



OFX GROUP LIMITED
1H24 RESULTS
RECORD NOI AND POSITIVE OUTLOOK FOR FY24

14 November 2023 – OFX Group Ltd (“OFX” or “the Group”) (ASX: OFX) today announced its results for the six months ended 30 September 2023. Net Operating Income (NOI) of \$115.1m was up 9.4% on the prior corresponding period (PCP), with continued growth in its B2B segment across all regions and a return of some high-value use cases in its B2C segment. The Group delivered underlying EBITDA of \$31.8m¹, down 1.5% on PCP but up 1.6% on PCP excluding the acquisition of Paytron. Statutory net profit after tax was up 4.9% to \$15.8m.

The Group narrowed its guidance range to reflect weaker Corporate confidence in Canada, which affected ATVs in the first half however, in 3Q24 to date it has seen a rebound and overall expects 2H24 to be stronger than 1H24. OFX now expects to achieve NOI of \$225m to \$238m and underlying EBITDA of \$63m to \$70m, including Firma synergies and excluding the acquisition of Paytron.

Results Overview

The result was underpinned by strong execution, with the Group’s NOI margin² up 7bps on PCP, synergies from the integration of Firma tracking ahead of plan, and the acquisition of Paytron successfully completed. The record NOI result was supported by good pricing actions, interest income of \$4.3m and a \$3.7m escrow payment related to the Firma acquisition, as previously disclosed.

The Group’s Corporate revenues grew 7.2% to \$63.4m, 87% of which are recurring. Its Corporate revenue growth rate was also impacted by short term margin reductions in its Canadian business as OFX sought to retain the clients of a small group of departed traders. Margins in Canada improved through the second quarter.

Revenue in the US grew 8.5%, the UK grew 34.1% and in Australia grew 4.1%, demonstrating the benefit of OFX’s diversified global business. Its Corporate clients remained active, with transactions up 13.4%, transactions per active client up 23.2%, and new client registrations growing 41.9%. These metrics underpin confidence in a stronger 2H24 and beyond.

¹ Underlying EBITDA includes \$(0.9)m from Paytron

² FX transactions only (excluding same currency transactions)



Across its other B2B segments, Enterprise revenue grew 46.0% to \$4.2m, partially offset by a 25.0% decline in Online Seller to \$3.1m. OFX saw good growth from its major Enterprise clients, supported by an increasing pipeline of small and mid-sized client prospects activating quickly and well, and two new clients signed during the half, including the first Enterprise client in North America. A second North American Enterprise client was signed subsequent to the period end. B2B now contributes 66% of Group revenue.

OFX's High Value Consumer segment was down 6.5% on PCP relative to an unusually strong 1H23 to \$35.8m, although up 7.7% on 2H23 as it continued to see certain higher-value use cases return, such as property and wealth transfers. This return to growth was in line with expectations. ATVs were down 4.3% on PCP, also in line with expectations.

Underlying operating expenses were well managed, up 14.2% on 1H23 but up only 5.9% on 2H23. This primarily related to prior investments in people across technology and sales & marketing, and promotional expenses, which helped drive the significant increase in new client registrations and 3.8% growth in OFX's B2B active client base. Bad and doubtful debts of \$1.2m were well managed given the external environment, and in line with expectations.

OFX continues to generate strong cash flows, with \$31.8m in underlying EBITDA delivering \$33.0m net cash flows from operating activities. The balance sheet is strong with net cash held of \$92.8m and net available cash of \$60.8m as at 30 September 2023. OFX repaid \$11.0m of its drawn down debt for the acquisition of Firma and remains on track to repay the facility in full within four years from the acquisition date. Net debt as at 30 September 2023 was \$11.8m.

Summary Financial Results

	1H23	1H24	% change
Turnover (\$b)	19.9	19.2	(3.5)%
Fee and trading income (revenue) (\$m)	110.9	114.6	3.3%
Net operating income (\$m)	105.3	115.1	9.4%
Underlying operating expenses (\$m)	(73.0)	(83.3)	14.2%
Underlying EBITDA (\$m)	32.3	31.8	(1.5)%
Underlying NPAT (\$m)	20.2	17.0	(15.9)%
Statutory NPAT (\$m)	15.0	15.8	4.9%
Net cash held (\$m)	92.9	92.8	(0.1)%



On Market Share Buy-Back

As part of the Group's ongoing capital management strategy, OFX continued to execute on its on-market share buy-back program, acquiring a total of 3.6m shares for approximately \$7.0m. Under the buy-back program OFX is permitted to acquire up to 10% of its ordinary shares over a 12-month period, which commenced in June 2023, subject to daily trading volumes.

The board remains committed to the buy-back program at the prevailing share price as it considers this to be an efficient way of returning capital to shareholders, while maintaining the flexibility to pursue accretive M&A opportunities that may arise.

Outlook

OFX continues to execute on its vision of building the world's leading cross-border payments specialist. It expects 2H24 to be stronger than 1H24, taking into account the \$3.7m escrow payment realised in 1H24. Key drivers of this stronger second half performance include:

- Canadian Corporate ATVs continuing to increase as Corporate confidence returns;
- Canadian Corporate margins returning to historic levels;
- Momentum in its B2B segment with strong growth in Corporate registrations;
- Expectations of continued strong pricing and interest income; and
- High-value use cases in Consumer continuing.

OFX will continue to focus on growing its target segments and geographies, enhancing value for its clients through investing in its single global platform and broadening its B2B value proposition through the integration of Paytron. With its strong balance sheet and cash generation, the Group is also well placed to benefit from further industry consolidation.

OFX's Chief Executive Officer and Managing Director, Skander Malcolm said: *"These results demonstrate the strength of our diverse business and ability to execute through the cycle, with NOI up nearly 10% on what was an especially strong first half last year.*

"What is even more pleasing is the growth in Corporate client activity, registrations and active clients starting to grow following the investments we have made in building our sales teams and enhancing our Corporate on-boarding experience. Our Enterprise segment is also beginning to activate with a growing pipeline of opportunities.



“Our confidence in our FY24 guidance is underpinned by the momentum in our Corporate segment, a more confident group of North American clients and prospects, and high-value use cases in our Consumer segment continuing. Over the medium-term we are very encouraged by the enhancements to our B2B value proposition from the investments we have made, and with the path we are taking through the acquisition of Paytron, both of which will further entrench our existing client relationships, create new revenue streams and broaden our value proposition for prospects, thereby increasing our ability to grow active clients.”

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 AEST this morning.

Conference call pre-registration: [Diamond Pass Invitation \(c-conf.com\)](#)

Live audio webcast registration: [Webcast – Registration \(openbriefing.com\)](#)

About OFX Group (ASX: OFX)

Founded in 1998, OFX is an international money services provider based in Sydney with a presence in nine countries and more than 700 staff. It offers money transfers and foreign exchange services for Corporate, Consumer and Enterprise 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>