

Creating
opportunity

7 May 2025

Market Update

Thomas Beregi

Chief Executive Officer

Michael Eadie

Chief Financial Officer



Credit Corp Group

Leadership across the credit-impaired consumer segment...

Analytics and discipline

Operational excellence

Responsibility & compliance

US DEBT BUYING

- Large market opportunity
- Diversified purchasing across several sellers

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

- 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%

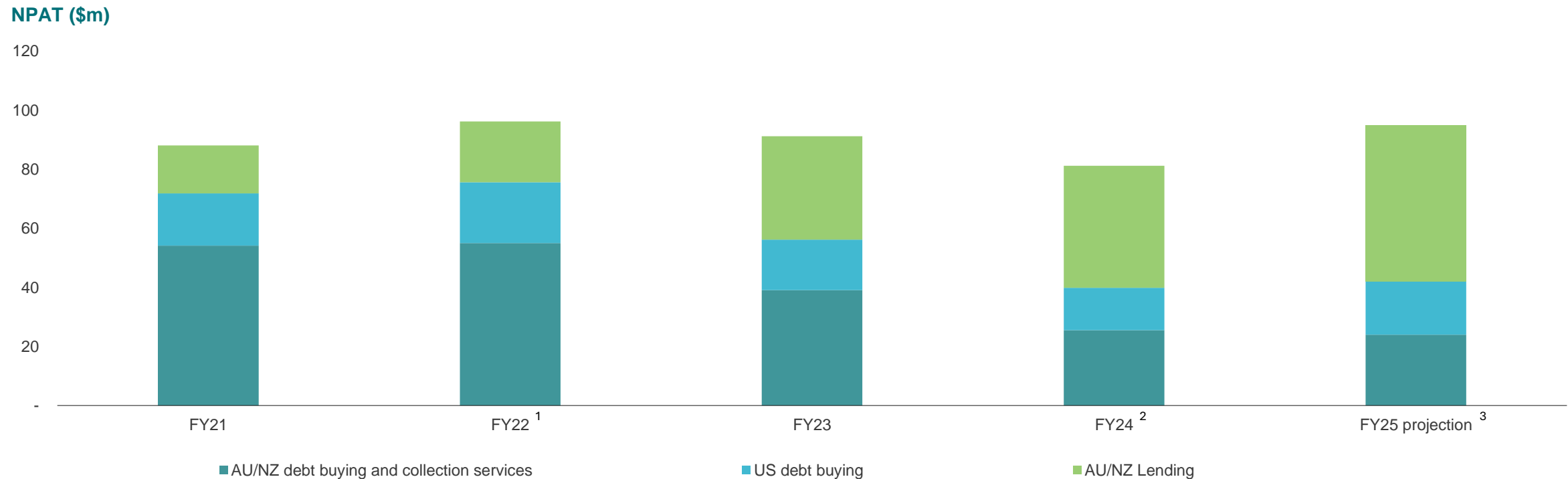
Low gearing

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%

...will produce earnings growth in FY25 and beyond...

- US on track to make up almost 20 per cent of FY25 NPAT
- Consumer lending growth has straddled the long-term decline in AU/NZ debt buying

