



UBS Emerging Companies Financials Conference
December 2014

Group

- ❑ NPAT up 14% to \$15.2m
- ❑ Cash NPAT up 13% \$16.1m
- ❑ Revenue up 33% to \$149.9m
- ❑ Receivables up 42% to \$307.6m
- ❑ EPS up 13% to 10.11cps
- ❑ Fully franked interim dividend increased to 5 cents per share

In thousands of AUD	30 September 2014	30 September 2013
Reported NPAT	15,164	13,305

By Division

- ❑ Radio Rentals and Rentlo
 - Record installations and earnings

- ❑ Thorn Financial Services
 - Investment driven portfolio growth

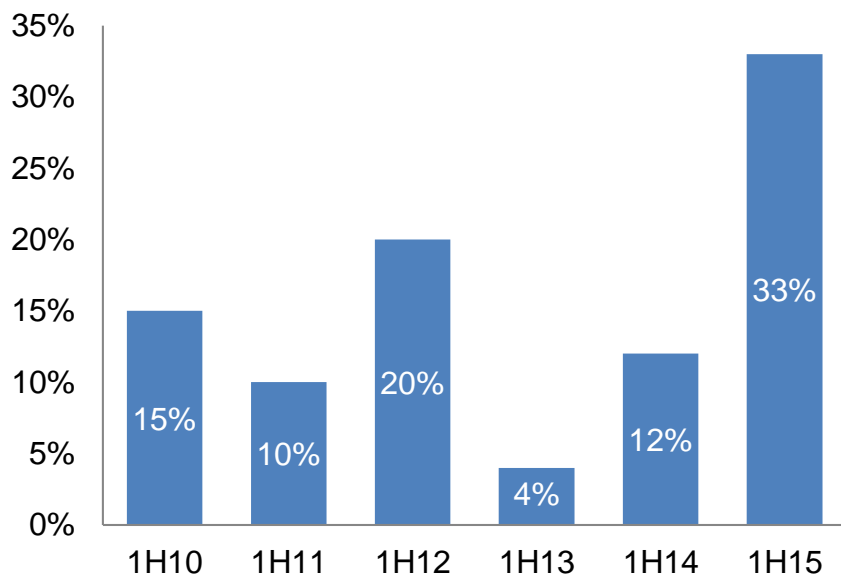
- ❑ NCML
 - Improved operational performance

- ❑ Thorn Equipment Finance
 - Strong receivables growth

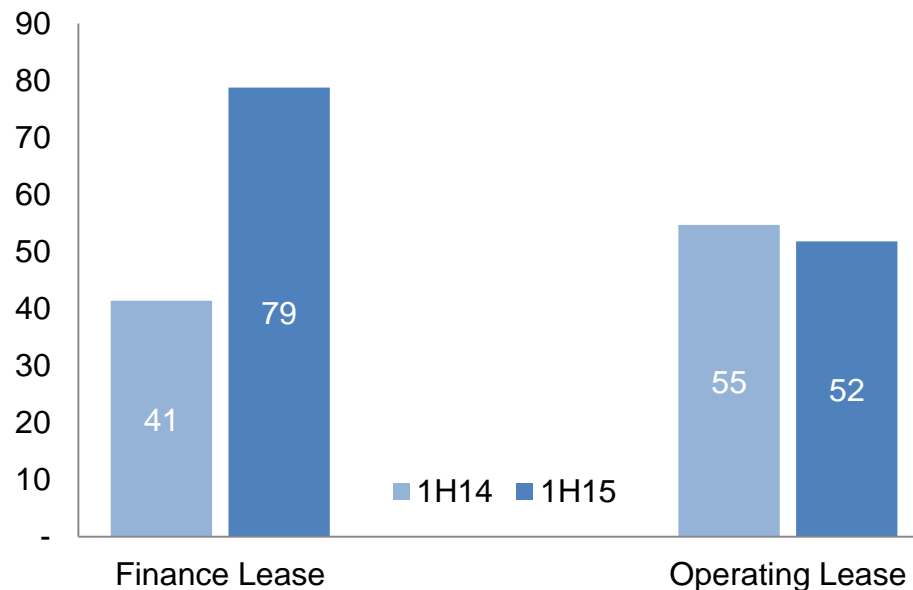
Revenue up 33% - receivables growth the key driver

