

# Contoso Overview and Market analysis

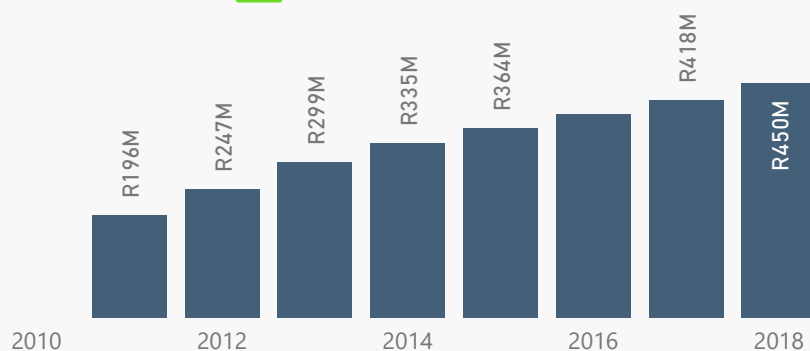
## For year ending December 2018



The total revenue was R450M, with the USA generating the most, at R266M.



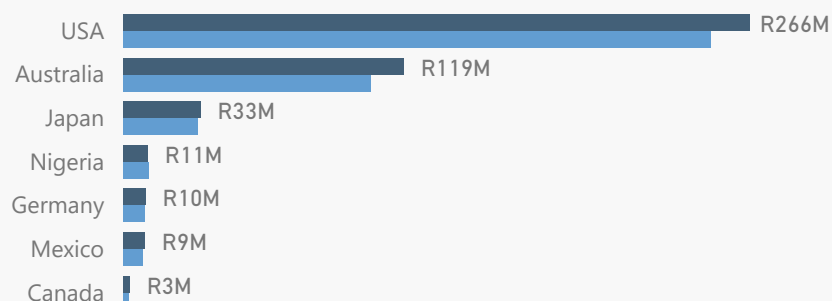
### Revenue by Year



### Revenue and PY Revenue by Country

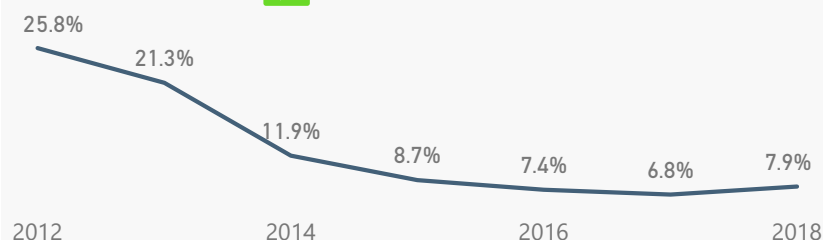


● Revenue ● PY Revenue



YoY growth has been slowing since 2013, from a YoY growth of 25.8% in 2012 to 7.9% in 2018.

### % Growth by Year



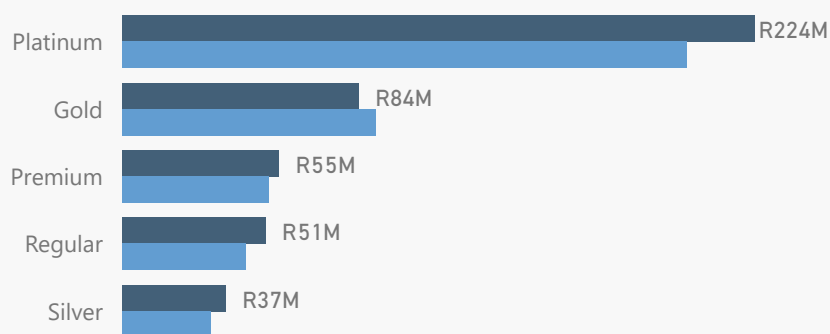
The overall YoY growth has been slowing since 2013. There has been a marginal increase in growth in 2018. This increase can be attributed to sharp increases in the Platinum Plan, as well as growth in the Business Banking and Early Professional Market Segments.

The Platinum Plan is the best performing. The Gold Plan is showing negative growth in 2018. Products that provide credit facilities are performing significantly better than the other Product Categories.

