

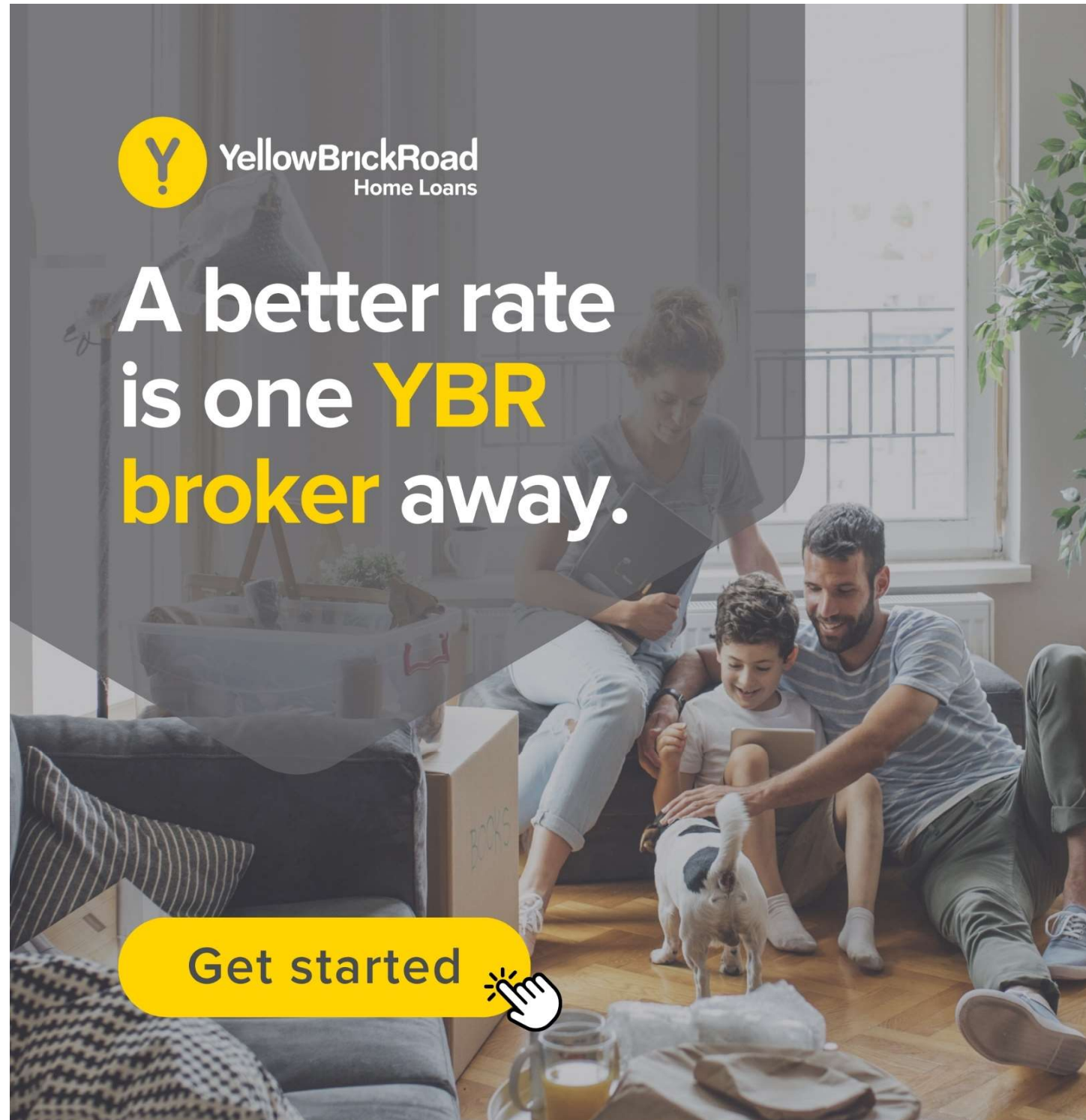


## Investor Presentation

For the half year ended 31 December 2024

---

FEBRUARY 2025



# A better rate is one **YBR** **broker** away.

Get started



# Agenda

1. 1HY25 Overview	3
2. Our Sector and Market	8
3. Financial Results	10
4. Disclaimer	14

1.

