



2018 full-year results Making a difference

27 February 2019
International Personal Finance plc



Group highlights 2018

Gerard Ryan - CEO

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Group highlights 2018

Strong strategic execution delivering improved performance

2.3m +0.5%
Customers

26.2% +1.7ppts
Impairment % revenue

43.6% +1.6ppts
Equity to receivables

£1,361m +6%
Credit issued

£109.3m +16%*
Profit before tax

12.4p
Full-year dividend per share

* From ongoing businesses





Financial performance

Justin Lockwood - CFO

02

Group PBT by segment

£113.8m +£1.5m

European home credit

**Very good
operational and
financial performance**

£15.7m +£2.8m

Mexico home credit

**Strategic investment
continued to
deliver growth**

(£5.6m) +£10.7m

IPF Digital

**Strong growth and
excellent operational
performance**

£109.3m +£15.3m*

Group

**Significantly improved
performance**

* From ongoing businesses





European home credit

Very good operational and financial performance

Customers	1,092,000	-12%	Intense competition and regulatory impact. Improved H2 performance
Credit issued	£757.8m	-5%[†]	Offering slightly larger, longer-term loans
Average net receivables	£558.9m	-4%[†]	Modest contraction resulting from lower credit issued
Impairment % revenue	17.9%	+2.9ppts	Very strong credit quality and good collections performance
Cost-income ratio	40.9%	-1.3ppts	Lower cost base and revenues
Profit before tax	£113.8m	+£1.5m	Excellent profit performance on back of very good operational delivery and returns focus

[†] at constant exchange rates



Mexico home credit

Strategic investment continued to drive growth

Customers	917,000	+11%	Branch expansion and micro-business channel delivered good growth
Credit issued	£291.0m	+12%[†]	Customer growth drove credit issued
Average net receivables	£154.9m	+9%[†]	Growth slower than credit issued due to H2 phasing
Impairment % revenue	36.7%	-0.6ppts	Acceptable collections with future improvement expected as new branches mature
Cost-income ratio	38.7%	+1.4ppts	Revenue growth generated outweighed strategic investment
Profit before tax	£15.7m	+£2.8m	Good profit growth after investment in strategic opportunities

[†] at constant exchange rates

IPF Digital

Strong growth and excellent operational performance

£25.5m **+£6.9m**
Established markets

**Improved
profitability**

(£17.8m) **+£7.4m**
New markets

**Reduced start-up
losses**

(£13.3m) **-£3.6m**
Head office investment

**Investment in
functional capabilities**

(£5.6m) **+£10.7m**
IPF Digital

**Strong progress towards
maiden profit in 2019**





IPF Digital – established markets

Further profit growth driven by scale and cost leverage

Customers	157,000	+11%	Smarter marketing, enhanced CRM activities and good customer demand
Credit issued	£161.3m	+15%[†]	Customer growth and enhanced pricing strategies delivered strong growth
Average net receivables	£130.9m	+23%[†]	Further strong top-line growth delivered increased receivables portfolio
Impairment % revenue	20.8%	-0.1ppts	Stable credit quality and debt sale benefit
Cost-income ratio	38.1%	+2.8ppts	Carefully managed costs delivered improved efficiency
Profit before tax	£25.5m	+£6.9m	Excellent growth in profit

[†] at constant exchange rates



IPF Digital – new markets

Strong top-line growth, improved impairment and cost-leverage

Customers	135,000	+59%	Brand building and product offering appealing to a wider range of customers
Credit issued	£150.5m	+64%[†]	Customer growth drives credit issued growth
Average net receivables	£78.7m	+85%[†]	Significantly increased receivables portfolio resulted from top-line growth
Impairment % revenue	57.9%	+26.6ppts	Strong improvement in impairment - better credit decisions and optimised customer repayment behaviour
Cost-income ratio	61.5%	+9.5ppts	Economies of scale delivered cost leverage
Loss before tax	(£17.8m)	+£7.4m	Further strong reduction in start-up losses

