



Serving all your  
travel money needs



**RAMSDENS**

**HELPING YOU WITH  
EVERYDAY LIFE**



Treat yourself to new or  
pre-owned jewellery



Access cash against  
your valuables

**Ramsdens Holdings PLC**

**Results for the year ended 31 March 2017**

## Disclaimer

This document, which comprises a presentation of the results for the financial year ended 31 March 2017 (the "**Presentation**"), has been prepared by, and is the sole responsibility of, Ramsdens Holdings PLC (the "**Company**"). This Presentation has not been approved by an authorised person in accordance with Section 21 of the Financial Services and Markets Act 2000 and therefore it is being delivered for information purposes only to a limited number of persons and companies who are persons who have professional experience in matters relating to investments, that is investment professionals within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "**Order**") or are high net worth companies within the meaning set out in Article 49 of the Order or persons who are otherwise permitted by law to receive it (all such persons being "**Approved Persons**"). Any other person who receives this Presentation should not rely or act upon it. By accepting this Presentation and not immediately returning it, the recipient represents and warrants that they are an Approved Person. This Presentation is not to be disclosed to any other person or used for any other purpose.

This Presentation should not be considered as the giving of investment advice by the Company or any of its, directors, officers, agents, employees or advisers. In particular, this Presentation does not constitute or form part of any offer, or an invitation to sell or issue or subscribe for or purchase any securities in nor of the Company and neither this Presentation nor anything contained therein or any part thereof or the fact of its distribution form the basis of, or be relied upon in connection with, any contract or commitment whatsoever or act as an inducement to enter into any contract or commitment whatsoever in respect of the securities of the Company or otherwise, or constitute or evidence a representation that any such offer or invitation will be made.

No reliance may be placed for any purposes whatsoever on the information or opinions contained in this Presentation or given at any Presentation or on its/their completeness, accuracy or fairness.

While the information contained herein has been prepared in good faith, neither the Company nor any of its, 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 in connection with it (all such information being referred to as "**Information**") and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any of its 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. This Presentation does not constitute a recommendation regarding any decision to sell, purchase or subscribe for securities in or of the Company.

In particular but without limitation no undertaking, representation, warranty or other assurance (express or implied) is given as to the prospects of the Company and nothing in this Presentation should be relied upon as a promise or representation as to the future. This Presentation may contain certain 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 very nature, such forward-looking statements require the Company to make assumptions which may or may not materialise and may be price sensitive and involve known and unknown risks, uncertainties and other important factors beyond the control of the Company that could cause the actual performance or achievements of the Company to be materially different from such forward-looking statements. Past performance cannot be relied upon as a guide to future performance. These forward looking statements speak only at the date of the Presentation and the Company does not undertake and accepts no obligation to update or revise such forward-looking statements nor to publicly release any revisions to these forward looking statements to reflect events or circumstances after the date of this Presentation. In furnishing this Presentation, the Company does not undertake or agree to any obligation to provide the recipient with access to any additional information or to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation which may become apparent. Nothing in this paragraph shall exclude any liability for any undertaking, representation, warranty or other assurance made fraudulently.

Neither this Presentation nor any copy of it may be (a) taken or transmitted into Australia, New Zealand, Canada, Japan, the Republic of Ireland, the Republic of South Africa or the United States of America or any jurisdiction of the European Economic Area (other than the United Kingdom) (each a "**Restricted Territory**"), their territories or possessions, (b) distributed to any U.S. person (as defined in Regulation S under the United States Securities Act of 1933 (as amended)) or (c) distributed to any individual outside a Restricted Territory who is a resident thereof in any such case for the purpose of offer for sale or solicitation or invitation to buy or subscribe any securities or in the context where its distribution may be construed as such offer, solicitation or invitation, in any such case except in compliance with any applicable exemption. The distribution of this document in or to persons subject to other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.

Terms and conditions relating to this Presentation and any matter or dispute (whether contractual or non-contractual) arising out of them shall be governed by and construed in accordance with English law and the English courts shall have exclusive jurisdiction in relation to any such matter or dispute.

