



money3

**A NEW SET OF
WHEELS**

**AGM PRESENTATION
15 NOVEMBER 2019**

Scott Baldwin
Managing Director

Siva Subramani
Chief Financial Officer

About money3

A customer-focused auto-loan specialist providing competitive loans to consumers.

Strong brands in Australian and New Zealand.



20 years consumer lending experience and over 10 years specialising in auto loans.



money3

In excess of \$1b worth of loans originated for consumers.

Originating over \$1m in loans every business day.



Our prudent and successful approach to customer care and collections management.

Board of Directors



Stuart Robertson
Non-Executive Director &
Chair of the Board

Qualification
B.Com ACA FINSIA GAICD
MBA



Kate Robb
Non-Executive Director &
Chair of the Audit & Risk
Committee

Qualification
B.Acc. ACA



Symon Brewis-Weston
Non-Executive Director &
Chair of the Remuneration &
Nomination Committee

Qualification
B.Econ (Hons),
Masters in Applied Finance



Scott Baldwin
Managing Director &
Chief Executive Officer

Qualification
Dip. Finance, GAICD, MBA, B.Eng.
(Hons)



Terri Bakos
Company Secretary

Qualification
B.Acc. ACA, ACIS

Executive Management



Craig Harris
General Manager
Money3 (Australia)

Craig joined Money3 as Chief Financial Officer in 2009 and is currently focused on the growth of the secured automotive lending (Australia).



Roy Gormley
Chief Executive Officer
Go Car Finance (New Zealand)

Roy owned Go Car Finance group prior to acquisition and brings extensive experience to the team in the consumer lending sector in New Zealand.



Michael Neville
Chief Operating Officer
Money3 (Australia)

Michael joined Money3 in June 2019 and brings a wealth of experience in team leadership, sales, marketing and business strategy development and execution across several industries. Michael is focused on leading productivity enhancements across the group.



Siva Subramani
Chief Financial Officer
Money3

Siva joined Money3 in 2017 as the Head of Treasury before being appointed Chief Financial Officer in 2018. Prior to joining Money3 Siva was a Director with PwC providing assurance and advisory services in the banking and capital markets sector specialising in the asset-finance sector.

FY19 - Highlights

FOCUS

Taken strategic decision to focus on the provision of secured automotive loans

STRONG CASH POSITION

Sold branch network and Cash Train business (now paid in full) which increased cash reserves by \$45m along with large funding headroom

GROWTH & CAPABILITY

Entered ASX300 and added to executive team enhancing capability for growth

IMPROVEING CREDIT QUALITY

Exited Small Amount Credit Contract Lending

GEOGRAPHIC EXPANSION

Acquired Go Car Finance in New Zealand expanding addressable market

PRODUCT EXPANSION

Launched new products to expand our addressable market of new and pre-owned vehicles

FY19 - Highlights: Growth and performance continues

Increased market share:

1 in 500 registered vehicles in Australia currently have a loan with Money3

1 in 800 registered vehicles in New Zealand currently have a loan with Go Car Finance

48% Gross loan book growth



Increased New Zealand 'debt funding head room' with the Bank of New Zealand



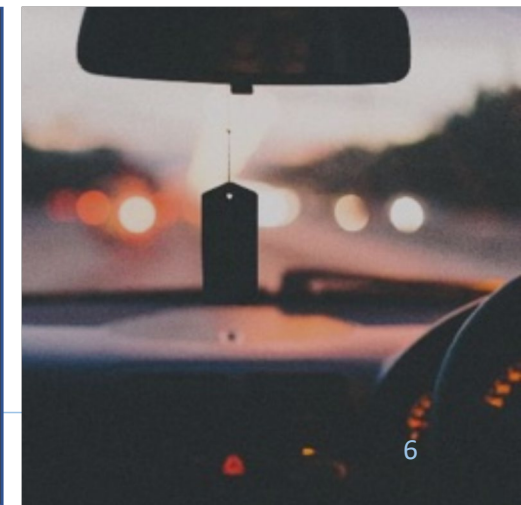
25% Revenue growth



Normalised NPAT of \$35m



Paid 10 cent fully franked dividend



FY19 - Financial results

24.6%

Increase in revenue

17.3%

Increase in Group EBITDA

14.2%

Increase in Group NPAT

Continuing Operations

Group Financial Results

(continuing operations)

