

# Geneva Finance FY21 earnings guidance

15 March 2021

## March 2021 pre-tax profit forecast +56% on previous year

Geneva Finance Limited (NZX: GFL) now expects FY21 net profit before tax (NPBT) to be within a range of \$6.3 million to \$6.5 million (up 56% on last financial year), with trading results since September 2020 exceeding expectations across the consumer finance (New Zealand and Tonga), insurance, invoice factoring and debt collections business units.

Managing Director David O'Connell said, "While we were pleased with the September 2020 half-year result (NPBT +44% on previous year), and had reservations regarding the recurring risk of further lockdowns, the hard work from the management team has seen continued improvements across every business unit."

Each of the business units contributed to the profit increase, though the finance operations (invoice factoring and consumer finance) and Quest Insurance provided the majority of the uplift. New lending volumes are tracking well ahead of last year. The traditional seasonal spike in finance arrears has also been lower than previous years, reflecting continued improvements in ledger quality. The debt collections and debt litigation business are similarly showing consistent improvements.

In light of the improved trading position, the directors are of the view that the final dividend for the March 2021 year should be restored to 2.25 cents per share. This dividend was reduced from 2.25cps to 1.75cps following the March 2020 lockdown. The updated FY21 NPBT guidance implies that the indicative full-year dividend of around 3.50cps equates to a dividend pay-out rate of approximately 35% - 40% of NPBT, which the directors consider appropriate in the current environment.

While there remains the risk of further lockdowns affecting performance, the board is encouraged by the broad-based profit improvement, which reflects the increased focus on the core lending businesses supplemented by the related insurance and debt collection functions.

ENDS

About Geneva

Geneva Finance Limited is a finance, insurance and debt collection operation, focused on consumer and motor vehicle finance in New Zealand and the Pacific.

[www.genevafinance.co.nz](http://www.genevafinance.co.nz)

For further information, please contact:

David O'Connell, Managing Director, Geneva Finance Limited

Mob: 021 725 250