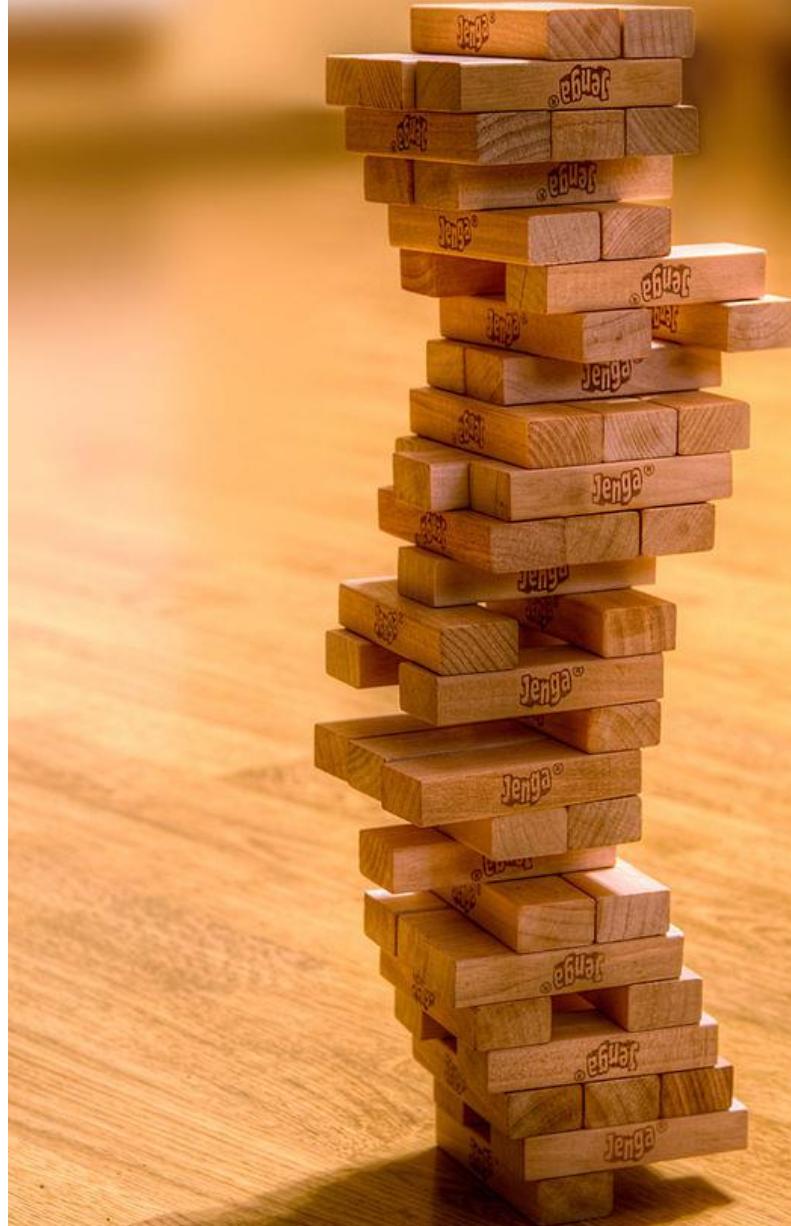


# European Debt Management

Investor Analytics  
January 2019

- Valuation Sheet
- Share Price Performance
- Debt Purchase Analytics
- Indebtedness
- Revenue Composition
- 2018 M&A Activity

