Q2 & H1 2024 Results

Travelex International Group

12 September 2024

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Travelex International Group – Business Update

Group Financial Highlights

- The Group excluding Brazil reported growth in revenues and underlying EBITDA for Q2 and H1 2024, driven by an increase in passenger numbers and strong trading performance in the growth regions of Asia and ME&T with revenues up 4% in Q2 2024 to £119.9m (Q2 2023: £115.7m) and EBITDA up 12% to £12.3m (Q2 2023: £10.9m). At the end of the first half of 2024, revenues were up 6% to £221.7m (H1 2023: £209.7m) and EBITDA up 24% to £12.8m (H1 2023: £10.3m).

- Including Brazil, results for the Group were impacted by the exceptional nature of events in the country, where flood disruptions in Q2 further compounded the existing weak macro-economic conditions and increased competition driven by changes in the regulatory environment. Group revenues including Brazil in Q2 2024 of £135.9m were mostly aligned to 2023 (Q2 2023: £136.4m) with underlying EBITDA of £13.5m (Q2 2023: £14.7m), while at H1 2024 revenues were £256.6m (H1 2023: £253.8m) and underlying EBITDA fell 12% to £16.6m (2023: £18.9m) as the adverse macroeconomic and market conditions in Brazil became more prominent.

- Despite some recovery expected in the second half of 2024, the disruption in Brazil in the first half is expected to continue to impact trading into the balance of the year and we expect the Group's underlying EBITDA for the full year to be between £60-65m.

Operational Highlights

- Product and digital developments in response to customer demand:
    - Travelex Money Card (TMC) with Apple Wallet™ compatibility in the UK added seven more currencies and website optimisation including a new UK homepage have increased TMC conversion rates by 123%

- Substantial progress on partnerships:
    - The Wholesale business continues to expand by entering a number of new markets in the quarter while focusing on continuing to build competitive advantage by diversifying its supplier base with a new key supplier onboarded and operational, which will be a key enabler for growth plans globally

- Continued investment in business transformation:
    - Pilot phase for ATM transformation underway, a significant milestone in the Group's plans to upgrade the global ATMs estate
    - Successful completion of the first phase of the Group's financial crime transformation, now in place in Australia and Brazil, setting the foundation for broader implementation across the Group.

Travelex International Group – Financial Highlights

- The Group excluding Brazil generated revenues of £119.9m in Q2 2024, £4.2m (4%) greater than 2023, with an underlying EBITDA of £12.3m in the quarter, £1.3m (12%) ahead of 2023. At the half year, the Group excluding Brazil generated revenues of £221.7m, £12.0m (6%) greater than 2023, with an EBITDA of £12.8m, £2.5m (24%) higher than 2023.
- Strong revenue and underlying EBITDA growth has been generated in the growth regions of Asia and ME&T in the quarter, with year-on-year underlying EBITDA growth of 66% in Asia, driven predominantly by growth in Wholesale in the Hong Kong market and Singapore , and the Retail business in Japan on continued passenger growth, with further outbound travel passenger growth still expected across the region. In the ME&T region, with underlying EBITDA growth of 21%, the UAE continues to see growth in passenger numbers and new stores at key airport locations. In the developed markets, the UK saw continued pressure on transactions in airports offset by the pivot in transactions to off-airport channels. ANZ continues to be impacted by macro-economic conditions and the return of fixed rental commitments impacting profitability against 2023.
- The Brazil market has been impacted significantly in Q2 by the economic disruption of severe floods in the south of the country that has compounded an already challenging operating environment, with depressed macro-economic conditions and the continued impact on margins due to increased competition since 2023 which has impacted the Group's overall reported result. The Group including Brazil generated revenues of £135.9m in Q2 2024, £0.5m less than 2023, with an underlying EBITDA result of £13.5m in the quarter, £1.2m behind 2023 while at the half year revenues were £256.6m, £2.8m (1%) higher than 2023 with an underlying EBITDA of £16.6m, £2.3m (12%) below 2023.
- Costs of £107.6m in the quarter were £2.8m greater than 2023 (3%) signifying investment in staff to drive revenues and rent in line with passenger growth and contractual commitments. The Group continues to implement strong cost practices to mitigate against any shortfall in revenues with Central Costs favourable to 2023 despite the impacts of inflationary pressures on the cost base.
- Capex of £6.2m was £2.2m greater than 2023 driven by further investments in IT infrastructure and expansion of retail stores.
- Free cash of £14.0m was mostly aligned to 2023.

