

FY22

ANNUAL GENERAL MEETING

17 November 2022

Authorised for release by the hummmgroup Board of Directors
hummm group limited ACN 122 574 583
Level 1, 121 Harrington Street, The Rocks, Sydney NSW 2000

 humm®group

WELCOME



CHAIRMAN'S ADDRESS

ANDREW ABERCROMBIE



CEO'S ADDRESS

REBECCA JAMES

| COMMITMENT TO SHAREHOLDERS

- 01** | Grow shareholder value
- 02** | Balance returns and investment for growth
- 03** | Investment to be measured against key performance hurdles

ONE COMPANY TWO BUSINESSES

TO BE THE FAVOURED WAY TO PAY FOR BIGGER PURCHASES



	hummm CONSUMER FINANCE	CORE EXPERTISE	flexicommercial
POSITIONING	#1 POS financier for transactions over \$500	<ul style="list-style-type: none"> >> Instant credit decisioning >> Continual credit improvements driven by data and scale >> Collections strategy and management >> Funding and securitisation to gain competitive advantage and improve capital efficiency 	ANZ leading provider of specialist asset finance
RECEIVABLES	\$1.8bn		\$1.5bn
VERTICALS/ INDUSTRIES	Health // Car Servicing // Home // Travel		Transport // Engineering // Agriculture
CUSTOMER PROFILE	Families aged 35+ // Home owners		SMEs looking to grow
\$ATV¹	\$4,000		\$100,000
CNPAT²	\$22.4m		\$28.7m
NET LOSS/ANR³	2.9%		0.7%

1. Average Transaction Value ('ATV') for Consumer includes hummm, NZ Cards and AU Cards Long Term Interest Free ('LTIF'). 2. Cash Net Profit After Tax ('CNPAT'). 3. Consumer finance ratio for receivables based products only – hummm 'Big things' and NZ and AU Cards.

EXECUTED KEY INITIATIVES TO STRENGTHEN FURTHER



ALIGNING TO 'BIG TICKET' CORE

- ✓ Accelerated growth in Commercial AU
- ✓ Commercial NZ now 85% larger ticket
- ✓ Closed **hummp**ro
- ✓ Closed **bundll** NZ
- ✓ **bundll** AU will migrate to **hummm** AU
- ✓ POS leasing run-off complete
- ✓ Streamlined our partnerships
- ✓ Closure of **hummm** NZ



LAUNCHED NEW CLOUD BASED INSTALMENTS TECHNOLOGY

- ✓ Delivered new scalable instalment platform for the Consumer business
- ✓ Aligned telephony and click to chat across all sites in preparation for consolidation to one centre



TIGHTER MARGIN MANAGEMENT

- ✓ Repriced new originations by 125-150bps
- ✓ Repriced NZ Cards back book
- ✓ Increased origination fees
- ✓ Switched off non-viable merchants
- ✓ Portfolio is 77% hedged



INCREASED FINANCIAL FLEXIBILITY

- ✓ Separated Consumer and Commercial
- ✓ \$709m additional capacity to fund Commercial growth in 1Q23
- ✓ Successfully issued public securitisation for NZ Cards 1Q23

FY22 RESULTS

BIGGER TICKET FINANCIER

\$3.3b

in receivables + 20% PCP

<2%

in small ticket BNPL

Average transaction value of \$4k in Consumer

Average loan value of ~\$100k in Commercial

PROFITABILITY FUNDING GROWTH

\$51.1m

Cash NPAT in FY22

1.4c

Fully franked dividend, FY 3.1cps

Inclusive of investment in international expansion and new products

Provides capital to support dividends and growth

ROBUST CREDIT PERFORMANCE

2.8%

Net Loss/ANR

Historical low for the Group
Down from 3.5% in FY21

Delivered by enhancements to credit decision engine

25+ year heritage in finance

COST REDUCTION

\$9m

costs removed between H1 and H2 FY22

Additional reduction in depreciation of \$9m
10% reduction in people employed (excluding offshore) from December to June

