

peppermoney



Annual General Meeting

27 April 2023

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Pepper Money Limited



We acknowledge the traditional custodians of the land on which we meet today, the **Gadigal people** of the **Eora Nation**.

We pay our respects to each of their Elders, past, present, and emerging.

Today's Presenters

Mike Culhane

Chair & Shareholder Representative

Founded Pepper Money in 2000

Currently CEO of Pepper Global Group. Responsible for the global performance and strategy of business across 14 jurisdictions

Prior to founding Pepper Global Group, served as the Executive Chair of Future Mortgages (UK) and CEO (London office) of FBR

Mario Rehayem

Chief Executive Officer

Joined Pepper Money in 2011, and appointed CEO of Pepper Money in 2017

Over 20 years experience across banking and finance

Previously held senior positions in APRA regulated entities and the non bank sector, including as State Manager, Mortgage Broker Distribution at Westpac Banking Corporation



MIKE CULHANE

**Chair & Shareholder
Representative**

MARIO REHAYEM

Chief Executive Officer

Pepper
Money
Limited

Board of
Directors



MIKE CULHANE

JUSTINE TURNBULL

MARIO REHAYEM

DES O'SHEA

MIKE CUTTER

AKIKO JACKSON

ROB VERLANDER

How to ask a question

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ONLINE PLATFORM GUIDE

[www.peppermoney.com.au/about/shareholders /key date & AGM](http://www.peppermoney.com.au/about/shareholders/key%20date%20&%20AGM)

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1300 737 760

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Highlights

CY 2022

Pepper Money navigated the market complexities and volatility we have seen over 2022 to deliver on our mission to **help people succeed**.



Profitability

Pro-forma NPAT¹

\$142.0m

↑ 0.1% PCP

Statutory NPAT²

\$140.5m

↑ 8% PCP



Shareholders

Fully franked final dividend

5.1

cents per share

CY2022 fully franked dividends

10.5

cents per share

Annualised yield³

6.3%

Versus 5.5% CY2021



Funding

Public securitisations

\$5.0bn

↑ 6% PCP

Warehouse capacity

\$11.3bn

↑ 14% PCP



Our Community

Pepper "Shout Out"

300 & 58

Nominations Awards

Pepper Giving

>\$200k

to support charities and communities



Our People

Engagement⁴

78

↑ Top 10% companies globally

Diversity⁵

55% 45%

Female Male

Senior Management

41% Female

Versus 38% Financial Services & Insurance⁶

Unless otherwise stated, all % movements are compared to year ending 31 December 2021 (CY2021). Numbers are subject to rounding.

Highlights

CY 2022

Given the strategy to **drive volume** to support AUM growth in 1H CY2022, Pepper Money delivered **strong business results** for CY2022, as the market slowed over the latter part of the year.



Volume

Total Originations

\$9.6bn

↑ 14% PCP

Total AUM

\$19.2bn

↑ 13% PCP



System Growth

Mortgages¹

2 times

system

Asset Finance²

35 times

system



Distribution

Mortgages³

20,561 / 5,214

Accredited

Active⁴

Asset Finance

1,994 / 1,247

Accredited

Active⁴

Customers⁵

New to Pepper

77,214

↑ 29% PCP

Cumulative

366,114

↑ 27% PCP



Business Mix⁶

Portfolio

60%

Mortgages

37%

Asset
Finance

3%

Other

Mortgages⁷

52%

Prime

48%

Non Conforming

Asset Finance⁷

59%

Tier A

33%

Tier B

9%

Tier C



Profitability

Pro-forma NPAT⁸

\$142.0m

↑ 0.1% PCP

Statutory NPAT⁹

\$140.5m

↑ 8% PCP

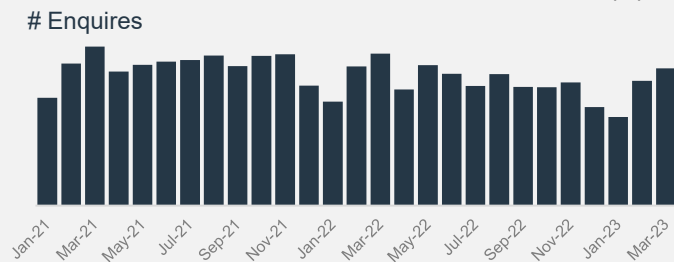
Unless otherwise stated, all % movements are compared to year ending 31 December 2021 (CY2021). Numbers are subject to rounding.