	Q2 2024			
£m at Actual FX Rates	**2024**	**2023**	**2024 vs 2023**	**2024 vs 2023 %**
Net Revenue (Excl. Brazil)	119.9	115.7	4.2	4%
Costs (Excl. Brazil)	(107.6)	(104.8)	(2.8)	(3%)
EBITDA (Excl. Brazil)	12.3	10.9	1.3	12%
Net Revenue (Total Group)	135.9	136.4	(0.5)	(0%)
Costs (Total Group)	(122.4)	(121.7)	(0.7)	(1%)
Underlying EBITDA (Total Group)	13.5	14.7	(1.2)	(8%)
Capex	(6.2)	(4.0)	(2.2)	(56%)
Free Cash	14.0	14.8	(0.8)	(6%)

	Year To Date			
£m at Actual FX Rates	**2024**	**2023**	**2024 vs 2023**	**2024 vs 2023 %**
Net Revenue (Excl. Brazil)	221.7	209.7	12.0	6%
Costs (Excl. Brazil)	(208.9)	(199.4)	(9.5)	(5%)
EBITDA (Excl. Brazil)	12.8	10.3	2.5	24%
Net Revenue (Total Group)	256.6	253.8	2.8	1%
Costs (Total Group)	(240.0)	(234.9)	(5.1)	(2%)
Underlying EBITDA (Total Group)	16.6	18.9	(2.3)	(12%)
Capex	(10.7)	(6.8)	(3.9)	(56%)
Free Cash	14.0	14.8	(0.8)	(6%)

Notes

- *Aligned with presentation of the Group's segments (pages 7 & 8), the Brazilian business is a separate management segment and is distinct from the Retail, Outsourcing and Wholesale businesses managed across the other geographies and the rest of Group, the Group result is therefore presented including and excluding the Brazilian business.*
- *Revenues, costs, EBITDA and capex are presented on a pro forma basis, incorporating the trading performance of 100% of all Group entities. A reconciliation to the statutory profit and loss account is provided at page 9.*
- *Underlying EBITDA excludes any non-underlying adjustments.*
- *2024 and 2023 Actuals are presented on an Actual FX basis for each respective year. CER or constant exchange rates presents results, including market guidance for 2024, on a constant currency basis at exchange rates set at the start of 2024.*
- *Free Cash represents cash at bank of those Group entities whose cash balances are unrestricted and available for use.*

Travelex International Group – Q2 2024 Performance by Geography

Group revenues excluding Brazil of £119.9m grew by £4.2m (4%) compared to 2023 with an increase in passenger numbers across the growth regions. Group revenues including Brazil of £135.9m were £0.5m lower compared to Q2 2023:

- **Asia** revenues of £18.9m in the quarter were £5.0m (36%) higher than 2023, with growth occurring across all markets compared to 2023. Retail revenues were 29% ahead of 2023, with significant growth arising in Japan due to passenger recovery but more from inbound customers, with further recovery in outbound passengers expected. Wholesale revenues grew 61% due to strong growth in both the Hong Kong market and Singapore. Underlying EBITDA was £2.5m (66%) favourable to 2023.
- **ME&T** revenues of £24.4m were £2.4m (11%) higher than 2023, predominantly driven by the UAE where tourism, events, exhibitions and the advent of Eid contributed to increased transactions despite the widespread flooding at the start of the quarter. Wholesale revenues grew 22% in the quarter from increased trading activities with local MSBs. EBITDA was £1.0m (21%) favourable to 2023 in the quarter.
- **ANZ** revenues were £0.3m (2%) lower than 2023 with economic conditions impacting passenger mix year on year with more short haul travel and lower transaction values evident, on top of increased competition. Underlying EBITDA was £1.9m (40%) adverse driven by higher rent as fixed rental commitments have returned, and investment in staff costs.
- **UK** revenues of £43.2m were £2.1m (5%) below 2023. Favourable trading across Supermarkets and off airport channels was offset by transaction decline at key airport locations. Wholesale revenues were £1.2m (21%) adverse due to lower trading within Other Africa and North Americas regions, where 2023 reflected a clearing of backlogged orders from the pandemic, however with more normalised trading patterns, the underlying variance demonstrates a positive trading outlook for this segment. The UK overall reported underlying EBITDA £1.6m (15%) adverse to 2023.
- **Europe** revenues of £14.4m were £1.4m (9%) below 2023 due in part to the exit of some loss-making ATMs in Italy (£1.0m) without negatively impacting underlying EBITDA, which was mostly flat on 2023 in the quarter.
- **Central Costs** were £0.8m (5%) lower driven by savings in projects and staff costs.
- **Brazil** revenues were £4.7m (23%) lower than 2023 due to increased competition impacting margins, macroeconomic conditions, and further compounded by widespread flooding in the south of the country impacting volumes. The revenue variance was partially mitigated through focused cost control leaving EBITDA £2.5m (67%) lower than 2023.

