

Full-Year 2024 Financial Results

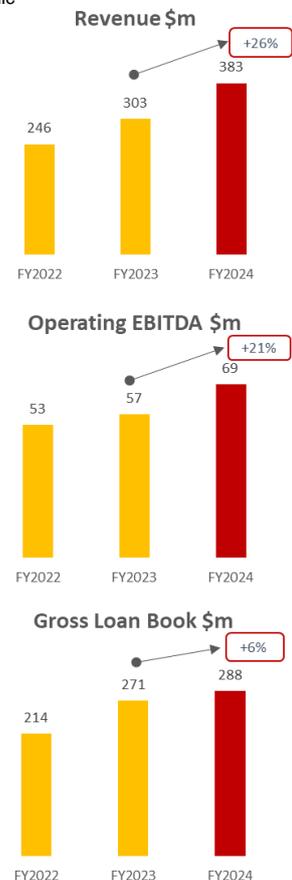
Focused Strategy Driving Strong Full Year Growth in Key Operating and Financial Metrics Across Stores and Loans Business Units

Group Operating Results \$m	FY2024	FY2023 (pcp)	%
Revenue	382.6	302.7	+26%
Operating EBITDA	69.1	57.2	+21%
Operating Net Profit After Tax (Op. NPAT)	20.8	20.1	+4%
After tax operating adjustments*	(3.5)	(117.2)	-
Statutory NPAT	17.3	(97.1)	-
Gross Loan Book	288.0	271.4	+6%
Cash and Cash Equivalents	56.2	71.6	-21%

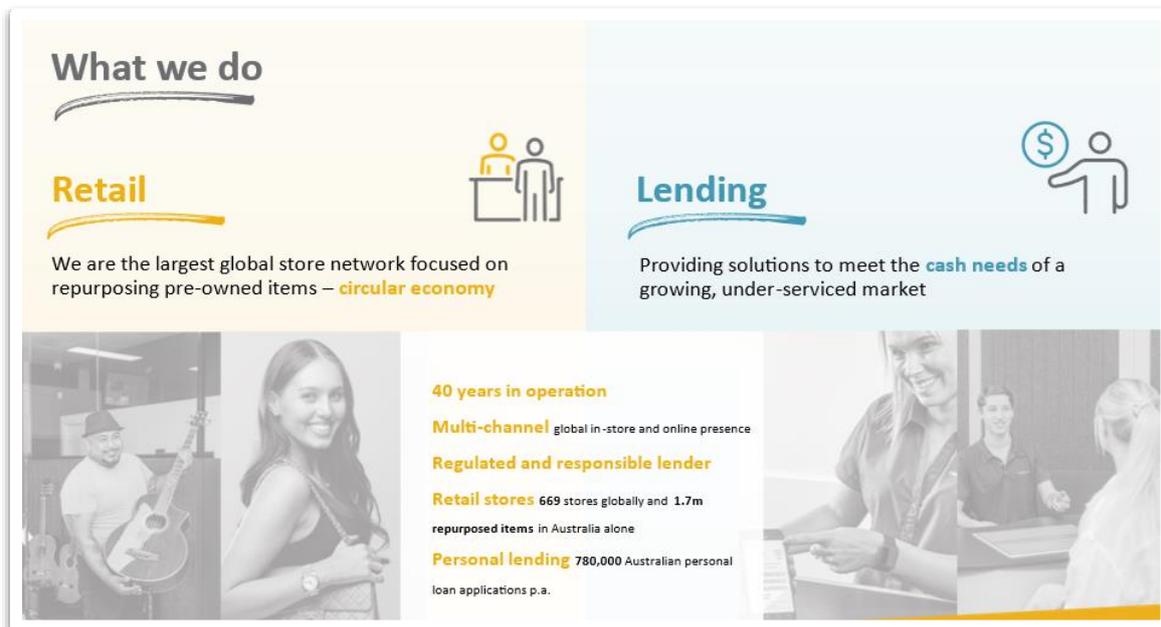
* Includes normalised costs and non-cash impairments at store level (FY2024 and FY2023) and non-cash goodwill impairments (FY2024: New Zealand, FY2023: Australia – Personal Finance and Store Operations) for regulatory and economic conditions

Highlights (vs FY2023 or pcp)