### Revenue and PY Revenue by Plan

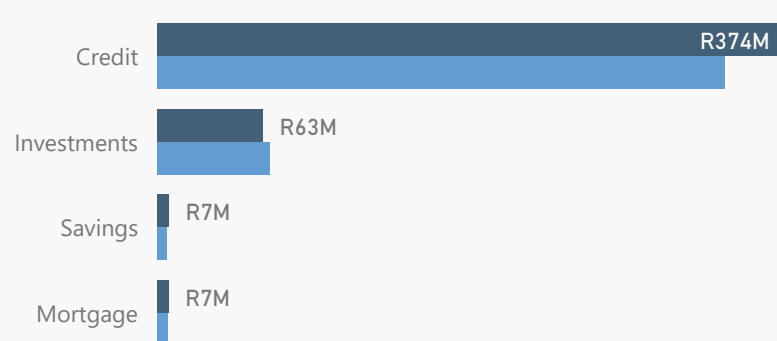


● Revenue ● PY Revenue



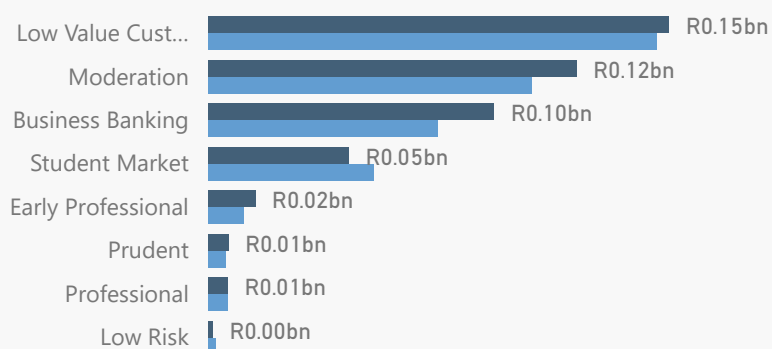
### Revenue and PY Revenue by Product Category

