

# **Results Presentation & Discussion Materials**

For the half year ended 30 June 2024

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## General

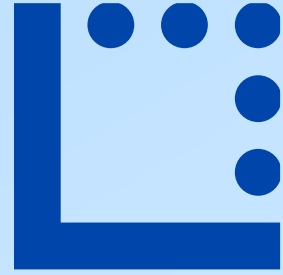
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# Agenda



- 1 First Half 2024 Highlights
- 2 Financial Performance
- 3 Management Outlook



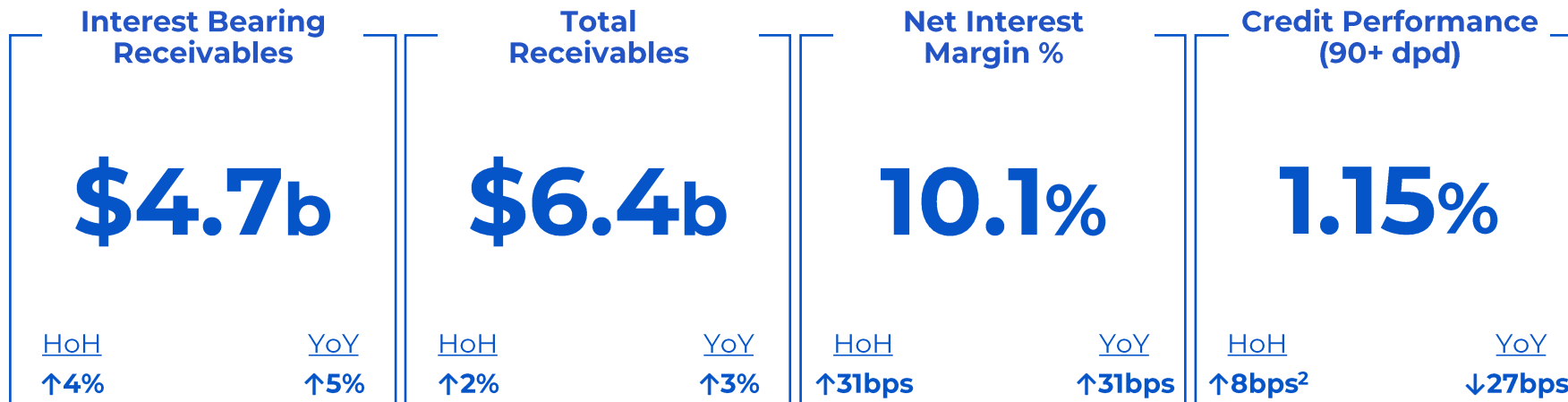
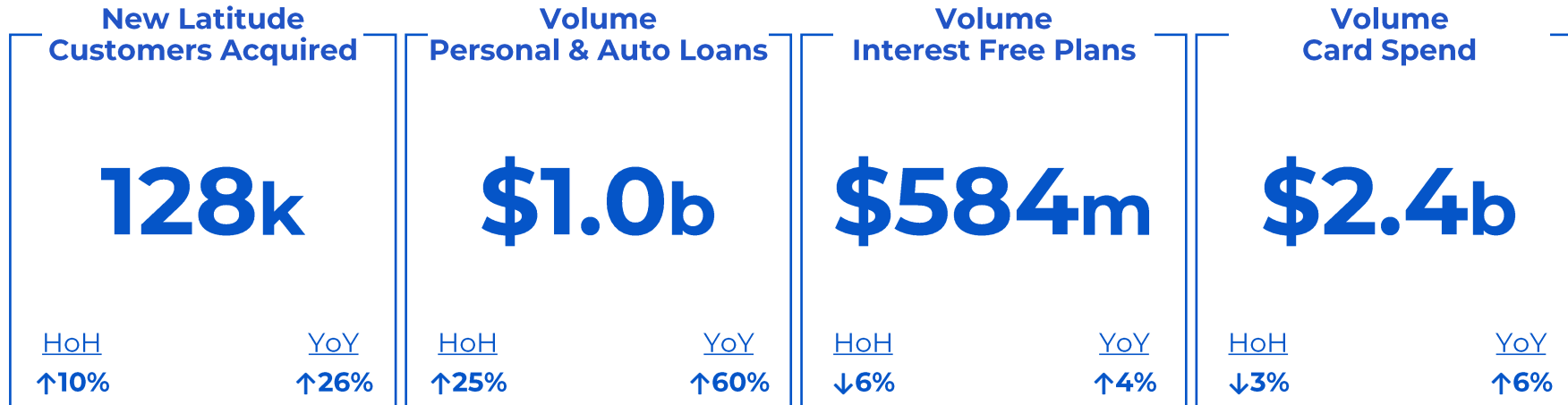
# **First Half 2024 Highlights**

**Bob Belan – Managing Director & CEO**

# 1<sup>st</sup> Half 2024 Snapshot – Key Business Drivers



Strong rebound in all key leading growth drivers



(1) Based on receivables by brand  
(2) June 2024 adjusted to align with 120 days past due charge off methodology in prior period

# 1st Half 2024 Snapshot – Key Financials



Execution discipline and focus on fundamentals driving performance turnaround

**\$1.1 billion**  
New Funding  
Raised & Refinanced

Interest  
Income

**\$504m**  
16.1%

HoH YoY  
↑5%/56bps ↑6%/111bps

Net Interest  
Income

**\$316m**  
10.1%

HoH YoY  
↑4%/31bps ↑2%/31bps

Total Operating  
Income

**\$342m**  
10.9%

HoH YoY  
↑5%/47bps ↑2%/40bps

Risk Adjusted  
Income

**\$232m**  
7.4%

HoH YoY  
↑8%/48bps ↑1%/18bps

**~\$10 million**  
Reallocated To  
Growth Investments

Cash Operating  
Expense

**\$165m**  
757 FTE

HoH YoY  
↓6% ↓3%

Cash OpEx to  
Income Ratio

**48.3%**

HoH YoY  
↓595bps ↓255bps

Cash Profit  
Before Tax

**\$67m**

HoH YoY  
↑72% ↑13%

Cash Net Profit  
After Tax

**\$27m**

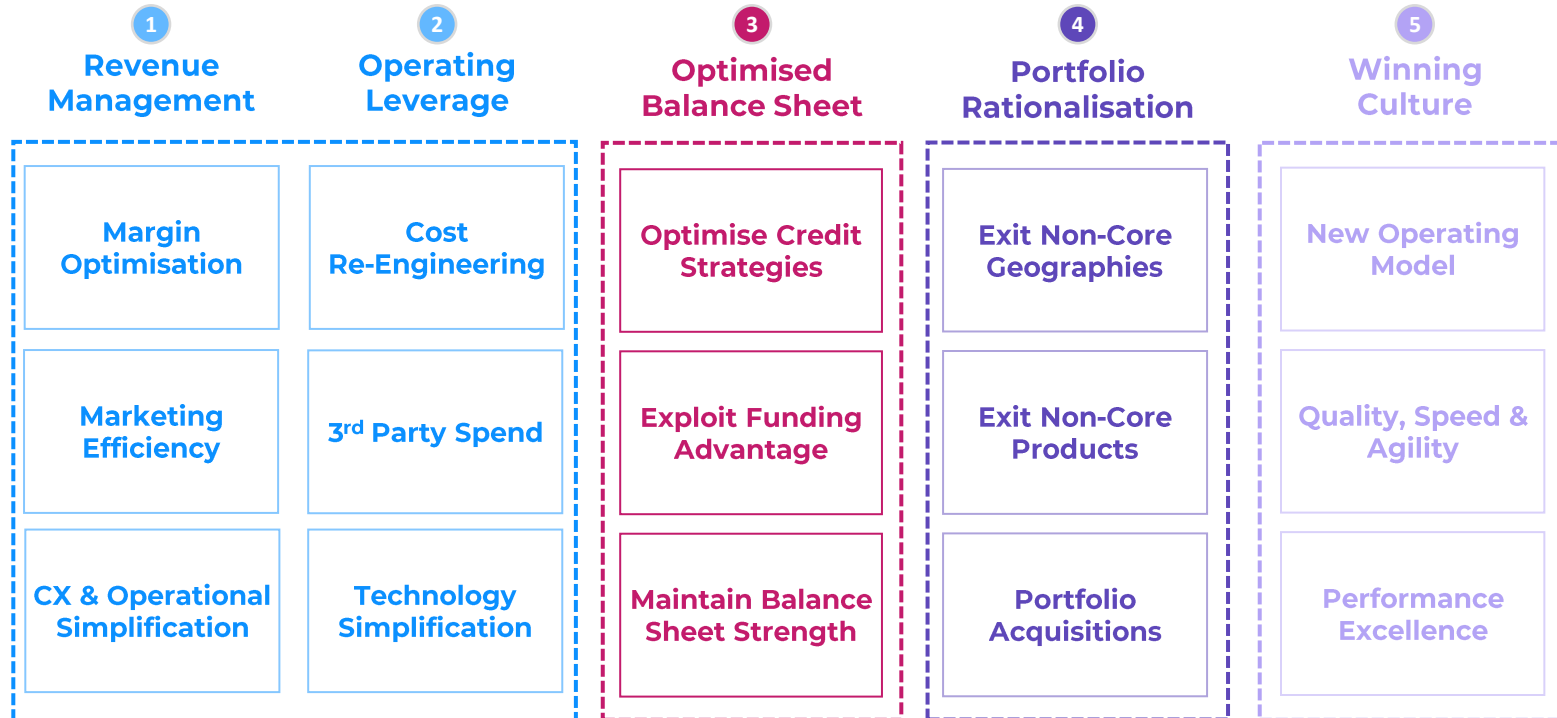
HoH YoY  
↑69% ↑140%

# Our Strategy & Our Leaders

Company priorities & actions guided by our refreshed Corporate Strategy and led by a globally experienced leadership team

## Path to Full Potential Strategy SIMPLIFY – OPTIMISE – MAXIMISE

----- Brilliant Basics -----



# Latitude Executive Team



**Bob Belan**  
MD & CEO



**Paul Varro**  
CFO



**Steve Rubenstein**  
EGM, Money Division



**Adriana Martinez**  
EGM, Pay Division



**Felicity Joslin**  
CPO



**Mark Brudenell**  
CRO



**Karl Hoffman**  
EGM, Strategy & Transformation



**Areti Rapakousios**  
GGM, Audit & Operational Excellence



**Campbell Morrison**  
COO  
(Oct 2024)



# Money Division: Record high new origination volume and at elevated margins

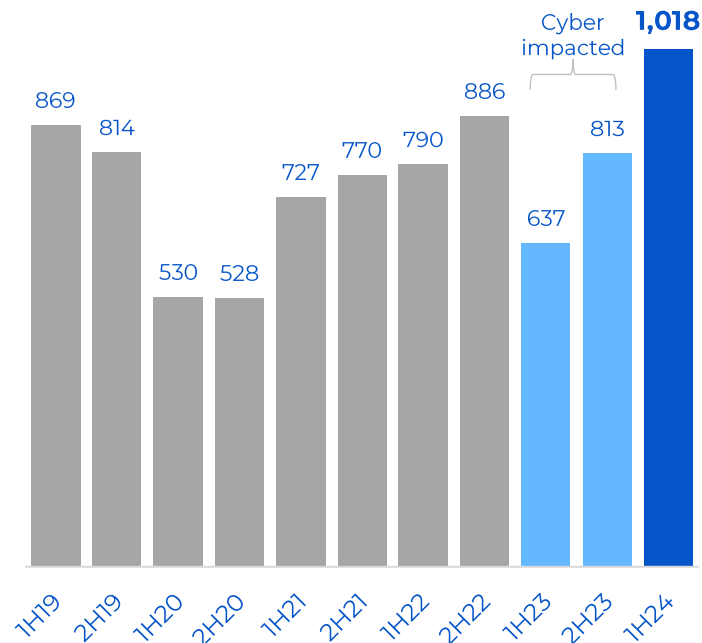


## 1 Brilliant Basics (Revenue Management)

### Over \$1bn in Total Loan Originations in 1H24

+25% HoH / +60% YoY and now #2 in Personal Loans market share in AU

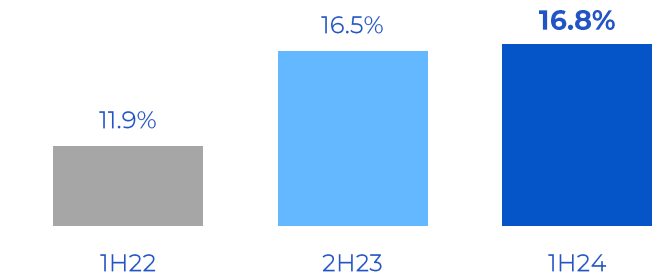
#### Total Origination Volume (\$,m)



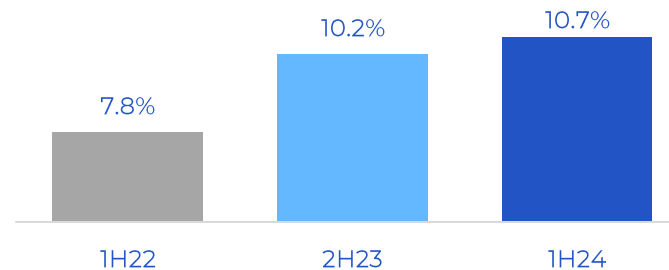
### New loans continue to be written at stronger margins

30-50bps margin expansion HoH on new business interest yield and NIM

#### New Volume Interest Yield



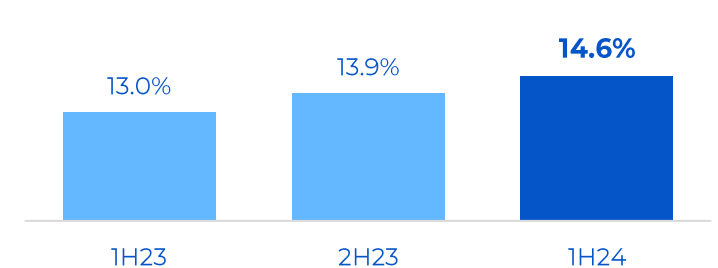
#### New Volume Net Interest Margin<sup>1</sup>



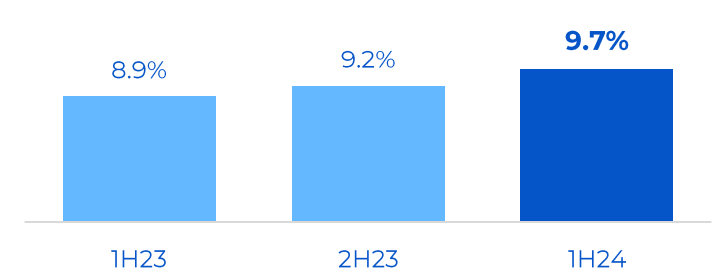
### Portfolio yield supporting profit growth momentum

