International Personal Finance

2024 full-year results

Accelerating the pace of **growth and change**

26 February 2025

Performance and strategy

Gerard Ryan

Chief Executive Officer

A very strong full-year performance

- Next Gen strategy underpinning performance
- Exceptional execution driving growth momentum
- Financial results ahead of guidance
- Increased returns to shareholders
- Strong balance sheet to accelerate growth

£85.2m Pre-exceptional profit before tax

+1.5%

15.7% Return on required equity

11.4p Dividend per share

+11%

54% Equity to receivables

£15m shares bought back in 2024; intend to commence further buyback programme

Since 1997, we have helped

15m

customers gain access to essential financial services

Making progress on our Next Gen strategic priorities

Financial inclusion

Building the products, channels and territories to ensure our propositions are attractive to the next generation of customers

Organisation

Becoming a more efficient organisation that makes a positive impact on society

Technology and data

Becoming a data driven and technology-enabled partner for our customers

Next Gen financial inclusion

- 150,000 credit card customers in Poland - new licence will accelerate growth
- New branch in Mexico and attracting customers in new regions
- Expanded point of purchase finance in Romania - 700 stores
- Launched retail distribution channel in Mexico – 50 partners
- Building digital lending offering in Romania
- Strong growth in mobile wallet users to 115,000+ consumers

Next Gen organisation

- Field transformation in European home credit to deliver process efficiency and develop talent
- Single leadership structure in place for European home credit to drive commonality of process and systems
- Expansion of credit card product will leverage Polish leadership and systems
- Almost £1m invested in global community programmes
- Focus on industry awards to demonstrate that we do the right thing

MINŐSÍTETT KISZOLGÁLÁS
KIVÁLÓ KISZOLGÁLÁS 2024

top EMPLOYER Polska Poland 2025
FOR A BETTER WORLD OF WORK

EXPANSIÓN
ER
EMPRESAS RESPONSABLES

Next Gen tech and data

- Meeting customer expectations - new customer app in Mexico has 360,000 downloads
- High engagement with ProviGo customer app in Poland – 55% penetration and 1.3m+ log-ons per month
- Transforming customer experience in European home credit with omnichannel service
- Integrating AI and data for faster communication and lead generation

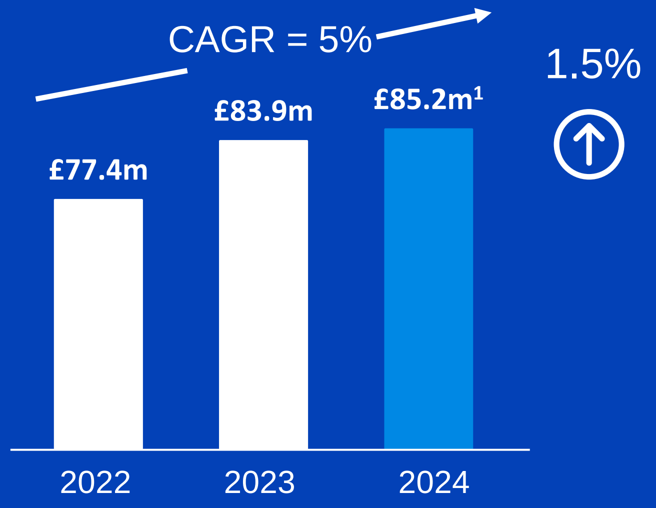
Financial performance

Gary Thompson

Chief Financial Officer

Strong financial performance

Pre-exceptional profit before tax

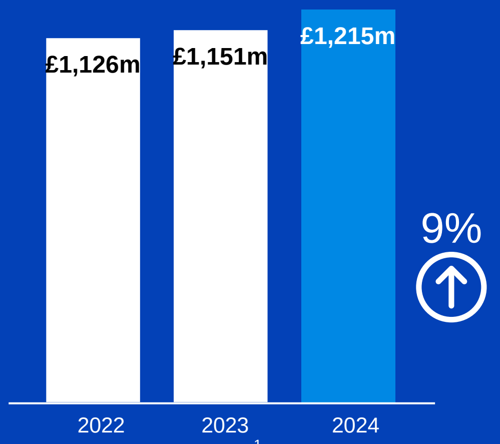


	2024	2023	Change	Change at CER[2]
H1	47.3	37.8	25.1%	26.1%
H2	37.9	46.1	(17.8%)	(8.7%)
FY	**85.2[1]**	**83.9**	**1.5%**	**7.8%**

