

Harmony Corp Ltd (ASX:HMY)

Initiation of Coverage

Harmony

Rating: Buy

Target Price: \$1.28 p/s (Last: \$0.73 p/s)

25th March 2026

MA Moelis
Australia

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HMY: Investment Overview



As Australia & New Zealand's largest 100% consumer-direct online lender, HMY demonstrates an estimated ~50% 3Y EPS CAGR underpinned by strong origination growth and a well managed loan book

Investment thesis

We initiate with a Buy rating and Target Price of \$1.28 p/s. Our investment thesis is based on:

1) Strong originations growth is underpinned by a new technology platform and new verticals

HMY has guided to a FY26 year-end loan book of \$900m+ (+8.6% YoY), supported by strong momentum in its Personal loan products. Growth has accelerated following the rollout of the Stellare 2.0 platform, which drove a 40% increase in new customer lending in Australia in FY25. The product launched in NZ in 4Q25 and, with similar early results, FY26 should benefit from a full year of contribution. HMY's fast credit assessment engine and speed of cash delivery remain key competitive advantages. Beyond FY26, expansion into new verticals, particularly secured auto finance largely in used vehicles is expected to further support its loan book growth.

2) D2C online model, competitive funding mix and low loss rates help support growth

HMY's loans are fixed rate and funded through multiple warehouse facilities (~80–85% hedged) alongside ABS funding. Its online direct-to-consumer model enables fast pricing decisions and quick responses to changes in funding and competitive costs. Short realised loan durations of ~2–3 years help manage NIM through shifting rate environments. HMY targets a risk adjusted (NIM post cash losses) of ~6%. We see a declining rate environment as a modest tailwind to NIM and a sharply rising rate environment as a modest headwind, otherwise, NIM should remain easily managed. Strong credit quality is reflected in the broadly stable realised cash losses averaging 3.6% ($\pm 0.4\%$ std dev) from FY22–FY25. Continued credit quality should support modest funding spread benefits.

3) Sector leading cost management helps loan book growth deliver strong cash NPAT

HMY upgraded its FY26 cash NPAT guidance at the recent 1H result to \$13m (prev. \$12m). Operating efficiency is important in driving cash NPAT, and we've seen HMY's cost-to-income ratio reduce from 31.9% in FY22 to 18.9% in FY25. We expect further modest improvement as origination volumes grow, driving scale benefits. These efficiencies are supported by HMY's software platform and online direct-to-consumer model, which effectively delivers originations growth at \$0 CAC from the second loan onward for customers already in the ecosystem.

4) Management incentives alongside capital management are driving attractive ROE and EPS performance

HMY's CEO was granted 3.12m rights at the FY25 AGM under a LTI plan across three tranches to 30 Jun'29. Vesting is strongly aligned to shareholder outcomes, with 100% vesting requiring: (1) >25% Cash EPS CAGR for 100% of PH1 rights to vest using FY26 as a baseline, and (2) TSR performance at or above the 75th percentile of the ASX Small Ords for 100% of PH2 rights to vest. Our base case estimates result in a ~30% ROE and 50.3% EPS CAGR from FY25–FY28. Note for comparison with the LTI measurement period, our FY26e–FY29e EPS CAGR is 19.1% and provides material upside should the company meet stretch targets.

Investment Summary	
Investment Rating	BUY
Current Share Price	\$0.73
12M Target Price	\$1.28
Capital Upside	75.3%
Dividend Yield %	0.0%
12M Return	75.3%

Capital Structure	
Current Share Price	\$0.73
SOI (fully diluted)	104m
Market Cap (fully diluted)	\$76m
Net Cash	(\$9)
Enterprise Value	\$85m

Summary	2024a	2025a	2026e	2027e	2028e
Net Interest Revenue	69.7	77.1	91.7	99.9	107.0
<i>% growth</i>	2.5%	10.6%	18.9%	8.9%	7.1%
Cash EBTDA	4.5	10.0	16.8	20.7	23.8
<i>% Margin</i>	3.7%	7.6%	11.2%	12.4%	13.3%
Cash NPAT (Underlying)	0.7	5.7	13.3	17.8	20.9
<i>% Margin</i>	0.6%	4.3%	8.9%	10.6%	11.6%
Reported NPAT	(3.6)	3.2	4.9	8.3	10.8
Cash EPS (c/share)	0.6	5.6	12.7	16.5	18.9
<i>% growth</i>	(86.3%)	818.8%	128.9%	29.2%	14.9%
DPS	-	-	-	-	-
Gross Cash Conversion	543.7%	351.0%	246.0%	254.1%	242.2%
Free Cash Flow ¹	(11.1)	1.5	3.6	12.9	15.5
EV/Cash EBTDA	17.4x	7.6x	4.1x	3.4x	3.0x
P/ Cash NPAT	113.6x	13.4x	5.9x	4.5x	3.9x
Net Debt (Cash)/Cash EBTDA	0.3x	(0.1x)	(0.5x)	(0.4x)	(0.4x)

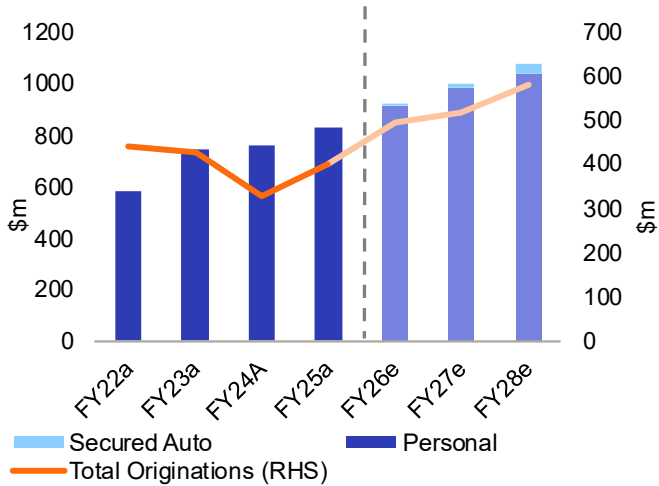
Note 1: Post cash losses

HMY: Investment Snapshot

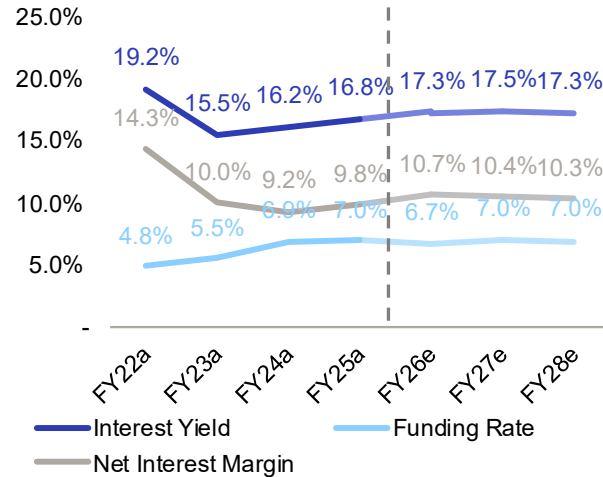


We expect HMY to continue to deliver cash NPAT growth driven by strong loan origination performance, cost-to-income savings, stable loss rates and its product expansion opportunity in secured auto loans

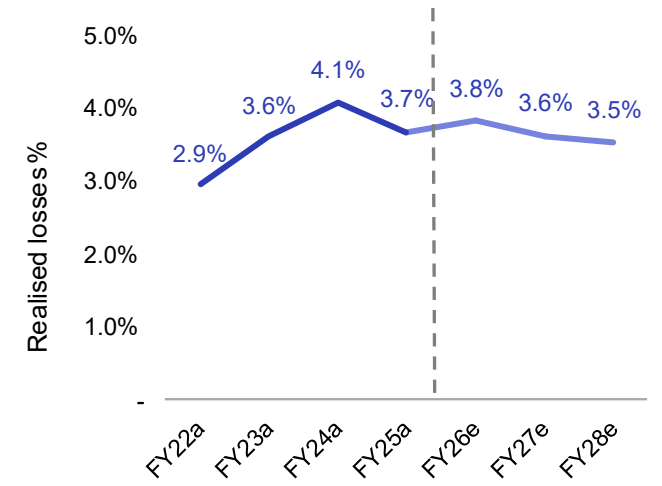
Strong originations growth driving loan book



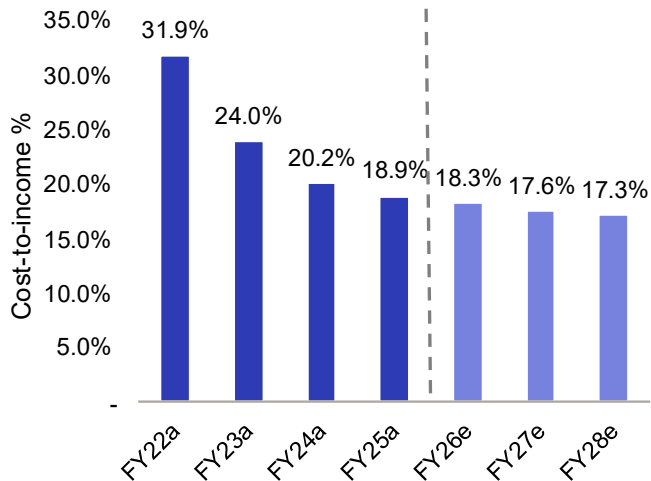
D2C model and diversified funding support NIM¹



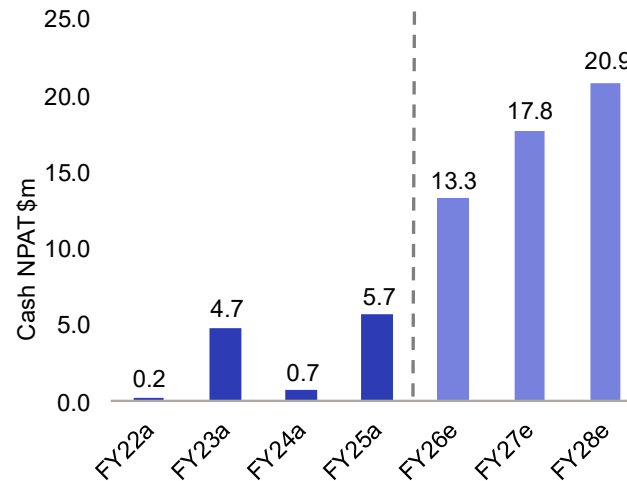
Loss rates are well managed through credit quality



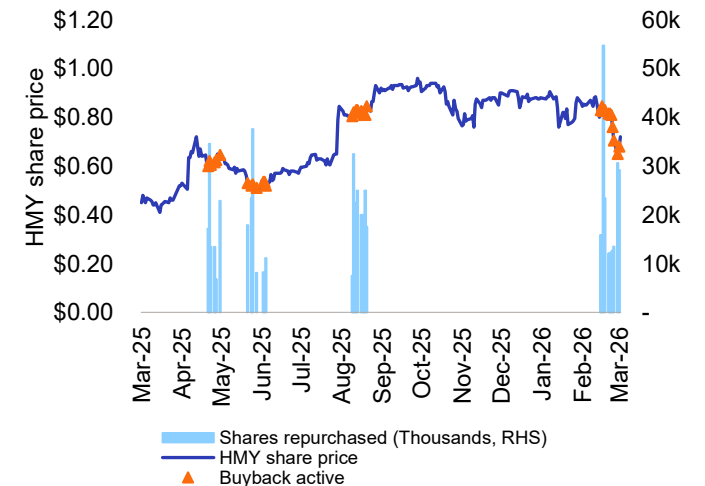
Cost-to-income improvements drive margins



Material cash NPAT performance



Capital management provides optionality



Sources: Company Reports; MA Moelis Australia Research. Note 1: NIM is excluding corporate debt interest

Industry Overview

Is private credit in trouble? Why HMY's risk and liquidity profile is structurally different MA

Some US private credit vehicles are under stress, reflecting concerns around liquidity mismatches, sector concentration (particularly in software companies), and NAV uncertainty. HMY, however, originates short-duration consumer finance loans funded by Australian bank warehouses – a structurally different risk profile

What is driving stress in US listed private credit vehicles?

Private credit has attracted recent media headlines. A few reasons below:

Sector concentration risk (overweight software): Investors are concerned about the exposure of many US Business Development Companies (BDCs) to sponsor-backed software and technology loans. For example, the Blackstone Secured Lending Fund (BXML) has a 20% exposure to software loans, and Ares Capital (ARCC) has a 24% exposure to software and services loans. Across the landscape, S&P estimates that software and technology companies account for ~25% of the US private credit market in 2025.

NAV uncertainty? Many BDCs are now trading at large discounts to NAV. Investors are concerned about disruption and competitive threats from AI and the impact on the valuation of BDC's long-duration software loans. Software sector disruption raises concerns around the cash flow durability or technology obsolescence risks facing these borrowers, creating NAV uncertainty for private credit funds.

Liquidity mismatch with semi-liquid private credit funds offering periodic liquidity on long-duration loans: Redemption requests have been increasing, as seen in recent cases from Blue Owl Capital, Blackstone's BCRED, and BlackRock's HPS Corporate Lending Fund. The core issue is where vehicles provide periodic liquidity despite holding illiquid loans. As a result, some managers have frozen redemptions and gated funds.

Recent media headlines on US private credit troubles

Blue Owl Dismisses Software Debt Fears After Shares Slide

The credit-focused firm defended its technology bets while detailing revenue and earnings gains even as stock slides.

By Isaac Taylor

February 5, 2026

WSJ



Private credit

Investors ditch private credit funds on rising worries over bad loans

Publicly traded vehicles are trading at steep discounts in gloomy sign for broader industry

MARCH 4, 2026

FINANCIAL TIMES

March 4, 2026

Bloomberg

Blackstone's Flagship Private Credit Fund Hit by Record Redemptions

Blackstone Inc. is allowing investors to redeem a record 7.9% of shares from its flagship private credit fund, the latest sign of unease in an industry that's faced a wave of withdrawals.

By Davide Scigliuzzo and Karl Lindberg



Sources: MA Moelis Australia, S&P, WSJ, FT, Bloomberg, Company Reports

Why HMY's risk profile is structurally different, noting the risks it faces instead

There are key structural differences between US private credit and consumer finance non-bank lenders like HMY, including asset duration, funding profile, and investor liquidity:

HMY originates short-duration, amortising loans: HMY originates consumer finance receivables, primarily unsecured personal loans with an emerging focus on secured auto loans. These loans have relatively short average realised durations of ~3 years with monthly repayments.

HMY has a wider borrower profile: HMY lends to individuals with an average loan size of ~\$18k for the purposes of debt consolidation, home renovations, unsecured car loans, and significant life events and purchases. With a loan book of ~\$850m, HMY has tens of thousands of borrowers with no single borrower concentration risk.

HMY has no redeemable capital, with warehouse funding matched to loan pools: HMY receives committed warehouse funding from the major Australian banks. Therefore, HMY doesn't have a structural liquidity mismatch.

However, HMY is exposed to macroeconomic weakness and credit cycles. HMY is exposed to a rise in unemployment or household stress which can lead to credit losses. HMY is also exposed to credit conditions deteriorating, via spreads widening or warehouse covenants tightening.

Therefore, HMY has a structurally different liquidity and risk profile compared to the listed private credit BDCs which have attracted headlines.

Risks	US private credit BDCs	Harmony (ASX:HMY)
Asset type	Primarily direct corporate loans, mostly to sponsor-owned companies	Prime and near-prime consumer finance loans
Average loan duration	Longer duration, ~5-7+ years	Shorter duration, ~3 years
Borrower concentration	Larger corporate borrowers, with sector concentration in software	Granular book, thousands of borrowers with avg loan size of ~\$18k
Liquidity profile	Offering periodic liquidity despite illiquid loans	No redemption structure, they receive committed warehouse funding from major Aus banks
Risk profile	Corporate borrower stress, disruption risks	Credit losses driven by macro stress, consumer unemployment
Funding source	Equity capital and modest leverage (~1.0-1.5x leverage)	High leverage, major Australian bank warehouses and modest ABS

Industry: Major banks are creating opportunities for non-banks

Due to capital and regulatory changes, major banks have shifted focus away from personal, auto, and SME loans towards lower-risk, capital-efficient lending, such as residential mortgages or prime corporate loans, creating opportunities for non-bank lenders to fill the gap

Opportunities for non-bank lenders and private credit funds to fill the gap

Banks are streamlining their focus towards a narrower set of lending verticals. Lending verticals like residential mortgages and prime corporate loans carry a lower risk-weight on these assets, meaning less equity capital has to be held against them. As a result, banks can enhance their ROEs with scale, targeting mortgages rather than direct personal, auto, and commercial lending.

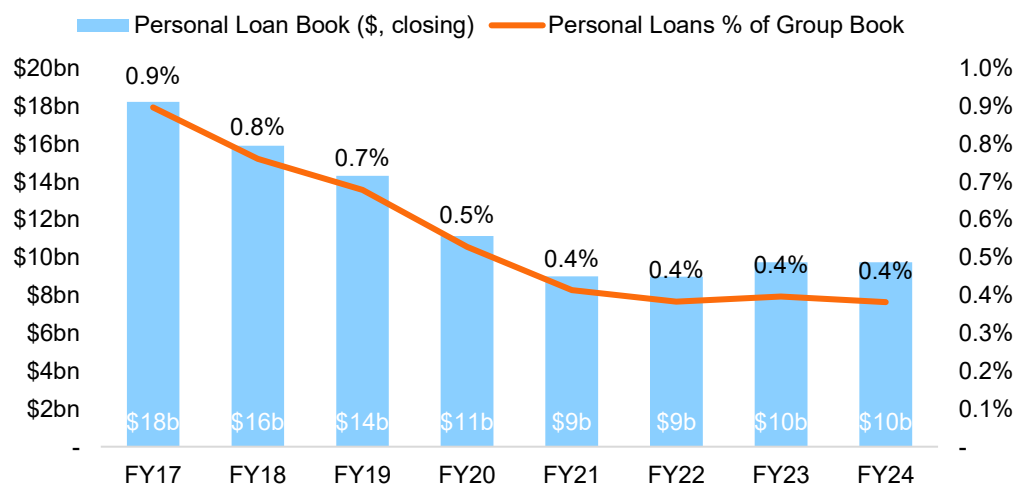
Increased regulation requirements (such as The Basel Accords, post-GFC, and post-Royal Commission regulation) have impacted the competitiveness of banks in certain lending verticals. Bank capital rule changes have affected the profitability of higher-risk credit activities for banks and can be more efficiently delivered by non-bank lenders, private credit funds, or other alternative lenders.

However, many traditional banks still provide warehouse funding to non-bank lenders and participate in ABS deals. Therefore, the larger banks remain exposed to the lending verticals which non-bank lenders are providing credit, albeit they sit at a different position in the capital stack.

