

# Chair's Report



In this my first year as Chair of Thorn, it is pleasing to report a positive financial performance for financial year 2015. Group revenue increased 25.1 per cent, growing from \$234.9 million (2014) to \$293.8 million (2015) and underlying cash net profit after tax was up 13.6 per cent from \$30.1 million to \$34.2 million. The reported net profit after tax (NPAT) increased by 8.5 per cent from \$28.2 million to \$30.6 million with the principal difference between underlying and reported NPAT being one-off costs of \$2.235 million relating to the acquisition of the Cash Resources Australia business.

These results are the outcome of Thorn adopting a strategic approach to its financial services markets. The group already has a strong position in consumer markets, based on the Radio Rentals business with origins nearly 80 years ago, and over recent years continues to build an increasing share in the commercial sector. This strategy has contributed to improved financial performance, achieved from a combination of organic growth and acquisition.

## Dividend

Improved financial results enabled the board to increase the final dividend to 6.75 cents a share, taking the 2015 full financial year dividend to 11.75 cents a share fully franked compared with 11 cents for financial year 2014. With reported earnings per share at 20.34 cents, this dividend represents a payout ratio of 58 per cent in line with Thorn's policy of allowing shareholders to participate in the benefits of growth. Our dividend reinvestment plan will remain in place for this dividend at the increased discount of 5 per cent.

## Board

In Thorn's market place developments in financial services and technology globally, as well as locally, will impact on the company. To ensure Thorn has expertise and appropriate skills mix at board level to help forge a path through emerging trends, two new appointments enhance our capability.

On 1 December 2014 David Foster joined the board after a 25 year career in financial services, the last five years as chief executive officer of Suncorp Bank, Australia's fifth largest listed bank and the country's only "A+" rated regional bank. During his 11 year career at Suncorp Bank, Mr Foster had responsibility for developing the bank's strategy and business model, acquisitions, product development and implementation of a significant technology platform.

On joining the board Mr Foster was appointed chair of Thorn's audit, risk and compliance committee.

On 1 June of this year Andrew Stevens was appointed a director after 30 years' experience in business and technology, including regional markets. His 12 year career at IBM included Managing Director of Australia and New Zealand for three years, and Managing Partner, Global Business Services and Growth Markets across the APAC region. As IBM ANZ Managing Director, Mr Stevens was involved in transforming the IBM business and client relationships for the Cloud-based market era.

## Corporate Governance

Thorn's board is committed to ongoing creation of shareholder value and meeting the expectations of Thorn's stakeholders while practising sound corporate governance. The financial section of this annual report outlines all aspects of the corporate governance and remuneration policies.

## People

On behalf of the board, I would like to commend Thorn's Managing Director, James Marshall, on his first full year in the position. He is committed and has recorded significant achievements during a period of transformation for the company and reinforced Thorn's positioning for future growth and financial success.

Thorn is very fortunate to have a strong group of senior executives and staff who are passionate about the business and dedicated to giving our customers positive experiences. We acknowledge and thank our staff for their effort and commitment which was a major factor in this year's success.

I would also like to thank our shareholders for their support and trust their investment will continue to be long term and rewarding.

A handwritten signature in black ink, appearing to read 'J Morton', written in a cursive style.

Joycelyn Morton  
Chair