

Lowell Group
Q2 2015
Investor Presentation

21st May 2015



Lowell.

a better way forward **Lowell.**
GROUP

Today's Speakers



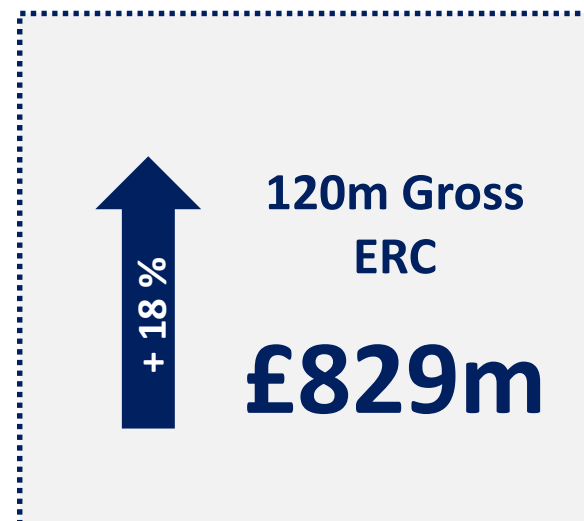
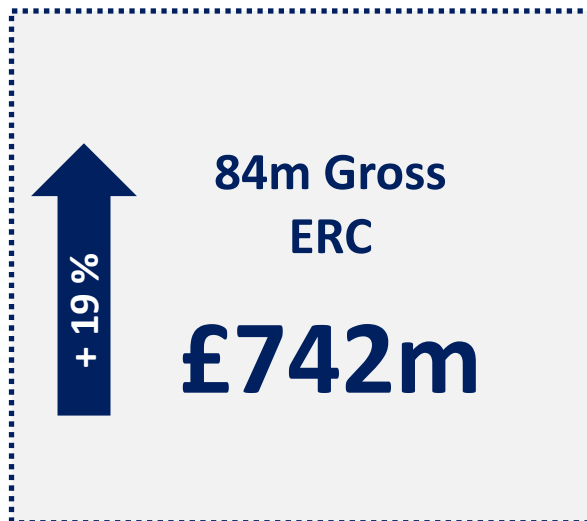
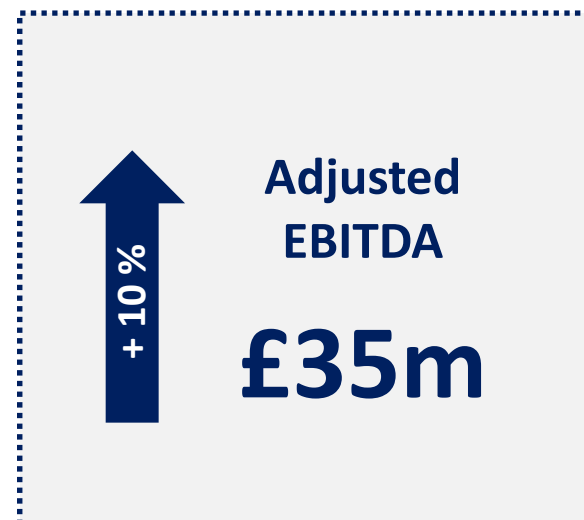
James Cornell
Chief Executive Officer



Colin Storrar
Chief Financial Officer

Q2 2015 Business Highlights

Continued growth across key financials



Q2 2015 Business Highlights

Continued delivery of a consistent strategy

Data Driven Operational Performance

- 17m accounts owned
- 9m customers
- Crossover of up to 69%
- Face value of debt owned £13.7bn
- £55.9m cash collected in Q2

Diversified, Organic Growth in Familiar Territory

- £31.2m acquired in Q2
- 97% from repeat clients
- £12.9m / 41% from FF
- Strong pipeline for the outer part of the year – c£119m full year commitment already secured

