Capital Markets
Canaccord Genuity

Raising Target Price

Pioneer Credit Limited
Diversified Financials

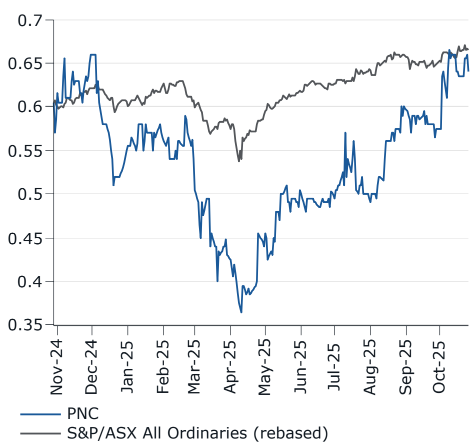
Australian Equity Research
27 October 2025

Rating	Price Target
BUY *unchanged*	**A$1.09↑** *from A$0.87*
PNC-ASX	Price **A$0.66**

Market Data

52-Week Range (A$) :	0.37 - 0.67
Avg Daily Vol (M) :	0.2
Market Cap (A$M) :	105.3
Shares Out. (M) :	159.6
Dividend /Shr (A$) :	0.00
Dividend Yield (%) :	0.0
Shares Out., FD (M) :	63.1
Enterprise Value (A$M) :	467.2
Cash (A$M) :	4.9
Long-Term Debt (A$) :	47.7

FYE Jun	2025A	2026E	2027E	2028E
Sales (A$M)	93.5	100.4	109.6↓	118.2↓
Previous	-	-	*111.1*	*119.9*
Cons. Sales (A$M)	-	101.8	111.7	118.4
Net Income Adj (A$M)	10.5	19.1↑	21.8↑	24.0↑
Previous	-	*18.3*	*19.6*	*20.9*
Net Income Growth (%)	775.0	81.6	14.5	9.8
P/E (x)	11.5	5.7	4.8	4.4
Shareholder Equity (A$M)	60.6	82.6	114.5	138.5
Net Operating Cash Flow (A$M)	52	61↑	69↑	75↑
Previous	-	*55*	*66*	*71*
ROE (%)	11.0	21.3	19.1	17.3



Source: FactSet

Priced as of close of business 27 October 2025

Pioneer Credit (PNC) is an Australian debt purchaser and service specializing in buying and managing non-performing consumer and commercial debts. The company focuses on recovering debts primarily from credit cards and personal loans. Its clients include financial institutions and non-bank lenders.

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Refinanced Senior Facility

Refinanced Senior Finance Facility

Pioneer has refinanced its $275m Senior Finance Facility at BBSW + 450bps, a 100bps margin reduction effective 1 November 2025, delivering an estimated ~$2.5m in annualised pre-tax savings. This marks the second consecutive refinance at better terms. Nomura first joined in July-24 with a $272.5m facility at BBSW + 550bps, improving on the prior $200m facility arranged with Fortress in Nov-21 at BBSW + 875bps. Over time, we think Pioneer could further improve its financing facilities as it continues to demonstrate its underwriting quality and operational discipline.

Peer read-throughs

Over recent weeks, several ASX-listed diversified financials have highlighted a supportive macro backdrop, with consumers amortising debt faster than planned and loan losses tracking below expectations. Coupled with ongoing positive economic indicators, we see Pioneer well positioned through FY26 and have increased confidence in management's NPAT guidance.

Guidance

Pioneer is guiding to PDP purchases of >$80m (CGe: $86m) which at the bottom end is +$11m vs the $69m of purchases it completed in FY25. In today's announcement it also reaffirmed its FY26e guidance of statutory net profit after tax of "at least $18m". We see this as achievable (CGe: $19.1m) following the senior debt facility refinance and amid a supportive consumer backdrop.

Forecast revisions

Following several positive peer read-throughs and ongoing strength in Australian consumer confidence, we are raising our cash-collection assumptions. We are also reducing financing-cost estimates after today's announcement of a refinanced senior debt facility. Further upside could come from improved terms on the medium-term notes. To fund growth beyond FY26, we expect Pioneer will continue to optimise its capital structure so it can fully participate in the attractive operating environment.

Valuation and target price

We retain our Buy rating and following our forecast revisions we upgrade our DCF-based target price by +25% to $1.09.

For important information, please see the Important Disclosures beginning on page 4 of this document.

