



FY18 RESULTS PRESENTATION
27 AUGUST 2018

Scott Baldwin
Managing Director

Ray Malone
Executive Chairman

Siva Subramani
Chief Financial Officer

Introduction



Money3 is a leading provider of pre-owned automotive finance to **4-5 million Australians** either not serviced by or excluded by traditional lenders



Over 18 years in business Money3 has settled over **800,000 loans** worth over **\$1 billion** in value



With **\$96m available in deployable capital**, Money3 will continue to grow its loan book and market share



Broker and direct business channels are growing strongly delivering 5 year **compound annual growth rate (CAGR) in EPS of over 25%**

500,000 UNIQUE CUSTOMERS

FY18 financial results

Group Financial information (Audited)	FY18	FY17	Mvt %
<i>Amounts in \$m unless otherwise stated</i>			
Revenue	121.9	109.6	11.2%
Expenses	(65.3)	(59.0)	
EBITDA	56.6	50.6	11.9%
<i>EBITDA as % of revenue</i>	46.4%	46.2%	
NPAT	32.0	29.1	10.1%
<i>NPAT as % of revenue</i>	26.3%	26.5%	
EPS (Basic) cents per share	19.91	18.81	5.8%

Note: FY17 results were not restated for early adoption of the new accounting standards (AASB9 and AASB15) and is not comparable with FY18 results. On a normalised basis, FY18 EBITDA increased by 20%.

31.4%

Increase in Broker division
revenue to \$73.6m

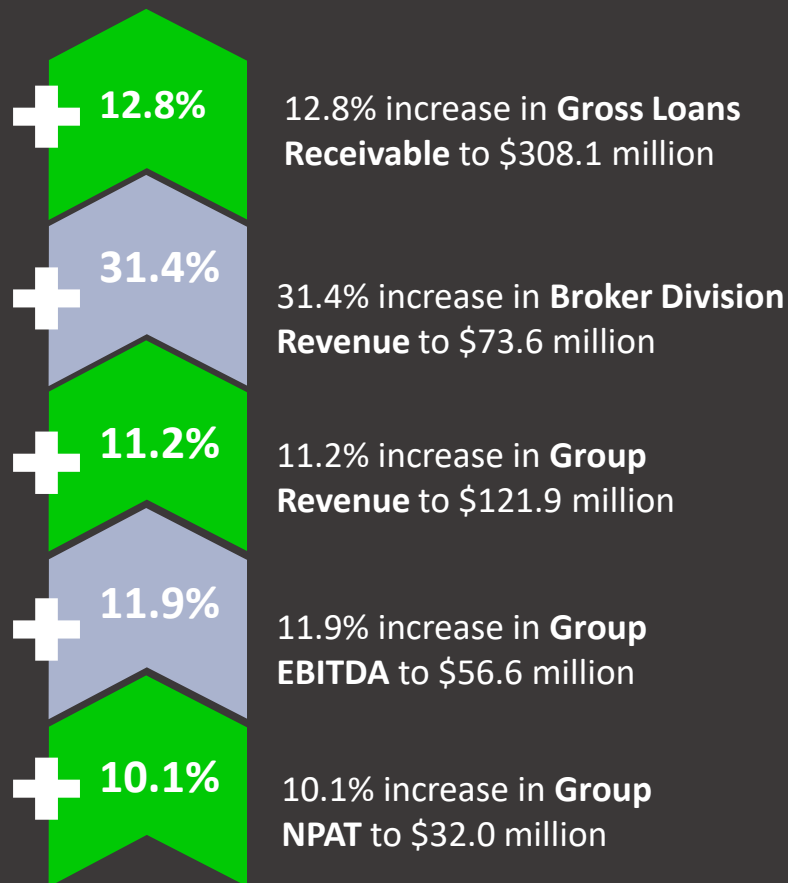
11.9%

Increase in Group EBITDA

10.1%

Increase in Group NPAT

FY18 Highlights



~\$96m (\$50m debt and ~\$46m cash) available to accelerate loan book growth



Final FY18 dividend of 5.00 cents fully franked, taking full year dividend to 9.50 cents fully franked

