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# FY16 INVESTOR PRESENTATION

29 August 2016

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Managing Director

**Ray Malone**  
Chairman



# Overview



## Key Financial Highlights

- 55.0% increase in Revenue from secured automotive loans
- 40.0% overall increase in Revenue, with all Divisions delivering revenue growth
- 44.7% increase in EBITDA driven by strong performance in Broker and Online
- 44.4% increase in Net Profit After Tax to \$20.1m, above guidance of \$19m
- Gross Loan Book increased 27.1% to \$198.8m
- Final dividend declared of 2.5 cents fully franked, taking full year dividend to 5.25 cents. The DRP will not apply to this dividend
- New \$20m debt facility drawn in June 2016 to fund growth in FY17
- \$27.2m cash at bank at 30 June 2016 to fund business growth in FY17
- Strong start to FY17 – guidance of NPAT of \$26m

# Financial Performance



	FY16 \$m	FY15 \$m	Mvt %
Revenue	96.7	69.1	40.0%
Expenses	61.4	44.7	37.4%
<b>EBITDA</b>	<b>35.3</b>	<b>24.4</b>	<b>44.7%</b>
<i>EBITDA as % of revenue</i>	<i>36.5%</i>	<i>35.3%</i>	
<b>NPAT</b>	<b>20.1</b>	<b>13.9</b>	<b>44.4%</b>
<i>NPAT as % of revenue</i>	<i>20.8%</i>	<i>20.2%</i>	
EPS (Basic) cents per share	14.21 cps	11.82 cps	20.2%

- Broker and Online driving strong revenue growth
- Expense growth well maintained, with cost out program initiated to further improve EBITDA margin
- Significant NPAT growth, continues to deliver improved NPAT as a percentage of revenue for the period
- Future growth to be funded by debt and re-investment of profits

# Balance Sheet



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	FY16 \$m	FY15 \$m	Mvt %
Cash and Cash Equivalents	27.2	12.4	119.4%
Loans and Other Receivables	164.4	130.3	26.2%
Other Assets	7.1	6.2	14.5%
Intangible Assets	19.7	19.4	1.5%
<b>Total Assets</b>	<b>218.4</b>	<b>168.3</b>	<b>29.8%</b>
Borrowings	48.6	35.2	38.1%
Other Liabilities	13.3	10.4	27.9%
<b>Total Liabilities</b>	<b>61.9</b>	<b>45.6</b>	<b>35.7%</b>
<b>Total Equity</b>	<b>156.5</b>	<b>122.7</b>	<b>27.5%</b>

- Loans and other receivables increased 26.2% (after provision for doubtful debts)
- Capital raising in Nov/Dec 2015 provided funding for growth in FY16 – future growth to be funded by debt
- \$20m debt facility drawn down in June 2016 to support runway for growth in FY17
- Debt to equity ratio remains low at 31.1% (borrowings/equity) providing significant opportunity to raise debt funding for future growth

# Capital Management - Debt



## Debt Facilities

- \$20m debt facility drawn down in June 2016, maturing June 2018. Capacity to request additional \$10m draw down under this facility.
- \$30m bond drawn down in May/June 2014, \$15m maturing May 2018 and \$15m maturing June 2018.
- Multiple funding sources being considered to provide seamless growth ahead.

	FY16 \$m	FY15 \$m	Mvt %
Cash	27.2	12.4	119.4%
Gross debt (excl. borrowing costs)	50.0	37.5	33.3%
<b>Net debt (Gross debt less cash)</b>	<b>22.8</b>	<b>25.1</b>	<b>-9.2%</b>
<b>Gross debt/EBITDA</b>	<b>1.42x</b>	<b>1.54x</b>	<b>-7.8%</b>

