MARCH 2024

2023

Results presentation

New Day

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Continued progress against a challenging macro

1. Underlying PBT of £207m, 2% higher than 2022
2. Tightened credit underwriting and management initiatives protected performance delivery
3. Continued proactive support for customers throughout the cost-of-living pressure
4. Continued investment in innovation in and capability of our digital platform
5. Exciting new technology and embedded finance partnership with LBG due to launch in 2024
6. Positioned for accelerated growth in 2024

We progressed our strategic initiatives

1 Underlying PBT 2% higher despite challenging macro

£207M
2023 Underlying PBT (+2% y-o-y)

2 Receivables largely unchanged

£4.3BN
Gross Receivables (+1% y-o-y)

6.2%
Market Share of receivables[1]

3 Deliberately lower new customer acquisitions in 2023

395k
New customers (1.3m in 2022)

-70%
New customers vs 2022 [2]

4 Modest growth in net revenue

+4%
Net revenue growth vs 2022

20.4%
Net revenue margin vs 23.0% in 2022

5 Good credit discipline

9.6%
Impairment rate vs 10.6% 2022

+3%
Growth in RAI (£457m) vs 2022

6 Cost control in inflationary environment

29.0%
2023 underlying Cost:Income ratio (2022: 29.1%)

7 Strong cash generation

£128M
FCF for growth and debt service (2022: £136m)

£61M
2024 HYB fully repaid

8 Significant partner wins

LLOYDS BANKING GROUP

boohoo group plc

Note:
(1) UK Credit Cards Bank of England data as at 31 December 2023. NewDay share includes Newpay receivables.
(2) 2022 includes customers onboarded as part of the John Lewis & Partners ("JLP") Launch.

Well-positioned to drive growth in 2024

Credit

- Leading near-prime lender
- Providing credit to working Britain
- Encouraging financial responsibility

- Large scale retail programmes
- Embedded finance

Platform

- Proprietary digital and data platforms
- Strong reference clients in LBG [(1)] and Boohoo

Where next?

- Positioned to accelerate new customer acquisition in 2024
- Improve returns on JLP programme and launch / build scale through LBG[(1)]

- Continue to invest in Platform innovation and capability

Note:
(1) Lloyds Banking Group

A modern, cloud hosted, highly scalable consumer credit platform

- Highly scalable consumer credit platform powering multiple brands
- End-to-end technology connecting omni-channel proprietary front end and an evolving back-end capability
- Supports multiple forms of lending including revolving credit, embedded finance and point-of-sale
- Expansive data platform driving deep data insights
- Cloud infrastructure facilitating 24/7 access and scale to instantly meet demand peaks
- Ongoing investment commitment in future capability in a multi-year development roadmap

323M
Transactions processed in 2023

>1K
Core deployments per month

>99.5%
Digital platform availability

20X
Tested for scale without any performance degradation

>0.5TB
Data ingested into our data platform daily

1TN
Data points on existing customers

Driving innovation on our digital platform at pace

Enhancements in last 12 months

Credit score in apps for all near-prime brands – *helping customers improve their credit score*

Launched interest relief products – *supporting customers through difficulties*

Document Upload capability – *improving customer onboarding*

Debenhams Loyalty relaunched – *engaging over 150k customers*

Card details in mobile app – *improving customer experience*

Deployment of NewDay Data Platform for international bank – *technology use case*[1]

Delivery of proof of concept for CallSign – *advancing the e-commerce journey for fraud detection*

App-only Strong Customer Authentication – *mitigating fraud*

Enriched transactions with Ethoca – *allows more detailed transaction information to be provided to customers*

WhatsApp launch on chat for Collections teams – *improving customer interactions*

Deployment of core collections platform – *enabling collections strategy using Machine Learning models*

Next 12 months

- Replacement of legacy Risk Decision Engine with in-house decision-making tool
- Behavioural biometric capability
- Replace legacy complaints platform with in-house built modern platform
- New embedded finance account management platform
- Launch technology & lending partnership with LBG
- Launch technology partnership with Boohoo
- Extend use of Open Banking
- Fraud Case Management Portal & Platform

Note: (1) Generates revenue for Platform Services

ESG continues to be central to our business

We help people move forward with credit

395K
new customers welcomed that we responsibly said "yes" to (2022: 1.3m)

2.4M
customers improved their credit score (2022: 2.1m)

441K
customers extended payment support (2022: 390k)

824K
customers registered for *Aqua Coach* and *Credit Score*, our financial education tools (2022: 592k)

'Alternative Payments Solution' winner for *Newpay* at the Retail Systems Awards

'Team Player of the Year' and 'Innovator of the Year' winners at the Women in Credit Awards

We strive to create an exceptional experience for our colleagues and support advancement in our communities

76%
employee engagement survey[1] (2022: 78%) against a target of >75%

79%
Inclusion and Diversity Index in our employee engagement survey[1] (2022: 82%) against a target of >75%

79%
Wellbeing Index in our employee engagement survey[1] (2022: 82%) against a target of >75%

Investing in You development programme launched for colleagues

Across our eight-year partnership NewDay has donated over £1.6m to our charity partner Family Action

Supported the fifth annual Demos Good Credit Index and partnered with Stemettes

We are an environmentally conscious and highly digital business

0.5
tonnes of CO_2e per average FTE employee across Scope 1, 2 and 3 within our own operations (2022: 0.3 tonnes of CO_2e per average FTE employee) against a target of 0.4 tonnes

Carbon neutral own operations across Scope 1 and 2 CO_2 emissions %

100%
renewable energy tariffs across our operations (2022: 100%)

0%
of waste to landfill (2022: 0%)

carbon footprint tracking to help customers build carbon literacy

2040
Net Zero target set

Underpinned by strong and established corporate governance

Signatory to UN Global Compact

EcoVadis Gold Sustainability Rating

ISO 27001 Information Security Management certification

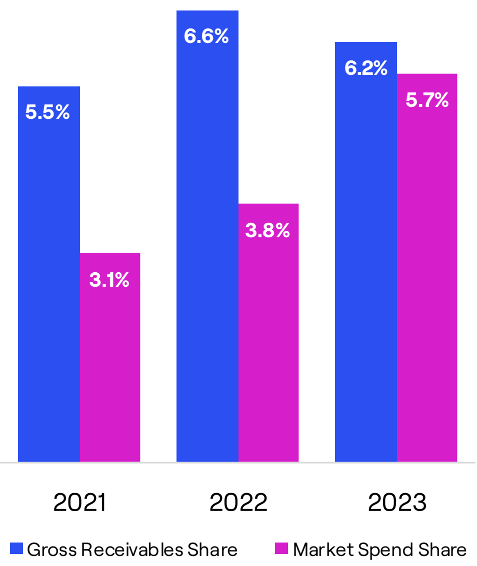
Targets set for each ESG metric and regularly monitored by the Board

Mandatory ethics training for all colleagues annually

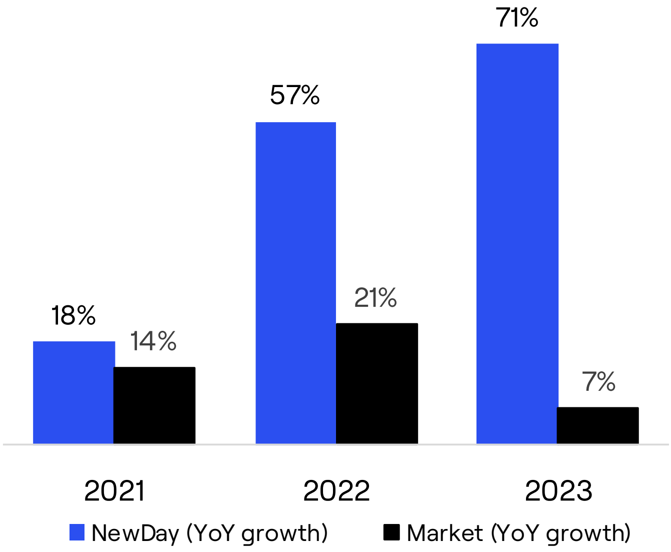
Note:
(1) 2023 employee engagement was taken from our mid-year survey. An end of year survey was not performed due to operational reasons.

