APRIL 2025

2024

Results presentation

New Day

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In 2024, to aid understanding of performance, the Group revised its policy regarding the presentation of certain items in its management basis income statement. Interest income earned on the Group's cash deposits is now netted off against cost of funds, in contrast to previous years when it was netted off against salaries, benefits and overheads. Additionally, certain partner payments related to interchange fees earned from portfolios that are subsequently passed through to a retail partner are now presented netted off against fee and commission income, in contrast to previous years when they were shown within marketing and partner payments. Additionally, the Group changed its methodology for calculating free cash flow available for growth and debt service to align it closer to the statutory cash flow statement and facilitate a better understanding of the Group's performance. Accordingly, the 2023 comparatives of impacted metrics on pages 4, 5, 12, 13, 17, 19 and 20 have been re-presented for consistency.

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In 2024, NewDay made good strategic progress and delivered £213m of underlying PBT

1. **Underlying PBT of £213m, 3% higher than 2023**
2. **537k new customers, 36% higher than 2023, including 67% more new D2C customers**
3. **Cash held outside the securitisation structures of £101m, 63% higher than 2023, after paying £51m distributions**
4. **Acquisition of a portfolio of £834m of gross receivables and 2.2 million customers from Argos Financial Services, with NewDay taking economic ownership in February 2025, along with a long-term partnership to provide an embedded finance solution to Argos**
5. **Commercial launch in Q4 2024 of our partnerships with Lloyds Banking Group and Debenhams Group[1]**
6. **Three ABS deals totalling £932m placed externally in 2024. £24m of the High Yield Bond redeemed in August 2024**

Note:
(1) Formerly called Boohoo Group

We made good progress across a range of metrics

1

Underlying PBT 3% higher than 2023

£213M
Underlying PBT
(+3% y-o-y)

2

Interest-bearing balances up 6%

£4.4BN
Gross Receivables
(+2% y-o-y)

£3.0BN
Interest-bearing balances
(+6% y-o-y)

3

New customer acquisition up 36%

537k
New customers
(2023: 395k)

337k
New D2C customers
(2023: 202k)

4

Growth in net revenue and net revenue margin

+5%
Net revenue growth vs 2023

20.8%
Net revenue margin
(2023: 20.2%)

5

Stable impairment performance supporting 7% growth in underlying RAI

9.6%
Impairment rate
(2023: 9.6%)

+7%
Growth in underlying RAI (£481m) vs 2023

6

Investment in new technologies resulted in an increase in cost-income ratio

30.1%
Underlying cost-income ratio
(2023: 28.3%)

7

Strong cash generation

£24M
partial redemption of the HYB
(2023: £61m)

£118M
FCF available for growth and debt service
(2023: £115m)

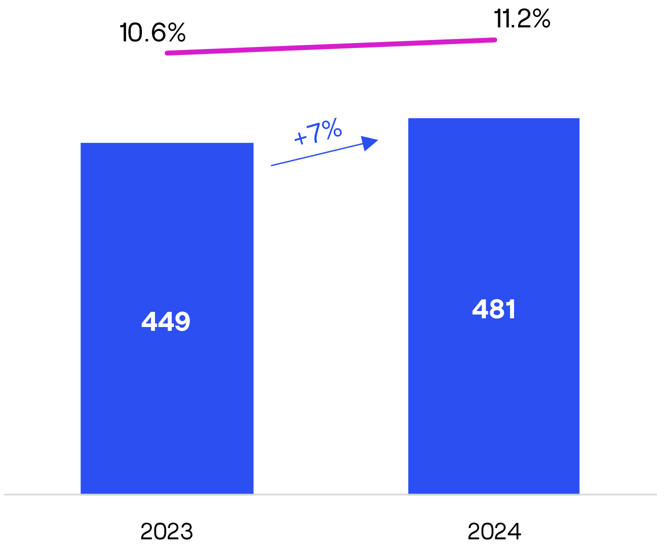
8

Significant partner milestones

LLOYDS BANKING GROUP
Debenhams GROUP
Argos

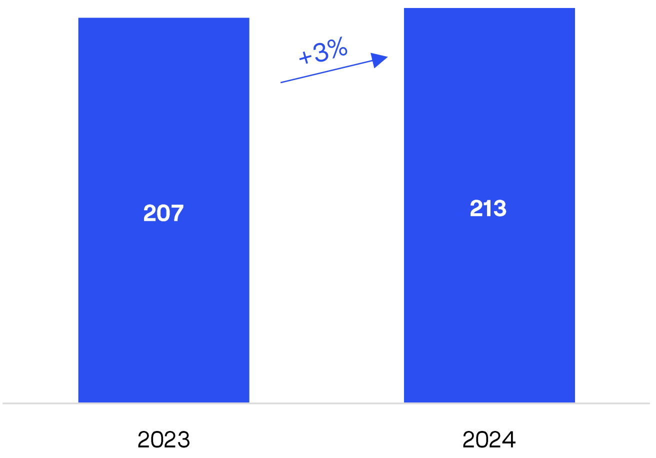
Continued momentum with £213m of underlying PBT. Cash balances of £101m increased £39m during the year

Underlying risk-adjusted income of £481m with underlying RAM up 60bps



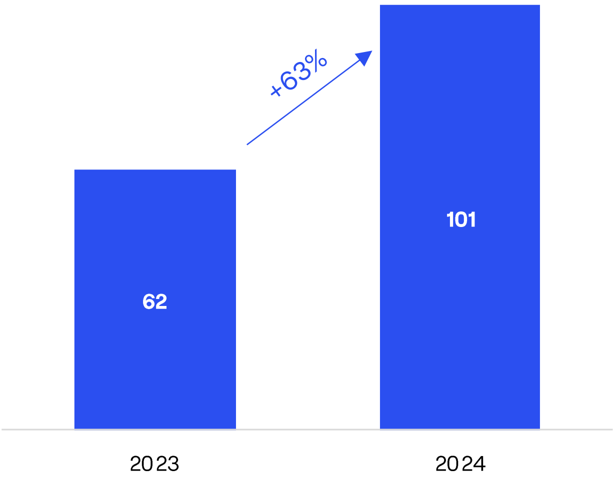
Underlying risk-adjusted income (£m)
Underlying risk-adjusted margin %

Underlying PBT of £213m, 3% higher than 2023



Underlying profit before tax (£m)

Cash balances of £101m increased by £39m, despite paying £51m distributions



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

Note:
(1) Excludes cash held for funding activities

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NewDay offers multi-brand consumer finance powered by an in-house, modern and scalable technology platform

We help people move forward with credit

Credit

A range of revolving credit, innovative e-commerce and digital in-store product offerings

3.6m Customer accounts

£4.4bn Gross receivables

£3.0bn Interest-bearing balances

- Leading near-prime lender
- Providing credit to working Britain(1)
- Encouraging financial responsibility
- Large scale retail programmes
- Embedded finance
- New partnership pipeline

New deal

Argos(2) **2.2m** Total customers | **£834m** Gross receivables

Powered by NewDay's leading platform

Platform

Modern, cloud hosted, consumer credit platform

332m Transactions processed in 2024(3)

>1.7TB Data ingested into our data platform daily

- Debenhams Group(4) pilot launched in 2024; delivering a full end-to-end credit platform solution to support Debenhams launching their proprietary credit offering
- Launched Lloyds Banking Group merchant PoS financing solution; offering wide spectrum credit covering prime (covered by Lloyds Banking Group) & near-prime (covered by NewDay)

- Modern embedded finance solution for Argos customers will go live on our in-house consumer credit platform

Notes:
(1) Defined by traditional near-prime, upper and lower fringes or adjacent near-prime lending brackets (i.e., lower end of prime) with income between £10-60k who would consider a near-prime credit brand.
(2) Agreement signed in Q4 2024 with NewDay taking economic ownership in February 2025
(3) Spend transactions processed on our in-house credit platform
(4) Formerly known as Boohoo 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 finance
- 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 reflected in a multi-year development roadmap

332M
Transactions processed in 2024

>2K
Core software deployments per month

>99.7%
Digital platform availability

20X
Tested for scale without performance degradation

>1.7TB
Data ingested into our data platform daily

>1TN
Data points on existing customers

Driving continued innovation on our digital platform at pace

Enhancements in last 12 months

Aqua Coach Steps and Levels – *improving customers' understanding of their credit scores*

Open banking for acquisitions – *optimising how many customers we can responsibly say yes to*

