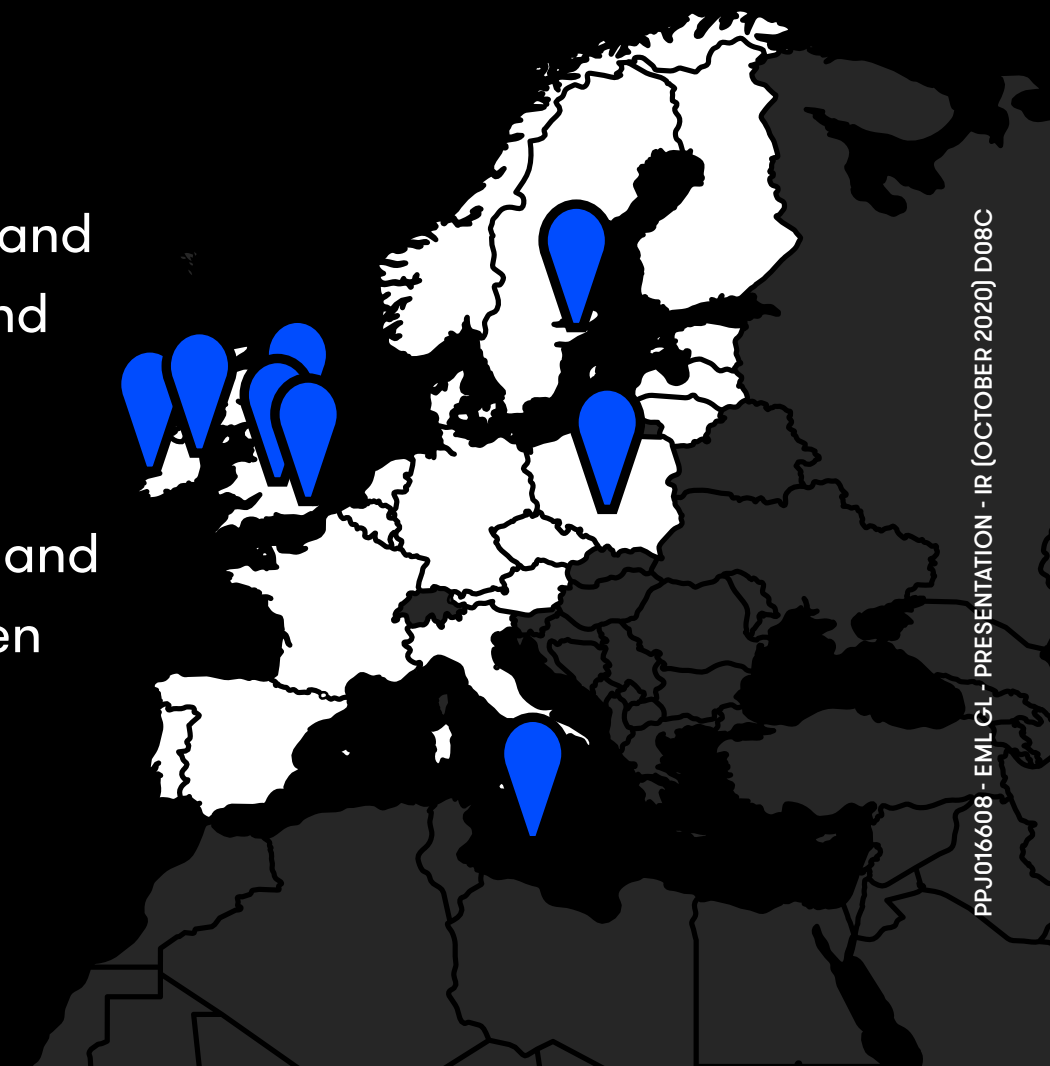
### Americas

Kansas City, USA



### Europe

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



<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 in the FY20 Investor Presentation

# Our Journey

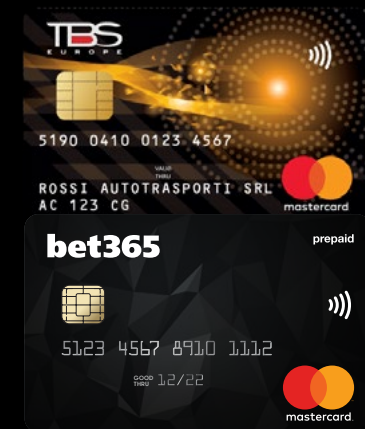
Incentives B2B & B2C Cards



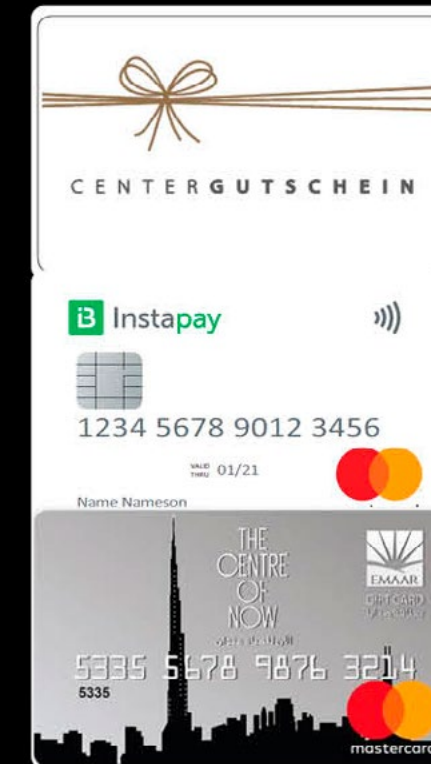
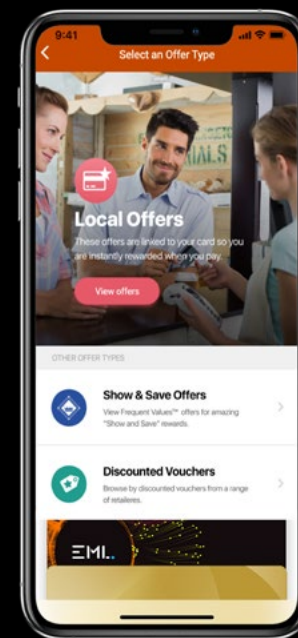
Launch of GPR in Australia



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
- + Delegated authority
- + Instant mobile gift

EML launches EML Finlabs and proudly announces the first partner:



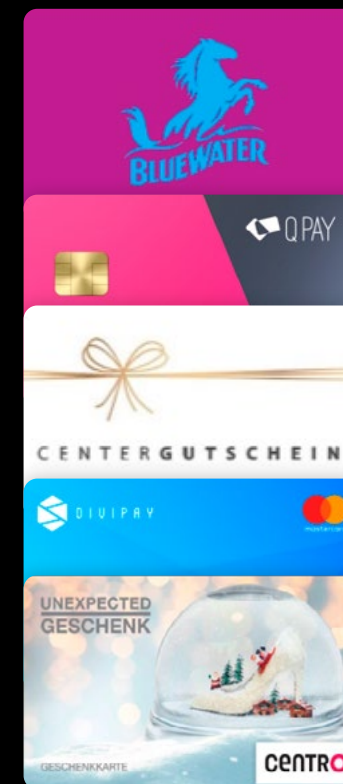
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 Project Accelerator



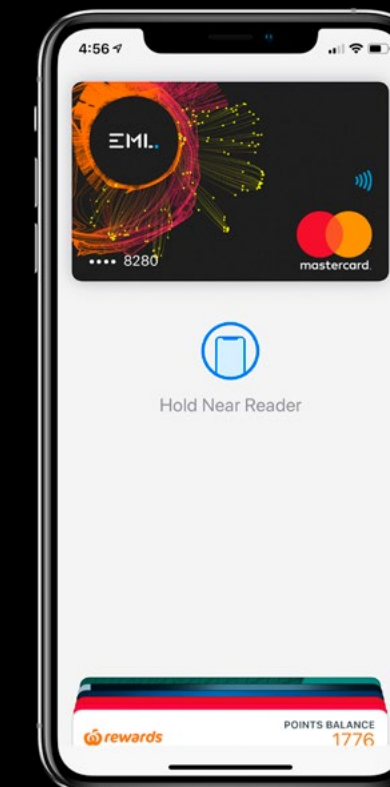
Heritage-Issued Visa Integration



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



Acquisition of Prepaid Financial Services (PFS): + Multi Currency + Payments as a Service + Banking as a Service

# EML operates in a Trillion dollar industry

**Global:**  
e-commerce sales by 2023 - \$6.5 Trillion  
[Source: "Emarketer Global E-Commerce 2019"]

**USA Prepaid Market:**

- Transaction value Total \$395.5B USD
- Significant existing market opportunities for EML to continue to grow market share

[Source: 2019 Euromonitor]

