Q4 2023 Results

Travelex International Group

8 February 2024

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Travelex International Group – Business Update

Commercial Developments

- In Europe, the Group has been selected as the winner of the Non-Schengen terminal at Munich Airport and will start operations in October 2025. With Munich added to existing operations in Germany, with Frankfurt, Berlin, Hamburg and Cologne, the Group has coverage of 90% of the relevant airport volumes in this key European market. A contract extension at Zurich Airport was also agreed with an additional 8 ATMs to be opened in 2024 over and above the existing operation.
- A new Hong Kong cash processing centre has opened in the quarter, bolstering Wholesale capability in the Asia region as this business focuses on its next stage of growth in 2024.
- With continued investment in card and online, Apple Pay can now be used as a payment method on the Travelex website to purchase cash, cards and make reloads. The Travelex travel money card ('TMC') can be used for general purchases in Google Wallet, with Apple wallet functionality being delivered in Q1 2024. The Group also successfully launched the upgraded TMC mobile app in New Zealand allowing cardholders to download the app, with access to features such as viewing recent transactions, card management functions, and easy reload options.
- International travel continued to rebound strongly in 2023, particularly in the Asia Pacific region, with further growth expected in 2024. Market outlook remains strong, with international travel set to overtake pre-Covid-19 levels by 2025 coupled with growth in the travel cash market, which is expected to rise as spend per visitor continues to increase.

Governance & Corporate

- The Group's audited accounts for the UK subsidiaries were signed in Q4, with unqualified opinions for the 2022 financials across the continuing subsidiaries.

Financial Outlook

- In the Q3 2023 Results, we reported that the year end result was expected to be in line with the lower end of the previous guidance of £60m to £70m. We are pleased to report that this market guidance has been met with the Group reporting £61.3m of underlying EBITDA for 2023, at constant exchange rates. The application of 2023 actual rates creates a translation impact of £2.4m to give overall actual EBITDA of £58.8m. The non-trading, translation impact, relates to currencies in markets in which the business operates that have devalued against Sterling in 2023.
- This represents a strong result for the Group, where underlying EBITDA growth has outstripped revenue growth year on year as the Group continued its recovery and returned to growth.
- Looking forward, the Group is expecting an underlying EBITDA of between £65m to £75m in 2024, representing strong growth on 2023 for the business. The new guidance leaves the Group in a good position to continue to grow and remain the most recognised, respected and reliable brand in international money for our customers and partners.

Travelex International Group – Q4 and Full Year 2023 Financial Highlights

- The Group generated revenues full year of £534.2m were £105.1m (24%) above 2022 and £135.7m in Q4 2023, £11.7m (9%) higher than 2022.
- The Group produced underlying EBITDA of £61.3m at constant exchange rates, with £38.2m (166%) growth on 2022. This represents a strong result for the Group as it continued its recovery in 2023, meeting the previous market guidance of £60 to £70m. At actual rates, underlying EBITDA in the quarter was £16.5m, £12.4m favourable to Q4 2022, while full year underlying EBITDA of £58.8m, was £35.8m higher than 2022.
- Continuing the trend from Q3, strong revenue and underlying EBITDA growth was evident across the Group in Q4 as the Retail businesses in the Asia Pacific continued to benefit from increased passenger numbers after the easing of restrictions in Japan, the Hong Kong market and China and progress in other regions where recovery was already well under way in 2023, particularly in the Middle East which has almost doubled its EBITDA result from an already strong 2022 performance.
- Costs of £119.2m in the quarter were £0.7m less than 2022 despite the 9% revenue growth, demonstrating focused investment in trading, staff and third-party costs to support revenue growth as well as rent aligned with trading volumes.
- Despite some regions still being on a recovery journey during the year, with passenger recovery at c.87% globally at the airports in which the Group operates, 2023 full year revenues of £534.2m were mostly aligned to 2019 levels (£541.1m), while underlying EBITDA of £58.8m was £22.5m favourable to 2019 (£36.4m) driven by savings on staff and variable trading costs.
- Full year capex of £18.4m was £7.9m greater than 2022 driven by investments in Retail stores and IT infrastructure.
- Free cash of £33.5m was £2.2m higher than 2022 even after additional cash being invested into tills and vaults as the business continues to capitalise on increased demand across the Retail and Wholesale networks.