● Revenue ● PY Revenue



### Revenue and PY Revenue by Market Segment

● Revenue ● PY Revenue

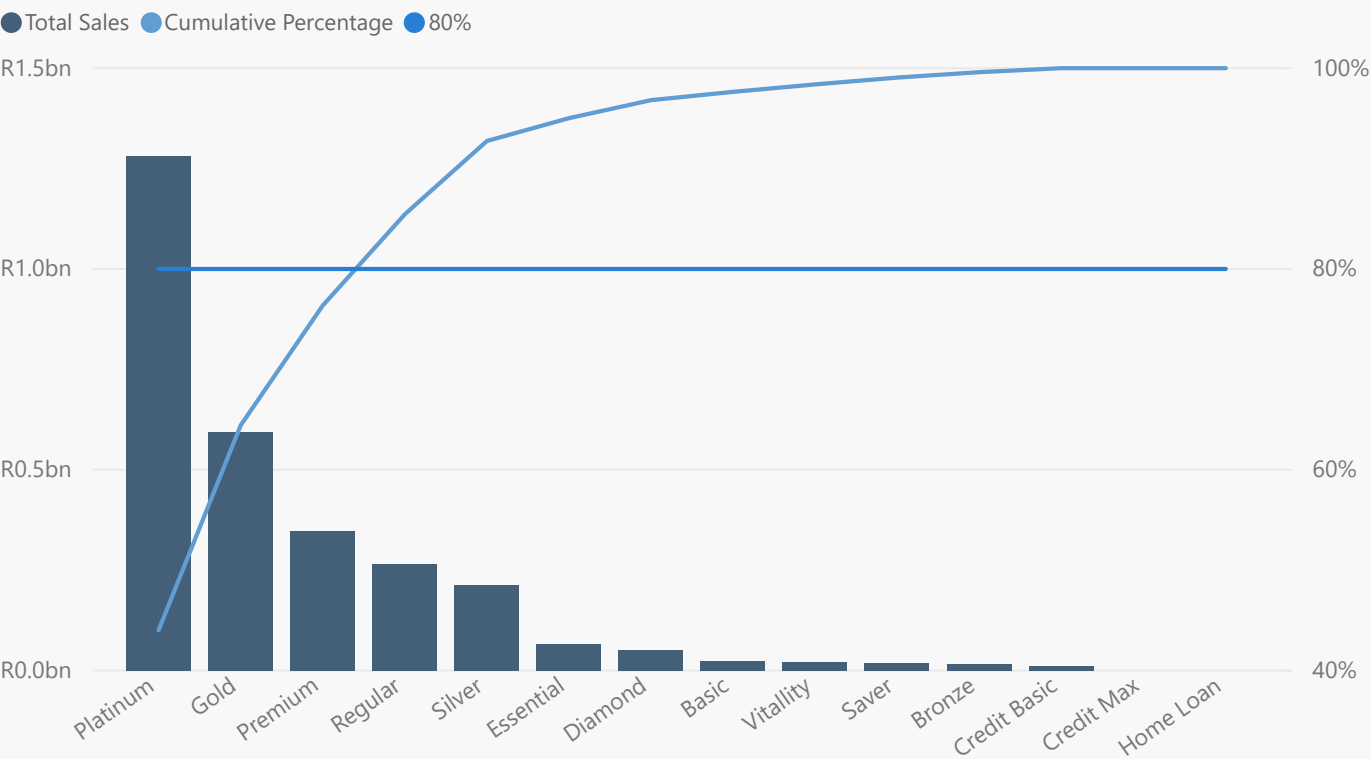


The Savings and Mortgage Product Plans only make up a fraction of the revenue generation (approximately 2% each). This is a concerning fact, and more emphasis must be placed on growing these product plans.

In terms of the Market Segments, the "Low Value Customer" segment is performing the best. The Student Market has shown a negative growth overall in 2018.

# 80% of the revenue comes from the Platinum, Gold and Premium Plans

Total Sales, Cumulative Percentage and 80% by Plan



With 80% of the revenue being generated by 3 product plans, and with 7 product plans contributing very little. It may be worth rolling these product plans together, to simplify the product offering, and ease the cost of overheads in maintaining these products.

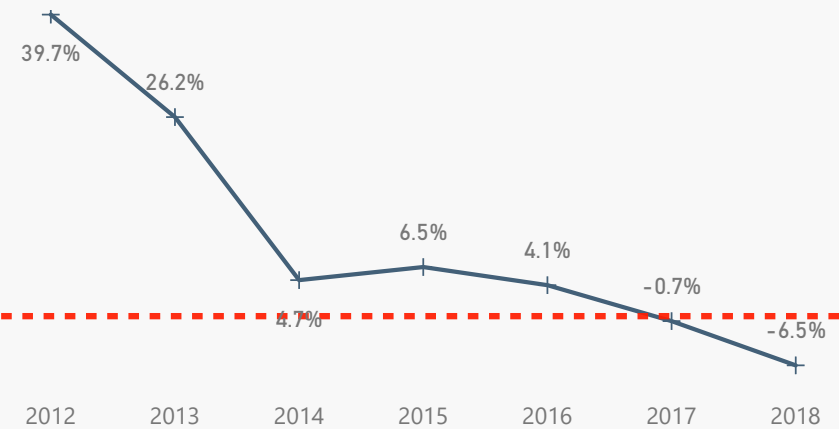


# Contoso Areas of Concern - Investments Product Category

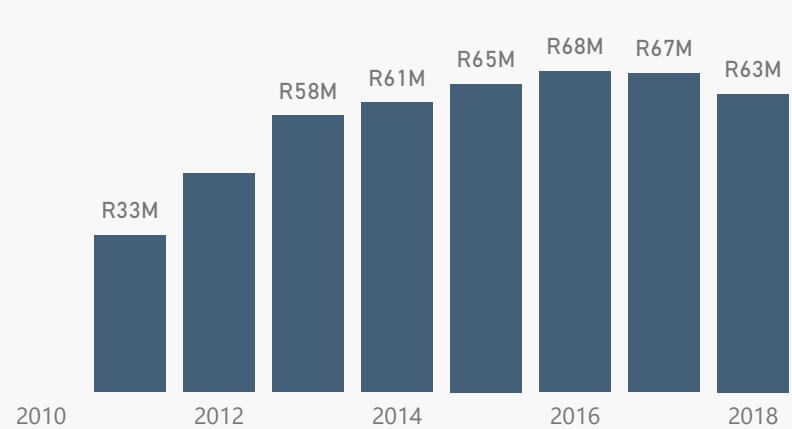


Product Category Investments YoY growth significantly negative in 2018, continuing a downward trend. It is still the second largest revenue generating Product Category.

