Capital Markets

Canaccord Genuity

Australian Equity Research

18 February 2026

Raising Target Price

Pioneer Credit Limited

Diversified Financials

Rating	Price Target
BUY *unchanged*	**A$1.15↑** *from A$1.09*
PNC-ASX	Price **A$0.67**

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Undemanding multiple with strongest leverage to improving Aus PDP market on Westpac's return

Investment Recommendation

Pioneer delivered strong NPAT growth, with 1H NPAT of $10.2m broadly matching the $10.5m achieved in the prior full year. Management upgraded FY26 guidance from >$18m to >$20m (CGe: $21m), which still appears readily achievable given the half did not capture the full benefit of refinancing improvements secured late last year.

Over the medium term, Westpac (WBC-ASX, Not Rated) could resume forward flow agreements for the first time since 2017 creating a material PDP growth opportunity for Pioneer Credit, in our view. Based on Westpac's historical ~$50m p.a. of forward flow sales, we estimate this could lift PNC's annual PDP acquisitions by more than 30%. With PDP investments historically generating IRRs of at least 15%, incremental volumes at this level would potentially be meaningfully earnings accretive.

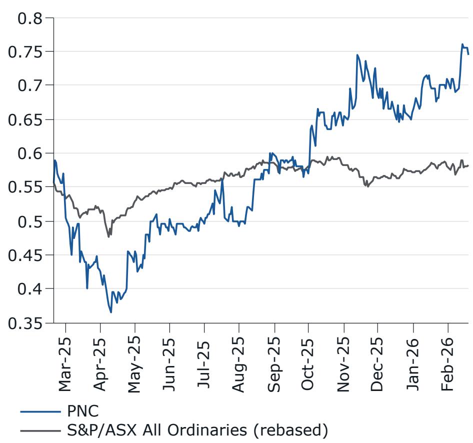
Against this backdrop, PNC's FY26e P/E of ~5x appears undemanding relative to Credit Corp Group (CCP-ASX, Buy rated by Allan Franklin) at ~8x, which itself trades below its five-year average of ~15x. As the most leveraged pure-play to an improving Australian PDP market, we see scope for both earnings upside and multiple expansion over the medium term. We retain our BUY rating and raise our DCF-based price target to $1.15 (from $1.09) on the back of our revised estimates.

Market Data

52-Week Range (A$) :	0.37 - 0.79
Avg Daily Vol (M) :	0.2
Market Cap (A$M) :	106.9
Shares Out. (M) :	159.6
Dividend /Shr (A$) :	0.00
Dividend Yield (%) :	0.0
Shares Out., FD (M) :	63.1
Enterprise Value (A$M) :	477.3
Cash (A$M) :	4.9
Long-Term Debt (A$) :	47.7

FYE Jun	2025A	2026E	2027E	2028E
Sales (A$M)	93.5	99.2↓	111.3↑	120.3↑
Previous	-	*100.4*	*109.6*	*118.2*
Cons. Sales[1] (A$M)	-	95.6	108.0	117.4
Net Income Adj (A$M)	10.5	21.1↑	24.2↑	26.5↑
Previous	-	*19.1*	*21.8*	*24.0*
Net Income Growth (%)	775.0	100.6	15.0	9.5
P/E (x)	11.6	5.1	4.4	4.0
Shareholder Equity (A$M)	60.6	81.5	115.8	142.3
Net Operating Cash Flow (A$M)	52	68↑	60↓	71↓
Previous	-	*61*	*69*	*75*
ROE (%)	11.0	25.8	20.9	18.6

[1] : Consensus source: Factset



Source: FactSet

Priced as of close of business 18 February 2026

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

Key metrics

i) PDP Purchases were $31m vs. our $47m estimate, reflecting temporary pauses to forward flow agreements by the Big 4 banks due to regulatory reviews late in the half; ii) Cash Collections of $71m were up +1% vs. pcp, with subdued growth driven by weaker-than-expected PDP purchases; iii) Cost to Service improved to 32%, down from 34% in pcp and below the FY26 guided range of 33-35%; iv) EBITDA increased 7% to $51.5m; and v) NPAT was $10.2m, +16% ahead of our $8.8m estimate and broadly in line with the full-year NPAT delivered last year.

