



Q1-24 Results Presentation



Financial Highlights

£1.2bn LTM Cash Income

101% Collection Performance¹

£328m LTM Portfolio Acquisitions²

£271m Reported Liquidity³

- ◆ Positive collection performance continuing in to 2024 with collections already ahead of balance sheet expectation
- ◆ Strong servicing performance which will be supplemented further across 2024 by key client wins and contract renewals
- ◆ Liquidity position strengthened following execution of additional portfolio sale in DACH as part of Balance Sheet Velocity programme
- ◆ Purchasing environment remains attractive

Note(s): ¹ Group collection performance on assets owned as at Dec-23 for 3 months to 31 March 2024. ² Excludes ~£23m fair value and amortised cost assets obtained as part of the residual note holdings in Wolf II and Wolf III. ³ Calculated as unrestricted cash on balance sheet plus amounts available to draw on RCF and UK Securitisations at 31 March 2024.

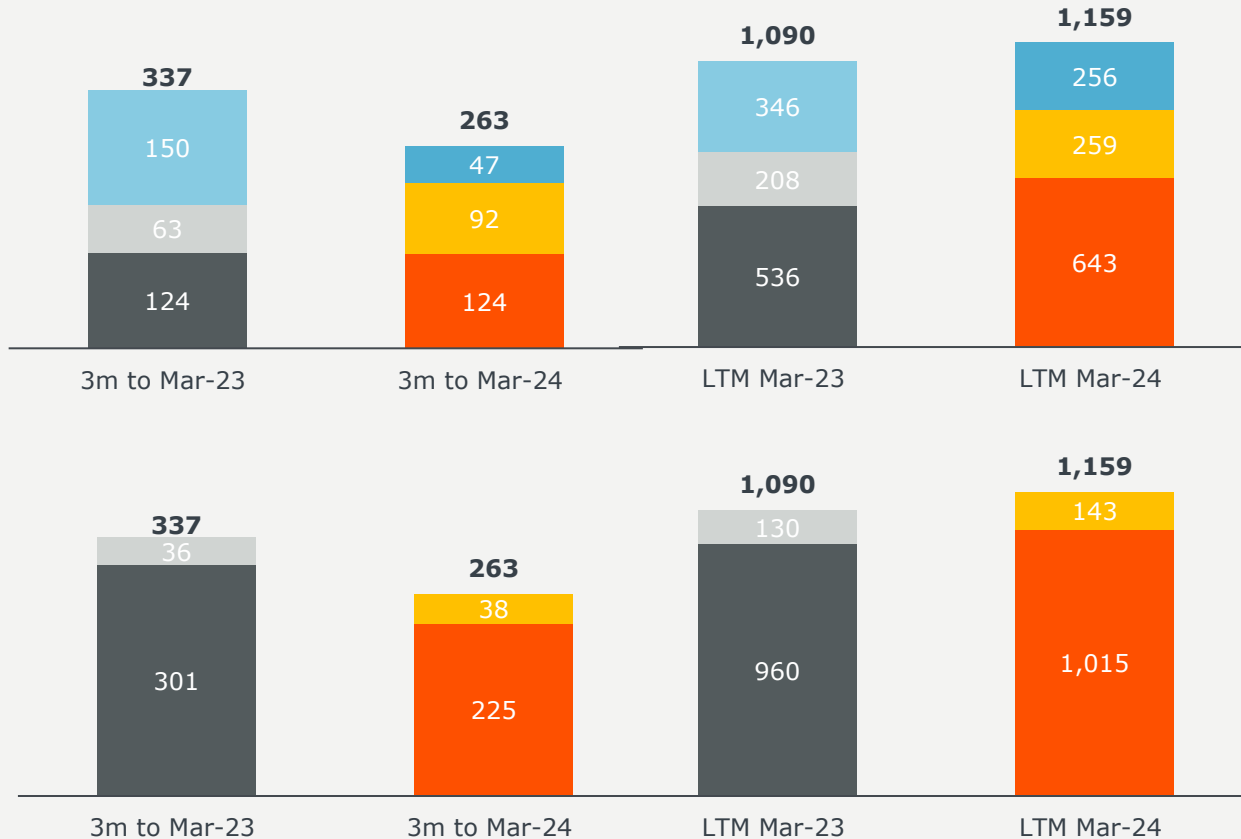
Cash Income

~£1.2bn LTM Cash Income

- ◆ Continued resilience across platforms supports topline performance
- ◆ Collections performance at 101% of Dec-23 expectation with Q1-24 purchases also performing in line with priced expectation since acquisition
- ◆ Key underlying Cash Income growth in UK further supported by double digit growth in servicing revenue across LTM period in the regions
- ◆ Servicing growth expected to continue across 2024, benefitting from increasing client handovers and servicing mandates on Balance Sheet Velocity transactions

■ UK
 ■ DACH
 ■ Nordics
 ■ DP
 ■ 3PC

Cash Income by Geography (£m)