Roll-off of older, lower margin vintages, replaced with higher margin new vintages

#### Total Portfolio Interest Yield



#### Total Portfolio Net Interest Margin



(1) New Business Net Interest Margin is calculated as New Business Interest Yield less New Business Interest Expense Yield

# Pay Division: Focus on the fundamentals with customers & merchants

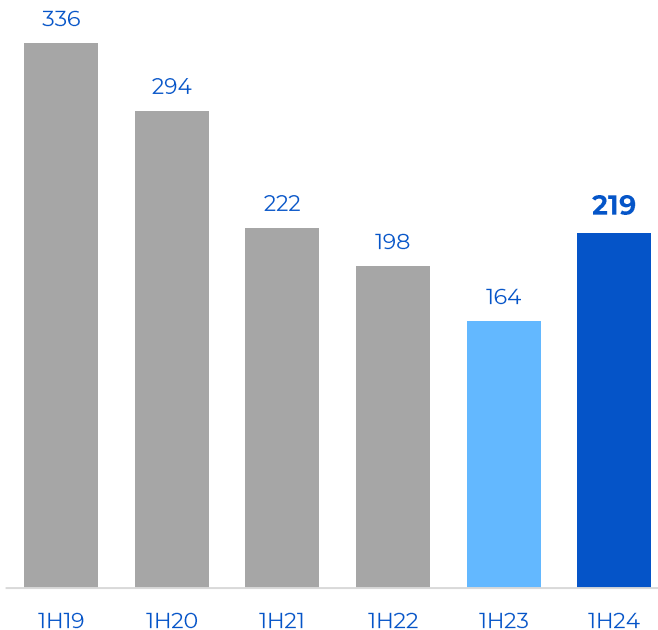


## 1 Brilliant Basics (Revenue Management)

### Consumer demand building & value proposition resonating

Applications +34% YoY and now back to 1st half 2021 levels

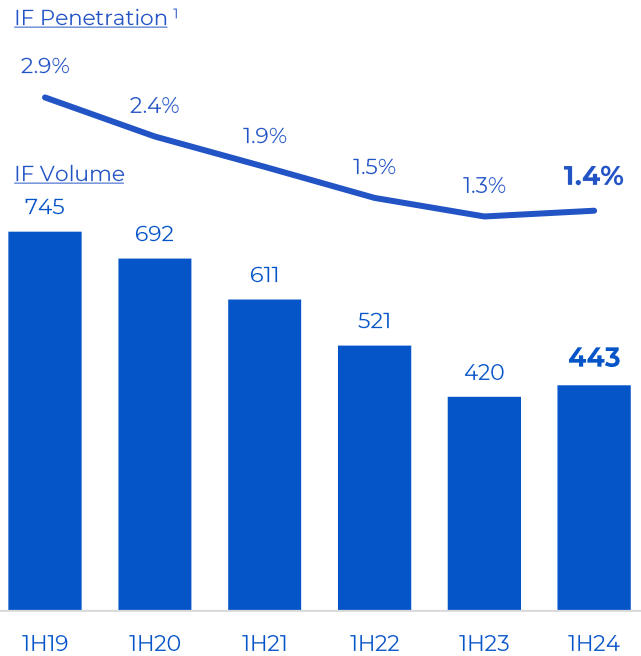
#### Sales Finance & Credit Cards Applications (#, '000s)



### New marquee partnerships further supporting growth

Focus on existing + new merchants to increase Interest Free Plan utilisation & penetration

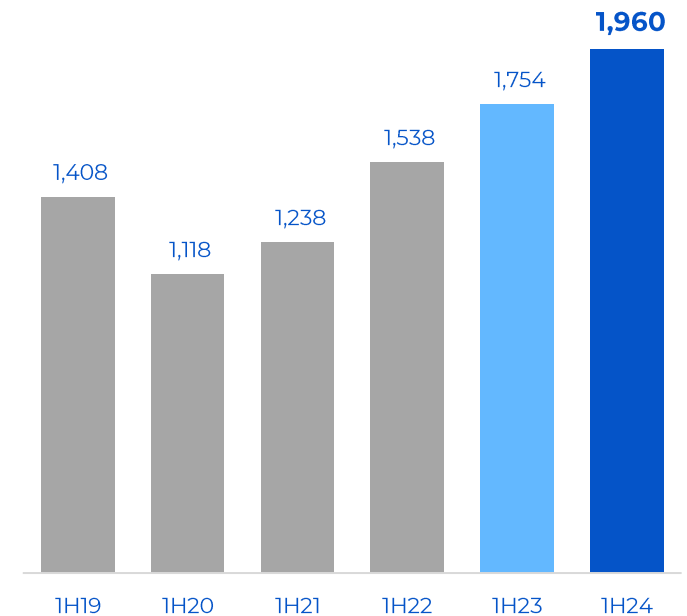
#### Sales Finance AU Interest Free Volume (\$m) & Penetration (%)



### Credit Card usage and spending accelerating

Higher customer engagement driving higher card spend per account, +12% YoY

#### Card Spend per account (\$)

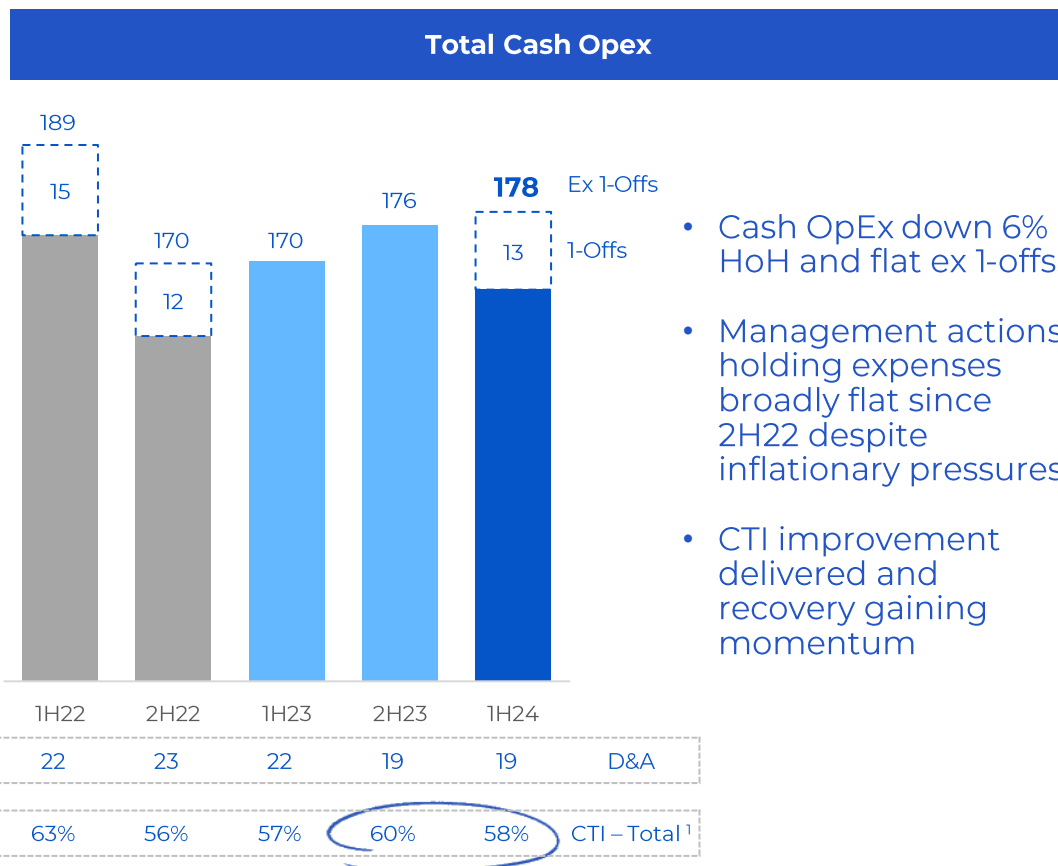


(1) IF penetration represents Sales Finance Australia Interest Free volume expressed as a percentage of Total Household Goods retail sales (source ABS).

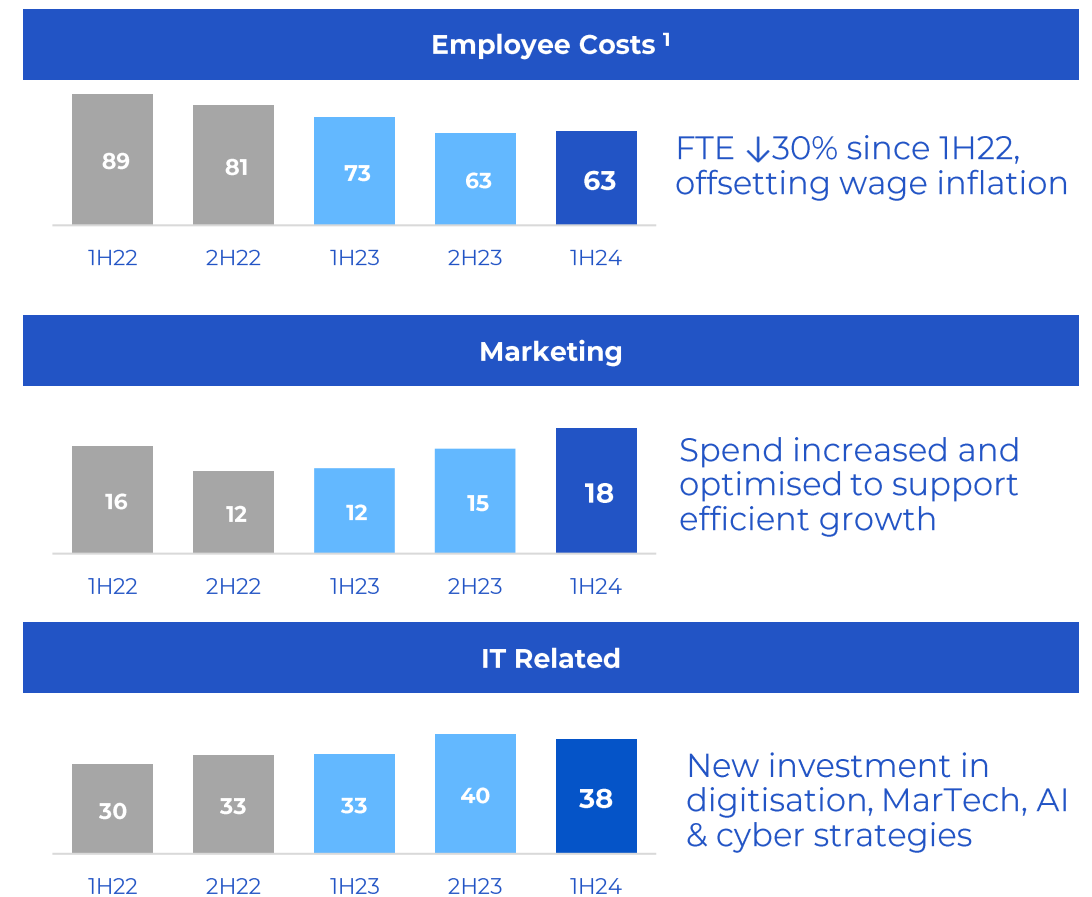
# Cost re-engineering implemented to support incremental investments

## 2 Brilliant Basics (Operating Leverage)

Disciplined cost management despite consistent inflationary pressure



Expense base re-engineering unlocking incremental strategic & growth investments



(1) Data is shown ex 1-offs

# 1<sup>st</sup> half 2024 Treasury Highlights



## 3 Optimised Balance Sheet

### Re-energised funding programme in 1H24

#### Raised \$1.1bn of new funding in public ABS

- ✓ Re-established programmatic issuance record post Cyber
- ✓ Secured best-in-class pricing and advance rates for each deal
- ✓ Extended maturity profile, issuing at 3 years term

#### Expanded to 56 active investors

- ✓ Largest since the inception of the programme in 2015
  - Introduced 11 new investors in 1H24

#### Refinanced syndicated corporate debt facility

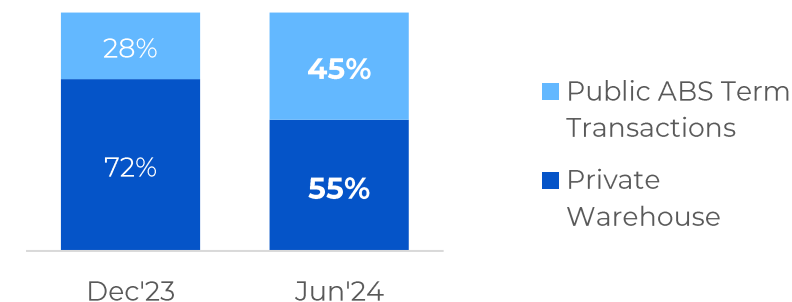
- ✓ Maintained terms/pricing while right-sizing AUD facility to support Latitude's operating liquidity needs more efficiently

#### Maintained strong liquidity profile

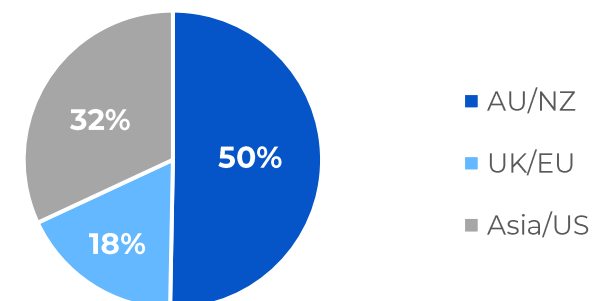
- ✓ 12-month liquidity runway
- ✓ Ample warehouse capacity to absorb 2H24 ABS maturities

### Funding diversification & cost optimisation delivered

#### Public ABS Issuance Grows as % of Overall Funding



#### Geographic breakdown of Investors across the 3 Term Transactions issued in 2024



# Progressing our simplification & cultural change agendas

4

## Portfolio Rationalisation

FY23



### Exit unprofitable BNPL segment

- Operational decommissioning complete
- OpEx redeployed to “core” products



### Sold Hallmark Insurance business

- Transaction completed May'23
- TSA completed Jun'24
- Capital released to LFS balance sheet



### Symple Canada closure & asset sale

- OpEx redeployed to “core” markets



### Asia book in run-off, to be completed in 2H24

- Origination ceased in Apr'24
- Operational wind down to be completed in 2H24

1H24

5

## Winning Culture



Key leadership team appointments & embedding new operating model



Purpose & Values refresh underway



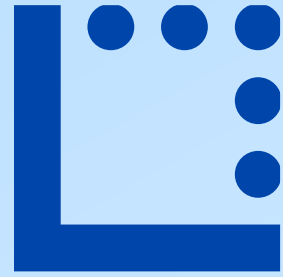
Investments in Employee Value Proposition



