1H FY23 Investor Presentation

15 February 2023

Scott Baldwin (CEO & Managing Director)
Siva Subramani (CFO)

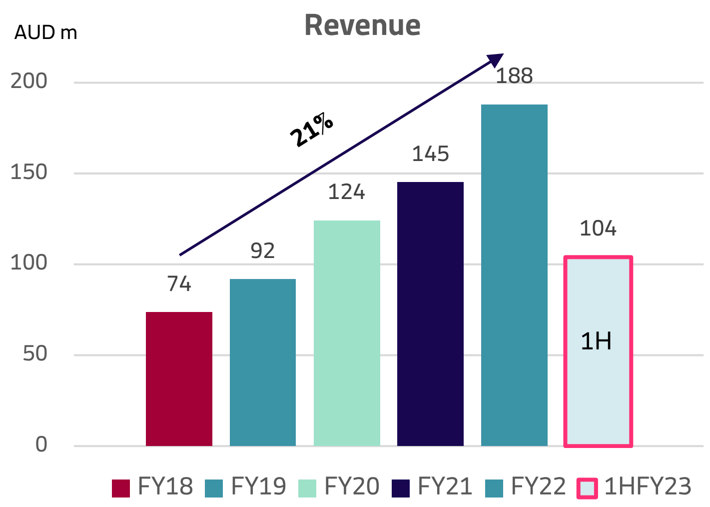
The SOLVAR Group

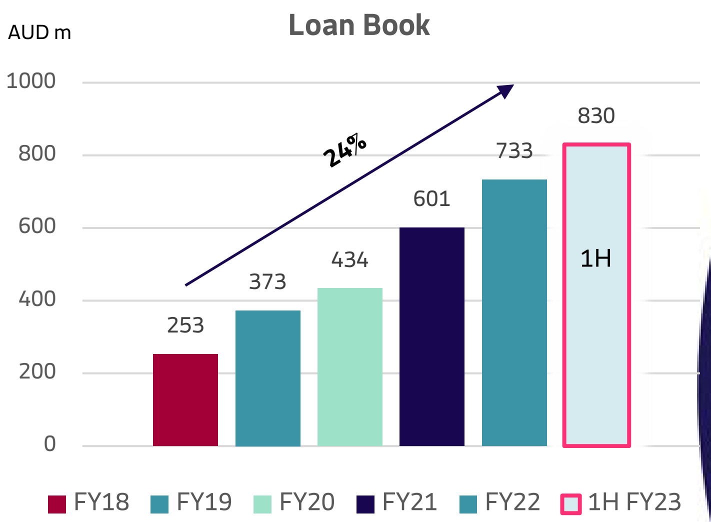
AUTOMOTIVE FINANCIAL SERVICES

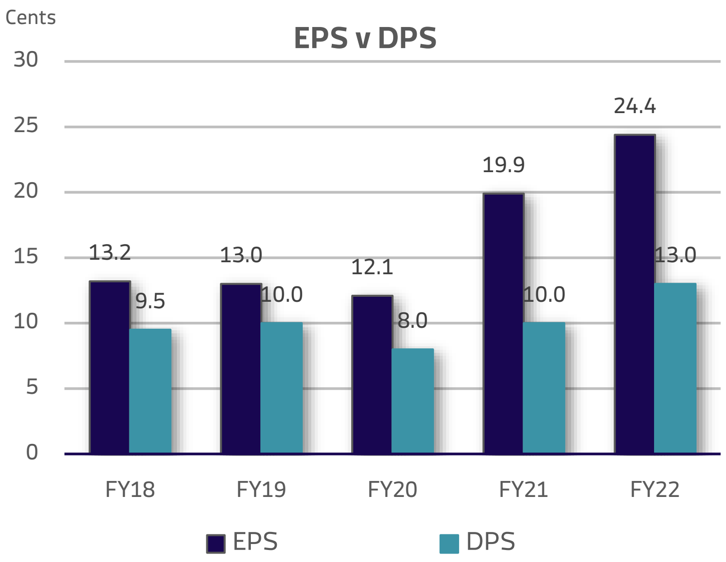
Go Car Finance
Goes way further

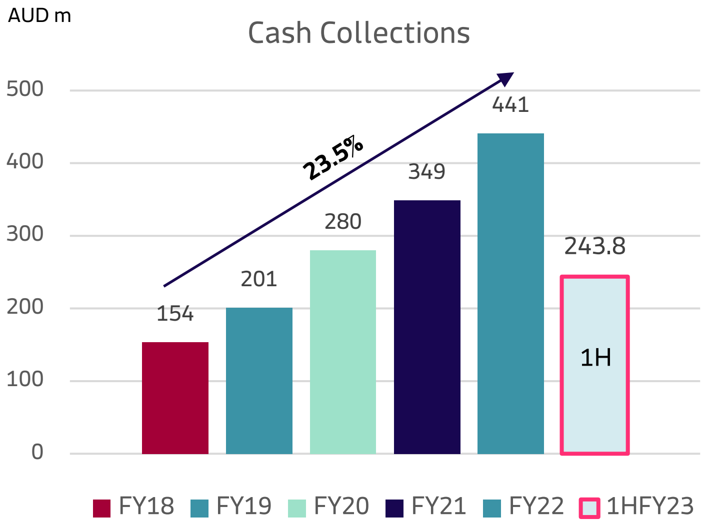
money3

- Secured & unsecured Consumer loans
- Secured Commercial loans
- >$2 billion of vehicles funded
- >200k vehicles funded
- Operating over 20 years across AUS & NZ
- Strong collections focus
- 1/350 registered vehicles funded in New Zealand
- 1/350 registered vehicles funded in Australia
- Leading integration with 3rd party dealers/brokers
- Several successful acquisitions
- $40bn market opportunity
- Management highly aligned with shareholders









Note: FY18 and FY19 exclude divested business

CAGR are for FY18 to FY22

Group performance

- \+ Long-term profitable growth underpinned by strong loan book growth
- \+ Considered strategic acquisitions increasing addressable market
- \+ Stable credit quality yoy
- \+ Strong cash collections driving revenue growth over time
- \+ Large growing addressable market in Australia & New Zealand
- \+ Return on Equity ~13%
- \+ Net Tangible Assets $1.57

Sustainability & philanthropic highlights

- Carbon Neutral status achieved in 2022*
- Over 6,000 trees planted & 7+ climate projects funded
- Recycling & employee engagement programs in all Solvar offices implemented
- Solvar donates $10 per loan to charity
- Solvar has 8 dedicated charity partners
- Ten-fold increase in contribution to charities in FY23

*through sponsoring carbon offset programs

1H FY23 Results

Highlights – 1H FY23

Revenue
increased
13.5%
to $103.6m on pcp

EBITDA
increased
16.2%
to $56.7m on pcp

1H bad debts
3.5%
Full-year bad debts expected to be 3.5-4.5%

Secured additional NZ$250.0m funding facility to support growth in New Zealand

Cash collections
(Collection of principal & interest)
10.9%
to $243.8m on pcp

Loan book grew
20.1%
to $829.7m on pcp

Record 1H new loan originations
$269.5m
Increased by 7.2% on pcp

On-market share buy-back of 3.0m ordinary shares for $5.8m (1H FY23)
(as of 31 December 2022)

