



**Q2 2022 Results**

**New Travelex Group**

26 August 2022

**Travelex**

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# Basis of Reporting

- Revenues, costs and Underlying EBITDA on pages 4, 6, 7, 8 and 9 are presented on a pro forma basis. The **Pro Forma Group** incorporates the trading performance of 100% of all of the entities in the New Travelex Group, including those unconsolidated entities where regulatory approval is still awaited to formally complete transfers. The **Statutory Group** includes those entities which have been consolidated within the New Travelex Group.
- Underlying EBITDA excludes any non-underlying adjustments, considered to be material, by nature or value, and are required to be separately presented in line with group accounting policy.
- A reconciliation to the statutory profit and loss account is provided at page 10.
- Balance sheet and cash flow reconciliations from **Pro Forma Group** to the **Statutory Group** are provided on pages 11 and 12.
- **Entities not yet consolidated** comprise those entities that are still to migrate to the New Travelex Group.
- Comparatives for financial results include:
  - 2021 Actuals
  - 2019 Actuals
- To aid reporting against prior year comparatives:
  - Actuals for 2019 have been adjusted for the loss of the Central Bank of Nigeria (CBN), Istanbul Airport contracts and the UK Government's legislation to remove the VAT business, and other material store closures across the New Travelex Group.
  - 2021 and 2019 Actuals are presented on an Actual 2022 FX basis to remove any FX reporting translation variances between comparatives.

# New Travelex Group – Q2 2022 Financial Highlights

- In Q2 2022, the New Travelex Group generated revenues of £106.8m, £75.1m higher than 2021 but £29.7m lower than 2019 (22%). First half revenues of £175.6m, £116.8m favourable to 2021 and £75m (30%) lower on 2019.
- The Group produced positive underlying EBITDA in the quarter of £8.4m, the first EBITDA positive quarter since 2019, £27m favourable to Q2 2021 and just £2.3m lower than 2019 despite the lower revenue. First half EBITDA was £1.7m, £40.8m favourable to 2021 and only £3.8m lower than 2019.
- The improved performance has been driven by a rapid return of revenues since the start of 2022 as the impact of the Covid-19 pandemic has dissipated and travel restrictions have been lifted across most major markets. Brazil and the Middle East region are fully recovered and exceeding 2019 while only China and Hong Kong remain challenged.
- Despite significantly less costs than 2019, the focus continues on ensuring cost reinvestment is linked to revenue recovery but the well publicised challenge of recruiting staff which is impacting businesses globally have also led to some delay on the reintroduction of staff costs in key markets, which has helped increase EBITDA.
- Capex investment of £3.5m has focused on IT infrastructure upgrades and projects across the group as well as revenue generating initiatives where the business has developed in house solutions such as dynamic pricing engines or capitalised on market instability to capture new business.
- Free Cash of £41.3m at June 30 includes £70m of funding (£35m in each quarter), and Netherlands cash, which was consolidated into the group on June 1, 2022.

£m at 2022 Q1 Actual FX Rates	2022 Q2						
	2022	2021	2019	22 vs 21		22 vs 19	
	Actual	Actual	Actual	Var	22 vs 21 %	Var	22 vs 19 %
Net Revenue	106.8	31.7	136.5	75.1	237%	(29.7)	(22%)
Costs	(98.4)	(50.3)	(125.8)	(48.1)	(96%)	27.4	22%
Underlying EBITDA	8.4	(18.6)	10.7	27.0	145%	(2.3)	(22%)
Capex	(1.6)	(3.1)	(6.5)	1.5	48%	4.9	76%
Free Cash	41.3	35.3	n/a	6.1	17%		

£m at 2022 Q1 Actual FX Rates	2022 YTD						
	2022	2021	2019	22 vs 21		22 vs 19	
	Actual	Actual	Actual	Var	22 vs 21 %	Var	22 vs 19 %
Net Revenue	175.6	58.7	250.2	116.8	199%	(74.7)	(30%)
Costs	(173.9)	(97.8)	(244.7)	(76.1)	(78%)	70.9	29%
Underlying EBITDA	1.7	(39.1)	5.5	40.8	104%	(3.8)	(69%)
Capex	(3.5)	(4.9)	(12.7)	1.4	29%	9.2	73%
Free Cash	41.3	35.3	n/a				

(1) Revenues, costs, EBITDA and Capex are presented on a pro forma basis, incorporating the trading performance of 100% of all Travelex entities, including those entities where regulatory approval is still awaited to formally complete transfers. A reconciliation to the statutory profit and loss account is provided at page 10.

