



money3

Thorney AGM Presentation
21 November 2018

Scott Baldwin
CEO & Managing Director

Disclaimer

The content of this presentation has been prepared by Money3 Corporation Limited (the Company) for general information purposes only.

Any recommendations given are general and do not take into account your personal circumstances and therefore are not to be taken as a recommendation or advice to you.

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

Whilst all care has been taken compiling this presentation neither the Company nor any of its related parties, employees or directors give any warranty with respect to the information provided or accept any liability to any person who relies on it.

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 **\$84m¹ available in deployable capital**, Money3 will 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

¹ As at 31 October 2018

Automotive market opportunity

Australian automotive market



Huge Market

- \$80Bn¹ of annual vehicle sales
- \$35.7Bn² of vehicles financed annually
- \$20Bn² annual market for consumer vehicle financing, of which used vehicle financing is \$6Bn



Growing

- Over 1.2M new vehicles and 2.1M used vehicle sales³ annually.
- ~2.1%³ increase 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

- ~\$84m 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

Money3 has the ability to monetise existing database



On average, Australians **change cars every 7 years¹**

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'

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

Money3 – think Holden Commodore

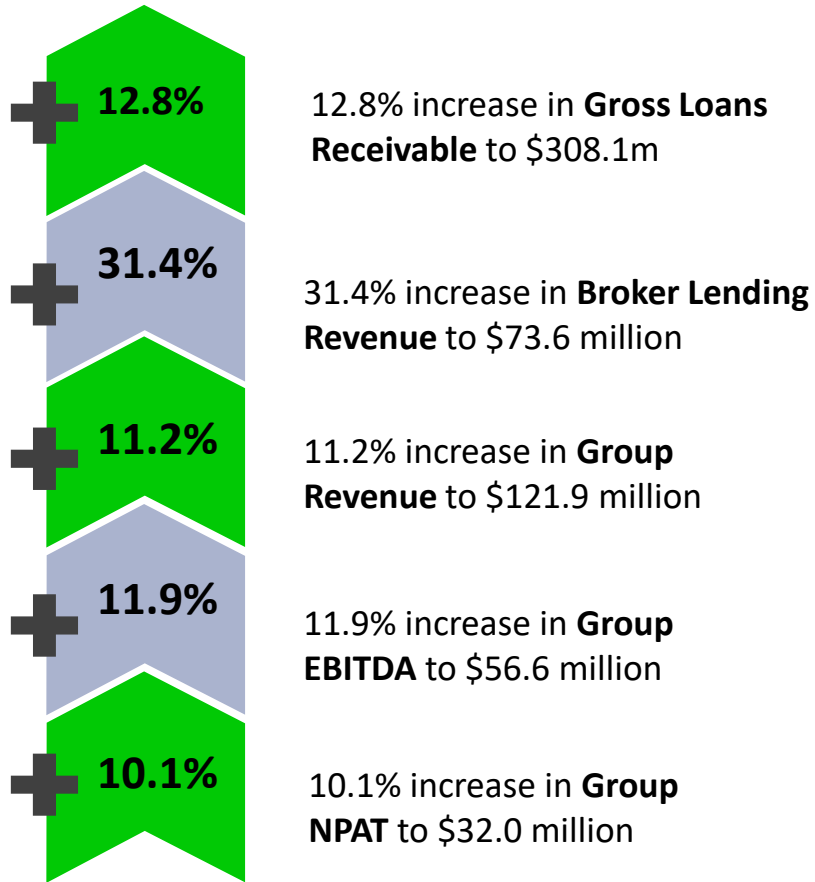


Tremendous focus on great service for customers who traditional credit providers often exclude

Car loans up to \$35,000 over periods of up to 60 months

Cash loans up to \$8,000 for repairs and or maintenance to vehicles

FY18 Highlights



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



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

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 secured division
revenue to \$73.6m