	2023 Q4			
£m at 2023 Q4 Actual FX Rates	**2023**	**2022**	**2023 vs 2022**	**2023 vs 2022 %**
Net Revenue	135.7	124.0	11.7	9%
Costs	(119.2)	(119.9)	0.7	1%
Underlying EBITDA	16.5	4.1	12.4	301%
Capex	(7.1)	(4.1)	(3.0)	(74%)
Free Cash	33.5	31.3	2.2	7%

	2023 Full Year			
£m at 2023 Q4 Actual FX Rates	**2023**	**2022**	**2023 vs 2022**	**2023 vs 2022 %**
Net Revenue	534.2	429.1	105.1	24%
Costs	(475.4)	(406.1)	(69.3)	(17%)
Underlying EBITDA	58.8	23.0	35.8	156%
Capex	(18.4)	(10.5)	(7.9)	(76%)
Free Cash	33.5	31.3	2.2	7%
Net Revenue at CER	541.9	429.1	112.7	26%
Underlying EBITDA at CER	61.3	23.0	38.2	166%

(1) 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.
(2) Underlying EBITDA excludes any non-underlying adjustments.
(3) 2023 and 2022 Actuals are presented on an Actual FX basis for each respective year. CER or constant exchange rates presents results, including market guidance for 2023, on a constant currency basis at exchange rates set at the start of 2023.
(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 closures across the group
(5) Free Cash represents cash at bank of those Group entities whose cash balances are unrestricted and available for use.

Travelex International Group – 2023 Q4 Performance by Geography

The Group's revenues grew 9% on 2022 in Q4, reaching £135.7m. Asia, ANZ and ME&T demonstrated strong year on year growth, benefiting from increased passenger volumes in the quarter.

- **UK** revenues of £35.8m remained marginally below 2022 by £1.5m (4%) 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 £2.4m in the quarter. Excluding this impact underlying revenue growth of £0.9m in the UK is evident. EBITDA was (£2.8m) adverse to 2022 on the loss of these airports, but in addition there was the additional costs of investment in staff to support trading, combined with higher rent linked to revenues.
- **ANZ** revenues were £2.3m (17%) favourable to 2022 predominantly across the Retail network, driven by the relaxation of border restrictions in New Zealand and increased flight operations compared to 2022. Underlying EBITDA was £0.1m (3%) favourable, aligned with revenue recovery, once allowing for one-off items in Q4 2022.
- **Asia** continued to show strong growth throughout Q4 as revenues of £16.9m were £7.0m (71%) greater than 2022. Growth was primarily driven by Retail where market share capture and the weakened Yen in Japan boosted transactions and in China and the Hong Kong market, where the borders had remained closed in 2022. Underlying EBITDA was £2.8m (580%) favourable on 2022.
- **Middle East & Turkey** revenues of £25.3m represented a £3.1m (14%) increase from 2022 with the UAE benefitting from increased tourism and transit passengers has resulted in £2.6m additional revenue against 2022. EBITDA was £3.2m (96%) favourable in the quarter.
- **Brazil** revenues were £4.0m (15%) 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 £5.4m, £0.6m higher than 2022 as the business focused on cost containment in the quarter.
- **Europe** revenue of £13.9m was £1.0m (8%) higher than 2022 with Netherlands and Germany benefitting from higher passengers. EBITDA was mostly flat with 2022 with additional costs of investment in staff to support trading, combined with higher rent linked to revenues.
- **Central Costs** was £7.4m lower than 2022, with the benefit of £2.0m in one-off revenues, £4.0m related to timing of recharging in the quarter and reclass of Central Costs aligned with the Group's accounting policy and a £1.2m release of provisions no longer required for the year end.