Guidance

Pioneer is guiding to FY26 PDP purchases of at least $80m (CGe: $84m), which at the bottom end represents an uplift of $11m versus the $69m completed in FY25. With $80m this year already contracted and $50m completed as of mid Feb-26, we have increased confidence that guidance will be hit and see potential for upside to our numbers. We note the 1H was impacted by banks pausing forward flow programs amid regulatory reviews focused on consumer financial hardship resulting in a strong 2H skew this year in PDP purchases. NPAT guidance was upgraded from >$18m to >$20m as a result of recent debt refinancings coming in stronger than previously expected. With $10.2m achieved in the half, which didn't benefit from the full refinanced savings which occurred late last half, we see consensus as easily achievable as it's factoring in no growth in the 2H. Over the medium term, with WBC expected to return to market, we see a pathway to $30m of NPAT.

Estimate changes

Following today's result and the revised NPAT guidance for >$20m (prev. >$18m), we have revised our estimates. The key change is reduced funding costs from lower PDP purchases in the half and re-financing improvements made late in the half.

Valuation discount is unwarranted

PNC is trading on ~5x FY26e P/E versus CCP at ~8x, despite being the most leveraged pure-play to a recovery in the Australian PDP market following Westpac's return. CCP itself remains below its five-year average multiple of ~15x, highlighting how pronounced PNC's valuation discount is by comparison. With profitability improving and the balance sheet strengthening, PNC could resume dividends by FY28 potentially. Looking ahead, we see multiple avenues for growth and believe our forecasts may prove conservative.

For important information, please see the Important Disclosures beginning on page 6 of this document.

and personal loans. Its clients include financial institutions and non-bank lenders.

Figure 1: Pioneer Credit (PNC) Financial Summary

P&L (A$m)	FY24A	FY25A	FY26E	FY27E	FY28E
Interest income	83.6	88.3	99.4	110.9	119.9
Impairement/gain on PDPs	-17.8	4.8	-0.6	0.0	0.0
Total Revenue	**71.1**	**93.5**	**99.2**	**111.3**	**120.3**
Liquidation Expenses	-4.2	-3.1	-4.3	-4.4	-5.0
Gross Profit	**66.9**	**90.5**	**95.0**	**106.9**	**115.3**
Employee Expenses	-36.2	-33.1	-32.3	-34.3	-36.7
Other Expenses	-16.6	-10.9	-11.0	-11.2	-11.8
EBITDA	**14.1**	**46.5**	**51.6**	**61.5**	**66.9**
D&A	-1.8	-1.5	-1.6	-1.7	-1.7
EBIT	**12.2**	**45.0**	**50.1**	**59.8**	**65.1**
PBT	-31.4	6.7	22.4	28.5	31.2
NPAT (Reported)	**-10.0**	**6.7**	**21.1**	**24.2**	**26.5**
NPAT (Und.)	**1.2**	**10.5**	**21.1**	**24.2**	**26.5**
EPS - Diluted (Und.) cps	0.7	5.8	13.2	15.3	16.7

Growth	FY24A	FY25A	FY26E	FY27E	FY28E
Sales Growth	-14%	32%	6%	12%	8%
Gross Profit Growth	-16%	35%	5%	13%	8%
EBITDA Growth	-61%	231%	11%	19%	9%
PBT Growth	NA	NA	236%	27%	9%
Und. NPAT Growth	NA	NA	101%	15%	9%

