



*cash*converters

September Q1 FY2025 Unaudited Trading Update



Cash Converters International Limited (ASX:CCV)
28 October 2024



*cash*converters

Q1FY25 Highlights

Strong quarterly performance driving momentum for future growth

Cash Converters International Limited (ASX: CCV) (“Cash Converters” or “the Company”) is pleased to provide the following market update for the quarter ended 30 September 2024 (Q1 FY2025).

Q1 FY25 Results

Revenue

\$95.8m

Up 0.9% pcp
Q1 FY24: \$95.0m



Gross Loan Book

\$273.6m

Down 2% pcp
Q1 FY24: \$279m



Net Loss Rate

3.7%

Down on pcp
Q1 FY24: 4.8%



Company Update

“Cash Converters has made a strong start to the financial year with particularly pleasing retail performance and continued improvement in loan book loss rates.

While we've seen a slight reduction in the gross loan book due to the run-off of the GLA (auto) portfolio¹ and the ongoing transition away from small loans (often referred to as “payday” loans), our focus on quality lending and offering customers new lower cost personal finance options positions us well for future growth.

Our strategy remains focused on building scale in our retail and lending businesses, leveraging our proprietary underwriting and credit model technology and continuing to expand our network reach. We see numerous opportunities to grow the retail and lending business organically and to continue acquiring franchise stores in Australia and the UK.”



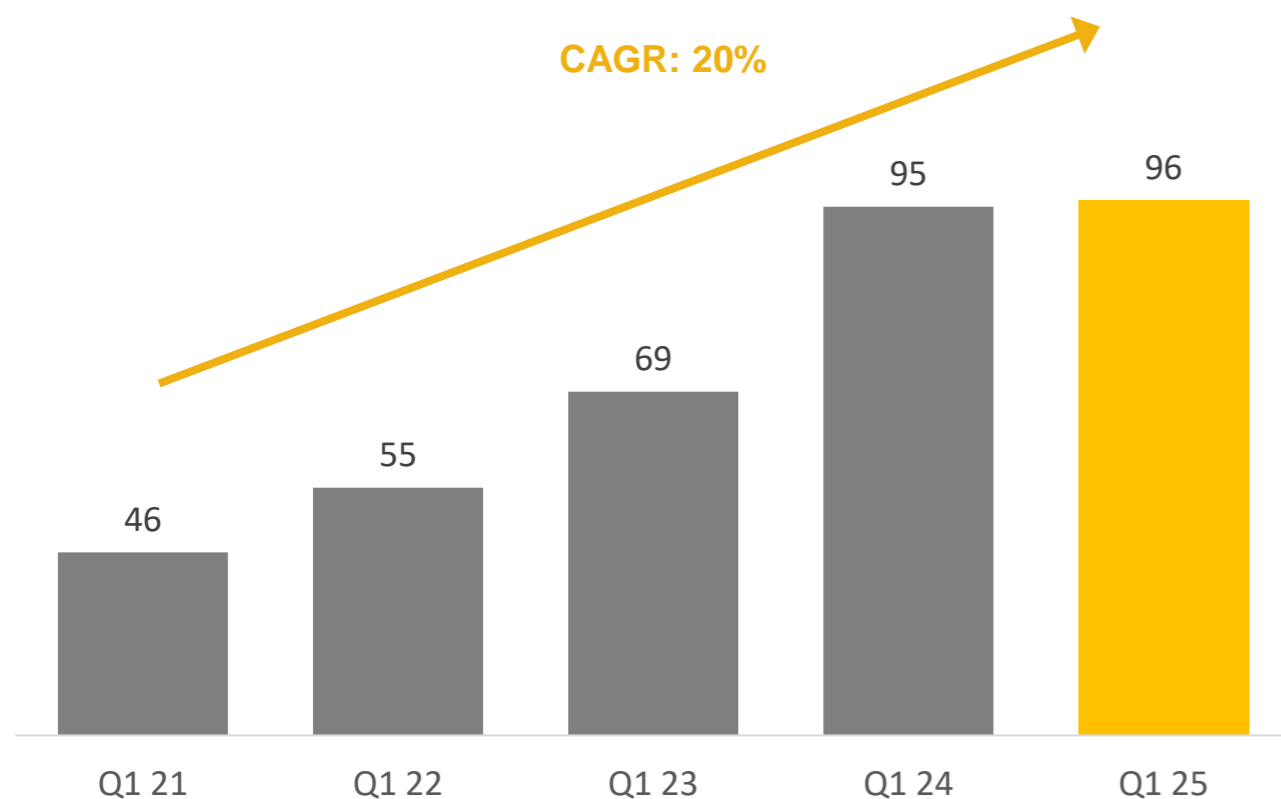
Sam Budiselik
Managing Director

1. As previously announced 21 June 2024

Revenue

Revenue momentum positions us well to achieve our strategic goals

Quarterly Revenue (\$m)



