



# Investor Presentation Results – 1H FY22

15 February 2022

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& CEO

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Chief Financial Officer

ASX: MNY



Model type funded by Money3 in 2021

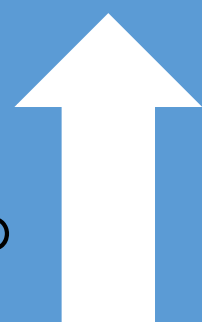
# Highlights – 1H FY22

## New loan originations

(cash advanced)

**56.3%**

increase on pcp  
to \$236.2m



## Revenue increased

**34.5%**

to \$91.3m  
on pcp



## NPAT increased

**29.6%**

to \$25.8m  
on pcp



## EBITDA increased

**\*27.1%**

to \$48.8m  
on pcp



## Loan book increased

**45.7%**

to **\$690.8m** on  
pcp, 15.1% increase  
since June 30



## Cash collected increased

**33.8%**

to \$220.9m  
on pcp



Annualised net bad debts of 3.9% of  
gross loan book

Momentum on track to exceed  
**\$1 Billion** of loan book in 2023

1H FY22 declared fully franked **dividend  
of 6 cents** payable on 29 April 2022

Loan Book leverage at ~50% (net)

Net Promotor Score

**77\***

Available funding to support loan book  
growth to ~\$950.0 million

\*EBITDA normalised for wage subsidy in 1HFY21

\* Average of GCF and Money3 Business unit taken at settlement

# About the Group



## Market leading customer care

In house market leading collections teams sit at the heart of the business – Driving flexible payment solutions for customers



## New loan originations

Group now funding approximately \$40.0 million per month



## Ubiquitous customer journey

From introducer to loan settlement – a unique customer approach facilitates 1 in 3 customers returning for a second / third + loan to Money3



## Strong Proprietary technology

Allowing for seamless integration with introduction partners and providing for ease of customer access



## AU & NZ Market

Large addressable Consumer and Commercial market across Australia and New Zealand of \$33.0 Billion



## Customer focused

Customer focused, Consumer & Commercial finance company



# Group Business Units



## Non-conforming loans Australia

- Over 20 years of trading history
- Originated over \$2.0 Billion of loans
- Strong in-house Customer Care team of collection professionals
- Growing market opportunity with approx. 20.0 million<sup>1</sup> vehicles in Australia increasing approx. 2% annually
- Annual target market opportunity – >\$14.0 billion<sup>2</sup> of new and used vehicles
- Growing personal loan market
- Used asset pricing stabilising with inflation and supply chain issues likely to maintain current pricing for the foreseeable future



<sup>1</sup> Motor Vehicle Census, Australia, 31 Jan 2021 | Australian Bureau of Statistics ([abs.gov.au](https://abs.gov.au))

<sup>2</sup> Lending indicators, December 2021 | Australian Bureau of Statistics ([abs.gov.au](https://abs.gov.au))



Automotive loans  
(consumer)



Personal loans  
(consumer)



## Prime Consumer and Commercial loans Australia

- Over 30 years of trading history
- Acquired in January 2021
- Leverage of Money3 distribution channels driving over 70% growth since acquisition
- Market opportunity with approx. 20.0 million<sup>1</sup> vehicles in Australia increasing approx. 2% annually
- Annual target market opportunity – >\$14.0 billion<sup>2</sup> of new and used vehicles
- Large commercial market for new and used assets
- Used asset pricing stabilising with inflation and supply chain issues likely to maintain current pricing for the foreseeable future



Automotive loans  
(consumer)



Automotive loans  
(commercial)



## Prime and non-conforming Consumer and Commercial loans New Zealand

- Over 15 years trading history
- Acquired in March 2019
- 2021 significantly impacted by lockdowns when Dealerships were closed
- Strong rebound expected in 2H due to easing of pandemic restrictions
- NZ\$9.5 billion<sup>3</sup> annual motor vehicle sales
- Go Car estimates it finances <2% of the total car market



