



Annual General Meeting - 2016

CEO Address

CEO Address



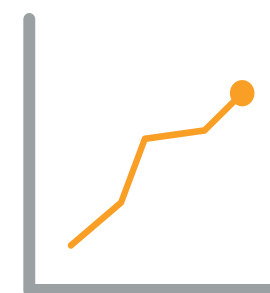
Summary of Year

Accelerate Strategy

Announcement of 3 year strategy to strengthen position as Australia's number 1 non-bank international payments provider, accelerating offshore expansion and doubling revenue

Investment in enablement phase including:

- Brand / Marketing
- Technology
- People



FY16 was defined by investment and change as the Group positioned itself to embark on its next phase of growth

Brand

The Group launched OFX.com, the single global brand that will facilitate the investment in raising brand awareness.



FY16 Underlying Results

	FY16	FY15	Growth
Financial Metrics			
Turnover (\$bn's)	19.6	16.6	18%
Net Operating Income (\$m's)	103.9	90.1	15%
Underlying Expenses 1,2 (\$m's)	67.8	55.6	22%
Underlying EBTDA ^{1,2} (\$m's)	36.1	34.5	5%
Underlying EBT ^{1,2} (\$m's)	34.8	33.9	3%
Underlying NPAT ^{1,2} (\$m's)	23.9	24.3	-2%
Operational Metrics			
Active Clients ³ (000's)	150.9	142.5	6%
Transactions (000's)	784.2	702.8	12%
Average Transaction Value (\$000's)	25.0	23.7	5%

- Double digit revenue growth
- Investment in enablement phase of the Accelerate Strategy
- EBT growth supported by improving margins in the second half
- Predictably the brand transition impacted client acquisition through 3Q16 and into early 4Q16
- Deliberate increases in headcount across technology, product and compliance and risk management
- Strong balance sheet with no debt and continued ability to deliver self-funded organic growth
- Full year dividend payout of 6.7 cents per share fully franked in line with dividend policy of 70-80% payout

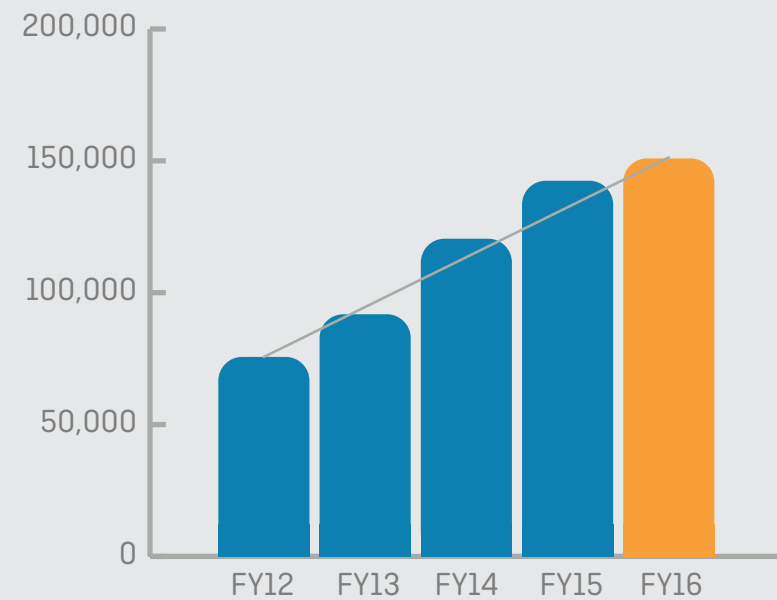
1. FY16 excludes one off costs associated with CEO succession planning and Executive Team restructure, corporate action costs and rebranding costs.
 2. FY15 excludes \$0.1m of expenses relating to IPO costs
 3. Active clients are clients who have transacted within the past 12 months



Key Client Metrics Reflect Strong Underlying Customer Base

Continued growth in active clients, with strong growth in existing client cohort base

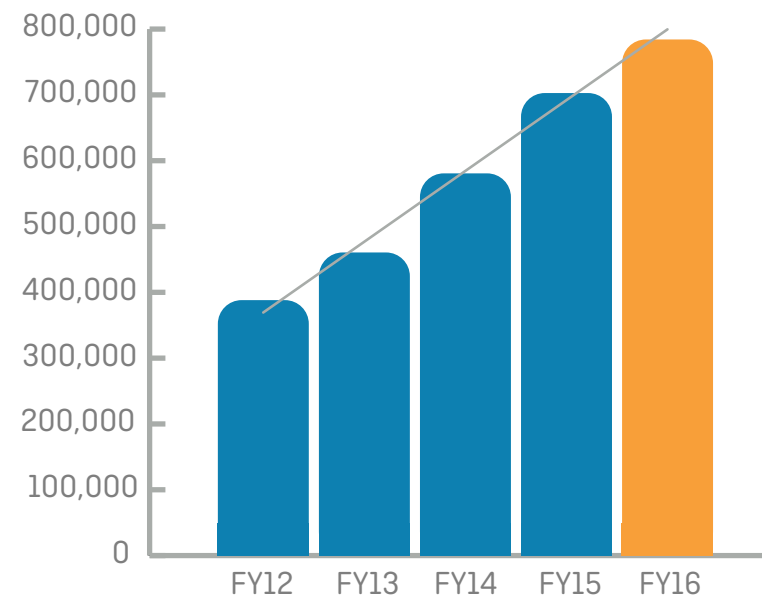
Corporate clients now account for 12% of active clients up from 10% in FY14



Active Clients

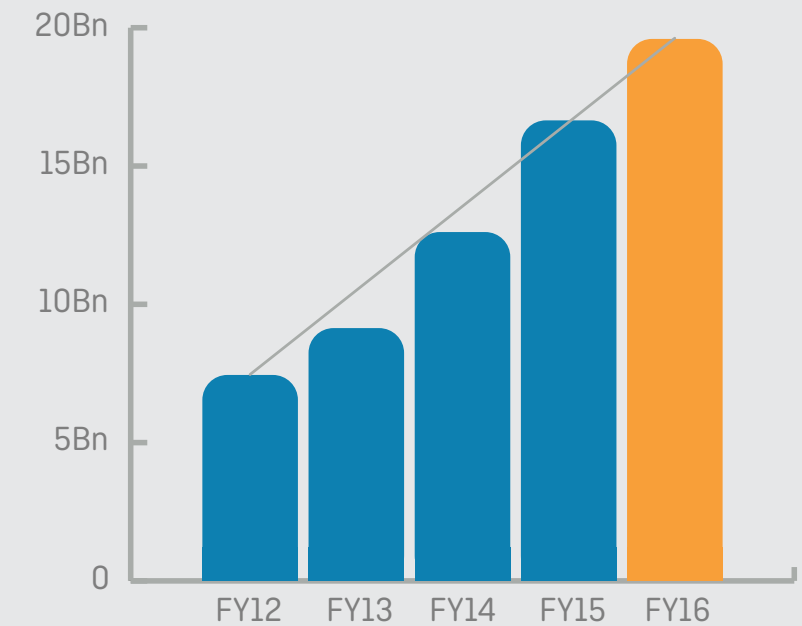
Transactions grew faster than active clients

