THE VERY GROUP

FY22 RESULTS

HELPING FAMILIES GET MORE OUT OF LIFE

Results for the 52 weeks ended 2 July 2022

25 October 2022

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AGENDA

1.

Introduction
to Lionel

2.

Review of
the year

3.

Financial
review

4.

Forward
view

5.

Q&A

Presenters

Lionel Desclée
Group CEO

Ben Fletcher
Group CFO

THE VERY GROUP

FY22 RESULTS

INTRODUCTION TO LIONEL

INTRODUCING LIONEL

Lionel joined the Board as Group CEO of The Very Group on 19 September 2022

Experience

- President and CEO of Walmart Japan
- President and CEO of Tom & Co
- Number of senior roles at global retail business Delhaize Group
- Senior adviser at McKinsey & Company

Attraction to TVG

- Compelling and resilient business model
- Strong relationship with customers
- Amazing team, strong culture and compelling values

Vision for the future

- Stand alongside our customers and keep them at the centre of what we do
- Enhance our digital customer experience and build even stronger brand relationships
- Add complementary products and services to make our customers’ lives simpler
- Build an inclusive, sustainable organisation

THE VERY GROUP

FY22 RESULTS

REVIEW OF THE YEAR

OVERVIEW

Our online-only, multi-category model has proven flexible and resilient in the face of rapidly changing consumer behaviour

1. Robust performance saw Very revenue for FY22 of £1,790.5m, up 12.6% on a two-year basis. This was down 4.0% against our strongest ever trading year (FY21: £1,8654m), but importantly still represented an increase in market share[1]. It is of note that FY21 was a 53-week period whereas FY22 was a 52-week period.
2. Top-line performance supported by strong revenue growth within our Very Finance business, which saw revenues increase 10.7% to £397.9m (FY21: £359.6m)
3. 60bps improvement in underlying EBITDA margin thanks to strong cost control, achieving £291.4m (FY21: £300.5m), and we also delivered comparable PBT of £63.9m[2] (FY21: £62.5m), post exceptional items.
4. Positive underlying free cashflow generation of £117.2m (FY21:£163.2m) which reflects a normalisation of our operating cash flows following our busiest ever trading year
5. Successful refinance of our existing bond with the issuance of £575m new notes at a reduced interest rate, saving £35m in interest over the life of the bond and securing our capital structure to 2026
6. In early FY23, we have made two further board appointments with Richard Mayfield and Tim Franklin joining as Non-Executive Directors
7. Our resilient business model, coupled with evolved strategic purpose, means we are well placed to meet the needs of our customers in the challenging economic year ahead and gives us confidence to continue investment into our strategic tech roadmap

1 – British Retail Consortium data for 52 weeks to 30 June 2022. Per BRC online non food market has declined by 16.7%

2 – All figures unless otherwise stated reflect the impact of the SaaS accounting policy change, including prior year restatements where relevant. Please see page 19 for more detail.

REVIEW OF THE YEAR

In a year full of extraordinary challenges, we went a long way in living our purpose of helping families get more out of life

Top of mind

- Focussed on making more families aware of our winning proposition
- Optimised our media strategy, reaching even more customers
- Our refreshed logo has strengthened our brand identity

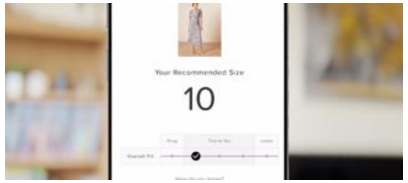
Accelerate lifestyle

- Made new brands available to our customers across all categories, including Sosandar, Crew, Estée Lauder fragrance, Simba and Ninja
- Enhanced our offering of consoles and virtual reality, key trends for our customers

Expand Very Pay

- Strengthened our Very Pay brand so customers know the choices we offer
- Made further improvements to our credit-decisioning technology, providing fast, responsible credit decisions, and detecting fraud more effectively
- Grew our debtor book as customers continued to value our flexible ways to pay

Improve DCX



- Commenced the transformation of our ecommerce platform, one of the biggest tech developments in our history
- Introduced our new virtual sizing tool, in partnership with TrueFit
- Developed advanced data analysis to ensure excellent product availability

ANNUAL ESG PROGRESS

We are committed to long-term progress on ESG matters and recognise there are still improvements to make as a business

Environment

- Progressed towards our target of being carbon-neutral in own operations by 2025
- Achieved a further 40% reduction in scope 1 and scope 2 carbon emissions
- For the first time we used 100% renewable energy at Skygate during our peak trading period
- Working with an independent third party to allow us to set science-based carbon reduction targets across scope 1-3 emissions
- Implementing the TCFD framework for FY23 reporting

Social

- Continued to support workers in our supply chain with financial literacy training
- Won a UN award for our mill project – empowering over 31,000 women in the Indian textile industry
- In the UK, we were named the number-one retailer for work-life balance based on Glassdoor ratings
- Launched an exclusive Roald Dahl retail collection with profits donated to Beanstalk
- Achieved a D&I rating of 4.2/5 on Glassdoor

Governance

- Strengthened our board with the appointment of Dirk Van den Berghe as Chairman
- Welcomed Charlotte Heiss as General Counsel who oversees our newly introduced ESG committee as exec sponsor
- Post-year end also appointed Richard Mayfield and Tim Franklin as Non-Executive Directors to help drive future growth
- Published our gender pay gap report which demonstrated a median hourly pay gap of 25.5%

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FY22 RESULTS

FINANCIAL REVIEW

ECONOMIC VALUE MODEL

We have a consistent focus on the drivers of earnings, earnings quality and liquidity

Revenue

(4.0)%

decline in Very revenue

(+12.6% growth on a two year basis)

Debtor book

7.6%

growth in average Very debtor book with focus on quality

Return on assets

(0.2)% pts

higher bad debt as % of average debtor book due to prudent overlay. This was anticipated as consumers return to normality following the pandemic.

