



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 %
GDV	5,857	5,448	7%
REVENUE	48.8	43.5	12%
UNDERLYING EBITDA	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

This announcement has been authorised for release by the Board.

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EML.



EML 2.0

Moving money
smarter

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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



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

...on a mission to
power double-digit
transaction revenue¹
growth by FY27



Getting to Double Digit Growth



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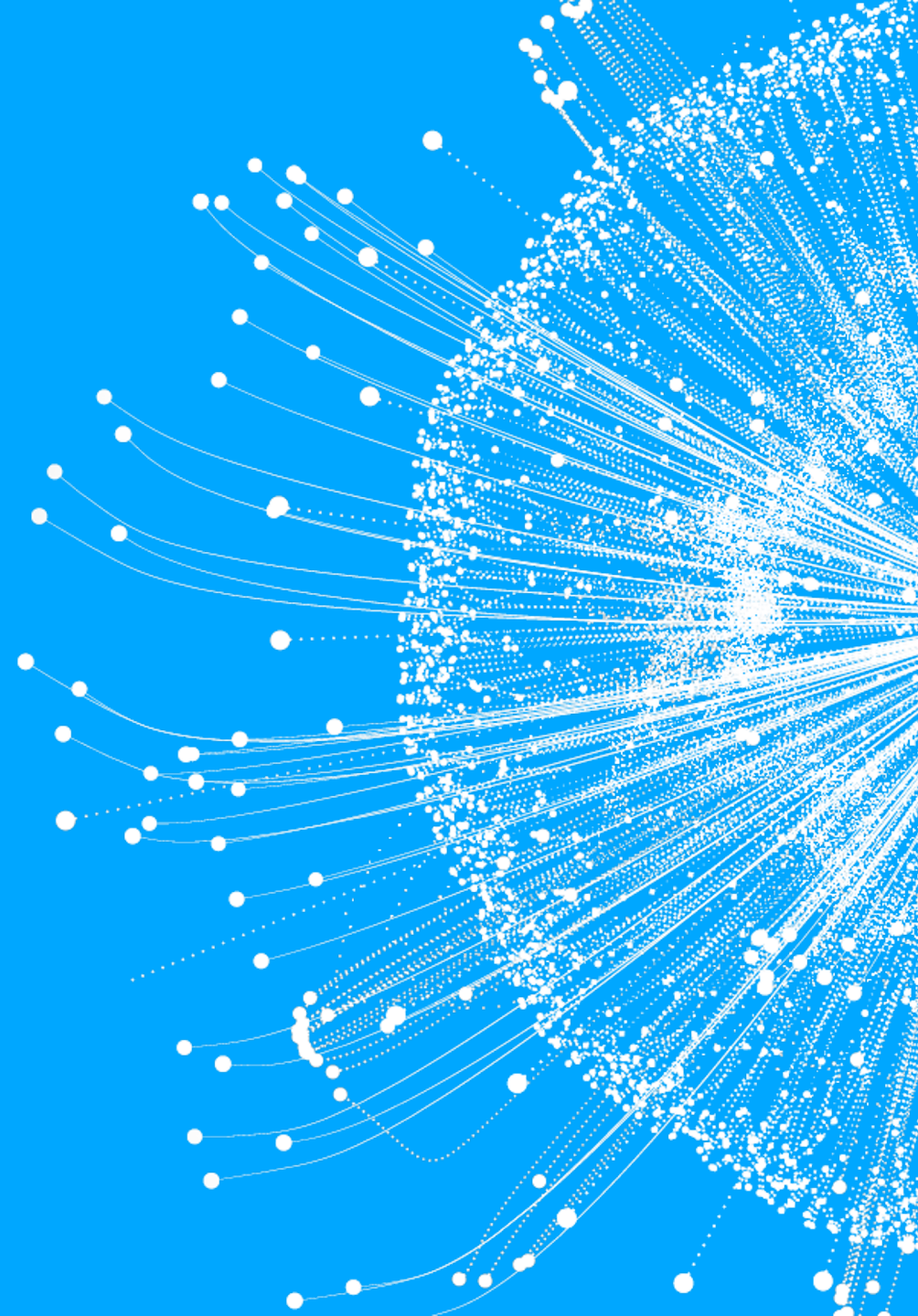


FY25 Guidance

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% YOY¹



Explosion of Digital Wallets²

- \$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

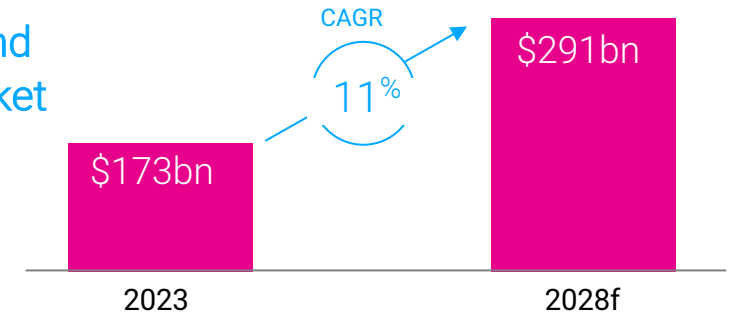


Complex use cases remain underserved

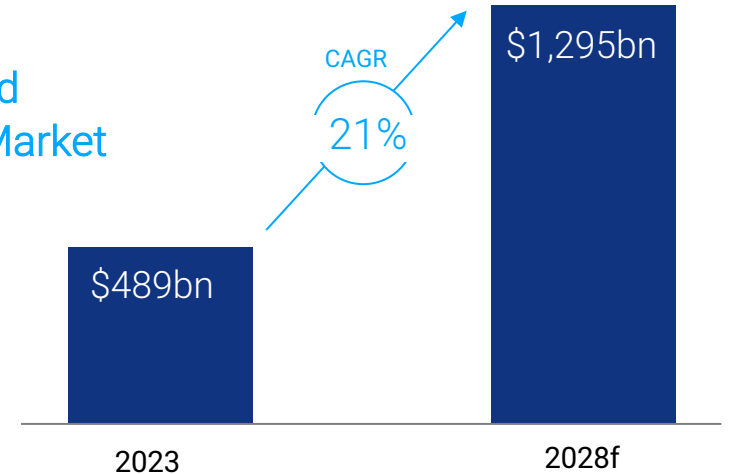
- Few providers have the focus to invest in complex use cases such as employee benefits

