

Creating
opportunity

30 January 2025

H1 FY2025 Results

THOMAS BEREGI
Chief Executive Officer

MICHAEL EADIE
Chief Financial Officer



Credit Corp Group

Leadership of the credit impaired consumer segment...

Analytics and discipline

US DEBT BUYING

- Large market opportunity
- Diversified purchasing across several sellers

Operational excellence

- Significant productive capacity across several sites
- Emphasis on payment arrangements and a lower proportion of litigated outcomes

Responsibility & compliance

- Low regulator complaint rate

AUSTRALIAN / NZ LENDING

- Leverage knowledge of consumer
- Up-front loss provisioning
- Analytical monitoring
- Unique statistical underwriting

- Automated decisioning
- Collection strength
- High level of efficiency

- APRs below cap applicable to mainstream credit
- Regulatory upside – no ‘payday loans’
- Lower pricing disrupting the market

AUSTRALIAN / NZ DEBT BUYING

- Large database
- History of pricing accuracy
- Purchasing levels vary inversely with pricing

- High asset turnover¹
- Low cost to collect²
- High performing on-shore and off-shore platforms
- Strong technology and use of data

- Low dispute rate
- \$1.3bn in ongoing repayment arrangements

TARGET

Long term growth

ROE 16% – 18%

Low gearing

1. H1 FY25 ratio of cash collections from PDLs to average PDL carrying value in Australian Debt Ledger Purchasing segment of 0.8x

2. H1 FY25 cash costs as a proportion of collections in the Australian Debt Ledger Purchasing segment of 44%

...has produced performance in line with expectation...

	Expectation	Outcome
US debt buying	<ul style="list-style-type: none">• Establish competitive platform for growth	<ul style="list-style-type: none">• Continued operational improvement• Stand-alone local leadership in place• Re-focus of purchasing on “faster-collecting” assets
Australian / NZ lending	<ul style="list-style-type: none">• Moderated Wallet Wizard (WW) growth, with other products set to drive volume	<ul style="list-style-type: none">• WW volume in line with expectation• Wizit digital card on track to come out of pilot during H2• Auto lending under review as used car prices decline towards our “growth trigger” level
Australian / NZ debt buying	<ul style="list-style-type: none">• Earnings run-off to stabilise	<ul style="list-style-type: none">• Run-off stabilised• Cost management to minimise loss of operating leverage• Purchasing discipline as competition has intensified

...and financial results on track with full year guidance

	H1 FY24	H1 FY25	Var %
Australian / NZ debt buying and collection services	\$118.3m	\$115.0m	(3%)
US debt buying (pre-impairment)	\$54.7m ¹	\$58.3m	15% ²
Australian / NZ lending	\$82.0m	\$98.2m	20%
Revenue total	\$255.0m	\$271.5m	6%
Australian / NZ debt buying and collection services	\$13.5m	\$12.1m	(10%)
US debt buying (pre-impairment)	\$6.1m ¹	\$7.1m	20% ²
Australian / NZ lending	\$13.9m	\$24.9m	79%
NPAT total pre-impairment	\$33.5m	\$44.1m	32%
US PDL impairment	\$45.6m	-	-
NPAT total	(\$12.1m)	\$44.1m	>100%
EPS (basic)	(17.8c)	64.8c	>100%
Dividend	15.0c	32.0c	>100%

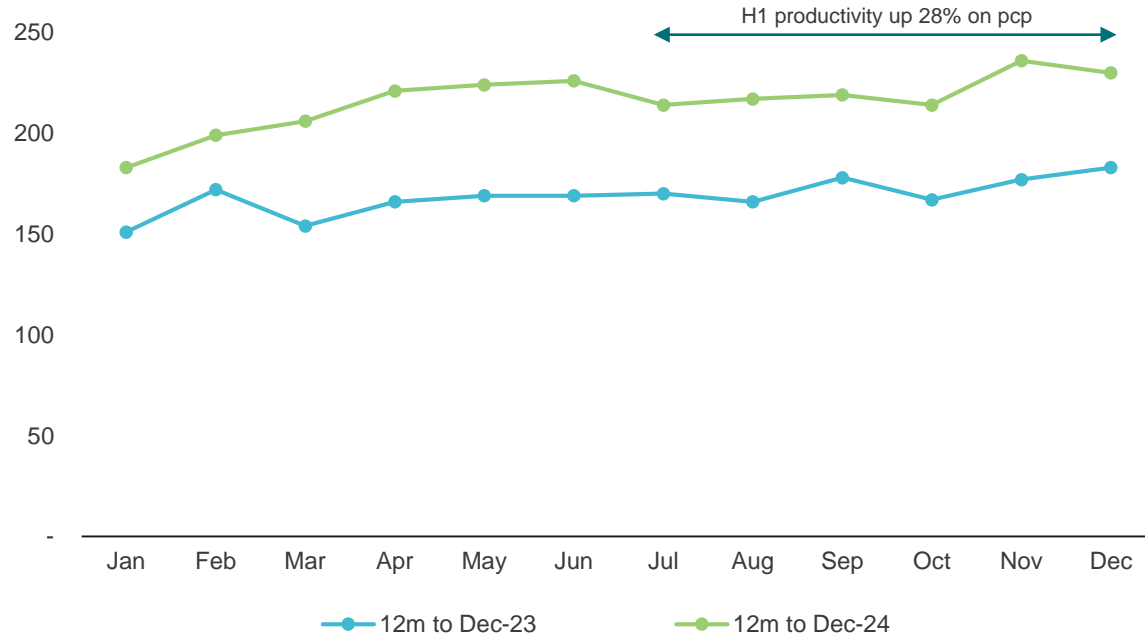
1. Excluding impairment of US PDL book of \$65 million (pre-tax)

