



Investor Day

Investor presentation • March 16, 2022



Agenda

- 1 Performance
- 2 Strategy
- 3 Financial outlook
- 4 Q&A

--- Break ---

- 5 Growing North America
- 6 Winning in Enterprise
- 7 Risk excellence
- 8 Q&A



Vani, Brian and Rachel, OFXperts





Performance

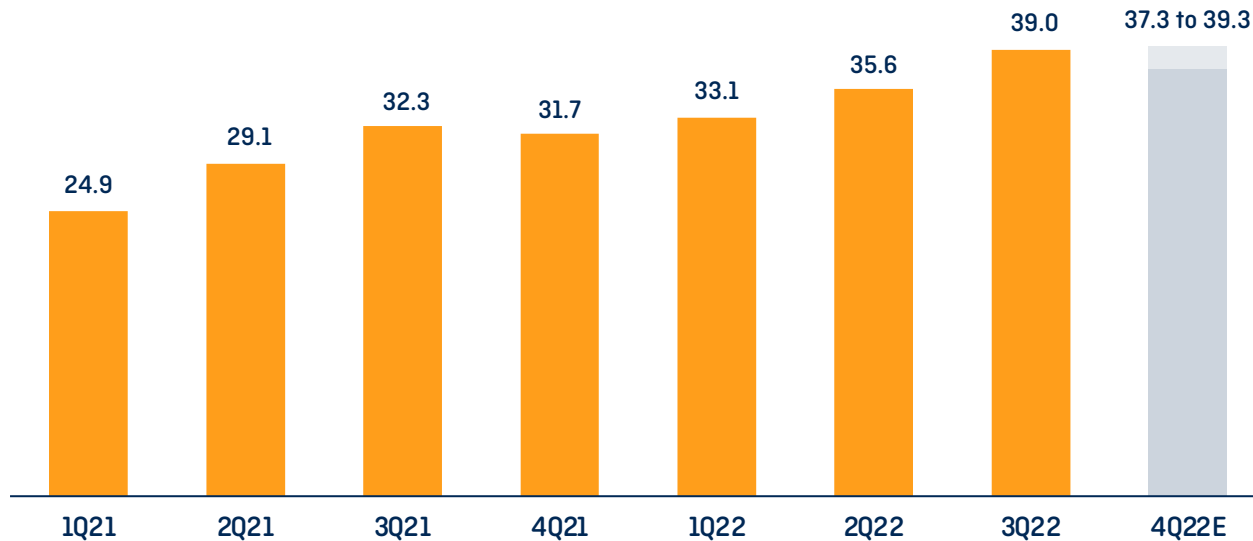
Skander Malcolm

Chief Executive Officer and Managing Director



Momentum through 4Q, closing a strong FY22

Continued quarterly NOI growth (\$m)



Double-digit growth in all regions and segments¹



Turnover up
30%+
with ATV's remaining elevated

EBITDA² expected to be
\$43-45m
up 41% to 48%

Healthy
NOI
margins



NOI expected to be
\$145-147m
up 23% to 25%

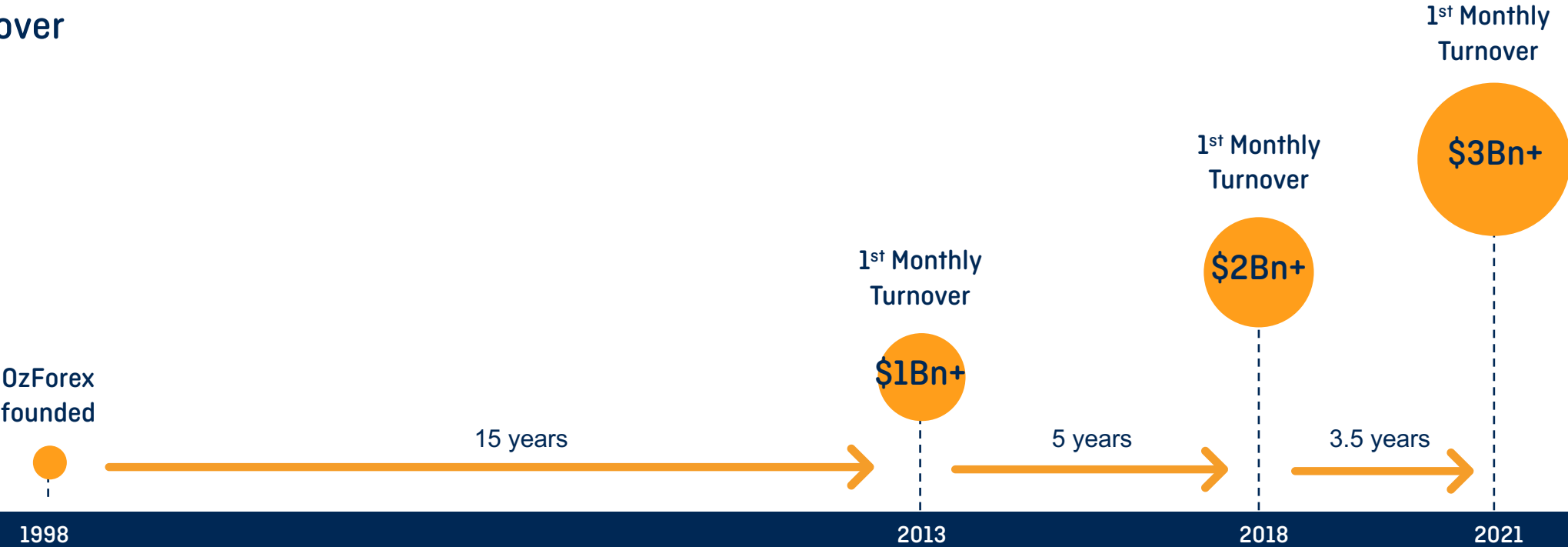
Positive annual operating leverage on an underlying basis



¹ Online Seller excluding Asia

² Includes impact of accounting standards on cloud-based computing

Turnover



Revenue

Start		Shift		Today
Consumer driven	40% B2B	Consumer	→ B2B	52% B2B
A&NZ centric	35% Global	A&NZ centric	→ Global	50% Global
Non-recurring	55% Recurring	One-off	→ Repeat	78% Recurring