Recent developments of incumbents exiting non-mortgage lending categories

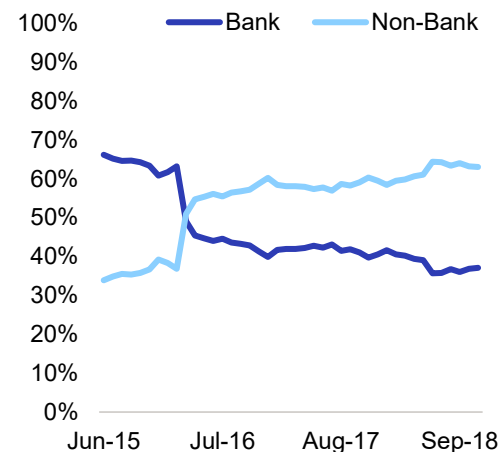
- Oct-13: Westpac acquired motor vehicle finance book from Lloyd's Banking Group Australia, assets included a motor vehicle finance book of \$3.9bn and equipment finance book of \$2.9bn;
- Oct-15: Macquarie acquired ANZ's Esanda Dealer Finance portfolio which had net lending assets with a book value of \$7.8bn;
- Mar-18: ANZ Bank suspended its retail asset finance business;
- Dec-21: Westpac sold auto finance business to Cerberus Capital Management;
- Apr-24: Macquarie ceases offering new car loans through direct, broker, and novated leasing channels to concentrate on its core lending verticals, such as residential mortgages and deposit products;
- Mar-25 Westpac \$1.5bn auto finance and novated leasing portfolio acquired by Resimac;
- Aug-25: Bank of Queensland announced they are exploring a whole-of-loan sale process for ~\$3.8bn of its equipment finance loan portfolio to improve ROE

Big 4 banks (CBA, WBC, ANZ, NAB) personal loans as % of book



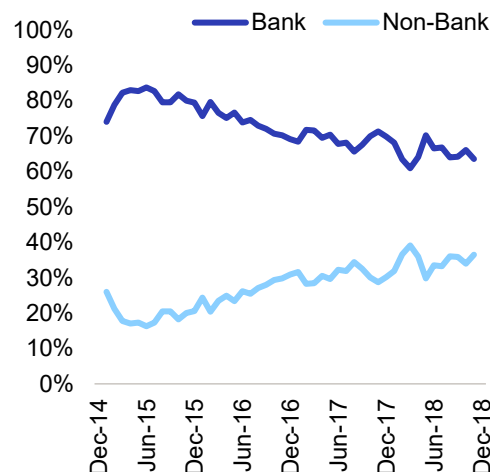
Australian Auto Loan Originations (Market Share)

ABS data discontinued in Nov-18



Australian Personal Finance Loan Originations (Market Share)

ABS data discontinued in Nov-18



Sources: Company Reports; MA Moelis Australia Research; Australian Bureau of Statistics (ABS)

Industry: ASX listed non-bank lenders loan book size

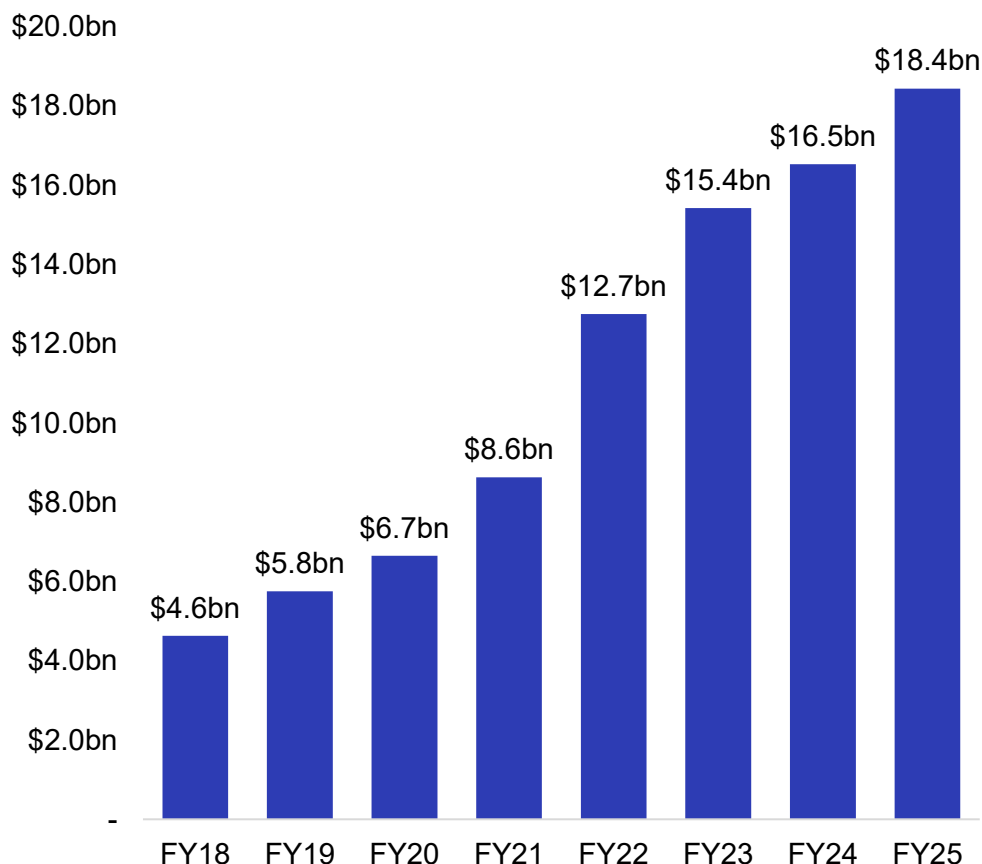


Industry loan books have increased by \$13.8bn since FY18, however rising interest rates and higher default rates impacted growth rates in FY23-24

HMY's loan book growth has grown at a 13% CAGR since FY21. Some peers during this period have grown their loan books more rapidly than HMY, but have generally delivered this growth by driving higher volume, lower margin loan products. Assessing the peer set, PLT has outpaced system growth with a 50.1% loan book CAGR since FY19. HUM has maintained a steady growth rate in its loan book during the FY22-25 period. PPM's asset finance book has grown at a strong 19.6% CAGR since FY19. SVR experienced strong growth between FY19-FY23 but slowed in FY24 as interest rates increased and saw a decline in FY25 due to changes in strategy/positioning. Peers such as WZR and MME experienced rapid growth in FY21-22 but as interest rates increased they repositioned their loan books by lowering their credit risk tolerances, slowing growth rates in FY23/24. FY25 has seen a return to growth for both WZR and MME.

Aggregate Smallcap non-bank lenders total loan books

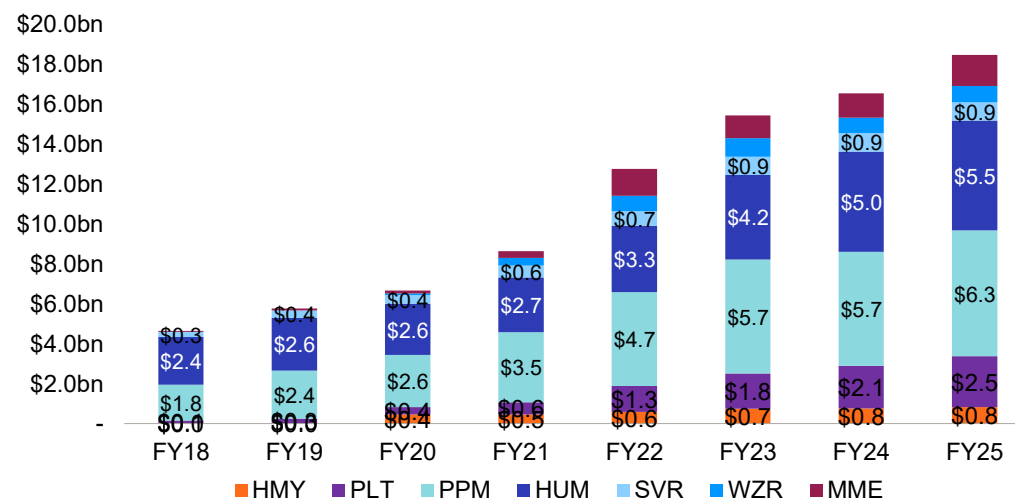
Smallcap Non-bank Lenders Total Loan Books (HMY, PLT, HUM, SVR, WZR, PPM, MME)



Total loan books - growth YoY and CAGR since FY19

Non-bank lenders / Fintechs - Total Loan Books (Growth YoY)								
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	CAGR
HMY			0.3%	28.9%	28.1%	1.9%	9.3%	13.0%
PLT	71.6%	50.0%	61.3%	111.5%	35.9%	21.1%	18.6%	50.1%
HUM	10.8%	(2.9%)	7.0%	20.6%	27.9%	18.6%	9.6%	12.7%
SVR	47.4%	16.4%	38.5%	22.0%	24.1%	2.2%	(2.1%)	20.1%
WZR			326.7%	103.1%	19.4%	(17.3%)	7.0%	55.7%
PPM	33.3%	8.3%	34.6%	34.3%	21.3%	0.0%	10.5%	19.6%
LFS	1.3%	(14.9%)	(2.7%)	2.0%	(3.7%)	8.3%	3.2%	(1.2%)
MME	80.9%	54.0%	148.5%	303.9%	(15.3%)	6.8%	26.5%	64.1%
ZIP	115.5%	73.2%	76.9%	28.4%	3.1%	(7.4%)	12.4%	37.1%
LFG	51.6%	33.9%	16.1%	14.5%	28.1%	22.0%	4.7%	23.6%
Average	51.6%	27.2%	78.5%	71.1%	15.6%	6.0%	10.0%	31.3%

Non-bank lenders total loan books (\$bn)

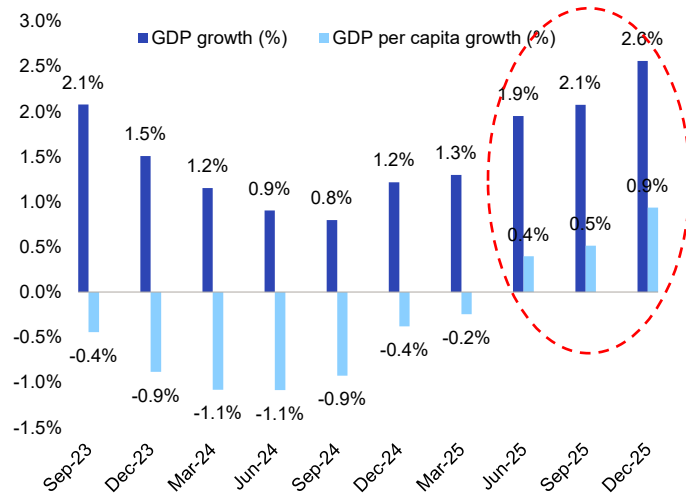


Sources: Company Reports; MA Moelis Australia Research. Notes: 1) PPM's book is ex mortgages to be consistent with comps, as a result we only represent their Asset Finance loan book.

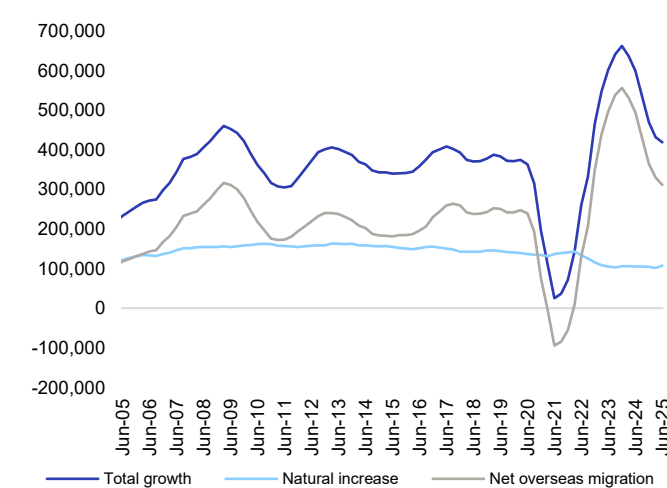
Industry: Macro conditions and Australian consumer

Consumer strength appears to be resilient, despite geopolitical uncertainty, with GDP per capita turning positive in the Jun-25 quarter (first time since Mar-23) and continuing into the Dec-25 quarter. GDP growth bolstered by population growth & net migration. Unemployment remains low, consumer sentiment increased substantially in Nov-25 but has dipped recently, and household savings ratios are broadly stable

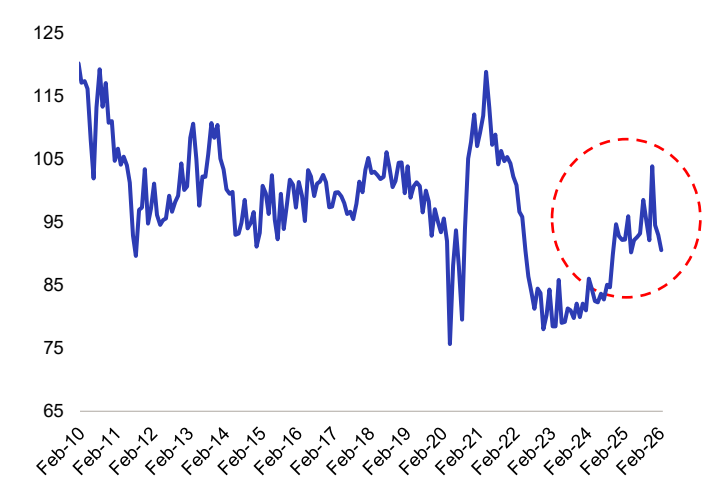
GDP and GDP per capita quarterly growth vs pcp



Australian population and net migration



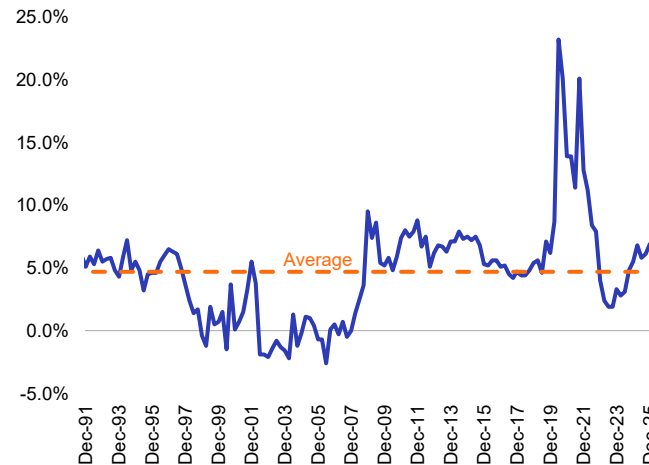
Consumer sentiment index



Australian unemployment rate



Household savings ratio



Household debt ratios

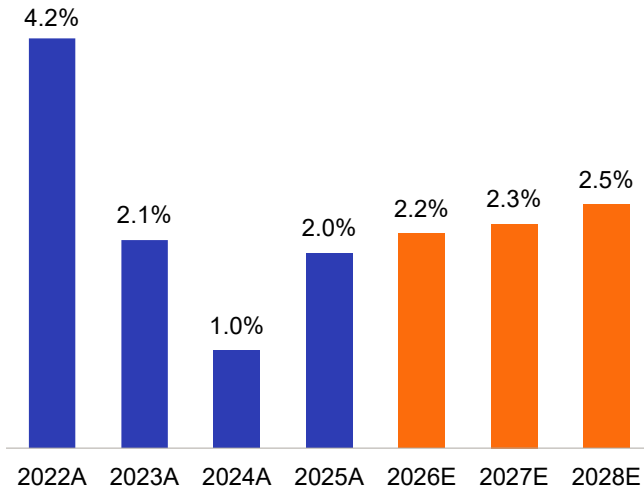


Sources: Company Reports; MA Moelis Australia Research; ABS; RBA; Westpac.

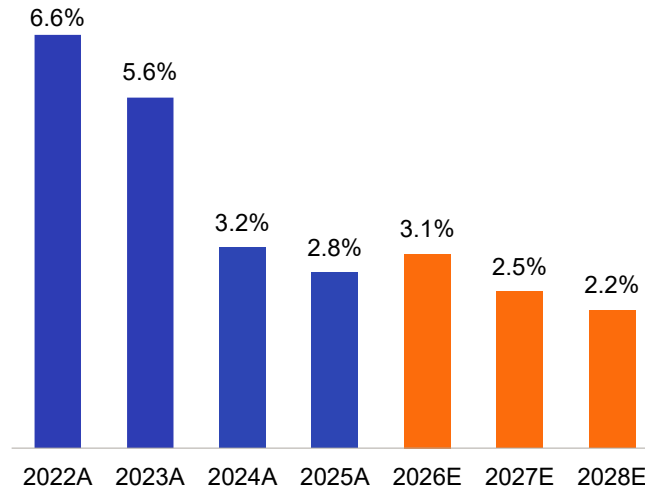
Industry: Outlook for the Australian Economy

Looking forward, economists expect real GDP growth to increase by ~2% to 2.5% p.a during 2026-28, headline CPI to increase in 2026 and then moderate, cash rate hikes to 3.9% by 2026 year-end, and the unemployment rate to increase modestly off a low base

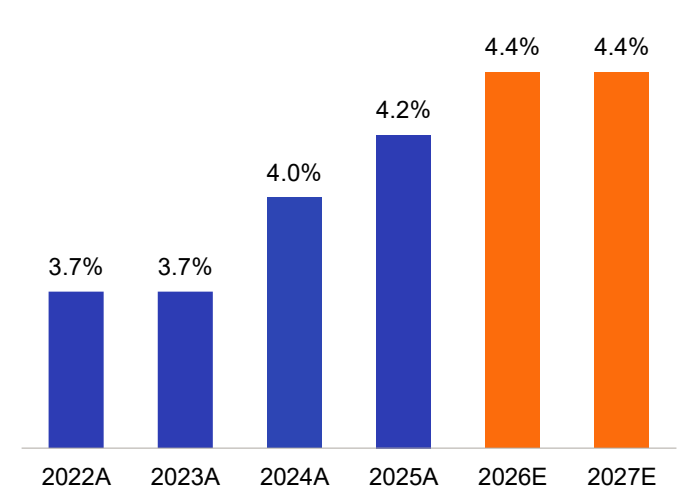
Real GDP growth (% Chg)



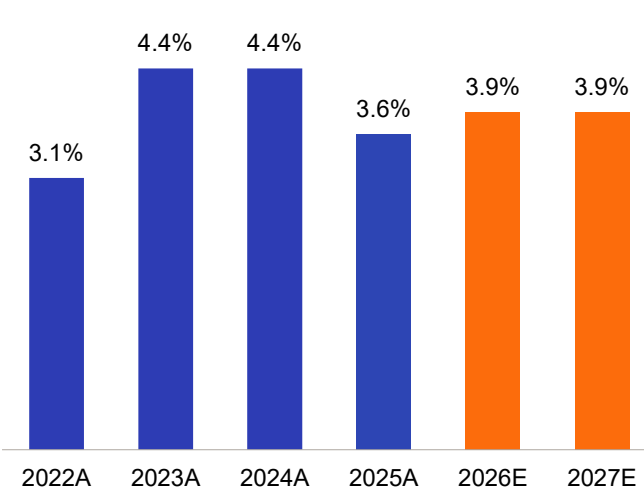
CPI (% Chg)



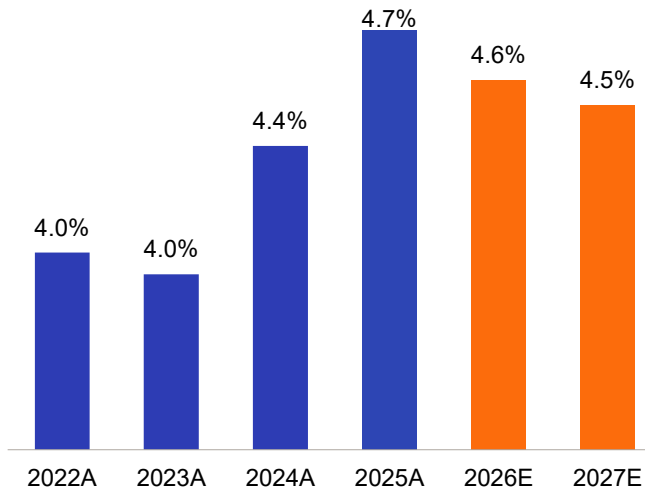
Unemployment rate (%)



