EQUITY RESEARCH

22 September 2023

Stephen Scott
sscott@pacpartners.com.au
+61 410 498 359

Cash Converters (CCV)

FY23 result view – the future depends on what we do in the present

KEY POINTS

- CCV (Cash Converters) reported sound metrics in terms of revenue growth of +23%, operating EBITDA of +8%, and NPAT (normalised) $20.1m +6%.
- The final NPAT result was modestly below our normalised projections of $21m. The final dividend was 1 cp (ff).
- Carrying a strong loan book and the likely benefit of the acquisition in the UK and New Zealand provides a substantial offset to the regulatory changes in small contracts in Australia (from June 12th- 2023).
- CCV have decided to exit the small credit contract market completely. We have adjusted our estimates downwards to reflect this change (and other factors such as interest costs et al).
- Bad debt levels remained well controlled.
- Meanwhile the 44% owner of CCV – Ezcorp (EZPW.US) reported solid 3Q2023 results for the period ending June 2023 and UK competitor H&T (HAT.LN) reported strong results (in early August).
- Ezcorp's commentary showed restricted access to credit, cost of living, and reward programs are keeping Ezcorp busy and resonate in the UK and Australia for CCV. Second-hand bargain goods are also appealing to shoppers in tougher times.
- These factors are also relevant to CCV's' FY24 year and beyond.

KEY DRIVERS

- Strong terminal loan balances for CCV (FY2023) sets up FY24 well and helps offset the loss of volume from exiting the small credit contract market.
- Prudential management of regulatory change (recently acquired business) into FY24 as small amount loans fall away: is a key driver.
- No new regulatory news/ less lawyers/ quiet= good for CCV.
- Ezcorp has been creeping on CCV ...will they creep some more? Underpins the investment case against the loss of volume from small credit contracts.
- Acquisitions in New Zealand (buying back to 75% that CCV did not own) and in the UK provide additional avenues of growth.

INVESTMENT VIEW

- We retain our buy. Target price 26.5 cents. Yield appeals.
- We have reduced volumes from the loss of small credit contracts business, adjusted the depreciation/amortisation mix, blended in the acquisitions, and adjusted tax rates and interest costs.
- While we have forecast a decline in FY24, continued interest from Ezcorp in CCV, new products, M&A, strong loan book on 30th June 2023, and a more stable regulatory environment all underpin a better medium-term outlook.

RISKS

Include (but are not limited to) – additional regulation, class actions, legal action and disputes, intensification of competition, acquisition risk, falling gold price in AUD$ terms, bad debts, inappropriate valuation of goods, franchisee dissatisfaction, poor acquisitions, financial technology reducing demand (gumtree/fintech/microfinance apps), managed exit of the SACC market, severe economic recession/job losses, product deflation, timely and well-priced access to debt.

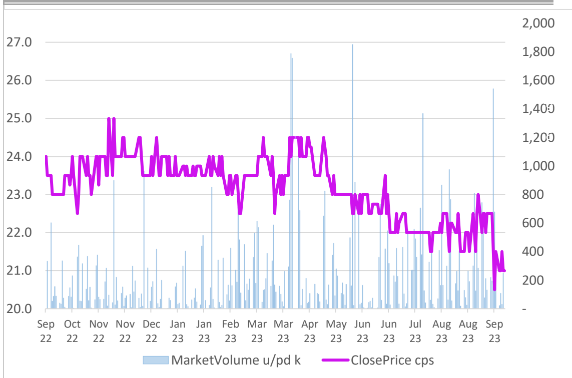
Recommendation	Buy
12 mth share price target	$0.265
Risk rating	High
Current share price	$0.210
Previous recommendation	Buy
Price target methodology	P/E, P/BV
Total return	36%
FY24 EBITDA growth	Flat
Market capitalisation $m	132
Liquidity units per day	372,436

Financial Forecasts & Valuation Metrics

June y/e $m	FY23A	FY24F	FY25F	FY26F
Revenue	302.7	366.1	362.3	389.1
EBITDA	57.1	57.4	69.7	78.9
NPAT (norm)	20.1	16.9	19.4	26.2
EPS Adj (c)	3.1	2.6	3.0	4.0
EPS growth		-15.9%	15.4%	34.6%
DPS (c)	2.0	2.0	2.0	1.8
Yield (%)	9.5%	9.5%	9.5%	8.6%
NTA	29.1	25.9	26.9	29.2
PE Underlying (x)	6.8	8.1	7.0	5.2
Net Cash (debt)	129.2	184.9	173.2	176.0