Amounts in \$m unless otherwise stated

	FY19	FY18	Mvt %
Revenue	91.7	73.6	24.6%
Expenses	42.2	33.1	27.5%
Expenses (One-off)	2.0	-	
EBITDA	47.5	40.5	17.3%
<i>EBITDA as % of revenue</i>	<i>51.8%</i>	<i>55.0%</i>	
NPAT	24.2	21.2	14.2%
<i>NPAT as % of revenue</i>	<i>26.4%</i>	<i>28.8%</i>	
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
- One-off divestment expenses of SACC related businesses
- Revenue growth to exceed expense growth in FY20 as acquisition and divestment synergies take effect

Strong cash position receiving \$45m as a result of sale

Funding capacity supports over \$125m in gross loan book growth

FY20 NPAT growth forecast to exceed 25% from continuing operations

Expanding addressable market by geography and product

FY19 - Collections

Best in class customer care team managing over 50k active accounts

Strong cash collections up 22% Q1 pcp

Material improvement in bad debt performance*

Well proven customer management processes

**Targeting 4.5% - 5.5% in bad debts for FY20*





FY20: A new set of wheels



FY20 - Strategic focus

Revenue growth

- Sales and marketing initiatives targeted at expanding addressable market
- Product expansion into new and preowned vehicles, lifting credit quality
- Strong focus on returning customers
- Returning customer program in New Zealand (leveraging Australian model)
- Expanding profit share model with dealers in New Zealand
- Making the most of the current market opportunity – banks have reduced appetite for vehicle finance in Australia

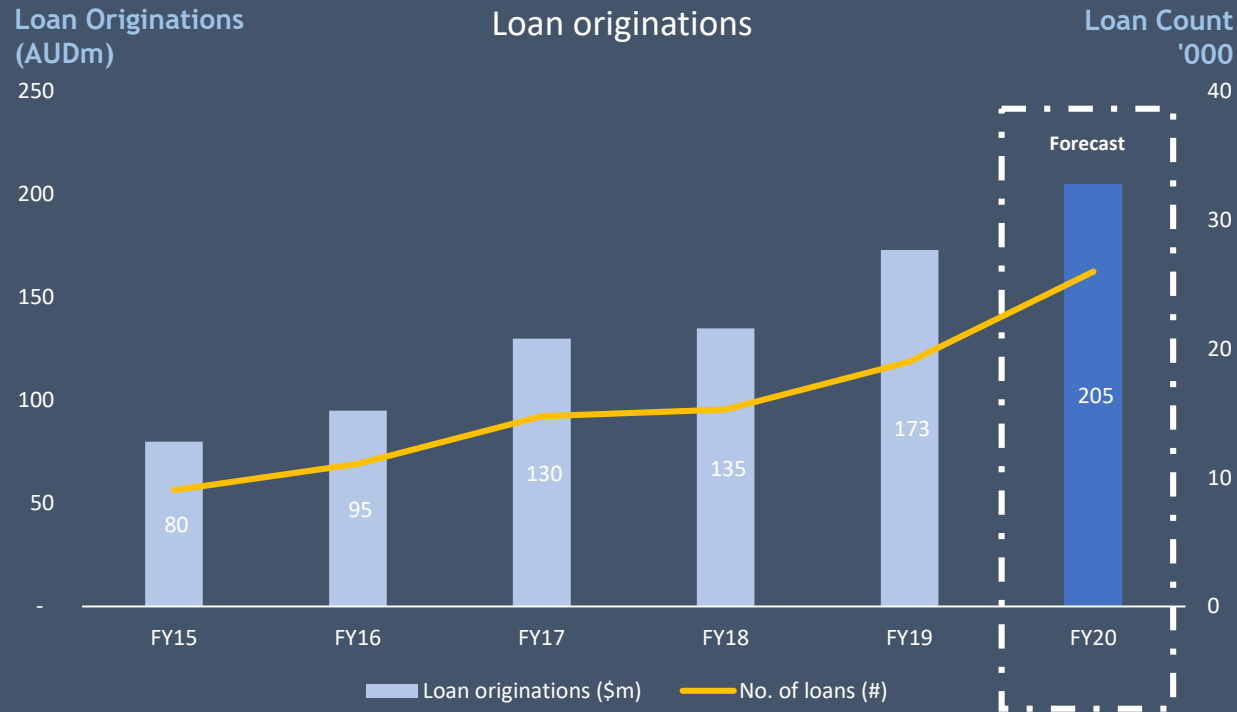
Technology

- Investing in smart and innovative technology to improve growth, scale and customer experience
 - Streamlining loan decisioning process
 - Increasing 3rd party integration driving improved data quality and speed of lending decisions
 - Enhancing customer experience through simpler user-friendly application processes lowering turn around times
 - Providing payment options allowing customer to make payments 24 hours a day