STRONG LIQUIDITY POSITION

\$113m

of unrestricted cash

\$896m

warehouse headroom

\$110m

in undrawn corporate debt

\$170m of additional mezz capacity added in the last 12 months

Post-year end warehouse headroom increased to \$1.2b

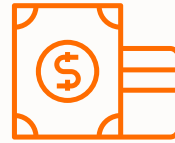
FY23 HUMMGROUP PRIORITIES



PROFITABLE
and resilient
business



STRONG CAPITAL
and funding position



PRUDENT
credit
management



REFOCUS
on the core



IMPROVE
profitability
through yield and
cost management

FY23 CONSUMER PRIORITIES



ALIGNING TO 'BIG TICKET' CORE

- 🎯 Consolidation of **bundll** and **hum** AU
- 🎯 Ready the product for regulation in Australia
- 🎯 Closure of BNPL NZ
- 🎯 Review of offshore investment levels and return horizons



TECHNOLOGY SIMPLIFICATION

- 🎯 Transitioning the domestic instalment business onto global technology platform
- 🎯 Simplify NZ Cards systems via back book migration and transition to the Cloud



SERVICE TRANSFORMATION

- 🎯 Reduce call volumes with greater self-serve capability in mobile apps
- 🎯 Consolidation of three customer service centres to one

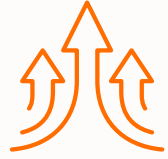


IMPROVING MARGIN

- 🎯 Optimising profitability through disciplined management of merchant return profiles

>> **\$15-20m** of in year cost savings in **FY23** with **\$20-25m** annualised
>> Reduction in CAPEX investment to **\$18m**
>> Planning a further **~15%** reduction in the number of people employed

FY23 FLEXICOMMERCIAL PRIORITIES



GROWING PRESENCE IN CHOSEN SECTORS

- 🎯 Increasing business development team size and locations
- 🎯 Expanding broker channel in New Zealand
- 🎯 Inorganic growth opportunities through targeted accretive acquisitions



TECHNOLOGY SIMPLIFICATION

- 🎯 Investing in a scalable tech platform to facilitate growth
- 🎯 Enhancing Systems:
 - Receivables
 - Asset management
 - Customer relationship
 - Supplier Payment



FURTHER STRENGTHENING OUR BALANCE SHEET

- 🎯 Enhancing and expanding warehouse facilities, capital markets program and mezzanine funding
- 🎯 Two new warehouses established with senior funding
- 🎯 Mezzanine funding introduced



SHARPENING MARGIN MANAGEMENT

- 🎯 Price front book to reflect implications of rising interest rates
- 🎯 Enhanced credit management leading to lower losses - further development of risk-based pricing capability
- 🎯 Maintain effective hedging strategies

STRATEGIC UPDATE: OFFSHORE EXPANSION



UNITED KINGDOM (UK)

RETREATING FROM ENGLAND TO IRELAND AND NORTHERN IRELAND

- 🎯 Large total addressable credit market, but more challenging macro environment
- 🎯 Prudently retreat from broader UK expansion, focus on profitable Irish business
- 🎯 Obtained UK credit license from FCA, can service customers in Northern Ireland
- 🎯 Reinvest in higher ROI opportunities in the near-term



CANADA

COMMITTED TO GROW AND INVEST IN CANADA

- 🎯 Strong growth potential with ~CAD50 billion market opportunity
- 🎯 Attractive demographics and margins
- 🎯 Focus on big ticket instalment products
- 🎯 Team and new technology in place
- 🎯 Economic and regulatory conditions more aligned to domestic market
- 🎯 Competitive dynamics are less challenging than other potential markets

| FUNDING AND CAPITAL ENVIRONMENT AND OUR BALANCE SHEET



CEO'S ADDRESS IN CLOSING

| ITEMS OF BUSINESS

- 01** | Consideration of Reports
- 02** | Re-election of Director, Mr Stuart Grimshaw
- 03** | Re-election of Director, Ms Teresa Fleming
- 04** | Re-election of Director, Mr Anthony Thomson
- 05** | Re-election of Director, Mr Robert Hines
- 06** | Adoption of the 2022 Remuneration Report
- 07** | Ratification of Appointment of Auditor
- 08** | Renewal of Proportional Takeover Provisions

Item 1.

