



Q2-24 Results Presentation



Financial Highlights

102% Collection Performance¹

£332m LTM Portfolio Acquisitions²

£337m Reported Liquidity³

- ◆ Continuation of best-in-class operational performance, with collections at 102% of Dec-23 static pool YTD
- ◆ Portfolio acquisitions trending above replacement rate on an LTM basis after a strong start to 2024, but full year guidance remains at ~£300m with >20% priced net IRR
- ◆ Liquidity further strengthened through completion of additional portfolio sales in DACH as part of Balance Sheet Velocity (BSV) programme resulting in ~£116m of accelerated collections

Note(s): ¹ Group collection performance on assets owned as at Dec-23 for 6 months to 30 June 2024, excluding BSV activity. ² Excludes fair value and amortised cost assets obtained as part of the residual note holdings in Wolf I, II and Wolf III. ³ Calculated as unrestricted cash on balance sheet plus amounts available to draw on RCF and Securitisations at 30 June 2024.

Cash Income

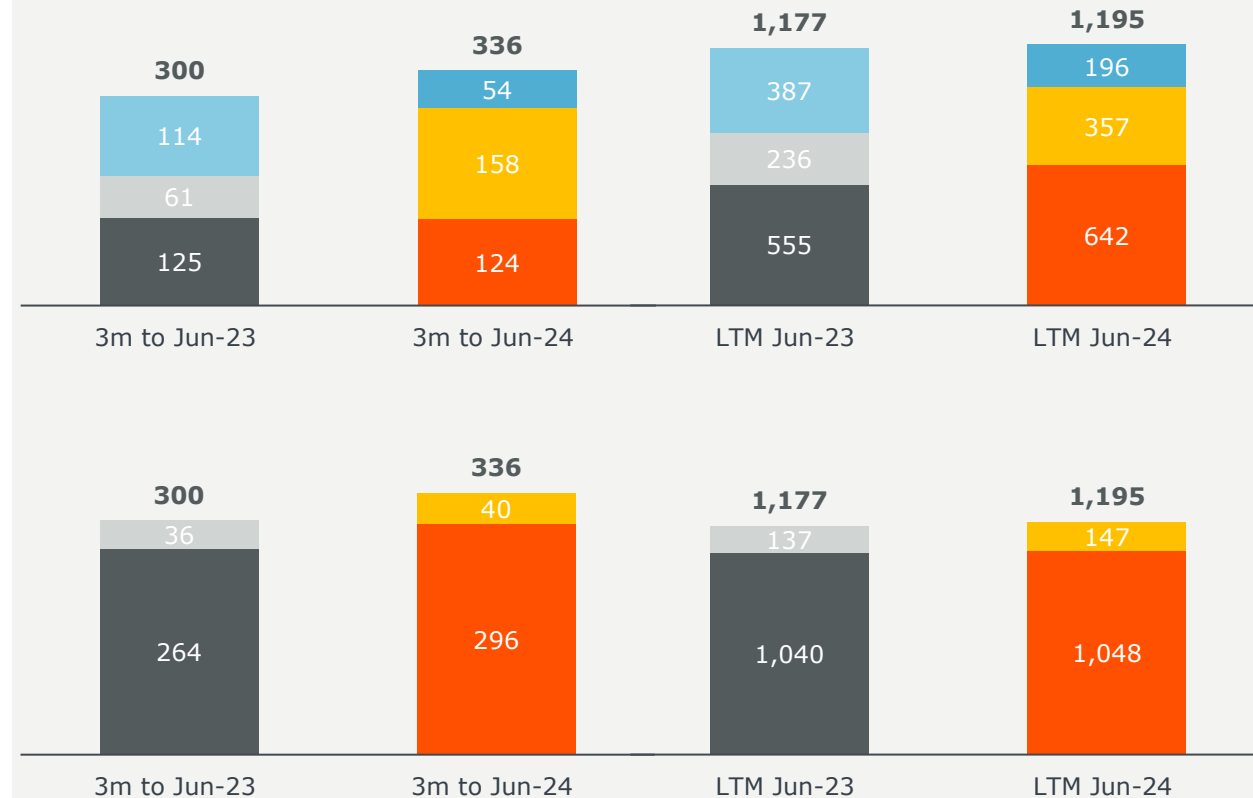
~£1.2bn LTM Cash Income

- ◆ Cash Income growth supported by DP strong collection performance and servicing income growth
- ◆ YTD Backbook collections reflect 102% of Dec-23 balance sheet expectation;
 - 2024 purchases (frontbook) also performing well at 101% of priced expectation¹
- ◆ Regional variances reflective of timing and quantum of BSV activity which are detailed in the Appendix
- ◆ Servicing growth as guided, benefitting from both underlying increased volumes and servicing mandates from BSV initiatives

