



BEST GROUP

PRESENTATION OF FINANCIAL RESULTS FOR 9 MONTHS 2023

Gdynia, 6 December 2023

MARKET SITUATION AND KEY RESULTS OF BEST



SUMMARY

Key events in BEST CG from July to November 2023

- Increase in EBITDA, which is related, among others, to lower court costs
- Stable debt repayments
- Raising PLN 89 million from a bond issue, the most since 2017.
- Completion of joint venture with Hoist, buyout of half of the portfolios held by BEST III NFIZW
- Purchase of portfolios with a nominal value of 1,223.1 million (by 30 November this year).

Key financial and operating parameters	3Q 2023	3Q 2022	change year-on- year	9M 2023	9M 2022	change year-on- year
▪ Repayments of claims from managed portfolios, including:	98.6	101.4	(3%)	321.4	319.2	1%
▪ due to GK BEST	90.3	90.2	0%	291.9	283.0	3%
▪ Operating costs (excluding depreciation and amortisation)	50.7	61.9	(18%)	156.5	161.2	(3%)
▪ Cash EBITDA	54.6	39.5	38%	172.2	158.9	8%

NON-PERFORMING CLAIM MARKET IN POLAND

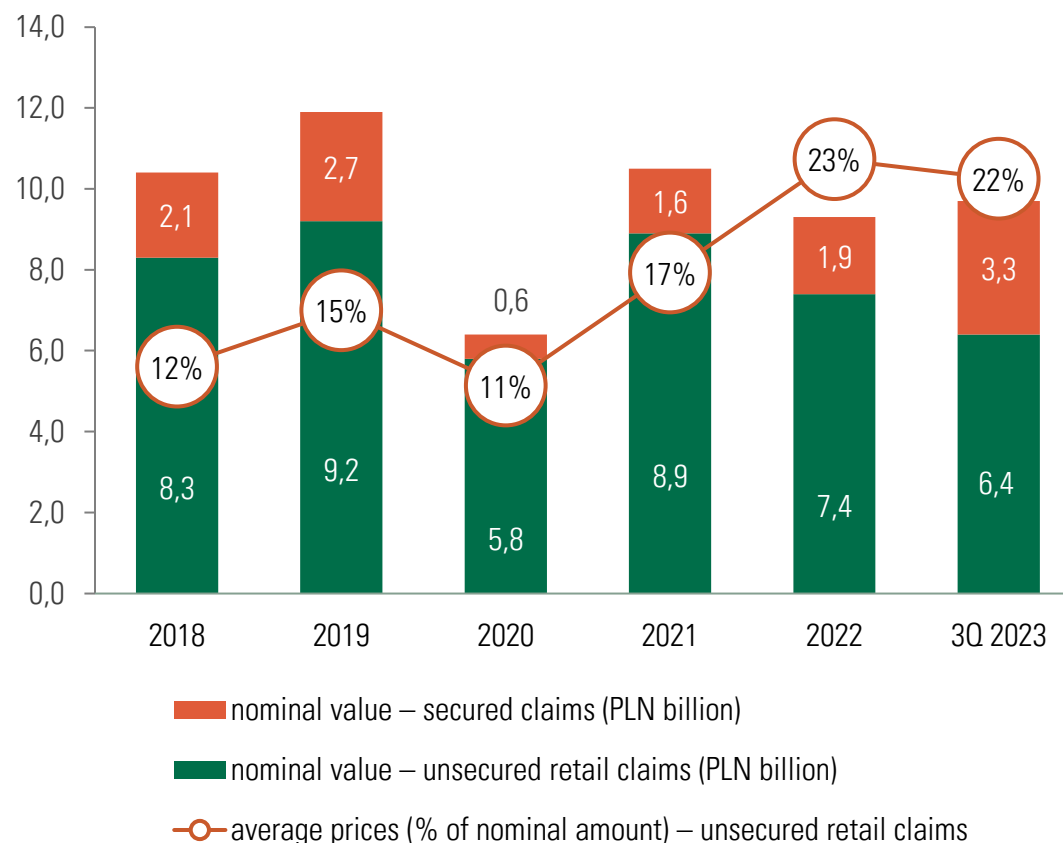


POLAND – NON-PERFORMING CLAIM MARKET

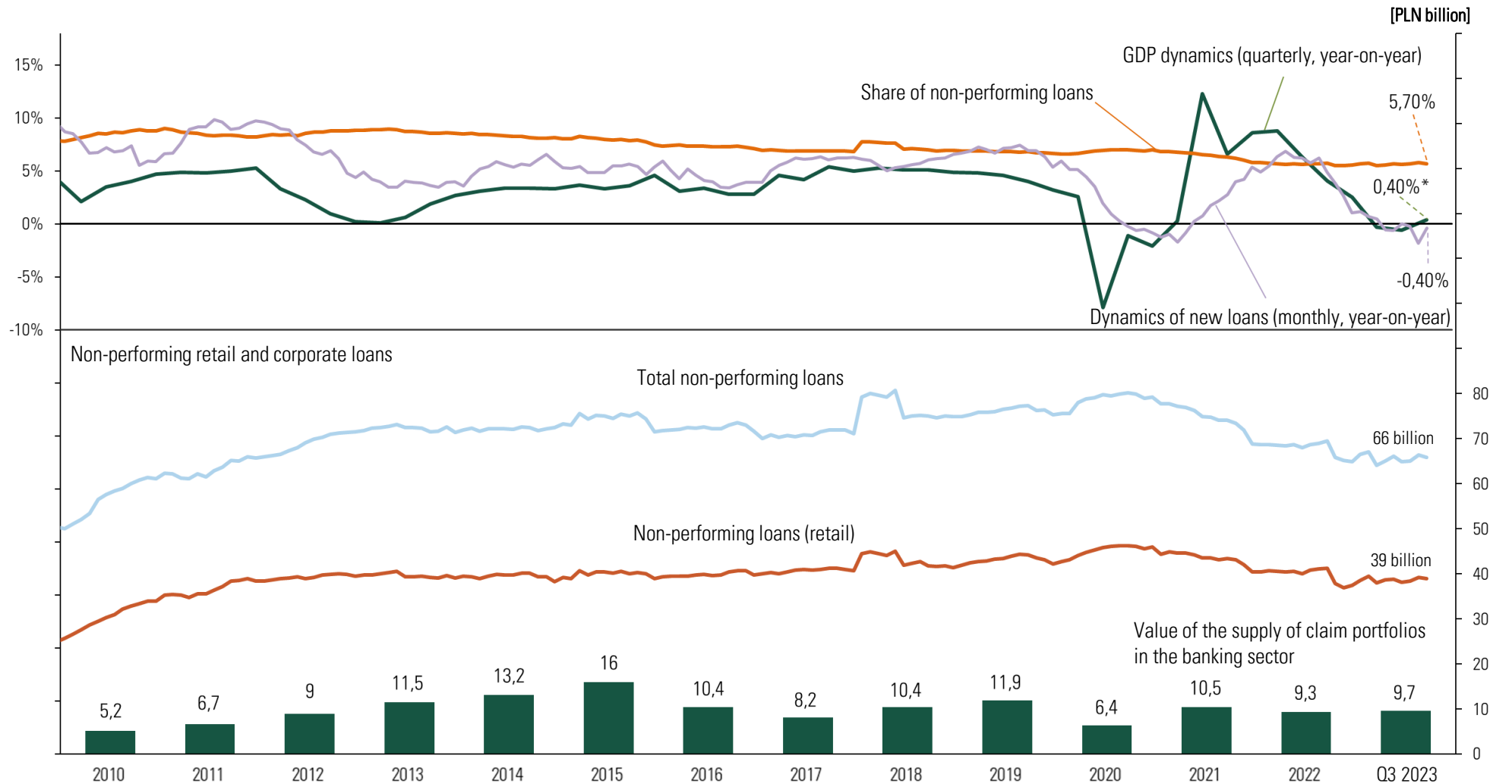
Market situation in 3Q 2023

- Increase in supply of retail and mortgage-backed bank claim portfolios by PLN 1.3bn compared to Q3 2022,
- Demand remaining high despite high borrowing costs
- Stabilisation of claim portfolio prices at relatively high levels
- Maintaining the good quality of portfolios sold
- Record supply of portfolios

Bank NPLs – supply of claim portfolios
(retail and mortgage-backed portfolios, primary market)



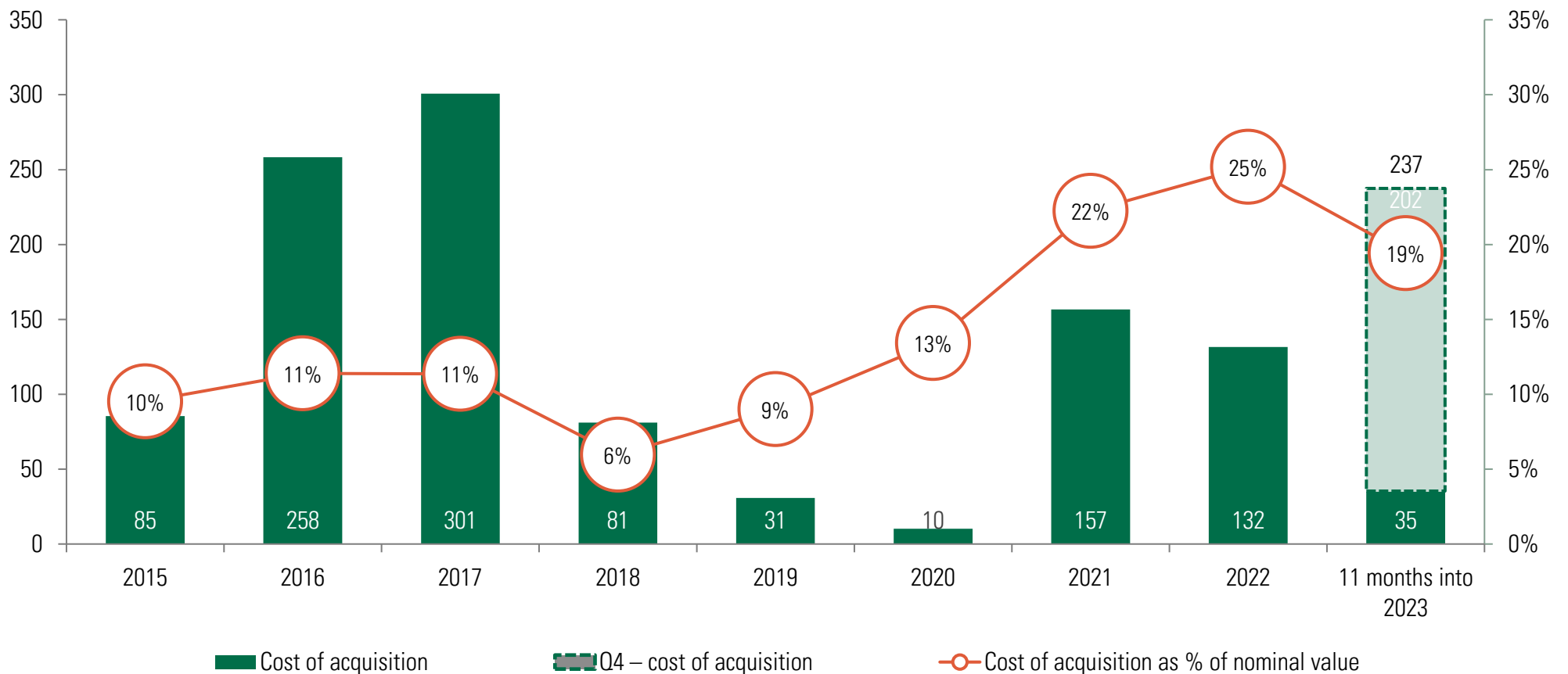
POLAND – NON-PERFORMING CLAIM MARKET



*Flash estimate of GDP for Q3 2023 (Central Statistical Office, 14 November 2023)