2. Constant currency basis

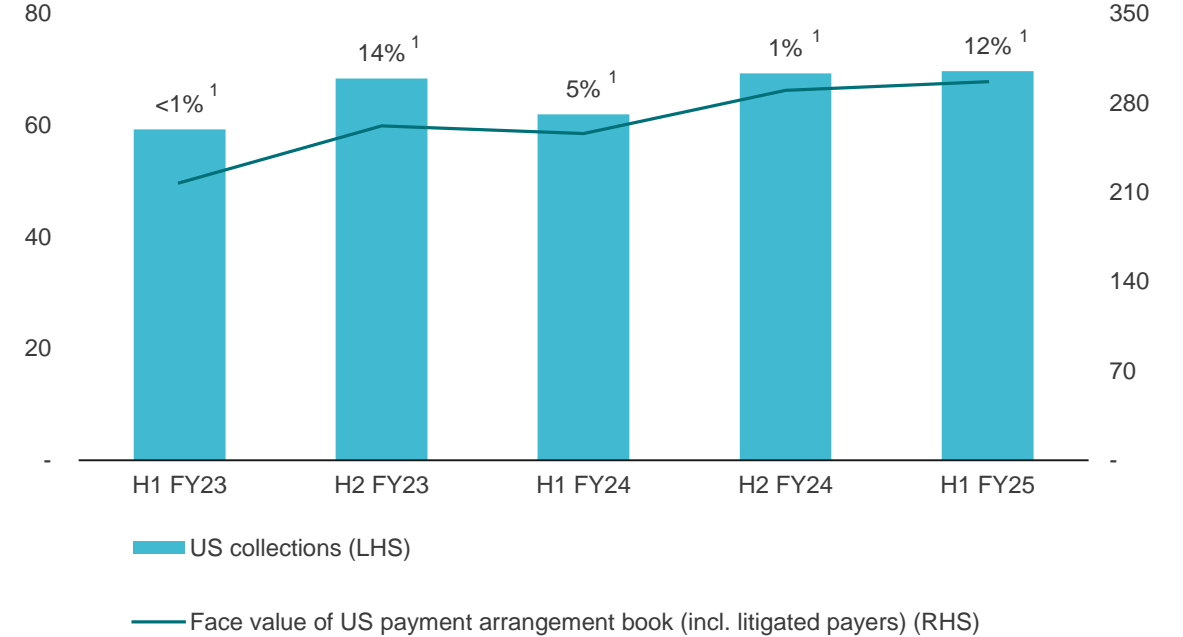
US operational outcomes continue to build...

- Collections growth despite 24 months of reduced investment and no improvement in conditions
- Operational improvement initiatives have focused on:
 - Improving purchasing competitiveness
 - Establishing the capacity to grow collections without increasing headcount

US Productivity Per Hour (US \$)



US Collections and Arrangement Book (US \$m)

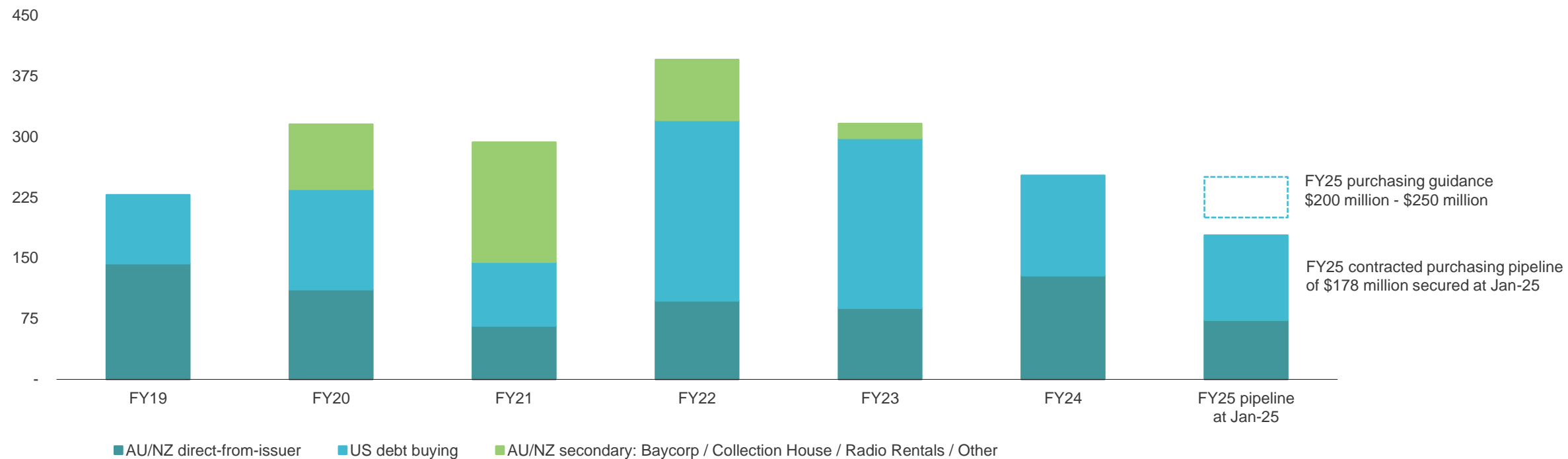


1. Collections growth % pcp

...enabling sustained investment

- US investment linked to operational improvement
- On track to secure at least \$150 million of US purchasing during FY25
- >80 per cent of US purchasing comprised of shorter-duration credit cards

