



Investor Presentation

March 2015

31 December Half-Year Results



		31 Dec 2014	31 Dec 2013	Move
Revenue	\$m	187.7	155.8	+20.5%
EBITDA	\$m	2.8	21.7	-86.9%
EBIT	\$m	(1.7)	17.9	-109.3%
NPAT	\$m	(5.3)	9.9	-153.6%
EPS	Cps	(1.21)	2.32	-152.2%
EPS (Normalised)	Cps	3.53	2.80	+26.1%
DPS	Cps	2.00	2.00	0%
<i>Interim dividend of \$0.02 per share (fully franked) payable on 31 March 2015 to share holders on the register at the close of business on 17 March 2015</i>				
Normalised EBITDA		31 Dec 2014	31 Dec 2013	Move
EBITDA	\$m	2.8	21.7	
- Kentsleigh agency termination	\$m	29.6	-	
- Stamp duty on store acquisitions	\$m	0.4	1.8	
- Ausgroup provision	\$m	(1.1)	1.0	
- Termination fees – bank facility	\$m	0.7	-	
EBITDA normalised	\$m	32.4	24.5	+31.4%

First Half Highlights



- **Record breaking December lending performance in Australia**, expect ongoing growth in 2H FY15
- **Personal loan book in Australia grew by 22.7%** to \$115.7m as at 31 Dec 2014
- **Growth of the online personal loan business** in Australia continues to be very strong up 65.2% on pcp
- **Online cash advance loans strong** with value written up by 68.1% to \$36.3m
- **Growth in corporate store network in the UK and Australia.** EBITDA grew by 52.3% on pcp to \$10.5m
- **Commencing transition to new UK regulatory regime** From 2 January 2015 rate and fee caps

Segment Results



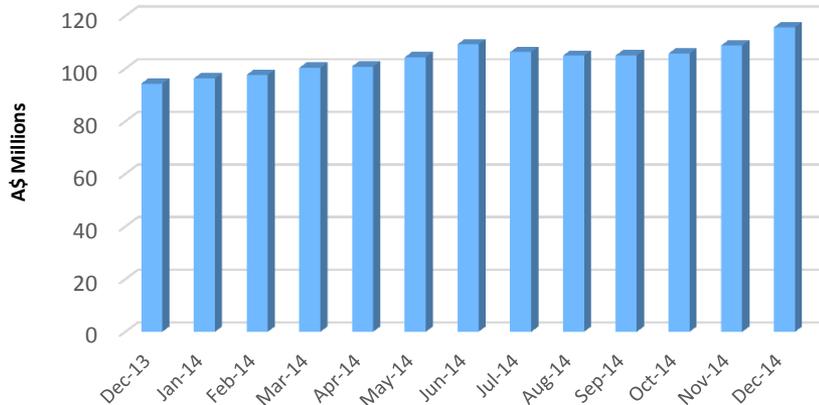
Divisional EBITDA (Normalised)	31 Dec 2014	31 Dec 2013	Move
Franchise Operations	3.6	3.2	+13.8%
Store Operations	10.5	6.9	+52.3%
Financial Services - Administration	6.1	4.9	+23.5%
Financial Services – Personal Loans	22.5	18.2	+23.4%
Green Light Auto (after minority)	(0.6)	(0.3)	-100.0%
Total before head office costs	42.1	32.9	+27.7%
Corporate Head Office Costs	(9.7)	(8.4)	-16.6%
Total Divisional EBITDA (normalised)	32.4	24.5	+31.4%

Geographical EBITDA (normalised)	31 Dec 2014	31 Dec 2013	Move
Australian Operations	34.4	22.8	+50.3%
UK Operations	(2.3)	1.5	-248.1%
International Operations	0.3	0.2	+94.9%

