



FLEXIGROUP

Investor Tour

October 2012

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Chairman

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FLEXIGROUP 

FlexiGroup Overview

FlexiGroup is a diversified financial services group providing point of sale interest free, no interest ever, leasing, vendor programs, credit card and other payment solutions to consumers and businesses

Background	<ul style="list-style-type: none"> • Founded in 1988 leasing office equipment to business • Leading provider of consumer/small business retail point-of-sale finance • Diversified products include: interest free, credit card, no interest ever, vendor finance / commercial leasing, mobile broadband, online & mobile payment services
Market	<ul style="list-style-type: none"> • IPO in 2006 • ASX200 stock (effective 20 July 2012) with market cap of approximately A\$1bn • 2nd in ASX300 for total shareholder returns for 4 years (ASX 300 Industrials excl. Mining)
Distribution platform	<ul style="list-style-type: none"> • 700,000 finance customers, 11,000 active retailers, 81,000 broadband subscribers, \$927million in receivables • Distribution network across multiple industries, including strong relationships with: <ul style="list-style-type: none"> – AGL Solar, Husqvarna, Toys-R-Us, Apple resellers, M2 Commander, Harvey Norman, Noel Leeming, GPD, Kitchen Connection, IKEA and Fantastic Group
High performance culture	<ul style="list-style-type: none"> • Talented management team with capability to manage much larger organisation • Australia and New Zealand Best Employers — AON Hewitt • Australia's Best Contact (Call) Centre — ATA Award • International IT Award — ICMG Architecture Excellence
Balance sheet	<ul style="list-style-type: none"> • Well capitalised with strong balance sheet capacity – return on equity 24% <ul style="list-style-type: none"> – highly diversified funding with committed facilities from Australian and International institutions to support growth
Strong risk profile	<ul style="list-style-type: none"> • eRisc award winning credit assessment system • 20 years experience in consumer & business credit embedded in scoring systems
Acquisitions	<ul style="list-style-type: none"> • Management with significant acquisition experience, have successfully acquired: • Lombard Finance Interest Free and Visa card business in Jun 2012 • Paymate online and mobile payment business in Dec 2011 • Certegy in 2008 – has outperformed management expectations • Conservative approach to acquisitions - target accretive, high volume, retail point of sale similar to Certegy

30 Jun YE (A\$m)	FY09	FY10	FY11	FY12
Closing Receivables ¹	540	593	707	927
<i>growth</i>	<i>na</i>	<i>10%</i>	<i>19%</i>	<i>31%</i>
Revenue	184	204	223	246
<i>growth</i>	<i>na</i>	<i>11%</i>	<i>9%</i>	<i>10%</i>
EBITDA	53	63	76	91
<i>margin</i>	<i>10%</i>	<i>11%</i>	<i>11%</i>	<i>10%</i>
EBIT	48	58	71	85
<i>margin</i>	<i>9%</i>	<i>10%</i>	<i>10%</i>	<i>9%</i>
Cash NPAT ²	34	42	53	61
<i>growth</i>	<i>na</i>	<i>22%</i>	<i>27%</i>	<i>16%</i>
<i>FXL FY13 Guidance:</i>		<i>Cash NPAT 11% – 16% growth</i>		

Notes:

- 1 FY12 Closing Receivables includes \$50m Lombard receivables
- 2 Cash NPAT pre amortisation of Certegy intangibles. FY10 cash NPAT excludes \$18.4m tax credit relating to re-setting of cost base of assets



AON Hewitt
Best Employers
of the Year 2011



Australia's
Contact Centre
of the Year 2010



International ICMG
Best IT Architecture
Award 2010

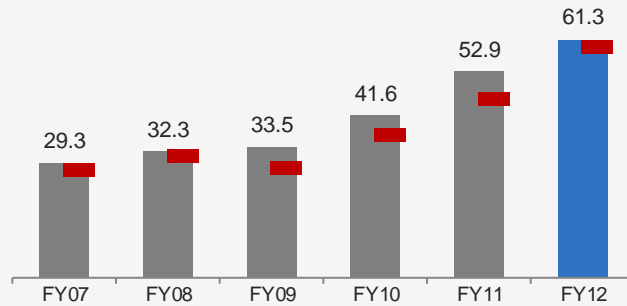
Since IPO, strong results consistently exceeding expectations