<sup>3</sup> December 2020 Motor Fax published by the Financial Services Federation



Automotive loans  
(consumer)



Vehicle compliance &  
maintenance services <sup>4</sup>

# 1H FY22 Financial Results

## Group Financial Results

Amounts in \$m unless otherwise stated

|                                   | 1H<br>FY22   | 1H<br>FY21   | Mvt %          |
|-----------------------------------|--------------|--------------|----------------|
| <b>Revenue</b>                    | <b>91.3</b>  | <b>67.9</b>  | <b>34.5%</b>   |
| Bad debts, net                    | (13.6)       | (7.6)        | <b>78.9%</b>   |
| Movement in impairment provisions | (0.1)        | (0.4)        | <b>(75.0%)</b> |
| Expenses                          | (28.8)       | (21.5)       | <b>34.0%</b>   |
| <b>EBITDA</b>                     | <b>48.8</b>  | <b>38.4*</b> | <b>27.1%</b>   |
| <b>EBITDA margin</b>              | <b>53.5%</b> | <b>56.5%</b> |                |
| <b>NPAT</b>                       | <b>25.8</b>  | <b>19.9</b>  | <b>29.6%</b>   |
| <b>NPAT Margin</b>                | <b>28.3%</b> | <b>29.3%</b> |                |

\*Normalised for the impact of 2021 wage subsidy

**34.5%**  
Increase in  
**Revenue**

**27.1%**  
Increase in  
**EBITDA**  
*adjusted for wage subsidy*

**29.6%**  
Increase in  
**Group NPAT**

**Loan Book**  
1H Growth of  
15.0% to  
**\$690.8m**

# Business Unit Highlights



## Automotive Financial Services (AFS)

- Acquired in Jan 2021
- Broadened Groups addressable market into prime and commercial lending
- Approximately 1/3 of new customers source assets from Australian manufacturers
- Loan book growth of 79.6% since acquisition to \$83.7million;
- Leverage of Group distribution network driving growth with monthly originations to exceed \$10.0 million in 2H FY22



## Go Car Finance (GCF)

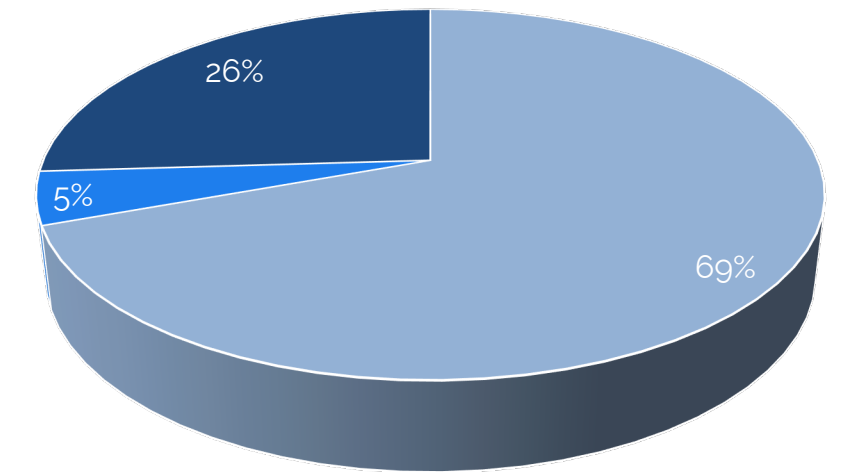
- Acquired in March 2019
- Broadened Groups addressable market for consumer and commercial lending into New Zealand
- Loan book growth of 300% since acquisition to NZ\$204.6 million;
- Strategic partnerships expected to drive continued loan book growth post easing of pandemic restrictions