Note: The financial information contained in this document, including the financial information presented in a number of tables in this document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

# Ramsdens overview

## Complementary product offering

Ramsdens is a growing diversified financial services provider and retailer

### Business segments

- 1 Foreign Currency Exchange (FX)
- 2 Pawnbroking
- 3 Purchases of Precious Metals
- 4 Jewellery Retail
- 5 Other Services (including cheque cashing)



## Strategic & Operational Highlights

---

### Successful IPO and admission to AIM

- Full FCA authorisation obtained
- Over 730,000 registered customers transacted in FY17
- International Money Transfer service introduced
- Jewellery Retail website relaunched
- 4 stores acquired from a competitor in December and rebranded



## Financial Highlights

---

### Revenue & Gross Profit grew in all 4 core business segments

- Gross Profit grew by 12% to £24.3m (FY16: £21.6m)
- Operating Profit before exceptional expenses grew by 43% to £4.6m (FY16: £3.2m)
- Adjusted EBITDA grew by 27% to £6.0m\* (FY16: £4.7m)
- Adjusted PBT grew by 73% to £4.0m\* (FY16: £2.3m)
- Net assets up £7.0m to £23.4m
- Net Cash of £9.6m
- Earnings per share of 10.1p using the year end number of shares in issue post IPO\*
- Proposed dividend of 1.3p per share - *representing the 2 months from announcing the flotation on AIM*

\* Excludes exceptional IPO expenses of £1.1m

## ***FINANCIAL REVIEW***

---

## Summary profit & loss

- Strong revenue & gross profit growth generated by all four core segments.
- Operating profit shows growth year on year of 43%
- Exceptional items
  - FY17 - IPO costs £1.1m
  - FY15 - Gain on bargain purchase and associated acquisition fees £14.3m

### Adjusted profit before tax

<i>£000s (31 March year end)</i>	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>
Profit before tax	16,128	2,336	2,936
Exceptional items	14,293		1,110
Adjusted profit before tax	1,835	2,336	4,046

### Consolidated profit & loss

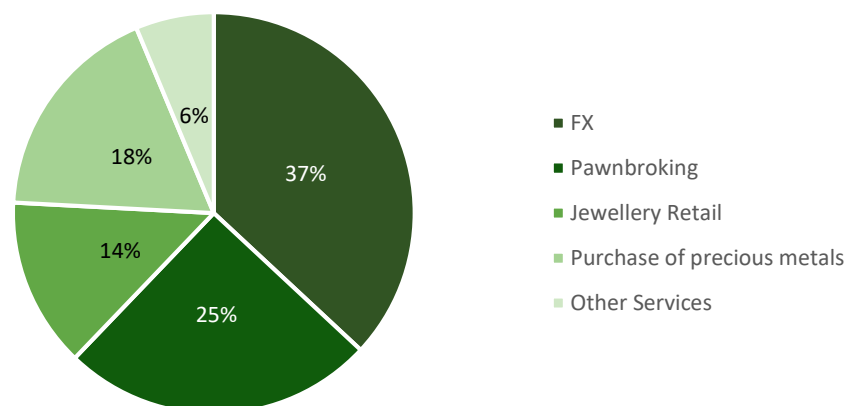
<i>£000s (31 March year end)</i>	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>
Revenue	29,280	29,978	34,516
Cost of sales	(9,434)	(8,363)	(10,228)
Gross profit	19,846	21,615	24,288
Administrative expenses	(17,356)	(18,425)	(19,735)
Operating profit before effects of exceptional items	2,490	3,190	4,553
Gain on bargain purchase	15,337	-	-
Acquisition fees/IPO fees	(1,044)	-	(1,110)
Operating profit after effects of exceptional items	16,783	3,190	3,443
Finance income	46	25	-
Finance costs	(727)	(963)	(614)
Gain on fair value of derivative financial liability	26	84	107
Profit before tax	16,128	2,336	2,936
Income tax expense	(438)	(628)	(926)
Profit after tax for the period	15,690	1,708	2,010

