

# creditclear **limited**

**LEADING THE DIGITAL  
TRANSFORMATION  
IN ACCOUNT RECEIVABLES**

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**ASX: CCR | AGM COMPANY PRESENTATION**

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29 November 2022

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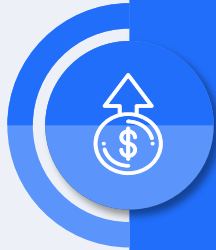
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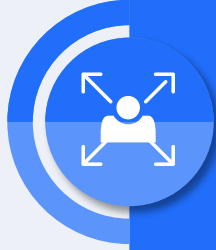
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# Year in review (1 Dec 2021 – 29 November 2022)



## SUCCESSFUL ACQUISITION



## STRENGTHENED BOARD AND MANAGEMENT



## REVENUE GROWTH AND NEW BUSINESS WINS

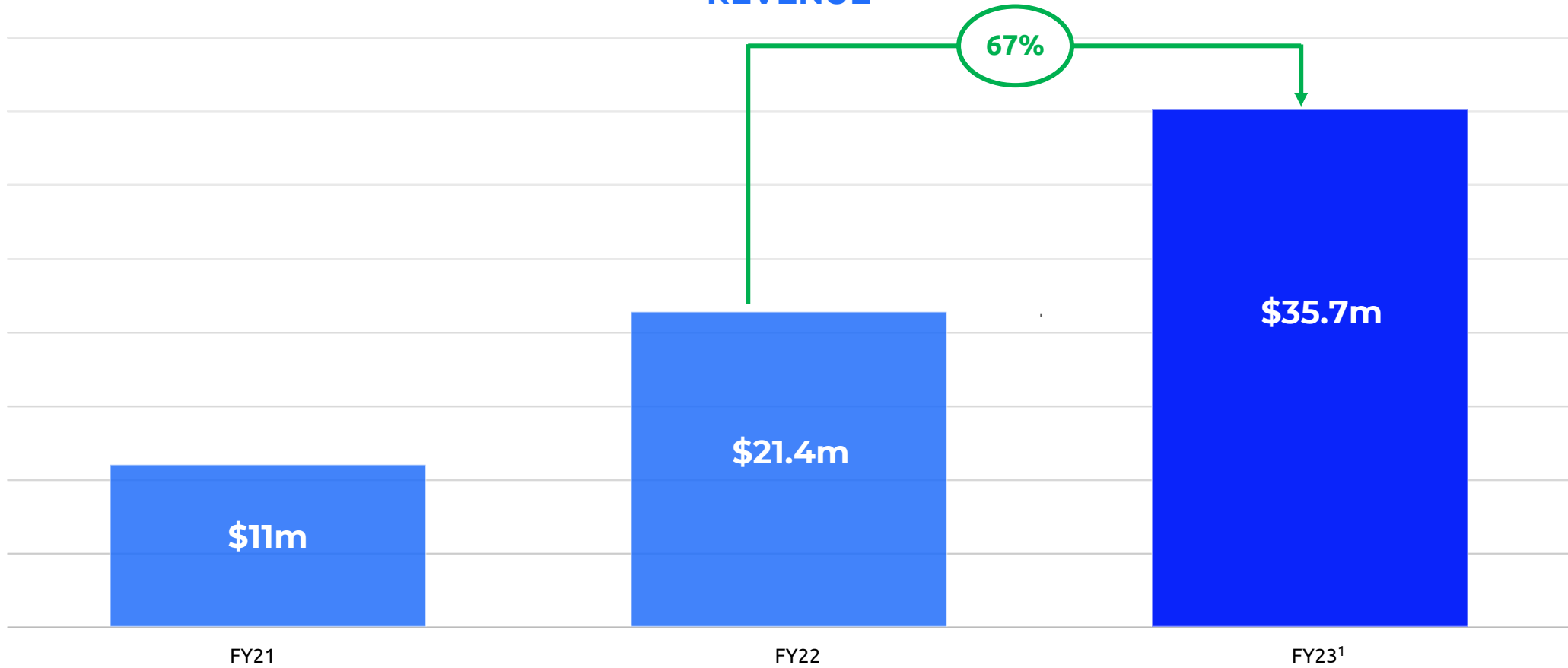


## TECHNOLOGY SCALE AND VALIDATION

- Acquired **ARMA Group** in February 2022, creating a fully integrated, digitally led, hybrid account receivables provider
- Appointment of **Hugh Robertson as Chairman, Michael Doery and Paul Dwyer as non-executive directors** (strongly aligned with fellow shareholders)
- Appointment of **Andrew Smith as CEO** and Executive Director and **Shane Ashton as COO** (owner-operator culture, strongly aligned through equity ownership)
- Retention and incentivisation of **Jason Serafino (CPTO) and Eddie Smith (Head of Sales)**
- Record quarterly revenue in Q3 and Q4 FY22, and again in Q1 FY23, with a current revenue run rate of **\$35.7m<sup>1</sup>**
- **Record new business in Q1FY23** with 99 new clients which continued into Q2 with **30 new clients in Oct and 22 in November, including several “tier one” organisations**
- New clients signed post year end (July – November) **add a potential \$5m** in annual revenue
- Our technology is leading the **digital transformation** of the account receivables industry
- One million payments processed via the platform with record Q1FY23 digital payments of **\$15.28m up 19% QoQ**
- **Best use of AI** by a Fintech 2021 & 2022, and an ANZIF **Insurtech Award** finalist in 2022
- Successfully deployed the platform in South Africa

