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1H22 Financial Results

Investor presentation

09 November 2021

Agenda

1. Excellent result with good momentum
2. Strong financials
3. FY22 outlook
4. Q&A
5. Appendix



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Excellent result with good momentum

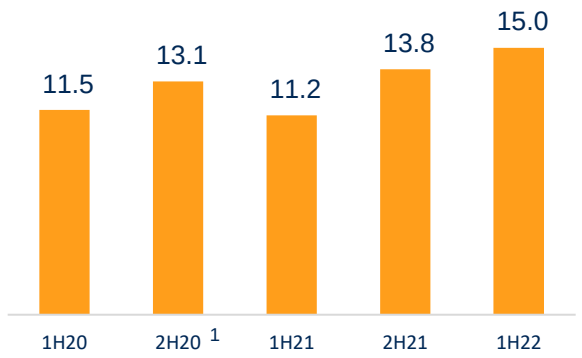
Skander Malcolm

Chief Executive Officer and Managing Director

1H22: NOI up 27.3%, with good momentum across all key metrics

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Turnover ($bn)

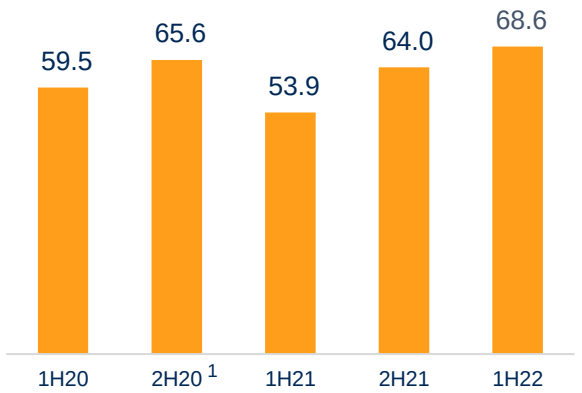


1H22 up 34.0% v 1H21

$15.0bn

1H22 up 9.0% v 2H21

Net Operating Income ($m)

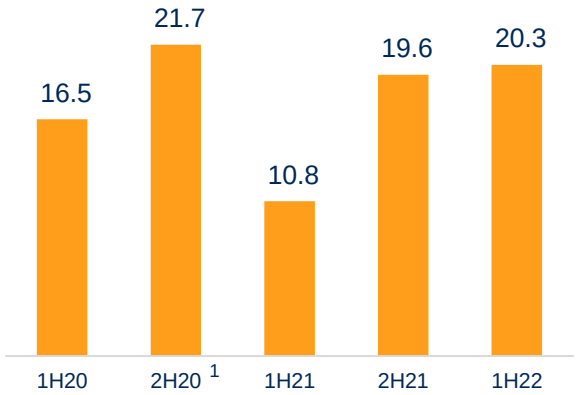


1H22 up 27.3% v 1H21

$68.6m

1H22 up 7.2% v 2H21

Underlying EBITDA ($m)



1H22 up 88.0% v 1H21

$20.3m

1H22 up 3.2% v 2H21

[1] 2H20 includes March 2020 which was our biggest month in history driven by COVID crisis and volatility

Strong portfolio with revenue[1] growth across all segments

Corporate



1H22 v 1H21

16.2%

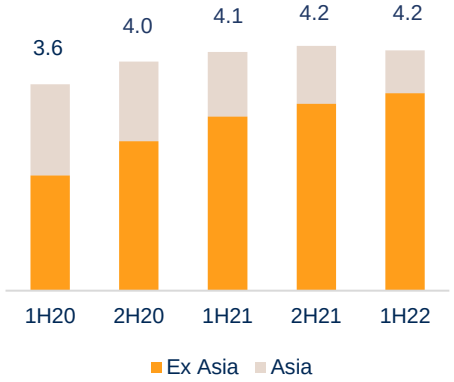
26.3% Ex offshore shares

1H22 v 2H21

(6.1)%

8.9% Ex offshore shares

Online Seller



1H22 v 1H21

0.7%

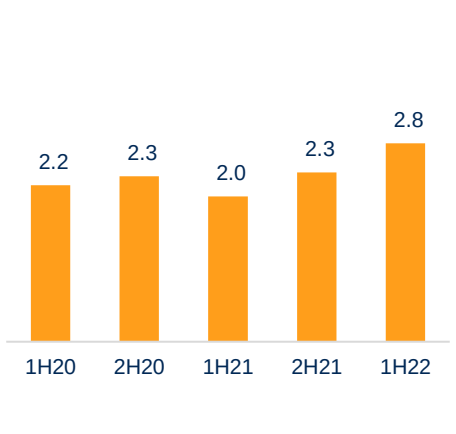
13.5% Ex Asia

1H22 v 2H21

(1.7)%

5.7% Ex Asia

Enterprise



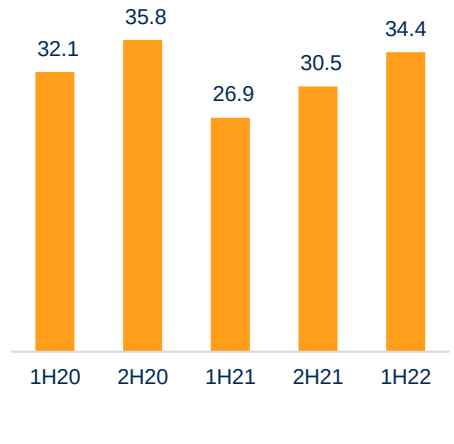
1H22 v 1H21

40.5%

1H22 v 2H21

17.5%

High Value Consumer



1H22 v 1H21

28.1%

1H22 v 2H21

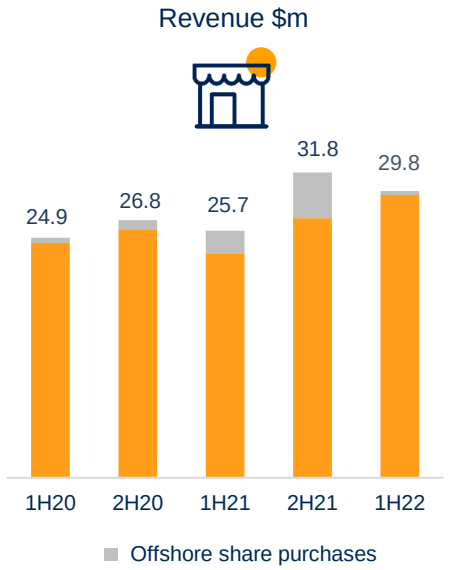
13.0%

[1] Portfolio Revenue is Fee & Trading income in the statutory accounts excluding slippage

