



**Financial Year 2019
Presentation**

20 August 2019

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Managing Director

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Chief Financial Officer

Focused on a larger market

Money3 is focused on the vehicle finance market with a significant opportunity to expand its lending to consumers that are underserved while beginning to service a broader market

Money3 is a specialist provider of vehicle finance for the purchase and maintenance of a vehicle. The Company has successfully entered the New Zealand market in FY19 via the acquisition of Go Car Finance



Deployable capital of ~\$100m. Money3 is focused on expanding its market share, deploying this capital in FY20 to achieve ~30% growth of gross loan book

Responsible lending has been the cornerstone of our sustainable lending practices

money3

Originated loans for over 500,000 customers

Over \$1bn lent to customers since inception

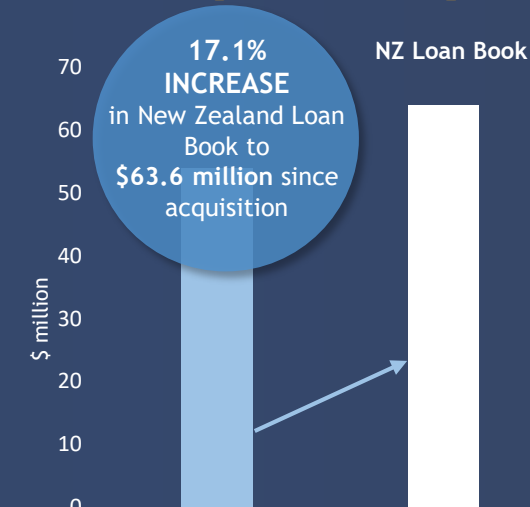
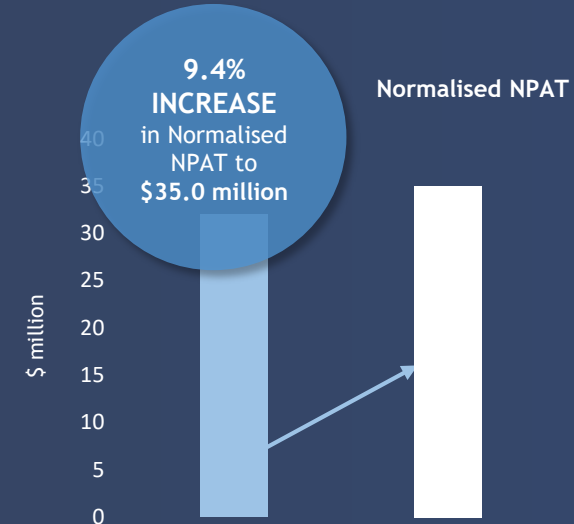
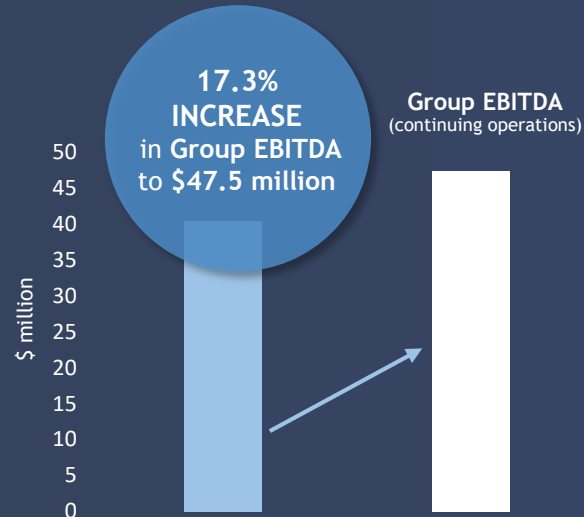
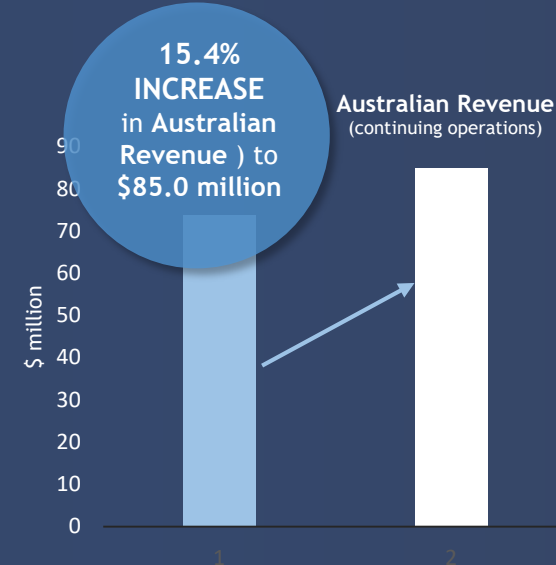
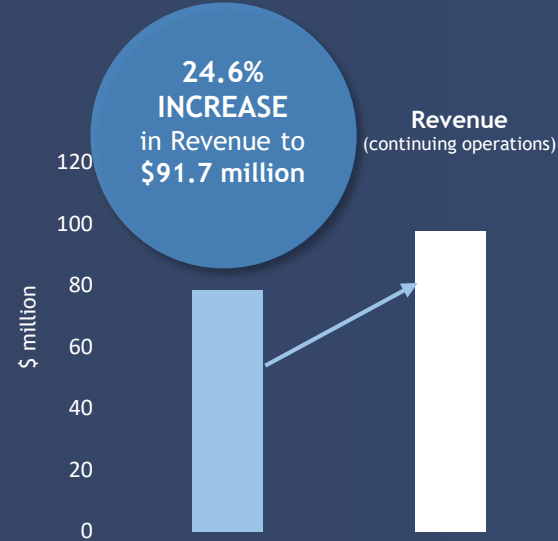
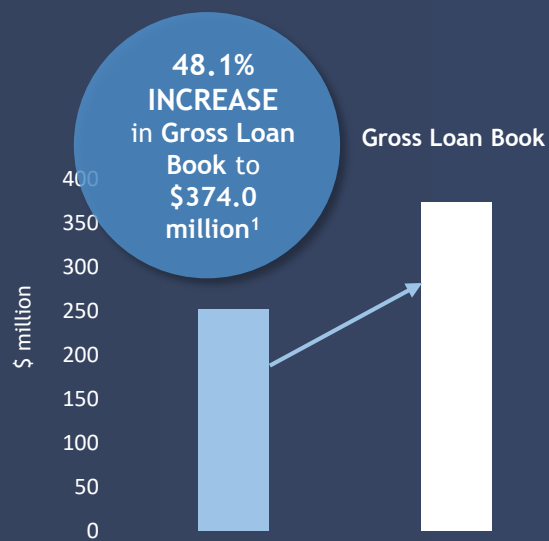
1 / 500 vehicles in Australia have a current Money3 loan