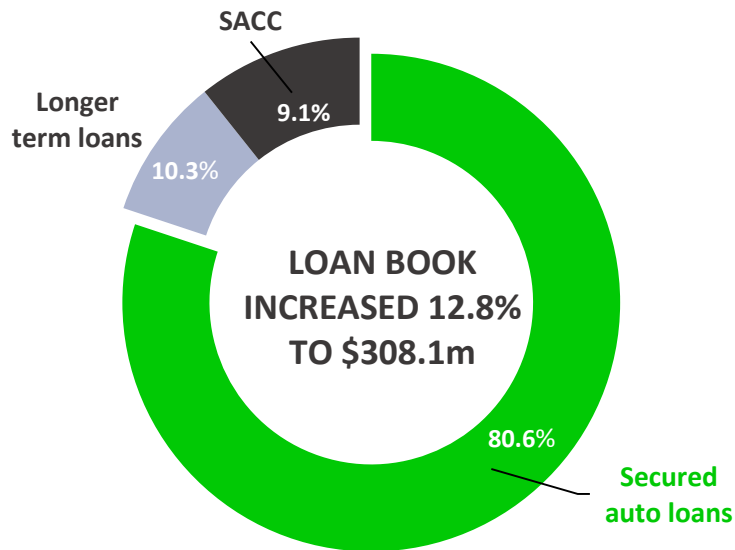


Early adopters of Accounting Standards AASB9 and AASB15

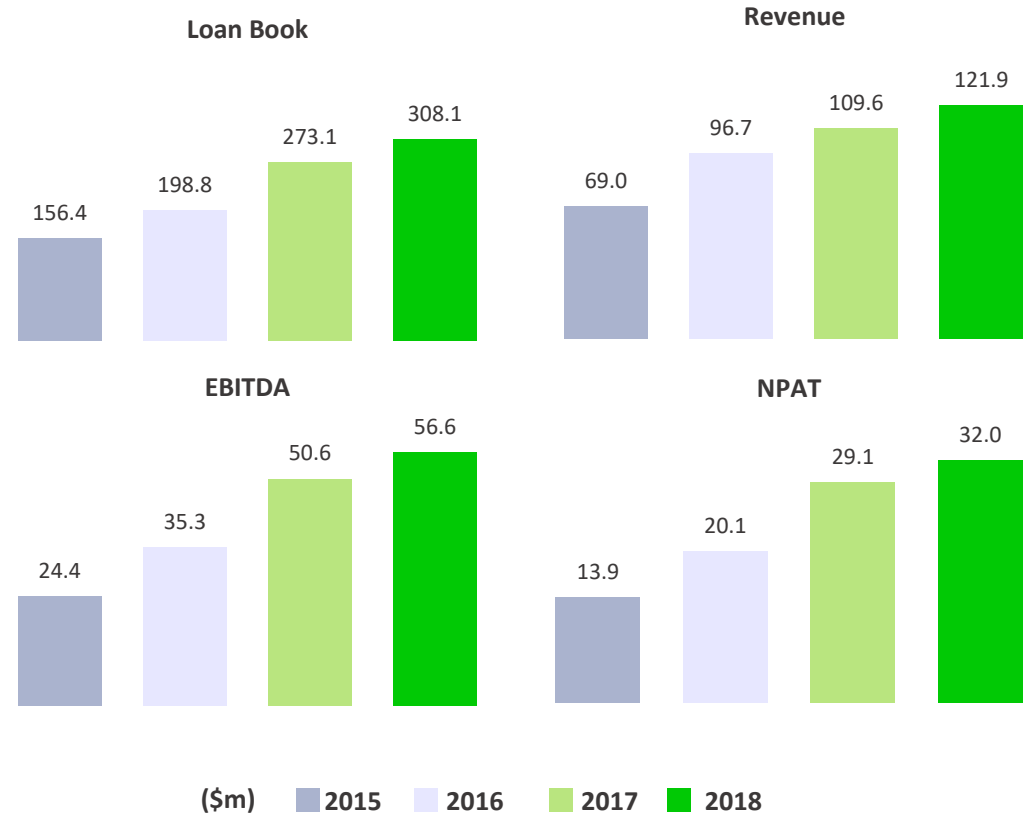


Bad debts within target range of 5-6% of gross loans receivable

Strong long-term growth

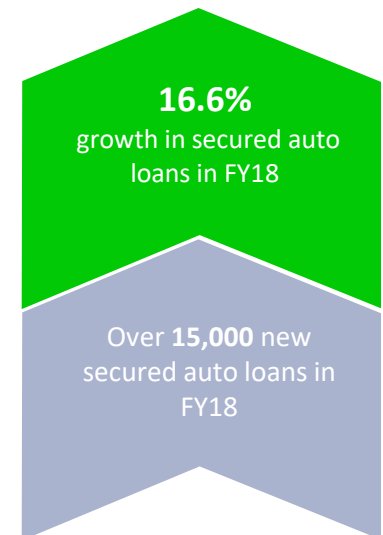
