

29 October 2024

Creating  
**opportunity**

# FY2025 Performance Update

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# Leadership of the credit impaired sector...

## Analytics and discipline

### AUSTRALIAN / NZ DEBT BUYING

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

## Operational excellence

- High asset turnover <sup>1</sup>
- Low cost to collect <sup>2</sup>
- High performing on-shore and off-shore platforms
- Strong technology and use of data

## Responsibility & compliance

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

### 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

## TARGET

Long term growth

ROE 16% – 18%

Low gearing

1. FY24 ratio of cash collections from PDLs to average PDL carrying value in Australian Debt Ledger Purchasing segment of 0.9x

2. FY24 cash costs as a proportion of collections in the Australian Debt Ledger Purchasing segment of 43%

# ...has delivered a solid start to FY25

## US debt buying

- Continued operational improvement
- Collections up by 12 per cent over the prior year
- Strong starting investment pipeline of \$106 million

## Australian / NZ lending

- Moderated new customer volume in line with expectations
- Record Q1 FY25 lending volume

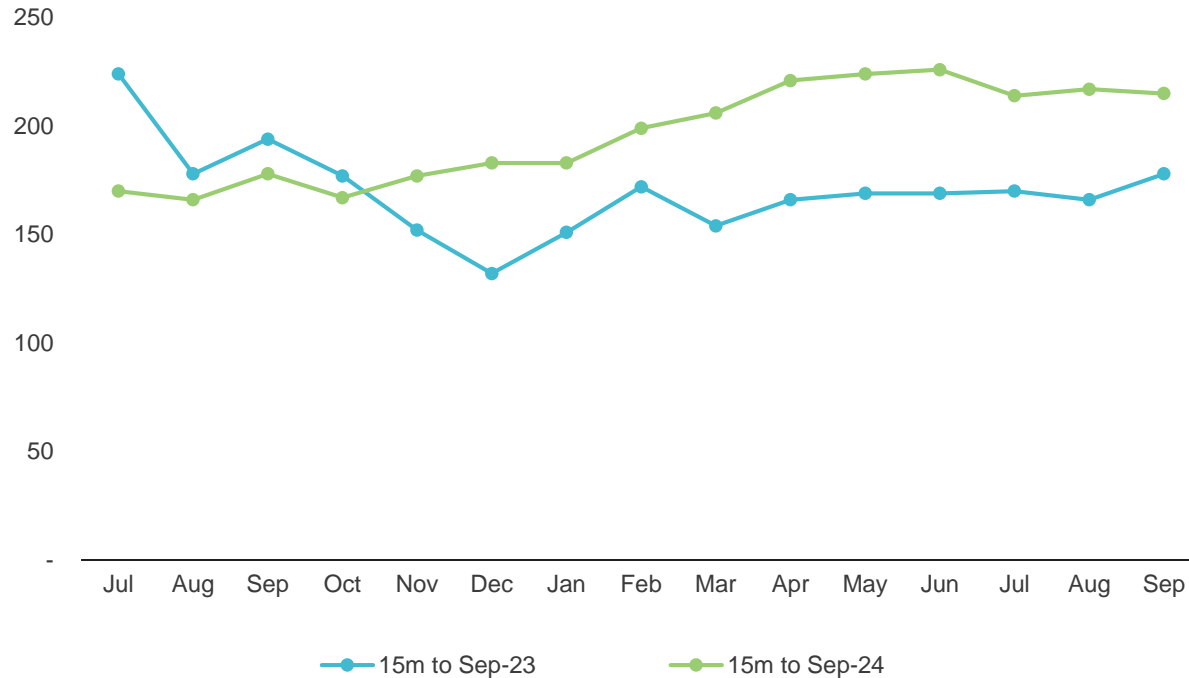
## Australian / NZ debt buying

- Solid growth from starting investment pipeline
- Despite signs of renewed competition

