



pioneercredit

**ASX Release
29 October 2014
For Immediate Release**

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Annual General Meeting Presentation of the Managing Director

In accordance with Listing Rule 3.13, the following presentation by the Managing Director of Pioneer Credit Limited is to be delivered this morning at the Annual General Meeting of Shareholders.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Leslie Crockett'.

Leslie Crockett
Company Secretary



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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MANAGING DIRECTOR'S ADDRESS TO THE MEETING

As you know, this is our first AGM since Pioneer Credit became a public company this year. This is an opportunity therefore to reflect on what has, without doubt, been the most significant year Pioneer has had since the business was reformed in 2009.

If we cast our minds back to that time, Pioneer was a business employing just four people; it had virtually no revenue, and some very basic infrastructure.

Today you are a shareholder in a growing financial services business which:

- employs some 300 people across two countries
- counts three of Australia's four major banks as its clients, along with a number of smaller financial institutions
- provides services to around 70,000 customers right across Australia, and
- occupies state of the art premises in central Perth.

When we embarked on the journey of becoming an ASX listed company, we set out some very clear objectives of what we wanted to achieve.

I am pleased to report that we have achieved what we set out to do.

We exceeded the forecast we outlined in the IPO prospectus.

And very importantly, we have successfully broadened our vendor partner base from one major bank, to a point where we now have forward flow agreements with three of the major banks and three other institutions.

These agreements have come about through long-term relationships and a deep understanding of our values on the part of the banks, which does of course take time to develop.

In the lead up to the IPO and over the course of 2014, our new banking partners had expressed their commitment to working with Pioneer. We are pleased that they have honoured those commitments, at price points which are within the boundaries we have guided the market on.

Growing our banking client base is a critical factor in growing our business.

Another vital factor is, of course, people. Our staff numbers have grown to the current level of approximately 300, including a team of approximately 70 people based in our Manila customer service centre, which we established in August 2013.



We have a strong commitment to the ongoing development of our staff. As well as an initial training program for new starters that we believe is the best in the industry, we provide coaching and professional development opportunities to our people throughout their career with the Company.

There have been a number of highlights and “firsts” for the business over the past 12 months to 30 June 2014:

- Our successful book-build of \$40m and listing on the ASX on 1 May 2014
- Through the IPO process, garnering what we believe is an exceptional shareholder base
- Achieving strong gains in customer payments, up 60% on the previous twelve months
- Growing EBITDA Adjusted¹ by over 50% to \$19.6 million, representing free cash-flow prior to investments in customer portfolios
- Growing operating profit by over 17% to \$4.6 million, ahead of forecast, and
- Paying our first fully franked dividend of 3.1 cents per share.

Of course, great results come from having a great team of people at every level, along with an unwavering focus on commercial compliance and customer service. And all of this in what can sometimes be a challenging customer segment.

Pioneer is driven by a set of Leadership Principles that underpin every decision we make and every action our people take. This core set of values provides surety of intent to our vendor partners and our customers, as well as a strong moral compass within the business.

The Leadership Principles are not only central to everything we do as a business, they are central to our success.

The results of these high standards are represented by our growth in payment arrangements from our essentially “re-originated” customer base representing a \$104m performing loan book at the end of September 2014. This book continues to grow at approximately 8% per quarter.

Furthermore we maintain the enviable record of being the only significant purchaser of retail debt portfolios in the country which has never had a negative outcome at an ombudsman level.

This is one of many factors which differentiate our service offering to both the banks and our customers. It is unequivocal in what it says about the very core of our business and our industry-leading focus on brand and risk protection.

While we are proud of what we have achieved in terms of the key financial measures, I must make the point that Pioneer has always been about much more than just making money. We are in the business of helping people. Many of our customers are experiencing financial hardship, frequently as a result of major life-changing events.



It is therefore a core part of our DNA that we also get involved in supporting a number of community initiatives.

Pioneer Credit has a long-term commitment to a number of projects that make a positive contribution to the community.

Currently these include support for:

- The Financial Counsellors' Association of WA, which provides free, independent assistance to help people take control of their finances
- The Shepherd Centre, an Australian charity organisation teaching deaf children to listen and speak; and
- ToyBox International, a children's charity dedicated to helping Australia's sick and disadvantaged children.

They are all outstanding organisations, achieving great things within our community, and we are very proud to be associated with them.

As we look ahead, we are able to reiterate our market guidance of \$6.6m for operating profit for the current financial year, along with strong growth in customer payments. We have been successful in growing our purchasing beyond expectations, about 5% higher to \$40m this year. We do not expect to conclude any further material purchasing this year, rather the focus remains on sustainably growing our business and positioning it for solid compounding growth in the years ahead.

In closing, I would like to acknowledge the work of the outstanding Pioneer Credit team.

As I stated earlier, it takes many great people to achieve great results.

To my fellow directors – Mark Dutton, Rob Bransby and Anne Templeman-Jones, thank you for your counsel through an exceptionally busy listing and first results period. The amount of time you have committed to the business is greatly appreciated.

To our Chairman, Michael Smith – I would like to offer my thanks for your guidance and counsel, as well as the fresh perspective you bring to the business. The past year has been a particularly demanding period which has required your time and focus, which is much appreciated.

I look forward to continuing to work closely with every member of the Board, and benefiting from your ongoing contribution – individually and collectively - to the Company's future growth.



To our Chief Operating Officer Lisa Stedman and Chief Financial Officer Leslie Crockett, and their team members – thank you all for your hard work and your commitment.

We make a point at every leadership level of Pioneer of saying thank you to every one of our people every day. It's an important part of how we operate.

Every one of our team has worked exceptionally hard to build the culture we have today, to build the business we have today and to deliver the results we have produced.

I thank you – not only for your contributions to Pioneer throughout the past year, but also to making Pioneer the great place it is where all our people can work towards achieving whatever their career and personal goals are.

And finally to our shareholders – thank you for coming on board during the past year. You can be assured that we are working tirelessly to build a successful business that will deliver returns and achieve sustainable growth over the long term.

Notes :

¹ EBITDA Adjusted is EBITDA net of the Change in Value