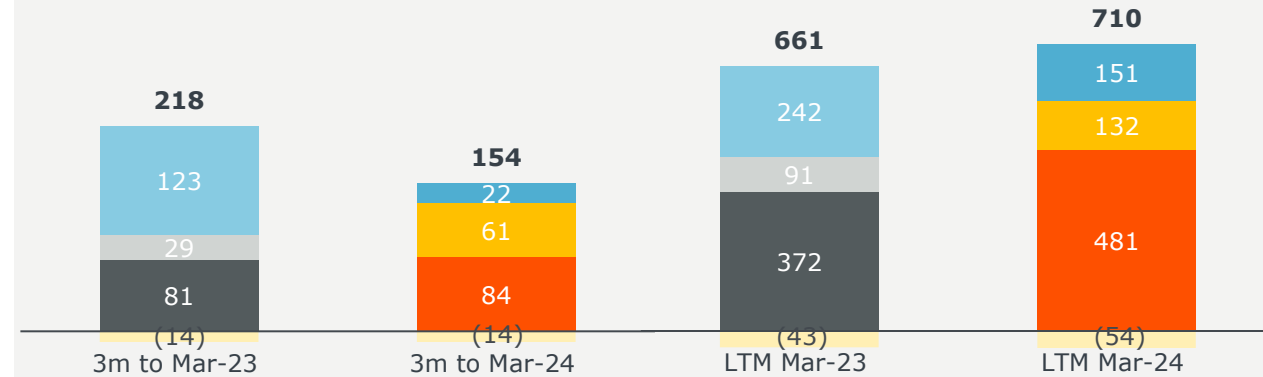
Cash EBITDA

£710_m LTM Cash EBITDA

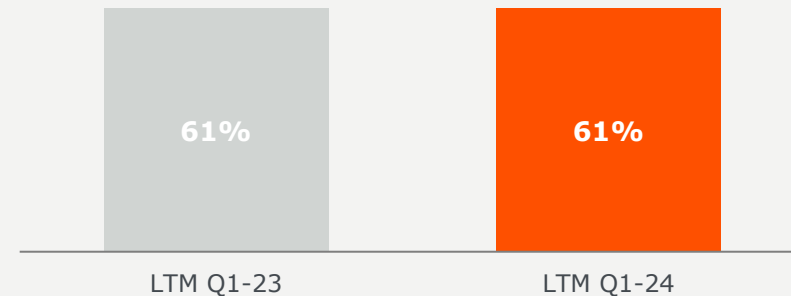
- ◆ Strong Cash EBITDA growth supported by key underlying growth in the UK and encouraging post Cyber recovery in DACH YoY
- ◆ Reported Nordic performance reflects timing of BSV initiatives across the periods and also lower DP contribution following the reduction in ERC within region
- ◆ DACH portfolio sale benefitted Cash EBITDA in Q1-24 by £41m
- ◆ Cost saving actions taken in 2023 will support 2024 performance and margin

UK DACH Nordics Group

Cash EBITDA (£m)



LTM Cash EBITDA Margin (%)



Balance Sheet Velocity Programme

DACH Portfolio Sale – Q1-24

- ◆ Sale of a small selection of portfolios to a European credit investor in line with book value
- ◆ Proceeds from accelerating the collections are captured in Cash Income and Cash EBITDA for Q1-24
- ◆ 120m ERC of assets of ~€140m. Selected portfolios were principally more aged, higher balance and slower liquidating than rest of book
- ◆ Transaction allows Group to release capital from backbook assets and increase focus on a servicing led capital-light offering in the region
- ◆ Lowell continues to service the assets on profitable terms

Net Cash Proceeds¹

€48m

DACH Portfolio Sale – Q2-24

- ◆ Sale of a selection of portfolios across two transactions:
 - ◆ €12m to an ongoing partner in DACH region; and
 - ◆ €124m to an investment vehicle funded by Hoist Finance AB; further strengthening the strategic relationship
- ◆ Transactions form part of BSV programme and allow the Group to increase focus on servicing in DACH region
- ◆ 120m ERC associated with assets of ~€320m. Assets sold in line with Dec-23 Balance Sheet value
- ◆ Lowell continues to service all assets on profitable terms with ability to achieve increased sale consideration subject to performance metrics

Net Cash Proceeds¹

€136m

Note(s): ¹ Reflects net cash received taking into account collections deducted post valuation date and servicing revenue due

NPL Purchasing Volumes

£328m LTM NPL acquisitions¹

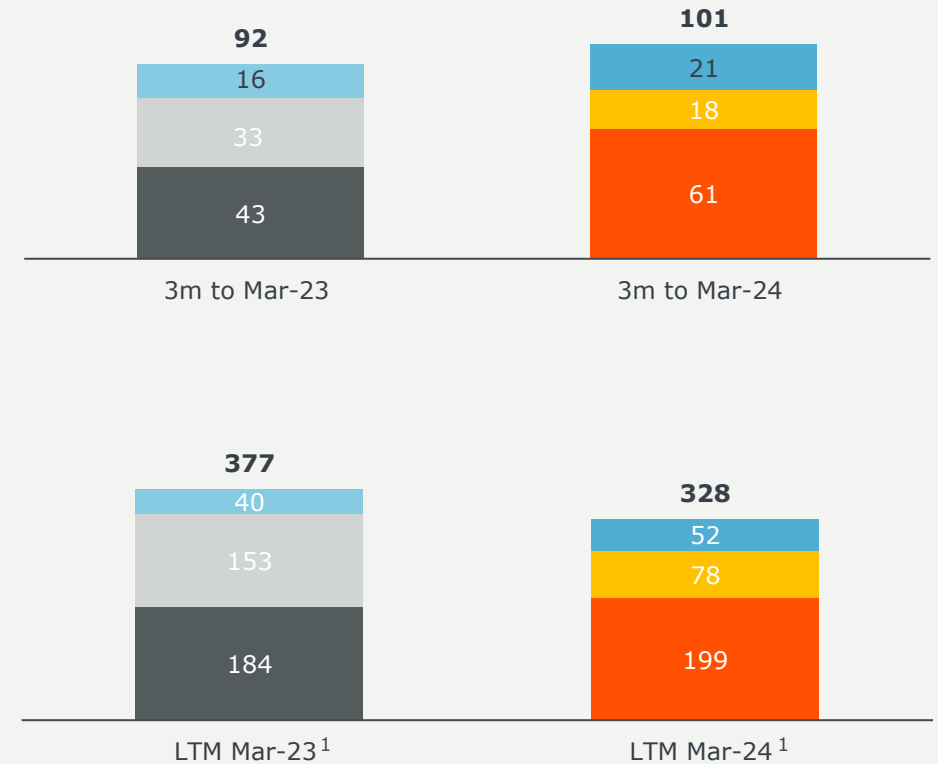
>20% Q1-24 purchases priced net IRR

- ◆ Purchasing in-line with ERC Replacement Rate and priced at >20% Net IRR as guided
- ◆ Stronger Q1 deployment reflects timing of attractive opportunities and commitments; full year guidance remains
- ◆ Healthy pipeline visibility for FY24 already helping shape strong 2024 vintage

