

28 February 2020

1H20 Results Presentation



Important notice: Disclaimer

This presentation has been prepared by Pioneer Credit Limited (“Pioneer”).

Disclaimer: This presentation contains information about Pioneer’s activities current as at the date of the presentation 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 provided in summary form and is not considered to be comprehensive or complete. It 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 in this presentation.

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

Our culture is our difference

3

Pioneer Principles drive great outcomes for all stakeholders



Our culture is our difference

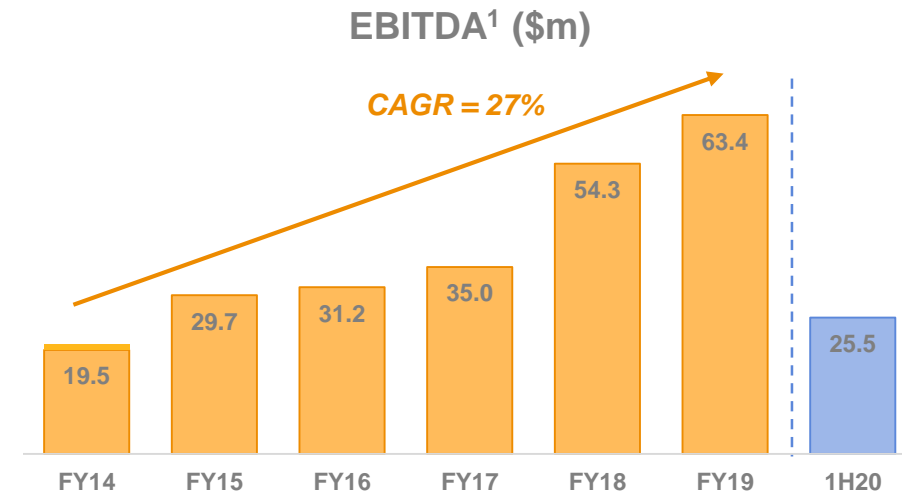
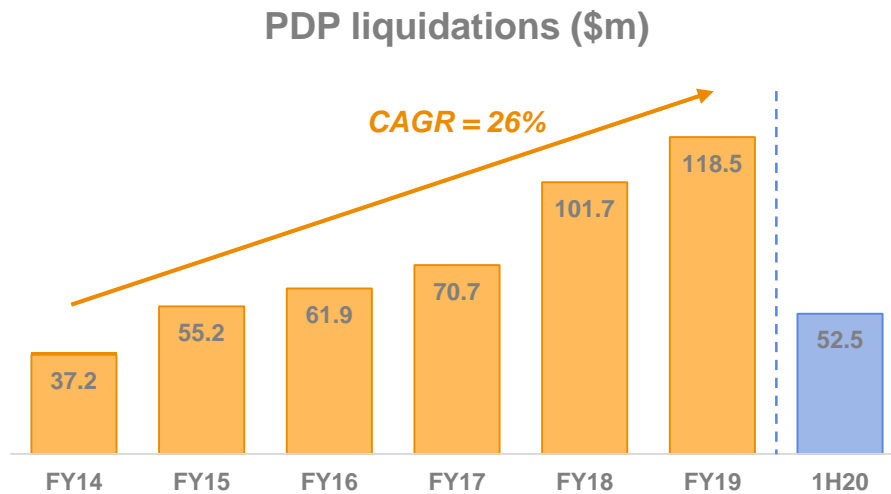
4

		Pioneer's competitive advantage
Our culture	<ul style="list-style-type: none">• Inclusive and empowering• Embedded in values for all stakeholders	<ul style="list-style-type: none">✓ Pioneer Principles
PDP selection	<ul style="list-style-type: none">• Strict investment discipline• 'Tier 1' portfolios	<ul style="list-style-type: none">✓ Analytics drives selection of lower risk portfolios✓ Preferred by vendors - no default ever on a PDP agreement
Vendor brand protection	<ul style="list-style-type: none">• Relationship management, customer-centric service• No payday portfolios	<ul style="list-style-type: none">✓ Trusted brand and reputation✓ Unique unblemished compliance record
Process and customer relationship	<ul style="list-style-type: none">• Enable our customers' ability to pay• Focus on growing our customers' financial capacity	<ul style="list-style-type: none">✓ Predictable liquidations✓ NPS +12 evidences positive customer experience
Liquidation profile	<ul style="list-style-type: none">• Liquidation profile up to 10 years	<ul style="list-style-type: none">✓ Flexible payment schedules

