



Pie Funds Small Cap Conference

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money3

Divisions and Product Matrix

	 BROKER	 BRANCH	 ONLINE
Brand			 
Coverage	Broker representation across all states	Branded Branches across NSW, QLD, SA, TAS, VIC	National Online representation
Loan Range	\$2,000 - \$35,000 secured auto finance, 24 – 60 month terms	\$100 - \$5,000 unsecured loans, up to 24 month terms	Cash Train: \$200 - \$5,000 unsecured loans, up to 24 month terms Money3: Online access for consumers to Broker and Branch product offerings
EBITDA Contribution (pre Corporate Overheads)	69.8%	22.0%	8.2%

H1 FY16 Financial Highlights



Revenue increased 45.4% on prior corresponding period (PCP) to \$47.4M



NPAT increased 37.3% on PCP to \$10.0M



Basic EPS increased 13.3% on PCP to 7.6 cents per share



Broker division continues to drive growth in the loan book and delivered impressive revenue and EBITDA contribution



Branch division revenue remains consistent and continues to deliver solid EBITDA



Online division delivered an increasing EBITDA contribution



Dividend increased to 2.75 cents per share, fully franked (up 10% on PCP). DRP will continue to operate with 5% discount.



\$19.2m capital raising completed in December 2015 to enable to company to continue to grow in H2FY16



Board renewal and management changes focused on delivering long term shareholder value

H1 FY16 Results

	H1 FY16 \$	↑ ↓ %	H1 FY15 \$
Revenue	47,448,307	45.4	32,635,170
<i>Bad debts as % of revenue</i>	16.5%		14.5%
EBITDA	17,141,341	44.8	11,838,616
<i>EBITDA as % of revenue</i>	36.2%		36.5%
EBIT	16,506,996	42.8	11,562,760
<i>EBIT as % of revenue</i>	34.8%		35.7%
NPAT	10,001,953	37.3	7,285,649
<i>NPAT as % of revenue</i>	21.1%		22.3%
Basic EPS (cents)	7.60	13.3	6.71

Divisional Analysis



BROKER

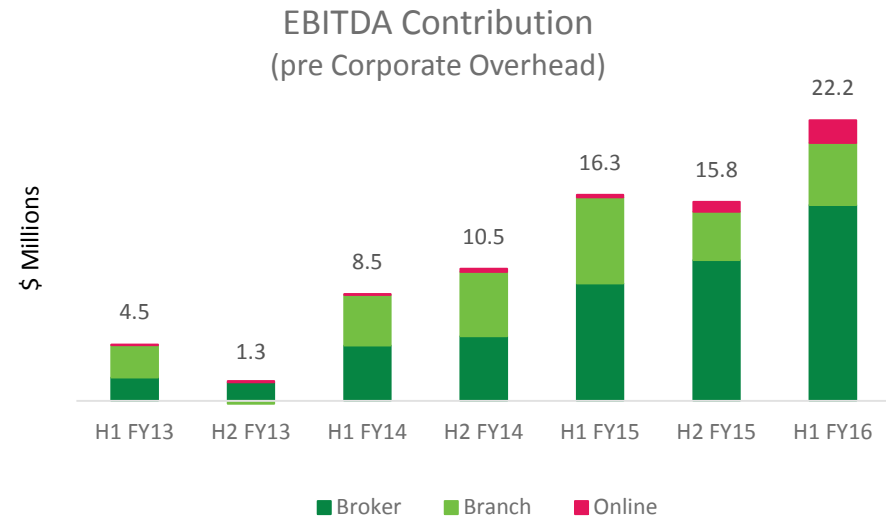
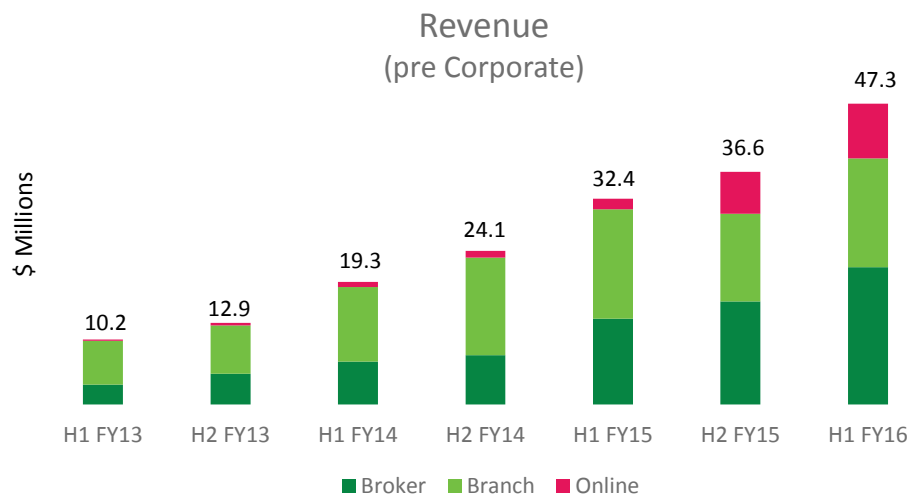


