

31 January 2023

# ASX Announcement

## 2Q23 TRADING UPDATE MONEYME delivers record revenue and statutory profit<sup>1</sup>

MONEYME Limited (“MONEYME” or “Group”) is pleased to announce its second quarter results for the period ending 31 December 2022.

### 2Q23 Trading Highlights

#### Strong returns

- Statutory Net Profit After Tax (NPAT) of >\$8m for 1H23, up on pcp (\$19m loss, 1H22; \$34m loss, 2H22)
- Record gross revenue of >\$117m for 1H23, up >143% on pcp (\$48m, 1H22; \$95m, 2H22)
- Record gross revenue of >\$60m for 2Q23, up >140% on pcp (\$25m, 2Q22; \$57m, 1Q23)
- Core operating expenses to the loan book<sup>2</sup> <3% for 2Q23, down on pcp (11%, 2Q22; 5%, 1Q23)

#### Continuing transition to lower credit risk assets

- Closing average Equifax score increased to 714 for 2Q23 (672, 2Q22; 711, 1Q23)
- Secured assets increased to 41% of loan book for 2Q23 (26%, 2Q22; 40%, 1Q23)
- Net losses of 6.0% for 1H23 (5%, 2H22) in line with the expected lag effect related to the historical composition of the loan book. The increased credit quality of the book and operational measures undertaken are expected to reduce loss rates in the coming months. The above considerations are reflected in the Group’s credit loss provision and customer pricing as appropriate

#### Business positioning and outlook

Management expects:

- Positive statutory NPAT for FY23; Gross revenue >\$220m
- Credit losses expected to reduce in line with changes to the asset credit risk profile
- Sustainable growth of the loan book

Clayton Howes, MONEYME’s Managing Director and CEO said:

*“We are pleased to announce statutory profits and record revenue in the first half, beating analyst expectations. Building from strong results in the first quarter, the momentum continued into the second quarter and has seen us upgrading our outlook on revenue and profit for the full year.*”

<sup>1</sup> 1H23 and 2Q23 trading update measures are unaudited preliminary management results. The Group will issue its FY23 Half Year Report by 28 February 2023 as required.

<sup>2</sup> Sales & marketing and general & administrative expenses as % of average gross customer receivables.

Our return to statutory profitability after a prolonged period of high growth is not only a result of a shift in near-term business strategy in response to the macro environment, it is also a continuation of our commitment to drive profitable growth and a testament to the quality and proficiency of our team.

We are proud of the agility and adaptability that MONEYME has demonstrated in navigating rising interest rates and we are ready to take advantage of the market opportunity in car financing and the potential tailwinds from changing BNPL regulation. With SocietyOne successfully integrated into the business, we are looking forward to solidifying our position as a leading non-bank challenger.

It is also pleasing to note the business is progressing this agenda alongside the delivery of strong ESG outcomes that I expect to be reflected in B-Corp certification in due course.”