Corporate clients transact 4.5 times more than an individual



Transactions

Resulting in turnover increasing to nearly \$20bn

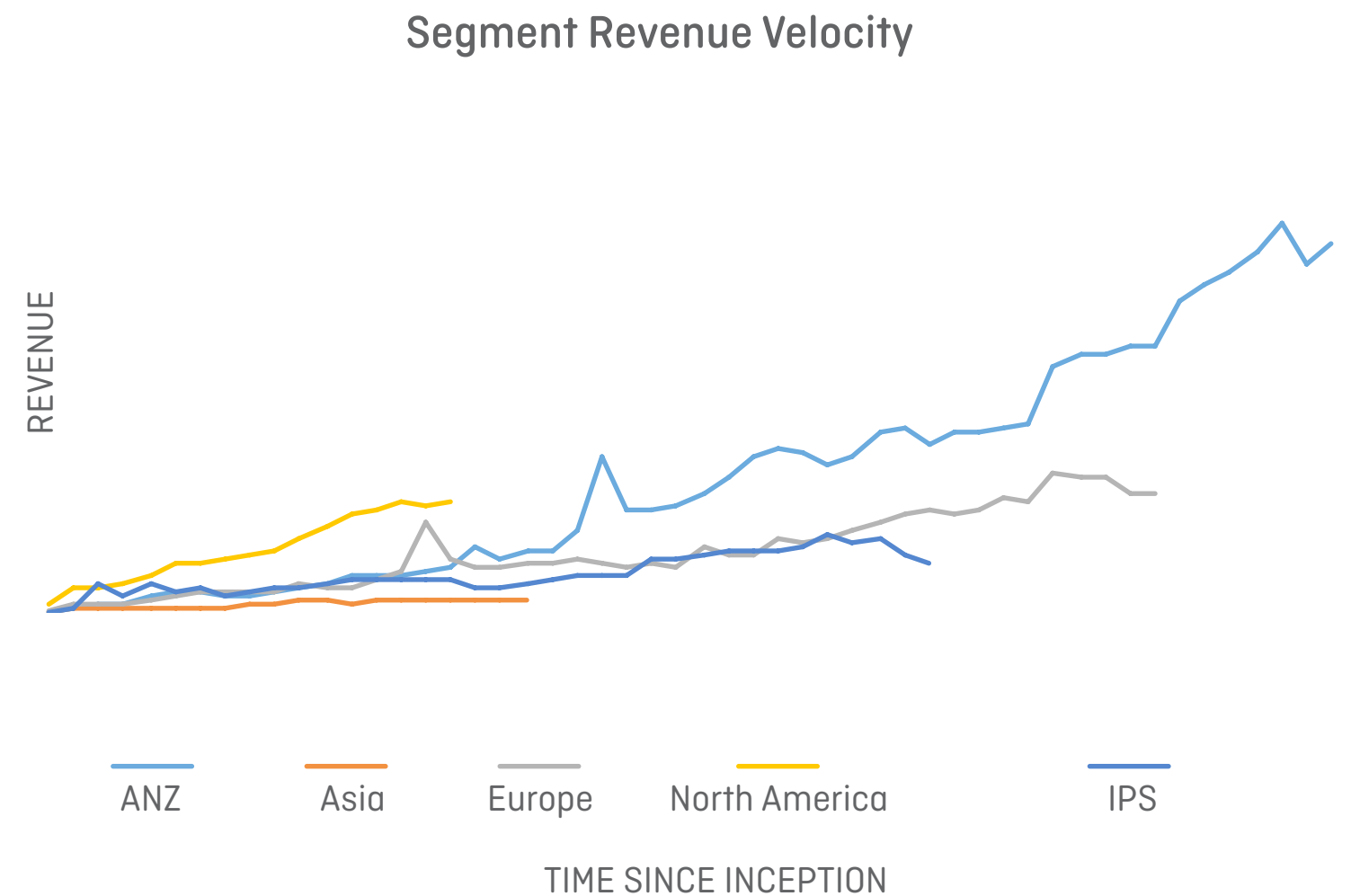


Turnover



OFX is Truly a Global Business With Half of Revenue Generated Offshore

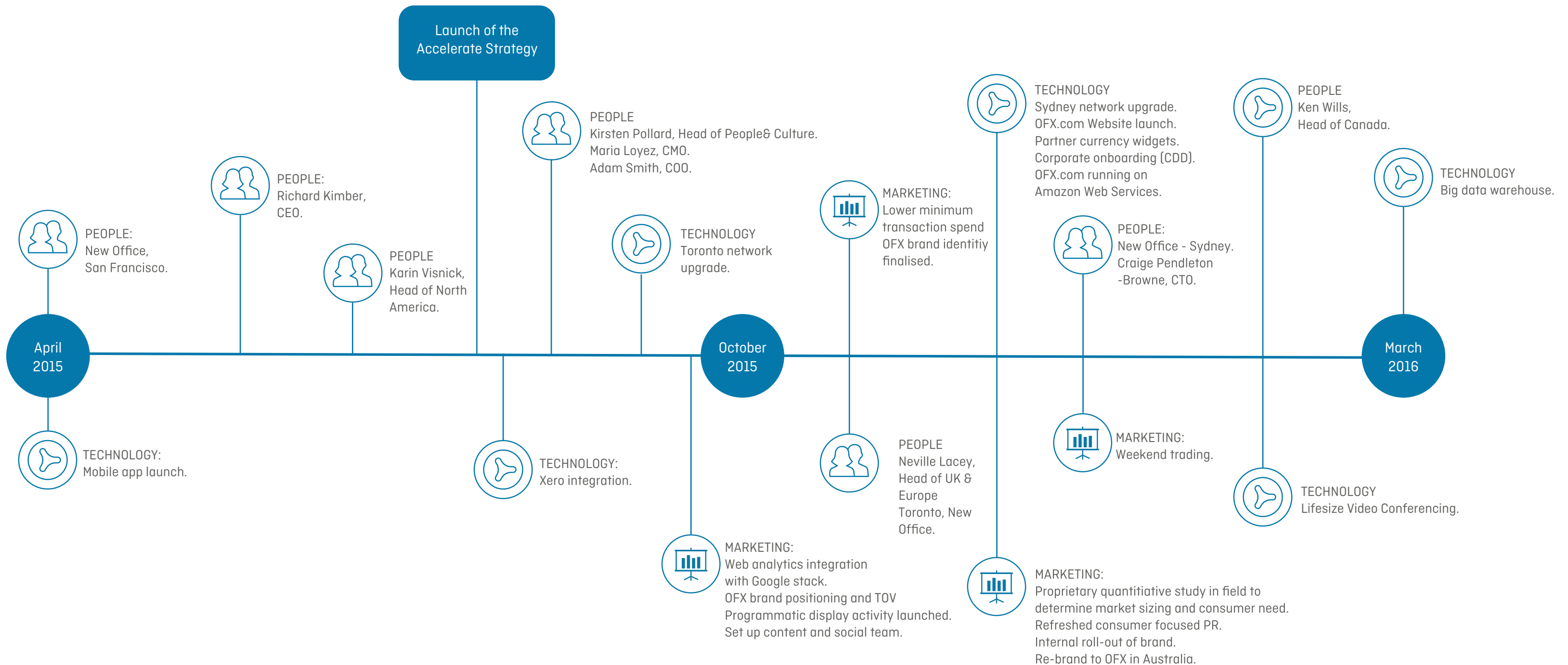
\$m	FY16	FY15	Growth
Australia and New Zealand (ANZ)	60.1	50.7	19%
Europe	20.9	19.2	9%
North America	17.6	12.9	36%
Asia	2.1	1.8	17%
IPS	10.5	11.0	(5%)
Fee and Commission Income	111.2	95.6	16%
Transaction Costs	(9.0)	(7.3)	23%
Net Fee and Commission Income	102.2	88.3	16%
Net Interest Income	1.7	1.8	(6%)
Net Operating Income	103.9	90.1	15%