Source: PAC Partners

CCV 12-month Share Price and Volume (000's)



FY23 results review

The FY23 results were strong, driven by loan book growth, and the higher-end balance should materially assist FY24. This growth will be needed to offset the decline in the small credit contract business (payday loans). CCV is now exiting this small credit contract market. Regulatory change now makes this an unviable loan class for CCV. CCV can offer medium contract credit loans as an alternative for those who qualify. Generally, these are larger, longer loans with lower overall interest rates. CCV also have developed some new products – more of that later on in the note.

CCV processes over 757k loan applications pa.

Exhibit 1 – Result by halves

Halves analysis June y/e $m	1H22	2H22	FY22A	1H23A	2H23A	FY23A
Revenue	115.2	130.4	245.6	142.5	160.2	302.7
EBITDA	24.4	28.3	52.7	28.9	28.2	57.1
D&A	-7.4	-6.3	-13.7	-6.3	-6.3	-12.6
EBIT	17.0	22.0	39.0	22.6	21.9	44.5
Net interest	-6.20	-6.2	-12.4	-6.7	-9.3	-16.0
Tax	-3.1	-4.5	-7.6	-5.3	-3.4	-8.7
NPAT adjusted	7.7	11.3	19.0	10.6	9.2	19.8
NPAT				10.6	9.2	19.8
Adjustments	-7.6	-0.2	-7.8	-116.1	0.5	-115.6
NPAT reported	0.1	11.1	11.2	-105.5	9.7	-95.8
EPS normalised			3.0	1.7	1.4	3.1
DPS	1.0	1.0	2.0	1.0	1.0	2.0

source – PAC Partners/CCV

We are not expecting (and are not aware of) any further adverse regulatory changes given the major Senate review, consultation and drafting effort that was undertaken for the changes that have been legislated and active.

Borrowers may also seek out pawnbroking loans (credit secured by goods) and use the new products that CCV are developing. There is some regulation around explicitly offering pawn broking loans to those who can't /don't qualify for other lending products. Borrowers are a very determined cohort (in our experience) and will adapt to the changed circumstances – but there is some uncertainty around this adaptation, and it might take time for this to be settled into new business patterns.

Auto loans were also a bright spot in FY23, and with the business model now settled (via a brokered model/ not direct) – we believe this is a significant growth area for CCV. Auto loans have over 5,400 applications for finance submitted in FY23.

CCV has also bought out the remaining 75% of NZ they did not own. NZ has been a disappointing market for CCV but should improve into FY24. Within the New Zealand operation – CCV removed a significant product line (jewellery) due to a NZ-based youth crime wave. Improved security will enable this key product line to be reintroduced. A normal pawnbroker has 50% + of the pure pawnbroking business involved with (gold) jewellery (lending/selling/scaping). Gold-based jewellery is a low-risk/high-return part of the traditional pawnbroking market.

CCV will also benefit from the full ownership of the UK business for FY24. The CCV accounts (page 106) note that the recently acquired UK business (Capital Cash) is now likely to hit the earnout target of EBITDA of £2.9m (to September 2023 year). This is good news. We have also modelled the cost of the earnout in our acquisition cost modelling.

Exhibit 2 – pros and cons

FY24 ++++	FY24 - - - -
UK acquisition FY 23 (sept) EBITDA +£2.9m	Loss of small credit loans
Auto loans strength	COVID recovery tailwinds end.
NZ recovering (and now fully owned)	New products are a small % of the book.
Medium loans growth	Possible rising unemployment adds to bad debts.
Past store acquisitions – helping now	Higher interest rates (costs) on funds lent
Ezcorp – creeping on the CCV register	
New products	
Australian greenfield(s) – estimated 50 new sites medium/longer term	
Offshore license/master agreement – allow the CCV business to expand internationally via quality information/relationships with 553 in the network.	

source – PAC Partners

We have made some material changes to estimates to reflect the exit of the small credit contract market. This format makes up over 29% of the total lending book as of June 30, 2023. We expect this will now run off over the next 6-12 months (almost completely), providing a declining earnings stream (and freeing up capital to be lent elsewhere).

