

Q3 RESULTS

November 28 2013

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Q3 HIGHLIGHTS

30 SEPTEMBER 2013

Compliance	<ul style="list-style-type: none"> ➤ FCA readiness programme progressing well ➤ Continuing to lead industry efforts to improve standards
Data Assets	<ul style="list-style-type: none"> ➤ Extension of Experian contract to 2023 ➤ Second bureau raw data feed agreed ➤ Owned customer accounts 5.0m at 30 September 2013 (31 December 2012: 3.6m) ➤ Increase in PCB¹ records to 15.1m at 30 September 2013 (31 December 2012: 11m)
Underlying Net Income	<ul style="list-style-type: none"> ➤ Increased 156.9% to £18.5m (YTD 2012: £7.2m)
Portfolio Purchases	<ul style="list-style-type: none"> ➤ Purchases £74.0m², compared with £35.7m in 9 months to 30 September 2012 ➤ Total face value acquired £1,062m underpinned by 82.7% paying accounts ➤ £8.6bn assets under management including £6.9bn of purchased portfolios
ERC³	<ul style="list-style-type: none"> ➤ 84-month ERC up 43.6% to £540.0m at 30 September 2013 (YTD 2012: £376.1 m) ➤ 120-month ERC up 38.8% to £626.9m (YTD 2012: £451.71m) ➤ Current paying face value up to £1.1bn, 2.0 times 84-month ERC
Adjusted EBITDA	<ul style="list-style-type: none"> ➤ Increase of 44.7% to £64.7m (YTD 2012: £44.7m, last 12 months (LTM) to September 2013: £82.0m) ➤ Adjusted EBITDA ratio⁴ 69.4% (YTD 2012: 69.6%, LTM: 69.6%)
Leverage	<ul style="list-style-type: none"> ➤ Net debt⁵ at 30 September 2013: £215.1m (pre IPO proceeds) ➤ Leverage ratio⁶ 39.8%

1. Proprietary Collections Bureau, developed in conjunction with Experian
2. Includes £0.5m of student loan investments held as loan notes
3. Estimated remaining collections on purchased loan portfolios over an 84-month/120 month period, as applicable
4. Adjusted EBITDA/core collections
5. Debt owed to third parties and cash and cash equivalents, but not including Shareholder Loan Notes or unamortised bank arrangement fees, as applicable
6. Leverage ratio – net debt/84-month ERC

STRATEGY

Vision

To be the leading data-driven debt purchaser

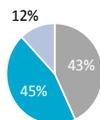
Strategy

- Establishing Arrow as the most respected debt purchaser with a leading position in compliance, risk management and treating customers fairly
- Growing the business whilst maintaining rigorous underwriting discipline
- Optimising cost to collect whilst maintaining a flexible cost base
- Utilising data capability to invest in portfolios underpinned by paying accounts, with the opportunity to convert non-paying accounts
- Maintain a prudent balance sheet
- Maintaining a leading position in the UK and Portuguese debt purchase markets
- Pursuing a disciplined approach to expanding into new asset classes and geographies

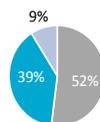
RECENT DEVELOPMENTS

ARROW GLOBAL £208M INITIAL PUBLIC OFFERING

Demand By Geography



Allocations By Geography



■ UK ■ US ■ RoW

Cumulative Account Penetration

- First ever UK IPO in the Debt Purchase and Collection industry
- Extensive investor education
 - Management roadshow in the UK, the US, and France meeting > 125 investors over 10 days
- Strong execution
 - Deal many times covered at offer price
 - Demand from early look accounts more than covered the deal
 - Supportive after market (shares +6% on first day of trading)

