

**INITIATION OF COVERAGE**
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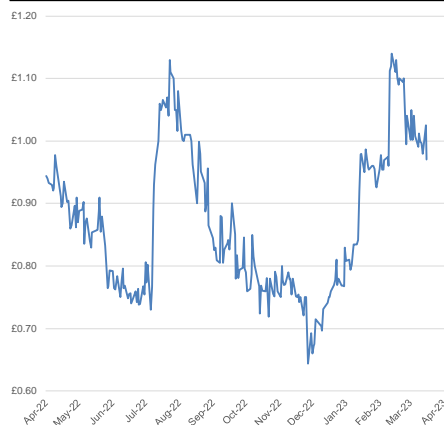
**Market Statistics**

Price	£ 1.07
52 week Range	£0.63 - £1.17
Daily Vol (3-mo. average)	279,990
Market Cap (M):	£ 239.6
Enterprise Value (M):	£ 759.1
Shares Outstanding: (M)	223.9
Float (M)	189.6
Public Ownership	2.9%
Institutional Ownership	81.8%

**Financial Summary**

Cash (£M)	£ 50.7
Cash/Share	£ 0.23
Debt (£M)	£ 570.2
Equity (£M)	£ 445.2
Equity/Share	£ 2.00

FYE: Dec	2022	2023E	2024E
<i>(in M)</i>			
Rev	£ 538.8	£ 547.4	£ 607.5
Chng%	9%	2%	11%
Net Income	£ 46.3	£ 36.3	£ 44.9
EBT	£ 77.4	£ 60.5	£ 74.8
EPS	£ 0.20	£ 0.15	£ 0.19
EV/Rev	1.4x	1.4x	1.2x
EV/EBT	9.8x	12.1x	10.1x
P/E	5.4x	6.9x	5.6x


**COMPANY DESCRIPTION**

International Personal Finance (LSE: IPF) provides affordable consumer credit services in Europe, Mexico, and Australia. The Company's customers are underserved being unable to access credit from banks and traditional lenders. IPF offers a range of products including home credit, digital revolving and instalment loans, credit cards, and mobile wallets. The Company currently serves approx. 1.7 million customers in 9 international markets.

**INTERNATIONAL PERSONAL FINANCE PLC (LSE: IPF)**
**COMPANY UPDATES**

**Positive 1Q23 Trading Update:** IPF ended a strong quarter with receivables up 15% year over year to £833M. Additionally customer growth was 2% up to 1.71M customers, not including the business operations in Finland and Spain. Annualized revenue yield was also strong, moving to 53.4% in 1Q23, up from 51.9% in 1Q22. Impairments remain in-line with expectations at 10.5%, in large part due to robust credit standards and despite the cost of living crisis. Lastly, the costs to income ratio is ahead of management plans, down to 58.8% in 1Q23. The Company remains on strong footing with £92M in liquidity available to meet funding requirements through 2024.

**Continued Expansion in Mexico:** IPF continued its expansion into the Mexico Home Market by following the opening of the Tijuana branch in 2022 with the opening of the Tampico branch in March of 2023. There is optimism that the learning curve will be shallow as management has been deliberate in opening at a sustainable pace that is expected to lead to strong market penetration. This has resulted in a 7% year over year increase in lending for 1Q23, all served by the very critical first cohort of employees.

**Credit Card is Building Traction:** The roll out of credit cards in Poland is on track with over 20,000 cards issued. The current estimate is that credit card penetration is at 10% of targets, with the pace of uptake expected to increase now that employees have been trained. It is expected that the full transition of the Polish market will be completed by the end of 2024.

**Digital Strength Remains:** Digital saw positive momentum in all markets as demand remains strong leading to a 17% increase in customer lending up to £211M. Of note was the increase in customer numbers to 234,000 which is up 4% year over year. This is after excluding both the Finland and Spain markets as they are in collect out status.

**Reiterated Guidance:** Given the strong performance in all three segments leading to results that are ahead of expectations, coupled with the lack of impact on demand from the rising cost of living crisis, management was comfortable reiterating their guidance. This guidance is headlined by modest receivable growth and continued transition in the Polish business to set the Company up for 15% to 20% RORE in 2025.

**Valuation:** We use a DCF Analysis and a Comparison Analysis to frame valuation. For the comparison analysis we used a combination of P/E, P/TBV, and EV/EBT multiples to determine a valuation range for IPF. When we blend these multiple comparisons, in combination with our DCF analysis, we arrive at an average price range of £1.60 to £2.23 with a midpoint of £1.91.

## Company History

International Personal Finance PLC was founded in 1997 and is headquartered in Leeds, United Kingdom. The Company was originally a division of Provident Financial before it was divested in 2007. In 2015, it acquired MCB Finance, a digital credit provider, broadening its product range into digital credit products and extending its geographic presence to reach new customers. The Company began trading on London Stock Exchange in 2007 under the symbol "IPF."

## Business Overview

International Personal Finance PLC (LSE: IPF) provides affordable consumer credit services in Europe, Mexico, and Australia. The Company's customers are underserved being unable to access credit from banks and traditional lenders. IPF offers a range of products including home credit, digital revolving and instalment loans, credit cards, and mobile wallets. The Company currently serves approx. 1.7 million customers in 9 international markets.

### Exhibit 1: Markets Served

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- Australia
- Czech Republic
- Estonia
- Hungary
- Latvia
- Lithuania
- Mexico
- Poland
- Romania

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*Source: Company Website*

## Business Divisions

IPF is a financial services company providing credit services to people who are typically excluded from mainstream finance. The Company's customers are individuals who usually have a low-to-moderate income and limited credit histories, which subjects them to refusals from traditional banks and credit providers. Management has prioritized offering clients simple and affordable products that meet their specific needs, making this a significant part of IPF's identity. The Company stresses its responsibility to provide supportive and flexible customer service in all its markets. IPF operates in three distinct divisions: European Home Credit, Mexico Home Credit, and IPF Digital.

