



# KREDYT INKASO SA

**Presentation of  
results for six months  
ended on 30  
September 2021**

*Warsaw, 23 February 2021*

# KEY INFORMATION



Collections  
**PLN 144.1**  
**mln**  
(+32% H1/H1)

Cash EBITDA  
**PLN 84.1**  
**mln**  
(+34% H1/H1)

ERC  
**PLN 1,133**  
**mln**  
(-5% H1/YE)

Net debt / equity  
**1.12**  
(YE:1.44)

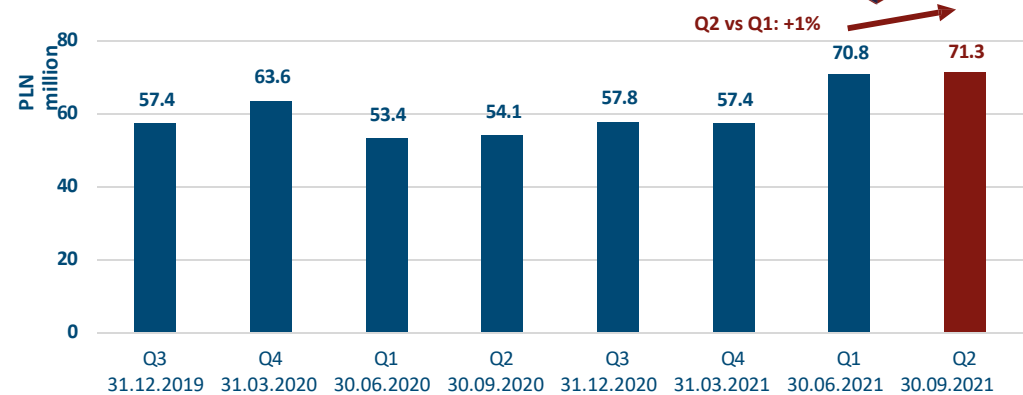
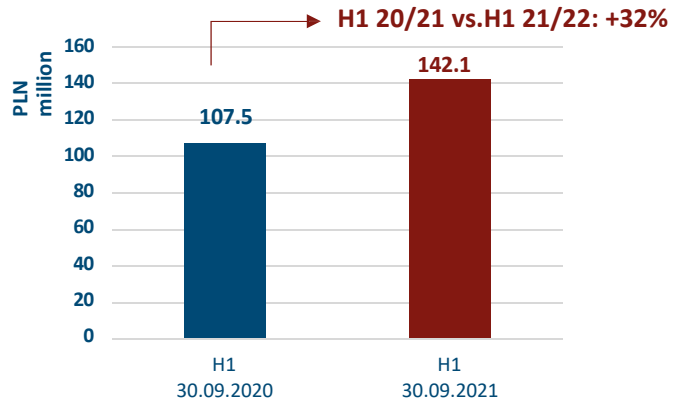
Value of portfolios  
**PLN 601.5**  
**mln**  
(-4% H1/YE)

Net debt / cash EBITDA  
**2.30**  
(YE:3.14)

