EDISON

EML Payments

FY21 results

Moving forward

Software & comp services

EML Payments reported a strong underlying performance in FY21 driven by volume growth in the General Purpose Reloadable division and higher breakage revenue in the Gift & Incentive business. EML is working with the Irish regulator to resolve the issues within PFS's European operations and, subject to French regulator approval, expects to complete the Sentenial acquisition in September. This deal will bring open banking technologies to the group, enabling EML to offer both card-based and direct-from-bank-account technologies to its customer base.

Year end	Revenue (A$m)	PBT* (A$m)	NPATA** (A$m)	Dil. EPS* (c)	DPS (c)	P/E (x)	EV/EBITDA (x)
06/20	121.0	21.6	21.0	5.5	0.0	69.4	42.3
06/21	192.2	30.2	21.0	6.6	0.0	57.9	32.6
06/22e	235.3	43.3	31.1	9.2	0.0	41.5	22.6
06/23e	290.1	65.8	54.6	13.9	0.0	27.4	15.5

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. **Net profit after tax, excluding acquisition-related costs.

Good underlying performance in FY21

Excluding the A$11.4m costs incurred/provided for the issue with the Irish regulator (Central Bank of Ireland (CBI)), EML reported underlying EBITDA and NPATA at the upper end of guidance and ahead of our forecasts. Gift and Incentive (G&I) suffered from lower footfall in malls due to COVID lockdowns, but higher breakage revenue contributed to stronger gross profit than we had forecast. General Purpose Reloadable (GPR) volumes were in line with our expectations; a combination of higher yield and lower gross margin resulted in gross profit in line with our forecast. Virtual Account Numbers (VANs) had a relatively stable performance in the year, with higher-margin customers partially compensating for lower-than-expected volume. Management continues to work with the CBI to reach a resolution, with remediation plans expected to be substantially complete by the end of CY21.

FY22: Exploit open banking opportunity

EML has already received approval for the Sentenial acquisition from the FCA in the UK and is awaiting approval from the French regulator. Completion of this deal will bring open banking technology and a blue-chip customer base to the group, giving EML access to the high-growth European open banking market.

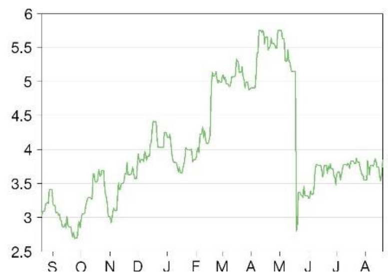
Valuation: Awaiting resolution of regulatory issue

Since bouncing back from its low of A$2.80, the share price has traded in the range A$3.30–3.90. In FY23 (the year in which we expect a positive contribution from Sentenial), EML is trading at a discount to global payment processor peers on an EV/EBITDA and P/E basis, reflecting the scale and profitability of peers. EML trades at a premium to prepaid card peers on all metrics, reflecting its higher growth prospects. Prior to the CBI issue, EML's valuation metrics for FY23 were an EV/EBITDA multiple of 21.4x and a P/E multiple of 37.5x. If the regulatory issue is successfully resolved without further costs being incurred over and above the A$9.3m already provided for, then we would expect the stock to re-rate upwards.

20 August 2021

Price	**A$3.81**
Market cap	**A$1,379m**
	€0.62:A$1
Net cash (A$m) at end FY21	103.0
Shares in issue	361.8m
Free float	93%
Code	EML
Primary exchange	ASX
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	0.3	37.1	20.8
Rel (local)	(2.0)	27.0	(1.4)
52-week high/low		A$5.75	A$2.69

Business description

EML Payments is a payment solutions company specialising in the prepaid stored value market, with mobile, physical and virtual card offerings. It provides solutions for payouts, gifts, incentives, rewards and supplier payments, managing thousands of programmes across 27 countries in Europe, North America and Australia.