**Exhibit 2: Business Divisions**



Source: Company Presentation

**European Home Credit**

The European Home Credit division is IPF’s legacy division that has been in business for twenty-five years. It operates in four central European countries and offers home credit, instalment loans, credit cards, and value-added services to its customers. This segment is increasingly being digitized to further capitalize on the established history of strong cash generation. As the segment diversifies its traditional home credit to include a broader suite of products, the segment is expected to continue generating target returns of ~20%.

In 2022, the division faced a regulatory headwind due to tighter rate caps in Poland and the economic ramifications of the war in Ukraine. In December 2022, the Polish government introduced a lower, non-interest rate cap which reduced maximum non-interest fees that can be charged on a loan. This cap reduced the maximum non-interest fees to 45% of the loan value, from 100%. Additionally, the region experienced high inflation rates in eastern Europe primarily due to the war in Ukraine. Despite this, the division was able to grow customer lending by 10% as a result of digitizing and diversifying its offered services and products, while maintaining a responsible approach to lending.

**Mexico Home Credit**

Similar to the European division, the Mexico Home Credit division offers home credit, hybrid loans, and other value-added services. The Mexican Home Credit division has high demand and strong growth potential, allowing the Company to deliver strong return on required equity (RORE). Despite an increasingly high inflationary macroeconomic environment in 2022, the Company experienced healthy growth in the country, increasing customer lending by 17%. This was largely aided by the increasing penetration into IPF’s existing footprint.

This division is a significant opportunity for revenue growth. Mexico has a population over 125 million people and IPF estimates that roughly two-thirds of the population are not properly banked. The Company states that it has a target market of about twenty-eight million people with an additional 15 million people in its expansion plan. By penetrating this vast and largely untouched market, IPF has the potential to strengthen its footprint in the country and substantially grow its revenues. The Company has made progress on this by expanding in Tijuana in the northwest in 202 and Tampico in the east in 2023, targeting a market of approximately 1.7 million customers.

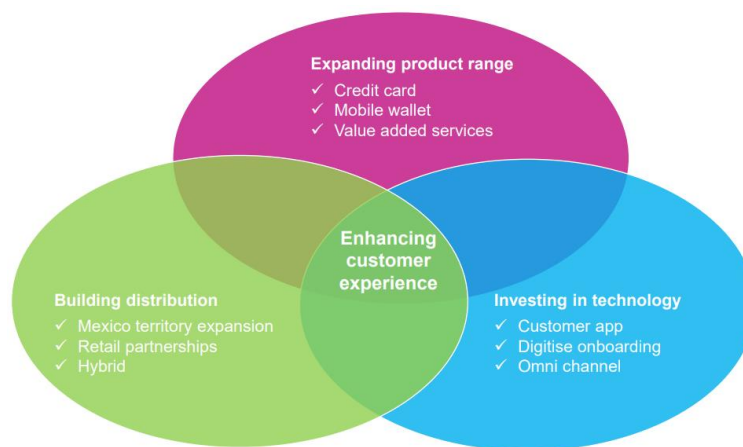
### IPF Digital

IPF Digital offers customers digital access to revolving credit lines, mobile wallets, and digital installment loans as well as other services. The division allows IPF to reach customers that are digitally savvy and younger who are looking for an affordable end-to-end digital service with around-the-clock digital access to their accounts. During 2022, the division experienced lending growth of over 20% in multiple regions such as Mexico (67%), Australia (36%), Poland (26%), and the Baltics (22%). Despite exiting the Finish and Spanish markets in the wake of regulatory changes, IPF Digital’s solid products and services as well as its scalability provides the Company with a path to further grow its business internationally and potentially outside of its current markets.

### Growth Strategy

Management has been clear in its expectations and priorities in expanding its business. IPF is targeting to deliver returns of 15% to 20% by 2025. This will be accomplished by expanding its product range, building its distribution, and investing in technology as a roadmap to continued growth. In 2022, IPF progressed in this by expanding its geographic presence in Mexico and digital channels in European markets. Bolstering the Company’s growth strategy is a strong and well capitalized balance sheet as well as continued customer confidence.

**Exhibit 3: Growth Strategy**

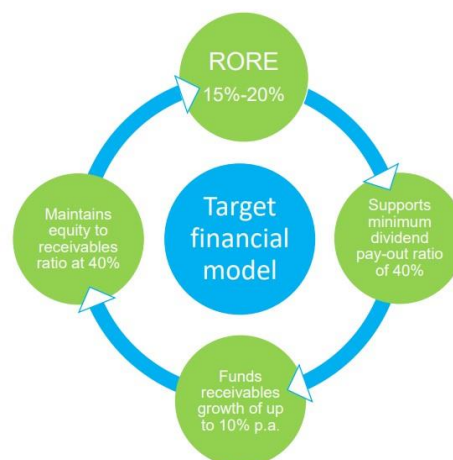


Source: Company Presentation

### Financial Model

IPF has a strict financial model that is focused on delivering sustainable earnings and returns. The Company makes its investment decisions with the goal of achieving 20%+ Return on Required Equity (RORE). The model acts as a cycle that maintains balance. A delivery of RORE of 15% to 20% supports a minimum dividend payout ratio of 40% returned to shareholders, which allows receivables growth of up to 10% per fiscal year. This helps maintain an equity to receivables ratio of about 40%. IPF’s financial model is supported by focusing on revenue yield, impairment rate, and cost-income ratio being delivered by each division. Continued strong results in core key performance indicators (KPIs) aid in keeping the financial model sustainable, however current macroeconomic headwinds may bring increased pressure in the short-term. To date, the Company has not seen an impact from the current cost of living crisis.