B2B = Corporate, Online Sellers and Enterprise



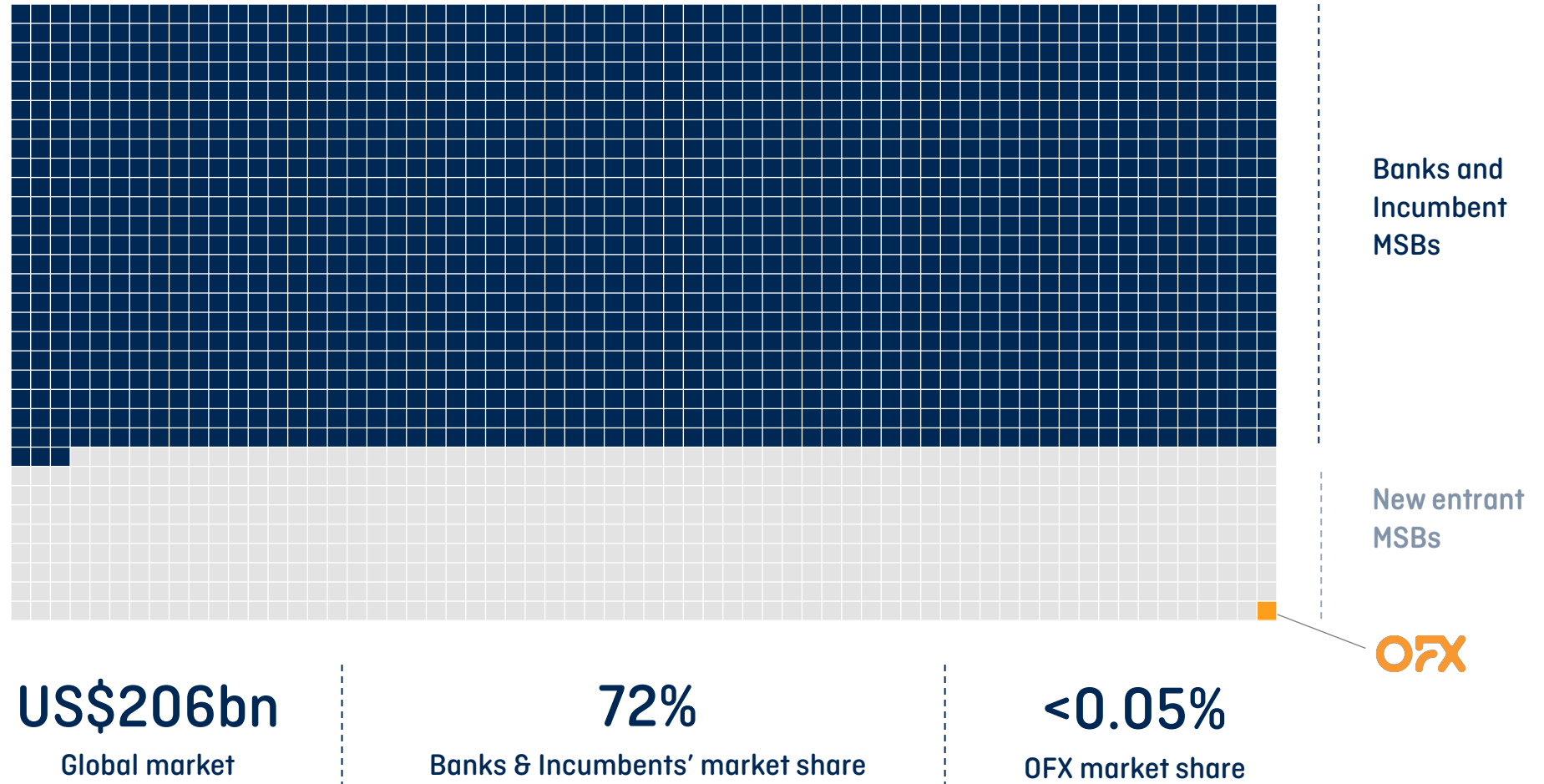
Strategy

Skander Malcolm

Chief Executive Officer and Managing Director



Total global cross-border payments revenue



OFX focuses on four target segments



Customer segments we target

High Value Consumer



Typical ATVs of ~\$17.2k
biannual+ trading

Corporate



Typical ATVs of ~\$26.5k
monthly+ trading

Online Seller



Typical ATVs of ~\$15.4k
fortnightly+ trading

Enterprise



B2B2C and
B2B2B

Client needs we solve

Transfer money internationally from A to B

Manage volatility risk of FX exposure

Manage international payments flows integrated in my processes

Collect and use my money wherever I buy or sell in the world, like a local

Offer FX/ Cross-border payments to my clients

Must-haves

Fast, competitive, and trusted money transfer experience on a single digital platform

Differentiators

- Fast and easy onboarding
- Realtime payments
- Transparency
- Competitive Pricing

- Realtime payments
- Fast and easy onboarding
- Integration in business process
- Receivables and payables business solutions
- Mitigate FX risk

- Marketplace & payment processors compatibility
- Receivable and payables business solutions
- Expansion into new markets

- Provide FX solution to my clients
- Add value to my clients
- Solutions with limited investment

Global competition is fragmented and evolving

Cross-border payments top 100 global competitors map



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Competitive dynamics



Neobanks have entered the Consumer market, but true survivors are yet to emerge



Incumbent MSBs are rapidly digitising



Digital MSBs who initially focused on Consumer have entered Corporate with mixed results






