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Investor Presentation

August 2014

Strong 2nd Half Performance



		2 nd Half FY14	1 st Half FY14	Move
Revenue	\$m	175.9	155.8	+12.9%
EBITDA	\$m	29.9	21.7	+37.5%
EBIT	\$m	25.7	17.9	+43.6%
NPAT	\$m	14.3	9.9	+44.9%
EPS	Cps	3.38	2.30	+47.0%
DPS	Cps	2.00	2.00	+0.0%

Strong Second Half Improvement Driven by:

- Corporate store revenue (up 5.2% on 1H FY14) and EBITDA (up 27.3% on 1H) growth was strong
- Australian Personal Loan book up 19.3% on FY13 to \$109.2m, with strong online lending growth
- Australian Personal Loan EBITDA up 22.4% in 2H to \$21.3m
- Australian Cash Advance 2nd half EBITDA up 13.3% to \$5.1m (1HY EBITDA of \$4.5m)

FY2014 Results



		FY 2014	FY 2013	Move
Revenue	\$m	331.7	272.7	+21.6%
EBITDA	\$m	51.6	57.0	-9.5%
EBIT	\$m	43.7	50.6	-13.6%
NPAT	\$m	24.2	32.9	-26.4%
EPS	Cps	5.67	8.09	-29.9%
DPS	Cps	4.00	4.00	+0%
<i>Final dividend of \$0.02 per share (fully franked) payable on 30 September 2014 to share holders on the register at the close of business on 16 September 2014</i>				
Normalised EBITDA		FY 2014	FY 2013	Move
EBITDA	\$m	51.6	57.0	-9.5%
- Ausgroup provision	\$m	1.4	1.0	+35.8%
- Stamp duty on store acquisitions	\$m	1.8	0.0	-
- Green Light Auto (after minority interest)	\$m	1.0	0.0	-
- GST adjustment	\$m	1.1	0.0	-
EBITDA normalised	\$m	56.9	58.0	-1.9%

Refer to the full year 4E accounts to 30 June 2014 lodged with ASX on 21 August 2014 for detail

HY2014 Segment Results



Divisional EBITDA	FY14	FY13	Move
Franchise Operations	6.63	6.39	+3.9%
Store Operations	15.62	9.10	+71.6%
Financial Services - Administration	10.41	14.20	-26.7%
Financial Services – Personal Loans	39.84	42.46	-6.2%
Green Light Auto (after minority)	(0.98)	0.00	0%
Total before head office costs	71.52	72.14	-0.9%
Corporate Head Office Costs	(19.91)	(15.11)	-31.8%
Total Divisional EBITDA	51.60	57.04	-9.5%

Business Model

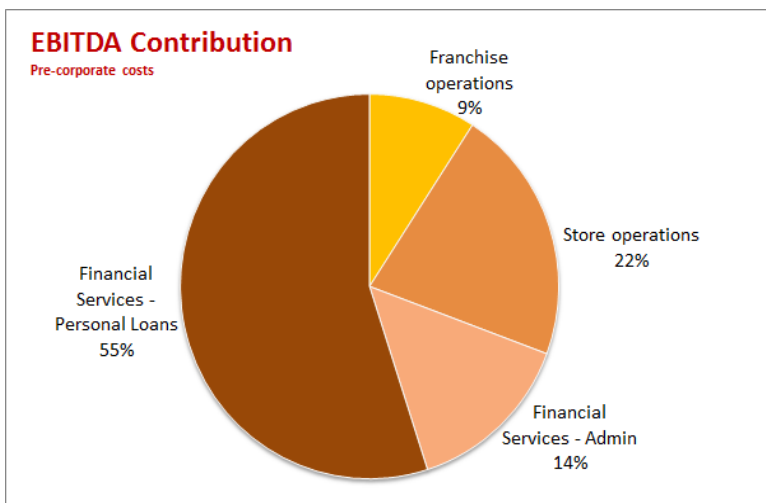


Corporate and Franchised Store retail network driving sales of financial services products