- Revenue growth in all segments
- Consumer leasing 'finance lease' revenue increased as a proportion of overall revenue

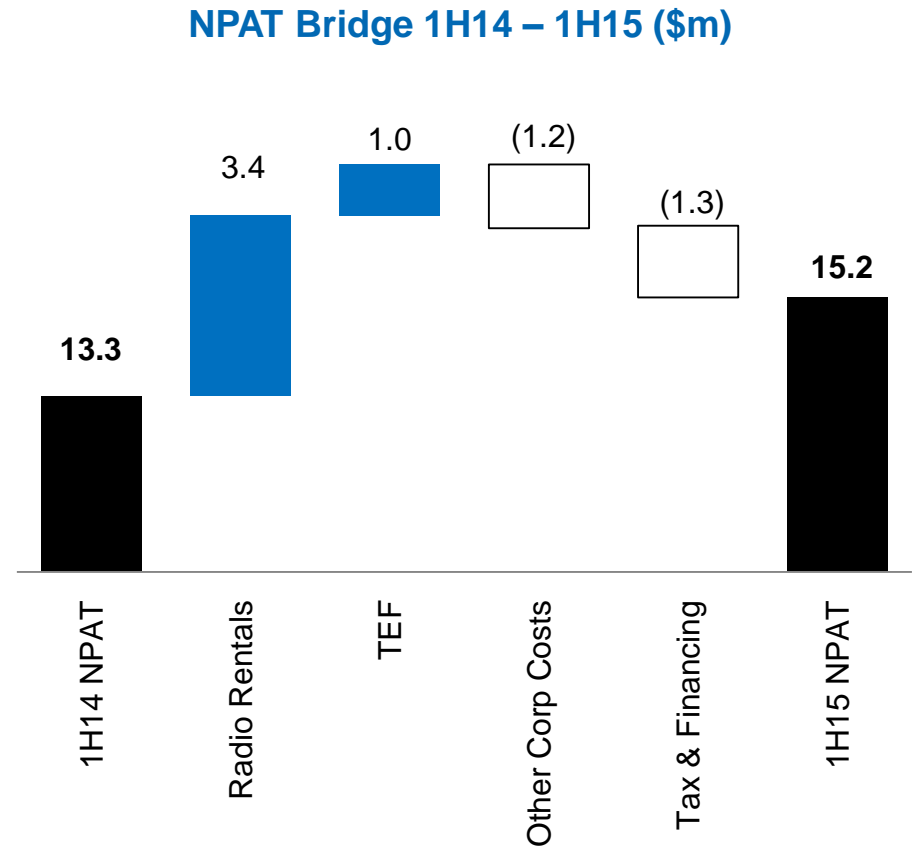
Revenue Growth



Revenue Mix (\$m)



- ❑ Consumer leasing driven by record breaking installations and higher finance lease mix
- ❑ TEF improved with strong receivables growth
- ❑ TFS impacted by costs relating to portfolio growth
- ❑ NCML grew from improved collection performance and increased PDL purchases



