



**Q3 2023 Results**

# Travelex International Group

14 November 2023

**Travelex**

worldwide  
money

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# Travelex International Group – Q3 2023 Financial Highlights

- The Travelex International Group generated revenues of £144.7m in Q3 2023, £8.3m higher than Q2 and £15.1m (12%) greater than 2022. YTD revenues of £398.5m were £93.4m (31%) above 2022.
- The Travelex International Group produced underlying EBITDA in the quarter of £23.5m, £6.2m favourable to Q3 2022, while year to date underlying EBITDA of £42.4m was £23.5m favourable to 2022.
- Q3 is the Travelex International Group’s traditional peak trading period and continuing the trend from Q2, strong revenue and underlying EBITDA growth was evident across the Travelex International Group. The Retail businesses in Asia Pacific continued to benefit from increased passenger numbers after the easing of restrictions in Japan, the Hong Kong market and China as well as progress in other regions where recovery was already well under way in 2023.
- Costs of £121.3m in the quarter were aligned to Q2 and £8.9m greater than 2022 demonstrating focused investment in trading staff and third-party costs to support revenue growth as well as increases in rent aligned with trading volumes.
- 2023 revenues of £398.5m are only £7.8m adverse to 2019 levels (£406.3m) despite some regions still recovering, while underlying EBITDA of £42.4m is £16.4m favourable to 2019 (£26.0m) driven by savings on staff and variable trading costs.
- YTD Capex of £11.4m was £6.4m greater than 2022 driven by investments in Retail stores and IT infrastructure.
- Free cash of £43.0m was £18.2m higher than 2022 following the completion of the refinancing of its existing £50m senior facilities agreement with a new £90m facility in September 2023 – see Business Update on page 4. Excess cash has been invested into tills and vaults as the business continues to capitalise on increased demand across the Retail and Wholesale networks.

£m at 2023 Q2 Actual FX Rates	2023 Q3			
			2023 vs	2023 vs
	2023	2022	2022	2022 %
Net Revenue	144.7	129.6	15.1	12%
Costs	(121.3)	(112.3)	(8.9)	(8%)
Underlying EBITDA	23.5	17.2	6.2	36%
Capex	(4.5)	(2.9)	(1.6)	(55%)
Free Cash	43.0	24.8	18.2	73%

	2023 YTD			
			2023 vs	2023 vs
	2023	2022	2022	2022 %
Net Revenue	398.5	305.1	93.4	31%
Costs	(356.2)	(286.2)	(69.9)	(24%)
Underlying EBITDA	42.4	18.9	23.5	124%
Capex	(11.4)	(6.4)	(4.9)	(77%)
Free Cash	43.0	24.8	18.2	73%

(1) Revenues, costs, EBITDA and capex are presented on a pro forma basis, incorporating the trading performance of 100% of all Travelex entities. A reconciliation to the statutory profit and loss account is provided at page 9.

(2) Underlying EBITDA excludes any non-underlying adjustments.

(3) 2023 and 2022 Actuals are presented on an Actual FX basis for each respective year.

(4) To aid comparatives, where referenced, actuals for 2019 have been adjusted for loss of the CBN and Istanbul Airport contracts and the UK Government’s legislation to remove the UK VAT business and other material store closure across the group

(5) Free Cash represents cash at bank of those Travelex International Group entities whose cash balances are unrestricted and available for use.

# Travelex International Group – Business Update

## Commercial Developments

- The Travelex Travel Money Card continues to perform strongly across both initial sales and reloads with ANZ setting new monthly records with overall new card sales up 10% for the quarter and reloads up 24% on Q2. The Travelex Money Card has also been awarded the best Prepaid Travel Card in Australia for the second consecutive year by local financial comparison site, Mozo.
- In ANZ, 5 new stores have opened over the quarter as the business continues to strengthen its market leading presence in the off-airport market. In the Middle East, work has been underway to open 7 new stores in early Q4 at the new terminal of Abu Dhabi Airport while the roll out of 'On the Move' units in key airports in the region is helping to capture additional transactions.
- In Europe, the Travelex International Group celebrated its 30 year anniversary of operating in Germany while in Asia, 20 years of operations in Japan was celebrated in the quarter.

## Governance & Corporate

- In September, the Travelex International Group announced the completion of the refinancing of its existing senior facilities agreement and entry into a new senior facility agreement (the "New SFA"). Under the New SFA, Travelex has raised £90 million which has been used to repay and cancel in full all amounts outstanding under the Existing SFA, a £12m buy back of new money notes and stapled ordinary shares, which was completed in October, and for other general corporate purposes.
- The Travelex International Group's audited accounts were signed in September 2023, with an unqualified opinion for the 2022 financials, and the final UK subsidiary accounts nearing conclusions across October and November.
- In October, the Travelex International Group was shortlisted and won the award for large company turnaround of the year at the prestigious Institute for Turnaround (IFT) Awards in London. The award recognised the significant success in the restructuring of the Travelex International Group and a return to profitability following the disruption and challenges of 2020.

