

# Investor Day

**Wednesday 24 November 2021**

# Agenda

1. Introduction
2. Trading update
3. Business recap
4. Why 100% consumer-direct wins
5. Growth opportunities of consumer-direct
6. Q&A
7. Appendices

All amounts in this presentation are denominated in \$NZD unless otherwise stated


**Harmony**

# Trading update

# Trading update

- New customer loan origination momentum continues in Australia and New Zealand despite some suppression in NZ due to a continuing lockdown in Auckland.
- Group pro-forma receivables grew to \$524m at 31 October 21.
- This momentum has further accelerated with **November 21 expected to set a new record month for group loan originations.**
- All other key business metrics are inline with full year guidance.

# FY22 Market guidance

	FY21A	FY22F	Change	
<b>Group loan book</b>	\$501M	>\$600M		>20%
<b>Group revenue</b>	\$79M	>\$92M		>16%
<b>Net lending margin</b>	6.8%	>7%		>0.2%
<b>Opex* to revenue</b>	22%	<20%		>-2%

**Harmoney forecasts its transition to warehouse funding to be ~90% complete by 30 June 2022.**

FY21 and FY22 based on pro forma financials.

FY22 forecasts assumes COVID-19 lockdown restrictions currently in place in Australia and New Zealand do not have a material impact on originations or repayments and are based on an assumed FY22 average 1.06 AUD/NZD exchange rate.

\*Excludes direct borrower acquisition costs.

**Harmony**

# Business recap

# Executive summary

## Harmony is the largest 100% online consumer-direct lender across Australia & New Zealand

1



### Compelling Fundamentals

Attractive revenue profile, loan book, track record of origination growth, and high margins

2



### Strong Market Position

Established presence in New Zealand and in high growth phase in Australia

3



### Credit Product Innovation

Opportunities to expand product offerings by leveraging deep consumer data in our Libra platform

4



### Warehousing & Securitisation

Major bank warehouses with two Big 4 Banks plus ABS program in place

5



### Technology Empowered

Proprietary technology, Stellare<sup>®</sup> enables automation, machine learning, data utilisation and direct marketing

6



### Operating Leverage

Stellare<sup>®</sup> enhances customer lifetime value and minimises origination costs, facilitating scale and efficiency

7



### Strong Customer Retention

High customer satisfaction and personalised product offering drives strong growth in repeat loans from existing customers (3R's)

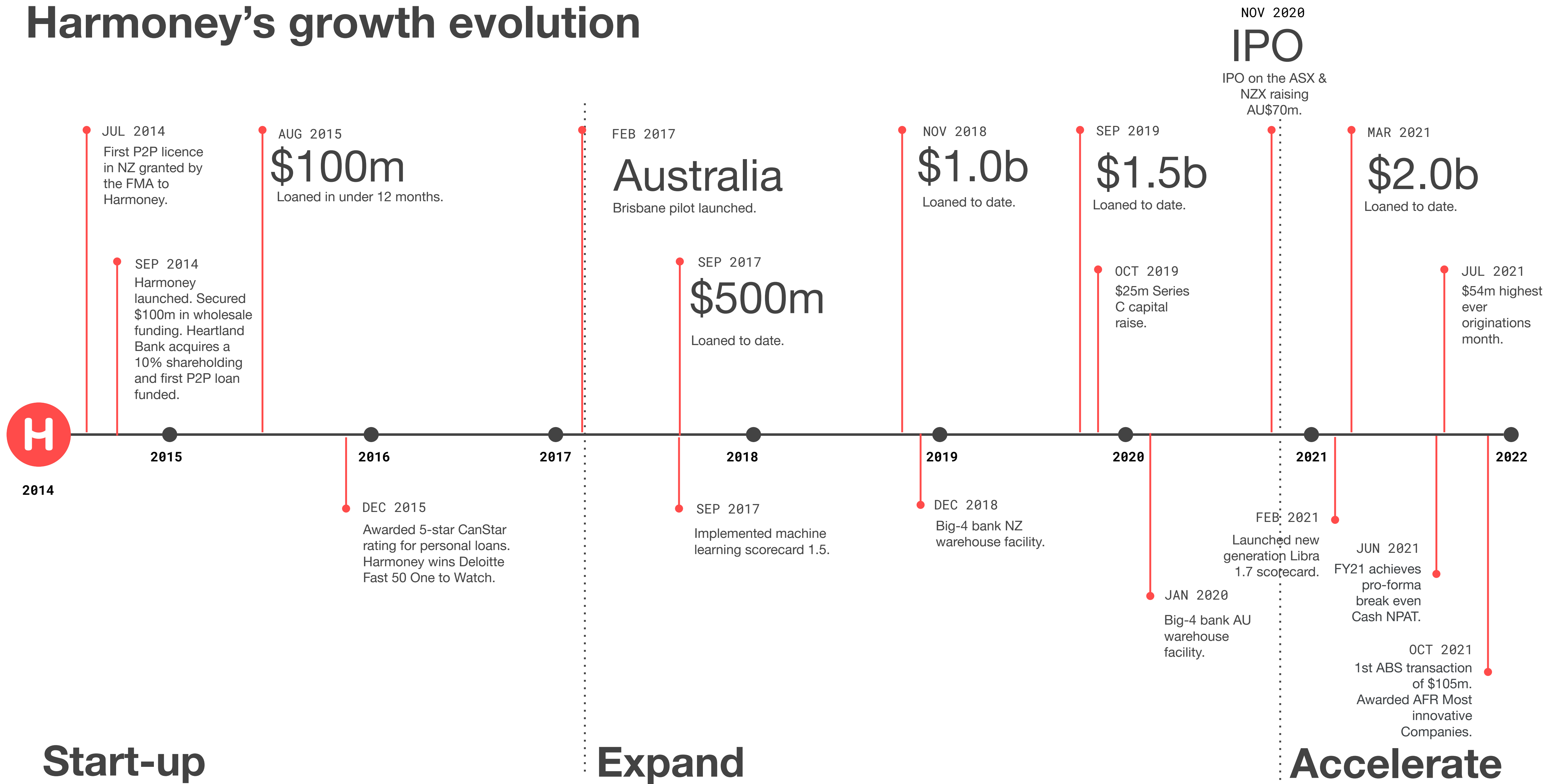
8



### Experienced Team

Highly experienced management team with a proven track record of success in consumer finance

# Harmoney's growth evolution



Start-up

Expand



Accelerate





# Largest 100% online consumer-direct personal lender across Australia & New Zealand

## Customer

<b>83</b>	Net promoter score
<b>4.8/5</b>	Average rating 
<b>4.7/5</b>	Average rating 
<b>&gt;50%</b>	Home owners in loan book

## Team

<b>75</b>	FTEs (Auckland & Sydney)
<b>&gt;50%</b>	FTEs are engineers, product managers and data scientists

## Key metrics

<b>&gt;\$92m</b>	FY22 revenue guidance
<b>\$2.4b</b>	Total loan originations
<b>\$524m</b>	Loan book at 31 Oct 21
<b>Break Even</b>	FY21 pro-forma Cash NPAT
<b>10.6%</b>	FY21 net interest margin
<b>6.8%</b>	FY21 net lending margin
<b>0.47%</b>	90+ day loan book arrears

## Awards

Australia

2021



2017 • 2018



New Zealand

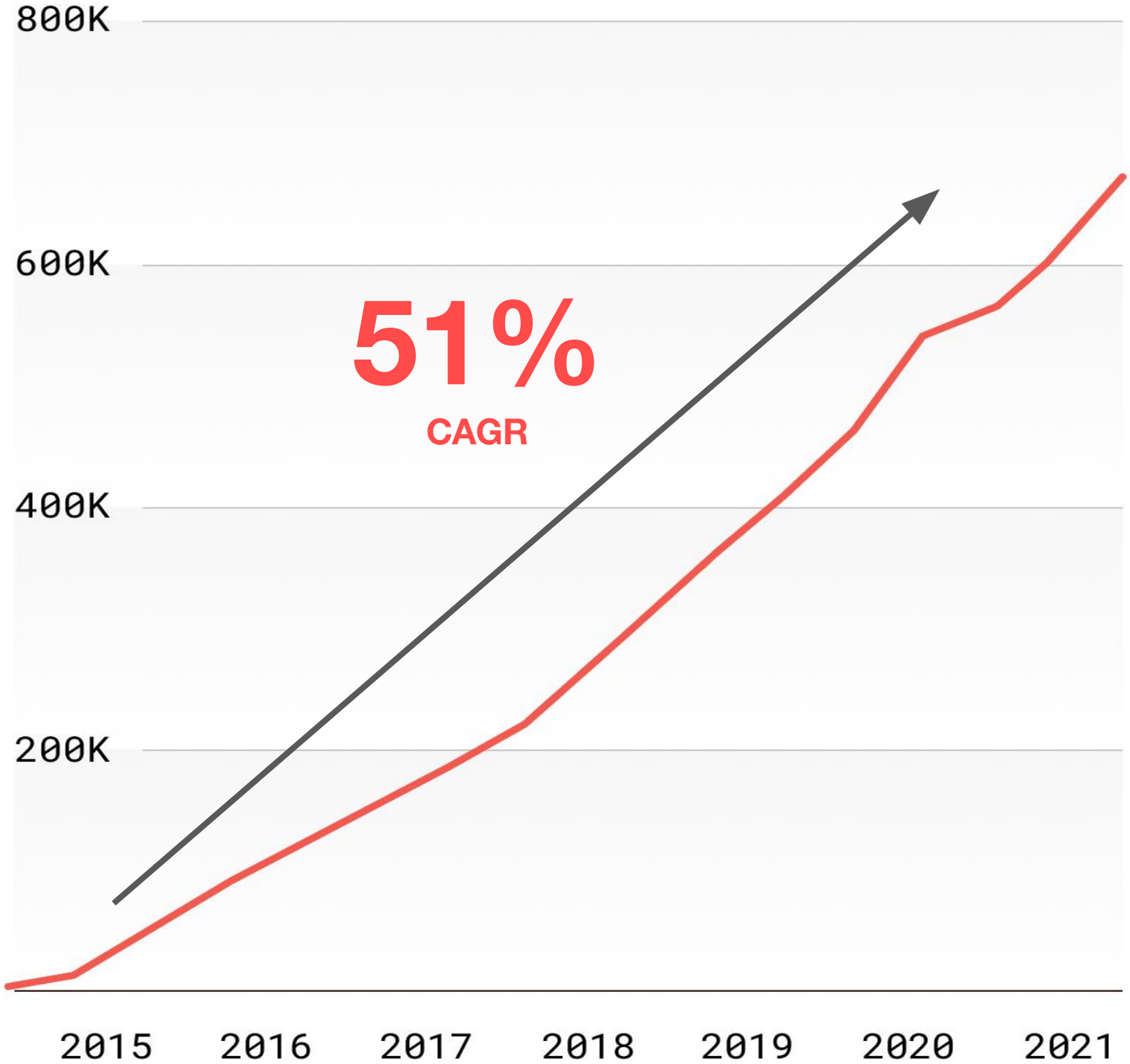


2015 • 2016 • 2017 • 2018 • 2019



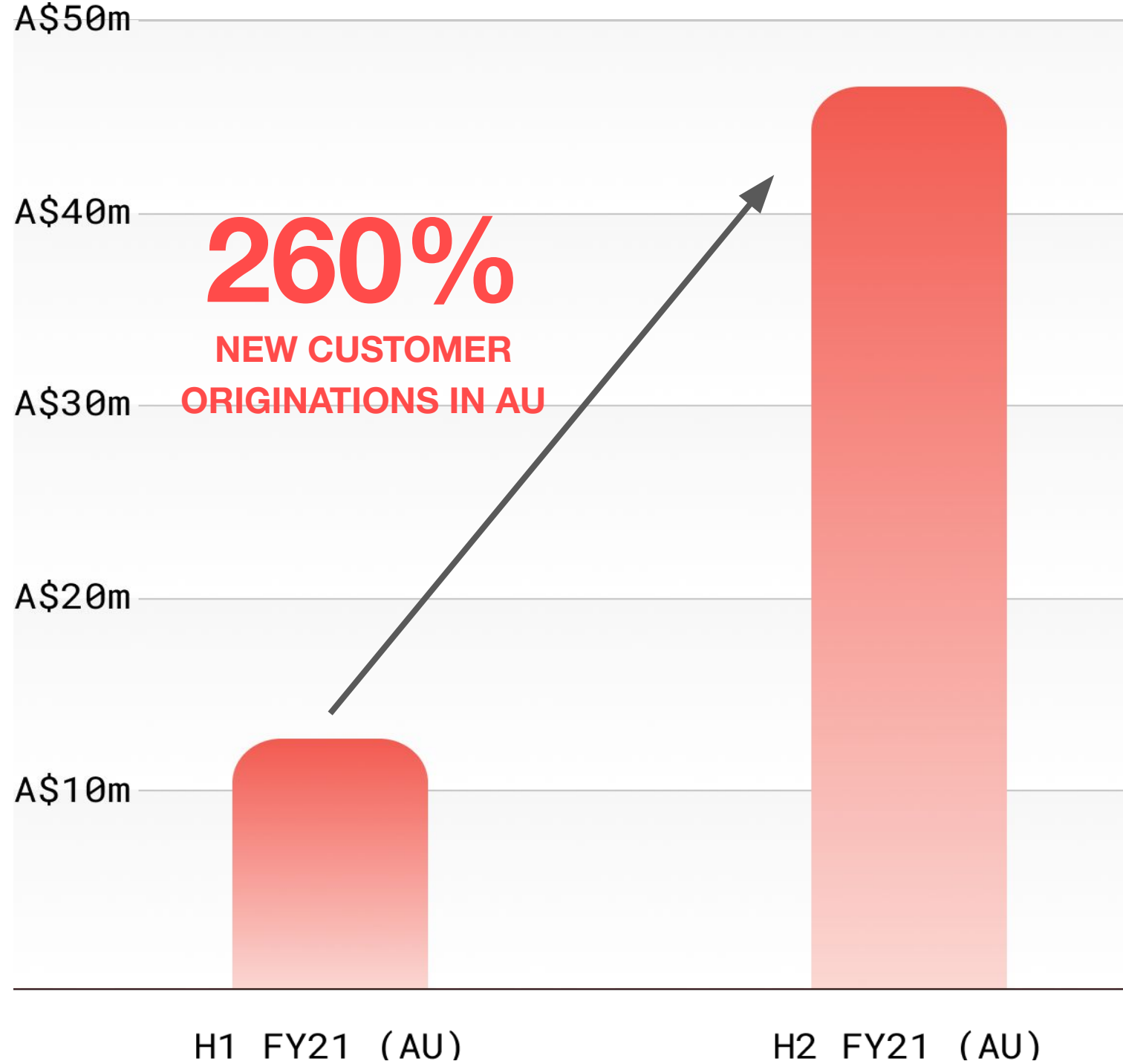
# Rapid growth across all key business metrics

## 1. Account acquisition



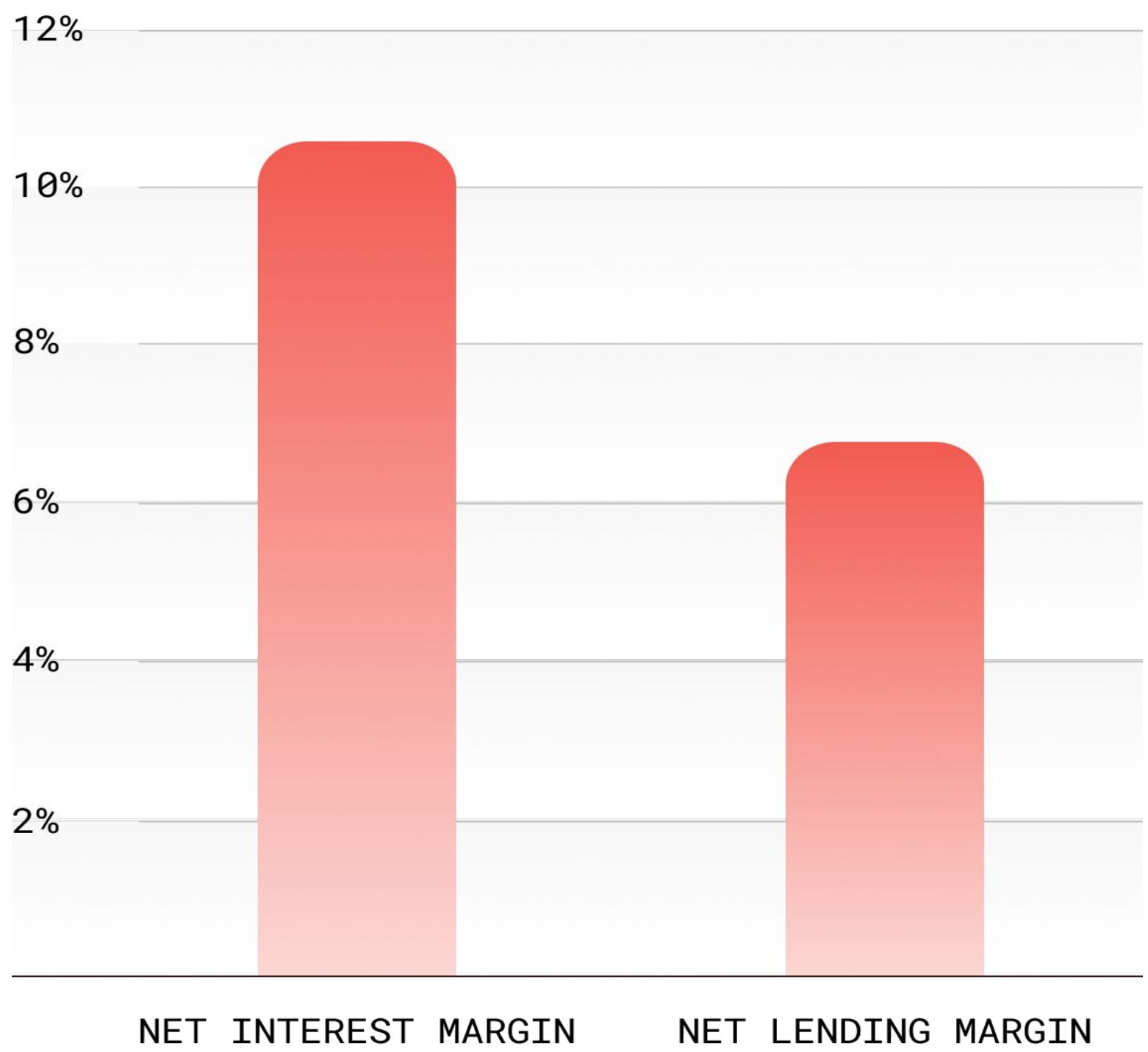
Powerful consumer-direct acquisition engine. Over 724k customer accounts have been added to our Stellare<sup>®</sup> platform.