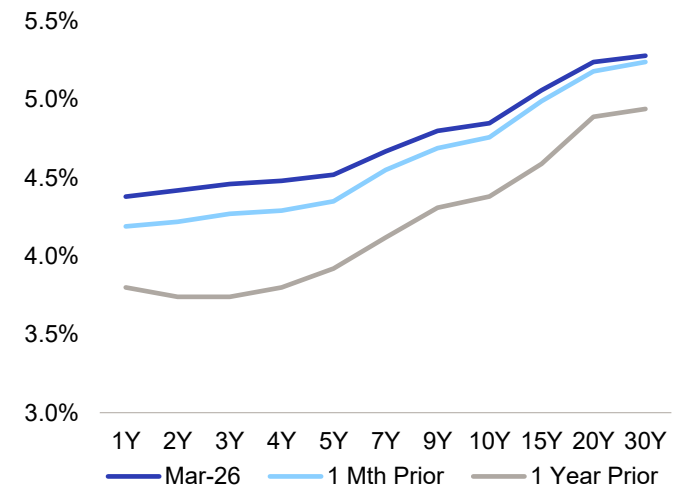
Target Cash Rate (%)



10Y Australian Government Bond Yield (%)



Australia Treasury Yield Curve (as at point in time)

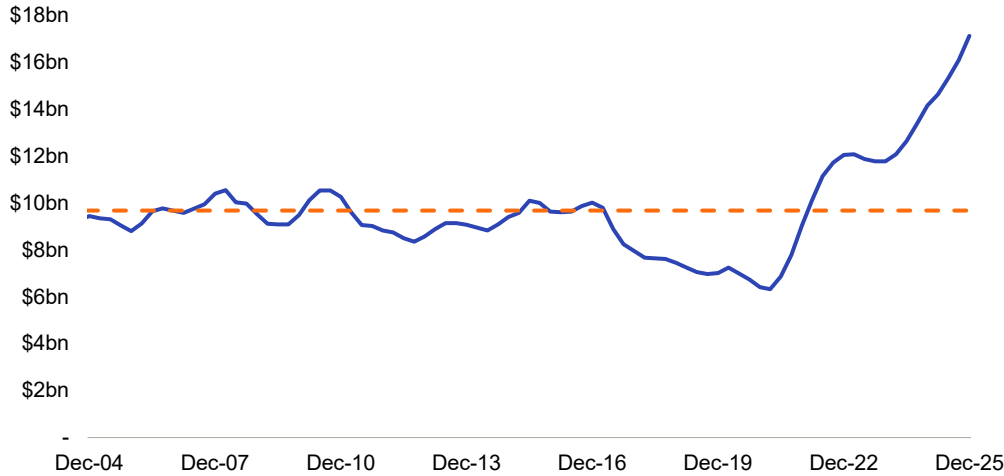


Sources: Company Reports; MA Moelis Australia Research; RBA, FactSet

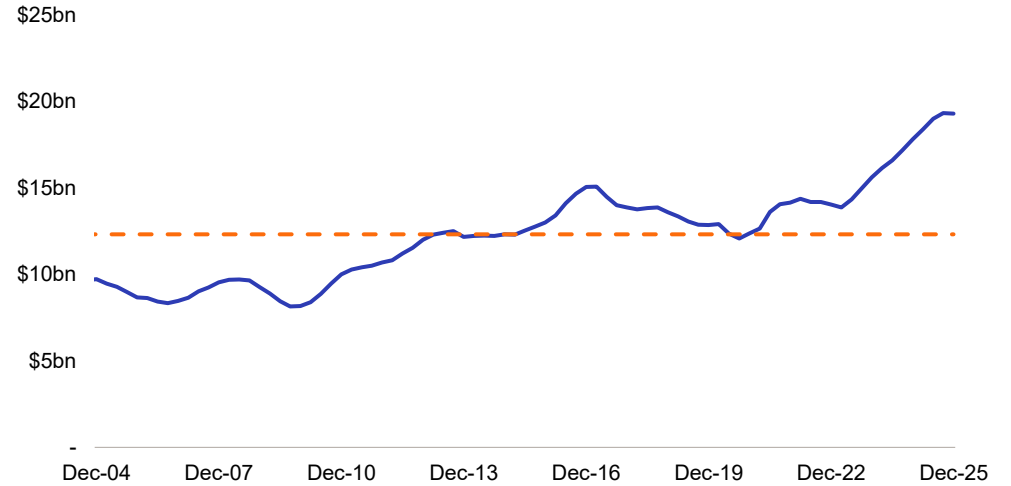
Industry: Lending activity in Australia

Lending conditions have been favourable post COVID-19, delivering strong origination growth and credit conditions

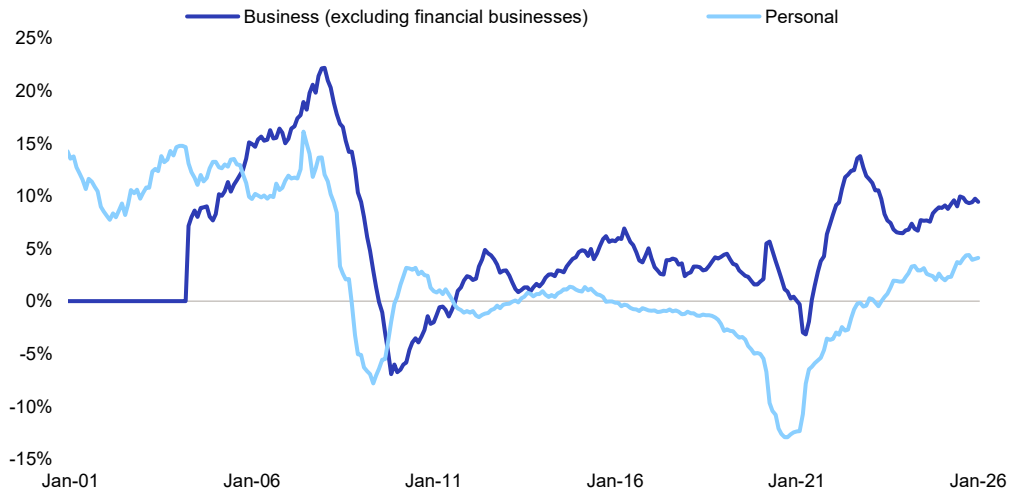
Aus Personal Loan Originations (excl. autos/refinancing; rolling 12 months)



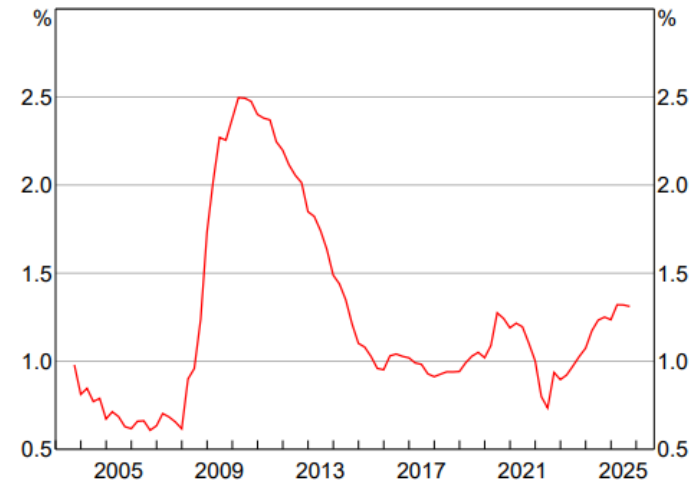
Aus Consumer Auto Loan Originations (rolling 12 months)



Credit growth by sector



Australian banks' non-performing loans as a % of loans and advances



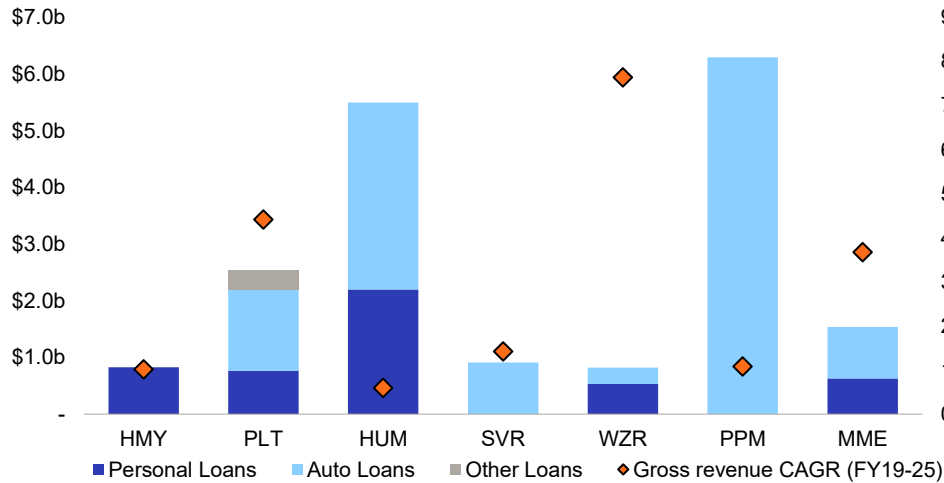
Source: APRA.

Industry: ASX non-bank lending competitive landscape

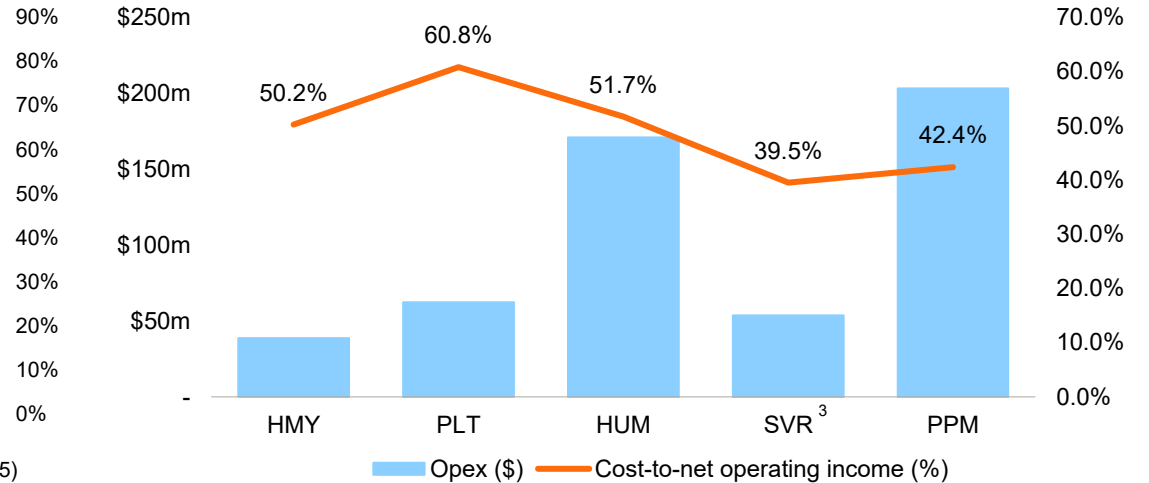


Lending verticals and credit tolerances drive key metrics in loan book growth and loss rates. HMY has a strong cost-to-net operating income ratio despite smaller scale vs larger peers

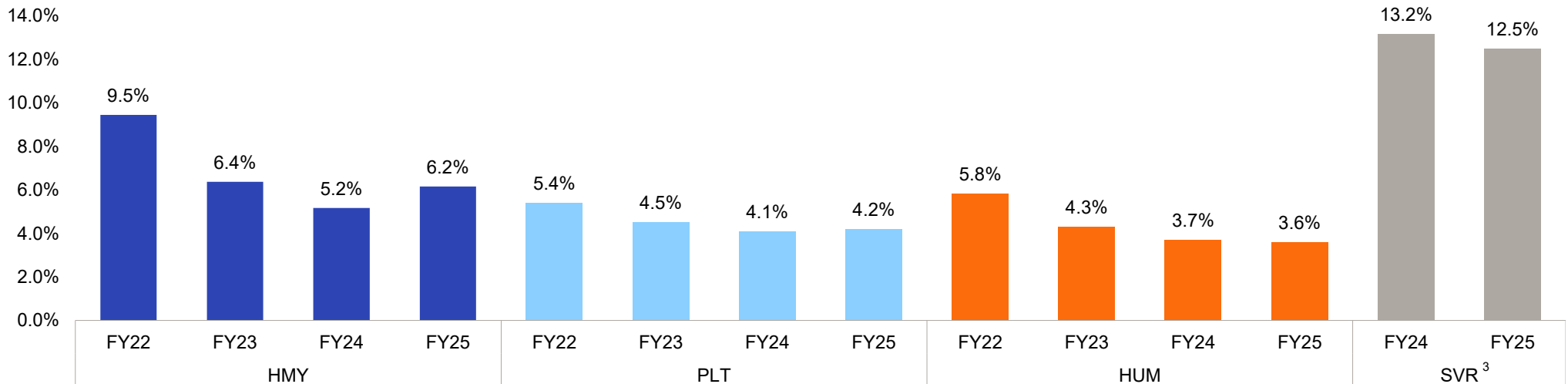
Book mix and gross revenue growth (FY19-25)¹



Opex (\$m) and cost-to-net operating income ratio (latest reported FY)²



Risk adjusted income margin highlights HMY's strong risk adjusted return on loan portfolio (Net Interest Margin after cash loss rate⁴)



Sources: Company Reports; MA Moelis Australia Research. Notes: (1) PPM's book is ex mortgages to be consistent with comps, as a result we only represent its Asset Finance loan book; (2) We note there are accounting differences in customer acquisitions costs across the peer set. Where possible, net operating income excludes corporate debt interest; (3) SVR represents only continuing Australian operations; (4) Risk adjusted income is calculated as NIM after cash loss rate. Where possible, NIM excludes corporate debt interest.

Harmony Corp Ltd (ASX:HMY): Overview

Harmony

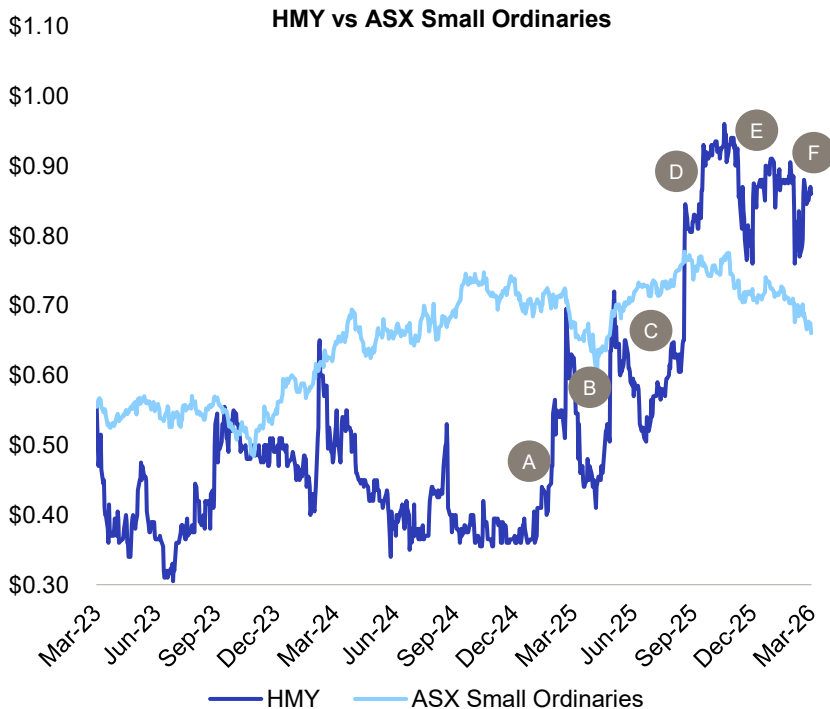
HMY: Company history and timeline

Established in 2014 as a pure-play provider of personal loans, Harmoney has scaled its loan book to ~\$850m, achieved Cash NPAT profitability, and is expanding its product offering into the secured autos vertical in FY26+

Harmoney, founded in 2014, listed on the ASX and NZX in Nov'20 at \$3.50/share (~\$350m MCap). The IPO raised ~\$70m to fund growth opportunities and technology investment.

Since listing, Harmoney's loan book has grown from \$480m (Aug'20) to \$857m (Dec'25). Key milestones include an inaugural A\$105m ABS deal in Australia in Oct'21 and inaugural NZ\$200m ABS deal in NZ in Aug'23. Additionally, the launch of Stellare 2.0 in Australia in May'24 was a strategically important improvement in its proprietary lending platform, helping to drive straight-through-processing, originations growth, and credit decisioning.

In FY25, HMY delivered on their upgraded Cash NPAT and ROE guidance, and the go-live of Stellare 2.0 continued to drive significant new customer origination growth. In Sep'25, HMY launched its secured auto lending product which adds a new lending vertical in a large TAM where non-banks are taking share.



Company timeline

Jul'13: Founded in Auckland, NZ by Neil Roberts (remains a NED on Board and large shareholder).

Apr'20: David Stevens appointed CEO, founder Neil Roberts moves to Chief Product Officer and Executive Director role.

Nov'20: IPO / dual listing (ASX and NZX) at \$3.50/share (~\$350m MCap) raising ~\$70m to fund growth opportunities and technology investment.

Aug'21: Appointment of Chairman Paul Lahiff.

Oct'21: Inaugural A\$105m ABS transaction in Australia.

Sep'22: Delisting from NZX; consolidating ASX listing.

Aug'23: Launch of HMY's new proprietary lending platform Stellare 2.0 to select new customers in Australia; Inaugural NZ\$200m ABS transaction in NZ.

May'24: Completed Stellare 2.0 rollout in Australia; NZ rollout expected in FY25, recognising a \$9.5m impairment on the retirement of Stellare 1.0.

Feb'25: 1H25 result – Stellare 2.0 drives significant increase in Australian new customer originations +43% vs pcp.

Apr'25: Upgraded FY25 guidance.

Jun'25: Founder Neil Roberts partial sell down and move to NED position, remains a large shareholder; Go-live of Stellare 2.0 in NZ.

Aug'25: FY25 result – Cash NPAT and ROE exceeding upgraded guidance. Upgrading FY26 Cash NPAT guidance by 20% to \$12m, representing growth of 111% vs FY25.

Sep'25: Launch of secured auto lending product.

Dec'25: Refinancing of corporate debt facility with a leading Big-4 bank at a materially lower margin.

Feb'26: 1H26 result – HMY upgraded FY26 cash NPAT guidance to \$13m (upgraded by +\$1m) implying 128% growth vs FY25 if achieved

Key Industry Developments

Nov'17 - Open Banking: The Australian Government announced the introduction of consumer data right (CDR) in Australia. The first application of the CDR is to the banking sector, commonly termed 'open banking' which commenced in Jul'20. This allowed customers to share data held about them with other banks and other financial service providers. Open banking provides the following opportunities for non-bank lenders and customers:

- Improve non-bank lender's ability to attract customers who may otherwise choose to borrow from their primary bank for convenience reasons; and
- Provide better value for customers by simplifying loan applications experiences, accelerating loan assessment, improving risk-based pricing and improving operational efficiency.

Feb'18 – New Payments Platform (NPP): First launched in Feb'18, it was developed to support real-time, secure, data-rich payment services including open access infrastructure with 24/7 availability. Key services built on NPP are PayID, Osko and PayTo, with many banks now supporting the platform. Real-time payments are improving product offerings to borrowers and investors, facilitating rapid loan settlements and repayments, funding and withdrawals.

Jul'18 - Comprehensive Credit Reporting (CCR): CCR became mandatory for major credit lenders in Australia in 1 Jul'18. This change required large ADIs to begin sharing comprehensive credit data with credit reporting bodies. CCR allows lenders to better assess whether a proposed loan is suitable for a customer, charge the appropriate risk-based price and potentially improve pricing algorithms over time.

Jun'25 – BNPL Regulations: As of Jun'25 new regulations have been placed on BNPL services, aligning them with traditional credit product under the National Consumer Credit Act. While this is likely to enhance protections for consumers, it will also mean BNPL usage can influence credit scores and potentially have flow on effects to other credit products.

