OFX GROUP LIMITED
ANNUAL GENERAL MEETING
1 AUGUST 2024
CEO ADDRESS

Thank you, Tricia.

As highlighted on slide 6, FY24 was a solid year financially - our NOI was $227.5M, at the lower end of our guidance and up 6.3%, however we were able to deliver underlying EBITDA of $64.6M, which was in the middle of our guidance range, and up 8.2% excluding the impact of our Paytron acquisition.

It was a year that illustrated both the challenges and strengths of our business – our challenge is to deliver NOI growth regardless of the prevailing macro-economic conditions, and our strength is that we have diversity in our global revenue streams, and levers we can pull to generate returns regardless of the economic conditions, thus delivering value for both our clients and shareholders.

A few of the highlights of our performance include:

- The pivot to B2B is well and truly operational, with just under 70% of our revenues now being B2B. What is especially pleasing is that we are getting real traction in attracting new B2B clients, with revenue from clients won in the year up over 20%, a healthy signal for future revenue growth as B2B clients tend to grow revenue in years two onwards, vs Consumer who tend to generate a significant revenue contribution in the first 18 months.
- Whilst inflation continues to persist, disciplined cost control, as well as the synergies we have realised through the Firma integration, has meant our underlying operating costs were up 7.4% delivering EBITDA growth of 3.4%. If we exclude the impact of Paytron, underlying operating costs were up just over 5% and EBITDA 8.2%. So, excluding Paytron we generated operating leverage, which augurs well for FY25.
- The cash generation, and balance sheet quality, continues to be a source of real strength for OFX, and provides us with growth options.

Moving to slide 7, this transition to OFX 2.0, started of course with an external lens – what did clients and prospects want, and why?

What we were seeing and hearing from our clients was a desire to develop more product to complement our outstanding FX offering. They told us that, for example cards would make

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their Corporate expense payments easier, and as more SaaS vendors billed in USD, would simplify their payments as well as reduce the cost.

We were building these capabilities when we acquired Paytron. The combination has been outstanding - they built their platform designing the solution for the pain points and non-payment jobs first, and then the payment. So as we set about to integrate, we had very complimentary skills and products – Paytron had developed a very sleek and easy to use customer user interface, a digital wallet, and linked it to cards and virtual accounts. We had a wallet but were stronger in the non-card FX payments – we did over $40B in turnover last year, and with it all the associated rigour – Tier 1 banking partners, mature risk and compliance programs, service delivery globally, strong onboarding excellence, and terrific regional teams.

So addressing those client and prospect needs – a competitive price and ease of use – came naturally to us, but where the opportunity really arose was to satisfy more of those needs, as you see in the middle of this slide, like accounts payable, accounts receivable, expense management, and all the workflows that are associated with it. Naturally we had both done integrations with accounting software, but the new platform with its deeper workflow integration, stronger configurability for clients, and the extra products it offers makes it much more attractive to target our ideal client profile and accountants who support them.

Finally, bringing that all together, offering clients the ability to de-risk their cross border flows differentiates us from most of the recently launched competitors, and will be at the heart of saving our clients a great deal of money over time.

Moving to slide 8, I am absolutely delighted to share that our new client platform went live in Australia as planned at the end of Q1.

It is a beautifully designed, simple to use platform, taking what Paytron had built, and ensuring it meets the scaling requirements we have developed in OFX. It is branded OFX, and allows clients to do their usual FX payments, but in addition, access a digital wallet, which can be linked to cards. It allows the client to take advantage of integrated accounts payable workflows, ingesting invoices, and linking these through accounting software programs, as well as providing capabilities for employee expense management.

We chose to offer it to all new Corporate clients in Australia first as Paytron had secured the necessary licenses and partners to make it live here, and I will talk more about our FY25 plans for the new client platform momentarily.

Turning to slide 9, performance in FY25 year to date has been in line with expectations, and our outlook is unchanged.

On the left, we provided our outlook in May, setting out what we expected in FY25, and the underlying assumptions, as well as potential headwinds and tailwinds.

Performance year to date has been influenced, as always, by external factors and our own execution. Externally, the interest rate cycle is now moving into easing mode in most of our major markets. That has happened at a mixed pace, some interest rate easing happening faster than our expectations and some a little slower. Overall, we can see business confidence rising, and this being reflected in our topline through client and prospect demand improving. Commercial programs continue to gain traction, globally.

Our management of margin and expenses remains strong, meaning underlying EBITDA is in line with expectations. We remain vigilant on fraud and losses more broadly, and to date they are both performing well.

As mentioned earlier, the integration of Paytron is on track, with the launch of our new client platform executed on time in June. As a result, the Paytron program has been re-branded OFX, and clients have opted-in to the OFX terms and conditions. Plans are well advanced on migration of the existing Australian OFX clients to the new client platform, as well as the global roll-out. We have selected Canada as the next major market, and then the UK, and expect to have both of those markets live within one year.

We re-iterate our medium-term outlook based on this performance and based on what we are seeing so far in terms of client adoption on the new client platform. We are very encouraged by the client feedback, employee advocacy, and our improving competitive position. All of this on top of the traditional OFX strengths – strong risk management, good cash generation, a strong balance sheet, healthy returns, and an excellent global footprint.

With that, I am delighted to hand back to Tricia to conduct the formal business.