- Revenue up 26% pcp to \$382.6m** – on continued organic momentum from the Company owned stores operations across the international network and the contribution from franchise store acquisitions across Australia, the United Kingdom and New Zealand.
- Operating EBITDA up 21% to \$69.1m** – strong growth driven by the revenue contribution from segments outlined above; cost inflation managed (particularly in relation to statutory wage increases of 5.7% in Australia and 9.7% in UK absorbed) to ensure operating leverage was maintained at the EBITDA level.
- Operating NPAT up 4% pcp to \$20.8m** – broadly in line with pcp, due to elevated interest costs and reduction in contribution from small loans (SACC¹) resulting from legislative changes previously announced. This outcome is consistent with the communicated strategy to acquire franchise stores and to grow loan books to offset the profit impact of changes to the SACC product.
- Gross Loan Book up 6% pcp to \$288.0m** – credit demand remained strong throughout FY2024 with Principal Advanced (new funds lent out) up 8% pcp:
 - 780,000 personal loan applications received in Australia (including redraw requests);
 - Small Loan book now down to 19% of total loan book, with Medium² loan book growing strongly, up 7% now comprising 37% of total loan book;
 - New Line of Credit (LoC)³ launched nationally and showing strong loan book growth, up 108% on H1 FY2024 to \$14.6m (now accounting for 5% of the total loan book and growing);
 - Net Loss Rates⁷ have improved, down to 8.0% in H2 FY2024 (from 11.0% in H2 FY2023).
- Store performance** – Australian corporate store retail revenue increased 11.0% on pcp, with over 600,000 retail transactions during the period. UK store acquisitions contributed a majority of the remaining revenue increase on the prior period.
- Auto financing loans business (Green Light Auto - GLA) exit** – the run-down of the Green Light Auto loan book has commenced, forecast to be substantially completed within 24 to 36 months. Decision taken to re-allocate equity capital in the loan book to opportunities that should provide superior returns (i.e. franchise store acquisitions and personal loan book growth).
- Balance sheet remains strong** – Cash and Cash Equivalents of \$56.2m at the end of the financial year, after funding loan book growth and settlement of the UK (47 stores) and Australian (3 stores) franchise acquisitions completed in FY2024.
- Dividend** – 1c per share fully franked dividend declared for the second half, representing the eighth straight half-year dividend.



Cash Converters International Limited (ASX: CCV) (“Cash Converters” or “the Company”) today announced audited financial results for the full-year period ended 30 June 2024 (FY2024).



What we do

Retail
We are the largest global store network focused on repurposing pre-owned items – **circular economy**

Lending
Providing solutions to meet the **cash needs** of a growing, under-served market

40 years in operation
Multi-channel global in-store and online presence
Regulated and responsible lender
Retail stores 669 stores globally and 1.7m repurposed items in Australia alone
Personal lending 780,000 Australian personal loan applications p.a.

Cash Converters CEO & Managing Director, Sam Budiselik stated:

“We are pleased to report a continuation of revenue and loan book growth, driven by strong trading activity in our Australian business and a growing contribution from our new UK corporate store network, following the successful integration over the period of the franchise network acquisition previously announced. Key highlights resulted from strong underlying demand across our business segments, delivering continued revenue growth up 26% to \$382.6m (on pcp) and Operating EBITDA growth up 21% to \$69.1 million (on pcp).

Our business remains well positioned to continue to benefit from a growing international focus on the importance of the circular economy and the repurposing of pre-owned goods, in conjunction with increasing credit demand with borrowers experiencing cost of living pressures at a time when mainstream finance continues to become more difficult to access.

Particularly pleasing was strong trading activity experienced across our company owned store network in our traditional corporate market of Australia, now complemented by new company owned store operations across international markets of the United Kingdom and New Zealand, following the successful integration of recent franchise store acquisitions.

Retail transactions across our store network in Australia exceeded 600,000 and Personal Finance applications 780,000 resulting in loan book growth of 6% on pcp (down 2% on H1 FY2024 due to seasonality). We continue to operate as a responsible lender, only approving approximately 28% of loan applications received over the course of the year, with a reduction in net loss rates demonstrating appropriate serviceability and credit risk settings across our loan books.

