Sherwood Parentco Limited

Key Rating Drivers

Downgrade Rationale: Sherwood Parentco Limited's (referred to as Arrow after its operating subsidiary Arrow Global) downgraded Long-Term Issuer Default Rating (IDR) reflects pressure from continued material leverage and higher interest rates on its financial metrics while it moves towards a fund management-based business model. The ratings also reflect its developing investor franchise and the anticipated benefits from an asset-light strategy, differentiating it from traditional debt purchasers.

Shift to Low Balance-Sheet Usage: Arrow is transitioning from traditional debt purchasing towards acting primarily as a manager of funds investing in non-performing loan (NPL) portfolios and other distressed and performing assets, and as the servicer of those assets. Own balance-sheet usage reduces principally to co-investments in funds, and has decreased to 10% of total fund size in new funds from 25% in the first fund (ACO1). Arrow's 1H24 own balance sheet purchases reduced to GBP56 million, from GBP84 million in 1H23.

Significant EBITDA; Weak Profitability: Arrow's sound 2023 adjusted EBITDA margin reflected the growth of asset-light activities. However, net earnings were negative, with a pre-tax loss of GBP125 million in 2023, after accounting for high financing costs and a fair-value adjustment cost resulting from the acquisition of Maslow Capital. In 1H24, Arrow's pre-tax loss improved to GBP27 million (1H23: GBP36.8 million). Fitch Ratings expects Arrow to generate increasing earnings from its growing discretionary funds in the medium term.

Leverage Constrains Rating: Arrow's Long-Term Issuer Default Rating (IDR) is constrained by high cash flow leverage, with a Fitch-calculated gross debt/adjusted EBITDA ratio of 4.4x at end-2023 (end-2021: 5.6x). Arrow's gross leverage increased to 6.1x at end-1H24 before decreasing in July (net leverage: 3.9x, as calculated by Arrow) due to material realisations that month, illustrating the potential volatility of the timing of individual transactions.

Arrow targets net cash flow leverage of 3.0x over the medium term, and Fitch expects leverage to benefit from growing revenue in the integrated fund management segment. This may lead Fitch to adopt a hybrid approach to benchmarking leverage, once the EBITDA base has achieved a more even split between investment activities and fund management.

Medium-Term Refinancing Requirements: Fitch expects Arrow's funding needs to remain significant in the medium term, despite the longer-term movement towards a balance-sheet-light business model. However, it benefits from a lack of bond maturities before November 2026, and liquidity is supported by a GBP285 million revolving credit facility.

Diversification of Income: Arrow is smaller than higher-rated alternative asset managers and debt purchasers. However, its fund-management business is constantly growing.

Ratings

Foreign Currency

Long-Term IDR	B+

Sovereign Risk (United Kingdom)

Long-Term Foreign-Currency IDR	AA-
Long-Term Local-Currency IDR	AA-
Country Ceiling	AAA

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Applicable Criteria

Non-Bank Financial Institutions Rating Criteria (January 2024)

Related Research

Fitch Downgrades Sherwood Parentco Limited's to 'B+'; Outlook Stable (June 2024)

Debt Collectors - Peer Review 2024 (September 2024)

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Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

Inability to keep leverage (gross debt/adjusted EBITDA) below 4.5x, or to demonstrate movement towards pre-tax profitability.

Material collection underperformance, in particular if leading to meaningful portfolio impairments, would be rating-negative. A material increase in Arrow's risk appetite or weakening of its corporate governance would also put pressure on Arrow's ratings.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Sustained improvement in Arrow's gross leverage ratio to below 3.5x, alongside sound fund performance that facilitates ongoing investor support for investment in future funds.

Recent Developments

Focus on Asset-Light Strategy

Since its establishment in 2005, Arrow has developed from a UK-focused debt purchaser to a manager of funds investing in NPL portfolios and other distressed and performing assets, and as the servicer of those assets, with material operations in the UK, Portugal, the Netherlands, Italy and Ireland.

Since 2019, Arrow has focused on increasing the revenue contribution from the capital-light business, namely its integrated fund management (IFM) segment. Arrow's historical balance sheet business became limited to co-investments in its discretionary funds, reducing its contribution in recently launched funds (ACO2, AREO) to 10% from 25% of the total fund in its inaugural fund (ACO1).