	Q2 2024			
£m at Actual FX Rates	**2024**	**2023**	**2024 vs 2023**	**2024 vs 2023 %**
Net Revenue				
Asia	18.9	13.9	5.0	36%
ME&T	24.4	22.0	2.4	11%
ANZ	16.6	16.8	(0.3)	(2%)
UK	43.2	45.3	(2.1)	(5%)
Europe	14.4	15.8	(1.4)	(9%)
Other Trading	2.2	1.8	0.3	18%
Trading Total	**119.6**	**115.6**	**4.0**	**3%**
Central Costs	0.2	0.1	0.2	220%
Net Revenue (Excl. Brazil)	**119.9**	**115.7**	**4.2**	**4%**
Brazil	16.0	20.7	(4.7)	(23%)
Net Revenue	**135.9**	**136.4**	**(0.5)**	**(0%)**
EBITDA				
Asia	6.4	3.8	2.5	66%
ME&T	6.0	4.9	1.0	21%
ANZ	2.8	4.7	(1.9)	(40%)
UK	9.0	10.6	(1.6)	(15%)
Europe	2.7	2.7	(0.0)	(1%)
Other Trading	(0.4)	(1.0)	0.5	56%
Trading Total	**26.4**	**25.9**	**0.6**	**2%**
Central Costs	(14.1)	(14.9)	0.8	5%
EBITDA (Excl. Brazil)	**12.3**	**10.9**	**1.3**	**12%**
Brazil	1.2	3.8	(2.5)	(67%)
EBITDA	**13.5**	**14.7**	**(1.2)**	**(8%)**

Notes

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- *Underlying EBITDA excludes any non-underlying adjustments.*
- *2024 and 2023 Actuals are presented on an Actual FX basis for each respective year. CER or constant exchange rates presents results, including market guidance for 2024, on a constant currency basis at exchange rates set at the start of 2024.*

Travelex International Group – YTD 2024 Performance by Geography

Group revenues excluding Brazil of £221.7m grew by £12.0m (6%) compared to 2023 driven by an increase in passenger numbers across growth regions and growth in Wholesale. Group revenues including Brazil of £256.6m grew by £2.8m (1%) against 2023:

- **Asia** revenues of £37.3m were £11.7m (45%) greater than 2023 with Retail revenues 38% ahead year on year, driven predominantly by growth in Japan due to continued passenger recovery, but more related to inbound passenger growth and the temporary closure of competitor stores in a key airport. Wholesale revenues grew 69% due to strong growth in both the Hong Kong market and Singapore. Underlying EBITDA was £5.7m (88%) favourable to 2023.
- **ME&T** revenues of £47.8m were £5.0m (12%) higher than 2023, as the region continues to see passenger growth on increased tourism and exhibitions within the region and higher transactions during Eid, most notably in the UAE. Wholesale revenues grew 56% on 2023 as trading activities increased with local MSBs. EBITDA was £2.2m (24%) favourable in the first half of 2024.
- **ANZ** revenues were £0.2m (1%) greater than 2023 despite challenging economic conditions with lower transaction values being driven by more short haul travel, alongside increased competition. Underlying EBITDA was £3.3m (45%) adverse driven by higher rent, with 2023 benefiting from rent relief, and investment in staff to support the opening of new stores.
- **UK** revenues of £75.3m were £4.2m (5%) below 2023. Positive trading across the supermarkets and other off-airport channels were offset by shortfalls in transactions at key airport sites and in Q1 the loss of Stansted and East Midlands Airports (£2.1m). Wholesale revenues were £1.6m adverse where 2023 reflected a clearing of backlogged orders from the pandemic. The UK overall reported underlying EBITDA £3.3m (20%) adverse to 2023.
- **Europe** revenues of £26.1m were £1.4m (5%) below 2023, impacted by the exit of loss-making ATMs in Italy, with growth in passenger numbers evident across Netherlands, Germany and Switzerland. EBITDA was £0.3m lower than 2023 with cost control easing revenue downside, investment in staff, and contractual rent increases in the Netherlands.
- **Central Costs** were £0.7m (2%) lower driven by savings in projects and staff costs but offset by year-on-year inflation.
- **Brazil** revenues were £9.2m (21%) lower than 2023 driven by the FX deregulation leading to increased competition and lower margins. Adverse macroeconomic conditions, compounded further by widespread floods in the south of the country are also contributing to a challenging operating environment for the region. The revenue downside was partially mitigated through cost management leaving EBITDA £4.8m lower than 2023.

