



**FINDI**

GROUP

ASX:FND

CAPEX & CASHFLOW  
RETURN ANALYSIS

OCTOBER 2023

*Processing over 1 billion transactions a year, Findi provides bespoke payments services at scale, in one of the world's largest developing markets.*

*The Company is estimated to deliver Total Revenue and EBITDA of \$67.3M and \$23.6M in FY24, respectively, in line with previous guidance, driven by Q1 FY24 results & trailing six month run-rate.*

*As we continue to drive scale in one of the world's largest developing markets, we expect Operating Cash Flows to experience rapid growth through higher & sustained cash conversion, supporting our objective to return value to shareholders.*



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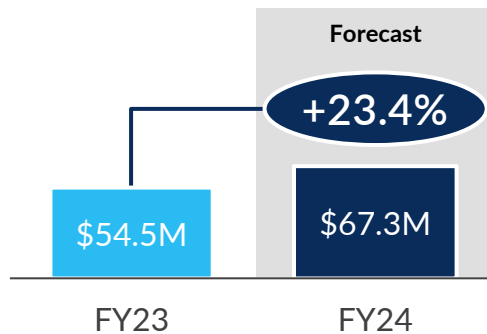
All currency amounts are in Australian dollars unless stated otherwise. All INR to AUD conversions have been performed at a constant FX rate of ~55.

## FY24<sup>1</sup> AT A GLANCE

Findi is on track to deliver our previous FY24 guidance for Revenue, EBITDA and Operating Cash Flows (OCFs) of \$67.3M, \$23.6M, and \$20.6M, respectively, aided by the expected full deployment of Central Bank of India (CBI) ATMs, providing significant scale & sustainable cash flow conversion...

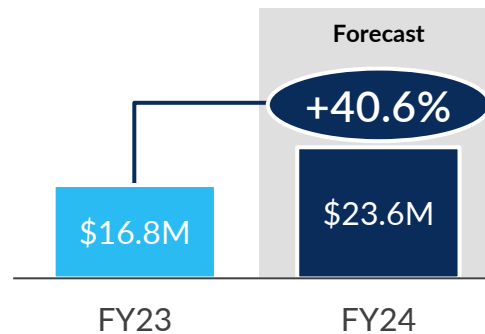
### TOTAL REVENUE

2023 contract win projected to contribute \$18.3M of revenue in FY24



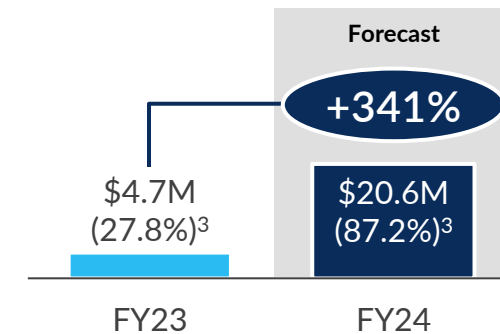
### EBITDA<sup>2</sup>

2023 contract win projected to deliver \$7.4M of EBITDA in FY24



### OPERATING CASH FLOWS

Heightened focus on debtor collection timing is forecast to improve cash conversion in FY24



### FREE CASH FLOW CONVERSION

**61.3%** in FY24  
(FY23: -186%)

First period of positive EBITDA to free cash flow (FCF) conversion, as Findi attains scale

### CBI PROJECTED CUMULATIVE FCFs

**\$120M+**

CBI contract is projected to generate \$120.6M of FCFs and predicted to payback by December 2025

### BLA<sup>4</sup> INTERNAL RATE OF RETURN

**35%+**

Internal rate of return (IRR) of BLAs are expected to be 35%+ going forward

1) Comprised of 3 months of unaudited results plus 9 months of forecast

2) EBITDA includes the impact of AASB 16 Leases

3) EBITDA to OCF conversion (also refer to as "cash conversion")

4) Brown Label ATM

# OUR STRATEGIC INITIATIVES

Under the current Board, Findi has achieved a series of key milestones, including the 100% acquisition of TSI India and executing a landmark BLA deal with CBI. Delivery of our strategic objectives & scale has significantly improved our cash flow conversion, and will continue to drive our expansion & evolution towards becoming a transactions giant in India...