Arrow's capital-light strategy is anchored to its EUR1.7 billion inaugural Jersey-domiciled Arrow Credit Opportunities (ACO1) fund. The successful launch of this allowed increased fundraising for the ACO2 fund, closed in 2023 above its target size of EUR2.75 billion, as well as a first close of the Arrow Real Estate Equity Fund (AREO) with raised capital of EUR110 million (including Arrow's 10% co-investment), supplemented by smaller fund managers in Portugal and Italy.

Arrow largely targets smaller, and often off-market, local transactions, which are less price sensitive than more standard auction-led transactions. By end-1H24, Arrow's total assets under management (AUM) had grown to EUR9.9 billion. In Fitch's view, the long-term funds under management growth rate remains sensitive to performance in existing funds, which are still at an early stage of their lives, as well as continued investor appetite for investments in non-performing and real estate assets.

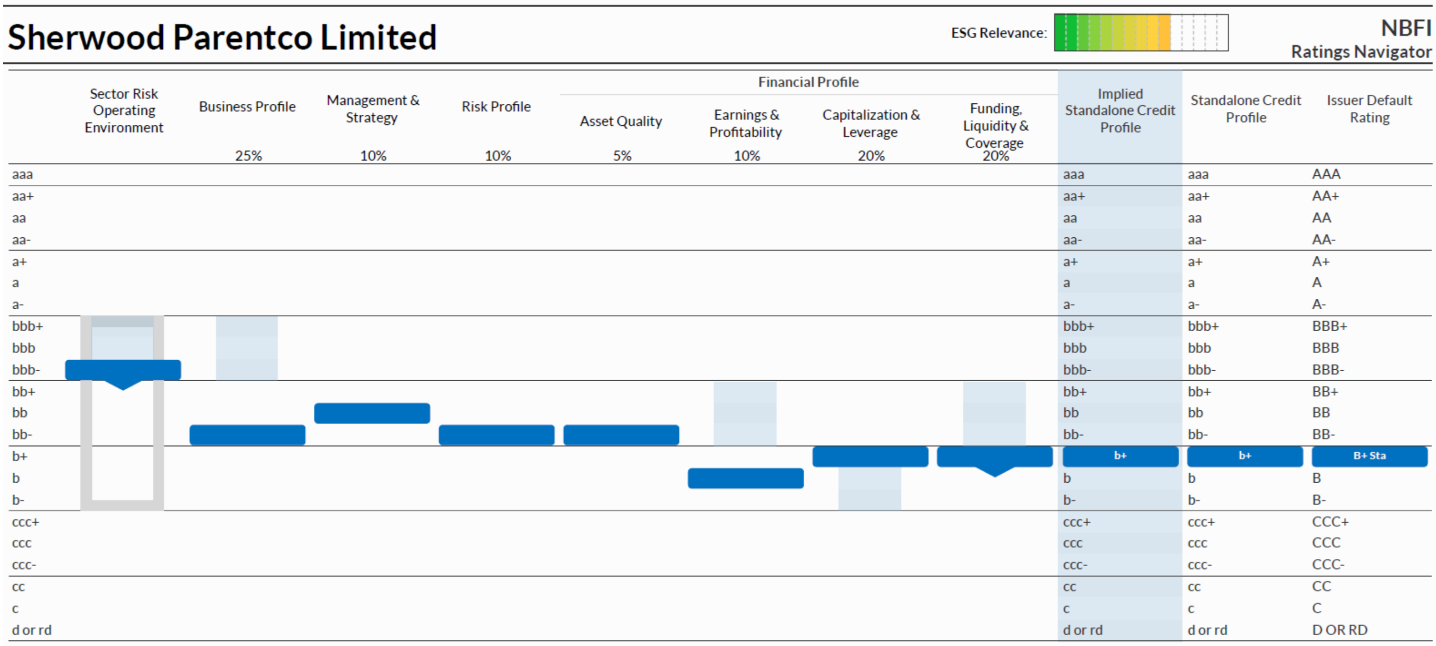
Shift to Integrated Fund Manager

The company has grown in recent years through a series of acquisitions and portfolio purchases. In 2023, Arrow completed the full acquisition of Maslow, a real estate development finance business in the UK, 49% of which it initially acquired in 2021. More recently, Arrow closed the acquisition of Amitra Capital, a Spanish master servicer that focuses on managing European NPLs and real estate investments with over EUR4 billion in AUM, primarily in Spain and Portugal, as well as the acquisition of Interboden, a real estate business in Germany. These recent acquisitions add two additional geographies to the group's operations, and represented 2% of Arrow's estimated remaining collections (ERC) at end-June. These investments are aligned with Arrow's capital-light strategy, and will help accelerate its transition to an integrated fund manager with a small, but increasingly diversified, fund offering.

Market Refinancing Pressures in 2024

