

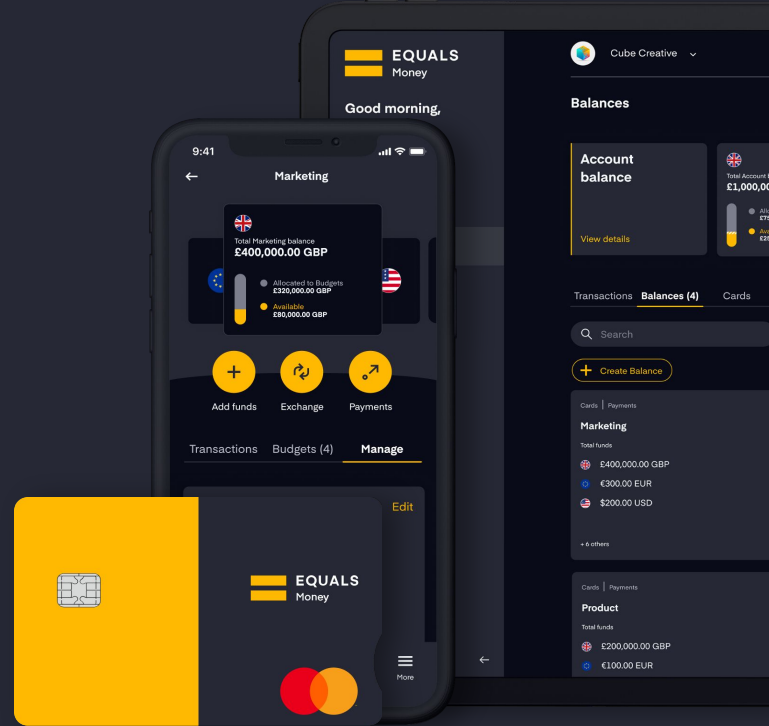


# H1-2024 Results and Q3-2024 Trading Update

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# Agenda

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Summary



## Products

### Accounts

Own-name multi-currency IBANs

### Cards

Debit & Prepaid

### Payments

FX or same currency



## Differentiators

### Unified platform

Payments & Cards

### Connectivity

Direct integration into payment networks

### Compliance

Strategic focus

### Human interaction

FinTech capabilities augmented by personal service



## Platform

### Equals Money

SMEs

### Equals Solutions

Larger Corporates / Complex

### Highly configurable

Unlimited accounts / sub-accounts  
Approval hierarchy

### Multiple delivery methods

Direct, via API or white-label  
B2X and B2B2X

## H1-2024 - summary of performance

"continued growth, half-year on half-year"

		H1-2023	H2-2023	H1-2024
<b>Underlying transactions</b>	£ millions	5,964	6,448	<b>9,314</b>
- change on prior 6-months		18%	8%	<b>44%</b>
<b>Revenue</b>	£ millions	45.0	50.7	<b>60.0</b>
- change on prior 6-months		17%	12%	<b>19%</b>
<b>Adjusted Ebitda</b>	£ millions	9.8	10.8	<b>12.7</b>
- change on prior 6-months		36%	10%	<b>18%</b>

## Key trends in revenue, £ millions

"both fees and interest becoming more important"

	H1-2023	H2-2023	H1-2024
Fees	16.1	21.3	25.2
FX	24.7	22.4	25.2
Interest	4.2	7.0	9.6
	45.0	50.7	60.0
Solutions	13.6	17.4	24.8
Europe	-	1.7	2.3
Other segments	31.4	31.6	32.9
	45.0	50.7	60.0
B2B %	81%	83%	87%

**Fees**, 42% of total revenue, up from 36% in H1-2023

**Interest**, 16% of total revenue. The bulk arising from solutions client balances.

**Solutions**, now representing 41% and growing of total revenue.

# H1-2024 Highlights

## Strong Growth and Profits

Transactions **+56%** at £9.3bn  
Revenue **+33%** to £60.0m  
EBITDA\* **+30%** to £12.7m

vs comparable prior period - H1 2023

## Platform

Completion of Payments Sending Service (PSS) for outbound payments  
API and White-label capability  
Building blocks in place for bulk payments

## Europe

Equals Money Europe reached full service capability  
Remediation process completed  
Tier-1 Bank onboarded with more to follow

## Sales & marketing

B2X and B2B2X teams  
Hiring sector expertise & experience  
Direct and Affiliate distribution  
Improved digital estate / SEO / PPC

## Increase in TAM

Geographic and functionality  
API onboarding team  
Move to B2B2B2X  
More PaaS based revenues

## Compliance

Continued investment into skilled personnel  
Specialist EDD teams for B2B & "fast track"  
Featurespace - AI Transaction monitoring