Operating in a large and growing marketplace

Global Prepaid and Debit Market



Global Embedded Finance Market



¹McKinsey Global Payments 2024 report
²Global Data

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

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A good business to grow from



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

FY24¹

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



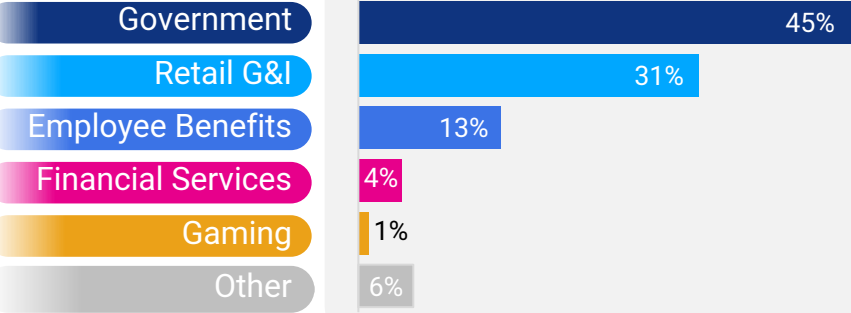
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Europe

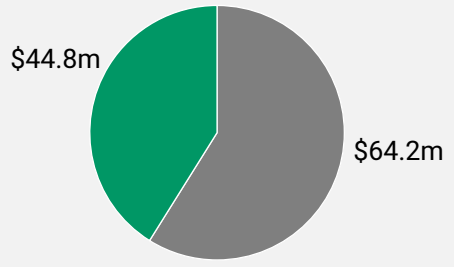
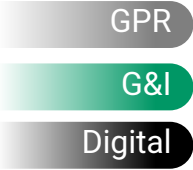
FY24 Total Revenue

\$109m

Revenue by Vertical



Revenue by Product



Clients & Cards



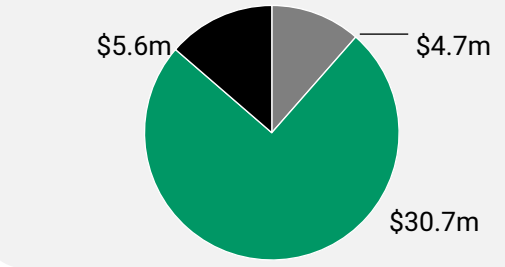
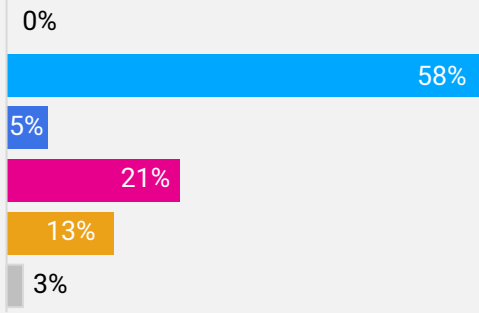
480



7.6m

North America

\$41m



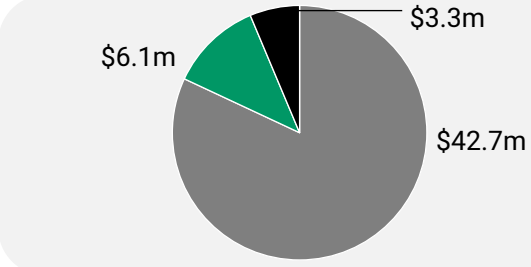
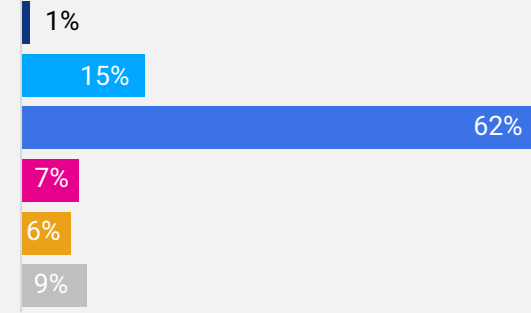
486



20.6m

Australia

\$52m



173




1.5m

Revenue levers across the entire value chain



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



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



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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

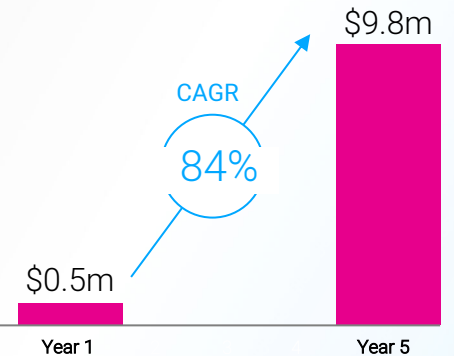
Thriving in complexity leveraging an end-to-end capability to make the impossible possible

And deliver results¹

Perx



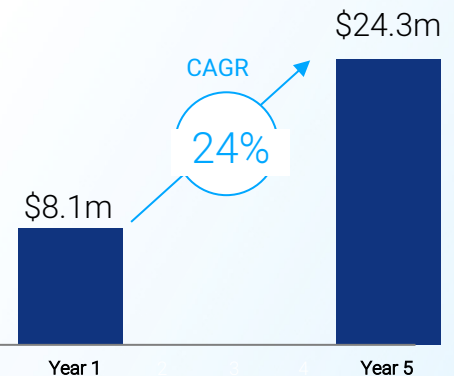
Direct to market employee benefit program including client acquisition through to issuance