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EML Payments is a research client of Edison Investment Research Limited

Review of FY21 results

Exhibit 1: FY21 results highlights

		FY21e	FY21a	Diff	y-o-y
Revenues	**A$m**	**182.7**	**192.2**	**5.2%**	**58.9%**
Gross profit	A$m	125.4	128.4	2.4%	45.8%
Gross margin		*68.6%*	*66.8%*	*-1.8%*	*-6.0%*
EBITDA	**A$m**	**50.1**	**42.2**	**-15.8%**	**29.6%**
EBITDA margin		*27.4%*	*21.9%*	*-5.5%*	*-5.0%*
Add back CBI costs	A$m		11.4		
Underlying EBITDA	**A$m**	**50.1**	**53.5**	**6.9%**	**64.5%**
Underlying EBITDA margin		*27.4%*	*27.8%*	*0.4%*	*0.9%*
Normalised operating profit	A$m	36.1	31.6	-12.5%	41.3%
Normalised operating profit margin		*19.8%*	*16.4%*	*-3.3%*	*-2.0%*
Reported operating profit	A$m	0.6	-4.8	-840.9%	-43.2%
Reported operating margin		*0.4%*	*-2.5%*	*-2.9%*	*4.5%*
Normalised PBT	A$m	34.7	30.2	-13.1%	39.5%
Reported PBT	A$m	-33.1	-23.3	-29.8%	196.1%
Normalised net income	A$m	27.8	24.1	-13.1%	40.6%
NPATA	**A$m**	**29.2**	**21.0**	**-27.9%**	**0.1%**
Add back CBI costs	A$m	2.0	11.4		
Underlying NPATA	**A$m**	**31.2**	**32.4**	**3.9%**	**54.2%**
Reported net income	A$m	-26.5	-28.7	8.2%	301.7%
Normalised basic EPS	A$	0.08	0.07	-12.9%	18.6%
Normalised diluted EPS	**A$**	**0.08**	**0.07**	**-12.6%**	**19.9%**
Reported basic EPS	A$	-0.07	-0.08	8.4%	238.9%
NPATA/share	**A$**	**0.08**	**0.06**	**-27.5%**	**-25.4%**
Net debt/(cash)	**A$m**	**(45.1)**	**(103.0)**	**128.4%**	**24.8%**
Gross debit volume (GDV)	A$bn	19.8	19.7	-0.8%	41.8%
Yield	bp	92	99	7	11

Source: EML Payments, Edison Investment Research

EML reported FY21 GDV substantially in line with our forecast. A higher-than-expected yield of 99bp versus our 92bp forecast resulted in group revenue 5% ahead of our forecast. Gross profit grew at a slower rate than revenue, reflecting the higher proportion of lower-margin GPR business in the mix, with PFS included for a full 12 months in FY21 versus three months in FY20. On a reported basis, EBITDA grew 30% y-o-y to A$42.2m. This figure is after accounting for $11.4m in costs relating to the CBI issue (EML incurred costs of A$2.1m and provided for a further A$9.3m in remediation costs) . Adjusting for this, underlying EBITDA was A$53.5m (+65% y-o-y), at the upper end of the company's guidance range (A$50–54m) and 7% ahead of our $50.1m forecast. NPATA of A$21.0m was flat y-o-y (we note that FY20 NPATA has been restated from A$24.0m to A$21.0m, described in more detail on page 4). Adjusting for the CBI costs, underlying NPATA of A$32.4m was ahead of our $31.2m forecast and at the upper end of company guidance (A$30.0–33.5m).

EML closed the year with a cash position of A$141.2m; offsetting this is the $3829m owing to PFS in deferred consideration (fair value of A$40m obligation) to arrive at a net cash position of A$103.0m. As we had previously expected the Sentenial acquisition to close on 30 June, our net cash forecast at the end of FY21 was after a A$60.3m cash payment for the acquisition; compared to our adjusted net cash forecast of A$105.4m, net cash was only marginally lower.

We discuss divisional performance in more detail on page 3.