INVESTMENTS IN CLAIM PORTFOLIOS

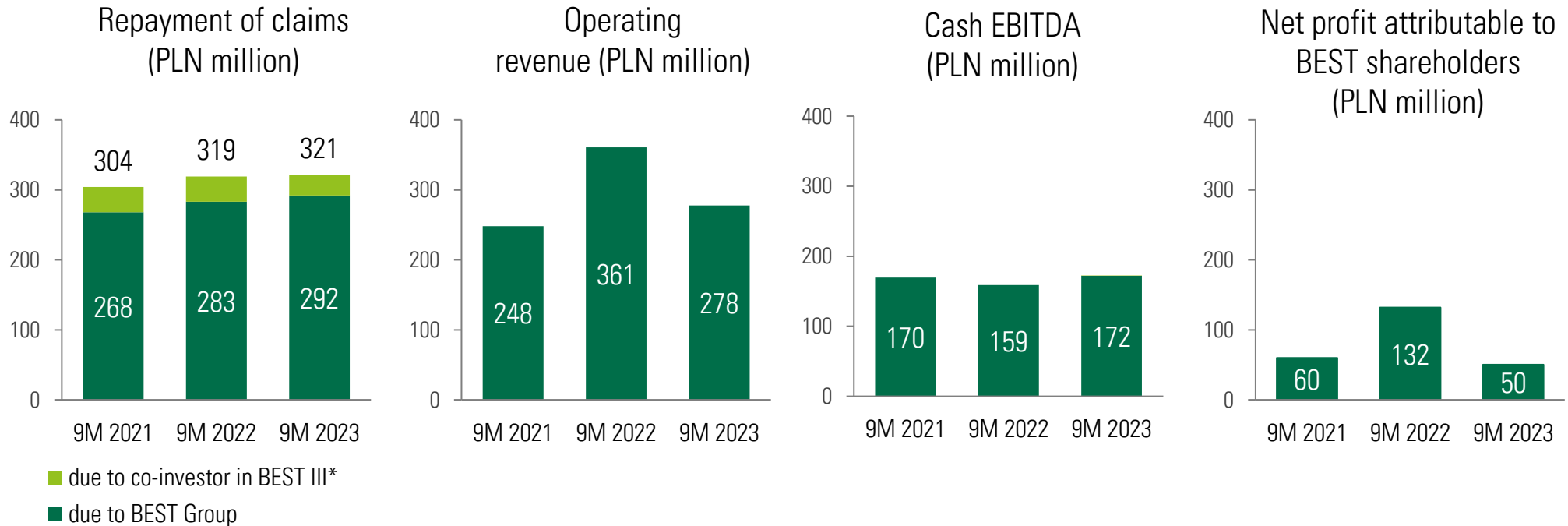
Investments in claim portfolios (PLN million)



OPERATING AND FINANCIAL RESULTS OF BEST CG



STABLE REPAYMENTS, INCREASING CASH YIELDS



Consistent growth
in repayment of claims

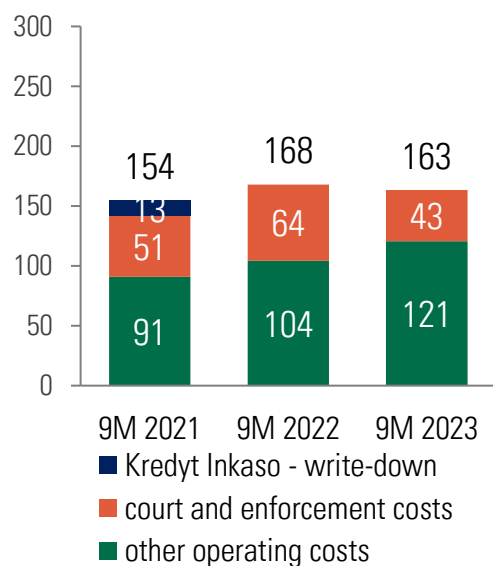
Recurring
operating revenue

Higher
CASH EBITDA

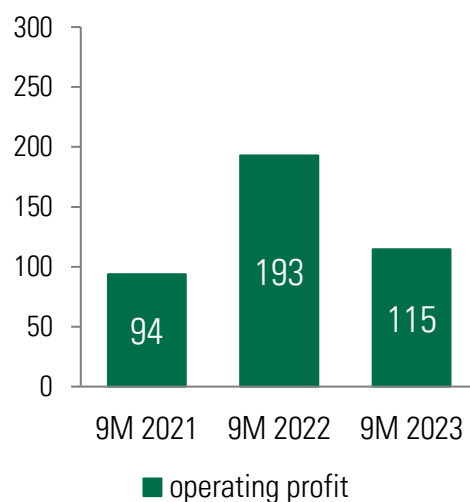
Net result burdened by
higher financing costs

GROWING CAPITALS, LOW DEBT

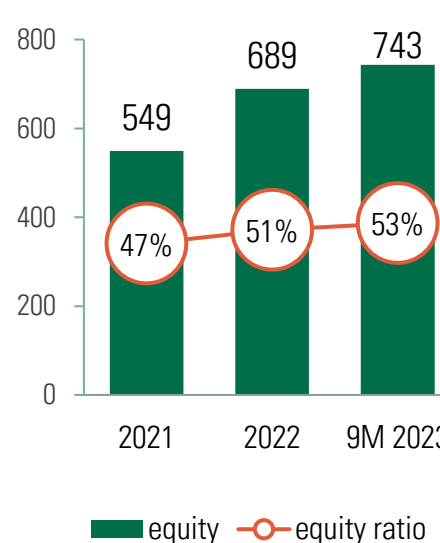
Operating costs
(PLN million)



