

22 October 2021

hummmgroup 1Q22 business update

- **hummmgroup** 1Q22 volume of \$763.3m, up 39.6% on pcip
- BNPL segment volume of \$308.8m in 1Q22, up 44.5% on pcip
- Cards (Australia and New Zealand) 1Q22 volume of \$249.4m, up 7.6% on pcip
- Commercial and Leasing volume of \$205.1m in 1Q22, up 102.2% on pcip
- Total **hummmgroup** customers of 2.7m as at 30 September 2021, up 6.1% on pcip including an increase of 16.0% in BNPL customers offset by a decrease in customers from grandfathered products
- Net loss (gross write offs net of recoveries) of \$24.0m in 1Q22, up 9.3% and reflects growth in receivables
- Net loss / average net receivables in 1Q22 of 3.4%, down 10bps on pcip
- Integrated 1,433 merchants across Australia and New Zealand in 1Q22
- Pricing announced of \$390 million of asset-backed securities for receivables originated through **flexicommercial**

hummm group limited (ASX: HUM) ("**hummmgroup**" or the "Company") today provides an update in relation to its unaudited financial results for the quarter ended 30 September 2021 ("1Q22").

hummmgroup Chief Executive Officer Rebecca James said:

*"We are extremely pleased with the growth momentum across the Group considering key markets were predominantly in lockdown during the quarter. BNPL growth remains strong with **hummm** 'Little things' in Australia up 157% in 1Q22 which more than offset the smaller growth of 3% in 'Big things' which was impacted by lockdowns.*

"The Company's overall volume growth of 40% highlights the advantages of our diversified portfolio offering products able to finance smaller and larger items seamlessly, for both consumers and SMEs."

Segment	1Q22	1Q21	1Q20	1Q22 vs 1Q21
Volume (A\$m)				
BNPL	308.8	213.6	189.0	44.5%
Australia Cards	95.5	77.2	161.1	23.7%
New Zealand Cards	153.9	154.5	194.0	(0.4%)
Commercial and Leasing	205.1	101.4	65.2	102.2%
hummgrou	763.3	546.8	609.2	39.6%
Net loss / average net receivables				
BNPL	5.9%	4.7%	5.1%	120bps
Australia Cards	5.0%	3.8%	4.2%	120bps
New Zealand Cards	3.1%	4.4%	2.9%	(130bps)
Commercial and Leasing	0.9%	1.2%	1.6%	(30bps)
hummgrou	3.4%	3.5%	3.4%	(10bps)

hummgrou

hummgrou total customers of 2.7m as at 30 September 2021, up 6.1% on pcp. This growth was a combination of a strong increase of BNPL customers by 16.0% on pcp, offset by a decrease in customers associated with a number of grandfathered consumer products.

hummgrou total transaction volume of \$763.3m in 1Q22, up 39.6% (1Q21: \$546.8m), reflecting the benefits of a diversified portfolio of products that continues to build momentum. Credit performance (gross write offs net of recoveries) of \$24.0m, up 9.3% (1Q21: \$22.0m) reflects the growth in receivables. Net loss / average net receivables ("ANR") decreased 10 bps.

BNPL

BNPL, comprising humm, bundll and hummpro, volume of \$308.8m in 1Q22 was up 44.5% (1Q21: \$213.6m) with strong volume growth in humm 'Little things' in Australia, humm New Zealand and bundll.

humm continues to benefit from being able to finance smaller and larger items seamlessly. While higher income generating 'Big Things' volume growth of 2.5% on pcp was impacted by store closures in NSW, Victoria and Auckland, 'Little things' volume increased 156.8% on pcp, predominantly driven by ecommerce transactions during lockdown.

Net loss / ANR of 5.9% in 1Q22 increased 120bps on pcp and represents a temporary increase as new shorter duration BNPL products and new partnerships are embedded. Management is forecasting the net loss / ANR for BNPL in 2Q22 to be in a range of 4.5% to 5.0%.

Finally, hummgrou announced a number of partnerships including Velocity Frequent Flyer (bundll) and Mitre 10 & Home Hardware (hummpro).

Cards

Australia Cards volume of \$95.5m in 1Q22 was up 23.7% (1Q21: \$77.2m). While an improvement on last year, this segment continues to be impacted by international border closures, with volumes still below 1Q20. Net loss / ANR of 5.0% increased 120bps on pcp, and is attributable to a large decrease in receivables from the paydown of the discontinued Once and Lombard products. humm90, the current cards product in Australia, net loss decreased in 1Q22 on pcp.