Australian Personal Loan Book

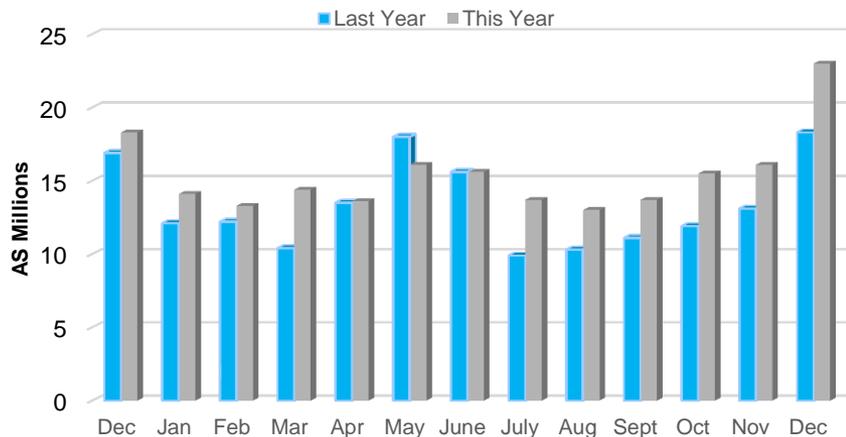


Australian Personal Loan Book

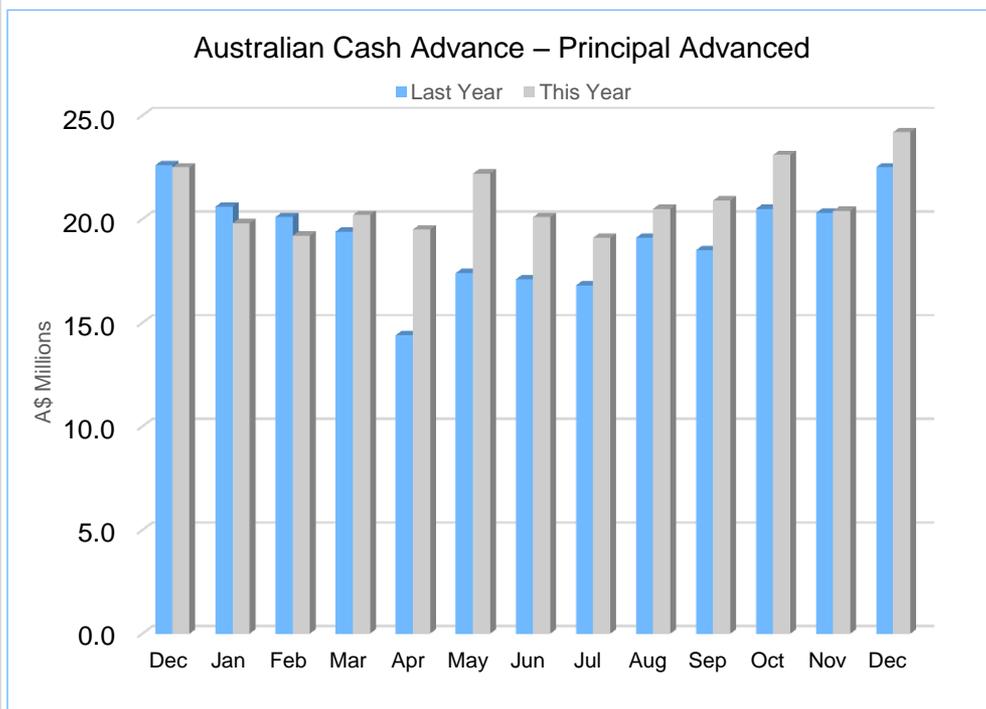


- Loan Book \$115.7m, up 22.7% on pcp
- 179,721 active customers
- Produced EBITDA of \$25.5m (2013: \$17.4m)
- Bad debt % at 6.3%
- Online loans up 65.2% on pcp
- Online loans totalled \$31.3m for the period