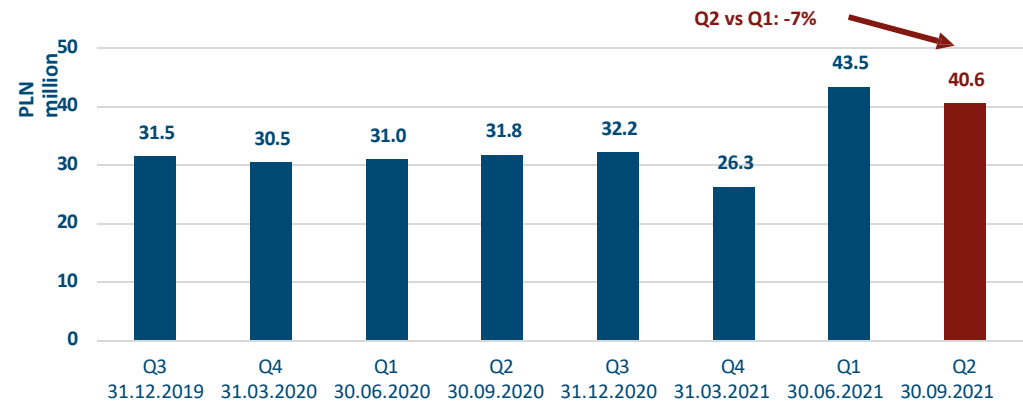
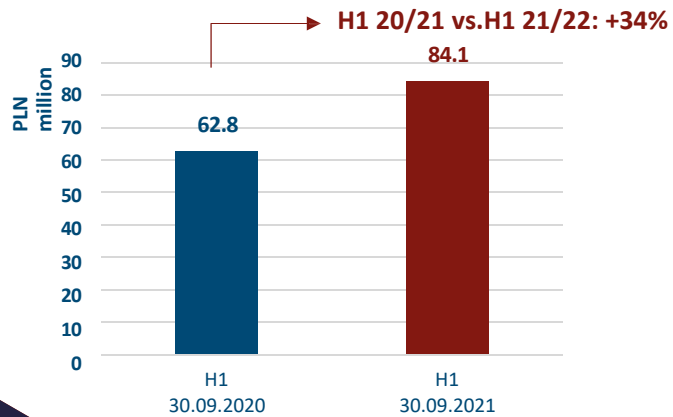
# KEY RESULTS – p.1



## GROSS COLLECTIONS BY DEBTORS

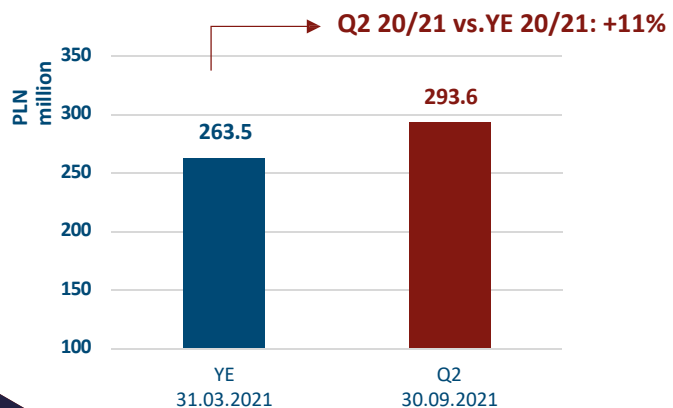
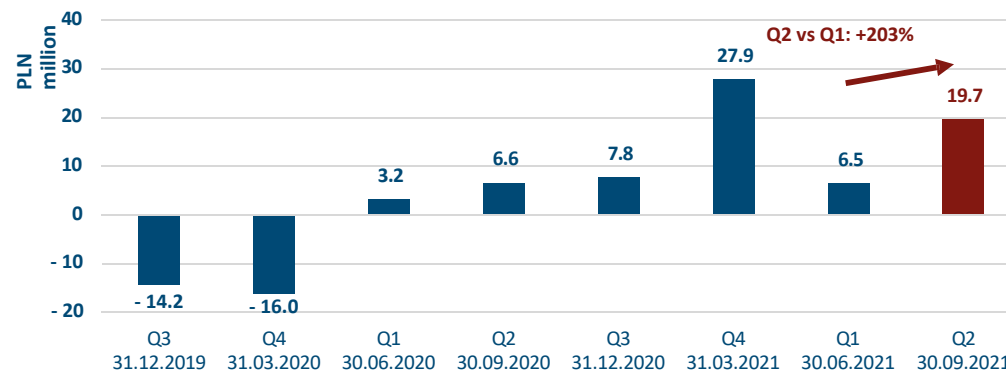
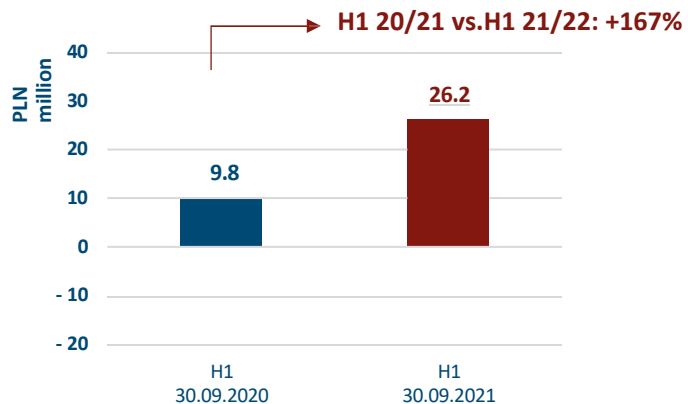