¹ Excludes Hoist UK Portfolio acquisition of £290m and fair value and amortised cost assets obtained as part of the residual note holdings in Wolf I, II and Wolf III

UK DACH Nordics

Purchases (£m)



Balance Sheet and Cash Generation

£3.7bn 120m ERC

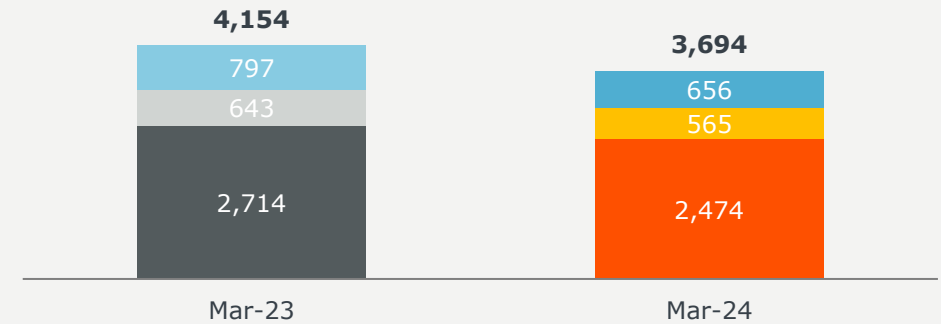
~£216m Excess cash generated after Replacement Rate

- ◆ YoY ERC reduction reflects benefit of accelerated cashflows from the Balance Sheet Velocity programme
- ◆ Free cash flow continues to benefit from ability to securitise paying assets and accelerating cashflows through the Balance Sheet Velocity programme. This provides optionality to grow liquidity or recycle capital in an attractive returns environment

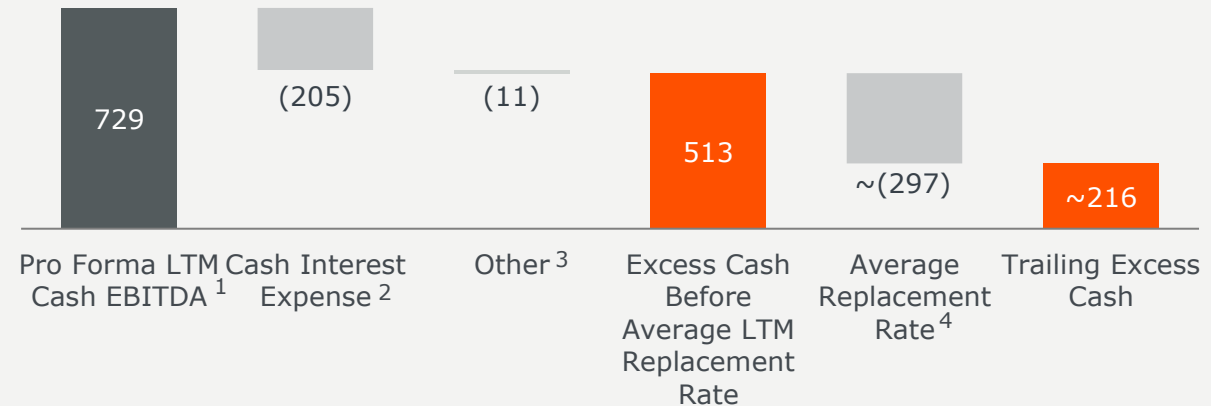
¹ Pro Forma Cash EBITDA includes £19m of cost adjustments to reflect the full run rate benefits of changes enacted. ² Cash Interest calculated as next 12 months interest on debt instruments and drawings as of 31 March 2024. ³ Other represents Cash tax expenses paid (£5m) and Management’s maintenance capex estimate (£6m). ⁴ Average Replacement Rate as calculated in Appendix, this calculation does not account for any future ERC deconsolidation associated with potential Balance Sheet Velocity initiatives

■ UK ■ DACH ■ Nordics

120m ERC (£m)



Cash Generation (£m)



