

Currency
Exchange

Travelex

Results Presentation

for the period ended 31 March 2016

19
May
2016

Travelex worldwide
money

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1. Key highlights

2. Financial performance

3. Summary and conclusions

4. Questions

5. Further information

Three months ended 31 March 2016 – key highlights

Financial Highlights

- Core Group Revenue increased by £6.1m (4%) to £168.0m (3% increase to £166.4m at constant exchange rates (CER))^{1,2}
- Core Group EBITDA of £0.7m (£0.4m at CER) with profitability impacted by
 - Lower banknote volumes following the introduction of tighter currency controls in Nigeria, one of Travelex's largest wholesale supply regions
 - The continuing challenging trading conditions in Brazil
- Further growth in Retail, the group's largest segment, with the Middle East, UK and Japan driving total Retail revenues up 13% (10% at CER) to £122.0m (including like for like growth of 6%) and EBITDA up 19% (15% at CER) to £7.4m
- Strong multi-channel performance with the online platform and ATMs both delivering 12% revenue growth
- Continued investment in digital capabilities with Supercard to be launched in the UK shortly
- Usable cash at 31 March 2016 of £26.2m (31 December 2015: £32.1m) and net debt of £336.4m (31 December 2015: £333.0m)

Financial Summary

| £m, 3 months ended 31 March | | | Change | | |
|---------------------------------|-------|-------|--------|-----------------------|--------|
| | 2015 | 2016 | | 2016 CER ² | Change |
| Core Group Revenue ¹ | 161.9 | 168.0 | 4% | 166.4 | 3% |
| Core Group EBITDA ¹ | 8.1 | 0.7 | (91%) | 0.4 | (95%) |
| Core Group EBITDA % Margin | 5.0% | 0.4% | | 0.2% | |

| | 31 Dec 2015 | 31 Mar 2016 |
|----------------------------|----------------|----------------|
| Usable Cash balance | 32.1 | 26.2 |
| Gross debt | (376.4) | (376.6) |
| Free cash | 43.4 | 40.2 |
| Net debt | (333.0) | (336.4) |

¹ Core Group metrics include 100% of Revenue and EBITDA from Joint Ventures and Travelex's French business which was sold to UAE Exchange UK Limited, a company of which Dr Shetty is also a shareholder. The French business remains in the Core Group results for management discussion and analysis purposes but is excluded from the Group's statutory results

² Results at constant exchange rates are Core Group metrics retranslated at the average rates for the equivalent period in 2015

³ EBITDA is presented before exceptional items and non-underlying adjustments

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Three months ended 31 March 2016 – financial performance by segment

| Segmental results | | | | | |
|--|--------------|--------------|------------------|-----------------------------|------------------|
| Core Group Revenue¹ | 2015 | 2016 | Change % | 2016 CER² | Change % |
| <i>£m, three months ended 31 March</i> | | | | | |
| Retail | 107.9 | 122.0 | 13% | 118.9 | 10% |
| Wholesale & Outsourcing | 26.8 | 21.8 | (19%) | 21.6 | (19%) |
| Payments & Technology | 6.0 | 5.9 | (2%) | 5.9 | (2%) |
| Brazil | 12.2 | 9.4 | (23%) | 11.7 | (4%) |
| Insurance | 9.0 | 8.9 | (1%) | 8.3 | (8%) |
| Core Group | 161.9 | 168.0 | 4% | 166.4 | 3% |
| Core Group EBITDA¹ | 2015 | 2016 | Change £m | 2016 CER² | Change £m |
| <i>£m, three months ended 31 March</i> | | | | | |
| Retail | 6.2 | 7.4 | 1.2 | 7.1 | 0.9 |
| Wholesale & Outsourcing | 9.8 | 6.2 | (3.6) | 6.2 | (3.6) |
| Payments & Technology | (0.2) | (1.1) | (0.9) | (1.1) | (0.9) |
| Brazil | 1.5 | 0.2 | (1.3) | 0.3 | (1.2) |
| Insurance | 2.0 | 1.6 | (0.4) | 1.5 | (0.5) |
| EBITDA Contribution | 19.3 | 14.3 | (5.0) | 14.0 | (5.3) |
| Central & Shared Costs | (11.2) | (13.6) | (2.4) | (13.6) | (2.4) |
| EBITDA | 8.1 | 0.7 | (7.4) | 0.4 | (7.7) |