Key Achievements

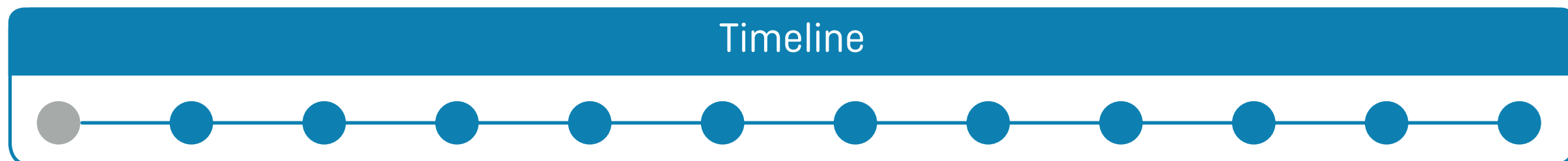
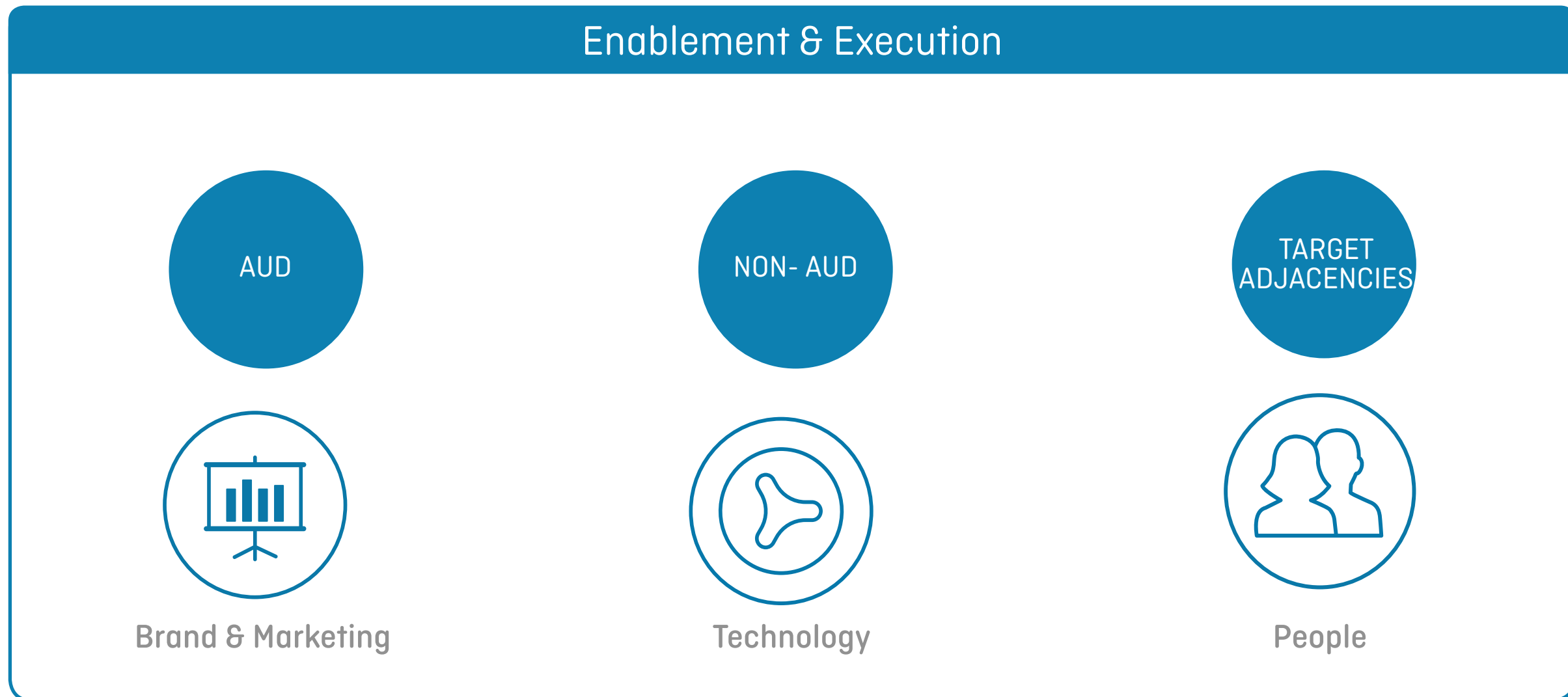
We have achieved a great deal over the last year.





