

# INVESTOR PRESENTATION

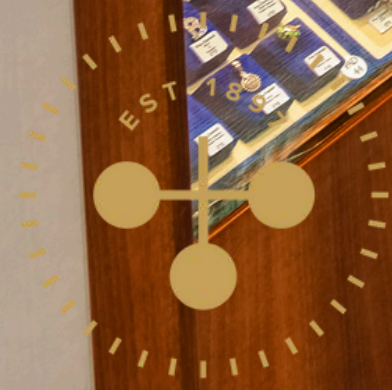


FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2024



# OVERVIEW AND STRATEGIC UPDATE

FOR THE TWELVE MONTHS ENDED  
31 DECEMBER 2024





# THE ORIGINS OF PAWNBROKING

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



## The Origins of Pawnbroking

Pawnbroking has ancient origins and is one of the oldest forms of lending, dating back over 3,000 years to China. It has played a role in historical moments, eg financing Christopher Columbus's journey to the Americas through the pawning of jewels owned by Queen Isabella of Spain.

The iconic symbol of pawnbrokers, the three golden balls, originated with the influential Italian Medici banking family, and dates from the 14th century. In many parts of the world, close connections remain between banking and pawnbroking.

Until the middle of the 20th century, pawnbrokers were a common sight in Britain's towns and cities, providing convenient borrowing options.

Today, as the supply of small-sum short-term borrowing options are increasingly restricted, pawnbrokers are appealing to a new generation of customers, including business owners raising working capital for their business using personal assets as collateral.

This challenges the perception that pawnbroking is solely for those facing financial difficulties.

## Our Journey

H&T's story began in the late 1800s with a modest store in Vauxhall.

In 1897, Mr Harvey and Mr Thompson incorporated their business as Harvey & Thompson Limited, now known as H&T. At the time, the business operated from 12 stores.

Today, H&T is the largest pawnbroker in the UK and a prominent retailer of high-quality new and pre-owned jewellery and watches.

We offer a variety of transparent and accessible financial products specifically designed for customers who have limited access to, or are excluded from, traditional banking services.

H&T stores are conveniently located in most major towns and cities throughout England, Scotland, and Wales.

As of December 2024, we proudly operate from 285 stores and online.



# A VALUED FINANCIAL OFFERING

**H&T's vision is to make pawnbroking a more widely accepted and valued financial service by ensuring that borrowing against an asset is simple, inclusive and transparent.**

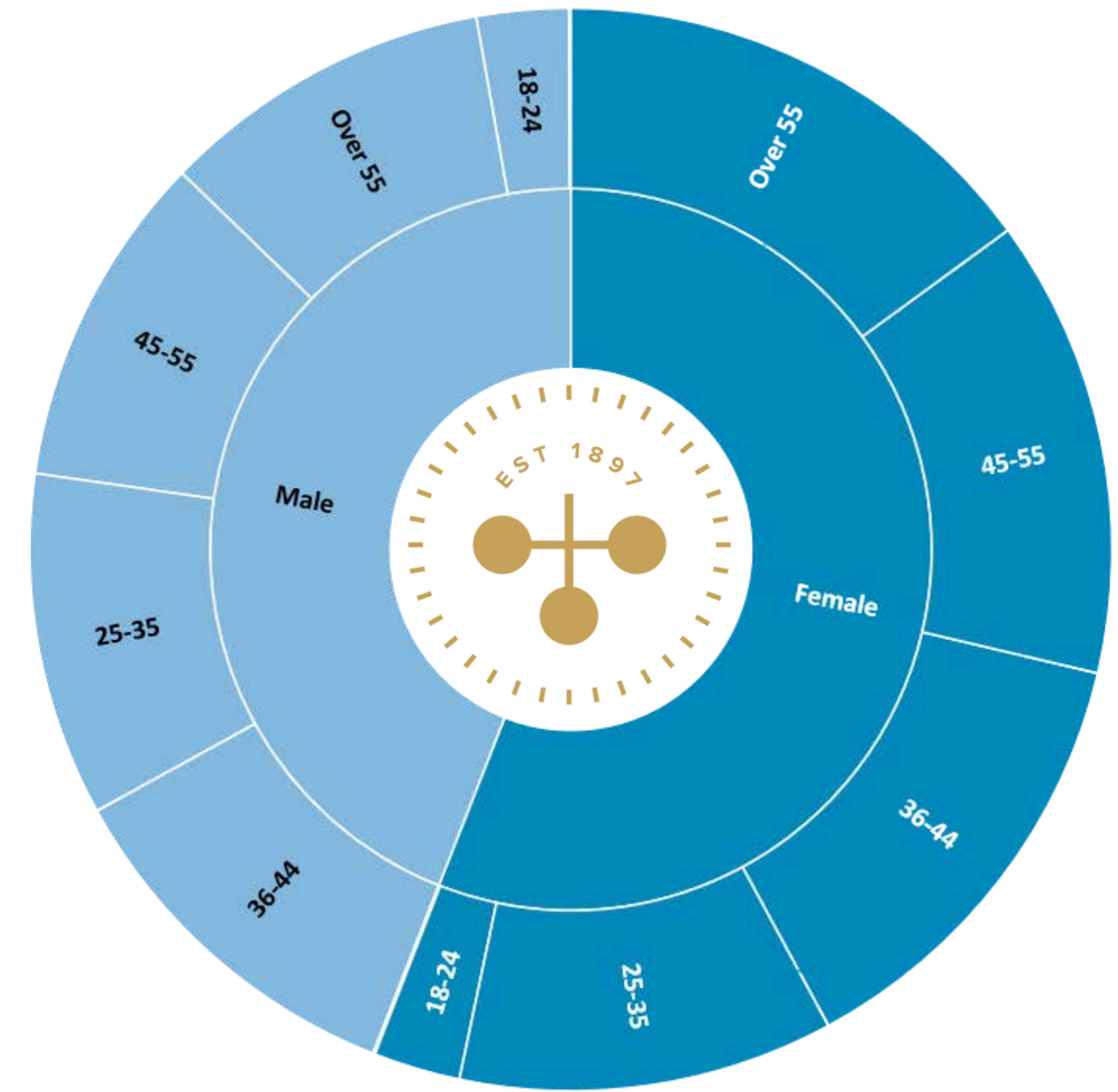
H&T is dedicated to addressing the needs of individuals often overlooked by traditional credit systems. We achieve this by offering a variety of straightforward, transparent, and accessible products, which are central to our business approach.

By utilising our store infrastructure and advanced technology platform, we enhance our success, enabling us to deliver sustainable products and services to our customers while supporting the circular economy.

SIMPLE A Pawnbroking Loan is a secured loan with a term of six months. We lend to customers against the assessed value of the item they wish to pledge, predominantly pre-owned jewellery and watches. We enter a consumer credit agreement with the customer, charging a simple daily interest rate with no additional fees. The pledged item is in the control of H&T from the inception of the loan and returned to the customer on repayment of the outstanding loan and interest due.

INCLUSIVE We are determined to help customers access funds through a Pawnbroking Loan in a safe and friendly environment, either in-person or in-store or via our online portal. Customers can also access funds by choosing to sell items of jewellery and watches to us rather than using these items as a pledge for a pawnbroking loan. This purchasing offering is a fast and easy process that can be concluded both in-store and online.

TRANSPARENT Charging daily interest on pawnbroking loans gives customers the flexibility to repay their loan when they choose while only needing to pay interest for the period for which they make use of the loan. There are no early termination or penalty charges for repaying a loan early. The customer has no liability to H&T beyond the value of the pledged item.



Our customer base includes a balanced mix of age groups, debunking the stereotype that this service is mainly used by older generations.

This variety demonstrates that pawnbroking is a relevant and practical financial option for a wide range of people. By understanding and catering to this broad spectrum of customers, we are well-positioned for continued growth in the market.



## WHO WE ARE

H&T is a trusted consumer brand offering customers pawnbroking loans, through a network of 285 stores across the UK, and online.

## WHAT WE DO

We are the UK's largest pawnbroker and a leading retailer of high quality new and pre-owned jewellery and watches.

We provide a range of transparent and accessible financial products tailored for a customer base which has limited access to, or is excluded from, the traditional banking sector.

## THE AMBITION

We are working hard to make pawnbroking a more widely accepted and valued financial service.

## MARKET DRIVERS

Increasing need for small-sum, short-term loans at a time when the supply of such credit is constrained.

Our retail products represent good value for money, a store of value and have strong sustainability credentials.

## KEY STRATEGIC FOCUS

Grow the core pawnbroking pledge book

Invest in our store estate, both new and existing stores

Continued investment in our technology platform, digital strategy and customer journey

Increase operational leverage to improve returns on a predominantly fixed cost base

Optimising capital allocation to fund our growth



# KEY THEMES

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC

- Reinforced our position in 2024 as the UK's leading pawnbroker
  - record lending volumes and record levels of new customers
  - pledge book growth ahead of expectations, with strong growth in second half of the year
- Strategy is to grow and broaden the core pawnbroking business
  - the foundation for continued future growth
  - additional funding facilities put in place in 2024 to fund the growth
- Continue to invest in the store estate
  - expand geographic coverage of store network by opening new stores and acquiring existing independent stores
  - refresh programme for existing stores will continue
- Growing attractiveness of our retail offering
  - flexibility to respond to changes in customer buying preferences
  - multiple ways for customers to buy from us e.g. store, online, view in store, layaway, testing BNPL
- As previously advised, the Group's financial year end will change from 31 December to 30 September, with effect from September 2025
  - Prior year comparatives for the 12 months ended 30 September 2024 are provided to assist with transition

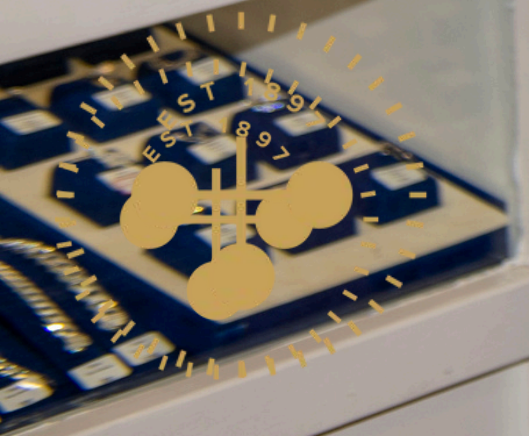




# FINANCIAL OVERVIEW

## FOR THE TWELVE MONTHS ENDED

### 31 DECEMBER 2024





# FINANCIAL HEADLINE SUMMARY

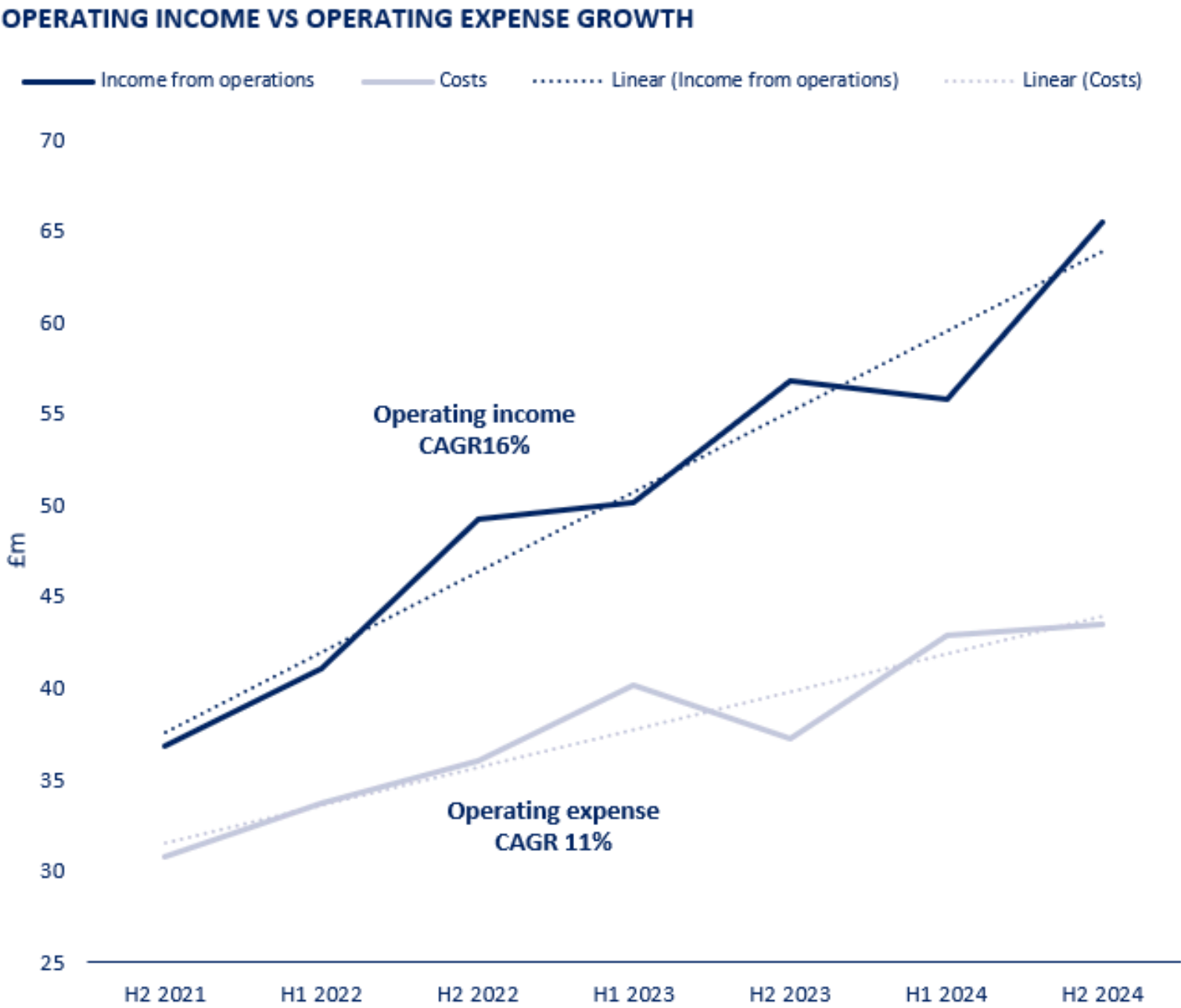
INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



