



FY23 Financial Results

23 May 2023



Agenda

- 1 Performance update
- 2 Financials
- 3 Strategy & capital management
- 4 FY24 Outlook
- 5 Q&A
- 6 Appendix





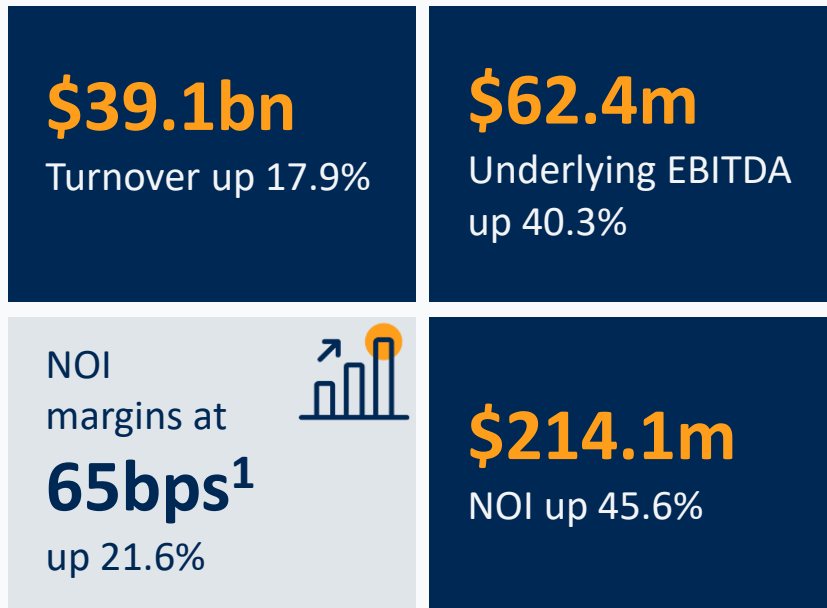
Performance update

Skander Malcolm

Chief Executive Officer and Managing Director



Record year driven by great execution



Outstanding financial outcomes

- Strong NOI driven by revenue growth in all regions, acquisition of Firma, and careful margin management
- Record underlying EBITDA of \$62.4m with underlying EBITDA margin of 29.2%
- Strong balance sheet with \$67.4m net available cash and net debt \$18.8m

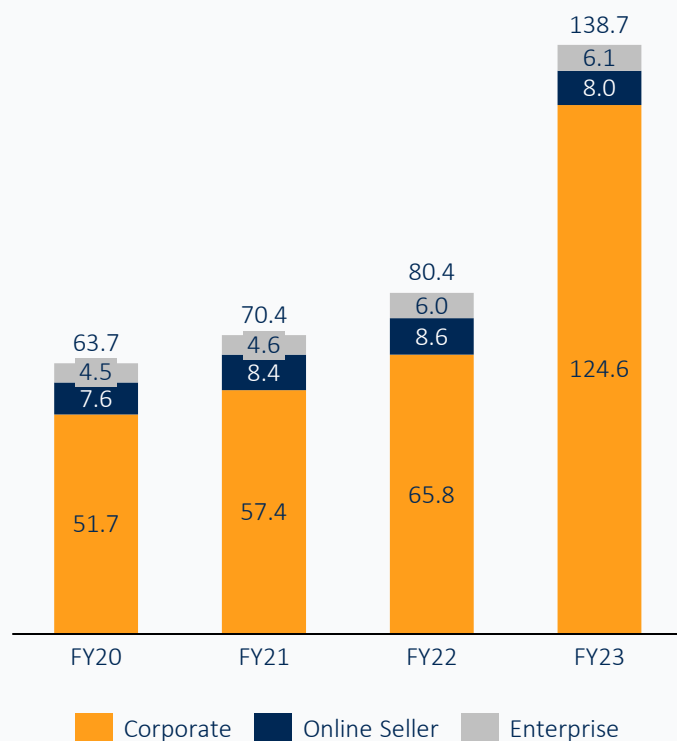
Great execution

- Acquisition of Firma completed, integration on track with EPS accretion of > 30% in year 1
- Healthy culture: highest ever level of employee engagement, 40+ internal promotions, record low voluntary attrition
- Strong risk and compliance control: highest ever level of fraud prevention, losses of \$2.5m in line with expectations, improved controls in cyber

¹ FX transactions only (excluding same currency transactions)

Strong B2B performance

Revenue \$m



Corporate



FY23 v FY22

89.4%

11.1% ex Firma

2H23 up 10.7% v 1H23

- ATVs of \$36.5k, up 14.0%, delivering turnover of \$23.2bn
- Healthy margins¹, up 12 bps (4 bps ex Firma)

Online Seller



FY23 v FY22

(6.9)%

2H23 down 6.8% v 1H23

- Revenue declined 6.9% due to fewer transactions, with ATVs steady, in line with eCommerce market softness
- Active client growth 5.5%

Enterprise



FY23 v FY22

2.1%

2H23 up 14.0% v 1H23

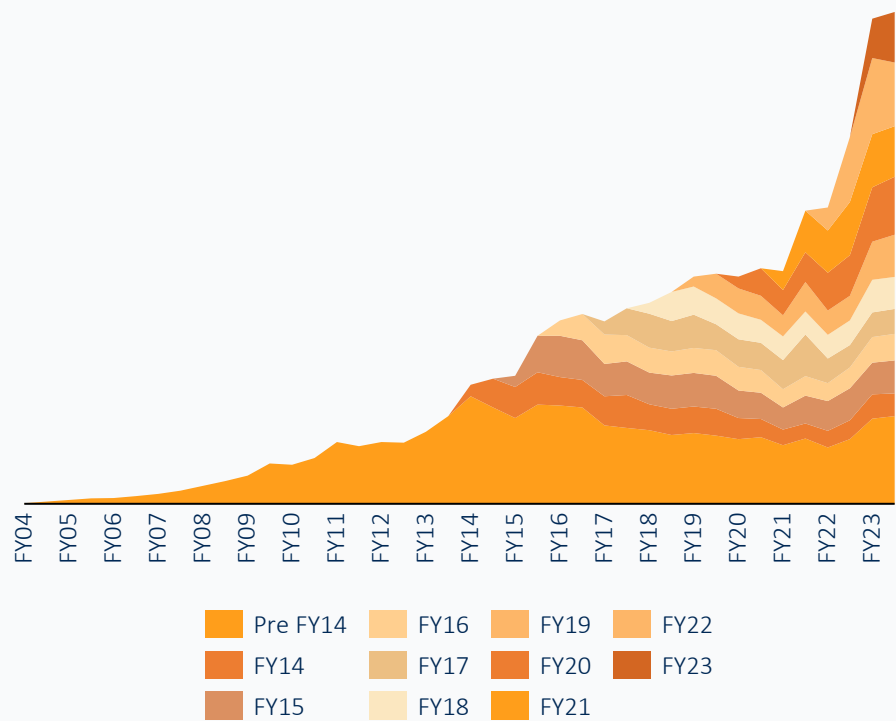
- Pipeline shift to small and mid sized prospects proving successful with two new partnerships trading in ~3 months using existing solutions
- Enterprise pipeline prospects of 67, up from 56

