

FairFX Group plc

("FairFX" or "the Group" or "the Company")

Trading Statement

Strong growth continues across the business

FairFX, the low cost multi currency payments service, is pleased to provide the market with a trading update for the six-month period ended 30th June 2016.

Following the Operational Update issued on 25 May 2016, FairFX has continued its strong growth across its core products of currency cards and international payments for retail and corporate customers.

Turnover for the first half of 2016 was up 9% on a year on year basis to in excess of £341 million, ahead of management expectations. A more profitable business mix led to an improved gross margin, with total turnover from prepaid cards and international payments up 15% and 23% respectively. Usage of the Company's corporate card platform rose 64% on a year on year basis. This sustained growth in the period was followed by a record week for the Company during the Brexit referendum period, in which FairFX continued to service customers whilst competitors temporarily closed some operations.

On the retail card and travel money side of the business, the complete overhaul of the website and mobile app, as well as a re-branding of all marketing collateral, has reaped rewards in terms of both new customer acquisition and increased transactions from the existing client base. In particular, the roll-out of a revamped "my account" section on the website has decreased usage friction whilst increasing cross-selling to existing customers. The Company has also successfully introduced a special promotion of refunding ATM fees to customers. This measure, combined with better-targeted marketing and brand consistency, is driving customer acquisition. The Company has also seen a significant increase in its media coverage where it has been called upon for expert comment on the travel money sector. This has led to greater awareness of the brand and our service offering, as well as third party endorsement.

Growth in the corporate card segment leapt 64% during the period. With several deployments planned for the second half of 2016 that will yield tangible improvements to both the functionality and usability of the platform, the outlook is very positive.

The period leading up to Brexit and its aftermath was the busiest in the Company's history in terms of volumes of business transacted. Whilst many competitors ceased accepting transactions for some or all of this period, FairFX remained fully operational throughout. This serves to demonstrate the robustness and scalability of the Company's systems.

Post-referendum, after an initial pause, we have seen strong volumes in July as consumers adapt to the lower Sterling exchange rates.

FairFX CEO, Ian Strafford-Taylor, commented:

"The positive momentum has continued since our last update in terms of all our KPI's ranging from new customers, loading and spending on retail cards and impressive growth in the corporate card business. FairFX is well positioned to continue its strong growth and we look forward to updating the market on further progress when we announce our interim results."

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About FairFX

FairFX is a leading international payment services provider, incorporated in the UK in 2005. The Company has developed a cloud-based peer-to-peer payments platform that enables personal and business customers to make easy, low-cost multi-currency payments in a broad range of currencies and across a range of FX products all via one integrated system. The FairFX platform facilitates payments either direct to Bank Accounts or at 30 million merchants and over 1 million ATM's in a broad range of countries globally via Mobile apps, the Internet, SMS, wire transfer and MasterCard/VISA debit cards.

FairFX operates within the rapidly growing online multi-currency payments market and provides transactional services to both personal and business customers through four channels being Currency Cards, Physical Currency, FairPay and Dealing. The Currency Card and Physical Currency offerings facilitate multiple overseas payments at points of sale and ATM's whereas the FairPay and Dealing products support wire transfer foreign exchange transactions direct to Bank Accounts.

For Corporates, FairFX has a market-leading business-expenses solution based around its corporate prepaid card allied to a platform allowing the Corporate to better control expenses and improve transparency whilst removing administrative burdens from staff.

In addition, FairFX has entered into a number of "white-label" arrangements for the use of its P2P matching platform. Customers include easyjet, ThinkMoney and Pitney Bowes. FairFX has also partnered with Concur Technologies, Inc. a leading provider of integrated travel and expense management solutions with over 25 million users globally. Such relationships provide strong support for FairFX's customer acquisition strategy.

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