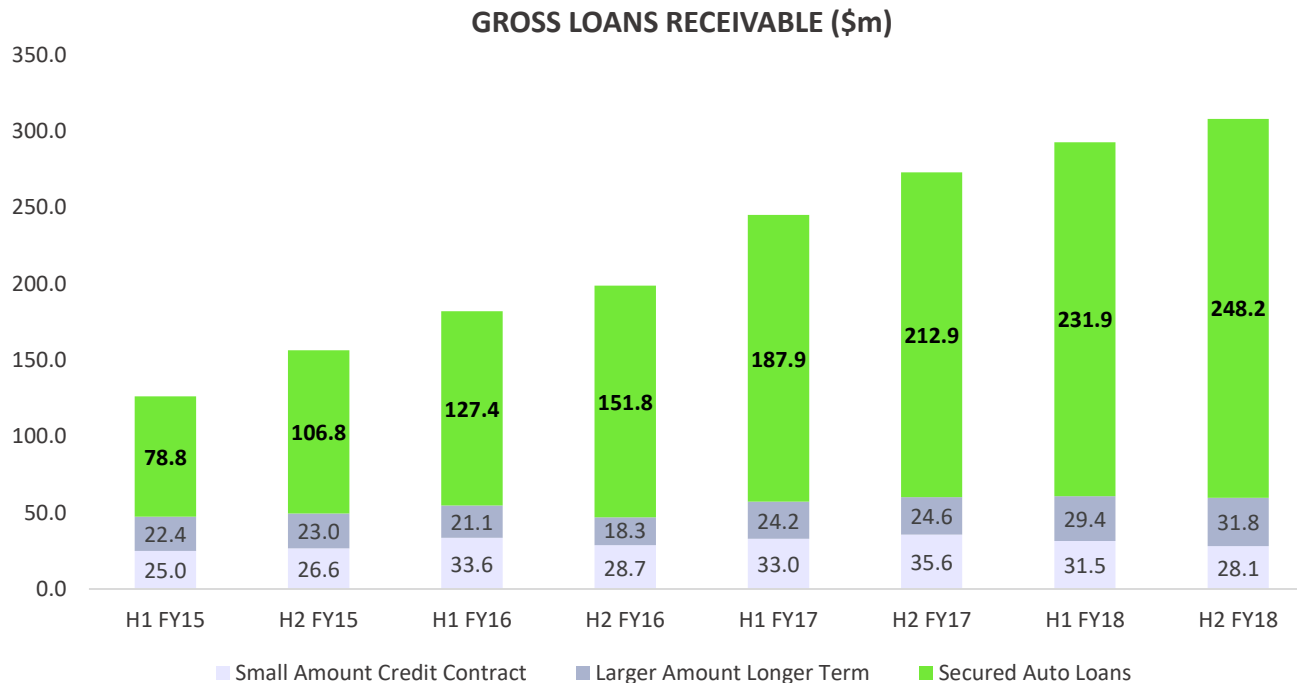


SECURED AUTO LOANS IS
THE FASTEST GROWING
PRODUCT SEGMENT



Loan book continues to grow strongly

12.8% increase in Gross Loans Receivable to \$308.1 million.
Gross Loans Receivable is the key leading indicator of future revenue.