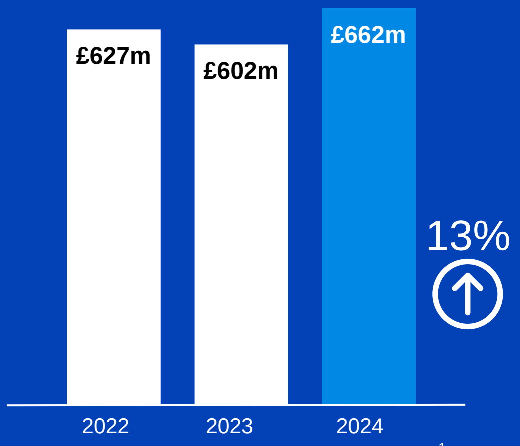
- Pre-exceptional profit before tax of £85m, ahead of interim guidance, despite £5m FX headwind
- Continued financial progress underpinned by:
  - Outstanding customer repayment behaviour
  - Excellent operational execution
  - Rigorous application of our financial model
- As expected profit in H2 lower than H1:
  - Repricing of credit cards
  - Stronger lending growth
  - Impact of weaker Mexican peso and Hungarian forint
- Exceptional costs of £11.9m, primarily in H1:
  - £6.1m European home credit restructuring
  - £5.8m Eurobond refinancing

1. Before pre-tax exceptional costs of £11.9m 2. Constant exchange rates

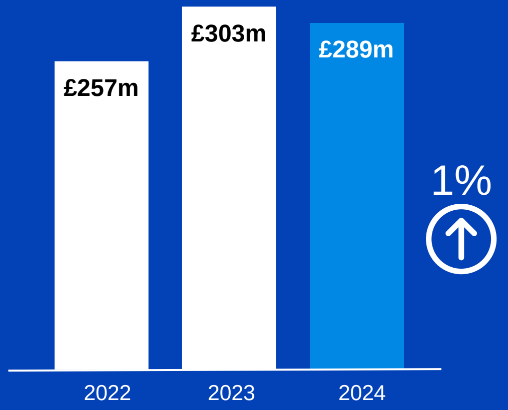
Robust demand driving customer lending growth



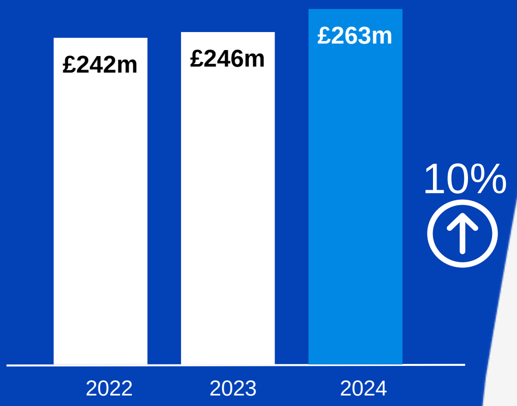
Group[1]



European home credit[1]



Mexico home credit[1]

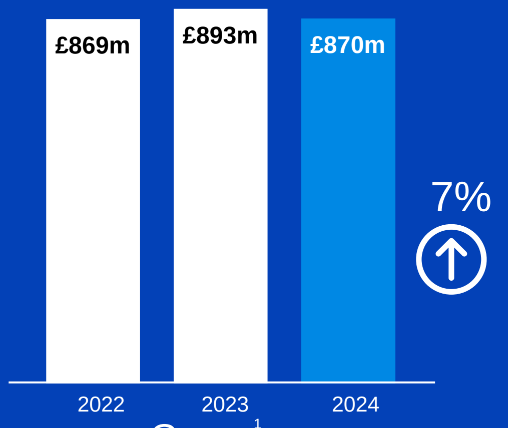


IPF Digital[1]

