29 August 2018

Lowell Q2 Results 2018

Growing the business the right way

Lowell, a European leader in credit management services, has today announced its Q2 2018 Results, for the period ending 30 June 2018. The quarter has delivered continued growth across all key metrics – reinforcing the Group's ability to achieve sustainable growth through strategic investment and diversification, unmatched data insight and customer focus.

Reported Q2 Performance Highlights

	Q2 17	Q2 18	Change %
Cash Income	£143m	£214m	+50%
Cash EBITDA	£71m	£106m	+49%
Portfolio Acquisitions	£73m	£109m	+50%
Estimated Remaining Collections (ERC)	£1.9bn	£2.9bn	+53%

The quarter also represents the first full reporting period to include the Group's new Nordic region, which is already contributing to the overall success of Lowell. Underlying business performance remains positive with solid organic growth.

Pro Forma Performance Highlights (Last Twelve Months)

	LTM Jun-17	LTM Jun-18	Change %
Cash Income	£764m	£836m	+9%
Cash EBITDA	£378m	£408m	+8%
Portfolio Acquisitions	£370m	£436m	+18%
Estimated Remaining Collections (ERC)	£2.6bn	£2.9bn	+14%

- Geographic and sector spread increases portfolio acquisition opportunities: generating a record run-rate in H1 with capital deployed under a long-term view and at high returns.
- Strong client relationships continue to drive Forward Flow purchases (45% of portfolios purchased).
- Weighted Average Cost of Debt now at 6.5% (7.9% Q2 17).
- Group continues to generate positive cash flow.

Operational Highlights

- Nordic integration moving at pace.
- Lowell continues to be independently recognised for its consumer centric approach – Investors in Customers Gold Award in the UK for the fourth time, and a Net Promoter Score of +44.

James Cornell, Group CEO, said:

"I am very pleased with the progress we have made in the first half of the year. These positive results demonstrate both the organic growth of the business and the strength our new Nordic region brings to the Group.

"We are now a very different business to the one that reported 12 months ago – in scale, in capability and diversity. These factors enable us to be more agile. With more sectors, in more markets, the business can quickly shift focus for the best returns. Across the first half of the year, we used that agility to invest capital strategically to deliver long-term, sustainable returns – growing our business the right way.

"The evolution of Lowell is supported by the platform we have built over the last 14 years. Clear customer-focus, the effective application of data science, prudent investment and a robust risk framework remain the pillars upon which we will grow."

Our Q2 2018 results presentation, and the accompanying interim financial statements are available at: https://www.lowell.com/investors/results/

For further information, please contact:

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Note to Editors

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, Sweden and Estonia.

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