Gross margin

(0.3)% pts

gross margin broadly in line with prior year at 36.2% (FY21: 36.5%)

Costs

1.6% pts

reduction in operating costs as % of revenue

REVENUE

A strong performance, annualising against our strongest ever trading year in FY21

very — FY22 vs FY21 performance

Revenue

(4.0)% to £1,790.5m

(3.6%) after adjusting for week 53[1]

- Very delivered resilient top-line performance, **growing 12.6%** in FY22 compared to pre-pandemic
- As expected, we saw a 4.0% reduction in revenue compared to our best ever trading year in FY21 (£1,865.4m)
- Lower retail sales were partially offset by Very Finance's return to double digit growth as customer behaviour normalised post-Covid

Littlewoods — FY22 vs FY21 performance

Revenue

(20.8)% to £357.8m

(13.8)% after adjusting for week 53[1]

- Littlewoods UK has continued its managed decline with a 18.3% reduction YoY, but on a two year basis was in line with previous guidance
- Importantly it remains profitable and cash generative
- Littlewoods Ireland continued to be impacted by depressed consumer sentiment but was materially in line with the Irish retail market
- Post year end we rebranded our Irish business to Very Ireland and from Q1 will be reporting this as part of the overall TVG performance

THE VERY GROUP — FY22 vs FY21 performance

Revenue

(7.3)% to £2,148.3m

(5.7)% after adjusting for week 53[1]

- Against our strongest ever trading year, and a declining online market[2], TVG has demonstrated a robust top-line performance
- On a two-year basis, group sales **increased 4.8%** demonstrating structural growth in our business
- During FY22 we estimate that we grew our market share by 70bps[2] in an increasingly competitive environment

1 – FY21 was a 53 week period whereas FY22 was a 52 week period. Unless otherwise stated, all comparators include the extra week in FY21. Where a 52 week comparison has been used, this is calculated using weeks 2-53 of FY21.

2 – British Retail Consortium data for 52 weeks to 30 June 2022. Per BRC online non food market has declined by 16.7%

RETAIL

Our multi-category retail offering has enabled us to adapt to changing customer behaviours and has driven strong growth on a two-year basis

- Very retail sales declined 7.7% following a record year in FY21, but grew 15.3% on a two year basis
- Growth achieved across almost all categories compared to pre-pandemic demonstrates the structural growth in the brand
- FY22 showed a return to more typical retail baskets with fashion making a resurgence, growing 6% YoY. Women's high street (+87%) and designer brands (+50%) performed particularly well
- As previously guided, electrical revenue softened, falling 12.7% following an outstanding year during Covid. However, we saw across the board double digit growth compared to pre-pandemic demonstrating the strength of our offering. Gaming, in particular, was up 58% on a two year basis
- Home also declined against strong prior year comparatives as we had predicted, reducing by 22.3%
- Developing categories was relatively flat in the year with double digit growth in personal care being offset by a decline in our toy and fragrance offerings

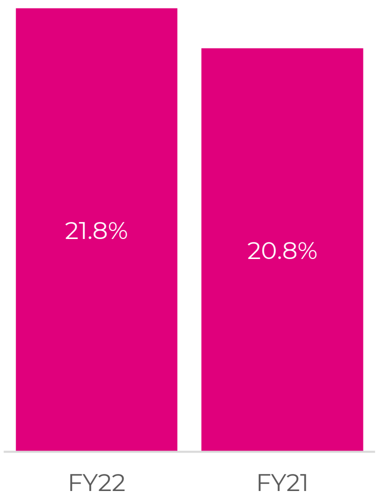
Retail sales

	Fashion and sports	Electrical	Home	Developing categories
				
Very YoY	+5.8%	(12.7)%	(22.3)%	(0.2)%
Very PY-1	+18.1%	+21.2%	(1.6)%	+6.7%
TVG YoY	+0.9%	(13.9)%	(23.5)%	(4.1)%
TVG FY22 mix	33.5%	42.6%	13.6%	10.3%
TVG FY21 mix	29.8%	44.5%	16.0%	9.7%

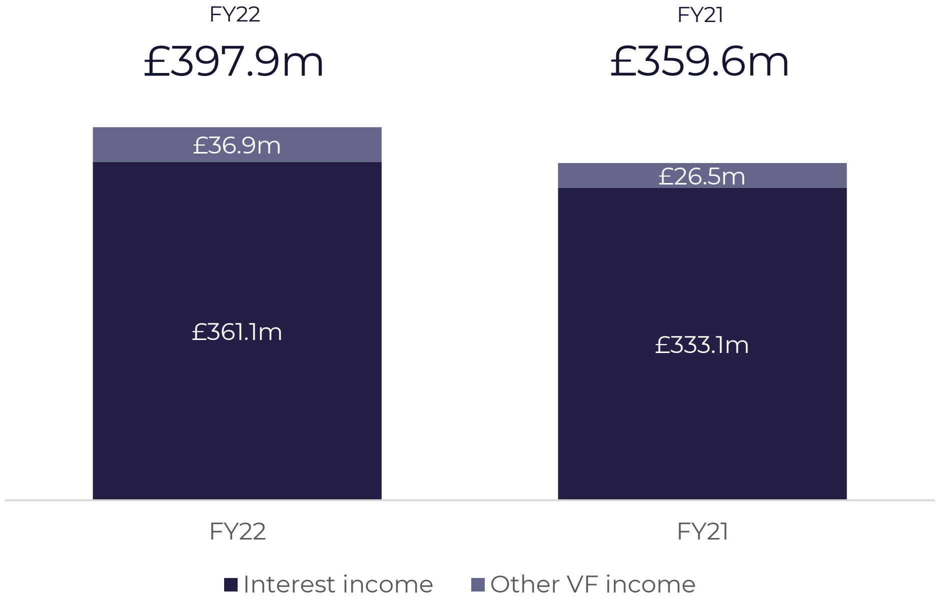
VERY FINANCE

Double digit revenue growth within Very Finance of 10.7% as customer payment rates begin to normalise, although they remain significantly ahead of pre-pandemic levels

