



**FY24 Q1 Results Presentation**

**ASX: CCR | 18 October 2023**

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# Business Overview

Transforming debt collection practices through **technology**, improved **regulatory adherence** and a focus on **customer experience**



An ASX-listed company that has a commercially proven, AI-driven technology platform that improves debt resolution

**Winner of Best AI in Fintech Award (2021, 2022) and a Finalist in 2023**



Trusted by thousands of clients, in highly regulated and diverse industries to engage millions of end customers

**+1,100 clients and 1.2m active customer files**



Strong economic tailwinds and industry consolidation has significantly expanded the addressable market

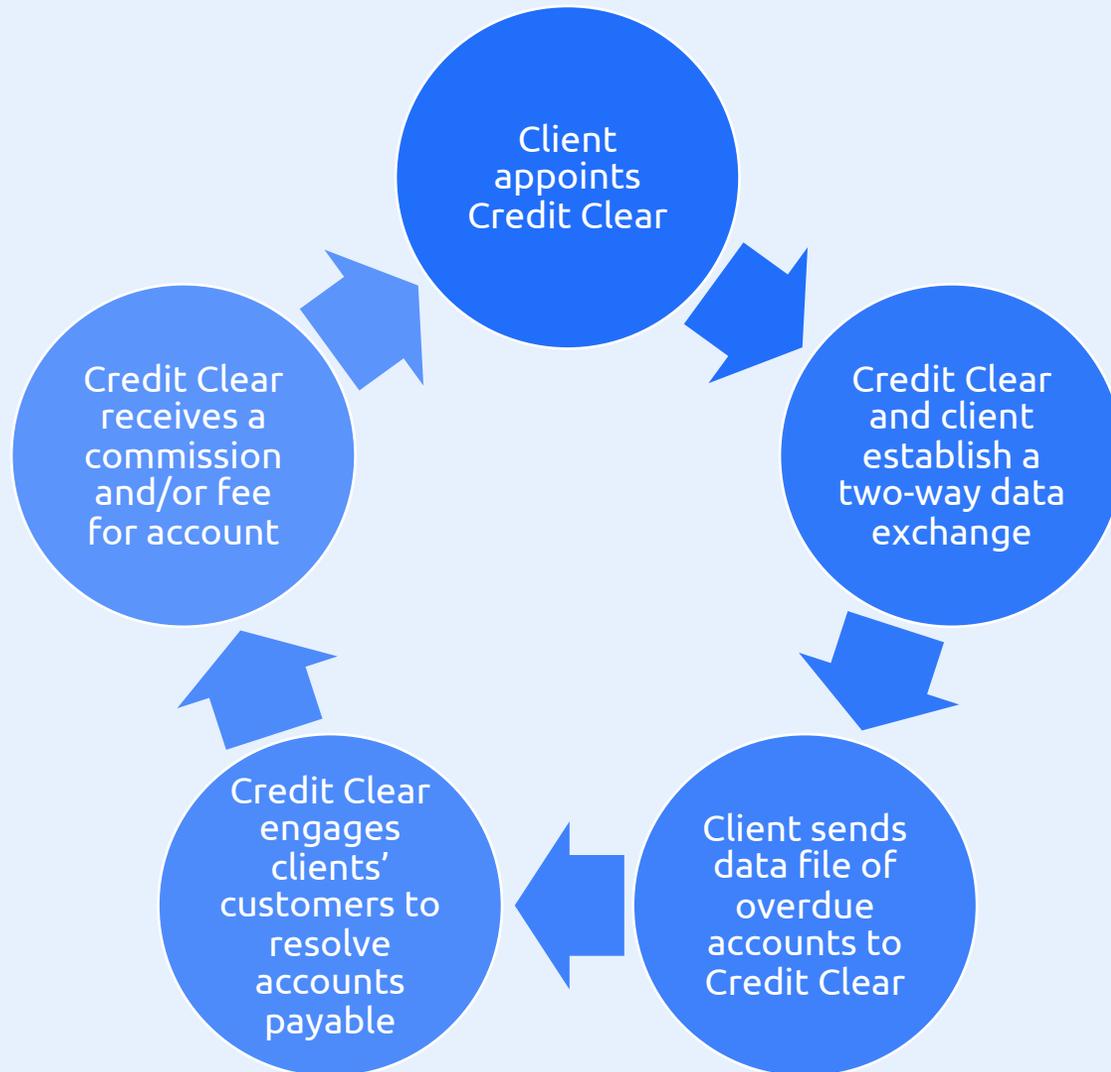
**TAM of \$20.8bn under collection in Australia<sup>1</sup>**



Aligned with rapidly changing customer behaviour that enhances the customer's experience

