



Building on our strengths

Investor Presentation
Year ending 30 June 2016

FY16 Highlights



- Strategy reset and restructuring to build on company strengths
- Underlying profit growth
- Diverse revenue streams provide resilience
- High brand recognition and customer satisfaction

FY16 Financial Results Overview



- Underlying EBITDA profit up 10.2 per cent to \$69.1 million
- Revenue higher at \$379.3 million (FY15: \$374.3 million)
- Net loss after tax \$11.1 million (FY15: \$21.4 million)
- Channel mix reduces impact of business volatility and regulatory change
- Dividend of one cent per share fully franked
- Core Australia operations produced \$72.3 million underlying EBITDA profit
- Ongoing United Kingdom improvements show positive bottom line impacts
- Impressive online channel growth

FY16 Financial Results Summary



30 June 2016 Full Year (\$ million)

Statutory reporting basis

REVENUE

EBITDA

EBIT

NPAT

BASIC EPS (cents)

EBITDA NORMALISED (underlying profit)

	FY 2016	FY 2015
	379.3	374.3
	17.3	9.1
	6.4	(7.5)
	(11.1)	(21.4)
	(2.30)	(4.69)
	69.1	62.7

FY16 Financial Results Adjustments



Normalisation Adjustments (\$ million)	FY2016	FY2015
Statutory EBITDA	17.3	9.3
Restructure costs	33.3	-
Compliance provision	12.5	-
Class action legal fees	2.4	1.8
Agency termination payment	-	29.6
Class action settlement	-	23.0
Other normalisation adjustments	3.6	(1.0)
Normalised EBITDA	69.1	62.7

FY16 Financial Results Segments



Solid contributions from all segments

Normalised consolidated segment results (\$ million)

Segment	FY2016	FY2015
Franchise operations	7.1	5.9
Store operations	13.8	15.8
Financial services – admin	13.6	12.5
Financial services – PL	57.9	48.5
Vehicle leasing	(2.3)	(1.7)
Totals	90.1	80.8
Corporate office costs	(21.0)	(18.3)
Normalised EBITDA	69.1	62.7

FY16 Financial Results
Australia



Australia continues to drive results

Australian segment results (\$ million)	FY2016	FY2015
Franchise operations	3.6	3.7
Store operations	18.2	18.8
Financial services – admin	12.4	11.5
Financial services – PL	58.3	54.3
Vehicle leasing	(2.3)	(1.9)
Totals	90.2	86.4
Corporate office costs	(17.9)	(15.1)
Normalised EBITDA	72.3	71.3

FY16 Financial Results
United Kingdom



United Kingdom recovery well underway

UK segment results (\$ million)	FY2016	FY2015
Franchise operations	3.0	1.8
Store operations	(4.4)	(2.9)
Financial services – admin	1.1	1.0
Financial services – PL	(0.4)	(5.7)
Totals	0.7	(5.8)
Corporate office costs	(3.4)	(3.2)
Normalised EBITDA	(4.1)	(9.0)

FY16 Financial Results
Online channels



Our online channels continue to grow strongly. They are a key part of our customer service and product innovation

	Australia	United Kingdom
Webshop registered users	103,636	313,000
Webshop sales	\$6.5 million (+37.6%)	£4.8 million (+37.4%)
Personal loans advanced	\$85.2 million (+34.3%)	

Our strategy is to maximise the value of our brand and franchise network through a focus on high return businesses

- Invest for sustainable market leadership and profitable growth in Australia
- Operate in the United Kingdom as a profitable master franchise
- Build brand presence in New Zealand
- Close Carboodle and build a specialist vehicle finance company
- Continue international master franchise operations

We have made good progress with our strategy implementation

- Exited UK corporate stores (44 sold and 15 closed)
- New UK organisational structure. Now operating as a master franchise servicing 201 franchise stores held between 50 franchisees
- Expect to have UK personal loan book closed by November 2016
- Carboodle business closed
- New Green Light Auto Finance business started in March 2016 offering principal and loan interest product
- Green Light Auto Finance loan book \$3.3 million at 30 June. Expected to grow by \$1.0 million a month

Strategy

More initiatives planned for 2017

The logo for Cash Converters, featuring the word "cash" in a red, lowercase, sans-serif font, followed by "converters" in a white, lowercase, sans-serif font. A red swoosh underline is positioned beneath the "cash" portion of the text.

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We have more strategy initiatives planned for 2017

- Expand corporate and franchise network in Australia
- New MACC product launched
- Increase Green Light Auto Finance sales
- Review SACC market and reduce lending to Centrelink segment
- Increase investment in online retail capacity through Webshop
- Add corporate and franchise stores in New Zealand
- Improve already high levels of customer service and satisfaction
- Strengthen compliance and responsible lending systems, policies and procedures
- Complete United Kingdom restructure and return to profit

Efficient execution of strategy and restructuring continues to be a priority

- Demand for well established retail and pawn broking services to remain solid
- Strategic decision to reduce activity and volume in some SACC segments
- Volume from GLA Finance and MACC lending to grow
- United Kingdom to return to profit
- Strong balance sheet to finance growth. Continued strategy execution and costs will impact on company financial returns and profits
- Continued focus on compliance and responsible lending

Additional comment
Clear direction and measures



Our strategic direction and performance measures are clear

Strategic Direction	To be the leader in our chosen markets through responsible customer service			
Key Imperatives	High market share	Leading customer satisfaction	High team engagement	Attractive shareholder returns
	<ul style="list-style-type: none"> • Leading share 	<ul style="list-style-type: none"> • Lead in customer service among our peers 	<ul style="list-style-type: none"> • Create an environment for industry leading team engagement 	<ul style="list-style-type: none"> • Deliver leading returns to shareholders
Measures	<ul style="list-style-type: none"> • #1 market share in chosen markets 	<ul style="list-style-type: none"> • NPS growth • Leader in NPS among peers 	<ul style="list-style-type: none"> • Low turnover rate • Top 25% in financial services industry survey 	<ul style="list-style-type: none"> • ROE above cost of equity

Additional comment
Brand, network and customer strengths



In Australia we will continue to build on Cash Converters' brand, network and customer satisfaction strengths



- **Market leading brand awareness:** 97% brand awareness
- **Market leading distribution:** 152 stores nationwide. Online retail and financial services
- **Leveraging scale and re-investing in processes:** Scale enables process efficiency. Currently replacing core loan system to drive further efficiencies
- **Experienced teams**
- **High customer satisfaction:** 91% of customers report being 'satisfied' or 'very satisfied' with service

Additional comment
Finance and banking arrangements

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We have new finance and banking arrangements to underpin our strategy and ongoing operations

- Five year arrangement with Fortress Investment Group on improved, market competitive terms
- Loan securitisation facility with a drawdown of up to \$100 million (Previous facility \$70 million)
- Initial three year loan period with option for two year extension
- Five year agreement signed with a service provider for transactional banking facilities