Liquidations continue ahead of prior corresponding period

5

EBITDA remains on track for solid performance



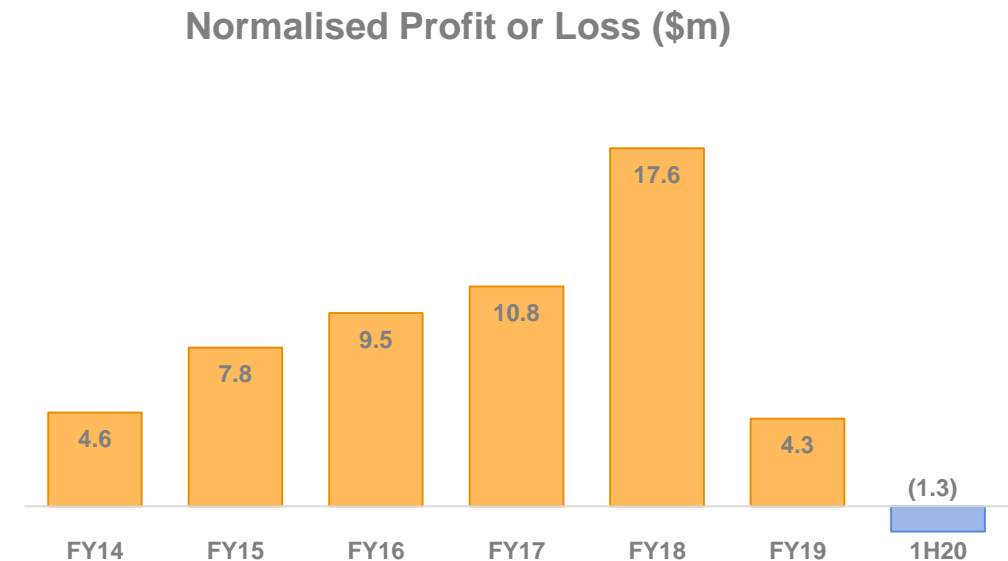
Note:

1. EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation

Earnings impacted by significant one-off costs

6

Earnings Analysis ¹	1H19	1H20
PDP liquidations	\$50.5m	\$52.5m 4.0%
Services income	\$1.4m	\$0.7m
EBITDA	\$26.0m	\$25.5m (1.8%)
Profit or Loss from continuing operations	\$5.1m	(\$6.0m)
Normalised Profit or Loss	\$5.1m	(\$1.3m)
EPS	8.35cps	(9.52cps)



Note:

1. A reconciliation between the IFRS and non-IFRS financial information is provided on slide 16 in the Appendix, separately itemising and explaining each significant adjustment