Funding

- Accessing to wholesale credit markets to increase funding capacity to support growth of loan book
- Improving funding terms, lowering overall cost of debt

AU - Strong growth in originations / settled loans



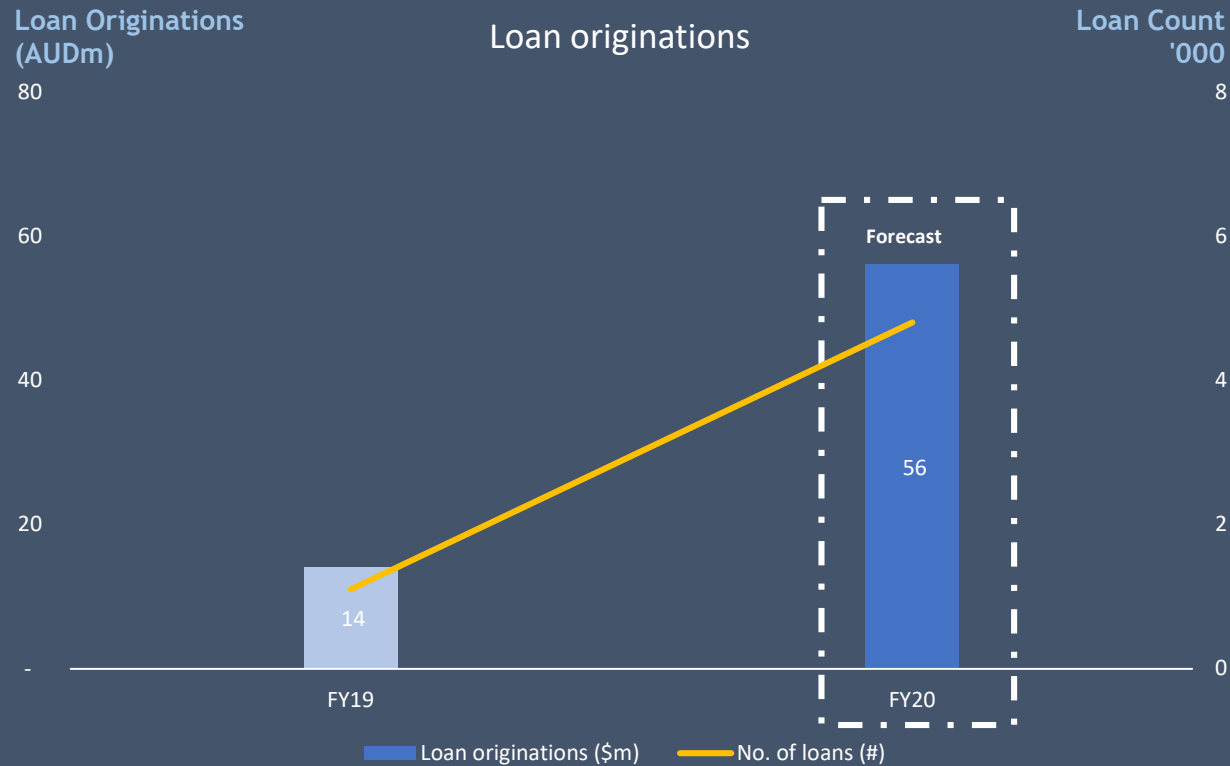
New products launch growing monthly loan originations

35% Australian loan application growth in Q1 pcp

26k Loans forecast to be originated in FY20



NZ - Strong growth in originations / settled loans



FY19 represents the post acquisition period (five months ended 30 June 2019)