Notes: 1. Mortgages: Australian mortgages only. Growth compares Pepper Money's Australian Mortgage AUM growth, excluding whole loan sale executed in the half year, to the Australian total housing credit, RBA D2 lending and credit aggregates (including owner-occupier housing credit and investor housing credit). 2. Asset Finance: Market size calculated as approximately 4x lending commitments for last 12 months for purchase of road vehicles, other transport vehicles and equipment, ABS 5601.0 plus new business loan commitments, finance lease and fixed term, purchase of vehicles, plant and equipment, ABS 5601.0. Systems growth compares Pepper Money's Asset Finance AUM. 3. Accredited / Active Mortgage Brokers include Retail and White Label for Australia and New Zealand. 4. Active Brokers / Partners: partners who have settled at least one deal in CY2022. 5. Number of customers from 1 January 2022 to 31 December 2022. Includes net Stratton customer numbers for the 6 months to 31 December 2022. 6. Business Mix: % of Total Operating Income. 7. Product mix: % CY2022 Originations. 8. Pro-forma pre-tax adjustments for CY2022 of \$(1.5) million are one-off in nature as they relate to the acquisition of Stratton Finance Pty Ltd completed 1 July 2022. CY2021 total \$(16.1) million, Pro-forma pre-tax adjustments relate to the IPO. Pro-forma NPAT from continuing operations. 9. Statutory NPAT from continuing operations.

Operating environment

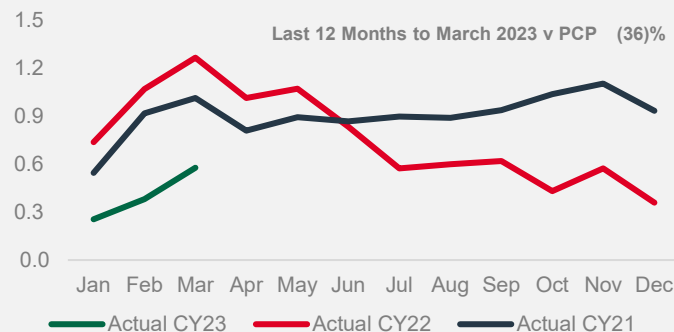
Mortgage market volumes have fallen...

1

Market enquiry volume: Mortgages (Australia)¹# Enquires Last 12 Months to March 2023 v PCP² (13)%

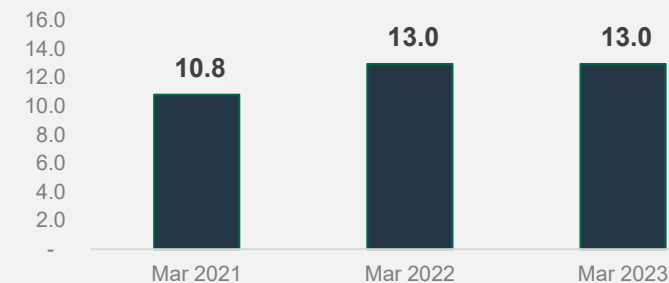
And while impacting our application volume

2

Mortgages applications³ (\$bn)

We are maintaining Mortgage AUM

3

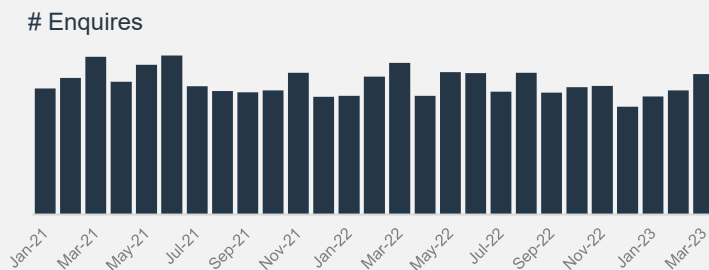
Mortgage AUM⁴ (\$bn)

The market for Asset Finance has been more resilient

4

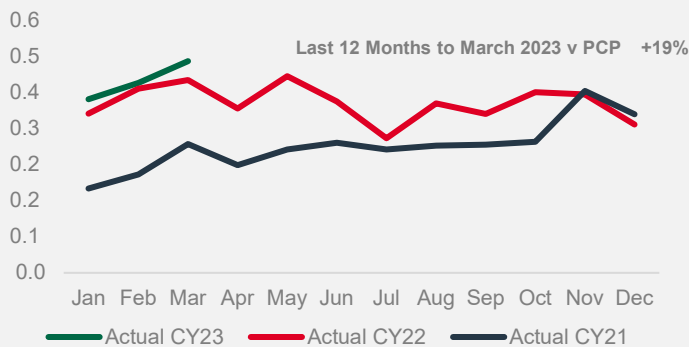
Market enquiry volume: Asset Finance⁵

Enquires Last 12 Months to March 2023 v PCP (5)%



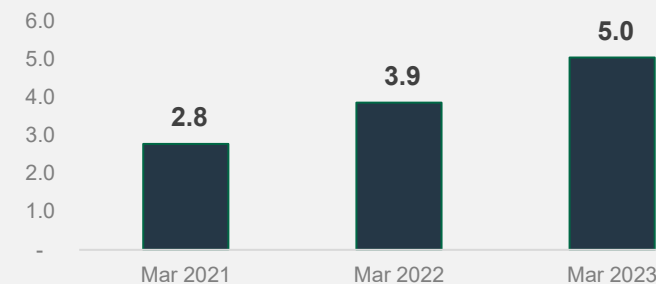
... and we continue to outperform the market

5

Asset Finance applications⁶ (\$bn)

Growing our Asset Finance AUM

6

Asset Finance AUM⁴ (\$bn)

Agenda Item 1: Company Financial Report ended 31 December 2022

**To receive the Company's
Financial Report for the
financial year ended 31
December 2022**



Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit,
to pass the following resolution
as an ordinary resolution:

That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the **Remuneration Report** of the Company for the financial year ended 31 December 2022 as disclosed in the Directors' Report be adopted.