New entrants looking for scale in Payments-as-a-Service

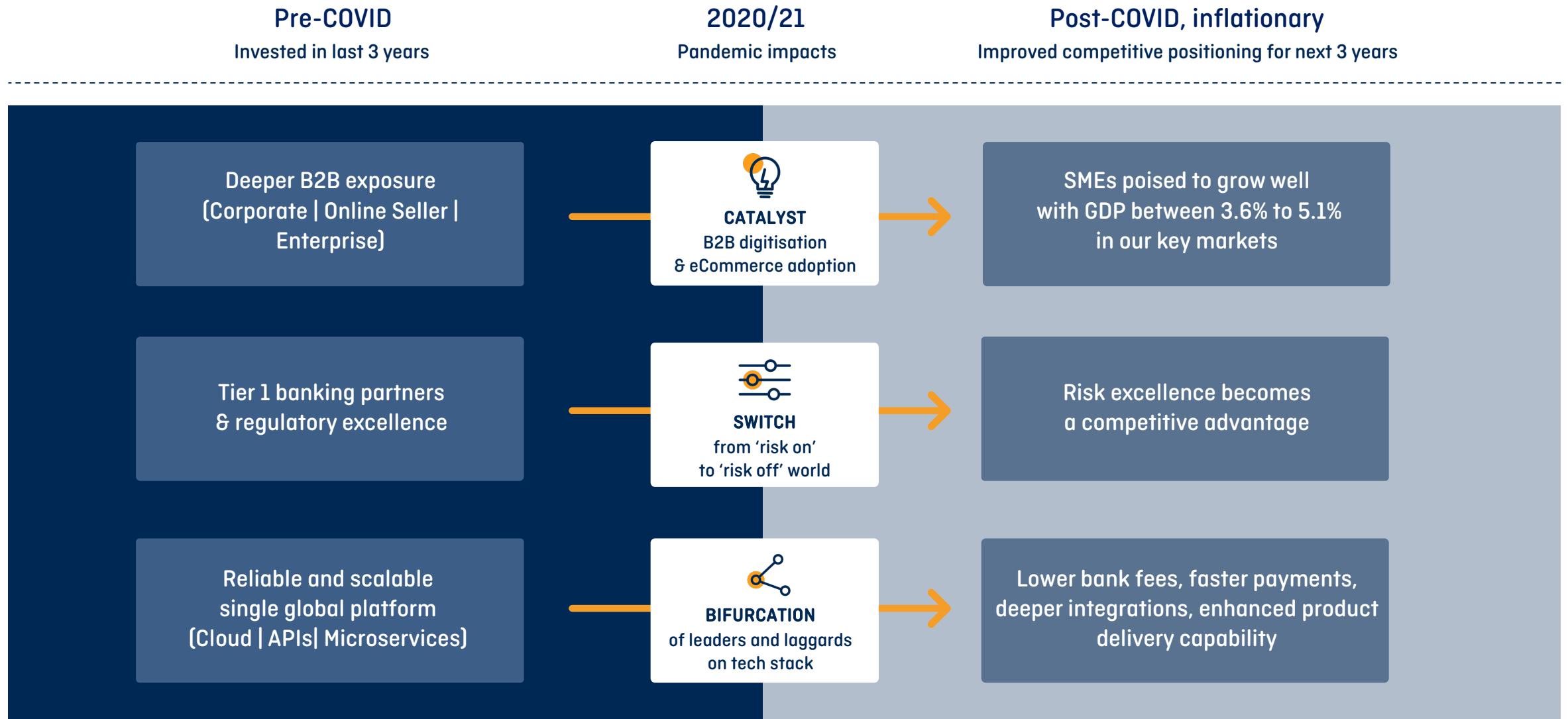


GAFAs are competing with limited success to date

Key industry trends support a strong specialist business model



	Trends	Data	Implications
	Regulatory scrutiny is strengthening	5x higher AML fines (\$2.2B) at Banks in 2020 vs 2019	<ul style="list-style-type: none">Considerable investment required in Risk & ComplianceBanks less and less likely to support providers that do not have the right level of regulatory capability
	Specialists make profit from strong core product and service	6 out of 8 non-bank competitors with highest market valuations (EV/Revenue > 10x) are loss making	<ul style="list-style-type: none">Divergence between profitable and unprofitable modelsUnprofitable models rely on future cross-sell
	eCommerce in cross-border payments is rising	~20% of all global retail trade is now eCommerce (up from 16% in 2019)	<ul style="list-style-type: none">SMEs are moving from having an online sales channel to being eCommerce businessesMarketplaces are partnering with providers, not seeking to provide all the payment services themselves



Discretionary investments

To scale OFX successfully

Strategic pillars



Customer Experience



Geographic Expansion



Partnerships



Reliable, Scalable Systems



Risk Management



People



Grow North America and Europe as next markets



Grow Corporates and Online Sellers



Win in Enterprise



Win High Value Consumer use cases



M&A to add portfolio scale where it meets our strategy



Huge opportunity

US\$206bn cross-border payments market which keeps growing

72% market share still with banks and Incumbents

<0.05% OFX market share is still very small

Target customers' consideration for alternatives **increasing** as they are ready to switch for the right CVP



Target segments



Corporate

++



Online Seller

++



Enterprise

++



High Value Consumer

+



Competitive positioning

Distinctive CVP



Digital
ease



Human
support & expertise

Global operating model



Payments
excellence



Customer
service



Single global platform



Risk
management



World class team



More valuable company

- ✓ Healthy revenue growth
- ✓ 75%+ Recurring Revenue
- ✓ Strong EBITDA margins
- ✓ Highly cash generative
- ✓ Capital light
- ✓ Well-positioned to participate in industry consolidation



Financial Outlook

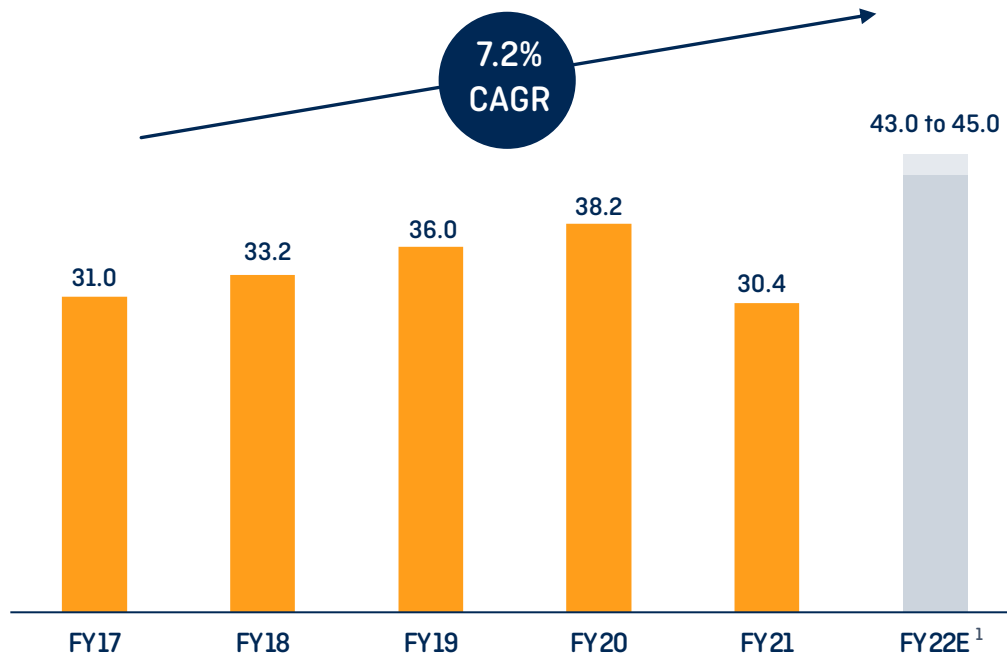
Selena Verth

Chief Financial Officer



Underlying EBITDA (\$m)

Adjusted for Lease accounting (AASB16)



Note : CAGR is calculated using the mid point of the FY22 estimate

¹ Includes impact of accounting standards on cloud-based computing. Prior periods not restated

² As at 1H22 results (EPS represents LTM)

