



24 October 2024

International Personal Finance plc Q3 2024 trading update

International Personal Finance plc (“IPF” or the “Group”) is helping to build a better world through financial inclusion by providing unsecured consumer credit to underserved consumers across nine markets.

Highlights

- Strong third quarter financial performance supports the Group’s full-year PBT guidance¹ provided at the interim results.
- Customer lending grew by 7% year-on-year and receivables grew by 11% (both excluding Poland and at constant exchange rates (CER)).
- Excellent customer repayment performance and credit quality driving a further 2.8ppt year-on-year improvement in the Group’s annualised impairment rate to 9.2%.
- Successful completion of the £15m share buyback programme.

¹ Full-year profit before taxation guidance of between £78m and £82m, prior to exceptional items.

Gerard Ryan, Chief Executive Officer at IPF commented:

“Our financial performance in the third quarter continued to be strong, with good growth in customer lending and receivables, as we implement our Next Gen strategy. The demand for our expanding portfolio of credit and insurance products is robust, and we continue to see very strong repayments and credit quality. With the progress we’re making across our strategic priorities, we’re confident in delivering full-year results in line with the guidance provided at our interim results as well as strong shareholder returns into the future. I would like to thank our dedicated team for their commitment to serving our customers and advancing financial inclusion across all our markets.”

Group overview

The strong financial performance in the first half of the year continued through into the third quarter.

Group customer lending (excluding Poland) grew 7% year on year, and Poland has now delivered 4% year-on-year growth at the end of the third quarter. With excellent credit quality across the Group, we are well positioned to deliver further growth in the fourth quarter and beyond.

Group net receivables now stand at £842m at the end of the third quarter, showing growth of 11% (excluding Poland and at CER). Poland receivables have now stabilised at £180m, in line with the level at the interim results.

Customer numbers increased by 2%, excluding the impact of Poland where customer numbers have declined by 19%.



Customer repayment performance continued to be very strong in all our markets and credit quality is excellent. As a result, the annualised impairment rate improved by 2.8ppts year-on-year to 9.2%, well below our target of 14% to 16%.

The Group annualised revenue yield has reduced by 0.3ppts to 55.1% since the interim results and the Group's annualised cost-income ratio has increased by 1.1ppts, both due to the expected reduction in revenue yield in our Polish businesses. Excluding Poland, the Group's annualised revenue yield was 57.6%, within the Group's target range of 56% to 58%, and the Group's annualised cost-income ratio was 55.1%, compared with our target range of 49% to 51%.

Funding and balance sheet

The Group's equity to receivables ratio stands at 53% at the end of the third quarter, down from 56% at June. This reflects the successful completion of the £15m share buyback programme and the recent depreciation in the Mexican peso.

The Group had funding headroom of £151m at the end of the third quarter.

Regulatory update

The new total cost of credit cap in Romania comes into force on 11 November 2024. As previously reported, we do not expect the impact on the Group to be material.

We continued to engage with the Polish financial supervision authority in respect of our application for a full payment institution licence which will enable our Polish business to issue a greater volume of credit cards in Poland.

Outlook

The strong financial performance in the third quarter and excellent credit quality underpins our confidence in delivering full-year profits in line with the guidance¹ provided at the interim results.

Investor and analyst conference call

International Personal Finance plc will host a conference call for investors and analysts at 09.00hrs (BST) today, Thursday 24 October 2024.

To participate in the conference call please use the dial-in or register online using the link below. Once registered, you will receive an email with your online access link.

Dial-in by phone +44 20 3936 2999
Access code 794237

Registration for online access <https://www.netroadshow.com/events/login?show=88ec1552&confId=71753>

Replay: An audio recording of the conference call will be available in the investors section of our website at www.ipfin.co.uk



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A copy of this statement can be found on our website – www.ipfin.co.uk

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