



**Evolve**  
Capital Partners

## CURO Group

December 2017

### Summary of Initial Public Offering



---

**SPECIALIZED INVESTMENT BANKERS AT  
THE INTERSECTION OF FINANCE & TECHNOLOGY**

# CURO Group IPO – Executive Summary

## Initial Public Offering Overview



NYSE: CURO

### Description

CURO Group provides consumer finance to a range of underbanked consumers in the United States, Canada, and the United Kingdom. It offers unsecured installment loans, secured installment loans, open-end loans, and single-pay loans, as well as ancillary financial products, including check cashing, proprietary reloadable prepaid debit cards, credit protection insurance, gold buying, retail installment sales, and money transfer services.

### Use of Proceeds

CURO plans to use the net proceeds from this offering to purchase, redeem, defease or otherwise repay portions of the 12.00% Senior Secured Notes due 2022, issued by CFTC. Pending the use of proceeds from this offering as described above, CURO plans to invest the net proceeds received in this offering in short-term and intermediate-term interest-bearing obligations, investment grade investments, certificates of deposit or direct or guaranteed U.S. government obligations.

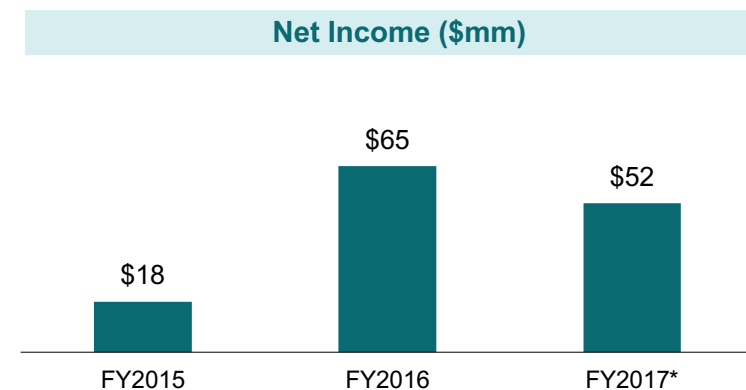
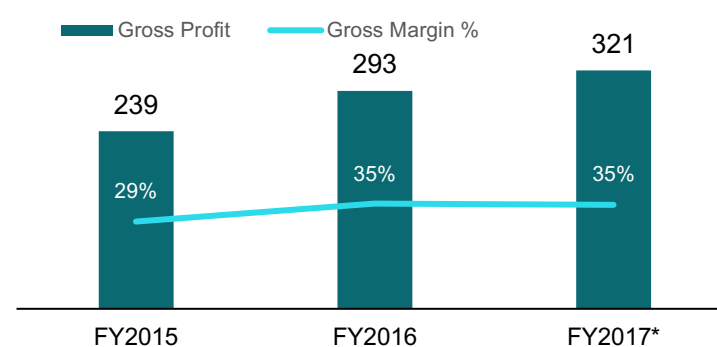
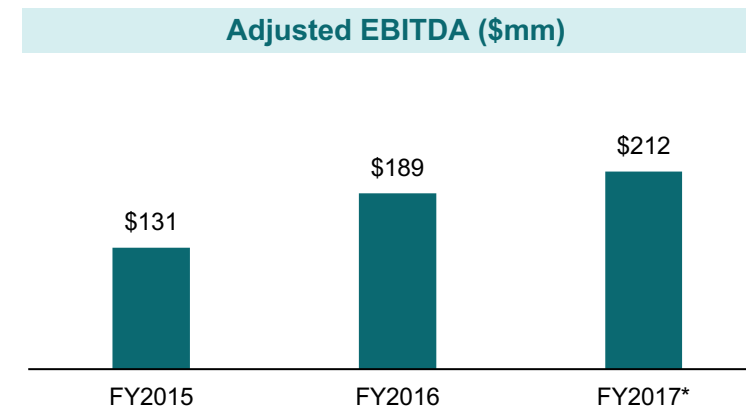
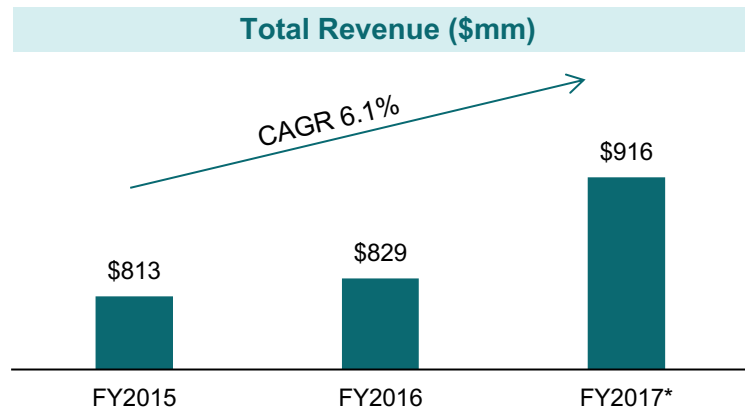
Source(s): Company website, S1 Filing

