

1HY25 Results Presentation

Keith John
Managing Director

Barry Hartnett
Chief Financial Officer

27 FEBRUARY 2025

Important Notice: Disclaimer

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

Disclaimer: This presentation contains information about Pioneer’s activities as at the date of the presentation, is in summary form 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 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 herein.

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

AGENDA

- 1. HIGHLIGHTS**
- 2. FINANCIAL PERFORMANCE**
- 3. ABOUT US**
- 4. OUTLOOK & FY25 GUIDANCE**
- 5. BRIDGE TO FY26 MANAGEMENT LTI TARGET**
- 6. APPENDIX**

PERFORMANCE HIGHLIGHTS

CASH COLLECTIONS

\$71.5m

2HY24: \$69.8m

▲ 2%

EBITDA

\$47.6m

2HY24: \$50.3m

▼ 5%

EBIT

\$22.0m

2HY24: \$(0.4m)

▲ >100%

NPAT¹

\$3.6m

2HY24: \$1.1m

▲ 327%

Note:

1. Normalised for non-recurring expenses

PORTFOLIO HIGHLIGHTS

PDP INVESTMENT

\$29.6m

2HY24: \$28.1m

▲ 5%

ERC

\$672.8m

2HY24: \$641.7m

▲ 5%

PA PORTFOLIO

\$430.8m

2HY24: \$440.9m

▼ 2%

PDP ASSET

\$328.7m

2HY24: \$322.9m

▲ 2%

1HY25 IN REVIEW

Disciplined operating is driving sustainable profitability and earnings growth

- Closed \$272.5m senior debt facility with \$50m growth funding, 4yr tenor & materially reduced cost
 - Additional saving from each rate cut - every 25bps cut is ~\$700,000 saved
 - Can reduce funding costs, or refinance if lower costs emerge - without penalty in time
- Aggressive approach taken to expensing project and other costs
 - \$1.67m project costs expensed. <\$1m intangibles on balance sheet, no increase half on half
 - Significant progress made on Core System Replacement - go-live within expectations
 - Built a modern data and analytics platform to improve decision making and enable advanced analytics
- Raised \$10m in equity, further strengthening the Balance Sheet

FINANCIAL PERFORMANCE

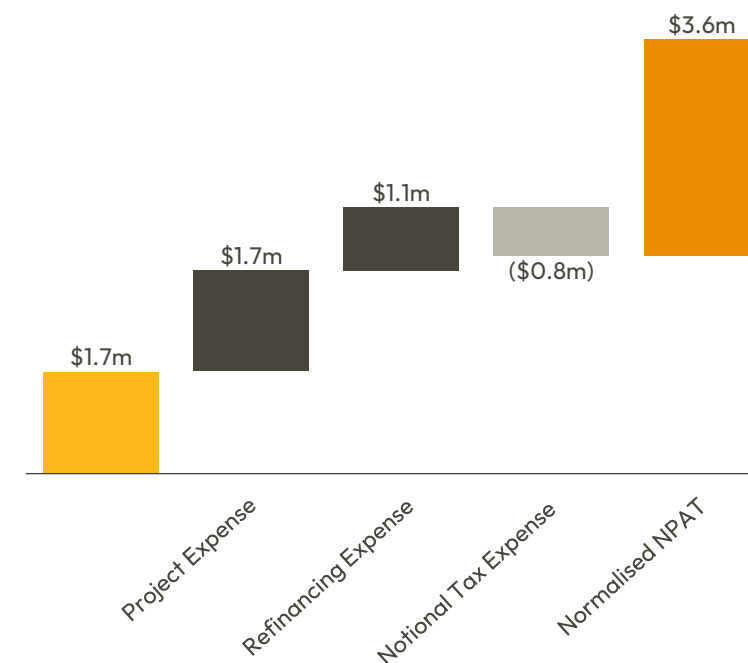
INCOME STATEMENT

PROFIT OR LOSS (\$'M)	2HY24	1HY25
Interest income at amortised cost	42.4	43.9
Net impairment gain/(loss) ¹	(18.1)	3.8
Other income	0.3	0.2
Total Income	24.6	47.9
Employee expenses	(18.0)	(17.3)
Finance expenses	(24.0)	(20.2)
Other expenses	(14.1)	(8.5)
Net profit/(loss) before tax	(31.5)	1.9
Income tax expense	21.4	(0.2)
Net profit/(loss) after tax	(10.1)	1.7
Remove one offs	11.2	1.9
Normalised net profit after tax	1.1	3.6