Notes(s): ¹ Performance on 2024 purchases vs priced expectation up to Jun-24

■ UK
 ■ DACH
 ■ Nordics
 ■ DP
 ■ 3PC

Cash Income by Geography (£m)



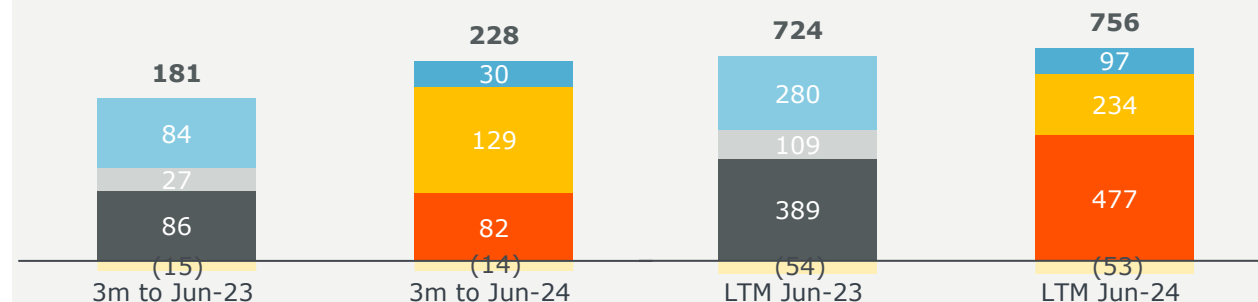
Cash EBITDA

£756_m LTM Cash EBITDA

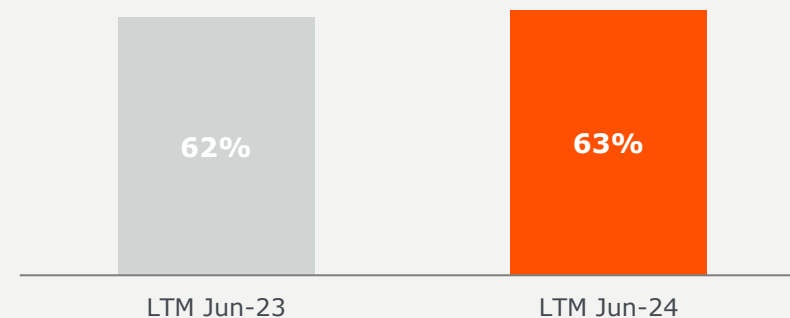
- ◆ Quarterly Cash EBITDA growth reflects increased BSV in Q2-24 vs prior period, with the completion of DACH portfolio sales
- ◆ Reported Nordic performance reflects timing of BSV initiatives across the periods (~£186m in LTM Jun-23) and also lower DP contribution following the reduction in ERC within region
- ◆ Cost saving actions taken in 2023 will continue to support 2024 performance and margin
- ◆ Cash EBITDA margin is forecasted at ~58% on average over the next five years, this reflects:
 - annual BSV activity of £100m-£150m
 - increased servicing revenues; and
 - anticipated benefits from cost saving initiatives

UK DACH Nordics Group

Cash EBITDA (£m)



LTM Cash EBITDA Margin (%)



Balance Sheet Velocity Programme

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
 - Whilst providing an acceleration of cash, the sales are dilutive on a GMM basis as they result in the removal of future ERC expectation
- ◆ Lowell continues to service all assets on profitable terms with ability to achieve increased sale consideration subject to performance metrics