## Financial Outlook

- Based on year to date trading and our expectation for the balance of the year, we expect the year end result to be in line with the lower end of the previous guidance of £60m to £70m.

# Travelex International Group – 2023 Q3 Performance by Geography

Travelex International Group revenues exceeded 2022 by 12% in Q3 reaching £144.7m. All markets, except Brazil and UK, continued to show growth from Q2 with Asia, ANZ and ME&T all benefiting from increased passenger volumes throughout the peak trading period.

- **UK** revenues of £47.1m remained mostly flat to 2022 as upside in ASDA and Wholesale was offset in Retail which has been impacted by the loss of Stansted and East Midlands Airports which had an impact of £3.1m in the quarter with underlying revenue growth for the UK of £2.4m year on year. EBITDA was (£2.1m) adverse to 2022 on the loss of these airports as well as investment in staff to maximise store opening and operating hours combined with higher rent charges linked to revenues.
- **ANZ** revenues were £6.1m (48%) favourable to 2022 predominantly across Retail driven by the relaxation of border restrictions in New Zealand and increased flight operations compared to 2022. EBITDA was £1.7m favourable as focus remained on investing in the cost base to support revenue recovery.
- **Asia** continued to show growth throughout Q3 as revenues of £16.1m were £9.5m (143%) greater than 2022. Growth was primarily driven by Retail where market share capture and the weakening Yen in Japan boosted transactions and in the Hong Kong market, where the borders had remained closed. Underlying EBITDA of £4.8m represents £5m growth on 2022 with all regions generating positive underlying EBITDA.
- **Middle East & Turkey** revenues of £23.1m represented a £4.8m (26%) increase from 2022 with all countries showing year on year growth, especially UAE, where increased tourism and transit passengers has resulted in £2.8m additional revenue against 2022. EBITDA was £2.1m (49%) favourable in the quarter.
- **Brazil** revenues were £6.8m (28%) lower than 2022, where 2022 saw an exceptional performance on the reopening of the Brazil economy. The region continues to be impacted by macro-economic conditions and the deregulation of the FX market which is driving competitive and margin pressure for the Bank. The revenue variance was mitigated through lower variable trading costs leaving EBITDA of £4.0m, £1.6m lower than 2022.
- **Europe** revenue of £17.2m was £1.4m (9%) higher than 2022 with Netherlands and Germany benefitting from higher passenger and transaction numbers. EBITDA of £4.4m was aligned to 2022.
- **Central Costs** were £0.8m lower than 2022 as a £3.4m reclass of transformation costs were reflected in the quarter, aligned with group accounting policy. Underlying increase in costs are aligned to continued reinvestment linked to the recovery of the Group.

£m at 2023 Q1 Actual FX Rates	2023 Q3			
	2023	2022	2023 vs 2022	2023 vs 2022 %
<b>Net Revenue</b>				
UK	47.1	47.8	(0.7)	(1%)
ANZ	18.7	12.6	6.1	48%
Asia	16.1	6.6	9.5	143%
ME&T	23.1	18.3	4.8	26%
Brazil	19.9	26.7	(6.8)	(25%)
Europe	17.2	15.8	1.4	9%
Other Trading	2.1	1.7	0.4	24%
<b>Trading Total</b>	<b>144.2</b>	<b>129.5</b>	<b>14.7</b>	<b>11%</b>
<b>Central Costs</b>	<b>0.5</b>	<b>0.1</b>	<b>0.4</b>	<b>489%</b>
<b>Net Revenue</b>	<b>144.7</b>	<b>129.6</b>	<b>15.1</b>	<b>12%</b>
<b>Underlying EBITDA</b>				
UK	11.2	13.4	(2.1)	(16%)
ANZ	5.6	3.9	1.7	45%
Asia	4.8	(0.2)	5.0	2833%
ME&T	6.5	4.4	2.1	49%
Brazil	4.0	5.6	(1.6)	(28%)
Europe	4.4	4.4	0.0	0%
Other Trading	1.0	0.9	0.1	15%
<b>Trading Total</b>	<b>37.7</b>	<b>32.3</b>	<b>5.4</b>	<b>17%</b>
<b>Central Costs</b>	<b>(14.2)</b>	<b>(15.0)</b>	<b>0.8</b>	<b>6%</b>
<b>Underlying EBITDA</b>	<b>23.5</b>	<b>17.2</b>	<b>6.2</b>	<b>36%</b>

(1) Revenues, costs, EBITDA and capex are presented on a pro forma basis, incorporating the trading performance of 100% of all Travelex entities. A reconciliation to the statutory profit and loss account is provided at page 9.