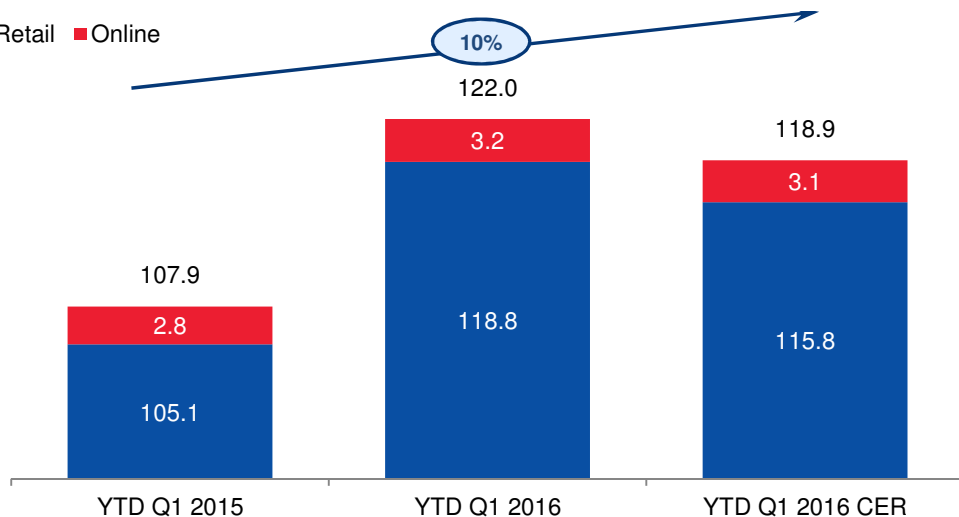
1. All figures are shown on a "Core Group" basis i.e. including 100% of JVs and France

2. Results at CER are Core Group metrics retranslated at the average rates for the equivalent period in 2015

Retail – Strong performance underpinned by like-for-like growth in the Middle East, UK and Japan

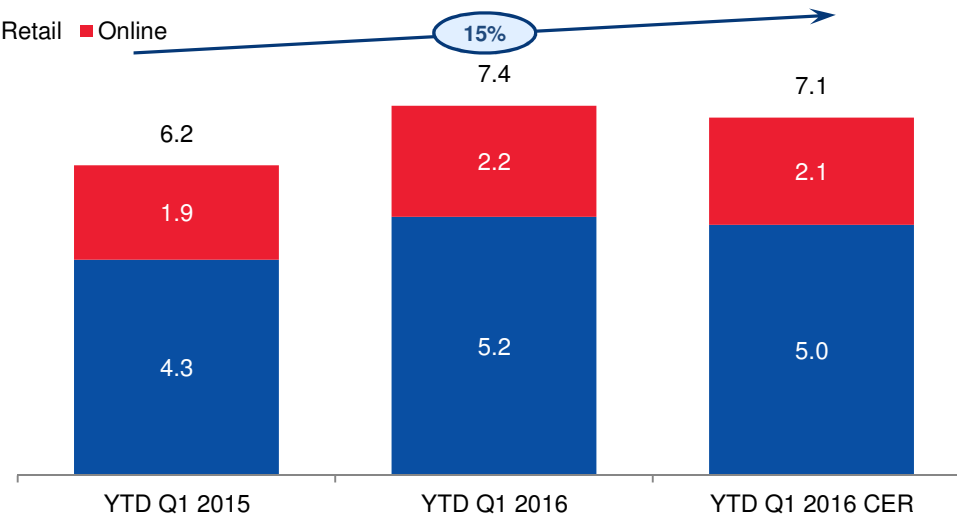
Retail revenue^{1,3} (£m)

■ Retail ■ Online



Retail EBITDA^{1,2,3} (£m)

■ Retail ■ Online



Retail KPIs

| Key drivers | 2015 | 2016 |
|--|------|------|
| LFL revenue growth (%) | 4% | 6% |
| Rent as percentage of revenue | 48% | 50% |
| Other costs as a percentage of revenue | 46% | 44% |
| EBITDA margin (%) | 6% | 6% |

Commentary

- 6% like-for-like revenue growth driven by:
 - Strong performances in the Middle East, UK and Japan
 - Partially offset by softer trading in Europe
- 10% retail revenue growth at CER driven by Heathrow
- Strong multi-channel performance, particularly in ATMs network and online platforms
- EBITDA margin remains broadly in line with Q1 2015 due to:
 - New rental terms at Heathrow
 - Offset by the strong performance of the VAT business

