



INVESTOR PRESENTATION

# 2025 Half Year Results

21 August 2025







PEPPER MONEY

## Acknowledgement of Country

Pepper Money acknowledges  
Australia's First Nations people as the  
Traditional Custodians of the land and  
their continuing connection to country,  
sea and water. We pay respect to their  
Elders past and present.



## Today's Presenters

### Mario Rehayem

Chief Executive  
Officer



Joined Pepper Money in 2011, and appointed CEO of Pepper Money in 2017

Over 20 years of experience across banking and finance  
Appointed Chair of AFIA in March 2024

Previously held senior positions in APRA regulated entities and the non-bank sector, including as State Manager, Mortgage Broker Distribution at Westpac Banking Corporation

### Therese McGrath

Chief Financial  
Officer



Joined Pepper Money in 2018

Over 25 years of international experience in finance, strategic development and operations

Previously held senior positions in finance, operations and strategy at Australia and New Zealand Banking Group, Thomson Reuters, Diageo, SAP and Microsoft

1H 2025 | Performance highlights



Strong Returns

Profitability

NPAT<sup>1</sup>

\$47.0m

⬆️ 2% vs. PCP<sup>2</sup>

Profit Pre-Tax and Loan Loss Expense

\$109.2m

⬆️ 1% vs. PCP

Shareholder

Special Dividend

12.5cps

Annualised yield<sup>3</sup>: 13.9%

CY2025 Interim Dividend

6.4cps

Annualised yield: 7.1%

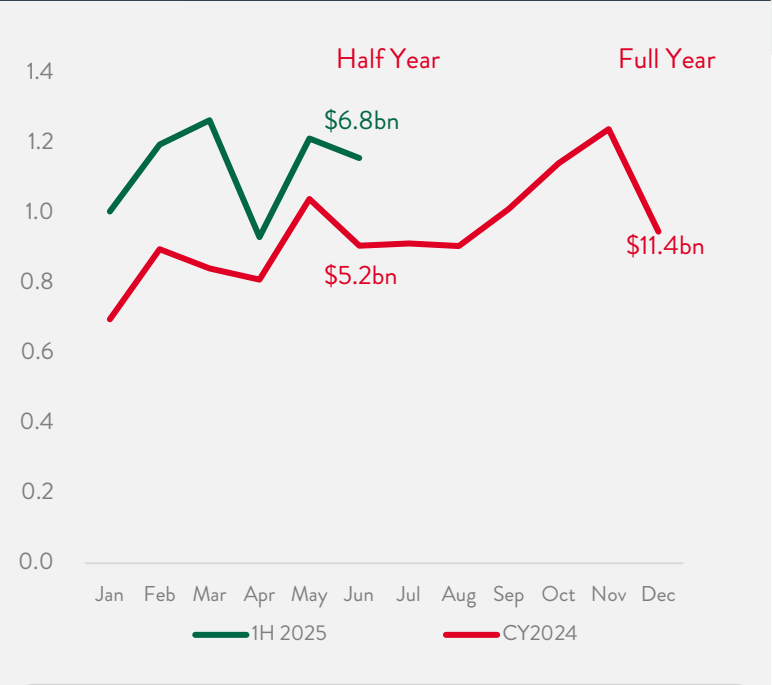
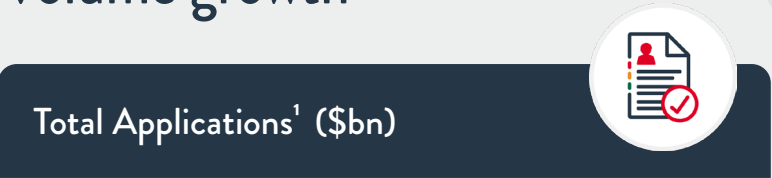
Combined Annualised Yield

20.9%

Double Digit Volume Growth	Total Originations	Mortgages	Asset Finance	
	\$4.5bn ⬆️ 38% on PCP	\$2.8bn ⬆️ 53% on PCP	\$1.7bn ⬆️ 19% on PCP	
Record Total AUM	Total AUM	Mortgages	Asset Finance	Servicing
	\$20.1bn ⬆️ 4% on PCP	\$9.5bn ⬆️ (16)% on PCP	\$6.3bn ⬆️ 11% on PCP	\$4.3bn ⬆️ 90% on PCP
Total Net Interest Margin Expanded	Total NIM	Mortgages	Asset Finance	
	1.98% ⬆️ 6bps on PCP	1.51% ⬆️ (9)bps on PCP	2.73% ⬆️ 21bps on PCP	
Scaled Growth, Disciplined Cost Management	Total Expenses	Cost to Income <sup>4</sup>		Origination Productivity <sup>5</sup>
	\$116.7m 2% improvement on PCP 8% improvement on 2H 2024	51.7% 0.9% improvement on PCP 4.0% improvement on 2H 2024		⬆️ 20% on PCP # Origination / Settlement FTE

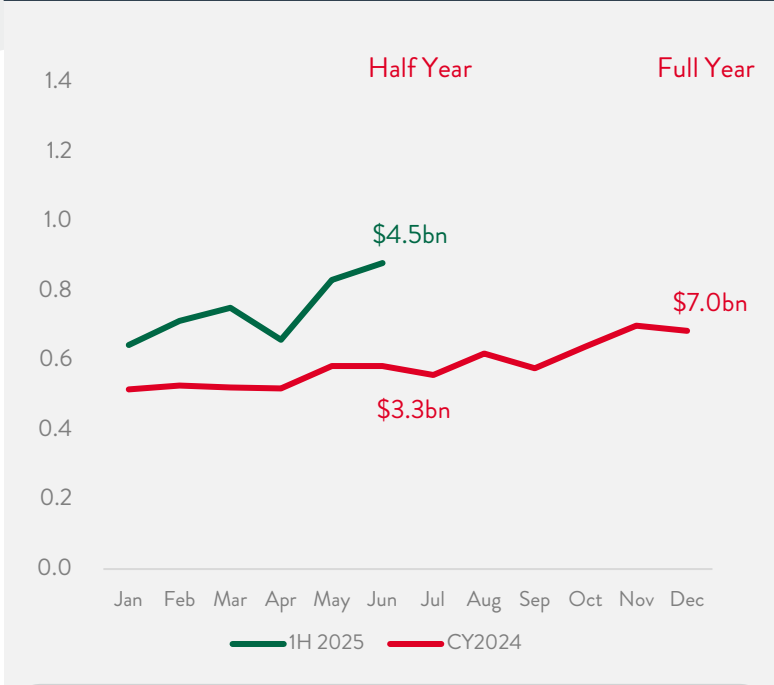
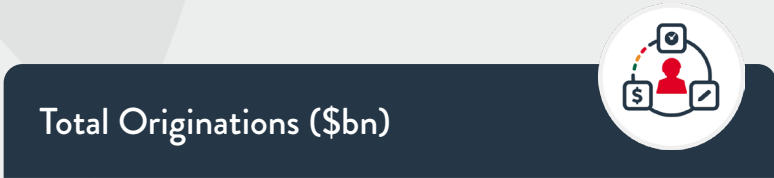
1. NPAT: Net Profit After Tax (Statutory and Pro-Forma). 2. PCP: prior comparable period, being 1 January 2024 – 30 June 2024. 3. Annualised Dividend yield based on 30 June 2025 Share Price of \$1.80. 4. Cost-to-income ratio defined as: Total Expense divided by Total Operating Income before Loan Loss Expense. 5. Total number of originations divided by Settlements FTE.

# Volume growth



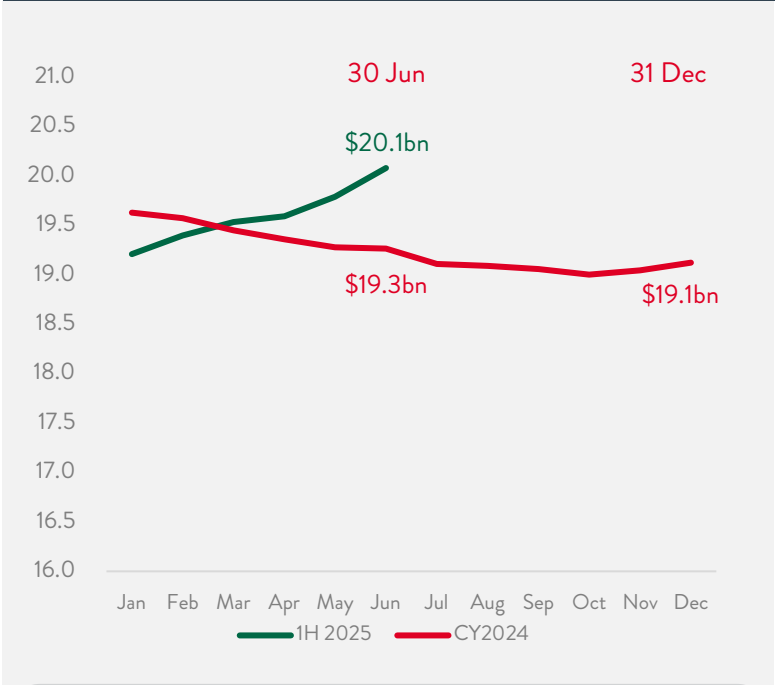
**Applications Growth**

1H 2025 vs 2H 2024	+10%
1H 2025 vs 1H 2024	+30%



**Originations Growth**

1H 2025 vs 2H 2024	+19%
1H 2025 vs 1H 2024	+38%



**AUM Growth**

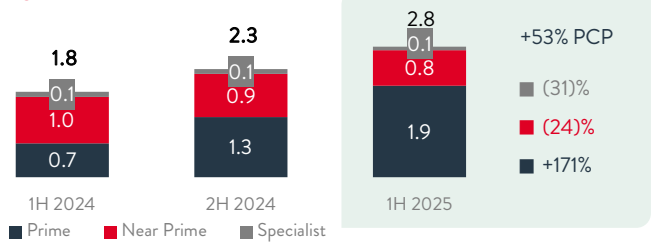
1H 2025 vs 2H 2024	+5%
1H 2025 vs 1H 2024	+4%