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Loyal and active Corporate clients driving Recurring Revenue of 86%

Corporate

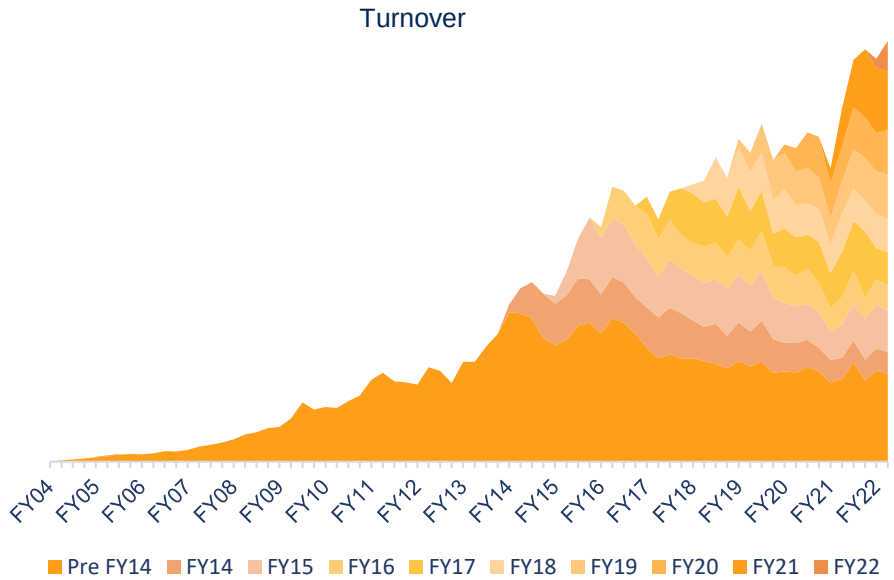


Typical ATVs of ~$26.5k monthly+ trading

Revenue up 16.2% [1]

- North America up 38.3%
- UK / Europe up 25.3%
- A&NZ [2] up 1.1%
- Asia up 152%

Loyal client base building a valuable segment



Accelerated investment in the Corporate segment over the past 3 years:

- Pivoted branding spend from Consumer to Corporate
- Growing salesforce and improving productivity
- Growing offshore: North America 3 year revenue growth of 63%
- Faster, more secure, better onboarding
- Faster, cheaper payments

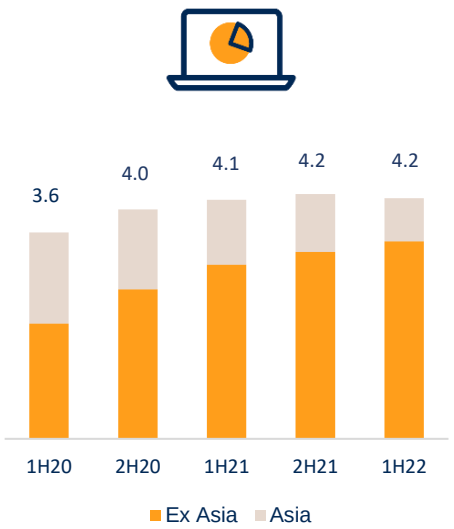
[1] Revenue up 26.3%, ATV's up 15.4% ex offshore share purchases
[2] A&NZ revenue up 16.4% ex offshore share purchases

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Investing in Online Seller to unlock substantial opportunity

Online Seller

Revenue $m

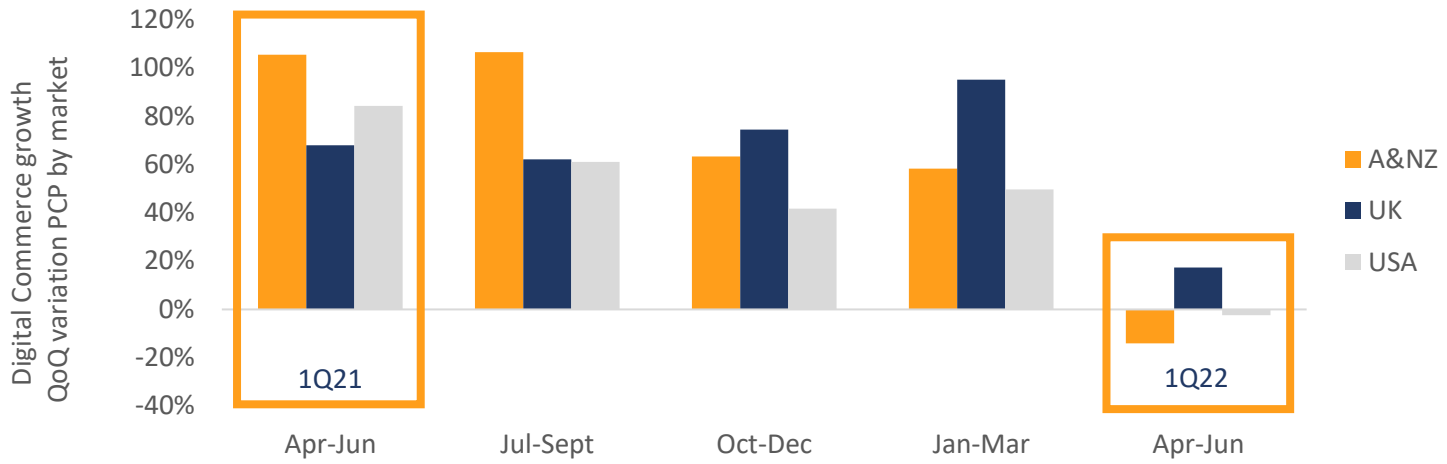


Typical ATVs of ~$15.4k fortnightly+ trading

Revenue up 0.7%; up 13.5% ex-Asia

- Active clients up 17% v 1H21
- Approved Amazon Payments Services Provider

Market growth flatlined as the eCommerce boom pulls back[1]



Well positioned to grow

- Our clients are very active with specific needs, best served by specialists
- Investment in banking infrastructure, sales and marketing across all regions
- Reinvesting in growth through dedicated Online Seller marketing campaign in North America (registrations up 77% following campaign launch in September)

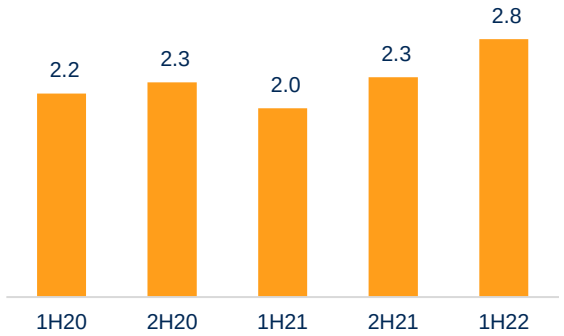
[1] Source: Salesforce Commerce News and Insights