Net Cash Proceeds

€136m

NPL Purchasing Volumes

£332_m LTM NPL acquisitions¹

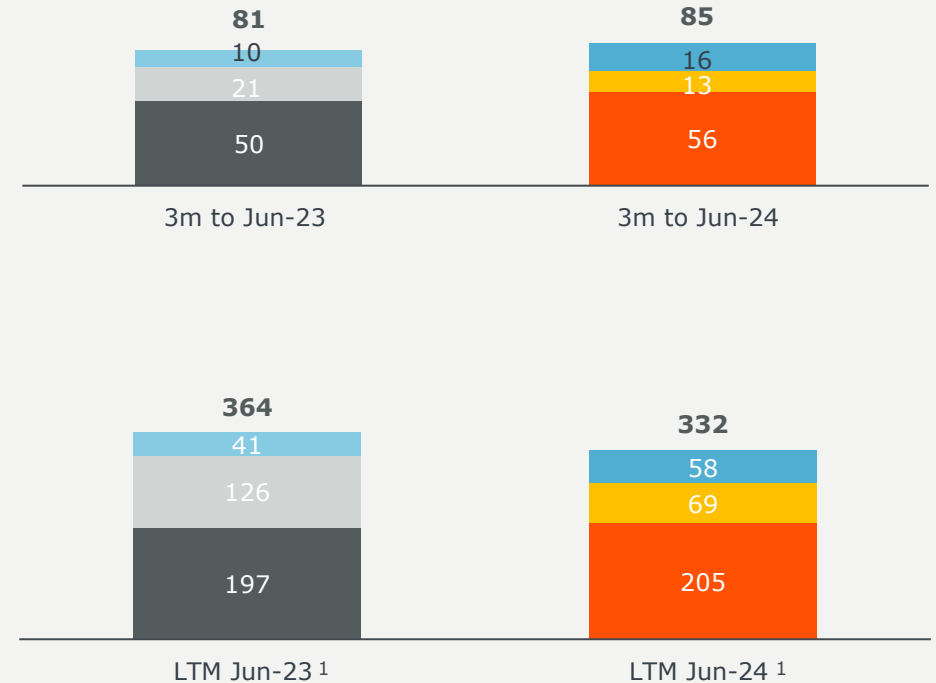
>20% H1-24 purchases priced net IRR

- ◆ 2024 purchasing to be in line with guidance at ~£300m. YTD purchases priced at >20% net IRR as guided
- ◆ Healthy pipeline visibility with >£400m of forward flow purchases committed through to the end of 2026

Notes(s): 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

£3.5bn 120m ERC

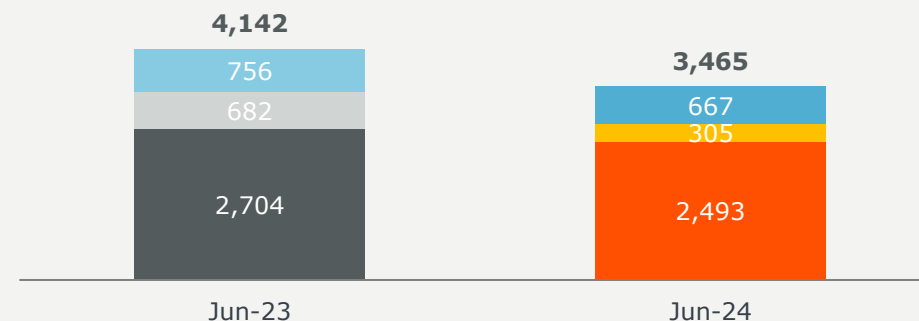
~£274m Excess cash generated after Replacement Rate

- ◆ YoY ERC reduction reflects dynamic of accelerated cashflows from the Balance Sheet Velocity programme which has boosted free cashflow
- ◆ Increasing GMMs and future focus on non-DACH portfolio assets has reduced implied ERC Replacement Rate
- ◆ Free cash flow generated continues to provides optionality across growing liquidity or recycling capital in an attractive returns environment

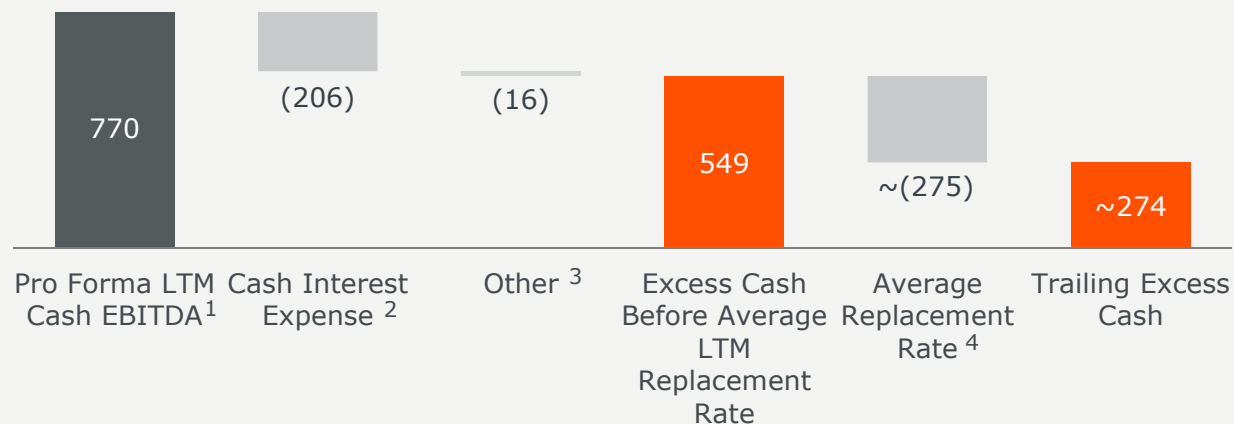
Note(s): ¹ Pro Forma Cash EBITDA includes £14m of cost adjustments to reflect the full run rate benefits of changes enacted. ² Cash Interest calculated as next 12 months interest on debt instruments and drawings as of 30 June 2024. ³ Other represents Cash tax expenses paid (£10m) and Management’s maintenance 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 and Liquidity

3.0x

Reported Net Leverage

£337_m

Reported Liquidity Jun-24¹

- ◆ Recent Balance Sheet Velocity activity provides increased liquidity and refinancing flexibility
- ◆ ABS Facility 3 remains open and available for top-up. Expectation that ~ £65m is utilised
- ◆ Liquidity strength helps provide optionality as Group addresses balance sheet refinancing

Note(s): ¹ Calculated as unrestricted cash on balance sheet plus amounts available to draw on RCF and UK Securitisations at 30 June 2024. Includes an assumption that ABS Facility 3 is reduced to £65m.

