

28 August 2024
ASX Announcement

FY24 Results

Highlights:

- **Record revenue:** \$42.0m up 20% on prior corresponding period (pcp) with growth driven by winning more share of wallet from existing clients and the addition of new clients
- **Underlying EBITDA:** \$4.2m¹ an improvement of \$4.0m on pcp and statutory EBITDA of \$2m an improvement of \$7m on pcp
- **FY25 Guidance:** The Company expects to achieve \$48m - \$50m in revenue and +\$7m in Underlying EBITDA in FY25 (excluding any acquisitions in FY25)
- **Strong balance sheet:** \$13.1m cash at bank, an improvement of \$1.1m on pcp, leaving the Company well positioned to fund growth opportunities
- **Tier-1 clients²:** The number clients that have achieved tier-1² status has expanded from 12 to 20 this year
- **Digital collections:** Up 63% on pcp to \$116m for FY24, with digital technology boosting performance and profitability
- **Strong trading conditions:** Increasing demand for Credit Clear's services highlighted by the Company's Consumer division receiving 56% more files referred in H2 '24 vs pcp.
- **FY24 investor briefing:** The Company will host a briefing today, 28 August, at 9.15am (AEST), click to register [here](#)

Australian technology and debt resolution provider **Credit Clear Limited (ASX: CCR)** ("**Credit Clear**" or "**the Company**") is pleased to announce its financial results for the year ending 30 June 2024 (FY24).

Financials

Credit Clear delivered record revenue of \$42.0m for FY24, up 20% on pcp, achieving the top end of its guidance of \$40m - \$42m. Revenue growth was driven by existing tier-1 clients, where the Company is winning more share of wallet from existing clients and building revenue from new clients.

The Company has achieved its Underlying EBITDA¹ guidance, which was upgraded in June to in excess of \$3.7m, reporting Underlying EBITDA of \$4.2m for the year, a \$4m improvement on pcp. The Company is pleased to provide FY25 guidance of \$48m - \$50m revenue and +\$7m in Underlying EBITDA (excluding future acquisitions).

The Company had \$13.1m cash at bank on 30 June 2024, a \$1.1m improvement year-on-year and is in a strong position to fund growth opportunities, including the potential to enter international markets.

The strong growth achieved during the year leaves the Company well-positioned to capitalise on the expected seasonal uplift heading into the first quarter of the new year, which historically is one of the strongest quarters of trading.

Digital technology and AI deployment

Payments made via the high-margin digital platform grew 63% on pcp to \$116m, with the Company's Consumer Division continuing to adopt and deploy the technology as it onboards large new clients.

An experiment with a recently signed large energy provider showed an uplift of 22% when the Company deployed its AI module to determine the optimal "action type" and "action time" of digital messages. The result was achieved in a controlled experiment with no other modifications to the digital message content or the number of workflow steps other than using AI to drive "action type" and "action time" decisions.

The Company has consistently replicated these AI experiments, and the latest result helps pave the way to roll out the AI module more broadly across the client base.

New clients signed and pipeline

The Company signed three potential tier-1^{2,3} clients during the year, 22 potential tier-2^{2,3} clients, and 368 potential tier-3^{2,3} clients. The new business pipeline remains strong; the Company is in discussions with three potential tier-1^{2,3} clients and five meaningful tier-2^{2,3} clients, with opportunities present in the energy, education, water, local government, and insurance sectors.

New hardship management solution

The growing number of Australians falling behind with their payments is highlighted by the Company's Consumer division receiving 56% more files in the 2H '24 compared to the 2H '23. The comparison is a like-for-like analysis across the same cohort of clients.

In response to this clear trend, the Company has introduced "iAssist", a cutting-edge SaaS platform which provides a digital solution for individuals facing hardship, ensuring a convenient and respectful experience.

The innovative platform sets a new standard in the industry, providing much-needed support to those facing financial challenges and further extends Credit Clear's hybrid end-to-end offering that supports our client's customers right the way through the debt lifecycle.

Credit Clear CEO and MD, Andrew Smith, said: "Record revenue and a controlled cost base have helped to achieve and exceed our Underlying EBITDA¹ guidance provided to the market. Our growth during the year overcame the seasonality of the Q2 and Q3 quarters, and we have seen the expected uplift in the seasonally stronger Q4, with record revenue of \$11.5m. Moving into FY25 we're in an excellent position to capitalise on growth, with the first quarter of the financial year typically being one of our strongest quarters. Our ongoing success in winning new clients has been extended, and it is particularly pleasing to see eight companies achieve tier-1 status during the year, taking our total number of tier-1² clients from 12 to 20. The continued uptake of AI-

driven digital engagement strategies by many of our largest clients is achieving better collection rates, while at the same time improving the end customer's experience – a critical outcome as financial stress continues to rise in our community.”

Shareholder briefing:

The Company invites investors to its FY24 investor briefing, which will be hosted by CEO and MD Andrew Smith, CFO Victor Peplow, and Chief Product and Technology Officer Jason Serafino.

When: Wednesday, 28 August 2024

Time: 9.15am (AEST)

Register for the briefing: [here](#)

Notes:

1. Underlying EBITDA excludes share-based expenses and non-core items, but includes Tech Development OPEX
2. Tier 1 clients = revenue of >\$500k p.a., Tier 2 clients = revenue of >\$100k and <\$500k p.a. and Tier-3 clients of between >\$12k and <\$100k
3. Expected revenue is based on information provided by clients

This ASX announcement was authorised for release by the Board of Credit Clear Limited.

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About Credit Clear

Credit Clear Limited is an Australian technology company that has developed a digital billing and communication platform that helps organisations drive smarter, faster, and more efficient financial outcomes by changing the way customers manage their re-payments through a user experience that the market demands in a digital age, powered by award winning artificial intelligence.

Credit Clear manages customer accounts across a range of industries including transport, financial services, insurance, government, and utilities. The Company is based in Australia with headquarters in Sydney and offices in Melbourne, Brisbane, Adelaide, and Perth.

www.creditclear.com.au