**NPS +41 from 383k responses with a 65% promoter score**

# Revenue model



## Notes:

**Credit Clear does not buy debt, we work with our clients to resolve their customers' overdue accounts**

**Our clients include banks, insurers, utility providers and government entities**

**Credit Clear engages our clients' customers through digital, traditional and legal channels**

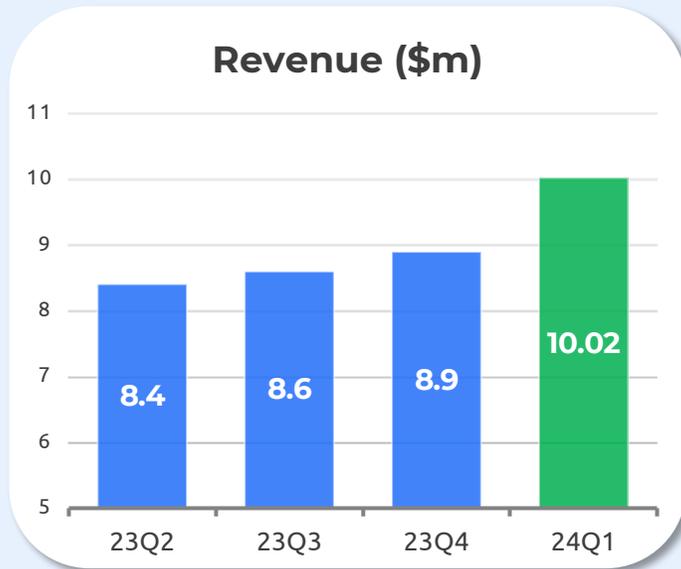
# FY24 Q1 – Key Metrics

Growing revenue, improving cash flow and well funded

## \$10.02m

Record quarterly revenue<sup>1</sup>  
on track to achieve FY24  
revenue guidance

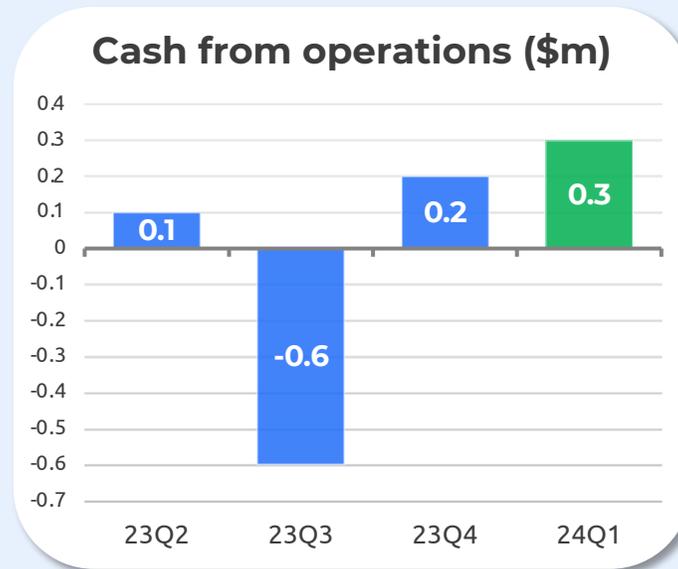
+12.2% QoQ



## \$0.3m

Two consecutive quarters  
of cash generated from  
operating activities<sup>2</sup>

+50% QoQ



## \$12.2m

Cash at bank \$0.2m up  
on prior quarter

+QoQ 2%

- Cash holding steady
- Continued investment in tier-1 clients' security and onboarding efficiencies
- Ongoing investment in technology development

1. Q1 revenue is unaudited

2. As per 4C quarterly cash flow report and excluding the ARMA Earnout paid in Q3 FY23

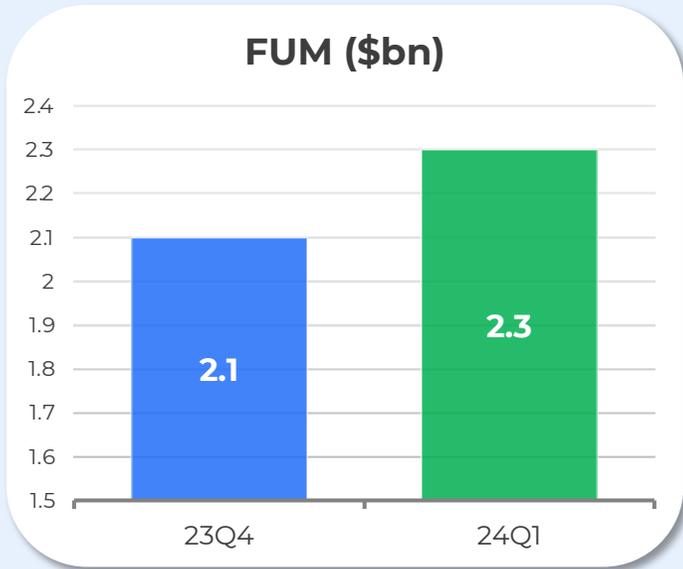
# FY24 Q1 – Leading indicators

Referred debt files increasing in value and volume

## \$2.3bn

Value of files under management (FUM)