Outlook

£337_m

Reported Liquidity¹

~£300_m

FY24 Purchasing Guidance

>20%

Expected 2024 Vintage priced net IRR

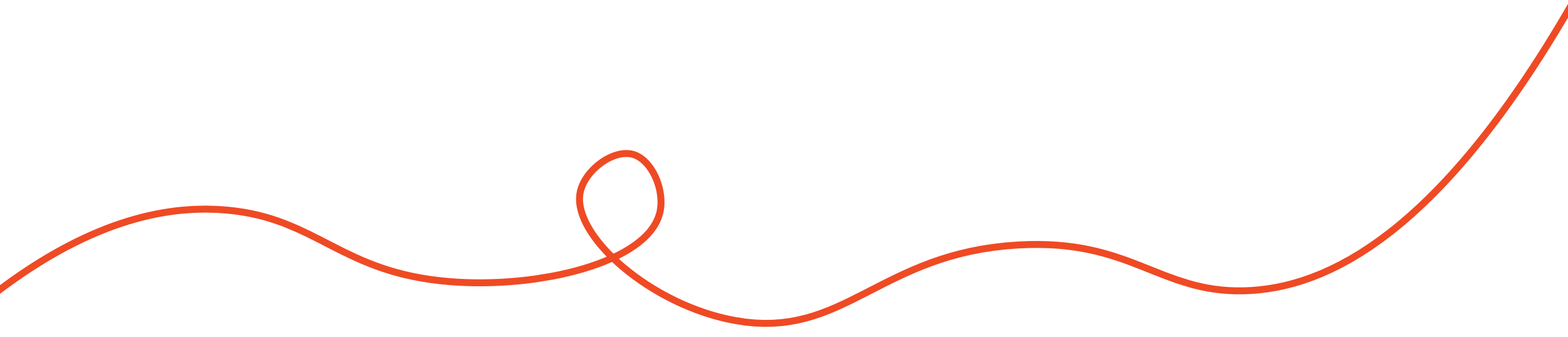
- ◆ Purchases in FY24 are expected to be at or slightly above average LTM Replacement Rate and forecasted to increase to ~£375m thereafter at >20% net IRRs²
 - ▶ Strong DP pipeline at attractive returns across UK and Nordics
 - ▶ UK likely to account for ~70% of Group's portfolio investments going forward
 - ▶ DACH portfolio purchases expected to reduce to zero across next 24 months as forward flow commitments expire and business transitions to a servicing led model
- ◆ Balance Sheet Velocity programme will continue as guided at ~£100m-£150m per annum for the foreseeable future
- ◆ Healthy level of liquidity provides optionality as the Group continues to assess balance sheet refinancing

Note(s): ¹ Calculated as unrestricted cash on balance sheet plus amounts available to draw on RCF and UK Securitisations at 30 June 2024. Includes an assumption that ABS Facility 3 is reduced to £65m.

² Forecast purchases are assumed to be completed at GMMs in line with historical levels



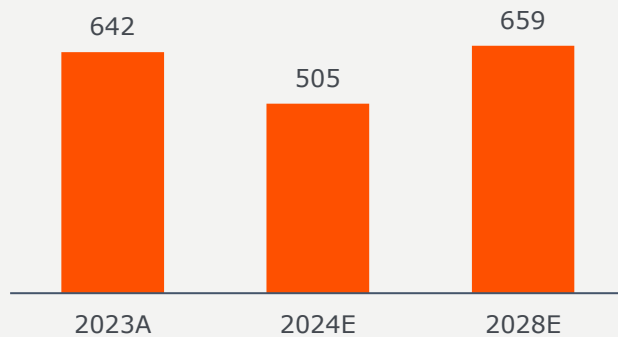
Appendix



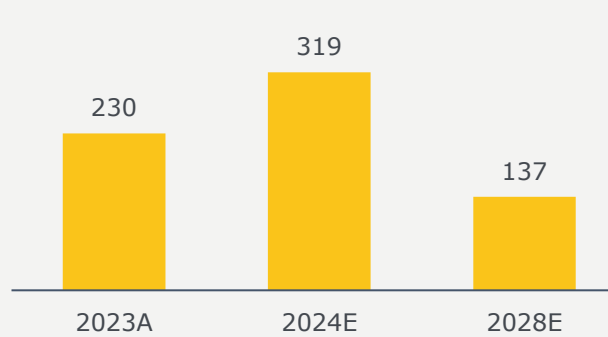
Financial Outlook

Cash Income^{1,2} (£m)

