



FY22 Financial Results

Investor presentation

17 May 2022

Agenda

- 1 Strong result,
healthy momentum
- 2 Strong fundamentals
- 3 Focus areas for FY23
- 4 Q&A
- 5 Appendix





Strong result, healthy momentum

Skander Malcolm

Chief Executive Officer and Managing Director

Turnover of
\$33.2bn
up 32.7% with ATV's
elevated up 23.5%²

NOI of
\$147.0m
up 24.7%

Healthy
NOI margins at
53bps³

Underlying EBITDA of
\$44.5m
up 53.1%

Outstanding financial outcomes

- Record NOI of \$147.0m driven by revenue momentum and reductions across commissions and bank fees
- Underlying EBITDA of \$44.5m, up 53.1% with losses down 94.1% to \$0.1m due to investment in fraud technology driving an exceptional outcome
- Delivered operating leverage, with NOI growth of 24.7% exceeding expense growth of 15.4%. This includes an increased investment in technology, people and promotional expense

Great execution

- Double-digit revenue growth in all regions and segments¹ and active client growth
- Acquisition of Firma, aligned to strategy with growth in North America and Corporate
- Continued strong risk and compliance performance

¹ Online Seller excluding Asia

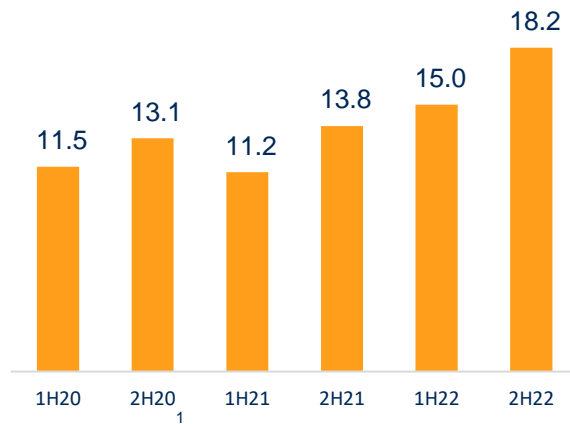
² Excluding offshore share purchases

³ FX transactions only (excluding same currency)

Strong momentum with double digit growth in 2H22 v 1H22



Turnover (\$bn)

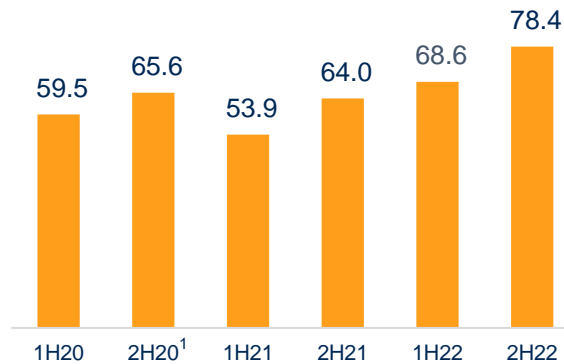


FY22 up 32.7% v FY21

\$33.2bn

2H22 up 21.1% v 1H22

Net Operating Income (\$m)

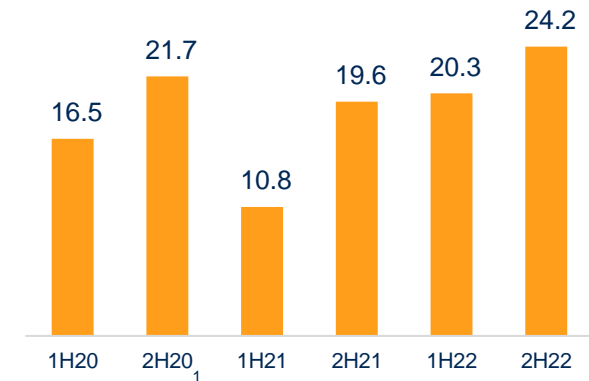


FY22 up 24.7% v FY21

\$147.0m

2H22 up 14.2% v 1H22

Underlying EBITDA (\$m)



FY22 up 53.1% v FY21

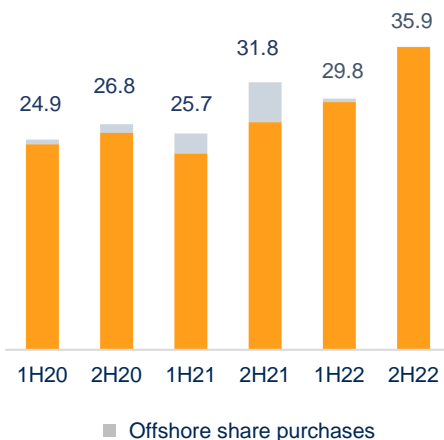
\$44.5m

2H22 up 19.7% v 1H22

¹ 2H20 includes March 2020 which was our biggest month in history driven by COVID crisis and volatility