Some sub-investment-grade non-bank financial institutions, notably debt purchasers, have faced refinancing pressures in 2024 due to less reliable access to debt capital markets and challenges in deleveraging. For those able to access markets, higher interest rates since 2022 have increased funding costs, constraining profitability. Arrow's business has diversified from purely debt purchasing, but, in Fitch's view, servicing activities could face increased competition from other issuers now seeking to reduce their own funding requirements by growing fee-based revenues instead.

Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied Standalone Credit Profile (SCP) are shown as percentages at the top. In cases where the implied SCP is adjusted upwards or downwards to arrive at the SCP, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD. The sector risk assessment acts as a sector-specific constraint on the typical implied operating environment range and is shown as an overlay on the operating environment.

Adjustments

The business profile score of 'bb-' has been assigned below the implied 'bbb' category score due to the following adjustment reason: business model (negative).

The earnings & profitability score of 'b' has been assigned below the implied 'bb' category score due to the following adjustment reason: earnings stability (negative).

The funding, liquidity & coverage score of 'b+' has been assigned below the implied 'bb' category score due to the following adjustment reason: funding flexibility (negative).

Key Qualitative Factors

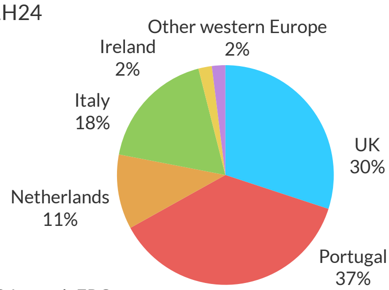
Established NPL Investor Franchise; Increasing Diversification

In October 2021, funds managed by private equity firm TDR Capital LLC (TDR) acquired Arrow Global Group PLC for an equity consideration of GBP563 million. The transaction resulted in newly-established Sherwood Acquisitions Limited (wholly owned by Sherwood Parentco Limited) acquiring the delisted and renamed Arrow Global Group Limited.

Headquartered in Manchester, Arrow has grown considerably in recent years, both through organic growth and select acquisitions. At end-1H24, Arrow's home market accounted for just 30% of its 84-month ERC, with Portugal accounting for 37%, followed by Italy (18%), the Netherlands (11%), and Ireland (2%).

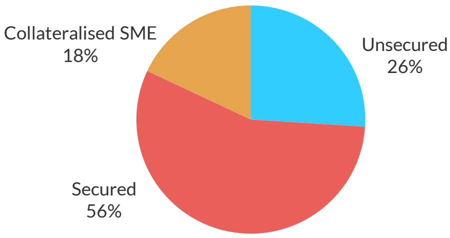
Arrow focuses on smaller 'off-market' transactions (i.e. not acquired through auctions or auction-like processes), where it sees less competition and typically higher net internal rates of return.