(2) Underlying EBITDA excludes any non-underlying adjustments.

(3) 2023 and 2022 Actuals are presented on an Actual FX basis for each respective year.

(4) The UK results include contribution from the African business

# Travelex International Group – 2023 YTD Performance by Geography

Travelex International Group revenue of £398.5m was £93.4m greater than 2022 representing 31% growth year on year. All trading geographies, except Brazil, showed improvement versus 2022 with the most significant growth coming in Asia and ANZ.

- **UK** revenues of £126.6m were £18.8m greater than 2022. Retail continues to strengthen throughout 2023 with Heathrow Airport passenger numbers 22% greater than last year along with other key airports driving £6.3m growth despite the loss of Stansted and East Midlands Airport earlier in the year. ASDA benefitted from the re-opening of closed stores whilst Wholesale saw upside from increased trading within the Africa market. EBITDA was £0.9m lower than 2022 driven by loss of airports and investment in staff to support store operations along with increased rent and trading costs linked to revenue.
- **ANZ** revenues were £24.7m (101%) ahead of 2022 with significant growth coming from Retail business as walk-up, ATM and card transactions have strengthened, particularly in New Zealand. Underlying EBITDA of £12.9m was £9.3m favourable to 2022.
- **Asia** revenues of £41.8m were £27.1m (184%) greater than 2022. All markets continue to demonstrate growth, especially in Hong Kong and Japan, where both markets remained closed for much of 2022. EBITDA increased by £14.7m against 2022 with revenue upside and pragmatic reintroduction of costs helping the flow through to EBITDA.
- **Middle East & Turkey** revenues were £19.1m (41%) favourable to 2022. Performance is largely in UAE where there has been an increase store footprint coupled with higher overall transaction volumes in addition to the new Wholesale business in 2023. With improved flow through of trade on the new Wholesale business, EBITDA was £5.9m (60%) favourable to 2022.
- **Brazil** revenue of £64.0m is £5.9m (8%) below 2022. Retail has grown year on year, whilst the Bank continues to face headwinds on the macro-economic conditions and FX deregulation. EBITDA of £12.6m was £1.5m below 2022 with revenue offset by variable trading costs.
- **Europe** revenues of £44.8m were £9.1m (26%) higher than 2022 driven by higher transactions and passengers in Germany and Netherlands, where in Q3 2022, Schiphol airport was restricted by passenger caps. Against 2022, EBITDA of £7.8m was £0.8m higher with investment in staff in the year to support stores through peak trading.
- **Central costs** were £3.5m greater than 2022 driven by investment in staff and IT infrastructure spend.

£m at 2023 Q1 Actual FX Rates	2023 Full Year			
	2023	2022	2023 vs 2022	2023 vs 2022 %
<b>Net Revenue</b>				
UK	126.6	107.8	18.8	17%
ANZ	49.2	24.4	24.7	101%
Asia	41.8	14.7	27.1	184%
ME&T	65.9	46.7	19.3	41%
Brazil	64.0	69.9	(5.9)	(8%)
Europe	44.8	35.7	9.1	26%
Other Trading	5.6	5.8	(0.2)	(3%)
<b>Trading Total</b>	<b>397.9</b>	<b>305.0</b>	<b>92.9</b>	<b>30%</b>
<b>Central Costs</b>	<b>0.6</b>	<b>0.2</b>	<b>0.5</b>	<b>322%</b>
<b>Net Revenue</b>	<b>398.5</b>	<b>305.1</b>	<b>93.4</b>	<b>31%</b>
<b>Underlying EBITDA</b>				
UK	27.4	28.2	(0.9)	(3%)
ANZ	12.9	3.6	9.3	262%
Asia	11.4	(3.4)	14.7	437%
ME&T	15.7	9.8	5.9	60%
Brazil	12.6	14.2	(1.5)	(11%)
Europe	7.8	7.0	0.8	11%
Other Trading	2.4	3.7	(1.3)	(36%)
<b>Trading Total</b>	<b>90.1</b>	<b>63.2</b>	<b>27.0</b>	<b>43%</b>
<b>Central Costs</b>	<b>(47.8)</b>	<b>(44.2)</b>	<b>(3.5)</b>	<b>(8%)</b>
<b>Underlying EBITDA</b>	<b>42.4</b>	<b>18.9</b>	<b>23.5</b>	<b>124%</b>

(1) Revenues, costs, EBITDA and capex are presented on a pro forma basis, incorporating the trading performance of 100% of all Travelex entities. A reconciliation to the statutory profit and loss account is provided at page 9.

(2) Underlying EBITDA excludes any non-underlying adjustments.