¹ All figures are shown on a "Core Group" basis i.e. including 100% of JVs and France

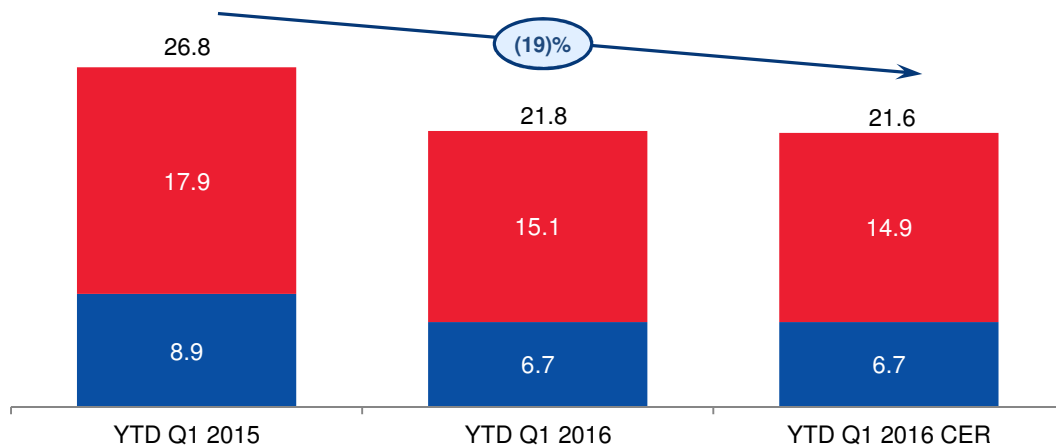
² EBITDA before Central & Shared Costs

³ Q1 2016 CER shows Q1 2016 results retranslated at the average rates for the equivalent period in 2015

Wholesale & Outsourcing – impacted by lower wholesale banknote orders in Nigeria and lower Outsourcing volumes in the UK due to the relative weakness of Sterling

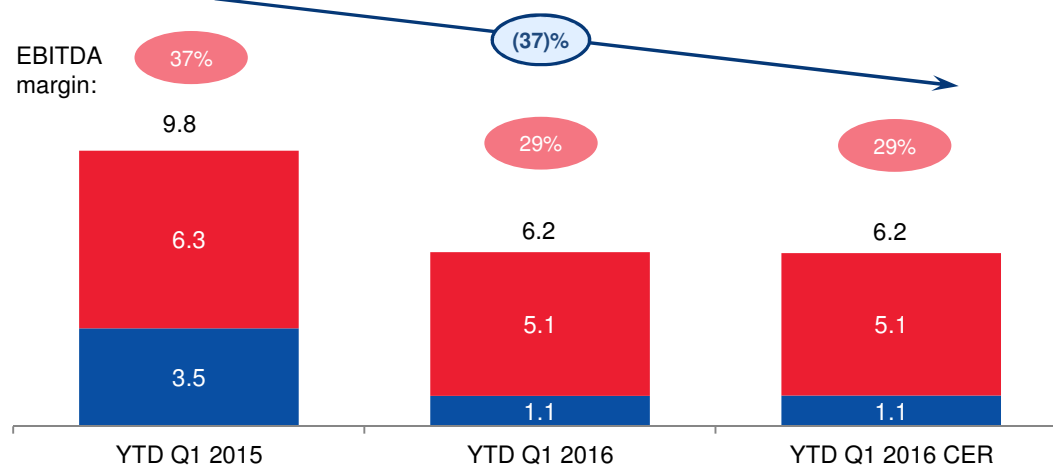
Wholesale & Outsourcing revenue^{1,3,4} (£m)

■ Wholesale ■ Outsourcing



Wholesale & Outsourcing EBITDA^{1,2,3,4} (£m)

■ Wholesale ■ Outsourcing



Wholesale & Outsourcing KPIs

| Sub-segments | Key drivers | 2015 ⁴ | 2016 |
|--------------|--------------------|-------------------|-------|
| Wholesale | Revenue growth (%) | (8%) | (25%) |
| | EBITDA margin (%) | 39% | 16% |
| Outsourcing | Revenue growth (%) | 29% | (16%) |
| | EBITDA margin (%) | 35% | 34% |

