

ASX Release
28 August 2014
For Immediate Release

Strong FY14 performance provides platform for Pioneer Credit's growth

The Directors of Pioneer Credit Limited (ASX: PNC) are pleased to report that the Company has delivered an operating profit after tax of \$4.6 million in its first year as a public company.

In what has been a watershed year, Pioneer has outperformed the forecast set out in the Prospectus for its Initial Public Offering. The profit has been achieved on the back of strong gains in customer payments, which are up 60% on the previous twelve months.

Key highlights, Year on Year Performance:

	FY13	FY14	% Growth
Customer Payments	23.4	37.6	60.3%
Net Revenue	16.7	25.8	54.5%
EBITDA Adjusted ³	13.4	20.1	50.0%
EBIT	6.2	7.9	26.5%
Operating Profit after Tax	3.9	4.6	17.4%
PDL Investment	26.5	31.6	19.5%

Key highlights, Actual vs. Prospectus:

	Prospectus¹	Actual	% Outperformance
Customer Payments	37.0	37.6	1.5% ²
Net Revenue	25.3	25.8	1.7%
EBITDA Adjusted ³	19.1	20.1	5.2%
EBIT	7.0	7.9	12.6%
Operating Profit after Tax	4.5	4.6	2.6%
PDL Investment	30.3	31.6	4.7%

¹ Prospectus comprises first half actual result and second half forecast result

² Customer payments actual performance in the second half exceeded forecast by 2.5 %

³ EBITDA (Adjusted) is EBITDA net of the Change in Value

As forecast in the Prospectus, the costs associated with listing on the Australian Securities Exchange have had a material one-off impact on the Company's result. The operating profit metrics used above reflect the core earnings performance of the Group.



Commenting on the results, Pioneer's Managing Director Keith John said: "With the successful conclusion of the largest capital raising completed out of Western Australia in almost two years, Pioneer listed on 1 May 2014 with a solid performance backed by an institutional shareholder base that sees the Company well positioned for growth.

"In the lead-up to the raising we took the time to articulate the Company's approach to business, which is built around a core set of Leadership Principles which are deeply embedded right across the business. This is paired with a conservative approach to our investment in debt portfolios and capital management along with a strong customer service ethos and an open and transparent relationship with all stakeholders, including our valued shareholders.

Mr John said the Company had set out to achieve a sector-leading level of disclosure in its financial statements. Supported by the retention of Tier 1 auditors, the Company's disclosure regime ensures shareholders can make informed decisions about the quality of its earnings and balance sheet.

"We are proud that these are both at levels which we believe set the foundation for Pioneer over the coming years as we continue to meet our forecasts and demonstrate the high quality of our business."

Since listing, Pioneer has made a series of announcements with respect to significant agreements with existing and new vendor partners. These agreements have ensured that Pioneer's forecast FY15 portfolio investment target has been met, which is seen as key to underpinning the Company's future growth. In addition, these new agreements go some way to mitigating any perceived client concentration risk.

"In reality, we regard the strong, long-standing relationships we have with our key clients as a core strength of this business – and certainly not a risk. These relationships, and the new ones we have announced this year, form the platform for the continued growth of Pioneer," Mr John said.

Outlook

The strategy for Pioneer's business has been very clearly laid.

Key elements of this strategy are as follows;

- continue to work hard at building a conservative and long-term sustainable business
- grow and strengthen vendor relationships
- explore ways in which we can deliver additional value to our rehabilitated customer base through the provision of new products and services

"We are pleased to confirm that this strategy is our 'road map' for the growth of the business.

"At the same time we confirm our investment forecast of \$37.9m (which is under contract and met), customer payments forecast of \$57.4m and a profit after tax of \$6.6m for FY15."



About Pioneer Credit

Pioneer is an Australian financial services provider, specialising in acquiring and servicing unsecured retail debt portfolios.

These portfolios consist of people with financial obligations to Pioneer. These people become the cornerstone of Pioneer's business and are our customers.

We work closely with our customers who – for a range of reasons – have found themselves in financial difficulty. In a vast proportion of cases this has come about through a major life event such as loss of job, significant health issues, marriage breakdown or domestic violence.

A key goal at Pioneer as it works with its customers is to see them progress towards financial recovery, and through this process evolve as a 'new consumer'.

For further information about Pioneer see www.pioneercredit.com.au

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