Interest Income as % of average debtor book



Very Finance revenue



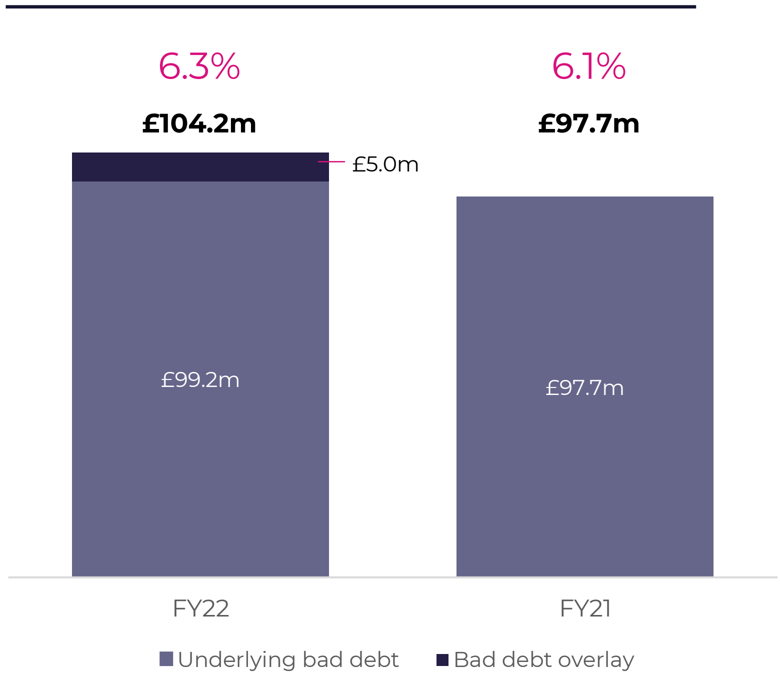
- As previously guided, Very Finance revenue has experienced a return to growth in FY22 with interest income increasing 8.4% to £361.1m (FY21: £333.1m)
- This follows a sustained period of elevated customer payment rates during Covid-19
- As previously communicated, we have seen the early signs of payment rates normalising post-pandemic in line with our expectations
- This contributed to 3.1% growth in the TVG average debtor book to £1,654.1m (FY21: £1,604.3m) whilst the Very average debtor book grew 7.6% to £1,346.7m (FY21: £1,251.2m)
- As at FY22, payment rates remain significantly above pre-pandemic levels and we expect that this will continue to normalise over the course of FY23

BAD DEBT

Our underlying bad debt continued to be significantly below pre-pandemic levels but for prudency we have increased our bad debt provision through an additional £5.0m overlay

- Underlying bad debt in FY22 has remained significantly below pre-pandemic levels, with arrears falling significantly during Covid-19
- Bad debt began to show signs of normalising in Q3 FY22 but remains some way off pre-pandemic levels which typically saw bad debt sit between 7%-8% of the average debtor book
- We take a cautious, risk-informed view of bad debt and to that end – and consistent with our approach during the pandemic – at FY22 we have included an additional £5.0m overlay for bad debt in consideration of the wider macro environment
- Without this additional overlay of £5.0m our underlying bad debt as a % of the average debtor book would be 6.1% in line with last year
- We have a strong track record of lending responsibly and managing bad debt
- Our experience in the 2008/09 recession demonstrated that even in times of economic crisis we continued to manage bad debt effectively

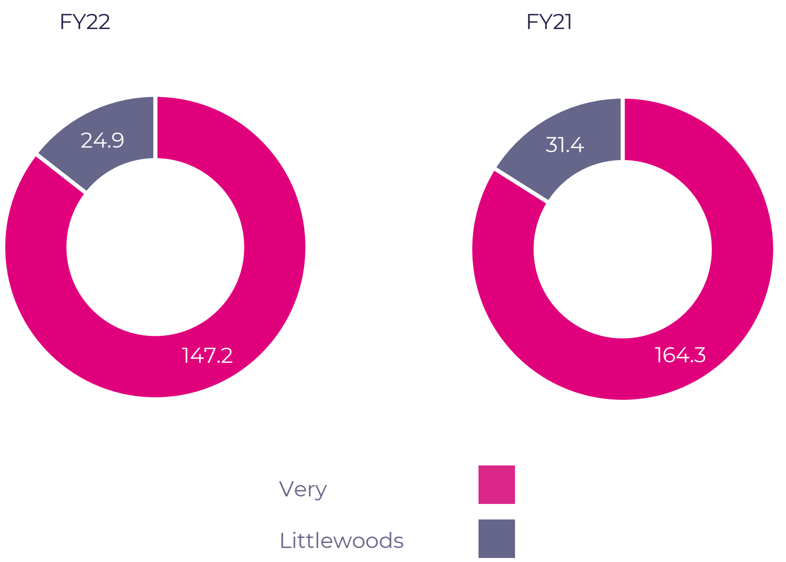
Bad debt as a % of average debtor book (£m)