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Building a valuable Enterprise segment

Enterprise

Revenue $m



Revenue up 40.5%

Existing Clients growing + activating new clients

- ATO live 18th May
- Pearler live 12th June
- Douugh live 16th June
- WiseTech Global live 6th October

Link activation slower than expected, developing new opportunities together

Pipeline[1] strengthening globally, up 20% on 2H21

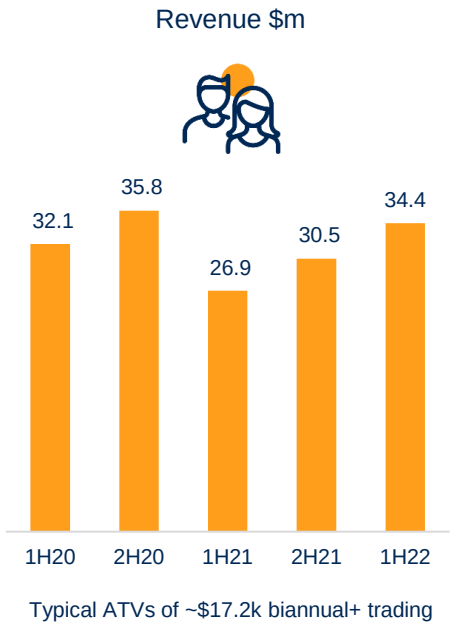


[1] Pipeline as at 30 September 2021.
[2] Estimated revenue for Enterprise strategic alliances won. TAM is all FX revenue, SAM is revenue in regions OFX is licensed

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Winning the Consumer rebound

High Value Consumer

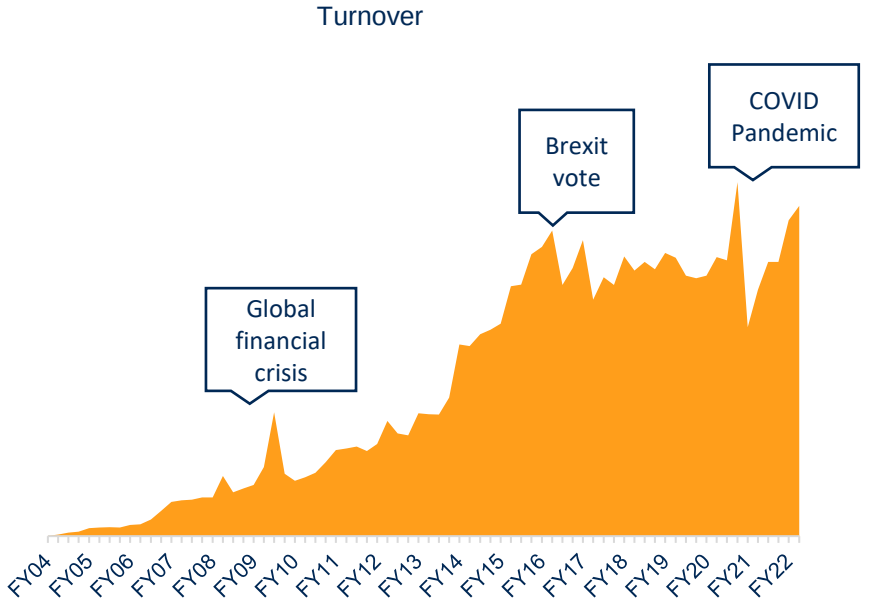


Typical ATVs of ~$17.2k biannual+ trading

Revenue up 28.1% with double-digit growth in all regions

- Turnover up 41.8%, ATV's of $21.3k up 33.1%
- 17% increase in clients reactivating vs 1H21

Loyal client base use OFX when it matters most



Use cases for High Value Consumers post-COVID

Property and Loans

Investments

Travel

Education

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Strong volumes from high quality and growing client base

Active client growth in 1H22 …

With strong trading activity …

Led to increased transaction volumes ex offshore share purchases …

At higher ATVs …

Resulting in record turnover

Active clients
141.1k
4.1% down from 30-Sep-20
1.9% up from 31-Mar-21

×

Transactions per active client
9.8
23.3% up from 1H21
13.4% up from 1H21 ex offshore share purchases

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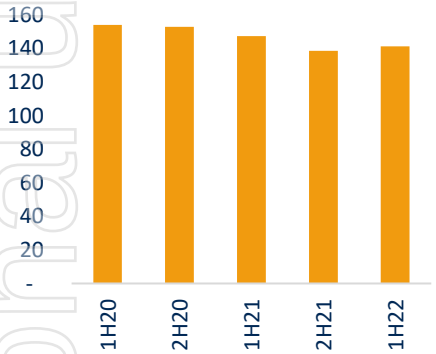
Transactions
579.4k
3.8% down on 1H21
14.1% up on 1H21 ex offshore share purchases

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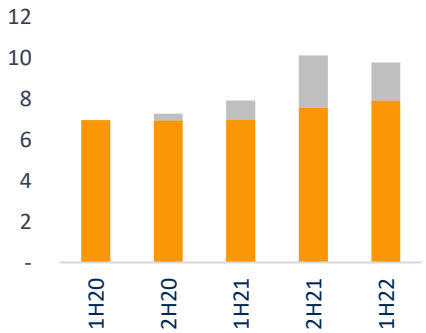
ATV
$25.9k
39.3% up on 1H21
19.8% up on 1H21 ex offshore share purchases

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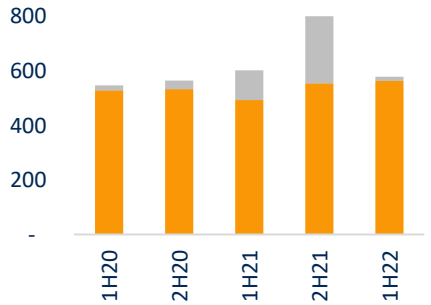
Turnover
$15.0bn
34.0% up on 1H21



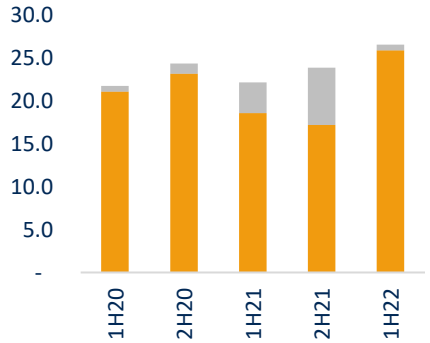
Active clients (‘000)