Resolution 1: Proxy

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RESOLUTION DETAILS	
Resolution	Resolution Type
Resolution 1: Adoption of Remuneration Report	Ordinary

INSTRUCTIONS GIVEN TO VALIDLY APPOINTED DIRECTORS (as at proxy close)			
For	Against	Proxy’s Discretion	Abstain
368,687,618	8,044,416	386,719	2,050,279

Resolution 2: Re-election of Akiko Jackson as a Director

To consider and, if thought fit,
to pass the following resolution
as an ordinary resolution:

That **Akiko Jackson**, retiring as a Director of the Company in accordance with rule 6.2(c) of the Company's constitution and who has consented to stand for re-election (and being eligible), be re-elected as a Director of the Company in accordance with rule 6.3(a)(i) of the Company's constitution.



Resolution 2: Proxy

RESOLUTION DETAILS	
Resolution	Resolution Type
Resolution 2: Re-election of Akiko Jackson as a Director	Ordinary

INSTRUCTIONS GIVEN TO VALIDLY APPOINTED DIRECTORS (as at proxy close)			
For	Against	Proxy’s Discretion	Abstain
376,326,661	548,517	387,921	2,002,819

Resolution 3: Re-election of Rob Verlander as a Director

To consider and, if thought fit,
to pass the following resolution
as an ordinary resolution:

That **Rob Verlander**, retiring as a Director of the Company in accordance with rule 6.2(c) of the Company's constitution and who has consented to stand for re-election (and being eligible), be re-elected as a Director of the Company in accordance with rule 6.3(a)(i) of the Company's constitution.



Resolution 3: Proxy

RESOLUTION DETAILS	
Resolution	Resolution Type
Resolution 3: Re-election of Rob Verlander as a Director	Ordinary

INSTRUCTIONS GIVEN TO VALIDLY APPOINTED DIRECTORS (as at proxy close)			
For	Against	Proxy’s Discretion	Abstain
376,311,317	563,517	388,265	2,002,819

Resolution 4: Issue of Performance Rights under the Executive Rights Plan to Mario Rehayem

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to grant 1,529,120 **Performance Rights** to the Director and Chief Executive Officer of the Company, **Mario Rehayem**, in respect of his long-term variable remuneration component for CY2023, in accordance with the relevant **Executive Rights Plan** rules and on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting.



Resolution 4: Proxy

RESOLUTION DETAILS	
Resolution	Resolution Type
Resolution 4: Issuance of Performance Rights under the Executive Rights Plan to Mario Rehayem	Ordinary

INSTRUCTIONS GIVEN TO VALIDLY APPOINTED DIRECTORS (as at proxy close)			
For	Against	Proxy’s Discretion	Abstain
376,552,163	435,841	390,515	1,887,399

Resolution 5: Issue of Restricted Rights under the STVR Plan to Mario Rehayem

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to grant 207,038 **Restricted Rights** to the Director and Chief Executive Officer of the Company, **Mario Rehayem**, in respect of his short-term variable remuneration component for CY22, in accordance with the relevant **STVR Plan rules** and on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting.



Resolution 5: Proxy

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RESOLUTION DETAILS	
Resolution	Resolution Type
Resolution 5: Issuance of Restricted Rights under the STVR Plan to Mario Rehayem	Ordinary

INSTRUCTIONS GIVEN TO VALIDLY APPOINTED DIRECTORS (as at proxy close)			
For	Against	Proxy’s Discretion	Abstain
376,558,132	416,468	403,919	1,887,399

Resolution 6: Issue of Service Rights under the Executive Rights Plan to Mario Rehayem

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to grant 854,749 **Service Rights** to Director and Chief Executive Officer of the Company, **Mario Rehayem**, in accordance with the relevant **Executive Rights Plan** rules and on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting



Resolution 6: Proxy

RESOLUTION DETAILS	
Resolution	Resolution Type
Resolution 6: Issuance of Service Rights under the Executive Rights Plan to Mario Rehayem	Ordinary

INSTRUCTIONS GIVEN TO VALIDLY APPOINTED DIRECTORS (as at proxy close)			
For	Against	Proxy’s Discretion	Abstain
357,228,251	19,759,353	390,915	1,887,399

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Thank you

on behalf of all of Pepper Money

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For more information visit
www.pepper.com.au

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