[†] at constant exchange rates

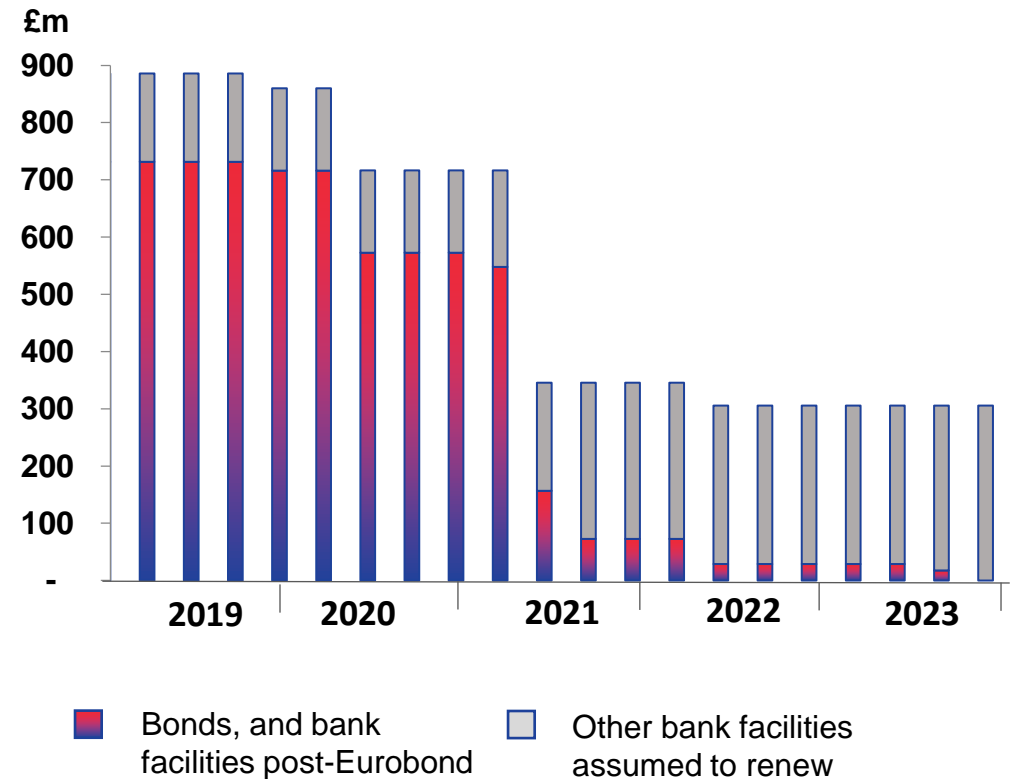


Funding and balance sheet

Strong funding position and robust balance sheet

- Further diversified funding and extended term
 - £84m of new funding in 2018
 - £65m bonds matured and repaid
 - £177m funding matures beyond Eurobond Q2 2021
- Total debt facilities £886m - £186m of headroom
- Equity to receivables of 43.6% - 1.6ppt increase vs 2017
- Final dividend of 7.8 pence per share (2018 total:12.4p)

Total debt facilities





Strategy progress

Gerard Ryan - CEO

03



International Personal Finance

Who we are

2.3m
CUSTOMERS

11
MARKETS

£109m+
PROFIT BEFORE TAX

What we do

Making a difference in the everyday life of our customers by offering simple and personalised financial solutions