HMY: Company overview



Historically a pure-play provider of personal loans with 100% of loans originated in the direct, online channel (loan book of ~\$850m). Going forward, HMY has launched a secured car loan product in Sep'25 which offers optionality in a large lending TAM

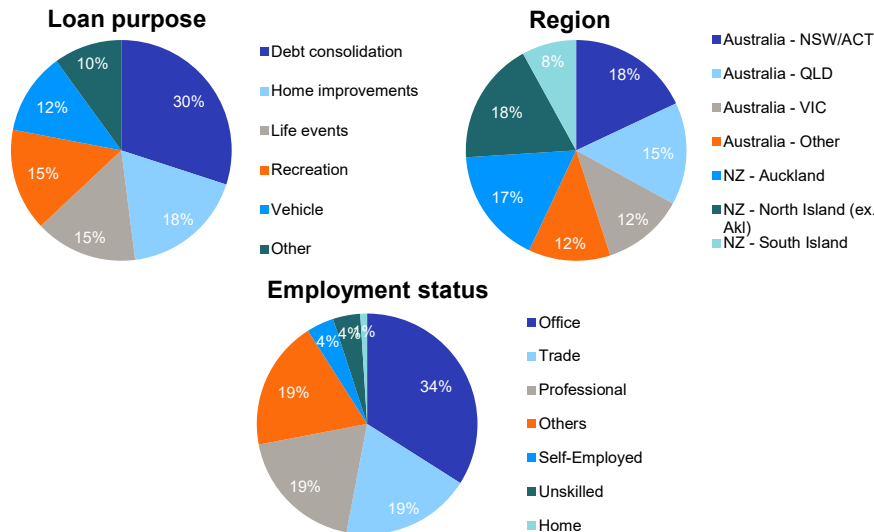
Company overview

HMY listed on the ASX in Nov'20, its loan book currently stands at ~\$857m as at Dec'25. HMY has historically been a pure-play provider of unsecured personal loans. But in Sep'25 they have launched a secured car loan product, offering optionality by expanding its presence into a new large lending TAM. Strategically, HMY originates 100% of its loans directly in the online channel. Management argue this channel delivers structurally lower customer acquisition costs (CAC) with strong repeat borrower unit economics. They have a proprietary lending platform which uses AI/ML to automate credit decisioning called Stellare 2.0 which is a core part of its IP.

Founder Neil Roberts and CEO David Stevens previously worked at Humm Group (formerly known as FlexiGroup), where Neil was Head of Sales and Business Development and David held roles as CEO and CFO over 9 years at the company. CFO Simon Ward has 15+ years of CFO experience and 20+ years experience in financial services across ANZ and Europe.

HMY offers unsecured personal loans with principal up to \$100k (avg ~\$18k) in ANZ, with terms up to 7 years. There are a variety of purposes for why borrowers get personal loans from Harmony including: 1) Consolidating debts; 2) Financing home renovations; 3) Unsecured financing of vehicle purchases (typically second-hand cars); 4) Financing a holiday; 5) Financing other life events.

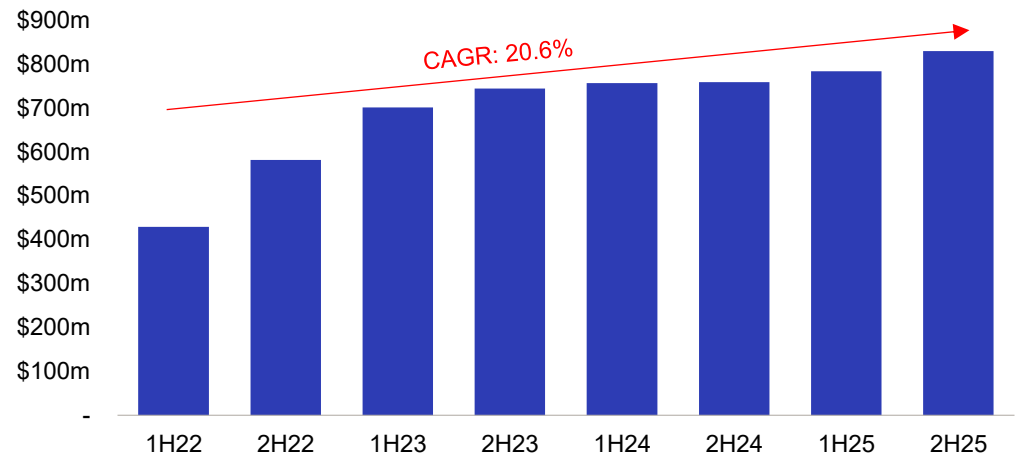
Borrower profiles by loan purposes, region, and employment status



Business model characteristics of HMY vs peers

Business model characteristic	Harmony (ASX:HMY)	Plenti (ASX:PLT)	Solvar (ASX:SVR)
Loan origination channels	100% direct channel	Mainly broker originated in autos, 50/50 broker/direct originations in personal and mainly direct in renewable energy loans	Mix of brokers, dealers, and direct distribution
Typical borrower profile	Prime or near-prime portfolio with 72% employed in professional, office or trades roles and 87% aged 30+	Prime borrowers	Diversified credit quality, includes near-prime and sub-prime
Funding model	Big-4 bank warehouses + ABS (unsecured) + Big-4 corporate debt facility	Multiple warehouses + ABS across autos and PL/renewables	Warehouses + ABS
Loan book verticals	Historically 100% personal loans, with recent launch of secured autos loans in Sep-25	Autos, personal loans, and renewable energy loans	Autos (new and used), secured personal loans, SME secured asset finance, commercial vehicles
Avg loan size; duration of loan term	\$18k; up to 7 year loan terms	Avg loan size depends on vertical, with personal loans ~\$22k, renewables ~\$12k, autos ~\$45k; duration of loan size 1-7 years with renewable energy loans up to 10 years	~\$25-35k for autos, ~\$15-20k for secured personal (MAe); ~2-7 year terms
Blended interest yield (%) - MA estimated	~16.9%	~11.1%	~22.2% in Australian operations

Loan book has grown at a 21% CAGR between FY22 to FY25



HMY: Current segments and future product opportunities

Personal loans has an addressable market of ~\$15bn+ in annual lending, with product expansion into secured car loans expanding the opportunity by ~\$35bn+ in annual lending, although most of that TAM is in OEM finance which is not an initial focus for HMY

Loan Summary

Loan type	Unsecured personal loans	Product expansion opportunity ->	Secured automotive (car loan)
Purpose	Debt consolidation; home renovations; unsecured car loans; significant life events and purchases		
Loan size	Up to \$100k; average \$18k	Up to ~\$100k; average ~\$45k (MAe)	
Tenor	Up to 7 years but average duration ~3 years	Up to 7 years loan terms	
Interest yield (%) - MA estimated	~16.9%	~11% (MAe)	
Risk-adjusted margin	~6%	~5% (MAe)	

Opportunity/TAM in Autos (consumer car loans)

Automotive lending market opportunity and primary focus:

- Large addressable market of ~\$35bn annual lending. However, competitive intensity is high with OEM finance, and brokers are dominant for new cars. HMY will likely initially be targeting primarily used cars, where OEM finance and brokers are not as dominant.

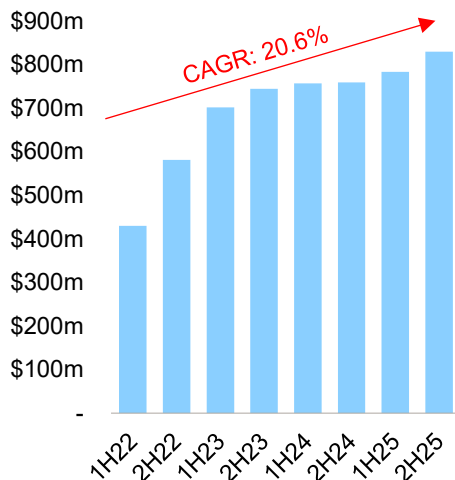
Potential future HMY customer segments:

- Commercial borrowers
- New vehicles

Distribution channels

- Digital direct-to-consumer
- Potential to expand into broker channel for secured autos

Personal loans historically



Personal lending market opportunity

- Addressable market of ~\$15bn annual lending
- ~5.5% estimated HMY market share

HMY customer segments:

- Home renovations
- Debt consolidation
- Unsecured car loans
- Significant life events and purchases

Existing distribution channels

- 100% online, direct

Product expansion – Secured car loan product launched Sep'25

Key product characteristics

- HMY launched its secured auto lending product in late Sep'25. This product is still in early days but the opportunity is large.
- **The product is unique:** Once approved, the borrower receives cash funds directly into their bank account, which allows them to negotiate effectively with car dealers as a cash buyer. This eliminates pressure on consumers to be upsold on costly and confusing dealer finance options.
 - After the vehicle is purchased, the borrower provides proof of purchase to Harmony within 60 days to secure the loan. If the borrower doesn't provide this evidence, then their loan is repriced upwards to the unsecured personal loan rate.
- No deposit is required by the borrower; HMY finances 100% of the cost of the vehicle.
- 100% digital process with an online application.

Product Expansion - Auto

Fast and effortless vehicle acquisition

Our ambition is to redefine auto finance by offering a seamless, integrated buying experience, not just a loan.

- **Differentiation:** No deposit, cash before you buy, compelling rates, money in seconds.
- **Value-Added Services:** Attract buyers with free vehicle reports and valuations to engage early in their journey.
- **Integrated Purchase Experience:** Our vision is a hyper-automated platform for effortless car transactions.

HMY: Technology platform overview – Stellare 2.0

HMY's Stellare lending platform enables cost-efficient growth via automated loan approvals, with the key advantage to building a strong credit-assessment engine being their proprietary data given they are a 100% direct, online lender

Technology platform features

- **What is Stellare 2.0?** HMY's proprietary lending platform is called Stellare 2.0. It has been built on machine-learning and real-time data to make automated credit decisioning and pricing. It delivers "money in seconds," using AI to automate document verification and dynamic credit assessments. Stellare 2.0 allows HMY to build scale, speed, and automation in a cost-efficient way.
- **Data advantage:** Given HMY is a 100% direct, online lender, they receive over >10k new customer applications monthly, which provides a high volume of consumer financial data (combined with ~11 years of historic data) to improve their automated/AI credit decisions. They use quality, consumer data including bank statements, credit file, and ID to train their AI models.
- **Low cost customer acquisition:** HMY integrates models with large-scale platforms like Google Ads, Microsoft Ads, Facebook for lower cost customer acquisition.

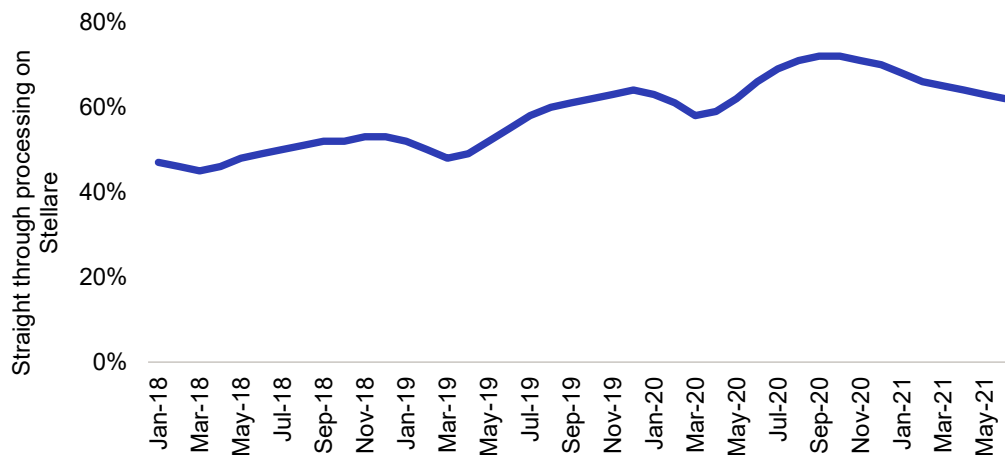
Repeat borrowers provide a low cost of acquisition with a larger subsequent loan

- HMY suggests that, in Australia, Stellare 2.0 has helped grow the number of loans to new borrowers by +70% in FY25 vs pcp, and originations (\$) by +40%.
- They argue this new customer growth will increase future lending as there is a 150% increase in the size of loans from repeat borrowers.



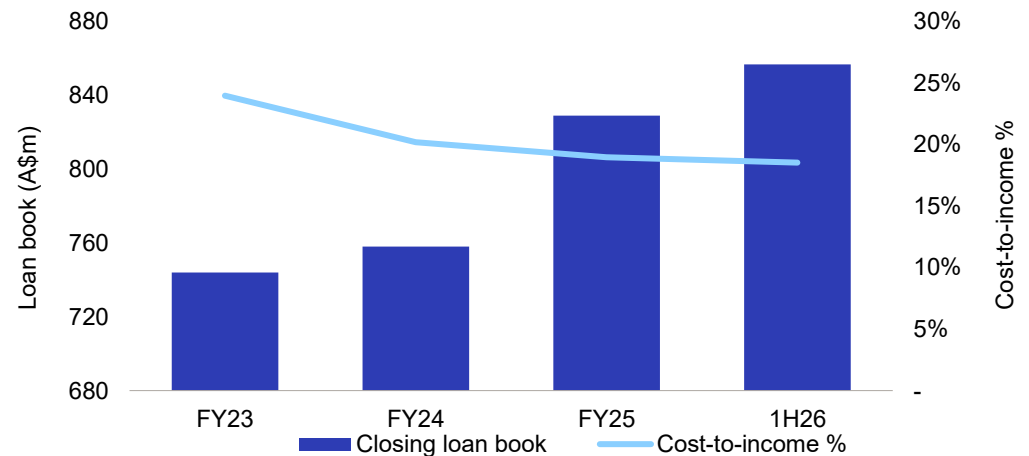
Increasing rates of straight-through-processing/fully automated loan approvals

- Straight-through-processing has improved over time



Stellare automation drives a lower cost-to-income ratio

- FY25 loan book grew by 9% with revenue growth of 8% while cash opex only grew by 1%. *Cost-to-income ratio is company defined.*



Sources: Company Reports; MA Moelis Australia Research

HMY: Approach to hedging funding costs and managing Net Interest Margin



HMY has historically hedged ~75-85% of its warehouse variable base rate funding costs. Its primary risk to funding costs is from unhedged floating rate exposure and spreads. We expect pricing to modestly improve over-time as they deliver solid credit performance outcomes

What is HMY's hedging policy?

Fixed loans but variable warehouse funding costs – how HMY manages this: HMY originates fixed interest rate loans with durations up to 7 years but typically repaid within ~2.5 years. However, HMY's warehouse funding costs are variable rate borrowings where rates are reset monthly to current market rates. Therefore, HMY is exposed to funding cost base-rate repricing and interest rate risks. HMY manages its interest rate risk exposure by entering into swaps which convert its floating-rate warehouse funding into a largely fixed funding cost.

HMY's policy is to partially hedge its exposure to interest rate risk on floating funding debt using interest rate swaps. At Jun-25, the notional value of these swaps were 80% of their receivables funding borrowings. HMY's corporate debt is unhedged and therefore floating rate.

Pricing advantages of HMY's online direct-to-consumer channel. HMY has the ability to respond quickly to funding cost changes for new loans vs traditional broker channels. This helps align its NIM to base rate changes.

HMY's potential primary risk to funding costs is from unhedged floating rate exposures. However, as credit performance improves over time, we expect warehouse pricing to improve, if credit conditions are favourable.

How sensitive are earnings to changes in interest rates?

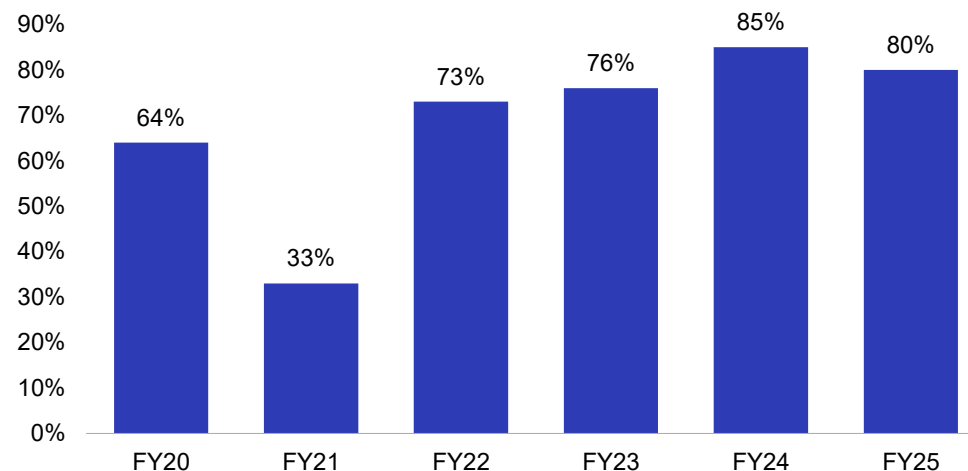
In FY25, HMY analysed its interest rate sensitivity by stating that if interest rates increased or decreased by 100bps and all other variables were held constant, HMY's NPAT would decrease / increase by \$1.6m in FY25 and by \$1.1m in FY24. On the right-hand side, we assume the same sensitivity to Cash NPAT of \$5.7m and apply a linear sensitivity analysis on a range of potential rate scenarios.

The sensitivity analysis on the right indicates that even if there was a significant +200 bps base rate shock, HMY would still maintain profitability with \$2.5m Cash NPAT (with all other variables held constant). On a +/-100 bps rate scenario, Cash NPAT would increase to \$7.3m if rates decreased, and Cash NPAT would decline to \$4.1m if rates increased, which is a ~28% earnings sensitivity to a 100 bps move.

Important to also note that a linear impact to profitability from rate changes is unlikely because it holds many variables constant such as loan book mix, credit losses, and hedge coverage which would change as rate shock scenarios occurred.

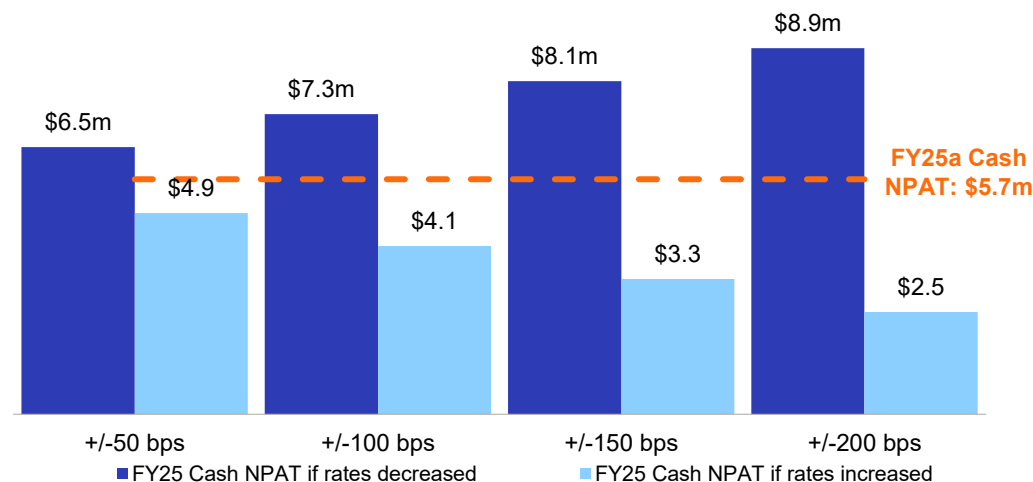
Additionally, if interest rates had increased/decreased by 100 bps then HMY's shareholder's equity as at Jun-25 would increase by \$8.5m or decrease by \$8.7m, as they mark-to-market the movement in fair value of their interest rate swaps.