Relaunch of Debenhams credit card acquisition channel – *improving product offering*

New complaints & collections platforms live – *enabling our agents to have enriched conversations and provide better customer outcomes*

Callsign live on all brands – *advancing the e-commerce journey for fraud detection with use of biometrics*

Embedded Account Treatment Changes – *supporting customers for CLIs, CLDs, repricing and replacing legacy system*

Expansion of Aqua Gold Upgrades program – *rewarding loyalty and good credit behaviours with enhanced benefits*

Launch of Loyalty Labs – *a new in-app channel that can connect customers to promotions relevant to them*

Launch of our technology partnership with Debenhams Group[1] – *supporting Debenhams in launching their proprietary credit offering*

Launch of post-purchase instalments – *allowing customers flexibility in managing their cashflows*

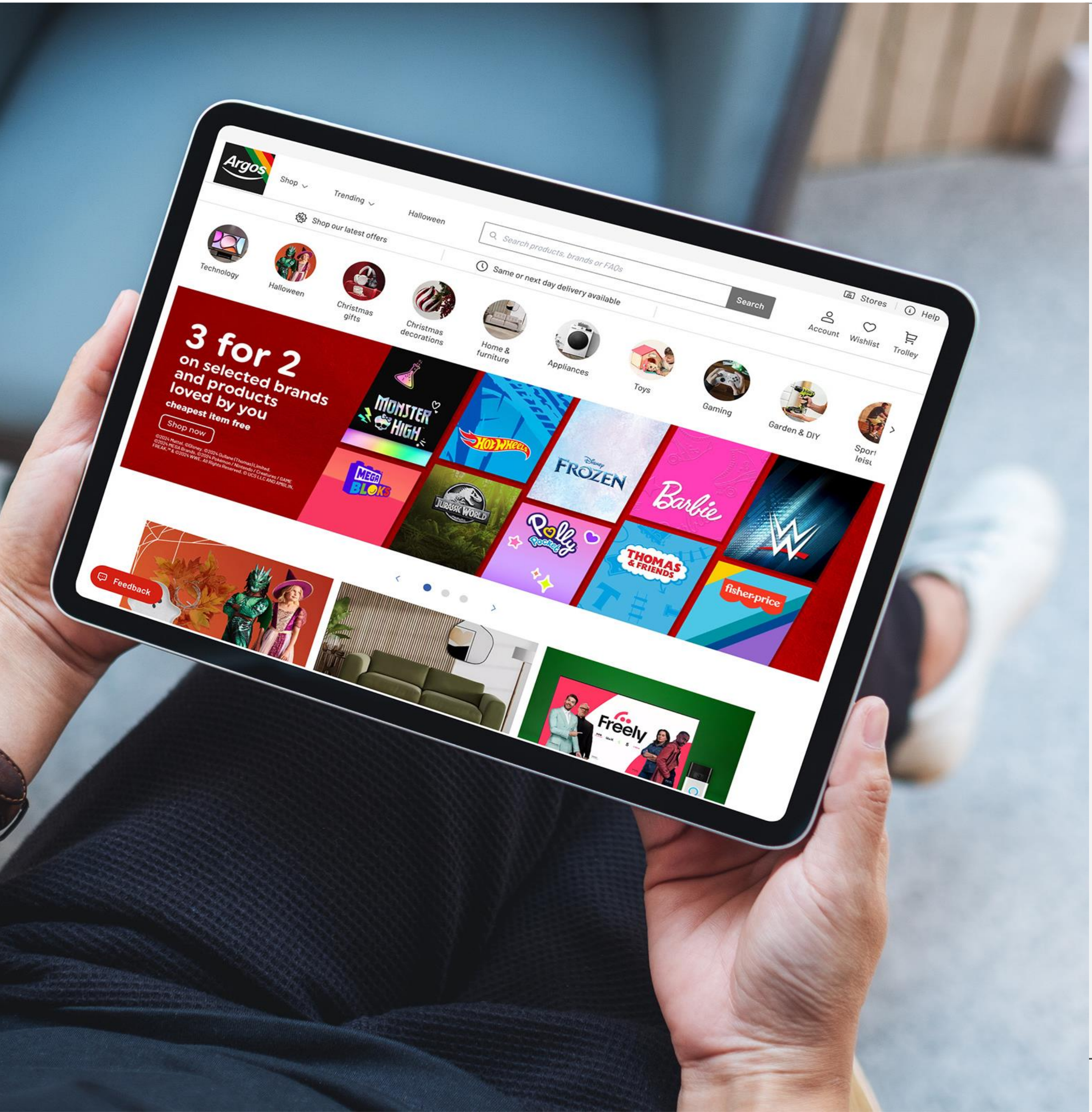
Launch of our partnership with LBG – *providing customers with more flexibility in the way that they choose to pay online*

Launch of Instant spend– *Expanding capability for authenticated customers to spend immediately through digital wallet*

Next 12 months

- Scale our technology & lending partnership with Lloyds Banking Group
- Scale our technology partnership with Debenhams Group[1]
- Develop new Argos-branded digital credit proposition
- Migrate Newpay products to our proprietary cloud-based processing platform
- Expand use of Upgrades program across all brands
- Enhance embedded finance capabilities, including for upfront payments
- Deploy further use cases of GenAI particularly in Operations and Engineering efficiency

Note:
(1) Formerly called Boohoo Group



Acquisition of Argos store card portfolio and new long-term relationship with Argos

Argos | newpay

£834m
Gross value of the receivables acquired(1)

2.2m
Customer accounts(1)

c.20%
Argos sales supported by store cards

Q1 2025
NewDay took economic ownership in February 2025

Q1 2026
Expected launch of new Argos-branded digital credit proposition

"NewDay is a complementary fit for us as we strive to give customers at Argos the best value and choice."

Simon Roberts, Sainsbury's CEO

(1) Gross receivables and customer accounts at 28 February 2025, the point which NewDay took economic ownership