## 1HY25 Overview



“

Due to rising cost of living and high interest rates, home ownership has become a battle for too many Aussies. **It's about time we all help our mates.**

*Manki Beaus*

**WIN  
A SHARE OF  
\$40,000  
FOR YOU  
& A  
MATE**

 Yellow Brick Road Home Loans

# 1HY25 Overview

Solid Half-Year results driven by improved operating performance and focussed cost management.

## Financial Performance (1HY25)

**EBITDA (Cash basis):** \$2.7m (vs \$0.3m 1HY24)

**Normalised EBITDA (Cash basis):** \$3.0m (vs \$0.7m 1HY24)

**NPBT:** \$1.1m (vs -\$0.5m 1HY24)

**Cash & Cash Equivalents:** \$7.9m\* (vs \$6.7m as of 30 June 24)

**Net Cash after Borrowings:** \$5.1m\* (vs \$6.0m as of 30 June 24)



## Operating Performance (1HY25)

**Settlements** of \$12.0b\*\* (+12.0% above \$10.2b 1HY24)

**Underlying Loan Book** of \$70.2b\*\* (+8.2% above \$64.9b 1HY24)

**Mortgage Brokers:** 1,252 (+2.0% vs 1HY24)

**RWF Loan Book** (joint venture lending product) surpassed \$400m



## Market and Industry trends

Shift in trend from refinance to new commitments

Low housing affordability, driven by migration (demand), lower development activity (supply), and inflation increasing pressure on cost of living

Monetary tightening peaked, with first interest rates reduction announced by RBA in February 2025



## Executing on Our Strategy

We are investing in key initiatives to increase revenue, margin and distribution footprint to grow our business. These include:

- Establishing a corporate branch – assist with expanding brand footprint, training and developing our future brokers
- Cost management – continue to actively manage cost and optimise the business model
- Expanding support and service offerings to brokers, across sales, operations, and customer service



\* The December 2024 cash balance was affected by the timing of sponsorship and commission payments. This timing discrepancy was normalised in January, resulting in a cash balance of approximately \$10.2m and a cash balance after borrowing of c.\$7.5m as of 31 January 2025.

\*\* Settlements were \$11.8b and Underlying Loan Book was \$69.3b as per the statutory 1HY25 financial results. The variance is due to the elimination of Resi Settlements and Loan Book when preparing the statutory account.

# Settlements and Underlying Loan Book Growth

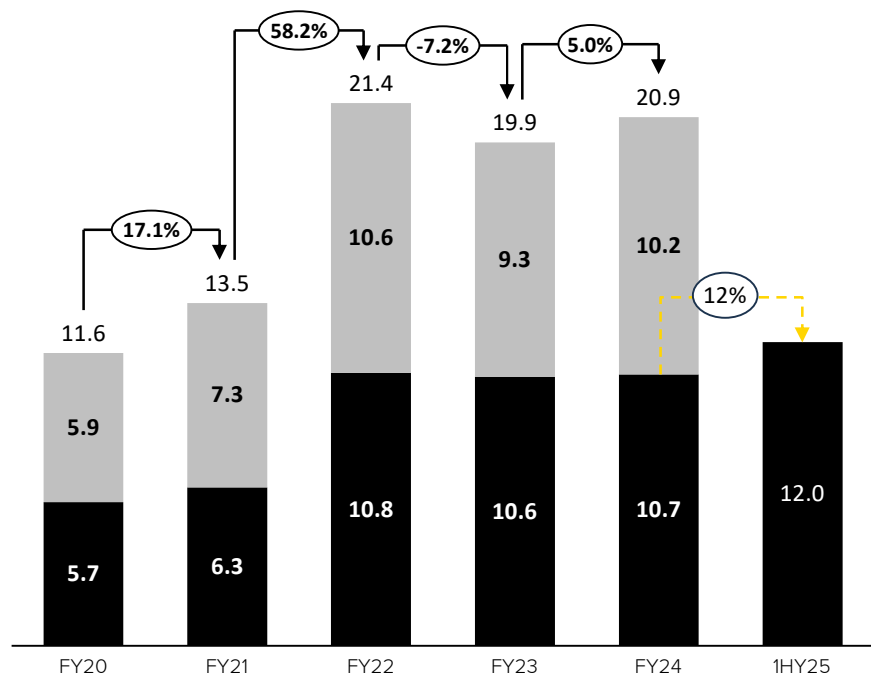
New business volumes and loan book growth performed ahead of market in 1HY25

