



# FY22 Financial Results

**Investor presentation**

17 May 2022

# Agenda

- 1 Strong result, healthy momentum
- 2 Strong fundamentals
- 3 Focus areas for FY23
- 4 Q&A
- 5 Appendix





# Strong result, healthy momentum

**Skander Malcolm**

**Chief Executive Officer and Managing Director**

Turnover of  
**\$33.2bn**  
up 32.7% with ATV's  
elevated up 23.5%<sup>2</sup>

NOI of  
**\$147.0m**  
up 24.7%

Healthy  
NOI margins at  
**53bps<sup>3</sup>**

Underlying EBITDA of  
**\$44.5m**  
up 53.1%

## Outstanding financial outcomes

- Record NOI of \$147.0m driven by revenue momentum and reductions across commissions and bank fees
- Underlying EBITDA of \$44.5m, up 53.1% with losses down 94.1% to \$0.1m due to investment in fraud technology driving an exceptional outcome
- Delivered operating leverage, with NOI growth of 24.7% exceeding expense growth of 15.4%. This includes an increased investment in technology, people and promotional expense

## Great execution

- Double-digit revenue growth in all regions and segments<sup>1</sup> and active client growth
- Acquisition of Firma, aligned to strategy with growth in North America and Corporate
- Continued strong risk and compliance performance

<sup>1</sup> Online Seller excluding Asia

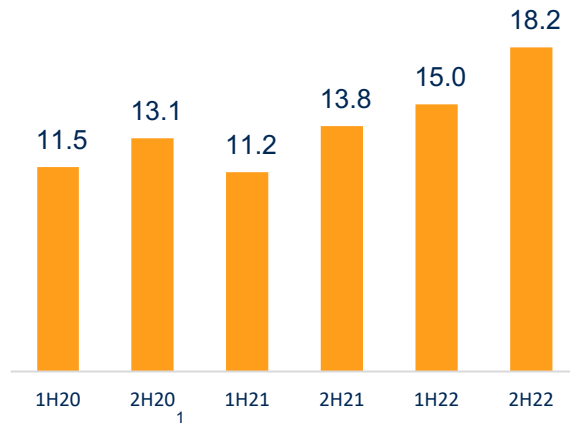
<sup>2</sup> Excluding offshore share purchases

<sup>3</sup> FX transactions only (excluding same currency)

# Strong momentum with double digit growth in 2H22 v 1H22



## Turnover (\$bn)

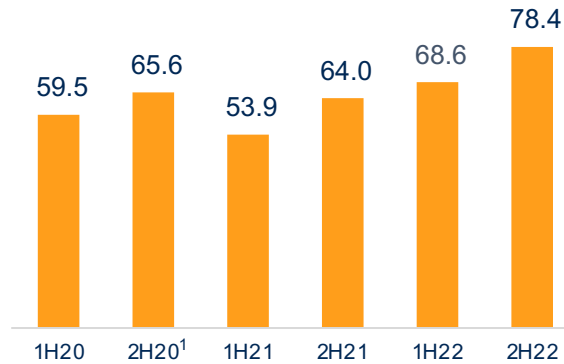


FY22 up 32.7% v FY21

**\$33.2bn**

2H22 up 21.1% v 1H22

## Net Operating Income (\$m)

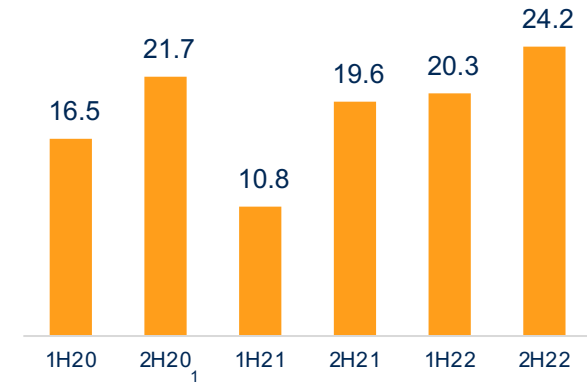


FY22 up 24.7% v FY21

**\$147.0m**

2H22 up 14.2% v 1H22

## Underlying EBITDA (\$m)



FY22 up 53.1% v FY21

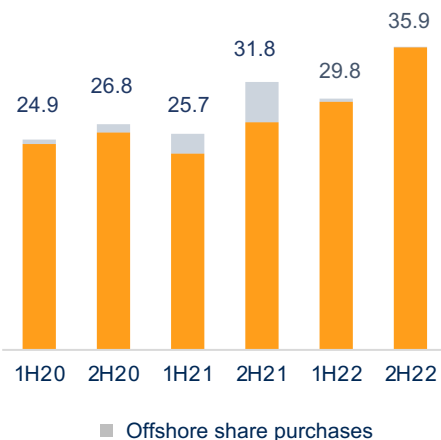
**\$44.5m**

2H22 up 19.7% v 1H22

<sup>1</sup> 2H20 includes March 2020 which was our biggest month in history driven by COVID crisis and volatility

