

16 November 2021

Macquarie Emerging Leaders Conference

Latitude presentation materials



Latitude Group Holdings Limited
ACN 604 747 391

Latitude investment proposition

1

Compelling value at current trading levels: highly profitable business driven by strong distribution, sustainable cost efficiency and low bad debts as a result of our risk capabilities which underpin strong cash generation, ROE and sustainable fully-franked dividend

2

Strong growth potential from release of COVID restrictions and executing our growth strategies

- **Reopening of NSW and Victoria along with international travel which will drive a strong recovery in volume and receivables**
- **Symple acquisition completed with progress on strategic initiatives: new products, integration and successful launch of Personal Loans in Canada**

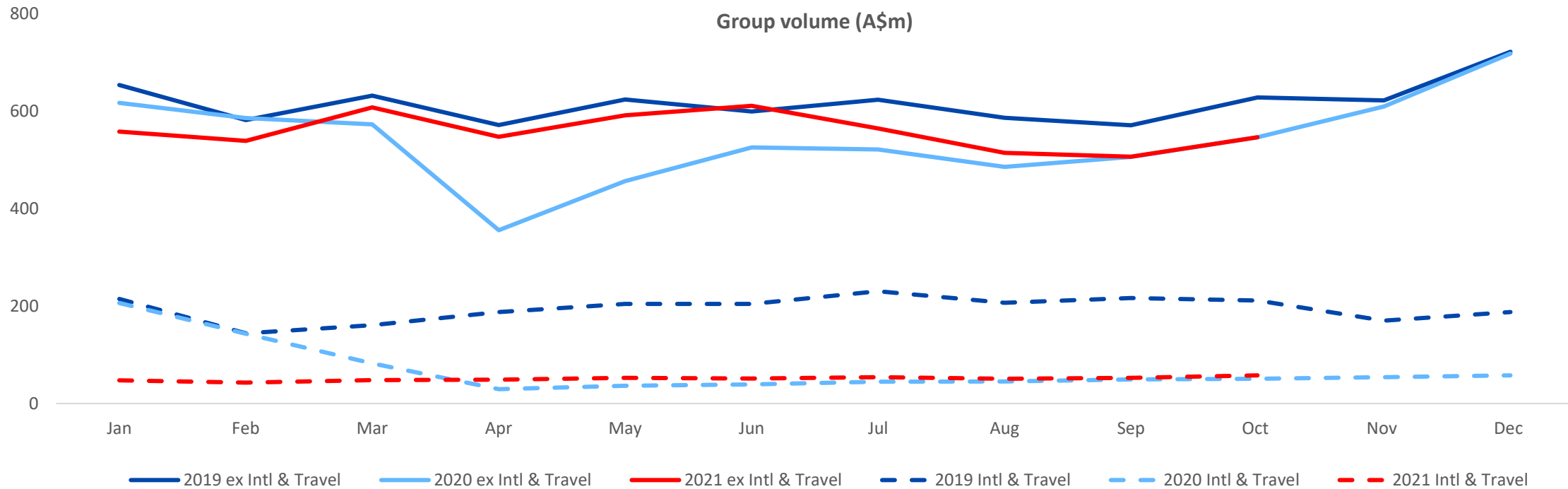
3

Well seasoned and experienced management team

Latitude is performing well and weathered the recent July – October lockdowns to remain on plan