**Global:** number of debit and prepaid cards in market = 799 million  
[Source: Nilsson Report February 2020]

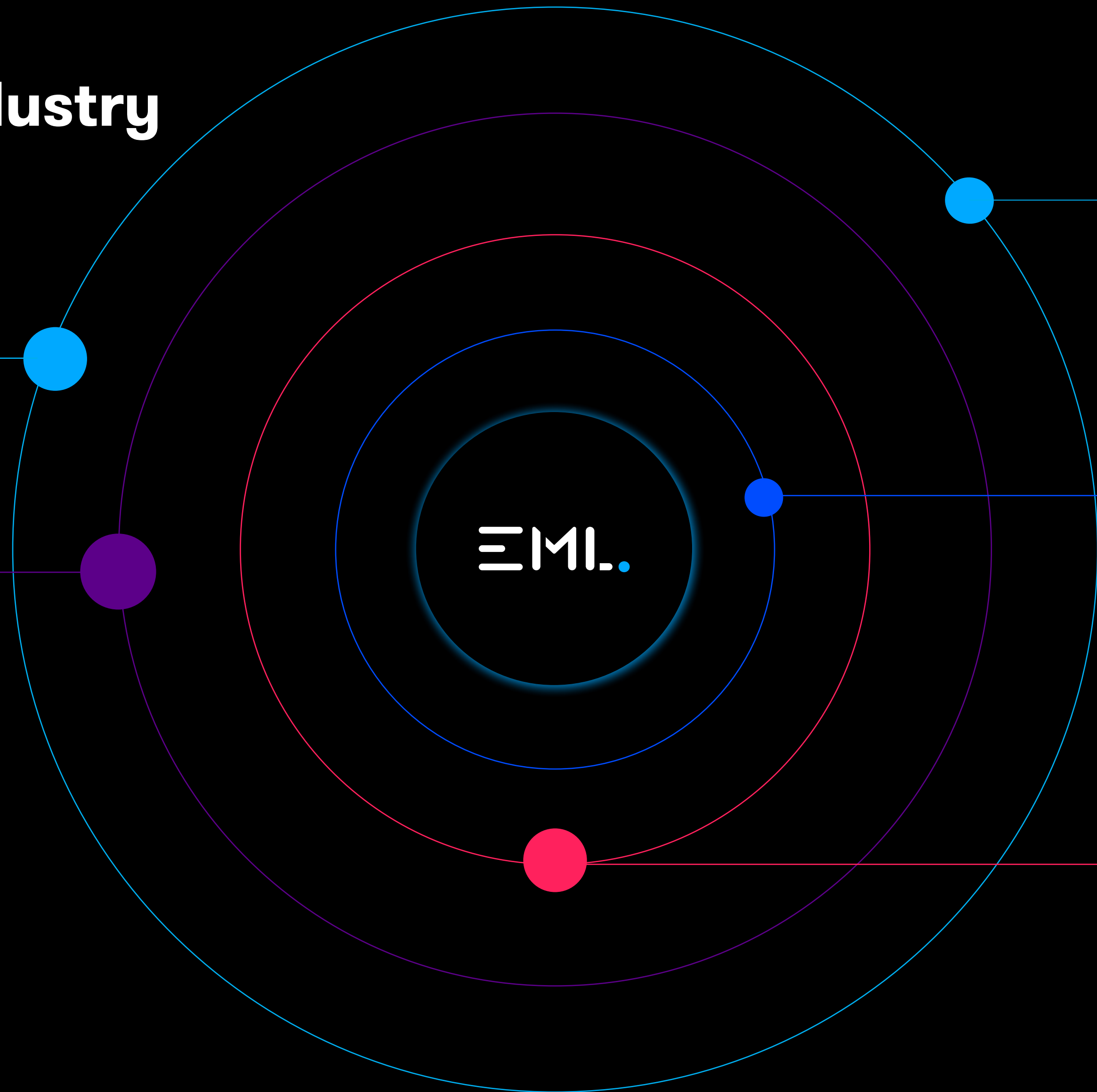
**United Kingdom & Europe Prepaid Market:**

- Transaction Value \$23.7B pounds growing to \$26.3B by 2024
- EU prepaid market expected to reach EU\$371B by end of 2023
- Fast growing market provides significant opportunities for continued growth

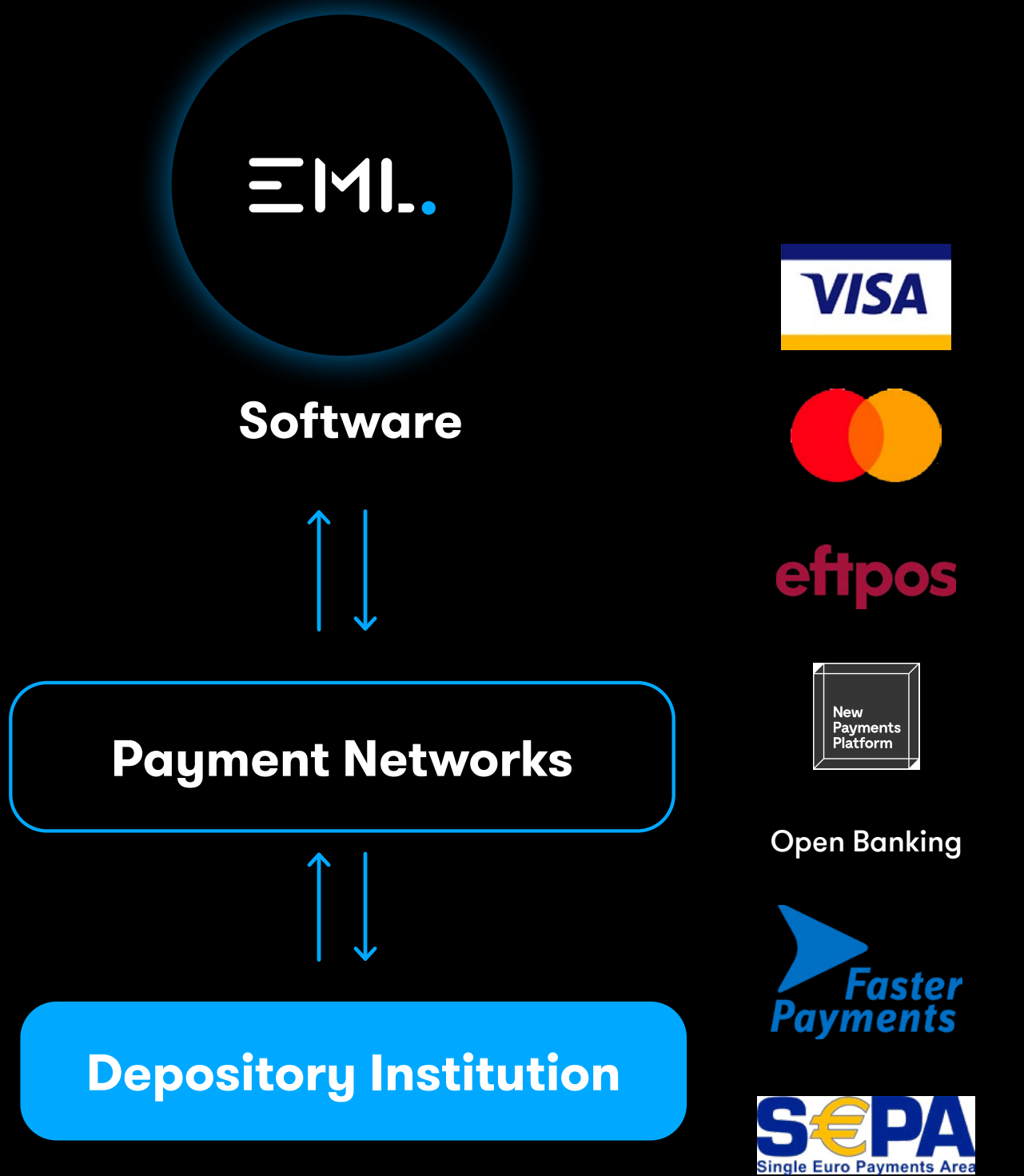
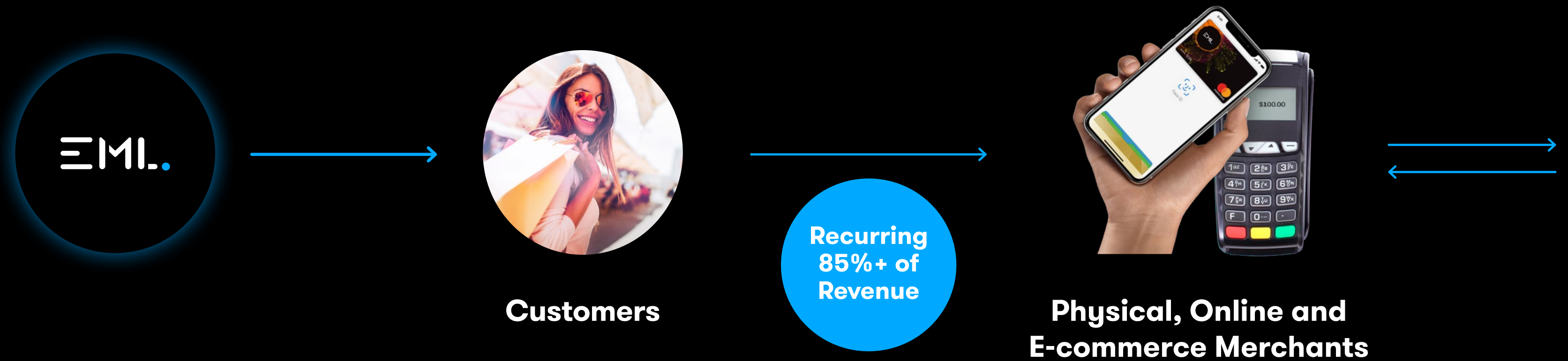
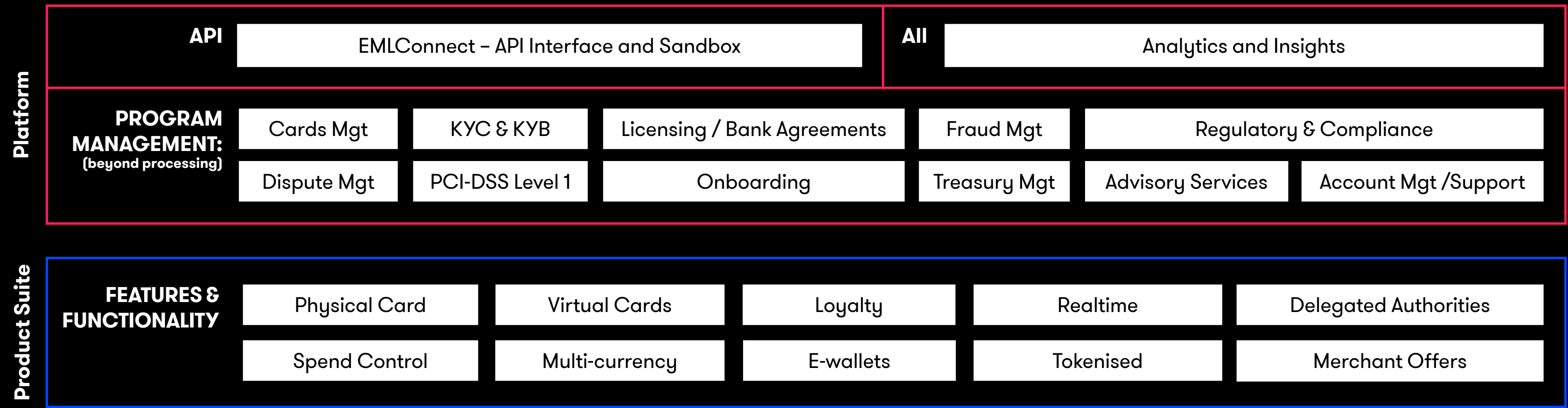
[Source: Businesswire.com "Europe Prepaid Card Business and Investment Opportunities - Market Size and Forecast 2014-2023", Research and Markets]