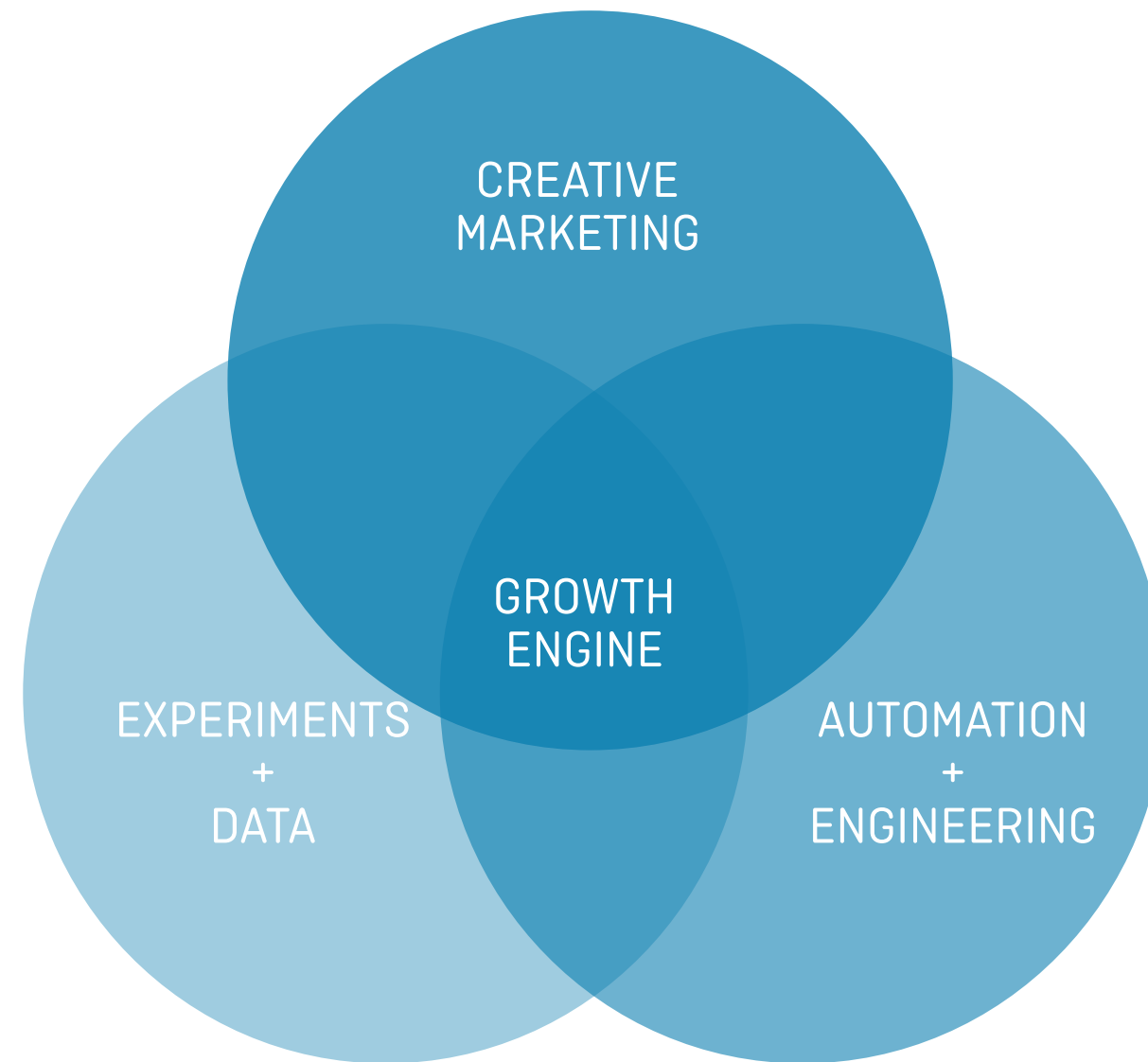
Accelerate Strategy

Double revenues by FY2019





Growth Engine





The ATL Strategy Has Focused on Awareness and an Effective Customer Journey

BEFORE		AFTER
Radio sponsorship, word of mouth and PR	Awareness	Targeted comms telling people who and what we are
Google Paid Search, organic search and affiliates	Consideration	Call to action making it easy and clear how to find us
Local websites	Evaluation	Landing pages speaking to segments & relevant differentiators
Local websites	Purchase	Simple registration and dealing processes
N/A	Loyalty	Great customer experience on and offline which builds the brand
Refer-a-Friend	Advocacy	Refer-a-Friend and shareable content to make it easy to advocate OFX



Global Brand Launch

USFOREX
Foreign Exchange Services

UKFOREX
Foreign Exchange Services

NZFOREX
Foreign Exchange Services

CLEARFX
Foreign Exchange Services

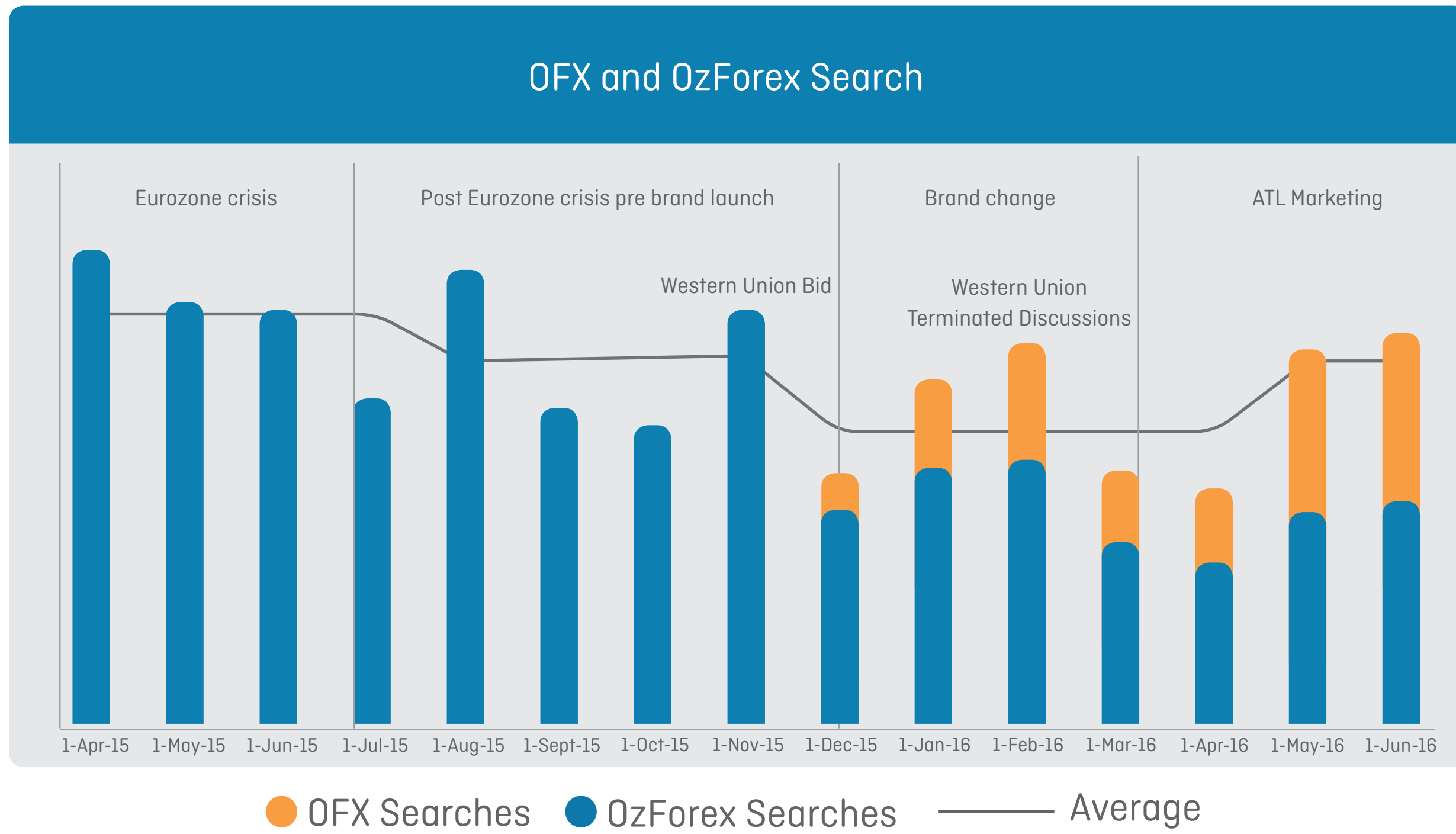
CANADIANFOREX
Foreign Exchange Services



Single differentiated brand building value which attracts and returns beyond price
More identifiable to customers moving markets
More team productivity and media diversity
Cost effective - economies of scale and scope