Australian Personal Loans - Principal Advanced



Australian Cash Advance



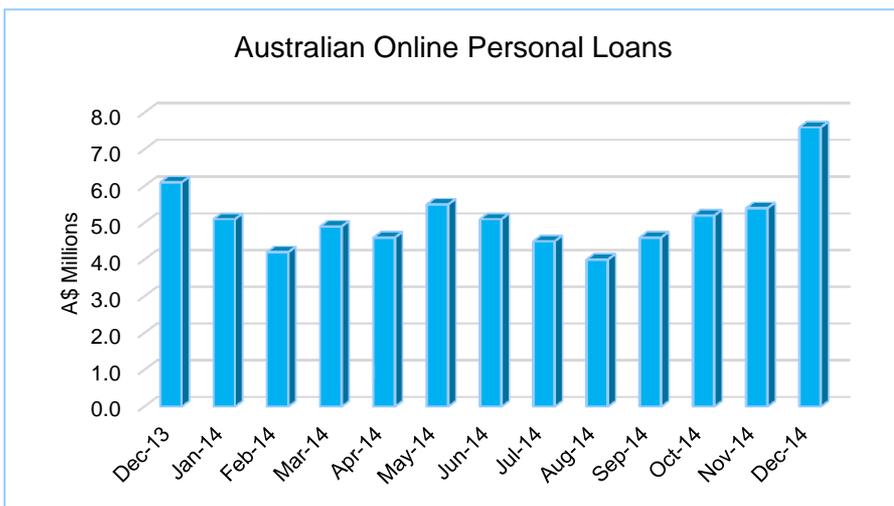
- EBITDA contribution of \$5.4m, up 19.0% on pcp
- Margin per loan decreased as a result of implementing the new rate cap required by the new regulatory regime
- Total principal loaned increased by 5.8% on pcp to \$128.2m
- Average loan amount increased from \$413 to \$417 and total customers increased by 6% to 568,072

Online Loan Growth



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

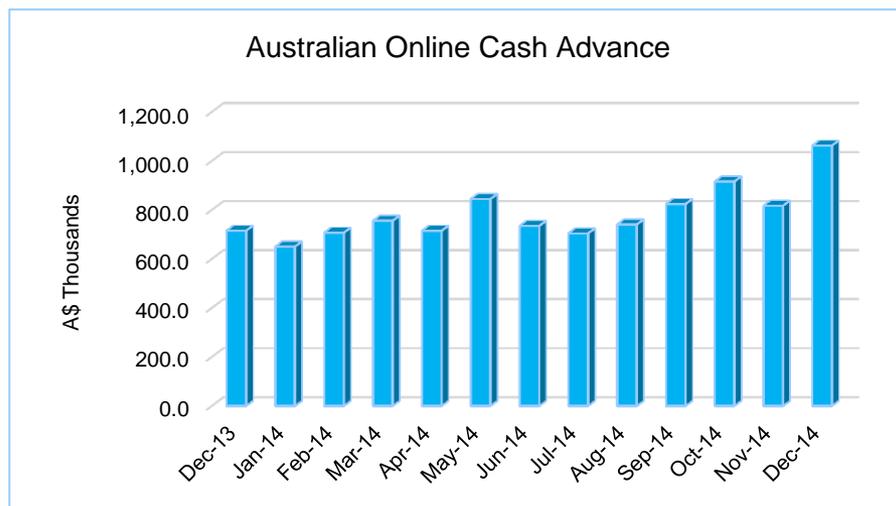
Online Personal Loan Volumes



Average loan \$1,133

49% new customers

Online Cash Advance Volumes



Average loan \$384

40% new customers

Carboodle



Carboodle is in a solid position to grow

Carboodle was established as Green Light Auto Group Pty Ltd (“GLA”) in 2010. Cash Converters now holds a 100% equity interest in GLA following acquisition of the remaining 20% in late 2014

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 entered into a referral and broker agreement with Aussie Car Loans and an agreement with FleetPartners for the provision of quality fully maintained end of lease vehicles.