	2023 Q4			
£m at 2023 Q4 Actual FX Rates	2023	2022	2023 vs 2022	2023 vs 2022 %
Net Revenue				
UK	35.8	37.4	(1.5)	(4%)
ANZ	16.1	13.8	2.3	17%
Asia	16.9	9.9	7.0	71%
ME&T	25.3	22.2	3.1	14%
Brazil	23.0	27.0	(4.0)	(15%)
Europe	13.9	12.9	1.0	8%
Other Trading	2.4	0.9	1.5	159%
Trading Total	**133.5**	**124.1**	**9.4**	**8%**
Central Costs	**2.2**	**(0.1)**	**2.3**	**2020%**
Net Revenue	**135.7**	**124.0**	**11.7**	**9%**
Underlying EBITDA				
UK	3.3	6.1	(2.8)	(46%)
ANZ	2.6	2.5	0.1	3%
Asia	3.3	0.5	2.8	580%
ME&T	6.4	3.3	3.2	96%
Brazil	5.4	4.9	0.6	12%
Europe	1.8	1.9	(0.1)	(7%)
Other Trading	1.2	(0.1)	1.3	1044%
Trading Total	**24.1**	**19.1**	**5.0**	**26%**
Central Costs	**(7.6)**	**(15.0)**	**7.4**	**49%**
Underlying EBITDA	**16.5**	**4.1**	**12.4**	**301%**

(1) 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.
(2) Underlying EBITDA excludes any non-underlying adjustments.
(3) 2023 and 2022 Actuals are presented on an Actual FX basis for each respective year. CER or constant exchange rates presents results, including market guidance for 2023, on a constant currency basis at exchange rates set at the start of 2023.
(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 closures across the group
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Travelex International Group – 2023 Full Year Performance by Geography

The Group's revenues of £534.2m was £105.1m greater than 2022 representing 24% growth on 2022 with all regions growing except Brazil, with the most significant growth coming in Asia, ANZ and the Middle East.

- **UK** revenues of £162.4m were £17.2m (12%) greater than 2022, despite the loss of Stansted and East Midlands Airport. Excluding this impact, underlying revenue growth of £26.5m (19%) in the UK is evident. Retail continued to strengthen throughout 2023 with Heathrow Airport passenger numbers almost at 2019 levels by the end of the year, along with other key airports driving £3.9m growth. ASDA benefitted from the re-opening of closed stores whilst Wholesale saw upside from increased trading across Africa. EBITDA was £3.7m lower than 2022 driven by the loss of Stansted and East Midlands, and investment in staff to support store operations along with increased rent and trading costs linked to revenue.
- **ANZ** revenues were £27.1m (71%) ahead of 2022 with significant growth coming from the Australian and New Zealand Retail businesses. Underlying EBITDA of £15.5m was £9.4m (154%) favourable to 2022.
- **Asia** revenues of £58.6m were £34.1m (139%) 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 £17.5m (606%) against 2022 with revenue upside and reintroduction of costs linked to revenues.
- **Middle East & Turkey** revenues were £22.3m (32%) favourable to 2022. Improved performance is largely in the 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 £9.0m (69%) favourable to 2022.
- **Brazil** revenue of £87.0m was £9.9m (10%) 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 £18.1m was only £1.0m below 2022 with revenue offset by variable trading costs and lower staff costs.
- **Europe** revenues of £58.8m were £10.2m (21%) higher than 2022 driven by higher transactions and passengers in Germany and Netherlands, whilst in H2 2022, Schiphol Airport has been restricted by passenger caps. Against 2022, EBITDA of £9.6m was £0.6m higher with higher revenues offset by investment in staff to support the revenue growth.
- **Central Costs** were £3.9m less than 2022 driven by the benefit of £2.0m in one-off revenues in Q4 2023, and by a non-cash accounting reclass to non-underlying, aligned with the Group's accounting policy.

	2023 Full Year			
£m at 2023 Q1 Actual FX Rates	**2023**	**2022**	**2023 vs 2022**	**2023 vs 2022 %**
Net Revenue				
UK	162.4	145.2	17.2	12%
ANZ	65.3	38.2	27.1	71%
Asia	58.6	24.6	34.1	139%
ME&T	91.2	68.9	22.3	32%
Brazil	87.0	96.9	(9.9)	(10%)
Europe	58.8	48.6	10.2	21%
Other Trading	8.0	6.7	1.3	19%
Trading Total	**531.4**	**429.1**	**102.3**	**24%**
Central Costs	**2.9**	**0.0**	**2.8**	**7643%**
Net Revenue	**534.2**	**429.1**	**105.1**	**24%**
Underlying EBITDA				
UK	30.7	34.3	(3.7)	(11%)
ANZ	15.5	6.1	9.4	154%
Asia	14.6	(2.9)	17.5	606%
ME&T	22.1	13.1	9.0	69%
Brazil	18.1	19.0	(1.0)	(5%)
Europe	9.6	9.0	0.6	7%
Other Trading	3.6	3.6	0.0	0%
Trading Total	**114.2**	**82.2**	**32.0**	**39%**
Central Costs	**(55.3)**	**(59.2)**	**3.9**	**7%**
Underlying EBITDA	**58.8**	**23.0**	**35.8**	**156%**