How we do it

★
CUSTOMER SERVICE
EXCELLENCE
PROVIDENT HUNGARY

★
FTSE4GOOD
IPF PLC

★
PRODUCT EXCELLENCE
IPF DIGITAL

★
TOP
EMPLOYER
PROVIDENT POLSKA

★
SOCIALLY RESPONSIBLE
BUSINESS
PROVIDENT MEXICO



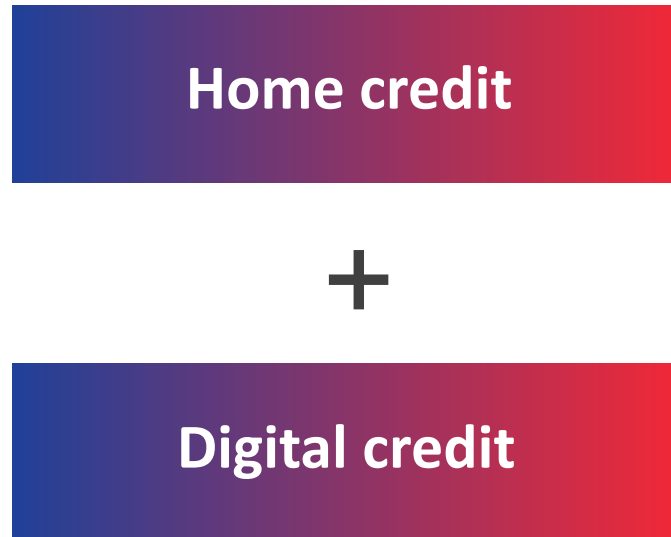
Significant opportunity

Key drivers

- Specialist market
Underbanked / Underserved
- Strong demand for small sum
unsecured credit
- Growing preference
for digital service but....
- Credit profiles dictate need
for multiple channels



Unique proposition



290m
total market
population

75%
internet access
via smartphone



Three pillar strategy

**European
home credit**



Returns focused

**Provide more product and
channel choice, improve
service and efficiency**

**Mexico
home credit**



Growth focused

**Invest in geographic
coverage and
micro-business lending**

**IPF
Digital**



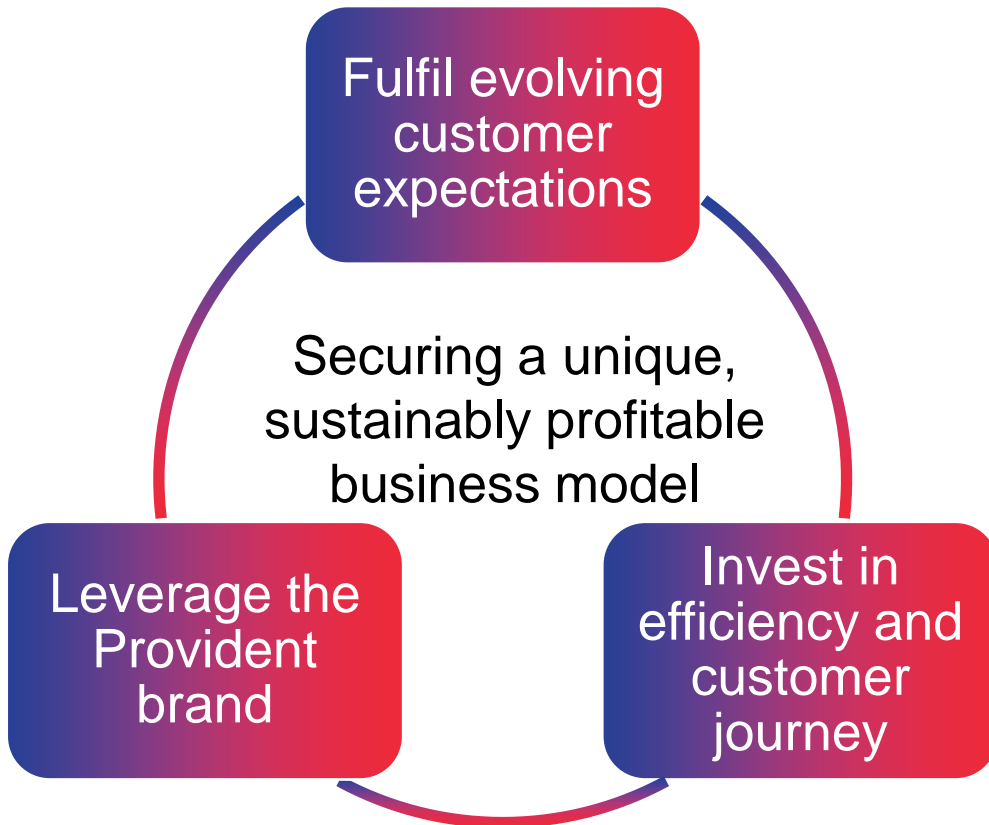
Growth focused

**Invest in innovation and
customer experience,
build scale**



European home credit

Returns focus



Fulfil evolving customer expectations

- Greater product and channel choice
- More price points for lower risk consumers
- Slightly longer and larger loans