## 2. New loan originations



High growth of new customer originations in Australia powered by Stellare's Libra.

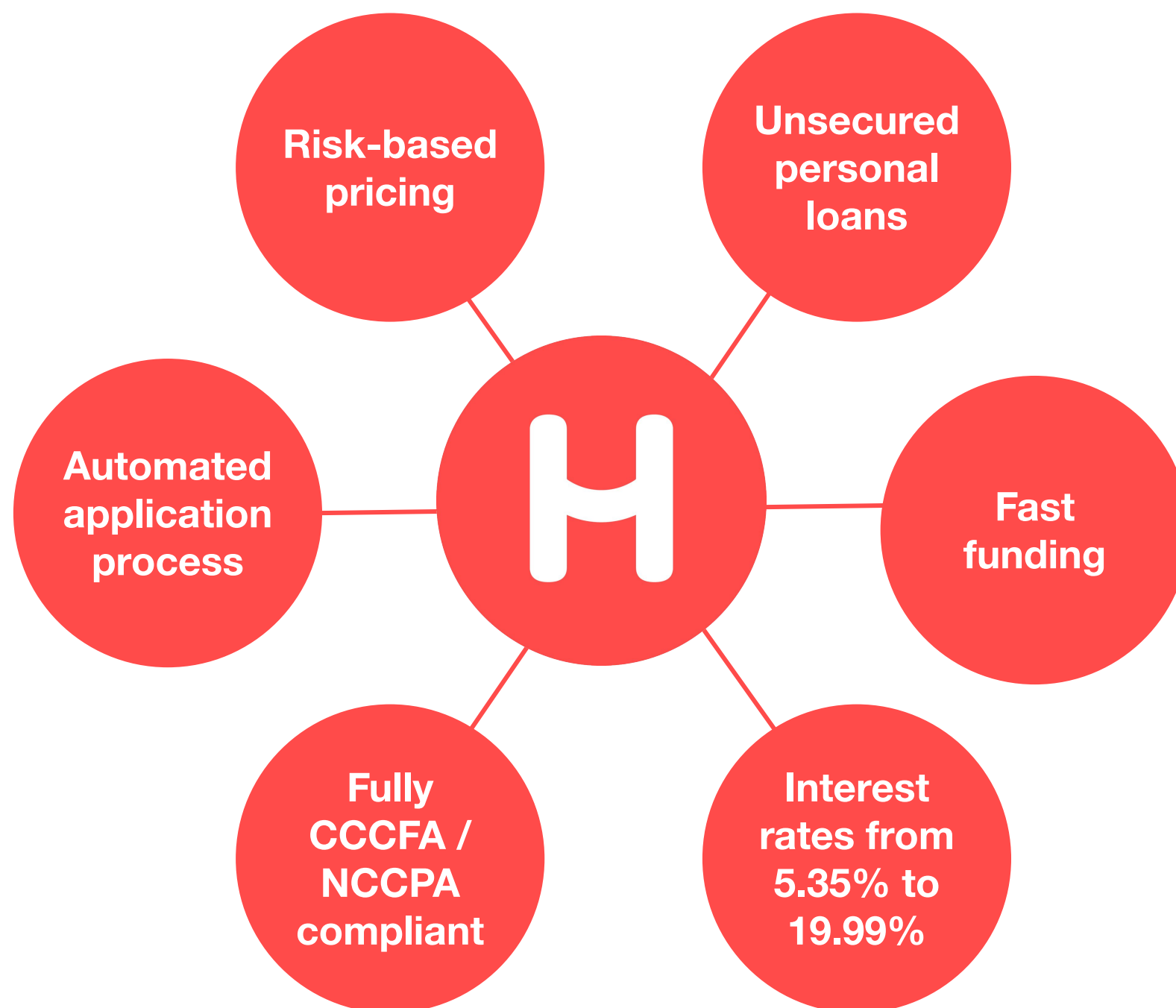
## 3. Superior net margins



Superior net interest margin and net lending margin demonstrate portfolio quality, benefit of 100% consumer direct, and 3Rs (Return, Repeat, Renew).



# Current personal loan product



## Fast, 100% online

- Personalised fixed rates based on customer credit characteristics from 5.35% - 19.99% p.a.
- Loans up to \$70k in Australia and New Zealand with loan terms of three, five (and seven years from December 21)
- Highly automated simple and streamlined process
- Customers receive funds within 24 hours of acceptance by the customer
- Loans are compliant with applicable laws in Australia and New Zealand
- No fees ever other than one upfront loan establishment fee

## Use of funds



Renovation Loans



Debt Consolidation



Car Loans



Education Loans



Business Loans



Medical Loans



Travel Loans



Wedding Loans

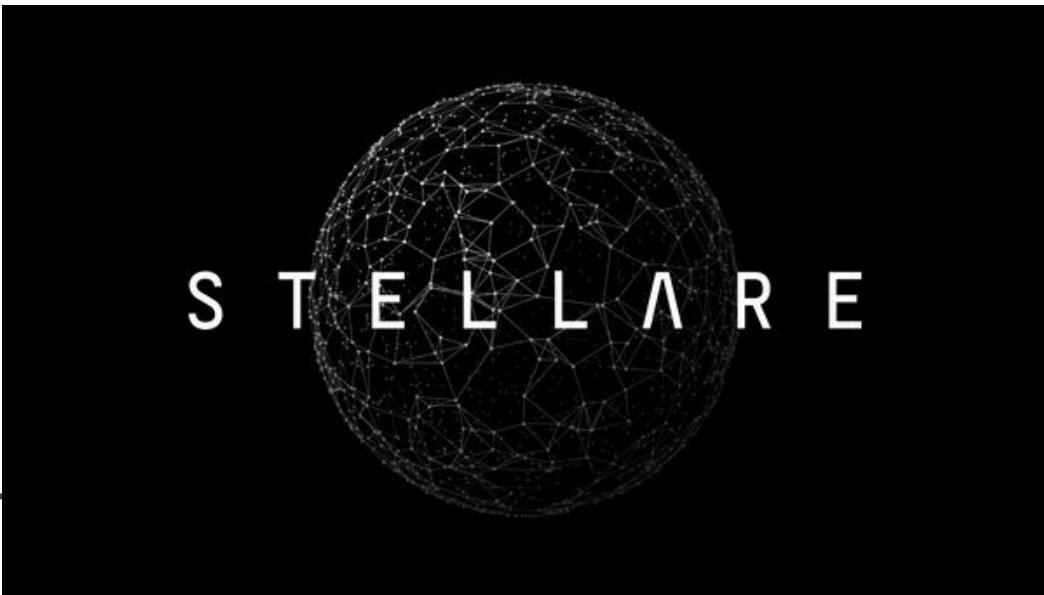


# Proprietary technology

## A seamless consumer experience powered by data and technology

>50% of employees

are engineers, product managers and data scientists



Proprietary I.P.

Developed and refined over 7 years, Stellare® combines data analytics, machine learning, and in-house knowledge to create a truly digital lending platform.

### Consumer-direct channel

- Manage the consumer experience, build long-term direct relationships and customer lifetime value (CLV)
- ~\$0 CAC after first loan originated (3R's)
- Over +20k ★★★★★ customer reviews

### Data-driven

- Utilise data analytics to produce impartial, data-driven credit assessment and pricing
- Over \$7.4bn in lending assessed, 450k+ completed applications

### Machine learning

- Algorithms to support continuous improvements in the credit underwriting process
- Continuous learning direct marketing model driving down CAC

### Automation

- High degree of automation and straight-through processing driving operational scale and efficiency
- 68% of applications require no human interaction

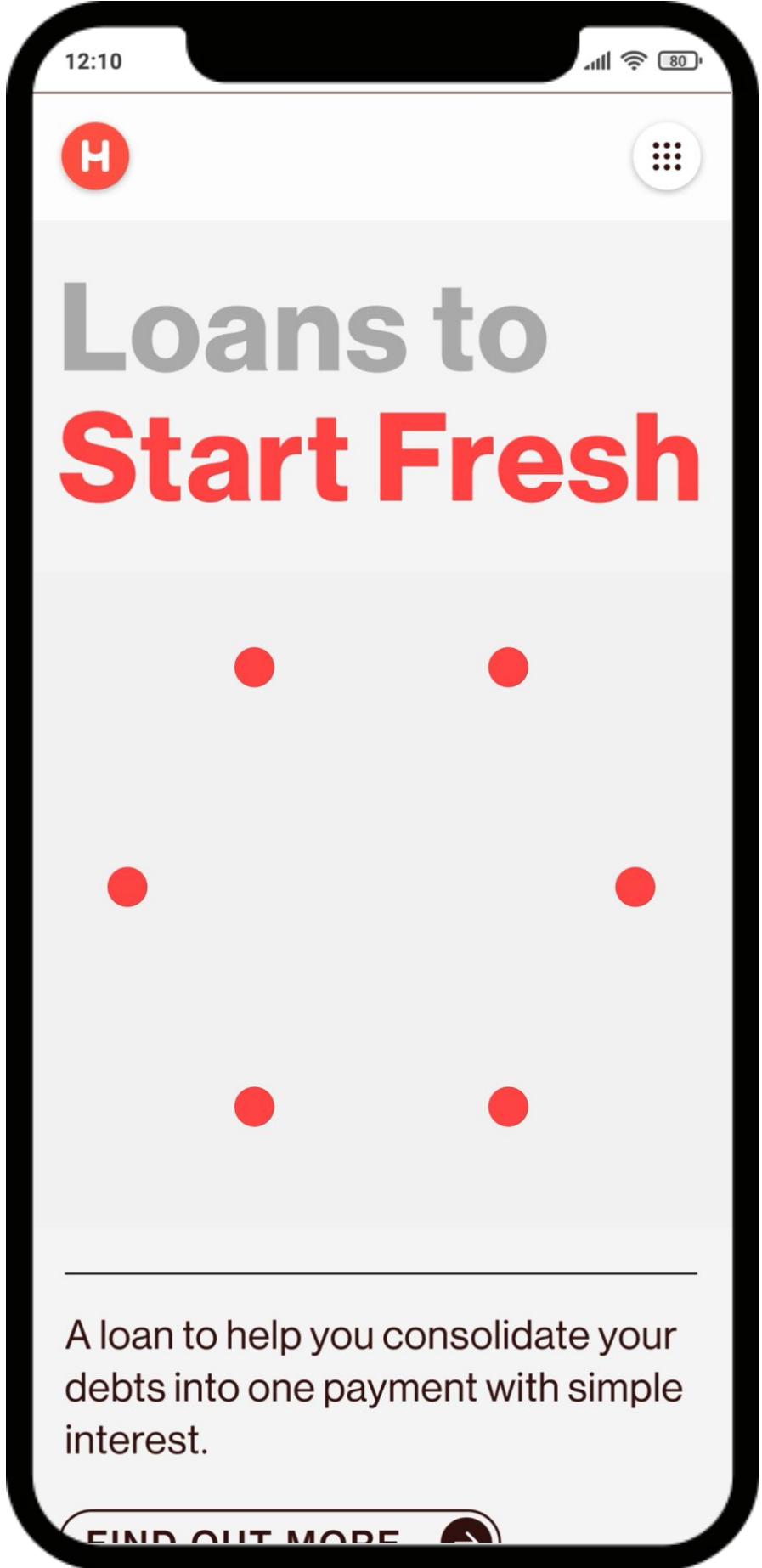
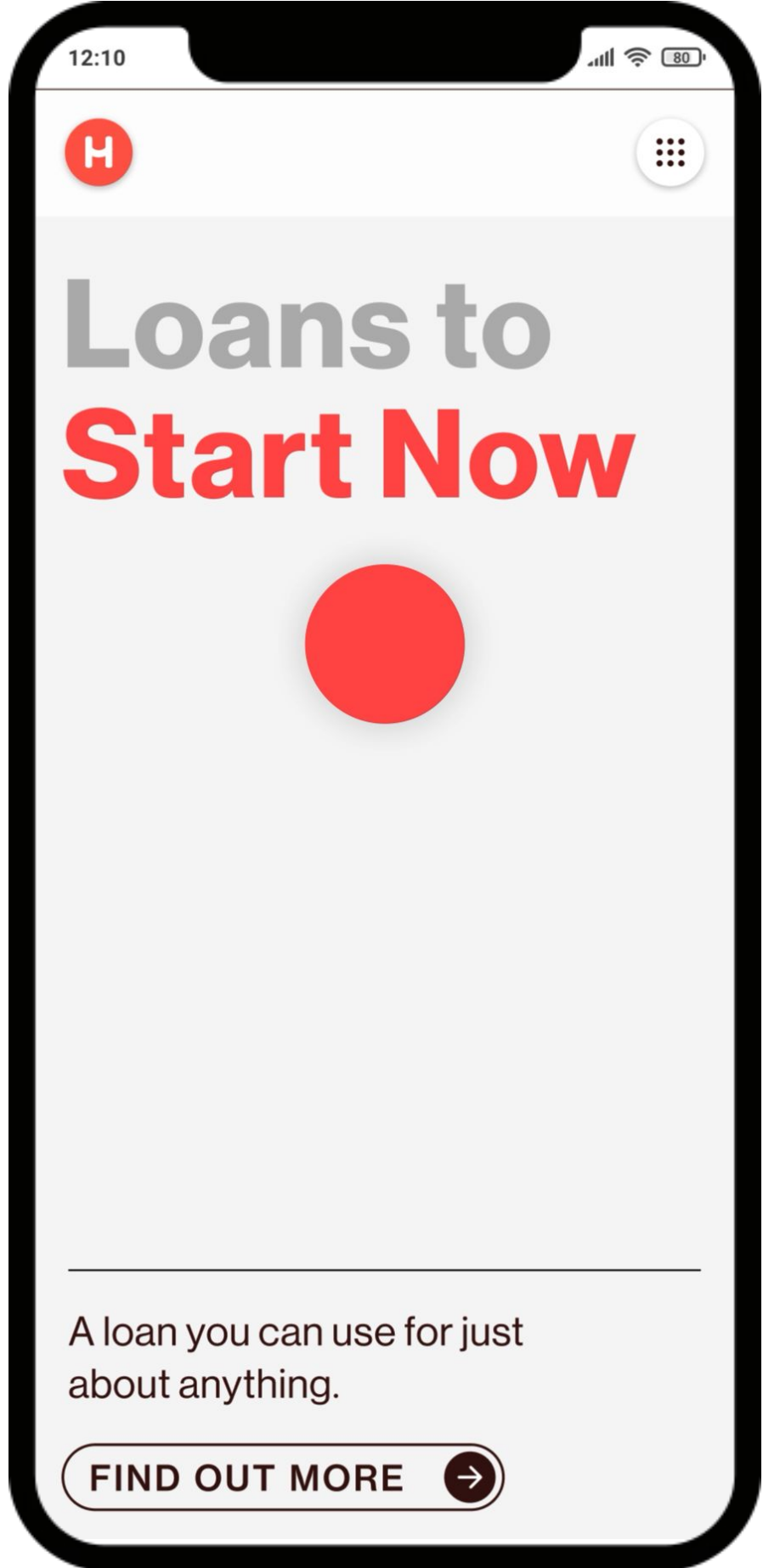
**Harmony**

**Our 100%  
online  
consumer  
direct brand**

# Harmoney re-brand

## Humanising money

We are rolling out a new consumer-direct mobile-first online brand identity.



‘Introducing Harmony’ video

**Harmony**

**Why 100%  
consumer  
direct wins**



# Largest 100% online consumer-direct personal lender across Australia & New Zealand

## S T E L L A R E

### The long term value of consumer-direct

Our unique strategy is to create direct relationships with consumers 100% online, at scale, then nurture them to create high value now and into the future. To do this Harmony combines data, technology and digital marketing like no other.