Note:

1. Net impairment gain is driven by outperforming PDPs, that result in cash, not a reversal of prior impairment

STATUTORY TO NORMALISED NPAT



BALANCE SHEET

BALANCE SHEET (\$'M)	2HY24	1HY25
Cash and cash equivalents	4.1	0.6
1 Trade and other receivables	4.3	6.1
PDP assets at amortised cost	322.9	328.7
Right of use asset	6.4	5.8
Deferred tax asset	21.4	21.2
PPE & other	8.8	8.3
Total assets	367.8	370.7
2 Trade and other payables	25.7	14.5
Borrowings	286.6	289.7
Provisions	3.2	3.1
Lease liabilities	8.2	7.6
Total liabilities	323.7	314.9
Net assets	44.2	55.8

Commentary

1 Increase is amount owed by vendors, since paid

2 Mostly for PDPs, since paid

\$46m of unrestricted debt funding available

ABOUT US

- Pioneer is a debt recovery specialist that acquires and services Purchased Debt Portfolios (“**PDPs**”)
- PDPs are mostly acquired from banks and other lenders, and are held on balance sheet
- Pioneer is a leader in the Australian PDP market, with a near duopoly as competitors exit
- Since 2008, Pioneer has invested over \$765m across \$5.9bn in receivables and ~790k accounts
- A current customer base of ~210k with ~\$1.9bn in receivables due to Pioneer, including ~\$431m in committed payment arrangements
- Pioneer employs people in Australia and the Philippines. Our people are ‘founded in good’ and have a strong social conscience

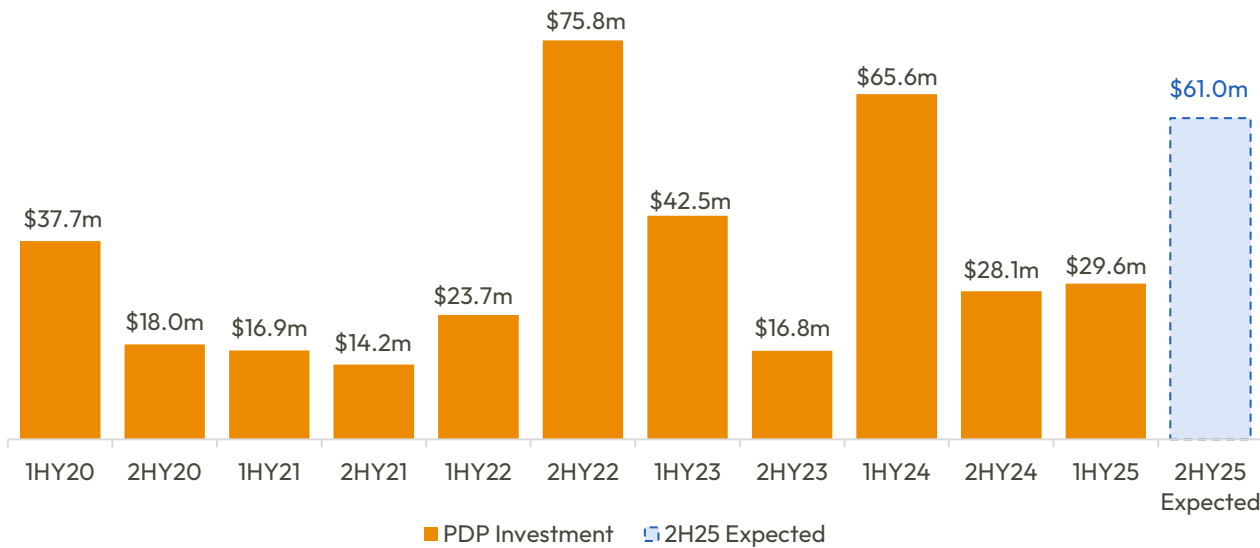
Pioneer is one of a few scaled participants with access to funding to take advantage of both returning vendors and 'new to market' entrants