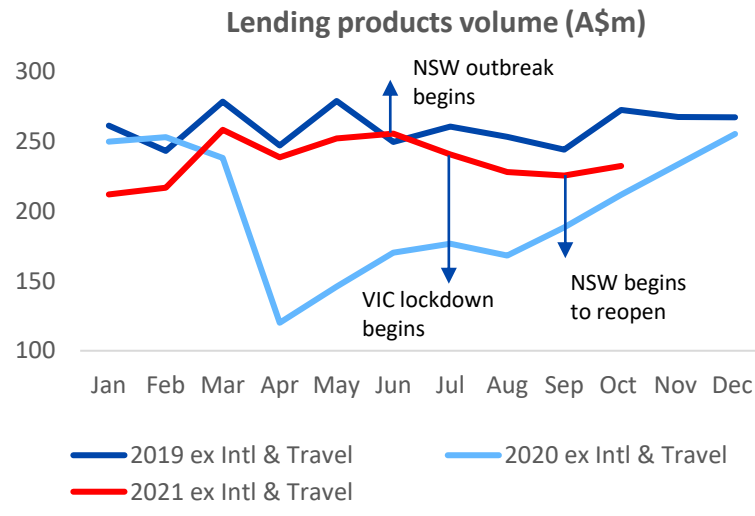
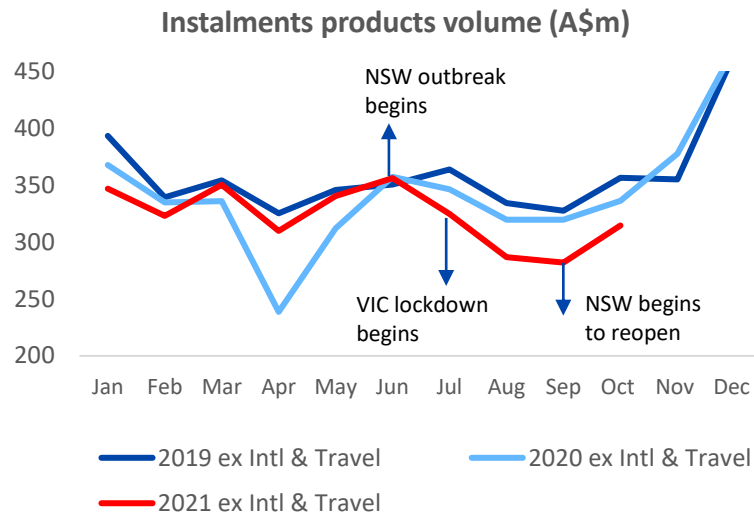
Group volume run-rate nearing 2019 levels, excluding international & travel related volume



Dividend guidance

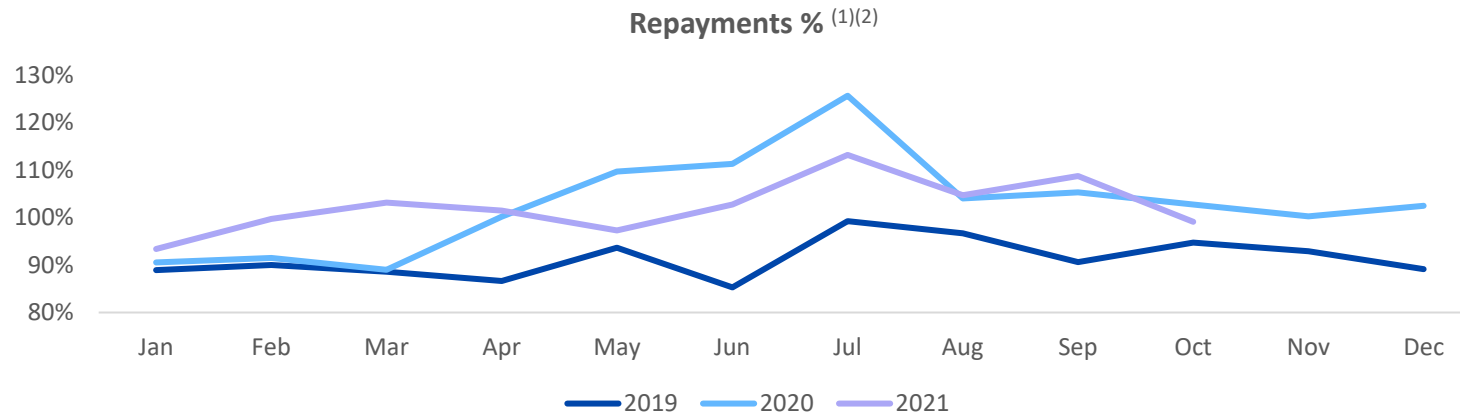
Latitude expects to meet its previously announced 2H21 dividend guidance of 7.85 cents per share fully franked

Volume snapback following economic reopening in line with reopenings in previous years

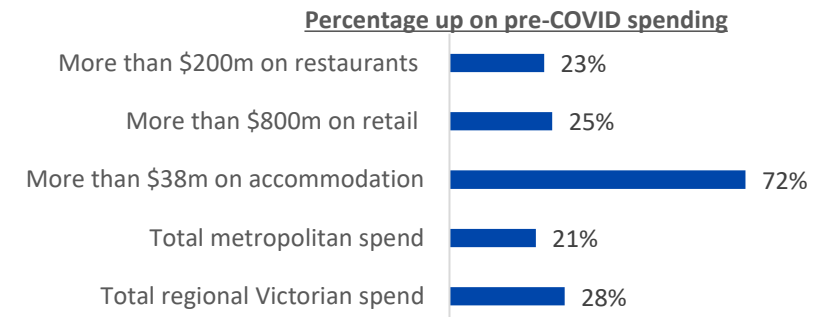


Volumes continue to grow week on week

- Daily average group volume up +9% Nov MTD⁽³⁾ vs Oct led by interest free sales finance up +24%
- VIC has experienced a strong rebound with interest free average daily volumes up +70% Nov MTD vs Oct, scheme average daily volume also up +30%
- NSW interest free volume was up +23% in October vs. September after only 2 weeks post lockdown
- Group receivables up Nov MTD, with upside predominately in Sales Finance and Credit Cards Australia



