

20 August 2020

LOWELL SECOND QUARTER RESULTS 2020

Financial prudence and operational resilience: continued delivery and increasing efficiency

Lowell, a European leader in credit management services, today announced its results for the quarter ending 30 June 2020.

Financial highlights

- Continued growth across three key metrics: Cash Income, Cash EBITDA and 120m ERC
- LTM Cash EBITDA margin expansion +470bps
- Leverage remains flat at 4.7x
- Collections softened due to proactive customer initiatives (94% H1-20 v Dec-19 static pool)
- Substantial available liquidity of £279million
- £120million capital deployed on portfolio acquisitions during H1-20
- Solvencia carve-out to drive 3PC growth in the Nordics

As at 30 June 2020	LTM Jun-19	LTM Jun-20	Change
Cash Income	£915m	£930m	+2%
Cash EBITDA	£461m	£513m	+11%
Portfolio Acquisitions	£368m	£351m	(5)%
Estimated Remaining Collections (120m ERC)	£3.3bn	£3.5bn	+5%

Operational highlights

- Limited operational impact following the move to working from home
- Positive consumer response to customer care outreach (Trustpilot score 4.4/5)
- UK outbound contact and litigation activities restarting
- Digital channels effectively supporting customer engagement and collections

Colin Storrar, Group CEO, said:

"I am very proud of these results. We continue to deliver robust performance founded on resilient collections and agile cost management during this period of change and uncertainty.

“These results are the consequence of sound strategic and financial planning. They demonstrate that we are a mature business that understands its markets and the need for financial prudence, and one that also has the insight and expertise that drive operational resilience.

“While the social and economic uncertainty continues, we remain confident that our strong cash generation, disciplined capital deployment, track record of cost management, and our strong liquidity position mean we are well placed to take advantage of what we believe to be a particularly attractive market outlook.”

To join the Q2-20 results call at 10.30am BST 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