



29 November 2024

The Manager – Listings
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

2024 AGM Chair Address

COG Financial Services Limited (COG) attaches the following documents in relation to the FY2024 Annual General Meeting:

- Chair Address, by Mr Patrick Tuttle; and
- Presentation associated with the Address.

Announcement authorised by: Board of COG Financial Services Limited

For further information please contact:

Andrew Bennett
Chief Executive Officer
M 0405 380 241



COG Financial Services Limited - AGM 2024

Chair's Address

Good morning everyone,

I am pleased to report that your Company delivered an increase in underlying NPATA to shareholders of 2% on the previous year to \$24.2m (this represents an increase of 12% on pcp, after allowing for the diminished contribution of COG's TL Commercial lease business in run-off).

EPSA of 12.56cps was flat on the previous year, and the Company declared and paid a fully franked final dividend of 4.4 cps. Total FY24 dividends of 8.4 cps were consistent with the prior year, providing shareholders with an annualised dividend yield of 7.5% up 1.4% (FY23: 6.1%).

The FY24 results evidence the ongoing successful implementation of our strategy to build Australia's leading SME Finance Broking & Aggregation services provider, while also delivering profitable and low risk growth in our Asset Management & Lending business, and further expanding our lending products distributed through our proprietary finance broking network.

Total underlying revenue in FY24 increased by 36% over the previous year to \$495.6 million. This was primarily driven by organic and acquisitive growth in commission and fee income from our core Finance Broking & Aggregation (FB&A) business, and the ongoing growth trajectory in the Novated Leasing business.

Net Assets Financed (NAF) through COG's aggregation businesses grew to a record \$8.9 billion in FY24, an increase of 15% on the previous year. COG's estimated market share of Australia-wide broker originated NAF is 21%.

Assets Under Management (AUM) in our Asset Management & Lending (AM&L) business grew to \$936 million, an increase of 19% on the previous year. The growth in AUM reflects growth primarily in Westlawn's subsidiary, Equity-One Mortgage Fund Management Limited.

Consistent with our strategy, COG made several acquisitions during the year, including:

- Acquisition of a 100% interest in the car and lifestyle asset aggregation groups National Finance Choice ("NFC") and United Financial Services ("UFS") through COG's subsidiary COG Aggregation, effective 31 July 2023.
- Acquisition of a 20% interest in Centrepont Alliance Limited (ASX: CAF), effective 30 November 2023.
- Acquisition of the salary packaging business known as Community Salary Packaging through COG's subsidiary Paywise, effective 11 July 2024.

Looking forward to the new financial year (FY25), we will continue to execute on our strategic plan of acquiring finance brokers that are complementary to our existing national network, growing our in-house SME lending volumes and related asset management capabilities, and driving further novated leasing and insurance broking growth.

In closing, I would like to personally thank all our shareholders for your continuing support and encouragement. Finally, I'd like to thank Andrew Bennett and his senior management team, along with my fellow Directors for their tireless efforts and support over the past year.



I'll now hand you over to Andrew who will take you through some of the key areas of strategic focus as we move our attention to the year ahead.

Thank you.

Patrick Tuttle
Chair

Who we are:

COG Financial Services Limited (COG) has three complementary businesses:

1. Finance Broking & Aggregation ("FB&A"): Through its membership group of independent and equity owned brokers (brokers in which COG has invested), COG is Australia's largest asset finance group, representing over \$8.9 billion per annum of Net Assets Financed (NAF). Further growth is being achieved through organic growth in equipment finance, insurance broking, and through equity investment in brokers.
2. Novated Leasing ("Novated"): Through Fleet Network and its subsidiaries, Paywise and beCarWise, COG operates in the novated lease and salary packaging sector. Further growth is being achieved through organic growth, with a significant opportunity arising from existing tax incentives associated with electric cars financed through a novated lease arrangement.
3. Asset Management & Lending (AM&L) formally known as Funds Management & Lending ("FM&L"): The largest profit contribution is from peer-to-peer lending on property mortgage-backed business loans via our subsidiary Equity One. As a fee-based business, it's profits are not exposed to changes in interest rates. In addition, through broker distribution, COG provides equipment finance to SMEs, and real property loans via our subsidiary Westlawn Finance Limited.

In all three businesses COG's market share is small relative to the market size in which it operates, and there are significant growth opportunities through future consolidation and organic growth.