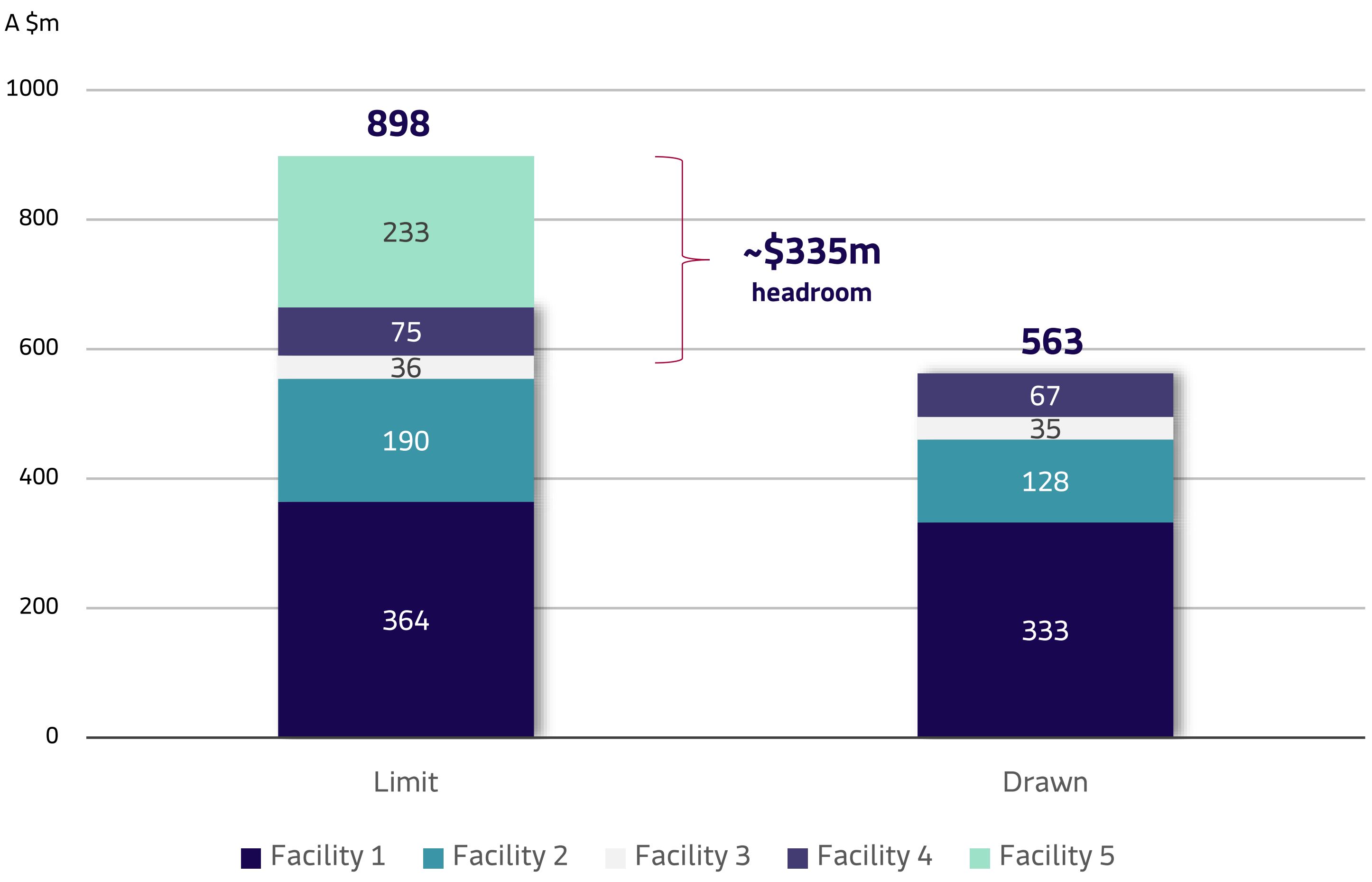
SOLVAR
Change of Group name to better represent the whole business

