



## OFX GROUP DELIVERS RECORD FY23 RESULTS AND ANNOUNCES NEW PLATFORM INVESTMENT

23 May 2023 – OFX Group Ltd (“OFX” or “the Group”) (ASX: OFX) today announced its results for the 12 months ended 31 March 2023. Net Operating Income (NOI) of \$214.1m was up 45.6% on the prior corresponding period (PCP), driven by revenue growth across all regions, the acquisition of Firma and good margin management. The Group delivered record underlying EBITDA<sup>1</sup> of \$62.4m, up 40.3% on PCP with an Underlying EBITDA margin of 29.2%. Statutory net profit after tax was up 25.6% to \$31.4m.

### Results Overview

The result was underpinned by great execution, with the NOI margin<sup>2</sup> up 11bps vs FY22 and the integration of Firma exceeding expectations, delivering over 30% EPS accretion in Year 1. Turnover growth of 17.9% to \$39.1bn was driven by a 13.8% increase in transactions volumes to 1.3m and 3.6% increase in Average Transaction Values (ATVs) to \$29.1k.

The Group’s Corporate segment revenue grew by 89.4% to \$124.6m, 88% of which was recurring. ATVs have remained steady throughout the year with good growth in the number of transactions per active client. Across its other B2B segments, Online Seller revenue fell by 6.9% to \$8.0m in line with a softening eCommerce market globally, and Enterprise revenue was up 2.1% to \$6.1m with strong growth in its pipeline of small and mid-sized prospects. Revenue in the Group’s High Value Consumer segment was up 0.3% to \$71.6m despite lower ATVs in 2H23, as less clients used OFX for high value use cases such as wealth management and property, against the backdrop of rising interest rates and inflation.

OFX continues to generate strong cash flows delivering net cash held of \$93.8m as at 31 March 2023, up \$9.6m on FY22. Net available cash was \$67.4m, up \$24.8m including a reduction in required collateral of \$15.2m. During FY23, OFX repaid \$32.0m of its drawn down debt for the acquisition of Firma and remains on track to repay the facility in full within four years.

### Summary Financial Results

	<u>FY22</u>	<u>FY23</u>	<u>% change</u>
Turnover (\$b)	33.2	39.1	17.9%
Fee and trading income (revenue) (\$m)	158.0	225.0	42.4%
Net operating income (\$m)	147.0	214.1	45.6%
Underlying operating expenses (\$m)	(102.5)	(151.7)	47.9%
Underlying EBITDA (\$m)	44.5	62.4	40.3%
Statutory EBT (\$m)	32.7	37.5	14.8%
Statutory NPAT (\$m)	25.0	31.4	25.6%
Net cash held (\$m)	84.2	93.8	11.3%

<sup>1</sup> Underlying EBITDA: EBITDA for the ongoing business. For Firma this excludes transaction costs and integration costs

<sup>2</sup> FX transactions only (excluding same currency transactions)



### Investment in Paytron

OFX also announced today an investment to build on its best-in-class B2B client experience. OFX is acquiring Paytron, a Sydney-based B2B payments company that has developed a platform that has a modern interface and offers card multi-currency account capabilities. This is in line with OFX's focus on expanding its services for B2B clients to generate revenue beyond spot FX and accelerates its current investment program. In addition to bringing future revenue streams, the Paytron team will join OFX and add a strong team to the in-house development capabilities.

OFX will acquire 100% of the company including its client base and its intellectual property. The investment from OFX will be approximately \$6m in the first year and dynamic cash funding thereafter, based on revenue milestones, and integration of OFX clients onto the Paytron platform, so that the additional products and services can be made available to OFX's clients, to further grow non-FX revenues. The consideration is comprised of up to 11.25m deferred performance securities subject to development and revenue vesting conditions.

### On Market Share Buy-Back

As part of the Group's ongoing capital management strategy, OFX today announced that it will implement an on-market share buy-back program to acquire up to 10% of its ordinary shares over the next 12 months. The Board considers that at the prevailing share price this is an efficient way of returning capital to shareholders while maintaining the flexibility to pursue accretive M&A opportunities that may arise.

### Outlook and FY24 Guidance

In FY24 OFX will continue to execute on its vision of building the world's leading cross-border payments specialist. Excluding Paytron OFX expects to grow NOI to between \$225m and \$243m<sup>1</sup>, and its underlying EBITDA to between \$63m and \$74m<sup>1</sup>. This will be driven by its focus on growing its target segments and geographies, enhancing value for its clients through investing in its single global platform and generating synergies from the Firma acquisition. With its strong balance sheet and cash generation, OFX is also well placed to benefit from further industry consolidation.

**OFX's Chief Executive Officer and Managing Director, Skander Malcolm** said: *"I am delighted to report a record result for OFX, which demonstrates our successful pivot to B2B, and our ability to grow value from our loyal client base. We achieved outstanding financial outcomes with NOI and margin growth driving record EBITDA of \$62.4m. Our recurring revenues are now 84%, driven by our strong Corporate segment, and it was pleasing to see signs of recovery in our High Value Consumer segment towards the end of the period as interest rate rises begin to stabilise."*

*"FY24 assumes continued growth in our Corporate segment and our other segments to perform in line with FY23. We are also excited to invest in new and valuable products and services for our Corporate clients through Paytron, which we are confident will deliver meaningful returns over time. Finally, we are pleased to have reinstated our share buy-back program as a way of providing further near-term value for shareholders."*

<sup>1</sup> Assuming 1 July 2023 completion date. FY24 outlook including Paytron: NOI \$226m - \$244m, EBITDA \$59m - \$70m, Intangible investment \$18m - \$20m



**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 dial-in number: +61 2 9007 3187  
Conference ID: 10030217

Live audio webcast registration:

<https://webcast.openbriefing.com/ofx-fyr-2023/>

**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 700 staff. It offers money transfers and foreign exchange services for Corporate, Consumer and Enterprise 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>