

Plenti delivers strong FY21 results

Plenti Group Limited (ASX:PLT) is pleased to announce its full year results for the year to 31 March 2021.

Financial highlights

- Record loan originations of \$470 million, up 64% year-on-year
- Record loan book of \$615 million, up 61% year-on-year
- Record revenue of \$53.1 million, up 28% year-on-year
- Pro forma cash NPAT of \$(6.8m), a 42% improvement year-on-year

Operational highlights

- Increased warehouse facility capacity from \$50 million to \$450 million
- Reduced funding costs on new loan originations by 190bps year-on-year
- Materially reduced operating costs per dollar funded, evidencing operating leverage
- Delivered market-leading credit performance with 0.96% net loss rate and low 90+ day arrears
- Delivered significant technology and product advancements, including introduction of BNPL finance
- Successfully completed IPO, raising \$55 million

Daniel Foggo, CEO and founder said:

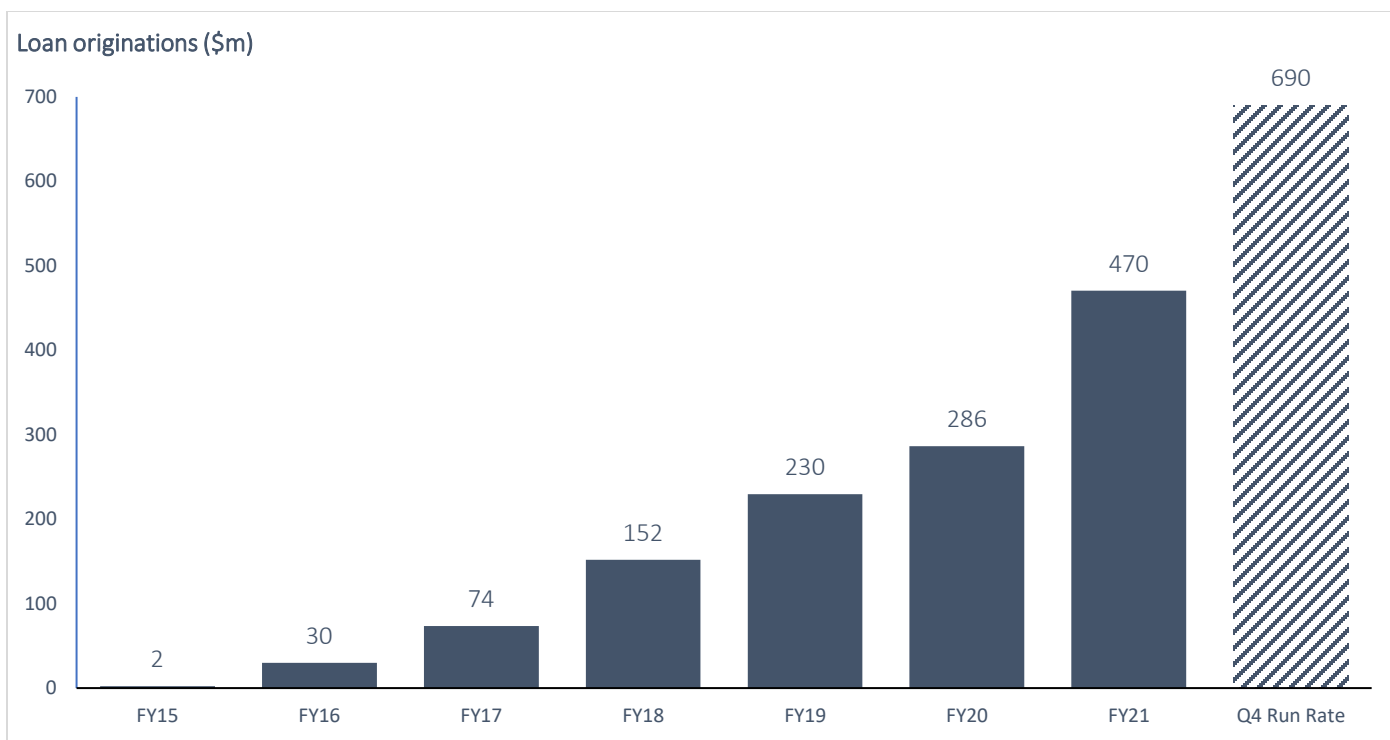
“Plenti’s aim is to build Australia’s best lender, delivering faster, fairer loans through smart technology. Our exceptional year of growth was achieved by a relentless focus on bringing our customers’ big ideas to life. We have reached a tipping point in both our scale and growth and are now taking meaningful market share in each of our large lending verticals.