Financial Results

Financial Results *Amounts in $m unless otherwise stated*	1H FY23	1H FY22	MVT %
Revenue	**103.6**	**91.3**	**13.5%**
Bad debts, net	(14.5)	(13.6)	7.2%
Movement in impairment provisions	(2.1)	(0.1)	2.1k%
Expenses	(30.3)	(28.8)	5.3%
EBITDA	**56.7**	**48.8**	**16.2%**
EBITDA margin	**54.7%**	**53.5%**	
Interest expense	19.1	11.1	72.2%
NPAT	**25.7**	**25.8**	**(0.4%)**
NPAT margin	**24.8%**	**28.3%**	
EPS	**12.07 cents**	**12.26 cents**	(1.5%)
DPS	**7.5 cents**	**6.0 cents**	

+ Strong cash collections supporting double-digit revenue growth
+ 3.5% Bad debts (annualised) at the bottom end of target range of 3.5% - 4.5%
+ Up front impairment provisions growing in line with loan book
+ Debt funded loan book growth has immediate interest expense with a following revenue uplift
+ Productivity continues to improve despite challenging employment market

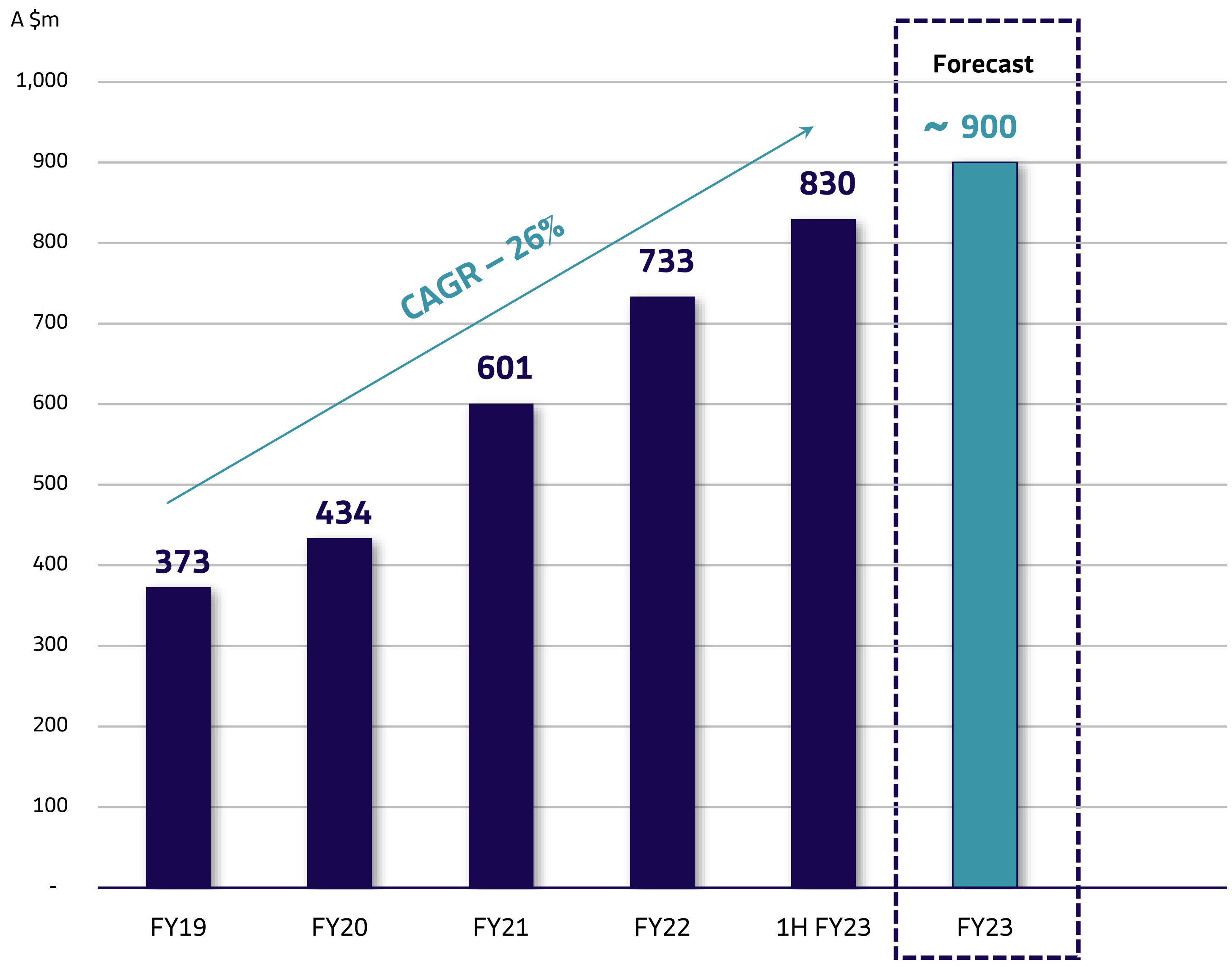
Debt facilities



Debt facility commentary

- Diversified facilities with 6 funders (including major Australian, New Zealand and international banks)
- Funding cost margin reduction available as book size and quality improves
- Secured funding to protect growth runway by early drawdown – leading to a short-term P&L impact until deployed
- A portion of the book hedged for interest rates rises
- ~47.0% loan book leverage (net of cash)
- $110.4 million of unrestricted cash available