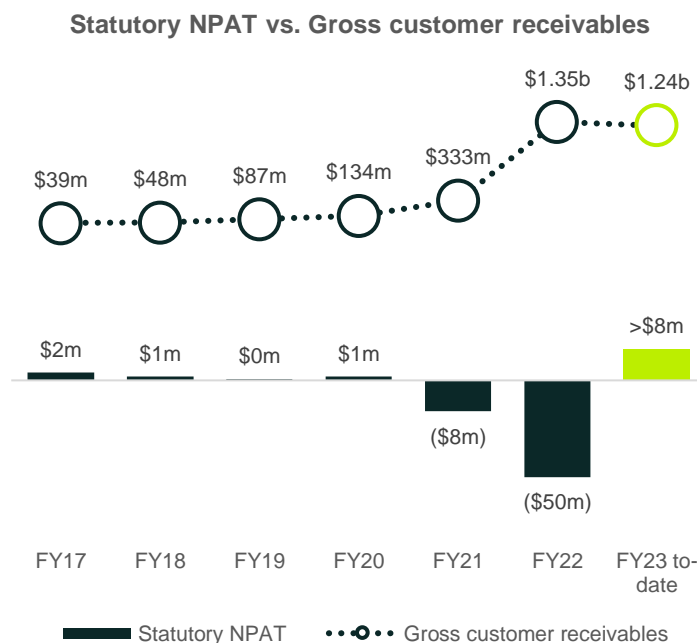
## Strong returns

### Record statutory NPAT

In its 4Q22 trading update (25 July 2022) the Group announced a near term shift in focus from high growth to support an earlier realisation of cash returns and statutory NPAT through scale benefits. Accordingly, by moderating originations, gross customer receivables slightly reduced to \$1.24bn at 1H23 (\$1.35bn, 2H22).

MONEYME is pleased to confirm that this strategy has resulted in a return to statutory profits ahead of target, delivering greater than \$8m in statutory NPAT for the first half of FY23.

The accelerated return to statutory profitability was also achieved through the realisation of above target cost synergies from the SocietyOne acquisition and related reductions in sales and marketing expenses.

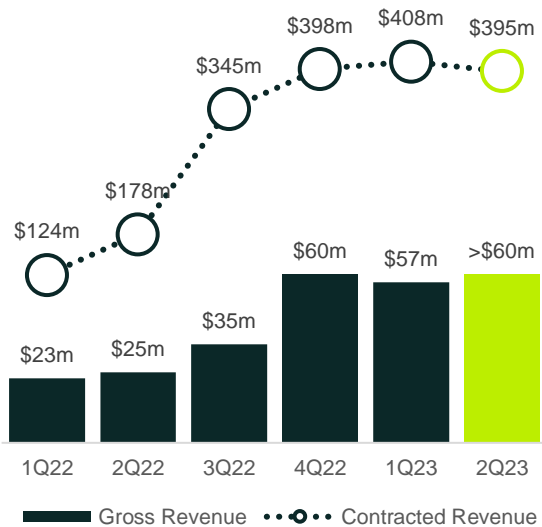


## Record gross revenue

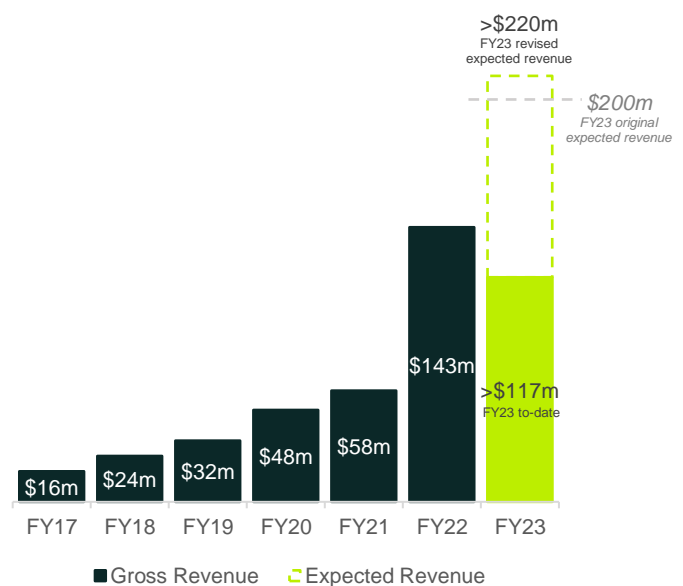
MONEYME continues to see strong revenue flows with gross revenue of greater than \$60m for 2Q23, reflecting year-on-year revenue growth of >140% and a >5% increase from the previous quarter (\$25m, 2Q22; \$57m, 1Q23).

The Group has updated its gross revenue guidance from >\$200m to >\$220m for the full year in recognition of 1H23 gross revenue of greater than \$117m and 2H23 expectations.

