

ASX release 26 February 2021

## **Pioneer Credit Limited Half Year 2021 Financial Results**

Pioneer Credit Limited (ASX: PNC) ('Pioneer' or 'the Company') has today reported its half year results for the period ended 31 December 2020 with the following key performance outcomes:-

- Strong liquidations of \$50.0 million (HY20 \$52.5m) despite lowest 1H PDP investment in 7 years of \$16.9 million (HY20 \$36.8m)
- Record first half EBITDA of \$27.3 million (HY20 \$20.1m)
- Record Normalised (after one off costs) EBITDA of \$32.5 million (HY20 \$25.5m)
- Net Tangible Assets per Share of 74.24c

Pioneer's Managing Director, Keith John, said the Company had reported a record 1H EBITDA of \$27.3 million, despite the challenging market conditions created by the COVID-19 pandemic.

"The solid first half performance of Pioneer's underlying business was driven by strong liquidations, demonstrating the resilience and quality of Pioneer's performing book and the Company's differentiated approach to customer experience," Mr John said.

"The Company's PDP investment was curtailed by COVID-19 as quality vendors slowed their rate of PDP sales in response to the pandemic, and Pioneer maintained its disciplined approach to considering opportunities.

"We expect there to be more opportunities in the second half, and have today upgraded our PDP investment guidance for FY21 by 10% to \$37m. This trend in the PDP market is expected to continue into FY22 which will see Pioneer maintain an upward rate of PDP investment, deploying materially more cash.

"Pioneer is fully funded for its contracted PDP investment through free cash flow, and has some \$28m available for any additional opportunities that may present," he said.

The Company reported a statutory net loss after tax of \$8.4m which included the final significant one-off costs associated with the terminated Scheme of Arrangement. Furthermore, the result also includes a downward/negative overlay of \$6.8m to the carrying value of Pioneer's portfolio as a thoughtful and deliberate measure to reflect any unseen risks, including economic risks.



The Company refinanced late in 2020, but for high costs as it sought to preserve shareholder equity. The Company expects to refinance this existing facility on more favourable terms before the close of the 2021 calendar year bringing an end to the high funding costs of this period. The Company confirms this refinancing process has commenced and that engagement from the market has been encouraging.

"The Company has returned to a stable operating environment and expects the second half of FY21 to be free of significant one off costs and to reflect Pioneer's improved operational performance, subject to market conditions."

With a significant lessening of competition for the highest quality portfolios in the sector, a stabilised balance sheet with capacity and record EBITDA, providing free cash flow for investment, the Company is well positioned to take advantage of market opportunities.

Authorised by: Board of Directors

## 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