

Annual General Meeting

November 2017

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Consolidated Group Structure



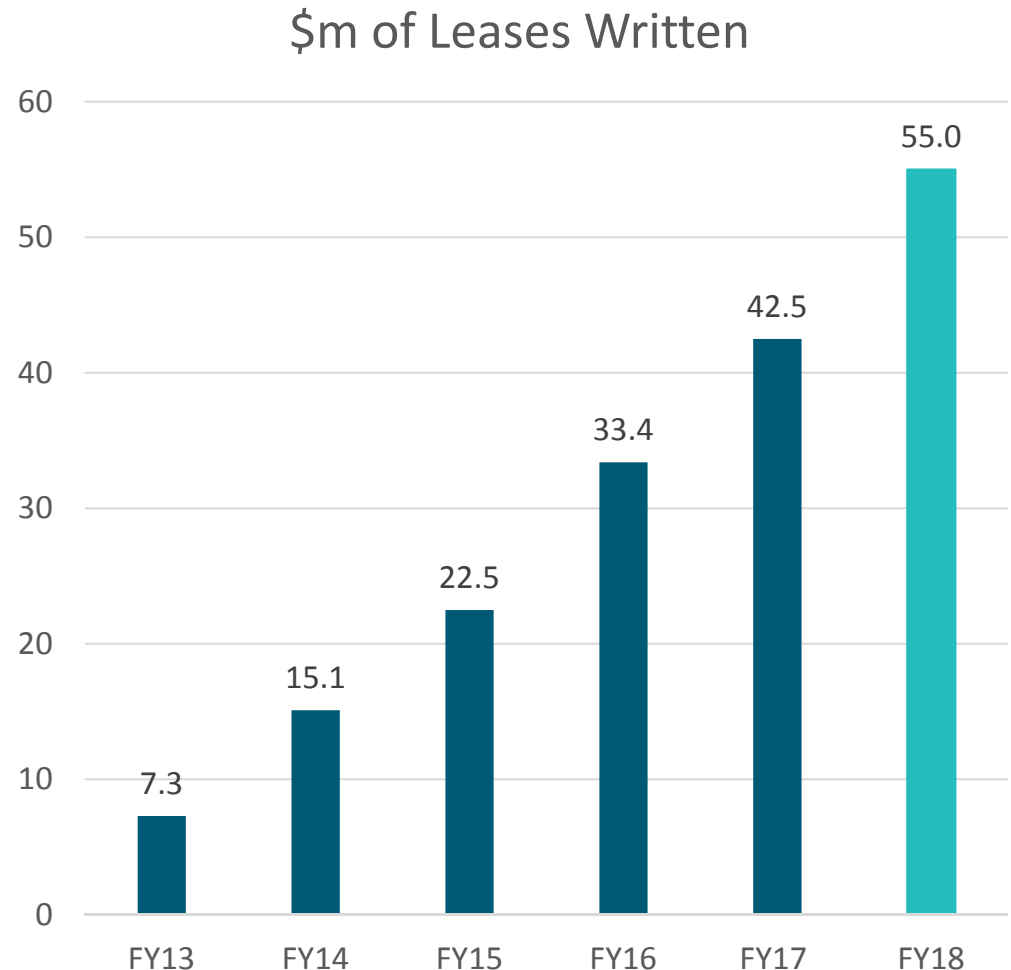
Continued Solid Growth in TL Rentals

Solid growth in lease origination

- > On track to achieve forecast origination
- > YTD 31 Oct 17 = \$15.3m (\$11.1m for prior YTD)
- > A niche finance provider on small to mid sized transactions which require fast turnaround and bespoke structuring for commercial customers
- > End of term earnings - 22% (data since 1996)
- > Average transaction size – approx. \$40K
- > Net bad debts less than 2%
- > Portfolio at original cost exceeded \$100 million at 30 June 2017

Lease Accounting

We provide Value Creation from leases to provide information on the business model. The accounting is complex and can change significantly based on how we fund the lease.



Indicative *Value Creation* on Lease Origination

The Business Model has remained consistent with the growth in volume		2018 Forecast \$m
Lease Volume at Original Equipment Cost (OEC)		55
Upfront net income (if not Self Funded)	4.25%	2.34
End of term earnings (received approx. 4 years from lease inception)	21%	11.55
Write off rate	-2%	(1.10)
Overheads	Mainly fixed	(3.52)
Attributable NPBT		9.27
For simplicity we have not discounted the end of term earnings to current values using the implied discount in COG's P/E ratio.		