1 / 800 vehicles in New Zealand have a current Go Car Finance loan

Unique approach to customer care, provides consumers with tailored and flexible repayments. Money3 has become the lender of choice for over 47,000 active customers

FY19 Highlights

Money3 is well positioned to grow through its focus on vehicle finance and its expansion into New Zealand via Go Car Finance



Entered
ASX 300

Exited SACC - Now a
dedicated provider of
vehicle finance

Successful integration
of Go Car Finance

Record number of
originations in FY19

FY19 Financial Results

Normalised NPAT <i>Amounts in \$m unless otherwise stated</i>	FY19
Normalised NPAT	35.0
<i>One-off items</i>	
Loss on sale (Goodwill)	5.5
Acquisition cost – Go Car Finance	0.3
Statutory NPAT	29.2

Statutory NPAT <i>Amounts in \$m unless otherwise stated</i>	FY19
NPAT – continuing operations	24.2
NPAT – discontinued operations	5.0
Statutory NPAT	29.2

24.6%

Increase in revenue

17.3%

Increase in Group EBITDA

14.2%

Increase in Group NPAT

Group Financial Results (continuing operations) <i>Amounts in \$m unless otherwise stated</i>	FY19	FY18	Mvt %
Revenue	91.7	73.6	24.6%
Expenses	44.2	33.1	33.5%
EBITDA	47.5	40.5	17.3%
EBITDA as % of revenue	51.8%	55.0%	
NPAT	24.2	21.2	14.2%
NPAT as % of revenue	26.4%	28.8%	
EPS (Basic) cents per share	13.48	13.17	2.4%

Note: Expenses increased as a result of:

- One-off Go Car Finance acquisition and integration costs
- Investment in increased business development in Australia

Expenses FY20:

- Revenue growth to exceed expense growth in FY20 as acquisition and divestment synergies take effect

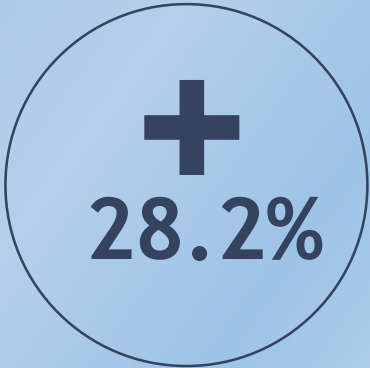
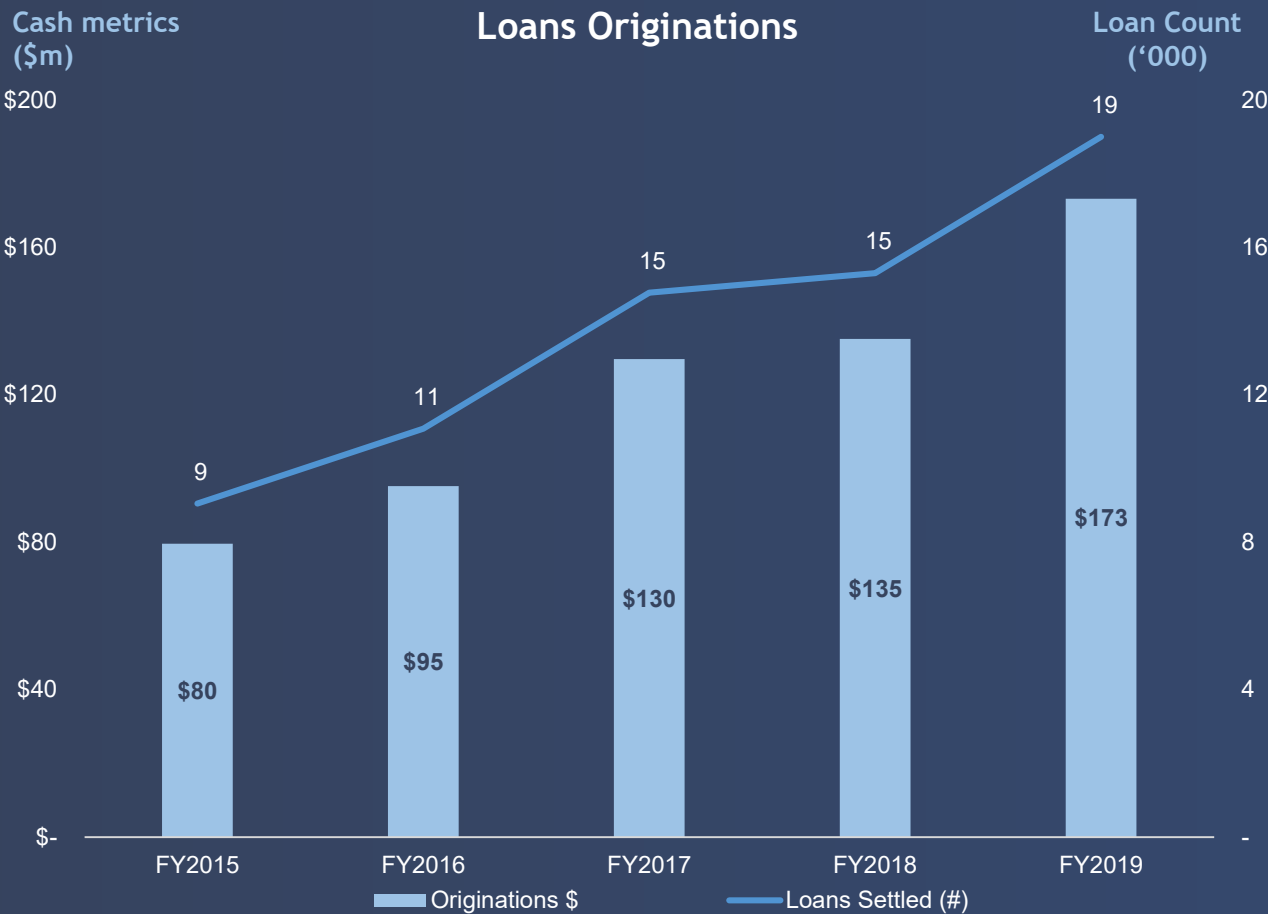
High Correlation cash collection & profit

