

# HoistFinance

## Q2 2025 Results presentation

25 July 2025



# Today's presenters



**Harry Vranjes**

CEO



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CFO

# Key highlights Q2

- Profit before tax amounted to SEK 310m, compared to SEK 377m in the same quarter last year. Excluding extraordinary items, underlying profit before tax came in at SEK 335m, compared to SEK 315m<sup>(1)</sup>
- Return on equity amounted to 14.7 per cent, compared to 17.5 per cent the same quarter last year. Underlying return on equity amounted to 16.1 per cent, compared to 13.7 per cent<sup>(1)</sup>
- Investments in new portfolios totalled SEK 2.6bn in the quarter, resulting in a total investment portfolio of SEK 31bn at the end of the period. After the quarter had been closed, another SEK 1.9bn of portfolio investments have been signed
- Collections remain strong at 104 per cent across the markets compared to 106 per cent in the same quarter last year
- Tight cost control with underlying direct costs trending in line with collections and indirect costs trending flat
- Strong capital and liquidity positions, with a CET1-ratio of 12.52 per cent and a liquidity reserve of SEK 26bn
- Continue to meet the full SDR criteria<sup>(2)</sup>, with NSFR of 143 per cent
- In July, Moody's Ratings affirmed all the ratings and assessments of Hoist Finance, whilst also changing the outlook on the Group's long-term issuer and senior unsecured debt ratings to positive (from stable)

(1) Q2 2025 included one-time legacy VAT-costs of SEK 37m as well as provision releases of SEK 12m, resulting in SEK 25m extraordinary costs. Q2 2024 included significant asset sales as well as one-time restructuring costs, equalling SEK 62m extraordinary gains. Underlying return on equity normalised for average annual tax rate.

(2) Specialized Debt Restructurer, see the Q2-report for more information.

SEK  
**31,021m** Investment  
portfolio

**14.7%** RoE

**2.42** EPS

**12.52%** CET1 ratio

# Q2 financial summary

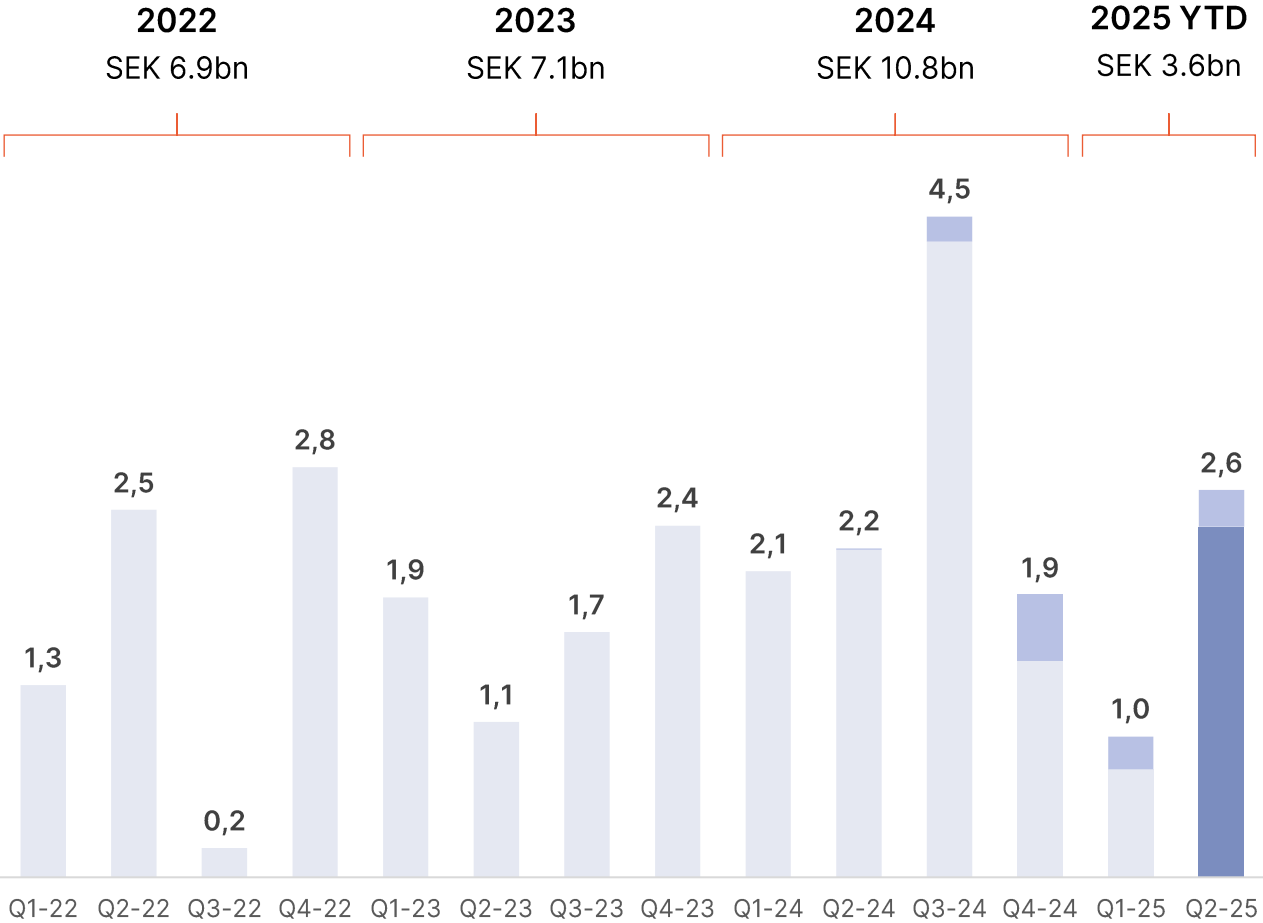
SEKm	Q2'25	Q2'24	Change
Interest income fully owned investment portfolio	1,194	1,075	11%
Interest income coinvestment portfolio	35	6	>100%
Other interest income	148	75	97%
Interest expense	-492	-304	62%
<b>Net interest income</b>	<b>885</b>	<b>852</b>	<b>4%</b>
Total impairment gains & losses	102	138	-26%
Other income	32	196	-84%
Net result from financial transactions	24	20	20%
<b>Total operating income</b>	<b>1,043</b>	<b>1,207</b>	<b>-14%</b>
Direct expense	-462	-488	-5%
Indirect expense	-270	-335	-19%
<b>Total operating expenses</b>	<b>-732</b>	<b>-823</b>	<b>-11%</b>
Share of profit from joint ventures	-1	-7	-84%
<b>Profit before tax</b>	<b>310</b>	<b>377</b>	<b>-18%</b>
Tax	-76	-119	-35%
<b>Net Profit</b>	<b>234</b>	<b>258</b>	<b>-10%</b>