### Harmony growth flywheel

1. Leading marketing investment

2. High volume account acquisition with deep consumer data

4. High-growth and superior margins

3. Tech and data intelligence capability to maximise conversion and retention



Market leading consumer-direct loan originations

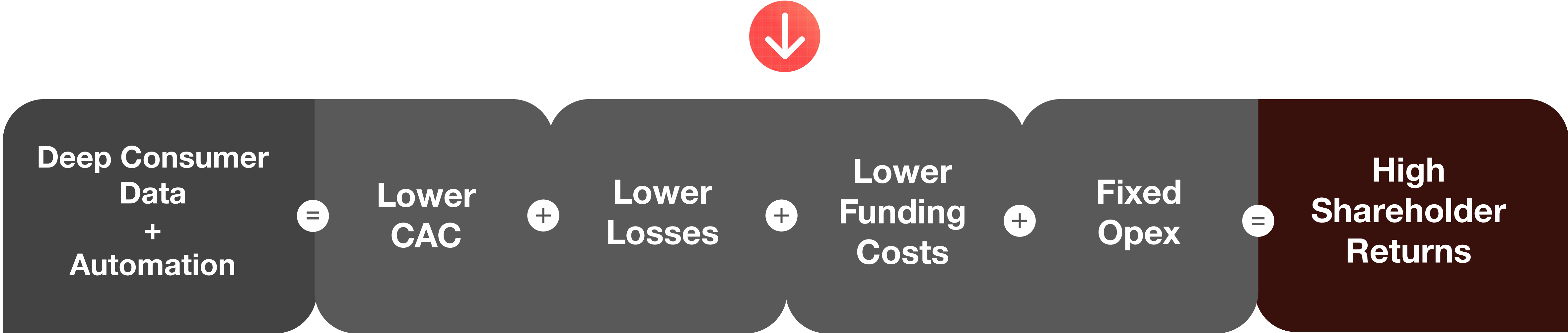
# \$2.4 Billion

Cumulative originations as at 31 October 2021



# Why 100% consumer-direct wins

## Consumer-direct market tailwinds



## Growth opportunities of consumer-direct model

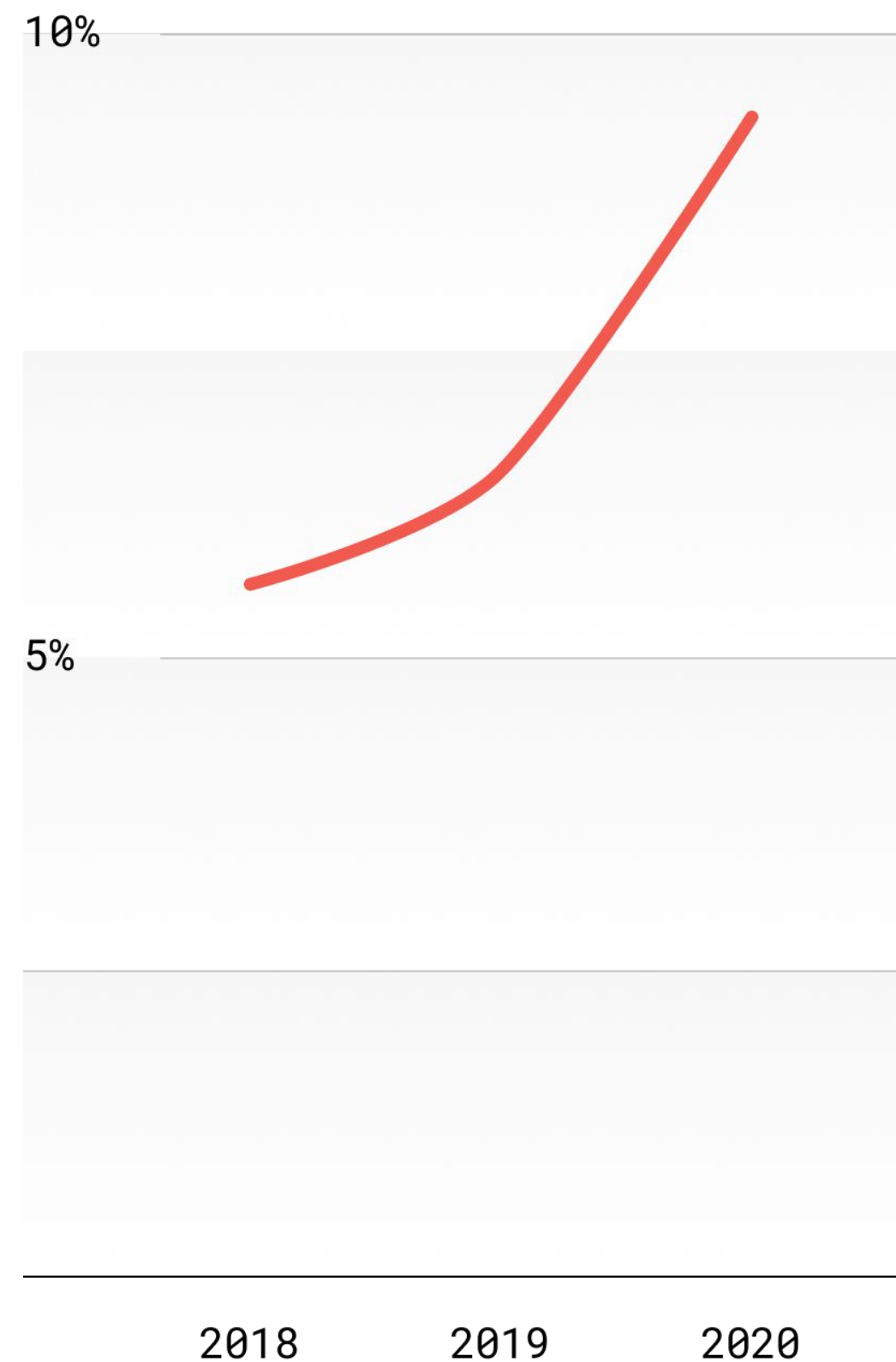


**Harmony**

**Consumer  
direct market  
tailwinds**

# The big banks were already retreating... then the pandemic hit and accelerated the trend

## Aussies and Kiwis migrate online. Ecommerce soars.



Just as the consumer-direct future is disintermediating categories like travel and retail, lending is being disrupted by nimble Fintechs offering people what they need. Harmony is taking full advantage of this.

■ AU e-commerce share of retail sales


UN Conference on Trade and Development (UNCTAD) based on national statistics office.

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### Big four banks shut 350 branches during virus crisis


  
**James Frost**  
Financial services writer

Jul 11, 2021 - 4.16pm

[Save](#) [Share](#)

[The big four banks](#) have closed or plan to close 350 branches between January 2020 and Christmas 2021 as foot traffic in once busy areas plummet and the shift to digital accelerates.

The figure has been revealed in answers to questions on notice from a parliamentary committee tasked with reviewing the four majors and contains 50 more closures than the Finance Sector Union last estimated in April.



ANZ is leading the closure charge, shutting 145 branches since January 2020. Paul Jeffers

According to the data, the big four have closed or plan to close branches at a rate of around three a week. ANZ is leading the charge with the closure of 145 branches followed by Westpac with 80, NAB with 72 and

Australian Financial Review, July 11 2021.



- **More Aussies signed up for their personal loan via online than via phone, branch, broker combined**

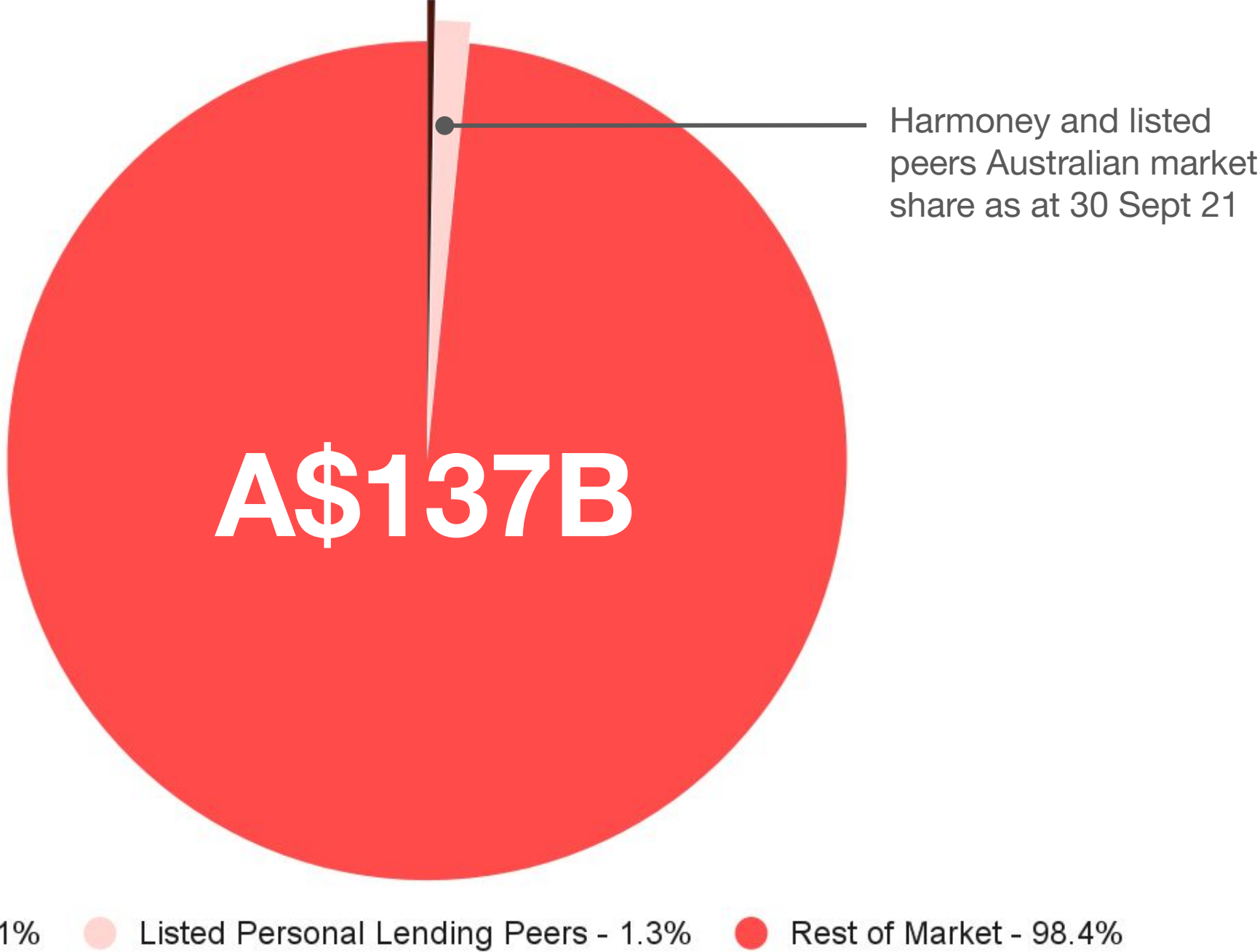
Google, Kantar Shopping Pulse, May 2021.

# Harmony & listed peers <2% Australian personal lending market

## Huge market opportunity

- The Australian personal lending market represents an enormous growth opportunity as consumers move online.
- The vast majority of personal lending is still provided by banks and traditional lenders.
- Consumers are gravitating to purchasing and conducting financial services online.
- Personal lending is for many purposes, e.g. home, car, life events, small business and consolidation of these.
- Harmony's deep data focuses its marketing and funding on the most attractive opportunities.

## Australian personal lending (Sep 2021)



1. A\$137Bn at September 2021 source RBA, 'D2 Lending And Credit Aggregates - Credit; Other personal', which covers all personal credit (non-business, non-housing/mortgage), incl. e.g. personal loans, car loans and credit cards.

2. Listed personal lending peers comprise Wisr, MoneyMe & Plenti with receivables balances sourced from September 21 market trading updates.

# Deep consumer data + automation

S T E L L A R E

Deep Consumer  
Data  
+  
Automation

=

Lower  
CAC

+

Lower  
Losses

+

Lower  
Funding  
Costs

+

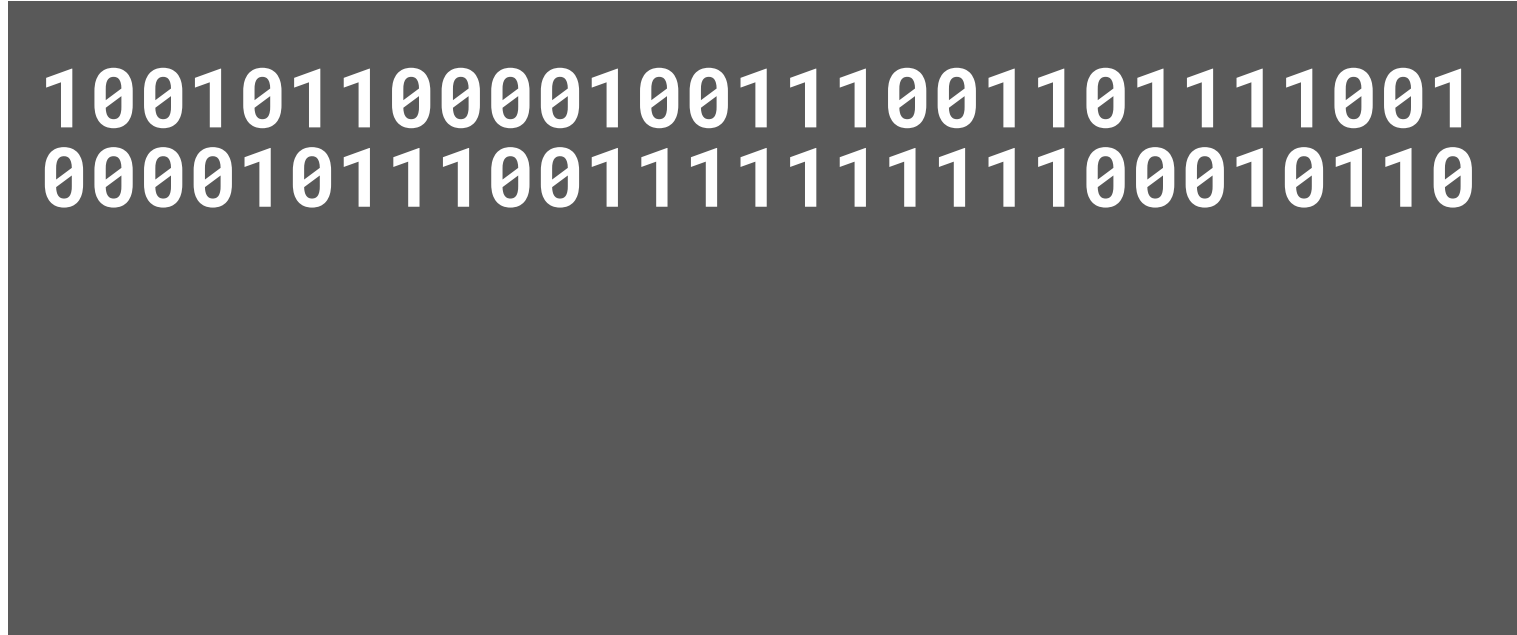
Fixed  
Opex

=

High  
Shareholder  
Returns

# Consumer-direct means deep consumer data

## Broker: Limited data



Broker/intermediary models offer limited consumers and data to build smart credit and marketing platforms.

## Direct: Deep data



Harmony has much deeper consumer data. 7 years of consumer data from over **450,000+** loan applications totalling over **\$7.4 billion** in loan applications.

## Deep data + A.I.



Consumer data plus machine learning in the Stellare<sup>®</sup> platform builds smarter credit decisions and smarter digital advertising, which efficiently grows Harmony's loan originations.



# How deep data improves our marketing efficiency

Harmony embraces deep data in three core areas. Data is obtained from different sources and utilised by Stellare<sup>®</sup> for real-time performance.

## Consumer behavioural data

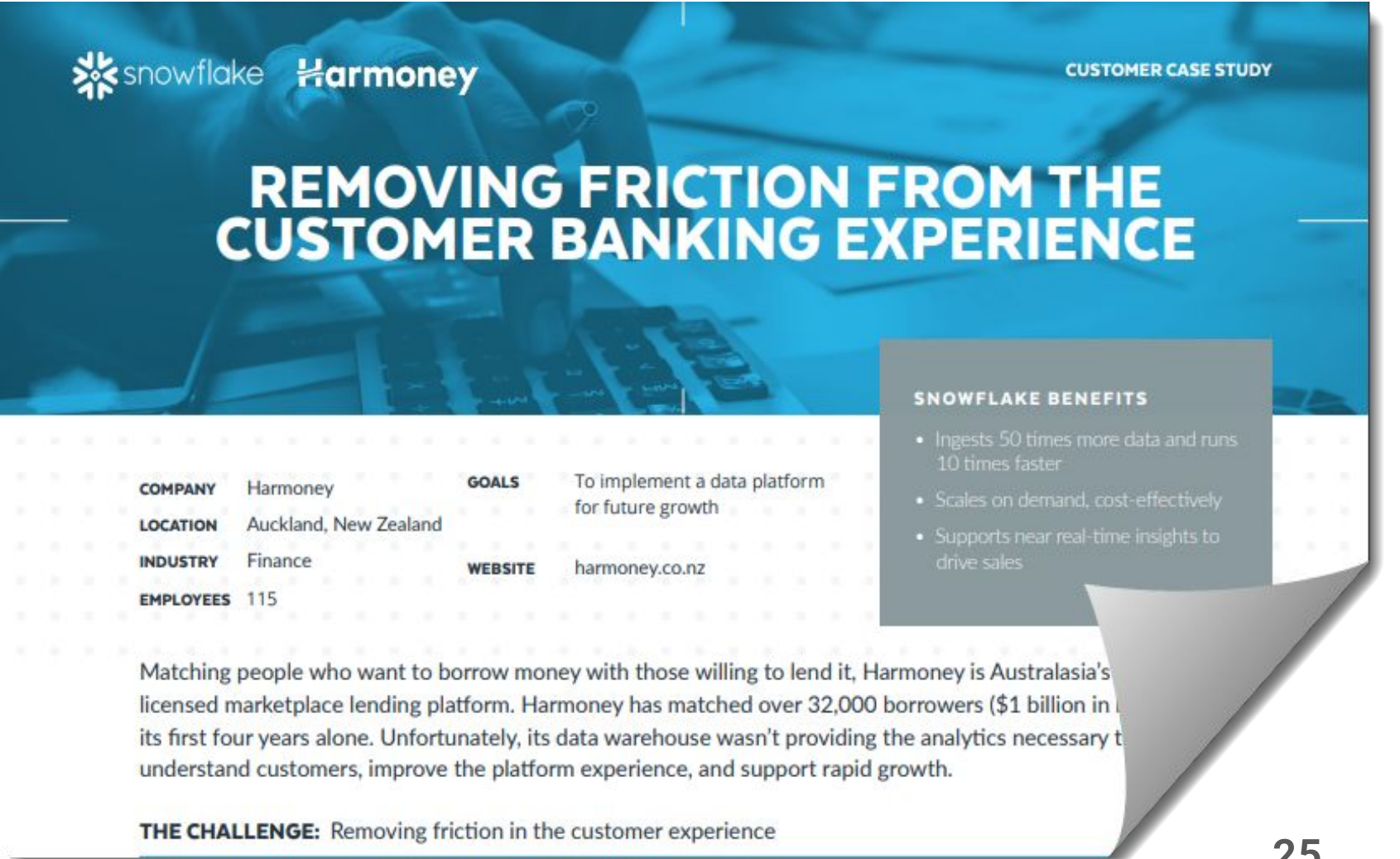
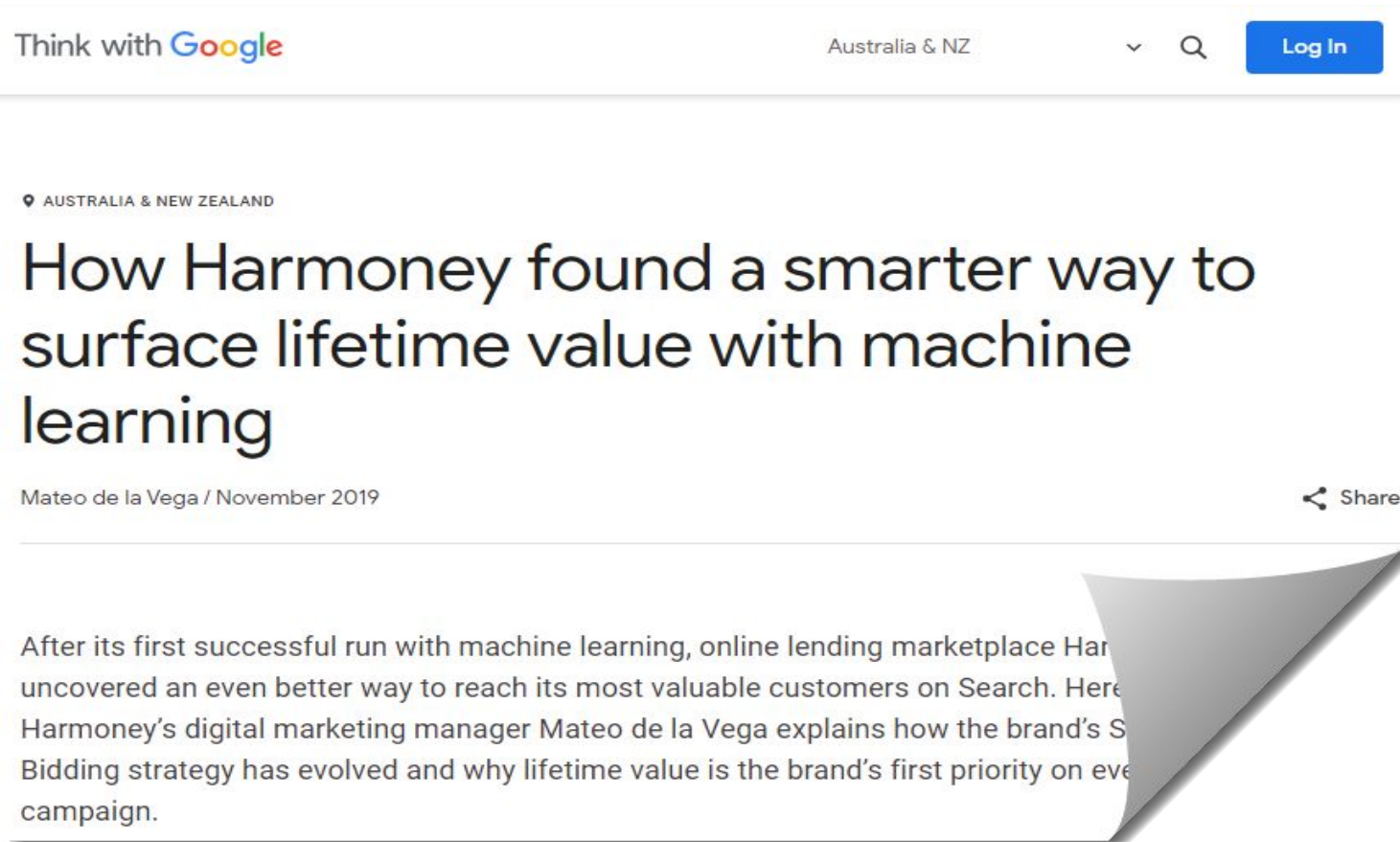
- Data-driven targeting and insights from customers’ digital behaviour and attitudes - gathered from analytics, repayment behaviour, social media and A/B testing.