Revenue \$m

Corporate



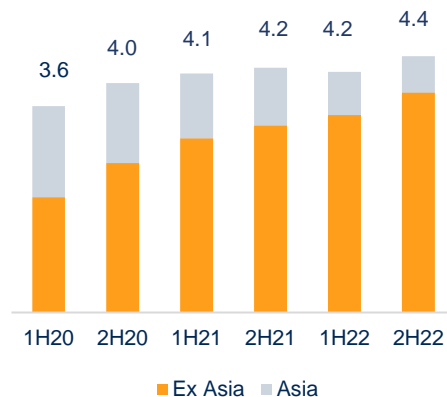
FY22 v FY21

14.5%

29.9% Ex offshore shares

2H22 up 20.3% v 1H22

Online Seller



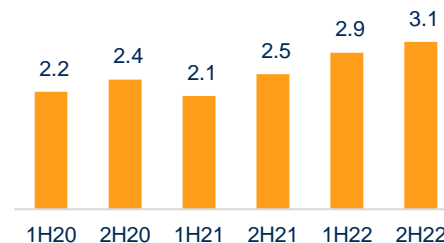
FY22 v FY21

2.7%

15.7% Ex Asia

2H22 up 6.6% v 1H22

Enterprise¹

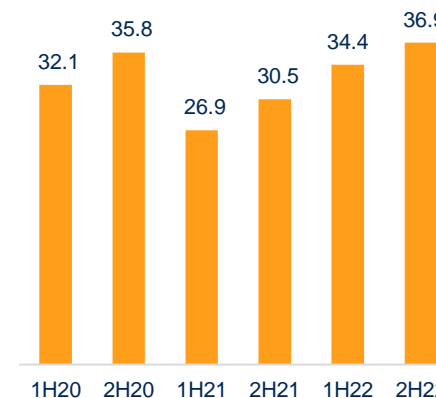


FY22 v FY21

31.3%

2H22 up 6.3% v 1H22

High Value Consumer



FY22 v FY21

24.5%

2H22 up 7.3% v 1H22

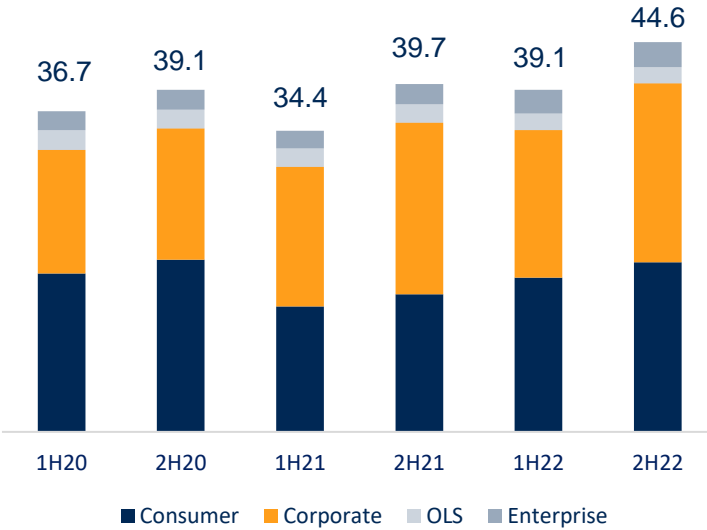
¹ FY20/21 Revenue restated to include fees on same currency transactions

Double-digit revenue growth across all regions



Revenue \$m

APAC



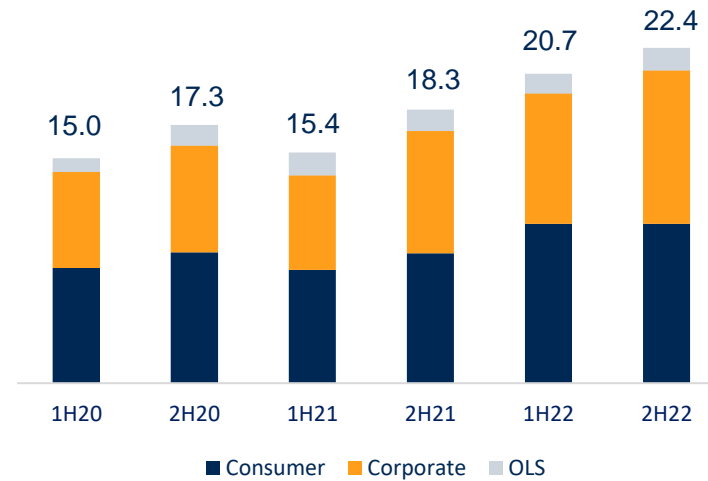
FY22 v FY21

12.8%¹

2H22 up 13.9% v 1H22

- Enterprise revenue up 29.4%
- Corporate revenue up 4.9% (29.7% excluding offshore share purchases)

