

Travelex Results for the three months ended 31 March 2018

15 May 2018

Travelex, the world's leading foreign exchange specialist, announces its results for the three months ended 31 March 2018

Highlights

- Core Group Revenue (excl. disposed operations) up 5% to £180.9m, at constant exchange rate (CER)
- Core Group EBITDA (excl. disposed operations) slightly ahead of prior year at £2.6m, at CER
- Revenue growth at CER driven by ME&T (up 24%), Brazil (up 11%), JANZ (up 12%), NAM (up 6%)
- Net debt of £288.7m, increased at quarter end due to Easter period stock requirements
- Signed an agreement to acquire wholesale banknote infrastructure from United Overseas Bank in April 2018, strengthening our global supply chain
- Travelex is part of the recently announced Finabl network of companies.

Tony D'Souza, Chief Executive, commented:

“Travelex’s first quarter of 2018 has continued the positive momentum experienced in 2017. Our financial performance has remained strong in most regions as we target markets with good growth potential. Profitability has been maintained by revenue performance in these regions and the benefits of delivered cost savings.

Travelex are excited to be part of the Finabl network of companies which have category leading global financial services brands focusing on customer-led technology innovation. Our continuing investment in building international money transfer capabilities is an example of this strategic focus.

Travelex’s strong business and great team of people positions us to continue delivering in 2018.”

Enquiries

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About Travelex

Headquartered in London, Travelex has a 140-year heritage in foreign currency, pioneering the travellers' cheques of the past and the digital payments of the future. With a presence in over 70 countries, and over 1,200 stores at both on-airport and off-airport locations around the world, Travelex has distilled its expertise and experience into a platform that reinvents physical and digital cross-border money movement globally to ensure its clients remain one step ahead of the competition. The platform provides financial institutions with a trusted, efficient and accurate international money transfer service, plus secure and reliable banknote delivery of both major and exotic currencies.

A market leading independent foreign exchange specialist, the business covers the entire value chain of the retail foreign exchange industry. Travelex Group is also active in the remittances and payments space enabling physical and digital cross-border money movement for consumers and financial institutions.

Travelex is part of the Finabl network of companies with category leading global financial services brands focusing on customer-led technology innovation.

Summary of financial performance

	3 months ended 31 March 2017 £m	3 months ended 31 March 2018 £m	Change	3 months ended 31 March 2018 (CER) £m	Change (CER)
Core Group Revenue (excl. disposed operations)	172.4	171.2	(1%)	180.9	5%
Core Group EBITDA (excl. disposed operations)	2.5	1.2	(1.3)	2.6	0.1
Statutory Revenue	158.1	156.4	(1%)		
Statutory EBITDA	1.9	1.1	(0.8)		
Statutory loss after tax	(37.0)	(33.3)			
	31 Dec 2017	31 Mar 2018			
Free cash	76.3	83.8			
Net debt	(260.6)	(288.7)			

Travellex has continued to deliver underlying revenue growth of £8.5m, or 5% at CER for the three months ended 31 March 2018. This is driven by 4% like-for-like retail growth with strong performance in ME&T (24%), NAM (9%) and ANZ (7%); and 32% revenue growth in the Wholesale business driven by increases in Nigeria bureau de change orders and growth in banknote supply to the rest of Africa. Revenue growth was adversely impacted by the strengthening of sterling relative to the prior year due to the translation of revenues earned outside the UK, resulting in a reduction of £1.2m, or 1% on an actual basis.

Core Group EBITDA excluding disposed operations has increased slightly by £0.1m for the three months on a CER basis. The impact of the strengthening of sterling relative to the prior year resulted in Core Group EBITDA excluding disposed operations falling £1.3m on an actual basis.

Free cash has increased by £7.5m since 31 December 2017 with an outflow of cash inventory, resulting from the peak trading period of Easter coinciding with the quarter end, being funded by draw-down on the Group's credit facilities. As a result, net debt has increased by £28.1m since 31 December 2017.