- Settlements of \$12.0B were +12.0% above \$10.2B (1HY24), driven by +14.0% growth in YBR Aggregation, who represent c.89% of YBR Group's origination volumes for 1HY25.
- YBR's Settlements growth outperformed the market for the period (seasonally adjusted total lending commitments as per ABS Housing Finance data set), which grew by 10%.

- YBR's loan book grew by 4.1% in the 6 months period from July 24, with loan book reaching \$70.2b in Dec-24
- The loan book run-off rates for the first six months of FY25 were slightly below 1HY24, but marginally higher than 2HY24.

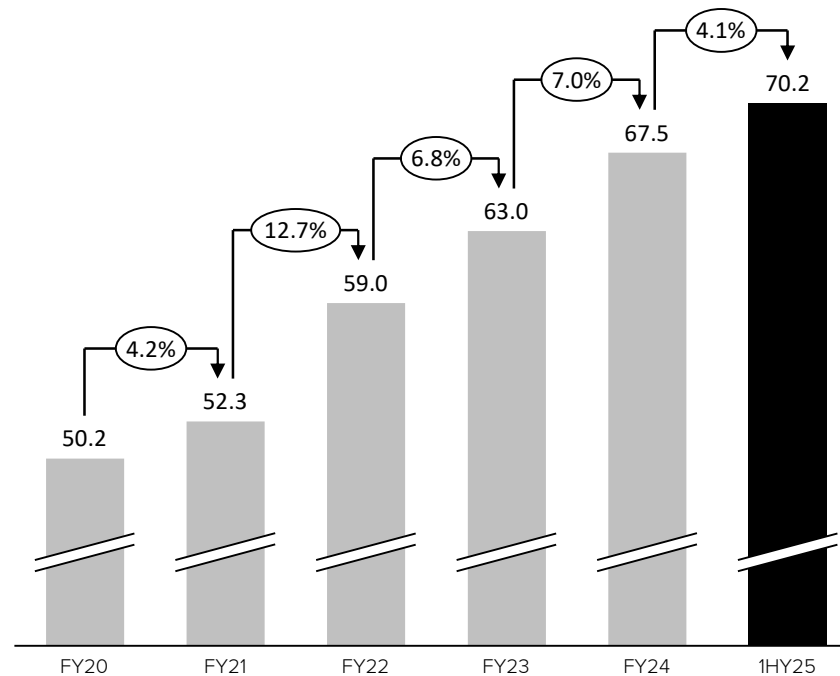
## Full Year settlements

Values in \$b



## Loan book

Values in \$b



Note: Settlements were \$11.8b and Underlying Loan Book was \$69.3b as per the statutory 1HY25 financial results. The variance is due to the elimination of Resi Settlements and Loan Book when preparing the statutory account.

# Our Business

Yellow Brick Road Group (YBR) offers a range of home loans and commercial loans from an extensive panel of bank and non-bank lenders through our YBR franchise and YBR aggregator channels. Notably Resi Whole Funding loan book (joint venture loan product) surpassed \$400m in 1HY25.



