

26 November 2020

LOWELL THIRD QUARTER RESULTS 2020

Continued resilience, efficiency, and delivery

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

Financial highlights

- Resilient collections at 93% YTD vs Dec-19 static pool and 102% vs Jun-20 static pool
- LTM Cash EBITDA margin expansion of +610bps supported by strong cost control, efficiency initiatives and reduced litigation spend
- Leverage improved to 4.6x
- £180m capital deployed YTD with the FY20 vintage continuing to track ~19% IRR
- Substantial available liquidity of £306 million

As at 30 September 2020	LTM Sep-20	LTM Sep-19	Change
Cash Income	£913m	£941m	(3)%
Cash EBITDA	£521m	£479m	+9%
Portfolio Acquisitions	£302m	£366m	(17)%
Estimated Remaining Collections (120m ERC)	£3.4bn	£3.3bn	+3%

Operational highlights

- Cost initiatives enacted to support margin expansion of ~300bps across the next 24 months from Q2-20
- Digital channels continue to perform well, supporting customer engagement and collections
- Positive consumer response to customer care outreach (Trustpilot score 4.4/5)

Post period end highlights

- Successfully delivered new capital structure in November through £2.2bn refinancing; £600m equity contribution from parent and issuance of £1.6bn Senior Secured notes maturing 2025/2026
- Extended maturity of Euro 455m revolving credit facility to 2025
- Improved leverage to 3.6x and liquidity to ~£405m

Colin Storrar, Group CEO, said:

“Once again, in a period of change and uncertainty, we have delivered. Not only have we delivered robust performance during the quarter but also following period end with the significant and highly successful bond offering. It is a major achievement and sign of great confidence in this business.

Our performance in Q3 was strong, we continued to build efficiency into the business, and we showed ongoing resilience. Combined with the new and improved platform for growth we now have, this places us well for the next phase of our long-term strategy as we take advantage of growth in the NPL market.

Throughout, as always, we will continue our focus on high customer standards, ensuring fair customer outcomes and helping consumers return to financial health.”

To join the Q3-20 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