

ASX release

2 November 2022

Managing Director Presentation - 1Q23 Performance Update

Following is Pioneer Credit Limited's (ASX: PNC) ('**Company**') Managing Director's Presentation and 1Q23 Performance Update to be presented following the close of the Company's Annual General Meeting being held by live webcast today at 11 am AWST at:-

<https://meetings.linkgroup.com/PNC22>

Authorised by:
Company Secretary, Pioneer Credit Limited

Investor and media enquiries:

Keith John
Managing Director
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



Presentation

Keith John



Important Notice: Disclaimer

This presentation has been prepared by Pioneer Credit Limited (“**Pioneer**”).

Disclaimer: This presentation contains information about Pioneer’s activities current as at the date of the presentation and should not be considered to be comprehensive or to comprise all the information that an investor should consider when making an investment decision. This information is provided in summary form and is not considered to be comprehensive or complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should consult with their own legal, tax, business and/or financial advisors in connection with any investment decision.

Any forward-looking statements included in this presentation speak only as at the date of the presentation and undue reliance should not be placed upon such statements. Although Pioneer believes the forward-looking statements to be reasonable, they are not certain. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward-looking statement whether as a result of new information, future events or results or otherwise is disclaimed.

Subject to applicable disclosure requirements Pioneer is under no obligation to update any of the forward-looking statements contained in this presentation.

Monetary Values: Unless otherwise stated, all dollar values are in Australian dollars (A\$). The information in this presentation is subject to change without notice.

Key Assumption: The financial performance and forecasts provided in this presentation are made using management’s best estimates and are unaudited. These include estimates of the interest rate payable for debt funding, and the timing of investments in Purchased Debt Portfolios which may impact the timing of liquidations, or sales of portfolios, in any period, and are inherently uncertain. Noting the volatility around economic and interest rate factors, we expect to be profitable in FY23. If a different view is formed, the market will be updated.

Investment Highlights



Top 2 Australian Player

- Market consolidation supporting our Top 2 market position
- Increasing barriers to entry, with tightening scrutiny



Strong Vendor Relationships

- Preferred purchaser of high-quality bank originated customers
- Focus remains on Australian bank originated customers



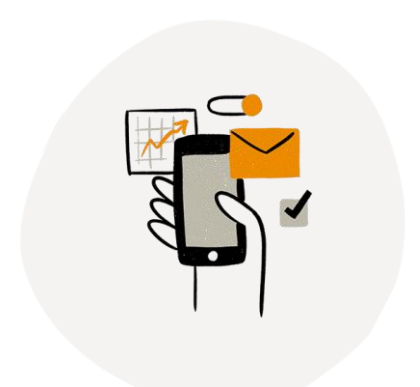
Sustainable & Growing Income

- Risk diverse performing portfolio of \$457m across 39.6k customers
- Provides predictable, and growing cash flow



We Do The Right Thing

- Strong risk and compliance record, underpins vendor relationships and PDP investment opportunities



Best In Class Management Team

- Extensive experience across the PDP space
- Founder led business with strong alignment with shareholders
- Board & Management own 21%

Our Focus

Ethical debt recovery, underpinned by industry leading compliance record



Customer Care

- We treat our customers with empathy and respect
- We equip our customers with the information and tools they need to reduce debt stress
- Industry leading customer experience and Net Promoter Score ('NPS')



Flexible Options

- We don't offer a one-size-fits-all approach
- We give our customers the chance to pay their account at a pace that suits them, with flexible, practical and tailored solutions



We Give Back

- We proudly champion a large range of community projects
- We support programs that provide education assistance for those experiencing financial stress

SECTION 1

Performance



1Q23 Performance

- Record 1Q Performance
 - Increasing liquidations portfolio wide, at a reducing cost to service, driving higher returns
 - 27% liquidations increase for only 7% cost uplift
 - Record Liquidations
 - Record EBITDA & EBIT
- PDP investment opportunities growing
 - Return of vendors post pandemic slowdown
 - Market consolidation improving outlook

