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Credit Corp Group acquires Cashfirst from Thorn Group

Credit Corp Group (Credit Corp) announces the acquisition of the Cashfirst branded consumer loan book and associated assets from Thorn Group Limited (ASX: TGA) for a total consideration of $13.3m.

The consideration is attributable to the loan book of almost 5,000 current Cashfirst customers. The loan book is expected to deliver the company's hurdle investment return. Credit Corp is also acquiring other assets including the historical customer database and all the Cashfirst branding and intellectual property.

Mr Thomas Beregi, CEO of Credit Corp, said the transaction would positively impact earnings in fiscal years 2018 and 2019. "The acquisition of the loan book will produce an acceptable return and the other assets will enhance this. The transaction demonstrates our ability to use our unrivalled financial capacity to seize unique opportunities, while exercising investment discipline in an environment of elevated pricing in the traditional domestic debt purchasing market" he said.

Credit Corp will offer its market-leading and uniquely sustainable lending products to past and present Cashfirst customers. This will improve Credit Corp's marketing efficiency and enable consumers to avoid higher cost, often predatory, alternatives.

Credit Corp also advises that it continues to see attractive debt purchasing opportunities for its profitable US business. The pipeline of committed US purchasing now exceeds the upper end of its previous guidance of $55m.

As a consequence of the Cashfirst acquisition and additional US purchasing, Credit Corp has upgraded its investment and Net Profit after Tax ('NPAT') guidance for FY18 in accordance with the following ranges:

	Initial Guidance August 2017	Upgraded Guidance November 2017
PDL acquisitions	$140 - $170m	$170 - $190m
Net lending volumes	$35 - $45m	$35 - $45m
NPAT	$60 - $63m	$62 - $64m
EPS	126.0 - 132.0 cents	130.0 - 134.0 cents

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