<div>INCOME FROM OPERATIONS *</div> <div>£122.1m</div> <div>2023: £106.9m    14.2%</div>	<div>NET ASSET VALUE</div> <div>£192m</div> <div>2023: £177m    8.5%</div>
<div>OPERATING EXPENSES</div> <div>£86.6m</div> <div>2023: £77.4m    11.9%</div>	<div>CAPITAL VALUE PLEDGE BOOK</div> <div>£127m</div> <div>2023: £101m    25.7%</div>
<div>PROFIT BEFORE TAX</div> <div>£29.1m</div> <div>2023: £26.4m    10.2%</div>	<div>RETURN ON EQUITY**</div> <div>12.2%</div> <div>2023: 12.6%    -0.4%</div>
<div>DILUTED EARNINGS PER SHARE</div> <div>50.9p</div> <div>2023: 48.5p    4.9%</div>	<div>DIVIDEND PER SHARE</div> <div>18p</div> <div>2023: 17p    5.9%</div>

\* after IFRS 9 impairment charge  
\*\*12 months profit after tax / monthly average equity

## OPERATING INCOME VS OPERATING EXPENSE GROWTH





# INCOME STATEMENT

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC

	2024	2023
	Audited £'000	Audited £'000
<b>Continuing operations:</b>		
Revenue	265,373	220,775
Cost of sales	(109,983)	(93,539)
<b>Gross profit</b>	<b>155,390</b>	<b>127,236</b>
Impairment charges	(33,332)	(20,298)
<b>Income from operations</b>	<b>122,058</b>	<b>106,938</b>
Other direct expenses	(59,171)	(53,223)
Administrative expenses	(27,384)	(24,204)
<b>Operating expenses</b>	<b>(86,555)</b>	<b>(77,427)</b>
<b>Operating profit</b>	<b>35,503</b>	<b>29,511</b>
Investment revenues	82	82
Finance costs	(6,528)	(3,233)
<b>Profit before taxation</b>	<b>29,057</b>	<b>26,360</b>
Tax charge on profit	(6,829)	(5,277)
<b>Profit for the financial year and total comprehensive income</b>	<b>22,228</b>	<b>21,083</b>
<b>Earnings per share from continuing operations</b>	<b>Pence</b>	<b>Pence</b>
Earnings per ordinary share – Diluted	50.9	48.5
Dividend per ordinary share	18.0	17.0

- Gross profit increased by 22% with sustained demand for pawnbroking, a strong H2 performance along with improving margins from retail of 31% (2023:30%) and gold purchase 27% (2023: 20%)
- Impairment charge includes uncollected interest on pledge loans that have reached default (before the recovery of profit earned on disposition of the pledge item) of £29m charge and increased provision of £4.6m
- Operating expenses increased by 12% . Employee related costs contribute 58% (2023: 57%) to total costs, increasing by 9% primarily due to increases in national living wage
- Finance costs increased with greater use of existing and new funding facilities
- Corporation tax rates increased to 25% from 19% from April 2023 and investment super-deduction allowance ended. Effective tax rate increased to 24% from 20%.
- Diluted EPS increased by 5% to 50.9p
- Dividend increased by 6% to 18p, in line with stated progressive policy, maintaining at least two times cover



# BALANCE SHEET

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



£'000	2024	2023
Pledge book: capital value of loans	126,833	101,266
Accrued interest	41,911	33,455
IFRS 9 impairment provision	(10,455)	(5,834)
Pledge book: net carrying value of loans	158,289	128,887
Inventories	40,582	40,711
Goodwill	27,310	21,851
Property, plant and equipment	15,780	15,686
Net debt	(54,447)	(31,613)
Other net assets	4,618	1,848
Net assets	192,132	177,370

- Net carrying value of pledge book of £158m (2023: £129m), comprising: capital value of £127m (2023: £101m) plus accrued interest of £42m (2023: £33m) less IFRS 9 impairment provision of £10.5m (2023:£6m), increasing provision coverage to 6.2% (2023: 4.3%)
- Inventory unchanged at £41m (2023: £41m), conservatively valued and includes retail inventory in the stores of £26m (2023: £29m), stock turn (12 month average) of 2 times (2023: 2 times)
- Goodwill includes amounts paid for Swiss Time Services of £1.6m and Maxcroft of £5m
- Net debt position of £54m (2023: £32m)
  - borrowings of £69m (2023: £43m)
  - cash on hand increased to £15m (2023: £11m), with increasing store estate and FX currencies
- Post tax Return on Tangible Equity (RoTE) of 15.1% (2023: 15.1%)
- Post tax Return on Equity (RoE) of 12.2% (2023: 12.6%), primarily impacted by higher corporation tax rates



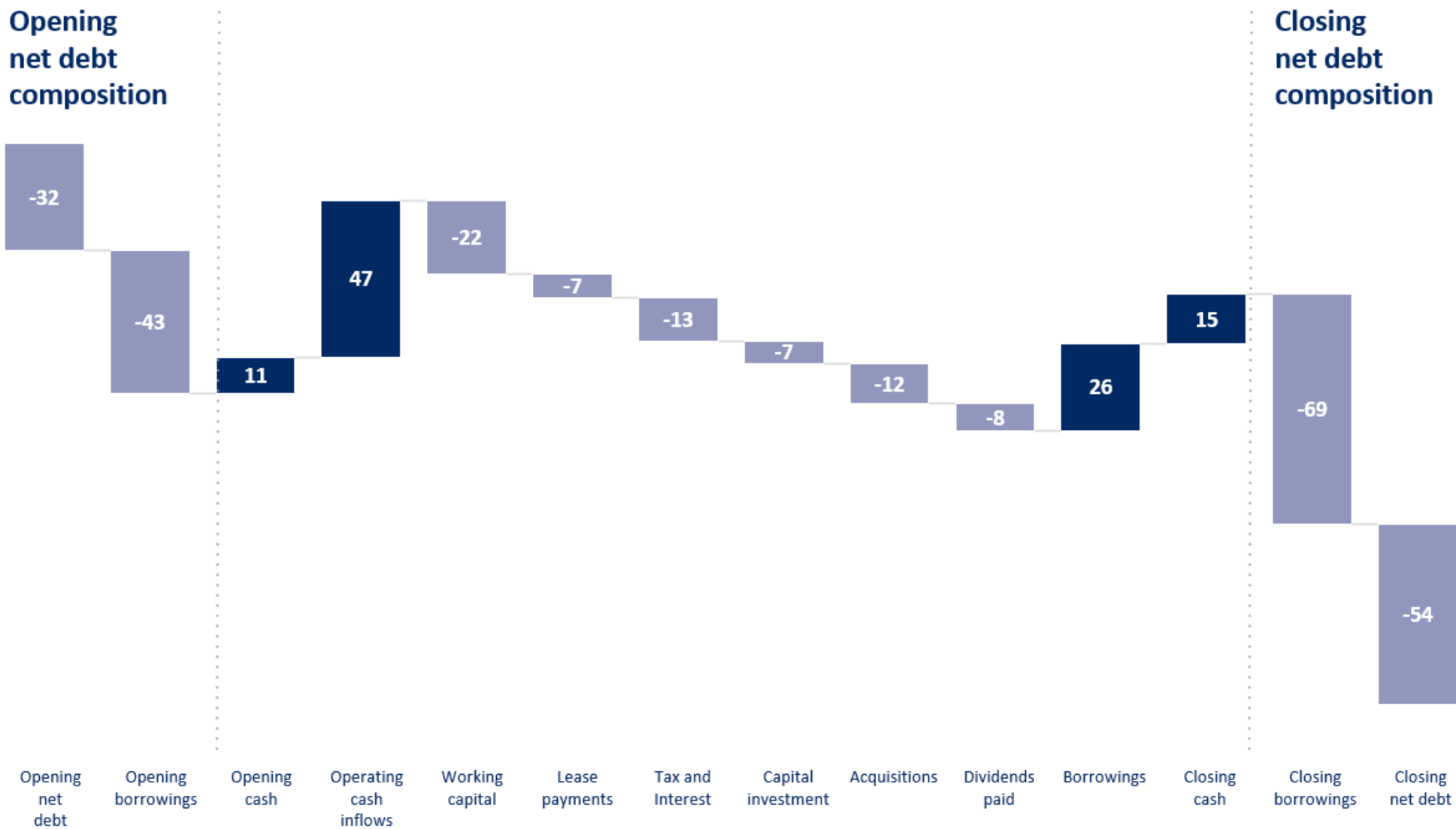


# CASH FLOW STATEMENT

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



NET CASH BRIDGE - £m



- Increased operating cash inflows to £47m (2023:£39m)
- Cash used to fund a growing business:
  - primarily growth in the pledge book, £23m (2023: £29m)
  - acquisition of Maxcroft £11.4m (2023 acquisitions: £3m)
  - pay taxes of £7m (2023:£6m) and interest on borrowings of £6m (2023: £3.5m)
  - investment in capex £7m (2023: £9m)
    - store estate £4m
    - IT platform £3m
- Paid dividend of £8m (2023: £7m)
- Additional borrowings of £26m (2023:£28m)
- Net debt position of £54m (2023: £32m).
  - available funding facilities of £85m, of which £69m (2023: £43m) was utilised at 31 December
  - gearing remains modest given strength of the balance sheet
  - available funding headroom at February 2025 is £14m





A photograph of a jewelry store display featuring various gold necklaces, bangles, earrings, and rings arranged on white and blue mannequins and stands. The background is a blurred view of the store's interior.