Strong cash generation

7

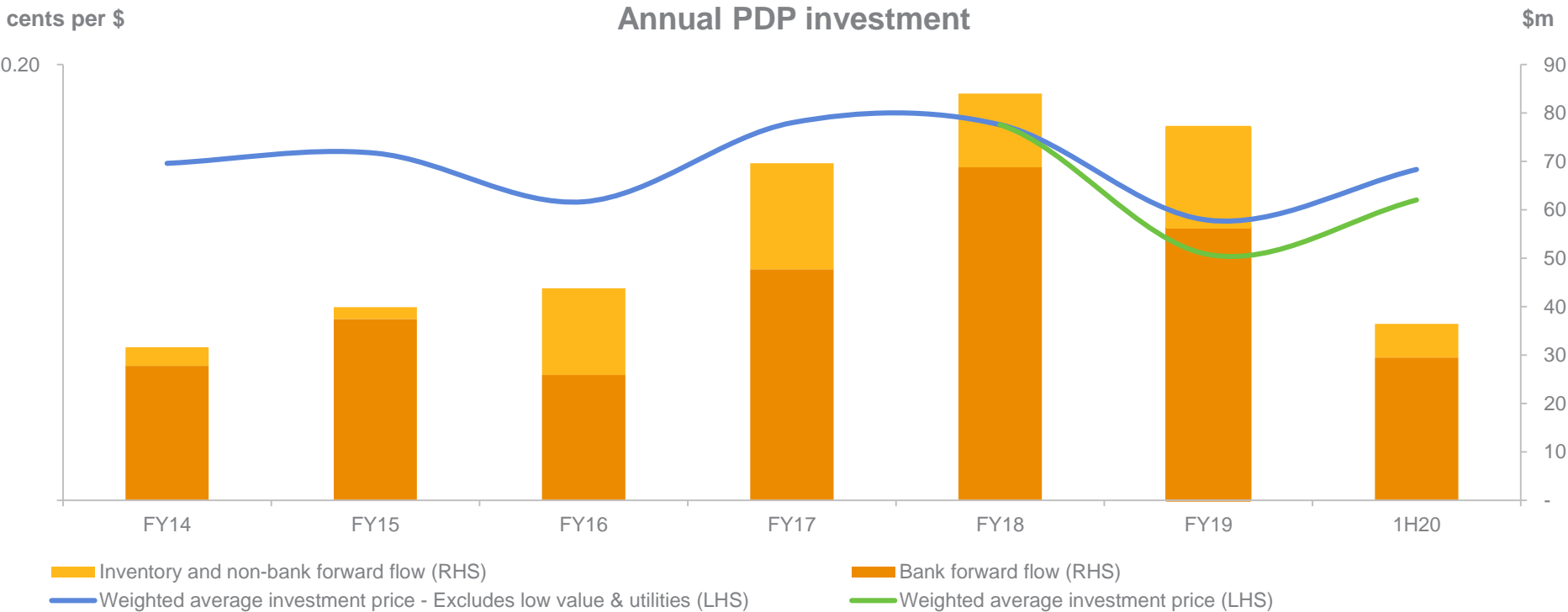
PDP liquidations and operational excellence

Balance Sheet	FY19	1H20	
Cash and cash equivalents	\$11.2m	\$2.2m	(80.7%)
Financial assets at amortised cost	\$249.8m	\$264.8m	6.0%
Total assets	\$284.0m	\$290.2m	2.2%
Borrowings	\$169.4m	\$177.0m	4.5%
Total liabilities	\$181.3m	\$195.2m	7.7%
Net assets	\$102.7m	\$95.0m	(7.5%)

Cash flow	1H19	1H20	
EBITDA	\$26.0m	\$25.5m	(1.8%)
Net cash inflow from operating activities	\$9.4m	\$22.4m	137.8%
PDP investments	(\$29.6m)	(\$37.7m)	27.7%
Net proceeds on borrowings including transaction costs	\$20.4m	\$7.3m	(64.1%)
Net dividend paid and DRP	\$0.9m	-	-
Lease payments	-	(\$1.1m)	-