LIQUIDATIONS¹

\$30.8m

1Q22: \$24.2m

▲ 27%

PDP INVESTMENT¹

\$10.6m

1Q22: \$8.6m

▲ 23%

EBITDA¹

\$18.6m

1Q22: \$12.8m

▲ 45%

EBIT^{1,2}

\$7.0m

1Q22: \$1.6m

▲ 332%

Note:

1. 1Q numbers are unaudited
2. EBIT is derived from allocating the amortisation charge equally across quarters from the 1H22 audited accounts

SECTION 2

Portfolio

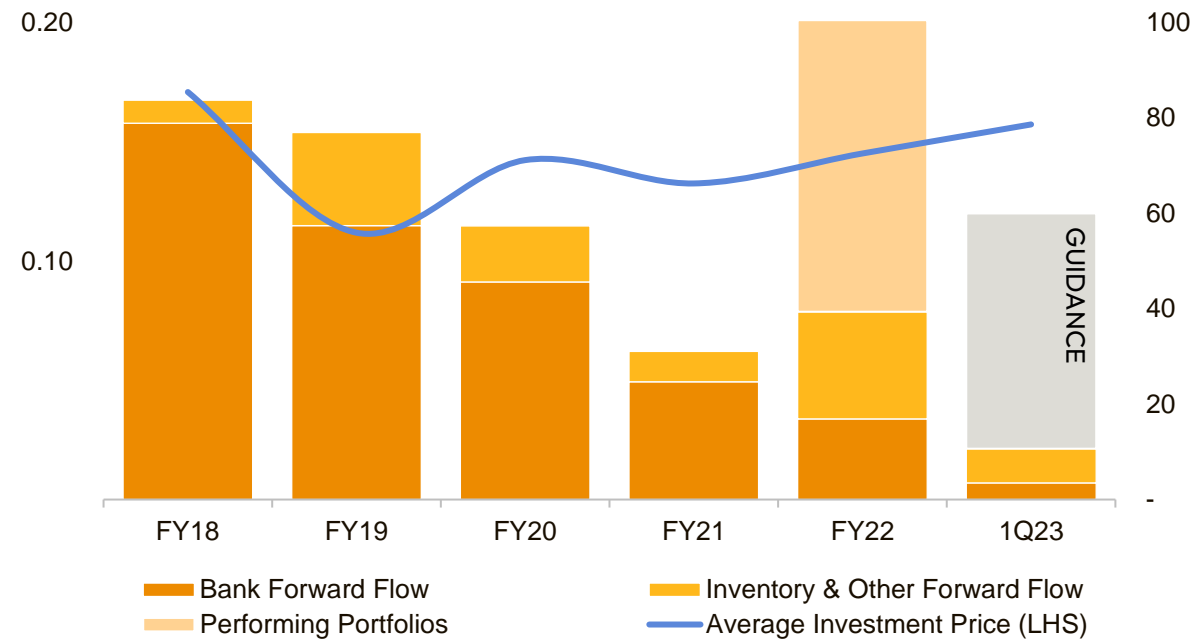


Portfolio Investment

Increasing PDP investment, with opportunities for Pioneer to grow quicker

PDP Investment & Investment Price¹

Cents per \$
0.20
0.10



- Continued pricing discipline
- Focus on Tier 1 banking & finance customers
- 5 year agreement with CBA underpins PDP investment
- PDP Investments expected to accelerate with opportunities growing

Note:

1. FY22 Investment price excludes investments in Performing Portfolios

Pioneer Portfolio

\$457m performing portfolio providing sustainable cashflow; \$1.5bn receivables opportunity