Chairman's Presentation AGM

29 November 2024

Patrick Tuttle
Chairman

COG's strong performance continues

Revenue¹

\$495.6m

▲ **+36%** on pcp

EBITDA to shareholders²

\$37.1m

▲ **+9%** on pcp

NPATA to shareholders²

\$24.2m

▲ **+12%** on pcp³

▲ **+2%** on pcp

EPSA²

12.56cps

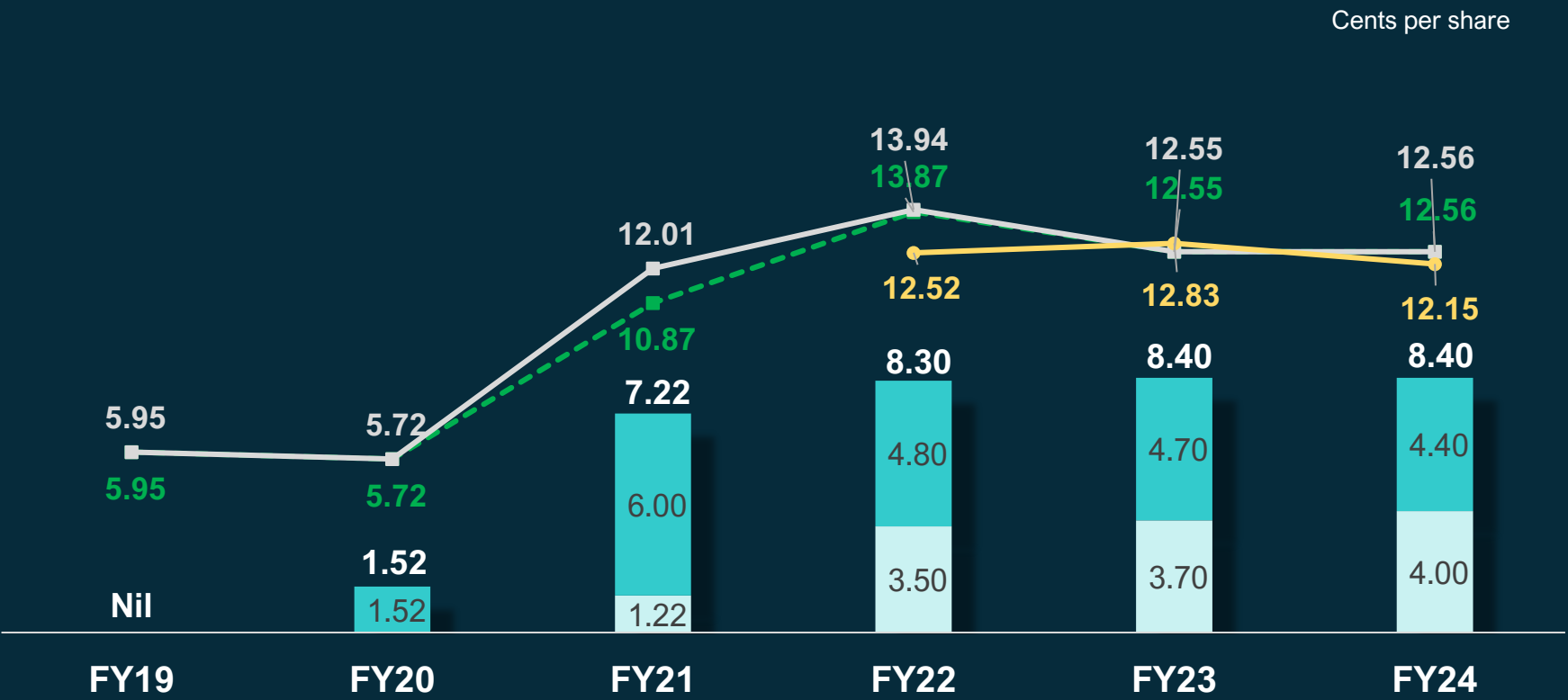
▲ flat on pcp

¹ Underlying revenue excludes interest income (FY24 \$3.4m, FY23 \$1.5m). Share of results from associates previously reported as part of 'Revenue' has now been reported separately. Prior comparative information has been adjusted to conform with current period presentation.

² Underlying basis attributable to shareholders. Excludes profit on sale of assets (FY24 \$0.1m, FY23 \$0.3m after tax), impairment charge (FY24 \$4.2m after tax, FY23 \$9.4m after tax), redundancy and restructuring costs (FY24 \$nil, FY23 \$0.5m after tax), transaction costs (FY24 \$0.2m, FY23 \$0.1m after tax), COG's proportionate share of Centrepont Alliance's and Earlypay's (i) redundancy and restructuring costs (FY24 \$0.1m after tax, FY23 \$0.1m after tax), (ii) transaction costs (FY24 \$0.1m, FY23 \$nil), (iii) impairment charge incurred by Earlypay (FY24 \$nil, FY23 \$0.4m after tax), and (iv) amortisation of acquired intangibles incurred by CAF (FY24 \$0.2m, FY23 \$nil).

