



26 November 2014

Interim Report (1 January – 30 September 2014)

Presenter: Gustav Hultgren, CEO, and Fredrik Olsson, CFO

DDM Holding AG (Nasdaq First North Stockholm: DDM) and  
DDM Treasury Sweden AB (publ) (NGM: DDM1)



Company overview

Financial Recap January – September 2014

Summary

9M 2014

Strong growth following recent IPO

- + 31% Net collections, up y-o-y
- + 171% EBIT, increase y-o-y
- + 82% Operating cash flow, increase y-o-y
- + 47% 120-month ERC, increase Q3 vs. Q2
- 15.6 EUR M investments in distressed assets during 2014
- 3 New countries entered & re-entered during 2014



### Competitive advantages

#### Opportunistic deal sourcing

Key value driver in target markets

#### Scalability and flexibility

Outsourcing to multiple collection agencies allows scale and flexibility compared to collection in-house

#### Tailored collector selection

Selection of the local collector best suited to collect on a particular portfolio – rather than applying the one-size-fits-all collection approach of larger competitors with in-house collection agencies

#### Best-practice implementation

DDM improves agency performance through best-practice implementation and management of its selected agencies through its state-of-the-art FUSION IT system

#### Proprietary IT system

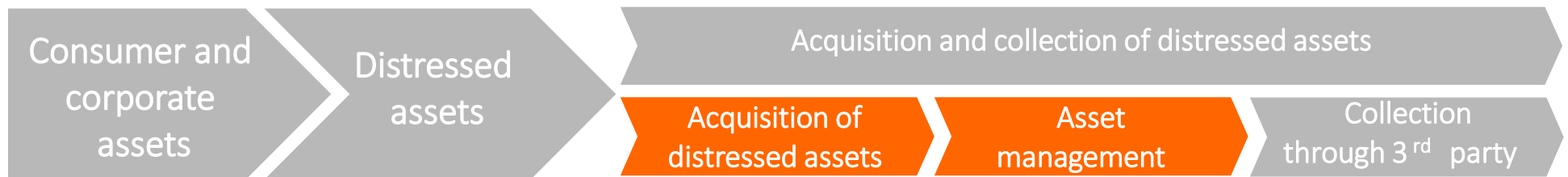
Tailor made for DDM / supports all DDM activities / Scalable / Language and country indifferent

#### Credible buyer of distressed assets

DDM has during 7 years established strong relationships with banks and financial institutions to acquire distressed assets. Recent listing on Nasdaq further strengthens credibility.

#### Strong team and track record

Highly experienced and committed team (50+ years); invested EUR 80+ M since 2007



**Deal sourcing:** Opportunistic approach the key value driver, both for profitability and growth

**Relations:** Strong relationships across the region and a credible buyer.

**Processes:** DDM has its proprietary IT system, outsources the collection to the optimal partner and manages the collection process.



- Formed in 2005, international ownership
- 67 branches in Russia + Kiev and four call centers in Moscow, Novosibirsk, Volgograd and Kiev
- 500+ employees
- Large debtor database
- 3 million calls/month, 16 million text messages/month



- Active in 5 countries
- A leading manager of retail NPL\*
- investments in Czech Republic & Slovakia
- One of the leading manager & servicer of NPL investments in Poland and Romania
- Around 170 employees



- Global focus credit insurance and commercial risk management
- In 2006 Coface became a wholly-owned subsidiary of Natixis, the investment, asset management and financial services bank of the BPCE Group
- 4,440 employees located in 66 countries
- 37,000 client companies in nearly 200 countries

