OFX GROUP LIMITED
HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

Sydney, 14 November 2017: OFX Group Ltd (ASX:OFX) (OFX or the Company) today announced its consolidated group half year results for the financial year ended 30 September 2017, reflecting growth in lead revenue indicators including active clients, transaction volumes and transactions per active client. OFX delivered a Net Operating Income of $53.6m on turnover of $10.3b. Earnings before Depreciation and Amortisation was $13.4m, and the declared interim dividend is 2.4 cents per share fully franked.

Key operating metrics:
- Turnover of $10.3b increased by 8.1% from 1H17, driven by:
  - Active clients up 5.1% to 160.1k, of which the Corporate segment grew by 12.2%;
  - Transaction volumes up 12.2% to 470.2k;
  - Transactions per active client up 4.9%; and
  - Average Transaction Values (ATVs) down 4.1% to $21,900.
- Good marketing execution driving registration growth of 11.4%, with Cost Per Registration (CPR) down 25.2%

Key financial metrics:
- Fee and trading income up 0.2% to $58.1m with 11.9% growth in North America and 6.6% growth in Corporate
- Net Operating Income and Earnings before Tax, Depreciation and Amortization (EBTDA) stable at $53.6m and $13.4m respectively
- Net Profit after Tax (NPAT) of $8.3m, down 14.1% due to a 1H17 tax benefit from adopting Offshore Banking Unit (OBU) status and higher depreciation and amortisation following investment in technology
- Good cash generation with net cash up $3.4m to $44.9m
- Interim dividend of 2.4 cents per share fully franked

OFX’s Chief Executive Officer and Managing Director, Skander Malcolm, said: “In 1H18 we focused on delivering on the performance drivers of the business within our control, and it is good to see this paying off, as reflected in active client and transaction growth. With half of our business offshore, net operating income was flat, impacted by a high Australian dollar and low levels of currency volatility, which reduced market activity levels.

“Despite these headwinds, transactions were up across all of our regions, and the investment in North America and our Corporate segment continues to generate returns and create a more reliable and
diversified revenue base. Meanwhile we managed our costs well, achieving our objective of margin accretion during the period, even with the extraordinarily high level of activity and margin generated by Brexit in the first half of 2017.”

“Our net profit after tax, was down 14.1% due to the impact of increased activity related to Brexit and OBU tax benefits of $0.6m in the prior period. NPAT on an underlying basis is up 8%.

“We have invested in our global technology platform which will allow for greater scalability, enhanced security, and improved search engine optimisation due to faster load times. Meanwhile a better marketing program is driving total CPR down across the business.

“We are continually enhancing the client experience and on-boarding process, resulting in higher conversion rates and improving Net Promoter Scores (NPS), which reached 61 in our latest survey completed during this half.

“Our teams across the world have worked incredibly hard, and it’s a credit to them that we have performed well despite the significant changes we are implementing, and a ‘quiet’ set of markets.”

FINANCIAL RESULTS

OFX’s balance sheet remains strong with a pre-dividend cash position net of client liabilities of $44.9m as at 30 September 2017, up by $3.4m over the prior period and with no debt.

<table>
<thead>
<tr>
<th>Financial Metrics</th>
<th>1H17</th>
<th>2H17</th>
<th>1H18</th>
<th>v. 1H17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover ($b)</td>
<td>9.5</td>
<td>9.8</td>
<td>10.3</td>
<td>+ 8.1%</td>
</tr>
<tr>
<td>Net operating income ($m)</td>
<td>53.6</td>
<td>51.5</td>
<td>53.6</td>
<td>+ 0.1%</td>
</tr>
<tr>
<td>Underlying operating expenses¹</td>
<td>(38.6)</td>
<td>(38.9)</td>
<td>(38.0)</td>
<td>(1.5%)</td>
</tr>
<tr>
<td>Total operating expenses ($m)</td>
<td>(40.1)</td>
<td>(37.2)</td>
<td>(40.3)</td>
<td>+ 0.5%</td>
</tr>
<tr>
<td>EBTDA ($m)</td>
<td>13.5</td>
<td>14.3</td>
<td>13.4</td>
<td>(0.9%)</td>
</tr>
<tr>
<td>NPAT ($m)</td>
<td>9.7</td>
<td>9.9</td>
<td>8.3</td>
<td>(14.1%)</td>
</tr>
<tr>
<td>Statutory NPAT ($m)</td>
<td>9.7</td>
<td>9.9</td>
<td>8.3</td>
<td>(14.1%)</td>
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<table>
<thead>
<tr>
<th>Operational Metrics</th>
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<tbody>
<tr>
<td>Active clients² (000’s)</td>
<td>152.4³</td>
<td>156.7</td>
<td>160.1</td>
</tr>
<tr>
<td>Transactions (000’s)</td>
<td>419.3</td>
<td>432.6</td>
<td>470.2</td>
</tr>
<tr>
<td>Average transaction value ($000’s)</td>
<td>22.8</td>
<td>22.8</td>
<td>21.9</td>
</tr>
</tbody>
</table>

1. Underlying operating expenses exclude short and long term incentives, depreciation and amortisation.
2. Active clients are clients who have transacted in the past 12 months.
3. We reviewed the calculation of active clients at 30 September 2016 and updated to reflect a revised client base.
DIVIDENDS

The OFX Board of Directors has declared a fully franked interim dividend of 2.4 cents per share which will be paid on 15 December 2017. This is in line with the Board’s policy to maintain a dividend payout ratio of 70-80% of NPAT.

GROUP OUTLOOK

The Company’s priority for 2H18 is continued execution, discipline and leveraging opportunities for growth across the business.

Skander Malcolm said “With a newly appointed President in North America we will continue the growth momentum in the region. Our technology investment is enhancing our Corporate client offerings including our Online Sellers segment, setting us up for continued growth in our Corporate business in the second half. We are reinvesting in marketing within Australia to drive revenue growth and are focused on unlocking greater value from existing clients through enhanced existing client marketing programs, with positive early signs. We continue to build a deeper understanding of our clients and are focussed on creating a faster and simpler on-boarding experience to grow our base of repeat clients over time."

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Investor webcast

OFX is hosting a webcast of its investor call at 10.00am this morning. To register for the webcast, go to http://webcast.openbriefing.com/4048/