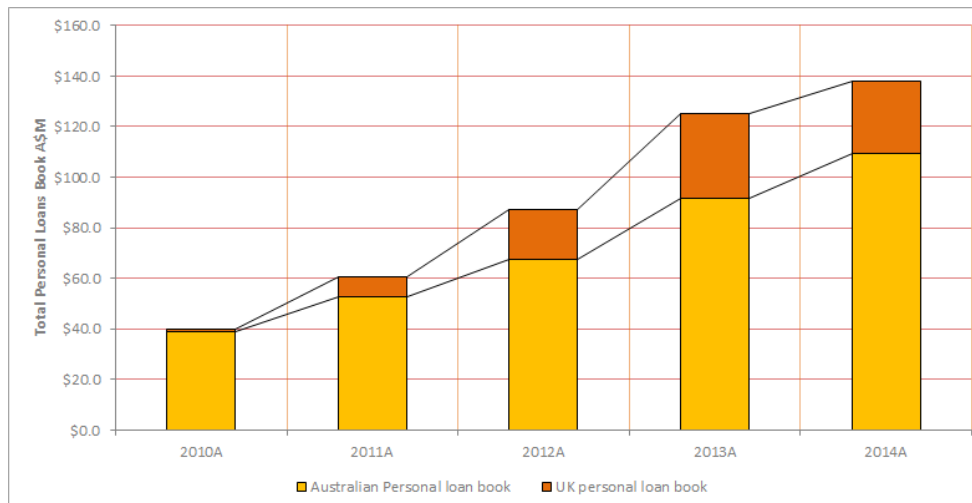
The major revenue segments are:

- Franchise operations
- Retail store operations and pawn-broking (company owned stores)
- Personal Finance – cash advance and pay-day lending
- Personal Finance – personal loans