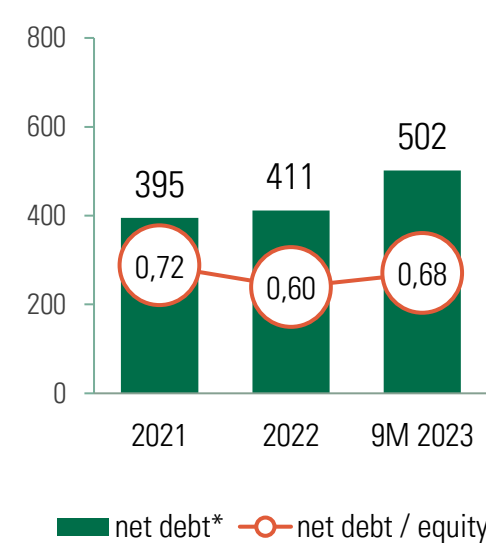
Operating profit
(PLN million)



Equity
(PLN million)



Net debt
(PLN million)



Stabilisation of operating costs

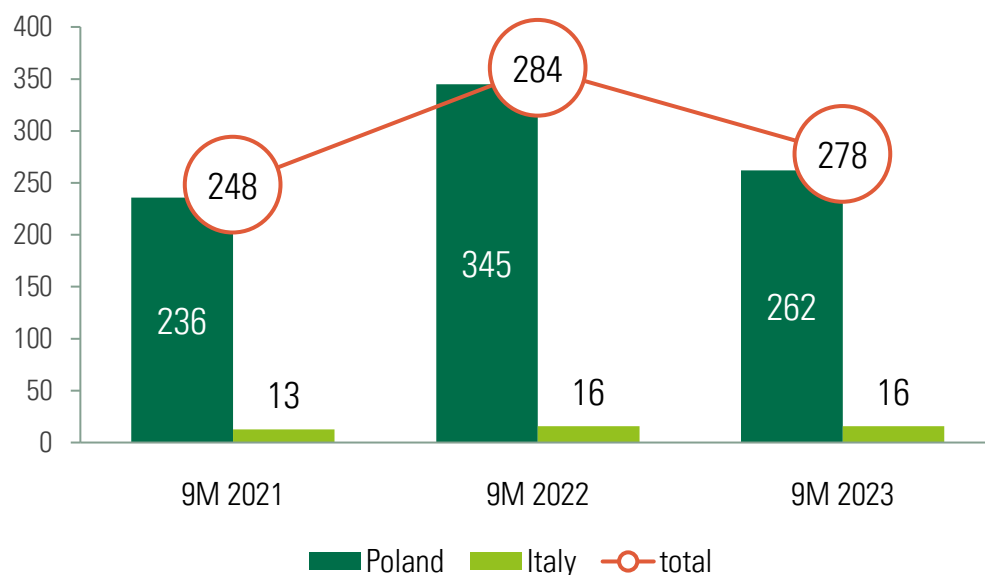
41%
operating margin
(9M 2023)

Consistent growth of equity

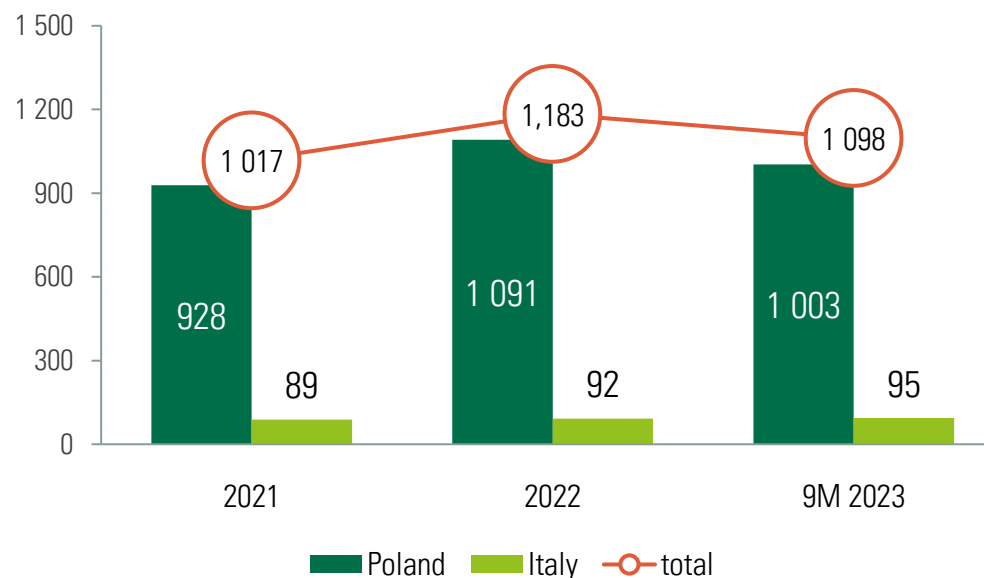
Comfortable, low net debt level

TWO MARKETS – POLAND AND ITALY

Operating revenue by market (PLN million)



Value of portfolios by market (PLN million)

