



Cleansing Materials Retained Group and Initial FundCo update

30th July 2020

Travelex

worldwide
money

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Transaction update

The Company remains on track to deliver the transaction by the target transaction close date of 5th August.

New Money Notes

- Deadline to subscribe for New Money Notes with GLAS: **12.00pm (London) on 31 July 2020**
 - All SSN holders entitled to participate in New Money Notes by reference to pro-rata holding at the time of subscription
 - Any party that is interested in subscribing for New Money Notes is strongly advised to identify themselves to GLAS as soon as possible to complete the necessary KYC processes
- Deadline for funding subscription monies into GLAS Settlement Escrow Account: **10.00am (London) on 4 August 2020**

Operations

- The company remains on track to complete all necessary operational implementation steps to ensure the business is ready to deliver IFC plan after transaction close

Transaction Close

- Transaction close remains **5 August 2020**
- The following key steps affecting SSN holders will be enacted on or around transaction close:
 - Cash payment of the consent fee to all SSN holders that consented ahead of the deadline
 - Warrant notice will be circulated to invite all SSN holders to claim warrants issued as part of the transaction

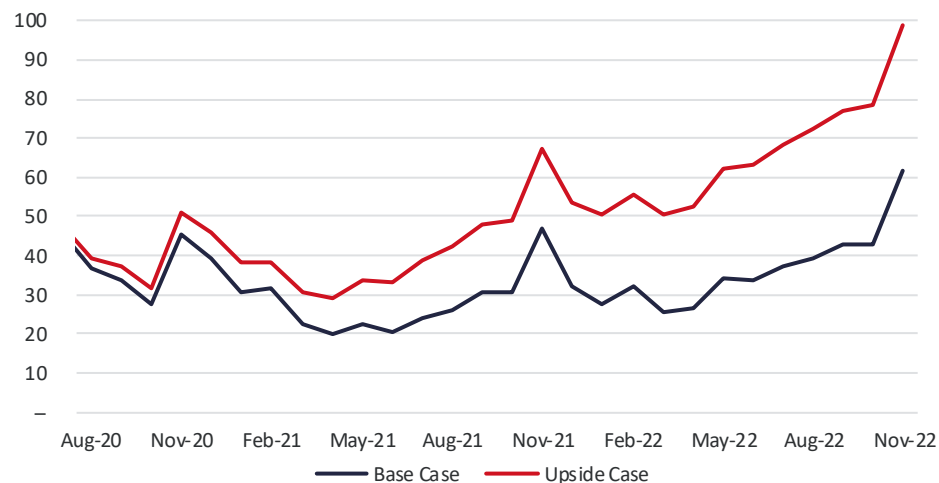
Initial FundCo business plan and funding requirement update

Snapshot

- The Initial FundCo business plan has been revised to reflect changes to certain assumptions, which include the following:
 - Updated staff costs analysis including revisions to bonus assumptions
 - Reforecast of transaction opening cash
 - Current expectations around certain Group insurance claims and JV dividend receipts
 - Revised transaction structuring and taxation costs following completion of diligence work
- The line charts illustrate the forecast closing cash over the forecast period under both the base case and upside case and reflect the latest view of the IFC forecasts
- A key driver of the upside case is the inclusion of additional EBITDA that would be generated by bringing across the entire ATM business into IFC; the base case assumes a more prudent assumption with only a small portion of the business transferring across. Additionally, there are certain cost saving measures identified which are considered less certain in their achievability and as such included only in the upside case
- The IFC liquidity analysis does not include any funding to the Retained Group⁽²⁾; however, as demonstrated opposite, the IFC plan can consider preserving optionality around certain of these Retained Group entities that require funding by utilising excess liquidity headroom through the period to May-21

£'m	FY19	FY20	FY21	FY22
	Actual	Forecast	Forecast	Forecast
Net Revenue	445.9	192.4	367.2	417.2
Distribution costs	(35.3)	(16.0)	(25.0)	(28.2)
Rent	(94.0)	(36.4)	(81.6)	(97.3)
Payroll & Staff Costs	(154.5)	(123.6)	(124.9)	(134.1)
Other Costs	(103.4)	(71.1)	(88.7)	(99.7)
EBITDA	58.6	(54.8)	47.0	58.0
JV	(7.8)	(7.2)	(8.9)	(10.9)
Capex	(30.8)	(10.3)	(12.8)	(12.8)
Tax	(5.9)	(4.4)	(2.7)	(6.3)
Movement in NWC	3.5	(3.1)	(6.9)	(4.6)
Others	(23.4)	(59.1)	(3.6)	(4.3)
Unlevered FCF	(5.6)	(139.0)	12.0	19.1
Upside Case:				
EBITDA	58.6	(51.7)	60.4	71.3