³ Increase of 12% on pcp, after allowing for the diminished contribution of COG's TL Commercial lease business in run-off.

Growth over time in EPSA and dividends



- Final dividend per share
- Interim dividend per share
- EPSA (excluding government subsidies)
- EPSA⁵
- EPSA (excluding gov. subsidies & share of results in EPY)

¹ Dividends fully franked
² Total dividends divided by NPATA
³ FY24 total dividends divided by the COG closing share price at 30 June 2024
⁴ FY24 total dividends (grossed up by 30%) divided by the COG closing share price at 30 June 2024
⁵ Earnings per share adjusted for the amortisation of acquired intangible and calculated using the Weighted Average Number of Outstanding Shares for each FY

Final **dividend declared** of
4.4 cps¹ (FY23: 4.7 cps¹)

Payout ratio of
67.7%² (FY23: 67.3%²)

Dividend yield
of **7.5%**³

**Dividend yield Grossed up for
Franking benefit**
of **10.7%**⁴



Summary of Group financial results

	FY24 ¹ \$m	FY23 ¹ \$m	Pcp Change
Revenue ²	495.6	364.5	36%
EBITDA	57.8	52.8	9%
Net interest income / (expense)	0.9	(0.1)	-1000%
Depreciation	(3.6)	(3.1)	16%
Amortisation	(14.2)	(11.4)	25%
NPBT	40.9	38.2	7%
Tax	(12.2)	(9.8)	24%
NPAT	28.7	28.4	1%
Minority interests	(11.2)	(10.1)	11%
NPAT to shareholders	17.5	18.3	-4%
EBITDA to shareholders	37.1	33.9	9%
NPATA to shareholders³	24.2	23.7	2%
EPSA to shareholders (cps)	12.56	12.55	0%

1. Underlying basis attributable to shareholders. Excludes profit on sale of assets (FY24 \$0.1m, FY23 \$0.3m after tax), impairment charge (FY24 \$4.2m after tax, FY23 \$9.4m after tax), redundancy and restructuring costs (FY24 \$nil, FY23 \$0.5m after tax), transaction costs (FY24 \$0.2m, FY23 \$0.1m after tax), COG's proportionate share of Centrepont Alliance's and Earlypay's (i) redundancy and restructuring costs (FY24 \$0.1m after tax, FY23 \$0.1m after tax), (ii) transaction costs (FY24 \$0.1m, FY23 \$nil), (iii) impairment charge incurred by Earlypay (FY24 \$nil, FY23 \$0.4m after tax), and (iv) amortisation of acquired intangibles incurred by CAF (FY24 \$0.2m, FY23 \$nil).

2. Underlying revenue excludes interest income (FY24 \$3.4m, FY23 \$1.5m). Share of results from associates previously reported as part of 'Revenue' has now been reported separately. Prior comparative information has been adjusted to conform with current period presentation.

3. NPATA is NPAT adjusted for amortisation of identified intangibles on acquisition of controlled entities (after tax).

Revenue growth of \$131.1m includes organic growth (+\$88.0m) and contribution from acquisitions (+\$48.4m), partially offset by the run-off of the TL Commercial Finance book (-\$3.6m) and the fact that FY23 includes \$1.0m of sales revenue from the Hal Group IT business up to 31 August 2022 (divested on that date).