Independent aggregator model with stringent compliance principles and best in class technology



Best-in-class franchise model leveraging the YBR brand, products, and services throughout Australia



Product design through White Label, credit assessment and securitisation capabilities



1,127 Brokers



125 Brokers



\$500m million of warehouse facilities



\$10.7b in settlements in 1HY25



\$1.1b in settlements in 1HY25



\$1.2b in underlying loan book



\$60.9b in underlying loan book



\$8.1bn in underlying loan book



\$5.1m in NPV of future trail



\$14.6m in NPV\* of future trail



\$10.6m in NPV\* of future trail

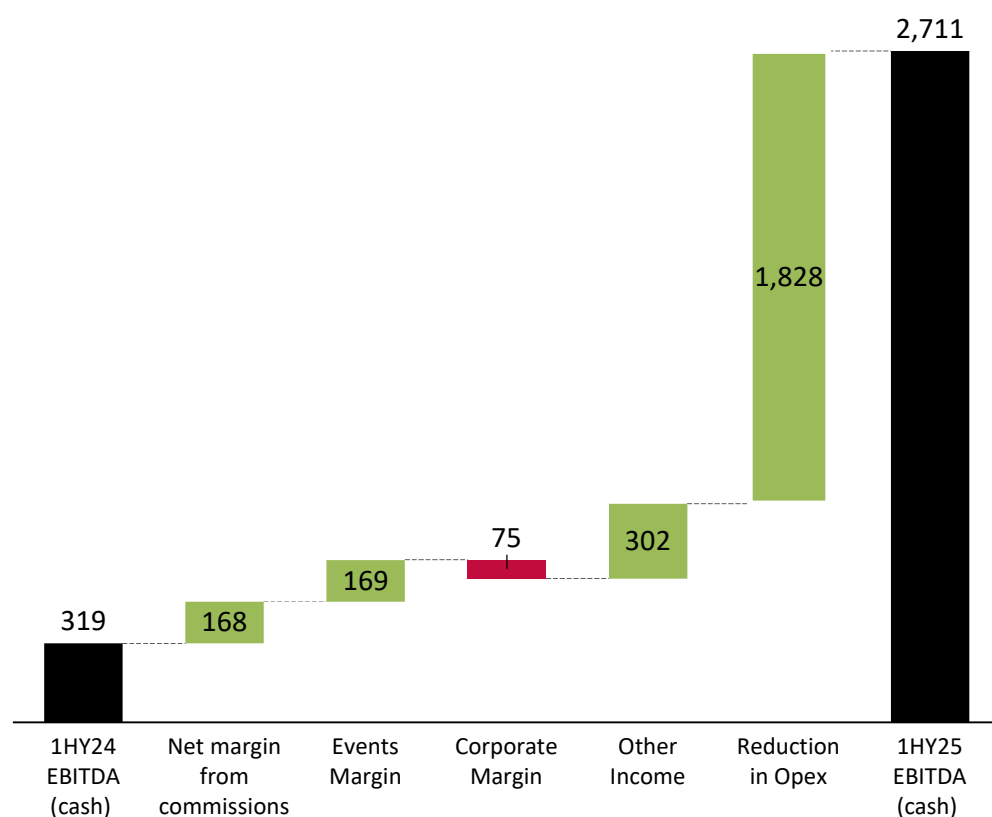
\* Represents the actuarially assessed net present value of future net cashflows from the existing underlying book of loans

# EBITDA (cash) Drivers of Performance

Higher settlements/upfront commissions, disciplined cost management as well as business restructure cost savings helped boost YBR's YTD Cash EBITDA.

## EBITDA (cash) 1HY25 vs 1HY24, drivers of performance:

Values in \$000



### Commission, Events & Corporate Margin

- Net commission margin was primarily buoyed by the higher settlements/upfront commissions in 1HY25 offsetting the decline in net trail commissions as older, more profitable mortgage manager style loan books are gradually replaced by newer, lower margin products.
- Corporate margin decline is due to the old loan book on which YBR earns a corporate margin running off

### Other Income

- The change in other income was primarily due to the price increases introduced to various broker services (to offset an increasing cost base) in 1HY25 and increase in our network resulting in a \$302k increase in professional and broker fees.

### Operating Expenses

- Several cost optimisation initiatives were implemented in the latter part of FY24 and early FY25 to better align expenditure with business activities. Further, YBR's Resi business was restructured in September 2024, resulting in opex savings for YBR.