Key ratios	Q2'25	Q2'24	vs PY
<b>Reported ROE</b>	<b>14.7%</b>	<b>17.5%</b>	
Investment volumes	2,641	2,237	18%
Investment portfolio	31,021	27,008	15%

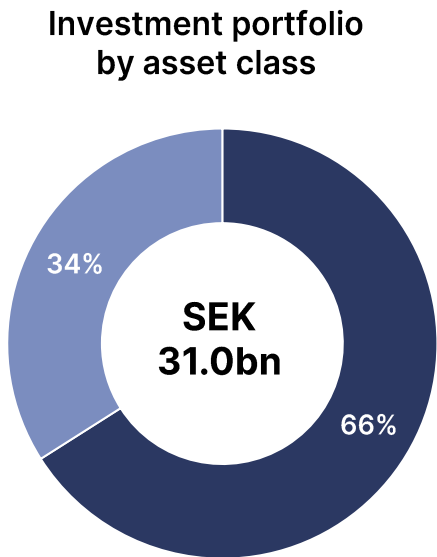
- Majority of investment volumes came in towards the end of the quarter
- Interest income in line with investment portfolio growth
- We continue to meet all SDR criteria with NSFR at 143 per cent and higher associated net interest expense
- Strong collection performance of 104 per cent
- Underlying direct costs trending in line with collections, indirect costs trending flat quarter on quarter
- Underlying RoE, excluding one-time SEK 25m, is 16.1 per cent

# Investment portfolio acquisitions

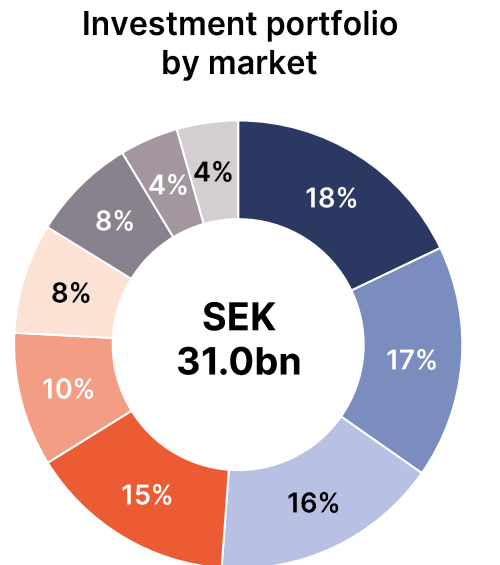


- High market activity
- After the quarter had been closed, Hoist Finance have signed an additional SEK 1.9bn of portfolios
- IRR-levels stabilised at attractive levels

