

# Cash Converters International Limited

## Shaw & Partners - Small Cap Financials Conference

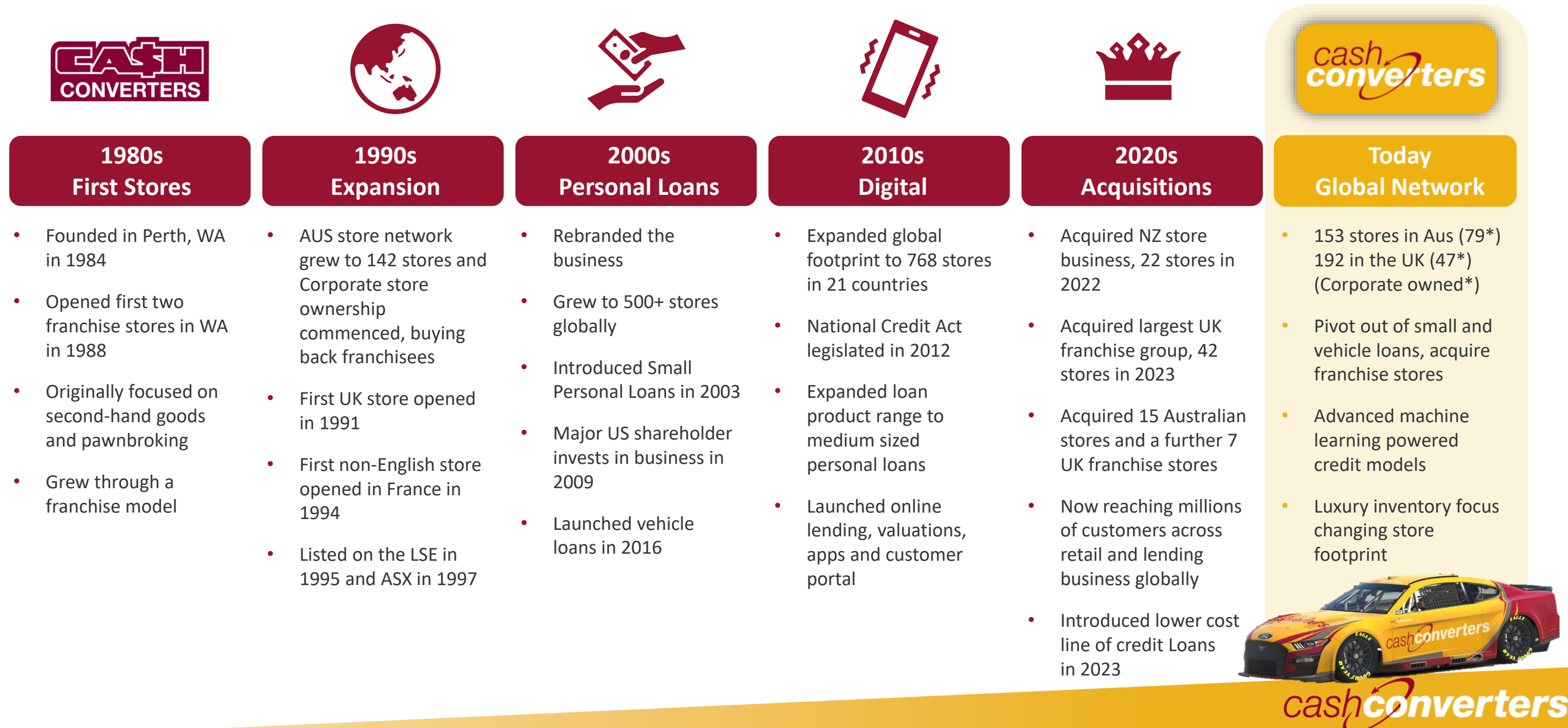
ASX:CCV

**13 May 2025**

*cash***converters**

# Our Journey – A story of continuous reinvention

From humble beginnings to a global, data-driven, circular retailer and non-bank lender



# Business Model

Integrated stores and digital platform, repurposed luxury goods and personal loans

## Stores

### Scaling sustainability & luxury

- Focus on repurposing pre-owned goods, supporting the **circular economy**
  - **Over 1.7m items** repurposed annually in Australia
- Leveraging brand strength with a seamless **online and in-store experience**
- Shifting inventory focus towards **luxury goods**
  - Opened a new **luxury-focused retail store** in Bondi Junction, performing well, with additional stores planned
  - **AI-driven authentication** and under-written valuations for high-value items, 90-day warranty
- **Geographically diversified revenue mix** - Expansion across key corporate operations in Aus, UK and NZ