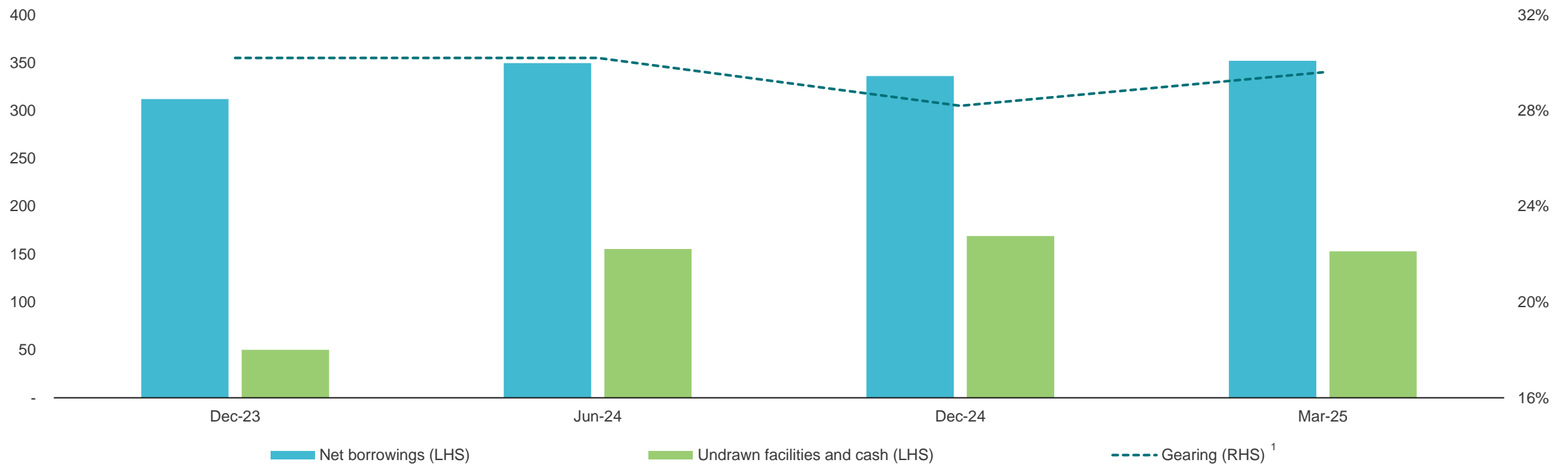


1. Statutory NPAT of \$100.7 million includes \$4.5 million US PPP loan forgiveness which occurred in H1 FY22
2. Excludes impairment of US PDL book of \$65 million (pre-tax) and change in PDL life cycle gain of \$21.6 million (pre-tax)
3. Mid-point of FY25 full year guidance of \$90 - \$100 million

...while maintaining a conservative capital structure

- Gearing remains below 30 per cent of financial assets
- Facilities expanded in July 2024 to \$505 million
 - Substantial cash and headroom available for opportunistic investment

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

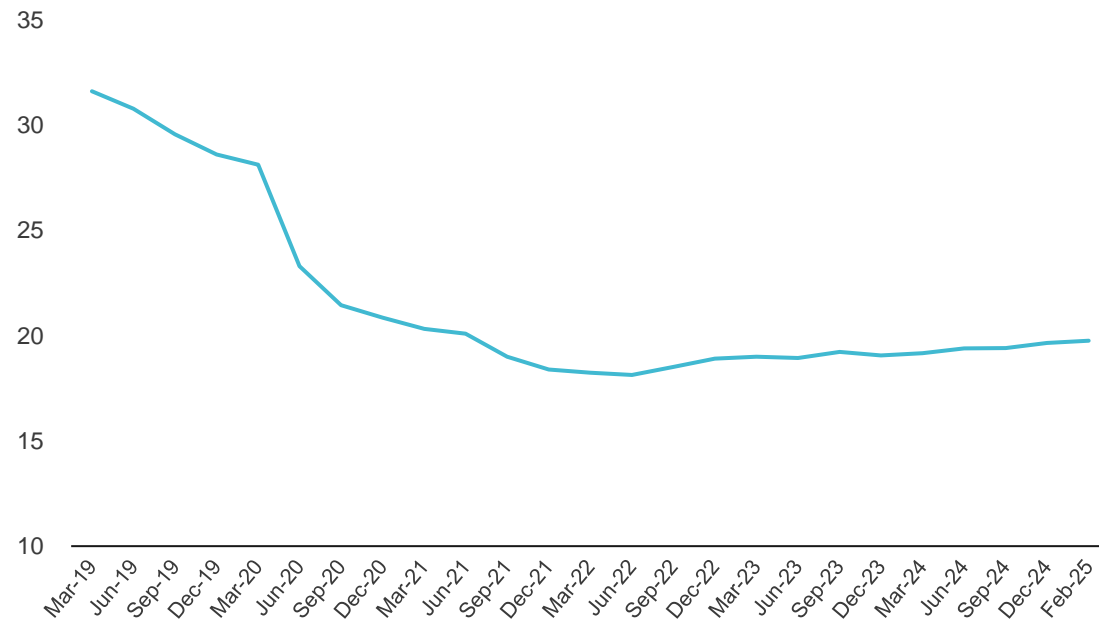


1. Calculated as net borrowings as a % of carrying value of financial assets

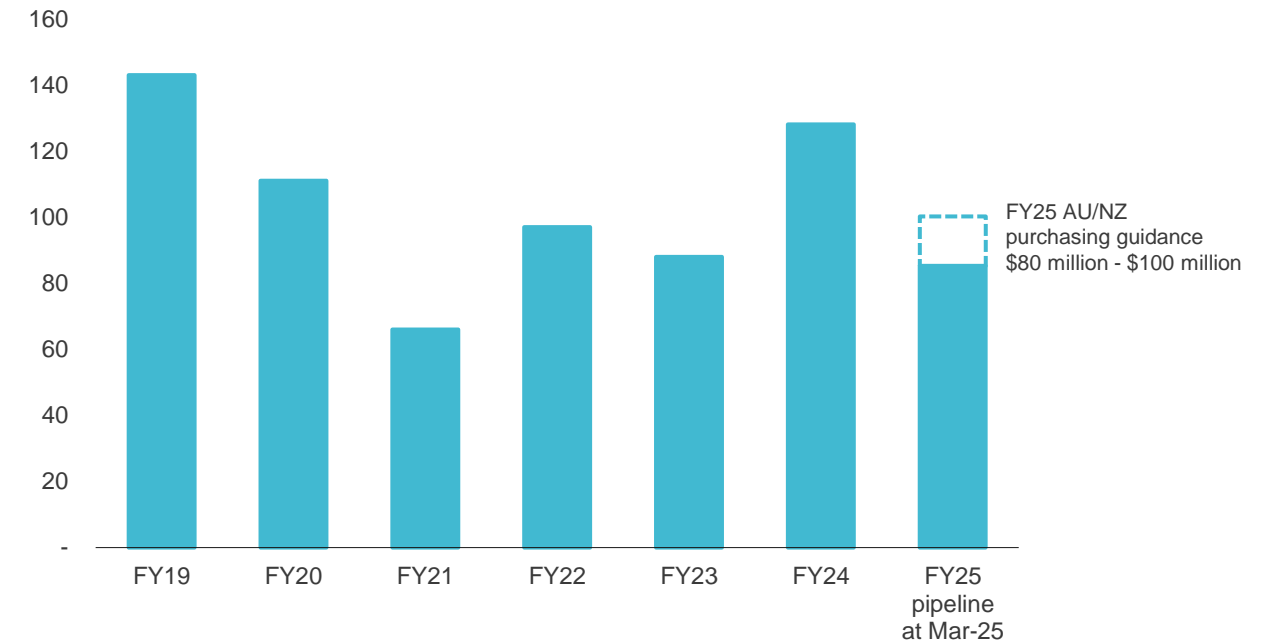
The AU/NZ debt buying market remains subdued...