Trading Highlights

- **Active leases increased by 7.1% to 787 (2014: 735)**
- **Forward contracted lease payments are \$25.2m**
- **Total revenue for the six months of \$4.6m**

The Outlook



- Record lending volumes in December, expect continued earnings growth in the second half
- Australian personal loan book at record level. Over the next 6 months we expect to see the loan books continuing to grow
- Financial benefits of the Kentsleigh/Cliffview agency termination will be enjoyed in the second half
- 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 5 stores in Victoria and 2 in New South Wales we expect to see further growth in profit contribution from the corporate store network for the second half

Appendix

Corporate Snapshot



Share Price	\$0.970
Shares on Issue	478.9 m
Market Capitalisation	\$464.5 m
Cash on Hand [31 Dec 2014]	\$43.2 m
Interest Bearing Liabilities [31 Dec 2014]	\$128.0 m
Enterprise Value	\$549.3 m



Reginald Webb	Non Executive Chairman
Peter Cumins	Managing Director
Kevin Dundo	Non Executive Director
Stuart Grimshaw	Non Executive Director
Lachlan Given	Non Executive Director
Ralph Groom	CFO & Company Secretary

1H FY2015 Financials



Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2014

Condensed consolidated statement of cash flows for the half-year as at 31 December 2014

Condensed consolidated statement of financial position as at 31 December 2014

	Notes	Half-year ended	
		31 December 2014	31 December 2013
		\$	\$
Franchise fees	3a	5,409,163	5,190,098
Financial services interest revenue	3b	119,614,017	90,701,974
Sale of goods	3c	59,732,999	57,407,256
Other revenue	3d	2,989,064	2,461,014
Revenue		187,745,183	155,760,342
Cost of Sales	3e	(70,013,624)	(56,341,092)
Gross Profit		117,731,559	99,419,250
Administrative expenses	3f	(43,484,255)	(40,788,578)
Advertising expenses		(3,433,281)	(4,137,940)
Occupancy expenses	3g	(9,867,450)	(9,487,743)
Contract termination expense	4	(29,628,270)	-
Other expenses	3h	(33,245,253)	(29,698,339)
Finance costs	3i	(4,641,158)	(4,039,471)
Share of net profit of equity accounted investment		61,316	-
(Loss) / profit before income tax		(6,506,792)	11,267,179
Income tax benefit / (expense)		1,009,354	(4,010,072)
(Loss) / profit for the period		(5,497,438)	7,257,107
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		2,958,255	6,874,842
Other comprehensive income for the period		2,958,255	6,874,842
Total comprehensive income for the period		(2,539,183)	14,131,949
(Loss) / profit attributable to:			
Owners of the parent		(5,296,066)	9,880,413
Non-controlling interest		(201,372)	(2,623,306)
Total comprehensive income attributable to:			
Owners of the parent		(2,337,811)	16,755,255
Non-controlling interest		(201,372)	(2,623,306)
		(2,539,183)	14,131,949
(Loss) / earnings per share			
Basic (cents per share)		(1.21)	2.32
Diluted (cents per share)		(1.21)	2.28

	Notes	Consolidated Half-year ended	
		31 December 2014	31 December 2013
		\$	\$
Cash flows from operating activities			
Receipts from customers		114,381,319	97,064,940
Payments to suppliers and employees		(124,304,784)	(115,344,497)
Payment for Contract Termination		(30,053,870)	-
Interest received		267,805	375,264
Interest received from personal loans		49,316,077	40,201,112
Net increase in personal loans		(12,762,886)	(13,344,406)
Interest and costs of finance paid		(4,641,158)	(4,039,471)
Income tax paid		(13,342,314)	(9,109,871)
Net cash flows used in operating activities		(21,139,811)	(4,196,929)
Cash flows from investing activities			
Net cash paid for acquisitions of controlled entities		-	(2,532,455)
Cash acquired in relation to Green Light Auto		-	3,833,411
Acquisition of intangible asset		(1,593,568)	(835,849)
Proceeds from sale of plant and equipment		-	74,000
Purchase of plant and equipment		(3,328,354)	(2,643,514)
Instalment credit loans repaid by franchisees		158,299	220,298
Net cash flows used in investing activities		(4,763,623)	(1,884,109)
Cash flows from financing activities			
Dividends paid – members of parent entity		(6,204,109)	(6,276,786)
Repayment of borrowings		(14,243,899)	(24,841,526)
Proceeds from borrowings		18,225,261	64,953,293
Borrowing Costs		-	(1,180,825)
Capital element of finance lease and hire purchase payments		(196,498)	(252,831)
Payment for change in ownership of a controlled entity	10	(450,000)	-
Issue of shares by controlling entity		45,080,001	-
Share issue costs		(1,703,152)	-
Net cash flows provided by financing activities		40,457,604	32,401,325
Net increase / (decrease) in cash and cash equivalents		14,554,170	26,320,287
Cash and cash equivalents at the beginning of the period		26,843,072	20,729,330
Effects of exchange rate changes on the balance of cash held in foreign currencies		1,793,677	3,714,552
Cash and cash equivalents at the end of the period	9	43,190,919	50,764,169