Invest in efficiency and customer journey

- Automate manual activities
- Agent tech delivering better customer experience
- Smoother customer journey, better retention

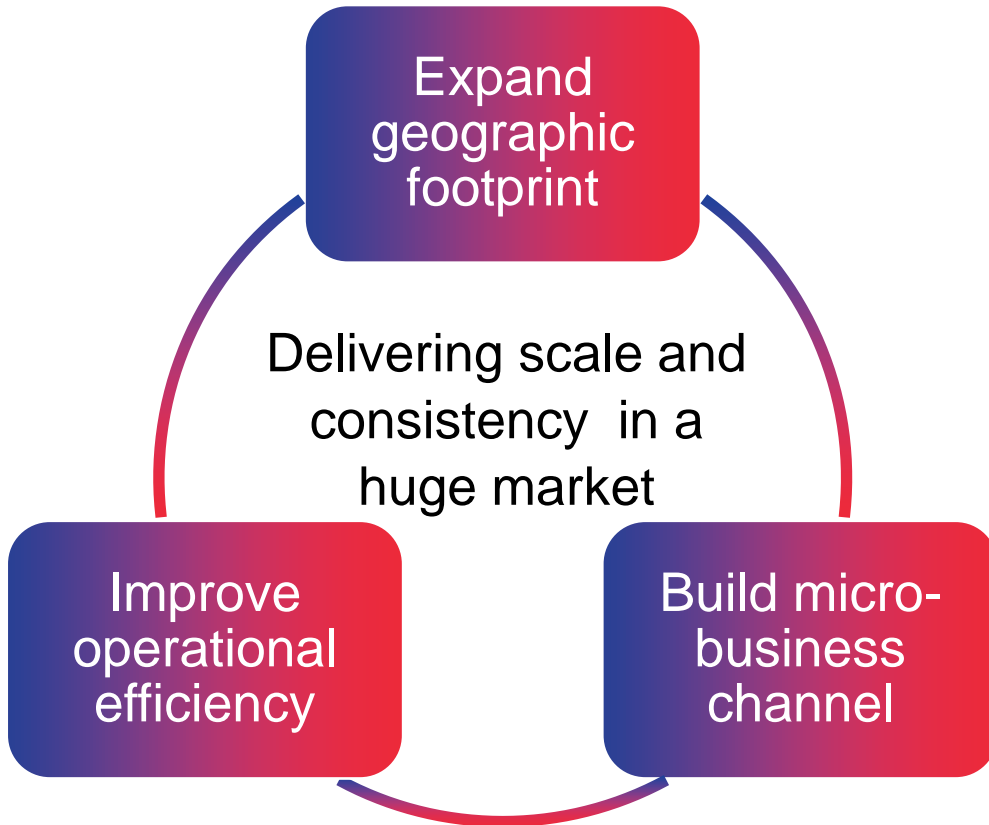
Leverage the Provident brand

- Provident brand is strong and elastic
- 22,000 Provident digital customers
- Positive regulatory engagement