Leverage

3.2x

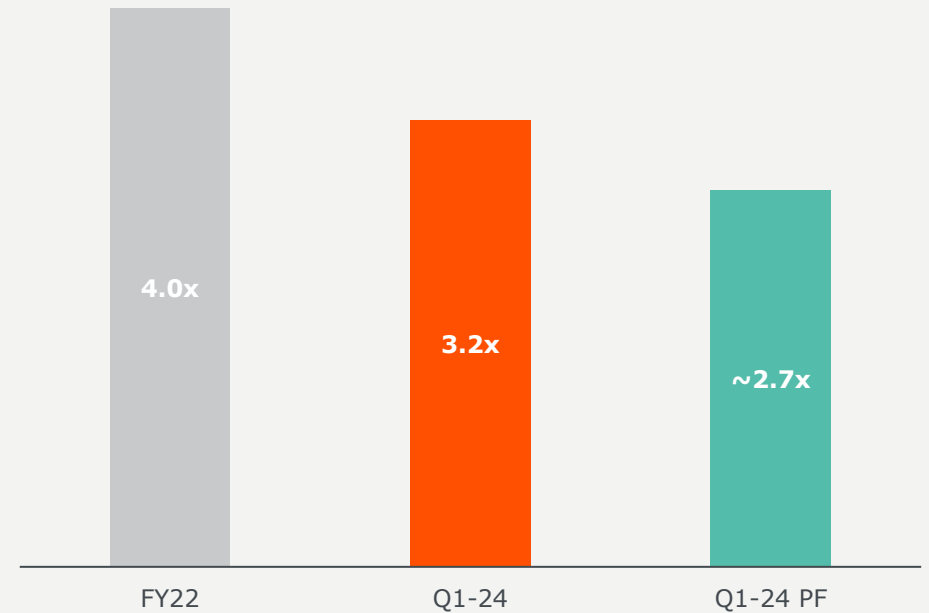
Reported Net Leverage

~2.7xPro Forma Net Leverage¹

- ◆ Acceleration of Balance Sheet Velocity transactions have provided greater liquidity certainty as the Group considers its refinancing options across 2024
- ◆ Pro Forma net leverage reflects benefit of the additional DACH portfolio sale as if it had occurred in Q1-24¹, aligning to the mechanics of the transaction

Note(s): ¹ Reconciliation in Appendix to show inclusion of DACH portfolio sale in Q2-24

Leverage Trajectory



Liquidity

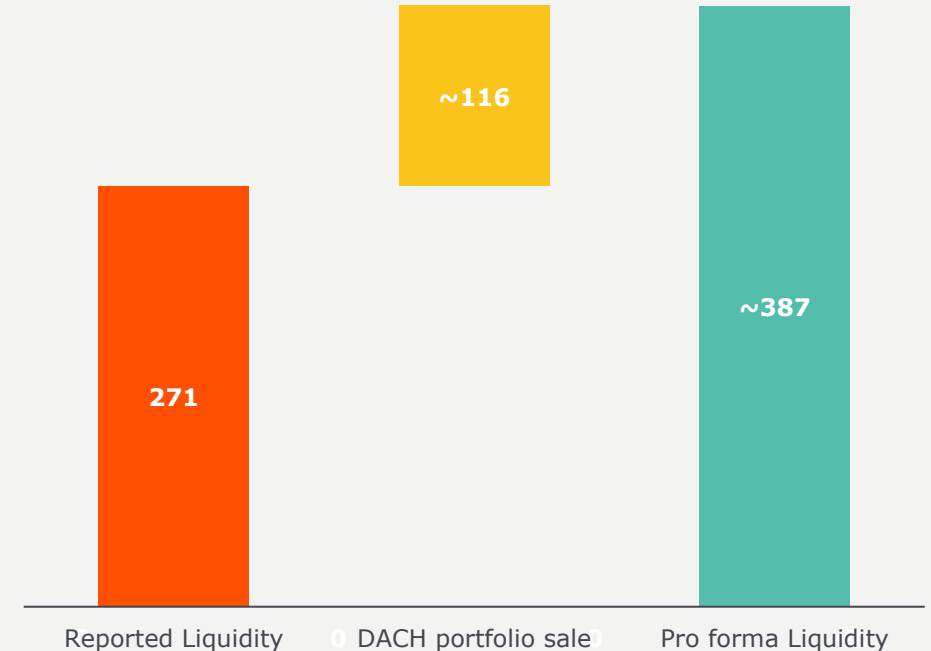
£271_m Reported Liquidity Mar-24¹

~£390_m Pro Forma Liquidity

- ◆ Reported liquidity position of £271m has been strengthened further post quarter end with ~£116m from a further DACH portfolio sale
- ◆ ABS Facility 3 remains open and available for top-up; current assumption that ~£50m of availability in facility is utilised in short term
- ◆ Recent Balance Sheet Velocity activity provides increased liquidity and refinancing flexibility

Note(s): ¹ Calculated as unrestricted cash on balance sheet plus amounts available to draw on RCF and Securitisations at 31 March 2024.

Pro Forma Liquidity (£m)



Outlook

~£390_m

Pro Forma Liquidity¹

~£300_m

Purchases to continue in line with ERC Replacement Rate

>20%

Expected 2024 Vintage net IRR

- ◆ Purchases are expected to continue at a similar level representing some growth above Replacement Rate over the next few years at IRRs >20% in the UK and Nordics
- ◆ Balance Sheet Velocity programme will continue as guided at ~£100m - £150m per annum for the foreseeable future
- ◆ Servicing business is expected to grow by at least 10% from a combination of existing clients, new client wins, and servicing of the Balance Sheet Velocity programme
- ◆ Overhead cost control will benefit from further streamlining and automating processes; however, increased servicing will soften overall margin to levels experienced in prior years
- ◆ The Group expects to maintain ongoing liquidity at ~£150m with approximately 50% of this in cash
- ◆ The Group is committed to refinancing the Balance Sheet during 2024