**Exhibit 4: Financial Model**

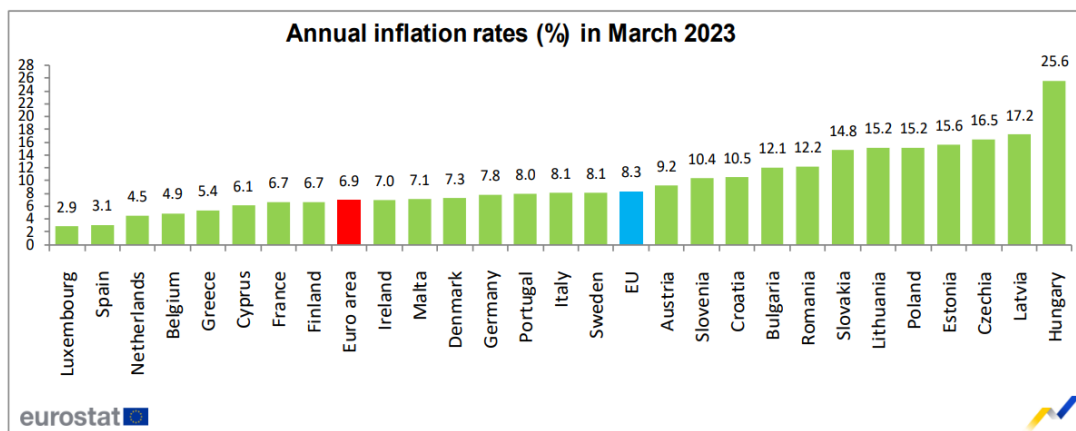


Source: Company Presentation

## Market Overview

IPF operates in a highly competitive market. What separates the Company from its competitors, such as banks and other lenders, is its focus on assisting a customer base that is usually neglected by delivering strong relationships that often include face to face contact, helping customers stay in control of their repayments. This allows IPF to make effective credit assessments while also enhancing financial inclusions leading to significant reach into underserved portions of markets in Mexico, Australia, and Central Europe. These markets offer IPF the greatest opportunity to expand its reach and grow its customer base.

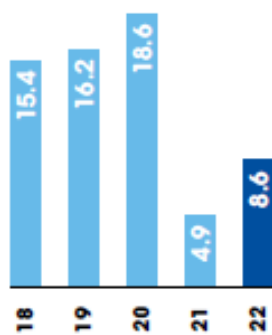
**Exhibit 5: European Inflation Rates March 2023**



Source: eurostat

However, IPF may experience global economics headwinds going forward which could adversely affect its business. A high inflationary environment coupled with rapidly rising rates will make it difficult for people, especially those represented in IPF’s markets, to be able to obtain or pay off loans given their decreasing disposable income. Due to IPF’s close relationship with their customers, small loan sizes that tend to not overburden customers, and government support that customers get, we believe it is reasonable to assume that IPF’s customer base is better suited to weather market downturns compared to the market. As shown in Exhibit 5, a few of IPF’s target markets such as Poland, Lithuania, and Romania are experiencing double digit inflation as of March 2023. Should this trend continue in the remainder of 2023 and into 2024, IPF will likely see greater risk of falling demand.

**Exhibit 6: Historical Impairment Rates**



Source: Company Presentation

Should the Company see increased volatility due to market forces over the next 18 to 24 months, IPF will be expected to maintain its lending standards to manage its impairment rate. IPF has shown resiliency during several market cycles, the most recent example seen in 2020. At the height of the Covid pandemic, the Company only saw the impairment rate rise ~260bps above target levels. Given the strong balance sheet, track record of resiliency during challenging macro events, and impressive navigation through changing political environments, we expect management to have all the tools necessary to weather future downturns.

## Risks

As with any investment, there are certain risks associated with IPF's operations as well as with the surrounding economic and regulatory environments common to the consumer finance industry and operating in foreign countries.

**Credit** – IPF's customers are those with low and/or poor to no credit history. This puts the Company at a significant risk of loss should its customers fail to meet their contracted repayment obligations. High inflationary markets put strain on people's disposable income and affect their ability to meet their obligations.

**Regulatory Changes** – IPF's industry is subject to significant regulatory change. Governments legislation can lead to a tightening of rates, which can negatively impact the Company's ability to operate in certain countries.

**Political Risk** – IPF target markets include countries susceptible to significant political risk. The Company's eastern European operations are in close proximity to Ukraine, which is still in the midst of its war with Russia. The war has negatively impacted Ukraine's neighbors, increasing inflation at a higher rate than the rest of the world and increasing consumer uncertainty. While this uncertainty has abated in recent months, the nature of the Company's target markets keeps political risk relevant.

**Competitive Industry** – IPF operates in an industry that is highly competitive, facing competition that includes large and reputable banks and lenders. Despite operating in a niche market, the Company could lose market share to larger competitors if they decide to pivot and begin offering their own products and services to IPF's customers. Should this happen, IPF could see a loss of customers, leading to a negative impact on earnings.

## VALUATION SUMMARY

We use a DCF Analysis and a Comparison Analysis to frame valuation.

### DCF Analysis

We are modeling near term revenue growth rates driven by continued growth in the Mexican market, offset by challenges related to the credit card roll out in Poland. Our longer-term revenue growth normalizes around 5%.

For our sensitivity analysis, we used a range of discount rates from 11.00% to 13.00% and terminal growth rates between 1% and 3%. We selected this discount rate to account for the challenging macro backdrop, IPF's smaller market cap, and the rising interest rate environment. These assumptions result in a valuation range of £1.79 to £2.37, with the mid-point at £2.05.