## Business segments

Diversified and growing revenue streams

		Revenue			Gross profit		
<i>£000s (31 March year end)</i>		FY 15	FY 16	FY 17	FY 15	FY 16	FY 17
1	Foreign Currency Exchange (FX)	5,363	7,586	8,971	5,363	7,586	8,971
2	Pawnbroking	5,505	5,731	6,128	5,505	5,731	6,128
3	Jewellery Retail	3,275	4,807	5,909	2,233	2,957	3,321
4	Purchase of Precious Metals	12,563	9,257	10,839	5,308	3,801	4,336
5	Other Services	2,574	2,597	2,669	1,437	1,540	1,532
<b>Total</b>		<b>29,280</b>	<b>29,978</b>	<b>34,516</b>	<b>19,846</b>	<b>21,615</b>	<b>24,288</b>

FY 17 gross profit mix





## Cash flow statement

### Strong cash generation

- Good cash generation continues with £6.0m Adjusted EBITDA (£4.9m plus £1.1m exceptional IPO costs)
- Tax and Interest £1.3m
- Net £0.1m cash outflow on IPO (£5.0m raised, £4.0m loan notes repaid, £1.1m costs)
- £0.5m capex
- £0.5m invested in PB growth
- £2.0m increase in jewellery stock includes continuing investment into core stores and keeping stock for new store openings
- £0.2m increase in creditors
- £1.5m increase in net cash
- £7.0m 3 year revolving credit facility provides working capital flexibility for Ramsdens' continued growth and funding for summer currency requirements. £4.5m undrawn at year end

### Progressive dividend policy

#### Progressive dividend policy to reflect cash flow generation and earnings potential

- Subject to approval at the AGM on 19 July proposed final dividend of 1.3p / share payable on 20 September.
- In future, interim and final dividends will be paid in approximate proportions of one third and two thirds respectively (depending always on the financial performance of the group)

### Cash flow statement

<i>£000s (31 March year end)</i>	<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>
<b>Adjusted EBITDA</b>	<b>3,113</b>	<b>4,732</b>	<b>6,010</b>
Movement in trade and other receivables	635	108	(693)
Movement in inventories	(243)	(1,189)	(2,002)
Movement in trade and other payables	1,464	616	170
Exceptional expense – IPO bonus			(172)
Interest received	46	25	
Interest paid	(727)	(963)	(614)
Income tax paid	(423)	(680)	(704)
<b>Net cash flows from operating activities</b>	<b>3,865</b>	<b>2,650</b>	<b>1,995</b>
<b>Investing activities</b>			
Sale of property, plant and equipment	5	-	-
Purchase of property, plant and equipment	(318)	(184)	(451)
Purchase of intangible assets	(164)	(371)	(41)
Acquisition of subsidiary	(6,550)	-	-
<b>Net cash flows from investing activities</b>	<b>(7,027)</b>	<b>(555)</b>	<b>(492)</b>
<b>Financing Activities</b>			
Dividends paid	-	-	-
Payment of finance lease liabilities	(9)	(4)	(8)
Exceptional expenses – IPO fees			(938)
Issue of loan notes	10,360	-	-
Bank loans drawn down	-	2,900	2,310
Repayment of bank borrowings & Loan Notes	(6,699)	(4,860)	(6,900)
Proceeds of issue of ordinary shares	247	-	4,950
<b>Net cash flows from financing activities</b>	<b>3,899</b>	<b>(1,964)</b>	<b>(586)</b>
<b>Net increase in cash and cash equivalents</b>	<b>737</b>	<b>131</b>	<b>917</b>

## Balance sheet

- Capital structure changed on IPO with £5.0m of equity raised and £4.0m loan notes repaid
- Strengthening balance sheet with net assets of £23.4m including net cash of £9.6m

### Balance sheet

£000s (31 March year end)	FY 15	FY 16	FY 17
<b>Non-current assets</b>			
Property, plant and equipment	5,856	4,889	4,210
Intangible assets	802	808	529
Investments	-	-	-
	<b>6,658</b>	<b>5,697</b>	<b>4,739</b>
<b>Current Assets</b>			
Inventories	2,147	3,336	5,338
Trade and other receivables	8,764	8,726	9,462
Cash and short term deposits	10,816	10,947	11,864
	<b>21,727</b>	<b>23,009</b>	<b>26,664</b>
<b>Total assets</b>	<b>28,385</b>	<b>28,706</b>	<b>31,403</b>
<b>Current liabilities</b>			
Trade and other payables	3,096	3,938	3,843
Interest bearing loans and borrowings	3	2,908	2,318
Accruals and deferred income	721	398	773
Income tax payable	83	40	405
	<b>3,903</b>	<b>7,284</b>	<b>7,339</b>
<b>Net current assets</b>	<b>17,824</b>	<b>15,725</b>	<b>19,325</b>
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	8,860	4,017	9
Accruals and deferred income	417	514	404
Derivative financial liabilities	310	226	119
Deferred tax liabilities	175	237	137
	<b>9,762</b>	<b>4,994</b>	<b>669</b>
<b>Total liabilities</b>	<b>13,665</b>	<b>12,278</b>	<b>8,008</b>
<b>Net assets</b>	<b>14,720</b>	<b>16,428</b>	<b>23,395</b>