Valuation at IPO

P/E 2014E	11.9x
P/BV 2013E	3.6x
P/BV 2013 1H	3.9x
P/Net ERC 2013 1H	1.2x

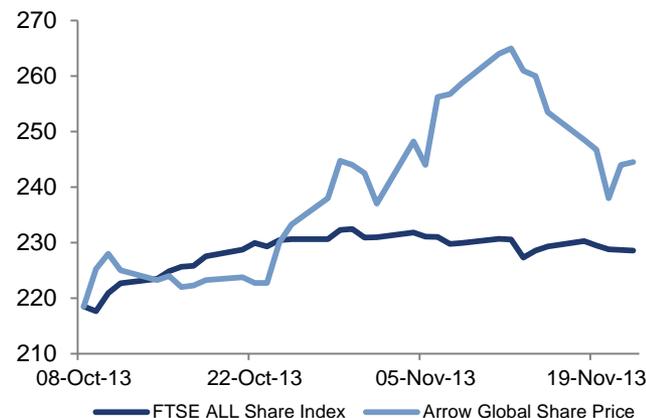
Equity Story

- 1 A market leader in a structurally high growth market
- 2 High barriers to entry
- 3 Leading data and analytics capabilities
- 4 Diversified origination and disciplined underwriting
- 5 Highly cash generative growth business, with significant earnings visibility
- 6 Proven ability to expand into new asset classes, asset management and new geographies

Key Statistics

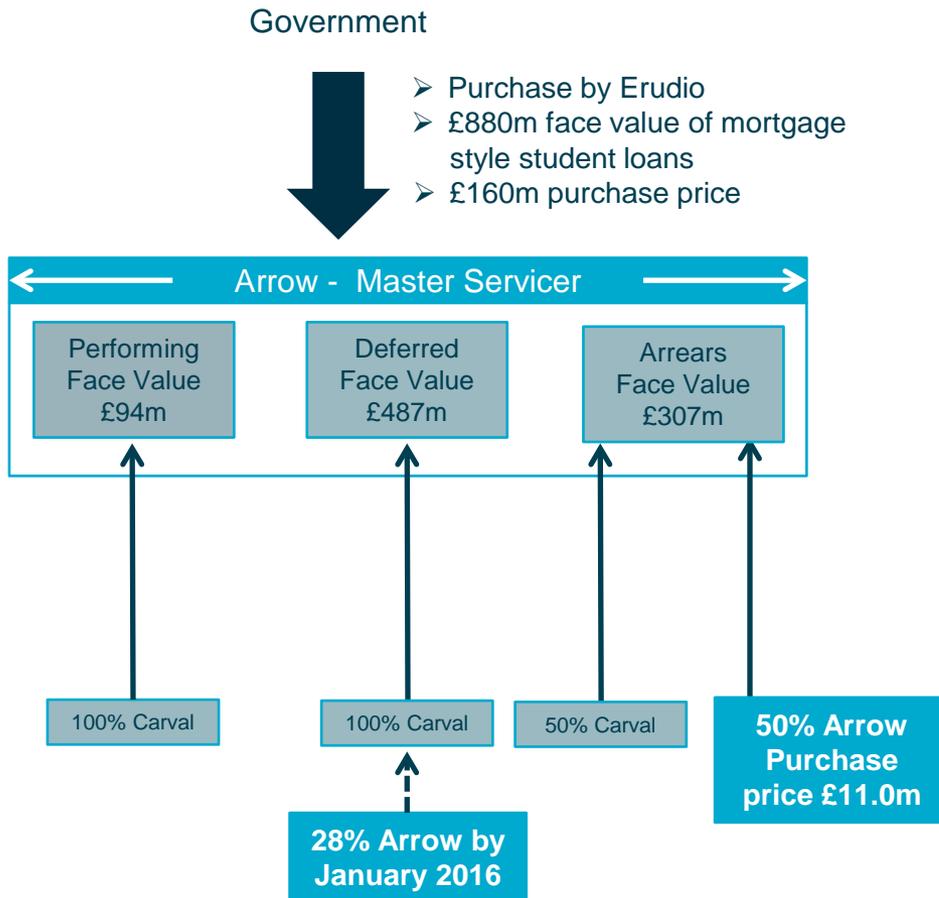
Issuer:	➢ Arrow Global Group plc
Size:	➢ £208m (\$334m) including greenshoe
Size % of Company:	➢ 58% (including greenshoe)
Exchange:	➢ London Stock Exchange (Premium Segment)
Offering:	➢ £50m Primary; £158m Secondary sales by RBS SOF and management
Issuer Price:	➢ 205p
Issue Mkt Cap:	➢ £357m
Lock Up:	➢ 6 months RBS SOF ➢ 24 months Directors