(3) 2023 and 2022 Actuals are presented on an Actual FX basis for each respective year.

(4) The UK results include contribution from the African business

# Travelex International Group – 2023 Q3 Performance by Segment

## ▪ Retail & Outsourcing

- **Retail & Outsourcing** revenues totalled £121.2m in Q3 2023, representing a £21.6m (22%) growth on 2022 whilst EBITDA of £34.5m was £7.4m favourable to 2022.
- **ANZ** revenues were £5.2m higher compared to 2022 driven by passenger growth across airports along with store walk up, card and ATM transactions in the off-airport estate.
- **UK and Europe** revenues were both £1.4m greater than 2022. Both UK Retail and Netherlands airports saw passenger recovery throughout the peak summer trading period with investment in staff and reopening of stores in the ASDA network softening the revenues lost from Stansted and East Midlands Airports in the UK.
- **Asia** revenues of £12.9m in Q3 saw an increase of £8.6m (200%) to 2022 as the reopening of borders encouraged travel across all countries with the most significant growth coming in Japan and the Hong Kong market.
- **Middle East & Turkey** revenues were £4.0m better than 2022, especially in UAE where higher tourism and transit passengers led to more transactions.

## ▪ Wholesale

- **Wholesale** revenues of £20.9m in Q3 were £7.3m (26%) adverse to 2022 with EBITDA of £7.1m, £1.6m lower than 2022 as shortfall in the Brazil business is offset by growth in all other regions.
- **UK & Africa** revenues were £2.1m lower than 2022, impacted by a one-off accounting reclassification to other variable trading costs, however, excluding this, revenue was mostly aligned to Q3 2022.
- **Asia** revenues of £3.2m was £0.9m ahead of 2022 with significant growth in the Hong Kong market.
- **ME&T Wholesale**, a new business unit in 2023, continues to show growth above expectations with Q3 revenues mostly aligned to Q2.
- **Brazil** revenue was £6.9m below 2022 resulting from lower demand for payment products as changes in local macro-economic conditions and FX deregulation have increased competition.

£m at 2023 Q1 Actual FX Rates	2023 Q3			
	2023	2022	2023 vs 2022	2023 vs 2022 %
<b>Net Revenue</b>				
Retail & Outsourcing	121.2	99.6	21.6	22%
Wholesale	20.9	28.3	(7.3)	(26%)
Other Revenues	2.6	1.7	0.8	47%
<b>Net Revenue</b>	<b>144.7</b>	<b>129.6</b>	<b>15.1</b>	<b>12%</b>
<b>Underlying EBITDA</b>				
Retail & Outsourcing	34.5	27.1	7.4	27%
Wholesale	7.1	8.7	(1.6)	(18%)
Other Trading	1.0	0.9	0.1	15%
Total Geo Overheads	(4.9)	(4.3)	(0.6)	(14%)
Central Costs	(14.2)	(15.0)	0.8	6%
<b>Underlying EBITDA</b>	<b>23.5</b>	<b>17.2</b>	<b>6.2</b>	<b>36%</b>

(1) Revenues, costs, EBITDA and capex are presented on a pro forma basis, incorporating the trading performance of 100% of all Travelex entities. A reconciliation to the statutory profit and loss account is provided at page 9.

(2) Underlying EBITDA excludes any non-underlying adjustments.

(3) 2023 and 2022 Actuals are presented on an Actual FX basis for each respective year.

(4) The UK results include contribution from the African business

# Travelex International Group – 2023 September YTD Performance by Segment

## ▪ Retail & Outsourcing

- **Retail & Outsourcing** revenues totalled £323.3m representing a 40% (£93m) growth on 2022 whilst EBITDA of £80.6m was 50% (£26.7m) ahead of 2022.
- **ANZ** revenues were £21.3m higher than 2022 driven by the continued growth in transactions across all business segments in both Australia and New Zealand.
- **UK** despite the loss of Stansted and East Midlands, revenues were £16.9m greater than 2022 with both Retail and Outsourcing businesses demonstrating growth but particularly in ASDA and UK Retail despite the loss of Stansted and East Midlands. Underlying EBITDA was £1.4 below 2022 on the investment in staff, trading and third-party costs.
- **Asia** revenues were £22.9m greater than 2022 driven by higher transactions as market conditions continue to strengthen throughout the year after the relaxation of border restrictions in late 2022.
- **Middle East & Turkey** continued its growth from 2022 as revenues are £17.0m above 2022 underpinned by passenger growth and investment in the store network across the region.

