
Half Year Results 2014

20 November 2013

Chief Executive Officer – Neil Helm

Chief Financial Officer – Mark Ledsham



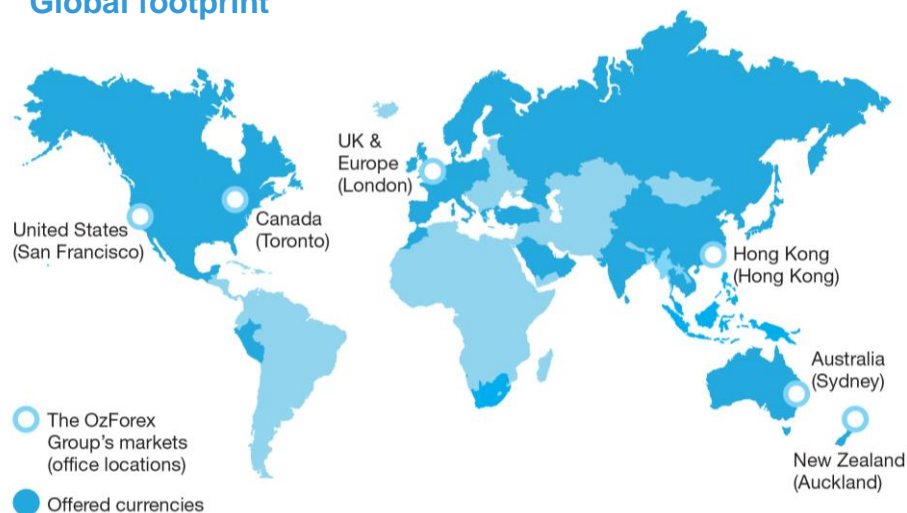
Overview OzForex Group

- *This presentation reflects the financial performance and position of OzForex Limited (formerly OzForex Pty Ltd) (A.C.N. 092 375 703), which was the head of the OzForex Group prior to the interposition of OzForex Group Limited, and the subsequent capital raising, which occurred on 16th October 2013. This presentation is a fair representation of the information that was presented in The Prospectus.*
- Attractive underlying market opportunity for the OzForex Group
- Difficult to replicate combination of assets, relationships and processes
- Scalable proprietary technology platform underpins key business functions
- Customer value proposition that is attractive to both consumers and businesses
- Network of approximately 115 local bank accounts to process transactions quickly and at a low cost
- Two principal lines of business:
 - online international payment services for consumer and business clients - enabling clients to transfer funds transfer securely to a bank account in another country at competitive rates
 - international payment solutions to partner companies (e.g. Travelex and MoneyGram)
- Generates income by taking a foreign exchange spread on each transaction and transaction fees
 - Does not speculate or take positions on the direction of the FX market
- Headquartered in Sydney, with staff located across six office locations
- Listed ASX on 11 October 2013

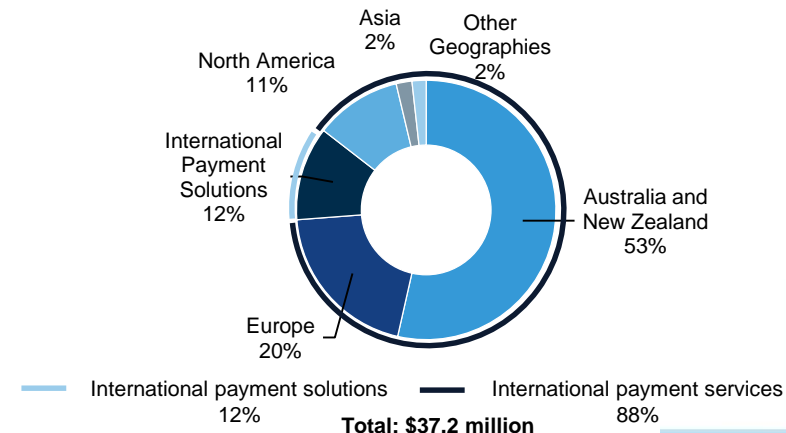
Operational Highlights

- Increased licensing footprint in the US from 16 states to 32 - now servicing 75% of the US population, up from 38% at 30 September 2012
- North American revenue increased from 9% of total fee and commission income before hedging and transaction costs in 1H13 to 11% in 1H14, and is in line with plan
- Launched Travelex Australia and New Zealand international payment services to further roll out the global Travelex branded partnership
- Launched MoneyGram International Payment Services in Australia and New Zealand
- International Payment Solutions (IPS) increased from 11% of total fee and commission income before hedging and transaction costs in 1H13 to 12% in 1H14

Global footprint



1H14 fee and commission income before hedging and transaction costs⁽¹⁾



(1) Fee and commission income before hedging and transaction costs represents income generated by the OzForex Group, excluding the costs or benefits of the Group's hedging policy and transaction costs.