Aftermarket Intraday Share Price Performance



RECENT DEVELOPMENTS STUDENT LOAN INVESTMENT

Structure



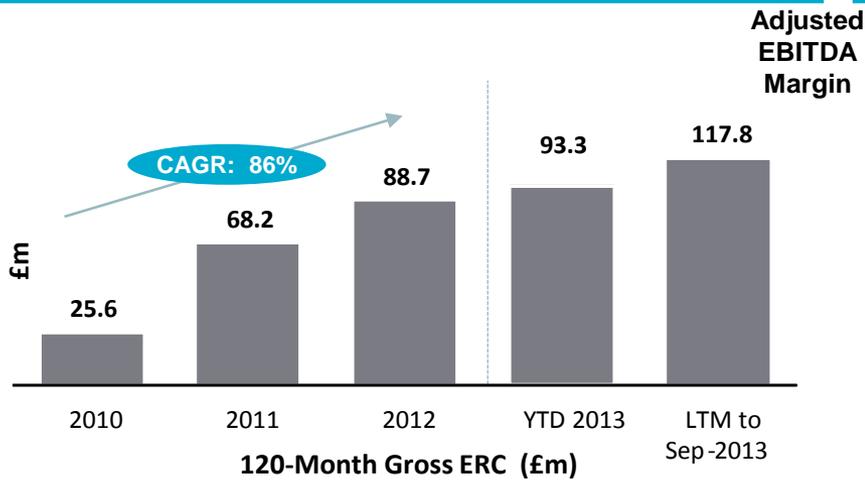
Key Highlights

- 3rd investment in this asset class
- Consortium deal
- Master servicer using Arrows data and analytics capabilities
- Following the 2014 migrations, Arrow will Master Service more than £1bn of student loans
- Initial investment of £11m
- Future investment of up to £22m over a 2 year period in 28% of the deferred assets

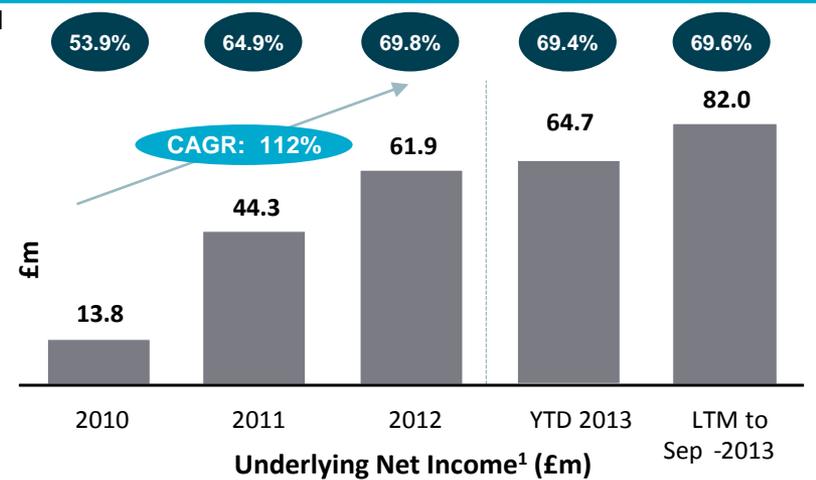
Q3 PERFORMANCE

30 SEPTEMBER 2013

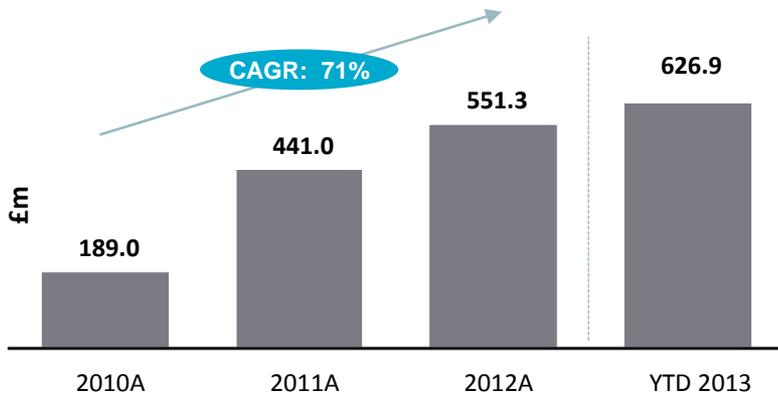
Core Cash Collections (£m)