- Aggregate interest-bearing credit card balances still almost 30 per cent below pre-Covid levels
- Renewed competition in FY25 has reduced investment to a guidance midpoint of \$90 million
- Credit Corp remains a large part of the diminished market

Australian credit card balances accruing interest (\$b) ¹



AU/NZ Direct-From-Issuer PDL Investment Volume (\$m) ²



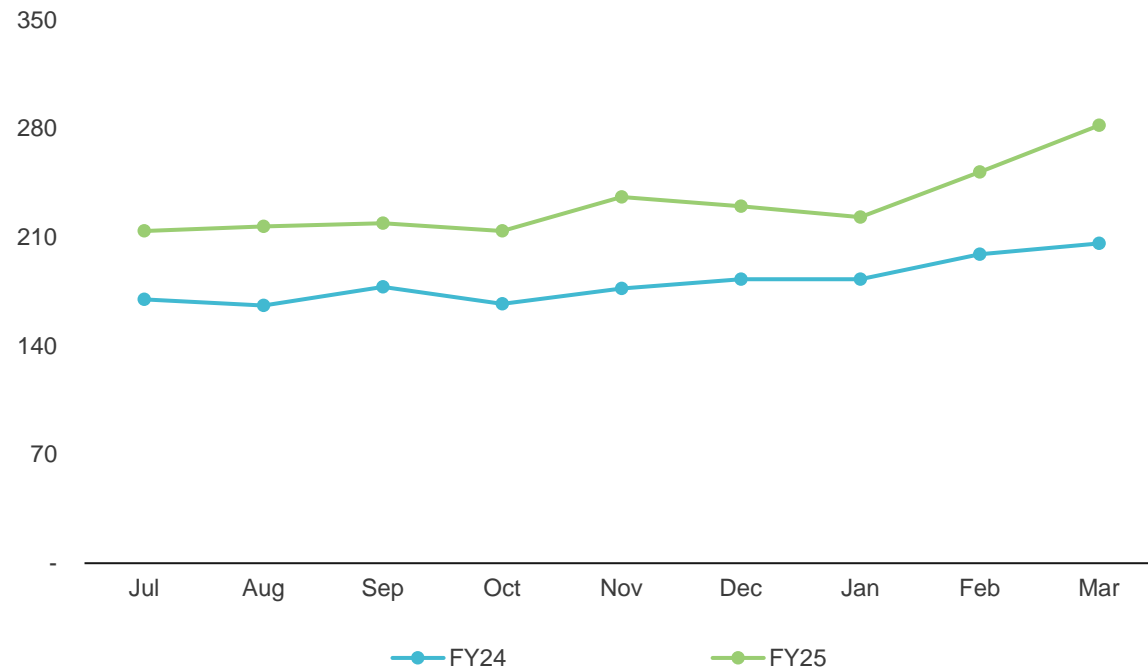
1. Value of Australian credit card balances accruing interest (<https://www.rba.gov.au/statistics/tables/xls/c01hist.xlsx?v=2025-04-28-12-29-54>)

2. Excludes secondary purchasing: \$80 million for Baycorp in FY20, \$148 million for Collection House in FY21, \$75 million for Radio Rentals in FY22, \$18 million for Recoveries Corp in FY23