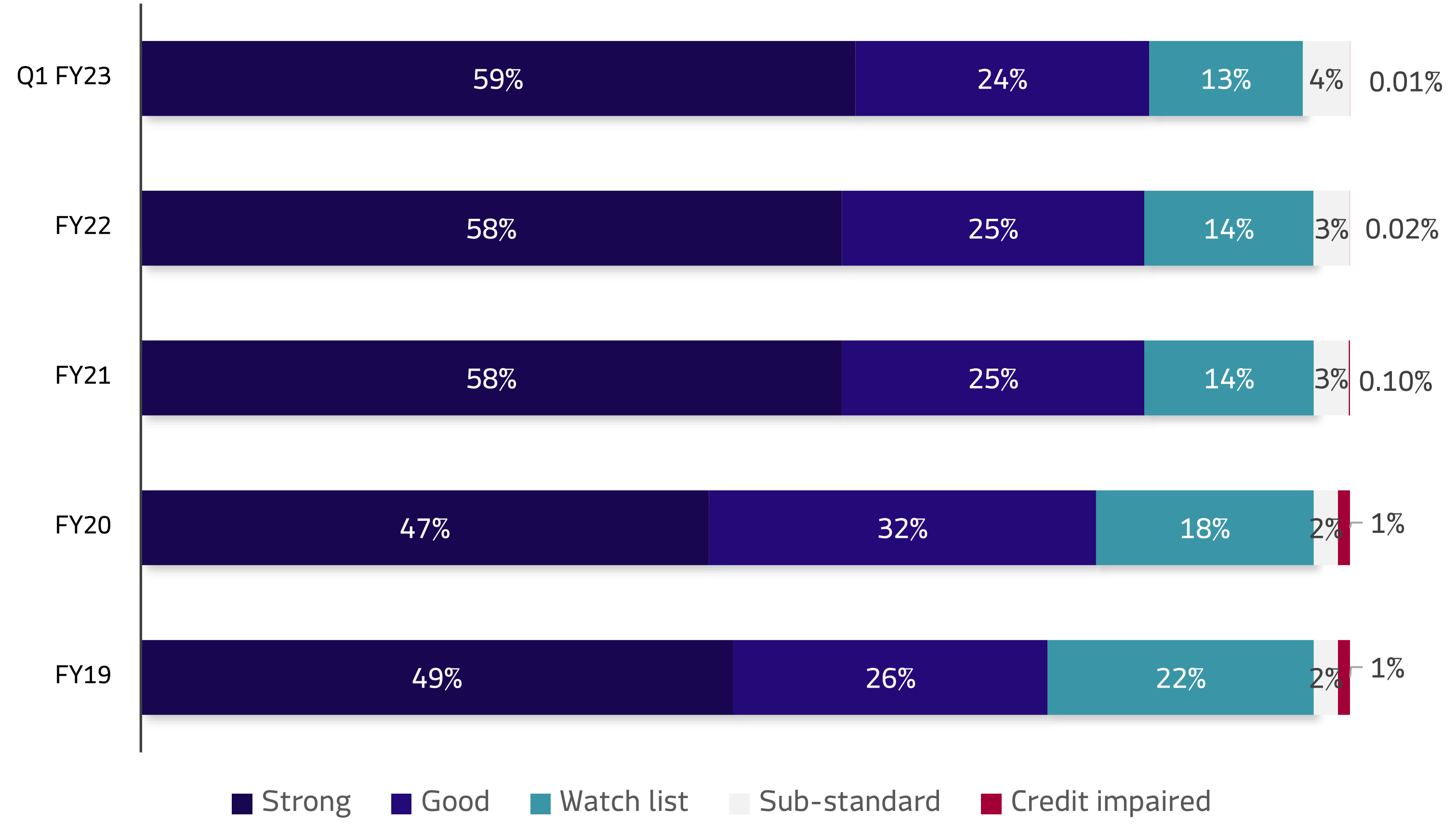
Loan book



Strong loan book growth

- Strong lending momentum in Q2 FY23 increasing loan book to $829.7m
- Record new lending in Q2 FY23 ($156.4m) hitting $58.5m in November 2022
- 38.4% growth in Q2 lending over Q1
- Group continues to take market share – growing in market challenged by interest rate rises
- Agile pricing strategy adopted to continue to drive profitable growth
- ~$450.0m in available funds (debt headroom and available cash) to support growth well beyond $1bn
- $243.8m in cash collections in 1H FY23 – normalising compared to prior period

Loan book quality



Stable credit quality

- Credit quality profile maintained during Q1 FY23 despite inflationary pressures
- 83% of portfolio is in 'Strong and Good' credit quality category
- Full-year bad debts expected to be 3.5%-4.5%, including impacts of extreme weather events in New Zealand (well below long-term average of 4.5%-5.5%)
- Normalisation of cash collections – will drive loan book growth

Outlook FY23

FY23 – Outlook

Strategic Outlook

+ Debt funding platform providing foundation and scope to continue to broaden Group consumer credit appetite and push for growth into commercial lending
+ Balancing NIM maintenance with the opportunity to continue to take market share
+ Partnerships with franchise dealers driving growth in new asset funding