# Q2 asset class mix



■ Unsecured ■ Secured



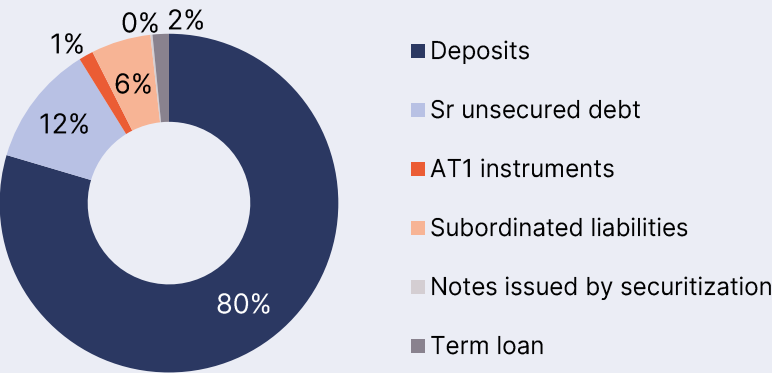
■ Italy ■ Germany ■ Spain  
■ Poland ■ France ■ UK  
■ Greece ■ Sweden ■ BeNe+other

- Diverse presence across thirteen European markets
- Secured asset mix increased from 25- to 34 per cent over the past three years

# Funding

- Issued SEK 1bn Senior Preferred 5Y at STIBOR +215bps and SEK 300m Senior Non Preferred 3Y at STIBOR +250bps
- Repurchased 230m Senior Preferred
- Approx. SEK 1bn of deposits added in the quarter