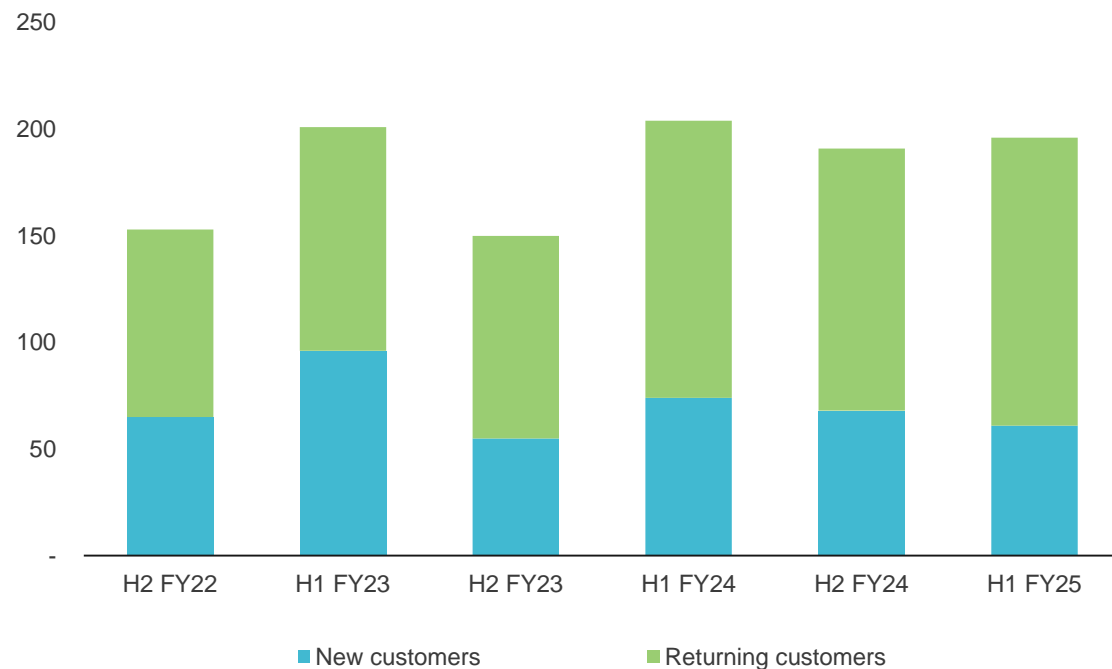
PDL Investment Volume (\$m)



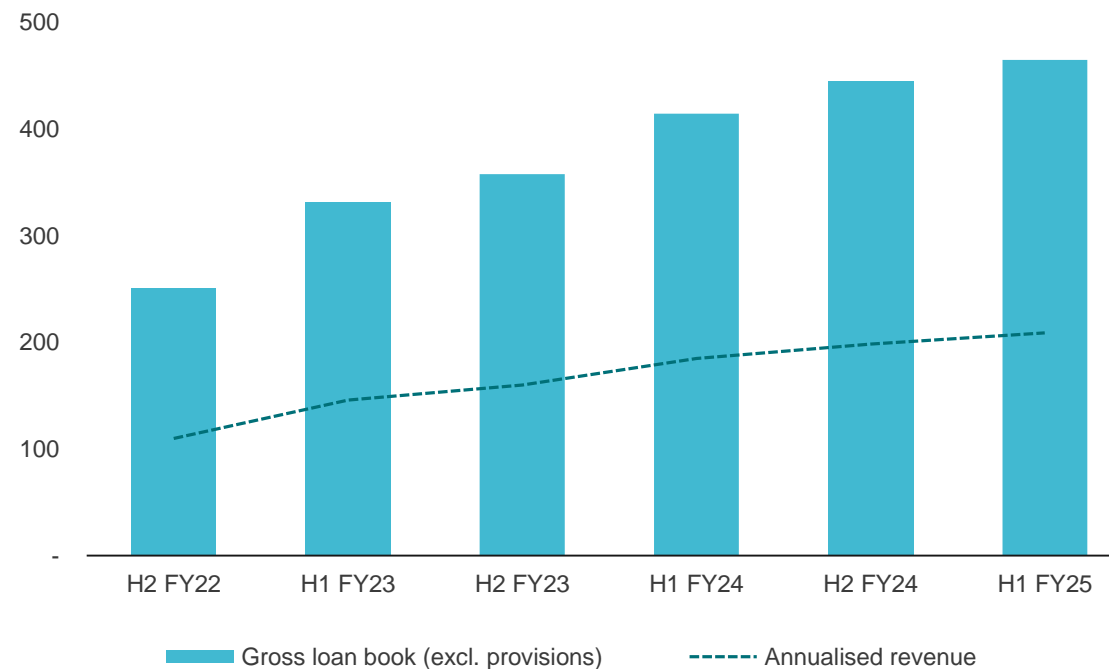
Consumer loan book growth has moderated...

- Wallet Wizard new customer volume has stabilised

Lending Volumes (\$m)



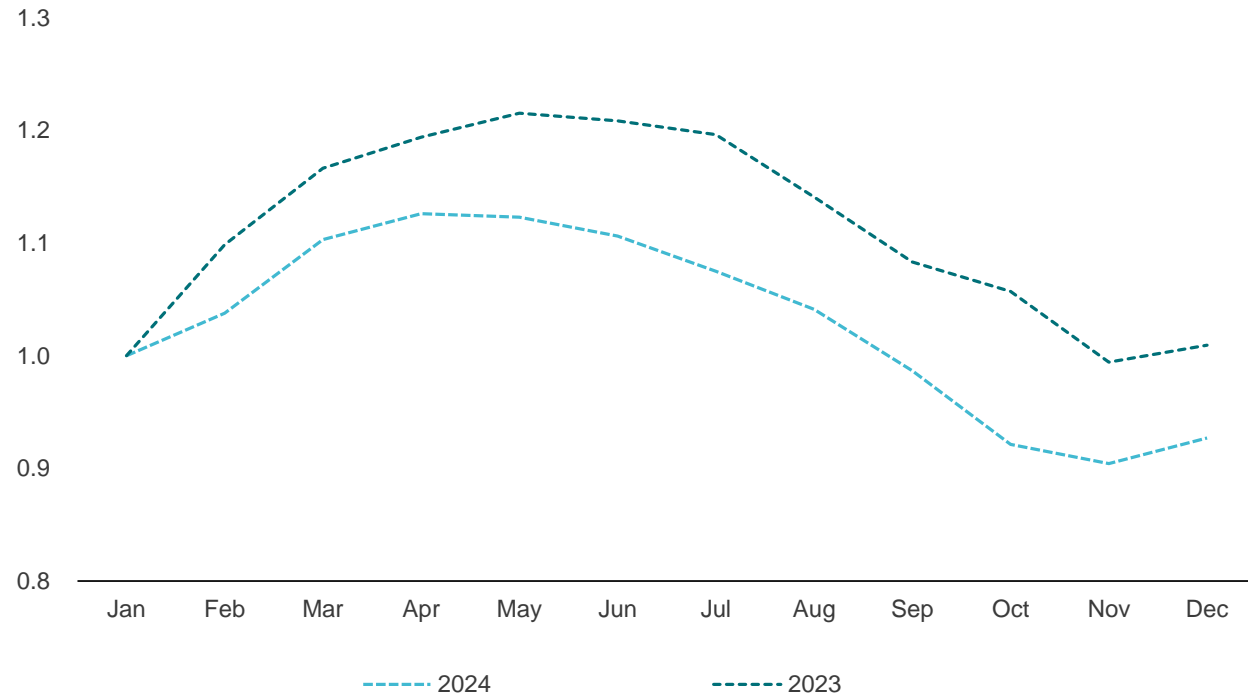
Consumer Lending Book and Annualised Revenue (\$m)