**Gross revenue vs. Contracted revenue (\$m) - quarterly**



**Gross revenue (\$m) - yearly**



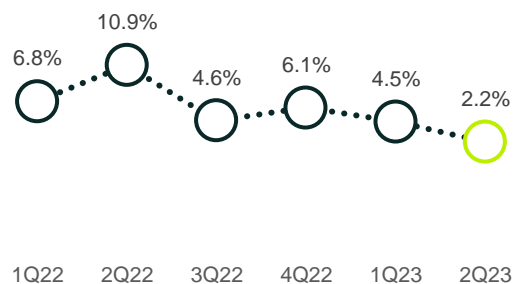
## Ongoing realisation of acquisition and scale cost synergies

The Group's core operating expenses to gross receivables continues to reduce and is 2.2% in 2Q23 (4.5%, 1Q23).

The improvement in cost efficiency during the second quarter is driven by economies of scale from high organic and inorganic growth in FY22 and the realisation of substantial cost synergies from migrating SocietyOne's technology onto MONEYME's proprietary technology platform, Horizon.

The Group has also reduced its sales and marketing expenses in line with its strategy to moderate growth and focus on statutory profits in FY23.

**Core operating expenses as % of average gross customer receivables**



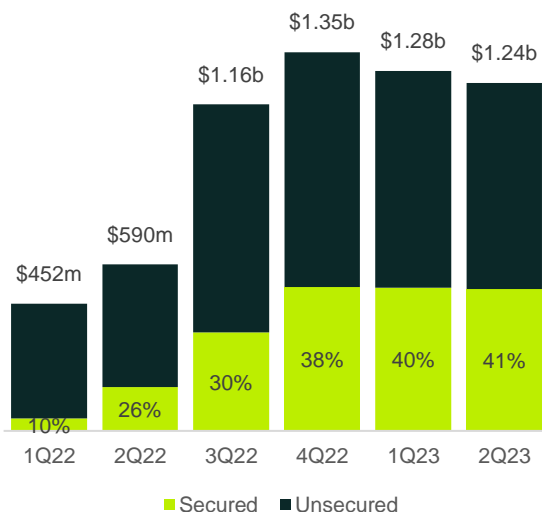
## Continuing transition to lower credit risk assets

Loan book size has been flat through steady-state originations and organic customer run-off rates, in line with MONEYME's current strategy. While gross customer receivables remain steady, the credit risk profile of MONEYME's portfolio has continued to improve compared to the previous comparative period. This reflects a strong focus on credit risk management in response to the uncertain macroeconomic environment and rising interest rates and demonstrates MONEYME's commitment to originating high credit quality accounts.

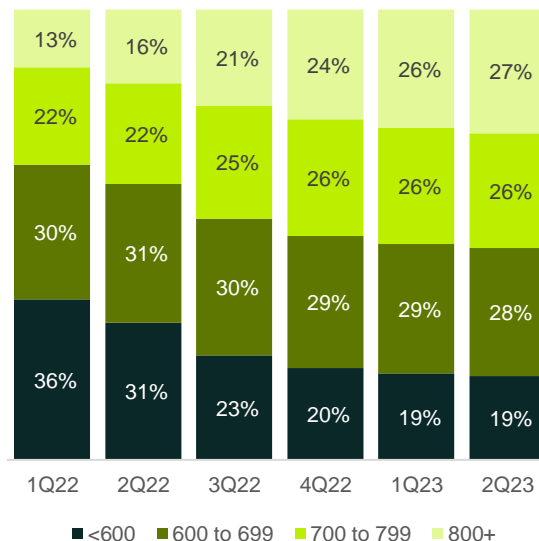
Assets with an Equifax profile of >700 increased to 53% in the first half (50%, 2H22) while assets with an Equifax profile of <600 reduced to <19% (21%, 2H22). As a result, the loan book weighted average Equifax score increased to 714 in the second quarter (711, 1Q23).

Secured assets as a proportion of the loan book continues to increase, being 41% at the end of the first half (38%, 2H22).