Revenue \$m

## Corporate



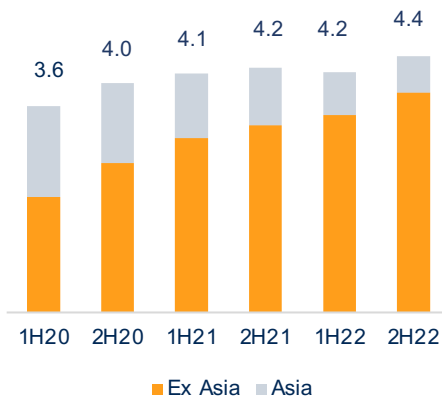
FY22 v FY21

**14.5%**

29.9% Ex offshore shares

2H22 up 20.3% v 1H22

## Online Seller



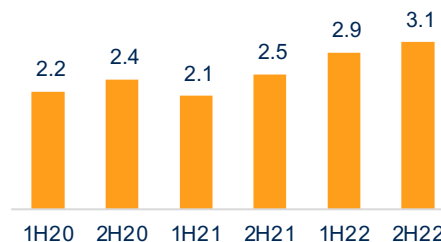
FY22 v FY21

**2.7%**

15.7% Ex Asia

2H22 up 6.6% v 1H22

## Enterprise<sup>1</sup>

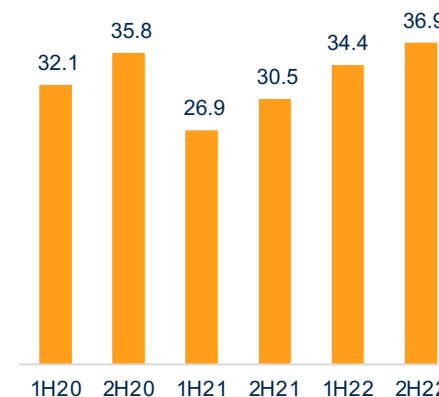


FY22 v FY21

**31.3%**

2H22 up 6.3% v 1H22

## High Value Consumer



FY22 v FY21

**24.5%**

2H22 up 7.3% v 1H22

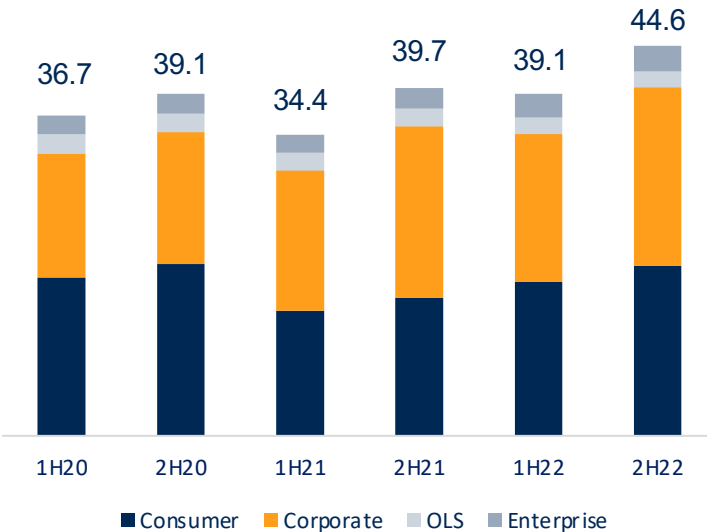
<sup>1</sup> FY20/21 Revenue restated to include fees on same currency transactions

# Double-digit revenue growth across all regions



Revenue \$m

## APAC



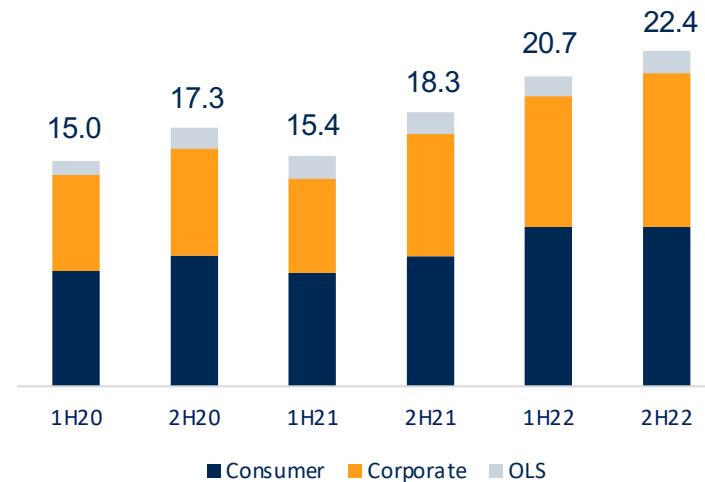
FY22 v FY21

**12.8%<sup>1</sup>**

2H22 up 13.9% v 1H22

- Enterprise revenue up 29.4%
- Corporate revenue up 4.9% (29.7% excluding offshore share purchases)