North America



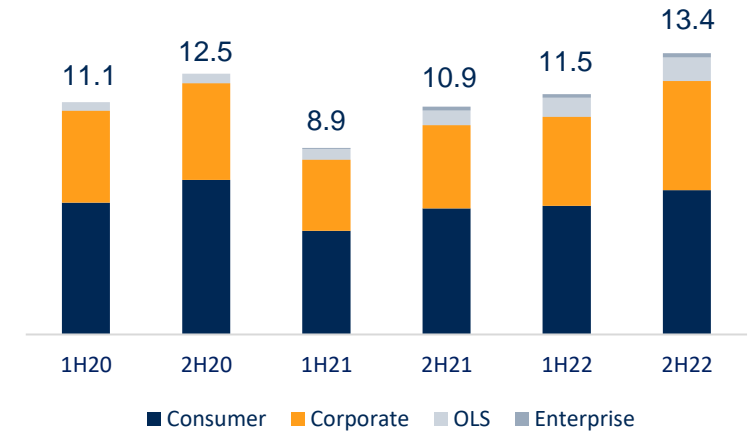
FY22 v FY21

27.8%

2H22 up 8.3% v 1H22

- Corporate revenue up 31.1%
- Consumer revenue up 30.9%

EMEA



FY22 v FY21

26.0%

2H22 up 17.2% v 1H22

- Corporate revenue up 28.3%
- Europe revenue up 52.7%

¹ Revenue up 24.2% excluding offshore share purchases

Revenue \$m

Corporate

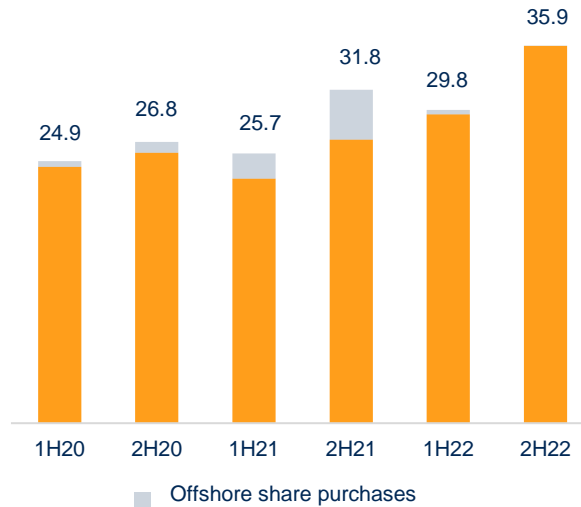
Revenue up
14.5%¹

on FY21

North America up 31.1%

EMEA up 28.3%

APAC ² up 4.9%



- Unusually strong ATVs delivering a turnover of \$15.8bn, up 26.2%. ATVs of \$32.0k up 21.7% v FY21 ex offshore share purchases. FY23 expected to be between \$27k and \$29k
- Investment in marketing continuing to drive brand recognition in the Corporate segment, OFXpert campaigns across all regions and NHL Partnership launched with OFX as the League's official currency exchange provider
- Investment in payment capabilities delivering improved speed and transparency for our clients

¹ Revenue up 29.9% ex offshore share purchases

² APAC revenue up 29.7% ex offshore share purchases

³ Revenue up 15.7% ex Asia

Online Seller

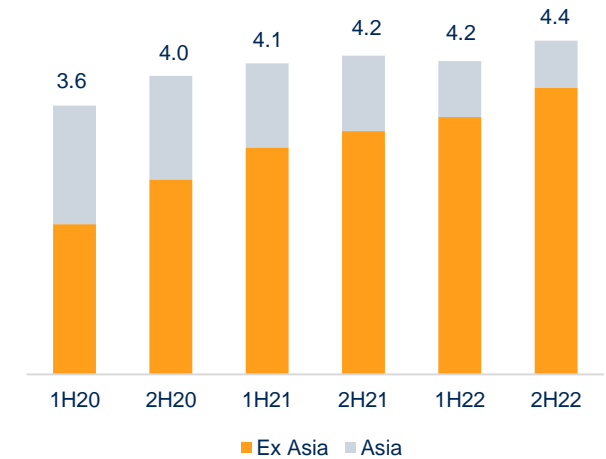
Revenue up
2.7%³

on FY21

EMEA up 68.1%

APAC down 10.9%

North America down 4.8%

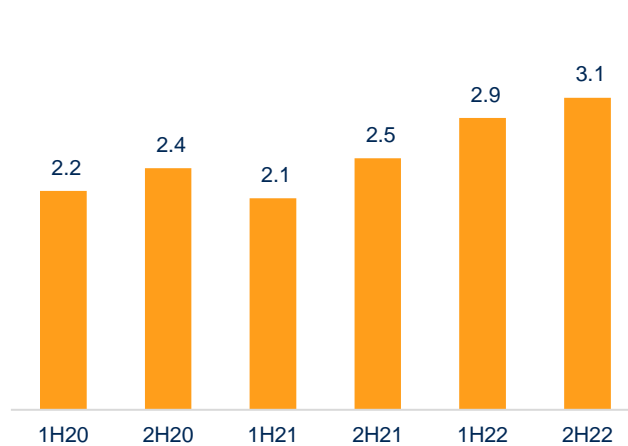


- Revenue growth returning in 2H22, up 6.6% on 1H22 against a backdrop of market contraction following increased COVID driven activity in FY21
- Additional marketing investment dedicated to promotional campaigns targeting Online Seller clients
- Continued investment in platform capabilities supporting our position as an Amazon Payment Services Provider