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

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

(4) 2021 and 2019 Actuals are presented on an Actual 2022 FX basis to aid comparison.

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

(6) Free Cash for 2019 is not available due to the changes in the composition of the group since the 2020 restructure

(7) Free Cash in Q2 includes Netherlands which consolidated to the group on 1<sup>st</sup> June 2022. Q1 results excluded this entity.

# Business Update

## Commercial Developments

- The Group continued to capitalise on renewals of key airport contracts globally, with Adelaide, Changi, Cairns and Zurich all secured on new multiyear contracts. New relationships at UK regional airports have also commenced in the quarter, driving further incremental scale and market share for Travelex in the UK market.
- During Q2, the Group has continued to focus on rebuilding the customer base in Africa, completing first trades with three more banks and signing a contract with a further two clients.
- The Group has continued investing in customer led initiatives with new product developments making it easier and more convenient for our customers to transact with us by launching an industry first click and collect currency solution from our ATMs which we will look to roll out across our UK FX ATM in 2022. We have also introduced a new dynamic rates engine which has been live across the Travelex estate since early 2022 and now available to our partners to help manage their rates more effectively in the future.

## Group Reorganisation

- Regulatory approval remains outstanding for Travelex Germany and it is anticipated this remaining approval will be received later in 2022.
- As previously communicated, the Brazil entities were completed in April 2022 and Travelex Netherlands in May 2022.

## Governance

- Richard Wazacz has been appointed as Chief Executive Officer of Travelex and Executive Director on the Travelex Board, succeeding Donald Muir who transitioned to the role of Non-Executive Director on the Travelex Board and James Wescott has stepped down from his board responsibilities, all changes are with effect from 28 June 2022.
- The 2020 audits of the New Travelex UK subsidiary companies were fully completed in Q2, the 2021 process for these entities is now underway.
- The 2021 group audit process continues to progress and is scheduled to be completed in Q3 2022. 2021 audits for the international subsidiaries have progressed well and been signed over the quarter including Australia, New Zealand, Brazil and entities across the Middle East and Asia.

## Financial Outlook

- In light of performance to date and the continued encouraging revenue recovery trends in the most recent quarter, the New Travelex Group again reaffirms its EBITDA contribution for 2022 to be in line with previous guidance of £16.5m published in December 2021.
- No further taps are planned for 2022 after the £70m additional New Money Notes that were issued in the first half of 2022. Proceeds were deployed directly across the business to fund working capital needs for the rapid return of international travel and recovery in revenues, particularly in Q2.

# New Travelex Group – 2022 Q2 Performance by Geography

Revenue recovery continued to accelerate in Q2 as restrictions eased in most markets and significant pent up demand evident. Against 2021, all major markets saw significant increases in revenue (£75.1m or 237% higher compared to 2021) with UK, Brazil and Europe the key contributors:

- **UK** blended revenue recovery continued to grow to 69% of 2019 from 49% in Q1. Revenue was £17.3m lower than 2019 levels, whilst EBITDA was £2.2m lower primarily driven by lower staff and rent costs.
- **ANZ** continued to perform above expectations and maintained strong recovery in Q2 with New Zealand opening its borders to over 60 countries in May, following Australia easing restrictions in late 2021.
- **Asia** had the lowest level of recovery in the group (33% of 2019) with China and Hong Kong still subject to border restrictions. However with Singapore, Malaysia and Japan recovering with more open policies, Q1 revenue increased by £3m, driven particularly by weakening of the Japanese Yen driving volumes.
- **Middle East & Turkey** is now growing again on 2019, driven particularly by strong performances in Turkey, UAE and Qatar. The performance in Q2 also benefitted from EID celebrations.
- **Brazil** performance continued to surpass both 2019 and 2021 levels where the Bank business generated strong revenue through facilitating cross border payments and mass payments. EBITDA was up £3.7m compared to 2019.
- Revenues in **Europe** recovered strongly following the impacts of the Omicron variant in Q1. Netherlands continued to benefit from the contract extension at Schiphol Airport, whilst Germany and Switzerland also improved over the quarter.
- **Central costs** were £5.9m higher than 2021, reflecting increase in staff, contractor and IT spend, whilst also re-introducing the Group Bonus Scheme. However costs remained lower than 2019 due to lower staff levels and property costs.