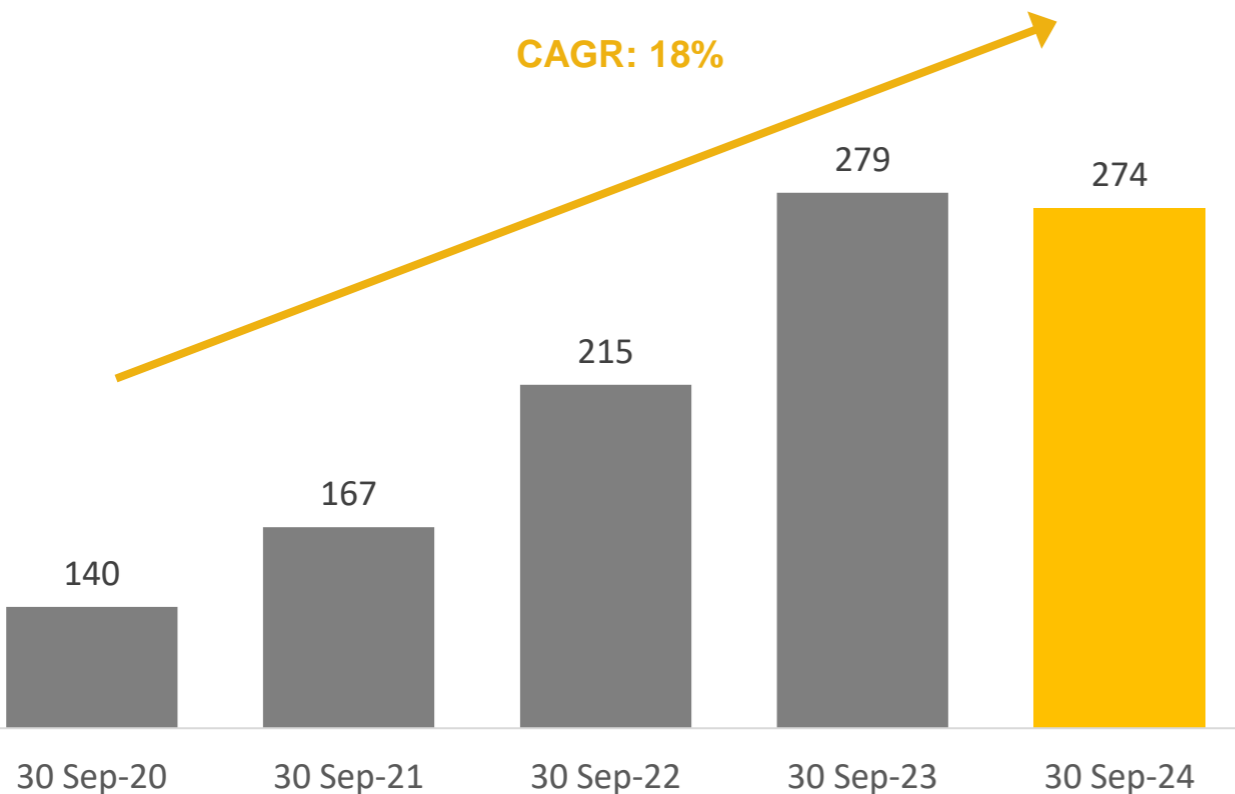
Highlights

- Quarterly revenue increased by 1% on pcp to \$95.8m driven by strong UK trading results and continued momentum in the Australian business:
 - **Stores:** Aus and UK retail store revenue up on pcp 5.9% and 17.7% respectively
 - **Lending:** product mix changes continue, with the ongoing run-down of the GLA (auto) portfolio and the transition away from small amount credit contracts (“SACC” loans, sometimes referred to as “payday” loans) to more flexible, lower cost, longer term loans
- Our company-owned store network has expanded following the acquisition of franchise stores across Australia and the UK. In FY24 we acquired three stores in Australia and achieved significant international growth with the strategic acquisition of 47 stores in the UK
- Our strategy of continuing to acquire stores in our franchise network is yielding results, with the UK store segment representing 20% of consolidated revenue in FY24. There are 143 further franchise stores in the UK and 74 in Australia providing earnings growth optionality over time