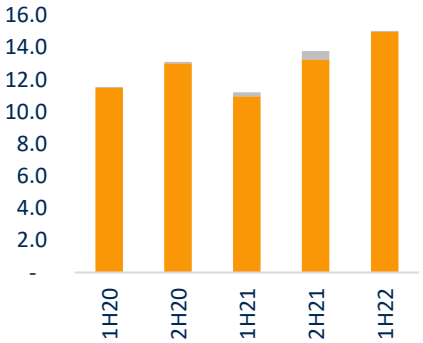
Transactions per active client (LTM)



Transactions (‘000)



Average transaction value ($’000)



Turnover ($bn)

Significant volumes in offshore share purchases will not repeat in FY22

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Double-digit revenue growth across all regions

Revenue, turnover and transactions represent 1H22 v 1H21

North America
Revenue +32.9%

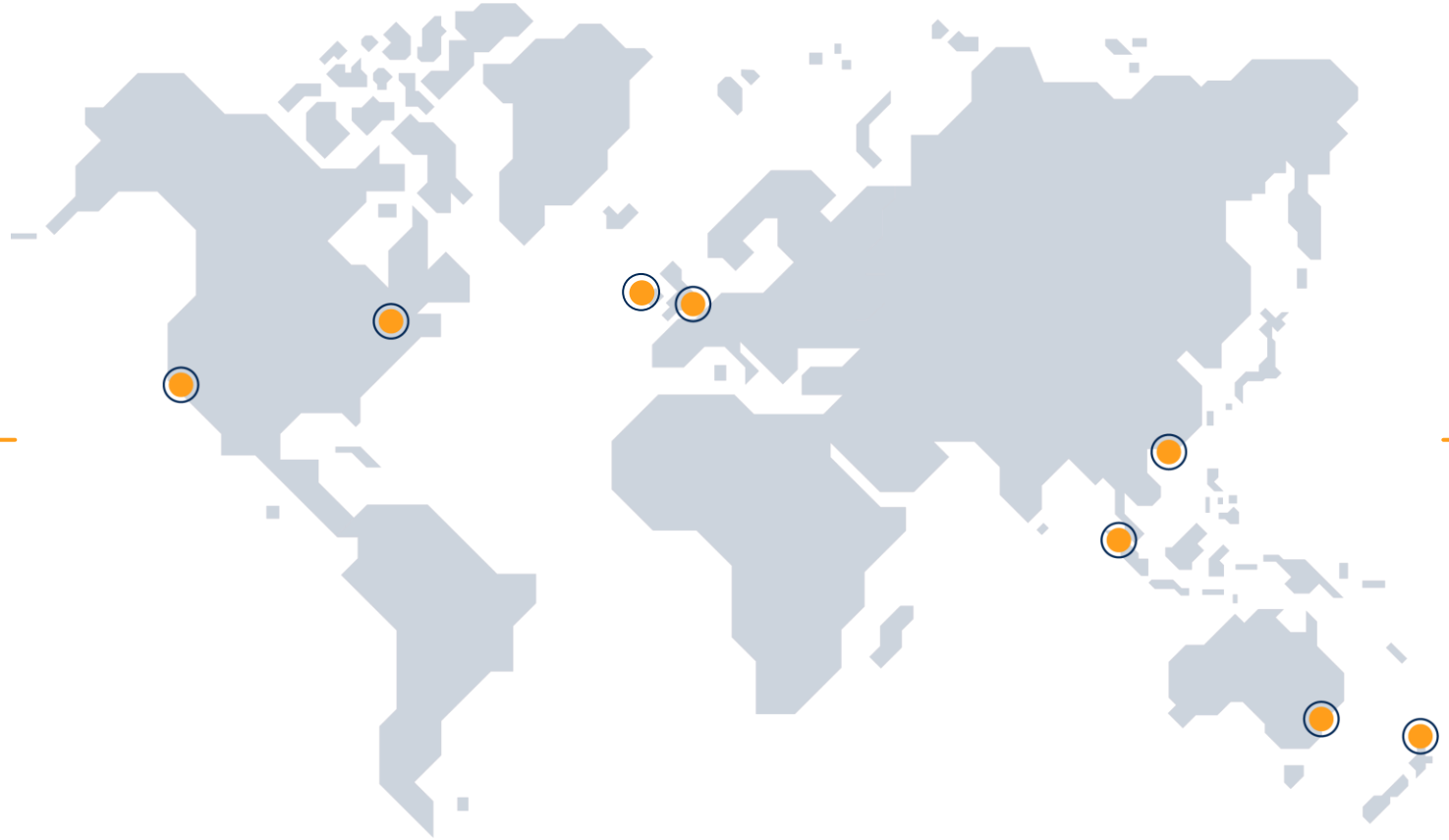


Turnover +40.2%
Transactions +25.9%

UK / Europe
Revenue +26.2%



Turnover +31.4%
Transactions +2.7%

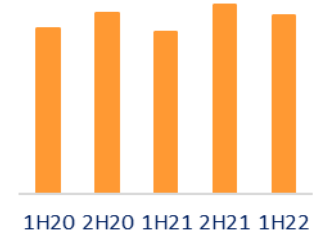


Asia
Revenue +20.1%



Turnover +64.2%
Transactions +16.9%

A&NZ
Revenue[1] +10.5%



Turnover +21.1%
Transactions[1] (23.1)%

[1] Revenue growth ex offshore share purchases +18.1%, transactions +5.5%

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Strong financials

Selena Verth

Chief Financial Officer

Strong financial result driven by growth across the portfolio

Financial Results ($m)	1H20	1H21	2H21	1H22	V 1H21
Financial Metrics					
Fee and trading income (revenue)	65.3	61.6	72.7	74.0	20.1%
Net operating income	59.5	53.9	64.0	68.6	27.3%
Underlying operating expenses[1]	(43.0)	(43.2)	(44.4)	(48.4)	12.1%
Underlying EBITDA[1]	16.5	10.8	19.6	20.3	88.0%
Statutory EBT	10.7	3.6	12.7	14.2	289.4%
Statutory NPAT	8.3	2.9	9.9	10.9	279.9%
Net Cash Held[2]	51.5	52.8	60.6	63.1	19.5%
Financial Ratios					
NOI margin	0.52%	0.48%	0.46%	0.46%	(2) bps
Underlying EBITDA margin	27.7%	20.0%	30.7%	29.5%	9.5 pts
Effective tax rate	19.3%	21.1%	22.0%	23.0%	1.9 pts

