

ASX release

16 February 2023

Pioneer cash collections surge 40%, driving full year profitability

Pioneer Credit Limited ('Pioneer' or the 'Company') is pleased to report its half year results for the period ended 31 December 2022, with cash collections up 40% on the prior corresponding period ('pcp').

Managing Director Keith John commented, "As cash collections have continued to grow to record levels, expenses have remained flat, leading to record EBITDA, up 80% on pcp.

We have clearly demonstrated that we are taking our opportunities and delivering for shareholders. We will continue to do both, and I very much look forward to providing additional updates to the market soon."

1H23 Results

The key financial metrics for the period are:

- Cash Collections (previously called Liquidations) of **\$68m up 40%** on pcp
- EBITDA of **\$45.2m up 80%** on pcp
- EBIT of **\$13.1m up 436%** on pcp
- NPAT of **-\$1.3m** improved by 94% on pcp

The financial result reflects strong operational performance and the contribution of portfolio investments late last financial year. At the time, commentary in the debt purchase market focused on the lack of portfolios for sale. While the general market has been and remains constrained compared to pre-pandemic activity, this constraint is not being experienced by Pioneer. Pioneer continues to see ample portfolio opportunities because of our differentiated approach to the customer experience, strong compliance and governance and superior vendor relationships.

Notably, the Board continues to ensure that strong discipline is maintained with all PDP investments. It is focussed on making decisions for the long term benefit of the Company including by aligning management's remuneration and equity with the life of the assets. During the half, the Company invested \$42.4m, after a strong close out of opportunities late in the period.

Continuing our cautious approach to Estimated Remaining Collections ('ERC'), after both strong cash collections and PDP investment during the half, ERC is \$586m, which is carried on balance sheet at \$308.1m.

Pioneer believes it is clearly in an environment of significant tailwinds. With macro economic pressure driving supply, balanced against a fully employed population with capacity to service their financial commitments, less competition for portfolios than the past and a vendor preference to Pioneer, we expect to continue to benefit from this environment and have a strong outlook for the full year. The Company continues to guide to PDP investment of \$61m for the full year. It also reaffirms the Company's expectation of reporting a full year statutory net profit after taxation.

An investor briefing webcast of this results announcement will be available on Monday 20 February 2023 and will be accessible via Pioneer's Investor Centre at www.pioneercredit.com.au/for-business/investor-centre/news-and-announcements, via LinkedIn at www.linkedin.com/company/2164432/ (which you can follow to receive an automatic update), and via email to those registered shareholders with email contact details.

Board Succession

As previously announced, with the closing of this half, the renewal of our Board continues with long time Non-executive Director and Chair of the Audit & Risk Management Committee Andrea Hall stepping down.

"I would like to thank Andrea for her service over the past six years. Andrea's legacy is evident in the robust risk and governance footing of the Company, and the quality Board that continues. I wish her all the very best for the future," said Mr John.

Peter Hall, who joined the Board on 11 January 2021, is appointed as Chair of the Audit and Risk Management Committee ('**ARMC**').

Peter is an experienced Director who had a significant executive career in financial services, with specific expertise in credit risk, including five years as Managing Director of Genworth Financial Australia and New Zealand and five years as Managing Director at GE Mortgage Insurance Australia and New Zealand. Peter recently completed 6 years as a Non-executive Director and Chair of Risk and Compliance and Credit Committees at BNK Banking Corporation Limited.

Chairman Steve Targett said, "Peter is well equipped to take over as Chair of ARMC and the executive and I look forward to working with him in his new role."



As previously announced, the Company intends to appoint another Director to its Board in the near future and will advise shareholders once a suitable candidate has been identified.

Authorised by The Board of Directors of Pioneer Credit Limited.

Investor and media enquiries:

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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