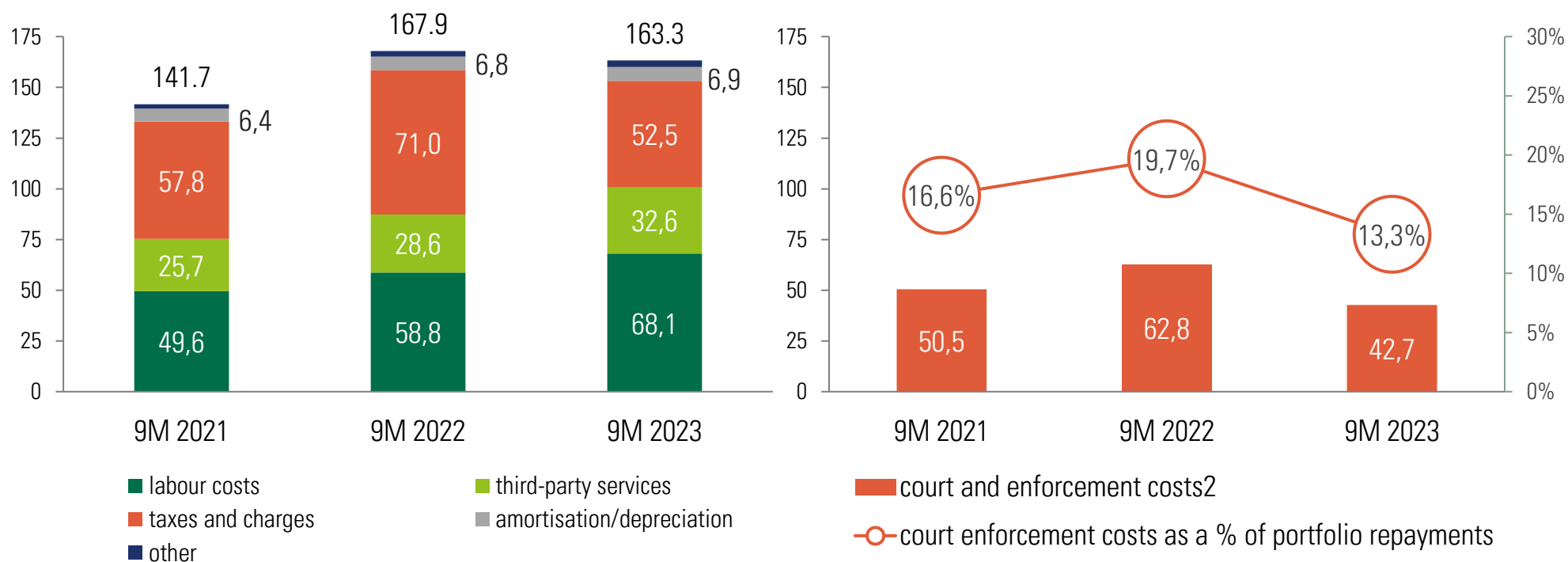


- Consistent work on the Italian market
- New operating system – preparing for implementation

- Transfer of best practices to the Italian market
- Settlement of BEST III – decrease in the value of portfolios

MACROECONOMIC PRESSURE ON PERSONNEL COSTS

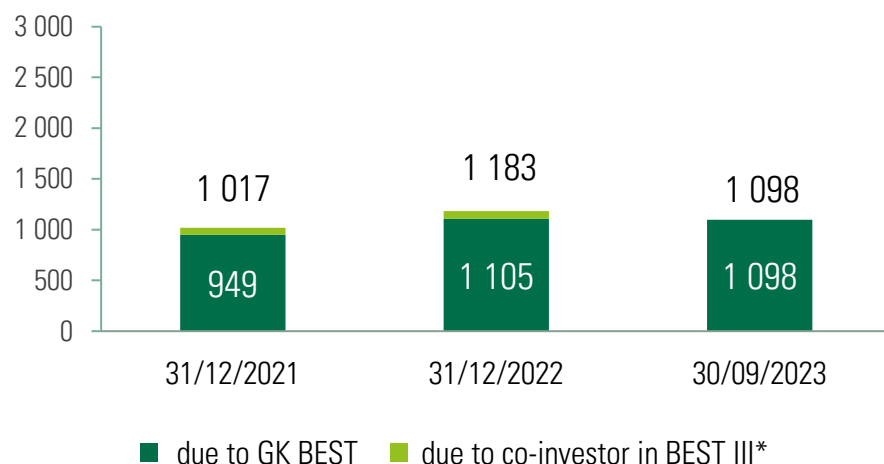
Operating costs (PLN million)*



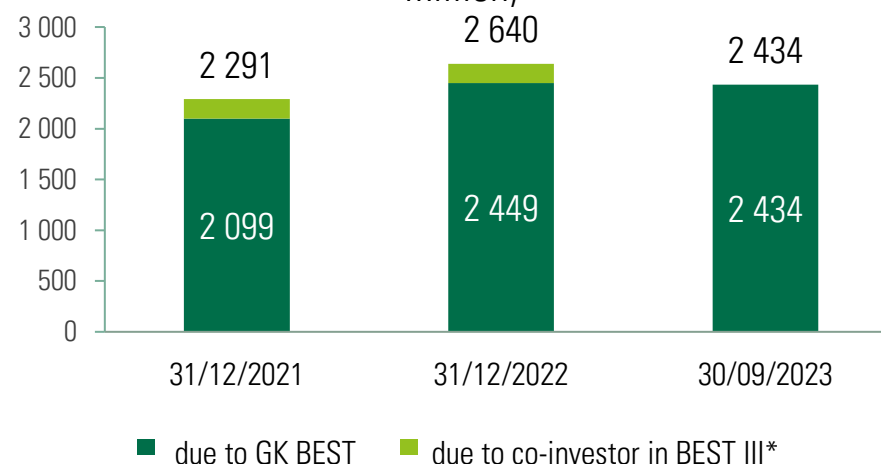
- Significant decrease in court and enforcement costs
- Higher personnel costs (minimum wage increase, pay rises)
- Increase in costs of third-party services (transformation)

CLAIM PORTFOLIOS AS THE MAIN ASSET

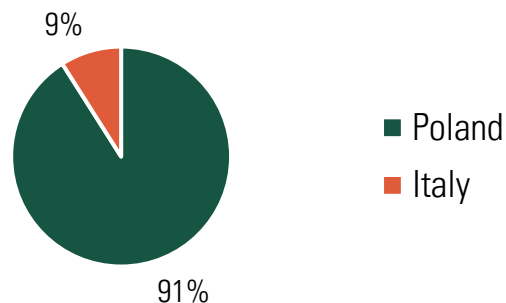
Balance sheet value of portfolios (PLN million)



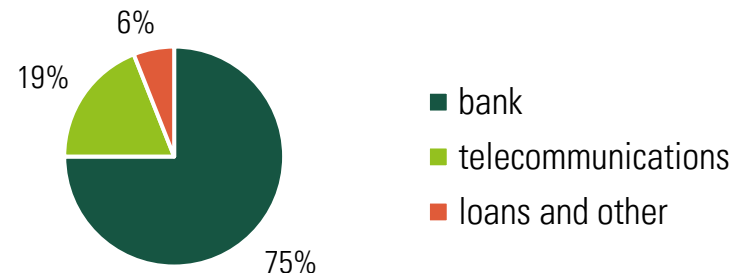
ERC – nominal value of estimated future repayments (PLN million)