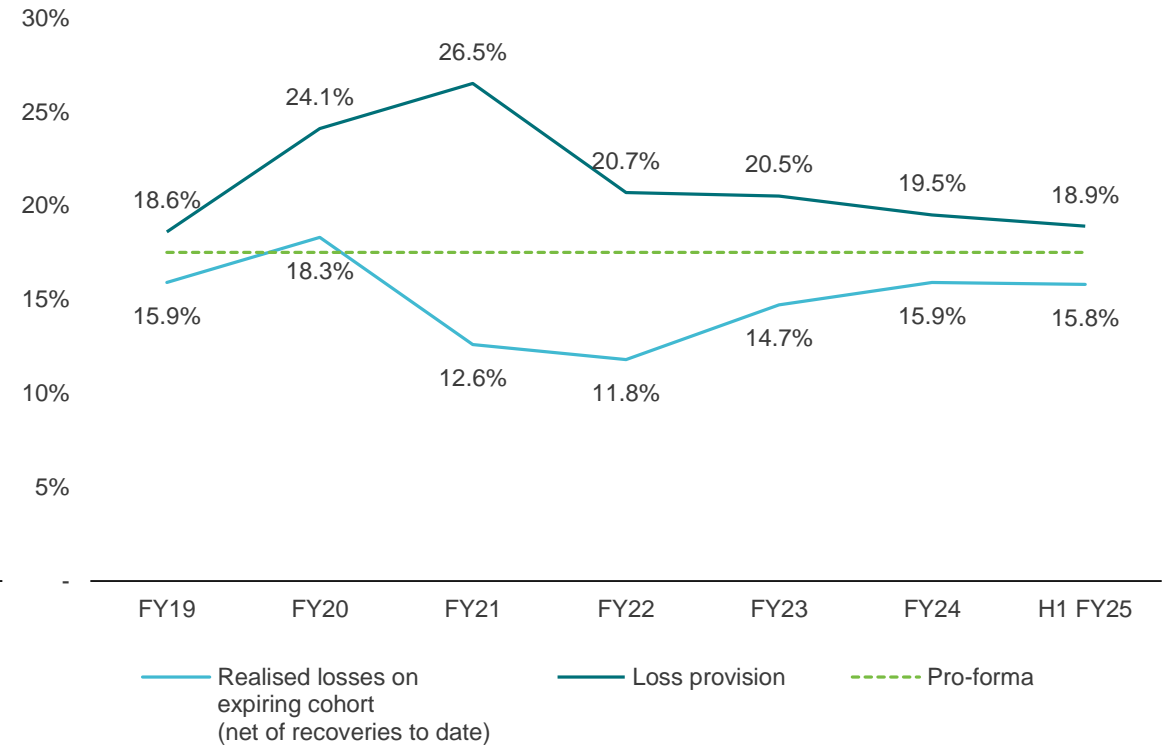
...while credit metrics remain strong...

- Credit settings continue to produce losses below the pro-forma ingoing loss provision

30+ days arrears ¹



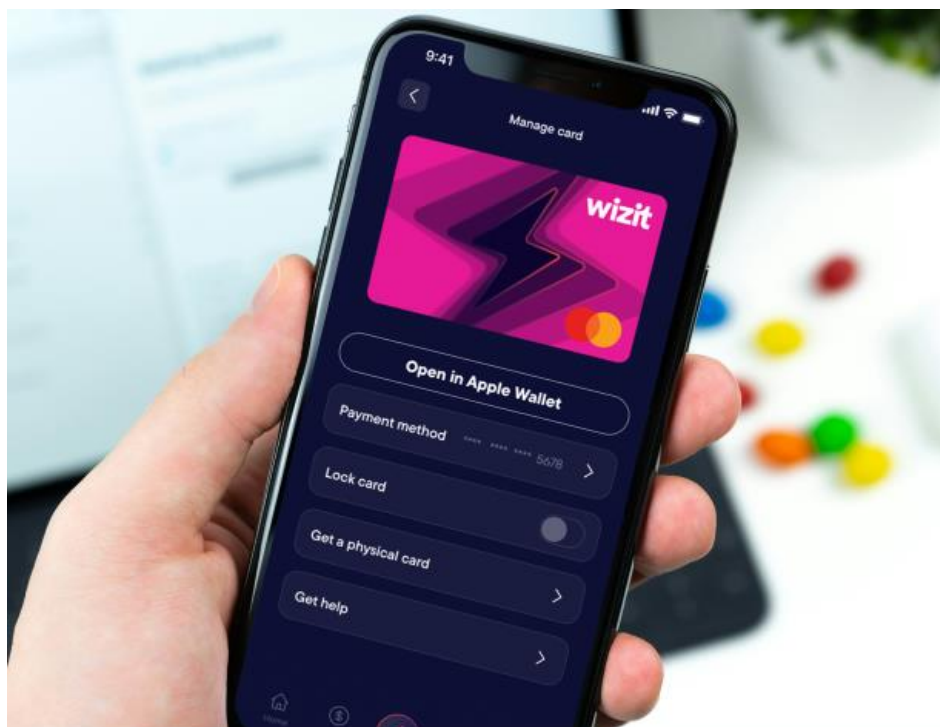
Loss Provision to Realised Losses (%)