## CASH EBITDA

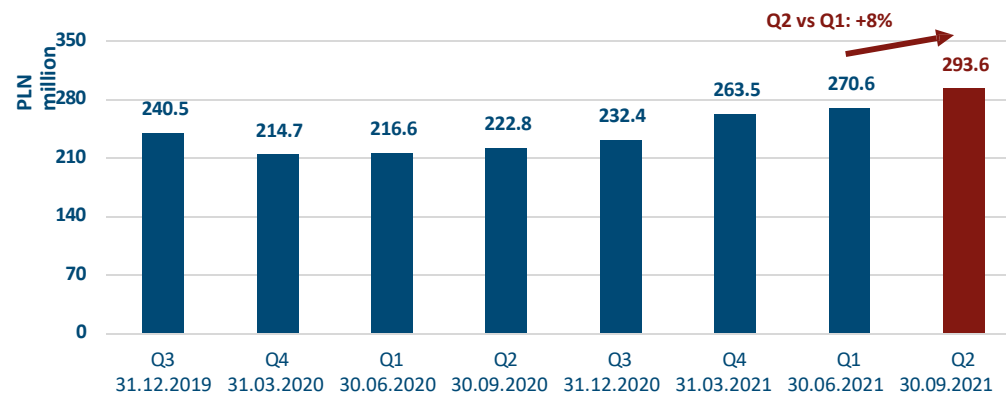


# KEY RESULTS – p. 2

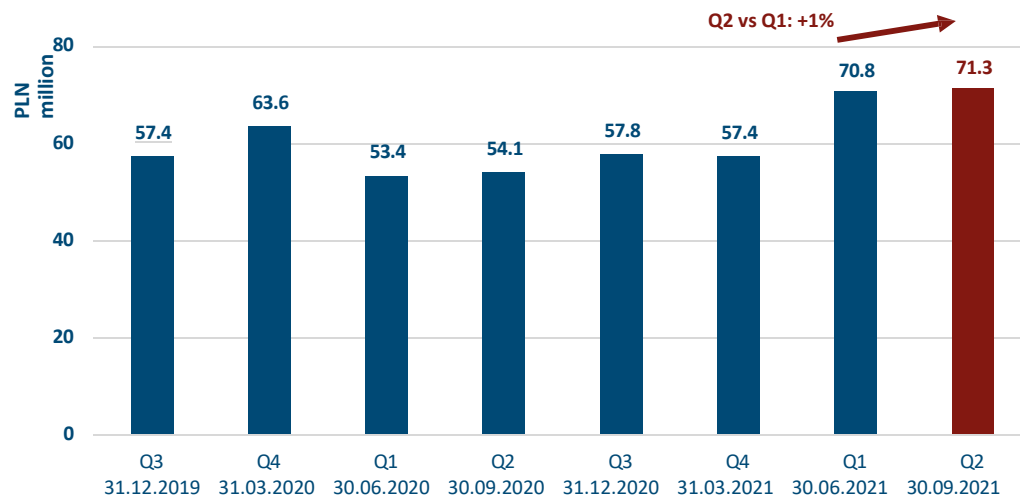
## NET PROFIT (LOSS)



## CONSOLIDATED EQUITY



# COLLECTIONS FROM OWN PORTFOLIO EXCEEDED PLN 71 M in Q2



## Record-breaking level of collections from own portfolios in Q2 21/22 in the history of Kredyt Inkaso Group:

- at PLN 71.3 million compared to PLN 70.8 million in Q1
- increase in collections from historically purchased - good portfolios - good performance despite no portfolios significant investment in new portfolios.
- no significant one-off events.