## ▪ Wholesale

- Wholesale revenues of £69.0m mostly aligned to 2022 whilst EBITDA of £21.5m was 29% (£4.9m) favourable to 2022.
- **UK & Africa** revenue outperformed 2022 by £1.8m aided by higher trading volumes across the African region.
- **Asia** Wholesale revenues were £4.2m ahead of 2022 as volumes continue to grow with key partners following the opening of borders towards the early stages of 2023.
- **ME&T** Wholesale revenues continues to strengthen in its first year of trading, reaching £2.2m YTD.
- **Brazil** revenue is £7.9m lower than 2022 performance but is offset by savings in variable trading costs resulting in a lower underlying EBITDA of £1.6m to 2022.

£m at 2023 Actual FX Rates	2023 Full Year			
	2023	2022	2023 vs 2022	2023 vs 2022 %
<b>Net Revenue</b>				
Retail & Outsourcing	323.3	230.2	93.0	40%
Wholesale	69.0	68.6	0.4	1%
Other Revenues	6.2	6.3	(0.0)	(1%)
<b>Net Revenue</b>	<b>398.5</b>	<b>305.1</b>	<b>93.4</b>	<b>31%</b>
<b>Underlying EBITDA</b>				
Retail & Outsourcing	80.6	53.9	26.7	50%
Wholesale	21.5	16.7	4.9	29%
Other Trading	2.4	3.7	(1.3)	(36%)
Total Geo Overheads	(14.4)	(11.2)	(3.3)	(29%)
Central Costs	(47.8)	(44.2)	(3.5)	(8%)
<b>Underlying EBITDA</b>	<b>42.4</b>	<b>18.9</b>	<b>23.5</b>	<b>124%</b>

(1) Revenues, costs, EBITDA and capex are presented on a pro forma basis, incorporating the trading performance of 100% of all Travelex entities. A reconciliation to the statutory profit and loss account is provided at page 9.

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(3) 2023 and 2022 Actuals are presented on an Actual FX basis for each respective year.

(4) The UK results include contribution from the African business



# Travelex International Group – Income Statement

- The Pro Forma Group (as defined on page 12) incorporates the trading performance of 100% of all Travelex entities. This is aligned with the presentation of the Group results on the earlier financial performance slides.
- Prior to 2023, entities whose shares had not been legally transferred to the Group were a bridging item between the Pro Forma Group and the Group's statutory results. With the culmination of all acquisitions in early 2023, the bridge to the Statutory Group predominately relates to statutory accounting on the application of IFRS across the following areas:
  - **IFRS 16:** Application of the IFRS16 accounting standard on the large portfolio of operational leases across the Group.
  - **Equity Accounted JVs:** Relates to the consolidation of results for the Qatar and Thailand JVs where the Pro Forma Group demonstrates 100%.
  - **Intangible Assets:** Amortisation charge of one-off intangible assets recorded as part of acquisition of legacy Travelex entities since the Group's restructure in 2020.
  - **Other Stat Adjustments:** £2.7m on the acquisition of the final legacy Travelex entity in February 2023 and other statutory adjustments.
- Of the £42.4m of underlying EBITDA in the Pro Forma Group to September 2023, a £4.3m gain relates to equity accounted JVs which is predominately the contribution from Qatar.
- Non-Underlying Adjustments consist mainly of exceptional legal and professional fees relating to corporate finance projects and execution cost of a Finance Transformation Programme.
- Net Finance Costs consists of monthly PIK interest, the interest charge on the previous £50m term loan, and new £90m term loan from late September as well as FX gains/(losses) on intercompany loans.

September 2023 YTD Income Statement						
£m	Bridging Items - Pro Forma to Statutory Group					
	Pro Forma Group	IFRS 16	Equity Accounted JVs	Intangible Assets	Other Stat Adjts	Statutory Group
Net Revenue	398.5	-	(11.7)		0.0	386.7
Cost of sales	(211.3)	31.8	5.5		0.0	(174.0)
Gross profit	187.2	31.8	(6.2)		0.0	212.7
Net operating expense	(150.0)	-	1.9		3.4	(144.6)
Analysed as:						
Underlying net operating expense	(144.8)	-	1.9		0.8	(142.1)
Net gain on acquisitions and disposals	-	-	-		2.7	2.7
Non underlying adjustments	(5.2)	-	-		-	(5.2)
Net operating expense	(150.0)	-	1.9		3.4	(144.6)
<b>EBITDA</b>	<b>37.1</b>	<b>31.8</b>	<b>(4.3)</b>		<b>3.4</b>	<b>68.0</b>
Analysed as:						
<b>Underlying EBITDA</b>	<b>42.4</b>	<b>31.8</b>	<b>(4.3)</b>		<b>0.8</b>	<b>70.6</b>
Net gain on acquisitions and disposals	-	-	-		2.7	2.7
Non underlying adjustments	(5.2)	-	-		-	(5.2)
EBITDA	37.1	31.8	(4.3)		3.4	68.0
Depreciation & Amortisation	(8.8)	(25.1)	0.3	(8.8)	-	(42.5)
<b>Operating profit (loss)</b>	<b>28.3</b>	<b>6.6</b>	<b>(4.0)</b>	<b>(8.8)</b>	<b>3.4</b>	<b>25.6</b>
Net Finance Costs	(49.0)	(13.9)	(0.0)		(0.0)	(62.9)
Share of profit in equity accounted investments	-	-	2.3		-	2.3
<b>Loss before tax</b>	<b>(20.7)</b>	<b>(7.3)</b>	<b>(1.8)</b>	<b>(8.8)</b>	<b>3.4</b>	<b>(35.1)</b>
Tax credit (charge)	(0.9)	-	0.3	-	0.0	(0.6)
<b>Loss for the period from continued operations</b>	<b>(21.6)</b>	<b>(7.3)</b>	<b>(1.5)</b>	<b>(8.8)</b>	<b>3.5</b>	<b>(35.7)</b>