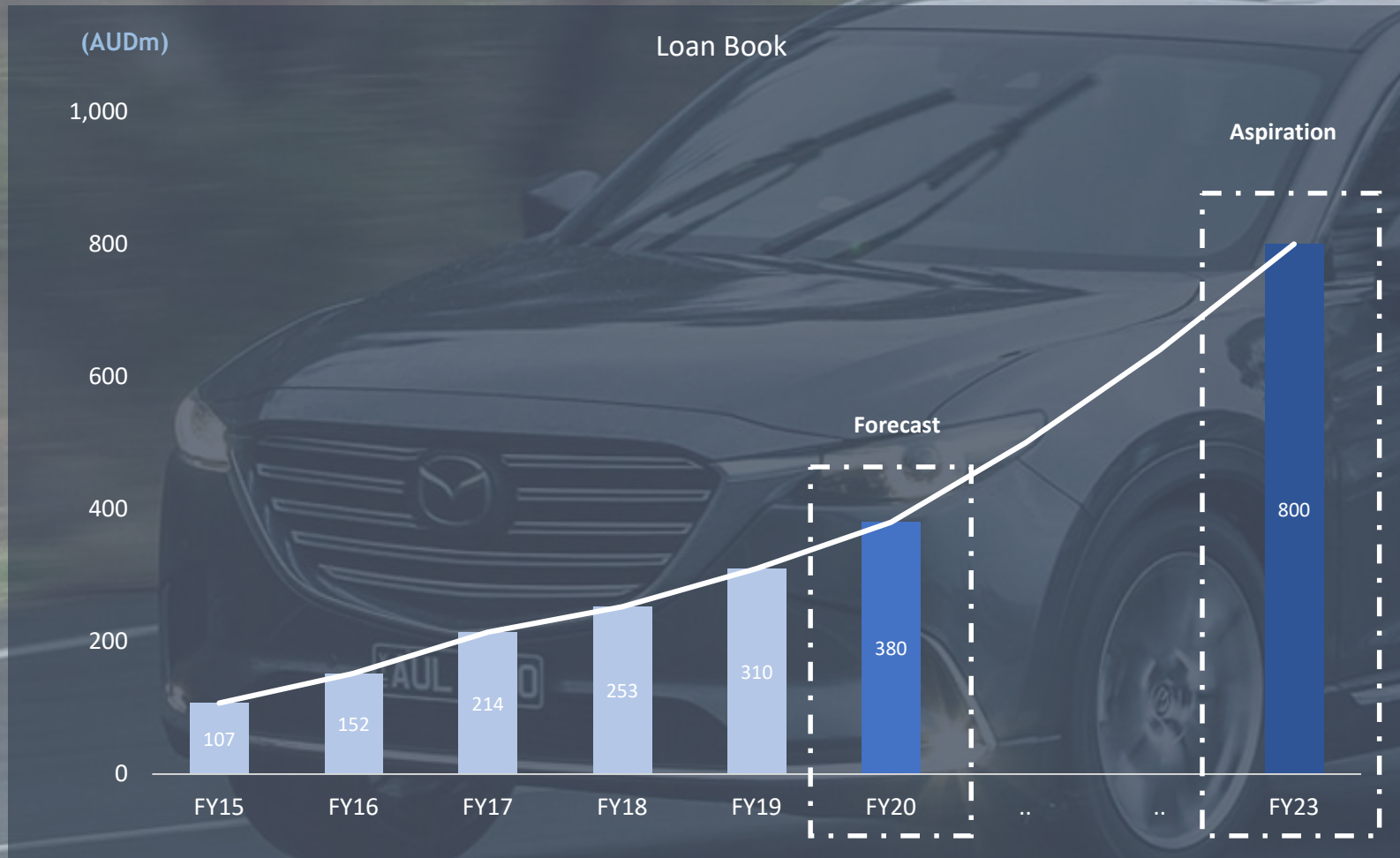
New product launch growing monthly loan originations

Strong application volume and increased access to funding

Circa 5k Loans forecast to be originated in FY20



AU - Gross loan book growth



Strong FY20 loan book growth (replacing divested divisions) will underpin record FY21 NPAT

Expect new debt facility (FY21) to support growth, improve scale and profitability

New originations are improving the quality of the gross loan book - now targeting 4.5% to 5.5% bad debts

NZ - Gross loan book growth

(AUDm)

Loan Book



Strong FY20 loan book growth will underpin record FY21 NPAT

Increasing debt facility to support growth, improve scale and profitability

New originations are improving the quality of the gross loan book and improving loss experience

Product Expansion - Australia

money3

Australian vehicle loans now up to \$50,000

Broader market appeal to all customer segments, leveraging our 500k customer database

Targeting growth of near prime customers with credit scores above 600

Targeting returning customers with preferential rates and dedicated team

New products launched targeting a greater share of the \$6b¹ used vehicle finance market

Entering the \$14b¹ new vehicle finance market

¹ 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>>.