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Travelex International Group – 2023 Q4 Performance by Segment

- **Retail & Outsourcing**
  - **Retail & Outsourcing** revenues totalled £107.2m in Q4 2023, representing a £12.5m (13%) growth on 2022 whilst EBITDA of £22.7m was £5.0m (28%) favourable to 2022.
  - **ANZ** revenues were £2.2m 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 £0.9m adverse and £1.0m favourable to 2022 respectively. Both UK Retail and Netherlands airports saw passenger recovery continue across the period with investment in staff and reopening of stores in the ASDA network softening the £2.4m revenue loss from Stansted and East Midlands Airports in the UK.
  - **Asia** revenues of £13.0m in Q4 saw an increase of £6.5m (102%) 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 £2.2m better than 2022, especially in UAE where higher tourism and transit passengers led to more transactions.
- **Wholesale**
  - **Wholesale** revenues of £23.8m in Q4 were £3.8m (14%) adverse to 2022 with EBITDA of £6.7m, £0.1m favourable to 2022 as shortfall in the Brazil business was offset by growth in all other regions.
  - **UK & Africa** revenues were £0.7m lower than 2022, impacted by an accounting reclassification of revenues, however, excluding this, revenue was mostly aligned to Q4 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 Q4 revenues mostly aligned to Q3.
  - **Brazil** revenue was £5.2m below 2022 resulting from lower demand for payment products as changes in local macro-economic conditions and FX deregulation have impacted margins despite increased volumes.

	2023 Q4			
£m at 2023 Q4 Actual FX Rates	**2023**	**2022**	**2023 vs 2022**	**2023 vs 2022 %**
Net Revenue				
Retail & Outsourcing	107.2	94.7	12.5	13%
Wholesale	23.8	27.7	(3.8)	(14%)
Other Trading	4.6	1.6	3.0	191%
Net Revenue	**135.7**	**124.0**	**11.7**	**9%**
Underlying EBITDA				
Retail & Outsourcing	22.7	17.8	5.0	28%
Wholesale	6.7	6.6	0.1	2%
Other Trading	1.2	(0.1)	1.3	1044%
Total Geo Overheads	(6.6)	(5.3)	(1.3)	(25%)
Central Costs	(7.6)	(14.9)	7.3	49%
Underlying EBITDA	**16.5**	**4.1**	**12.4**	**301%**

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(3) 2023 and 2022 Actuals are presented on an Actual FX basis for each respective year. CER or constant exchange rates presents results, including market guidance for 2023, on a constant currency basis at exchange rates set at the start of 2023.
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Travelex International Group – 2023 Full Year Performance by Segment

- **Retail & Outsourcing**
  - **Retail & Outsourcing** revenues totalled £430.5m representing a £105.5m (32%) growth on 2022 whilst EBITDA of £103.4m was £31.7m (44%) ahead of 2022.
  - **ANZ** revenues were £27.4m higher than 2022 driven by the continued growth in transactions across all business segments in both Australia and New Zealand.
  - **UK** revenues were £16.1m 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 £3.2m below 2022 on the loss of the two airports, and investment in staff and third-party costs.
  - **Asia** revenues were £29.4m greater than 2022 as market conditions continued to strengthen throughout the year after the relaxation of border restrictions in late 2022, particularly impacting Japan, China and the Hong Kong market and some new airport contract wins in China.
  - **Middle East & Turkey** continued its growth from 2022 as revenues are £19.3m above 2022, underpinned by passenger growth and investment in the store network across the region.
- **Wholesale**
  - Wholesale revenues of £92.8m were 4% (£3.4m) below 2022, whilst EBITDA of £28.3m was £5.0m (21%) favourable to 2022 as shortfall in the Brazil Bank was offset by growth in all other regions.
  - **UK & Africa** revenue outperformed 2022 by £1.1m, aided by higher trading volumes across Africa.
  - **Asia** Wholesale revenues were £5.4m ahead of 2022, following the opening of borders in the early stages of 2023.
  - **ME&T** Wholesale revenues continued to strengthen in its first year of trading, reaching £3.0m for 2023.
  - **Brazil** revenue was £13.0m lower than 2022 performance but is offset by savings in variable trading costs resulting in a lower underlying EBITDA of £2.4m to 2022.