Launched our technology and lending partnership with Lloyds Banking Group in Q4

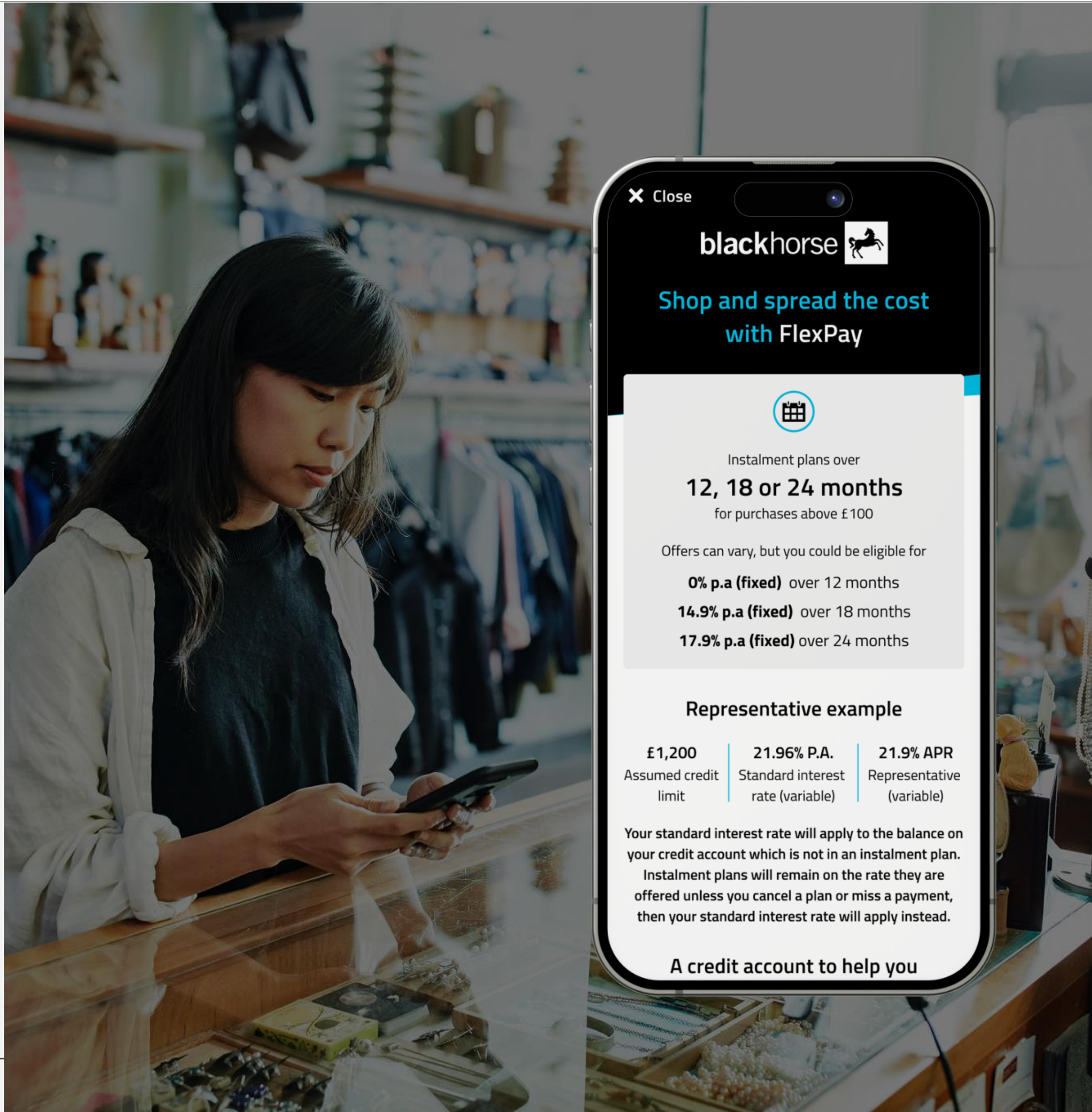
LLOYDS BANKING GROUP | NewDay

Launched our partnership with select merchants

Wide spectrum credit covering prime (provided by Lloyds Banking Group) and near-prime (provided by NewDay)

Lloyds Banking Group is the #1 Digital Retail Bank in the UK

Underpinned by NewDay Technology



Our focus on sustainability is embedded across our business

We help people move forward with credit

1.7m
customers improved their credit score over the past 12 months(1)

1.1m
customers signed up for *Aqua Coach* and *Credit Score* since launch

356K
customers were extended payment support in 2024

We strive to create an exceptional experience for our colleagues

86%
Wellbeing Index in our employee engagement survey(2)

£2m+
family action
contributed across our nine-year partnership with Family Action

87%
Inclusion and Diversity Index in our employee engagement survey(2)

We are an environmentally conscious and highly digital business

GOLD | Top 5% ecovadis Sustainability Rating DEC 2024
EcoVadis Gold Sustainability Rating

100%
renewable energy tariffs across our operations

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

Strong and established corporate governance framework

THE UK CORPORATE GOVERNANCE CODE
Track record of UK Corporate Governance Code Compliance(3)

bsi ISO/IEC 27001 Information Security Management CERTIFIED
ISO 27001 Information Security Management certification

Mandatory ethics training for all colleagues annually

High customer satisfaction

Net Promoter Score

+79
2024
(2023: +72)

Net Easy Score

+77
2024
(2023: +75)

Note:
(1) Last 12 months to December 2024.
(2) 2024 year-end survey.
(3) Where deemed appropriate, considering the size, nature and share ownership of the Group

Our Direct to Consumer business is a leading provider of credit to working Britain[(1)]

aqua

WINNER
THE CARD & PAYMENTS AWARDS 2025
Best Credit Card or Credit Facility

Winner of "Best Credit Card or Credit Facility" (2)

fluid

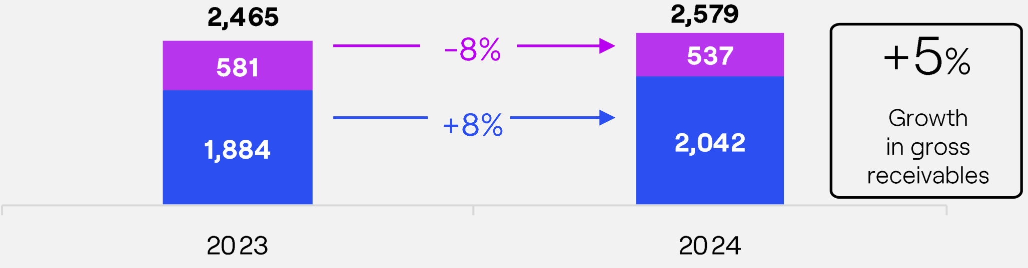
bip.

marbles

1.6m
Customer accounts

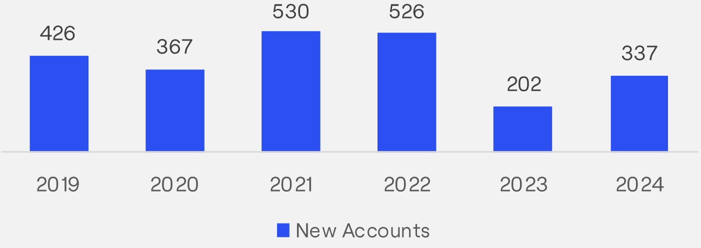
£2.6bn
Gross receivables

£2.0bn
Interest-bearing balances

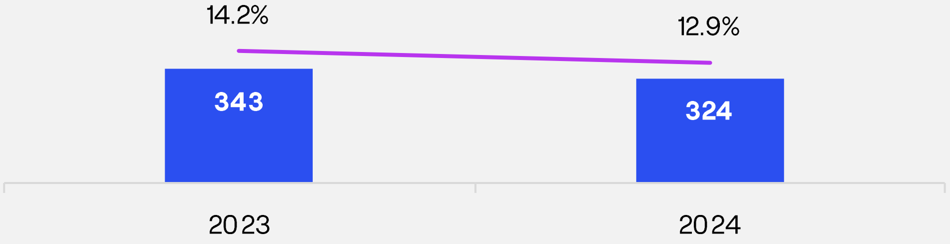


New customer acquisition 67% higher than 2023, returning towards historical levels

337k
New customers (+67% vs 2023)



Risk adjusted margin of 12.9% normalising to pre-COVID levels[(3)]



Notes:
(1) Defined by traditional near-prime, upper and lower fringes or adjacent near-prime lending brackets (i.e., lower end of prime) with income between £10-60k who would consider a near-prime credit brand.
(2) Winner of the "Best Credit Card or Credit Facility" award at The Card & Payments Awards 2025.
(3) Risk-adjusted margin for D2C (formerly Own-Brand) was 12.3% in 2019.

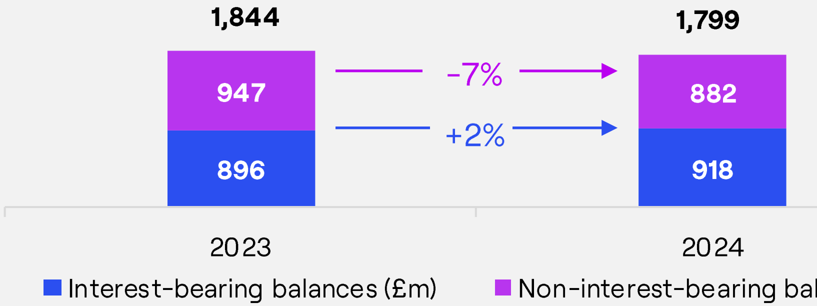
Our Merchant business supports some of the UK's leading retailers

JOHN LEWIS & PARTNERS · ao · Pulse · LLOYDS BANKING GROUP · newpay · Debenhams · Argos[1]

2.0m Customer accounts

£1.8bn Gross receivables

£0.9bn Interest-bearing balances

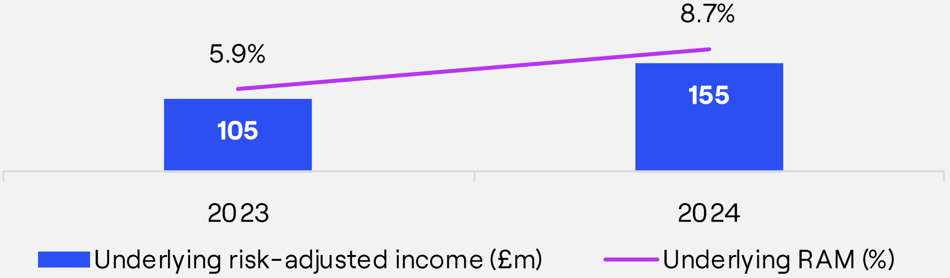


+2% Growth in IBB %[2] vs 2023

Continued growth in total spend, driven by onboarding of JLP portfolio and inflation

11.5bn Total spend (+3% vs 2023)