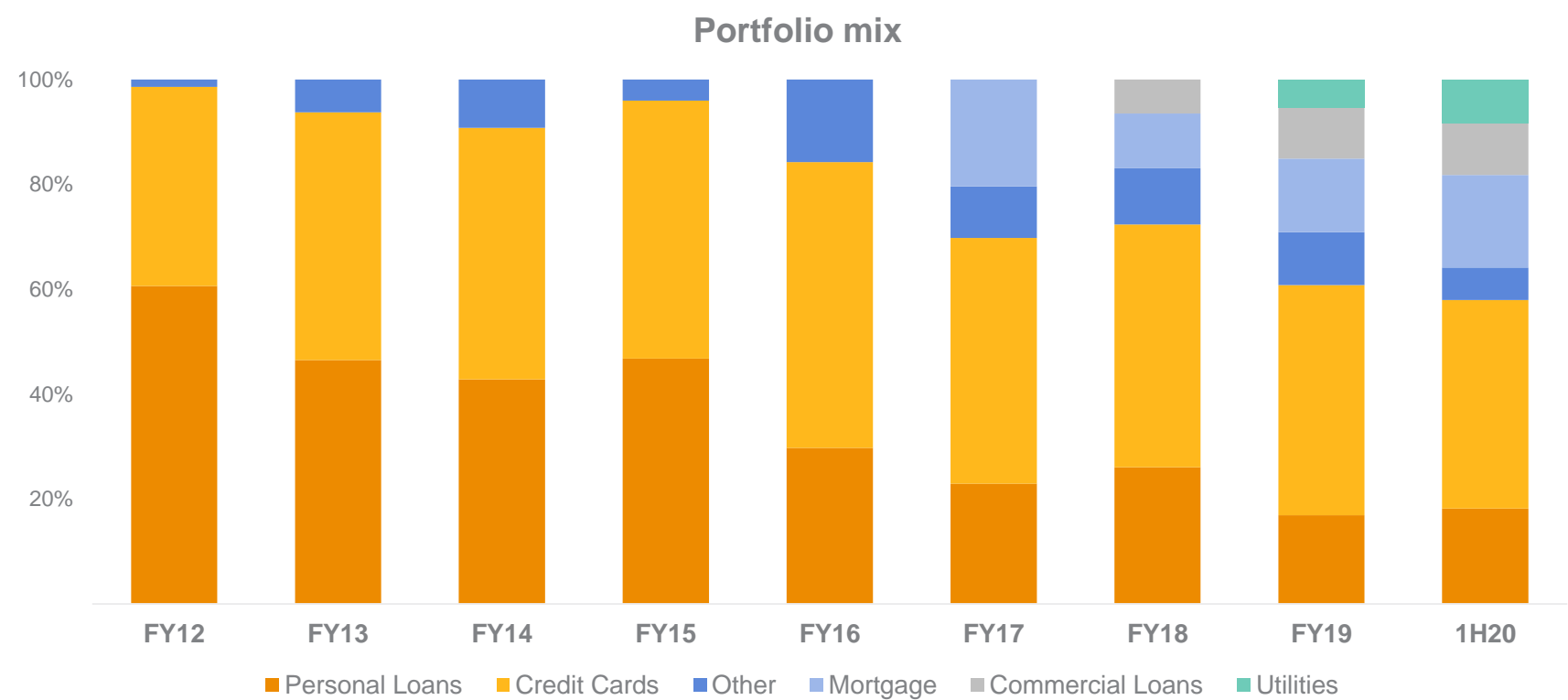
Weighted average price remains at historical averages

Pioneer has achieved solid pricing and product diversification as investment stabilised



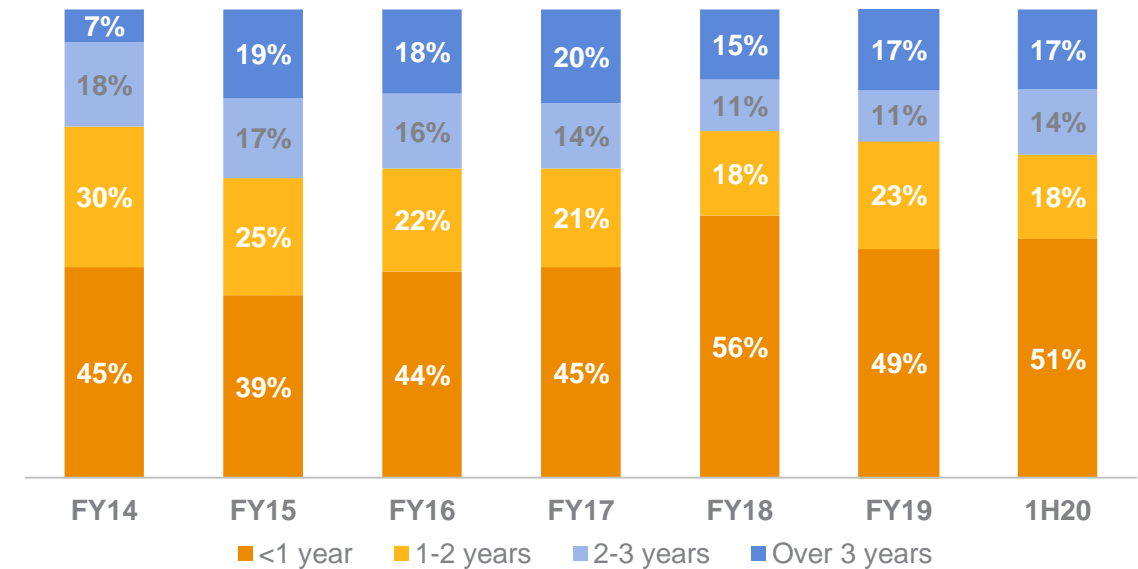
Pioneer has achieved Tier 1 debt product diversification

Changing product mix aligning to strategic opportunities



- As investment growth stabilises, liquidations from older vintages are performing in line with expectations
- Evidences ability to liquidate consistently across portfolio and of the value that exists in the portfolio