## North America



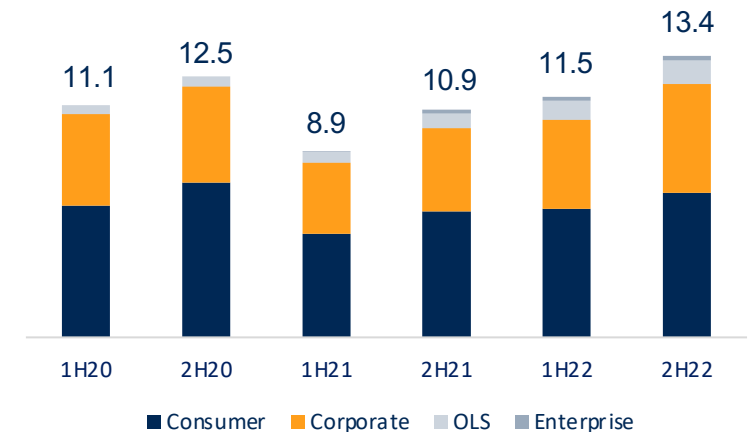
FY22 v FY21

**27.8%**

2H22 up 8.3% v 1H22

- Corporate revenue up 31.1%
- Consumer revenue up 30.9%

## EMEA



FY22 v FY21

**26.0%**

2H22 up 17.2% v 1H22

- Corporate revenue up 28.3%
- Europe revenue up 52.7%

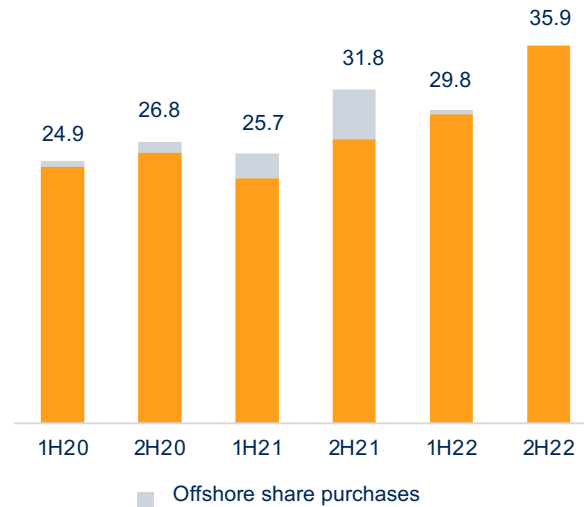
<sup>1</sup> Revenue up 24.2% excluding offshore share purchases

Revenue \$m

## Corporate

Revenue up  
**14.5%<sup>1</sup>**  
on FY21

North America up 31.1%  
EMEA up 28.3%  
APAC <sup>2</sup> up 4.9%



- Unusually strong ATVs delivering a turnover of \$15.8bn, up 26.2%. ATVs of \$32.0k up 21.7% v FY21 ex offshore share purchases. FY23 expected to be between \$27k and \$29k
- Investment in marketing continuing to drive brand recognition in the Corporate segment, OFXpert campaigns across all regions and NHL Partnership launched with OFX as the League's official currency exchange provider
- Investment in payment capabilities delivering improved speed and transparency for our clients

<sup>1</sup> Revenue up 29.9% ex offshore share purchases

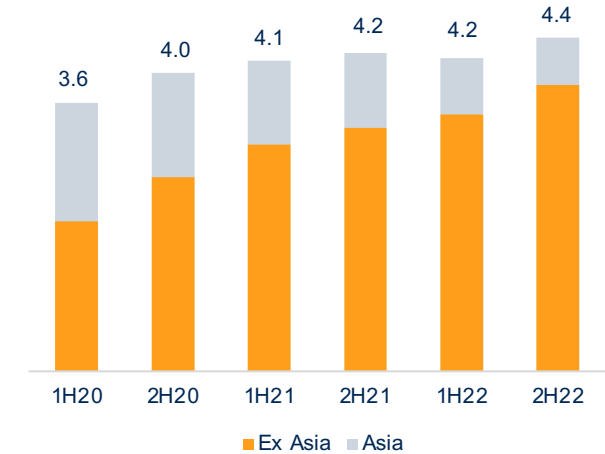
<sup>2</sup> APAC revenue up 29.7% ex offshore share purchases

<sup>3</sup> Revenue up 15.7% ex Asia

## Online Seller

Revenue up  
**2.7%<sup>3</sup>**  
on FY21

EMEA up 68.1%  
APAC down 10.9%  
North America down 4.8%



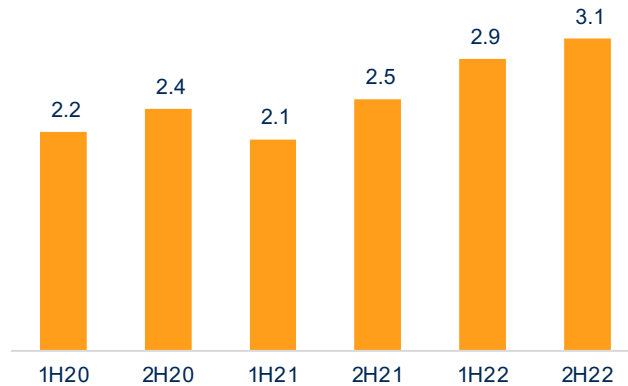
- Revenue growth returning in 2H22, up 6.6% on 1H22 against a backdrop of market contraction following increased COVID driven activity in FY21
- Additional marketing investment dedicated to promotional campaigns targeting Online Seller clients
- Continued investment in platform capabilities supporting our position as an Amazon Payment Services Provider



Revenue \$m

## Enterprise <sup>1</sup>

Revenue up  
**31.3%**  
on FY21



## Enterprise Pipeline <sup>2</sup>

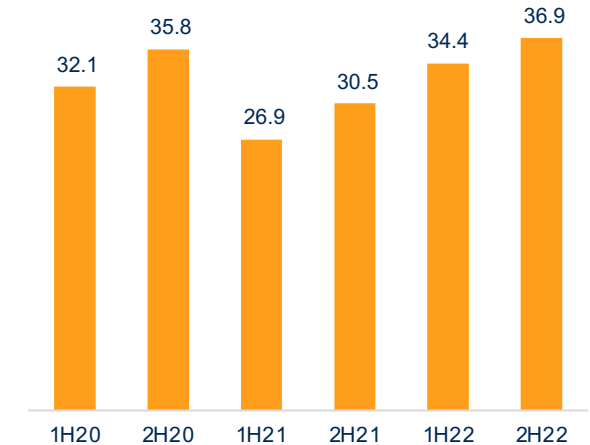


- Revenue up 31.3%, driven by existing client reactivation
- Grew prospects with particular strength in APAC and North America
- Agreed investment in second product and technology team to expedite capability outside APAC

