

Sydney, 21 August 2018

**FLEXIGROUP DELIVERS FY18 RESULTS AT HIGHER END OF GUIDANCE  
STRONG GROWTH MOMENTUM**

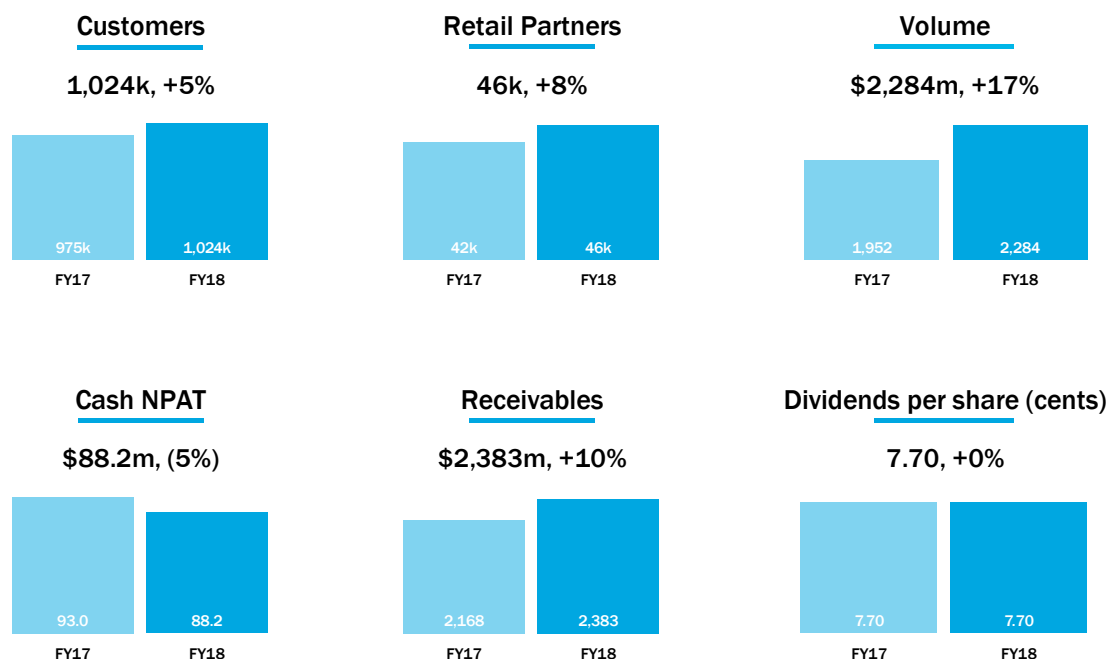
**Highlights**

- Total customer numbers now over one million, up 5%
- Retail partner growth of 8% to 46,000
- Growth strategy delivering, overall volume growth of +17%
- Total receivables \$2.383 billion +10%
- Cash NPAT of \$88.2 million at higher end of guidance range
- FY19 Cash NPAT guidance of \$95-\$100 million

FlexiGroup Limited (ASX:FXL) (“FlexiGroup” or “the Group”) today released its results for the financial year ending 30 June 2018. Cash Net Profit After Tax (Cash NPAT) was \$88.2 million (FY17: \$93 million) and Statutory loss after tax of \$10.3 million (FY17: NPAT \$87.4 million) after accounting for goodwill impairment, intangible assets write-off and customer remediation on legacy consumer lease product.

Group volume for FY18 grew 17% to \$2,284m (FY17: \$1,952m) while closing receivables were up 10% to \$2,383m (FY17: \$2,168m).

Customer numbers grew 5% to above 1 million.



## Funding and Balance Sheet

The Board of Directors declared a fully franked final dividend of 3.85c per share bringing the FY18 total dividend to 7.70c per share (FY17: 7.70c per share). This dividend is in line with 1HFY18 payout and remains within the Group's stated payout ratio of 30-40% of Cash NPAT.

A key focus during the year has been on prudent capital management and corporate debt was reduced by \$22m YoY with gearing reduced to 36% from 53% on the previous corresponding period.

Deleveraging will continue to be a focus in FY19.

## Outlook

FlexiGroup has delivered the first stage of its growth strategy with both organic customer and retailer growth the fundamental driver of our shareholder value. We are continuing to make progress after investing strongly in FY18, with customer growth of 5% and total customers now exceeding 1 million. We have also experienced retail partner growth of 8% to 46,000.

At the same time we are building digital solutions that simplify and improve the way we interact with our customers and retailers. Key initiatives include:

- Certegy - investing to grow Ezi-pay, digitising the front-end platform and processes
- New AU consumer lease product (Lisa) launched 2HFY18
- New AU card (Skye Mastercard) launched 2HFY18 with an enhanced customer proposition replacing two card brands
- Consolidation of AU consumer sales team, leveraging products and scale
- Commercial - new managed services product delivering sustained earnings and core business growth
- NZ Cards - leveraging technology and product enhancements to drive customer growth and retail partner engagement

Costs have also been a key focus and actions taken during FY18 have generated \$8 million in annual run rate savings. Initiatives include rationalisation of headcount focusing on mid and back office functions, renegotiation of key supplier contracts and implementation of a new cost management platform.

As we consolidate platforms, refine funding structures and integrate group functions, we are confident of delivering material earnings upside.

Acting Chief Executive, Ross Aucutt, said: "With strong growth momentum, FlexiGroup is well positioned for FY19. Growth in Certegy and AU cards combined with cost control and funding efficiencies will be strong contributors. After significant investment, the Ireland business is on track to be profitable this year.

We are providing FY19 Cash NPAT guidance of \$95-\$100 million which represents 8-13% Cash NPAT growth over the previous corresponding period."

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**ABOUT FLEXIGROUP**

FlexiGroup is a diversified financial services group providing “no interest ever” loans, leasing, vendor finance programs, interest free finance, credit card lending, lay-by and other finance solutions to consumers and businesses.

Through its network of over 46,000 merchant, vendor and retail partners the Group has extensive access to four key markets, Business to Consumer, Business to Business, Retail to Consumers (and small business customers) and online.

Performance has been characterised by solid profitable growth as the company has expanded and diversified its business through organic growth, acquisition and product innovation.

FlexiGroup operates in Australia, New Zealand and Ireland within a diverse range of industries including: home improvement, solar energy, fitness, IT, electrical appliances, travel and trade equipment.

The Board of FlexiGroup is chaired by Andrew Abercrombie who is the founding director and ~24% shareholder in FlexiGroup. The Board also includes Christine Christian, Rajeev Dhawan, Jodie Leonard and Carole Campbell.