## The stable high level of collections is the result of:

- Increase in operational efficiency:
  - Improvement of operational process in Lean management methodology and development of more effective management tools.
  - Optimisation of the management of the bailiff channel.
  - A complete team dedicated to organisational transformation - achieving synergies of collaboration between experts recruited from the market and KISA's experienced staff.
- Further optimisation of the debt collection strategy on the PL market:
  - New strategy for handling cases at the enforcement stage.
- Further development of advanced data analytics.

## Levers of growth in recoveries from portfolios held:

- Implementation of a self-service portal for KISA ugodowi.pl customers.
- Continuation of the internationalisation process - for a start on the Romanian market.
- Full implementation of the LEAN methodology - will also make it possible to increase cost efficiency.

**The company still has room for process and technology improvements,** but is already operationally ready to handle new portfolios without significantly increasing operating costs.

# PROFIT AND LOSS ACCOUNT



KREDYT INKASO SA

	2021/22 H1	2020/21 H1	Change (%)	2021/22 Q2	2021/22 Q1	2020/21 Q2	2020/21 Q1
<b>Collections</b>	<b>142,099</b>	<b>107,489</b>	<b>32%</b>	<b>71,323</b>	<b>70,776</b>	<b>54,130</b>	<b>53,359</b>
<b>Cash EBITDA</b>	<b>84,103</b>	<b>62,755</b>	<b>34%</b>	<b>40,609</b>	<b>43,494</b>	<b>31,594</b>	<b>31,161</b>
Interest revenues	61,133	63,022	(3%)	29,257	31,876	30,578	32,444
Revaluation of portfolios	46,605	15,402	203%	33,211	13,394	12,723	2,679
Other net revenues	1,619	4,511	(64%)	539	1,080	2,662	1,849
<b>Total net revenues</b>	<b>109,357</b>	<b>82,935</b>	<b>32%</b>	<b>63,007</b>	<b>46,350</b>	<b>45,963</b>	<b>36,972</b>
<b>Total operating costs</b>	<b>(62,997)</b>	<b>(52,659)</b>	<b>20%</b>	<b>(32,953)</b>	<b>(30,044)</b>	<b>(26,787)</b>	<b>(25,872)</b>
Remunerations, social insurance contributions and other benefits	(22,532)	(19,593)	15%	(11,849)	(10,683)	(9,380)	(10,213)
External services	(19,897)	(17,831)	12%	(10,931)	(8,966)	(8,631)	(9,200)
Court and enforcement fees	(15,012)	(9,526)	58%	(7,285)	(7,727)	(6,539)	(2,987)
Other	(5,556)	(5,709)	(3%)	(2,888)	(2,668)	(2,237)	(3,472)
<b>Profit (loss) on operating activities</b>	<b>46,360</b>	<b>30,276</b>	<b>53%</b>	<b>30,054</b>	<b>16,306</b>	<b>19,176</b>	<b>11,100</b>
Net financial costs	(15,118)	(16,064)	(6%)	(5,614)	(9,504)	(8,406)	(7,658)
<b>Profit (loss) before tax</b>	<b>31,242</b>	<b>14,212</b>	<b>120%</b>	<b>24,440</b>	<b>6,802</b>	<b>10,770</b>	<b>3,442</b>
Income tax	(5,091)	(4,458)	14%	(4,817)	(274)	(4,217)	(241)
Net profit/(loss)	26,151	9,754	168%	19,623	6,528	6,553	3,201

