

# Optimal Payments Plc

**Interim Results for the six months ended 30 June 2014**

**Strong first half results. Significant opportunities going forward**

LONDON, MONTREAL and NEW YORK (September 10, 2014) -- Optimal Payments Plc (LSE AIM: OPAY) ("Optimal Payments", the "Group" or the "Company"), a leading online payments provider, today announces results for the six months ended 30 June 2014.

## Highlights

- Material increases in revenue and profitability:
  - EBITDA<sup>(1)</sup> up 54% to \$39.0m (H1 2013: \$25.3m).
  - Revenues up 34% to \$159.1m (H1 2013: \$118.4m).
  - Net Profit up 91% to \$27.4m (H1 2013: \$14.4m).
  - Gross margin improved to 55% (H1 2013: 53%).
  - Highly successful World Cup – estimated EBITDA uplift of \$2.5m and revenue impact of \$5m as a direct result.
- Continued significant improvement in NETELLER Stored Value ("SV") business:
  - Revenues up 46% to \$41.4m (H1 2013: \$28.3m) driven by an increase in member signups, conversions and average spend per user (ARPU).
  - Shirt sponsorship of Crystal Palace FC announced giving extensive international exposure to the NETELLER brand.
- Strong organic growth from NETBANX Straight Through Processing ("STP") business:
  - Revenues up 31% to \$117.4m (H1 2013: \$89.9m) with continued strong growth in Asia.
- Significant progress on key strategic initiatives:
  - Acquisition of US online payment processing companies Meritus and GMA for \$225m completed in July 2014.
  - NETELLER and Net+ products launched in the US in March 2014 with good adoption by gaming merchants in the three states, which have regulated online gambling. Larger US states considering regulating in 2015 including California and Pennsylvania.
  - Principal Membership with Visa Europe and MasterCard Europe granted in Q1 enabling Optimal Payments to offer acquiring services to merchants in the European Union from Q4 2014 and to benefit from competitive rates and increased market opportunity;
- Balance sheet strengthened with total Group cash (net of merchant cash) of \$121.6m at 30 June 2014 (31 December 2013: \$93.8m).
  - Remaining shareholder loans cleared in January 2014. As a result of the Meritus/GMA acquisitions new debt of \$150m was taken on in July 2014.
  - Free cash at 30 June 2014 of approximately \$56.1m<sup>(2)</sup>. (31 December 2013: \$38.0m). This balance was reduced by \$31.5m as part consideration and acquisitions costs of Meritus/GMA in July 2014.
- Board changes were made on 30 July with Dennis Jones appointed as Non-Executive Chairman with Andrew Dark and Ian Jenks appointed as Non-Executive Directors of the Board.

## Financial summary (unaudited)

### Six months ended 30 June

	2014 US\$ million	2013 US\$ million
<b>Revenue</b>		
NETBANX Straight Through Processing	117.4	89.9
NETELLER Stored Value	41.4	28.3
Investment income	0.3	0.2
<b>Total Revenue</b>	<b><u>159.1</u></b>	<b><u>118.4</u></b>
<b>EBITDA</b> <sup>(1)</sup>	<b>39.0</b>	<b>25.3</b>
<b>Profit before tax</b>	<b>27.5</b>	<b>15.5</b>
Tax charge	<u>(0.1)</u>	<u>(1.1)</u>
<b>Net profit for the period</b>	<b><u>27.4</u></b>	<b><u>14.4</u></b>

1. EBITDA is defined as results of operating activities before depreciation and amortisation and exceptional non-recurring items which are defined as items of income and expense of such size, nature or incidence, that in the view of management their disclosure is relevant to explain the performance of the Group.
2. Free cash is cash less merchant cash less tied up in running the business as working capital. This includes Restricted NETELLER Member and Merchant cash, security deposits with certain acquiring banks and cash

in transit at 30 June 2014, leaving free cash of approximately \$56.1m at that date (31 December 2013: \$38.0m).

### Commenting on the results, Joel Leonoff, President & CEO, said:

*"We are delighted with our first half results which show strong revenue and EBITDA growth from NETELLER and NETBANX. The acquisitions of Meritus and GMA in July satisfy our previously stated objectives to strengthen our presence in the US market and provides Optimal Payments with a springboard for strong North American growth. The attainment of Principal Membership status with Visa and MasterCard in Europe should help fortify our NETBANX business throughout Europe based on more competitive rates and a stronger offering. Our European version of NETELLER continues to demonstrate impressive growth while our US NETELLER release is gaining traction and is extremely well positioned to leverage off new US markets regulating and re-opening the doors for US based online gaming."*

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### Analyst meeting and further information

Optimal Payments held a briefing for analysts and investors at the offices of Canaccord Genuity, 88 Wood Street, London, EC2V 7QR at 9.30 am (UK) on September 10, 2014.

The presentation slides and a webcast of the presentation will be available as a replay on the Group's website at: <http://www.optimalpayments.com/investor-relations/results-reports-presentations>.

Please [click here](#) for more details and to read the results in full.

### About Optimal Payments Plc

Optimal Payments is a global provider of online payment solutions, trusted by businesses and consumers in over 200 countries and territories to move and manage billions of dollars each year. Merchants use the NETBANX® platform and services to simplify how they accept credit and debit card, direct-from-bank, and alternative and local payments; and the NETELLER® service to increase revenues and capture new customers. Consumers use the multilingual and multicurrency NETELLER and Net+® Card stored value offering to make secure and convenient payments. Optimal Payments Plc is quoted on the London Stock Exchange's AIM, with a ticker symbol of OPAY. Subsidiary company Optimal Payments Ltd is authorised and regulated as an e-money issuer by the UK's Financial Conduct Authority (FRN: 900015).

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