

Plenti delivers positive Cash NPAT for FY22

Plenti Group Limited (**Plenti**) is pleased to announce its full year results for the year ended 31 March 2022 (**FY22**).

Financial highlights

- Record loan originations of \$1.1 billion, up 134% year-on-year
- Record loan book of \$1.3 billion, up 111% year-on-year
- Record interest revenue of \$87.3 million, up 72% year-on-year
- Delivered market-leading credit performance with a 0.54% net loss rate
- Delivered full year Cash NPAT of \$0.5 million, with second half Cash NPAT of \$2.7 million

Strategic highlights

- Delivered on FY22 growth, profitability and efficiency objectives ahead of target dates
- Commercial automotive loan launched, with a market-leading customer experience, approximately doubling the size of Plenti's automotive loan target market
- Entered partnerships with several large energy retailers and a funding agreement with an electric vehicle manufacturer

Operational highlights

- Materially reduced cost-to-income ratio, evidencing operating leverage inherent in Plenti's technology-led business model
- Delivered enhancements to proprietary technology platform, further improving customer experiences and speed of service
- Further diversified funding sources and reduced funding costs via first asset-backed securities (**ABS**) transactions

Daniel Foggo, CEO and founder, said:

"Achieving positive cash NPAT is a major milestone for Plenti and a testament to the strength of our technology-led business model and talented team. It rounds out what has been an exceptional year of growth as we continue to capture market share in all lending verticals and set new industry standards.

"Underpinning this is a relentless focus on delivering exceptional experiences and growth initiatives. With our diverse funding options, continually improving operational efficiencies as we scale, and strong risk management track record, we are well placed to continue delivering profitable growth."

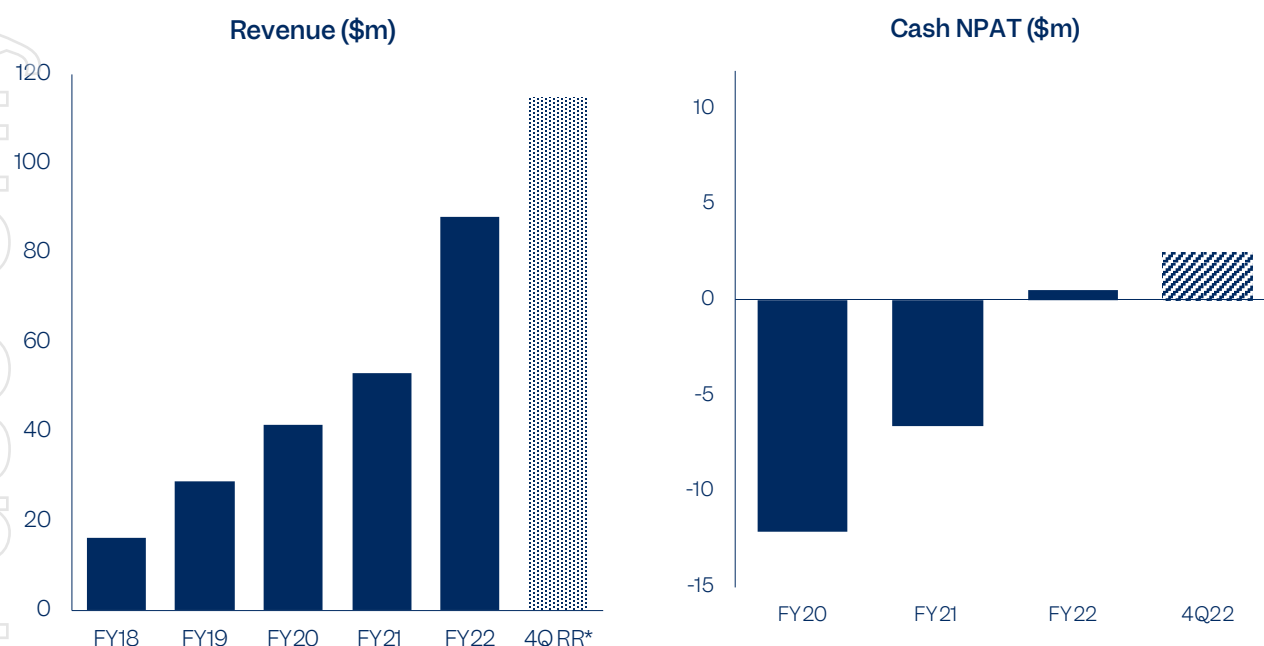
Loan origination and loan portfolio growth

Plenti achieved strong loan origination growth in the year to 31 March 2022, up 134% on FY21. Growth was particularly strong in automotive finance, where annual loan originations of \$639 million were 177% above the prior year. Renewable energy originations grew to \$98 million, 72% above the prior year. Personal lending grew to \$365 million, 100% above the prior year.