# SEGMENTAL RESULTS

## FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2024





# PRODUCTS AND PROFIT CONTRIBUTION

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC

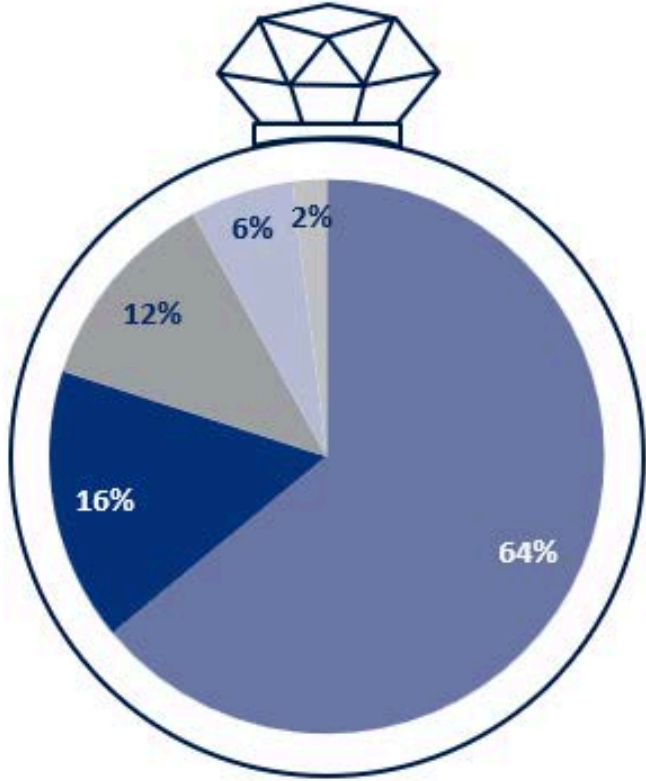


## PRODUCT OFFERING



## GROSS PROFIT BY PRODUCT: FY24

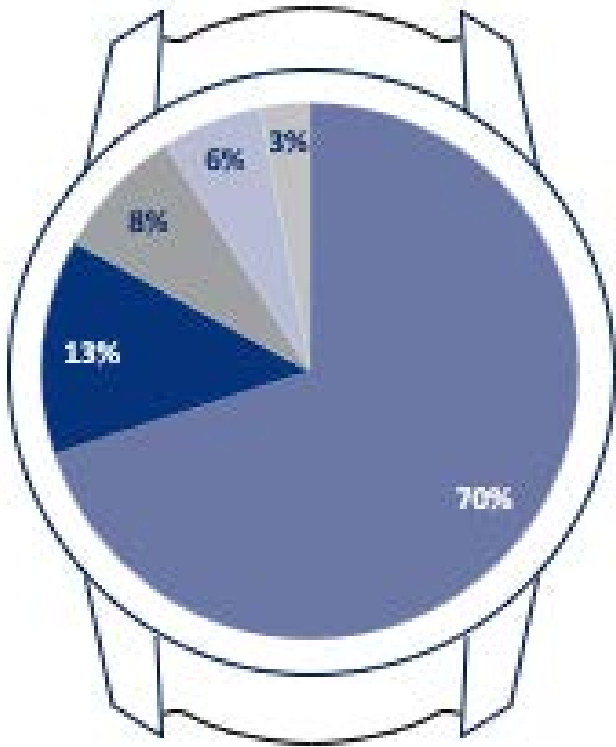
GROSS PROFIT BY PRODUCT:  
FY24



- Pawnbroking
- Retail
- Gold Purchasing
- Foreign Exchange
- Other Services

## GROSS PROFIT BY PRODUCT: FY23

GROSS PROFIT BY PRODUCT:  
FY23



- Pawnbroking
- Retail
- Gold Purchasing
- Foreign Exchange
- Other Services

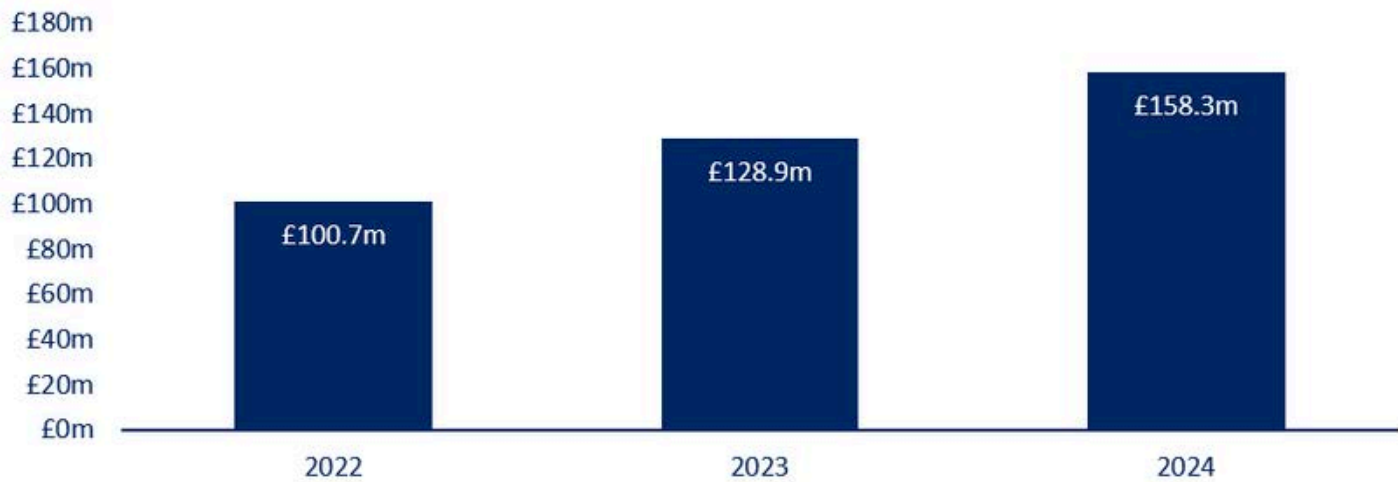


# SEGMENTAL RESULTS: PAWNBROKING

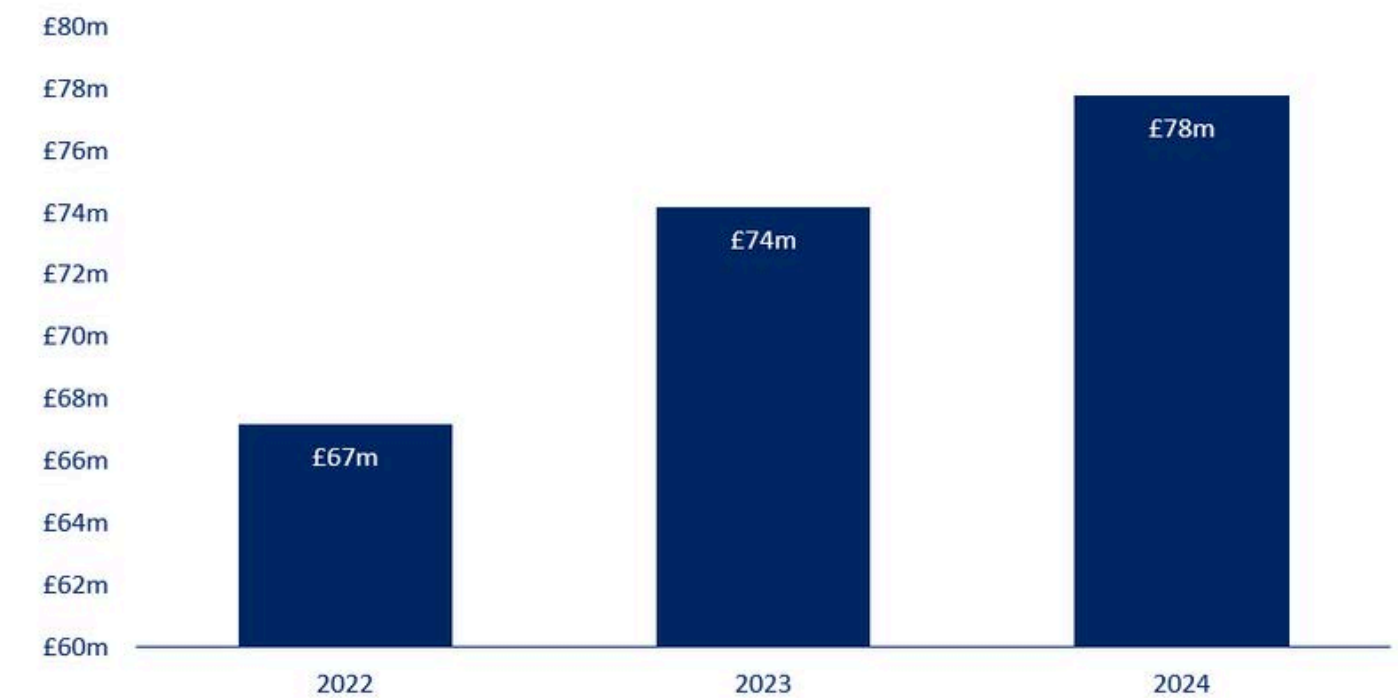
INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



NET PLEDGEBOOK: INCLUDING ACCRUED INTEREST & IMPAIRMENT



PAWNBROKING: GROSS PROFIT LESS IMPAIRMENT INCLUDING SCRAP



- Pledge lending is the Group’s core business
- Borrowing demand by individuals and business owners continued to gather momentum at a time of reduced supply of small-sum short-term credit
- Income increased by 5% to £78m (2023: £74m), which now includes pawnbroking scrap profits
- Pawnbroking scrap profits grew to £10m (2023: £5m), with gross margin of 27% (2023: 17%)
- Gross lending for the year increased by 14% to £296m (FY 2023: £260m)
- Pledge book capital value grew by 26% to £127m (December 2023: £101m)
- Pledge book carrying value grew by 22% to £158m (December 2023: £129m)
- Loans to new customers represent 12% of volume
- 98% of pledge book collateralised with gold, jewellery and watches
- Average Loan to Value (‘LTV’) ratio consistent at c.65%
- Redemption rates consistent at c.85%
- Average loan duration consistent at 97 days (December 2023: 97 days) as customers choose to repay their loans early when they are able to do so
- Annualised risk adjusted margin, including pawnbroking scrap profit, of 71% (2023: 78%)
- An increase in mean loan values to £460 (December 2023: £428) and median loan value to £245 (December 2023: £201), as some customers chose to borrow slightly more and an increased proportion of larger loans within pledge book
- Loans >£5,000, which tend to be used for business purposes, represent 18% (2023: 13%) of pledge book and c.2% of customers. Deploying learnings from Maxcroft





# SEGMENTAL RESULTS: PAWNBROKING YIELD

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



Risk adjusted margin, now including pawnbroking scrap income, on average capital value is 71% (2023 restated: 78%), having been impacted by the following:

- Very strong growth in the Pledge Book in Q4: 2024 revenues reflect limited benefit from this growth, as it occurred late in the year and time on book was not significant.
- Increased IFRS 9 provisions: increases in lending interest rates necessitated a review of impairment model input assumptions, as the effective interest rate (EIR) which is used to discount future cash flows, is higher. This, coupled with the strong growth seen in the pledge book in Q4 2024, required additional levels of provisions, which increased by £4.7m (2023: decrease of £6m) to £10.5m (2023: £5.8m).
- Higher redemptions: customers chose to repay their pledge loans earlier during the Spring, resulting in a c.15% increase in the normal monthly redemption flow, reducing the capital value of the pledge book, and correspondingly reducing the yield earned on the book during the year.

