PayPoint Plc
Trading update for the three months ended 30 June 2026
29 July 2026

Solid Q1 performance with Group on track to meet market expectations for FY27

KEY GROUP METRICS

Net revenue	Q1 FY27	Q1 FY26	Change
Group	**£39.5m**	£42.2m	(6.4)%
Network Services	**£21.6m**	£23.1m	(6.5)%
Digital Payments & Open Banking	**£3.2m**	£3.1m	4.1%
Merchant Services	**£7.7m**	£8.2m	(6.1)%
Love2shop	**£7.0m**	£7.8m	(9.8)%

Nick Wiles, Chief Executive of PayPoint Plc, said:

"We have had a busy start to the year and, in the first quarter, achieved our primary objective of implementing the changes arising from our business reorganisation. While it is still early in its implementation, the initial indications are encouraging. We are already seeing clear signs of enhanced ownership and accountability, together with greater focus on product development, go-to-market strategy and business development across each business unit.

Our underlying business performance for the quarter was consistent with our expectations and, against a strong prior year comparator, has established a solid platform for the year ahead. This performance was delivered against the backdrop of a trading environment that remained challenging, with subdued consumer activity and confidence alongside a weak overall economy. Consistent with our year end guidance, we continue to expect a greater weighting of performance towards the second half of the financial year, reflecting both an accelerating contribution from new business and the positive impact of several of our seasonal businesses.

Overall, we have made good progress across all business units. In Network Services, we have seen an early positive impact from the unified operating model and changes to Retail Performance Manager responsibilities and retailer engagement across our network. In Digital Payments and Open Banking, our pipeline of new business continues to grow. In Merchant Services, our new go-to-market strategy is underway, supported by continued partnership growth in Merchant Rentals and Business Finance. In Love2shop, our single domain website is now live, overall billings are strongly ahead of last year and in-store sales for July's 'Thank You Teacher' campaign up strongly year on year.

With the business reorganisation largely complete, a solid first quarter performance delivered and a good trading rhythm established across the Group, we remain confident in making further progress in FY27 and meeting market expectations.

Our Capital Markets Day will take place on 29 September 2026, where we will set out our simplified investment case and the growth opportunities across the Group that underpin our financial objectives for the next three years."

DIVISIONAL PERFORMANCE

Network Services

- Reorganisation successfully embedded and early positive signs of improving retailer engagement.
- Early Retail Performance Manager impact analysis shows improving visit activity, positive revenue impact in Retailer Rewards, Cards and BankLocal, a reduction of 63% in call waiting times for the Retail Service Hub and a sharper focus on growing retailer value, service adoption and revenue per retailer.
- Net revenue was £21.6m (Q1 FY26: £23.1m), as the parcel business continues to rebase with growing volumes from Royal Mail and other carriers continuing to build, but not yet offsetting the impact of the new InPost commercial agreement and lower store to store volumes
- Retail Technology and Services grew 6.2%, driven by the annual RPI increase, and Digital Content & Engagement grew 17.3%, with key brand campaigns delivered including Spar 'Win With Every Goal'.

Digital Payments & Open Banking

- Positive new business momentum and new business unit established, combining capabilities of PayPoint, obconnect and Aperidata.
- Net revenue increased to £3.2m (Q1 FY26: £3.1m), with Payments and Data Services up 5.7% and transactions up 9.0%.
- Acquisition of Aperidata completed in June 2026, bolstering our Open Banking offering by adding real-time financial assessment capabilities.

- Key senior commercial and product appointments have been made and positive momentum on new business wins, including new Confirmation of Payee clients (Scottish Power), new Housing clients for Direct Debit (Orwell Housing and RHP Group), and a healthy pipeline across PayByBank and commercial Variable Recurring Payments (cVRP).

Merchant Services

- New go-to-market strategy delivered, with early signs of positive impact on net revenue and value processed per merchant, and continued partnership growth in Merchant Rentals and Business Finance.
- Net revenue was £7.7m (Q1 FY26: £8.2m), reflecting the planned transition to a leaner sales organisation focused on higher-value merchants, driving a more profitable estate.
- Merchant Rentals grew to £2.8m (Q1 FY26: £2.6m), supported by continued terminal deployments and partner activity, and Business Finance funding was £7.6m (Q1 FY26: £7.4m).
- Continued progress in strengthening the Merchant Services proposition through enhancements to our payments offering and the ongoing development of our mid-market pipeline.