(1) 2023 Actual performance is presented on an Actual 2023 FX basis.

(2) The Pro Forma Group incorporates the trading performance of 100% of all Travelex entities.

(3) Other Stat Adjustments include any other statutory adjustments under IFRS as the Group consolidates to its statutory numbers

(4) EBITDA includes any non-underlying adjustments, earlier financial performance slides present Underlying EBITDA.

# Travelex International Group – Balance Sheet

- With the culmination of all acquisitions in early 2023, the bridge to the Statutory Group predominately relates to the application of IFRS accounting across the following areas:
  - IFRS 16:** application of the IFRS16 accounting standard on the large portfolio of operational leases across the Group.
  - Equity Accounted JVs:** relate to Qatar and Thailand JVs where the Pro Forma Group demonstrates 100% including £13.1m investment in equity accounted JVs.
  - Intangible Assets:** Intangible assets recorded as part of acquisition of legacy Travelex entities since the Travelex International Group's restructure in 2020, including £90m relating to customer relationships and brand on the 2020 and 2021 acquisitions and £48.5m relating to the 2022 acquisitions, predominately Brazil and The Netherlands.
  - DTA and Other Tax:** Deferred Tax Asset of £12.7m and other adjustments (£0.4m) related to closure of the 2022 year end.
  - Other:** Other statutory accounting adjustments

- With the acquisition of Brazil in 2022, an updated accounting assessment has been undertaken as part of the Group's year end with a change reflected in the presentation of the Brazil Bank's FX portfolio on the application of IFRS 9 – Financial Instruments:
  - Netting has been applied across the FX portfolio of contracts that are outstanding at the end of September, this treatment differs to prior results presentations that reflected the local Brazil GAAP treatment of presenting the FX portfolio on a gross basis across trade debtors and creditors. The net result on current and prior results presentations remains the same as reported.
  - The impact at September is a net derivative asset of £0.3m in trade debtors and a net derivative liability of £0.1m in trade creditors as well as advanced deposits received for foreign exchange transactions of £0.7m, treated as customer deposits in trade debtors.

Balance Sheet as at 30 September 2023							
£m	Bridging Items - Pro Forma to Statutory Group						Statutory Group
	Pro Forma Group	IFRS16 adjs	Equity Accounted JVs	Intangible Assets	DTA and Other Tax Adjs	Other Stat Adjs	
Fixed Assets	33.4	-	(1.0)	137.2	-	-	169.6
Right of use assets	(0.4)	101.2	-	-	-	-	100.8
Investments accounted for using the equity method	-	-	14.7	-	-	-	14.7
Other Investments	21.5	-	-	-	-	-	21.5
Deferred Tax Asset	33.8	-	-	-	(12.3)	-	21.5
Debtors Due In More Than One Year	4.9	-	-	-	-	-	4.9
<b>Non Current Assets</b>	<b>93.1</b>	<b>101.2</b>	<b>13.7</b>	<b>137.2</b>	<b>(12.3)</b>	<b>-</b>	<b>332.9</b>
Cash in tills and vaults	155.9	-	(13.4)	-	-	0.0	142.4
Cash at bank and in hand	110.0	-	(7.8)	-	-	-	102.2
Cash in transit	40.9	-	-	-	-	-	40.9
Money Market Deposits	-	-	-	-	-	-	-
Prepaid card float on deposit	28.2	-	-	-	-	-	28.2
Restricted funds	17.1	-	-	-	-	-	17.1
Cash and cash equivalents	352.1	-	(21.2)	-	-	0.0	330.9
Other Debtors Due Within One Year	36.9	-	(1.7)	-	-	0.0	35.2
Tax Debtors	4.8	-	-	-	(4.2)	-	0.5
Other Current Assets	25.2	-	(0.0)	-	-	(0.0)	25.2
<b>Trade &amp; Other Debtors</b>	<b>126.9</b>	<b>-</b>	<b>(1.7)</b>	<b>-</b>	<b>(4.2)</b>	<b>(0.2)</b>	<b>120.8</b>
<b>Current Assets</b>	<b>479.0</b>	<b>-</b>	<b>(22.9)</b>	<b>-</b>	<b>(4.2)</b>	<b>(0.2)</b>	<b>451.7</b>
<b>Total Assets</b>	<b>572.1</b>	<b>101.2</b>	<b>(9.2)</b>	<b>137.2</b>	<b>(16.5)</b>	<b>(0.2)</b>	<b>784.6</b>
Trade & Other Creditors	(283.6)	-	1.1	-	3.9	(0.6)	(279.2)
Provisions	(10.5)	-	0.1	-	-	(0.7)	(11.1)
External Funding	(409.7)	-	-	-	-	-	(409.7)
Finance lease liabilities	-	(123.8)	-	-	-	-	(123.8)
<b>Total Liabilities</b>	<b>(703.8)</b>	<b>(123.8)</b>	<b>1.2</b>	<b>-</b>	<b>3.9</b>	<b>(1.3)</b>	<b>(823.8)</b>
<b>Net Assets (Liabilities)</b>	<b>(131.7)</b>	<b>(22.6)</b>	<b>(8.0)</b>	<b>137.2</b>	<b>(12.7)</b>	<b>(1.5)</b>	<b>(39.2)</b>