# Capital Management - Equity

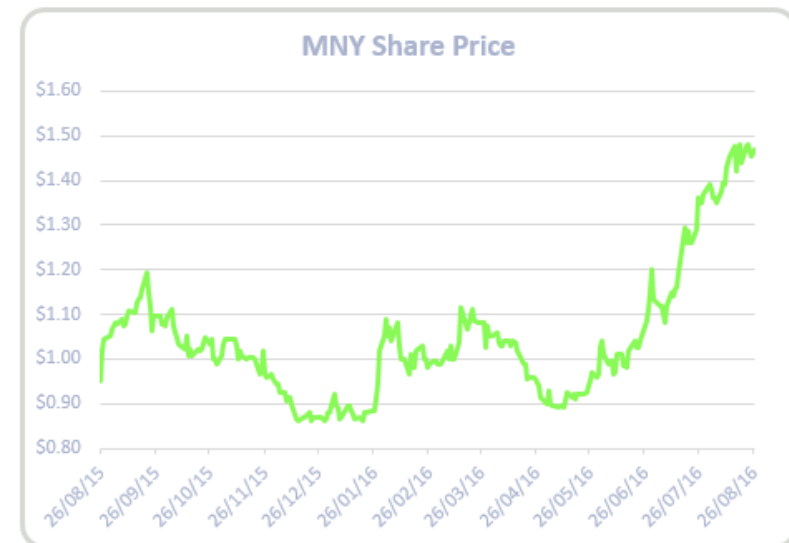
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## Options on Issue

- 15m listed bond options on issue at a strike price of \$1.296056, expiring May 2018. Currently in the money.
- 9.8m employee options on issue at strike prices varying from \$0.496056 to \$1.696056. 3.050m currently in the money.

## Dividend Policy

- New dividend payout ratio to be 30-50% of underlying NPAT from FY17 onwards to balance shareholder returns in the form of dividends versus capital growth through reinvestment of profit into the Loan Book.
- DRP currently on hold.



# Go to Market Strategy



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# Product Mix

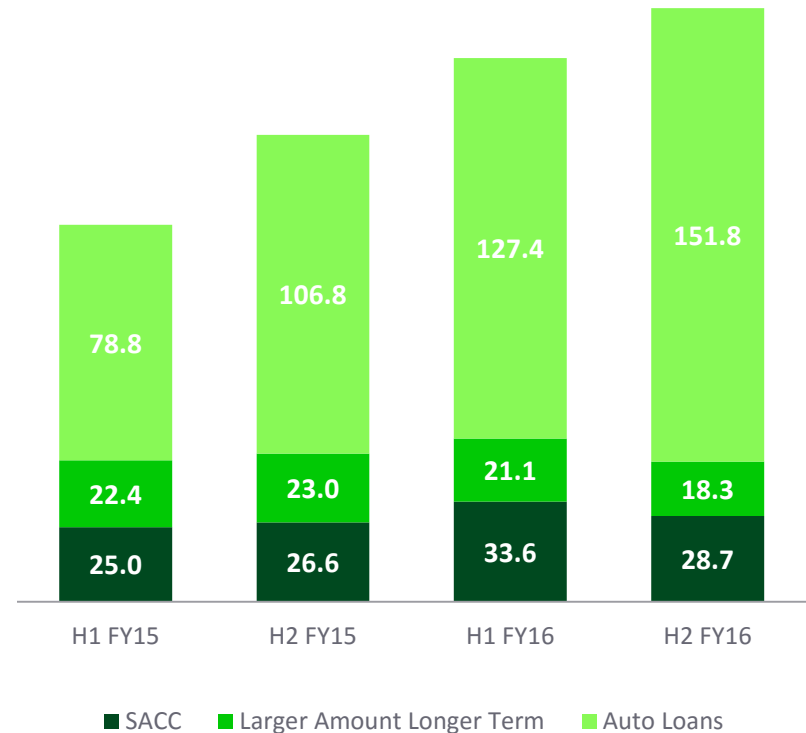


## Product Mix Continues to Change

- Secured automotive loans now represent 76.3% of gross loan book
- Larger amount longer term loans now represent 9.2% of gross loan book
- Small Amount Credit Contract (SACC) loans now represent 14.5% of gross loan book

Focus for FY17 is to continue to organically grow the secured automotive loans and larger amount longer term loans