Movement in PDPs	FY24A	FY25A	FY26E	FY27E	FY28E
Openning Balance	**304.3**	**322.9**	**343.0**	**377.9**	**416.6**
Debt portfolios acquired	89.0	69.1	83.6	90.3	98.4
Cash collections of PDPs	-136.1	-142.2	-147.5	-162.5	-179.1
Interest Income Accrued	83.6	88.3	99.4	110.9	119.9
Net Gain / (Impairement)	-17.8	4.8	-0.6	0.0	0.0
Closing Balance	**322.9**	**343.0**	**377.9**	**416.6**	**455.8**

Valuation	FY24A	FY25A	FY26E	FY27E	FY28E
P/E (x) (norm.)	91.0x	11.6x	5.1x	4.4x	4.0x
P/CFPS (x) (pre-PDP Purchases	2.2x	2.3x	1.6x	1.8x	1.5x
NTA per share ($)	0.3	0.3	0.5	0.7	0.9
Price/NTA (x)	2.47	2.02	1.31	0.92	0.75

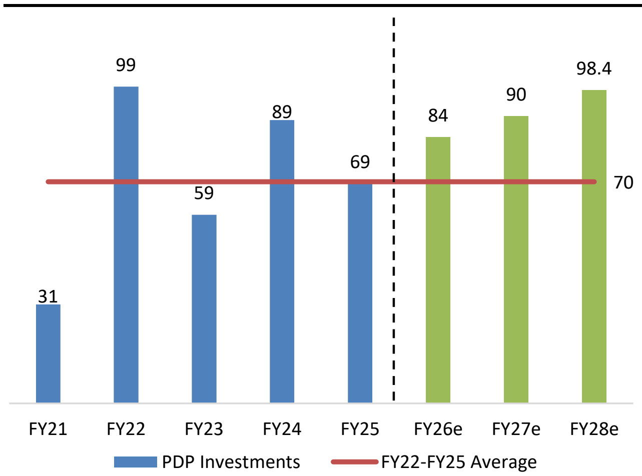
Balance Sheet	FY24A	FY25A	FY26E	FY27E	FY28E
Cash and Cash Equivalents	4.1	3.6	11.6	12.9	12.2
Trade and Other Receivables	4.3	7.2	7.7	11.5	12.2
Deferred Tax Assets	21.4	21.4	20.0	15.7	15.7
Purchased Debt Portfolio	322.9	343.0	377.9	416.6	455.8
Other Assets	15.2	13.5	22.4	37.9	56.2
Total Assets	**367.9**	**388.6**	**439.5**	**494.6**	**552.1**
Trade and Other Payables	25.7	20.4	26.4	25.1	25.1
Borrowings	254.3	10.9	0.0	0.0	0.0
Lease Liabilities	6.9	5.6	4.0	2.2	3.4
Borrowings	32.3	286.7	315.5	339.5	369.2
Other Liabilities	4.6	4.5	12.1	12.1	12.1
Total Liabilities	**323.7**	**328.0**	**358.0**	**378.9**	**409.8**
Total Equity	**44.2**	**60.6**	**81.5**	**115.8**	**142.3**

Cash Flow	FY24A	FY25A	FY26E	FY27E	FY28E
Customer Receipts	138.6	139.5	147.1	158.6	178.4
Payments to Suppliers	-51.0	-56.0	-49.6	-67.0	-69.2
Interest Received / (Paid)	-36.9	-31.0	-29.6	-31.3	-33.9
OCF Pre PDP Purchases	**50.8**	**52.5**	**67.9**	**60.3**	**70.6**
PDP Purchases	-79.6	-65.1	-86.0	-90.3	-98.4
OCF Post PDP Purchases	**-28.8**	**-12.6**	**-18.1**	**-30.0**	**-27.8**
Investing Cash Flow	**-0.7**	**-0.2**	**-0.4**	**-0.8**	**-0.9**
Net Debt Proceeds/(Repayments)	17.5	4.8	29.0	24.0	29.7
Net Equity Proceeds/(Buybacks)	9.5	9.2	0.0	10.0	0.0
Other Financing	-1.7	-1.8	-2.4	-1.8	-1.8
Financing Cashflows	**25.3**	**12.2**	**26.5**	**32.2**	**27.9**
Opening Cash	**138.6**	**139.5**	**147.1**	**158.6**	**178.4**
Net Change in Cash	138.6	139.5	147.1	158.6	178.4
Closing Cash	**138.6**	**139.5**	**147.1**	**158.6**	**178.4**