- Group customer lending up 9%
- European home credit:
  - Romania, Hungary and Czech Republic combined delivered 12% growth
  - Growth accelerated through 2024 increasing from 8% in H1 to 17% in H2
  - Poland recovered from a contraction of 5% in H1 to 36% growth in H2 (13.0% overall)
- Mexico home credit:
  - Strong demand but growth impacted temporarily by IT upgrade in Q4 (-8% in Q4)
  - Returned to YoY growth in early 2025
  - Expect growth of 10%+ in 2025
- IPF Digital:
  - Strong growth of 10%
  - Excellent performances from Mexico and Australia delivering 20%+ growth with Baltic markets up 3%
  - Poland delivered 20% growth in H2 following a reduction of 18% in H1 (-2% overall)

1. All growth rates are at constant exchange rates

Accelerating receivables growth



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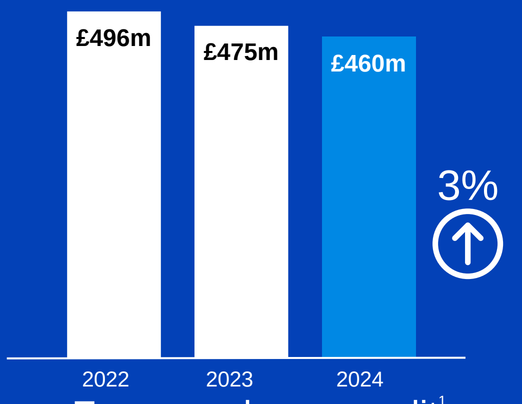

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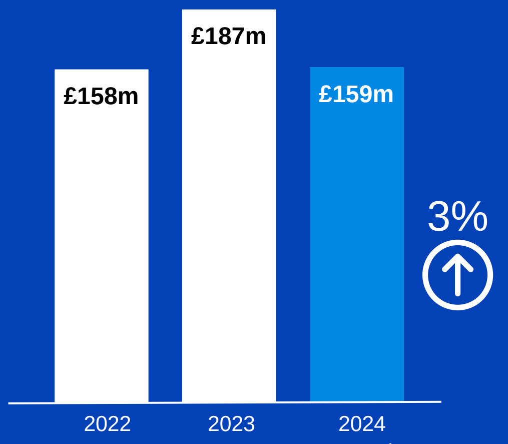
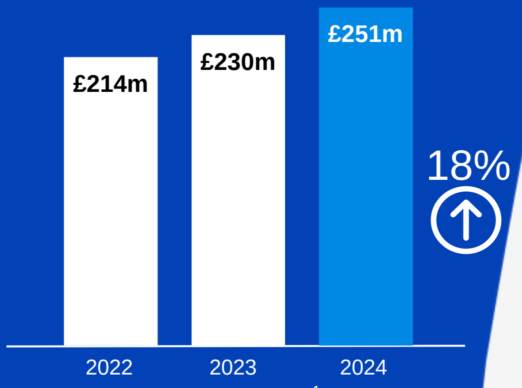


Mexico home credit[1]



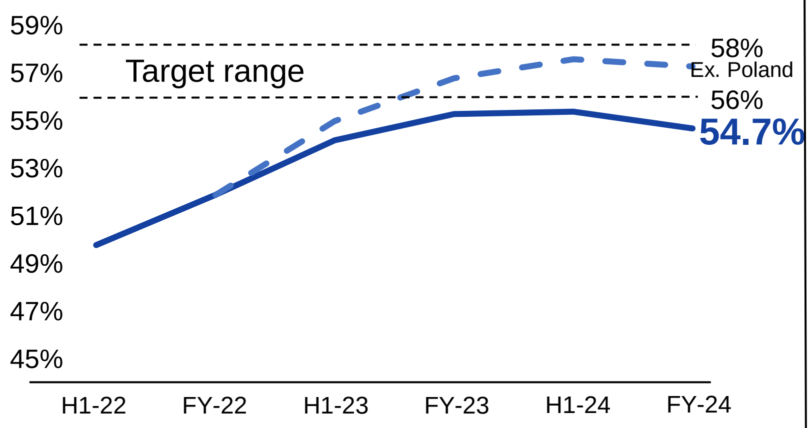
IPF Digital[1]