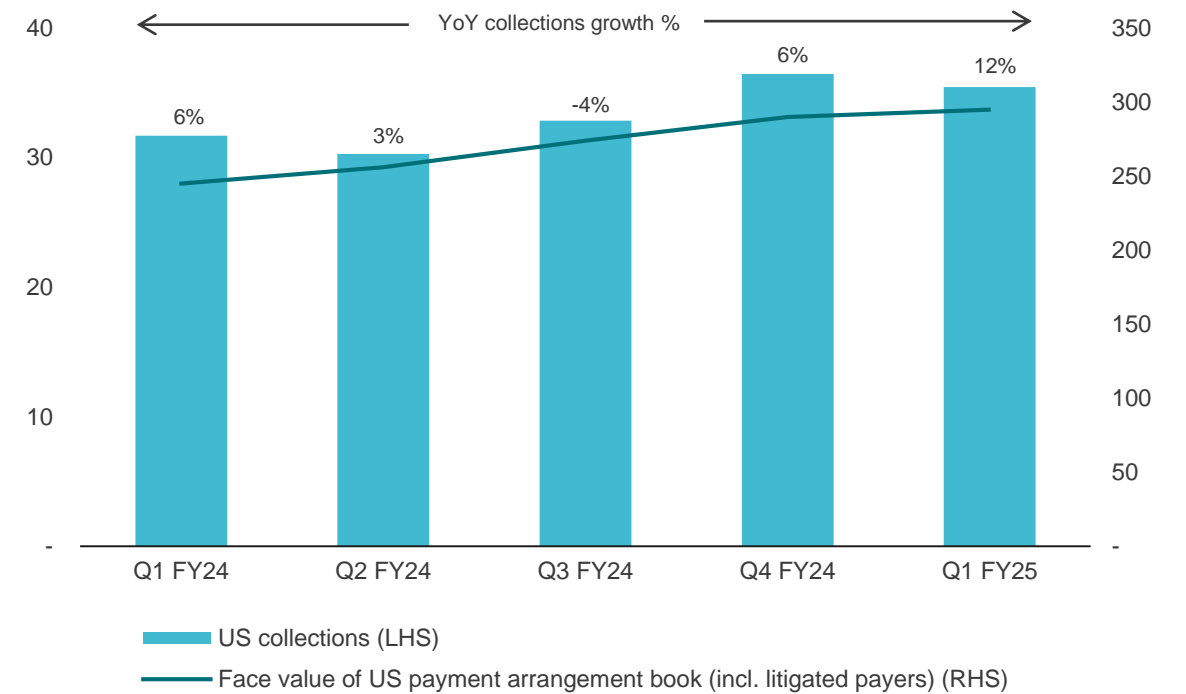
# US operational improvement has continued...

- Sustained year on year collections growth despite:
  - Reduced purchasing
  - Ongoing impact of elevated delinquency (since late FY23)

### US Productivity Per Hour (US \$)



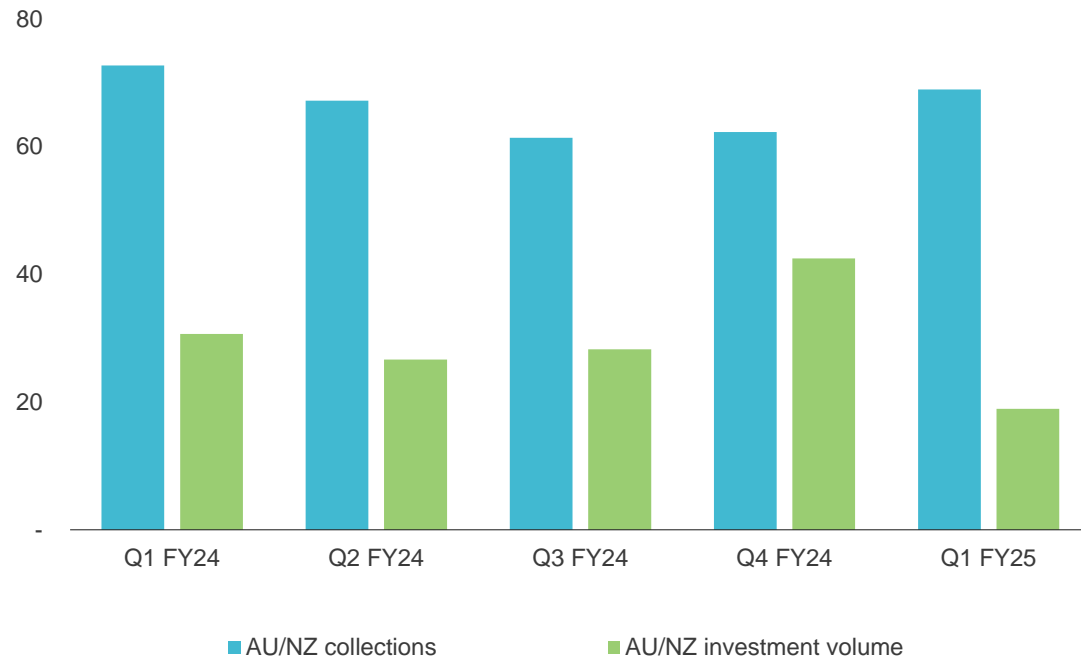
### US Collections and Arrangement Book (US \$m)