	2024 YTD			
£m at Actual FX Rates	**2024**	**2023**	**2024 vs 2023**	**2024 vs 2023 %**
Net Revenue				
Asia	37.3	25.7	11.7	45%
ME&T	47.8	42.8	5.0	12%
ANZ	30.7	30.5	0.2	1%
UK	75.3	79.5	(4.2)	(5%)
Europe	26.1	27.6	(1.4)	(5%)
Other Trading	4.1	3.5	0.5	15%
Trading Total	**221.3**	**209.6**	**11.7**	**6%**
Central Costs	0.4	0.1	0.3	255%
Net Revenue (Excl. Brazil)	**221.7**	**209.7**	**12.0**	**6%**
Brazil	34.8	44.1	(9.2)	(21%)
Net Revenue	**256.6**	**253.8**	**2.8**	**1%**
EBITDA				
Asia	12.3	6.5	5.7	88%
ME&T	11.4	9.2	2.2	24%
ANZ	4.0	7.3	(3.3)	(45%)
UK	12.8	16.1	(3.3)	(20%)
Europe	3.1	3.4	(0.3)	(8%)
Other Trading	(0.9)	(1.7)	0.8	45%
Trading Total	**42.6**	**40.8**	**1.8**	**4%**
Central Costs	(29.8)	(30.5)	0.7	2%
EBITDA (Excl. Brazil)	**12.8**	**10.3**	**2.5**	**24%**
Brazil	3.8	8.6	(4.8)	(56%)
EBITDA	**16.6**	**18.9**	**(2.3)**	**(12%)**

Notes

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Travelex International Group – Q2 2024 Performance by Segment

- **Retail & Outsourcing** revenues totalled £105.7m in Q2, representing a £2.8m (3%) growth on 2023 whilst underlying EBITDA of £25.3m was £1.3m (5%) adverse to 2023:
  - **Asia** revenues of £13.9m in Q2 saw an increase of £3.1m to 2023 due to the continued recovery in passenger numbers, especially in Japan with higher inbound travellers.
  - **ME&T** revenues were £2.2m better than 2023 on continued passenger growth and despite floods in the UAE.
  - **ANZ** revenues were only £0.3m lower compared to 2023 despite current economic challenges within the region including high inflation and less discretionary spending which is impacting transaction values on the preference for short-haul over long-haul trips in 2024, alongside a more competitive landscape.
  - **UK and Europe** revenues were £2.2m and £1.4m adverse to 2023 respectively. The UK particularly has seen a decline in transaction numbers at key airports, while declines in European declines in revenue is mostly attributed to closure of some loss-making ATMs in Italy.
- **Wholesale** revenues of £11.8m in Q2 were £0.9m (8%) favourable to 2023 primarily driven by performance in Asia, with underlying EBITDA of £5.8m, £0.2m (4%) adverse to 2023:
  - **Asia** revenues of £5.0m were £1.9m ahead of 2023, driven by new customers and higher trade volumes leading to growth in Singapore and the Hong Kong market.
  - **ME&T** revenues were £0.2m higher than 2023 as new wholesale business in this region continues to gain momentum.
  - **UK & Africa** revenues were £1.2m lower than 2023 (21%), due to over performance in 2023 on backlogged orders as economies reopened after the pandemic.
- **Brazil** revenue was £4.7m (23%) below 2023 due to floods disruption compounding already challenging market conditions and increased competition driving down margins.

