



# KRUK Group Q1 2024 Results Presentation

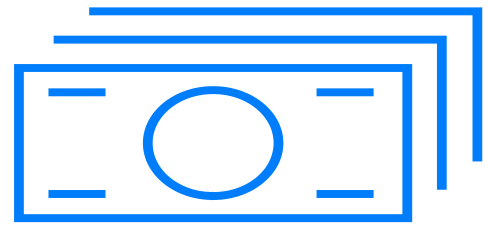


# Record quarterly net profit for KRUK



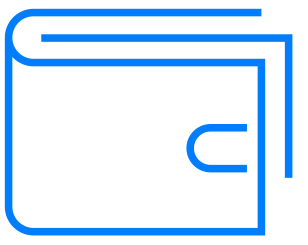
NET PROFIT

**PLN 338m**  
(+44% y/y)



CASH EBITDA

**PLN 604m**  
(+14% y/y)



RECOVERIES  
FROM PURCHASED  
PORTFOLIOS

**PLN 854m**  
(+18% y/y)



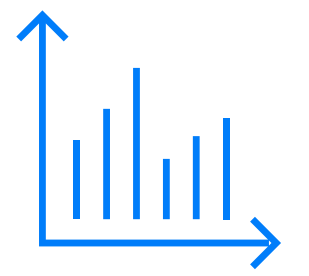
INVESTMENTS  
IN DEBT  
PORTFOLIOS

**PLN 335m**  
(-36% y/y)



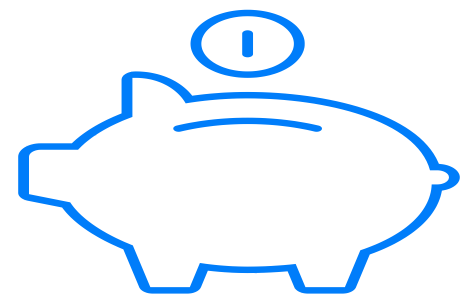
EPS

**PLN 17.51**  
(+44% y/y)



Rolling ROE  
(LTM)\*

**26%**



PORTFOLIO  
CARRYING AMOUNT

**PLN 8.bn**  
(+24% y/y)



NET DEBT/  
CASH EBITDA

**2.3x**  
(Q1 2023: 2.0x)

\* Last twelve months.

# Q1 2024 highlights



**PLN 8.6 BILLION**

KRUK RANKS AS THE WORLD'S LARGEST DEBT COLLECTION COMPANY IN TERMS OF MARKET CAPITALISATION\*



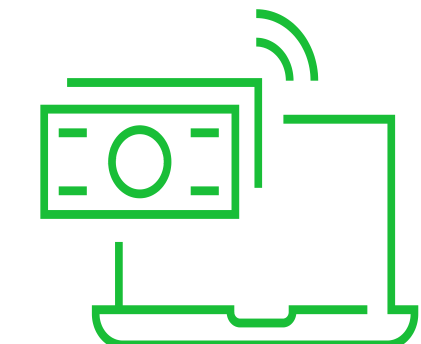
**PLN 18 DIVIDEND PER SHARE FOR 2023**

RECOMMENDED RECORD DIVIDEND PAYMENT FOR 2023



**INTERNATIONAL EXPANSION**

61% OF INVESTMENTS AND 59% OF RECOVERIES IN MARKETS OUTSIDE POLAND



**TECHNOLOGY DEVELOPMENT**

DIGITAL TRANSFORMATION OF THE KRUK GROUP, INCLUDING THROUGH THE DISCOVERY PROGRAMME



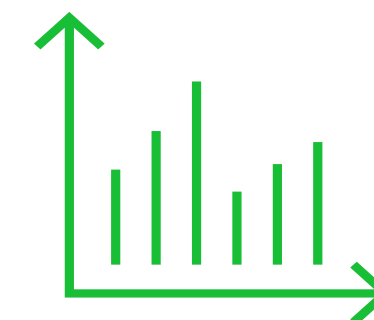
**RECORD-HIGH CASH EBITDA**

PLN 604 MILLION  
Q1 2024



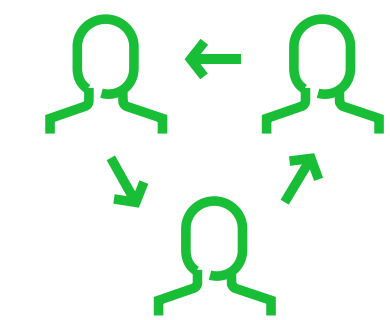
**EMPLOYEE TURNOVER 11.6%**

ONE OF THE LOWEST TURNOVER RATES IN THE FINANCIAL SECTOR



**ROE 26%\*\***

HIGHEST ROE AMONG THE WORLD'S LARGEST LISTED DEBT COLLECTION COMPANIES



**58% OF SENIOR MANAGERIAL POSITIONS**

AT THE KRUK GROUP HELD BY WOMEN

\* Market capitalisation as at 31 March 2024

\*\* Last twelve months.