Victorians have spent more than \$2 billion from 30 Oct to 6 Nov⁽⁴⁾



(1) FX normalised at AUD/NZD 0.9419

(2) Excludes 28 Degrees and other run off Credit Cards due to international impact on Credit Card portfolio repayment rates

(3) Nov MTD is at 10 November 2021

(4) Source: NAB

Latitude is disrupting traditional consumer lending



Large addressable opportunity in consumer loans

\$11bn+
Personal
Loan
segment¹

\$5bn¹
fixed rate

Existing
Latitude
Leadership

\$6bn¹
variable rate

Opportunity

- Consumers are considering alternatives away from traditional lenders
- Challengers with digital lending propositions are disrupting incumbents and growing share
- Significant opportunity for Latitude to disrupt and win share from traditional lenders

Latitude is well positioned with unique capabilities

- ✓ B2B2C distribution model with a large and growing Instalments products customer base
- ✓ Proven lifecycle marketing and graduation capabilities
- ✓ Proprietary data and risk-based pricing, credit decisioning and portfolio management capabilities
- ✓ Significant funding capacity
- ✓ Capabilities underpin Latitude's strong position in personal loans – #2 share in Australia for personal loans by volume and #4 by receivables², with c.12% share in Australia and c.27% share in NZ²

Latitude's lending growth initiatives address these trends

1. Improving digital experience for customers across all channels – reducing "time to yes (TTY), time to cash (TTC)"
2. Improving digital experience and service to increase activation and penetration of our ~5,800 accredited brokers³
3. Enter the variable rate (line of credit and redraw) segment
4. Improving digital lifecycle marketing capabilities to graduate the growing BNPL and Instalments customer base
5. Develop new partnerships to grow new customers

(1) A\$ receivables, internal Latitude data as at 30 June 2021

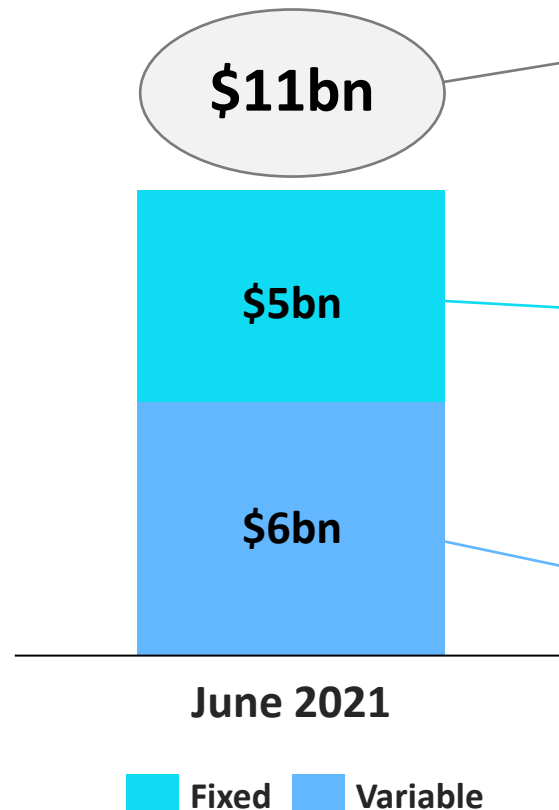
(2) Internal Latitude data as at 30 June 2021

(3) As at 31 December 2020

Latitude has a significant share in fixed rate Australian personal loans with large upside potential remaining in variable rate loans



Personal Loans in Australia, \$bn¹



- Latitude is #4 in total receivables with a 12% share¹ (up from #6 and 8% in 2017) despite not having a variable rate personal loan product

- #2 total volume² (up from #6 in 2017)

- Latitude has a 26% share of Australian personal loans fixed rate¹ (up from 24% in 2017)

- #2 fixed rate volume² (up from #3 in 2017)

- 80%+ 2020³ Australian personal loan volume from Latitude's B2B2C model

- Latitude does not compete in this segment currently

- **Within the next 5 years, Latitude's ambition is to have the same share in variable rate personal loans as it currently has in fixed rate personal loans**

(1) A\$ receivables, internal Latitude data as at 30 June 2021.