*Akseki & Co.*



# Valuation Sheet

	Country	Results Date	Share Prc. <sup>(1)</sup>			PE <sup>(2)</sup>				EV/ LTM Adj. EBITDA		EV/EBITDA <sup>(2)</sup>				EV/ BV of	
			(Local Cur.)	Mcap <sup>(1)</sup> (EURm)	EV <sup>(1)</sup> (EURm)	LTM	FY18E	FY19E	FY20E	P/BV		LTM	FY18E	FY19E	FY20E	ERC <sup>(3)</sup>	Inv. Port.
Arrow Global	UK	3Q 2018	1.9	376.4	1,562.8	5.7x	5.1x	4.5x	3.9x	1.8x	5.1x	11.1x	9.8x	8.8x	8.2x	0.6x	1.3x
Axactor	Norway	3Q 2018	20.7	327.4	692.8	n.m.	n.m.	8.4x	6.6x	1.0x	6.6x	21.4x	13.7x	6.3x	4.8x	0.6x	1.1x
B2Holding	Norway	3Q 2018	13.3	557.8	1,532.2	8.2x	8.2x	5.9x	4.9x	1.3x	5.6x	10.5x	8.5x	6.0x	5.2x	0.7x	1.1x
Banca IFIS	Italy	3Q 2018	16.5	888.4	n.a.	7.4x	5.6x	4.9x	4.2x	0.6x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DoBank	Italy	3Q 2018	11.2	898.4	860.9	21.2x	17.3x	15.6x	9.9x	4.2x	13.1x	13.1x	10.6x	5.9x	4.3x	n.a.	n.a.
ECG	USA	3Q 2018	28.2	765.3	3,657.9	12.3x	7.4x	5.5x	4.9x	1.1x	3.7x	10.8x	9.5x	8.5x	7.8x	0.6x	1.4x
Hoist Finance <sup>(4)</sup>	Sweden	3Q 2018	44.1	383.6	1,837.2	7.4x	7.0x	5.4x	4.7x	0.9x	4.9x	18.3x	15.9x	14.0x	12.3x	0.6x	1.0x
Intrum	Sweden	3Q 2018	232.6	2,974.5	6,326.2	15.2x	13.8x	9.4x	7.9x	1.3x	7.3x	12.7x	13.3x	9.7x	8.8x	1.4x	2.7x
Kruk	Poland	3Q 2018	173.5	764.1	1,273.0	11.5x	9.6x	8.4x	7.9x	1.9x	5.8x	10.7x	8.0x	6.8x	5.2x	0.8x	1.4x
PRA Group	USA	3Q 2018	28.7	1,143.0	3,004.1	9.9x	16.4x	12.2x	9.4x	1.1x	3.7x	15.4x	14.8x	12.5x	10.2x	0.6x	1.2x
<b>Median</b>						9.9x	8.2x	7.1x	5.8x	1.2x	5.6x	12.7x	10.6x	8.5x	7.8x	0.6x	1.3x
<b>Average</b>						11.0x	10.0x	8.0x	6.4x	1.5x	6.2x	13.8x	11.6x	8.7x	7.4x	0.7x	1.4x
<b>Harmonic Mean</b>						9.5x	8.4x	6.9x	5.8x	1.2x	5.4x	13.0x	10.9x	8.0x	6.6x	0.7x	1.3x

Source: Companies' reports, Factset.

(1) Prices as of 23 January 2018. Operating and financial results converted to Euros as of the reporting date. Book values, ERC and investment portfolio holding values as of Results Date.

(2) Multiples based on Factset consensus estimates. Dobank consensus estimates as published on the company's website.

(3) Arrow Global and Hoist Finance Total ERC figures estimated by adding 15% to 120m ERC. Lowell 180m ERC assumed equal to total ERC. Banca IFIS and Kruk ERC figures estimated assuming CoC multiples unchanged from 1H 2018.

(4) Hoist Finance is a credit institution funded partially by deposits. Its enterprise value is illustrative and is calculated by summing senior debt, deposits and subordinated debt and deducting cash, t-bills and bonds, its lending book and bonds and securities.

## LTM Share Price Performance (Indexed)



# Debt Purchase Analytics



Source: Companies' reports, Factset.

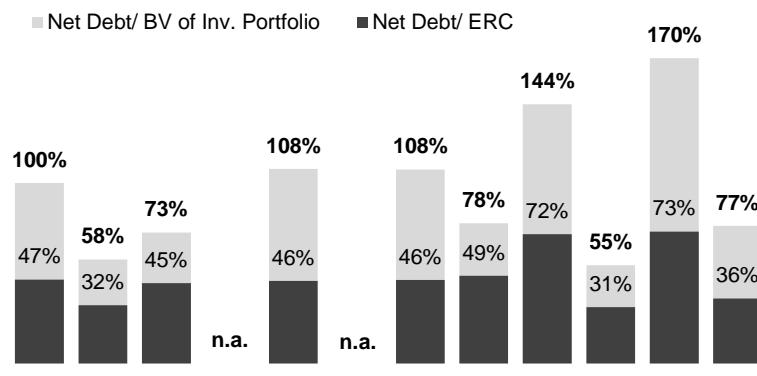
(1) All ECG information inclusive of Cabot. Axactor figures inclusive of REO assets.

(2) Strategic investments include Arrow's acquisition of Mars, Europa Investimenti and Parr Credit, B2Holding's acquisition of NACC, Cabot's acquisition of Wescot, Intrum's sale of its Nordic Carve-out Business and its acquisition of CAF and Lowell's acquisition of Intrum's Nordic Carve-out Business.