Gross Loan Book

Loan Book resilience adapting to regulatory changes and GLA wind-down

Gross Loan Book (\$m)



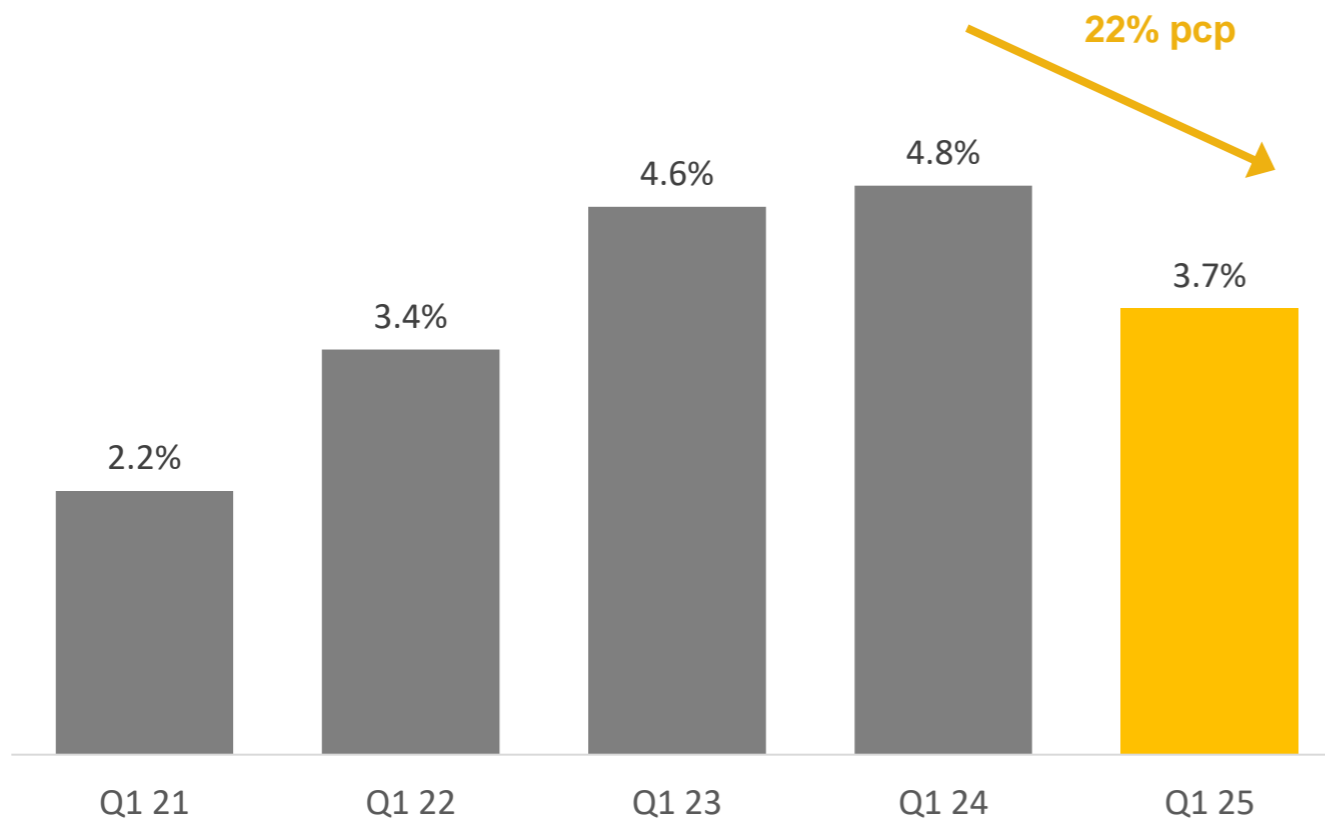
Highlights

- The Gross Loan Book at \$274m has remained relatively steady on pcp, reflecting strong underlying customer demand
- As the GLA (auto) portfolio winds down and the transition away from SACC (“payday”) loans continues, the changing personal finance product mix demonstrates our ongoing focus on quality lending that supports the long-term well-being of our customers
- The personal finance business has continued to demonstrate demand across both online channels and our Australian store network. In Q1, we received over 236,000 applications, highlighting the ongoing need for accessible credit solutions in a challenging economic environment
- Our focus remains on providing choice and flexibility through tailored credit solutions that enable responsible access to credit
- Our newest product, Line of Credit, grew by 29% in Q1, increasing from \$14.6m as at 30 Jun-24 to \$18.8m. This growth is encouraging, as the strategic shift towards the long-term, lower-cost finance product is supported by strong customer demand