¹ Margin represents fee and trading margin which is measured at the segment level

Corporate segment is valuable and growing

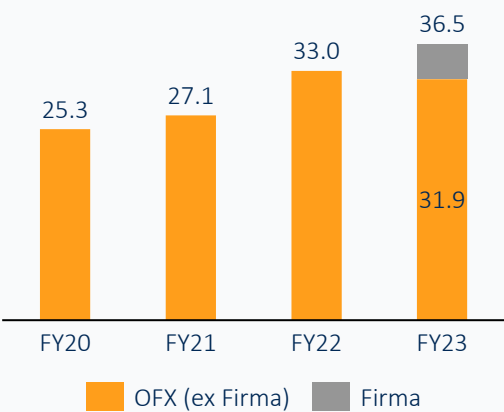
Loyal client base building recurring revenue

Turnover¹



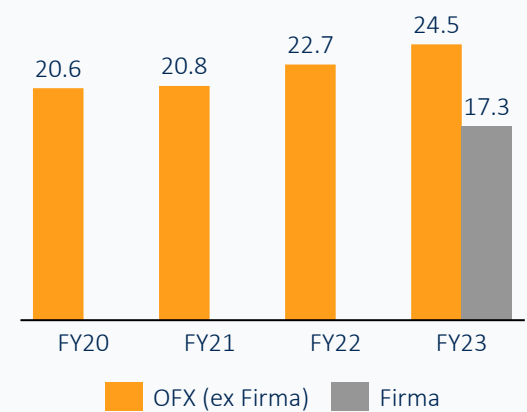
FY23 ATVs stable ex Firma

ATVs²



Growing transactions through the cycle

Number of transactions per active client #³



- Strong Corporate client base remaining loyal delivering recurring revenue of 88% in FY23. Transactions per active client, up 8% vs FY22 (ex Firma)
- ATV increases from FY20 driven by shift to larger transactions in higher value industries (wholesale trade, investments, public administration)
- Revenue growth in all regions – APAC up 19.5%, North America up 232.2% and EMEA up 79.2%

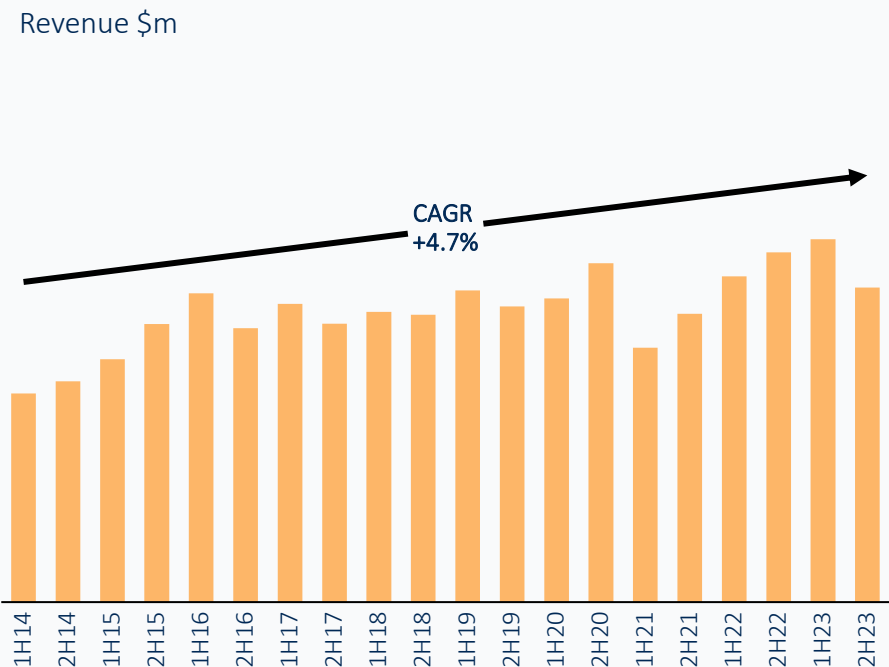
¹ Firma portfolio included from FY23 and includes original date of client acquisition

² Corporate ATVs calculated excluding offshore share purchases

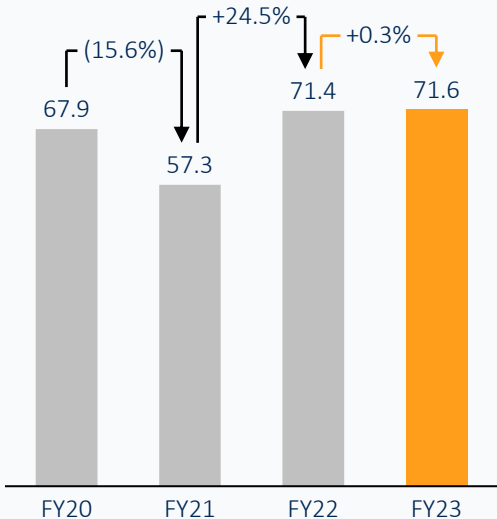
³ Transactions per active client calculated excluding offshore share purchases

Consumer fluctuates but performs through the cycle

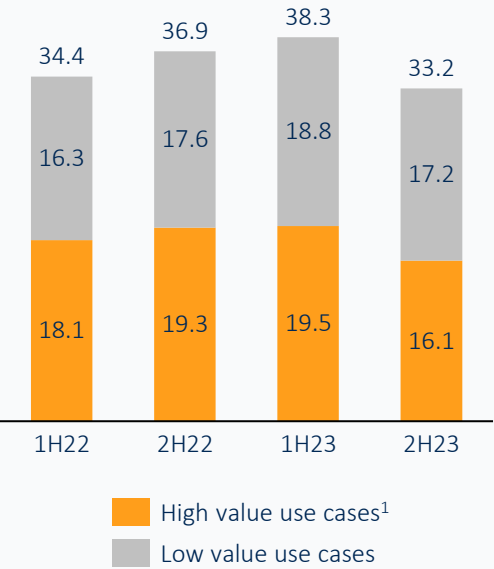
Sustained growth over the medium term ...