Market share of receivables remained above 6% and our IBB rate was unchanged. Market share of spend increased due to JLP

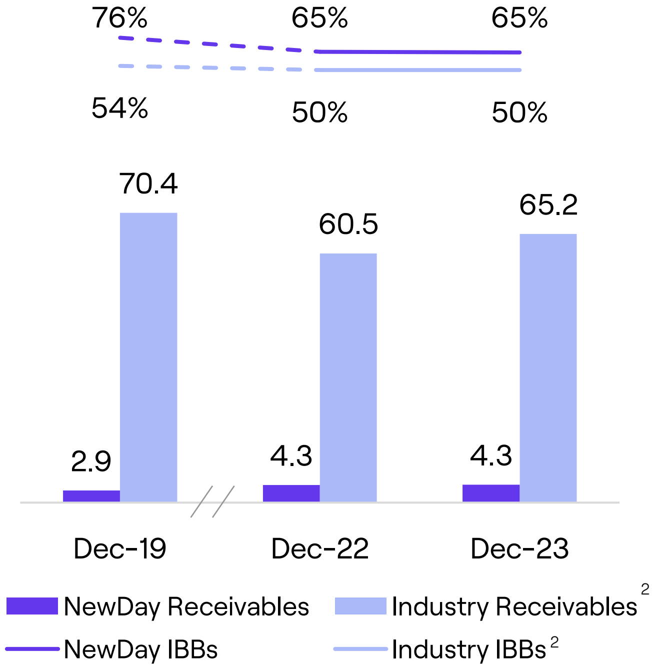
Market share of spend 190bps higher reflecting higher spend in JLP portfolio and share[1] of receivables 50bps lower



Retail spend[2] growth rates down across industry. NewDay growth reflects JLP onboarding in 2022



NewDay IBB rate[3] stable y-o-y and in line with longer-term industry trend of reducing IBBs as a % of receivables



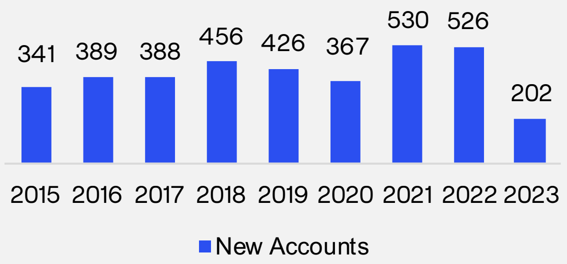
Note:
(1) UK Credit Cards Bank of England data as at 31 December 2023. % share metrics calculated as total NewDay volumes as a proportion of Bank of England data credit card volumes. NewDay share includes Newpay receivables. Total UK credit card market is £70bn at 31 December 2023 per Bank of England data.
(2) Market data sourced from UK Finance Card Spending Update (released January 2023).
(3) IBB rate is calculated by dividing period-end interest-bearing balances by period-end gross receivables. NewDay 2019 Gross Receivables and IBB % excludes discontinued unsecured personal loans business.

D2C – deliberately constrained customer acquisition and tighter credit risk management in uncertain macro yielded modest receivables growth and 10% higher RAI

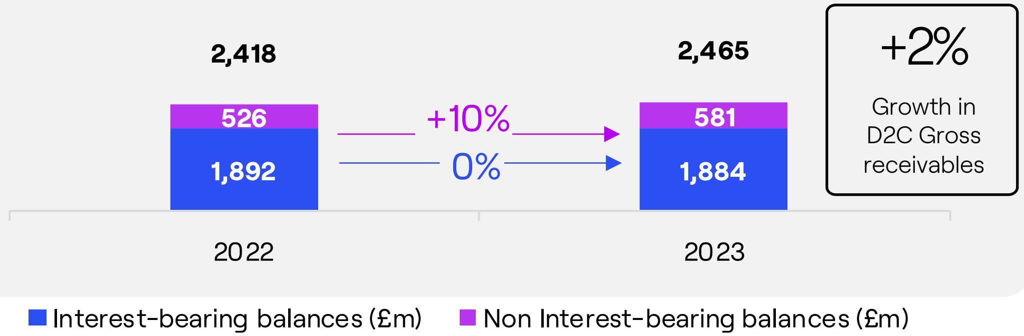
Controlled new customer acquisition, in line with strategy. Plan to return towards historical levels

202k

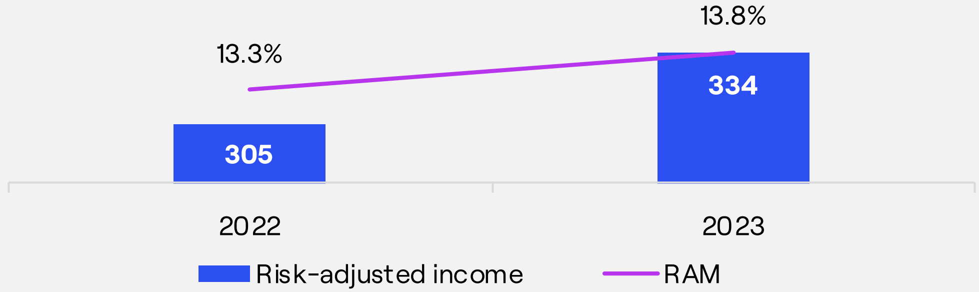
New Customers (-62% vs 2022)



Slower growth in gross receivables due to constrained new customer growth and credit expansion



RAI 10% higher YoY driven by strong credit performance



marbles Market leader in near-prime credit

Constrained new customer growth through 2023 but plan to return towards historical levels

Credit risk well controlled whilst customers supported – 441k customers received support

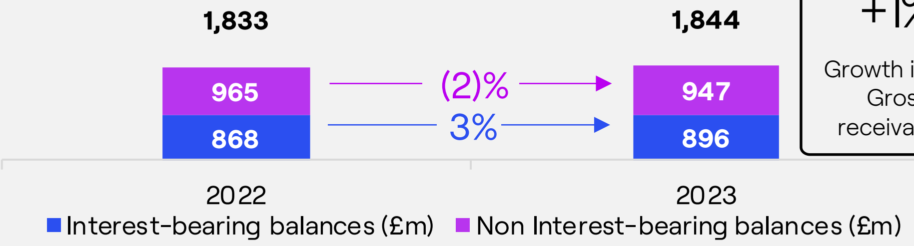
Merchant Offering – full year of JLP programme led to significant increase in spend and lower RAI due to prime portfolio dynamics

New customer reduction in 2023 reflects onboarding of JLP in 2022

193k
New Customers
(-76% vs 2022)

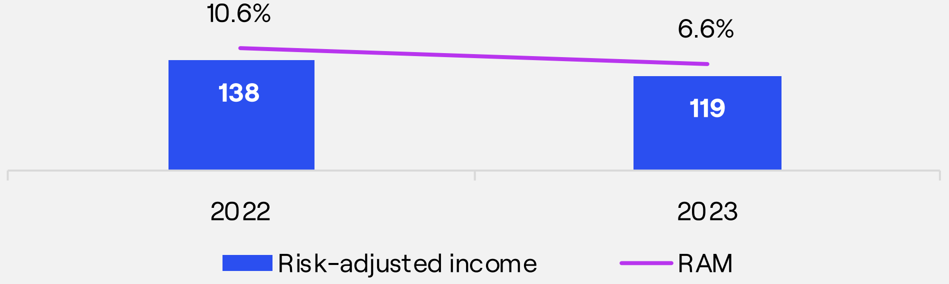
£11.2bn
Spend
(+116% vs 2022)

Constrained receivables growth



+1%
Growth in MO Gross receivables

RAI 14% lower YoY driven by the impact of the prime JLP portfolio and higher cost of funds



JOHN LEWIS & PARTNERS — Working with JLP to put the programme on a sustainable long-term trajectory

2024 launch of technology and lending partnership

ao — Focus on growing this successful Newpay partnership

Pulse — Focus on stimulating customers from previous partnerships

In 2023, we signed an important technology and lending partnership with Lloyds Banking Group

NewDay | LLOYDS BANKING GROUP

2024
Expected launch

#1
Digital retail bank in the UK

Scale
UK's largest retail and commercial financial services provider

Innovation
Designed to solve for limitations of existing checkout finance solutions

Inclusive
Offering more point-of-sale financing options to a wide group of customers

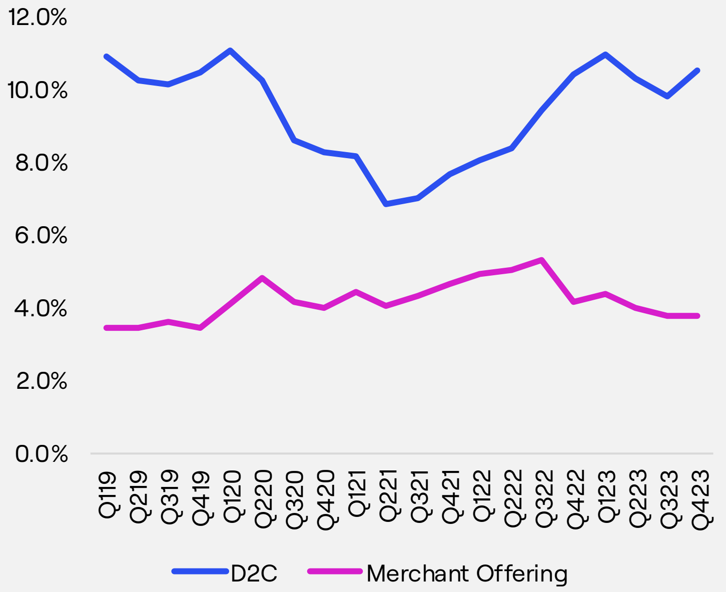
- Technology and lending partnership
- Wide spectrum credit covering prime (provided by LBG) and near-prime (provided by NewDay)
- Technology provided by NewDay

Disciplined underwriting and well-established forbearance initiatives enabled us to help customers manage the cost-of-living pressures

Payment holidays have proven effective in supporting customers through the cost-of-living pressure

