

Auckland – 21 August 2018

Strong full year performance sees 18% customer growth for FlexiGroup New Zealand

- Integration of consumer and commercial business bolsters competitive advantage
- Sustained growth driven through improved customer value and innovation
- Major education and technology contracts galvanise commercial leasing business

Flexing the strength and agility of its newly integrated consumer and commercial financial services offering, FlexiGroup New Zealand Chief Executive Officer, Chris Lamers says the leading financial solutions provider is poised to grow further on the strength of its full year performance which was announced today as part of FlexiGroup Limited (ASX:FXL).

“The success of the previous financial year is marked by FlexiGroup NZ bolstering its capability and competitive advantage through the strategic integration of its consumer and commercial arms – this has resulted in more customers, increased volumes and improved efficiencies which has flowed through to an improved bottom line result,” says Lamers.

“Our new business model creates a distinct competitive advantage with an unparalleled breadth of offering, expertise and flexibility to offer competitive financial solutions that meet the needs of thousands of consumers and businesses across New Zealand. We’re here to change the game because we believe that there is a better way for New Zealanders to get what matters to them.”

Sustained volume growth

Growth momentum for consumer lending was firmly re-established in FY18 despite a slowing lending environment.

Consumer spend growth for FlexiGroup NZ was up 14% year on year, almost three times the market growth rate^[1], driven by the company’s range of consumer financial solutions including Oxipay, Q Mastercard, Flight Centre Mastercard and Farmers Finance Card.

“This sustained growth is being driven by consumers becoming smarter with how they choose to finance and pay for the things they need. It is also a reflection of the sound retail and economic environment which we’ve been operating in over the past 12 months.

“The potential for the year ahead is underpinned by the strength of the FlexiGroup NZ consumer finance proposition and our retail footprint in the New Zealand market which has been gaining real momentum in the past 12 months. Our flexible range of consumer finance solutions is proving to be a serious challenger to traditional financial services, and as an

^[1] 5.2% as per June 2018 MWE New Zealand Cards Report

organisation we have the agility to move at pace to deliver on the future financial needs of New Zealand,” says Lamers.

New ways to pay attracting new customers

FlexiGroup NZ customer numbers have grown to more than 481,000 within the year, an 18% year on year increase.

The launch of Oxipay, a market leading interest-free instalment product, has contributed to customer and volume growth attracting new consumer segments with the buy-now-pay-later model increasingly favoured by millennials and Gen Z as an alternative way to pay.

Retailer and customer uptake for this new way to pay has been rapid since launch and based on this growth, Oxipay is rolling out both online and in-store across Farmers, Pascoes, Whitcoulls and Stevens nationwide.

“Oxipay is an exciting growth engine to build critical mass with the customer of the future – customers are changing and how people buy what they want and need is changing as well. Oxipay will continue to be a strong customer acquisition tool this year while also deepening our retailer relationships with our enhanced suite of payment solutions,” says Lamers.

Flexible leasing solutions supporting the growth of New Zealand business

As a proven leader in education and technology leasing, the commercial business re-secured a major three-year deal as the approved financier for the Ministry of Education TELA+ scheme. The deal sees FlexiGroup NZ continue its eight-year support of the scheme which supports the delivery of laptops into 2,000 schools across New Zealand.

“The success of the managed services solution we deliver as part of TELA+ sees us progressing discussions for a number of long-term programme agreements with government departments and corporates. There continues to be significant interest shown for this type of product with many organisations moving away from traditional purchasing to a ‘pay as a service’ model,” says Lamers.

“Through the relaunch of our SME leasing product along with diversification of the category offering of our commercial lending products, FlexiGroup NZ built about 3,500 new relationships in an expanding range of industries, helping to support the growth and success of New Zealand businesses.”

FlexiGroup will continue to challenge the status quo

With a commitment to delivering a new era of financial solutions and services that customers love and trust, FlexiGroup NZ will be focusing on continuing to deliver customer-centric innovation that is simple, transparent and flexible.

“Financial inclusion is a key area of concern for New Zealand and ensuring there are the right types of products available that people understand and can confidently manage is a

critical part of this. The status quo needs to be challenged and we believe there is a better way for people to get what's important to them.

“Innovation through integration will continue to be an area of focus for us too, leveraging strategic partnerships and building deeper relationships with our network of 13,000 merchants, vendors and retail partners throughout New Zealand.”

^[1] 5.2% - June 2018 MWE New Zealand Cards Report

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For further information:

Alexandra Speedy
Corporate Communications Manager
alex.speedy@flexicards.co.nz
+64 21 070 0651

ABOUT FLEXIGROUP NEW ZEALAND

Built on 40 years of trusted experience, FlexiGroup New Zealand is an innovative financial services company doing things differently to deliver smart, customer-centric financial solutions.

With a diversified product offering including interest-free credit, credit cards, long-term finance, leasing, and vendor finance programs – FlexiGroup holds a 13,000 strong network of merchants, vendors and retail partners throughout New Zealand.

FlexiGroup New Zealand is a wholly-owned subsidiary of ASX-listed FlexiGroup, Australasia's leading provider of financial solutions for lifestyle, home and business.