... with short term shifts



Greater fluctuations in ATVs of high value use cases impacting revenue

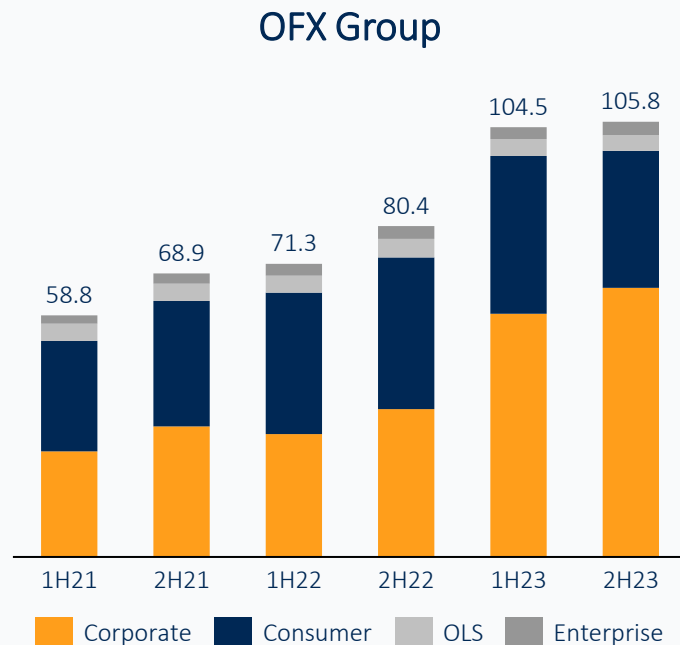


- Track record of long-term revenue growth built from a loyal client base
- Larger transactions in high value use cases drove strong revenue performance in 1H23. Declines in high value transactions led to softer 2H23 ATV's and revenue

¹ High value use cases include wealth related transfers, property and relocation transactions

A strong 1H, 2H impacted by lower Consumer confidence

Revenue \$m



FY23 v FY22

38.6%

3.2% ex Firma

2H23 up 1.3% v 1H23

Corporate

- Revenue growth of 10.7% on 1H23 with additional month of Firma volumes. Revenue growth was 4.5% ex Firma
- ATV's down 2.2% on 1H23 offset by 3.6% growth in transactions and a 5bp increase in margins¹

Consumer

- Rising inflation and interest rates reducing high value use cases in 2H23 resulting in 13.3% decrease in revenue v 1H23 however improved from March

Online Sellers

- Continued eCommerce market softness in 2H23 with revenue down 6.8% v 1H23

Enterprise

- 2H23 Revenue up 14.0% v 1H23 with existing clients continuing to scale

¹ Margin represents fee and trading margin which is measured at the segment level



Financials

Selena Verth

Chief Financial Officer



Record results, healthy fundamentals

Financial results	FY22	FY23	V%
Financial metrics (\$m)			
Fee and trading income (revenue)	158.0	225.0	42.4%
Net operating income	147.0	214.1	45.6%
Underlying operating expenses	(102.5)	(151.7)	47.9%
Underlying EBITDA	44.5	62.4	40.3%
Statutory EBT	32.7	37.5	14.8%
Underlying NPAT	26.3	37.6	43.1%
Statutory NPAT	25.0	31.4	25.6%
Net Cash Held	84.2	93.8	11.3%
Financial ratios			
NOI margin	0.44%	0.55%	10 bps
Underlying EBITDA margin	30.3%	29.2%	(1.1) bps
Effective tax rate	23.4%	16.2%	(7.2) bps

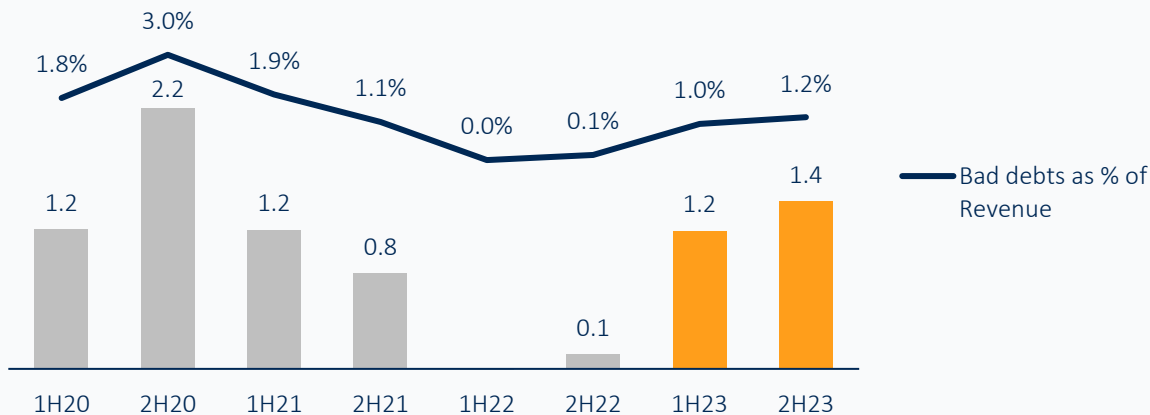
- Fee and trading income up 42.4% with strong contribution from Firma and continued healthy conversion to NOI
- Underlying EBITDA up 40.3%, with EBITDA margin of 29.2%
- Effective tax rate of 16.2%, FY24 expected to be ~25%
- Statutory EBT includes \$5.9m of interest expense and \$6.7m of Firma transaction and integration costs
- Statutory NPAT \$31.4m, up 25.6%
- Net cash held \$93.8m, up \$9.6m

Continuing to invest for growth

Underlying operating expenses (\$m)	FY22	FY23	V %
Employment expenses	66.4	105.0	58.2%
Promotional expenses	16.5	16.8	1.5%
Information technology expenses	8.3	11.4	37.7%
Professional fee expenses	2.5	3.6	41.4%
Bad and doubtful debts	0.1	2.5	Lrg
Other operating expenses	8.6	12.3	42.3%
Underlying operating expenses	102.5	151.7	47.9%

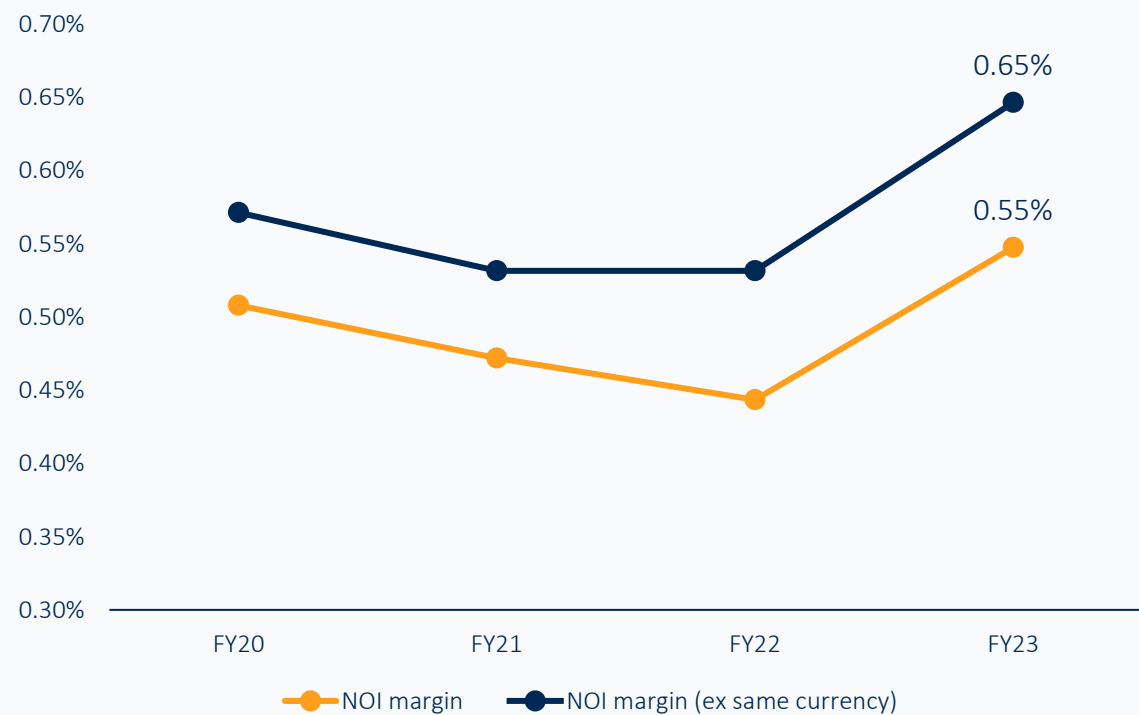
- Employee expenses up \$38.6m, including \$26.2m Firma (193 FTE at acquisition)
- Technology up \$3.1m, driven by Firma
- Other expenses up \$3.6m driven by \$2.1m Firma and increased insurance and travel
- Bad and doubtful debts within expectations at \$2.5m
- FY23 productivity savings across Firma and reduction to office footprint
- FY24 growth in FTE and underlying operating expenses to slow with focus on productivity initiatives and the realisation of synergies from Firma