# PROFIT AND LOSS ACCOUNT

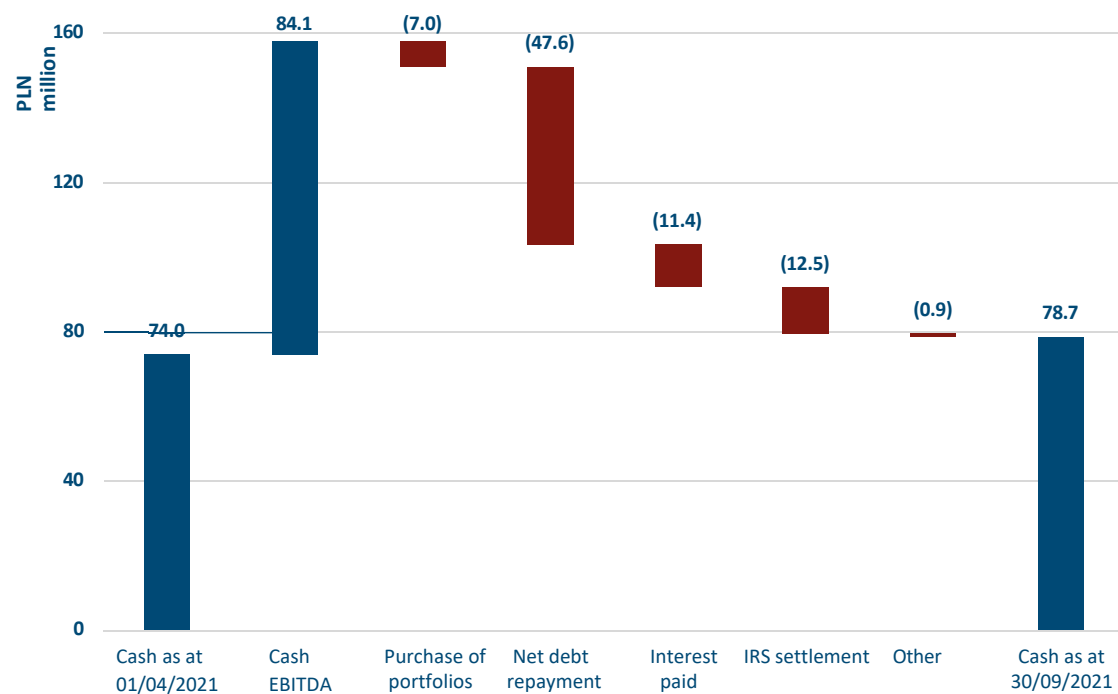
	2021/22 H1	2020/21 H1
Revision of projection	9,363	4,106
Deviations from actual payments	37,627	11,959
Extension of projected recoveries	661	769
Changes to exchange rates	(1,046)	(1,432)
<b>Revaluation of portfolios</b>	<b>46,605</b>	<b>15,402</b>

- Continuous monitoring of operating expenses.
- Increase in salary costs primarily due to the recognition of costs of provisions for bonuses related to Group performance.
- Increase in the cost of court and enforcement fees due to the updating (increase/acceleration) of court and enforcement plans.
- The comparison of the evolution of costs is distorted by the low base effect associated with the pandemic situation in the bailiff channel.

- Customer collections exceeded targets due to optimisation of collection processes carried out in 2020-2021 and a change in strategy in March 2021.
- The relatively high revaluation of the portfolios mainly consists of a deviation from actual contributions (cash) and about 20% of the revision of rather conservative projections.
- The revision of the projections follows the optimisation of the strategy for the increase/acceleration of court and enforcement plans.
- The previously expected negative impact of COVID-19 on recovery curves in the amount of PLN 55 million did not materialise and was almost wholly reversed.