Exhibit 2: Divisional performance

	FY21a	FY21e	FY20a	Diff	y-o-y
GDV (A$bn)					
G&I	1.11	1.12	1.18	(1%)	(6%)
GPR	9.74	9.74	4.23	0%	130%
VANS	8.83	8.98	8.47	(2%)	4%
Group GDV	**19.68**	**19.83**	**13.88**	**(1%)**	**42%**
Yield (bp)					
G&I	635	575	580	60	55
GPR	117	110	99	7	18
VANS	12	12	13	(1)	(1)
Revenue (A$m)					
G&I	70.2	64.2	68.2	9%	3%
GPR	113.5	107.1	41.9	6%	171%
VANS	10.3	11.1	10.7	(8%)	(4%)
Net interest contribution	0.1	0.3	0.9	(62%)	(90%)
Group revenue	194.2	182.7	121.6	6%	60%
Less: bond amortisation	(2.0)	0	(0.7)		
Reported group revenue	**192.2**	**182.7**	**121.0**	**5%**	**59%**
Gross profit (A$m)					
G&I	57.0	51.3	56.8	11%	0%
GPR	65.7	65.9	25.0	(0%)	163%
VANS	7.6	7.9	6.9	(3%)	10%
Group	**130.4**	**125.4**	**88.7**	**4%**	**47%**
Gross margin					
G&I	81.2%	80.0%	83.4%	1.2%	(2.2%)
GPR	57.9%	61.5%	59.7%	(3.6%)	(1.8%)
VANS	74.3%	71.0%	64.9%	3.3%	9.4%
Group	67.1%	68.6%	73.0%	(1.5%)	(5.8%)

Source: EML Payments, Edison Investment Research

Gift & Incentive benefits from high breakage recognition

G&I saw a 6% decline in GDV in FY21 due to repeated lockdowns around the world, particularly around Christmas time. Q420 had already experienced weakness in volumes due to COVID and H221 GDV was 6% higher y-o-y, showing that trading is starting to recover. Revenue was actually 3% higher y-o-y; the yield of 635bp resulted from higher breakage rates, particularly in the US where an additional A$11.1m was recognised, as there was an increased level of funds left on cards at expiry. The company noted that mall volumes made up 56% of GDV, with the remaining 44% from the incentives business, which grew 11% y-o-y. Due to the higher contribution of breakage compared to FY20, gross profit was 11% ahead of our forecast and flat y-o-y.

GPR volumes and gross profit in line

GDV growth of 130% y-o-y reflects the full year inclusion of PFS, versus three months in FY20. The company noted that PFS contributed GDV of A$6.4bn (+20% y-o-y on a like-for-like basis) and revenue of A$78.3m, and the original GPR business GDV of A$3.3bn (+13% y-o-y) and revenue of A$35.3m (+34% y-o-y). The transition of salary packaging accounts from Smartgroup and NSW Health is complete and EML now manages 320k accounts. Gaming payout programmes saw increased volume in all markets with revenue 87% higher y-o-y. Gross profit increased 163% y-o-y, while gross margin declined by 2pp to 58%. PFS has lower gross margins as it currently outsources payment processing. EML has developed an in-house payment processor, TRACE, and initially is adding new customers to the platform. Over time, existing PFS customers will be brought onto the TRACE platform resulting in lower processing costs for the division. EML was recently approved as a direct member of the Faster Payments Network (FPN) and has just gone live, reducing fees from 20p to 2p for those transactions using the FPN. Over the next three years, the combination of TRACE and FPN should drive GPR gross margins up by c 5%.

Management noted that the CBI issue has resulted in delays to programme launches in Europe, reducing establishment fees during Q421 by c A$1m.

Update on regulatory issue in Ireland

We have previously written about the CBI investigation into PFS Card Services (Ireland) Limited (PCSIL), the entity through which PFS's European (ex-UK) business has operated since 19 December 2020. The company provided an update confirming that it continues to work with the CBI and has provided a detailed remediation plan to address concerns raised. EML expects this plan to be substantially complete by the of CY21, with the remaining items to be addressed by the end of March 2022. EML noted that prior to the CBI letter, it had already been strengthening the risk and compliance functions of PCSIL, including expanding the board, implementing a fraud detection tool and adopting KYC and AML tools from third-party providers.