Bad and doubtful debts \$m

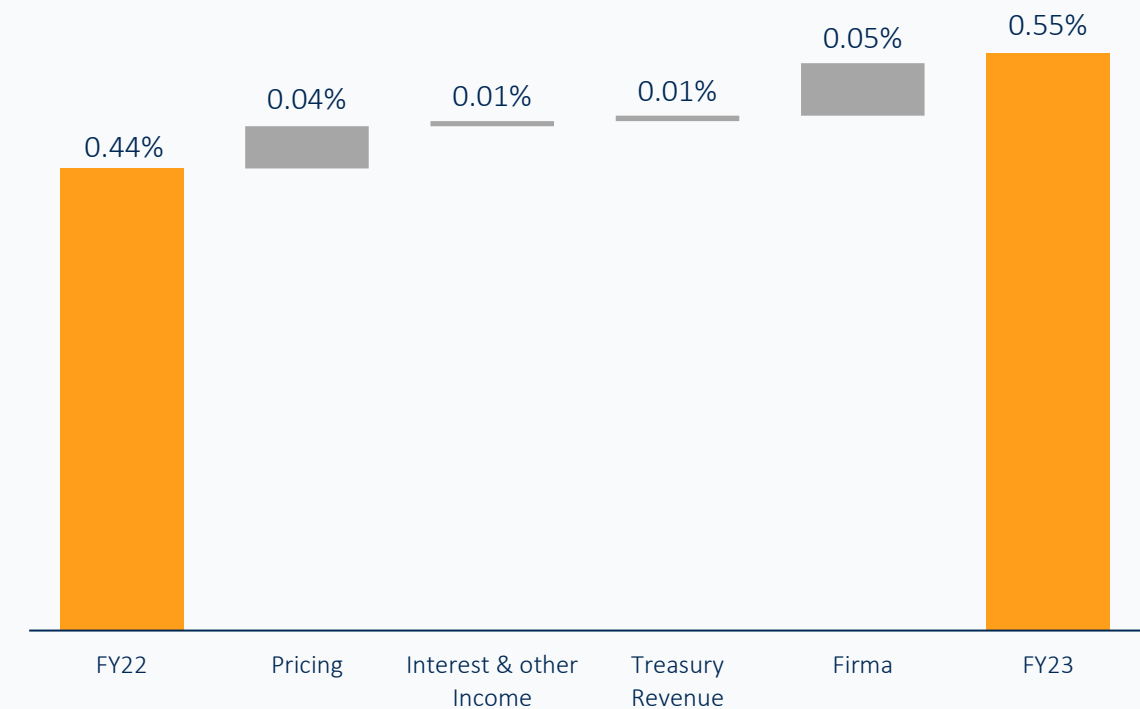


Strong margin management

NOI Margin



NOI Margin walk

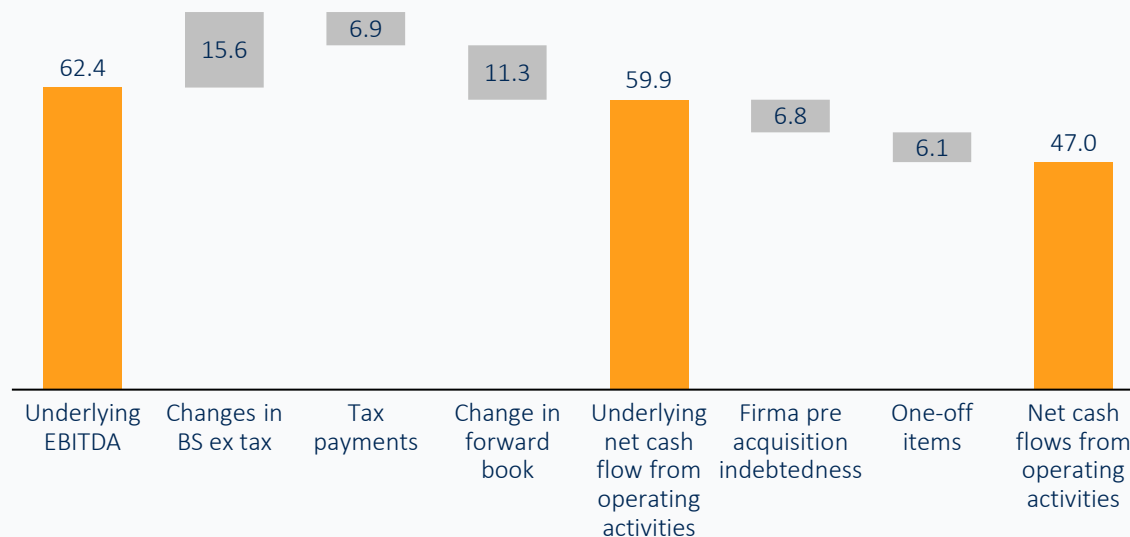


Strong balance sheet, healthy cash generation

Balance Sheet (\$m)	31 Mar 22	31 Mar 23
Cash held for own use	59.1	68.2
Cash held for settlement of client liabilities	242.8	368.7
Deposits due from financial institutions	25.1	25.6
Derivative financial assets	34.4	52.7
Other assets	11.1	14.9
Equity accounted investees	5.0	5.2
Property, plant and equipment	1.2	2.1
Intangible assets	19.9	103.1
Right-of-use assets	6.4	12.7
Deferred and prepaid tax assets	-	8.2
Total assets	405.0	661.4
Client liabilities	246.6	375.7
Derivative financial liabilities	27.1	34.1
Lease liabilities	8.3	14.0
Loans and borrowings	-	65.2
Other liabilities	19.1	28.3
Total liabilities	301.1	517.3
Total equity	103.9	144.1

