

# EML Payments

Bringing Sentenial into the fold

Completion of acquisition

Software & comp services

EML Payments closed the acquisition of Sentenial today, in line with its target to complete by the end of Q122. This marks a crucial step in the group's evolution from a gift card company to a provider of a wide range of payment services, including reloadable cards, digital payments, open banking and account-to-account payments.

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	70.9	43.3
06/21	192.2	30.2	21.0	6.6	0.0	59.1	33.4
06/22e	235.3	43.3	31.1	9.2	0.0	42.4	23.2
06/23e	290.1	65.8	54.6	13.9	0.0	27.9	16.0

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.

EML Payments announced plans to acquire Sentenial in April (see our update note, [Open sesame](#)). The deal required the approval of two regulators: the FCA in the UK, which was received in June, and the ACPR in France, just received. EML is paying a total of up to €110m/A\$177.1m, consisting of upfront cash of €38.9m/A\$62.6m, 9.6m shares (worth €31.1m/A\$50.1m at the fixed price of A\$5.01 per share) and an earnout of up to €40m/A\$64.4m dependent on achieving incremental open banking revenues of €27m in CY23. €2.5m/A\$3.9m of the upfront cash will be held in escrow for 12 months to cover any warranty or indemnity claims. Completion of this deal brings open banking technology and a blue-chip customer base to the group, giving EML access to the high-growth European open banking market. The two companies have already started working together on a go-to-market strategy that encompasses sales, marketing, product and technology.

30 September 2021

**Price** **A\$3.89**  
**Market cap** **A\$1,452m**

Net cash (A\$m) at end FY21	103.0
Shares in issue	373.1m
Free float	93%
Code	EML
Primary exchange	ASX
Secondary exchange	N/A

## Share price performance



## 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.

## Analyst

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