



## FSA GROUP LIMITED

21 August 2015

### FY2015 Results Announcement

FSA Group is pleased to announce its final result for the financial year ended 30 June 2015 which included operating income of \$69.6 million and a profit after tax attributable to members of \$14.7 million.

Chairman Sam Doumany said "Our Services division continued to perform well throughout the year, which resulted in our debt agreement market share increasing from 45% to 48%. This division continues to deliver stable and predictable cash profit which underpins our lending initiatives.

Our focus has been and will remain on growing our loan pools. Over the past year we hired additional staff, increased our marketing spend and decreased our upfront settlement fee to stimulate lending growth. This upfront investment in the future growth of our loan pools came at a pre-tax cost of approximately \$2 million over the year, impacting profitability for our Consumer and Business lending divisions. We have seen growth in these pools, although the real benefit of our investment will be realised over the next few years".

<b><i>Financial Overview</i></b>	<b><i>FY2015</i></b>	<b><i>% Change</i></b>
Operating income	\$69.6m	+ 6%
Profit before tax	\$22.4m	+ 8%
Profit after tax attributable to members	\$14.7m	+ 9%
EPS basic	11.74c	+ 9%
Net cash inflow from operating activities	\$10.9m	-10%
Dividend/share	6.50c	+ 8%

<b><i>Profit before tax by division</i></b>	<b><i>FY2015</i></b>	<b><i>% Change</i></b>
Services	\$14.8m	+ 31%
Consumer Lending	\$ 5.1m	- 26%
Business Lending	\$ 2.6m	- 7%
Profit before tax	\$22.4m	+ 8%

<b><i>Loan Pools</i></b>	<b><i>FY2015</i></b>	<b><i>% Change</i></b>
Home Loans	\$233.0m	+ 5%
Personal Loans	\$ 5.9m	+ 440%
Factoring Finance	\$ 31.5m	+ 30%
Total	\$270.4m	+ 10%

## **Net Cash inflow from operating activities**

During the 2015 financial year, FSA Group maintained strong cash inflow driven by long term annuity income from its clients. The reduction in net cash inflow from operations, when compared to the previous corresponding period, is attributable to the upfront investment in the future growth of our loan pools.

## **Dividends**

The Directors have declared a fully franked final dividend of 3.50 cents per share, with a record date of 28 August 2015 and payable on 11 September 2015. This brings the full year dividend to 6.50 cents per share.

## **5 Year Strategic Plan**

Sam Doumany said "We have rolled out a 5 year strategic plan. A key component of our plan is to ensure our Services division maintains its leading position in a niche market and to continue to expand our product offering in our Consumer and Business lending divisions. Our aim is to grow our loan pools from \$270 million to around \$500 million.

We are excited about our new service, Easy Bill Pay. We all have bills to pay and this service makes it easier and streamlines this task. There is real potential in this service. Our target over the next few years is to add over 500 new clients per month to Easy Bill Pay which will ensure it makes a meaningful contribution to group earnings.

If we are successful in the execution of our 5 year strategic plan we expect average long term earnings growth of around 10% per annum. The growth rate in earnings may be lower in the earlier years. We expect our dividend payout ratio to be around 50% to 60% of earnings with the balance of earnings to be re-invested to support the capital requirements of our growing loan pools. Our strategy is self-funding so we do not expect to raise equity capital. If market conditions change and our loan pools do not grow as expected, we would consider increasing our dividend payout ratio accordingly.

Consumer debt levels are at a record high and demand for our products and services is growing. However, we may face a number of headwinds over the next few years, including historically low interest rates adversely affecting certain areas of our business.

We have a committed, experienced and highly motivated team focussed on growth and creating opportunities. The next few years will be very exciting for FSA Group".

***This announcement should be read in conjunction with the Cautionary Statements and Disclaimer Regarding Forward-Looking Information and the Appendix 4E which incorporates the 2015 Annual Report.***

**Cellina Chen**  
**Company Secretary**

## Cautionary Statements and Disclaimer Regarding Forward-Looking Information

This release may contain forward-looking statements, including statements about FSA Group Limited's (**Company**) financial condition, results of operations, earnings outlook and prospects. Forward-looking statements are typically identified by words such as "plan," "aim," "focus," "target," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project" and other similar words and expressions.

The forward-looking statements contained in this release are predictive in character and not guarantees or assurances of future performance. These forward-looking statements involve and are subject to known and unknown risks and uncertainties many of which are beyond the control of the Company. Our ability to predict results or the actual effects of our plans and strategies is subject to inherent uncertainty.

Factors that may cause actual results or earnings to differ materially from these forward-looking statements include general economic conditions in Australia, interest rates, competition in the markets in which the Company does and will operate, and the inherent regulatory risks in the businesses of the Company, along with the credit, liquidity and market risks affecting the Company's financial instruments described in the Company's latest Annual Report.

Forward-looking statements are based on assumptions regarding the Company's financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate. Those assumptions may not be correct or exhaustive.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. **You are cautioned not to place undue reliance on any forward-looking statements.**

Forward-looking statements are based on current views, expectations and beliefs as at the date they are expressed. The Company disclaims any responsibility to and undertakes no obligation to update or revise any forward-looking statement to reflect any change in the Company's circumstances or the circumstances on which a statement is based, except as required by law.

The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement to the extent permitted by law. Unless otherwise stated, the projections or forecasts included in this release have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

This release is not an offer or invitation for subscription or purchase of, or a recommendation of securities.