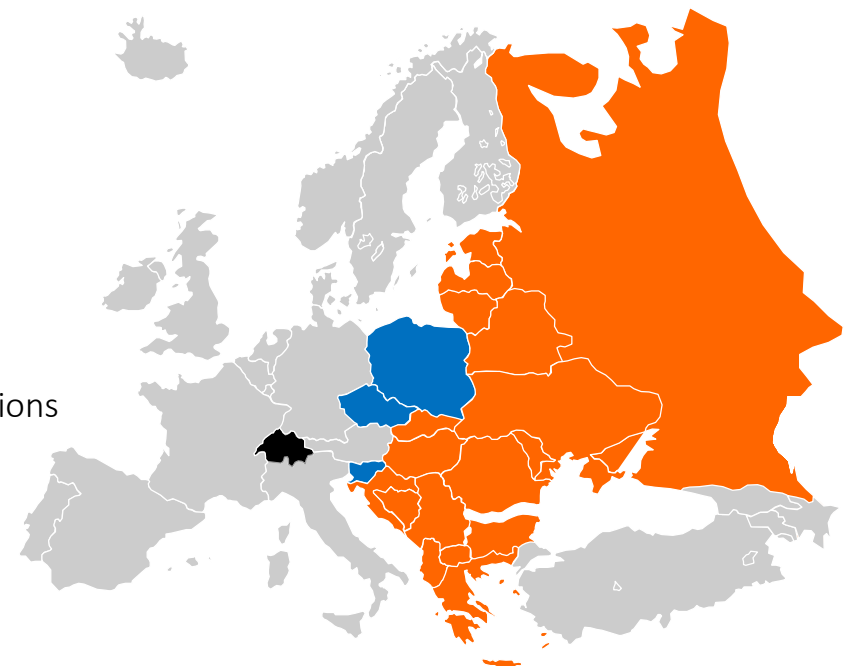
\* NPL = Non-Performing Loans

### Developments during the period

- IPO for investments and improved capital structure
- Geographical expansion to Czech Republic and Poland
- Strong pipeline of investment opportunities
- Romania – largest market by book value & net collections
- Continued focus on growth
- Strengthening the organization; new CFO and Head of Collections

### After the period

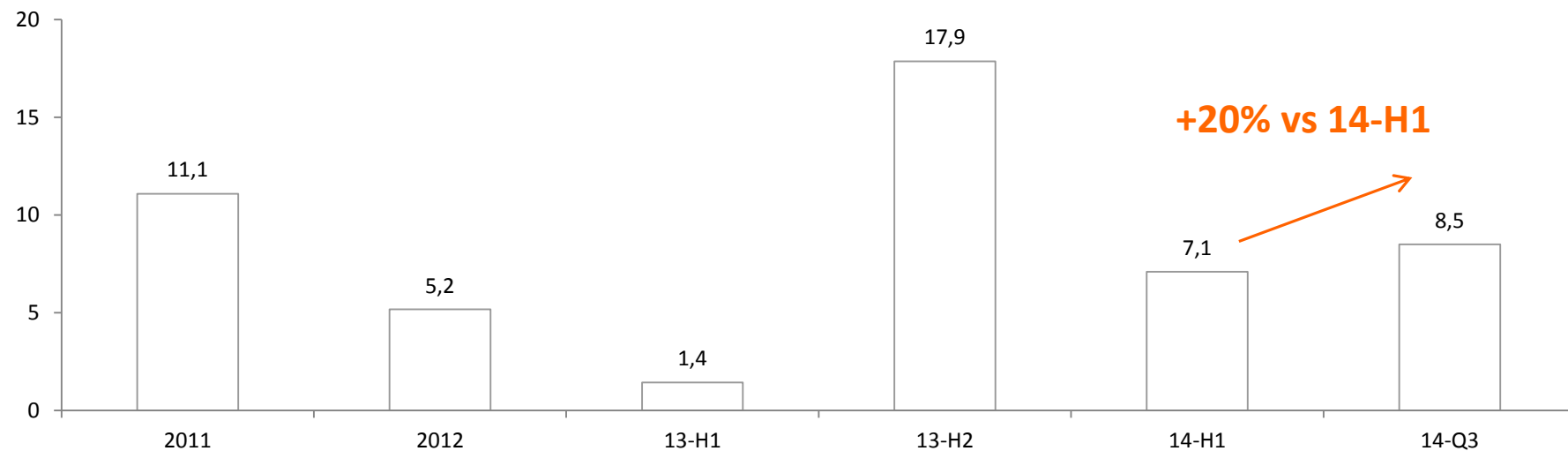
- EGM: Election of two new board members
- Continued strong pipeline of investment opportunities