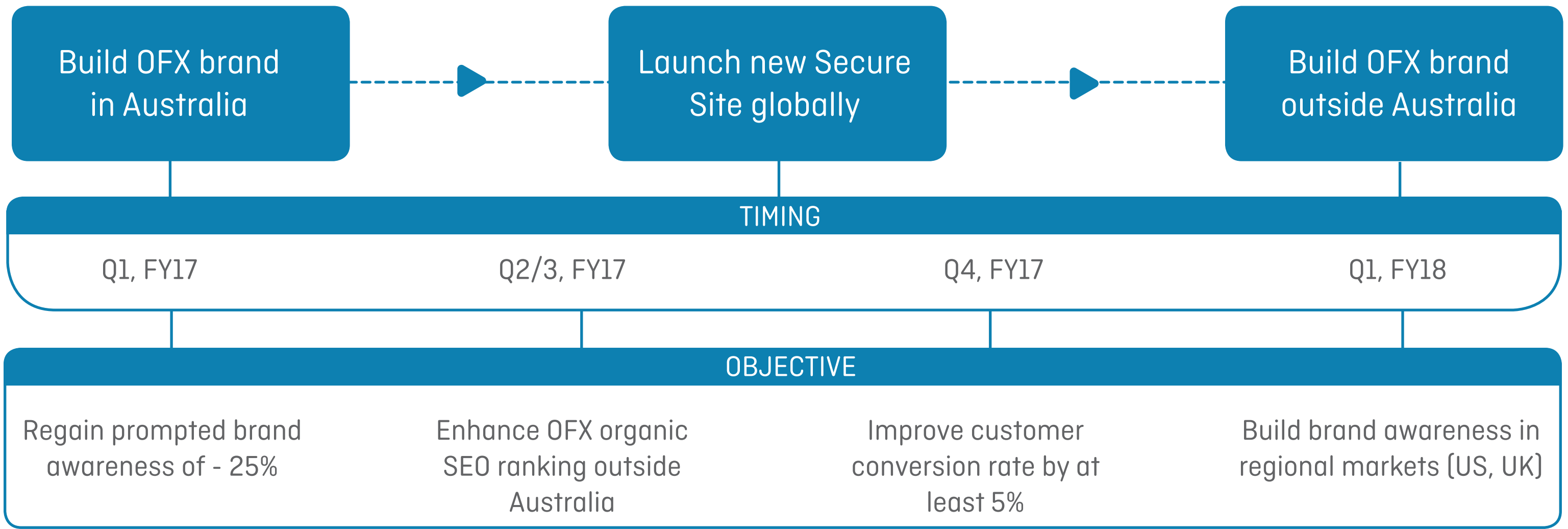


Brand Search Impressions





Establish OFX Brand Outside of Australia





Creative Has Moved Towards Direct Response

> AUD **\$427 saved** on average
for a AUD **\$10k** transfer to USD

Global money transfer specialists

> ofx.com/switch

Average savings based on a sample of customer deals between 7-20 June 2016 of AUD\$10,000 to USD single transfers against published rates of ANZ, Westpac, NAB and CBA for the same period. Transaction costs excluded. Quoted savings are not indicative of future savings. Please consider OFX's PDS at ofx.com. OzForex Limited t/a OFX (ABN 65 092 375 703). AFSL 226 484.



Embracing Agile

DELIVERY & FEEDBACK
IMPLEMENTATION
SNAGS
ITERATION PLANNINGS

AGILE IS NOT A THING YOU BUY.
AGILE IS A THING YOU ARE.