Prudent responsible lending sees less than 1 in 3 secured automotive applications approved

Automotive market opportunity

Australian automotive market



Huge Market

- \$80bn+¹ of annual vehicle sales.
- \$35.7bn² of vehicles financed annually.
- \$20bn² annual market for consumer vehicle financing.



Growing

- Over 1.2m new vehicles and 2.1m used vehicle sales³ annually.
- ~2.1%³ increased number of cars on Australian roads in 2017 (or over 400,000 vehicles).



Servicing Gap

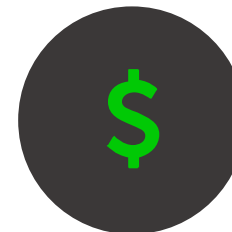
- 4-5 million Australians are either not serviced or excluded by traditional lenders.
- Requires highly experienced customer care function to serve appropriately.

Money3 Opportunity



Money3 market share

- 1 out of 600 registered vehicles in Australia is financed by Money3.
- Money3 currently accounts for 2% of its target market and is on track to increase to 3% market share by CY19.



Market opportunity

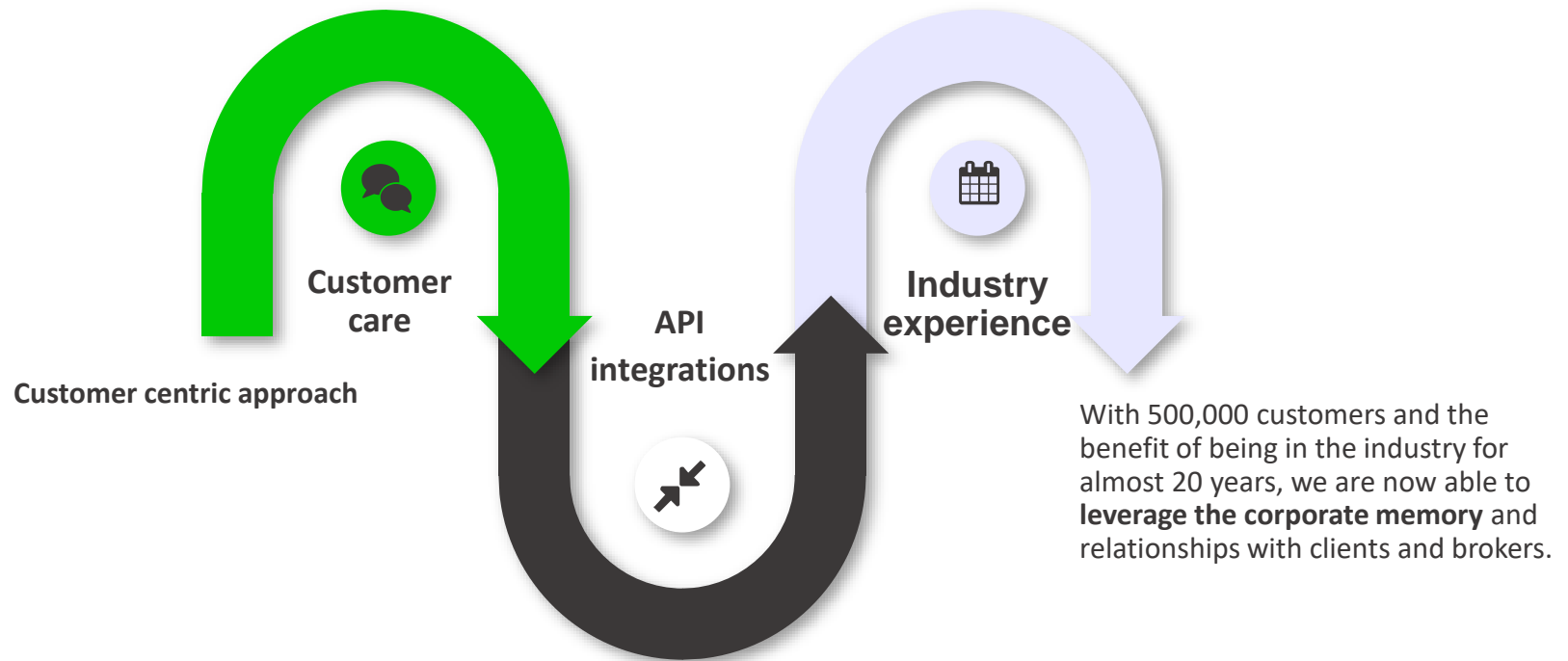
- ~\$96m of deployable funds providing significant headroom for loan book growth.
- Significant investment into software integration across broker and dealers enabling significant volume growth.

