

**22 August 2025****ASX ANNOUNCEMENT****Latitude delivers strong profit growth in 1H25 on the back of continued higher volumes, receivables and margins**

Latitude Group Holdings Limited (ASX: LFS) today announced its First Half 2025 results for the six months to 30 June 2025, reporting:

- Statutory NPAT from continuing operations of \$39.7m, up \$30.7m or 341% on 1H24 (YoY)
- Cash NPAT of \$46.2m, up \$18.8m or 69% YoY
- Dividend of 4.00 cents per share unfranked

**1H25 Financial and Operating Highlights**

- Total new volumes of \$4.2bn, up 12% YoY, including:
  - Total purchase volumes of \$3.5bn, up 13% YoY, including the additional volume benefits of the David Jones store card partnership launched last year
  - New personal and auto loan originations of \$783m, up 8% YoY, a new record high
- Gross receivables of \$7.0bn, up 9% YoY, their highest level since 1H20, and interest-bearing receivables of \$5.2bn, up 11% YoY
- Operating income of \$408 million, up 19% YoY and operating income margin of 12.0%, up 109bps YoY and 28bps HoH, reflecting the benefits of strategic management actions, falling reserve bank cash rates and funding initiatives
- Risk adjusted income of \$278 million, up 20% YoY, with total net charge offs of 3.8% of average receivables, up 31bps YoY
- Cash operating expenses of \$184 million, down 5% HoH and up 3% YoY, excluding one-off benefits in 1H24, with further investments in growth and new capabilities mostly offset by benefits of ongoing productivity programs
- Cash cost to income ratio of 45.2%, down ~700 basis points YoY on a normalised basis
- Other key highlights:
  - Addition of new partnerships with major brands including E&S Trading, Adairs Retail Group (Focus on Furniture and Mocka Furniture) and online travel group Webjet
  - Raised or refinanced \$1.5bn of secured financing to support expected asset growth and to optimise funding costs
  - Completed the buyback of \$3.3 million of Capital Notes
  - Continued to enhance product value propositions – adding new features and capabilities to profitably grow market share in new segments and further improve customer experience.
  - Targeted deployment of AI capabilities focused on employee productivity, core process automation and enhanced service delivery.

Managing Director and CEO Bob Belan said: "This result is another positive step forward for Latitude as we stay focused on our strategy and simplifying our business, delivering on commercial and operational fundamentals and growing in segments where we're strongest.

"Spend and lending volumes across our Pay and Money divisions reached \$4.2 billion, a 12% increase compared to last year. That helped lift our receivables to \$7.0 billion – the highest level in 5 years.

"Our Money division led the way with \$783 million in new loans — up 8% from the same period last year. This drove receivables growth of 12% YoY to a record high \$3.2 billion. Importantly, this was achieved while maintaining margin discipline and despite ongoing and elevated competitive pressures.

"Retail trading gained momentum throughout the first half, and pleasingly consumer confidence lifted as interest rates began to ease. Consumers became more comfortable purchasing on credit, helping drive a 13% YoY rise in our credit card purchase volumes to \$3.5 billion. New partnerships added over the last 12 months also contributed to this increase, further expanding our market leading retail distribution.

"Net interest margins continue to improve, up 142bps YoY, due to targeted pricing initiatives and lower funding costs as cash rates reduced in Australia and New Zealand. Operating expense remained a focus, reflected in a ~700 basis points improvement in cash cost-to-income ratio to 45.2%, enabling incremental investments in technology, marketing and innovation to meet the evolving needs of our customers and partners.

"Cash Profit Before Tax of \$93.5 million and Cash NPAT of \$46.2 million were up 40% and 69% respectively YoY. We expect the positive trend to continue in the second half.

"We also further strengthened our balance sheet, raising \$1.0 billion of new term funding across two public debt market transactions and refinancing a \$0.5 billion private credit facility at more favourable terms. We continued to diversify our investor base, extend our maturity profile and maintain a minimum 12-month liquidity runway to support future growth.

"Our Tangible Equity Ratio of 7.0%, landed at the top of our target 6-7% range. This along with our strong balance sheet, profit performance and business momentum led Latitude's Board to declare an unfranked dividend of 4.00 cents per share for 1H25 up from 3.0 cents per share paid for the full year FY24."

## **Outlook**

### **1. Macroeconomic tailwinds to support asset growth**

Latitude continues to progress organic growth opportunities. We're likely to benefit from further central bank cash rate reductions which should lift consumer sentiment and consumption, supporting demand across our core products and segments.

### **2. Labour market supporting predictable credit performance outcomes**

To the extent inflation remains within central bank target ranges, labour markets remain stable and household savings balances remain at normalised levels, we would expect credit losses to follow a predictable path, remaining in line with Latitude's target operating range delivering sound risk adjusted returns.

### **3. Revenue margin expansion through funding and pricing discipline**

Further easing of cash rates along with continued margin discipline and additional balance sheet optimisation should generate revenue yield upside, partially offset by elevated competitive activity and pricing pressure.

### **4. Continued strategic investment focus**

We will continue to surgically invest in new products, digital channels, customer experience, cyber defence, AI and other world-class capabilities to drive profitable growth – actions that we see as essential to delivering sustained market outperformance over the long-term.

### **5. Balance sheet strength enables shareholder returns and growth**

Strengthening profitability, a resilient balance sheet and a healthy TER ratio positions us to pursue strategic growth opportunities, while maintaining the flexibility to return capital to shareholders.

Latitude Managing Director and CEO Bob Belan and CFO Guillaume Leger will host a briefing on the 1H25 results at 10:30am today (AEST):

**Date:** 22 August 2025

**Time:** 10:30am (AEST)

**Webcast:** Participants can register for the webcast [here](#)

**Conference call:** Pre-registration link is available [here](#)

Authorised for release to the ASX by the Board.

**For further information**

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