	2021/22 H1	2020/21 H1	Change (%)
Remuneration and related amounts	22,532	19,593	15%
External services	19,897	17,831	12%
Court and enforcement fees	15,012	9,526	58%
Depreciation and amortisation	3,382	3,414	(1%)
Taxes and charges	609	932	(35%)
Consumption of materials and energy	663	522	27%
Other costs by type	902	841	7%
<b>Operating expenses</b>	<b>62,997</b>	<b>52,659</b>	<b>20%</b>

# CHANGES IN CASH



Cash flows	2021/22 H1	2020/21 H2	2020/21 H1
Cash opening balance	74.0	26.3	31.4
Operating activities	89.5	63.4	56.7
Investment activities	(12.6)	(15.4)	0.4
Financial activities	(72.2)	(0.3)	(62.3)
Cash closing balance	78.7	74.0	26.3

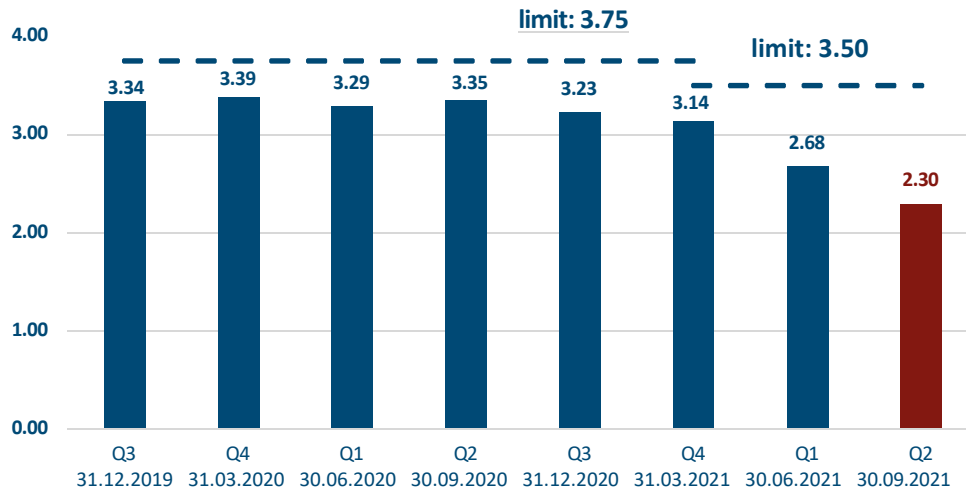
**Strong, growing ability to generate cash from operating activities**