Pioneer holds a market-leading reputation, and many vendors sell exclusively to Pioneer for our differentiated servicing approach and strong compliance record

Pioneer does not offer further credit, as vendors avoid selling PDPs to those that compete with them

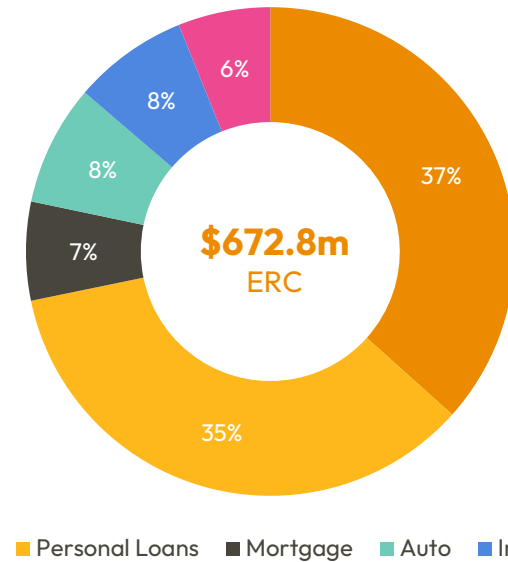
INVESTMENT AND ERC

PDP INVESTMENT BY HALF



- Continued disciplined investment at attractive price points
- 15 unique vendor partnerships for 1HY25
- No Payday or SACC Loans

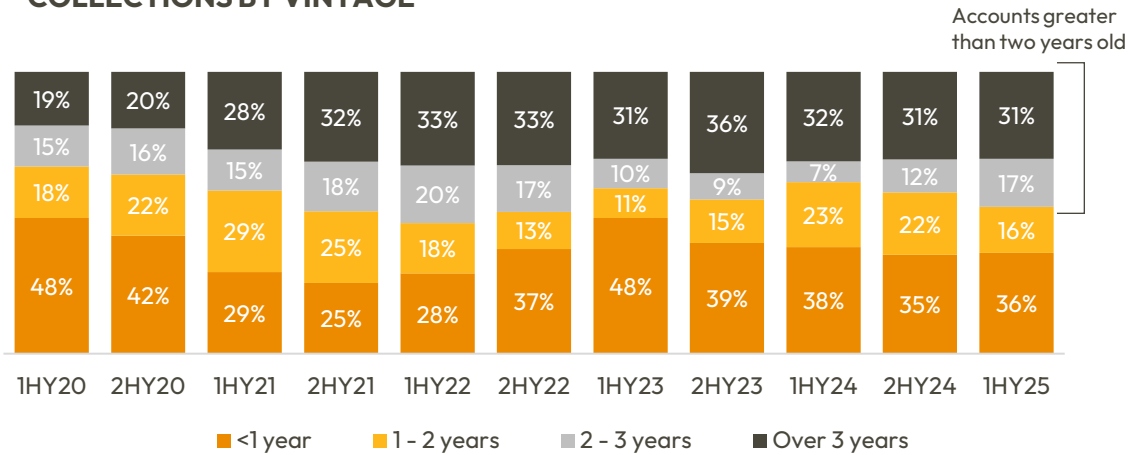
ERC BY PRODUCT TYPE



- Diverse vendor and product base with no concentration risk
- Focus remains on key Tier 1 banking & finance products