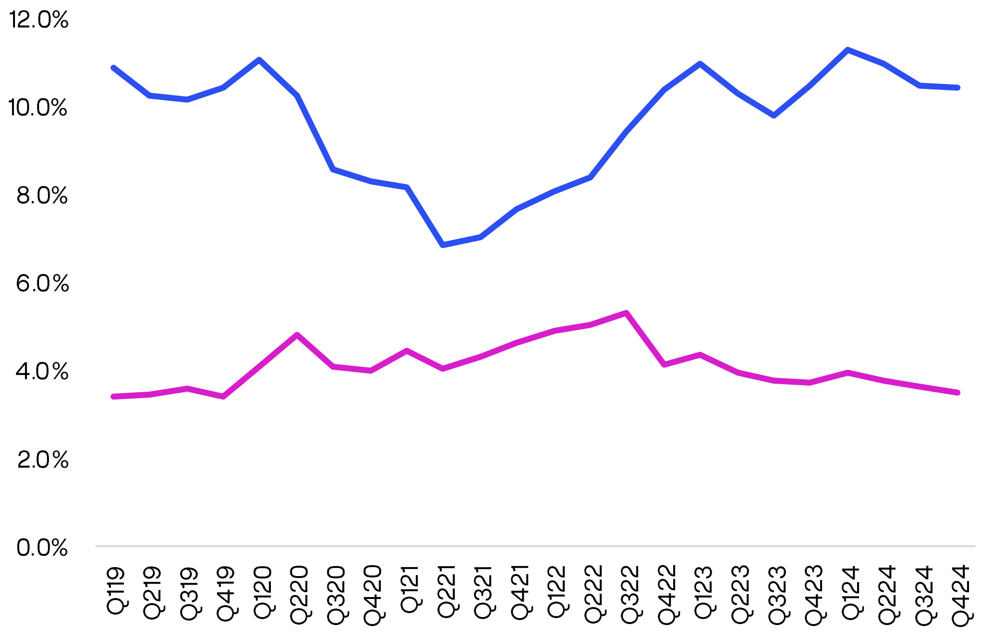
RAM of 8.7% reflects the higher credit quality of the Merchant Offering portfolio as charge-offs and delinquency rates reduced



Notes:
(1) Acquisition of Argos store card portfolio completed in Q1 2025. The metrics on this page do not include Argos store card balances.
(2) Closing interest-bearing balances / closing gross receivables

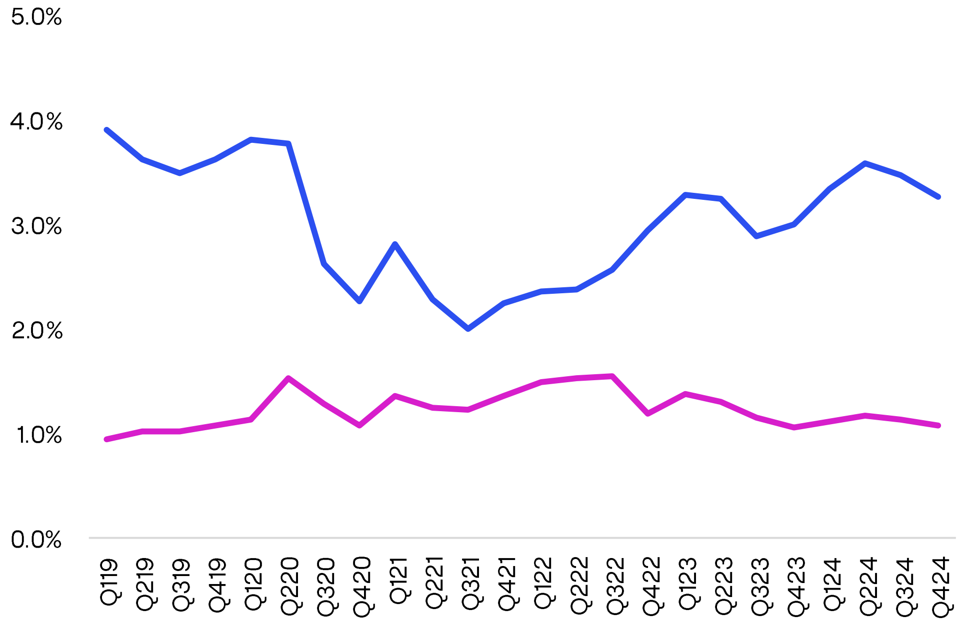
Our active credit management strategy ensures arrears remain well controlled and in line with pre-COVID levels

Recent reduction in arrears is driven by active credit management and an improved macroeconomic environment



% of balances in arrears (1)

90+ delinquency rates below pre-COVID levels in D2C



% of balances 90 days+ in arrears (2)

Merchant Offering Direct to Consumer

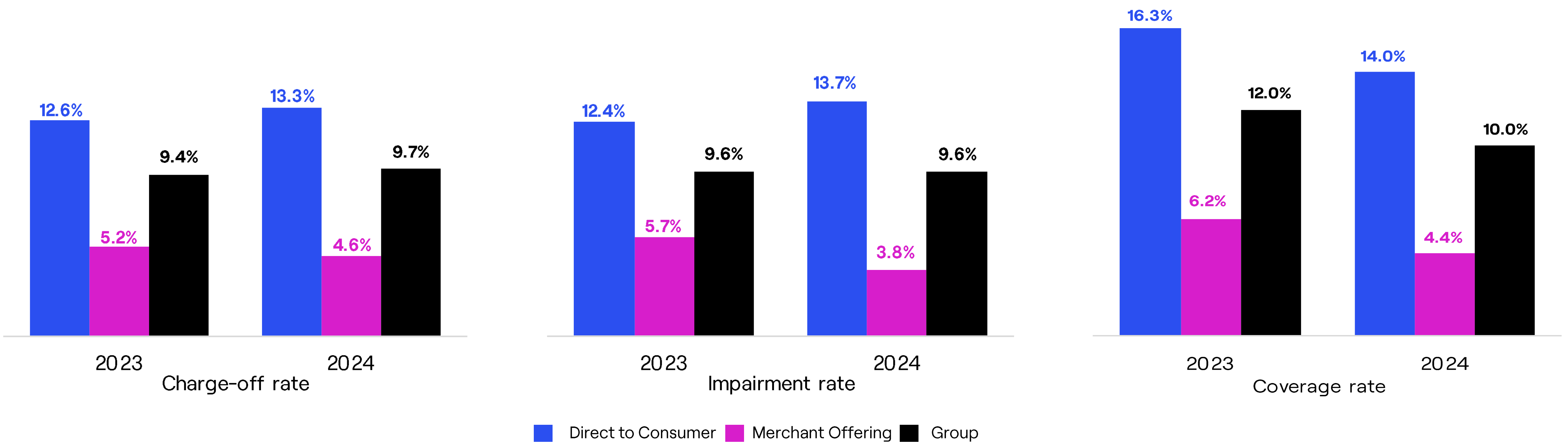
Note:
(1) Reflects total balances that are in arrears as a proportion of closing receivables.
(2) Reflects total balances that are 90 days or more in arrears as a proportion of closing receivables.

Stable impairment rate with charge-off rate normalising as macroeconomic environment improves

Group charge-off rates increased by 30bps

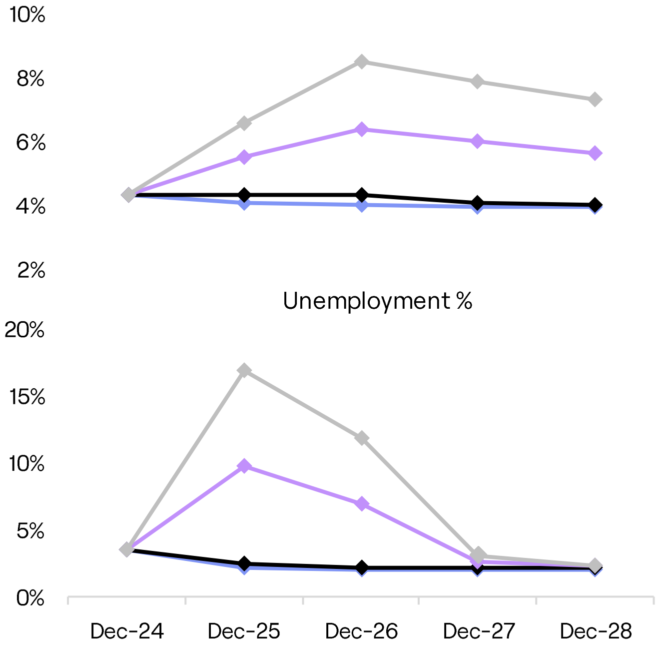
Group impairment rate stable at 9.6%. D2C's impairment rate of 13.7% offset by Merchant Offering's 3.8%.