- Acceleration in Group receivables growth of 7% (0% at June 2024)
- European home credit:
  - 13% increase in Romania, Hungary and the Czech Republic
  - Reduction of 13% in Poland but increased lending volumes led to 6% growth in Q4
  - Expect growth of 15%+ for 2025
- Mexico home credit:
  - Modest growth of 3% due to disruption in Q4
  - Expecting faster growth of c.15% in 2025
- IPF Digital:
  - Standout performers: Mexico, Australia and Czech Republic each delivering 26%+ growth
  - Baltic markets up 13%
  - Poland delivered YoY growth of 3% with 6% growth being delivered in Q4
  - Expect similar receivables growth in 2025

1. All growth rates are at constant exchange rates

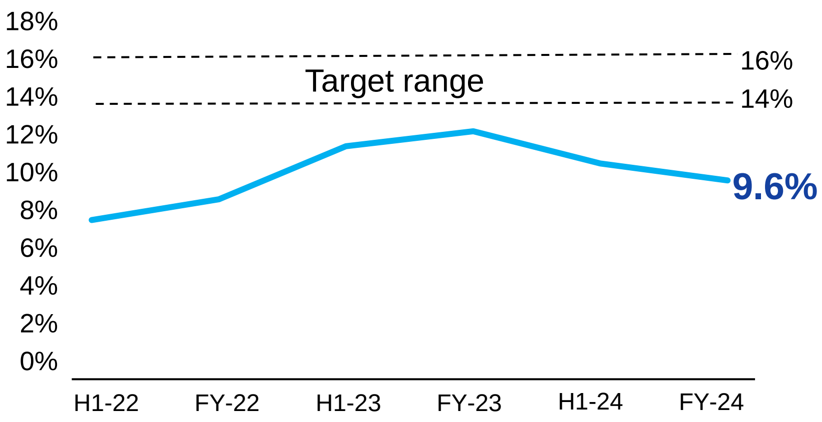
Progressing against medium-term targets

Revenue yield



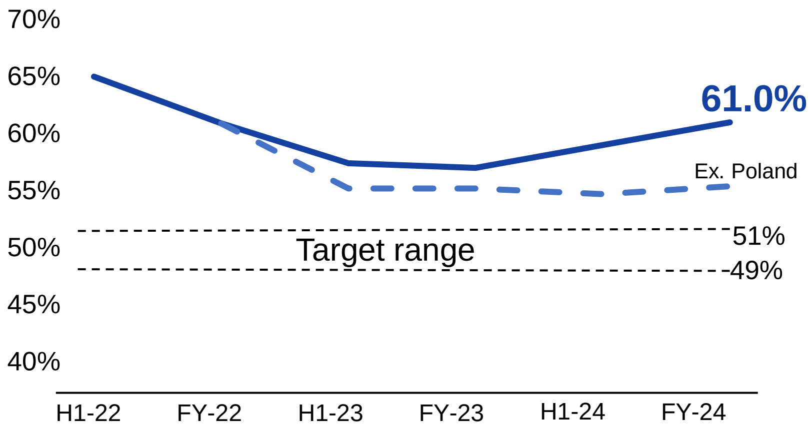
- Group yield decreased modestly from 55.3% to 54.7% - ex-Poland stable at 57.3%
- EHC yield of 46.5% - modest YoY reduction of 1ppt due to credit card repricing
- Mexico home credit yield moderated from 87.4% to 85.9% due to increased proportion of lending to existing customers
- IPF Digital reduced by 1 ppt to 42.7%, reflecting existing rate cap changes in Europe

Impairment rate



- Strong customer repayments and excellent credit quality continues
- Group impairment rate improved from 12.2% to 9.6% with all three divisions improving their performance
- Cost-of-living provision reduced by £6m (£5m in 2023)
- Improved credit quality led to a reduction in impairment provision coverage ratio to 32.9%

Cost-income ratio[1]