### Sensitivity Analysis:

		Terminal Growth Rates				
		0%	1%	2%	3%	4%
Discount rate	11.00%	£ 2.30	£ 2.51	£ 2.76	£ 3.08	£ 3.49
	12.25%	£ 1.82	£ 1.97	£ 2.15	£ 2.37	£ 2.65
	12.50%	£ 1.74	£ 1.88	£ 2.05	£ 2.25	£ 2.51
	12.75%	£ 1.65	£ 1.79	£ 1.95	£ 2.14	£ 2.38
	13.00%	£ 1.58	£ 1.70	£ 1.85	£ 2.03	£ 2.25

### Comparison Analysis

Comparative Analysis  
(all figures in M, except per share information)

Company Name	Symbol	Price <sup>(1)</sup>	Mrkt Cap	EV	TBV/Share	P/TBV	EV/Revenue <sup>(2,3)</sup>			EV/EBT <sup>(2,3)</sup>			P/E <sup>(2,3)</sup>			Profitability <sup>(2,3)</sup>		
							2022	2023E	2024E	2022	2023E	2024E	2022	2023E	2024E	NIM	ROA	ROE
Propel Holdings Inc.	TSX: PRL	\$ 5.45	\$ 189.9	\$ 324.5	\$ 2.20	2.5x	1.9x	1.4x	1.0x	21.7x	N/M	N/M	14.8x	6.7x	3.9x	8.0%	11.3%	22.8%
Encore Capital Group, Inc.	NASDAQGS: ECPG	\$ 45.28	\$ 1,038.1	\$ 3,963.8	\$ 13.99	3.2x	2.8x	3.0x	2.6x	12.7x	25.1	15.87	5.6x	9.5x	6.1x	3.1%	3.5%	3.1%
FirstCash Holdings, Inc.	NASDAQGS: FCFS	\$ 102.99	\$ 4,637.9	\$ 6,178.5	\$ (0.80)	N/M	2.3x	2.0x	1.9x	19.1x	20	16.45	35.7x	18.4x	15.4x	9.6%	5.1%	15.0%
Enova International, Inc.	ENVA	\$ 43.12	\$ 1,322.2	\$ 3,564.6	\$ 29.25	1.5x	3.6x	1.8x	1.6x	13.1x	N/M	N/M	8.2x	5.7x	4.9x	20.6%	6.0%	17.9%
PRA Group, Inc.	NASDAQGS: PRAA	\$ 19.15	\$ 715.2	\$ 3,661.0	\$ 18.83	1.0x	3.8x	4.7x	3.8x	23.7x	-54.96	40.52	7.9x	-12.6x	13.7x	2.1%	2.6%	2.3%
Vanquis Banking Group plc	LSE: VANQ	\$ 2.75	\$ 690.9	\$ 2,517.2	\$ 2.27	1.2x	4.8x	3.4x	3.1x	18.3x	25.06	13.28	7.7x	9.5x	5.0x	18.5%	3.1%	13.3%
				<b>Average</b>	<b>\$ 10.96</b>	<b>1.9x</b>	<b>3.2x</b>	<b>2.7x</b>	<b>2.3x</b>	<b>18.1x</b>	<b>3.8x</b>	<b>21.5x</b>	<b>13.3x</b>	<b>6.2x</b>	<b>8.2x</b>	<b>10.3%</b>	<b>5.3%</b>	<b>12.4%</b>
				<b>Median</b>	<b>\$ 8.13</b>	<b>1.5x</b>	<b>3.2x</b>	<b>2.5x</b>	<b>2.2x</b>	<b>18.7x</b>	<b>22.5x</b>	<b>16.2x</b>	<b>8.0x</b>	<b>8.1x</b>	<b>5.6x</b>	<b>8.8%</b>	<b>4.3%</b>	<b>14.2%</b>
International Personal Finance plc	LSE: IPF	\$ 1.34	\$ 299.8	\$ 950.0	\$ 2.13	0.6x	1.4x	1.4x	1.2x	9.8x	12.1x	10.1x	5.4x	6.9x	5.6x	8.8%	8.4%	14.0%

(1) Previous day's closing price

(2) Estimates are from Capital IQ

(3) Forward estimates as of calendar year

All Values in USD at an exchange rate of \$0.80 GBP/USD

Source: Company reports, CapitalIQ, Stonegate Capital Partners

We used a combination of P/E, P/TBV, and EV/EBT multiples to determine a valuation range for IPF.

When we look at P/E Multiples we note that comps are trading at an average of 8.2x 2024 estimates. This compares to IPF trading at 5.6x. We believe a multiple range of 7.0x to 9.0x is appropriate given the growth potential that IPF has in both the Mexican Home Market as well as their digital offerings. This will bring IPF more in-line with sector peers.

We believe that a P/TBV value of below 1.0x makes IPF attractive from a valuation standpoint. When we apply a conservative range of 1.0x to 1.5x the valuation spans £1.70 to £2.55.

Comparable companies are trading at an estimated FY24 EV/EBT multiple of 16.2x at the median vs IPF at 10.1x. When we apply a multiple range of 11.5x to 13.5x, which is conservative relative to peers, we arrive at a valuation of £1.52 to £2.19.

When we blend these multiple comparisons, in combination with our DCF analysis, we arrive at an average price range of £1.60 to £2.23 with a midpoint of £1.91.

P/E	
<b>2024 E</b>	<b>7.00x 8.00x 9.00x</b>
Earnings	0.20 0.20 0.20
Price	<b>£ 1.41 £ 1.61 £ 1.81</b>

P/TBV		
<b>2024 E</b>	<b>1.00x 1.25x 1.50x</b>	
TBV/Share (USD)	2.13 2.13 2.13	
Price (USD)	<b>\$ 2.13 \$ 2.66 \$ 3.19</b>	
Price (GBP)	<b>£ 1.70 £ 2.12 £ 2.55</b>	

EV/EBT		
<b>2024 E</b>	<b>11.50x 12.50x 13.50x</b>	
EBT	74.8 74.8 74.8	
TEV	860.2 935.0 1,009.8	

Cash	50.7	50.7	50.7
Debt	570.2	570.2	570.2
Mrkt Cap	340.7	415.5	490.3

S/O	223.9	223.9	223.9
Price	<b>£ 1.52 £ 1.86 £ 2.19</b>		

Summation			
DCF Values	£ 1.79	£ 2.05	£ 2.37

Average	<b>£ 1.60</b>	<b>£ 1.91</b>	<b>£ 2.23</b>
Median	<b>£ 1.61</b>	<b>£ 1.95</b>	<b>£ 2.28</b>