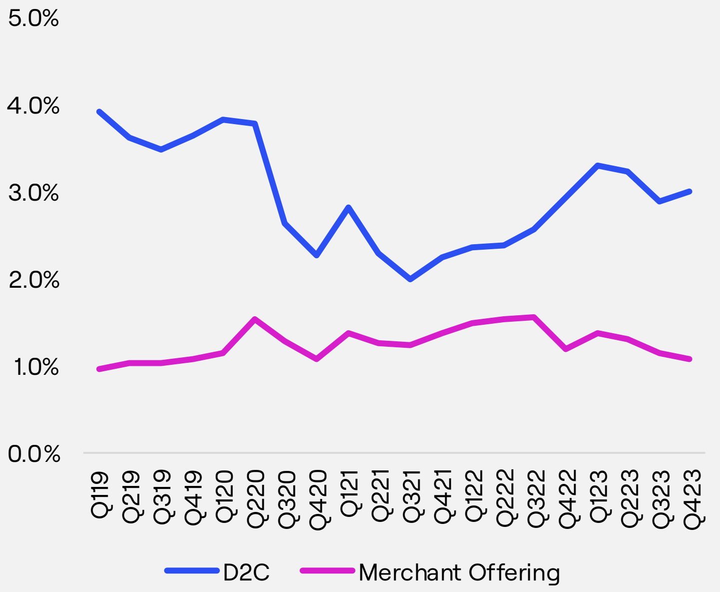
- Our purpose: helping people move forward with credit
- Effective use of forbearance support
- 1-3 months of payment holiday relief[1]
- No fees and interest charges during the holiday
- Card suspended for use during the holiday
- Strong outcomes – c.80% up-to-date post payment holiday period

Delinquency rates reduced from a peak in Q1 2023



% of balances in arrears [2]

90+ delinquency rates improved in H2 2023, aided by customer support strategies

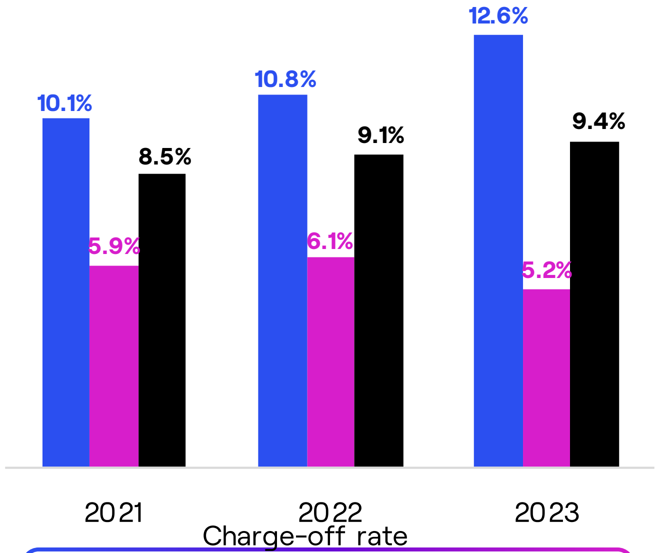


% of balances 90days+ in arrears [3]

Note:
(1) Customers are able to access more than 3 months payments holidays if they continue to be in short term financial difficulties and can have no more than 6 months holiday in a 12-month period. In any given month, approximately 5% of new payment holidays approved have had more than 3 months in the last 12 months.
(2) Reflects total balances that are in arrears as a proportion of average receivables.
(3) Reflects total balances that are 90 days or more in arrears as a proportion of average receivables.

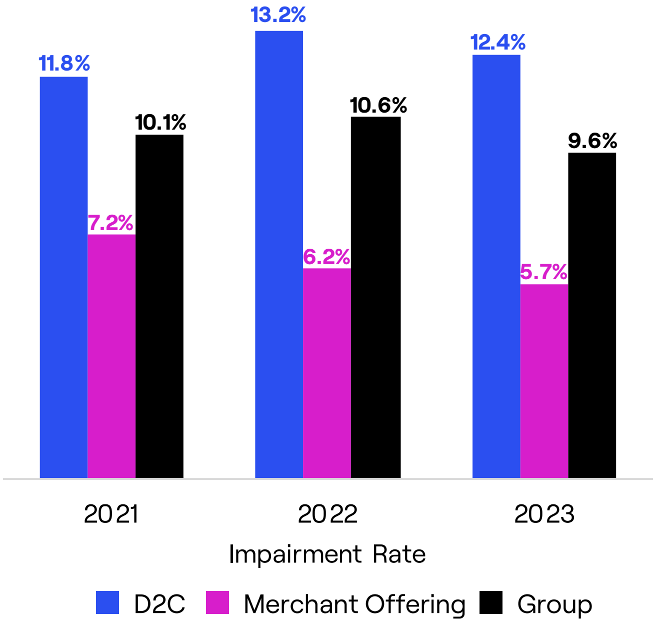
Credit management and improved macro towards the end of the year contributed to reduced impairment and coverage

Charge-offs increased by 30bps reflecting the peak of the cost-of-living pressure

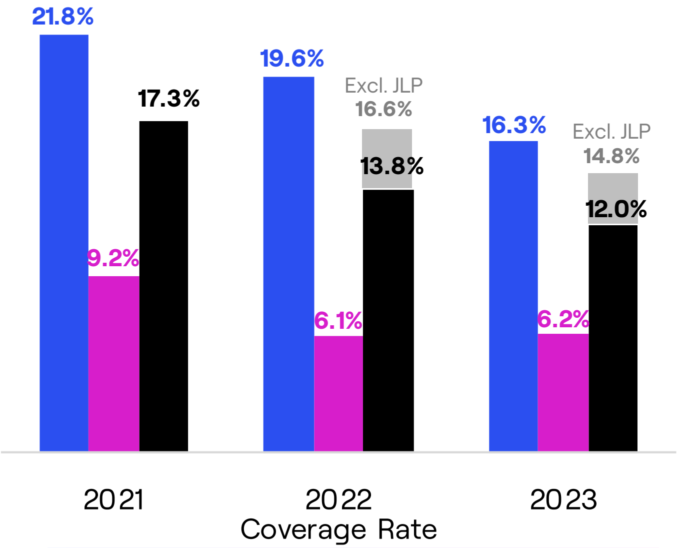


	2019	2023
D2C	15.1%	12.6%
Merchant Offering	4.4%	5.2%
Group (excl. UPL)	**11.0%**	**9.4%**

YoY 100bps decrease in impairment driven by improved credit outlook and sale of forborne debt



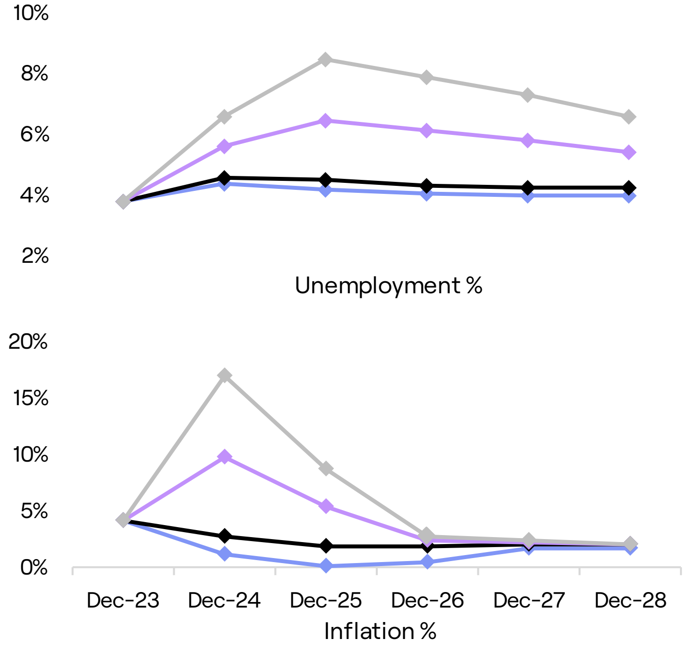
Coverage rate reduced by 180bps YoY driven by credit outlook, sale of forborne debt and prime JLP portfolio



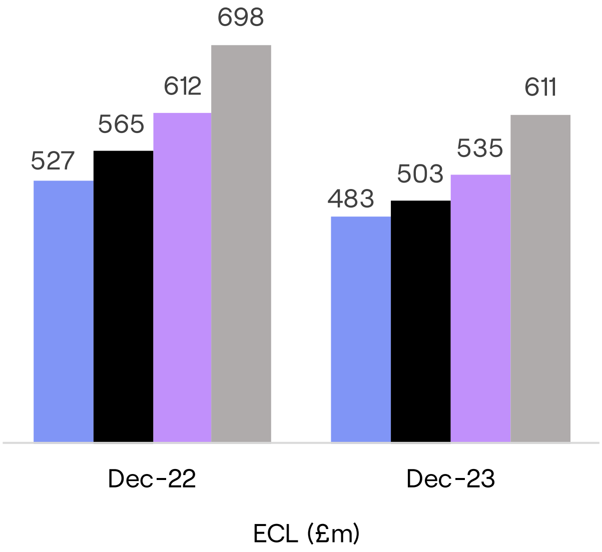
	2019	2022	2023
Group (excl. UPL)	14.2%	13.8%	12.0%
Group (excl. UPL & JLP)	14.2%	16.6%	14.8%

Decrease in ECL[1] driven by an improved credit outlook following the peak of the cost-of-living pressure in 2023

Year end 2023 Unemployment and Inflation scenarios[1]



Reduction in ECL[1] driven by improved macro and credit outlook in addition to sales of forborne debt



	Unemployment Peak	Unemployment 5 year Average	ECL (£m) assuming 100% weighting	Probability weighting
Dec-23				
Upside	4.4%	4.1%	483	15%
Base	4.7%	4.4%	$\boxed{503}$	50%
Downside 1	6.5%	5.8%	535	30%
Downside 2	8.5%	7.1%	611	5%