	Q2 2024			
£m at Actual FX Rates	**2024**	**2023**	**2024 vs 2023**	**2024 vs 2023 %**
Net Revenue				
Retail	85.5	84.4	1.1	1%
Outsourcing	20.2	18.5	1.6	9%
Total Retail & Outsourcing	**105.7**	**102.9**	**2.8**	**3%**
Total Wholesale	**11.8**	**10.8**	**0.9**	**8%**
Other Trading	2.4	1.9	0.5	25%
Net Revenue (Excl. Brazil)	**119.9**	**115.7**	**4.2**	**4%**
Brazil	16.0	20.7	(4.7)	(23%)
Net Revenue	**135.9**	**136.4**	**(0.5)**	**(0%)**
EBITDA				
Retail	20.1	21.4	(1.3)	(6%)
Outsourcing	5.3	5.3	0.0	0%
Total Retail & Outsourcing	**25.3**	**26.7**	**(1.3)**	**(5%)**
Total Wholesale	**5.8**	**6.0**	**(0.2)**	**(4%)**
Other Trading	(0.4)	(1.0)	0.5	56%
Total Geo Overheads	(4.4)	(5.8)	1.4	24%
Central Costs	(14.0)	(15.0)	1.0	7%
EBITDA (Excl. Brazil)	**12.3**	**10.9**	**1.3**	**12%**
Brazil	1.2	3.8	(2.5)	(67%)
EBITDA	**13.5**	**14.7**	**(1.2)**	**(8%)**

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- *Underlying EBITDA excludes any non-underlying adjustments.*
- *2024 and 2023 Actuals are presented on an Actual FX basis for each respective year. CER or constant exchange rates presents results, including market guidance for 2024, on a constant currency basis at exchange rates set at the start of 2024.*

Travelex International Group – YTD 2024 Performance by Segment

- **Retail & Outsourcing** revenues totalled £193.6m after the first half of 2024, representing a £8.1m (4%) growth on 2023 whilst EBITDA of £40.6m was £2.2m (5%) adverse to 2023:
  - **Asia** revenues of £27.2m saw an increase of £7.5m to 2023 driven by the continued growth in passenger numbers as this region continues to recover.
  - **ME&T** revenues were £4.1m better than 2023 showing growth in travel and tourism, especially in UAE.
  - **ANZ** revenues were £0.5m lower compared to 2023 with economic challenges in the region, principally high inflation and less discretionary spending, leading to more short-haul trips driving lower transaction values and compounded by increasing competition.
  - **UK** revenues were £2.6m adverse to 2023 with the loss of East Midlands and Stansted Airports and transaction decline in remaining airports, being partially softened by increases in passenger numbers and substantial growth in supermarket performance.
  - **Europe** revenues were £1.4m adverse to 2023 with the closure of loss-making ATMs in Italy softened by the increase in passenger numbers across the remaining region.
- **Wholesale** revenues of £23.6m after the first half of 2024 were £3.1m (15%) favourable to 2023 with EBITDA of £11.7m, £3.0m (35%) favourable to 2023, primarily driven by performance in Asia:
  - **Asia** revenues of £10.1m were £4.1m ahead of 2023, driven by new customers and higher trade volumes in Singapore and the Hong Kong market.
  - **ME&T** revenues were £0.8m higher than 2023 driven by new business in Qatar which continues to gain traction.
  - **UK & Africa** revenues were £1.6m lower than 2023 due to over performance in 2023 on backlogged orders as economies reopened after the pandemic.
- **Brazil** revenue was £9.2m (21%) below 2023 due to floods disruption compounding already challenging market conditions and increased competition driving down margins.

	2024 YTD			
£m at Actual FX Rates	**2024**	**2023**	**2024 vs 2023**	**2024 vs 2023 %**
Net Revenue				
Retail	160.1	154.7	5.4	3%
Outsourcing	33.5	30.8	2.7	9%
Total Retail & Outsourcing	**193.6**	**185.5**	**8.1**	**4%**
Total Wholesale	**23.6**	**20.5**	**3.1**	**15%**
Other Trading	4.5	3.7	0.8	22%
Net Revenue (Excl. Brazil)	**221.7**	**209.7**	**12.0**	**6%**
Brazil	34.8	44.1	(9.2)	(21%)
Net Revenue	**256.6**	**253.8**	**2.8**	**1%**
EBITDA				
Retail	33.2	35.1	(1.9)	(5%)
Outsourcing	7.4	7.7	(0.3)	(4%)
Total Retail & Outsourcing	**40.6**	**42.8**	**(2.2)**	**(5%)**
Total Wholesale	**11.7**	**8.7**	**3.0**	**35%**
Other Trading	(0.9)	(1.7)	0.8	45%
Total Geo Overheads	(8.9)	(8.9)	(0.0)	(0%)
Central Costs	(29.7)	(30.6)	0.9	3%
EBITDA (Excl. Brazil)	**12.8**	**10.3**	**2.5**	**24%**
Brazil	3.8	8.6	(4.8)	(56%)
EBITDA	**16.6**	**18.9**	**(2.3)**	**(12%)**