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	**1.15**

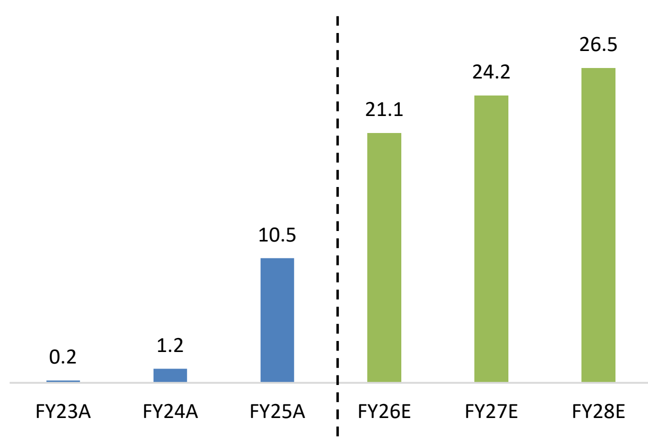
Source: Company Reports, Canaccord Genuity estimates

Figure 2: PDP acquisitions medium term tracking toward >$100m with WBC re-entry; FY26e guidance of >$80m



Source: Company Reports, Canaccord Genuity estimates

Figure 3: Stat. NPAT growth vs. FY26 guidance of >$20m (prev. >$18m)



Source: Company Reports, Canaccord Genuity estimates

Result summary

- **PDP Purchases** declined 22% YoY to $31m in 1H (−34% vs. CGe $47m), implying $49m is required in 2H to meet FY26 guidance of ≥$80m (CGe $86m). Pleasingly, ~$50m has already been completed post-period, with ≥$80m now contracted. The 1H shortfall reflected temporary pauses to forward flows by several banks due to regulatory reviews around consumer hardship. Flows resumed early this calendar year, with data packages provided to catch up deferred volumes, evidenced by ~$20m of purchases completed in the last month. With guidance effectively contracted, we see no cause for concern.
- **Cash Collections** increased 1% YoY to $71.4m (CGe $78m). The variance to our estimate reflects lower PDP acquisitions in 1H due to timing delays. With investment stepping up in 2H, we expect cash collection growth to re-accelerate.
- **Payment Arrangement (PA)** Portfolio declined 3% to $409m, reflecting softer 1H purchase volumes. We expect portfolio growth to resume in 2H as acquisitions normalise.
- **Cash EBITDA** increased 7% to $51.5m. As PDP investment lifts, earnings should continue to scale, noting PNC has historically generated >15% IRRs on PDP purchases and we believe requires limited incremental cost investment to support >$100m p.a. of acquisitions.
- **NPAT** was $10.2m (+16% vs. CGe $8.8m). FY26 guidance was upgraded to >$20m (CGe $19.1m) from >$18m, reflecting stronger-than-expected refinancing benefits completed ($3.8m vs. $2m previously flagged). The revised guidance implies only ~$10m required in 2H, which appears readily achievable given refinancing benefits were only partially captured in 1H. As PDP acquisitions return to >$100m p.a. over the medium term, we see a credible pathway to ~$30m of sustainable NPAT over the next few years, broadly consistent with CCP on comparable investment volumes.