## High Value Consumer

Revenue up  
**24.5%**  
on FY21

North America up 30.9%  
APAC up 23.1%  
EMEA up 18.8%



- Unusually strong ATVs delivering a turnover of \$10.0B, up 31.3%. ATVs of \$21.2k up 24.4% v FY21. FY23 expected to be ~\$19k
- Continuing investment in brand and Alliance partner programs driving improved brand recognition with strong revenue overall and Alliance revenue up 29.5%
- Investments in payment capabilities and strong Tier 1 bank support critical in driving the increased mix in high value use cases (property related transfers up 47% and wealth related transfers up 24% v FY21)

<sup>1</sup> FY20/21 Revenue restated to include fees on same currency transactions

<sup>2</sup> Pipeline as at 31 March 2022

<sup>3</sup> Estimated revenue for Enterprise strategic alliances won. TAM is all FX revenue, SAM is revenue in regions OFX is licensed

# Growth in all underlying metrics resulting in record turnover



Active client growth  
in FY22 ...

With strong  
trading activity ...

Led to increased  
transaction volumes ex  
offshore share purchases ...

At higher  
ATVs ...

Resulting in  
record turnover

Active clients  
**143.1k**

3.3% up from 31-Mar-21



Transactions per  
active client  
**8.2**

18.7% down from FY21  
7.3% up from FY21 ex offshore  
share purchases



Transactions  
**1,178.6k**

16.0% down on FY21  
10.8% up on FY21 ex offshore  
share purchases



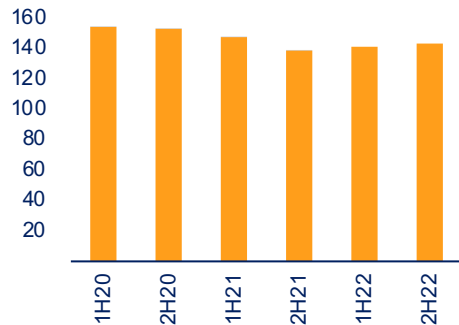
ATV  
**\$28.1k**

58.0% up on FY21  
23.5% up on FY21 ex  
offshore share purchases

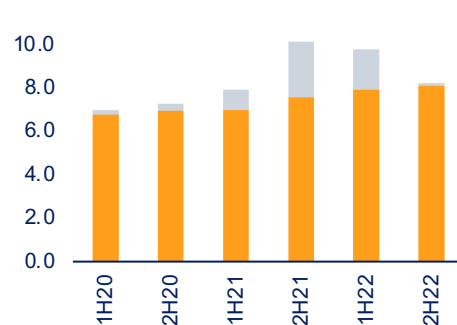


Turnover  
**\$33.2bn**

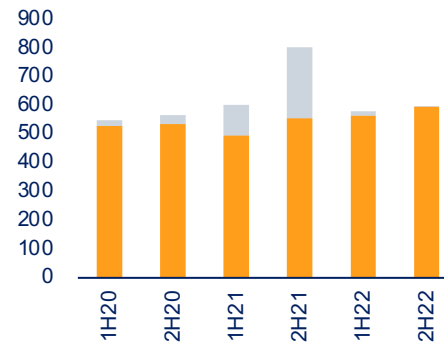
32.7% up on FY21



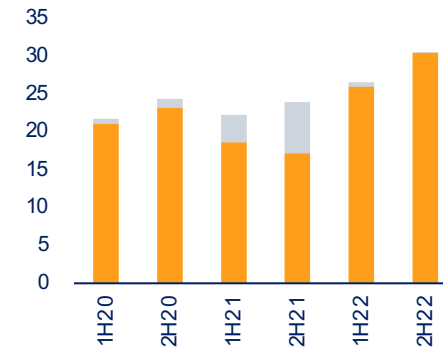
Active clients ('000)



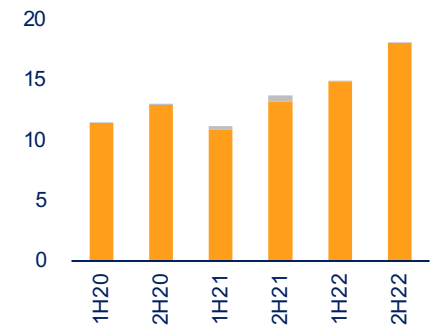
Transactions per active client  
(LTM)



Transactions ('000)



Average transaction value (\$'000)



Turnover (\$bn)

■ Significant volumes in offshore share purchases not repeated in FY22



# Strong fundamentals

**Selena Verth**

**Chief Financial Officer**

# Record financial result driven by growth across the portfolio



Financial results	FY21	FY22	V%
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## Financial Metrics