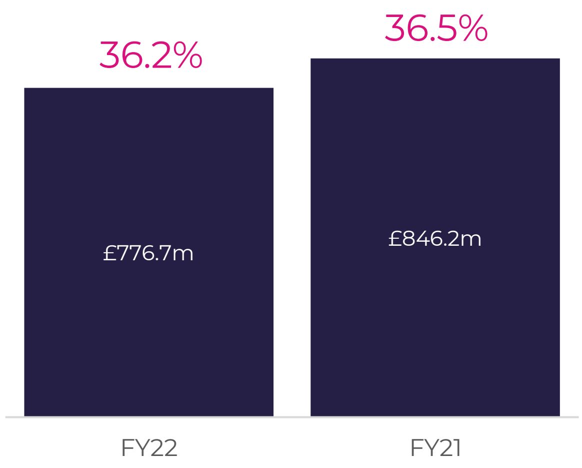
GROSS MARGIN

Our stable underlying gross margin is testament to the strength of our integrated proposition

Gross margin by brand (£m)



Gross margin (£m) and gross margin rate



- Gross margin reduced slightly to 36.2% in FY22 (FY21: 36.5%) as a result of the additional bad debt overlay, without which group gross margin would have been maintained at 36.5%
- Retail gross margin saw a small decline by 1.4% pts due to reduced sales in our higher-margin home category, not fully offset by growth in Fashion & Sports
- At a group level this was offset by a higher contribution from the Very Finance business as well as lower bad debt

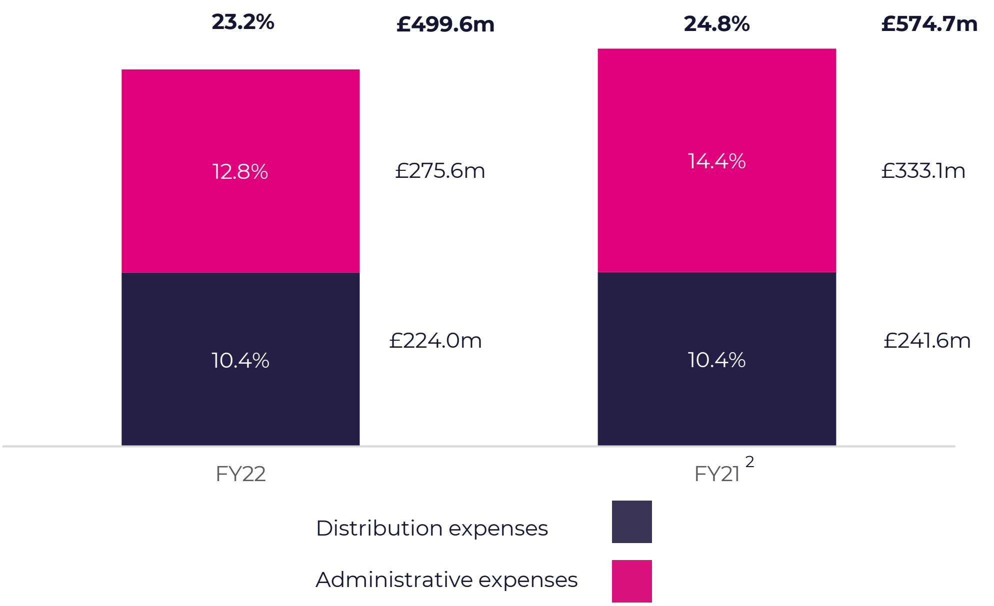
Note: Gross margin by brand does not include some central allocated costs, but these are included in the group gross margin figures.

COST CONTROL

Achieved a 1.6%pt reduction in operating costs as a proportion of revenue despite the inflationary environment

- Cost control is a key strength of our business, with our operating costs as a proportion of revenue having reduced by 5.4%pts since FY17
- In FY22 we achieved both a £ and % reduction, with costs falling a further 1.6% pts taking our operating costs as a % of revenue to 23.2%
- Distribution costs as a % of revenue remained stable despite the widespread inflationary impact in the market
- Admin expenses as a % of revenue fell by 1.5%pts

Operating costs[1] as % of revenue (£m)



1 – Operating costs are stated exclusive of depreciation and amortisation

2 – FY21 comparators have been restated to reflect the impact of the SaaS accounting policy change, please see page 19 for more detail.

UNDERLYING EBITDA

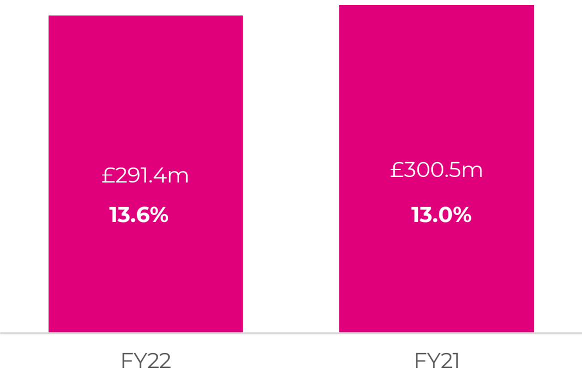
Strong cost control and greater contribution from Very Pay has improved underlying EBITDA margin

- Despite the more challenging retail landscape in FY22, reported EBITDA was increased by 2.3% to £279.7m (FY21: £273.3m)
- This is testament to our strong operational cost control as well as positive margin contribution from Very Finance
- Underlying EBITDA, after accounting for the additional £5.0m bad debt and 53rd week in FY21, was £291.4m (FY21: £300.5m) which equates to a margin improvement of 0.6% pts
- Adjusting for the extra week in FY21 as well as the additional bad debt overlay, puts us ahead of last year by adding approximately £10m to underlying EBITDA growth