# Agenda



1. Summary
2. KRUK Group's results
3. Geographical and operating segments
4. Financials
5. Additional information

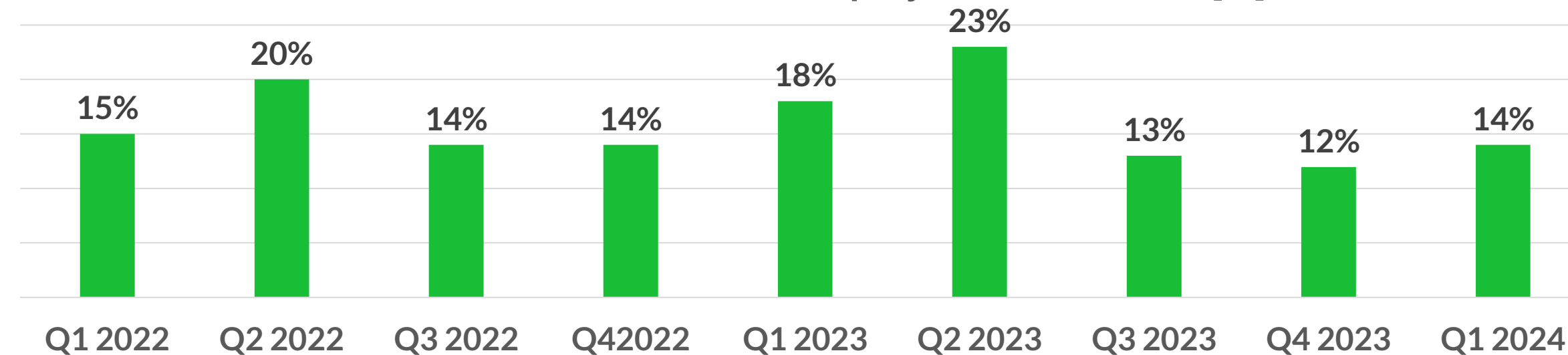
# Record recoveries posted for Q1 2024



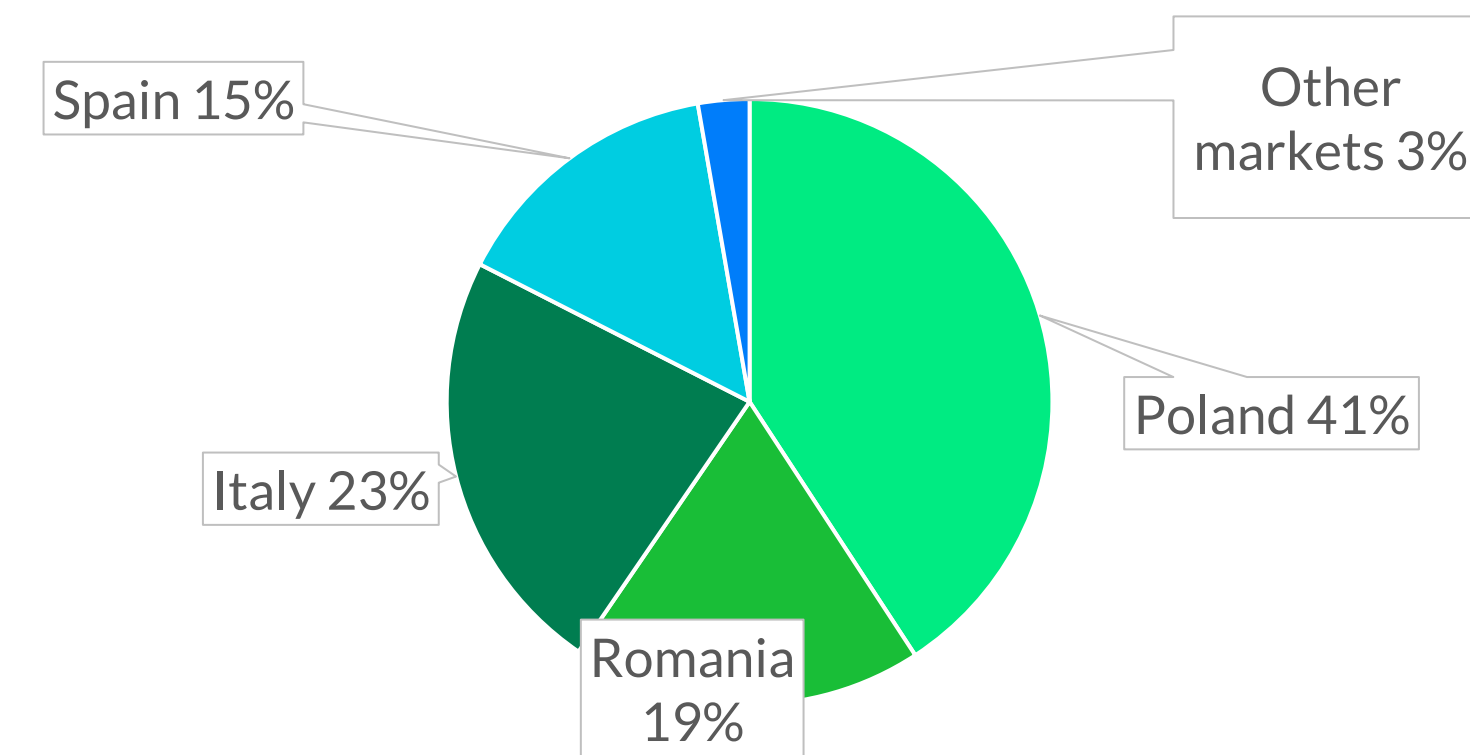
Recoveries from purchased portfolios  
 PLN 854 million  
 (+18% y/y)

- ✓ Recoveries from the KRUK Group's purchased portfolios increased by PLN 130 million year on year (up 18%), driven primarily by improved recoveries in Spain (up PLN 57 million y/y) and Italy (up PLN 54 million y/y).
- ✓ Foreign markets accounted for 59% of the Group's total recoveries. In Q1 2024, KRUK recorded its first recoveries in the French market, which will be presented together with recoveries from the Czech Republic, Slovakia and Germany in the 'Other markets' segment.
- ✓ Of the total recoveries, PLN 778 million (91%) came from unsecured debt portfolios, primarily from the consumer sector.
- ✓ Similar to previous quarters, recoveries in Q1 2024 exceeded budgeted figures, with a positive deviation\* of PLN 105 million, or 14%.

Deviation between actual and projected recoveries [%]\*



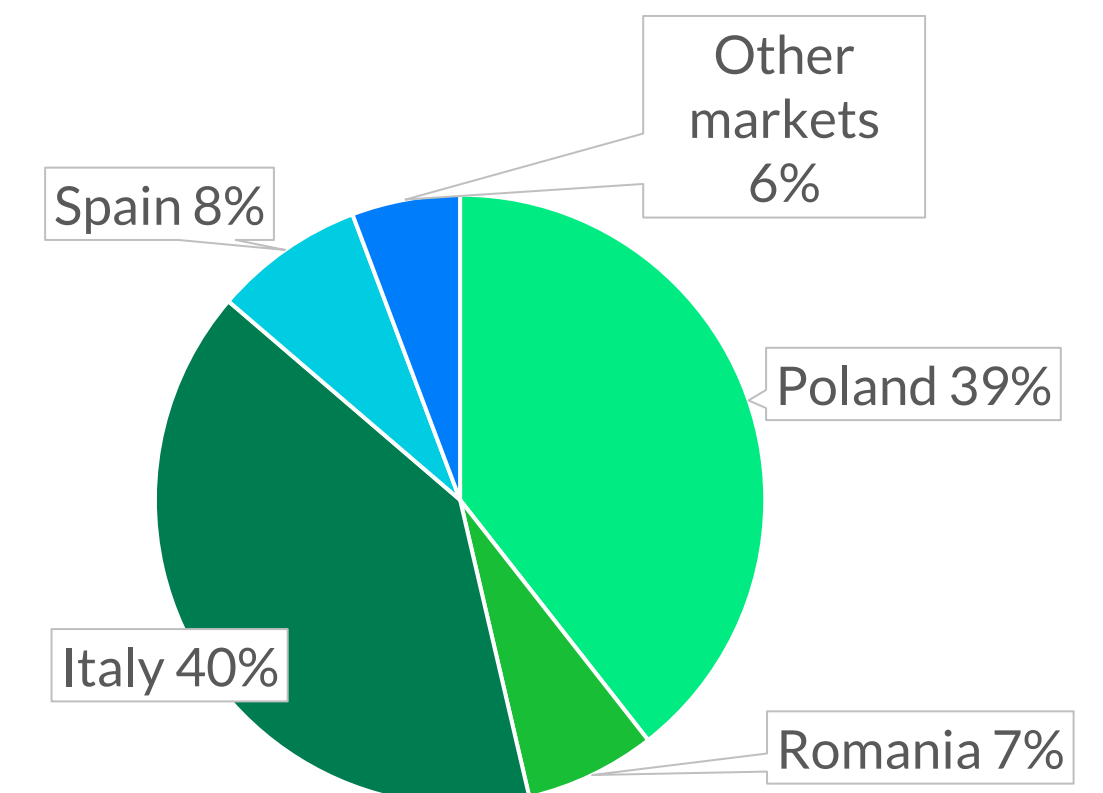
Share of each market in total recoveries



Investments in new portfolios  
 PLN 335 million  
 (-36% y/y)

- ✓ Expenditure on portfolio purchases in Q1 2024 amounted to PLN 335 million (down PLN 189 million or 36% y/y). KRUK made its first investments in debt portfolios in the French market, included in the 'Other markets' segment.
- ✓ The largest investments were made in Poland (PLN 132 million) and Italy (PLN 134 million).
- ✓ Of the total expenditure, PLN 326 million (96%) was allocated to unsecured retail debt.
- ✓ In nominal terms, purchased debt totalled PLN 2.2 billion.

Share of each market in total expenditure



\* The line item 'Deviation between actual and projected recoveries, decreases on early collections in collateralised cases, payments from original creditor' in the financial statements. The percentage deviation is determined as the ratio of 'deviation between actual and projected recoveries' to the difference between 'actual recoveries' and 'deviation between actual and projected recoveries'.



# ROE at 26% and record cash EBITDA



Net profit  
PLN 338 million  
(+44% y/y)

- ✓ Net profit for Q1 2024 reached PLN 338 million, largely driven by a PLN 133 million rise in revenue (up by 22% y/y).
- ✓ Cash EBITDA for the period came in at PLN 604 billion (up PLN 73 million or 14% y/y), with the rise attributable primarily to the PLN 130 million (18%) increase in recoveries y/y.
- ✓ Return on equity (ROE) was 26%.

Revenue  
PLN 748 million  
(+22% y/y)

- ✓ Revenue from purchased debt portfolios in Q1 2024 amounted to PLN 685 million, up by 27% (PLN 147 million).
- ✓ Revaluation of projected recoveries booked by the Group in the reporting period totalled PLN 144 million, compared with PLN 87 million in the previous year. The deviation between actual and projected recoveries\* was PLN 105 million, compared with PLN 111 million the year before. Interest income rose year on year, from PLN 342 million to PLN 437 million.
- ✓ 70% of the total revaluation of projected recoveries from unsecured retail portfolios in Q1 2024 was attributable to the revaluation of projected recoveries until January 2027 (over the next 34 months).

Operating and  
administrative expenses  
PLN 314 million  
(+16% y/y)

- ✓ In Q1 2024, operating expenses excluding depreciation and amortisation (direct and indirect costs, administrative expenses and other expenses) rose by PLN 43 million or 16% y/y.
- ✓ The increase was driven mainly by a rise in employee costs and salaries (up PLN 9 million or 7% y/y) and higher costs of operating processes (up PLN 8 million or 39% y/y).

Finance costs  
PLN 93 million  
(+52% y/y)

- ✓ The increase in net finance costs in Q1 2024 (up by PLN 32 million) was driven by a higher debt amount (up by PLN 1,213 million\*\*), as well as elevated 1M/3M EURIBOR rates (the average of quotations for the last day of each month in the period from January to March 2024 was 3.87%/3.91%, compared with 2.52%/2.76% in the comparative period of 2023).
- ✓ The effect of interest rate increases on the Group's finance costs was partly offset by a positive effect of interest rate hedges, which amounted to PLN 22 million in Q1 2024.
- ✓ IRS and CIRS contracts used for hedging purposes and fixed-rate bonds (totalling PLN 3,934 million) represented 75% of the Group's total debt as at 31 March 2024. WIBOR-sensitive debt accounted for 6% (PLN 329 million) and EURIBOR-sensitive debt – for 19% (PLN 969 million) of the Group's total debt as at 31 March 2024.