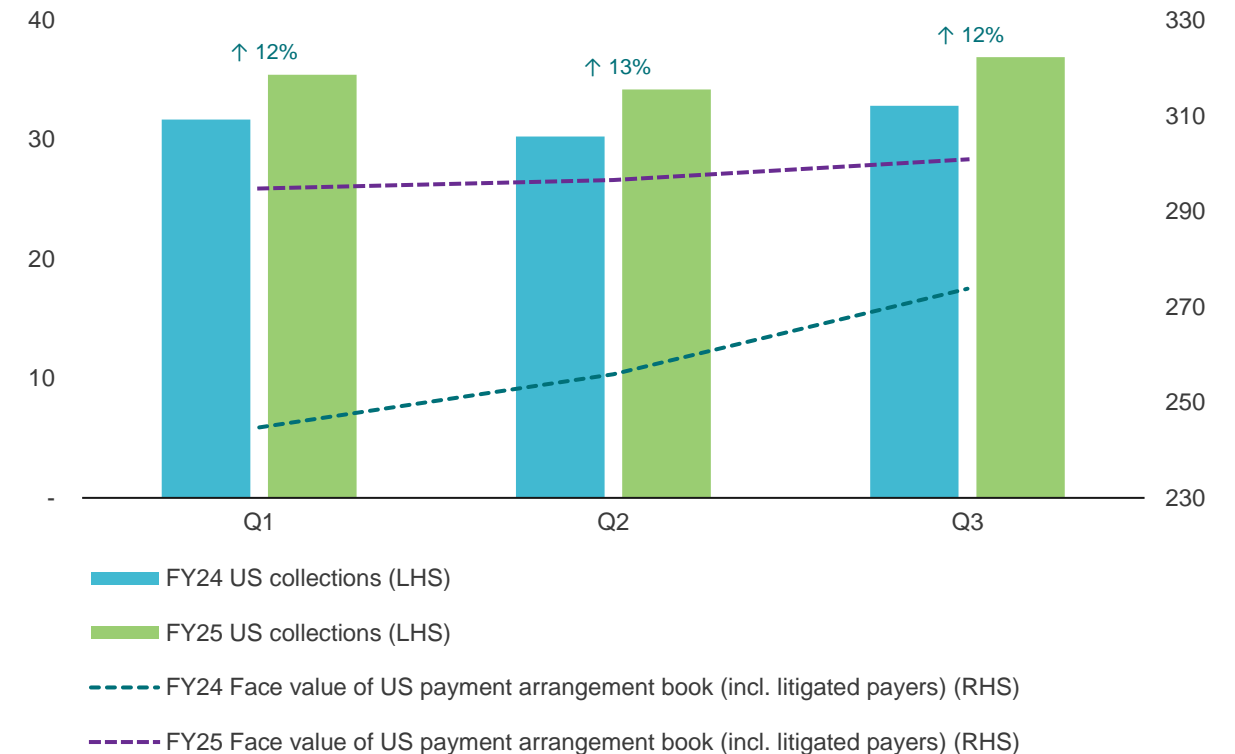
...while there has been continued operational improvement in the US...

- Step up in labour productivity
- Sustained YoY collections growth

US Productivity Per Hour (US \$)



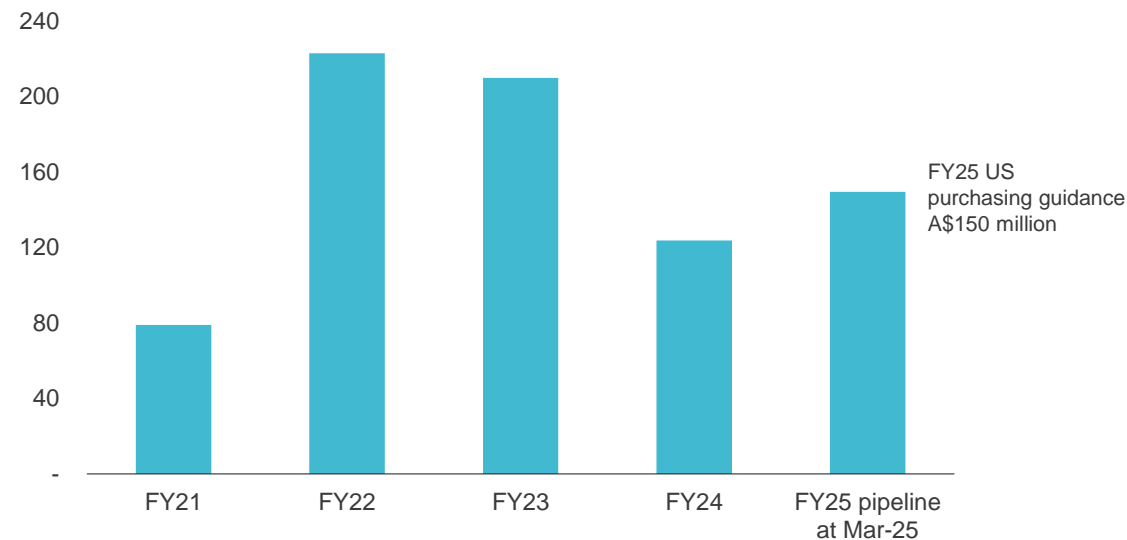
US Collections and Arrangement Book (US \$m)