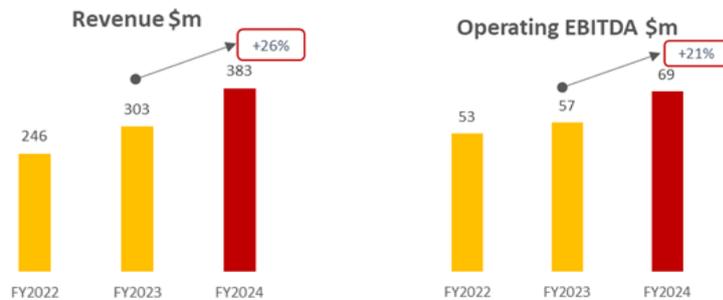
Cash Converters New Zealand has navigated continuing regulatory change impacting the personal lending business. While economic conditions in New Zealand remain challenging, Cash Converters New Zealand has delivered an operating EBITDA of \$2.0m – a notable improvement after the prior year loss. We believe the credit origination changes made in FY2024 have positioned the business to continue to contribute to earnings in the future.

As previously announced, we have reviewed our capital allocation strategy to optimise returns, resulting in a decision to cease lending in our Green Light Auto (GLA) vehicle finance segment. This decision is designed to enable the management team to focus on continuing to grow our core Cash Converters consumer businesses and to ensure the ongoing execution of our stated strategy of growing earnings by acquiring franchise stores and growing our personal finance loan books.

Finally, we were also pleased to announce the ongoing support of our financier, with a renewed facility increased in size to \$200 million (from \$150 million) and pricing on attractive terms to support ongoing growth”.

Revenue & Earnings – Strong Momentum Continues

Revenue & Earnings (Operating EBITDA) growth continues to build momentum, up 26% (to \$382.6 million) and up 21% (to \$69.1 million) respectively (on FY2023). The international business continues to trade well, with the integration of the largest franchise store group in the United Kingdom (Capital Cash) and the New Zealand franchise business now complete. The addition of these offshore businesses is envisaged to make a meaningful contribution to earnings over the coming years.



Loan Books - Strong Consolidated Growth

The Gross Loan Book reached a record level, up to \$288.0 million (up 6% on FY2023) with the addition of \$16.7 million of Gross Loan Book value across the financial year.



The Personal Finance segment reflects earnings from unsecured loans distributed online and instore with the move away from Small Loans resulting in the Medium Loan Book continuing to grow, up 7% from 30 June 2023. Whilst in its infancy, the new Line of Credit product has grown strongly, closing the year at \$14.6m up 108% across H2 FY2024, with over 10,000 active customers.

With the diminishing significance of the Small Loan book, now at 19% of the consolidated loan book (down from 29% pcp) the personal finance loan book will be reported as a single loan book going forward (combining Small, Medium and Line of Credit loans).

The Net Loss Rate⁷ (Net Bad Debt Expense⁸ over Average Gross Loan Book) was 8.0% in H2 FY2024 (down from 9.0% in H1 FY2024 and 11.0% in H2 FY2023). This result reflects the on-going focus on credit origination optimisation supported by our proprietary machine learning based credit risk tools which we continue to adapt as the credit risk profile of borrowers evolve. As a responsible lender the Company continues to support customers exhibiting signs of financial distress due to cost of living pressures, with an established hardship management framework in operation.

Vehicle Loans – Green Light Auto (GLA)

As announced on 21 June 2024, the run-down of the GLA loan book has commenced and is proceeding to plan. Following a strategic review it was determined the equity capital in this book could be deployed to store acquisition opportunities that would yield a superior return on capital. It is anticipated that the run-down will be substantially completed within 24 to 36 months.

Store Segment Performance

Store performance and Franchise store acquisitions, in particular the acquisition of the Capital Cash network of 42 stores in the UK, contributed to strong revenue and earnings growth. The Capital Cash network now forms our UK Corporate Store segment, contributing \$60.9m of additional revenue in FY2024. Organic Australian corporate store performance has also been pleasing with healthy retail trade across FY2024.