Salary Packaging



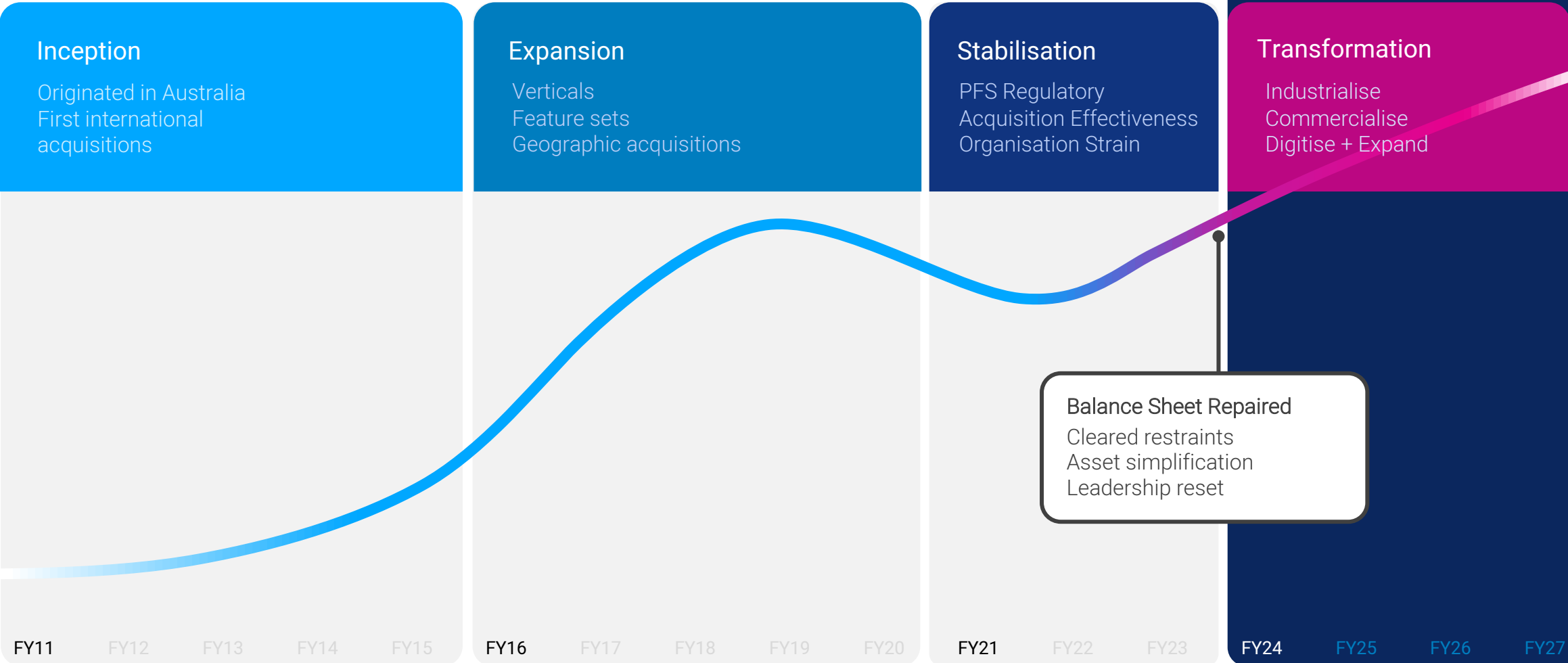
Unique one card/multi account solution for tax free benefits coupled with a real time loyalty program



1. First 5 years transaction revenues from new product development

Making us focused, fearless and future ready

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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

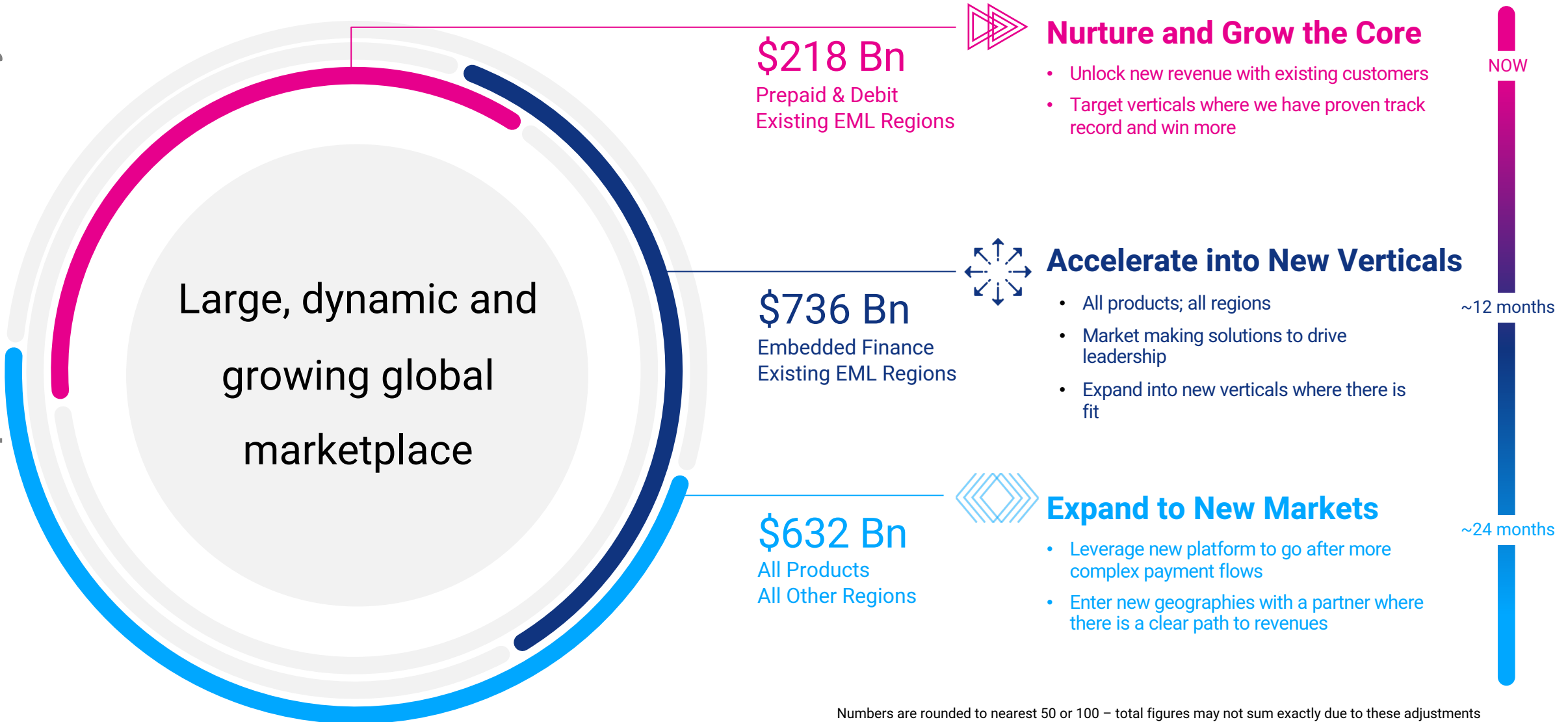
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EML 2.0