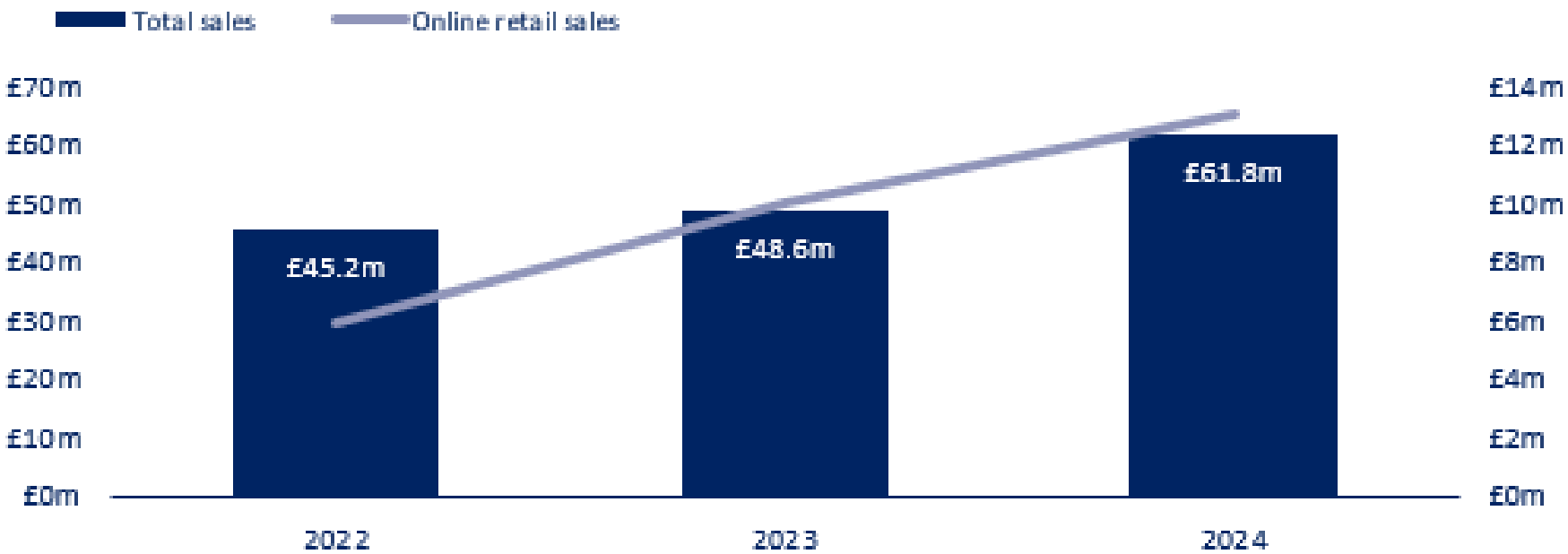


# SEGMENTAL RESULTS:RETAIL

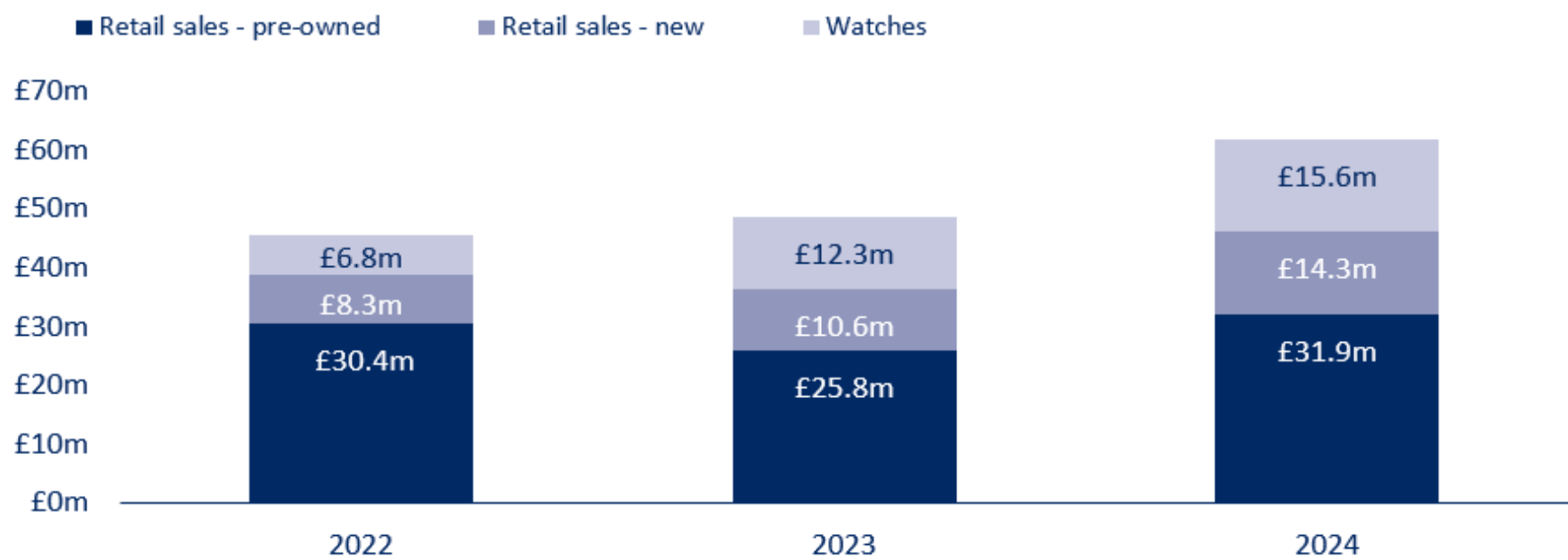
INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



## RETAIL SALES



## RETAIL SALES MIX



H&T is a retailer of high quality new and pre-owned jewellery and pre-owned watches

- Retail sales revenue increased by 27% to £61.8m (2023: £48.6m)
  - Q4 sales particularly strong, including both Diwali and Christmas
  - Sales of both new and pre-owned coins and gold bars particularly strong in latter months, encouraged by high gold price
  - Customers continue to prefer lower priced items, often choosing new over pre-owned. We tailor our offering accordingly
  - Margins recovering to 31% (2023: 30%). Blended margin is impacted by sales mix as margins vary by product type
- Jewellery price rises implemented. Watch margins recovering. Overall margins expected to improve in 2025
- Sales of new jewellery and coins represented 23% (2023: 25%) of total sales, while sales of pre-owned jewellery, watches and coins represented 77% (2023: 75%)
- Online originated sales at record levels, up by 36% to £13.3m (2023: £9.8m), and represented 22% (2023: 20%) of total sales by value

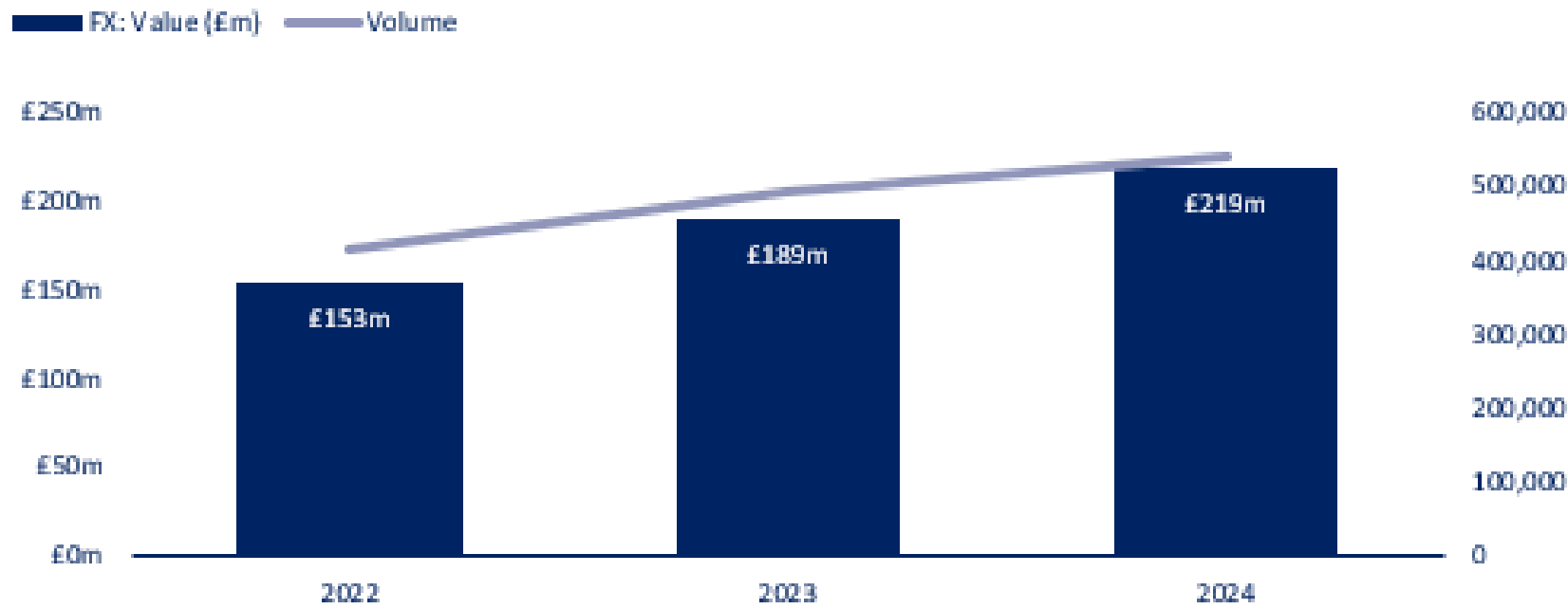


# SEGMENTAL RESULTS: FOREIGN CURRENCY

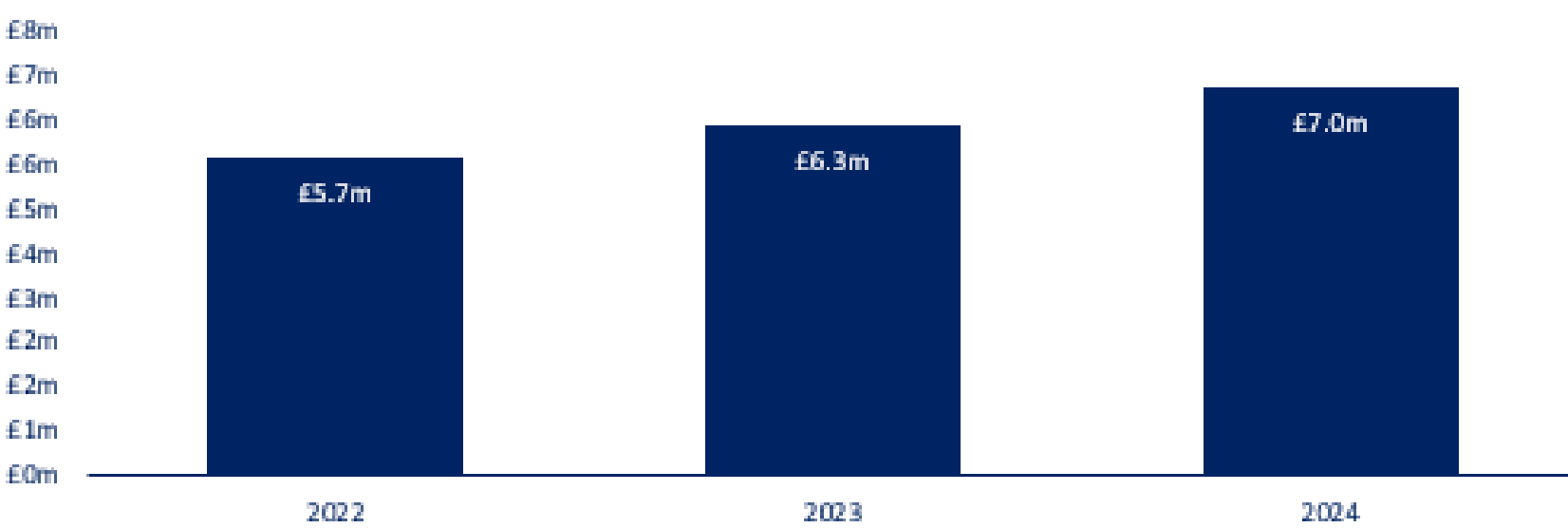
INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



FX: VALUE (£'m) AND VOLUME



FX: GROSS PROFIT (£'m)



- Gross profit grew by 11% to £7.0m (2023: £6.3m)
- Transaction volumes increased 10% year on year. Currency sales exceeded expectations. Currency purchases across the wider market were lower than expectation during summer months, recovering in Q4
- Margins on currency sales c.3% and on purchases c.10%
- Average transaction values increased slightly on prior year to £405 (2023: £386)
- Click and collect transaction values significantly higher than store-based transactions at £757 (2023: £685)
- Broadened range of currencies held in stock in stores. Learnings following Maxcroft acquisition deployed
- There remains a role for physical cash despite the growth in cashless transactions overseas



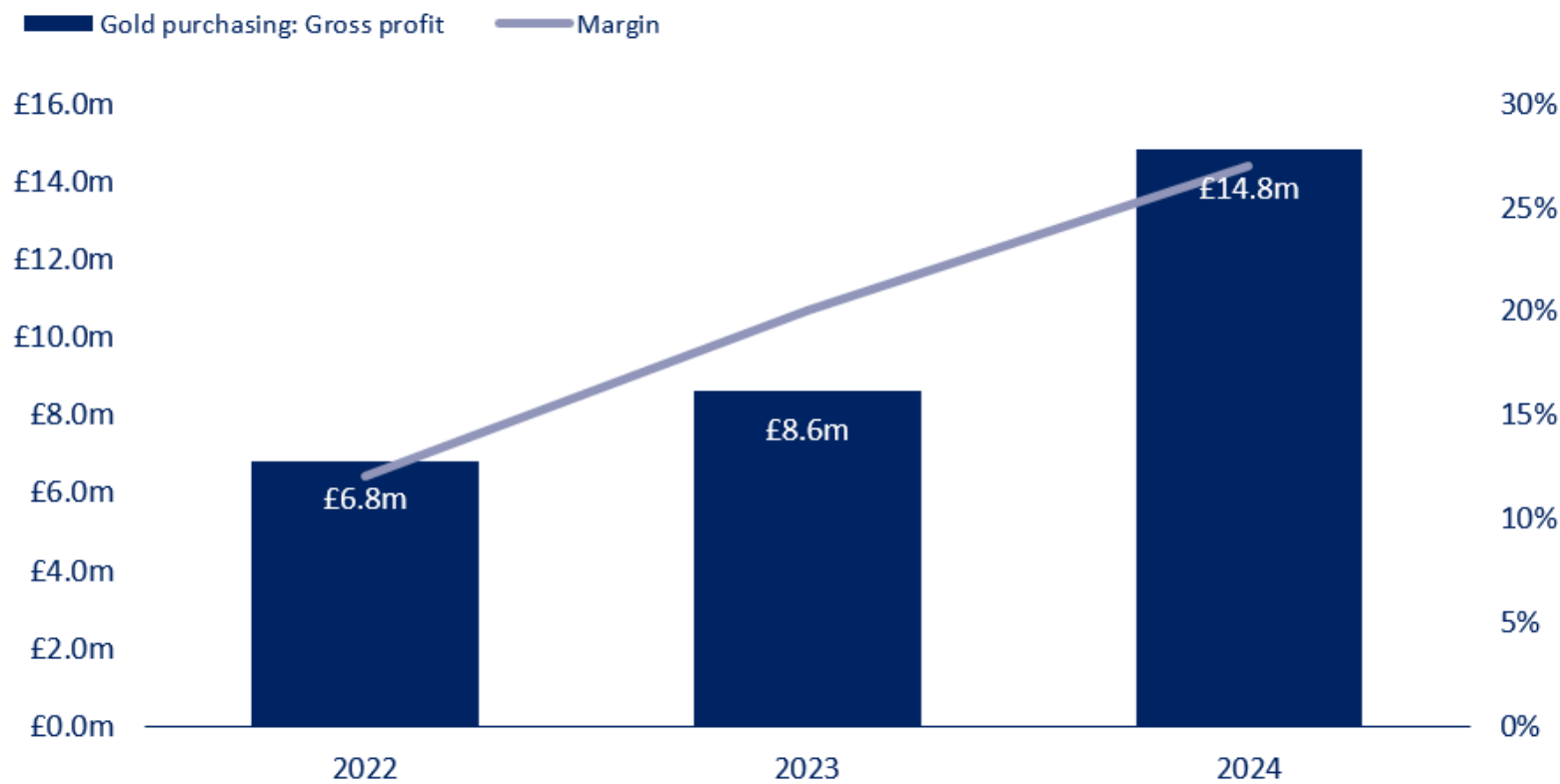


# SEGMENTAL RESULTS: GOLD PURCHASING

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



## GOLD PURCHASING: GROSS PROFIT AND MARGIN %



- Gross profit grew by 72% to £14.8m (2023: £8.6m)
- Transaction volumes were broadly flat
- Margins significantly higher at 27% (2023: 20%), supported by strong gold price and focus on margin rather than volume
- Average gold price of £1,739 (2023: £1,550)





# SEGMENTAL RESULTS: OTHER SERVICES

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



## GROSS PROFIT\* BY PRODUCT



We offer ancillary financial services to broaden our product offering and bring footfall into stores

### MONEY TRANSFER

Contribution broadly flat at £1.0m (2023: £1.1m)  
Customer numbers broadly flat; however, they are transferring smaller sums of money, less often

### CHEQUE CASHING

Contribution remains modest at £0.8m (2023: £1.1m)  
Use of cheques in the wider economy continues to decline

### PERSONAL LOANS

Contribution reduced to £0.4m (2023: £0.9m)  
The Group no longer offers an unsecured lending product.