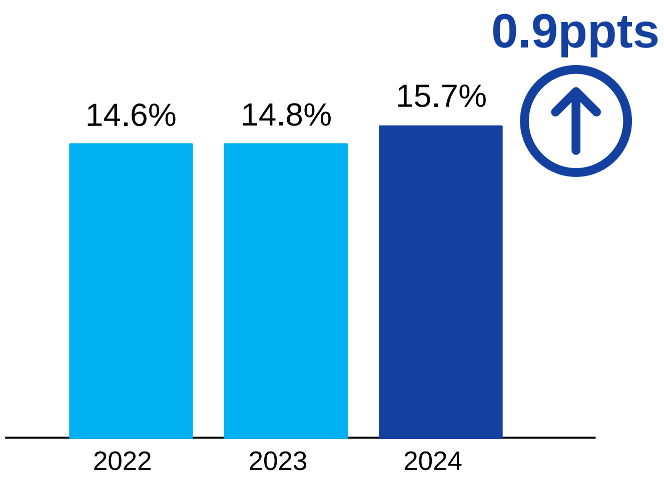


- Strict focus on efficiency and cost control
- Increase in cost-income ratio due wholly to revenue reduction in Poland - ex-Poland in line with 2023 at 55.4%
- Investing in growth and capability to accelerate change across the Group
- Committed to delivering target of 49% to 51% in the medium term

1. Before exceptional restructuring costs of £6.1m

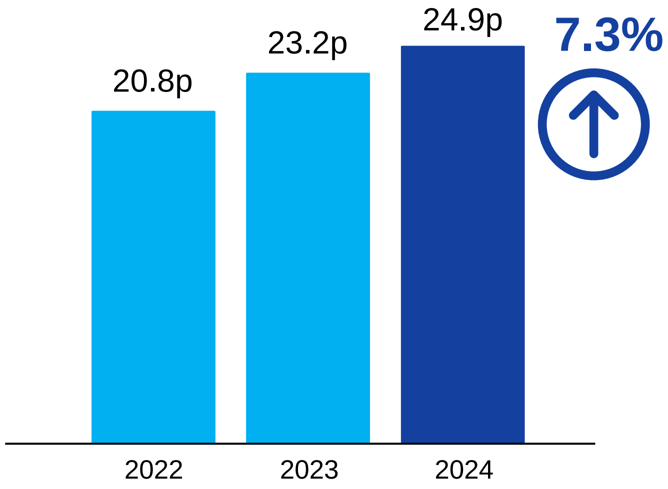
Strong growth in returns, earnings and dividends

Return on required equity (RoRE)[1]



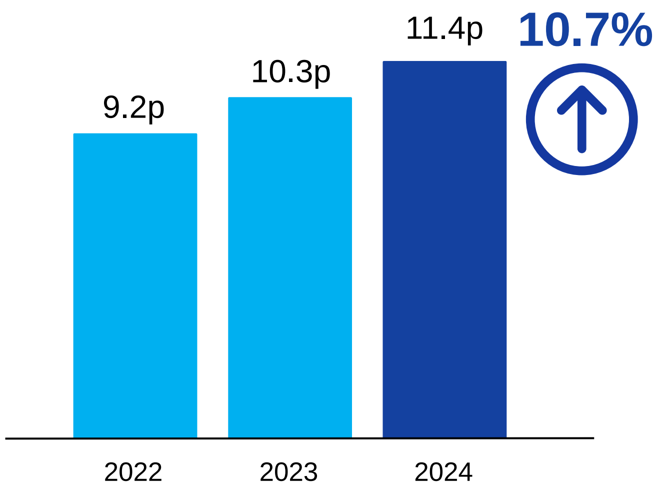
- Improved RoRE due to improved returns in IPF Digital
- Returns expected to moderate in 2025 due to strong receivables growth
- Pre-exceptional RoE improved to 11.5% (2023: 11.1%)

Pre-exceptional earnings per share (EPS)[1]



- 7.3% growth in pre-exceptional EPS compared with 1.5% growth in pre-exceptional PBT
- Effective tax rate of 35% (2023: 38%) – expect future years to be c.38% (previous expectations were 40%)
- Reported EPS of 27.3p, up 27.0%, includes benefit of £15.2m exceptional tax credit relating to State Aid