# DEBT RATIOS



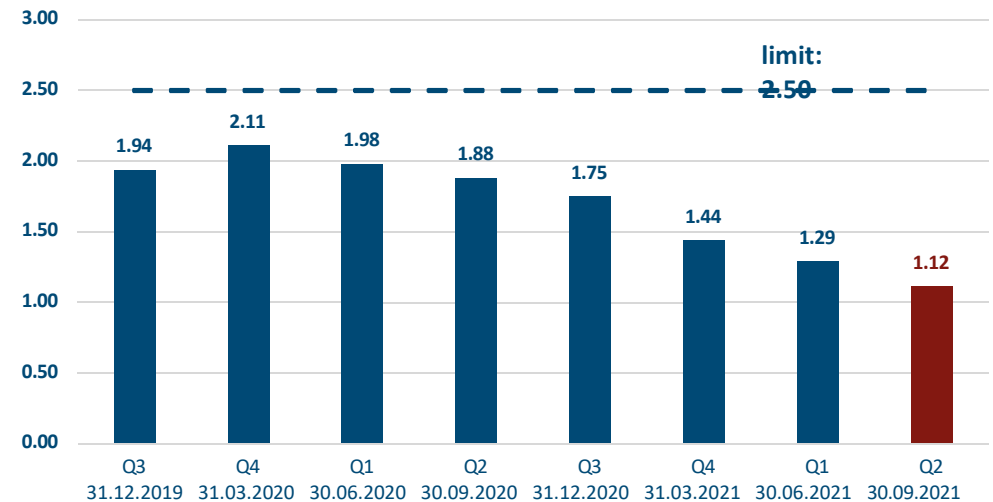
## NET DEBT / CASH EBITDA



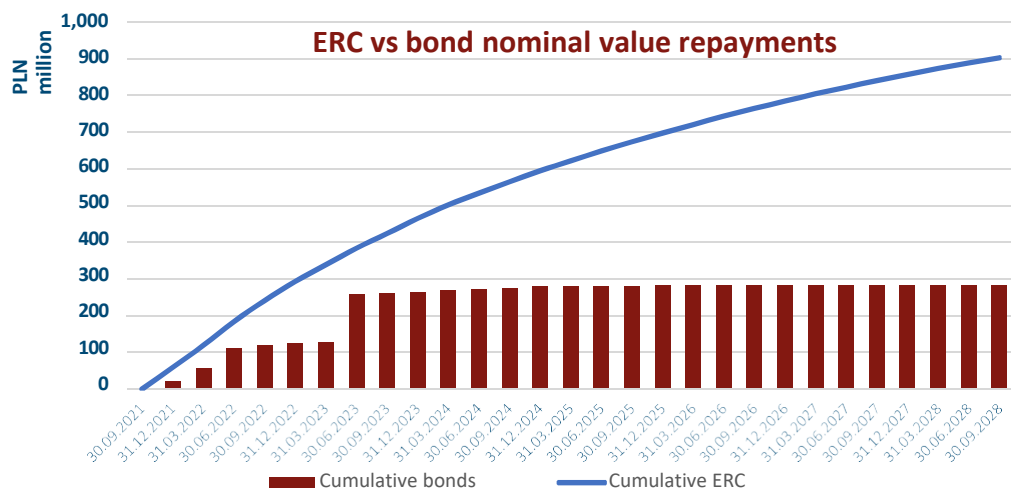
- The public issue of the H1 series bonds had no significant impact on the debt ratios.
- The current debt ratios allow for a return to the bond market once the market stabilises.

- Further decrease in debt ratios mainly due to improved financial results.
- Debt ratios analogous to other issuers from the industry.
- Safe debt levels (ND/\$EBITDA and ND/EQ) allow for new investments financed by borrowed capital.

## NET DEBT / EQUITY



# FINANCING



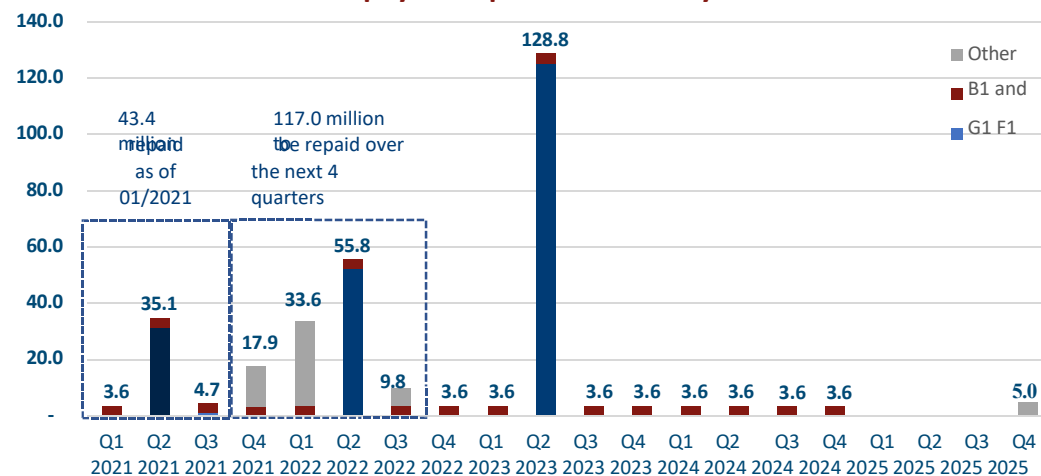
Carrying amount in million PLN	30/09/2021
KISA – bonds	277.5
FIZ I – ING credit	82.6
FIZ II – ING credit	39.8
<b>Total</b>	<b>399.9</b>
Cash	78.7