Historical ratio of floating rate borrowings hedged as % of total



Sensitivity of HMY's earnings to changes in interest rates

We assume a linear impact to profitability from rate changes and hold all variables constant



Harmony Corp Ltd (ASX:HMY): Investment Thesis

Harmony

Investment thesis: Key points



As Australia & New Zealand's largest 100% consumer-direct online lender, HMY demonstrates an estimated ~50% 3Y EPS CAGR underpinned by strong origination growth and a well managed loan book

We initiate with a Buy rating and Target Price of \$1.28 p/s. Our investment thesis is based on:

1) Strong originations growth is underpinned by a new technology platform and new verticals

HMY has guided to a FY26 year-end loan book of \$900m+ (+8.6% YoY), supported by strong momentum in its Personal loan products. Growth has accelerated following the rollout of the Stellare 2.0 platform, which drove a 40% increase in new customer lending in Australia in FY25. The product launched in NZ in 4Q25 and, with similar early results, FY26 should benefit from a full year of contribution. HMY's fast credit assessment engine and speed of cash delivery remain key competitive advantages. Beyond FY26, expansion into new verticals, particularly secured auto finance largely in used vehicles, is expected to further support its loan book growth.

2) D2C online model, competitive funding mix and low loss rates help support growth

HMY's loans are fixed rate and funded through multiple warehouse facilities (~80–85% hedged) alongside ABS funding. Its online direct-to-consumer model enables fast pricing decisions and quick responses to changes in funding and competitive costs. Short realised loan durations of ~2–3 years help manage NIM through shifting rate environments. HMY targets a risk adjusted (NIM post cash losses) of ~6%. We see a declining rate environment as a modest tailwind to NIM and a sharply rising rate environment as a modest headwind, otherwise, NIM should remain comfortably managed. Strong credit quality is reflected in the broadly stable realised cash losses averaging 3.6% ($\pm 0.4\%$ std dev) from FY22–FY25. Continued credit quality should support modest funding spread benefits.

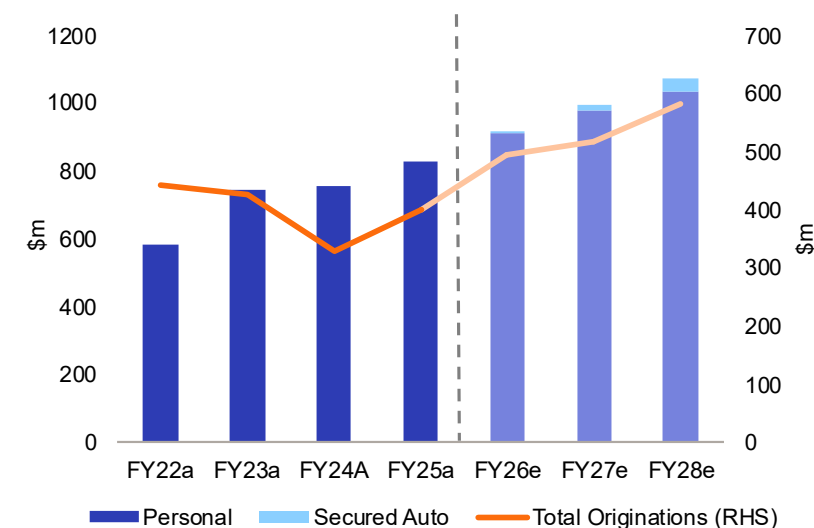
3) Sector leading cost management helps loan book growth deliver strong cash NPAT

HMY upgraded its FY26 cash NPAT guidance at the recent 1H result to \$13m (prev. \$12m). Operating efficiency is important in driving cash NPAT, and we've seen HMY's cost-to-income ratio reduce from 31.9% in FY22 to 18.9% in FY25. We expect further modest improvement as origination volumes grow, driving scale benefits. These efficiencies are supported by HMY's software platform and online direct-to-consumer model, which effectively delivers originations growth at \$0 CAC from the second loan onward for customers already in the ecosystem.

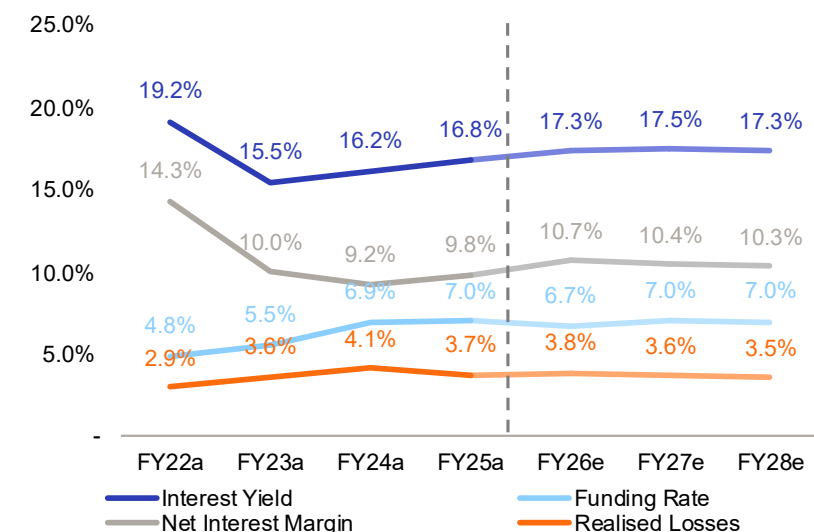
4) Management incentives alongside capital management are driving attractive ROE and EPS performance

HMY's CEO was granted 3.12m rights at the FY25 AGM under an LTI plan across three tranches to 30 Jun'29. Vesting is strongly aligned to shareholder outcomes, with 100% vesting requiring: (1) >25% Cash EPS CAGR for 100% of PH1 rights to vest using FY26 as a baseline, and (2) TSR performance at or above the 75th percentile of the ASX Small Ords for 100% of PH2 rights to vest. Our base case estimates result in a ~30% ROE and 50.3% EPS CAGR from FY25–FY28. Note for comparison with the LTI measurement period, our FY26e-FY29e EPS CAGR is 19.1% and provides material upside should the company meet stretch targets.

Loan Book and Originations



Profit & Loss Key Operating Metrics¹



Sources: MA Moelis Australia Research; Company. Note 1: NIM excludes corporate debt interest

Investment thesis: 1) Strong originations growth is underpinned by a new technology platform and new verticals

Strong originations growth is underpinned by its new technology platform and new verticals

What is driving HMY's loan book growth

Organic flows: HMY has achieved a 12.6% loan book CAGR from FY22-FY25. As the loan book scales, natural moderation should occur, however, we expect 9.1% FY25-FY28 CAGR driven by organic growth plus new verticals such as secured auto lending.

Stellare 2.0 software platform: Stellare 2.0 when launched drove a 40% increase in new customer lending in Australia for FY25. The product was launched in NZ in the 4Q25 and with similar early results, we expect FY26 to receive a full-year benefit.

Near-term loan book targets: HMY are targeting a \$900m+ loan book target for FY26. This implies >8.5% loan book growth from the existing business.

Warehouse funding via 3 of the "big 4" banks will provide diversified funding: HMY has a well established and diversified funding channel via warehouse facilities with 3 of the "big 4" banks in Australia. This helps support both competitive interest rates alongside underpinning loan book growth. Total warehouse capacity sits at ~\$1.0bn, however, we expect HMY to have significant access to further capital if required.

ABS funding is also an option, however, historically this funding mix has been utilised less. While this could be utilised when credit spreads are tight, we think post fees that the NIM benefits are minimal at HMY's current scale. Additionally, any HMY capital held in the ABS requires the instrument to mature before being released, temporarily restricting redeployment into new loans.

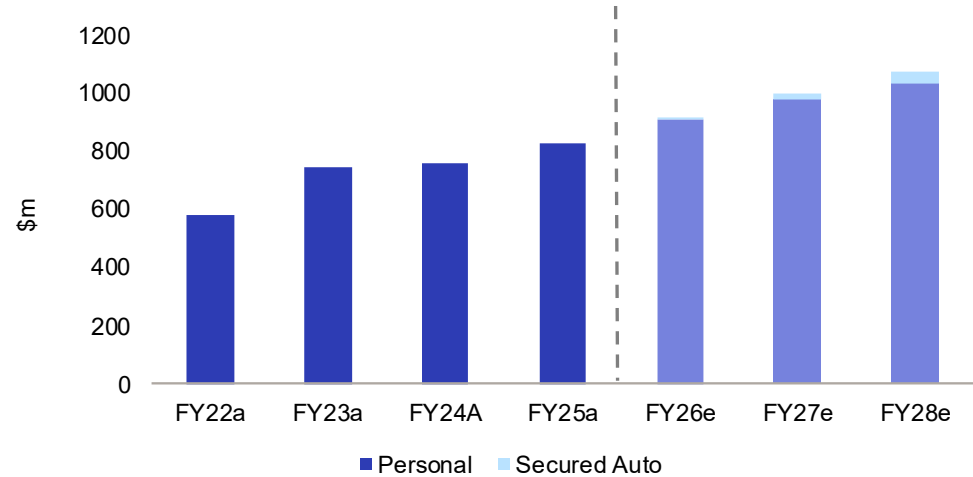
The importance of loan approval and cash in hand speed: A distinct competitive advantage for HMY is its ability to successfully assess, approve and pay loan funds in minutes. This puts the customer in a strong purchasing position at point-of-sale, and minimises the risk of the customer using other channels or competitors.

Unit economics - example

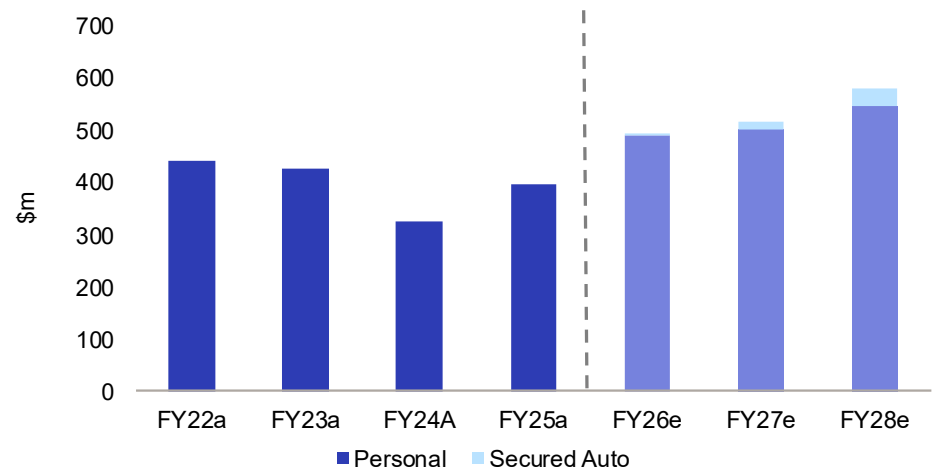
First loan	\$	Subsequent loan(s)	\$	KPI's	%
Loan	18,000	Loan (1.5x)	27,000	RAI	6.4%
CAC	1,000	CAC	0	RoE	31.0%
CAC % of loan	5.6%	CAC % of loan	-		

RAI: Risk adjusted income is income after funding costs and actual credit losses.

Closing loan book by segment



Originations by segment



Sources: MA Moelis Australia Research; Company. Notes: 1) Loan distribution by source last disclosed in FY21

Investment thesis: 2) D2C online model, competitive funding mix and low loss rates help support growth

Stable NIM is driven from HMY's D2C model, allowing fast repricing decisions, alongside well managed funding costs

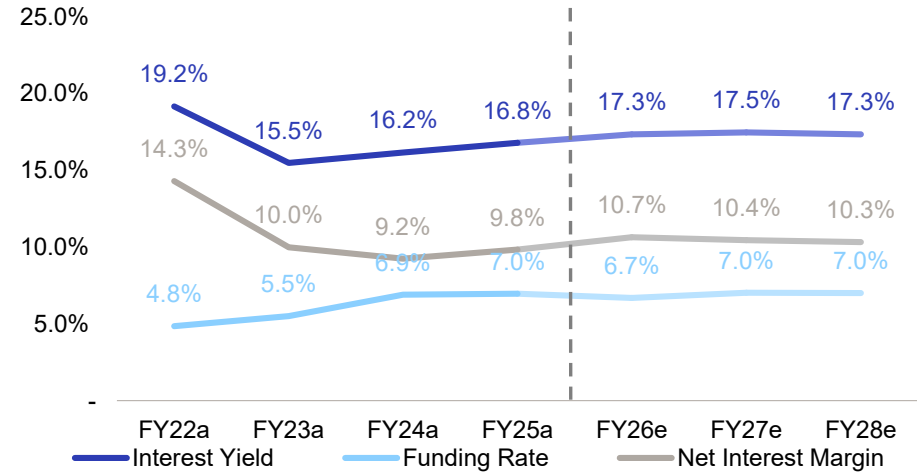
Strong funding arrangements, hedging and below industry loss rates

Stable NIM in a growth environment: With funding from 3 of the "big 4" banks in Australia, HMY have been able to create a relatively stable NIM over the past 3-years. Within this, HMY target a risk adjusted income (NIM post cash losses) of ~6%. Its historical hedging policy has been ~75-85% of hedged receivables helps further manage this. We see no reason why historical stability can't continue, while a declining rate environment could provide upside to our NIM estimates.

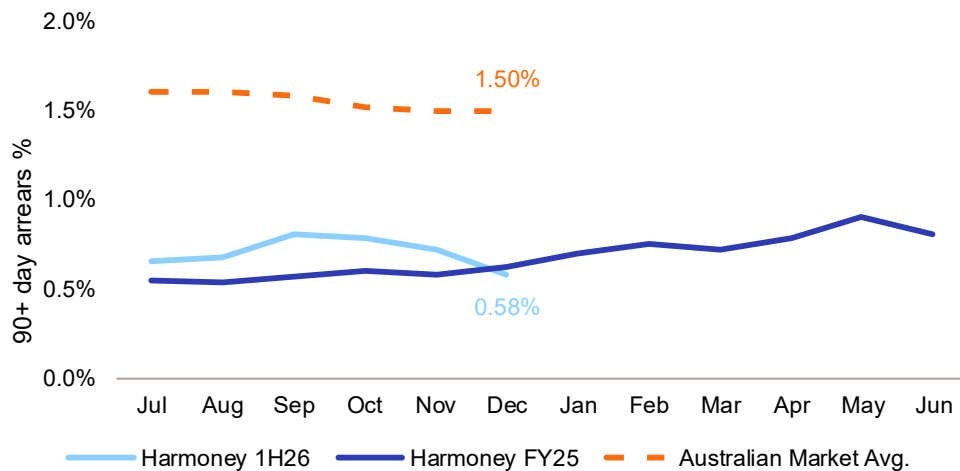
Pricing advantages of HMY's online direct-to-consumer channel. HMY has the ability to respond quickly to funding cost changes for new loans vs traditional broker channels. This helps align its NIM to base rate changes.

Loss rates and 90+ days arrears remain low and well managed: HMY's credit performance has been relatively stable and well managed, reflecting its credit quality. Since listing, realised losses have broadly been within a ~1% range of ~3.0% - 4.0%. We do not expect any material change. A further lead indicator is HMY's 90+ day arrears, which in Dec'25 was sitting at 0.58% of loans vs ~1.5% for the Australian market average.

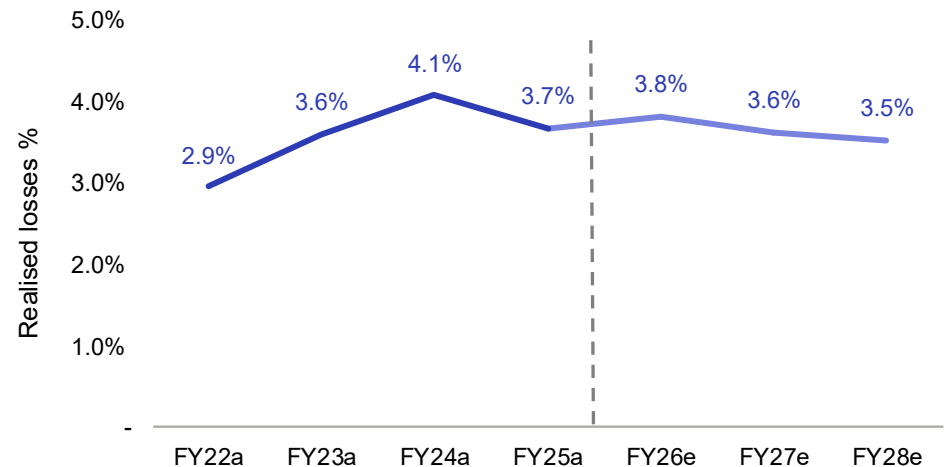
NIM (excluding corporate debt interest)



90+ day arrears¹ - % of ave. gross loan book



Realised loss rate



Sources: MA Moelis Australia Research; Company; Equifax Australian Consumer Credit Demand Index 2025 Q4, Personal Loan series. Note: 1) data extracted from Company presentation

Investment thesis: 3) Cash NPAT is supported by sector leading cost management

Improving unit economics help convert loan book growth to material cash NPAT improvements

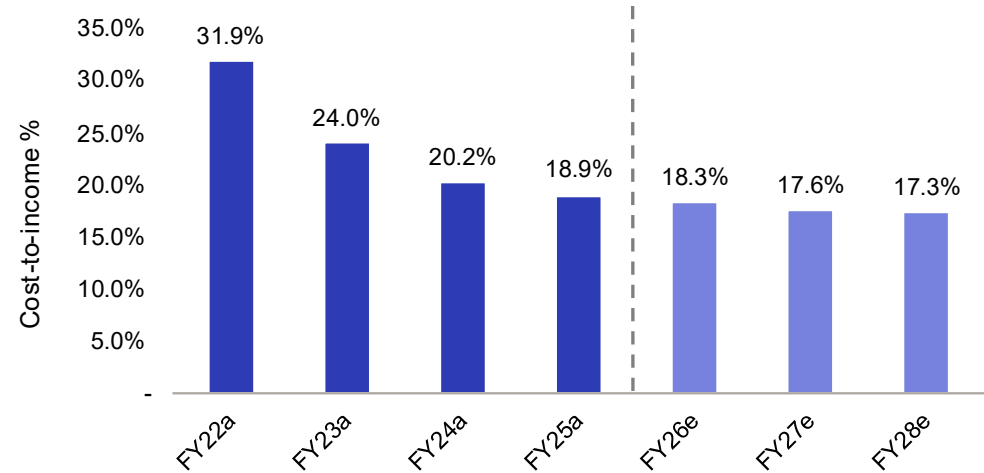
Operating performance and cash NPAT drivers

Cost-to-income: HMY have shown strong execution in lowering its cost-to-income ratio as its loan book grows. This is a result of both scale advantages alongside Stellare 2.0 helping lower cost-to-income to 18.9% in FY25. We expect these benefits to continue to drive incrementally better unit economics, before plateauing.

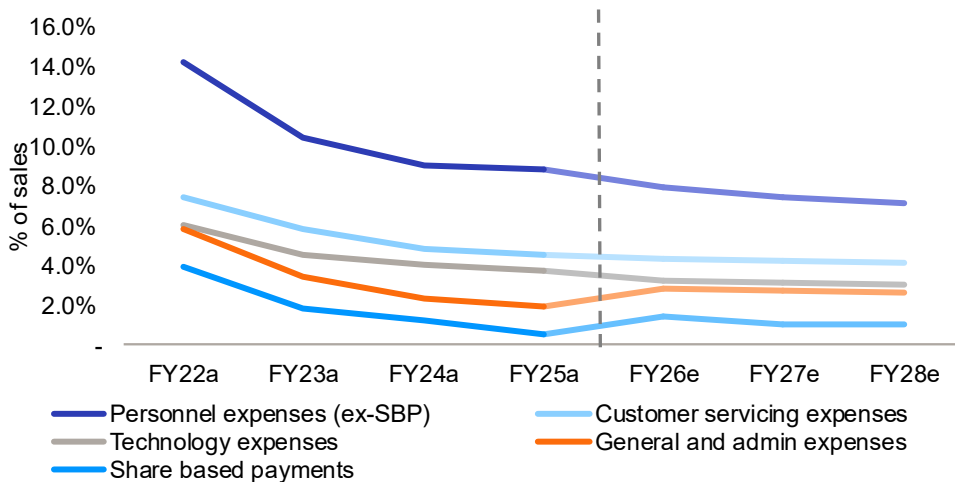
Key operating metrics delivering operating leverage: >45% of HMY's expenses are related to personnel (ex-SBP) in FY25. Through Stellare 2.0 and additional straight through processing, we expect personnel costs to reduce to ~41% by FY28. Technology and customer servicing expenses are expected to become a greater % of the mix as HMY continues to evolve as a digital driven lender.