DCF ANALYSIS

International Personal Finance plc													Terminal	
Discounted Cash Flow Model													Value	
(in \$M, except per share)														
Estimates:	2019	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	
Revenue	889.1	661.3	548.7	645.5	655.2	720.7	774.8	832.9	895.3	940.1	987.1	1,036.4	1,088.3	
Operating Income	177.5	26.2	121.7	145.5	133.0	152.8	139.5	149.9	134.3	141.0	123.4	129.6	136.0	
Less: Taxes (benefit)	65.7	(22.3)	46.4	58.5	53.2	61.1	55.8	60.0	53.7	56.4	49.4	51.8	54.4	
NOPAT	111.8	48.5	75.3	87.0	79.8	91.7	83.7	89.9	80.6	84.6	74.0	77.7	81.6	
Plus: Depreciation & Amortization	32.4	43.0	28.7	27.3	27.3	27.3	29.3	31.5	33.9	35.6	37.4	39.3	41.2	
Plus: Changes in WC	360.6	(33.6)	43.7	(19.7)	3.3	3.6	3.9	4.2	4.5	4.7	4.9	5.2	5.4	
Less: Capex	(10.0)	(3.4)	(4.9)	(8.8)	(6.6)	(7.2)	(7.7)	(8.3)	(9.0)	(9.4)	(9.9)	(10.4)	(10.9)	
Free Cash Flow	494.8	54.5	142.8	85.8	103.8	115.4	109.1	117.3	110.0	115.5	106.5	111.8	117.4	1,140.5
Discount period - months					12	24	36	48	60	72	84	96	108	
Discount period - years					1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	
Discount factor					0.89	0.79	0.70	0.62	0.55	0.49	0.44	0.39	0.35	
PV of FCF					92.3	91.2	76.7	73.3	61.1	57.0	46.7	43.6	40.7	395.1
<b>Growth rate assumptions:</b>														
Revenue		-25.6%	-17.0%	17.6%	1.5%	10.0%	7.5%	7.5%	7.5%	5.0%	5.0%	5.0%	5.0%	
Operating Income		-85.2%	364.5%	19.6%	-8.6%	14.9%	-8.7%	7.5%	-10.4%	5.0%	-12.5%	5.0%	5.0%	
EBITDA		-67.0%	117.3%	14.9%	-7.2%	12.3%	-6.3%	7.5%	-7.3%	5.0%	-9.0%	5.0%	5.0%	
Free Cash Flow		-89.0%	162.1%	-39.9%	21.0%	11.1%	-5.4%	7.5%	-6.2%	5.0%	-7.8%	5.0%	5.0%	
<b>Margin assumptions:</b>														
Operating Income	20.0%	4.0%	22.2%	22.5%	20.3%	21.2%	18.0%	18.0%	15.0%	15.0%	12.5%	12.5%	12.5%	
D&A as a % of sales	3.6%	6.5%	5.2%	4.2%	4.2%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	
EBITDA	23.6%	10.5%	27.4%	26.8%	24.5%	25.0%	21.8%	21.8%	18.8%	18.8%	16.3%	16.3%	16.3%	
Taxes	37.0%	-85.1%	38.1%	40.2%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	
Changes in WC	40.6%	-5.1%	8.0%	-3.1%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
Capex as a % of sales	-1.1%	-0.5%	-0.9%	-1.4%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	
<b>Valuation:</b>														
Shares outstanding	223.9													
PV of FCF	582.3													
PV of Terminal Value	395.1													
Enterprise Value	977.5													
less: Net Debt	519.5													
Estimated Total Value:	458.0													
<b>Est Equity Value/share:</b>	<b>£2.05</b>													
<b>Sensitivity Analysis:</b>														
										<b>Terminal Growth Rates</b>				
										0%	1%	2%	3%	4%
<b>Discount rate</b>	<b>11.00%</b>	£ 2.30	£ 2.51	£ 2.76	£ 3.08	£ 3.49								
	<b>12.25%</b>	£ 1.82	£ 1.97	£ 2.15	£ 2.37	£ 2.65								
	<b>12.50%</b>	£ 1.74	£ 1.88	£ 2.05	£ 2.25	£ 2.51								
	<b>12.75%</b>	£ 1.65	£ 1.79	£ 1.95	£ 2.14	£ 2.38								
	<b>13.00%</b>	£ 1.58	£ 1.70	£ 1.85	£ 2.03	£ 2.25								
Price	£1.07													