**Australian Prepaid Market:**

- Total stored value June 2020: \$1.1B  
[Source: "RBA July 2020"]
- Significant market participant but with <20% market share the market continues to provide significant opportunities for growth
- Total GDV 2019 \$11.8B AUD  
[Source: Euromonitor]



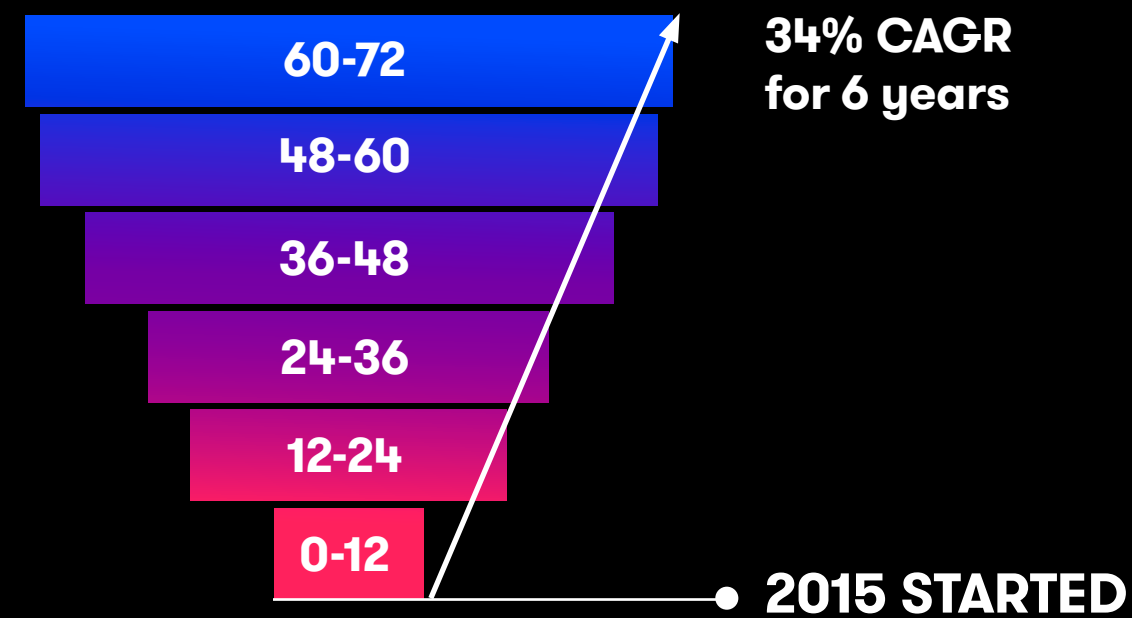
# Solution Suite



# Business Model – Cohort Analysis

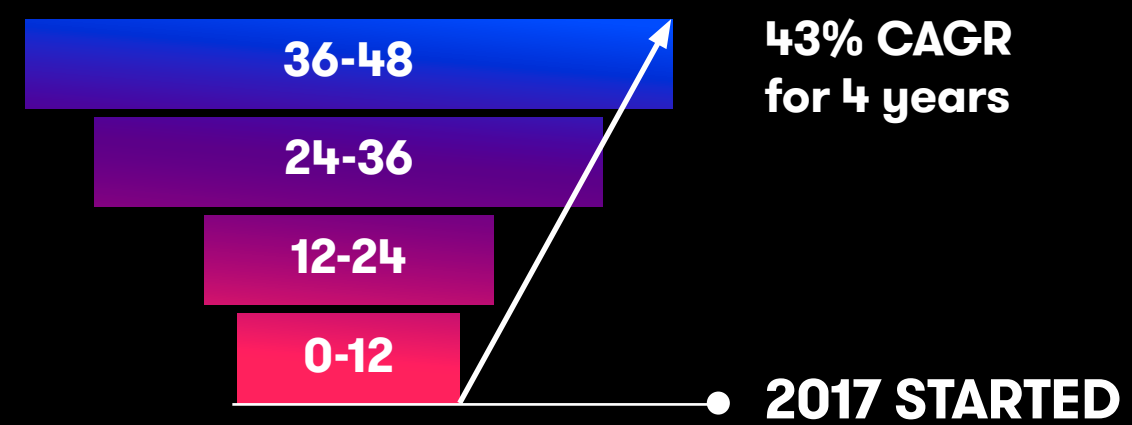
## Distribution as a Service Customer

This gaming industry customer uses our cards to distribute funds to their customers. The programs loads have grown 34% over the last 6 years in GDV.



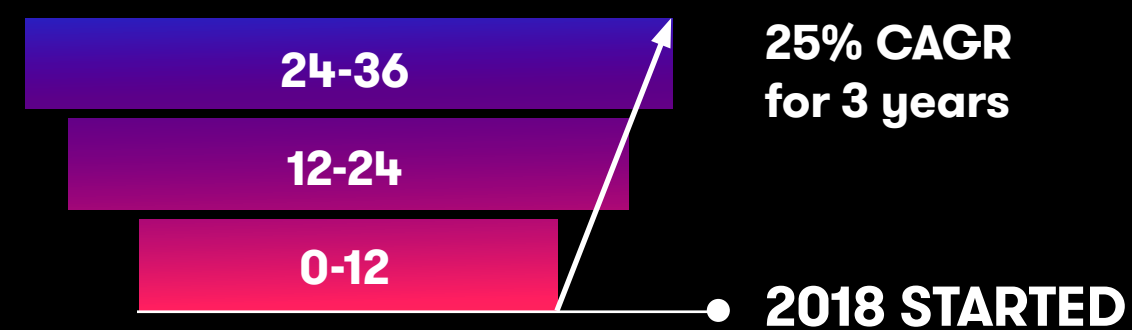
## Banking as a Service Customer

This BaaS customer uses our full technology suite so that their customers can access the funds that they have in various accounts with us. The programs load have grown 43% over the last 4 years in GDV.