	2023 Full Year			
£m at 2023 Actual FX Rates	**2023**	**2022**	**2023 vs 2022**	**2023 vs 2022 %**
Net Revenue				
Retail & Outsourcing	430.5	325.0	105.5	32%
Wholesale	92.8	96.3	(3.4)	(4%)
Other Trading	10.9	7.9	3.0	38%
Net Revenue	**534.2**	**429.1**	**105.1**	**24%**
Underlying EBITDA				
Retail & Outsourcing	103.4	71.7	31.7	44%
Wholesale	28.3	23.3	5.0	21%
Other Trading	3.6	3.6	0.0	0%
Total Geo Overheads	(21.0)	(16.4)	(4.6)	(28%)
Central Costs	(55.3)	(59.1)	3.8	6%
Underlying EBITDA	**58.8**	**23.0**	**35.8**	**156%**

(1) *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.*
(2) *Underlying EBITDA excludes any non-underlying adjustments.*
(3) *2023 and 2022 Actuals are presented on an Actual FX basis for each respective year. CER or constant exchange rates presents results, including market guidance for 2023, on a constant currency basis at exchange rates set at the start of 2023.*
(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 closures across the group*
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Travelex International Group – Income Statement

- The Pro Forma Group (as defined on page 12) 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:
  - <u>IFRS 16:</u> Application of the IFRS16 accounting standard on the large portfolio of operational leases across the Group.
  - <u>Equity Accounted JVs:</u> Relates to the consolidation of results for the Qatar and Thailand JVs where the Pro Forma Group demonstrates 100%.
  - <u>Intangible Assets:</u> Amortisation charge of one-off intangible assets recorded as part of acquisition of legacy entities since the Group's restructure in 2020.
  - <u>Other Stat Adjustments:</u> £2.7m on the acquisition of the final legacy entity in February 2023 and other statutory adjustments.
- Of the £58.8m of underlying EBITDA in the Pro Forma Group to December 2023, a £6.2m 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 interest on NMNs (using EIR), the interest charge on the previous £50m term loan, new £90m term loan from late September, and swap losses as well as FX gains/(losses) on intercompany loans.

December 2023 FY 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	31 Dec 2022 Statutory Group
Net Revenue	534.2	-	(15.9)		0.0	518.3	368.5
Cost of sales	(283.1)	45.2	7.1		0.0	(230.8)	(160.1)
Gross profit	251.1	45.2	(8.8)		0.0	287.5	208.4
Net operating expense	(205.9)	-	2.6		3.5	(198.0)	(96.0)
Analysed as:							
Underlying net operating expense	(192.3)	-	2.6		0.9	(188.8)	(151.3)
Net gain on acquisitions and disposals	(0.8)	-	-		2.7	2.7	59.7
Non underlying adjustments	(12.8)	-	-		-	(11.9)	(4.3)
Net operating expense	(205.9)	-	2.6		3.5	(198.0)	(96.0)
EBITDA	45.2	45.2	(6.2)		3.5	89.4	112.5
						-	
Analysed as:							
Underlying EBITDA	58.8	45.2	(6.2)		0.9	98.7	57.1
Net gain on acquisitions and disposals	(0.8)	-	-		2.7	2.7	59.7
Non underlying adjustments	(12.8)	-	-		-	(11.9)	(4.3)
EBITDA	45.2	45.2	(6.2)		3.5	89.4	112.5
Depreciation & Amortisation	(12.3)	(36.4)	0.4	(11.7)	-	(60.1)	(55.1)
Operating profit (loss)	32.9	8.8	(5.9)	(11.7)	3.5	29.4	57.4
						-	-
Net Finance Costs	(66.9)	(19.338)	(0.2)		0.1	(86.4)	(58.6)
Share of profit in equity accounted investments	-	-	3.4		-	3.4	2.6
Loss before tax	(34.0)	(10.5)	(2.8)	(11.7)	3.6	(53.7)	1.4
Tax credit (charge)	(3.8)	-	0.5	-	0.0	(3.3)	5.6
Profit/(Loss) for the period from continued operations	**(37.8)**	**(10.5)**	**(2.2)**	**(11.7)**	**3.6**	**(56.9)**	**7.0**