Revenue \$m

Enterprise ¹

Revenue up
31.3%
on FY21



Enterprise Pipeline ²

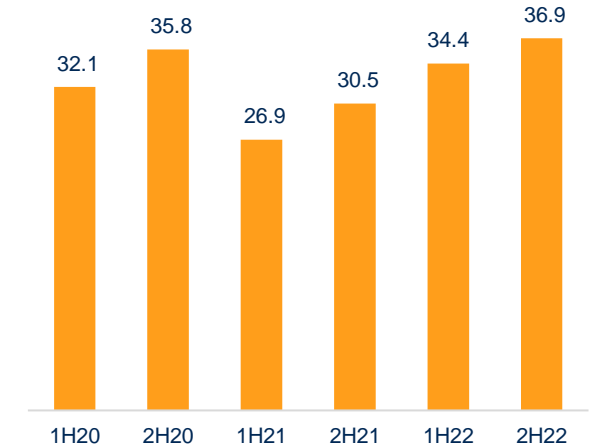


- Revenue up 31.3%, driven by existing client reactivation
- Grew prospects with particular strength in APAC and North America
- Agreed investment in second product and technology team to expedite capability outside APAC

High Value Consumer

Revenue up
24.5%
on FY21

North America up 30.9%
APAC up 23.1%
EMEA up 18.8%



- Unusually strong ATVs delivering a turnover of \$10.0B, up 31.3%. ATVs of \$21.2k up 24.4% v FY21. FY23 expected to be ~\$19k
- Continuing investment in brand and Alliance partner programs driving improved brand recognition with strong revenue overall and Alliance revenue up 29.5%
- Investments in payment capabilities and strong Tier 1 bank support critical in driving the increased mix in high value use cases (property related transfers up 47% and wealth related transfers up 24% v FY21)

¹ FY20/21 Revenue restated to include fees on same currency transactions

² Pipeline as at 31 March 2022

³ Estimated revenue for Enterprise strategic alliances won. TAM is all FX revenue, SAM is revenue in regions OFX is licensed

Growth in all underlying metrics resulting in record turnover



Active client growth
in FY22 ...

With strong
trading activity ...

Led to increased
transaction volumes ex
offshore share purchases ...

At higher
ATVs ...

Resulting in
record turnover

Active clients
143.1k

3.3% up from 31-Mar-21



Transactions per
active client
8.2

18.7% down from FY21
7.3% up from FY21 ex offshore
share purchases



Transactions
1,178.6k

16.0% down on FY21
10.8% up on FY21 ex offshore
share purchases



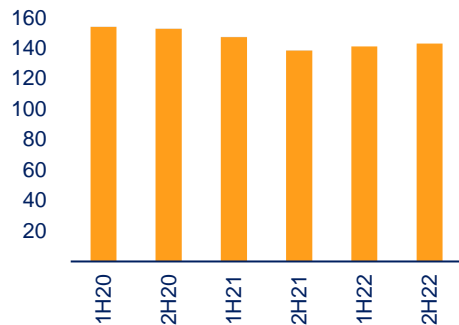
ATV
\$28.1k

58.0% up on FY21
23.5% up on FY21 ex
offshore share purchases

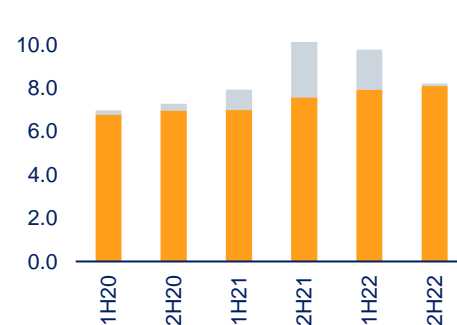


Turnover
\$33.2bn

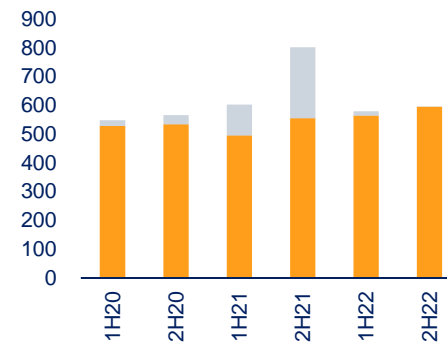
32.7% up on FY21



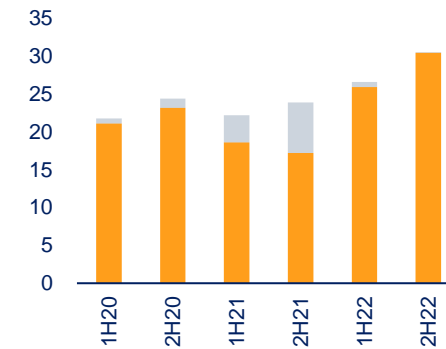
Active clients ('000)