2.

## Our Sector and Market

**YellowBrickRoad**  
Home Loans

# Find out how much you could *save*

**Get started** 

The advertisement features a vibrant background image of a family of six enjoying a meal and drinks at an outdoor dining table in a well-maintained backyard. A woman stands nearby holding a bowl of fruit. The scene is decorated with string lights and colorful bunting flags, creating a warm and inviting atmosphere. The Yellow Brick Road Home Loans logo is positioned in the top left corner. The main headline is centered, with the word 'save' written in a yellow, cursive font. A white button with a black border and a hand cursor icon is located at the bottom center.



# Our Industry

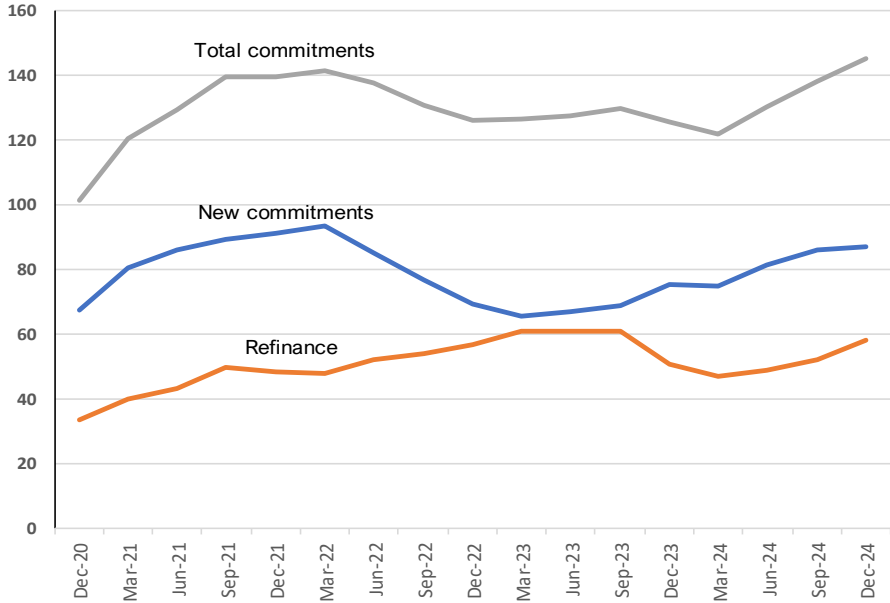
A summary of industry statistics and trends reflects robust broker-led market growth driven by new lending, as well as refinancing gaining momentum.

Total Housing Finance Commitments in 1HY25 were up 10% on 1HY24, new commitments up 20.1%, offset by -1.3% decline in refinance.

Nearly 75% of all mortgage originations are settled through Brokers. The broker channel continues to prove its value proposition year after year, with MFAA reporting the highest broker usage percentage in September 2024.

