

16 June 2022

## hummmgroup trading update

- Humm Consumer Finance's (**HCF**) performance remains under significant pressure
  - HCF May fiscal year-to-date (**YTD**) cash net profit after tax (**CNPAT**) is down approximately 61% compared to previous corresponding period (**PCP**)
  - HCF net receivables<sup>i</sup> decreased by approximately 3.6% between 31 December 2021 and 31 May 2022
- Humm Commercial continues to grow strongly
  - Commercial May fiscal YTD CNPAT up approximately 47% compared to PCP
  - Commercial net receivables increased by approximately 26% between 31 December 2021 and 31 May 2022

hummm group limited (ASX: HUM) (**Humm** or **hummmgroup**) today provides an update in relation to its unaudited financial results, based on management accounts, for the fiscal year through 31 May 2022.

Humm Chair Christine Christian AO said:

*"The trading environment is very tough for HCF, with intense competition, rising interest rates, and weakening consumer sentiment. HCF has experienced a reduction in net receivables, net yield compression and higher expenses.*

*"As a result, profits are materially lower as compared to this time last year - year-to-date Cash NPAT is down approximately 61%. Without enhanced scale, which the Latitude transaction will deliver, the outlook for HCF will be even more challenging.*

*"Conversely, Humm's Commercial business continues to grow strongly, with volumes, net receivables and Cash NPAT well above the same period last year. Net receivables are up 70% compared to May 2021, with year-to-date volumes up 105%.*

*"The Board and Management remain excited about Commercial's prospects as a standalone business."*

## Preliminary Unaudited Metrics

	HCF	Commercial
<i>Net Receivables</i>		
31 May 2022	\$1,790m	\$1,413m
31 December 2021	\$1,856m	\$1,123m
Change (May 22 versus December 21)	- 3.6%	+ 25.8%
31 May 2021	\$1,849m	\$832m
Change (May 22 versus May 21)	- 3.2%	+ 69.7%
<i>Volume</i>		
Fiscal YTD <sup>ii</sup> FY22	\$2,223m	\$937m
Fiscal YTD <sup>iii</sup> FY21	\$1,940m	\$457m
Change	+ 14.6%	+ 105.2%
<i>CNPAT</i>		
Fiscal YTD <sup>ii</sup> FY22	\$17.3m	\$27.8m
Fiscal YTD <sup>iii</sup> FY21	\$44.3m	\$18.9m
Change	- 60.9%	+ 47.1%
<i>CNPAT ex. macro provision movement<sup>iv</sup></i>		
Fiscal YTD <sup>ii</sup> FY22	\$8.0m	\$29.6m
Fiscal YTD <sup>iii</sup> FY21	\$34.0m	\$17.4m
Change	- 76.6%	+ 70.2%

### Humm Consumer Finance

HCF net receivables have declined approximately 3.6% since 31 December 2021; receivables have reduced in both buy now pay later (**BNPL**) and Cards NZ, with some limited growth in Cards AU.

Compared to fiscal YTD May 2021, Big Things AU volumes have declined, in part due to increased competition in solar, while volumes in Cards NZ are flat. There continues to be volume growth in HCF's other product segments.

Fiscal YTD net operating income is approximately 10% lower than the same period last year, primarily due to lower net receivable balances and net yield compression. Expenses<sup>v</sup> are up 15% versus PCP, with operating expenses up 26.6% in part due to investments in new products and geographies and the absence of JobKeeper.

HCF's fiscal YTD CNPAT is down approximately 60.9% compared to PCP.

### Humm Commercial

Humm's **flexicommercial** net receivables and volumes are significantly above PCP. Net receivables as of 31 May 2022 were \$1,413 million, up approximately 25.9% from 31 December 2021 and 69.7% above 31 May 2021.

While net yield has declined, net receivables growth and increased operating leverage means that **flexicommercial**'s fiscal YTD CNPAT is approximately 47.1% above PCP.

-ENDS-

Authorised for release by the Board of Directors of **hummg**roup.

**Investor Contact**

Morrow Sodali - Humm Shareholder  
Information Line  
1300 237 569 (within Australia)  
OR  
+61 2 9066 4054 (outside Australia)

**Media Contact**

Lauren Thompson - Domestique Consulting  
+61 438 954 729  
  
Hayley Ashburner - Domestique Consulting  
+61 497 554 588

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- i Net receivables throughout the trading update are before expected credit loss allowance.
  - ii Year-to-date through 31 May 2022.
  - iii Year-to-date through 31 May 2021.
  - iv Assuming 30% tax rate on macro provision movement.
  - v Aggregate marketing, depreciation and operating expenses.