

ASX Announcement  
19 February 2026

## Pepper Money 2025 Results

### Record Originations, Record AUM

Total Assets Under Management - **\$21.8 billion** – highest achieved in Pepper Money's history  
Record Originations at **\$10.3 billion** – up **47%** CY2025 versus CY2024  
Net Interest Margin of **2.05%** up **8 bps**<sup>1</sup> on PCP<sup>2</sup>  
Total Pro-forma<sup>3</sup> Expenses down **2%** on PCP. Cost to Income ratio<sup>4</sup> of **50.5%** improved 4% on PCP  
Pro-forma Net Profit After Tax **\$104.8 million** up **7%** on PCP  
Fully franked Final dividend of **7.8 cps**<sup>5</sup> declared<sup>6</sup>

#### Result Highlights<sup>7</sup>

- **Statutory NPAT**<sup>8</sup> of \$104.6 million and **Pro-forma NPAT** of \$104.8 million, both increased 7% on CY2024.
- **Pro-forma Profit pre-Tax and Loan Loss Expense** of \$237.4 million grew 13% on prior comparative period (PCP).
- **Total Originations** of \$10.3 billion, set a record for the business and grew 47% on PCP.
- **Total Assets Under Management (AUM)** of \$21.8 billion – also a new record for Pepper Money – increased 14% on 31 December 2024.
- **Net Interest Income** was \$335.6 million, (2)% below PCP. This was driven in part by mix, with Prime Mortgages representing a higher percent of the loan portfolio (33% of closing CY2025 Total Lending AUM versus 30% PCP), and in part by the flow through of increased Whole Loan Sales, where income shifts from Net Interest Income to **Other Operating Income**, which at \$106.0 million increased 35% on CY2024.
- **Total Net Interest Margin (NIM)** at 2.05% increased 8 bps on PCP:
  - **Mortgages NIM**: at 1.54% was (12)bps down on CY2024, driven by product mix skewed to Prime, and the increase in WLS executed over the year.
  - **Asset Finance NIM**: at 2.85% for CY2025 gained 31 bps on CY2024. The increase in NIM was driven by the positive impact of pricing strategies on customer rates, coupled with improved funding margins and swap rates.
- **Loan Losses as a percentage of Lending AUM** increased from (0.40)% in CY2024 to (0.55)% at 31 December 2025, driven by a recalibration of the models applied to determine expected credit losses, volume growth in Asset Finance and overall portfolio mix.
- **Total Operating income** of \$388.8 million increased 1% on PCP.
- **Total Pro-forma Expenses** of \$242.0 million for CY2025 decreased by \$4.7 million, an improvement of 2% on PCP.
- **Cost to Income ratio** improved 4% on CY2024, to end CY2025 at 50.5%.
- **Seven Whole Loan Sales** were executed, totalling \$3.5 billion, and four **Public Term Securitisation** of \$3.5 billion were completed, setting a new funding record – of \$7.0 billion raised.
- **Warehouse capacity**<sup>9</sup> closed 31 December 2025 at \$13.3 billion up from \$11.5 billion at 30 June 2025 and from \$10.8 billion at 31 December 2024.
- **Fully franked Final dividend** of 7.8 cents per share declared 19 February 2026, brings total fully franked dividends declared in respect to CY2025 performance to 26.7 cents per share (versus 12.1 cps for CY2024 performance), representing an **annualised** yield of 16.1%.
- \$27.5 million in **Corporate Debt** was repaid in February 2025, with the drawn balance standing at \$97.5 million at 31 December 2025 (31 December 2024: \$125.0 million).
- Pepper Money is **well funded to support future growth** with **unrestricted cash** of **\$121.8 million** at 31 December 2025.