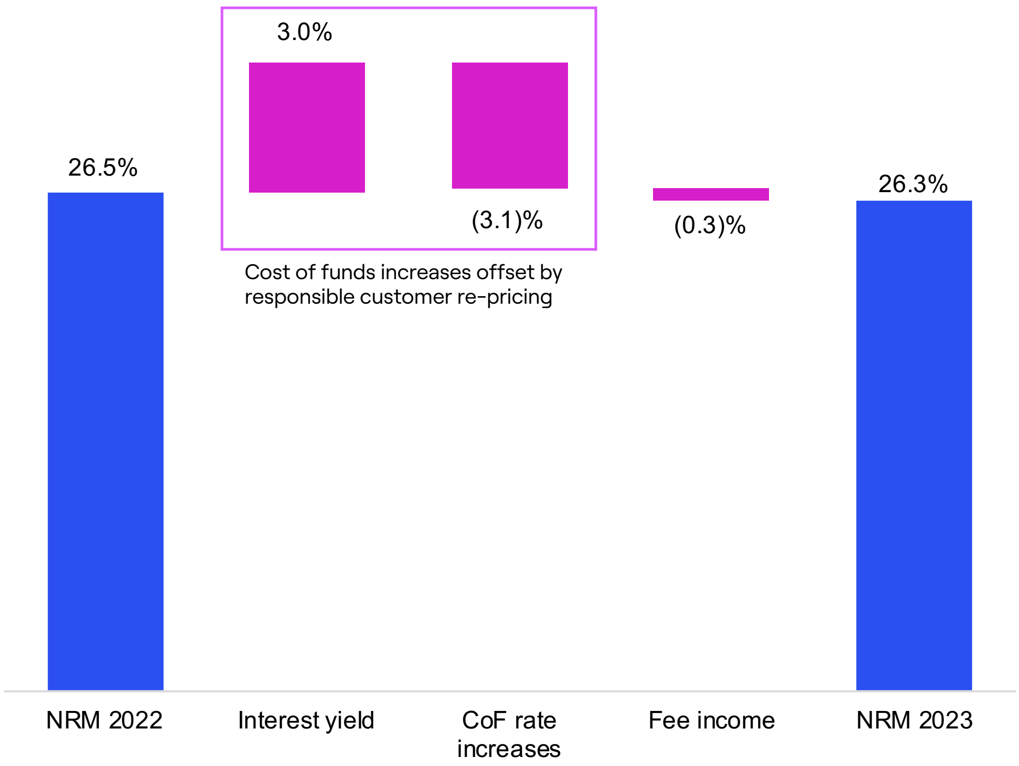
	Dec-22	Dec-23
Core ECL[2]	536	501
Cost-of-living	29	2
Base Scenario	**565**	$\boxed{\textbf{503}}$
Macro uplift	21	12
ECL allowance	**586**	**515**
Coverage Rate	13.8%	12.0%

Upside Base Scenario Downside 1 Downside 2

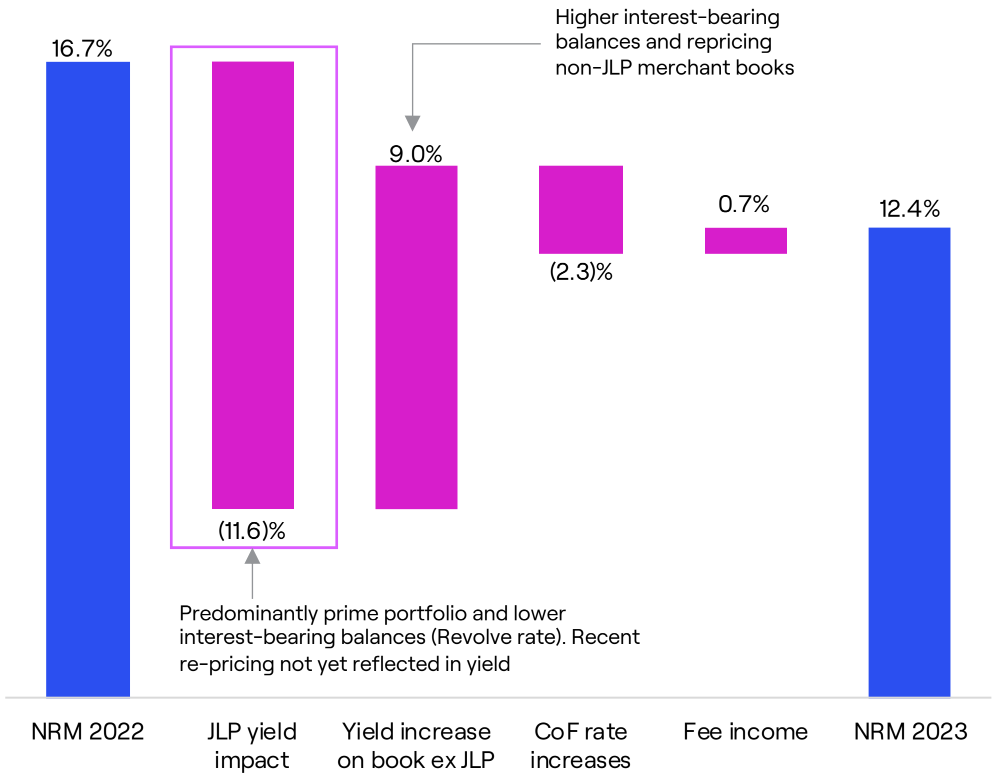
Note:
(1) Expected Credit Loss. Based on a panel of external forecasts taken from HM Treasury and the latest PRA stress forecast. The probability weighting applied to each scenario is based on management's best estimate of the likely occurrence of each scenario.
(2) Core ECL is the Base scenario excluding cost-of-living overlay.

Net revenue margin was resilient in D2C despite increase in cost of funds. The Merchant Offering performance was significantly impacted by lower revolve rate in the more prime JLP portfolio and increasing funding costs

D2C net revenue margin was resilient as BoE base rates are reflected in customer pricing

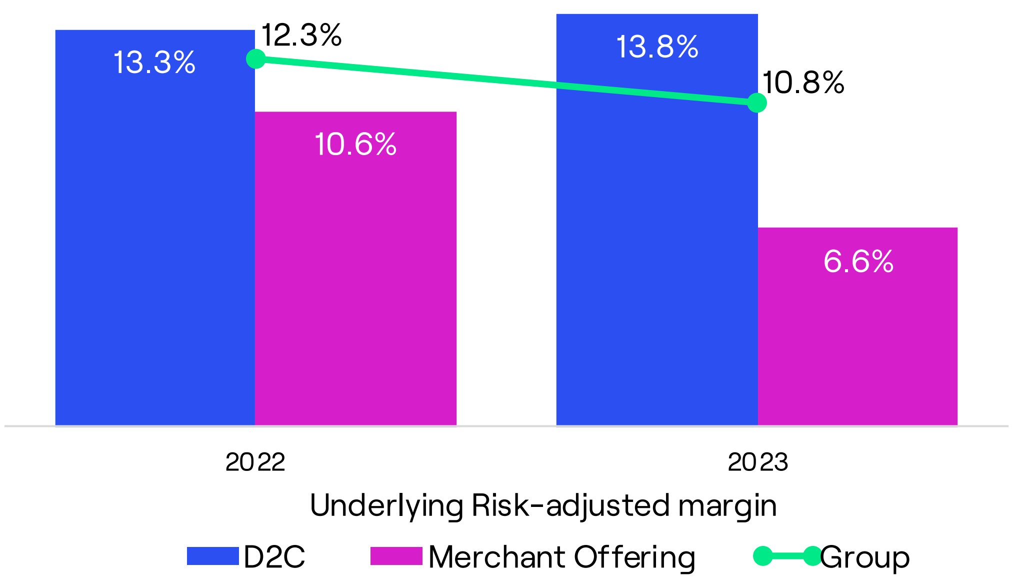


Merchant Offering net revenue margin predominantly reflects the prime nature of JLP, which is a more transactional book

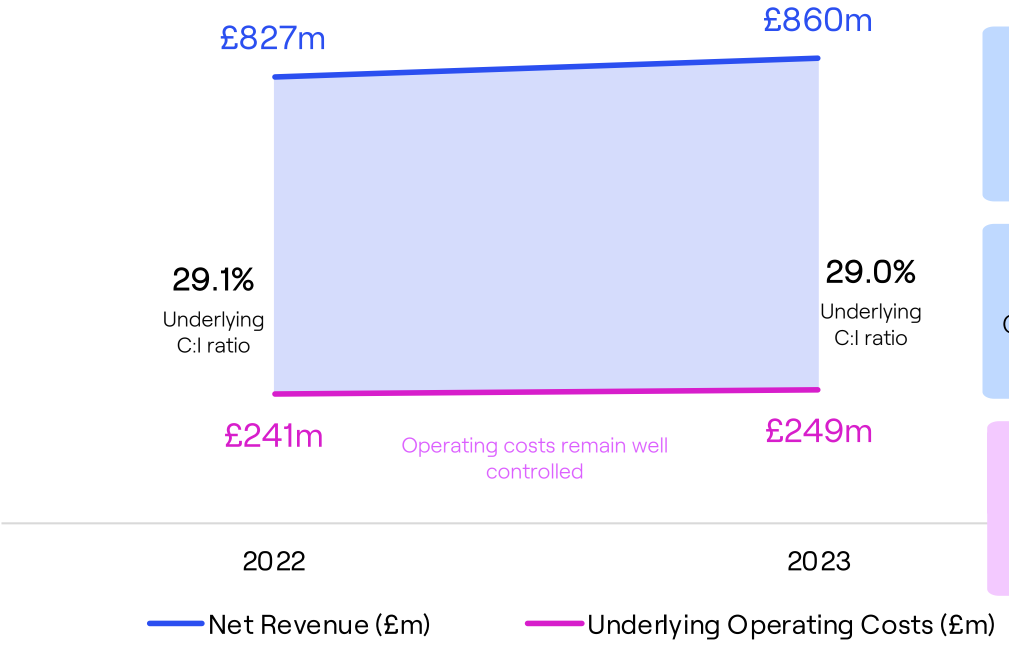


Stronger D2C RAM offset by lower Merchant Offering RAM which was driven by JLP. Cost base well controlled