	<b>Headquarters</b>	Wichita, KS
	<b>Founded</b>	1997
	<b>Employees</b>	183
	<b>Listing Date</b>	12/07/2017
	<b>Lead Underwriters</b>	Jefferies CREDIT SUISSE  Stephens
	<b>Issue Price</b>	\$14.00
	<b>Shares Offered</b>	6.66 million (underwriters were offered a 30 day option to purchase up to an additional 1 million shares)
	<b>Gross Proceeds</b>	\$93.3 million

# CURO Group IPO – Executive Summary

## Key Metrics – IPO

Shares Offered at the time of IPO	6.66 million
Issue Price	\$14.00
Total Shares Outstanding after IPO†	44.56 million
Market Value at Issue Price**	\$623.84 million
Enterprise Value at Issue Price#	\$1.09 billion
EV / 2016 Revenue	1.2x
Listing Date	12/07/2017



Source(s): Capital IQ, Pitchbook, S1 Filing

†Shares outstanding as of December, 2017

\* Trailing 12 months as of September 30, 2017

\*\* Market value has been calculated by multiplying Total Shares Outstanding with the Issue price

# Enterprise Value has been calculated by adding Net Debt as of September 30, 2017 to Market Value at Issue Price.




# CURO Group IPO – Executive Summary

## Company Overview

*CURO offers a variety of convenient, easily-accessible financial and short-term loan services in a safe, clean and professional environment.*

- CURO is a growth-oriented, technology-enabled, highly-diversified consumer finance company serving a wide range of underbanked consumers.
- The Company has the only true omni-channel customer acquisition, onboarding and servicing platform that is integrated across store, online, mobile and contact center touchpoints. CURO Platform easily integrates loan underwriting, scoring, servicing, collections, regulatory compliance and reporting activities into a single centralized system.
- CURO Platform uses advanced risk analytics powered by proprietary algorithms and over 15 years of loan performance data to efficiently and effectively score customers' loan applications.
- CURO was founded in 1997 and is headquartered in Wichita, Kansas, and operates in the USA, Canada and the UK.

### Key Statistics

 <b>Loans</b>	36.5 million loans (as of 9/30/17)
 <b>Total Loan Value</b>	\$13.9 billion loan credit extended since 2010
 <b>Locations</b>	405 Physical Stores in North America (as of 09/30/17)
 <b>Revenue</b>	\$915.5 billion in the last twelve months (as of 9/30/17)

Source(s): Company Website, S1 Filing

# CURO Group IPO – Executive Summary

## Products and Services

### Products

**Unsecured installment loans** are fixed term, fully amortizing loans with a fixed payment amount due each period during the term of the loan. These loans comprised 40% of CURO's consolidated revenue in 2016.

**Secured instalment loans** are similar to Unsecured Instalment Loans but are also secured by a vehicle title as collateral. These loans comprised 10% of the consolidated revenue in 2016.