Presentation of results for six months ended on 30 September 2021



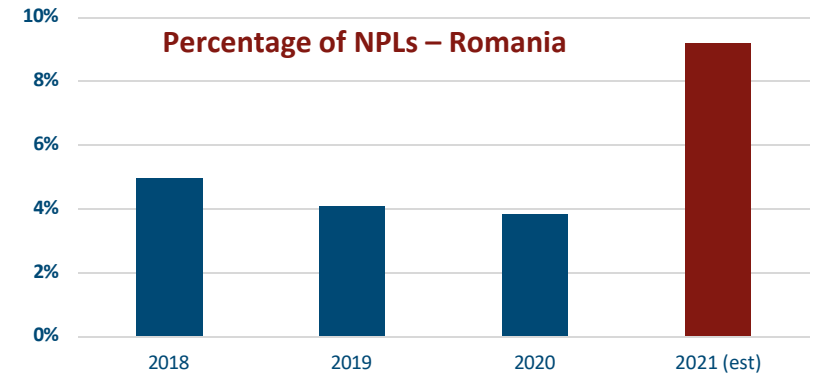
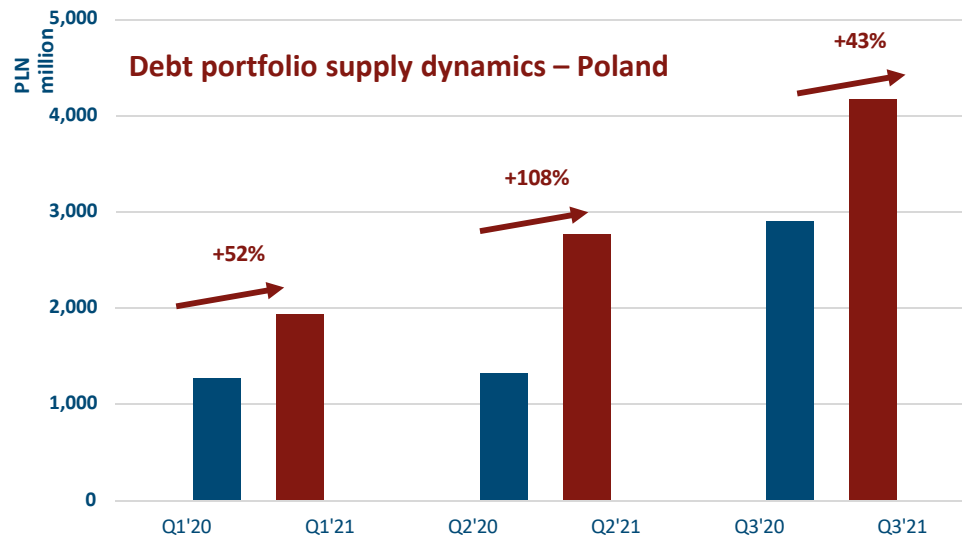
- As at 30.09.2021, the cash balance was PLN 78.7 million.
- Cash EBITDA for the last four quarters amounted to PLN 142.6 million.
- Bonds worth PLN 256.7 million will mature in the next eight quarters.
- The cash EBITDA currently generated allows us to fully service our debt holdings.
- The company wishes to continue public bond issues when market conditions are favourable.

## Bond repayment plan – calendar year



# MARKET ENVIRONMENT OF THE GROUP

## Supply of debt portfolios



- The market is recovering from the irregular pandemic disruptions: evolution YTD of the proposed denomination of 40%.
- The supply of non-performing debt portfolios is expected to increase in all major markets.

# SUMMARY

Another **record quarter in terms of collections** of debtors despite no significant investments

Cash EBITDA increased **by 34% to PLN 84.1 million** in 1H

Covid 19 did not have a negative impact on the functioning of the Company

Visible **effects of changes in operations** implemented progressively from mid-2020, further actions ongoing

For the tenth consecutive **quarter of falling debt**, net debt fell to PLN 328 million during the period.

No significant new corporate events during the period under review

Investments in new NPL amounted to **PLN 7 million**

The Company has **approved prospectus** (one of six approved bond prospectuses in the market) and intends to return to public bond issues once market conditions stabilise in order to raise funding for profitable NPL investments



**Thank you for  
your attention**

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