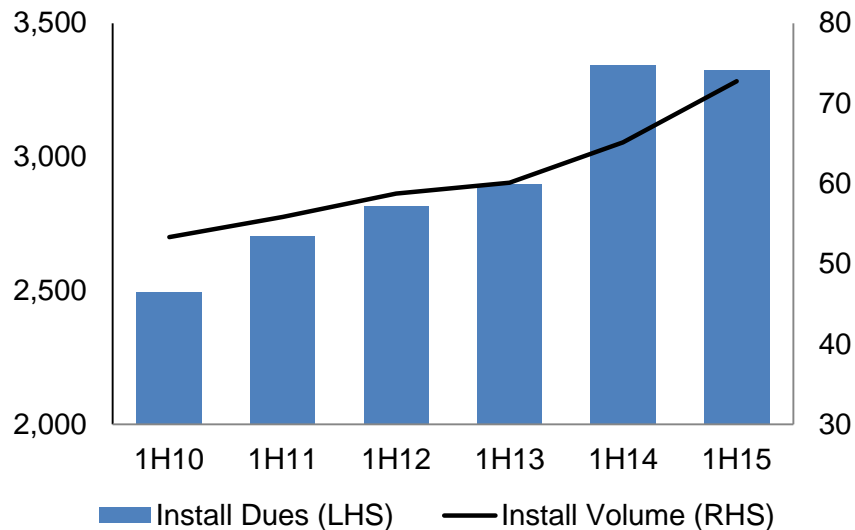
Balance sheet continues to evolve in line with diversification of group

Summarised Balance Sheet (\$000)	Sep-14		Mar-14	
	excl. Trust	incl. Trust	excl. Trust	incl. Trust
Cash at Bank	4,028	4,028	2,393	2,393
Receivables	173,133	207,606	126,752	157,996
Investment in unrated notes	6,895	-	6,249	-
Other assets	52,785	52,785	60,327	60,327
Goodwill	30,859	30,859	31,734	31,734
Total Assets	267,700	295,278	227,455	252,450
Borrowings	43,500	71,078	15,501	40,496
Other liabilities	44,600	44,600	40,334	40,334
Total Liabilities	88,100	115,678	55,835	80,830
Total Equity	179,600	179,600	171,620	171,620
Gearing	24%	n/a	9%	n/a

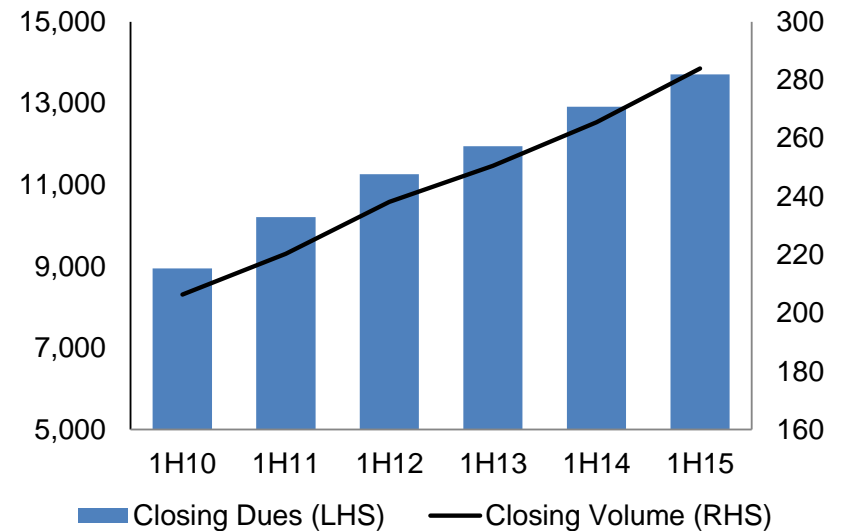
radio rentals Momentum building

- EBITDA \$26.7m, 15% up on prior year
- Installation volumes grew 12%
- Customer retention strong at 47%
- Disconnection dues grew 6% in line with contract maturity profile

Install Dues / Volume ('000s)