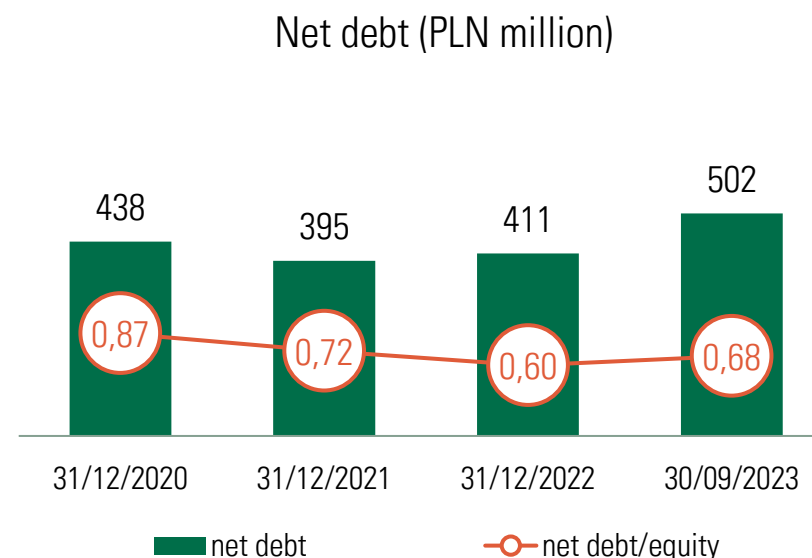
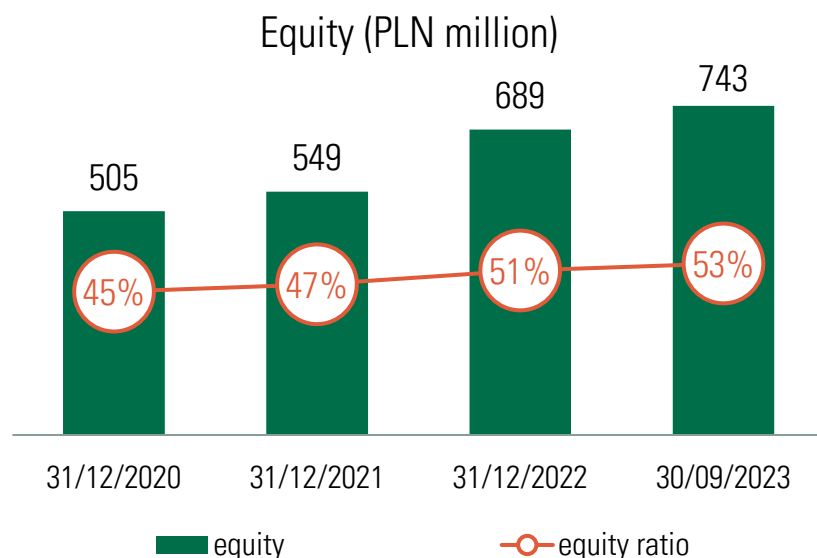
Geographic structure of claims managed (30/09/2023)



Structure of claims managed by segment (30/09/2023)

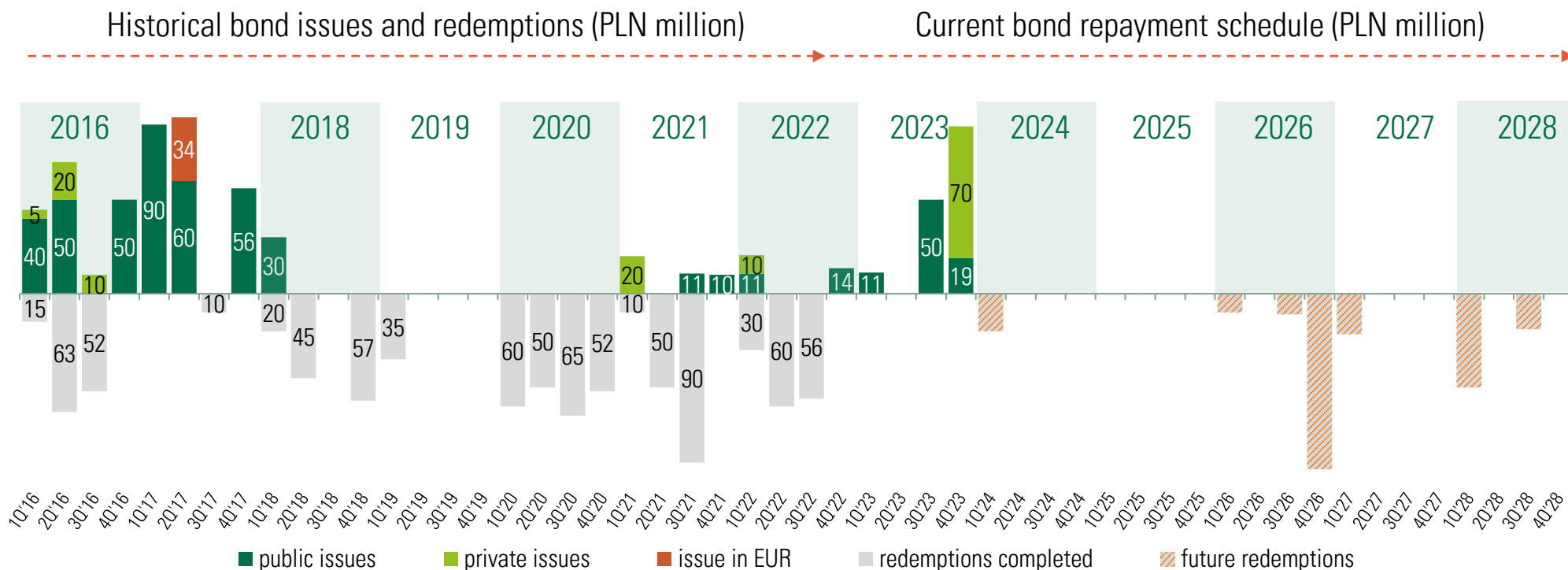


STRONG BALANCE SHEET, POTENTIAL FOR GROWTH



- Increase in equity
- Periodic increase in the main debt ratio (net debt/equity) related to the settlement of the purchase of portfolios from the BEST III fund
- Financial liabilities of BEST CG as at 30/09/2023:
 - PLN 136 million - bonds
 - PLN 385 million - bank loans
 - PLN 20 million - borrowings from the management board
 - PLN 18 million - lease and rental
- Cash as at 30/09/2023:
 - PLN 56 million - cash