## Distribution of funding



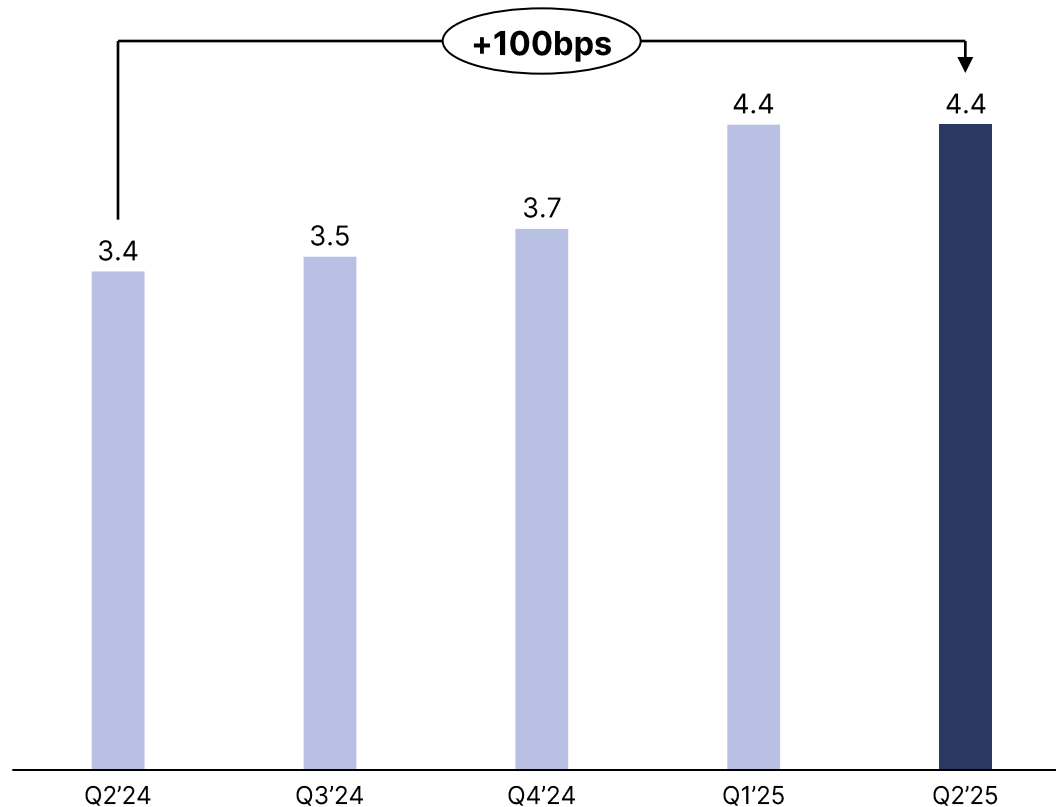
Funding<sup>1</sup>, SEKbn

Avg. cost of funding



# Net funding cost higher YoY - remains industry