£m at 2022 Q1 Actual FX Rates	2022 Q2						
	2022 Actual	2021 Actual	2019 Actual	22 vs 21 Var	22 vs 21 %	22 vs 19 Var	22 vs 19 %
<b>Net Revenue</b>							
UK	38.6	4.7	55.9	33.9	727%	(17.3)	(31%)
ANZ	8.3	2.1	19.0	6.2	294%	(10.7)	(56%)
Asia	5.5	1.6	16.8	4.0	255%	(11.2)	(67%)
ME&T	15.1	7.5	14.3	7.6	101%	0.8	5%
Brazil	24.1	12.0	11.3	12.2	102%	12.8	114%
Nigeria	0.4	0.2	0.8	0.2	118%	(0.4)	(47%)
Europe	13.2	2.5	16.7	10.7	432%	(3.5)	(21%)
Other Trading	1.5	1.2	1.5	0.3	25%	0.1	4%
<b>Trading Total</b>	<b>106.7</b>	<b>31.7</b>	<b>136.2</b>	<b>75.1</b>	<b>237%</b>	<b>(29.5)</b>	<b>(22%)</b>
Central Costs	0.1	0.1	0.3	0.0	56%	(0.2)	(65%)
<b>Net Revenue</b>	<b>106.8</b>	<b>31.7</b>	<b>136.5</b>	<b>75.1</b>	<b>237%</b>	<b>(29.7)</b>	<b>(22%)</b>
<b>Underlying EBITDA</b>							
UK	11.7	(2.1)	13.8	13.7	659%	(2.2)	(16%)
ANZ	1.3	(3.0)	2.6	4.3	144%	(1.2)	(49%)
Asia	(0.4)	(3.5)	3.0	3.2	89%	(3.4)	(112%)
ME&T	3.2	(0.1)	3.3	3.2	6222%	(0.1)	(4%)
Brazil	5.0	0.9	1.3	4.1	461%	3.7	300%
Nigeria	(0.0)	(0.0)	0.5	(0.0)	(11%)	(0.5)	(107%)
Europe	2.9	(1.6)	4.0	4.5	274%	(1.1)	(28%)
Other Trading	0.8	1.0	1.2	(0.2)	(20%)	(0.4)	(37%)
<b>Trading Total</b>	<b>24.4</b>	<b>(8.5)</b>	<b>29.6</b>	<b>32.9</b>	<b>386%</b>	<b>(5.3)</b>	<b>(18%)</b>
Central Costs	(16.0)	(10.1)	(18.9)	(5.9)	(58%)	2.9	16%
<b>Underlying EBITDA</b>	<b>8.4</b>	<b>(18.6)</b>	<b>10.7</b>	<b>27.0</b>	<b>145%</b>	<b>(2.3)</b>	<b>(22%)</b>

(1) Revenues, costs, EBITDA and capex are presented on a pro forma basis, incorporating the trading performance of 100% of all Travelex entities, including those entities where regulatory approval is still awaited to formally complete transfers. A reconciliation to the statutory profit and loss account is provided at page 10.

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

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

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# New Travelex Group – 2022 June YTD Performance by Geography

Revenues of £175.6m (70% of 2019) were £117m higher than 2021 on a YTD basis and EBITDA of £1.7m was £40.8m higher than 2021 and £3.8m lower than 2019:

- **UK** revenue, driven by the Retail & Outsourcing businesses, reached 61% of 2019 levels. Variable costs including rent have increased from 2021 in line with revenue, while staff costs have increased more moderately to due delays in recruitment.
- **ANZ** YTD revenue was 34% of 2019 reflecting the delay in restrictions easing relative to global markets however this performance is significantly above planned expectations for 2022. EBITDA loss was minimal at £(0.3)m, £5.4m favourable to 2021 reflecting increased revenue, with minimal cost uplift.
- **Asia** has been severely impacted by tight restrictions in China and Hong Kong and to a lesser extent Japan, resulting in revenue of £8.1m (24% of 2019), with some upside in Q2 from weakening Yen driving volumes. EBITDA loss of £(3.2)m was £4.0m ahead of 2021, but £10.1m lower than 2019.
- **Middle East & Turkey** YTD revenue is 97% of 2019 levels with strong performance in Q2 due to the benefit of World Expo in Dubai during Q1, and high volumes during Eid.
- **Brazil** YTD revenue was 205% of 2019 levels driven through both the Retail and the Bank Businesses but primarily through the Bank, whilst EBITDA is £6.9m ahead of 2019 as the Retail business recovers and the Bank business continues on its growth trajectory.
- **Europe** revenues of £19.9m grew to 70% of 2019, with incremental revenues from the Schiphol contract extension in 2022. EBITDA of £2.6m was £6.0m above 2021, and £1.9m below 2019.
- **Central Costs** of £29.2m were £7.7m higher than 2021, but £7.5m lower than to 2019 reflecting the reduction in staff, property and discretionary costs.