Fee and trading income (revenue) (\$m)	134.2	158.0	17.7%
Net operating income (\$m)	117.9	147.0	24.7%
Underlying operating expenses <sup>1,2</sup> (\$m)	(88.9)	(102.5)	15.4%
Underlying EBITDA <sup>1,2</sup> (\$m)	29.1	44.5	53.1%
Statutory EBT <sup>1,2</sup> (\$m)	15.6	32.1	105.4%
Underlying NPAT <sup>1,2</sup> (\$m)	13.1	25.7	97.1%
Statutory NPAT <sup>1</sup> (\$m)	12.1	24.5	102.4%
Net Cash Held	60.6	84.2	39.1%

## Financial Ratios

NOI margin <sup>3</sup>	0.47%	0.44%	(3) bps
Underlying EBITDA margin	24.7%	30.3%	5.6 pts
Effective tax rate	22.7%	23.8%	1.1 pts

- Fee and trading income up 17.7% with strength across all regions and segments
- NOI growth rate of 24.7% stronger than fee and trading income growth rate due to reduced partner commissions and efficiencies in banking relationships
- Underlying EBITDA \$44.5m up 53.1% with EBITDA margin of 30.3%, delivering positive operating leverage
- Effective tax rate of 23.8%, up from prior year tax rate of 22.7%
- Statutory NPAT more than doubled to \$24.5m up from \$12.1m in FY21
- Net cash held \$84.2m, up \$23.6m

<sup>1</sup> FY21 includes adjustment for accounting changes to cloud computing

<sup>2</sup> Excluding one-off items of \$1.3m for FY22 and \$1.0m for FY21

<sup>3</sup> Ex same currency NOI margin 53bps flat to FY21

## Underlying operating expenses

\$m	FY21	FY22	V%
Employee expenses	57.0	66.4	16.4%
Promotional expenses	12.8	16.5	29.3%
Technology expenses <sup>1</sup>	7.6	8.3	8.5%
Occupancy expenses	0.7	0.6	(5.3)%
Bad and doubtful debts	2.0	0.1	(94.1)%
Other expenses	8.8	10.5	20.2%
<b>Underlying operating expenses<sup>2</sup></b>	<b>88.9</b>	<b>102.5</b>	<b>15.4%</b>

- Employee expenses up 16.4% with additional 52 employees, wage inflation and strong incentive payments. Investing in customer service (sales and operations) and technology
- Investment in promotional expenses, up 29.3% with continued focus on brand expense to drive new client acquisition across all regions. NHL partnership launched with OFX as the League's official currency exchange provider
- Technology up 8.5% driven by higher SaaS expenses through investments in risk management and customer service
- Bad and Doubtful debts down 94.1% with investments in technology and processes driving an exceptional outcome
- Other expenses up 20.2% with increases in insurance premiums, return of travel and higher professional fees

<sup>1</sup> FY21 includes \$1.3m adjustment for accounting changes to cloud computing

<sup>2</sup> Excluding one-off items of \$1.3m for FY22 and \$1.0m for FY21

# Strong balance sheet, good cash flow



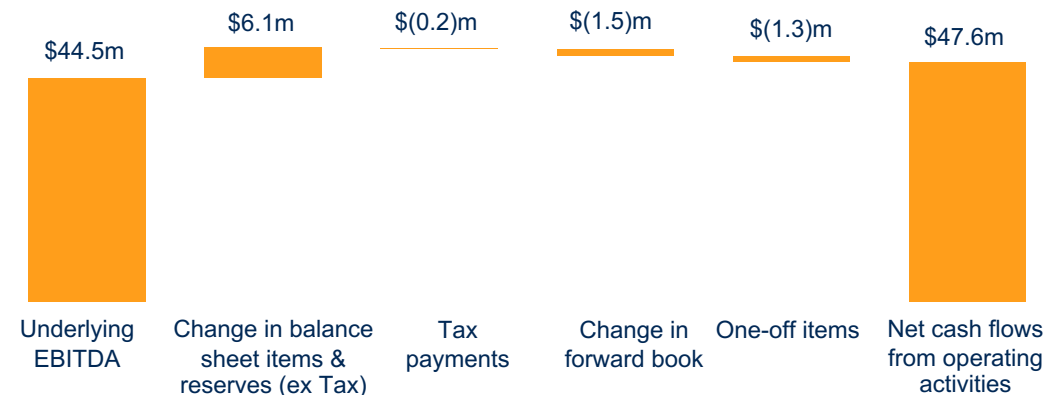
\$m	31 Mar 21	31 Mar 22
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## Balance Sheet

Cash held for own use	33.5	59.1
Deposits due from financial institutions	27.1	25.1
Cash held for settlement of client liabilities	241.8	242.8
Derivative financial assets	22.5	34.4
Right-of-use assets	13.9	6.4
Other assets	10.5	11.1
Property, plant and equipment	1.1	1.2
Intangible assets	16.3	19.9
Deferred and prepaid tax assets	6.3	-
Equity accounted investees	-	4.5
<b>Total assets</b>	<b>373.0</b>	<b>404.5</b>
Client liabilities	247.1	246.6
Derivative financial liabilities	16.7	27.1
Lease liabilities	17.3	8.3
Other liabilities	11.6	19.1
<b>Total liabilities</b>	<b>292.7</b>	<b>301.1</b>
<b>Total equity</b>	<b>80.3</b>	<b>103.3</b>

