28 November 2019

Lowell Q3 2019 Results

Momentum and delivery

Lowell, a European leader in credit management services, has announced continued performance growth in its Results for the period 1 July to 30 September 2019. The results show the momentum of the business and delivery of the Group's sustainable growth strategy.

Q3 Summary

- Double digit growth in three key metrics: Cash Income, Cash EBITDA and 120m ERC
- Collections continue to perform ahead of forecast (105% v Dec 18 static pool)
- Strong pipeline across all regions: £109 million capital deployed on portfolio acquisitions in Q3 2019
- Improving Cash EBITDA margin – in excess of 100bps year-on-year
- Continue to benefit from substantial available liquidity of £285 million
- Leverage reduced by 0.2x to 4.9x in line with guidance

Pro Forma financial highlights: Lowell as at 30 September 2019

	LTM Q3 18	LTM Q3 19	Change
Cash Income	£849m	£941m	+11%
Cash EBITDA	£422m	£479m	+14%
Portfolio Acquisitions	£481m	£366m	(24%)
Estimated Remaining Collections (120m ERC)	£3.0bn	£3.3bn	+12%

Colin Storrar, Group CEO, said:

"We continue to grow our business in the right way, and these strong results demonstrate the progress, momentum and execution of our plans. I am pleased to see the contribution each of our regions has made, and to report leverage reducing by 0.2x to 4.9x in line with our guidance.

"The markets remain attractive in terms of both value and volume, we are on track to meet our purchasing guidance of £390m for the year continuing to deploy capital at increasingly attractive returns.

"We have also seen margins continue to improve with Cash EBTIDA growth outpacing Cash Income again, providing an increase on margin in excess of 100bps year-on-year. This is testament to the work behind the scenes in increasing the operational efficiency of the business.

"Our business has great foundations and I believe we are well positioned to continue leveraging the scale we have built across the Group as part of our sustainable growth strategy."

Outlook

In line with the guidance we gave in our 2018 Full Year Results (11th April 2019), we remain positive about the year:

- Strong debt purchase franchise in an increasingly positive market environment
- Portfolio purchasing guidance for 2019 of ~£390m
- Further margin growth through economies of scale, enhanced efficiency and innovation
- £285 million of available liquidity provides a position of real strength: further supplemented by the option to reset the securitisation facility
- Focus on reduction in leverage to target range of 4.0x – 3.5x by 2021/2022

To join the Q3 19 results call at 10.30am BST today, please register on our investor website: www.lowell.com/investors/announcements

For further information please contact:

Investor Relations enquiries:
Dan Hartley
Interim Group CFO
Email: investors@lowellgroup.co.uk

Media enquiries:
Jason Clarke
Head of External Communications
Telephone: +44 7768 260 293
Email: media@lowellgroup.co.uk

James Olley
Communications Support UK
Telephone: +44 7974 982 302
Email: jolley@montfort.london

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