MONEY3 ACHIEVES RECORD 1H FY21 RESULT WITH FOCUS NOW FULLY ON GROWTH

money3

ASX RELEASE
16 FEBRUARY 2021

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Financial highlights:

- **32.8% increase in EBITDA to $40.5 million,**
- **26.8% increase in NPAT to $19.9 million,**
- **8.3% increase in revenue to $67.9 million,**
- **9.3% increase in cash advanced to $151.1 million,**
- **23.6% increase in cash collection to $165.0 million,**
- **11.1% increase of gross loan book to $474.0 million, and**
- **declared a fully franked 3 cents interim dividend payable on 8 April 2021.**

Operational highlights:

- **Acquired Automotive Financial Services ("AFS"**), broadening the addressable market and adding $46.7m (end of January 2021) to the Group's gross loan book,
- **Acquired GMF Australia Pty Ltd ("GMFA"),** a subsidiary of General Motors Financial Corporation Inc, adding $23.3 million to the loan book at settlement,
- **Strong start to 2H FY21** with continued outperformance in customer collections because of a market leading Customer Care team that leverages strong proprietary technology,
- **Oversubscribed capital raise –** providing $52 million of new equity to fund acquisitions and loan book growth,
- **Credit Quality of book continues to improve** which will lead to an ongoing reduction in impairment provisions over time,
- **Secured $250 million warehouse facility with Credit Suisse** –providing for a $10.0 million interest expense saving when fully deployed,
- **Secured $55 million warehouse facility with Westpac.**

Money3 Corporation Limited (ASX: MNY) is pleased to announce its half year results for the period ending 31 December 2020, confirming 26.8% increase in NPAT of $19.9 million. Despite the impacts of COVID-19, the Group delivered record cash collections of $165.0 million.

In Australian operations, 1H FY21 revenue grew 3.5% to $53.9 million (on pcp) supported by a 20.1% growth in cash collections to $137.3 million (on pcp). Strong growth in gross loan book continues driven by a strong Christmas trading period, ensuring future revenue growth.

New Zealand operations continue to make a solid contribution to the Group's results with a 38.3% increase in revenue to $14.4 million (on pcp) and 44.2% growth in cash collections to $27.7million for 1H FY21. Continuing its strong growth, gross loan book is up 38.9% to $114.9 million since 30 June 2020.

Money3 continues to grow in both size and credit quality, with 9.3% growth in cash advanced to $151.1 million and improvements of overall credit quality year on year, with 53.8% of all borrowers rated as "strong" credit quality customers, an increase of 16.5% on FY20.

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During the period Money3 secured a **$250 million warehouse facility from Credit Suisse**, to continue the growth of the Australian loan book and to replace the facility provided by FCCD (Australia) Pty Ltd. The warehouse facility will save more than $10 million in annual interest expense when fully deployed and acts as a cornerstone for the Group's future growth. In addition, a **Westpac-funded $55m warehouse facility** supporting the AFS business was secured.

The Group completed the acquisitions of AFS and GMFA, subsequent to the half-year end. AFS broadens the Australian product offering for the Group, increasing the leverage of the Group's existing distribution channels, and expanding the addressable market into new vehicles and a growing commercial vehicle segment. Additionally, Money3's previous acquisition of Go Car Finance in March 2019, has provided growing contributions to loan book growth, and revenue (20.6% of Group revenue). The acquisition has proven to be a strong strategic fit within the Group and represents a significant growth opportunity in profit margins and total revenue with only 1 in 700 registered vehicles in New Zealand currently financed. Go Car Finance provides a good blueprint for the AFS acquisition and similar growth is expected.

Commenting on the results, **Mr Scott Baldwin, Managing Director of Money3, said**: "With much of 1H FY21 spent working from home during the forced Victorian lockdown, the business faced many new challenges associated with remote work. I am very happy with the progress we have made to support our teams with all staff now able to work remotely, and the increasing use of technology to improve the customers journey from application to loan settlement. It is improving turnaround times and creating more consistency throughout our business.

"We acquired AFS and GMFA, both settling early in 2021. AFS broadens the Australian product offering for the Group, increasing the leverage of the Group's existing distribution channels, and expanding the addressable market into new vehicles and growing our presence in the commercial vehicle market. While GMFA provides us with a loan book of high credit quality customers."

"Finally, securing the $250 million warehouse from Credit Suisse provides a cornerstone to the Group's future growth, as does the Westpac funded $55 million warehouse facility supporting the AFS business. We are now very well placed with substantial bank funding at a lower cost of funding".

"With the strategic repositioning of the business completed, and having secured strong funding capacity, we have laid the foundations for broader distribution in Australia and New Zealand through increased product spread across all vehicles types. The Group is now focused on growing the business toward $1 billion of receivables."

FY21 Outlook:

Money3 experienced strong trading conditions in the last quarter. Trading momentum has continued into the new year and we remain cautiously optimistic on the outlook for the upcoming half, providing a **forecast Net Profit After Tax of $36.0 million.**

The Group is expecting to grow the gross loan book to approximately $600m by end of FY21. This provides a strong base for revenue growth in FY22.

The Board of Money3 anticipates paying 9 cents in fully franked dividend for FY21 and will provide a further update on dividend policy at this year's Annual General Meeting.

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This document should be read along with the Appendix 4D and the 1H FY21 Investor presentation released on 16 February 2021.

Approved for release by the Board of Directors.

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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
Siva Subramani
+61 3 9093 8246
s.subramani@money3.com.au

Investor Relations
Simon Hinsley
+61 401 809 653
simon@nwrcommunications.com.a
u