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- *Aligned with presentation of the Group's segments above, the Brazilian business is a separate management segment and is distinct from the Retail, Outsourcing and Wholesale businesses managed across the other geographies and the rest of Group, the Group result is therefore presented including and excluding the Brazilian business.*
- *Revenues, costs, EBITDA and capex are presented on a pro forma basis, incorporating the trading performance of 100% of all Group entities. A reconciliation to the statutory profit and loss account is provided at page 9.*
- *Underlying EBITDA excludes any non-underlying adjustments.*
- *2024 and 2023 Actuals are presented on an Actual FX basis for each respective year. CER or constant exchange rates presents results, including market guidance for 2024, on a constant currency basis at exchange rates set at the start of 2024.*

Travelex International Group – Income Statement

- The Pro Forma Group incorporates the trading performance of 100% of all Group 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: An amortisation charge of one-off intangible assets recorded as part of the acquisition of legacy entities since the Group's restructure in 2020.
    - Other Stat Adjustments: FX losses of £1.4m in relation to a long-term intercompany loan, for which settlement is neither planned nor likely to occur in the foreseeable future, has been reclassified out of the income statement and put through OCI.
- Of the £16.6m of Underlying EBITDA in the Pro Forma Group for YTD June 2024, £3.5m was generated by the JVs which is predominately the contribution from Qatar.
- Non-Underlying Adjustments consist mainly of exceptional costs relating to the Finance Transformation Programme and other one-off corporate costs.
- Net Finance Costs consists of interest on NMNs (using EIR), the interest charge on the new £90m term loan, and swap losses as well as FX gains/(losses) on intercompany loans.

Q2 2024 Income Statement

		Bridging Items - Pro Forma to Statutory Group					
£m	Pro Forma Group	IFRS 16	Equity Accounted JVs	Intangible Assets	Other Stat Adjs	Statutory Group	Q2 2023 Statutory Group
Net Revenue	256.6	-	(7.8)	-	-	248.7	246.1
Cost of sales	(143.2)	25.8	3.1	-	-	(114.2)	(103.3)
Gross profit	113.4	25.8	(4.7)	-	-	134.6	142.8
Net operating expense	(107.6)	-	1.2	-	(0.0)	(106.5)	(96.2)
Analysed as:							-
Underlying net operating expense	(96.8)	-	1.2	-	(0.0)	(95.7)	(97.5)
Net gain on acquisitions and disposals	(0.1)	-	-	-	-	(0.1)	2.7
Non underlying adjustments	(10.7)	-	-	-	-	(10.7)	(1.4)
Net operating expense	(107.6)	-	1.2	-	(0.0)	(106.5)	(96.2)
EBITDA	5.8	25.8	(3.5)	-	(0.0)	28.1	46.6
Analysed as:							-
Underlying EBITDA	16.6	25.8	(3.5)	-	(0.0)	38.9	45.4
Net gain on acquisitions and disposals	(0.1)	-	-	-	-	(0.1)	2.7
Non underlying adjustments	(10.7)	-	-	-	-	(10.7)	(1.4)
EBITDA	5.8	25.8	(3.5)	-	(0.0)	28.1	46.6
Depreciation & Amortisation	(5.9)	(16.7)	0.2	(5.9)	-	(28.3)	(32.4)
Operating profit (loss)	(0.1)	9.2	(3.4)	(5.9)	(0.0)	(0.2)	14.2
Net Finance Costs	(37.3)	(8.2)	(0.0)	-	1.4	(44.1)	(46.6)
Share of profit in equity accounted investments	-	-	1.9	-	-	1.9	1.2
Profit/(Loss) before tax	(37.4)	1.0	(1.5)	(5.9)	1.4	(42.4)	(31.2)
Tax credit (charge)	(3.1)	-	0.3	-	2.9	-	(1.8)
Profit/(Loss) for the period from continued operations	**(40.5)**	**1.0**	**(1.3)**	**(5.9)**	**4.3**	**(42.4)**	**(33.0)**

