

Solvar FY23 annual results

Solvar Limited (ASX: SVR, "Solvar" or the "Group"), the leading provider of automotive finance, is pleased to provide its full year results for the year ended 30 June 2023. The Group achieved total revenue of \$209.3 million and announces a 9.0 cents fully franked dividend payable on 9 October 2023.

The Company will host a webinar this morning at 11.00am with CEO & Managing Director Scott Baldwin and Chief Financial Officer Siva Subramani to discuss the full year results. Registration is available at:

https://us02web.zoom.us/webinar/register/WN_QZjCBgWhQMCPq-3WQ3ozrA.

FY23 highlights:

- 28.6% increase in final dividend to **9.0 cents per share** (fully franked);
- 11.4% increase in revenue to **\$209.3 million**;
- 24.1% increase in gross loan book to **\$910.1 million**;
- 14.6% increase in new loan originations to \$535.3 million;
- 11.9% increase in EBITDA to \$110.8 million;
- Net Profit After Tax (NPAT) of **\$47.6 million**;
- \$15.0 million share buyback completed;
- Expansion of NZ funding facilities to our diversified set of institutional funding providers; and
- Rebranded Group to Solvar, representing our mission to help our customers solve their financial needs.

Strong loan book growth throughout FY23 continues to drive revenue growth into FY24. The improving credit quality of the loan book enables the Group to access a diversified range of institutional grade debt facilities.

Solvar's CEO and Managing Director, Scott Baldwin, said:

"We continue to see strong demand for our loans, and this is reflected in the \$535 million in new loans the Group wrote during FY23."

"The Group continues its growth trajectory toward a loan book of \$1 billion and has delivered another profitable year of lending."

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ASX Release
15 August 2023

Outlook:

Looking forward to FY24 we anticipate the following:

- Loan book expected to exceed \$1 billion;
- Overall yield on book reducing due to portfolio shifts and improved credit quality;
- EBITDA expected to be broadly consistent with FY23 due to one off increase in cyber and risk management resources;
- Bad debts within target range of 3.5% - 4.5%; and
- The business will have a substantial focus on driving productivity.

As most automotive loans are fixed rate contracts, rising central bank rates have contracted margins on the Group's back book. The business has worked hard to pass on a large portion of the rate increases onto customers for newly written loans, however, existing outstanding loans do not reprice. As existing loans mature and are replaced by new loans which include the rate rises, the Group's margin will reflect the repricing.

Solvar's strategy of expanding its product offering into higher credit score customers has positioned the Group well to be able to take advantage of a larger addressable market which will see its loan book exceed \$1 billion this financial year. In addition, the Group continues to explore opportunities to expand into those markets typically underserved by financial institutions that exhibit strong growth potential and margins.

Approved for release by the Board of Directors of Solvar Limited.

-ENDS-

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ABOUT SOLVAR LIMITED (ASX: SVR)

Solvar is a market leading Consumer and Commercial finance company with over 20 years' experience in Australia and New Zealand, having funded over \$2 billion of vehicles and personal loans. Dominating the used-vehicle finance market and delivering a unique customer experience from loan application to the final loan payment the group leverages technology to provide a seamless application process from a broker, online or directly to the Group.