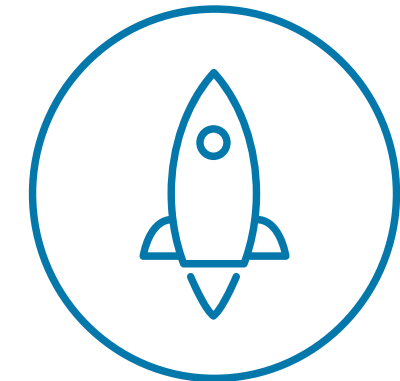


Becoming Cloud Native

COST EFFECTIVE
GLOBAL SCALE



High Quality



Constant Innovation



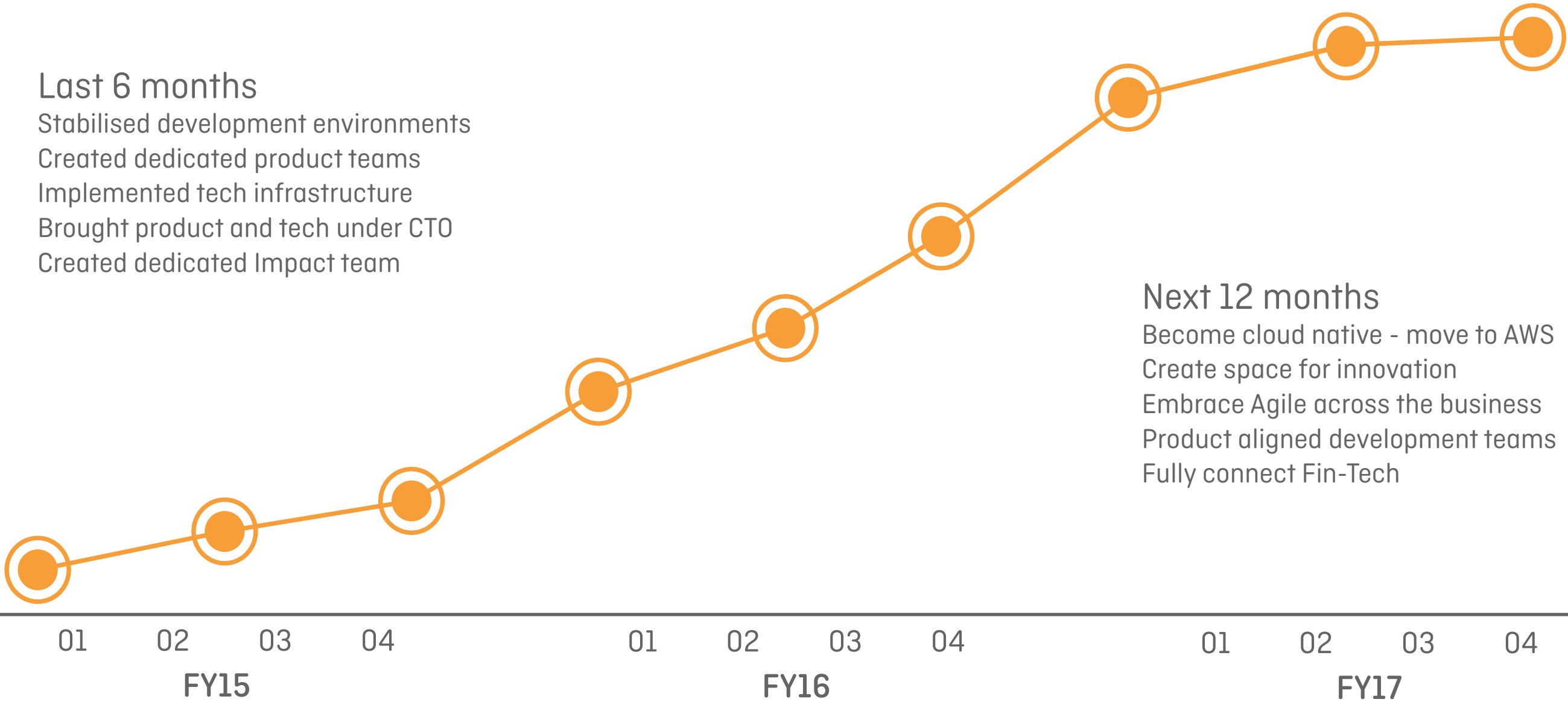
Variable Cost



Infinite Scale

Building A High Velocity & Agile Technology Environment

Velocity of features delivered



Last 6 months

- Stabilised development environments
- Created dedicated product teams
- Implemented tech infrastructure
- Brought product and tech under CTO
- Created dedicated Impact team

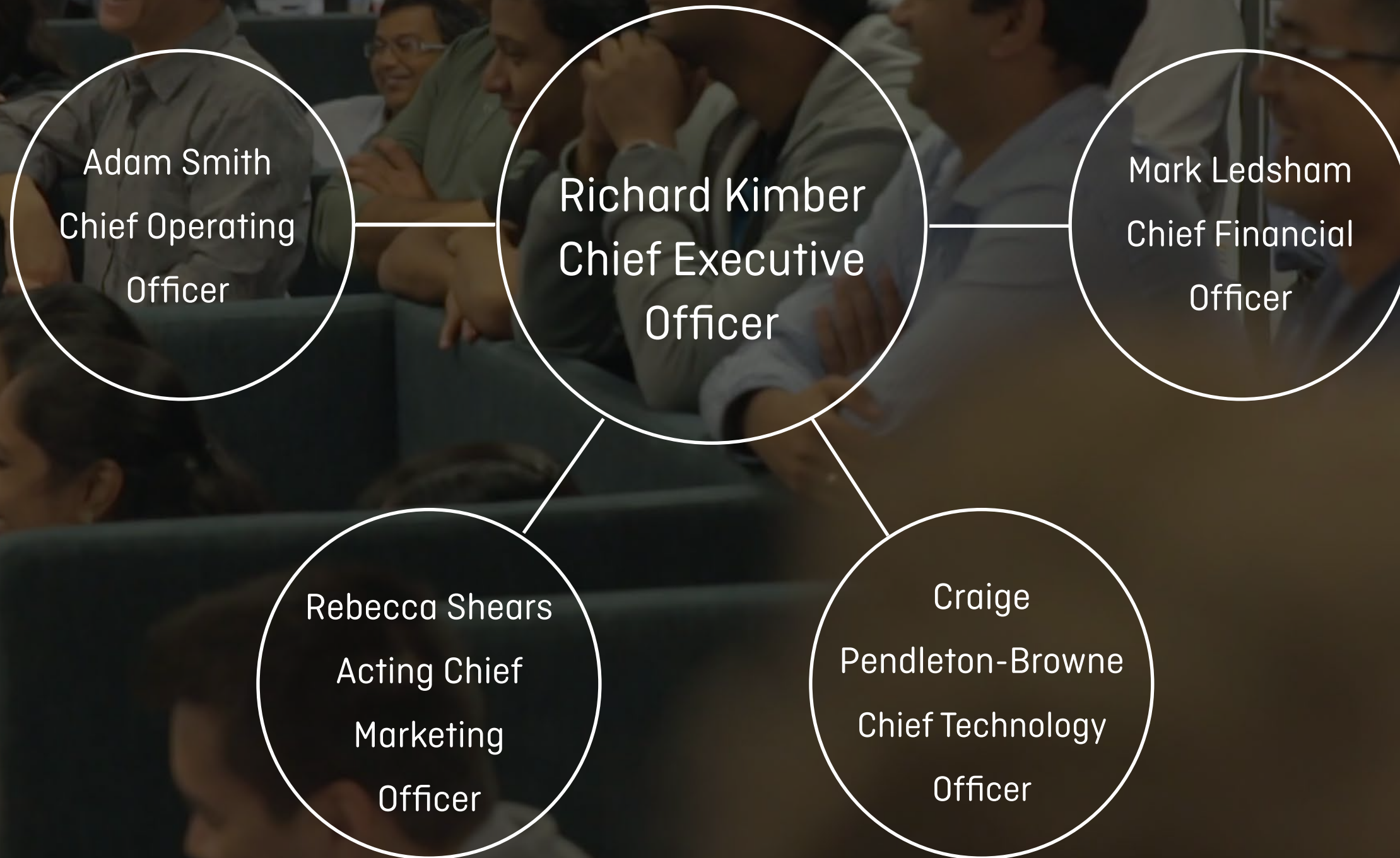
Next 12 months

- Become cloud native - move to AWS
- Create space for innovation
- Embrace Agile across the business
- Product aligned development teams
- Fully connect Fin-Tech

Illustrative only.



People





First Quarter 2017 Highlights

Brexit

Weekend trading

Online Sellers Solution

US update

HK office



Brexit – What OFX Did That Others Couldn't

Competitor website: "About GBP transfers; to protect your money around the UK EU referendum, on Thursday 23rd June we won't offer transfers to GBP after 7am, or from GBP after 6pm (no deposits after 8pm).

HOW OFX TRADED THROUGH BREXIT

IT Platform
scaled to meet
demand

Strong counterparty Banking
relationships supported the
required liquidity

OFX does not rely
on a peer-to-peer
model

Strength of balance
sheet provided
security to banks

24/7
business
model

8 x 8
telephony

"Australians overseas were stranded without cash for up to six hours after [2 of the big 4 banks] suspended foreign exchange of the British pound following the Brexit referendum." - Courier Mail

An aerial night view of a city, likely Los Angeles, with a dense grid of lights. The sky is a deep blue, transitioning to a lighter blue near the horizon. A white circle is superimposed over the center of the image, containing the text '24/7' in a white, sans-serif font.