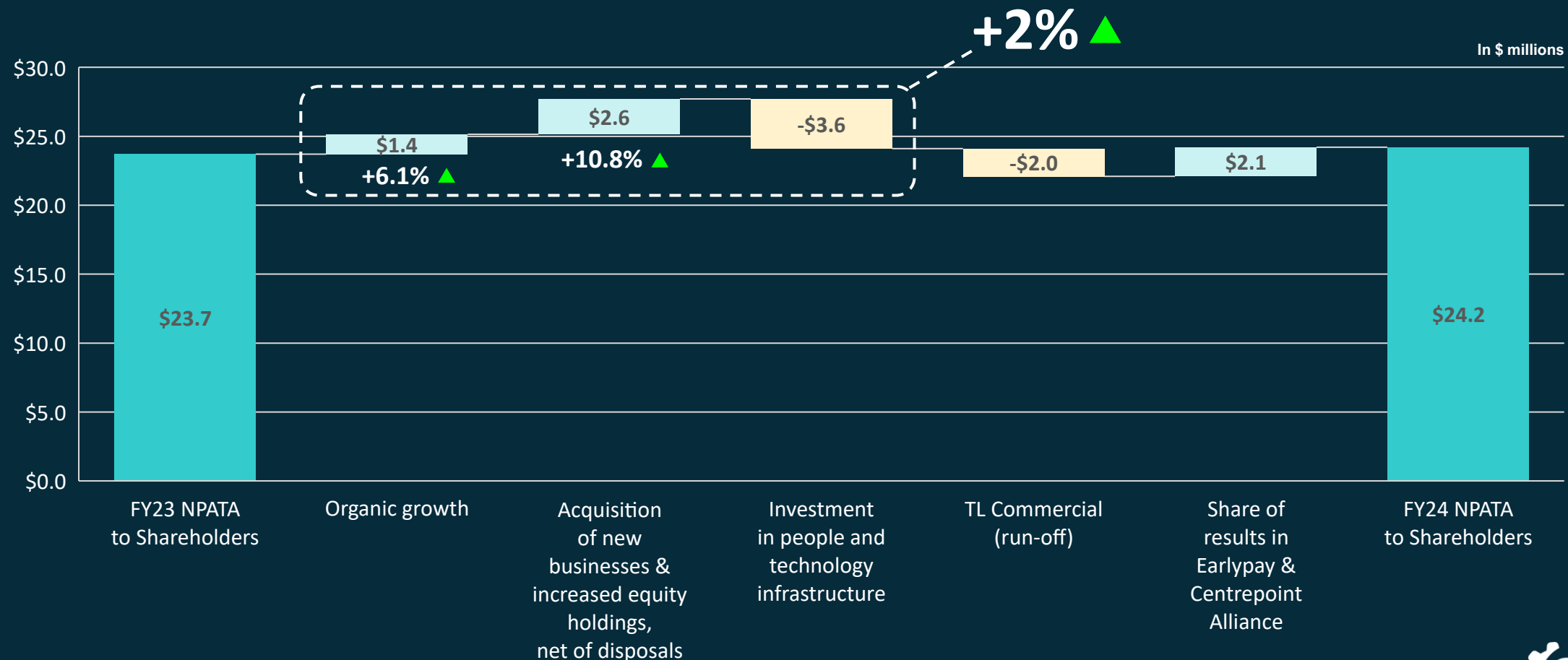
FY24 EBITDA margin decreased to 11.7% (FY23: 14.5%) reflecting, (i) reduced margin from volume-based incentive passed on by financiers in response to higher lending rates, (ii) compressed lending margins on the Chattel Mortgage product offered by Westlawn (given an increase in funding costs), (iii) investments in people and technology infrastructure, which is linked to an increase in business activity and (iv) the varied margin mix across the range of business activities. Partially offset by the margin leverage of higher volumes from the Novated Lease businesses and a higher contribution from Earlypay and Centrepont Alliance versus pcp (+\$3.7m).

Depreciation & amortisation includes \$13.4m for amortisation of identified intangibles on acquisition of controlled entities (FY23: \$10.9m) and \$1.9m depreciation of right-of-use lease assets (FY23: \$1.9m).

EBITDA to shareholders comprises increases of \$7.2m from Novated Leasing and \$3.4m from Head Office & Other (including Centrepont Alliance and Earlypay), offset by a decrease of \$2.4m from Finance Broking & Aggregation and \$5.0m from Asset Management & Lending.