Agenda

I.	Performance update	5
II.	Operating and Financial metrics	9
III.	Summary	15
IV.	Appendices	18



I. PERFORMANCE UPDATE



Investment highlights

- Key operating and financial metrics are in line with prospectus forecasts resulting in a NPAT positive variance of 7%
- Net operating income up by 41.8% to \$35.1m in 1H14, compared to 1H13
- Active clients are in line with the prospectus forecast at 107,000 for pro forma 6 months 1H14
- Growth driven by ongoing roll-out in the US and ramp up in Travelex Branded Partnership arrangements in Australia & New Zealand
- Client growth is delivering ongoing momentum in transaction turnover – increased to 6.6 billion for pro forma 6 months 1 H14
- Balance sheet remains robust with strong cash flow generation and no gearing
- Overall market opportunity for OzForex's continued growth remains very attractive
- OzForex is on track to meet its FY14 prospectus forecasts

Performance Summary

	Pro forma Actual 6 months 1H14 ⁽⁴⁾	Prospectus 6 months 1H14	Variance
Key financial metrics			
Net operating income (\$m)	35.1	33.2	6%
EBTDA (\$m)	13.4	13.1	3%
NPAT (\$m)	9.6	9.0	7%
Net operating income growth	41.8%		
EBTDA growth	10.0%		
EBTDA margin ⁽³⁾	38.2%	39.5%	(3.2%)
NPAT growth	13.7%		
NPAT margin ⁽³⁾	27.4%	27.1%	1.1%
Key operating metrics			
New dealing clients ⁽¹⁾ (000s)	27.9	28.8	(3%)
Active clients ⁽²⁾ (000s)	107.0	106.2	1%
Transactions (000s)	285.3	290.7	(2%)
Transaction turnover (\$bn)	6.6	6.2	6%
Acquisition cost per registration (\$)	70.65	70.30	0%

(1) New dealing clients are clients that transacted for the first time during a period.

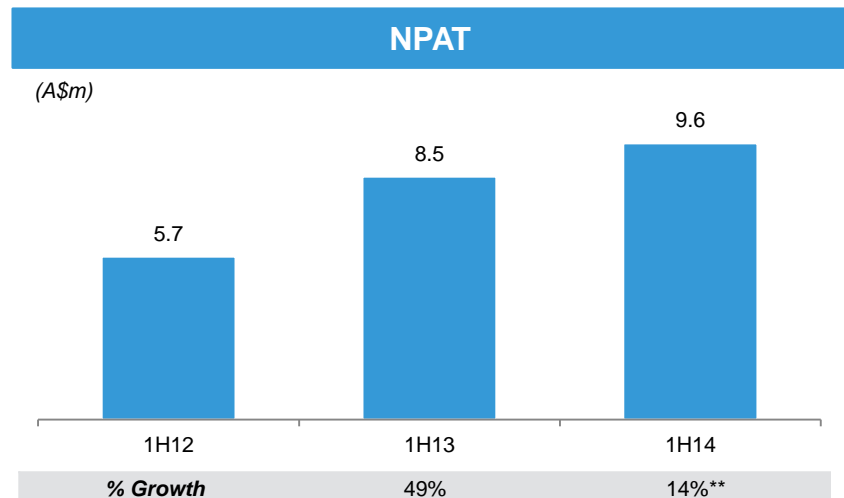
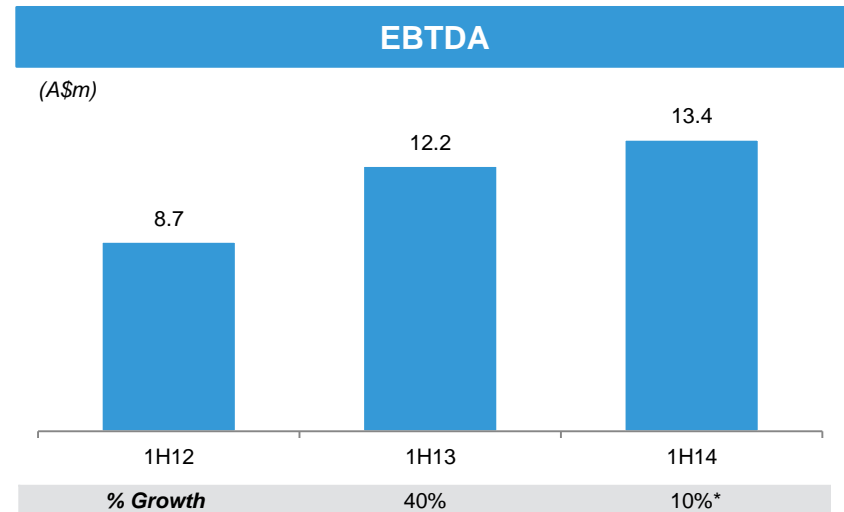
(2) Active clients are clients that as at the end of a period, had transacted in the last twelve months.