## 1. CONSOLIDATION FY22 (PLATFORM ACQUISITION)

- Acquired the remaining 75% interest in TSI India (settled in January 2022).
- Set a strategic growth plan for the business focussed on ATM growth & digital payments solutions.

## 2. BUILD FOUNDATION FY23 (SCALABLE PLATFORM)

- Rebranded to Findi Limited.
- Won Central Bank of India contract and deployed 2,000+ ATMs.
- Extended State Bank of India (SBI) contract to supply 3,912 ATMs.
- Completed \$4.3M capital raise.
- Submitted White Label ATM (WLA) licence application.
- Introduced dividend policy.
- Enhanced FindiPay platform and ramped up merchant acquisition.

## 3. EXPANSION FY24 (INCREASE FOOTPRINT & ENHANCE CASH CONVERSION)

- Complete rollout of CBI ATMs.
- Convert ATM contract pipeline.
- Execute WLA strategy & establish physical FindiPay stores.
- Develop & commercialise further FindiPay capabilities.
- Expand FindiPay merchant footprint.
- Assess inorganic strategic, earnings accretive acquisitions.
- Retain & extend the SBI contract.
- Depending on strategy, declare dividend.
- Set up an expanded ESG framework.

## 4. TRANSFORMATION FY25-FY27 (DIGITAL OPERATIONS)

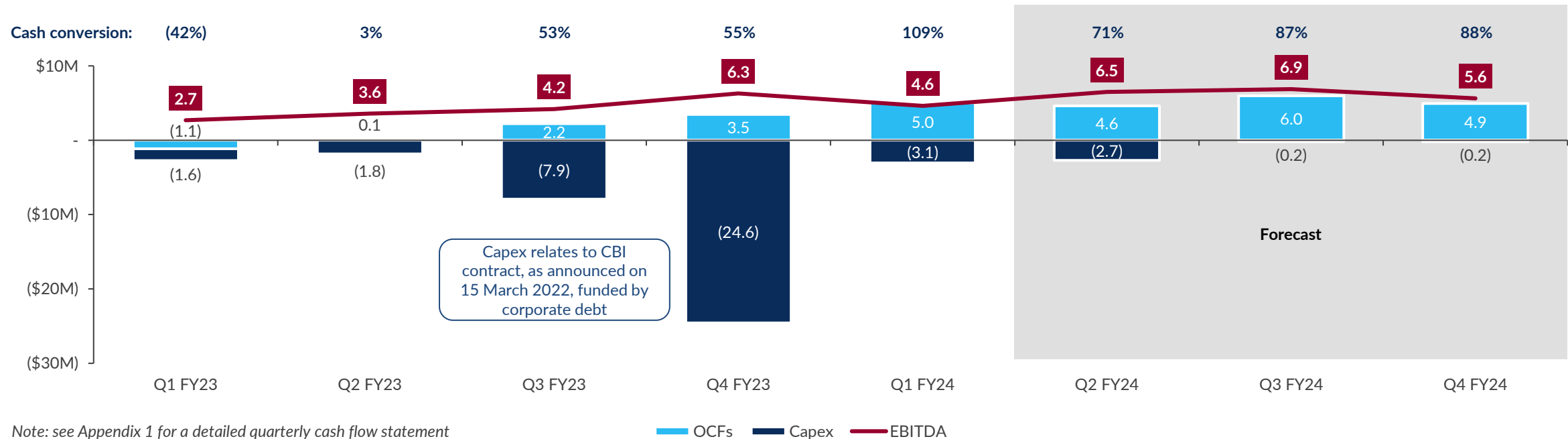
The prevalence of cash in the Indian economy will remain for many years even as digital payments begin to increase.

