



19 July 2021

## hummmgroup business update

- **hummmgroup** 4Q21 transaction volume of \$774.9m, up 57.3% on pcip
- Record quarterly BNPL segment transaction volume of \$304.9m in 4Q21, up 68.7% on pcip
- Cards (Australia and New Zealand) 4Q21 transaction volume of \$287.5m, up 44.3% on pcip with spend continuing to return across key categories
- Commercial and Leasing transaction volume in 4Q21 of \$182.4m, up 62.2% on pcip
- Total **hummmgroup** customers of 2.7m as at 30 June 2021, up 19.7% on pcip
- Continuing improvement in net loss (gross write-offs net of recoveries) of \$30.2m in 4Q21, down 20.3% on pcip
- 1,362 new merchants integrated across Australia and New Zealand in 4Q21 including strong growth in key verticals of health, luxury retail, home improvement, and automotive
- Based on unaudited accounts, Cash Net Profit After Tax of \$68.4m, up 121.1% on pcip<sup>1</sup>

hummm group limited (ASX: HUM) ("**hummmgroup**" or the "Company") today provides an update in relation to its unaudited financial results for the quarter ended 30 June 2021 ("4Q21") and the financial year ended 30 June 2021 ("FY21").

**hummmgroup** Chief Executive Officer Rebecca James said:

*"**hummmgroup**'s continuing momentum is reflected in all segments performing strongly in 4Q21 to achieve record volumes across all products of \$775m. Quarterly volume growth of 57% is a clear indicator of the benefits of **hummmgroup**'s diversified portfolio. We are confident in carrying this volume momentum into FY22 as our products continue to evolve and mature, we execute on our international expansion, and we deliver on our partnership strategy."*

*"**hummmgroup** has continued to deliver growth and profit in FY21, and we expect to report Cash NPAT of \$68m, an increase of 121% on FY20. **hummmgroup**'s sustainable profit is a key differentiator against many of our competitors, and importantly will be the fuel to fund the Company's growth strategy."*

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<sup>1</sup> Cash NPAT reflects the reported net profit after tax adjusted for material infrequent items and the amortisation of acquired intangibles. FY21 Cash NPAT includes \$1.5m (pre-tax) of impairment losses due to balance sheet exposure to Forum Finance. Potential exposure from sold receivables is considered to be a contingent liability.

## SEGMENT PERFORMANCE

Segment	4Q21	4Q20	4Q19	4Q21 vs 4Q20
<b>Volume (A\$m)</b>				
BNPL	304.9	180.7	168.1	68.7%
Australia Cards	111.3	74.0	130.2 <sup>2</sup>	50.4%
New Zealand Cards	176.2	125.3	182.5	40.6%
Commercial and Leasing	182.4	112.5	69.9	62.2%
<b>hummgrou</b>	<b>774.9</b>	<b>492.5</b>	<b>550.7</b>	<b>57.3%</b>

Segment	FY21	FY20	FY19	FY21 vs FY20
<b>Volume (A\$m)</b>				
BNPL	1,034.9	788.4	658.7	31.3%
Australia Cards	416.9	596.5	421.5 <sup>2</sup>	(30.1%)
New Zealand Cards	695.4	750.6	736.3	(7.4%)
Commercial and Leasing	540.3	347.2	349.8	55.6%
<b>hummgrou</b>	<b>2,687.5</b>	<b>2,482.8</b>	<b>2,166.3</b>	<b>8.2%</b>
<b>Net loss / average net receivables</b>				
BNPL	4.4%	6.3%	5.7%	(190bps)
Australia Cards	4.3%	4.5%	5.0%	(20bps)
New Zealand Cards	4.0%	3.2%	2.1%	80bps
Commercial and Leasing	1.6%	2.5%	4.2%	(90bps)
<b>hummgrou</b>	<b>3.5%</b>	<b>4.1%</b>	<b>4.2%</b>	<b>(60bps)</b>

### hummgrou

**hummgrou** total transaction volume of \$774.9m in 4Q21, up 57.3% (4Q20: \$492.5m), reflects the benefits of a diversified portfolio of products that all continue to build momentum. Credit performance remains positive with net loss (gross write-offs net of recoveries) of \$30.2m, down 20.3% (4Q20: \$37.9m), as the Company continues to benefit from investments made in developing a scalable credit origination engine.