ERC by Geography
End-1H24



Note: 84 month ERC
Source: Fitch Ratings, Arrow Global

ERC by Asset Class
End-1H24



Note: 84 month ERC
Source: Fitch Ratings, Arrow Global

Integrated Fund Manager Model

Unlike most peers, Arrow operates an 'integrated fund manager' model consisting of two distinct divisions:

Integrated Fund Management (IFM)

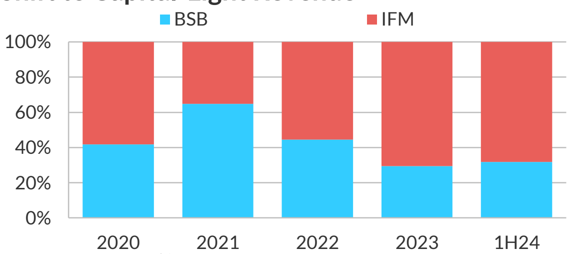
This includes the results of the asset management and servicing and fund-management activities, through various platforms, providing capital-light returns. These platforms services both internal and external portfolios. It also covers most of Arrow's closed-end fund business (ACO1, ACO2 and AREO), which invests in Arrow's five core markets and has a standard private equity structure, with a three-year investment period and a five-year distribution period. Arrow launched the fundraising of its new fund ALO 1 (Arrow Lending Opportunities) in 4Q23, and expects to commence fundraising for new fund ACO3 in early 2025.

Balance Sheet Business (BSB)

This is Arrow's traditional debt-purchasing division, which, under the revised strategy, is almost exclusively used to provide co-investments in closed-end funds.

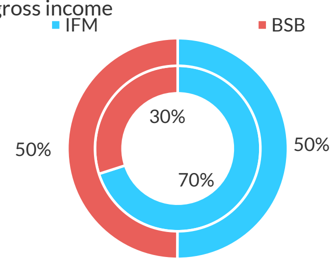
Arrow believes that, compared to conventional debt-purchasing business models, this model has the advantage of generating materially higher unlevered returns on capital, enabling it to grow earnings with limited balance sheet utilisation, to generate more stable cash flows, and to de-lever more quickly.

Shift to Capital-Light Revenue



Note: As a % of total income
Prior to 2022, IFM included Asset Management and Servicing & Fund and Investment Management segments
Source: Fitch Ratings, Arrow

Split by Segments - End-1H24
Outer ring: EBIDTA
Inner ring: gross income



Source: Fitch Ratings, Arrow Global

Governance Following De-Listing

Following its delisting and new ownership, Arrow's governance structure is mostly unchanged, supporting Fitch's view of the company's risk and corporate governance. Arrow's senior management team has extensive professional experience in relevant sectors, though not in all cases with the company. In 2023, Arrow further bolstered its management team by hiring experienced executives to oversee and manage its real estate and credit and lending businesses.

Arrow's board of directors consists of experienced members with broad financial services experience, both in the UK and Arrow's key foreign markets. The company complies with the FSA's Guidelines for Disclosure and Transparency in Private Equity, with a number of board committees maintained in compliance with the UK Corporate Governance Code, including an audit, risk and remuneration committee.

Local platforms are responsible for the activities performed locally. Key areas, such as underwriting, origination, treasury and tax, remained centralised and benefit from a group-wide approach.

Arrow's risk-management framework operates a three-lines-of-defence model, supported by various board committees. All new investments are approved by the company's investment committee, and ERC and portfolio investments are valued both internally and with external auditor attendance.

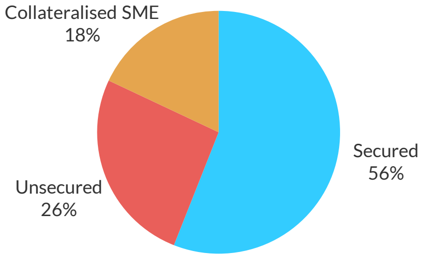
Financial Profile

Adequate Collection Performance

Collections materially increased at end-July 2024 (GBP228 million; 2023: GBP375 million; 2022: GBP380 million), following a decline in 1H24, driven by realisations on secured portfolios. Collections made up 133% of ERC at end-2023. Under normal conditions, Arrow reforecasts ERC on a six-monthly basis in December and June – for instance, 2Q23 performance is measured against end-2022 ERC, whereas 3Q23 performance is measured against end-2Q23 ERC).

