

31 August 2022

FY22 Financial Results



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SECTION 1

Performance

PERFORMANCE | PIONEER PORTFOLIO | OUTLOOK

FY22 Financial Performance Highlights

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13% increase in liquidations; largest annual PDP investment

LIQUIDATIONS

\$106.8m

FY21: \$94.7m

▲ 13%

EBITDA

\$60.6m

FY21: \$54.4m

▲ 11%

NET REVENUE

\$54.3m

FY21: \$53.4m

▲ 2%

PDP INVESTMENT

\$99.5m

Largest annual
PDP investment

NET ASSETS PER SHARE¹

60.6c

Materially higher than
current share price

NPAT

(\$33.1m)

Includes one-off,
non-cash expenses

Note:

1. Includes Deferred Tax Asset of \$26.8m not yet recognised

FY22 Strategy Highlights

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FY22 goals achieved; strategy execution gathering pace



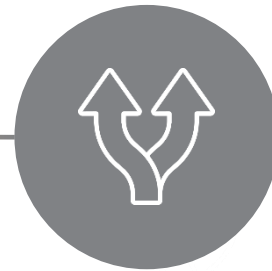
Refinanced senior facility to reduce funding costs

- Re-financed in Nov-21
- +\$40m Facility Upsize in Mar-22



Two successful capital raises at a premium

- \$21m in equity raised
- Completed at a premium to market
- Strongly supported by major shareholders and management



Capitalised on opportunities to grow PDPs

- Largest annual investment \$99.5m
- Market leading 5 year forward flow secured with CBA



Invested in multiple performing portfolios

- Sustainable income stream, at marginal cost to service
- Provides cashflow certainty to support further reduction in funding costs



Grew Performing Arrangement portfolio

- YOY growth of 23%
- 5 year CAGR of 16%
- PA portfolio now \$464m of paying receivables

Liquidations drive EBITDA 11% higher to \$60.6m

Profit or Loss (\$'000)	FY21	FY22
Liquidations revenue	94,717	106,752
Other income	2,920	605
Total revenue	97,637	107,357
Expenses	(43,267)	(46,775)
EBITDA	54,370	60,581
PDP amortisation (and impairment)	(41,984)	(53,078)
Depreciation and amortisation	(1,273)	(955)
Amortisation of finance costs & right of use asset	(2,511)	(3,184)
EBIT	8,602	3,365
Net interest expense	(25,496)	(36,403)
Net Profit/(Loss) before Tax	(16,894)	(33,038)
Tax (expense) benefit	(2,761)	(53)
NPAT	(19,655)	(33,091)

- Strong liquidations of \$106.8m (+13% on prior year) driven by:
 - Continuing improvements in operational performance
 - A small contribution from PA portfolios acquired late in the period
- EBITDA of \$60.6m up 11% on prior year
 - Cost to Service portfolio down to 44%, and decreasing
- PDP amortisation charge of \$53.1m, after PDP impairment of \$8.9m
- Net interest increase is the result of one-off expenses
 - \$11.8m expensed on early refinance of Nomura facility
 - Significant reduction in cost of funds achieved

PDP investment, and performing arrangements growth, pushes PDP value 19% higher

Balance Sheet (\$'000)	FY21	FY22
Assets		
Cash and cash equivalents	10,373	23,071
Trade and other receivables	855	6,174
PDP assets at amortised cost	249,094	295,516
Plant, property and equipment	351	804
Right of use asset	4,930	8,446
Intangible assets	1,558	958
Other	3,157	4,486
Total Assets	270,318	339,455
Liabilities		
Trade and other payables	5,467	28,721
Borrowings	201,081	256,661
Provisions	2,714	2,942
Lease liabilities	6,387	10,051
Total Liabilities	215,649	298,375
Net Assets	54,669	41,080