### OTHER INCOME

Includes income from watch repair services provided by Swiss Time Services







# CHANGE OF YEAR END

FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2024





# CHANGE OF ACCOUNTING REFERENCE DATE (“YEAR END”)



INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC

- Decided to change the Group’s financial year end from 31 December to 30 September, with effect from September 2025
- Resulting in financial performance being more evenly spread across the two half-year reporting periods
- For the 2025 financial year, statutory audited results covering the nine-month period to 30 September 2025 are expected to be published in January 2026. Simultaneously the Group will publish unaudited comparative results for the twelve months to 30 September 2025
- Trading update to be published in July 2025, covering the first six months of the calendar year to 30 June 2025
- To support the transition, we have today published comparative 12 month results to September 2024
- For future financial years, the reporting cycle will comprise six month interim reporting to March, expected to be published in May, and full year reporting to September, expected to published in January

- Dividend cycle will follow the same change, summarised in table:

	<div>Interim Dividend</div> <div>Final Dividend</div>	
9 month Statutory Year 2025		
Period	3 months to March 2025	6 months to September 2025
Payment Date	August 2025	April 2026



# STRATEGY & FOCUS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2024





# STORE ESTATE: KEY METRICS

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



## STORE STATISTICS

### NUMBER OF STORES

285

2023: 278

⬆ 7

### AVERAGE REVENUE PER STORE

£926k

2023: £789k

⬆ 17%

### AVERAGE PLEDGE BOOK CAPITAL VALUE PER STORE

£445k

2023: £364k

⬆ 22%

### AVERAGE INVENTORY PER STORE

£101k

2023: £104k

⬆ -3%

### AVERAGE FTE PER STORE

3.7

2023: 3.7

⬆ -%

### REVENUE PER FTE (GROUP WIDE)

£190k

2023: £162k

⬆ 17%

### AVERAGE STORE RUNNING COST

£210k

2023: £194k

⬆ 8%

### AVERAGE LEASE COST

£26k

2023: £27k

⬆ -4%

## DELIVERY TO DATE

- Eight new stores were added in 2024, with one closure
- Invested in new and existing stores
- Increased new customer numbers
- Focus on improving operational efficiency while growing revenue and profit metrics





# STORE ESTATE: REFRESH PROGRAMME

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



## REFRESH PROGRAMME

- Refreshed 48 stores in 2024, with a programme of c.50 refreshes per annum
- Annual aggregate capex of c.£2m
- Stores will be refreshed, on average every 5 to 6 years
- Refreshed stores are brighter and more welcoming, to encourage new and retain existing customers

AVERAGE COST TO REFRESH A STORE

c.£18k

2023: £18k

Stockport store:

Before



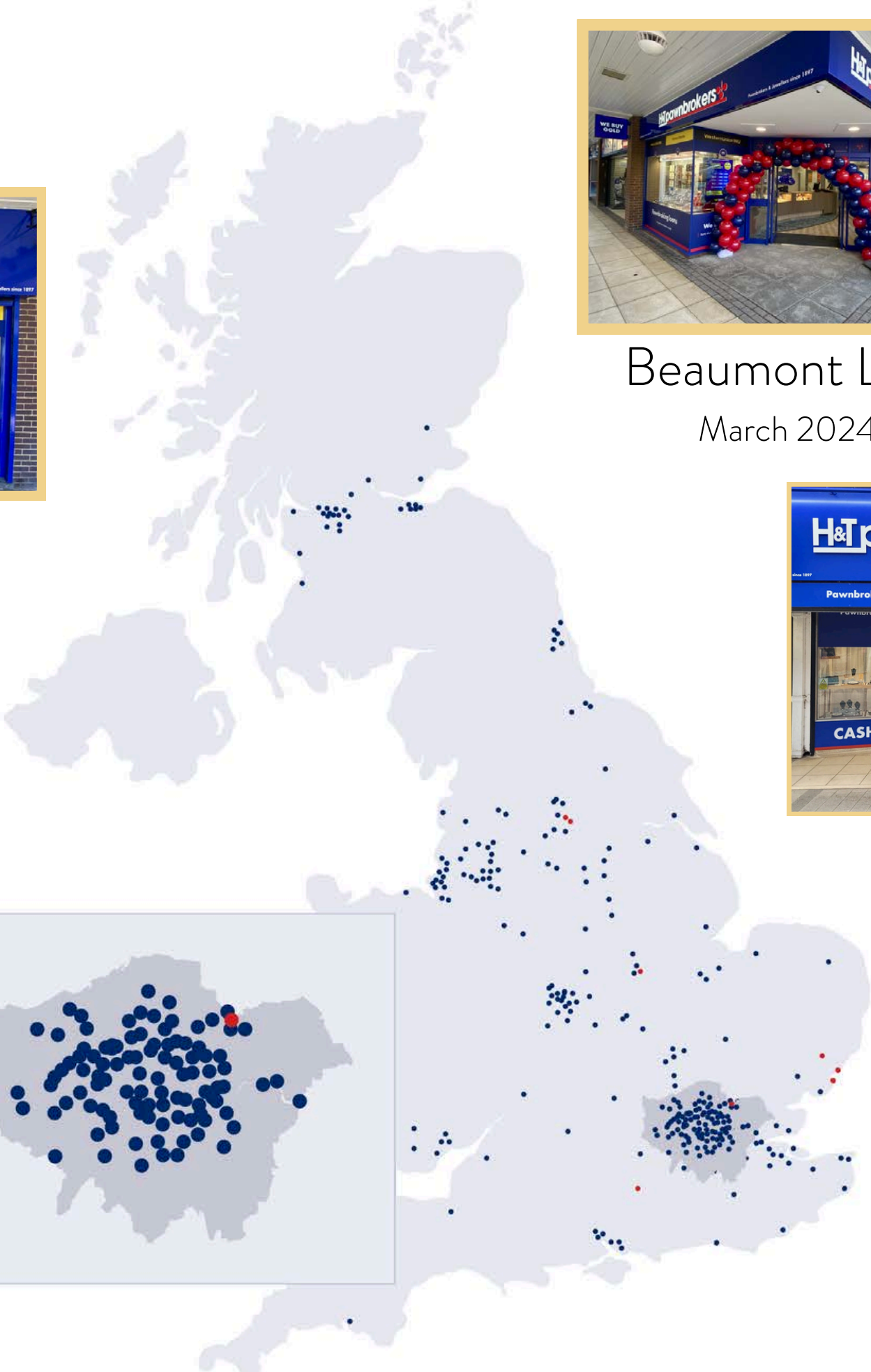
After





# H&T STORE ESTATE

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



Leeds Merrion  
July 2024



Leeds Bramley  
June 2024



Basingstoke  
May 2024



Beaumont Leys  
March 2024



Felixstowe  
December 2024



Dovercourt  
December 2024



Eastern Avenue  
February 2024



Ipswich 2  
December 2024





# STORE ESTATE: ROLL-OUT ECONOMICS

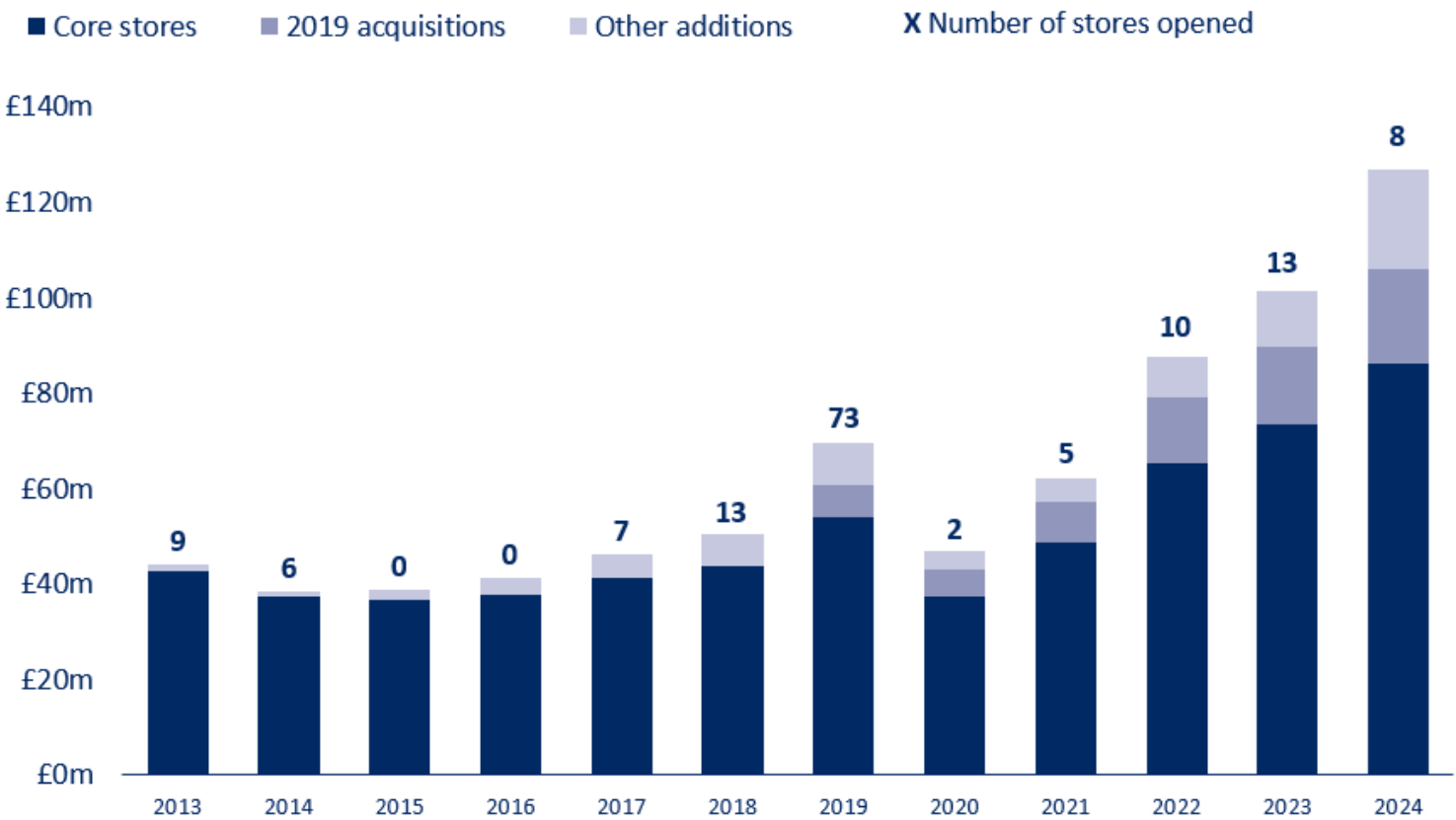
INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