Underlying RAM[(1)] reduction driven by the mix change towards prime from onboarding JLP partially offset by the sale of forborne debt[(2)]



Marginal decrease in Cost:income ratio despite significant growth in cost of funds; operating costs controlled despite higher inflationary environment



+17% Growth in interest income + fee income

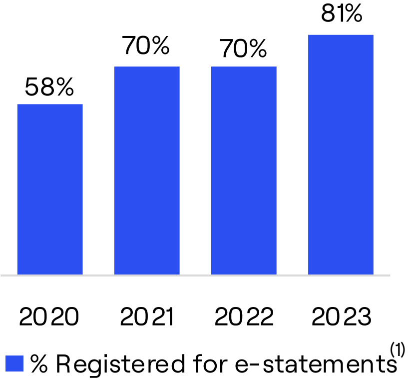
+106% Growth in cost of funds

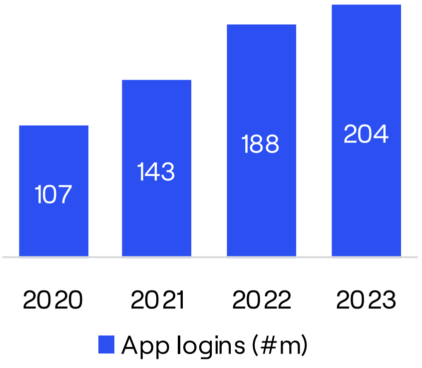
+4% Growth in underlying operating costs

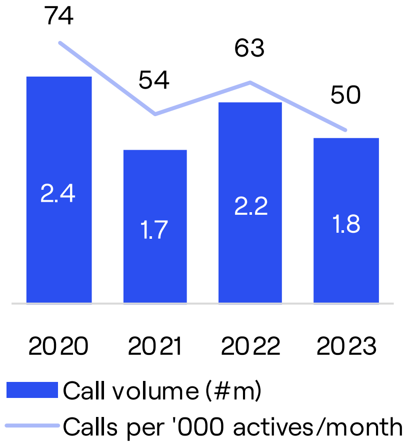
Note:
(1) Underlying RAM calculated as Underlying risk-adjusted income over average receivables
(2) Forborne debt sales has the effect of releasing ECL provision against the sold accounts, thereby reducing the impairment charge in each period

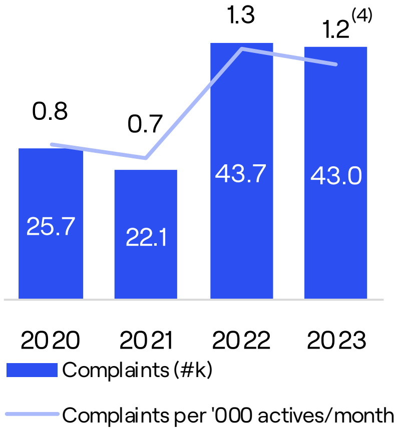
Continued focus on operational efficiency and good customer experience despite short term impact of onboarding JLP

Increased automation driving cost efficiencies with customers adopting digital solutions more readily

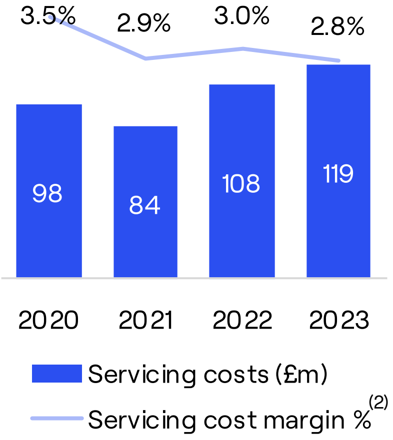








Servicing costs remain broadly stable alongside strong customer satisfaction metrics



+72
NPS(3)
(2022: +64)

+75
NES(3)
(2022: +67)

Listening to our customers

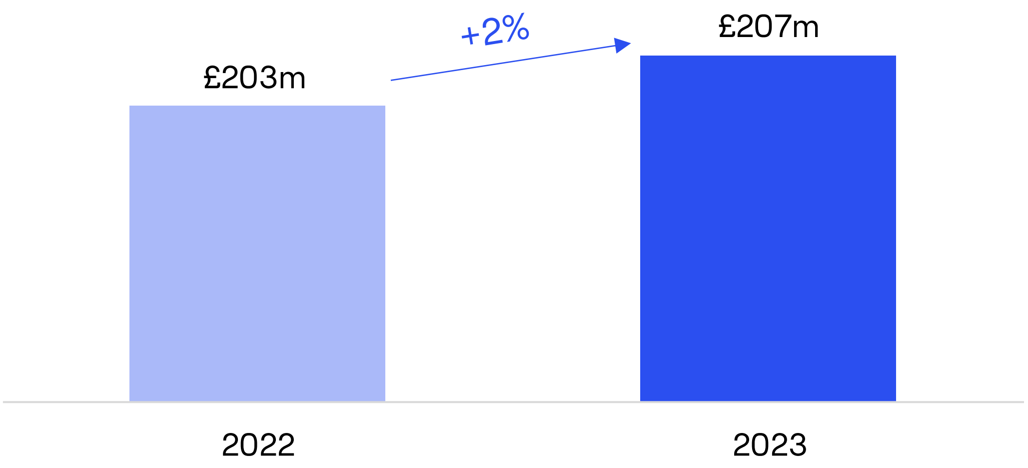
"Been having a couple of hard months and I use the app (which I love) and saw the info regarding a payment holiday, so called and was offered a text chat. You made a hard situation for me very easy to deal with and have given me some breathing space to get back on track, I thank you for that. Thank you for your support."

"You helped me have a payment holiday applied to my account despite the amount of days in arrears already. This is the perfect solution to the temporary money struggles I'm currently facing. It's left me less stressed about my account and confident that I can back on track now."

Note:
1. At period end
2. Defined as Servicing Costs / Average Receivables
3. Net Easy Score / Net Promoter Score (average of monthly scores over the year)
4. Mostly related to affordability

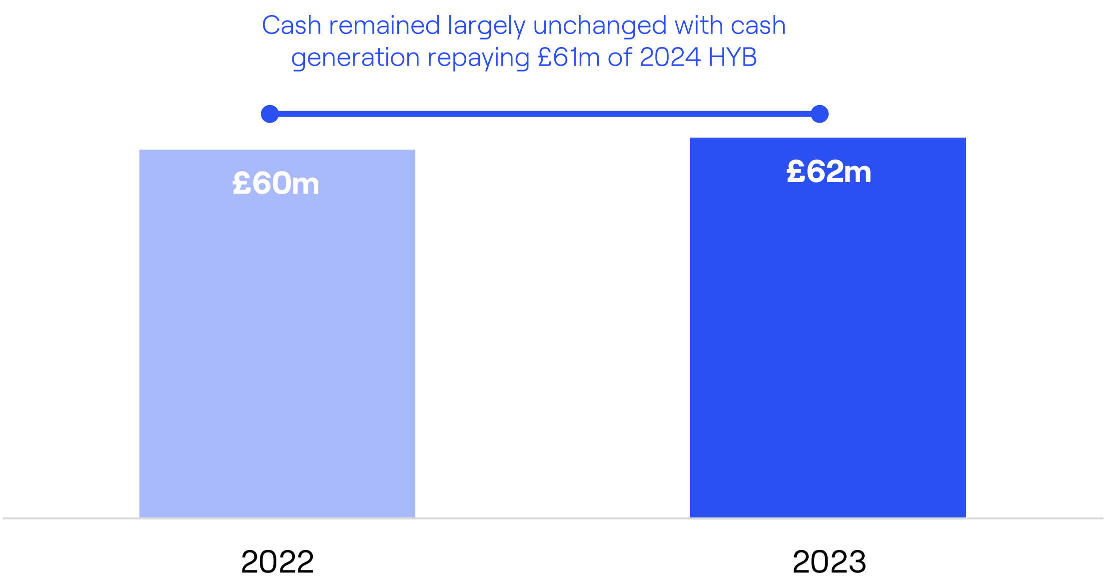
Underlying PBT 2% higher and cash generation allowed £61m repayment of 2024 HYB in 2023

Marginally growing YoY profit despite lower RAM



Underlying PBT (£m)

Cash generation repaid £61m 2024 HYB



Cash held outside securitisation structures[1] (£m)

