

28 November 2024

Earlypay Limited (ASX: EPY)

FY25 Trading Outlook

Highlights

- Targeting FY25 Underlying EPS of 2.2 cents per share (cps)¹, up 28% on pcp (FY24: 1.7 cps)
- Earnings weighted to H2'25 underpinned by Funds In Use (FIU) growth and lower interest expense following corporate loan repayment
- Dividend payout ratio targeted to return to 60%

Earlypay Limited (“EPY”, “Earlypay” or the “Company”) is pleased to provide an update on the FY25 trading outlook.

New originations have started strongly in FY25 across both the invoice finance and equipment finance segments. This underpins the Company’s confidence in the ability to rebuild overall FIU, albeit the net increase across invoice finance has been somewhat offset by the active reduction of trade finance exposures in line with the Board’s risk appetite.

As the portfolio rebuilds, the Company expects to receive the benefit of the inherent operating leverage in the business to drive increasing profits and cash flow in coming years.

The Company is targeting FY25 earnings per share (EPS) of 2.2 cps, up 28% on the FY24 Underlying Proforma EPS of 1.7 cps. Earnings are expected to be weighted towards H2'25 due to the lower starting base for FIU at the beginning of the year and lower interest expense cost after the repayment of the corporate loan expected in Q3'25.

Given the strong ongoing financial performance and Board confidence in the business, Earlypay are targeting to return to a dividend payout ratio of at least 60%.

This release was authorised by the Board of Earlypay Limited.

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¹ EPS target assumes an Underlying NPAT of \$6m and an average of 272 million shares outstanding.

For further information, please contact:

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ABOUT EARLYPAY

Earlypay is a leading provider of working capital finance to Australian SMEs with its Invoice, Equipment and Trade Financing products.

Invoice Financing helps SMEs bridge the gap between issuing invoices and receiving payment from customers by providing early payment of up to 80% of the invoice value. Accessing cash flow against unpaid invoices is simple and accessible with Earlypay's proprietary online platform that integrates seamlessly with the major accounting software providers.

Equipment Finance is available to SMEs to assist with capital expenditure and Trade Finance is provided to selected clients looking to close the cash flow gap between paying suppliers and receiving payment from customers.