\* The line item 'Deviation between actual and projected recoveries, decreases on early collections in collateralised cases, payments from original creditor' in the financial statements.

\*\* Debt reported at nominal value.

# Robust balance sheet and broad access to financing sources



Equity  
PLN 4.2 billion  
(+19% y/y)

- ✓ Equity represents 42% of the KRUK Group's financing sources. The ratio of net interest-bearing debt to equity was 1.2x (maximum value: 3.0x) and the ratio of net interest-bearing debt to cash EBITDA was 2.3x (maximum value: 4.0x).
- ✓ The ratio of cash EBITDA to interest on debt was 6.5x (minimum value: 4.0x).
- ✓ As at the end of March 2024, the available lines of credit totalled PLN 3.4 billion, including undrawn facilities of PLN 1.1 billion.
- ✓ In Q1 2024, KRUK S.A. issued Series AO5EUR and Series AO6EUR bonds with a total nominal value of EUR 24 million, and Series AO7 bonds with a total nominal value of PLN 70 million for retail investors.

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Group's assets  
PLN 9.9 billion  
(+23% y/y)

- ✓ The carrying amount of investments in debt portfolios reached PLN 8.8 billion, accounting for 88% of the Group's assets. Unsecured debt represented 91% of the carrying amount of KRUK's debt holdings.
- ✓ The carrying amount of loans granted by Wonga and Novum was PLN 426 million, i.e. 4% of the Group's assets.
- ✓ As at 31 March 2024, cash and cash equivalents amounted to PLN 285 million.

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# KRUK Group by segments in Q1 2024

(PLN million)

	Poland		Romania		Italy		Spain		Other markets		Unallocated		Head Office		KRUK Group	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
Expenditure on debt portfolios	132	86	23	18	134	341	27	35	19	45	N/A	N/A			335	524
Recoveries	348	322	160	167	196	142	126	69	23	24	N/A	N/A			854	724
Carrying amount of purchased debt portfolios (PLN billion)	3,3	2,8	1,4	1,2	2,2	1,8	1,7	1,1	0,1	0,2	N/A	N/A			8,778	7,100
Percentage of total portfolio carrying amount	38%	39%	16%	18%	25%	25%	19%	16%	2%	3%	N/A	N/A			100%	100%
Revenue	337	268	148	141	137	111	113	64	12	13	2	18	N/A		748	615
Purchased debt portfolios	284	217	146	140	134	108	109	60	12	13	N/A	N/A			685	538
Credit management services	7	9			3	3	4	4			N/A	N/A			15	16
Wonga	39	36									N/A	N/A			39	36
Other activities	6	6	1	1							N/A	N/A			8	7
Gross profit	249	187	117	112	78	65	67	28	6	8	-1	15	N/A		516	416
EBITDA	224	167	109	105	68	57	61	23	3	5	-1	15	-31	-27	434	344
Cash EBITDA	288	272	123	132	130	90	78	32	15	16	-1	15	-31	-27	604	530

# KRUK Group's operations in Poland



(PLN million)	Q1 2024	Q1 2023	y/y	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
EXPENDITURE ON DEBT PORTFOLIOS	132	86	54%	10	127	110	218	86	197	74	419
RECOVERIES	348	322	8%	312	325	296	299	322	345	365	319
PORTFOLIO CARRYING AMOUNT	3,316	2,754	20%	2,584	2,653	2,666	2,770	2,754	2,895	2,858	3,228
REVENUE	337	268	26%	258	302	243	233	268	338	291	318
PURCHASED DEBT PORTFOLIOS	284	217	31%	217	257	192	183	217	286	251	266
REVALUATION OF PROJECTED RECOVERIES	72	31	132%	37	69	28	23	31	64	50	67
CREDIT MANAGEMENT SERVICES	7	9	-12%	7	7	7	8	9	8	7	7
WONGA	39	36	9%	27	31	36	34	36	38	26	39
OTHER ACTIVITIES	6	6	6%	7	7	7	8	6	6	6	6
GROSS PROFIT	249	187	33%	-	-	-	-	187	259	208	214
EBITDA	224	167	34%	164	205	143	113	167	238	185	189
INCLUDING WONGA	20	21	-4%	11	19	22	20	21	23	11	22
CASH EBITDA	288	272	6%	258	273	248	230	272	296	299	241
PORTFOLIO PROFITABILITY (LTM)*	36%	32%	14%	35%	35%	35%	31%	32%	32%	34%	34%

- In Q1 2024, KRUK's investments in Poland amounted to PLN 132 million, representing 39% of the Group's total expenditure in the period. The nominal value of purchased portfolios was PLN 1.4 billion. In Poland, KRUK invested primarily in unsecured retail debt.
- Recoveries in Poland amounted to PLN 348 million (up 8% y/y) and accounted for 41% of the Group's total recoveries in Q1 2024.
- The carrying amount of purchased debt portfolios as at the end of Q1 2024 totalled PLN 3.3 billion. The Polish portfolios accounted for 38% of the carrying amount of all debt portfolios held by the KRUK Group.
- The PLN 69 million growth of revenue was due mainly to an increase in revenue from purchased portfolios (up PLN 67 million y/y), reflecting a higher revaluation of projected recoveries (up PLN 41 million y/y) and higher interest income. In Poland, KRUK also recorded a positive deviation between actual and projected recoveries.
- The increase in gross profit (up 33% y/y) and EBITDA (up 34% y/y) was mainly driven by revenue growth.

# KRUK Group's operations in Romania



(PLN million)	Q1 2024	Q1 2023	y/y	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
EXPENDITURE ON DEBT PORTFOLIOS	23	18	31%	103	57	91	162	18	100	75	143
RECOVERIES	160	167	-4%	145	142	152	154	167	155	155	158
PORTFOLIO CARRYING AMOUNT	1,438	1,244	16%	1,016	1,076	1,160	1,256	1,244	1,275	1,390	1,443
REVENUE	148	141	5%	166	142	108	133	141	149	141	155
PURCHASED DEBT PORTFOLIOS	146	140	5%	162	137	104	130	140	148	140	153
REVALUATION OF PROJECTED RECOVERIES	48	39	23%	88	57	16	46	39	58	48	52
CREDIT MANAGEMENT SERVICES	0	0	144%	3	4	3	1	0	0	0	0
OTHER ACTIVITIES	1	1	-3%	1	1	1	1	1	2	1	2
GROSS PROFIT	117	112	4%	-	-	-	-	112	119	110	121
EBITDA	109	105	4%	136	108	73	90	105	111	103	111
CASH EBITDA	123	132	-6%	118	113	122	114	132	119	118	116
PORTFOLIO PROFITABILITY (LTM)*	44%	45%	-3%	50%	47%	47%	50%	45%	44%	44%	43%

- In Q1 2024, expenditure on portfolio purchases in Romania reached PLN 23 million (up 31% y/y). KRUK was mainly active in the unsecured retail debt market. The nominal value of debt purchased in the period was PLN 65 million. Purchases made in Romania accounted for 7% of the Group's total investments in Q1 2024.
- Recoveries from Romanian debt portfolios amounted to PLN 160 million (down 4% y/y) and represented 19% of the Group's total recoveries.
- At the end of the reporting period, the carrying amount of purchased debt portfolios was PLN 1.4 billion (up 16% y/y). The Romanian portfolios accounted for 16% of the carrying amount of all debt portfolios held by the KRUK Group.
- Revenue increased to PLN 148 million (by 5%) y/y mainly due to higher revaluation of projected recoveries (up 9 million PLN, or 23% y/y). In Romania KRUK also recorded a positive deviation between actual and projected recoveries.
- Gross profit (up 4% y/y) and EBITDA (up 4% y/y) remained broadly unchanged y/y.