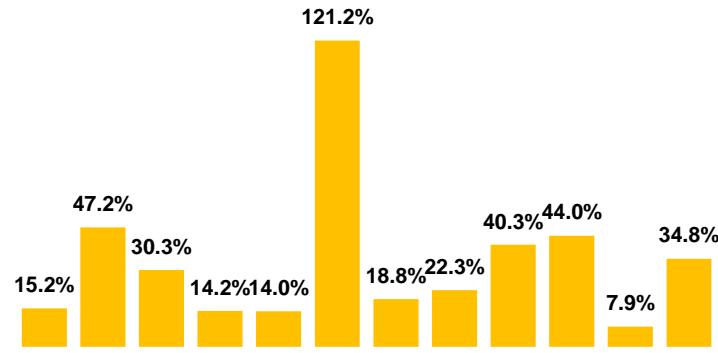
(3) If not reported, replacement costs are estimated by dividing collections by cash-on-cash multiples implied by last reported ERCs.

# Indebtedness

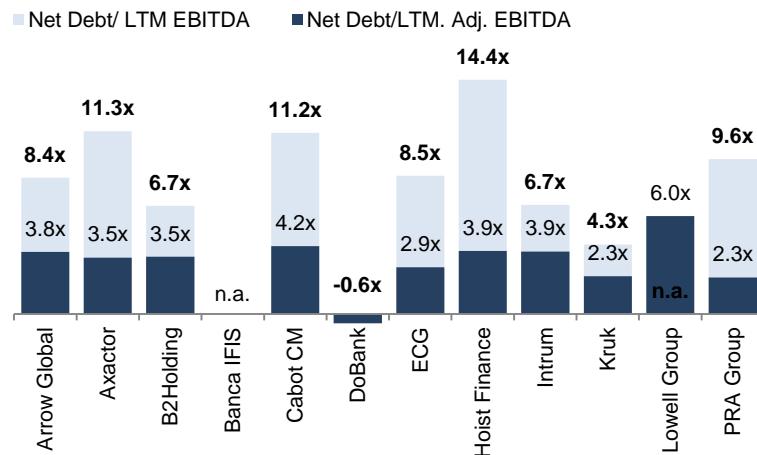
## Net Debt as % of Inv. Portfolio



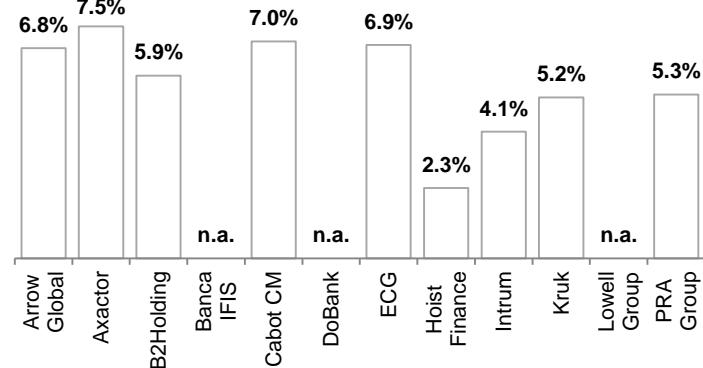
## Equity/Total Capitalisation (%)