24/7

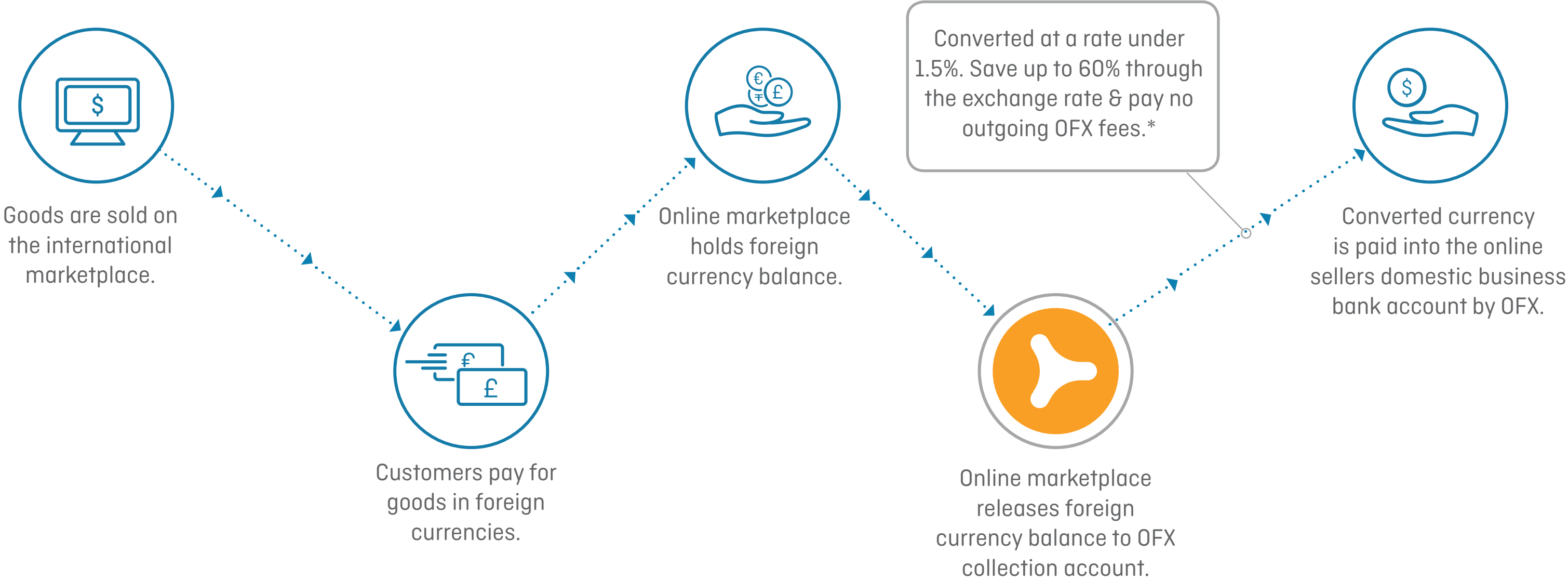
We are now open on the weekend!



Online Sellers

Once an online seller has registered and been approved for an account, they can add their new bank account details into their international marketplace to start saving and sending money immediately.

OFX Online Seller Transfer Example



*Please note that the intermediary and/or receiving bank may assess a fee.



US Update

Strengthening our proposition

Pursuing strategic partnerships

Designing our expansion strategy



Hong Kong Office

Expanded HK office will be in place by end of August recognising the strategic location of HK in Asia.
New Global Head of Sales to be based in HK and to be appointed by end of Q3.