Findi's payment systems (physical & digital) capture rich transaction data which can be mined to provide tailored solutions.

- ATM Solutions & FindiPay bringing 'unbanked' population into the financial system – significantly increasing digital payments ecosystem.
- Realise synergies & cross-selling opportunities between WLA operations & FindiPay stores.
- Increase market size for FindiPay digital products, including digital wallet.
- Continue to assess inorganic value accretive acquisitions as the logical consolidator in the local market.

## FY23 & FY24 QUARTERLY OCFs

During Q1 FY24, Findi's experienced strong growth in operating cash flows to \$5M (+45.5% on Q4 FY23), driven by higher & sustained cash conversion from EBITDA, creating a robust cash position of \$35.4M, as of 30 June 2023...



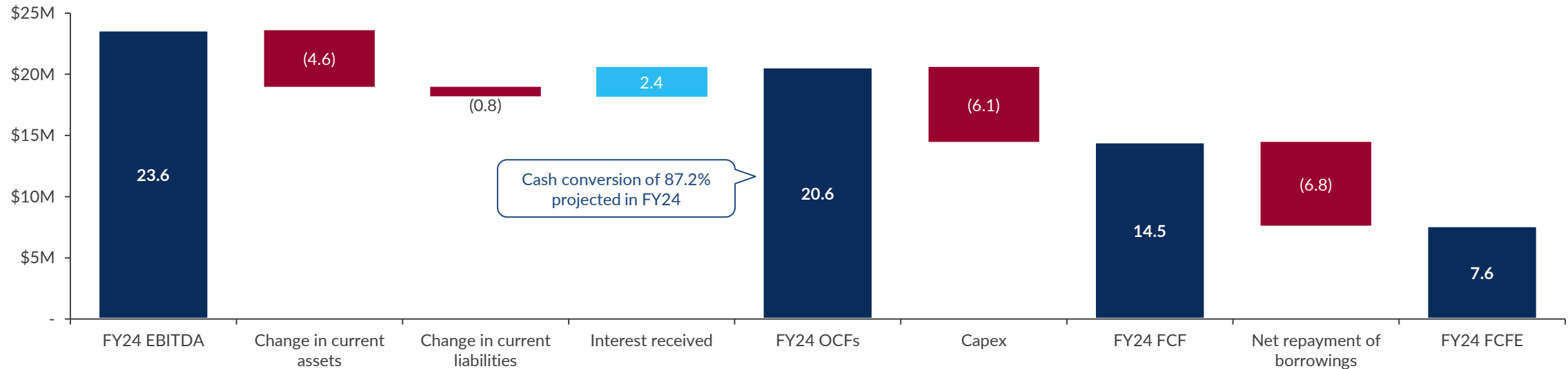
Note: see Appendix 1 for a detailed quarterly cash flow statement

### OPERATING CASH FLOW HIGHLIGHTS

- Findi anticipates to maintain its current OCF run-rate of \$5M through to the end of FY24, with quarterly cash conversion projected to range from 70% to 90%
- Higher & sustained cash conversion will be supported by our expanding BLA portfolio, underpinned the ongoing rollout of CBI ATMs.
- Going forward, we anticipate BLA contracts to generate 35%+ IRR and payback within four years, enabling cash generation at scale (refer to page 8 for details on typical Findi BLA projects).
- Historically, Findi's capex requirements were funded by corporate debt.
- We expect future capex will be supported by internal cash reserves (\$35.4M as of 30 June 2023).

## FY24 FREE CASH FLOW BRIDGE

FCF conversion is budgeted to achieve 61.3% (\$14.5M) in FY24, as we work towards finalising the CBI ATM rollout by the end of November 2023. Further, we are projecting to reduce corporate debt by \$6.8M, resulting in Free Cash Flow to Equity (FCFE) of \$7.6M, which can be deployed to satisfy and/or progress a number of key FY24 strategic objectives...