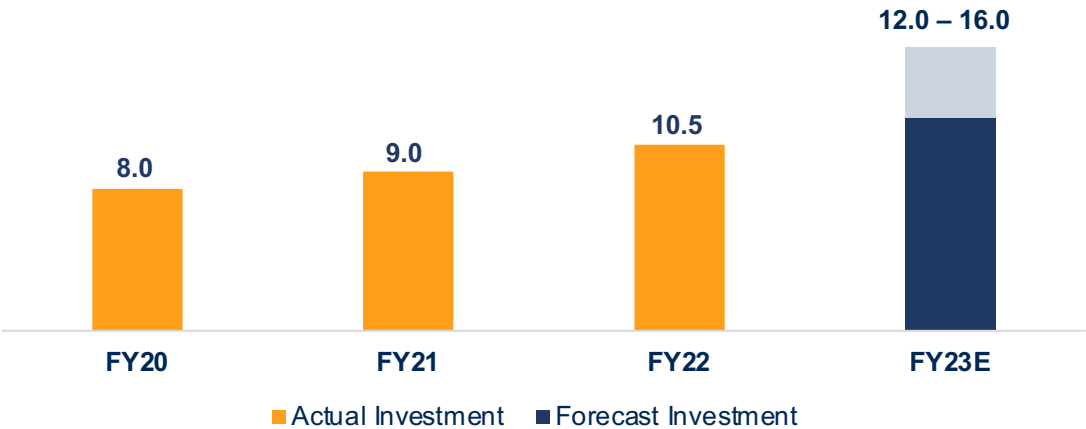
- Net cash held \$84.2m, up \$23.6m, Net Available Cash \$31.6m down \$5.2m with increased collateral for volatility in March and GCA product
- Strong cash generation; \$44.5m underlying EBITDA delivering \$47.6m net cash flows from operating activities
- Investment in intangible assets of \$10.5m delivering capabilities across product, risk management and payments
- Healthy cash generation to be used to pay down debt facility in place for Firma acquisition

## FY22 Net cash flows from operating activities





Intangible investments \$m<sup>1</sup>



## FY22 Delivery

## FY23+ Delivery

	<b>Payments Excellence - Fast, transparent &amp; trackable payments</b>	<ul style="list-style-type: none"><li>✓ Faster, cheaper payments across three additional currencies</li><li>✓ Automated payment allocations</li></ul>	<ul style="list-style-type: none"><li>• Continue to expand currency and corridor offering with payment tracking capabilities</li><li>• Faster payments for clients across Corporate and Consumer</li></ul>
	<b>Risk Management - Fast, easy, safe &amp; scalable client onboarding</b>	<ul style="list-style-type: none"><li>✓ Client verification tools in Europe</li><li>✓ Improved onboarding process for Online Seller clients</li></ul>	<ul style="list-style-type: none"><li>• Improved client due diligence for Consumer clients</li><li>• Internal workflow process management tool for Corporate Onboard improving speed and conversion</li></ul>
	<b>Customer Service - Single, secure, easy to use client user interface</b>	<ul style="list-style-type: none"><li>✓ CRM platform for managing Corporate and partnership clients</li><li>✓ Integrated solutions for Enterprise partners</li></ul>	<ul style="list-style-type: none"><li>• New client platform integrating transfers, Global Currency Account and multi-user service</li><li>• Optimise client relationship management and client communications</li></ul>

<sup>1</sup> Includes adjustment for accounting changes to cloud computing (FY20 \$1.3m, FY21 \$1.3m)



# Focus areas for FY23

**Skander Malcolm**

**Chief Executive Officer and Managing Director**



# Firma transaction largely completed, integration underway



✓ **190+ employees**  
including 70 Salespeople  
with a strong service culture

✓ **~9,600 Active  
Corporate clients**

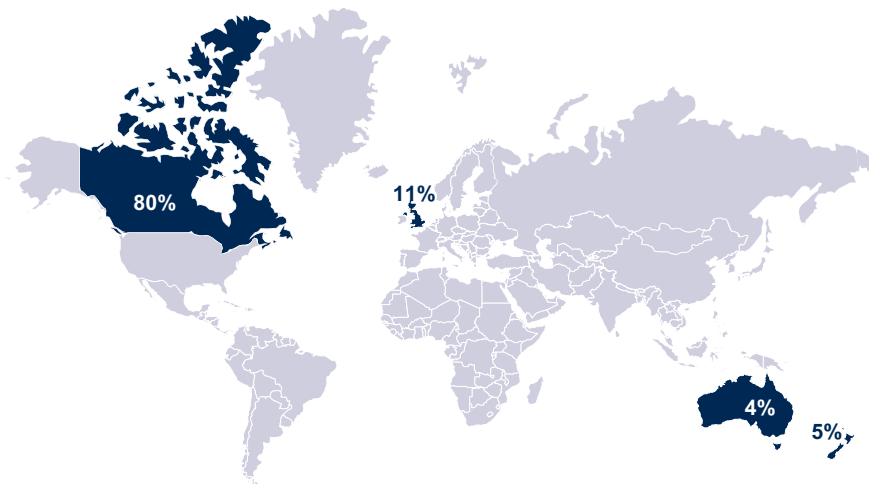
✓ **ATV's ~\$60k**

✓ **Net promoter  
score of 76**

## Transaction highlights

- Completed the C\$90m (A\$98m) acquisition of 100% of Firma Foreign Exchange Corporation (Firma) and most of its subsidiaries.
- The acquisition of Firma UK, which is 11<sup>1</sup>% of turnover, subject to approval by the Financial Conduct Authority
- \$100m AUD debt facility has been drawn down