leading

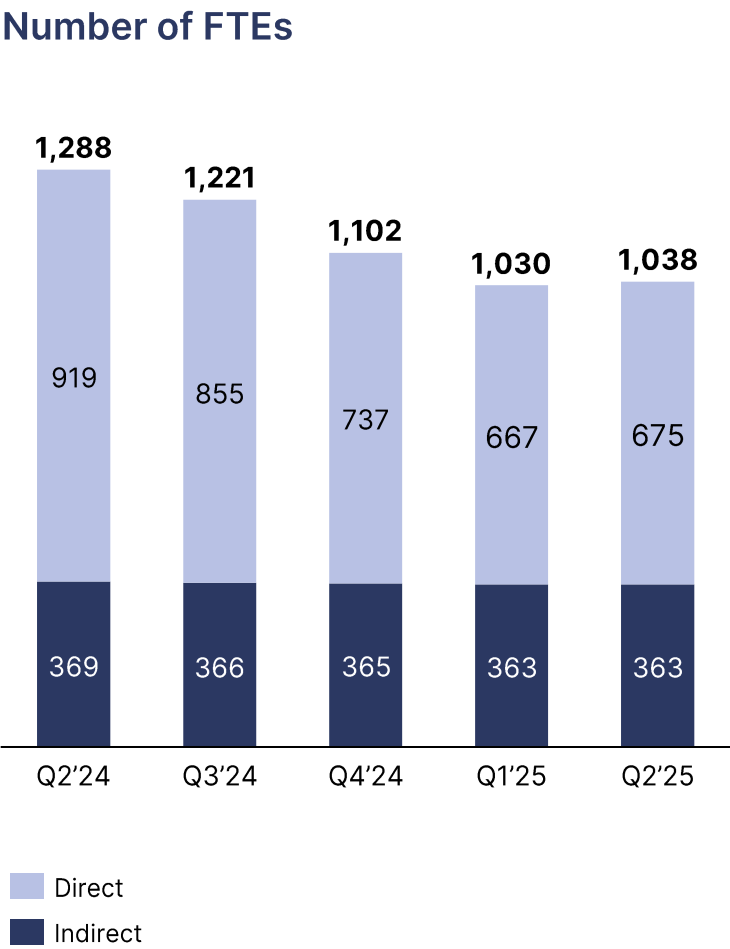
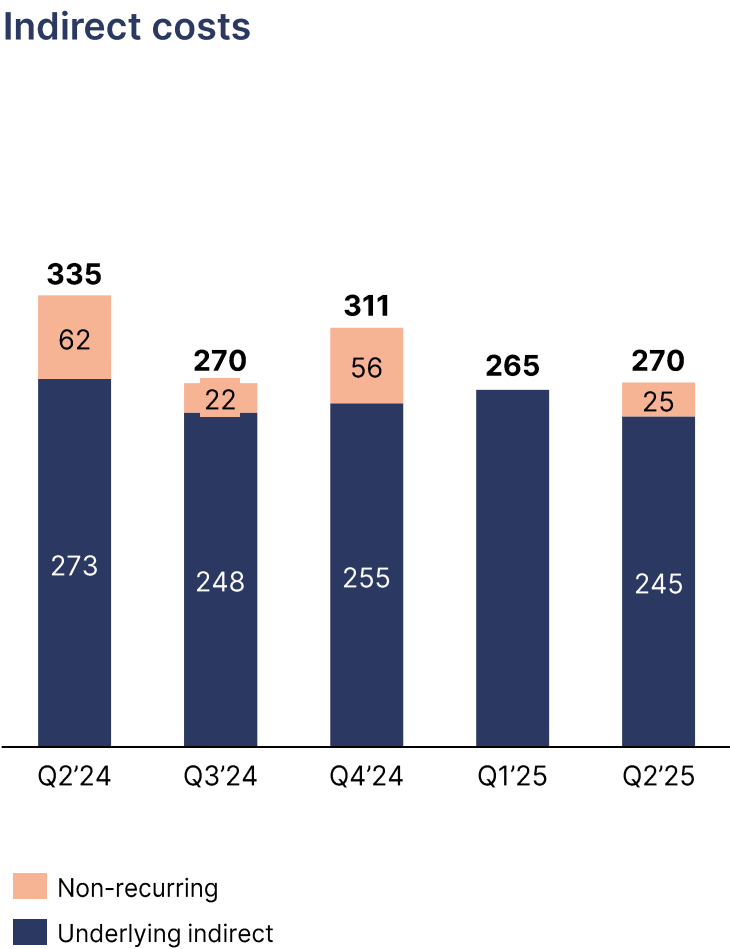
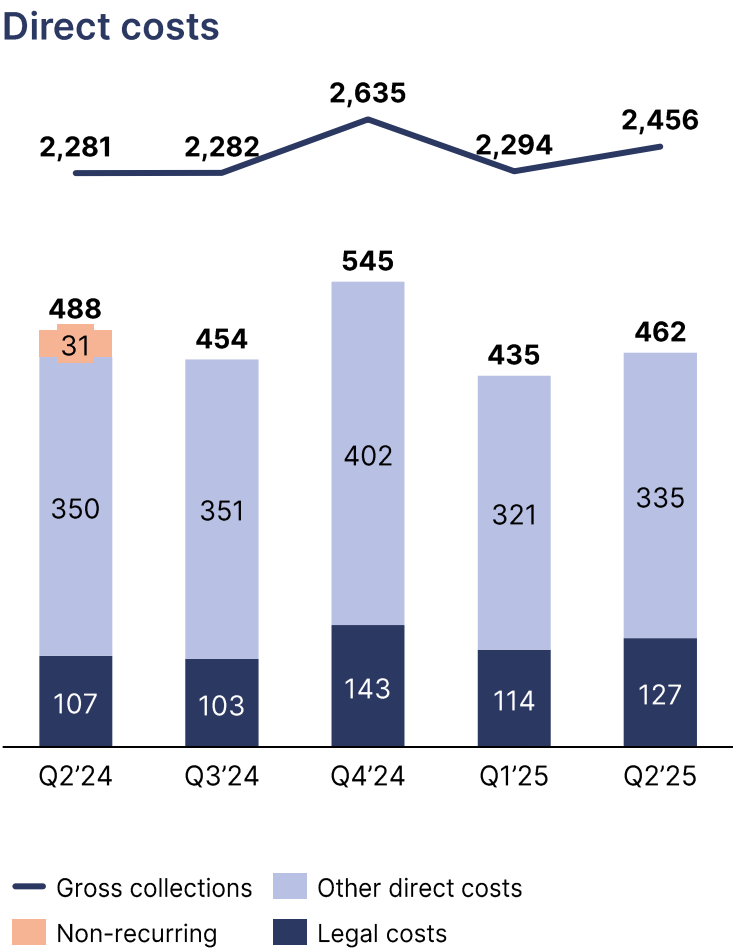
■ Net funding cost over Investment Portfolio