# Mortgages | 1H 2025

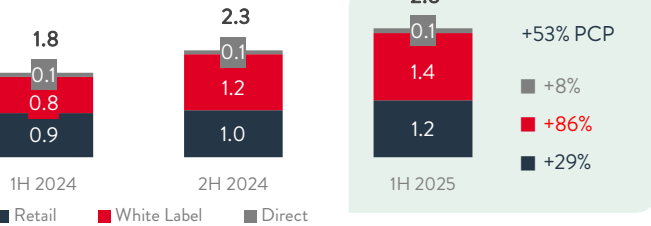


## Volume

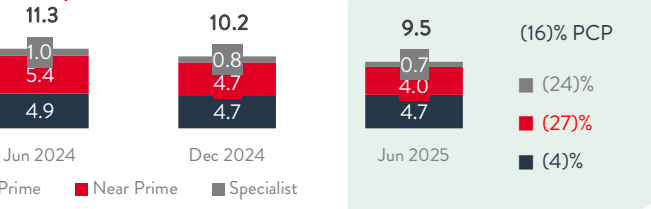
### Originations by Product (\$bn)



### Originations by Channel (\$bn)



### AUM by Product (\$bn)



## Income

### Weighted Interest Rates<sup>1</sup> (%)

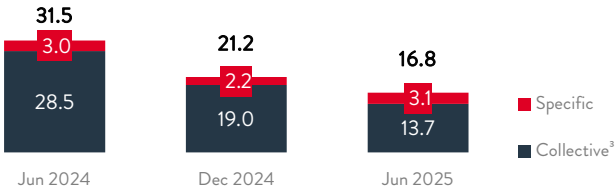
	1H 2024	2H 2024	1H 2025
Prime	7.7%	7.5%	7.0%
Near Prime	7.9%	7.9%	7.4%
Specialist	9.2%	9.0%	8.5%

### Net Interest Margin (%)

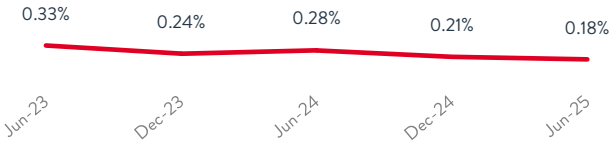
	1H 2024	2H 2024	1H 2025
Customer rate <sup>2</sup>	8.27%	8.35%	7.79%
BBSW/BKBM	(4.42)%	(4.35)%	(4.07)%
Funding margin	(2.25)%	(2.28)%	(2.22)%
Net interest margin	1.60%	1.72%	1.51%

## Credit Quality

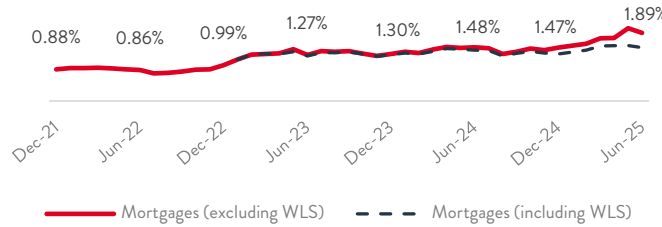
### Loan Loss Provision (\$m)



### Coverage Ratio<sup>4</sup>



### 90+ Day Arrears<sup>5</sup> as % of AUM

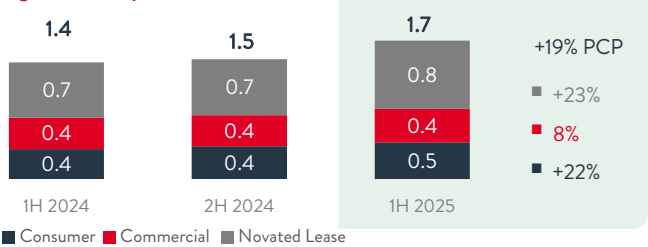


# Asset Finance | 1H 2025

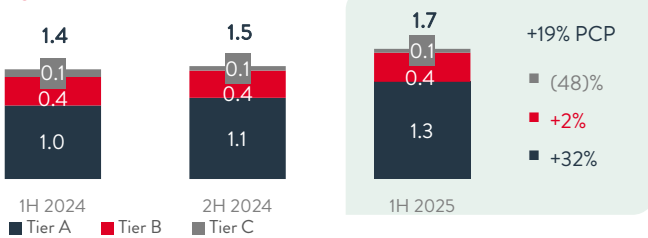


## Volume

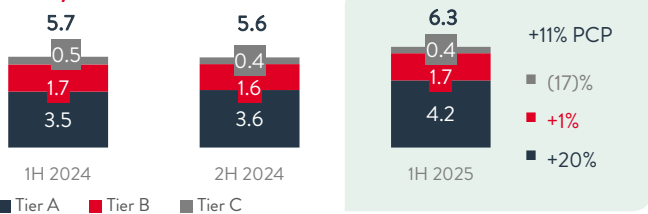
### Originations by Product (\$bn)



### Originations by Risk Tier (\$bn)



### AUM by Risk Tier (\$bn)



## Income

### Weighted Interest Rates<sup>1</sup> (%)

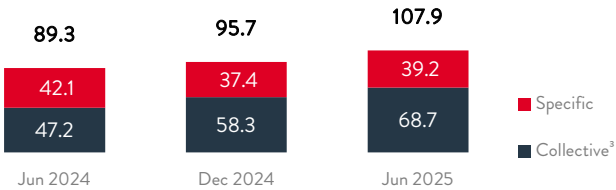
	1H 2024	2H 2024	1H 2025
Tier A	9.6%	9.3%	8.8%
Tier B	11.6%	11.2%	10.6%
Tier C	14.9%	14.0%	13.4%

### Net Interest Margin (%)

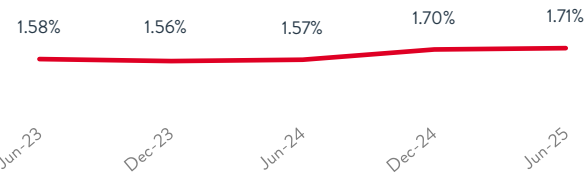
	1H 2024	2H 2024	1H 2025
Customer rate <sup>2</sup>	8.07%	8.39%	8.37%
Swap	(3.23)%	(3.38)%	(3.54)%
Funding margin	(2.32)%	(2.43)%	(2.10)%
Net interest margin	2.52%	2.58%	2.73%

## Credit Quality

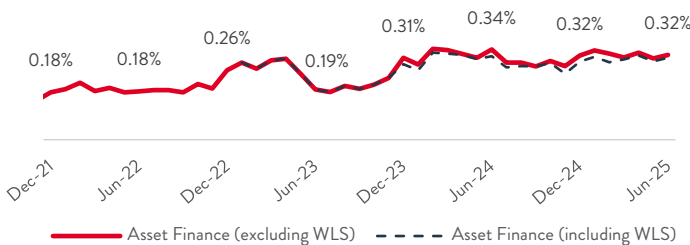
### Loan Loss Provision (\$m)



### Coverage Ratio<sup>4</sup>



### 90+ Day Arrears<sup>5</sup> as % of AUM



# Loan & Other Servicing | 1H 2025



## Benefits of Loan & Other Servicing

- ✓ Capital-light revenue stream
- ✓ Risk reduced – no credit losses
- ✓ Defensive annuity style earnings stream across the credit cycle
- ✓ CTI accretive – no incremental business costs
- ✓ Business diversification

