

**PayPoint Plc**  
**Trading update for the three months ended 30 June 2025<sup>1</sup>**

**6 August 2025**

**An encouraging quarter with further progress delivered towards our new growth targets till the end of FY28**

**Nick Wiles, Chief Executive of PayPoint Plc, said:**

*“As we indicated at our full year results in June 2025, the Group has had an encouraging start to the current financial year. We remain confident in our operational plans, continued progress towards the delivery of our £100m EBITDA target in the current year and our longer-term growth targets for the next three years to the end of FY28.*

*Our focus for H2 2025 is on the delivery of our growth plans across a number of our business divisions: in Parcels, we have signed a new 3-year agreement with InPost/Yodel, with a harmonised network delivered and fully operational, and we are preparing our network for a ramp up in parcel volumes through our Royal Mail partnership; in Open Banking and Digital payments, we have secured further wins, including Thirteen Group for PISP and the Department for Work and Pensions for Confirmation of Payee, and are continuing to build new business pipelines for PayPoint, Love2shop Business and obconnect; in Local Banking, we are preparing for the launch of consumer deposits for our first High St Bank in August, followed by a second bank in September; and in Community Services for Retailers, we have continued to rollout our Store Growth Specialist team with a positive early transaction impact and expanded our Love2shop physical gift card proposition into more locations with new display units and additional commission earning opportunities ahead of the peak gifting season.*

*In the meantime, against the background of a generally weak economy, there continues to be consumer uncertainty and cautious behaviour in a number of our markets, which we are actively monitoring and seeking to mitigate, with tight cost discipline and a focus on the strong execution of our growth plans.*

*Our continued confidence in the growth opportunities in the business and the execution of our plan to deliver strong earnings growth and cash flow generation, have provided a strong platform for the Board to further enhance shareholder returns through our increased and extended share buyback programme which commenced on 1 July 2025, returning at least £30m per annum. The Board remains confident in delivering further progress in the current year.”*

**GROUP AND DIVISIONAL HIGHLIGHTS**

**Group net revenue increased by 7.5% to £42.2 million (Q1 FY25: £39.2 million), driven by a positive performance across our E-commerce, Payments and Banking and Love2shop divisions.**

**Shopping divisional net revenue increased by 0.6% to £16.5 million (Q1 FY25: £16.4 million)**

- Service fee net revenue increased by 7.8% to £5.7 million (Q1 FY25: £5.3 million) driven by a combination of further PayPoint One/Mini site growth to 20,388 (31 March 2025: 20,275) and the annual RPI service fee increase
- New Store Growth Specialist team rollout now live, supporting retailer partners to deliver further revenue growth through store visits driven by targeted data and support
- Focus on FMCG pipeline build, with strong engagement across multiple consumer brands for campaign delivery over the coming months
- Card payments net revenue decreased by 1.3% to £8.2 million (Q1 FY25: £8.3 million), with a greater focus now being placed on the long-term value of our card estates and the retention of our highest value merchants. There was further site growth in the PayPoint Lloyds Cardnet estate to 10,597 (31 March 2025: 10,552) and a reduction in the Handepay EVO/Lloyds Cardnet estate to 19,062 (31 March 2025: 19,478)
- Card processed value decreased by 3.6% overall to £1.7 billion (Q1 FY25: £1.8 billion), with the Handepay EVO estate -1.7% and the Lloyds Cardnet estate -7.3% versus the prior year, reflecting lower than anticipated consumer spending patterns
- Good progress made on delivering further proposition enhancements, with 7-day settlement launching imminently, real-time transaction data now live in our merchant mobile app and app registrations on course for our target of 10,000 merchants by the end of FY26
- Strong growth in Business Finance via YouLend, with £7.4 million lent to merchants in the quarter, +63% year on year
- UK retail network increased to 30,930 sites (31 March 2025: 30,712)

**E-commerce divisional net revenue increased by 20.8% to £5.1 million (Q1 FY25: £4.2 million)**

- Positive transaction growth of 19.4% to 38.2 million parcel transactions (Q1 FY25: 32.0 million) driven by the growing consumer adoption of Out of Home and the strong market positioning of the Collect+ network

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<sup>1</sup> PayPoint's auditors have not been requested to review the performance

- Collect+ network increased to 14,250 sites (31 March 2025: 14,213)
- New 3-year agreement signed with InPost and Yodel, with harmonised network delivered and fully operational, and including the potential to utilise up to 6,000 Pick Up Drop Off (PUDO) locations within Collect+ network
- Royal Mail services are now live in c.8,000 sites, with growing parcel volumes and an intensive operational plan already underway to prepare our retailer partners for further growth in volumes, footfall and commission over the coming months