- Net funding cost at 4.4 per cent of the investment portfolio is up YoY, remains highly competitive
- The increase YoY is due to:
  - Meeting the full SDR criteria (NSFR >130%)
  - Other measures to strengthen our capital base
- Work to further optimize our funding costs has been initiated:
  - rolling out our own deposit platform to selected markets in Europe
  - NSFR buffer optimisation

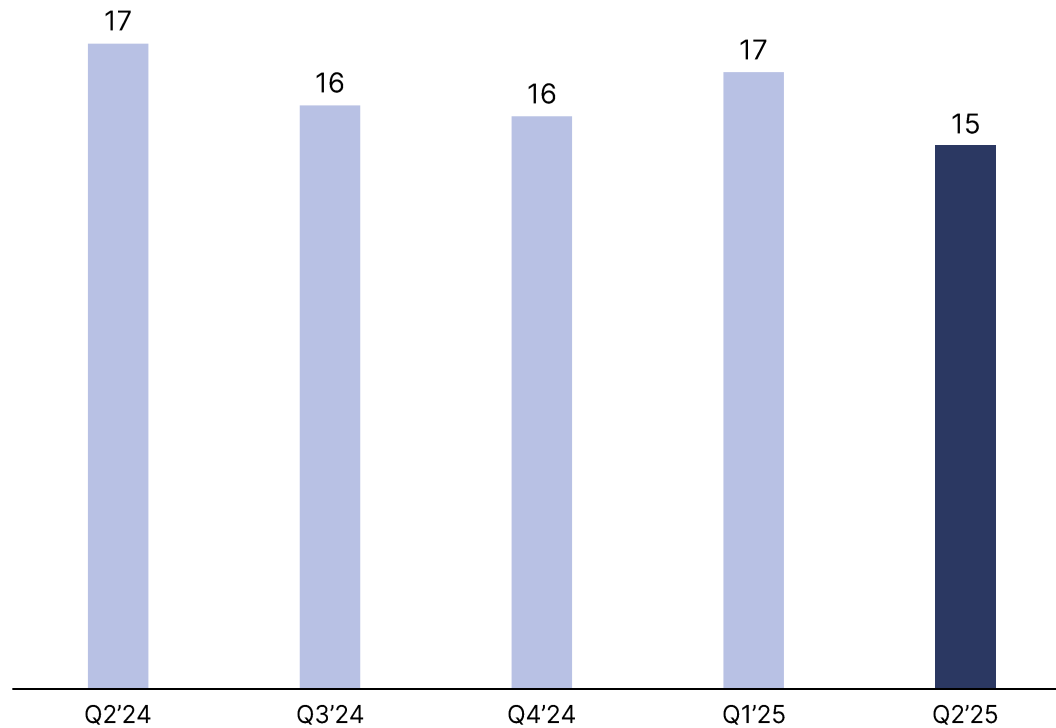


# Five quarters cost trend



# Delivering strong return on equity while transitioning to SDR

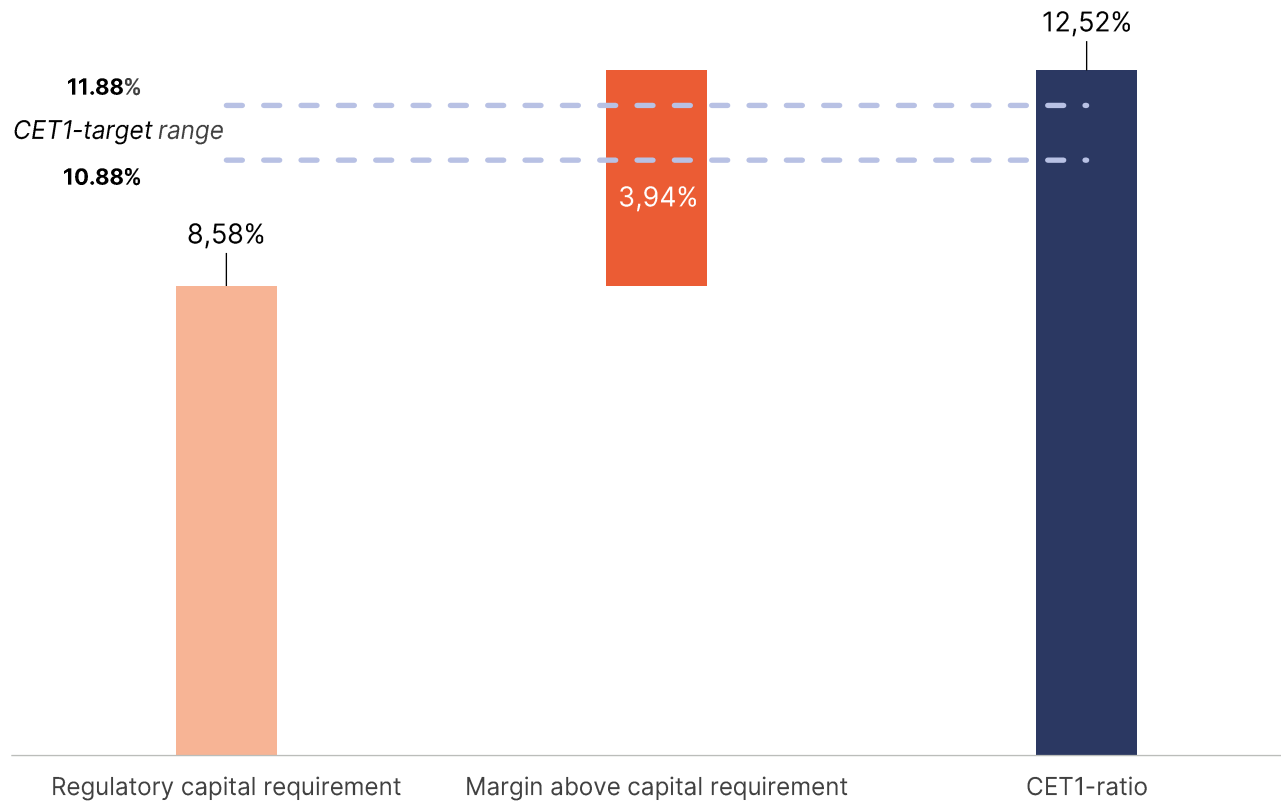
■ Reported RoE



- Q2 includes net one-time costs of SEK 25m for the quarter, with an underlying Return On Equity of 16.1 per cent
