

**Results for the
year ended
31 March 2024**

 **PayPoint Group**



Agenda

1 Overview

2 Financial review

3 Strategy update

4 Business review

5 Outlook

6 Q&A

1 Robust performance underpinning our confidence in current year

Delivered £81.3m of underlying EBITDA and made further progress towards delivering £100m EBITDA by the end of FY26

2 Excellent progress in parcels and digital payments

Good momentum in our key growth areas of card processing, Open Banking, retailer community services and Love2shop

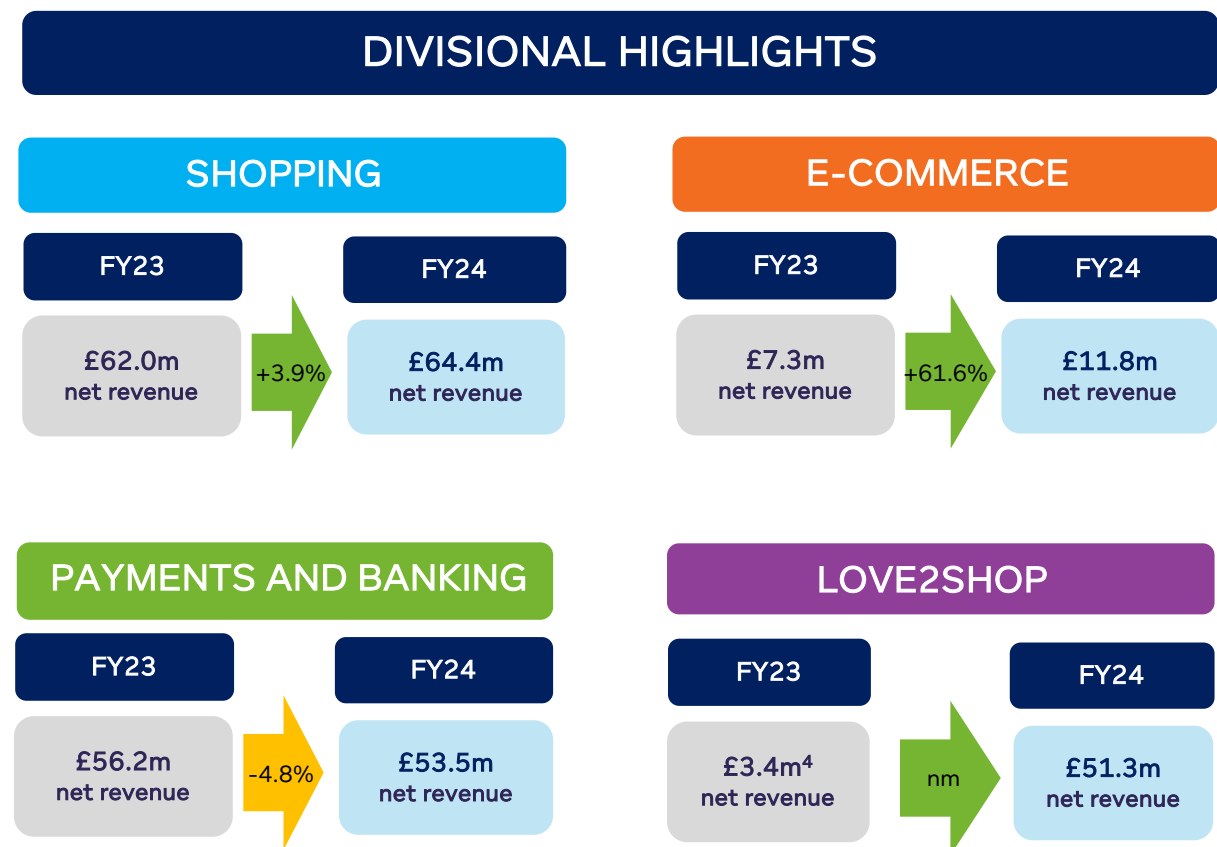
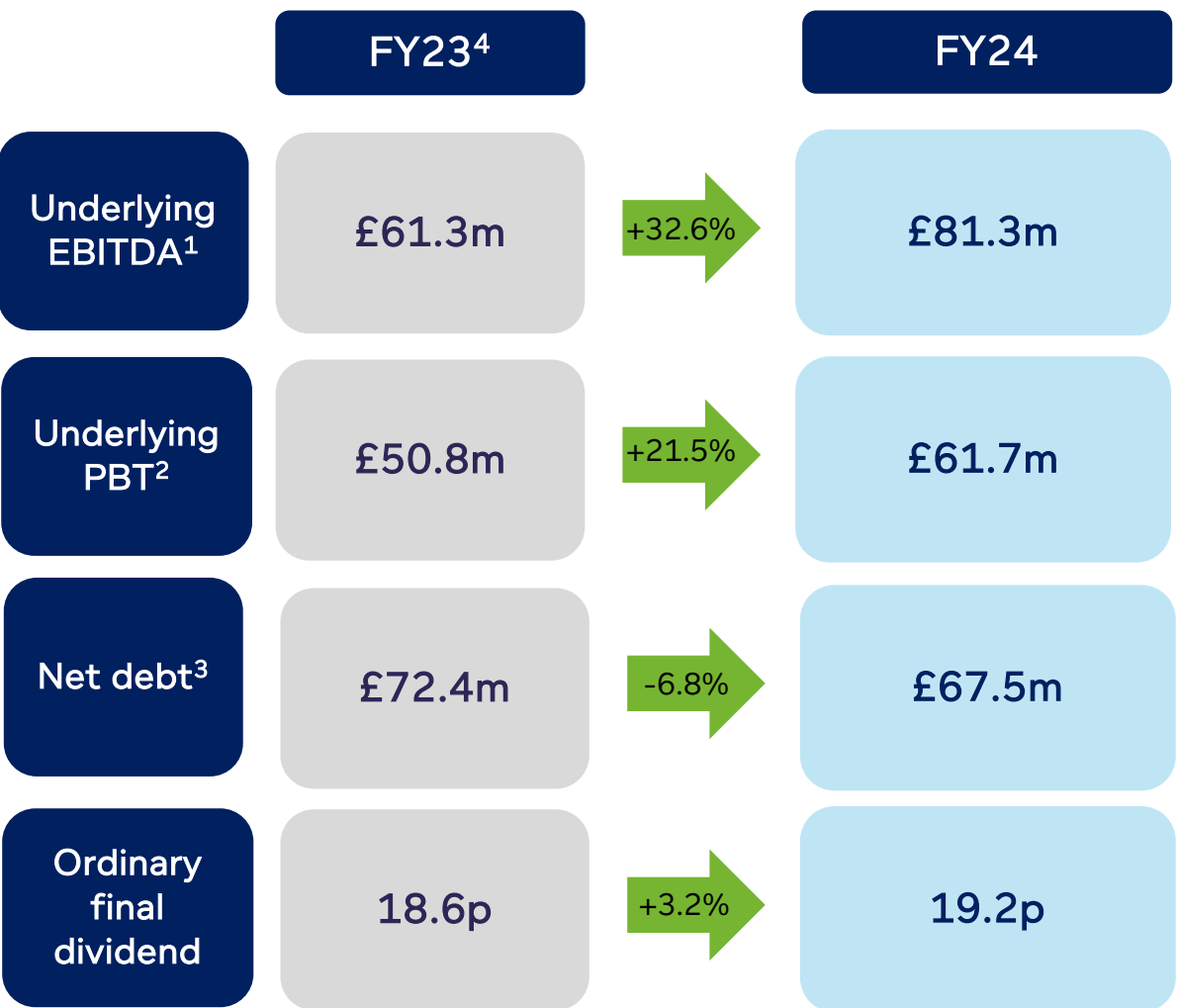
3 Streamlined organisational structure and cost base

Now in place to support the delivery of our medium-term growth plans

4 3-year share buyback programme, commencing with at least £20m in next 12 months

With potential to increase in years 2 and 3

Robust financial performance



1. Underlying EBITDA (EBITDA excluding adjusting items) is an alternative performance measure. Refer to note 1 for the definition and the Financial review for a reconciliation
 2. Underlying profit before tax (profit before tax excluding adjusting items) is an alternative performance measure. Refer to note 1 for a reconciliation
 3. Net corporate debt (excluding IFRS 16 liabilities) is an alternative performance measure. Refer to note 1 to the financial statements for a reconciliation to cash and cash equivalents
 4. FY23 comparatives contain only one month contribution from Love2shop business post-acquisition