Coverage rate 200bps lower than 2023 as macroeconomic environment improved, and our debt sale strategy was revised

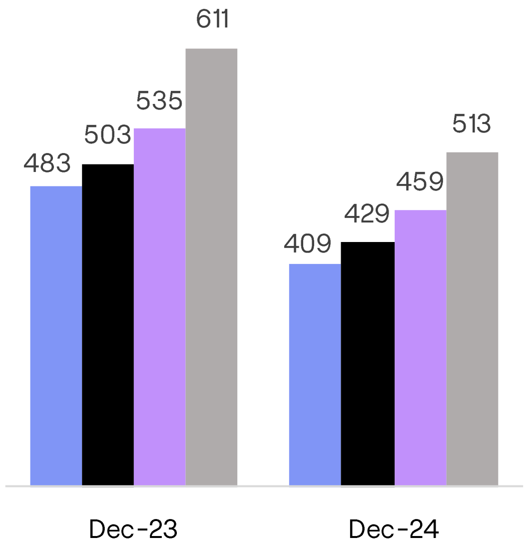


Decrease in ECL[1] driven by an improved macroeconomic outlook, and our revised debt sales strategy

2024 unemployment and inflation scenarios[2]



Reduction in ECL[1] driven by improved macroeconomic and credit outlook in addition to our revised debt sales strategy



	Unemployment Peak	Unemployment 5 year Average	ECL (£m) assuming 100% weighting	Probability weighting
Dec-24				
Upside	4.3%	4.0%	409	15%
Base	4.4%	4.2%	429	50%
Downside 1	6.4%	5.7%	459	30%
Downside 2	8.5%	7.2%	513	5%

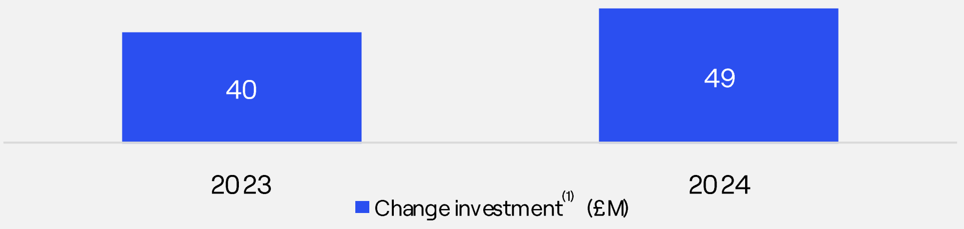
	Dec-23	Dec-24
Core ECL[3]	501	429
Cost-of-living	2	-
Base Scenario	**503**	**429**
Macro uplift	12	10
ECL allowance	**515**	**440**

Upside Base Scenario Downside 1 Downside 2

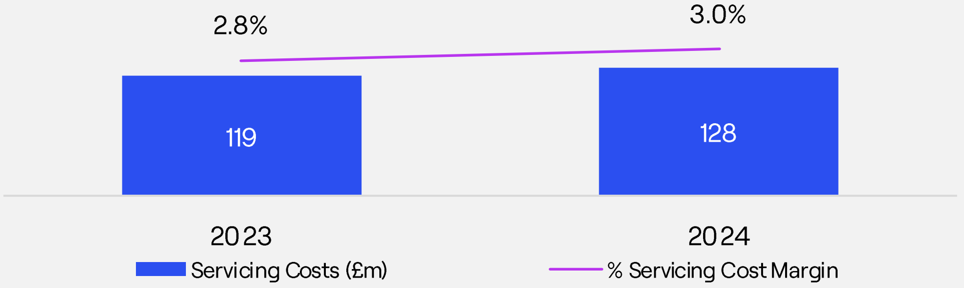
Note:
(1) Expected Credit Loss.
(2) Based on a panel of external forecasts taken from HM Treasury and the latest PRA stress forecast. The probability weighting applied to each scenario is based on management's best estimate of the likely occurrence of each scenario.
(3) Core ECL is the Base scenario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

Investment in new technology and inflation led to an increase in our cost-income ratio

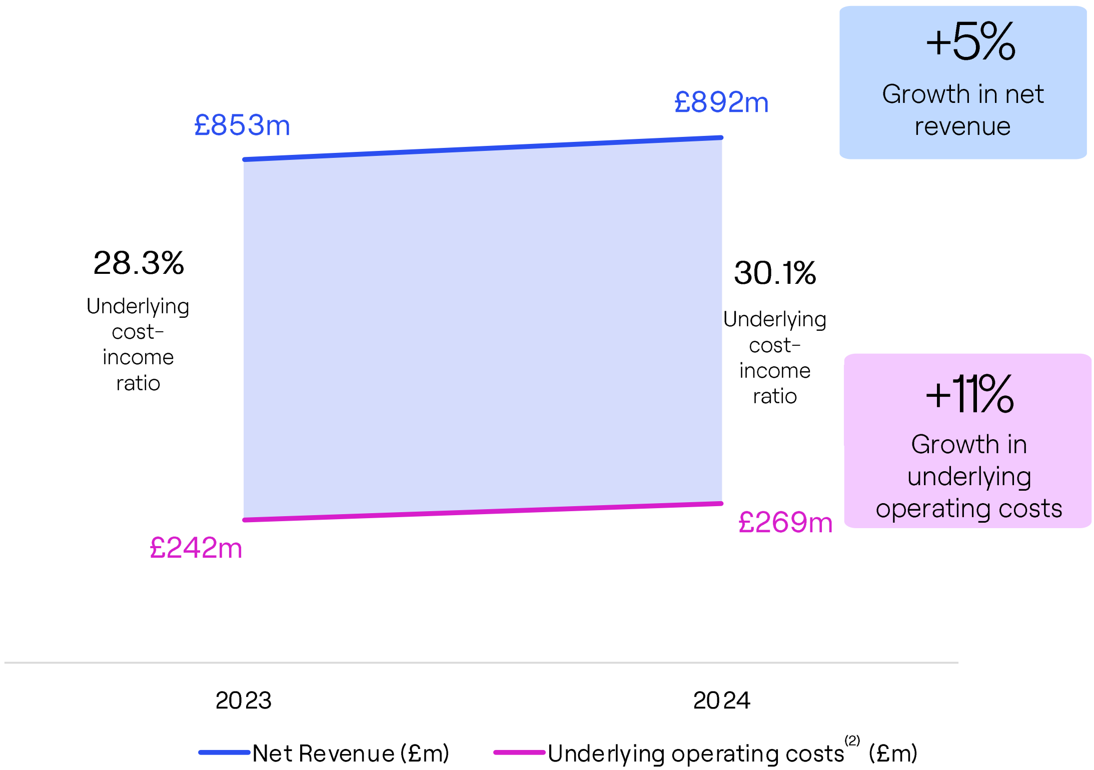
We continue to invest in advancing our digital technological capabilities



Modest increase in servicing cost margin driven by inflationary pressures



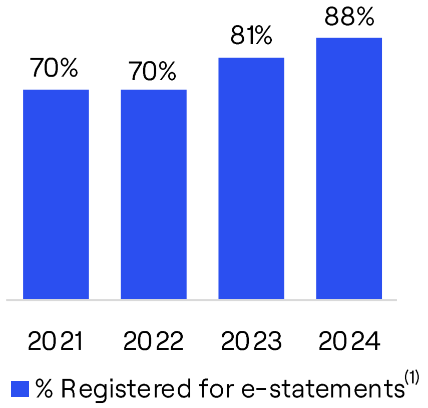
Increase in underlying cost-income ratio driven by change investment and inflationary pressures

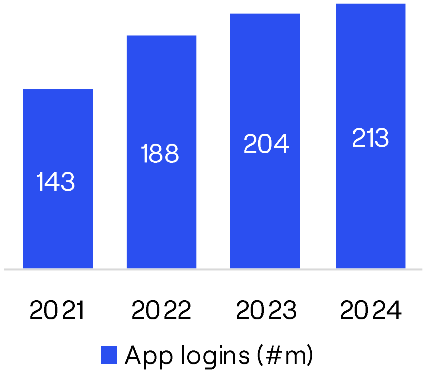


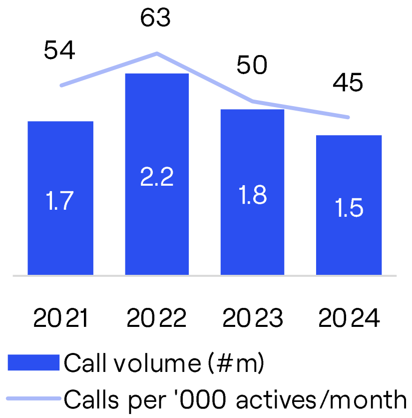
Note:
(1) Represents P&L charge, not cash spend.
(2) Underlying operating costs includes operational losses and affordability claims.
Please see footnote on page 5 which explains the Group's revised policy for the presentation of certain items in its management basis income statement and the subsequent re-presentation of 2023 comparatives.

