# CAB Payments announces restructuring initiative to streamline operations



CAB Payments Holdings plc (LON:CABP) has announced an operational streamlining initiative set for 2025, aimed at reducing costs and aligning its workforce with strategic priorities. The planned restructuring will include a significant headcount reduction of approximately 20%, alongside the implementation of a redundancy programme subject to consultation. This move is part of a broader effort to enhance organisational performance, and the changes are expected to take effect during the first quarter of 2025.

The company anticipates that these measures will yield savings that counterbalance the annualisation of strategic hires made throughout 2024, as well as offset inflation and increases in national insurance contributions, leading to an overall stabilization of staff costs in 2025. CAB Payments continues to focus on investing in artificial intelligence (AI) and automation technologies to further increase operational efficiency throughout its business.

In its most recent trading update, dated October 2024, CAB Payments acknowledged ongoing challenges due to external market factors. The company reported that a stronger US dollar, a decline in aid flows, and political uncertainty have adversely affected the demand for cross-border payments. These elements have contributed to a decrease in client volume and margins; a trend that persisted through the fourth quarter. Notably, the company did not experience the typical seasonal uplift in revenues that is often seen in the latter half of the year.

Despite these challenges, CAB Payments reported an approximate 7% growth in total group volumes for 2024, reaching £37.2 billion. This growth comes against a backdrop where market-wide Society for Worldwide Interbank Financial Telecommunication (SWIFT) payment flows globally fell by 4% year-on-year, and flows to its key Sub-Saharan Africa market decreased by 2%. The company has successfully captured market share amid these difficult conditions.

The anticipated decline in performance can primarily be attributed to compressing take-rates in emerging markets throughout 2024, resulting from both market volatility and decreased demand for US dollars in specific regions. Looking ahead, CAB Payments forecasts that these market conditions are likely to persist into 2025, although the company continues to report strong success rates among its client base.

For the financial year ending 31 December 2024, CAB Payments expects gross income to be approximately £105 million, down from £137 million in 2023. Performance analysis indicates a marginal decline in the latter half of 2024 compared to the first half of the year. Additionally, the company has been actively working to diversify its operations, with improving corridor concentration risk. Approximately 29% of total revenue in 2024 came from the top five currency corridors, demonstrating a notable reduction from 45% in 2023.

As CAB Payments navigates these complexities in the financial landscape, it remains committed to leveraging technology and restructuring efforts to enhance its operational effectiveness and market competitiveness.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

* <https://www.globalbankingandfinance.com/CAB-PAYMENTS-REDUNDANCIES-a70b6920-e281-447e-aae7-ac2c6ffd2962> - Corroborates the announcement of CAB Payments' operational streamlining initiative, including a 20% headcount reduction and focus on AI and automation.
* <https://www.globalbankingandfinance.com/CAB-PAYMENTS-REDUNDANCIES-d04c09b8-81da-42d3-979f-36f7678a3a94> - Supports the details of the restructuring, expected to take effect in the first quarter of 2025, and the impact of external market factors.
* <https://speaksly.co.uk/cab-payments-to-reduce-workforce-by-20-amid-weak-trading-conditions/> - Confirms the job cuts, the reasons behind them, and the company's strategy to streamline operations and invest in AI and automation.
* <https://www.globalbankingandfinance.com/CAB-PAYMENTS-REDUNDANCIES-a70b6920-e281-447e-aae7-ac2c6ffd2962> - Details the challenges faced by CAB Payments due to a stronger US dollar, decline in aid flows, and political uncertainty affecting cross-border payments demand.
* <https://www.globalbankingandfinance.com/CAB-PAYMENTS-REDUNDANCIES-d04c09b8-81da-42d3-979f-36f7678a3a94> - Provides information on the company's performance, including the lack of seasonal uplift in revenues and the impact on client volume and margins.
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* <https://speaksly.co.uk/cab-payments-to-reduce-workforce-by-20-amid-weak-trading-conditions/> - Mentions the company's efforts to diversify operations and reduce corridor concentration risk, with details on revenue distribution across currency corridors.
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* <https://speaksly.co.uk/cab-payments-to-reduce-workforce-by-20-amid-weak-trading-conditions/> - Highlights CEO Neeraj Kapur's statement on doing more with less and the company's commitment to leveraging technology for operational effectiveness.
* <https://fxnewsgroup.com/forex-news/payments/cab-payments-to-axe-20-of-workforce/> - Please view link - unable to able to access data