Notes
- *2024 Actual performance is presented on an Actual 2024 FX basis.*
- *The Pro Forma Group incorporates the trading performance of 100% of all Travelex entities.*
- *Other Stat Adjustments include any other statutory adjustments under IFRS as the Group consolidates to its statutory numbers*
- *EBITDA includes any non-underlying income and expenses; the 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 the Qatar and Thailand JVs where the Pro Forma Group reports on a 100% ownership basis.
    - Intangible Assets: Intangible assets recorded as part of the acquisition of legacy entities since the Group's restructure in 2020, including £76.3m relating to customer relationships and brand on the 2020 and 2021 acquisitions and £44.9m relating to the 2022 acquisitions, predominantly for Brazil and The Netherlands.
    - DTA and Other Tax: tax adjustments to get to the audited tax numbers of FY22.
    - Other: Other statutory accounting adjustments.
- Other investments comprises £23.6m of Brazilian bonds.
- 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 Instrument with netting applied across the FX portfolio of contracts that are outstanding at the end of June. 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 but the net result remains the same.
- The Group's financial statements accounts for 2023 were filed in July 2024, and any statutory audit adjustments from the 2023 process will be reflected in the Q3 results.

Q2 2024 Balance Sheet

£m	Pro Forma Group	Bridging Items - Pro Forma to Statutory Group: IFRS16 adjs	Equity Accounted JVs	Intangible Assets	DTA and Other Tax Adjs	Other	Statutory Group	Q2 2023 Statutory Group
Fixed Assets	**38.1**	**-**	**(0.7)**	**129.2**	**-**	**-**	**166.5**	**170.5**
Right of use assets	**0.1**	**99.6**	**-**	**-**	**-**	**-**	**99.6**	**126.1**
Investments accounted for using the equity method	**-**	**-**	**14.1**	**-**	**-**	**-**	**14.1**	**13.1**
Other Investment	**23.6**	**-**	**-**	**-**	**-**	**-**	**23.6**	**20.9**
Deferred Tax Asset	**29.2**	**-**	**-**	**-**	**(7.7)**	**-**	**21.5**	**20.5**
Debtors Due In More Than One Year	**5.3**	**-**	**(0.0)**	**-**	**-**	**-**	**5.3**	**5.8**
Non Current Assets	**96.3**	**99.6**	**13.4**	**129.2**	**(7.7)**	**-**	**330.7**	**356.8**
Cash in tills and vaults	130.1	-	(9.3)	-	-	-	120.7	139.4
Cash at bank and in hand	71.0	-	(5.6)	-	-	-	65.4	74.1
Cash in transit and ATMs	40.3	-	-	-	-	1.6	41.9	30.5
Money Market Deposits	-	-	-	-	-	-	-	-
Prepaid card float on deposit	25.1	-	-	-	-	-	25.1	28.7
Restricted funds	8.8	-	-	-	-	0.0	8.8	32.5
Cash and cash equivalents	**275.3**	**-**	**(14.9)**	**-**	**-**	**1.6**	**262.0**	**305.2**
Trade & Other Debtors	**140.0**	**-**	**(3.2)**	**-**	**(4.8)**	**(33.5)**	**98.6**	**94.5**
Other Deposits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Current Assets	**415.4**	**-**	**(18.1)**	**-**	**(4.8)**	**(31.9)**	**360.5**	**399.7**
Total Assets	**511.6**	**99.6**	**(4.7)**	**129.2**	**(12.5)**	**(31.9)**	**691.3**	**756.5**
Trade & Other Creditors	**(268.7)**	**-**	**(2.8)**	**-**	**3.9**	**33.5**	**(234.1)**	**(271.8)**
Provisions	**(7.8)**	**-**	**0.1**	**-**	**-**	**(1.1)**	**(8.7)**	**(11.1)**
External Funding	**(439.8)**	**-**	**-**	**-**	**-**	**-**	**(439.8)**	**(362.7)**
Finance lease liabilities	**(0.0)**	**(121.9)**	**-**	**-**	**-**	**-**	**(122.0)**	**(146.4)**
Total Liabilities	**(716.3)**	**(121.9)**	**(2.7)**	**-**	**3.9**	**32.4**	**(804.6)**	**(792.0)**
Net Assets (Liabilities)	**(204.7)**	**(22.4)**	**(7.4)**	**129.2**	**(8.6)**	**0.5**	**(113.3)**	**(35.5)**