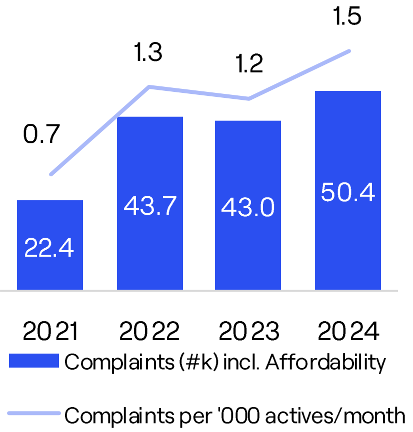
Continued focus on operational efficiency as well as an award-winning level of customer service

Increased automation driving cost efficiencies with customers increasingly adopting an expanded range of digital solutions









Our customer service team provides an award-winning level of service

Listening to our customers

"Very understanding about my ongoing situation and giving information about my wellbeing. Aqua are there to help and it's very reassuring to know how understanding they actually are."

"The team I spoke to was very attentive to my concerns I was facing. They quickly assured me that they were here to help me through my difficulties which were quickly resolved and I'm very happy about the outcome."

Note:
1. At year-end

£213m of underlying profit before tax, 3% higher than 2023

£m	2024	2023	%
Interest income	1,086	1,032	*5%*
Cost of funds	(265)	(241)	*(10%)*
Net interest income	**821**	**791**	*4%*
Fee and commission income	70	62	*13%*
Net revenue	**892**	**853**	*5%*
Impairment losses on loans and advances to customers	(410)	(404)	*(2%)*
Underlying risk-adjusted income	**481**	**449**	*7%*
Servicing costs	(128)	(119)	*(7%)*
Change costs	(49)	(40)	*(21%)*
Marketing and partner payments	(27)	(21)	*(27%)*
Collection fees	23	25	*(8%)*
Direct costs	(180)	(156)	*(16%)*
Contribution	**301**	**293**	*3%*
Salaries, benefits and overheads	(88)	(86)	*(3%)*
Underlying PBT	**213**	**207**	*3%*
Add back: depreciation and amortisation	12	12	*(3%)*
Adjusted EBITDA	**224**	**219**	*2%*
Gross receivables (£m)	4,378	4,309	*2%*
Average gross receivables (£m)	4,278	4,220	*1%*
Net revenue margin (%)	20.8%	20.2%	
Impairment rate (%)	9.6%	9.6%	
Underlying RAM (%)	11.2%	10.6%	
Underlying operating expenses (£m)	(269)	(242)	*(11%)*
Underlying cost-income ratio (%)	30.1%	28.3%	

Net revenue +5%

- Growth in net revenue is attributable to balance sheet growth with a higher net revenue margin of 20.8%
- 5% growth in interest income

Risk-adjusted income +7%

- Underlying impairment performance remains stable with impairment rate of 9.6% in 2024 (2023: 9.6%), supporting 7% growth in risk-adjusted income

Underlying operating expenses +11%

- Investment in technology capabilities, inflationary pressures and new customer acquisition drive higher operating expenses

Receivables growth +2%

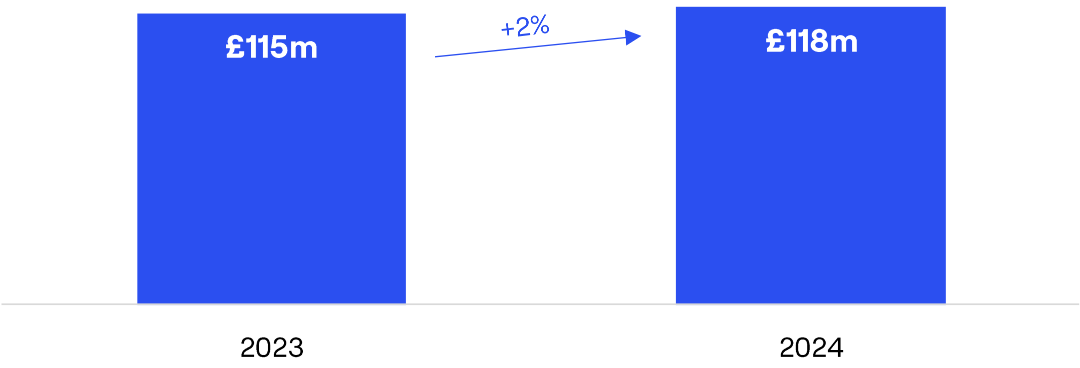
- Renewed focus on customer growth with 537k new accounts onboarded in 2024 (2023: 395k)
- 6% interest-bearing balances growth

Please see footnote on page 5 which explains the Group's revised policy for the presentation of certain items in its management basis income statement and the subsequent re-presentation of 2023 comparatives.

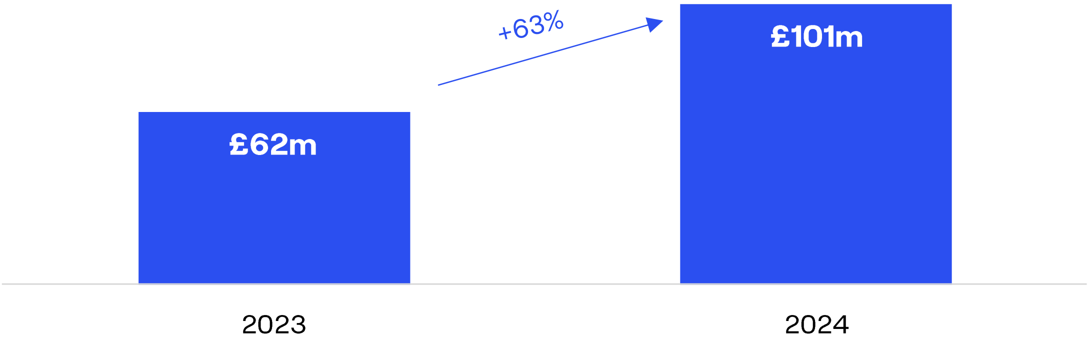
Strong cash levels. FCF available for growth and debt service of £118m

£m	2024	2023
FCF available for growth and debt service	**118**	**115**
Less:		
Return paid on loan from immediate parent company[1]	(3)	(8)
Dividends paid	(51)	-
Corporate debt interest paid	(31)	(35)
FCF available for growth	**33**	**72**
Less:		
Net financing cash flows	(81)	157
Movement in gross loans and advances to customers	(90)	(22)
Net (decrease)/increase in cash	**(138)**	**207**
Memo:		
Net decrease/(increase) in funding overlap cashflows	136	(208)
Net (decrease) in cash excl. funding overlap	**(2)**	**(1)**

