



18 February 2025

ASX RELEASE

Resimac Group 1H25 trading update (unaudited)

Resimac Group Limited (ASX:RMC) provides the following 1H25 trading update:

- The Group's normalised net profit after tax (excluding fair value movements on derivatives) for the first half of 2025 is \$15.0 million, a decrease from \$17.1 million in the previous period (2H24). This 12% reduction is largely due to a significant increase in collective provisioning, particularly within the asset finance business.
- During the period, the asset finance portfolio experienced an increase in arrears and recorded net write-offs of \$6.5 million, compared to \$2.9 million for the previous period. In response to this and the current economic conditions, the Group has raised its provisioning coverage for both the Home Loans and Asset Finance businesses from \$46.1 million to \$54.3 million, marking an increase of \$8.2 million (18%) in the period, and therefore maintaining a prudent approach to provisioning.
- While normalised net profit after tax for the first half is lower than expected, operating profit (NPBT before impairment expense) has increased by 20%, from \$29.9 million to \$35.9 million. This increase is due to the growth in Assets Under Management (AUM), with higher net interest and fee income accompanied with disciplined cost control.
- Based on the recent experience with arrears, net write-offs, and the subsequent impact on collective provisioning, it is probable that the Group will not meet NPAT (excluding FV movements on derivatives) consensus for FY25. Management remains confident that the Group will achieve operating profit (NPBT before impairment expense) consensus and continue to capitalise on the positive settlements and AUM momentum.

Susan Hansen, Interim Chief Executive Officer, commented on the Group's performance:

"Despite the decrease in our first-half normalised net profit after tax, primarily attributed to increased provisioning within our asset finance business. We remain confident in the overall financial position and performance of our operations. The sustained growth in assets under management (AUM) and operating profit reflects the resilience of our business model and the ongoing diversification of our balance sheet. We are proactively addressing challenges within the asset finance portfolio by implementing strategies aimed at enhancing our collections and recoveries performance.

The financial guidance in this release is unaudited and may be subject to change.

The Group will provide a more detailed update on its financial performance at the release of its first half results on 25th February 2025.

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About Resimac Group (as at 29 August 2024):

Resimac Group Ltd (“Resimac Group”) is a leading non-bank lender and multi-channel distribution business. Its fully integrated business model comprises originating, servicing and funding prime, non-conforming residential mortgages and asset finance products. With over 300 people operating across Australia, New Zealand and the Philippines, Resimac Group has in excess of 55,000 customers with a portfolio of home loans on balance sheet of almost \$13 billion, an asset finance portfolio over \$1 billion, and total assets under management of over \$14 billion.

Resimac Group has issued almost \$50 billion in bonds in domestic and global markets since 1987. It has access to a diversified funding platform with multiple warehouse lines provided by domestic and offshore banks for short term funding in addition to a global securitisation program to fund its assets longer term.