CCV conducts 595,000 retail transaction pa. or 1,652 per day

We are forecasting that other alternative products can pick up some of the slack but not all. Other loan classes and the offshore business will also provide some replacement. Net/net – we are now expecting the run of the loan class to reduce the earnings power of CCV in FY24.

New products introduced include a Line of Credit – a risk-rated loan from $400 to $10,000 – draws only to an approved limit. No establishment fees. They were introduced in 2023. A further new product is Earned Wage Access – a one-off fee of 5% applied upon repayment to an advanced earned but not yet received salary of wages (up to $150).

These new products may partially replace the small amount credit contracts loan book. The small credit contracts were unsecured, personal loans, transacted online/in-store up to $2,000 – Cash Advance /Personal loan (payday loan product).

Auto loans and larger unsecured personal loan products up to $5,000 will remain core. Generally, these loans are longer in duration, for larger amounts, have lower interest rates and require higher quality credit metrics before being advanced.

Loan modelling

We have remodelled the CCV loan portfolio to reflect the changes, including:-

1. The complete run-off of the small loans segment.
2. New products are being developed. The pace and uptake of these new products are still unclear and will be important in regrowing the loan book for CCV. We have assumed that these new products will gain some limited traction but take time and will not replace the small loan segment.
3. We have also assumed strong growth in the medium-term loan products and some limited growth in traditional pawnbroking loans.
4. CCV also have strong growth from Auto loans, the UK (owned from 6 July 2023) and the full-year contribution from the now 100% owned NZ business.
5. CCV could also improve loan book growth via further bolt-on acquisition, part of the articulated corporate strategy.

Exhibit 3 – remodelling the loan book

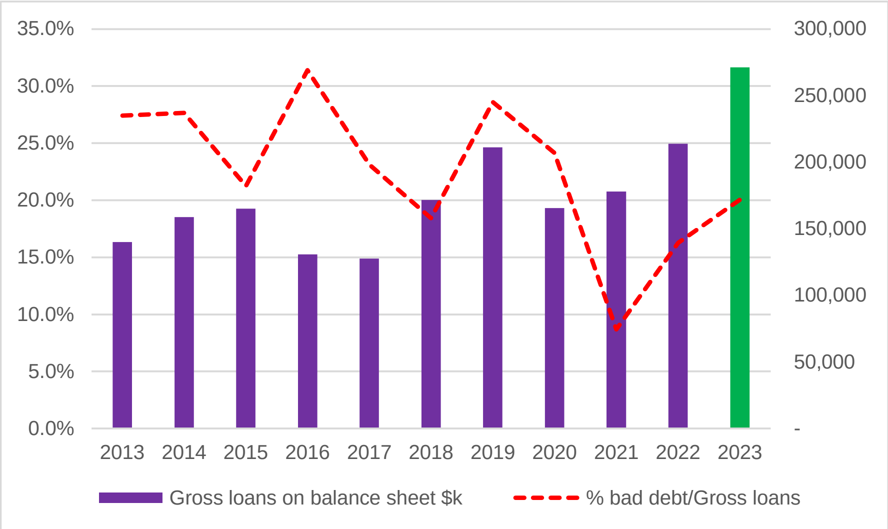
Cash Converters CCV AU Equity	Jun 22 Final	1H23 Final	2H23 Final	Jun 23 Final	Jun 24 F'cast	Jun 25 F'cast
Gross Loan book					ends due to SAC chang	
Small loans	75.6	82.2	78.0	78.0	39.0	5.0
New products					10.0	20.0
Medium loans	76.1	90.9	102.0	102.0	117.3	129.0
Corp. pawn broking	15.5	16.9	16.0	16.0	16.8	18.5
All loans X auto	**167.2**	**190.0**	196.0	**196.0**	**183.1**	**172.5**
Green light / Auto	46.7	54.0	62.9	62.9	72.3	81.4
NZ		11.9	12.5	12.5	**12.5**	13.8
UK					**20.0**	22.0
Gross loan book	**213.9**	**255.9**	271.4	**271.4**	**287.9**	**289.6**
Average loan book	**196.0**	**234.9**	**242.7**	**242.7**	**279.7**	**288.8**
Aver. loan book growth	**14%**	**27%**	**24%**	**24%**	**15%**	**3%**

source – PAC Partners

The combined impact of remodelling the loan book is some reduction in the earnings power of CCV.

