

cashconverters

AGM Presentation  
November 2015

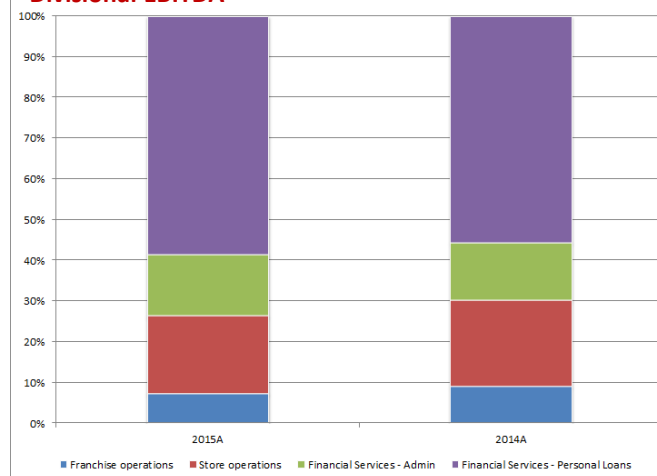
# Segment Results FY 2015



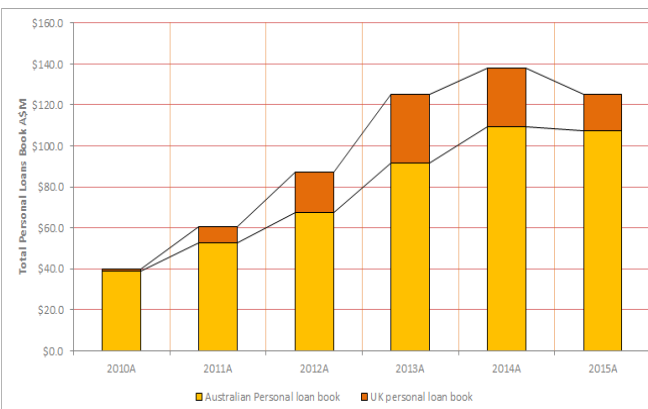
Divisional EBITDA (Normalised)	FY2015	FY2014	Move
Franchise Operations	6.0	6.6	-10.1%
Store Operations	15.8	15.6	+1.4%
Financial Services - Administration	12.5	10.4	+20.3%
Financial Services – Personal Loans	48.5	41.0	+18.5%
Green Light Auto (before minority)	(2.0)	(4.0)	+50.8%
Green Light, Minority Interest	0.2	3.0	-93.4%
<b>Total before head office costs</b>	<b>81.0</b>	<b>72.6</b>	<b>+11.6%</b>
Corporate Head Office Costs	(18.3)	(16.7)	-9.5%
<b>Total Divisional EBITDA (normalised)</b>	<b>62.7</b>	<b>55.9</b>	<b>+12.2%</b>

Geographical EBITDA (Normalised)	FY2015	FY2014	Move
Australian Operations	71.3	56.5	+26.4%
UK Operations	(9.0)	(1.1)	-756.4%
International Operations	0.4	0.5	-15.7%

Divisional EBITDA



Personal Loan Books



# 30 June 2015 Full Year Results



Normalised EBITDA		30-Jun-15	30-Jun-14	Variance
<b>EBITDA statutory</b>	\$m	<b>9.3</b>	<b>51.6</b>	<b>-81.9%</b>
- Stamp duty on store acquisitions	\$m	0.4	1.8	
- Ausgroup provision	\$m	-2.9	1.4	
- GST adjustment	\$m	-	1.1	
- Kentsleigh agency termination payment	\$m	29.6	-	
- Termination fees – bank facility	\$m	0.7	-	
- Class action settlement costs	\$m	23.0	-	
- Class action legal fees	\$m	1.8	-	
- Redundancy costs CCUK	\$m	0.8	-	
<b>EBITDA underlying, normalised</b>	<b>\$m</b>	<b>62.7</b>	<b>55.9</b>	<b>12.2%</b>

The above table provides a normalised EBITDA with adjustments to the respective periods in order to better reflect the underlying performance of the Cash Converters business.