(1) 2023 Actual performance is presented on an Actual 2023 FX basis.

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(3) Other Stat Adjustments include any other statutory adjustments under IFRS as the Group consolidates to its statutory numbers

# Travelex International Group – Cash Flow

- **Free cash** represents free cash at bank which management considers is freely accessible. This excludes:
  - Cash in tills, vaults and in transit;
  - Cash balances from **Other Cash Entities** as these cash balances do not form part of the Group's cash pooling arrangements;
  - **Restricted cash and deposits** held in ring fenced bank accounts, where there are restrictions in withdrawal or usage, and prepaid debit card float balances.
- Cash held in tills and vaults is the Travelex International Group's stock, and key working capital, and is required to support front line trading. As trade increases over peak trading periods the stock held in tills and vaults requirements are greater, which in turn drive increased revenues for the Travelex International Group.
- Movements in working capital and provisions relates to normal trading flows caught over period end across the global business.

## September 2023 YTD - Cash Flow Statement

£m	Bridging Items - Pro Forma to Statutory Group				Statutory Group
	Pro Forma Group	IFRS16 Adjs	Equity Accounted JVs	Other Stat Adjs	
<b>Underlying EBITDA</b>	<b>42.4</b>	<b>31.8</b>	<b>(4.3)</b>	<b>0.8</b>	<b>70.6</b>
Non underlying items	(5.2)	-	-	2.7	(2.6)
<b>EBITDA</b>	<b>37.1</b>	<b>31.8</b>	<b>(4.3)</b>	<b>3.5</b>	<b>68.0</b>
Movements in working capital and provisions	(19.0)	0.0	5.8	(5.3)	(18.5)
Tax paid	(3.9)	-	0.4	-	(3.5)
<b>Cash flows from operating activities</b>	<b>14.3</b>	<b>31.8</b>	<b>1.9</b>	<b>(1.9)</b>	<b>46.0</b>
Acquisition of subsidiaries	-	-	-	2.2	2.2
Capital expenditure	(11.2)	-	0.1	(0.1)	(11.2)
<b>Cash flows from investing activities</b>	<b>(11.2)</b>	<b>-</b>	<b>0.1</b>	<b>2.1</b>	<b>(9.0)</b>
Interest paid	(4.0)	-	-	(0.1)	(4.1)
External financing	55.3	-	-	-	55.3
Capital element of finance lease payments	-	(31.8)	-	-	(31.8)
Dividends received/(paid)	(2.7)	-	3.9	(0.1)	1.1
<b>Cash flows from financing activities</b>	<b>48.6</b>	<b>(31.8)</b>	<b>3.9</b>	<b>(0.3)</b>	<b>20.5</b>
FX impact on cash and cash equivalents	(6.1)	-	-	-	(6.1)
<b>Cash inflow/(outflow)</b>	<b>45.5</b>	<b>-</b>	<b>5.9</b>	<b>(0.0)</b>	<b>51.4</b>
Opening cash and cash equivalents	306.6	-	(27.1)	-	279.5
<b>Cash and cash equivalents</b>	<b>352.2</b>	<b>-</b>	<b>(21.2)</b>	<b>(0.0)</b>	<b>331.0</b>
Cash in tills and vaults	(155.9)	-	13.4	-	(142.4)
Cash in transit	(40.9)	-	-	-	(40.9)
Prepaid card float on deposit	(28.2)	-	-	-	(28.2)
Restricted funds	(17.1)	-	-	-	(17.1)
<b>Cash at bank and in hand</b>	<b>110.0</b>	<b>-</b>	<b>(7.8)</b>	<b>(0.0)</b>	<b>102.2</b>
Other Cash Entities	(58.4)				
Exclude restricted cash	(8.7)				
<b>Free cash</b>	<b>43.0</b>				

(1) 2023 Actual performance is presented on an Actual 2023 FX basis.

