



Q3-23 Results Presentation



Q3 Headlines

100%

Collection performance vs. Dec-22 static pool¹

£646m

LTM Cash EBITDA

£319m

LTM NPL acquisitions

- ◆ Strong collection performance with collections at 100% of Dec-22 static pool expectations
- ◆ Returns remain attractive and on course to deploy <£350m at 20% IRR in 2023
- ◆ Ecovadis Sustainability rating upgrade to Silver from Bronze

¹ Collection performance on assets owned as at Dec-22 for the 9 months to 30 September 2023



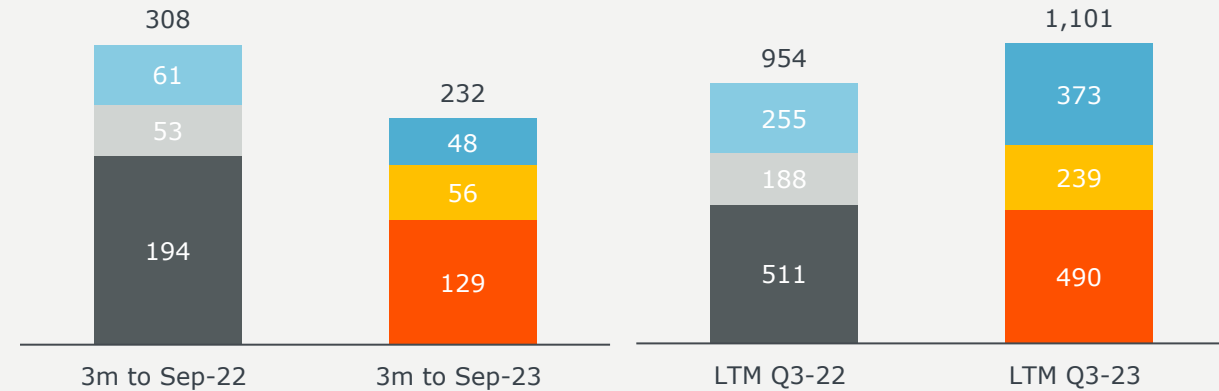
Cash Income

£1.1bn LTM Cash Income

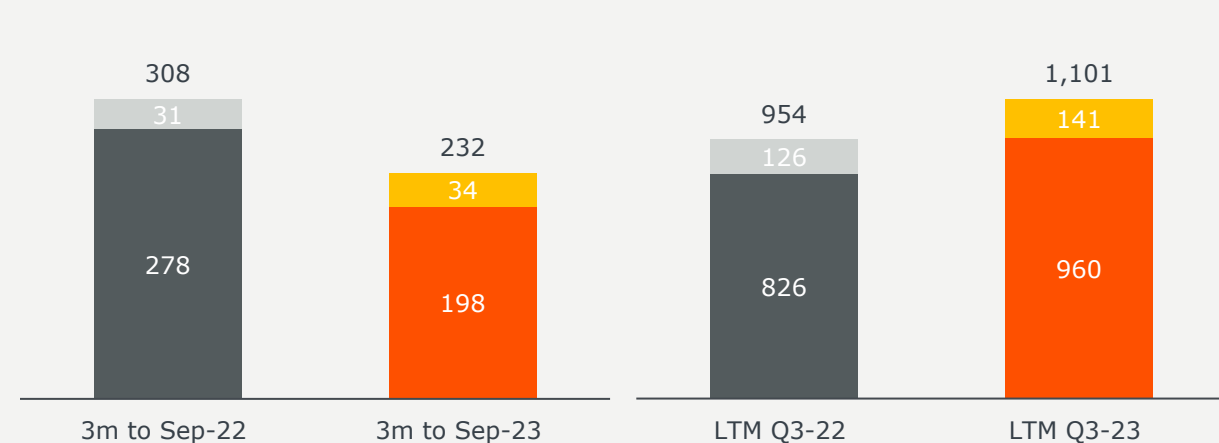
- ◆ Strong performance across all three regions both on a quarterly and LTM basis; comparable Q3-22 period included ~£91m proceeds from Balance Sheet Velocity programme (Wolf I)
- ◆ DP Collection performance remains very robust across the Group:
 - ▶ 100% vs Dec-22 static pool; and
 - ▶ 102% performance vs priced expectations across FY23 purchases
- ◆ Modest improvement in servicing income supported by strength in servicing franchise and key client wins