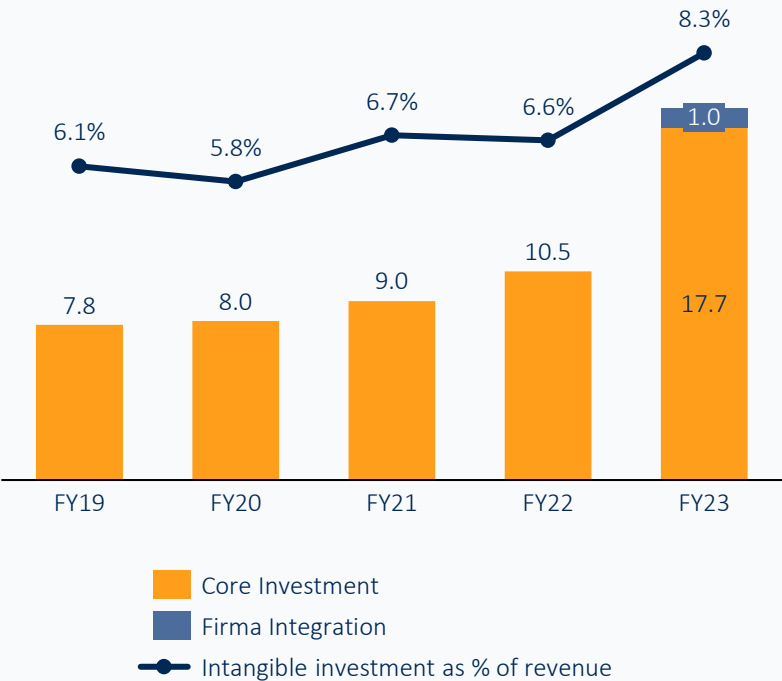
- Net cash held \$93.8m, up \$9.6m from 31 Mar 22. Net available cash \$67.4m, up \$24.8m including reduction in collateral balances of \$15.2m
- \$62.4m underlying EBITDA delivering \$47.0m net cash flow from operating activities
- On track to repay the debt facility within 4 years. Net debt \$18.8m

FY23 Net cash flows from operating activities (\$m)



Investing to drive sustainable growth

Intangible investments¹ \$m



Payments excellence

- Enhancing payment engine to enable faster payment capabilities
- Improved connections into banking partners providing flexibility and cost efficiencies. Bank fees as % of revenue down ~16% over past 3 years

FY23 investment \$4.0m

Risk, data and security

- Improved risk assessment capabilities for onboarding and transactions
- Enhanced fraud protection
- Record levels of fraud prevention, bad and doubtful debts at ~1% of revenue

FY23 investment \$6.8m

Client experience

- Implementation of global customer management system
- Enhanced OLS partner integration
- High client engagement with Trustpilot score of 4.2/5 and NPS of 71

FY23 investment \$6.9m

Platform integration

- Complete Firma migration within first two years of acquisition – Australia migration completed

FY23 investment \$1.0m

¹ Costs incurred in acquiring and developing software are capitalised where they meet certain criteria for capitalisation and amortised on a straight-line basis over the estimated useful life of three to five years. Costs incurred on research related costs or software maintenance are expensed as incurred.



Strategy & Capital Management

Skander Malcolm

Chief Executive Officer and Managing Director



Building the world's leading cross-border payments specialist



Huge opportunity

US\$206bn¹ cross-border payments market which keeps growing

72% market share still with banks and incumbents

~0.05%² OFX market share is still very small

Target customers' consideration for alternatives increasing as they are ready to switch for the right CVP



Target segments



Competitive positioning



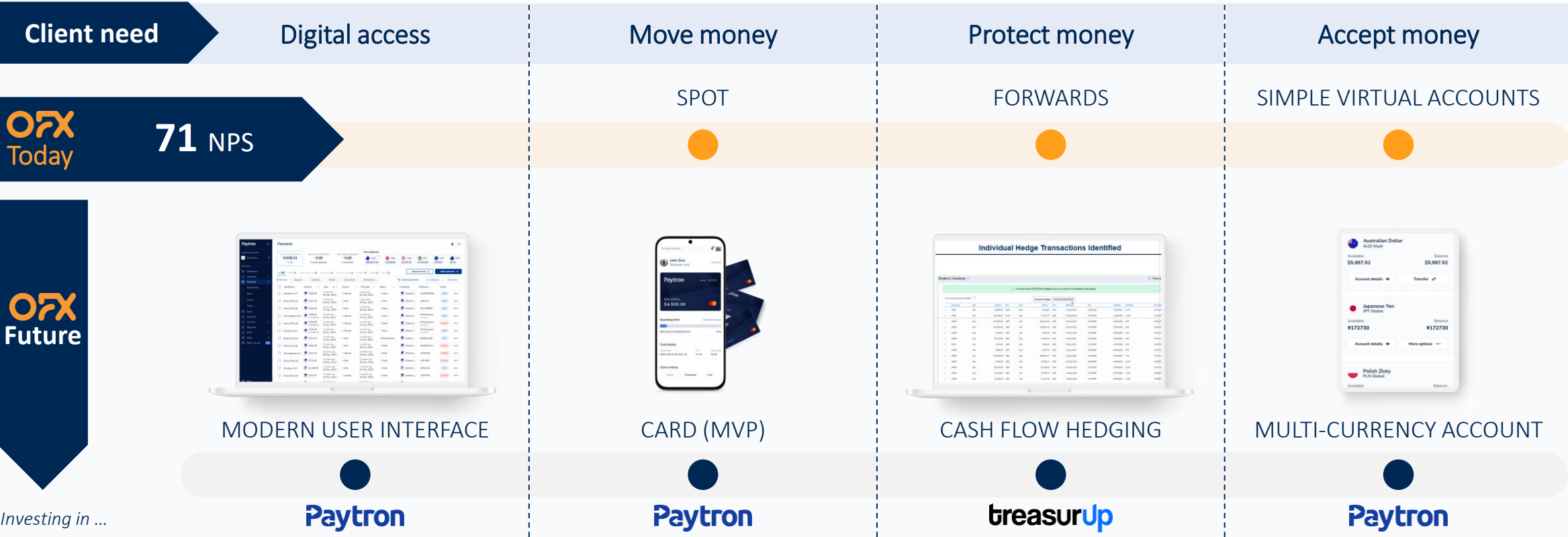
More valuable company

- ✓ Healthy revenue growth
- ✓ High recurring revenue
- ✓ Strong EBITDA margins
- ✓ Highly cash generative
- ✓ Capital light
- ✓ Well-positioned to participate in industry consolidation
- ✓ Generating revenue beyond spot FX

¹ Triangulation of multiple sources including McKinsey Global Payments map 2021

² Global Cross-border payments revenue, 2021 – The 2022 McKinsey Global Payments Report