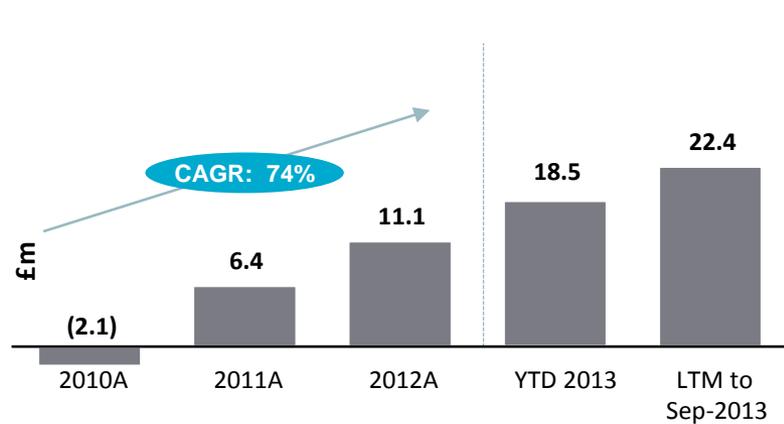
Adjusted EBITDA (£m)



120-Month Gross ERC (£m)



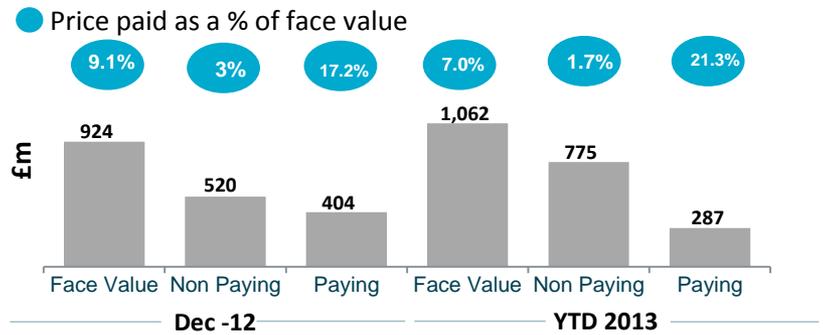
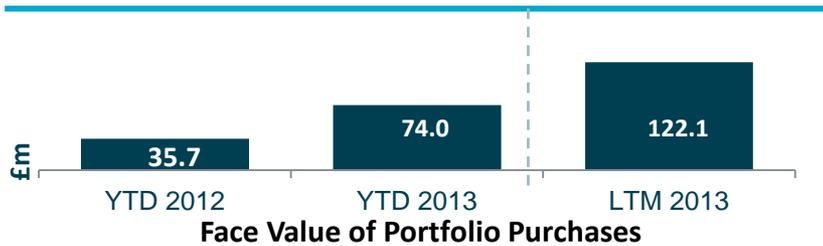
Underlying Net Income¹ (£m)



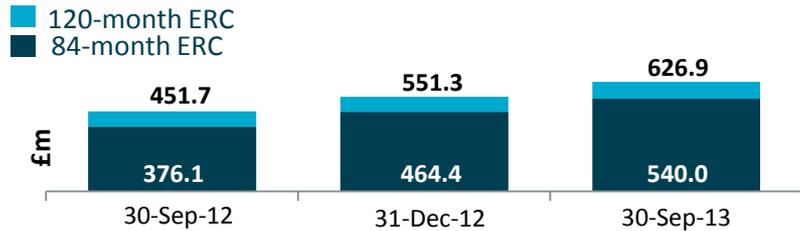
1. Net income adjusting for post-tax effect of exceptionals. Net income is equivalent to profit/(loss) for the period attributed to equity shareholders.

Q3 PURCHASES

Portfolio Purchases¹



84 and 120-Month Gross ERC (£m)



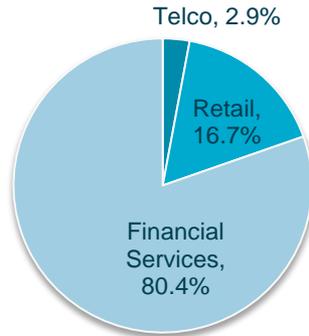
Key Highlights

- Acquired portfolios with a face value of £1,062m for £74.0m
- 82.7% of the purchase price underpinned by paying accounts
 - Optimising risk adjusted returns
 - Our data capability is applied to the non-paying portion to deliver upside
- 84-month ERC up 43.6% to £540.0m at 30 September 2013 (30 September 2012: £376.1m)
- 120-month ERC up 38.8% to £626.9m at 30 September 2013 (30 September 2012: £451.7m)
- Current face value of accounts that have paid Arrow in the last 3 months has increased to £1.1bn, representing 2.0 times 84-month ERC