Figure 4: H126 results

Y/E Jun, AUD		H125A	H126A	Growth	CGe	Var
Interest income at amortised cost	$m	43.9	48.3	10%	47.2	2%
Net impairement gain on PDPs	$m	3.8	(0.6)	-713%	0.5	-180%
Total Revenue	**$m**	**47.9**	**47.9**	**0%**	**47.9**	**0%**
Growth	$m	3.0%	-0.1%		-0.1%	
Liquidation Expenses	$m	(1.4)	(2.3)	-41%	(1.6)	-33%
Gross Profit	**$m**	**46.5**	**45.5**	**-2%**	**46.3**	**-2%**
Margin	$m	97.1%	95.1%		96.7%	
Employee Expenses	$m	(17.3)	(15.9)	9%	(15.2)	-4%
Infro technology and communications	$m	(2.4)	(1.8)	32%	(1.9)	6%
Consultancy and professional fees	$m	(2.2)	(1.8)	22%	(1.6)	-15%
Other expenses	$m	(1.8)	(1.8)	-1%	(1.8)	2%
EBITDA (underlying)	**$m**	**22.8**	**24.2**	**6%**	**25.8**	**-6%**
Margin	$m	47.7%	50.6%		53.9%	
Depreciation & Amortisation	$m	(0.8)	(0.7)	3%	(0.8)	8%
EBIT (underlying)	**$m**	**22.1**	**23.5**	**6%**	**25.0**	**-6%**
Net Finance Costs	$m	(20.2)	(13.3)	52%	(16.4)	23%
PBT (underlying)	**$m**	**1.9**	**10.2**	**439%**	**8.6**	**18%**
Margin	$m	4%	21%		18%	
Tax Benefit (Expense)	$m	(0.2)	0.0		(0.9)	
NPAT (underlying)	**$m**	**1.7**	**10.2**	**503%**	**7.8**	**31%**
One-Offs & Significant Items	$m	1.9		-100%	1.0	-100%
NPAT (statutory)	**$m**	**3.6**	**10.2**	**183%**	**8.8**	**16%**

Source: Company Reports, Canaccord Genuity estimates

Forecast revisions and price target

Following today's result and the revised NPAT guidance for >$20m (prev. >$18m), we have revised our estimates. We slightly reduce our revenue estimates this year following 1H26 PDP acquisitions being weaker than expected as a result of the Big 4 Banks briefly delaying forward flow sales on the back of regulatory reviews into consumer hardship. With these flows having resumed early this calendar year, and data packages provided to catch up deferred volumes, evidenced by ~$20m of purchases completed in the last month, we see this as solely a timing issue. Longer-term, with Westpac likely to return to market over the coming 12-18 months, we see a pathway to $100m p.a. of PDP acquisitions which aren't currently fully priced into our estimates. With PDP acquisitions historically producing IRRs of at least 15%, we see a pathway to $30m of NPAT in a few years' time which implies upside potential to our estimates.

Figure 5: CG estimate changes

Y/E Jun, AUD	2026E				2027E				2028E			
	New	Old	($) Diff	(%) Diff	New	Old	($) Diff	(%) Diff	New	Old	($) Diff	(%) Diff
Revenue	99.2	100.4	(1.2)	-1.2%	111.3	109.6	1.7	1.6%	120.3	118.2	2.1	1.8%
Cash EBITDA (und.)	107.4	113.6	(6.3)	-5.5%	109.2	119.5	(10.4)	-8.7%	125.4	132.2	(6.9)	-5.2%
Stat EBIT (und.)	50.1	53.3	(3.2)	-6.0%	59.8	59.1	0.7	1.1%	65.1	63.8	1.3	2.0%
Stat PBT (und.)	22.4	20.0	2.4	12.3%	28.5	26.6	1.9	7.0%	31.2	30.0	1.2	4.1%
Stat NPAT (und.)	21.1	19.1	2.0	10.5%	24.2	21.8	2.4	10.9%	26.5	24.0	2.5	10.6%
Diluted EPS (und.)	13.2	11.6	1.7	14.5%	15.3	13.7	1.6	11.5%	16.7	15.0	1.7	11.2%

Source: Company Reports, Canaccord Genuity estimates

PNC is trading on ~5x FY26e PE versus CCP at ~8x, despite PNC being the most leveraged pure-play to a recovery in the Australian PDP market with Westpac's anticipated return. CCP itself remains below its 5-year average multiple of ~15x, highlighting the extent of PNC's relative valuation discount.