Appendix



ERC Profile

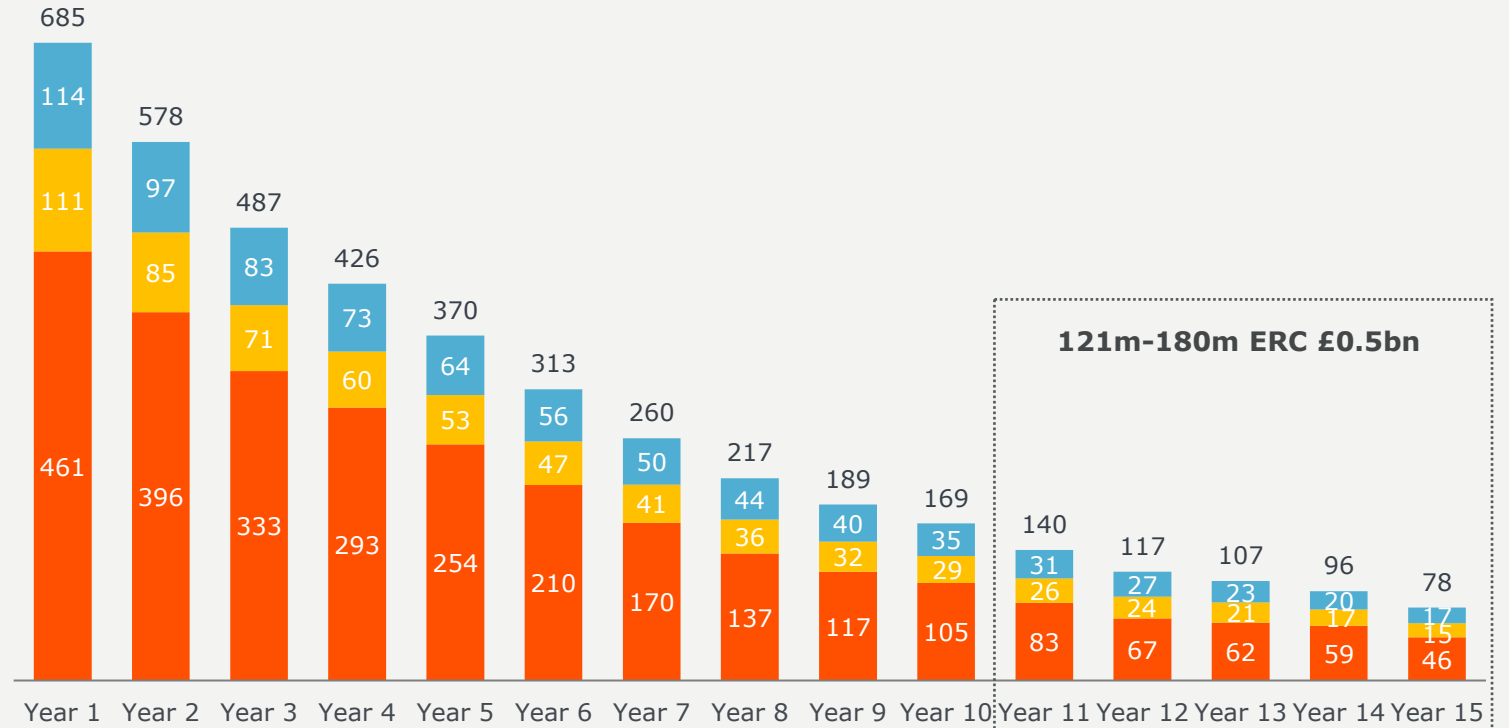
Diversified backbook formed of 21 vintages, ~4,500 portfolios and across a range of originating sectors

£3.7bn 120m ERC

£4.2bn 180m ERC

UK DACH Nordics

(£m)