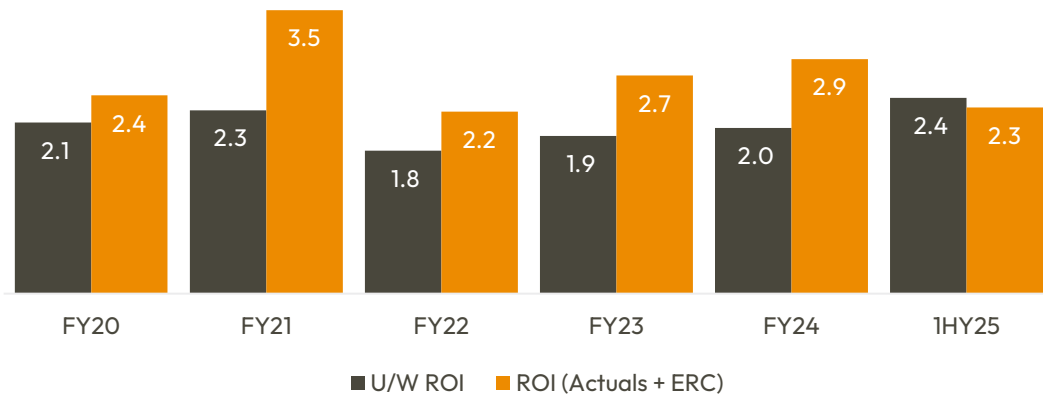
COLLECTIONS AND RETURNS

COLLECTIONS BY VINTAGE



- Consistent Cash Collection profile driven by:
 - Effective servicing strategies
 - Steady contributions from performing portfolios
- 48% of liquidations in 1HY25 from vintages greater than two years old
- Increasing contribution from aged vintages highlights portfolio quality

UNDERWRITING ROI VS. TOTAL ROI



- Underwriting ('U/W') is the forecast collections at acquisition
- **Return on Investment ('ROI')** is the gross multiple on invested capital
- Recent market dynamics have enabled investment in large performing and insolvency transactions, with lower ROI's, but enviable IRR's
- Board Investment Delegation sets net internal rate of return ('IRR') of >15%
 - All vintages have exceeded net IRR of 15%
 - ROI is not a target (IRR is); it is an output of investment

SHAREHOLDER ALIGNMENT

Management who are shareholder aligned; incentivised to deliver sustainable growth

SHAREHOLDER	# SHARES	% HOLDING
Keith John Entities	17.2m	11%
Other Board and Management	3.6m	2%
Samuel Terry Asset Management	21.5m	13%
James Simpson Entities	10.9m	7%
Nomura Holdings Inc	8.8m	5%
Other	98.7m	62%
Total	160.7m	100%

Long Term Incentive Programme

- Management LTI on achievement of annual targets across 3 years (FY23 – FY25)
- For years achieved, incentives only paid if a separate 4th year (FY26) hurdle is met
- **Hurdle is a Statutory Net Profit after Taxation >\$18m for FY26**

OUTLOOK & GUIDANCE

OUTLOOK & GUIDANCE

1

STRONG TAILWINDS FOR PDP OPPORTUNITIES

- Significant supply of PDPs for Pioneer continues
- **PDP Investment upgraded in Dec. 2024 to >\$90m**

2

STRONG INDUSTRY REGULATORY FOCUS

- Our strong compliance record and NPS are an advantage
- Continued investment in compliance, customer treatment and internal audit

3

UNLOCKING OPERATING LEVERAGE

- CSR project progressing, set to deliver efficiencies
- Data improvements and cost out opportunities exist with our scale