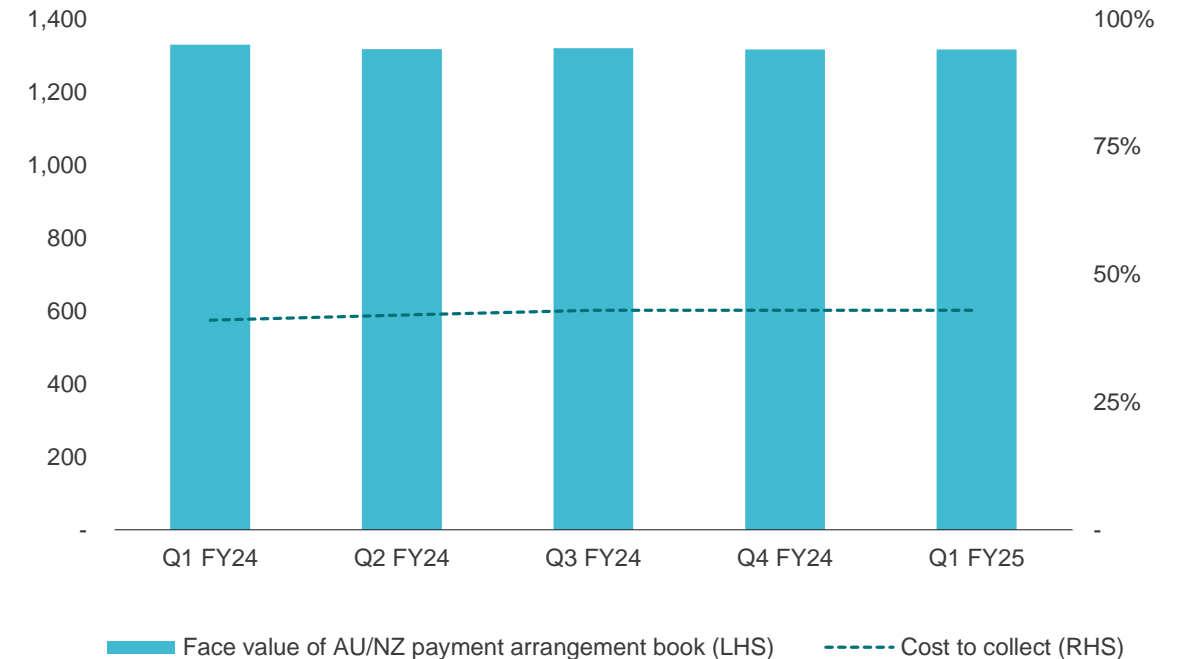
# ...and AU/NZ collections are holding up well...

