

FY20 FULL YEAR RESULTS

MONEY3 DELIVERS STRONG LOAN BOOK GROWTH

Money3 Corporation Limited (ASX: MNY) is pleased to announce its full year results for the year ended 30 June 2020, confirming a **Normalised** Net Profit after Tax ("NPAT") of **\$32.3 million** an increase of 14.2% on the previous year's statutory result in line with previously announced guidance. Given increasing economic uncertainty as a result of COVID-19 the Group has taken a \$10.1 million non-cash economic outlook provision in addition to usual impairment provisions contributing to a **Statutory NPAT** of **\$24.2 million**.

Financial highlights:

- 35.3% increase in Revenue to \$124.0 million
- 16.4% increase in Gross Loan Book to \$433.8 million
- 31.1% increase in Normalised Group EBITDA (continuing operations) to \$60.7 million
- 30.1% increase in Normalised NPAT (continuing operations) to a \$30.3 million
- Group Statutory NPAT of \$24.2 million

Loan Book Performance

At the half year the Gross loan book had grown to \$426.7 million but growth slowed significantly in the second half, driven by stronger cash collections and lower than expected new loan origination as a result of COVID-19, and tightened lending criteria. It is pleasing, in a time of uncertainty many customers made efforts to increase loan repayments, resulting in a 36.3% increase in cash collections to \$277.2 million. Overall loan book quality (arrears performance) has not deteriorated over FY20.

Strategic highlights:

- Successful consolidation of operations focussed on vehicle finance
- Go Car Finance has performed strongly
- Pandemic reinforces the resilience in the business model
- Continued lending through COVID-19 with tightened lending criteria
- ~\$65m of capital available to fund growth in FY20

Funding

The Group has a strong equity base and a low leverage. With ~\$65 million in available funds and significant headroom in debt covenants, the Group is well positioned, even under a prolonged economic downturn. In addition, the Group is in negotiations with potential funding partners that will expand available capital capacity and reduce the cost of funds.

COVID-19

The Group has operations in Melbourne and Auckland, which have both experienced restrictions leading to productivity challenges as a result of COVID-19. In FY20, the Group made one off investments in laptops and infrastructure to allow staff to work remotely. As a result of government incentives, where possible, these initiatives were expensed in the FY20 Financial year with a \$0.8m expense impact.

During the final quarter of FY20 the Group received accelerated payments from customers wanting to get ahead of their loan commitments, and in some cases pay out their loans. Cash collections in Q4 FY20 were up 31.9% over prior comparative period. This has improved cashflows considerably.

The Group introduced tighter lending criteria, and as a result has seen subdued lending volumes in Q4 FY20. The Group however, in late June and into July, saw a return in loan application volumes. This along with reducing competition in the sector leaves the team confident of seeing solid loan growth in the new financial year.

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Outlook

During the year, the Group completed a strategic review of the market and its product offerings. This resulted in an expansion into the near prime sector, broadening the addressable market.

The Group also continues to focus on growing its market share of the existing, highly profitable portfolio of receivables, in the vehicle finance market. Expanding distribution in New Zealand and reducing competition in both markets should lead to solid organic growth in FY21 with the Group confident of loan book growth exceeding \$500m.

Dividends

The Board of Money3 has declared a final, fully franked dividend of **3.0 cents per share**, taking the full year dividend to **8.0 cents per share**.

Commenting on the result, Money3 Managing Director, Mr Scott Baldwin, said: "Through all the challenges the Group has faced, including the COVID-19, we continued to grow, which is a testament to the team's deep knowledge of the industry and commitment to succeed.

With the lifting of Stage 4 restrictions in New Zealand at the end of FY20, Go Car Finance went back to originating record volumes of loans and we expect the same to occur in Australia. Both brands are well positioned to capture more market share from competitors."

Investor webinar

The Company will hold an investor webinar on Tuesday, 18 August 2020 at 11:00am AEST with Managing Director Scott Baldwin and Chief Financial Officer Siva Subramani to discuss the FY20 full year results. Investors are invited to send questions prior to the webinar to simon@nwrcommunications.com.au

Register for the investor webinar at the link below:

https://us02web.zoom.us/webinar/register/WN_NgpSBG_KQRGwxPX0zH5xQA

After registering, you will receive a confirmation email containing information about joining the webinar. A recording will be made available shortly after the conclusion of the webinar at the same link.

Approved for release by the Board

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For further information please contact:

Managing Director
Mr Scott Baldwin
+61 3 9093 8255
s.baldwin@money3.com.au

Chief Financial Officer
Mr Siva Subramani
+61 3 9093 8246
s.subramani@money3.com.au

Investor Relations
Mr Simon Hinsley
+61 401 809 653
simon@nwrcommunications.com.au

ABOUT MONEY3 CORPORATION LIMITED (ASX: MNY)

Money3 is a specialist provider of consumer finance for the purchase or maintenance of a vehicle. Our business model and unique approach to customer care attracts creditworthy customers that are underserved by traditional lenders. Money3 has a fast growing and high-quality loan book with more than 50,000 active accounts.