Enhancing shareholder returns and maintaining an efficient capital structure

Launch of share buyback programme

- 1 3-year buyback programme, commencing with at least £20m over next 12 months
- 2 Potential to increase in years 2 and 3 depending on business performance, market conditions, cash generation and overall capital needs of the business
- 3 Throughout this period, we will continue to increase dividends at a nominal rate and grow our cover ratio from the current 1.5 to 2.0 times earnings to over 2.0 times earnings by FY27
- 4 Delivery of programme will enhance shareholder returns and ensure the business continues to maintain an efficient capital structure, balancing an appropriate leverage ratio of around 1.0 x net debt/EBITDA with the overall capital needs of the business

Financial review

 PayPoint Group



Robust financial performance

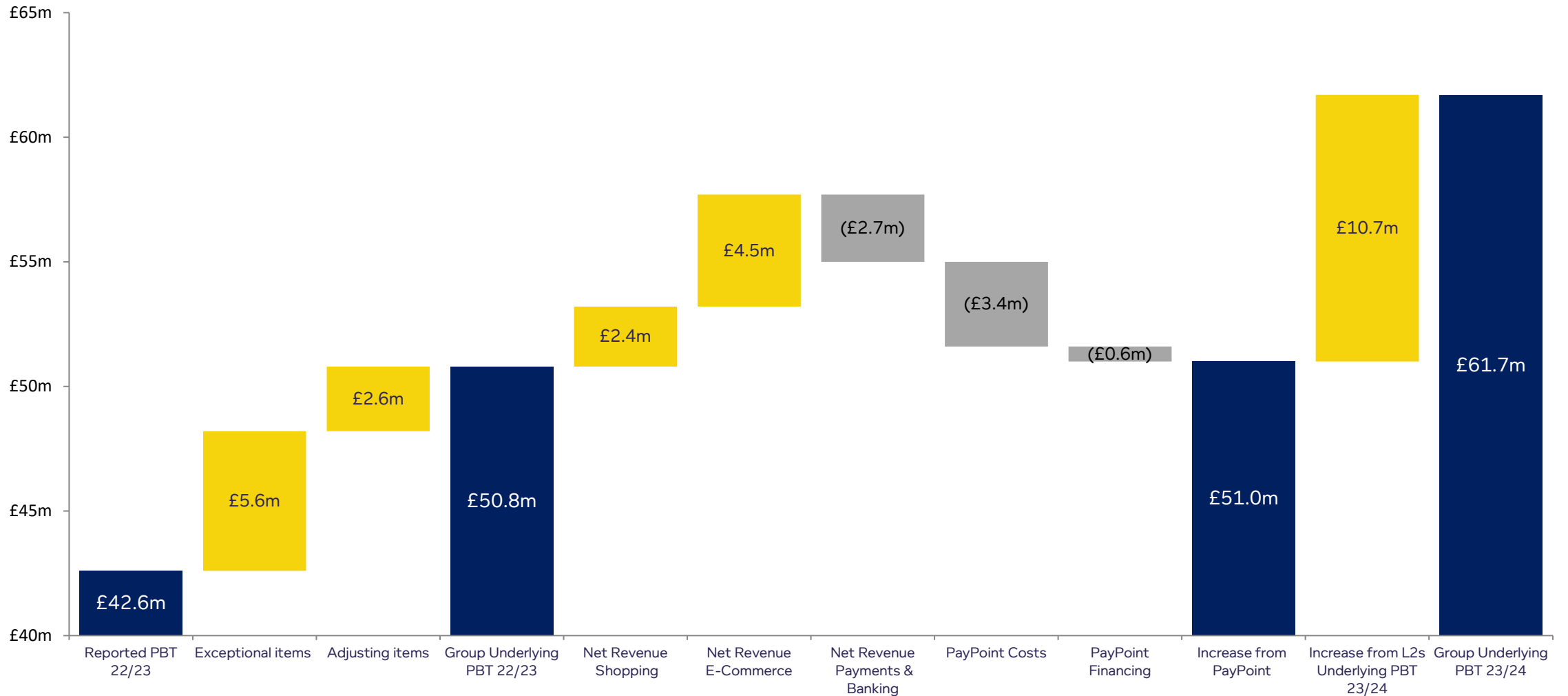
Year ended 31 March 2024	2024 £m	2023 ⁶ £m	Change	
Revenue	306.4	167.7	82.7%	
Net revenue ¹	181.0	128.9	40.4%	See slide 8
Underlying EBITDA ²	81.3	61.3	32.6%	
Underlying profit before tax ³	61.7	50.8	21.5%	See slide 9
Adjusting items ⁴	(13.5)	(8.2)	64.6%	
Profit before tax	48.2	42.6	13.1%	
Diluted earnings per share excluding adjusted items	62.6p	60.3p	3.8%	
Diluted earnings per share	48.8p	49.6p	(1.6)%	
Net corporate debt ⁵	(67.5)	(72.4)	(6.8)%	See slide 11

1. Net revenue is an alternative performance measure. Refer to note 4 for a reconciliation to revenue
2. Underlying EBITDA (EBITDA excluding adjusting items) is an alternative performance measure. Refer to note 1 for the definition and the Financial review for a reconciliation
3. Underlying profit before tax (profit before tax excluding adjusting items) is an alternative performance measure. Refer to note 1 for a reconciliation
4. Adjusting items consists of exceptional items and amortisation of acquired intangible assets. Refer to note 1 for a reconciliation
5. Net corporate debt (excluding IFRS16 liabilities) is an alternative performance measure. Refer to note 1 for a reconciliation to cash and cash equivalents
6. FY23 comparatives contain only one month contribution from Love2shop business post-acquisition

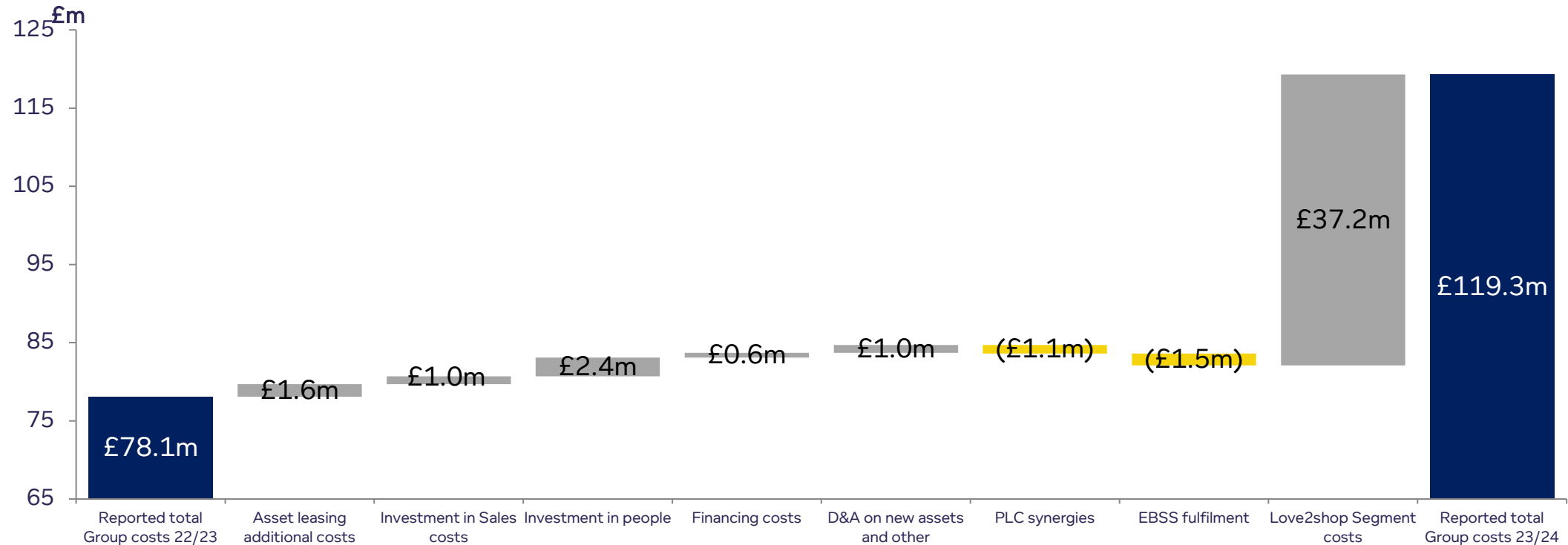
3.3% net revenue growth in PayPoint Segment