£m at 2022 YTD Actual FX Rates	2022 YTD							
	2022 Actual	2021 Actual	2019 Actual	22 vs 21 Var	22 vs 21 %	22 vs 19 Var	22 vs 19 %	
<b>Net Revenue</b>								
UK	59.5	8.0	98.3	51.5	647%	(38.8)	(39%)	
ANZ	11.8	3.9	34.5	7.9	199%	(22.7)	(66%)	
Asia	8.1	3.3	33.4	4.7	141%	(25.3)	(76%)	
ME&T	28.4	14.1	29.2	14.2	101%	(0.9)	(3%)	
Brazil	43.2	22.0	21.0	21.1	96%	22.1	105%	
Nigeria	0.6	0.5	2.4	0.1	11%	(1.8)	(75%)	
Europe	19.9	4.1	28.4	15.7	381%	(8.6)	(30%)	
Other Trading	4.1	2.5	2.4	1.6	63%	1.7	70%	
<b>Trading Total</b>	<b>175.5</b>	<b>58.6</b>	<b>249.6</b>	<b>116.9</b>	<b>199%</b>	<b>(74.1)</b>	<b>(30%)</b>	
Central Costs	0.1	0.1	0.6	(0.0)	(36%)	(0.5)	(89%)	
<b>Net Revenue</b>	<b>175.6</b>	<b>58.7</b>	<b>250.2</b>	<b>116.8</b>	<b>199%</b>	<b>(74.7)</b>	<b>(30%)</b>	
<b>EBITDA</b>								
UK	15.1	(5.0)	15.9	20.1	405%	(0.7)	(5%)	
ANZ	(0.3)	(5.7)	2.8	5.4	94%	(3.1)	(111%)	
Asia	(3.2)	(7.2)	6.9	4.0	56%	(10.1)	(146%)	
ME&T	5.5	(0.2)	6.8	5.6	3074%	(1.3)	(19%)	
Brazil	8.6	1.8	1.7	6.8	371%	6.9	398%	
Nigeria	(0.3)	(0.1)	1.7	(0.1)	(101%)	(2.0)	(115%)	
Europe	2.6	(3.3)	4.5	6.0	178%	(1.9)	(42%)	
Other Trading	2.8	2.1	1.8	0.7	35%	1.0	55%	
<b>Trading Total</b>	<b>30.9</b>	<b>(17.6)</b>	<b>42.1</b>	<b>48.5</b>	<b>275%</b>	<b>(11.3)</b>	<b>(27%)</b>	
Central Costs	(29.2)	(21.4)	(36.7)	(7.7)	(36%)	7.5	20%	
<b>EBITDA</b>	<b>1.7</b>	<b>(39.1)</b>	<b>5.5</b>	<b>40.8</b>	<b>104%</b>	<b>(3.8)</b>	<b>(69%)</b>	

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# New Travelex Group – 2022 Q2 Performance by Segment

## ▪ Retail & Outsourcing

- Revenue for the Retail & Outsourcing business totalled £81m in Q2, an improvement of 322% (£62m) compared to Q2 2021 levels and 68% of 2019 levels.
- The **UK, Europe**, and **ANZ** recovery reflected significant pent up demand towards the traditional peak summer trading
- The **Middle East** had a strong period of growth underpinned by Eid and **Brazil** benefitted from an appreciation in local currency and return of outbound tourism.
- **Asia** remained the slowest to recover due to restrictions in China, Hong Kong, while Japan re-opened with more conservative policies but also experienced higher volumes due to a weakening Yen.
- 2022 Q2 EBITDA of £21.2m was a £28.1m improvement against 2021 and a £15.6m increase against Q1 2022.

