

## Capital Management Strategy and Investment Update

- **100% of FY18 forecast customer portfolio investment under contract**
- **Additional \$20m debt funding secured**
- **Advisors appointed to lead medium term debt and capital management review**

Pioneer Credit Limited (ASX: PNC) is pleased to announce that it has contracted 100% of its forecast customer portfolio investments for FY18 totalling \$70m.

The success that has been achieved in securing these contracts, at attractive price points, recognises and rewards the differentiated position the Company has in the Australian debt purchase market.

The end of quarter one represents the earliest point in any financial year that the Company has secured its investment expectations. In addition to the large high quality portfolio the Company has in its inventory, the new investments, coming throughout this financial year, underpin what is forecast to be the Company's strongest year of growth yet. FY18 earnings per share are expected to increase by 48% on the prior year and Net Profit after Taxation is forecast at \$16m.

To ensure the Company remains well funded, with capacity to choose to participate in material one-off opportunities as they present, the Company has extended its facility with its banking syndicate. Under the existing facility the Company now has access to a credit approved Accordion (ie additional facility limit) of up to \$20m for the acquisition of debt portfolios, on terms that are unchanged from the existing agreement.

Through the current purchasing cycle the Company now has a facility limit of \$120m, with borrowings drawn of \$86.4m and \$33.6m remaining capacity. The Company will continue to fund its customer portfolio investments through a mix of free cash and debt, which is targeted not to exceed 50% of the written down carrying value of the portfolio.

In addition, Acacia Partners has been appointed to act as arranger and/or joint lead manager and bookrunner to a proposed debt raising which will focus on the medium term growth requirements of the Company such that the tenor, flexibility and size of facilities is arranged in line with that growth expectation (across both traditional customer portfolio investments and new Pioneer Credit Connect personal loan portfolio) and the liquidation profile of the Company's customer portfolios. It is expected that this process will complete in the new calendar year and an announcement will be made to the market at that time.



The Company will provide a strategy update focussed on Pioneer Credit Connect and its new product offerings at the Annual General Meeting scheduled for 27 October 2017 along with a trading update for the year.

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