Bad debt levels looked reasonable and in line with historical averages. Continued strong employment outcomes are helpful in keeping bad debts under control; better collections (in sourcing) also prove better outcomes in control.

Exhibit 4 – total loan book is 000'k and bad debt % as a%



source – PAC Partners and CCV

Estimate changes

We have made a series of cuts to our earnings estimates to reflect the changes in business mix and departure from the Small credit market, offset by recently acquired businesses and a strong end-of-period loan book. We have adjusted D&A – to reflect recent write-offs and accounting changes, and we have removed an adjustment and increased the amortisation/depreciation costs.

Interest costs have continued to rise, and we have lifted the cost of funding the business. Some of the funding had an interest rate floor that held the cost of funding higher than would have otherwise been the case with very low-interest rates. This has reduced the headline cost of rising interest rates for CCV (as they were already higher than the very low market rates that were available).

Exhibit 5 – Estimates – changes

Forecast changes	Old		New		change	
June y/e $m	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Operating Revenue	311	340	366	362	17.7%	6.6%
EBITDA	65.1	73.8	57.4	69.7	-11.8%	-5.5%
D and A*	(4.8)	(4.8)	(11.1)	(11.3)	high	high
EBIT	60.3	69.0	46.3	58.4	-23.2%	-15.3%
Net Interest	(18.0)	(19.7)	(22.9)	(31.4)	27.7%	59.6%
OPBT	42.3	49.3	23.4	27.0	-44.7%	-45.2%
Income tax expense	(11.0)	(12.8)	(6.6)	(7.6)		
Adjustment*	(9.0)	(9.0)			moved to D&A	ved to D&A
Underlying NPAT	22.3	27.5	16.9	19.4	-24.6%	-29.3%
EPS (norm) cps	3.5	4.3	2.6	3.0	-25.6%	-30.5%
Share count m	642.5	642.5	651.0	650.9	1.3%	1.3%

source – Pac Partners

Offshore news

Ezcorp (EZPW) – owns 44% of CCV, Ezcorp reported in August 2023 a further set of solid results. Pawn loans were up 12% to US$229.4m, total revenue was up 19%, and net income rose to US$18.2m, up US$6m. Other highlights include opening luxury stores in Vegas, further roll-out of a loyalty program and a strong cash flow outcome. Ezcorp also issued a convertible note and ended up with US$228m in cash, up 7% yoy. We also note that Ezcorp carries a different merchandise mix (for example, sneakers and handbags) and operates luxury stores. We believe some techniques and product mix can be imported into CCV (stay tuned investors for some snazzy new City stores). Ezcorp has not had to deal with nationwide material US regulatory change compared to CCV Australian business.

Exhibit 6 – Ezcorp's results to June in $USm

($ millions, except per share amounts)	Q3		%△
	FY23	FY22	B/(W)
Pawn Loans Outstanding	**$ 229.4**	**$ 204.2**	***12%***
Total Revenue	$ 255.8	$ 215.8	*19%*
Gross Profit	**$ 148.8**	**$ 129.5**	***15%***
Equity in Net (Income) Loss Investments	$ (1.5)	$ (1.8)	*(13)%*
Store Expenses	$ 104.9	$ 89.4	*(17)%*
General and Administrative Expenses	$ 17.9	$ 18.7	*4%*
Other (Income)	$ (2.7)	$ (0.1)	*
EBITDA	**$ 30.2**	**$ 23.3**	***30%***

source – Ezcorp – April- June quarter

H&T (HAT.LN) in August reported extremely strong results, with NPAT £8.8m, up 31%, pledge book up 14% to £114.6m, gross lending grew 22%, and retail sales up 11%. H&T also offers foreign currency services (FX), which differs from Ezcorp and CCV. H&T also specialises in/focuses on second-hand watches. H&T raised equity and has a strong balance sheet. H&T is the UK's largest pawnbroker, with over 273 stores. June and May were strong, and price increases were being implemented.

The business quote *" is on track to report to deliver record profits in 2023."*

HAT noted that reduced supply of small credit and ongoing cost of living pressures are helping loan demand. Solid gold prices, good demand for jewellery and price rises were all positive features of the update.

This bodes well for CCV. CCV has recently bought a significant UK business and this has now settled and is fully owned as at 6 July 2023.