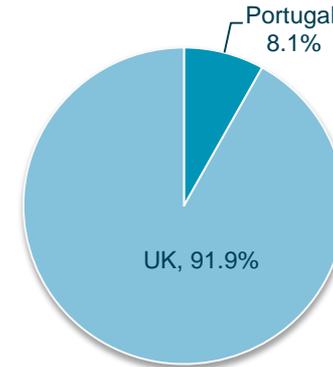
1. Purchased loan portfolios represents the purchase price of our purchased loan portfolios excluding related acquisition expenses.

PORTFOLIO ANALYSIS

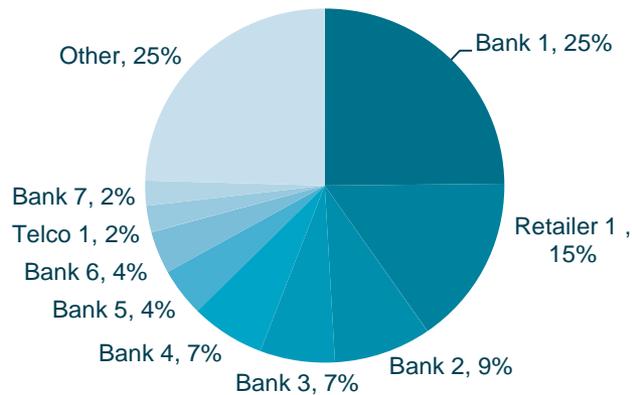
Portfolio Split by Asset Class – Purchase Cost (to Sep-2013)



Portfolio Split by Geography – Purchase Cost (to Sep-2013)



Split by Originator – Purchase Cost (to Sep-2013)



Key Highlights

- Mainly invested in the UK – £5.9bn by face value
- £1.0bn portfolio in Portugal by face value
- 5.0m total purchased accounts with average account balance of £1,397
 - Average balance of financial services debt of £2,436, retail of £476 and telco of £322
 - Average balance of paying accounts of £2,542
- Over £1.6bn of asset management receivables under management
- Cumulative gross collections as of September 2013 are at 103% of underwriting forecast

NET DEBT AND LEVERAGE

Pro Forma Indebtedness – as of Sep-2013 (£m)

Key Metrics

Cash and Cash Equivalents	(6.3)
IPO Proceeds	(42.0)
Bond	220.0
Accrued Bond Interest	1.4
Revolving Credit Facility	-
Net Debt	173.1
LTM Adjusted EBITDA	82.0
84-Month ERC	540

Leverage Metrics

Net Debt / Adjusted EBITDA	2.1x
LTV (Net Debt / 84-Month ERC)	32.1%

- 5-year (to 2018) Revolving credit facility increased from £40m to £55m - currently undrawn
- Significant headroom on 75% LTV covenant with LTV of 39.8% (pre IPO proceeds), this is consistent with the ratio as at the bond issuance
- Net IPO proceeds of £42.0m
- Significant capacity for future purchases
- Pro forma Net Debt/Adjusted EBITDA of 2.1 inside our target of 2.5

1. Based on YTD Sep-'13 financing costs and Adjusted EBITDA.

RECENT DEVELOPMENTS & OUTLOOK

- Successful IPO completed on 11 October 2013 raising net proceeds of £42m
- Committed Revolving Credit Facility increased to £55m
- Ranked 1st place in the OC&C Index 2013
- In November we announced our initial investment in the Government student loan portfolio, through a consortium with CarVal Investors. This is our third investment in this asset class, which we believe will be a growing market opportunity for Arrow, and brings our cumulative portfolio investments for the year to date to £90m
- Continue to see a strong pipeline of portfolio acquisition opportunities ahead and, while the market remains competitive, our ability to access multiple sources of origination will allow us to invest at or above our target returns. We remain on track to deliver £100m of portfolio purchases for the year.

Q&A