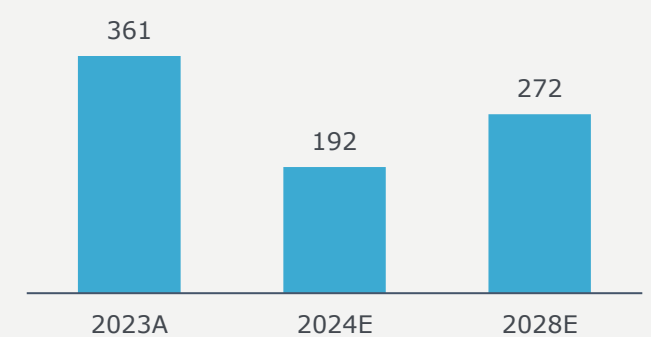
UK



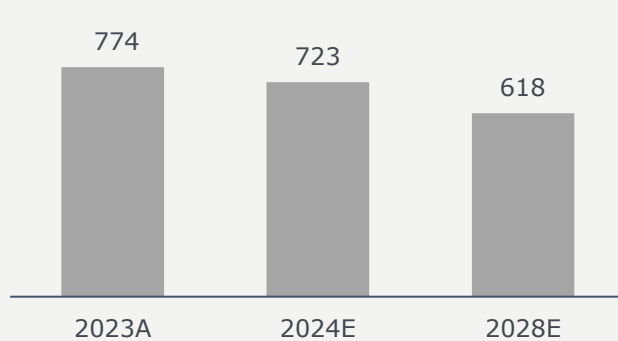
DACH



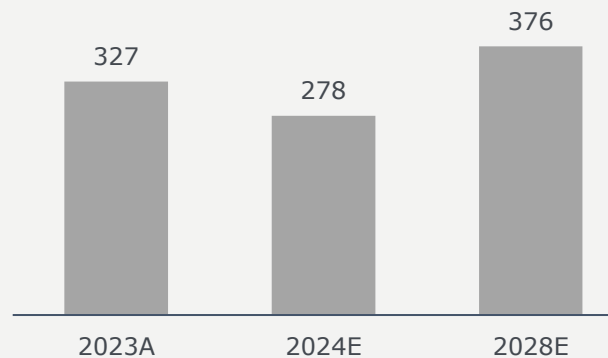
Nordics



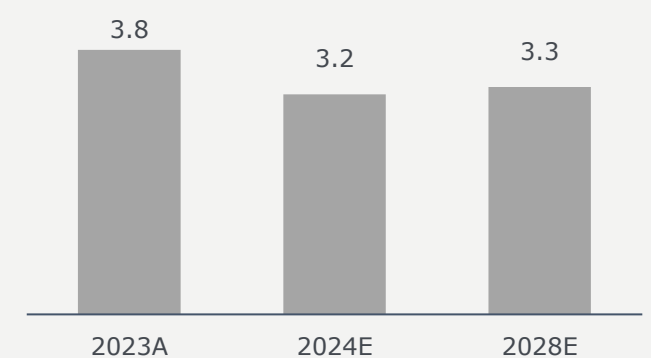
Group Cash EBITDA³ (£m)



Group Portfolio Purchases⁴ (£m)



Group ERC (£bn)



Note(s): ¹ Only includes realised Balance Sheet Velocity initiatives to date as at H1-24. ² 3PC income is forecasted to increase as a proportion of Cash Income across all regions on average over the next 5 years: ~3% in the UK; ~65% in DACH; and ~40% in the Nordics. ³ FY24 assumes Balance Sheet Velocity initiatives in line with current LTM run rate as at H1 24. FY28 estimates include Balance Sheet Velocity initiatives to continue at ~£100m - £150m per annum (gross proceeds), as well as the negative adjustments for removal of collections and revenue related to the assets securitised as part of BSV transactions from the business plan. The net impact of the BSV initiatives on Cash EBITDA is such that Cash EBITDA (excluding BSV activity across the forecast period) is broadly in line with Cash EBITDA (including BSV activity) in FY28. ⁴ Excludes fair value and amortised cost assets obtained as part of the residual note holdings on off-balance sheet securitisation structures.

