

ASX release

31 August 2022

One-off costs now behind a resurgent Pioneer

Pioneer Credit Limited ('Pioneer' or 'the Company') is pleased to report its full year results for the year ended 30 June 2022 with Liquidations of \$106.8m, up 13% on the prior period and Net Revenue of \$54.3m up 2%. Net Loss After Taxation was \$33.1m which includes significant one-off, non-recurring expenses that are predominantly non-cash in nature.

The financial result includes a comprehensive review of the Estimated Remaining Collections ('ERC') from the Company's Purchased Debt Portfolio ('PDP') asset, following significant media commentary and evidence that Australian households are experiencing cost of living pressures. In the wake of this review the Board and Management resolved to reduce ERC by 5% or \$30.1m, which is an impairment to the carrying value of the PDP asset of 3% or \$8.9m. This decision has been made recognising that the opportunity for Pioneer's differentiated services remains strong, and that current liquidations performance reflects better circumstances for customers.

Post review, ERC (the forecast cash flows from the Performing Arrangements ('PA') and inventory portfolios) is \$572m. ERC underpins the PDP asset that is carried at \$296m on the balance sheet at 30 June 2022.

The Group has \$464m of PAs and another \$1.5bn of PDP inventory. These valuable assets, and Pioneer's differentiated customer servicing platform, continue to attract the support of sophisticated capital market participants, and major financial institutions who choose Pioneer to acquire their impaired customer base.

The Board and Management acknowledge the patience of shareholders in recent years as the Company has refinanced and positioned to return to profitability. This has involved very significant cost, now fully expensed, including the unwind of costs from two refinances in the past two financial years. The Company has sufficient cash and cashflow to support its strategy, its forecast PDP investment, and return to profitability in FY23, plus an additional \$26.2m funding headroom.

For the first time in some years Pioneer expects to present a clean set of financials statements in FY23, without any significant one-off expenses.

Pioneer Managing Director Keith John commented “I am extremely proud of our tight team for their commitment and work ethic through the most trying circumstances in the past three years, and for the way we have positioned the Company to return to sustainable profitability and growth.

“We are pleased that through this period, whilst supporting our customers, we have grown revenues and have begun to reduce the cost to service our assets, in line with our strategy. We have also materially grown market share.

“We have previously explained how our industry was going through a period of significant change. This hastened dramatically during the last twelve months and has resulted in Pioneer being rewarded with valuable long-term agreements, and completing a record PDP investment of \$100m, as vendors demonstrated a preference for quality over price.

“We expect this dynamic to continue, with significant opportunity for the Company in the years ahead. Heading into FY23 the Company has \$39m of its forecast PDP investment of \$61m under contract, and has forecast a return to statutory profit for the period.

“Pioneer presents a strong investment case, which we will begin marketing immediately.”

The programme presently includes:

1 September 2022	FY22 Result Presentation Investor Webinar	Online
19-23 September 2022	Investor Roadshow (Sydney and Melbourne)	Sydney and Melbourne
18-19 October 2022	Australian Microcap Investment Conference Presentation (Melbourne)	Melbourne
2 November 2022	Annual General Meeting – 1H23 Guidance and Strategy Update	Webcast

In closing, Chairman Michael Smith commented “Pioneer is a survivor.

“The contrast between what our sector looked like in our first year as a public company in 2014 and now is extraordinary. We have significantly less competition.

“The saying ‘never waste a crisis’ has informed our actions. We are different, we are better, and we ready to take our opportunities in what we expect will be the best market conditions for the Company since listing.”



Authorised by The Board of Directors of Pioneer Credit Limited.

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About Pioneer

Pioneer Credit is an ASX-listed company (ASX: PNC) providing high quality, flexible, financial services support to help everyday Australians out of financial difficulty. Pioneer Credit has the trust of long-term vendor partners to do the right thing and respectfully support customers to achieve their financial independence.

Pioneer Credit has established a solid foundation to pursue further growth by leveraging its outstanding industry relationships, compliance record and customer-focused culture.

www.pioneercredit.com.au