(1) *2023 and 2022 Actuals are presented on an Actual FX basis for each respective year.*
(2) *The 2023 results remain are with the Group's financial year end close process underway at time of publishing, the 2022 results presented are the audited statutory results for 2022.*
(3) *The Pro Forma Group incorporates the trading performance of 100% of all Group entities.*
(4) *Other Stat Adjustments include any other statutory adjustments under IFRS as the Group consolidates to its statutory numbers*
(5) *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:
  - <u>IFRS 16:</u> application of the IFRS16 accounting standard on the large portfolio of operational leases across the Group.
  - <u>Equity Accounted JVs:</u> relate to Qatar and Thailand JVs where the Pro Forma Group demonstrates on a 100% ownership basis.
  - <u>Intangible Assets:</u> Intangible assets recorded as part of acquisition of legacy entities since the Group's restructure in 2020, including £81.4m relating to customer relationships and brand on the 2020 and 2021 acquisitions and £46.5m relating to the 2022 acquisitions, predominately Brazil and The Netherlands.
  - <u>DTA and Other Tax:</u> Deferred Tax Asset of £12.7m and other adjustments (£0.2m) related to closure of the 2022 year end.
  - <u>Other:</u> Other statutory accounting adjustments

Balance Sheet as at 31 December 2023		Bridging Items - Pro Forma to Statutory Group						
£m	Pro Forma Group	IFRS16 adjs	Equity Accounted JVs	Intangible Assets	DTA and Other Tax Adjs	Other	Statutory Group	31 Dec 2022 Statutory Group
Fixed Assets	35.3	-	(0.9)	134.3	-	-	168.7	174.4
Right of use assets	0.1	119.8	-	-	-	-	119.9	130.3
Investments accounted for using the equity method	-	-	15.2	-	-	-	15.2	13.9
Other Investments	21.8	-	-	-	-	-	21.8	-
Deferred Tax Asset	32.8	-	-	-	(11.3)	-	21.5	21.5
Debtors Due In More Than One Year	6.0	-	(0.0)	-	-	-	6.0	5.7
Non Current Assets	96.1	119.8	14.3	134.3	(11.3)	-	353.1	345.9
Cash in tills and vaults	144.1	-	(10.8)	-	-	-	133.4	112.9
Cash at bank and in hand	103.0	-	(13.3)	-	-	-	89.7	100.4
Cash in transit	24.8	-	-	-	-	-	24.8	14.2
Money Market Deposits	-	-	-	-	-	-	-	29.0
Prepaid card float on deposit	26.2	-	-	-	-	-	26.2	22.9
Restricted funds	27.2	-	-	-	-	(0.0)	27.2	0.0
Cash and cash equivalents	325.3	-	(24.1)	-	-	(0.0)	301.2	279.5
Debt instruments at FVTPL	-	-	-	-	-	-	-	18.4
Trade & Other Debtors	104.9	-	(2.6)	-	(5.3)	(0.2)	96.8	69.9
Other Deposits	-	-	-	-	-	-	-	-
Current Assets	430.2	-	(26.7)	-	(5.3)	(0.2)	398.0	367.8
Total Assets	526.3	119.8	(12.5)	134.3	(16.5)	(0.2)	751.1	713.7
Trade & Other Creditors	(257.9)	-	4.0	-	4.1	(0.3)	(250.1)	(239.1)
Provisions	(8.7)	-	0.1	-	-	(1.0)	(9.6)	(13.6)
External Funding	(410.7)	-	-	-	-	(0.0)	(410.7)	(321.3)
Finance lease liabilities	(0.1)	(144.4)	-	-	-	-	(144.4)	(144.7)
Total Liabilities	(677.3)	(144.4)	4.1	-	4.1	(1.3)	(814.8)	(718.7)
Net Assets (Liabilities)	(151.0)	(24.6)	(8.4)	134.3	(12.5)	(1.5)	(63.7)	(5.0)