Portfolio liquidations by investment

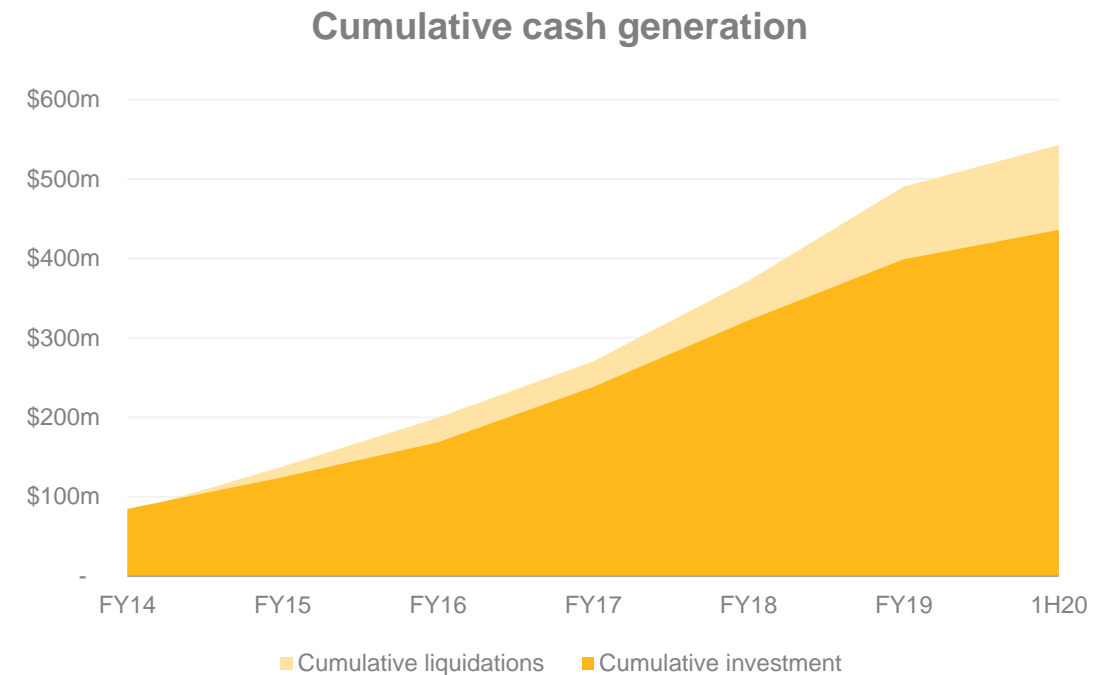


Growing liquidations driving cash performance

11

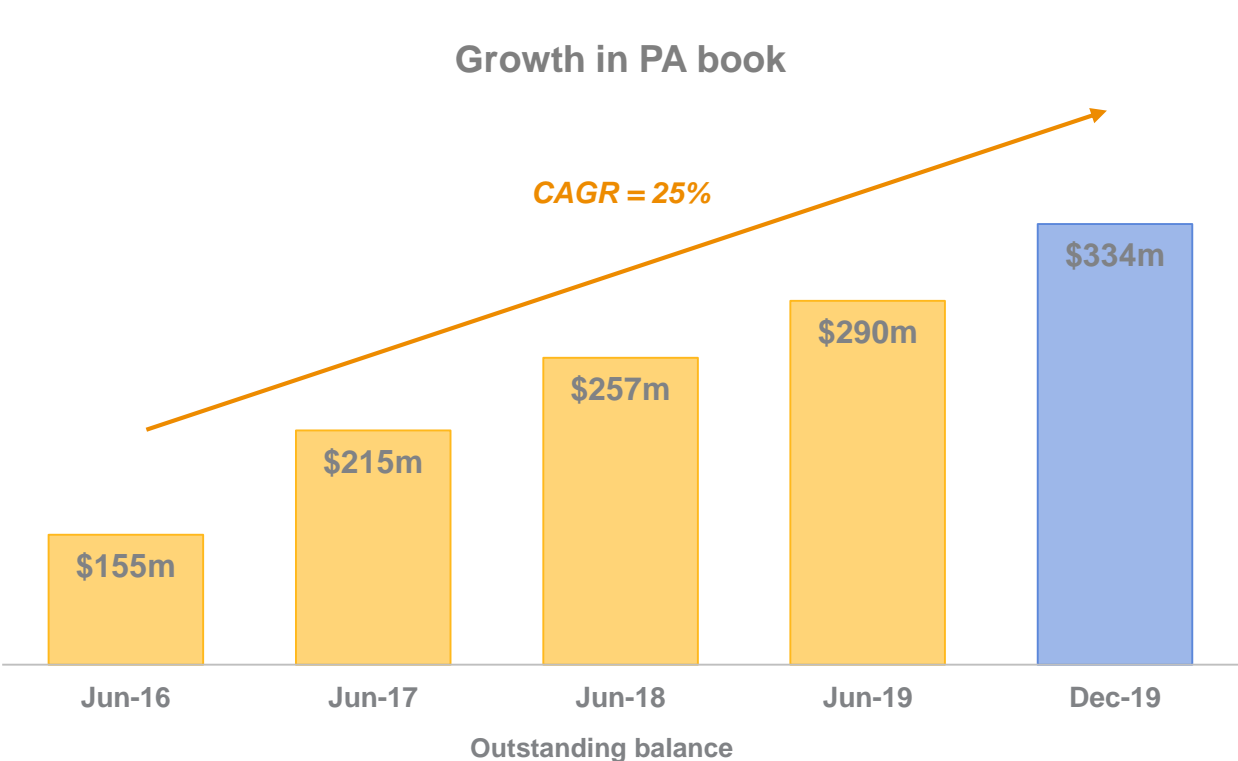
Increased returns beyond investment

- Cumulative liquidations are accelerating compared to cumulative investment
 - Demonstrates the quality of the portfolio, across all vintages
- Balanced against lower PDP investment in FY19 and 1H20
- Purchasing discipline remains, no short term view on PDP investments, evidenced by strong and growing cash performance



Continued improvement across arranged payment portfolio

Sustainable arrangements lead great customer outcomes



PA book metrics
Dec-19



23,830
customers



4.57%
>30 days in arrears



2.4 years
average existing relationship



\$252
Weighted average monthly payment
○ Jun-19: \$238
○ Jun-18: \$231

Pioneer has contributed over \$1m to our community since IPO

13

Our Partners include



WA Children's Charity



Children focused Charity



Initiative that raises funds to support cancer research



Children's charity



Sponsorship to create moments of joy and comfort for hospitalised kids and their families



24 hour telephone crisis support service



Research focused to cure Sanfilippo Syndrome



Pioneer's own community-based volunteer program

Highlights and next steps

- Pioneer Directors unanimously recommend shareholders to vote in favour of the Scheme
- Expect the Independent Expert will conclude the Scheme is fair and reasonable and in the best interests of Shareholders
- Total cash consideration of \$1.82 per share provides certainty of value