## Targeted Segments

Whole  
Loan Sales



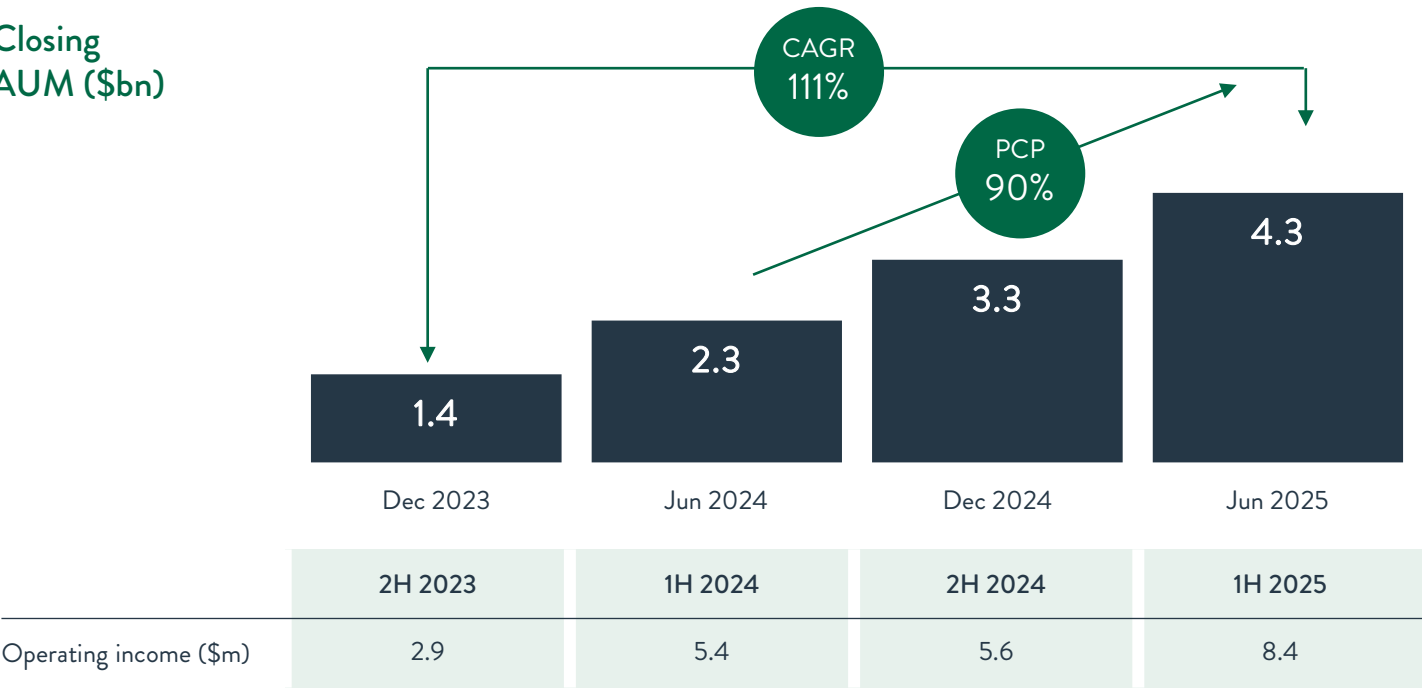
Administration  
of Loan Portfolios



Loan Portfolio  
Acquisition



## Closing AUM (\$bn)





Funding

Whole Loan Sales

\$8.5bn<sup>7</sup>

Across 33 transactions

Public Term Securitisations

\$42.3bn<sup>2</sup>

Across 65 transactions

Warehouses

\$11.5bn <sup>3</sup>	total capacity
26 funders	(includes all 4 major domestic banks, excludes Pepper)
21	facilities
Capacity up 6%	June 2025 vs December 2024

Securitisation

3 Public Platforms <sup>4</sup>	(PRS, Pepper Prime, Sparkz)
100+ <sup>5</sup>	investors
A\$45.3bn <sup>6</sup>	total issuance
Called every note at first available call date	

Whole Loan Sales / Private Term issuances

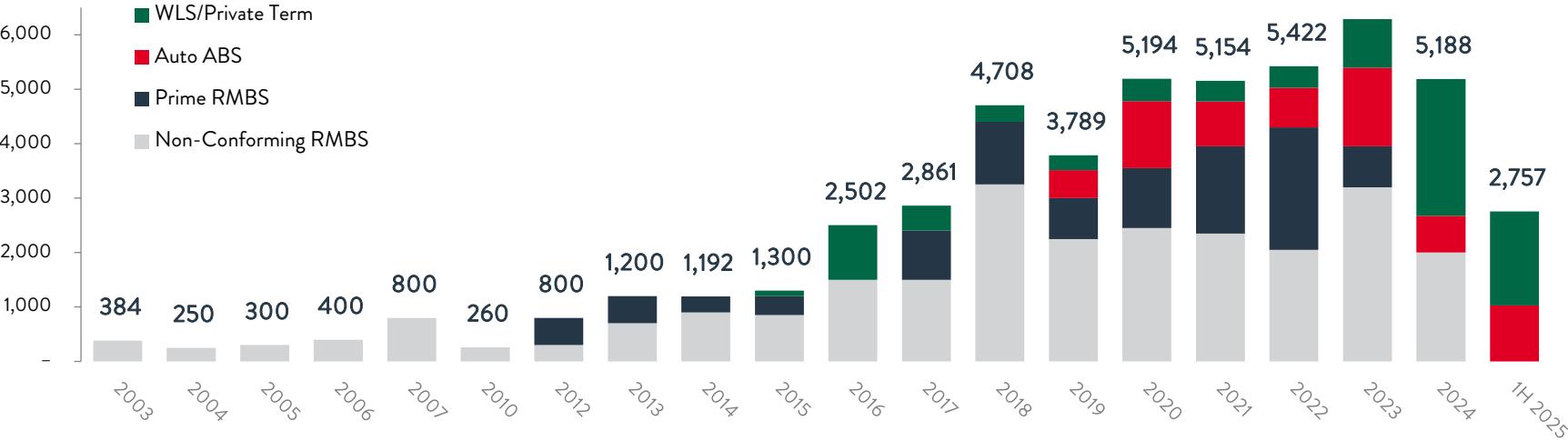
A\$12.9 bn+	total funding <sup>7</sup>
24	counter-parties

Non-conforming RMBS \$25.7bn

Prime RMBS \$10.1bn

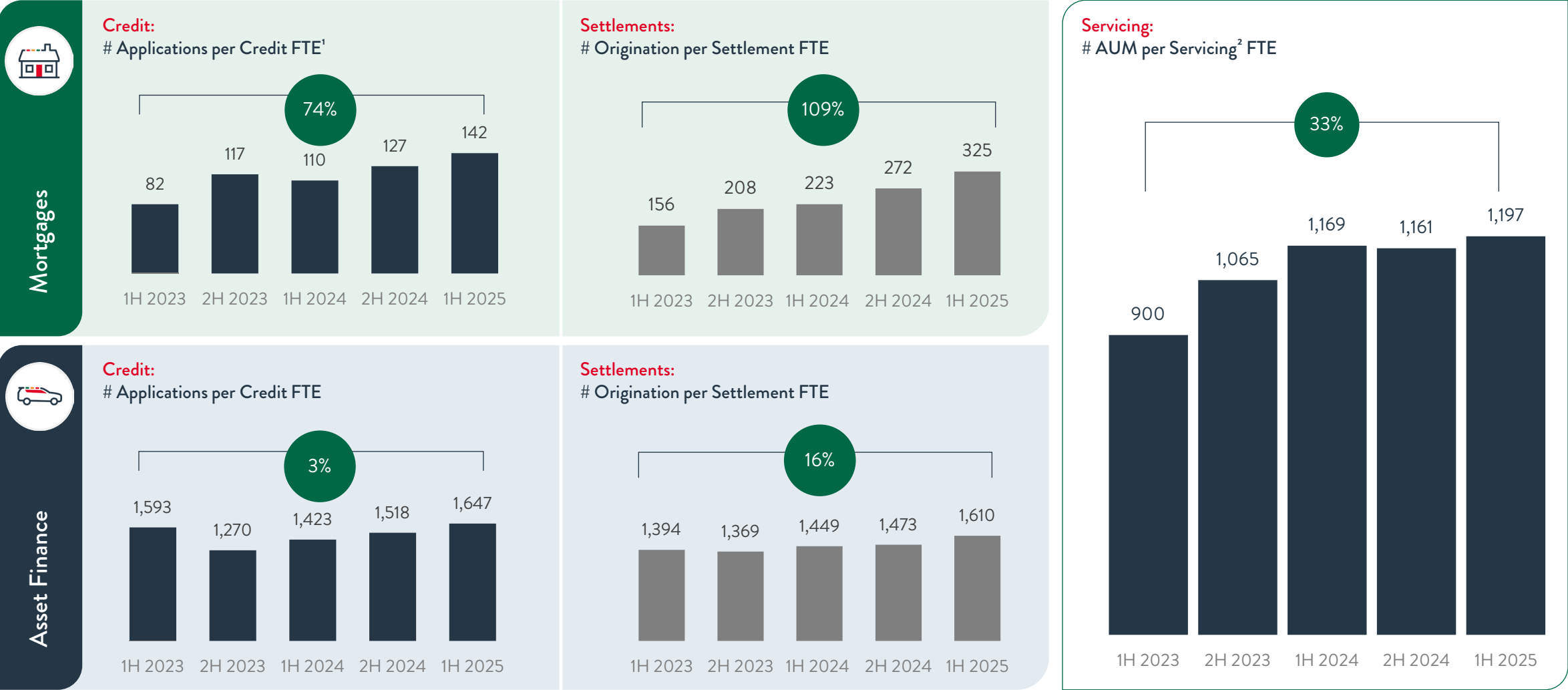
ABS \$6.4bn

Calendar Year (\$m)



1. Chart is total issuance size of public term deals (excluding refinances) and Whole Loan Sales, by issuance year, up to 30 June 2025. 2. Subject to rounding. 3. Includes Pepper Notes. 4. Current securitisation platforms. Historical securitisation platforms include PEPPER I-PRIME, and Pepper Social. 5. Includes investors in all Pepper transactions since 2010. 6. Includes refi tranche issuance. 7. Cumulative from 1 January 2015 to 30 June 2025.