- Strong Q4 FY24 purchasing has converted to collections in Q1 FY25
- Loss of operating leverage is stabilising
- Limited run-off of payment arrangement book will underpin collections over the balance of the year

**AU/NZ Collections & Investment Volume (\$m)**



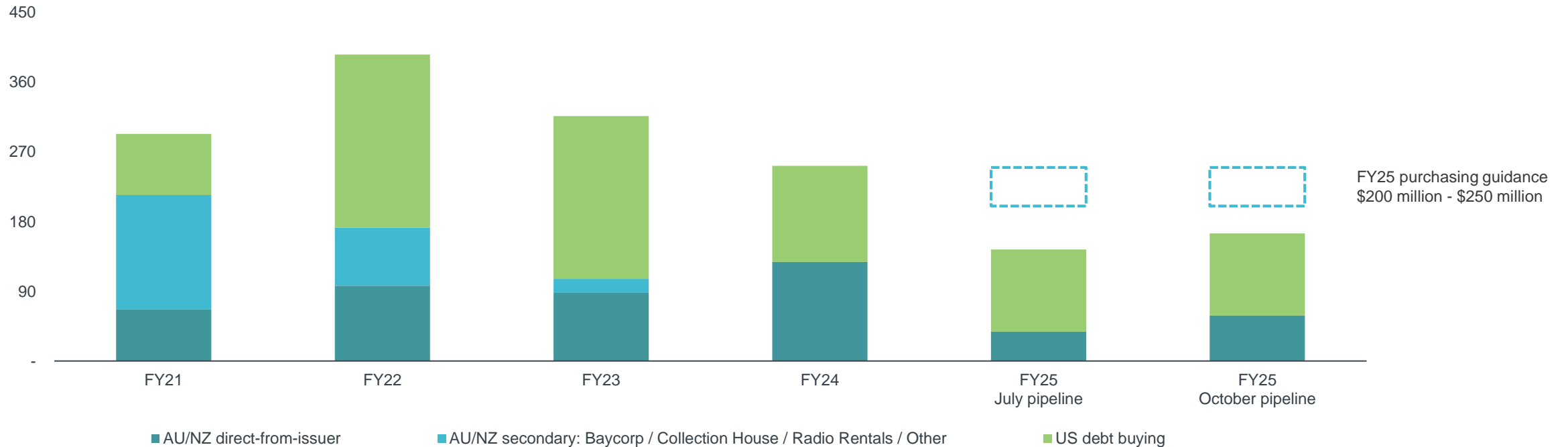
**AU/NZ Arrangement Book (\$m) and Cost to Collect (%)**



# ...providing a platform for increased investment

- Ongoing uncertainty on the position of the US consumer has led to a focus on:
  - Shorter collection duration credit cards
  - Operational improvement to build purchasing confidence
- Solid growth in AU/NZ pipeline over recent months, despite signs of renewed competition