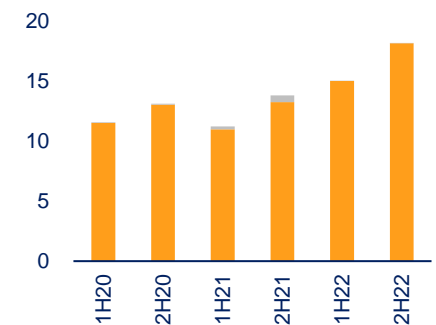
Transactions per active client
(LTM)



Transactions ('000)



Average transaction value (\$'000)



Turnover (\$bn)

■ Significant volumes in offshore share purchases not repeated in FY22



Strong fundamentals

Selena Verth

Chief Financial Officer

Record financial result driven by growth across the portfolio



| Financial results | FY21 | FY22 | V% |
|-------------------|------|------|----|
|-------------------|------|------|----|

Financial Metrics

| | | | |
|--|--------|---------|--------|
| Fee and trading income (revenue) (\$m) | 134.2 | 158.0 | 17.7% |
| Net operating income (\$m) | 117.9 | 147.0 | 24.7% |
| Underlying operating expenses ^{1,2} (\$m) | (88.9) | (102.5) | 15.4% |
| Underlying EBITDA ^{1,2} (\$m) | 29.1 | 44.5 | 53.1% |
| Statutory EBT ^{1,2} (\$m) | 15.6 | 32.1 | 105.4% |
| Underlying NPAT ^{1,2} (\$m) | 13.1 | 25.7 | 97.1% |
| Statutory NPAT ¹ (\$m) | 12.1 | 24.5 | 102.4% |
| Net Cash Held | 60.6 | 84.2 | 39.1% |

Financial Ratios

| | | | |
|--------------------------|-------|-------|---------|
| NOI margin ³ | 0.47% | 0.44% | (3) bps |
| Underlying EBITDA margin | 24.7% | 30.3% | 5.6 pts |
| Effective tax rate | 22.7% | 23.8% | 1.1 pts |

- Fee and trading income up 17.7% with strength across all regions and segments
- NOI growth rate of 24.7% stronger than fee and trading income growth rate due to reduced partner commissions and efficiencies in banking relationships
- Underlying EBITDA \$44.5m up 53.1% with EBITDA margin of 30.3%, delivering positive operating leverage
- Effective tax rate of 23.8%, up from prior year tax rate of 22.7%
- Statutory NPAT more than doubled to \$24.5m up from \$12.1m in FY21
- Net cash held \$84.2m, up \$23.6m

¹ FY21 includes adjustment for accounting changes to cloud computing

² Excluding one-off items of \$1.3m for FY22 and \$1.0m for FY21

³ Ex same currency NOI margin 53bps flat to FY21

Underlying operating expenses

| \$m | FY21 | FY22 | V% |
|--|-------------|--------------|--------------|
| Employee expenses | 57.0 | 66.4 | 16.4% |
| Promotional expenses | 12.8 | 16.5 | 29.3% |
| Technology expenses ¹ | 7.6 | 8.3 | 8.5% |
| Occupancy expenses | 0.7 | 0.6 | (5.3)% |
| Bad and doubtful debts | 2.0 | 0.1 | (94.1)% |
| Other expenses | 8.8 | 10.5 | 20.2% |
| Underlying operating expenses² | 88.9 | 102.5 | 15.4% |

- Employee expenses up 16.4% with additional 52 employees, wage inflation and strong incentive payments. Investing in customer service (sales and operations) and technology
- Investment in promotional expenses, up 29.3% with continued focus on brand expense to drive new client acquisition across all regions. NHL partnership launched with OFX as the League's official currency exchange provider
- Technology up 8.5% driven by higher SaaS expenses through investments in risk management and customer service
- Bad and Doubtful debts down 94.1% with investments in technology and processes driving an exceptional outcome
- Other expenses up 20.2% with increases in insurance premiums, return of travel and higher professional fees

¹ FY21 includes \$1.3m adjustment for accounting changes to cloud computing

² Excluding one-off items of \$1.3m for FY22 and \$1.0m for FY21

Strong balance sheet, good cash flow



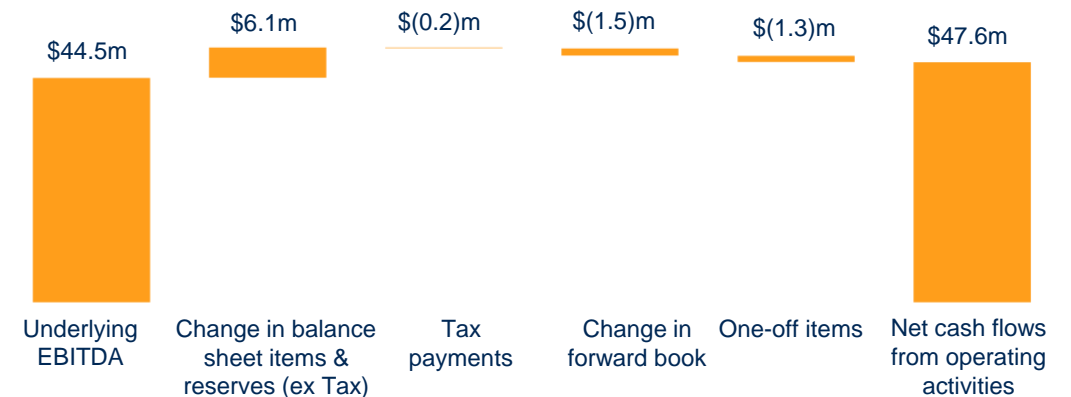
| \$m | 31 Mar 21 | 31 Mar 22 |
|-----|-----------|-----------|
|-----|-----------|-----------|