- Q2 includes all costs required to become SDR compliant in 2026
- Notifying as SDR will strengthen our capital position (releases of 2,9 per cent onto CET1 based on current backstop volumes), giving additional capacity to growth
- High operating leverage opportunity with flat indirect cost base
- Strong pipeline of deals for Q3 and Q4

# CET1 capital position

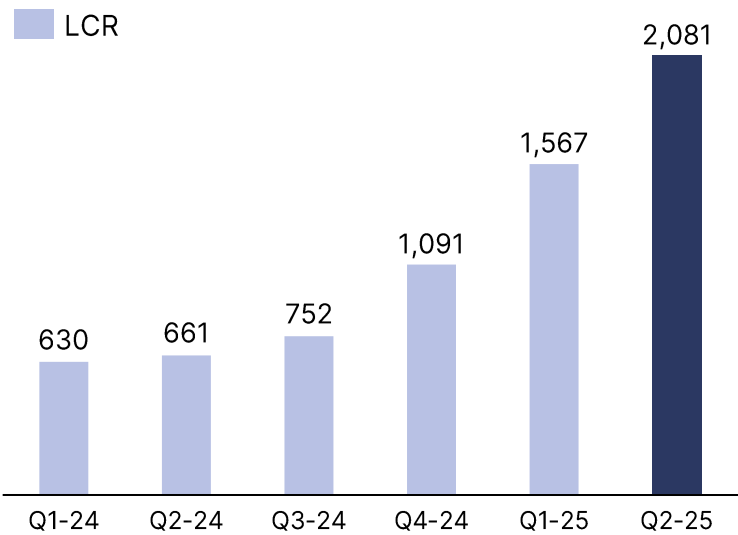
Capitalisation, %



- Strong capital position, well above regulatory requirement
- Continued high investment capacity
- SEK 1.1bn impact from NPL backstop regulation
- With SDR status, CET1 would increase +2,9 per cent based on current backstop volume