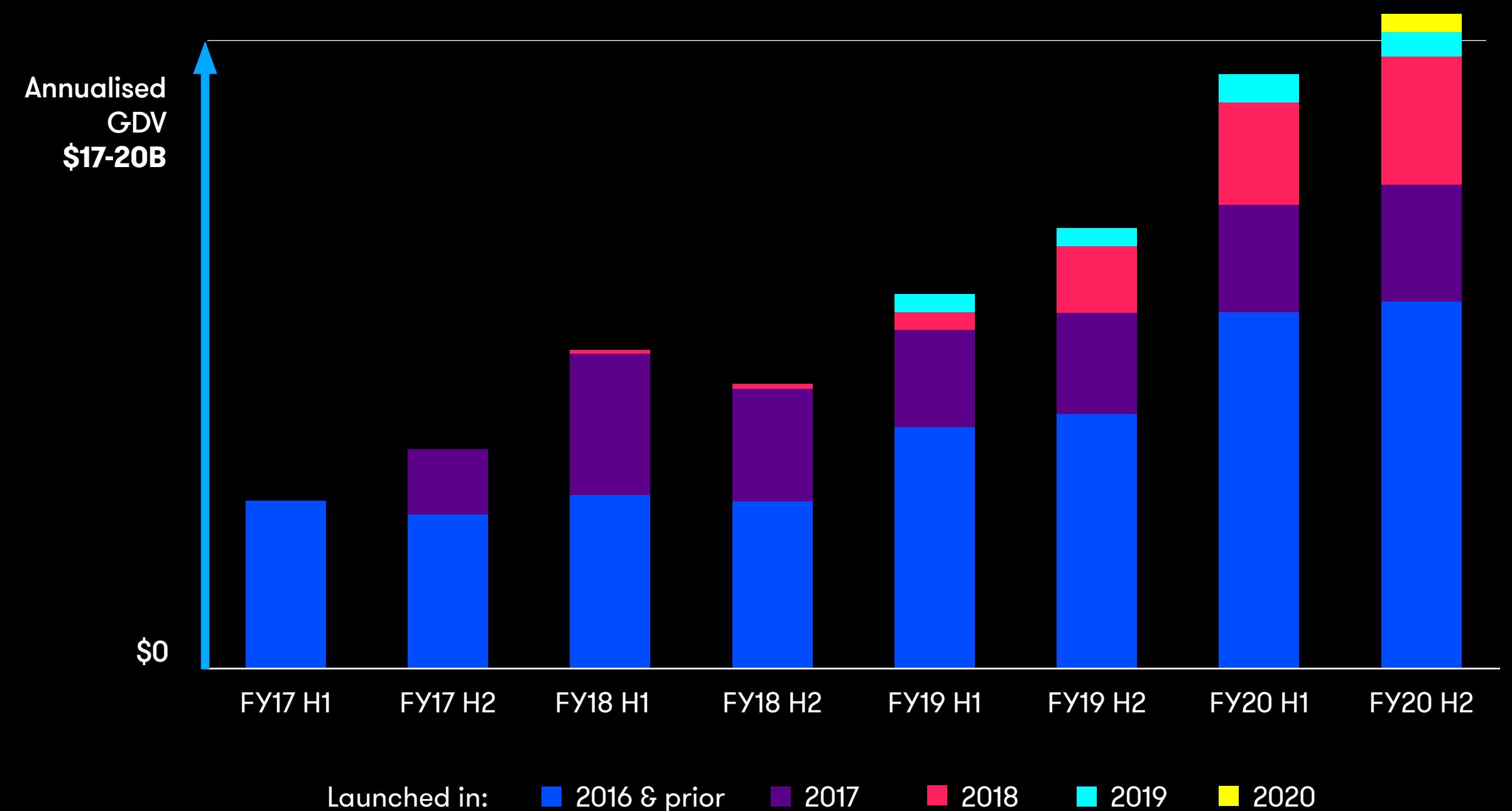


## Salary as a Service Customer

This salary packaging program has cards to distribute pre-tax funds to their customers in accordance with government regulations for spend on various merchant categories. The programs load have grown 25% over the last 3 years in GDV.



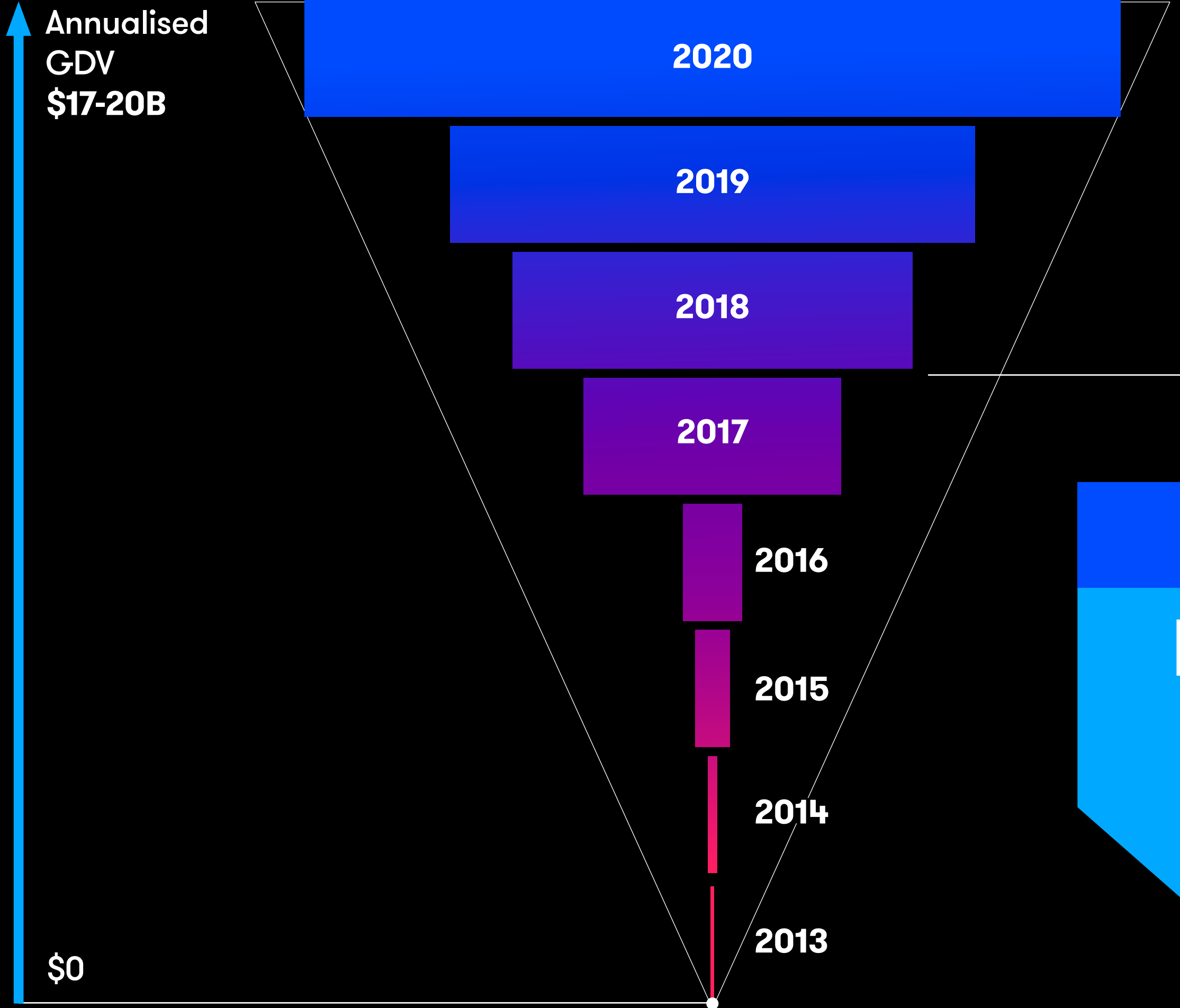
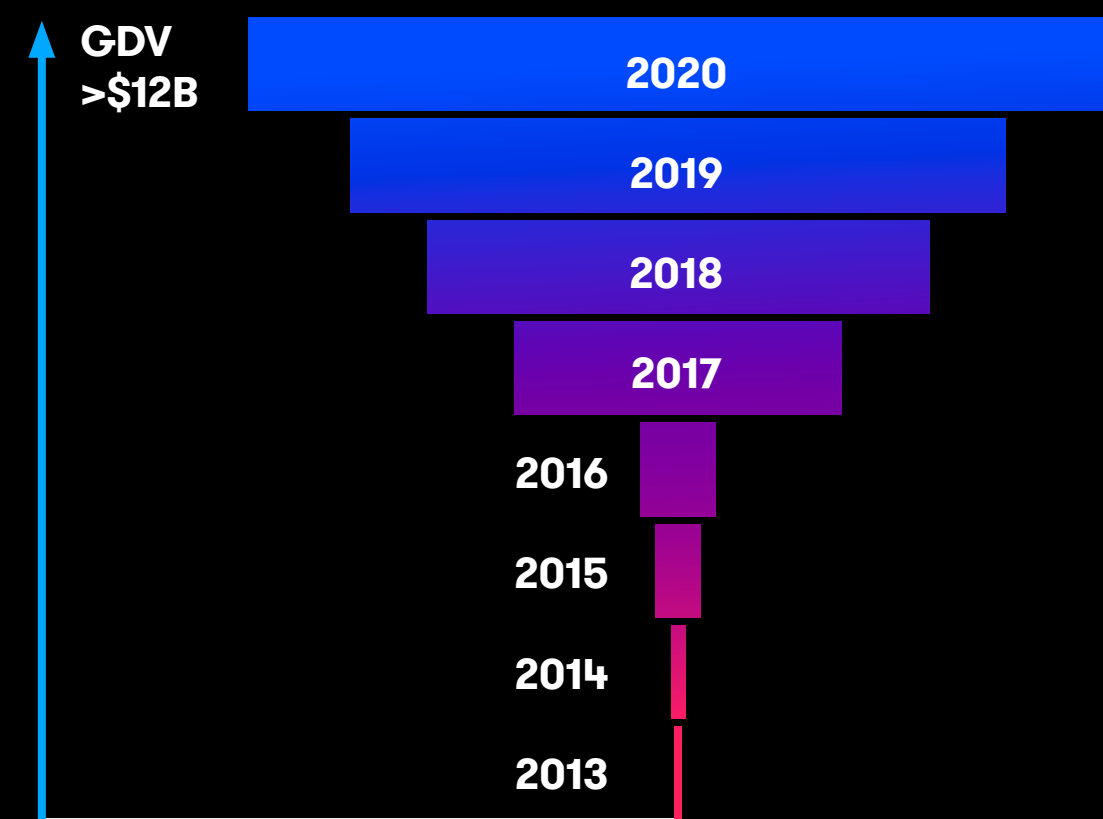
## Cohort – Half Year