ERC Profile

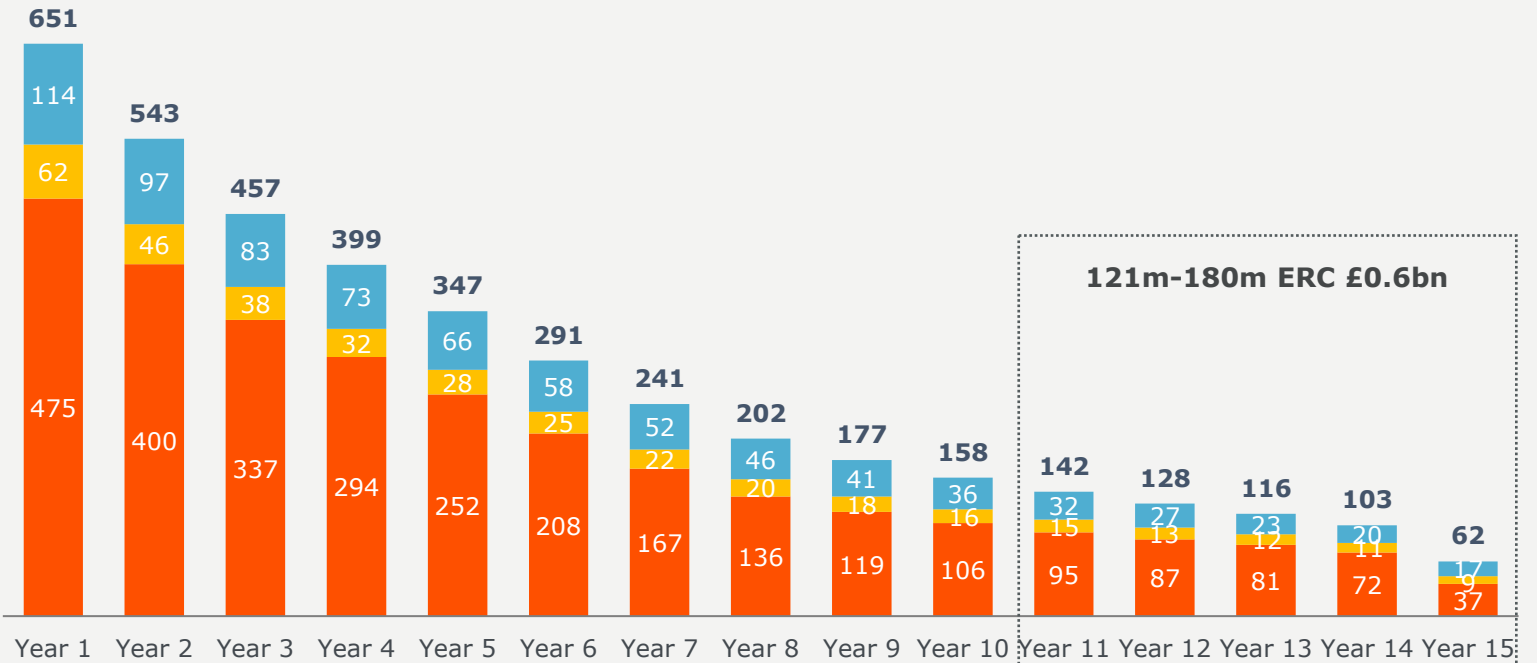
Diversified backbook formed of over 20 vintages, ~4,500 portfolios and across a range of originating sectors

£3.5bn 120m ERC

£4.0bn 180m ERC

■ UK ■ DACH ■ Nordics

(£m)