Year ended 31 March 2024	2024 £m	2023 £m	Change £m	Change %
Shopping	64.4	62.0	2.4	3.9%
- Service fees	19.7	17.9		
- Card payments	32.7	31.8		
- ATMs & Counter Cash	8.8	9.4		
- Other	3.2	2.9		
E-commerce	11.8	7.3	4.5	61.6%
Payments & Banking	53.5	56.2	(2.7)	(4.8)%
- Digital – PayPoint, i-movo & RSM 2000	13.8	15.7		
- Cash	27.8	30.0		
- Cash through to digital – eMoney	6.8	6.9		
- Other	5.1	3.6		
PayPoint Segment	129.7	125.5	4.2	3.3%
Love2shop Segment	51.3	3.4	47.9	-
Total net revenue	181.0	128.9	52.1	40.4%

Group PBT view vs. previous year



Cost base to support growth



The above presentation contains minor (£0.1m) roundings to ensure integrity of key numbers with those published in the year end statements.



Strong cash generation of £57.9m

Year ended 31 March	2024 £m	2023 £m	Change £m
Profit before tax	48.2	42.6	5.6
Non cash exceptional items	0.2	1.3	(1.1)
Depreciation and amortisation	20.7	10.5	10.2
Share based payments / other	0.6	2.4	(1.8)
Working capital (Corporate)	(11.8)	3.6	(15.4)
Cash generation	57.9	60.4	(2.5)
Tax paid	(8.4)	(6.2)	(2.2)
Capital expenditure and other	(17.2)	(13.2)	(4.0)
Acquisitions & disposals of strategic investments and acquisitions	(0.1)	(44.4)	44.3
Dividends paid	(27.3)	(25.1)	(2.2)
Net change in PayPoint's net debt	4.9	(28.5)	33.4
Net corporate debt at the beginning of the period	(72.4)	(43.9)	
Net corporate debt at the end of the period	(67.5)	(72.4)	

The above presentation contains minor (£0.1m) roundings to ensure integrity of key numbers with those published in the year end statements.



Balance sheet

	Mar 2024 £m	Mar 2023 £m	Change £m
Goodwill	117.3	117.3	-
Other intangible assets	67.1	75.3	(8.2)
Property, plant & equipment	33.3	29.3	4.0
Strategic investments and acquisitions (OBConnect/Optus)	4.0	4.1	(0.1)
Pension (liability)/asset	0.3	0.4	(0.1)
Cash and cash equivalents – corporate	26.4	22.0	4.4
Cash and cash equivalents – non-corporate	60.4	55.9	4.5
Restricted funds held on deposit (non-corporate)	78.2	82.0	(3.8)
Loans and borrowings	(93.9)	(94.4)	0.5
Trade payables – non corporate	(137.1)	(137.2)	0.1
Working capital - corporate	(20.0)	(31.7)	11.7
Lease liability (IFRS16)	(4.8)	(5.5)	0.7
Current and deferred tax	(10.0)	(5.8)	(4.2)
Net assets	121.2	111.7	9.5

Dividend declared

- 19.2p, an increase of 3.2% vs the final dividend declared on of 18.6p per share, consistent with progressive dividend policy
- Payable in equal instalments on 6 August 2024 and 27 September 2024

Share buyback programme

- A 3-year share buyback programme, returning at least £20 million over the next 12 months, with the potential to increase in years 2 and 3 depending on business performance, market conditions, cash generation and the overall capital needs of the business.

Capital allocation policy – increased cover ratio

- Investment in the business through small investments and capital expenditure in innovation to drive future revenue streams and improve the resilience and efficiency of our operations;
- Progressive ordinary dividends targeting a growth of our cover ratio from the current 1.5 to 2.0 times earnings range to over 2.0 times earnings by FY27
- Targeting an appropriate leverage ratio of around 1.0 times net debt/EBITDA

Net Corporate debt

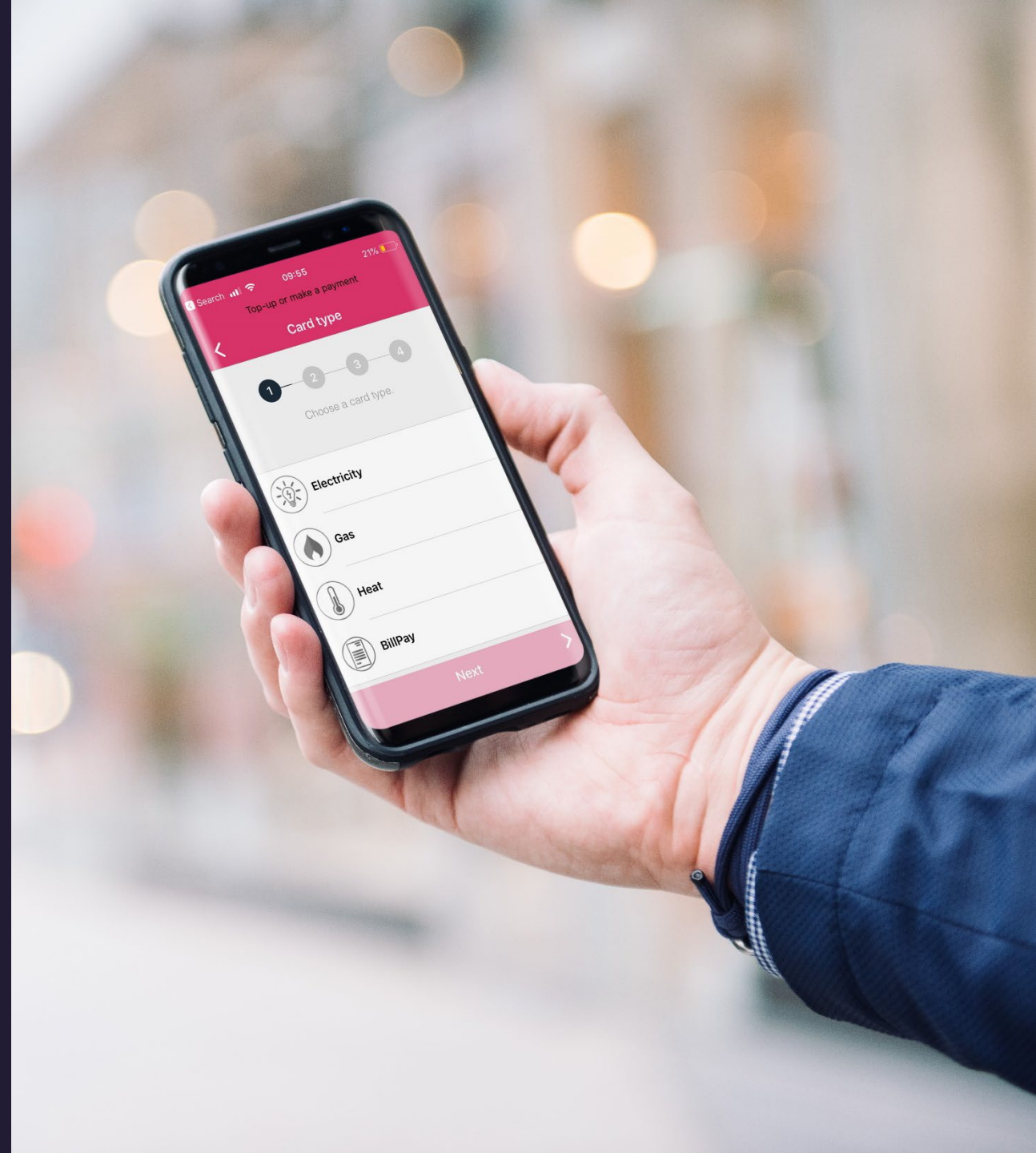
- Net corporate debt was £67.5m and has decreased by £4.9m from the previous year.
- Net corporate debt is made up of Cash and cash equivalents (corporate) of £26.4m offset by gross debt of £93.9m
- £57.9m cash generated in the period. Major outflows in the future period are £14m final dividend, £15m share buyback and c. £18m for the 24/25 capex programme

Refinancing

- Financing facilities have been renegotiated with following banks Barclays, Lloyds, AIB, BoI, ABN and has increased gross debt to £135m. The facilities consist of £45m non-amortising term loan, £90m RCF, £30m accordion (uncommitted). All expiring June 2028 with option to extend for 1 year
- At the end of May 2024, the Group had £66.2 million of net debt, split £11.6 cash and £77.8 utilised facilities. Compared to the total committed facilities of £135m means the Group has substantial headroom of £68.8m.