Investments % Growth by Year



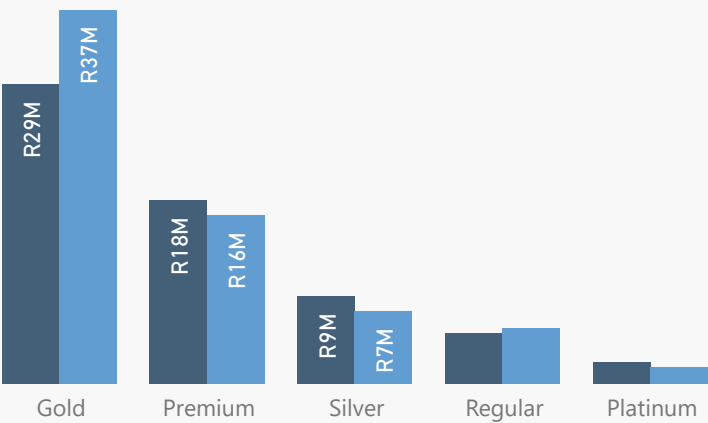
Revenue by Year



This decline is due to a negative growth value for the Student Market and for the Gold Product Plan.

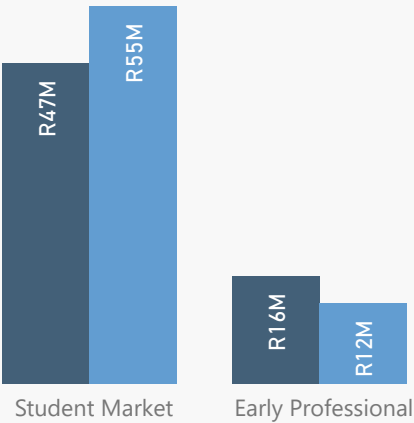
Revenue and PY Revenue by Plan

● Revenue ● PY Revenue



Revenue and PY Revenue by Market Segment

● Revenue ● PY Revenue

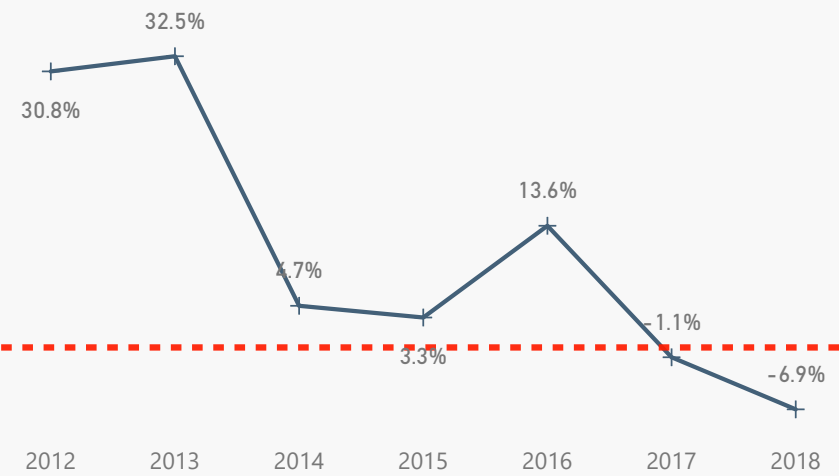


# Contoso Areas of Concern - Gold Product Plan

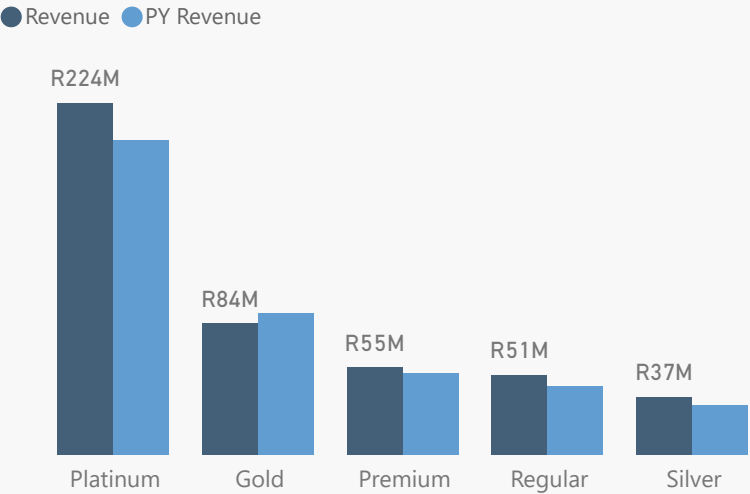


The Gold Product Plan has been on a downward decline since 2017. As it is the second largest revenue generating Product Plan, this decline has had a knock on effect on the Investment Product Category.