Cash Conversion Metrics <small>Amounts in \$m unless otherwise stated</small>	FY19	FY18
Income statement		
Statutory NPAT	29.2	32.0
Add: Impairment expense	25.7	20.8
Add: Loss on sale (Goodwill)	5.5	-
Cash NPAT	60.4	52.8
Cash flow statement		
Net cash flows from operating activities (excluding loans advanced)	61.2	51.5
Net operating cash flow	61.3	51.5
Cash conversion	98.7%	102.5%

23.6%

Increase in
Australian
operations
principal
and interest
cash
collected
(\$189.7m)
on FY18

Australia - Strong growth in originations and cashflow



Increase in
Australian loans
advanced
(\$173.2m) on FY18



Credit quality maintained

Stable credit quality with very strong loan book growth in FY19 of 48.1% to \$374.0m

74.0% of the loan book has a low risk of default (72.7% in FY18)

Customers with a medium risk of default, 24.6%, (FY18 25.2%) are proactively serviced by Money3's experienced customer care team

Customers with a high risk of default were 1.4%, down from 2.2% in FY18

Improved quality of receivables lowering bad debts in FY20, targeting 4.5% - 5.5%

The economy Money3's perspective

MONEY3'S CORE CUSTOMER DEMOGRAPHIC DOING WELL

Customers are benefiting from Government tax rebates and incentives



Australia has low levels of unemployment

5%

Go Car Finance customer - Hank (pictured right), said:

"What I found different between using Go Car Finance and dealing with another finance company was the friendly service and willingness to help."

Most customers are renting and are largely unaffected by tightening property market and lending criteria (interest only loans on investment properties, etc)



Growing our market share being the lender of choice in the segment

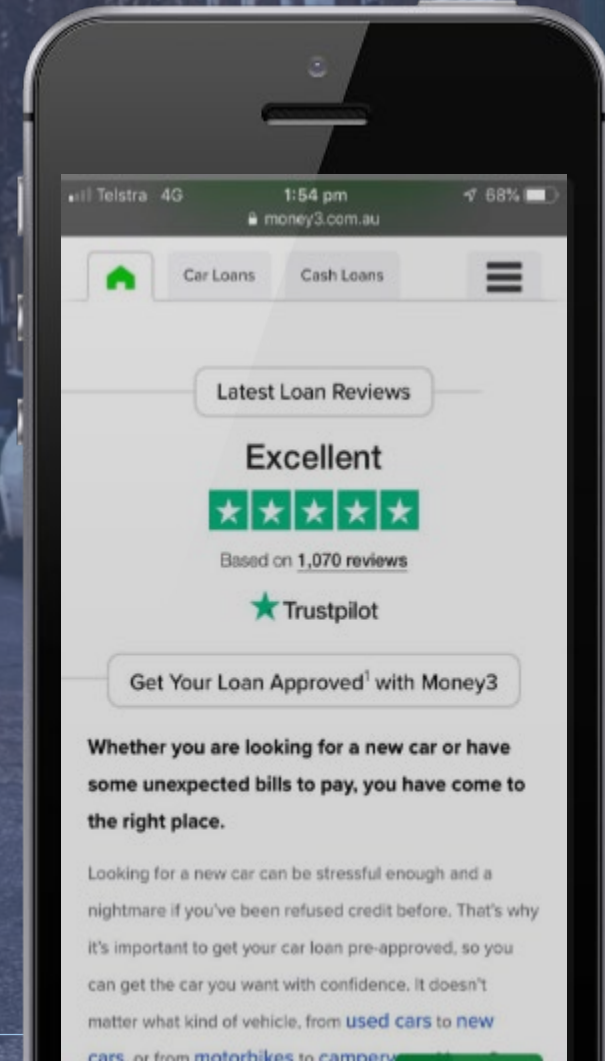
Fast-growing vehicle
finance loan book of
\$374.0m with deep
knowledge lending to
consumers under serviced
by traditional providers