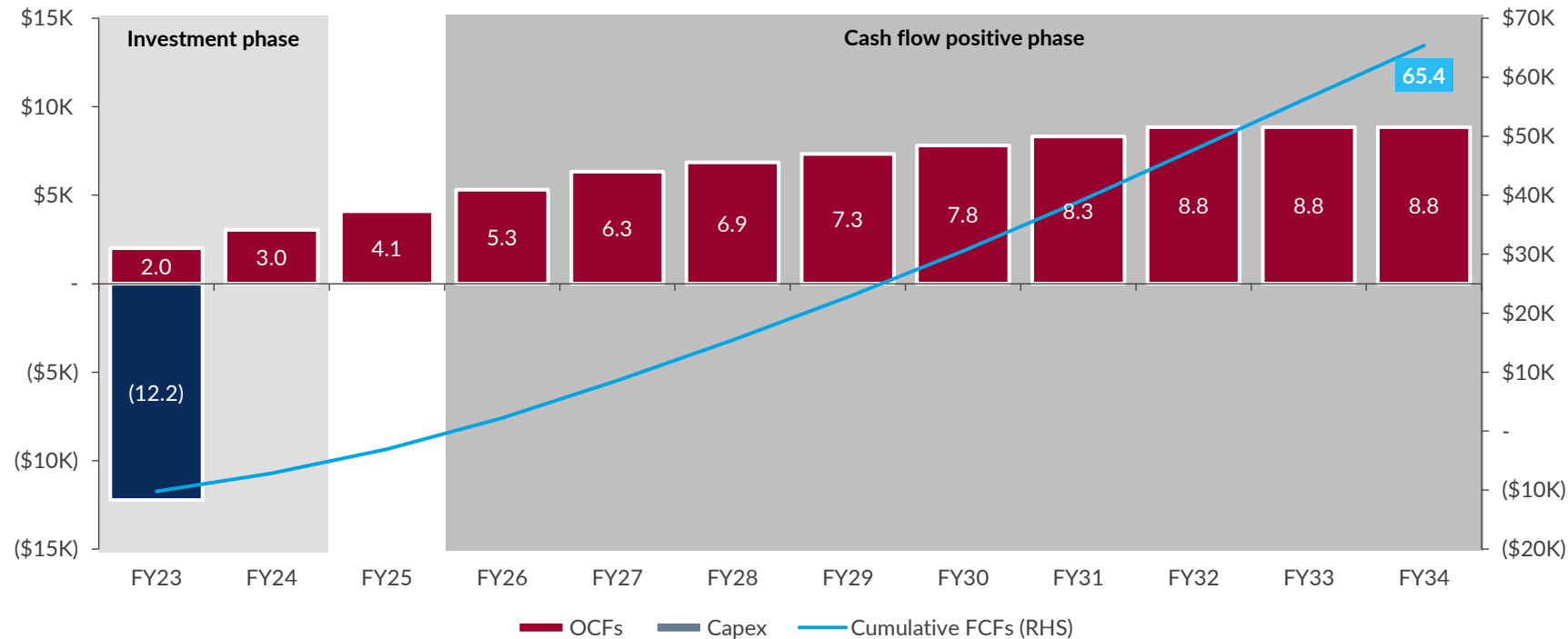
Note: see Appendix 1 for EBITDA reconciliation to net profit after tax

### FREE CASH FLOW HIGHLIGHTS

- Free cash flow (to the Findi) is projected to be \$14.5M in FY24, after allocating \$6.1M to capex required to complete the CBI ATM rollout.
- FY24 will be Findi's first financial period of positive free cash flows, as we attain scale.
- As such, we plan to commence paying down gross corporate debt by leveraging our growing FCFs.
- In FY24, we will pay-down gross corporate debt by \$6.8M, with net repayment of borrowings comprising of \$7.6M of repayments and \$0.7M of proceeds from external debt providers.
- FCFE of \$7.6M projected in FY24 will provide us the opportunity to meet certain strategic objectives, such as pursuing inorganic acquisitions, accelerating our WLA strategy, expanding our FindiPay footprint, and returning value to shareholders – by way of an ordinary dividend.