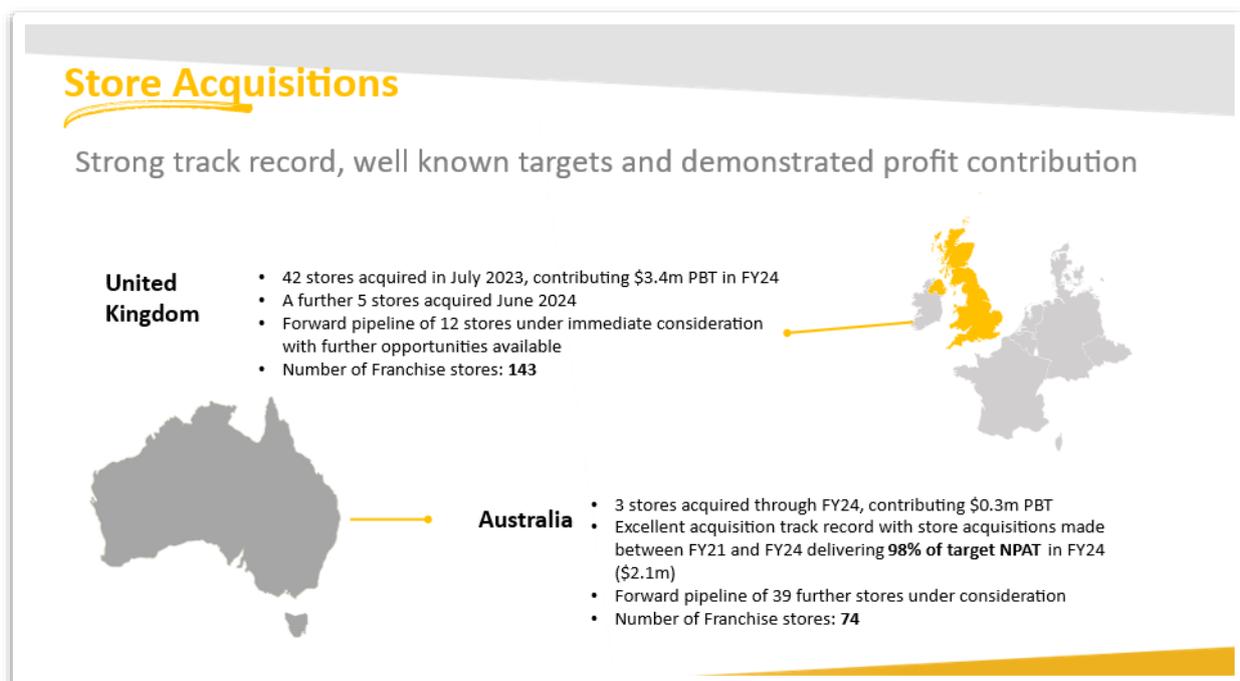
Strategy Update & Outlook

We are excited to continue building on the operating momentum across our global business. Where the Company is the Master Franchisor (at present in Australia, UK and NZ) our primary focus remains on acquiring franchise stores and growing our personal finance product loan books.

The unique nature of the Company's business model, with a global network of established stores and digital assets at the centre of a growing circular economy, coupled with proprietary underwriting and credit risk technology supporting borrowers, provides excellent organic growth prospects. At the same time, utilising a strong balance sheet to support further acquisitions and investment positions the Company well to continue growing inorganic earnings over time.

Summary Outlook – Growth Drivers

- ✓ Proven track record of acquiring franchise stores (50 purchased in FY2024), demonstrated profit contribution;
- ✓ Forward pipeline of franchise store acquisitions under review in UK and Australia, excellent growth optionality;
- ✓ Organic loan book growth with increasing demand for personal loans;
- ✓ New loan product released (LoC) and loan book growing;
- ✓ Funding headroom and strong Balance Sheet underpinning further investment.



Dividend

The Board is pleased to confirm the declaration of a fully franked final dividend of 1 cent per share, payable on 11 October 2024, to those shareholders on the register on 13 September 2024 (record date). This is the eighth successive fully franked half yearly dividend payment at 1c per share. The Board and management team would like to thank our colleagues for their hard work, our customers for their loyalty, and our shareholders for their continued support.

-ENDS-

Authorised for release by the Board of Cash Converters International Limited.

Use [EasyUpdate](#) (link to our share registry Computershare) to change your communication preferences, and access the [InvestorCentre](#) for any other shareholder services. Investor contact: info@cashconverters.com