PIONEER PORTFOLIO

\$2.0bn in receivables

250k active customers

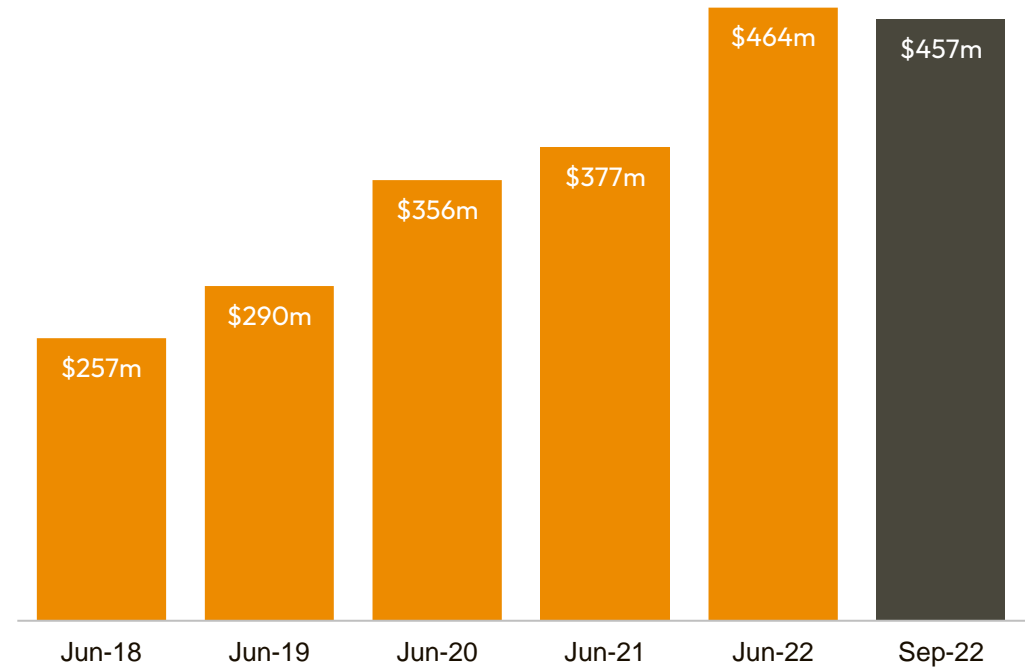
PERFORMING PORTFOLIO

\$457m
in receivables

WIP PORTFOLIO

\$1.5bn
in receivables

Performing Portfolio Growth

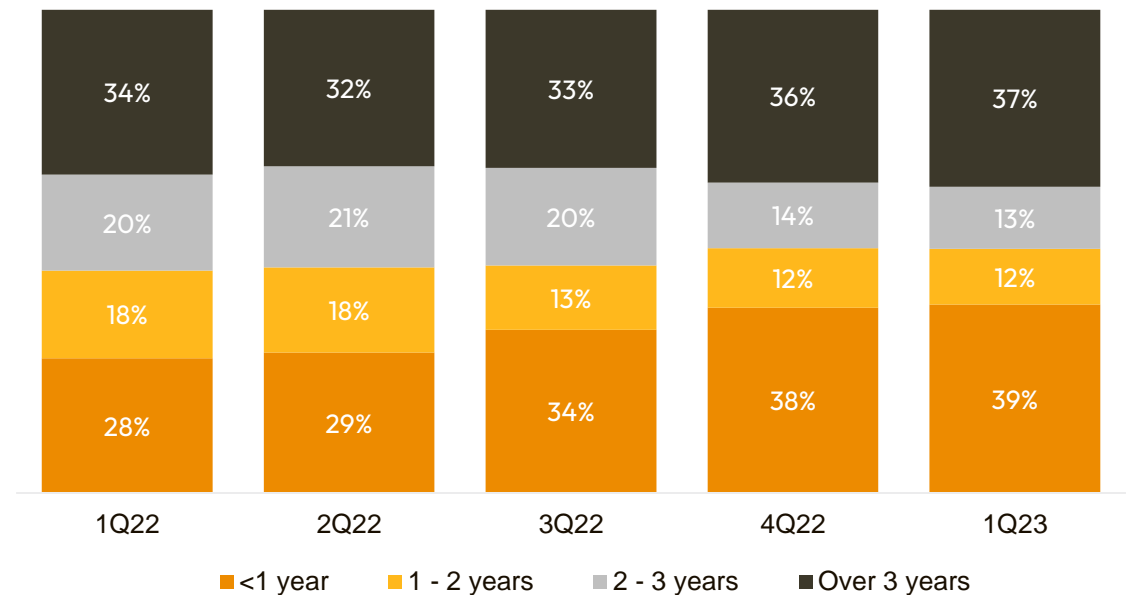


PDP Liquidations

Performance increasing across older vintages, while PDP investments drive newer vintages

- Record 1Q PDP liquidations driven by:
 - Execution of strategic initiatives improving operational efficiencies
 - Consistent and sustainable cashflow from performing portfolio
 - Liquidations from performing portfolio acquisitions performing to underwriting
- Increasing contributions from older vintages highlighting the quality of Pioneer's PDP portfolio


Liquidations by Vintage



Customer Treatment

Proven customer first service, validated by NPS¹; and an enviable compliance record

NPS	MEASURING CUSTOMER EXPERIENCE				ETHICAL DEBT RECOVERY
+27 NPS Rolling 6-month average	(26) First Contact	+18 New Payers	+43 Ongoing Payers	+35 Settled Payers	<ul style="list-style-type: none">✓ Staff that are enabled to have human conversations✓ Underpinned by strong compliance framework that supports good customer outcomes✓ No additional credit or new loans sold to customers that continue the debt cycle✓ B Corp self-certification completed with formal ESG certification and audit progressing



“You were very understanding and accepting about what was happening to me in my life thank you very much for all help.”

“Don’t make me feel bad about having a debt and helped me get it paid off in a way that I could manage.”

Note:
1. Net Promoter Score measures the willingness of a customer to recommend a product or service

SECTION 3

Brand Refresh



Why we've changed

- Continued evolution of our positioning, reflecting who we are and what we want to be
- Building on existing goodwill in the brand, and reinforce our positioning to vendor partners
- Better communicate our difference to customers, employees and the market
- Continue to build trust and preference with the people we help, work and do business with



What has changed

- We have evolved our Purpose and our Pioneer Principles
- Purpose: To put an end to debt stress
- Brand promise: With genuine care at the heart of everything we do
- Principles: We've gone from 6 to 3 principles to honour our journey (on the right)
- Website: Refreshed and simplified for easier use for customers, vendors and shareholders