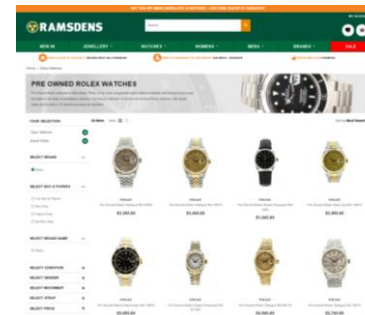
## Operational & Strategic review

Drive growth from core estate

Expand store estate

Grow online presence

Capitalise on consolidation opportunities



Well invested systems

Marketing & Brand

People, culture & customer service

## Strategy 1. Drive growth from core estate

### Foreign Currency Exchange (FX)

#### Segment overview

*Ramsdens offers FX services through its branch network, with a small and growing online presence. The service is predominantly cash but the Group also sells Ramsdens Mastercard® pre-paid travel cards in US Dollar and Euro. In late 2016, Ramsdens started to offer international FX payments through a joint venture.*

- Largest segment of the business, contributing 37% of gross profit
- Significant operating leverage as FX sales continue to grow
- Growth in FX has contributed to Ramsdens' development as a diversified financial services retailer
- Opportunity presented by international payments and pre-paid cards yet to be fully exploited
- Management believe that FY17 included a 'staycation summer' and there remains a significant opportunity to grow FX in the future



#### Continued growth in foreign currency exchange

31 March year end	FY 15	FY 16	FY 17
Total currency exchanged (£'000s)	£277,089	£361,572	£407,892
Total currency exchanged growth	66%	30%	13%
Gross profit (£'000s)	£5,363	£7,586	£8,971
Gross profit growth	52%	41%	18%
Customer numbers ('000s)	428	563	606
Customer numbers growth	37%	32%	8%

## Strategy 1. Drive growth from core estate

### Pawnbroking

#### Segment overview

*Ramsdens offers loans secured against valuable jewellery items that the Group stores during the loan term. At maturity (5 months) the customer repays the capital & interest and the pledge is returned. Ramsdens retails or scraps the pledged items upon default to repay the loan, any surplus is returned to the customer.*

- Pawnbroking contributes 25% of gross profit
- Ramsdens' loan book provides recurring and stable revenues
- Increased proportion of defaulted pledges now re-sold via retail operations, as opposed to being scrapped, which delivers improved Pawnbroking profitability
- Strong brand and customer loyalty, with significant repeat customer levels
- Prudent LTV and shorter loan maturities mitigate the risk of collateral deterioration arising from any weakness in wholesale precious metals markets
- Authorised by the FCA. This creates a barrier to entry, scale advantage and is a catalyst for consolidation – an opportunity Ramsdens is well positioned to maximise
- C33,000 customers held a pawnbroking loan during FY17 (up 14% on FY16)

#### Live loan book

£000s (31 March year end)	FY 15	FY 16	FY 17
<b>Within contractual term</b>	4,512	5,020	5,402
<b>Past due</b>	823	688	572
<b>Total</b>	5,335	5,708	5,974

#### Financial contribution

£000s (31 March year end)	FY 15	FY 16	FY 17
<b>Revenue</b>	5,505	5,731	6,128
<b>Gross Profit</b>	5,505	5,731	6,128
<i>Yield on average loan book</i>	98%	104%	107%

## Strategy 1. Drive growth from core estate

### Jewellery Retail

#### Segment overview

*Ramsdens retails new and second-hand jewellery through its 124 managed store network.*

