

2nd February 2022

Earlypay Limited (ASX: EPY)

Earlypay upgrades Guidance following record half of trading

Highlights

- Unaudited H1 FY22 NPATA of approximately \$7.5m, an increase of over 110% on pcp
- Upgrade to FY22 NPATA Guidance of \$14m+, which is over 60% higher than FY21
- Material increase to FY22 dividends is anticipated, based on EPY's dividend payment policy of 60% of NPATA

Earlypay (EPY) is pleased to announce unaudited H1 FY22 NPATA of approximately \$7.5m, which is an increase of over 110% on pcp and well ahead of budget. The strong profit result is expected to materially increase the 1H FY22 dividend compared to pcp, with EPY's dividend payout ratio remaining at 60% of NPATA across the full year.

The strong result is underpinned by organic growth in the core Invoice Finance product. Total Transaction Volume (TTV) for H1 FY22 has increased to \$1.2 Billion, which is up 35% on pcp. The Equipment Finance business has also seen a substantial improvement in new originations in recent months and has returned to growth.

January, which is typically impacted by holiday seasonality, has performed ahead of expectations due to robust trading volumes from SME clients and continued high utilisation rate of Invoice Finance facilities.

Following better than budgeted H1 results and stronger than expected January trading, Earlypay is pleased to upgrade FY22 NPATA Guidance from \$13m+ to \$14m+.

Earlypay CEO Daniel Riley said of the result: *"We are delighted to announce a record H1 FY22 result, which shows material growth in Invoice Finance. The stronger than expected earnings have been driven by record TTV, lower cost of debt and increased utilisation of proprietary technology to facilitate operating leverage for the business. It is also pleasing to see the equipment finance book return to growth in recent months. Following the record first half and a notable pickup in SMEs looking for alternate funding, Earlypay has upgraded its FY22 NPATA Guidance from \$13m+ to \$14m+."*

The Company will provide additional information upon release of the H1 FY22 Results on February 24th.

This release was authorised by the Chief Executive Officer of Earlypay, Daniel Riley.

Sincerely,



Daniel Riley
CEO

1H FY22 Underlying NPATA includes \$0.75m adjustment for non-cash amortisation of acquired intangibles

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ABOUT EARLPAY

Earlypay provides finance to SME businesses in the form of secured invoice and trade financing and equipment financing.

Through the Earlypay online platform, SME's receive an advance payment of up to 80% of a client's invoice to help their business overcome the cash pressure of delivering goods or services in advance of payment from their customers (often 30 to 60 days). This is a flexible line of credit that is utilised in line with sales volume. Earlypay will consider an additional advance to a client (above the usual 80%) on occasion, for an additional fee and when there is adequate security from the client to cover the position.

Other services include trade finance to assist clients finance purchases, as well as equipment finance to assist SME's with capital expenditure on items required to operate their business.

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