FCF available for growth and debt service increased by £3m



Cash held outside securitisation structures[2] increased by £39m

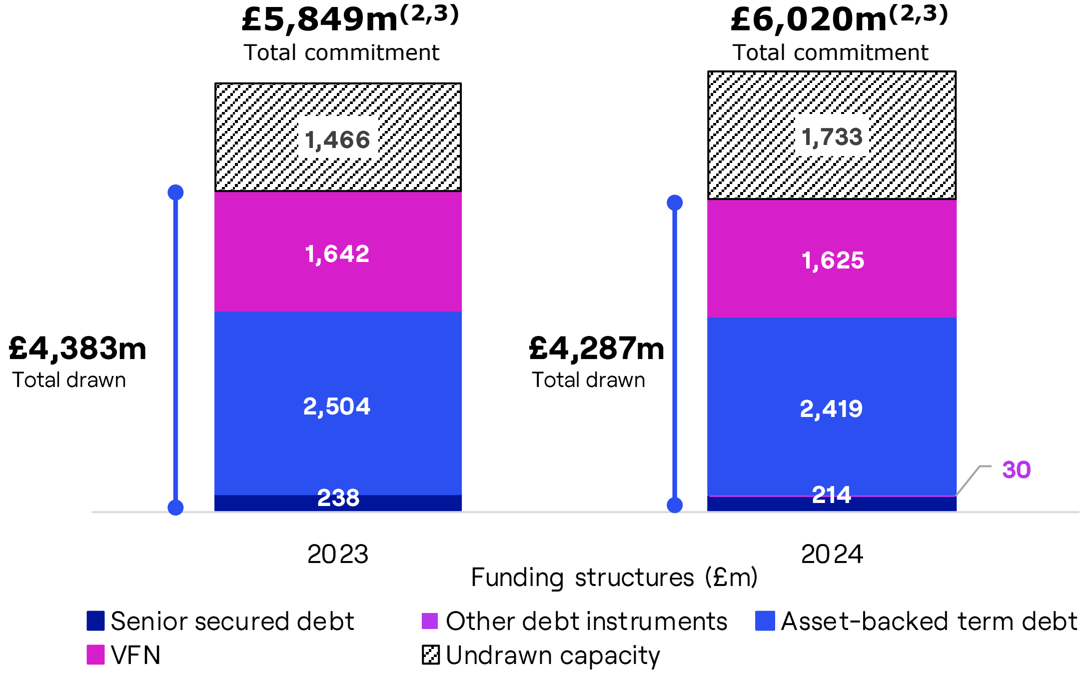


Note:
(1) Payment to the Group's immediate parent company, Nemean Midco Limited.
(2) Excludes cash held for funding activities

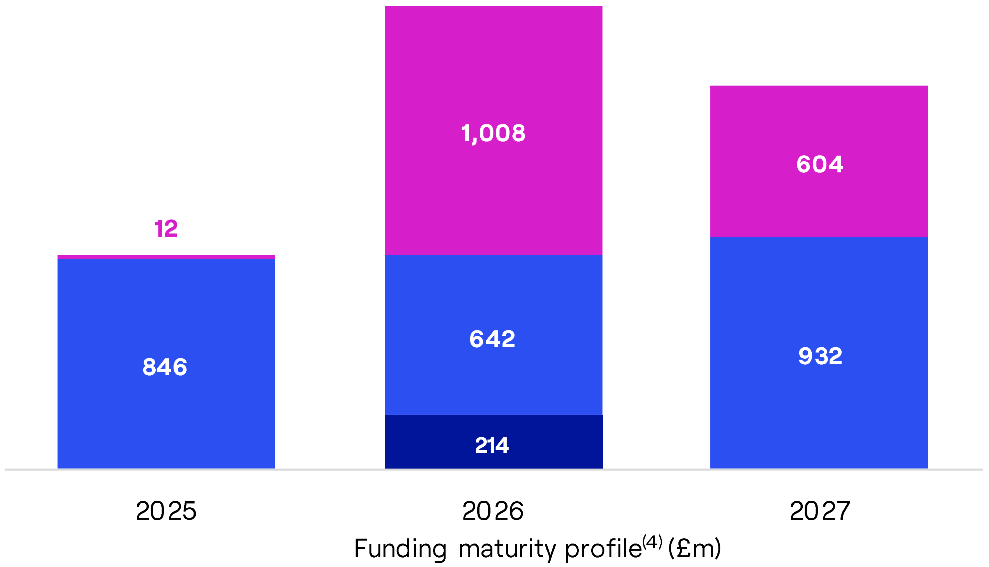
Please see footnote on page 5 which explains the Group's revised policy for the presentation of certain items in its management basis cash flow statement and the subsequent re-presentation of 2023 comparatives.

Significant funding headroom to support future growth. £24m of HYB repaid in August 2024

£1.7bn headroom[1] for future growth and refinancing



Diverse funding structures with consistent maturity profile. ABS deal completed in November 2024 used to partially defease deal maturing in April 2025



2025 ABS term debt maturity (£m)

Near Prime 2022-1[5]	277	Apr-25
Near Prime 2022-2	301	Jul-25
Near Prime 2022-3	268	Nov-25

Note:
(1) £1,733m 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. Amounts shown do not include balances relating to the funding of the AFS portfolio.
(3) Excluding accrued interest
(4) Funding maturity profile excludes £30 million debt instrument which expires in 2036.
(5) In November 2024, we completed an ABS deal which was used to partially defease the Near Prime Series 2022-1.

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

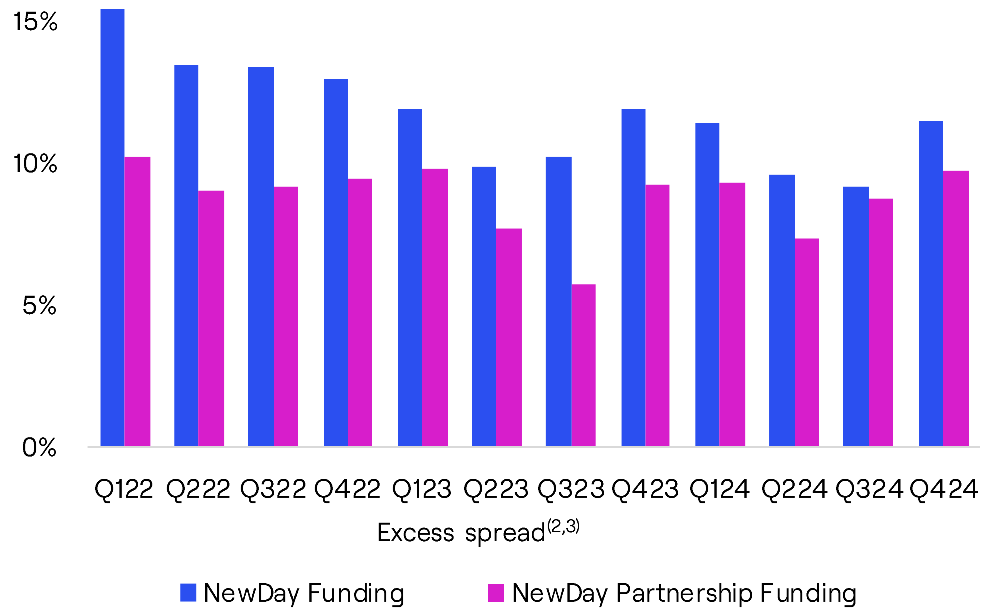
Efficient use of NewDay equity supported by multiple facilities ensures advance rates[1] remain strong

Group 90.6% (2023: 91.0%)

D2C 87.8% (2023: 87.9%)

Merchant Offering 94.7% (2023: 95.0%)

Excess spread[2,3] levels on public ABS structures 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 NewDay Partnership Funding facilities c.1% lower during Q4 2024 than Partnership Funding ABS facilities in part owing to lower yield from John Lewis & Partners receivables.

Summary

1. Underlying PBT of £213m, 3% higher than 2023
2. 537k new customers, 36% higher than 2023. D2C new customer acquisition 67% more than 2023
3. Cash held outside the securitisation structures of £101m, 63% higher than 2023, after paying £51m distributions
4. Acquisition of a portfolio of £834m of gross receivables and 2.2 million customers from Argos Financial Services, with NewDay taking economic ownership in February 2025, along with a long-term partnership to provide an embedded finance solution to Argos
5. Launch of our partnerships with Lloyds Banking Group and Debenhams Group[1] in Q4 2024
6. Three ABS deals, totalling £932m placed externally in 2024 – supporting future growth. £24m of the High Yield Bond redeemed

Note:
(1) Formerly called Boohoo Group

Appendix

NewDay

Detailed income statement

£m	2024	2023	%
Interest income	1,086	1,032	*5%*
Cost of funds	(265)	(241)	*(10%)*
Net interest income	**821**	**791**	*4%*
Fee and commission income	70	62	*13%*
Net revenue	**892**	**853**	*5%*
Impairment losses on loans and advances to customers	(410)	(404)	*(2%)*
Underlying risk-adjusted income	**481**	**449**	*7%*
Servicing costs	(128)	(119)	*(7%)*
Change costs	(49)	(40)	*(21%)*
Marketing and partner payments	(27)	(21)	*(27%)*
Collection fees	23	25	*(8%)*
Direct costs	(180)	(156)	*(16%)*
Contribution	**301**	**293**	*3%*
Salaries, benefits and overheads	(88)	(86)	*(3%)*
Underlying PBT	**213**	**207**	*3%*
Add back: depreciation and amortisation	12	12	*(3%)*
Adjusted EBITDA	**224**	**219**	*2%*
Gross receivables (£m)	4,378	4,309	*2%*
Average gross receivables (£m)	4,278	4,220	*1%*
Net Revenue margin (%)	20.8%	20.2%	
Impairment rate (%)	9.6%	9.6%	
Underlying RAM (%)	11.2%	10.6%	
Underlying operating expenses (£m)	(269)	(242)	*(11%)*
Underlying Cost-income ratio (%)	30.1%	28.3%	

Note:
Please see footnote on page 5 which explains the Group's revised policy for the presentation of certain items in its management basis income statement and the subsequent re-presentation of 2023 comparatives.