Asset Finance Broking

The Asset Finance industry is \$45 billion p.a. of Net Asset Finance (NAF), of which approx. 67% is intermediated. The 2017 focus has been on creating a base to deliver growth.

The positive contributions in the current financial year have been:

- > A strong growth in CFG membership and volumes – refer following slide
- > Strong performances of acquired brokers – with the exception of Platform

The negative contributions in the current financial year have been:

- > Previously disclosed ASIC consumer lending review of major Platform funder.
 - > In late 2017 we had recovered volumes to 2016 pre-issue levels – based on commercial lending. This has not been sustained YTD.
- > While growth in other businesses has been good, we are focused on reducing costs (through offshoring / streamline processing) and increasing revenue in Platform to recover to the purchased EBITDA level.

Excess Assets

Self-Funded leases	31 October 2017	\$7m
Cash balances*	31 October 2017	\$29m
Total		\$36m

- > TL Rentals has 5 external funding sources of leases
- > Self-Funded leases are convertible to cash
- > We expect another new ongoing funder commencing the calendar year
- > Strong positive cashflow from operations

*Excluding NCI of \$3 million and committed cash of \$5 million

Acquisition Growth

Broker Acquisition Growth:

- > Partial acquisition and discussions are underway with more than six asset finance brokers
- > As the majority do not have a Terms Sheet, it is difficult to determine whether they will proceed

Complementary Finance Product:

- > We continue to explore the best path for COG to own another finance product for exclusive distribution by the group
- > This is a mid term project and is not likely to have a clear path for another six months

Aggregation Membership offering

Best pipeline for new members in CFG's history, in recognition of:

- > Best commission and Volume Based Incentives
 - > *With scale this has improved relative to the market.*
- > Workflow and CRM software
- > Compliance
- > Conferences
- > Succession planning
- > Revenue synergies



PRESENTED BY:



Business Strategy

Clear strategy to grow

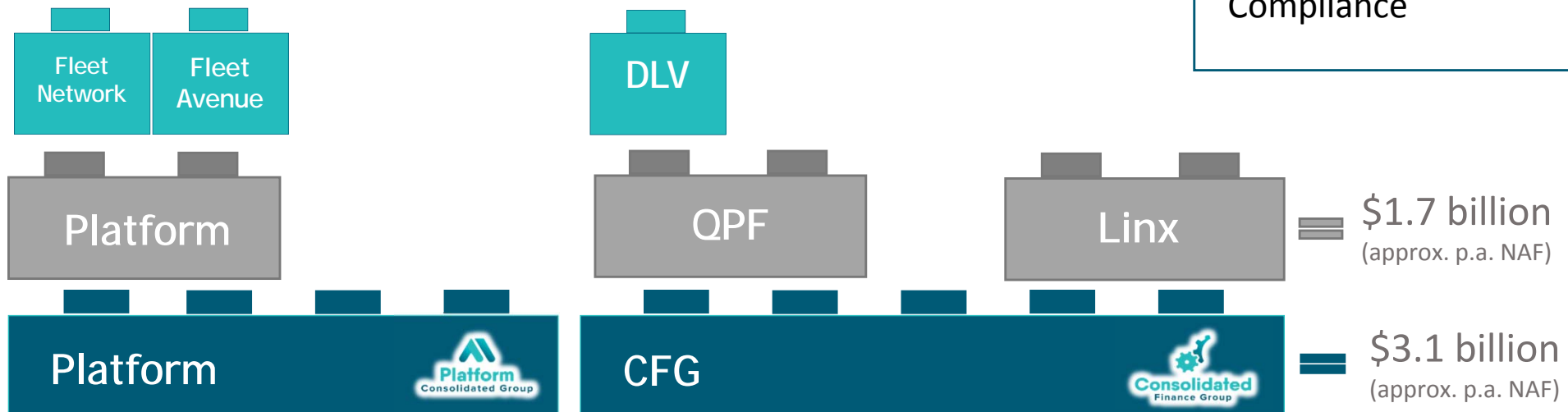
- > Organic growth in Commercial Equipment Leasing
- > Organic and Acquisition growth in asset finance broking
- > Organic growth in membership
- > Revenue synergies

Revenue Synergies

Volume bonus incentives
Lead generation
Car purchasing
Mortgage broking
Insurance broking

Other Synergies

Management expertise
IT
Compliance



FY 18 Dividend & Share Buyback

- > The Directors have deferred the consideration of dividends and share buyback
- > The dividend policy being considered was a payout of up to 60% of NPAT commencing May 2018 with a discounted dividend reinvestment plan (DRP)
- > The Directors are confident that available capital can be utilised over the next 12 months for further value accretive acquisitions that meet our investment and return criteria

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