EML is currently restricted from materially growing PCSIL's business and is discussing this with the CBI. Management expects that this restriction will be lifted once the remediation phase is complete. On the results call, management highlighted that the CBI requires PCSIL to be managed locally, with a strong board, and for risk and compliance to be staffed locally.

VANS steady state

The VANS business saw a 4% increase in GDV y-o-y. With a slightly lower yield, revenue declined 4% y-o-y. However, due to the customer mix, gross profit increased 10% y-o-y, with the gross margin improving 9pp to 74%.

Explanation of restatements

EML has restated FY20 accounts because of an issue arising in PFS relating to the recognition of breakage. The company recently discovered that prior to acquisition, PFS had been recognising breakage revenue more quickly than it should. This means that the completion balance sheet as originally recorded understated the liability to cardholders (ie cardholders who may yet use the balance on their cards) by A$28.2m and also understated the intangible asset 'Customer contracts' by A$15.9m. In July, EML injected A$28.2m of cash into segregated funds to cover this amount. Over the course of FY22–28, the company expects this cash to be released back to EML as the dormant funds and expired eMoney balances meet the conditions to be transferred to EML ownership.

EML also revisited the contingent consideration due to PFS (based on estimates of EBITDA achievable by PFS in FY21, FY22 and FY23) and revised the amounts due as at the end of FY20 and FY21. The company now estimates that PFS did not hit its EBITDA target in FY21 (we assume because of the costs incurred in dealing with the CBI issue) and has revised its expectations for FY22/23. In addition, certain costs incurred by EML are deemed to have arisen pre-acquisition so reduce the amount due to the PFS vendors (A$13.2m in FY21). Prior to the discovery of the CBI issue and breakage recognition issue, in H121, strong performance by PFS had led EML to revise up the amount of contingent consideration due by A$24.0m, resulting in a fair value loss reported as an exceptional item. This has now been revised down to A$16.6m for FY21. Overall, the contingent consideration recorded on acquisition has been revised down from A$76.2m to A$12.5m and at the end of FY21 stands at A$14.3m (compared to our previous forecast of A$97.4m).

Business development update

EML signed 121 new contracts in FY21, of which 21 programmes were implemented. In total, 144 new programmes were implemented in the year: 95 in GPR, 46 in G&I and three in VANS. The company has had particular success with government and NGO programmes, including the ASPEN card for the UK Home Office and stimulus programmes for the Jersey government and the Northern Ireland government. Programme launches in other sectors include:

- AptPay: a Canadian disbursement app;
- Avios: a reloadable travel card which allows Avios members to link their loyalty programme to transactional activity on spend;
- Laybuy and Humm buy-now-pay-later platforms; and
- VGW and Paddy Power gaming programmes.

Sentenial acquisition progress

Since we last wrote, the deal has been approved by the FCA in the UK. The ACPR in France is currently reviewing the deal. The company hopes to receive approval in September, and if this is forthcoming, plans to complete the acquisition on 30 September. Since the acquisition was announced, Sentenial has won several new customers including Nuvei, Ecommpay, Hertz, Games Workshop (via Visa Cybersource) and Touchnet.

Outlook and changes to forecasts

The company has issued guidance for FY22 (see Exhibit 3), which assumes that the Sentenial acquisition completes on 30 September and is consolidated from 1 October.

Exhibit 3: FY22 guidance

		Group	Of which Sentenial
GDV	A$bn	93–100	69–74
Revenue	A$m	220–255	10–15
Overheads	A$m	97–106	12–14
Underlying EBITDA	A$m	58–65	0 to -3
Underlying NPATA	A$m	27–34	
Gross margin		c 69%	

Source: EML Payments

Our forecasts had assumed that the deal would be consolidated from 1 July, so we have revised our assumptions to reflect consolidation from 1 October. We have also updated our Sentenial forecasts to reflect the current euro/A$ exchange rate. This accounts for the majority of the changes to our forecasts.