Dividend per share (DPS)



- Proposed final dividend of 8.0p per share, up 11.1% - total dividend of 11.4p, up 10.7%
- Reflects continued strong performance and strategy to realise the long-term growth potential
- Pre-exceptional payout ratio of 46%, above minimum level of 40%
- Dividend and payout rate consistent with progressive policy

1. Before pre-tax exceptional costs of £11.9m and an exceptional tax credit of £17.4m

Robust funding position following successful refinancing

£657m total debt facilities

£441m bonds

£216m banks

£400m funding secured in 2024

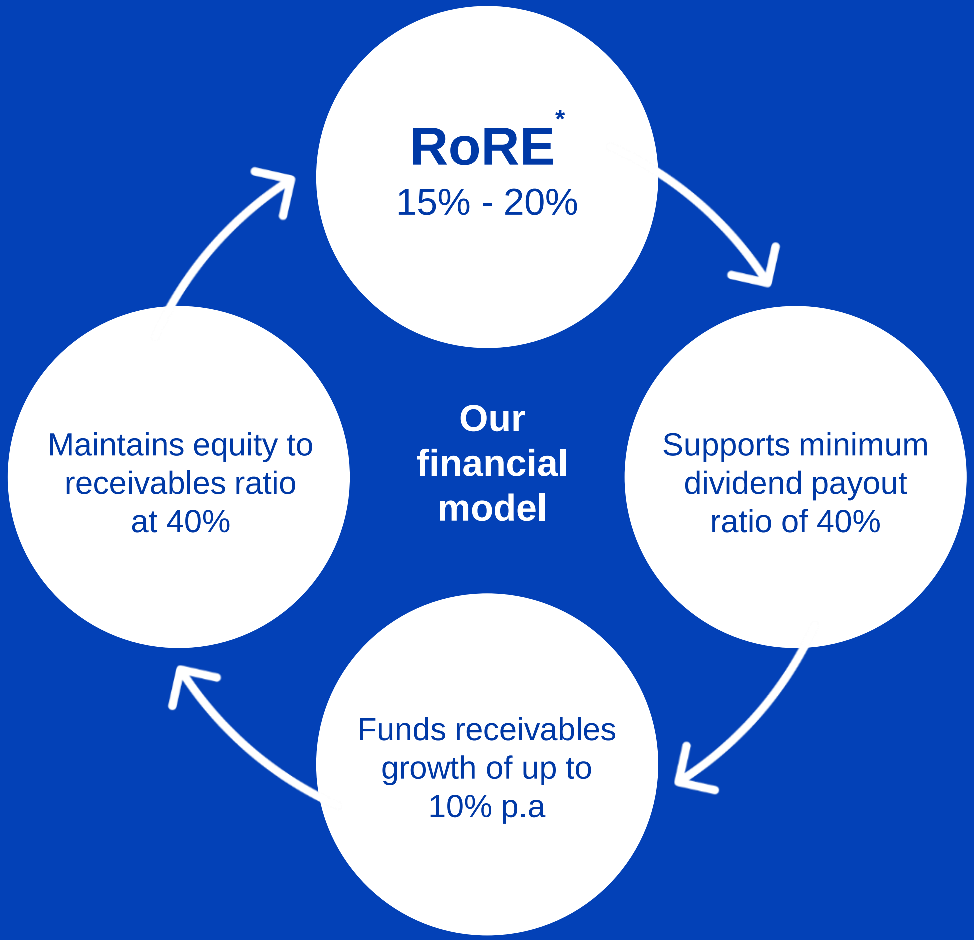
£20m secured in 2025

£138m headroom[1]

- Nearly £400m funding secured in 2024 following successful refinancing of the Eurobond
- Rating upgrade from BB- to BB from Fitch Ratings
- Secured £103m of bank facilities of which £37m was new or increased facilities – a further £20m in 2025
- Significant headroom on funding facilities through to the end of 2025
- £490m of facilities now maturing beyond 2025
- Reduced funding cost of 13.3% (2023: 14.0%) - expect rate to be broadly stable in 2025

