



FSA GROUP LIMITED

2 June 2023

Market update

1. **(Lending)** We have continued to focus on developing our broker channel and growing our loan pools. For 2023, we expect annual new origination of around \$302m, a 33% increase, and our loan pools to increase to around \$629m, a 16% increase compared to 2022. Despite increasing levels of consumer stress driven by rising interest rates and cost of living pressures, our arrears across our loan pools are within acceptable levels.
2. **(Asset finance funding)** An Australian bank has approved a facility limit increase to \$200m. This senior non-recourse facility has a 12-month availability period and is supported by mezzanine non-recourse facilities provided by institutional fund managers.
3. **(Services)** COVID-19 had an impact on the number of individuals seeking assistance. Over the last year, financial institutions and government entities gradually eased COVID-19 related measures. These changes coupled, with growing consumer stress, resulted in an increase in Services enquiries. We plan to move Services out of “hibernation” in June 2023.
4. **(FY2023 Guidance)** Earnings are being impacted by the upfront investment required to grow our loan pools, an increase in the cost of funding and, a decrease in the number of clients under administration in the Services segment. We provide the following FY2023 guidance:
 - a. Expect our earnings down 15% to 20% compared to FY2022; and
 - b. Expect our full year dividend to be 7 cents to 8 cents per share.

This ASX announcement has been authorised for and on behalf of the FSA Group Board by:
Tim Odillo Maher, Executive Director

For more information, please contact:

Tim Odillo Maher
Executive Director

+61 2 8985 5090

tmaher@fsagroup.com.au