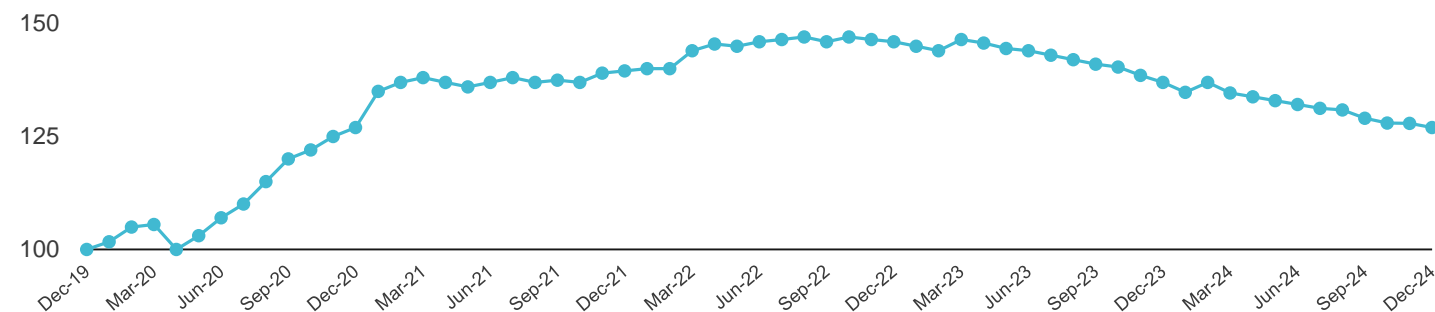
1. Indexed to January 2023

...as we look to newer products for additional growth

- Wizit digital credit card on track to be released from pilot in H2
- Used car price deflation is approaching our target level



Australia Used Car Price Index ¹



1. Retail & Wholesale Used Vehicle Market Insights (Full Year 2024), Cox Automotive Australia

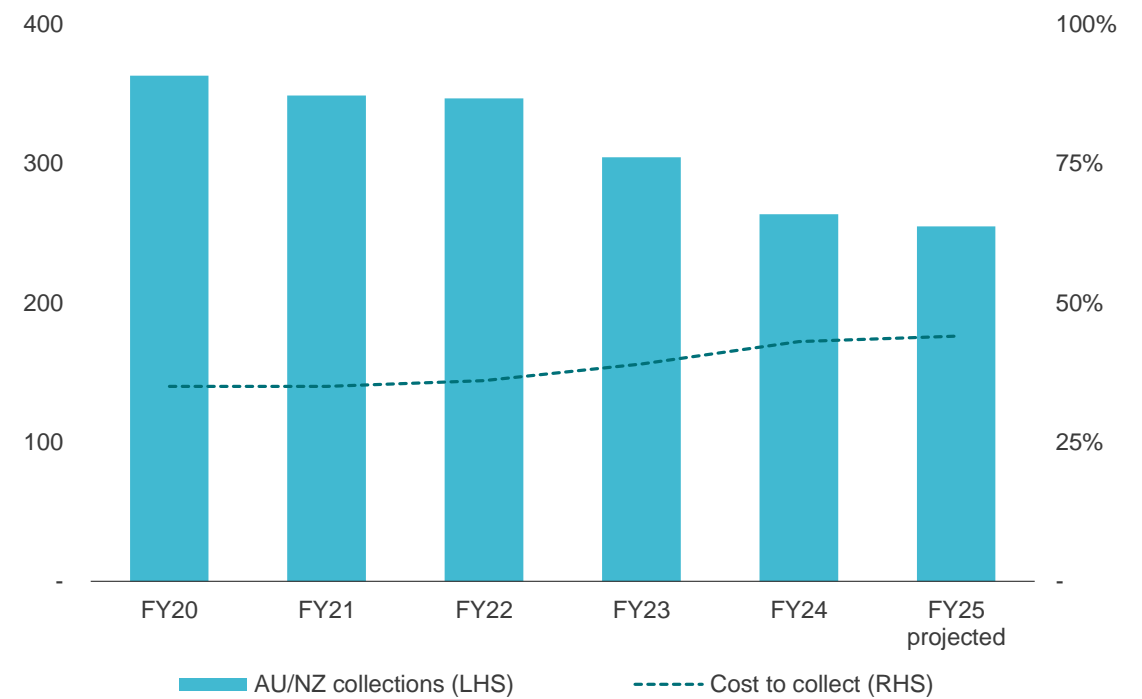
AU/NZ debt buying run-off has stabilised

- Investment now sufficient to offset run-off and hold collections and earnings
- Cost discipline and strong operating performance has minimised loss of operating leverage

AU/NZ PDL Investment Volume (\$m)



AU/NZ Collections (\$m) and Cost to Collect (%)

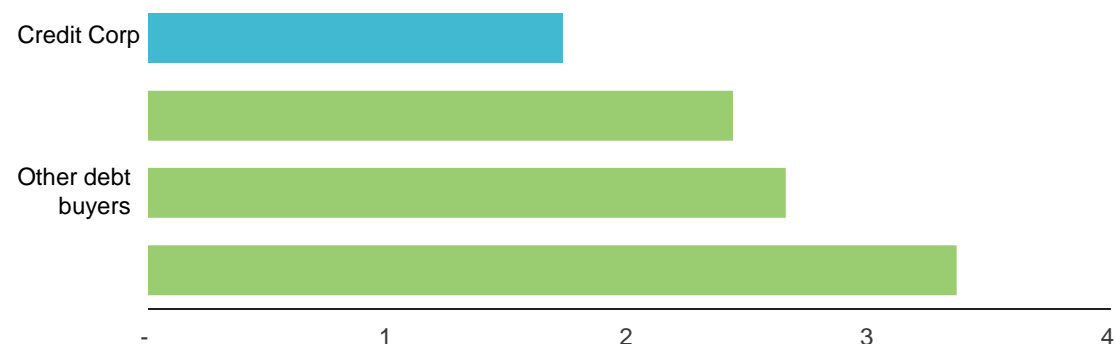


1. FY25 purchasing guidance of \$80 million - \$100 million
2. FY25 contracted purchasing pipeline of \$73 million secured at Jan-25