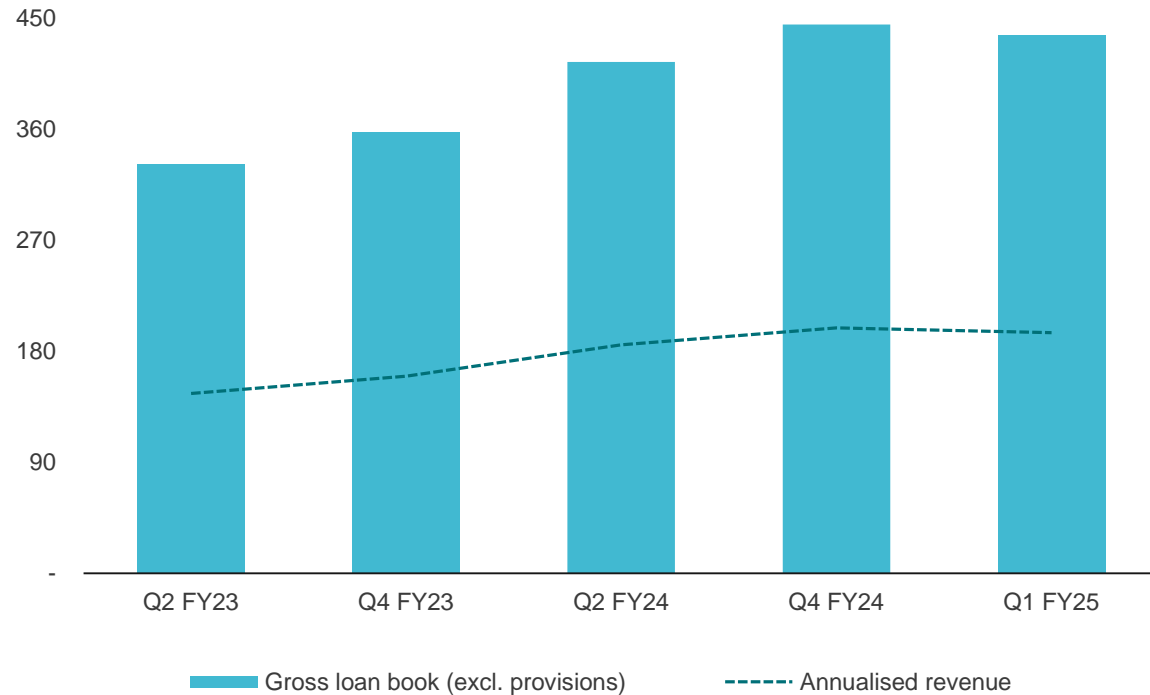
**Purchased Debt Ledger (PDL) Investment Volumes (\$m)**



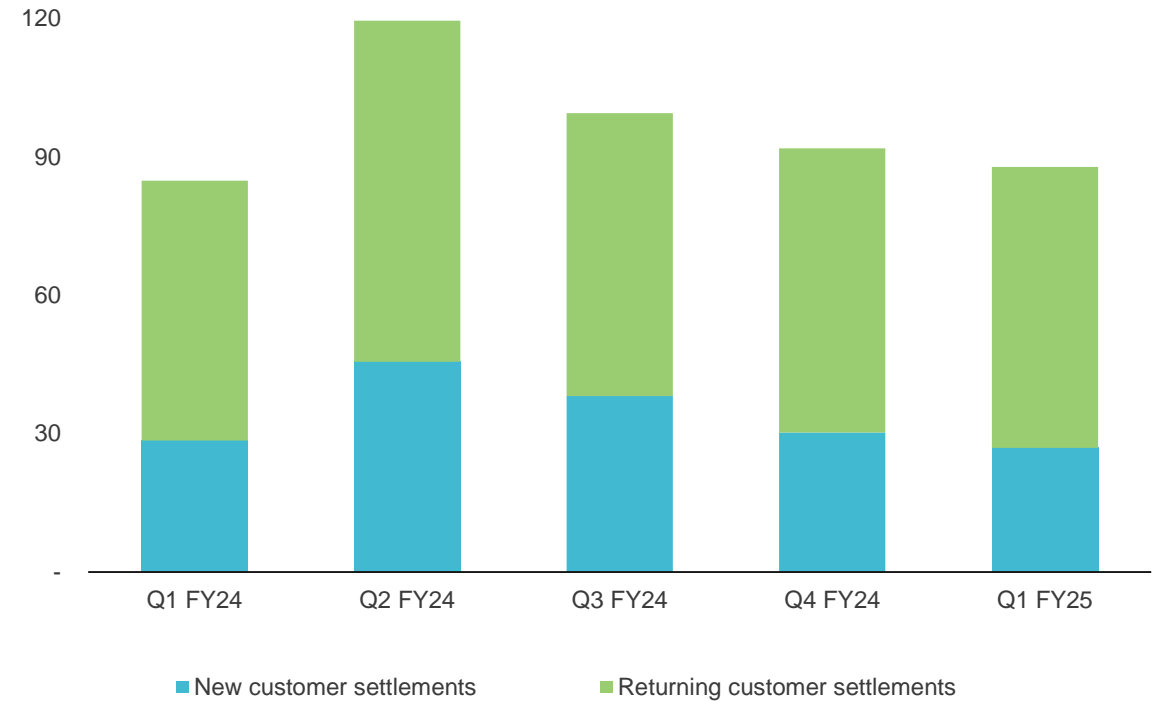
# Lending book stable with moderating demand