## Money3

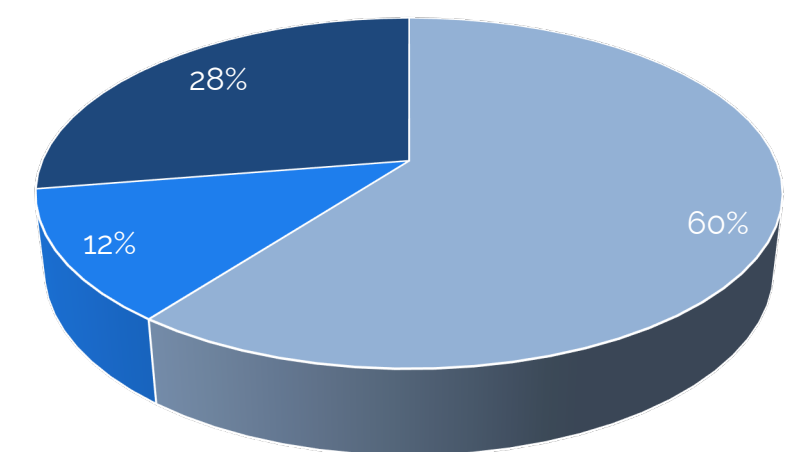
- Groups core business with over 20 years of profitable lending experience in Australia advancing and collecting over \$2.0 Billion in loans
- 1H loan number up 31% on pcp while average loan size increased approx. 5% on pcp
- Large team of dedicated Customer Care professionals managing Money3 and M3HOL Pty Ltd (Formerly trading as Holden Financial Services) loan books
- Clear leader in non-conforming auto finance for a used vehicle

Revenue  
(\$91.3m)



■ Money3 ■ AFS ■ GoCar

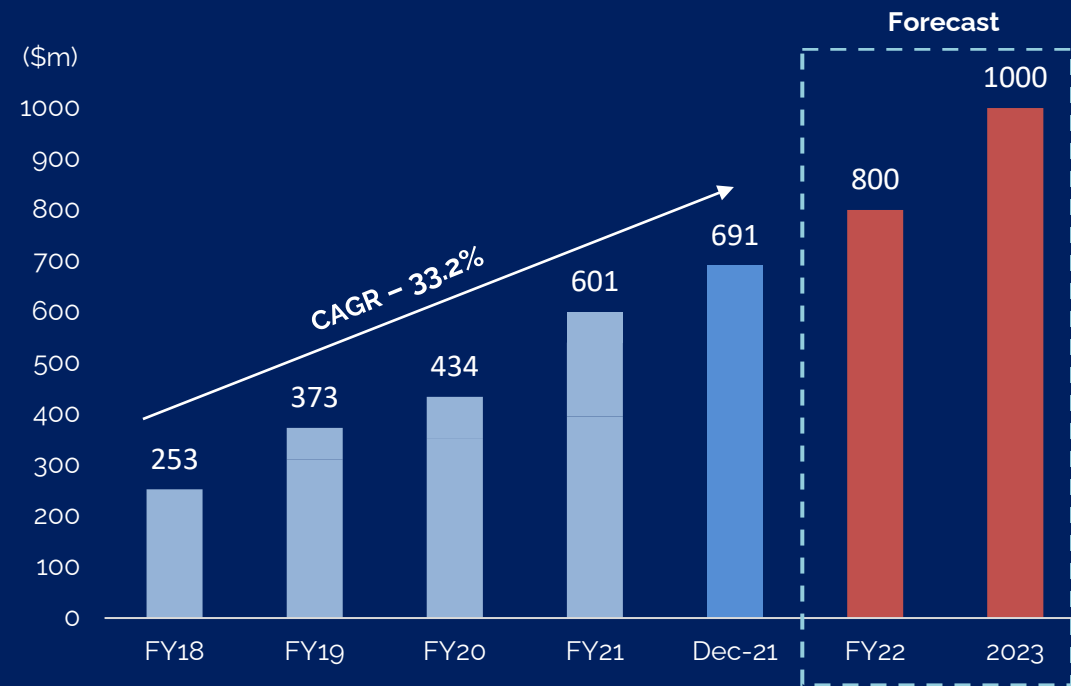
Loan book  
(\$690.8m)