## ▪ Wholesale

- Wholesale revenue of £23.8m grew by £7.2m in Q2 compared to Q1 and exceeded 2019 levels by 49%.
- **Brazil Bank** has been the key driver with strong performances driven by the mass payment products and the facilitation of cross border payments.
- **UK & Nigeria** revenues remain below 2019 as transaction volumes recover from the impact of restructuring.
- **Asia** wholesale is more driven by international traffic compared to other wholesale businesses, and has therefore seen more limited recovery.

£m at 2022 Q1 Actual FX Rates	2022 Q2						
	2022 Actual	2021 Actual	2019 Actual	22 vs 21 Var	22 vs 21 %	22 vs 19 Var	22 vs 19 %
<b>Net Revenue</b>							
Retail & Outsourcing	81.3	19.3	118.8	62.0	322%	(37.5)	(32%)
Wholesale	23.8	11.0	15.9	12.8	116%	7.8	49%
Other Revenues	1.8	1.4	1.8	0.3	24%	(0.0)	(0%)
<b>Net Revenue</b>	<b>106.8</b>	<b>31.7</b>	<b>136.5</b>	<b>75.1</b>	<b>237%</b>	<b>(29.7)</b>	<b>(22%)</b>
<b>Underlying EBITDA</b>							
Retail & Outsourcing	21.2	(6.8)	29.2	28.1	410%	(7.9)	(27%)
Wholesale	5.9	0.4	3.5	5.5	1447%	2.4	67%
Other Trading	0.8	1.0	1.2	(0.2)	(20%)	(0.4)	(37%)
Total Geo Overheads	(3.5)	(3.0)	(4.2)	(0.5)	(15%)	0.8	18%
Central Costs	(16.0)	(10.1)	(18.9)	(5.9)	(58%)	2.9	16%
<b>Underlying EBITDA</b>	<b>8.4</b>	<b>(18.6)</b>	<b>10.7</b>	<b>27.0</b>	<b>145%</b>	<b>(2.3)</b>	<b>(22%)</b>

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(4) 2021 and 2019 Actuals are presented on an Actual 2022 FX basis to aid comparison.



# New Travelex Group – 2022 June YTD Performance by Segment

## ▪ Retail & Outsourcing

- Revenues on a YTD basis of £130.7m were £94.9m favourable to 2021 and were equivalent to 61% of 2019 levels.
- **ME&T** and **Brazil** have performed the strongest, with the former having World Expo in Q1 followed by Eid celebrations in Q2.
- **UK** and **Europe** have shown steady improvement following the impact of Omicron in Q1, whilst **ANZ's** recovery has been comparatively slower due to a delay in travel restrictions easing, particularly in New Zealand but both jurisdictions are now fully open.
- **Asia** has the lowest revenues due to tight restrictions in the China and Hong Kong markets.
- 2022 YTD EBITDA of £26.8m was a £40.5m improvement against 2021 and £15.1m below 2019 levels.

## ▪ Wholesale

- Wholesale revenue improved significantly with a £20.3m increase and £9.1m increase compared to 2019.
- **Brazil**, which contributed 77% of wholesale revenue for the Group, continued to deliver high revenues compared to 2021 and 2019, primarily through mass payments products.
- **UK, Nigeria** and **Asia** all remain below 2019 levels however have improved significantly on 2021 as economies have opened.
- EBITDA of £8.0m was £7.8m above the same period in 2021 and £1.2m higher than 2019.

£m at 2022 YTD Actual FX Rates	2022 YTD							
	2022 Actual	2021 Actual	2019 Actual	22 vs 21 Var	22 vs 21 %	22 vs 19 Var	22 vs 19 %	
<b>Net Revenue</b>								
Retail & Outsourcing	130.7	35.8	215.9	94.9	265%	(85.2)	(39%)	
Wholesale	40.3	20.0	31.2	20.3	102%	9.1	29%	
Other Revenues	4.5	3.0	3.1	1.6	54%	1.5	48%	
<b>Net Revenue</b>	<b>175.6</b>	<b>58.7</b>	<b>250.2</b>	<b>116.8</b>	<b>199%</b>	<b>(74.7)</b>	<b>(30%)</b>	
<b>EBITDA</b>								
Retail & Outsourcing	26.8	(13.6)	41.9	40.5	297%	(15.1)	(36%)	
Wholesale	8.0	0.3	6.8	7.8	3017%	1.2	18%	
Other Trading	2.8	2.1	1.8	0.7	35%	1.0	55%	
Total Geo Overheads	(6.8)	(6.3)	(8.4)	(0.5)	(8%)	1.6	19%	
Central Costs	(29.2)	(21.4)	(36.7)	(7.7)	(36%)	7.5	20%	
<b>EBITDA</b>	<b>1.7</b>	<b>(39.1)</b>	<b>5.5</b>	<b>40.8</b>	<b>104%</b>	<b>(3.8)</b>	<b>(69%)</b>	