Commentary

Wholesale

- Decline in revenue decline driven by:
 - Lower banknote volumes as a result of currency controls in Nigeria
 - Partially offset by repatriations from other African markets
- Decline in EBITDA margin due to the same factors

Outsourcing

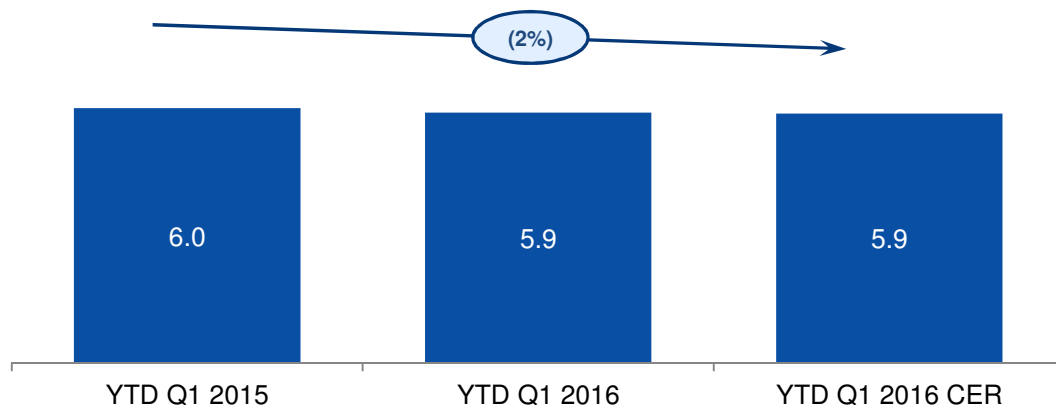
- Outsourcing revenue decline driven by:
 - Strong performance in Q1 2015 as a result of the weakness of the Euro
 - Weakness of Sterling in Q1 2016
- EBITDA margin remains strong

1. All figures are shown on a "Core Group" basis i.e. including 100% of JVs
 2. EBITDA before Central & Shared Costs
 3. Q1 2016 CER shows 2016 results retranslated at the average rates for the equivalent period in 2015
 4. Comparative financial performance for Wholesale and Outsourcing, individually, have been restated to reflect the transfer of a significant contract.

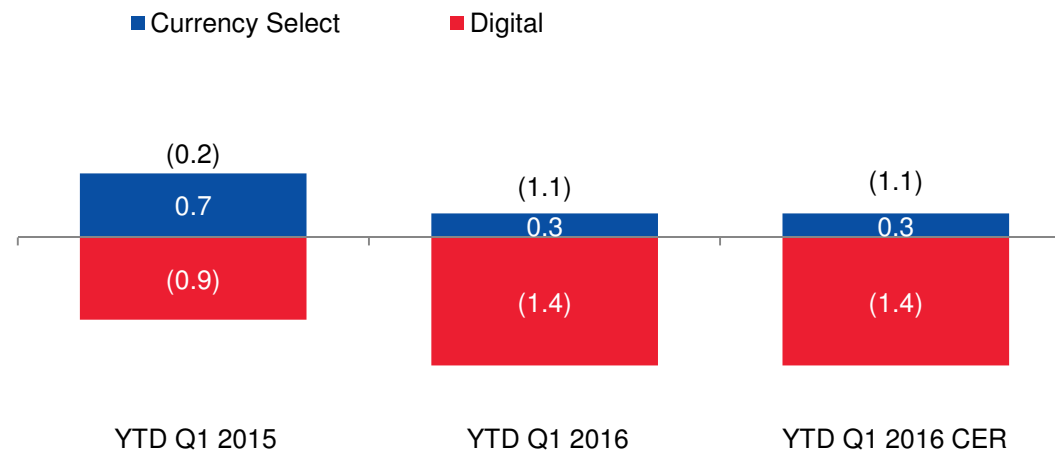
Payments & Technology – Sale of Currency Select completed on 1 April 2016.