Note:
(1) Excludes cash held for funding activities

Solid results in a challenging macro. Underlying PBT of £207m 2% higher

£m	2023	2022	%
Interest income	1,032	884	*17%*
Cost of funds	(256)	(124)	*(106%)*
Net interest income	**776**	**760**	*2%*
Fee and commission income	84	67	*26%*
Net Revenue	**860**	**827**	*4%*
Impairment	(404)	(383)	*(5%)*
Underlying risk-adjusted income	**457**	**444**	*3%*
Servicing costs	(119)	(108)	*(10%)*
Change costs	(40)	(43)	*7%*
Marketing and partner payments	(44)	(46)	*4%*
Collection fees	25	30	*(16%)*
Direct costs	(178)	(167)	*(7%)*
Contribution	**279**	**277**	*1%*
Salaries, benefits and overheads	(71)	(74)	*3%*
Underlying PBT	**207**	**203**	*2%*
Add back: depreciation and amortisation	12	12	*3%*
Adjusted EBITDA	**219**	**215**	*2%*
Gross receivables (£m)	4,309	4,252	*1%*
Average gross receivables (£m)	4,220	3,601	*17%*
Net Revenue margin (%)	20.4%	23.0%	
Impairment rate (%)	9.6%	10.6%	
Underlying RAM (%)	10.8%	12.3%	
Underlying operating expenses (£m)	(249)	(241)	*(4%)*
Underlying Cost:income ratio (%)	29.0%	29.1%	
Net Senior Secured Debt to Adjusted EBITDA[1]	(0.3)x	(0.1)x	
Adjusted EBITDA to pro forma cash interest expense	6.9x	5.9x	

Note: (1) Excluding funding overlap

Net Revenue growth +4%

- 17% growth in average receivables
- Net Revenue dilution from higher cost of funds and lower yield due to higher prime mix in book

Impairment charge +5%

- Stable credit performance
- Higher proportion of prime JLP customers results in lower impairment rate

Receivables growth +1%

- Controlled tightening in new customer originations in D2C
- Renewed focus on customer growth in 2024

FCF for growth and debt service of £128m funds £61m repayment of HYB in 2023

	£m	2023	2022
	Adjusted EBITDA	**219**	**215**
A	Change in ECL allowance	(71)	19
	Adjusted EBITDA excl. change in ECL allowance	**148**	**234**
B	Change in working capital	34	(43)
	Capex, Tax, Other	(54)	(55)
	FCF available for growth and debt service	**128**	**136**
C	Increase in loans and advances (1)	(40)	(981)
D	Net financing cash flow(2)	10	997
	FCF available for Senior Secured Debt interest	**97**	**152**
E	Repayment of High Yield Bond due 2024	(61)	(264)
	Return paid on loan from immediate parent company (3)	(8)	(19)
	Debt service - cash payments	(35)	(31)
F	Funding overlap	208	-
	Net increase in cash and equivalents (excl. restricted cash)	**201**	**68**
	Movements in restricted cash	6	10
	Net increase in cash and equivalents	**207**	**78**

A ECL provisions were built in prior periods ahead of the higher charge-offs seen in 2023

B The movement in working capital is primarily driven by changes in daily net settlement volumes

C Lower net receivables growth in 2023 due to deliberately constraining new account growth; 2022 comparable includes the onboarding of the JLP migrated customers

D Normalisation of leverage in the securitisation vehicles

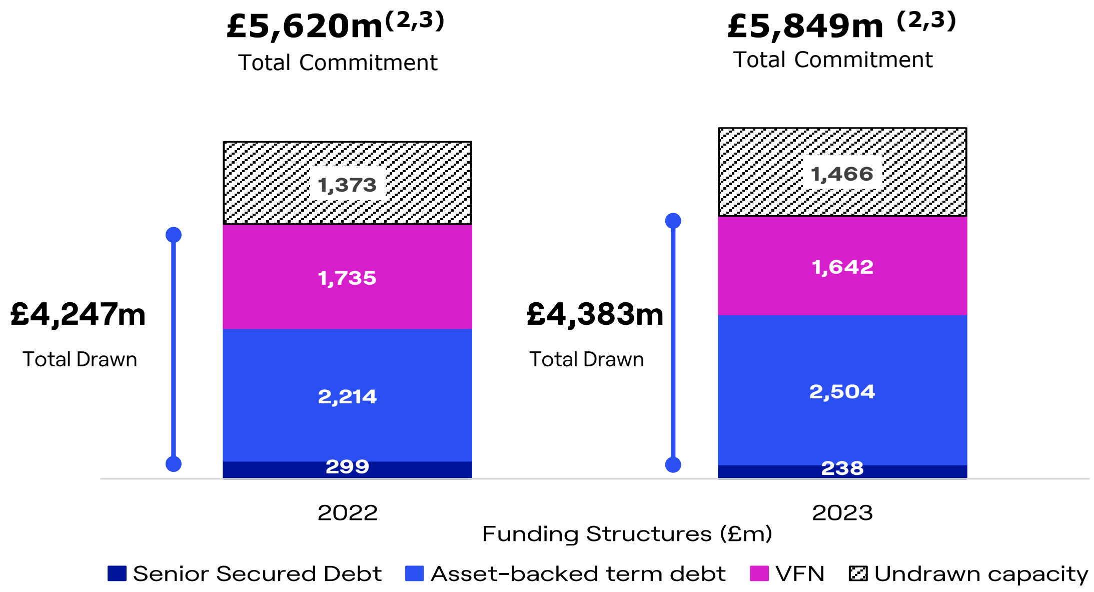
E £30m redeemed in April 2023 and £31m redeemed in October 2023. HYB due 2024 fully repaid.

F ABS deal completed in Q4 2023 used, in conjunction with VFNs, to defease D2C 2021-1 in Q1 2024

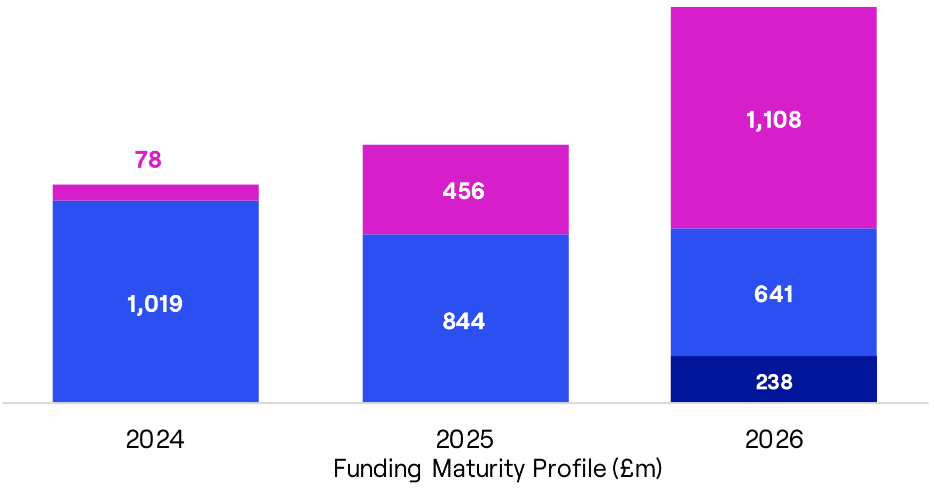
Note:
(1) Loans and advances to customers are a statutory equivalent of Gross Receivables and include EIR and accrued interest
(2) Excludes restricted cash
(3) Payment to the Group's immediate parent company, Nemean Midco Limited

Funding – significant headroom to support future growth and 2024 HYB fully repaid

Significant funding headroom[1] for future growth and refinancing



Diverse funding structures with consistent maturity profile. Efficient use of ABS and VFN funding



2024 ABS term debt maturity (£m)

D2C 2021-1	370	Mar-24
D2C 2021-2	326	Jun-24
D2C 2021-3	323	Nov-24
Total	**1,019**	

£208m funding overlap from ABS deal completed in Q4 used, in conjunction with VFNs, to redeem D2C 2021-1 in Q1 2024

Note:
(1) £1,466m funding headroom includes VFN and RCF
(2) Amounts shown are Balance Sheet carrying values except for Senior Secured Debt which excludes £8m discount on the new issuance
(3) Excluding accrued interest

Advance rates consistent and excess spread levels remain robust in public master trusts

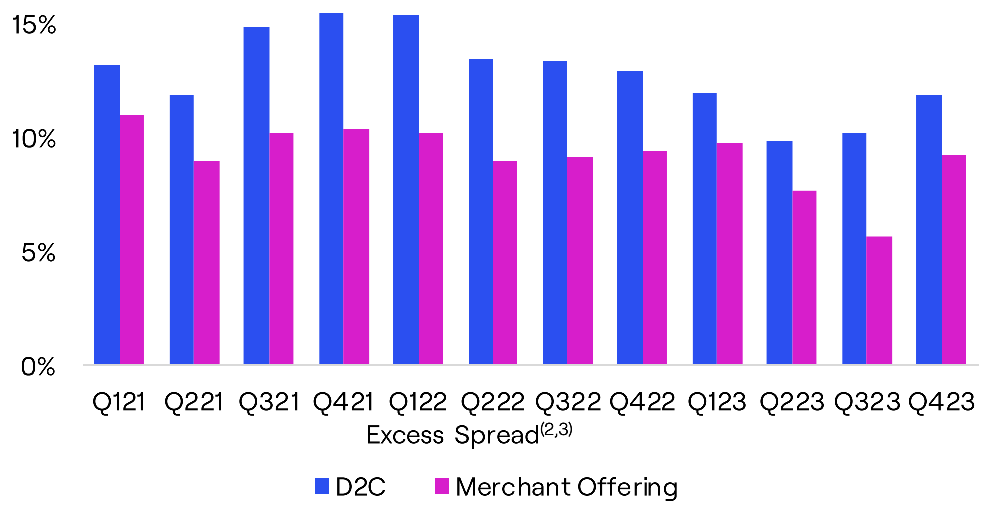
Efficient use of NewDay equity supported by multiple facilities ensures Advance Rates[1] remain strong

Group
91.0%
(FY 22: 92.0%)

D2C
87.9%
(FY 22: 87.8%)

Merchant Offering
95.0%
(FY 22: 97.4%)

Excess Spread[2,3] levels on public ABS structures across D2C and MO remain robust



Note:
(1) Advance rates stated are calculated using a hedged FX rate position
(2) Excess spread: Key trigger across funding vehicles, broadly defined as debited interest and fee income and recoveries, less gross charge-offs, funding costs and senior fees including senior servicing fees divided by average gross receivables calculated on a 3-month simple average basis. Excess spreads shown exclude VFNs and Secondary Funding facilities as they are not directly comparable.
(3) Excess spread on other Merchant Offering funding facilities c.3% lower in Q4 2023 than Merchant Offering ABS facilities in part owing to lower yield from JLP receivables.