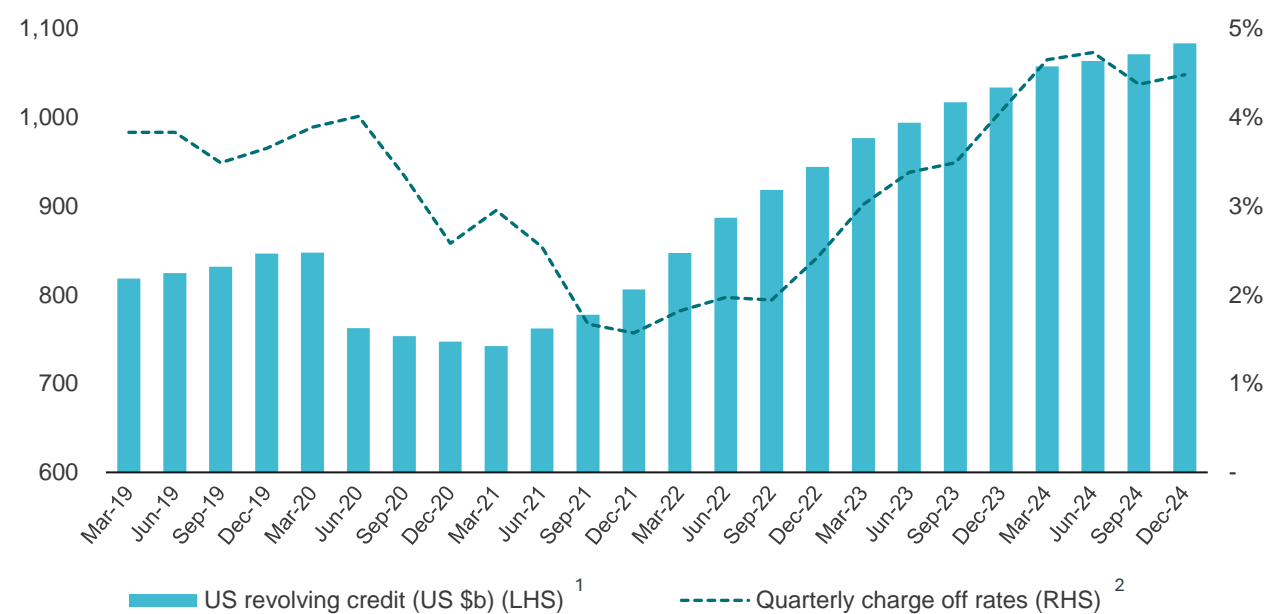
...enabling increased investment to drive future earnings growth

- FY25 pipeline now at full year guidance of A\$150 million
- Annualised investment run rate presently A\$200 million
- Pricing remains steady as aggregate credit and charge-off rates stabilise

US PDL Investment Volume (A\$m)



US Revolving Credit Market (US \$b) & Quarterly Charge-Off Rates (%)



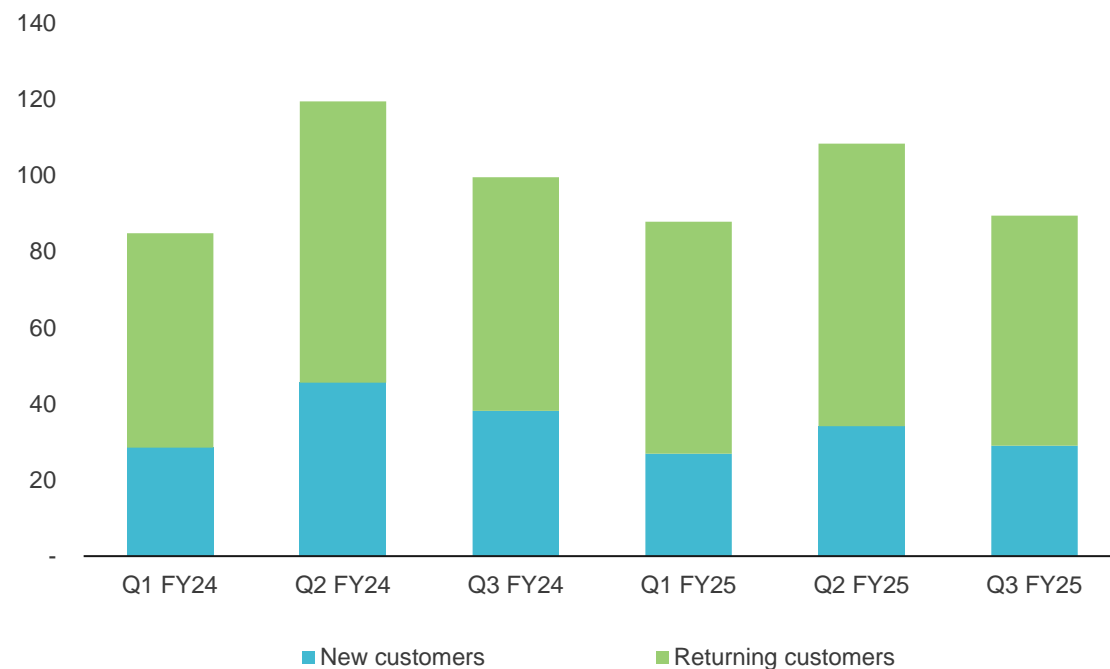
1. Total Revolving Credit Outstanding, Federal Reserve Economic Data (<https://fred.stlouisfed.org/series/CCLACBW027SBOG>)

