



OFX GROUP DELIVERS STRONG 1H23 PERFORMANCE AND UPGRADES FY23 GUIDANCE

8 November 2022 – OFX Group Ltd (“OFX” or “the Group”) (ASX: OFX) today announced its results for the six months ended 30 September 2022. Net Operating Income (NOI) of \$105.3m was up 53.4% on the prior corresponding period (PCP), driven by strong revenue growth in all regions, the acquisition of Firma and continued discipline on bank fees and commissions. The Group delivered record underlying EBITDA¹ of \$32.3m, up 59.4% on PCP with an Underlying EBITDA margin of 30.7%. This while continuing to invest in its people, technology and marketing to support future growth. Statutory net profit after tax was up 34.7% to \$14.7m.

The result was underpinned by excellent execution, with a 9bp increase in margins to 62bp (excluding same currency transactions) and the integration of Firma, acquired on 1 May 2022, progressing to plan. Turnover growth of 32.6% to \$19.9bn was driven by a 15.8% increase in transactions volumes to 670.7k and 14.5% increase in Average Transaction Values (ATVs) to \$29.6k.

The Group’s Corporate segment grew 98.2% to \$59.2m, with strong double-digit growth in all regions and Firma contributing \$23.4m. High Value Consumer revenue was up 11.3% to \$38.3m, supported by currency volatility and use cases such as salary transfers and mortgage repayments returning. The Online Seller segment grew revenue by 0.6% to \$4.2m, with Enterprise Revenue down 1.6% to \$2.9m and further growth in its pipeline of opportunities.

OFX continues to generate strong cash flows, with net cash from operating activities of \$20.1m for the half delivering net cash held of \$92.9m and net available cash of \$43.9m. During the half, OFX repaid \$18.5m of drawn down debt to fund the acquisition of Firma. It remains on track to repay the debt facility in full within four years.

Summary financial results

	1H22	1H23	% change
Turnover (\$b)	15.0	19.9	32.6%
Fee and trading income (revenue) (\$m)	74.0	110.9	49.9%
Net operating income (\$m)	68.6	105.3	53.4%
Underlying operating expenses (\$m)	48.4	73.0	50.9%
Underlying EBITDA (\$m)	20.3	32.3	59.4%
Statutory EBT (\$m)	14.2	19.0	33.9%
Statutory NPAT (\$m)	10.9	14.7	34.7%
Net cash held (\$m)	63.1	92.9	47.2%

OFX’s Chief Executive Officer and Managing Director, Skander Malcolm, said: “I am delighted to report another strong result in what remains an uncertain operating environment. This demonstrates the resilient nature of our business with more than half of our revenue now coming from our Corporate segment and recurring revenues of 82%, up from 77% in 1H22. The result includes five months of revenue from Firma, which is proving to be an outstanding acquisition and will deliver more than 20% EPS accretion this year.

¹ Underlying EBITDA: EBITDA for the ongoing business. For Firma this excludes transaction costs and integration costs



"I am very proud of the team's exceptional delivery against our strategy. We achieved strong revenue growth in all regions while further lowering bank fees and partner commissions. Our key growth region of North America grew revenue by 117.2%, supported by Firma, with our largest region APAC growing by 15.0% and EMEA by 26.9%.

"We are gaining strong traction with clients that value our efficient platform and human + digital offering, supported by increased investment in our customer experience, marketing and risk management programs. We also continue to build the team, predominantly in revenue generating areas, while managing our costs well. This resulted in an EBITDA margin of 30.7%.

Upgraded FY23 guidance

Reflecting elevated ATVs and strong transaction volumes in 1H23, trading in the first few weeks of 2H23 and Firma performing ahead of expectations, OFX has upgraded its guidance for FY23.

Skander Malcolm said: *"We continue to make excellent progress against our strategic priorities, and based on our assumptions for the remainder of the year have upgraded our guidance to NOI of between \$215m and \$222m, underlying EBITDA between \$62m and \$67m and 20% growth in underlying EPS from the Firma acquisition. "*

"In a shifting landscape our diverse customer base, scalable global operations, strong balance sheet and cash generation and our risk culture mean we are well placed to grow market share in our target segments while continuing to pursue value-accretive inorganic opportunities as they arise."

Authorised by OFX Group Limited Board of Directors

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Investor Conference Call and Webcast

An investor presentation has been lodged with the ASX today, together with this announcement. OFX will host a conference call and webcast for analysts and investors at 10.00AM AEDT this morning.

Conference call registration:

<https://s1.c-conf.com/diamondpass/10026127-g85u3t.html>

Live audio webcast registration:

<https://webcast.openbriefing.com/9242/>

About OFX Group (ASX: OFX)

Founded in 1998, OFX is an international money services provider based in Sydney with a presence in eight countries and more than 700 staff. It offers money transfers and foreign exchange services for consumer and business clients across 50+ currencies. Through its 'digital + human' business model, OFX provides 24/7 client support to complement its global digital platform.

More information, including a downloadable Fact Sheet, is available at <https://www.ofx.com/en-au/investors>