# KRUK Group's operations in Italy



(PLN million)	Q1 2024	Q1 2023	y/y
EXPENDITURE ON DEBT PORTFOLIOS	134	341	-61%
RECOVERIES	196	142	38%
PORTFOLIO CARRYING AMOUNT	2,193	1,774	24%
REVENUE	137	111	24%
PURCHASED DEBT PORTFOLIOS	134	108	24%
REVALUATION OF PROJECTED RECOVERIES	17	16	6%
CREDIT MANAGEMENT SERVICES	3	3	12%
GROSS PROFIT	78	65	19%
EBITDA	68	57	20%
CASH EBITDA	130	90	44%
PORTFOLIO PROFITABILITY (LTM)*	22%	26%	-18%

Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
147	69	228	140	341	183	137	317
96	112	108	140	142	147	135	145
1,117	1,176	1,435	1472	1,774	1,826	1,998	2,144
82	97	88	93	111	104	96	101
80	95	86	91	108	102	94	98
12	19	11	7	16	7	1	2
2	2	2	2	3	3	3	3
-	-	-	-	65	52	49	49
37	43	36	34	57	42	40	40
53	61	58	83	90	87	82	87
32%	31%	29%	29%	26%	26%	23%	22%

- In the Italian market in Q1 2024, KRUK invested PLN 134 million (down 61% y/y; 40% of total expenditure), acquiring debt with a nominal value of PLN 528 million.
- Recoveries came in at PLN 196 million (up 38% y/y), accounting for 15% of the Group's total.
- At the end of the reporting period, the carrying amount of debt portfolios purchased on that market was PLN 2.2 billion, representing 25% of the total carrying amount of debt portfolios held by the KRUK Group.
- Revenue increased by 24% to PLN 137 million, mainly on the back of higher interest income. In Italy KRUK also recorded a positive deviation between actual and projected recoveries.
- The increase in gross profit (up 19%) and EBITDA (up 20%) came mainly as a result of higher revenue.



# KRUK Group's operations in Spain



(PLN million)	Q1 2024	Q1 2023	y/y	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
EXPENDITURE ON DEBT PORTFOLIOS	27	35	-24%	0	235	153	411	35	161	516	100
RECOVERIES	126	69	81%	45	52	68	82	69	86	105	130
PORTFOLIO CARRYING AMOUNT	1,693	1,123	51%	400	580	743	1101	1,123	1,217	1,766	1,705
REVENUE	113	64	76%	24	-3	54	61	64	78	81	82
PURCHASED DEBT PORTFOLIOS	109	60	82%	20	-7	50	56	60	73	78	79
REVALUATION OF PROJECTED RECOVERIES	7	-1	1,137%	-4	-39	4	2	-1	5	0	-1
CREDIT MANAGEMENT SERVICES	4	4	-4%	4	4	3	4	4	5	3	4
GROSS PROFIT	67	28	140%	-	-	-	-	28	37	41	26
EBITDA	61	23	169%	-1	-32	23	4	23	31	35	18
CASH EBITDA	78	32	142%	24	27	40	29	32	43	61	70
PORTFOLIO PROFITABILITY (LTM)*	24%	21%	15%	25%	13%	15%	16%	21%	27%	21%	21%

- The amount invested by KRUK on the Spanish market in Q1 2024 was PLN 27 million (8% of total expenditure), purchasing debt portfolios with a nominal value of PLN 158 million, primarily unsecured retail debt.
- Amounts recovered in Spain reached PLN 126 million (up 81% y/y), accounting for 15% of the Group's total recoveries.
- At the end of the reporting period, the carrying amount of debt portfolios purchased on that market was PLN 1.7 billion, representing 19% of the total carrying amount of debt portfolios held by the KRUK Group.
- Revenue in Spain increased to PLN 113 million (up 76% y/y) on higher interest income and a PLN 7 million positive revaluation of projected recoveries (versus a negative revaluation of PLN 1 million the year before). In Spain KRUK also recorded a positive deviation between actual and projected recoveries.
- The increase in gross profit (up 140% y/y) and EBITDA (up 169% y/y) was mainly driven by revenue growth.

\* LTM portfolio profitability calculated as the sum of revenue from purchased portfolios for the last 12 months divided by the arithmetic mean of the portfolio value at the beginning and at the end of the last 12 months.



# KRUK Group's operations in France, the Czech Republic, Slovakia and Germany

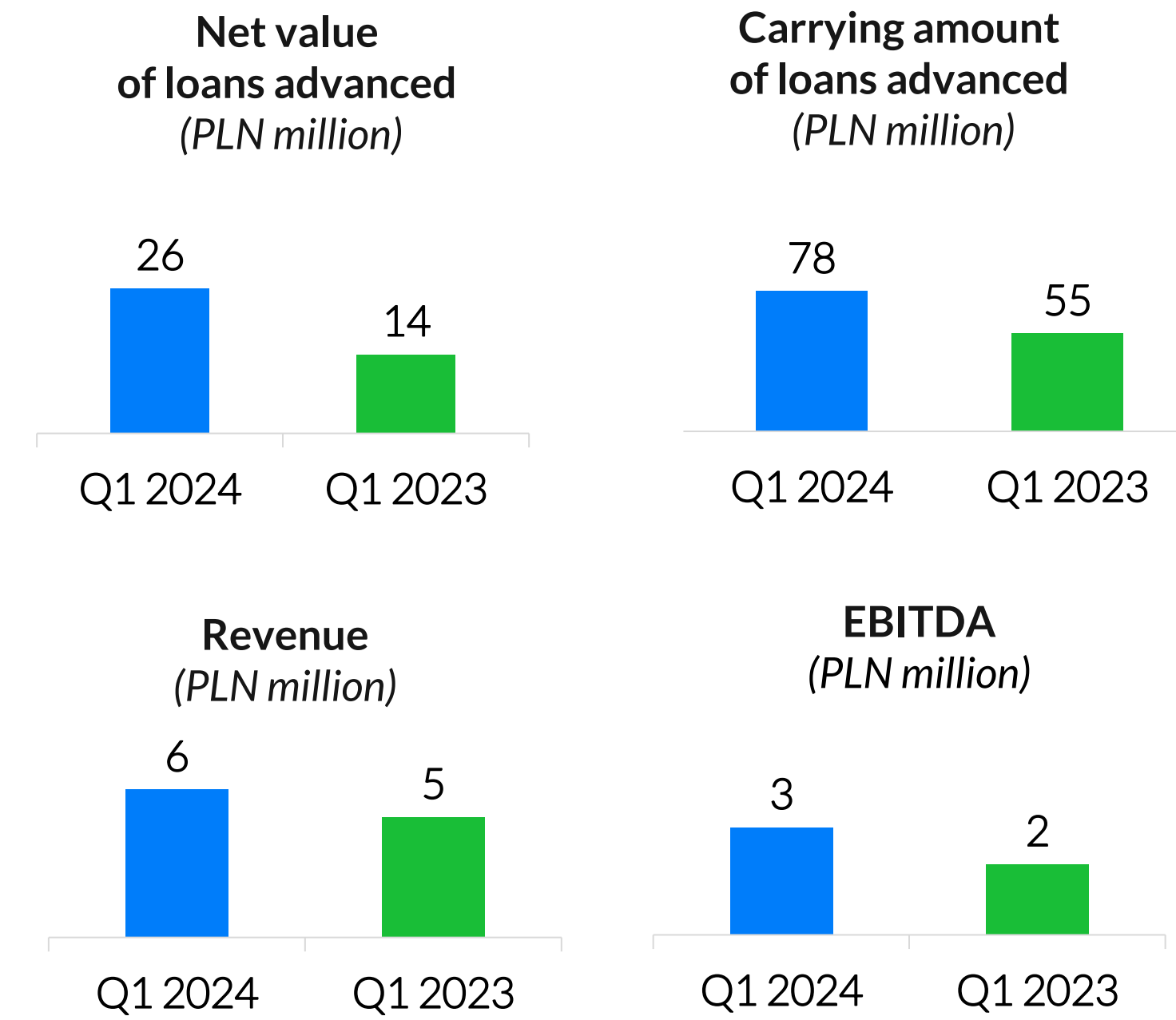
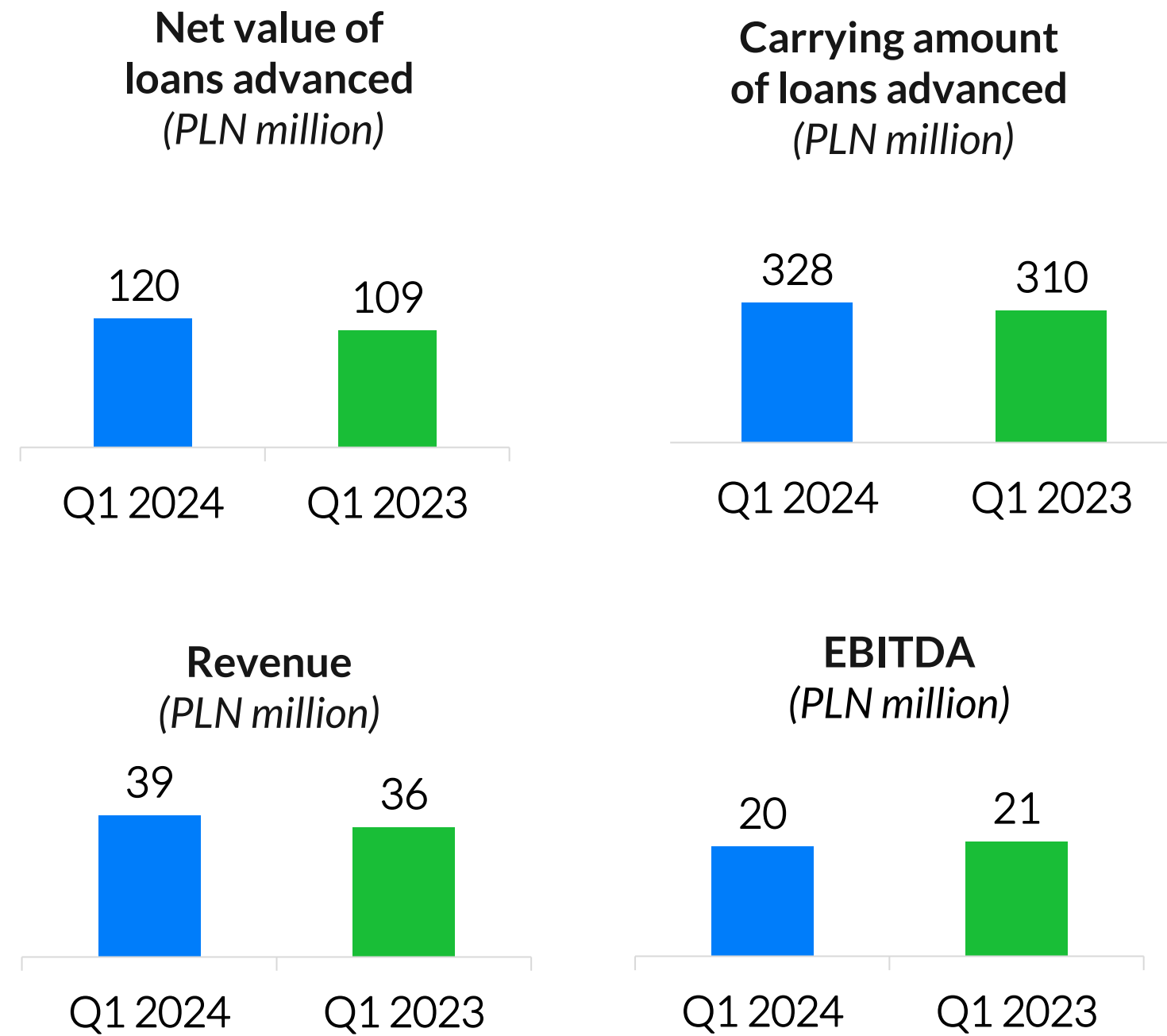