## Financial and Operational Metric Summary<sup>7</sup>

At 31 December	CY2025	CY2024	Variance	% Variance
Statutory NPAT	\$104.6m	\$98.2m	\$6.4m	7%
Pro-forma NPAT	\$104.8m	\$98.2m	\$6.6m	7%
Pro-forma Profit pre-Tax and Loan Loss Expense	\$237.4m	\$209.2m	\$28.2m	13%
Originations	\$10.3bn	\$7.0bn	\$3.3bn	47%
Lending AUM	\$16.7bn	\$15.9bn	\$0.8bn	5%
Total AUM	\$21.8bn	\$19.1bn	\$2.6bn	14%
Net Interest Margin (NIM)	2.05%	1.97%	8bps	
Loan Losses % Lending AUM	(0.55)%	(0.40)%	(15)bps	
Total Operating Income	\$388.8m	\$386.6m	\$2.2m	1%
Total Pro-forma Expenses	\$(242.0)m	\$(246.7)m	\$4.7m	2%
Cost to Income Ratio <sup>10</sup>	50.5%	54.1%		4%
Final Dividend (per share)	7.8c	7.1c	0.7c	10%
Final Dividend Payout Ratio	60.0%	60.0%	-	-
Final Dividend <sup>11</sup>	\$34.7m	\$31.2m	\$3.5m	11%
Total Dividends (per share) paid/payable	26.7c	12.1c	14.6c	121%
Annualised Yield	16.1%	8.9%		7.2%

**Pepper Money Limited** (ASX: PPM) today announced its results for the year ending 31 December 2025 (CY2025). Pro-Forma Net Profit After Tax (NPAT) of \$104.8 million was up 7% on PCP. Statutory NPAT also increased 7% over CY2024, closing at \$104.6 million.

**Pepper Money's CEO, Mario Rehayem** commented: *"I am extremely proud of our achievements over CY2025 – it has truly been a record-breaking year across all areas. Alongside celebrating our 25th anniversary, we achieved new records for both Originations and Total Assets Under Management (AUM) - delivering \$10.3 billion in Originations across Mortgages and Asset Finance and closing the year with Total AUM of \$21.8 billion - a key foundation of future profitability."*

*"Volume growth did not come at the expense of margin – Total Net Interest Margin (NIM) of 2.05% - was up from 1.97% in CY2024. Total NIM benefited from a strong performance in our Asset Finance business which experienced both improved margins and mix. Asset Finance NIM increased 31bps year on year, and while Mortgage NIM was down (12)bps year on year – this was driven by mix – with Prime Originations increasing 148% year on year".*

*"I have spoken frequently about our scaled platforms and processes – and how it positions us to efficiently capture growth. We delivered strong efficiency gains over CY2025. This, coupled with our disciplined cost management resulted in Total Pro-forma Expenses reducing by 2% on PCP to \$242.0 million. Our Cost-to-Income ratio improved by 4% on PCP to 50.5%."*

*"Strong market demand continued for our Whole Loan Sales ("WLS") program, and we executed \$3.5 billion in WLS over the year. When added to the \$3.5 billion raised from four Public Term Securitisations in CY2025, we also set a new record for funding, raising \$7.0 billion in total - an uplift of 35% versus CY2024 and exceeded our previous record year – CY2023 - where we raised \$6.2 billion – by 11%".*

Part of the cash released from Whole Loan Sales has been used to pay down our debt, with the Corporate Debt Facility (“CDF”) closing CY2025 with a drawn balance of \$97.5 million, down \$27.5 million from CY2024. A further \$40.0 million of the Medium-Term Note were retired over 2025 as well.”

“Given the strength of the business performance, and the ongoing execution of our capital management strategy, we have also been able to materially increase returns for our shareholders. The Board has declared a fully franked Final dividend for CY2025 of 7.8 cents per share - 60.0% of the Pro-forma NPAT from the period 1 July to 31 December 2025. When added to the fully franked Special dividend of 12.5 cents per share paid in July and the Interim dividend of 6.4 cents per share paid in October, we have paid / declared fully franked dividends of 26.7 cents per share, equating to \$118.6 million, in respect to our CY2025 performance.”