Notes

- *2024 Actual performance is presented on an Actual 2024 FX basis.*
- *The Pro Forma Group incorporates the trading performance of 100% of all Travelex entities.*
- *Other Stat Adjustments include any other statutory adjustments under IFRS as the Group consolidates to its statutory numbers*
- *EBITDA includes any non-underlying income and expenses; the earlier financial performance slides present Underlying EBITDA.*

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 Group’s stock, and key working capital, and is required to support front line trading. As trade increases over peak trading periods the requirements for stock held in tills and vaults are greater, which in turn drives increased revenues for the Group.
- Movements in working capital and provisions relates to normal trading flows caught over period end across the global business.
- Acquisition of subsidiaries movement of £1.3m relates to the first tranche of the agreed payment for the acquisition of Number One in Brazil.

Q2 2024 Cash Flow Statement						
		Bridging Items - Pro Forma to Statutory Group				
£m	Pro Forma Group	IFRS16 Adjs	Equity Accounted JVs	Other Stat Adjs	Statutory Group	Q2 2023 Statutory Group
Underlying EBITDA	**16.6**	**25.8**	**(3.5)**	**(0.0)**	**38.9**	**45.4**
Non underlying items	(10.7)	-	-	-	(10.7)	1.3
EBITDA	**5.9**	**25.8**	**(3.5)**	**(0.0)**	**28.2**	**46.6**
Movements in working capital and provisions	(45.2)	-	7.3	2.8	(35.1)	(6.5)
Tax paid	(2.8)	-	0.4	0.1	(2.2)	(1.9)
Cash flows from operating activities	**(42.0)**	**25.8**	**4.2**	**2.9**	**(9.1)**	**38.2**
Acqusition of subsidiaries	-	-	-	(1.3)	(1.3)	2.2
Capital expenditure	(10.7)	-	0.0	-	(10.7)	(6.8)
Cash flows from investing activities	**(10.7)**	**-**	**0.0**	**(1.3)**	**(12.0)**	**(4.6)**
Interest paid	(6.2)	-	-	-	(6.2)	(2.5)
External financing	2.3	-	-	-	2.3	20.0
Capital element of finance lease payments	-	(25.8)		-	(25.8)	(27.9)
Dividends received/(paid)	(4.6)	-	5.1	-	0.5	2.3
Cash flows from financing activities	**(8.5)**	**(25.8)**	**5.1**	**-**	**(29.3)**	**(8.2)**
FX impact on cash and cash equivalents	11.2	-	-	-	11.2	(8.4)
Cash inflow/(outflow)	**(50.0)**	**-**	**9.2**	**1.5**	**(39.2)**	**17.0**
Opening cash and cash equivalents	325.3	-	(24.1)	-	301.2	288.3
Cash and cash equivalents	**275.4**	**-**	**(14.9)**	**1.5**	**262.0**	**305.3**
Cash in tills and vaults	(130.1)	-	9.3	-	(120.7)	(139.4)
Cash in transit	(40.4)	-	-	(1.6)	(41.9)	(30.5)
Prepaid card float on deposit	(25.1)	-	-	-	(25.1)	(28.7)
Restricted funds	(8.8)	-	-	-	(8.8)	(32.5)
Cash at bank and in hand	**71.0**	**-**	**(5.6)**	**(0.0)**	**65.4**	**74.2**

Notes

- *2024 Actual performance is presented on an Actual 2024 FX basis.*
- *The Pro Forma Group incorporates the trading performance of 100% of all Travelex entities.*
- *Other Stat Adjustments include any other statutory adjustments under IFRS as the Group consolidates to its statutory numbers*
- *EBITDA includes any non-underlying income and expenses; the earlier financial performance slides present Underlying EBITDA.*

Basis of Reporting

- Revenues, costs and underlying EBITDA on pages 3-8 are presented on a pro forma basis. The Pro Forma Group incorporates the trading performance of 100% of all of the entities in the Group . The Statutory Group includes those entities which have been consolidated within the Group at the approval date for each acquisition.
- The Pro Forma Group results are presented on a consistent basis with the 2023 prior year comparative, regardless of approval date for entities that were acquired in 2023.
- 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:
    - 2023 Actuals at 2023 actual FX rates.