Exhibit 4: Changes to estimates

		FY22e				FY23e				FY24e	
		Old	New	Change	y-o-y	Old	New	Change	y-o-y	New	y-o-y
Revenues	**A$m**	**243.2**	**235.3**	**-3.2%**	**22.4%**	**291.7**	**290.1**	**-0.6%**	**23.3%**	**340.7**	**17.4%**
Gross profit	A$m	173.1	163.3	-5.7%	27.1%	210.8	206.7	-1.9%	26.6%	247.2	19.6%
Gross margin		71.2%	69.4%	-1.8%	2.6%	72.3%	71.3%	-1.0%	1.9%	72.6%	1.3%
EBITDA	***A$m***	***67.8***	***60.8***	***-10.3%***	***44.2%***	***93.9***	***88.4***	***-5.9%***	***45.4%***	***118.1***	***33.6%***
EBITDA margin		*27.9%*	*25.8%*	*-2.0%*	*3.9%*	*32.2%*	*30.5%*	*-1.7%*	*4.6%*	*34.7%*	*4.2%*
Normalised operating profit	A$m	50.2	45.9	-8.5%	45.4%	71.4	68.8	-3.7%	49.7%	94.8	37.9%
Normalised operating profit margin		20.6%	19.5%	-1.1%	3.1%	24.5%	23.7%	-0.8%	4.2%	27.8%	4.1%
Reported operating profit	A$m	31.7	13.9	-56.1%	-389.7%	54.9	46.3	-15.7%	232.3%	72.3	56.3%
Reported operating margin		*13.0%*	*5.9%*	*-7.1%*	*8.4%*	*18.8%*	*16.0%*	*-2.9%*	*10.0%*	*21.2%*	*5.3%*
Normalised PBT	A$m	47.2	43.3	-8.2%	43.6%	68.4	65.8	-3.8%	51.8%	91.9	39.6%
Reported PBT	A$m	27.2	11.3	-58.4%	-148.7%	50.9	43.3	-15.0%	282.0%	69.4	60.2%
Normalised net income	A$m	37.8	34.7	-8.2%	43.6%	54.7	52.6	-3.8%	51.8%	73.5	39.6%
NPATA	**A$m**	**38.3**	**31.1**	**-18.8%**	**47.7%**	**55.7**	**54.6**	**-2.0%**	**75.9%**	**75.5**	**38.2%**
Reported net income	A$m	21.8	9.1	-58.4%	-131.6%	40.7	34.6	-15.0%	282.0%	55.5	60.2%
Normalised diluted EPS	A$	0.10	0.09	-7.7%	39.5%	0.14	0.14	-3.3%	51.7%	0.19	39.6%
Reported basic EPS	A$	0.06	0.02	-58.3%	-130.7%	0.11	0.09	-14.9%	281.7%	0.15	60.2%
NPATA/share	A$	0.10	0.08	-18.4%	43.4%	0.15	0.14	-1.5%	75.7%	0.20	38.2%
Net debt/(cash)	**A$m**	**(47.8)**	**(51.1)**	**7.0%**	**-50.4%**	**(65.7)**	**(103.3)**	**57.3%**	**102.3%**	**(112.1)**	**8.5%**
GDV	A$bn	105.0	93.5	-10.9%	375.2%	121.9	126.1	3.5%	34.9%	145.6	15.5%
Yield	bp	23	25	2	-74	24	23	-1	-2	23	0
Divisional data											
GDV											
G&I	A$bn	1.2	1.2	-1%		1.4	1.3	-1%		1.5	
GPR	A$bn	12.2	13.6	12%		14.0	15.7	12%		17.3	
Digital Payments	A$bn	91.6	78.7	-14%		106.5	109.1	2%		126.9	
Revenue											
G&I	A$m	73.7	73.0	-1%		81.0	80.3	-1%		88.3	
GPR	A$m	133.9	136.4	2%		154.0	156.9	2%		172.5	
Digital Payments	A$m	35.4	25.7	-27%		56.4	52.7	-7%		79.6	
Gross profit											
G&I	A$m	58.9	58.4	-1%		64.8	64.2	-1%		70.7	
GPR	A$m	85.0	83.9	-1%		100.1	99.6	0%		112.2	
Digital Payments	A$m	28.8	20.7	-28%		45.7	42.6	-7%		64.1	
Gross margin											
G&I		80.0%	80.0%			80.0%	80.0%			80.0%	
GPR		63.5%	61.5%			65.0%	63.5%			65.0%	
Digital Payments		81.5%	80.7%			80.9%	80.9%			80.6%	