Strategy update

 | PayPoint Group



Progress on delivering £100m EBITDA by end of FY26

Key building blocks to driving new opportunities and sustained growth

- 1 Parcels and Network Expansion
- 2 Card processing and major partnership expansion with Lloyds Bank
- 3 Open Banking and Digital Payments
- 4 Love2shop and Park Christmas Savings
- 5 Access to Cash and Local Banking
- 6 Community services for retailer partners

 | **PayPoint Group**



Parcels and network expansion

1

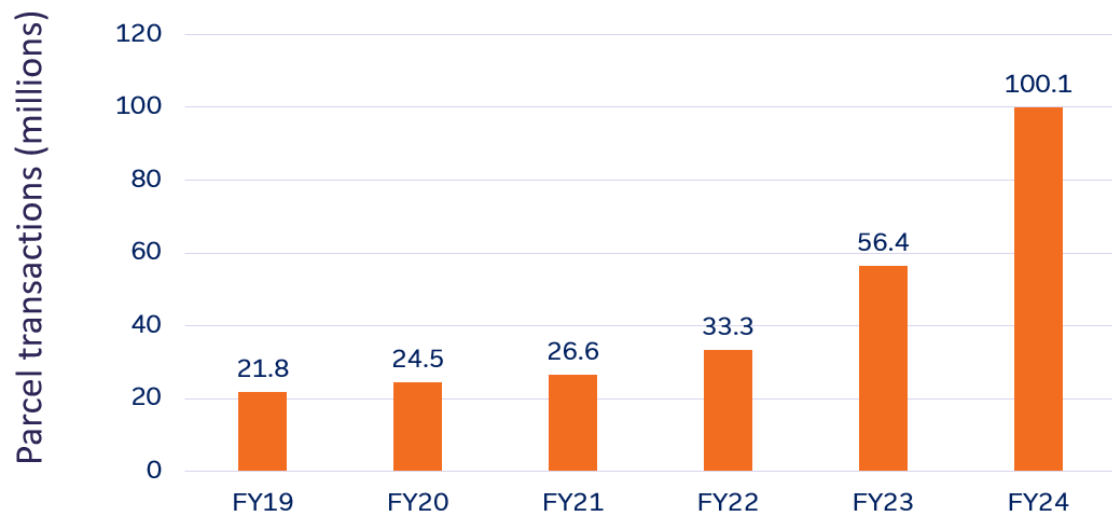
Landmark year for Collect+, with record parcel transactions, net revenue contribution and major partnerships secured to sustain positive momentum on our journey to a 250m+ parcel transaction network:

Record year for parcels

Over 100m
parcel
transactions

£11.8m net
revenue
contribution

Network
growth to
11k+ locations



Journey to 250m+ parcel network

- ✓ Collect+, our leading Out of Home (OOH) network, now serves the majority of carriers in the UK
- ✓ Expanding network to accommodate further volume growth (e.g. universities)
- ✓ Focus on carrier relationships and maximising volumes



YODEL

Vinted

Card processing and major partnership with Lloyds Bank

2

Positive momentum in cards business, with strengthened proposition and pricing governance, further site growth and new partnership with Lloyds Bank announced:

Positive progress in FY24

Site growth YOY

31 March 2023

31 March 2024

LLOYDS CARDNET

9,541

10,064

EVO

18,397

19,682

Proposition

Enhanced with HP merchant rewards scheme launched in Q4

Building on expanded offering of loyalty, EPoS, and Business Finance

Sales & Retention

Strengthened field sales, telesales and retentions teams

Focus on retention and churn, supported by AI and data analytics

Pricing

Dedicated resource to lead pricing governance

Improved margins for new business and back book in Handepay and PayPoint

Customer support

Welcome call programme initiated for new merchants to deliver positive early-life experience

New 24/7 chatbot tools launched

Lloyds Bank partnership



LLOYDS BANK

Initial phase in Q2
FY24/25

Launch Q3 FY24/25

Enhanced proposition and merchant experience

Market-leading banking and card services proposition:

- Card payments
- 12-month fee-free business account
- Competitive commercial card offering

- Earlier in the day settlement
- Faster onboarding
- New merchant app
- Additional customer data and insights
- Access to Lloyds' leading range of business banking and lending products

Open Banking and Digital Payments

3

Multichannel payments platform (MultiPay), supporting integrated payments across Open Banking, direct debit, cards and cash:

Open Banking

- 25 clients live for our Open Banking services, including the Department for Energy and Net Zero, Citizens Advice, and AMEX for Confirmation of Payee
- PayPoint is now one of the leading processors of Open Banking payments in the UK
- Further growth opportunities for CoP, AIS and PISP, working in partnership with OBConnect and Aperidata

**AMERICAN
EXPRESS**



Department for
Energy Security
& Net Zero

citizens
advice

MultiPay

- Record year of new business wins (over 70 client services) in FY24 across multiple sectors
- Represents an annualised net revenue of £2 million, with strengthening client base in Housing and Charity sectors
- Building pipeline of new sector opportunities, supported by systematic corporate sales approach across PayPoint and Love2shop



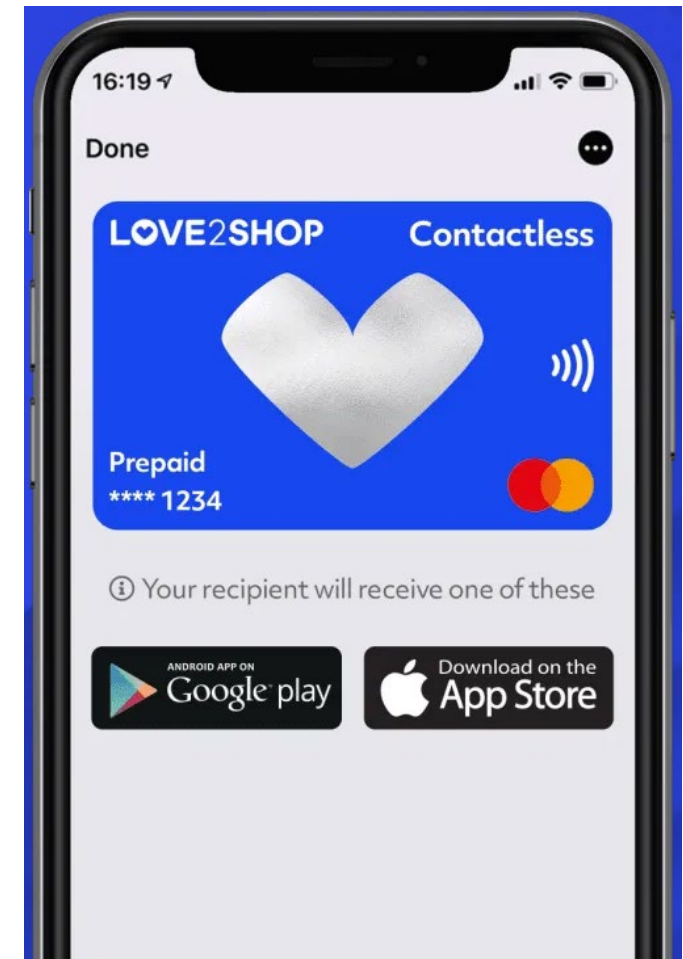
Love2shop and Park Christmas Savings

4

Significant market opportunity for Love2shop division, delivering growth through opening up new channels and partnerships and leveraging MBL platform capability:

Delivering growth

- **Partnerships** – expanding reach of Love2shop rewards, engagement and prepaid savings solutions working with major partners and accelerating Love2shop Business growth with strengthened corporate sales team
- **eGift Card Connect** – leverage our technology, retailer and corporate relationships to expand the range of products that we offer to our corporate clients
- **MBL** – grow gift card management services for more retailers, building on strong client base including Greggs, Argos and Pizza Express
- **Park Christmas Savings** – grow through delivering white label savings schemes for partners and broadening prepaid savings occasions beyond Christmas



Access to Cash and Local Banking

5

Ambition to build Community Cash Access and Banking Network for consumers & SMEs, leveraging our extensive retailer partner network across the UK:

Community Cash Access and Banking Network

- Key community service delivered through PayPoint retailer partner network
 - Building on our Cash at the Counter and ATM footprint in circa 6k locations
- Next stage expanding our current NeoBank services, with over £430m deposited in the past year
- Intention to support High Street Bank customers with cash access for consumer & SME deposits and withdrawals



Community services for retailer partners

6

Unparalleled portfolio of scaled community services for retailer partners, tailored to their business and delivered via our leading technology platform, with further services in development:

Parcels

collect+
parcels made easy

Must-have parcel pick up, drop off and send services, providing a convenient, ESG-friendly service with high consumer satisfaction

Cash Access

Counter Cash

Cash access and community banking services, providing vital support 7 days a week in communities across the UK

PayPoint Connect/FMCG

PayPoint | CONNECT

Partnerships integrating into EPOS suppliers to improve retailer experience and expand reach of FMCG consumer engagement platform

Government services

 Driver & Vehicle Licensing Agency
 Department for Work & Pensions

Growing range of central and local government services, leveraging our extensive network at the heart of communities across the UK

Bill payments

OVO energy

Vital bill payment and top up services for an extensive range of partners across multiple sectors

Love2shop Gift Cards

LOVE2SHOP

Physical gift card rollout into multiple and independent retailers, enabling impulse gift purchases and adjacent sales in store

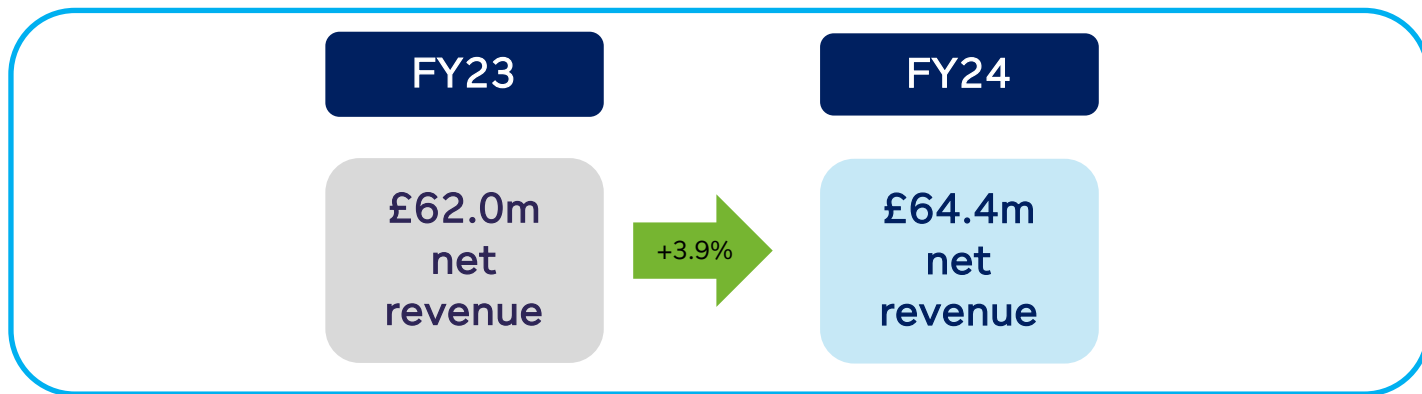


Business review

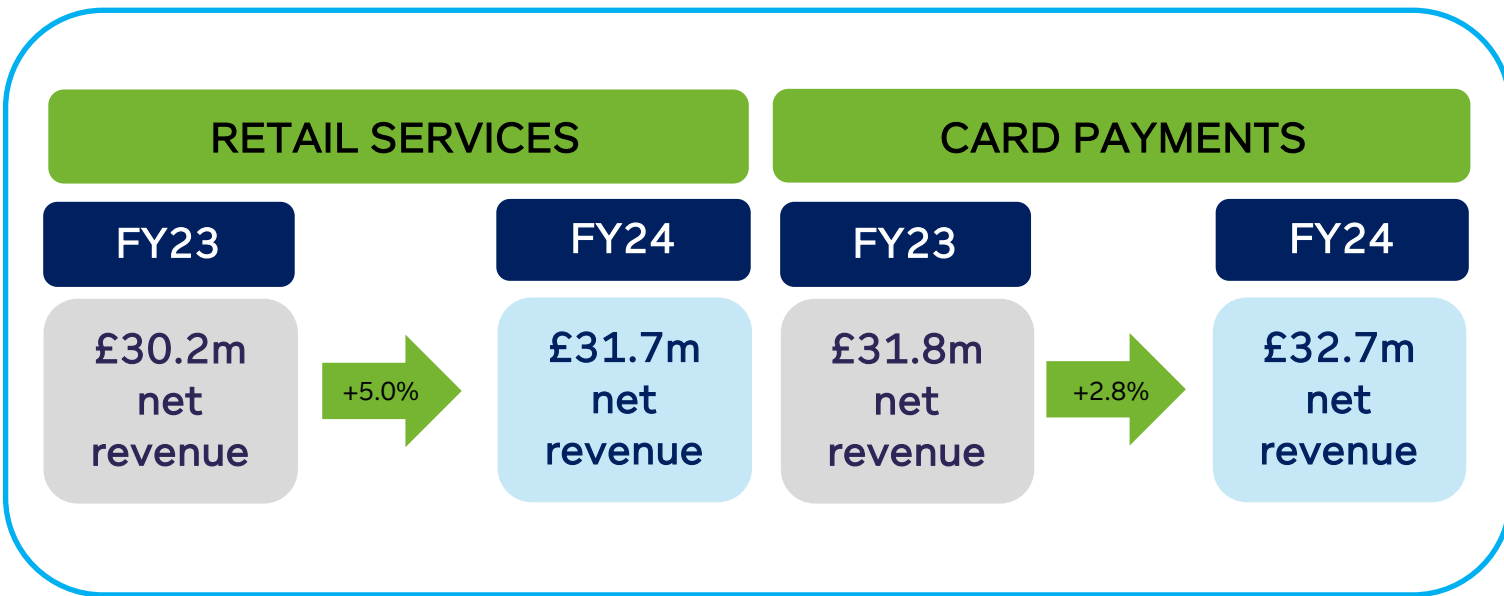
 | PayPoint Group



Shopping: positive performance



Sub-division Performance



How we deliver

- Retail Services**
PayPoint One/Mini, Counter Cash, FMCG, ATMs, Business Finance, Home Delivery
- Card payments**
Handepay/Merchant Rentals, PayPoint & RSM 2000

Estate growth

	31 March 2023	31 March 2024
PAYPOINT ONE/MINI	18,453	19,297
LLOYDS CARDNET	9,541	10,064
EVO	18,397	19,682
ATM	3,470	3,485
COUNTER CASH	1,930	2,150

Community services for retailer partners

Highlights

Service fee net revenue increased by 10.1% to £19.7million, reflecting growth in the number of revenue-generating PayPoint One/Mini sites to 19,297 (31 March 2023: 18,453 sites)

Card payment net revenue increased by 2.8% to £32.7 million, with further site growth in the EVO estate to 19,682 (31 March 2023: 18,397) and in the Lloyds Cardnet estate to 10,064 (31 March 2023: 9,541)

UK retail network increased to 29,149 sites (31 March 2023: 28,478), with 70.0% in independent retailer partners and 30.0% in multiple retail groups

Emerging opportunities

1

FMCG

further growth from our consumer engagement platform, PayPoint Engage

PayPoint | ENGAGE

Consumer and retailer engagement tools for the convenience sector with PayPoint Engage