Continued investment in Digital capabilities

Payments & Technology revenue^{1,3} (£m)



Payments & Technology EBITDA^{1,2,3} (£m)



Commentary

Currency Select

- On 1 April 2016, the sale of Travelex Outsourcing Pty Ltd (Currency Select) was completed
- Reduction in Q1 EBITDA primarily due to an adjustment to historic Australian GST charges

Digital

- Continued ramp up in the investment to build in-house digital capabilities
- Supercard and international money transfer payments products on track for UK launch in 2016

¹ All figures are based on a "Core Group" basis i.e. including 100% of JVs

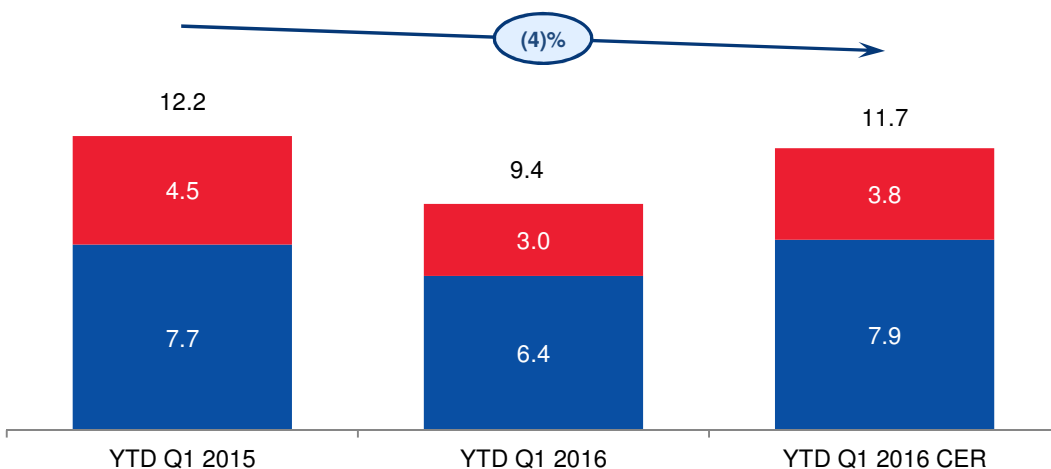
² EBITDA before Central & Shared Costs

³ Q1 2016 CER shows 2016 results retranslated at the average rates for the equivalent period in 2015

Brazil – Continued focus on Retail estate optimisation and cost reduction initiatives. Non retail under pressure due to loss of clients

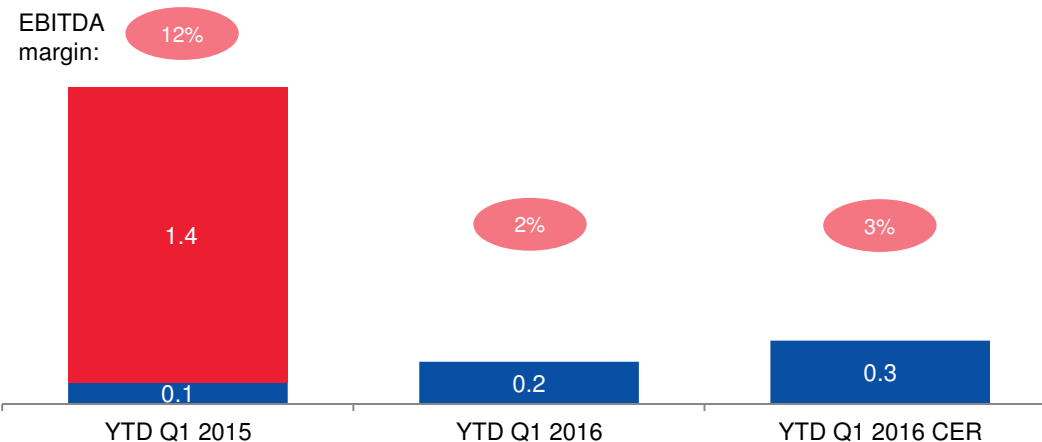
Brazil revenue^{1,3} (£m)

■ Retail ■ Non Retail



Brazil EBITDA^{1,2,3} (£m)

■ Retail ■ Non Retail



Brazil KPIs

| Sub-segments | Key drivers | 2015 | 2016 |
|--------------|-------------------------|-------|-------|
| Retail | Revenue growth (%) | (12%) | (17%) |
| | Revenue growth (CER, %) | 0% | 3% |
| | EBITDA margin (%) | 1% | 3% |
| Non Retail | Revenue growth (%) | (2%) | (33%) |
| | Revenue growth (CER, %) | 11% | (16%) |
| | EBITDA margin (%) | 31% | - |