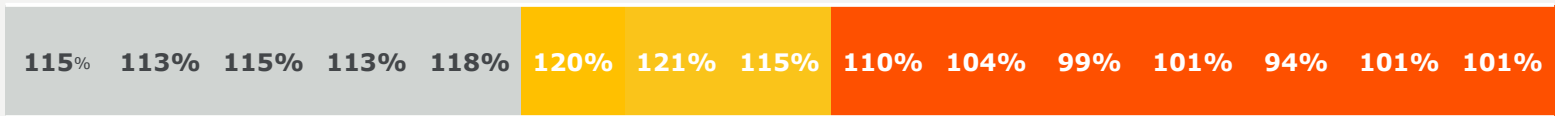


121m-180m ERC £0.5bn

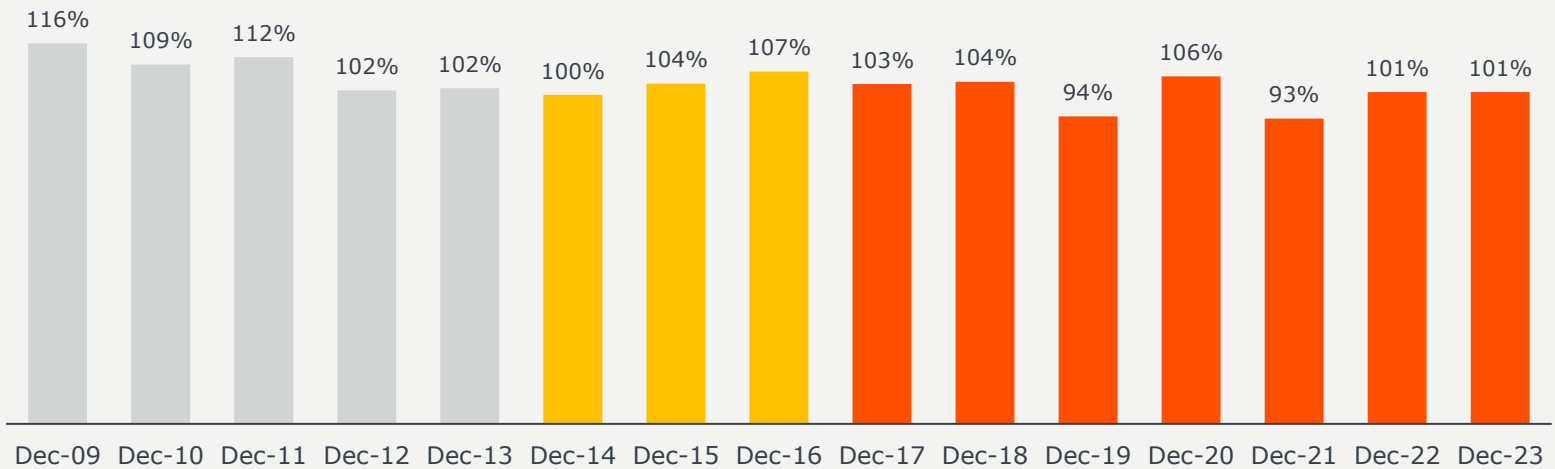
Historic Collection Performance

■ UK ■ UK and DACH ■ UK, DACH and Nordics

Cumulative collection performance to Dec-23 vs static pool



Next 12 months actual collections vs static pool

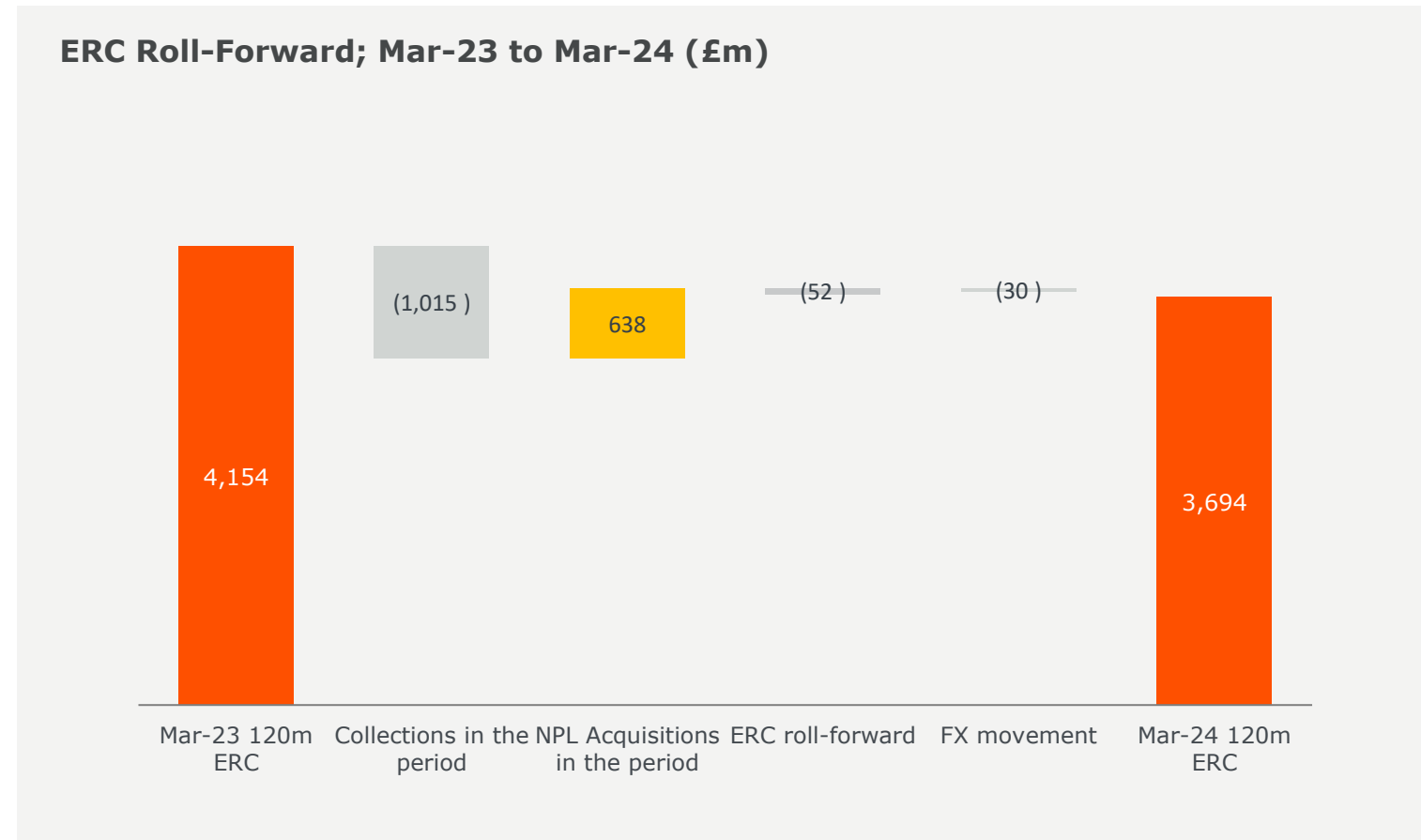


101% Cumulative Collection Performance vs Dec-23 Static Pool

Note: Collection performance metrics exclude asset sales and accelerated collections from ABS deconsolidation where applicable.

120m ERC Roll-Forward

- ◆ NPL Acquisitions in the period: purchases in the period grossed up to 120m ERC based on respective priced 120m GMMs
- ◆ ERC roll-forward reflects:
 - ◇ Mechanical nature of revaluation (roll-in of value present in the tail);
 - ◇ Change in collections expectations leading to an uplift or reduction in estimated cash-flows; and
 - ◇ Net reduction in future ERC following Balance Sheet Velocity transactions



Pro Forma Cash EBITDA Reconciliation

Cash EBITDA (£m)

	LTM Q1-24	LTM Q1-23
UK	481	372
DACH	132	91
Nordics	151	242
Group Costs ¹	(54)	(43)
Group Cash EBITDA	710	661
Pro Forma Cost Adjustments ²	19	-
Pro Forma Hoist UK contribution ³	-	40
Pro Forma Cash EBITDA	729	701

¹ Group cost increase reflects reclassification of costs from the regions as part of continued move to increase efficiency and transparency of true underlying regional performance. ² Pro Forma cost adjustments represent adjustments made to reflect the full run rate benefits of changes enacted. ³ Hoist UK Cash EBITDA for the months prior to completion as if it had been owned for 12 months

Pro Forma Leverage Reconciliation

Leverage (£m)

	LTM Mar-24 – Reported	Impact of DACH Portfolio sale	Pro Forma LTM Mar-24
Cash EBITDA	710	116	826
Pro Forma Costs Adjustments ¹	19	-	19
Pro Forma Cash EBITDA	729	116	845
Net Debt	2,363	(116)	2,247
Pro Forma Leverage	3.2x		~2.7x

Note(s): ¹ Pro Forma cost adjustments represent adjustments made to reflect the full run rate benefits of changes enacted.

