



**OFX GROUP LIMITED**  
**FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018**

22 May 2018 – OFX Group Ltd (ASX: OFX) today announced its full year results for the financial year ended 31 March 2018, reflecting continued growth in the key performance drivers of the business. OFX delivered Net Operating Income (NOI) of \$109.9m, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$29.8m and Net Profit after Tax (NPAT) of \$18.7m.

Key financial highlights:

- Turnover of \$21.2bn, up 9.5% on FY17, primarily driven by:
  - Active clients up 3.3% to 161.9k with returning clients at 72% (up from 69% on FY17);
  - Transaction volumes up 13.1% to 963.7k; and
  - Average Transaction Values (ATVs) down 3.5% to \$22.0k.
- Fee and trading income up 4.3% to \$119.0m with strong growth in North America and Asia and Australia up in 2H18.
- Net Operating Income (NOI) up 4.6% to \$109.9m at a stable margin.
- EBITDA up 7.5% to \$29.8m delivering positive operating leverage.
- Earnings Before Tax (EBT) up 3.8% from \$24.0m in FY17 to \$24.9m in FY18.
- NPAT down 4.5% to \$18.7m due to a higher effective tax rate, as a result of Research & Development (R&D) and Offshore Banking Unit (OBU) benefits recognised in FY17.
- Final dividend of 3.0 cents per share fully franked for the six months ended 31 March 2018.

OFX's Chief Executive Officer and Managing Director, Skander Malcolm, said: "In FY18 we focused on better execution, in order to deliver on our commitments to clients and shareholders. We are pleased with the progress we have made. Despite a more competitive operating environment and lower levels of currency volatility, transaction volumes were up 13.1% and NOI grew 4.6% at steady margins.

"We increased active clients, the number of transactions for each active client and re-engaged our client base through a number of successful CRM campaigns and performance marketing initiatives. Returning clients contributed 72% to revenue (fee and trading income) for the year, up from 69% in FY17. Our run rate NOI growth increased progressively through the year, and in the fourth quarter of FY18 was up more than 11%.

"Investment in North America and Asia continues to generate good growth, with these markets now representing nearly 30% of our annual turnover. And having invested in a targeted marketing program for Australia in the second half, revenue was up 3.6% on 2H17. Overall, more effective marketing execution saw better client engagement with registrations up 6%, whilst cost per registration decreased 7%.

"Our Corporate business continued its strong momentum with revenue up 11% year-on-year and excellent growth in transaction volumes, especially in the Online Sellers business. The change in our portfolio mix resulted in average transaction values being down slightly for the year, although these improved in the second half.

"We have managed our costs effectively, delivering EBITDA growth of 7.5% and positive operating leverage. Further investment in our technology platform is delivering scale, enhanced security, and a better client experience. This was primarily in our website, Online Seller Platform and Application Programming Interface (API) product. "



OFX's balance sheet remains strong with no debt and cash held for own use of \$47.3m, up \$14.8m on FY17.

	<u>FY17</u>	<u>FY18</u>	<u>VAR</u>
<b>Fee and trading income (\$m)</b>	114.1	119.0	4.3%
<b>Net operating income (\$m)</b>	105.1	109.9	4.6%
<b>Operating expenses (\$m)</b>	(77.4)	(80.1)	3.5%
<b>EBITDA (\$m)</b>	27.8	29.8	7.5%
<b>EBT (\$m)</b>	24.0	24.9	3.8%
<b>NPAT (\$m)</b>	19.6	18.7	(4.5%)
<b>Registrations<sup>1</sup> (000's)</b>	137.2	145.4	6.0%
<b>Active clients<sup>2</sup> (000's)</b>	156.7	161.9	3.3%
<b>Turnover (\$b)</b>	19.4	21.2	9.5%
<b>Transactions (000's)</b>	852.3	963.7	13.1%
<b>Average transaction value (000's)</b>	22.8	22.0	(3.5%)

1. 4k invalid registrations have been removed in 1H18. Total registrations excluding invalid registration in 1H18 is 74.1k
2. Active clients are clients who have transacted in the past 12 months.

## **DIVIDENDS**

The OFX Board of Directors have declared a fully franked final dividend of 3.0 cents per share for the six months ended 31 March 2018 which will be paid on 22 June 2018. This is in line with the Board's policy to maintain a payout ratio of 70-80% of NPAT. The full year dividends paid for FY18 are 5.4 cents per share.

## **GROUP OUTLOOK**

In line with its key growth drivers, in FY19 OFX will continue to improve the client experience, expand its geographical footprint focusing particularly on North America and Asia, and broaden its commercial, operational and marketing partnerships.

Execution of these growth drivers can only be achieved by a continued focus on the fundamentals that underpin OFX; reliable and scalable technology, strong risk management procedures, and retaining and attracting high quality people.

Skander Malcolm said "We compete in a very crowded market, but our progress in FY18 and the momentum we are seeing into FY19 is encouraging. We have committed to a bigger investment in growth across marketing, sales and technology, funded from further cash generation, while delivering positive annual operating leverage on an EBITDA basis, and maintaining a stable NOI margin.

"The client segmentation work we completed in the fourth quarter of FY18 positions us well to continue delivering exceptional value to our target customer base. We have a clear pathway to building a strong global company."



**-ENDS-**

**For all enquiries:**

Media

Helen McCombie, Citadel-MAGNUS  
+61 0411 756 248

Investors

Matthew Gregorowski, Citadel-MAGNUS  
+61 422 534 755

**Investor webcast**

OFX is hosting a webcast of its investor call at 10.00am this morning. To register for the webcast, go to <https://webcast.openbriefing.com/4452/>

**About OFX Group (ASX: OFX)**

OFX Group Limited is a global provider of online international payment services for consumer and business clients. It has offices in 7 locations. The OFX Group provides services under a new single global brand, OFX, using a single domain name, [www.ofx.com](http://www.ofx.com).