Be human



Choose integrity



Act with purpose

Brand Evolution Video



Ctrl + Click to play

SECTION 4

Outlook

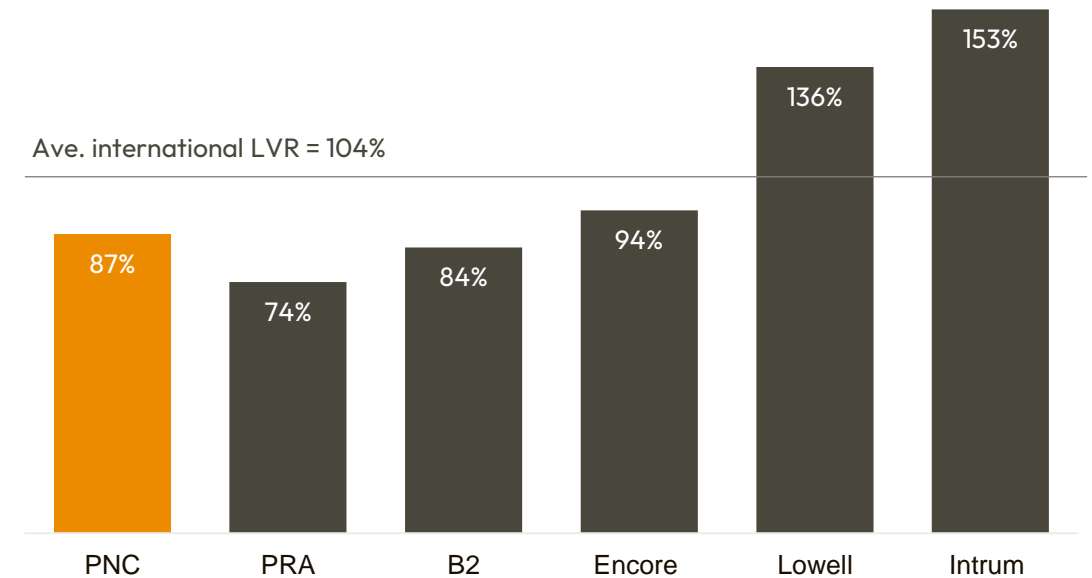


Funding

Ample capital to fund investment growth; at below average leverage

Senior Debt (\$m)	Maturity Date	Jun-22	Sep-22
Senior Facility	Nov-25	207.9	210.6
MTN	Nov-26	55.5	55.5
Total Drawn		263.3	266.1

LVR Comparison¹



Note:

1. Pioneer's LVR as at 30 Sep-22, compared to largest (by liquidations) listed international participants

Positive FY23 Outlook



Thrive under increased regulatory scrutiny

- Continued investment in compliance, customer treatment and internal audit
- Pioneer's strong compliance record and NPS remain an advantage



Capitalise on PDP investment opportunities

- \$39m, 64% of \$61m FY23 investment contracted, with opportunity to upgrade
- PDP investment (and liquidations) secured by 5-year CBA agreement



Grow Performing Arrangement Portfolio

- Risk diverse performing portfolio of \$457m across 39.6k customers
- Provides predictable, and growing cash flow



Realise operating leverage

- Continue investment in data and analytics to realise operational leverage and further improve liquidations
- Opportunity to reduce funding costs significantly



Improving macroeconomic conditions

- Macro tailwinds; tightening economy for increased PDP supply, into an environment of full employment
- **FY23 Profitable with increasing profitability in future periods**

Appendix



Executive Leadership



Keith John

Managing Director

- Founder of Pioneer Credit
- Over 25 years' experience in the financial services, both in Australia and Asia
- Director of Midbridge Investments & Bondi Born



Sue Symmons

General Counsel & Co. Secretary

- Over 25 years' experience including at Evans & Tate Ltd, Automotive Holdings Group Limited and Helloworld Ltd
- BComm, MBL and Member of the Governance Institute of Australia



Barry Hartnett

Chief Financial Officer

- Over 7 years' experience at Pioneer across finance & development
- BFin, Acc and Econ
- Member of the Chartered Accountants Australia & New Zealand



Andrea Hoskins

Chief Operating Officer

- Strategic and commercial leader with over 15 years' experience, predominantly in financial services
- 10 years with HBF in senior management and executive roles
- BComm (Marketing & PR)



Joe Terrible

Chief Information Officer

- Chief Information Officer since November 2021
- BBus (Information Systems)
- Over 20 years of broad IT experience

Board of Directors



Michael Smith

Chairman

- Managing Director of strategic marketing consultancy firm Black House
- Chairman of 7-Eleven Stores and Starbucks Australia



Andrea Hall

Non-Executive Director

- Over 20 years' experience in governance and risk management, including as Risk Consulting Partner at KPMG
- Director of Fremantle Football Club, Evolution Mining Ltd and Perenti Group Ltd



Peter Hall

Non-Executive Director

- Significant experience across financial services, with specific expertise in credit risk
- Previously Non-Executive Director of BNK Banking Corporation Limited



Steve Targett

Non-Executive Director

- Significant board and executive experience across financial services
- Chairman of P&N Bank



Michelled'Almeida

Non-Executive Director

- Significant digital transformation and consumer market experience
- Non-Executive Director of ACTIV Foundation
- Previously Managing Director of News Corp. Australia

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