- Company headquarters in Switzerland
- Geographical focus (Eastern Europe)
- Markets entered & re-entered in 2014



Investments (EUR M)

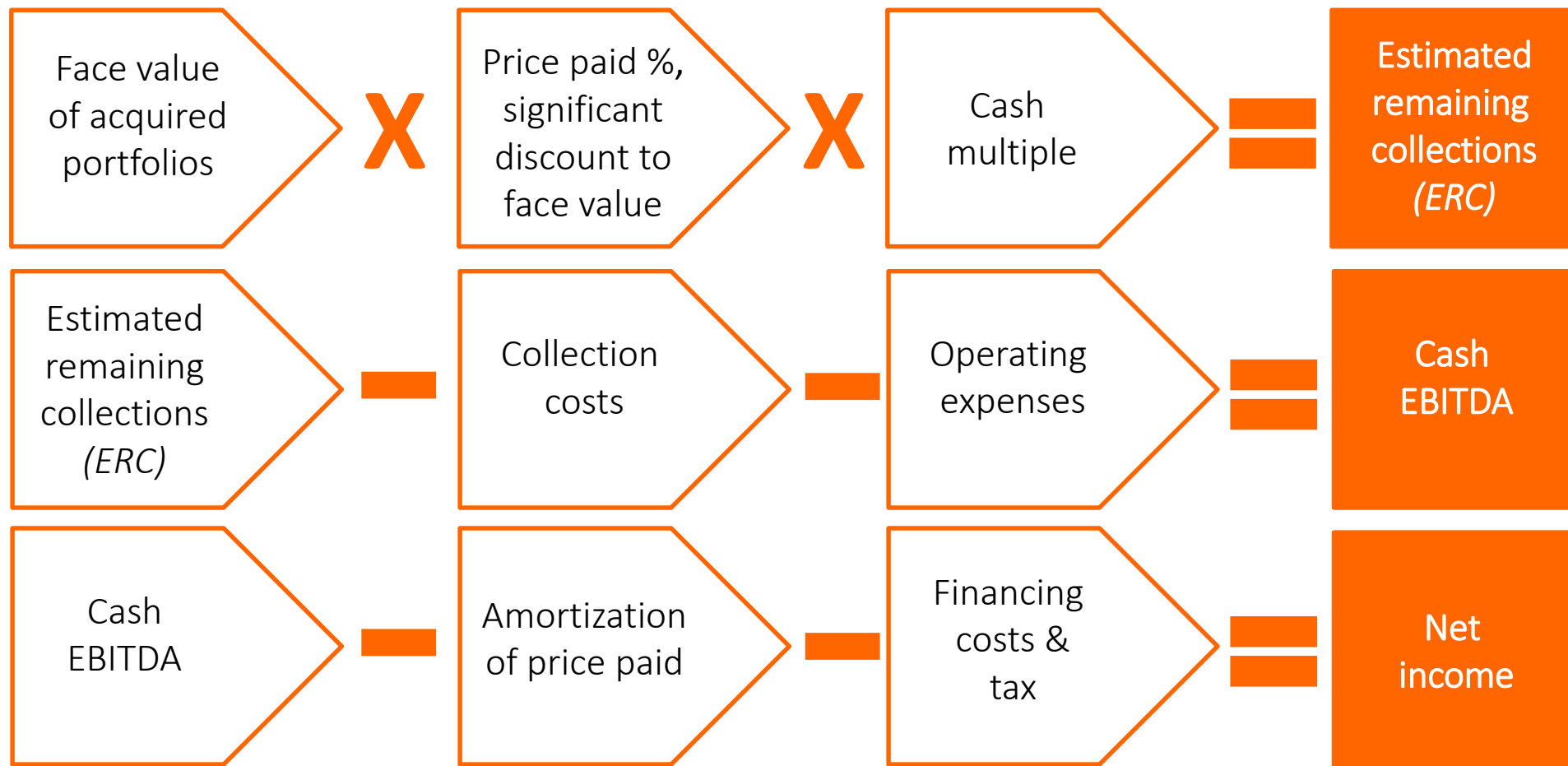


- Increased investment activity enabled by the bond issue in June 2013