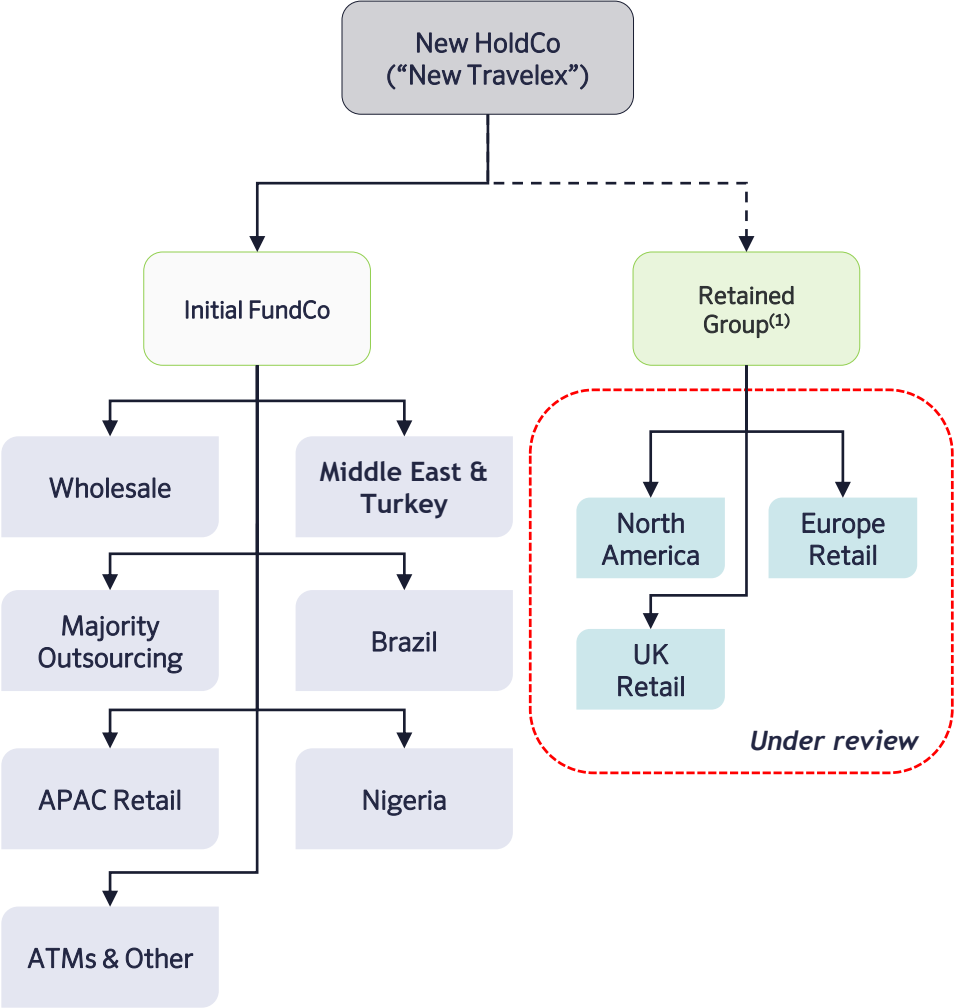
Projected Medium-Term Liquidity¹ (£m)



Overview of Retained Group

Snapshot

- The Group is in the process of assessing the short term cash funding need for the businesses to be warehoused within the Retained Group
- Set out within this deck is the current forecast cash funding need to support the business during the first year of trading, including the amount of net working capital funding required to restock the businesses to support the businesses into years 2 and 3 of the financial projections
- The businesses currently being reviewed include:
 - **UK Retail** including contracts with London Heathrow, Manchester City Airport and other retail store locations across the UK
 - **Europe Retail**, covering operations within the Netherlands, Germany, Switzerland, Italy and France
 - **North America**, consisting of USA, Canada and Panama operations for both retail and outsourcing



(1) Includes entities that reside within RumpCo A, RumpCo B and Optional FundCo entities as defined in the Travelex Limited Lock-Up Agreement dated 6 July 2020.

Retained Group Financial Forecast

Retained Group Financial Forecast

- The Retained Group has a peak funding requirement of £23.4m and is expected to generate £15.2m of EBITDA in year 2, after adjusting for overhead allocation
 - The funding requirement is split equally amongst the three business segments

UK Retail

- UK has a zero opening cash balance, as all existing funds are being used for IFC operations, with EBITDA in Year 2 expected to be £9.8m after overheads
- The IFC plan has sufficient liquidity headroom through the period to May-21 and is considering providing funding to UK Retail in order to preserve optionality to secure potential EBITDA upside in the future

Europe Retail

- Europe has a £10.5m opening cash balance partially offsetting the trading cashflows of a £16m loss for the 12 months to 31 May 2021. The business is expected to generate £2.0m of EBITDA after overheads in year 2 with returns rising to £5.2m in year 3

North America

- North America projections for year 2 give an EBITDA of £3.4m after overheads

Projected Retained Group Financials

£'m	Year 1	Year 2	Year 3
	Jun to May-21	Jun to May-22	Jun to May-23
Net Revenue	76.7	199.2	223.2
Distribution Costs	(0.8)	(2.1)	(2.4)
Rent	(37.9)	(94.4)	(102.4)
Payroll & Staff Costs	(18.7)	(35.2)	(38.0)
Central and Shared overheads	(8.6)	(13.7)	(14.1)
Other costs	(19.5)	(38.6)	(44.0)
EBITDA	(8.7)	15.2	22.4
Tax	1.4	-	(0.5)
Exceptional Items	(5.5)	-	-
Net working capital	(12.1)	(8.6)	(1.3)
Other cashflow items	(6.2)	(4.2)	(4.5)
Free cashflow	(29.3)	2.4	16.1

Retained Group funding requirement bridge