2. Charge-Off Rate on Credit Card Loans, All Commercial Banks (<https://fred.stlouisfed.org/series/CORCCACBN>)

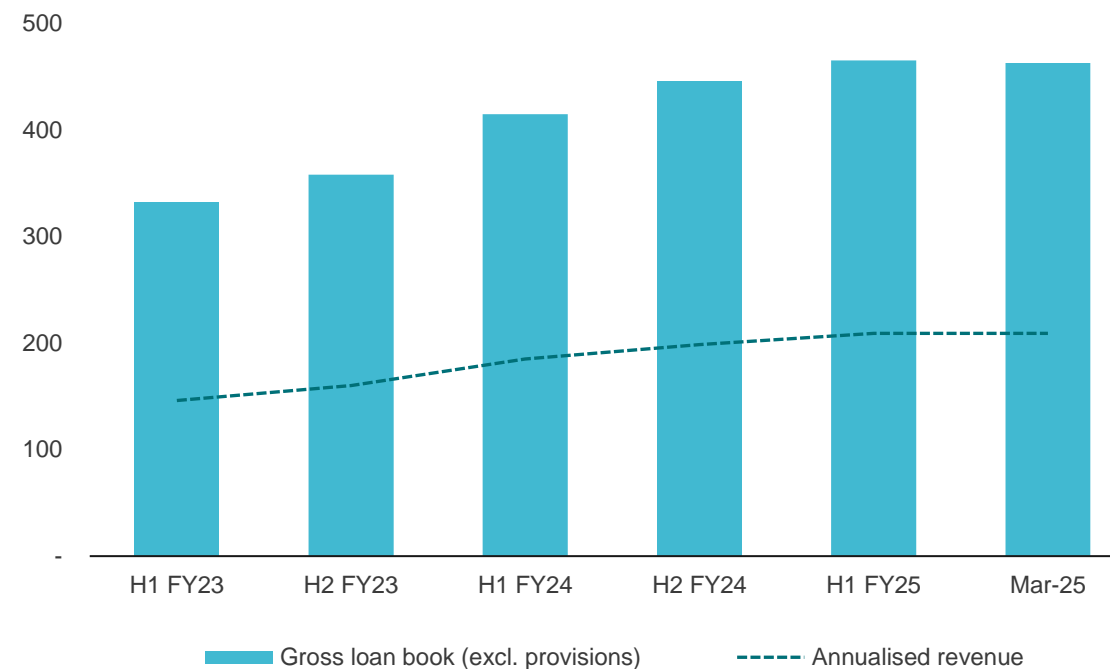
The loan book has plateaued, producing strong earnings growth...

- While year-to-date Wallet Wizard new customer volume is 20 per cent below the prior year, it remains in line with pre-Covid peaks and is slightly ahead of expectations
- Market data suggests that consumer demand in the sector has returned to pre-Covid levels

Lending Volumes (\$m)



Consumer Lending Book and Annualised Revenue (\$m)



...and new products are poised to sustain lending segment growth in the medium term



Wizit digital credit card and line of credit

- Testing of a range of marketing channels currently occurring
- Expected to conclude on marketing mix and release product from pilot during Q1 FY26



CarStart auto finance

- Used car prices are close to levels that would enable volumes to be accelerated
- Strategy will be reviewed in H1 FY26

FY25 NPAT guidance unchanged

	FY25 Guidance Issued Jul-24	FY25 Guidance Revised May-25
Ledger investment	\$200 - \$250 million	\$200 - \$250 million
Net lending	\$45 - \$55 million	\$60 - \$70 million ¹
NPAT	\$90 - \$100 million	\$90 - \$100 million
EPS (basic)	132 - 147 cents	132 - 147 cents

1. Net lending tracking slightly ahead of expectations resulting in an immaterial impact on FY25 NPAT

APPENDICES: KEY OPERATING METRICS



APPENDICES: KEY OPERATING METRICS

APPENDIX 1:	Payers base	13
APPENDIX 2:	Productivity	14
APPENDIX 3:	Collections life cycle	15
APPENDIX 4:	Operational and total headcount	16