Elevated employee engagement levels—highest since 2021



CFO search in progress



# Financial Performance

Paul Varro – CFO

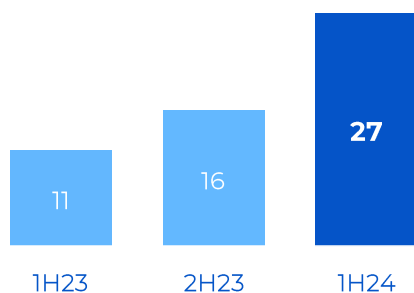
# 1<sup>st</sup> Half 2024 Financial Snapshot



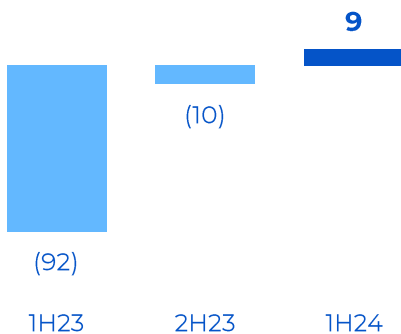
Bounce-back well underway

## Strong earnings momentum

### Cash NPAT (\$m)

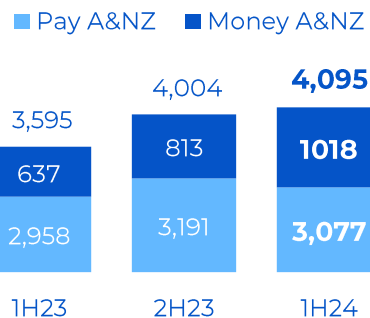


### Statutory profit/(loss) after tax from continuing ops (\$m)

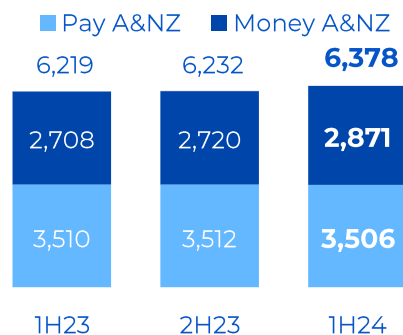


## Growing volumes & Receivables

### Volume (\$m)

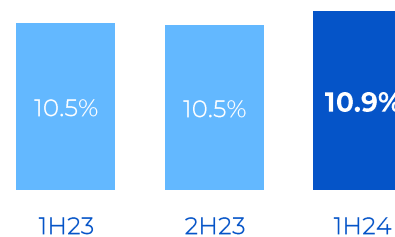


### Gross Loan Receivables (\$m)

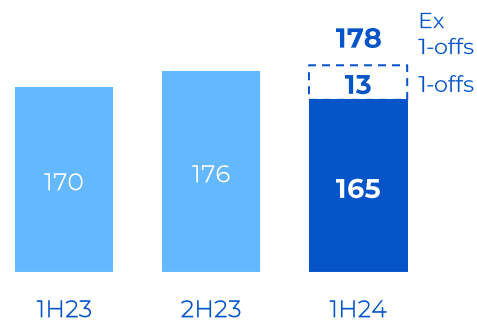


## Margin expansion with cost discipline

### Op Income / AGR (%)

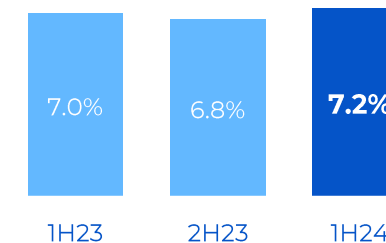


### Cash Opex (\$m)



## TER% remains strong Dividend on hold

### Tangible Equity Ratio (TER)



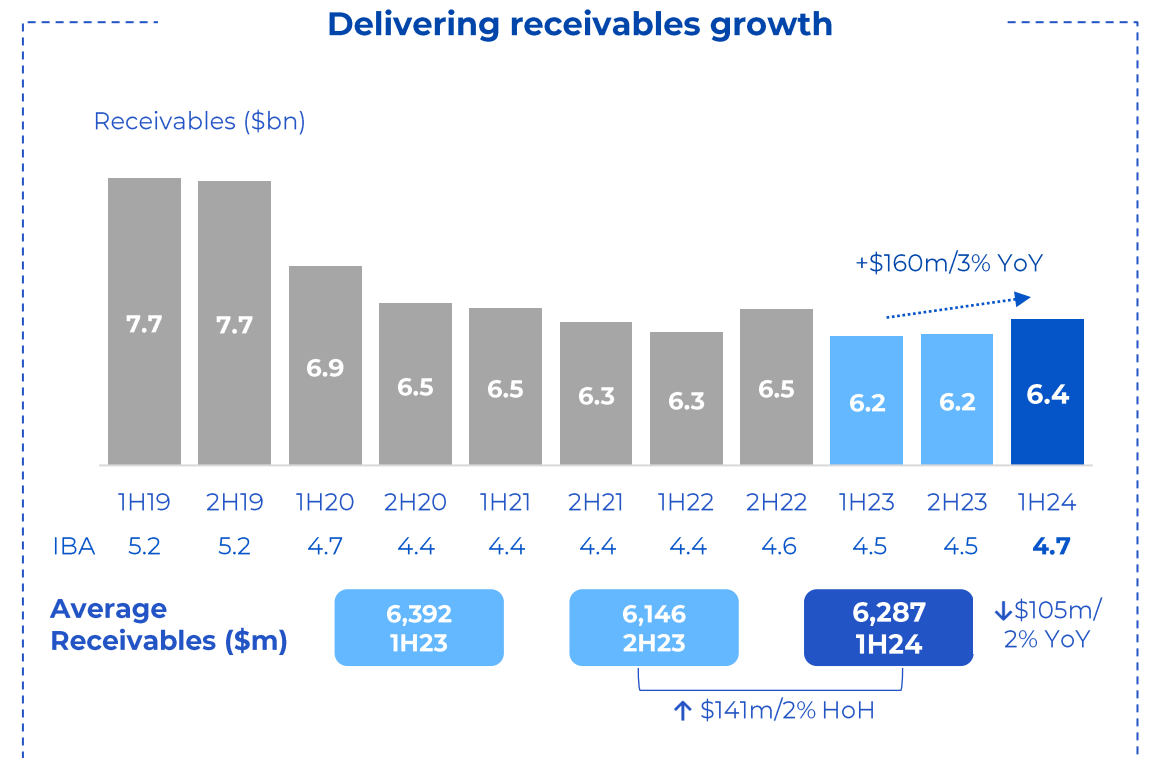
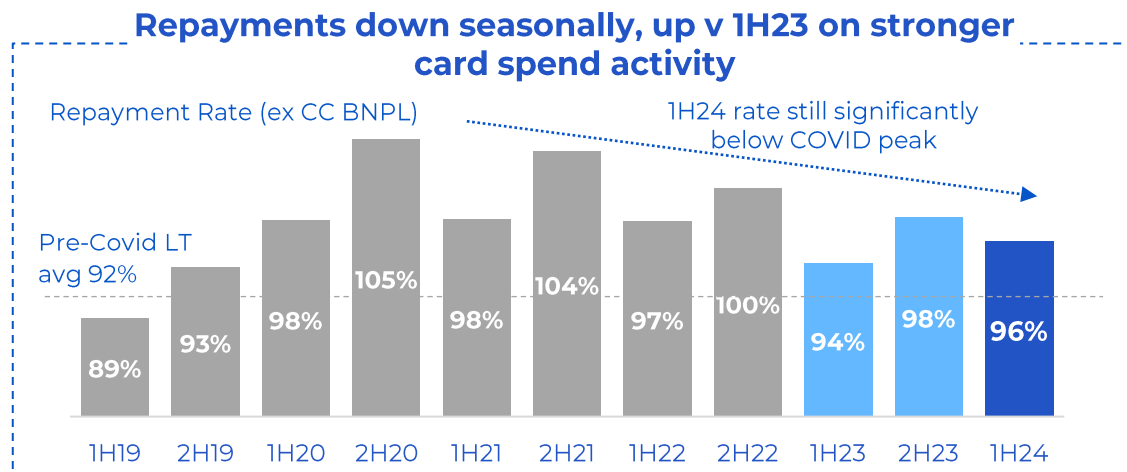
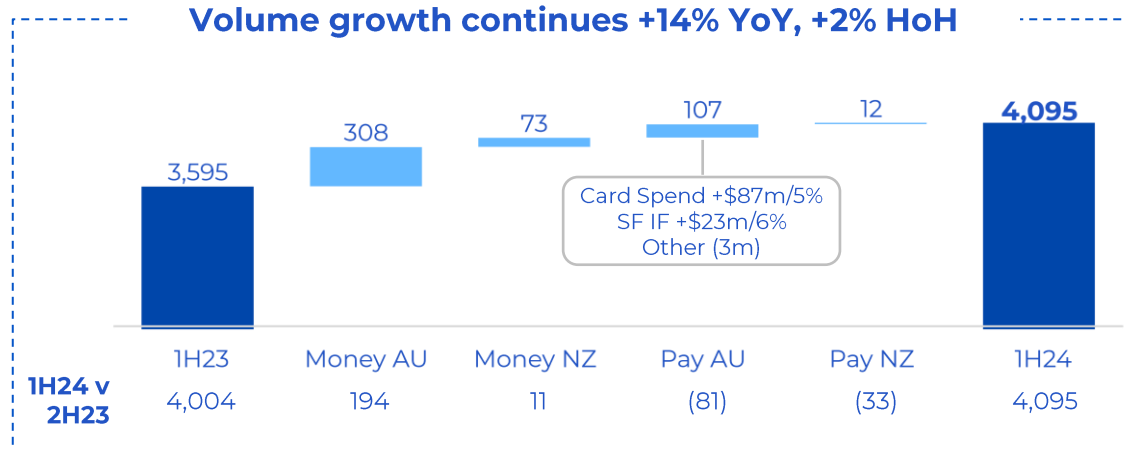
### DPS (cents)

Dividend remains on hold as we invest in growth and lift profitability

# Strong topline performance



Solid momentum in volume, receivables rebuild well progressed



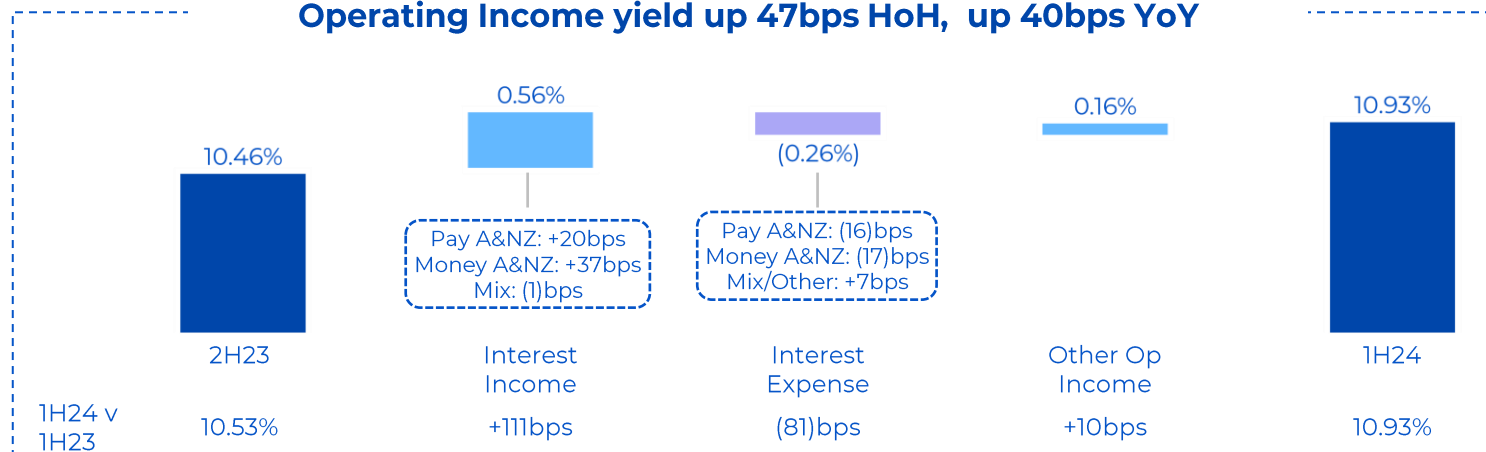


# Operating Income growing on margin expansion

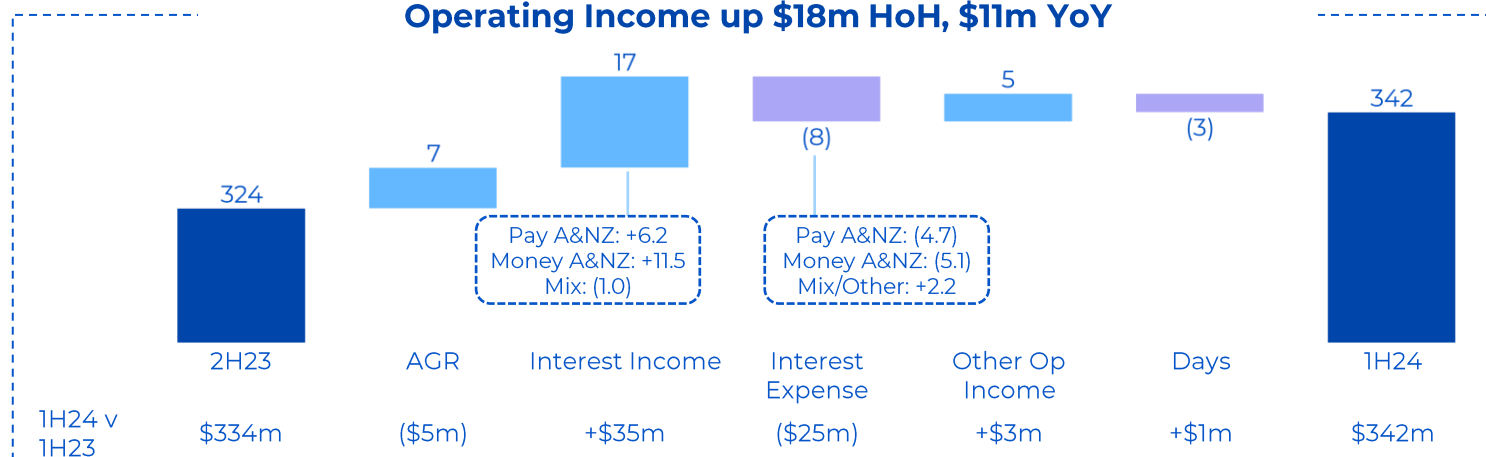


Considered pricing actions delivering margin expansion despite rising funding costs