EBITDA



Personal Loan Books

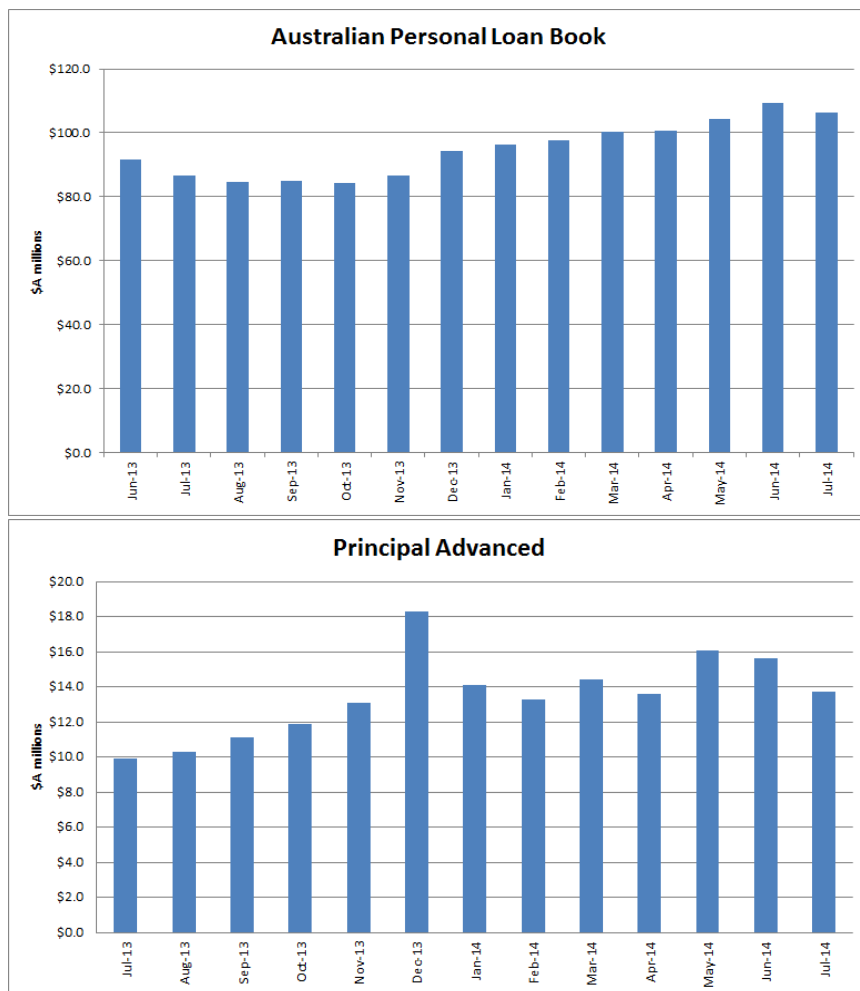


FY2014 Overview



- **Strong recovery experienced in the second half.** This upward trend should continue into FY15 as lending in Australia for both the personal and cash advance loans products continues to grow
- **The personal loan book in Australia grew by 19%,** from \$91.5m as at 31 Dec 2013 to \$109.2m as at 30 Jun 2014
- **The growth of the online personal loan business** in Australia continues to be very strong with the value of loans written totalling \$48.7m for the period, up 81% on the previous corresponding period and 43,728 loans made
- **Online Cash Advance loans strong,** with value written up by 373% to \$7.1m
- **Corporate store network in the Australia** has seen EBITDA grow by 71.6% to \$15.6m over FY13
- **Transition to new regulatory regime** impacted margins due to rate caps. Bad debts on the Australian Personal Loan book increased to 6.6% due to higher levels of bad debts from customers classified under the protected earnings amount classification. The Company has been addressing these issues
- **Carboodle growth continued** with an increase in new leases of 53% to 807 vehicles

Australian Personal Loan Book



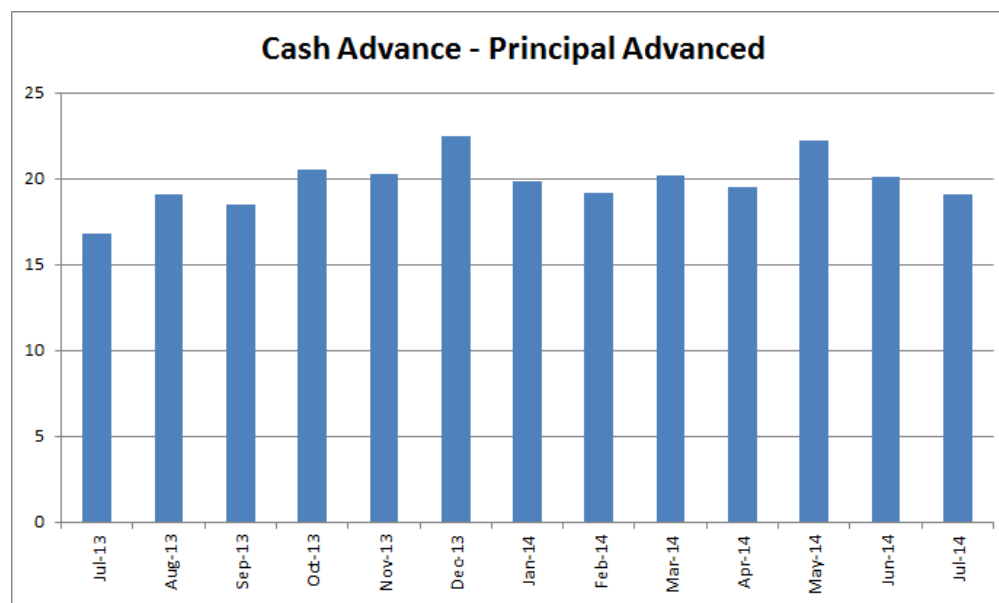
- 30 June 2014 Loan Book \$109.2m, up 19.3% on FY13
- 124,853 active customers
- Produced EBITDA of \$38.7m (2013: \$40.7m)
- Bad debt percentage of principal written off to principal advanced increased to 6.6% from 5.6% (1H FY14). Impacted by new the micro-credit regulatory regime. CCV is working on improving collection procedures
- The Second half improvement has been driven by our customers becoming more familiar with the documentation required to meet the new micro-credit regulatory requirements and strong growth in the online lending platform
- Online loans up 81% on pcp. Totalled \$48.7m