(PLN million)	Q1 2024	Q1 2023	y/y	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
EXPENDITURE ON DEBT PORTFOLIOS	19	45	-57%	2	6	12	29	45	11	10	3
RECOVERIES	23	24	-4%	25	26	24	24	24	44	25	24
PORTFOLIO CARRYING AMOUNT	139	205	-32%	147	145	154	168	205	177	177	154
REVENUE	12	13	-8%	14	18	14	13	13	14	13	11
PURCHASED DEBT PORTFOLIOS	12	13	-8%	14	18	14	13	13	14	13	11
REVALUATION OF PROJECTED RECOVERIES	0	2	-108%	1	3	2	1	2	0	0	0
GROSS PROFIT	6	8	-17%	-	-	-	-	8	4	7	5
EBITDA	3	5	-26%	6	10	6	4	5	0	4	2
CASH EBITDA	15	16	-7%	17	17	16	15	16	29	16	15
PORTFOLIO PROFITABILITY (LTM)*	28%	33%	-17%	46%	51%	46%	37%	33%	34%	32%	32%

- Total investments in these markets amounted to PLN 19 million (6% of the Group's total expenditure) and comprised unsecured retail portfolios. The majority of the investments were made in the French market. As part of the review of strategic options for the Czech and Slovak markets, KRUK decided to suspend further investments in debt portfolios in these markets due to their relative scale within the Group's operations. Operations in these markets will be continued, allowing for potential collaboration with local business partners and selective asset sales.
- Recoveries reached PLN 23 million, accounting for 3% of the Group's total recoveries.
- Revenue was PLN 12 million (down 8% y/y), driven mainly by a lower revaluation of projected recoveries relative to the corresponding period of the prior year. In the 'Other markets' segment, KRUK recorded a positive deviation between actual and projected recoveries.
- Gross margin was PLN 6 million (down 17%) and EBITDA was PLN 3 million (down 26%).
- As at the end of the period, the carrying amount of purchased debt portfolios was PLN 139 million, representing 2% of the total carrying amount of debt portfolios held by the KRUK Group.

\* LTM portfolio profitability calculated as the sum of revenue from purchased portfolios for the last 12 months divided by the arithmetic mean of the portfolio value at the beginning and at the end of the last 12 months.

# KRUK Group's operations: Wonga and Novum



- Wonga.pl disbursed 52 thousand cash loans in Poland, with a net amount of PLN 120 million.
- As at the end of Q1 2024, the carrying amount of loans advanced by Wonga was PLN 328 million, up 6% y/y.
- Wonga's revenue came in at PLN 39 million (up 9% y/y), with EBITDA at PLN 20 million (down 4% y/y).

- In Poland, Novum disbursed 4 thousand loans, with a net amount of PLN 26 million.
- As at 31 March 2024, the carrying amount of loans advanced by Novum was PLN 78 million (up 43% y/y).
- Novum's revenue in Poland totalled PLN 6 million (up 23% y/y), with EBITDA at PLN 3 million (up 53%).

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# KRUK Group: P&L by business segment (presentation format)



PLN million	Q1 2024	Q1 2023	y/y	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
<b>PURCHASED DEBT PORTFOLIOS</b>												
Expenditure on debt portfolios	335	524	-36%	805	262	495	594	961	524	653	812	983
Recoveries	854	724	18%	601	623	657	648	700	724	776	785	777
<b>STATEMENT OF PROFIT OR LOSS</b>												
<b>Operating income</b>	<b>748</b>	<b>615</b>	<b>22%</b>	<b>401</b>	<b>545</b>	<b>557</b>	<b>509</b>	<b>535</b>	<b>615</b>	<b>685</b>	<b>623</b>	<b>670</b>
Purchased debt portfolios	685	538	27%	367	493	500	446	473	538	624	576	607
Revaluation of projected recoveries	144	87	66%	46	135	109	61	79	87	134	99	120
Income from difference between projected and actual recoveries and other items*	105	111	-5%	56	79	109	82	84	111	143	91	83
Credit management services	15	16	-5%	16	16	17	16	16	16	15	13	14
Other products and services	0	61	- 100%	18	36	40	47	46	61	46	34	49
<b>EBITDA</b>	<b>434</b>	<b>344</b>	<b>26%</b>	<b>164</b>	<b>317</b>	<b>305</b>	<b>253</b>	<b>219</b>	<b>344</b>	<b>393</b>	<b>335</b>	<b>314</b>
EBITDA margin	58%	56%		41%	58%	55%	50%	41%	56%	56%	54%	47%
Finance income / costs	-93	-61	-52%	-29	-40	-38	-49	-52	-61	-62	-73	-94
of which: net foreign exchange gains/(losses)	-2	1	- 332%	0	-2	7	0	1	1	4	5	-1
<b>Profit before tax</b>	<b>325</b>	<b>269</b>	<b>21%</b>	<b>123</b>	<b>265</b>	<b>254</b>	<b>191</b>	<b>153</b>	<b>269</b>	<b>317</b>	<b>248</b>	<b>205</b>
Tax expense	13	-34	137%	6	-21	-9	-3	-25	-34	-23	-19	22
Tax %	-4%	13%		-5%	8%	4%	1%	16%	13%	13%	8%	-11%
<b>Net profit</b>	<b>338</b>	<b>235</b>	<b>44%</b>	<b>130</b>	<b>244</b>	<b>245</b>	<b>188</b>	<b>128</b>	<b>235</b>	<b>294</b>	<b>229</b>	<b>227</b>
Net profit margin	45%	38%		32%	45%	44%	37%	24%	38%	38%	37%	34%
Rolling ROE (LTM)	26%	23%		27%	28%	27%	26%	25%	23%	23%	24%	26%
<b>Cash EBITDA</b>	<b>604</b>	<b>530</b>	<b>14%</b>	<b>397</b>	<b>447</b>	<b>462</b>	<b>455</b>	<b>446</b>	<b>530</b>	<b>545</b>	<b>544</b>	<b>484</b>

\* Deviations between actual and projected recoveries, decreases on early collections in collateralised cases, payments from original creditor.

