

22 February 2017

ASX Release

## MONEY3 ANNOUNCES RECORD H1 FY17 NPAT OF \$13.7M

The Directors of Money3 Corporation Limited (ASX: MNY) today announced first half results for the six months ended 31 December 2016, including the following comparisons to the prior corresponding period (pcp):

Highlights of the result include:

- Net Profit After Tax increased 37.7% over the pcp,
- EBITDA Margin improved from 36.8% to 45.2%,
- Reduction in bad debts as a percentage of loan book from 3.5% in H1 2016 to 2.5% H1 2017,
- Gross loan book growth of 24.3% to \$247m

	H1 FY17 \$	Increase %
<b>Revenue</b>	51.7m	9.1
<b>EBITDA</b>	23.3m	36.8
<b>NPAT</b>	13.7m	37.7
<b>EPS (Basic)</b>	8.96cps	17.9
<b>Dividend</b>	2.5c	-

Strong lending volumes continued throughout the business with a gross loan book as at 31 December 2016 of \$247m, an increase of 24.3% from 30 June 2016. The large majority (75%) of the loan book growth was generated from secured automotive loans with the balance being generated by larger amount longer term unsecured personal loans and Small Amount Credit Contracts (SACC's).

As at 31 December 2016 SACC's have continued to decline as a percentage of the total loan book and now represent 13.4% of the total loan book, down from 18.5% at 31 December 2015. This trend is expected to continue over time.

Significant cost saving measures were introduced in H1 which lead to EBITDA margin improvement to 45.2%. These measures will have ongoing benefits to Money3 as revenues continue to grow and costs are well maintained.

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**Outlook:**

Money3 continues to experience strong growth and demand for its loan products, particularly secured automotive loans. Money3 estimates its target market in Australia for automotive loans is approximately 700,000 loans per annum with Money3's current run rate of approximately 14,000 for the financial year, representing approximately 2% penetration. There is significant scope for Money3 to grow its market share of the second hand automotive finance market into the future.

Money3 has negotiated for its existing \$30m funding facility to be increased to up to \$50m, this will continue to support the strong growth of the secured automotive loans business.

Managing Director Scott Baldwin said:

*"We are pleased to deliver another record result to shareholders, with a 37.7% increase in NPAT from the prior corresponding period. The Gross loan book continues to grow in line with expectations, driven largely by demand for secured automotive loans and we expect to continue a solid return in the second half of the financial year."*

Money3 announces an interim dividend of 2.5 cents per share, fully franked and a dividend reinvestment program with a 5% discount.

The Directors are also pleased to increase guidance for FY2017 Net Profit After Tax to \$27.5m.

-ENDS-

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