

Findi Market Update, White-Label Strategy & 1H FY25 Results

29 November 2024

ASX: FND

FINDI
GROUP



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BUSINESS OVERVIEW

Findi is an ASX-listed fintech that provides customised, flexible, and scalable payment services for one of the world's largest developing markets, driving India's digital banking revolution. Findi aims to increase the breadth of its services and become a leading transaction banking services provider...

WHAT WE DO



ATM Solutions

Deployment & Management



FindiPay

Dynamic Payments & Digital Banking

LARGE MARKET OPPORTUNITY



1.4+ billion

estimated India population at June 2024¹



~350 million

unbanked people in India (25% of the adult population³)



INR ~36 trillion

of currency in circulation (\$651bn) as of July 2024²



~12% cash

payments as a percentage of GDP in 2024^{2,4}



~15% CAGR

currency in circulation growth from 2017-24³



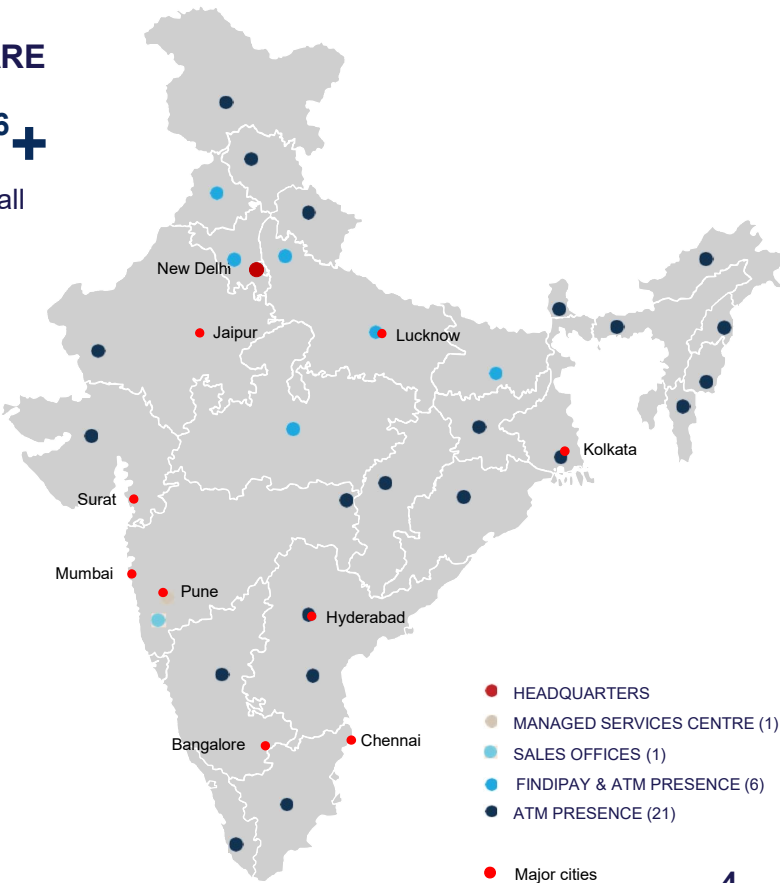
INR 518 trillion

forecast size of India's digital payments market (\$9.4tn) by FY27⁵

WHERE WE ARE

53,000⁶⁺

locations across all Indian States & Territories as of August 2024

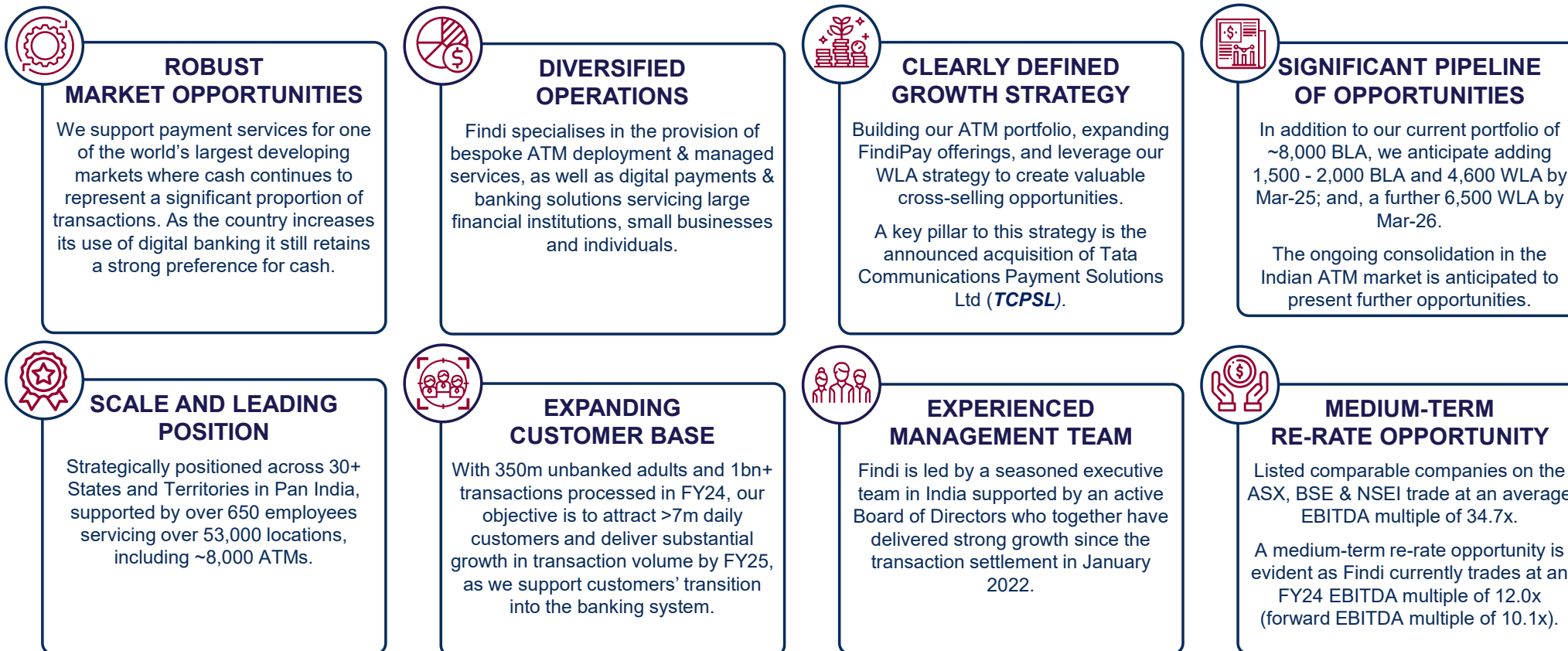


1) United Nations
2) Reserve Bank of India (RBI)
3) The Economic Times

4) Forbes India
5) PwC India
6) Retail merchant network of 45,000 and ATM network of 8,000.

INVESTMENT THEMES

Findi possesses several compelling investment fundamentals that can be leveraged to drive sustainable & cash flow accretive earnings. Key drivers include growing our ATM portfolio, as well as strategic expansion & innovation within the White Label ATM (**WLA**), digital payments & banking markets...