(1) Revenues, costs, EBITDA and Capex are presented on a pro forma basis, incorporating the trading performance of 100% of all Travelex entities, including those entities where regulatory approval is still awaited to formally complete transfers. A reconciliation to the statutory profit and loss account is provided at page 10.

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

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

(4) 2021 and 2019 Actuals are presented on an Actual 2022 FX basis to aid comparison.

# New Travelex Group – Income Statement

- The Statutory Group only consolidates those entities where control has been transferred to the New Travelex Group as at 30<sup>th</sup> June 2022.
- No comparison to the 2021 Statutory Group results has been included as the entities consolidated for the respective periods are not consistent.
- For joint ventures where the Statutory Group does not have control, only the Travelex share of the net profit is recorded.
- Non underlying items consist of legal and professional services fees as well as other costs incurred in restructuring the New Travelex Group.
- Finance costs relate mainly to lease liabilities for buildings and interest payable on New Money Notes and New Travelex Group's term loan.
- The IFRS 16 adjustment represents the impact of the on-balance sheet recognition of the lease right-of-use asset and lease liability.

June 2022 YTD Income Statement						
£m	Bridging Items - Pro Forma to Statutory Group					
	Pro Forma Group	Entities not yet consolidated	IFRS 16 Adjs	Equity Accounted JVs	Other Stat Adj	Statutory Group
Net Revenue	175.6	(3.8)	-	(5.7)	(38.6)	127.5
Cost of sales	(93.3)	2.3	19.3	2.6	15.7	(53.4)
Gross profit	82.2	(1.5)	19.3	(3.0)	(22.9)	74.1
Net operating expense	(86.5)	0.8	-	0.9	47.3	(37.5)
<b>Analysed as:</b>						
Underlying net operating expense	(80.6)	0.8	-	0.9	19.7	(59.1)
Net gain on acquisitions and disposals	-	-	-	-	27.0	27.0
Non underlying adjustments	(5.9)	-	-	-	0.6	(5.3)
Net operating expense	(86.5)	0.8	-	0.9	47.3	(37.5)
<b>EBITDA</b>	<b>(4.3)</b>	<b>(0.7)</b>	<b>19.3</b>	<b>(2.1)</b>	<b>24.4</b>	<b>36.6</b>
<b>Analysed as:</b>						
<b>Underlying EBITDA</b>	<b>1.7</b>	<b>(0.7)</b>	<b>19.3</b>	<b>(2.1)</b>	<b>(3.2)</b>	<b>15.0</b>
Net gain on acquisitions and disposals	-	-	-	-	27.0	27.0
Non underlying adjustments	(5.9)	-	-	-	0.6	(5.3)
EBITDA	(4.3)	(0.7)	19.3	(2.1)	24.4	36.6
Depreciation & Amortisation	(6.8)	0.0	(13.0)	0.2	(3.2)	(22.8)
<b>Operating profit</b>	<b>(11.1)</b>	<b>(0.7)</b>	<b>6.3</b>	<b>(1.9)</b>	<b>21.2</b>	<b>13.9</b>
Net Finance Costs	(17.4)	0.0	(6.0)	(0.0)	0.5	(23.0)
Share of profit in equity accounted investments	-	-	-	1.1	-	1.1
<b>Loss before tax</b>	<b>(28.4)</b>	<b>(0.7)</b>	<b>0.3</b>	<b>(0.9)</b>	<b>21.7</b>	<b>(8.0)</b>
Tax credit (charge)	(3.1)	-	-	0.1	1.2	(1.7)
<b>Loss for the period from continued operations</b>	<b>(31.5)</b>	<b>(0.7)</b>	<b>0.3</b>	<b>(0.7)</b>	<b>22.9</b>	<b>(9.7)</b>

(1) 2022 Actual performance is presented on an Actual 2022 FX basis.

(2) Entities not yet consolidated comprises of Germany.

(3) Finance costs include £1.6m of cash interest. The balance represents non cash PIK interest on the Group's Senior Guaranteed Secured Notes.

