

Findi Delivers Record Financial Result; Company Transformation and Strategic Initiatives Gaining Momentum

Key Highlights

Revenue of \$66.5 million, up 22.1% (FY23: \$54.5 million), driven by the strong performance of the core ATM business and continued growth of FindiPay's merchant network

EBITDA up 63.0% to \$27.4 million (FY23: \$16.8 million); EBITDA margin of 41.2%

Strong cash flow generation with operating cash flows of \$26.7 million (FY23: \$4.7 million)

Statutory net profit after tax of \$4.0 million (FY23: \$2.44 million)

Basic EPS of 10.28 cents per share (FY23: 1.39 cents per share)

Findi Limited (ASX: FND) (Findi or the Company) is pleased to announce its financial results for the full year ended 31 March 2024.

Commenting on the results, Findi Limited Chairman Nicholas Smedley said: "We are pleased to deliver this record financial result in what has been yet another transformational year for Findi. During the 2024 financial year, we retained and extended our contract with India's largest bank, State Bank of India, raised \$37.6 million in growth capital from Piramal Alternatives, as well as having rolled out 2,550 CBI ATMs and onboarded 25,967 FindiPay merchants. Shortly after the end of the financial year, we also secured in-principle authorisation from the Reserve Bank of India to set up, own and operate White Label ATMs.

"These achievements signify a new chapter of growth, scale and depth of financial services for Findi and our success in winning new contracts and extending existing contracts is a testament to the strength of our capabilities and our reputation of delivering high-quality services in a consistent and integrated manner.

"We are now better placed than ever to deliver on our vision of becoming a full-service transaction/digital bank across India and I thank the team on the ground in India for executing Findi's strategy, delivering an excellent financial result and an uplift in shareholder value in the 2024 financial year.

"We also remain on track to achieve a listing on the Bombay Stock Exchange," Mr Smedley said.

Financial Highlights

In FY24, Findi achieved its highest ever full year revenue (\$66.5 million) and EBITDA (\$27.4 million) results, representing increases of 22.1% and 63.0% respectively on FY23.

Findi also achieved an EBITDA margin of 41.2%, which remains significantly ahead of historical averages.

Net profit of \$4.0 million is in line with prior guidance and is after the continued investment into the expansion of FindiPay, which now has a record 28,000-plus locations across India.

Findi continues to demonstrate its stability as a consistently cash generative business. During FY24, Findi generated \$26.7 million of operating cash flow, an increase of \$22.0 million when compared to FY23, which has been used to fund the roll-out of ATMs and the ongoing onboarding of FindiPay merchants.

Operational Highlights

Findi's record financial results follow the Company successfully securing a 10-year contract with State Bank of India (SBI) that will generate revenue up to \$620 million through deploying 4,219 ATMs across India.

The Company has been providing ATMs for SBI through a third-party outsourcing contract since 2016, which was due to expire in December 2023. The Company will now contract directly with SBI, India's largest bank. The ATMs will largely be at the existing service sites eliminating the initial time required to ramp up customer transaction volumes and with the current third-party contract continuing in the interim. This will be a deployment of new ATMs and the existing SBI ATMs will be redeployed through Findi's White Label ATM operations.

Undertaken by Findi's subsidiary Transaction Solutions International (India) Pvt Ltd (TSI India), the contract is expected to be fully funded from the Company's free cash flow and new finance facilities.

Findi also completed the roll-out of 2,550 Central Bank of India ATMs, increasing transactions from 68 per day to 97 per day, representing 42% growth on the prior year.

During the financial year, Findi continued to expand FindiPay, onboarding 17,325 merchants, representing 201% annual growth, with an annualised Gross Transaction Value as at 31 March 2024 of \$208 million.

Subsequent to the end of the 2024 financial year, Findi announced that it had been granted in principle authorisation to set up, own and operate White Label ATMs by India's central bank and banking regulator, the Reserve Bank of India. The White Label licence, post final authorisation, allows the almost 4,000 ATMs due to be replaced during the 2025 financial year as part of the SBI contract to be redeployed as Findi ATMs.

Findi is now one of the largest non-bank ATM operators in the world's most populous country, with a network of 20,900-plus ATMs and more than 49,000 service locations.

Capital Management

Findi announced that its Indian subsidiary, TSI India, had raised \$37.6 million via the placement to leading Indian investment group, Piramal Alternatives (Piramal) of Compulsory Convertible Debentures (CCD), which are compulsorily convertible to equity at IPO (refer to ASX announcement of 15 November 2023).

The entry equity valuation reflects a pre-IPO market capitalisation of \$153.0 million (post money \$190.6 million) ahead of TSI India's intended listing on the Bombay Stock Exchange. This Piramal CCD entry valuation was based on 10 times multiple of an agreed FY23 EBITDA of \$15.3 million, compared to the \$27.4 million EBITDA delivered in FY24.

The funds will be used to accelerate the execution of Findi's strategic imperatives including acquisitions, the roll-out of White Label ATMs (subject to approval from the Reserve Bank of India) and further transactions to scale up the business.

Findi maintains a solid financial position, with a cash balance of \$106.6 million, \$37.6 million net of debt¹ as at 31 March 2024. Findi remains adequately funded within its existing facilities, with headroom to continue to fund future growth initiatives.

¹ Debt includes interest bearing bank loans, finance lease obligations, and excludes compulsorily convertible debentures and AASB 16 right of use rental agreements.

Dividends

In the first half of the 2024 financial year, the Findi Board announced the introduction of the Company's dividend policy. Under the policy, Findi would target a payout ratio of up to 30% of Net Profit After Tax, before significant items. The policy also took into consideration the cash required for strategic initiatives and capital expenditure required over the next 12 months.

On that basis, the Board has determined that no dividend will be declared for the year ended 31 March 2024 to provide the Company with the ability to take full advantage of the significant growth opportunities available to the business, including the implementation of the White Label ATM strategy, further expansion of FindiPay and value-accretive acquisitions.

FY25 Outlook

The focus for the 2025 financial year will be on accelerating the execution of Findi's strategic imperatives including the expansion of the FindiPay merchant network, the roll-out of White Label ATMs and further EBITDA accretive acquisitions to scale up Findi's merchant and ATM network.

Commenting on the Company's outlook, Mr Smedley said: "The achievements of the 2024 financial year have established the foundation for Findi to build greater scale, develop a broader service offering and strengthen our competitive position going forward as the Company evolves into a full-service transaction/digital bank.

"We are confident that Findi can maintain its positive momentum into the 2025 financial year."

Further details are provided in the Appendix 4E and Preliminary Report.

It is expected that earnings guidance for FY25 will be issued in the coming weeks.

Authorised for release by the Board of Findi Limited.

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