Figure 1: Pioneer Credit (PNC); Financial Summary

Target Price	**1.09**
Spot Price	**0.66**

P&L (A$m)	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
Interest income	83.6	88.3	99.0	109.2	117.8
Impairement/gain on PDPs	-17.8	4.8	1.0	0.0	0.0
Total Revenue	**71.1**	**93.5**	**100.4**	**109.6**	**118.2**
Liquidation Expenses	-4.2	-3.1	-3.2	-4.1	-5.2
Gross Profit	**66.9**	**90.5**	**97.2**	**105.5**	**113.0**
Employee Expenses	-36.2	-33.1	-31.4	-33.4	-35.6
Other Expenses	-16.6	-10.9	-11.0	-11.3	-11.8
EBITDA	**14.1**	**46.5**	**54.8**	**60.8**	**65.6**
D&A	-1.8	-1.5	-1.6	-1.7	-1.7
EBIT	**12.2**	**45.0**	**53.3**	**59.1**	**63.8**
PBT	-31.4	6.7	20.0	26.6	30.0
NPAT (Reported)	**-10.0**	**6.7**	**17.6**	**21.8**	**24.0**
NPAT (Und.)	**1.2**	**10.5**	**19.1**	**21.8**	**24.0**
EPS - Diluted (Und.) cps	0.7	5.8	11.6	13.7	15.0

Growth	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
Sales Growth	-14%	32%	7%	9%	8%
Gross Profit Growth	-16%	35%	7%	8%	7%
EBITDA Growth	-61%	231%	18%	11%	8%
PBT Growth	NA	NA	199%	33%	13%
Und. NPAT Growth	NA	NA	82%	15%	10%

Movement in PDPs	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
Openning Balance	**304.3**	**322.9**	**343.0**	**370.9**	**398.3**
Debt portfolios acquired	89.0	69.1	86.4	90.7	96.1
Cash collections of PDPs	-136.1	-142.2	-158.4	-172.5	-185.2
Interest Income Accrued	83.6	88.3	99.0	109.2	117.8
Net Gain / (Impairement)	-17.8	4.8	1.0	0.0	0.0
Closing Balance	**322.9**	**343.0**	**370.9**	**398.3**	**427.0**

Valuation	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
P/E (x) (norm.)	89.7x	11.5x	5.7x	4.8x	4.4x
P/CFPS (x) (pre-PDP Purchases	2.1x	2.3x	1.8x	1.5x	1.4x
NTA per share ($)	0.3	0.3	0.5	0.7	0.9
Price/NTA (x)	2.43	1.99	1.32	0.92	0.76

Balance Sheet	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
Cash and Cash Equivalents	4.1	3.6	2.3	7.0	6.8
Trade and Other Receivables	4.3	7.2	6.8	11.3	12.0
Deferred Tax Assets	21.4	21.4	19.0	14.2	14.2
Purchased Debt Portfolio	322.9	343.0	370.9	398.3	427.0
Other Assets	15.2	13.5	37.9	54.4	73.2
Total Assets	**367.9**	**388.6**	**436.8**	**485.1**	**533.2**
Trade and Other Payables	25.7	20.4	21.4	20.4	19.9
Borrowings	254.3	10.9	10.9	10.9	10.9
Lease Liabilities	6.9	5.6	3.8	2.0	3.2
Borrowings	32.3	286.7	313.6	332.8	356.3
Other Liabilities	4.6	4.5	4.5	4.5	4.5
Total Liabilities	**323.7**	**328.0**	**354.2**	**370.6**	**394.8**
Total Equity	**44.2**	**60.6**	**82.6**	**114.5**	**138.5**

Cash Flow	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
Customer Receipts	138.6	139.5	158.8	168.0	184.5
Payments to Suppliers	-51.0	-56.0	-64.8	-66.7	-69.5
Interest Received / (Paid)	-36.9	-31.0	-33.3	-32.5	-33.9
OCF Pre PDP Purchases	**50.8**	**52.5**	**60.7**	**68.8**	**75.2**
PDP Purchases	-79.6	-65.1	-86.4	-90.7	-96.1
OCF Post PDP Purchases	**-28.8**	**-12.6**	**-25.6**	**-21.9**	**-20.9**
Investing Cash Flow	**-0.7**	**-0.2**	**-0.8**	**-0.8**	**-0.9**
Net Debt Proceeds/(Repayments)	17.5	4.8	26.9	19.2	23.5
Net Equity Proceeds/(Buybacks)	9.5	9.2	0.0	10.0	0.0
Other Financing	-1.7	-1.8	-1.8	-1.8	-1.8
Financing Cashflows	**25.3**	**12.2**	**25.1**	**27.4**	**21.7**
Opening Cash	**138.6**	**139.5**	**158.8**	**168.0**	**184.5**
Net Change in Cash	138.6	139.5	158.8	168.0	184.5
Closing Cash	**138.6**	**139.5**	**158.8**	**168.0**	**184.5**

DCF valuation			
Cost of equity	13.6%	WACC	7.2%
Cost of debt (pre taxes)	8.0%	TGR	2.0%
Debt weighting	80%	Value/share	**1.09**

Source: Company reports, Canaccord Genuity estimates

Forecast revisions

With the macroeconomic environment continuing to be stronger than we expected we revise our cash collection forecasts and cost to service. We also include the annualised pre-tax interest savings from PNC's refinanced senior facility.

