



## UK acquisition 'transformational' for emerchants

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Prepaid card supplier **emerchants** has been through what it describes as a "transformational period" during the December half-year – the result of its purchase of a UK card company and the launch of new card programs locally.

The new businesses helped **emerchants** more than double its revenue and, while it didn't make a profit, it was EBITDA positive.

**Emerchants** reported a loss of A\$23,698 for the six months to December – a strong turnaround from the loss of \$2.2 million it reported in the previous corresponding period.

Revenue of \$5.1 million was more than double revenue of \$2.4 million in the December half in 2013.

In September the company announced that it had acquired SFUK, a prepaid card program manager and payment processor focused on gift cards for shopping malls in the UK and Europe.

In a deal worth \$24.9 million, **emerchants** paid half in cash and issued shares to cover the balance.

In its local operations, **emerchants** has been through a process of transforming its business from a non-reloadable gift card base to a higher margin reloadable business model.

In the process, it has taken a leading role in the emerging market for "winnings cards", which can be used by betting company customers to access their winnings via ATMs.

Last September it launched the Ladbrokes Visa card and in November it launched a card program with Sportsbet. It also has card programs with BetStar and bookmaker.com and is working on a card launch for Bet365 this year.

It also launched a card program for CC Investment Group, a franchise company operating 24 Cash Converters stores. The cards are used as the vehicle for paying out loan proceeds. It will launch a similar program with the online lender MoneyMe this year.

**Emerchants** had 1.6 million active accounts at the end of December. It processed 4.1 million transactions during the half, with \$194 million loaded – an increase of more than 200 per cent over the previous corresponding period.

The company earned interest on \$91.2 million of value stored on its cards – an increase of more than 200 per cent.

[http://www.bankingday.com/nl06\\_news\\_selected.php?act=2&stream=1&selkey=18166&hlc=2&hlw=emerchants&s\\_keyword=emerchants&s\\_searchfrom\\_date=631112400&s\\_searchto\\_date=1424039619&s\\_pagesize=11&s\\_word\\_match=2&s\\_articles=1](http://www.bankingday.com/nl06_news_selected.php?act=2&stream=1&selkey=18166&hlc=2&hlw=emerchants&s_keyword=emerchants&s_searchfrom_date=631112400&s_searchto_date=1424039619&s_pagesize=11&s_word_match=2&s_articles=1)