Highly profitable portfolio
of receivables

Average loans of ~\$12k with
interest rates from 9.95%

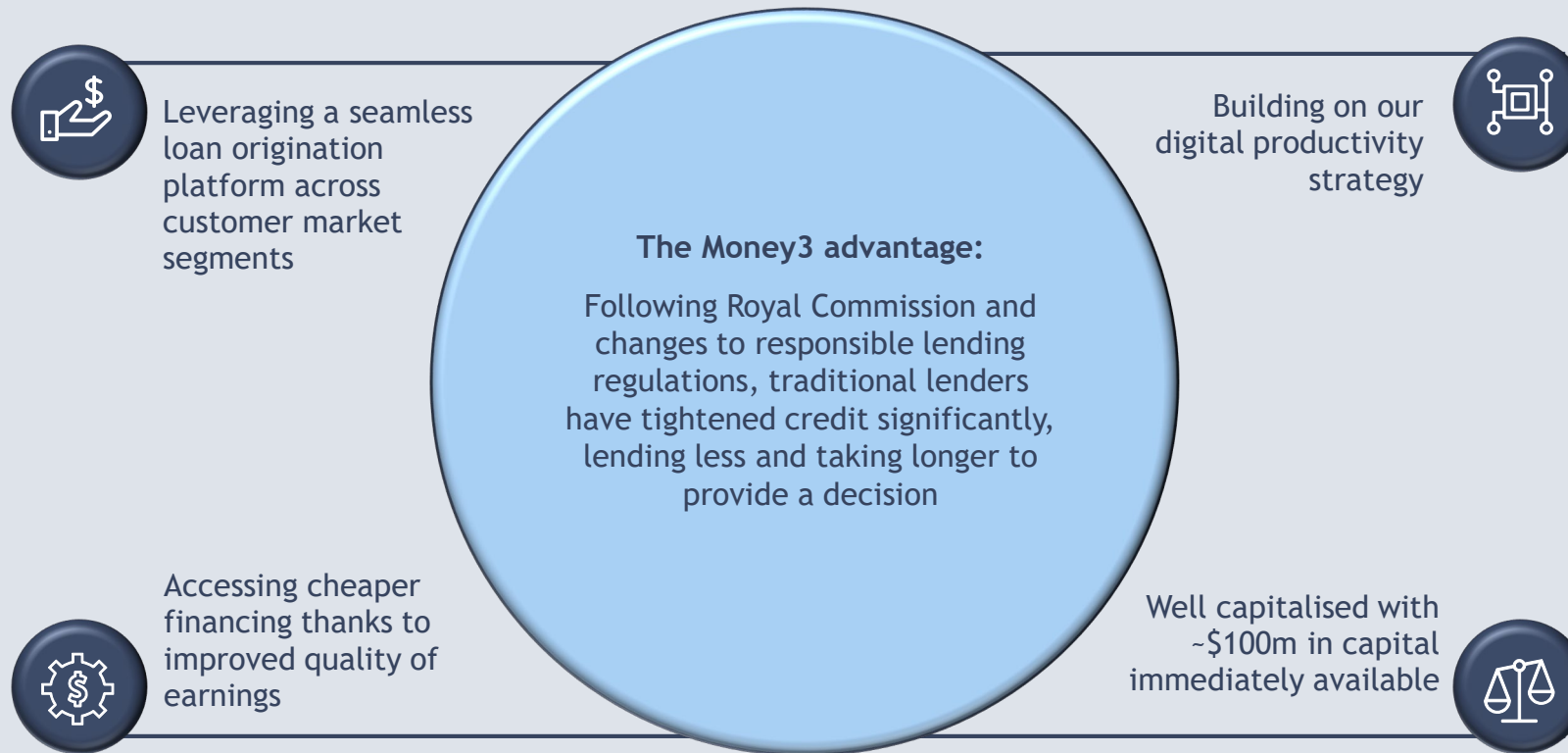
Dedicated customer
care team takes a
flexible and tailored
approach - high touch,
strong customer
relationships