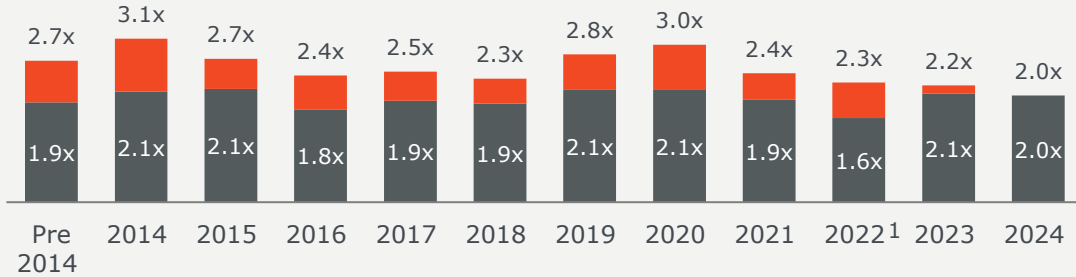
Balance Sheet Velocity Reconciliation

(£m)								
	Q3-22	Q1-23	LTM Q1-23	Q2-23	Q4-23	Q1-24	LTM Q1-24	Q2-24
Wolf I – Off-balance sheet ABS - UK	91	-	91	-	-	-	-	-
Swedish portfolio sale	-	95	95	-	-	-	-	-
Wolf II – Off-balance sheet ABS - Nordics	-	-	-	58	-	-	58	-
Wolf III – Off-balance sheet ABS - UK	-	-	-	-	135	-	135	-
DACH portfolio sale	-	-	-	-	-	41	41	~116
Total	91	95	186	58	135	41	234	~116

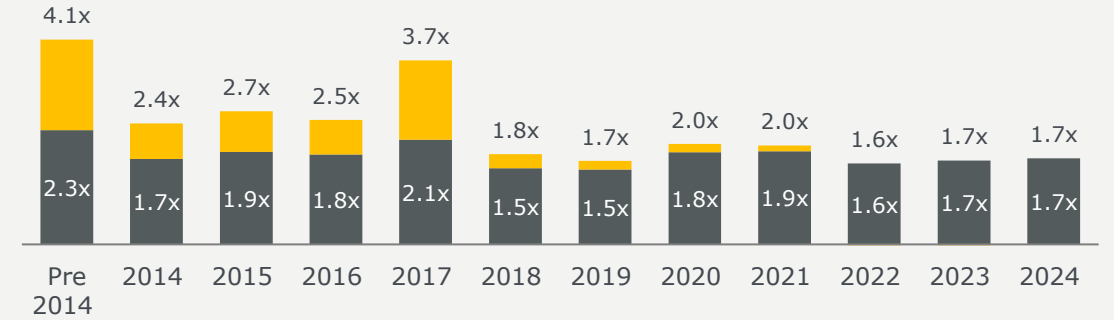
Note(s): Reflects amount shown in Cash Income and DP Collections for the respective periods.

120m GMMs Per Vintage

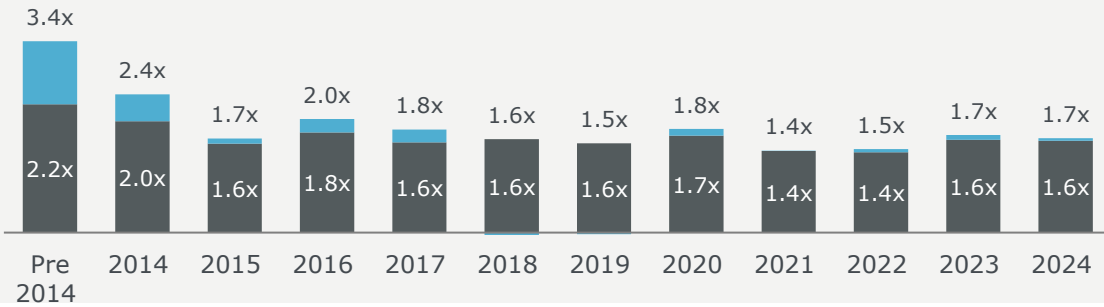
UK



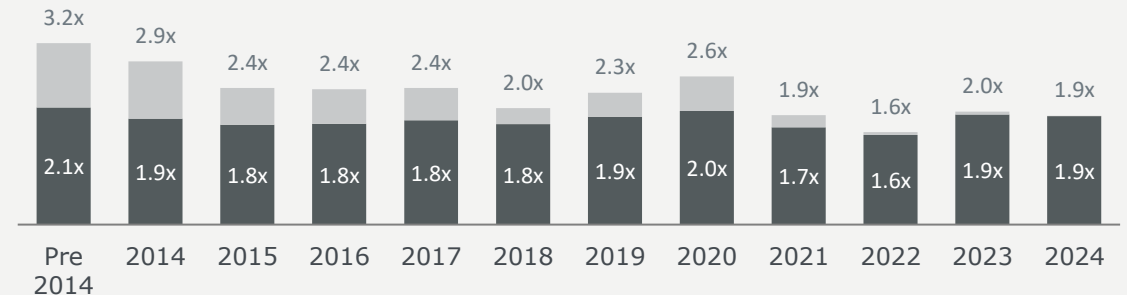
DACH



Nordics



Combined Group²



Note: Current GMM is calculated using actual collections to Mar-24 plus ERC across the next 120m for all regions. Priced GMM is calculated using the priced collection expectation over the initial 120m for all regions.
¹ Includes Hoist UK acquisition. ² Indicative combined Group GMMs shown on a 120m basis and all translated at Mar-24 closing FX rate which may result in differences across reporting periods as FX rates change