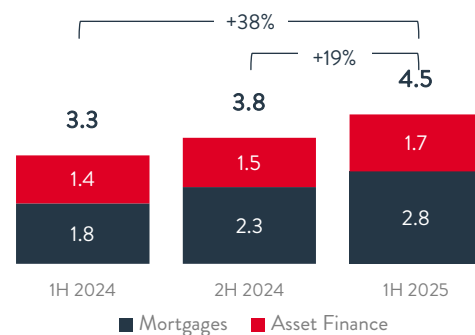
# Scaled technology, process improvements – efficient growth



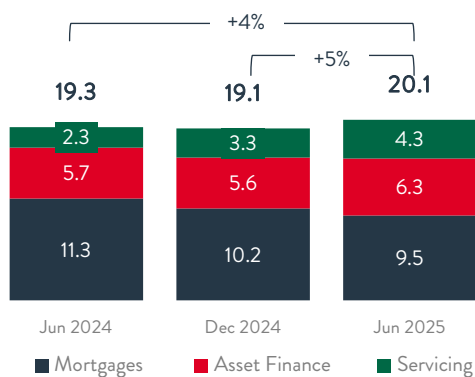
# Financial Performance

## Volume

### Originations (\$bn)

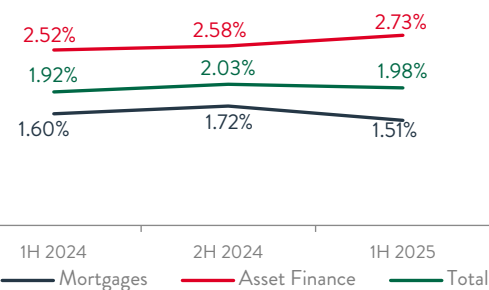


### Total AUM<sup>1</sup> (\$bn)

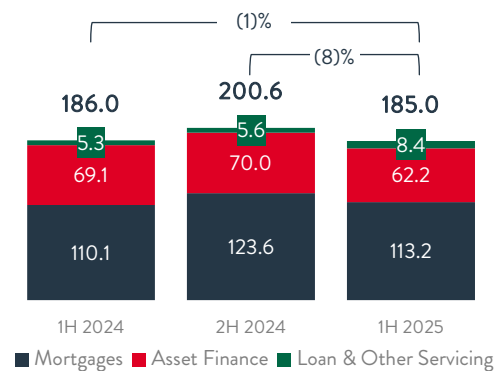


## Income

### Net Interest Margin (%)

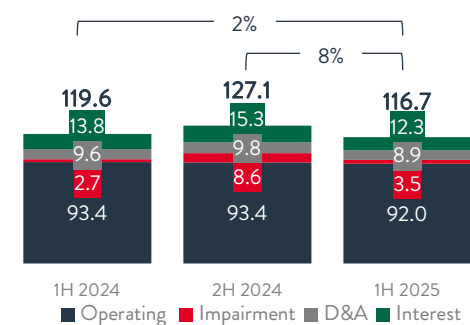


### Total Operating Income<sup>2</sup> (\$m)

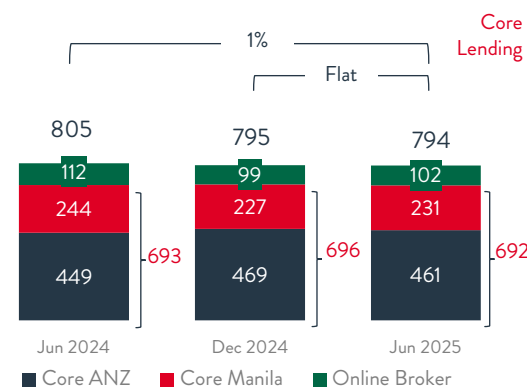


## Expenses / FTE

### Total Expenses (\$m)

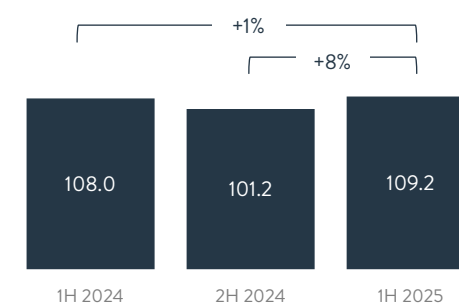


### FTE

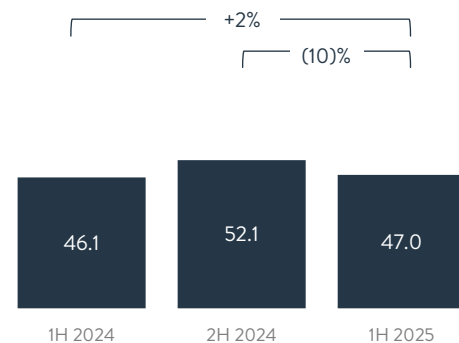


## Profit

### Profit pre-Tax and Loan loss expense (\$m)



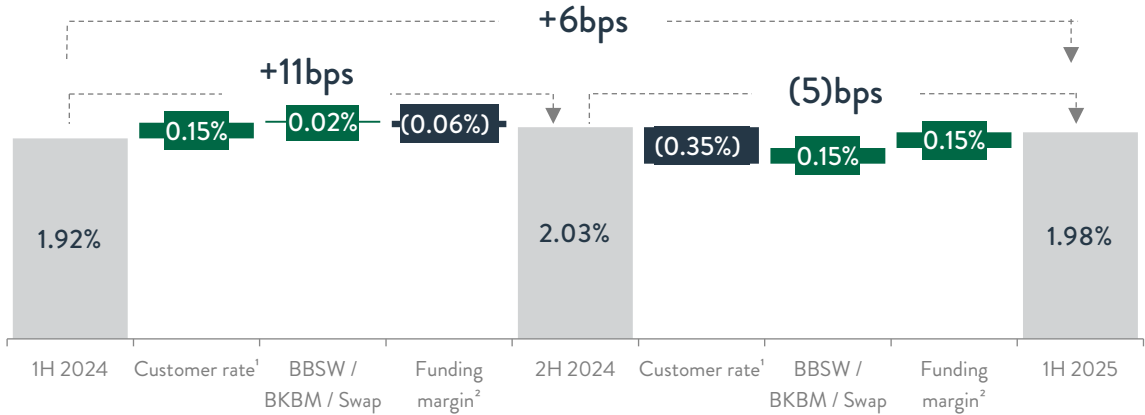
### Pro-forma NPAT (\$m)



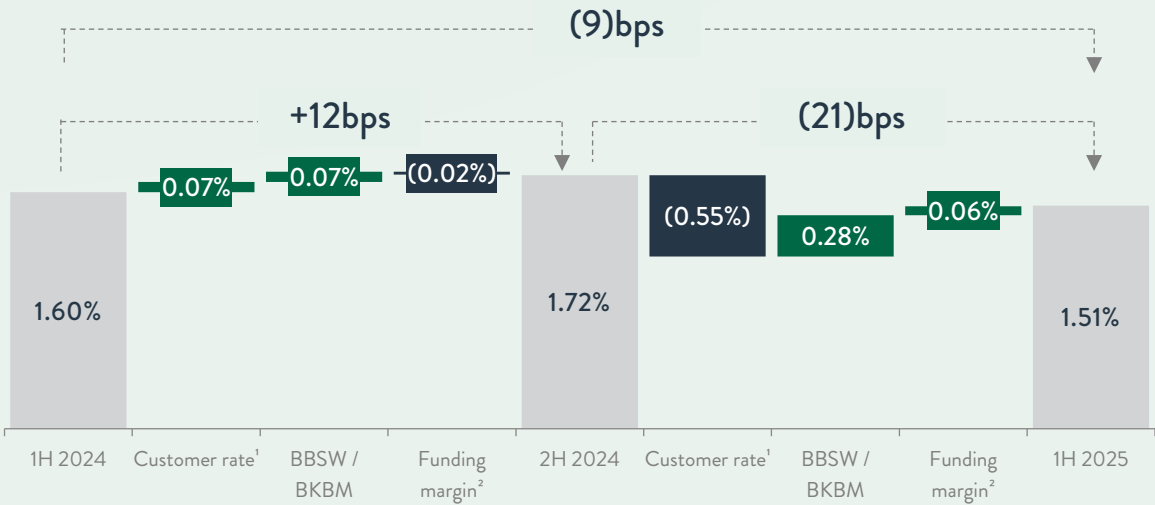
# NIM Movement

Total NIM increased by 6 bps versus PCP driven by portfolio mix, stabilisation of swap rates / BBSW and improved funding margins