+ Well capitalised to take advantage of acquisition opportunities

Market Outlook

+ Used asset pricing stabilising with improving availability
+ Competition adjusting to rising interest rates is providing an opportunity to take market share

Financial Outlook for FY23

+ Loan book expected to be approximately $900.0 million
+ Revenue growth expected to exceed 10%
+ Bad debts within target range of 3.5% - 4.5%
+ Full year Net Profit After Tax guidance adjusted to $48.0 million
+ One off factors impacting profit guidance;
  - Extreme weather events in New Zealand are expected to increase bad debts in FY23 (anticipated one-off expense),
  - Pre-emptive draw down on mezzanine debt facility (~$50 million) with revenue contribution (~$12 million) to occur in FY24 when funds are fully deployed.

Appendix 1 – Brand summary

	money3		AFS Automotive Financial Services		Go Car Finance Goes way further	
Purpose	Consumer Vehicle Finance	Consumer Personal loans	Consumer Vehicle Finance	Commercial Vehicle Finance	Consumer Vehicle Finance	Commercial Vehicle Finance
Location	Australia	Australia	Australia	Australia	New Zealand	New Zealand
Loan Amount	up to $100,000	up to $30,000	up to $200,000	up to $200,000	up to $100,000	up to $100,000 Pilot 2023
Term	2-5 yrs	1-5 yrs	Up to 7 yrs	Up to 7 yrs	2-5 yrs	2-5 yrs
Loan Book 31 December 22	A$487.1 million		A$137.2 million		NZ$220.0 million	