- IPO August 2014 further fuelled growth
- 20% increase in Q3 investments compared to first half of 2014.

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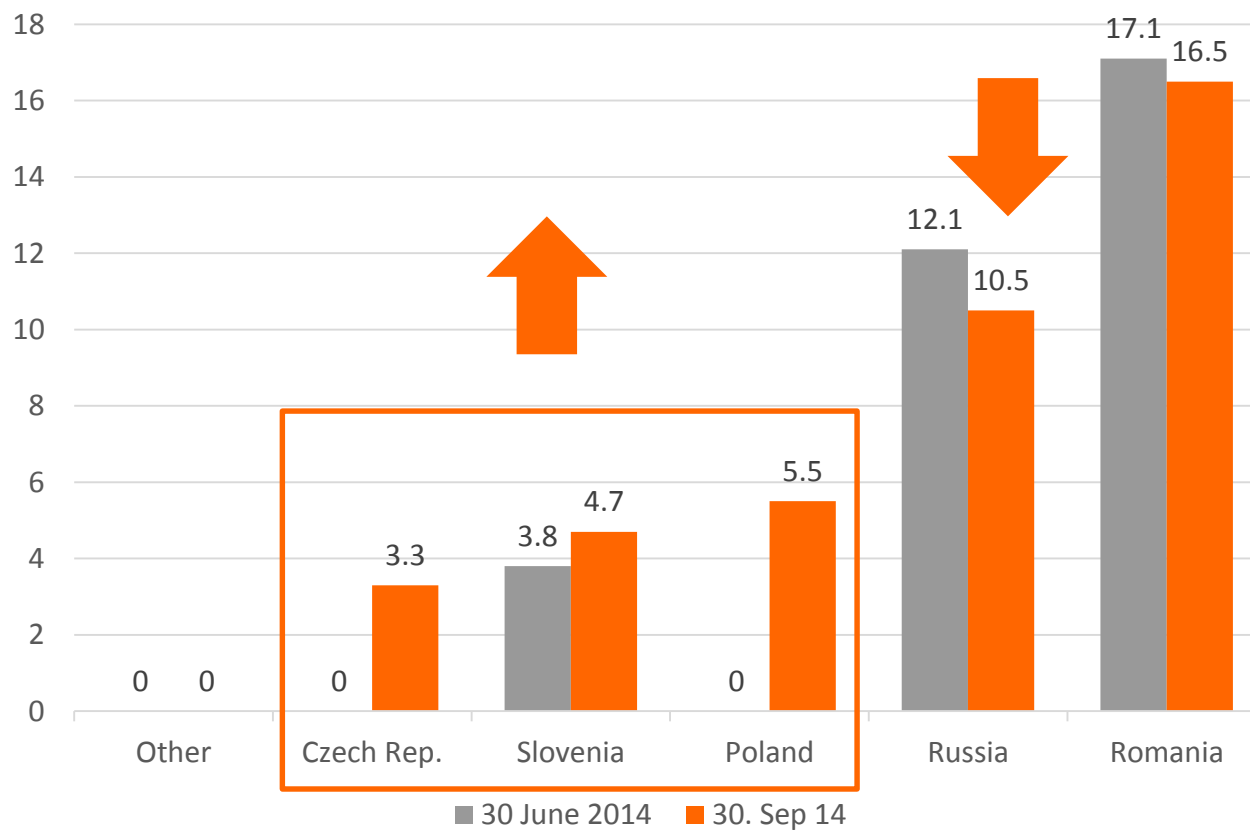