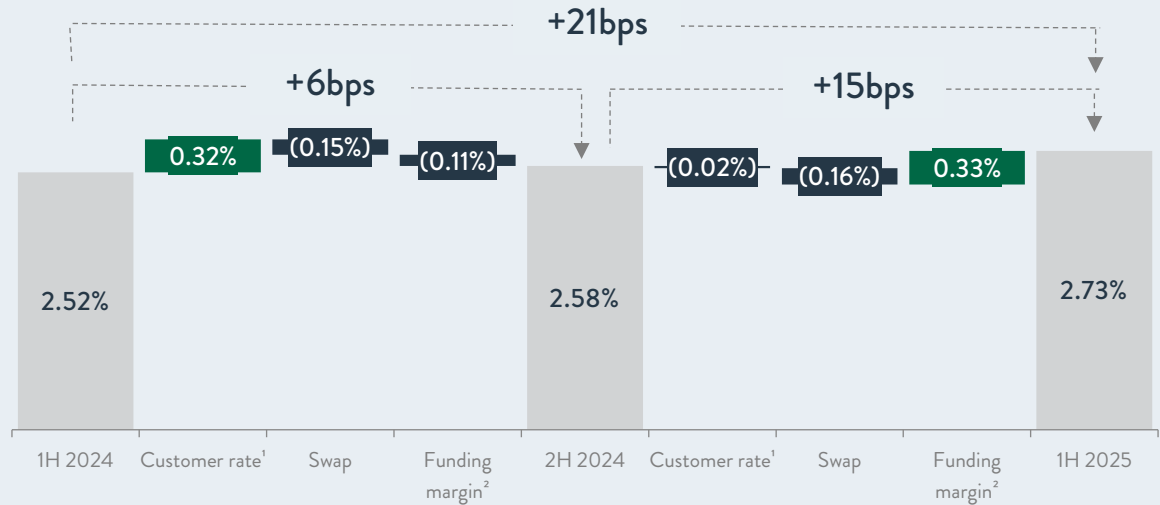
## Total



## Mortgages



## Asset Finance





# Credit Performance | Loan Loss Provisions

## Movement in Loan Book and Coverage Ratio

	AUM	Collective Provisions <sup>1</sup>	Specific Provisions	Total Provisions	Coverage Ratio
	\$ Billion	\$ Million			
30 June 2025					
Mortgages	9.5	13.7	3.1	16.8	0.18%
Asset Finance	6.3	68.7	39.2	107.9	1.71%
Total	15.8	82.4	42.3	124.7	0.79%
31 December 2024					
Mortgages	10.2	19.0	2.2	21.2	0.21%
Asset Finance	5.6	58.3	37.4	95.7	1.70%
Total	15.9	77.3	39.6	116.9	0.74%
30 June 2024					
Mortgages	11.3	28.5	3.0	31.5	0.28%
Asset Finance	5.7	47.2	42.1	89.3	1.57%
Total	17.0	75.7	45.1	120.8	0.71%

1. Includes Post Model Overlay.

## Mortgages



### Movement versus PCP

#### Collective Provisions

Decreased by \$14.8 million driven by Whole Loan Sales releases, net of Originations growth

#### Specific Provisions

In line with PCP

#### Coverage Ratio

Reduced from 0.28% 1H 2024 to 0.18% 1H 2025 reflecting product mix shift towards higher Prime



## Asset Finance

#### Collective Provisions

Increased by \$(21.5) million on PCP. Provision increase on prior comparable period was driven both by AUM growth as well as the reduction in provisions in 2024 following Whole Loan Sales of \$0.5 billion in June 2024 and November 2024 respectively

#### Specific Provisions

Increase in Collective partially offset by Specifics as late-stage arrears continue to improve following the spike in insolvencies experienced in late 2023 and 1H 2024

#### Coverage Ratio

Coverage ratio increased to 1.71% from PCP, following movement in provisions

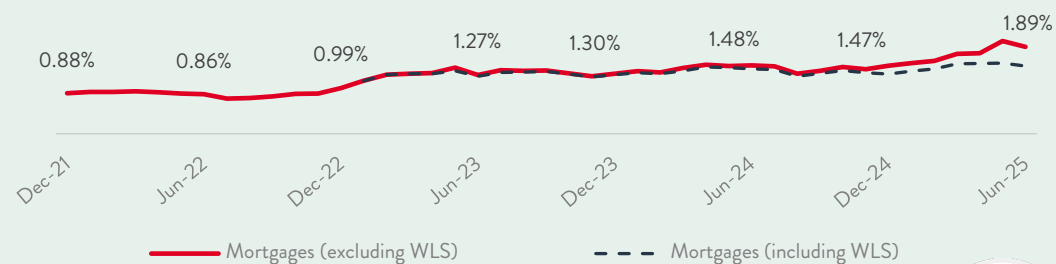
# Credit Performance | Loan Loss Expense

\$ Million	Half Year		
	1H 2025	2H 2024	1H 2024
<b>Mortgages</b>			
Specific	(2.7)	(1.1)	(3.2)
Collective <sup>3</sup>	5.3	9.6	0.4
<b>Mortgages loan loss expense</b>	<b>2.6</b>	<b>8.5</b>	<b>(2.8)</b>
<b>Asset Finance</b>			
Specific	(33.2)	(25.1)	(43.6)
Collective <sup>3</sup>	(10.4)	(11.1)	4.7
<b>Asset Finance loan loss expense</b>	<b>(43.6)</b>	<b>(36.2)</b>	<b>(38.9)</b>
<b>Total</b>			
Specific	(35.8)	(26.2)	(46.7)
Collective <sup>3</sup>	(5.1)	(1.5)	5.1
<b>Total loan loss expense</b>	<b>(40.9)</b>	<b>(27.7)</b>	<b>(41.6)</b>

## Mortgages



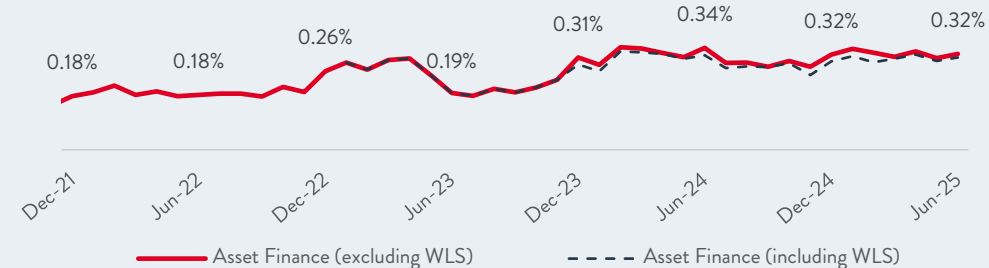
### 90+ Day Arrears<sup>1</sup> as % of AUM



## Asset Finance



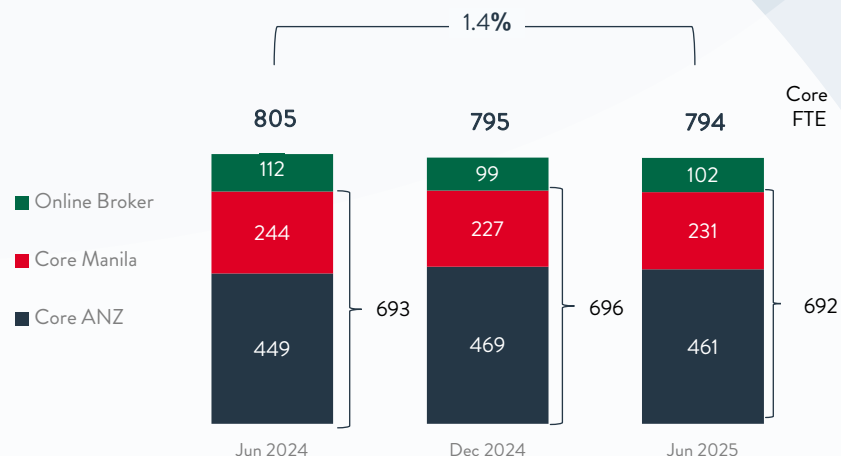
### 90+ Day Arrears<sup>2</sup> as % of AUM



# Total Expenses



## FTE Movement (#)



	Half Year			% 1H 2025 vs	
\$ Million	1H 2025	2H 2024	1H 2024	2H 2024 <sup>1</sup>	1H 2024 <sup>1</sup>
Employee benefits expense	(63.5)	(61.0)	(65.3)	(4)%	3%
Marketing expense	(6.7)	(7.8)	(7.6)	14%	11%
Technology expense	(13.2)	(13.1)	(11.5)	(1)%	(15)%
General and admin expense	(8.6)	(11.4)	(9.1)	25%	5%
Fair value losses on financial assets	(3.5)	(1.2)	(2.7)	(199)%	(28)%
Impairment losses on non-financial assets	-	(7.4)	-	-	-
<b>Operating Expense</b>	<b>(95.5)</b>	<b>(101.9)</b>	<b>(96.2)</b>	<b>6%</b>	<b>1%</b>
Depreciation and amortisation	(8.9)	(9.8)	(9.6)	10%	7%
Corporate interest expense	(12.3)	(15.3)	(13.8)	20%	11%
<b>Total Expense</b>	<b>(116.7)</b>	<b>(127.1)</b>	<b>(119.6)</b>	<b>8%</b>	<b>2%</b>
<b>Metrics</b>	<b>1H 2025</b>	<b>2H 2024</b>	<b>1H 2024</b>	<b>2H 2024<sup>1</sup></b>	<b>1H 2024<sup>1</sup></b>
Technology + Depreciation expense (\$M)	(22.1)	(22.9)	(21.1)	3%	(5)%
Total Expense excluding impairments per Core FTE (\$'000) <sup>2</sup>	(163.6)	(170.3)	(168.7)	4%	3%
Cost to Income ratio <sup>3</sup>	51.7%	55.7%	52.5%	4%	1%