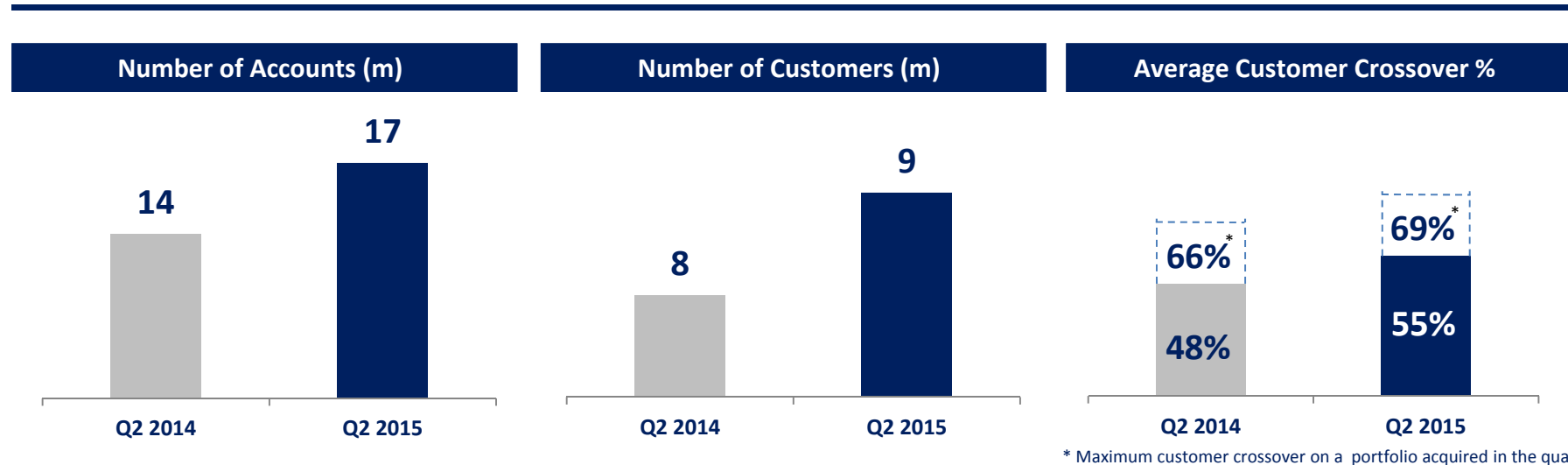
Superior Cash and Returns

- Adjusted EBITDA - £34.8m
- ERC 84m - £742.4m
- ERC 120m - £828.6m
- Cash Asset Return of 19.6 %
- Net Debt - £374.2m

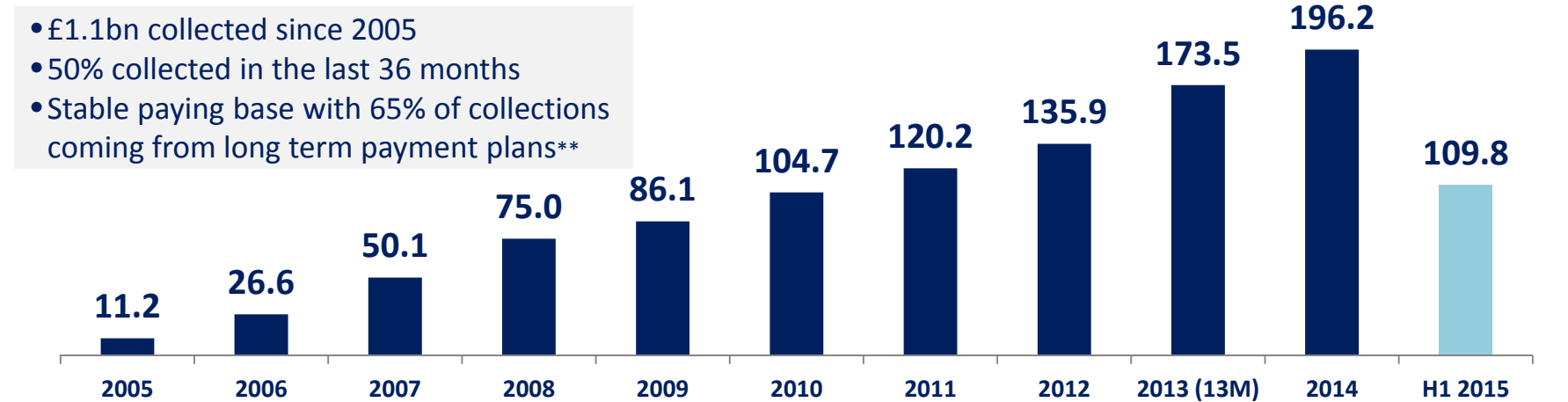
Underpinned by compliance and customer centricity throughout all levels of the organisation

Data Driven Operational Performance

Data asset continues to grow...