\* Adjusted EBITDA

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## CFO Review

- **P&L account**
  - Adjusted EBITDA
  - EBITDA Bridge
  - Revenues
  - Gross profits
  - Expenditure in Adjusted EBITDA
  - “Non-cash” expenditure in P&L
- **Cash flow items**
  - "Cash" expenditure Ex Adjusted EBITDA
  - Cash flows
  - Liquidity
- **Acquisitions**

## Components of Adjusted EBITDA

	£ millions	<u>H1-2024</u>	<u>H2-2023</u>	<u>H1-2023</u>	<u>H1-24 v H1-23</u>
Revenue		60.0	50.7	45.0	33%
Gross profits		34.4	28.7	23.6	46%
GP %		57.4%	56.7%	52.4%	
Marketing		(2.0)	(1.3)	(1.2)	67%
Contribution		32.4	27.4	22.4	45%
Expenditure		(19.7)	(16.6)	(12.6)	56%
Adjusted EBITDA		12.7	10.8	9.8	30%



## ADJUSTED EBITDA BRIDGE

	£ millions	<u>H1-2023</u>	<u>H2-2023</u>
<b>Adjusted EBITDA in prior periods</b>		<b>9.8</b>	<b>10.8</b>
Impact of EMEU		(0.7)	(0.4)
Increase in non EU contribution (GP - less marketing)		8.6	4.6
<i>Increase in staff costs</i>		(2.5)	(1.6)
<i>Increase in IT and similar</i>		(1.1)	(0.7)
<i>(Increase) / Decrease in professional fees</i>		(0.4)	0.6
<i>Increase in compliance costs</i>		(0.9)	(0.6)
<i>Change in other costs</i>		(0.1)	-
<b>Change in cost base</b>		<b>(5.0)</b>	<b>(2.3)</b>
<b>Adjusted EBITDA, H1-2024</b>		<b>12.7</b>	<b>12.7</b>

-average headcount moved from 333 in H1-23 to 403 in H2-23 and 428 in H1-24

-staff costs increased in H1-2024 by 27% compared to H1-2023 and 16% compared to H2-2023

## Additional information on revenue

	£ millions	<u>H1-2024</u>	<u>H2-2023</u>	<u>H1-2023</u>	<u>H1-24 v H1-23</u>
<b>B2B</b>					
Solutions		24.8	17.4	13.6	82%
International payments		10.3	9.7	9.2	12%
White label		8.6	7.8	8.9	-3%
Cards		4.7	5.4	4.9	-4%
Banking		2.7	2.9	2.7	0%
Europe		2.3	1.7	-	
		53.4	44.9	39.3	36%
<b>B2C</b>					
International payments		2.6	1.9	1.9	37%
Cards		2.7	2.6	2.4	13%
Banking		1.3	1.3	1.4	-7%
		6.6	5.8	5.7	16%
<b>Total for period</b>		<b>60.0</b>	<b>50.7</b>	<b>45.0</b>	
Interest included in the above		9.6	7.0	4.2	
% of total revenue represented by interest		16%	14%	9%	
% of total revenue represented by solutions		41%	34%	30%	

## Gross profits % (includes interest allocation)

	<u>H1-2024</u>	<u>H2-2023</u>	<u>H1-2023</u>
Solutions	67.0%	60.0%	54.0%
International payments	65.0%	60.0%	59.0%
White label*	14.0%	21.0%	19.0%
Cards	64.0%	65.0%	64.0%
Banking	83.0%	84.0%	84.0%
Europe	57.0%	56.0%	0.0%
<b>Aggregate</b>	<b>57.4%</b>	<b>56.7%</b>	<b>52.4%</b>

## Expenditure (including EMEU)

£ millions	<u>H1-2024</u>	<u>H2-2023</u>	<u>H1-2023</u>
Staff costs	13.2	11.1	9.2
IT and similar	2.6	1.8	1.4
Professional fees	1.2	1.5	0.7
Compliance costs	1.5	1.0	0.6
Premises and similar	0.8	0.7	0.5
Travel and other	0.4	0.4	0.3
	19.7	16.5	12.7

## "Non-cash" costs in Income statement within Operating Profit

	£ millions	<u>H1-2024</u>	<u>H2-2023</u>	<u>H1-2023</u>
<b>Amortisation</b>				
- acquired intangibles		0.8	1.0	0.7
- internally developed software		2.5	2.7	2.3
- other		0.2	0.2	0.2
		3.5	3.9	3.2
<b>Depreciation</b>		0.6	0.7	0.5
<b>Share option charges</b>		1.1	0.7	0.7
		5.2	5.3	4.4