## Operating Income yield up 47bps HoH, up 40bps YoY



## Operating Income up \$18m HoH, \$11m YoY



## HoH Key Drivers

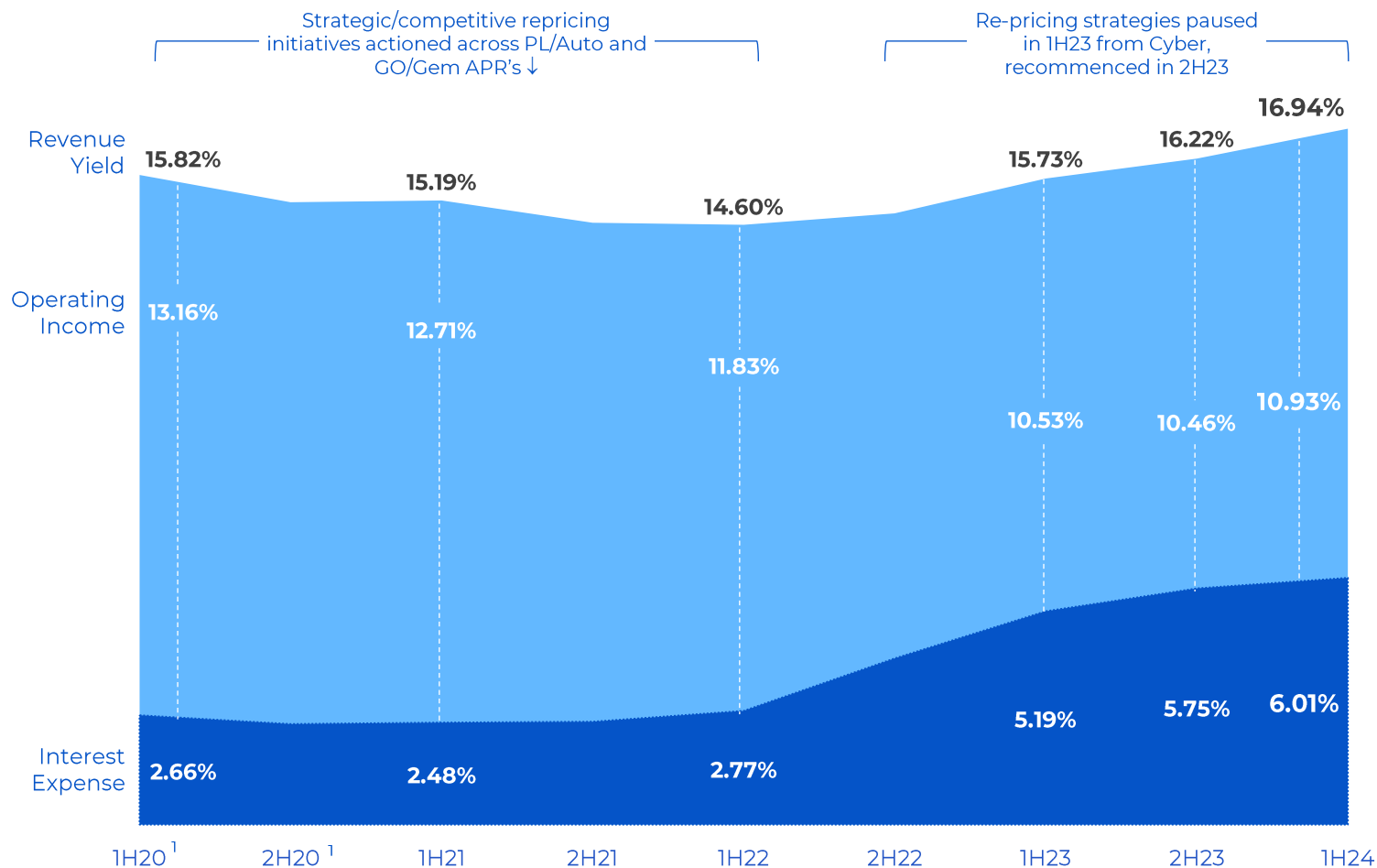
### Pricing actions implemented through FY23 & 1H24 outpacing rising cost of funds

- Money New Business NIM +100bps v Portfolio NIM (10.7% v 9.7%)
- Pay Interest Income yield +34bps on APR & Fee changes (+20 bps to overall Group yield)
- Other Op Income up 16bps, higher customer service fees
- Higher assets delivering ↑\$7m HoH

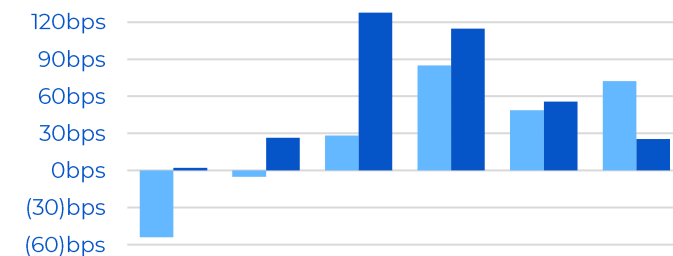
**Further expansion expected into 2H24**

# Operating income margin evolution

Pricing actions outpacing funding costs



## Income yield vs Cof yield – Cof growth abating, income yield growing



	2H21	1H22	2H22	1H23	2H23	1H24
Revenue %	(54)bps	(5)bps	28bps	85bps	49bps	72bps
CoF %	2bps	26bps	128bps	115bps	56bps	26bps

## Operating income profile

**Funding costs expected ↑20-30bps ex cash rate changes from 1H24 to 2H24<sup>2</sup> due to:**

- Higher swap rates on new vintages
- Refinancing of existing facilities

**... with pricing initiatives taken and planned expected to restore margins:**

- Full benefit 1H24 changes & 2H24 initiatives
- More profitable new vintages on PL & Auto .

(1) 1H20 and 2H20 is in line with Pro Forma numbers presented in the Prospectus, excluding Net Insurance Income

(2) Assumes no cash rate changes from RBA or RBNZ



# Funding: cash rate scenario sensitivity



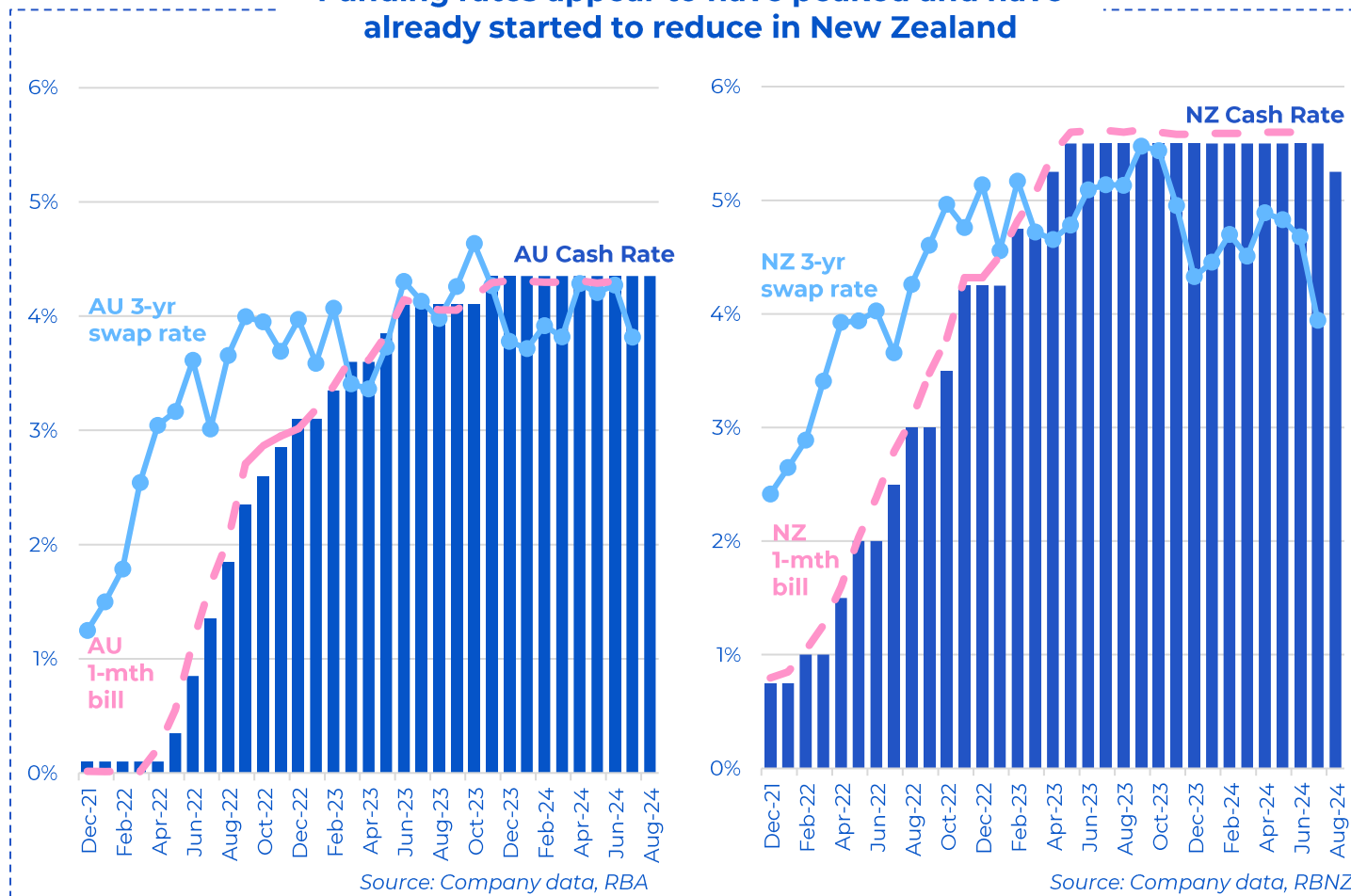
Strong potential for margin expansion as rate reduce with  
100bps change = \$40m pre-tax benefit



## Sensitivity Summary and Outlook

- 100bps rates = ~\$40m interest expense (pre-tax) benefit. AU = ~\$32m / NZ = ~\$8m
  - RBNZ ↓25bps at Aug'24 = ~\$2m full year pre-tax benefit. Further ↓ expected.
- HoH ave rate delta was ↑18bps (cash)/ ↓19bps (3-yr swap)
- 2H23 ave cash rate = 4.17% / 1H24 ave cash rate = 4.35%
- This analysis shows the impact of shifts in interest rates on the Group's profit over a year assuming all other things remain equal at the end of the reporting period
- The above impacts excludes any management action

Funding rates appear to have peaked and have already started to reduce in New Zealand



(1) Rate sensitivity derived from floating rate liabilities that support variable asset exposures that are not hedged

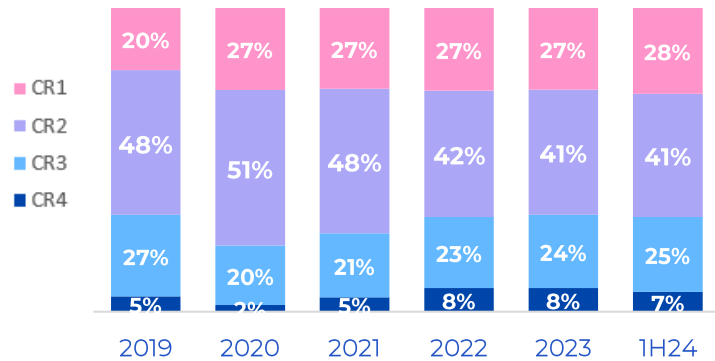
# Credit discipline maintained



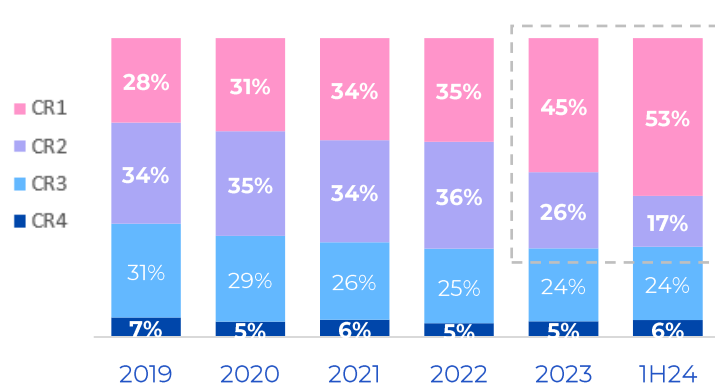
Delinquency and losses returning to long term averages, underpinned by steady unemployment

## Quality of new customer originations remains strong

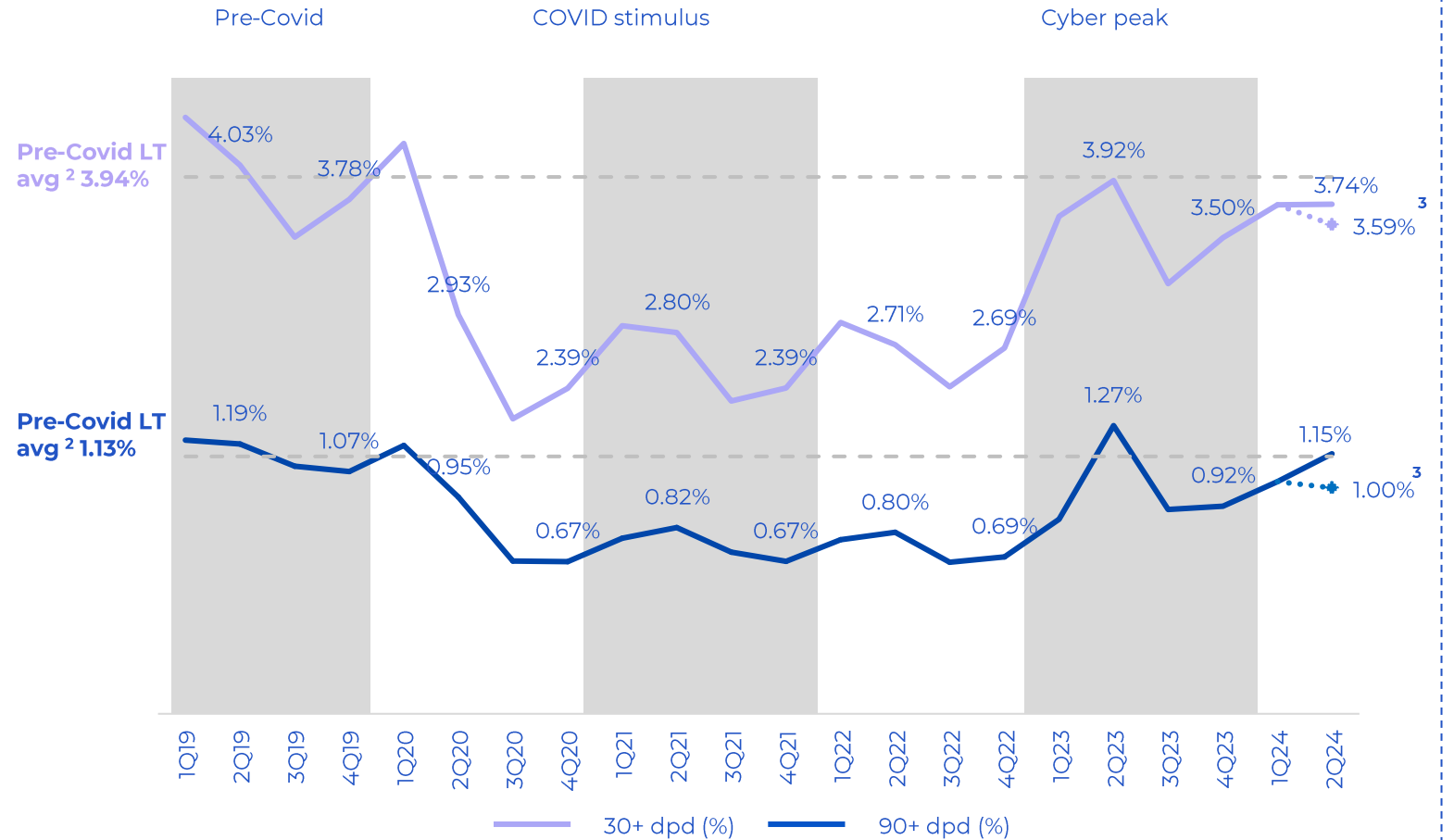
### Money A&NZ



### Pay A&NZ



## Delinquency rates normalising to pre-Covid long term averages



<sup>1)</sup> Uplift in CR grades due to recalibration of score cut offs to align with target probability of default (PD) in mid FY23 and optimisation of credit model strategy

<sup>2)</sup> Pre-Covid LT avg is from FY17 to FY19.. Refer to P40 for more detail on long term trends.