- PDP assets of \$295.5m (+19% or \$46.4m on prior year)
 - Includes \$464m Performing Arrangements portfolio
 - Includes ~\$1.5bn of PDP inventory for servicing
- Ample Undrawn Facilities for additional opportunities
 - \$26.3m in funding available for PDP growth (in addition to free cash flow)
- Deferred Taxation Asset of \$26.8m, not yet recognised
- Deleveraging programme is continuing

Funding Structure

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\$289.6m of facilities, with \$26.3m headroom; below average leverage and decreasing

PIONEER FUNDING (30 Jun-22)

Senior & Subordinated Debt (\$m)	Drawn	Undrawn	Total Available Funding
Tranche 1	125.0	-	125.0
Tranche 2	48.7	1.3	50.0
Tranche 3	-	25.0	25.0
Tranche 4 (Amortising Tranche)	34.1	-	34.1
Total Senior Facility	207.8	26.3	234.1
MTN	55.5	-	55.5
Total Senior Debt	263.3	26.3	289.6

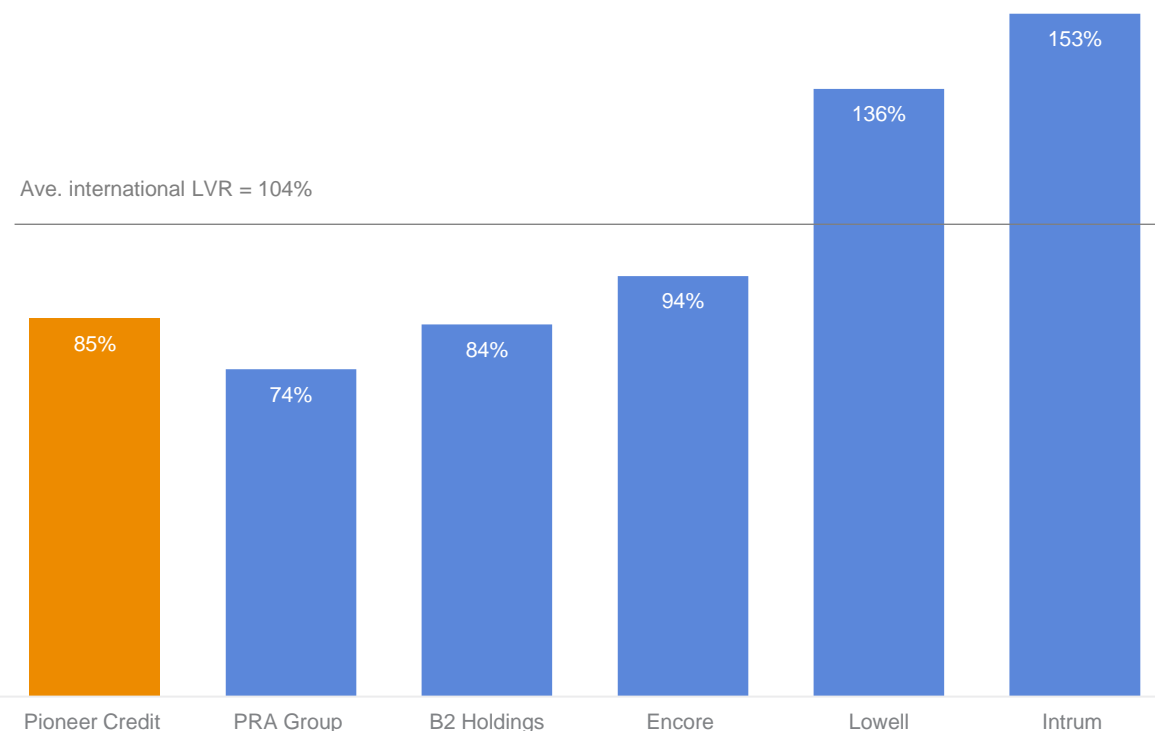
Repayment Ability

Tranche 4	Amortising from certain portfolio liquidations
Tranche 2 & 3	Ability to repay and redraw
MTN	Buy-back 20% at par, with remaining at 103% and decreasing
Tranche 1	Fully drawn for a minimum period