# KRUK Group: P&L by geographical segment (presentation format)



PLN million	Q1 2024	Q1 2023	y/y	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
<b>Operating income</b>	<b>748</b>	<b>615</b>	<b>22%</b>	<b>401</b>	<b>545</b>	<b>557</b>	<b>509</b>	<b>535</b>	<b>615</b>	<b>685</b>	<b>623</b>	<b>670</b>
Poland	337	268	26%	191	258	302	243	233	268	338	291	318
Romania	148	141	5%	84	166	142	108	133	141	149	141	155
Italy	137	111	24%	76	82	97	88	93	111	104	96	101
Spain	113	64	76%	32	24	-3	54	61	64	78	81	82
Other countries	12	13	-8%	16	14	18	14	13	13	14	13	11
<b>EBITDA</b>	<b>434</b>	<b>344</b>	<b>26%</b>	<b>164</b>	<b>317</b>	<b>305</b>	<b>253</b>	<b>219</b>	<b>344</b>	<b>393</b>	<b>335</b>	<b>314</b>
EBITDA margin	58%	56%		41%	58%	55%	50%	41%	56%	57%	54%	47%
Finance income/costs	-93	-61	-52%	-29	-40	-38	-49	-52	-61	-62	-73	-94
Income tax	13	-34	137%	6	-21	-9	-3	-25	-34	-23	-19	22
<b>Net profit</b>	<b>338</b>	<b>235</b>	<b>44%</b>	<b>130</b>	<b>244</b>	<b>245</b>	<b>188</b>	<b>128</b>	<b>235</b>	<b>294</b>	<b>229</b>	<b>227</b>
Net profit margin	45%	38%		32%	45%	44%	37%	24%	38%	43%	37%	34%



# KRUK Group: cash flows (presentation format)



PLN million	Q1 2024	Q1 2023	y/y	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
<b>Cash flows from operating activities</b>	<b>478</b>	<b>394</b>	<b>21%</b>	<b>336</b>	<b>348</b>	<b>350</b>	<b>299</b>	<b>408</b>	<b>394</b>	<b>502</b>	<b>342</b>	<b>477</b>
Recoveries – purchased debt portfolios	854	724	18%	601	623	657	648	700	724	776	785	777
Operating costs – purchased debt portfolios	-200	-168	-19%	-161	-139	-157	-156	-200	-168	-186	-182	-213
Operating margin – credit management	4	4	-2%	4	4	4	3	-5	4	4	2	-6
Administrative expenses	-82	-72	-14%	-60	-58	-67	-68	-76	-72	-76	-79	-100
Other operating cash flow	-99	-95	-4%	-47	-82	-88	-129	-9	-95	-16	-185	19
<b>Cash flows from investing activities</b>	<b>-341</b>	<b>-527</b>	<b>35%</b>	<b>-811</b>	<b>-265</b>	<b>-503</b>	<b>-596</b>	<b>-970</b>	<b>-527</b>	<b>-676</b>	<b>-820</b>	<b>-996</b>
Expenditure on debt portfolio purchases	-335	-524	36%	-805	-262	-495	-594	-961	-524	-653	-812	-983
Other investing cash flow	-6	-2	-166%	-6	-3	-8	-3	-10	-2	-23	-8	-13
<b>Cash flows from financing activities</b>	<b>-240</b>	<b>167</b>	<b>-244%</b>	<b>497</b>	<b>39</b>	<b>9</b>	<b>318</b>	<b>561</b>	<b>167</b>	<b>108</b>	<b>508</b>	<b>714</b>
Issue of shares	0	0	-	23	0	10	0	16	0	0	0	0
Dividend /share repurchase	0	0	-	0	0	-249	0	0	0	0	-290	0
Increase in borrowings and lease liabilities	548	806	-32%	981	602	941	619	1,169	806	828	1,087	1,118
Issue of bonds	174	175	-1%	50	400	50	60	29	175	731	75	583
Decrease in borrowings and lease liabilities	-877	-849	-3%	-447	-800	-542	-371	-616	-849	-1,465	-374	-1,026
Redemption of bonds	-78	0	-	-140	-150	-241	0	-75	0	0	0	-65
Other financing cash flow	-8	35	-122%	30	-14	40	10	38	35	15	10	104
<b>Net cash flows</b>	<b>-104</b>	<b>34</b>	<b>-406%</b>	<b>22</b>	<b>122</b>	<b>-144</b>	<b>20</b>	<b>-1</b>	<b>33</b>	<b>-65</b>	<b>29</b>	<b>195</b>

\* Including proceeds from the issue of Series AN2 bonds deposited in a technical account held with the broker, credited in the Group's bank account after the reporting date, on 10 January 2023.

# KRUK Group: selected items of the statement of financial position (presentation format)

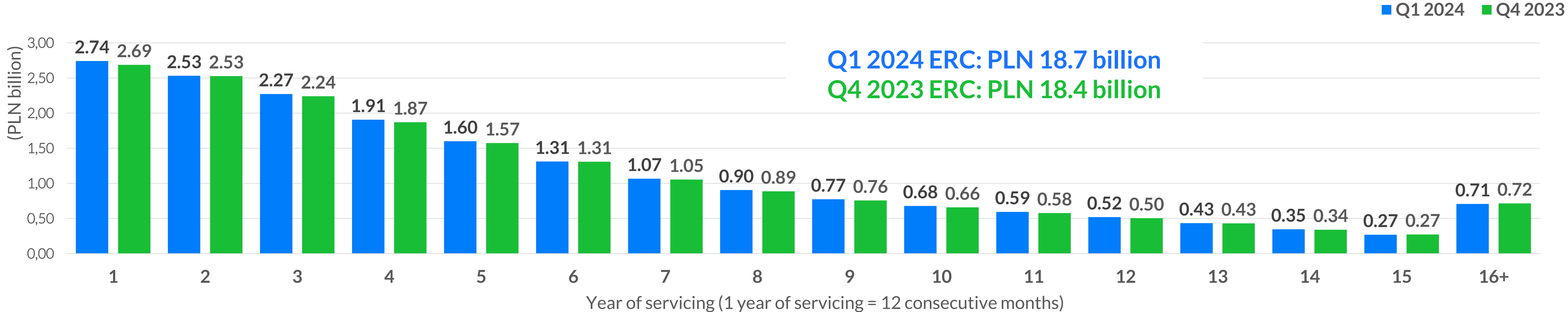


PLN million	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
<b>ASSETS</b>											
Cash and cash equivalents	285	388	194	164	229	202	197	177	321	199	177
Investments in debt portfolios and loans	9,205	9,092	8,594	7,792	7,482	7,138	6,518	5,980	5,593	5,417	4,836
Other assets	454	448	408	449	350	341	327	309	319	294	270
<b>Total assets</b>	<b>9,943</b>	<b>9,929</b>	<b>9,196</b>	<b>8,405</b>	<b>8,061</b>	<b>7,681</b>	<b>7,043</b>	<b>6,466</b>	<b>6,232</b>	<b>5,909</b>	<b>5,283</b>
<b>EQUITY AND LIABILITIES</b>											
<b>Equity</b>	<b>4,156</b>	<b>3,791</b>	<b>3,725</b>	<b>3,449</b>	<b>3,505</b>	<b>3,253</b>	<b>3,132</b>	<b>2,883</b>	<b>2,881</b>	<b>2,600</b>	<b>2,425</b>
of which: retained earnings	3,622	3,283	3,056	2,827	2,823	2,589	2,461	2,273	2,277	2,034	1,903
<b>Liabilities</b>	<b>5,787</b>	<b>6,138</b>	<b>5,471</b>	<b>4,957</b>	<b>4,556</b>	<b>4,428</b>	<b>3,911</b>	<b>3,584</b>	<b>3,351</b>	<b>3,309</b>	<b>2,857</b>
of which: bank borrowings and leases	2,342	2,680	2,600	1,879	2,521	2,564	2,015	1,754	1,361	1,564	1,032
Bonds	2,939	2,851	2,371	2,267	1,556	1,382	1,423	1,362	1,560	1,305	1,395
<b>Total equity and liabilities</b>	<b>9,943</b>	<b>9,929</b>	<b>9,196</b>	<b>8,405</b>	<b>8,061</b>	<b>7,681</b>	<b>7,043</b>	<b>6,466</b>	<b>6,232</b>	<b>5,909</b>	<b>5,283</b>
<b>METRICS</b>											
Interest-bearing debt	5,281	5,531	4,971	4,146	4,077	3,946	3,438	3,116	2,921	2,869	2,427
Net interest-bearing debt	4,996	5,143	4,777	3,982	3,848	3,744	3,241	2,939	2,600	2,670	2,250
Net interest-bearing debt to equity	1,2	1,4	1,3	1,2	1,1	1,2	1,0	1,0	0,9	1,0	0,9

# KRUK Group: ERC at PLN 18.7 billion



Estimated remaining collections by years of servicing as at the end of period



- Estimated remaining collections (ERC) as at 31 March 2024 were PLN 18.7 billion, up PLN 0.3 billion, or 1%, on 31 December 2023. The increase was driven primarily by investments of PLN 335 million in debt portfolios with a nominal value of PLN 2.2 billion made in Q1 2024, and a revaluation of projected recoveries as at the end of March 2024, with a discounted value of PLN 144 million.
- 70% of the total revaluation of projected recoveries from unsecured retail portfolios in Q1 2024 was attributable to the revaluation of projected recoveries until January 2027 (over the next 34 months).