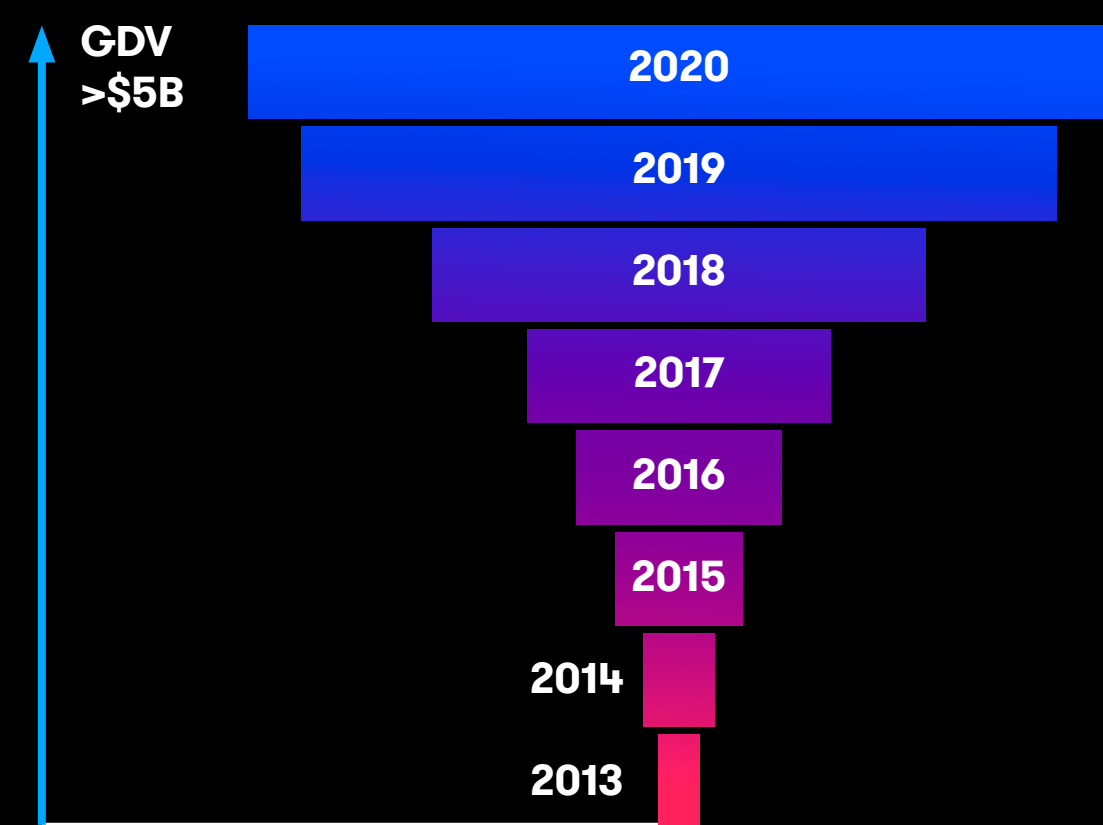
# Business Model – Cohort Analysis

## GDV – EML



**99.9%**  
of clients are retained through this 3 year period

## GDV – PFS



### Sales Pipeline

**46** contracts signed  
in the last 2 quarters

**331** in the pipeline

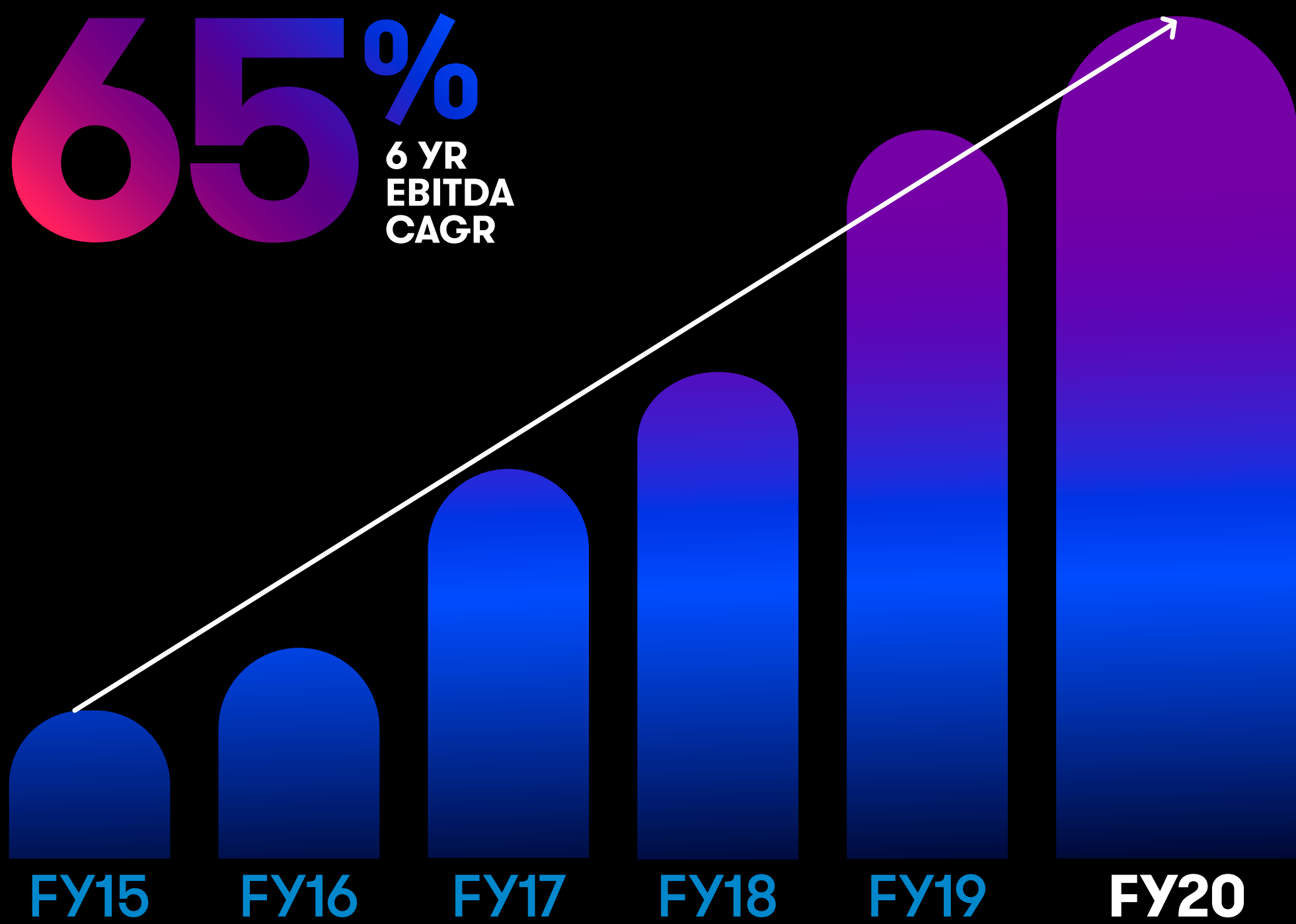
**\$5B** Projected year 3-4 GDV

Customer attrition has been calculated based on GDV from active customers in 2017, and the cumulative GDV loss for FY2018, FY2019 and FY2020 over cumulative volume for the same period.

EML data is presented for the Financial Years ending 30 June. PFS data is presented for the calendar years ending 31 December, 2020 is extrapolated for illustration. Combined pro forma group ignores immaterial seasonality in the PFS data and timing of EML gaining control over PFS being illustrative only.