Growth in Collections since Inception (£m)



** Long term payment plans refer to plans that have been paying for three or more consecutive months

Data Driven Operational Performance

... With customer centricity to the fore of all that we do

Investor in customers

- IIC external validation with 3 stars, up from 2 stars only a year ago
- 883k affordable payment plans in train with our customers

Low rate of FOS cases and upheld rates

- 168 cases in the LTM March 15
- 129 decisions in LTM March 15 – just 22 in the customers favour

Very low upheld rate of internal complaints

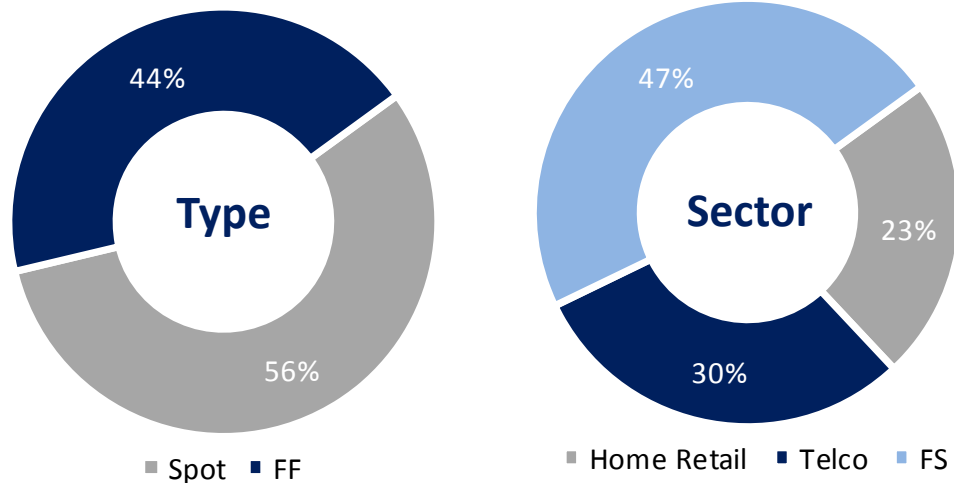
- Low uphold rate at 12%
- Overall complaints rate 0.02%

Enabling 206,000 customers to pay off their Lowell debts in the last year alone

Diversified Portfolio Growth

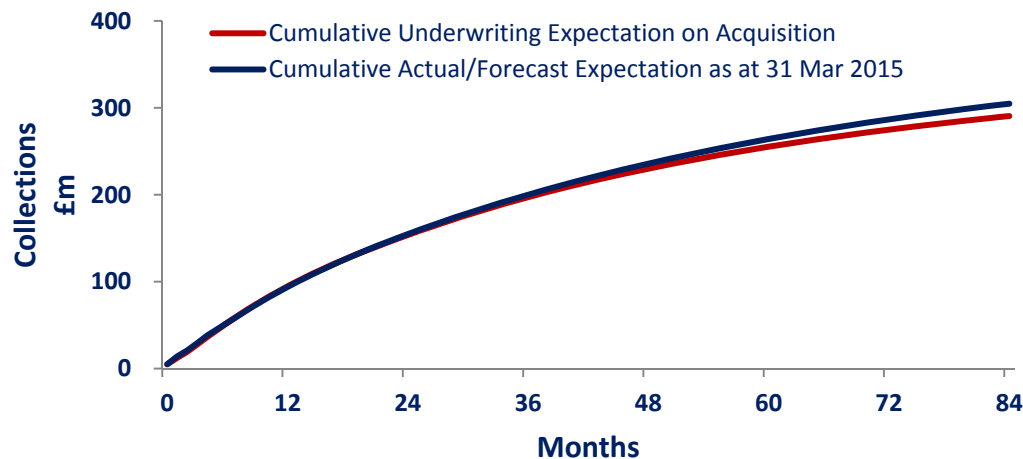
Organic acquisition growth continues with pricing discipline maintained

Diversified Purchases LTM...