Appendix 1: Payers base

Portfolio summary: Debt buying

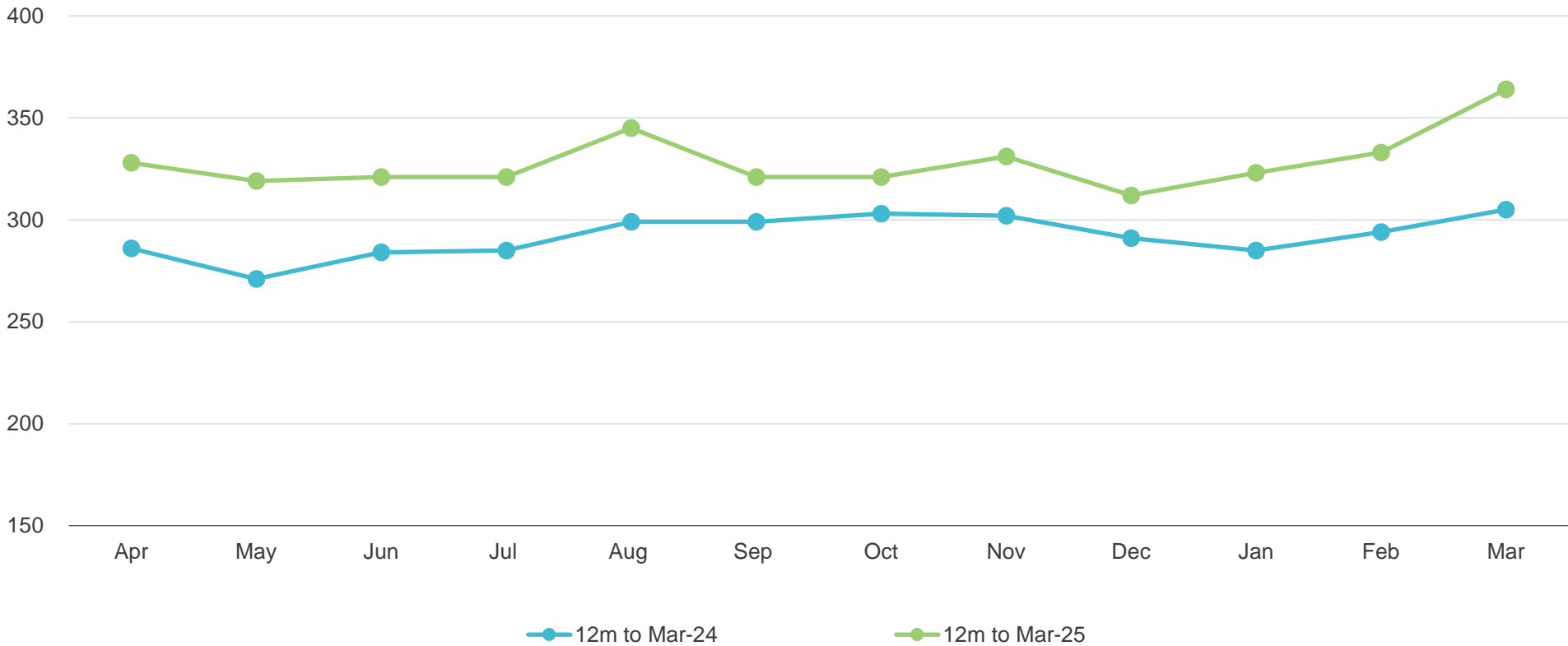
Combined AU/NZ/US							
Total portfolio	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	Dec-24	Mar-25
Face value	\$11.8b	\$12.7b	\$12.8b	\$12.9b	\$13.0b	\$12.8b	\$12.8b
Number of accounts	2,863,000	2,993,000	2,952,000	2,904,000	2,820,000	2,740,000	2,703,000

Payment arrangements

Face value	\$1,742m	\$1,727m	\$1,725m	\$1,709m	\$1,760m	\$1,735m	\$1,720m
Number of accounts	264,000	266,000	274,000	273,000	280,000	283,000	287,000