## Housing Finance Commitments (Qtrly)

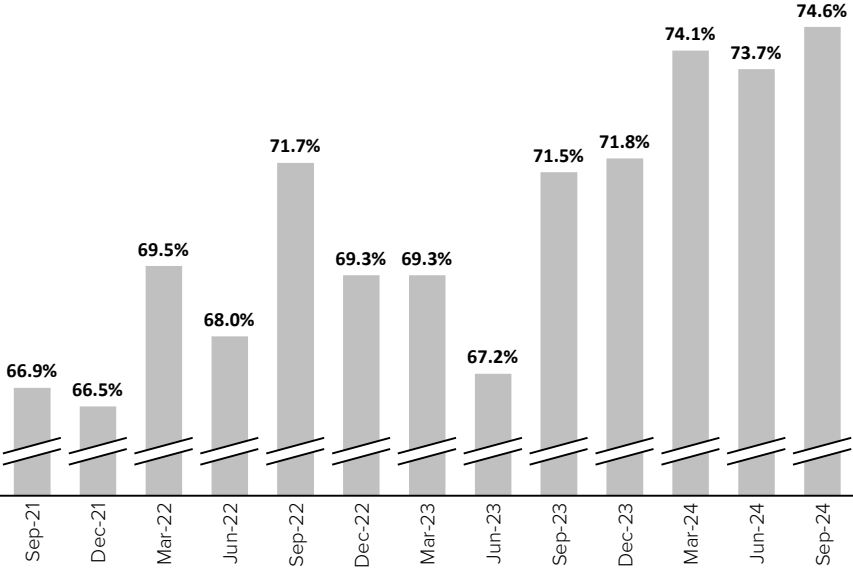
Values in \$b



Source: [www.abs.gov.au](http://www.abs.gov.au) - Lending indicators, Housing finance

## Broker Usage per Quarter

Values in %



Source: MFAA (Mortgage & Finance Association of Australia), CoreLogic

3.

Financial Results



Ready to  
buy your  
first

*property?*

What's next?



# Profit & Loss Statement – Key Elements

Values in \$000	H1FY25	H1FY24	Var.	Var. %
UF commissions received	69,752	62,329	7,422	11.9%
UF commissions paid	(67,410)	(60,217)	(7,194)	11.9%
<b>UP FRONT MARGIN</b>	<b>2,341</b>	<b>2,113</b>	<b>228</b>	<b>10.8%</b>
Trail commissions received	61,388	57,319	4,069	7.1%
Trail commissions paid	(56,979)	(52,850)	(4,129)	7.8%
<b>TRAIL MARGIN</b>	<b>4,409</b>	<b>4,469</b>	<b>(60)</b>	<b>-1.3%</b>
Broker Fees	2,390	2,146	245	11.4%
Professional Fees	1,517	1,464	53	3.7%
<b>BROKER FEES MARGIN</b>	<b>3,907</b>	<b>3,609</b>	<b>298</b>	<b>8.3%</b>
RWF Service Fees	215	278	(62)	-22.5%
Costs	(48)	(81)	33	-41.2%
<b>RWF MARGIN</b>	<b>168</b>	<b>197</b>	<b>(29)</b>	<b>-14.8%</b>
Income from Events	1,512	1,399	112	8.0%
Events costs	(728)	(785)	57	-7.2%
<b>EVENTS MARGIN</b>	<b>784</b>	<b>615</b>	<b>169</b>	<b>27.5%</b>
Volume bonus	505	477	28	5.8%
Corporate margin	406	480	(75)	-15.5%
Outsourced broker support	4	-	-	-
<b>GROSS PROFIT</b>	<b>12,523</b>	<b>11,959</b>	<b>563</b>	<b>4.7%</b>
Operating expenses	(9,812)	(11,640)	1,828	-15.7%
<b>EBITDA (Cash)</b>	<b>2,711</b>	<b>319</b>	<b>2,392</b>	<b>749.1%</b>
NPV of future trail	(954)	(1,065)	111	-10.5%
<b>EBITDA (IFRS)</b>	<b>1,757</b>	<b>(746)</b>	<b>2,503</b>	<b>-335.7%</b>
Depreciation & others	(162)	7	(169)	Large
Equity Income from JV	(509)	200	(709)	-354.5%
<b>NPBT</b>	<b>1,086</b>	<b>(539)</b>	<b>1,625</b>	<b>-301.7%</b>

## Upfront Margin

Increase in upfront margin driven by increased group settlements further assisted by contributions from the YBR corporate branch initiative

## Trail Margin

Trail margin decline in 1HY25, despite a 8.2% growth in the loan book vs PCP, is due to the decline in trail margin percentage caused by the run-off in the older more profitable back books

## Net Income from Broker Fees

Primarily driven by the price increases introduced to various broker fees in early FY25 coupled with growth in the broker network

## RWF, Events & Corporate Margin

Following the Resi/RWF restructure, YBR no longer receives service fees from RWF, and therefore this income stream will reduce over time. Lower income from corporate margin is due to the old loan book running off.