Summary

We are retaining our buy recommendation. The valuation is solid and the yield …appeals…

- Despite the need to absorb the loss of business through small loans – demand for alternative credit remains robust. This regulatory issue was already well known and has been priced in.
- We are ready to back CCV's ability to adjust by launching new products, and solid FY23 year-end loan balances are also supportive for FY24.
- Recent acquisitions also provide additional earnings into FY24 that partially offset the impact of the small credit changes.
- Further acquisitions could continue to bolster the outlook.
- CCV has an informational advantage via its large offshore relationship network and can selectively move to acquire in time. The master franchise agreement with over 553 stores confers some valuable market ongoing intelligence to CCV.
- The amount of fintech competition is set to reduce – in part due to tighter legislation.
- Ezcorp creeping on the register provides some underpinning to the CCV register.
- We also believe that better rates on its financing is also an avenue of optionality into the future.
- Government regulation of the sector appears to be now sorted out, and along with past legal disputes, this should reduce cost and provide fewer distractions (s) to the business.

Risks

Include (but are not limited to) additional regulation, class actions, acquisition risk, legal action and disputes, intensification of competition, falling gold price in AUD$ terms, bad debts, inappropriate valuation of goods, franchisee dissatisfaction, poor acquisitions, financial technology reducing demand (gumtree/fintech/microfinance apps), severe economic recession/job losses, managed exit of the SACC market, product deflation, timely and well-priced access to debt.

Cash Converters description

Cash Converters (CCV) is an Australian business specialising in sub-prime, non-bank lending and second-hand goods retailing.

The business started as a single store in Perth in 1984 and has expanded to c154 stores in Australia with approximately 50% corporately owned and approx. 50% franchised (77). CCV 11 has corporate-owned stores in New Zealand and 11 franchised stores. CCV has c553 stores across c14 countries operating under a master franchisee agreement (generally a very small % of sales).

CCV generates the majority of its earnings from its Australian operations, and of that operation, its personal finance business is the key contributor (~50% of the EBITDA). In 1H 23, CCV acquired 100% ownership of the 22-store New Zealand network. CCV receives royalties from the remaining international franchises (typically a small % of turnover). Cash Converters also owns the master franchise rights for the UK business, including royalties and some territory rights/assignment/fees (188 stores less 42).

CCV just bought Capital Cash, a 42-store network in the UK (subject to final regulatory approval). CCV holds an Australian Credit license, operates un the *National Credit Act*, and offers customers the protection of regulated credit products under the responsible lending framework overseen by regulators.

CCV has a significant shareholder: the larger US listed pawn broker and sub-prime lender Ezcorp (EZPW.US). Ezcorp owns circa 44% of CCV shares and has two representatives on the CCV board, one of which is the Non-Executive Chair. Ezcorp has supported past capital-raising initiatives from CCV. Ezcorp has recently added to its holdings under the Creep provisions of the *Aust Corporation Act*.

Financial Model – Cash Converters

Cash Converters International Ltd | Share Price $ 0.210 | Mkt Cap: (m) $ 131.8 | **Rating** Buy

PROFIT & LOSS ($m)	Jun-22A	Jun-23A	Jun-24F	Jun-25F	Jun-26F
Operating Revenue	**246**	**303**	**366**	**362**	**389**
EBITDA	**40.7**	**57.1**	**57.4**	**69.7**	**78.9**
Depreciation	(9.5)	(9.0)	(8.6)	(8.8)	(9.5)
Amortisation	(4.1)	(3.6)	(2.5)	(2.5)	(2.8)
Associates	0.9	0.3	0.0	0.0	0.0
EBIT	**28.0**	**44.8**	**46.3**	**58.4**	**66.7**
Net Interest	(12.5)	(16.0)	(22.9)	(31.4)	(30.3)
Income tax expense	(4.3)	(8.7)	(6.6)	(7.6)	(10.2)
Goodwill reduction					
Underlying NPAT	**11.3**	**20.1**	**16.9**	**19.4**	**26.2**
Abnormal Items	(0.1)	(115.6)	0.0	0.0	0.0
Reported NPAT	**11.2**	**(95.5)**	**16.9**	**19.4**	**26.2**