- 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:
  - In 2022, the Group applied the netting principles of IFRS 9 across all the open FX trades at the year end and reported net derivative assets and liabilities. Whilst this treatment is appropriate for the majority of the Group's FX deals because ISDA agreements are in place, in Brazil, these arrangements do not exist, and the Group is obliged to apply the regular way accounting principles to its spot deals.
  - At 31 December 2023, the Group is reporting trade debtors of £20.9m for spot contract assets and £20.9m for spot contract liabilities. The net result on current and prior results presentations remains the same as reported.

(1) 2023 and 2022 Actuals are presented on an Actual FX basis for each respective year.
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(4) 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 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 Group.
- Movements in working capital and provisions relates to normal trading flows caught over period end across the global business.

December 2023 YTD - Cash Flow Statement						
		Bridging Items - Pro Forma to Statutory Group				
£m	Pro Forma Group	IFRS16 Adjs	Equity Accounted JVs	Other Stat Adjs	Statutory Group	31 Dec 2022 Statutory Group
Underlying EBITDA	**58.8**	**45.2**	**(6.2)**	**0.9**	**98.7**	**57.1**
Non underlying items	(11.9)	-	-	2.7	(9.3)	55.4
EBITDA	**46.9**	**45.2**	**(6.2)**	**3.5**	**89.4**	**112.5**
Movements in working capital and provisions	(38.0)	-	4.8	(4.9)	(38.1)	(58.5)
Tax paid	(5.5)	-	0.4	0.1	(5.0)	(6.5)
Cash flows from operating activities	**3.4**	**45.2**	**(1.1)**	**(1.2)**	**46.3**	**47.5**
Interest received	-	-	-	-	-	0.2
Acqusition of subsidiaries	-	-	-	2.2	2.2	96.6
Capital expenditure	(18.4)	-	0.1	-	(18.3)	(9.2)
Cash flows from investing activities	**(18.4)**	**-**	**0.1**	**2.2**	**(16.1)**	**87.6**
Interest paid	(6.2)	-	-	(0.8)	(7.0)	(3.6)
External financing	42.6	-	-	-	42.6	69.6
Capital element of finance lease payments	-	(45.2)		-	(45.2)	(42.3)
Dividends received/(paid)	(2.7)	-	3.9	(0.1)	1.1	1.5
Cash flows from financing activities	**33.7**	**(45.2)**	**3.9**	**(1.0)**	**(8.5)**	**25.2**
FX impact on cash and cash equivalents	-	-	-	-	-	-
Cash inflow/(outflow)	**18.7**	**-**	**2.9**	**(0.0)**	**21.7**	**160.3**
Opening cash and cash equivalents	306.6	-	(27.1)	-	279.5	119.2
Cash and cash equivalents	**325.3**	**-**	**(24.1)**	**(0.0)**	**301.2**	**279.5**
Cash in tills and vaults	(144.1)	-	10.8	-	(133.4)	(112.9)
Cash in transit	(24.8)	-	-	-	(24.8)	(14.2)
Money Market Deposits	-		-	-	-	(29.0)
Prepaid card float on deposit	(26.2)	-	-	-	(26.2)	(22.9)
Restricted funds	(27.2)	-	-	-	(27.2)	(0.0)
Cash at bank and in hand	**103.0**	**-**	**(13.3)**	**(0.0)**	**89.7**	**100.4**

Other Cash Entities	(62.5)
Exclude restricted cash	(7.1)
Free cash	**33.5**

(1) *2023 and 2022 Actuals are presented on an Actual FX basis for each respective year.*
(2) *The 2023 results are unaudited with the Group's financial year end close process underway at time of publishing, the 2022 results presented are the audited statutory results for 2022.*
(3) *The Pro Forma Group incorporates the trading performance of 100% of all Group entities.*
(4) *Other Stat Adjustments include any other statutory adjustments under IFRS as the Group consolidates to its statutory numbers*
(5) *Free Cash represents cash at bank of those Group entities whose cash balances are unrestricted and available for use.*
(6) *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 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 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