Calculation of Group 120m ERC Replacement Rate

£m	Mar-24
120m ERC	3,694
Year 1 Collections	685
Roll-forward (Year 11 Collections)	(140)
Collections to replace	545
2023 vintage GMM	2.0x
2024 vintage GMM	1.9x
Blended GMM ¹	1.9x
Replacement Rate as calculated at Mar-24	281
Replacement Rate as calculated at Mar-23	313
Average LTM Replacement Rate²	297

GMM Weighted Average Calculation (£m)

2023 Vintage	UK	DACH	Nordics	Total
Purchases (£m)	181	92	46	319
% of total purchases	57%	29%	14%	100%
Actual 120m GMM	2.2x	1.7x	1.7x	
Weighted Average				2.0x
2024 Vintage	UK	DACH	Nordics	Total
Purchases (£m)	61	18	21	101
% of total purchases	57%	29%	14%	100%
Actual 120m GMM	2.0x	1.7x	1.7x	
Weighted Average				1.9x
Blended GMM				1.9x

¹ Blended GMM represents the average 120m GMM for 2023 and 2024 vintages, across the UK, DACH and Nordics as at Mar-24.

² Average Replacement Rate is an average of the Replacement Rate as calculated at Mar-24 and the Replacement Rate as calculated at Mar-23.

Leverage and Liquidity

£271_m Liquidity¹

£m	Mar-24
RCF Capacity	390
Amounts Drawn	(377)
Securitisation Availability ²	101
Cash	157
Available Liquidity	271

£m	Mar-24
Net Debt	2,363
Pro Forma LTM Cash EBITDA	729
Net Debt / Pro Forma LTM Cash EBITDA	3.2x
Senior Secured Net Debt / Pro Forma LTM Cash EBITDA	2.6x

3.2_x Net Leverage³

¹ Calculated as unrestricted cash on balance sheet plus amounts available to draw on RCF and Securitisations at Mar-24. ² Amounts available across ABS Facility 1, Facility 2 and Facility 3 as at Mar-24.

³ Calculated as Net Debt to LTM Pro Forma Cash EBITDA.

Net Debt and Borrowings at 31 March 2024

Net Debt

Bond Principal	£m
£440m Senior Secured Notes 7.75%	429
€795m Senior Secured Notes 6.75%	678
€630m Senior Secured Notes EURIBOR +6.25%	536
RCF Drawings and Other	
GBP Drawn RCF	151
EUR Drawn RCF	226
ABS – Facility 1	159
ABS – Facility 2	340
ABS – Facility 3	0
Cash	
Cash	157
Senior Secured Net Debt	1,864
Net Debt	2,363
Gross Debt	2,520

Note: Bond principal amounts shown above are net of the Bond repurchase in August 2023, which reduced the notional amounts by £10.7m, €3.3m and €4.0m respectively.

Bonds

Currency	Issue	Security	Maturity	Coupon
GBP m	440	Senior secured notes	Nov-25	7.75%
EUR m	795	Senior secured notes	Nov-25	6.75%
EUR m	630	Senior secured notes	May-26	EURIBOR +6.25%

Revolving Credit Facility (RCF) and Securitisation Facilities

Currency	Committed Amount	Security	Maturity	Interest	Margin
EUR m	455	Super Senior Secured RCF	Aug-25	SONIA / EURIBOR	3.00%
GBP m	175	Asset Backed Loan – Facility 1	Jul-25	SONIA	3.35%
GBP m	375	Asset Backed Loan – Facility 2	Feb-29	SONIA	4.50%
GBP m	170	Asset Backed Loan – Facility 3	Oct-27	SONIA	3.90%

Glossary

3PC	-	Third Party Collection	
ABS	-	Asset backed securitisation	
Acquisitions	-	The purchases of NPLs	
Cash EBITDA	-	Defined as collections on owned portfolios plus other turnover, less collection activity costs and other expenses (which together equals servicing costs) and before exceptional items, depreciation and amortisation	
Cash Income	-	Total income for the period adding back portfolio amortisation and portfolio fair value release and deducting net portfolio write-up, lawyer service revenue, other revenue (less payment services income) and other income	
DACH	-	Germany, Austria and Switzerland	
DP	-	Debt Purchase	
EBITDA	-	Defined as operating profit plus depreciation and amortisation, non-recurring costs and exceptional items (net of exceptional income) and portfolio fair value adjustment (where applicable)	
ERC	-	Estimated Remaining Collections over 84, 120 or 180 months	
EURIBOR	-	Euro Interbank Offer Rate	
GMM	-	'Gross money multiple', being the expected collections on a portfolio or particular vintage, divided by its respective purchase price. Reported on either a 'static' or 'current' basis	
Gross Profit	-	Gross Profit calculated as Cash Income less Collection Activity Costs excluding Lawyer Service activity, less the amounts captured within Collection Activity Costs related to Non-recurring Costs / Exceptional Items (net of exceptional income)	
IFRS	-	International Financial Reporting Standards	
Net Debt	-	Senior Secured Notes bond principal plus Senior Notes bond principal plus RCF drawn amounts plus securitisation drawn amounts less cash	
Nordics	-	For the purpose of the presentation include Sweden, Denmark, Norway and Finland	
NPL	-	Non Performing Loans	
RCF	-	Revolving Credit Facility	
Replacement Rate	-	The estimated amount of purchases to maintain current Group ERC	
SASB	-	Sustainability Accounting Standards Board	
SONIA	-	Sterling overnight index average	

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Upcoming Events

- ◇ **Q2-24 Results** – August 2024
- ◇ **Q3-24 Results** – November 2024

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