## "Cash" expenditure not in Adjusted EBITDA

£ millions	<u>H1-2024</u>	<u>H2-2023</u>	<u>H1-2023</u>
<b>Items capitalised</b>			
Staff costs - R&D	3.0	3.2	2.5
IT costs - R&D	0.3	0.3	0.3
<b>Exceptional items:</b>			
- Strategic review	0.6	0.6	-
- Capital restructuring reserves	-	0.1	-
<b>Property and other lease rentals (IFRS 16)</b>	0.5	0.5	0.5
	<b>4.4</b>	<b>4.7</b>	<b>3.3</b>

## Cash flow - from Adjusted EBITDA

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\*see slide

	£ millions	<u>H1-2024</u>	<u>H2-2023</u>	<u>H1-2023</u>
<b>Adjusted Ebitda</b>		<b>12.7</b>	<b>10.8</b>	<b>9.8</b>
"cash" expenditure not in Adjusted EBITDA*		(4.4)	(4.7)	(3.3)
Tangible fixed assets		(0.4)	(0.3)	(0.5)
Movements in working capital*		(2.2)	(0.6)	(1.2)
Corporate taxes paid		(0.1)	(0.2)	(0.1)
Acquisition related		(1.9)	(3.7)	(1.9)
External funds received (FX Bureau sale & options)		-	0.3	0.1
Dividend		(1.9)	(0.9)	-
<b>NET CASH FLOW</b>		<b>1.8</b>	<b>0.7</b>	<b>2.9</b>

## Liquidity

	£ millions	<u>30.06.24</u>	<u>31.12.23</u>	<u>30.06.23</u>
Cash at bank		20.5	18.7	17.9
Balances deposited with liquidity providers		2.5	2.7	2.9
Card floats		1.4	1.9	0.7
		24.4	23.3	21.5
Customer margin liabilities		(3.4)	(5.5)	(4.9)
		21.0	17.8	16.6



# Acquisition accounting

£ millions	<u>H1-2024</u>	<u>H2-2023</u>	<u>H1-2023</u>	
<b>Cash outflows:</b>				
Net consideration	-	2.6	1.9	
Acquired liabilities	0.9	-	-	
Earn-outs settled from prior acquisitions	1.0	1.1	-	
	<u>1.9</u>	<u>3.7</u>	<u>1.9</u>	
<b>Equity issues:</b>				
Shares issued at completion date price	-	3.9	0.5	
Deferred consideration & acquired liabilities due	(0.9)	2.3	1.3	
	<u>(0.9)</u>	<u>6.2</u>	<u>1.8</u>	
<b>Fair value adjustments and Deferred tax:</b>				
	-	2.4	1.1	
<b>Gross value taken to Balance Sheet</b>	<b><u>1.0</u></b>	<b><u>12.3</u></b>	<b><u>4.8</u></b>	
Comprising:				Memo:
				Acq costs
- Roqqett	-	-	2.2	0.2
- Hamer & Hamer	-	-	2.6	0.2
- Oonex SA	-	11.2	-	1.0
- Equals Connect	1.0	1.1	-	
	<u>1.0</u>	<u>12.3</u>	<u>4.8</u>	<u>1.4</u>
<b>Cash outflows:</b>				
Memo: Acquisition costs - though income statement	-	<u>1.4</u>	-	



# Current trading

**Ian Trafford-Taylor**

CEO, Equals Group

## Trading update to 6th September 2024

Revenue (£ millions)	H1 2024	Q3 to Date	2024 YTD	2023 YTD
International payments	12.9	5.2	18.1	15.3
Cards	7.4	3.3	10.7	10.4
Banking	4.0	1.6	5.6	5.7
White label	8.6	4.4	13.0	11.7
Large enterprises ("Solutions")	24.8	11.6	36.4	19.3
Equals Money Europe (Oonex SA)	2.3	0.8	3.1	0.5
Travel Cash Bureaux	-	-	-	0.1
<b>Total</b>	<b>60.0</b>	<b>26.9</b>	<b>86.9*</b>	<b>63.0</b>
Revenues per working day (£k)	480	549	500*	371
Vs Comparative period			38%*	

\*Revenue up to 6th September 2024 reached £86.9 million, up from £63.0 million in the same period in 2023, an increase of 38% which is an average of £500k per working day in the period 01.01.24 to 06.09.24

# Summary

## Continued growth

Turnover, revenues, profits and distributable reserves

## Cash generative

Strong balance sheet  
Opportunistic M&A  
£28.3 million “free” cash

## Product functionality

Unified platform incorporating cards and own-name multi-currency IBAN available directly, via API, or white-label

## Scalable Technology

Modern, modular architecture  
Strong governance  
10x capacity easily accommodated  
ISO27001 accreditation

## Compliance culture

Continuing investment  
Firm-wide compulsory training  
Independent audits

## Dividend

Strong performance allows for increased interim dividend  
1p per share payable



# THANK YOU

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