Year-on-year underlying EBITDA reconciliation

(£m)	FY22 (52 week)	FY21 (53 week) Restated[1]	%
Reported EBITDA	279.7	273.3	2.3%
Adjusted for			
Fair value adjustments to financial instruments	(5.7)	3.1	
FX translation movements on trade creditors	(0.7)	(3.1)	
IAS19 pension adjustments	1.5	0.1	
SaaS accounting change	16.6	27.0	
Underlying EBITDA	291.4	300.5	(3.0)%
Adjusted for			
Management fees	7.2	5.0	
Securitisation interest	(53.9)	(49.0)	
Adjusted EBITDA post securitisation interest	244.7	256.5	(4.6)%

Underlying EBITDA



1 – FY21 comparators have been restated to reflect the impact of the SaaS accounting policy change, please see page 19 for more detail.

ACCOUNTING POLICY CHANGE

An update on our previously proposed SaaS accounting treatment

- At Q3 FY22 we disclosed that by year end we would adopt an accounting policy change in relation to Software-as-a-Service (SaaS) following the issuance of revised guidance for IAS 38 by The International Financial Reporting Interpretations Committee (IFRIC)
- This clarified that SaaS arrangements should typically be expensed as incurred by the customer, rather than recognising them as an asset as we have historically done in line with the original accounting standard
- At Q3, we shared the estimated impact of adopting the initial IFRIC guidance, effective from 2 July 2022, on our financial results for FY22 and the prior year comparative FY21
- Following a detailed review of the second revision of the guidance released by IFRIC containing further clarification over the treatment of customisation and implementation costs, the final impact to our FY22 and FY21 restated results is shown aside
- As we accelerate our planned tech development there will be a continued P&L impact as spend that we would have previously capitalised will be expensed, offset by a decrease in depreciation. The majority of this spend is pulled out as exceptional within our statutory accounts
- This will be neutral from a cash perspective and the P&L impact will normalise over time as depreciation from future years is pulled into operating expenses in the short term

Summary of impact of SaaS accounting treatment on key financials

(£m)	FY22	FY21
Reported EBITDA (pre-exceptionals)	(16.6)	(27.0)
Adjusted EBITDA (post-sec interest)	-	-
PBT (pre-exceptionals)	(4.9)	(19.2)
Net assets	(86.2)	(63.5)

Impact on FY22 results

(£m)	FY22 Pre-SaaS	SaaS adj.	FY22 Post-SaaS
Reported EBITDA (pre-exceptionals)	296.3	(16.6)	279.7
Adjusted EBITDA (post-sec interest)	244.7	-	244.7
PBT (pre-exceptionals)	110.3	(4.9)	105.4
Underlying free cashflow	117.2	-	117.2

PRIMEVERE EQUIPMENT LIMITED

TVG has completed the acquisition of Primevere Equipment Limited by Littlewoods Ltd, a subsidiary of The Very Group Limited

- On 22 June 2022 TVG acquired Primevere Equipment Limited ('PEL'), a non-group company with a common shareholder
- Acquisition was completed for cash consideration of £346k following an independent third party valuation
- PEL has historically leased to The Very Group the specialist machinery used at our Skygate facility
- Acquiring PEL therefore removes the lease liability of TVG but does introduce additional external debt which PEL had used to fund initial purchase of the machinery (£42.0m at FY22)
- Ownership of PEL also gives us greater control of the assets and long-term security
- The financial results of PEL have been consolidated in to the TVG results as at FY22 and the impact is shown in the adjacent table
- Net asset impact in the table aside includes the recognition of the machinery within fixed assets, offset by the elimination of the Right of Use Asset and related lease liability, the elimination of intercompany loan balances and the introduction of the HSBC debt

Summary of impact of PEL consolidation treatment on key financials

(£m)	FY22
PBT	(1.1)
EBITDA	(0.6)
Net assets	2.1
Leverage	0.1x

UNDERLYING FREE CASHFLOW

Positive underlying cash flow of £117.2m

£117.2m

FY22 UNDERLYING FREE CASHFLOW

A statutory net cash flow is presented on page 28 with detailed explanations of key movements

Cash flow

(£m)	Q4 FY22	Q4 FY21 Restated[1]
Adjusted EBITDA (post securitisation interest and SaaS)[1]	**228.1[2]**	**229.5[2]**
Net working capital movement:		
Movement in inventories	(9.9)	(36.8)
Movement in trade receivables	(46.8)	16.7
Movement in prepayments and other receivables (exc. refinancing costs)	(2.7)	(13.7)
Movement in trade and other payables (exc. refinancing costs)	(65.1)	22.2
Movement in securitisation facility	52.5	3.8
Net working capital (post securitisation funding)	**(71.9)**	**(7.8)**
Pension contributions	-	0.3
Fair value adjustments to financial instruments	-	(0.1)
Capital expenditure	(39.0)	(58.7)
Underlying free cashflow	**117.2**	**163.2**
Increase in bond amounts	25.0	-
Bond refinancing costs	(21.0)	-
Free cashflow (post refinancing)	**121.2**	**163.2**
Dividends paid	(25.0)	-
Free cashflow (post dividends)	**96.2**	**163.2**

- Achieved positive underlying free cash flow of £117.2m (FY21: £158.4m)
- Stock levels have normalised following our busiest ever trading period in FY21 during the pandemic causing a reduction in inventories and trade payables
- The acceleration in growth of our debtor book as customer payment rates have started to reduce has driven a short term cash outflow as seen in the movement in trade receivables but improves our profitability in the medium term
- This is offset by the movement in securitisation facility
- We have paid down the inventory investment required to support higher sales in FY21 and not repurchased at the same volume. This impacted trade payables, which in turn impacted free cashflow
- Trade and other payables also reflects £26m relating to deferred VAT from March 2020 and changes in our bond interest accrual under the new facility
- Capital expenditure now excludes cloud computing costs in line with the change in accounting policy as set out on page 19, and instead reflects spend across a number of business-as-usual and strategic investments

1 – FY21 comparators have been restated to reflect the impact of the SaaS accounting policy change, please see page 19 for more detail.