## Lending

### Lower-cost lending solutions

- A leading regulated non-bank lender, supporting **sub-prime and near-prime customers**
- Transitioning to **longer-term, lower-cost** lending solutions, delivering sustainable growth
- Pivot away from small loans a key strategic shift, large market opening up in Australia of non-conforming borrowers.
- Sub and Near Prime TAM large in Australia, Equifax estimate **\$5bn** credit applications p.a.<sup>1</sup>
- Leveraging proprietary **machine learning credit risk models** to process ~780k loan applications annually
- 1H25 Gross **loan book \$274m**, net loss rate 7.3% (down from 9.0% 1H24)



## Key Financials

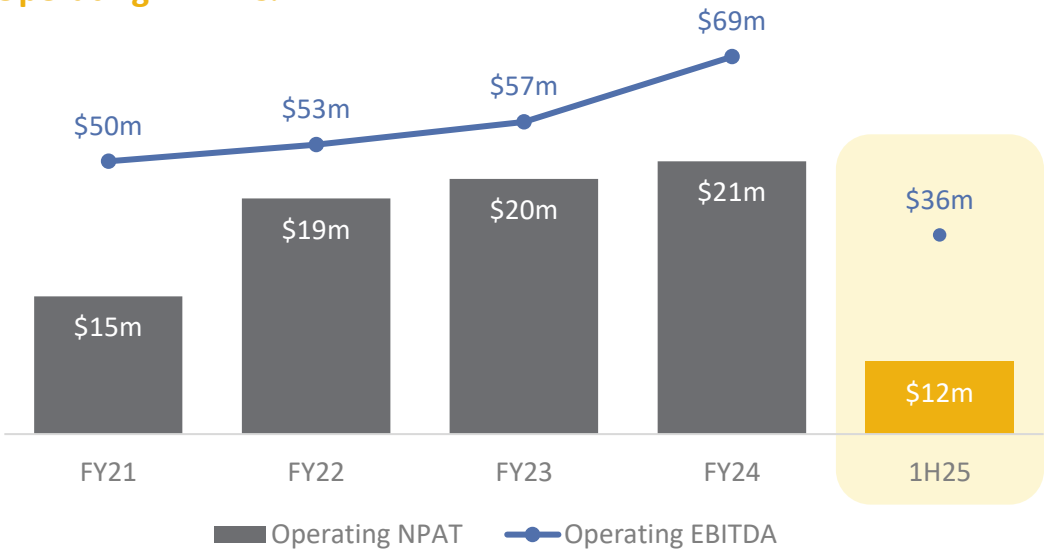
### FY24 Valuation Metrics:

- Share Price: **24.0c**
- Market Cap: **~\$150m**
- NTA per Share: **28.4c**
- Basic EPS: **2.8c** | PE: **8.6x**
- Dividend: **2.0c** | Yield: **8.3%**
- Franking: **100%**

### 1H FY25 Results:

- Revenue: **\$192.1m**
- Operating EBITDA: **\$36.5m**
- Statutory NPAT: **\$12.1m**
- Gross Loan Book: **\$277.4m**
- Cash & Equivalents: **\$57.3m**
- Undrawn Securitisation: **\$68.5m**

### Operating NPAT & EBITDA



Note:  
1. Equifax – Aus Personal lending market profile – Apr-24. Total addressable Market (“TAM”)

# Growth Strategy – Pivot & Acquire

Driving growth through strategic store acquisitions and product mix simplification

## Franchise Store Acquisitions

**Strategic store acquisition delivering strong returns**

- Franchise stores provide attractive opportunity
- Acquisitions priced at <5x EBITDA
- Expected IRR >15%
- Earnings accretive from day one
- Historically acquired stores tracking to forecast
- Network growth continues

**Growth pipeline & funding**

- Unified POS and lending systems – no migration required
- Targeting ~30 franchise acquisitions across AU and UK p.a.
  - Total franchise store opportunity: 74 AU & 145 UK
- Funded via free cash flow, with new funding partnerships under review to accelerate