- Continue to acquire across three core sectors, securing £31m of investments in the quarter
- 97% of purchases in Q2 2015 came from repeat sellers (79% in H1 2015)
- Forward flow remains a reliable cornerstone of our profitability delivering 41% of our collections in Q2 2015 (39% in H1 2015)

... With Actual Collections Exceeding Underwriting Expectation On Recent Vintages



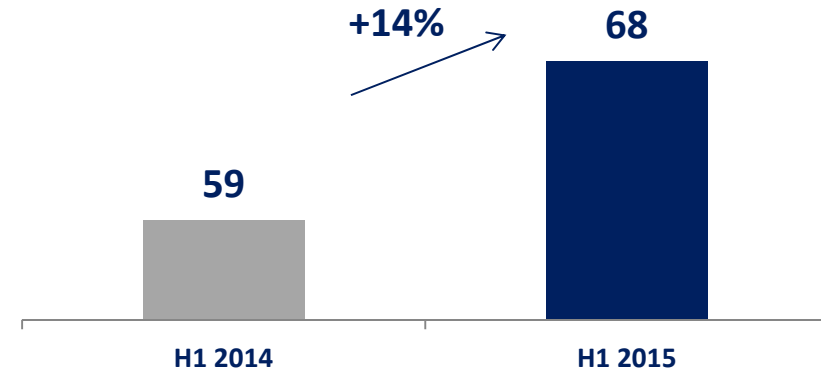
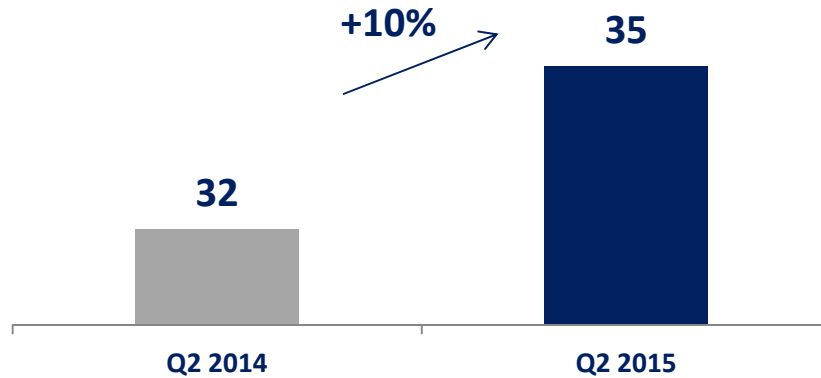
- Actual/forecast collections are expected to perform at 104% of the underwriting expectation

* Data presented represents the actual/expected collections on portfolios acquired in FY 2014

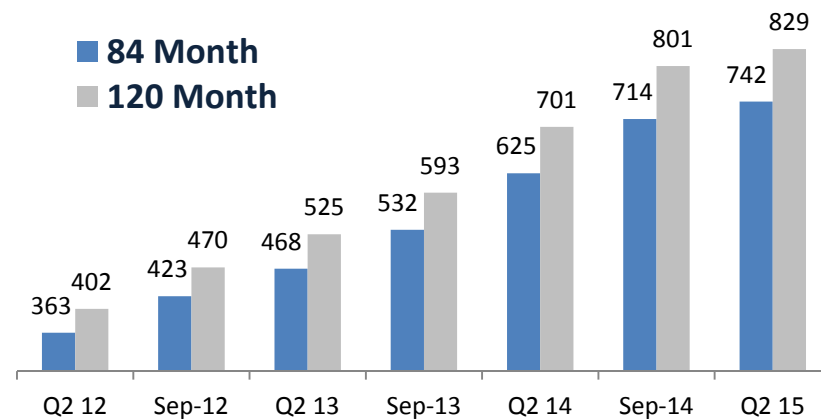
Sustainable Earnings And Balance Sheet Growth

Impressive double digit growth trajectory continues

Adjusted EBITDA (£m)



ERC (£m)