Improving on best-in-class B2B client experience



- Paytron platform

1. Data capture & pre-accounting

2. Accounts payable automation & workflows

3. Corporate cards & expenses

4. FX & multi-currency business accounts

5. Group, batch & partial payments

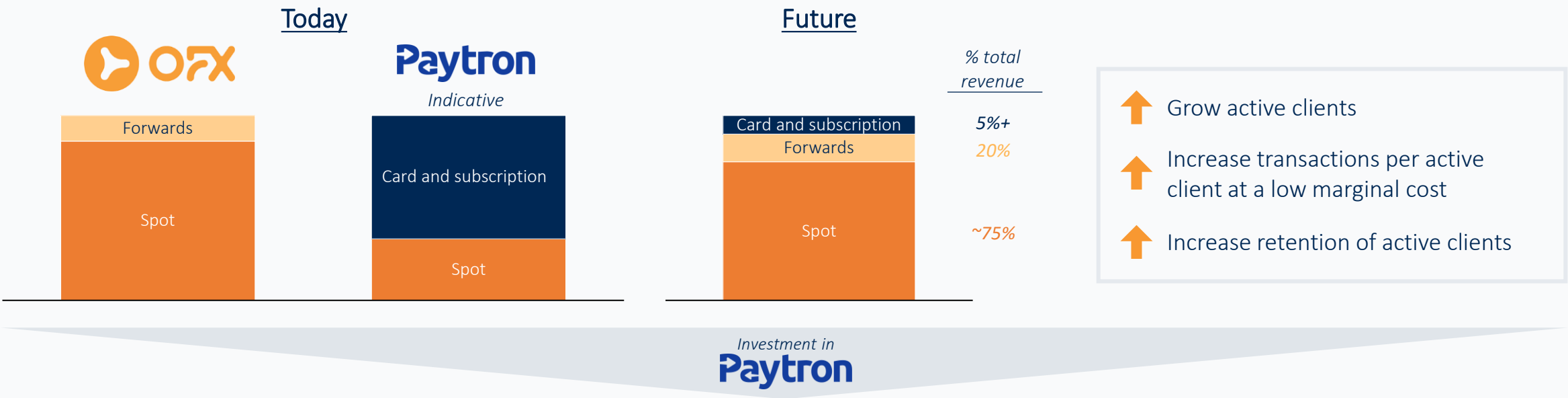
6. Payroll payments & reimbursements

7. Accounting & ERP reconciliation

Note: Refer to the Appendix for more information on Paytron

Generating value from B2B clients beyond spot FX

OFX B2B portfolio revenue composition



Accelerating time to market ...

- ✓ Live platform with modern user interface, multi-currency account and card (MVP)
- ✓ New Corporate revenue streams, e.g. card and subscription revenue
- ✓ Accounts payable / Invoicing solution, integrated to major accounting platforms

... creating long-term value

- ✓ Acquiring 100% of equity, IP and team
- ✓ Consideration is up to 11.25m deferred (2-3 years) performance securities based on development and revenue milestones
- ✓ \$6m cash funding in first year and dynamic cash funding thereafter, based on revenue milestones

Benefit to shareholders through active capital management

1

Initiate share buyback

- Commitment to generate value and return capital to shareholders
- Sharing the upside of our strong cash flow generation
- Expected to be ROE and EPS accretive
- 12-month program
- On-market buyback
- Up to 10% of shares

2

Capital action that maintains flexibility

- Part of ongoing capital management to maintain capital flexibility to execute on growth investments
- Continued interest and ability to execute selective, value-accretive M&A



FY24 Outlook

Skander Malcolm

Chief Executive Officer and Managing Director



FY24 Outlook: expect to grow

NOI \$225m - \$243m Plus Paytron ~\$1m¹	Core Underlying EBITDA \$63m - \$74m Less Paytron ~\$(4)m¹
Deliver Firma synergies of \$5m (exit run rate)	Intangible investment \$17m - \$19m Plus Paytron ~\$1m¹

FY24 Assumptions	FY24 Expectations
Global Corporate activity to trend higher as interest rates approach peak High Value Consumer use cases begin to improve	Corporate growth in line with historic CAGR. Enterprise steady growth Consumer and OLS in line with FY23
 Potential Tailwinds Consumer confidence driving high value use cases ↑ ATVs, transactions Recession risk stabilising ↑ SME confidence / transactions	 Potential Headwinds Cyber / Fraud / credit ↑ losses US hard landing driving US Corporate decline ↓ revenue

¹ Assuming 1 July 2023 completion date. FY24 outlook including Paytron: NOI \$226m - \$244m, EBITDA \$59m - \$70m, Intangible investment \$18m - \$20m



Q&A





Appendix



A snapshot of Paytron

Overview

2020	Year founded
	Based in Australia
Jaco Veldsman & Francois Henrion	Founders with >30 years' experience across banking, trading, FX, and payments
#18	# of employees

Paytron

URL: <https://www.paytron.com/>

External recognition

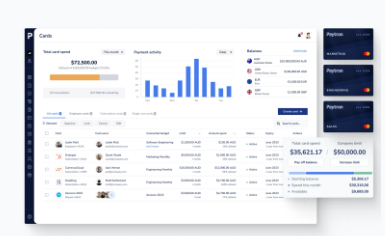
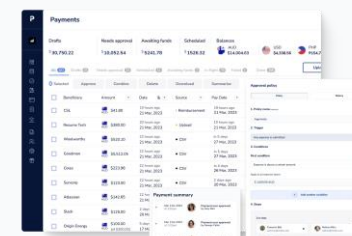
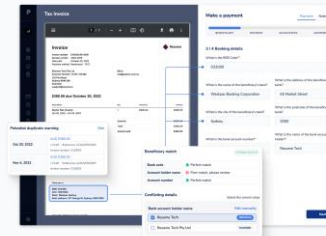
Being recognized as a leader in technology by AWS

Won the Commonwealth Bank's investment & fintech award (2022)

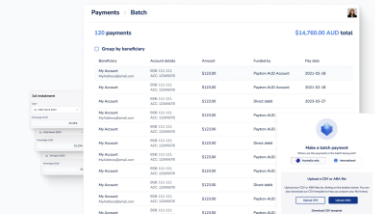
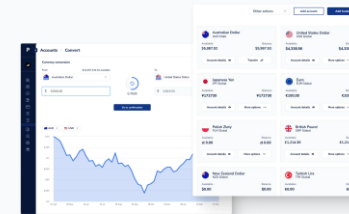
Won Fintech of the year 2022, recognized by Investment NSW as the Startup Champion of the year (2023)

Platform features

1. Data capture & pre-accounting
2. AP automation & approval workflows
3. Corporate cards & expenses

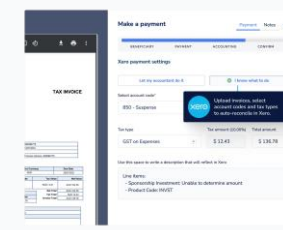
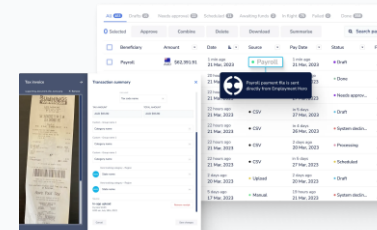