## Operating and financial results

### Originations

The Company delivered \$10.3 billion in **Originations** in CY2025, growth of 47% on PCP:

- **Mortgages** delivered record Originations closing the year at \$6.8 billion – an increase of 66% on PCP. Prime Originations, inclusive of Commercial Real Estate (“CRE”), were \$4.9 billion, an increase of 148% on PCP. In total, Prime accounted for 73% of Originations and Non-conforming 27% in CY2025.
- **Asset Finance** closed CY2025 having grown Originations by 20% on PCP to \$3.5 billion. Novated Lease contributed 47% of the segment Originations over CY2025, with Commercial contributing 26% and Consumer 27%. Growth continued to be driven by Tier A customers which accounted for 74% of Asset Finance Originations in CY2025, with Tier B at 23% and Tier C at 3% (CY2024: 69%, 25% and 6% respectively).

### Assets Under Management (AUM)

**Total AUM** closed CY2025 at a record \$21.8 billion.

**Total Lending AUM** closed December at \$16.7 billion, up from \$15.8 billion at 30 June 2025, and increased \$0.8 billion on December 2024 close:

- **Mortgages AUM:** Net of Whole Loan Sales executed over 2025, AUM closed at \$10.2 billion, up 8% on June 2025, and in line with December 2024, driven by the strong Originations growth delivered over the year.
- **Asset Finance AUM:** Net of Whole Loan Sales, AUM closed December 2025 at \$6.5 billion, up 2% on June 2025, and 14% higher on December 2024, given the 20% growth in Originations year on year.

**Servicing AUM** closed 31 December 2025 at \$5.1 billion, growing 17% on 30 June 2025, and up \$1.7 billion, or +56%, versus December 2024. Servicing AUM growth reflected the increase in Whole Loan Sales, which totalled \$3.5 billion for the year (CY2024: \$2.5 billion), net of customer attrition.

### Net Interest Margin (NIM)

Net Interest Margin of 2.05% for CY2025 increased 8 bps on PCP:

- **Mortgages NIM** at 1.54% reduced by (12) bps on CY2024, reflecting the strong growth in Prime, and the increase in WLS (CY2025: \$3.0 billion, CY2024: \$1.5 billion) executed over the year.
- **Asset Finance NIM** increased 31 bps on the prior comparable period. The significant increase in NIM was driven by the positive impact of pricing strategies on customer rates, coupled with improved funding margins, and swap rates.

### Credit performance

**Loan Loss Provision Coverage**<sup>12</sup> remains strong at 0.83% up from 0.79% on the first half of 2025 and 0.74% on PCP.

Over CY2025 Pepper Money undertook a review of the models used to determine expected credit losses (“ECL”), to ensure modelling was commensurate with market practices, embedding developments in data and analytical predictability and to reflect portfolio growth, changes in borrower profile and product development and mix. This, in combination with current year portfolio movements, resulted in an increase in provisions recognised with **Loan Loss Expense** at \$(90.6) million, (31)% higher

than PCP. The increase in Loan Loss Expense was also driven in part by the strong growth in Asset Finance AUM, up 14% on PCP, and in part by the mix of Whole Loan Sales, which resulted in lower Collective provision release in CY2025 vs CY2024.

### **Discretionary cost management**

CY2025 Total Pro-forma Expenses were down 2% from PCP to \$242.0 million. Cost to Income ratio improved 4% to close the year at 50.5%.

- Employee expenses increased (5)% versus CY2024 reflecting higher Sales / Credit FTE's given Originations growth, and underlying salary and wage inflation.
- Marketing decreased by 4% year on year given the initial phase of the new sponsorship arrangement, which was reported in 2H 2024.
- Technology expense increased by (7)% year on year, as expenses continued to shift to operating from capitalised. This has seen Depreciation and amortisation expense decline 16% over the period.
- Corporate interest expense decreased by \$6.7 million following the repayment of \$27.5 million of the Corporate Debt Facility in February 2025 and improved BBSY.
- All Other expenses, including impairment, general and admin, decreased by 6% year on year.