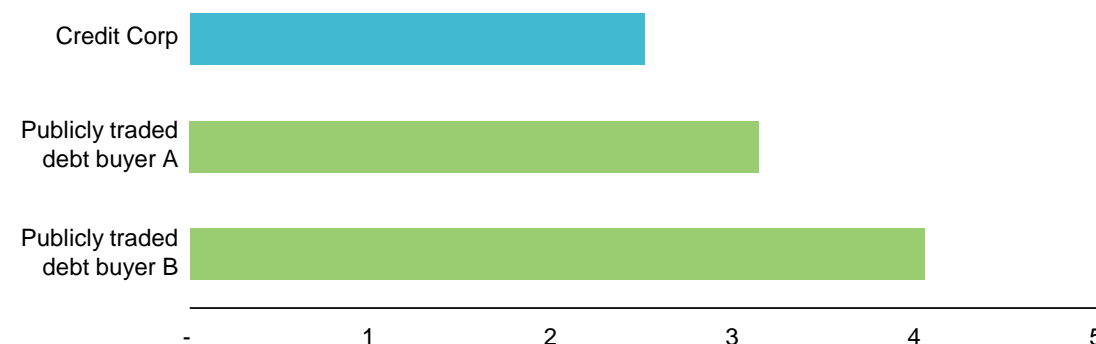
We have maintained our differentiated position as a responsible operator...

- Leading dispute metrics

FY24 AU EDR Rate ¹



12 Months to Sep-24 US Dispute Rate ²



- Superior response to consumer hardship
 - Rated as having the best response to consumer hardship by financial counsellors ³
- Lower cost and more affordable loan products in the credit-impaired segment
 - All charges are within the mainstream caps
 - Net promoter score of 21 ⁴

1. No. of complaints reported by External Dispute Resolution (EDR) provider (The Australian Financial Complaints Authority) for the 12-month period to Jun-24 divided by total PDL collections expressed in millions of dollars

2. Complaint metrics from Consumer Financial Protection Bureau (CFPB) database for the 12 months to Sep-24 divided by reported collections (https://www.consumerfinance.gov/data-research/consumer-complaints/search/?from=0&searchField=all&searchText=&size=25&sort=created_date_desc)

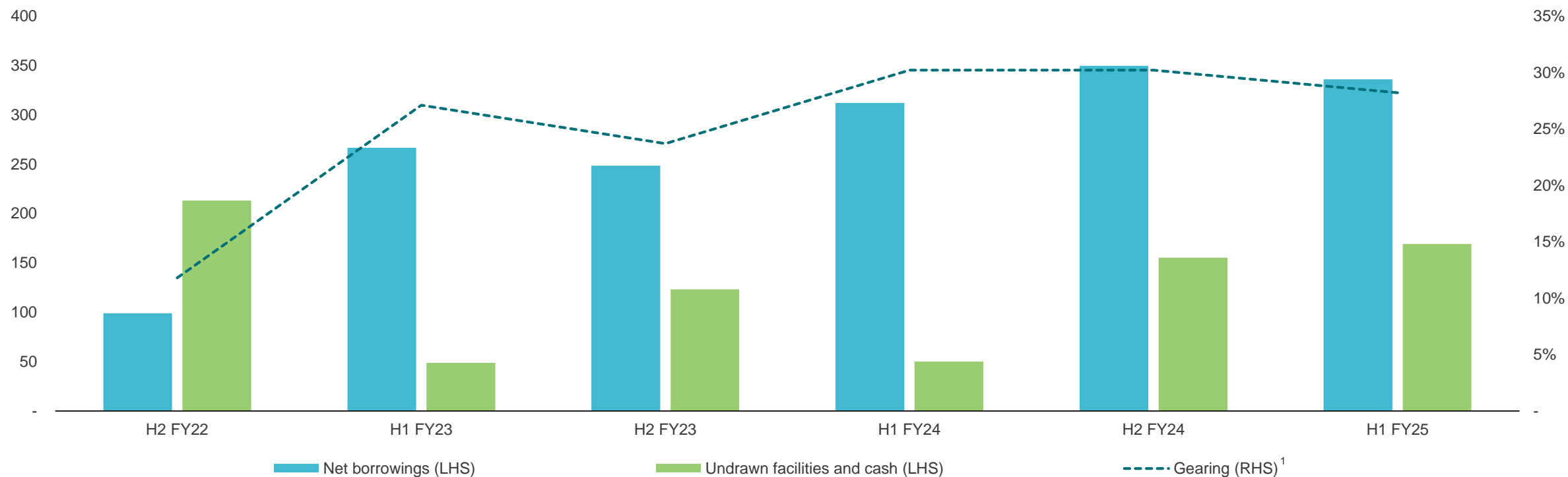
3. Financial Counselling Australia: Rank the banks and other lenders and debt buyers survey 2023 - Rating of response to consumer hardship, December 2023, pages 6 and 25

4. As at 30 June 2024

...and have the financial capacity to use our position to increase investment

- Gearing remains conservative
- Capacity intact under expanded facility

Cash Facilities (\$m) and Gearing (%)



1. Calculated as net borrowings as a % of carrying value of financial assets

Outlook for solid earnings growth in FY25

- Growth in NPAT of 11 - 23 per cent against FY24 underlying result

	FY25 Guidance Issued Jul-24	FY25 Guidance Confirmed Jan-25
Ledger investment	\$200 - \$250 million	\$200 - \$250 million
Net lending	\$45 - \$55 million	\$45 - \$55 million
NPAT	\$90 - \$100 million	\$90 - \$100 million
EPS (basic)	132 - 147 cents	132 - 147 cents

APPENDICES: KEY OPERATING METRICS



APPENDICES: KEY OPERATING METRICS

APPENDIX 1:	Operating cash flow and gearing	16
APPENDIX 2:	AU/NZ & US debt buying operational metrics	17
APPENDIX 3:	Payers base	18
APPENDIX 4:	Productivity	19
APPENDIX 5:	Collections life cycle	20
APPENDIX 6:	Operational and total headcount	21