Winning more than our share of the global market



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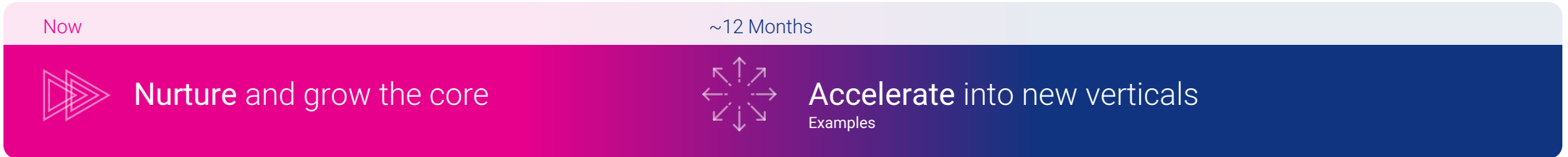


Numbers are rounded to nearest 50 or 100 – total figures may not sum exactly due to these adjustments
Source: Global Data, McKinsey, Adyen and BCG, Flagship Advisory Partners

Ready to serve **key verticals**



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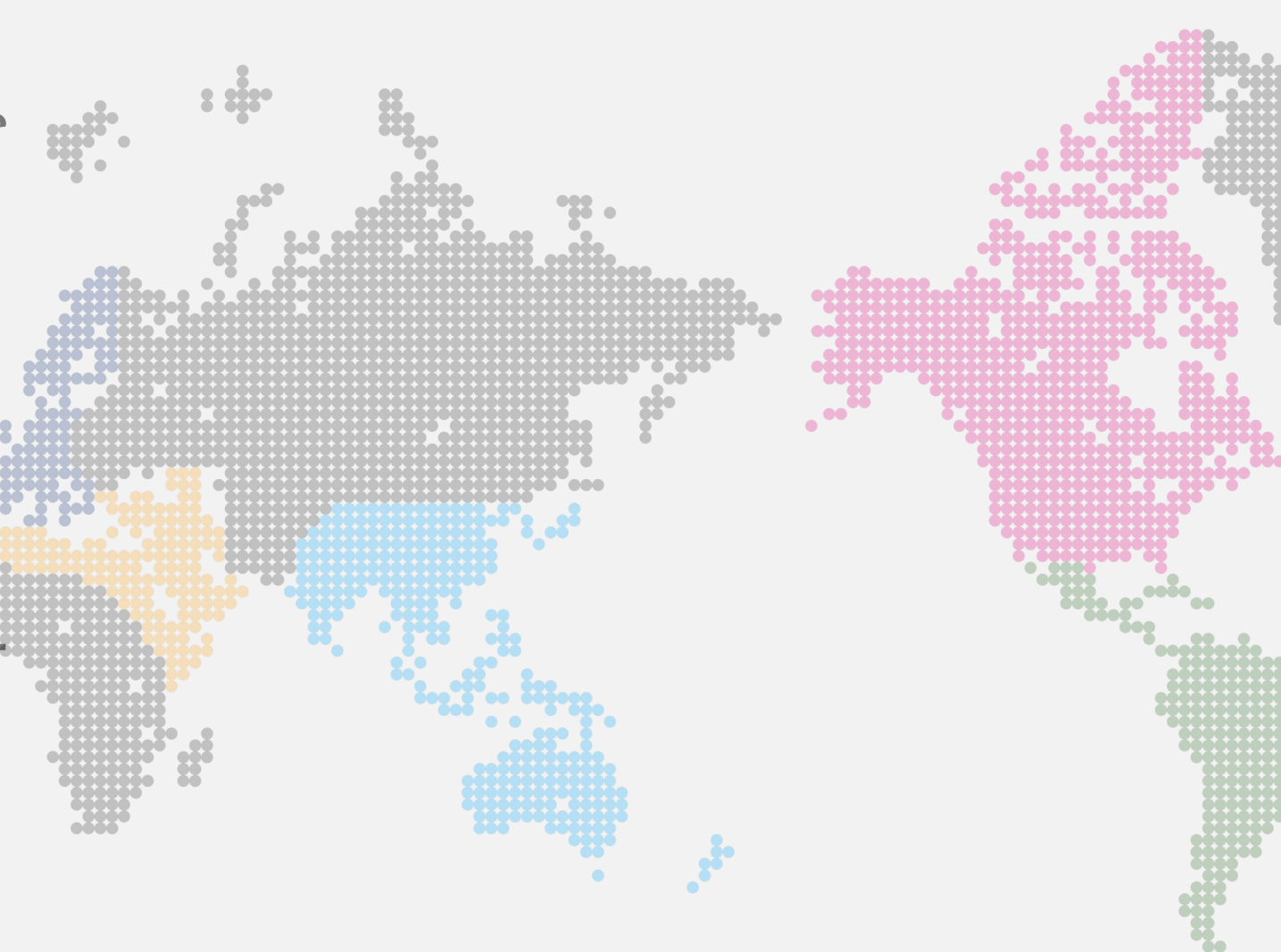
- Market Size
- Market Growth
- Target Customers
- Key use cases
- EML today