Summary

1. We progressed our strategic initiatives against a challenging macro
2. Positioned for accelerated growth (including new customers), profitability and cash generation
3. Tightened credit underwriting and collections initiatives protected performance delivery whilst supporting customers
4. Well-funded with significant headroom to accommodate growth
5. Continued investment in innovation in and capability of our digital platform
6. Combining our credit risk-taking businesses into one unit, Credit, and separating our platform capability into another, Platform

Appendix

Detailed income statement

£m	2023	2022	%
Interest income	1,032	884	*17%*
Cost of funds	(256)	(124)	*(106%)*
Net interest income	**776**	**760**	*2%*
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Underlying operating expenses (£m)	(249)	(241)	*(4%)*
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Net Senior Secured Debt to Adjusted EBITDA[1]	(0.3)x	(0.1)x	
Adjusted EBITDA to pro forma cash interest expense	6.9x	5.9x	

Note:
(1) Net Senior Secured Debt excludes funding overlap

Detailed cash flow statement

£m	2023	2022
Adjusted EBITDA	**219**	**215**
Change in impairment provision	(71)	19
Adjusted EBITDA excl. provision	**148**	**234**
Change in working capital	34	(43)
PPI provision payments	(5)	(2)
Capital expenditure	(30)	(22)
Tax paid	(9)	(22)
Platform development and other costs	(10)	(10)
Capex, Tax, Other	(54)	(55)
FCF available for growth and debt service	**128**	**136**
Increase in loans and advances	(40)	(981)
Net financing cash flow	10	997
FCF available for Senior Secured Debt interest	**97**	**152**
Repayment of High Yield Bond due 2024 (1)	(61)	(264)
High Yield Bond issuance due 2026 (2)	-	229
Funding loan to parent	(8)	(19)
Debt service - cash payments (3)	(35)	(31)
Funding overlap - cash raised	208	-
Net increase in cash and equivalents (excl. restricted cash)	**201**	**68**
Movements in restricted cash	6	10
Net increase in cash and equivalents	**207**	**78**

Note:
(1) Senior Secured Debt repayment
(2) Senior Secured Debt issuance (net of implied £8m discount to nominal value arising under IFRS)
(3) Senior Secured Debt interest paid

Statutory earnings

£m	2023	2022	%
Underlying PBT	**207**	**203**	**2%**
Senior Secured Debt interest and related costs	(38)	(30)	(24)%
Other	-	(1)	100%
Platform development costs	(10)	(9)	(12)%
PPI	-	1	(100)%
Restructuring costs	(11)	-	n.m.
Amortisation of Acquisition intangibles	(51)	(54)	7%
Statutory PBT	**98**	**110**	**(11)%**

Senior Secured Debt interest and related costs: includes the interest charge and other costs associated with the issuance and servicing of the Senior Secured Notes issued by NewDay BondCo plc (the Senior Secured Debt) and the Super Senior Revolving Credit Facility entered into by the Company on 25 January 2017 (the Revolving Credit Facility)

Other: relates to non-recurring expenses incurred on specific projects that are not representative of underlying performance

Platform development costs: reflects expenses incurred to enhance the capabilities of the Group's in-house operating platforms. These costs relate to a one-off project

PPI: reflects revisions to expected PPI remediation expenses including costs incurred from third parties that process customer complaints on behalf of the Group

Restructuring costs: represents redundancy and related costs associated with the realignment of our operating structure at the end of the year and effective from 1 January 2024

Amortisation of Acquisition intangibles: represents the amortisation of the purchase price that was attributed to intangible assets arising on completion of the Acquisition

Contribution by segment

D2C £m	2023	2022	%
Interest income	748	640	17%
Cost of funds	(152)	(78)	(95%)
Fee and commission income	40	44	(10%)
Net Revenue	**636**	**607**	**5%**
Impairment	(301)	(302)	0%
Underlying risk-adjusted income	**334**	**305**	**10%**
Servicing costs	(65)	(57)	(15%)
Change costs	(18)	(23)	24%
Marketing costs	(10)	(24)	58%
Collection fees	18	21	(18%)
Contribution	**259**	**222**	**17%**
Gross receivables	2,465	2,418	2%
Average gross receivables	2,421	2,292	6%
Net Revenue margin (%)	26.3%	26.5%	
Impairment rate (%)	12.4%	13.2%	
Underlying RAM (%)	13.8%	13.3%	
Charge-off rate (%)	12.6%	10.8%	
Coverage rate (%)	16.3%	19.6%	

Merchant Offering £m	2023	2022	%
Interest income	284	244	16%
Cost of funds	(104)	(46)	(124%)
Fee and commission income	41	21	92%
Net Revenue	**221**	**219**	**1%**
Impairment	(102)	(81)	(27%)
Underlying risk-adjusted income	**119**	**138**	**(14%)**
Servicing costs	(53)	(52)	(2%)
Change costs	(18)	(17)	(9%)
Marketing and partner payments	(33)	(21)	(57%)
Collection fees	8	9	(12%)
Contribution	**23**	**58**	**(61%)**
Gross receivables	1,844	1,833	1%
Average gross receivables	1,789	1,309	37%
Net Revenue margin (%)	12.4%	16.7%	
Impairment rate (%)	5.7%	6.2%	
Underlying RAM (%)	6.6%	10.6%	
Charge-off rate (%)	5.2%	6.1%	
Coverage rate (%)	6.2%	6.1%	

Note: Platform Services reported Contribution of £(3)m (2022: £(3)m)

Balance sheet

£m	2023	2022
Gross receivables	4,309	4,252
Impairment provision	(515)	(586)
Other	126	143
Net receivables	**3,919**	**3,808**
Cash	516	314
Restricted cash	74	68
Intangible assets	83	112
Goodwill	280	280
Other assets	227	234
Total assets	**5,099**	**4,816**
Asset-backed term debt	2,514	2,218
Variable funding notes	1,647	1,742
Senior secured debt	235	294
Provisions	5	5
Other liabilities	226	142
Total liabilities	**4,627**	**4,401**
Net assets	**471**	**414**

Tangible Equity	**102**	**(1)**

Fair value of total assets following the Acquisition in 2017 introduced £396m of intangible assets, primarily relating to the customer and retailer relationships, the brand, trade names and intellectual property. The carrying value of these assets was £29m as at December 2023

Asset-backed term debt represents the term series notes issued by the D2C and Merchant Offering master trust structures

Variable funding notes represents the debt drawn down under the five VFNs across the Group

Tangible Equity represents the net position of Net Assets, Intangible Assets, Goodwill and the Hedging Reserve

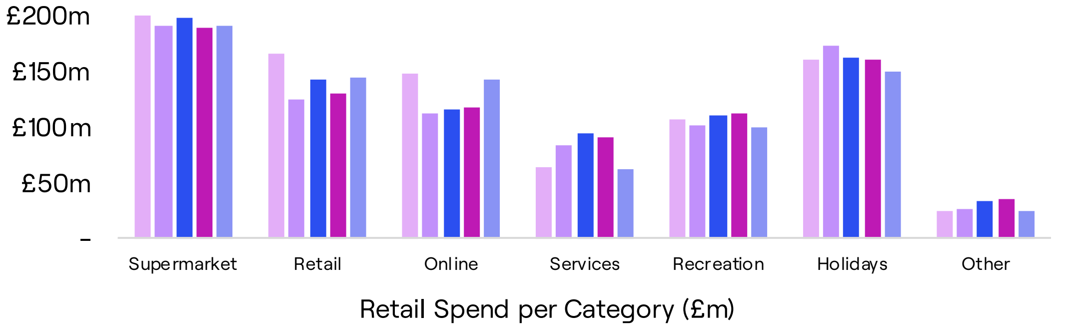
Leverage and interest ratios

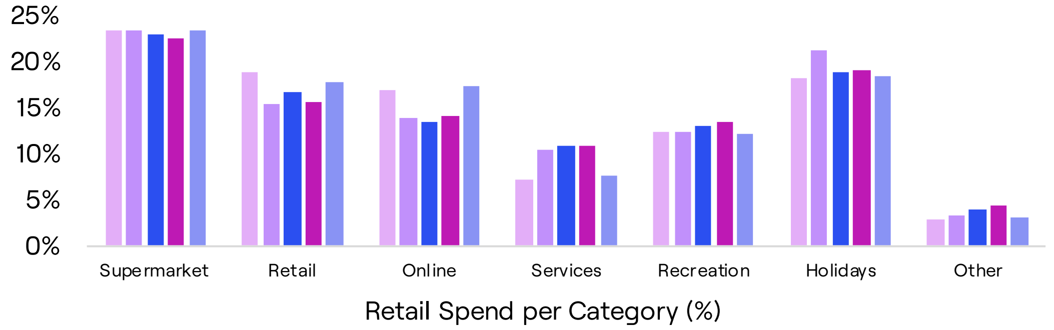
£m	2023	2022
Adjusted EBITDA	**219**	**215**
Senior Secured Debt	238	299
Cash(1)	(307)	(314)
Net corporate Senior Secured Debt	**(70)**	**(16)**
Net Senior Secured Debt to Adjusted EBITDA (1)	(0.3)x	(0.1)x
Senior corporate interest expense	**32**	**36**
Adjusted EBITDA to pro forma cash interest expense	6.9x	5.9x

Note:
(1) Excluding funding overlaps which are temporary increases in our cash and debt balances which arise when we issue new funding in advance of the maturity of the debt it is replacing.