2 – For cash flow purposes, adjusted EBITDA has been restated to reflect SaaS expenditure otherwise added back to the adjusted EBITDA figure shown on page 18

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FY22 RESULTS

FORWARD VIEW

OUTLOOK

Our multi-category, integrated offering makes Very more relevant than ever for our customers

1. We are proud of our performance and delivery on earnings in FY22, which has demonstrated the resilience of our business against challenging economic conditions thanks to our multi-category proposition with integrated flexible ways to pay and strong cost control

2. Market conditions suggest a challenging and volatile year ahead with the cost of living crisis likely to have a negative impact on consumer demand in FY23. We are anticipating Q1 retail sales will likely be lower year-on-year as a result, but with further normalisation of Very Finance KPIs

3. We are already preparing for Christmas with good stock availability as we enter the golden quarter compared to last year and expect to see improvements in operational efficiency as we leverage the advantages of Skygate, our highly automated fulfilment centre

4. Our focus remains as ever on earnings, earnings quality and liquidity which we will achieve through continuing our long track record of cost control and ability to apply expert risk management to our debtor book

5. Our core proposition of offering our customers a broad range of products and having the widest range of flexible ways to pay to manage their households budget is ever more relevant now

6. In the year ahead we are increasing investment into our tech platform and customer experience, focusing on our long-term ambitions that place customers at the heart of our business

FY22 RESULTS

Q&A

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APPENDICES

INCOME STATEMENT

Income statement

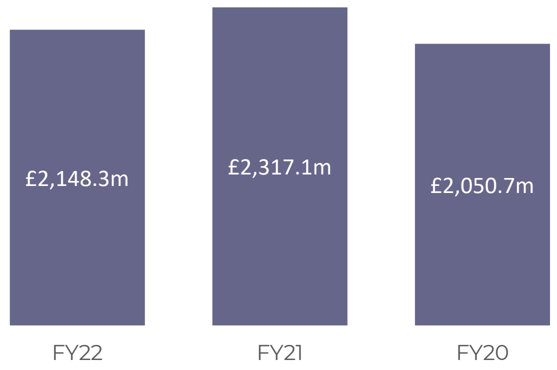
(£m)	FY22 (52 weeks)[1]	FY21 (53 weeks)[1] Restated[2]	Variance (%)
Very	1,790.5	1,856.4	(4.0)%
Littlewoods	357.8	451.7	(20.8)%
Group revenue	2,148.3	2,317.1	(7.3)%
Gross margin	776.7	846.2	(8.2)%
% margin	*36.2%*	*36.5%*	
Distribution expenses	(224.0)	(241.6)	(7.3)%
Administrative expenses	(275.6)	(333.1)	(17.3)%
Other operating income	2.6	1.8	44.4%
Pre-exceptional reported EBITDA	279.7	273.3	2.3%
% reported EBITDA margin	*13.0%*	*11.8%*	
Operating costs as % of revenue	*23.2%*	*24.8%*	
Underlying EBITDA	291.4	300.5	(3.0)%
% underlying EBITDA	*13.6%*	*13.0%*	

1 – FY21 was a 53 week period whereas FY22 was a 52 week period. Unless otherwise stated, all comparators include the extra week in FY21. 52 week comparisons to our FY22 results are included on page 12.

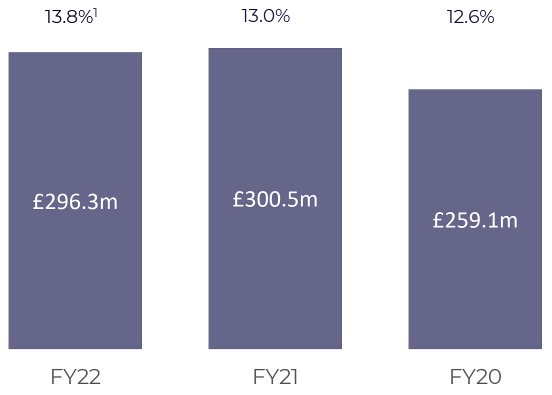
2 – FY21 comparators have been restated to reflect the impact of the SaaS accounting policy change, please see page 19 for more detail.

LTM KPIs

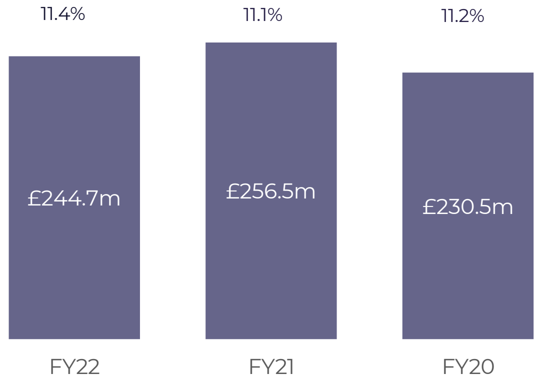
LTM revenue (£m)



LTM reported EBITDA[1] (£m)



LTM adjusted EBITDA post securitisation interest (£m)



1 – For the purposes of reporting against our bond covenants we have elected to freeze the SaaS accounting policy change, as permitted in our covenant agreements. Without the freeze election LTM reported EBITDA in FY22 would be £279.7m. This is because per the terms of our bond, the change in accounting treatment only applies to the quarter in which the change is implemented and is not applied retrospectively or on a cumulative basis. Adjusted EBITDA is pre-SaaS and therefore not affected by the election to freeze.