**Open-end loans** are lines of credit for a customer to use that do not have a specific maturity date. CURO earns interest on the outstanding loan balances drawn by the customer against their approved credit limit. These loans comprised 8% of the consolidated revenue in 2016.

**Single-pay loans** are generally unsecured short-term, small denomination loans whereby a customer receives cash in exchange for a post-dated check or a pre-authorized debit from the customer's bank account. These loans comprised of 38% of the consolidated revenue in 2016.

**Ancillary products** include check cashing, proprietary reloadable prepaid debit cards, credit protection insurance, gold buying, retail instalment sales and money transfer services.

Source(s): Company Website, S1 Filing

	Unsecured	Secured	Open-End	Single-Pay
Channel	Online and in-store: 15 U.S. states, Canada and the United Kingdom	Online and in-store: 7 U.S. states	Online: KS, TN, ID, UT, VA, DE and RI  In-store: KS and TN	Online and in-store: 12 U.S. states, Canada and the United Kingdom
Approximate Average Loan Size	\$636	\$1,299	\$463	\$335
Duration	Up to 48 months	Up to 42 months	Revolving/Open- ended	Up to 62 days
Pricing	13.2% average monthly interest rate	10.6% average monthly interest rate	Daily interest rates ranging from 0.74% to 0.99%	Fees ranging from \$13 to \$25 per \$100 borrowed

# CURO Group IPO – Executive Summary

## Company Strengths & Revenue Breakdown

*CURO provides short-term lending solutions for customers on a unique omni-channel platform, serving customers through physical stores and through proprietary digital platforms.*

### CURO's Key Strengths

#### Unique omni-channel platform

Fully integrated store, online, mobile and contact center platform to support omni-channel customer engagement. CURO offers “Call, Click or Come In” capability for customers to apply for loans, receive loan proceeds, make loan payments and otherwise manage their accounts in store, online or over the phone.

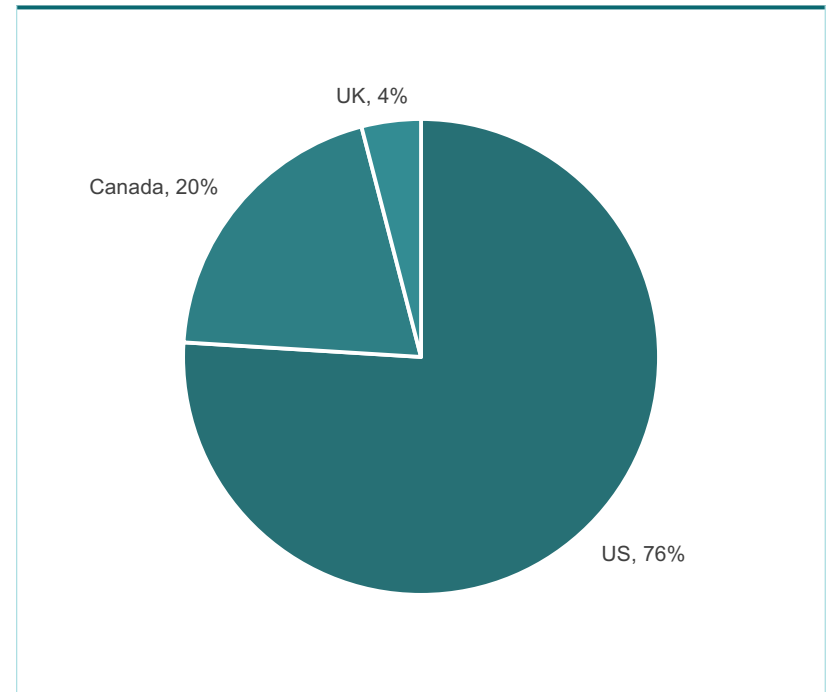
#### Leading analytics and IT drives strong credit risk management

CURO's proprietary IT platform is a unified, centralized system that integrates activities related to customer acquisition, underwriting, scoring, servicing, collections, compliance and reporting. The IT platform is built using customer data comprising over 71 million loan records. CURO Platform automatically applies a multi-algorithmic analysis to produce a “Curo Score,” which drives the underwriting decisions.