## Operating Expenses

Significant savings in opex achieved via cost optimisation initiatives and the restructure of Resi/RWF businesses in September 24. The full effect of these initiatives should be more evident in FY25 year-end results.

## NPV of Future Trail Commissions

Although the Net Present Value (NPV) loss narrowed slightly in 1HY25, it continues to exert pressure on the overall profitability of the business. It is important to note that this impact is non-cash in nature.

\* Note: Rental expenses which are recognised under depreciation in the statutory accounts, are included in the operating expense line here.

# Balance Sheet

Values in \$000	Dec-24	Jun-24	Var.	Var. %
<b>ASSETS</b>				
Cash and cash equivalent	7,908	6,754	1,154	17.1%
Trade and other receivables	25,855	23,411	2,444	10.4%
Other assets	4,921	5,719	(798)	-14.0%
Loan trail receivable	424,517	400,685	23,832	5.9%
Total intangible assets	1,379	1,636	(258)	-15.7%
Right of use assets	1,214	1,616	(401)	-24.8%
Other fixed assets	122	112	10	8.5%
Investments/Loans - RWF	2,691	1,500	1,191	79.4%
<b>TOTAL ASSETS</b>	<b>468,608</b>	<b>441,433</b>	<b>27,175</b>	<b>6.2%</b>
<b>LIABILITIES</b>				
Trade and other payables	31,241	31,752	(510)	-1.6%
Borrowings	2,800	738	2,063	279.7%
Provisions	2,382	2,294	88	3.8%
Trail payable	394,219	369,427	24,792	6.7%
<b>TOTAL LIABILITIES</b>	<b>430,642</b>	<b>404,210</b>	<b>26,432</b>	<b>6.5%</b>
<b>NET ASSETS</b>	<b>37,966</b>	<b>37,223</b>	<b>743</b>	<b>2.0%</b>
Equity	114,437	114,437	0	0.0%
Retained earnings	(76,472)	(77,214)	742	-1.0%
<b>TOTAL EQUITY</b>	<b>37,965</b>	<b>37,223</b>	<b>742</b>	<b>2.0%</b>
<b>NET TRAIL PV FOR LOAN BOOK</b>	<b>30,298</b>	<b>31,258</b>	<b>(960)</b>	<b>-3.1%</b>
<b>CASH LESS BORROWINGS</b>	<b>5,108</b>	<b>6,016</b>	<b>(908)</b>	<b>-15.1%</b>

## Assets

**Cash and cash equivalent:** change was primarily driven by investments made in RWF, redundancy payouts, and timing discrepancies related to sponsorship and commission payments to brokers. These were offset by new borrowings, savings generated from headcount reductions, and cost reductions resulting from the RWF/Resi restructure. The timing issues related to sponsorship and broker commission payments were largely reversed in January 2025, with a closing cash position of \$10.2 million as of the end of January.

**Trade and other receivables:** include \$21.6m revenue accrual, \$1.6m in trade debtors, \$0.9m loans to branches and Class G notes interest accrual \$0.3m

**Other assets:** include \$2.3m in prepayments, \$2.2m GST receivable on purchases, and \$400k term deposit

**Intangible assets:** includes capitalisation of Y Home Loans and Resi Assessment Platform

**Right of use assets:** movements relate to progression of lease term for Chifley Square. Right-of-use asset reduces as we progress to end of lease.

**Investment in RWF:** includes \$2.1m investment in RWF made in October 2024 plus, the conversion of the Shareholder Loan to RWF written down for RWF's losses to date.

## Liabilities

**Trade and others** include \$20.1m commission payable accrual, trade creditors of \$2.3m, GST payable of \$2.4m, sponsorship on balance sheet \$1.7m, accrued expenses \$1.0m and YBR's commissions payable of \$2.0m. The difference relates primarily to the reduction in premium funding loans which is fully paid off at end of December.

**Borrowings** YBR refinanced the CBA loan in October 2024.

**Provisions** include Lease liabilities of \$1.4m, other provisions of \$0.3m and LSL liability of \$0.1m. Change is mostly due to repayment of lease liabilities.