11.9%

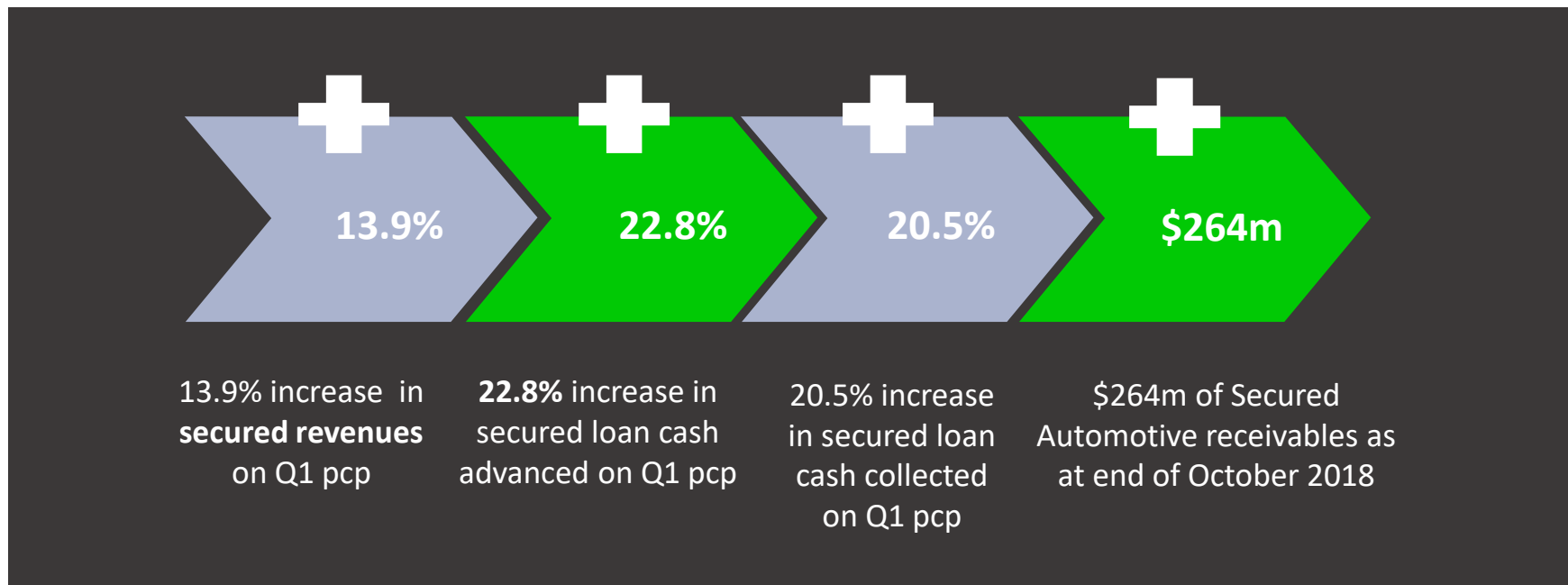
Increase in Group EBITDA

10.1%

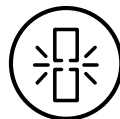
Increase in Group NPAT

Strong start to FY19, record secured loan originations and cash collection

Loan originations are key leading indicator to revenue and earnings growth



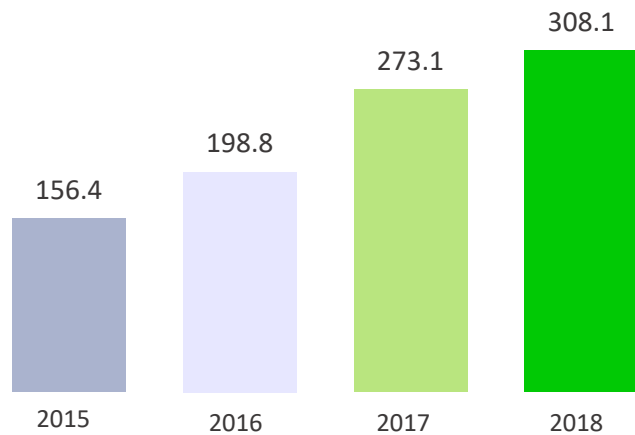
~\$84m (\$50m debt and ~\$34m cash) available to accelerate loan book growth as at end of October 2018



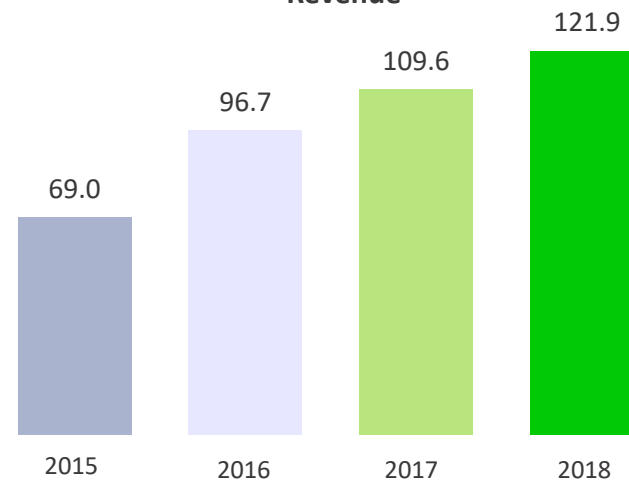
Money3 remains committed to exiting SACC demonstrated by revenue, cash collection and cash out all diminishing during Q1