- Revenue up 20.1% with double-digit growth across all regions
- NOI up 27.3% driven by revenue growth and efficiency in bank fees and partner commissions
- Underlying EBITDA $20.3m, up 88.0% v 1H21 and exceeds pre-COVID levels up 22.7% v 1H20
- Effective tax rate of 23.0%, up from prior year tax rate of 21.1%
- Statutory NPAT $10.9m with strong revenue growth across all segments
- Net cash held $63.1m, up $10.3m, Net Available Cash $37.6m up $10.3m
- Successfully closed the TreasurUp investment of $6.1m

[1] Excluding one-off items of $0.2m for 1H22 and $0.5m for 1H21
[2] $63.1m Net Cash Held includes $25.5m of collateral and bank guarantees

Confidential

Targeted investments driving good outcomes

Expenses ($m)	1H20	1H21	2H21	1H22	V 1H21
Employee expense	26.8	27.9	29.1	31.6	13.3%
Promotional expense	7.1	6.9	5.9	7.9	15.1%
Technology expense	2.8	2.8	3.5	3.8	38.1%
Occupancy expense	0.3	0.4	0.3	0.4	(1.0)%
Bad and doubtful debts	1.2	1.2	0.8	(0.0)	(100)%
Other expense	4.8	4.1	4.7	4.7	13.8%
Underlying operating expenses[1]	**43.0**	**43.2**	**44.3**	**48.4**	**12.1%**

Underlying operating expenses

- Employee up 13.3%. Variable compensation up $2.7m driven by strong 1H22 performance
- Promotional up 15.1% with increased investment in brand campaigns across the major markets (first 3 months revenue from new customers up 31.3%)
- Technology up 38.1% with investments in reliable scalable systems and risk management
- Other up 13.8% due to increase in insurance costs and travel with borders opening

Bad & doubtful debts down 100%

- Bad and doubtful debts $3k in credit, driven by recoveries and lower levels of fraud activity
- Implementation of new tools across identity management, biometrics have driven significant reduction in fraud events

Investing in the future

- Additional investment in promotional expense to drive new client acquisition
  - North America Online Seller campaign live to drive momentum in 2H22
  - Launched partnership with the NHL with OFX being the League's official currency exchange provider

[1] Excluding one-off items of $0.2m for 1H22 and $0.5m for 1H21

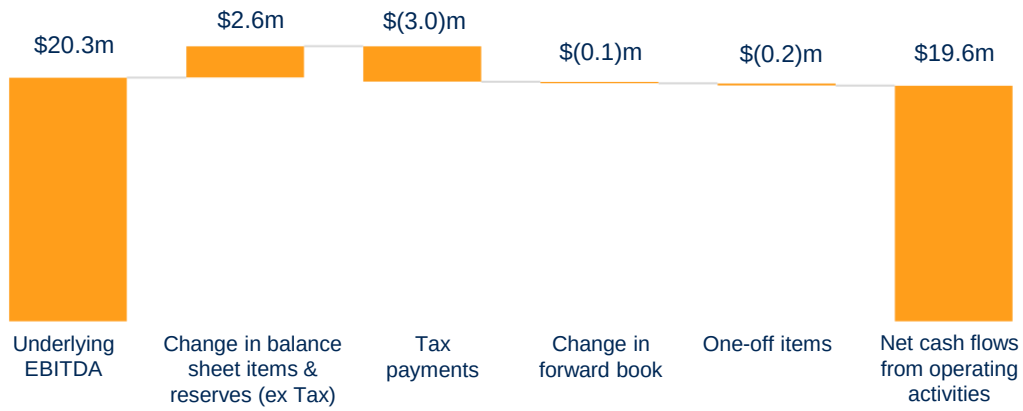
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Strong balance sheet, good cash flow

Balance Sheet ($m)	30 Sep 20	31 Mar 21	30 Sep 21
Cash held for own use	25.7	33.5	40.9
Cash held for settlement of client liabilities	183.6	241.8	236.2
Deposits due from financial institutions	27.1	27.1	22.2
Derivative financial assets	16.2	22.5	22.4
Other assets	7.2	9.7	9.6
Equity accounted investees	0.0	0.0	4.7
Property, plant and equipment	1.7	1.1	1.0
Intangible assets	16.9	18.0	19.3
Right-of-use assets	15.4	13.9	6.5
Current tax assets	11.6	6.3	6.6
Total assets	**305.3**	**373.9**	**369.4**
Client liabilities	189.2	247.1	238.1
Derivative financial liabilities	11.5	16.7	16.5
Lease liabilities	18.6	17.3	9.2
Other liabilities	11.9	11.6	14.2
Total liabilities	**231.2**	**292.7**	**278.0**
Total equity	**74.1**	**81.2**	**91.4**

- Net cash held $63.1m, up $2.6m from 31 March 21, Net Available Cash $37.6m
- Strong cash generation: $20.3m underlying EBITDA delivering $19.6m net cash flows from operating activities
- Intangible asset investment in global operating model of $5.1m improving customer experience
- Successfully closed the TreasurUp investment of $6.1m
- Purchased 1.91m shares for $2.65m as part of ongoing share buy-back program

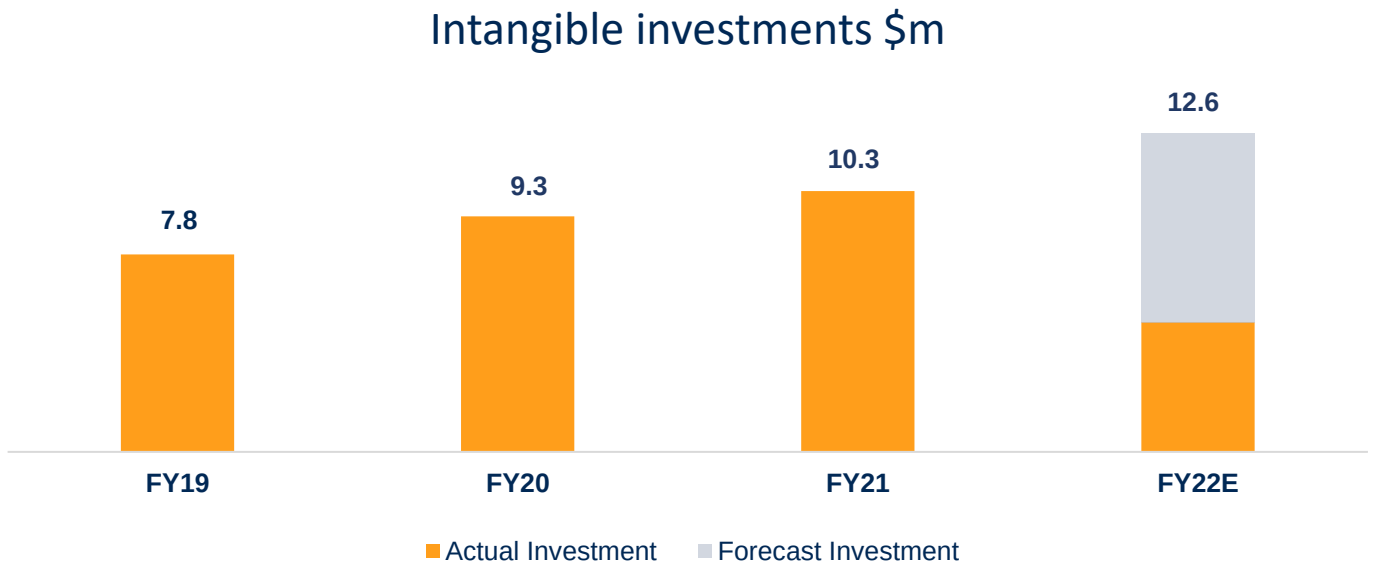
1H22 Net cash flows from operating activities