³ B2B revenue share is all revenue excluding Consumer

⁴ LTM net cash flow from operating activities

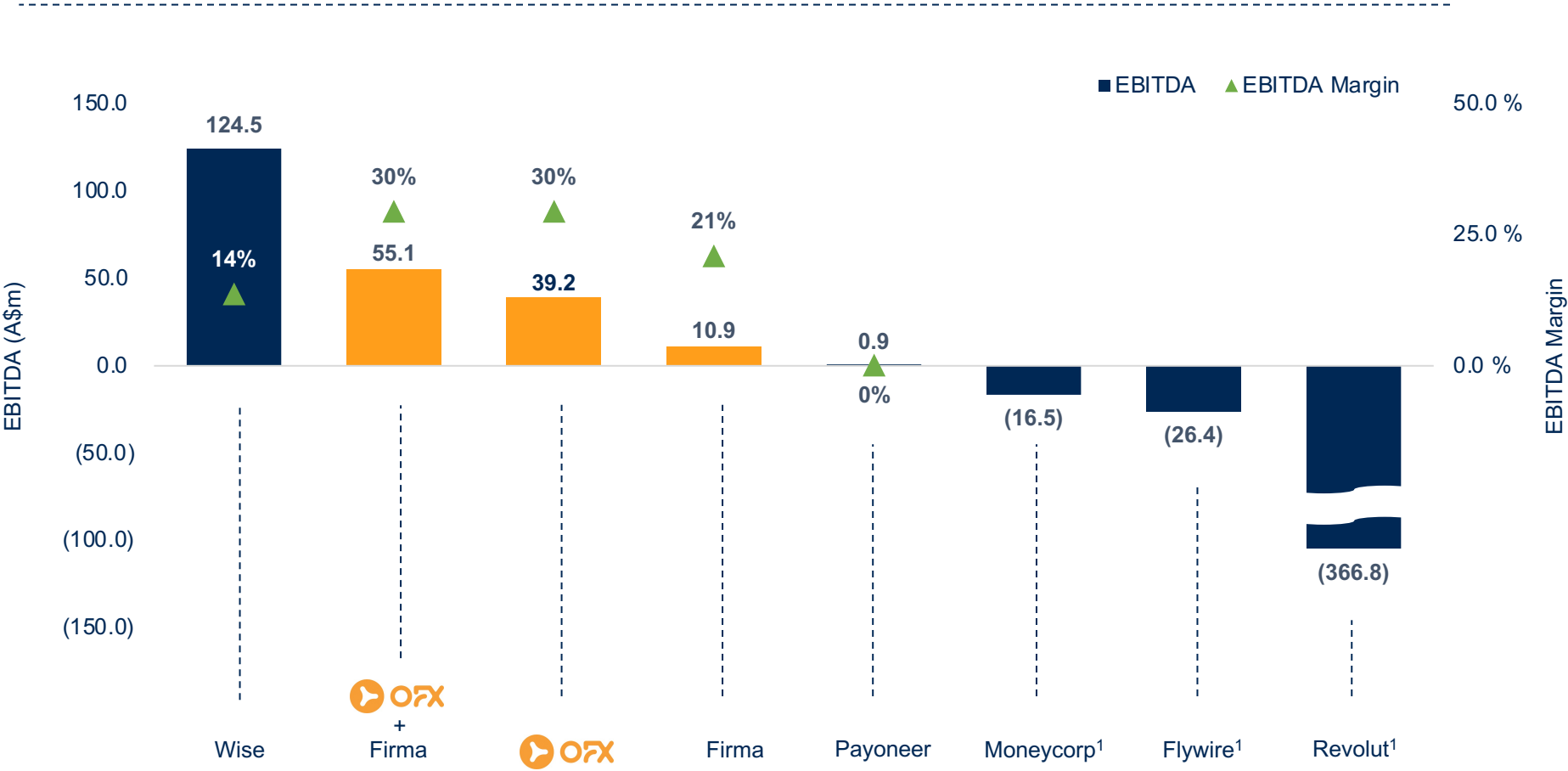
⁵ Pre debt paydown

	We're a valuable company	And becoming more valuable post Firma acquisition
B2B revenue share	52% ³	~ 65%
Recurring revenue share	78% ²	80% +
Underlying EBITDA margin	30%	30%
Cash generation	\$38.7m ⁴	~ \$47m ⁵
Underlying EPS	8.8c ²	10.5c +

Firma adds profitable scale



OFX combined will be one of the most profitable cross border payments companies (LTM EBITDA)¹

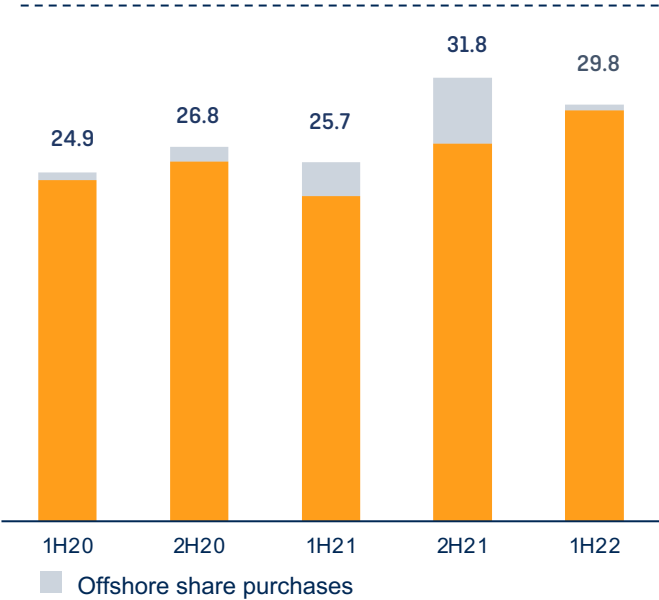


Key highlights

- Strong cash flow generation provides headroom to invest in client experience, product innovation and geographic expansion
- Combination enhances resilience and growth opportunities, well positioned for a post-COVID world

Source: Company filings. ¹ LTM Sep-21 EBITDA. EBITDA margin for MoneyCorp, Flywire and Revolut not meaningful. EBITDA for MoneyCorp and Revolut based on last reported EBITDA (FY20). OFX + Firma EBITDA includes A\$5m of pre-tax EBITDA synergies.

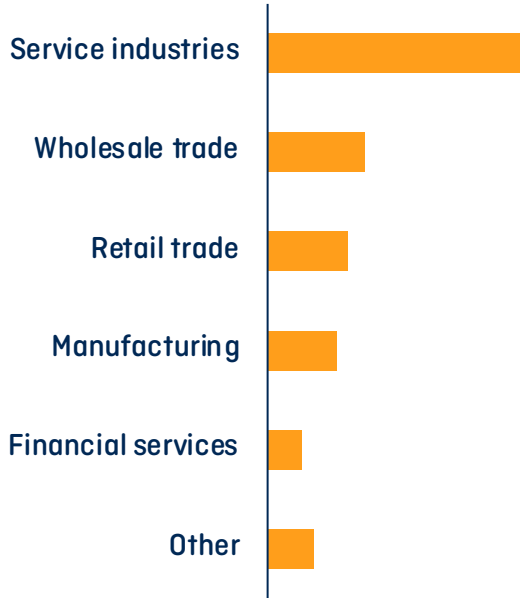
Revenue \$m



Multi channel acquisition

		Business size	Lifetime revenue
	Digital	Micro / Small	+
	Alliance	Micro / Small	+
	BDM	Small / Medium	++

Diverse portfolio¹



~\$26.5k
Typical ATVs

Monthly+
trading
frequency



86%
Recurring revenue

30-35%
EBITDA
margins²



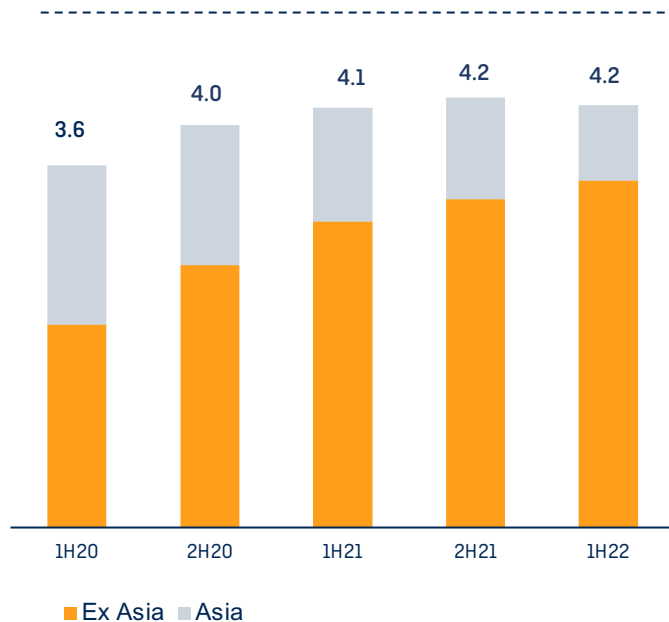
~21k
Active clients

¹ Represents percentage of revenue contribution by industry where data is available (63% of portfolio)
² EBITDA margin = EBITDA / NOI. Acquisition costs include promotional expenses, sales employee costs, commission and other direct selling expenses




