

Latitude 2022 AGM- Managing Director and CEO presentation

27 April 2022



Latitude Group Holdings Limited
ACN 604 747 391

Positive results despite broader economic challenges

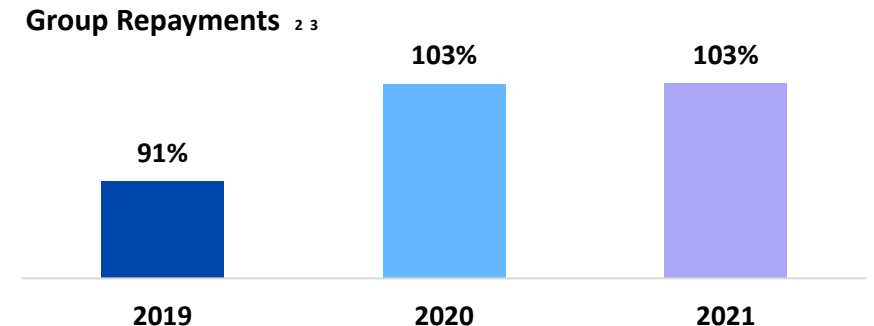


Highlights:

- 1 Statutory profit \$160m, Cash NPAT \$232m, ROE 17%
- 2 Total Volume of \$7.3bn up 4.3%, Lending¹ up 41.6% and NZ Instalments up 10.1%
- 3 Strong operating cost and credit quality outcomes
- 4 Growth in risk adjusted income margin (+41bps) sustained strong asset quality
- 5 Operational highlights:
 - Completed Symple acquisition, with front book origination to go live in early Q2, on budget and on time
 - New segments in Big Ticket (health/marketplace/telco) & international launched first transaction in Q4 2021
 - Recently announced Humm acquisition
- 6 Capital and funding strength, 8.7% TER

Challenges:

- 1 Rolling lockdowns and consumer confidence driving lower customer footfall in retail impacting December and January volume
- 2 Elevated repayments resulting in higher quality but lower overall receivables



(1) Lending excluding 28 Degrees and other run off Credit Cards (2) FX normalised at NZD/AUD 0.9419. (3) Repayment rate is the average of the monthly repayment rate, which is calculated as repayments expressed as a percentage of opening receivables. Excludes 28 Degrees and other run off Credit Cards due to international impact on Credit Card portfolio repayment rates

Drivers of Latitude Growth FY23+



Outlook

1

Consumer spending is expected to return to pre-pandemic levels as confidence lifts and based on the strong rebound in Latitude's volumes post previous lockdowns

2

The resumption of international tourism into Australia provides further optimism and a boost in activity

3

Latitude is well placed to benefit as the economy and repayment levels normalise

4

Bad debts remain low for 2022, reflecting higher quality customers

5

Lingering COVID impacts have slowed the pace of revenue recovery but asset quality remains strong with cost discipline intact

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