Latitude Group Holdings Limited
ACN 604 747 391

Level 18, 130 Lonsdale Street
Melbourne VIC 3000

latitudefinancial.com

21 August 2026

ASX ANNOUNCEMENT

Latitude lifts first half profit by 39% YoY as disciplined execution drives earnings growth

Latitude Group Holdings Limited (ASX: LFS) today announced its results for the half year ended 30 June 2026, delivering strong profit growth supported by higher receivables, margin expansion and disciplined cost management despite a more challenging operating environment.

- Cash NPAT increased 39% YoY to $64.3 million.
- Statutory NPAT from continuing operations increased 37% YoY to $54.4 million.
- The Board declared a fully franked interim dividend of 5.50 cents per share.

1H26 Business Highlights

- Total new credit card and new loan volumes increased 4% YoY to $4.4 billion, reflecting continued demand for Latitude's products.
- Gross receivables also increased 4% YoY to $7.3 billion, reaching their highest level in six years.
- Operating income increased 7% YoY to $437.8 million, with operating margin expanding 20bps YoY to 12.2% despite three Reserve Bank of Australia cash rate increases during the period.
- Risk-adjusted income increased 3% YoY to $285.8 million, delivering strong risk-adjusted returns of 8.0% despite persistent inflationary pressures impacting household budgets.
- Cash operating expenses decreased 2% YoY to $181 million, improving cash cost-to-income ratio by 390bps to 41.3%.
- Completed $2.3 billion of funding transactions and a $135 million Capital Notes 2 issuance (including $64 million rollover from Capital Notes 1), enhancing funding diversity, reinforcing balance sheet flexibility and supporting future growth.
- The new Enterprise Growth Division continued building momentum across the Health & Wellness and Home Improvement categories, securing Ashley & Martin as a new anchor partner.
- Continued deployment of artificial intelligence solutions across key business processes to improve customer experience, increase productivity and strengthen operating leverage.

For personal use only

Managing Director and CEO Bob Belan said:

"Latitude delivered a strong first half result despite a more challenging macro-operating environment, with Cash NPAT increasing 39% to $64.3 million as we continued to grow receivables, expand margins and improve operating efficiency.

"Over the past three years, we've simplified the business, strengthened the balance sheet and sharpened our execution. These foundations are now enabling us to deliver consistently strong financial performance while investing confidently in new growth opportunities.

"Applications increased 8% during the half, enabling us to onboard 148,000 new customers. Continued demand for our products drove total credit card purchase and new loan origination volumes to $4.4 billion, lifting gross receivables to $7.3 billion, their highest level in six years.

"Operating income increased 7% to $437.8 million while operating margin expanded to 12.2% despite three Reserve Bank of Australia cash rate increases during the period. This reflected disciplined pricing and continued improvements in our funding profile.

"We also reduced cash operating expenses by 2% to $181 million while continuing to invest in new technology solutions, new capabilities, cyber security and artificial intelligence. These investments are improving customer experience, increasing productivity and strengthening our operating leverage across the business.

"Persistent inflation and higher interest rates continue to place pressure on some Australian households; however credit performance has remained within our expectations. Risk-adjusted income increased 3% YoY to $286 million, delivering risk-adjusted returns of 8.0%.

"We also continued to invest for the future. Our new Enterprise Growth division secured Ashley & Martin as a new anchor partner and we are progressing a strong pipeline of partnerships across the health, wellness and home services segments.

"Our balance sheet remains strong and well positioned to support continued growth. During the half, we completed $2.3 billion of funding transactions and a $135 million Capital Notes 2 issuance, further enhancing funding diversity and balance sheet flexibility.

"The Board's decision to declare a fully franked interim dividend of 5.50 cents per share reflects confidence in the fundamentals of the business and its ability to continue creating long-term value for shareholders."

Outlook

Positioned to navigate a more challenging environment

Macroeconomic conditions are likely to continue to place pressure on household budgets through the second half. While discretionary spending and lending demand may moderate, Latitude expects to continue to deliver profitable receivables growth, supported by our diversified business model, differentiated products and broad partner and distribution network.

Earnings resilience through disciplined pricing and portfolio management

Elevated central bank rates and continued pressure on household budgets are expected to remain key features through the second half. Latitude expects a

For personal use only

For personal use only

combination of pricing, credit and portfolio management actions to maintain strong risk-adjusted returns to support earnings growth.

Continued operating leverage through productivity and technology

Latitude expects sustained productivity and operating leverage improvements through diligent expense management and investment in technology and artificial intelligence. Together, these initiatives will help offset inflationary pressures, improve customer and partner experiences and create additional capacity to support future growth initiatives.

Stronger fundamentals supporting long-term shareholder value generation

Continued strong profit performance, combined with disciplined balance sheet management, is expected to provide the capacity to continue to invest in our strategic priorities while maintaining the flexibility to prudently return capital to shareholders.

Latitude Managing Director and CEO Bob Belan and CFO Guillaume Leger will host a briefing on the 1H26 results at 10:30am today (AEST):

Date: 21 August 2026

Time: 10:30am (AEST)

Webcast: We encourage all participants to join via webcast. Register here.

Conference call: Participants wishing to ask questions during the Q&A session may pre-register for the conference call here.

Authorised for release to the ASX by the Board.

For further information

Media	Investor Relations
Mark Gardy	Mitchell Hawley
+61 412 376 817	+61 466 927 612