¹ Roy Morgan: Report - State of the Nation 27: Australian Automotive Industry accelerates towards 'Decade of Upheaval'

² Royal commission into misconduct in the banking, superannuation and financial services industry: Report - Some Features of Car Financing in Australia

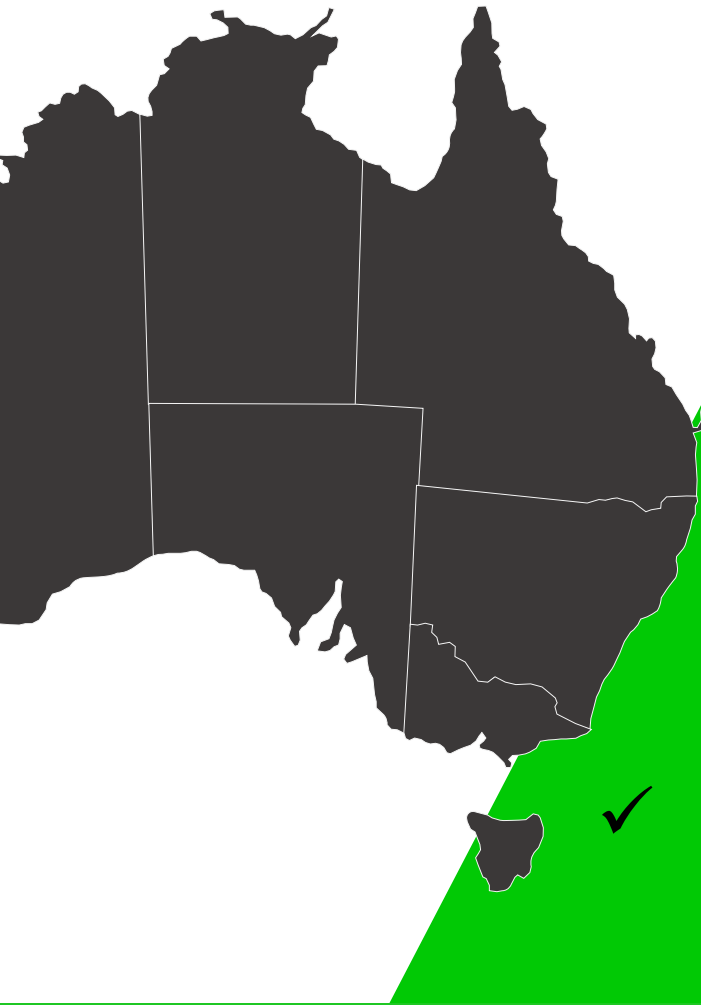
³ Australian Bureau of Statistics: Report - 9309.0 - Motor Vehicle Census, Australia, 31 Jan 2018

Sustainable competitive advantages



The **changing regulatory landscape** has seen smaller brokerages merge and this is likely to continue. Larger brokers are more likely to have customer relationship management (CRM) technology, making **API integration** with these brokers highly beneficial and profitable for both broker and lender.

Money3 has the ability to monetise existing database



On average, Australians **change cars every 7 years**¹

With more than 500,000 past and current customers, **Money3 is presented with more than ~70,000 of its own customers** in search of a new vehicle every year

We are exceptionally well placed to mine our own database in search of repeat customers, at **lower risk and capable of driving further efficiencies within the business**

¹ Roy Morgan: Report - State of the Nation 27: Australian Automotive Industry accelerates towards 'Decade of Upheaval'

Customer care

Money3's core competitive advantages are: understanding customers, identifying profitable relationships on a product basis and the collection of outstanding loans from these customers.