Gold % Growth by Year



Revenue and PY Revenue by Plan



The downward trend is due to a sharp decline in the revenues generated by Gold Products UC-30, UC-09, RP-21 and RP-22.

Product	Revenue	PY Revenue	Sales Variance	% Growth
Gold UC-30	R749 791	R2 327 616	(R1 577 825)	-67.8%
Gold UC-09	R73 820	R1 595 487	(R1 521 667)	-95.4%
Gold RP-21	R1 235 456	R2 489 126	(R1 253 671)	-50.4%
Gold RP-22	R1 235 456	R2 489 126	(R1 253 671)	-50.4%
Gold RP-51	R1 056 703	R1 954 003	(R897 300)	-45.9%
Gold RP-52	R1 056 703	R1 954 003	(R897 300)	-45.9%
Gold RP-79	R972 398	R1 722 115	(R749 717)	-43.5%
Gold RP-80	R972 398	R1 722 115	(R749 717)	-43.5%
Gold UC-56	R3 440 346	R4 086 862	(R646 516)	-15.8%
Gold RP-17	R137 824	R529 011	(R391 187)	-73.9%
Gold RP-18	R137 824	R529 011	(R391 187)	-73.9%
Gold RP-81	R640 394	R1 007 614	(R367 219)	-36.4%
Gold RP-82	R640 394	R1 007 614	(R367 219)	-36.4%
Gold UC-40	R3 459 872	R3 803 601	(R343 729)	-9.0%
Total	R83 661 486	R89 874 438	(R6 212 952)	-6.9%

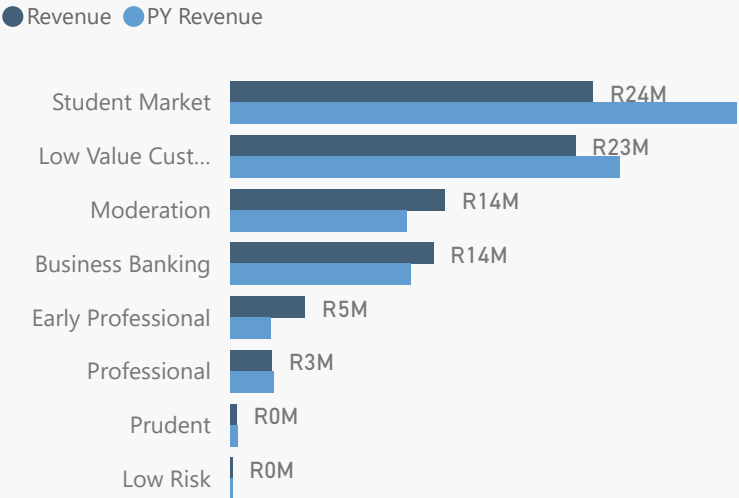
The Gold Product Plan is showing a decline, which correlates with the decline in the Student Market and for Low Value Customers. The Student Market is the largest contributor to the Gold Product Plan, so a decline in this market has a greater impact.

Low Value Customers' Market share grew overall, this indicates that Low Value Customers are moving to different products.

We need to re-evaluate the Gold Product Plan offering.



Revenue and PY Revenue by Market Segment

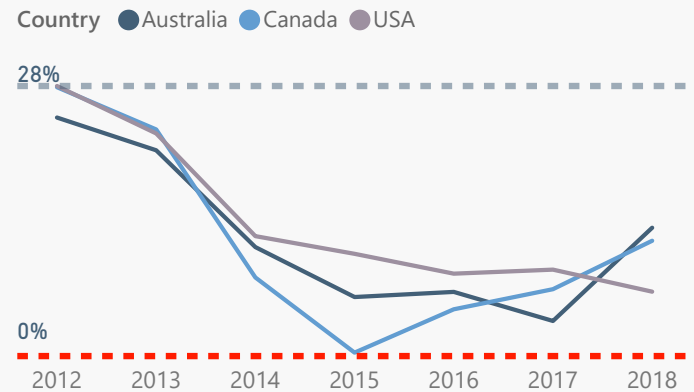


# Contoso Key Growth Areas for 2018

Australia and Canada show the highest % Growth YoY for 2018.