Sandbagged

Sustainable capital investment in our global operating model





	1H22 Delivery	2H22+ Delivery
Payments excellence	✓ Faster, cheaper payments across three additional currencies ✓ Automated payment capability	• Continue to expand currency and corridor offering with payment tracking capabilities
Risk management	✓ Improved customer verification tools in Europe	• Integrate data for better and faster decisioning • Straight through processing • Improved onboarding infrastructure
Customer service	✓ Integrated solutions for Enterprise partners ✓ Improved onboarding process for Online Seller clients	• Simplified, easier to navigate digital experiences across segments

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FY22 outlook

Skander Malcolm

Chief Executive Officer and Managing Director

Building the world's leading value-added cross border payments specialist

Opportunity

130T USD cross-border payments market

OFX is a cross border payments specialist with a small market share

Strong GDP growth outlook across core markets in 2022: US 4.0%, UK 5.1%, AUS 3.6% which will support growth in Corporate, Enterprise and Online Seller

Grow valuable segments

- **Corporate** ++
- **Online Seller** ++
- **Enterprise** ++
- **High Value Consumer** +

Competitive positioning

Distinctive CVP

Digital ease + **Human** support & expertise

Global operating model



More valuable company

- ✓ Healthy revenue growth
- ✓ 75%+ Recurring Revenue
- ✓ Strong EBITDA margins
- ✓ Highly cash generative
- ✓ Capital light
- ✓ Well-positioned to participate in industry consolidation

Source: Global cross-border payment flows - McKinsey global payments research 2020
Annual GDP growth forecast for 2022 – Bloomberg Contributor Composite as at 21 October 2021

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Priorities for our target segments

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Corporate



Typical ATVs of ~$26.5k monthly+ trading

Improve client experience

- Faster and easier ‘end to end’ onboarding
- Enhanced risk management, including TreasurUp

Online Seller



Typical ATVs of ~$15.4k fortnightly+ trading

Building a trusted financial hub

- Additional marketplace coverage and currencies
- Better payment options

Enterprise



B2B2C and B2B2B

Activate wins, convert pipeline, grow pipeline

- Better API capabilities
- Global pre-sale teams

High Value Consumer



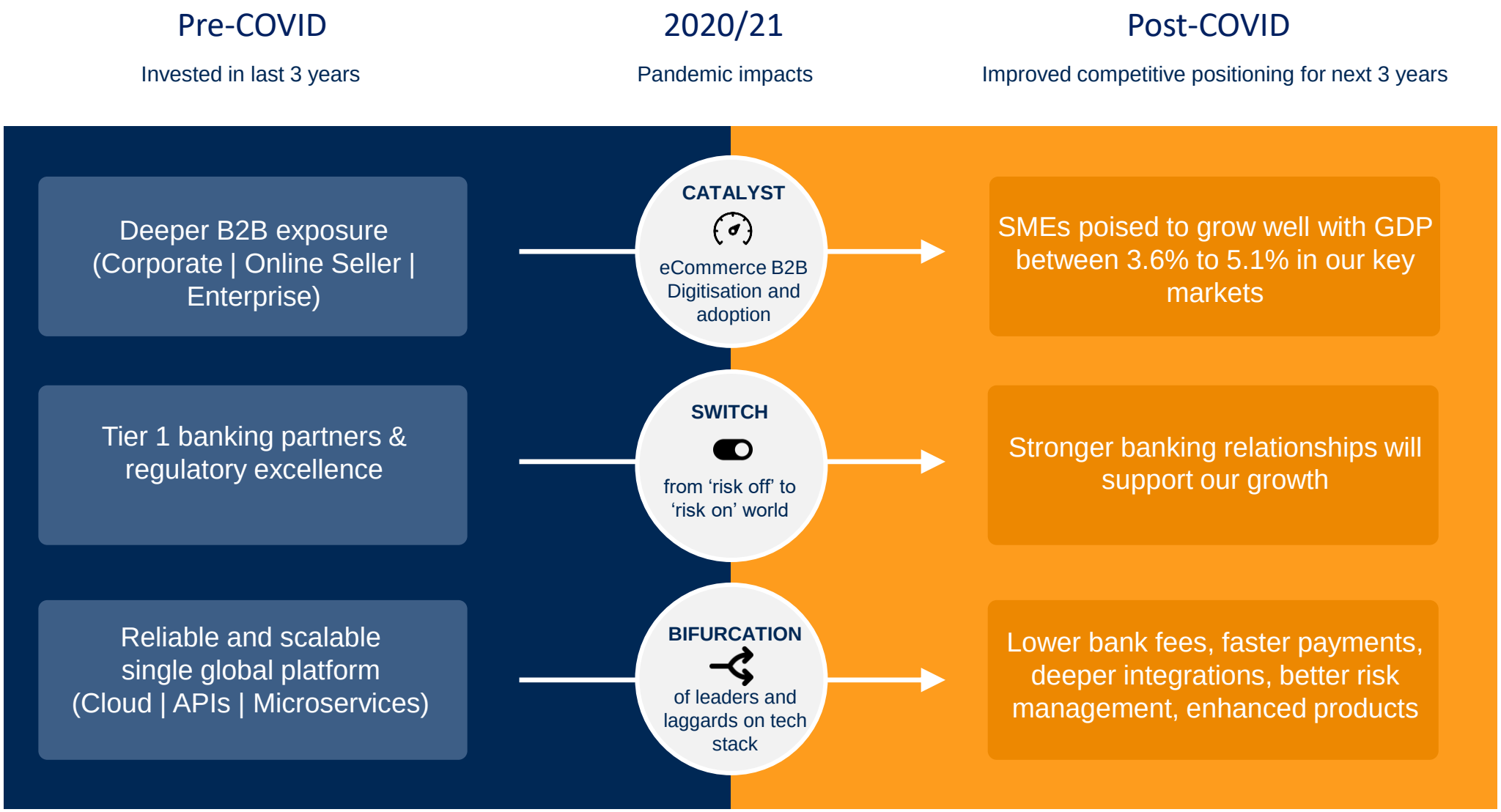
Typical ATVs of ~$17.2k biannual+ trading