Balance Sheet

| | | |
|--|--------------|--------------|
| Cash held for own use | 33.5 | 59.1 |
| Deposits due from financial institutions | 27.1 | 25.1 |
| Cash held for settlement of client liabilities | 241.8 | 242.8 |
| Derivative financial assets | 22.5 | 34.4 |
| Right-of-use assets | 13.9 | 6.4 |
| Other assets | 10.5 | 11.1 |
| Property, plant and equipment | 1.1 | 1.2 |
| Intangible assets | 16.3 | 19.9 |
| Deferred and prepaid tax assets | 6.3 | - |
| Equity accounted investees | - | 4.5 |
| Total assets | 373.0 | 404.5 |
| Client liabilities | 247.1 | 246.6 |
| Derivative financial liabilities | 16.7 | 27.1 |
| Lease liabilities | 17.3 | 8.3 |
| Other liabilities | 11.6 | 19.1 |
| Total liabilities | 292.7 | 301.1 |
| Total equity | 80.3 | 103.3 |

- Net cash held \$84.2m, up \$23.6m, Net Available Cash \$31.6m down \$5.2m with increased collateral for volatility in March and GCA product
- Strong cash generation; \$44.5m underlying EBITDA delivering \$47.6m net cash flows from operating activities
- Investment in intangible assets of \$10.5m delivering capabilities across product, risk management and payments
- Healthy cash generation to be used to pay down debt facility in place for Firma acquisition

FY22 Net cash flows from operating activities





¹ Includes adjustment for accounting changes to cloud computing (FY20 \$1.3m, FY21 \$1.3m)



Focus areas for FY23

Skander Malcolm

Chief Executive Officer and Managing Director

✓ **190+ employees**
including 70 Salespeople
with a strong service culture

✓ **~9,600 Active
Corporate clients**

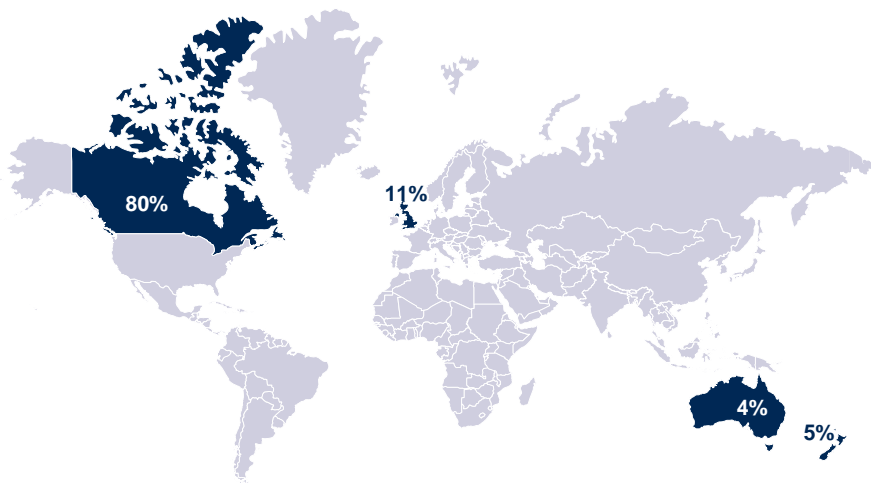
✓ **ATV's ~\$60k**

✓ **Net promoter
score of 76**

Transaction highlights

- Completed the C\$90m (A\$98m) acquisition of 100% of Firma Foreign Exchange Corporation (Firma) and most of its subsidiaries.
- The acquisition of Firma UK, which is 11¹% of turnover, subject to approval by the Financial Conduct Authority
- \$100m AUD debt facility has been drawn down

Geographic coverage by turnover



¹ UK represents 11% LTM to September 2021 turnover of Firma Group

Integration

People

- Integration leads appointed on both sides and weekly operating mechanism established
- OFX executives completed 3 day deep dive in Edmonton with Firma employees (May 2nd to 5th)

Customer Experience

- Product feature gap analysis underway
- Platform migration by region, focused on client experience

Business combination synergies

- Synergy execution underway, \$5m+ by FY25
- Bank cost reductions underway, revenue and growth planning on track



Focus on strategic priorities

- Integrate Firma - focus on people, synergies and client growth
- Continue to grow North America, launch European expansion
- Drive momentum in Corporate and Online Seller segments
- Win and activate Enterprise pipeline
- Deliver returns from product, risk, payments and technology investments



