



OFX GROUP LIMITED
ANNUAL GENERAL MEETING
26 AUGUST 2021

It's a pleasure to have you all connected to us through technology, and staging this virtual AGM is somewhat analogous to how we are managing the company in this environment generally – finding ways to do what is needed, no matter what the circumstances, that works for our range of stakeholders.

FY21 Recap: Strong rebound in 2H driving momentum

Here on Slide 6 this is a recap of the full year 21 result.

Our financial year was a full COVID year – starting on 1 April 2020 and finishing on 31st March 2021. Against that backdrop, we are happy with the financial result, and particularly happy with the 2H, and the momentum we take into FY22. We delivered revenue of \$134.2M, underlying EBITDA of \$30.4M, and generated \$27.9M of net cash from operating activities - against the backdrop of very mixed trading conditions over the full year.

Whilst the 1H was soft in the wake of exceptional activity levels in Q4 FY20, we saw a strong rebound in the second half of FY21 with NOI up 18.7% and underlying EBITDA up 82% on 1H21. This reflects the strength of our Corporate segment, up 23.7% in 2H21 v 1H21, a strong Online Seller segment, and a recovery in our Consumer segment. Turnover was up 1.4% for the full year vs the prior period.

We finished the year in good shape – over \$60M of net cash held, revenue momentum, particularly in our Corporate segment, more Enterprise wins, a healthy trajectory in bad and doubtful debts and a clear strategy to continue to grow.

Building the world's leading cross border payments specialist

Moving to slide 7, you will also recognise this slide from our full year results presentation in May. I have reprised it as I want to emphasise that we are working very hard within a strategic framework – this is a \$130T+ turnover market that is very well placed to economic tailwinds in a post COVID world, we are very clear about which segments we are targeting, and how we can be distinctive to those segments, and how we are unlocking them through our particular combination of assets and the global operating model, and finally, what a more valuable company for investors looks like in terms of its financial profile.

This clarity has never mattered more as competition increases, competitors merge or IPO, regulators take a greater interest, and business models evolve.



While each of our segments will grow, we need to execute better than our competitors. Our research tells us that at the heart of what clients want is a great digital platform supported by human service to provide expertise where valued. Our single global platform, that provides a world class payment experience both in terms of the product and service, supported by strong risk management and run by the best team are all essential elements to executing that well.

1Q22: Continued strong momentum

Here on slide 8 I am delighted to share that our momentum from FY21 has continued through the first quarter of FY22.

On Slide 10 I will cover the segment results, but I wanted to share some headline results and indicators of performance that we are pleased with.

Firstly, we delivered Net Operating Income growth of over 33% vs PCP against a market growth estimated to be around 8%. That is especially pleasing given the continuing competitive intensity, and it's also pleasing to see the momentum from Q4 continue, with NOI up 4.4% quarter on quarter.

In addition to a strong Net Operating Income, there were a number of other indicators of the portfolio's health. These include:

- Real strength in Corporate ATVs, back to the levels we are used to and at stable margins
- Great acquisition in Online Sellers, with NDCs up 17% vs PCP
- The Enterprise pipeline is better, and we are activating the RBA and Douugh opportunities already
- a strong rebound in Consumer, with transactions up 11% and ATVs up over 37%

In addition to these growth metrics, it is very pleasing to see bad debts continuing to perform well within our expectations.

We also saw a very strong quarter regionally, with every region delivering double digit revenue growth noting the softer 1Q FY21 comparative period. North America was the standout, delivering growth of 54%, but both APAC and UK / Europe also performed well, delivering 14% and 39% respectively.

We also saw good progress in executing on the strategy to make us a more valuable company, closing our investment in TreasurUp ahead of schedule, and completing more than \$2.5m of share buybacks, as promised.

A more valuable cross border specialist delivering record NOI growth

Moving to slide 9, we are driving a very good trend – Fee & Trading income translating to a strong Net Operating Income.



You will see that we grew NOI faster than Fee & Trading Income, which is because we have seen the progress against items like bank fees, commissions, and Treasury improvements. This is incredibly encouraging as it further emphasises that when we grow we can create operating leverage, not just revenue growth.

It is also worth noting that even though we saw the decline in offshore share purchases that we flagged at the FY result, we grew transactions that excluded offshore share purchases by 1.4%, and, as I mentioned, we actually grew Net Operating Income by 4.4% from 4Q to 1Q, despite overall transactions dropping 34% from 4Q to 1Q.

Strong growth in portfolio revenue

Now moving to slide 10, it is also very encouraging to see the portfolio performing so well. The segments we target, as outlined in our strategy, are carefully chosen. However not all perform across all regions at once, so its valuable to see the overall growth in revenue being a combination of great strength in some segments against seasonal or regional ebbs and flows in others.

Consumer rebounded very well, up 34% vs PCP and up 9.5% vs Q4. It remains a very valuable segment, and we are seeing that relative to competition, our value proposition for larger value transactions is resonating exceptionally well.

Corporate continued to perform well, growing revenue just under 25% vs PCP. Although revenue dipped 10% vs Q4, this was due to the drop in offshore share purchases. As we have highlighted, NOI actually grew over the quarter at a group level thanks to the contribution of Corporate overall, and revenue in Corporate excluding offshore share purchases grew just under 33% vs PCP and just over 8% vs Q4.

Online Sellers grew a little over 1% vs PCP, and was fractionally down vs Q4. This is attributable to the continuing pivot away from Online Seller growth in low margin Asia. Ex-Asia, we grew Online Sellers just over 14% PCP and just under 6% vs Q4. As I mentioned previously, we are getting excellent traction in our new business efforts, and are incrementally investing in that, more on the next slide.

In Enterprise, the growth continues, albeit off a smaller base, with revenue growing just over 34% vs PCP, and just under 10% vs Q4. This is very encouraging as we rebuild this segment into a significant contributor to revenue and margin accretive earnings.



FY22 Outlook

Moving to slide 11, we shared our priorities and our outlook at our FY results in May, and have updated that with progress here for Q1, as I have shared.

The delivery of strong NOI growth is very encouraging. The regions are operating well, and the investment in North America is delivering.

We are going to increase our investment in OLS, focusing on North America, primarily through more promotional and marketing activities, to build from the momentum we are seeing in our acquisition program. We may consider further investment later in the year if this continues to deliver.

At this point we expect to do that whilst maintaining positive operating leverage. In Enterprise, the activation of Link is behind where we expected it to be at this point, driven by lower dividend payments and some challenges in marketing the program through issuers. However the relationship is excellent and we have identified a range of other opportunities that we are developing together. We will update you further at 1H.

Overall a very good 1Q. The momentum has continued in trading post 1Q, and we look forward to updating you further at the 1H result announcement.

Thank you and now let me hand back to Steve.