Gross customer receivables vs. Secured asset %



Equifax cohort % of loan book for quarter

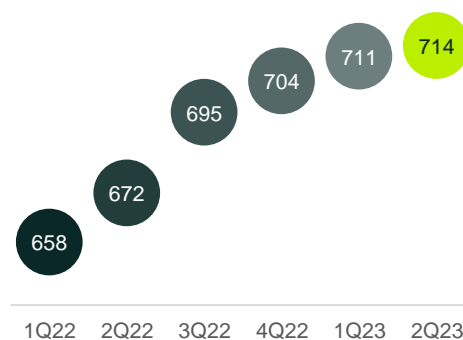


In line with the expected lag effect related to the historical composition of the loan book, the net loss rate was 6% in 1H23 (5% 2H22).

The increased credit quality of the book and operational measures undertaken are expected to reduce loss rates in the coming months.

The above considerations are reflected in the Group's credit loss provision and customer pricing as appropriate.

Average Equifax Score



**Business positioning and outlook**FY23 Statutory Profit

Management expects to benefit from operating leverage in 2H23 to deliver a strong statutory profit result for FY23. We have increased our gross revenue expectation from >\$200m to > \$220m.

Reducing credit losses in line with changes to the asset credit risk profile

The improved credit quality of the current loan book is expected to result in lower loss rates over time. The remaining lower credit quality assets are expected to continue to run-off and be replaced by higher credit quality assets. The improving loss rates will reflect the benefit of the Group's loan book transitioning from being 2% secured as at 30 June 2021 to 41% secured as at 31 December 2022.

Sustainable growth of the loan book

Management expects to increase originations in the near term to enable sustainable loan book growth calibrated to the current economic environment and the Group's current funding position. The expected increase in originations is aligned with the continuing generation of statutory profits.

The Group will also continue to adjust customer pricing where appropriate to maintain margins in the current rising interest rate environment.

Unrestricted cash was \$16m and trust undrawn funding capacity was >\$400m at 31 December 2022.

The Group continues to target the announcement of a strategic capital transaction by the start of the fourth quarter of FY23 to unlock further growth.

Authorised on behalf of the MONEYME Board and the Disclosure Committee by:

Clayton Howes  
Managing Director & CEO

– ENDS –

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## About MONEYME

MONEYME is a leading Australian disruptor, using technology to become the #1 challenger to the major banks.

With a focus on innovation, it funds credit approved ambitious people with the advantage of market-leading speed and automated customer experiences. Leveraging AI and advanced cloud-based technology, it offers highly automated credit products across personal, auto and real estate finance.

The Group's core brands MONEYME and SocietyOne reflect digital-first experiences that meet, and exceed, the expectations of 'Generation Now'.

MONEYME Limited is listed on the ASX and the Group includes licensed and regulated credit and financial services providers operating in Australia.

For more information, visit [moneyme.com.au](https://moneyme.com.au) or [investors.moneyme.com.au](https://investors.moneyme.com.au)

### MONEYME Recent Quarterly Performance<sup>[1]</sup>

	2Q22	3Q22	4Q22	1Q23	2Q23
Gross revenue	\$25m	\$35m	\$60m	\$57m	>\$60m
Contracted revenue	\$178m	\$345m	\$398m	\$408m	\$395m
Gross customer receivables	\$590m	\$1.16bn	\$1.35bn	\$1.28bn	\$1.24bn
Secured assets in book	26%	30%	38%	40%	41%
Average Equifax score	672	695	704	711	714
Net losses	3.9%	3.4%	4.4%	5.4%	6.6%

### MONEYME Half-yearly Performance<sup>[2]</sup>

	1H21	2H21	1H22	2H22	1H23
Net Profit after Tax (NPAT)	\$1m	(\$9m)	(\$19m)	(\$32m)	>\$8m
Gross revenue	\$24m	\$34	\$48m	\$95m	>\$117m
Contracted revenue	\$45m	\$98m	\$178m	\$398	\$395m
Gross customer receivables	\$168m	\$333m	\$590m	\$1.35bn	\$1.24bn
Secured assets in book	0%	2%	26%	38%	41%
Average Equifax score	638	650	672	704	714
Net losses	4.6%	5.1%	4.4%	4.5%	6.0%

<sup>[1]</sup> 2Q23 trading update measures are unaudited preliminary management results.

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