Win post-COVID rebound in use cases

- Great digital experience
- Improved currency corridor offering

OFX will thrive in a post-pandemic world

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FY22 outlook

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Focus on strategic priorities

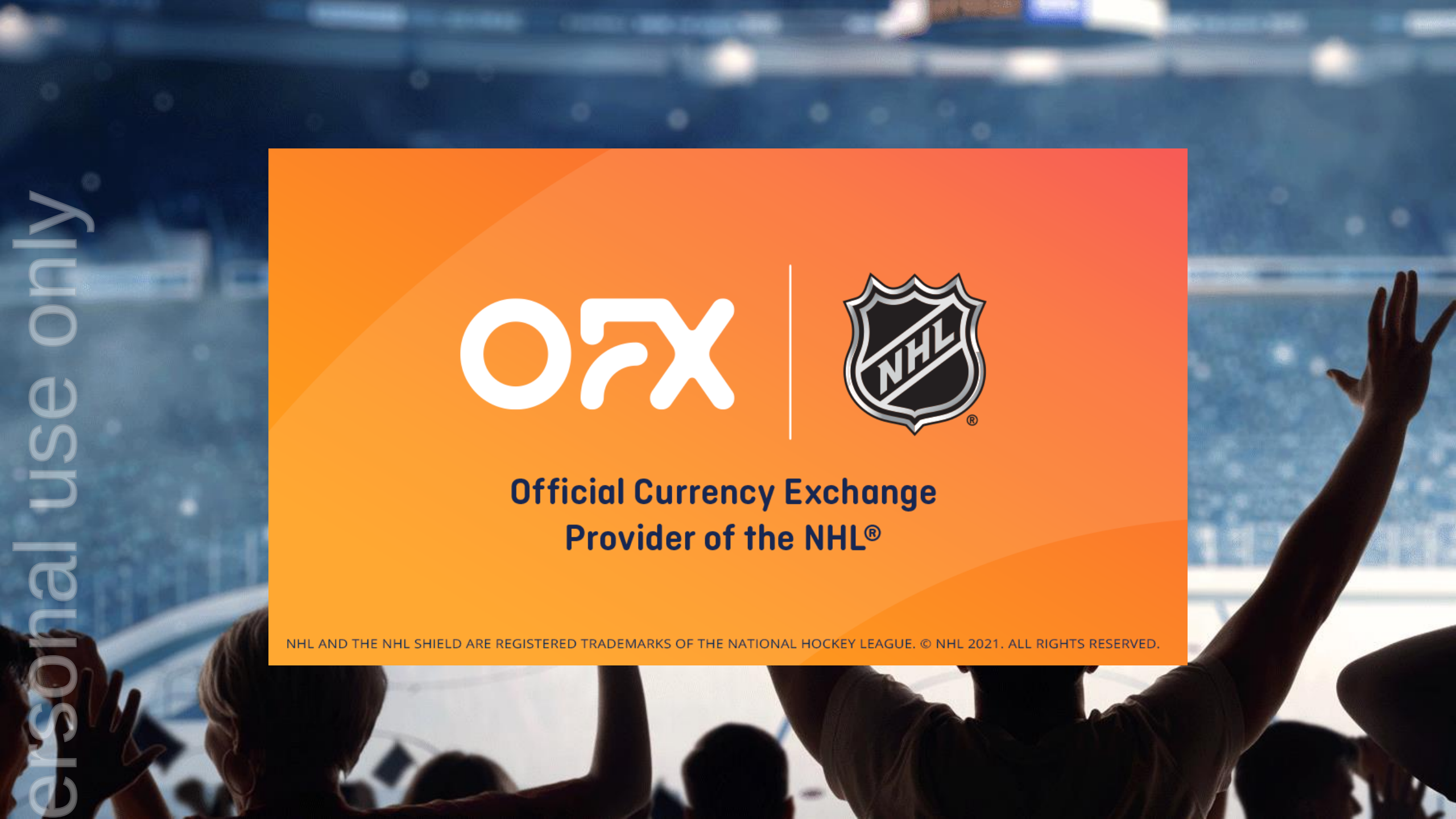
- Continue to grow North America
- Strong growth in Corporate and Online Seller segments
- Win opportunities in the Enterprise pipeline. Activate Link, WiseTech Global, RBA/ATO, Pearler and Douugh
- Win rebound in Consumer use cases



Deliver strong results

- Maintain principle of positive operating leverage[1] while remaining flexible to pursue investment opportunities
- Continue investment in a single global platform
- NOI growth 10%+
- Stable NOI margins

[1] Positive operating leverage: NOI is growing at a faster rate than underlying operating expenses