EPS, DPS, TSR performance consistently in Top Quartile of ASX 300

Consistently met forecast since IPO – NPAT CAGR 16%

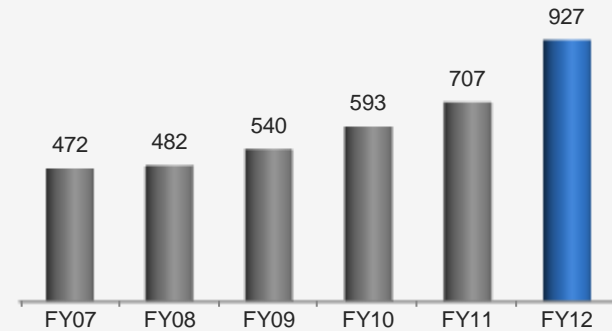
Cash NPAT \$m

■ Forecast



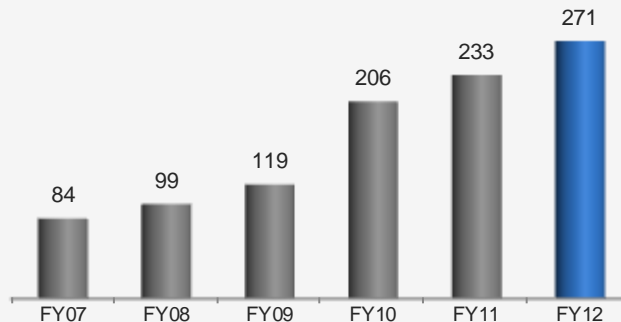
Receivables 5 Year CAGR of 14%

Closing Receivables \$m



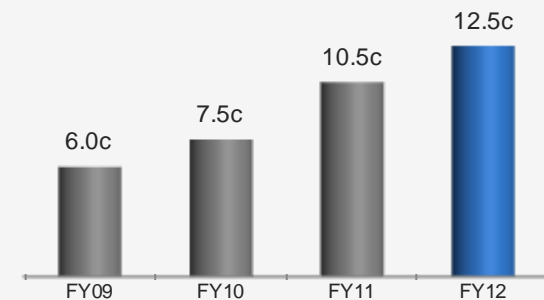
Return on equity of 24%

Total Equity \$m



Dividend payout 50%-60%

Fully franked annual dividend



Strong Strategies to drive growth in FY13 and FY14

Certegy continues successful growth strategies

1. **New industries** identified and tested as growth and diversification opportunities for FY13/14.
2. **Drive Merchants** continue strategies to drive high merchant acquisition and growth. Introduce new merchant reward scheme
3. **Engage Customers** - New VIP program to drive repeat volumes.

Lombard - capital to fuel growth strategies

1. **Interest Free Organic growth** capital constraint removed – funds now available to support and drive growth in large, \$5bn interest free market
2. **Increase Card Usage** - Improve card value proposition to drive increase card activations & spend
3. **Cross Sell Card to FXL base** – New card, offered to large base. Upgrade to credit licence to allow for more compelling offers and collateral

Flexirent seizes opportunities to combat retail conditions

1. **Leverage Windows 8** – most significant change since Windows 95. Strong driver for consumers to upgrade
2. **Ultrabook growth** – high growth, higher priced hardware facilitates Windows 8 touch screen
3. **Capitalise on SME non-retail opportunities** to increase segment contribution
4. **Drive Paymate growth 2H FY12** – Launch of Ezimerchant, eBay promotions, Paymate OnTheGo promotional activity.

Flexi Commercial strong growth, services that appeal

1. **Differentiate with Managed Services** – continue to attract new vendors with bundled services ie cost per copy, one bill solutions etc
2. **Target emerging energy efficient technologies** - Energy Smart Finance Program (signed Feb 2012) with government funded Low Carbon Australia expected to drive growth
3. **Higher receivables income** on fixed cost base to drive increased profit contribution in FY13.

Diversification delivers strong FY12 result and sustainable NPAT growth

FY13 guidance 11% to 16% with continued performance yielding strong FY14 result

FY12 Strong financial result driven by new businesses

- x Diversified to \$5b interest free and credit card market with Lombard acquisition
- x Cash NPAT¹ up 16% to \$61.3m with.
- x Volume growth of 15% to \$801m while receivables² grow 24% due to longer term
- x New businesses organically grown or acquired are +60% of receivables
- x Certegy NPAT +60% to \$21.9m – 3yrs cumulative NPAT exceeds total acquisition price
- x Balance sheet strong - \$255m Certegy receivables securitisation reduces cost of funds
- x Fully franked dividend of 12.5c up 19%

Outlook - Diversification expected to drive strong results through FY13 and FY14

- x FY13 Guidance is 11% to 16% NPAT growth (\$68m to \$71m)
- x Strong NPAT growth through FY14 from:-
 - Lower funding costs from securitisations and lower market interest rates
 - Double digit receivables growth - historical receivables growth (18% 3 year CAGR) can be sustained as Certegy and Flexi Commercial longer terms increase the duration of the receivables portfolio
- x Investment in shared services to leverage scale across the group (e.g. credit, systems, operations)
- x Continued focus on value accretive acquisition opportunities

Notes: 1. Cash NPAT excludes \$1.4m of intangible amortisation and \$9m net from one off acquisition costs (relating to Lombard, Paymate, Roam, and other due diligence) and one-off GST refund
2. Includes loans & excludes \$50m Lombard receivables

FlexiGroup Tour Agenda

- ✘ FlexiGroup Strategic Overview

- ✘ Tour Business Divisions
 - Certegy “no interest ever”
 - Lombard Interest Free & Visa Card
 - Flexirent small ticket – retail
 - Flexi Commercial large ticket and B2B (non-retail SME)
 - Paymate online payments

- ✘ Tour of operations
 - Contact Centre
 - Collections
 - Credit/Risk
 - Funding

- ✘ Tour Wrap-up