	Employee Benefits	Government	Retail	Gaming	Financial Services	Insurance	Travel	Mobility	Healthcare
Market Size	High	High	Med > High	Med	High	High	High	Med	High
Market Growth	Med - High	Low - Med	Med - High	Med - High	Med - High	Med - High	Med - High	High	Med - High
Target Customers	<ul style="list-style-type: none"> Major employers Payroll providers HR & benefits providers 	<ul style="list-style-type: none"> Federal/ national government State & local governments 	<ul style="list-style-type: none"> Marketing agencies Retailers Large corporates 	<ul style="list-style-type: none"> Online gaming Land-based gaming 	<ul style="list-style-type: none"> Fintechs Investments Crypto Accounts Payable 	<ul style="list-style-type: none"> Pet Health Travel 	<ul style="list-style-type: none"> Marketplaces Travel agencies Airlines 	<ul style="list-style-type: none"> Fleet mgmt. SaaS Fuel & fleet providers Expense mgmt. providers 	<ul style="list-style-type: none"> Providers Insurers Mgmt. companies HR providers
Key use cases	Salary Packaging	Immigration	Mall Gift Cards	Payouts	Crypto	Payouts	Embedded Payments	Fuel Cards	Payouts
EML today	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							

Disciplined market expansion



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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



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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

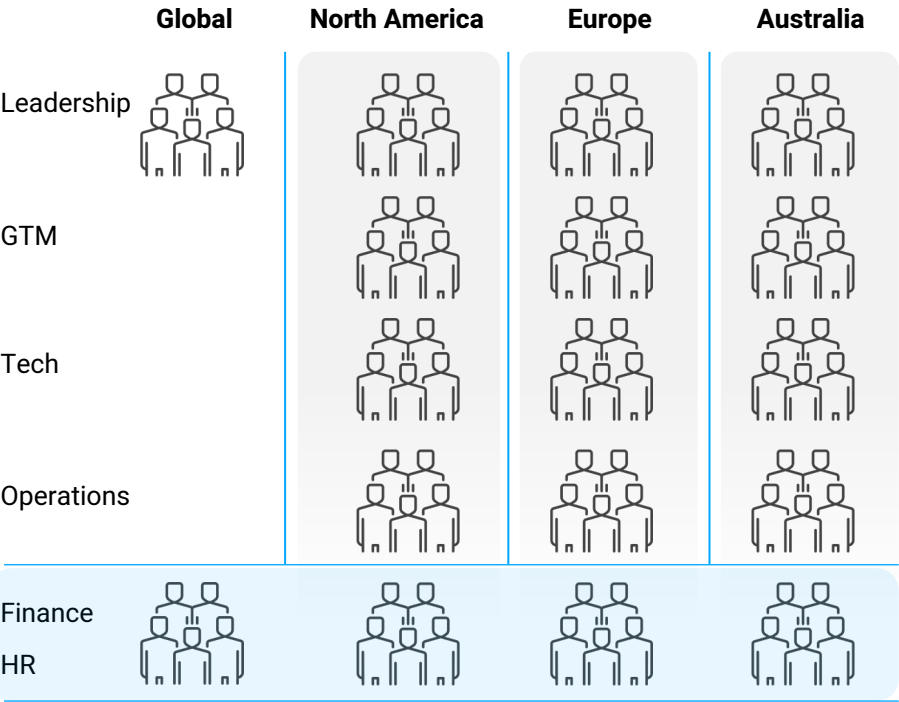
Delivering synergies and customer centricity