## Financial performance data

- Mining the advertising cost data + dynamic rate-for-risk pricing and its relationship with conversion helps Harmony maximise value.

## Operational data

- Conversion rates are improved, reducing costs, through analysis of operational data.
- Analysis of this data leads to improved design, messaging, on page support and page load performance.



# Stellare's automated loan application process facilitates rapid scalability

## Fully automated loan applications are 68%

Straight-through-processing (STP) measures the ratio of loans that complete a fully automated loan application process (no human intervention).

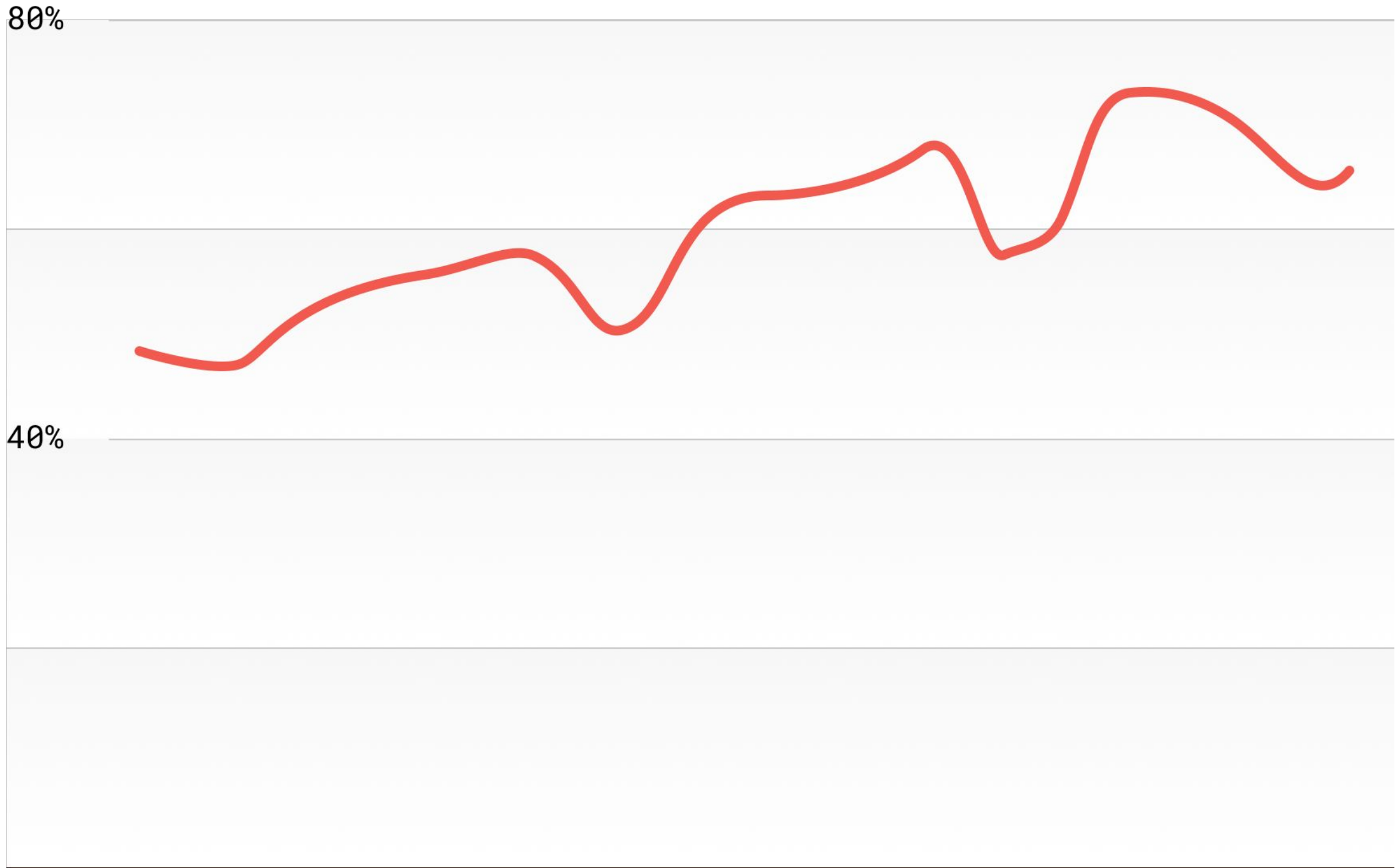
Our STP settings can be temporarily adjusted to apply conservative settings as needed, such as when releasing a new scorecard, or where the macro conditions warrant a conservative approach.

### Fully automated loan applications

# 68%

6 month average Jan - Jun 21

# S T E L L A R E



■ Straight-through-processing rate



# Reducing customer acquisition cost (CAC)

STELLARE  
Marketing Platform



# Google

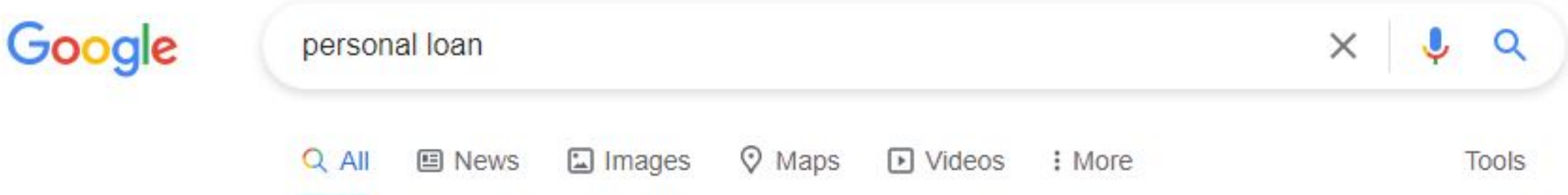
🕒 personal loan|





# Google: paid search auction & organic results

## Paid search auction



\$43.00

Ad · <https://www.harmony.com.au/> · 1300 042 766

**Harmony Personal Loans - Loans from \$2000 to \$50,000**

There's no paperwork or awkward meetings. Help is at your fingertips whenever you need it. Get a personalised quote from Harmony online, with our Customer Support just a click away.

[Debt Consolidation Loans](#)  
We make consolidating debt easier and fairer

[Home Improvement Loans](#)  
Finance your home renovation with less worry

\$42.99

Ad · <https://www.latitudefinancial.com.au/>

**Latitude Personal Loans - Personal Loan Interest Rate**

Check your **Personal Loan** Rate in 3 minutes, without impacting your Credit Score. Apply in...

\$40.50

Ad · <https://www.societyone.com.au/>

**Borrow \$5,000 - \$70,000 - Fast Approval - Low Rates**

Fast, simple, low rate **personal loans**. Borrow \$5,000 - \$70,000. Get Your Rate in 2 Minutes

## Organic search results



\$0.00

<https://mozo.com.au/personal-loans>

**Personal Loans Comparison: Low Rates & Top Lenders | Mozo**

1 Nov 2021 — A **personal loan** allows you to borrow a lump sum of money and then repay that amount (plus interest on top) in instalments over a set period of ...

<https://www.harmony.com.au/loan/personal-loan>

**Personal Loan Australia - Harmony**

We offer low rate loans from \$2000 to \$50000. ... Looking for the lowest interest rate **personal loan** based on your credit history? Apply now ...

★★★★★ Rating: 4.8 · 8,042 reviews

[https://www.pnbank.com.au/calculators/personal-loa...](https://www.pnbank.com.au/calculators/personal-loan)

**Personal & Car Loan Repayment Calculator - P&N Bank**

Calculate what your **loan** repayments would be by adjusting the **loan** amount, **loan** terms, repayment frequency and interest rates to suit your needs.

<https://www.boq.com.au/personal/personal-loan>

**Personal Loans Australia - BOQ**

To apply for a BOQ **Personal Loan**, you must: · Be 18 years of age or older · Be applying for a loan of \$3,000 or more · Have never been bankrupt · Be an Australian ...



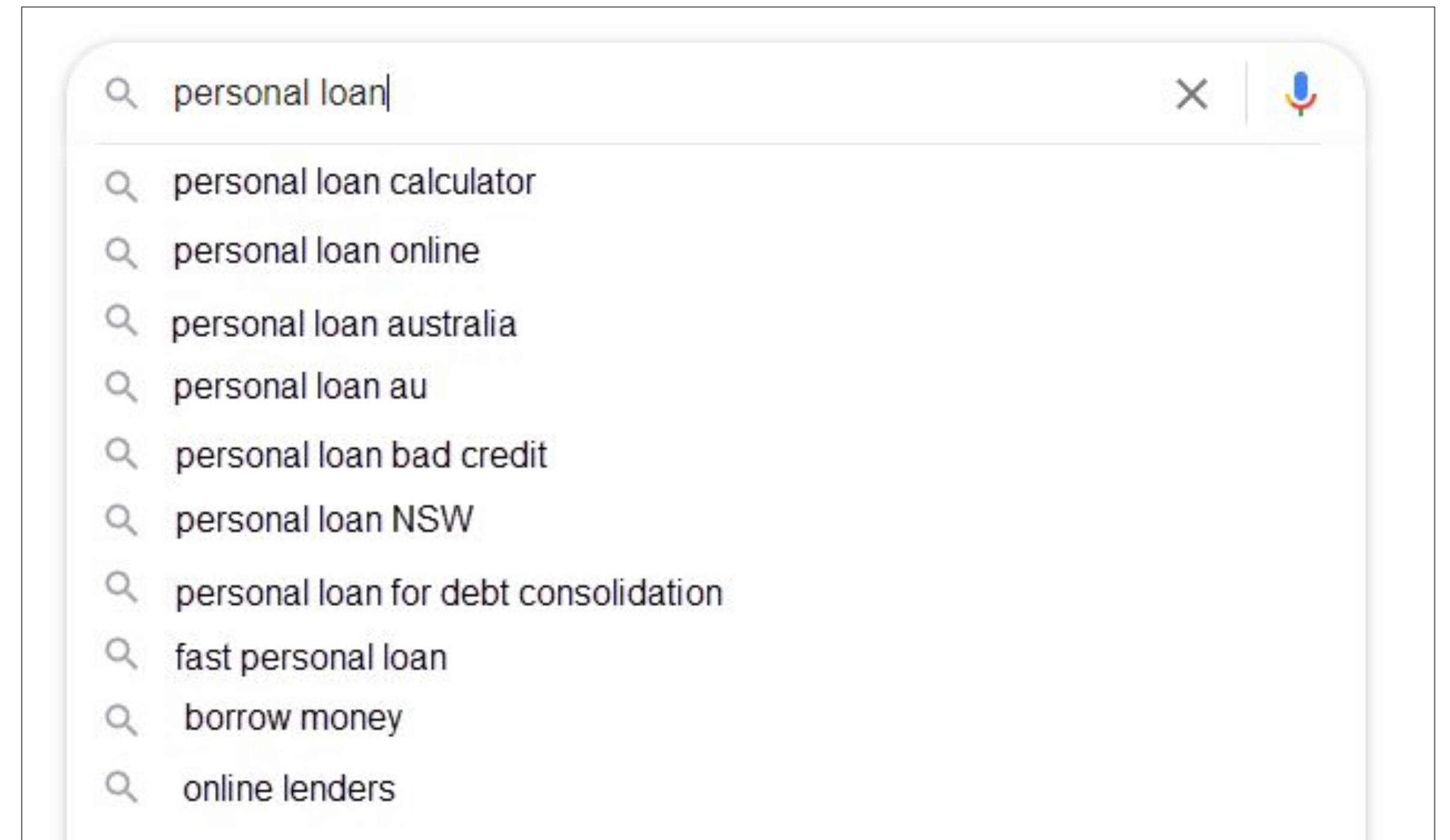
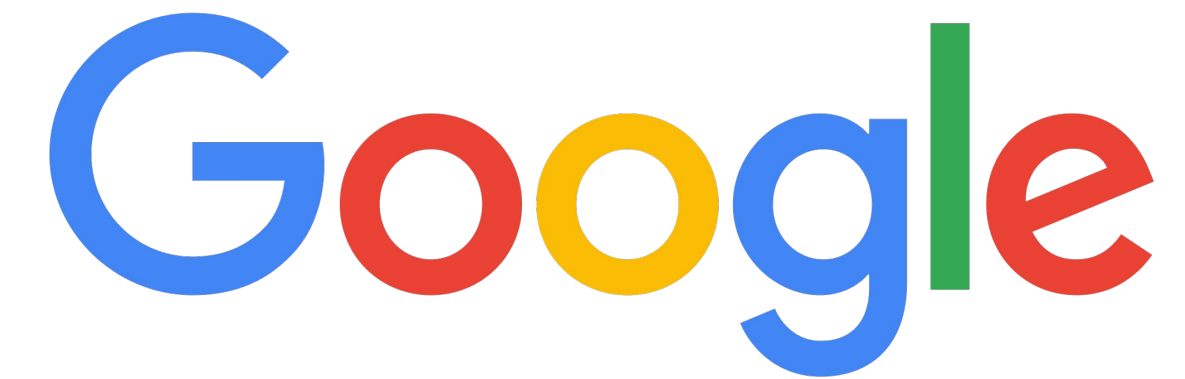
# The 'banks' Google Ads strategy

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## Inefficient and costly

Competitors:

- Spend millions of advertising dollars buying clicks on Google using keywords such as 'borrow money' or 'personal loans'.
- Use intuition to find their customers.
- Large marketing teams (high opex).

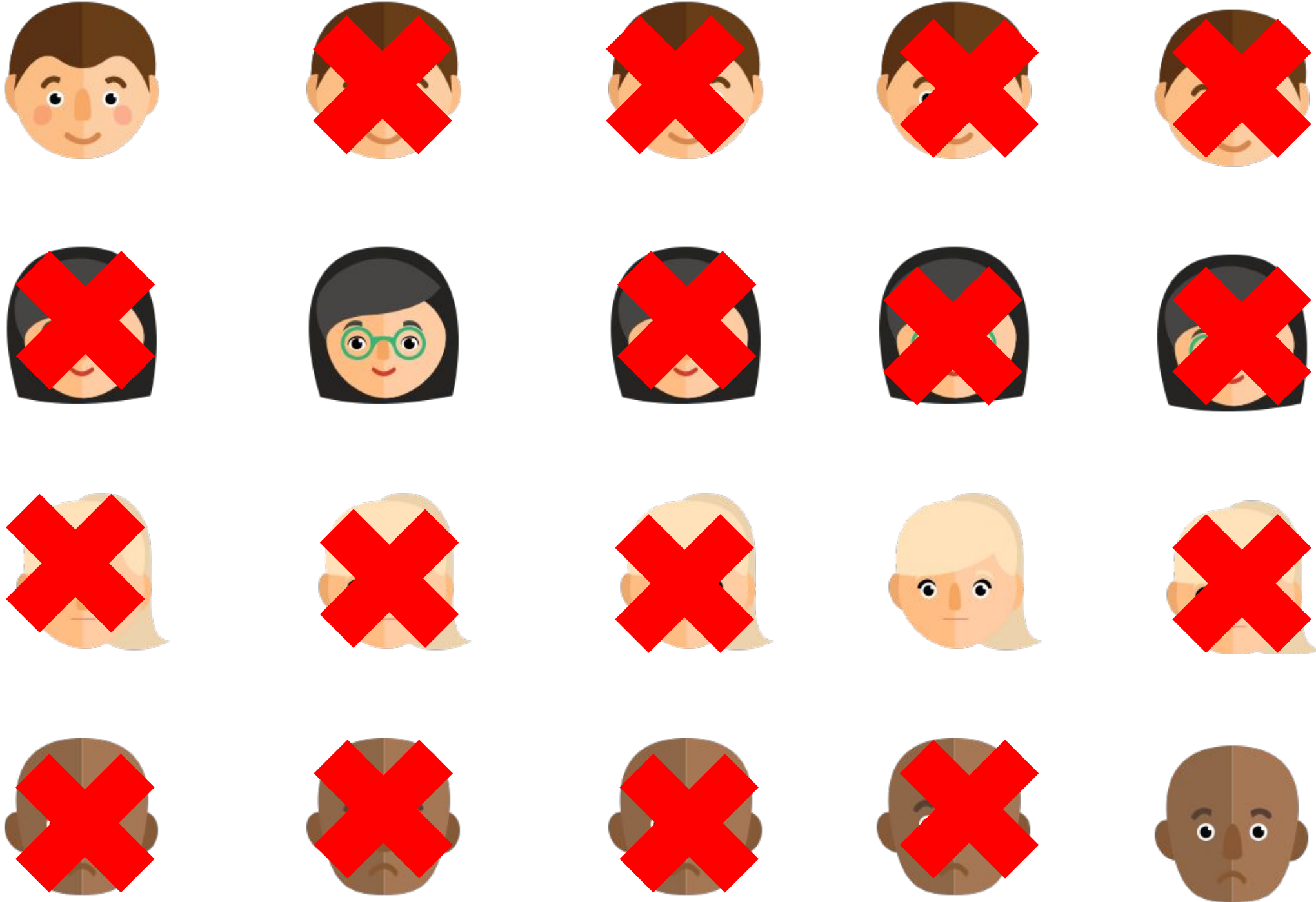


# Consumer-direct: the challenge for Fintechs

## Are unwanted consumers clicking my advertising?

- The "personal loans" search auction on Google is competitive and expensive (~\$40+ per click)
- Harmoney has a prime credit criteria threshold which applicants must meet in order to receive a loan offer.
- Without data and machine learning, credit eligibility and purchasing intent has required guesswork.