(3) EBTDA and NPAT margins are calculated with reference to net operating income.

(4) The 1H14 numbers are based on the pro-forma numbers as per page 19

Profit growth in line with plan

- Continued growth in 1H14
 - 29% increase in active clients to 107k
 - 10% increase in EBTDA to \$13.4m
 - 14% increase in NPAT to \$9.6m
 - EBTDA for 1H13 included a one off benefit from an historic GST claim of \$0.8m, and 1H14 includes \$1.0m of pro forma listed company costs. Normalising this timing difference would result in an EBTDA growth of 28% in 1H13 and 27% in 1H14.
 - 18% increase in operating cash flow before movement in client liabilities
 - EPS*** of 4.0 cents, a 13.7% increase on prior half year



Note: Financial information is presented on a pro forma basis.

* Excludes \$1.2m of statutory costs related to listing OzForex Group Ltd. But includes \$1.0m of pro-forma listed company costs

** Excludes \$0.8m of post tax costs related to listing OzForex Group Ltd.

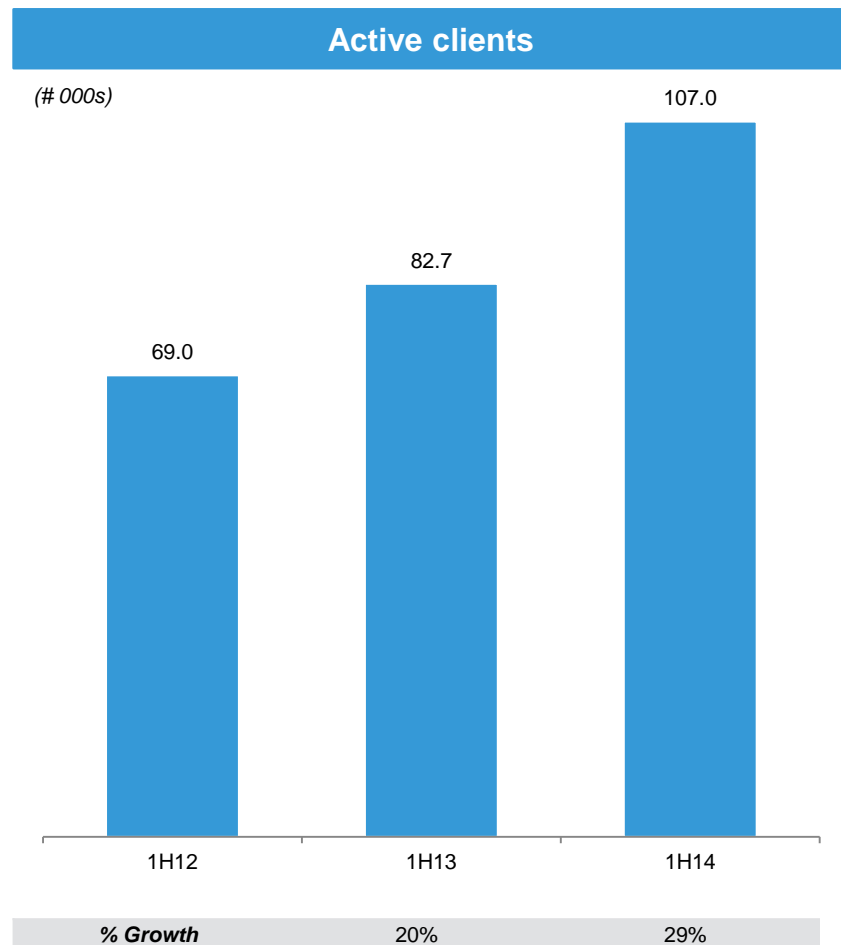
*** Calculated on a pro-forma basis using issued shares of 240m



