

MONEY3 SECURES \$250M WAREHOUSE SECURITISATION FACILITY & Q1 UPDATE



ASX RELEASE
23 NOVEMBER 2020

Money3 Corporation Limited (ASX: MNY, “Money3” or the “Company”) is pleased to announce it has secured a warehouse securitisation facility, from a globally recognised A+ rated bank, to fuel loan book growth towards \$1 billion.

The facility will result in significant savings compared to current funding arrangements, allowing the Company to continue consolidation of the subprime automotive market and leverage this position to advance Money3’s expansion into the near prime automotive market.

Money3 estimates the near prime automotive market is three times the size of the subprime automotive market. The new warehouse facility, coupled with our extensive experience and knowledge in automotive lending, places the Company in a strong position to increase market share in both segments as well as expand product offering into repair and maintenance lending. Lending growth is expected to continue from our three well established distribution channels, Broker, Dealer Direct and Online.

Funding facility highlights:

- Initially, \$250 million securitisation warehouse facility supporting growth of Australian loan book, able to sit alongside existing funding facilities,
- Globally recognised A+ rated bank with capacity to grow facility as the company increases market share,
- When fully deployed, the facility will reduce funding costs in Australia by over \$10m per annum compared to existing funding costs,
- Ability to refinance existing funding facilities as planned in June 2021.

The Company will host a webinar today, Monday, 23 November 2020 at 11:00 am AEDT to discuss the significance of securing the funding.

Register for the investor webinar at the link below:

https://us02web.zoom.us/webinar/register/WN_JKKwCjQGTm20rphlpzpN2g

Money3’s MD/CEO, Scott Baldwin, said: “The new funding facility positions Money3 in the strongest position in our history to continue the growth of the Australian loan book. We are delighted with the flexibility and incremental funding this provides for our growing Australian operations.”

“This facility reflects the quality of our existing loan book and operations, providing significant validation from what is a globally recognised A+ rated bank.”

“We are also grateful for the co-operation and ongoing support of the existing funder who has worked with us to enable a smooth transition into the new facility.”

Business Update – Q1 FY21:

The Company is pleased to release results for Q1 FY21, which delivered a record statutory NPAT of \$10.0m for the quarter. The result was made possible by very strong cash collections from the Company’s talented and dedicated Customer Care teams.

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Financial highlights – Q1 FY21:

- 12.3% increase in revenue to \$33.7m on prior corresponding period (“pcp”),
- Normalised \$8.8m NPAT up 17.3% on pcp, a record result,
- **Record statutory \$10m NPAT up 33.3% on pcp,**
- 10.1% increase in new loan originations (cash advanced) on pcp,
- 12.3% increase in loan book on pcp,
- 31.1% increase in cash collected on pcp, well beyond expectation, improving cash turnover,
- Continual improvement of loan book credit quality throughout Q1,
- 15.6% increase in customers applying for finance over pcp, highlighting strong product demand in both Australia and New Zealand.

Outlook

The Company will provide full year profit guidance at the Annual General Meeting which is to be held on Friday 27 November 2020 at 11:00 am AEDT via video conference.

The Company continues to achieve cash collection above forecast as a result of government stimulus in both Australia and New Zealand and our focused Customer care teams, which has resulted in a reduction in bad debts and continual improvement in credit quality of the overall loan book.

Following the easing of Victorian lockdown restrictions, new loan originations continue to improve with October 2020 producing more loan book growth than the first three months of FY21. November 2020 has also commenced with pleasing results and early signs of the commencement of Christmas demand with the Company loan book now exceeding \$456m.

Investor webinar

The Company will hold an investor webinar on **Monday, 23 November 2020 at 11:00 am AEDT** with Managing Director Scott Baldwin and Chief Financial Officer Siva Subramani.

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_JKKwCjQGTm20rphlpzpN2g

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.

-ENDS-

Authorised for release by: the Board of Money3 Corporation Ltd.

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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.