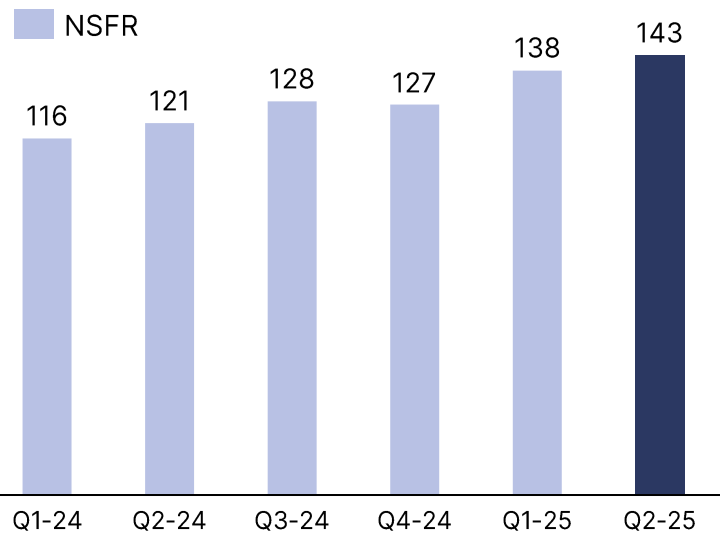
# Liquidity position

LCR, %



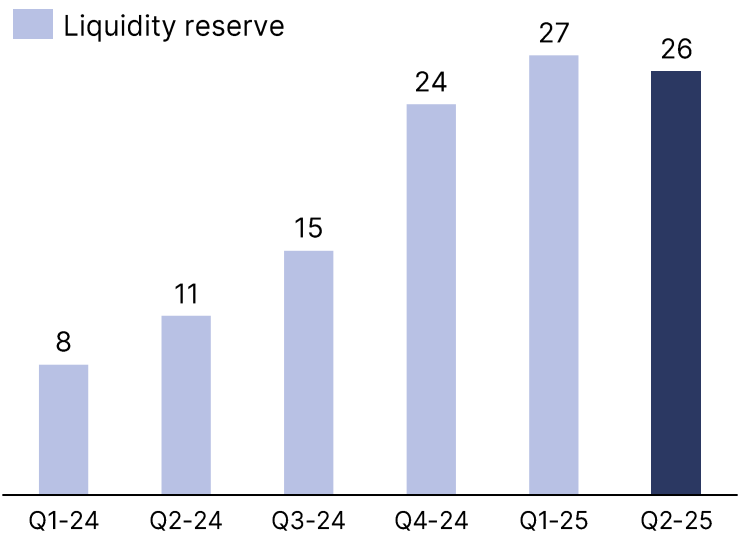
\* LCR regulatory limit based on SFSA legal position on deposit platforms from Q4 2024 onwards

NSFR, %



\* NSFR regulatory limit based on SFSA legal position on deposit platforms from Q4 2024 onwards

Liquidity reserve, SEKbn



- Growth in NSFR % as we move towards notifying as a Specialised Debt Restructurer (SDR) in 2026

# On track and geared for continued profitable growth

## Key takeaways



**Delivering strong underlying return on equity of 16.1 per cent, including the full cost of SDR**



**Winning deals at attractive IRRs in a highly active market**



**Strong pipeline**



**Tight cost control, ample capital and liquidity**



**Continuing to meet the full SDR-criteria, on track to notify in 2026**



# Q&A

**Appendix**

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# Status on the SDR criteria

Fulfilling the full SDR-criteria on each reporting date during the preceding financial year

➤ From the regulatory text (article 36(5) CRR), conditions to be complied with, on an individual and consolidated basis, to qualify as SDR:

➤ Hoist Finance at end-q2 2025:

- 1 The main activity of the institution is the purchase, management and restructuring of **non-performing exposures** in accordance with a clear and effective internal decision process implemented by its management body
- 2 The accounting value measured without taking into account any credit risk adjustments of its own originated loans does **not exceed 15% of its total assets**
- 3 At least **5% of the accounting value** measured without taking into account any credit risk adjustments of its own originated loans constitutes a total or partial refinancing, or the adjustment of relevant terms, of the purchased non-performing exposures that **qualifies as a forbearance measure** in accordance with Article 47b of this Regulation
- 4 The total assets of the institution do not exceed **EUR 20 billion**
- 5 The institution maintains, on an ongoing basis, a net stable funding ratio of **at least 130%**
- 6 The sight deposits of the institution **do not exceed 5%** of total liabilities of the institution

Main activity is **acquiring, managing and restructuring NPLs**

**No** own originated loans

**>15%** of NPLs qualifies as forbearance measures in accordance with the article

Total assets at SEK 59,4bn / **EUR 5,25bn**

NSFR by end-Q2 of **143%**

Only offers deposits with contractual maturity, **0%** sight deposits



# Overview non-recurring items

P&L nominal	Q2'24 SEKm		Q3'24 SEKm		Q4'24 SEKm		Q1'25 SEKm		Q2'25 SEKm	
Impairment gains and losses			77	Positive revaluation Poland						
Derecognition gains and losses	155	Italian and other asset sales								
<b>Total operating income</b>	<b>155</b>		<b>77</b>		<b>0</b>		<b>0</b>		<b>0</b>	
Personnel expenses	-24	IT insourcing dual-running and re-structuring costs			-22	Re-structuring costs (Spain)	-4	Re-structuring (Spain)		
Other administrative expenses	-54	Outsourced IT and other restructuring and project costs	-22	Project costs	-35	Re-structuring costs (Spain) and exceptional provisions			-25	VAT court ruling in the Netherlands and provision releases
Depreciation and amortisation of tangible and intangible assets	-16	Outsourced IT write-down								
<b>Total operating expenses</b>	<b>-93</b>		<b>-22</b>		<b>-56</b>		<b>-4</b>		<b>-25</b>	
<b>Profit/loss before tax from continuing operations</b>	<b>62</b>		<b>55</b>		<b>-56</b>		<b>-4</b>		<b>-25</b>	

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