



## OFX GROUP LIMITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022

17 May 2022 – OFX Group Ltd (“OFX” or “the Group”) (ASX: OFX) today announced record results for the 12 months ended 31 March 2022, with double digit revenue growth across all regions and segments<sup>1</sup>. Net Operating Income (NOI) of \$147.0m was up 24.7% on the prior corresponding period (PCP) and underlying EBITDA of \$44.5m was up 53.1% on PCP. The Group continued to invest in its technology, people and promotional activity. Bad debts were down 94.1% on PCP due to exceptional risk management. Statutory net profit after tax was up 102.4% to \$24.5m.

The results were underpinned by strong momentum in the Group’s Corporate segment, with revenue up 29.9%<sup>2</sup> on PCP and up more than 21%<sup>2</sup> in 2H22 versus 1H22. North America revenue grew 27.8%, with Corporate revenue in the region up more than 31%. On 1 May 2022, OFX largely completed the acquisition of global foreign exchange services provider Firma, which will significantly bolster revenues in its North America Corporate business.

The Online Seller segment grew revenue by 15.7% (ex-Asia) and the Enterprise segment grew by 31.3% with continued progress in activating new clients and building the Group’s pipeline of opportunities. Consumer revenue was up 24.5% with strong growth across all regions as OFX continued to win the rebound in high-value Consumer clients.

### Financial highlights

- Turnover of \$33.2bn, up 32.7%; with
  - Transactions<sup>2</sup> up 10.8% to 1.18m; and
  - Average Transaction Values (ATVs) up 23.5%<sup>2</sup> to \$28.1k
- Fee and trading income (revenue) up 17.7% to \$158.0m
- Net Operating Income (NOI) up 24.7% to \$147.0m
- Underlying EBITDA up 53.1% to \$44.5m
- Statutory NPAT up 102.4% to \$24.5m
- Strong operating cash flows with net cash held of \$84.2m and Net Available Cash of \$31.6m

OFX’s Chief Executive Officer and Managing Director, Skander Malcolm, said: “I am delighted to report such a strong result, which demonstrates excellent momentum across all of our key operating metrics. In an uncertain environment, I couldn’t be happier with the team and execution against our strategy. We saw double digit revenue growth in all regions and segments<sup>1</sup>, while continuing to invest in our technology, people and risk management capabilities to support future growth.

“Group turnover of \$33.2B was up 32.7% and it was also terrific to see the second half performance increase by more than 21% over the first half. This was down to our key growth drivers working well, and substantial growth in Average Transaction Values especially as we were successful in winning the rebound in high value Consumer clients post COVID. NOI was up 24.7% to \$147.0m as a result of reduced partner commissions and efficiencies in banking relationships, creating much healthier leverage from the revenue we generate.

“Our Corporate segment was a standout with growth of nearly 30% excluding the unusually high level of low-value offshore share purchases last year, with the second half up more than 20% on the first half. We are building strong

<sup>1</sup> Online Seller excluding Asia

<sup>2</sup> Excluding offshore share purchases



traction with clients that value our efficient platform along with exceptional service, supported by increased investment in our marketing programs. Our Online Seller segment continues to grow well, up 15.7% excluding the pivot in our Asia business, and our Enterprise segment was up 31.3% as we build momentum with existing clients and successfully activate new ones, as well as expand our pipeline of opportunities.

“We grew revenues double digits across our three regions, with our key growth region of North America increasing revenues by 27.8%. In our largest region, APAC we grew revenues by more than 24% when normalising for offshore share purchases, and in EMEA revenues were up 26%. What was most pleasing to see was that our Corporate segment grew by nearly 30% in each region, along with strong growth in the Online Seller segment in EMEA in particular.

“The acquisition of Firma, which we largely completed on 1<sup>st</sup> May, will considerably strengthen our Corporate business and deliver significant scale in North America. It is a profitable business with good EBITDA margins and strong cash generation, further strengthening our team and commercial expertise. We are also very encouraged by our investment in TreasurUp, which continues to grow well.

“We continued to manage our costs well, with underlying operating expenses up 15.4%. The combination of disciplined expense management, excellent risk management with bad and doubtful debts down 94.1%, and strong NOI growth delivered a 53.1% increase in EBITDA. This translated to net profit after tax of \$24.5m, up 102.4% on PCP, an outstanding result.”

OFX continues to generate strong cash flows, with net cash from operating activities of \$47.6m for the year, and cash held for own use including deposits with financial institutions of \$84.2m as at 31 March 2022.

#### Summary financial results

	<u>FY21</u>	<u>FY22</u>	<u>V%</u>
Turnover (\$b)	25.0	33.2	32.7%
Fee and trading income (revenue) (\$m)	134.2	158.0	17.7%
Net operating income (\$m)	117.9	147.0	24.7%
Underlying operating expenses <sup>1,2</sup> (\$m)	(88.9)	(102.5)	15.4%
Underlying EBITDA <sup>1,2</sup> (\$m)	29.1	44.5	53.1%
Statutory EBT (\$m)	15.6	32.1	105.4%
Statutory NPAT <sup>1</sup> (\$m)	12.1	24.5	102.4%
Net cash held (\$m)	60.6	84.2	39.1%

1. FY21 includes adjustment for accounting changes to cloud computing
2. Excludes one-off items of \$1.3m for FY22 and \$1.0m for FY21



### **Share buy-back program**

As part of the Group's ongoing capital management strategy, as announced in May 2021, during the year OFX continued to execute on its on-market share buy-back program with a total of 1,912,000 ordinary shares bought back for \$2.65m. As subsequently announced with the acquisition of Firma in December 2021, the Board considered it prudent to put the share buy-back program on hold to prioritise repayment of debt associated with the acquisition. OFX remains committed to repaying its debt in less than four years, subject to no other value-accretive growth opportunities emerging which require funding.

### **Group outlook**

In FY23 OFX will continue to invest in its key strategic priorities, growing globally with a specific focus on the North America region, prioritising growth in its Corporate and Online Seller segments, and winning further prospects in its Enterprise segment while successfully activating existing clients. The Group will also continue to generate returns from its ongoing investment in product, risk, payments and technology while focusing on successfully integrating Firma.

Skander Malcolm said: *"With the investments we have made across the business we are well positioned to deliver good growth in the year ahead. The positive momentum we have seen across the business is continuing as we look to capture further market share globally. Given this will be our first year owning Firma, we are providing guidance for FY23 of NOI between \$200m and \$212m, underlying EBITDA between \$55m and \$60m and Firma underlying EPS accretion of 20% on an annualised in year basis."*

### **Authorised by OFX Group Limited Board of Directors**

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#### **Investor Conference Call and Webcast**

An investor presentation has been lodged with the ASX today, together with this announcement. OFX will host a conference call and webcast for analysts and investors at 10.00AM AEST this morning.

Conference call registration

<https://s1.c-conf.com/diamondpass/10021607-4hlml31.html>

Live audio webcast registration:

<https://webcast.openbriefing.com/8683/>

#### **About OFX Group (ASX: OFX)**

Founded in 1998, OFX is an international money services provider based in Sydney with a presence in eight countries and more than 650 staff. It offers money transfers and foreign exchange services for consumer and business clients across 50+ currencies. Through its 'digital + human' business model, OFX provides 24/7 client support to complement its global digital platform.

More information, including a downloadable Fact Sheet, is available at <https://www.ofx.com/en-au/investors>