Commentary

Retail

- Decrease in revenue driven by:
 - Lower outbound sales volume as a result of the weakness of the Real
 - Partially offset by growth in remittance and money transfer volumes
- EBITDA margin improvement primarily due to:
 - Continued focus on optimising the retail estate
 - Successful integration of the Renova business
- International payments product (supported by a digital platform) on track to launch shortly

Non retail

- Decrease in revenue reflecting lower demand in challenging market conditions and tighter regulatory restrictions
- EBITDA margin negatively impacted by inflationary pressure on the cost base

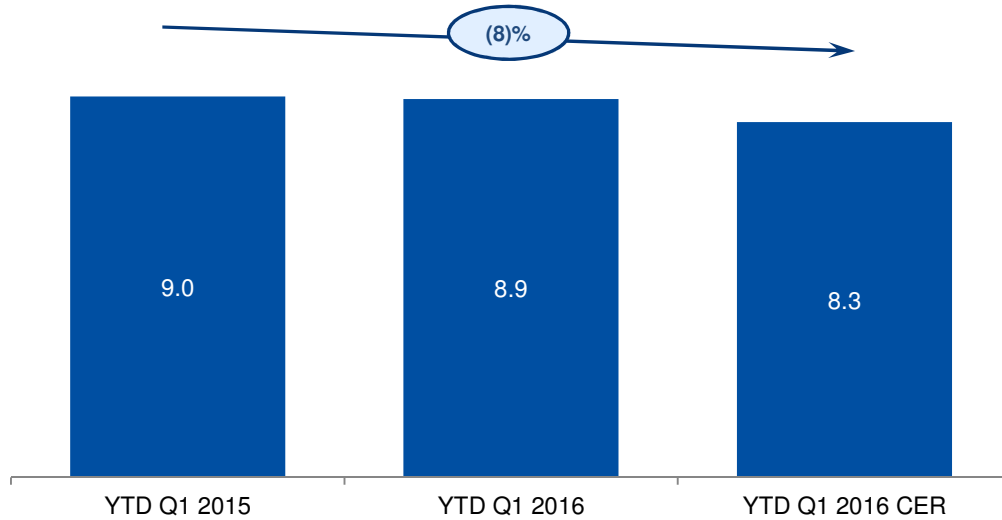
¹ All figures are shown on a "Core Group" basis i.e. including 100% of JVs

² EBITDA before Central & Shared Costs

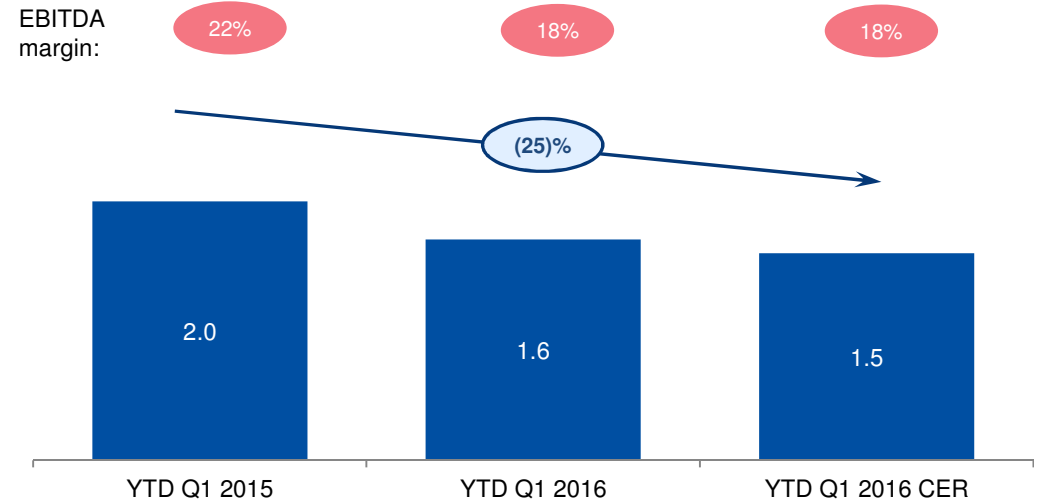
³ Q1 2016 CER shows 2016 results retranslated at the average rates for the equivalent period in 2015

Insurance

Insurance revenue¹ (£m)



Insurance EBITDA^{1,2,3} (£m)



Insurance KPIs

| Key drivers | 2015 | 2016 |
|-------------------------------|------|------|
| EBITDA margin – insurance (%) | 22% | 18% |