- New customer volume is moderating
- Follows a period of strong post-COVID growth
  - New customer volume for Q1 FY25 is 6 per cent below the pcp but remains above the pre-COVID peak

Consumer Lending Book and Annualised Revenue (\$m)



Lending volume (\$m)



# On track for strong earnings growth in FY25

- On track for earnings growth of 17 per cent <sup>1</sup> at the mid-point of the FY25 guidance range

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

1. Excluding FY24 impairment of US PDL book of \$65 million (pre-tax) and change in PDL life cycle gain of \$21.6 million (pre-tax)



# APPENDICES: KEY OPERATING METRICS



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# Appendix 1: AU/NZ & US Debt buying operational metrics

AU/NZ Debt Buying	Q1 FY25	Δ Q1 FY24
Collections	\$69m	(5%)
Productivity	\$326 per hour	2%
Operations headcount <sup>1</sup>	606	(7%)
Payers book (face value) <sup>1</sup>	\$1,316m	(1%)

US Debt Buying	Q1 FY25	Δ Q1 FY24
Collections	\$53m	12% <sup>2</sup>
Productivity	\$321 per hour	26% <sup>2</sup>
Operations headcount <sup>1</sup>	501	(7%)
Payers book (face value) <sup>1</sup>	\$437m	20% <sup>2</sup>

1. As at Sep-24

2. Constant currency basis

## Appendix 2: Payers base

### Portfolio summary: Debt buying

Total portfolio	Combined AU/NZ/US <sup>1</sup>					
	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24	Sep-24
Face value	\$11.8b	\$12.7b	\$12.8b	\$12.9b	\$13.0b	\$13.0b
Number of accounts	2,863,000	2,993,000	2,952,000	2,904,000	2,820,000	2,810,000

