

# ASX ANNOUNCEMENT

29 October 2021

Market Announcement Officer  
Australian Securities Exchange Limited  
Level 4 Stock Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

## **Collection House Limited (ASX Code: CLH) – Quarterly Company Update**

Collection House Limited (“CLH” or “the Company” or “the Group”) has lodged an Appendix 4C Quarterly Cashflow Report for the Quarter Ended 30 September 2021. The results reflect the third quarter of trading since the substantial organisational restructure that commenced in January 2021. There have been no significant changes in the nature of the Group’s business activities since the last quarterly cashflow report lodged on 28 July 2021.

Operating results for the quarter were consistent with the previous quarter and continued to reflect subdued trading conditions across the contingent collection business. Client-initiated COVID-19 forbearance arrangements are continuing to restrict the Company’s ability to make consistent contact with customers. This continues to impact the scale of commission revenues generated under contingent collection arrangements. Contact restrictions implemented by clients in respect of lockdowns in NSW, Victoria and New Zealand also impacted collections during the quarter. Given these volatile market conditions, CLH has continued to focus on supporting clients and customers and executing

### **Collection House Limited**

Level 12, 100 Skyring Terrace  
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p. +61 7 3292 1000  
f. +61 7 3832 0222

PO Box 2247  
Fortitude Valley BC QLD 4006

on its program of strategic change, delivering the right customer outcomes within the highest standards of governance and compliance. While the Company is encouraged by recent relaxation of COVID-19 related restrictions across Australia, we realistically expect disrupted trading conditions to persist into the next calendar year. For this reason, the Company continues to carefully manage its cost structure, curtailing any discretionary expenditure and continuing its program of occupancy cost reductions. In addition, the Company continues to de-prioritise debt purchasing activities, as a result of limited supply and higher than average pricing expectations from vendors, in addition to the need to preserve capital.

The Group reports an operating cashflow loss for the quarter of \$0.6 million, which pleasingly reflects a significant improvement on the \$2.7 million operating cashflow loss reported in the prior quarter, and an underlying trend of continued improvement in underlying trading performance over the preceding twelve months. The Company is confident that it continues to create a platform of strong future revenue growth from both its existing client portfolio and new opportunities secured over the past six months. The Group satisfied debt repayment obligations in the quarter of \$0.2 million, reducing total loan facilities to \$61.3 million as at 30 September 2021. The Company ended the quarter with reasonable cash reserves and is now in the process of implementing a range of non-core asset sale initiatives to improve the Company's liquidity position.

Subsequent to the end of the quarter, the Company received its FY21 tax refund which allowed it to repay a loan of \$10.1m, reducing its total loan facilities position to \$51.3 million.

The Company remains confident that there are significant opportunities to support clients and customers during what it believes will be a protracted COVID-19 recovery phase. The Company continues to enhance its customer engagement approach and is focused on ensuring that it is delivering the highest standards of customer service during this challenging period.

The Company's Annual General Meeting is to be held on 3 November 2021 at 12 noon Brisbane time, via a virtual meeting platform. Meeting documents have been dispatched

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and are available at [www.collectionhouse.com.au/annualgeneralmeeting](http://www.collectionhouse.com.au/annualgeneralmeeting). If Shareholders require additional information or support they should contact Computershare on 1300 850 505 or the Company at [investor@collectionhouse.com.au](mailto:investor@collectionhouse.com.au). The Board looks forward to providing Shareholders and other interested parties with a comprehensive update on the Company's progress at that meeting.

This announcement was authorised to be provided to the ASX by the Company's Board of Directors.

Yours faithfully  
Collection House Limited



**Jonathon Idas**

Chief Legal Officer & Company Secretary

Email: [Jonathon.idas@collectionhouse.com.au](mailto:Jonathon.idas@collectionhouse.com.au)

*For further information please contact Collection House Limited Investor Enquiries:*

Alasdair Jeffrey

0404926768

[Alasdair.jeffrey@rowland.com.au](mailto:Alasdair.jeffrey@rowland.com.au)

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## About Collection House

Collection House is one of Australia's largest and most respected end-to-end receivables management companies. For over 25 years, the Group has developed deep customer service capabilities and delivered world-class systems that enable it to provide practical, customer focussed and cost-effective solutions in collections, credit management and customer care. We do that through first party and third party contingent collection arrangements and outsourced support style contracts. We own a small portfolio of purchased debt in New Zealand and retain the organisational capability to value and manage purchased debt portfolios for ourselves and others.

We are a purpose-driven organisation that aspires to help both businesses and individuals improve their financial positions. We seek to lead positive change within the financial services sector and have greater social impact in the communities in which we operate, through collaboration with a range of community partners that share our desire to champion financial inclusion for all.

We have challenged ourselves to reimagine how we can take our experience in the receivables management sector and apply it to support clients and customers through creating best in class solutions across voice, digital and traditional engagement channels. These technical capabilities are supported by a philosophy that genuine care for our customers requires deep human connection. Our strong digital capabilities are backed by a high touch, high care approach to customer engagement which is essential in supporting customer experiencing vulnerability and hardship.

The Group employs over 700 people across Australia, New Zealand and the Philippines, providing a strong platform for growth, but more importantly the capacity, resources and scale to provide the highest standards of service to our diversified portfolio of clients across the globe. Collection House has the inherent flexibility and operational agility to challenge historical expectations of service, compliance and conduct in the receivables management space.

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