Material cash NPAT being delivered: HMY is profitable at a cash NPAT level, with FY25 seeing a material YoY improvement. Given loan book originations, continually improving scale advantages, well managed NIM and stable loss rates, we expect a material step-up across our estimate horizon.

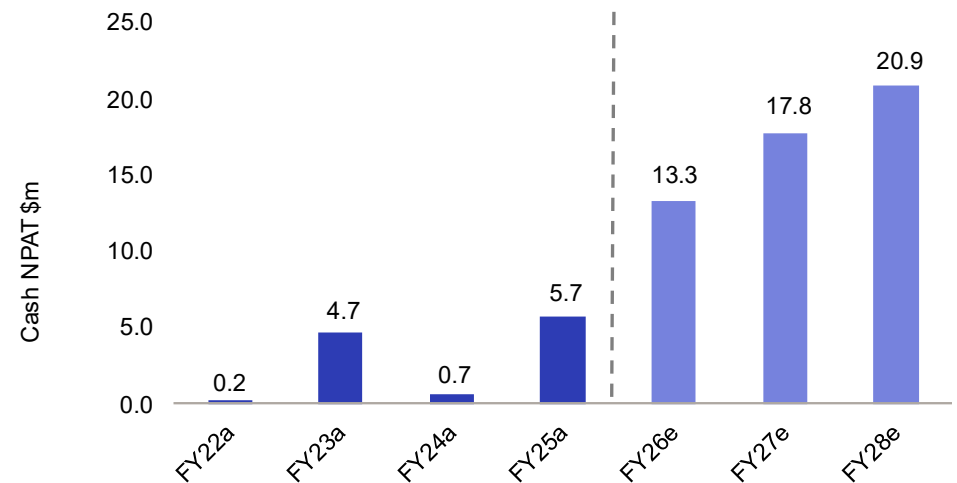
Cost-to-income



Key operating metrics



Cash NPAT



Investment thesis: 4) Management incentives alongside capital management are driving attractive ROE and EPS performance

Management LTI incentives, capital management and investor alignment are other factors we expect to support HMY's growth

Other factors we think make HMY attractive to investors

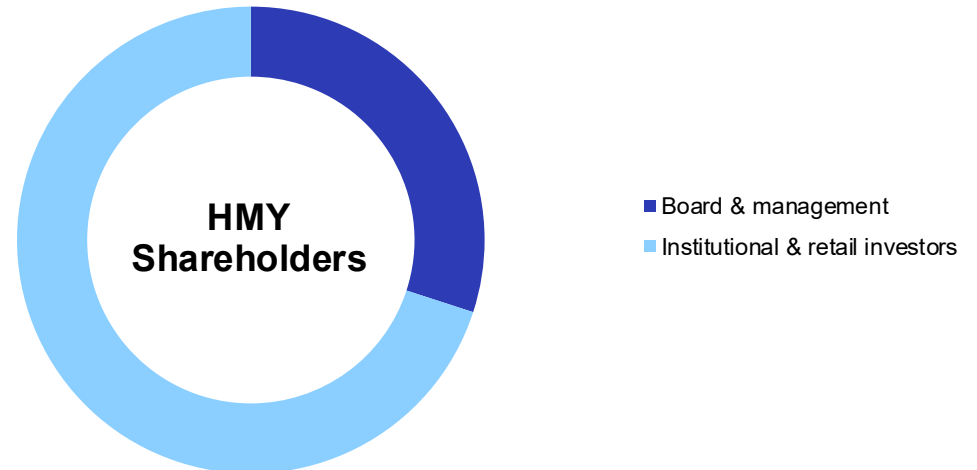
Management are increasingly aligned with shareholders: ~30% of HMY's shares on issue are owned by board and management.

New management incentives to drive positive shareholder outcomes: HMY's CEO was granted 3.12m rights at the FY25 AGM under an LTI plan across three tranches to 30 Jun'29. Vesting is strongly aligned with shareholders, with two hurdles of which both must be achieved for 100% vesting including: (1) >25% Cash EPS CAGR for 100% of PH1 rights to vest, and (2) TSR performance at or above the 75th percentile of the ASX Small Ords for PH2 rights to vest.

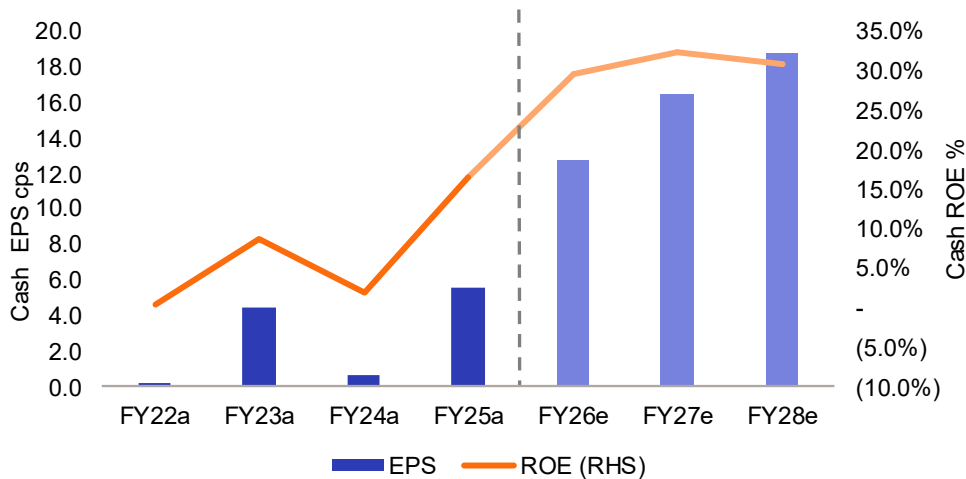
Buyback adds additional share price support: HMY's board and management approved a buyback in Apr'25 for up to 5% of issued capital. HMY have purchased ~600k shares to date.

ROE: Non-bank lenders traditionally are high ROE businesses as loans closely align with funding costs on the balance sheet, with low % equity contributions from the operating business. We expect HMY to generate close to 30% ROE as cash NPAT continues to grow.

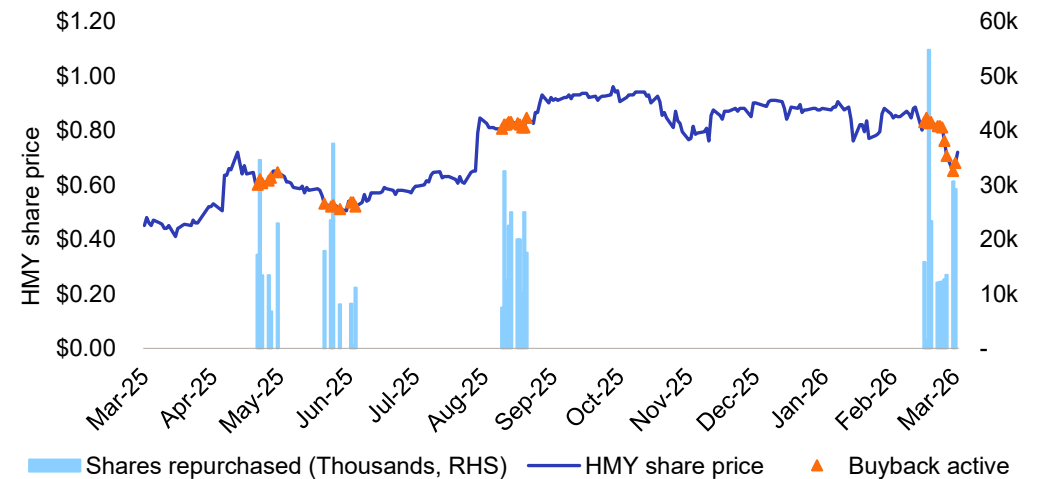
Board & management shareholder alignment



Cash EPS & Cash ROE



Buyback (shares repurchased) vs HMY share price



Sources: MA Moelis Australia Research; Company

Earnings Estimates



There are 4 key drivers to our ~50% EPS CAGR from FY25 to FY28e: (1) Strong loan book growth; (2) stable NIM; (3) well managed cash losses; and (4) further cost efficiencies

Key Earnings Estimates

LOAN BOOK (\$m)	2024a	2025a	2026e	2027e	2028e
Personal closing loan book	758	829	911	981	1,033
Secure Autos closing loan book	-	-	2	15	43
Total loan book	758	829	914	997	1,077
Monthly ave run-rate p.a.	63.2	69.1	76.1	83.0	89.7

KEY METRICS	2024a	2025a	2026e	2027e	2028e
Interest yield (%)	16.2%	16.8%	17.3%	17.5%	17.3%
Funding rate (%)	6.9%	7.0%	6.7%	7.0%	7.0%
Net interest margin (reported) (%)	8.8%	9.3%	10.3%	10.2%	10.1%
Realised cash losses (% of avg book)	4.1%	3.7%	3.8%	3.6%	3.5%
Risk adjusted income (%)	4.8%	5.7%	6.4%	6.5%	6.5%

PROFIT AND LOSS (\$m)	2024a	2025a	2026e	2027e	2028e
Interest revenue	121.8	131.8	149.4	167.1	179.8
Interest expense	(52.1)	(54.7)	(57.6)	(67.2)	(72.7)
Net interest revenue	69.7	77.1	91.7	99.9	107.0
Realised cash losses	(30.7)	(28.8)	(32.9)	(34.6)	(36.6)
Cash operating costs	(35.3)	(38.7)	(42.3)	(44.7)	(46.8)
Non interest income	0.8	0.4	0.2	0.2	0.2
Cash EBTDA	4.5	10.0	16.8	20.7	23.8
Non-cash opex & ECL movement	(1.2)	(0.9)	(5.7)	(5.3)	(5.4)
Underlying EBTDA	3.3	9.1	11.0	15.4	18.5
Depreciation & amortisation	(3.1)	(1.6)	(2.6)	(4.2)	(4.7)
Corporate net interest expense	(3.8)	(4.3)	(3.5)	(3.0)	(3.0)
Tax expense/benefit	0.0	0.0	0.0	0.0	0.0
Reported NPAT	(3.6)	3.2	4.9	8.3	10.8
Adj	4.3	2.5	8.4	9.5	10.0
Cash NPAT (underlying)	0.7	5.7	13.3	17.8	20.9

Assumptions

- **Loan book:** market share gains and new verticals drive our expected 9.1% CAGR FY25-FY28e;
- **Interest yield:** We estimate HMY's interest yield to increase near-term driven by recent RBA cash rate increases repricing future originations, but medium-term to soften reflecting forward yield curve expectations;
- **Funding costs:** An increasing rate environment is also reflected in near-term funding costs and we estimate funding rates to increase from 6.4% in 1HFY26 to 7.0% in FY28e;
- **NIM (reported):** We estimate NIM (reported) moderates from 10.3% 1HFY26 down to 10.1% by FY28. Over this period risk adjusted return remains stable from 6.4% to 6.5%. There is potential upside to our NIM assumptions from: (1) annual warehouse refinancing benefits; (2) ABS issuance if funding rates post costs are favorable when HMY reaches sufficient scale; and (3) credit spread tightening from secured lending and higher credit quality;
- **Realised cash losses:** We expect realised cash losses to moderately improve from 4.0% of average loan book in 1HFY26 to 3.5% in FY28. This is reflective of increasing credit quality from secured auto book and continually improving credit assessments;
- **Secured auto loan product gaining traction:** We estimate arguably conservative loan book growth for secured autos which has material upside;
- **Cost growth:** Cost-to-income ratio improvements are expected to moderate from 18.5% in 1HFY26 to 17.3% in FY28. Operating leverage is driven by straight-through-processing and scale benefits, which we expect further improvements but ultimately moderate; and
- **Cash earnings growth FY25-FY28e:** We expect HMY to generate 50.3% cash EPS CAGR from FY25-FY28e based on our estimates. Note current tax losses are expected to be recognised over the next ~3.5 years.

GROWTH	2024a	2025a	2026e	2027e	2028e
Interest revenue (%)	15.4%	8.3%	13.3%	11.9%	7.6%
Net interest revenue (%)	2.5%	10.6%	18.9%	8.9%	7.1%
Cash EBTDA (%)	(36.7%)	123.4%	68.1%	23.6%	14.9%
Cash NPAT (underlying) (%)	(85.7%)	742.3%	134.2%	33.8%	17.4%
Cash EPS (underlying) (%)	(86.3%)	818.8%	128.9%	29.2%	14.9%

MARGINS	2024a	2025a	2026e	2027e	2028e
Cash EBTDA / interest revenue (%)	3.7%	7.6%	11.2%	12.4%	13.3%
EBIT / interest revenue (%)	0.1%	5.7%	5.6%	6.7%	7.7%
Cash NPAT (company) (%)	0.6%	4.3%	8.9%	10.6%	11.6%

Balance Sheet and Cash Flow Estimates



HMJ demonstrates strong cash flow conversion and a well capitalised balance sheet. Our estimates do not incorporate any capital management or M&A, which could provide further upside

Key Financial Estimates

BALANCE SHEET (\$m)	2024a	2025a	2026e	2027e	2028e
Cash	37.7	52.6	52.3	60.3	71.0
Receivables	3.0	3.6	3.9	4.3	4.6
Current tax assets	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Current assets	40.7	56.2	56.2	64.5	75.5
Net loan receivables	724.8	795.4	878.2	957.4	1,034.1
PPE	0.2	0.2	3.4	3.2	3.1
Goodwill & intangibles	4.5	8.3	10.8	13.6	16.3
Other	13.9	17.8	16.7	16.7	16.7
Non-current assets	743.4	821.6	909.1	990.9	1,070.1
TOTAL ASSETS	784.1	877.8	965.3	1,055.4	1,145.7
Trade payables	5.1	7.9	6.8	7.5	8.0
Other	0.0	8.7	0.0	0.0	0.0
Current liabilities	5.1	16.6	6.8	7.5	8.0
LT debt	717.8	802.0	892.3	971.8	1,048.9
Corporate debt	21.8	22.3	14.8	14.8	14.8
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Other	3.0	2.4	6.5	6.5	6.5
Non-current liabilities	742.6	826.7	913.6	993.1	1,070.1
TOTAL LIABILITIES	747.7	843.3	920.4	1,000.6	1,078.2
NET ASSETS	36.5	34.5	44.9	54.9	67.5
Issued capital & reserves	128.8	121.3	123.3	123.3	123.3
Retained profits	(92.3)	(86.8)	(78.4)	(68.5)	(55.8)
Minority interest	0.0	0.0	0.0	0.0	0.0
TOTAL EQUITY	36.5	34.5	44.9	54.8	67.5

CASHFLOW (\$m)	2024a	2025a	2026e	2027e	2028e
Interest income	121.8	131.8	149.4	167.1	179.8
Other income	0.8	0.4	0.2	0.2	0.2
Interest and other finance costs	(52.1)	(54.7)	(59.1)	(70.2)	(75.7)
Payments to suppliers & employees	(35.3)	(38.7)	(42.3)	(44.7)	(46.8)
Δ in working capital	0.5	3.1	(1.5)	0.3	0.2
Tax	0.0	0.0	0.0	0.0	0.0
Other	(11.3)	(6.9)	(5.4)	0.0	0.0
NET OPERATING CASHFLOW	24.3	35.0	41.3	52.7	57.7
Purchase of PPE	0.0	0.0	(0.1)	(0.2)	(0.2)
Purchase of intangibles	(4.7)	(4.7)	(4.7)	(5.0)	(5.4)
Net lending	(47.7)	(94.6)	(139.7)	(117.4)	(116.9)
Acquisitions/divestments	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
NET INVESTING CASHFLOW	(52.4)	(99.3)	(144.4)	(122.6)	(122.5)
Equity raised	0.0	(0.1)	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0
Net borrowings	20.4	79.8	112.2	79.5	77.1
Corporate debt	2.5	0.0	(7.5)	0.0	0.0
Right of use asset payments	(0.5)	(0.6)	(0.6)	(1.6)	(1.6)
Other	0.0	0.0	(0.3)	0.0	0.0
NET FINANCING CASHFLOW	22.4	79.1	103.9	77.9	75.4
FX impact	(0.1)	0.0	(1.0)	0.0	0.0
<i>Change in cash</i>	<i>(5.7)</i>	<i>14.8</i>	<i>0.7</i>	<i>8.0</i>	<i>10.7</i>
Free cash flow (post cash losses)	(11.1)	1.5	3.6	12.9	15.5

METRICS	2024a	2025a	2026e	2027e	2028e
Cash EPS underlying (c/share)	0.6	5.6	12.7	16.5	18.9
DPS (c/share)	-	-	-	-	-
Payout ratio	-	-	-	-	-
Tax rate (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Gross cash conversion (%)	543.7%	351.0%	246.0%	254.1%	242.2%
Cost-to-income ratio (%)	20.2%	18.9%	18.3%	17.6%	17.3%
ROE (%)	1.8%	16.5%	29.6%	32.4%	30.9%
ROIC (%)	0.1%	0.7%	1.4%	1.7%	1.9%
ROCE (%)	0.0%	0.9%	0.9%	1.1%	1.2%
Net debt (cash)/cash EBTDA (%)	0.3x	(0.1x)	(0.5x)	(0.4x)	(0.4x)
Net debt (cash)/net debt + equity (%)	3.0%	(1.6%)	(24.5%)	(19.2%)	(15.0%)

Valuation & Target Price



We initiate with a BUY rating and Target Price \$1.28 p/s, representing an 75.3% total return to the last close of \$0.73 p/s

Rating and thesis

- Our Buy rating on HMY is premised on: 1) Strong originations growth underpinned by a new technology platform and new verticals; 2) D2C online model, competitive funding mix and low loss rates help support growth; 3) Sector leading cost management helps loan book growth deliver strong cash NPAT, and; 4) Management incentives alongside capital management are driving attractive ROE and EPS performance;
- Compared to peers, HMY offers above sector 3-yr forward EPS growth of 50.3% and FY+1 ROE of 29.6%. Valuation is currently priced at a discount to the sector average based on our FY26 estimates. We think as HMY continue to execute its growth strategy and deliver material EPS performance a valuation re-rate is possible;
- Our DCF valuation implies terminal Cash EBTDA multiple of 4.0x, a 0.5% terminal growth rate and a 12.0% WACC;
- Our valuation is based on a 50/50 blended DCF and FY26e cash NPAT multiple. Our FY26e cash NPAT multiple is 7.0x based on the growth outlook, quality of book and future margin performance expectations when compared with peers (slide 28)
- **HMY has delivered strong operating leverage on its high-quality loan book, generating momentum in profitability. Our Target Price of \$1.28 p/s offers a +75.3% premium to the current share price, supporting a Buy rating.**

Valuation & Summary

Investment Summary	
Rating	BUY
12M Target Price	\$1.28
Current Share Price (25-Mar-26)	\$0.73
12M Return	75.3%

Capital Structure	
Diluted Shares	104.1m
Market Cap	76.0m
Net Cash	(8.8)
Enterprise Value	84.8m