**Without deep historical data and expertise, many fintech's find consumer-direct expensive and fall back on traditional broker channels.**



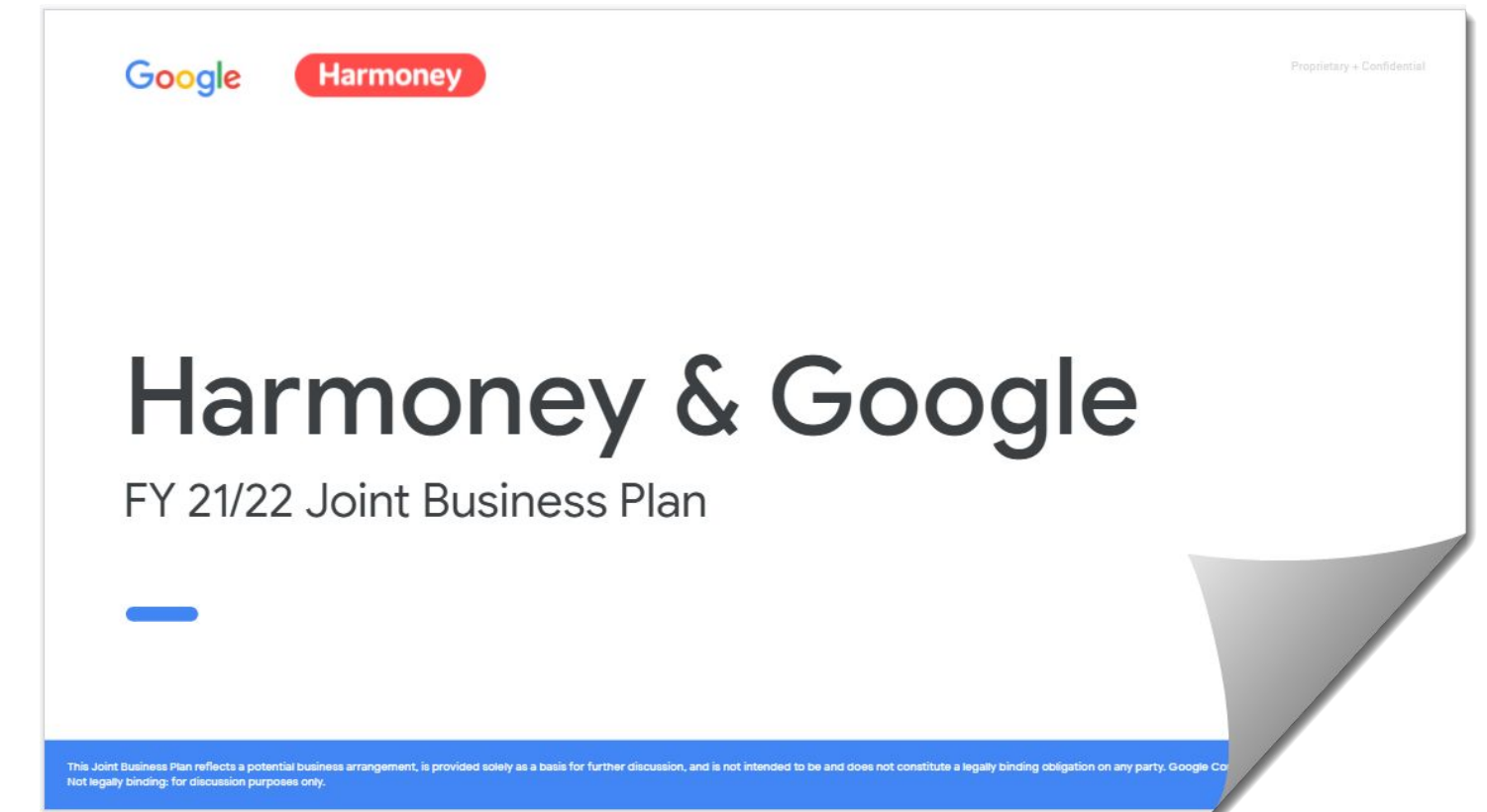
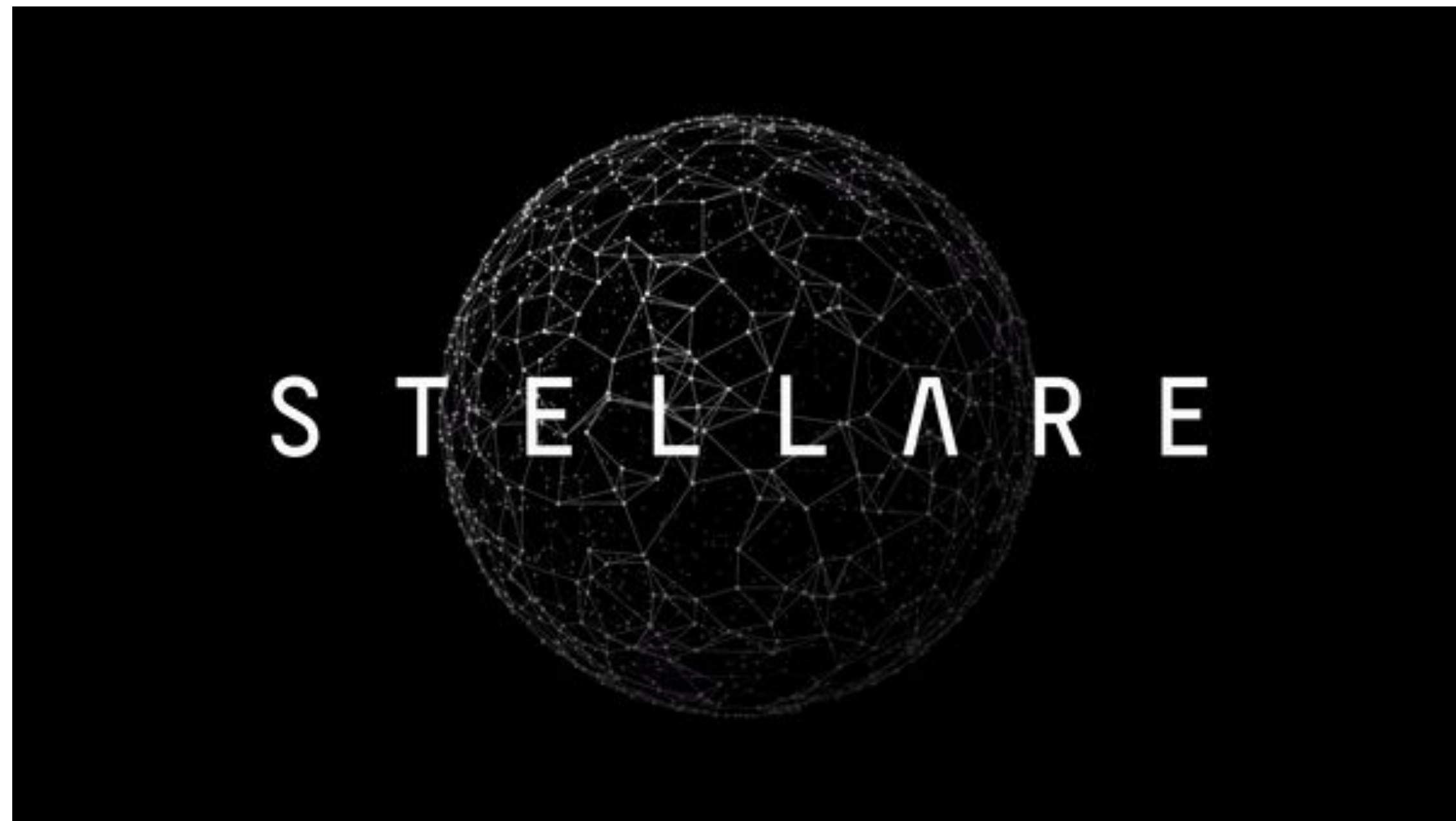
**How can we attract high intent and eligible applicants at scale?**



Anil Sabharwal, Vice President at Google video

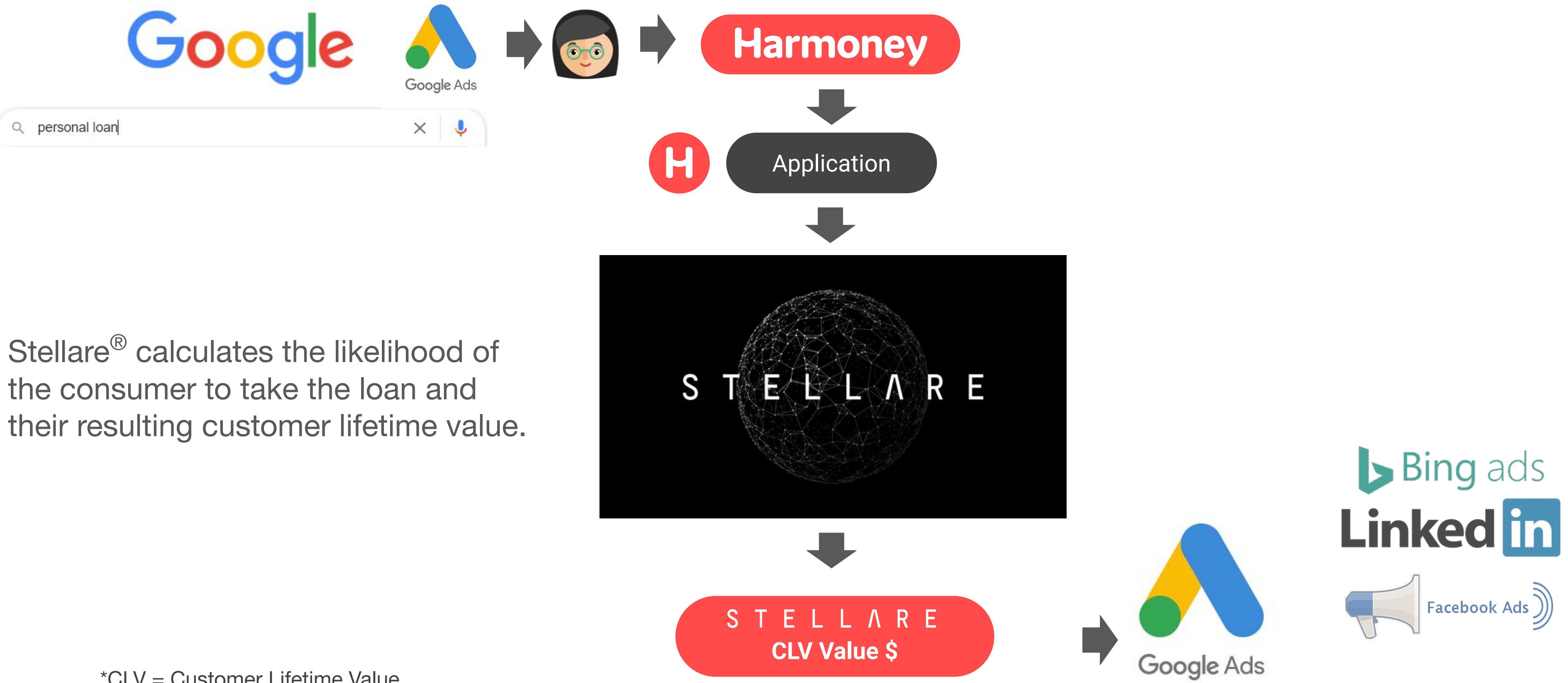
# Stellare<sup>®</sup> + Google: integrated machine learning

We leave the competition to their expensive shotgun strategy whilst we are laser focused on our prime consumers.



- Rather than outspending the competition, can we attract our target customers, and exclude users unlikely to meet our credit assessment?
- By analysing \$7.4b of loan applications and data from 450,000+ Aussies and Kiwis, Harmoney's Data Science team used Stellare<sup>®</sup> to calculate the Customer Lifetime Value (CLV) of every lead Google provides.
- Harmoney uses this to bid more for higher value leads, incentivising Google to find and serve Harmoney advertising to our target consumers.

# How does Google's integration with Stellare<sup>®</sup> work?

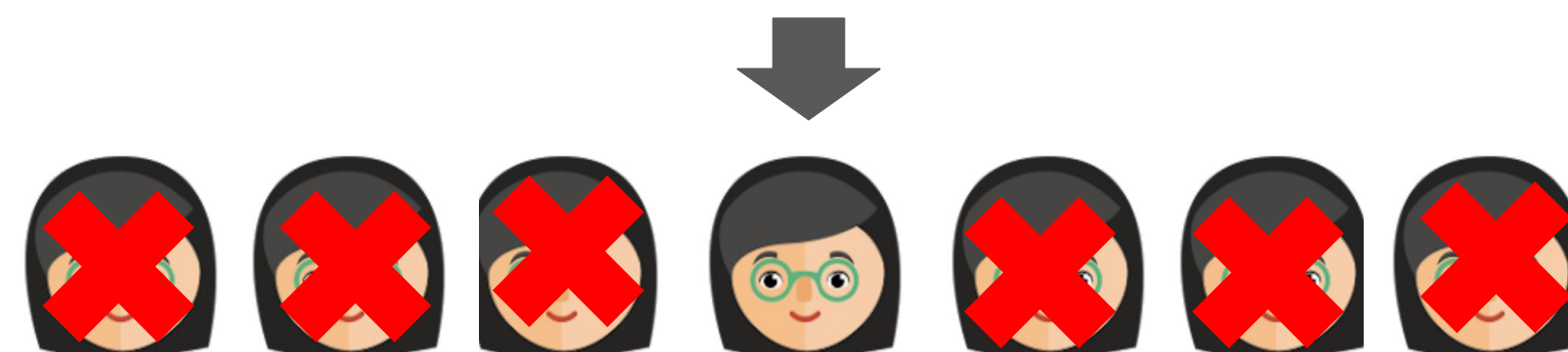
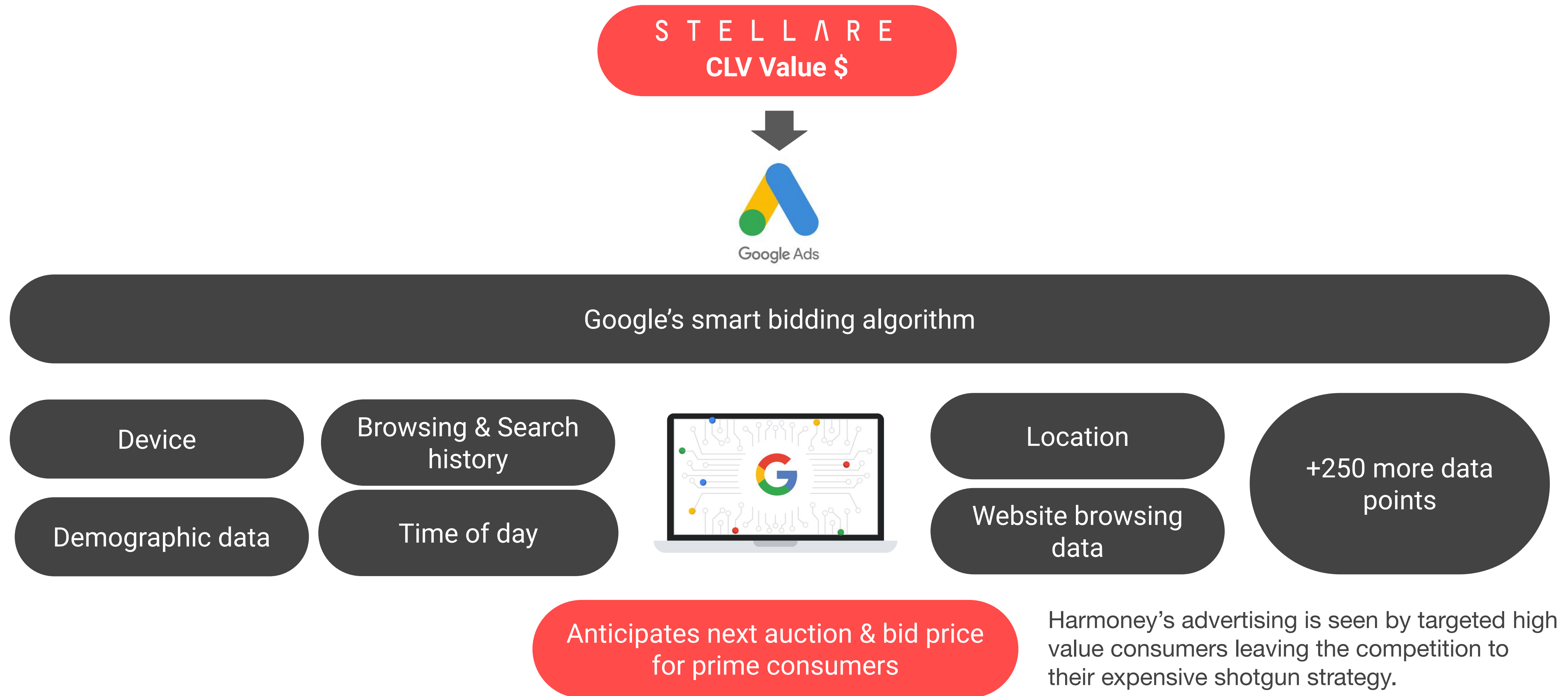


Stellare<sup>®</sup> calculates the likelihood of the consumer to take the loan and their resulting customer lifetime value.