We see upside risk to our estimates and believe PNC has a pathway to ~$30m of NPAT over the medium term. On today's market capitalisation, that would equate to a PE of ~3x versus CCP at ~8x. With a strengthening balance sheet and the business now approaching a self-funding position, we also see scope to commence dividends by FY28 potentially. Even on a modest payout ratio, this could imply a mid-single-digit dividend yield, potentially attracting a new cohort of value-focused investors to the register. So, given PNC's current discounted valuation and multiple avenues for growth and valuation creation, we continue to see PNC as attractive.

Figure 6: Comparable companies

Pioneer Credit Comparables		P/Book			P/E		
	Market Cap.	FY+1	FY+2	FY+3	FY+1	FY+2	FY+3
Credit Corp Group Limited	835	0.9x	0.9x	0.8x	8.0x	7.3x	6.7x
PRA Group, Inc.	429	0.4x	0.5x	0.5x	NM	4.8x	NM
Encore Capital Group, Inc.	1,278	1.3x	1.0x	0.8x	5.9x	6.2x	5.4x
Intrum AB	6,180	0.5x	0.4x	0.4x	5.0x	4.9x	3.5x
Hoist Finance AB	12,493	1.9x	1.7x	1.5x	10.4x	8.2x	7.3x
Axactor ASA	2,302	0.5x	0.5x	0.5x	5.8x	6.1x	4.8x
Median		**0.7x**	**0.7x**	**0.6x**	**5.9x**	**6.1x**	**5.4x**
Average		**0.9x**	**0.8x**	**0.7x**	**7.0x**	**6.3x**	**5.5x**
Pioneer Credit Ltd	86	1.4x	1.1x	0.7x	5.1x	4.4x	4.0x

Source: Company Reports, Factset consensus, Canaccord Genuity estimates for Pioneer

Appendix: Important Disclosures

Analyst Certification

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Investment Recommendation

Date and time of first dissemination: February 18, 2026, 05:40 ET

Date and time of production: February 18, 2026, 05:40 ET

Target Price / Valuation Methodology:

Credit Corp Group Limited - CCP

Our A$19.70 target price is derived by ascribing a 13x NPAT multiple to our FY26E forecast.

Pioneer Credit Limited - PNC

Our target price is based on a DCF valuation methodology.

Risks to achieving Target Price / Valuation:

Credit Corp Group Limited - CCP

Primary downside risks are prolonged trading restrictions affecting both the timing and quantum of a return to a more normal debt sale environment in Australia and the normalisation of arrears/bad debts in the company's lending originations. Upside risks include further US market share gains and/or increases in US debt purchasing volumes, as well as other opportunities that may arise to deploy surplus capital.

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 02/18/26)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	676	69.62%	24.70%
Hold	134	13.80%	7.46%
Sell	3	0.31%	0.00%
Speculative Buy	153	15.76%	64.71%
	971*	100.0%	

*Total includes stocks that are Under Review

Canaccord Genuity Ratings System

BUY: The stock is expected to generate returns greater than 10% during the next 12 months.

HOLD: The stock is expected to generate returns from -10% to 10% during the next 12 months.

SELL: The stock is expected to generate returns less than -10% during the next 12 months.

NOT RATED: Canaccord Genuity does not provide research coverage of the relevant issuer.

Given the inherent volatility of some stocks under coverage, price targets for some stocks may imply target returns that vary temporarily from the ratings criteria above.

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

Risk Qualifier

SPECULATIVE: The stock bears significantly above-average risk and volatility. Investments in the stock may result in material loss.