## Profit &amp; Loss



\$ Million	Half Year			% 1H 2025 vs	
	1H 2025	2H 2024	1H 2024	2H 2024	1H 2024
Interest income	637.5	703.7	732.4	(9)%	(13)%
Interest expense	(480.2)	(533.2)	(561.5)	10%	14%
<b>Net interest income</b>	<b>157.3</b>	<b>170.4</b>	<b>170.9</b>	<b>(8)%</b>	<b>(8)%</b>
Lending fee income	32.5	32.3	33.4	1%	(2)%
Lending expense	(14.7)	(15.5)	(13.9)	6%	(5)%
Whole loan sales gain	30.6	23.6	19.1	29%	60%
Loan losses	(40.9)	(27.7)	(41.6)	(48)%	2%
Servicing fees and other income	20.2	17.5	18.1	15%	11%
<b>Total operating income</b>	<b>185.0</b>	<b>200.6</b>	<b>186.0</b>	<b>(8)%</b>	<b>(1)%</b>
Employee benefits expense	(63.5)	(61.0)	(65.3)	(4)%	3%
Marketing expense	(6.7)	(7.8)	(7.6)	14%	11%
Technology expense	(13.2)	(13.1)	(11.5)	(1)%	(15)%
General and administration expense	(8.6)	(11.4)	(9.1)	25%	5%
Fair value losses on financial assets	(3.5)	(1.2)	(2.7)	(199)%	(28)%
Impairment losses on non-financial assets	-	(7.4)	-	-	-
<b>EBITDA</b>	<b>89.5</b>	<b>98.7</b>	<b>89.8</b>	<b>(9)%</b>	<b>(0)%</b>
Depreciation and amortisation expense	(8.9)	(9.8)	(9.6)	10%	7%
Corporate interest expense	(12.3)	(15.3)	(13.8)	20%	11%
<b>Profit before income tax</b>	<b>68.3</b>	<b>73.5</b>	<b>66.4</b>	<b>(7)%</b>	<b>3%</b>
Income tax expense	(21.3)	(21.4)	(20.3)	1%	(5)%
<b>Net profit after income tax</b>	<b>47.0</b>	<b>52.1</b>	<b>46.1</b>	<b>(10)%</b>	<b>2%</b>
Non controlling interest	-	-	(0.6)	-	-
<b>Net profit attributable to equity holders of Pepper Money Limited</b>	<b>47.0</b>	<b>52.1</b>	<b>46.7</b>	<b>(10)%</b>	<b>1%</b>
<b>Profit pre-Tax and Loan loss expense</b>	<b>109.2</b>	<b>101.2</b>	<b>108.0</b>	<b>8%</b>	<b>1%</b>



## Financial Metrics



	Half Year			% 1H 2025 vs	
	1H 2025	2H 2024	1H 2024	2H 2024	1H 2024
<b>Volume (\$ Billion)</b>					
Originations – Mortgages	2.8	2.3	1.8	21%	53%
Originations – Asset Finance	1.7	1.5	1.4	15%	19%
<b>Total Originations</b>	<b>4.5</b>	<b>3.8</b>	<b>3.3</b>	<b>19%</b>	<b>38%</b>
AUM lending – Mortgages (closing)	9.5	10.2	11.3	(8)%	(16)%
AUM lending – Asset Finance (closing)	6.3	5.6	5.7	12%	11%
<b>AUM lending (closing)</b>	<b>15.8</b>	<b>15.9</b>	<b>17.0</b>	<b>(1)%</b>	<b>(7)%</b>
<b>AUM servicing (closing)</b>	<b>4.3</b>	<b>3.3</b>	<b>2.3</b>	<b>33%</b>	<b>90%</b>
<b>Total AUM (closing)</b>	<b>20.1</b>	<b>19.1</b>	<b>19.3</b>	<b>5%</b>	<b>4%</b>
<b>Income (\$ Million)</b>					
Operating income – Mortgages	113.2	123.6	110.1	(8)%	3%
Operating income – Asset Finance	62.2	70.0	69.1	(11)%	(10)%
Operating income – Loan and Other Servicing	8.4	5.6	5.3	50%	57%
Operating income – Corporate	1.2	1.4	1.4	(11)%	(12)%
<b>Total Operating Income</b>	<b>185.0</b>	<b>200.6</b>	<b>186.0</b>	<b>(8)%</b>	<b>(1)%</b>
<b>Margins</b>					
Net interest margin <sup>1</sup> – Mortgages	1.51%	1.72%	1.60%	(21)bps	(9)bps
Net interest margin <sup>1</sup> – Asset Finance	2.73%	2.58%	2.52%	15bps	21bps
<b>Total Net interest margin<sup>1</sup></b>	<b>1.98%</b>	<b>2.03%</b>	<b>1.92%</b>	<b>(5)bps</b>	<b>6bps</b>
Employee benefits expense / Total operating income	34.3%	30.4%	35.1%	(4)%	1%
Employee cost per FTE <sup>2</sup> (\$'000)	(160.7)	(152.7)	(159.8)	(5)%	(1)%
Cost-to-income ratio <sup>3</sup>	51.7%	55.7%	52.5%	4%	1%
<b>Credit: Coverage Ratio</b>					
Coverage ratio <sup>4</sup> – Mortgages	0.18%	0.21%	0.28%	(3)bps	(10)bps
Coverage ratio <sup>4</sup> – Asset Finance	1.71%	1.70%	1.57%	1bps	13bps
<b>Coverage ratio<sup>4</sup> – Total</b>	<b>0.79%</b>	<b>0.74%</b>	<b>0.71%</b>	<b>5bps</b>	<b>8bps</b>
<b>Underlying Profit (\$ Million)</b>					
Profit pre-Tax and Loan Loss Expense	<b>\$109.2</b>	<b>\$101.2</b>	<b>\$108.0</b>	<b>8%</b>	<b>1%</b>

# Capital Management | 1H 2025

Effective execution of our capital management strategy supports higher shareholder returns



Consistent reinvestment – technology and marketing



Liquidity – coverage to support growth



Whole Loan Sales market leader – value of the embedded book



Efficient and scaled funding model

Special Dividend

\$55.5m

14% annualised yield<sup>1</sup>

Interim Dividend

6.4 cps

60% payout<sup>2</sup>

Share buy back

+10%

Stock traded acquired<sup>3</sup>

Annualised dividend yield of Special and Interim dividends:

21%

Return on Equity<sup>4</sup> improvement

✓ Release of retained earnings

✓ On market share buyback

Corporate Debt Facility

\$27.5m

Debt retired in February 2025

Corporate Debt Facility (30 June 2025)

\$97.5m

\$57.5m retired since 30 June 2024

# Sources and Uses of Cash

## Corporate Cash Flow

Key Movements: 31 December 2024 to 30 June 2025

<b>Inflow</b>	<b>Trust income</b>
	Interest income derived from assets under management and residual income units earned from the trust waterfalls.
	<b>Whole loan sale premium</b>
	Gross premium before costs received from the execution of whole loan sales across Mortgages and Asset Finance portfolios in the year.
<b>Outflow</b>	<b>Operating expenses</b>
	Includes business operating expenses and costs incurred in establishing securitisation deals and corporate debt structures.
	<b>Funding cash flow</b>
	Equity investments in securitisation structures, and credit enhancement required in the warehouse facilities.
	<b>Equity investment</b>
	Costs associated with the on-market share buyback.
	<b>Interest expense</b>
	Interest incurred on corporate debt facilities, net of bank interest earned.
<b>Dividend</b>	<b>Dividend payment<sup>1</sup></b>
	CY2024 final dividend, paid April 2025.