EUR	Cash	Non-Cash
Gross collections	√	
Commission & fees	√	
<b>Net collections</b>	√	
Portfolio amortization		√
Revaluation distressed debt portfolios		√
<b>Net revenues</b>		
Overhead costs	√	
<b>EBITDA</b>		
Depreciation & Amortization		√
<b>EBIT</b>		
Financial income	√	
Financial expense	√	
Foreign Exchange gain/(loss) realized	√	
Foreign Exchange gain/(loss) unrealized		√
<b>Profit before tax</b>		
Tax	√	
<b>Net income for the period</b>		

EUR M	Jul-Sep 2014	Jul-Sep 2013	Change, %	Jan-Sep 2014	Jan-Sep 2013	Change, %
Net collections	2.7	2.3	17	8.4	6.4	31
Operating profit / (loss) (EBIT)	0.0	(0.5)	100	1.5	(2.1)	171
Net result for the period	(2.2)	(1.9)	16	(2.2)	(5.3)	(58)
Operating cash flow	(1.7)	(0.5)	(240)	2.0	1.1	82
Cash EBITDA	1.7	1.3	31	5.2	3.8	37
Investments in distressed assets	8.5	12.6	(33)	15.6	13.0	20

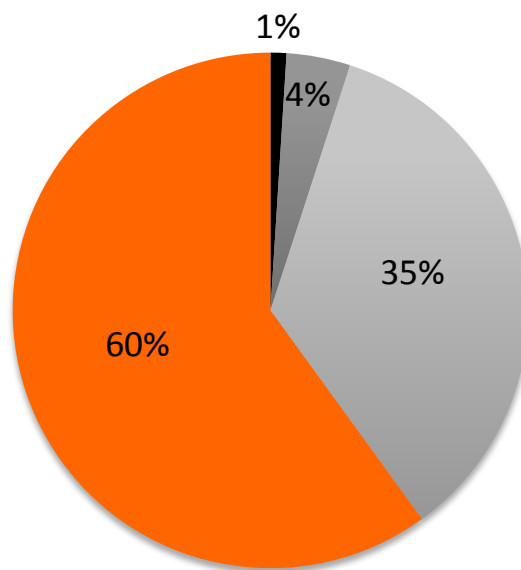
EUR M	30 Sep, 2014	31 Dec, 2013	Change, %
Total assets	56.2	50.4	11
Cash	7.6	14.2	(46)
Distressed asset portfolios	40.5	28.0	45
Total liabilities and shareholders equity	56.2	50.4	11
Total liabilities	44.6	49.5	(10)
Total shareholder's equity	11.6	0.9	1189
Net debt	32.0	33.6	(5)
	30 Sep, 2014	30 Jun, 2014	Change, %
Gross ERC 120 month	56.5	38.5	47