Consideration of Reports



To receive and consider the Company's Financial Report, Directors' Report and the Independent Auditor's Report for the year ended 30 June 2022.

Item 2.

Re-election of Director, Mr Stuart Grimshaw

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“

That Mr Stuart Grimshaw, a Director of **hummg**roup limited who retires in accordance with Article 10.3(b) of the Constitution, and being eligible, and offering himself for re-election, is re-elected as a Director of **hummg**roup.

Item 2.

Re-election of Director, Mr Stuart Grimshaw Proxy numbers

For	—	258,303,841	95.83%
Against	—	10,115,439	3.75%
Open	—	1,110,746	0.41%
Abstain	—	359,960	

Item 3.

Re-election of Director, Ms Teresa Fleming

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“

That Ms Teresa Fleming, a Director of **hummg**roup limited who retires in accordance with Article 10.3(b) of the Constitution, and being eligible, and offering herself for re-election, is re-elected as a Director of **hummg**roup.

Item 3.

Re-election of Director, Ms Teresa Fleming Proxy numbers

For	—	266,237,746	98.80%
Against	—	2,116,134	0.79%
Open	—	1,128,746	0.42%
Abstain	—	407,360	

Item 4.

Re-election of Director, Mr Anthony Thomson

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:



That Mr Anthony Thomson, a Director of **hummg**roup limited who retires in accordance with Article 10.3(b) of the Constitution, and being eligible, and offering himself for re-election, is re-elected as a Director of **hummg**roup.

Item 4.

Re-election of Director, Mr Anthony Thomson Proxy numbers

For	—	266,739,602	98.99%
Against	—	1,598,278	0.59%
Open	—	1,135,146	0.42%
Abstain	—	416,960	

Item 5.

Re-election of Director, Mr Robert Hines

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“

That Mr Robert Hines, a Director of **hummg**roup limited who retires in accordance with Article 10.3(b) of the Constitution, and being eligible, and offering himself for re-election, is re-elected as a Director of **hummg**roup.

Item 5.

Re-election of Director, Mr Robert Hines Proxy numbers

For	—	266,729,224	98.98%
Against	—	1,402,187	0.52%
Open	—	1,338,782	0.50%
Abstain	—	419,793	

Item 6.

Adoption of Remuneration Report

To consider and, if thought fit, to pass the following non-binding resolution of the Company:



That, for the purposes of section 250R(2) of the *Corporations Act 2001 (Cth)*, the Company's Remuneration Report for the financial year ended 30 June 2022, as set out in the Annual Report, be adopted.

Item 6.

Adoption of Remuneration Report Proxy numbers

For	—	128,587,993	91.88%
Against	—	10,345,197	7.39%
Open	—	1,012,135	0.72%
Abstain	—	725,032	

Item 7.

Ratification of Appointment of Auditor

To consider and, if thought fit, to pass the following ordinary resolution of the Company:

“

That for the purposes of section 327B(1)(b) of the *Corporations Act 2001 (Cth)* and for all other purposes, Ernst & Young Limited, having been nominated by a shareholder and having consented in writing to act as auditors of the Company, be appointed as auditors of the Company.

Item 7.

Ratification of Appointment of Auditor Proxy numbers

For	—	267,333,673	99.13%
Against	—	1,297,696	0.48%
Open	—	1,058,867	0.39%
Abstain	—	199,750	

Item 8.

Renewal of Proportional Takeover Provisions

To consider and, if thought fit, to pass the following as a special resolution of the Company:

“

That, the proportional takeover provisions in Articles 6.9 – 6.13 of the Company’s Constitution, as set out in Annexure B of the Notice of Meeting, be renewed for a period of three years commencing on the day this resolution is passed.

Item 8.

Renewal of Proportional Takeover Provisions: Proxy numbers

For	—	265,874,757	98.83%
Against	—	2,020,000	0.75%
Open	—	1,139,868	0.42%
Abstain	—	855,361	

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THANK YOU

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