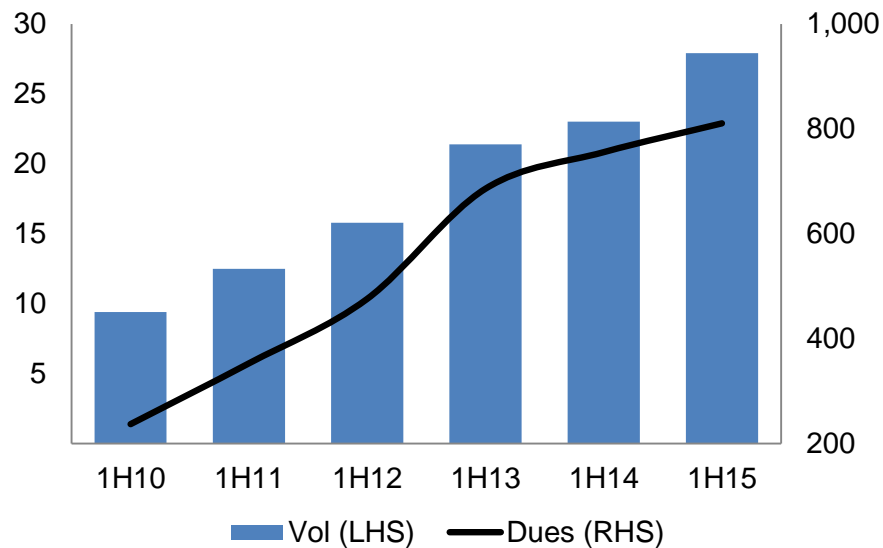
Closing Dues / Volume ('000s)



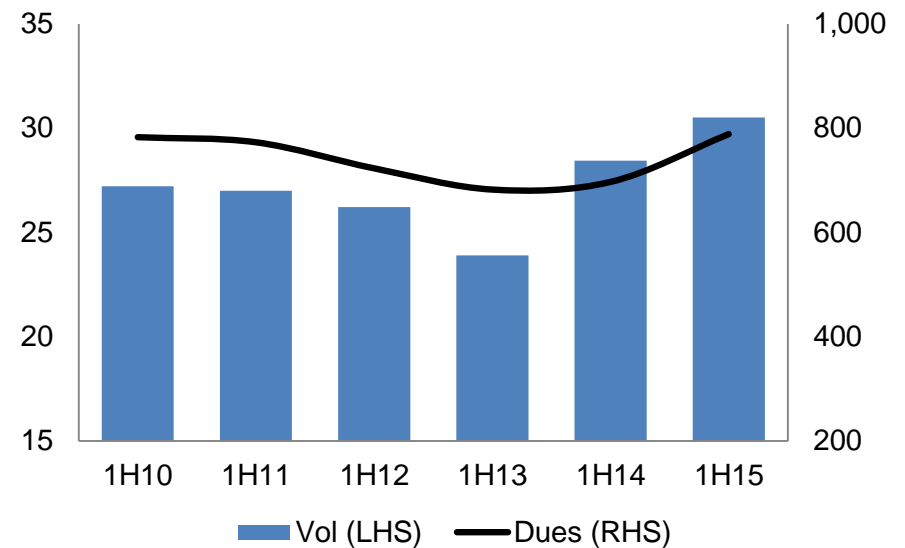
radio*rentals* Growth in furniture and technology

- Growth driven by furniture and technology products
- Continued product shift to larger whitegoods and flat panels
- Other categories steady

Furniture ('000s)



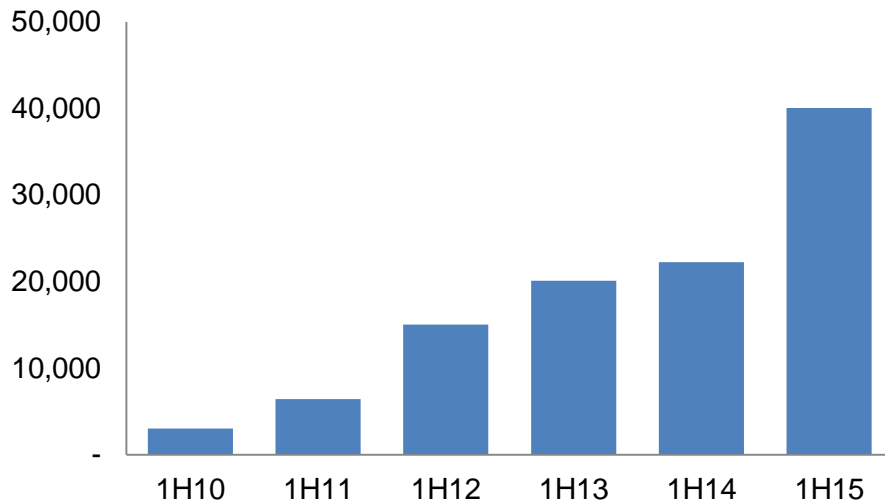
Technology ('000s)