\$ Million	Six months ended
	30 Jun 2025
Trust income	136.9
Origination fees	26.8
Whole Loan Sale premium	18.5
Servicing and other income	7.5
<b>Total income</b>	<b>189.7</b>
Operating expense	(100.1)
Broker commissions	(33.3)
<b>Total operating expense</b>	<b>(133.4)</b>
Interest expense	(11.4)
<b>Cash profit before tax</b>	<b>44.8</b>
Tax expense	(34.1)
<b>Cash profit after tax</b>	<b>10.8</b>
Funding cashflows	69.1
Equity investments	(2.0)
Corporate debt repayment	(27.5)
<b>Cash available for distribution</b>	<b>50.4</b>
2024 Final Dividend payment	(31.5)
Opening cash 31 December 2024	124.0
Change in cash	18.9
<b>Closing cash 30 June 2025</b>	<b>142.9</b>

# Balance Sheet

Key Movements: 31 December 2024 to 30 June 2025

<b>Assets</b>	<b>Loans and advances</b> Loans and advances reflects movement in Assets Under Management, net of Whole Loan Sales of \$1.7 billion executed over 1H 2025 and provisions for loan losses.
	<b>Derivative financial asset</b> Net position driven by the impact of falling interest rates, given RBA reduction in the cash rate from 4.35% to 3.85% December 2024 to June 2025.
	<b>Goodwill and intangibles</b> Addition of \$2.2 million work in progress assets offset by software amortisation expense \$(5.1) million and amortisation of acquired customer relationship asset \$(0.5) million.
<b>Liabilities</b>	<b>Borrowings</b> Decrease in note borrowings in line with movement in Assets Under Management, \$7.0 million lower capitalised deal costs and lower corporate debt balance as a result of \$27.5 million principal repayment in February 2025. Other Liabilities includes the Special Dividend declared 3 June 2025 (paid 16 July 2025).
	<b>Retained earnings</b> Profit delivered in 1H 2025, net of 2024 Final Dividend paid 17 April 2025 and Special Dividend declared 3 June 2025.

	Balance as at		
\$ Million	30 Jun 2025	31 Dec 2024	30 Jun 2024
Cash and cash equivalents	999.9	1,226.2	1,106.3
Receivables	16.5	13.9	15.7
Derivative financial assets	3.8	21.0	64.6
Loans and advances	15,892.8	15,991.8	17,120.5
Other financial assets	13.4	15.3	19.8
Other assets	10.8	13.4	5.9
Deferred tax assets	63.1	37.1	15.6
Property, plant and equipment	22.1	25.4	28.4
Goodwill and intangibles	124.9	128.3	137.8
<b>Total assets</b>	<b>17,147.3</b>	<b>17,472.4</b>	<b>18,514.6</b>
Trade payables	14.7	16.0	12.0
Current tax	6.5	12.5	4.3
Provisions	26.5	27.7	25.6
Derivative liabilities	54.0	10.3	1.7
Borrowings	16,121.7	16,467.4	17,511.1
Other liabilities	84.0	29.1	40.1
Other financial liabilities – trail commission payable	62.9	53.8	60.4
<b>Total liabilities</b>	<b>16,370.3</b>	<b>16,616.8</b>	<b>17,655.2</b>
<b>Total net assets</b>	<b>777.0</b>	<b>855.6</b>	<b>859.4</b>
Issued capital	736.6	730.7	732.7
Other reserves	(19.9)	24.6	56.4
Retained earnings	60.3	100.3	70.3
<b>Total equity</b>	<b>777.0</b>	<b>855.6</b>	<b>859.4</b>



# Outlook

## Conditions are improving and outlook is looking positive...

Consumer confidence continues to improve:

Mortgages customers remain resilient



Asset Finance customers still experiencing some pressure



Interest rate reductions:

Market growth returning – double digit application growth

Household saving ratios improving – back to long term average of 5%

Funding markets:

Continue to be stable / improve – geo-political issues to date being managed



## Pepper Money is best positioned to capture growth...



Distribution footprint – expanding



New products – strong pipeline, accretive growth, diversification



AI and technology leverage – driving down cost to originate and cost to serve, improving customer experience



Demand for Whole Loan Sales – capital light, annuity income



Strong capital management – headroom to fund growth



# Questions & Answers

peppermoney

Thank you

on behalf of all of Pepper Money

# Appendices



# Addressable Market

June 2025

Total  
Addressable  
Market (AUM)

Pepper Money's  
Market Share  
(closing AUM)

Targeted  
Customer  
Segments



## Mortgages

\$2,797bn<sup>1</sup>

Conforming: 88%  
Non-Conforming: 12%<sup>2</sup>

~0.3%<sup>3</sup>

- First home buyers
- SME/self employed (e.g. including casual and gig economy)
- Minor adverse credit event in history (e.g. late utilities bill)
- Credit history impacted by “life event” (e.g. divorce)



## Asset Finance

\$248bn

Consumer: \$71bn<sup>4</sup>  
Commercial: \$175bn<sup>5</sup>

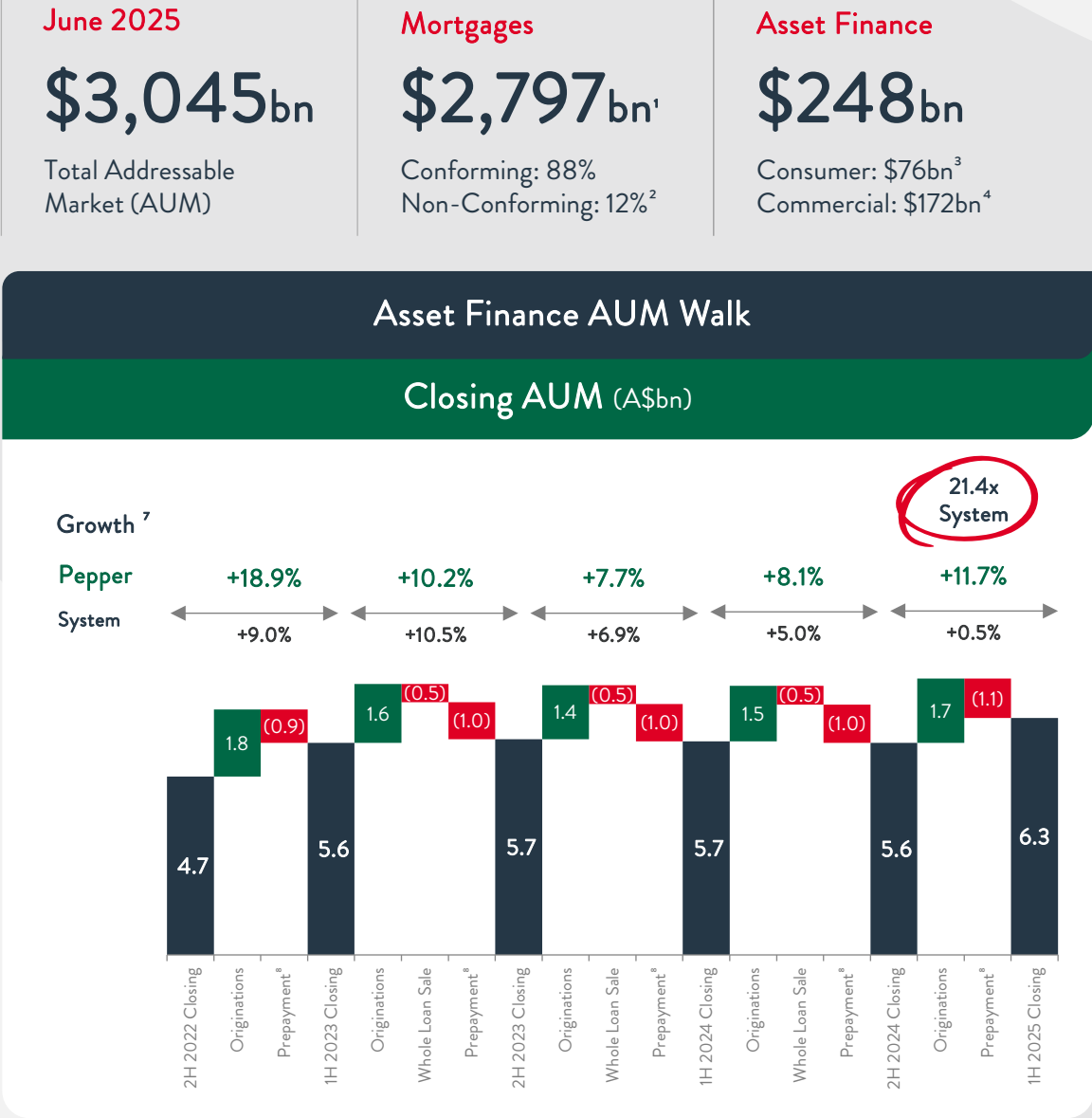
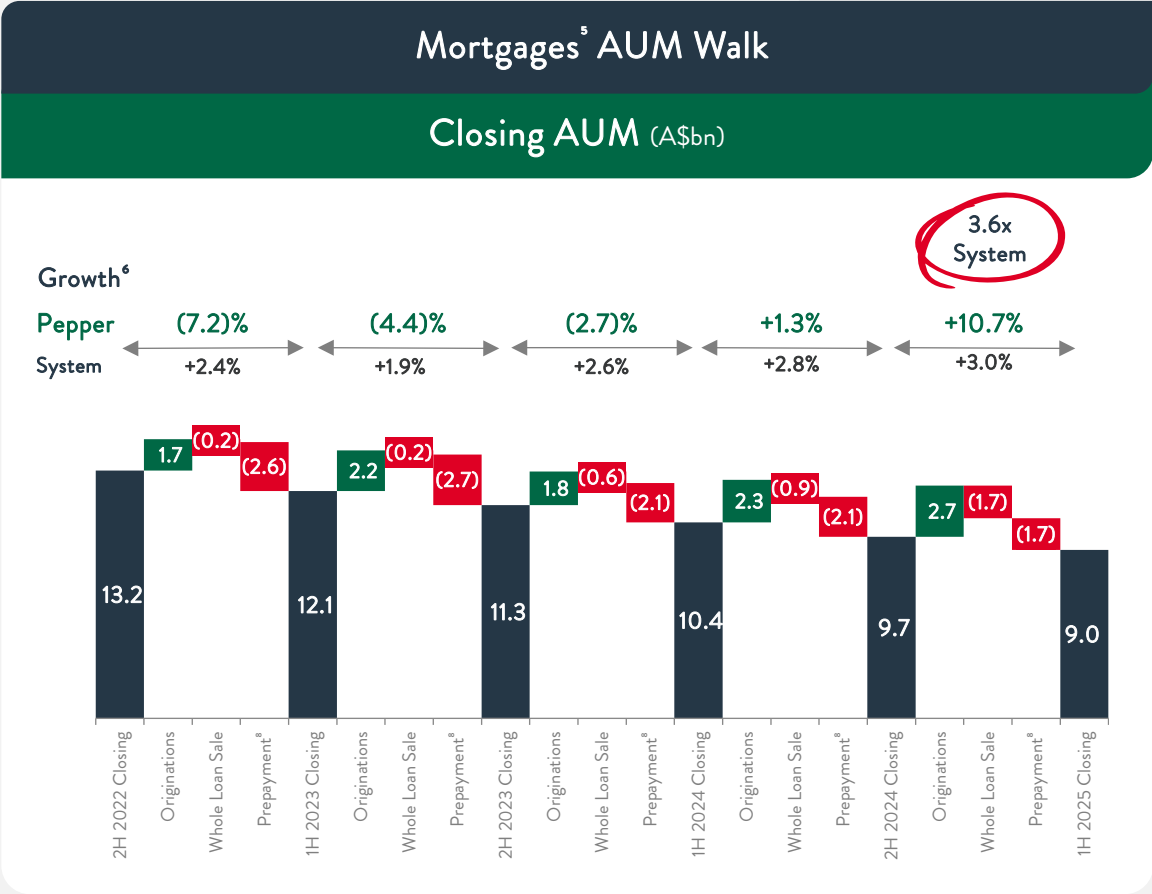
~2.5%<sup>6</sup>