II. OPERATING AND FINANCIAL METRICS

Growth strategy driving increase in active clients

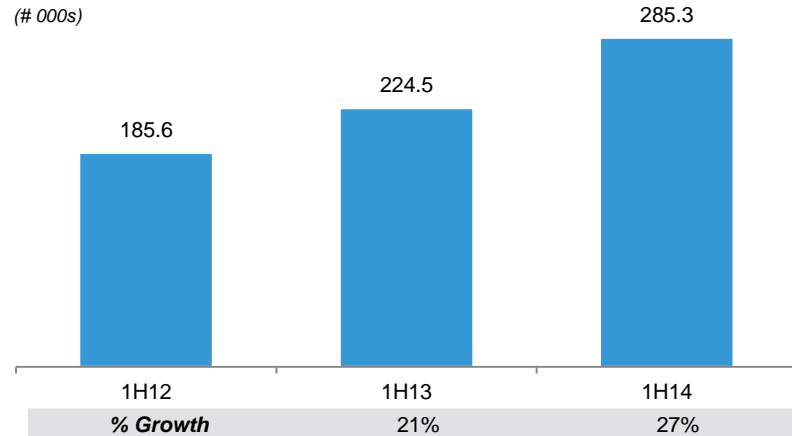
- Active clients are clients that have transacted with the Group in the previous 12 months
- Active clients are in line with forecast as at 30 September 2013
- Increase in active clients has been driven by
 - Continued growth in Australia and New Zealand following the expansion of sales and marketing teams
 - Ongoing roll-out in US
 - Ramp up in Travelex Branded Partnership arrangements and other international payment solutions



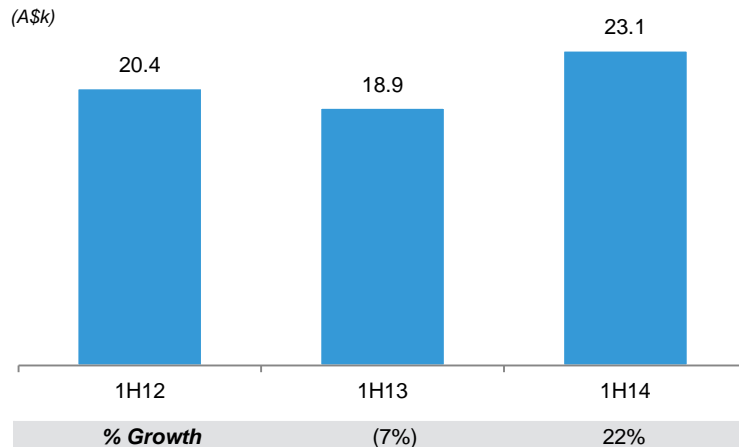
Strong momentum in turnover

- Growth in clients delivering increased transactions and turnover
- 1H14 transactions per active client continued to be 2.7 during the 6 month period, with a slight improvement to the level of retention
- Growth in US where average transaction values are larger assisted with the growth in average transaction sizes