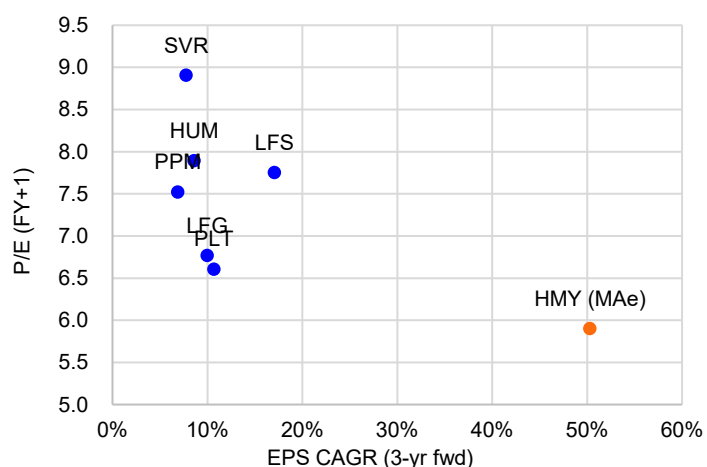
Valuation Per Share	Weighting	Valuation
Cash NPAT Valuation	50%	\$1.20
DCF Valuation	50%	\$1.37
Average Valuation		\$1.28
Valuation		\$1.28
Less: Forecast 12 month dividends		-

12 Month Target Price	\$1.28
Current Share Price (25-Mar-26)	\$0.73

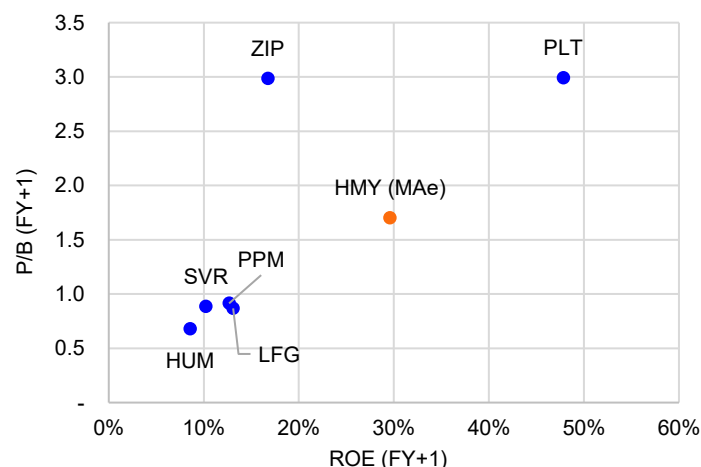
Return Analysis (%)	
12 month dividend yield	-
12 month capital return	75.3%
12 month total return	75.3%

VALUATION RATIOS	2024a	2025a	2026e	2027e	2028e
EV / cash EBTDA (x)	17.4x	7.6x	4.1x	3.4x	3.0x
P / cash NPAT (x)	113.6x	13.4x	5.9x	4.5x	3.9x
EV/ FCF (post cash losses) (x)	(7.0x)	50.6x	19.2x	5.5x	4.7x
FCF yield (%)	(14.3%)	2.0%	5.2%	18.2%	21.4%

P/E (FY+1) vs EPS CAGR (3-yr fwd)



P/B (FY+1) vs ROE (FY+1)



Sources: Company Reports; MA Moelis Australia Research; FactSet (consensus as at March 2026)

Comparables Analysis: ASX non-bank lending competitive landscape



HMJ compares favourably against its listed peer set, with sector leading ROE, strong EPS growth and an attractive P/E valuation

Peer analysis

Our estimates have HMJ growing its sales at a 10.9% 3-yr fwd CAGR vs the peer median of 17.2%. HMJ offers stronger EPS growth vs peers with an EPS CAGR (3-yr fwd) of 50.3% vs peers median of 10.0%, and outperforms peers with HMJ's ROE (FY+1) of 29.6% vs peers median of 12.9%.

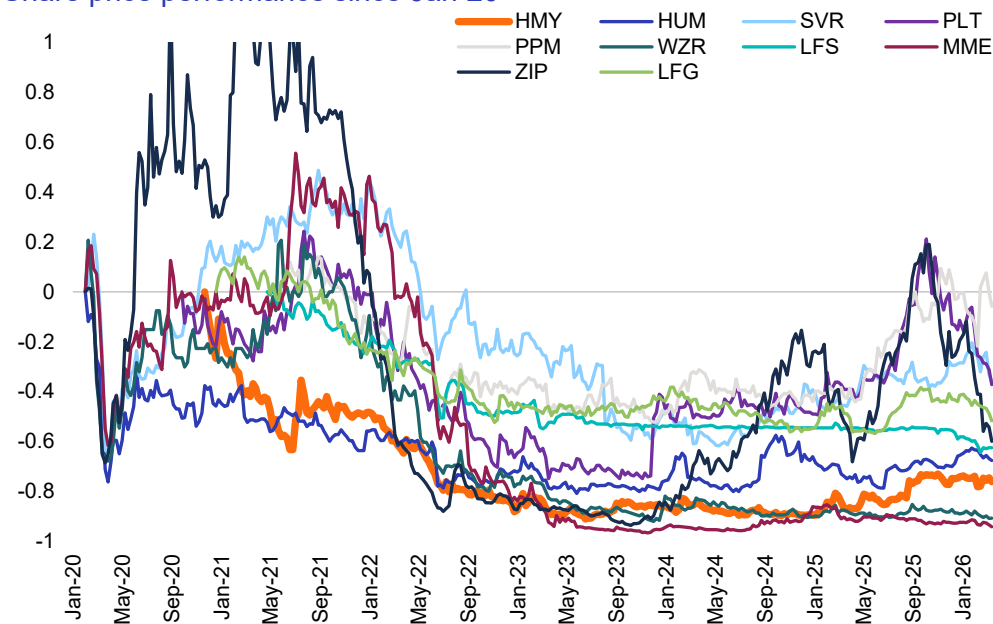
Consensus has PPM and SVR growing sales by a mid single digits CAGR (~5%) over the next 3-yrs, while HUM is expected to decline by a -5% CAGR. Consensus expects PLT to grow sales at a 17.2% CAGR 3-years forward. HUM is expected to grow EPS by an 8.6% (3-yr fwd) CAGR, SVR by 7.8%, and PLT by 10.7% over the same period.

HMJ trades on a 5.9x PE (FY+1) compared with PLT at 6.6x PE (FY+1), HUM trading on a 7.9x PE (FY+1) SVR on an 8.9x PE (FY+1), vs the peer median of 7.5x.

Share prices in the non-bank lending and fintech space since Jan-20 have declined substantially during the last interest rate hiking cycle in ~2022. Since then, various lending peers have repositioned themselves to target higher credit quality borrowers.

Throughout ~CY25, share prices rallied off all-time lows in a cohort of names, however, today remain substantially below COVID highs.

Share price performance since Jan-20



HMJ trading metrics (MAe) vs peers (consensus estimates)

Ticker	Company name	Last price	SPP	Mkt cap	Sales (A\$m)			P/E (x)			P/B (x)			Sales CAGR (%)	EPS CAGR (%)	ROE (%)
		(\$)	12M	(\$m)	+1	+2	+3	+1	+2	+3	+1	+2	+3	3-yr fwd	3-yr fwd	+1
HMJ (MAe)	Harmony Corp	0.73	+52%	76	149.4	167.1	179.8	5.9	4.5	3.9	1.7	1.5	1.2	10.9%	50.3%	29.6%
PLT	Plenti Group	0.91	+10%	165	314.3	365.7	428.1	6.6	6.0	5.0	3.0	2.3	1.7	17.2%	10.7%	47.8%
SVR	Solvar	1.66	+20%	314	197.2	203.2	222.4	8.9	8.4	7.9	0.9	0.9	0.9	2.4%	7.8%	10.2%
PPM	Pepper Money	1.77	+34%	795	419.8	443.5	463.7	7.5	6.8	6.4	0.9	0.9	0.8	6.1%	6.9%	12.7%
HUM	Humm Group	0.69	+27%	343	501.5	532.8	571.0	7.9	6.5	5.2	0.7	0.6	0.6	(5.0%)	8.6%	8.6%
WZR	Wisr	0.02	-34%	37	108.5	136.3	177.4	(8.9)	6.3	3.0	1.4	1.0	1.0	24.7%		
LFS	Latitude Group	0.93	-19%	967	889.2	931.3	973.6	7.8	7.2	7.2				(7.1%)	17.1%	
MME	MoneyMe	0.08	-46%	63	228.2	279.2	326.2	(3.7)	(55.7)	12.1	0.4	0.5	0.6	20.8%		
ZIP	Zip	1.65	-12%	2,090	1,337.7	1,583.0	1,835.1	19.0	12.7	10.1	3.0	3.0	2.5	19.6%	61.5%	16.8%
LFG	Liberty Financial	3.41	-8%	1,035	630.3	678.6	1,028.4	6.8	6.1	5.4	0.9	0.8	0.8	19.4%	10.0%	13.1%
Average			+2%	645	514.1	572.6	669.5	5.8	0.5	6.9	1.4	1.3	1.1	10.9%	17.5%	18.2%
Median			+1%	343	419.8	443.5	463.7	7.5	6.5	6.4	0.9	0.9	0.9	17.2%	10.0%	12.9%

Note: Prices reflect last close as at Mar-26

Board of Directors		
Name	Title	Experience
Paul Lahiff	Chairman and Independent Non-Executive Director	Paul Lahiff was appointed Chairman in 2021 and has 40 years of experience in financial services. He is currently the Chair of NESS Super and was previously the Chair of UBank, a director of payments company Sezzle Inc, and the CEO & MD of Mortgage Choice, where he led its listing on the ASX. Previously he was MD at Permanent Trustee, and before that at Heritage Building Society. He also brings additional governance experience from his Chairmanships at Cuscal Ltd, New Payments Platform Australia, the Australian Retail Credit Association, and the RFI Group.
Monique Cairns	Independent Non-Executive Director	Monique Cairns has >20 years' experience in strategy, marketing, sales, and financial services. She is Chair of 30 Seconds Group, the Deputy Chair of New Zealand Home Loans, a director of Ingenium, a board trustee of the New Zealand Portrait Gallery Te Pukenga Whakaata, and Chair of the Art Committee at the Northern Club. Monique's executive background includes serving as the Head of Retail Sales Development and Customer Experience at the Bank of New Zealand, and the Chief Marketing Officer at GE Capital NZ. Formerly, Monique was a director of DEC International, Manukau Institute of Technology, Unitec Institute of Technology, Lotto NZ, and the SPCA.
John Quirk	Independent Non-Executive Director	John Quirk has >40 years of experience in the technology sector with international and multinational companies, and his own strategic investment and corporate advisory business. John is the Chair of Portainer.io and Aeroqual, and a director of Television New Zealand. Formerly, John was Chair of Kordia Group (a SOE), ClearPoint Group, Farm IQ Systems Ltd, FrameCAD Group, WhereScape Software, Cumulo9, Axon Computers, and SMX. He has held leadership roles as CEO (Asia Pacific) of MI Services Group.
Neil Roberts	Founder and Non-Executive Director	Neil Roberts founded Harmony, and was CEO until 2019. Prior to that Neil was Head of Sales and Business Development at FlexiGroup (now Humm Group), leading a team of 80 with annual sales of \$200m. Neil founded the Direct Division of a New Zealand retail company, PRG Group, which sold personal loans to consumers and raised retail debentures to fund loans. Neil was responsible for over 400 staff and a balance sheet of \$750m in assets, prior to being sold to GE Money in 2006.
David Stevens	Chief Executive Officer and Managing Director	David Stevens commenced as CEO of Harmony in 2019 and prior to that he led a start-up consumer finance company. Formerly, he served as CEO and CFO of Humm Group and in his nine years at Humm led a team of >1,000 employees through organic growth and M&A. David led the \$300m+ acquisition of Fisher & Paykel Finance.

Key Risk	Commentary
Credit risk	If credit losses were to be larger than anticipated this could impact profitability and cash flow. Negative changes to the macroeconomic environment, particularly increases in unemployment, could impact the ability of borrowers to repay loans.
Competition	HMY faces competition from alternative loan products and competitors. Intensified competition or a changing competitive landscape could impact HMY's financial performance.
Regulatory changes	HMY operates in a highly regulated industry. It is exposed to changes in regulation and must ensure compliance with any changes to regulation. Failing to comply could incur penalties/fines, increase compliance costs, or place its existing AFSL and ACL licences at risk.
Key personnel	The Board and KMP include various personnel who have long tenures with the Company with deep knowledge about the business and the industry in general. Loss of such individuals could have a negative impact on HMY's growth and performance prospects.
Technology risk	HMY has developed a proprietary lending platform in-house. Experiencing technology failures or obsolescence which renders its services less competitive in the market could negatively impact the Company's prospects. Technology failures or miscalculated changes in HMY's credit assessment engine could lead to credit processes operating inadequately and ultimately impact credit risks and profitability. Additionally, data breaches of customer information or other forms of confidential information may be detrimental to stakeholder confidence in HMY.
Funding risk	HMY uses debt funding from banks and financial institutions in its warehouse facilities in order to finance new loans. If banks and financial institutions were to reduce or cease funding HMY, then it could increase HMY's cost of funds, impacting their profitability.

Key Risks to Target Price

Upside risks to Target Price:

- 1) Stronger than expected growth in originations and the loan book.
- 2) Higher interest yield charged to borrowers and/or lower cost of funds than expected.
- 3) Stronger operating leverage than expected, driving a faster than expected growth rate in cash NPAT.

Downside risks to Target Price:

- 1) Weaker than expected growth in originations and the loan book.
- 2) Lower interest yield charged to borrowers and/or higher cost of funds than expected.
- 3) Weaker operating leverage than expected, driving a slower than expected growth rate in cash NPAT.

Appendix: Key Macro Drivers for HMY's Loan Segments

Industry: Overview – HMY’s Lending Sub-sector Structure

Key lending market relevant to HMY is consumer personal loans with a new product expansion opportunity in secured car loans

Overview of lending sub-sectors which non-banks primarily operate within

Consumer finance: The consumer finance industry provides finance to individuals for personal, non-business use, and covers a broad range of finance products such as consumer loans (including personal and automotive loans), credit cards, renewables loans instalment products, and BNPL. These can be both secured or unsecured by an underlying asset.

Personal finance: Personal finance captures loans used for personal debt consolidation, home renovation, life events, such as travel or wedding expenses, medical loans and others. Most personal loans are not secured by any specific asset.

Asset finance: Asset finance concerns loans towards consumer and commercial customers in purchasing assets such as motor vehicles, motorcycles, equipment and machinery.

The overall market can be segmented into two main categories:

- 1) Consumer finance relating to finance for new and used motor vehicles, recreational vehicles like caravans, motorcycles, and marine;
- 2) Commercial finance relating to financing for small and medium enterprises (SMEs), corporates, and government for the purchase of equipment and machinery, motor vehicles, and commercial vehicles.

Competitive landscape in personal loans (relevant to HMY)

The market participants in the personal loans space include the big banks, although as they streamline their lending verticals, they are becoming a smaller player and mainly focus on prime credit customers. Non-bank lenders increasingly service the personal loans market, targeting up and down the credit quality spectrum. Cards and payments (BNPL) players also participate in this space.

Lender type	Participants	Segments
Major banks	CBA, ANZ, NAB, WBC	Prime
Other ADIs	Other banks, building societies, and credit unions	Prime
Non-bank lenders	Liberty, Latitude, Plenti, Wisr, MoneyMe, Harmony, Humm, Solvar, NOW Finance	Prime/sub-prime

Competitive landscape in secured car loans (HMY’s new product expansion opportunity) as well as commercial asset finance

Consumer Asset Finance:

- Australian Bank Lenders – in the automotive lending space includes Westpac and CBA.
- Non-bank lenders – includes Solvar, Plenti, Pepper Money, Liberty, Latitude Finance, and Metro Finance, focusing on new and used cars.
- Captive financiers – include Toyota Finance, BMW Financial Services, Volkswagen Financial Services etc, which are the financing arms of OEMs for their own and other manufactured vehicles.
- Novated lease providers – include SmartGroup, McMillan Shakespeare, and others which provide novated leases to customers via agreements with their employers.

Commercial Asset Finance:

- Major Australian banks – the big four banks have a broad range of business banking customers across SMEs to large corporates.
- Regional Banks – include Bank of Queensland which finance a range of commercial assets across various specialist industries.
- Captive financiers – Fuji Xerox Australia, CNH Industrial, Komatsu Australia provide financing for office, construction and other commercial equipment.
- Non-bank/specialty finance lenders – Metro Finance and HUM’s FlexiCommercial offer equipment finance products, often with a focus on smaller-value equipment purchases for SMEs.

Industry sub-verticals: Personal lending market overview

Personal lending market in Australia originated ~\$17bn in loans over the LTM to Dec-25; structural drivers are improving the relative competitive positioning of non-banks vs banks

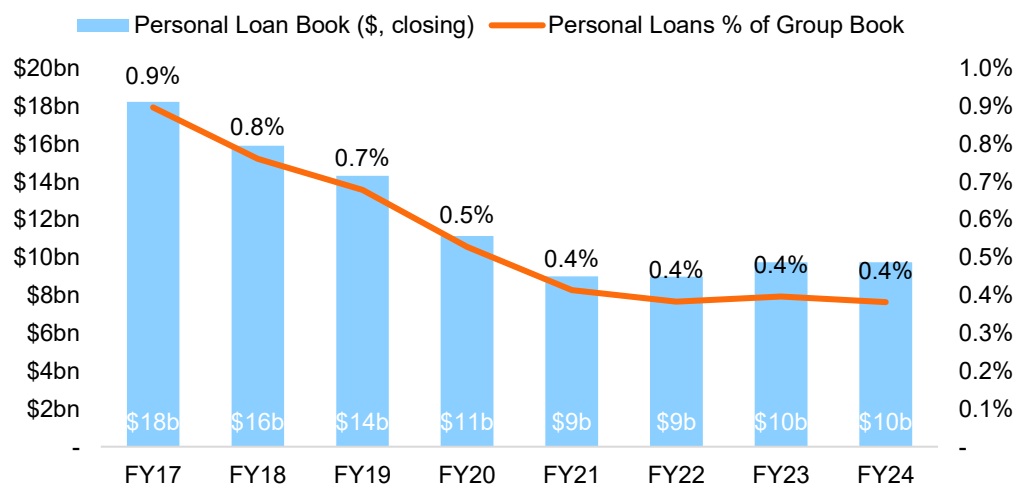
Overview of personal lending market

Overview and TAM: Personal lending in Australia primarily comprises fixed term, unsecured, interest-bearing loans used for the purposes of debt consolidation, home renovations, life events (weddings, holidays), medical expenses, and purchasing used cars. Approximately \$17bn of personal loans were originated in Australia over the trailing 12 months to Dec-25.

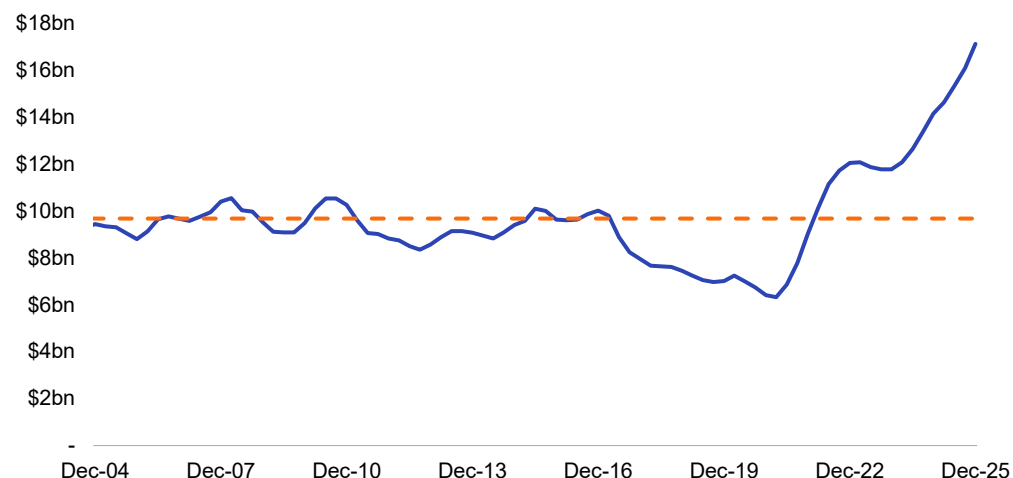
The rise of Buy-now-pay-later: Consumers have embraced new payment options including BNPL and other interest free instalment products, which have taken market share from traditional products such as credit cards and personal loans.