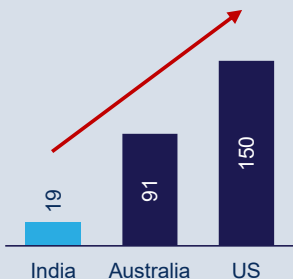


ROBUST MARKET OPPORTUNITY

In a deep Indian market, fuelled by a growing population, a vast group of unbanked individuals, the substantial circulation of cash, and a prevalent preference for cash transactions, Findi is well-positioned to both assist India in achieving its National Mission for Financial Inclusion (**NMFI**) objective & transition towards digital payment methods...

A significant opportunity remains in the Indian ATM market as the number of ATMs per capita is more than 4.5x less than Australia and the US.

ATMs per 100k people⁶

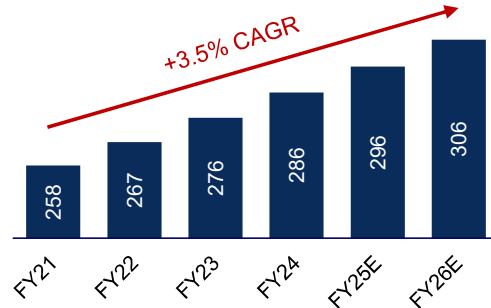


1.4bn+

the world's most populous country¹
(25% of adults remain unbanked)³

~19 ATMs per 100,000 people in India
(incl. WLA) (vs. 91 in Australia and 150 in the US)⁶

Number of ATMs in India (k)⁷

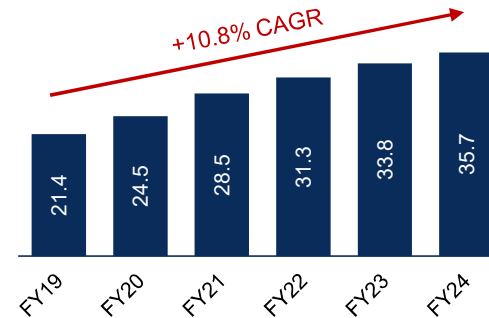


~12%

cash payments as a percentage of GDP in 2024^{2,4}

INR **35.7tn** of currency in circulation
as of July 2024² (~6.5% increase on pc)⁵

INR of currency in circulation (tn)²

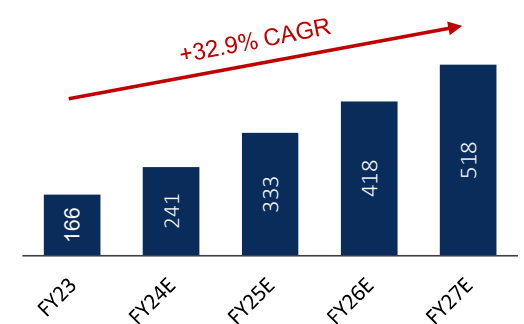


90%

of e-commerce transactions in rural areas are settled in cash⁸

518tn projected digital payments market size by FY27 (4YR CAGR: 32.9%)⁵

Value of digital payments market (tn)⁵



1) United Nations
2) RBI
3) The Economic Times

4) Forbes India
5) PwC India
6) Statista

7) ReportLinker
8) Management estimate

DIVERSIFIED OPERATIONS

Findi specialises in bespoke ATM deployment & managed services, and digital payments & banking solutions. Our comprehensive offering caters for large financial institutions, small businesses, and individuals seeking fast & secure cash access and digital transactions...

