



**FOR IMMEDIATE ASX RELEASE**

**OFX GROUP LIMITED**  
**FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017**

**Sydney, 23 May 2017:** OFX Group Ltd (**ASX: OFX**) today announced its full year results for the financial year ended 31 March 2017, reflecting growth in active clients and transaction volumes with good momentum in the US, but lower Average Transaction Values (ATVs) from Individual customer transactions, especially in the UK.

Key points to highlight:

- Turnover of \$19.4b in line with FY16, driven by:
  - Active clients up 3.7 % to 157k, of which the corporate segment grew by 6.7%;
  - Transaction volumes up 8.7% to 852k, up 10.5% in H2 FY17 against H2 FY16; and
  - ATVs down 8.8% to \$22,800.
- Fee and trading income of \$114.1m, up 2.5% on FY16, with 13.6% growth in North America;
- Net Operating Income of \$105.1m, up 1.2% on FY16 (\$103.9m)
- Underlying EBTDA of \$27.8m and underlying NPAT of \$19.6m in line with guidance;
- Global rebrand completed in key US and UK markets: remaining geographies in FY18;
- Investment in people and technology to drive productivity and enhanced customer experience; and
- Final dividend of 2.9 cents per share fully franked.

OFX's Chief Executive Officer and Managing Director, Skander Malcolm, said: *"It is good to be able to deliver the 2017 annual result in line with previous guidance. Operating conditions have been challenging, with revenue affected by lower ATVs in the wake global economic and political uncertainty. Despite this, the fundamentals of the business are strong, with overall transaction numbers and our active client base growing, whilst maintaining our margins. We have also diversified our revenues with good growth in North America and our Corporate segment, to help offset lower Individual transaction numbers and ATVs, especially from the UK due to the decline in GBP.*

*"Our current earnings reflect continued investment in people and technology to take advantage of the enormous growth opportunity we see across our markets. Our technology investment is already paying off, with hosting costs continuing to decline each quarter, security enhanced, and improved search engine optimisation due to faster load times.*



*“The execution of the rebrand in Australia is complete, and the learnings applied from that drove the successful rebrand in the UK and the US, restoring search rankings in under 8 weeks.*

*“Our teams have worked incredibly hard all over the world, and it’s a credit to them that we have operated well throughout the significant changes we are implementing.”*

OFX’s balance sheet remains strong with a pre-dividend cash position net of customer liabilities of \$[41.5m] (before regulatory requirements) as at 31 March 2017 and no debt.

	FY17	FY16	% change
<b>Financial Metrics</b>			
Turnover (\$b)	19.4	19.6	(1.1)
Net Operating Income (\$m's)	105.1	103.9	1.2
Underlying EBTDA (\$m's)	27.8	36.1	(23.1)
Underlying NPAT (\$m's)	19.6	23.9	(18.0)
Statutory NPAT (\$m's)	19.6	21.8	(10.2)
<b>Operational Metrics</b>			
Active Clients <sup>1</sup> (000's)	156.7	150.9	3.7
Transactions (000's)	852.3	784.2	8.7
Average Transaction Value (\$000's)	22.8	25.0	(8.8)

## **DIVIDENDS**

The OFX Board of Directors have declared a fully franked final dividend of 2.9 cents per share which will be distributed on 23 June 2017. This is in line with the Board’s policy to maintain a payout ratio of 70-80% NPAT.

OFX advises that the Dividend Reinvestment Plan will be suspended until further notice. Commencing with the 2017 final dividend, the Dividend Reinvestment Plan will not be available. No action is required by participants in the Dividend Reinvestment Plan.

## **GROUP OUTLOOK**

Skander Malcolm said that the priority for FY18 is stronger execution, discipline and growth across the business aimed at driving positive jaws.

*“The team completed several key initiatives in FY17, including the re-brand in our major markets, full migration to the cloud and a number of enhancements to our technology platform. We are building a*

<sup>1</sup> Active clients are clients who have transacted within the past 12 months.



*deeper understanding of what drives customers and prospect preferences, and translating this knowledge into action. For example, our costs per registration have improved substantially, and our new dealing clients have grown in H2 FY17 (YoY).*

*“This sets us up for a stronger performance in 2018 as we build out our sales capability and invest in targeted acquisition marketing based on compelling return metrics.*

*“Everything we are doing is aimed at growing a strong and active customer base by providing a great customer experience, competitive pricing and safe and secure technology.*

*“Meanwhile we will continue to invest, with discipline, to deliver positive jaws story and growth in shareholder value.”*

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**Investor webcast**

OFX is hosting a webcast of its investor call at 10.00am this morning. To register for the webcast, go to <http://webcast.openbriefing.com/2130>

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