*Jewellery Retail enhances Pawnbroking income as defaulted pledges attract significantly higher values when sold via retail versus scrapping.*

- Jewellery retail accounts for 14% of gross profit
- Ramsdens has developed its offering in recent periods with an increased focus on its Jewellery Retail proposition and investment in retail stock levels
- The fall in margin in FY17 is due to a concerted effort to discount older slow moving stock
- Ability to retail a greater proportion of its second-hand items purchased from customers has greatly improved overall profitability
- Ramsdens has a small but growing online presence which represents an opportunity for incremental sales



#### Financial contribution

£000s (31 March year end)	FY 15	FY 16	FY 17
<b>Revenue</b>	3,275	4,807	5,909
<b>Gross Profit</b>	2,233	2,957	3,321
<i>Gross margin</i>	68%	62%	56%
<b>Jewellery Retail Stock</b>	1,606	2,811	4,354



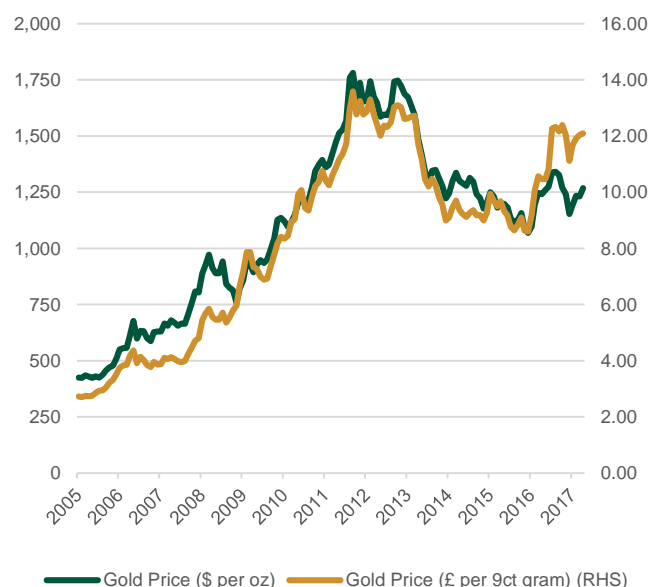
## Strategy 1. Drive growth from core estate

### Purchases of Precious Metals

#### Segment overview

*Ramsdens purchases unwanted jewellery items and scrap precious metal from customers.*

*Purchased items are retailed through the branch network or smelted in-house for sale in wholesale markets.*



- The purchase of precious metals selling for intrinsic value represents 18% of gross profit
- Revenue and gross profit benefited from the average higher gold price through FY17
- FY16 and FY17 both had increased investment in retail stock from purchases of precious metals

#### Financial contribution

£000s (31 March year end)	FY 15	FY 16	FY 17
<b>Revenue</b>	12,563	9,257	10,839
<b>Gross Profit</b>	5,308	3,801	4,336

## Strategy 1. Drive growth from core estate

### Other Services

#### Summary

*Ramsdens also provides additional services including: cheque cashing; Western Union money transmission; and sale and buyback of electronics. The Group also receives income from its three franchisees and from credit broking introducer arrangements.*

- Other Services account for 6% of gross profit and include:
  - Cheque cashing – Ramsdens provides immediate clearance for cheques to customers who do not wish to wait for bank clearance or who may not have a bank account
  - Western Union – the Company acts as an agent facilitating payments from or to customers via Western Union money transmission service
  - Sale and buyback of electronics – Ramsdens buys the item and grants the customer an option to repurchase at a fixed price
  - Franchisees pay the Group franchise fees for use of its brand and infrastructure
  - Credit broking revenues are generated from referrals to other credit providers e.g. lending secured on vehicles

#### Financial contribution

£000s (31 March year end)	FY 15	FY 16	FY 17
<b>Revenue</b>	2,574	2,597	2,669
<b>Gross Profit</b>	1,437	1,540	1,532