Figure 2: Forecast revisions

Y/E Jun, AUD	2026E				2027E				2028E			
	New	Old	($) Diff	(%) Diff	New	Old	($) Diff	(%) Diff	New	Old	($) Diff	(%) Diff
Revenue	100.4	100.4	0.0	0.0%	109.6	111.1	(1.5)	-1.3%	118.2	119.9	(1.7)	-1.4%
Cash EBITDA (und.)	113.6	107.9	5.7	5.3%	119.5	120.1	(0.5)	-0.4%	132.2	132.9	(0.6)	-0.5%
Stat EBIT (und.)	53.3	53.4	(0.1)	-0.2%	59.1	60.4	(1.3)	-2.2%	63.8	65.1	(1.3)	-2.0%
Stat PBT (und.)	20.0	19.2	0.8	4.1%	26.6	24.8	1.8	7.2%	30.0	27.9	2.0	7.3%
Stat NPAT (und.)	19.1	18.3	0.8	4.3%	21.8	19.6	2.2	11.3%	24.0	20.9	3.0	14.5%
Diluted EPS (und.)	11.6	11.1	0.5	4.3%	13.7	12.3	1.4	11.3%	15.0	13.1	1.9	14.5%

Source: Canaccord Genuity estimates

Appendix: Important Disclosures

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Investment Recommendation

Date and time of first dissemination: October 27, 2025, 03:17 ET

Date and time of production: October 27, 2025, 03:17 ET

Target Price / Valuation Methodology:

Pioneer Credit Limited - PNC

Our target price is based on a DCF valuation methodology.

Risks to achieving Target Price / Valuation:

Pioneer Credit Limited - PNC

i) Deterioration of Macroeconomic conditions; ii) Overleverage of funding structure; iii) Increased competition from new entrants in the market; iv) Deterioration of underwriting quality.

Distribution of Ratings:

Global Stock Ratings (as of 10/27/25)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	682	70.09%	25.37%
Hold	140	14.39%	6.43%
Sell	8	0.82%	0.00%
Speculative Buy	136	13.98%	61.03%
	973*	100.0%	

*Total includes stocks that are Under Review

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*As of January 1, 2024, the Ratings History Chart will reflect the new Canaccord Genuity Ratings System as defined above.

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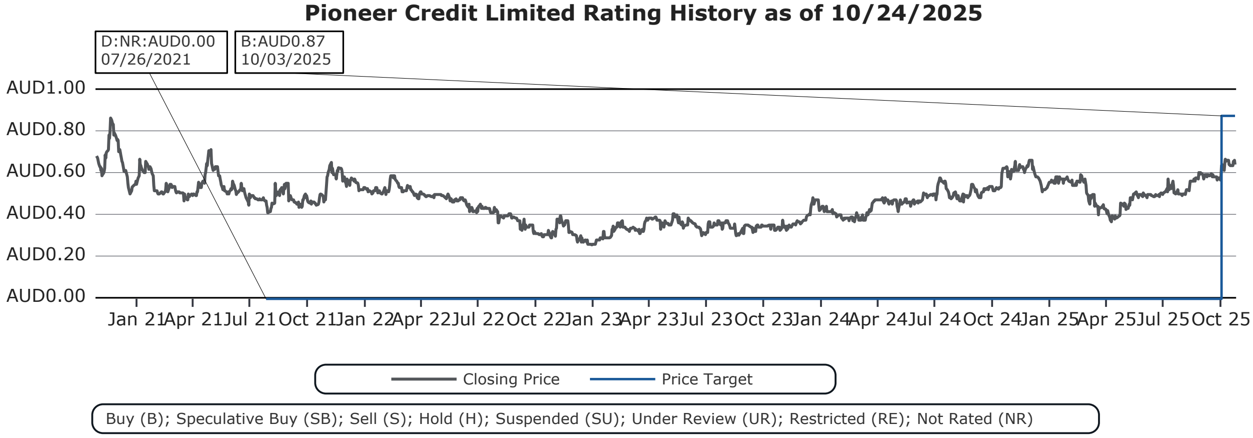
Pioneer Credit Limited Rating History as of 10/24/2025



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