# KRUK Group: actual vs projected recoveries and revaluation of projected recoveries



## Deviation between actual and projected recoveries and related items \*

PLN million	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
A. Recoveries	623	657	648	700	724	776	785	777	854
B. Deviation between actual and projected recoveries and related items*	79	109	82	84	111	143	91	83	105
C. Percentage deviation* (B / (A-B))	15%	20%	14%	14%	18%	23%	13%	12%	14%

## Revaluation of projected recoveries

PLN million	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
A. Revaluation of projected recoveries	135	109	61	79	87	134	99	120	144
B. Portfolio carrying amount	5,265	5,630	6,158	6,768	7,100	7,390	8,190	8,674	8,778
C. Revaluation relative to carrying amount [%] (A/B)	2.6%	1.9%	1.0%	1.2%	1.2%	1.8%	1.2%	1.4%	1.6%

- In recent quarters, KRUK has consistently delivered from 112% to 123% of projected recoveries\*.
- Concurrently, KRUK has booked an upward revaluation of projected recoveries for the coming periods in each quarter (in Q1 2024, 70% of the revaluation was attributable to the revaluation of projected recoveries over the next 34 months).
- Despite the regular upward revaluation of projected recoveries (averaging PLN 108 million quarterly since the beginning of 2022), KRUK has maintained a positive deviation between actual and projected recoveries\*, achieving an average surplus of PLN 99 million since 2022\*.

\* The line item 'Deviation between actual and projected recoveries, decreases on early collections in collateralised cases, payments from original creditor' in the financial statements. The percentage deviation is determined as the ratio of 'deviation between actual and projected recoveries' to the difference between 'actual recoveries' and 'deviation between actual and projected recoveries'.

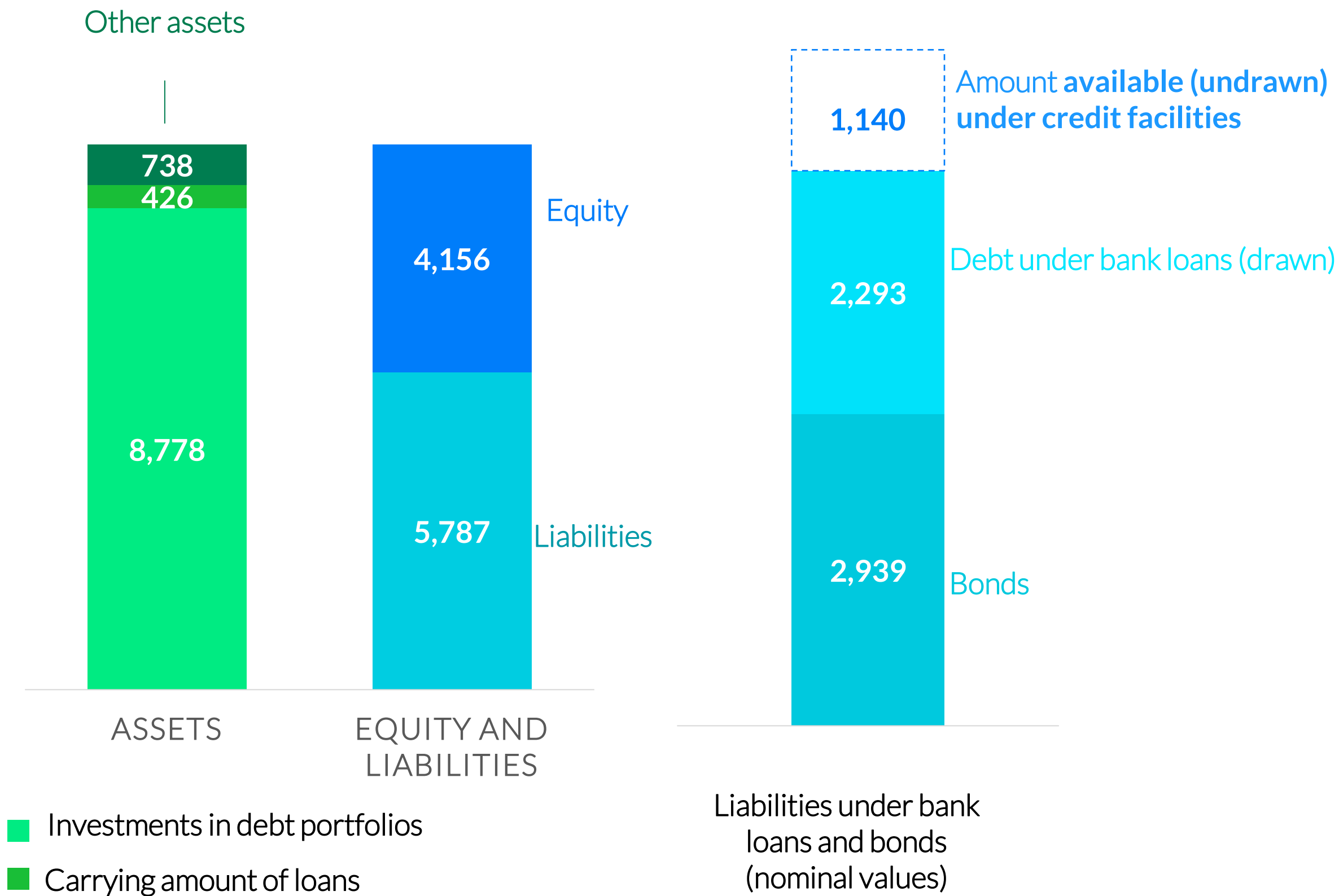


# Financing structure



Bank loans drawn | % 1M/3M WIBOR + 1.8–2.95pp | 1M EURIBOR + 2.2–2.95pp | PLN 359 million based on WIBOR | PLN 1,934 million based on EURIBOR

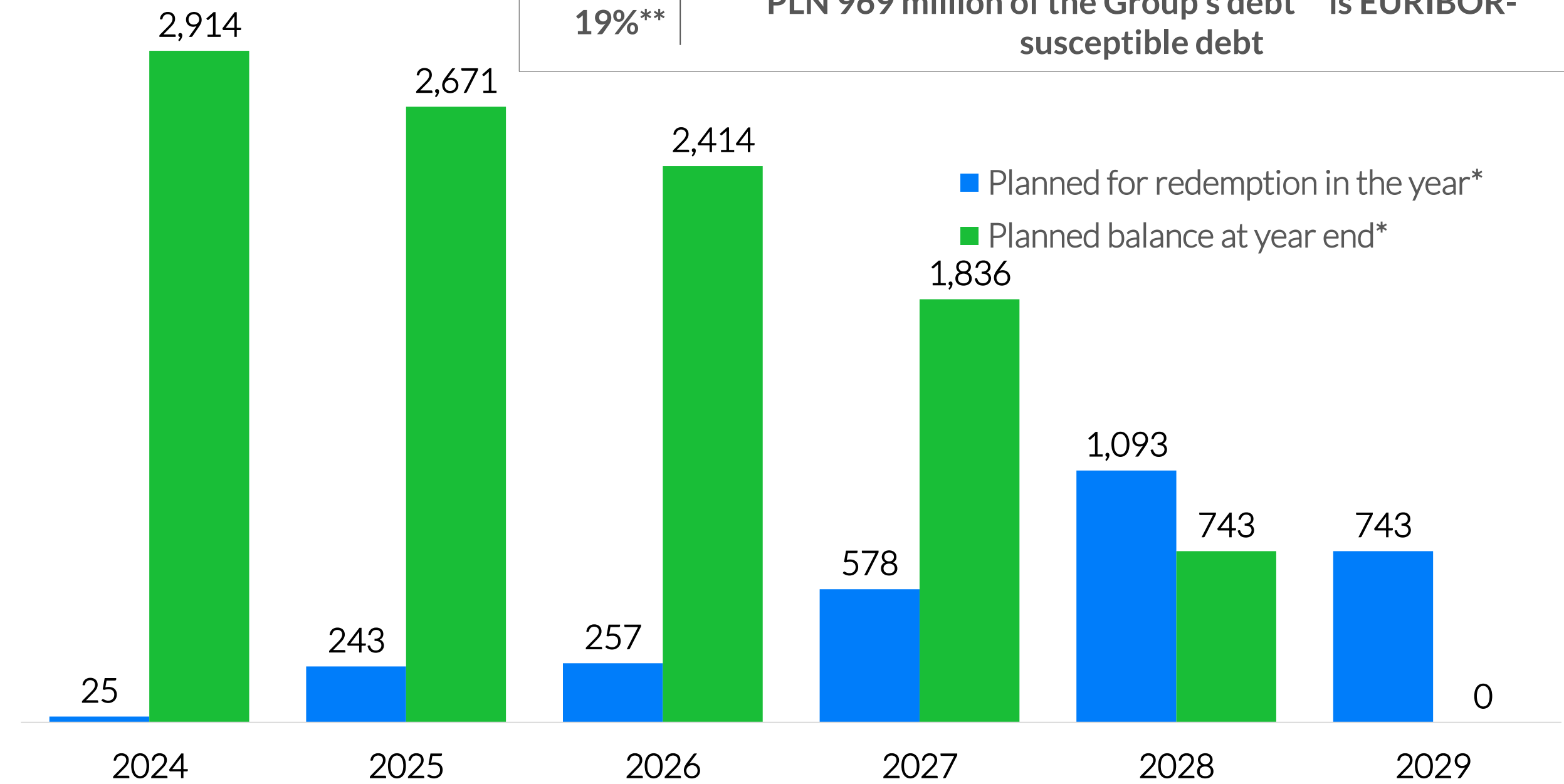
Bonds | % 3M WIBOR + 3.2–4.65pp | fixed for PLN: 4.0–4.8pp | 3M EURIBOR +4.0–6.5pp | in PLN, with variable rate: PLN 1,968 million\*\* | in PLN, with fixed rate: PLN 180 million\*\* | in EUR, with variable rate: PLN 791 million\*\*