PEER LVR COMPARISON

Pioneer's LVR compared to largest (by liquidations) listed international participants

Ave. international LVR = 104%



SECTION 2

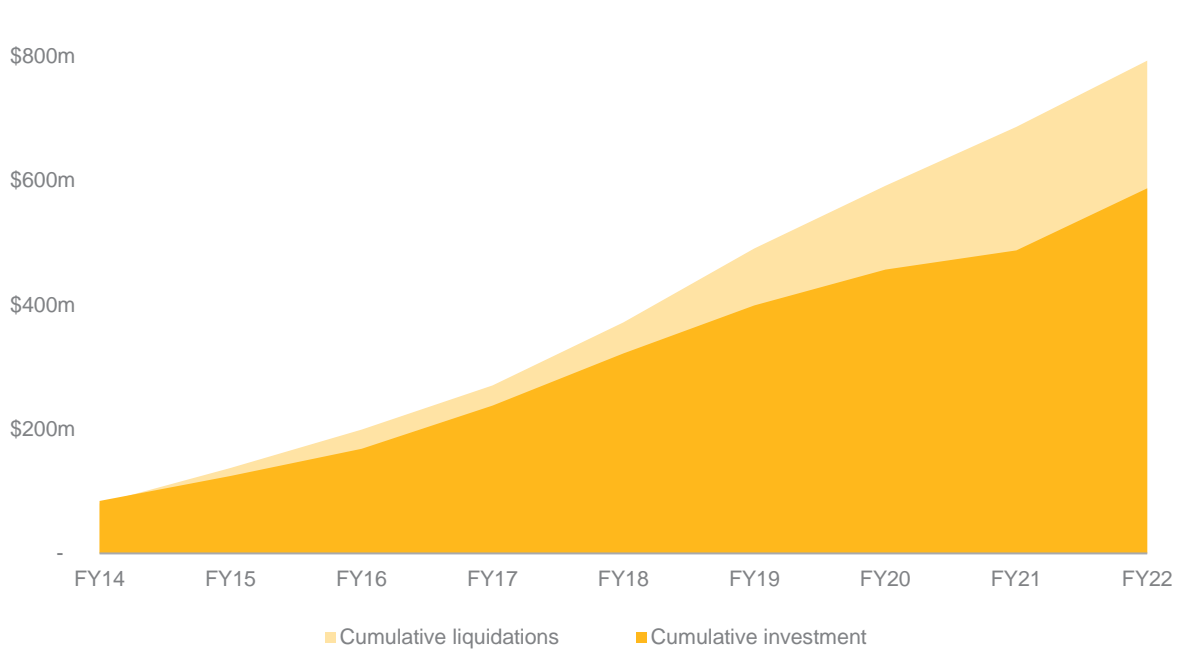
Pioneer Portfolio

PERFORMANCE | **PIONEER PORTFOLIO** | OUTLOOK

Growing cumulative liquidations over investment shows long term investment discipline