■ Money3 ■ AFS ■ GoCar

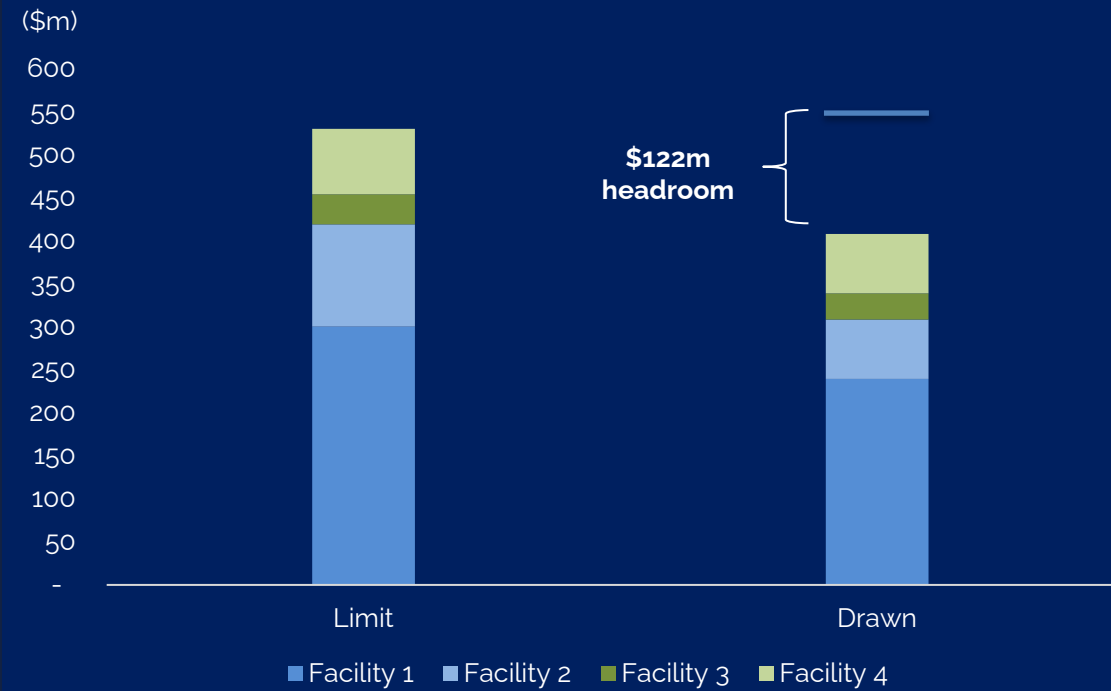
# Group – Loan book & Capital structure

## Loan book



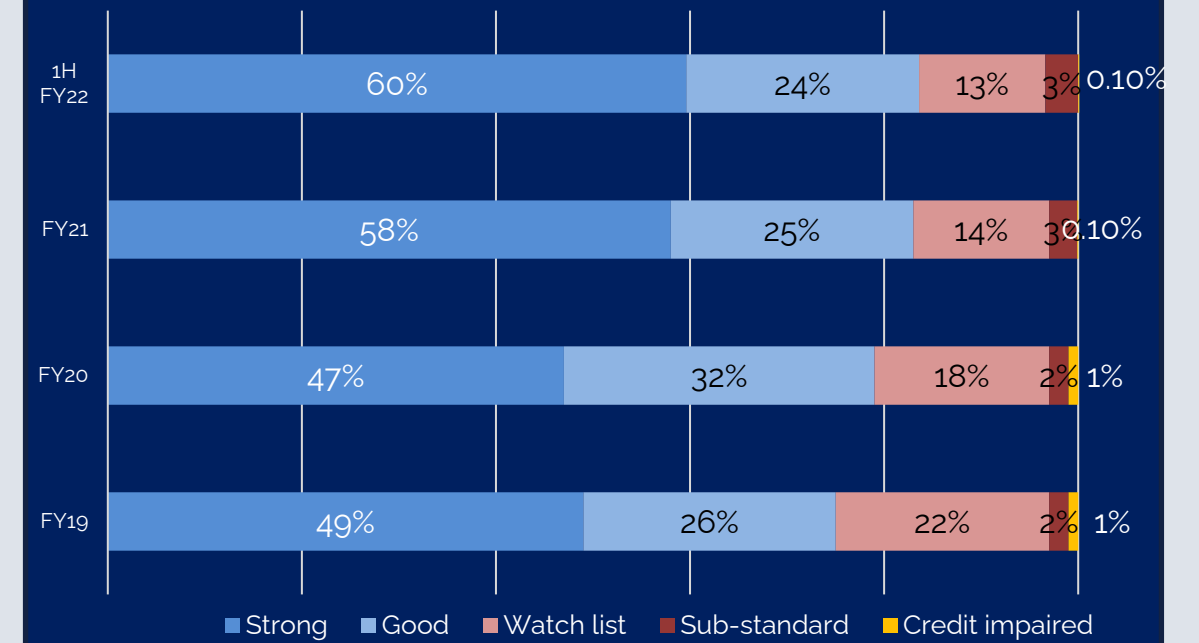
- Increasing target market accelerating timeline to \$1.0 billion loan book
- On track to \$800.0 million loan book by FY22
- Well positioned to grow Return on Equity (RoE) toward 20%

## Debt facilities



- Diversified debt facilities with five funding partners
- Existing debt facilities and equity growth support \$950.0 million loan book
- ~\$200.0 million in available funds (including free cash on balance sheet)
- ~50% loan book leverage (net) from 40% in Jun-21 with scope to increase further

## Improving loan book quality



- Positive trend in loan book quality continues
- Strong customer servicing is aiding growth in returning customers (1 in 3 in Australia)
- 3.9% in impairment losses (annualised) and trending down
- Impairment provisioning decreasing to 5.4%

\*On Gross Loan Book

# Funding – very solid foundation

- ✓ **\$300m warehouse facility with Credit Suisse** – supporting the ongoing growth of the Money3 business unit
- ✓ **\$100m warehouse facility with an Australian Bank** – supporting the growth of Automotive Financial Services (AFS)
- ✓ **Mezzanine facility with MA Australia** – Providing for a capital lite structure supporting the on-going growth of the AFS business unit
- ✓ **\$115m debt facility with 2x New Zealand banks** – Supporting ongoing growth of Go Car finance
- ✓ **Group leverage** – Group remains conservatively geared with over \$300.0 million of equity supporting existing \$690.8 million loan book



# FY22 - Outlook

## Forecast NPAT

>\$50 million

- FY22 forecast takes into consideration the release of any additional provisions taken previously as a result of the pandemic
- FY22 dividends to be in line with Group dividend policy of 40-70% pay-out ratio - **6 cents fully franked dividend** declared for 1H FY22
- A Dividend Reinvestment Program will be active for this dividend with a 2.5% discount applied
- ROE continuing to improve and trending toward 20%

## Target Loan Book

\$1 Billion in 2023

- Strong loan book growth and significant improvement in the cost of debt will provide the foundation a significant uplift in NPAT and ROE in FY23

## Strategic

## Acquisitions

- Continue to pursue strategic acquisitions to add scale in terms of product or distribution channels