Commentary

- Lower revenue and EBITDA due to the recent change in the insurance market. Policy fees are no longer charged in respect of certain insurance products
- Continue to target new business and higher margin products whilst tightly controlling the cost base to reduce the impact on profitability

¹ All figures are based on a "Core Group" basis i.e. including 100% of JVs

² EBITDA before Central & Shared Costs

³ Q1 2016 CER shows Q1 2016 results retranslated at the average rates for the equivalent period in 2015

Usable cash flow statement

Summary consolidated usable cash flow statement

| <i>£m, three months ended 31 March</i> | 2015 | 2016 |
|---|---------------|---------------|
| Core Group EBITDA | 8.1 | 0.7 |
| Less: Unconsolidated Joint Ventures and disposal of France | (2.0) | (1.8) |
| Net cash inflow from Joint Ventures | 4.6 | - |
| Movements in cash inventory (cash in tills & vaults inc. FX) | (12.3) | 3.2 |
| Other movements in working capital (including cash in transit) | 56.0 | 22.8 |
| Net usable cash inflow from operating activities | 54.4 | 24.9 |
| Taxation paid | (0.9) | (1.8) |
| Expansionary & Maintenance capex | (4.5) | (5.7) |
| Digital capex | (0.6) | (1.9) |
| Proceeds received on disposal of subsidiary (net of usable cash of £1.6m) | 17.7 | - |
| Other net investing activities | (8.4) | (3.3) |
| Net usable cash used in investing activities | 4.2 | (10.9) |
| Interest paid on secured bonds and RCF | (10.5) | (11.2) |
| Dividends paid to non-controlling interest | (1.8) | (0.7) |
| Net cash paid on investment in subsidiary | (47.4) | - |
| Drawdown of RCF | 25.0 | - |
| Capital element of finance lease payments | - | (0.2) |
| Net usable cash used in financing activities | (34.7) | (12.1) |
| Net usable cash outflow from one-off items | (21.6) | (6.8) |
| Exchange (losses) / gains on usable cash | (1.2) | 0.8 |
| Net decrease in usable cash | 0.2 | (5.9) |
| Usable cash at the beginning of the period | 66.3 | 32.1 |
| Usable cash at the end of the period | 66.5 | 26.2 |

Commentary

Operating activities:

- Adjustment for unconsolidated joint ventures and disposal of France reflecting the trading performance of the JVs and France in Q1 2016 compared to last year
- Working capital inflow primarily relates to the increase the trade payables balance in line the timing of wholesale bank note orders at the end of March

Taxation:

- Cash tax payments were higher in the period due to tax refunds in Australia and the Netherlands received in Q1 2015

Investing activities:

- Proceeds received on disposal of subsidiary in 2015 was due to the sale of Banque Travelex SA group to UAE Exchange Ltd
- Other net investing activities outflow of £3.3m (2015: £8.4m) relate to the purchase of Brazil government bonds which are classified as available-for-sale investments and held for short periods

Financing activities:

- Interest payments relate to the £350m senior secured notes which were issued in August 2013 and drawn down RCF. The senior notes comprise £200m at 8% fixed rate payable semi-annually plus £150m at a floating rate of 3 month Libor plus 6% payable quarterly

One off items:

- One-off items include exceptional costs relating primarily to corporate projects including the sale of the business in 2015

Usable cash, free cash, net debt & liquidity

| Free cash & usable cash £m | 31 Dec 2015 | 31 Mar 2016 |
|--|--------------------|--------------------|
| Cash and cash equivalents | 437.7 | 430.3 |
| Cash classified as asset held for sale | - | 0.1 |
| Ring-fenced cash and term deposits | (38.2) | (39.0) |
| Short-term bank borrowings | (0.4) | - |
| Prepaid debit card floats | (140.2) | (145.2) |
| Banknotes prepayments | (12.3) | (12.0) |
| Unrestricted cash | 246.6 | 234.2 |
| Cash in tills, vaults and transit | (188.2) | (179.0) |
| Management estimate of regulatory cash | (15.0) | (15.0) |
| Free cash | 43.4 | 40.2 |
| Cash in business | (11.3) | (14.0) |
| Usable cash | 32.1 | 26.2 |
| Net debt £m | | |
| | 31 Dec 2015 | 31 Mar 2016 |
| Fixed & floating rate notes | (345.6) | (346.0) |
| Drawn RCF | (29.9) | (29.9) |
| Finance leases & other loans | (0.9) | (0.7) |
| Gross debt | (376.4) | (376.6) |
| Free cash | 43.4 | 40.2 |
| Net debt | (333.0) | (336.4) |

