

16 January 2025



CAB Payments Holdings plc and its subsidiaries
("CAB", "CAB Payments", the "Group" or the "Company")

2024 Pre-close Trading Update

Good strategic progress despite a challenging macro environment

Note all figures are approximate, rounded to the nearest million, unaudited and therefore should not be treated as final

CAB Payments today announces an update on its strategic progress and trading performance for the year-ended 31 December 2024. The Group will issue its full-year results on 13 March 2025.

Strategic progress

During 2024, the Company made good progress on its strategic goals to deliver a more predictable, diversified business with a longer maturity profile. In particular:

- Network size increased by 18% to 390 bank counterparties (2023: 331), with more than 40 new counterparties outside of the Group's core Africa region
- 60 new active clients added in 2024 with focus expanded to central banks and large corporates in 2025
- Trade Finance and Working Capital facilities draw-downs increased significantly to £180 million (2023: £59 million) and £32 million (2023: £8 million) respectively. Trade Finance revenues almost doubled between H1 and H2 2024
- VISA integration progressing well with 9 currencies integrated with CAB and approximately 50 further currencies planned for 2025
- FX Derivatives capability ready and due to launch in Q1

2024 Trading

Since the trading update in October 2024, the Company continued to be negatively impacted by a stronger dollar, reduction in aid flows and political uncertainty affecting the demand for cross-border payments, impacting both client volume and margin. This trend continued throughout Q4 and as indicated previously, the Company did not benefit from a usual seasonal uplift in revenue in the second half of 2024.

Total Group volumes for 2024 grew approximately 7% to £37.2 billion, in the context of market-wide SWIFT payment flows around the world dropping 4% year-on-year and flows into its core Sub-Saharan Africa market dropping 2% as the Company continues to take market share and deliver for its clients.

The largest driver of softening performance was take-rates in emerging markets which compressed in 2024 in comparison with the previous year. This was due to dislocations and market volatility subsiding in 2024 across emerging currencies together with a lower demand for USD in certain markets. The Company prudently forecasts these levels to continue into 2025, however CAB continues to drive strong win-rates among its clients.

Gross Income for the financial year-ended 31 December 2024 is expected to be approximately £105 million (2023: £137 million) with performance in the second half of 2024 marginally declining versus the first half. CAB continued to diversify its business with improving corridor concentration risk - approximately 29% of its 2024 revenue coming

from top 5 currency corridors (H1 2024: 32%, 2023: 45%).

Operating costs have been rigorously reviewed and immediate action is being taken to right-size the cost base for 2025. H2 2024 operating costs were well controlled with Adjusted EBITDA for 2024 likely to be within the range of analyst consensus estimates.

Strategic cost improvement exercise

In line with the Group's strategic objective to improve operational leverage as it drives higher levels of growth, the business has planned to streamline its operations during 2025. This will deliver growth from a cost base that is more appropriately aligned to its stated strategic and operational priorities. It is therefore commencing a programme to reduce its head count by approximately 20% including a redundancy program subject to consultation, while also driving higher performance within the organisation.

This restructuring is expected to take place during the first quarter of 2025. It is expected that the impact of headcount reduction savings will counteract the annualisation of strategic hires made throughout 2024, inflation and national insurance rises, resulting in broadly flat growth of staff costs in 2025. The Group will continue to focus on its investments in AI and automation to drive an increasing amount of automation throughout the business. More details will be provided at the time of the publication of the full-year results.

US Licence Update

The Group awaits the grant of its licence to operate a representative office in the US from the New York Federal Reserve and the New York Department of Financial Services and looks forward to initiating its US expansion plans.

Neeraj Kapur, CEO of CAB Payments, commented:

"2024 has been an important year of strategic review despite the challenging market environment. We have made strong progress towards our journey of becoming a more sustainable and predictable growth business with a longer maturity profile. There is more work to do during 2025, but most importantly, we are confident that we have the right leadership in place to deliver our strategic goals."

"As part of the increased focus on performance we are taking significant steps to re-align the cost base to our strategic growth plans; meaning we can do more with less. As a result, we will see a number of colleagues who have been part of our journey departing from our Group - I want to thank each of them for their contribution and wish them well for the future."

"CAB's fundamental business model remains robust, based on strong emerging markets connectivity; our market share is increasing and we are seen as experts in what we do. We are now focused on driving growth in volumes, but more importantly, take-rates and operational leverage, which is where our banking business becomes a key driver. We look forward to providing more information at the next update."

Volumes and take-rate information:

Volumes & Take Rates - Wholesale FX and Payment FX				
	Volume (£bn)		Take Rate (%)	
	FY 2024	FY 2023	FY 2024	FY 2023
Emerging Markets	13.5	13.6	0.29%	0.55%
Developed Markets	23.7	21.0	0.06%	0.06%
Total	37.2	34.6	0.14%	0.26%
Memo:				
Emerging Markets (ex NGN, XAF, XOF)	8.9	8.4	0.30%	0.38%

Note: Volume and Take Rates information is a driver of Wholesale FX & Payments FX Income

About CAB Payments:

CAB Payments Holdings plc is the holding company for Crown Agents Bank. Regulated in the UK, Crown Agents Bank, specialises in FX and cross-border payments for hard-to-reach markets. Its strength of network and deep expertise means it can move money into and out of the world's most complex financial markets. Trusted by a global ecosystem of leading institutions across the public, private and development sectors, Crown Agents Bank's strength lies in its network which connects its clients to underserved geographies, giving them access to 100+ currencies across 700+ currency pairs.

The delivery of fast, transparent and efficient transactions moves money where it's needed. Crown Agents Bank's network offers multiple transaction solutions, delivered via a single API, digital trading platforms, or through bespoke approaches developed by its specialist teams.

Crown Agents Bank is one of the first banks to achieve B Corporation™ status. The bank was awarded the Gold Sustainability Rating by EcoVadis in 2022, 2023 and 2024, ranked within the top 5% of 100,000 companies assessed across 160 countries and over 200+ industries.

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