Global Operating Model For personal use only

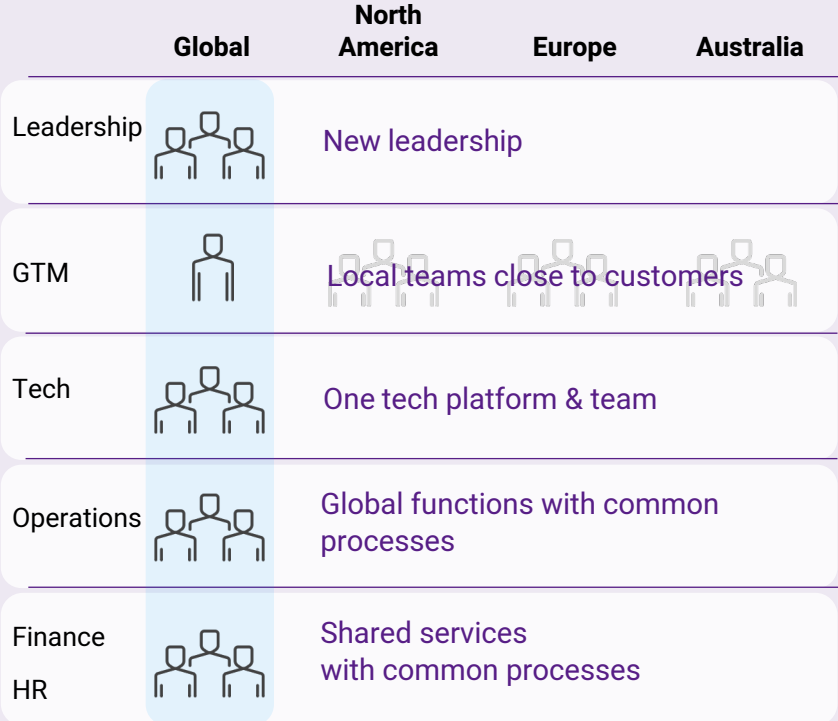
From

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

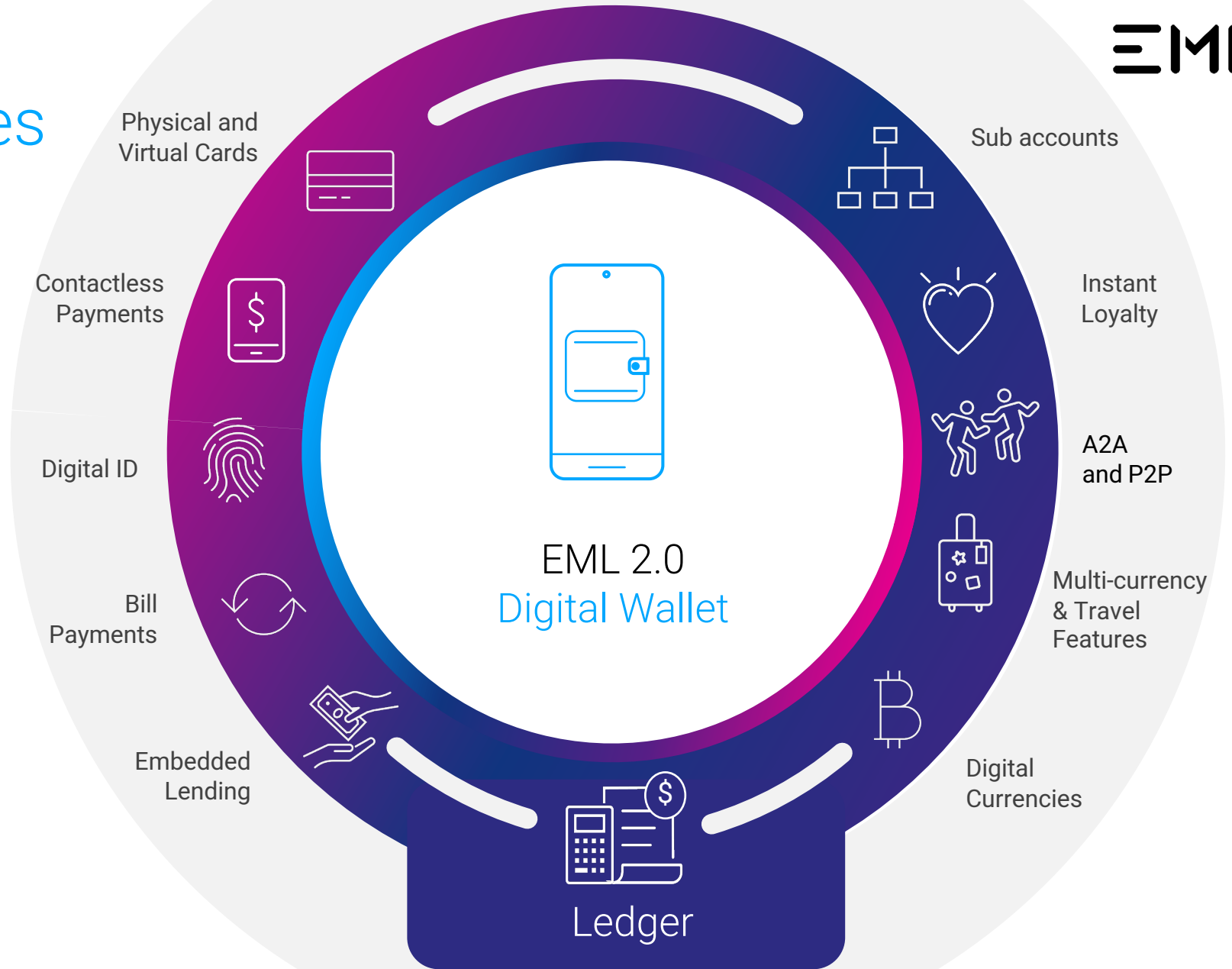
Global design, local tailoring to solve complex use case

Broader global product capabilities



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



Powered by a smarter, single global tech platform



Single Platform
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From

Three bespoke card technology platforms

High technology cost base to maintain

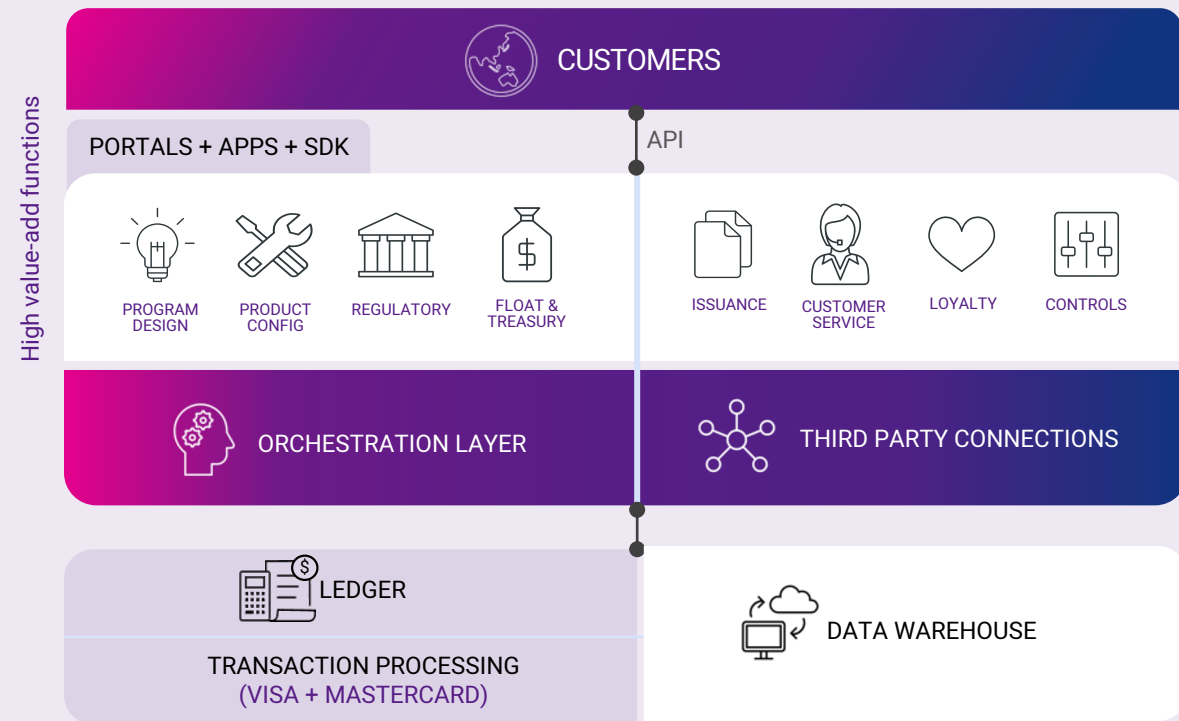
3 legacy platforms with limited interoperability