Providers of personal loans include: 1) Banks – banks offer unsecured personal loans and credit cards, and key players include the major banks and the regional banks; 2) Non-bank lenders include: a) Technology-led or 'fintech' lenders which seek to leverage data and technology platforms to provide better products and services, these include Harmony, Plenti, MoneyMe, Wisr; and b) Traditional non-bank lenders which provide loans to a broader range of borrowers than banks, including borrowers who may have lower bureau credit scores. These traditional non-banks rely on third-party vendors to provide technology platforms and key players include Latitude Financial Services, Pepper Money, and Liberty Financial.

Big 4 banks (CBA, WBC, ANZ, NAB) personal loans as % of book



Aus Personal Loans (ex auto and refinancing) – rolling 12 months



Structural drivers for shifting market share towards non-bank lenders

Major banks streamlining verticals: Big-4 personal loan books have declined from 0.9% of group lending to ~0.4%, creating white space which is increasingly filled by non-banks.

Rising adoption for digital borrowing and the direct channel: Consumers are adopting digital lending over the historical bank branch channels, which accelerates demand for fintech, direct lenders like HMY.

Faster approvals now expected by consumers: Non-banks leverage their technology lending platforms to automate credit decisions and meet increasing customer demands for fast approvals.

Capital requirements and risk-weighted assets: Regulation has driven banks towards lower-risk customers, creating white space for the non-banks to grow share among prime, near-prime and sub-prime segments.

Product innovation: Non-banks are expanding into new verticals like secured auto (including HMY), renewable energy loans, and other innovative personal credit products, which are capturing market share from traditional products like credit cards.

Industry sub-verticals: Automotive lending market overview

Demand for automotive finance is driven by new and used vehicle sales. Industry reports estimate ~4m motor vehicles are sold in Aus p.a., comprising ~1m new and ~3m used. ~90% of new vehicle sales are facilitated with finance

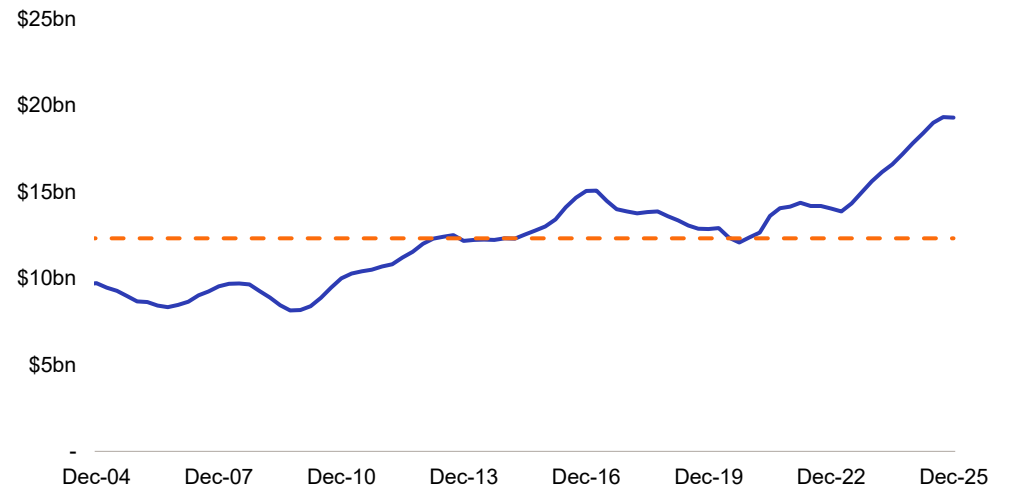
Overview of automotive lending market

Automotive lending refers to finance provided to personal and commercial customers for the purchase of new or used motor vehicles. Automotive lending represents ~\$33bn in new lending volumes annually, of which ~\$13bn is finance provided to consumers and ~\$20bn is finance provided to commercial and lease customers.

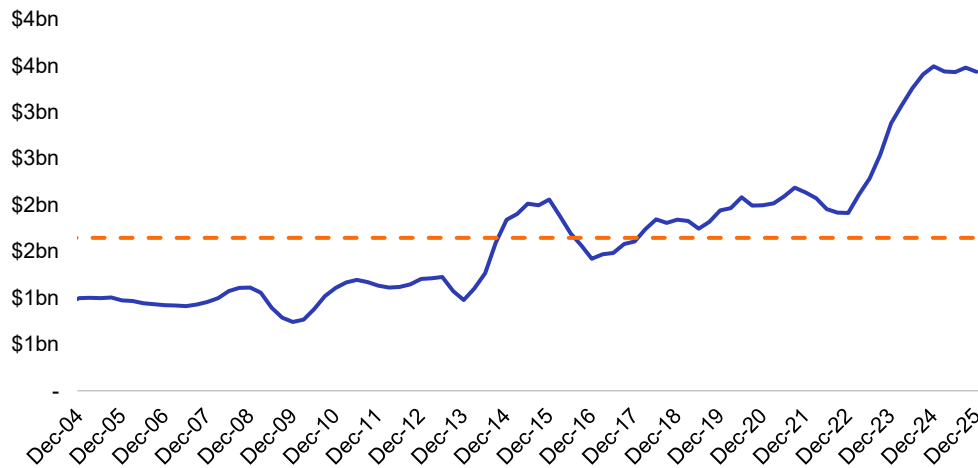
Demand for automotive finance is primarily driven by the sale of new and used motor vehicles. ~4 million motor vehicles are sold annually in Australia, of which ~1 million are new vehicles and ~3 million are used vehicles, according to the FCAI and Manheim.

Automotive finance is an important part of the automotive industry in Australia, where it is estimated that ~90% of new and used vehicle sales are facilitated with finance. Of these sales, it is estimated that ~39% of purchasers obtain finance at a dealership and ~61% obtain finance via other channels, including through loan brokers and direct finance applications to lenders.

Aus Consumer Auto Loan Originations (Rolling 12 mths)

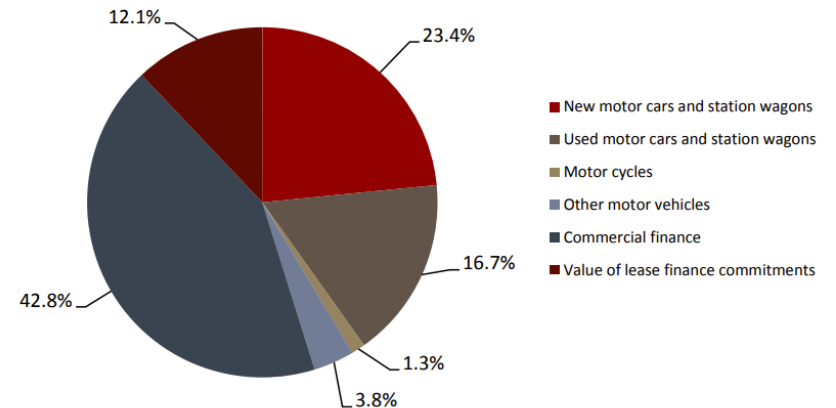


Aus Business Auto Loan Originations (Rolling 12 mths)



Auto loans by type of vehicle historically as a guide

Chart 3: Shares of finance commitments for motor vehicles, 2017



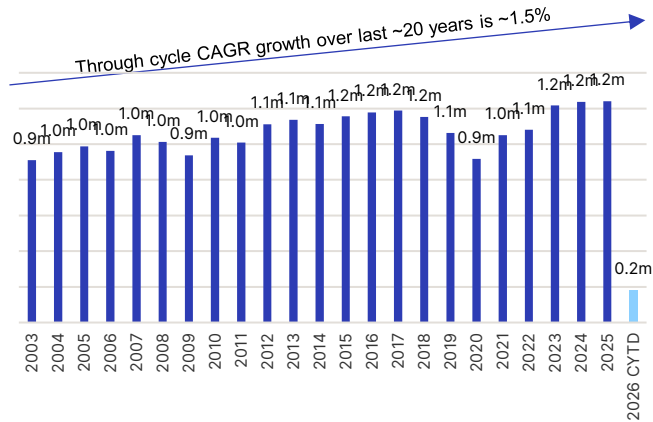
Source: ABS¹⁷

Industry sub-verticals: Autos – health of the autos end-market

New and used vehicle sales benefitted in 2022/2023 from supply improvements, as dealers delivered cars in their record-high backlogs. VFACTS data and channel checks suggest consumer resilience with strong deliveries and order write in the recent months

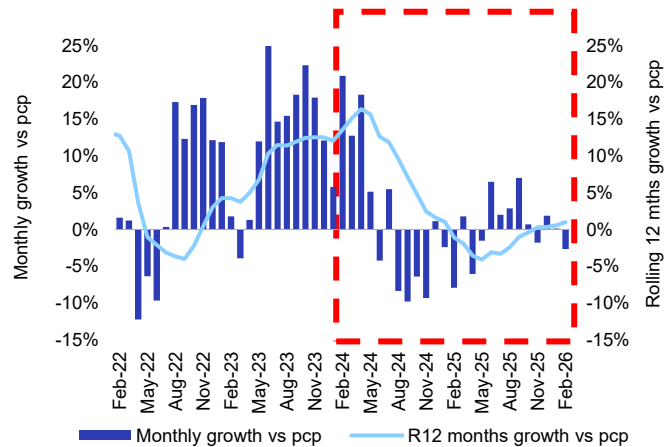
Australian new car deliveries volumes

New car deliveries troughed in 2020 and steadily improved as supply increased



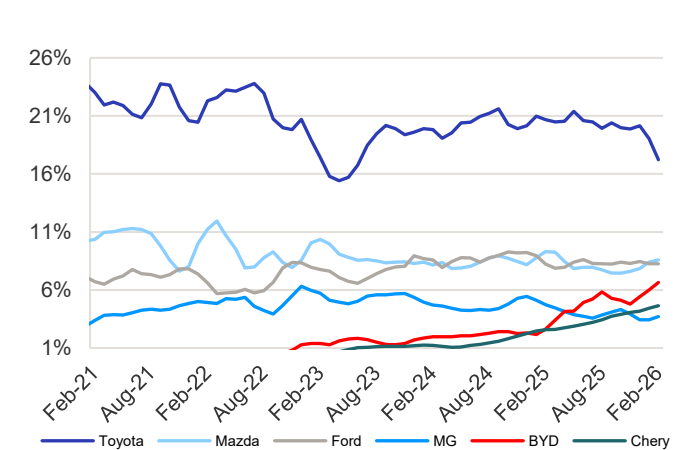
Australia vehicles delivered (YoY growth vs pcp)

Deliveries have recovered after declining in mid CY24 until ~mid CY25



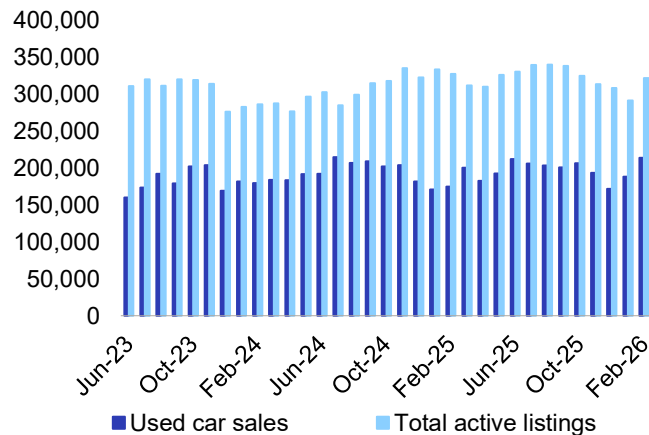
OEM Australian market share (monthly basis)

Recent Chinese new entrants are taking share from incumbents, including BYD and Chery

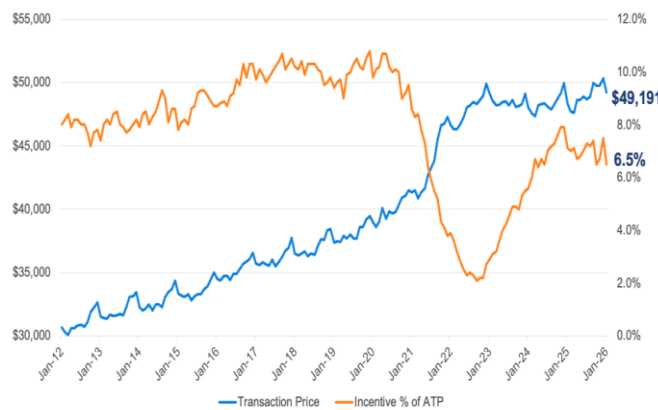


Australian used car deliveries volumes

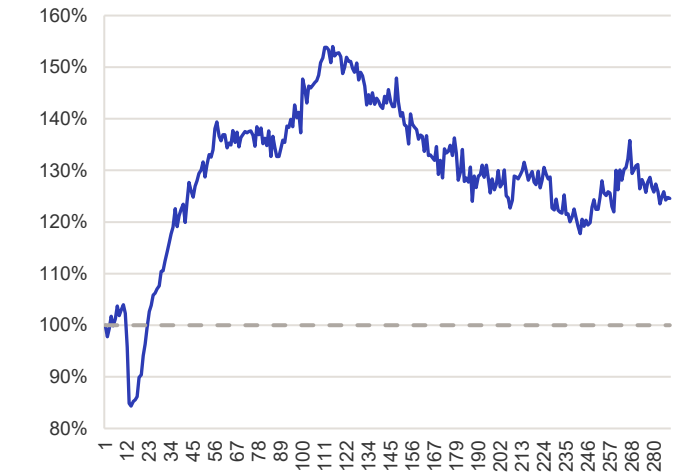
Feb-26 used car sales were up by 22% vs pcp with listings down by -2%



US industry average transaction price and industry average incentive spend as % of ATP



Australia weekly used car prices since COVID



Recent auto industry sentiment

Demand normalising but still strong relative to historic norms supported by the fleet replenishment cycle. Some evidence that despite initial concerns over tariff impacts, demand has remained resilient in 4Q25 earnings reports

Demand

“Despite concerns over tariff impact and the resulting slowdown in demand, strong sales performance led to the highest fourth quarter revenue on record. Particularly in the US market, we have achieved annual wholesale sales of 1 million units for the first time, driven by strong hybrid sales and a diversified SUV lineup. Finally, thanks to the robust hybrid sales in the US market, the share of global hybrid sales recorded 16.3%.”

- Hyundai Motor Co 4Q25 Earnings Call (Jan-26)

Reassessing production of EVs to align with softer consumer demand: “During the third and fourth quarters, **we reassessed our EV capacity and manufacturing footprint to better align with softer-than-expected consumer demand, particularly in light of recent US government policy changes, including the termination of certain consumer tax incentives.**”

- General Motors 4Q25 Earnings Call (Jan-26)

“In the UK, the macroeconomic environment remains challenging, with weak economic growth, persistent inflation, increased competition from new entrants, and margin pressure from the BEV mandate. In response, we've reduced head count by an additional 537 positions in 2025. In the US, the macro environment remains dynamic, with volumes and GPUs continuing to normalize from post pandemic highs, particularly in the luxury segment. While the policy and trade uncertainty we saw last year has largely subsided, we remain vigilant and focused on staying nimble as macroeconomic conditions evolve.”

- Group 1 Automotive 4Q25 Earnings Call (Jan-26)

“On the autos front, while in Q3 we saw a surge in US demand before the IRA consumer credit cliff, pulling in some demand from Q4, in other parts of the world, we saw increase in demand leading to record deliveries in smaller countries like Malaysia, Norway, Poland, Saudi Arabia, and Taiwan while continued strength in the rest of APAC and EMEA. We therefore ended 2025 with a bigger backlog than in recent years. Note that none of these countries have the latest version of FSD (Supervised) available yet.”

- Tesla Inc 4Q25 Earnings Call (Jan-26)

Supply

“New vehicle revenue declined 6.6% on an 8.3% unit decline as industry demand softened and supply normalized. New vehicle GPU was \$2,766, down \$300 over last year. Performance varied by brand, with luxury brand revenue down 12.7% year-over-year, partially due to the difficult prior year comp. Domestic and import brands were also soft, particularly late in the quarter when sales promotions didn't materialize.”

- Lithia Motors 4Q25 Earnings Call (Feb-26)

“Industry supply of used vehicles remains tight. We continue to be competitive in securing used vehicles from our own retail operations, including trade-ins, We'll Buy Your Car, services loaner conversions, and lease returns, and we continue to source more than 90% of our vehicles through these internal sources.”

- AutoNation Inc 4Q25 Earnings Call (Feb-26)

“I think our manufacturer partners have figured out how to throttle up and down inventory a little more effectively than they've done in the past, whether it is true production capacity issues or whether it's just, hey, we're going to control our inventory. So, both our gross profits and our dealers' gross profits are stabilized. And we're quite proud of our Toyota partners and our other partners for trying to control inventory. And because it does matter. It does feel – and I'd probably agree with the rest of our peers that it feels like it's bottoming out, okay, which is nice. **We are still seeing some weakness when it comes to BEVs, but again, I think that's just the – that's the backlash of the incentives being gone and us needing to continue to push volume** for the less in CAFE standards and those type of things.”

- Lithia Motors 4Q25 Earnings Call (Feb-26)

“During the quarter, we reduced dealer inventories by 16% year-over-year, ending at 527,000 units. ICE inventory is turning quickly, and we actively managed EV inventory down by almost 30% since the end of the second quarter, bringing it to a more appropriate level as we move forward.”

- General Motors Co 3Q25 Earnings Call (Oct-25)

Interesting topics

“Given the macroeconomic trends, customer demand remains robust, reflecting continued enthusiasm for our products. The high level of individualization in the order book highlights the strong desire among customers to configure and purchase their personal Porsche. Strong demand for the new 911 Turbo S, coupled with highly positive feedback from both media and customers, underscores the enduring appeal of our flagship model.”

- Porsche AG Earnings Call (Jan-26)

Improving demand environment for new truck sales?: “The US economy is projected to expand this year. The less-than-truckload and vocational truck sector, where Peterbilt and Kenworth are the market leaders, are steady. **The truckload segment is beginning to accelerate, with industry customer demand and spot rates picking up in December.** The 2026 US and Canadian Class 8 truck market is forecast to be in a range of 230,000 to 270,000 vehicles as economic growth, regulatory and tariff clarity and improving freight conditions are poised to improve customer demand.”

- Paccar Inc Earnings Call (Jan-26)

Repcor taking share?: “Our team in Asia-Pacific continues to post solid results and win market share. Our team delivered another quarter of double-digit growth in local currency driven by both organic initiatives and contributions from acquisitions.”

- Genuine Parts Co 3Q25 Earnings Call (Oct-25)

“Turning to Australia, we had a very strong fourth quarter. EBT nearly doubled when compared to the same period in the previous year. In automotive, we have spent the last 12 months implementing the One Ecosystem strategy for our three Porsche stores in the Melbourne market. Through this process, we have improved the customer experience, increased the performance of our used vehicles, and grown our service and parts business while increasing profitability.”

- Penske Automotive Group Inc 4Q25 Earnings Call (Feb-26)

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