## OUR TYPICAL BLA PROJECT

A typical Findi-owned ATM delivers an enviable \$65K+ of cumulative FCFs over its lifespan of 12 years. Initial capex requirements are expected to be recouped in ~3 years, providing a platform for 8+ years of highly profitable FCF generation...



Average per month (\$)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Revenue	321	622	772	861	937	974	1,013	1,054	1,096	1,140	1,185	1,233
Expenses	153	368	431	418	410	403	403	403	403	403	403	403
OCFs	168	253	341	443	527	571	610	651	693	737	782	830
Capex	(1,019)	-	-	-	-	-	-	-	-	-	-	-
FCFs	(851)	253	341	443	527	571	610	651	693	737	782	830

1) Includes ~\$700 for a very-small-aperture terminal (VSAT), which is not necessary for all ATMs

**\$65K+**  
Cumulative FCFs over ATM life

**\$12.2K**

Initial capex per ATM<sup>1</sup>

**35%+**

IRR per ATM over its life

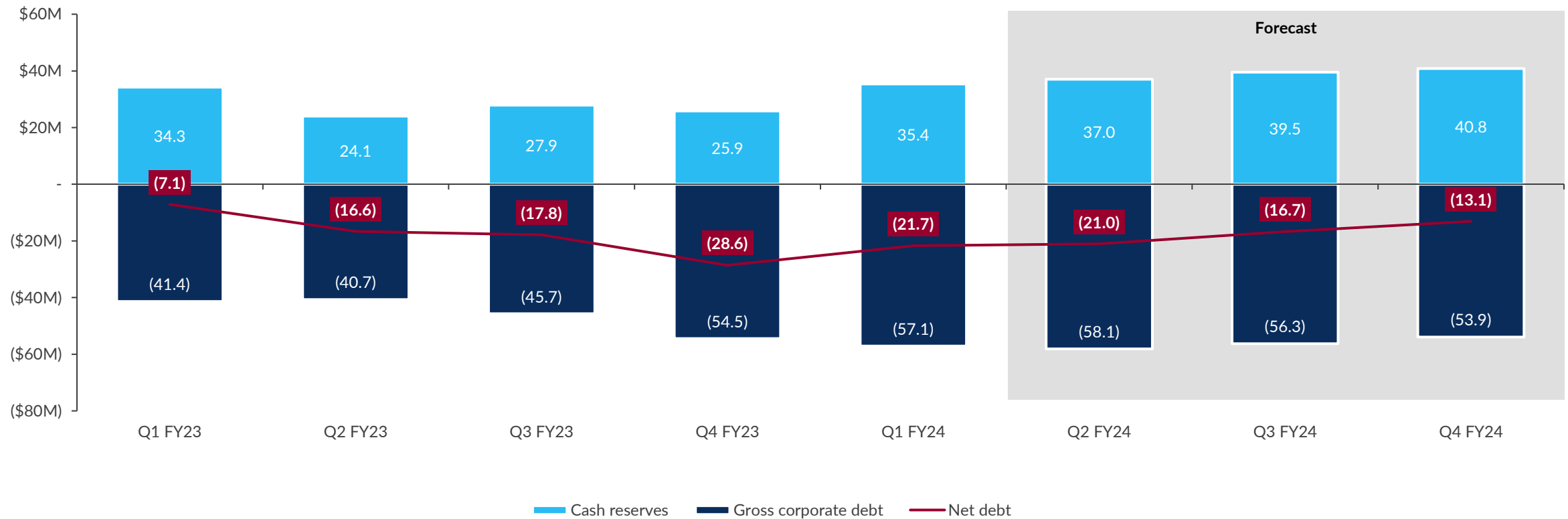
**3+ year**

Payback period



## QUARTERLY NET DEBT POSITION

As of 30 June 2023, Findi's net debt position was \$21.7M. We plan to leverage the Company's strong forecast operating cash flows in FY24, to pay-down corporate debt, resulting in a net debt position of \$13.1M by 31 March 2024...