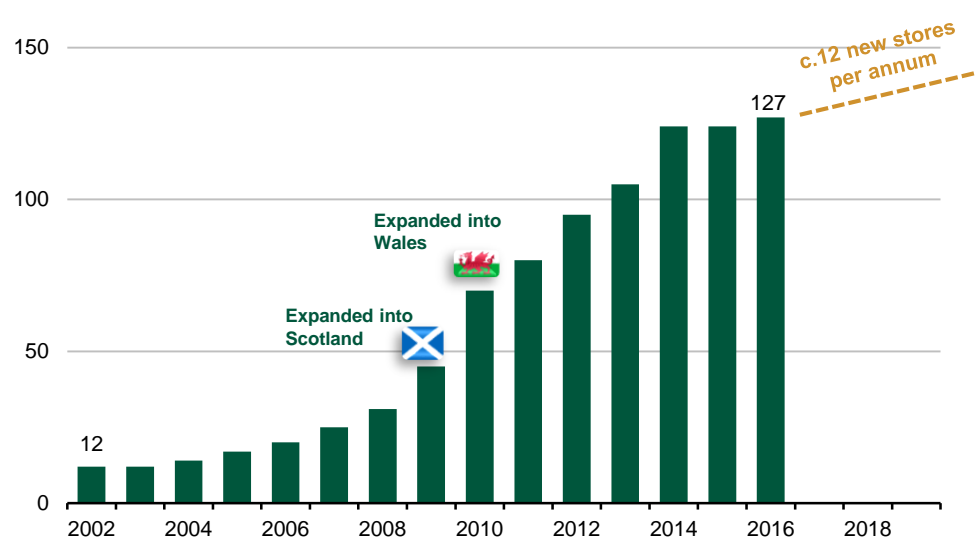
# Strategy 2. Expand the store estate

- 127 stores, including 3 franchised outlets
- Aim to open 12 new stores per annum over the medium term
- Opportunity to relocate suburban stores to higher footfall locations to maximise FX and jewellery retail
  - Heads of terms agreed for 3 stores
  - Discussions ongoing for 2 further stores
- New stores
  - 5 new locations under consideration and negotiation

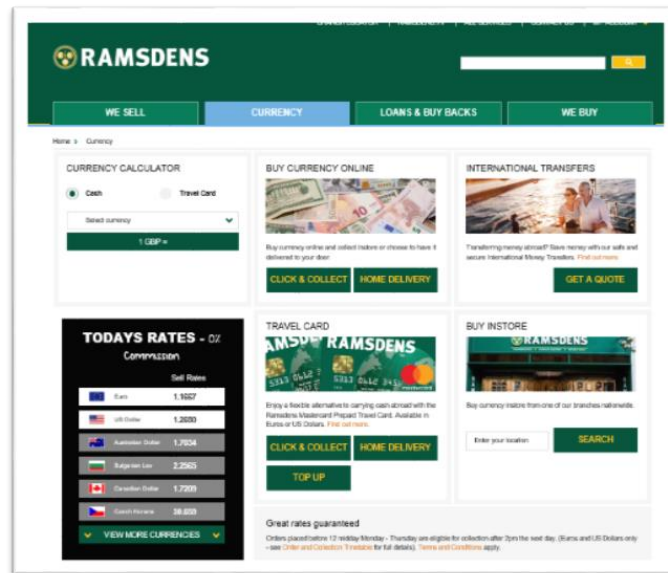
## Retail store estate (March 2017)



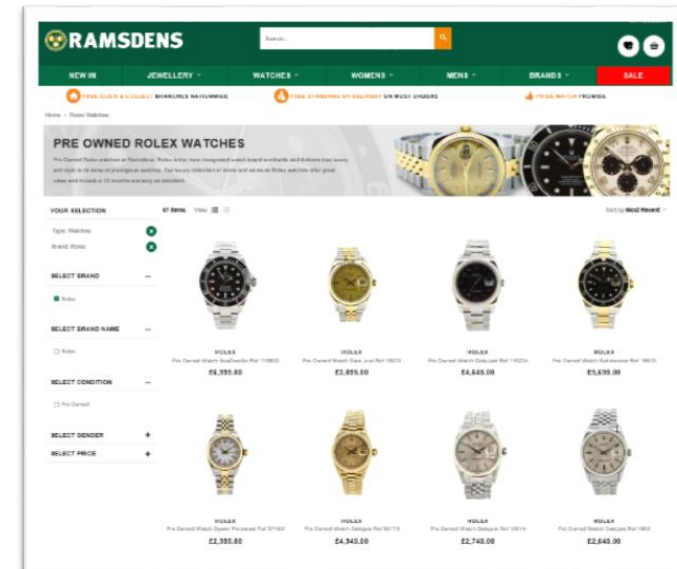
## Retail store growth



## Strategy 3. Grow online presence



- Dedicated Travel Money website [www.RamsdensCurrency.co.uk](http://www.RamsdensCurrency.co.uk).
- Mobile friendly
- Click & Collect and Home Delivery available
- Click & Collect grew by 31% in FY17
- International Money Transfers website planned for launch in summer 2017