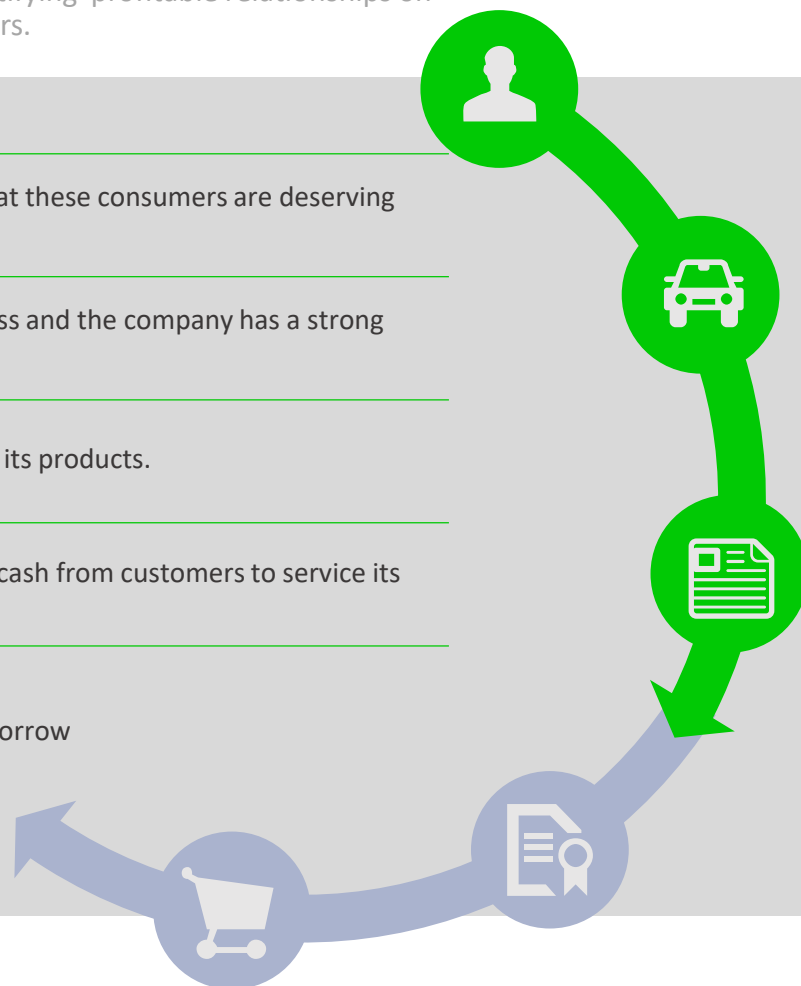
Money3 customers typically have a below prime consumer record. We believe that these consumers are deserving of and should have access to credit. Money3 fills this critical market role.

Money3 has customer centricity at the heart of its approval and collections process and the company has a strong understanding of consumer repayment ability and probability.

Money3 has flexibility at the centre of its corporate mindset and, by extension, in its products.

Money3's highly experienced customer care team collect a significant amount of cash from customers to service its lending obligations throughout the course of a financial year.

At its core Money3 engages and helps customers to meet their repayments, with demonstrated customer satisfaction evidenced by 1 in 4 customers returning to borrow again.



Strategic Update

BOARD STRUCTURE AND REPRESENTATION

Mr Ray Malone has taken on Executive Chairman responsibilities, the board has resolved to appoint an additional non-executive director following the resignation of Mr Kang Tan.

ACTIVITY AND MARKET SHARE

Money3 continues to focus on increasing its market share in the secured loans sector through high-tech, low-touch broker integrations as well as enhancing its own direct sales channels to new, existing and paid-up customers.

COST CONTROL

The expenditure review program launched in FY17 continued to be successful in FY18 and will be extended into FY19 with a particular focus on automation technology and an ongoing review of consolidation across the branch network.

GEOGRAPHIC EXPANSION

Money3 is actively pursuing M&A opportunities with a view to expanding into complimentary product sets and strengthening particular geographic areas.

SACC LENDING

The shift into secured automotive remains a strong proposition due to better regulatory standing and loan book quality. Longer dated receivables broaden returns profile and lock in future revenue and earnings.

