



Collection House
Group

Annual General Meeting 2019

Collection House Limited

November 2019

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Chairman's Address

- ❑ FINANCIAL PERFORMANCE
- ❑ STRATEGY
- ❑ GOVERNANCE AND CULTURE
- ❑ RESOLUTIONS – Director Elections and Remuneration Report

AGENDA

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- ☒ Chairman's Address
- ☐ Company Summary
- ☐ FY19 Financial Performance
- ☐ A Year In Review
- ☐ Investment in Leading Technology – Meet Kash
- ☐ Outlook



COMPANY SUMMARY



FINANCIAL SUMMARY (CLH.ASX)

Share price (1 November 2019)	\$1.23
Shares on issue	141.95 million
Market Capitalisation	\$174.6 million
Cash (30 June 2019)	\$1.6 million
Drawn Debt (30 June 2019)	\$210.6 million
Enterprise Value	\$383.6 million



BOARD AND SENIOR MANAGEMENT

Leigh Berkley	Independent Chairman
Anthony Rivas	Chief Executive Officer
Michael Knox	Indep. Non-executive Director
Sandra Birkenleigh	Indep. Non-executive Director
Catherine McDowell	Indep. Non-executive Director
Kristine May*	Company Secretary & CFO
Doug McAlpine**	Company Secretary & CFO
Denica Saunders	Chief Operating Officer
Jonathon Idas	Chief Legal Officer
Anand Adusumilli	Chief Data Scientist

* Resigned 30 June 2019

** Appointed 1 July 2019

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FY19 FINANCIAL PERFORMANCE

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Revenue of \$161.1m was up 12% on FY18, derived from a second transaction with Balbec Capital LP (“Balbec”), PDL growth and a positive revenue recognition change under AASB 9.



Earnings Before Interest & Tax (EBIT) of \$51.3m were up 18% (FY18:\$43.4m) lifted by performance and the lower amortisation charge incurred under AASB 9. Excluding one-off items and the \$14.0m gain on the Portfolio Enhancement Programme (PEP), EBIT grew 9% pcp to \$38.0m (FY18: \$34.9m).



PDL purchases were \$132.6M up 64% on FY18 including the purchase of two smaller competitors ACM and RML (NZ). This sets us up for a significant increase in Cash Collection in the years ahead and by extension profit growth.



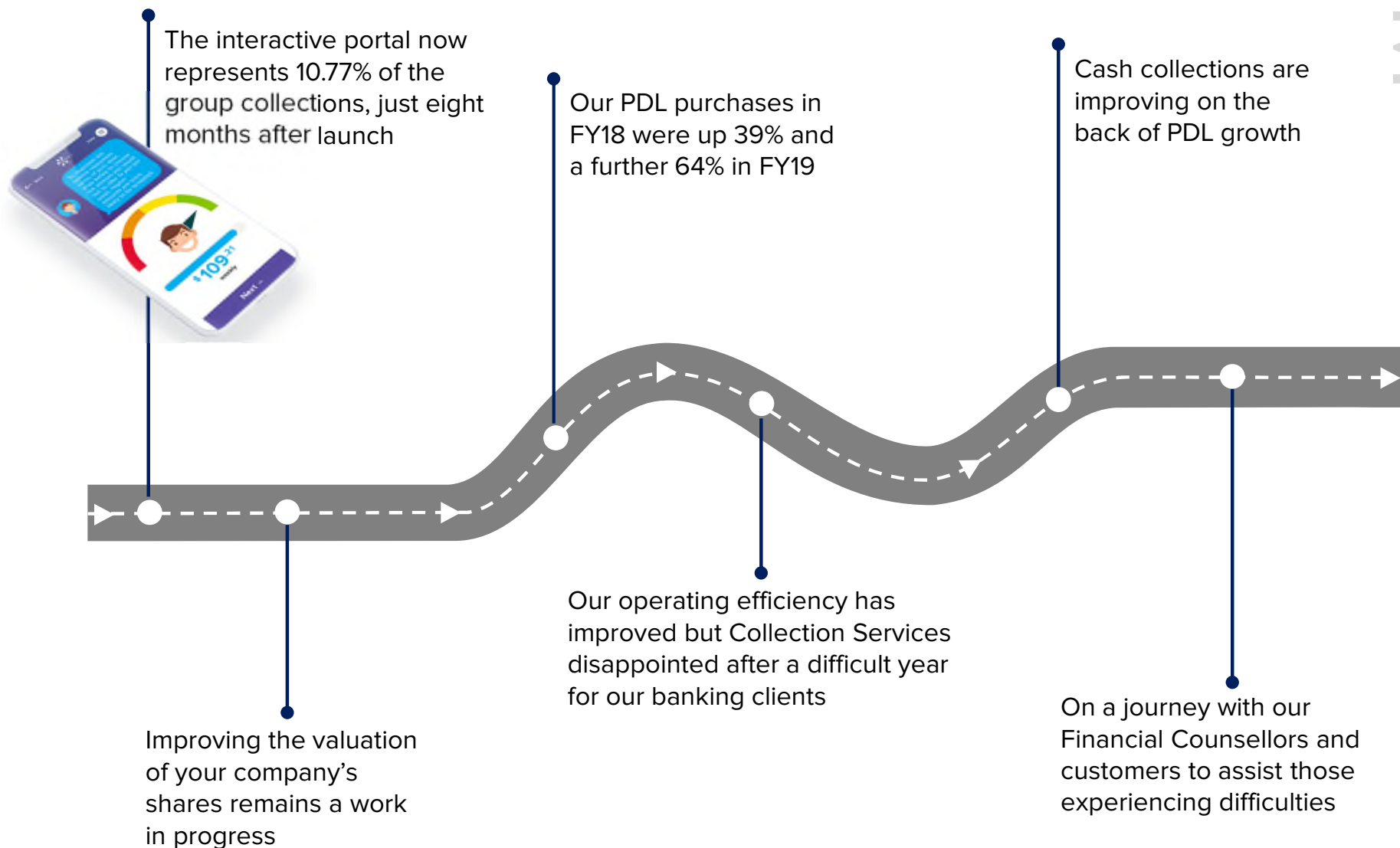
Earning per share of 22.2¢ps statutory and was above guidance and underlying EPS (ex the gain on PEP) were 15.8¢ps, also above guidance.