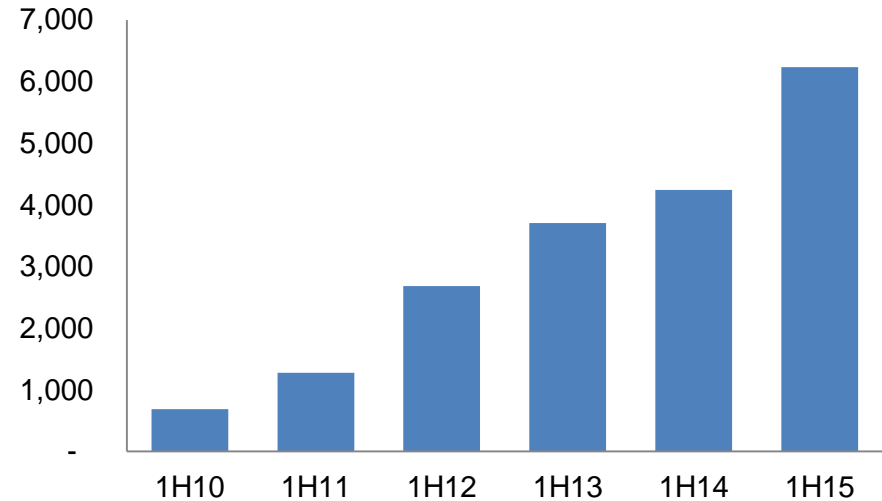
Receivables growth continuing

- EBITDA \$0.5m, 9% up on prior year
- Originations grew 179% to \$18.5m
- Revenue up 47% to \$6.2m
- Marketing investment impacting earnings growth
- Approval rates steady at 19%

Receivables (\$'000s)

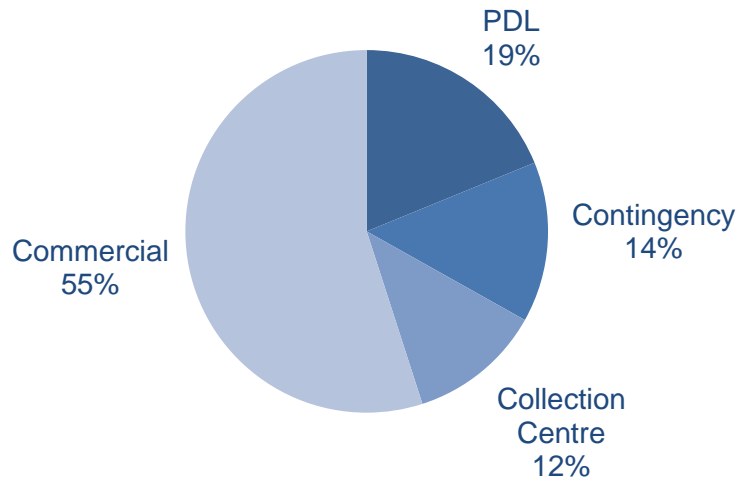


Revenue (\$'000s)