4

TESTED AND EXPERIENCED MANAGEMENT

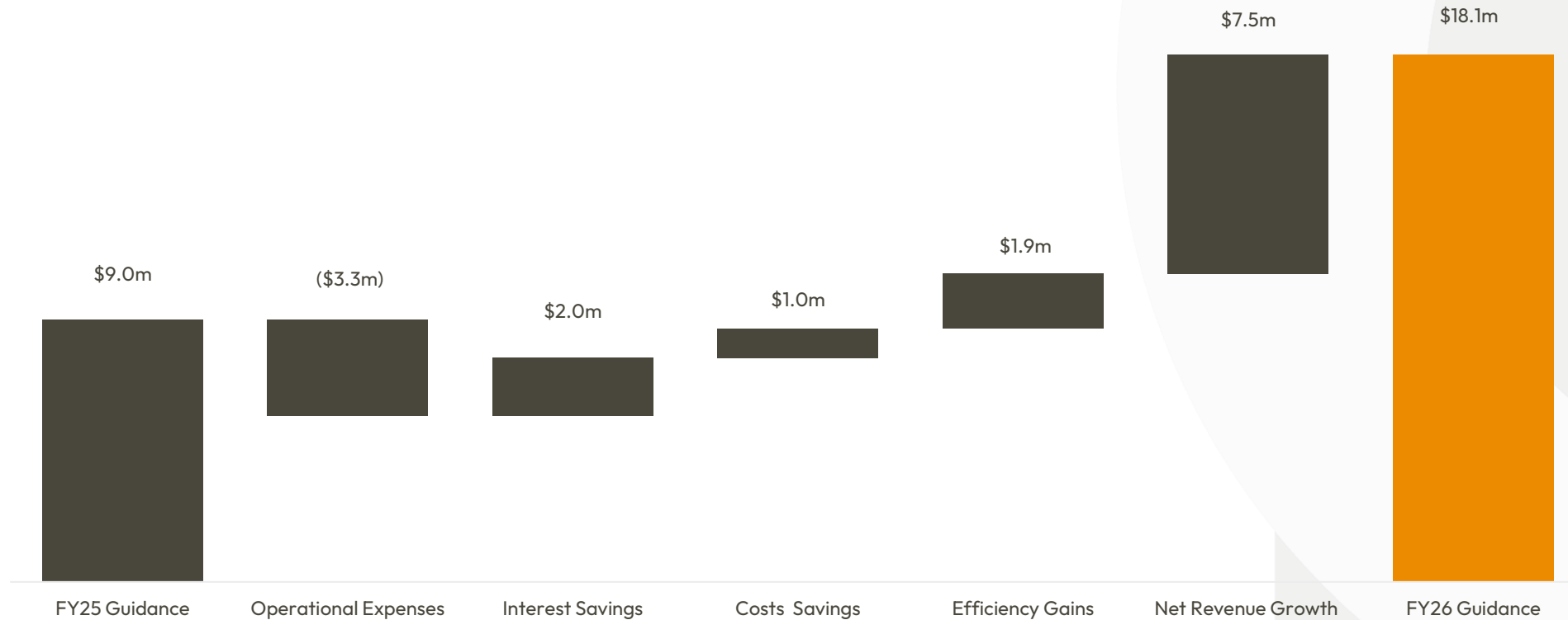
- Founder-led business aligned to shareholders
- LTI (management incentives) vest on achievement of **FY26 Stat. NPAT of >\$18m**

5

GUIDANCE

FY25 NPAT >\$9m
FY26 NPAT >\$18m

BRIDGE TO FY26 GUIDANCE



APPENDIX

PIONEER'S STRENGTHS

Top Australian Player

- Increased barriers to entry, tightened compliance, and regulatory focus are a strong advantage for Pioneer
- Excellent growth opportunities; tight economy drives PDP supply; full employment underwrites cash collections
 - #2 purchaser in the Australian PDP market

Strong Vendor Relationships

- Preferred purchaser of high-quality bank originated customers; 5-year purchase agreement with CBA
- Strong risk and compliance record, underpinning vendor relationships and future purchasing opportunities
 - No payday loans or SACC products

Operating Leverage

- Track record of disciplined underwriting drives earnings
- Investment in analytics and digital strategies to unlock operational leverage and improve cash collections

ECONOMIC DATA AND MARKET COMMENTARY

CONSUMER CONFIDENCE¹

- Consumer confidence improved over the second half of 2024 but has stalled in the last three months, with many struggling with cost-of-living problems, despite interest rate cut
- Spending patterns are cautious, with spending likely to remain restrained

INFLATION RATES²

- Inflation pressures easing more quickly than previously expected, combined with easing wage pressures and slow but continued growth in private demand
- Although notable uncertainty remains around domestic and global markets, the RBA has lowered the cash rate by 0.25% to 4.10%

COST OF LIVING³

- Cost of living remains high, however Oct-Dec 2024 saw a rise in year-on-year discretionary spending. Total spending increased across all states and territories
- Consumers beginning to spend more, having previously cut back to manage household budgets