■ UK ■ DACH ■ Nordics ■ DP ■ 3PC

Cash Income by Geography (£m)



Cash Income by Service Line (£m)



Cash EBITDA and Margin

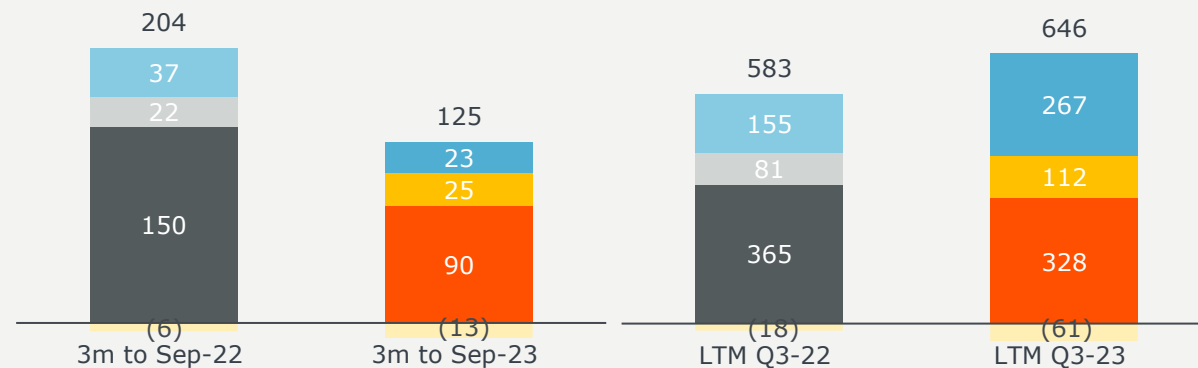
£646_m LTM Cash EBITDA

- ◆ LTM Cash EBITDA growth across all three regions supported by:
 - ▶ Strong performance on UK assets purchased, including Hoist UK book. Growth in UK YoY despite Wolf I inclusion in comparative period
 - ▶ DACH benefitting from record deployment across FY22 and post Cyber recovery
 - ▶ Nordics includes proceeds from two transactions from the Balance Sheet Velocity programme; Ongoing quantum of Cash EBITDA reflects reduced level of portfolio assets held across FY23
- ◆ Margin initiatives underway and on track to deliver anticipated savings to drive +300bps improvement as guided

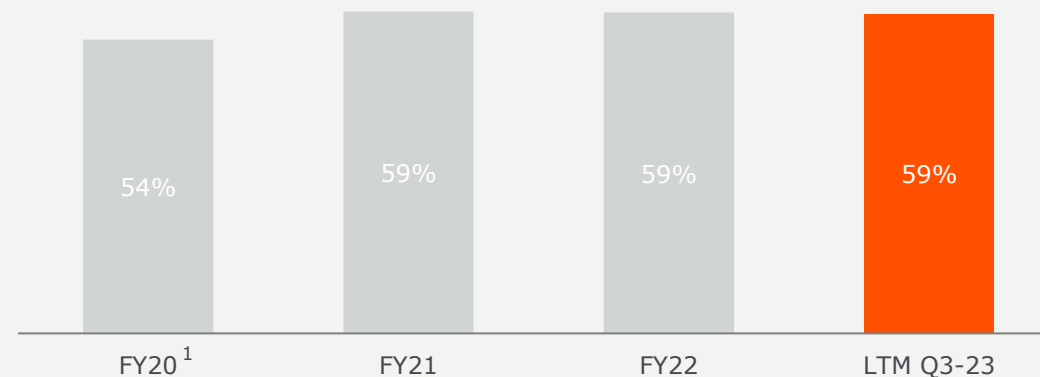
¹ Underlying FY20 Cash EBITDA margin of 54% when adjusting for ~1% benefit from reduced litigation volume