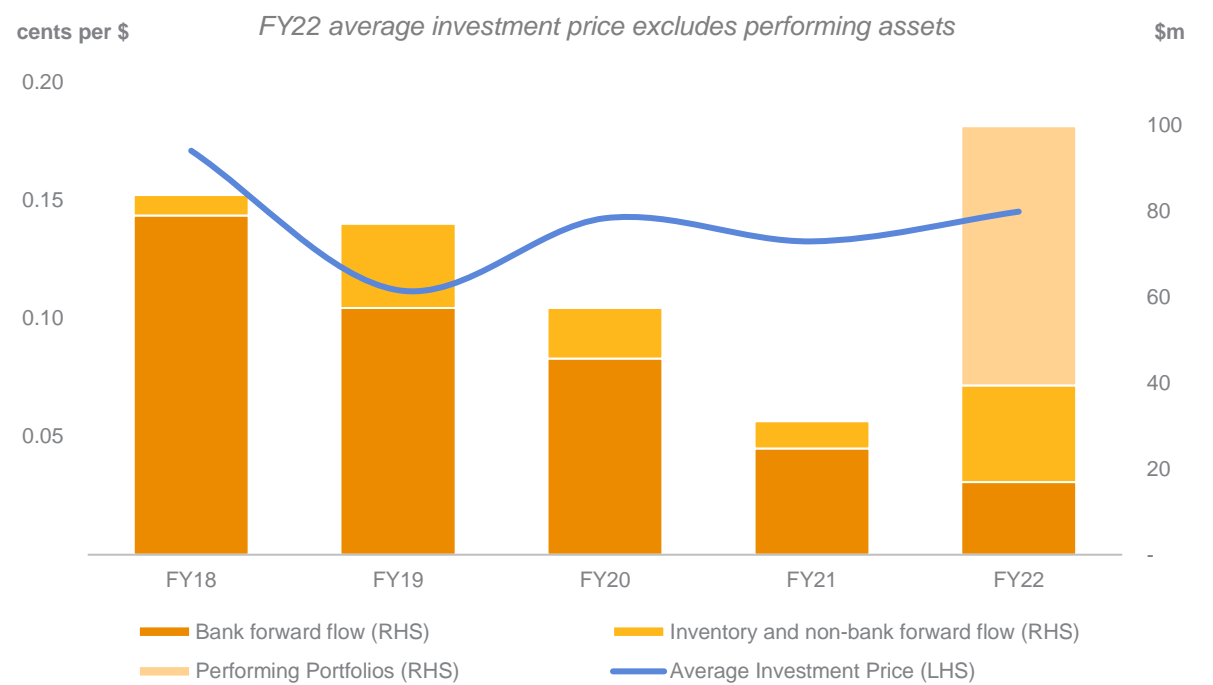
Strong returns beyond investment

CUMULATIVE LIQUIDATIONS VS. CUMULATIVE INVESTMENTS (\$m)



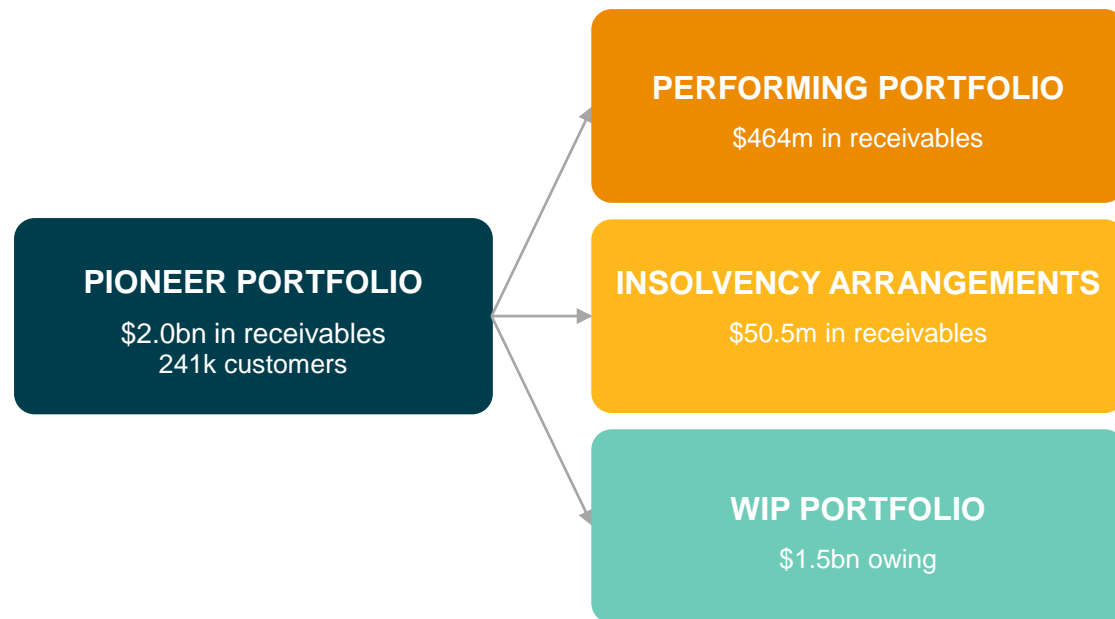
Disciplined purchasing at attractive pricing points throughout FY22