**Payments & Banking divisional net revenue increased by 4.9% to £12.8 million (Q1 FY25: £12.2 million)**

- Continued growth through our MultiPay platform, with underlying net revenue increasing by 21.6% to £1.8 million (Q1 FY25: £1.4 million)
- Strongest quarter ever for new business wins in Housing, with 3 new contract wins, 16 clients in total now live with our MultiPay platform, and our first PISP client signed with Thirteen Group. Additional new business opportunities now emerging from upselling to existing clients and Confirmation of Payee for charities, government and housing.
- Positive growth through Open Banking with net revenue within the PayPoint business growing to £0.3 million (Q1 FY25: £0.2 million) and an obconnect contribution of £0.9 million (Q1 FY25: £nil)
- Total digital net revenue increased by 12.4% to £3.5 million (Q1 FY25: £3.1 million)
- Cash through to digital net revenue was at £1.7 million in the quarter (Q1 FY25: £1.8 million), with continued growth in neobank deposits with over £155 million of consumer deposits processed in the quarter through our extensive network
- Local Banking - first two High St banks on track for launch of consumer deposits in H1 FY26 leveraging our leading retailer partner network. SME deposit solution in development for launch in H2 FY26
- Cash payments net revenue decreased by 9.6% to £6.6 million (Q1 FY25: £7.3 million). Legacy energy sector net revenue decreased by 5.8% for the quarter in line with expectations

**Love2shop divisional net revenue increased by 21.7% to £7.8 million (Q1 FY25: £6.4 million)**

- Overall Love2shop billings are +3.8% at £38.4 million (Q1 FY25: £37.0m), with Love2shop Business and highstreetvouchers.com trading in line with expectations
- Strong quarter from InComm Payments partnership, with Love2shop physical gift card billings growing and further progress developing our retailer channels for Love2shop gift cards. This has included an expansion to 800+ Sainsbury's convenience stores in partnership with Incomm Payments and our strongest trading week to date seen in July for the first 'Thank You Teacher' campaign. New Love2shop gift cards are also now being rolled out to further PayPoint retailer network locations ahead of the peak trading period.
- MBL value processed increased 94% to £24.5 million (Q1 FY26: £12.6 million) with first non-sterling B2B product launched for Schuh and further progress scaling retailers onboarded in late 2024, including Frasers Group
- Park Christmas Savings – solid progress for 2025 savings season, with existing average saver value up 3.5%, a higher direct debit set up rate, and total paid accounts up year on year
- New redemption partners onboarded in the quarter, including Moonpig, Body Shop and Moss

**NET CORPORATE DEBT AS AT 30 JUNE 2025**

The Group had net corporate debt of £109.6 million (31 March 2025: £97.4 million), comprising cash balances of £11.3 million (31 March 2025: £4.9 million), less loans and borrowings of £120.9 million (31 March 2025: £102.3 million).

**DIVIDEND**

The Board have declared an increased final dividend for the year ended 31 March 2025 of 19.6 pence per share, consistent with our dividend policy, vs the final dividend for the year ended 31 March 2024 of 19.2 pence per share. The dividend is payable in equal instalments of 9.8 pence per share on 11 August 2025 and 26 September 2025.

**SHARE BUYBACK PROGRAMME**

As announced on 1 July 2025, the Group has commenced its increased and extended share buyback programme. This enhanced Buyback Programme reflects the strong cash generative nature of the Group, along with the Board's confidence in delivering on our growth targets for FY26-FY28 and in-line with our commitment to enhance shareholder returns.

The Buyback Programme has increased with a plan to return at least £30 million per annum to shareholders and has been extended until the end of March 2028, with the target of reducing our equity base by at least 20% over that period. We will continue to review the Buyback Programme based on business performance, market conditions, cash generation and the overall capital needs of the business.

Throughout this period, we will continue to increase dividends at a nominal rate and, as a result of our continued financial performance, grow our cover ratio from the current 1.5 to 2.0 times earnings range to over 2.0 times earnings by FY28. Combined with the increased and extended Buyback Programme, this dividend policy will enhance shareholder returns and ensure the business continues to maintain an efficient capital structure, balancing an appropriate leverage ratio of around 1.2 to 1.5 times net debt/EBITDA with the overall capital needs of the business.

## Enquiries

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## **ABOUT PAYPOINT GROUP**

For tens of thousands of businesses and millions of consumers, we deliver innovative technology and services that make life a little easier.

The PayPoint Group serves a diverse range of organisations, from SME and convenience retailer partners, to local authorities, government, multinational service providers and e-commerce brands. Our products are split across four core business divisions:

- In Shopping, we enhance retailer propositions and customer experiences through our PayPoint One/Mini devices, card payment technology, Counter Cash, ATMs and FMCG partnerships in over 67,000 SME and retailer partner locations across multiple sectors. Our retail network of over 30,000 convenience stores is larger than all the banks, supermarkets and Post Offices put together
- In E-commerce, we deliver best-in-class customer journeys through Collect+, a tech-based delivery solution that allows parcels to be picked up, dropped off and sent at thousands of local stores
- In Payments and Banking, we give our clients and their customers choice in how to make and receive payments quickly and conveniently. This includes our channel-agnostic digital payments platform, MultiPay, offering solutions to clients across Open Banking, card payments, direct debit and cash. PayPoint also supports its eMoney clients with purchase and redemption of eMoney across its retail network.
- In Love2shop, we provide gifting, employee engagement, consumer incentive and prepaid savings solutions to thousands of consumers and businesses. Love2shop is the UK's number one multi-retailer gifting provider, offering consumers the choice to spend at more than 140 high-street and online retail partners. Park Christmas Savings is the UK's biggest Christmas savings club, helping over 350,000 families manage the cost of Christmas, by offering a huge range of gift cards and vouchers from some of the biggest high street names.

Together, these solutions enable the PayPoint Group to create long-term value for all stakeholders, including customers, communities and the world we live in.