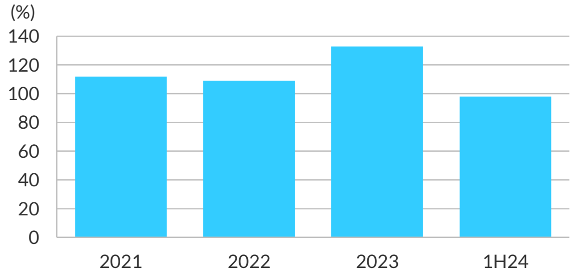
Arrow's UK exposure was primarily unsecured and largely related to credit cards and unsecured loans before divesting from some of its UK platforms (Capquest and Mars UK) and disposing half of its UK unsecured back book in 2023. In Portugal, exposure is broadly evenly split between secured and unsecured, whereas exposures in Italy and the Netherlands are predominantly secured. According to Arrow, 18% of the unsecured exposures are collateralised. SME NPLs and the majority of Arrow's Italian exposure is backed by cash in court. Only 26% of Arrow's exposure was unsecured at end-June 2024, down from 43% at end-2022.

Exposures by Type
End-June 2024



Source: Fitch Ratings, Arrow Global ; 84-month ERC

Collection Performance
Collection in period as % of prior year-end forecast



Source: Fitch Ratings, Arrow Global

Sound EBITDA; Weak Profitability

Arrow's adjusted EBITDA improved to GBP332 million in 2023 (+5% compared to 2022). Income from portfolio investments declined by 38% yoy, reflecting Arrow's decreasing focus on its balance sheet activity. However, pre-tax profitability was negatively affected by high financing costs due to heightened interest rates, as well as the recognition of a fair-value adjustment cost resulting from Maslow's acquisition (GBP36 million). Third-party integrated fund and asset management income kept increasing in 2023 (+19%), with an improving EBITDA contribution from asset-light activities, in line with Arrow's strategy to grow its capital-light business. As a result, Arrow reported an operating loss in 2023, before finance costs.

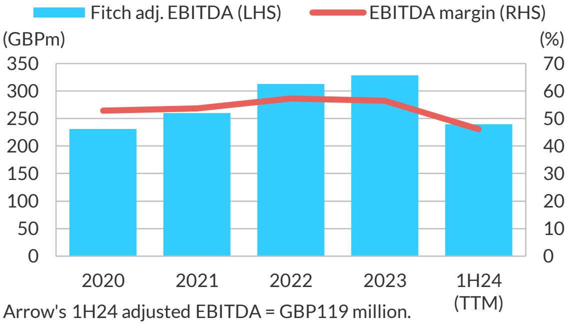
Continued high interest expenses meant reported net income remained negative (-GBP125 million; 2022: GBP85 million). The EBITDA increases in the balance sheet segment (by GBP16.4 million) and for IFM (by GBP13.3 million) drove an overall EBITDA increase to GBP50.4 million at end-1H24 (end-1H23: GBP21 million). Pre-tax income before adjustments remained negative, despite having improved (GBP5.1 million; 1H23: GBP24.3 million), reflecting the higher EBITDA.

Challenging Deleveraging Target

High cash flow leverage constrains Arrow's Long-Term IDR. The gross debt/adjusted EBITDA ratio spiked at 6.1x at end-1H24 (based on trailing twelve months adjusted EBITDA; end-2023: 4.4x; end-2022: 4.7x). However, material realisations in July caused Arrow's calculated net leverage to fall to 3.9x (June: 5.5x). Fitch expects revenue improvements under the IFM strategy to lower leverage in line with Arrow's target of 3x in the medium term , despite the 1H24 increase. We consider this ambitious but achievable given Arrow's commitment to net debt reduction and anticipated improvements in Arrow's EBITDA margins in its IFM segment.

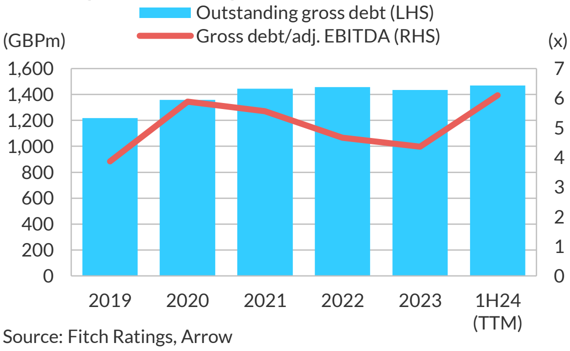
Similar to many European distressed asset purchasers, Arrow's tangible equity is negative following material inorganic growth, and this is also reflected in Fitch's capitalisation and leverage assessment.