Fit for today's purpose, but not EML 2.0

Some components nearing end-of-life

To EML 2.0

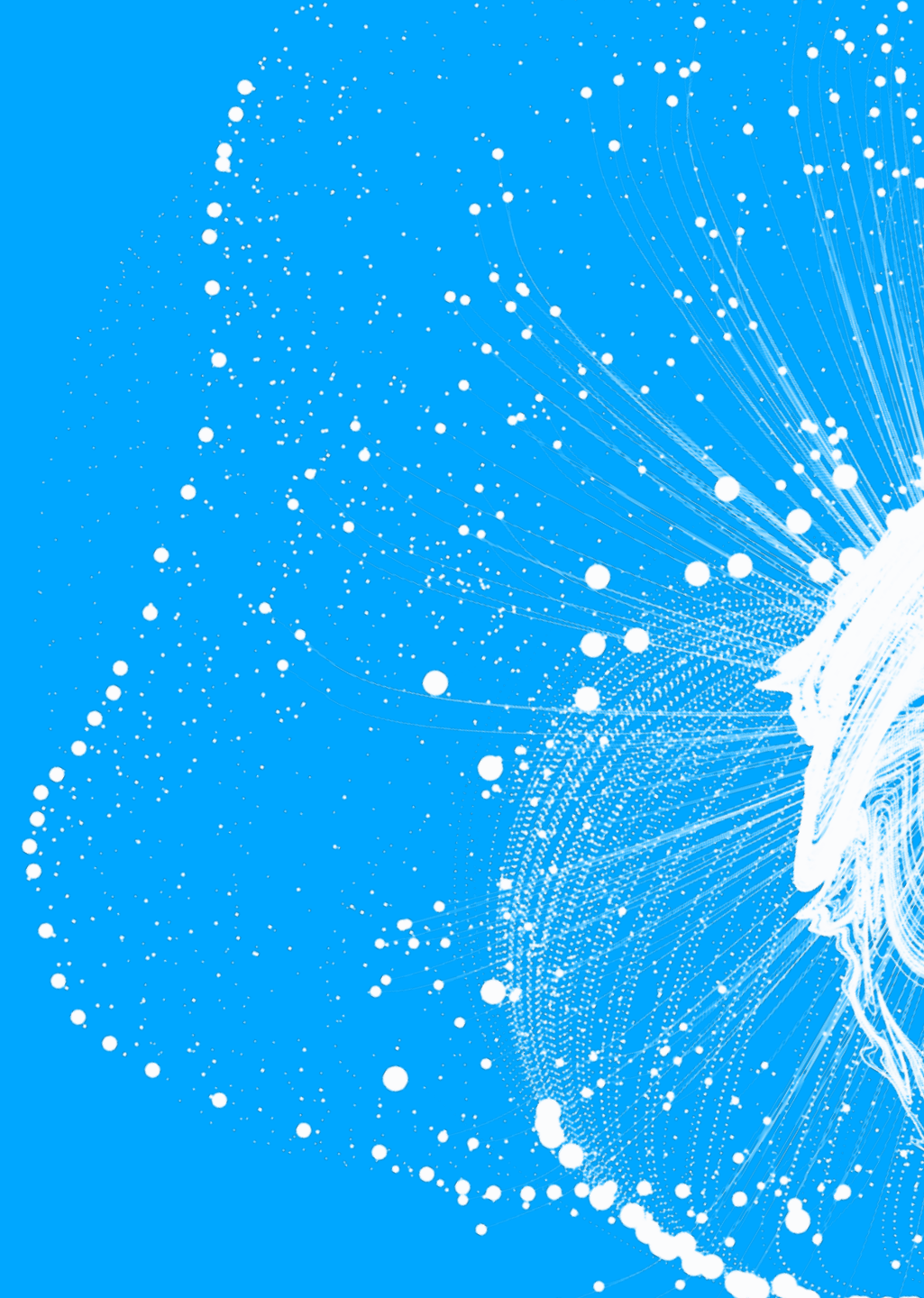
One unified highly configurable, account-based platform to drive efficiencies and serve complex use cases at scale



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

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We're already
moving smarter



We have achieved a lot in a short time



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Delivering EML 20




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



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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 - \$3m¹

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



Revived Revenue Engine

Building a focused revenue engine to nurture the core and expand



Opex Investment: \$2m - \$3m¹

Growth: Powering double digit growth by FY28



Single Platform

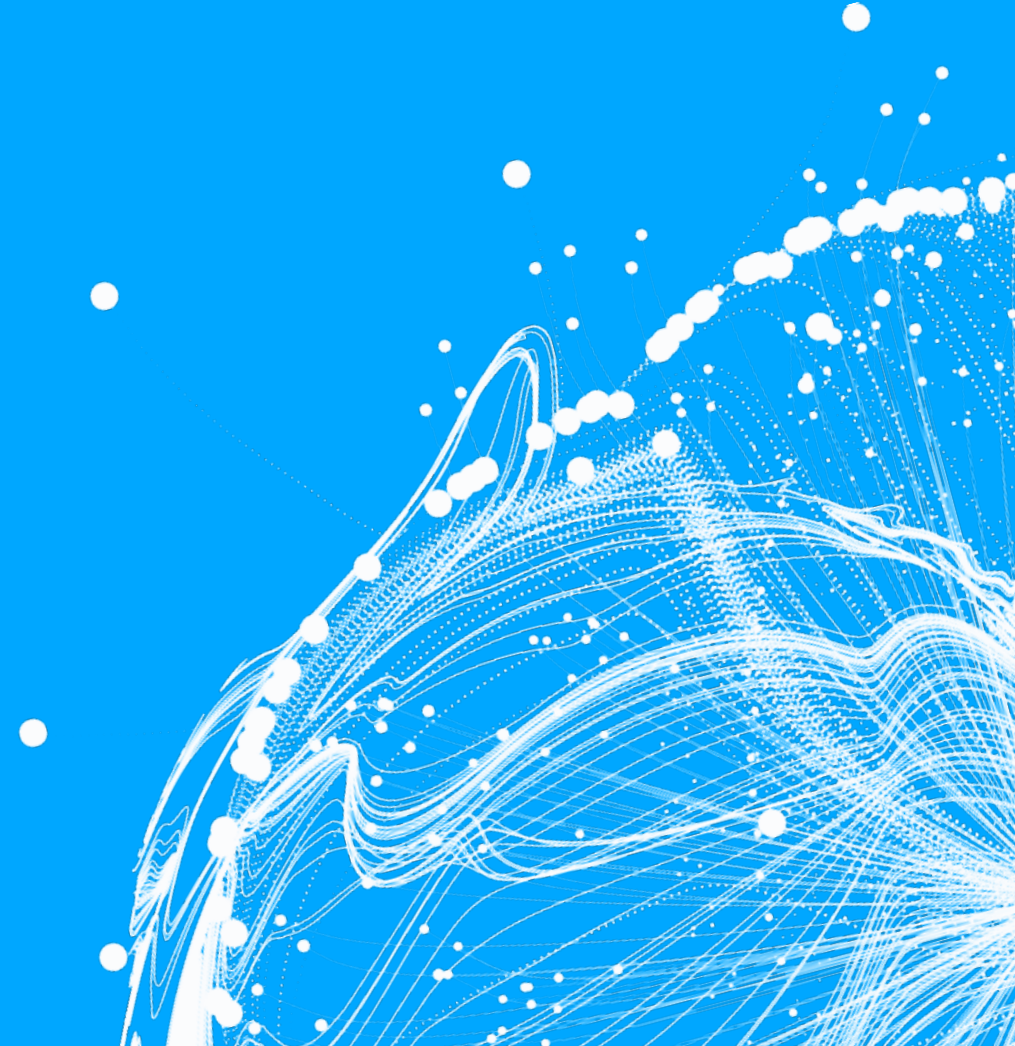
Deploying a single platform with broader product set + digitised operations