Findi's traditional ATM Solutions division has market leading efficiency, catering to Indian's current preference for cash transactions. This provides substantial cash flow to fund FindiPay's (digital platform) development.

The WLA strategy aims to leverage the NMF1 objective, de-risking the business model and creating valuable cross-selling opportunities for FindiPay.

Through its comprehensive offerings, FindiPay is well-placed to play a pivotal role in India's transition into digital banking over the next 5-10 years, further driving financial inclusivity and reshaping the financial landscape.

ATM SOLUTIONS (ATMs)



Operates in a deep & robust market in India:

- population surpassed 1.4 billion in 2023, with 25% of adults currently 'unbanked'; and
- a strong preference for cash transactions.



The business unit offers:

- ATM deployment & management to large financial institutions; and
- back-end services to WLA providers.



ATMS generates positive cash flows:

- strategic growth initiatives fully funded; and
- fuel growth of FindiPay, our digital payments & banking solutions business.

FINDIPAY



Fast growing digital payments & banking solutions:

- supporting India's transition towards financial inclusivity; and
- capitalising on the growth and shift towards digital payments over the next 5-10 years.



We offer a range of innovative technology-driven solutions designed to:

- facilitate fast & secure digital transactions; and
- re-define the way people in India view the financial services sector.



FindiPay is projected to experience rapid top-line growth as a result of our strategic growth initiatives, merchant acquisition strategy and robust market dynamics.

SIGNIFICANT MARKET EXPANSION OPPORTUNITY

Findi is on a pathway to offering a full-service finance hub that leverages its impressive ATM footprint, to scale its digital payments. FindiPay and the ATM business create an ecosystem of complementary financial solutions...

WHAT WE DO NOW



ATM Solutions

Deployment & Management
(~8,000 BLA locations)



FindiPay

Dynamic Payments & Digital Banking
(44,000 locations)

WHERE ARE WE GOING

- Findi aims to deliver to the underbanked of India a full-service finance hub, creating an ecosystem between the ATM and merchant services space, and offering a wide array of financial products.

FULL-SERVICE FINANCE HUB



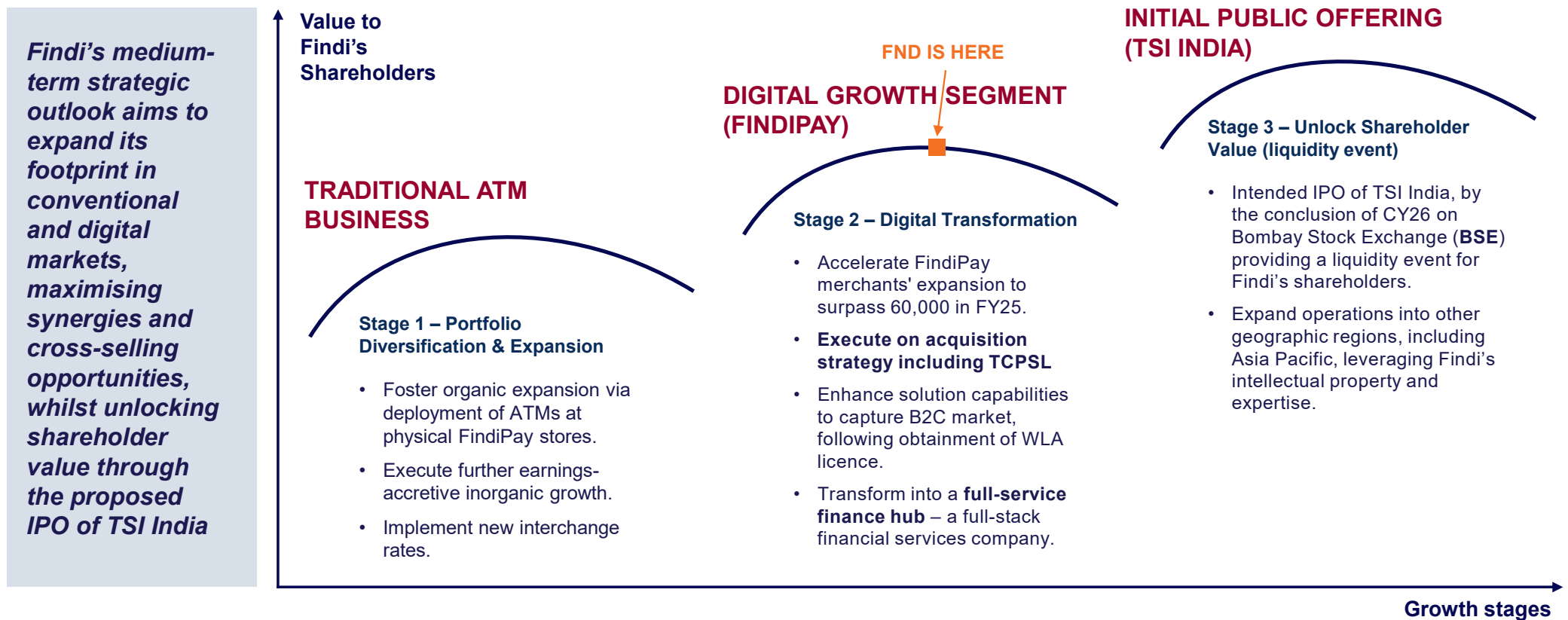
- As Findi transitions to a B2C provider, it seeks to leverage its WLA licence to deploy ATMs, capture market data and bring the full-stack of basic financial services solutions to India's under/unbanked.
- This consumer-focused shift will enhance financial inclusion in India and enable Findi to maintain end-to-end customer relationships.