EBITDA Margin



Arrow's 1H24 adjusted EBITDA = GBP119 million.
Source: Fitch Ratings, Arrow

Leverage Increasing



Source: Fitch Ratings, Arrow

Substantial 2026 Debt Maturities

Arrow does not have any bond maturities until November 2026, but then has a significant concentration of maturities. Near-term liquidity is supported by a revolving credit facility of GBP285 million, and current EBITDA interest coverage is adequate for the rating level. Fitch's assessment of Arrow's funding, liquidity and coverage profile also considers the almost entirely secured and confidence-sensitive wholesale nature of its funding sources.

Debt Ratings

Sherwood Financing Plc

Rating level	Rating
Senior secured: long term	B+

Source: Fitch Ratings

Senior Secured Debt

Sherwood Financing Plc's GBP1.2 billion equivalent senior secured notes are guaranteed by Sherwood Parentco Limited. The notes were issued in the form of a EUR640 million floating rate tranche maturing in 2027, a EUR400 million 4.5% tranche due 2026, and a GBP350 million 6% tranche maturing in 2026.

As Arrow's senior secured notes are the company's main outstanding debt class (and effectively junior to Arrow's GBP285 million revolving credit facility, RCF), Fitch has equalised the notes' ratings with the Long-Term IDR, indicating average recoveries for the notes.

Debt Rating Sensitivities

A downgrade of the Long-Term IDR would likely be mirrored in a downgrade of the notes. In addition, worsening recovery expectations, for instance, through a larger layer of structurally senior debt, could lead Fitch to notch down the notes' rating from the Long-Term IDR.

An upgrade of the Long-Term IDR would likely be mirrored in an upgrade of the notes. In addition, improved recovery expectations, for instance, through a larger layer of junior debt, could lead Fitch to notch up the notes' rating from Arrow's Long-Term IDR.

Environmental, Social and Governance Considerations

FitchRatings **Sherwood Parentco Limited** NBFI Ratings Navigator

Credit-Relevant ESG derivation

Sherwood Parentco Limited has 1 ESG driver and 5 ESG potential drivers.

- Sherwood Parentco Limited has exposure to quality and timing of financial reporting and auditing processes which, in combination with other factors, impacts the rating.
- Sherwood Parentco Limited has exposure to fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above but this has very low impact on the rating.
- Sherwood Parentco Limited has exposure to shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core activities but this has very low impact on the rating.
- Sherwood Parentco Limited has exposure to operational implementation of strategy but this has very low impact on the rating.
- Sherwood Parentco Limited has exposure to board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions but this has very low impact on the rating.
- Sherwood Parentco Limited has exposure to organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership but this has very low impact on the rating.

			ESG Relevance to Credit Rating
key driver	0	Issues	5
driver	1	Issues	4
potential driver	5	Issues	3
not a rating driver	4	Issues	2
	4	Issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	2	Regulatory risks, emissions fines or compliance costs related to owned equipment, which could impact asset demand, profitability, etc.	Sector Risk Operating Environment	5
Energy Management	2	Investments in or ownership of assets with below-average energy/fuel efficiency which could impact future valuation of these assets	Risk Profile	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk profile & management; catastrophe risk; credit concentrations	Business Profile; Asset Quality	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above	Sector Risk Operating Environment; Risk Profile; Asset Quality	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile; Management & Strategy; Earnings & Profitability; Capitalisation & Leverage; Funding, Liquidity & Coverage	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	3	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core activities	Business Profile; Earnings & Profitability	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Operational implementation of strategy	Management & Strategy	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Management & Strategy	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile	3
Financial Transparency	4	Quality and timing of financial reporting and auditing processes	Management & Strategy	2
				1