Book value by country, EUR M



## Net collections by country, %

January-September 2014



Other countries
  Slovenia
  Russia
  Romania

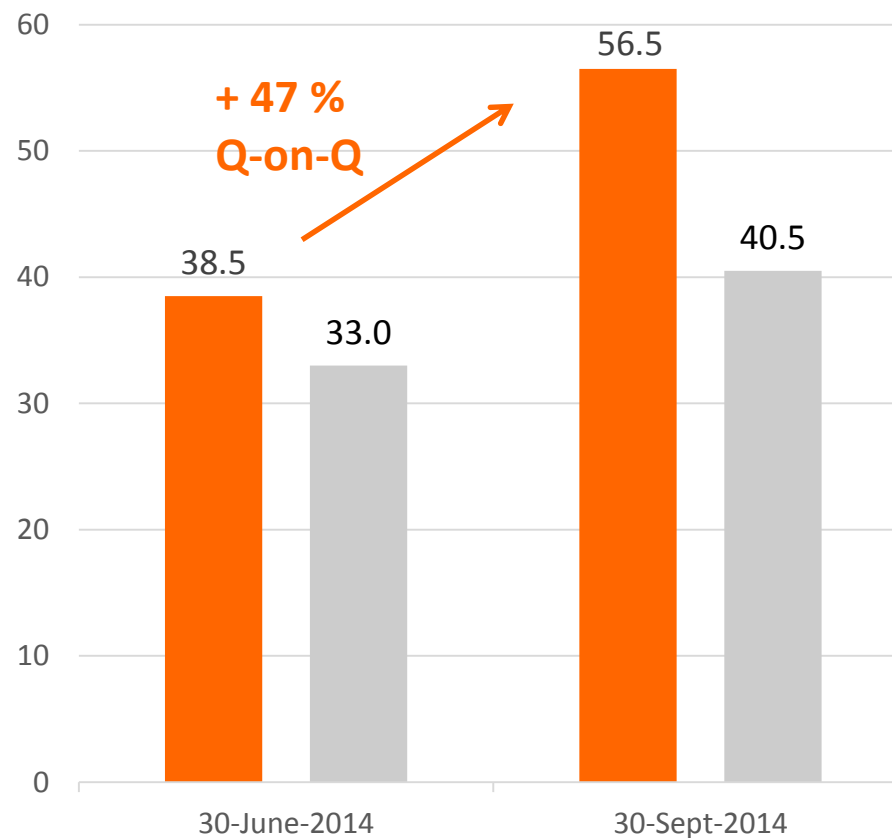


### Estimated Remaining Collections (ERC)

Estimated Remaining Collections refers to the sum of all future projected cash collections from acquired portfolios. ERC is not a balance sheet item, however it is provided for informational purposes.

### Book value

The carrying value of the portfolios on the balance sheet is calculated through the present value of estimated future cash flows of each investment using its original effective interest rate.



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## High growth opportunities

- **Increasing volume** of distressed assets being offered to investors
- Regulatory requirements in Europe make distressed **assets increasingly more expensive for banks to keep** on their own balance sheets
- **DDM has longstanding relations** with international banks active in Europe and has earned status as a credible acquirer of assets
- DDM is **entering new markets** in Europe, where its proven business model will be applied

## Unique, competitive business model

- DDM focuses on investments in and management of distressed assets
- DDM **does not perform debt collection** activities but outsources this function – under strict agreements - to local top-tier agencies who are best suited to work in local market conditions under management of DDM
- DDM's operations are based on big data. The enormous volume of proprietary data collected and analyzed provides solid information for actions, facilitating higher recovery rates and returns
- Commissioned a **purpose-built IT platform to handle big data**. The system is highly automated and tailored for its business needs

## Strong financial track record

- DDM has invested over **EUR 80M** in distressed assets, representing an underlying nominal value above **EUR 1.4bn**
- The assets acquired by DDM have on average generated an IRR well above that of industry peers
- Emerging markets offer significantly higher returns on distressed assets than in Western Europe. By managing the risks in a structured and professional manner, an **attractive risk/reward profile** can be achieved

## Highly experienced and committed management

- Management has +50 years of combined **industry experience**
- Successful **track record** of building similar businesses
- Management and staff have invested substantially in DDM and own the majority of the shares in the company
- The current **principal shareholders have a long-term view on their holding**. They have entered into a 360 days lock-up agreement

High growth opportunities

Unique, competitive business model

Strong financial track record

Experienced and committed management

Strategy going forward

Internal development

Continuous development of internal resources, processes and systems, aiming for Nasdaq Stockholm, main market, H2 2015

Strengthened relationships

Further strengthening of existing relationships with sellers, debt collection agencies and business partners in current markets

Opportunistic deal search

Opportunistic deal search in new markets where DDM can utilize its strengths, always based on availability of trustworthy data to forecast future cash flows

Opportunistic broadening of investment scope

Opportunistic broadening of the investment scope, in situations where the established DDM model can create competitive advantages

Pipeline

EUR 3.7 billion face value analyzed during Q3

New markets adding to an already strong pipeline

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