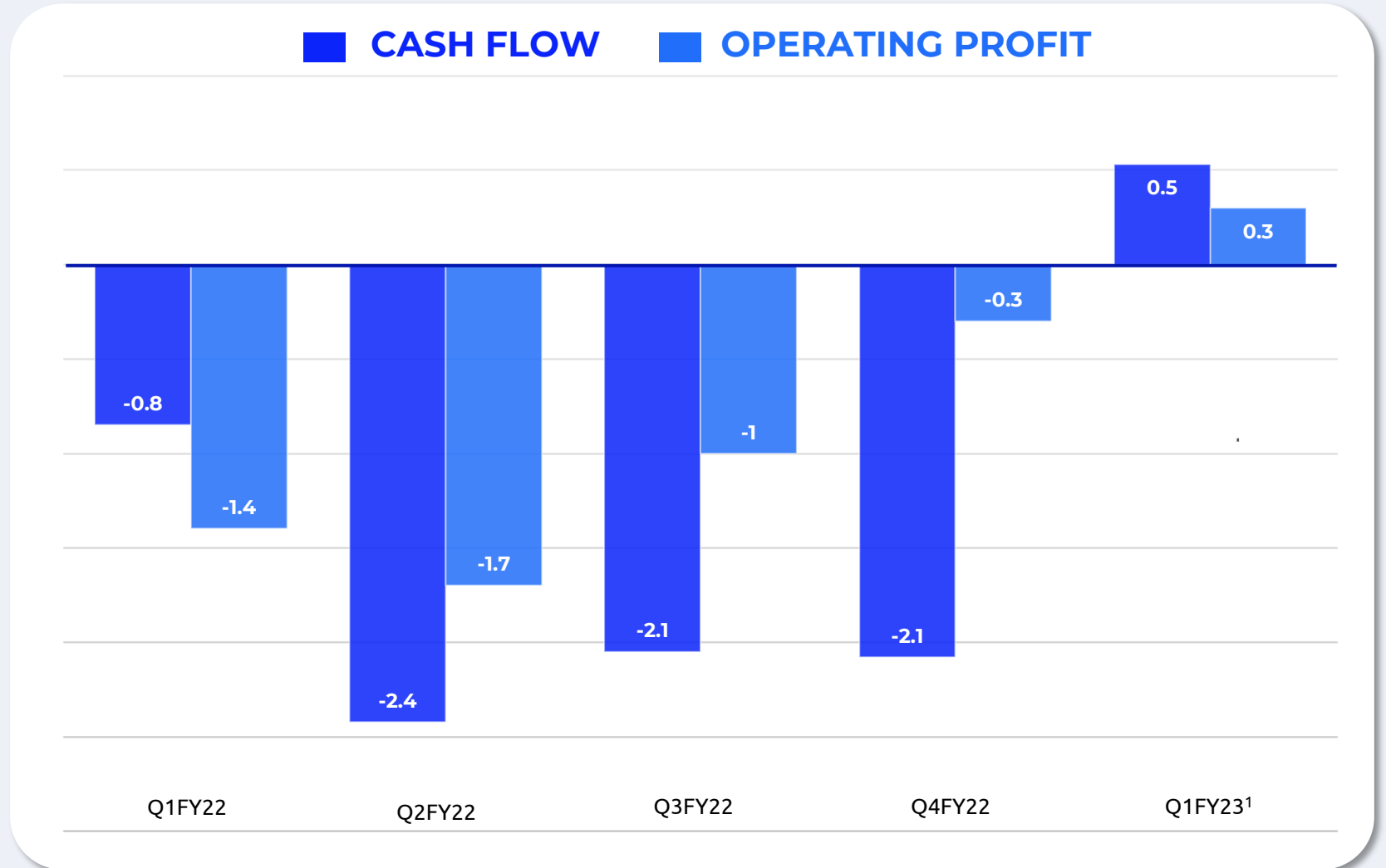
# Revenue growth

## REVENUE



# Cash flow and operating profit

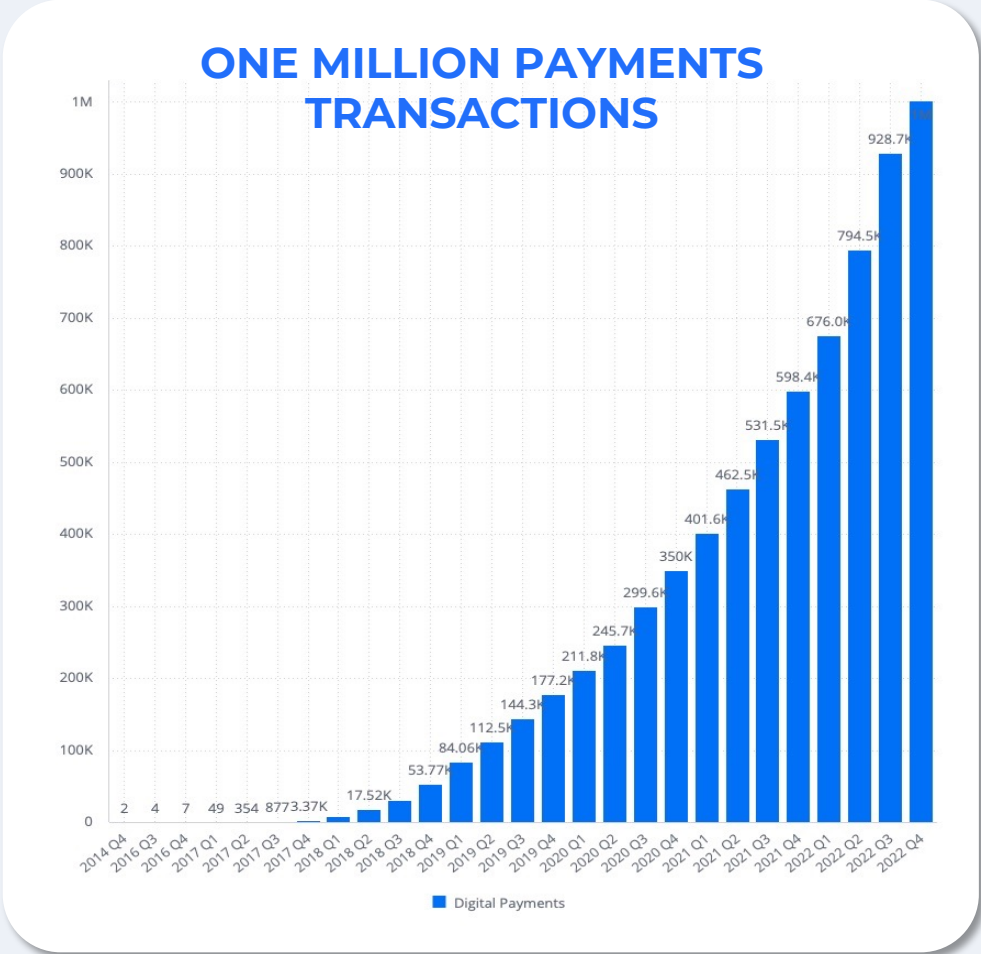
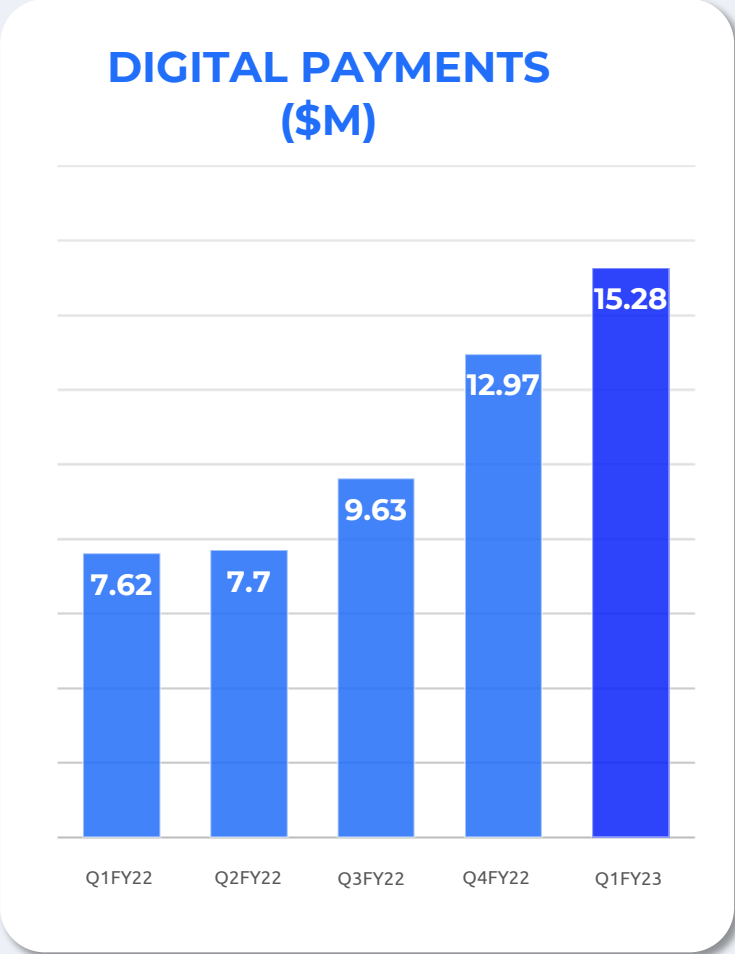
- Growing **operational leverage** with 46% of additional revenue flowing to normalised EBITDA
- Growing mix of high margin digital revenue with full deployment of digital and traditional service offering
- Winning new business by up and cross selling through the group



# Strong growth in digital payments

Australian account receivables industry in midst of digital transformation

- Record digital collections in Q1 of \$15.3m, 19% QoQ
- Annualised digital payments run rate of **over \$60m**
- **One million payment transactions** processed through the digital platform
- Digitally led offering providing an increasing competitive advantage and superior client outcomes



# CY2022 Recognition

S4 Special Report | **The Fast Lists 2022**

Friday 25 November 2022 **AFR**  
The Australian Financial Review | www.afr.com

## Tough times in the market favour all the disruptors

### Fintechs

Simon Evans

The boss of collections company Credit Clear – which features in the Fast 100 companies list this year – expects activity levels to pick up as swiftly as tougher times hit the economy. Chief executive Andrew Smith says the signs are there for the “tailwinds” to strengthen for the ASX-listed company.

Credit Clear has around 2740 shareholders and among the top 20 are Alex Waislitz’s Thorney, former Toll Holdings boss Paul Little, Casey Capital and JM Financial.

The company was founded by Lewis Romano and Mark Casey in 2015 with the aim of delivering a better collections experience by digitising the industry and improving the customer experience.