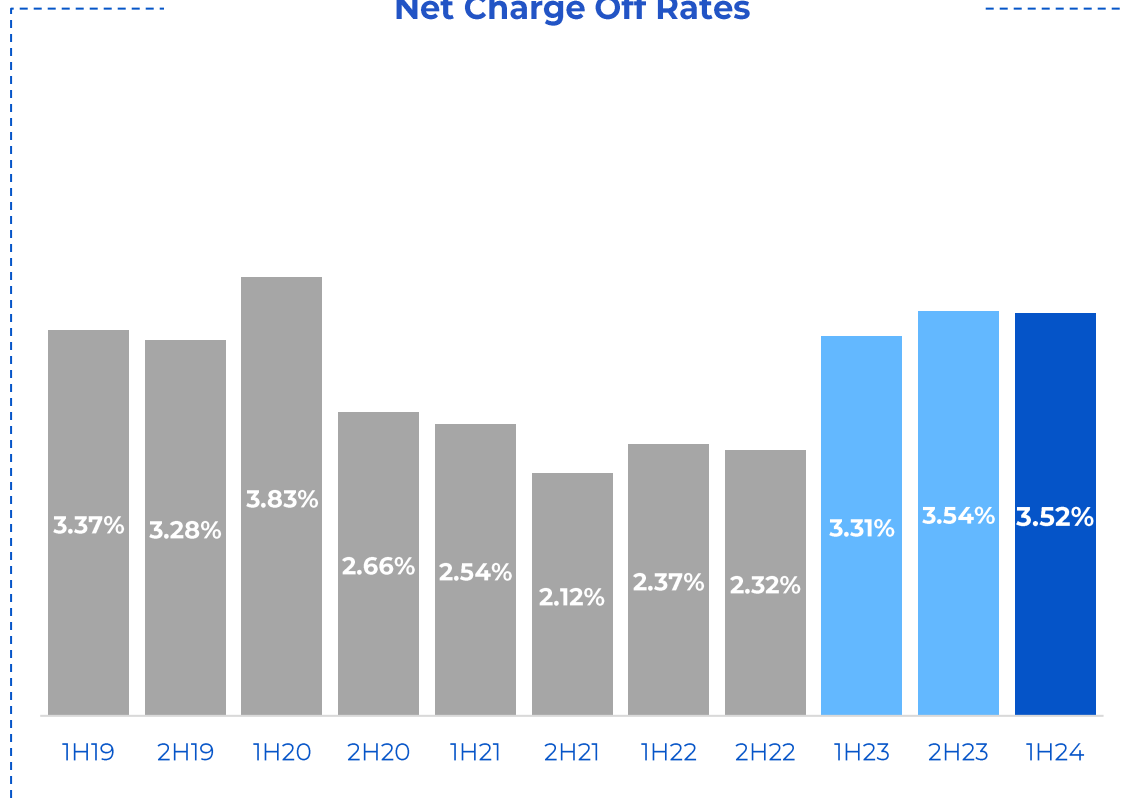
<sup>3)</sup> Impact to DPD % of 15bps as a result of Money Charge off methodology change from 120 to 180 days

# Credit losses

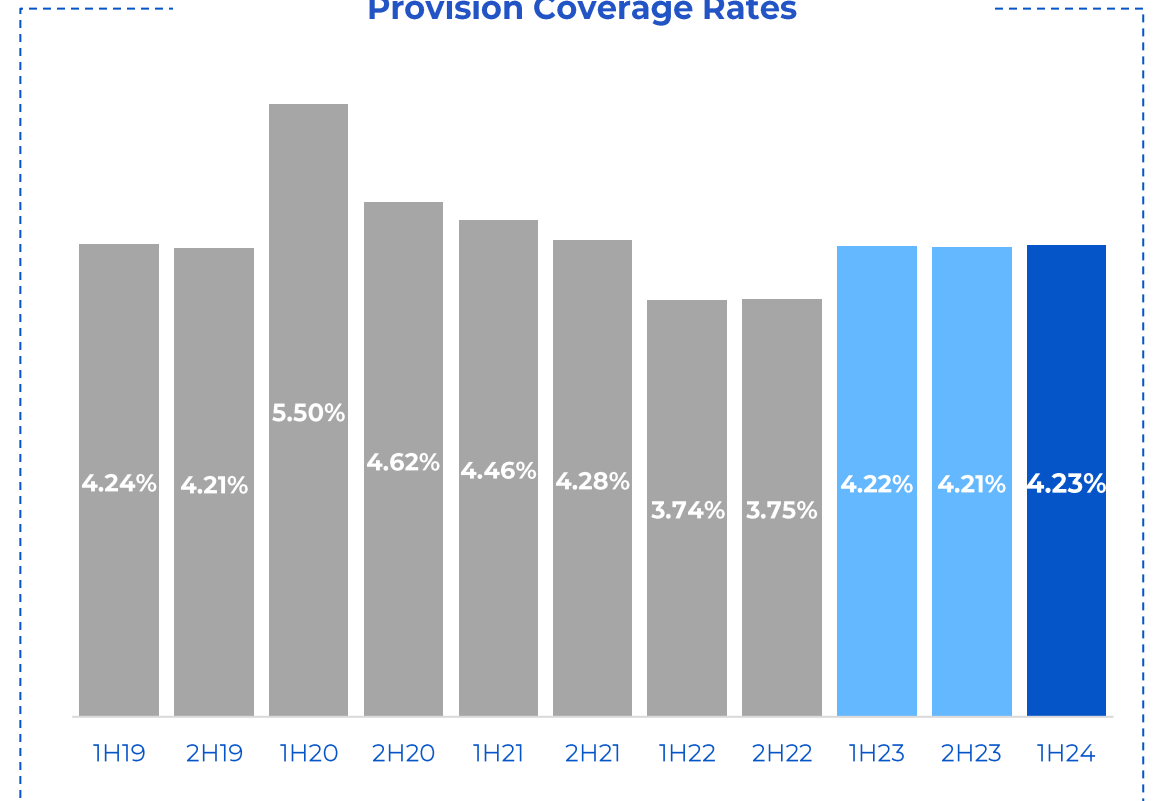


Charge offs normalising to long term averages. Prudent provisioning remains

### Net Charge Off Rates



### Provision Coverage Rates

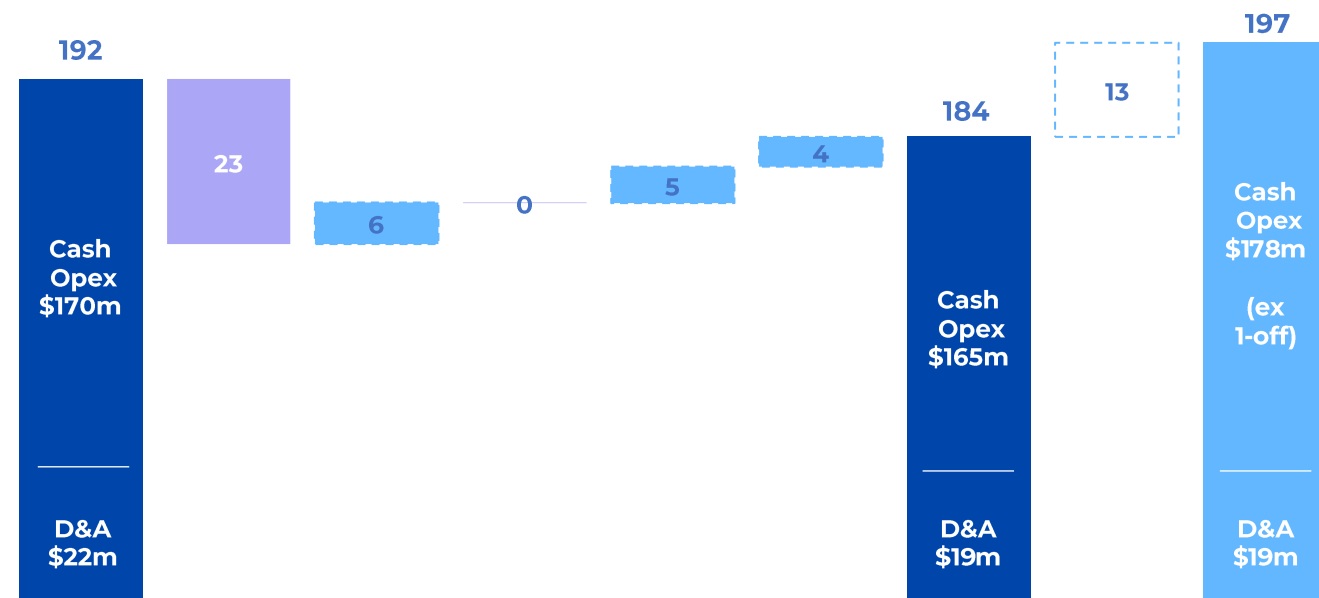


# Cost control and expense base re-engineering



Reductions in FTE & one-off incentive adjustments offsetting investments in growth & inflation

Total Opex down 4% YoY  
(ex 1-off up 2.6%)



CTI % - Total:	<b>57.4%</b>						<b>53.8%</b>		<b>57.6%</b>
FTE:	<b>918</b>						<b>757</b>		<b>757</b>
Cash Opex/AGR %:	<b>5.4%</b>						<b>5.3%</b>		<b>5.7%</b>
v 2H23 (YoY)	<b>196</b>	(13)	3	0	(2)	0	<b>184</b>	13	<b>197</b>



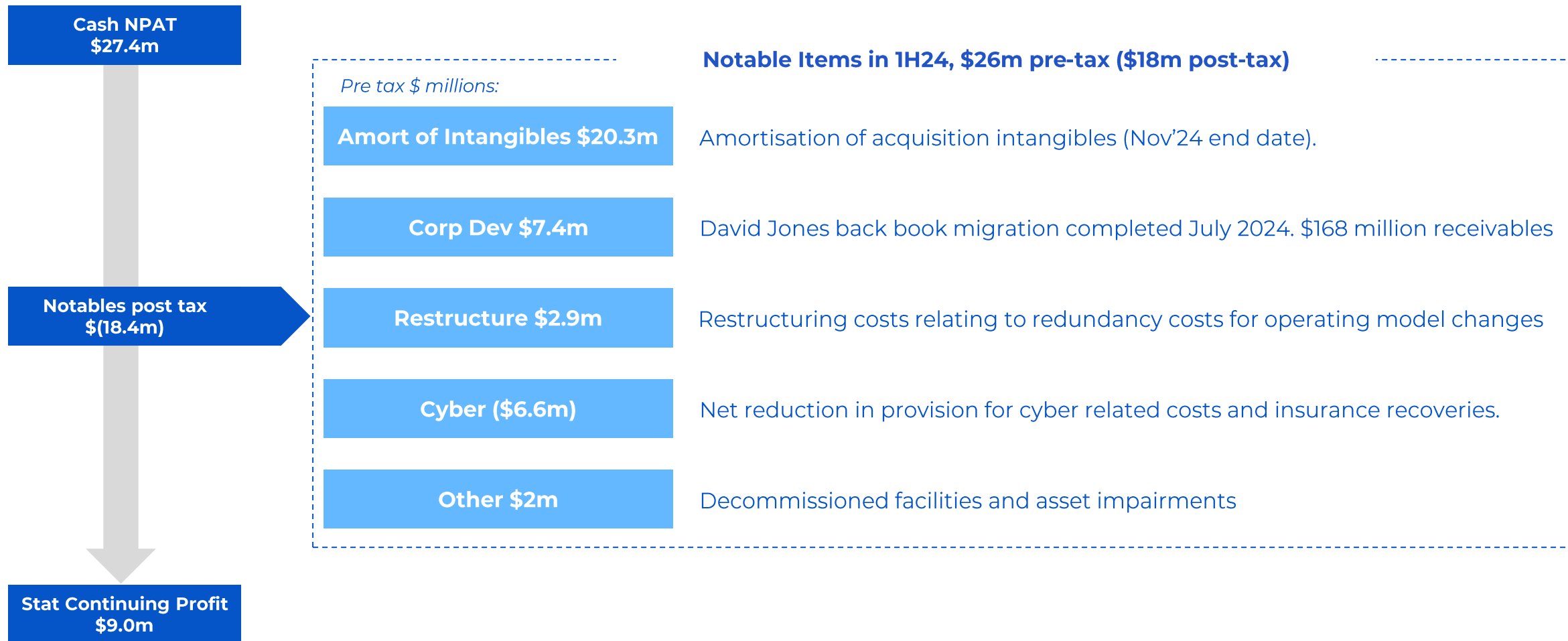
## Key Drivers YoY

- Employee costs ↓ due to FY23 operating model restructure savings & lower employee incentives.
- Marketing spend prioritised to support growth, utilising capacity created in 'non growth' spend
- IT/Tech ↑ on continued tech uplift & contractual inflationary pressures
- Other incl higher volume related spend & offshoring
- One-off \$13m ↓ Employee benefit expense due to lower discretionary incentives

# Notable Items in 1H24



Significant reductions in notables, HoH ↓\$12m and YoY ↓\$122m



# Funding Platform & Approach



Re-invigorated funding programme with 3 term transactions totaling \$1.1bn



## Diverse Funding Platform

Cost Effective

56 Investors

52% Investors Offshore to A&NZ

- 4 transactions completed in 1H24:
  - 3 public transactions \$1.1bn
  - \$140m Corp facility refi
- Diverse investor base of 56 with \$2.1bn headroom
- Active IRRM with 34% of receivables



### Warehouse Financing

**A\$5.2bn Total Limits** | **7 Active Facilities**

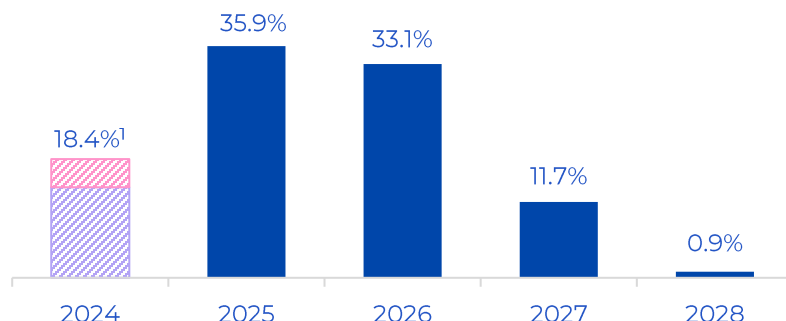
Australia and New Zealand, 30-Jun-2024


### Prudent capital management approach

- Capital remain strong – ready to grow
- 7.2% TER at 30 June 2024.

