

FY2024 Unaudited Trading Update

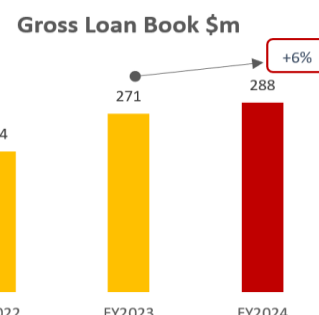
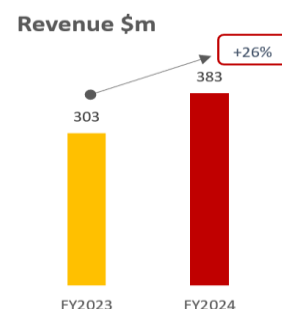
Strong Full Year Top Line Growth Driven by Stores, Acquisitions and Loan Books

Cash Converters International Limited (ASX: CCV) ("Cash Converters" or "the Company") is pleased to provide the following unaudited market update for the full year ended 30 June 2024 (FY2024):

Group Operating Results \$m	FY2024	FY2023 (pcp)	%
Revenue	382.6	302.7	+26%
Gross Loan Book	288.1	271.4	+6%
Cash and Cash Equivalents	56.2	71.6	-21%

Highlights (vs FY2023 or pcp)

- Revenue up 26% pcp to \$382.6m** – on continued momentum from the underlying Australian store operation and the contribution from franchise store acquisitions across Australia, New Zealand and the United Kingdom.
- Operating Profit** – is not expected to differ materially from the prior period. This was anticipated due to significant SACC¹ legislative changes previously announced by the Company (see ASX release dated 21 February 2023 – Small Loan book managed down to 19% of total loan book, from 29% pcp). This outcome is consistent with the communicated strategy to acquire franchise stores and to grow longer term, lower cost loan books, to offset the profit impact of changes to the Small Loan product.
- Gross Loan Book up 6% pcp to \$288.1m** – credit demand remained strong throughout FY2024 with Principal Advanced (new funds lent out) up 8% pcp:
 - 780,000 personal loan applications received in Australia (including redraw requests);
 - Small Loan book now 19% of total loan book, with Medium² loan book growing strongly, up 7% now comprising 37% of total loan book;
 - New Line of Credit (LoC)³ launched nationally and showing strong loan book growth, up 108% on H1 FY2024 to \$14.6m (now accounting for 5% of the total loan book and growing);
 - Net Loss Rates⁷ have improved, down to 8.0% in H2 FY2024 (from 11.0% in H2 FY2023).
- Store performance** – Australian corporate store retail revenue increased 11.0% on pcp, with over 600,000 retail transactions during the period. UK store acquisitions contributed a majority of the remaining revenue increase on the prior period.
- Balance sheet remains strong** – Cash and Cash Equivalents of \$56.2m at the end of the financial year, after funding loan book growth and settlement of the UK (47 stores) and Australian (3 stores) franchise acquisitions completed in FY2024.
- Dividend** – 1 cent per share fully franked interim FY2024 dividend was paid in April representing the seventh straight half-year dividend. No change to the dividend policy is anticipated.



Cash Converters Managing Director, Sam Budiselik stated:

"We are pleased to present an unaudited update on business performance for FY2024, further extending our record of revenue and loan book growth. This was driven by strong trading activity in our Australian business and a growing contribution from our new UK corporate store network, following the successful integration over the period of the franchise network acquisition previously announced.

Our business remains well positioned to continue to benefit from a growing international focus on the importance of the circular economy and the repurposing of pre-owned goods, in conjunction with consumers experiencing increased cost of living pressures at a time when mainstream finance continues to become more difficult to access.

Key highlights resulted from strong underlying demand across our business segments, delivering continued revenue growth which was up 26% on the prior year. Particularly pleasing was strong trading activity experienced across our corporate store network in our traditional corporate market of Australia, now complemented by corporate store operations across international markets of the United Kingdom and New Zealand.