Australian Cash Advance



Improved Second Half EBITDA Contribution

- Second half EBITDA contribution of \$5.1m, up 13.3% on 1H FY14 contribution of \$4.5m
- Margin per loan decreased as a result of implementing the new rate cap required by the new regulatory regime
- Total principal loaned increased by 1.3% on pcp to \$238.8m
- Average loan amount increased from \$341 to \$413 and total customers increased by 15% to 535,738

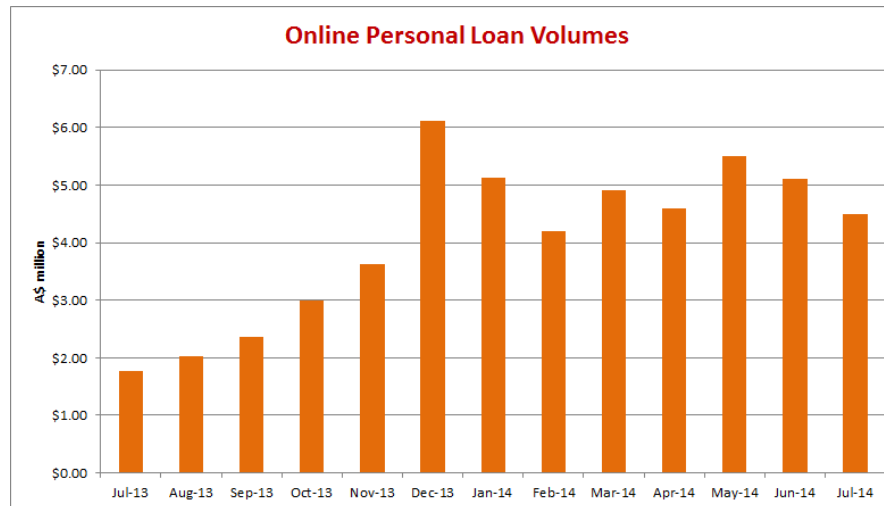


Online Loan Growth



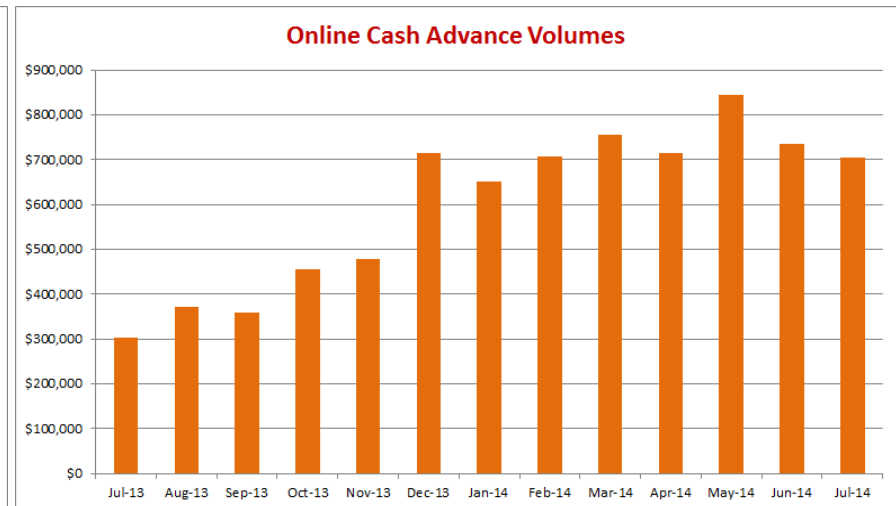
Very strong online loan growth following launch of mobile phone/ tablet application

Online Personal Loan Volumes



Average loan \$1,114
60% new customers

Online Cash Advance Volumes



Average loan \$402
54% new customers

Regulatory Environments



Cash Converters has significant experience operating in a number of regulatory regimes

United Kingdom – Regulatory Environment

The Financial Conduct Authority (FCA) released a discussion paper on 15 July 2014 in which they propose to introduce a rate cap on high-cost, short-term credit, effective from 2 January 2015. The discussion paper proposes the following:

- A rate cap of 0.8% of the outstanding daily balance
- A £15 cap on default fees
- 100% total cost of credit cap

Industry participants have until 1 September to respond to the discussion paper.