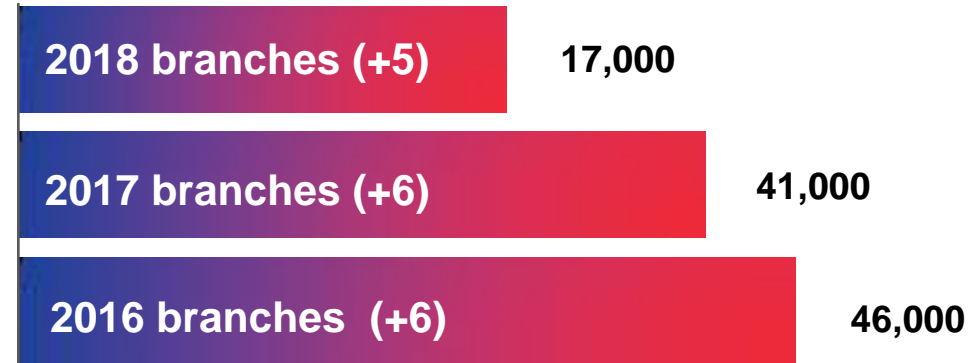
Mexico home credit

Growth focus

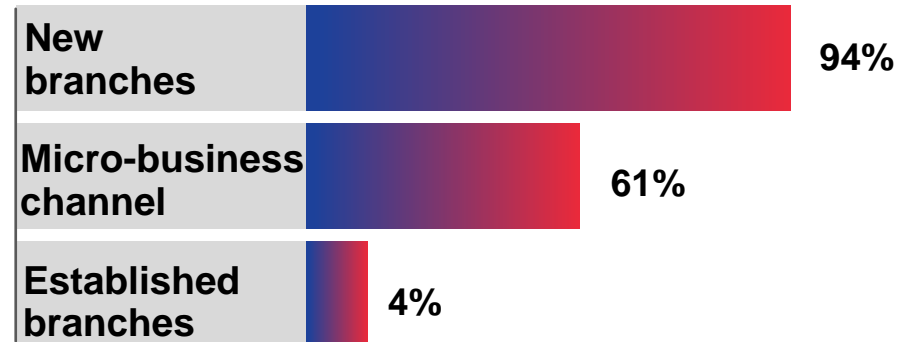


Expand geographic footprint

Customer growth in new branches



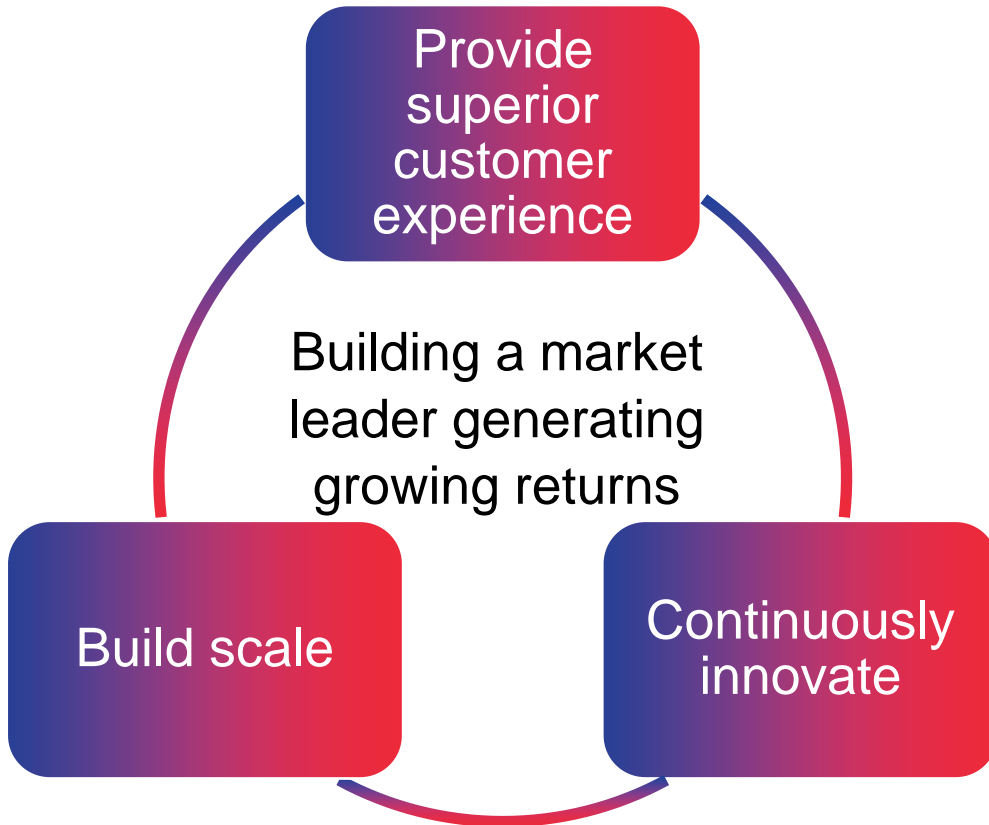
Investment delivering credit issued growth