## Net Debt/EBITDA & Adj. EBITDA (x)



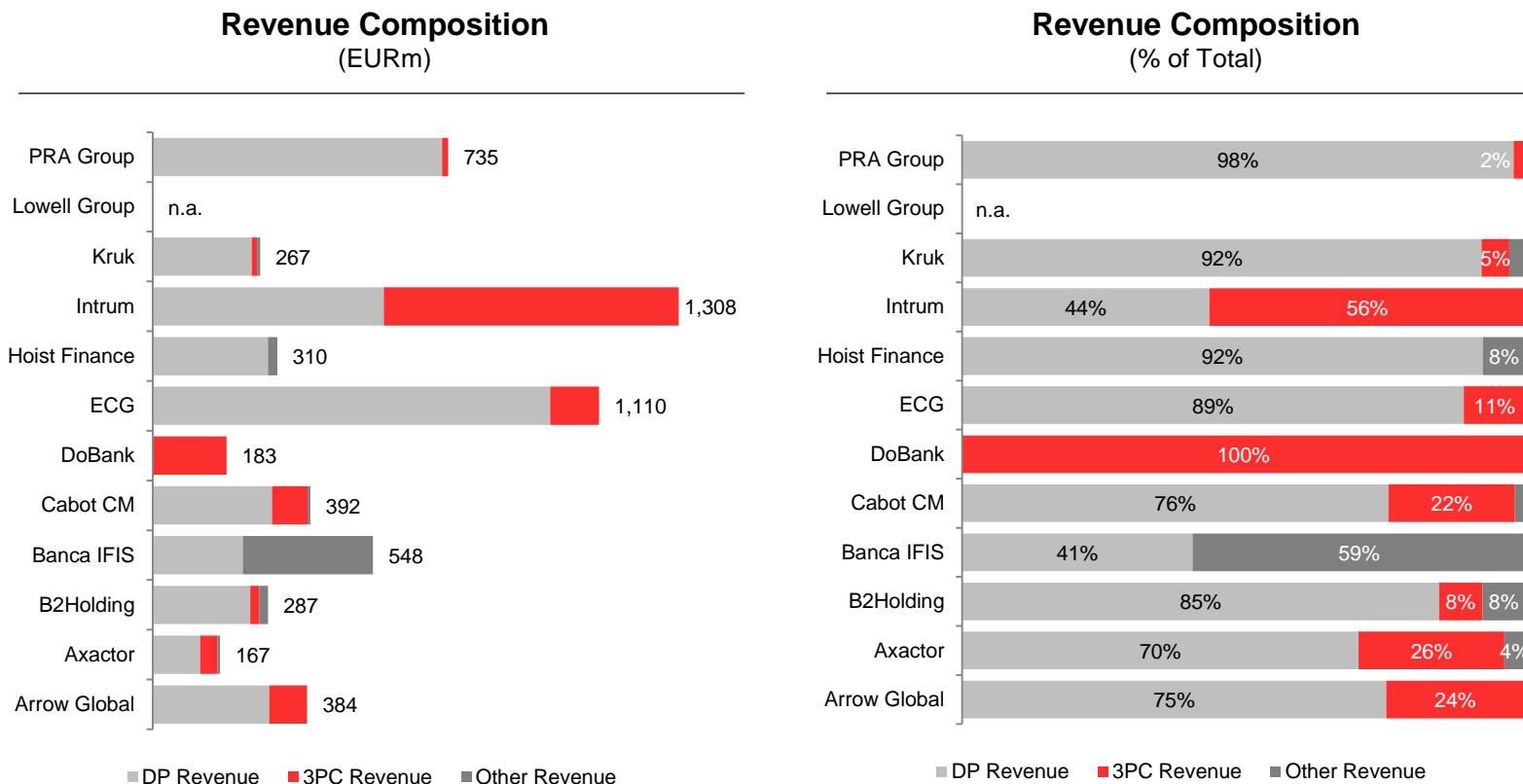
## LTM Ave. Funding Cost (%)



Source: Companies' reports, Factset.

Note: ECG figures inclusive of Cabot. Lowell's LTM information is not available for certain items due to comparability issues on a quarterly basis as a result of its acquisition of the Nordic Carve-out Business.

# Breakdown of Revenues



Source: Companies' reports.

Note: B2Holding 3PC revenues estimated. ECG revenues inclusive of Cabot. Lowell's LTM information is not available for certain items due to comparability issues on a quarterly basis as a result of its acquisition of the Nordic Carve-out Business.

## YTD M&A Activity

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Date	Target	Business	Target Location	Buyer	Transaction Type	Report Currency	Transaction Value (m)
31/12/2018	Altamira Asset Management	Debt Service	Spain	DoBank	Strategic	EUR	350.2
14/12/2018	Solvia (Banco Sabadell's Real Estate Servicing Business)	Debt Service	Spain	Intrum	Bolt-on	EUR	n.a.
30/11/2018	Serfin	Debt Service	Italy	MCS-DSO	Market entry	n.a	n.a.
30/10/2018	SPT	Debt Service	Finland	Axactor	Market entry	EUR	2.5
11/10/2018	Maran Group	Debt Service	Italy	Hoist Finance	Bolt-on	n.a.	n.a.
05/10/2018	Groupe MCS	Debt Purchase	France	DSO Group	Merger	n.a.	n.a.
26/07/2018	Norfin	Debt Service	Portugal	Arrow Global	Bolt-on	EUR	17.0
12/07/2018	KPMG Portfolio Solution Business	Debt Service	UK	Alantra	Market entry	n.a.	n.a.
06/07/2018	Officine CST	Debt Service	Italy	Cerberus	Bolt-on	EUR	34.2
15/05/2018	FBS	Debt Service	Italy	Banca IFIS	Bolt-on	EUR	58.5
09/05/2018	Cabot Credit Management	Debt Purchase	UK	Encore Capital Group	Strategic	EUR	391.2
02/05/2018	GI Capital Solutions	Debt Service	Portugal	B2Holding	Bolt-on	n.a.	n.a.
31/03/2018	LCM Partners	Debt Purchase	UK	Brookfield Asset Management	Strategic	n.a.	n.a.
18/03/2018	Agecredit	Debt Service	Italy	Kruk	Market entry	n.a.	n.a.
14/03/2018	Negociation et Achat de Creances Contentieuses	Debt Purchase	France	B2Holding	Market entry	EUR	90.0
01/03/2018	Parr Credit	Debt Service	Italy	Arrow Global	Bolt-on	EUR	20.0
01/03/2018	Europa Investimenti	Debt Service	Italy	Arrow Global	Bolt-on	EUR	62.0

Source: Companies' reports, public news.

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