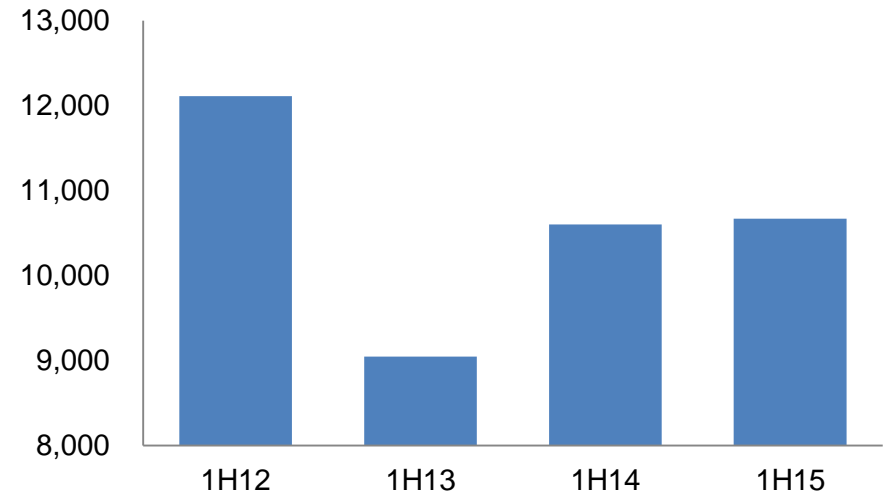


- ❑ EBITDA \$1.9m
- ❑ Improved operational performance
- ❑ Business development capability enhanced
- ❑ PDL receivables grew 27%
- ❑ Offshore capability provides flexible cost effective solution

1H15 Revenue Split



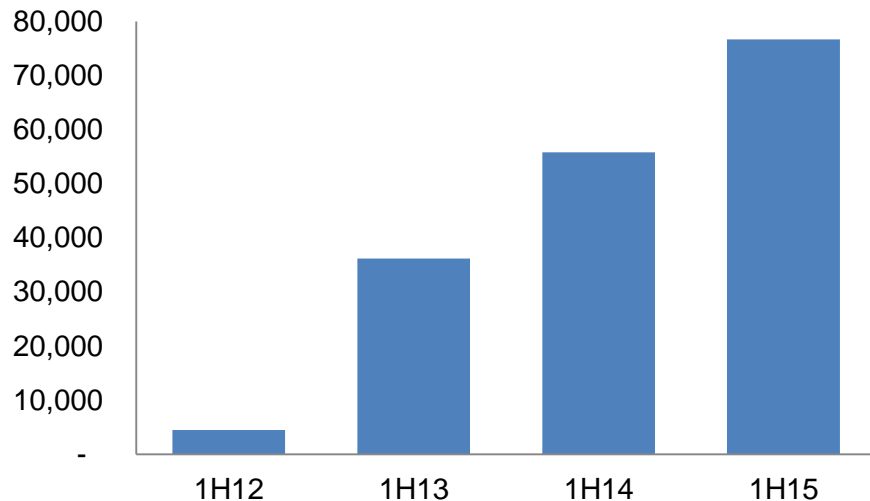
Revenue (\$'000s)



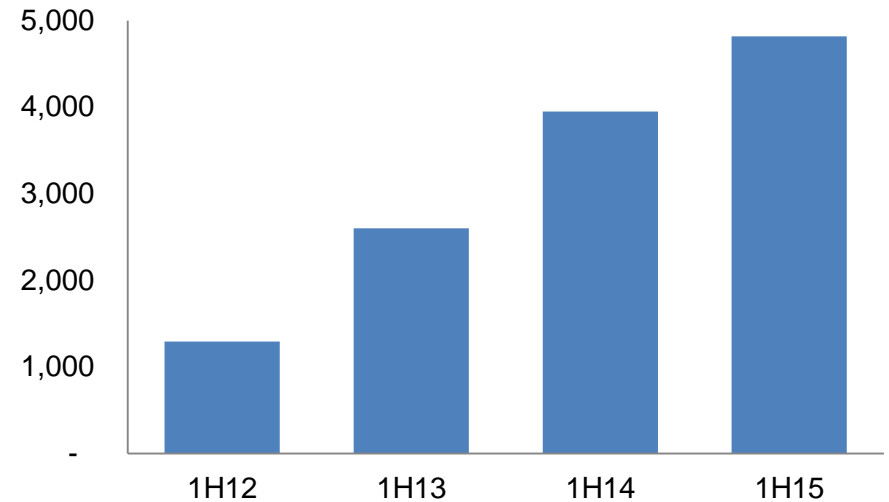
Continued book build towards \$100m target