## Geographic coverage by turnover



<sup>1</sup> UK represents 11% LTM to September 2021 turnover of Firma Group

## Integration



People

- Integration leads appointed on both sides and weekly operating mechanism established
- OFX executives completed 3 day deep dive in Edmonton with Firma employees (May 2<sup>nd</sup> to 5<sup>th</sup>)



Customer  
Experience

- Product feature gap analysis underway
- Platform migration by region, focused on client experience



Business  
combination  
synergies

- Synergy execution underway, \$5m+ by FY25
- Bank cost reductions underway, revenue and growth planning on track



## Focus on strategic priorities

- Integrate Firma - focus on people, synergies and client growth
- Continue to grow North America, launch European expansion
- Drive momentum in Corporate and Online Seller segments
- Win and activate Enterprise pipeline
- Deliver returns from product, risk, payments and technology investments



## Deliver strong results

NOI (Including Firma)  
**\$200m – \$212m**

Underling EBITDA  
**\$55m-\$60m**

Firma Underlying  
EPS accretion<sup>1</sup>  
of 20%

Intangible investment  
**\$12m-\$16m**

<sup>1</sup> Underlying EPS: EPS for the ongoing business. For Firma this excludes transaction costs, integration costs and non-cash tax effected amortisation of acquisition of intangibles on an annualised in year basis