All loans amortise to \$0
over the loan term,
receivables have no
'residual value' risk



Growing our market share

Capacity to enter new market segments



MONEY3 IS WELL PLACED TO BROADEN ITS CUSTOMER BASE

LOOKING AT FINANCE FOR ALL MODES OF TRANSPORT

Money3 is focused on vehicle finance and is expanding within the segment

Scope to supply finance not just for cars, but also bikes and recreational vehicles (jet skis, boats, etc)

Vehicle maintenance, improvements and repair costs can be significant, this is a growing market segment for Money3

Australian automotive market opportunity

Australian automotive market

Huge Market



- \$80bn+¹ of annual vehicle sales
- \$20bn² annual market for consumer vehicle financing
- \$6.3bn³ is attributed to used vehicle financing

Growing



- 19.5 million registered vehicles in Australia⁴
- Over 1.2m new and 2.1m used vehicle sales annually
- ~331,500 additional vehicles on Australian roads from 2018 to 2019⁴

Servicing Gap



- Money3 estimates 4-5 million Australian's are either not serviced or excluded by traditional lenders
- Requires highly experienced customer care function to serve appropriately

Money3 market share



- 1 out of 500 registered vehicles in Australia are currently financed by Money3
- Money3 estimates it finances 3% of the used car market annually

Money3 Opportunity

Market opportunity



- ~\$100m of available funds providing significant headroom for loan book growth
- Over 500,000 unique customers

¹ Roy Morgan: Report - State of the Nation 27: Australian Automotive Industry accelerates towards 'Decade of Upheaval' – March 2017

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

³ ABS, 5671.0 Lending Finance, Australia, November 2018 (14 August 2019) Table 9 – Finance Commitments, for Motor Vehicles: Australia, Original (\$000) <<http://www.abs.gov.au/ausstats/abs@.nsf/mf/5671.0>>.

⁴ Australian Bureau of Statistics: Report - 9309.0 - Motor Vehicle Census, Australia, 31 Jan 2019



Go Car Finance

Successful integration of New Zealand business and growing fast

Go Car Finance
Goes way further

Go Car Finance

Go Car Finance
Goes way further

Go Car Finance
successfully integrated
into Money3 and growing
fast



Go Car Finance has a
finance facility with
significant capacity at
a leading bank

Go Car prides itself on
exceptional customer
relations. With a 95% “likely
to recommend” score, Go
Car sees one in five
customers return to us for
their next new loan. For the
direct team, three in five
loans are thanks to
returning clients.