- No Superior Proposal has been received despite an extensive process and the evaluation of both change of control and additional or alternative funding options
- If the Scheme does not proceed, and no Superior Proposal emerges, Pioneer may experience funding challenges and its shares may trade at a significantly lower price than the Scheme total cash consideration

Appendix

Calculation of non-IFRS information

Adjustments made to Profit or Loss from continuing operations

Normalised Profit or Loss is presented net of significant one off expenditure including the costs of the senior financier standstill agreements, the change of control process and re-financing including the tax effect adjustments associated with the basis of preparation disclosure

Reconciliation ¹ between the IFRS and non-IFRS ² financial information	1H19	1H20
Profit or Loss for the period from continuing operations	\$5.1m	(\$6.0m)
Professional expenses	-	\$1.8m
Finance expenses	-	\$1.2m
Tax effect impact	-	\$1.8m
Normalised Profit or Loss	\$5.1m	(\$1.3m)

Note:

1. The reconciliation comprises one off expenditure impacting after tax earnings. Costs (not included above) of approximately \$4.2m have been capitalised and will amortise in future periods
2. Non-IFRS information has not been reviewed in accordance with Australian Auditing Standards

Keith R. John

Managing Director

P: 08 9323 5001

E: krjohn@pioneercredit.com.au

Leslie Crockett

Chief Financial Officer

P: 08 9323 5008

E: lcrockett@pioneercredit.com.au

Sue Symmons

Company Secretary & General Counsel

P: 08 9323 5020

E: ssymmons@pioneercredit.com.au