## Gross Loan Book \$m





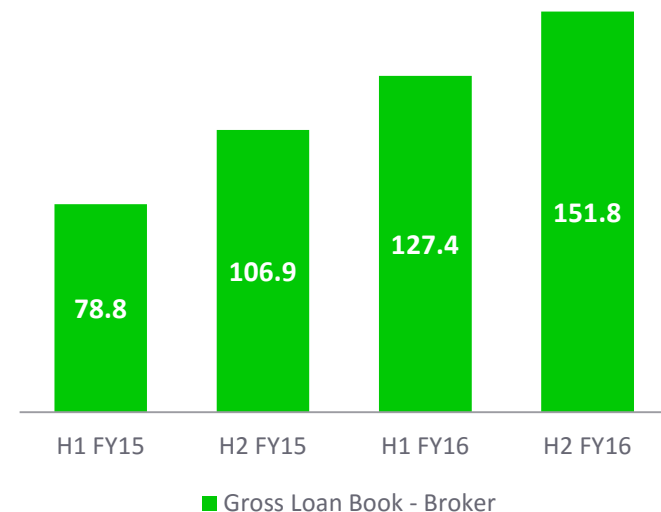
# Financial Results - Broker



	FY16 \$m	FY15 \$m	Mvt %
Revenue	46.1	29.7	55.0%
Expenses	14.7	9.2	57.9%
<b>EBITDA</b> (pre corporate overhead)	<b>31.4</b>	<b>20.5</b>	<b>53.7%</b>
<i>EBITDA as % of revenue</i>	<i>68.2%</i>	<i>68.8%</i>	
<b>Gross Loan Book</b>	<b>151.8</b>	<b>106.9</b>	<b>42.1%</b>

- Broker is the major channel for secured automotive loans
- Revenue increase driven from increased broker penetration and introduction of new product in Q3
- Expense growth well maintained, driving increased EBITDA performance
- Loan book continues to grow and drive future revenue

## Gross Loan Book – Broker \$m



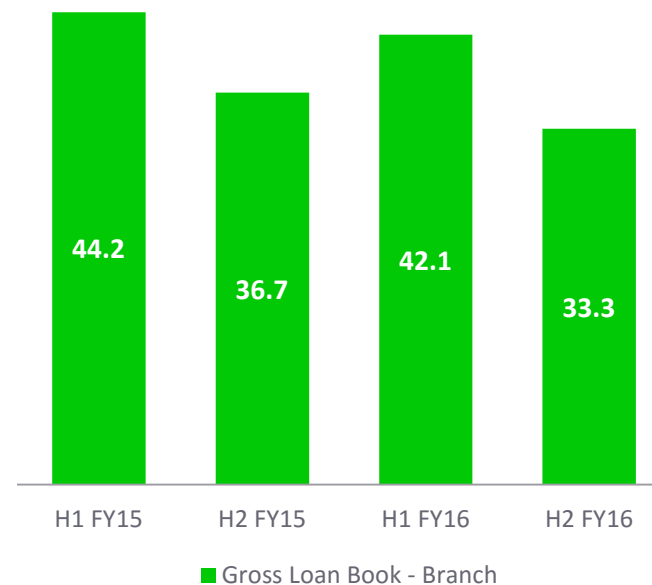
# Financial Results - Branch



	FY16 \$m	FY15 \$m	Mvt %
Revenue	33.1	31.1	6.7%
Expenses	22.7	20.4	11.5%
<b>EBITDA</b> (pre corporate overhead)	<b>10.4</b>	<b>10.7</b>	<b>-2.5%</b>
<i>EBITDA as % of revenue</i>	<i>31.4%</i>	<i>34.3%</i>	
<b>Gross Loan Book</b>	<b>33.3</b>	<b>36.7</b>	<b>-9.2%</b>

- Branch is the major channel for larger amount, longer term unsecured loans and Small Amount Credit Contracts
- Revenue increase driven from an increase in loan volume across all products and in loan size
- 11 branches closed that were underperforming

## Gross Loan Book – Branch \$m



# Financial Results - Online



	FY16 \$m	FY15 \$m*	Mvt %
Revenue	17.3	8.3	109.7%
Expenses	14.0	7.3	92.5%
<b>EBITDA (pre corporate overhead)</b>	<b>3.3</b>	<b>1.0</b>	<b>236.1%</b>
<i>EBITDA as % of revenue</i>	<i>19.2%</i>	<i>12.0%</i>	
<b>Gross Loan Book</b>	<b>13.7</b>	<b>12.8</b>	<b>6.7%</b>

\* COMPARATIVE INCLUDES 7 MONTHS OF CASH TRAIN RESULTS POST ACQUISITION ONLY

- Online channel predominantly provides Small Amount Credit Contract loans today. New larger amount longer term loan to be introduced in FY17
- Strong focus on improving EBITDA return

## Gross Loan Book – Online \$m



# Outlook & Summary



- Continued strong growth expected in secured automotive loans
- SACC loan book expected to remain stable, whilst larger amount longer term loans expected to increase
- Benefits of cost saving initiatives and closure of 11 branches expected to flow through to the business
- Money3 is actively pursuing further debt funding facilities in order to enable all parts of the business to continue to grow market share

## **NPAT**

- Strong start to FY17 – guidance of NPAT of \$26m

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