Online Seller: Valuable segment in growth phase



Revenue \$m



Multi channel acquisition

		Business size	Lifetime revenue
	Digital	Micro / Small	+
	Alliance	Small / Medium	++
	BDM	Small / Medium	++

Diverse portfolio¹



~\$15.4k
Typical ATVs

Fortnightly+
trading
frequency



79%
Recurring revenue

25%
EBITDA
margins²

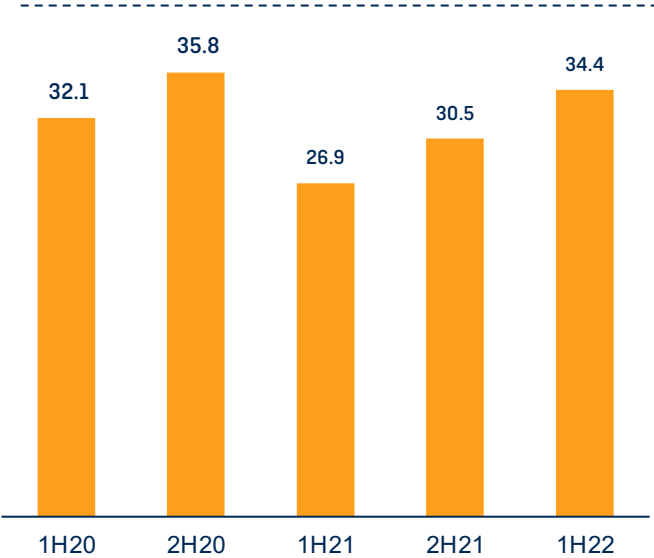


~5k
Active clients

¹ Represents percentage of revenue contribution by industry where data is available (60% of portfolio)

² EBITDA margin = EBITDA / NOI. Acquisition costs include promotional expenses, sales employee costs, commission and other direct selling expenses

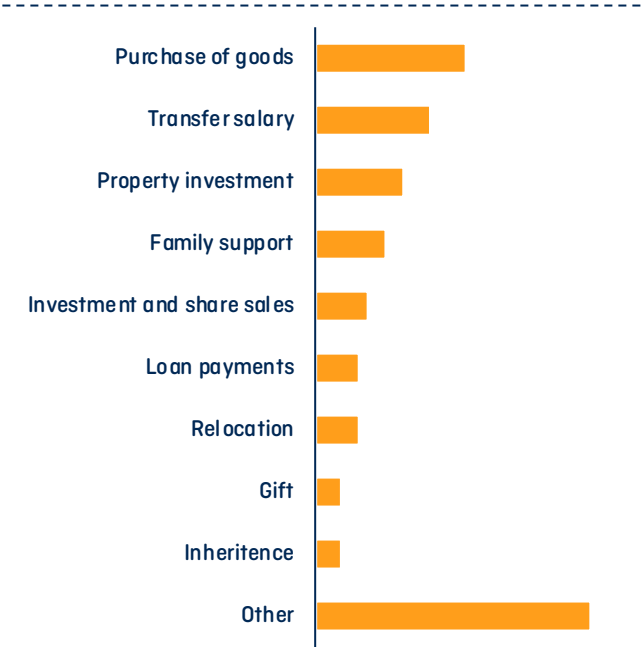
Revenue \$m



Multi channel acquisition

		% customers	Lifetime revenue
	Digital	65-70%	+
	Alliance	30-35%	+

Revenue by use case



~\$17.2k
Typical ATVs

Biannual+ trading frequency

71%
Recurring revenue

20-25% EBITDA margins¹

~112k
Active clients

¹ EBITDA margin = EBITDA / NOI. Acquisition costs include promotional expenses, sales employee costs, commission and other direct selling expenses

Any
questions

?



Break



David, OFXpert
since 2018



Growing North America

Alfred Nader

President North America



North America is OFX's biggest market expansion opportunity



Huge regional market for cross-border payments

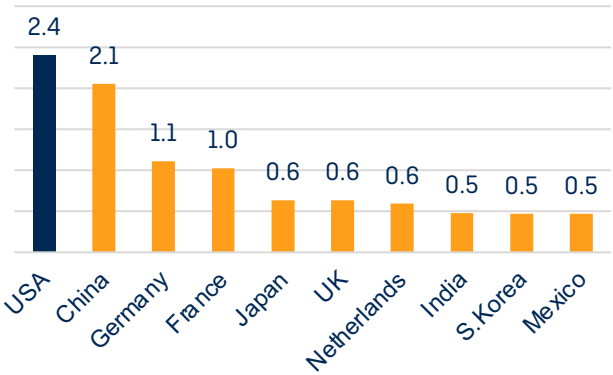
\$43bn

North America cross-border payments revenue in 2020

#1

Trade flows globally is US

Top 10 import countries in 2020
(Trillion USD)



Ripe for disruption by emerging specialists like OFX

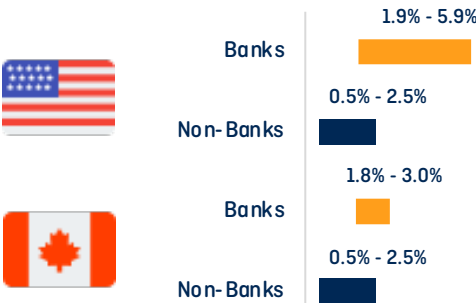
74-81%

market share still with Banks and Incumbents

Up to ~6%

pricing from Banks

FX Margin range for \$20K personal transfer
USD and CAD outwards



With significant unmet needs from our target audience

1 in 4

'Highly engaged' US customers likely to switch from current providers¹

SMEs needs

go beyond digital

“

I want a higher quality of service and support. Sometimes you feel you are beholden to the banking system with a lack of help

”

Canadian Small Business (\$1-5M FX Turnover)