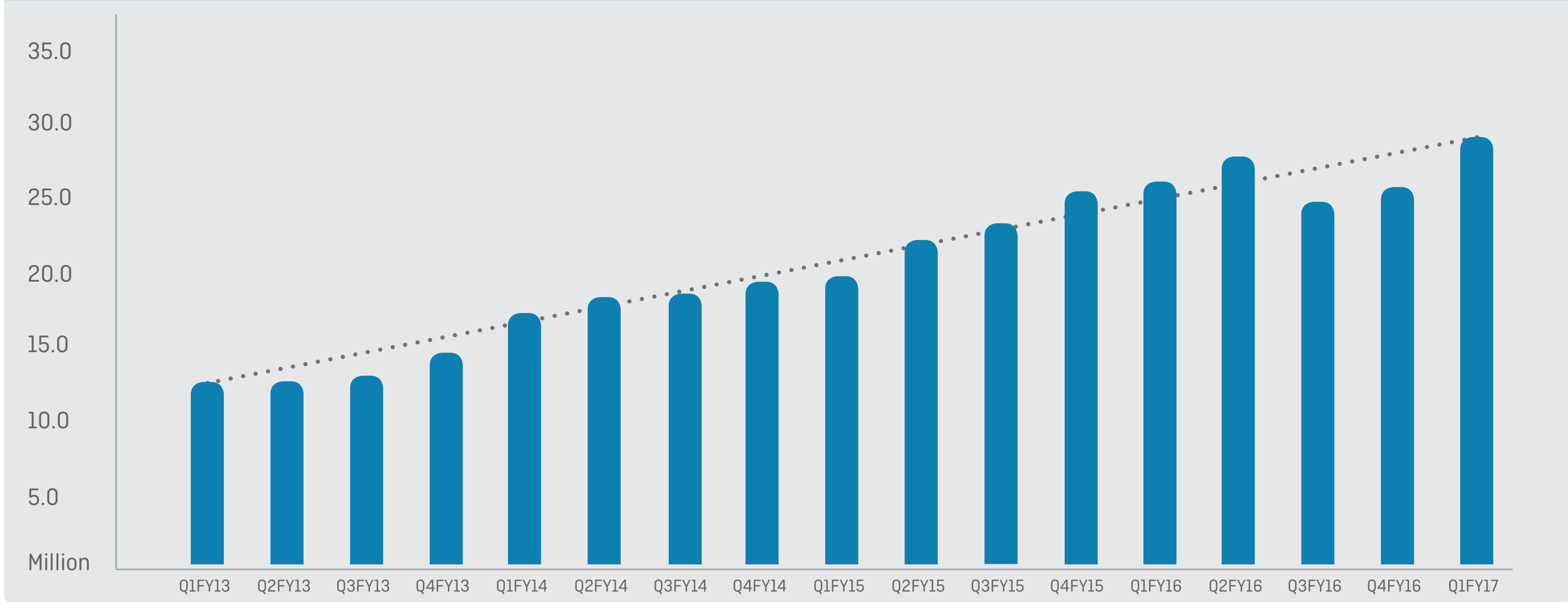


Q1 Update



Consistent Underlying Growth

Underlying NOI

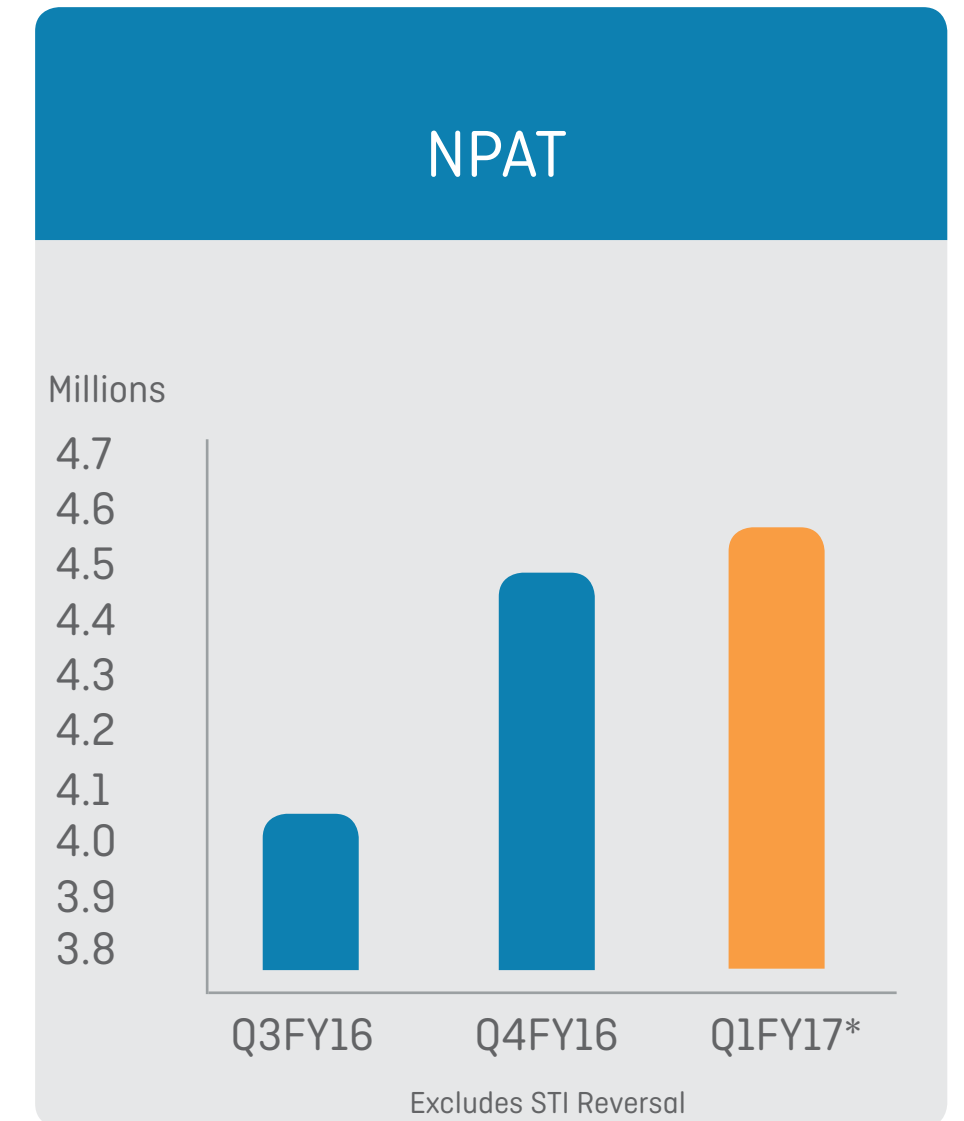
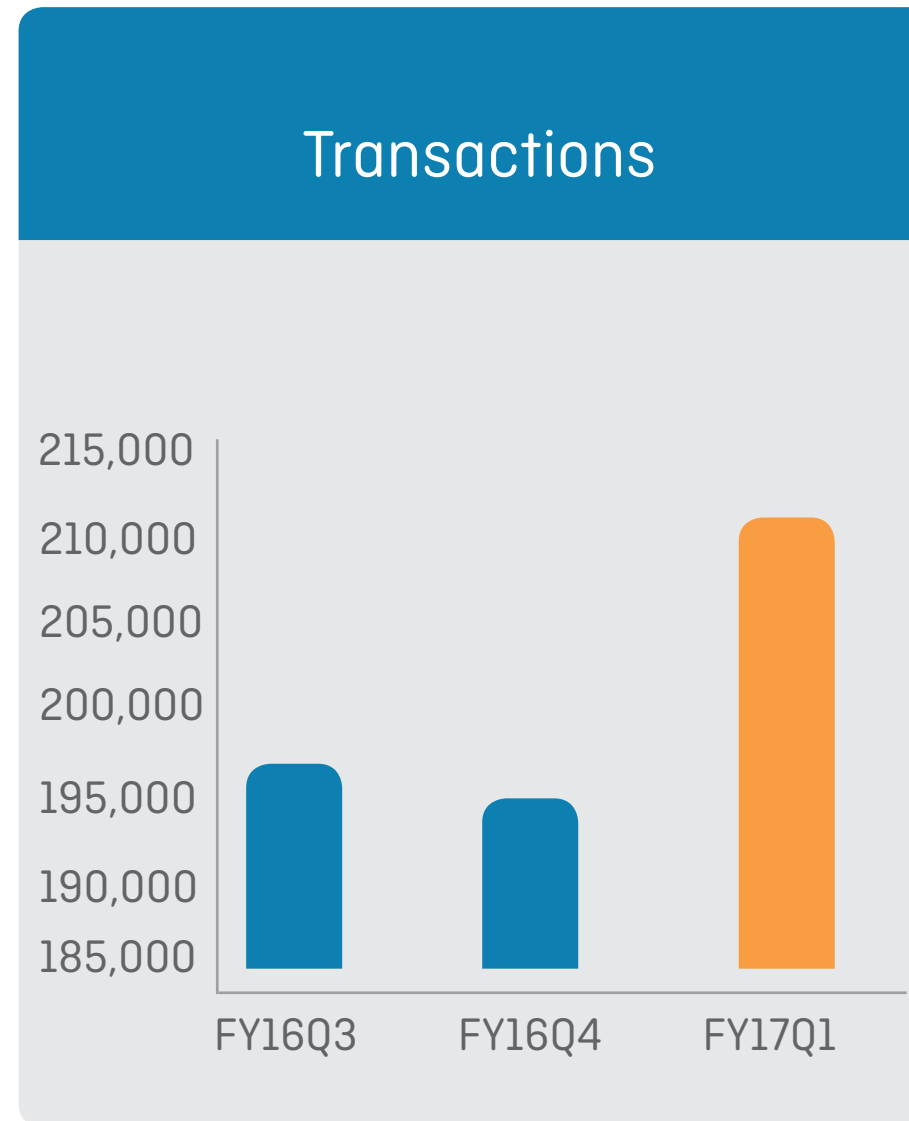




Quarter on Quarter Growth



*Clients that have dealt in the quarter



*Unaudited

Transaction volumes and NPAT has recovered since abnormally low volumes in Q3 F16



Outlook Unchanged

We currently expect the FY17 result to be characterised by



Strong revenue growth driven by increasing active client numbers as above the line strategy becomes effective

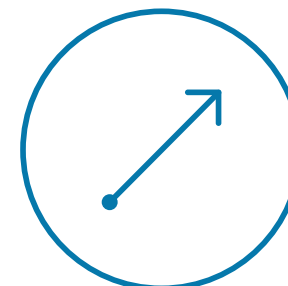


Lower 1H17 EBTDA margins as above the line marketing expenditure is refined and economics improved, leading to improving margins in 2H17



Investment in client acquisition and product development

- \$5m of above the line spend all expensed
- Continued increase in Technology headcount growing at a similar rate to FY16
- \$5m of capitalised platform development costs as the platform is moved into the cloud and updated



FY17 earnings to be up on FY16 with accelerating growth into FY18 based on current market conditions

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