Source: Edison Investment Research

Valuation

After the initial shock when the CBI letter was received in May and the stock fell from A$5.15 to A$2.80, the share price has traded in the range A$3.30–3.90. Exhibit 5 shows how EML is trading in relation to three groups: global payment processors, pre-paid card companies and Australian fintechs. In FY22, we are forecasting Sentenial to make a small loss at the EBITDA level, depressing group EBITDA, so comparison to peers is less helpful. In FY23, we expect that Sentenial will generate positive EBITDA. In FY23, EML is trading at a discount to global payment processor peers on an EV/EBITDA basis and on a P/E basis, reflecting the scale and profitability of peers. EML trades at a premium to prepaid card peers on all metrics, reflecting its higher growth prospects. Prior to the CBI issue, EML's valuation metrics for FY23 were an EV/EBITDA multiple of 21.4x and a P/E multiple of 37.5x. If the issue is successfully resolved without further costs being incurred over and above the A$9.3m already provided for, then we would expect the stock to re-rate upwards.

Exhibit 5: Peer group valuation metrics

	Currency	Market cap (m)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
			CY	NY	NY+1	CY	NY	NY+1	CY	NY	NY+1
EML Payments	**A$**	**1,379**	**5.8**	**4.7**	**4.0**	**22.6**	**15.5**	**11.6**	**41.5**	**27.4**	**19.6**
Payment processors											
Adyen	€	71,376	70.9	50.9	37.4	115.9	81.2	59.4	165.8	115.5	84.1
FIS	US$	82,808	7.0	6.5	6.1	15.9	14.3	13.0	20.5	17.8	15.8
Fiserv	US$	73,915	6.2	5.7	5.3	14.8	13.4	12.1	20.0	17.1	14.8
Global Payments	US$	50,351	7.7	7.0	6.4	16.5	14.6	13.2	21.1	18.0	15.7
PayPal Holdings	US$	323,028	12.4	10.1	8.3	42.1	35.1	28.4	58.2	46.6	37.4
Square	US$	123,144	6.5	5.8	4.8	117.1	92.1	62.8	143.1	114.7	83.6
Worldline	€	21,216	5.0	4.6	4.3	19.7	17.0	15.1	31.1	25.8	22.6
Average			**16.5**	**12.9**	**10.4**	**48.9**	**38.2**	**29.1**	**65.7**	**50.8**	**39.1**
Prepaid card companies											
Appreciate Group	£	51	0.2	0.2	0.2	2.7	2.1	1.8	9.0	6.8	5.9
Edenred	€	12,077	8.6	7.7	7.0	21.1	18.5	16.6	37.9	32.5	28.1
Euronet Worldwide	US$	7,041	2.3	1.9	1.7	16.3	9.3	7.6	36.2	16.4	13.0
Fleetcor Technologies	US$	21,683	9.2	8.2	7.4	16.3	14.1	12.5	20.3	17.4	15.1
Green Dot Corp	US$	2,524	2.6	2.5	2.3	16.0	13.3	11.8	20.6	16.8	14.3
WEX	US$	7,852	5.8	5.1	4.5	14.6	12.1	10.8	20.4	16.3	13.9
Average			**4.8**	**4.2**	**3.8**	**14.5**	**11.6**	**10.2**	**24.0**	**17.7**	**15.1**
Australian fintechs											
Afterpay Ltd	A$	38,233	40.8	24.4	16.9	483.6	166.6	83.8	N/A	404.3	181.4
FlexiGroup Ltd	A$	471	5.7	5.0	4.6	22.7	25.5	20.7	6.6	8.2	6.5
Zip Co Ltd	A$	4,386	14.7	8.8	6.4	N/A	N/A	N/A	N/A	N/A	N/A
Average			**20.4**	**12.8**	**9.3**	**253.1**	**96.1**	**52.2**	**6.6**	**206.2**	**94.0**