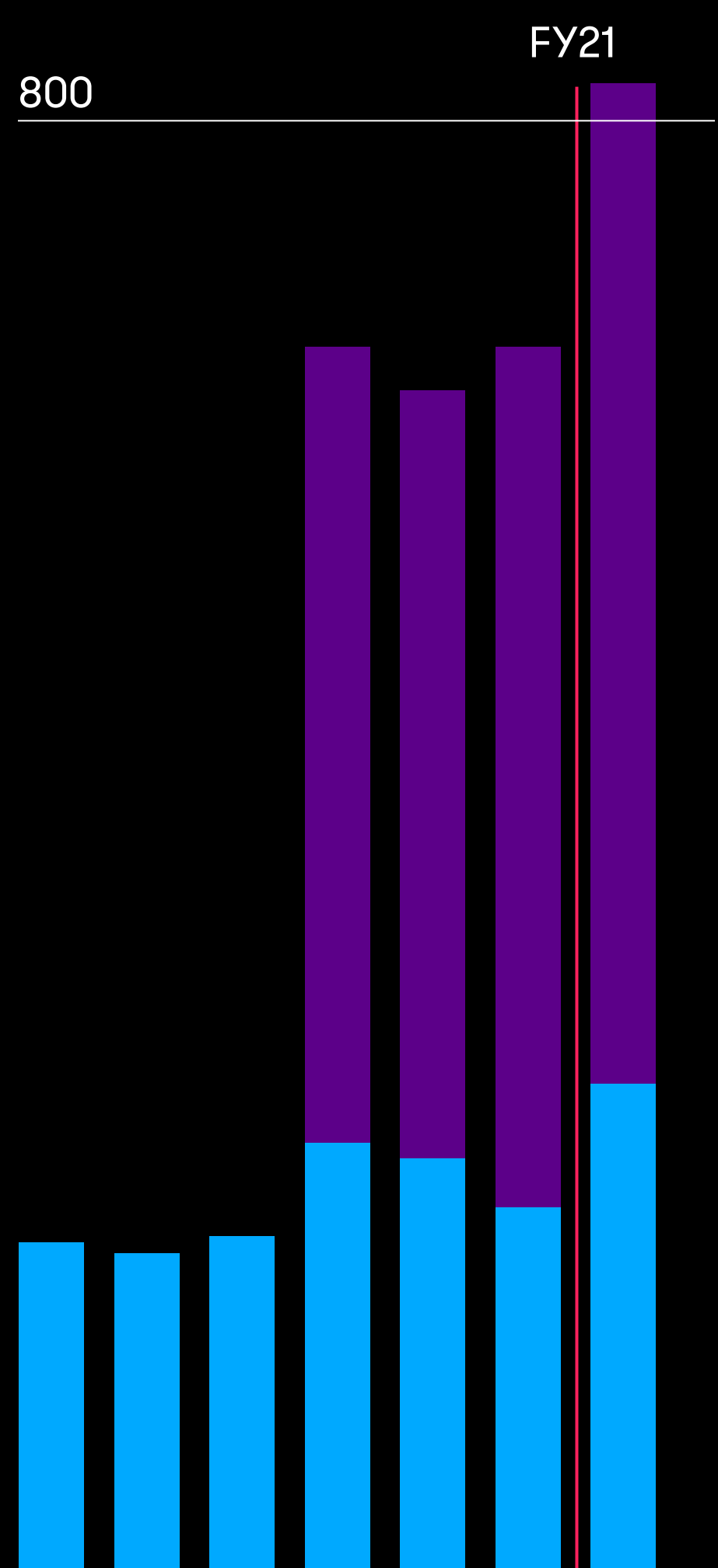
# Track Record of Growth

**65%**  
6 YR  
EBITDA  
CAGR

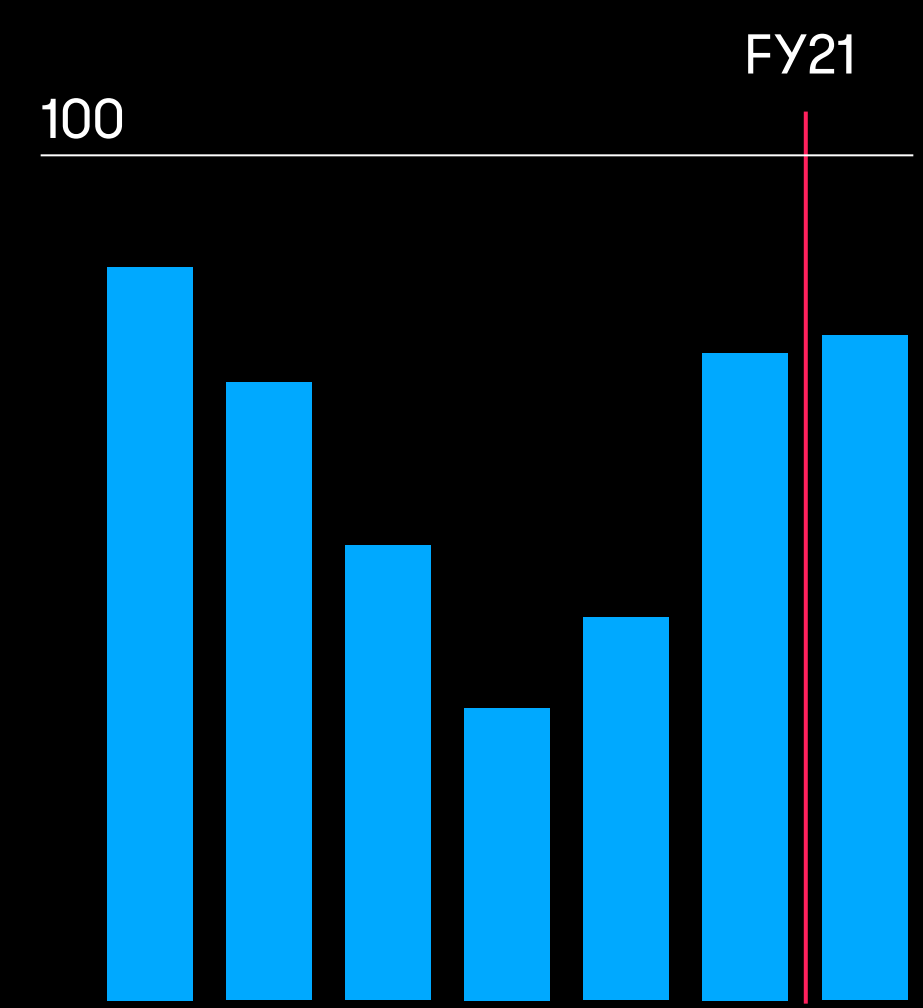


<b>GDV</b>	\$0.5B	\$1.0bn	\$4.4bn	\$6.8bn	\$9.0bn	\$13.9bn
<b>REVENUE</b>	\$14.4m	\$23.3M	\$58.0M	\$71.0M	\$97.2M	\$121.6M
<b>EBITDA</b>	\$2.6M	\$5.0M	\$14.5M	\$21.0M	\$29.7M	\$32.5M
<b>HEADCOUNT</b>	55	150	170	182	275	450
<b>COUNTRIES</b>	10	13	13	21	23	28

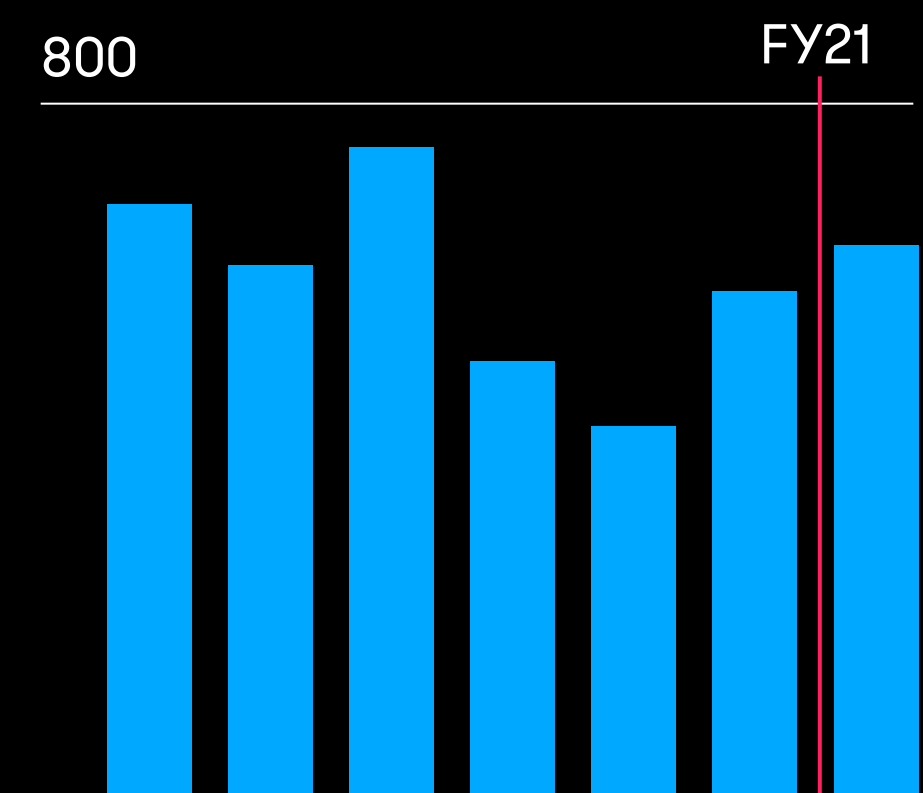
**GPR GDV**  
January - July 2020



**G&I GDV**  
January - July 2020



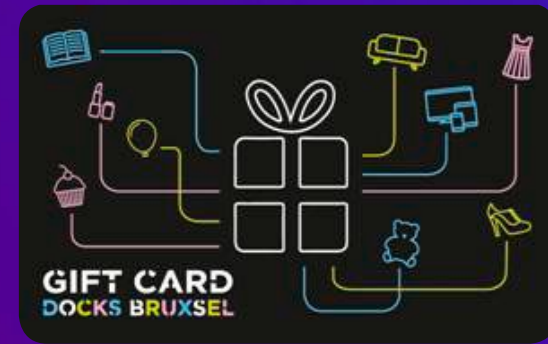
**VANS GDV**  
January - July 2020



# Business Model - Barriers to Entry

## End to end

End to End payment processing platform  
(card issuing, transaction processing, fraud control, settlement and reconciliation)



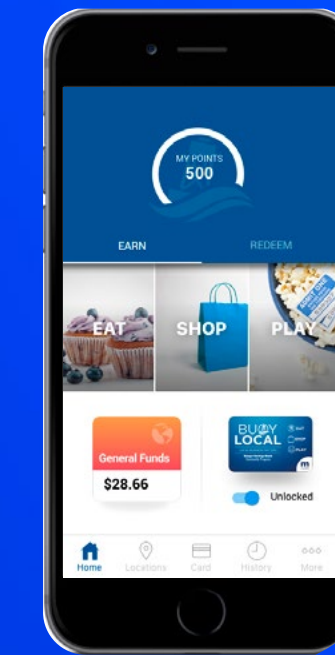
Non-reloadable



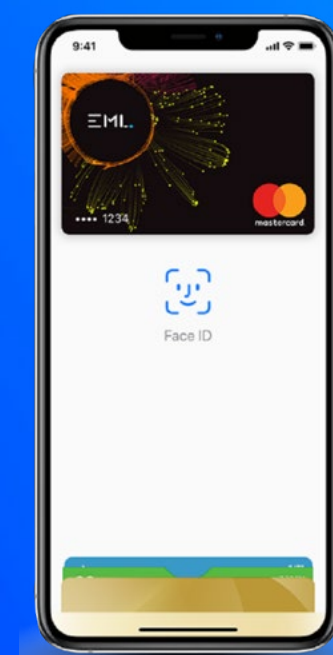
Virtual



Reloadable



Mobile Merchant Rewards



Mobile Payments

## Regulatory and compliance across the globe

**9** Issuing bank agreements

**>50** Regulations / laws

**21** Compliance with regulatory authorities

- 5 Major licences**
- AFS Licence (Australia)
  - Mastercard membership (Australia, UK & Europe)
  - BPay (Australia)
  - E-Money Licence FCA (United Kingdom)
  - E-Money Licence CBol (Ireland)