Strong long-term growth

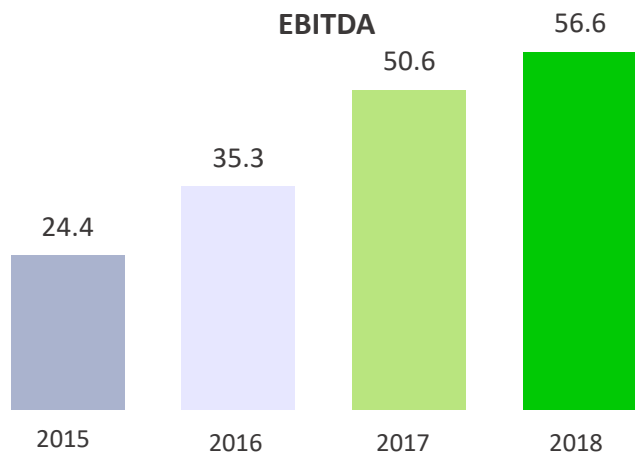
Loan Book (\$m)



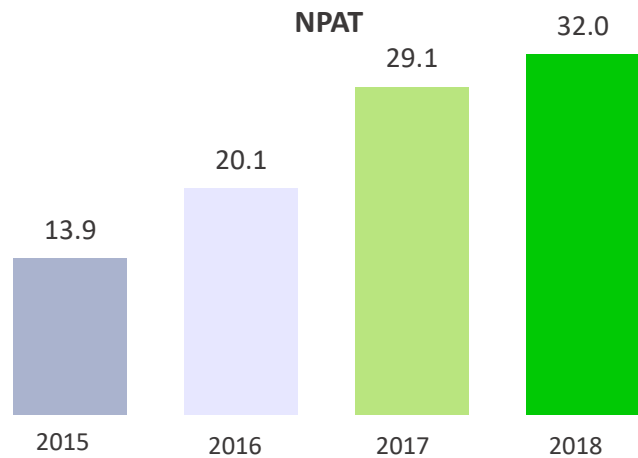
Revenue



EBITDA

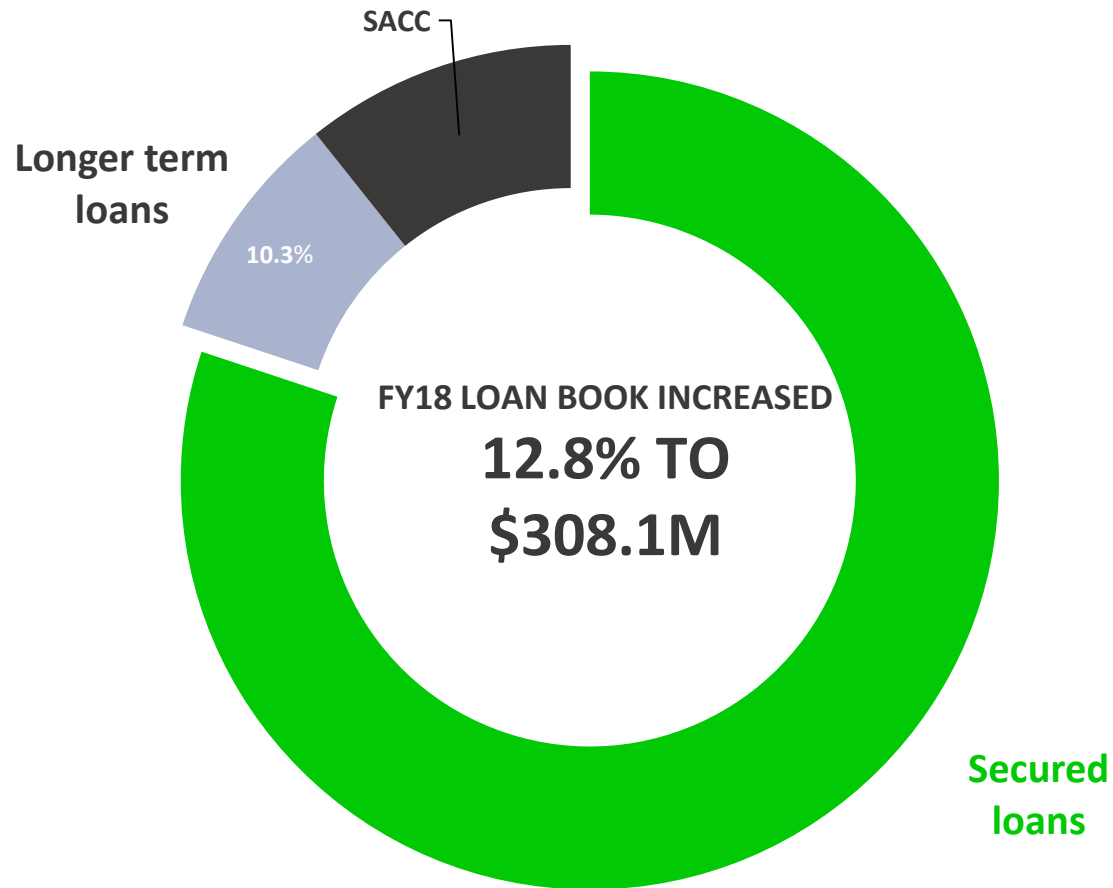


NPAT



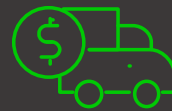
Strong long-term growth in loan book

Secured auto loans are the fastest growing product segment





Money3 has a strong presence with key channels, with a significant market opportunity to continue to grow



In FY19 Money3 anticipates funding ~\$170m of car purchases, out of \$6bn in used vehicle financing opportunity



1 out of 600 registered vehicles in Australia is financed by Money3



Money3 already has a strong foothold in the used vehicle finance market through brokers and direct channels with a significant market to scale in

Board & Corporate Governance

Experienced and balanced board



Ray Malone
Chairman until 27 November 2018



Stuart Robertson
Non-Executive Director,
Chair of Audit Committee (Independent)
Non-Exec Chairman commencing
27 November 2018



Symon Brewis-Westin
Non-Executive Director, Chair of