PDP INVESTMENT AND AVERAGE INVESTMENT PRICE

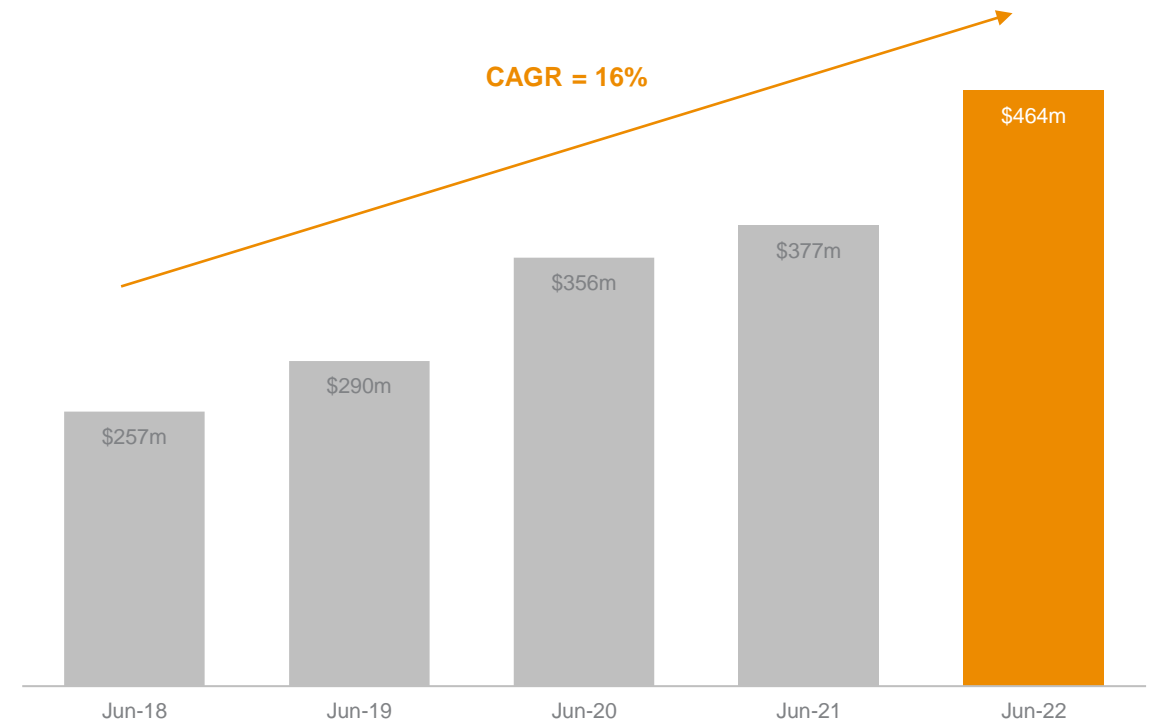


~41,700 performing arrangements; \$1.5bn receivables opportunity, mainly from Australian banks

PORTFOLIO OVERVIEW



PERFORMING PORTFOLIO GROWTH (\$m)



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



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

SECTION 3

Outlook

PERFORMANCE | PIONEER PORTFOLIO | **OUTLOOK**

With market tailwinds, our strategy execution continues for a return to profitability



Further capitalise on PDP investment opportunities

- \$39m or 64% of \$61m FY23 forecast investment contracted
- Expect opportunity to upgrade forecast investment in the year



Focus on appropriate vendor and product depth

- Focus remains on Australian bank originated customers
- Payday lending remains excluded



