

## Plenti outperforms prospectus loan originations; achieves record quarterly volumes

Plenti Group Limited (ASX:PLT) (**Plenti** or the **Company**) is pleased to provide a trading update for the quarter ended 30 September 2020.

### Highlights:

- Record loan originations of \$106.9 million for the quarter, 48% above prior corresponding period and 11% above prospectus forecast
- The first quarter of loan originations exceeding \$100 million, following three consecutive record months
- Total loan portfolio increased to approximately \$434 million, \$8 million above prospectus forecast
- Investor app launched in beta, and significant technology enhancements in credit decisioning and partner portal deployed
- Loan portfolio continues to demonstrate strong credit performance, with low credit losses, reduction in both 90+ day arrears and number of borrowers in loan deferral
- Well-capitalised following completion of \$55 million IPO and well positioned to pursue growth opportunities available across each lending vertical

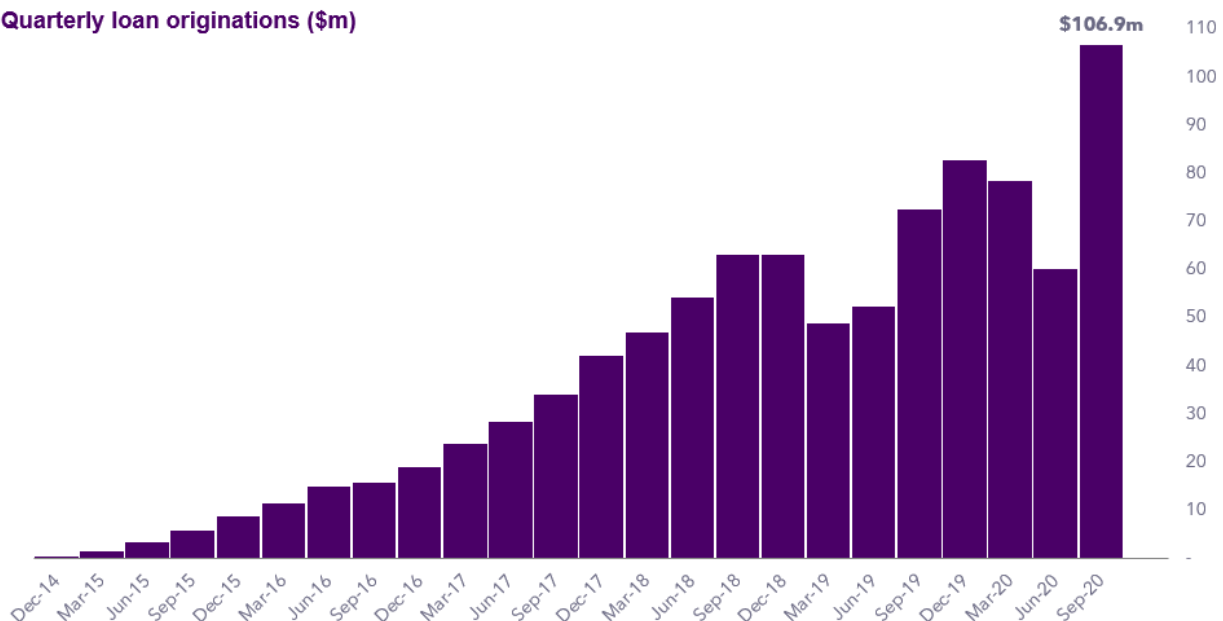
Commenting on the trading update, Daniel Foggo, Plenti's Chief Executive Officer, said:

"Delivering three consecutive months of record loan originations and exceeding our prospectus forecast is an outstanding result for Plenti. With this momentum, our focus remains on the development of market-leading and innovative products and building scale in each of our large lending markets.

"Plenti was founded on a belief that by building a lending business with technology at its core we could offer customers better value and service than traditional lenders and build a business of serious scale. We are delivering on that promise and our growth is testament to that central focus on technology and our customer.

"This result caps an important quarter in Plenti's history, including the completion of our IPO and further investment in Venus, our proprietary technology platform, which underpins the efficient delivery of our market-leading products and experiences to borrowers, investors and partners."