IPF Digital

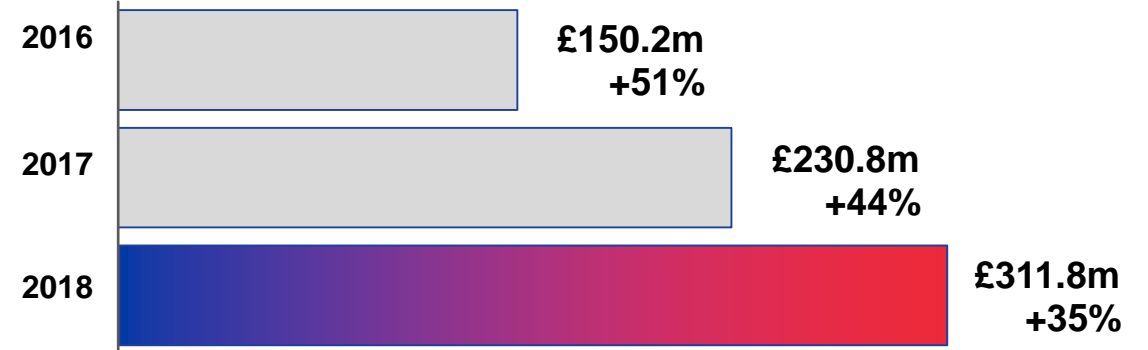
Growth focus



Focused on customer needs and experience

- Credit line - gives customer control, drives growth
- Positive experience drives customer stickiness
- Launching new added value services
- Enhanced pricing strategies for customers