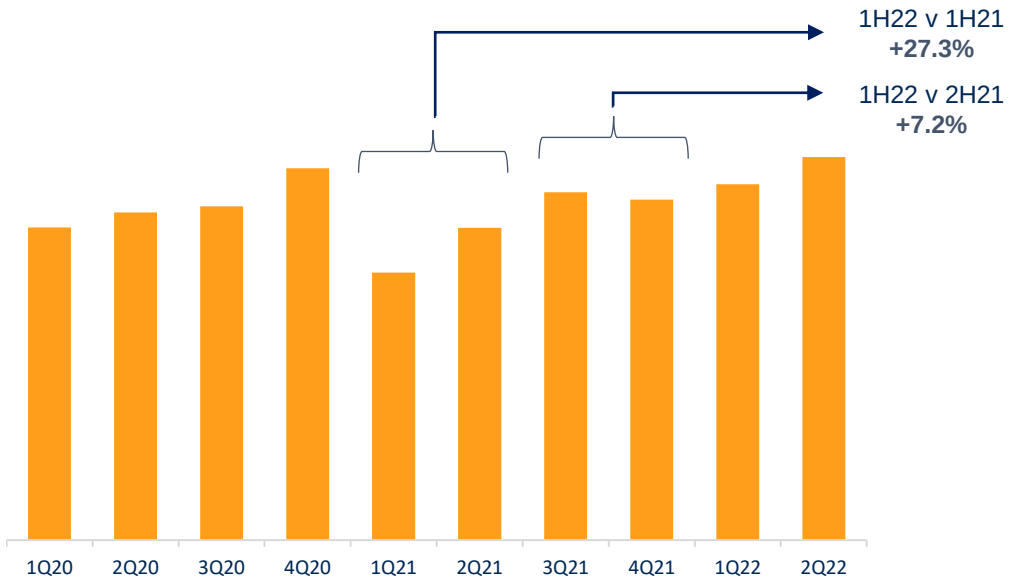
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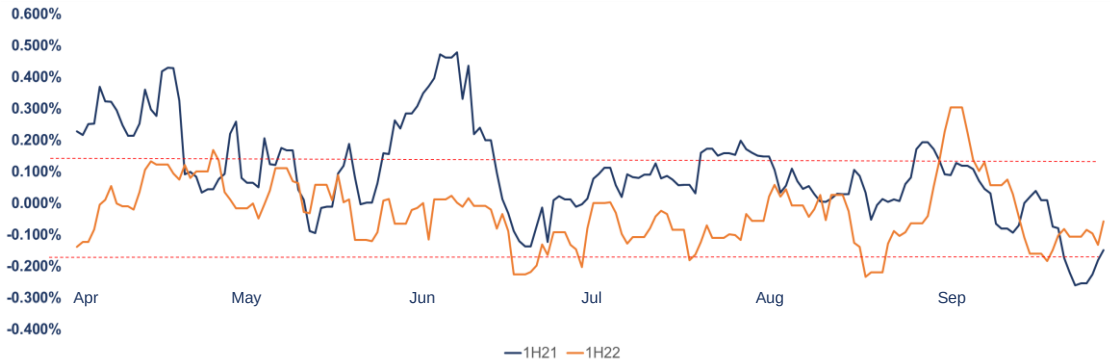
Appendix

Continued quarterly growth with lower volatility

Continued quarterly NOI growth



14 day moving average of daily % movement in spot price (AUD/USD)



Growth Rates (V PCP)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
OFX NOI	(3.4)%	2.3%	6.5%	16.3%	(14.4)%	(4.7)%	4.2%	(8.4)%	33.0%	22.6%
Market growth[1]	(16.4)%	(11.9)%	(14.6)%	17.2%	(9.2)%	(3.6)%	7.7%	(15.3)%	8.1%	4.5%

	1H20	2H20	1H21	2H21	1H22
Days of volatility	19	37	69	44	24

[1] Source: OFX analysis and https://thesource.refinitiv.com/thesource/getfile/index/624eb7a6-1099-41b2-9f3b-e656231efd25

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Attractive Recurring Revenue

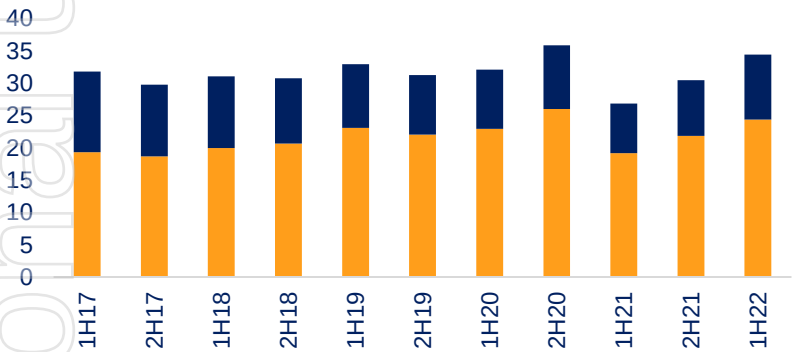
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Revenue from Existing Clients

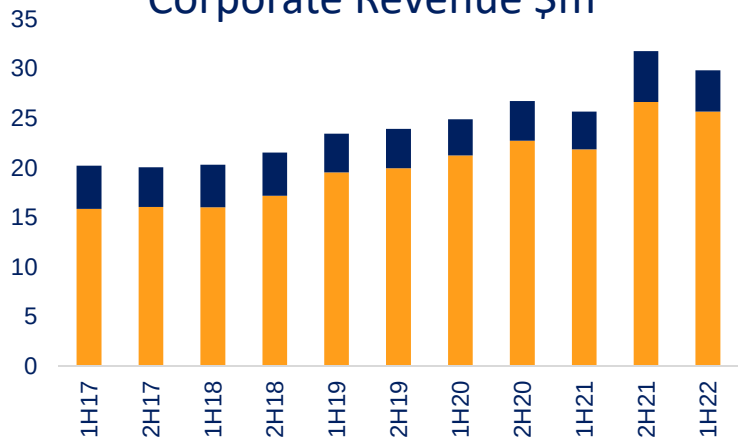
78%

Decrease from 79% in 1H21

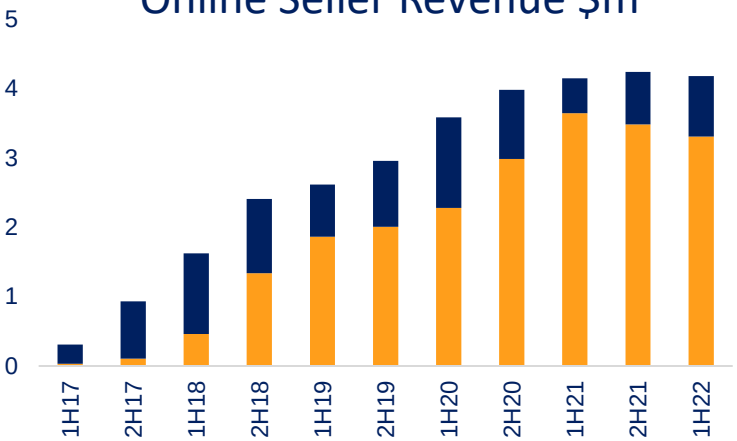
High Value Consumer Revenue $m



Corporate Revenue $m



Online Seller Revenue $m



New clients within the last 12 months

Existing Clients

Definitions

- **Active Client:** Number of clients that entered into a Transaction with OFX during the immediately preceding 12 month period
- **ATV:** Average transaction value
- **Corporate:** As of 1H21, Corporate excludes OLS; OLS is reported separately
- **Cost per Registration:** Promotional expense / registrations
- **Enterprise:** 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 – 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 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
- **Registrations:** Number of clients that have successfully registered or signed up with OFX in the period
- **Revenue:** represents “Fee and trading income” in the statutory accounts
- **Transactions:** Number of transfers or exchange of funds pursuant to instructions or in line with a request

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Thank you

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