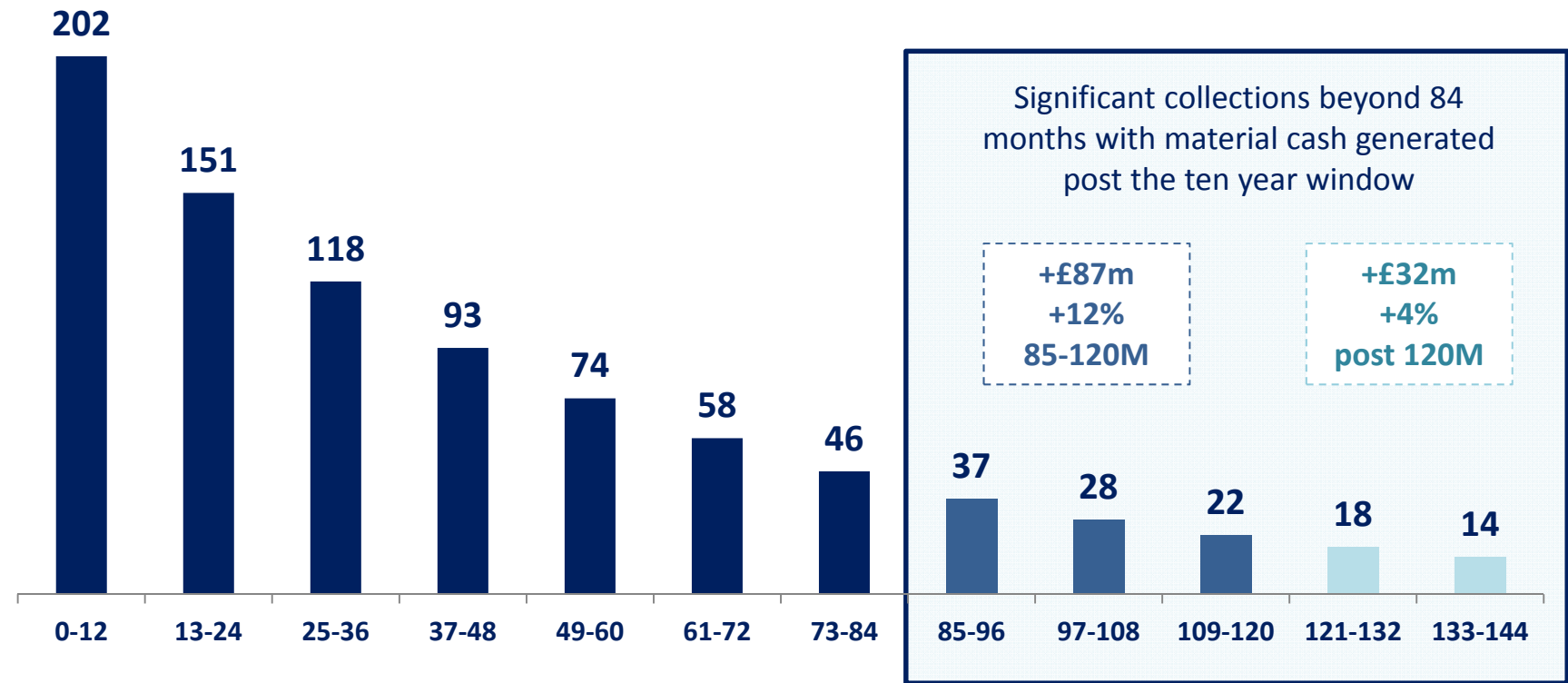
Continued Growth Across Key Metrics

- Quarterly adjusted EBITDA growth of 10%
- 104% 84 month ERC growth in the last three years
- 106% 120 month ERC growth in the last three years