2

Foreign Currency

development of our partnership with eurochange in circa 500 stores

eurochange®
your foreign exchange expert

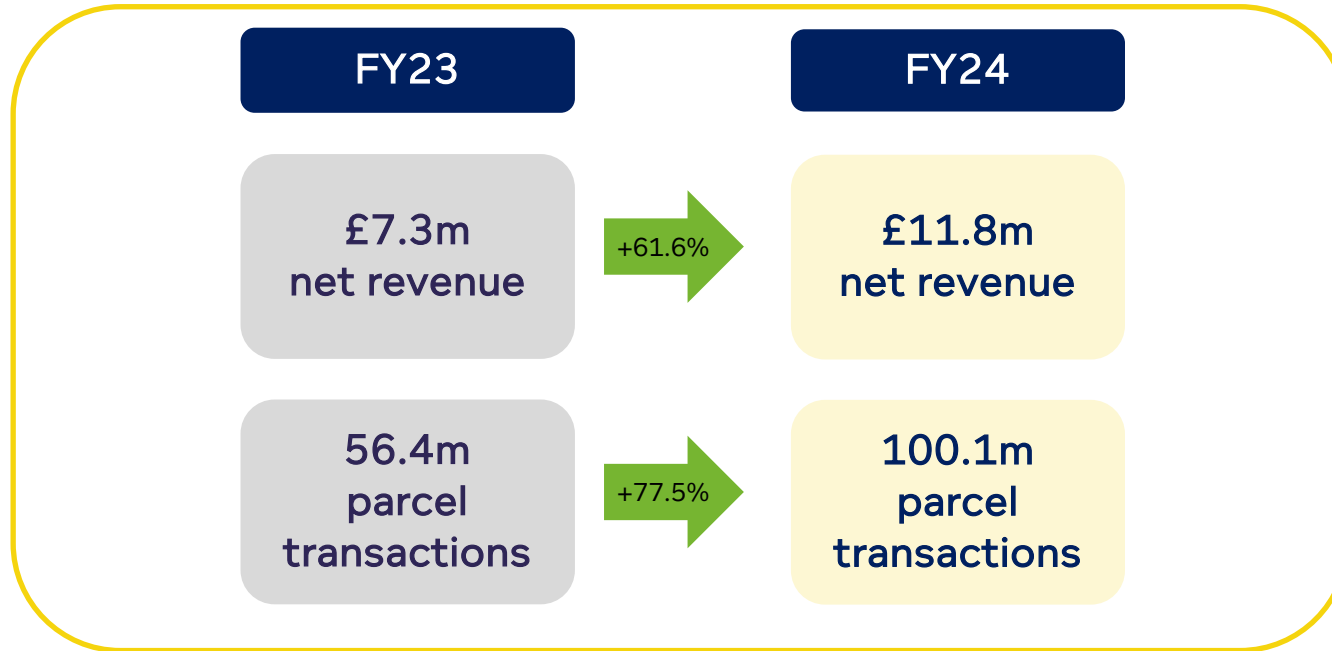
3

Park Christmas Savings

optimisation of our network of Super Agents for recruiting savers



E-commerce: strong performance



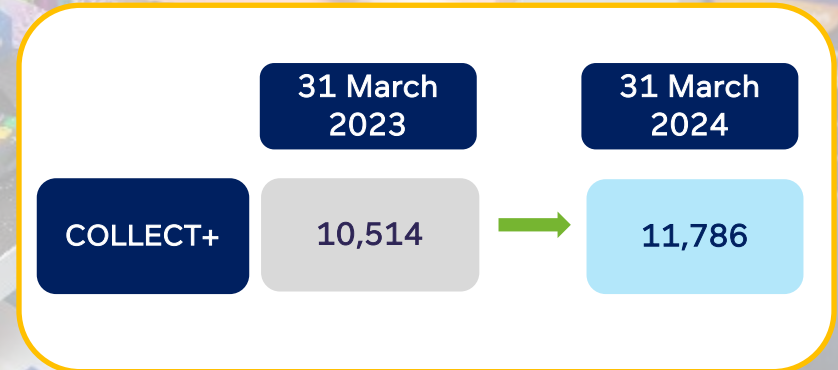
Our partners



How we deliver

Consumer pick up, drop off and send
No.1 carrier-agnostic Out Of Home (OOH) network, with best-in-class technology and consumer experience
Leadership in consumer data and insights to drive sector innovation

Estate growth



Parcels and Network Expansion

Highlights

Record year for Collect+ as parcel transactions grew strongly by 77.5% to 100.1 million (FY23: 56.4 million), including regularly achieving over 2 million parcels processed per week

Collect+ network increased to 11,786 (31 March 2023: 10,514), with further expansion to support volume growth

Print in Store service now available in over 80% of network across circa 9,100 sites, enabled by the further rollout of Zebra label printers

Emerging opportunities

1

Expanded carrier relationships

broadening range of services offered to each of our carrier partners



2

Network expansion

expanding from extensive convenience retail network into new sectors and locations, including student unions and hospitals



3

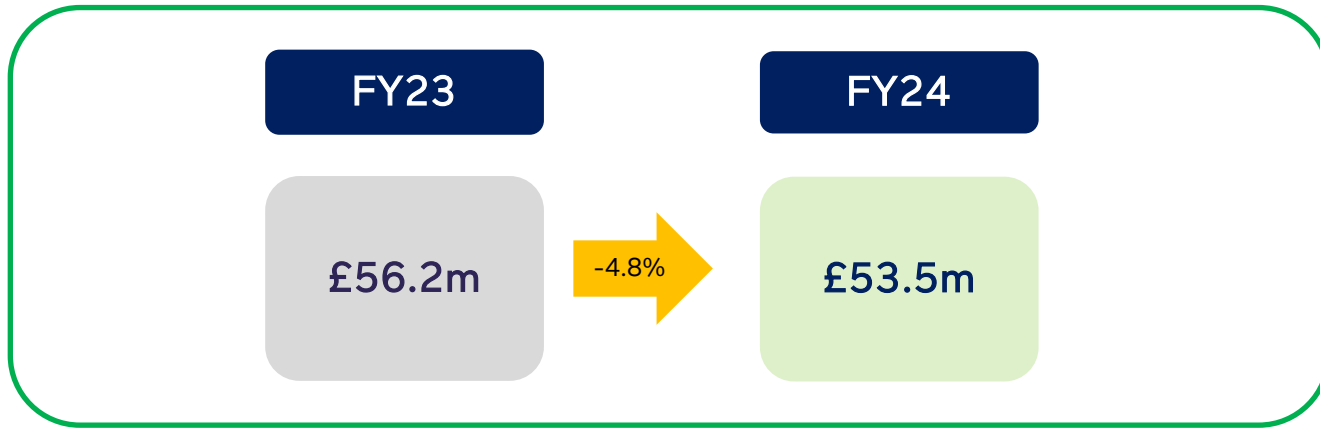
Print In Store

further rollout of circa 2,000 additional Zebra label printer to widen access to service and support new partnerships



Payments & Banking: underlying digital growth

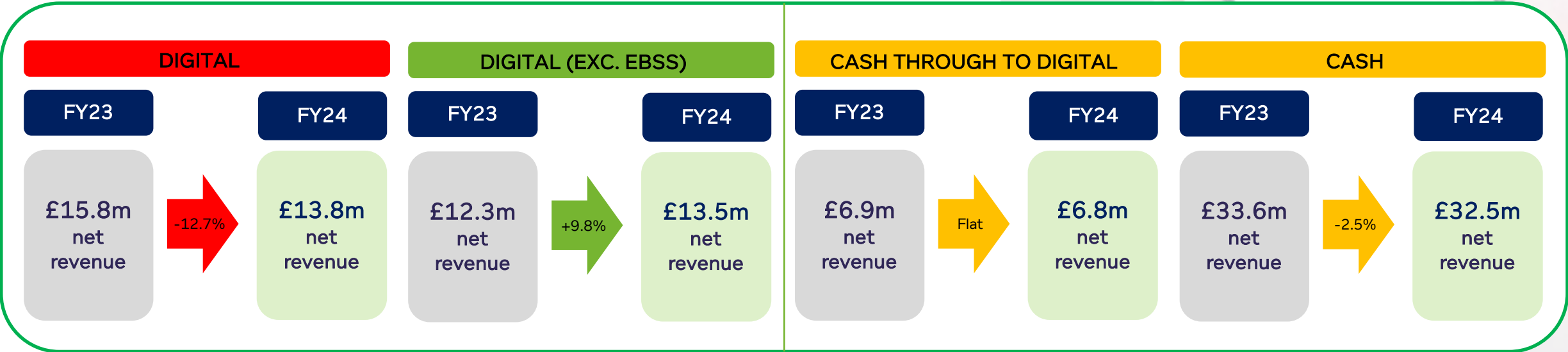
Payments & Banking Division



How we deliver

- Digital**
 - Open Banking and MultiPay digital payments platform
- Cash through to digital**
 - Gifting, gaming and Neobanks
- Cash**
 - Bill payments and top ups