# FY15 Overview



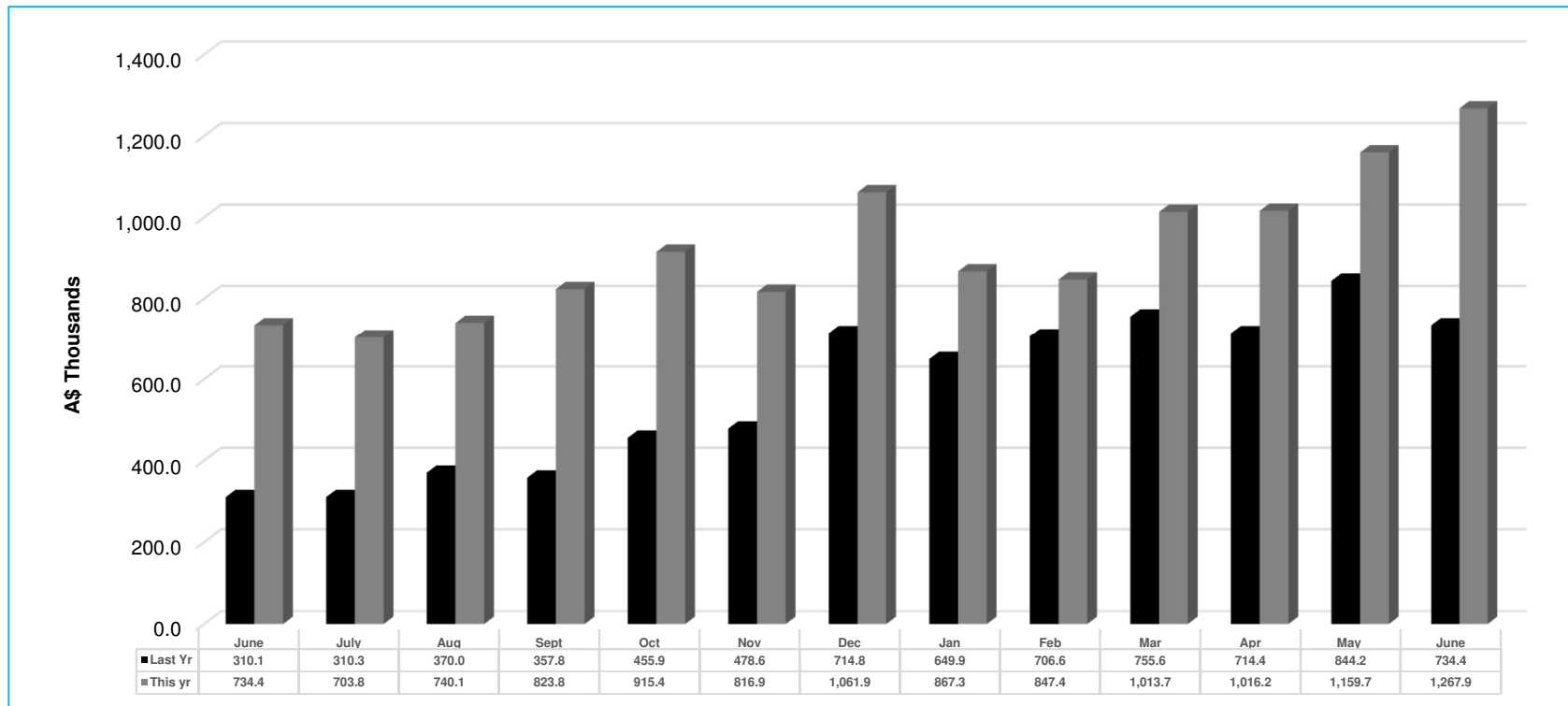
- **Termination of Kentsleigh/Cliffview agency agreement.** P&L impact of \$29.6m Earnings and cash flow accretive
- **Settlement of NSW Class Action.** Provision made in FY15 of \$23m and settled in October 2015
- **Westpac terminates banking facilities effective March 2016.** In the process of establishing new transaction account and securitisation facilities
- **Suspended final dividend.** Covenant banking restrictions
- **Queensland proceedings.** Writ lodged against the Company in relation to brokerage fees from Jul 2009 to Jun 2013
- **Review of the National Credit Code.** Not expecting the review to result in major changes
- **Transition to new UK regulatory regime** from 2 January 2015 rate and fee caps. Impacts margin and lending volumes
- **UK underperforms.** Major restructure and cost savings implemented. Experienced consultant appointed to manage corporate store network from July 2015
- **Carboodle improves.** Carboodle improves performance by 50% to EBITDA loss of \$1.8m