## People

**450** Employees servicing 28 countries

**200** Over 200+ years prepaid experience in group leadership team



## Information Technology

**3** In-house, prepaid, processing platforms

**LEVEL 1** PCI-DSS Level 1 compliant

**6** Data Centres

**~\$30m** Over ~\$30m invested in our platforms to date

**30%** Staff are IT based

**5** Connectivity to 5 major card schemes

**MULTI** Multi-currency, Multi-factor (Plastic, Virtual, Mobile) & Multi-lingual

## Fraud Monitoring

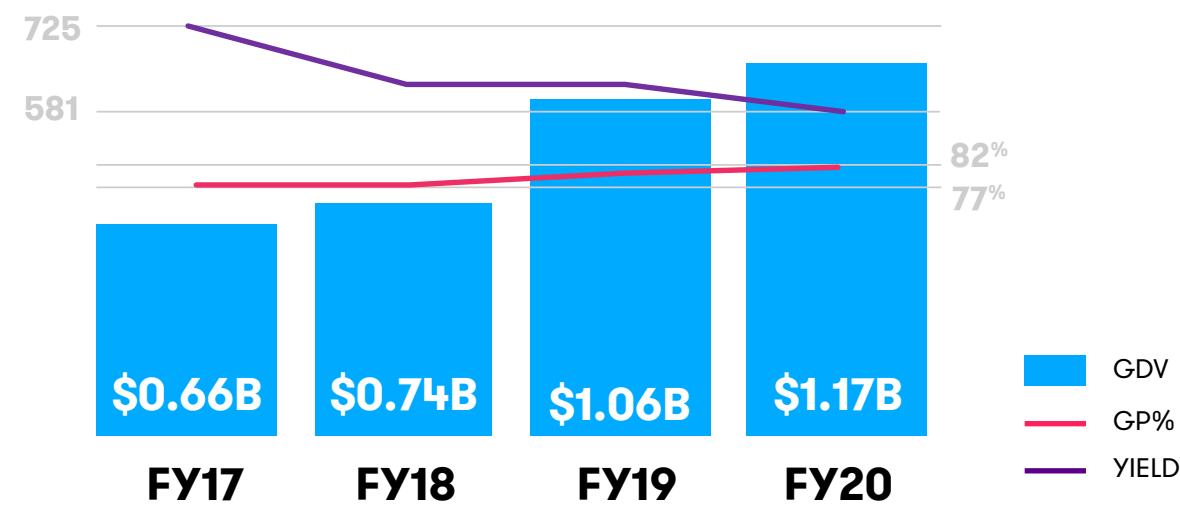
**24-7** Fraud Monitoring & Detection across 14 different currencies

**REALTIME ID** decision & action on suspect card transactions

**3D** Secure Capability

# Segment Analysis

## Gift & Incentive (G&I)



REVENUE

**\$68.2M**

PCP \$66.4M

GP%

**82.1%**

PCP 78.9%

YIELD

**581bps**

PCP 627bps

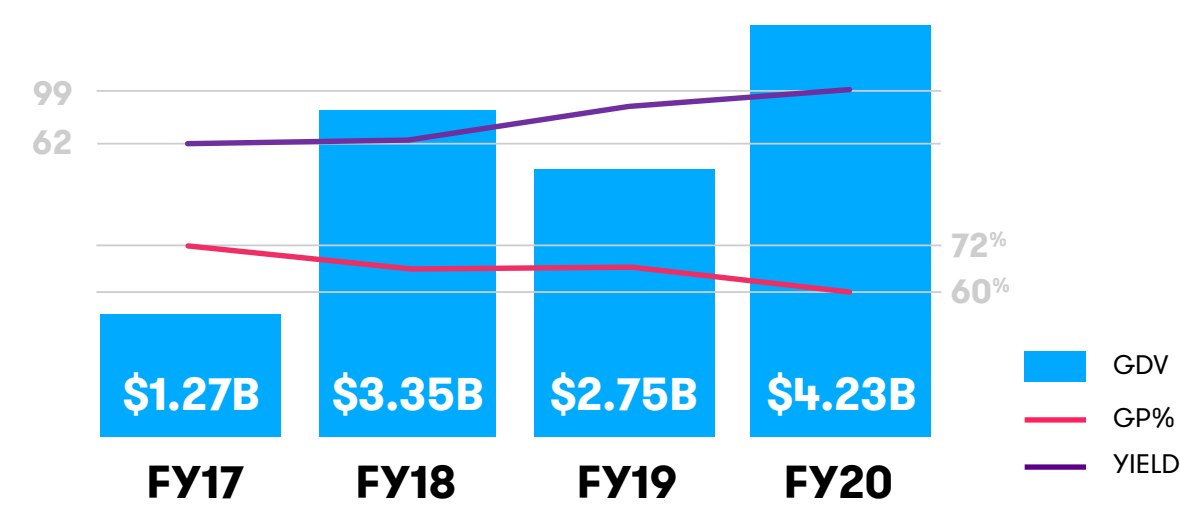
Use Cases

- Mall Gift Cards
- Employer incentives
- Cross-Sell
- Consumer incentives

Growth Thematics

- Physical incentive gift card business transitioning to digital
- Adoption of digital gifting
- Recovery of Mall volumes post COVID

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



REVENUE

**\$41.9M**

PCP \$23.9m

GP%

**59.7%**

PCP 66.0%

YIELD

**99bps**

PCP 86bps

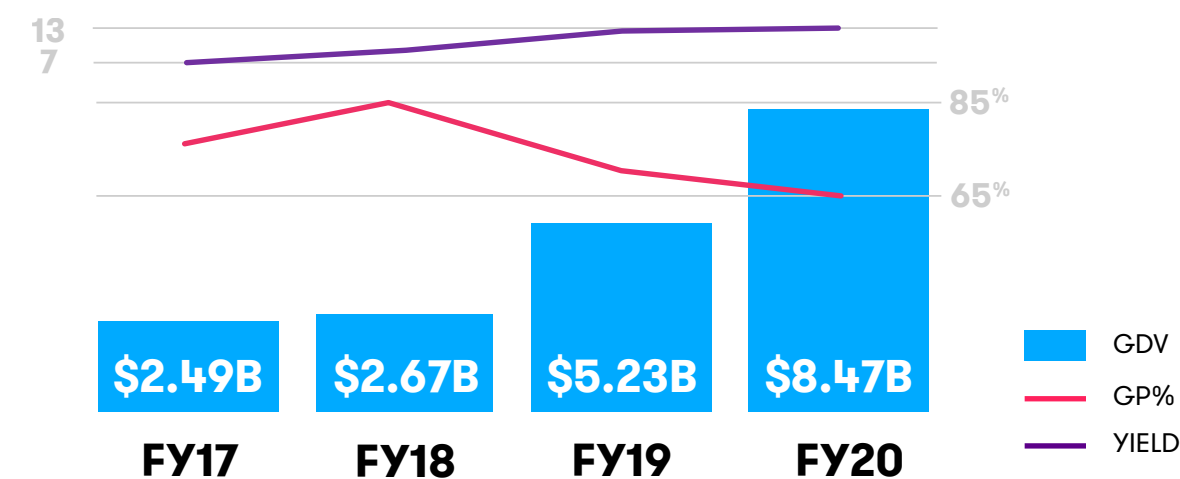
Use Cases

- Banking as a Service
- Software as a Service
- Neo-lending
- Multi-currency
- Government
- Non Governmental Organizations

Growth Thematics

- Digital payments transformation
- Disruptive Fintech
- Expanding PFS offerings - Banking as a Service
- Expansion of Disbursements as a Service in Europe and North America
- Rollout of ControlPay solution to existing markets

## Virtual Account Numbers (VANS)



REVENUE

**\$10.7M**

PCP \$6.4M

GP%

**64.8%**

PCP 68.1%

YIELD

**13bps**

PCP 12bps

Use Cases

- Commercial Payments
- Buy Now Pay Later

Growth Thematics

- Volume growth through servicing payment aggregators

Figures specified above are for the twelve months ended 30 June 2020 ('FY20'), presented in Australian Dollars. Unless otherwise stated, the prior comparative period refers to the twelve months ended 30 June 2019 ('FY19').