Source: Edison Investment Research, Refinitiv (as at 16 August)

Exhibit 6: Financial summary

A$'m	2017	2018	2019	2020	2021	2022e	2023e	2024e
30-June	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT								
Revenue	58.0	71.0	97.2	121.0	192.2	235.3	290.1	340.7
Cost of Sales	(13.7)	(17.7)	(24.2)	(32.9)	(63.8)	(72.1)	(83.4)	(93.5)
Gross Profit	44.2	53.3	73.0	88.1	128.4	163.3	206.7	247.2
EBITDA	14.5	21.0	29.7	32.5	42.2	60.8	88.4	118.1
Normalised operating profit	11.9	18.1	25.6	22.4	31.6	45.9	68.8	94.8
Amortisation of acquired intangibles	(8.9)	(7.2)	(7.5)	(11.1)	(20.2)	(20.0)	(20.0)	(20.0)
Exceptionals	0.2	(0.3)	(3.0)	(13.6)	(11.2)	(2.0)	0.0	0.0
Share-based payments	(5.3)	(5.0)	(4.2)	(6.1)	(5.0)	(10.0)	(2.5)	(2.5)
Reported operating profit	(2.1)	5.6	10.9	(8.5)	(4.8)	13.9	46.3	72.3
Net Interest	0.0	(0.1)	(0.0)	(0.7)	(1.4)	(2.6)	(3.0)	(3.0)
Joint ventures & associates (post tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	(0.5)	(1.8)	1.3	(17.1)	0.0	0.0	0.0
Profit Before Tax (norm)	11.9	17.9	25.6	21.6	30.2	43.3	65.8	91.9
Profit Before Tax (reported)	(2.1)	5.0	9.0	(7.9)	(23.3)	11.3	43.3	69.4
Reported tax	2.1	(2.8)	(0.6)	0.7	(5.4)	(2.3)	(8.7)	(13.9)
Profit After Tax (norm)	8.9	14.4	20.5	17.2	24.1	34.7	52.6	73.5
Profit After Tax (reported)	0.0	2.2	8.5	(7.1)	(28.7)	9.1	34.6	55.5
Minority interests	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (normalised)	8.9	14.4	20.3	17.2	24.1	34.7	52.6	73.5
Net income (reported)	0.0	2.2	8.3	(7.1)	(28.7)	9.1	34.6	55.5
Basic ave. number of shares outstanding (m)	245	246	249	304	360	371	372	372
EPS - basic normalised (A$)	0.036	0.058	0.081	0.056	0.067	0.093	0.142	0.20
EPS - diluted normalised (A$)	0.036	0.057	0.078	0.055	0.066	0.092	0.139	0.19
EPS - basic reported (A$)	0.000	0.009	0.033	(0.023)	(0.080)	0.024	0.093	0.15
Dividend (A$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue growth (%)	148.6	22.5	36.9	24.4	58.9	22.4	23.3	17.4
Gross Margin (%)	76.3	75.1	75.1	72.8	66.8	69.4	71.3	72.6
EBITDA Margin (%)	25.1	29.6	30.6	26.9	21.9	25.8	30.5	34.7
Normalised Operating Margin	20.5	25.4	26.4	18.5	16.4	19.5	23.7	27.8
BALANCE SHEET								
Fixed Assets	90.6	108.0	162.9	872.1	685.3	1,012.0	1,053.7	1,087.9
Intangible Assets	60.1	65.8	104.6	371.7	350.1	507.9	490.2	471.3