DEBT STRESS⁴

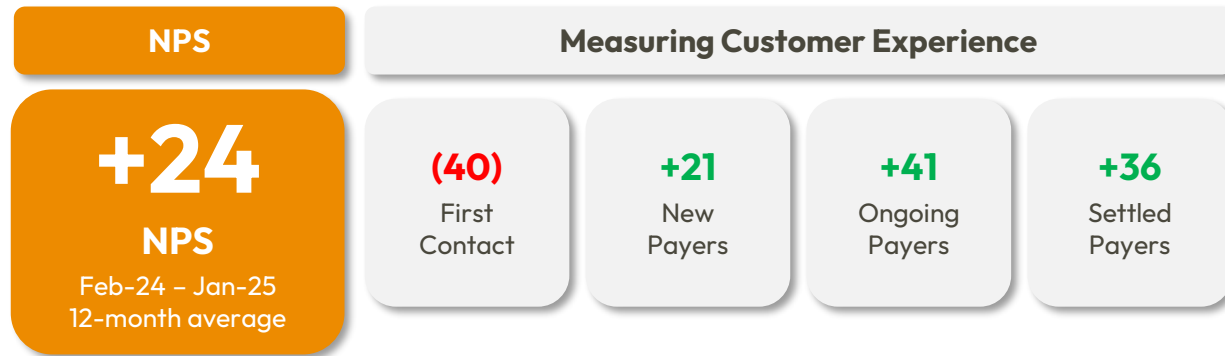
- Households continue to experience pressure on their budgets, but most have maintained or increased their savings buffers
- A small but rising number of households are falling behind financially. This is expected to ease as inflation lowers and stage 3 tax cuts take effect

Note:

1. Source: Westpac-Melbourne Institute Consumer Sentiment Report (February 2025)
2. Source: Reserve Bank of Australia (RBA) - Statement on Monetary Policy (February 2025)
3. Source: Australian Bureau of Statistics (ABS) - Household Expenditure Survey, RBA - Statement on Monetary Policy (February 2025)
4. RBA - Financial Stability Review (September 2024)

CUSTOMER OUTCOMES

Strong NPS¹ demonstrates our genuine care for our customers



CUSTOMER FEEDBACK

“I have always dealt with an empathetic and understanding person on the other end of the phone or via email and we have always reached a great resolution”

“It was great talking to the team. They made everything easy and comfortable, checking in to make sure I understood everything. I really appreciate their excellent service”

Note:

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

BOARD OF DIRECTORS AND EXECUTIVE

NON-EXECUTIVE DIRECTORS



Steve Targett (Non-Executive Chairman)

- Formerly CEO RACQ Bank, ANZ Japan and Europe, Chair P&N Bank and NED at Clydesdale Bank, National Bank of NZ, Cuscal Limited
- Chair at CPT Global Ltd



Pauline Gately (Non-Executive Director)

- Significant investment experience at Citibank, BNP, Merrill Lynch and Deutsche Securities
- Chair of Kalgoorlie Gold Mining Ltd, Director, Audit & Risk Chair at Elixinol Wellness Ltd



Andrew Whitechurch (Non-Executive Director)

- 6 yrs at Bankwest as Exec. General Manager, Retail Bank
- 20 yrs at NAB including as a member of Executive Committees at NAB and Bank of New Zealand
- Director, Audit & Risk Chair at MercyCare Ltd and University of Notre Dame

EXECUTIVE



Keith John (Managing Director)

- Founder of Pioneer Credit
- Over 25 years' experience in the financial services
- Director of Midbridge Investments and Chair at Bondi Born



Sue Symmons (Company Secretary)

- Over 30 yrs' experience inc at Automotive Holdings Group Limited, Helloworld Ltd
- BComm, MBL and Member of the Governance Institute of Aust.



Barry Hartnett (Chief Financial Officer)

- 10 yrs at Pioneer across finance and corporate development
- BFin, Acc and Econ
- Member of the Chartered Accountants Australia & New Zealand

pioneer
credit