4. FX & multi-currency business accounts
5. Group, batch & partial payments

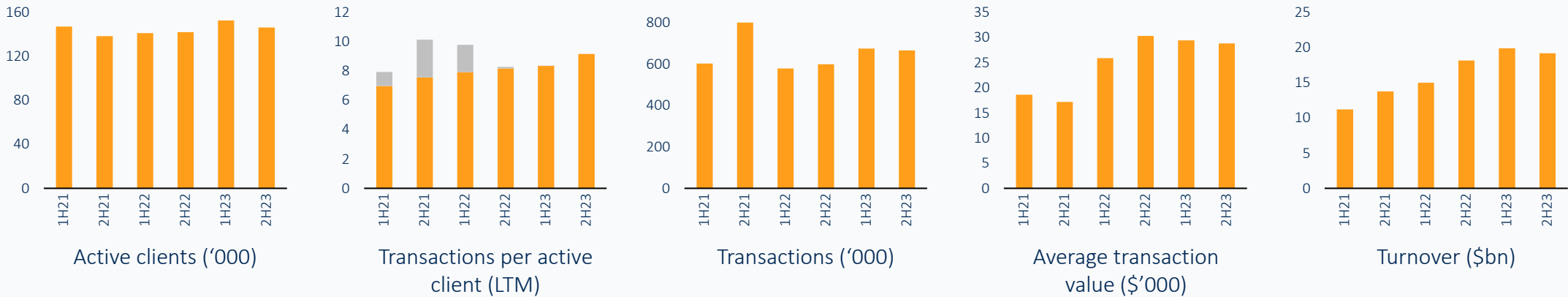
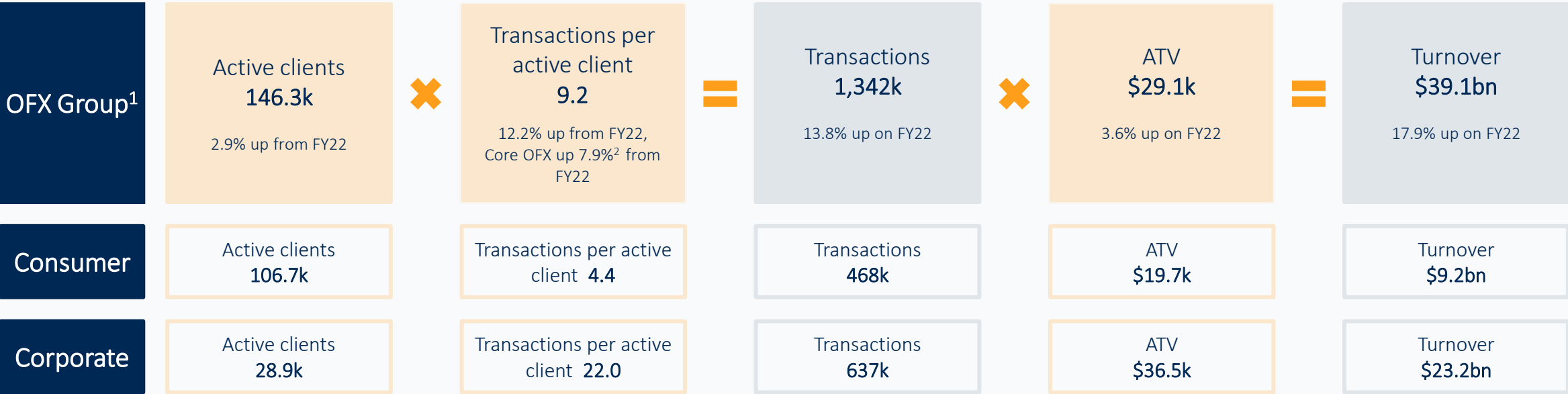


Beneficiary	Payment details	Amount	Pay date
Pay to order	Pay to order	\$10,000.00	2023-01-01
Pay to order	Pay to order	\$10,000.00	2023-01-01
Pay to order	Pay to order	\$10,000.00	2023-01-01
Pay to order	Pay to order	\$10,000.00	2023-01-01
Pay to order	Pay to order	\$10,000.00	2023-01-01
Pay to order	Pay to order	\$10,000.00	2023-01-01
Pay to order	Pay to order	\$10,000.00	2023-01-01
Pay to order	Pay to order	\$10,000.00	2023-01-01
Pay to order	Pay to order	\$10,000.00	2023-01-01
Pay to order	Pay to order	\$10,000.00	2023-01-01

6. Payroll payments & reimbursements
7. Accounting & ERP reconciliation



Growth in all underlying metrics resulting in record turnover



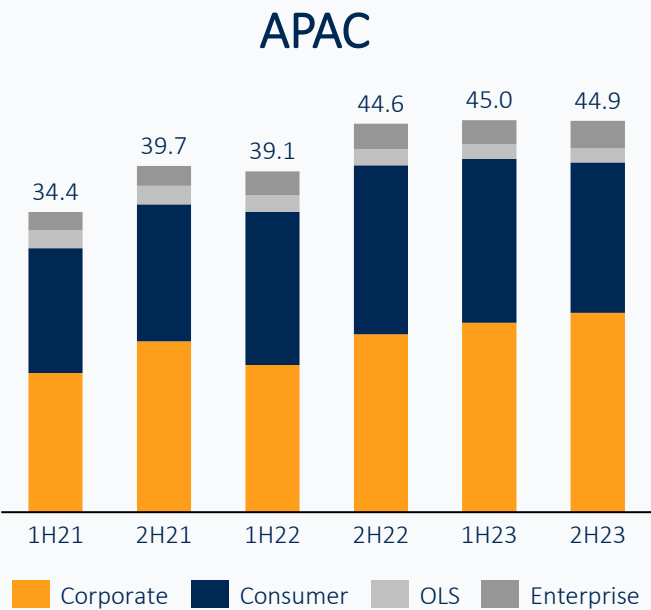
■ Significant volumes in offshore share purchases not repeated in FY23

¹ OLS and Enterprise segments are included in the total OFX Group however the individual segments are not listed here