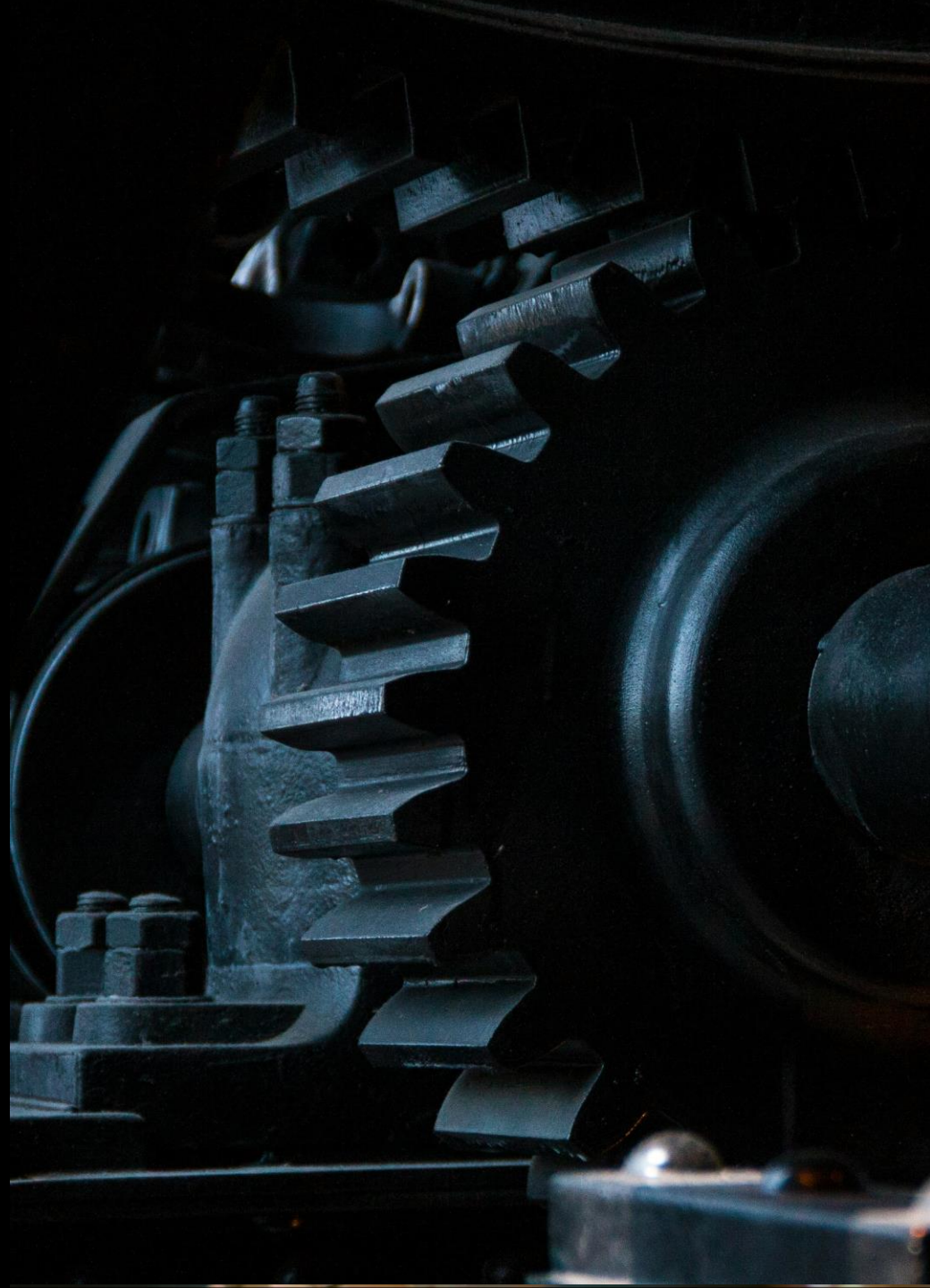
Effective tax rate of 30% (FY23: 26%) based on normalised NPBT.

Underlying NPATA to Shareholders



Segment performance

Novated Leasing delivered outstanding results with Finance Broking & Aggregation and Asset Management & Lending continuing to report strong business volume growth in FY 2024



Underlying NPATA to Shareholders by segment

In \$ millions

Segment	FY24			FY23		
	NPATA to shareholders	(-) Less diminishing contribution from TL Commercial ¹	NPATA to shareholders before share of results in Earlypay ²	NPATA to shareholders	(-) Less diminishing contribution from TL Commercial ¹	NPATA to shareholders before share of results in Earlypay ²
Finance Broking & Aggregation	11.1	-	11.1	13.2	-	13.2
Novated Leasing	8.5	-	8.5	4.0	-	4.0
Asset Management & Lending ³	6.7	(1.4)	5.3	10.1	(3.4)	6.7
Other	(2.1)	-	(2.1)	(3.6)	-	(3.6)
Total	24.2	(1.4)	22.8	23.7	(3.4)	20.3

