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ASX ANNOUNCEMENT

Record volumes, increased margins and higher receivables drive strong FY25 profit growth at Latitude

Latitude Group Holdings Limited (ASX: LFS) today announced its Full Year 2025 (FY25) results for the 12 months to 31 December 2025, reporting:

- Cash NPAT of $105.1 million, up $39.2 million or 59% YoY
- Statutory NPAT from continuing operations of $94.4 million, up $63.8 million or 208% year on year (YoY) on FY24
- Dividend of 5.00 cents per share fully franked for 2H25, following a 4.00 cent per share unfranked dividend for 1H25

<u>FY25 Financial and Operating Highlights</u>

- Record new credit card spend and loan originations of $9.1 billion, up 10% YoY, driven by strong demand, effective product and marketing strategies, and resulting market share gains:
  - Total application volumes increased 13% YoY, with 307,000 new customers acquired.
  - Credit card spend of $7.4 billion, up 10% YoY, including first-half benefits from the David Jones store card partnership.
  - Record personal and auto loan originations of $1.6 billion, up 11% YoY, reflecting new loan features, customer experience enhancements and expansion of the broker network.
- Gross receivables of $7.2 billion, up 7 YoY, reaching their highest level in five years; interest-bearing receivables of $5.4 billion, up 8% YoY.
- Operating income of $839.5 million, up 15% YoY, with revenue margin of 12.12%, up 78bps YoY, reflecting pricing strategy discipline and the benefit of central bank cash rate reductions through FY25.
- Risk-adjusted income of $573.2 million, up 11% YoY, with net charge-offs of 3.85%, up 52bps and in line with point-in-cycle expectations, supporting strong risk-adjusted returns of 8.3%.
- Cash operating expenses of $362.1 million, down 3% YoY (excluding FY24 one-off benefits), with productivity gains offsetting higher volumes.
- Cash cost-to-income ratio of 43.1%, an improvement of approximately 800bps YoY on a normalised basis, demonstrating continued operating leverage.

Other Key Operational Highlights

- Expanded the retail partner network across core categories including home furniture, personal electronics and whitegoods, adding new partners such as E&S Trading and Adairs Retail Group (Focus on Furniture and Mocka), and renewing key partnerships including Harvey Norman.
- Entered adjacent growth segments, signing Webjet (online travel) and Dental Boutique (healthcare), complementing an existing network of more than 5,500 online and physical retail outlets.
- Further strengthened funding and liquidity, raising or refinancing $1.5 billion of ABS term debt and $1.5 billion of warehouse facilities to support asset growth, optimise funding costs, extend debt maturities and diversify the global investor base.

- Completed the buyback ~$11 million of Capital Notes, supporting excess capital management while maintaining a strong balance sheet.
- Enhanced credit card value propositions, introducing new features such as Latitude Rewards to support profitable market share growth and entry into strategically aligned segments.
- Advanced artificial intelligence capabilities to drive operational efficiency, cost and performance optimisation and improved customer outcomes.

Managing Director and CEO Bob Belan said: “This is a solid result for the Company, with FY25 Cash NPAT of $105.1 million reflecting the strategic work undertaken over the past two and a half years to simplify and sharpen our focus on what we do best across our core markets.

“Record volumes of $9.1 billion drove receivables to $7.2 billion, their highest levels in five years. Importantly, net interest margins continued to improve, up 104bps YoY, reflecting targeted pricing initiatives and the benefit of lower funding costs.

“In the Money Division, new lending of $1.6 billion drove a 10% increase in receivables to a record $3.3 billion, while net interest margin expanded to 11.1% (+109bps YoY), supported by product enhancements, variable rate loan growth outperformance and broker distribution network expansion.

“We further strengthened our balance sheet during the year, raising $1.5 billion of new term funding across three public debt market transactions and refinancing $1.5 billion in private credit facilities at more favourable terms, supporting continued margin growth.

“The profit outcome and balance sheet strength saw the Group’s Tangible Equity Ratio (TER) close the year at 7.1%, in line with the Board’s target range of 6-7%.

“This enabled the Board to declare a Dividend of 5.00 cents per share fully franked for 2H25, following a 4.00 cent per share unfranked dividend for 1H25. The Board has resolved to suspend the Dividend Reinvestment Plan (DRP). As a result, the DRP will not operate for the 2H25 dividend.

“The Group’s performance demonstrates the ability to achieve strong growth while maintaining margins, disciplined credit outcomes and operating efficiency, supporting sustainable long-term value creation.”

Outlook

Latitude expects to continue to benefit from the strategic initiatives implemented over the past 12 months to sharpen its focus on its core consumer segments in Australia and New Zealand. These actions have improved operational focus and are expected to support disciplined growth, subject to prevailing market conditions.

Against a backdrop of evolving interest rate settings in Australia and New Zealand, Latitude continues to progress organic growth opportunities through existing partner relationships and selected adjacent segments to support sustained asset growth across the business.

Net interest margins will naturally be influenced by movements in central bank benchmark rates and funding conditions. Through proactive hedging, disciplined pricing, treasury management and portfolio mix activities, Latitude remains focused on optimising yield and returns through the cycle.

Latitude expects credit performance to remain within targeted ranges, underpinned by disciplined underwriting and active portfolio management, while continuing to reflect macro-economic conditions within its core markets.

Strong and sustained profit performance and disciplined balance sheet management are expected to create the capacity to prudently return capital to shareholders.

Ongoing investment in cyber security and advanced technology capabilities, including artificial intelligence, is expected to progressively enhance operating leverage over time while supporting resilience, efficiency and improved experiences for customers and partners.

Latitude Managing Director and CEO Bob Belan and CFO Guillaume Leger will host a briefing on the FY25 results at 10:30am today (AEST):

Date: 20 February 2026

Time: 10:30am (AEST)

Webcast: Participants can register for the webcast here

Conference call: Pre-registration link is available here

Authorised for release to the ASX by the Board.

For further information

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