

Media Release

05 August 2025

Credit Corp reports a solid recovery and a strong outlook for FY26

Credit Corp Group Limited (Credit Corp or the Company) reports the following highlights for FY2025:

- US ledger collections up 12 per cent reflecting operational improvement and investment
- Improved US performance enabling a record FY26 US investment pipeline of A\$164 million
- 31 per cent growth in consumer lending segment net profit after tax (NPAT)
- 5 per cent growth in the consumer loan book to a record gross closing balance of \$466 million

NPAT of \$94.1 million was 16 per cent above the prior year underlying NPAT ¹ of \$81.2 million. The result was underpinned by the consumer lending segment which reported strong earnings growth as lending volumes moderated after several years of significant post-COVID re-leveraging. US debt buying segment earnings also grew over the prior year.

US operational performance

Operational performance in the US debt buying segment continued to improve, with strong collections growth and a 28 per cent increase in productivity. Improved performance has translated to increased purchasing over the second half of the year and the securing of a record A\$164 million contracted investment pipeline for FY2026 setting up expected strong segment earnings growth in FY2026.

Thomas Beregi, Managing Director and Chief Executive Officer (CEO), said that Credit Corp has focused its US investment in recent periods on the acquisition of lower balance, shorter collection duration credit card receivables. "We have diversified our purchasing across a range of sellers while focusing on lower balance products to improve cash conversion metrics and shorten the duration of our US book while conditions remain uncertain," he said.

Despite ongoing uncertainty as to the outlook for US consumers, collection outcomes have shown no signs of deterioration over the past 18 months. Delinquency on existing payment arrangements has been similar to levels observed since mid-2023.

Market pricing has remained stable over the past year and Credit Corp expects that there will be opportunities to secure further purchases over the course of FY2026.

¹ Underlying NPAT after adding back \$45.6 million (after tax) for the US purchased debt ledger (PDL) impairment reported in H1 FY2024 and subtracting \$15.1 million (after tax) for the change in estimated PDL collection life from six to eight years to the statutory NPAT of \$50.7 million.

AU/NZ Consumer lending

Rapid book growth in the prior year was followed by a fall in consumer demand and more modest growth in FY2025. This drove strong earnings growth due to lower up-front loan origination and provisioning costs. Segment NPAT of \$54.3 million was a record, and over 30 per cent higher than FY2024. Arrears and loss rates have remained within pro-forma levels.

The core Wallet Wizard unsecured cash loan product enjoys a leading position in the market and continues to acquire large volumes of new customers each month. Looking forward, book growth is likely to be more limited as originations to new customers must exceed the ongoing impact of existing customer attrition and short repayment durations on a large book built up over many years.

Mr. Beregi said that further product and market diversification was the key to future consumer lending segment earnings growth and noted that the Wizit digital credit card had now been released from pilot. "Wizit diversifies our product suite by appealing to consumers with a less immediate need for credit," he said.

Credit Corp has also taken steps to commence lending operations in the UK during the first half of FY2026. The UK market presents as a sizeable opportunity capable of achieving Credit Corp's targeted rate of return.

AU/NZ debt buying

While there are signs of a return to growth, the AU/NZ debt buying market remains constrained with sale volumes still significantly below pre-COVID levels. Renewed competition saw Credit Corp's AU/NZ purchasing fall by 29 per cent over the prior year. While this will put pressure on segment earnings in FY2026, it is expected that the impact will be offset by benefits from systems consolidation in the collection services division.

Final dividend

Credit Corp will pay a final dividend for the 2025 financial year of 36 cents per share representing a full year payout ratio of 49 per cent.

Outlook and guidance

A record US debt ledger investment pipeline and starting consumer lending book should produce FY2026 NPAT of \$100-110 million. The midpoint of this range implies an increase in NPAT of 12 per cent relative to FY2025.

Credit Corp advises of guidance for FY2026 in accordance with the following ranges:

	FY26 Guidance Aug-25	Midpoint variance over prior year
PDL acquisitions	\$280 - \$330m	27 per cent
Gross lending volumes	\$350 - \$390m	-
NPAT	\$100 - \$110m	12 per cent
EPS	147 - 162 cents	12 per cent

This media release should be read in conjunction with the Appendix 4E, consolidated annual financial statements contained within the 2025 Annual Report, and the results presentation.

To watch the presentation, go to: <https://www.creditcorpgroup.com.au/investors/result-presentation-videos/>

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