Appendix 1: Gross Loan Books

AUD Millions		30 Jun 2021	30 Jun 2022	30 Jun 2023	31 Dec 2023	30 Jun 2024	PCP Jun 2024 vs Jun 2023	Jun 2024 vs Dec 2023
Small Loan ¹	Loan Book	67.6	75.6	78.0	63.1	54.8	-30%	-13%
	% Of Total	38%	35%	29%	21%	19%		
Medium Loan ²	Loan Book	49.4	76.1	99.9	110.2	106.9	7%	-3%
	% Of Total	28%	36%	37%	37%	37%		
Line of Credit ³	Loan Book	0.0	0.0	2.1	7.0	14.6	n/m	108%
	% Of Total	0%	0%	1%	2%	5%		
Vehicle Loan (GLA) ⁴	Loan Book	44.3	46.7	62.9	74.3	72.2	15%	-3%
	% Of Total	25%	22%	23%	25%	25%		
PB ⁵ (Corp)	Loan Book	16.8	15.5	16.0	16.3	17.3	8%	6%
	% Of Total	9%	7%	6%	6%	6%		
International Loan Book ⁶	Loan Book	0.0	0.0	12.5	23.5	22.2	78%	-6%
	% Of Total	0%	0%	4%	9%	8%		
Total Gross Loan Book		178.1	213.9	271.4	294.4	288.0	6%	-2%
Half Year Net Loss Rate⁷		6.1%	8.3%	11.0%	9.0%	8.0%	-	-

Notes:

¹ Small Loans include:

- Small Amount Credit Contract (SACC): a regulated unsecured personal loan product, transacted in-store and online, up to \$2,000 and up to 12 months.
 - Cash Advance: average 3 month term, \$376 loan amount, funds provided by store.
 - Personal Loan: average 10 month term, \$943 loan amount, funds provided centrally.
- PayAdvance: has a one-off fee of 5% applied upon repayment, to an advance on earned, but not yet received salary or wages, with no other fees or charges applied, up to \$150.

² Medium Loans include:

- Medium Amount Credit Contract (MACC): a regulated unsecured personal loan product, transacted in-store and online, up to \$5,000 and up to 24 months.

³ **Line of Credit (LoC):** a revolving credit facility with a pre-approved credit limit, from \$400 to \$10,000 with a set repayment over a maximum 36 month period per redraw.

⁴ **Green Light Auto (GLA):** a fully owned subsidiary of CCV historically offering secured vehicle loans through a network of brokers and dealers, new originations ceased end of FY2024.

⁵ **Pawnbroking Loan:** average loan size circa \$201 over 1-3 months. These relate only to Pawnbroking loans originated in Australian corporate owned stores. Franchise store Pawnbroking loans are excluded as loan risk is directly held by the franchises (i.e. loan collateral is also held by the franchises).

⁶ **International Loan Book:** includes pawnbroking and Personal Finance loan books for New Zealand and pawnbroking and buyback loan book for United Kingdom.

⁷ **Net Loss Rate (NLR):** defined as Net Bad Debt Expense⁸ for the half-year period, compared to average Gross Loan Book for the half-year period as applicable.

⁸ **Net Bad Debt Expense:** consists of 'Bad Debt Written Off' net of 'Recovery of Write Offs' across loan products.

- Bad Debt Written Off: impacted by events occurring in two parts of the loan book: new loans written in the period and existing loans still running.
- Recovery of Write Off: Written off amounts recovered through the collections process.
- 'Bad Debt Written Off' and 'Recovery of Write Offs' may not correspond to the same accounting period. For example, 'Recovery of Write Offs' may relate to an older period of underlying loans than the underlying loans relating to 'Bad Debts Written off'.

⁹ **Expected Credit Loss:** is the upfront expense recognised in the Income Statement for expected credit losses at the time of writing a new loan as well as for changes in the expected credit losses on existing loans. The ECL expense is a statistical present value calculation based on the accounting standard AASB9 *Financial Instruments*. Changes in the credit quality of the loan since origination are recognised in the Income Statement.



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 partner operations spanning Europe, Southern Africa and parts of Asia. In total there are 669 stores operating across 17 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 lending solutions ranging in duration from under one year to multiple years, secured and unsecured and loan sizes ranging from hundreds of dollars to \$10,000.

Cash Converters is a technology driven lender, originating and managing the ongoing customer journey leveraging proprietary technology, machine learning powered credit models and physical and digital channels. Customer loan origination is driven by our well recognised and trusted brand and bricks and mortar outlets.

Cash Converter's strategy is geared towards growth, recently acquiring Franchise store networks both domestically and in the United Kingdom and New Zealand. The Company's loan book is demonstrating significant growth as an innovative lender - bringing new lending solutions to consumers, with 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 stores contribute to the 'circular economy' repurposing over 1.7m pre-owned 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