UK DACH Nordics Group

Cash EBITDA (£m)



LTM Cash EBITDA Margin (%)



NPL Purchasing Volumes

£319_m LTM NPL acquisitions¹

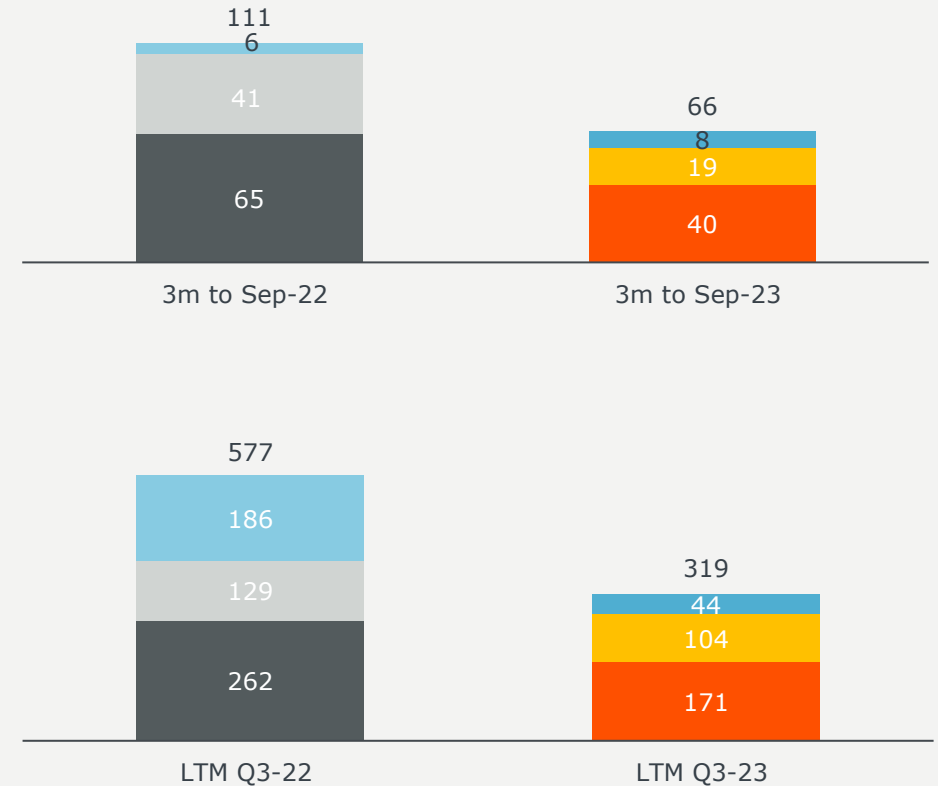
20% Expected FY23 vintage net IRR

- ◆ Reduced purchasing volumes reflect alignment to FY23 purchasing guidance of <£350m
- ◆ Committed and incurred spend of ~£315m to date for FY23 set to deliver net IRR of 20%
- ◆ Healthy pipeline visibility for FY24 already helping shape strong 2024 vintage with ~£150m committed to date

¹ Excludes Hoist UK Portfolio acquisition of £290m and ~£20m fair value portfolio acquisitions (£12m and £8m), reflecting the retained 49% Junior Note holding in the two off-balance sheet ABS structures (Wolf I and II) which is shown in the Financial Statements. ² Includes committed spend for Q4-23 to date

■ UK ■ DACH ■ Nordics

Purchases (£m)