Strategy and Outlook



TECHNOLOGY

- Expanding software integration between Money3 and third parties is driving productivity & marketing efficiencies
- Software development between Money3 and payment gateways is driving efficiencies & improved collection outcomes
- Expanding contact centre solution connectivity with our loans management platform will enhance productivity and drive improved collection outcomes



FUNDING












- **\$96m** of total available headroom
 - \$50m of undrawn finance facility for growth
 - \$46m available of cash reserves at 30 June 2018
- No requirement for additional equity in the foreseeable future



REGULATORY

- The 2018 Banking Royal commission is likely to drive greater levels of conservatism in main stream lending for personal and automotive loans increasing Money3's market opportunity
- Money3 has robust processes that are compliant with current regulatory headwinds around flex commissions, add on insurance products and interest rate caps

Appendix 1 - Money3 product and market overview

PRODUCT CATEGORY	SECURED AUTOMOTIVE LOANS				UNSECURED PERSONAL LOANS			
TOTAL MARKET SIZE	\$20b ¹				\$46.4bn ²			
LOAN PURPOSE	 CARS	 BIKES	 CAMPERVANS	 VANS ETC...	 CAR REPAIRS	 HOLIDAYS	 WHITE GOODS	 MEDICAL ETC...
PRODUCT OFFERING	Up to \$35,000 24 – 60 months				Up to \$12,000 Up to 36 months			
DISTRIBUTION CHANNEL	DISTRIBUTION PARTNERSHIPS ONLINE DIGITAL CHANNELS				BRANCH NETWORK ONLINE DIGITAL CHANNELS			
BRANDS					 			

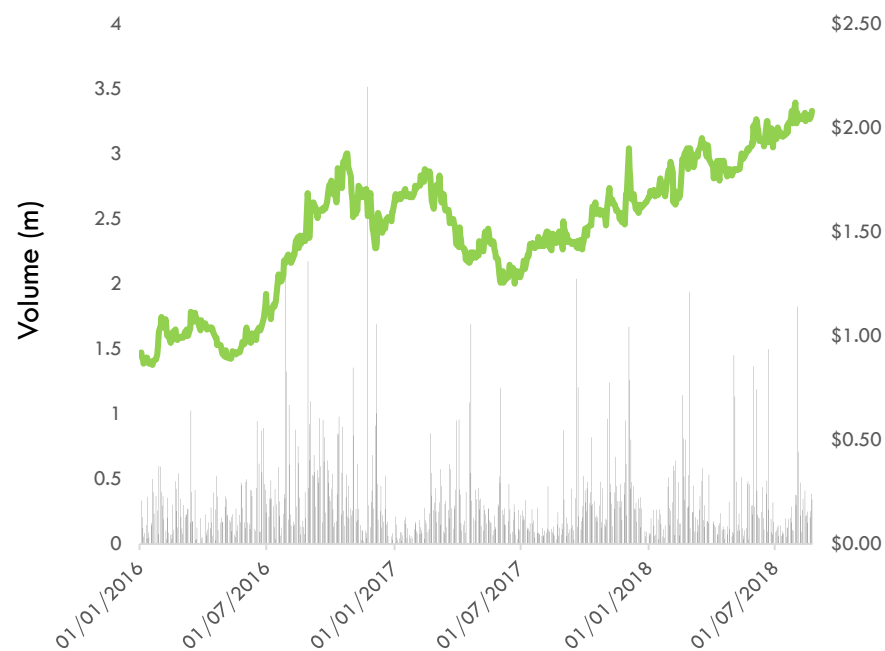
¹Royal commission into misconduct in the banking, superannuation and financial services industry: Report - Some Features of Car Financing in Australia

²Australian Bureau of Statistics: Personal finance for fixed loan facilities, Source:

Appendix 2 – Corporate Information

Capital structure

Shares on issue	176.26m
Share Price	\$2.11
Market capitalisation	\$371.92m
Cash at 30 June 2018	\$46.31m
Financing facility available	\$50.0m
Debt	\$100.0m
Earnings per share	19.91 cents
Dividends per share	9.50 cents



Disclaimer

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You should decide whether to contact your financial adviser so a full and complete analysis can be made in respect to your personal situation.

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