12-Month Recommendation History (as of date same as the **Global Stock Ratings** table)

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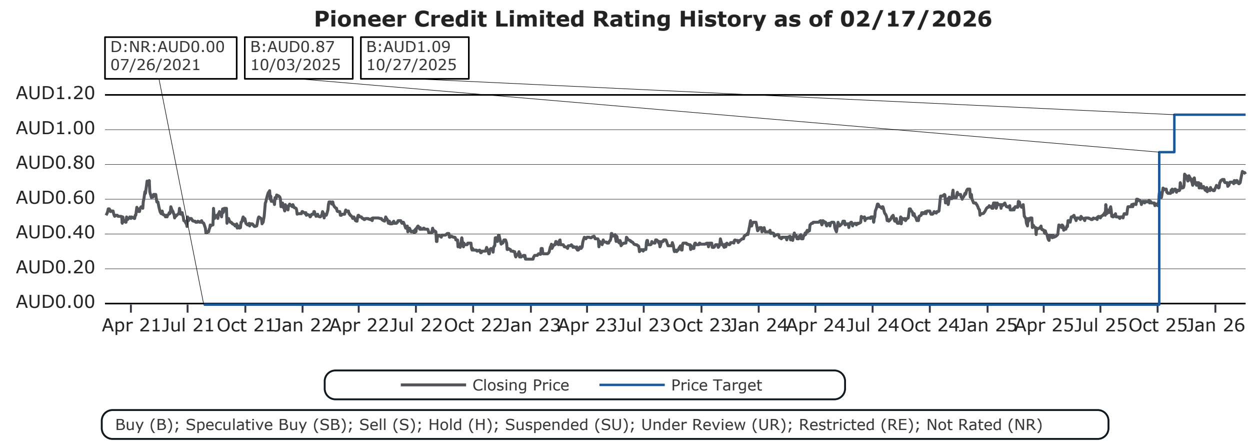

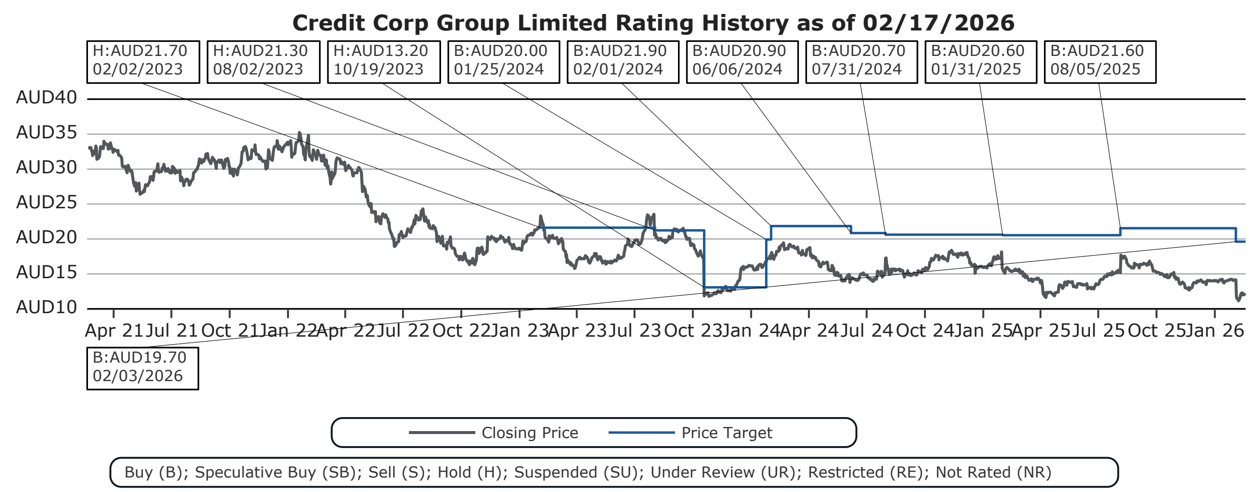

Past performance

In line with Article 44(4)(b), MiFID II Delegated Regulation, we disclose price performance for the preceding five years or the whole period for which the financial instrument has been offered or investment service provided where less than five years. Please note price history refers to actual past performance, and that past performance is not a reliable indicator of future price and/or performance.

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