Credit issued growth

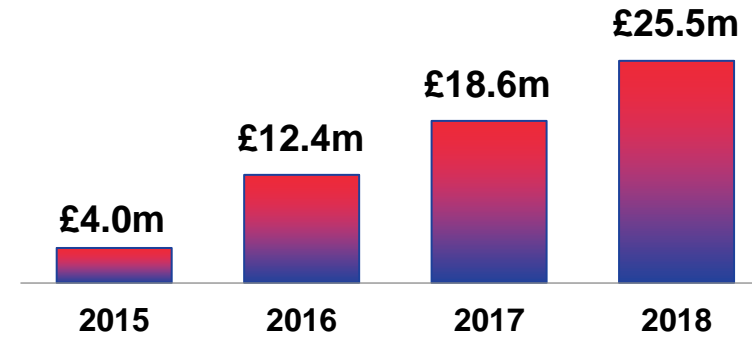




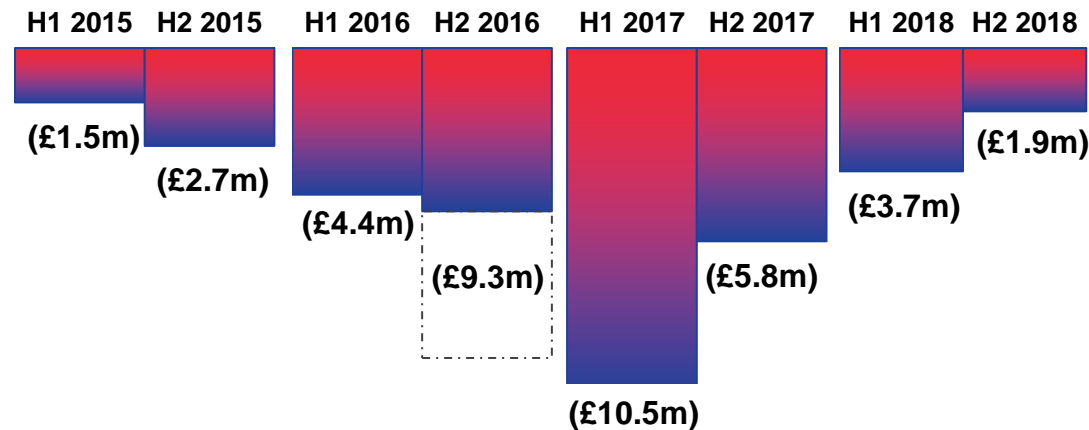
Demonstrating ability to make a return

- Fourteen year history
- Proven profitability in established markets
- Scale benefits being realised
- Rapidly improving financials in new markets
- On track to deliver maiden profit in 2019

Established markets PBT



IPF Digital





Outlook

Gerard Ryan - CEO

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Outlook

On track to deliver medium-term growth strategy and long term value creation

European home credit

- Focus on meeting evolving customer needs and securing sustainable profitability

Mexico home credit

- Build scale and diversity, progressive profit improvement

IPF Digital

- Deliver growth and innovation to drive scale and profitability





Questions

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Appendices

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Group

	2017 IFRS9 £m	2018 IFRS 9 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	2,290	2,301	11	0.5	
Credit issued	1,301.5	1,360.6	59.1	4.5	5.5
Average net receivables	877.1	923.4	46.3	5.3	5.9
Revenue	842.6	866.4	23.8	2.8	4.1
Impairment	(234.8)	(227.0)	7.8	3.3	1.7
Net revenue	607.8	639.4	31.6	5.2	6.4
Finance costs	(55.2)	(58.5)	(3.3)	(6.0)	(6.8)
Agents' commission	(85.5)	(82.5)	3.0	3.5	1.9
Other costs	(373.1)	(389.1)	(16.0)	(4.3)	(5.2)
Profit before taxation – ongoing businesses	94.0	109.3	15.3	16.3	



Group – like-for-like profit reconciliation

	2017 IFRS 9 profit £m	Like-for-like profit movement £m	New business investment £m	Stronger FX rates £m	2018 IFRS 9 profit £m
European home credit	112.3	2.2	-	(0.7)	113.8
Mexico home credit	12.9	5.9	(1.9)	(1.2)	15.7
IPF Digital	(16.3)	6.8	3.6	0.3	(5.6)
Central costs	(14.9)	0.3	-	-	(14.6)
Profit before taxation - ongoing businesses	94.0	15.2	1.7	(1.6)	109.3
Slovakia and Lithuania	3.2	(3.4)	-	0.2	-
Profit before taxation continuing operations	97.2	11.8	1.7	(1.4)	109.3



European home credit

	2017 IFRS9 £m	2018 IFRS9 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	1,236	1,092	(144)	(11.7)	
Credit issued	797.0	757.8	(39.2)	(4.9)	(5.1)
Average net receivables	578.0	558.9	(19.1)	(3.3)	(3.7)
Revenue	519.9	493.3	(26.6)	(5.1)	(5.3)
Impairment	(108.3)	(88.5)	19.8	18.3	18.4
Net revenue	411.6	404.8	(6.8)	(1.7)	(1.9)
Finance costs	(36.6)	(35.3)	1.3	3.6	3.8
Agents' commission	(56.6)	(53.7)	2.9	5.1	5.5
Other costs	(206.1)	(202.0)	4.1	2.0	2.6
Profit before taxation	112.3	113.8	1.5	1.3	