Detailed cash flow statement

£m	2024	2023
Underlying profit before tax	**213**	**207**
Adjustment for non-cash items and changes in working capital	(114)	(7)
Non-underlying items[1]	(68)	(110)
Net cash generated from operating activities	**31**	**91**
Investing activities		
Purchases of property and equipment	(1)	(1)
Investment in intangible assets	(30)	(29)
Net cash used in investing activities	**(31)**	**(30)**
Financing cash flows		
Net proceeds/(repayment) of debt issues and other borrowed funds	(81)	157
Payment of principal element of lease liabilities	(3)	(3)
Return paid on loan from immediate parent company	(3)	(8)
Dividends paid	(51)	–
Net cash (used in)/generated from financing activities	**(138)**	**146**
Net (decrease)/increase in cash	**(138)**	**207**
Add back:		
Net financing cash flows	81	(157)
Movement in gross loans and advances to customers	90	22
FCF available for growth	**33**	**72**
Add back:		
Return paid on loan from immediate parent company	3	8
Dividends paid	51	–
Corporate debt interest paid	31	35
FCF available for growth and debt service	**118**	**115**

Note:
(1) Full breakdown of Non-underlying items are included on the Statutory Earnings breakdown on the next page.
(2) Please see footnote on page 5 which explains the Group's revised policy for the presentation of certain items in its management basis cash flow statement and the subsequent re-presentation of 2023 comparatives

Statutory earnings

£m	2024	2023	%
Underlying PBT	**213**	**207**	**3%**
Corporate debt interest and related costs	(28)	(38)	25%
Platform development costs	(18)	(10)	(74)%
Amortisation of Acquisition intangibles	(12)	(51)	76%
Argos partnership costs	(4)	-	n.m.
Other	(6)	-	n.m.
Restructuring costs	-	(11)	100%
Statutory PBT	**144**	**98**	**48%**

Corporate debt interest and related costs: includes the interest charge and other costs associated with the issuance and servicing of the Senior Secured Notes by NewDay BondCo plc (the Senior Secured Debt) and the Super Senior Revolving Credit Facility (the Revolving Credit Facility). Also included within this balance is interest and associated costs related to a £30m debt instrument(1) issued to Lloyds Banking Group as part of the technology and lending partnership we have with them.

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

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

Argos partnership costs: relates to expenses incurred to acquire the Argos portfolio

Other: represents certain non-recurring expenses including interest and penalties arising on uncertain tax position provisions

Restructuring costs: represents redundancy and related costs associated with the realignment of the Group's operating structure effective from 1 January 2024

Note:
(1) This instrument represents shares held in NewDay JVCo Ltd by Lloyds Banking Group which, per International Financial Reporting Standards, are classified as a debt instrument. See note 19 of the 2024 Annual Report & Financial Statements for further details, including details of a revaluation of this debt to £24m as at 31 December 2024.

Risk-adjusted income by segment

D2C £m	2024	2023	%
Interest income	784	748	5%
Cost of funds	(165)	(146)	(12%)
Fee and commission income	46	43	8%
Net Revenue	**666**	**644**	**3%**
Impairment	(342)	(301)	(13%)
Underlying risk-adjusted income	**324**	**343**	**(6%)**
Gross receivables	2,579	2,465	5%
Average gross receivables	2,500	2,421	3%
Net Revenue margin (%)	33.2%	32.7%	
Impairment rate (%)	13.7%	12.4%	
Underlying RAM (%)	12.9%	14.2%	
Charge-off rate (%)	13.3%	12.6%	
Coverage rate (%)	14.0%	16.3%	

Merchant Offering £m	2024	2023	%
Interest income	302	284	6%
Cost of funds	(101)	(95)	(6%)
Fee and commission income	22	18	20%
Net Revenue	**224**	**207**	**8%**
Impairment	(68)	(102)	33%
Underlying risk-adjusted income	**155**	**105**	**48%**
Gross receivables	1,799	1,844	(2%)
Average gross receivables	1,779	1,789	(1%)
Net Revenue margin (%)	18.2%	16.9%	
Impairment rate (%)	3.8%	5.7%	
Underlying RAM (%)	8.7%	5.9%	
Charge-off rate (%)	4.6%	5.2%	
Coverage rate (%)	4.4%	6.2%	

Note: Platform Services reported underlying risk-adjusted income of £2m in 2024 (2023: £1m)

Balance sheet

£m	2024	2023
Gross receivables	4,378	4,309
ECL allowance	(440)	(515)
Other[2]	117	97
Net receivables	**4,056**	**3,891**
Cash	374	516
Restricted cash	78	74
Intangible assets	92	83
Goodwill	280	280
Other assets	116	227
Total assets	**4,995**	**5,070**
Asset-backed term debt	2,426	2,514
Variable funding notes	1,629	1,647
Senior secured debt[1]	212	235
Other debt instruments	24	-
Provisions	8	5
Other liabilities[2]	169	198
Total liabilities	**4,467**	**4,599**
Net assets	**528**	**471**
Tangible equity	**154**	**102**

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 £17m as at December 2024 (December 2023: £29m).

Asset-backed term debt represents the term series notes issued by the NewDay Funding and NewDay Partnership Funding master trust structures

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

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

Note:
(1) Senior Secured Debt includes accrued interest and the remaining unamortised balance of the discount the debt was issued at on origination.
(2) In 2024, the Group changed the presentation of certain customer-related balances from other liabilities to loans and advances to customers. Accordingly, the 2023 comparatives have been restated.

Leverage and interest ratios

£m	2024	2023
Adjusted EBITDA	**224**	**219**
Corporate Debt[1]	244	238
Cash[2]	(302)	(307)
Net corporate Senior Secured Debt	**(58)**	**(70)**
Net Corporate debt to Adjusted EBITDA [2]	(0.3)x	(0.3)x
Senior corporate interest expense	**32**	**32**
Adjusted EBITDA to pro forma cash interest expense	7.1x	6.9x

Note:
(1) Corporate debt includes Senior Secured Debt and a £30m debt instrument issued to Lloyds Banking Group as part of the technology and lending partnership we have with them. See note 19 of the 2024 Annual Report & Financial Statements for further details, including details of a revaluation of this debt to £24m as at 31 December 2024. Senior Secured Debt excludes accrued interest and the remaining unamortised balance of the discount the debt was issued at on origination.
(2) Represents ratio of net corporate debt to adjusted EBITDA excluding funding overlaps. Excluding these funding overlaps, the Group held more Cash than Corporate debt at 31 December 2024.

Glossary

ABS: asset-backed security

AFS: Argos Financial Services

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/period-end gross receivables

Credit: this business provides unsecured credit products (including credit cards, digital revolving credit and point-of-sale finance) direct to consumers or in partnership with retail and consumer brands. The segment typically serves customers new to credit or that have a limited or poor credit history. The business also has a prime portfolio primarily through its partnership with John Lewis & Partners and certain other merchant partners. The segment also has certain other capital-light activities and several closed portfolios.

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. Customers that are placed on a repayment plan, which allows the customer to repay less than their original contractual minimum monthly payment, and are up to date with their revised payment schedule are not counted as in delinquency or arrears

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

N/M: not meaningful

Direct to Consumer (D2C): constitutes the NewDay brands, namely Aqua, Marbles, Fluid and Bip

Merchant Offering (MO) : constitutes the NewDay brands, namely John Lewis & Partners, AO, Pulse, Debenhams, Argos and Newpay brands

Platform: This business provides digital platform solutions for end-to-end servicing of unsecured credit products financed and owned by third parties.

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, amortisation of the Acquisition intangibles, and one-off items

VFN: variable funding note

Enquiries

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NewDay