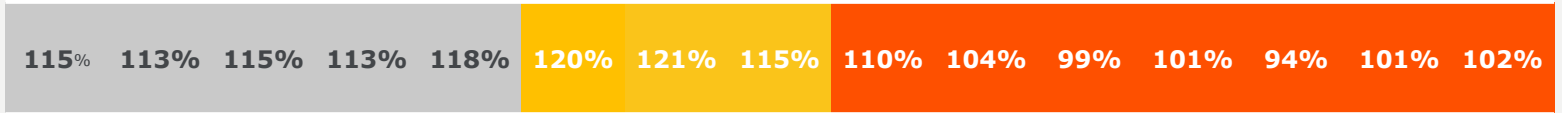


121m-180m ERC £0.6bn

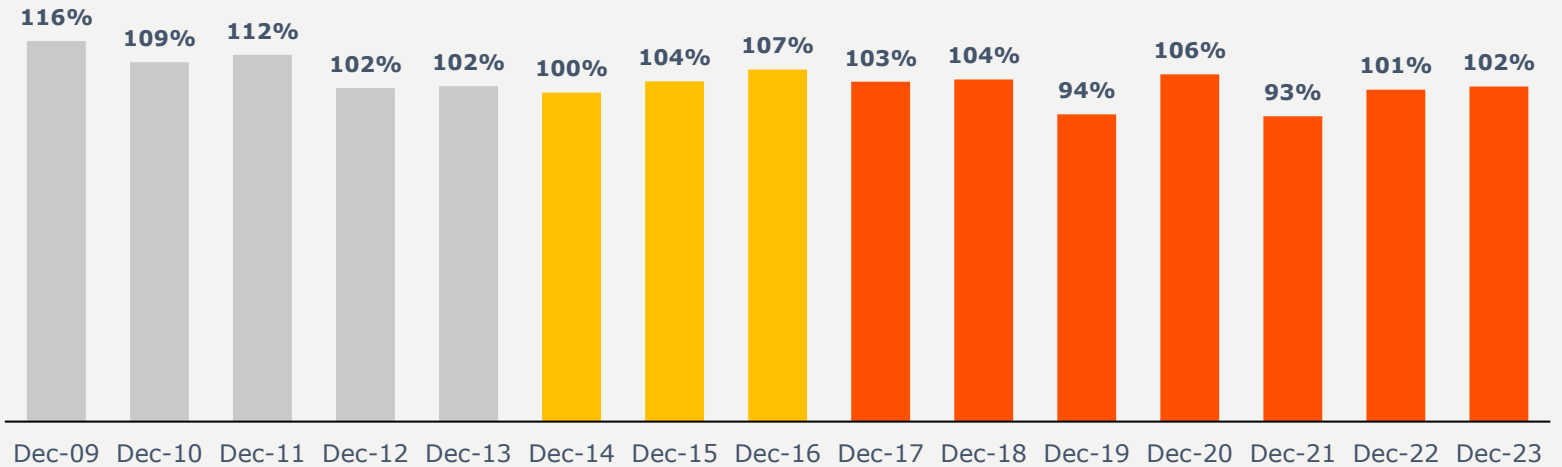
Historic Collection Performance

■ 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



102%

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 Q2-24	LTM Q2-23
UK	480	389
DACH	234	109
Nordics	97	280
Group Costs ¹	(56)	(54)
Group Cash EBITDA	756	724
Pro Forma Cost Adjustments ²	14	-
Pro Forma Hoist UK contribution ³	-	23
Pro Forma Cash EBITDA	770	747

Note(s): 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

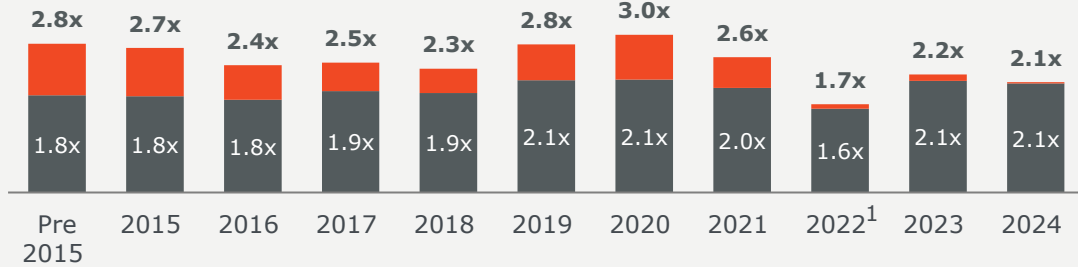
Balance Sheet Velocity Reconciliation

(£m)								
	Q3-22	Q1-23	Q2-23	LTM Q2-23	Q4-23	Q1-24	Q2-24	LTM 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	116	157
Total	95	95	58	244	135	41	116	292