BALANCE SHEET ($m)	Jun-22A	Jun-23A	Jun-24F	Jun-25F	Jun-26F
Cash	58	72	55	54	58
PP&E	55	54	49	47	43
Inventory	24	26	33	33	35
Intangibles	127	24	48	49	49
Loans/other	214	267	310	307	330
Total Assets	**478**	**443**	**496**	**490**	**515**
Borrowings	133	201	240	228	234
Trade Creditors	1	2	2	2	2
Other Liabilities	29	34	44	43	46
Total Liabilities	**163**	**236**	**285**	**272**	**283**
Shareholder Equity	**315**	**206**	**211**	**218**	**233**

CASHFLOW ($m)	Jun-22A	Jun-23A	Jun-24F	Jun-25F	Jun-26F
Operating EBITDA	**40.7**	**57.1**	**57.4**	**69.7**	**78.9**
Interest/Tax Paid/other	(30.3)	(37.3)	(40.6)	(50.3)	(52.7)
Working Cap./other	(2.5)	(31.3)	(28.7)	14.3	(9.5)
CF from ops	**7.9**	**(11.5)**	**(11.8)**	**33.8**	**16.7**
Maintenance Capex	(1.4)	(3.0)	(4.4)	(6.5)	(5.2)
Acquis/exp capex	0.0	(19.7)	(27.0)	(3.0)	(3.0)
Investing Cashflow	**1.9**	**(22.6)**	**(31.4)**	**(9.5)**	**(8.2)**
Dividends	(12.6)	(12.6)	(12.6)	(12.6)	(11.4)
Equity/other/debt	(11.3)	60.2	39.1	(12.3)	6.9
Net Cashflow*	**(14.1)**	**12.9**	**(16.7)**	**(0.6)**	**4.0**

* solves to zero/leases paid c

GROWTH PROFILE %	Jun-22A	Jun-23A	Jun-24F	Jun-25F	Jun-26F
Revenue		23%	21%	(1%)	7%
EBITDA		40%	1%	21%	13%
EBIT		60%	4%	26%	14%
NPAT (Underlying))		n.m	(118%)	15%	35%

DIVISIONAL Summary	Jun-22A	Jun-23A	Jun-24F	Jun-25F	Jun-26F
EBITDA					
Personal Finance Int	44.1				
Store operations Int	16.4				
Operational EBITDA	60.5	71.1	65.8	66.5	71.5
Vehicle Finance Int	7.9	6.0	6.9	7.8	8.7
Franchisee opers. Fees	-	-			
Other	-	-	-	-	-
NZ	0.8	(0.8)	-	5.6	7.7
UK	3.1	3.4	7.8	12.8	16.0
Head office/legals	(19.7)	(22.5)	(23.0)	(23.0)	(25.0)
EBITDA (norm)	52.6	57.2	57.4	69.7	78.9
Average loan book	**196.0**	**242.7**	**279.7**	**288.8**	**301.4**

KEY RATIOS/metrics	Jun-22A	Jun-23A	Jun-24F	Jun-25F	Jun-26F
EBITDA Margin (%)	16.6%	18.9%	15.7%	19.2%	20.3%
ROE (%) y/e	3.6%	9.7%	8.0%	8.9%	11.3%
NTA per share ($)	29.9	29.1	25.9	26.9	29.2
Eff Tax Rate (%)	(27.4%)	(30.3%)	(28.0%)	(28.0%)	(28.0%)
EBITDA Interest Cover (x)	3.3	3.6	2.5	2.2	2.6
Gearing ND/ND+E (%)	19.2%	38.5%	46.7%	44.3%	43.1%
OPCF / EBITDA (%)	19.4%	-20.2%	-20.6%	48.4%	21.1%
Share count (dil) m units	646.1	651.0	651.0	650.9	650.9
Operating leverage analysis - this measures % of new sales converted to new EBITDA					
Sales delta $m (FYX-FYX-1)		56.8	63.4	(3.8)	26.7
EBITDA=(FYX-FYX-1) $m∆		16.4	0.3	12.3	9.2
% of sales delta = EBITDA∆		29%	1%	-327%	34%