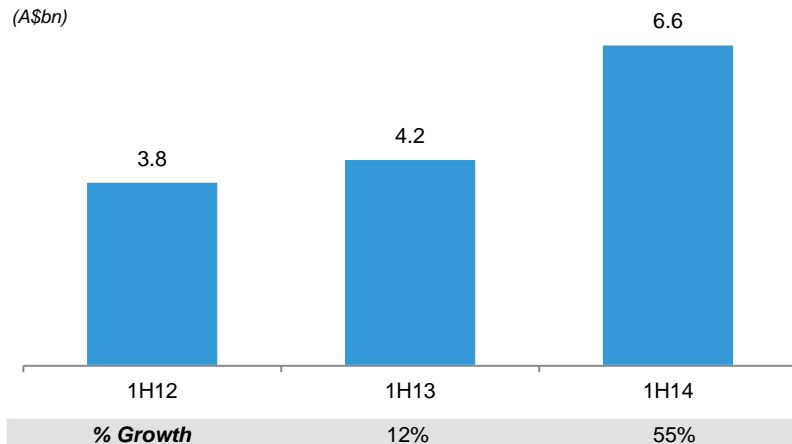
Transactions



Average transaction size

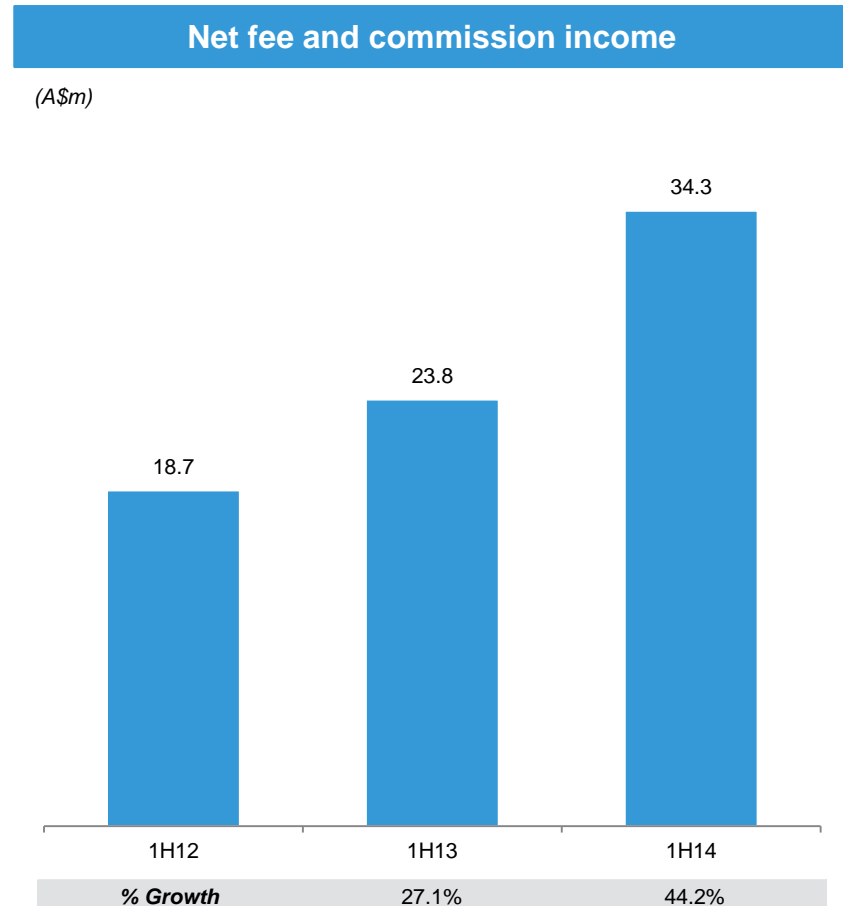


Turnover



Growth in net fee and commission income

- Net fee and commission income increased by 44.2% to \$34.3m in 1H14
- Driven by
 - Build out of IPS through new branded partnerships with Travelex and MoneyGram
 - US revenue growth mirroring growth in licence footprint
 - Continued penetration into existing markets
- Growth follows a strategic decision in FY12 to build the employee base and capability in order to position the Group for future income and earnings growth



Summary geographic net fee and commission income

\$m	Historical		
	6 months 1H12	6 months 1H13	6 months 1H14
Geography			
Australia and New Zealand	11.9	14.5	19.9
Europe	4.2	5.6	7.5
North America	1.7	2.1	4.0
Asia	0.3	0.4	0.7
Other geographies	0.3	0.5	0.7
International payment solutions	2.4	2.8	4.3
Income before hedging and transaction costs	20.9	25.9	37.2
Hedging policy (cost)/benefit	(0.7)	(0.2)	(0.1)
Transaction costs	(1.5)	(1.8)	(2.7)
Net fee and commission income	18.7	23.8	34.3

Key operating and financial metrics

	Historical		
	6 months 1H12	6 months 1H13	6 months 1H14 ⁽⁴⁾
Key financial metrics			
Net operating income growth		26.10%	41.81%
EBTDA growth		39.95%	10.00%
EBTDA margin ⁽³⁾	45.25%	45.88%	38.24%
NPAT growth		48.98%	13.66%
NPAT margin ⁽³⁾	39.18%	28.95%	27.41%
Key operating metrics			
New dealing clients ⁽¹⁾ (000s)	17.4	18.8	27.9
Active clients ⁽²⁾ (000s)	69.0	82.7	107.0
Transactions (000s)	185.6	224.5	285.3
Transaction turnover (\$bn)	3.8	4.2	6.6
Acquisition cost per registration (\$)	59.2	64.9	70.7

- EBTDA for 1H13 included a one off benefit from an historic GST claim of \$0.8m, and 1H14 includes \$1.0m of pro forma listed company costs. Normalising this timing difference would result in an EBTDA growth of 28% in 1H13 and 27% in 1H14.

