

Travelex Results for the half year ended 30 June 2018

30 August 2018

Travelex, the world's leading foreign exchange specialist, announces its results for the half year ended 30 June 2018

Highlights

- Core Group Revenue (excl. disposed operations) up 5% to £390.7m, at constant exchange rate (CER)
- Core Group EBITDA (excl. disposed operations) up by £6.4m from prior year to £26.6m, at CER
- Revenue growth at CER driven by ME&T (up 21%), JANZ (up 16%), Brazil (up 13%), NAM (up 7%)
- Continuing strategic focus on investing to build our international money transfer capabilities
- Trading through the peak summer period has continued to meet management's expectations. Full year reported EBITDA is expected to remain ahead of 2017 results

Finablr Update

- Travelex is part of the Finablr network of companies
- Shareholders are progressing their plans to move Travelex's ownership structure under a Finablr holdco
- Finablr and its major shareholders continue to consider and evaluate a range of strategic options, including a public listing of the Finablr group. No definitive decision has been taken with respect to any specific course of action at this stage

Tony D'Souza, Chief Executive, commented:

"Travelex's second quarter of 2018 has demonstrated continued strong performance. We are targeting geographic opportunities with good growth potential and delivering products and services best suited to customers in each region. On-going investment in our Payments Platform is significantly enhancing our ability to offer international money transfer capabilities to our corporate customers.

Sustainable EBITDA performance is being achieved through profitable revenue growth combined with an on-going focus on cost control whilst maintaining high standards of compliance and controls.

We are pleased to support our shareholders' plans for Finablr through Travelex's reputation as the most admired brand in foreign exchange, our strong financial results and our great team of people."

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. These category-leading financial services brands meet the needs of consumers through deep regulatory know-how, relentless focus on technological innovation and a global network of retail stores, business partners and digital channels.

Summary of financial performance

	Half year ended 30 June 2017	Half year ended 30 June 2018	Change	Half year ended 30 June 2018 (CER)	Change (CER)
	£m	£m		£m	
Core Group Revenue (excl. disposed operations)	373.6	374.7	-	390.7	5%
Core Group EBITDA (excl. disposed operations)	20.2	23.7	3.5	26.6	6.4
Statutory Revenue	341.9	341.3	-		
Statutory EBITDA	18.1	21.2	17%		
Statutory loss after tax	(88.0)	(58.4)			
	31 Dec 2017	30 June 2018			
Free cash	76.3	83.1			
Net debt	(260.6)	(290.2)			

Travellex has continued to deliver underlying revenue growth of £17.1m, or 5% at CER for the half year ended 30 June 2018. This is driven by 5% like-for-like retail growth with strong performance in Middle East & Turkey (21%), North America (9%) and Japan, Australia & New Zealand (8%). There was also 11% growth in Wholesale and Outsourcing 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.

Core Group EBITDA excluding disposed operations has increased by £6.4m for the half year on a CER basis. Retail contributed £3.1m EBITDA while Wholesale contributed additional £2.5m as a result of increase in revenue.

Free cash has increased by £6.8m since 31 December 2017 with the outflow of cash inventory ahead of the summer peak trading period being funded by draw-down on the Group's credit facilities. Consequently, net debt has increased by £29.6m since 31 December 2017.