Appendix 1: Operating cash flow and gearing

Operating cash flow and gearing	FY22	FY23	FY24	H1 FY25
PDL collections	\$535.2m	\$493.8m	\$463.7m	\$236.9m
Lending income	\$93.7m	\$147.8m	\$179.1m	\$98.2m
Other income	\$38.3m	\$50.3m	\$92.8m	\$41.0m
Interest expense / income	(\$4.7m)	(\$15.6m)	(\$23.8m)	(\$16.1m)
Operating expenses including taxation	(\$275.8m) ¹	(\$290.6m)	(\$319.5m)	(\$170.9m)
PDL acquisitions, net lending and capex	(\$490.8m)	(\$471.0m)	(\$442.3m)	(\$155.7m)
Net operating (free) cash flow	(\$104.1m)	(\$85.3m)	(\$50.0m)	\$33.4m
PDL carrying value	\$637.3m	\$762.1m	\$780.7m	\$812.8m
Consumer loans net carrying value	\$198.4m	\$284.5m	\$358.5m	\$377.2m
Net cash / (borrowings)	(\$98.9m)	(\$248.4m)	(\$349.7m)	(\$336.0m)
Net borrowings / carrying value (%)	11.8%	23.7%	30.7%	28.2%

1. Includes outlay of \$63 million for the acquisition of Radio Rentals assets in Dec-21

Appendix 2: AU/NZ & US Debt buying operational metrics

AU/NZ Debt Buying	H1 FY25	Δ H1 FY24
Collections	\$132m	(6%)
Productivity	\$314	(3%)
Operations headcount ¹	581	(9%)
Payers book (face value) ¹	\$1,285m	(2%)

US Debt Buying	H1 FY25	Δ H1 FY24
Collections	\$105m	12% ²
Productivity	\$334	28% ²
Operations headcount ¹	501	(9%)
Payers book (face value) ¹	\$450m	16% ²

1. As at Dec-24

2. Constant currency basis

Appendix 3: Payers base

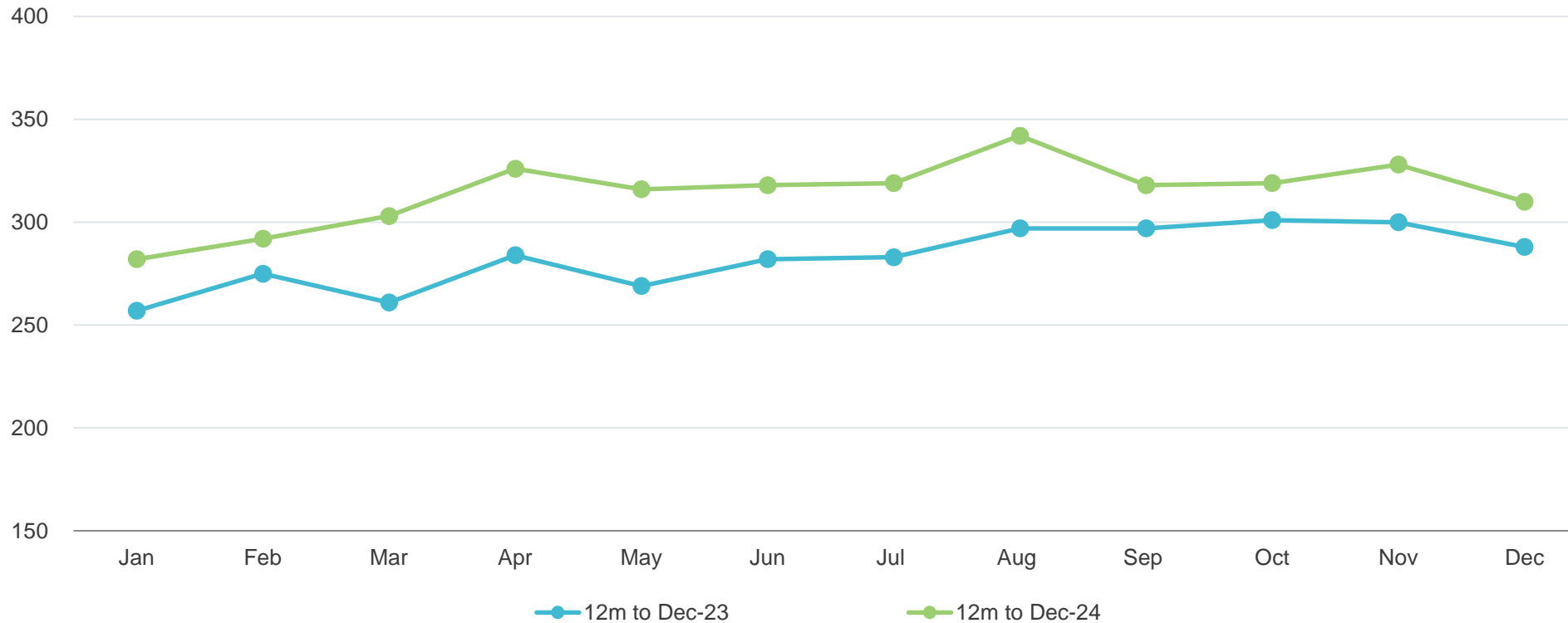
Portfolio summary: Debt buying

Total portfolio	AU/NZ	Combined AU/NZ/US ¹					
	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24
Face value	\$7.9b	\$11.8b	\$12.7b	\$12.8b	\$12.9b	\$13.0b	\$12.8b
Number of accounts	1,252,000	2,863,000	2,993,000	2,952,000	2,904,000	2,820,000	2,740,000
Payment arrangements							
Face value	\$1,555m	\$1,742m	\$1,727m	\$1,725m	\$1,709m	\$1,760m	\$1,735m
Number of accounts	243,000	264,000	266,000	274,000	273,000	280,000	283,000

1. US segment included from Jun-22 onwards and includes litigated payers. Prior periods contain only AU/NZ debt buying segment