VALUATION METRICS	Jun-22A	Jun-23A	Jun-24F	Jun-25F	Jun-26F
Dil. Normalised EPS (cps)	1.7	3.1	2.6	3.0	4.0
Dil. Reported EPS (cps)	1.7	-14.7	2.6	3.0	4.0
EPS (norm) growth					
Dil. Normalised PE (x)	**12.0**	**6.8**	**8.1**	**7.0**	**5.2**
Dil. Reported PE (x)	**12.1**	**(1.4)**	**8.1**	**7.0**	**5.2**
Enterprise Value ($m)	207	261	317	305	308
EV / EBITDA (x)	5.1	4.6	5.5	4.4	3.9
Price/Book value cps	**0.50**	**0.33**	**0.34**	**0.35**	**0.37**
DPS (cps)	1.0	2.0	2.0	2.0	1.8
Dividend Yield (%)	**4.8%**	**9.5%**	**9.5%**	**9.5%**	**8.6%**
Franking (%)	0%	100%	100%	100%	100%
Payout Ratio (%)	57%	65%	77%	67%	45%
Free Cash / Share (cps)	1.0	(2.2)	(2.5)	4.2	1.8
Price / FCF PS (x)	20.8	-9.4	-8.4	5.0	11.9
Net Debt / EBITDA (x)	1.8	2.3	3.2	2.5	2.2

P/E valuation		P/BV valuation	
	Quantum		FY24/25Av
NPAT FY24 $m	18.1	NTA	183
Mutliple	9.0	P/BV X	1.00
Value	163	value	183
		Shares	651
No. Shares (diluted)	651.0	Value	0.28
Value per $/share	$ **0.25**	**Blended value**	
		P/E valuation	$ **0.25**
		P/bv	$ **0.28**
		50/50	$ **0.27**

DIRECTORS/Snr Executives	%		%
Mr T.Jugmans - Chair/Ezcorp	43.8%	Mr Robert Hines - NED	0.1%
Mr Sam Budiselik - MD	0.9%	Mr Henry Shiner - NED	
Mr P. Cumins - Exe. Dep Chair	1.6%	Ms Susan Thomas - NED	
Mr Lachlan Given -NED -Ezcorp			
Ms Julie Elliott - NED		**Total**	**46.4%**

Mr Budiselik has material options package

SUBSTANTIAL HOLDERS	Shares	%
Ezcorp	275.0	43.8%
Citicorp Noms	40.4	6.4%
JP Morgans Noms	38.4	6.1%
Mr Tim Hilbig	19.0	3.0%
Total	**372.8**	**59.4%**

Explicit Co. guidance commentary: Recent acquistions/leaving SACC market

Date of guidance: Aug-23

sources - PAC estimates/IRESS

Contact Information

CORPORATE FINANCE		RESEARCH		DEALING	
CRAIG STRANGER *MD / Head of Corporate Finance* cstranger@pacpartners.com.au	03 9114 7405	**STEPHEN SCOTT** *Head of Research* sscott@pacpartners.com.au	0410 498 359	**JAMES WILSON** *Institutional Sales* jwilson@pacpartners.com.au	02 9134 9111
BROOKE PICKEN *Chief Operating Officer / ECM* bpicken@pacpartners.com.au	03 9114 7402	**JAMES GURRY** *Senior Analyst* jgurry@pacpartners.com.au	0451 349 688	**ANDREW MANCHEE** *Institutional Sales* amanchee@pacpartners.com.au	02 9134 9155
SEAN KENNEDY *Corporate Finance* skennedy@pacpartners.com.au	03 9114 7403	**SHANE BANNAN** *Senior Research Analyst* sbannan@pacpartners.com.au	0422 588 635	**MARK PASHLEY** *Sales Trading* mpashley@pacpartners.com.au	02 9134 9177
WILL CROSS *Corporate Finance* wcross@pacpartners.com.au	0447 699 950	**PHIL CARTER** *Senior Analyst* pcarter@pacpartners.com.au	0400 252 465	**MOISHE AMZALAK** *Advisor* mamzelak@pacpartners.com.au	0433 116 286
ANDREW SHEARER *Technical Consultant* ashearer@pacpartners.com.au	0411 720 516	**LAWRENCE GRECH** *Senior Equities Analyst* lgrech@pacpartners.com.au	0404 052 913	**RYAN GALE** *Advisor* rgale@pacpartners.com.au	03 9114 7404
PETER WARD *Corporate Broking* pward@pacpartners.com.au	03 9114 7409	**CALEB WENG** *Analyst* cweng@pacpartners.com.au	0416 861 165	**PATRICK GIBSON** *Equity Sales / Broking Operations* pgibson@pacpartners.com.au	03 9114 7401
JOSH GORDON *Corporate Finance* jgordon@pacpartners.com.au	0430 191 640	**MAX ANDREWS** *Analyst* mandrews@pacpartners.com.au	0402 817 911	**DANIEL GADALLA** *Equity Sales & Operations Manager* dgadalla@pacpartners.com.au	0402 244 106
				JAMES HOLYMAN *Equity Sales/ Operations Manager* jholyman@pacpartners.com.au	02 9134 9133
SYDNEY Level 26, Governor Phillip Tower One Farrer Place **+61 2 9134 9133**		MELBOURNE (Head Office) Level 29, 360 Collins Street, Melbourne **+61 3 9114 7400**		PERTH Suite 2.1, 9 Havelock Street, West Perth **+61 8 6372 7900**	