### BNPL

BNPL, comprising **hum** and **bundll**, volume of \$304.9m in 4Q21 was up 68.7% (4Q20: \$180.7m) with continuing growth across **hum** in Australia, New Zealand, and Ireland.

**hum** Australia continues to benefit from increased market penetration and brand awareness across key verticals. 'Big things' (\$2k and over) transaction volume increased 26.1% and 'Little things' (up to \$2k) volume increased 149.8% in 4Q21 against pcp. 'Little things' benefited from ecommerce volumes continuing to increase.

**hum** launched in the United Kingdom on 30 June 2021 with a focus on the ~A\$200b home and home improvement, health, automotive, and luxury retail verticals.

Finally, **hummgrou** announced its first **bundll** partnership - with Westpac New Zealand - in July 2021. This will see both companies jointly distribute **bundll** in New Zealand.

### Cards

Australia Cards volume of \$111.3m in 4Q21 was up 50.4% (4Q20: \$74.0m). This performance was largely driven by volume in everyday spend which continues to benefit from spend incentives,

<sup>2</sup> Excludes Once and Lombard products which ceased in FY19.

targeted lifecycle marketing, and balance transfer campaigns. **hummm90** also saw the number of transactions increasing 34.0% on pcp.

New Zealand Cards volume of \$176.2m in 4Q21 was up 40.6% (4Q20: \$125.3m), with volume returning to near pre-COVID-19 levels. The segment continues to gather momentum with **hummmgroup** the largest non-bank financial institution card issuer in New Zealand.

### Commercial and Leasing

Commercial and Leasing volume of \$182.4m was up 62.2% (4Q20: \$112.5m), with the rebuilt and transformed operations delivering a record quarter. This was driven by an extremely successful end to the financial year, where **flexicommercial** – unlike many other SME lenders – continued to finance loans up to 30 June 2021.

**flexicommercial** continues to deliver growth while improving credit quality, with FY21 net loss/average net receivables ("ANR") of 1.6%, a decrease of 90bps on pcp.

### FY21 CASH NPAT

Based on unaudited accounts, **hummmgroup** expects to report a FY21 Cash Net Profit After Tax ("Cash NPAT") of \$68.4m, up 121.1% on pcp (FY20: \$30.9m<sup>3</sup>).

This is consistent with the outlook previously provided that the Company expects 2H21 Cash NPAT to be lower than 1H21. The 2H21 performance is reflective of **hummmgroup's** new investments in platforms, marketing, and people as it enters the UK and Canada markets, and includes the release of some of the COVID-19 macro overlay.

### RETAILERS

**hummm** has made significant progress in signing and onboarding merchants to build its point of sale instalment payment network across Australia, New Zealand, and Ireland. In 4Q21, **hummm** Australia and New Zealand integrated 1,362 new merchants. The breakdown across our key target verticals in Australia and New Zealand is as follows:

- **Health and wellbeing:** 334 merchants including 80 HEARING SAVERS practices, 113 dental clinics, Advanced Hair Studio NZ, and one of the largest healthcare providers of self-funded surgeries in Australia, Self Pay Surgery.
- **Luxury retail:** 41 leading luxury merchants including Hardy Brothers and Vendome.
- **Home and home improvement:** 267 merchants including Appliances Online, GlobeWest and Invisi-Gard – enabling **hummm** to be offered to its network of 432 licensees.
- **Automotive:** 80 merchants including The Tyre Factory and Pit Stop NZ. AutoGuru enables **hummm** to be offered to its network of over 1,700 auto retailers through integration as a payment option on its car servicing and repair quotes, and has also launched online and instore.
- **Retail:** 640 merchants including Peter's of Kensington, Ted's Cameras, Bared Footwear and Bed, Bath & Beyond NZ.

Authorised for release by the **hummmgroup** Board of Directors.

**-ENDS-**

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<sup>3</sup> Retrospectively adjusted for the impacts of International Financial Reporting Interpretation Committee guidance on cloud computing costs which reduced software amortisation by \$1.7m (after tax).

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**ABOUT HUMMGROUP**

**hummg**roup is revolutionising the way people pay. **hummg**roup has developed some of Australia and New Zealand's most exciting and accessible consumer finance products including **hum**m, **bundll**, **hum**m90 and **hum**mpro. **hummg**roup continues to design products around the core needs of financially savvy consumers spanning millennial spenders through to young families and SMEs. **hummg**roup facilitates purchases for 2.7 million customers and operates in Australia, New Zealand, Ireland and the United Kingdom.