

## Pioneer Credit Limited reports uplift in EBITDA to \$54.4m

Pioneer Credit Limited (ASX: PNC) ('Pioneer' or 'the Company') has today reported its full year results for the 12 month period ended 30 June 2021 with the following key performance outcomes:-

- Strong liquidations of \$94.7m (FY20 \$100.9m) despite lowest annualised PDP<sup>1</sup> investment in 7 years of \$31.0m (FY20 \$57.7m)
- Very strong statutory EBITDA of \$54.4m (FY20 \$33.7m)
- Net Assets per Share of 90.4c<sup>2,3</sup>

Pioneer's Managing Director, Keith John, said the statutory result for the year was in line with expectations and the Company had reported an exceptionally strong EBITDA of \$54.4m, despite the challenging market conditions created by the COVID-19 pandemic and the significant resources required to complete the refinance of September 2020.

"The solid 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.

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

"While we had expected more PDP investment opportunities to present in the second half of the financial year, opportunities remained subdued as major debt vendors continued to be cautious regarding the sale of portfolios which created increased competition for a limited supply of PDPs."

"The return to pre-COVID-19 PDP sale programmes has begun and we are now seeing some moderation to the very high prices experienced over the past financial year. With this trend projected to continue through FY22, we expect to increase our rate of PDP investment."

"The Company will have sufficient cash flow from operations to fund anticipated PDP purchasing as well as an additional \$30.4m in cash and undrawn facilities available to respond to growth opportunities that may present," he said.

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<sup>1</sup> Purchased Debt Portfolio

<sup>2</sup> Includes Deferred Tax Asset of \$16.9m not yet recognised, expected to be in FY22 upon refinancing

<sup>3</sup> 79,149,075 shares including all warrants to be converted to shares

The Company reported a statutory net loss after tax of \$19.7m which included the final significant one-off costs associated with the terminated Scheme of Arrangement. The result includes the derecognition of Deferred Tax Assets of \$2.8m and also includes a downward negative overlay of \$7.8m to the carrying value of Pioneer's portfolio as a thoughtful and deliberate measure to reflect any unseen risks, including economic risks.

As previously advised, the Company refinanced late in 2020 at a high cost as it sought to preserve shareholder equity. The Company has commenced a formal process to refinance this existing facility and has received non-binding indicative offers, on more favourable terms, which the Company is presently working through.

Given the significance of the refinance to the financial performance of the business, the Company has not released guidance today, but will do so upon refinancing.

"Pleasingly, we confirm Pioneer's underlying business is performing well, with improvements made across all key aspects of our operations during the financial year as we continued to deliver solid customer outcomes," Mr John said.

"Industry fundamentals remain strong and Pioneer is well positioned to capitalise on opportunities that are now presenting in the market to grow our high quality PDP portfolio," he said.

Pioneer's annual general meeting will be held at 1 p.m. on 1 November 2021 at Brookfield Place Tower 2, 123 St Georges Terrace, Perth WA 6000.

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](http://www.pioneercredit.com.au)