Australia– Regulatory Environment

Consumer Credit and Corporations Legislation Amendment (Enhancements) Act 2012 passed by the House of Representatives and the Senate. Provisions effective from 1 July 2013. In summary, the provisions apply to all the micro lending engaged in by Cash Converters:

- Definition of small amount credit contracts (SACC) - Term of at least 16 days. Not exceeding 1 year. Amount not exceeding \$2,000
- Fees and charges An establishment fee capped at 20% of loan amount. A monthly fee of 4% can be charged
- A 200% total cap on what can be recovered from a borrower
- For Centrelink dependent consumers the amount of loan repayments is capped at 20% of their income

Carboodle



Carboodle was established as Green Light Auto Group Pty Ltd ("GLA") in 2010. Cash Converters holds an 80% equity interest in GLA. GLA produced an EBITDA loss of \$978,648 after minorities for the period

Carboodle is a licensed motor vehicle dealer providing customers who don't have access to main stream credit with a reliable and well maintained car (retail and commercial)

Carboodle provides late model vehicles to its customers via a four year lease term including most running costs (insurance, maintenance, registration, roadside assistance etc) for a weekly payment

GLA has been successful in securing \$40 million of funding to cover 80% of the purchase price of vehicles going forward with Fortress, a USA based lender

Trading Highlights

- **Active leases increased by 52.8% over the financial year to 807 (FY13: 528)**
- **Forward contracted lease payments increased to \$25.6m (FY13: \$21.2m)**
- **Total revenue for FY14 of \$8.7m (FY13: \$5.5m)**

The Outlook



- Strong second half performance following the first half impact of the new regulatory regime in Australia
- A significant part of loan volume growth has come from our online platforms as our technology enhancements allow loan applications to be made from mobile phones and tablets
- Australian corporate stores have performed very well and with the recent acquisition of 3 stores in Queensland we expect to see further growth in profit contribution from the corporate store network in FY15. Further store acquisitions are being assessed
- Over the next 6 months we expect to see the loan books continuing to grow and GLA to move into profit

Appendices

Financial Performance

*cash*converters

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenue	\$18.6	\$22.6	\$46.0	\$74.4	\$94.8	\$126.1	\$186.4	\$234.4	\$272.7	\$331.7
Revenue Growth		21.6%	103.2%	61.8%	27.4%	33.0%	47.9%	25.8%	16.3%	21.6%
EBITDA	\$5.3	\$6.9	\$17.7	\$23.4	\$25.6	\$33.8	\$43.2	\$48.1	\$57.0	\$51.6
EBITDA Growth		30.6%	157.8%	32.6%	9.2%	31.9%	27.9%	11.3%	18.6%	-9.5%
EBIT	\$4.7	\$6.3	\$16.9	\$22.6	\$24.4	\$32.2	\$40.3	\$43.8	\$50.6	\$43.7
EBIT Growth		35.0%	167.9%	33.4%	8.3%	31.8%	25.1%	8.7%	15.5%	-13.6%
NPAT	\$3.1	\$4.3	\$11.6	\$15.2	\$16.2	\$21.6	\$27.7	\$29.4	\$32.9	\$24.2
NPAT Growth		38.9%	173.0%	30.5%	6.5%	33.8%	28.1%	6.1%	11.8%	-26.4%
EPS	\$0.023	\$0.029	\$0.051	\$0.061	\$0.068	\$0.066	\$0.073	\$0.078	\$0.081	\$0.057
DPS	\$0.010	\$0.018	\$0.030	\$0.030	\$0.030	\$0.030	\$0.035	\$0.035	\$0.040	\$0.040
Payout ratio	44.2%	60.8%	58.4%	49.0%	44.3%	45.5%	47.9%	44.9%	49.4%	70.4%
EBITDA margin	28.2%	30.3%	38.4%	31.5%	27.0%	26.8%	23.2%	20.5%	20.9%	15.6%
EBIT margin	25.1%	27.9%	36.8%	30.3%	25.8%	25.6%	21.6%	18.7%	18.5%	13.2%
NPAT margin	16.5%	18.8%	25.3%	20.4%	17.1%	17.2%	14.9%	12.5%	12.1%	7.3%