PROGRESS UPDATE - BC MAX CENTRES

- We are pleased to announce that we have made significant progress on our B2C strategy.
- Branded as 'BC Max' Centres, Findi & CBI are piloting 25 co-branded banking correspondent branches, ahead of a broader roll-out of additional BC Max Centres across India.
- Each BC Max Centre will become a one-stop banking services hub providing:**
 - Access to a Findi-owned & operated CBI ATM;
 - 35 CBI products & services through dedicated onsite CBI staff;
 - Our existing FindiPay merchant service;
 - Extended hours, seven days a week; and
 - An option of self-service or customer service.
- The agreement guarantees revenue from each BC Max Centre and will generate fees from banking transactions across all banking products & services offered by CBI.

STRATEGIC HORIZON

Findi is positioned to bolster the evolving digital banking, payments and financial services landscape in India through its WLA strategy and flagship platform, FindiPay. This digitalisation drive aims to capture a greater proportion of the financial services ecosystem, supporting sustained and sustainable growth while unlocking shareholder value through the proposed TSI India IPO...



Section 2 – White Label Strategy

KEY STRATEGIC MILESTONE ACHIEVED

Findi has announced it has acquired Tata Communications Payment Solutions Ltd (**TCPSL** or **Indicash**), a wholly owned subsidiary of Tata Communications Limited (**Tata**)...

KEY STRATEGIC HIGHLIGHTS

1. Immediate White Label ATM (**WLA**) licence 
2. Immediate Payments Switch¹ – 1st WLA Switch in India 
3. Low-capex, high-margin franchise model 
4. 2nd largest White Label ATM business in India 
5. 50% increase to FindiPay margins 

Synergies

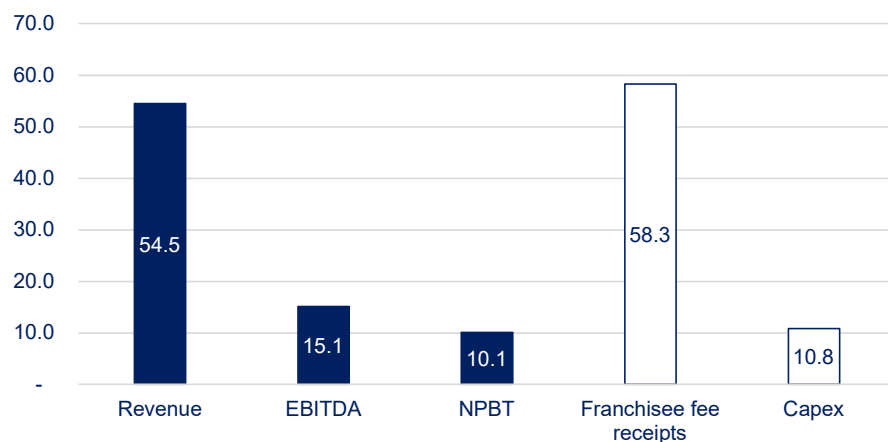
*The Acquisition completes the strategic objective of combining both sides of the business by linking and creating synergies between the **physical** cash ATM business and the **digital** FindiPay business*

1) A Payments Switch is a software platform that enables the routing of electronic payments between different payment methods and financial institutions. A Payments Switch acts as a hub connecting various payment methods, such as credit cards, debit cards and online wallets.

WHITE LABEL FY26 FORECAST FINANCIAL IMPACT

The A\$75.7 million¹ Acquisition is to be funded from Findi's existing balance sheet resources with A\$19.7 million net² initial cash settlement consideration to be paid at completion and a further A\$4.2 million¹ to be paid 12 months post completion, bringing total cash consideration to A\$23.9 million...

WLA FY26 FORECAST (A\$m)



Immediate scale: In addition to the 4,600 Indicash ATM network, the WLA license will enable Findi to redeploy underutilized Brown Label ATMs available with TSI.

Self funding model: 6,400 of the 6,900 ATMs available for deployment are expected to be progressively deployed during FY26. Under a franchisee model (see next slide) these 6,400 sites are expected to generate ~A\$58.3m in franchise fees and require a ~A\$10.8m capital investment.

INTERCHANGE FEE INDEXATION

Interchange fee:

ATM operators in India currently receive 17 Rs. for a financial transaction (**FT**) and 6 Rs. for a non-financial transaction (**NFT**).

The Reserve Bank of India (**RBI**) and the National Payments Corporation of India (**NPCI**) last raised the FT interchange fee from 15 Rs. to 17 Rs. in 2021.

Interchange fee indexation example:

Industry has been lobbying the RBI and the NPCI to increase interchange fees.

If the RBI / NPCI increase the FT interchange fee by 2 Rs and the NFT interchange fee by 1 Rs the WLA FY26 forecast Revenue (A\$54.5m), forecast EBITDA (A\$15.1m), and forecast NPBT (A\$10.1m) will all increase by approximately +A\$6.9m ie the increase will drop directly to the bottom line.