A\$ million	30 Jun 2024
Total equity	1,229
Intangible assets	793
<b>TE</b>	<b>436</b>
Net receivables <sup>2</sup>	6,059
<b>TER</b>	<b>7.2%</b>

### Securitised Debt Maturity Profile





### ABS Issuance

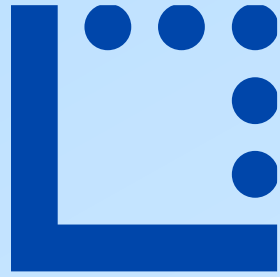
**A\$6.3bn Total Issuance to date** | **7 Active Issuances**

Australia and New Zealand, 30-Jun-2024

(1) Term debt maturities in 2H24 refer primarily to NZ\$250m NZCC MT 2021-1 term deal due in August 2024 and A\$750m AUCC MT 2019-1 term deal due in September 2024. Both maturities have been substantially de-risked by the proactive term refinancing activity implemented in 1H24 and the resulting available capacity existing across our committed warehouse facilities.

(2) Represents Gross loan receivables less loan provisions for impairments, deferred income and customer acquisition costs





# Outlook

**Bob Belan – Managing Director & CEO**

# Outlook



With the emergence of more **favourable macro-economic settings** for Latitude's business model, we expect that elevated consumer demand for our products will drive sustained volume and receivables growth.

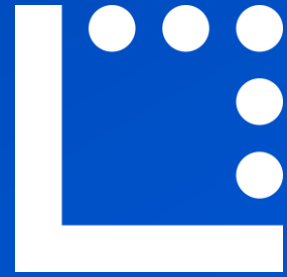
We also anticipate growth to be further supported by management's focus on **new partnerships, marketing optimisation** and **customer/retailer experience enhancements**.

**Margins** are expected to expand as we benefit from the flow through effect of **pricing and funding initiatives** and as the **interest rate cycle pivots**.

While we expect **employment to remain resilient** and supportive of credit performance, cost of living pressures will continue to see delinquencies slowly but steadily **trend upward to long term historical levels**

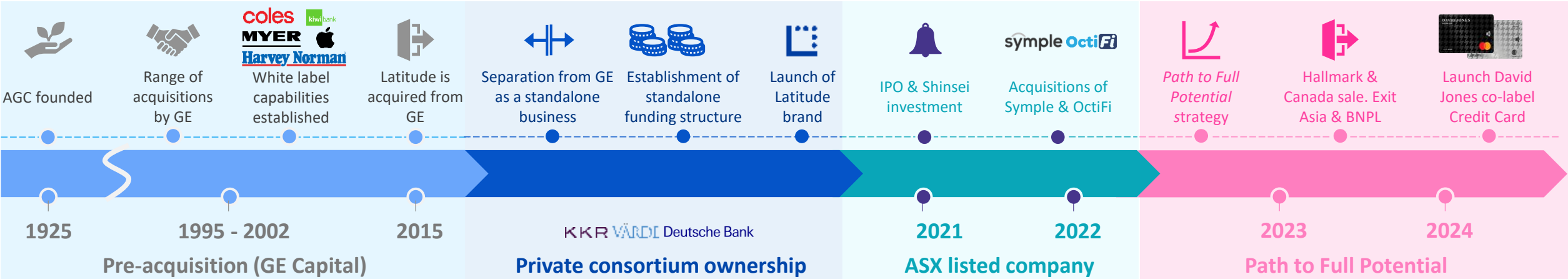
Cost discipline remains a key priority to manage inflationary pressures and support **investments in both strategic and growth initiatives**.

Latitude has the **balance sheet strength, funding flexibility** and **risk settings** to capitalise on opportunities as they arise.



# Company Overview

# Latitude is the largest non-bank unsecured consumer lender in Australia & New Zealand



## Segment Specialisation + Differentiated Propositions + Unique Distribution Model + Financial Strength

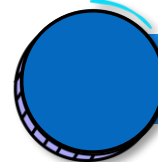
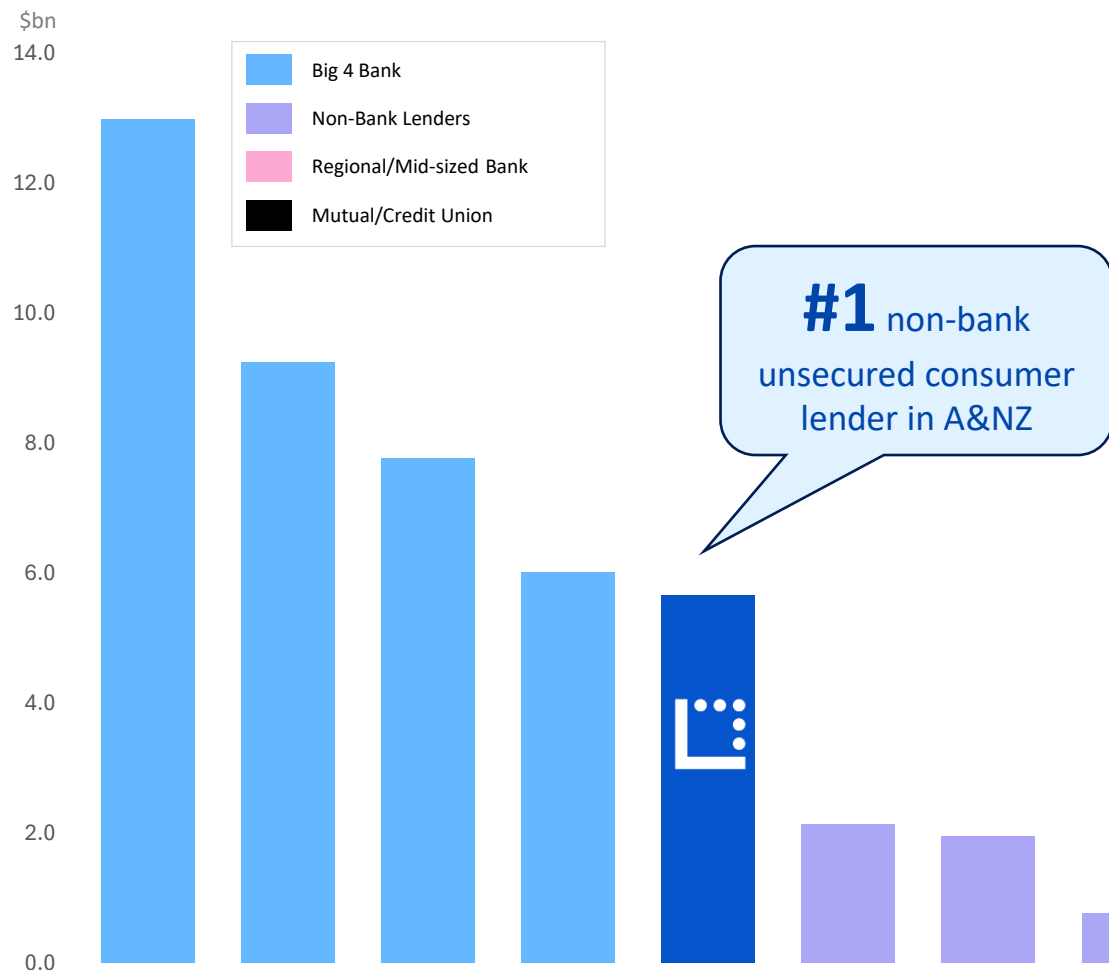
PAY		MONEY		PAY & MONEY
<h3>Sales Finance</h3> <p>~1.6m customers   spending ~\$3.9bn p.a.</p> <p>Interest Free Plans and Everyday Purchases</p>	<h3>Credit Cards</h3> <p>~340k customers   spending ~\$2.4bn p.a.</p> <p>Shopping &amp; Travel Card</p>	<h3>Personal Loans</h3> <p>~120k customers   volume ~\$1.6bn p.a.</p> <p>Unsecured Loan Solutions</p>	<h3>Motor Loans</h3> <p>~35k customers   volume ~\$277m p.a.</p> <p>Secured / Asset Based Loans</p>	<h3>White Label</h3> <p>~130k DJ customers<sup>(1)</sup></p> <p>Tailored Merchant-Partner Solutions</p>

Source: Company data, as of 30 June 2024  
 (1) ~130k David Jones accounts represents accounts migrated on 13 July 2024

# Unparalleled scale, reach & expertise distinguish LFS's franchise across AU and NZ's consumer lending landscape

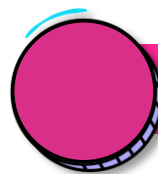


## Personal loans and cards portfolio ranking



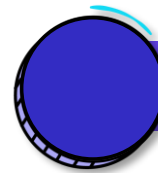
### SCALE

**\$6.4bn** book – **3.0x** our nearest non-bank competitor  
**\$8.1bn** loan **volume written** annually<sup>1</sup>  
**\$4.8bn** in credit **card spend** annually<sup>1</sup>



### REACH

**2.1m** customers  
**~470** retail partners with **~6,000** retail outlets  
**Network of >5,000** loan accredited brokers



### EXPERTISE

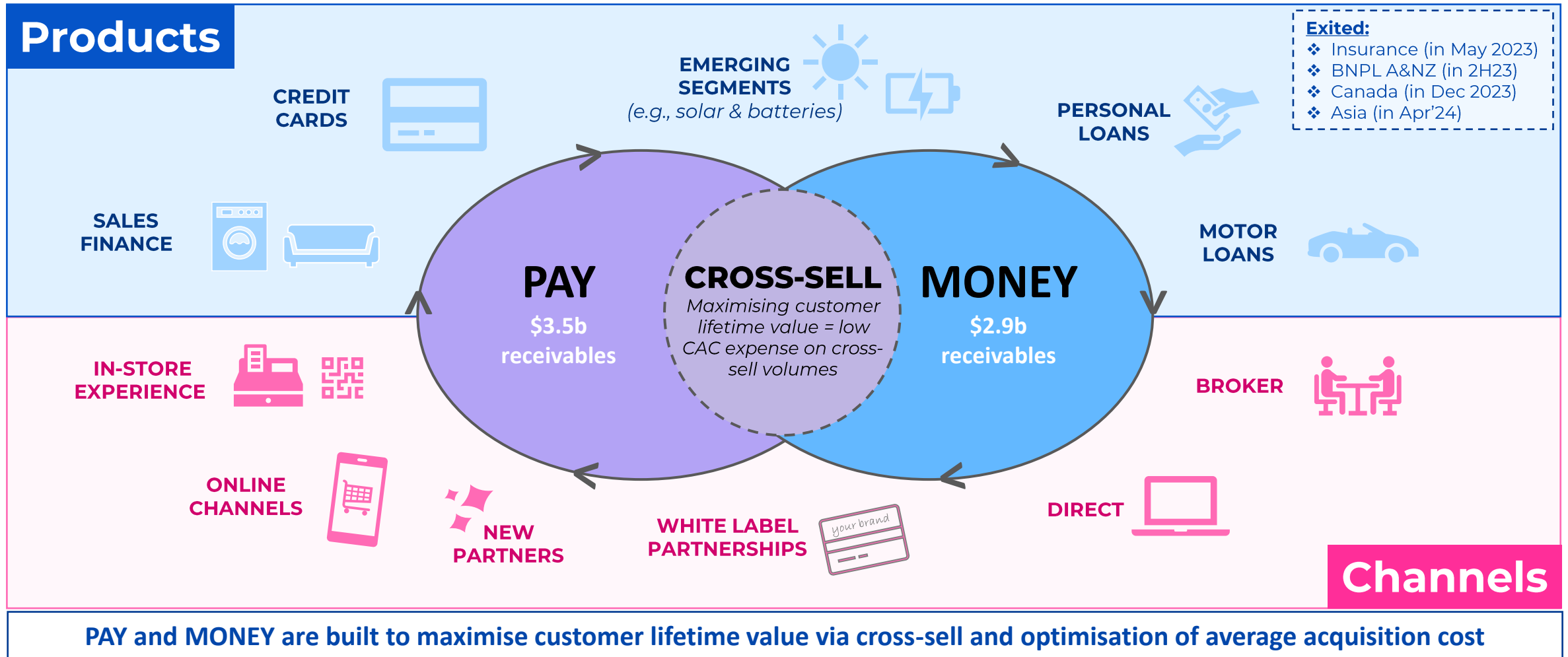
**Over 100 years** unsecured lending experience  
**~40%** application **pull-through rate** since IPO<sup>2</sup>  
**Low volatility NCO** performance over long term

Source: Company data, APRA and companies' public disclosures as per latest available. Latitude disclosure as of 30 June 2024. LFS includes personal loans and credit card receivables in Australia and New Zealand only, and excludes motor loan balances.

(1) Last 12 months to 30 June 2024;

(2) Pull-through rate is defined as a percentage of new accounts approved and originated from new applications

# Simplified and efficient “twin-engine” revenue model..

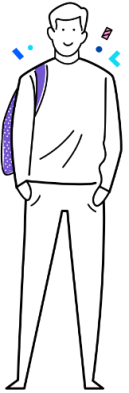


Source: Company data. Receivables data as of 30 June 2024. For illustrative purposes only.

