



LATITUDE

Latitude Group Holdings Limited
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ASX ANNOUNCEMENT

Latitude expects 1H21 Cash NPAT growth of 70-80% on PCP

Latitude Group Holdings Limited's (ASX: LFS) Board of Directors determined at its meeting yesterday to provide guidance for the six months ended 30 June 2021 due to the limited equity research coverage at this time.

1H21 Guidance¹

- Cash NPAT for the six months ended 30 June 2021 is expected to be in the range of \$115 million to \$120 million
- Directors confirm that it remains Latitude's intention to declare an unfranked dividend of 7.85 cents per share (\$78.5 million) for the first half
- 1H21 volume of approximately \$3.7 billion is expected, an increase of 7%, with Personal Loans volume up 25% in Australia and 50% in New Zealand on the prior comparative period (PCP). This growth in volume is despite the international and travel category being down 46% on 1H20 and 74% on 2019 due to border closures
- Gross Loan Receivables are likely to remain stable relative to 2H20 levels at \$6.5 billion, primarily due to early customer repayments in response to government cash stimulus measures and lower spending
- Costs are anticipated to decline by approximately 10% on PCP, driven by the simplification program
- Book credit quality continues to improve strongly with Net Charge Offs likely to reduce by 40% on PCP

Managing Director and CEO Ahmed Fahour said: "Volumes have recovered strongly in all areas other than travel and current indications are that this trend will continue for the remainder of 2021. Instalments volumes have been pleasing, particularly in the home segment, and we see this performance continuing. Personal Loans and Auto Loans volumes are growing strongly and Latitude is now the number two originator of new Personal Loans in Australia and one of the leaders in New Zealand. We remain optimistic that travel volumes will recover quickly when borders reopen, although the reopening has been further delayed.

"The LatitudePay+ (big ticket BNPL) pilot is currently in market and will move to full launch in 2H21. Latitude will also apply for the necessary licences to build its instalments business in Singapore/ Malaysia in the coming months, in conjunction with our key merchant partners.

"The 1H21 guidance is not expected to be impacted by the current lockdown in Victoria. The business is sufficiently buffered to handle disruptions like the short lockdowns we've experienced now across several states."

Authorised for release by Paul Burke, Company Secretary.

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¹ The six months to 30 June 2020 Pro Forma, as incorporated in the IPO Prospectus dated 30 March 2021, has been used as the basis for prior comparative period (PCP) comparisons.