

ASX ANNOUNCEMENT (ASX: LBY)

29 November 2022

Laybuy delivers strong growth in NTM and income; remains on track to achieve EBITDA profitability as losses reduce by more than a third

Laybuy Group Holdings Limited (ASX:LBY) today released its Appendix 4D and Half Year Report for the period ended 30 September 2022¹.

Key Highlights - H1 FY23

- **Strong growth in income**
 - Income of \$25.9 million – an increase of 22.1% year-on-year.
- **Sustained recovery in Net Transaction Margin (NTM)**
 - NTM of 2.6% – an increase of 110bps year-on-year
- **Falling fraud and defaults**
 - Default rate falls to 2.0% – a reduction of 60bps year-on-year.
- **Marked reduction in losses**
 - EBITDA loss of \$13.9 million – an improvement of 35.2%
- **On-track to achieve EBITDA profitability in March 2023**
 - Laybuy reconfirms expectation to be EBITDA profitable in March 2023.

Managing Director Gary Rohloff says the first half of this financial year has seen Laybuy make strong progress on its pathway to profitability.

“Our strategy to achieve profitability is delivering results with our normalised losses nearly halving when compared to the same period last year,” says Gary.

Laybuy Group’s EBITDA in H1 FY23 was -\$13.9 million, an improvement of 35.2% on the year prior, while losses after tax were \$-14.9 million, an improvement of 34%.

“We achieved these results through a resolute focus on implementing our strategy, which sees us reducing costs across the business while at the same time improving the quality of our customer base and reducing fraudulent activity on our platform.

¹ All numbers stated are in New Zealand dollars (**NZ\$**) and comparisons relate to the half year ended 30 September 2021 (H1 FY22 or year-on-year) unless otherwise stated.



“The results released today show that our strategy is working and that is thanks to a huge effort by the team at Laybuy.

“The first six months of this financial year saw our income grow by nearly a quarter while our ongoing investment in prevention measures saw defaults fall to 2%,” says Rohloff.

“This has supported a strong recovery in our NTM, which improved steadily throughout the half-year and peaked at 4% in Q2 FY23. Overall, our NTM for the half-year was 2.6%.

“In addition, we are starting to realise savings from our *Save to Invest* programme, which we are investing back into the business and into those areas that deliver the highest return on investment.

“It is anticipated that *Save to Invest* will return approximately \$20 million in annualised savings to Laybuy by the end of this financial year. These savings, alongside ongoing savings achieved through reduced fraud and defaults, will allow the business to self-fund future activities.”

Gary says that the second half of FY23 has started just as strongly for Laybuy, with income in October increasing by 11% year-on-year, and NTM stabilising at 3.1%.

“The work we have done means that we are well-positioned to deliver sustainable and profitable growth despite a tightening macroeconomic environment and increasing inflation.

“We have done significant work to tighten credit risk management processes to mitigate the risk of defaults while our capital efficient business model means that we do not anticipate rising interest rates to have any material impact on our business.

“While our ANZ business has been profitable for some time, the changes we have made have resulted in a significant improvement in our UK results, with our UK business recording its second straight month of profit in October.”

“As we look ahead toward the peak retail period, we anticipate strengthening results and are on track to achieve EBITDA profitability in March 2023, making Laybuy one of the first pure play publicly-listed BNPL providers to achieve profitability.”

ENDS

For more information, please contact:

Gary Rohloff
Managing Director
investors@laybuy.com

Mark Conelly
Chief Financial Officer
investors@laybuy.com

Stephen Jones
Head of Corporate Communication
stephen.jones@laybuy.com

This announcement was approved for release by the Board of Directors of Laybuy Group Holdings Limited.



About Laybuy

Launched in 2017, Laybuy is a rapidly growing fintech company providing buy now, pay later services partnering with over 14,000 retail merchants. Laybuy is available in New Zealand, Australia and the UK. The unique, fully integrated payment platform is helping to revolutionise the way consumers spend. Laybuy is simple. Customers can shop now, receive their purchase straight away, and pay it off over six weekly payments without paying interest. For more information visit laybuyinvestors.com.

