



## OFX GROUP LIMITED UPDATE ON 1H25 TRADING

17 October 2024 – OFX Group Ltd (“OFX”) (ASX: OFX) provides an update on 1H25 trading and its outlook ahead of the release of its results on 12 November 2024.

### 1H25 Update

For the six months ended 30 September 2024, OFX expects to deliver NOI of approximately \$111m and underlying EBITDA of approximately \$29m (subject to auditor review). This outcome is lower than anticipated, and reflects the following factors, which relate to the key assumptions for FY25:

- Trading through the first few months of 1H25 was in line with expectations as the near-term economic environment showed some positive improvements.
- However, later than anticipated shifts in the interest rate cycle, and corresponding range-bound key currency corridors as a result of the strong USD, resulted in a slower rebound in Corporate confidence. This inhibited client trading patterns late in the half, especially in September, resulting in lower than expected Fee and Trading income (revenue).
- Unusually, Corporate<sup>1</sup> ATVs in the UK were down 21.8% on the prior corresponding period (PCP) and Canada were down 7.1% on PCP, which drove lower revenue on PCP. In Australia and the US, Corporate<sup>1</sup> ATVs were mixed, however, higher transaction volumes resulted in double digit growth in Corporate revenue on PCP in each geography.
- Pleasingly, new Corporate<sup>1</sup> clients are performing well, with Corporate<sup>1</sup> new revenue up 11% on PCP from FX only. In Australia, where the New Client Platform (NCP) was launched in June, Corporate FX-only new revenue growth is 25% on PCP, and up 38% including non-FX activity.
- While OFX’s core resources are focused on B2B growth, Consumer confidence in most geographies remained subdued, which, along with historically low levels of volatility, resulted in lower transaction volumes overall but especially in Australia. Excluding Australia, Consumer revenue was flat on PCP but grew 9.2% versus 2H24.

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<sup>1</sup> Corporate excludes OLS. As previously indicated, OLS will be incorporated within the Corporate segment from 1H25



- Partially offsetting these macroeconomic factors, execution was strong. Pricing actions resulted in improved Fee and Trading margin across the portfolio, up 2bps on PCP. OFX continues to diligently manage its operating expenses and cash flows well, while bad debts for 1H25 are better than planned.

### **New Client Platform update**

OFX continues to execute its strategic pivot to OFX 2.0, with the roll-out of its New Client Platform (NCP) progressing well. Migration onto the NCP for existing Corporate clients in Australia has commenced and is expected to be completed by the end of 1Q26. OFX has allocated a further ~\$1m in intangible investment in 2H25 to expedite the global roll out.

Early data from the introduction of the NCP to new Corporate clients in Australia has been encouraging in terms of product uptake and revenue contribution. In addition to new revenue growth of 38% on PCP, non-FX revenue from those new Corporate clients is around 50% of total revenue. In terms of uptake, 40% of all Corporate clients on the NCP have already taken a non-FX product or service.

### **Outlook**

In light of the first half conditions, OFX expects to deliver positive NOI growth in 2H25 relative to PCP and 1H25. This will result in NOI growth for FY25 being lower than the approximately 10% indicated at the FY24 results announcement in May. OFX's Underlying EBITDA margin is expected to be approximately 28% for FY25, subject to any unanticipated bad debts in 2H25.

When OFX has migrated Australian Corporate clients onto the NCP, OFX will have a clearer view of migrated client uptake of non-FX products and services. This will assist OFX to form a view on the potential incremental revenue contribution across its other geographies and, therefore, its NOI growth. OFX will therefore provide an update on its medium-term outlook as part of its FY25 results announcement in May 2025 and the pathway for returning to 10% NOI growth, but remains committed to its long-term outlook of 15%+ NOI annual growth and ~30% Underlying EBITDA margin.

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### **1H25 Trading Update Conference Call**

Skander Malcolm (CEO) and Selena Verth (CFO) will host a conference call for analysts and investors on 17 October 2024 at 9:30am AEDT. To participate in the conference call, participants must pre-register for the call via the link below:

<https://s1.c-conf.com/diamondpass/10042800-ndje8.html>

### **1H25 Results Date and Conference Call**

OFX will release its 1H25 results on Tuesday 12 November. Skander Malcolm (CEO) and Selena Verth (CFO) will host a conference call and webcast for analysts and investors at 10:00am AEDT. To participate in the conference call, participants must pre-register for the call via the link below:

<https://s1.c-conf.com/diamondpass/10041989-h7t5e3.html>

To access the live webcast please use the following link:

<https://webcast.openbriefing.com/ofx-hyr-2024/>

### **Authorised by OFX Group Board of Directors**

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### **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 ~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>