Tangible Assets	2.8	3.5	5.4	14.6	11.2	7.7	3.9	4.9
Investments & other	27.6	38.7	53.0	485.8	323.9	496.4	559.6	611.7
Current Assets	96.9	131.6	313.8	1,008.6	1,603.5	1,961.8	2,270.4	2,439.0
Stocks	10.3	12.6	18.2	22.3	16.4	18.0	19.8	21.8
Debtors	6.3	8.9	14.4	21.7	22.0	26.9	33.1	38.9
Cash & cash equivalents	39.9	39.0	33.1	118.4	141.2	120.3	172.6	130.3
Other	40.4	71.1	248.2	846.2	1,424.0	1,796.6	2,045.0	2,248.0
Current Liabilities	(62.8)	(90.5)	(299.0)	(1,357.8)	(1,792.8)	(2,323.6)	(2,645.1)	(2,900.3)
Creditors	(23.8)	(21.2)	(33.9)	(47.5)	(62.9)	(71.4)	(82.5)	(91.0)
Tax and social security	(0.0)	0.0	(0.8)	(2.6)	(6.0)	(6.0)	(6.0)	(6.0)
Short term borrowings	0.0	0.0	(15.0)	0.0	(1.4)	(1.4)	(1.4)	(1.4)
Other	(39.0)	(69.3)	(249.4)	(1,307.7)	(1,722.5)	(2,244.8)	(2,555.2)	(2,801.9)
Long Term Liabilities	(4.2)	(19.3)	(33.5)	(82.6)	(81.1)	(167.1)	(158.7)	(48.2)
Long term borrowings	0.0	0.0	0.0	(35.8)	(36.9)	(67.9)	(67.9)	(16.9)
Other long term liabilities	(4.2)	(19.3)	(33.5)	(46.8)	(44.2)	(99.2)	(90.9)	(31.4)
Net Assets	120.6	129.8	144.2	440.2	414.9	483.2	520.3	578.3
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	120.6	129.8	144.2	440.2	414.9	483.2	520.3	578.3
CASH FLOW								
Op Cash Flow before WC and tax	13.1	19.7	28.4	31.2	41.2	59.8	87.4	117.1
Working capital	4.9	(9.2)	2.0	3.6	31.7	1.0	1.9	(0.5)
Exceptional & other	(0.8)	(1.2)	(0.7)	(12.7)	(17.3)	(31.0)	0.0	0.0
Tax	2.1	(2.8)	(0.6)	0.7	(5.4)	(2.3)	(8.7)	(13.9)
Net operating cash flow	19.3	6.5	29.2	22.8	50.2	27.5	80.7	102.8
Capex	(2.9)	(5.3)	(5.8)	(11.0)	(12.6)	(14.1)	(17.1)	(19.4)
Acquisitions/disposals	0.0	(0.7)	(44.0)	(142.5)	(3.5)	(61.6)	(7.1)	(70.4)
Net interest	0.0	(0.1)	(0.0)	(0.7)	(1.4)	(2.6)	(3.0)	(3.0)
Equity financing	0.2	0.0	0.4	240.8	0.6	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	(3.6)	(0.6)	(0.4)	(7.0)	(11.0)	(1.2)	(1.2)	(1.2)
Net Cash Flow	13.0	(0.2)	(20.6)	102.3	22.2	(51.9)	52.2	8.8
Opening net debt/(cash)	(26.9)	(39.9)	(39.0)	(18.1)	(82.5)	(103.0)	(51.1)	(103.3)
FX	(0.0)	(0.6)	(0.3)	(2.0)	0.6	0.0	0.0	0.0
Other non-cash movements	0.0	0.0	0.0	(35.8)	(2.4)	0.0	0.0	0.0
Closing net debt/(cash)	(39.9)	(39.0)	(18.1)	(82.5)	(103.0)	(51.1)	(103.3)	(112.1)

Source: EML Payments, Edison Investment Research

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