Quarterly Net Loss Rate

Enhancing portfolio quality – transitioning product mix

Quarterly Net Loss Rate %



Highlights

- Quarterly Net Loss Rate decreased to 3.7% from 4.8% pcp, well within our target range, demonstrating our ongoing commitment to providing customer-centered financial solutions in a sustainable and responsible way
- This loss rate reduction reflects significant investment in enhanced credit risk models. In FY24, we assessed ~780,000 Australian loan applications as our integrated and proprietary machine-learning-based credit risk models continue to evolve and enhance our lending platform offering
- We are dedicated to further enhancing our technology platforms by increasingly leveraging customer data insights. This approach drives efficiency gains, controls loss rates, and ultimately improves the overall customer experience
- The personal finance business continues to transition from a high volume business to one that is focused on customers with improving credit profiles looking for more flexible, lower cost loan options

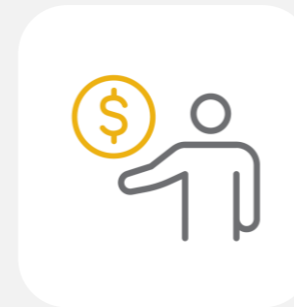
What we do

- Established 40 years ago, Cash Converters has become the trusted global leader in pre-owned retail and personal finance solutions
- Powering the circular economy, we give items a new life and help customers find quality, affordable products
- We provide a range of financial services, including short-term lending, offering customers quick, reliable access to funds
- A pillar in our local communities, our commitment to transparency and customer-centric service means we're not only providing items and loans but building a trustworthy relationship with every person who connects with us — whether in-store or online
- Cash Converters operates corporate-owned stores and serves as the master franchisor for a network of franchise stores across Australia, New Zealand, and the United Kingdom



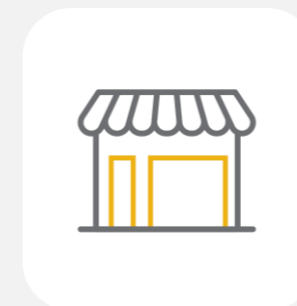
We buy and sell

- We have **669** retail stores globally
- We repurpose over **1.7m items** annually in Australia alone



We Lend

- We processed **~780,000** Australian personal loan applications in FY24
- Providing solutions to meet the **needs** of a growing, under-serviced market



We Grow

- We operate **137** corporate stores across Australia, New Zealand and the United Kingdom
- In addition, we have **532** franchise stores across **15** countries

Outlook



Grow

- Additional franchise store acquisition opportunities under review in our core markets of Australia & UK - following the acquisitions of 50 franchise stores in these markets in FY24
- Underlying credit demand strong in an under-served customer segment
- Securitisation facility in place with headroom to grow loan books



Optimise

- Reduced net loss rates demonstrating the value of advanced proprietary machine-learning powered credit models
- Continue to refine the growing secondhand luxury goods segment
- Optimising capital allocation to drive returns with GLA (auto) book run-down



Realise value

- Operating leverage: Grow profits and free cashflow from an established operating model
- Continue to change the composition of the loan book exiting auto and focusing on more flexible, lower cost loan solutions
- Stable dividend track record: 8th consecutive half-year dividend declared



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 operations spanning Europe, South Africa and parts of Asia. In total there are 669 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 multiple lending solutions ranging in duration from under one year to multiple years, secured and unsecured and loan sizes ranging from hundreds of dollars to vehicle finance.

Cash Converters is a technology driven lender, originating and managing the ongoing customer journey through the use of proprietary technology, machine learning powered credit models and digital applications. Customer loan origination is driven by strong brand and bricks and mortar outlet stores and vehicle finance through a network of brokers and dealers.

Cash Converter's strategy is geared towards growth, recently acquiring Franchise store networks both domestically and in the United Kingdom. The Company's loan book is demonstrating significant growth as an innovative lender - bringing new lending solutions to consumers, with several 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 second hand goods stores contribute to the 'circular economy' repurposing over 2m 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

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