# Online Loan Growth



**Online loan growth continues to be strong**

## Online Cash Advance Volumes

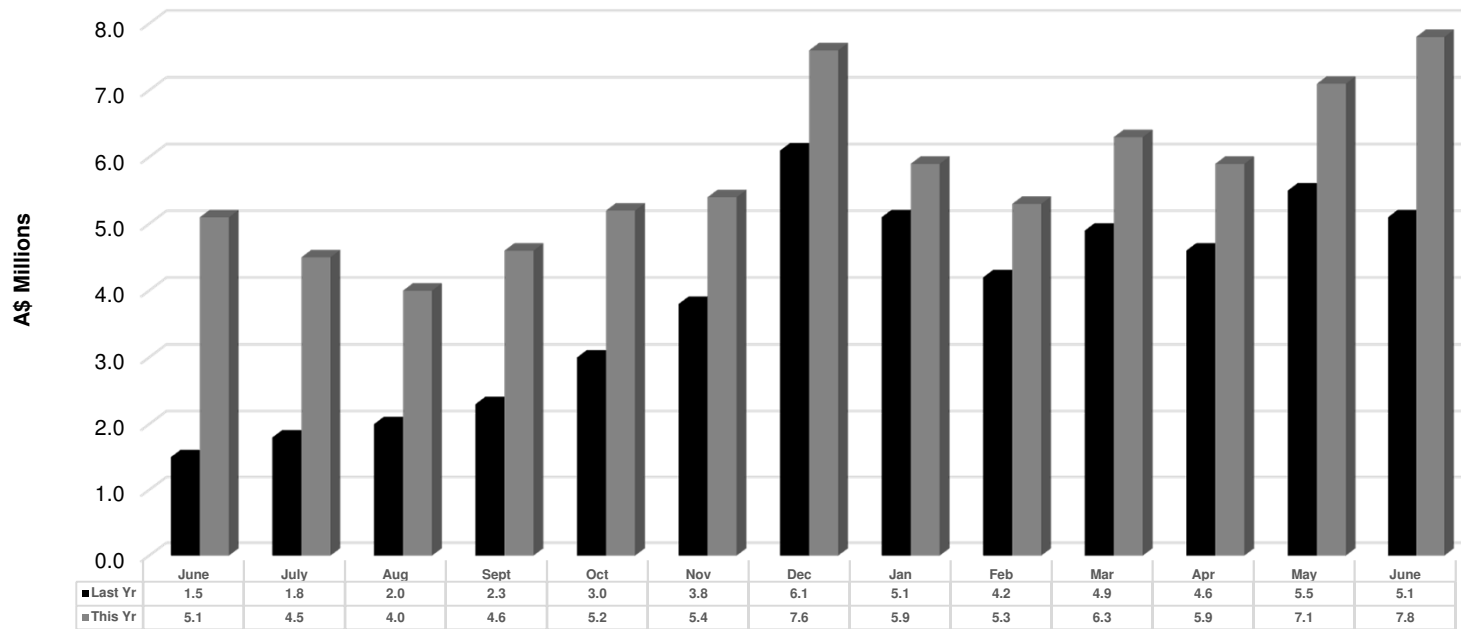


# Online Loan Growth



## Online loan growth continues to be strong

### Online Personal Loan Volumes



# Australia performs strongly



Normalised Aust. Divisional  
EBITDA

**\$71.3m**

**+26%**

2014: \$56.5m

Aust. Cash Advance EBITDA

**\$11.5m**

**+19.8%**

2014 : \$9.6m

Aust. Personal loan EBITDA

**\$54.3m**

**+40.3%**

2014: \$38.7m

Aust. corporate stores  
EBITDA

**\$18.8m**

**+15%**

2014: \$16.4m

Aust. Online Cash Advance  
– principal advanced

**\$11.2m**

**+57.7%**

2014: \$7.1m

Aust. Online Personal Loans  
– principal advanced

**\$74.6m**

**+53.2%**

2014: \$48.7m

## United Kingdom – Regulatory Environment

The Financial Conduct Authority (FCA) published their legislation on 11 November 2014 relating to the UK market. A rate cap on high-cost, short-term credit, came into effect from 2 January 2015. The legislation introduced the following:

- A rate cap of 0.8% of the outstanding daily balance
- A £15 cap on default fees
- 100% total cost of credit cap

Cash Converters is operating within this framework.



## Australia– Regulatory Environment

The Government has established a review of the small amount credit contact (SAAC) laws.

The review is being Chaired by Ms Danielle Press, CEO, Equisuper. The panel members for the review are Ms Catherine Walter AM, deputy Chair of Funds Management Victoria, and Mr Stephen Cavanagh, Partner at HWL Ebsworth.

The review will run until February 2016 and will consult widely with a range of stakeholders. As part of the consultation process the panel has called for submissions from interested parties.

Cash Converters lodged its submission on 15 October 2015 and met with the review panel at ASIC's Melbourne office on Monday 9 November 2015.