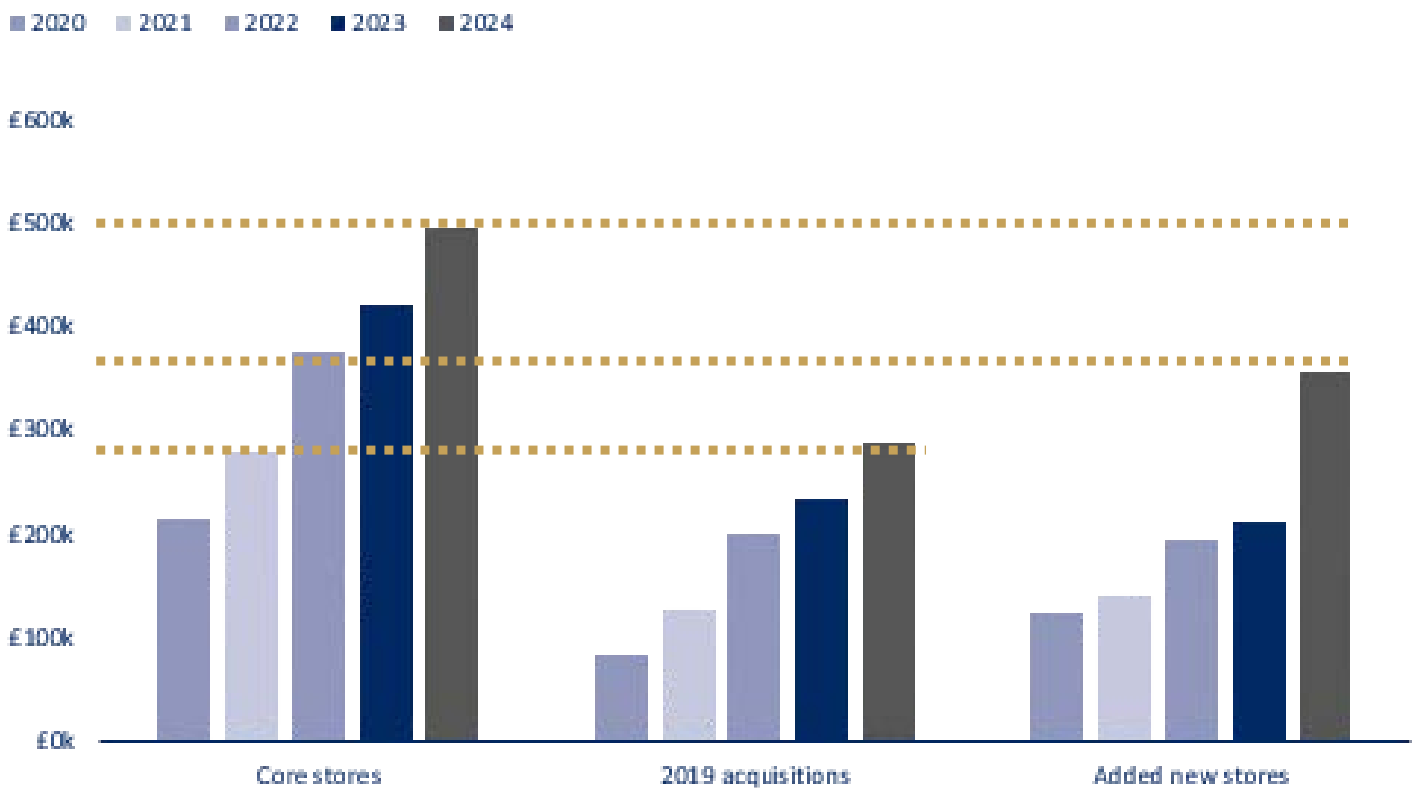
## Our approach to new stores:

- We are highly selective with new store openings, expanding coverage in a controlled, measured and sustainable way
- Potential new store locations are identified, supported by independent data that considers customer demographics, footfall and location of community hubs
- Each new store is supported by a stand-alone business case considering internal investment and profitability hurdles
- New stores are expected to be profitable, on a run-rate basis, no later than their second year of operation.
- Independent pawnbroking businesses are acquired only if they fully meet investment and location criteria
- Recent cost inflation has made acquisition relatively more attractive than opening, and will likely result in fewer store openings in the 12 months ended September 2025

### STORE ROLL-OUT PLEDGE BOOK GROWTH



### AVERAGE PLEDGE BOOK PER STORE



### AVERAGE COST TO FIT OUT A STORE

£145k  
2023: £180k

### AVERAGE CASH INVESTMENT IN NEW STORE

£200K -  
£350K

### EXPECTED TIME TO RUNRATE PROFITABILITY OF NEW STORES

2 years

- Between 2013 and 2018 had limited organic growth, other additions all acquisitions, no new stores
- From 2021 growth primarily organic from core estate
- Store additions contributing an increasing proportion of growth and represent embedded future value



## PRE OWNED & NEW JEWELLERY RETAIL STRATEGY SECOND-HAND JEWELLERY

### PRE-OWNED

- Retail sales of pre-owned items is primarily disposition route of collateral when a pawnbroking loan forfeits
- Approximately 15% of pawnbroking loans forfeit, and the underlying collateral requires disposition
- As the pledge book continues to grow, the volume of collateral requiring disposition increases commensurately
- We have recently expanded our jewellery centre to help process these increasing volumes
- Pre-owned retail stock allocation is carefully planned through central merchandising team and is store specific

### NEW

- New jewellery items generally have lower price point, broadening appeal
- Business model mix of pre-owned and new jewellery items provides flexibility as customer preferences change



### ONLINE

- Continue to improve and enhance our online presence
- Contributing 22% of retail sales
- 50% of online sales viewed in stores prior to completion - supporting strategy of bringing footfall to the stores



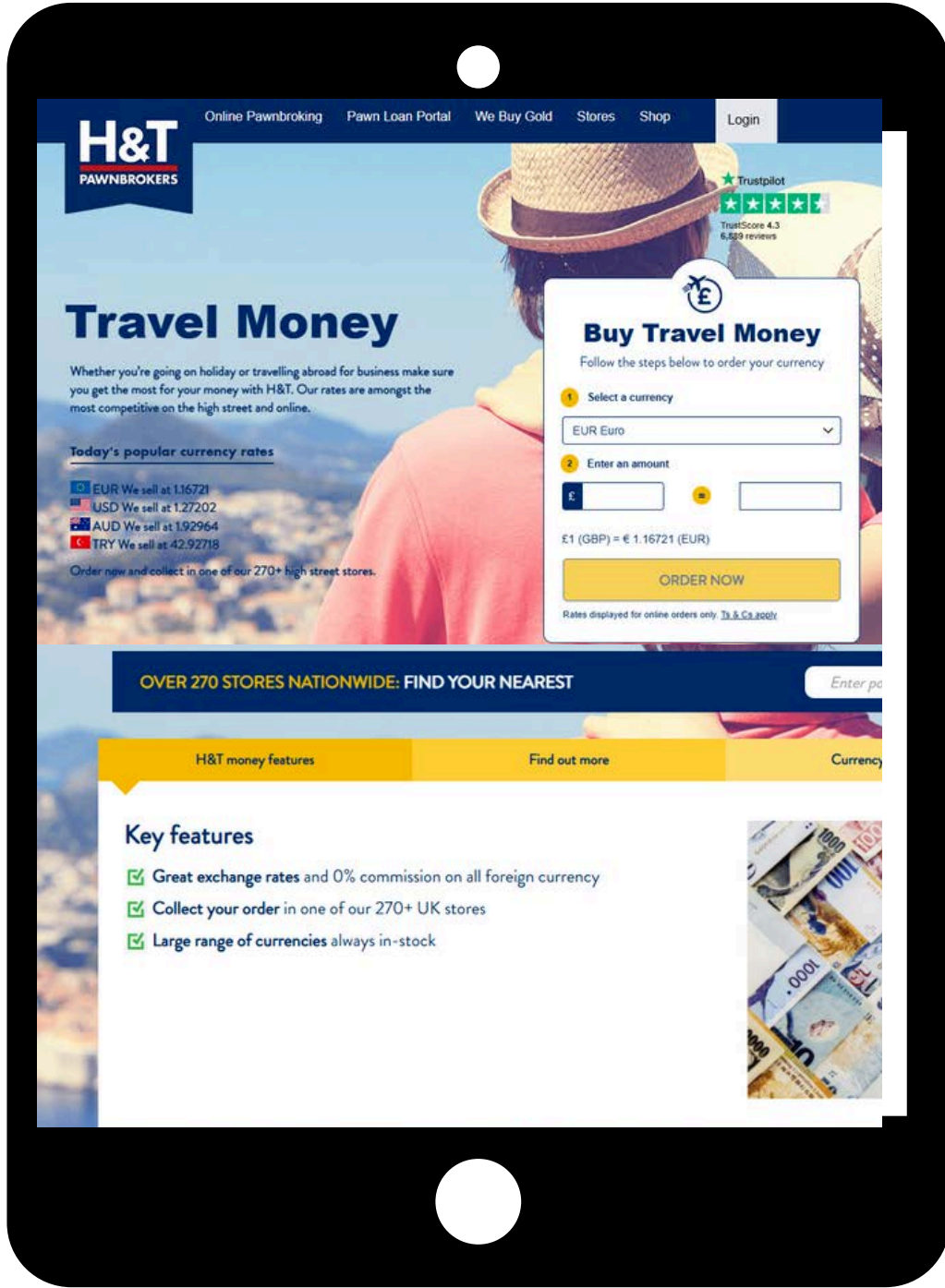
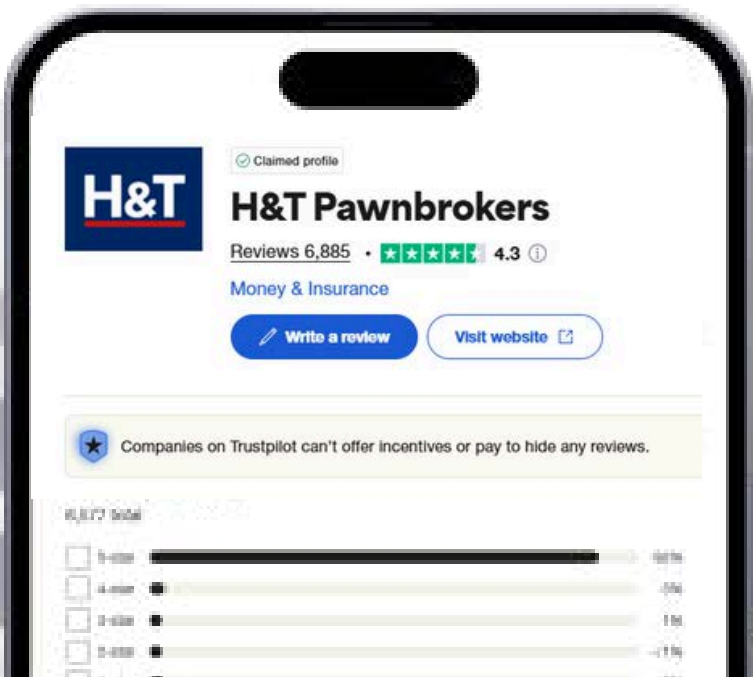
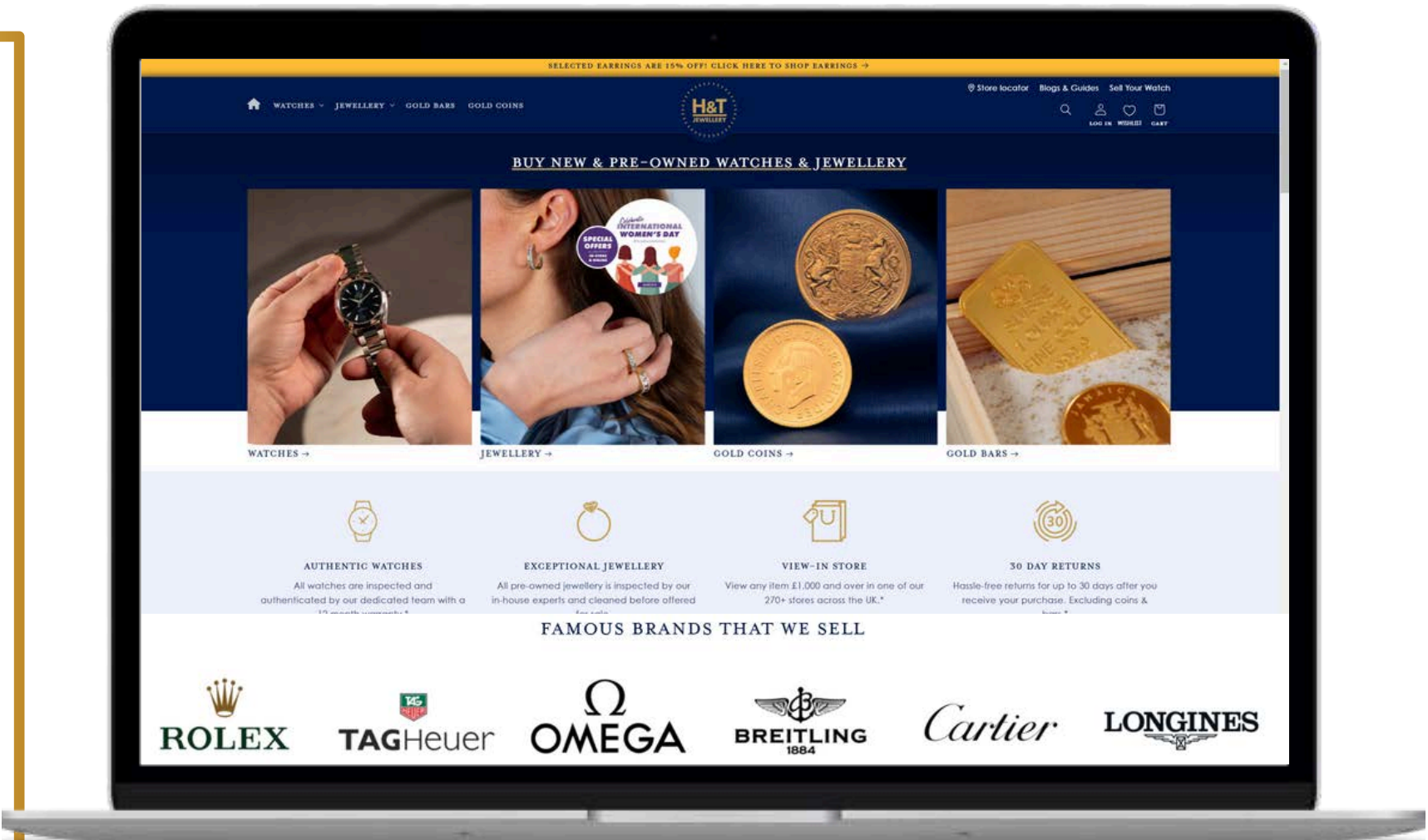
# STRATEGIC FOCUS: TECHNOLOGY