Remuneration Committee (Independent)
commences 27 November 2018



Leath Nicholson
Non-Executive Director



Scott Baldwin
CEO & Managing Director

Summary

BOARD STRUCTURE AND REPRESENTATION

With Mr Robertson as Chairman and Mr Brewis-Westin joining the board, MNY has a balanced board with three non-executive directors.

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 successful expenditure review program launched in FY17 has been 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.

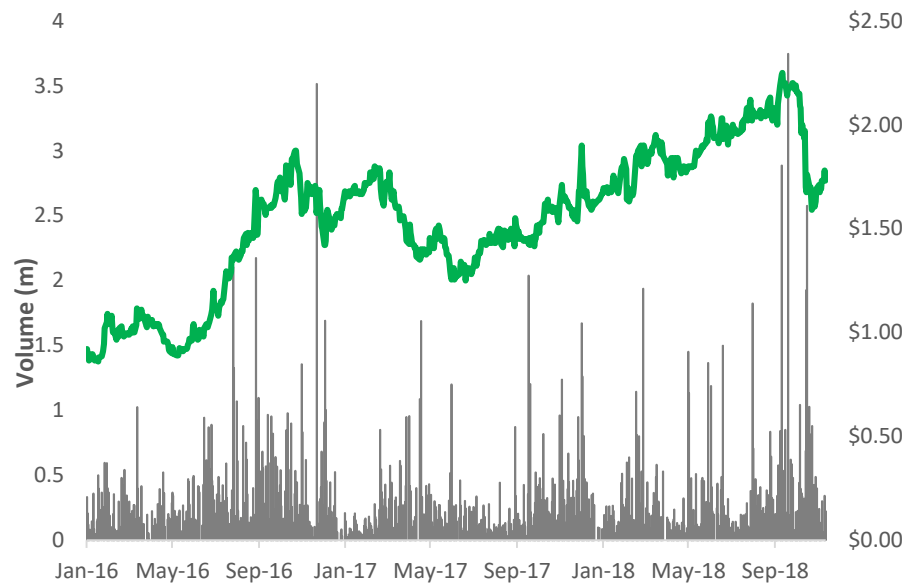
SACC

Money3 is strategically managing a transition away from SACC lending, with a strong focus on secured automotive loans and unsecured longer-term loans.

Appendix – Corporate Information

Capital structure

Shares on issue	179.67m
Share Price as at 20/11/18	\$1.675
Market capitalisation	\$300.95m
Cash as at 31 October-2018	\$34m
Financing facility available	\$50.0m
Debt	\$98.1m
Dividend per share (FY18)	9.50 cents





money3

Scott Baldwin
Managing Director
s.baldwin@money3.com.au

Siva Subramani
Chief Financial Officer
s.subramani@money3.com.au