Source: Company Reports; Stonegate Capital Markets



BALANCE SHEET

International Personal Finance plc Consolidated Balance Sheets (£M) Fiscal Year End: December											
ASSETS	FY 2018	FY 2019	Q2 Jun-20	Q4 Dec-20	FY 2020	Q2 Jun-21	Q4 Dec-21	FY 2021	Q2 Jun-22	Q4 Dec-22	FY 2022
Amounts receivable from customers	992.8	728.3	580.5	532.6	532.6	512.2	566.6	566.6	590.7	656.6	656.6
Derivative financial instruments	1.6	0.3	8.1	0.5	0.5	1.3	0.7	0.7	3.0	4.5	4.5
Cash and cash equivalents	46.6	37.4	100.6	116.3	116.3	100.4	41.7	41.7	43.7	50.7	50.7
Other receivables	18.9	16.9	26.1	9.9	9.9	15.9	14.0	14.0	15.6	16.2	16.2
Current tax assets	1.5	0.1	36.6	1.5	1.5	1.6	1.6	1.6	29.0	1.6	1.6
<b>Total Current Assets</b>	<b>£1,061.4</b>	<b>£ 783.0</b>	<b>£ 751.9</b>	<b>£ 660.8</b>	<b>£ 660.8</b>	<b>£ 631.4</b>	<b>£ 624.6</b>	<b>£ 624.6</b>	<b>£ 682.0</b>	<b>£ 729.6</b>	<b>£ 729.6</b>
Goodwill	24.5	23.1	24.7	24.4	24.4	23.4	22.9	22.9	23.4	24.2	24.2
Intangible assets	38.0	43.2	36.8	30.2	30.2	26.2	25.2	25.2	24.9	27.9	27.9
Property, plant and equipment	19.9	20.0	18.0	15.4	15.4	13.2	13.8	13.8	16.9	17.3	17.3
Right-of-use assets	-	18.8	17.9	17.5	17.5	16.6	17.7	17.7	18.5	19.3	19.3
Amounts receivables from customers	-	245.3	175.9	136.5	136.5	162.0	150.2	150.2	179.2	212.2	212.2
Deferred tax assets	138.5	151.7	137.2	135.7	135.7	125.5	124.7	124.7	136.1	138.5	138.5
Non-current tax assets	36.1	34.2	-	-	-	14.2	15.3	15.3	-	-	-
Retirement benefit asset	4.1	3.4	4.5	3.4	3.4	5.6	4.9	4.9	6.7	2.1	2.1
<b>Total Assets</b>	<b>£1,322.5</b>	<b>£1,322.7</b>	<b>£1,166.9</b>	<b>£1,023.9</b>	<b>£1,023.9</b>	<b>£1,018.1</b>	<b>£ 999.3</b>	<b>£ 999.3</b>	<b>£1,087.7</b>	<b>£1,171.1</b>	<b>£1,171.1</b>
LIABILITIES AND SHAREHOLDERS' EQUITY											
Borrowings	28.8	112.7	387.1	0.2	0.2	43.3	3.1	3.1	28.6	71.8	71.8
Derivative financial instruments	7.3	16.2	1.2	6.7	6.7	3.7	7.6	7.6	5.9	4.6	4.6
Trade and other payables	147.7	123.9	92.0	89.1	89.1	113.4	112.8	112.8	123.0	122.2	122.2
Provisions for liabilities and charges	-	-	12.1	19.2	19.2	24.2	5.4	5.4	2.6	4.7	4.7
Lease liabilities	-	8.7	9.0	7.4	7.4	7.3	6.4	6.4	6.9	7.2	7.2
Current tax liabilities	25.8	30.3	26.7	13.4	13.4	14.3	8.2	8.2	17.2	18.3	18.3
<b>Total Current Liabilities</b>	<b>£ 209.6</b>	<b>£ 291.8</b>	<b>£ 528.1</b>	<b>£ 136.0</b>	<b>£ 136.0</b>	<b>£ 206.2</b>	<b>£ 143.5</b>	<b>£ 143.5</b>	<b>£ 184.2</b>	<b>£ 228.8</b>	<b>£ 228.8</b>
Deferred tax liabilities	10.4	20.0	12.1	13.8	13.8	9.4	7.9	7.9	7.9	5.9	5.9
Lease liabilities	-	10.8	10.0	11.8	11.8	11.0	12.3	12.3	12.8	14.2	14.2
Borrowings	669.5	563.7	228.2	491.8	491.8	428.5	468.5	468.5	479.0	477.0	477.0
<b>Total Liabilities</b>	<b>£ 889.5</b>	<b>£ 886.3</b>	<b>£ 778.4</b>	<b>£ 653.4</b>	<b>£ 653.4</b>	<b>£ 655.1</b>	<b>£ 632.2</b>	<b>£ 632.2</b>	<b>£ 683.9</b>	<b>£ 725.9</b>	<b>£ 725.9</b>
Share capital	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4
Other Reserves	(22.5)	(22.5)	(22.5)	(22.5)	(22.5)	(22.5)	(22.5)	(22.5)	(22.5)	(22.5)	(22.5)
Foreign exchange reserve	51.3	9.1	18.3	5.0	5.0	(22.5)	(32.6)	(32.6)	(13.7)	9.2	9.2
Hedging reserve	(0.6)	(0.1)	1.0	0.9	0.9	(0.6)	1.6	1.6	(1.2)	0.1	0.1
Own shares	(45.1)	(46.1)	(45.5)	(45.2)	(45.2)	(44.4)	(46.6)	(46.6)	(44.5)	(43.3)	(43.3)
Capital redemption reserve	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Retained Earnings	424.2	470.3	411.5	406.6	406.6	427.3	441.5	441.5	460.0	476.0	476.0
<b>Total Consolidated Equity</b>	<b>£ 433.0</b>	<b>£ 436.4</b>	<b>£ 388.5</b>	<b>£ 370.5</b>	<b>£ 370.5</b>	<b>£ 363.0</b>	<b>£ 367.1</b>	<b>£ 367.1</b>	<b>£ 403.8</b>	<b>£ 445.2</b>	<b>£ 445.2</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>£1,322.5</b>	<b>£1,322.7</b>	<b>£1,166.9</b>	<b>£1,023.9</b>	<b>£1,023.9</b>	<b>£1,018.1</b>	<b>£ 999.3</b>	<b>£ 999.3</b>	<b>£1,087.7</b>	<b>£1,171.1</b>	<b>£1,171.1</b>
Liquidity											
Current Ratio	5.1x	2.7x	1.4x	4.9x	4.9x	3.1x	4.4x	4.4x	3.7x	3.2x	3.2x
Equity to Receivables	43.6%	44.8%	51.4%	55.4%	55.4%	53.8%	51.2%	51.2%	52.4%	51.2%	51.2%
Working Capital (M)	£ 851.8	£ 491.2	£ 223.8	£ 524.8	£ 524.8	£ 425.2	£ 481.1	£ 481.1	£ 497.8	£ 500.8	£ 500.8
Leverage											
Net Debt to Equity	150.5%	150.9%	137.4%	106.6%	106.6%	107.4%	122.2%	122.2%	119.8%	116.7%	116.7%
Net Debt to Capital	49.3%	49.8%	45.7%	38.6%	38.6%	38.3%	44.9%	44.9%	44.5%	44.4%	44.4%
KPI											
Impairment Ratio	15.4%	16.2%	nm	18.6%	18.6%	nm	4.9%	4.9%	7.4%	8.6%	8.6%
Return on Average Assets	8.7%	8.5%	2.9%	-1.6%	4.1%	3.7%	7.7%	7.4%	9.4%	8.0%	8.0%
ROE	18.3%	16.5%	-2.3%	-13.0%	-13.0%	7.9%	11.4%	11.4%	10.4%	11.5%	11.5%
RORE	19.6%	18.3%	-2.7%	-16.2%	-16.2%	10.4%	15.1%	15.1%	13.6%	14.6%	14.6%