With 3.85m cars in New
Zealand and Go Car’s
strong brand, there is
significant growth
opportunity



A\$63.6m vehicle
finance loan book,
increasing 17.1%
since acquisition

NZ automotive market opportunity

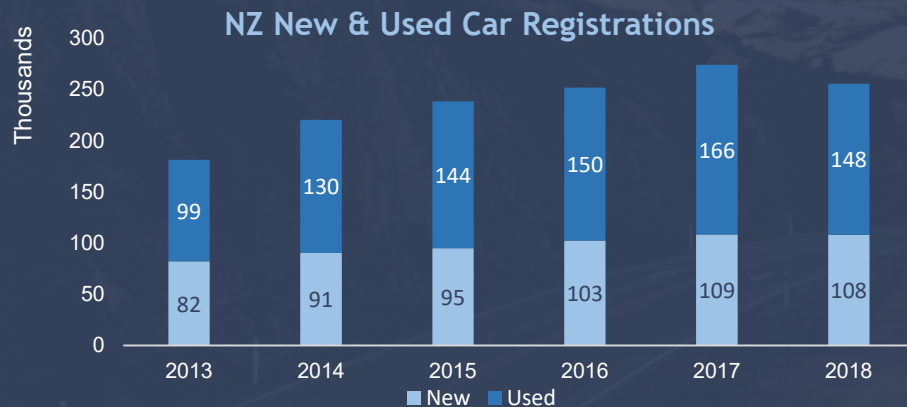
New Zealand automotive market

High vehicle ownership

- Fourth highest rate of vehicle ownership globally: 3.85m registered light vehicles² from a population of 4.9m³

Used car sector growing

- With no manufacturing in New Zealand a large number of used cars are imported
- Used cars make up a significant portion of newly registered vehicles
- 147,000 used cars registered in 2018 compared to only 108,000 new cars



Untapped Market

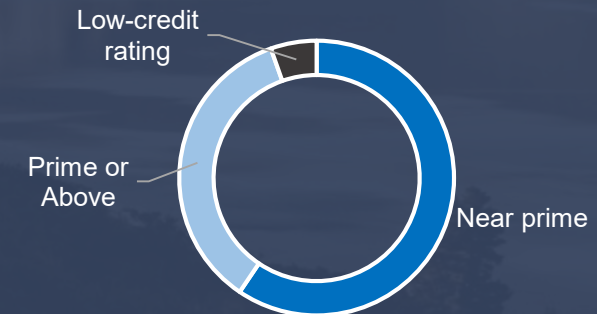
- Low-credit rating auto finance market relatively untapped (5%¹ of lender portfolio's are low-credit rating)
- Go Car Finance has low market penetration, but strong brand recognition, opens up growth opportunity
- 1 out of 800 cars in New Zealand financed by Go Car

Existing lenders unwilling to service low-credit customers

- 85%¹ of existing car financiers said they will not change credit standards, and will continue excluding a large portion of low-credit rating families
- Flexible financing solutions are a significant opportunity in NZ market

Go Car Opportunity

Existing NZ car financier loan portfolio



¹ <https://www.pwc.co.nz/pdfs/pwc-current-state-of-the-auto-finance-industry-nz-insights.pdf>

² <https://www.mia.org.nz/Portals/0/MIA-Sales%20Data/Vehicle%20Sales/Monthly%20Passenger%20Sales%20Stats/Passenger%20Registration%20Stats%20Full%20Year%202018.pdf>

³ <http://archive.stats.govt.nz/infoshare/> | ³ <https://www.stats.govt.nz/topics/population>

Strategy and Outlook



Specialist Lender

- Focused on vehicle finance, repairs and maintenance market with opportunity to increase exposure to newer vehicles
- Expanding addressable market with the introduction of new products
- Enhanced digital capabilities improving decision turn around times for customers



Financial

- ~\$100m of funding headroom
- Major bank funding achieved in NZ
- Forecast a 10c dividend through to FY20
- Discussions commenced seeking improved funding terms for FY21



Regulatory

- Increasing regulatory headwinds and greater levels of conservatism in mainstream lending for personal and automotive lending is driving credit worthy consumers towards Money3, increasing our market opportunity
- All compliant with current regulation