Geographic Expansion - New Zealand

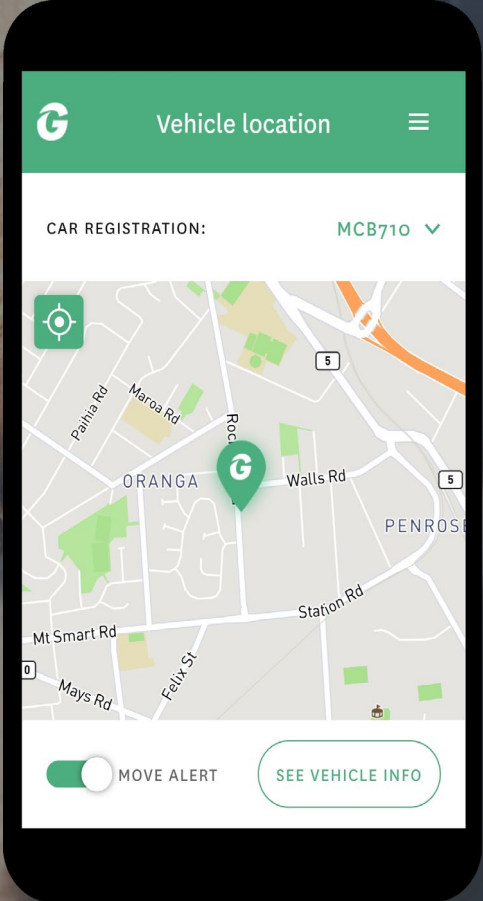


96% of clients would recommend Go Car Finance*

Wide product range addressing all client credit profiles

Innovative products to address the life cycle of car ownership – make the weekly payment all encompassing

Access to funding has allowed us to lift dealer engagement



*Internal customer satisfaction survey conducted in 2019

Technology - Growing advantage

Flexible application processes for customers

Simpler application process

Improve integration with 3rd party providers

Reduce time to decision

Simplify document delivery

A NEW SET OF WHEELS

money3
We'll Give You a Fair Go!

Home icon | Menu icon

Loan Amount
\$ up to \$50,000

Vehicle Type/ Loan Purpose
Car

Title
Mr Mrs Miss Ms

First Name Last Name

Email Address

Mobile Phone Date of Birth
DD/MM/YYYY

By submitting your request for a pre-approval quote, you consent and agree to our [Privacy Policy](#)

Apply Now

Car Loans up to \$50,000

Funding - Enabling growth



Long runway for new loans with \$50m of undrawn debt facility and \$30m of cash reserves

In active discussions with financial institutions to increase funding capacity and lowering costs

In active discussions to add an additional bank to existing syndicated facility expanding funding capacity



Lending capacity to support over \$125m in gross loan book growth

Q1 FY20 - Update

Unaudited Group Financial Results (continuing operations) <i>Amounts in AUD m unless otherwise stated</i>	Q1 FY20	Q1 FY19	Mvt %
Revenue	30.5	20.5	48.8%
Expenses	14.5	10.0	45.0%
Expense (One-off reallocation of corporate overhead)	1.2	-	
EBITDA	14.8	10.5	41.0%
<i>EBITDA as % of revenue</i>	<i>48.5%</i>	<i>51.2%</i>	
NPAT	7.5	4.9	53.1%
<i>NPAT as % of revenue</i>	<i>24.6%</i>	<i>23.9%</i>	

Strong organic growth with record Q1 & October lending volume has the business well placed for strong Revenue growth in both FY20 & FY21

EBITDA margins improving post divestment reallocation of corporate overheads

Sustainable and strong NPAT margin circa 25% in a growing business with scale upside expected in FY21

Over 25% growth in NPAT forecasted for FY20 underpinned by a 35% increase in loan applications in Q1 pcp

