



**OFX GROUP LIMITED**  
**FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2019**

12 November 2019 – OFX Group Ltd (ASX: OFX) today announced its half year results for the period ending 30 September 2019. The results reflect continued momentum in North America and Corporate, and good fundamentals with transactions and transactions per active client up.

**Key Financial Highlights**

- Turnover of \$11.5bn, down 5% on 1H19, with:
  - Transactions up 5.2% to 547.9k
  - Transactions per active client up 9.3% to 7.0 on Active Clients of 154k
  - Average Transaction Values (ATVs) down 9.3% to \$21.1k
- Fee and trading income (Revenue) up 0.5% to \$65.3m, with Corporate growing 9.7%, and North America growing 19.3%
- Net Operating Income (NOI) down 0.5% to \$59.5m with stable margins
- Underlying EBITDA (excl. corporate action costs) up 2.3% to \$16.5m
- Statutory NPAT decreased 7.7% to \$8.3m, impacted by \$0.4m corporate action costs, \$0.4m increase in software intangible amortisation and \$0.3m increase in lease depreciation
- Net cash flows from operating activities of \$7.2m
- Interim dividend of 2.35 cents per share, 70% franked

OFX's Chief Executive Officer and Managing Director, Skander Malcolm, said: *"This was a solid result in what has been a difficult global economic environment. Revenue in North America, our key growth market was up 19% and in our Corporate business we grew revenue over 9%, despite global spot volumes declining by 14%<sup>1</sup>. We grew active clients in Corporate by 4% with transactions up 12%, reflecting our focus on building a more valuable portfolio. And our base of dependable, recurring revenue was consistent at 76%.*

*"In line with this shift towards Corporate, our client activity improved significantly with transactions per active client up 9.3% to an average of 7 per annum. Overall transactions were up 5.2% although average transaction values (ATVs) declined 9.3% to \$21.1k, reflecting subdued economic activity across global markets. This resulted in NOI being slightly down due to higher proportional transaction costs, despite a record second quarter for both NOI and revenue.*

*"We continued to maintain discipline on promotional spend while driving significant improvement in the cost of winning and converting new clients. We also maintained strong control of our operating expenses, delivering Underlying EBITDA growth of 2.3%.*

*"Our expenses continue to be significantly weighted towards revenue generating rather than revenue enabling costs. We also continued to invest in reliable, scalable systems across our internal technology capabilities in transaction monitoring, pricing, our payments engine and risk management. All have progressed and we are set to benefit from these investments in the second half of FY20 and beyond.*

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<sup>1</sup> Source: OFX analysis and <https://www.thomsonreuters.com/en/resources/fx-volumes.html>



*“We also won our first major new Enterprise partner during the half with an exclusive agreement with Link Market Services Ltd. OFX will become Link’s preferred partner in Australia for international payments such as dividends for its substantial base of offshore investors. This will officially launch towards the end of FY20 and deliver progressive growth in our active client base as they are on-boarded to OFX. Our teams are very focused on delivering more of these high value partnerships to underpin our longer-term growth.”*

OFX generated net cash flows from operating activities of \$7.2m during the period to 30 September 2019. The OFX Board of Directors declared an interim dividend of 2.35 cents per share, franked at 70%, with the dividend to be paid on 13 December 2019.

### Summary Financial Results

Financial results	1H19	2H19	1H20	V% 1H19
<b>Financial Metrics</b>				
Fee and trading income (\$m)	65.0	63.8	65.3	0.5%
Net operating income (\$m)	59.9	58.9	59.5	(0.5)%
Underlying Operating expenses <sup>1</sup> (\$m)	(43.7)	(39.0)	(43.0)	(1.6)%
Underlying EBITDA <sup>1,3</sup> (\$m)	16.1	19.8	16.5	2.3%
Underlying EBT <sup>1,3</sup> (\$m)	11.3	14.6	10.7	(4.9)%
Statutory NPAT <sup>3</sup> (\$m)	9.0	8.0	8.3	(7.7)%
Total cash held for own use <sup>4</sup>	66.6	58.6	51.5	(22.6)%
<b>Operational Metrics</b>				
Registrations ('000's)	70.6	69.0	61.9	(12.3)%
Active clients <sup>2</sup> ('000's)	158.8	156.5	154.0	(3.0)%
Turnover (\$b)	12.1	11.6	11.5	(5.0)%
Transactions ('000's)	521.2	527.4	547.9	5.2%
Average transaction value ('000's)	23.2	22.0	21.1	(9.3)%

<sup>1</sup> Excluding corporate action costs of \$0.4m for 1H20 and \$4.3m for 2H19<sup>2</sup> Active clients are clients who have transacted at least once in the prior 12 months

<sup>3</sup> Underlying EBT for 1H19 restated due to accounting changes for lease (AASB 16)

<sup>4</sup> Total cash held for own use includes deposits with financial institutions. Note \$26.5m of cash is held as collateral

### Group Outlook

In 2H20, OFX will continue to build a more valuable company by: accelerating growth in its Corporate business, further investing in Corporate sales and marketing; increasing investment in capabilities that support Enterprise clients and in improving corporate client onboarding; and continuing to invest in North America, while regaining momentum in the UK, Asia and A&NZ.

Skander Malcolm said: *“As we execute in the second half, our growth priorities are clear. We will continue to develop our regional growth strategy, particularly in North America, while improving the client experience, growing our Corporate and Enterprise base, and building partnerships to help us grow and execute more effectively. This while maintaining our key financial commitments of delivering annual positive operating leverage on an underlying EBITDA basis and stable NOI margins.”*



**For all enquiries:**

Matthew Gregorowski, Citadel-MAGNUS  
+61 422 534 755

**Investor Webcast**

An audio webcast of the OFX investor call at 10.00am this morning will be available at:  
<https://webcast.openbriefing.com/5632/>

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

OFX Group Limited is a global provider of international payment services for Consumer, Corporate and Enterprise clients. The OFX Group provides services under the single global brand, OFX, across seven locations including Sydney, Auckland, Hong Kong, Singapore, London, San Francisco and Toronto