

ASX Announcement & Media Release

FY2018 Financial Results

Melbourne, 27 August 2018

Aksesstoday Ltd (ASX: AXL, "Aksesstoday" or the "Company") today releases its audited financial results for the 12 months ended 30 June 2018 ("**FY18 results**").

Key highlights for the FY18 results include:

- **Strong financial performance and increase in profitability with +94% growth in NPAT to \$7.0m in FY18**
- **Rapid growth in EBITDA (+130% to \$26.3m) and EBIT (+129% to \$26.0m) with continued operational efficiencies expected to drive EBITDA and EBIT growth in FY19**
- **Rapid loan book growth with an +100% increase in net receivables to \$336m as at 30 June 2018**
- **+13% increase in basic EPS to 11.8c for FY18**
- **Final fully franked dividend for 2H18 of 2.9c declared, total of 5.8c declared for FY18**
- **Forecast NPAT guidance of \$12.5-13.0m for FY19 representing an ~80% increase on FY18**

FY18 results

Aksesstoday demonstrated continued strong performance in FY18 across all key metrics and is well-positioned to maintain this trend into the next financial year. Net receivables increased +100% across FY18 to \$336m at 30 June 2018. This balance is projected to provide future gross interest income of \$174m over the finance term.

NPAT for FY18 also increased +94% to \$7.0m compared to the prior corresponding period of \$3.6m.



The increase in net receivables has been due to the strong growth in introducer accreditations that are expected to continue to provide sustainable earnings momentum into FY19 and beyond. This is further compounded by the current origination volumes providing strong recurring income.

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The key drivers of profit growth over the period were:

- Revenue increasing by 129% to \$50.8m, underpinned by a 100% increase in net receivables since 30 June 2017
- EBITDA increasing 130% to \$26.3m in line with the strong growth in net loans
- EBIT increasing by 129% to \$26.0m, with continued operational efficiencies expected by leveraging internal technology systems
- Accredited retail merchants and introducers increasing from 249 as at 30 June 2017 to 704 as at 30 June 2018
- Increased funding facilities from financiers continuing to reduce funding costs and provide an efficient funding structure
- Credit losses for FY18 were 1.6% of net receivables at period end, assisted by a diversified portfolio with more than 60% of leases originated at less than \$50,000

LOAN RECEIVABLE GROWTH (\$m)



Securitisation warehouse facility

Axesstoday established its \$200m securitisation warehouse facility in May 2018. The facility was established to support the Company's rapid growth across several initiatives as well as continued growth across the hospitality and transport segments. The facility has a revolving term of 12 months and is comprised of \$200m in senior bank funding provided by Macquarie, supplemented by subordinated mezzanine and equity notes held by Axesstoday. The total funding capacity of the facility is \$285m and the Company expects to build the balance to approximately \$200m through new originations over 1H FY19.

Simple Corporate Bond issuance

Following the close of the FY18 financial year, Axesstoday successfully settled its \$55m Simple Corporate Bond issuance which are listed on the ASX (code: AXLHA). The bonds are an innovative financing solution for Axesstoday, who are the youngest ASX company to issue a Simple Corporate Bond. The issuance demonstrates the Company's focus on expanding and diversifying its capital structure. The bond carries a floating interest rate with a margin of 490 bps payable quarterly in arrears. The bonds have a term of 5 years and matures on 20 July 2023.

FY19 outlook

The Company continues to experience strong trading conditions and, based on its current financial plan for FY19, expects to see continued strong financial performance.

The Company is forecasting ~80% growth in NPAT across FY19 to \$12.5-13.0m. The increase is driven by improved profitability and loan book growth. Operating margins are expected to improve with scalability in FY19 and beyond. The NPAT guidance excludes the revenue impact from expansion into new sectors or products that have commenced in FY19.

Group revenue is expected to increase by +80-100% in FY19 driven by continued net loan book growth. The revenue growth also excludes the positive impact of new sectors and new products released in FY19.

Guidance may be impacted by new business opportunities during the financial year. Axesstoday continues to evaluate opportunities to grow its business into new product areas, new verticals and new geographies and evaluates incremental growth investment in the context of the long-term value creation opportunity.

The impact of AASB 9 has been incorporated into the FY19 NPAT guidance of \$12.5-13.0m.

Credit performance

Total impairments for FY18 were 1.6% of net receivables, with impairment reserves increasing by +105% over FY18 to \$3.9m as at 30 June 2018.

There was a significant change to the arrears recognition policy during 2H18 as all existing policies were updated to be consistent with securitisation and industry practice. As a result of the change in policy, the net arrears balance has increased over FY18.

Management transition

Axesstoday announces that its Chief Financial Officer and Company Secretary, Mr Joseph Flanagan, has resigned from his role and will be departing over the next 3 months. The Board of Axesstoday would like to thank Mr Flanagan for his significant work, expertise and financial oversight across a number of key milestones including the \$200m securitisation warehouse establishment and the \$55m Simple Corporate Bond issuance in 2018. Both initiatives helped set the platform for rapid operational growth as Axesstoday leverages its best-in-class technology and product platform.

Axesstoday is in the process of selecting a high calibre, experienced Chief Financial Officer as it positions itself for strong financial and market performance and support the strong capabilities of the department.

FY18 results conference call details

Axesstoday's CEO and Managing Director Peter Ferizis will host a teleconference and webcast for investors and media to discuss their FY18 results today at 9.00 (Sydney time) on Monday 27 August 2018.

Conference call details

DATE: Monday, 27 August 2018
TIME: 9:00am Sydney, Australia

Webcast details

Please follow the link and input your name, email, company to register to the webcast - <https://edge.media-server.com/m6/go/axsess-today-2018-fyr>

Dial-in numbers:

If you are unable to register for the webcast, please call one of the numbers below:

Australia Toll Free: 1800 908 299
Australia Alt. Toll Free: 1800 455 963
Australia Local: +61 2 9007 8048
Australia Alt. Local: +61 7 3145 4005

Conference ID code: **383562**

Please dial-in five minutes before the conference starts and provide your name and the conference ID code. A voice recording of the teleconference call will be made available on the Company's website shortly after the call.