Commentary

- Cash and cash equivalents includes restricted amounts such as banknote prepayments and prepaid debit card float balances
- Free cash adjusts unrestricted cash for cash allocated to working capital (cash in tills, vaults and transit) and a consistent management estimate of cash required locally for regulatory purposes
- Usable cash adjusts free cash using a notional estimate of local working capital requirements. This uses a consistent management estimate that two thirds of this cash (excluding cash held centrally) is not readily accessible as it is required for working capital requirements of the business
- In October 2015, an important wholesale banknote supplier of the Group served notice to terminate a key agreement to supply wholesale banknotes which provided significant working capital benefits to one of the Group's UK subsidiaries by late June 2016, in accordance with a contractual break clause. The Group is currently negotiating mutually acceptable terms under which the supply agreement could be extended and is confident of successfully concluding the negotiations
- The Group has a committed senior credit facility available of £90.0m which is used to provide short term liquidity to meet operating cash needs. As at 31 March 2016, the facility has £29.9m drawn down and £31.3m has been placed as guarantees

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Reconciliation from Core Group to Statutory (Revenue & EBITDA)

Reconciliation to Statutory Revenue¹

| <i>£m, full year ended 31 March</i> | 2015 | 2016 |
|--|--------------|--------------|
| Core Group Revenue | 161.9 | 168.0 |
| Joint Venture adjustment for equity accounting | (9.1) | (11.7) |
| Travellers' Cheques | 0.7 | 1.9 |
| French business ownership adjustment | (6.5) | (8.7) |
| Revenue within Central & Shared Costs | 0.6 | 0.4 |
| Statutory Revenue | 147.6 | 149.9 |

Joint ventures in UAE, Africa, Qatar and Malaysia are not consolidated in the statutory accounts.

Reconciliation to Statutory and Adjusted EBITDA¹

| | | |
|---|------------|------------|
| Underlying EBITDA <i>(per the consolidated financial statements)</i> | 5.5 | 0.7 |
| Joint Venture adjustment for equity accounting ² | 1.7 | 2.4 |
| French business ownership adjustment | 0.3 | (0.6) |
| Travellers' Cheques | (0.2) | (1.8) |
| Share based payment charge (non-cash) | 0.8 | - |
| Core Group EBITDA (100% of JVs and France) | 8.1 | 0.7 |
| Adjustment for proportion of Non-Consolidated JVs | (0.8) | (1.3) |
| French business ownership adjustment | (0.3) | 0.6 |
| Adjusted EBITDA** | 7.0 | - |

1 Historical FX rates used are actual average rates for each period

2 Net of recharges

**Core Group EBITDA consists of EBITDA adjusted to include 100% of the EBITDA of our joint ventures, share-based payment incentive charges, and Banque Travelex SAS which was disposed of in 2015 but is continued to be managed by the Group, and excludes EBITDA attributable to our Travellers' Cheques business, which does not form part of the Restricted Group.

**Adjusted EBITDA consists of Core Group EBITDA adjusted for the share of non-consolidated joint ventures that are not attributable to the Group and excludes the EBITDA of Banque Travelex SAS, which was disposed of in January 2015 to UAE Exchange Limited in connection with the sale of the Group.

Reconciliation of Usable Cash Flow

Reconciliation of usable cash flow from operating activities to applicable statutory measure

| <i>£m, three months ended 31 March</i> | 2015 | 2016 |
|--|-------------|-------------|
| Usable cash flow from operating activities | 54.4 | 24.9 |
| Cash paid on investment in joint ventures net of dividends and loan received | (4.6) | - |
| Share based payment | (0.6) | - |
| Movement in cash held in tills and vaults (excl. CIT) | 17.9 | (19.8) |
| Movement in banknotes prepayments | (8.5) | (0.3) |
| Movement in cash and deposits held for the Travellers' Cheques business | 0.7 | 2.8 |
| Movement in prepaid card float deposits | (6.0) | 0.1 |
| Movement in cash in business | (5.1) | - |
| Add: cash exceptional items | (21.6) | (6.8) |
| Other adjustments including French ownership adjustment | 9.7 | - |
| Cash flow from operating activities (statutory measure) | 36.3 | 0.9 |