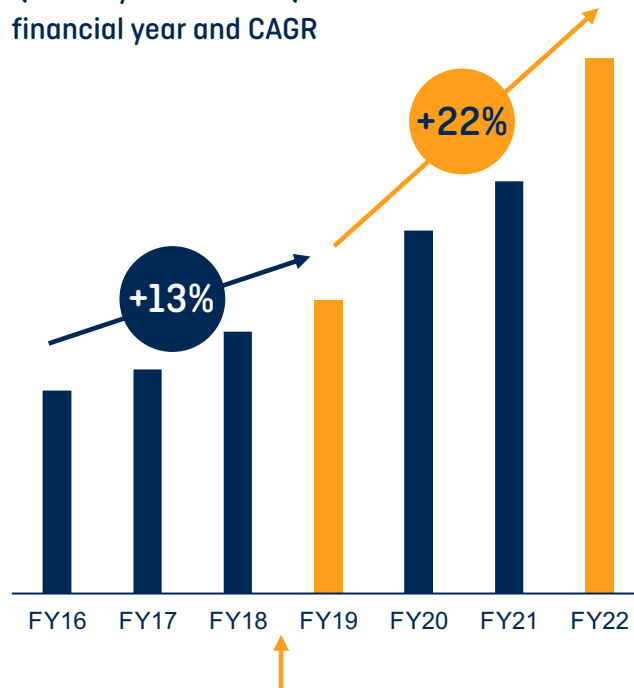
Sources: McKinsey Global Payments map 2021, International Trade Center trade map, OFX marketing research with House of Brands
Note: ¹ likelihood to switch is in the next 12 months, the 'highly engaged' category is one of OFX's target audiences and 83% of these use Banks of Incumbent MSBs

We are seeing strong execution against our regional strategy



Our investment to grow North America faster is paying off

Quarterly turnover in Q3 of each financial year and CAGR



OFX shift in strategy and investment in North America



We have the infrastructure ready to expand further

49
Regulatory licenses across North America
100
OFX employees across North America
2
Offices
11
States where employees are based covering East to West
4
Banking partners, in the top 10 Banks in the US and Canada



And customers who value our distinctive value proposition

“

The exchange rates were the best we could find, especially compared to those offered by major banks.

”

“

The whole process was straight forward, even for a technophobe like me.

”

“

I have used OFX many times over the last 6 years and their service has been 5* every time. I highly recommend.

”

Fireside chat with
Skander Malcolm
and Alfred Nader





Winning in Enterprise

Yung Ngo

President APAC



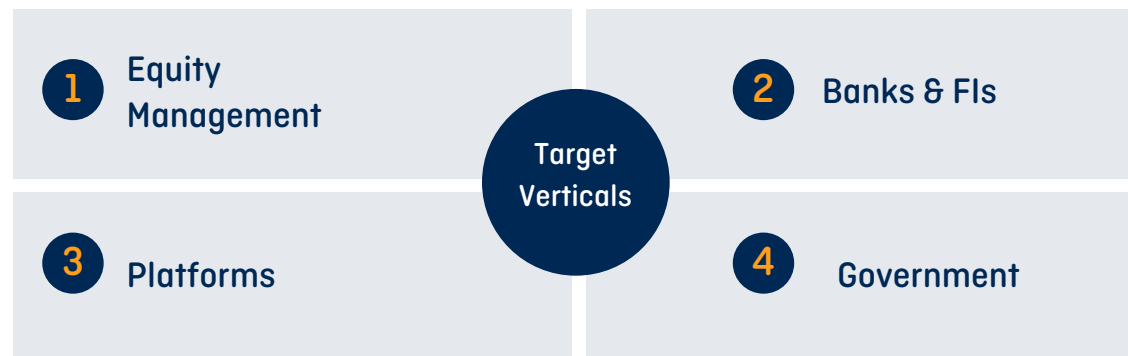
Enterprise definition



OFX Enterprise target:

Companies who need to offer cross border payments to their customers (end-users), and where OFX aims to acquire and service these end-users at scale

Four verticals

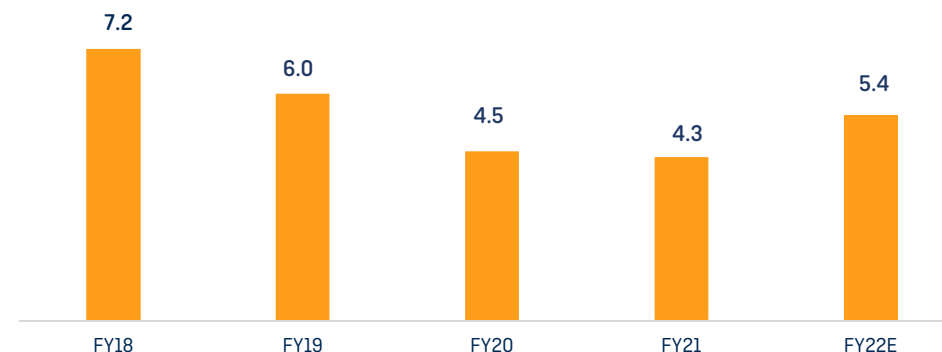


Rationale

WHO is the client, and **WHY** is it a target priority for OFX?

- Scale acquisition of OFX target clients across Consumer, Corporate, and Online Seller segments
- Profitable with a typical Enterprise client generating 180x+ the revenue of a typical Corporate client
- Substantial opportunity and underserved segment, as B2B2B and B2B2C channels are growing in the platforms & ecosystems economy. This is poorly served by large global banks.