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



## 2025 STRATEGY

- EVO enhancing in-store customer journey, improving operational efficiency
- Richer customer data and analytics capabilities
- Improving lending and collections activities and retail merchandising & marketing
- Capex investment of £6.3m since 2021, with further 3 years expected to complete the programme





The background of the slide is a close-up, side-profile photograph of an elderly woman with short, wavy grey hair. She is wearing a dark blue jacket over a white collared shirt. Her right hand is raised to her eye, holding a small, silver telescope. She is looking through the telescope with a focused expression. The background is blurred, showing what appears to be an office or library setting with bookshelves.

# OUTLOOK AND INVESTMENT CASE

## FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2024





# MACRO ECONOMIC FACTORS: SUPPORT FACTORS

## SUPPORT GROWTH POTENTIAL

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC

### PLEDGE BOOK:

- Anticipate continued strong demand for core pawnbroking product
- Ongoing need for regulated small-sum, short-term loans at a time when supply is severely restricted
- Continuing demand from customers who are business owners, often excluded by mainstream financial institutions, using the pawnbroking service for working capital purposes

### RETAIL:

- Systemic growth in demand with:
  - Attractiveness of buying pre-owned products
  - Environmental and sustainability benefits of buying pre-owned
- Our retail products represent good value for money and a store of value
- Offer an expanding range of new jewellery, generally at lower price points than pre-owned

### FOREIGN CURRENCY / TRAVEL MONEY:

- As demand for overseas travel continues the need for FX services is expected to remain resilient
- Demand for physical cash continues despite growing popularity of cashless payment methods
- Receiving increased focus and investment

### COST BASE:

- Increase operational leverage to improve returns on a predominantly fixed cost base
- Close cost control and achieving operating efficiencies are a key focus
- Payroll is the largest expense, impacted by changes in national living wage and Employers' National Insurance costs
- Attractive lease renewal terms continue to be available



# H&T INVESTMENT CASE

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



## CLEAR MARKET LEADER



Trusted pawnbroker for 128 years

H&T offers a diversified product portfolio across 285 stores throughout the UK, and increasingly online

We are the UK’s largest pawnbroker and a leading retailer of high quality new and pre-owned jewellery and watches, with strong positions in other product offerings, e.g. one of the UK’s largest small-sum money transfer agents



## STRUCTURAL GROWTH OPPORTUNITY



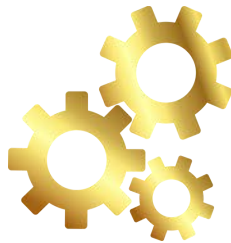
Target audience is growing as supply of small-sum, short-term credit is constrained at a time of increased demand

Increased demand from customers who are business owners, often excluded by mainstream financial institutions, using the pawnbroking service for working capital purposes

Growing demand for pre-owned jewellery, coins and watches which represents c.77% of retail sales

Store footprint can be extended to cover broader geography at a relatively modest investment per store

## STRONG RETURNS



Growth in the pledge book underpins future earnings, alongside other product offerings

Predominantly fixed cost base provides scalability and operational leverage

Foreign currency and retail enable us to increase revenue and profit per store

Target to achieve sustainable post-tax ROE\* of mid-teens through the cycle

Progressive dividend policy with minimum 2 x cover target ratio

\*Based on H&T’s effective corporate tax rate



# H&T INVESTMENT CASE CONTINUED

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



## GROWING RESPONSIBLY



Committed to growing responsibly

Investing in customer service, our teams around the UK and our properties to ensure they are welcoming as well as supporting local communities

Increasing demand for pre-owned jewellery and watches, driven by demographics, price-sensitive consumers and increasing awareness of environmental and sustainability matters

## SUSTAINABLE BUSINESS MODEL



Pledge lending collateral is precious metals, watches and jewellery, always in our control

No recourse to the borrower at any time – very different to other forms of lending

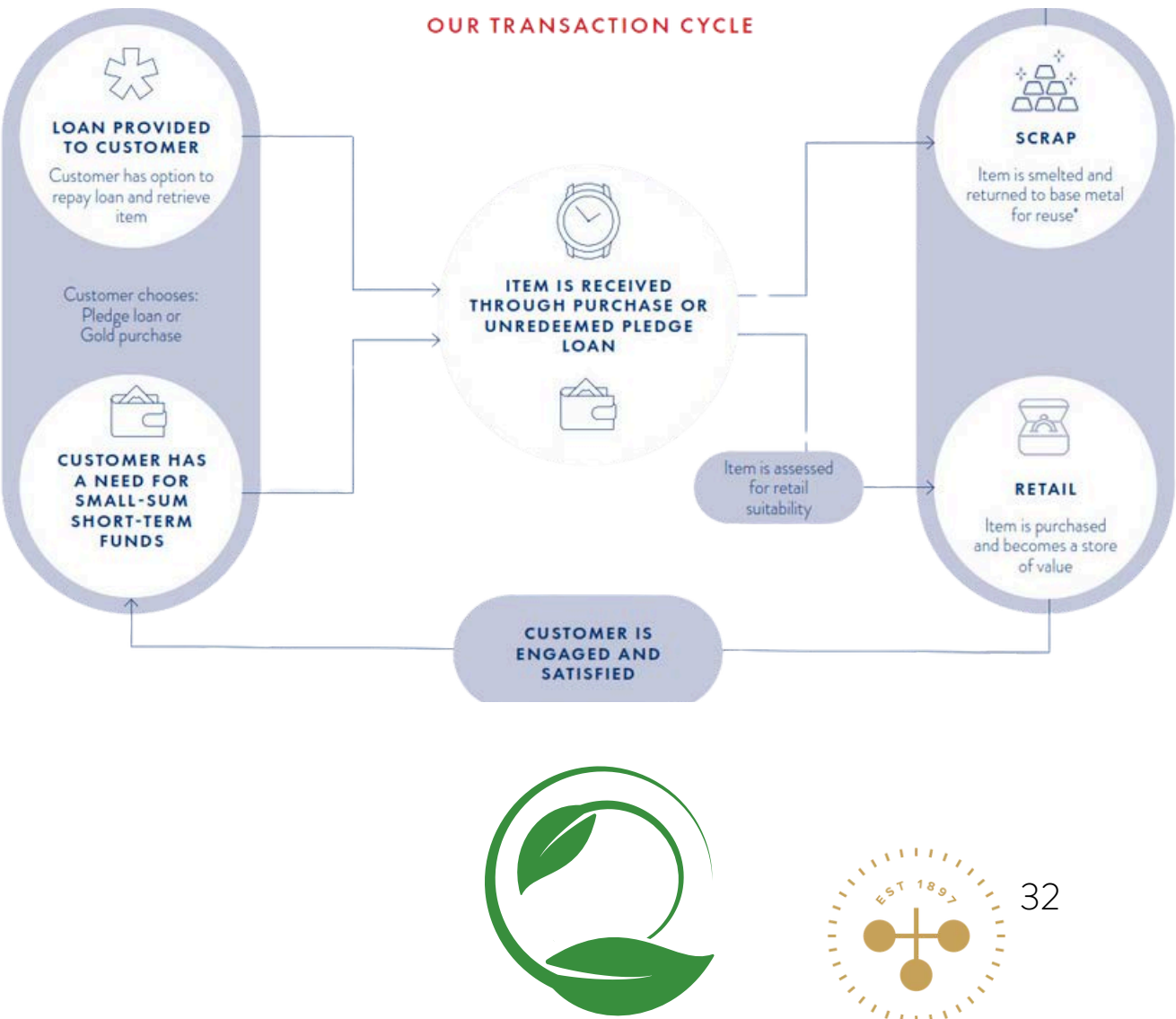
Strong control culture and operational environment

Prudent underwriting policies. Loan to value ratios c.65%

Strong customer advocacy with high levels of repeat business

Our team of experts evaluates items acquired through purchases or unredeemed pledge loans, determining whether they should be resold or sustainably scrapped.

This approach fosters a circular economy, ensuring that jewellery and watches remain in circulation through refurbishment, reuse, and redistribution.





A close-up photograph of a watchmaker with a beard and hair, wearing a light blue checkered shirt, working on a watch movement. He is using a pair of tweezers to adjust a component on a black circular base labeled 'BERGEON N° 5285-55'. A magnifying lamp is positioned above his work area. The background is a workshop setting with various tools and materials on a green mat.

# QUESTIONS & APPENDIX





# FUNDING FACILITIES AT MARCH 2025

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



Made significant progress in past 12 months to increase and diversify funding sources and maturity profile of the Group’s funding arrangements

Aggregate funding facilities available at December 2024 are £85m (2023: £60m)

Lloyds Bank plc	Overdraft	£5m	Bank of England base rate plus 1.7%	January 2026 Renews annually
Lloyds Bank plc	Revolving Credit Facility	£45m	Sonia plus margin of between 2.4% and 3.3%	December 2027
Allica Bank Limited	Term Loan	£10m	Bank of England base rate plus 4%	December 2027
Pricoa Private Capital (February 2024)	Series A Secured Note	£10m	8.37%	February 2029
Pricoa Private Capital (February 2024)	Series B Secured Note	£15m	8.43%	February 2031





# FUNDING FACILITY CONTINUED

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



All lenders rank pari passu, with identical financial covenants

Financial Covenant	Ratio	31 December 2024	31 December 2023
Total Net Debt to EBITDA	2.5 x	1.4 x	0.9 x
Interest Cover Ratio	4 x	7.6 x	18.4 x
Fixed Charge Cover Ratio	1.5 x	3.5 x	14.8x
Asset Cover Ratio	3 x	3.7 x	5.4 x





# UPDATE ON MAXCROFT ACQUISITION

INVESTOR PRESENTATION | FULL YEAR RESUTS 2024 | H&T PLC



## WHY DID WE ACQUIRE MAXCROFT?

Investment aligns with H&T’s key strategic focus of:

- Growing the core pawnbroking offering
- Expanding the store estate
- Attracting business owners using pawnbroking services to fund working capital needs

Business has traded for over 40 years from a single store in Ilford bringing established long-term customers

Foreign currency business generating revenues significantly higher than any H&T store

## POST ACQUISITION UPDATE

Integration proceeded as planned, existing store team remains

Consultancy agreement with previous owner extended and broadened, his role now covers wider H&T Group

