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OFX GROUP LIMITED
FY24 RESULTS

Results in line with guidance; expect to deliver at least 10% NOI growth per annum over the next three years

21 May 2024 – OFX Group Ltd ("OFX" or "the Group") (ASX: OFX) today announced its results for the 12 months ended 31 March 2024, in line with guidance. Net Operating Income (NOI) of $227.5m was up 6.3% on the prior corresponding period (PCP), with underlying EBITDA of $64.6m[1], up 3.4% on PCP and up 8.2% excluding Paytron.

Results Overview

The result was achieved through strong execution, with the Group's NOI margin up 5bps on PCP, and good growth in transactions, transactions per active client and new client revenues. The NOI result was supported by interest income of $8.7m and other income of $4.4m including a $3.7m escrow receipt as previously disclosed. Synergies from the integration of Firma substantially exceeded their targets and the integration is complete. The integration of Paytron is progressing well.

The Group's B2B revenue increased by 4.8% to $146.1m, driven by a 3bp margin expansion and a 5.2% increase in transactions. New revenue from Corporate clients was up 26.5%, and the Enterprise segment grew revenues by 32.8% with the pipeline of prospects up from 67 to 77. Revenue in the Consumer segment was down 4.4% due to low volatility during the period, resulting in transaction volumes being lower, with higher value use cases declining, and consequently lower average transaction values (ATV).

In the Corporate segment, US transaction volumes were up 19.6% and revenues up 14.2% supported by a more resilient economy and strong USD, while the UK saw a 9bp margin improvement and higher transactions, delivering an 18.7% revenue increase. European revenues were up 140.6%, with active clients up 16.3%. A mixed macroeconomic environment and the strong USD impacted ATVs in Canada and Australia, resulting in 4.8% revenue growth overall.

Underlying operating expense growth, which includes Paytron, slowed to 7.4%, largely due to the strong synergies from Firma ($7m+) and group-wide productivity programs. Core expense growth was only 5.1%, excluding Paytron. Bad and doubtful debts of $3.7m were

[1] Underlying EBITDA includes $(3.0)m from Paytron

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above expectations, due to a small number of instances of fraudulent activity in North America. Further controls were implemented through Q4.

OFX continues to generate strong cash flows, delivering $60.6m net cash from operating activities. This resulted in net cash held of $88.0m and net available cash of $68.2m as at 31 March 2024. OFX repaid $24m of its drawn down debt for the acquisition of Firma and remains on track to repay the facility in full by the end of FY26. As at 31 March 2024 it had no net debt.

Summary Financial Results

	FY23	FY24	% change
Fee and trading income (revenue) ($m)	225.0	**229.7**	2.1%
Net operating income ($m)	214.1	**227.5**	6.3%
Underlying operating expenses ($m)	(151.7)	**(162.9)**	7.4%
Underlying EBITDA ($m)	62.4	**64.6**	3.4%
Underlying NPAT ($m)	37.6	**33.8**	(10.1%)
Statutory NPAT ($m)	31.4	**31.3**	(0.4%)
Net cash held ($m)	93.8	**88.0**	(6.2%)
Turnover ($bn)	39.7	**38.4**	(3.3%)

On Market Share Buy-Back

As part of the Group's capital management strategy, OFX continued to execute on its on-market share buy-back program, acquiring a total of 8.6m shares for approximately $14.3m. Under the buy-back program OFX is permitted to acquire up to 10% of its ordinary shares over a 12-month period, which commenced in June 2023, subject to daily trading volumes.

The Board remains committed to the buy-back program at the prevailing share price as it considers this to be an efficient way of returning capital to shareholders, while maintaining the flexibility to pursue accretive M&A opportunities that may arise, as well as continue to make intangible investments to drive growth, security and scalability, as well as launch new products and services. Accordingly, the on-market share buy-back program will be renewed for a further 12-month period, with up to 10% of OFX's ordinary shares to be acquired.

Outlook

OFX is focused on expanding its support for B2B clients and its product offering beyond FX. Following the acquisition of Paytron, it will be launching its new integrated Corporate platform in 1Q25 and migrating its Corporate clients region by region initially, followed by

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its other B2B segments in due course. The platform will offer accounts payable, invoicing, expense management and Corporate card services globally, delivering new revenue streams beyond OFX's existing FX services.

OFX expects to grow NOI at least 10% per annum with an underlying EBITDA margin of 28%-30% over the next three years. In addition, the Group is well placed to benefit from further industry consolidation with its strong balance sheet and cash generation.

OFX's Chief Executive Officer and Managing Director, Skander Malcolm said: *"Despite a tougher macroeconomic backdrop in our two largest markets, it was pleasing to deliver NOI and underlying EBITDA in line with guidance. Without the near-term impact of Paytron on our earnings, we would have delivered positive operating leverage.*

"Our strategic pivot has been highly successful with new B2B revenue growth of 21.8% meaning 68% of Group revenue is now coming from B2B. It's also pleasing to see us becoming increasingly global, with 65% of Group revenue being generated outside Australia.

"We delivered the Firma integration on time and on budget and exceeded our synergy targets, delivering 30% EPS accretion in two years. The integration of Paytron is also progressing well with all new Australian Corporate clients being able to access our new platform and expanded product offering from Q1. Over FY25 we will make this available to existing OFX Corporate clients. This will not only embed us further with existing clients and expand our wallet share, but also give us much more firepower to win new clients in our Corporate and Enterprise segments going forward.

"All of this means we are very optimistic about our medium to long-term outlook. We expect to grow NOI by at least 10% per annum over the next three years, at underlying EBITDA margins of between 28%-30%. Longer-term, we expect to grow NOI by at least 15% per annum at approximately 30% underlying EBITDA margins. For FY25, we feel confident in reaching this goal through organic growth returning to historic levels supported by the margin growth we delivered in FY24, the momentum in new client revenue, the early contribution from new revenue streams, an additional three trading days in FY25 and the positive start to trading overall. I look forward to reporting on our progress."

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 pre-registration: Diamond Pass Invitation (c-conf.com)

Live audio webcast registration: Webcast - Registration (openbriefing.com)

About OFX Group (ASX: OFX)

Founded in 1998, OFX is an international money services provider based in Sydney with a presence in nine countries and ~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

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