FY20 - Outlook

Strong lending momentum anticipating over 25% loan book growth

NPAT forecast in excess
of \$30m

Expanding addressable
market with new lending
products

Exploring complementary
acquisition opportunities

Dividend for FY20
anticipated to be 10 cents

Appendix - Corporate Information

Capital structure

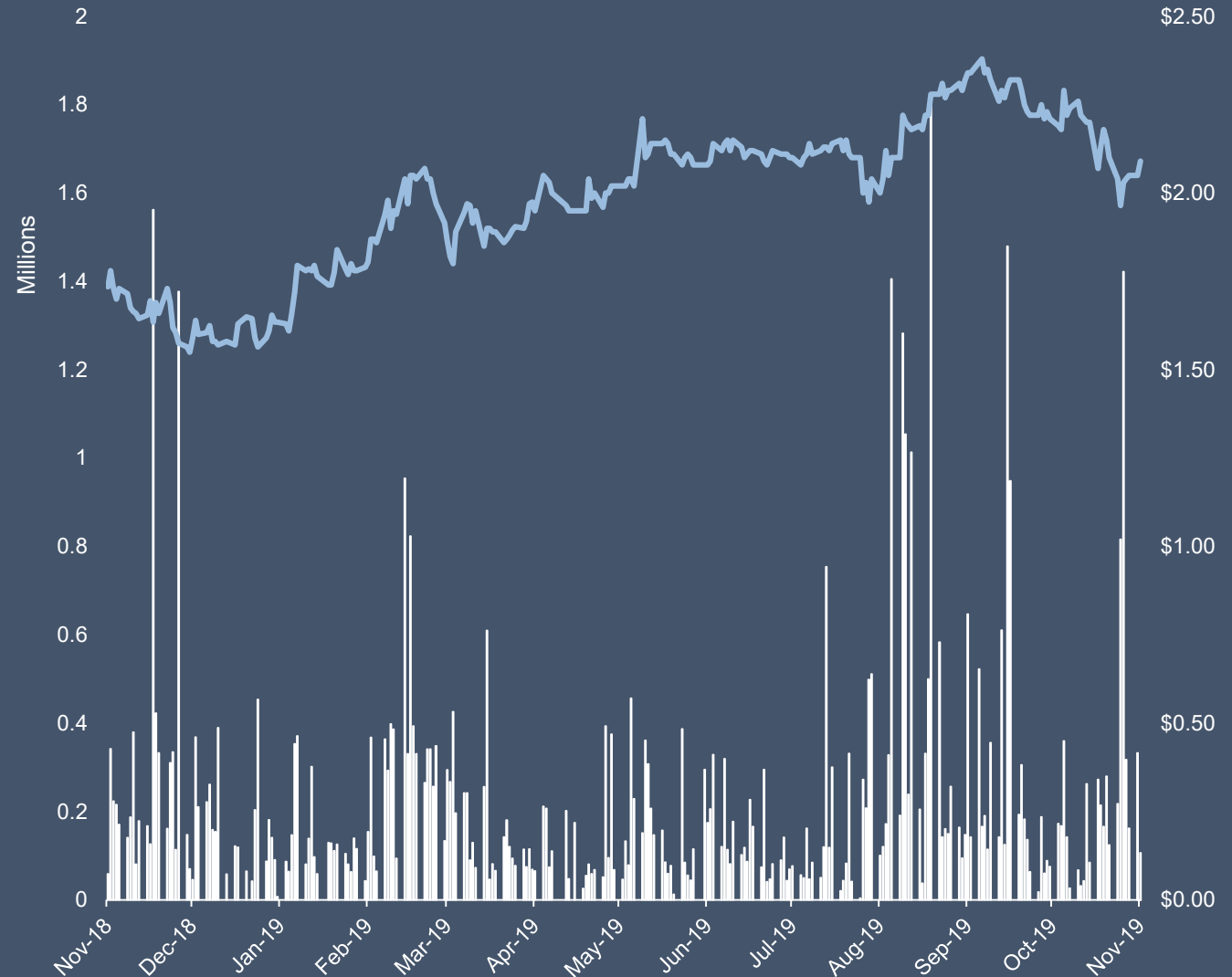
Shares on issue 183.55m

Share Price as at 11/11/19 \$2.05

Market capitalisation \$376.28m

Deployable funds (Oct 19) \$80m

Dividend per share (FY19) 10 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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