RECOMMENDATION CRITERIA

Investment View

PAC Partners Investment View is based on an absolute 1-year total return equal to capital appreciation plus yield.

A Speculative recommendation is when a company has limited experience from which to derive a fundamental investment view.

Speculative buy = We expect the stock's total return (nominal yield plus capital appreciation) to exceed 20% over 12 months. The investment may have strong capital appreciation but also has a high degree of risk and there is a significant risk of capital loss.

Speculative Buy	Buy	Hold	Sell
>20%	>20%	20% – 5%	<5%

Risk Rating

PAC Partners has a four tier Risk Rating System consisting of: Very High, High, Medium, and Low. The Risk Rating is a subjective rating based on: Management Track Record, Forecasting Risk, Industry Risk and Financial Risk including cash flow analysis.

Disclosure of Economic Interests

The views expressed in this research report accurately reflect the personal views of about the subject issuer and its securities. No part of the analyst's compensation was, is or will be directly or indirectly related to any recommendation or view expressed in this report. The following person(s) do not hold an economic interest in the securities covered in this report or other securities issued by the subject issuer which may influence this report:

- The author of this report – Stephen Scott
- A member of the immediate family of the author of this report.

Disclaimer

*PAC Partners Securities Pty Ltd. ("**PAC Partners**", "**PAC**" or "**PPS**") is a Corporate Authorised Representative of PAC Asset Management Pty Ltd holder of an Australian Financial Services Licence (AFSL No. 335 374).*

The information contained in this report is provided by PAC Partners to Wholesale Investors only. **Retail investor and third-party recipients should not rely, directly or indirectly, on this report.** Users of this research report should not act on any content or recommendation without first seeking professional advice. Whilst the report has been prepared with all reasonable care from sources which we believe are reliable, no responsibility or liability is accepted by PAC Partners, for any errors or omissions or misstatements however caused. Any opinions, forecasts or recommendations reflect our judgement and assumptions at the date of publication or broadcast and may change without notice. This report is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. This publication contains general securities advice. In preparing our Content it is not possible to take into consideration the investment objectives, financial situation or particular needs of any individual user. Access of this report does not create a client relationship between PAC Partners and the user. Before making an investment decision on the basis of this advice, you need to consider, with or without the assistance of a securities adviser, whether the advice in this publication is appropriate in light of your particular investment needs, objectives and financial situation.

PAC and its associates within the meaning of the Corporations Act may hold securities in the companies referred to in this publication. PAC believes that the advice and information herein is accurate and reliable, but no warranties of accuracy, reliability or completeness are given (except insofar as liability under any statute cannot be excluded). No responsibility for any errors or omissions or any negligence is accepted by PAC or any of its directors, employees or agents. Any content is not for public circulation or reproduction, whether in whole or in part and is not to be disclosed to any person other than the intended user, without the prior written consent of PAC Partners.

Disclosure of Corporate Involvement

PAC Partners HAS NOT in the previous months carried out work on behalf of the Company described in this report and HAS NOT received fees on commercial terms for its services. PAC Partners does not own securities in the Company described in the report. PAC Partners associates may own securities of the Company described in this report. PAC Partners does and seeks to do business with companies covered in the research. PAC may receive commissions from dealing in securities associated with the Company. As a result, investors should be aware that PAC Partners may have a conflict of interest that could affect the objectivity of this report.

If you would like to be removed from this distribution list, please click here: **UNSUBSCRIBE.**

If you would like to update your details please click here: **MODIFY.**

For more information about PAC Partners please visit www.pacpartners.com.au