BRANCH

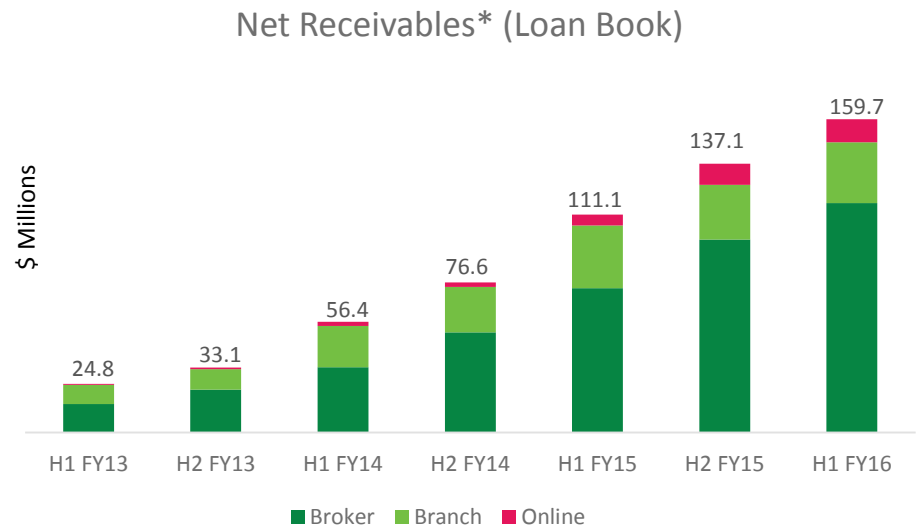


ONLINE

Key Financials Trends by Division



- Revenue growth continues
- EBITDA growth for Broker the standout performer
- Online a rising star, delivering impressive returns since Cash Train acquisition
- Loan book growth underpinning future revenue growth



H1 FY16 Results – Broker Division

	H1 FY16 \$	↑ ↓ %	H1 FY15 \$
Revenue	21,623,158	60.1	13,509,584
<i>Bad debts as % of revenue</i>	11.4%		13.4%
EBITDA	15,516,290	66.7	9,309,452
<i>EBITDA as % of revenue</i>	71.8%		68.9%
Number of loans	5,304	31.5	4,032
Average net loans receivable (loan book)	107,700,867	72.8	62,336,469

Financial Performance

- Growth in Broker loan book and revenue has been driven by expanding the broker network, increasing internal sales and repeat customers cycling through the loan period
- EBITDA as a percentage of revenue continues to improve, leveraging scale
- Bad debts as a percentage of revenue at expected levels
- Further opportunities to expand national broker footprint and increase product offerings providing significant future growth opportunities

H1 FY16 Results – Branch Division

	H1 FY16 \$	↑ ↓ %	H1 FY15 \$
Revenue	17,094,885	(0.8)	17,233,830
<i>Bad debts as % of revenue</i>	27.4%		18.4%
EBITDA	4,915,765	(27.9)	6,818,970
<i>EBITDA as % of revenue</i>	28.8%		39.6%
Number of loans	75,943	5.1	72,254
Average net loans receivable (loan book)	29,369,213	6.8	27,509,918

Financial Performance

- Mature Branch division with stable loan book
- Remains consistent contributor of revenue and delivering solid returns
- Bad debts as a % of revenue (post recoveries in Corporate) H1 FY16 20.1% (H1 FY15 14.4%)
- Several branches identified to merge with neighbouring branches, providing cost savings
- Opportunities to introduce new product offerings, review product mix, increase referral capability to Broker division

H1 FY16 Results – Online Division

	H1 FY16 \$	↑ ↓ %	H1 FY15 \$
Revenue	8,626,440	N/A*	1,632,271
<i>Bad debts as % of revenue</i>	22.0%		30.5%
EBITDA	1,808,545	N/A*	206,482
<i>EBITDA as % of revenue</i>	21.0%		12.6%
Number of loans	36,669	N/A*	5,831
Average net loans receivable (loan book)	11,303,701	N/A*	3,972,311

Financial Performance

- The acquisition of Cash Train in Dec 14 delivered significant strategic capability in online lending, previously a modest contributor to revenue and profit
- Cash Train integration almost complete, best practice online processes being leveraged across entire lending platform
- Cash Train profitable and growing contributor to group EBITDA
- Bad debts as a % of revenue improving, in line with expectations
- Poised well to continue to deliver growth, including cross selling opportunities to Broker division

Opportunities



Increase market share

- Expand broker network
- Expand online presence
- Target niche customers



Operational Efficiencies

- Merge selected branches
- Consolidate loan management platforms
- Further develop online interfaces with key brokers to improve processing time

Product expansion

- Introduction of secured loan product for new assets
- Enhance unsecured loan offering
- Promote cross selling opportunities across all three distribution channels

Outlook

Key Priorities

- Secure debt funding to continue growth of loan book
- Leverage online capability across all Money3 digital assets
- Improve operational performance in Branch Division



Unsecured Lending

- Range of options to exit SACC operations were considered – resolved not to pursue these options as they do not represent the best strategic or long term shareholder value
- Continue to review the composition and product mix of unsecured lending



Forecast

- Maintain FY16 full year guidance of NPAT of \$19.0M, up 36.3% on FY15 NPAT of \$13.9M

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