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(3) Other Stat Adjustments include any other statutory adjustments under IFRS as the Group consolidates to its statutory numbers

(4) Free Cash represents cash at bank of those Travelex International Group entities whose cash balances are unrestricted and available for use.

(5) Other Cash entities consists of Middle East & Turkey, Brazil, Nigeria, China, Malaysia and Thailand

## Basis of Reporting

- Revenues, costs and underlying EBITDA on pages 3, 5, 6, 7 and 8 are presented on a pro forma basis. The **Pro Forma Group** incorporates the trading performance of 100% of all of the entities in the Travelex International Group . The **Statutory Group** includes those entities which have been consolidated within the Travelex International Group at the approval date for each acquisition.
- The Pro Forma Group results are presented on a consistent basis with the 2022 prior year comparative, regardless of approval date for entities that were acquired in 2022.
- Underlying EBITDA excludes any non-underlying adjustments by nature or value which are considered to be material and which are required to be separately presented in line with group accounting policy.
- The application of the IFRS 16 accounting standard on the large portfolio of operational leases across the Group are not reflected in the Pro Forma Group results, which reflects all lease operating costs and commitments in the financial reporting period. Pages 9-10 reflect the application of the standard on the Group's reported results with the balance sheet reflecting the inclusion of the right-of-use asset and our discounted obligation to make lease payments as a liability and the income statement demonstrates the depreciation of the leased asset as well as interest on the lease liability.
- A reconciliation to the statutory profit and loss account is provided at page 9.
- Balance sheet and cash flow reconciliations from Pro Forma Group to the Statutory Group are provided on pages 10 and 11.
- Comparatives for financial results include:
  - 2022 Actuals at 2022 actual FX rates

## Statutory Group – Consolidation Start Dates

Legal Entities	Geo	Current date of consolidation
Travelex Agency Services Ltd (TAS)	UK	01-Aug-20
Travelex Currency Services Ltd	UK	01-Aug-20
Travelex Japan KK	Asia	01-Aug-20
Travelex Central Services Limited	Central & Shared	01-Aug-20
Travelex India Pvt	Central & Shared	01-Aug-20
Travellers Exchange Corporation Limited	UK	01-Aug-20
Travelex Australia Holdings Pty Limited and its subsidiary - Travelex Limited (Australia)	ANZ	01-Sep-20
Travelex Currency Exchange Limited	UK	01-Sep-20
Travelex Financial Services NZ Limited	ANZ	01-Sep-20
Travelex Cloud Services Limited (UK)	UK	01-Oct-20
Travelex Holding (HK) Limited	Asia	01-Nov-20
Travelex Card Services Limited	UK	01-Nov-20
Travelex Holdings (S) PTE Limited Singapore	Asia	01-Feb-21
Travelex Bahrain WLL	MET	01-Apr-21
Travelex Currency Exchange & Payments SDN BHD (Malaysia)	Asia	01-Jun-21
Travelex & Co LLC (Oman)	MET	01-Jun-21
Travelex (Thailand) Limited	Asia	01-Jun-21
Travelex Emirates Exchange LLC	MET	01-Jul-21
Travelex Foreign Coin Services Ltd.	UK	01-Jul-21
Travelex Qatar QSC	MET	01-Sep-21
Travelex Switzerland AG	Europe	01-Oct-21
Travelex Europe Ltd	Central & Shared	01-Nov-21
Travelex Doviz Ticaret Yetkili Muessese AS (and subsidiary: Travelex Ankara Doviz Ticaret Yetkili Muessese AS)	MET	01-Apr-22
Travelex Do Brasil Holding Financeira Ltda; Travelex Do Brasil Holding Nao Financeira Ltda; South American Cards Services	Brazil	01-May-22
Travelex Retail Nigeria Limited	Nigeria	01-Jun-22
Travelex Nigeria Business Solutions Limited	Nigeria	01-Jun-22
Travelex Czech Republic as	Central & Shared	01-Jun-22
Travelex N.V	Europe	01-Jun-22
Travelex Deutschland GmbH	Europe	01-Nov-22
Travellers Cheques Encashment Services	Other Trading	01-Feb-23