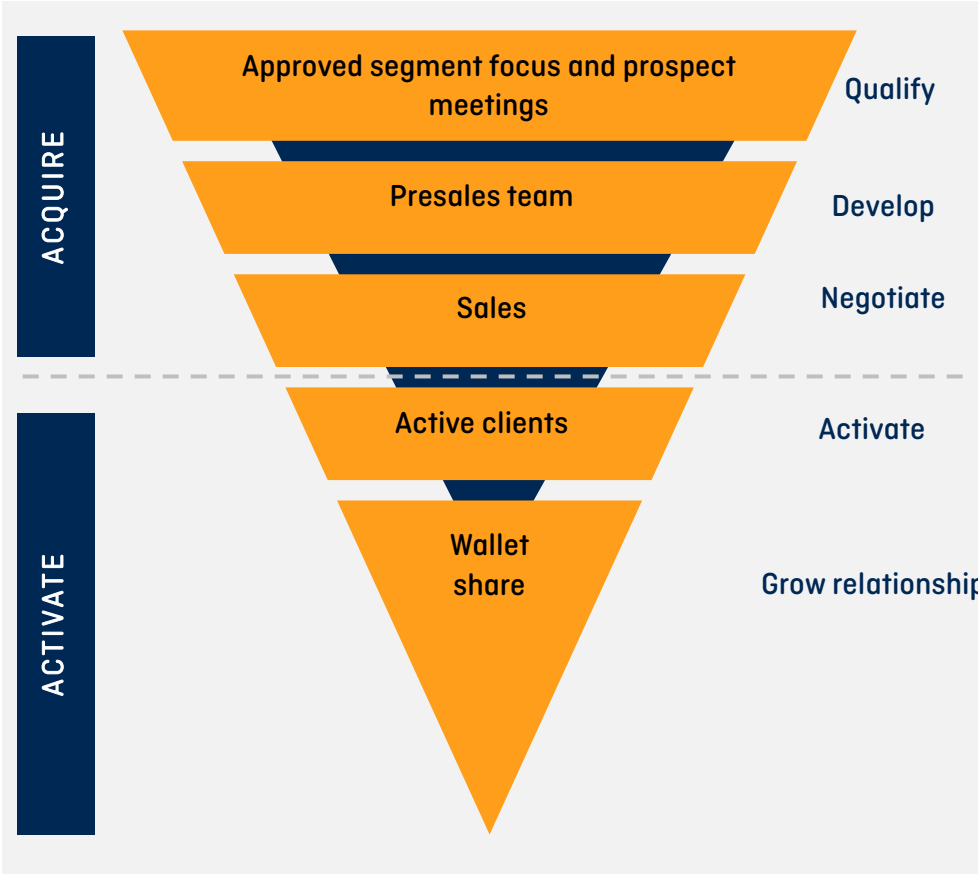
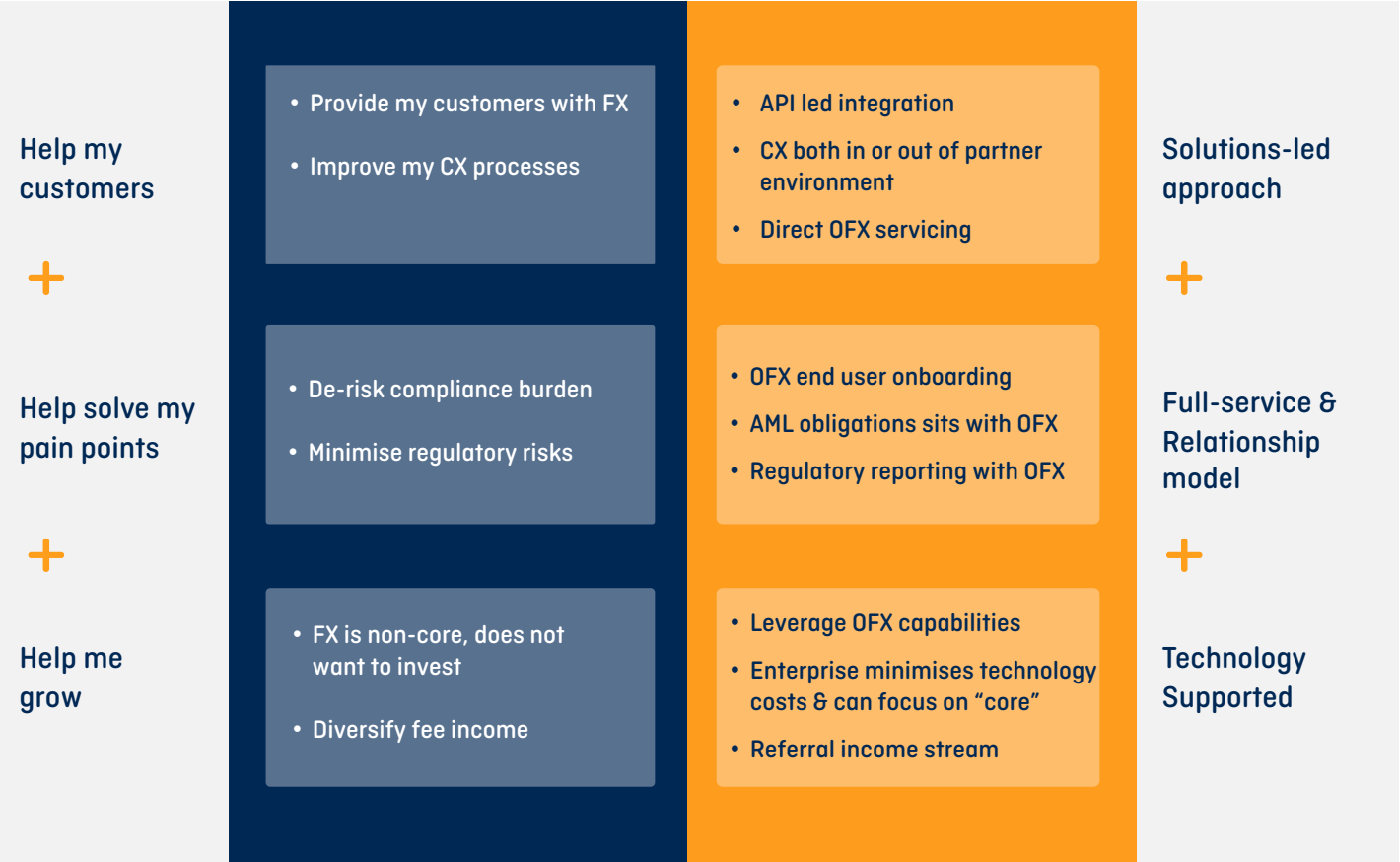
Historical revenue \$m



Client needs

OFX solution

Execution





CargoWise is WiseTech's industry-leading flagship technology that is a deeply integrated, global software platform for logistics service providers

ASX listed



18k+
customers



“Our focus is on building integrated software that enables our logistics customers to improve planning, productivity and control of their global operations”

Richard White, CEO,
WiseTech Global

50+
offices globally



Client requirements


Simplify customer experience and improve productivity

+

Reduce customers FX costs

+

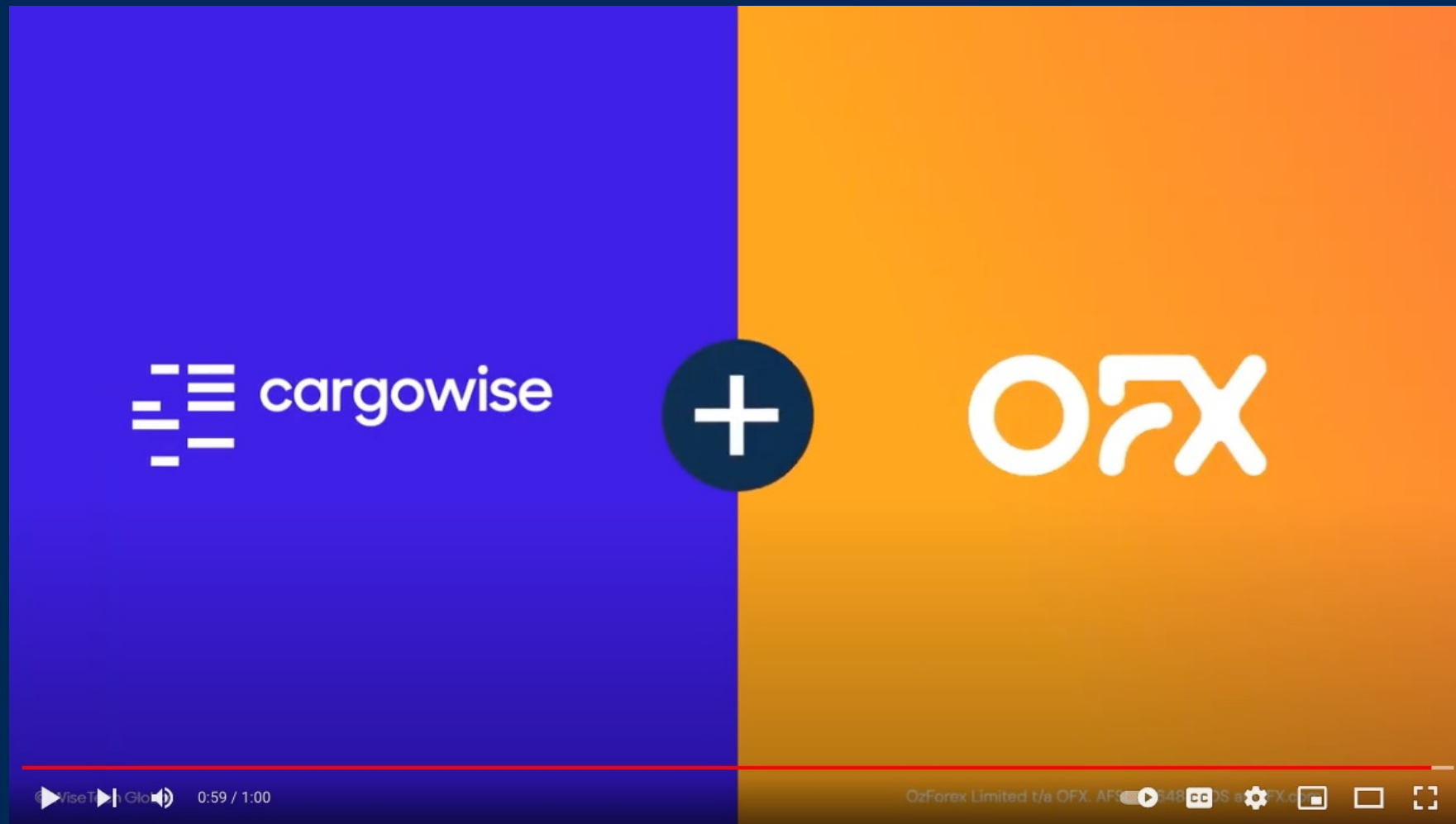
Mitigate AML & compliance burdens – partner with a specialist