## Product Mix Change

**Shifting to scalable, lower-cost lending**

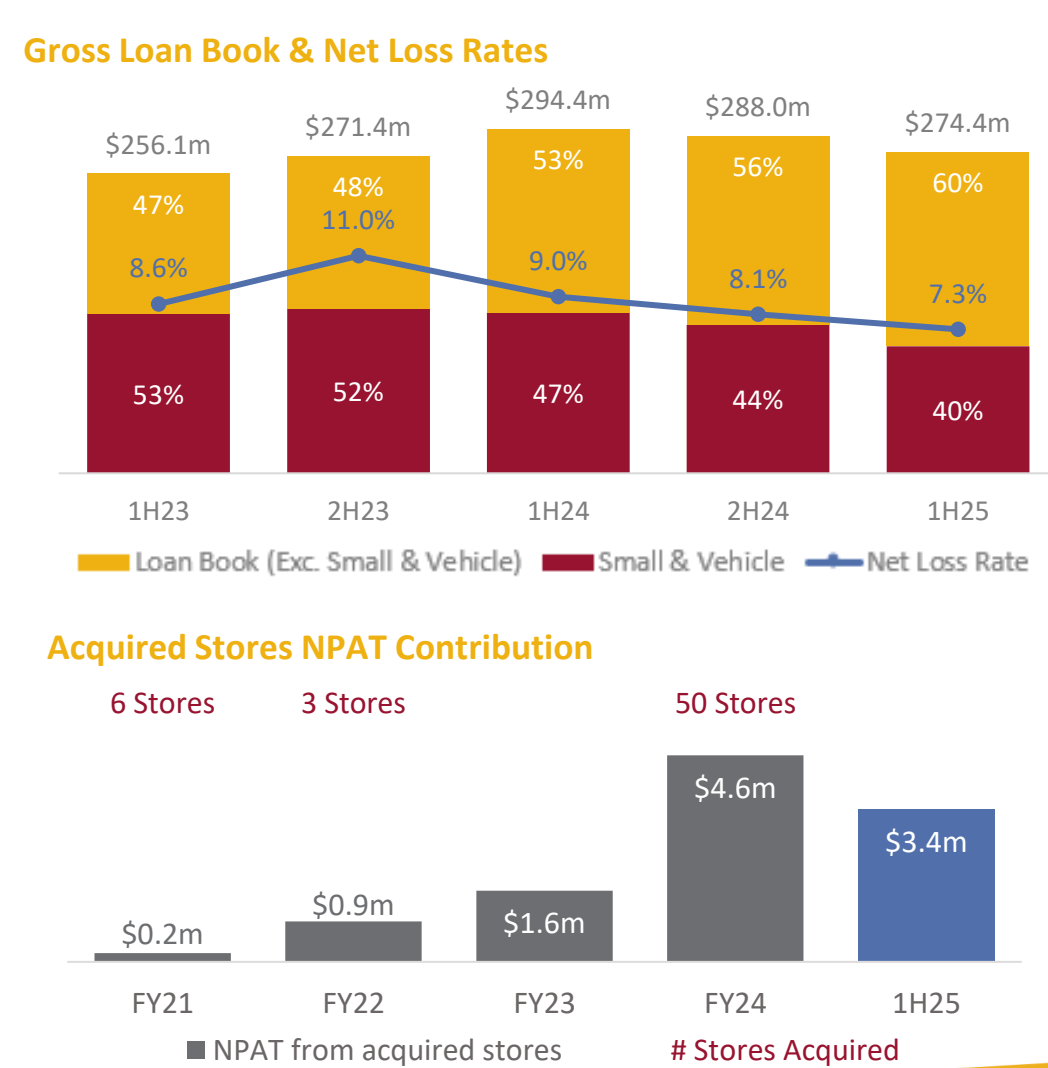
- Streamlined product range to better serve customers and support responsible lending
- Investing in data analytics, digital platform and marketing to accelerate growth
- **Transitioning out of Small and Vehicle Loans to focus on core products**
  - Small Loans: Reduced from \$78m (Jun-23) to \$48m (Dec-24)
  - Vehicle Loans ceased Jun-24; reducing from \$74m to \$60m

**Lower Risk, lower-cost lending**

- Growing new loan products
  - Medium Loan Book
  - New line of credit scaling rapidly
- Lowering loss rates
- Funding review



## Historical Performance



# Investment Thesis

Pivoting business, growing new segments, executing global acquisitions



## Dominant Scale

- Loan applications growing, we received **~65,000 per month** on average in FY24
- Store model changing, luxury inventory powering trading momentum, segment **net profit contribution up 60%**



## New Loan Books Growing

- Significant pivot away from small loans, new products attracting new younger customer cohort and funding partners
- Leveraging AI-driven credit models, net **loss rates down to 7%**



## Acquisition Earnings Growing

- Over past couple of years we have successfully acquired 65 stores in AUS and UK, contributing **\$3.4m net profit** for the 1H FY25, and growing
- Remaining franchise network in these key corporate markets present opportunities with **74** franchise stores in AUS and **145** in the UK remaining - and both networks growing



## Global Network Growing

- UK now contributing **18% of consolidated EBITDA** and growing (revenue up 14% for the half) and Europe growing
- Committed to growing earnings and consistent dividends, 1H FY25 **Operating NPAT up 24% paying a fully franked dividend of 1c per half** (for past 5 years)

Note:

1. All comparisons 1H FY25 to 1H FY24 or pcp





Questions?





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