- Dedicated jewellery retail website [www.RamsdensJewellery.co.uk](http://www.RamsdensJewellery.co.uk) plus eBay as a distribution channel
- Mobile friendly
- Click & Collect and Home Delivery available
- Ecommerce revenue grew by 162% (albeit from a low base)

## Strategy 4. Capitalise on consolidation opportunities

- Acquired 4 stores in Scotland from a competitor in December 2016
- Rebranded stores as Ramsdens
- Applications for building warrants submitted to refurbish and include jewellery windows
- Foreign exchange, pawnbroking and gold buying all ahead of previous store performance following rebrand, staff training and installation of our IT system
- Strong position to capitalise on acquisition opportunities as they present themselves



Fraserburgh

## Summary & Outlook

---

Strong performance in FY17 ahead of the Board's initial expectations

Growth delivered across all core business segments

We have made a strong start to the early part of the current year across all core segments. We are about to enter our seasonally important Summer period and are confident of making further progress

Well positioned for future growth:

- Diversified and complementary offering
- Recognised and strong brand
- Loyal and growing customer base
- Well invested infrastructure
- Experienced and motivated management team



## ***APPENDICES***

---

## The Ramsdens team

---



### **Peter Edward Kenyon (52), Chief Executive Officer**

Peter joined Ramsdens in November 2001 as Operations Director and was appointed Chief Executive Officer in January 2008. Peter led the MBO in 2014 and has been responsible for over 25 acquisitions for the Group. He is responsible for overseeing all operations of the business and for setting the Group's strategy. Prior to joining Ramsdens, Peter's early career was with Yorkshire Bank for 17 years. He is a Council Member of the National Pawnbrokers Association and became a director of the Company at the time of the MBO in September 2014.



### **Martin Anthony Clyburn (35), Chief Finance Officer**

Martin joined Ramsdens in 2009 and is a Chartered Accountant having previously qualified with respected North East firm, Keith Robinson & Co. Martin joined the board of the Company as Chief Financial Officer in August 2016. Martin is responsible for the finance function within the Group and also works closely with the IT team ensuring the IT and accounting systems are fully integrated. Martin lectured part time at the University of Teesside from 2006 – 2012. Martin holds a degree in MORSE from Warwick University.

## The Ramsdens NEDs



### **Andrew David Meehan, (62) Non-Executive Chairman**

Andy is a highly experienced retail executive with over 30 years' experience in roles at the Co-Operative Retail Services, Storehouse plc and Sears plc. For the last 10 years he has held a number of chairmanships and non-executive positions in many retail and consumer product businesses including Fortnum and Mason, GHD Group and American Golf. Andy is a chartered accountant and holds a degree in Politics & Economics from Oxford University. He has been Chairman of the Company since September 2014 and chairs the nominations committee.



### **Simon Edward Herrick, (53)**

Simon joined the Board on 1 January 2017. Simon has significant experience in senior finance roles including positions as CFO of Debenhams plc, Northern Foods plc, Kesa Electricals plc and PA Consulting Limited. Since leaving Debenhams Simon has undertaken consultancy work in the retail sector, most recently as CFO of Crew Clothing Company. Simon is a Chartered Accountant and holds an MBA from Durham University. Simon chairs the audit & risk and remuneration committees.



### **Stephen John Smith, (59)**

Steve joined the Board on 1 January 2017. Steve retired as CEO of Northgate plc in 2010 after a career with Northgate spanning over 20 years. Since leaving Northgate, Steve has served as a non-executive director on the boards of various family and private equity backed businesses, including four positions as Chairman. Steve is a Chartered Accountant and holds a degree in Economics from the London School of Economics.