Country	Revenue	PY Revenue	Sales Variance	% Growth
USA	R266 171 635	R249 572 471	R16 599 164	6.7%
Australia	R119 249 795	R105 293 600	R13 956 195	13.3%
Japan	R32 902 478	R31 786 011	R1 116 468	3.5%
Mexico	R9 227 333	R8 413 441	R813 892	9.7%
Germany	R9 561 231	R9 224 275	R336 956	3.7%
Canada	R2 805 904	R2 507 293	R298 611	11.9%
Nigeria	R10 561 528	R10 859 884	(R298 356)	-2.7%
<b>Total</b>	<b>R450 479 903</b>	<b>R417 656 975</b>	<b>R32 822 929</b>	<b>7.9%</b>

% Growth by Year and Country



Of all of the regions Australia and Canada showed an increase in growth percentages, compared to the USA, where growth is declining.

The growth in Australia is attributable to the growth in Business Banking, Moderation and Early Professionals. The Student Market is showing negative growth in Australia.

Market Segment	Revenue	PY Revenue	Sales Variance	% Growth
Student Market	R10 775 072	R12 058 107	(R1 283 036)	-10.6%
Low Value Customers	R32 079 156	R32 795 823	(R716 668)	-2.2%
Low Risk	R368 912	R539 493	(R170 581)	-31.6%
Professional	R1 524 368	R1 488 702	R35 667	2.4%
Prudent	R1 604 149	R1 306 661	R297 488	22.8%
Early Professional	R2 993 560	R2 213 429	R780 131	35.2%
Moderation	R26 511 537	R24 120 240	R2 391 297	9.9%
Business Banking	R43 393 043	R30 771 146	R12 621 897	41.0%
<b>Total</b>	<b>R119 249 795</b>	<b>R105 293 600</b>	<b>R13 956 195</b>	<b>13.3%</b>

Revenue in the USA increased by R16.6M, YoY in 2018.

Market Segment	Revenue	PY Revenue	Sales Variance	% Growth
Moderation	R74 852 868	R64 827 733	R10 025 135	15.5%
Business Banking	R43 586 230	R38 248 254	R5 337 976	14.0%
Low Value Customers	R96 297 225	R91 743 920	R4 553 306	5.0%
Early Professional	R10 912 411	R8 155 976	R2 756 435	33.8%
Prudent	R4 331 502	R3 839 161	R492 341	12.8%
Professional	R3 845 387	R3 785 614	R59 773	1.6%
Low Risk	R944 966	R1 529 291	(R584 324)	-38.2%
Student Market	R31 401 045	R37 442 523	(R6 041 478)	-16.1%
<b>Total</b>	<b>R266 171 635</b>	<b>R249 572 471</b>	<b>R16 599 164</b>	<b>6.7%</b>

The USA grew by only 6.7%, but this represents a revenue increase of R16.6M.

The USA showed a large growth in the Early Professional Market, of 34%. Concerningly, the USA showed a contraction in the Student Market of 16% and in

With most of the revenue being generated from the "Low Value Customer" market segment, the name of this market segment should be changed, as "Low Value" has the connotation that these customers generate low revenue figures, which is not the case.

With 80% of the revenue being generated by 3 product plans, and with 7 product plans contributing very little. It may be worth rolling these 7 product plans together, to simplify the product offering, and ease the cost of overheads in maintaining these products.

The Investments Product Category has had a declining growth percentage for two years. The Gold Product Plan has been in decline for two years as well. The Investments Product Category is suffering because of the Gold Product Plan. The Gold Product Plan is being sold primarily to the Student Market. As this market is in decline, this is having a knock-on effect. The Gold Product Plan needs to be re-evaluated.

The Early Professional market segment has been growing rapidly across all regions. Continue focussing on this segment. The Australian region has grown by 13%, the highest of any region. Market forces may have influenced this.