\*CLV = Customer Lifetime Value



# How does Stellare's integration with Google work?





# Efficient, accurate and optimised customer acquisition

**Harmoney**

GENERALISED TARGET PROFILE BASED ON CUSTOMER LIFETIME VALUE

**Google**



**MACHINE LEARNING FEEDBACK LOOP TO IMPROVE RESULTS**



Globally, Google has more than 1 billion daily users.



**AUTOMATED AND OPTIMISED AD PLACEMENT AND CREATIVE**

**PROFILE MATCHED AUDIENCE**

Stellare<sup>®</sup> / Google integration video

- **Harmoney has supercharged its advertising with Google for exponential growth, creating a marketing strategy that connects with more high value consumers.**

As the application count grows, our Stellare<sup>®</sup> algorithms blend with Google's vast product network to become even more accurate.




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## Personal lender Harmoney touts new Google-powered marketing

  
**James Eyers**  
Senior Reporter  
Oct 19, 2020 - 12:00am  
Save Share

Another personal lender, Harmoney, is set to hit the ASX boards, meeting potential investors last week and targeting an initial public offering in late November to follow Plenti onto the market.

Harmoney, which has its roots in New Zealand, distinguished itself in the meetings from Plenti – whose [share price performance has been underwhelming since it listed in September](#) – by pointing to its direct-to-customer distribution model, which deploys a new way to target customers using Google.



Harmoney's distribution model uses Google's 'Smart Bidding' technology to serve ads to potential customers. AP

According to the pathfinder prospectus, Harmoney made revenue of \$78 million in 2020; it has more than 46,000 customers and a total loan book of \$480 million.

Australian Financial Review, October 19, 2020.

“Harmoney has one of the most advanced digital marketing models in Australia and New Zealand, if not the world.”

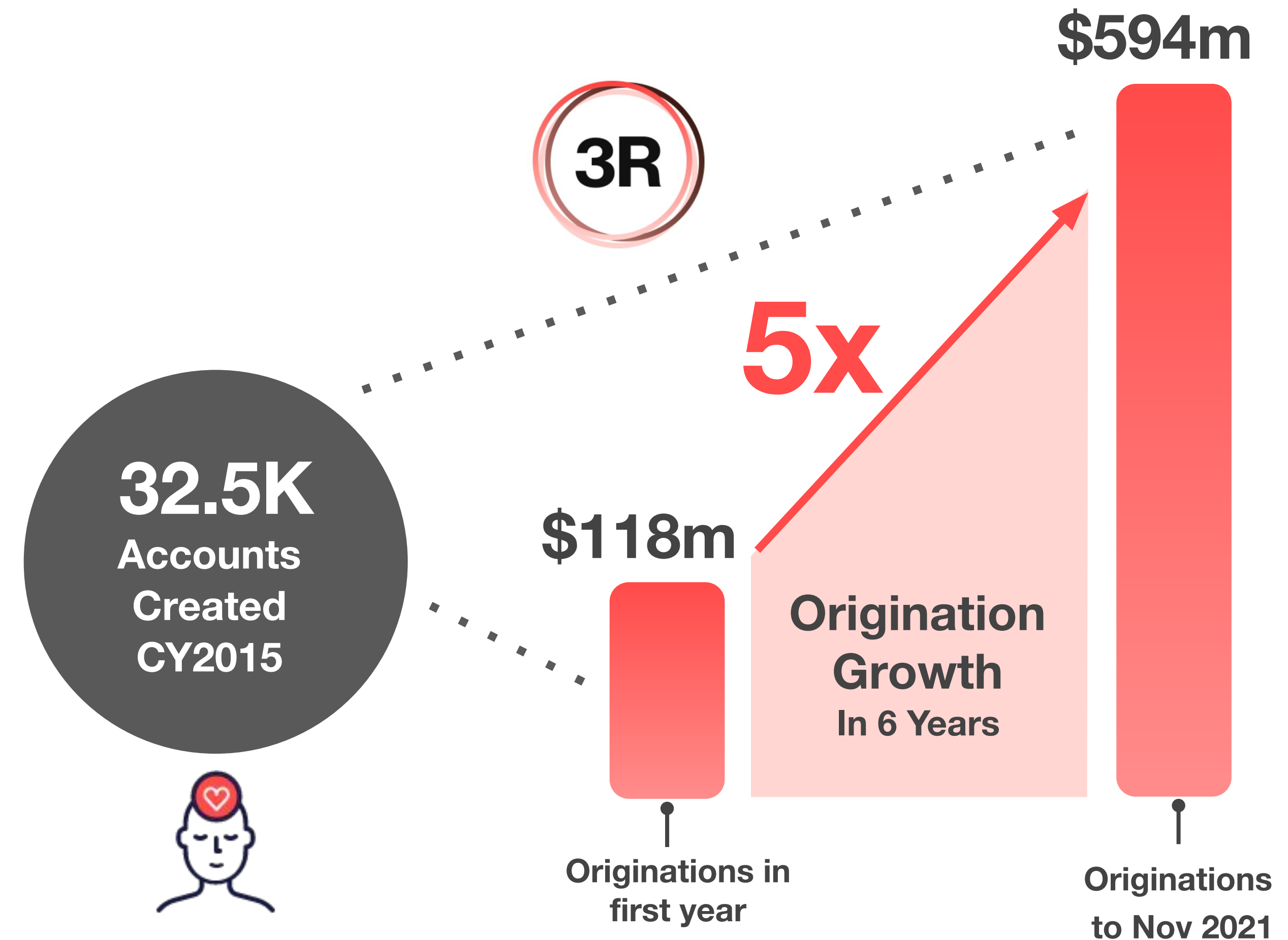
Nick Love, Head of performance at Google in Australia & New Zealand, Oct. 2020



# The consumer-direct multiplier effect

## Meeting customers evolving needs

- With a consumer-direct relationship, Stellare<sup>®</sup> targets customers for retention and re-marketing campaigns; offering the right solution for the customer's next big financial decision at the right time.
- The multiplier effect in action: 32.5K accounts from 2015 originally created \$118m in year one loan originations. Six years later, these same accounts contributed a 5x combined loan origination value of \$594m.



# Customer acquisition proven in NZ - now driving Australian growth

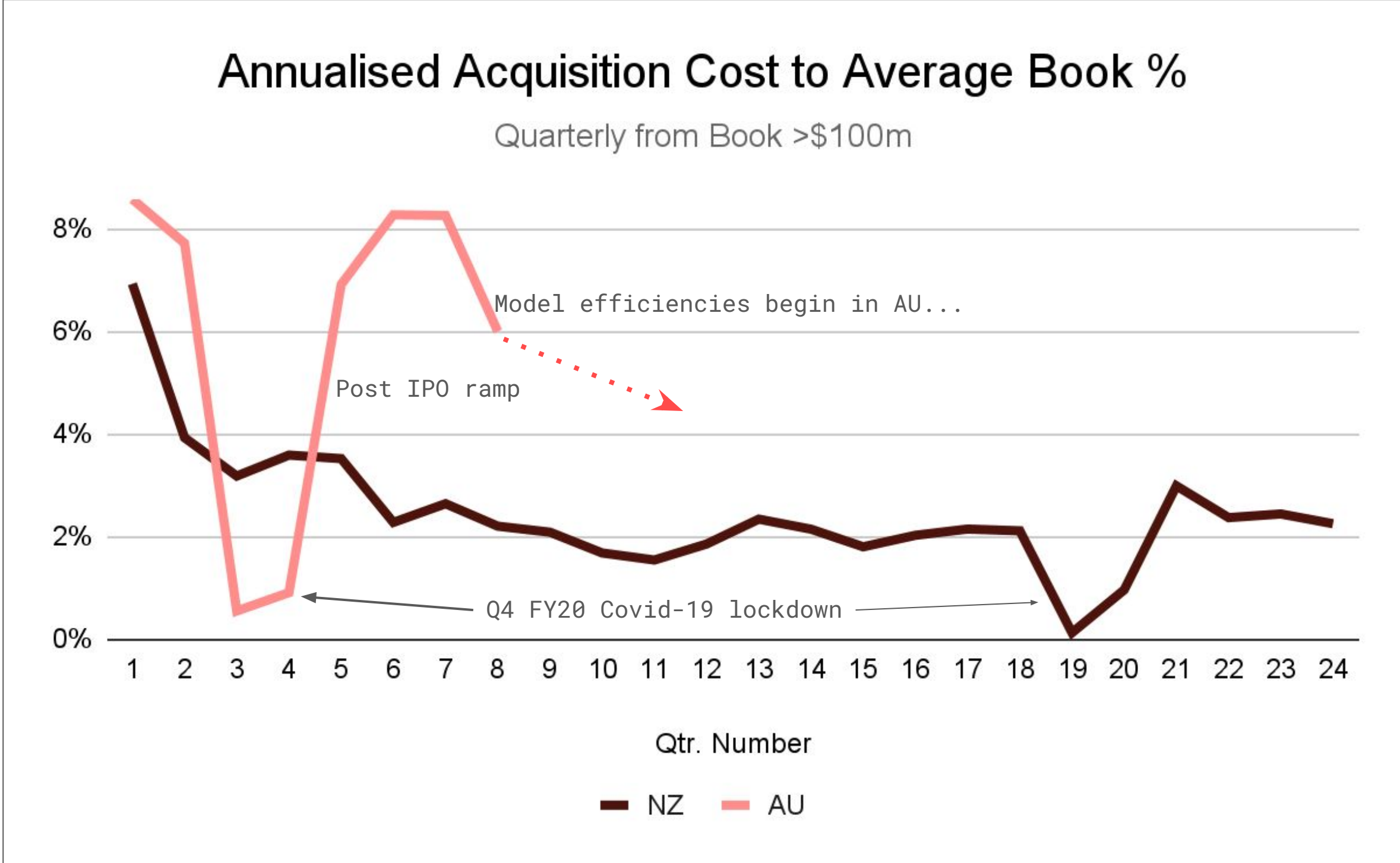
## Proven acquisition model

- The Stellare<sup>®</sup> marketing model outbids competitors for target consumers, real-time feedback refines targeting, driving down CAC.
- The consumer-direct relationship then drives CAC lower as existing customers return for future needs, at ~\$0 CAC i.e. ~\$0 CAC to originate 2nd, 3rd, 4th... loan.
- Proven in New Zealand and now starting to replicate in Australia, as Stellare<sup>®</sup> learns the multiplier effect takes hold.