Appendix 2: Productivity

Productivity per Hour (A\$) ¹



YTD MAR-25 average

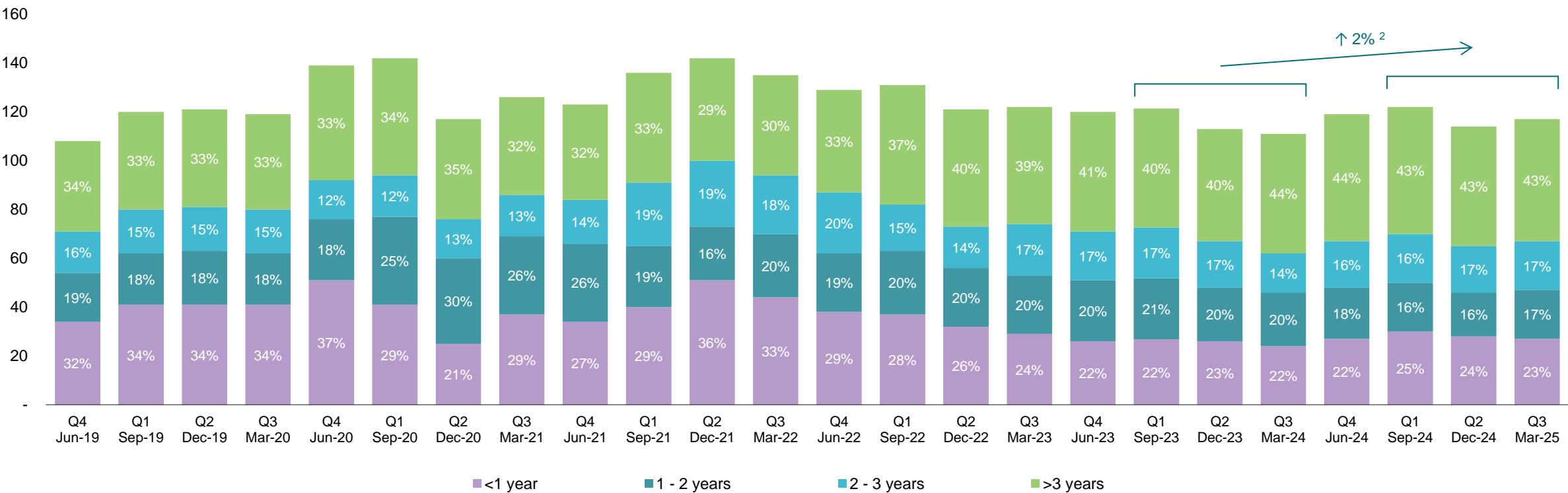
FY25: \$330

FY24: \$296

1. Combined AU/NZ and US segment productivity

Appendix 3: Collections life cycle

PDL Collections by Vintage (\$m) ¹

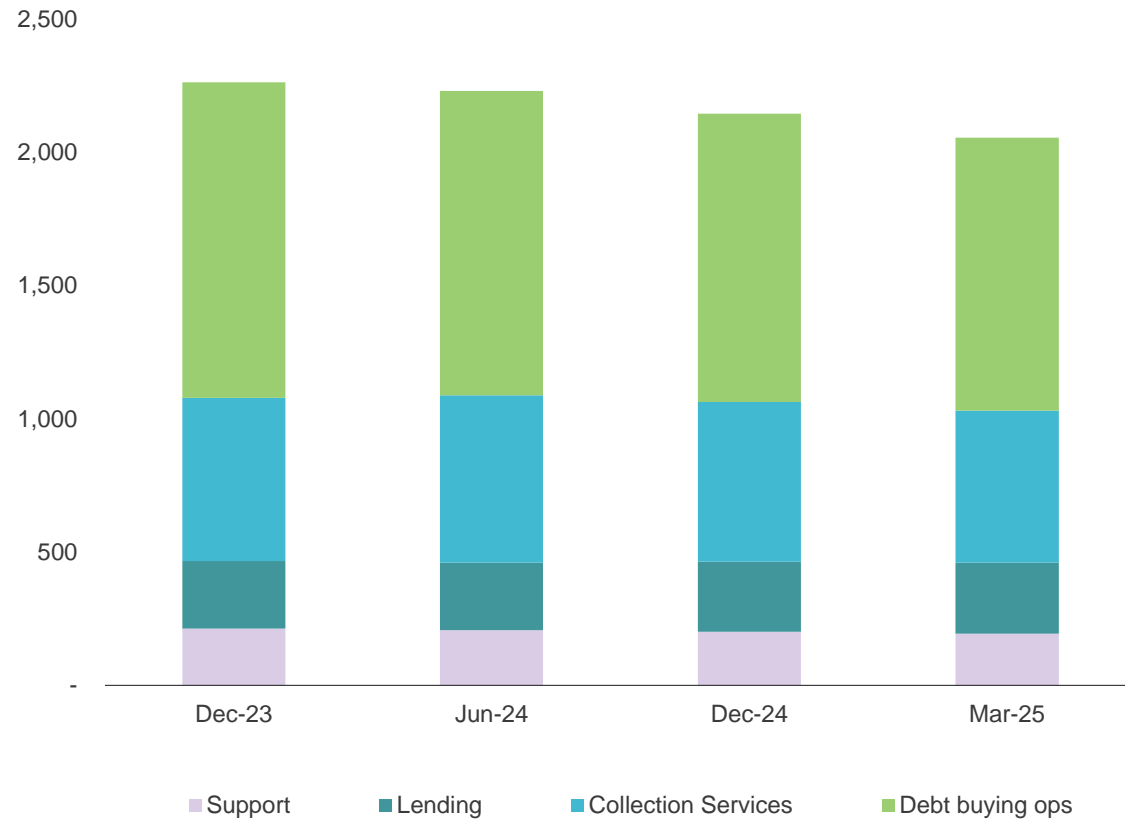


1. Combined AU/NZ and US PDL collections

2. Increase of 2% in YTD FY25 vs YTD FY24

Appendix 4: Operational and total headcount

Period End Headcount (FTE)



	Dec-23	Jun-24	Dec-24	Mar-25
Debt buying operations	1,184	1,142	1,082	1,024
Collection services	613	628	599	571
Lending	253	254	263	266
Support	213	207	201	194
Total	2,263	2,231	2,145	2,055
Support %	9%	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
meadie@creditcorp.com.au

Creating opportunity



Credit Corp Group