CASHFLOW STATEMENT

(£m)	FY22	FY21 Restated
Adjusted EBITDA (post securitisation interest and SaaS)[1]	**228.1[2]**	**229.5[2]**
Net working capital movement:		
Movement in inventories	(9.9)	(36.8)
Movement in trade receivables	(46.8)	16.7
Movement in payments and other receivables	(2.7)	(13.7)
Movement in trade and other payables	(65.1)	22.2
Movement in securitisation facility	52.5	3.8
Net working capital (post securitisation funding)	**(71.9)**	**(7.8)**
Other adjustments	-	0.2
Capital expenditure	(39.0)	(58.7)
Underlying free cashflow	**117.2**	**163.2**
Increase in bond amounts	25.0	-
Bond refinancing costs	(21.0)	-
Dividend paid	(25.0)	-
Free cashflow (post refinancing and dividend)	**96.2**	**163.2**
Interest paid (excluding securitisation interest)	(46.3)	(54.1)
Income taxes (paid) / received	(1.4)	(3.0)
Cash impact of exceptional items (excluding customer redress)	(38.6)	(145.9)
Management fees	(7.2)	(5.0)
Cash paid to parent company	(5.0)	(5.0)
(Repayments of) / draw downs from finance leases	(11.6)	(18.6)
(Repayments of) / draw downs from bank loans	(5.9)	-
Movement in revolving credit facility	(14.9)	(60.0)
Net increase in cash and cash equivalents	**(34.7)**	**(128.5)**

1 – For cash flow purposes, adjusted EBITDA has been restated to reflect SaaS expenditure otherwise added back to the adjusted EBITDA figure show on page 18.
2 – Other adjustments comprise pension contributions and fair value adjustments, see page 21.

- We achieved positive underlying free cash flow of £117.2m (FY21: £163.2m), and whilst on a statutory basis we have seen a net decrease in cash, that cash outflow is significantly smaller than in FY21
- Spend on inventory was significantly lower during FY22 compared to our busiest ever trading period in FY21
- This had a subsequent impact to our trade payables as we have paid down the inventory investment required to support higher sales in FY21 and not repurchased at the same volume
- Trade and other payables also reflects £26m of deferred VAT from March 2020 and changes in our bond interest accrual under the new facility
- The movement in trade receivables, which is offset by the movement in the securitisation facility, is largely driven by the acceleration in growth of our debtor book as customer payment rates have started to reduce
- A resurgence in Very Pay drives a short term cash outflow but improves our profitability in the medium term
- Capital expenditure reflects the new accounting policy for SaaS arrangements, with these now being expensed rather than capitalised to the balance sheet
- Cash impact of exceptional items includes customer redress payments of £7.4m in FY22, down from £119.4m in FY21 driving a significant cash benefit
- A dividend of £25m was declared for FY21 and this was paid in November 2021

NET LEVERAGE

(£m)	Q4 FY22	Q3 FY22	Q2 FY22	Q1 FY22	Q4 FY21	Q3 FY21	Q2 FY21	Q1 FY21
Cash and bank balances	43.4	41.7	5.6	22.0	78.1	92.5	55.7	120.5
Fixed rate notes[1]	(575.0)	(575.0)	(575.0)	(575.0)	(550.0)	(550.0)	(550.0)	(550.0)
Revolving credit facility[1]	(75.0)	(150.0)	-	(90.0)	(90.0)	(150.0)	-	(150.0)
Other debt[1, 2]	(42.1)	(0.2)	(8.2)	(2.7)	(0.7)	(0.8)	(1.1)	(1.6)
Total gross debt (excluding securitisation)	(692.1)	(725.2)	(583.2)	(667.7)	(640.7)	(700.8)	(551.1)	(701.6)
Total net debt (excluding securitisation)	(648.7)	(683.5)	(577.6)	(645.7)	(562.6)	(608.3)	(495.4)	(581.1)
LTM adjusted EBITDA (post securitisation interest)	244.7	266.2	274.4	262.2	256.5	262.5	247.3	239.4
Net leverage	2.7x	2.6x	2.1x	2.5x	2.2x	2.3x	2.0x	2.4x

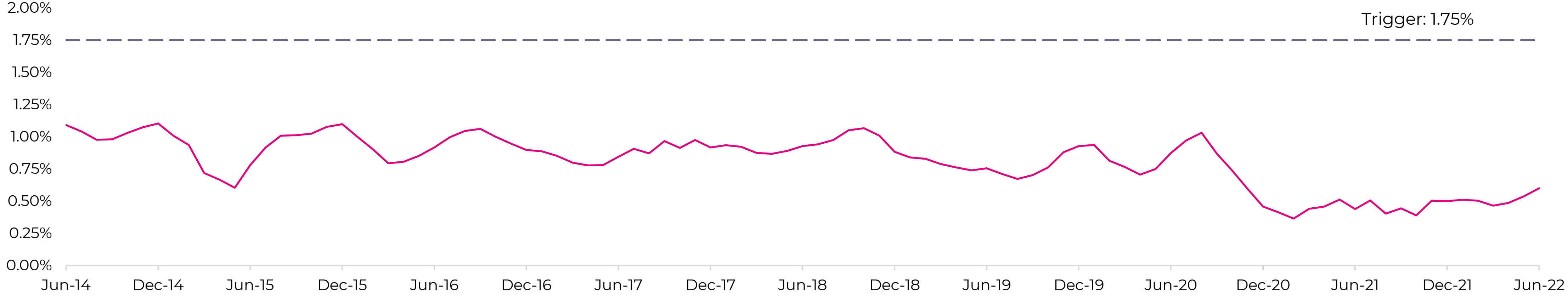
1 – From Q1 FY22, the fixed rate note and RCF balances have been reported at each quarter end under amortised cost, which is consistent with the statutory accounting treatment under IFRS 9. However for the purposes of our bond covenants, net leverage should be calculated under a 'principal debt obligation', excluding accrued interest as identified in note 23 to the statutory accounts.