<3%

Annualised Acquisition Cost to average loan book in New Zealand

## CAC reducing over time



**Harmony**

# Lower losses

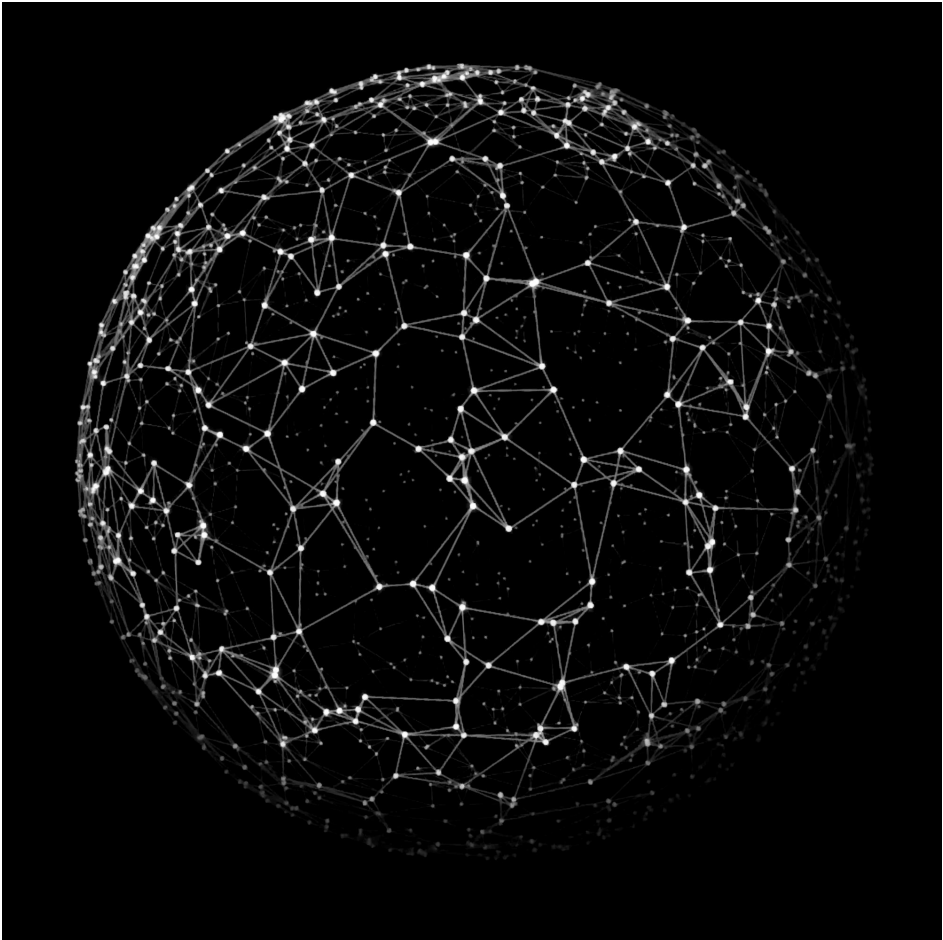
Libra platform

S T E L L A R E



# Deep data refines Libra scorecards

## Extensive rich data fuels our proprietary technology



S T E L L A R E

**7 yrs**

Rich customer application history

**724k**

People have joined Harmony

**\$7.4b**

Personal lending enquiry

**\$2.4b**

Funded loans

**Billions**

Of data points

**0.47%**

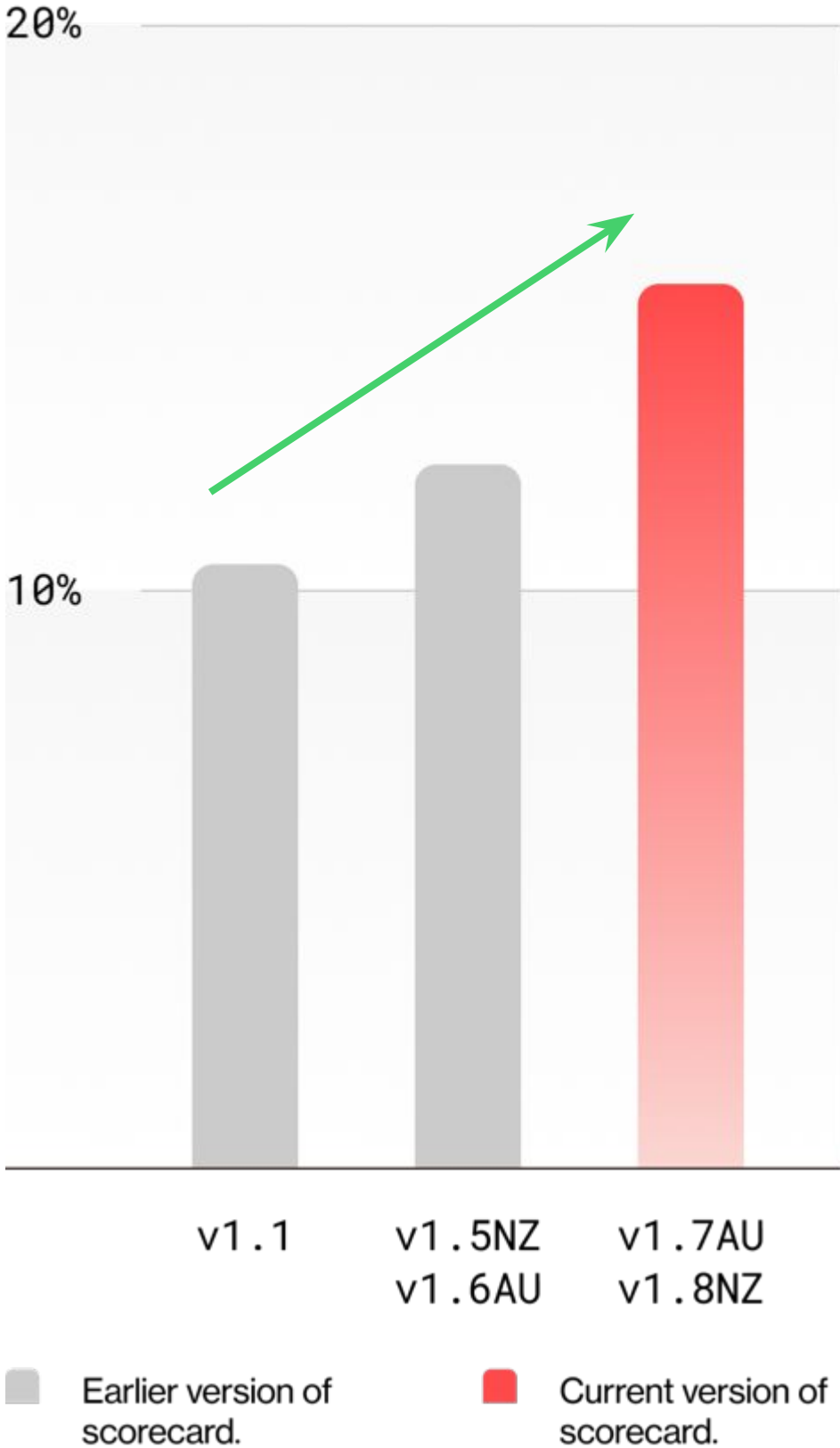
30 Sep 21 90+ days arrears



# Libra: Harmoney's behavioural data powered credit decisioning engine

## STELLARE

### Stellare® Libra 1.7/1.8: better-than-ever conversion

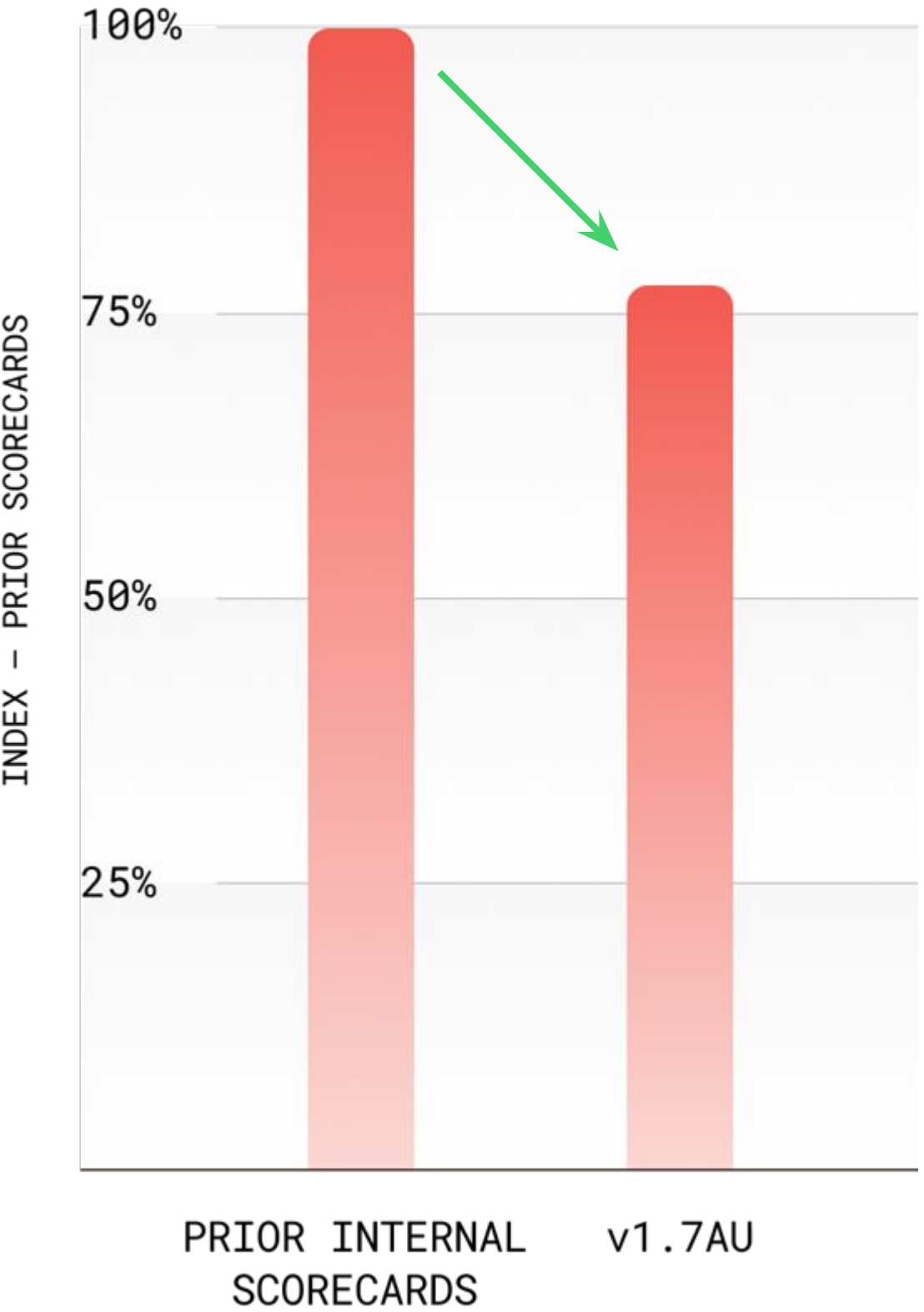


Bureau credit scores are too generic to be solely relied on for sophisticated pricing and personalised rates. Particularly for significant customer segments – like Millennials – who can have very thin credit files. Most importantly, our data tells us there are much better predictors of creditworthiness.

Libra's behaviour-based scorecard learns from data acquired through Harmoney's 450,000+ completed loan applications. For version 1.7/1.8, Libra incorporates 100+ pD (probability of default) predictor data points identified through behavioural analysis.

Libra 1.8 went live in NZ in mid-June 2021. Early results show similar trend to Libra 1.7 in Australia.

### Stellare® Libra 1.7: ~25% better credit performance



Early analysis of arrears for loans scored under Libra 1.7 (released February 2021) shows improved performance when compared to prior scorecards at the same point in time.

We expect further performance improvements in future Libra releases as our innovative behavioural scorecard matures.

# Continual Libra improvements lead to the best performance ever

## Group arrears & losses performance

Group arrears and losses continue to perform ahead of expectation and are at historical lows.

Implemented Libra 1.7 in Australia in Feb 2021 and Libra 1.8 in New Zealand in June 2021, showing improved credit performance, through improvements in arrears and early defaults.

FY21 Group Loss Rate

**3.9%**

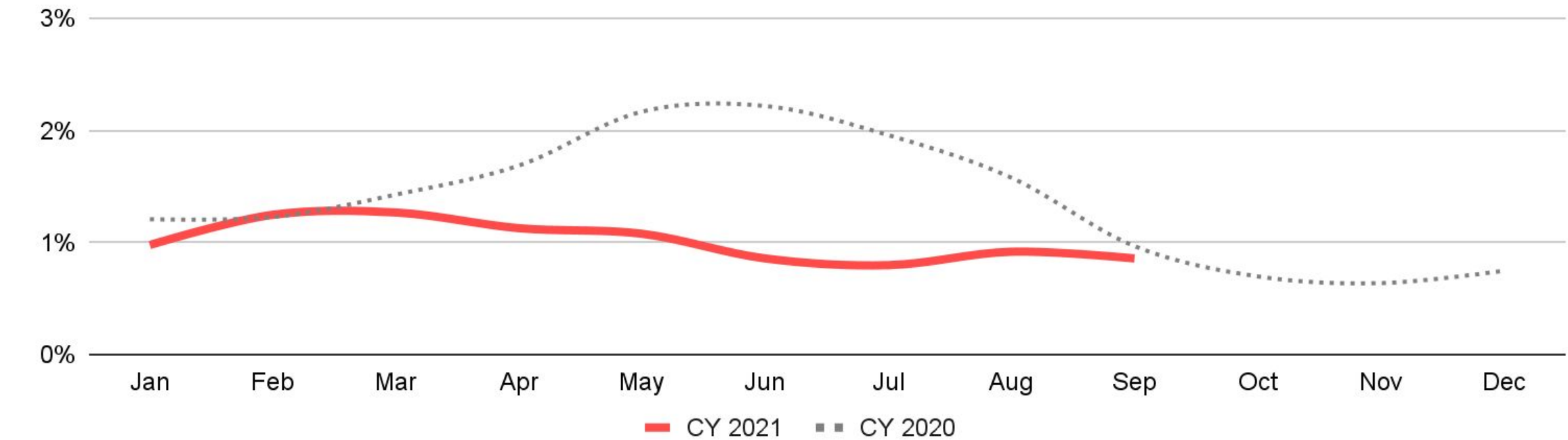
As % of principal

Group 90+ Days Arrears

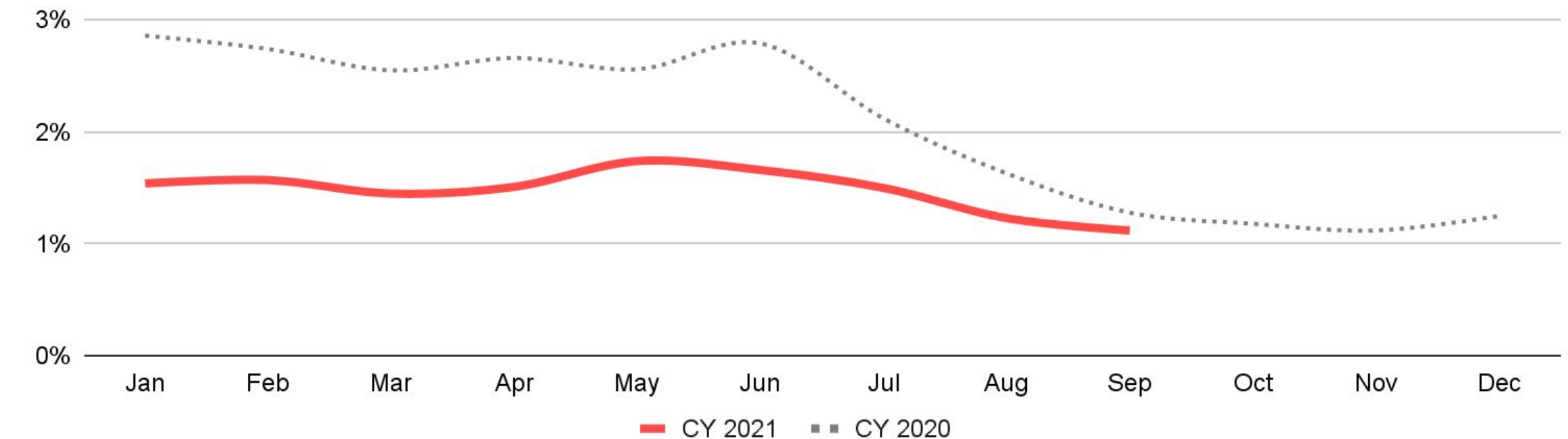
**0.47%**

As at 30 Sep 21

## Arrears in Australia & New Zealand



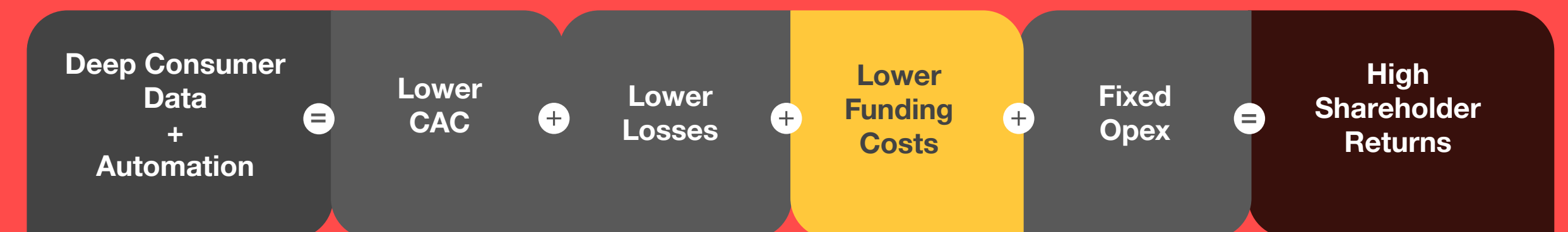
Australia Arrears 61+ Days



New Zealand Arrears 61+ Days

# Lower funding costs

S T E L L A R E



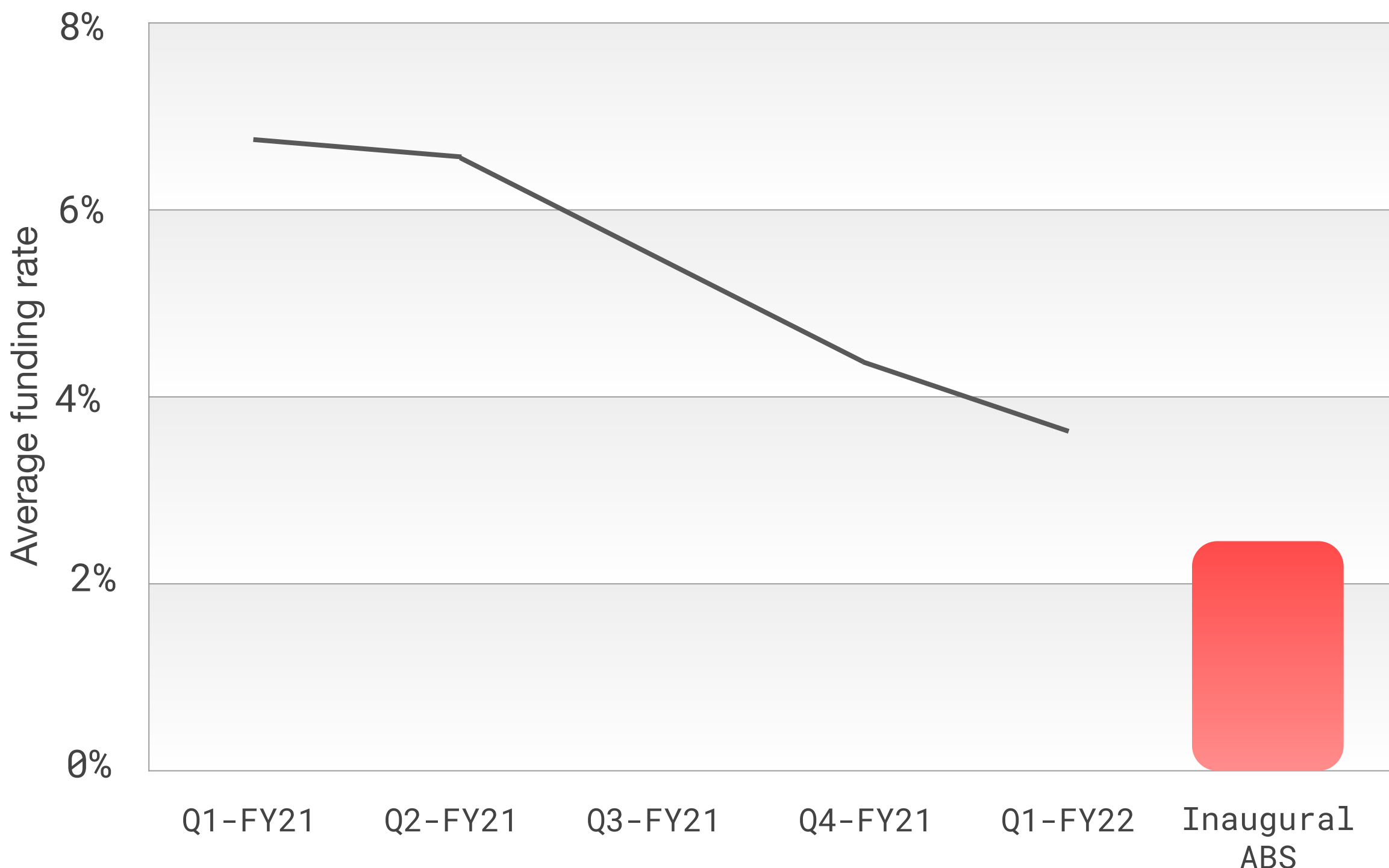
# Libra's accuracy rewarded with funding diversity, lower cost of funds and increased return on equity

## Successful inaugural securitisation

- Consistent loss rates have attracted top tier funding, with Harmony funders including two of the 'Big 4' banks.
- A\$105m securitisation completed in Oct, day 1 weighted average interest rate of 1.45% + hedged base rate.
- Transition to warehouse funding continues to lower funding costs, group loan book now 75% warehouse funded.
- \$220m warehouse capacity to support loan book growth.

ABS cost of funds  
**1.45%**  
+ hedged base rate

## Significant cost of funds reduction





# Scalability from fixed opex

S T E L L A R E



# Scalability powered by automation

- Automation powers operating cost efficiencies.
- 100% online application
- 68% of applications completed without human intervention... and climbing.
- Credit Officers static at 6 while annual originations have grown 4X.
- Fixed opex to income expected to fall below 20% in FY22.

Fully automated

**68%**

Of loan applications

Cost to income

**<20%**

FY22 indirect opex  
to revenue guidance

## Revenue grows materially faster than opex



**Harmony**

# High shareholder returns

Deep Consumer  
Data  
+  
Automation

=

Lower  
CAC

+

Lower  
Losses

+

Lower  
Funding  
Costs

+

Fixed  
Opex

=

High  
Shareholder  
Returns

# \$1 billion average book is expected to generate ~\$45m Cash EBITDA

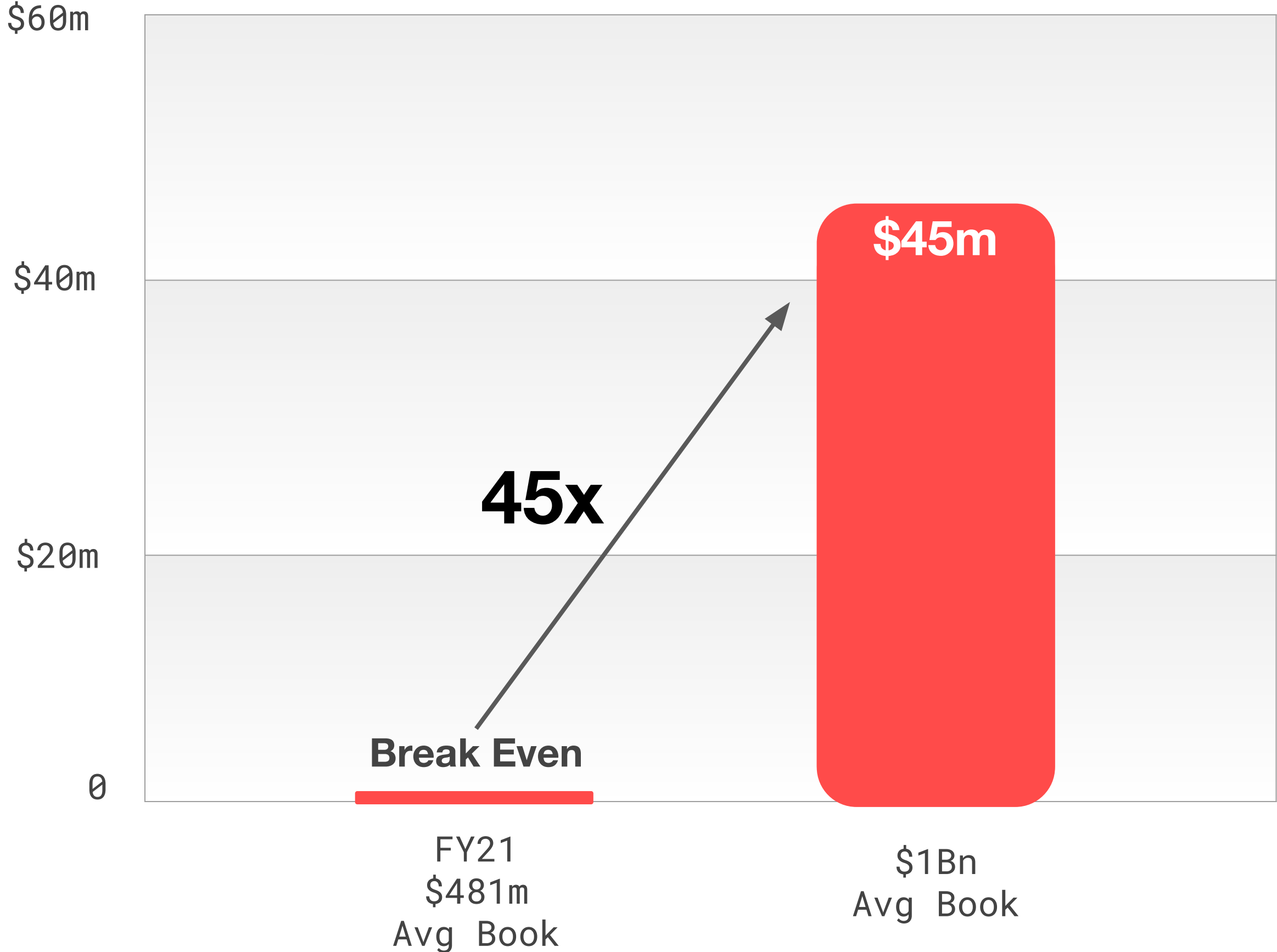
## Indicative model

	FY21	At \$1b Average Book	
	\$m	~\$m	~% Avg Book
Revenue	79	160	16%
Net lending margin	33	100	10%
Marketing opex	16	30	3%
Fixed opex	21	25	2.5%
Normalisation	(4)	-	-
<b>Cash EBITDA</b>	<b>0</b>	<b>45</b>	<b>4.5%</b>

FY21 proforma results  
 Net lending margin = revenue less interest expense and actual losses incurred

Disclaimer: This is an indicative model of Harmony's business with an average loan book of \$1b, it is not a forecast but instead represents an illustrative model extrapolated to an average loan book of \$1b and may vary due to changes in a range of underlying assumptions or economic factors.