Retail transactions across our store network in Australia exceeded 600,000 and Personal Finance applications 780,000 resulting in loan book growth up 6% on the prior period (down 2% on H1 FY2024 due to seasonality). Whilst cost of living pressures are increasing demand for our products and services globally, a reduction in net loss rates demonstrates appropriate credit risk settings across our loan books.

Finally, as previously announced to the ASX on 21 June 2024, we have reviewed our capital allocation strategy to optimise returns, resulting in a decision to cease lending in our Green Light Auto (GLA) auto finance segment. This decision is designed to enable the management team to focus on continuing to grow our core consumer businesses and to ensure the ongoing execution of our stated strategy of acquiring franchise stores and growing our personal finance loan books.”

Strategy Update & Outlook

We are excited to continue building on the operating momentum across our global business. Where the Company is the Master Franchisor (at present in Australia, UK and NZ) our primary focus remains on acquiring franchise stores and growing our personal finance product loan books.

Beyond the three core markets identified, established franchise partnerships in other jurisdictions also offer unique growth optionality for the Company over time. It is a credit to our franchise partners that our business model continues to expand to reach more customers, growing strongly across Europe, Asia and Southern Africa.

Customer demand is growing as cost-of-living pressures continue to impact consumers and traditional finance providers reduce risk appetite, leaving a growing pool of under serviced borrowers coming to Cash Converters. Further regulatory reform over time, particularly of the Buy Now Pay Later sector, will also benefit the Company with consumers hopefully driven back to the safety of regulated credit providers such as Cash Converters.

The unique nature of the Company’s business model, with a global network of established stores and digital assets at the centre of a growing circular economy, and proprietary underwriting and credit risk technology enabling the servicing of borrowers in a responsible manner, provides excellent prospects for continued earnings growth over time.

Summary Outlook – Growth Drivers:

- ✓ Underlying credit demand growing in an under-serviced customer segment;
- ✓ Increased regulatory focus on non-regulated credit products such as Buy Now Pay Later; likely that over time consumers return to dealing with regulated responsible lenders such as Cash Converters;
- ✓ Additional value accretive franchise store network acquisition opportunities under review in core markets;
- ✓ Net loss rates demonstrating the value of advanced proprietary machine learning-powered credit risk models;
- ✓ Diversification into new loan books successful, strong demand growing Medium and LoC Loan books in particular;
- ✓ Balance sheet strength, continuing to invest for future growth;
- ✓ Dividend paying track record (7 straight half-year dividends now paid).

-ENDS-

Authorised for release by the Board of Cash Converters International Limited.

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Appendix 1: Gross Loan Books

AUD Millions		30 Jun 2021	30 Jun 2022	30 Jun 2023	31 Dec 2023	30 Jun 2024	PCP Jun 2024 vs Jun 2023	Jun 2024 vs Dec 2023
Small Loan ¹	Loan Book	67.6	75.6	78.0	63.1	54.9	-30%	-13%
	% Of Total	38%	35%	29%	21%	19%		
Medium Loan ²	Loan Book	49.4	76.1	99.9	110.2	106.9	7%	-3%
	% Of Total	28%	36%	37%	37%	37%		
Line of Credit ³	Loan Book	0.0	0.0	2.1	7.0	14.6	n/m	108%
	% Of Total	0%	0%	1%	2%	5%		
Vehicle Loan (GLA) ⁴	Loan Book	44.3	46.7	62.9	74.3	72.2	15%	-3%
	% Of Total	25%	22%	23%	25%	25%		
PB ⁵ (Corp)	Loan Book	16.8	15.5	16.0	16.3	17.3	8%	6%
	% Of Total	9%	7%	6%	6%	6%		
International Loan Book ⁶	Loan Book	0.0	0.0	12.5	23.5	22.2	78%	-6%
	% Of Total	0%	0%	4%	9%	8%		
Total Gross Loan Book		178.1	213.9	271.4	294.4	288.1	6%	-2%
Half Year Net Loss Rate ⁷		6.1%	8.3%	11.0%	9.0%	8.0%	-	-