### NET DEBT HIGHLIGHTS

- As of 30 June 2023, net debt was \$21.7M, comprised of \$35.4M in cash reserves (including cash & term-deposits), and \$57.1M in gross corporate debt.
- Net debt is projected to decline to \$13.1M by 31 March 2024, driven by improving cash reserves and reducing gross corporate debt.
- Note, net debt excludes finance lease liabilities on right-of-use assets (or business premises).

*QUESTIONS*

## APPENDIX 1

Quarterly cash flow statements...

\$M	Actual Q1 FY23	Actual Q2 FY23	Actual Q3 FY23	Actual Q4 FY23	Actual Q1 FY24	Forecast Q2 FY24	Forecast Q3 FY24	Forecast Q4 FY24
<b>Profit for the period</b>	0.1	0.1	0.4	1.8	0.4	0.9	1.9	0.8
Net finance (income)/costs	0.6	1.4	1.2	1.0	1.0	1.5	1.4	1.3
Depreciation & amortisation	2.0	2.1	2.6	3.5	3.2	4.1	3.5	3.6
<b>EBITDA</b>	<b>2.7</b>	<b>3.6</b>	<b>4.2</b>	<b>6.3</b>	<b>4.6</b>	<b>6.5</b>	<b>6.9</b>	<b>5.6</b>
Change in current assets	(5.1)	0.5	(2.3)	(5.2)	(3.4)	(1.5)	(0.7)	0.9
Change in current liabilities	1.0	(6.5)	0.1	3.3	3.2	(1.0)	(0.8)	(2.2)
Non-cash items	-	2.2	-	(1.5)	-	-	-	-
Interest received	0.3	0.3	0.3	0.5	0.6	0.6	0.6	0.6
<b>Operating cash flows (OCFs)</b>	<b>(1.1)</b>	<b>0.1</b>	<b>2.2</b>	<b>3.5</b>	<b>5.0</b>	<b>4.6</b>	<b>6.0</b>	<b>4.9</b>
Capex	(1.6)	(1.8)	(7.9)	(24.6)	(3.1)	(2.7)	(0.2)	(0.2)
<b>Free cash flows (FCFs) to Findi</b>	<b>(2.7)</b>	<b>(1.7)</b>	<b>(5.7)</b>	<b>(21.1)</b>	<b>2.0</b>	<b>1.9</b>	<b>5.8</b>	<b>4.8</b>
Other investing cash flows <sup>1</sup>	-	(4.1)	10.7	0.6	(18.2)	-	-	-
Net proceeds/(repayment) of borrowings	13.6	(5.0)	1.4	27.1	0.7	(0.5)	(3.4)	(3.7)
Other financing cash flows	(0.7)	0.7	6.3	(2.3)	(0.6)	(0.0)	(0.0)	(0.0)
<b>Net change in cash &amp; cash equivalents</b>	<b>10.1</b>	<b>(10.1)</b>	<b>12.7</b>	<b>4.3</b>	<b>(16.1)</b>	<b>1.4</b>	<b>2.3</b>	<b>1.1</b>
Opening cash & cash equivalents	1.2	11.3	1.2	13.9	18.3	2.2	3.6	6.0
<b>Closing cash &amp; cash equivalents</b>	<b>11.3</b>	<b>1.2</b>	<b>13.9</b>	<b>18.3</b>	<b>2.2</b>	<b>3.6</b>	<b>6.0</b>	<b>7.0</b>

1) Primarily relates to term deposits



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