Grow Performing Arrangement portfolio

- Resilience of PA portfolio has been crucial to weathering the wider macroeconomic backdrop



Thrive under increased regulatory scrutiny

- Continue investment across compliance, customer treatment and internal audit
- Pioneer's strong compliance record remains an advantage



Realise operating leverage

- Continue investment in data and analytics to realise operational leverage and liquidations
- Cost out opportunities continue to be realised across data and IT&T

Appendix

Board & Executive Management

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Board of Directors



Michael Smith - *Chairman*

- Managing Director of strategic marketing consultancy firm Black House
- Chairman of 7-Eleven Stores and Starbucks Australia
- Previously Deputy Chair of Automotive Holdings Group Ltd, Chairman of the Lionel Samson Saddleirs Group, iiNet Ltd, Synergy, Verve, Perth International Film Festival, West Coast Eagles, Indian Pacific Ltd and Scotch College



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
- Previously Director of Automotive Holdings Group Ltd, Lotterywest & Tap Oil Ltd
- Chartered Accountant, BComm, Masters of Applied Finance



Peter Hall - *Non-Executive Director*

- Significant experience across financial services, with specific expertise in credit risk
- Non-Executive Director of BNK Banking Corporation Ltd
- Previous Managing Director and later Country Executive at Genworth Financial Australia and New Zealand, Managing Director and CEO at GE Mortgage Insurance Australia & New Zealand



Steve Targett - *Non-Executive Director*

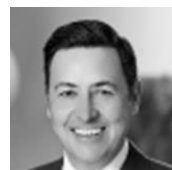
- Significant board and executive experience across financial services
- Chairman of P&N Bank and KVB Global Markets, Director of KVB Wealth Management and KVB Interactive
- Previously Chairman of BCU, CEO at RACQ (QT Mutual Bank), Group Managing Director (Institutional) at ANZ, Group Director (Wholesale and International) at Lloyds TSB and CEO at NAB Europe



Michelle d'Almeida - *Non-Executive Director*

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

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 and Bondi Born



Sue Symmons - *General Counsel & Company Secretary*

- Over 25 years' experience including at Evans & Tate Ltd, Automotive Holdings Group Ltd, Helloworld Ltd and Heytesbury Pty Ltd
- BComm, Master of Business Law, Member of the Governance Institute of Australia and Australian Institute of Company Directors



Barry Hartnett - *Chief Financial Officer*

- Over 7 years' experience at Pioneer across finance and strategy & development
- Bachelor of Finance, Accounting and Economics
- 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, leading strategy, M&A, health and corporate services
- Non-Executive Director of Football West and Screenwest
- BComm (Marketing & PR); Member of Australian Institute of Company Directors



Joe Terribile - *Chief Information Officer*

- Chief Information Officer since November 2021
- Bachelor of Business (Information Systems) from Edith Cowan University
- Over 20 years of broad IT experience, most recently as GM of IT for one of Australia's leading Oil & Gas companies

FY22 Statutory Profit or Loss

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Continuing Operations (\$'000)	FY21	FY22
Interest income at amortised cost	57,020	62,594
Net impairment (loss) gain on PDPs	(4,286)	(8,913)
Other income	662	653
Total Income	53,396	54,334
Employee expenses	(30,634)	(33,176)
Finance expenses	(26,699)	(39,131)
Direct liquidation expenses	(1,997)	(2,691)
Information technology and communications	(4,013)	(3,510)
Depreciation and amortisation	(3,783)	(2,822)
Consultancy and professional fees	(2,385)	(2,503)
Other expenses	(3,212)	(3,549)
Fair value adjustments on financial assets	2,288	-
Gain on lease modification	145	7
Net Profit/(Loss) before Tax	(16,894)	(33,041)
Income tax (expense)/benefit	(2,761)	(53)
Total Comprehensive (loss) / Income	(19,655)	(33,094)

Thank you