Around the same time, Andrew Smith and Shane Ashton were establishing ARMA Group with a view to providing the collec-



the enlarged group has a focus on profitability and growth. He says in the September quarter, Credit Clear achieved its first cash flow-positive quarter, and secured new business. It raised capital in July this year and December last year. Smith says Credit Clear has a big focus on data security.



## FINANCIAL REVIEW

# 100 FAST

PRESENTED BY



# Credit Clear: Our mission

Our mission is to dramatically improve the customer experience during the debt collections process and thereby enhance the collections outcome for our clients.

## CUSTOMER QUOTES:

*Very convenient and a great way on managing your bills.*

*Excellent and easy to make an arrangement I can afford. Thanks so much.*

*Fast and easy*

*It made it easier then calling process*

*It's so much easier*

*Easy and quick to set up*

*Easy to make a payment or organise a payment plan*

*Convenient and easy to manoeuvre*

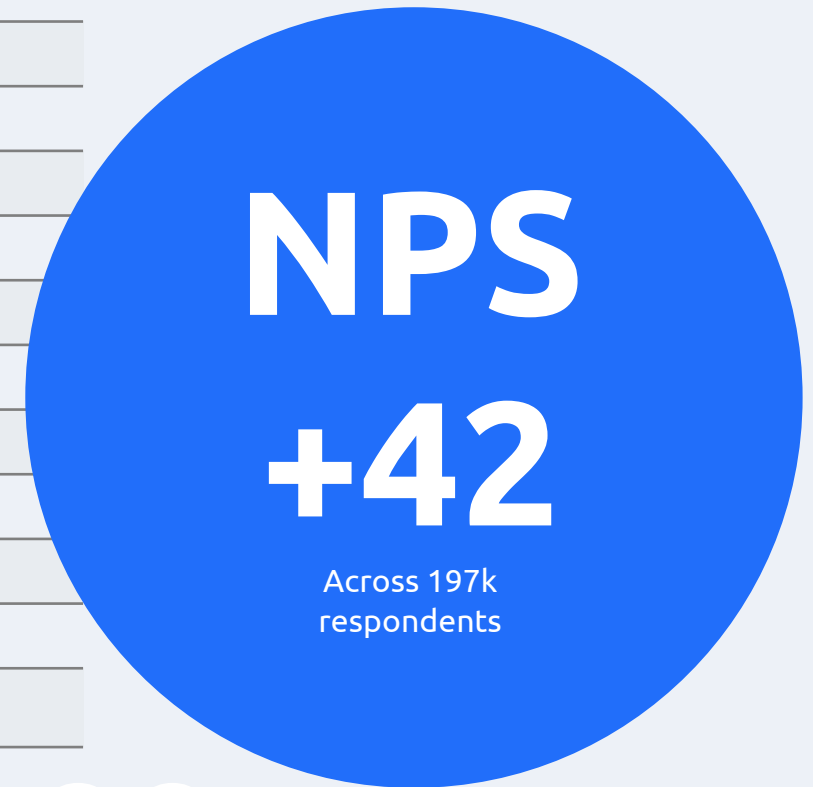
*Working a 5-5 job makes it difficult to call with in business hours, this is a great idea*

*I am embarrassed to talk about my situation since my husband died.*

*I'm autistic and struggle severely with online/financial organization. Your patience and professionalism are greatly appreciated. Warmest regards, a soul trying to make ends meet.*

*So easy to pay and love how it informs me of my use of Eastlink*

*I get major anxiety on the phone so this was so nice and quick to be able to fix up a payment plan myself*





# Building a sustainable competitive advantage with AI & data

## TOLL ROAD OPERATOR – ARTIFICIAL INTELLIGENCE

- AI experiment achieves a **35% uplift** for a major toll road operator
- Case study clearly shows the power of Credit Clear's AI which predicts the next best channel, message and timing
- **The differentiator was the use of our AI** to decide which action to take next for a particular customer, based on what had already happened to date
- Seven years of accumulated data and 10s of millions of customer interactions power the results – very difficult to replicate and even harder to catch!

