

PayPoint Plc
Trading update for the three months ended 31 December 2025

28 January 2026

Significant progress in key third quarter and on track to deliver record profits for the year

KEY GROUP METRICS

Net revenue	Q3 FY26	Q3 FY25	Change
Group	£52.7m	£53.0m	(0.5)%
Shopping division	£16.1m	£16.1m	-
E-commerce division	£4.2m	£4.1m	2.4%
Payments and Banking division	£14.3m	£14.0m	2.1%
Love2shop division	£18.1m	£18.8m	(3.2)%

Nick Wiles, Chief Executive of PayPoint Plc, said:

"PayPoint continues to be an entrepreneurial, agile business and the progress delivered in our Q3 FY26 results further demonstrates these attributes alongside the resilience of our core businesses, with a strong performance from our peak seasonal trading businesses. These results reflect our focus on operational delivery in the business, achieved against a continued background of subdued consumer spending and a challenging market environment. We remain on track to meet FY26 expectations and deliver progress in the current year.

We have successfully navigated the operational disruption experienced earlier in the year to deliver a record peak performance in our parcels business with positive transaction growth of 6.7%, Yodel/InPost volumes recovering and our Royal Mail partnership continuing to gather pace as we expand the Royal Mail Shop Branding and provision of postage services in our Collect+ network. In our other seasonal businesses, Love2shop Business traded strongly and our partnership with Incomm Payments delivered exceptional billings growth. Billings across Love2shop are strongly ahead of the prior year and we remain confident that the division will deliver a strong finish to the year, reflecting both good billings growth and the timing of revenue recognition as cards expire in the final quarter. In Park Christmas Savings, we delivered another robust performance in line with expectations, with the focus now on the rollout of a strong 2026 Christmas campaign.

Elsewhere in the business, we have continued to build on the progress delivered in the first half - activity levels are high with continued success in new business wins in our payment platform businesses, including MultiPay and obconnect, the accelerating pace in the rollout of BankLocal services for Lloyds Banking Group and FMCG brand campaigns into our retailer network. As the PayPoint retailer network continues to grow, we have renewed our efforts to better support our retailer partners with a range of initiatives to be rolled out in the coming months. In Cards, we continue to strengthen our product and proposition as we increase our focus on higher quality merchants and better revenue returns per merchant. In line with the broader decline in essential consumer spending in 2025, our processed value decreased in the quarter. Additionally, in Business Finance via YouLend, we have delivered a record quarter for both net revenue and merchant funding.

In the closing quarter, we are focused on finishing strongly and delivering record profits for the year, ensuring the foundations and plans are in place to build on this performance in FY27.

We are excited about the future prospects for the Group and intend to hold a Capital Markets Day later in the year to provide an update on strategy, a simplified investment case, the synergy between our businesses and how we deliver our services and capabilities to our clients and through our network. Further detail will be provided at the full year results in June 2026."

DIVISIONAL PERFORMANCE

Shopping

	Q3 FY26	Q3 FY25	Change
Service fee net revenue	£5.9m	£5.5m	7.3%
Card payments net revenue	£7.6m	£7.8m	(2.6)%
Card processed value	£1.6bn	£1.7bn	(6.8)%
	31 Dec 2025	31 Mar 2025	Change
PayPoint One/Mini sites	20,492	20,275	1.1%
Total UK retail network	31,006	30,712	1.0%

Service fee net revenue increased by 7.3% driven by further PayPoint One/Mini site growth to 20,492. Positive quarter for PayPoint Engage with 10 new campaigns delivered for major consumer brands. In Cards, new e-comm product launched in October 2025, in partnership with Global Payments, including Pay By Link functionality in the app and integration with major shopping carts. Strong quarter for Business Finance, up 54% with over £10.5 million lent to SMEs through our partnership with YouLend. Card processed value decreased by 6.8%, with the Handepay SME Partners estate -5.1% and the PayPoint Retailer Partners estate -10.2% versus the prior year, reflecting lower than anticipated consumer spending patterns.

E-commerce

	Q3 FY26	Q3 FY25	Change
Parcels net revenue	£4.2m	£4.1m	2.4%
Parcels transactions	38.2m	35.8m	6.7%
	31 Dec 2025	31 Mar 2025	Change
Collect+ sites	14,204	14,213	-

Record quarter for parcels business with positive transaction growth of 6.7% to 38.2 million parcel transactions (Q3 FY25: 35.8 million), supported by a recovering Yodel/InPost performance over peak, the growing consumer adoption of Out of Home and the strong market positioning of the Collect+ network. Successful rollout of the Royal Mail Shop brand from October 2025, enabling consumers to buy postage in store as well as collect, send and return parcels. The Royal Mail Shop rollout will continue over H2 FY26 to the rest of the 8,000-site network, including the launch of self-service kiosks during Q4 FY26.

Payments & Banking

	Q3 FY26	Q3 FY25	Change
Digital net revenue	£5.3m	£4.4m	18.2%
Cash through to digital net revenue	£2.0m	£1.8m	13.0%
Cash net revenue	£6.9m	£7.8m	(9.0)%

Continued growth through our MultiPay multichannel payments platform with net revenue increasing by 12.9%. Further wins secured in the government sector, including the Insolvency Service. Continued progress in Local Banking with over £24 million of consumer deposits for the Lloyds Banking Group processed since launch in August 2025 and over £205 million deposits processed in the quarter through our well-established neobank service. In Open Banking, obconnect remains on track to deliver growth year on year, driven by the opportunities it brings from its range of capabilities and technology. Legacy energy sector net revenue decreased by 6.3% for the quarter in line with expectations.

Love2shop

	Q3 FY26	Q3 FY25	Change
Love2shop Business billings	£74.9m	£71.2m	5.2%
Park Christmas Savings billings	£163.2m	£162.2m	0.6%
InComm Payments billings	£6.1m	£1.8m	238.9%
MBL gift card processed value	£49.4m	£45.2m	9.3%

Strong peak trading for Love2shop Business, with billings +5.2% at £74.9 million (Q3 FY25: £71.2m), driven by a positive performance with Managed and Major Accounts. Strong growth through InComm Payments partnership, with Love2shop physical gift card billings +238.9%, supported by expanded distribution in major grocers and High St brands. Park Christmas Savings 2025 season ended flat at £163.2m billings, supported by multiple campaigns and actions taken in the year to strengthen our Agent proposition, including the launch of Agent Perks and a new Agent App with over 13,000 downloads, improved average order value for returning direct savers, and a more premium fulfilment experience and packaging for customers receiving orders.

NET CORPORATE DEBT AS AT 31 DECEMBER 2025

The Group had net corporate debt of £131.3 million (31 March 2025: £97.4 million), comprising cash balances of £0.4 million (31 March 2025: £4.9 million), less loans and borrowings of £131.7 million (31 March 2025: £102.3 million).

DIVIDEND

At the time of our interim results in November 2025, the Board declared an interim dividend of 19.8p per share, an increase of 2.1% vs the prior year interim dividend of 19.4p per share, consistent with our dividend policy and target cover range of 1.5 to 2.0 times earnings excluding exceptional items. The dividend is payable in equal instalments of 9.9 pence per share on 19 December 2025 and 27 March 2026.

SHARE BUYBACK PROGRAMME

As announced on 1 July 2025, the Group has commenced its increased and extended share buyback programme, returning at least £30 million per annum to shareholders, extended until the end of March 2028 and with the target of reducing our equity base by at least 20% over the period. 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 FY28 and in-line with our commitment to enhance shareholder returns. As of market close on 26 January 2026, a total of 2,768,330 shares had been purchased at a total value of £17.2m.

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.