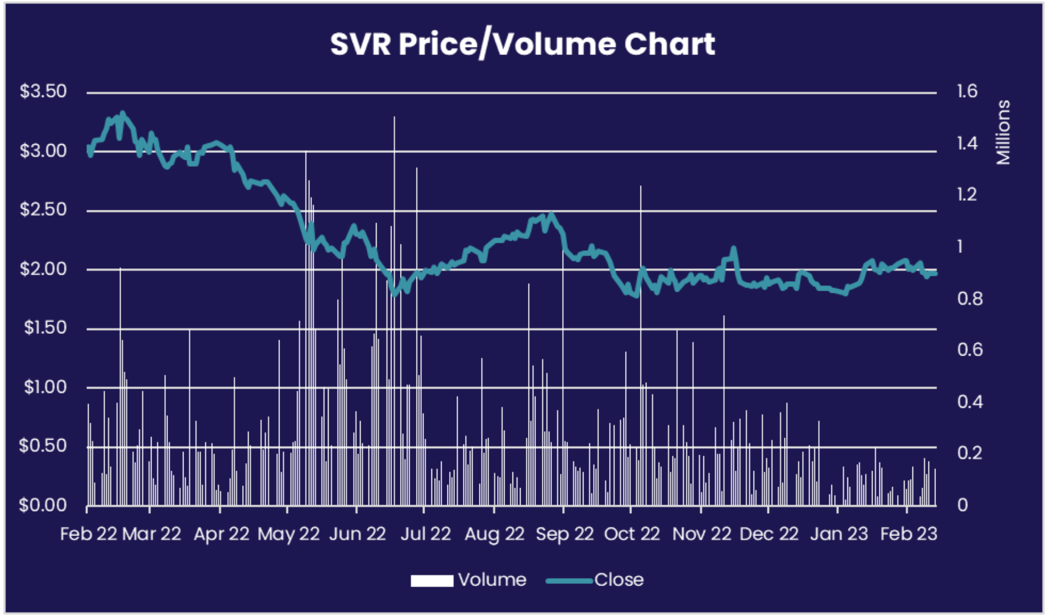
Appendix 2 – Group performance

Financial Results (In $m unless stated otherwise)	FY17	FY18	FY19	FY20	FY21	FY22	CAGR
Revenue	56.0	73.6	91.7	124.0	145.1	187.9	27.4%
EBITDA	30.5	40.5	46.3	49.1	80.9	99.0	26.6%
EPS (cents)	10.30	13.20	13.00	12.08	19.85	24.40	18.8%
Dividends (cents)	5.65	9.50	10.00	8.00	10.00	13.00	18.1%
Loan book	213.8	252.5	372.8	433.8	600.9	733.4	27.9%

Appendix 3 – Corporate information

Capital Structure	
Shares on issue	211.6 million
Share Price (13 February 2023)	$1.97
Market Capitalisation	$416.9 million

Board of Directors	
Stuart Robertson	Non-Executive Chairman
Scott Baldwin	CEO & Managing Director
Symon Brewis-Weston	Non-Executive Director
Kate Robb	Non-Executive Director



Glossary of terms

NAF – Net Amount Financed: The amount of credit advanced to a customer in respect to their loan

CAGR – Cumulative Annual Growth Rate

PCP – Prior Corresponding Period: A comparison of the results for the same period during the previous reported period, typically the previous financial year

AFS – Automotive Financial Services: The Group's Australian prime automotive operations

NIM – Net Interest Margin

GCF – Go Car Finance: The Group's New Zealand Operations

NZ$ - New Zealand dollars

A$ or $ - Australian dollars

YoY – Year on Year comparison of performance

Active customer - A customer with an outstanding balance

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Thank you!

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