

CAESARS DEAL COULD BRING EMERCHANTS 45 MILLION NEW USERS

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EMERCHANTS (ASX:EML) has signed a deal with Caesars Enterprise Services to provide cards to its 45 million loyalty program members to give them more ways to spend their points.

The expected impact on the Brisbane-based company's earnings remains confidential, but the company's share price has jumped almost 10 per cent in two days to \$1.997 per share, giving an indication of the value of this deal.

Caesars' loyalty program is valued at around US\$1.3 billion and is used across the US company's chain of hotels, casinos and bars that spreads across the country - it has 50 casinos in 13 US states.

Emerchants CEO and managing director, Tom Cregan (pictured), tells Business News Australia that it will take a couple of years for the agreement, which is with the company's US subsidiary, to reach maturity, as it takes time for Caesars to get merchants on board and roll out the cards, and for consumers to start using the new cards.

Previously, Caesars customers who earned points on the gaming tables could not walk directly to a retailer within the casino and buy products using their card, but now they will be able to do that.

"The card replaces the card they already have; they are both points cards, but ours is also a payment card, so you can take it out of the machine and use it in the retailers to buy anything you want," says Cregan.

"Previously, if you had \$200 worth of points on your card you would have to go online to redeem them for a voucher for one of the merchants.

"What we are doing is replacing that voucher with the money on the card, so you don't have to go online and you don't have to get a voucher and take it to the merchant you can there and then convert your points into dollars.

"This is the first casino that we know of that will be implementing this type of technology."

This is a significant deal for the company, and follows others with international brands such as Bet365.

"We completed the [acquisition of the US business](#) in June and at the time we explained there were plenty of things in the pipeline that would be significant earners going forward and this was one of them," says Cregan.

He warns that the full value of the partnership will take years to realise.

"How much we make depends on how quickly our partner executes. For us to make the maximum amount out of the program, Caesars has to enrol all its merchants in programs to accept the cards and existing card holders need to get new cards. It is not hard, but it takes time."

The deal with Caesars comes as Emerchants rebrands worldwide operations under the name EML (new logo pictured below)

Emerchants has worked with companies including Bet365, William Hill, Crownbet and Edge Loyalty.

Its revenue base is spread over 13 countries. In FY16 the company reported AU\$25 million revenue and \$5.5 million EBITDA. It had 7.3 million cards activated that year.

<http://www.businessnewsaus.com.au/articles/caesars-deal-could-bring-emerchants-45-million-new-users.html>