



19 April 2024

The Manager – Listings  
 Australian Securities Exchange Limited  
 Exchange Centre  
 20 Bridge Street  
 Sydney NSW 2000

### Q3 FY24 Unaudited Segment Trading Results

COG Financial Services Limited (“COG”) is pleased to announce its unaudited Segment results for Q3 FY24.

Results below are presented for Finance Broking & Aggregation (“FB&A”) segment, Novated Leasing segment (previously reported as part of the FB&A segment), Asset Management & Lending (“AM&L”) segment, formally known as Funds Management & Lending (“FM&L”), and the Other segment.

NPATA <sup>1</sup> to shareholders (Unaudited)	Q3 FY24 \$m	Q3 FY23 <sup>2 3</sup> \$m	YTD 31 March 24 \$m	YTD 31 March 23 <sup>2 3</sup> \$m
Finance Broking & Aggregation	2.2	3.0	7.9	8.7
Novated Leasing <sup>2</sup>	2.4	0.8	6.5	2.2
Asset Management & Lending <sup>4</sup>	1.3	2.2	5.7	8.5
Other <sup>5</sup>	(0.5)	(0.2)	(2.1)	(2.5)
<b>Total</b>	<b>5.4</b>	<b>5.8</b>	<b>18.0</b>	<b>16.9</b>

<sup>1</sup> Underlying net profit after tax and before amortisation of acquired intangibles and write-off of intangibles.

<sup>2</sup> Effective 1 July 2023, the Novated Leasing business (previously reported as part of the Finance Broking & Aggregation segment) is reported as a separate business segment. It is inclusive of the recently acquired novated leasing business Paywise as well as Fleet Network and beCarWise. Prior period comparative information has been reclassified to conform with current period presentation.

<sup>3</sup> For FY24 the Segment results have revised how interest expense is allocated between Segments. Prior period comparative information conforms with current period presentation.

<sup>4</sup> Asset Management & Lending reflects:

- \$0.9m (Q3 FY23: \$0.5m) contribution from Equity-One for the Quarter (YTD: 31 Mar 24: \$2.6m; 31 Mar 23: \$1.6m);
- \$0.1m (Q3 FY23: \$0.1m) contribution from Insurance Broking for the Quarter (YTD: 31 Mar 24: \$0.6m; 31 Mar 23: \$0.5m); and
- \$0.3m (Q3 FY23: \$1.6m) contribution from Lending / Other for the Quarter (YTD: 31 Mar 24: \$2.5m; 31 Mar 23: \$6.4m).

<sup>5</sup> Q3 FY24 includes estimated post tax share of results from the associates Earlypay Limited (EPY) and Centrepoint Alliance Limited (CAF), those estimates have been derived with reference to market consensus.

Commenting on the performance, COG CEO, Andrew Bennett said:

“Our diversified business model continues to prove resilient in the face of some challenging trading conditions. We are particularly encouraged by the ongoing strong performance of our Novated Leasing segment that continues to grow organically while also benefiting from the acquisition of Paywise. Our Asset Management & Lending segment has achieved strong originations growth but has been adversely impacted by a margin squeeze due to increased funding interest rates on historical originations. With the stabilisation (and prospect of decreasing) interest rates, we are confident of future growth in both volume and margin over time”.



*Announcement authorised by: Patrick Tuttle, Chair*

For further information please contact:

Andrew Bennett  
Chief Executive Officer  
M 0405 380 241

**Who we are:**

COG Financial Services Limited (COG) has three complementary businesses:

1. Finance Broking & Aggregation (“FB&A”): Through its membership group of independent and equity owned brokers (brokers in which COG has invested), COG is Australia’s largest asset finance group, representing over \$7.7 billion per annum of Net Assets Finance (NAF). Further growth is being achieved through organic growth in equipment finance, insurance broking, and through equity investment in brokers.
2. Novated Leasing (“Novated”): Through Fleet Network and its subsidiaries, Paywise and beCarWise, COG operates in the novated lease and salary packaging sector. Further growth is being achieved through organic growth, with a significant opportunity arising from existing tax incentives associated with electric cars financed through a novated lease arrangement.
3. Asset Management & Lending (AM&L”) formally known as Funds Management & Lending (“FM&L”): The largest profit contribution is from peer-to-peer lending on property mortgage-backed business loans via our subsidiary Equity One. As a fee based business, it’s profits are not exposed to changes in interest rates. In addition, through broker distribution, COG provides equipment finance to SMEs, and real property loans via our subsidiary Westlawn Finance Limited. In the current year, Westlawn has experienced increased funding costs from rising interest rates, reducing the interest margin on historic originations. This trend will correct with stable and possibly decreasing interest rates.

In all three businesses COG’s market share is small relative to the market size in which it operates, and there are significant growth opportunities through future consolidation and organic growth.