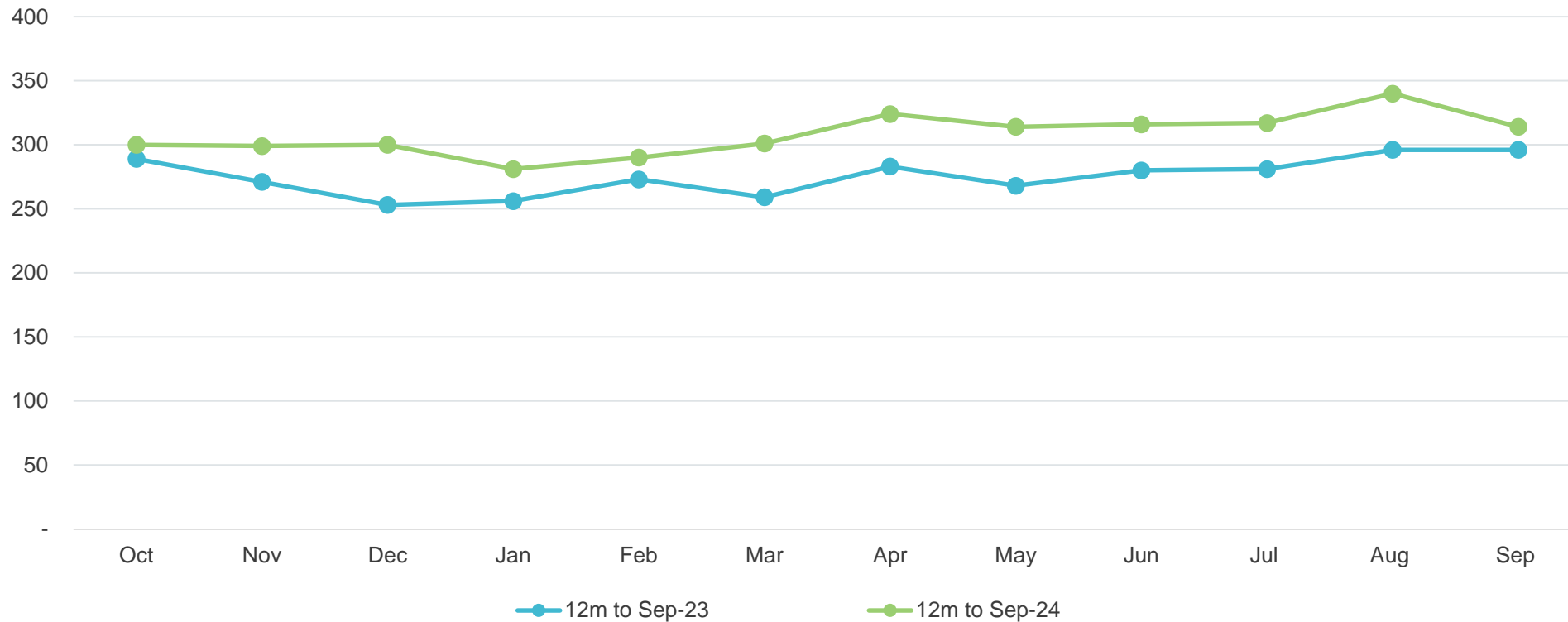
### Payment arrangements

Face value	\$1,742m	\$1,727m	\$1,725m	\$1,709m	\$1,760m	\$1,755m
Number of accounts	264,000	266,000	274,000	273,000	280,000	284,000