### **Funding and capital**

The Company completed four Public Term Securitisations, for \$3.5 billion over CY2025, including a new Public Term Securitisation program introduced in 2025 – Pepper Commercial and Residential Securities (PCRS) - a mix of commercial and residential mortgages. Seven Whole Loan Sales were also executed over CY2025, totalling \$3.5 billion - five Prime Mortgage Whole Loan Sales totalling \$2.2 billion, and a Non-Conforming Mortgage Whole Loan Sale of \$0.8 billion as well as one Asset Finance Whole Loan Sale of \$0.5 billion. The \$7.0 billion raised from Public Term Securitisations and Whole Loan Sales in CY2025 was a record for Pepper Money and an increase of 35% on PCP.

Warehouse capacity at 31 December 2025 was \$13.3 billion<sup>13</sup>, an increase of \$1.9 billion from 30 June 2025, and \$2.5 billion on CY2024 close. Pepper Money's approach to managing headroom capacity has allowed the business to capitalise on growth opportunities seen over 2025.

### **Capital management**

In line with Pepper Money's capital management strategy, part of the cash released from Whole Loan Sales has been used to pay down debt, with \$27.5 million of the Corporate Debt Facility (CDF) repaid and a further \$40.0 million of the Medium-Term Note retired over 2025. The CDF closed the year drawn to \$97.5 million and the Medium-Term Note to \$50.0 million, with available and undrawn corporate debt balance of \$172.5 million.

At 31 December 2025, Pepper Money had an unrestricted cash balance of \$121.8 million (30 June 2025: \$142.9 million, 31 December 2024: \$124.0 million).

### **Dividend**

The Board has declared a fully franked Final dividend of 7.8 cents per share which will be paid on 16 April 2026. This represents a payout ratio of 60.0% of Pro-forma NPAT for the six months to 31 December 2025. Coupled with the fully franked Special dividend of 12.5 cents per share and the CY2025 Interim dividend of 6.4 cents per share, the Company has returned 26.7 cents per share, \$118.6 million, in respect of CY2025 performance to shareholders, representing an annual yield of 16.1%.

ENDS

This announcement was authorised for release by the Board.

## About Pepper Money

Pepper Money is one of Australia and New Zealand's leading non-bank lenders. It was established in 2000 as a specialist residential home loan lender in Australia with a focus on providing innovative home loan solutions to customers. Today, Pepper Money has a broad product offering of residential home loans, asset finance, commercial real estate and novated leases in Australia and residential home loans in New Zealand. For more information visit [www.peppermoney.com.au](http://www.peppermoney.com.au)

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1. bps – basis points.

2. PCP: prior comparative period being the 12 months to 31 December 2024.

3. Pro-forma adjustment for the period of \$0.3 million pre-tax related to one-off, non-recurring items in respect to Pepper Money to be appointed the servicer of the RAMS portfolio announced on 3 November 2025, and will also hold a small investment in the securitisation financing vehicle, which will acquire the beneficial interest in the loan Portfolio, alongside other members of the Consortium. Subject to satisfaction of the conditions precedent, completion of the transaction is targeted for the third quarter of 2026. (Pro-forma adjustments CY2024: Nil).

4. Cost to Income Ratio – Pro-forma Total Expenses divided by Total Operating Income before Loan Loss Expense.

5. Fully franked Interim dividend of 6.4 cents paid on Pro-forma NPAT for the period 1 January 2025 – 30 June 2025, declared 21 August 2025, record date: 12 September 2025 and payment date: 10 October 2025.

6. Annualised yield based on dividends declared in CY2025, and 12-month volume weighted average price (VWAP).

7. Numbers subject to rounding variances.

8. Net Profit After Tax (NPAT).

9 Includes Pepper Money Notes.

10. Cost to Income ratio defined as Total Expenses / Total Operating Income before Loan Loss Expense.

11. CY2025 – Estimate.

12. Total Loan Loss Provisions as a percent of Lending AUM (closing).