We have therefore restated the fixed rate note and RCF balances for Q1 FY22 onwards in the table above, to be on a principal debt basis.

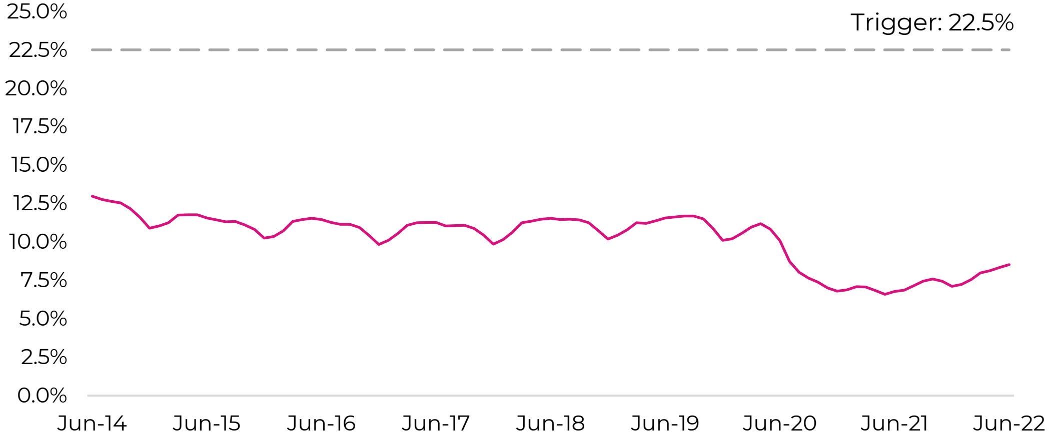
2 – Other debt reflects the acquisition of PEL and consequential introduction of additional HSBC debt of £42.0m is reflected within other debt from Q4 FY22

SECURITISATION PERFORMANCE COVENANTS

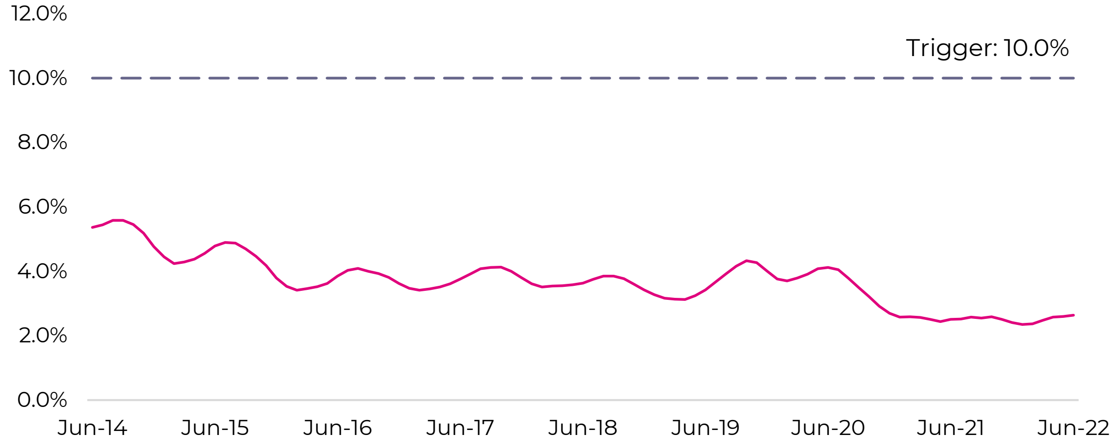
Default three month moving average



One to five month delinquency rates



Five-plus months delinquency rates



BALANCE SHEET

(£m)	FY22	FY21 Restated
Non-current assets	**1,232.1**	**780.1**
Current assets	**1,801.9**	**2,257.6**
Of which:		
Inventories	112.1	102.2
Trade and other receivables	1,640.2	2,075.8
Cash and bank balances	43.4	78.1
Current liabilities	**(647.8)**	**(746.7)**
Of which:		
Trade and other payables	(517.56)	(566.7)
Customer redress provision	(3.7)	(11.1)
Retirement benefit obligations	-	(8.7)
Non-current liabilities	**(2,191.6)**	**(2,133.9)**
Of which:		
Retirement benefit obligations	(1.3)	(1.6)
Securitisation borrowings	(1,441.7)	(1,389.2)
Total equity and liabilities	**(3,034.0)**	**(3,185.6)**

- During the year a reclassification occurred relating to the intercompany receivable due from Shop Direct Holdings Limited of £495.5m (FY21: £490.5m) and supplier rebate due to clarifications in “IAS 1 Presentation of Financial Statements”
- The clarification stated there must be an intention to recover the balance within 12 months, rather than the ability to do so
- We have therefore reclassified the intercompany receivable from current to non-current in FY22