Appendix 4: Productivity

Productivity per Hour (A\$) ¹



YTD DEC-24 average

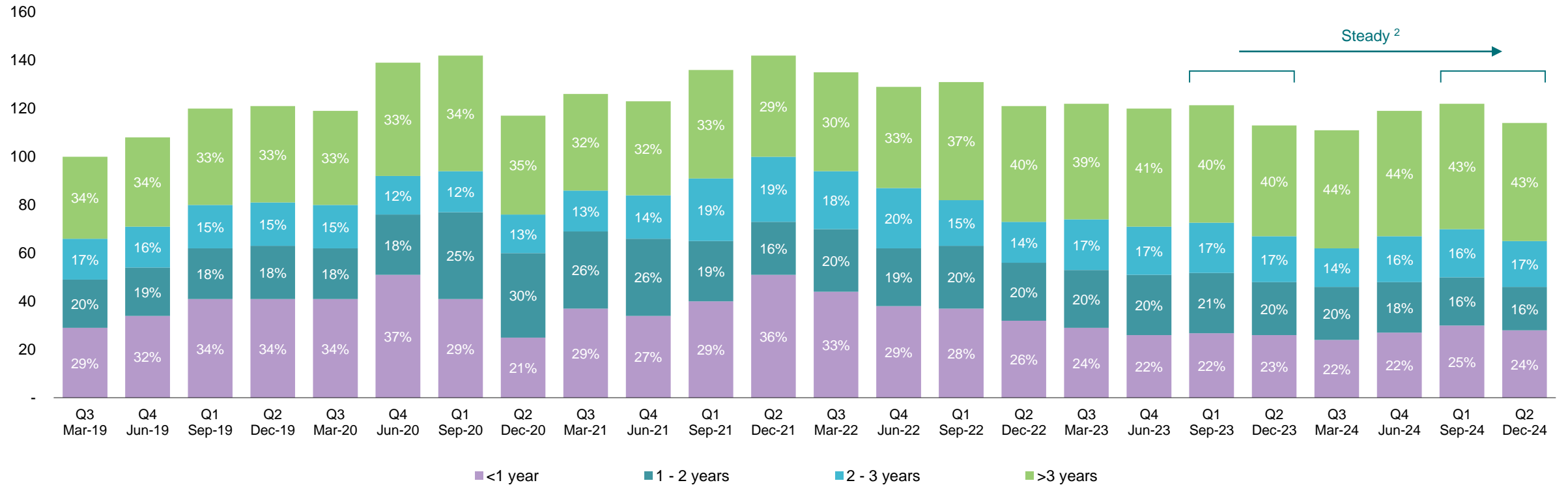
FY25: \$323

FY24: \$295

1. Combined AU/NZ and US segment productivity

Appendix 5: Collections life cycle

PDL Collections by Vintage (\$m) ¹

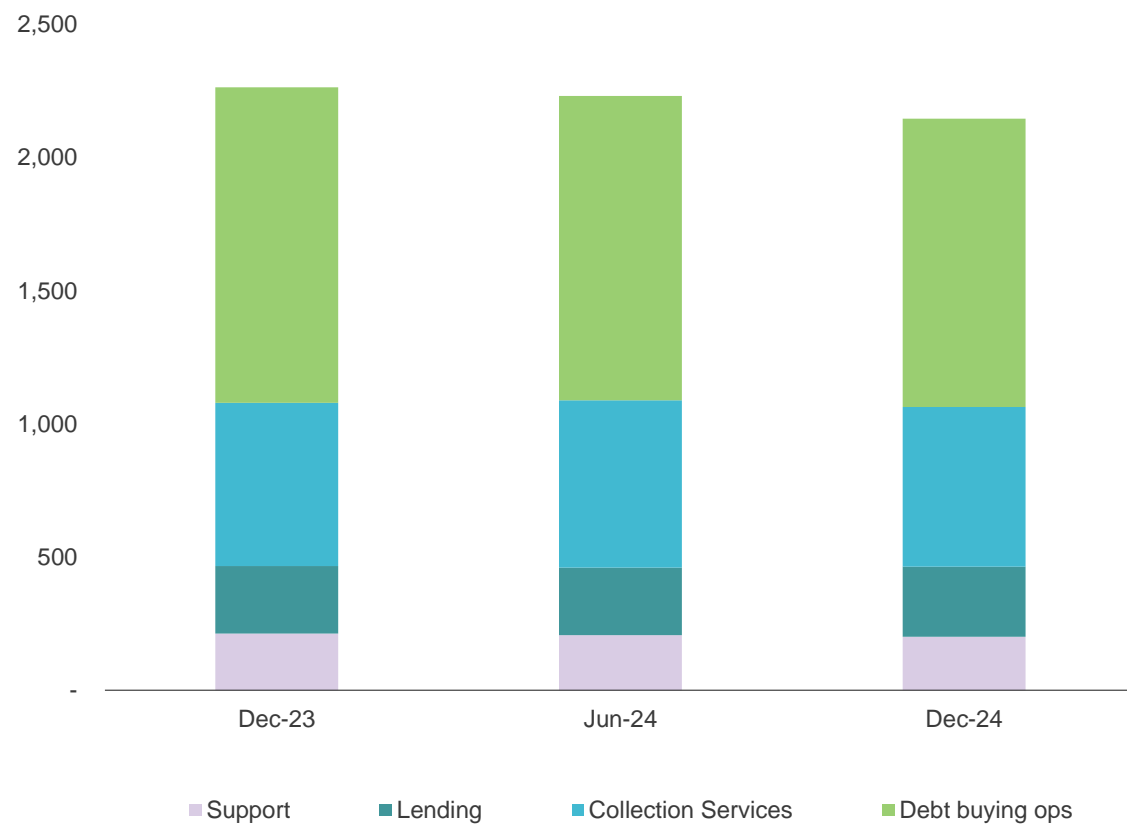


1. Combined AU/NZ and US PDL collections

2. Increase of 1% in H1 FY25 vs H1 FY24

Appendix 6: Operational and total headcount

Period End Headcount (FTE)



	Dec-23	Jun-24	Dec-24
Debt buying operations	1,184	1,142	1,082
Collection services	613	628	599
Lending	253	254	263
Support	213	207	201
Total	2,263	2,231	2,145
Support %	9%	9%	9%

For more information please contact:

THOMAS BEREGI
Chief Executive Officer

Tel +61 2 8651 5777
tberegl@creditcorp.com.au

MICHAEL EADIE
Chief Financial Officer

Tel +61 2 8651 5542
meadle@creditcorp.com.au

Creating opportunity



Credit Corp Group