Notes:

¹ Small Loans include:

- Small Amount Credit Contract (SACC): a regulated unsecured personal loan product, transacted in-store and online, up to \$2,000 and up to 12 months.
 - Cash Advance: average 3 month term, \$376 loan amount, funds provided by store.
 - Personal Loan: average 10 month term, \$943 loan amount, funds provided centrally.
- PayAdvance: has a one-off fee of 5% applied upon repayment, to an advance on earned, but not yet received salary or wages, with no other fees or charges applied, up to \$150.

² Medium Loans include:

- Medium Amount Credit Contract (MACC): a regulated unsecured personal loan product, transacted in-store and online, up to \$5,000 and up to 24 months.

³ **Line of Credit (LoC):** a revolving credit facility with a pre-approved credit limit, from \$400 to \$10,000 with a set repayment over a maximum 36 month period per redraw.

⁴ **Green Light Auto (GLA):** a fully owned subsidiary of CCV historically offering secured vehicle loans through a network of brokers and dealers.

⁵ **Pawnbroking Loan:** average loan size circa \$201 over 1-3 months. These relate only to Pawnbroking loans originated in Australian corporate owned stores. Franchise store Pawnbroking loans are excluded as loan risk is directly held by the franchises (i.e. loan collateral is also held by the franchises).

⁶ **International Loan Book:** includes pawnbroking and Personal Finance loan books for New Zealand and pawnbroking and buyback loan book for United Kingdom.

⁷ **Net Loss Rate (NLR):** defined as Bad Debt Written off Expense net of Recovery of Write Offs for the half-year period, compared to average Gross Loan Book for the half-year period as applicable.

⁸ **Net Bad Debt Expense:** consists of 'Bad Debt Written Off' net of 'Recovery of Write Offs' across loan products.

- Bad Debt Written Off: impacted by events occurring in two parts of the loan book: new loans written in the period and existing loans still running.
- Recovery of Write Off: Written off amounts recovered through the collections process.
- 'Bad Debt Written Off' and 'Recovery of Write Offs' may not correspond to the same accounting period. For example, 'Recovery of Write Offs' may relate to an older period of underlying loans than the underlying loans relating to 'Bad Debts Written off'.



About Cash Converters

Cash Converters International Limited (ASX: CCV) is an Australian based consumer lender and second-hand goods retailer with owner operated (corporate) and Franchise operated stores across Australia and overseas. Key corporate markets include Australia, New Zealand and the United Kingdom with large franchise partner operations spanning Europe, Southern Africa and parts of Asia. In total there are over 670 stores operating across 15 countries.

The business generates multiple revenue streams with a significant portion of its profit derived from its lending operations. The Cash Converters loan book is diversified and consists of lending solutions ranging in duration from under one year to multiple years, secured and unsecured and loan sizes ranging from hundreds of dollars to \$10,000.

Cash Converters is a technology driven lender, originating and managing the ongoing customer journey leveraging proprietary technology, machine learning powered credit models and physical and digital channels. Customer loan origination is driven by our well recognised and trusted brand and bricks and mortar outlets.

Cash Converter's strategy is geared towards growth, recently acquiring Franchise store networks both domestically and in the United Kingdom and New Zealand. The Company's loan book is demonstrating significant growth as an innovative lender - bringing new lending solutions to consumers, with recently launched loan products. The business model has successfully shown that the Company engages the customer across multiple lending solutions over time.

Cash Converters is a strong advocate of ESG 'in practice' at the consumer level. Its stores contribute to the 'circular economy' repurposing over 1.7m pre-owned items in Australia annually. Its lending business adheres to the Australian National Consumer Credit Protection Act and offers customers the key protections under the responsible lending framework overseen by regulators.

To learn more, please visit: www.cashconverters.com