Deliver strong results

NOI (Including Firma)
\$200m– \$212m

Underling EBITDA
\$55m-\$60m

Firma Underlying
EPS accretion¹
of 20%

Intangible investment
\$12m-\$16m

¹ Underlying EPS: EPS for the ongoing business. For Firma this excludes transaction costs, integration costs and non-cash tax effected amortisation of acquisition of intangibles on an annualised in year basis



**Official Currency Exchange
Provider of the NHL®**

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Appendix

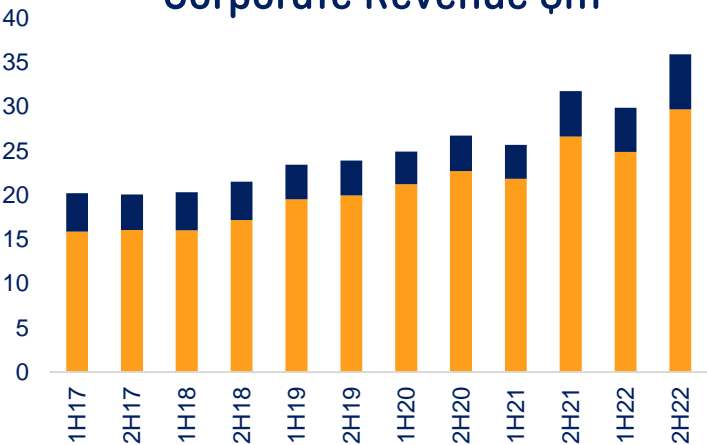


Revenue from Existing Clients

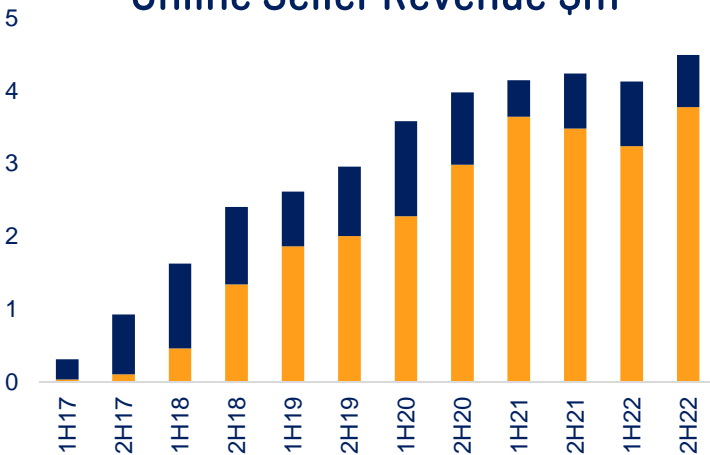
77%

decrease from 79% in FY21

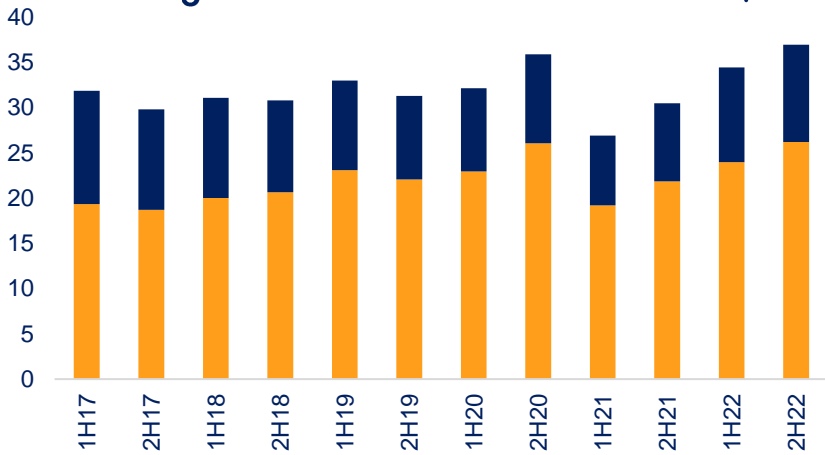
Corporate Revenue \$m



Online Seller Revenue \$m



High Value Consumer Revenue \$m

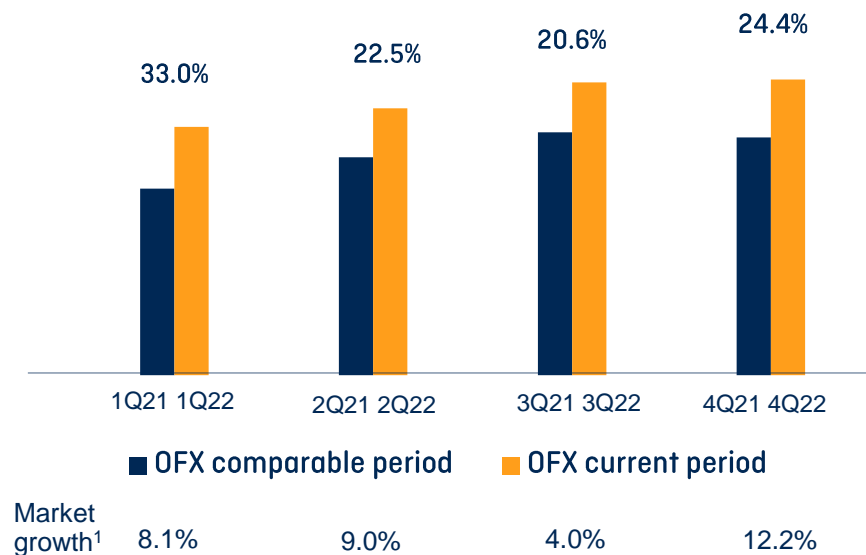


■ New clients within the last 12 months
■ Existing clients

Strong quarter on quarter NOI growth

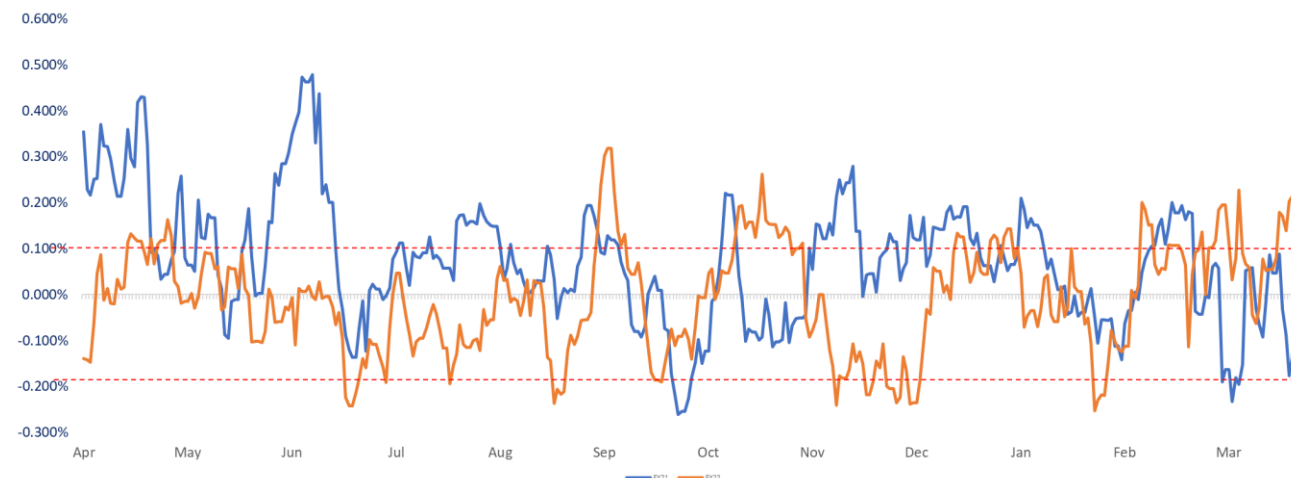


OFX quarterly NOI growth



- Strong and consistent NOI growth throughout FY22, up 20%+ every quarter
- Increased volatility in 2H22 v 1H22, up 2x
- OFX significantly outperforming the market benchmark throughout FY22

14 day moving average of daily % movement in spot price (AUD/USD)²



| Days of volatility | FY21 | FY22 |
|--------------------|------|------|
| 1H | 69 | 25 |
| 2H | 44 | 51 |
| FY Total | 113 | 76 |

1. Source: OFX analysis and <https://www.thomsonreuters.com/en/resources/fx-volumes.html>

2. AUD/USD is a major trading corridor within the portfolio