## Facts and myths



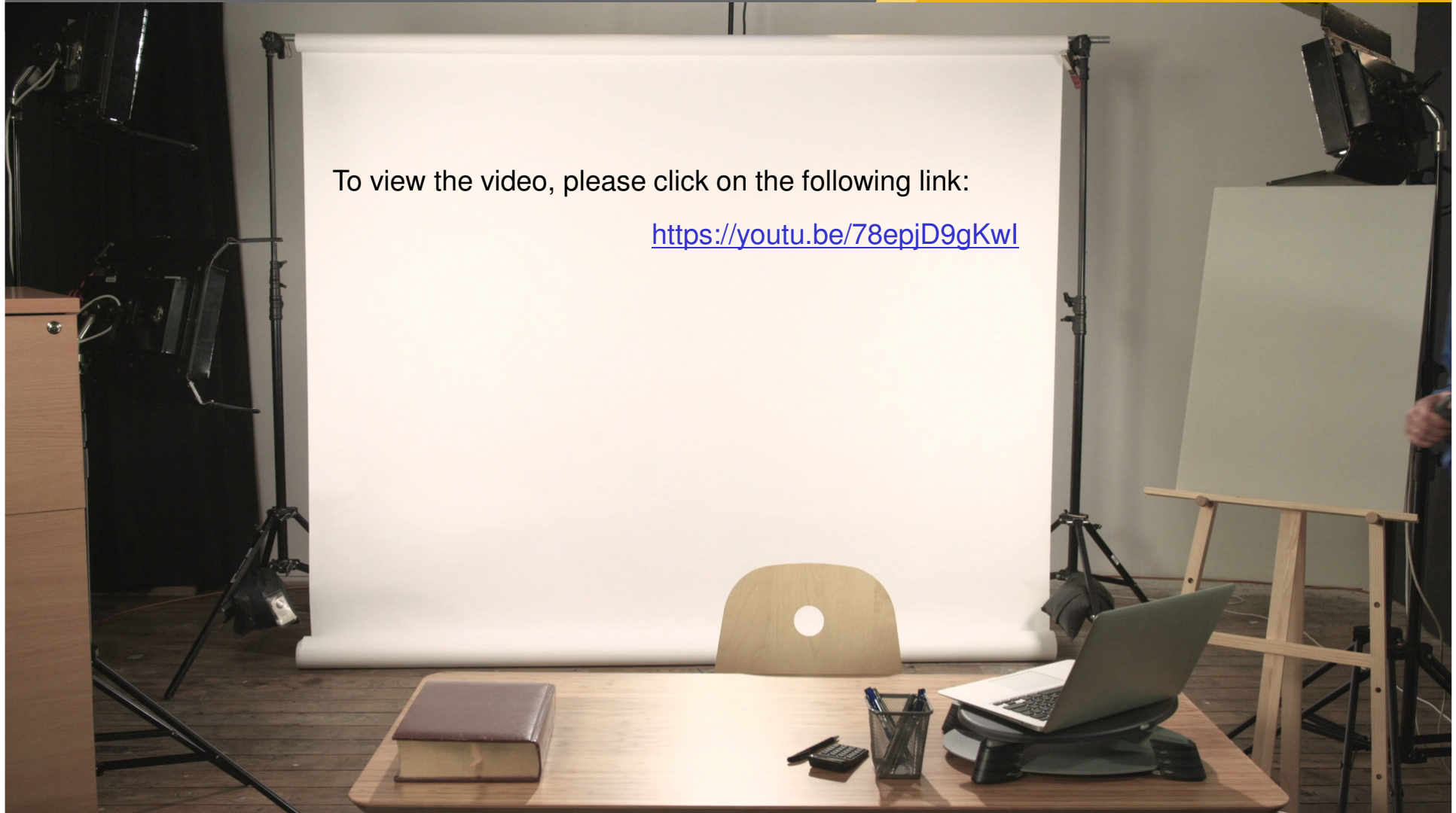
- To facilitate a wider engagement with legislators, banks and the equity market, the Company has produced a series of infographics and video to better illustrate the complex rules and regulations that it operates under to help dispel the myths that generate the negative sentiment that surrounds the sector
- These tools will be at the heart of an engagement programme now underway
- Here is a video example

# Facts and myths

*cash*converters

To view the video, please click on the following link:

<https://youtu.be/78epjD9gKwI>



## Outlook and challenges



- Legislative uncertainty will conclude in February 2016
- Replacement transactional banking and debt funding is well underway and we hope to conclude these arrangements before December
- Strategic review announced in September 2015 to be completed by December 2015
- UK turnaround well underway