# ... meets the needs of both consumers and merchant-partners



## Engaged CUSTOMERS looking for great experiences...



- **Cross-generational & diverse**
  - 63% Millennials & Gen X and 31% Boomers
  - 67% city, 33% rural / 46% female, 54% male
- **Prime & Near Prime**
  - 85% full & part-time / 57% homeowners
- **Engaged, loyal & long-tenured**
  - 67% customers for 5+ years
  - 74%+ of SF volume from recurring customers
  - 51% of new SF customers go on to use their card to spend<sup>1</sup>

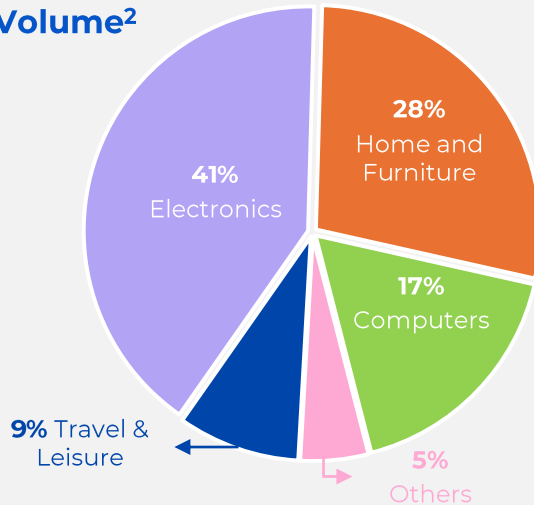
## Long-standing MERCHANTS looking to optimise sales & reach...



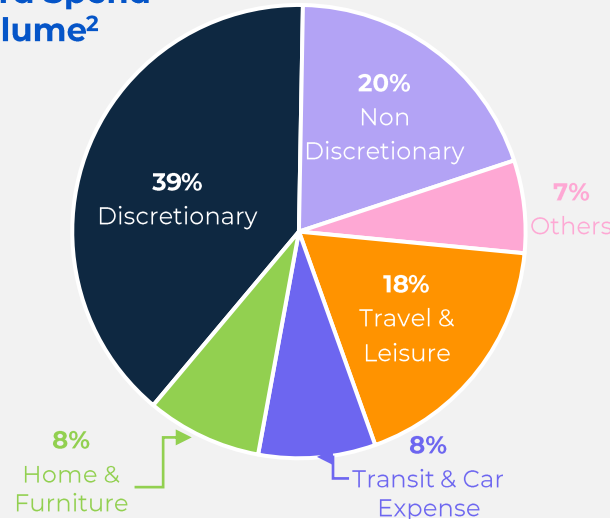
- **Multi-sector & Trans-Tasman**
  - Over 30 business segments represented
  - Nationwide outlet network in A&NZ
- **Established in-store & e-commerce channels**
  - Virtually all merchants have online distribution
- **Engaged, long-standing & growing**
  - 270+ merchant partners for 5+ years
  - 5+ year merchants represent 95% volumes
  - Organic flow of new merchant acquisitions
  - Exclusivity clauses in place with top 6 partners

**A clear use case for our products... with room to grow in new verticals**

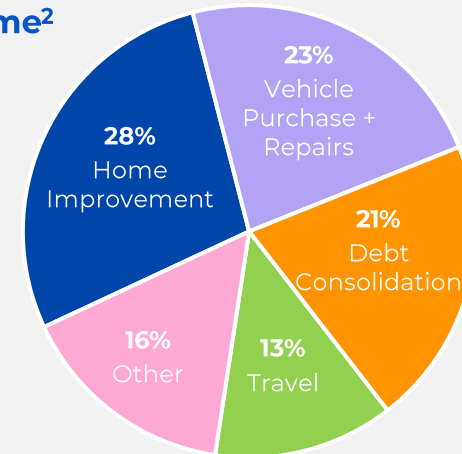
**Interest Free Volume<sup>2</sup>**



**Card Spend Volume<sup>2</sup>**



**Personal Loan Volume<sup>2</sup>**



**New / growing verticals**

- Travel
- Lifestyle
- Healthcare
- Subscriptions
- Cosmetics
- Education
- Rent

Source: Company data as of 30 June 2024, unless otherwise stated.

(1) As of 30 June 2024, calculated using 2020-2022 vintages

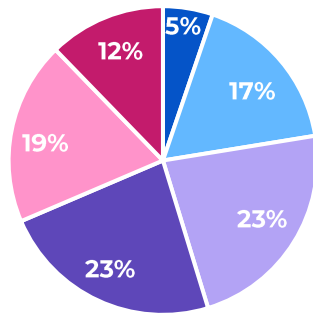
(2) Aggregate spend data of 1H24 only

# Our customers

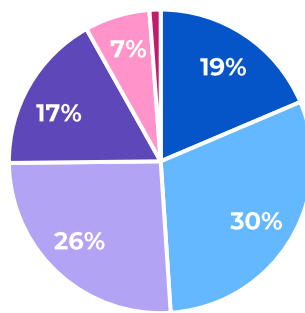


## Diverse range of customers across generations

Latitude Customer Base

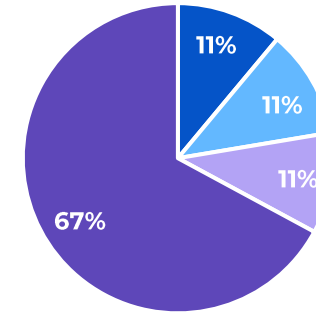


New Originations 1H24



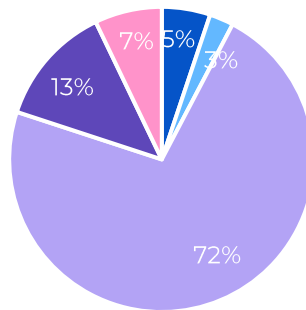
■ 18-27 ■ 28-37 ■ 38-47 ■ 48-57 ■ 58-67 ■ 68+

## 67% of customer relationships are 5+ years



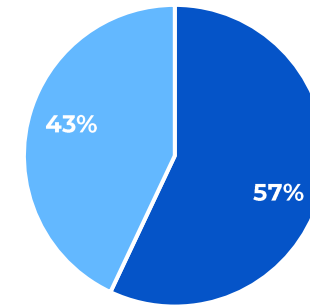
■ <+1 year ■ 1-3 years ■ 3-5 years ■ 5+ years

## 85% of customers are full-time & part-time employees <sup>1</sup>



■ CASUAL ■ CONTRACTORS ■ FULL TIME ■ PART-TIME ■ SELF-EMPLOYED

## 57% of customers are homeowners <sup>2</sup>



■ HOME OWNER ■ NON HOME OWNER

Note: Data as at 30 June 2024

(1) Data as at origination, Australian and New Zealand sales finance and credit card customers with open accounts

(2) Data as at origination for open accounts across Australian and New Zealand, excluding Auto





# Appendices

List of Appendices:

# ESG 1st Half 2024 highlights



**\$1m+** donated to charity partners via workplace giving since August 2017



Latitude leading participation in **Financial Counselling Australia** voluntary industry funding scheme.



**250+ hours** spent by Latitude employees volunteering with charity partners



Supporting vulnerable customers through approval of **18k hardship applications.**



Inaugural **Reconciliation Action Plan** drafted and being prepared for Q3 lodgement.



**Promoting a diverse workforce** with no less than **40%** of each gender in senior roles and no less than **40%** in new hires.



Go-live of new online platform **GoodCompany** to facilitate workplace giving and volunteering for Latitude staff.

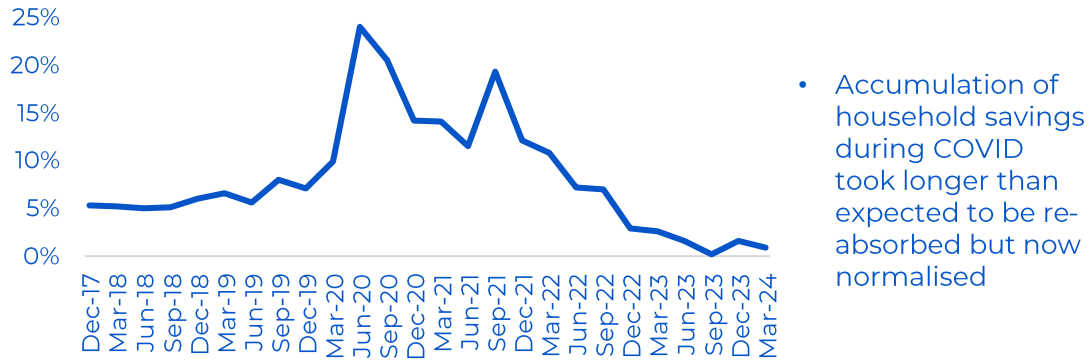


Continued support for **Ardoch (Au)** and **Duffy Books in Home (NZ)** to improve childrens' literacy and numeracy.

# Macro headwinds abating, pivot to tailwinds expected



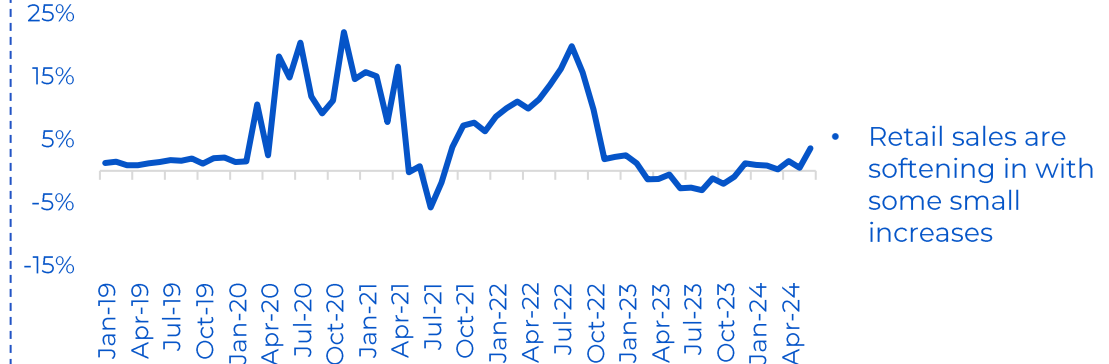
**Household Savings below pre-COVID levels ...**



Source: ABS

**... to support elevated lending demand**

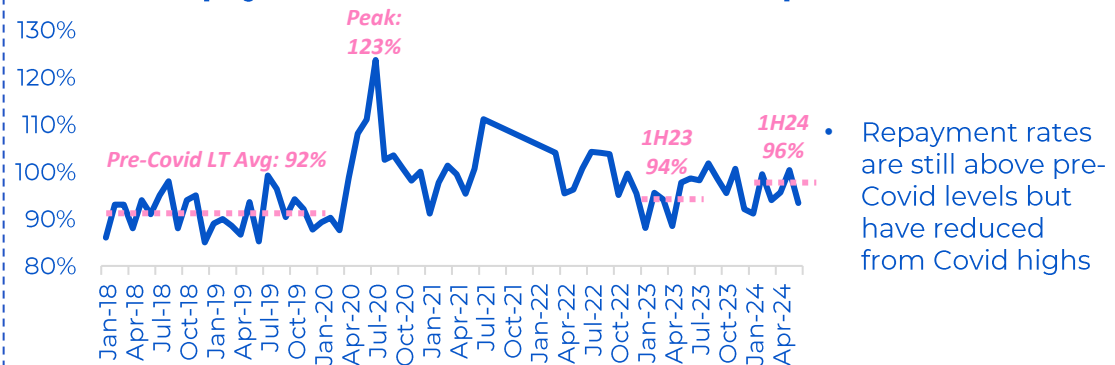
**Retail Sales (YoY) showing modest growth ...**



Source: ABS

**... to support volume growth**

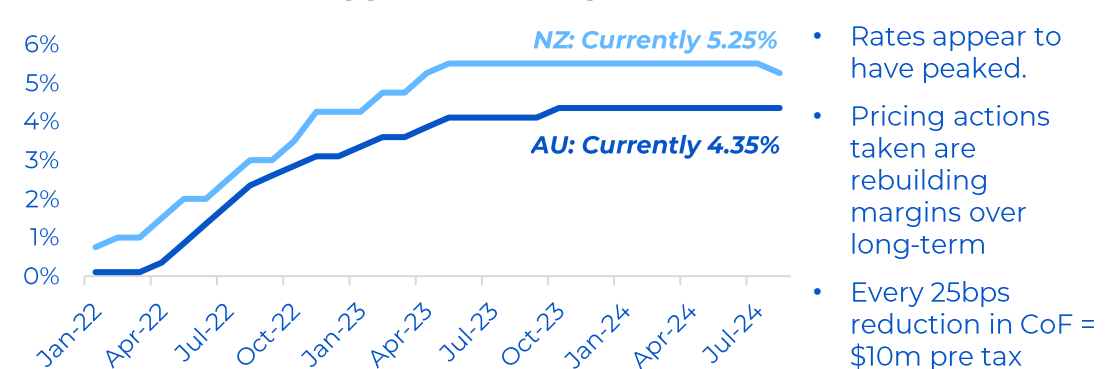
**Repayment rates remain elevated to pre-Covid ...**



Source: Company Data

**... to support receivables growth**

**Cash rates appear to have peaked, NZ ↓ started ...**



**... to support revenue margins**

# 1H24 Results Summary



	1H24	2H23	1H23	HoH	YoY
Volume (\$m)	4,095	4,004	3,595	2%	14%
AGR (\$m)	6,287	6,146	6,392	2%	(2%)
Gross receivables (\$m)	6,378	6,232	6,219	2%	3%
<b>Cash PBT (\$m)</b>	<b>67</b>	<b>39</b>	<b>59</b>	<b>72%</b>	<b>13%</b>
<b>Cash NPAT (\$m)</b>	<b>27</b>	<b>16</b>	<b>11</b>	<b>69%</b>	<b>140%</b>
Statutory NPAT (\$m)	9	(10)	(92)	(187%)	(110%)
Cash EPS (cents)	2.63	1.56	1.10	63%	136%
<b>Dividend per share (cents)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>n.m.</b>	<b>n.m.</b>
RAI (%)	7.4%	6.9%	7.2%	48	18
RoAGR (%)	0.9%	0.5%	0.4%	36	52
RoE (%)	4.5%	2.5%	1.6%	197	285
<b>Tangible Equity Ratio (%)</b>	<b>7.2%</b>	<b>6.8%</b>	<b>7.0%</b>	<b>42</b>	<b>18</b>