Dividends of 8.2¢ps (fully franked) were distributed and the DRP was once again available to shareholders at a 5.0% discount.

A YEAR IN REVIEW

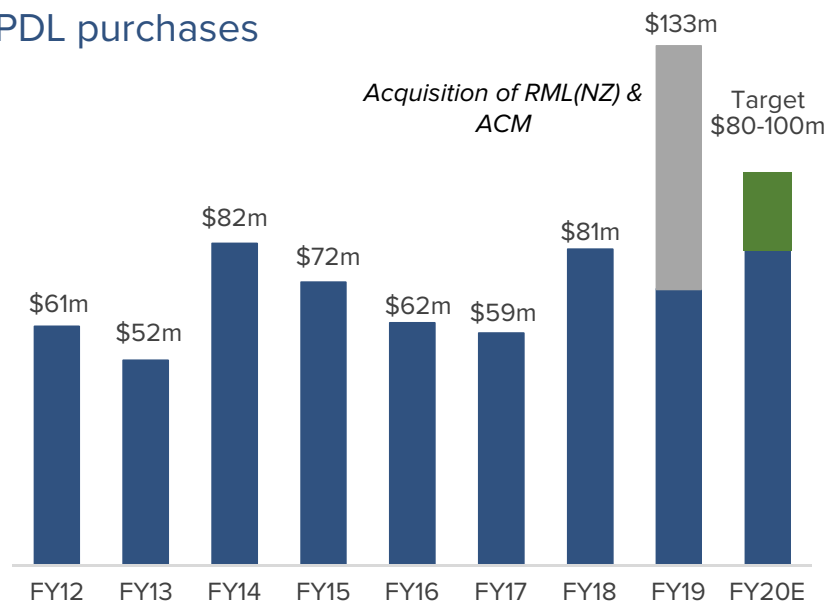
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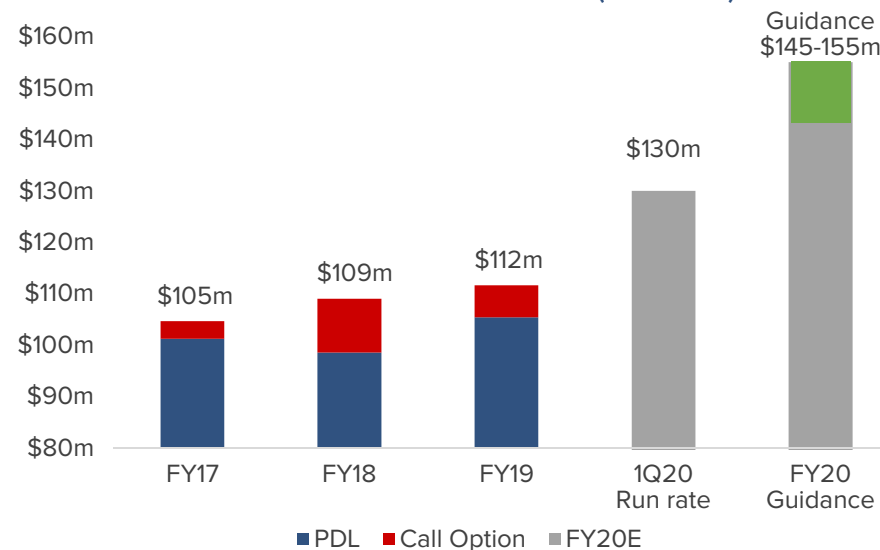
A YEAR IN REVIEW

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PDL purchases



Lion Finance - Cash Collections (ex PEP)



INVESTING IN LEADING TECHNOLOGY – MEET KASH

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Partnering with Artificial Intelligence and Emotional Intelligence Leader to turn Kash, and soon, Kara, into digital humans.

Kash able to interact with our customers like never before.





OUTLOOK

The year has started well and we remain confident of the outlook for Cash Collections, PDL purchases and profit growth.

Our FY20 Cash collection guidance of \$145-155m is reiterated.

We have provided today profit guidance of:

- Statutory EPS of 23¢ps-24¢ps
- Statutory EPS, excluding the Portfolio Enhancement Programme with Balbec, of 17¢ps-18¢ps.
- EPS Guidance equates to growth of up to 23%, and growth of up to 16.1%, excluding PEP, on FY19 statutory guidance.

Our FY20 PDL Purchase Target is \$80-100m.





Debt collection and receivables management for third parties



Debt purchasing and recovery



Legal services including insolvency administration



Tailored debt collection services, specialising in Local Government



Nationally recognised training provider in financial services and leadership



Customer service outsourcing for third parties



Licensed specialist finance broker for the provision of credit



Provision of financial hardship services for third parties



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Thank you

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