1. US segment included from Jun-22 onwards and includes litigated payer

# Appendix 3: Productivity

Productivity per Hour (A\$) <sup>1</sup>



**YTD SEP-24 average**

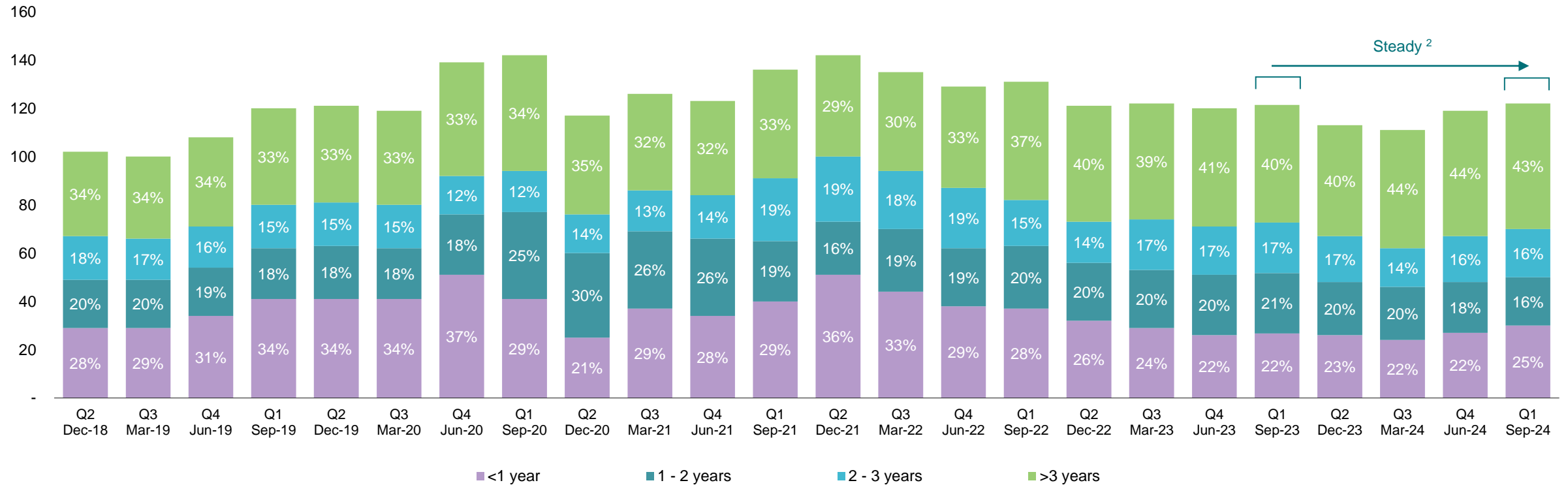
FY25: \$324

FY24: \$291

1. Combined AU/NZ and US segment productivity

# Appendix 4: Collections life cycle

**PDL Collections by Vintage (\$m) <sup>1</sup>**

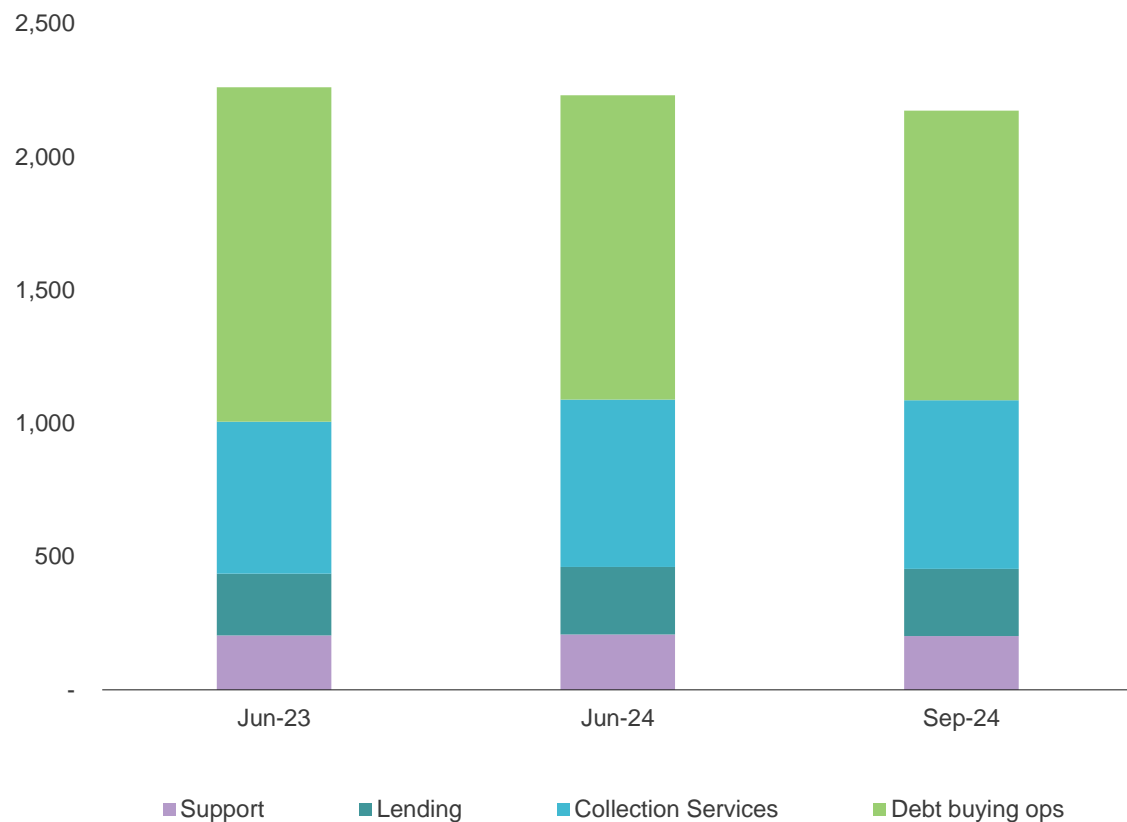


1. Combined AU/NZ and US PDL collections

2. Increase of <1% in Q1 FY25 vs Q1 FY24

## Appendix 5: Operational and total headcount

### Period End Headcount (FTE)



	Jun-23	Jun-24	Sep-24
Debt buying operations	1,255	1,142	1,107
Collection services	571	628	614
Lending	231	254	252
Support	204	207	201
<b>Total</b>	<b>2,261</b>	<b>2,231</b>	<b>2,174</b>
<b>Support %</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>

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