(4) EBITDA includes any non-underlying adjustments.

(5) Other Stat Adj includes income statement from pre-consolidation date for entities which have been transferred to the New Travelex Group during 2022

# New Travelex Group – Balance Sheet

- The balance sheet currently excludes any impact of customer contract intangibles or other acquisition accounting adjustments that may result from the 2022 acquisitions.
- Fixed Assets include the Travelex brand (£43.2m) and customer relationship intangibles (£51.1m), which have arisen from 2020 and 2021 acquisitions – included in ‘Other’. The remaining amount relates to acquired software assets and goodwill on FY22 acquisitions.
- The IFRS 16 adjustment is the on-balance sheet recognition of the lease right-of-use asset and lease liability, mainly for buildings.
- Trade and Other Creditors includes £33.6m of prepaid card floats.
- Provisions balances include bank guarantees, legal, redundancy and other local staff-related provisions.
- External funding include all New Money Notes issued since August 2020 and New Travelex Group’s term loan (£50m), including two tranches of £35m New Money Notes issued in January and April 2022.

Balance Sheet as at 30 June 2022						
£m	Bridging Items - Pro Forma to Statutory Group					Statutory Group
	Pro Forma Group	Entities not yet consolidated	IFRS16 adjs	Equity Accounted JVs	Other	
<b>Fixed Assets</b>	<b>55.1</b>	<b>(0.2)</b>	-	<b>(1.3)</b>	<b>101.6</b>	<b>155.2</b>
Right of use assets	-	-	89.8	-	-	89.8
Investments accounted for using the equity method	-	-	-	-	13.5	13.5
Deferred Tax Asset	18.7	-	-	-	(4.2)	14.5
<b>Debtors Due In More Than One Year</b>	<b>7.0</b>	<b>(0.1)</b>	-	<b>(0.0)</b>	<b>(0.0)</b>	<b>6.9</b>
<b>Non Current Assets</b>	<b>80.8</b>	<b>(0.3)</b>	<b>89.8</b>	<b>(1.3)</b>	<b>110.9</b>	<b>279.9</b>
Cash in tills and vaults	115.0	(0.9)	-	(5.8)	(0.0)	108.3
Cash at bank and in hand	121.2	(0.4)	-	(13.9)	-	106.9
Cash in transit	30.5	(0.5)	-	-	-	30.0
Money Market Deposits	28.2	-	-	-	(28.2)	-
Prepaid card float on deposit	31.2	-	-	-	-	31.2
Restricted funds	1.7	-	-	-	28.2	29.9
<b>Cash and cash equivalents</b>	<b>327.9</b>	<b>(1.8)</b>	-	<b>(19.7)</b>	-	<b>306.3</b>
<b>Trade &amp; Other Debtors</b>	<b>320.6</b>	<b>(1.2)</b>	-	<b>(1.2)</b>	<b>(13.2)</b>	<b>305.1</b>
<b>Current Assets</b>	<b>648.5</b>	<b>(3.0)</b>	-	<b>(20.9)</b>	<b>(13.2)</b>	<b>611.5</b>
<b>Total Assets</b>	<b>729.3</b>	<b>(3.3)</b>	<b>89.8</b>	<b>(22.2)</b>	<b>97.7</b>	<b>891.4</b>
<b>Trade &amp; Other Creditors</b>	<b>(515.3)</b>	<b>1.9</b>	-	<b>1.2</b>	<b>15.3</b>	<b>(496.9)</b>
Provisions	(10.2)	-	-	0.1	(3.9)	(13.9)
External Funding	(301.4)	-	-	-	(0.2)	(301.6)
Finance lease liabilities	-	-	(95.0)	-	-	(95.0)
<b>Total Liabilities</b>	<b>(826.9)</b>	<b>1.9</b>	<b>(95.0)</b>	<b>1.4</b>	<b>11.2</b>	<b>(907.4)</b>
<b>Net Assets (Liabilities)</b>	<b>(97.6)</b>	<b>(1.4)</b>	<b>(5.2)</b>	<b>(20.8)</b>	<b>109.0</b>	<b>(16.0)</b>

(1) Balances at 31 June 2022 are presented on an Actual 2022 FX basis.

(2) Entities not yet consolidated comprises of Germany.