Mexico home credit

	2017 IFRS9 £m	2018 IFRS9 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	828	917	89	10.7	
Credit issued	273.7	291.0	17.3	6.3	12.3
Average net receivables	150.6	154.9	4.3	2.9	8.5
Revenue	218.6	226.1	7.5	3.4	9.3
Impairment	(79.0)	(82.9)	(3.9)	(4.9)	(10.5)
Net revenue	139.6	143.2	3.6	2.6	8.6
Finance costs	(10.2)	(11.3)	(1.1)	(10.8)	(17.7)
Agents' commission	(28.9)	(28.8)	0.1	0.3	(5.5)
Other costs	(87.6)	(87.4)	0.2	0.2	(4.9)
Profit before taxation	12.9	15.7	2.8	21.7	



IPF Digital

	2017 IFRS9 £m	2018 IFRS9 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	226	292	66	29.2	
Credit issued	230.8	311.8	81.0	35.1	34.7
Average net receivables	148.5	209.6	61.1	41.1	40.7
Revenue	104.1	147.0	42.9	41.2	40.9
Impairment	(47.5)	(55.6)	(8.1)	(17.1)	(16.8)
Net revenue	56.6	91.4	34.8	61.5	61.2
Finance costs	(8.4)	(11.9)	(3.5)	(41.7)	(40.0)
Other costs	(64.5)	(85.1)	(20.6)	(31.9)	(32.6)
Profit before taxation	(16.3)	(5.6)	10.7	65.6	



IPF Digital – established markets

	2017 IFRS9 £m	2018 IFRS9 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	141	157	16	11.3	
Credit issued	138.7	161.3	22.6	16.3	15.4
Average net receivables	105.7	130.9	25.2	23.8	22.9
Revenue	63.4	79.5	16.1	25.4	24.4
Impairment	(13.1)	(16.5)	(3.4)	(26.0)	(24.1)
Net revenue	50.3	63.0	12.7	25.2	24.5
Finance costs	(5.8)	(7.2)	(1.4)	(24.1)	(24.1)
Other costs	(25.9)	(30.3)	(4.4)	(17.0)	(16.1)
Profit before taxation	18.6	25.5	6.9	37.1	



IPF Digital – new markets

	2017 IFRS9 £m	2018 IFRS9 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	85	135	50	58.8	
Credit issued	92.1	150.5	58.4	63.4	64.1
Average net receivables	42.8	78.7	35.9	83.9	85.2
Revenue	40.7	67.5	26.8	65.8	67.1
Impairment	(34.4)	(39.1)	(4.7)	(13.7)	(14.0)
Net revenue	6.3	28.4	22.1	350.8	365.6
Finance costs	(2.6)	(4.7)	(2.1)	(80.8)	(74.1)
Other costs	(28.9)	(41.5)	(12.6)	(43.6)	(46.1)
Profit before taxation	(25.2)	(17.8)	7.4	29.4	



Strong financial profile

	December 2017	December 2018
Receivables	926.4	992.8
Equity	389.5	433.0
Equity to receivables	42.0%	43.6%
Gearing	1.7x	1.6x
Adjusted earnings per share	31.0	33.8
Interest cover	3.0	3.1



Balance sheet

	December 2017	December 2018	Change at CER %
Goodwill	24.4	24.5	(0.3)
Fixed assets	56.3	57.9	2.5
Receivables	926.4	992.8	7.5
Cash	27.4	46.6	71.3
Borrowings	(677.7)	(698.3)	(2.8)
Other net assets	32.7	9.5	71.0
Equity	389.5	433.0	12.5



Exchange rates

	Current rates 25 February 2019	2018		2017	
		Closing rates December 2018	Average	Closing rates December 2017	Average
Polish zloty	5.0	4.8	4.8	4.7	4.8
Czech crown	29.5	28.5	28.9	28.4	30.3
Euro	1.15	1.1	1.1	1.1	1.1
Hungarian forint	366.0	357.0	359.9	346.9	351.4
Mexican peso	24.9	25.0	25.9	26.3	24.5
Romanian leu	5.5	5.2	5.3	5.2	5.2
Australian dollar	1.8	1.8	1.8	1.7	1.7



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