How to Read This Page

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score.All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Arrow has an ESG Relevance Score of '4' for 'Financial Transparency' due to the significance of internal modelling to portfolio valuations and associated metrics such as estimated remaining collections. However, this is a feature of the debt-purchasing sector as a whole, and not specific to Arrow. This has a moderately negative impact on the credit profile, and is relevant to the rating in conjunction with other factors.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

Financials

Income Statement

	30 Jun 24 6 months		31 Dec 23	31 Dec 22	31 Dec 21	31 Dec 20
			Year end	Year end	Year end	Year end
	(USDm)	(GBPm)	(GBPm)	(GBPm)	(GBPm)	(GBPm)
		Reviewed	Audited	Audited	Audited	Audited
Gross operating revenues	230.1	181.6	287.4	295.8	331.3	167.5
Total interest expense	68.3	53.9	102.9	83.1	85.8	57.5
Total net operating revenues	161.8	127.7	184.5	212.6	245.4	110.0
Memo: net interest income	-68.3	-53.9	-102.9	-83.1	-85.8	-57.5
Total non-interest operating income	–	–	278.6	295.3	118.5	97.9
Expenses						
Total operating expenses	200.6	158.3	321.8	298.4	330.1	224.8
Pre-impairment/provision operating profit	-38.9	-30.7	-137.3	-85.8	-84.7	-114.8
Operating profit	-38.9	-30.7	-137.3	-85.8	-84.7	-114.8
Pre-tax income	-34.1	-26.9	-125.3	-83.7	-84.7	-114.8
Net income (incl. non-controlling interests)	-31.3	-24.7	-125.3	-85.1	-87.7	-93.6
Exchange rate		USD1 = GBP0.7890	USD1 = GBP0.7898	USD1 = GBP0.8286	USD1 = GBP0.7444	USD1 = GBP0.7452

Source: Fitch Ratings, Fitch Solutions, Arrow Global Group PLC

Balance Sheet

	30 June 24 6 months		31 Dec 23 Year end	31 Dec 22 Year end	31 Dec 21 Year end	31 Dec 20 Year end
	(USDm)	(GBPm) Reviewed	(GBPm) Audited	(GBPm) Audited	(GBPm) Audited	(GBPm) Audited
Total assets	2,436.3	1,922.4	1,950.6	2,155.6	2,204.2	1,662.9
Short-term borrowings (maturing within 12 months)	268.8	212.1	6.2	186.8	220.8	362.4
Long-term borrowings (maturing after 12 months)	1,594.3	1,258.0	1,428.2	1,271.0	1,225.0	996.6
Total borrowings	1,863.1	1,470.1	1,434.4	1,457.7	1,445.8	1,359.0
Total liabilities	2,077.1	1,638.9	1,643.3	1,728.2	1,693.9	1,546.2
Total equity	359.3	283.5	307.3	427.4	510.4	116.7
Total liabilities and equity	2,436.3	1,922.4	1,950.6	2,155.6	2,204.3	1,662.9
Exchange rate		USD1 = GBP0. 7890	USD1 = GBP0.7898	USD1 = GBP0.8286	USD1 = GBP0.7444	USD1 = GBP0.7452

Source: Fitch Ratings, Fitch Solutions, Arrow Global Group PLC

Summary Analytics

	30 June 24 6 months	31 Dec 23 Year end	31 Dec 22 Year end	31 Dec 21 Year end	31 Dec 20 Year end
Earnings and profitability (%)					
Adj. EBITDA/adj. total revenue	46.2	56.5	57.3	53.7	52.9
Pre-tax income/average assets	-5.9	-6.1	-3.9	-4.9	-6.9
Pre-tax income/average equity	-18.3	-32.8	-17.1	-44.1	-76.8
Capitalisation and leverage (x; TTM)					
Total funding/adj. EBITDA	6.1	4.4	4.7	5.6	5.9
Funding, liquidity and coverage					
Adj. EBITDA/interest expense (x)	2.1	3.2	3.8	3.0	4.0
Short-term funding/total funding (%)	14.4	0.4	12.8	15.3	26.7

Source: Fitch Ratings, Fitch Solutions, Arrow Global Group PLC

SOLICITATION & PARTICIPATION STATUS

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