



OFX GROUP LIMITED
FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2019

21 May 2019 – OFX Group Ltd (ASX: OFX) today announced its full year results for the period ending 31 March 2019. The results reflect a strong operating performance in soft markets, with continued revenue diversification across its regions and corporate segments.

Key Financial and Operational Highlights

- Turnover of \$23.7bn, up 11.9% on FY18, with:
 - Transactions up 8.8% to 1,049k;
 - Average Transaction Values (ATVs) up 2.8% to \$22.6k; and
 - Active clients of 156.5k and transactions per active client up 12.6% to 6.7
- Fee and trading income up 8.2% to \$128.7m, with corporate growth of over 10% in all regions
- Net Operating Income up 8.0% to \$118.7m at stable margins
- Underlying EBITDA (ex. corporate action costs) up 8.1% to \$32.2m, delivering annual positive operating leverage
- Statutory NPAT decreased 5.8% to \$17.6m, due to previously disclosed corporate action costs of \$4.3m, with R&D benefits and lower offshore taxes reducing the effective tax rate to 20%
- Strong operating cash flows with total cash held for own use of \$58.6m
- Final dividend of 3.28 cents per share fully franked

OFX's Chief Executive Officer and Managing Director, Skander Malcolm, said: *"This was a strong financial and operating result for OFX in what has been a quiet market globally. We delivered record net operating income at stable margins, and underlying EBITDA of \$32.2m, up 8.1% despite total spot market volumes being down 8% in the second half and 14% in the last quarter.*

"We saw revenue growth in all our regions with Australia and New Zealand up 5%, North America and Asia up 20% and 19% respectively, and Europe up 12%. We also had strong growth in our Corporate book with all regions growing revenue by more than 10%, further diversifying our revenue base.

"Given the softer markets in the second half, and particularly in the final quarter, we pulled back on promotional spend where markets were quiet, but continued to spend where customer activity and economic returns made sense. As a result, our revenue growth rate slowed and we did not see an increase in active clients, as anticipated. However, we continued to grow our client engagement with transactions per active client up 12.6% to 6.7 times and saw record transaction volumes, up 8.8%, on higher average transaction values (ATVs).

"We significantly improved our overall client experience, including a more streamlined and localised website, an award-winning mobile application, adding features to our Global Currency Account and continuing to invest in our API technology. As a result of these improvements the registration completion rate on our app has doubled and our Net Promoter Score increased from 60 to 67.



“At the same time, we have been managing our costs well, delivering annual positive operating leverage for the year. Our investment was significantly weighted towards revenue generating rather than revenue enabling costs, including investing more in sales people. We also continued to invest in developing reliable, scalable systems across our internal technology capabilities in transaction monitoring, pricing, treasury, our payments engine and security. All have progressed well and we are set to benefit from these investments in FY20.”

Cash generation remained strong with \$19.0m cash generated for own use during the year to 31 March 2019. The OFX Board of Directors has declared a fully franked final dividend of 3.28 cents per share for the year ended 31 March 2019, with the dividend to be paid out of free cash flow on 21 June 2019.

Summary Financial Results

	<u>FY18</u>	<u>FY19</u>	<u>VAR</u>
Fee and trading income (\$m)	119.0	128.7	8.2%
Net operating income (\$m)	109.9	118.7	8.0%
Underlying operating expenses¹ (\$m)	(80.1)	(86.5)	8.0%
Underlying EBITDA¹ (\$m)	29.8	32.2	8.1%
Underlying EBT¹ (\$m)	24.9	26.4	6.0%
Statutory NPAT (\$m)	18.7	17.6	(5.8%)
Total cash held for own use⁴	57.5	58.6	1.9%
Registrations² (000's)	145.4	139.6	(4.0%)
Active clients³ (000's)	161.9	156.5	(3.3%)
Turnover (\$b)	21.2	23.7	11.9%
Transactions (000's)	963.7	1,048.7	8.8%
Average transaction value (000's)	22.0	22.6	2.8%

1. Excluding corporate action costs of \$4.3m
2. 4k invalid registrations have been removed in FY18
3. Active clients are clients who have transacted at least once in the prior 12 months
4. Total cash held for own use includes deposits with financial institutions

Group Outlook

In FY20 OFX will look to further diversify its revenues by accelerating growth in its Corporate business, through further investment in the client experience, introducing its CRM program and shifting its marketing mix; growing across its regions globally; and targeting Enterprise partnership opportunities. OFX will continue to invest in line with its financial commitments of delivering annual positive operating leverage and stable NOI margins.

Skander Malcolm said: “As we look to the year ahead, our growth priorities are clear. We will continue our regional growth strategy, particularly in North America and Asia, while improving the client experience,



growing our Corporate and Enterprise base, and building partnerships to help us grow and execute more effectively.”.

-ENDS-

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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 <https://webcast.openbriefing.com/5236/>

About OFX Group (ASX: OFX)

OFX Group Limited is a global provider of online international payment services for consumer and business clients. The OFX Group provides services under the single global brand, OFX, using a single domain name, www.ofx.com.