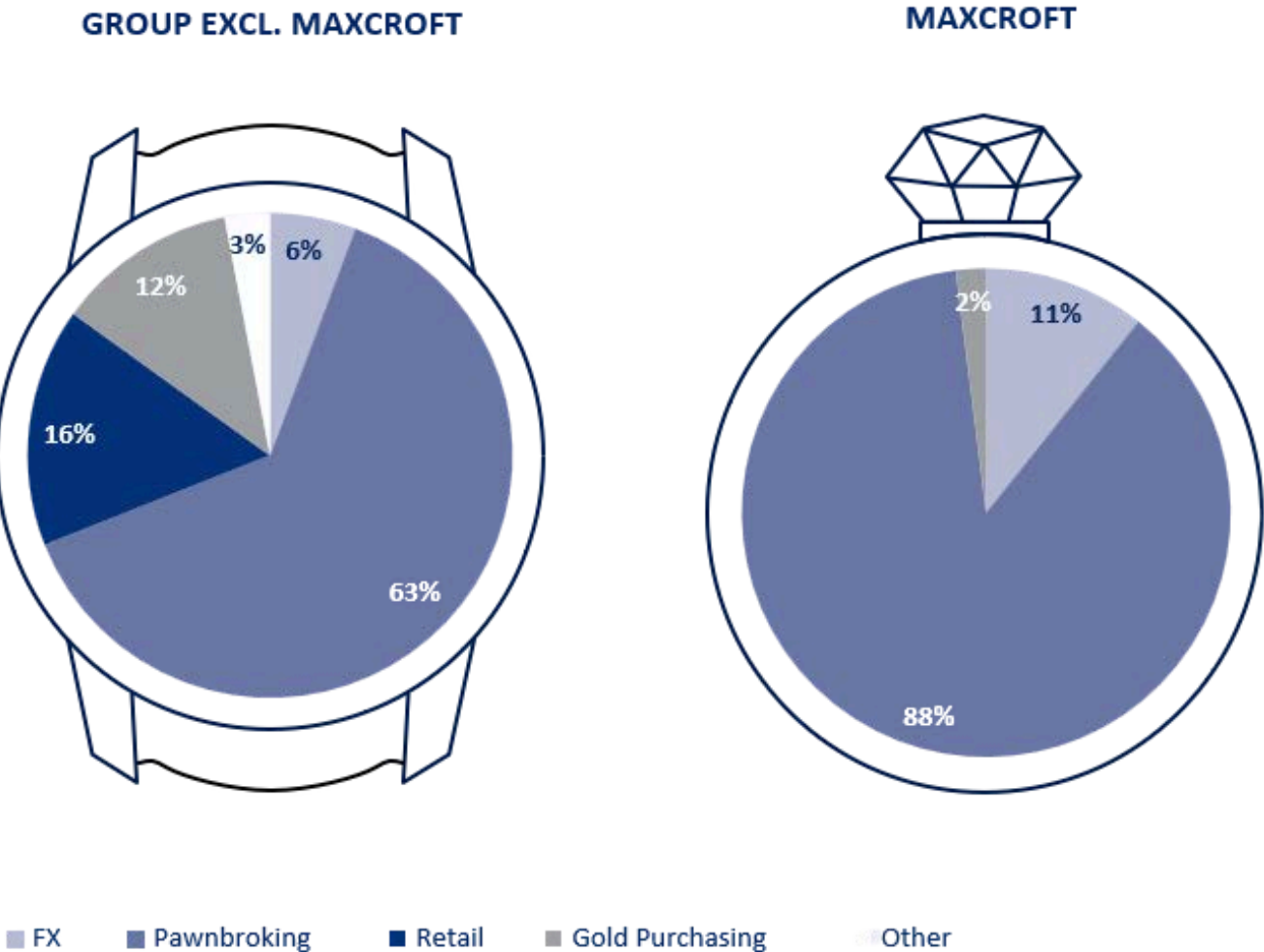
Pledge book seeing a growing number of requests for larger-value loans, generally used for business purposes, the pledge book grew by 9% since acquisition

Apply foreign currency business learning to selected H&T stores and increasing footfall and sales

H&T increased stock holding of foreign currency in Maxcroft store

Increasing Maxcroft foreign currency revenue

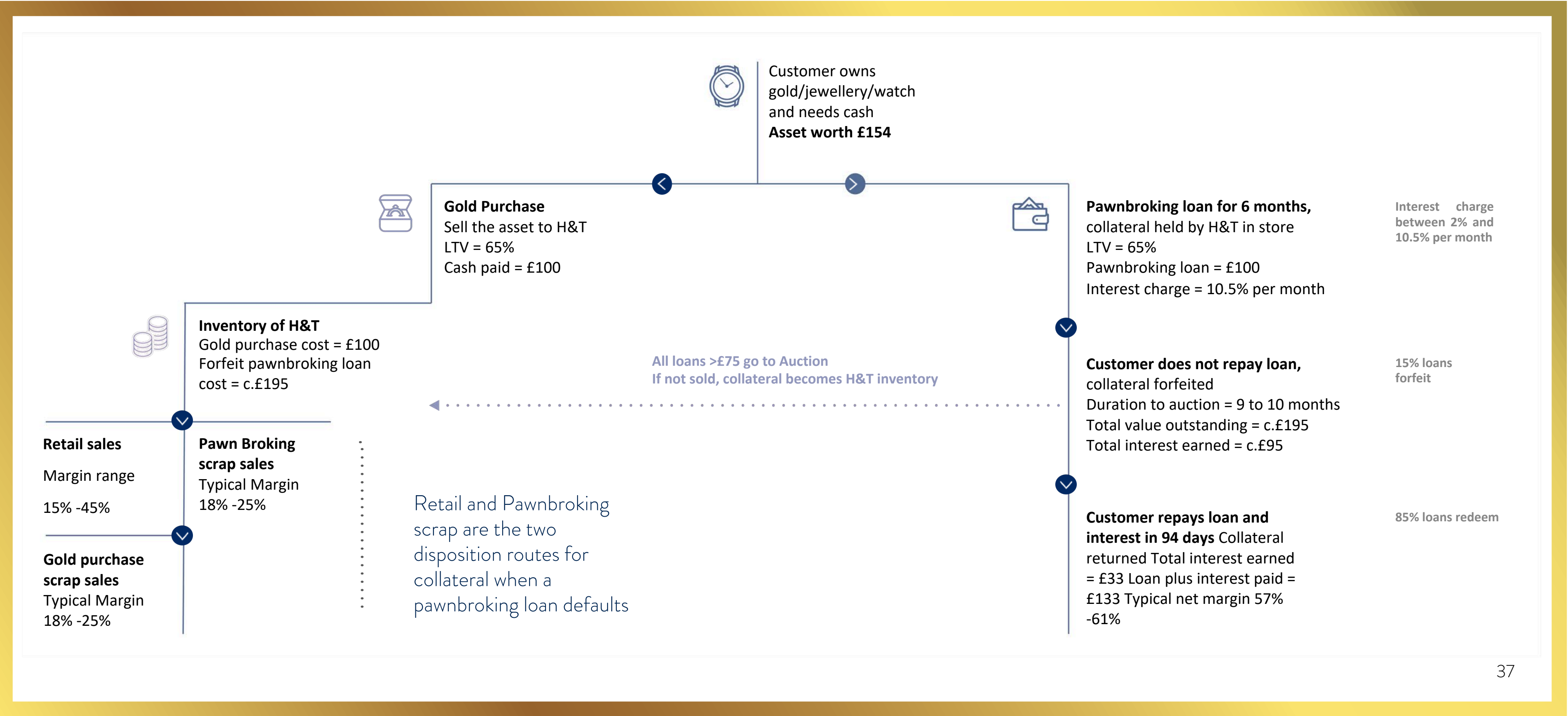
REVENUE CONTRIBUTION: MAXCROFT VS H&T





# PAWNBROKING TRANSACTION CYCLE

INVESTOR PRESENTATION | FULL YEAR RESUTS 2024 | H&T PLC





# SUSTAINABILITY AND ESG STRATEGY

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC



## OUR SUSTAINABILITY PURPOSE:



We strive to act with integrity and responsibility, and to do the right thing in protecting our environment, nurturing our people and governing our company for the benefit of all stakeholders



We manage our business responsibly and focus on supporting our key stakeholders including customers, colleagues and wider society



Our immediate focus is on the prioritisation of material ESG issues and engagement with stakeholders

## OUR WAY FORWARD:

- Continuing to evolve our ESG journey and committing to be an ever more responsible organisation
- Internal task force with representatives from across the business, to embed ESG throughout the organisation
- Working to increase transparency on climate-related risks and opportunities for stakeholders
- Ensure we meet future reporting requirements
- Ongoing training for colleagues, senior management and the Board
- Active engagement with suppliers

Materiality assessment refreshed, identifying key stakeholders and confirming most critical ESG topics, resulting in five key areas of focus:

- 01. Climate
- 02. Safe and engaging workplace
- 03. Circular economy
- 04. Secure data
- 05. Financial wellbeing

## WORKING TOWARDS THE TASKFORCE OF CLIMATE-RELATED FINANCIAL DISCLOSURES IMPLEMENTATION:

Dedicated training provided to our Board & internal TCFD taskforce

Governance structures implemented, evolving and embedded into internal Executive meetings and Board meetings.

Physical and transitional risks, reviewed and updated in risk framework

Strategic priorities identified as:

- Property
- Circular economy
- Suppliers

Scope 1, 2 & 3 carbon emissions reporting completed. Scenario analysis planned for 2025, followed by metrics and targets in the coming months





# DETAILED BALANCE SHEET

INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC

	2024 £'000	2023 £'000
<b>Non-current assets</b>		
Goodwill	27,310	21,851
Other intangible assets	9,504	7,618
Property, plant and equipment	15,780	15,686
Right-of-use assets	17,901	19,581
	<b>70,495</b>	<b>64,736</b>
<b>Current assets</b>		
Inventories	40,582	40,711
Trade and other receivables	164,792	135,271
Current tax recoverable	137	-
Cash and bank balances	14,654	11,387
	<b>220,165</b>	<b>187,369</b>
<b>Total assets</b>	<b>290,660</b>	<b>252,105</b>
<b>Current liabilities</b>		
Trade and other payables	(7,700)	(7,955)
Lease liabilities	(5,338)	(3,965)
Current tax liability	-	(858)
	<b>(13,038)</b>	<b>(12,778)</b>
<b>Net current assets</b>	<b>207,127</b>	<b>174,591</b>
<b>Non-current liabilities</b>		
Borrowings	(69,100)	(43,000)
Lease liabilities	(14,445)	(18,002)
Deferred tax liabilities	(1,520)	(508)
Long-term provisions	(425)	(447)
	<b>(85,490)</b>	<b>(61,957)</b>
<b>Total liabilities</b>	<b>(98,528)</b>	<b>(74,735)</b>
<b>Net assets</b>	<b>192,132</b>	<b>177,370</b>



# DISCLAIMER



INVESTOR PRESENTATION | FULL YEAR RESULTS 2024 | H&T PLC

## IMPORTANT INFORMATION

The information contained in this document (“Presentation”) has been prepared by H&T Group PLC (the “Company”) solely for information purposes and does not purport to be comprehensive or contain all the information that may be required by recipients to evaluate the Company. This Presentation and the information contained in it has not been independently verified and no reliance should be placed on it or the opinions contained within it.

While the information contained herein has been prepared in good faith, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers give, have given or have authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as “Information”) and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation.

The contents of this Presentation have not been approved by any person for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended (“FSMA”). This Presentation directed at authorised persons or exempt persons within the meaning of FSMA or any order made thereunder or to those persons falling within the following articles of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “Financial Promotion Order”): Investment Professionals (as defined in Article 19(5)), members and creditors of certain bodies corporate (as defined in Article 43 (2)) and High Net Worth Companies (as defined in Article 49(2)). Persons who do not fall within any of these definitions should not rely on this Presentation nor take any action upon them.

This Presentation is exempt from the general restriction in section 21 of FSMA relating to the communication of invitations or inducements to engage in investment activity on the grounds that they are made only to certain categories of persons, under the Financial Promotion Order as set out above.

Reliance on this Presentation for the purpose of engaging in investment activity may expose an individual to a significant risk of losing all of the property or other assets invested. Any person in the United Kingdom who is in any doubt about the subject matter to which this Presentation relates should consult a person duly authorised for the purposes of FSMA who specialises in the acquisition of shares and other securities. Recipients of this Presentation outside the United Kingdom should inform themselves about and observe any applicable legal restrictions in their jurisdiction which may be relevant to the distribution, possession or use of this Presentation and recognise that the Company does not accept any responsibility for contravention of any legal restrictions in such jurisdiction.

This Presentation may contain forward-looking statements that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, prospects, growth, strategies and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as of the date of this Presentation and the Company does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Presentation.

This Presentation should not be considered as the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. In particular, this Presentation does not constitute an offer or invitation to subscribe for or purchase any securities and neither this Presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever. Each party to whom this Presentation is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and each recipient should satisfy itself in relation to such matters. This Presentation does not constitute or form part of any prospectus, admission document, invitation or offer for sale or solicitation or any offer to buy or subscribe for any securities nor will they or any part of them form the basis of, or be relied on in connection with, or act as any inducement to enter into, any contract or commitment.