Any interchange fee indexation may be more or less than the above example. The above example is before any impact on the BLA business.

NEW FRANCHISE & FUNDING MODELS

Findi's new white-label ATM franchise model delivers a high-margin, low-capex, scalable approach. This model provides capital light opportunity for partners to enter regional markets quickly, leveraging Findi's infrastructure for higher ROI than traditional BLA's...

NEW FRANCHISE MODEL

- **Capital light, high-margin model** generates higher ROI than traditional brown-label ATMs as there is limited Company capital locked up in franchisee sites.
- Fixed rental and electricity costs convert to **variable transaction-based costs** under the franchise agreements. This conversion from fixed to variable lowers the contribution margin threshold and reduces working capital lock up.
- Variable cash logistics costs are also managed by the franchisee further enhancing the working capital equation.
- The franchise structure is infinitely **scalable** as capex requirements are funded by the franchisee.

STRATEGIC GROWTH & MARKET EXPANSION

- **Strategic partner opportunities**
 - Offers low-investment entry points for partners through franchising
 - Quick market entry leveraging Findi's established infrastructure
- **Regional Market Expansion**
 - Enables partners to penetrate regional markets with minimal upfront investment

FUNDING MODEL

- **Franchisee deposit:** Franchisee invests ₹500,000 (A\$9,000) in Findi for a share of the WLA Interchange Fee.
- **Capex contribution:** Phase 1 rollout of ATM inventory (to Mar-26) is anticipated to generate \$58.3m in franchisee fees and require A\$10.8m capital expenditure.

FRANCHISE MODEL SUMMARY

- No rental cost
- No power cost
- No cash logistics cost
- 500,000-rupee franchise fee
- Interchange fee sharing

THE COMBINED ECOSYSTEM

The combined (physical cash + digital payments) ecosystem provides immediate scale, cost savings, and improved margins, positioning the business for market penetration...

WHITE LABEL STRATEGY

- The WLA strategy provides immediate scale and integration across physical cash and digital.

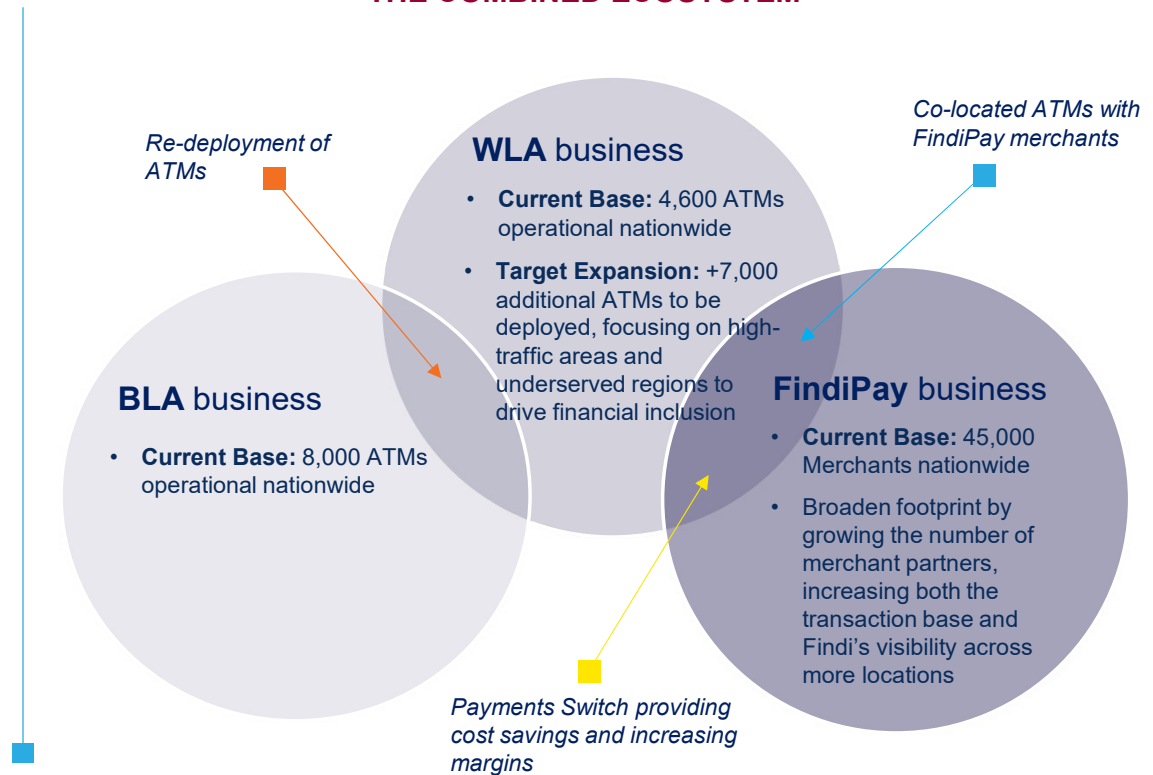
PAYMENTS SWITCH

- Provides **direct access** to debt and credit card banking facilities across **all Indian banks** and enables Findi to connect directly with **all integrated payments devices**.
- **Improves margin** by removing 3rd party switch costs, and allowing Findi to integrate high-margin products like; insurance, funds management, SME loans etc.