Capex: \$12-15m over 24 months

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

Moving the metrics that matter



Medium term financial outlook

FY26 – FY28



Transaction Revenue Growth

10-12%
CAGR

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

Key enablers:

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



Cost Base Flat

~A\$105m

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

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



Customer Float Interest

Yield ↓30-50bps
from FY24

- 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



Capex

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

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

FY28¹

~A\$95m
EBITDA

~35%
EBITDA Margin

<40%
Cost to Income

~13c
Earnings per Share
Target

~60%
Free Cashflow

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Financials

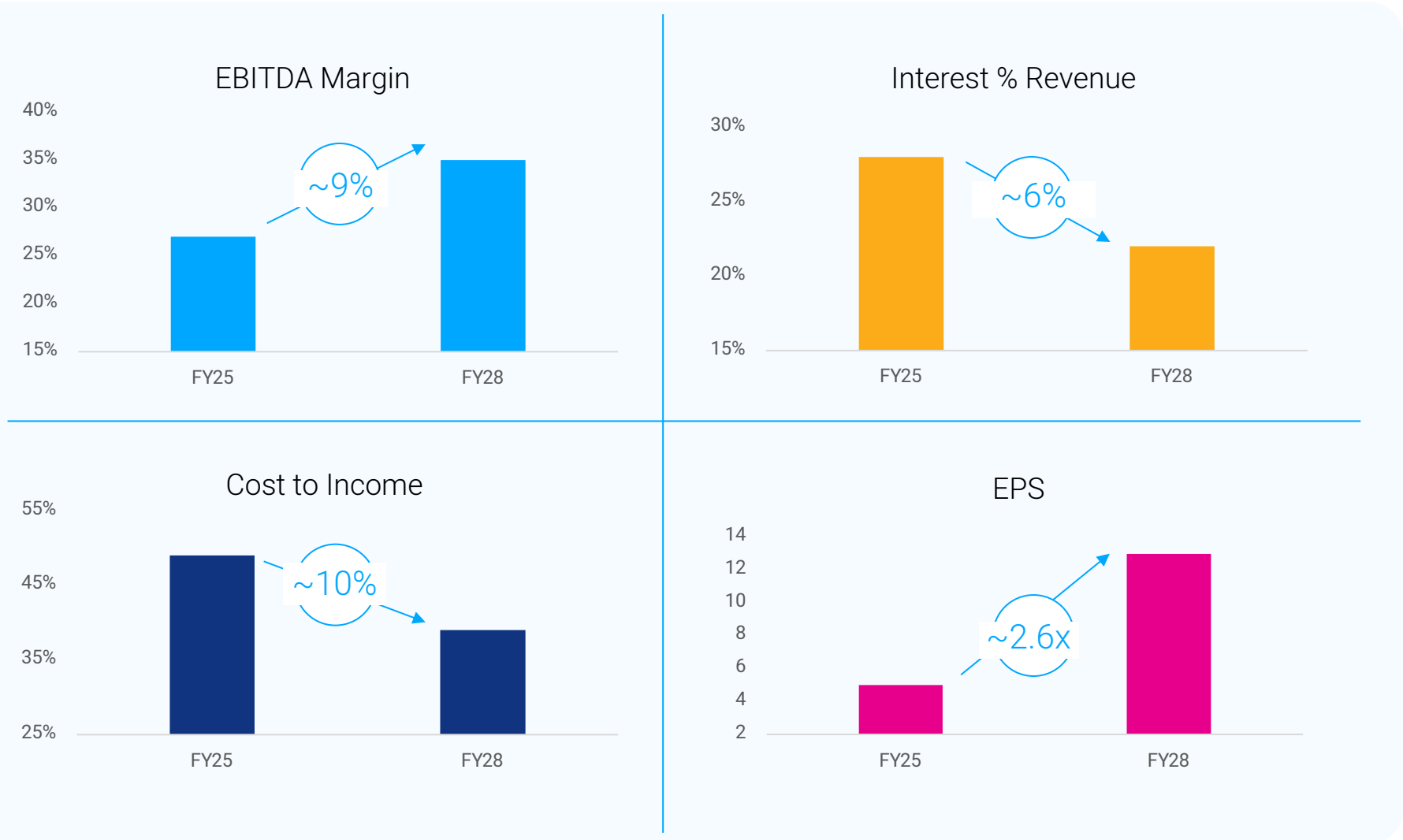
1. Refers to underlying results

Our key metrics will move positively



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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
Total revenue	109.0	41.1	51.9	202.0
Cost of sales	(22.8)	(10.1)	(16.6)	(49.5)
Gross Profit	86.2	31.1	35.3	152.5
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
Underlying EBITDA	29.0	9.9	15.4	51.6
Gross Margin	79%	76%	68%	76%
Gross Margin (ex interest)	69%	74%	60%	68%
EBITDA Margin	27%	24%	30%	26%
FTE	238	72	65	415

Group includes Corporate functions

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