(2) Internal Latitude data as at 30 June 2021.

(3) As at 31 December 2020.

Symple integration on track and Australia PLs live by Easter



Latest developments

Synergies

- Deal closed on 22 October 2021, and key Symple team members now form a critical part of Latitude, including Bob Belan as EGM Money
- Technical integrations are well underway and program milestones are on track, management remain confident about the level of synergies and are excited about the combined opportunities

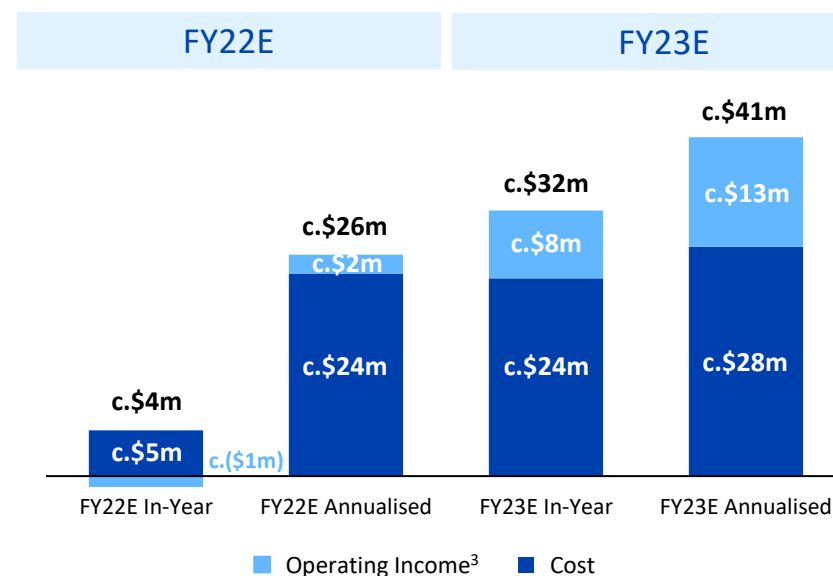
Australia / New Zealand new product timing

- Interim “by Latitude” branding is live on Symple sites, Latitude brand is the agreed go forward state
- New Latitude Australia PLs to be written through the rebranded Symple experience in time for Easter

Canada approach

- Successfully launched in the new geography of Canada, largest addressable opportunity of any geography that Latitude currently operates in, with ~\$600bn⁽¹⁾ in consumer receivable balances outstanding
- >80% share held by the Big 5 Canadian lenders with Symple’s being the only fintech offering a proposition (digital experience & price) to compete directly against incumbent banks for credit worthy customer segments
- Favourable regulatory environment, a more advanced credit system and low historical consumer delinquency rates present significant opportunities to deliver growth at strong risk adjusted returns (est. >10%)
- Early results show strong customer demand with origination volumes expected to accelerate as marketing investment increased and credit underwriting strategies are further refined
- Further opportunity to expand into Credit Cards with ~75m credit cards currently in circulation as well as activating Latitude’s capabilities in Instalments represents further future growth potential

Expected PBT Synergies²



- Cost synergies realised through migration of portfolio
- Operating Income synergies realised from increased volumes
- Strong, improved cost efficiency as synergies are realised, supporting Latitude’s long-term ambitions for a cost-to-income ratio of c.35% after FY23

(1) C\$ receivables, internal Symple analysis (2) This is based on Latitude management estimates and assessment, having regard to the information disclosed in respect of Symple and a range of assumptions and contingencies. These assumptions include the completion of a successful roll out of vaccines by the end of 2021 and international travel reopening in 2022 as well as no further extended national or state-wide lockdowns. The actual outcome may differ because events and actual circumstances may not occur as projected or assumed. Pre-IFRS9 provision. (3) Operating Income synergies include volume related revenue and funding synergies, offset by incremental interest associated with cash consideration, variable and integration costs. Excludes potential investment that may be required to expand the Canadian business. This is based on Latitude management estimates and assessment, having regard to the information disclosed in respect of Symple and a range of assumptions and contingencies. The actual outcome may differ because events and actual circumstances may not occur as projected or assumed.