**Official Currency Exchange  
Provider of the NHL®**

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# Appendix

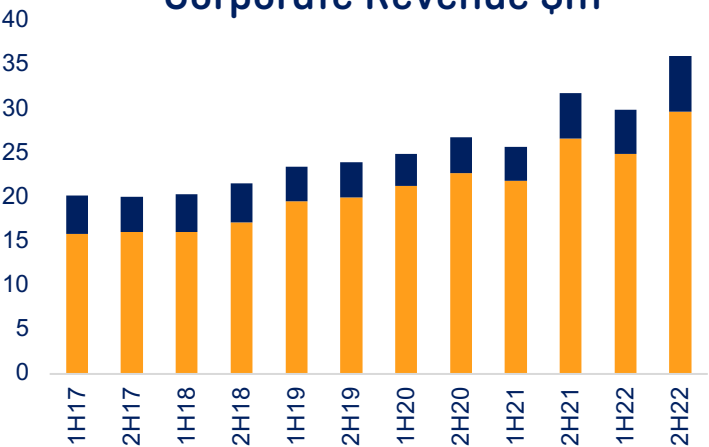


## Revenue from Existing Clients

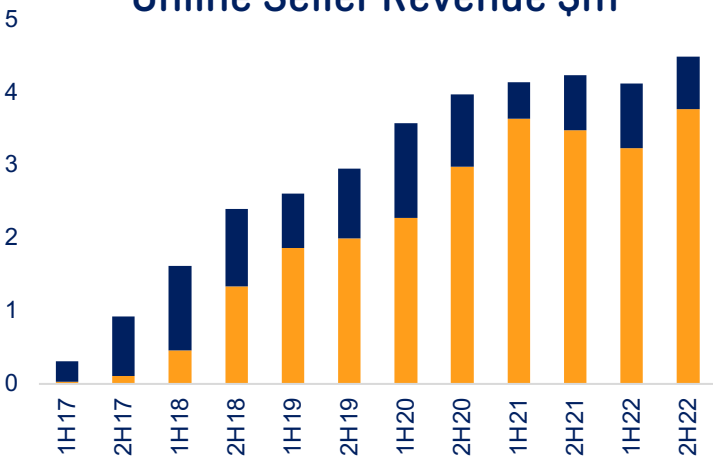
77%

decrease from 79% in FY21

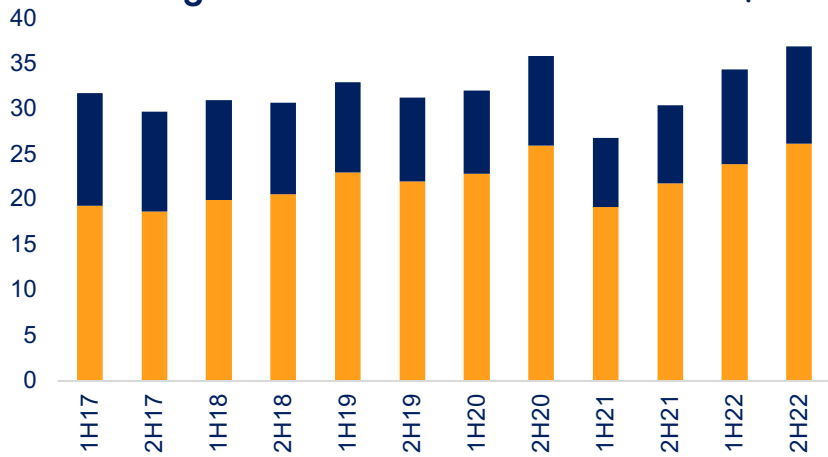
### Corporate Revenue \$m



### Online Seller Revenue \$m



### High Value Consumer Revenue \$m

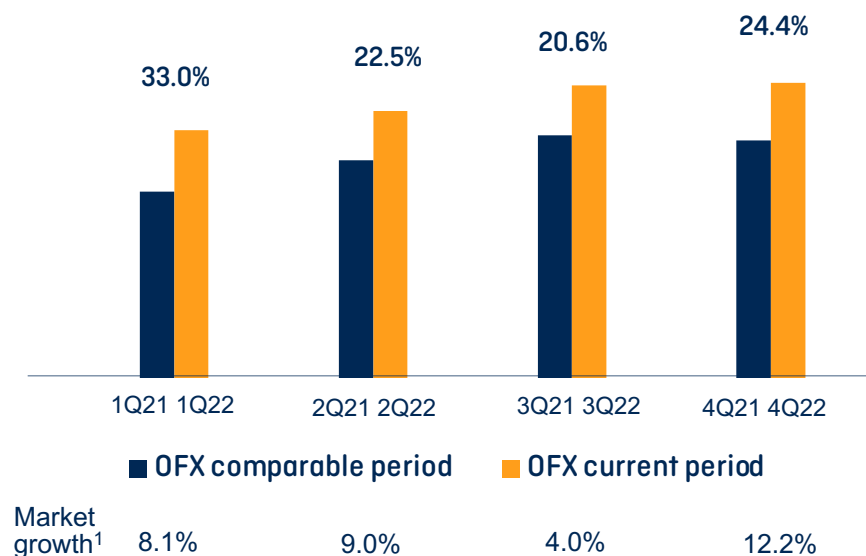


■ New clients within the last 12 months  
■ Existing clients

# Strong quarter on quarter NOI growth

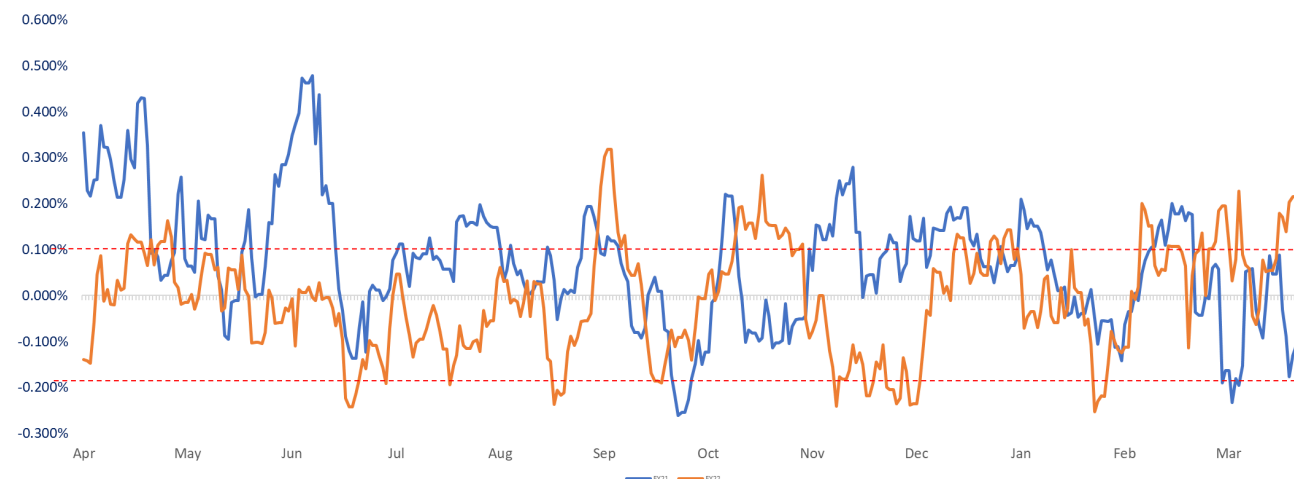


## OFX quarterly NOI growth



- Strong and consistent NOI growth throughout FY22, up 20%+ every quarter
- Increased volatility in 2H22 v 1H22, up 2x
- OFX significantly outperforming the market benchmark throughout FY22

## 14 day moving average of daily % movement in spot price (AUD/USD)<sup>2</sup>



Days of volatility	FY21	FY22
1H	69	25
2H	44	51
FY Total	113	76

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

2. AUD/USD is a major trading corridor within the portfolio



- **Active Client:** Number of clients that entered into a Transaction with OFX during the immediately preceding 12 month period
- **ATV:** Average transaction value
- **Corporate:** As of 1H21, Corporate excludes OLS; OLS is reported separately
- **Cost per Registration:** Promotional expense / registrations
- **Enterprise:** International Payment Solutions in the segment reporting
- **Existing Clients:** (previously defined as Returning clients) are active clients who first transacted > 12 months ago
- **LTM:** Last twelve months
- **Net Available Cash:** Net cash held less Collateral and Bank Guarantees
- **Net Cash Held:** Cash held for own use + Deposits due from financial institutions
- **New Revenue:** Revenue from clients that register within the current financial year
- **NOI margin:** Net Operating Income / Turnover
- **OLS:** Online sellers, business clients who sell online via marketplaces or digital platforms
- **PaaS:** Platform-as-a-service
- **Recurring Revenue:** Revenue generated from Existing Clients
- **Registrations:** Number of clients that have successfully registered or signed up with OFX in the period
- **Revenue:** represents “Fee and trading income” in the statutory accounts excluding slippage
- **Transactions:** Number of transfers or exchange of funds pursuant to instructions or in line with a request
- **Underlying EPS:** EPS for the ongoing business. For Firma this excludes transaction costs, integration costs and non-cash tax effected amortisation of acquisition of intangibles



# Thank you

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