## Cash EBITDA





**Harmony**

# Growth opportunities of consumer-direct

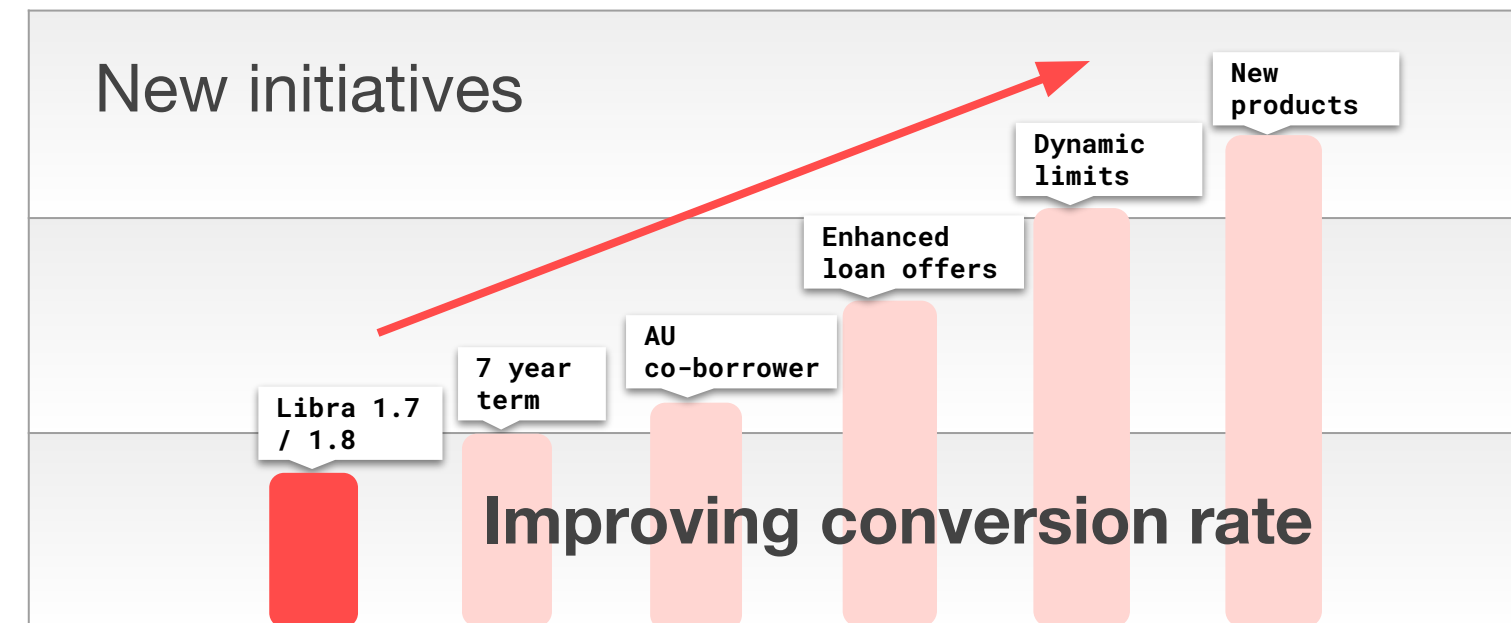
# Harmony's growth engine - three areas of focus

## 1. Australian expansion



- Australian 'personal loan' Google search market is 9x New Zealand.
- Australian conversion to replicate New Zealand.
- Expanding consumer direct marketing channels.

## 2. AU/NZ conversion gains



- Major functionality releases in FY22 improving conversion.
- Vertical focus - targeting our core verticals (motor, home improvement and debt consolidation).
- Brand awareness launch.

## 3. Enhanced & new products

The Harmony logo, consisting of the word "Harmony" in white text on a red rounded rectangular background.

- Enhancing our existing product with the 'Ultimate Personal Loan'
- Deliver value beyond the personal loan into new products and segments 'Product for Everyone'
- Optimise product opportunities by using deep data, speed to market which is enabled by the Stellare<sup>®</sup> platform.

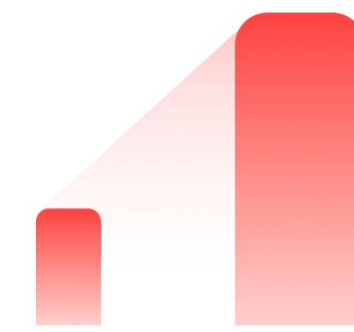
# 1. Australia is on track to achieve NZ conversion as products align

**Parity in conversion opens \$1b p.a. opportunity in Australia**

---

\$1b originations per annum in Australia becomes achievable as conversion metrics reach parity with NZ

---



**Parity with NZ in new conversion**



---

**Parity with NZ in retention**

---

**= \$1b p.a. AU origination target**

# 2. Conversion improvements alone can rapidly grow our loan book

Quality of accounts attracted to Harmoney represents untapped potential to convert credit worthy customers through initiatives focused on engagement and nurturing (~54,000 alone in H2 FY21).

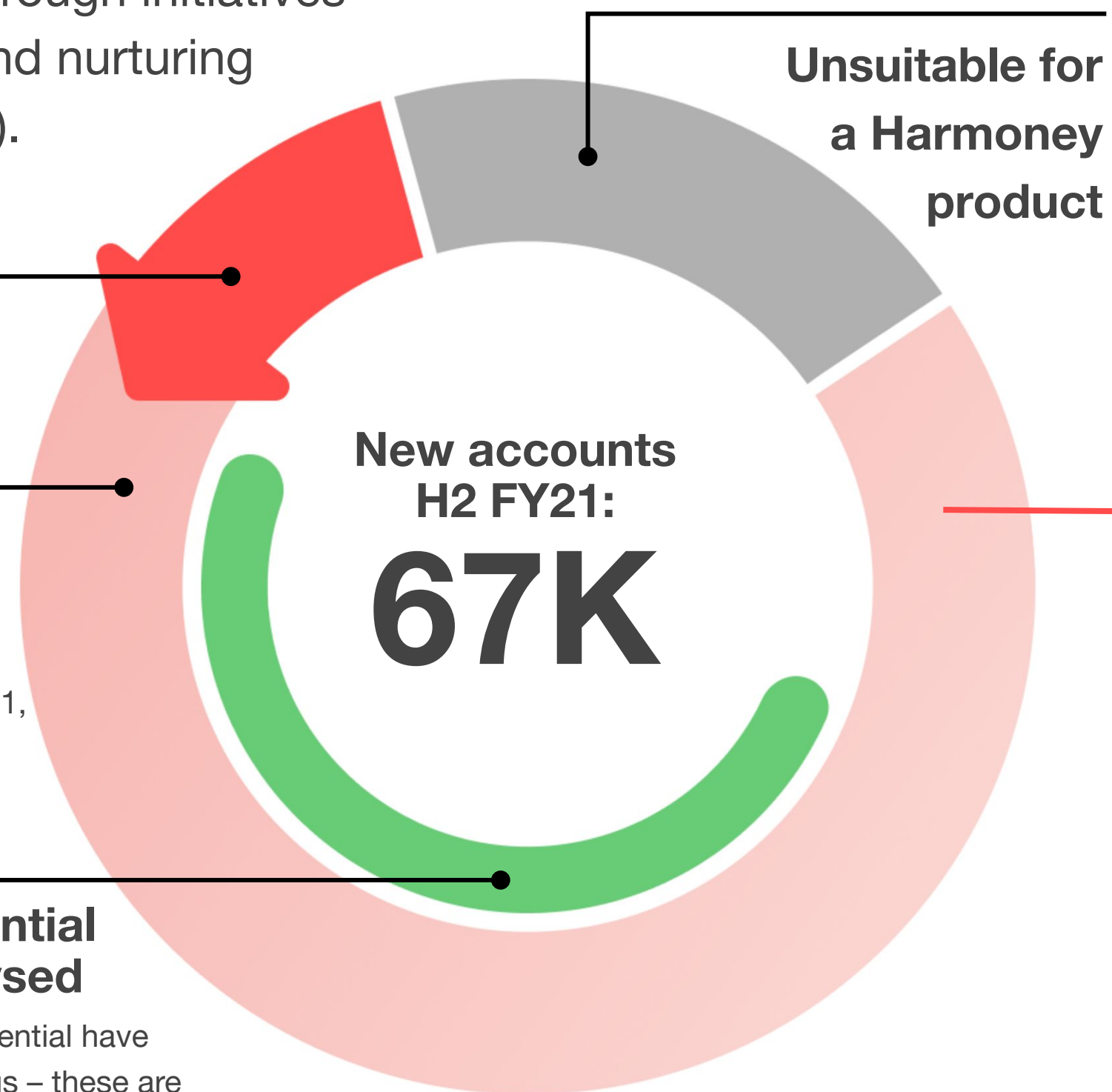
**Funded loans**

**Untapped potential: ~47,000 credit worthy accounts in H2 FY21**

Of 67,000 new accounts created H2 FY21, 70% (~47,000 accounts) could be targeted with initiatives to increase conversion.

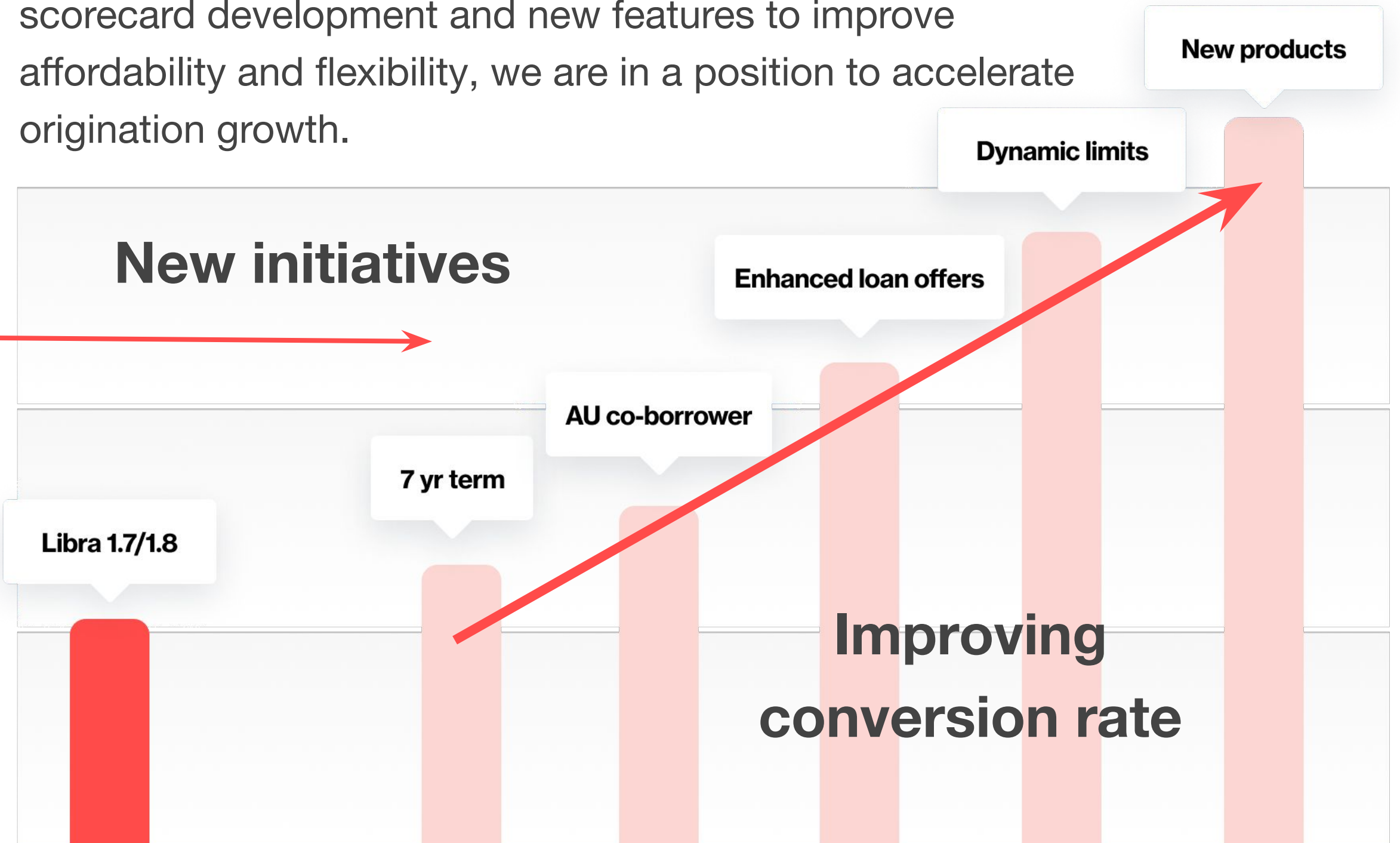
**~30,000 of untapped potential have had bank data analysed**

A significant portion of the untapped potential have shared their bank transaction data with us – these are customers with intent.



Our journey to offering lending to more customers.

With our current strong rate of account creation, continual improvements in our conversion rate through ongoing Libra scorecard development and new features to improve affordability and flexibility, we are in a position to accelerate origination growth.

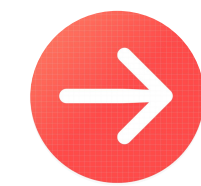




# 3. Our data superiority drives new products: beyond personal loans to personal lending

## Data advantage

We will use our data advantage to identify opportunities and build product experiences that fit customer goals and lifestyles.



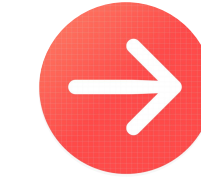
## The ultimate personal loan

### Strategy

- Redesign the personal loan to fit the customer's objectives – move beyond personal loan to personal lending.
- Increased flexibility: e.g. multi-drawdown, line of credit, goal-setting tranches.
- Money in minutes.

### Outcome

- Moving from one product to more enduring “**always-on**” limit product, increasing retention and customer lifetime value.
- Flexibility increases market share beyond the traditional personal loan market.



## A product for everyone

### Strategy

- Delivering value **beyond the personal loan** into new segments (auto, SME), products, or financial tools.
- Targeting new consumers and the untapped potential of existing accounts

### Outcome

- **Increase conversion & CLV** through enhanced customer fit lowering CAC
- Higher retention as the customer relationship moves beyond the personal loan.

**Harmony**

**Q & A**

**Harmony**

# Appendices

# Listed peer analysis

## Key metric comparison

- Highest FY21 pro forma revenue.
- Second largest pro forma loan book.
- Revenue to market capitalisation 32% of peer average.
- EV to Revenue 28% of peer average.

(A\$)	Harmony	Peer Avg.	Listed Peer #1	Listed Peer #2	Listed Peer #3
<b>FY21 Pro forma Revenue</b>	74m	46m	27m	58m	53m
<b>Loan Book (Sep 2021)</b>	496m	613m	471m	452m	915m
<b>FY21 Revenue Multiple</b>	2.4	7.4	12.0	5.9	4.4
<b>EV<sup>2</sup> / FY21 Revenue</b>	1.8	6.5	9.8	5.7	3.8
<b>Market Cap.<sup>1</sup></b>	178m	299m	325m	339m	233m

<sup>1</sup> Market capitalisation as at 19 November 2021

<sup>2</sup> Economic value calculated by deducting net cash disclosed in FY21 accounts from market capitalisation as at 19 November 2021.

Harmony FY21 pro forma revenue converted to A\$ at 30 June 2021 1.075 AUD/NZD exchange rate and Harmony 30 September 2021 loan book converted to A\$ at 30 September 2021 1.044 AUD/NZD exchange rate.



# Further reading: case studies

Publisher	Title
<b>Google</b>	<a href="#"><u>How Harmony found a smarter way to surface lifetime value with machine learning</u></a>
	<a href="#"><u>How Smart Bidding helped Australasia's Harmony find and convert its best customers</u></a>
<b>Marketo</b>	<a href="#"><u>Harmony continually raises the level of customer engagement with Marketo</u></a>
<b>Microsoft</b>	<a href="#"><u>Learn how Harmony used LinkedIn to increase loan originations</u></a>
<b>SalesForce</b>	<a href="#"><u>How Harmony Is Innovating In The FinTech Space With The Help Of Salesforce</u></a>
<b>Snowflake</b>	<a href="#"><u>Removing friction from the customer banking experience</u></a>
	<a href="#"><u>Data driven financial decisions</u></a>
<b>Spotify</b>	<a href="#"><u>Spotify Ad Studio expands into new global markets, moves out of beta</u></a>

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