MERCHANT NETWORK EXPANSION

- Findi's WLA licence enables the **co-location** of Findi-branded ATMs with FindiPay digital merchants increasing foot traffic to both profit centres and cross selling opportunities for merchants.

THE COMBINED ECOSYSTEM



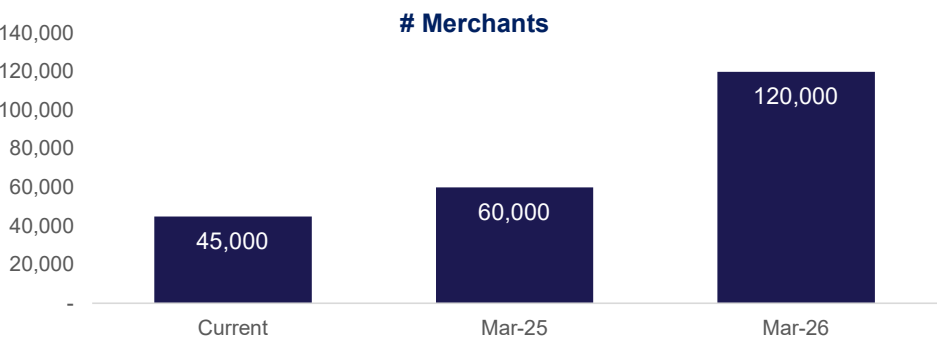
FINDIPAY PLATFORM AND ATM EXPANSION

Findi’s expansion strategy for both its merchant and ATM network aims to increase accessibility and support financial inclusion. The combination of a robust merchant network and growing ATM presence will enhance Findi’s market visibility and drive its position as a key player in the digital payments landscape...

FINDI PLATFORM

MERCHANT ACQUISITION

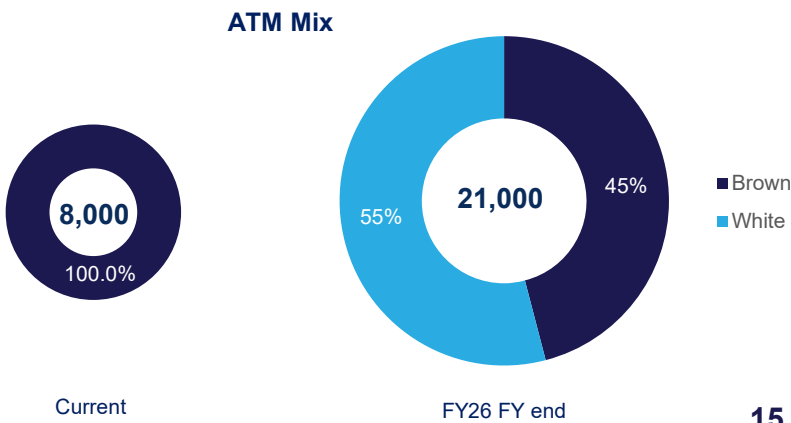
- **Current Base:** 45,000 merchants onboarded
- **Growth Target:** Targeting 60,000 by March 2025, and further expand to 120,000 by March 2026, based on the current run rate
- **Strategic Expansion:**
 - Building a stable revenue stream and solidifying Findi’s footprint in the digital payments ecosystem
 - Offering additional financial services through strategic partnerships (i.e. SME loans, insurance, funds management / investment etc.)



ATM NETWORK EXPANSION

ATM DEPLOYMENT

- **Current Base:** 8,000 owned ATMs
- **FY26 forecast Base** (by Mar-26): ~21,000 ATMs. Including
 - ~9,500 BLA; and
 - ~11,500 WLA strategically positioned in underserved and high-demand locations.



PAYMENTS BANK STRATEGY

Findi aims to become a full-service 'Payments Bank' providing a complete suite of financial service solutions tailored to India's underbanked. This strategy leverages core banking products, extensive partnerships and a robust distribution network to position Findi as a one-stop financial services provider...

CORE BANKING PRODUCTS

PAYMENTS BANK COMPONENTS

- **Primary offerings:**
 - Issuance of ATM / debit cards
 - Provide payments services
- **Additional Roles:**
 - Act as a business correspondent
 - Distribute mutual fund and insurance products

MARKET POSITION

- Currently, only 6 Payments Banks operate in India, marking a great opportunity for Findi to capitalise



PARTNERSHIP-DRIVEN GROWTH

DISTRIBUTION NETWORK

- Scaling up by leveraging existing distribution channels and branch network (including CBI partnerships)

PRODUCT INTEGRATION

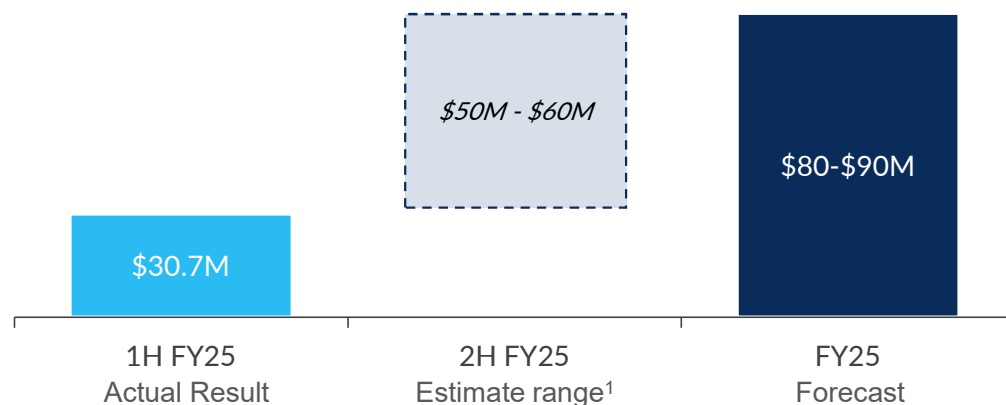
- **Insurance:** Partnership-based, accessible and affordable insurance offerings
- **Loans:** Introduction of lending options to diversity revenue streams
- **Funds:** Investment products to support the ecosystem and meet varied customer needs