Source: Company Reports, Stonegate Capital Partners

**INCOME STATEMENT**

International Personal Finance plc														
Consolidated Statements of Income (in £M, except per share amounts)														
Fiscal Year End: December														
	FY 2019	FY 2020	Q2	Q4	FY 2021	Q2	Q4	FY 2022	Q2 E	Q4 E	FY 2023E	Q2 E	Q4 E	FY 2024E
			Jun-21	Dec-21		Jun-22	Dec-22		Jun-23	Dec-23		Jun-24	Dec-24	
Revenues	£ 889.1	£ 661.3	£ 262.9	£ 285.8	£ 548.7	£ 297.4	£ 348.1	£ 645.5	£ 301.9	£ 353.3	£ 655.2	£ 332.0	£ 388.7	£ 720.7
Impairment	(243.5)	(247.6)	(11.7)	(44.5)	(56.2)	(43.3)	(63.4)	(106.7)	(43.7)	(64.0)	(107.8)	(45.9)	(67.2)	(113.2)
<b>Total Revenues</b>	<b>645.6</b>	<b>413.7</b>	<b>251.2</b>	<b>241.3</b>	<b>492.5</b>	<b>254.1</b>	<b>284.7</b>	<b>538.8</b>	<b>258.1</b>	<b>289.3</b>	<b>547.4</b>	<b>286.1</b>	<b>321.4</b>	<b>607.5</b>
Interest Expense	63.5	55.0	25.8	28.2	54.0	30.0	38.1	68.1	36.3	36.3	72.5	39.0	39.0	78.0
Other Operating Costs	387.1	108.7	52.9	58.5	111.4	57.9	63.6	121.5	61.2	68.6	129.7	67.0	75.2	142.2
Administrative Expenses	81.0	278.8	129.2	130.2	259.4	132.4	139.4	271.8	134.2	150.4	284.7	147.2	165.4	312.6
<b>Profit Before Taxes</b>	<b>114.0</b>	<b>(28.8)</b>	<b>43.3</b>	<b>24.4</b>	<b>67.7</b>	<b>33.8</b>	<b>43.6</b>	<b>77.4</b>	<b>26.5</b>	<b>34.0</b>	<b>60.5</b>	<b>33.0</b>	<b>41.8</b>	<b>74.8</b>
<b>EBIT</b>	<b>177.50</b>	<b>26.20</b>	<b>69.10</b>	<b>52.60</b>	<b>121.70</b>	<b>63.80</b>	<b>81.70</b>	<b>145.50</b>	<b>62.73</b>	<b>70.30</b>	<b>133.02</b>	<b>71.96</b>	<b>80.84</b>	<b>152.80</b>
Provision for Income Tax	42.2	24.5	20.4	5.4	25.8	3.0	28.1	31.1	10.6	13.6	24.2	13.2	16.7	29.9
<b>Net Income</b>	<b>71.8</b>	<b>(53.3)</b>	<b>22.9</b>	<b>19.0</b>	<b>41.9</b>	<b>30.8</b>	<b>15.5</b>	<b>46.3</b>	<b>15.9</b>	<b>20.4</b>	<b>36.3</b>	<b>19.8</b>	<b>25.1</b>	<b>44.9</b>
<b>Basic EPS</b>	<b>£ 0.32</b>	<b>-£ 0.24</b>	<b>£ 0.10</b>	<b>£ 0.09</b>	<b>£ 0.19</b>	<b>£ 0.14</b>	<b>£ 0.07</b>	<b>£ 0.21</b>	<b>£ 0.07</b>	<b>£ 0.09</b>	<b>£ 0.16</b>	<b>£ 0.08</b>	<b>£ 0.11</b>	<b>£ 0.20</b>
<b>Diluted EPS</b>	<b>£ 0.30</b>	<b>-£ 0.24</b>	<b>£ 0.10</b>	<b>£ 0.08</b>	<b>£ 0.18</b>	<b>£ 0.13</b>	<b>£ 0.07</b>	<b>£ 0.20</b>	<b>£ 0.07</b>	<b>£ 0.09</b>	<b>£ 0.15</b>	<b>£ 0.08</b>	<b>£ 0.11</b>	<b>£ 0.19</b>
WTD Shares Out - Basic	222.0	222.7	223.2	221.8	221.8	222.0	222.6	222.6	234.6	234.6	222.8	234.9	234.9	223.0
WTD Shares Out - Diluted	237.0	222.7	237.1	234.7	234.7	233.6	234.4	234.4	234.6	234.6	234.6	234.9	234.9	234.9
<b>EBITDA</b>	<b>209.9</b>	<b>69.2</b>	<b>83.0</b>	<b>67.4</b>	<b>150.4</b>	<b>76.7</b>	<b>96.1</b>	<b>172.8</b>	<b>75.6</b>	<b>84.7</b>	<b>160.3</b>	<b>84.9</b>	<b>95.2</b>	<b>180.1</b>
<b>Margin Analysis</b>														
Pre-Tax Margin	27.5%	6.3%	27.5%	21.8%	24.7%	25.1%	28.7%	27.0%	24.3%	24.3%	24.3%	25.2%	25.2%	25.2%
Net Income Margin	11.1%	-12.9%	9.1%	7.9%	8.5%	12.1%	5.4%	8.6%	6.2%	7.1%	6.6%	6.9%	7.8%	7.4%
Tax Rate	37.0%	-85.1%	47.1%	22.1%	38.1%	8.9%	64.4%	40.2%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
<b>Growth Rate Y/Y</b>														
Total Revenue	1.0%	-35.9%	39.6%	3.3%	19.0%	1.2%	18.0%	9.4%	1.6%	1.6%	1.6%	10.8%	11.1%	11.0%
Pre-Tax Income	4.3%	-125.3%	-192.5%	35.6%	-335.1%	-21.9%	78.7%	14.3%	-21.7%	-21.9%	-21.8%	24.5%	22.9%	23.6%
Net Income	-4.8%	-174.2%	-141.6%	1017.6%	-178.6%	34.5%	-18.4%	10.5%	-48.4%	31.8%	-21.6%	24.5%	22.9%	23.6%

