



LATITUDE

Latitude Group Holdings Limited
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ASX ANNOUNCEMENT

Latitude Financial revised definition of Cash NPAT

Latitude Group Holdings Limited (ASX:LFS) has undertaken a review of its Cash NPAT definition, following the release of its FY21 results on 21 February 2022 and feedback from investors and analysts.

Cash NPAT is a non-IFRS performance measure used by the Group and the investment community to benchmark underlying performance. It is calculated by adjusting statutory profit for certain non-business-as-usual items such as amortisation of acquisition intangibles, amortisation of legacy transaction costs and other items associated with the acquisition, disposal and closure of businesses.

As a result of the review, Latitude today announced the following change to external management reporting disclosures related to Cash NPAT:

- Items relating to project operating expenses associated with simplification, technology and strategic execution are now included in Cash NPAT and hence have been removed from “Significant items” adjustments.

Cash NPAT under the new definition of \$216.3m has grown by 5.9% in 2021, year-on-year, versus 3.7% in 2021 under the old definition.

	Full year ended		Half year ended	
	31-Dec-21	31-Dec-20	31-Dec-21	30-Jun-21
	\$m	\$m	\$m	\$m
Cash NPAT - previous definition	232.2	223.9	111.3	120.9
<i>Add/(Less):</i>				
Simplification/ technology	(19.4)	(27.0)	(12.5)	(6.9)
BNPL - Big ticket	(3.1)	0.9	(1.3)	(1.8)
Tax effect	6.6	8.2	4.1	2.5
Cash NPAT - revised definition	216.3	204.2	101.6	114.7



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It is important to note, this affects external management reporting only and there is no impact to the statutory profit/(loss) after tax.

A reconciliation of cash NPAT to statutory profit after tax is provided in the table below.

	Full year ended		Half year ended	
	31-Dec-21	31-Dec-20	31-Dec-21	30-Jun-21
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Cash NPAT - revised definition	216.3	204.2	101.6	114.7
Amortisation of acquisition intangibles	(48.3)	(48.3)	(24.2)	(24.1)
Amortisation of legacy transaction costs	(9.4)	(24.8)	(3.8)	(5.6)
Corporate development	(12.0)	-	(10.7)	(1.3)
Asset/ work in progress impairment	(2.5)	(7.8)	(0.8)	(1.7)
Discontinued facilities (net of sub-lease revenue)	(3.8)	-	(1.6)	(2.2)
Other provisions	(2.1)	(27.1)	(1.2)	(0.9)
IPO/ capital structure costs	-	(100.1)	-	-
Tax effect	22.2	50.6	11.6	10.5
Statutory profit after tax (cont. operations)	160.3	46.7	70.7	89.5
Discontinued operations	-	(1.5)	-	-
Statutory profit after tax	160.3	45.2	70.7	89.5

Latitude will release its 2022 Half year results on 22 August 2022 incorporating the change to the definition of Cash NPAT.

Authorised for release to the ASX by the Company Secretary, Paul Burke.

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