Section 3 – 1H FY25 Update

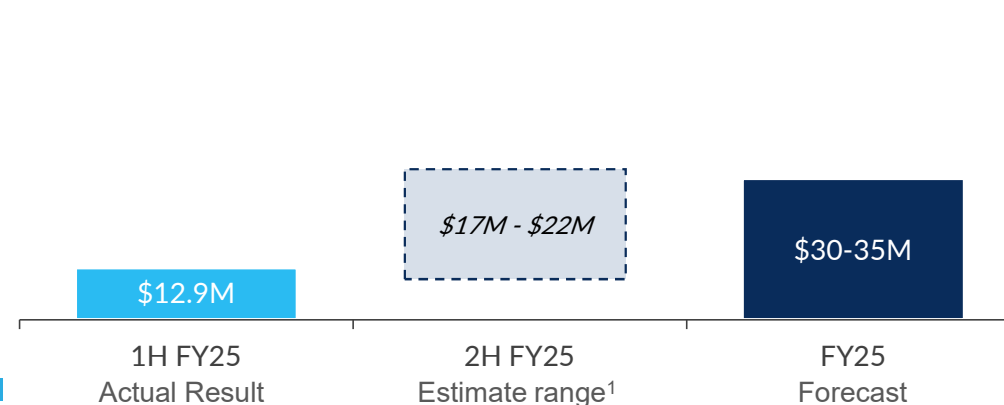
1H FY25 OPERATING RESULTS

Findi is pleased to report its half year ended 30 September 2024 (**1H FY25**) operating results, which saw the Company achieve 1H FY25 Revenue of \$30.7M and EBITDA of \$12.9M. Findi remains on track to meet its FY25 revenue and EBITDA guidance range as our FY25 budget is heavily weighted to 2H FY25, driven by the SBI contract uplift and WLA revenue commencement.

TOTAL REVENUE



EBITDA²



Findi reported revenue of \$30.7M and EBITDA of \$12.9M in 1H FY25. EBITDA was \$0.6M ahead of internal budgets. Factors influencing the result include:

- transactions per day softened temporarily during the half due to the Indian general elections that occur once every five years (19 April 2024 to 1 June 2024). Transaction volumes have now returned to trend.
- SBI started surrendering on-site ATMs in the first half ahead of issuing the purchase order for the new off-site contract. The purchase orders have now been received.

The final requirements for Findi's WLA licence application were lodged in August 2024 with an expectation the licence would be approved by the RBI in early 2H FY25. This application is now on hold as Findi will secure a WLA licence upon completion of the TCPSL acquisition. As a result, estimated WLA roll-out revenue has been deferred until the completion of the TCPSL acquisition, which is expected to complete by 31 December 2024.

Overall, Findi remains on track to meet its FY25 revenue and EBITDA guidance range on the basis that the TCPSL acquisition is completed in line with management expectations of early CY2025.

(1) 2H FY25 represents half year ended 31 March 2025

(2) EBITDA represents Earnings Before Interest Tax Depreciation & Amortisation

1H FY25 HIGHLIGHTS & 2H FY25 INVESTMENT OBJECTIVES

Findi has met its key investment objectives in FY25. Findi remains on track to meet its FY25 revenue and EBITDA guidance range as our FY25 budget is heavily weighted to 2H FY25, driven by the SBI contract uplift and WLA revenue commencement.

KEY HIGHLIGHTS & INVESTMENT OBJECTIVES

FY25 Guidance:

Revenue: **\$80 - 90 million**

EBITDA: **\$30 - 35 million**

- Roll-out FindiPay across 6 new States
- Accelerate FindiPay merchant acquisition run-rate
- Welcome new C-Suite personnel across FindiPay, finance, and WLA teams
- Implement new SAP ERP system across the Company
- Appoint lead broker for TSI India's IPO in late 2024
- Deploy Findi-branded WLAs in 2H FY25
- Lodge SEBI application in 2025 and obtain approval by mid 2026
- **Announced** acquisition of TCPSL



FY25 REVENUE & EBITDA GUIDANCE

FY25 Revenue and EBITDA budget is weighted to the second half of FY25, driven by State Bank of India (**SBI**) onsite-to-offsite ATM conversion ramp-up¹, continued Central Bank of India (**CBI**) growth and the deployment of White Label ATMs (**WLAs**) – refer to WLA Strategy Update below.



CONTINUED FINDIPAY EXPANSION & MOMENTUM

FindiPay has continued its strong momentum into 1H FY25. Findi plans to expand its offering into six new States, increasing its presence to twelve States and Territories across India. Currently, FindiPay is acquiring 3,000 merchants per month and is expected to continue benefiting from favourable market conditions.