# New Travelex Group – Cash Flow

- External financing represents New Money Notes issued in January 2022 of £35m and April 2022 of £35m.
- Free cash** represents free cash at bank which management considers is freely accessible. This excludes:
  - Cash in tills, vaults and in transit representing the New Travelex Group's inventory which is not freely available for liquidity purposes;
  - Cash balances from **Other Cash Entities** (Middle East & Turkey, Brazil, Nigeria, China, Malaysia and Thailand) as these cash balances do not form part of the Group's cash pooling arrangements and are effectively standalone;
  - Restricted cash and deposits** held in ring fenced bank accounts, where there are restrictions in withdrawal or usage, and prepaid debit card float balances.
- Movements in working capital and provisions relates predominately to normal trading flows of the bank business in Brazil which facilitates cross border payments and other trading flows caught over period end in the wider global business.

2022 Q2 - Cash Flow Statement						
£m	Pro Forma Group	Bridging Items - Pro Forma to Statutory Group				Statutory Group
		Entities not yet consolidated	IFRS16 Adjs	Equity Accounted JVs	Other Stat Adjs	
<b>Statutory EBITDA</b>	<b>(4.3)</b>	<b>(0.7)</b>	<b>19.3</b>	<b>(2.1)</b>	<b>24.4</b>	<b>36.6</b>
Movements in working capital and provisions	52.3	0.2	(0.7)	(0.4)	(53.1)	(1.8)
Tax paid	(3.6)	-	-	0.2	2.0	(1.5)
<b>Cash flows from operating activities</b>	<b>44.4</b>	<b>(0.5)</b>	<b>18.6</b>	<b>(2.3)</b>	<b>(26.8)</b>	<b>33.4</b>
Capital expenditure	(3.5)	0.0	-	0.1	1.1	(2.2)
<b>Cash flows from investing activities</b>	<b>(3.5)</b>	<b>0.0</b>	<b>0.3</b>	<b>0.1</b>	<b>94.2</b>	<b>91.2</b>
Interest paid	(1.8)	-	-	-	0.1	(1.6)
External financing	70.0	-	-	-	-	70.0
Capital element of finance lease payments	-	-	(18.6)	-	-	(18.6)
Dividends received/(paid)	(1.0)	-	-	2.5	0.0	1.5
<b>Cash flows from financing activities</b>	<b>67.2</b>	<b>-</b>	<b>(18.6)</b>	<b>2.5</b>	<b>0.2</b>	<b>51.3</b>
FX impact on cash and cash equivalents	7.1	-	-	-	-	7.1
<b>Cash inflow/(outflow)</b>	<b>115.2</b>	<b>(0.5)</b>	<b>0.3</b>	<b>0.3</b>	<b>67.6</b>	<b>183.0</b>
Opening cash and cash equivalents	212.7	(1.3)	-	(20.1)	(68.0)	123.4
<b>Cash and cash equivalents</b>	<b>327.9</b>	<b>(1.8)</b>	<b>0.3</b>	<b>(19.7)</b>	<b>(0.3)</b>	<b>306.3</b>
Excluding cash inventory balances:						
Cash in tills and vaults	(115.0)	0.9	-	5.8	-	(108.3)
Cash in transit	(30.5)	0.5	-	-	-	(30.0)
Money Market Deposits	(28.2)	-	-	-	28.2	-
Prepaid card float on deposit	(31.2)	-	-	-	-	(31.2)
Restricted funds	(1.7)	-	-	-	(28.2)	(29.9)
<b>Cash at bank and in hand</b>	<b>121.2</b>	<b>(0.4)</b>	<b>0.3</b>	<b>(13.9)</b>	<b>(0.3)</b>	<b>106.9</b>
Other Cash Entities	(75.5)					
Exclude restricted cash	(4.4)					
<b>Free cash</b>	<b>41.3</b>					

(1) Cash movements are presented on an Actual 2022 FX basis.

(2) Entities not yet consolidated comprises of Germany.

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

(4) Other Stat Adj includes cash flows and opening balances from pre-consolidation date for entities which have been transferred to the New Travelex Group during 2022.

## Statutory Group – Consolidation Start Dates

Legal Entity	Geo	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)	Brazil	01-May-22
Travelex N.V	Europe	01-Jun-22
Travelex Czech Republic as	Central & Shared	01-Jun-22
Travelex Retail Nigeria Limited	Nigeria	01-Jun-22
Travelex Nigeria Business Solutions Limited	Nigeria	01-Jun-22
Travelex Deutschland GmbH	Europe	TBD