Appendix 1 - Corporate Information

CAPITAL STRUCTURE

ASX 300 Company

Shares on issue 182.1 million

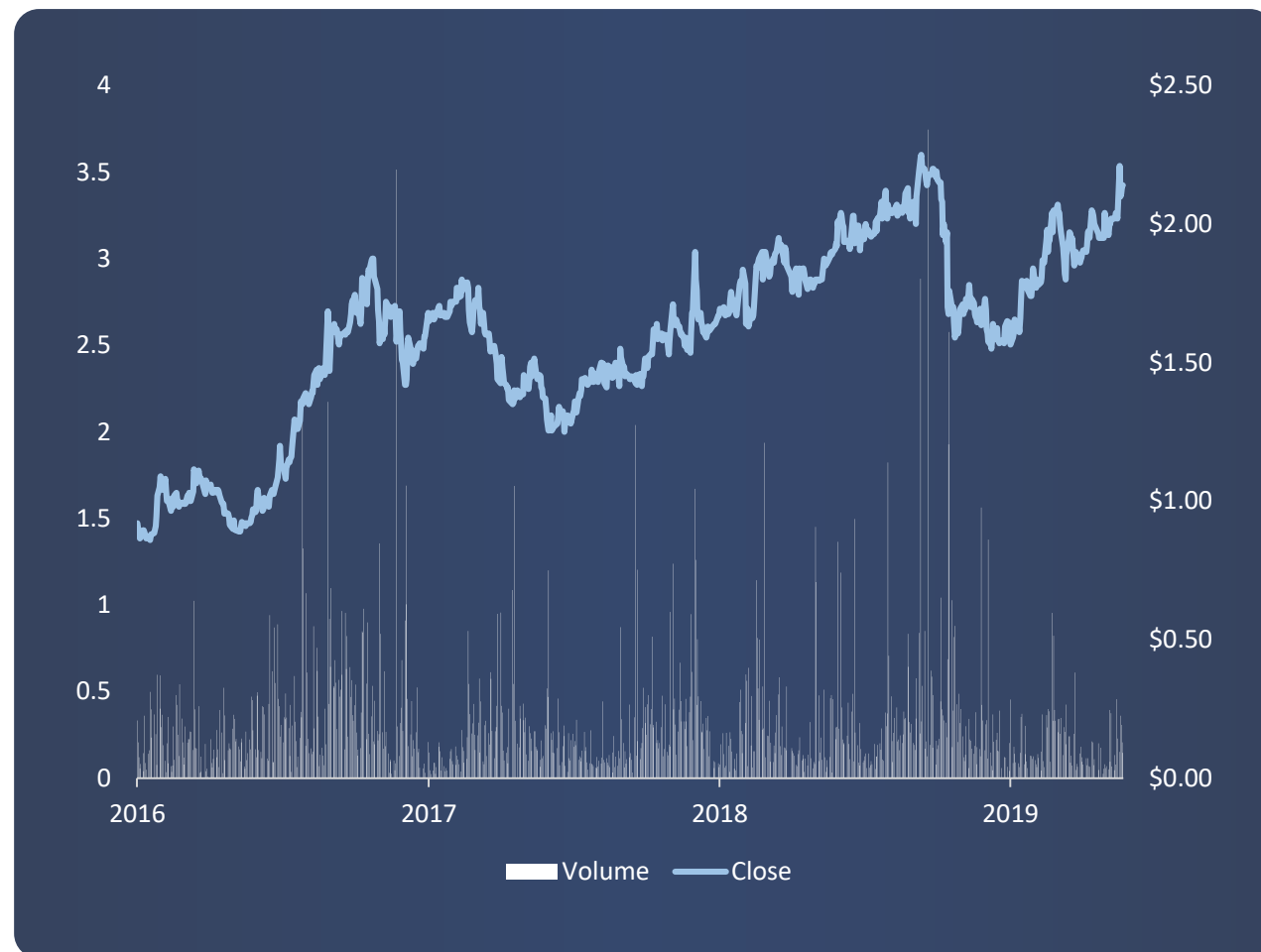
Share Price (19th August 2019) \$2.10

Market capitalisation \$382.4 million

Deployable Capital ~\$100.0 million

Earnings per share 16.27 cents

Dividends per share (final) 5.00 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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