Consumer: ~2.5%  
Commercial: ~2.6%<sup>7</sup>

- Used cars
- Caravans
- Commercial vehicles
- Novated lease
- Small scaled business equipment

Notes: 1. Combination of Australia and New Zealand mortgage markets at June 2025 (Total housing credit, RBA D2 Lending and credit aggregates (including owner-occupier housing credit and investor housing credit)); Housing, RBNZ C5 Sector lending (registered banks and non-bank lending institutions), June 2025, converted at an assumed exchange rate of NZD:AUD = 0.9331. 2. Independent research conducted by Fifth Dimension Research and Consulting in March 2021. 3. Represents Pepper Money's Mortgages AUM at 30 June 2025 (closing) as a proportion of Total housing credit. 4. New household loan commitments for purchase of road vehicles, New household loan commitments, ABS 5601.0 Lending Indicators Table 27, July 2024 – June 2025 (published August 2025). Assumes market size is approximately 4x lending commitments for last 12 months. 5. New business loan commitments (small and medium size business), finance lease and fixed term, purchase of vehicles, plant and equipment, ABS 5601.0 Table 28, 30 and 32, July 2024 – June 2025 (published August 2025). Assumes market size is approximately 4x lending commitments for last 12 months. Medium size business plant and equipment lending is included but is not part of Pepper's addressable market. 6. Represents Pepper Money's Asset Finance AUM at 30 June 2025 (closing) as a proportion of total consumer and commercial motor and equipment financing. 7. Pepper's Commercial AUM includes the Commercial and Novated Lease portfolios.

Systems growth



Notes: 1. Combination of Australia and New Zealand mortgage markets as at June 2025 (Total housing credit, RBA D2 Lending and credit aggregates (including owner-occupier housing credit and investor housing credit)); Housing, RBNZ C5 Sector lending (registered banks and non-bank lending institutions), June 2025, converted at an assumed exchange rate of NZD:AUD = 0.9331. 2. Independent research conducted by Fifth Dimension Research and Consulting in March 2021. 3. New household loan commitments for purchase of road vehicles ABS 5601.0 Lending Indicators Table 27, July 2024 – June 2025 (published August 2025). Assumes market size is approximately 4x lending commitments for last 12 months. 4. New business loan commitments, finance lease and fixed term, purchase of vehicles, plant and equipment, ABS 5601.0 Table 28, 30 and 32, July 2024 – June 2025 (published August 2025). Assumes market size is approximately 4x lending commitments for last 12 months. 5. Australian mortgages including Commercial Real Estate. 6. Growth compares Pepper Australian mortgage AUM growth, excluding the impact of whole loan sale executed in the period, to the Australian total housing credit, RBA D2 lending and credit aggregates (including owner-occupier housing credit and investor housing credit). 7. Growth compares Pepper asset finance AUM growth, excluding the impact of whole loan sale executed in the period, to the total asset finance market growth under the assumption that market size is approximately 4x lending commitments. 8. Includes scheduled repayments.

# Portfolio performance

## Segment

Originations 1H 2025  
(vs PCP / 2H 2024)

Originations Mix  
1H 2025

AUM June 2025 Close  
(vs PCP / 2H 2024)

AUM Mix

Net Interest Margin<sup>1</sup> %  
(vs PCP / 2H 2024)

Operating Income  
(vs PCP / 2H 2024)

Coverage Ratio<sup>2</sup>  
(vs PCP / 2H 2024)



### Mortgages

\$2.8 billion +53% PCP   +21% 2H 2024		
Prime 70%	Near Prime 27%	Specialist 3%
\$9.6 billion (16)% PCP   (8)% 2H 2024		
Prime 46%	Near Prime 44%	Specialist 10%
1.51% (9)bps PCP   (21)bps 2H 2024		
\$113.2 million +3% PCP   (8)% 2H 2024		
0.18% (10)bps PCP   (3)bps 2H 2024		



### Asset Finance

\$1.7 billion +19% PCP   +15% 2H 2024		
Tier A 75%	Tier B 22%	Tier C 3%
\$6.3 billion +11% PCP   +12% 2H 2024		
Tier A 59%	Tier B 32%	Tier C 9%
2.73% +27bps PCP   +15bps 2H 2024		
\$62.2 million (10)% PCP   (11)% 2H 2024		
1.71% +14bps PCP   +1bp 2H 2024		



### Loan & Other Servicing

\$4.3 billion +90% PCP   +33% 2H 2024		
\$8.4 million +57% PCP   +50% 2H 2024		

1. Six months to June 2025 net interest income annualised by days divided by average lending AUM. 2. Loan Loss Provision including Post Model Overlay divided by closing Lending AUM for the relevant period.

# Glossary & Disclaimer

## Glossary of Terms

**AUM – Lending (closing):** Assets Under Management originated and serviced (securitised and Pepper Money balance sheet lending).

**AUM – Servicing (closing):** Assets Under Management for portfolios of third parties which are serviced by Pepper Money.

**Capital expenditure:** Includes investment in property and equipment and intangible software and licenses.

**Core FTE:** Full time equivalent employee in Australia, New Zealand and Manila supporting the Company's Lending and Loan Servicing business units.

**Cost to Income (CTI) ratio:** Total expense divided by total operating income before loan loss expense.

**EBITDA:** Earnings before corporate interest expense (including the interest charge associated with AASB 16 *Leases*) income tax expense, depreciation and amortisation.

**Employee cost per FTE:** Employee benefits expenses for the relevant period, divided by average full-time equivalent employees.

**Employee benefits expense/Total operating income:** Employee benefits expenses divided by total operating income.

**FTE:** Full time equivalent employee.

**Net interest income:** Interest charged on loans provided to borrowers (Mortgages and Asset Finance), income from Mortgage Risk Fee (MRF) / Loan Protection Fee (LPF), loan premium revenue and the funding costs and facility establishment costs associated with the debt raised to fund these assets. The net interest income is calculated using the Effective Interest Rate (EIR) which includes certain fees and costs incurred which are integral in bringing the loans or associated debt to account (such as upfront Distribution Partner commissions).

**Net interest margin (NIM):** Net interest income divided by average Lending AUM for the relevant period.

**NPAT:** Net Profit After Tax.

**Originations:** New loans originated during the period.

**PCP:** Refers to prior comparative period being the six months to June 2024 in this presentation.

**Total Operating Income:** Includes net interest income, lending fee income, lending expenses, Whole loan sales gain, loan losses and servicing fees and other income.

**Total Operating Income yield:** Total operating income divided by average Lending and Servicing AUM for the relevant period.

**90+ days past due % closing Lending AUM:** Loans where borrowers have not made the full payment of interest or principal for an amount exceeding 3 monthly instalments, divided by closing Lending AUM.



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The logo for Pepper Money, featuring the word "pepper" in a bold, lowercase, sans-serif font, with the word "money" in a lighter, lowercase, sans-serif font directly below it. The background is a vibrant red with large, overlapping, semi-transparent circular shapes in various shades of red and pink, creating a dynamic, abstract pattern.

# pepper

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