75%\*\* | PLN 3,934 million of the Group's debt\*\* is IRS/CIRS contracts and fixed-rate bonds

6%\*\* | PLN 329 million of the Group's debt\*\* is WIBOR-susceptible debt

19%\*\* | PLN 969 million of the Group's debt\*\* is EURIBOR-susceptible debt



\* Nominal values as at 31 March 2024.

Net debt/equity: 1.2x (maximum level: 3.0x)

Net debt/cash EBITDA: 2.3x (maximum level: 4.0x)

Cash EBITDA/interest on debt: 6.5x (minimum level: 4.0x)

\*\* Debt presented at nominal amounts.



# Agenda



1. Summary
2. KRUK Group's results
3. Geographical and operating segments
4. Financials
5. Additional information

# Implementation of the KRUK Group's ESG Strategy in Q1 2024

KRUK Group's strategic commitments towards the UN Sustainable Development Goals

## EMPLOYEES

- Maintaining gender equality
  - **62% proportion of women in the total workforce, with 58% proportion of women in top managerial positions** (target: at least 50%)
- Employee turnover
  - **11.6% annually** (target: no more than 16% annually)
- Employees with disabilities
  - **2.2% employees with disabilities** (target: 4% by 2025)
- Share of women on corporate boards
  - **42% proportion of women on the Supervisory and Management Boards** (target: at least 40%)

80% of all KRUK Group employees have completed mandatory diversity and inclusion training as part of the **Diversity, Equity, and Inclusion** programme

## ENVIRONMENT

- Scope 1 and 2 greenhouse gas emissions totalling 701 tonnes of CO<sub>2</sub> equivalent in Q1 2024.



## SOCIETY

- Supporting public benefit organisations engaged in various forms of human rights advocacy, environmental protection, preventing discrimination, promoting women's rights, and civil society development
- Kapitalni.org financial education portal visited by **49,000 unique users** in Q1 2024

## GOVERNANCE

- **GDPR**
  - Ongoing refinement of a process to implement privacy by design and privacy by default principles throughout the KRUK Group, including the creation of new internal regulations and alignment with regulatory standards.
- **Compliance**
  - Certification by the ZPF Ethics Committee, following an annual ethics audit, confirming KRUK S.A.'s compliance with the ZPF Code of Best Practice (ZPF stands for the Association of Financial Companies in Poland).



# Investor Relations



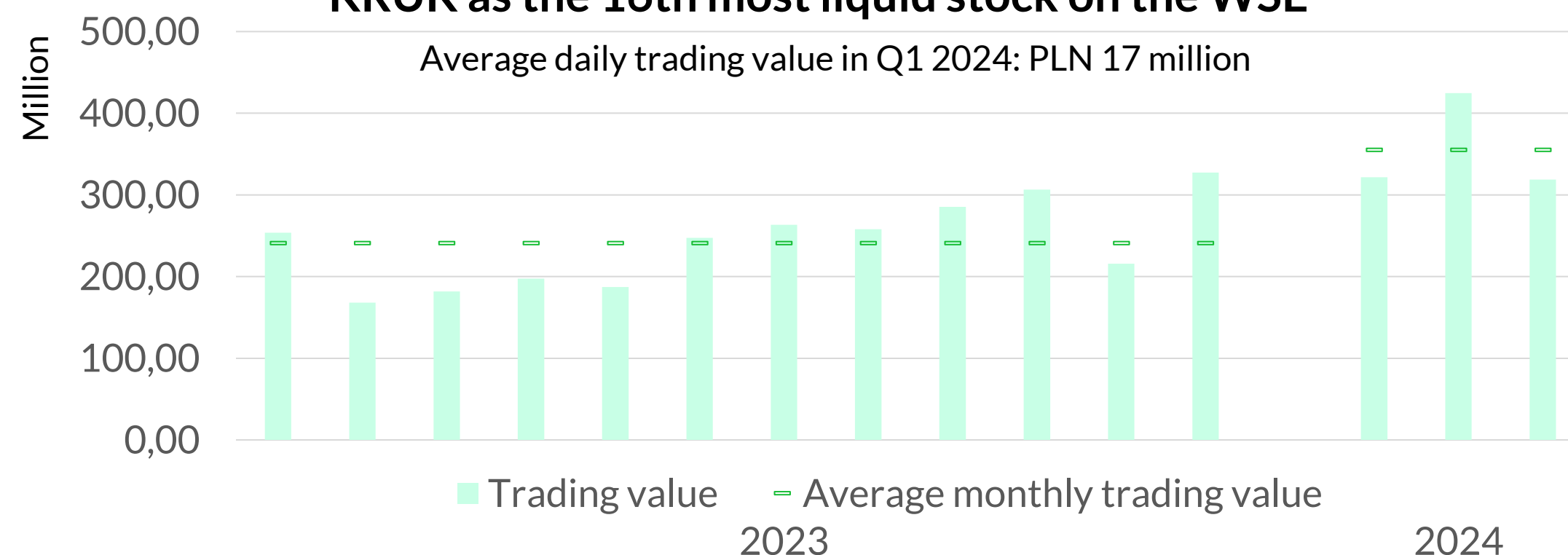
## Selected IR events planned for 2024

Date	Event
25 January	ERSTE Conviction Equity Investors Conference 2024, London
8 February	TRIGON TOP Picks 2024, online
27 February	Issue of the Q4 2023 report
27 March	Issue of the FY 2023 report
4 April	BM Pekao 3rd Financial Conference 2024, Warsaw
8 May	Issue of the Q1 2024 report
28 May	mBank Conference, Warsaw
7-9 June	SII Wall Street 2024 Karpacz
27 August	Issue of the H1 2024 report

## Equity analyst recommendations

Date	Author	Recommendation	Price target
February 2024	DM Trigon	buy	PLN 570.00
January 2024	DM mBanku	buy	PLN 532.36
October 2023	Bank Pekao BM	buy	PLN 524.00

## KRUK as the 16th most liquid stock on the WSE



## Shareholders with ownership interests above 3%\*

Shareholder	Ownership interest
OFE NN	12.79%
OFE Allianz Polska	10.69%
Piotr Krupa	8.95%
OFE Generali	8.41%
OFE PZU Złota Jesień	6.03%
OFE Vienna	5.70%
TFI Allianz Polska SA	3.85%
OFE UNIQA	3.57%
Norges Bank (Government of Norway)	3.38%

## Research coverage

Brokerage house	Analyst	Email address
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DM Trigon	Grzegorz Kujawski	grzegorz.kujawski@trigon.pl
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\* Source: in-house analysis based on www.gpw.pl

\* Source: stooq.pl as at 15 April 2024.





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