Quarterly loan originations (\$m)



## **Record loan volumes**

Plenti achieved record quarterly loan originations of \$106.9 million in the September quarter, 48% above the prior corresponding quarter in 2019 and 11% above prospectus forecast of \$96.4 million. Quarterly loan originations were 29% above the Company's prior quarterly record.

Consecutive record monthly loan originations were achieved in each of July, August and September. Growth was led by automotive lending, up 115% quarter-on-quarter and up 353% on prior corresponding period. Renewable energy lending performed solidly, up 5% quarter-on-quarter and 32% on prior corresponding period, despite the material impact of restrictions on installations in Victoria through August and September. Personal loan originations were up 81% quarter-on-quarter, although remain down 25% on prior corresponding period due to COVID-19 impacts, reduced marketing spend and tightened credit criteria.

Strong origination growth was achieved despite the lock-down in Victoria. Victoria represented 14% of loan originations across August and September, down from 19% in July. It is anticipated that on-hold loan approvals and pent up demand from applicants in Victoria will result in the state's relative contribution normalising as COVID-19 restrictions are removed.

Plenti's total loan portfolio increased to approximately \$434 million at 30 September 2020, 42% above 30 September 2019 and \$8 million above prospectus forecast.

## **Technology and product developments**

Plenti continues to invest in Venus, its proprietary technology platform. Notable developments during the quarter include:

- The successful beta release of a Plenti Lending Platform investor app, with a formal launch across Android and iOS app stores expected in mid-October
- The deployment of technology supporting fully automated credit decisions for automotive loans, helping to further accelerate application credit decision times and increase operational efficiency
- Significant feature improvements to the Plenti partner portal, helping to facilitate best-in-class loan application and settlement experiences for the Company's automotive and renewable energy introducers.

Additionally, product and engineering development continued in anticipation of the launch of new products to new customer segments over coming quarters.

## **Strong credit performance**

Plenti's credit performance through the COVID-19 period continues to be industry-leading.

Annualised net losses for the quarter were low at 0.87%, reflective of the prime attributes of Plenti's loan portfolio and strong underlying borrower characteristics, as well as strong collections during the period.

90+ day arrears declined to 0.42% of outstanding balances at the end of the September quarter, from 0.53% at the end of the June quarter.

The percentage of the loan portfolio for which underlying borrowers have entered loan deferral agreements reduced materially to 0.78% at 30 September, from 1.72% at the end of July (as disclosed in the prospectus).

Plenti's loan portfolio has continued to shift towards lower-risk automotive and renewable energy loans. At 30 September, secured automotive and renewable energy loans represented 50% of the loan portfolio, up from 43% at the end of the June quarter. Additionally, the average new borrower Equifax credit score during the quarter was 816, above the portfolio average of 769 at the end of the July 2020 (as disclosed in the prospectus).

## **Positioning to execute growth objectives**

Following completion of the initial public offering and \$55 million capital raising, Plenti is well-capitalised and believes it is in a strong position to pursue growth opportunities across each of its target lending verticals.

The capital raised will allow the Company to continue to:

- Invest in its proprietary technology platform, underpinning delivery of market-leading products and experiences to its borrowers, investors and partners and its building of scale in the automotive, renewable energy and personal lending verticals
- Invest in its warehouse and securitisation program, helping to support the growth of its loan book and reduce its blended cost of capital.

## **1H FY2021 results**

Plenti will report its H1 FY2021 results (April to September) in mid-November 2020.

## **Investor conference call**

Plenti is hosting an investor conference call today at 11:15am AEST / Sydney time. Participants are asked to dial-in 5 minutes early. Conference call details are as follows:

- Australian dial-in: 1300 264 803
- International dial-in: +61 3 8687 0650
- Passcode: 5102752

*All numbers in this release are preliminary and unaudited. This release was approved by the Chief Executive Officer on behalf of the Plenti board of directors.*

For more information, please contact:

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## **About Plenti**

Plenti is a technology-led consumer lending and investment business. Plenti provides borrowers in the large lending verticals of automotive, renewable energy and personal lending with efficient, simple and competitive loans, delivered via Venus, the Company's proprietary technology platform. Additionally, Plenti seeks to provide investors with attractive, stable returns via investing in the established asset class of consumer loans.

For more information visit [plenti.com.au/shareholders](https://plenti.com.au/shareholders)