Integrated Global Payments

Activation

- ✓ Solution launched Oct 21
- ✓ WiseTech modules training
- ✓ Awareness launch – digital, social, media
- ✓ Activations – global teams
- ✓ WiseTech partnership channel engagement



www.youtube.com/watch?v=sr4eP5NwNrY



Risk Excellence

Mark Shaw

Chief Operating Officer



The risk landscape has changed



2015

Now

AML
Consequences

Focus on having
policy & process in place

5x

Higher AML fines (\$2.2B) at
Banks in 2020 vs 2019

Focus on how well you understand and manage
specific risks, quality of reporting

Regulatory focus
on E-money

Primarily on AML/CTF

360+

EMI licenses issued in Europe
between 2018-2020

Increasing prudential regulation on client
money & organisational resilience

Banking
Support

Banks treat Money Services Businesses
as homogeneous segment & few support

150

Australian FinTechs
debanked

Banks seek quality payment firms for
commercial partnerships, but requires high risk
culture & capabilities to qualify

Identity
Verification

Via review of physical documentation
– non face to face high risk

1.1
Billion

Separate digital ID checks for
onboarding end of 2021

Digital identity & biometrics widely adopted
– potentially superior to face to face

Risk
Technology

Risk management technology often bespoke,
expensive to develop and maintain

\$10
Billion

Global RegTech investment for
the first time in 2020

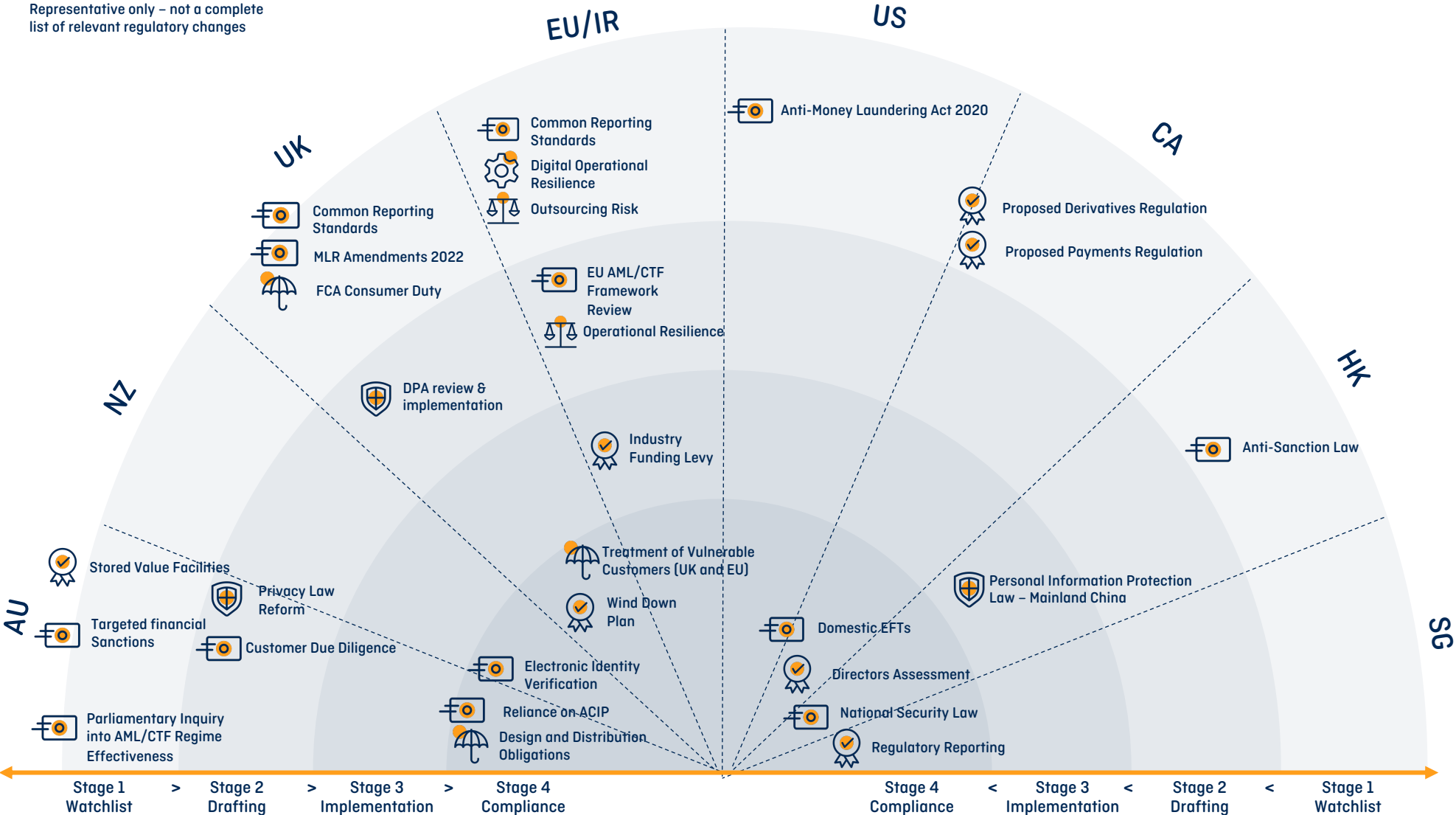
SaaS Risk Management platforms widely available,
easy to stand-up but still need human expertise

Payment companies face increased regulation globally



Regulatory changes mapped across OFX's key markets

Representative only – not a complete list of relevant regulatory changes





Any
questions

?



Silvana and Harry, OFXperts

OFX





Thank you

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