BEST AS A LONG-STANDING PARTICIPANT IN THE BOND MARKET



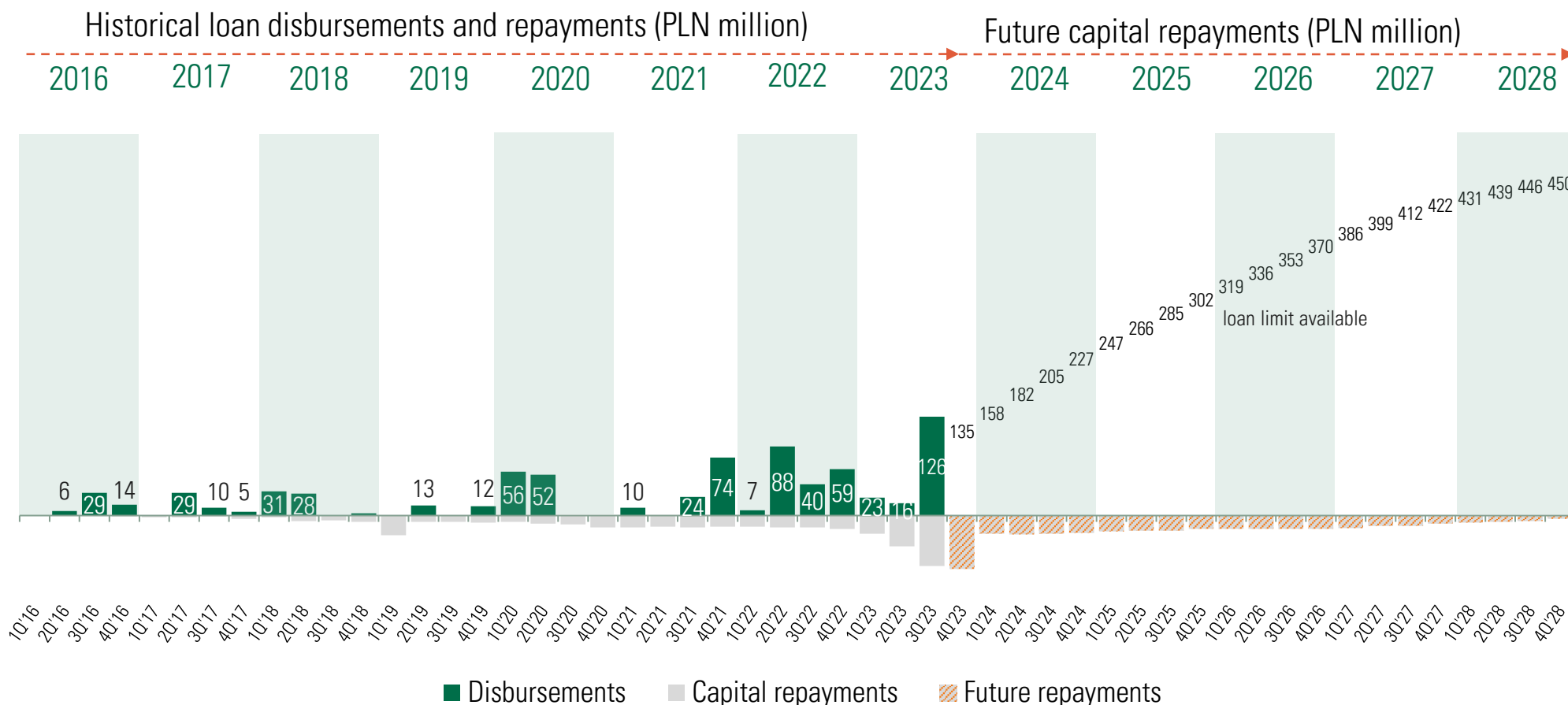
Since 2010, BEST CG has issued bonds with a total nominal value of **PLN 1,268 million**, with **PLN 1,043 million** redeemed

Return to the market for institutional investors

Open private bond issue programme of up to PLN 300 million

Work in progress on the next prospectus

MANY YEARS OF SUCCESSFUL COOPERATION WITH BANKS IN TERMS OF FINANCING



Since 2016, BEST CG has disbursed loan commitments with a total nominal value of **PLN 755 million**, with **PLN 372 million** repaid.

SUMMARY

STABLE FINANCIAL
PERFORMANCE

STRONG BALANCE SHEET,
COMFORTABLE DEBT
STRUCTURE

DIVERSIFIED SOURCES OF
EXTERNAL FINANCING

STABILISATION OF OPERATING
COSTS

ONGOING TECHNOLOGICAL
TRANSFORMATION

INCREASED INVESTMENT
IN PORTFOLIOS

Thank you

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ATTACHMENTS



Attachment – Cash EBITDA

(PLN million)	3Q 2023	3Q 2022	change year-on-year	9M 2023	9M 2022	change year-on-year
BEST						
debt repayment	98.6	101.4	(3%)	321.4	319.2	1%
other revenue	6.7	0.0	>100%	7.3	0.9	>100%
OPEX (excluding depreciation and amortisation)	50.7	61.9	(18%)	156.5	161.2	(3%)
Cash EBITDA*	54.6	39.5	38%	172.2	158.9	8%

* Cash EBITDA = operating profit – revenue from claims acquired + repayments of claims acquired + depreciation and amortisation.