(1) New dealing clients are clients that transacted for the first time during a period.
 (2) Active clients are clients that as at the end of a period, had transacted in the last twelve months.
 (3) EBTDA and NPAT margins are calculated with reference to net operating income.
 (4) The 1H14 numbers are based on the pro-forma numbers as per page 19



III. Summary



Group Strategy – 3 key initiatives

- Continuous improvement in OzForex's core business model
 - Drive client online registration to increase conversion rates and improve overall customer service
 - Use and expand the functionality across mobile services, tablets and apps to grow transaction volumes
- Geographic expansion of OzForex's international payment services
 - Continue to expand in key markets such as Hong Kong and the United States
 - Expansion in US through the application of additional state licenses
 - Singapore license application has been lodged
- Expansion of OzForex's international payment solutions
 - Further geographic roll out and introduction of new services for existing Branded Partnership clients including Travelex
 - Ongoing development and implementation of OzForex's Business Solutions to a broader range of financial services institutions

Summary

- Key operating and financial metrics are in line with prospectus forecasts resulting in a NPAT positive variance of 7%
- Net operating income up by 41.8% to \$35.1m in 1H14, compared to 1H13
- Active clients are in line with the prospectus forecast at 107,000 for pro forma 6 months 1H14
- Growth driven by ongoing roll-out in the US and ramp up in Travelex Branded Partnership arrangements in Australia & New Zealand
- Client growth is delivering ongoing momentum in transaction turnover – increased to 6.6 billion for pro forma 6 months 1 H14
- Balance sheet remains robust with strong cash flow generation and no gearing
- Overall market opportunity for OzForex's continued growth remains very attractive
- OzForex is on track to meet its FY14 prospectus forecasts



IV. APPENDICES



Income statements

\$m	Statutory			Pro-forma	
	6 months 1H12	6 months 1H13	6 months 1H14	adjustments	6 months 1H14
Net fee and commission income	18.7	23.8	34.3	-	34.3
Other income	-	-	26.5	(26.5)	-
Net interest income	0.9	1.0	0.8	-	0.8
Net operating income	19.6	24.8	61.6	(26.5)	35.1
Employee costs	(6.2)	(7.9)	(12.9)	1.0	(11.9)
Promotional costs	(2.4)	(2.9)	(5.3)	-	(5.3)
Occupancy costs	(0.4)	(0.5)	(0.7)	-	(0.7)
Other costs	(1.9)	(1.3)	(29.5)	25.7	(3.8)
EBTDA	8.7	12.2	13.2	0.2	13.4
Depreciation	(0.2)	(0.2)	(0.3)	-	(0.3)
Profit before tax	8.5	12.0	12.9	0.2	13.1
Income tax expense	(2.8)	(3.5)	(3.4)	(0.1)	(3.5)
Net profit after tax	5.7	8.5	9.5	0.1	9.6
EBITDA	7.8	11.2	12.4	0.2	12.6

Note: Pro-forma adjustments are adjustments for income and costs related to the listing of OzForex Group Ltd.

Balance Sheet

Pro Forma Balance sheet (as at 30 September 2013)		(A\$m)
Assets		
Cash and cash equivalents		127.1
Derivative financial instruments		9.4
Other assets		2.6
Property, plant and equipment		1.0
Deferred income tax assets		1.0
Total assets		141.1
Liabilities		
Client liabilities		(94.9)
Other liabilities		(3.3)
Provisions		(2.3)
Derivative financial instruments		(7.7)
Deferred income tax liabilities		(0.5)
Current tax liabilities		(1.9)
Total liabilities		(110.6)
Net assets		30.5
Equity		
Ordinary share capital		0.4
Foreign currency translation reserve		(0.1)
Share option reserve		0.1
Retained earnings		30.1
Total equity		30.5



V. Q&A