# Cash Flow

Values in \$000

## CASH FLOW FROM OPERATIONS

	Dec-24	Dec-23	Var.	Var. %
Cash receipts from customers	147,435	135,470	11,965	9%
Payments to brokers/branches	(134,587)	(122,435)	(12,152)	10%
Sponsorship Income received	1,183	1,164	19	2%
Operating expenses	(12,200)	(14,667)	2,467	-17%
Interest payments	(137)	(195)	58	-30%
<b>TOTAL CASH FLOW FROM OPERATIONS</b>	<b>1,694</b>	<b>(663)</b>	<b>2,357</b>	<b>355%</b>

## TOTAL CASH FLOW FROM INVESTING

Payments for intangibles	-	(124)	124	-100%
Payments for plant and equipment	(34)	(32)	(2)	7%
Investment in Resi Wholesale Funding	(2,100)	-	(2,100)	-
Loans to franchisees and licensees	(43)	(558)	515	-92%
<b>TOTAL CASH FLOW FROM INVESTING</b>	<b>(2,178)</b>	<b>(714)</b>	<b>(1,463)</b>	<b>205%</b>

## CASH FLOW FROM FINANCING

Net increase/(decrease) in borrowings	2,063	25	2,005	-544%
Lease payments	(426)	(393)		
Proceeds from issue of shares	-	194	-	-100%
Payments for share buy-backs	-	(602)	-	-100%
<b>TOTAL CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>1,637</b>	<b>(776)</b>	<b>2,005</b>	<b>258%</b>

## NET CASH MOVEMENT

Opening cash balance	6,754	8,059	(1,306)	-16%
<b>CLOSING BALANCE</b>	<b>7,907</b>	<b>5,906</b>	<b>2,000</b>	<b>34%</b>

## Receipts from Customers & Payments to Brokers/Branches

The variance is driven by increased settlements and loan book growth, as well as the timing of payments to brokers.

## Operating Expenses

Operational expense savings in legal, marketing, and personnel costs as a result of cost optimisation initiatives as well as the Rest/RWF restructure

## Interest and Other Finance Costs

Interest expense is a combination of interest cost on borrowings (\$82.5k) and capitalised rental lease obligation due to adoption of AASB16 (\$54.5k)

## Investment in Resi Wholesale Funding

In October 2024, YBR invested \$2.1m in RWF as part of the Resi/RWF restructure arrangement

## Loan to Franchisees and Licensees

Interest-bearing loans to YBR branches

## Repayment of Borrowings

YBR extended its loan facility with CBA to \$2.8m.

## Payment of Leasing Liabilities

Payment of leasing liabilities mostly relates to the rental payment for Sydney CBD office

# Disclaimer

The information contained in this presentation is intended to be a general summary of Yellow Brick Road Holdings Limited (YBR) and its activities as at 31 December 2024 and does not purport to be complete in any respect.

The information in this presentation is not advice about YBR (or any other related financial product), nor is it intended to influence, or be relied upon by, any person in making a decision in relation to YBR (or any other related financial product).

This presentation does not take into account the objectives, financial situation or needs of any particular individual. You should consider your own objectives, financial situation and needs when considering this presentation and seek independent investment, legal, tax, accounting or such other advice as you find appropriate before making any financial or investment decision.

This presentation may contain some forward-looking statements. Such statements only reflect views held by YBR as at the date of this presentation and are subject to certain risks, uncertainties and assumptions. Actual events and results may vary from the events or results expressed or implied in these statements. You should not place undue reliance on any of these statements.

No representation or warranty is made in respect of the accuracy or completeness of any information in this presentation, or the likelihood of any of the forward-looking statements in the presentation being fulfilled.

Thank you

A background image of a night sky with colorful fireworks exploding over a city skyline at night.

**RATE DECREASE**

RBA CUTS CASH RATE BY 0.25%

**4.10%**

The Yellow Brick Road Home Loans logo, consisting of a yellow circle with a white 'Y' and an exclamation point, and the text 'YellowBrickRoad Home Loans' to its right.

February 2025