22 May 2020

LOWELL Q1 RESULTS 2020

Continued momentum; resilience and strength

Lowell, a European leader in credit management services, today announced its results for the quarter ending 31 March 2020.

Q1 2020 in summary

Financial delivery

- Growth in three key metrics: Cash Income, Cash EBITDA and 120m ERC
- Robust collections meeting forecast (100% v Dec 19 static pool)
- Further Cash EBITDA margin widening (350bps YoY)
- Substantial available liquidity of £257 million
- Strong cash generation of £300 million from operating activities[1]
- Leverage maintained at 4.7x
- £58 million capital deployed on portfolio acquisitions during the quarter
- Completion of initial co-investment purchase

Operational delivery

- Covid-19 response:
    - Prioritising support for and protection of colleagues
    - Rapid and seamless transition to remote working, including appropriate risk considerations
    - Enhanced customer commitments proactively delivered
    - Continued proactive engagement with regulators and government
    - Ongoing client liaison and knowledge sharing

Financial highlights as at 31 March 2020

	LTM Mar-19	LTM Mar-20	Change
Cash Income	£892m	£952m	+7%
Cash EBITDA	£444m	£508m	+14%
Portfolio Acquisitions	£404m	£362m	(11)%
Estimated Remaining Collections (120m ERC)	£3.1bn	£3.4bn	+9%

[1] LTM cash generated by operating activities before portfolio acquisitions less LTM cash interest paid, as reported

Colin Storrar, Group CEO, said:

"The first quarter continued the momentum of 2019, and demonstrated a resilient business, with collection performance in line with our forecasts, continued strong cash flow generation and a robust liquidity position.

"We remain pragmatic in our assessment of the purchasing landscape, with a focus on maintaining that strong liquidity level. Where deals arise, we will invest for value, growth and the long-term benefit of the business.

"I am hugely proud of the whole Lowell team across Europe and the way that they have dealt with the situation. Without them we could not support our customers, and we could not deliver our purpose: to make credit work better for all.

"We have the right fundamentals in place: strong foundations; clarity of our purpose and strategy, and a proven ability to adapt at speed. This give me confidence that we will continue to evolve and grow our business in the right way in what will become an increasingly attractive market."

To join the Q1 2020 results call at 10.30am GMT today, please register on our investor website: www.lowell.com/investors/announcements

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Note to Editors

About Lowell

Lowell is one of Europe's largest credit management companies with a mission to make credit work better for all. It operates in the UK, Germany, Austria, Switzerland, Denmark, Norway, Finland, and Sweden.

Lowell's unparalleled combination of data analytics insight and robust risk management provides clients with expert solutions in debt purchasing, third party collections and business process outsourcing. With its ethical approach to debt management, Lowell always looks for the most appropriate, sustainable and fair outcome for each customer's specific circumstances.

Lowell was formed in 2015 following the merger of the UK and German market leaders: the Lowell Group and the GFKL Group. In 2018, Lowell completed the acquisition of the Carve-out Business from Intrum, which has market leading positions in the Nordic region. It is backed by global private equity firm Permira and Ontario Teachers' Pension Plan.

For more information on Lowell, please visit our investor website: www.lowell.com