# Project Accelerator

## Technology

Single global integration touchpoint

Cloud native

Low/no-code

API integration

Support payments on mastercard and visa networks

## Products

Leverage expanded product suite to drive incements revenue for EML and partners

Expand to include non-card payments

Expand to include open-banking payments

## Investment

Internal investment in technology and platform \$10-15m over 2021/2022

External investments in Fintech innovators



Premiere EML Virtual Event

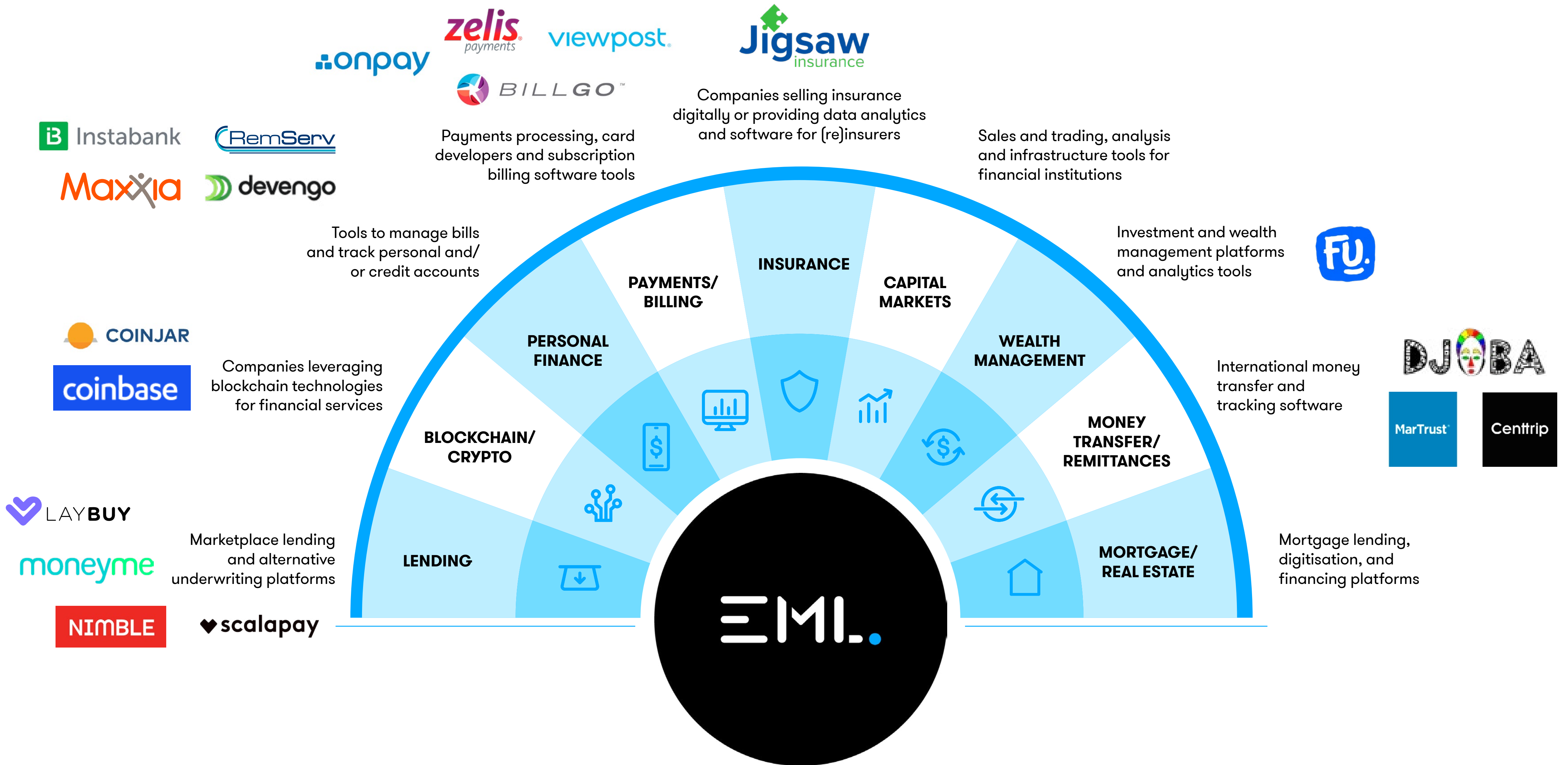
Date: 29th October 2020

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

**Speakers will include:**

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

# We provide mission critical infrastructure to the fintech industry.



# Building the EML Global Brand

Press releases have generated 2,814 stories, featured in Forbes, Wall Street Journal, Financial Time, Bloomberg, Sky news, and the Times

Estimated global news exposure to 10,804,177,808 people.

4775 uses of the Social Media images.

News in an average of 203 cities in 66 countries, per press release.

Stories found 1596 times via Google searches in: Australia, New Zealand, US, UK, Ireland, Spain, Italy, Germany, Canada, Switzerland, France, Singapore, Taiwan, Hungary, Hong Kong, Norway and Romania.

82,325 Newswire Subscriber emails read.

15,824 Newswire RSS feed reads.

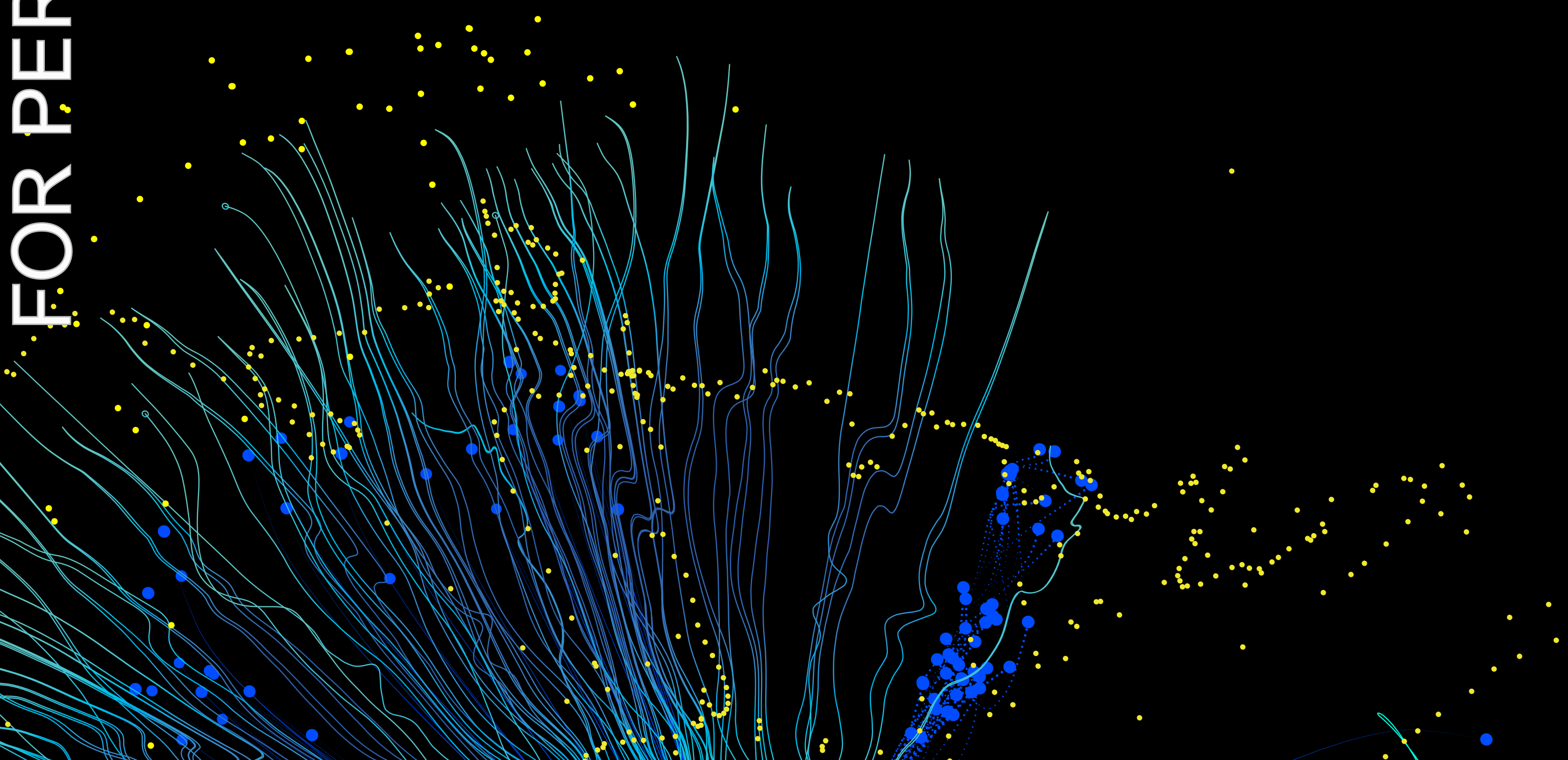
548 clicks on the EML website just from the Business Wire link.

The collage features several key pieces of media coverage:

- Forbes:** Article titled "How To Turn A Corporate Sustainability Pledge Into A Communications Showcase" by Marie O'Riordan.
- The Wall Street Journal:** Article titled "EML Signs Contract with Laybuy to Launch Interest Buy Now Pay Later Solution in UK With Plans for the UK".
- Financial Times:** Article titled "Training With Olympians Prepared Rachelle St. Ledger for EML's Acceleration" dated September 8, 2020.
- Bloomberg:** Article titled "PFS introduces new product additions to allow FinTechs compete with banks".
- Sky News:** A live broadcast snippet titled "JERSEY STIMULUS" with a sub-headline "THE GOV BID TO S...".
- PFS Advertisement:** A graphic for Prepaid Financial Services (PFS), a company of EML, highlighting new product enhancements and their competitive advantage in the European economic area.

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# Q&A



# EML.

Money in Motion





**Premiere EML Virtual Event**

Date: **29th October 2020**

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