STRATEGIC INVESTMENTS IN PEOPLE & SYSTEMS

Findi continues to focus on strengthening the Company's leadership team and enterprise systems to best position the business to integrate the Tata Communications Payment Solutions Ltd (**TCPSL**) acquisition² and deliver operational growth objectives. ~\$1.6m in 'growth' costs (investment) is included in the 1H25 Statement of Profit and Loss and OCI³.



UPDATE ON M&A ACTIVITY

On 15 November 2024, Findi announced the acquisition of TCPSL². **The IPO of TSI India remains on schedule.** Lead brokers have been shortlisted and will soon be appointed. Findi plans to lodge its Securities and Exchange Board of India (**SEBI**) application in 2025, anticipating approval by 2026.



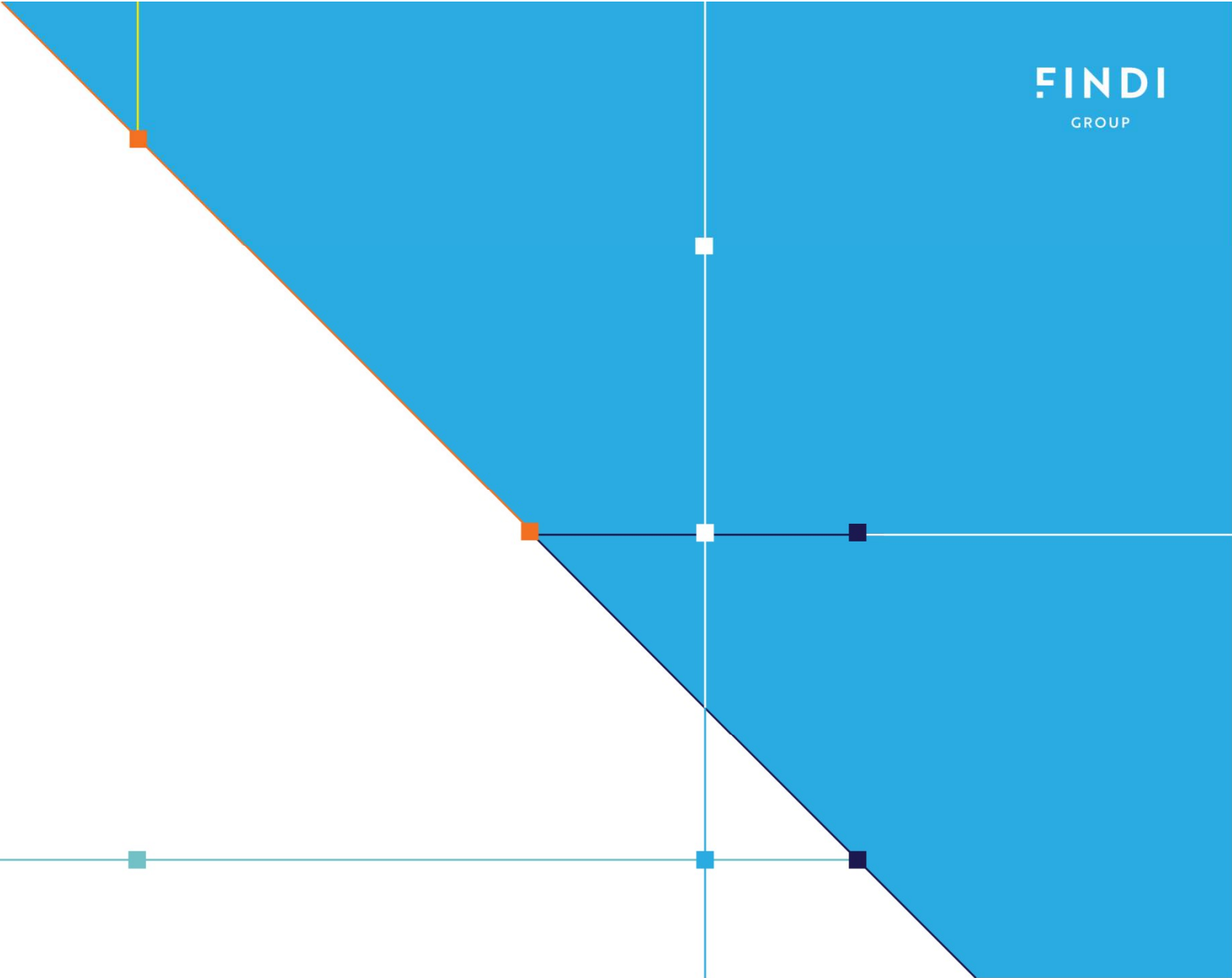
WLA STRATEGY UPDATE

Findi completed the RBI System Audit Requirement, the final stage of its WLA licence application in August 2024. As noted on the prior page, this application is now on hold as **Findi will secure a WLA licence upon completion of the TCPSL acquisition²** (an entity can only hold one WLA licence under the Indian regulations), expected in early CY2025.

(1) Refer to ASX Announcement on 30 October 2023
(2) Refer to ASX Announcement on 15 November 2024

(3) Other Comprehensive Income

QUESTIONS





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FINTECH DIGITAL PAYMENTS INNOVATION

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