“We have validated our ongoing investments in our proprietary technology, proving the scalability and operating leverage inherent in our technology-led business. Plenti is well positioned for continued growth in FY22 across all of our lending verticals, leveraging our technology platform and customer reach.”

Operational overview

Plenti achieved strong loan origination growth in the year to 31 March 2021, up 64% on FY20. Lending in the first half was impacted by COVID-19 with year-on-year growth of 33%. Lending accelerated in the second half reaching 88% growth on the prior year, including 120% growth in Q4.

Growth was particularly strong in automotive finance, where annual loan originations of \$231 million were 301% above the prior year. Renewable energy originations grew 33% on the prior year. Personal lending was flat year-on-year overall, as Plenti deliberately tightened credit criteria and reduced related marketing spend during the early stages of the COVID-19 pandemic. Personal lending underwent a strong recovery in the second half of the year, with loan originations reaching record levels by Q4.



Note: Q4 run-rate represents Q4 FY21 loan originations multiplied by four

Plenti's total loan portfolio grew 61% to \$615m at 31 March 2021, comprising \$264 million in automotive loans, \$86 million in renewable energy loans and \$264 million in personal loans.

Plenti delivered significant advancements in its technology platform across customer experience, credit decisioning and pricing, as well as partner integrations. In addition, Plenti introduced an app for investors and a BNPL finance offering for renewable energy customers, following a trial period which saw finance applications from participating renewable energy referral partners increase by 80%.

Plenti continued to broaden its customer reach, increasing its referral partner network to more than 10,400 broker partners and 700 renewable energy partners, who together introduced 74% of new borrowers during the period. The Company now has over 560,000 customer profiles in its ecosystem, helping to support the \$3.0 billion of loan demand which was generated in the period, as well as future loan demand.

Plenti diversified and deepened its funding sources during the year, adding additional funding resilience and scalability. Plenti established a second warehouse facility, specifically to fund renewable energy and personal loans, which materially reduced its cost of funding and complemented its existing funding platforms.

Plenti delivered a strong credit performance reflecting the prime nature of its loan portfolio. The net credit loss rate for the year was 0.96%, down 59% on FY20. At 31 March 2021, 90+ day arrears were at 0.31%, versus 0.36% at the end of FY20. This result in part reflects Plenti's deliberate shift towards lower-risk automotive and renewable energy loans, which now represent over half of the loan portfolio.

Plenti continued to invest in its team to support future growth. This included the expansion of its technology and sales teams.

Plenti successfully demonstrated the platform nature of its business by materially reducing its operating costs during the year as a percentage of the loan amounts funded.

Financial position and funding

Plenti increased the funding limit on its secured automotive warehouse facility from \$50 million to \$350 million during the year, and in December established a second warehouse facility, to fund renewable energy and personal loans, with initial capacity of \$100 million. At the end of the period, Plenti had total warehouse facility capacity of \$450 million (which it increased to \$550 million in May 2021), over \$160 million of which was undrawn. Additionally, Plenti retains access to funding via its two investor marketplace funding platforms.

Plenti's transition from a predominately marketplace funding model to a predominantly warehouse facility funding model helped to reduce its average cost of funds on new loan originations by ~190bp in FY21 versus FY20.

Strategy and outlook

Plenti's strategy is to establish market leadership positions in each of its segments, extend its product and technology advantage and to continue to reduce its funding costs and equity funding requirements.

Plenti's financial priorities are:

1. **Growth** – reaching a \$1 billion loan portfolio by March 2022
2. **Profitability** – achieving positive monthly Cash NPAT prior to June 2022, while investing in and achieving strong growth
3. **Efficiency** – driving towards cost to income ratio of below 35% over the medium term

Mr Foggo said: "Plenti has continued to perform strongly since the beginning of FY22, with our loan book increasing over 10% to \$685m since the start of April, supporting the achievement of our \$1 billion loan portfolio priority.

"We have a significant growth opportunity in front of us, and we have a clearly defined strategy for achieving our objective of building Australia's best lender."

ENDS

This release was approved by the Board of Plenti Group Limited. For more information contact:

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