Balance Sheet and Cash Generation

£4.1bn 120m ERC

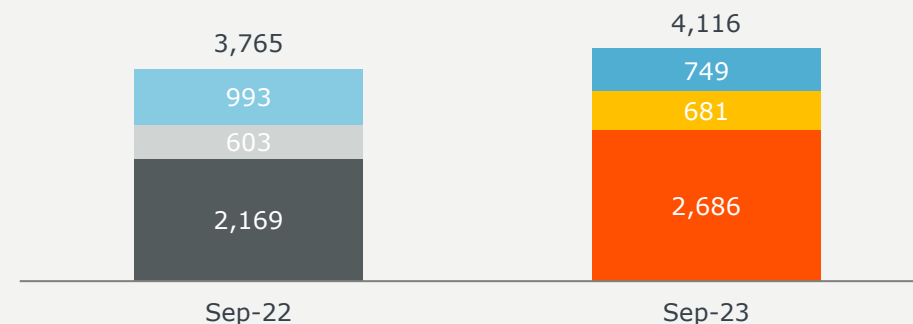
£171m Excess cash generated after Replacement Rate

- ◆ ERC growth YoY reflecting Hoist UK onboarding in Q4-22 and continued purchasing at ERC Replacement Rate levels
- ◆ Free cash flow benefitting from ability to securitise paying assets, accelerating cashflows and enabling Lowell to take advantage of opportunities in a growing returns environment

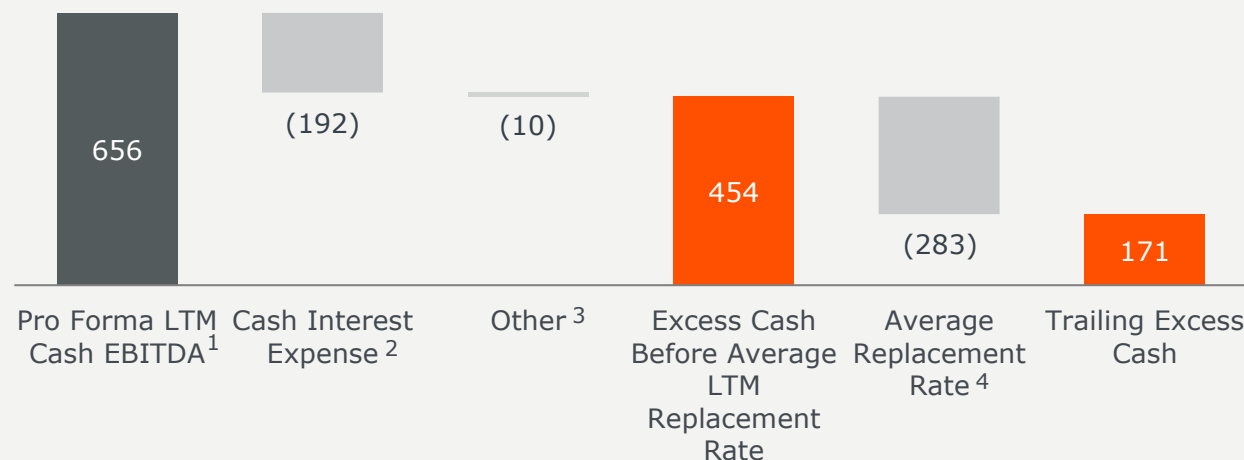
¹ Pro Forma Cash EBITDA includes £23m Cash EBITDA from Hoist UK acquisition. ² Cash Interest calculated as next 12 months interest on debt instruments and drawings as of 30 September 2023. ³ Other represents Cash tax expenses paid LTM Sep-23 (£4m) and Management’s maintenance capex estimate (£6m). ⁴ Average Replacement Rate as calculated in Appendix, this calculation does not account for any future ERC deconsolidation associated with potential Balance Sheet Velocity initiatives

■ UK ■ DACH ■ Nordics

120m ERC (£m)



Cash Generation (£m)