1. Undrawn facilities and non-operational cash balances.

Strong capital position supports **further £15m share buyback**



- Equity to receivables reduced from 56% to 54%:
  - £57m of foreign exchange losses taken to reserves
  - Successful completion of £15m share buyback in 2024
- Strong capital position supports:
  - Further £15m share buyback programme
  - Ambitious growth plans
  - Progressive dividend policy
- Expect to deliver target returns and operate in line with our financial model in 2027

*Required equity = equity to receivables ratio of 40%

Outlook

Gerard Ryan

Chief Executive Officer

Delivering our growth vision

Accelerating the pace of growth

- Credit cards
- Expanding retail partnerships
- Digital offerings
- Poland recovery
- Mexico expansion and product diversification
- IPF Digital opportunities in Australia and Mexico

Accelerating the pace of change

- Xenia omnichannel touchpoints
- Customer apps
- Transformation office
- Credit card platform
- AI / robotics

Focused on delivering
growth and returns

Accelerating the pace
of **growth and change**

Questions

International Personal Finance

Appendices

Group

	2024 £m	2023 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**1,652**	1,700	(48)	(2.8)	
Customer lending	**1,214.5**	1,150.6	63.9	5.6	9.2
Average gross receivables	**1,327.5**	1,388.9	(61.4)	(4.4)	(1.6)
Closing net receivables	**870.0**	892.9	(22.9)	(2.6)	6.8
Revenue	**726.3**	767.8	(41.5)	(5.4)	(2.1)
Impairment	**(127.5)**	(169.4)	41.9	24.7	21.1
Revenue less impairment	**598.8**	598.4	0.4	0.1	3.2
Costs	**(443.2)**	(437.6)	(5.6)	(1.3)	(4.0)
Interest expense	**(70.4)**	(76.9)	6.5	8.5	6.0
Pre-exceptional profit before taxation	85.2	83.9	1.3	1.5	
Exceptional items	**(11.9)**	-	(11.9)	(100.0)	
Profit before taxation	73.3	83.9	(10.6)	(12.6)	
Revenue yield	**54.7%**	55.3%	(0.6) ppts		
Impairment rate	**9.6%**	12.2%	2.6 ppts		
Cost-income ratio	**61.0%**	57.0%	(4.0) ppts		
Pre-exceptional EPS[1]	**24.9p**	23.2p	7.3%		
Pre-exceptional RoE[1]	**11.5%**	11.1%	0.4 ppt		
Pre-exceptional RoRE[1,2]	**15.7%**	14.8%	0.9 ppts		

[1] *Prior to a pre-tax exceptional charge of £11.9m in 2024, and an exceptional tax credit of £17.4m in 2024 and an exceptional tax charge of £4.0m in 2023.*
[2] *Based on required equity to receivables of 40%.*

European home credit

	2024 £m	2023 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**725**	754	(29)	(3.8)	
Customer lending	**662.1**	601.7	60.4	10.0	12.6
Average gross receivables	**706.0**	791.1	(85.1)	(10.8)	(8.9)
Closing net receivables	**459.6**	475.4	(15.8)	(3.3)	3.0
Revenue	**328.2**	375.9	(47.7)	(12.7)	(11.0)
Impairment	**(8.1)**	(35.6)	27.5	77.2	77.1
Revenue less impairment	**320.1**	340.3	(20.2)	(5.9)	(4.0)
Costs	**(225.1)**	(225.2)	0.1	-	(1.6)
Interest expense	**(37.6)**	(47.4)	9.8	20.7	19.1
Pre-exceptional profit before taxation[1]	**57.4**	67.7	(10.3)	(15.2)	
Revenue yield	**46.5%**	47.5%	(1.0) ppts		
Impairment rate	**1.1%**	4.5%	3.4 ppts		
Cost-income ratio	**68.6%**	59.9%	(8.7) ppts		
Pre-exceptional RoRE[1,2]	**19.9%**	21.6%	(1.7) ppts		

