

FLEXIGROUP 

2016 Annual General Meeting

**Returning FXL to
Profitable Organic
Growth**

22nd November 2016

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Chairman's address
Andrew Abercrombie

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Returning FXL to Profitable Organic Growth

CEO's address: Symon Brewis-Weston

- **FY2016 - solid year**
- **Strengthening the foundations for future growth**
- **Growth strategies to build significant earnings power– Cards, Commercial and Ireland**
- **Execution on track and advanced but clear execution priorities ahead**
- **First 4 months of FY17 trading in line with expectations. Strong growth in cards. Commercial encouraging.**
- **Affirming FY2017 Cash NPAT estimate - \$90 – 97m**

FXL Highlights

Transformational acquisition of FPF completed taking portfolio above \$2bn

FlexiGroup (\$m)	FY15	FY16	Growth v PCP
Cash NPAT ¹	90.1	97.0	8%
Statutory NPAT	82.7	50.2	(39%)
Volume	1,136	1,350	19%
Closing Receivables	1,428	2,094	47%
Cash Flow from Operating Activities	121.2	147.4	22%
ROE % ²	23%	19%	(4%)
Cash Earnings per Share (cents) ²	28.7	28.0	(2%)

Notes:

1. Cash NPAT excludes amortisation of acquired intangibles \$3.7m (FY15: \$3m), deal acquisition costs \$5.6m (FY15: \$1.9m), impairment of TOT goodwill \$8.5m, fixed assets written off \$12.3m and additional receivables provisioning \$16.7m. FY15 also excludes a one off residual value loss in Enterprise business of \$2.5m.
2. ROE and Cash EPS in FY16 impacted by timing lag between capital raised in Nov-15 (22% of issued share capital) and FPF acquisition completed in Mar-16

Key initiatives to return FXL to profitable organic growth

1 Upscaling AU Cards business through leveraging strategic contracts

2 Oxipay launched to market targeting millennials spend

3 Investing in Ireland business to capture market opportunity

4 Rebuild of Commercial Finance business

5 Roll out scheme card in NZ and improve cost to income ratio

6 Driving sales and marketing culture

7 Exiting non-core business units

FXL FY16 Scorecard

AU Cards scale	Major contract gained to drive scale in AU Cards business		<i>Partnership agreement with Flight Centre Group announced and store roll-out Sep-16</i>
FPF Acquisition	Complete acquisition of Fisher & Paykel Finance in NZ		<i>Acquisition completed Mar-16 Business performing in line with expectations Integration plan and synergies on track</i>
OxiPay launch	Build and launch low touch, consumer friendly payment product into market		<i>Oxipay product being launched to market Relationships with significant number of merchants</i>
Oracle roll-out	Implementation of Oracle cloud general ledger platform		<i>Platform went live 1 July 2016</i>
Sales culture	Sales culture to be reinvigorated with focus on channel partner relationships		<i>Sales team partner alignment being reworked On the ground team being expanded to cover Flight Centre store network</i>
Certegy	Growth strategy to be developed for Certegy excluding Energy Storage		<i>Ezi-Living product launched and shopping cart integration delivered More work required to build out growth strategy</i>
Non-core businesses	Exit non-core businesses and redeploy capital		<i>TOT sale process progressing well Paymate and Blink divested Enterprise portfolio in run-down</i>
Commercial	Commercial finance offer rebuilt and gaining traction in AU market		<i>Value proposition and sales processes rebuilt Several new introducer agreements signed Kikka cross sell to existing customers commenced</i>