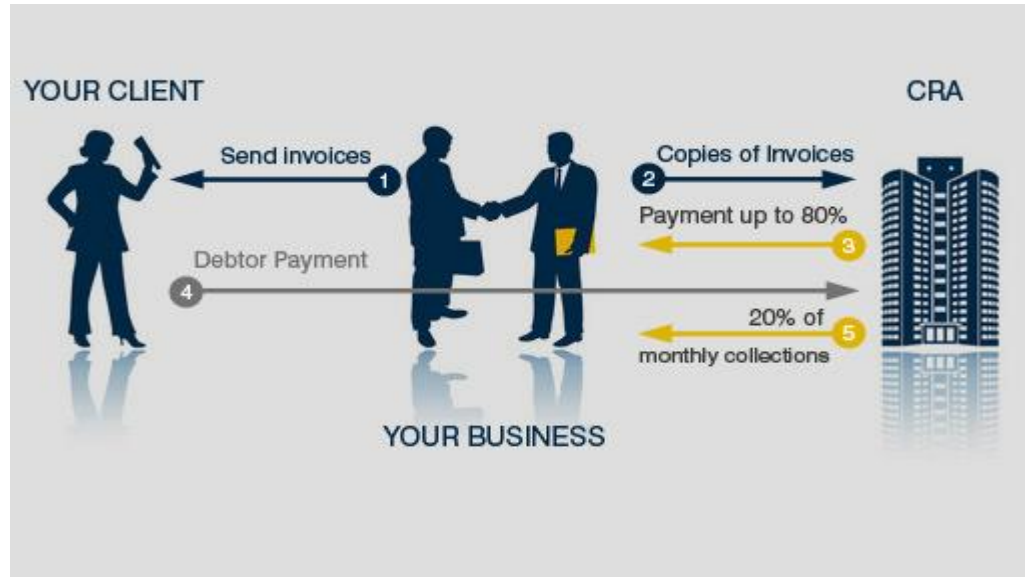
- EBITDA \$2.5m, up 62% on prior year
- Revenue up 22% to \$4.8m
- Originations up 59% to \$24m delivering strong book growth
- Improved direct and partner business generation
- Average deal size \$18.4k

Receivables (\$'000s)



Revenue (\$'000s)





SME delivers goods/services, and raises an invoice detailing payment amount and terms



Without the knowledge of the customer, invoice copies are sent to CRA



CRA advances up to 80% of the value of accepted invoices



SME retains control of the relationship with the customer. Customer payments are directed to CRA



CRA refunds 20% of the months collections less fees at month end

- ❑ Acquired on a cash and debt free basis for \$42.8 million
- ❑ Specialises in providing working and growth capital solutions to commercial clients through invoice discounting and secured lending
- ❑ Significant industry with changing dynamics following bank departures
- ❑ Well established with robust systems and processes
- ❑ c.\$40 million in receivables and a client base of over 200 SMEs
- ❑ Service offering extends TEF's capability and relevance in the market
- ❑ EPS accretive in first full year of operation
- ❑ Funded through extension of existing debt facilities
- ❑ Transaction expected to complete in December 2014

Group

- ❑ Strong core business continues to deliver record results
- ❑ New business divisions gaining momentum and scale
- ❑ Evolving balance sheet position

Outlook

- ❑ Shift in core business to longer term contracts
- ❑ New propositions and branding to evolve and extend reach of core business
- ❑ Growth in receivables to deliver strong future revenues
- ❑ Ongoing commitment to strategy and long term shareholder value

“The continued investments in new business opportunities are expected to deliver solid underlying NPAT growth to above \$30M. Reported NPAT will be impacted by transaction costs relating to the CRA acquisition”

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