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

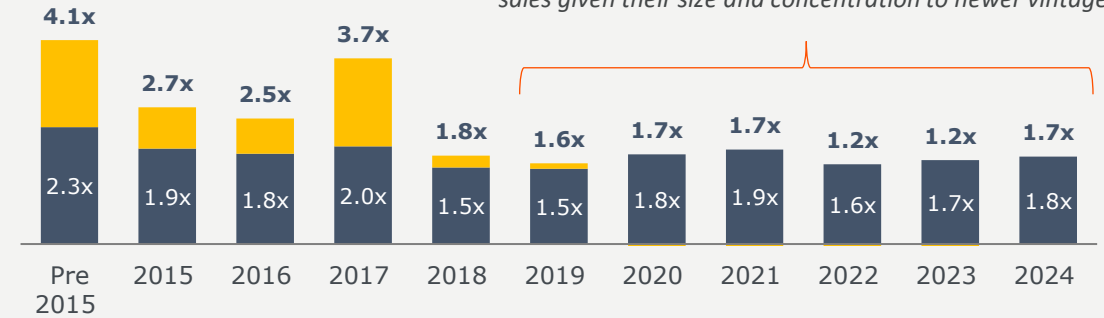
120m GMMs Per Vintage

UK

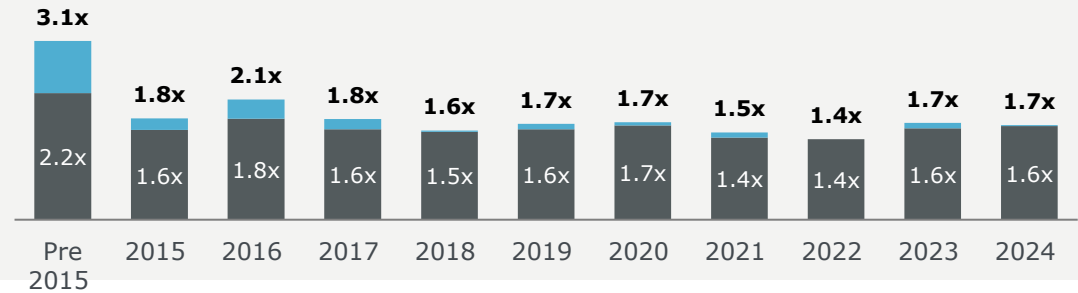


DACH

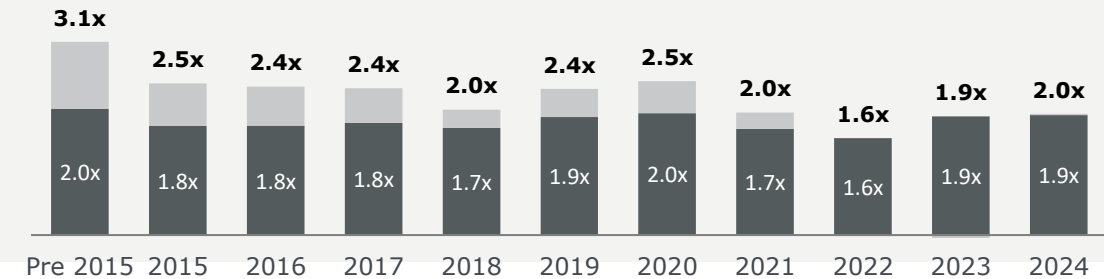
Dilution of Actual GMMs following the sale of assets and the removal of future ERC. More noticeable following the Q2 sales given their size and concentration to newer vintages



Nordics



Combined Group²



Note(s): Current GMM is calculated using actual collections to Jun-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 Jun-24 closing FX rate which may result in differences across reporting periods as FX rates change

Calculation of Group 120m ERC Replacement Rate

£m	Jun-24
120m ERC	3,465
Year 1 Collections	(651)
Roll-forward (Year 11 Collections)	142
Collections to replace	509
2023 vintage GMM	2.1x
2024 vintage GMM	2.0x
Blended GMM ¹	2.1x
Replacement Rate as calculated at Jun-24	247
Replacement Rate as calculated at Jun-23	304
Average LTM Replacement Rate²	275

GMM Weighted Average Calculation (£m)

2023 Vintage	UK	DACH	Nordics	Total
Purchases (£m)	181	92	46	319
<i>% of total purchases exc DACH</i>	80%	N/A	20%	100%
Actual 120m GMM	2.2x	N/A	1.7x	
Weighted Average				2.1x
2024 Vintage	UK	DACH	Nordics	Total
Purchases (£m)	118	31	38	187
<i>% of total purchases exc DACH</i>	76%	N/A	24%	100%
Actual 120m GMM	2.1x	N/A	1.7x	
Weighted Average				2.0x
Blended GMM				2.1x

¹ Blended GMM represents the average 120m GMM for 2023 and 2024 vintages, across the UK and Nordics as at Jun-24. DACH excluded from this calculation on a go forward basis given the Group's decision to pivot to a service led model and expected reduction to nil capital being deployed in this region.

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

³ Following the groups decision to limit capital deployed in the DACH region moving forwards, it has been removed from the replacement rate calculation given capital will be redirected to the UK and Nordics.

Leverage and Liquidity

£337_m Liquidity¹

£m	Jun-24
RCF Capacity	385
Amounts Drawn	(375)
Securitisation Availability ²	72
Cash	254
Available Liquidity	337

£m	Jun-24
Net Debt	2,293
Pro Forma LTM Cash EBITDA	770
Net Debt / Pro Forma LTM Cash EBITDA	3.0x
Senior Secured Net Debt / Pro Forma LTM Cash EBITDA	2.3x

3.0_x Net Leverage³

¹ Calculated as unrestricted cash on balance sheet plus amounts available to draw on RCF and Securitisations at Jun-24. ² Amounts available across ABS Facility 1, Facility 2 and Facility 3 as at Jun-24. Assumes £65m per ABS facility 3. ³ Calculated as Net Debt to LTM Pro Forma Cash EBITDA.

Net Debt and Borrowings at 30 June 2024

Net Debt

Bond Principal	£m
£440m Senior Secured Notes 7.75%	429
€795m Senior Secured Notes 6.75%	670
€630m Senior Secured Notes EURIBOR +6.25%	530
RCF Drawings and Other	
GBP Drawn RCF	151
EUR Drawn RCF	224
ABS – Facility 1	175
ABS – Facility 2	368
ABS – Facility 3	0
Cash	
Cash	254
Senior Secured Net Debt	1,750
Net Debt	2,293
Gross Debt	2,547

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

◇ **Q3-24 Results** – November 2024

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