Love2shop

- Strong Q1 and positive overall business performance.
- Net revenue was £7.0m (Q1 FY26: £7.8m) as expected due to timing of revenue recognition, with billings strongly ahead of the prior year at £44.9m (Q1 FY26: £38.4m).
- Love2shop Business is tracking 12% ahead of prior year, with new business and existing client growth both positive. New Employee Benefits proposition has launched with positive pipeline of leads and the new single domain Love2shop website is driving lead generation,
- In-store billings up 108% year on year with further distribution secured for key peak trading period through Boots and Asda Express; Park Christmas Savings cash collections remain broadly in line with the prior year.
- July's 'Thank You Teacher' campaign, Love2shop's second most important trading period after Christmas, delivered exceptional year-on-year growth, with cards sold up 103% and sales value up 97%, driven by enhanced retail execution, increased visibility and continued product development.

DIVIDEND

At our full year results announced on 11 June 2026, we declared a final dividend of 20.0 pence per share, an increase of 2% on the 2025 final dividend of 19.6 pence per share. The final dividend is payable in equal instalments of 10.0 pence on 3 August 2026 and 25 September 2026 to shareholders on the register on 3 July 2026 and 28 August 2026 respectively. The final dividend is subject to the approval of shareholders at the Annual General Meeting on 29 July 2026.

SHARE BUYBACK PROGRAMME

As at 30 June 2026, the Company had returned £50 million through the first and second tranches of the Buyback Programme, with 7,860,645 Ordinary Shares purchased for cancellation and, together with the Company's share consolidation, shares in issue reduced by 17.7%. Of this £50 million, £5 million was returned during Q1 FY27 and, together with the Third Tranche, is expected to bring total FY27 shareholder returns through share buybacks to £30 million. The Third Tranche commenced on 1 July 2026, as previously announced.

CAPITAL MARKETS DAY

The Group will be holding a Capital Markets Day on 29 September 2026 to provide an update on strategy, the business reorganisation, a simplified investment case, the synergy between our businesses and how we deliver our services and capabilities to our clients and through our leading network.

Enquiries

PayPoint plc
Nick Wiles, Chief Executive (Mobile: 07442 968960)
Rob Harding, Chief Financial Officer (Mobile: 07525 707970)

FGS Global
Rollo Head
James Thompson
(Telephone: 0207 251 3801)
(Email: PayPoint-LON@fgsglobal.com)

ABOUT PAYPOINT GROUP

PayPoint Group is a leading UK-listed technology, payments, and services business, operating critical national infrastructure that supports millions of consumer and business transactions every day. Organised around four scaled business units, the Group delivers community services, digital payments, rewards, gifting and merchant payment solutions that make millions of people's lives a little easier.

By combining the reliability of a national infrastructure operator with strong digital innovation, PayPoint enables payments and essential services to be delivered securely and at scale to consumers, businesses, and communities across the UK.

PayPoint works with corporates, financial institutions, government bodies, fintechs, retailers and consumer brands, delivering secure, resilient and regulated services at scale. Its digital capabilities span multichannel payments, Open Banking, Confirmation of Payee and API-led platforms, underpinned by an unrivalled national retail network of over 30,000 convenience stores and more than 65,000 retailer partner and SMB locations.

PayPoint operates through four core business units:

Network Services

Delivering essential community services through a fully integrated retailer network, including banking services for consumers and SMEs, parcel services, government services and bill payments, alongside digital and consumer engagement solutions.

Digital Payments & Open Banking

A high-growth, technology-led platform combining digital payments, Open Banking and real-time data services, enabling secure payment, funds disbursement and data-sharing solutions for organisations across housing, government, utilities, and financial services.

Love2shop

The UK's leading rewards, gifting and prepaid savings platform, providing employee reward and recognition, customer engagement, consumer gifting and savings solutions through both digital and physical channels.

Merchant Services

Delivering merchant payment solutions, terminal rentals and business finance to thousands of businesses across the UK, with a strategic focus on supporting sustainable, profitable growth for SMBs and mid-market merchants.