- **Active Client:** Number of clients that entered into a Transaction with OFX during the immediately preceding 12 month period
- **ATV:** Average transaction value
- **Corporate:** As of 1H21, Corporate excludes OLS; OLS is reported separately
- **Cost per Registration:** Promotional expense / registrations
- **Enterprise:** International Payment Solutions in the segment reporting
- **Existing Clients:** (previously defined as Returning clients) are active clients who first transacted > 12 months ago
- **LTM:** Last twelve months
- **Net Available Cash:** Net cash held less Collateral and Bank Guarantees
- **Net Cash Held:** Cash held for own use + Deposits due from financial institutions
- **New Revenue:** Revenue from clients that register within the current financial year
- **NOI margin:** Net Operating Income / Turnover
- **OLS:** Online sellers, business clients who sell online via marketplaces or digital platforms
- **PaaS:** Platform-as-a-service
- **Recurring Revenue:** Revenue generated from Existing Clients
- **Registrations:** Number of clients that have successfully registered or signed up with OFX in the period
- **Revenue:** represents “Fee and trading income” in the statutory accounts excluding slippage
- **Transactions:** Number of transfers or exchange of funds pursuant to instructions or in line with a request
- **Underlying EPS:** EPS for the ongoing business. For Firma this excludes transaction costs, integration costs and non-cash tax effected amortisation of acquisition of intangibles



Thank you

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