² Excluding offshore share purchases and Firma

Strong Corporate growth across regions offsetting Consumer

Revenue \$m

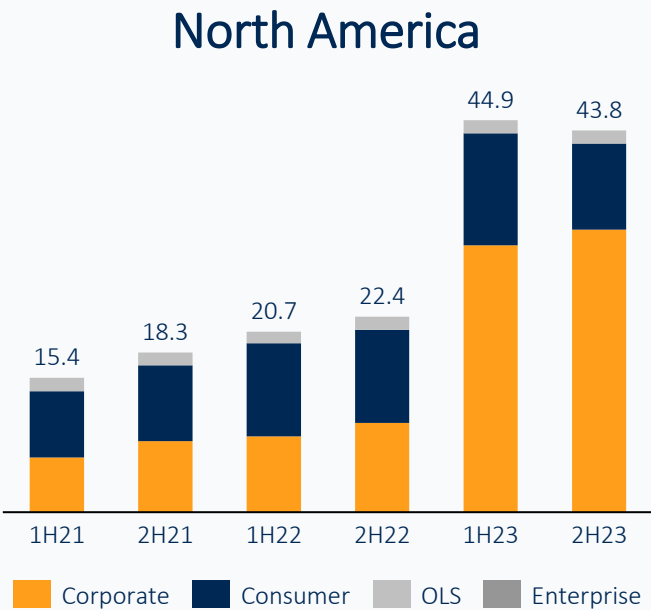


FY23 v FY22

7.4%

(0.3)% ex Firma

2H23 down (0.2)% v 1H23

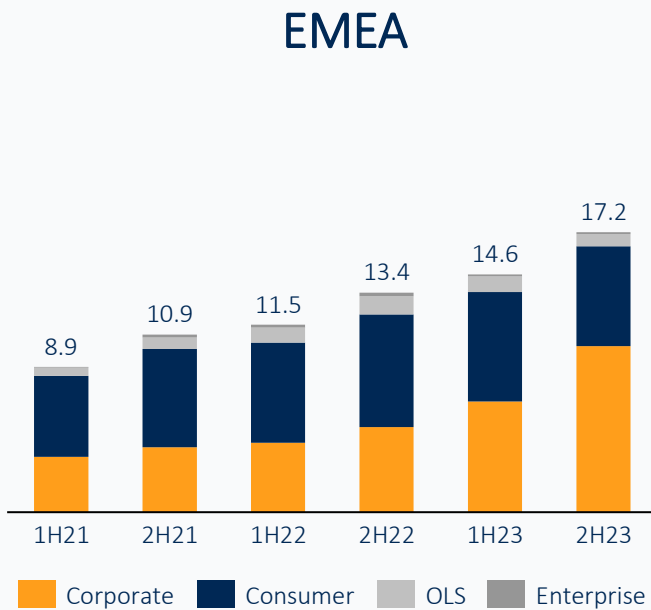


FY23 v FY22

105.7%

7.1% ex Firma

2H23 down (2.6)% v 1H23



FY23 v FY22

27.2%

8.6% ex Firma

2H23 up 17.8% v 1H23

Attractive Recurring Revenue



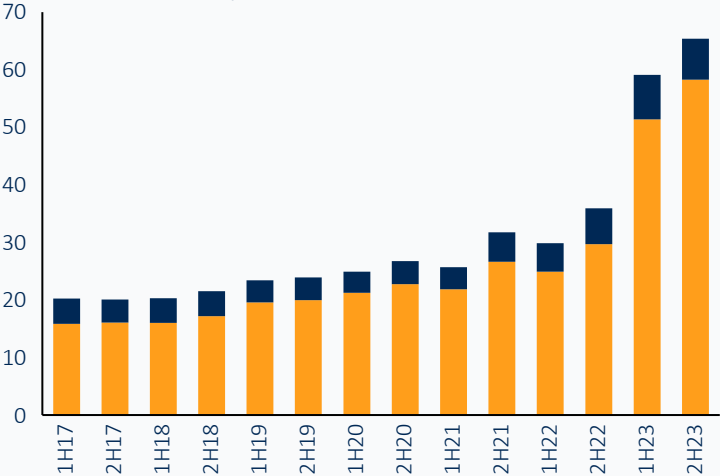
Revenue from Existing Clients

84%

increase from 77% in FY22

88%

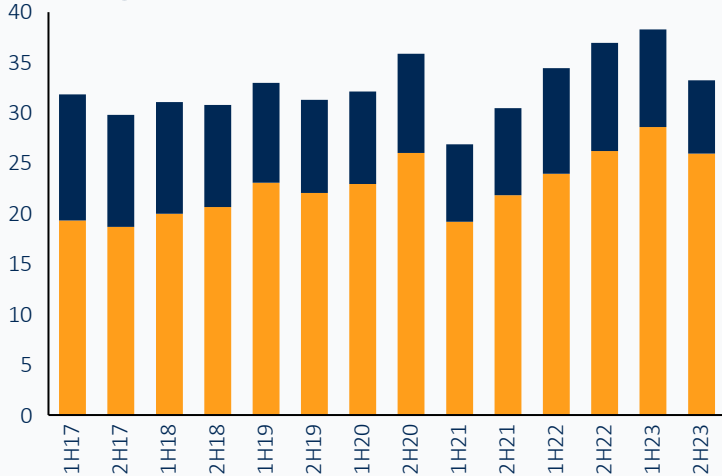
Corporate revenue \$m



■ New clients within the last 12 months
■ Existing clients

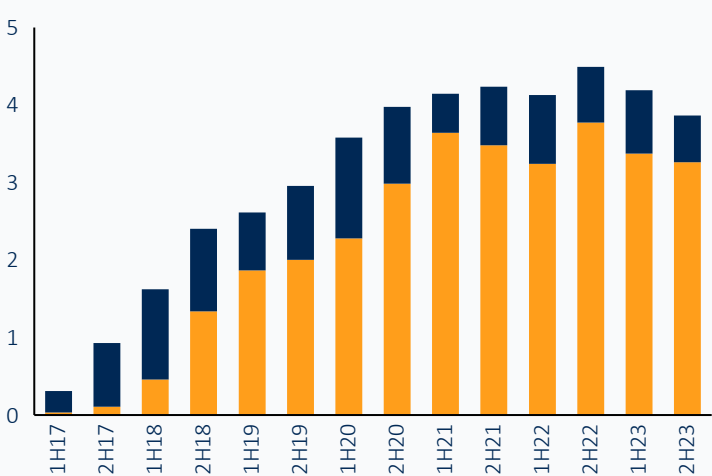
76%

High Value Consumer revenue \$m



82%

Online Seller revenue \$m



Key Metrics for OFX Group

FY23	OFX Group	OFX	Firma
Key Metrics			
Turnover (\$bn)	39.1	31.4	7.7
- FX	32.5	25.6	6.9
- Same currency	6.6	5.8	0.8
Fee and trading income (\$m)	225.0	165.3	59.7
- Revenue	210.3	156.6	53.7
- Treasury Revenue	14.7	8.7	6.0
Revenue (\$m)	210.3	156.6	53.7
By Segment			
- Corporate	124.6	73.0	51.5
- Online Seller	8.0	8.0	-
- Enterprise	6.1	6.1	-
- Consumer	71.6	69.4	2.1
Revenue (\$m)	210.3	156.6	53.7
By Region			
- APAC	89.9	83.4	6.5
- North America	88.7	46.1	42.5
- EMEA	31.7	27.1	4.6
ATV (\$'000)	29.1	26.2	53.7
Active Clients ('000)	146.3	136.0	10.3
Transactions ('000)	1,341.8	1,198.8	143.0

	OFX Group	OFX	Firma
Financial Results			
Net Operating Income (\$m)	214.1	156.8	57.3
NOI Margin	0.55%	0.50%	0.75%

Definitions

- **Active Client:** Number of clients that entered into a Transaction with OFX during the immediately preceding 12-month period
- **ATV:** Average transaction value
- **B2B:** Corporate, Online Sellers (OLS) and Enterprise segments
- **Corporate:** As of 1H21, Corporate excludes OLS; OLS is reported separately
- **Enterprise:** previously referred to as 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:** Net Operating Income
- **NOI margin:** Net Operating Income / Turnover
- **OLS:** Online Sellers, business clients who sell online via marketplaces or digital platforms
- **Recurring Revenue:** Revenue generated from Existing Clients
- **Revenue:** represents “Fee and trading income” in the statutory accounts excluding Treasury Revenue
- **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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