This growth was achieved whilst also further enhancing the average credit profile of borrowers. The average Equifax credit score on the loan portfolio increased from 821 at the start of the period to 838 at the end of the period.

Plenti's total loan portfolio grew 111% to \$1.3 billion at 31 March 2022, comprising \$745 million in automotive loans, \$142 million in renewable energy loans and \$413 million in personal loans.

Revenue and positive Cash NPAT generation



Note: '4QRR' revenue represents run-rate in 4Q22 (i.e. January to March 2022 revenue multiplied by four). 4Q22 Cash NPAT is shown on an absolute basis, not a run-rate basis.

Plenti's larger loan portfolio generated interest revenue of \$87.3 million, up 72% on the prior year.¹ The Company continued to demonstrate the operational leverage inherent in its technology-led business model by materially reducing its cost-to-income ratio to 48% from 55% in the prior year. The cost-to-income ratio reduced to 44% in the second half.

Strong revenue growth and continual operational efficiency improvements translated into a positive Cash NPAT result for the year of \$0.5 million. Cash NPAT in the second half of the year was \$2.7 million.

Technology enhancements

Plenti delivered significant advancements in its technology platform across customer experience, credit decisioning and pricing, as well as partner integrations. Plenti has over 40 staff working in product and technology, helping it to continually innovate, drive loan origination growth and increase operational efficiency.

Credit performance

Plenti delivered a strong credit performance reflecting the prime nature of its loan portfolio. The net credit loss rate for the year was 0.54%, down from 0.96% in FY21. 90+ day arrears were at 0.26% at the end of the year, versus 0.31% at the end of FY21. The strength of this credit performance in part reflects Plenti's deliberate shift towards lower-risk automotive and renewable energy loans, which now represent ~68% of the loan portfolio.

¹ Total FY22 revenue was \$88.5 million, 67% above the prior year

Financial position and funding

Plenti further diversified and deepened its funding sources during the year. Plenti established a third warehouse facility, with a specific tranche to fund electric vehicles. It also completed two ABS transactions across ~\$580 million of loan receivables, reducing funding costs and Plenti's equity funding contribution to these receivables. Combined with lower funding costs from its retail platform, these reduced the overall funding rate in the second half to a record low.

Plenti entered into a corporate debt facility agreement in March 2022 with an Australian funder to provide capital to support its ongoing business growth. The facility limit is linked to the size of Plenti's securitised loan portfolio, providing the ability to access more capital in-line with loan book growth. The facility was initially drawn to \$18 million.

Growing expectations of central bank rate increases meant Plenti experienced increases in funding costs on new loan originations during the latter part of the year. Higher funding costs on new loan originations have been partially mitigated through increases in borrower rates. Plenti expects borrower rates to continue to increase over the coming months as the market adjusts to higher funding costs.

Strategy and outlook

Plenti's strategy is to establish market leadership positions in each of its segments, extend its product and technology advantage and optimise its funding.

Plenti's focus in the first half of FY23 will be on the yield it achieves on new loan originations while driving further operational efficiencies. It will return to focusing on achieving market share gains in the second half. Cash NPAT is expected to increase in FY23, weighted towards the second half.

Plenti's FY23 priorities are set out below:

Priority	FY23 objective
Growth	Remain on track to achieve a \$5bn loan portfolio in 2025
Profitability	Continue full year Cash NPAT profitability growth
Efficiency	Reduce cost-to-income to < 40% (and achieve medium-term target of < 35% in the second half of the year)

Investor webcast

An online investor presentation will be held at 10:30am AEDT / Sydney time on 18 May 2022. Investors can register for the online investor presentation through the following link:

https://plenti-au.zoom.us/webinar/register/WN_csBp5ShASMWtcGS5lCy7AQ

This release was approved by the Plenti Board of Directors. For more information please contact:

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About Plenti

Plenti is a fintech lender, providing faster, fairer loans through smart technology.

We offer award-winning automotive, renewable energy and personal loans, delivered by proprietary technology, to help creditworthy borrowers bring their big ideas to life.

Since our establishment in 2014, our loan originations have grown consistently, supported by diversified loan products, distribution channels and funding, and underpinned by our exceptional credit performance and continual innovation.

For more information visit plenti.com.au/shareholders