New Zealand Cards volume of \$153.9m in 1Q22 was broadly flat (1Q21: \$154.5m) despite being heavily impacted by the lockdowns in New Zealand during 1Q22. Net loss / ANR of 3.1% decreased 130bps on pcg and reflects more normalised performance.

Commercial and Leasing

Commercial and Leasing volume of \$205.1m was up 102.2% (1Q21: \$101.4m), with the rebuilt and transformed Commercial operations delivering another record quarter. This was predominantly driven by the continued demand for capital equipment to support infrastructure growth.

flexicommercial continues to deliver growth while improving credit quality, with 1Q22 net loss / ANR of 0.9%, a decrease of 30bps on pcg.

RETAILERS

hummm continues to make significant progress in signing and onboarding merchants to build its point of sale instalment payment network across Australia, New Zealand, Ireland and the United Kingdom. In 1Q22, **hummm** Australia and New Zealand integrated 1,433 new merchants. The breakdown across our key target verticals in Australia and New Zealand is as follows:

- **Health and wellbeing:** 371 merchants including 88 Clear Skincare clinics, 84 dental clinics, Ignite MediSpa, and IHeard in Audiology
- **Luxury retail:** 77 leading luxury merchants including Cerrone Jewellers and Michael Hill New Zealand
- **Home and home improvement:** 436 merchants including Barbeques Galore, LG, Spa World, Beds R Us NZ and Danmac - enabling **hummm** to be offered to its network of 600 licensees
- **Automotive:** 125 merchants including Motorama Group, Norris Motor Group, and SERVICEDEALS2ME - enabling **hummm** to be offered to its network of hundreds of auto retailers for servicing and repair
- **Retail:** 424 merchants including Shaver Shop AU & NZ, City Beach, Mighty Ape NZ, and Riot Art & Craft

PRICING FOR SECOND SME ABS TRANSACTION FOR 2021

On 21 October 2021 **hummmgroup** announced the pricing of \$390 million of asset-backed securities ("ABS"), supported by a pool of fully amortising, secured commercial auto and equipment finance receivables. The receivables are originated through **flexicommercial**.

The **flexicommercial** ABS Trust 2021-2 follows on from the successful **flexicommercial** ABS transaction in March 2021 of \$450 million and solidifies the return to public markets for the **flexicommercial** portfolio.

The **flexicommercial** ABS Trust 2021-2 includes:

Notes	Issue size (A\$m)	Expected ratings (Moody's/Fitch)	Margin over 1m BBSW
Class A	261.30	Aaa(sf)/AAAsf	0.85%
Class B	41.34	Aa2(sf)/Not rated	1.30%
Class C	20.28	A2(sf)/Not rated	1.50%
Class D	13.65	Baa2(sf)/Not rated	2.30%
Class E	21.45	Ba2(sf)/Not rated	4.20%
Class F	8.58	B2(sf)/Not rated	6.15%
Class G	23.40	Not rated	Not disclosed
Total	390.00		

The transaction is due for settlement on 28 October 2021.

HUMMGROUP 2021 INVESTOR STRATEGY DAY

A reminder that **hummg**roup will be hosting a Virtual Investor Strategy Day on Wednesday, 27 October 2021 at 9:30am (AEDT). Content will include a detailed review of the Company's established and growth businesses, **hummg**roup's technology platform, its addressable markets and its expansion strategies via partnerships and international markets.

If you would like to attend, please use your existing Zoom account details or if you're new to Zoom please sign up, and pre-register at this link:

https://us06web.zoom.us/webinar/register/WN_cw1t7V2KRX2g2IXcRkWjvQ

-ENDS-

Authorised for release by the **hummg**roup Disclosure Committee.

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ABOUT HUMMGROUP

hummgroup is revolutionising the way people pay. **hummg**roup has developed some of Australia and New Zealand's most exciting and accessible consumer finance products including **hum**m, **bundll**, **hum**m90 and **hum**mpro. **hummg**roup continues to design products around the core needs of financially savvy consumers spanning millennial spenders through to young families and SMEs. **hummg**roup facilitates purchases for over 2.7 million customers and operates in Australia, New Zealand, Ireland and the United Kingdom.