Source: Company Reports, Stonegate Capital Partners estimates

CASH FLOW STATEMENT

International Personal Finance plc Consolidated Cash Flow Statements (£M) Fiscal Year End: December											
CASH FLOW	FY 2018	FY 2019	Q2 Jun-20	Q4 Dec-20	FY 2020	Q2 Jun-21	Q4 Dec-21	FY 2021	Q2 Jun-22	Q4 Dec-22	FY 2022
<b>Operating Activities</b>											
Cash generated from operating activities	141.6	169.2	176.0	153.8	329.8	58.7	15.6	74.3	23.0	35.8	58.8
Finance cost paid	(59.6)	(64.0)	(39.7)	(15.0)	(54.7)	(11.3)	(41.4)	(52.7)	(15.3)	(49.9)	(65.2)
Income tax received/(paid)	(21.8)	(41.0)	(12.5)	11.1	(1.4)	(33.7)	(12.7)	(46.4)	(9.0)	14.5	5.5
Finance income received	-	-	-	9.9	9.9	-	-	-	-	-	-
<b>Net cash used in operating activities</b>	<b>£ 60.2</b>	<b>£ 64.2</b>	<b>£ 123.8</b>	<b>£ 159.8</b>	<b>£ 283.6</b>	<b>£ 13.7</b>	<b>-£ 38.5</b>	<b>-£ 24.8</b>	<b>-£ 1.3</b>	<b>£ 0.4</b>	<b>-£ 0.9</b>
<b>Investing Activities</b>											
Purchase of intangible assets	(19.3)	(21.2)	(6.4)	(5.3)	(11.7)	(3.4)	(6.9)	(10.3)	(5.4)	(9.3)	(14.7)
Purchase of property, plant, and equipment	(6.7)	(10.2)	(1.9)	(1.9)	(3.8)	(1.3)	(3.8)	(5.1)	(6.0)	(3.1)	(9.1)
Proceeds from sale of property, plant, and equipment	0.3	0.2	0.2	0.2	0.4	0.1	0.1	0.2	0.2	0.1	0.3
<b>Net Cash used in investing activities</b>	<b>-£ 25.7</b>	<b>-£ 31.2</b>	<b>-£ 8.1</b>	<b>-£ 7.0</b>	<b>-£ 15.1</b>	<b>-£ 4.6</b>	<b>-£ 10.6</b>	<b>-£ 15.2</b>	<b>-£ 11.2</b>	<b>-£ 12.3</b>	<b>-£ 23.5</b>
<b>Financing Activities</b>											
Proceeds from borrowings	101.9	119.9	64.7	246.6	311.3	5.9	43.5	49.4	31.4	67.9	99.3
Repayment of borrowings	(89.7)	(120.3)	(111.9)	(378.1)	(490.0)	(22.7)	(40.2)	(62.9)	(0.3)	(43.3)	(43.6)
Principal elements of lease payments	-	(9.9)	(5.3)	(5.6)	(10.9)	(4.9)	(5.0)	(9.9)	(4.5)	(4.7)	(9.2)
Shares acquired by employee trust	-	(2.1)	-	-	-	(1.3)	(2.6)	(3.9)	(0.4)	-	(0.4)
Dividends paid to Company shareholders	(27.7)	(27.7)	-	-	-	-	(4.9)	(4.9)	(12.9)	(6.0)	(18.9)
<b>Cash flow generated/(absorbed) by financing Activities</b>	<b>-£ 15.5</b>	<b>-£ 40.1</b>	<b>-£ 52.5</b>	<b>-£ 137.1</b>	<b>-£ 189.6</b>	<b>-£ 23.0</b>	<b>-£ 9.2</b>	<b>-£ 32.2</b>	<b>£ 13.3</b>	<b>£ 13.9</b>	<b>£ 27.2</b>
Exchange gains/(loses) on cash and cash equivalents	0.2	(2.1)	-	-	-	(2.0)	(0.4)	(2.4)	1.2	5.0	6.2
<b>Net Cash flow in the year</b>	<b>£ 19.2</b>	<b>-£ 9.2</b>	<b>£ 63.2</b>	<b>£ 15.7</b>	<b>£ 78.9</b>	<b>-£ 15.9</b>	<b>-£ 58.7</b>	<b>-£ 74.6</b>	<b>£ 2.0</b>	<b>£ 7.0</b>	<b>£ 9.0</b>
<b>Cash and Cash Equivalents</b>											
Beginning Cash balance	27.4	46.6	37.4	100.6	37.4	116.3	100.4	116.3	41.7	43.7	41.7
Ending Cash balance	46.6	37.4	100.6	116.3	116.3	100.4	41.7	41.7	43.7	50.7	50.7

Source: Company Reports, Stonegate Capital Partners

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