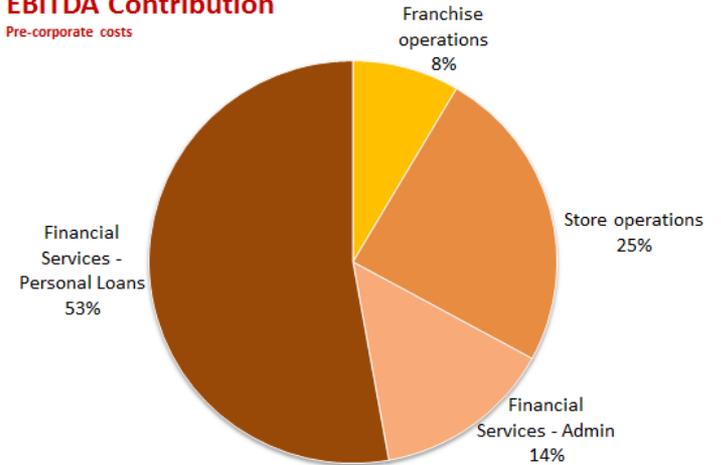
	Notes	Consolidated	
		31 December 2014	30 June 2014
		\$	\$
Current assets			
Cash and cash equivalents		43,190,919	36,843,072
Trade and other receivables		35,367,052	33,542,353
Personal loan receivables	5	126,596,461	123,677,192
Inventories		25,174,931	25,561,710
Current tax asset		3,231,105	-
Other assets		12,487,484	10,578,199
Total current assets		246,047,952	220,202,526
Non-current assets			
Trade and other receivables		14,864,198	14,814,904
Investments in associates and joint ventures		6,275,242	6,213,926
Plant and equipment		23,623,609	22,586,763
Deferred tax assets		15,320,507	13,543,414
Goodwill		108,678,354	110,726,057
Other intangible assets		24,433,213	21,899,866
Total non-current assets		193,395,123	189,784,930
Total assets		439,443,075	409,987,456
Current liabilities			
Trade and other payables		26,184,485	26,794,208
Borrowings	7	61,647,687	59,942,763
Current tax payable		-	9,737,589
Provisions		4,980,680	4,638,888
Total current liabilities		92,812,852	101,113,448
Non-current liabilities			
Borrowings	7	66,325,061	64,019,148
Provisions		195,586	148,539
Total non-current liabilities		66,520,647	64,167,687
Total liabilities		159,333,499	165,281,135
Net assets		280,109,576	244,706,321
Equity			
Issued capital		203,264,771	156,679,067
Reserves		(7,300,082)	(6,503,189)
Retained earnings		84,145,838	98,025,142
Equity attributable to owners of the parent		280,109,527	248,201,020
Non-controlling interest		1,049	(3,494,699)
Total equity		280,109,576	244,706,321

First Half Performance



EBITDA Contribution

Pre-corporate costs



Regulatory Environments



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

United Kingdom – Regulatory Environment

The Financial Conduct Authority (FCA) published their legislation on 11 November 2014 relating to the UK market. A rate cap on high-cost, short-term credit, came into effect from 2 January 2015. The legislation introduced 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

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 with a review in mid 2015. 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