# Summary profit & loss statement



(\$m)	30-Jun-24 1H24	31-Dec-23 2H23	30-Jun-23 1H23	Change % HoH	Change % YoY
Interest income	503.8	481.8	475.3	5%	6%
Interest expense	(187.8)	(178.2)	(164.7)	(5%)	(14%)
Net interest income	316.0	303.6	310.6	4%	2%
Other income	25.8	20.7	23.2	25%	11%
Total operating income	341.8	324.3	333.8	5%	2%
Net charge offs	(110.0)	(109.6)	(104.9)	0%	(5%)
<b>Risk adjusted income</b>	<b>231.8</b>	<b>214.7</b>	<b>228.9</b>	<b>8%</b>	<b>1%</b>
Cash operating expenses	(165.2)	(176.0)	(169.9)	6%	3%
<b>Cash PBT</b>	<b>66.6</b>	<b>38.7</b>	<b>59.0</b>	<b>72%</b>	<b>13%</b>
Movement in provisions	(8.4)	(0.4)	(20.7)	Large	59%
Depreciation & amortisation (ex leases)	(18.7)	(19.5)	(21.8)	4%	14%
<b>Profit before tax &amp; notable items</b>	<b>39.5</b>	<b>18.8</b>	<b>16.5</b>	<b>110%</b>	<b>139%</b>
Income tax expense	(12.1)	(2.6)	(5.1)	(365%)	(137%)
Cash NPAT from continuing operations	27.4	16.2	11.4	69%	140%
Notable items after tax					
Amortisation of acquisition intangibles	(14.2)	(14.2)	(14.2)	0%	0%
Amortisation of legacy transaction costs	0.0	(0.0)	(0.2)	n.m.	100%
Other notable items	(4.2)	(12.3)	(89.4)	66%	95%
Total Notable items after tax	(18.4)	(26.5)	(103.8)	31%	82%
<b>Statutory profit after tax (continuing ops)</b>	<b>9.0</b>	<b>(10.3)</b>	<b>(92.4)</b>	<b>187%</b>	<b>110%</b>
Profit/(loss) from discontinued operations	(7.0)	(31.9)	(24.5)	78%	71%
<b>Statutory profit after tax</b>	<b>2.0</b>	<b>(42.2)</b>	<b>(116.9)</b>	<b>105%</b>	<b>102%</b>
Profit/(loss) is attributable to:					
Owners of Latitude Group Holdings Limited	2.0	(42.2)	(116.3)	105%	102%
Non-controlling interest	0.0	0.0	(0.6)	n.m.	100%
<b>Statutory profit after tax</b>	<b>2.0</b>	<b>(42.2)</b>	<b>(116.9)</b>	<b>105%</b>	<b>102%</b>

# Cash NPAT to Statutory NPAT 1H24 (cont. ops)...



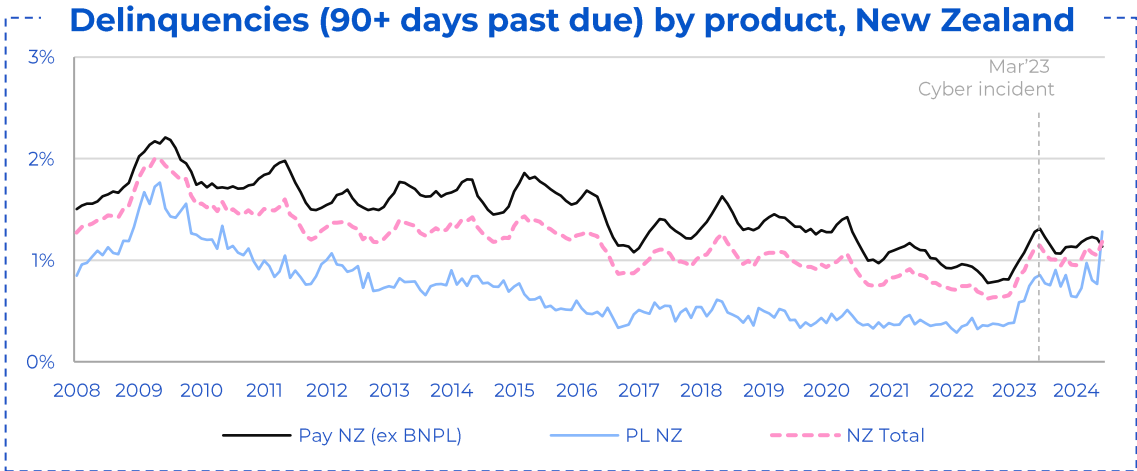
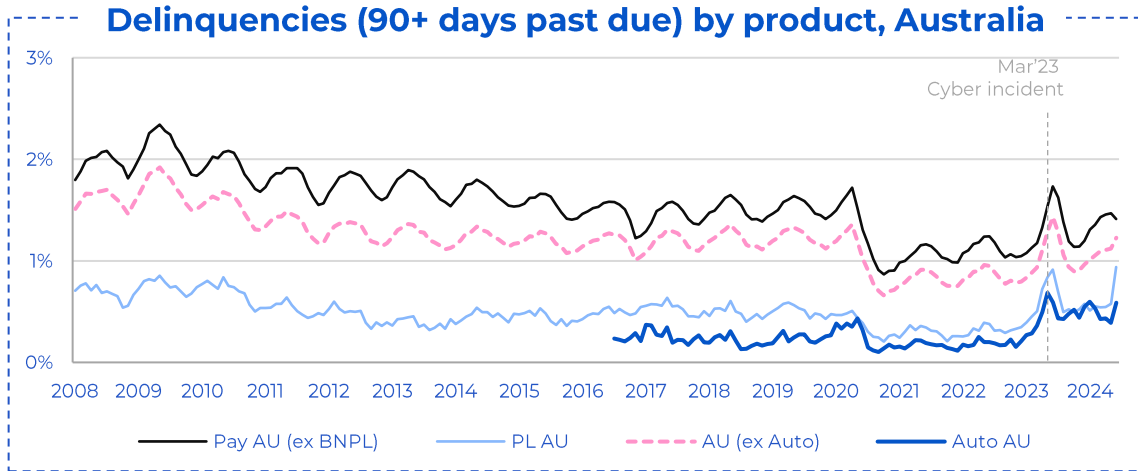
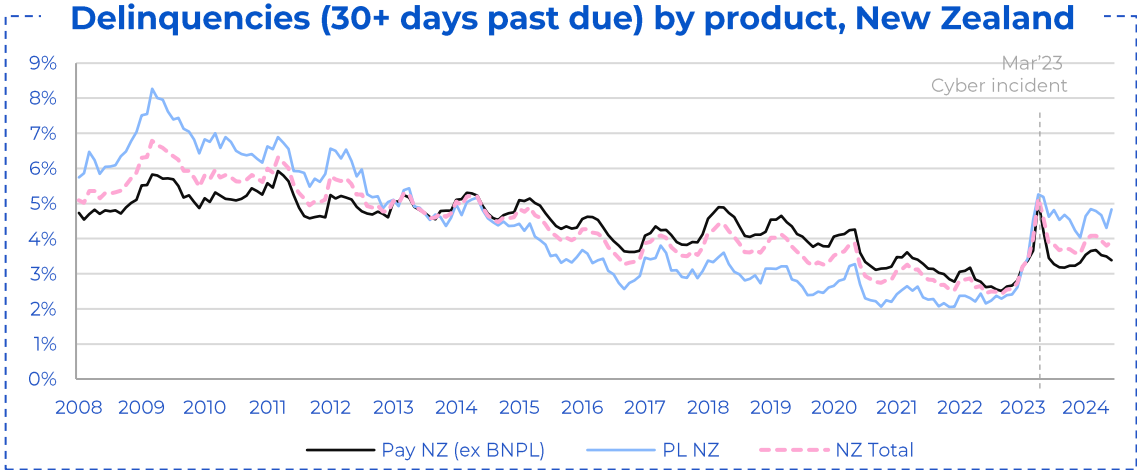
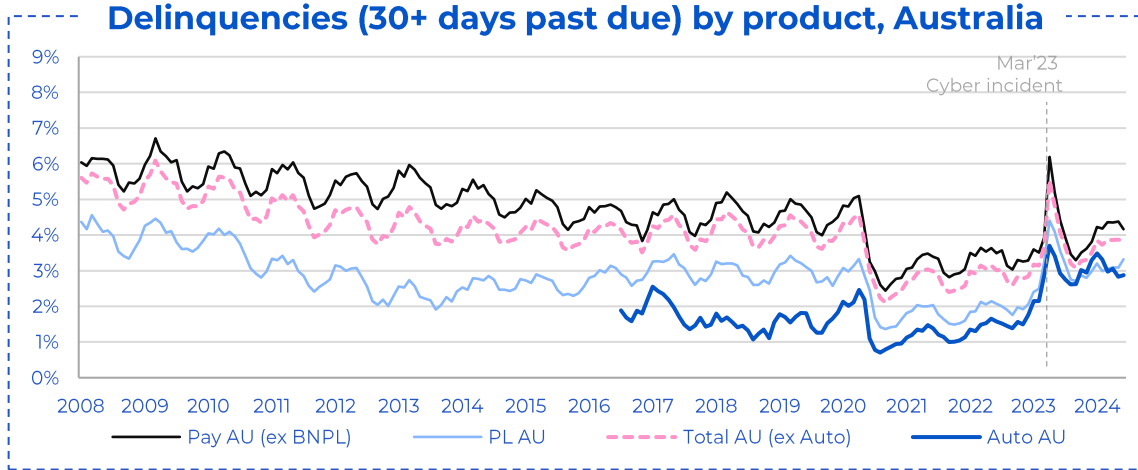
1H24 (\$'m)	Cash NPAT	Amortisation of acquisition intangibles	Corporate development	Restructuring costs	Cyber incident	Asset impairment	Decomm- issioned facilities	Stat NPAT
Net interest income	316.0	-	-	-	-	-	-	316.0
Other income	25.8	-	-	-	-	-	-	25.8
<b>Total operating Income</b>	<b>341.8</b>	-	-	-	-	-	-	<b>341.8</b>
Net charge offs	(110.0)	-	-	-	-	-	-	(110.0)
Risk adjusted income	231.8	-	-	-	-	-	-	231.8
Cash operating expenses	(165.2)	-	(7.4)	(2.9)	6.6	(0.9)	(1.2)	(171.0)
<b>Cash PBT</b>	<b>66.6</b>	-	<b>(7.4)</b>	<b>(2.9)</b>	<b>6.6</b>	<b>(0.9)</b>	<b>(1.2)</b>	<b>60.8</b>
Movement in provision for impairment	(8.4)	-	-	-	-	-	-	(8.4)
Depreciation & Amortisation (excluding leases)	(18.7)	(20.3)	-	-	-	-	(0.2)	(39.2)
<b>Profit before tax</b>	<b>39.5</b>	<b>(20.3)</b>	<b>(7.4)</b>	<b>(2.9)</b>	<b>6.6</b>	<b>(0.9)</b>	<b>(1.4)</b>	<b>13.2</b>
Income tax (expense)/benefit	(12.1)	6.1	2.2	0.9	(2.0)	0.3	0.4	(4.2)
<b>Profit after tax from continuing operations</b>	<b>27.4</b>	<b>(14.2)</b>	<b>(5.2)</b>	<b>(2.0)</b>	<b>4.6</b>	<b>(0.6)</b>	<b>(1.0)</b>	<b>9.0</b>

# Cash NPAT to Stat NPAT 1H23 & 2H23 restated (cont. ops)



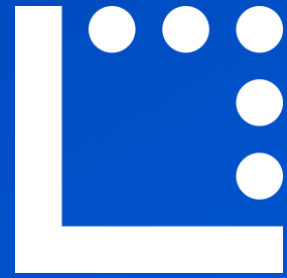
1H23 (\$'m)	Cash NPAT	Amortisation of transaction costs & acquisition intangibles	Corporate development	Restructuring costs	Cyber incident	Asset impairment	Decomm-issioned facilities	Stat NPAT
Net interest income	310.6	(0.3)	-	-	-	-	(0.1)	310.2
Other income	23.2	-	-	-	-	-	0.4	23.6
<b>Total operating income</b>	<b>333.8</b>	<b>(0.3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>333.8</b>
Net charge offs	(104.9)	-	-	-	-	-	-	(104.9)
Risk adjusted income	228.9	(0.3)	-	-	-	-	0.3	228.9
Cash operating expenses	(169.9)	-	(20.7)	(5.3)	(75.9)	(21.0)	(1.9)	(294.7)
<b>Cash PBT</b>	<b>59.0</b>	<b>(0.3)</b>	<b>(20.7)</b>	<b>(5.3)</b>	<b>(75.9)</b>	<b>(21.0)</b>	<b>(1.6)</b>	<b>(65.8)</b>
Movement in provision for impairment	(20.7)	-	-	-	-	-	-	(20.7)
Depreciation & Amortisation (excluding leases)	(21.8)	(20.3)	-	-	-	-	(2.7)	(44.8)
<b>Profit before tax</b>	<b>16.5</b>	<b>(20.6)</b>	<b>(20.7)</b>	<b>(5.3)</b>	<b>(75.9)</b>	<b>(21.0)</b>	<b>(4.3)</b>	<b>(131.3)</b>
Income tax (expense)/benefit	(5.1)	6.2	6.2	1.6	22.7	6.0	1.3	38.9
<b>Profit after tax from continuing operations</b>	<b>11.4</b>	<b>(14.4)</b>	<b>(14.5)</b>	<b>(3.7)</b>	<b>(53.2)</b>	<b>(15.0)</b>	<b>(3.0)</b>	<b>(92.4)</b>
2H23 (\$'m)	Cash NPAT	Amortisation of acquisition intangibles	Corporate development	Restructuring costs	Cyber incident	Asset impairment	Decomm-issioned facilities	Stat NPAT
Net interest income	303.6	-	-	-	-	-	(0.1)	303.5
Other income	20.7	-	-	-	-	-	-	20.7
<b>Total operating income</b>	<b>324.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.1)</b>	<b>324.2</b>
Net charge offs	(109.6)	-	-	-	-	-	-	(109.6)
Risk adjusted income	214.7	-	-	-	-	-	(0.1)	214.6
Cash operating expenses	(176.0)	-	(10.0)	(9.2)	7.6	(4.5)	(1.1)	(193.2)
<b>Cash PBT</b>	<b>38.7</b>	<b>-</b>	<b>(10.0)</b>	<b>(9.2)</b>	<b>7.6</b>	<b>(4.5)</b>	<b>(1.2)</b>	<b>21.4</b>
Movement in provision for impairment	(0.4)	-	-	-	-	-	-	(0.4)
Depreciation & Amortisation (excluding leases)	(19.5)	(20.2)	-	-	-	-	(0.3)	(40.0)
<b>Profit before tax</b>	<b>18.8</b>	<b>(20.2)</b>	<b>(10.0)</b>	<b>(9.2)</b>	<b>7.6</b>	<b>(4.5)</b>	<b>(1.5)</b>	<b>(19.0)</b>
Income tax (expense)/benefit	(2.6)	6.0	3.0	2.7	(2.2)	1.4	0.4	8.7
<b>Profit after tax from continuing operations</b>	<b>16.2</b>	<b>(14.2)</b>	<b>(7.0)</b>	<b>(6.5)</b>	<b>5.4</b>	<b>(3.1)</b>	<b>(1.1)</b>	<b>(10.3)</b>

# Delinquency performance over time



Notes: Time series data from January 2008 to 30 June 2024. Motor loans delinquency history captured from July 2016 which was when Latitude relaunched its motor loan product.





**Thank you**