

19 May 2025



NewDay BondCo plc

Group results for the Financial Quarter ended 31 March 2025

The information in this announcement concerns the consolidated financial results of NewDay Group (Jersey) Limited ("NewDay", together with its subsidiaries and subsidiary undertakings, the "Group") – a wholly owned subsidiary of Nemean TopCo Limited and indirect parent company of NewDay BondCo plc.

Highlights

- Underlying profit before tax of £45m, up 31% (Q1 2024: £34m).
- Statutory loss before tax of £(24)m (Q1 2024: £17m profit) includes an ECL accounting charge of £50m required by IFRS on initial recognition of the £834m Argos store card portfolio.
- Acquired economic ownership of the Argos store card portfolio in February 2025, comprising of £834m of gross receivables and 2.2m customers. The portfolio purchase price was £754m, being a 10% discount to the face value of the gross receivables.
- Underlying risk-adjusted margin increased to 10.0% (Q1 2024: 9.3%) with underlying risk-adjusted income up 14% at £113m (Q1 2024: £99m).
- Improved underlying cost-income ratio of 27.7% (Q1 2024: 30.5%).
- Gross receivables of £5.1bn, up 21% (Q1 2024: £4.2bn). Interest-bearing balances increased 19% to £3.3bn (Q1 2024: £2.8bn).
- Free cashflow available for growth and debt service of £71m (Q1 2024: £25m)¹.
- Cash balances held outside the securitisation structures of £110m, up 50% (Q1 2024: £74m).
- Extended our partnerships with John Lewis & Partners and AO until 2030 and 2033 respectively.
- £2.1bn (Q1 2024: £1.5bn) of headroom from committed facilities, providing the Group with a stronger funding and liquidity position.

1. *In Q4 2024, to aid understanding of performance, 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 Q1 2024 comparatives of impacted metrics have been re-presented for consistency.*

Commenting on performance for the period, John Hourican, Group CEO said:

“NewDay delivered a strong first quarter, with underlying profit before tax up 31% when compared to the first quarter of 2024.

In February 2025, we completed the first closing of the acquisition of the Argos store card portfolio. As a result, the Group has economic ownership of just over £5bn receivables and 5.8m customer accounts. The Argos acquisition helps deliver strong momentum into our merchant activity and drives greater balance in the mix between our Direct to Consumer and Merchant Offering segments.

In addition to making progress on the Argos transaction, we were delighted to extend our partnerships with John Lewis & Partners and AO until 2030 and 2033, respectively.

Our credit performance remains stable, with delinquency and charge-off rates in line with expectations. While we remain vigilant given the macroeconomic backdrop, we are confident and optimistic for the rest of 2025. We have a resilient model, a clear strategy, and strong momentum heading into the rest of the year.”

Summary of financial performance⁽¹⁾

£m	Quarter ended 31 March		
	2025	2024	Variance (%)
Interest income	292.9	266.1	10%
Cost of funds	(64.3)	(67.9)	5%
Net interest income	228.6	198.2	15%
Fee and commission income	17.4	15.3	14%
Net revenue	246.0	213.5	15%
Impairment losses on loans and advances to customers	(133.3)	(114.3)	(17%)
Underlying risk-adjusted income	112.7	99.2	14%
Servicing costs	(31.8)	(32.2)	1%
Change costs	(11.0)	(12.8)	14%
Marketing and partner payments	(8.1)	(6.1)	(33%)
Collection fees	6.8	5.8	17%
Contribution	68.6	53.9	27%
Salaries, benefits, and overheads	(24.1)	(19.9)	(21%)
Underlying profit before tax	44.5	34.0	31%
Add back: depreciation and amortisation	4.1	3.0	37%
Adjusted EBITDA	48.6	37.0	31%
Senior secured debt interest and related costs	(9.1)	(8.8)	(3%)
Argos accounting adjustment	(49.7)	-	
Platform development costs	(10.6)	(2.3)	(361%)
Other	1.2	-	
Depreciation and amortisation including amortisation of intangible assets arising on the Acquisition	(4.4)	(8.8)	50%
(Loss)/profit before tax	(24.0)	17.1	(240%)

Selected alternative performance measures and operational metrics

£m	Quarter ended 31 March		
	2025	2024	Variance (%)
Gross receivables (£m)	5,117	4,242	21%
Average gross receivables (£m)	4,521	4,249	6%
Net revenue margin (%)	21.8%	20.1%	
Impairment rate (%)	11.8%	10.8%	
Charge-off rate (%)	9.1%	9.2%	
Underlying risk-adjusted margin (%)	10.0%	9.3%	
Underlying cost-income ratio (%)	27.7%	30.5%	
Servicing costs margin (%)	2.8%	3.0%	
Total accounts (m) ⁽¹⁾	5.8	3.7	57%
New accounts (000s)	2,294	151	1,419%
Advance rate (%) ⁽²⁾	88.3%	89.4%	

Notes:

- (1) This announcement excludes the financial results of Pay4Later Limited (in liquidation "P4L") and its subsidiaries. Following a strategic review of the business model of P4L (formerly trading as Deko), certain of P4L's activities were transferred to NewDay Technology Limited over the course of 2024 with P4L and its subsidiaries being placed into liquidation in October 2024.
- (2) Reflects FX hedged view, which has also adjusted the prior year comparator.

Enquiries

Investor Relations

Email: investor.relations@newday.co.uk

Media

Sodali & Co.

Email: newday@sodali.com

Results presentation

A webcast for analysts and investors will be held at 10:30 am (UK Time) on 19 May 2025. For video / listen-only and to ask written questions, please access via:

[NewDay Q1 2025 Results | SparkLive | LSEG](#)

If you wish to view the presentation and participate in Q&A with management, please access via Zoom, using the link below:

[Registration | NewDay Q1 results](#)

The presentation can be found at <http://www.newday.co.uk/investors>

About NewDay

NewDay is a leading digital consumer credit business in the UK, providing technology-enabled, highly flexible and innovative products directly to consumers and via its merchant relationships. The Group's product offering includes credit cards and digital revolving credit, both incorporating BNPL and instalment finance functionality.

NewDay operates multiple Direct to Consumer products through well-known brands, such as Aqua, Fluid, Marbles and Bip – the UK's first digital-only credit "card".

NewDay also offers white-labelled credit cards and embedded finance products in partnership with well-known brands such as John Lewis & Partners and AO. The Group's underwriting capability and over 20 years of experience enable it to say "yes" responsibly to more customers in the UK, making NewDay a merchant partner of choice for leading brands.

NewDay has a clear purpose: to help people move forward with credit. The business provides over five million customers with responsible access to credit. NewDay's leading, highly scalable digital platform alongside its proprietary credit-decisioning capability, enables it to innovate continually within the UK consumer finance sector, to unlock competitive advantages and develop products that meet customers' and merchants' changing needs.