[1] *Prior to a pre-tax exceptional charge of £6.1m and, in respect of RoRE, an exceptional tax credit of £1.1m in 2024, and an exceptional tax charge of £4.0m in 2023.*
[2] *Based on required equity to receivables of 40%.*

Mexico home credit

	2024 £m	2023 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**680**	716	(36)	(5.0)	
Customer lending	**289.2**	302.8	(13.6)	(4.5)	1.4
Average gross receivables	**306.9**	299.4	7.5	2.5	8.5
Closing net receivables	**159.4**	187.1	(27.7)	(14.8)	3.0
Revenue	**263.8**	261.6	2.2	0.8	7.1
Impairment	**(92.4)**	(96.7)	4.3	4.4	(2.0)
Revenue less impairment	**171.4**	164.9	6.5	3.9	10.0
Costs	**(131.0)**	(129.7)	(1.3)	(1.0)	(6.3)
Interest expense	**(14.4)**	(12.1)	(2.3)	(19.0)	(26.3)
Reported profit before taxation	**26.0**	23.1	2.9	12.6	
Revenue yield	**85.9%**	87.4%	(1.5) ppts		
Impairment rate	**30.1%**	32.3%	2.2 ppts		
Cost-income ratio	**49.6%**	49.6%	- ppts		
RoRE[1]	**24.4%**	20.7%	3.7 ppts		

[1] *Based on required equity to receivables of 40%.*

IPF Digital

	2024 £m	2023 £m	Change £m	Change %	Change at CER %
Customer numbers (000s)	**247**	230	17	7.4	
Customer lending	**263.2**	246.1	17.1	6.9	9.9
Average gross receivables	**314.6**	298.4	16.2	5.4	8.1
Closing net receivables	**251.0**	230.4	20.6	8.9	17.6
Revenue	**134.3**	130.3	4.0	3.1	6.1
Impairment	**(27.0)**	(37.1)	10.1	27.2	24.2
Revenue less impairment	**107.3**	93.2	14.1	15.1	17.9
Costs	**(72.0)**	(67.8)	(4.2)	(6.2)	(8.1)
Interest expense	**(18.3)**	(17.3)	(1.0)	(5.8)	(8.3)
Reported profit before taxation	**17.0**	8.1	8.9	109.9	
Revenue yield	**42.7%**	43.7%	(1.0) ppts		
Impairment rate	**8.6%**	12.4%	3.8 ppts		
Cost-income ratio	**53.6%**	52.0%	(1.6) ppts		
RoRE[1]	**11.4%**	5.6%	5.8 ppts		

[1] *Based on required equity to receivables of 40%.*

Strong financial profile

	2024	2023
Receivables (£m)	**870.0**	892.9
Equity (£m)	**466.3**	501.9
Equity to receivables	**53.6%**	56.2%
Gearing	**1.1 times**	1.0 times
Interest cover	**2.6 times**	2.5 times
Pre-exceptional EPS	**24.9p**	23.2p
Pre-exceptional RoE	**11.5%**	11.1%
Pre-exceptional RoRE	**15.7%**	14.8%

Balance sheet

	2024 £m	2023 £m	Change at CER
Goodwill	**22.6**	23.6	-
Fixed assets	**68.8**	70.0	4.6%
Receivables	**870.0**	892.9	6.8%
Cash	**27.6**	42.5	(31.0)%
Borrowings	**(515.9)**	(511.8)	(9.1)%
Other net liabilities	**(6.8)**	(15.3)	62.6%
Equity	**466.3**	501.9	3.2%

Exchange rates

	Closing rates Dec 2024	Average 2024	Closing rates Dec 2023	Average 2023
Polish zloty	**5.2**	**5.1**	5.0	5.2
Czech crown	**30.4**	**29.6**	28.5	27.9
Euro	**1.2**	**1.2**	1.2	1.1
Hungarian forint	**496.9**	**466.9**	441.3	437.3
Romanian leu	**6.0**	**5.9**	5.7	5.7
Mexican peso	**26.0**	**23.0**	21.5	21.9
Australian dollar	**2.0**	**1.9**	1.9	1.9

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Building a better world through financial inclusion