Sub-division Performance



Continued MultiPay growth

Highlights

Continued growth through our MultiPay platform, with underlying net revenue increasing by 29.3% to £5.3 million (FY23: £4.1 million). Total digital net revenue decreased by 12.7% to £13.8 million (FY23: £15.8 million), with the prior year including the one-off benefit of £3.5 million from the Energy Bills Support Scheme

Cash through to digital net revenue now stabilised to £6.8 million in the year (FY23: £6.9 million), with a new baseline set for the category and continued growth in banking with over £430 million of deposits processed for neobanks

Cash payments net revenue decreased by 2.5% to £32.8 million (FY23: £33.6 million). Legacy energy sector net revenue decreased by 10.6% for the year as a whole, the rate of decline moderating in H2 FY24 to -2.6% versus the sharp fall of -19.2% in H1 FY24. The impact of the reduction in price cap to £1,928 in our consumer energy top up frequency and volumes is not yet clear in the current financial year

Emerging opportunities

1

New business growth
build a more systematic approach to growing our client base in target sectors of Housing and Charities for our MultiPay platform



2

Strengthening PayPoint and Love2shop collaboration
develop closer alignment between the corporate sales teams, driving revenue opportunities across both client bases



3

Open Banking growth
further expansion of our Open Banking services to new and existing sectors, leveraging CCS/DPS frameworks and working in partnership with OBConnect and Aperidata



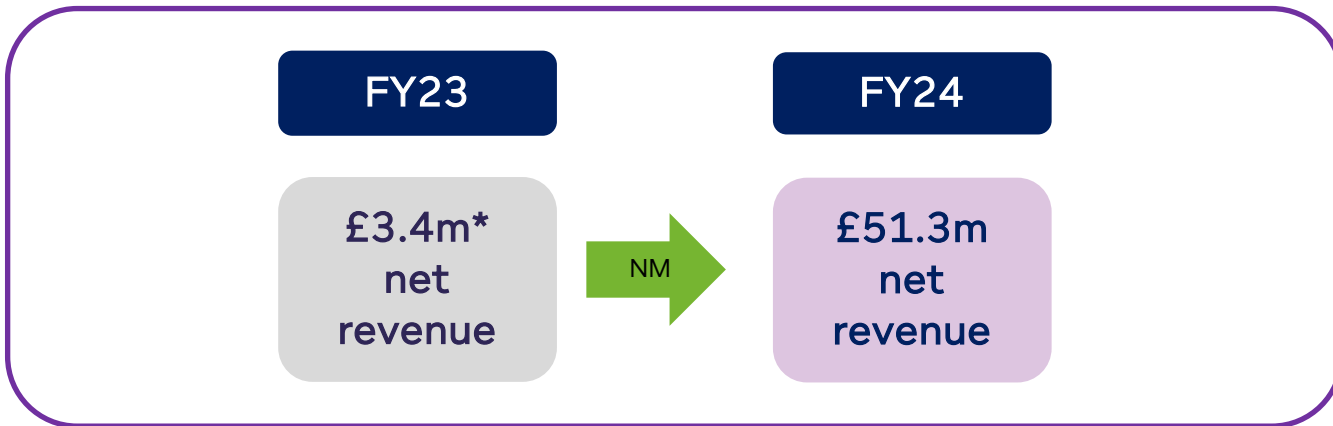
4

Government services
expand range of services provided for central and local government, building on the DVLA International Driving Permit service win and the existing DWP Payment Exception Service

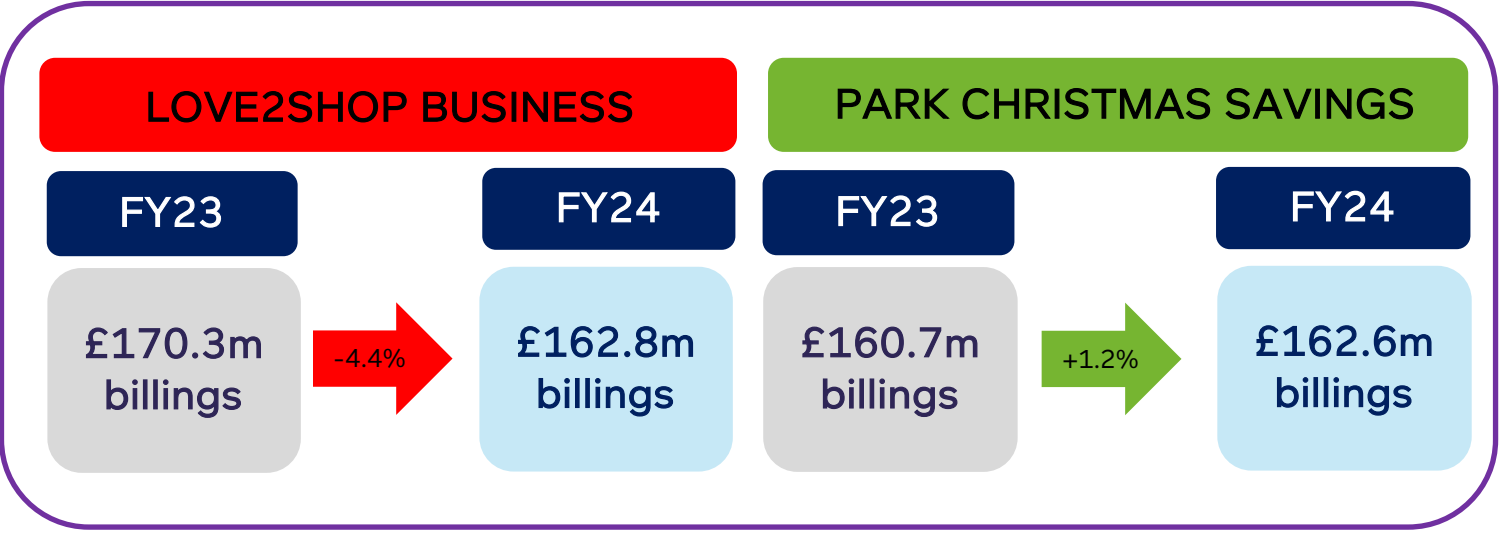


Love2shop: positive full year contribution

Love2shop Division



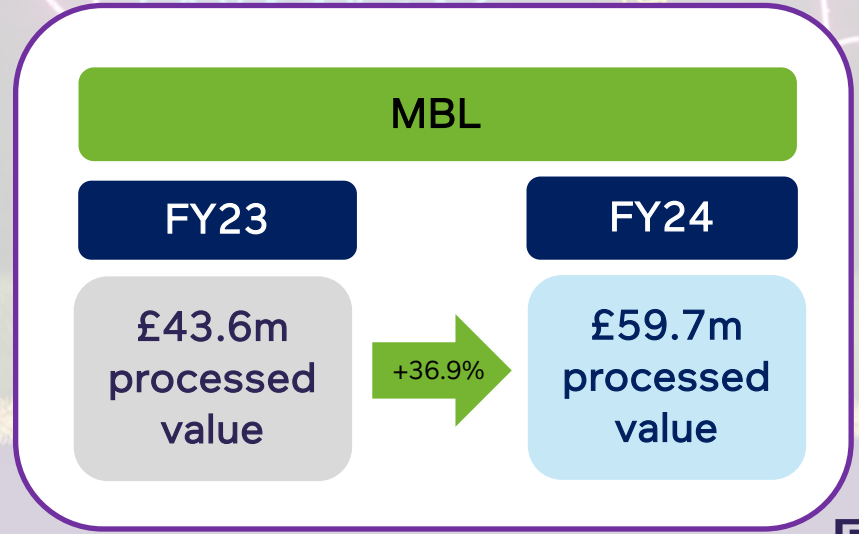
Sub-division Performance



How we deliver

- Love2shop**
 - The UK's leading digital platform for employee and customer rewards
- Park Christmas Savings**
 - The UK's biggest Christmas Savings Club