+9.5% QoQ



## 1,131

New clients

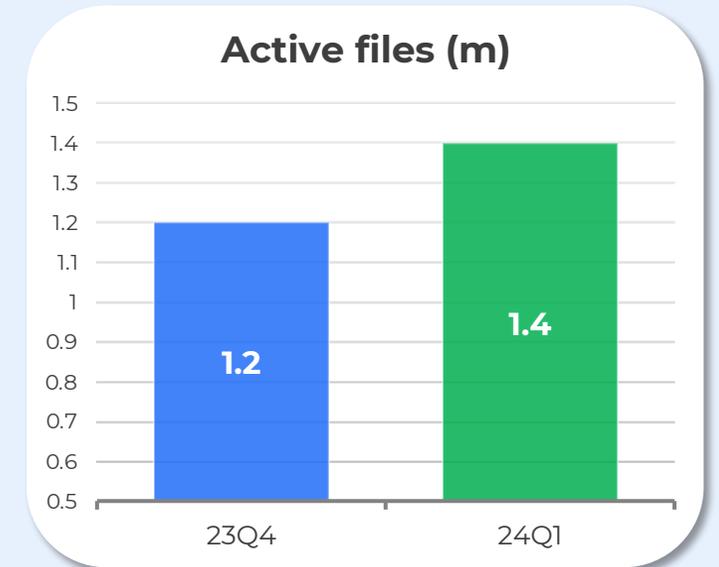
+52% QoQ



## 1.4m

Active files

+16.7% QoQ

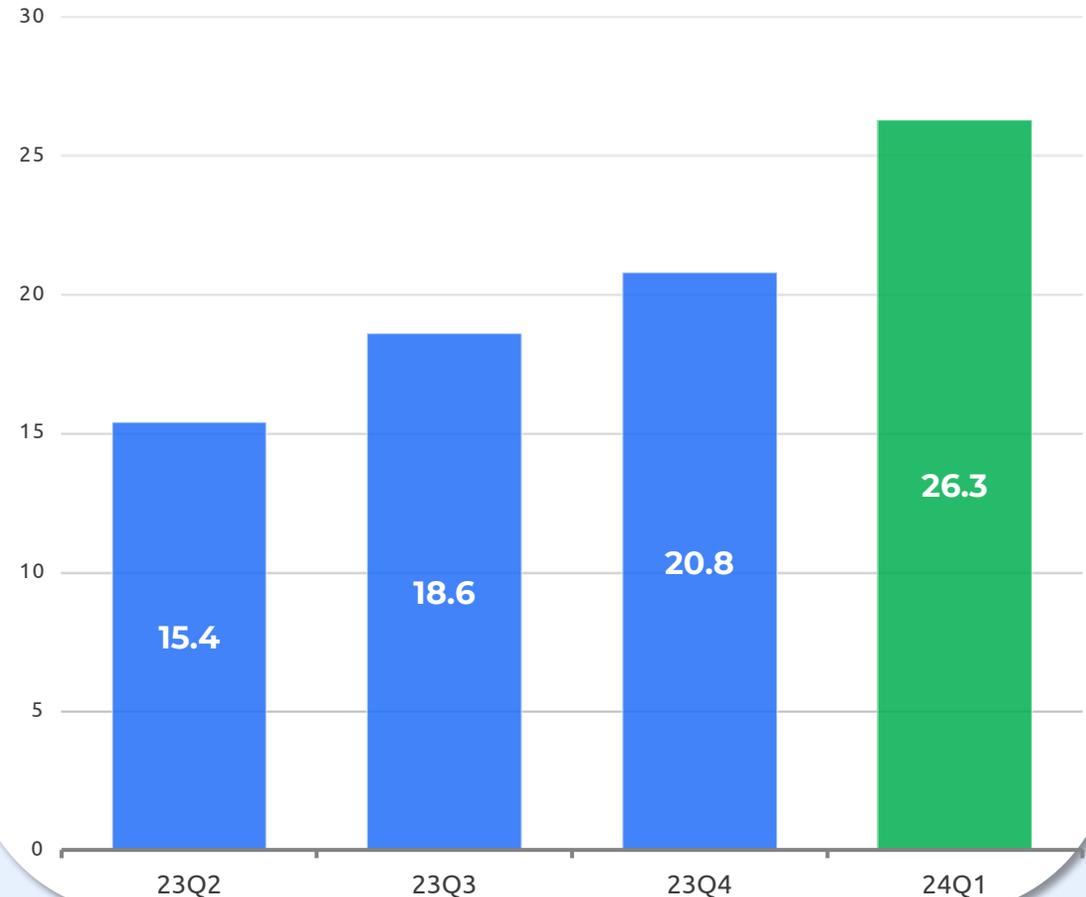


# Growing adoption and use of SaaS platform

Digital revenue has a gross margin of ~80%

- Quarterly digital collections growth 26.4% QoQ to \$26.3m
- Digital now accounts for 56% of payments in the Consumer Division (ARMA's largest)
- Transition to digital is contributing to increasing margin uplift
- Industry leading NPS of +41 from 383k customer responses
- **Case study:** Extended 44-day digital workflow for commercial B2B client achieved 34.4% increase in collections

Quarterly digital collections (\$m)



# New clients

Combined end-to-end offering is unmatched in Australia with SaaS platform and integrated contingent collections resonating strongly with tier-1 clients providing strong momentum into FY24

# 114

New clients

+52% QoQ

Several tier-1 and tier-2 consumer businesses (non-bank credit providers, energy retailers, and insurers)

Significant progress with onboarding several tier-1 clients, with two going live towards the end of the quarter and a further three in a position to go live in the coming quarter (in calendar year 2023).

**A tier-1 client is defined as a client with potential revenue greater than \$0.5m**

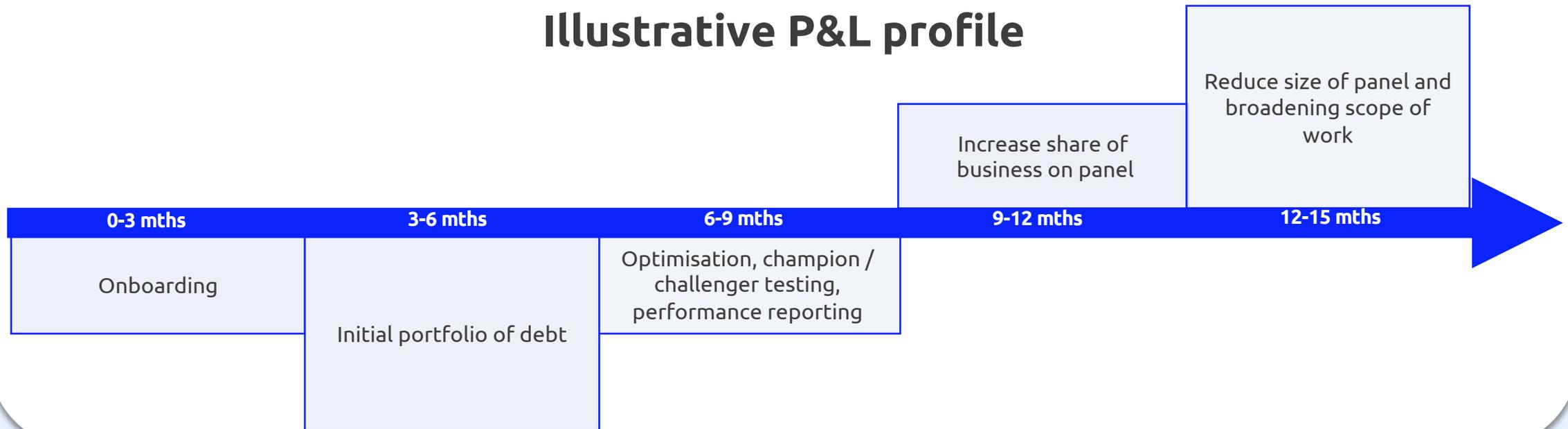
- We have seen a material increase in interest and new business success with tier-1 clients
- Credit Clear is working through sales processes with several tier-1 clients in the next six months

# Client profile

Growth in inventory is being driven by three factors:

- 1 Existing clients are referring more files with higher value of debts
- 2 Several new tier-1 clients have now been onboarded and are beginning to contribute revenue
- 3 A strong pipeline of potential tier-1 clients still exists

## Illustrative P&L profile



# FY24 Outlook

## Macroeconomic tailwinds

- Economic tailwinds have strengthened with internal and external data suggesting a significant increase in overdue accounts
- Australian companies clearly preparing for a deterioration in the economic environment by strengthening their collection capabilities

## Organic growth

- Currently in a sales process with several potential tier-1 clients
- Continued integration of SaaS platform across third party contingent collections team, driving performance and gross margin uplift

## Guidance

- Building a strong pipeline with growing list of tenders that we will be actively working through with major companies (top 100 public and non-public in Australia) in the next year
- Strong potential for margin growth on a controlled cost base
- Based on our expectations for our customer base and economic conditions, we expect double-digit revenue growth in FY24 to between \$39m and \$41m with underlying EBITDA of between \$1m and \$2m



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