



OFX GROUP LIMITED 1H25 RESULTS

12 November 2024 – OFX Group Ltd (“OFX” or “the Group”) (ASX: OFX) today announced its results for the six months ended 30 September 2024.

Results Overview

The Group delivered Fee and Trading Income (revenue) of \$114.5 million which was in line with the prior corresponding period (PCP), reflecting strong execution in a challenging macroeconomic environment. Net Operating Income (NOI) of \$111.2 million was down 3.5% on PCP as subdued business confidence impacted Average Transaction Values (ATVs) in the UK and Canadian Corporate segment, while softer Consumer confidence and historically low volatility impacted transaction volumes in the Australian Consumer segment. Underlying EBITDA was \$29.0 million, down 8.8% on PCP. The Group’s Underlying EBITDA margin was 26.1% as disciplined cost controls saw a 1.4% decline in operating expenses on PCP to \$82.1 million.

The Corporate segment (which now incorporates OLS) grew 3.5% on PCP overall. Lower revenue in the UK (down 9.3%) and Canada (down 3.2%) was more than offset by good growth in Australia (up 9.4%), the US (up 24.8%) and Europe (up 77.6%). Corporate transactions per active client in the last twelve months were up 11.0%. The Enterprise segment grew revenue by 6.0% on PCP, and added seven new prospects, leaving a healthy pipeline of 84 prospects. Consumer revenue was down 3.6% on PCP on lower transaction volumes (down 7.1%) but was up 5.9% on 2H24. ATVs increased 1.3% as activity in some high-value use cases like wealth transfers and property purchases started to return.

OFX successfully launched its New Client Platform (NCP) in June to new Australian Corporate clients with positive early signals in non-FX product take-up. Australian new Corporate revenue was up 26.6% on PCP, and up 38.7% including non-FX revenue. OFX commenced the migration of its existing Australian clients post the period end which is progressing well.

OFX’s Chief Executive Officer and Managing Director, Skander Malcolm said: *“The first half was impacted by tough macroeconomic conditions as shifts in the interest rate cycle happened later than we expected. This meant corporate confidence in the UK and Canada was subdued, impacting ATVs, while our Australian Consumer business was also impacted by lower volatility.”*



“Our Corporate segment grew 3.5% as our other markets performed well, and Consumer was up nearly 6% on 2H24. Our Enterprise segment grew 6.0% on higher activity from activated clients and our prospect pipeline was up to 84 as at the end of the half.

“Our global teams continued to execute well. We delivered margin growth on 2H24 and managed our risk exposure well, while the pivot to OFX 2.0 sets us up to deliver faster growth through our expanded product offering.”

Summary Financial Results

| | 1H24 | 1H25 | % change |
|--|-------|--------------|----------|
| Turnover (\$bn) | 19.2 | 18.4 | (4.0)% |
| Fee and trading income (revenue) (\$m) | 114.6 | 114.5 | (0.1)% |
| Net operating income (\$m) | 115.1 | 111.2 | (3.5)% |
| Underlying operating expenses (\$m) | 83.3 | 82.1 | (1.4)% |
| Underlying EBITDA (\$m) | 31.8 | 29.0 | (8.8)% |
| Underlying NPAT (\$m) | 17.0 | 13.5 | (20.6)% |
| Statutory NPAT (\$m) | 15.8 | 10.7 | (32.3)% |
| Net cash held (\$m) | 92.8 | 74.7 | (19.5)% |

Cash and Capital Management

OFX continues to generate strong cash flows, delivering \$17.1 million in underlying net cash from operating activities. This resulted in net cash held of \$74.7 million and net available cash of \$45.9 million as at 30 September 2024. OFX repaid \$11.5 million of its drawn down debt for the acquisition of Firma and remains on track to repay the facility in full by the end of FY26. As at 30 September 2024 OFX was in a positive net debt position of \$15.2 million.

As part of OFX’s capital management strategy, it continued to execute on its on-market share buy-back program, acquiring a total of 1.6 million shares for \$3.3 million. Under the buy-back program, OFX is permitted to acquire up to 10% of its ordinary shares over a 12-month period from June 2024, subject to daily trading volumes.

Outlook

OFX expects to deliver a stronger second half driven by improving market conditions and client activity, with an EBITDA margin of 28% on the back of effective cost management.



With encouraging early signs from its NCP roll-out, the Group has allocated an additional \$1 million in intangible investment to accelerate the NCP rollout in Canada and the UK.

OFX will update the market on its medium-term outlook at the FY25 results in May 2025 when the NCP rollout in Australia is complete and it has greater visibility of incremental client revenues. OFX remains committed to its long-term outlook of 15%+ NOI annual growth and ~30% Underlying EBITDA margin.

OFX's Chief Executive Officer and Managing Director, Skander Malcolm said: *"The rollout of our New Client Platform is progressing well with a very positive early client response. Since launching in June, at the period end ~40% of new clients on the platform had taken up non-FX products or services, with non-FX revenue accounting for approximately half of their total revenue. We're now migrating our existing Australian Corporate clients and accelerating the roll-out into Canada and the UK. Along with supportive industry trends, we have more conviction than ever in our longer-term outlook."*

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

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



About OFX Group (ASX: OFX)

Founded in 1998 and with a team of ~700 people across nine countries, OFX is a global foreign exchange and payment services provider for corporate and consumer clients. It offers FX services across 50+ currencies as well as corporate cards and payments workflow solutions via a digital platform and 24/7 'digital + human' service model.

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

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