

ASX Announcement | 20 October 2020

## Consolidated Operations Group achieves 129% NPATA growth in Q1

### Investment Highlights:

- Net Profit After Tax and before Amortisation (NPATA) of \$3.2m, up 129% on the prior corresponding period
- Brokerage margins rise in the Finance Broking & Aggregation segment
- Operating lease hardship cases substantially reduced in the Commercial Equipment Financing segment

Consolidated Operations Group Limited (COG), Australia's largest asset finance broking & aggregation group and trusted leader in SME & auto finance solutions, is pleased to announce that it has had a strong start to the new financial year (Q1 FY21).

The Company achieved a Q1 NPATA of \$3.2m, an increase of 129% on the prior corresponding period (Q1 FY20: \$1.4m). A breakdown of the unaudited NPATA results are shown in the chart below:

	Statutory		LFL <sup>1</sup>
	Q1 FY21	Q1FY20	Q1 FY21
<b>NPATA to shareholders (unaudited)</b>			
Finance Broking & Aggregation	3.1	1.2	3.0
Commercial Equipment Financing	0.7	1.0	0.5
All Other / Intersegment	(0.6)	(0.8)	(0.6)
<b>COG Group Total</b>	<b>3.2</b>	<b>1.4</b>	<b>2.9</b>

<sup>1</sup> Represents a 'like-for-like' comparison where FY21 results have been normalised to reflect the same COG ownership percentage of:

- 66.11% in Platform Consolidated Group as last year, as compared to the current ownership of 69.73%
- 31.82% in Westlawn Finance Limited as last year, as compared to the current ownership of 51.02%

Within the Finance Broking & Aggregation (FB&A) segment, on average, Net Amount Financed (NAF) was down approximately 15% but brokerage margins were higher.

For the Commercial Equipment Financing (CEF) segment, originations of the new chattel mortgage product were subdued but are expected to accelerate as additional funding from Westlawn Finance Ltd comes online, and the operating lease portfolio continues to be in run-off.

Of the non-Victorian hardship accounts, 90% have completely cured since 30 June 2020, with the position in Victoria remaining static over the period. The remaining hardship affected accounts have a total present value of \$3.8m against which an additional provision for expected losses of \$1.0m was raised at 30 June 2020. Management believes this is conservative and is unlikely to be fully utilised.

**Consolidated Operations Group CEO Andrew Bennett said:** "This is a terrific result, particularly in Victoria, where all of our businesses met or exceeded last year's trading performance, once again demonstrating what a robust business model COG has. In the near term, we will look to acquire more finance brokers and continue to build out our insurance broking capability. We will also continue to monitor the performance of the CEL segment in light of the disruptions caused by COVID-19."

**Ends.**

*Announcement authorised by: Andrew Bennett, Chief Executive Officer*

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**About Consolidated Operations Group**

Consolidated Operations Group (COG) has two complementary businesses:

1. Finance Broking & Aggregation (FB&A). Through our membership group serving independent brokers and COG's equity owned brokers (brokers in which we have invested), we are Australia's largest asset finance group, representing over \$4.5 billion per annum of Net Asset Finance (NAF). We will grow NAF through organic growth and further equity investment in brokers.
2. Commercial Equipment Financing (CEF). Through our extensive broker distribution network, COG provides own-funded equipment finance to SMEs.

In both businesses we are small parts of large markets, with growth opportunities through consolidation and organic growth.

To learn more, please visit: [www.coglimited.au](http://www.coglimited.au)