Attachment – Statement of financial position

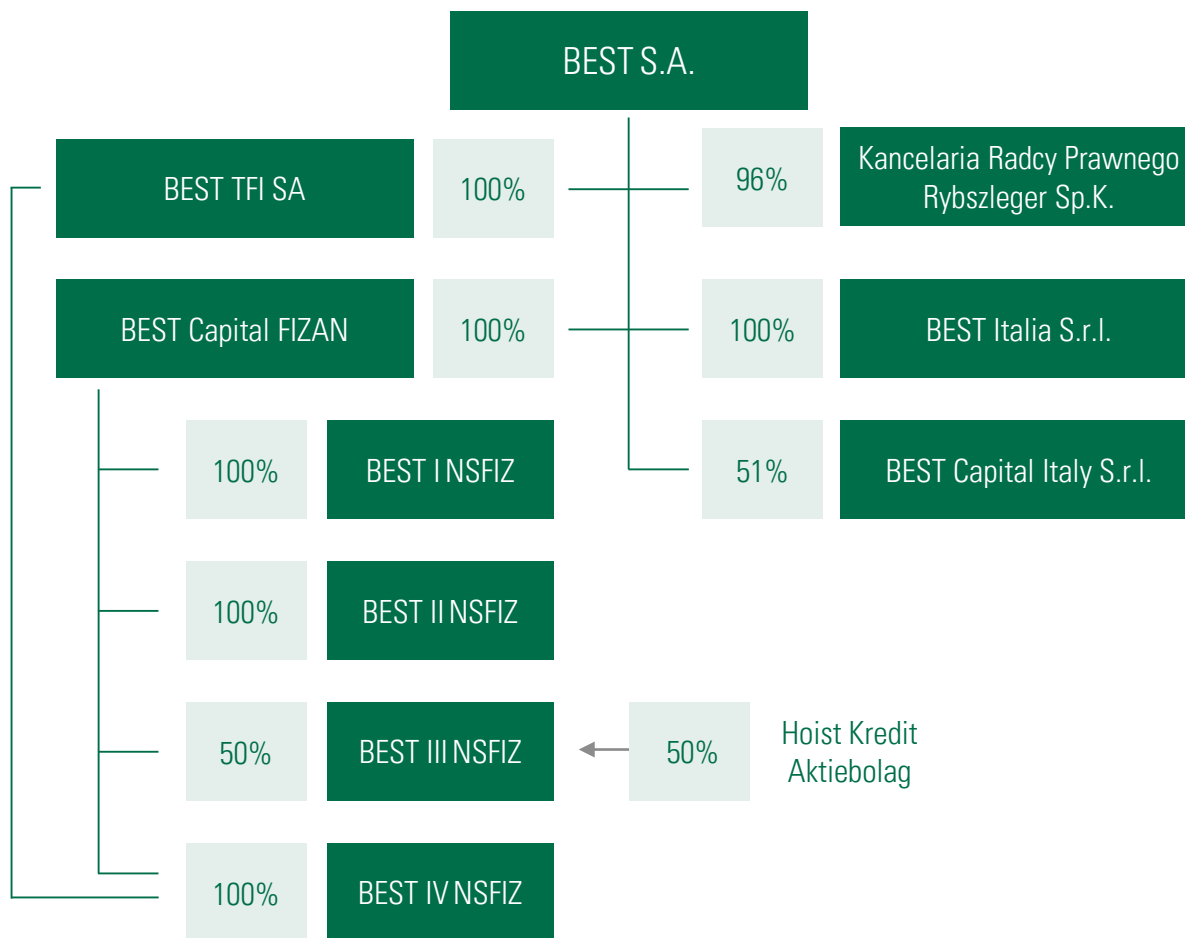
(PLN million)	30/09/2023	31/12/2022	31/12/2021
assets, including:	1,397.0	1,349.3	1,173.6
cash and cash equivalents	55.9	52.2	47.3
claims acquired	1,098.0	1,183.2	1,017.1
Capital investments	33.6	27.6	21.9
investment properties	32.3	32.4	32.0
liabilities, including:	1,344.3	1,349.3	1,173.6
financial liabilities	557.8	463.6	442.3
liabilities to co-investor in BEST III	-	71.3	66.4
equity	742.9	689.0	549.1
net debt	501.9	411.4	395.0
net debt / equity	0.68	0.60	0.72

Attachment – financial performance

(PLN million)	9M 2023	9M 2022	change year-on-year	Q3 2023	Q3 2022	change year-on-year
operating revenue, including:	277.8	360.8	(23%)	98.4	76.4	29%
revenue from claims acquired	270.5	359.9	(25%)	91.7	76.4	20%
<i>interest calculated using the effective interest rate method</i>	211.8	194.4	9%	69.4	69.8	(1%)
<i>deviations from actual payments</i>	30.6	53.0	(42%)	1.3	6.6	(81%)
<i>profit/loss from revaluations</i>	28.1	112.5	(75%)	21.1	0.1	>100%
operating costs, including:	163.3	168.0	(3%)	53.0	64.1	(17%)
court and enforcement costs	42.7	62.8	(32%)	13.4	28.4	(53%)
operating profit	114.5	192.9	(41%)	45.4	12.3	>100%
net financial costs, including:	45.3	51.3	(12%)	12.4	14.4	(14%)
interest on financial liabilities	34.3	25.4	35%	11.6	10.7	9%
valuation of liabilities to co-investor in BEST III	13.8	25.9	(47%)	4.2	5.6	(25%)
net profit, including:	50.8	132.4	(62%)	23.6	(3.4)	-
attributable to BEST shareholders	50.4	131.9	(62%)	23.5	(3.5)	

* excluding write-down of Kredyt Inkaso and result on share in Kredyt Inkaso

Attachment – structure of GK BEST



Shareholders of BEST S.A.
(share in the share capital as at 10/10/2023)