MBL Growth



Park Christmas Savings return to growth

Highlights

Park Christmas Savings returned to growth, delivering £162.6 million of billings for the Christmas 2023 season, an increase of 1.2% versus the prior year (Christmas 2022: £160.7 million). The Christmas 2024 season has started positively, with payment rates +5% versus the prior year and a reduction in the number of 'nil paid' customers of 21%

Love2shop Business experienced a weaker billings performance than expected in H2, as indicated in our Q3 trading update, with £162.8 million delivered in FY24 (FY23: £170.3 million), particularly in employee rewards, reflecting the broader caution from large businesses and the overall challenging economic situation

MBL, the leading gift card technology platform acquired by Love2shop in June 2022, processed £59.7 million of gift card value in the year (FY23: £43.6 million) for its extensive client base, including Greggs, B&M and Argos

Emerging opportunities

1

Love2shop channel and partnership expansion
delivering further growth through new partnerships, expanded provision of gift card management services and acceleration of Love2shop Business



2

Love2shop Gift Cards
grow sales within multiple retailer network of circa 2,600 stores



3

Park Christmas Savings
expand into delivering white label savings schemes for partners and broaden prepaid savings occasions beyond Christmas



Outlook

 | PayPoint Group



1

The streamlining of our organisational structure and delivery of our FY24 financial performance are important building blocks to achieving our financial targets, including the delivery of £100 million EBITDA by the end of FY26

2

In the current year, consumer behaviour across a number of our business areas remains subdued, reflecting continued tighter family budgets and generally flat economy. Our expectation is that this consumer outlook will improve during the course of the year

3

Our confidence in the prospects for the business are underpinned by the actions we are taking in each of our businesses to accelerate performance and identify new opportunities

4

Our commitment today to a three-year share buyback programme, commencing with £20 million in the next 12 months, will enhance shareholder returns

5

The Board has proposed an ordinary final dividend of 19.2p per share, an increase of 3.2% vs final dividend of 28 July 2023 of 18.6p per share, consistent with our dividend policy and target cover range of 1.5 to 2.0 times earnings excluding exceptional items

6

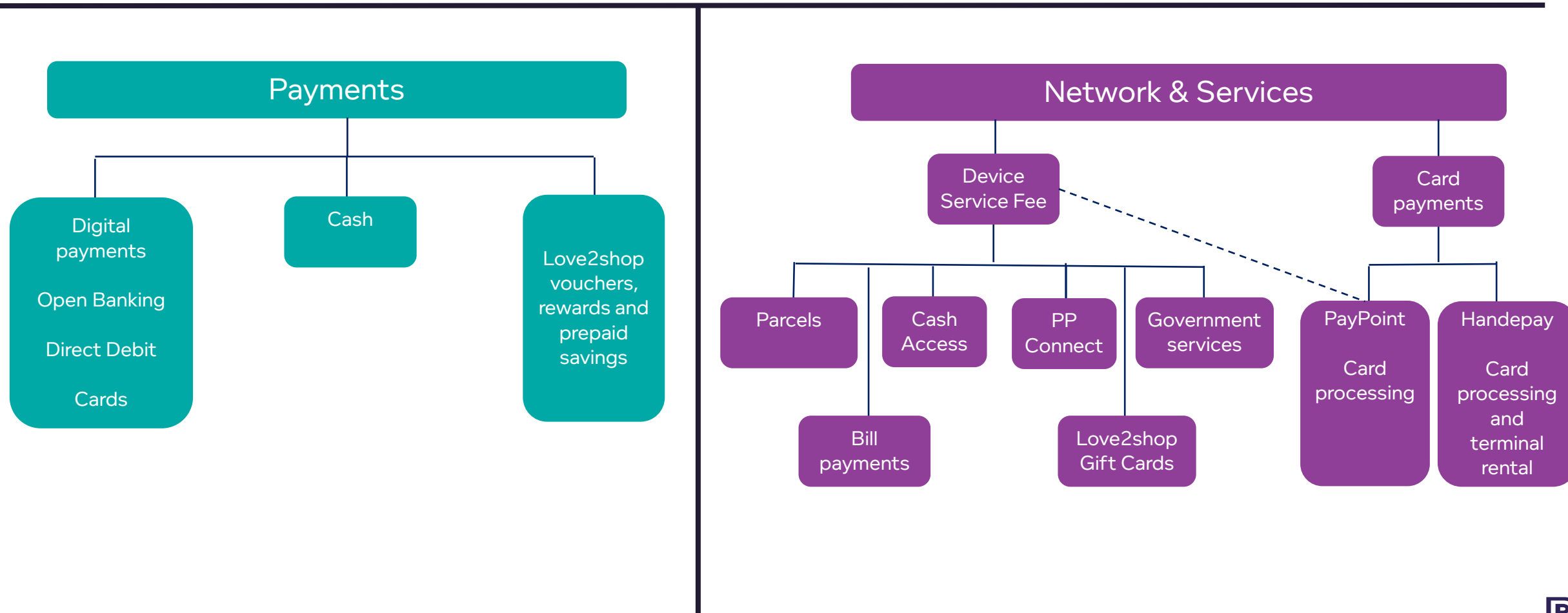
We remain confident in delivering further progress and expectations in the current year and achieving our medium-term financial goals

Q&A

Appendix

Simplified overview of the business

Multichannel payments platform and the delivery of community services through our retailer & SME networks



Investment case

PayPoint Group

Multichannel payments platform and the delivery of community services through our retailer & SME networks

- 1 Clear path to delivering £100m EBITDA by end of FY26
- 2 Leading multichannel payments platform
- 3 Unparalleled retailer & SME networks delivering vital community services
- 4 Streamlined organisational structure and cost base to deliver growth
- 5 Enhanced rewards for shareholders with 3- year share buyback programme, commencing with at least £20m over next 12 months, and increasing dividend

Business division mapping

Division	Sub-division	Lower level
Shopping	Retail Services	PayPoint One/EPoS
		Counter Cash/ATMs
	Card payments	Handepay/Merchant Rentals card payments and leasing
		PayPoint card payments
		RSM 2000 card payments
E-Commerce	E-Commerce	Collect+ parcels (send, pick up and drop off)
Payments & Banking	Digital	MultiPay
		RSM 2000
		Cash Out/i-movo
	Cash through to digital	EMoney/Digital Vouchers
	Cash	Bill payments
		Top ups
		SIMs
Love2shop	Love2shop	Love2shop & Park Christmas Savings

YOY view across divisions and sub-divisions

Net revenue

Division	Sub-division	FY24	FY23
Shopping	Retail Services	£31.7m	£30.2m
	Card payments	£32.7m	£31.8m
E-Commerce	E-Commerce	£11.8m	£7.3m
Payments & Banking	Digital	£13.8m	£15.8m
	Cash through to digital	£6.8m	£6.9m
	Cash	£32.9m	£33.5m
TOTAL (PayPoint segment)		£129.7m	£125.5m
TOTAL (Love2shop segment)		£51.3m	£3.4m
TOTAL		£181.0m	£128.9m

Business division mix

Division	Sub-division	FY24	FY23
Shopping	Retail Services	17.5%	23.4%
	Card payments	18.1%	24.7%
E-Commerce	E-Commerce	6.5%	5.6%
Payments & Banking	Digital	7.6%	12.2%
	Cash through to digital	3.8%	5.4%
	Cash	18.2%	26.0%
Love2shop	Love2shop	28.3%	2.7%

Adjusting items

Year ended 31 March 2024	2024	2023
	£m	£m
Exceptional items	5.2	5.6
- Legal fees	2.1	
- Restructuring costs	2.0	
- Refinancing costs	1.1	0.3
- Acquisition costs (Love2shop)	-	4.1
- Impairment loss on associate (Snappy Shopper)	-	1.2
Adjusting items	8.3	2.6
- Amortisation of intangible assets arising on acquisition	8.1	2.6
- Net movement on convertible loan notes	0.2	
Total adjusting items	13.5	8.2