▲ **+2%** vs PCP

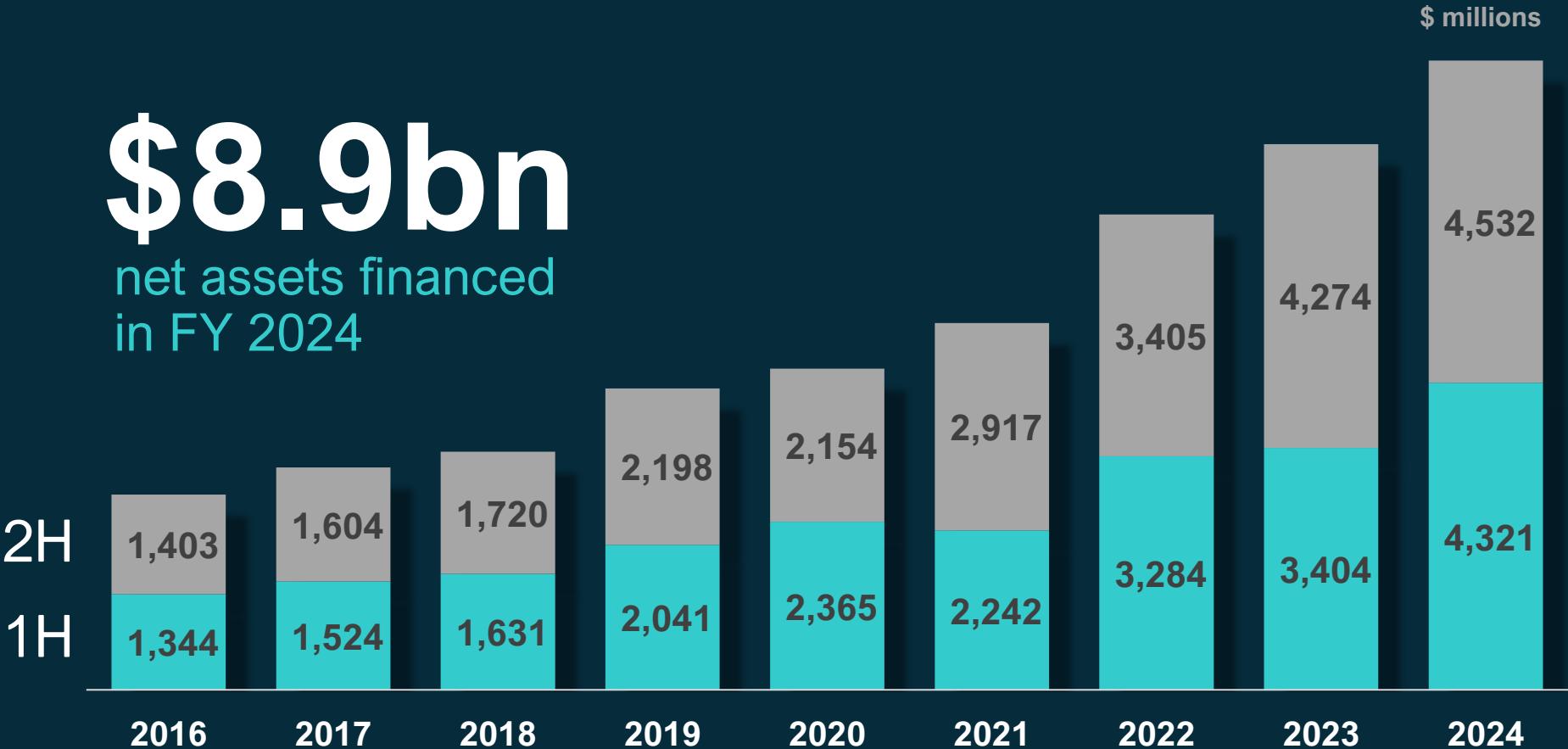
▲ **+12%** vs PCP⁴

1. Reflects the diminished contribution of COG's TL Commercial lease business in run-off.
2. Excluding share of results in Earlypay in both periods
3. Formerly known as 'Funds Management & Lending'
4. Increase of 12% on pc, after allowing for the diminished contribution of COG's TL Commercial lease business in run-off.

Record volumes continue through organic growth and acquisitions

▲ +15% vs PCP

\$8.9bn
net assets financed
in FY 2024



Disclaimer

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Words such as 'anticipates', 'expects', 'intends', 'plans', 'believes', 'seeks', 'estimates' and similar expressions are intended to identify forward-looking statements.

These statements are not guarantees, representations or warranties of future performance and are subject to known and unknown risks, uncertainties and other factors (some of which are beyond the control of COG), are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

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This Presentation should be read in conjunction with COG Appendix 4E and COG's 30 June 2024 Annual Financial Report, and all other ASX announcements by COG.