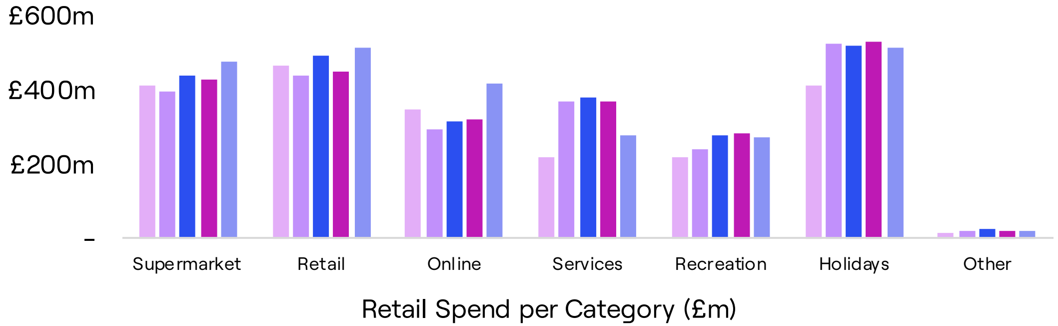
Spending patterns remain consistent

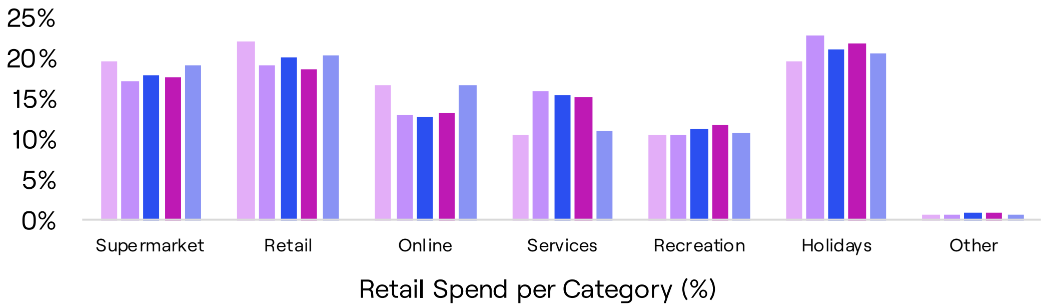
D2C spend trends remain broadly consistent





Broadly consistent spend patterns in Merchant Offering with JLP portfolio causing rise in spend levels

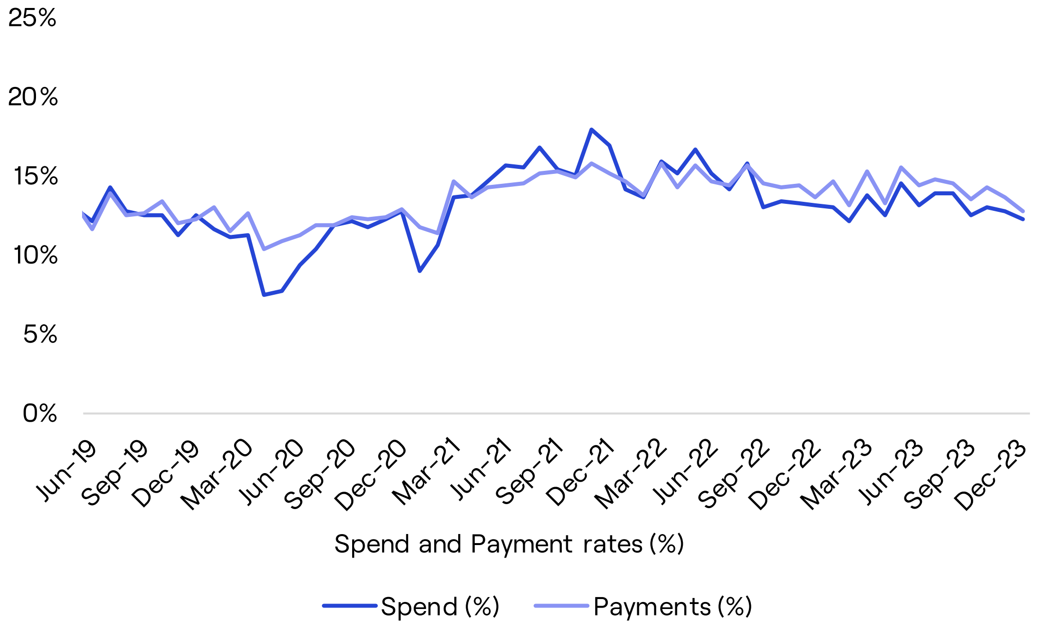




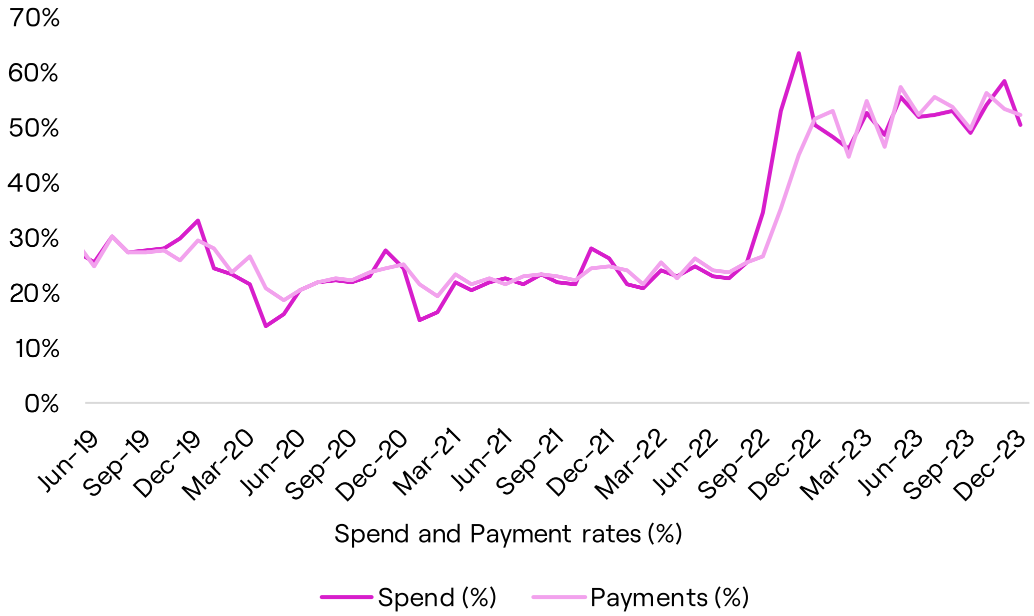
Q422 Q123 Q223 Q323 Q423

Deliberate slowdown affecting D2C net spend rate with Merchant Offering impacted by JLP

Deliberate slowdown of growth causes payment rate to be higher than spend rate in recent months



Onboarding of JLP drove increase in spend and payments from Q3 2022 but net spend remains broadly consistent



Glossary

ABS: Asset-backed security

Acquisition: The purchase by NewDay Group (Jersey) Limited of NewDay Group Holdings S.à r.l. and its subsidiaries on 26 January 2017

Adjusted EBITDA: Earnings before Senior Secured Debt interest (and related costs), tax, depreciation and amortisation

Advance Rate: (ABS + VFN drawn debt)/Gross Receivables

Charge-off Rate: Charge-offs/Average Gross Receivables

Coverage Rate: ECL/Year-end Gross Receivables

Delinquency: A customer is considered delinquent if they have not made their contractual minimum payment by the date of their following monthly statement/cycle date

D2C (Direct to Consumer): Our business that markets credit products directly to consumers, comprising our own branded cards. Formerly referred to as 'Own-brand' and includes the Aqua, Fluid, Marbles and Bip brands

ECL: Expected Credit Loss

Excess spread: Key trigger across funding vehicles, broadly defined as debited interest and fee income and recoveries, less gross charge-offs, funding costs and senior fees including senior servicing fees divided by average gross receivables, calculated on a 3-month simple average basis. Excess spreads shown exclude VFNs and Secondary Funding facilities as they are not directly comparable.

FCF: Free cash flow

Impairment Rate: Impairment/Average Gross Receivables

Merchant Offering: Our business that partners with leading brands to offer credit products to customers, which includes carded loyalty platforms, revolving digital credit, retail finance, BNPL and bespoke credit solutions. Formerly referred to as 'Co-brand'

N/M: Not meaningful

Retail spend: Total spend excluding cash, balance transfers, money transfers and refunds

RAI: Risk-adjusted income

RAM: Risk-adjusted margin

RCF: Revolving credit facility

Senior Secured Debt: Comprises the High Yield Bonds and RCF

Underlying PBT: Earnings before Senior Secured Debt interest (and related costs), tax and one-off items

UPL: Unsecured Personal Loans

VFN: Variable funding note

Enquiries

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