Estimated Remaining Collections

Expected to achieve significant cash conversion beyond 84 months

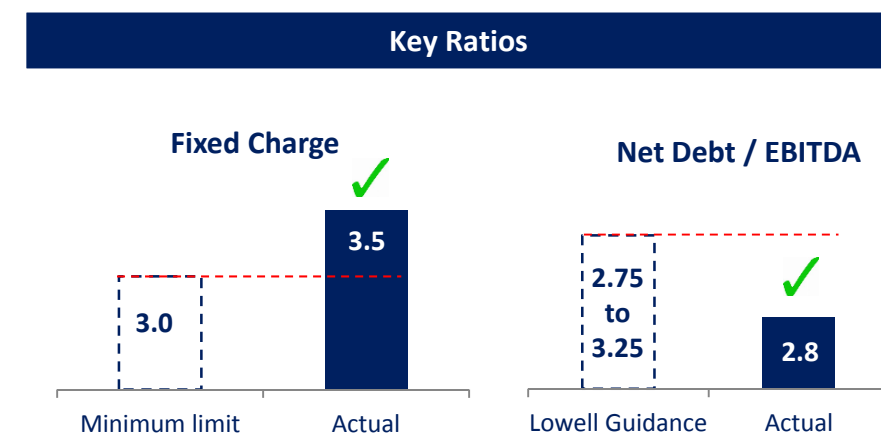
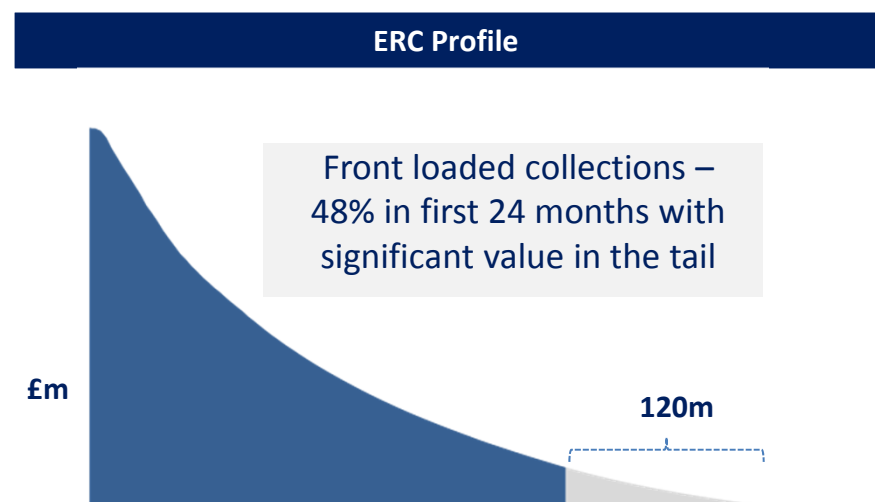
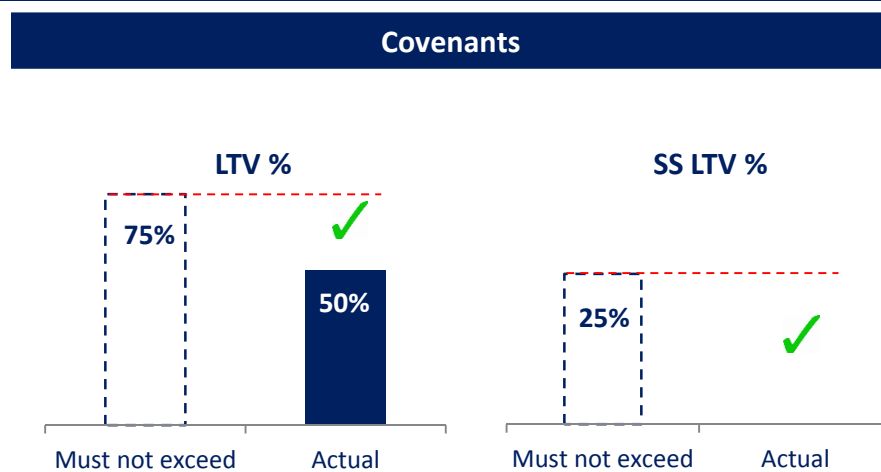
Beyond 84 Months Year Gross ERC Profile £m



Superior Cash Flows

Strong liquidity and performance against covenants well within requirements

Cash Flow			
	Q2 14	Q2 15	LTM Mar 15
ERC (84m)	624.7	742.4	742.4
Reported portfolio purchases	53.7	31.2	131.8
Net debt	315.9	374.2	374.2
Cash generation			
Collections /income on owned portfolios	48.9	55.9	213.9
Other income	3.8	2.7	11.8
Servicing costs (net of depn, amort & non-recurring costs)	(20.9)	(23.8)	(91.4)
Adjusted EBITDA	31.8	34.8	134.3
Capital Expenditure	(2.7)	(0.5)	(2.4)
Movement in working capital	(8.0)	(2.2)	(5.8)
Cashflow before debt and tax servicing	21.1	32.2	126.1
Cash asset return *			19.6%



* Cash asset return definition: LTM Adjusted EBITDA / Average LTM Gross ERC

Summary

Strong performance continues with a positive outlook for the future

- Strong performance on investments already acquired – business remains on track to achieve earnings growth, leveraging investments in infrastructure, compliance and analytics
- Ongoing prudent leverage and strong liquidity
- Customer centricity and compliance at the heart of the business
- Strong balance sheet provides Lowell with enviable position to achieve further purchases
- £28m purchases achieved since H1 close
- Very strong pipeline in focus segments in the outer period of the year to go

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