## OPTIMISER TEST FOR ARMA

Demonstrates the power of the Optimiser module and also the depth of knowledge Credit Clear has in optimising digital strategies based on over 59k different variations in treatments we've sent.

Improvements to the initial ARMA digital messages and workflow has delivered:

**22%** uplift in collections

**32%** uplift in engagement,

**16%** uplift in NPS

**20%** Reduction in time to recover

# Industry landscape, fewer competitors, more debt

- M&A activity has driven consolidation in the industry
- Contingent debt collection providers have struggled with integrating technology and their own internal operational issues
- Digital only providers have struggled to gain traction, clients do not want stand-alone digital services
- Debt purchasers competing for a shrinking pool of available assets, companies less likely to sell debt than pre-2020



DATAROOM

## Illion's Milton Graham merges with Recoveries Corp

Companies Financial Services Debt collection [Print article](#)

### Insolvency fears at Collection House 6 months before administration

Finance > Business > Technology

### Start-up sacks 40 employees amid \$200 million valuation

Funds management | Boards | CEOs

### Pioneer Credit eyes return to profit after three years in 'the swamp'

— Street Talk

### Buyers ready for another look at tidied-up illion

# Outlook

## MEDIUM TERM GOALS (NEXT 3 YEARS)

- Grow revenue to \$100m p.a.
- Grow EBITDA to \$25-\$30m p.a.
- 4-5% of total addressable market

## WHERE ARE WE CURRENTLY?

- CCR has a revenue run rate of \$35.7m from ~1,000 active clients
- Operationally profitable and cash flow positive in Q1FY23
- Adding ~30 clients each month
- In discussions with materially larger clients (i.e. ASX 100 companies and “tier one” government and unlisted organisations)

## WHAT ARE OUR PRIORITIES?

- Upsell existing clients (larger share of work) – using our technology advantage to prove uplift in engagement, collections and customer experience through champion/challenge testing
- Continue to cross sell – move ARMA clients upstream into digital first, first party collections
- Win new business with “tier one” organisations and ASX 100 companies
- Manage cost base as business continues to grow
- Continue expansion into international markets



\*Account receivables sector forecast to grow at 8.5% CAGR

# Corporate snapshot<sup>1</sup>

ASX code	CCR
Industry sector	Information Technology
Shares on issue	367m
Market cap at \$0.43	\$156m
Unlisted options	36m
Debt	\$0
Top 20 holders own	55%
Cash in bank <sup>1</sup>	\$9.9m
Directors and management own	25%

Market Summary > Credit Clear Ltd

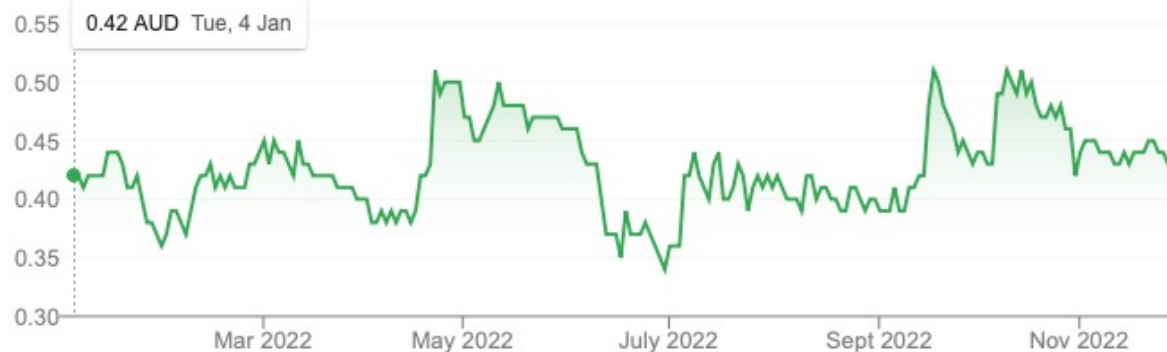
**0.43** AUD

+ Follow

+0.01 (2.38%) ↑ year to date

28 Nov, 1:15 pm AEDT • Disclaimer

1D | 5D | 1M | 6M | YTD | 1Y | 5Y | Max





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