#### Multifaceted marketing drives low customer acquisition costs

CURO's marketing strategy includes a combination of strategic direct mail, television advertisements, online and mobile-based digital campaigns and strategic partnerships. The marketing team, consisting of 72 professionals, uses the integrated IT platform to cross-reference marketing spend, new customer account data and granular credit metrics to optimize the marketing budget across these channels.

### Revenue Breakdown by Country\*



Source(s): Company Website

\*LTM as of 09/30/17

# CURO Group IPO – Executive Summary

## Industry Overview

CURO operates in a segment of the financial services industry that provides lending products to underbanked consumers in need of convenient and flexible access to credit and other financial products. The company believes that their target customers have a need for tailored financing products to cover essential expenses. CURO is well positioned to take advantage of secular trends supporting the expenditure on consumer financing products.

### Shifting presence towards installment loans

Since 2008, single pay loans have become less popular and less suitable for a growing portion of customers. Customers have generally shown a preference for installment loan products, which typically have longer terms, lower periodic payments, and a lower relative cost.

### Increasing adoption of online channels

Customers prefer service across multiple channels or touch points. Approximately 63% of respondents in a recent study by CFI Group said they conducted more than half of their banking activities electronically. In 2017, CURO's online revenue of \$257 million represented 37% of consolidated revenue.

### Increasing adoption of mobile apps and devices

Many underbanked customers have moved directly to mobile devices for loan origination and servicing. According to a 2016 study, smartphone penetration in the US, UK and Canada is 72% , 68% and 67% respectively.

Source(s): S1 Filing, CFI Group, Bank Satisfaction Barometer; 2016

## Growth Strategy

<b>Increase and Improve Installment and Open-end Products</b>	<ul style="list-style-type: none"><li>▪ Improve underwriting and reduce average defaults</li><li>▪ Use dialer technologies to improve collection and default servicing</li><li>▪ Diversify funding sources to develop new products</li></ul>
<b>Serve Additional Type of Borrowers</b>	<ul style="list-style-type: none"><li>▪ Attract customers through product, geographic and channel expansion</li><li>▪ Expand online channel and targeted physical footprint in UK</li><li>▪ Offer new products such as Avio Credit and LendDirect</li></ul>
<b>Expand Credit for Current Borrowers</b>	<ul style="list-style-type: none"><li>▪ Increase credit limits for customers through extensive texting and proprietary underwriting</li><li>▪ Enhance network of strategic partnerships</li></ul>

# Disclaimer

- The principals of Evolve Capital Partners are registered representatives of BA Securities, LLC Member FINRA SIPC, located at Four Tower Bridge, 200 Barr Harbor Drive, Suite 400 W. Conshohocken, PA 19428. Evolve Capital Partners and BA securities, LLC are unaffiliated entities. All investment banking services are offered through BA Securities, LLC, Member FINRA SIPC. This presentation is for informational purposes only and does not constitute an offer, invitation or recommendation to buy, sell, subscribe for or issue any securities or a solicitation of any such offer or invitation and shall not form the basis of any contract with BA Securities, LLC.
- The information in this presentation is based upon Evolve Capital Partners estimates and reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change. In preparing this presentation, we have relied upon and assumed, without independent verification, the accuracy and completeness of information available from public sources. In addition, our analyses are not and do not purport to be appraisals of the assets, stock, or business of the Company or any other entity. Neither BA Securities, LLC nor Evolve Capital Partners makes any representations as to the actual value which may be received in connection with a transaction nor the legal, tax or accounting effects of consummating a transaction. BA Securities, LLC and Evolve Capital Partners do not render legal or tax advice, and the information contained in this communication should not be regarded as such.
- The information in this presentation does not take into account the effects of a possible transaction or transactions involving an actual or potential change of control, which may have significant valuation and other effects.
- The information in this presentation is confidential.
- If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this presentation is prohibited.