# Appendix 1 – Corporate Information

## CAPITAL STRUCTURE

ASX 300 Company

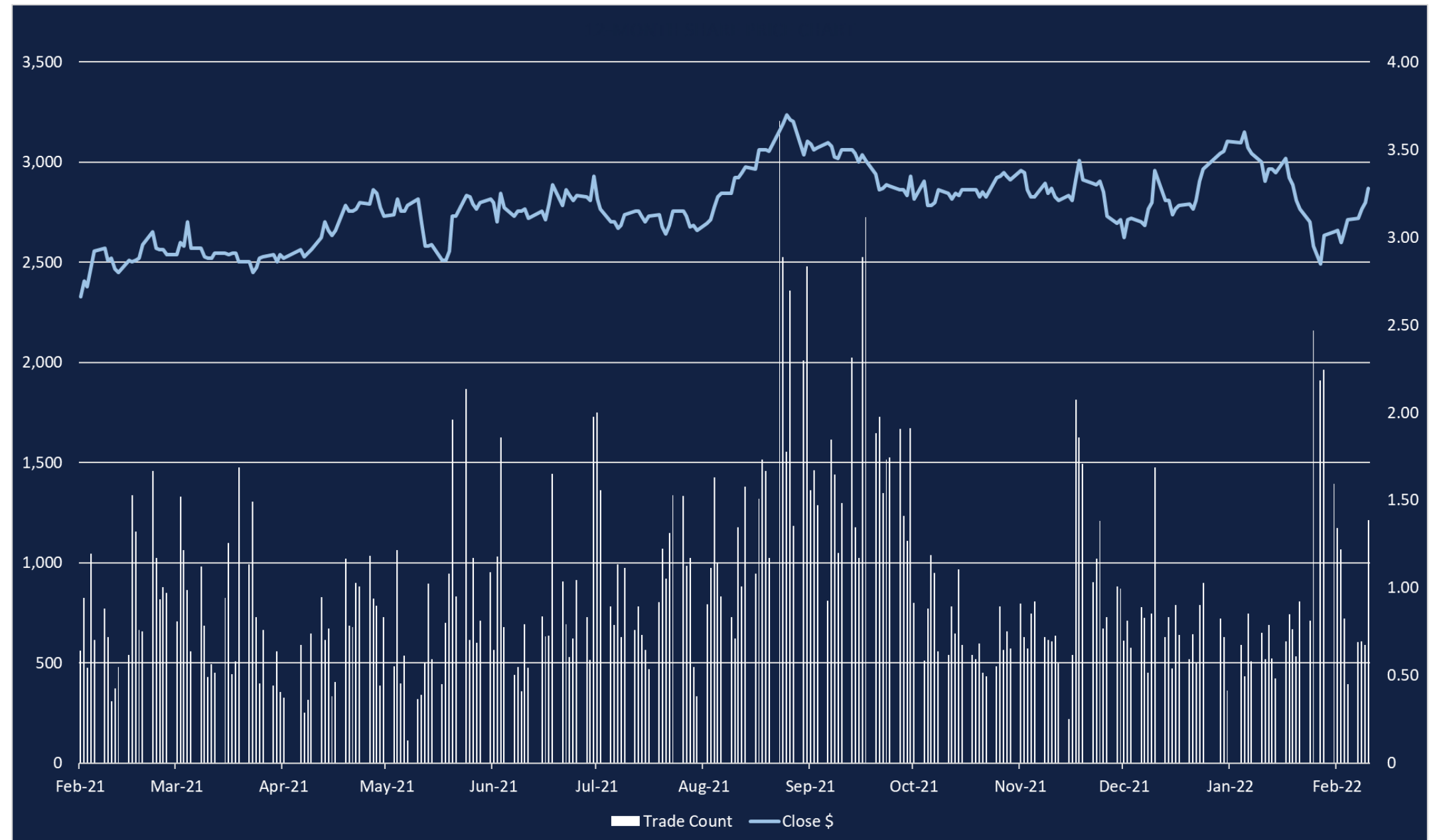
Shares on issue 212.0 million

Share Price (14<sup>th</sup> February 2022) \$3.30

Market capitalisation \$700.0 million

Earnings per share (1H FY22) – Basic 12.26 cents

Fully Franked Dividends per share (interim) 6.0 cents



# Appendix 2 – The Group – Business structure

money3



Money3 is well positioned to leverage its corporate operating model into its existing business units as well as future growth opportunities.

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