Leverage and Liquidity

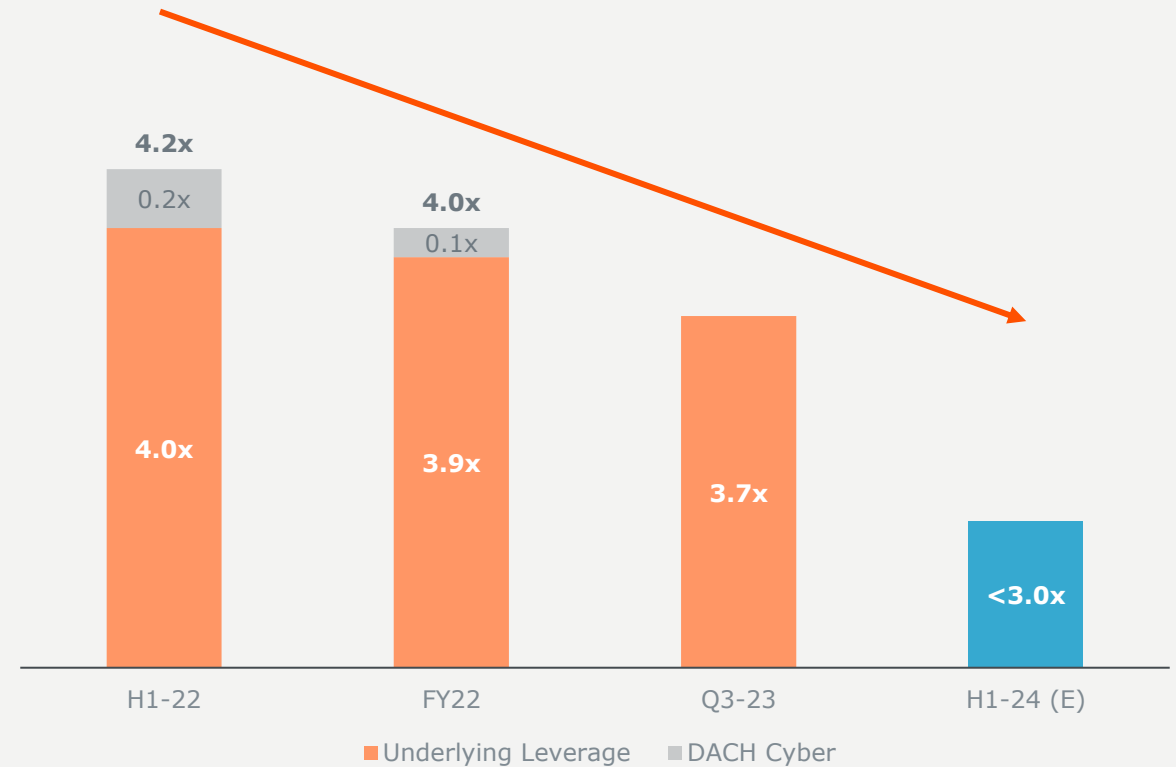
£215_m Liquidity¹

3.7_x Net Leverage

- ◆ Group remains committed to de-leveraging which will be supported by
 - Balance sheet management;
 - Collections efficiency and cost reduction; and
 - Sustainable purchasing levels and increasing returns
- ◆ Current focus on increasing liquidity and reducing net debt in order to achieve commitment of <3.0x leverage
- ◆ Group currently in discussions for a third off-balance sheet ABS transaction which will utilise UK assets

¹ Calculated as unrestricted cash on balance sheet plus amounts available to draw on RCF and UK Securitisations at 30 September 2023. Liquidity reported excludes reserves held in securitisation vehicles of ~£20m which are due back to Lowell once facilities mature. Amounts currently treated and reported as 'restricted' cash.

Leverage Trajectory



Outlook and Guidance

<£350_m FY23 Purchasing Expectation

+300_{bps} Margin expansion target with 9 months

<3.0_x Net leverage target within 9 months

- ◆ Reduced purchasing levels in FY23 and an expected vintage IRR of 20%
- ◆ Continued emphasis on deleveraging supported by increased Balance Sheet Velocity
- ◆ Margin growth acceleration expected following launch of several cost reduction actions across Q3
- ◆ Net leverage of sub 3.0x expected at Q2-24



Appendix



ERC Profile

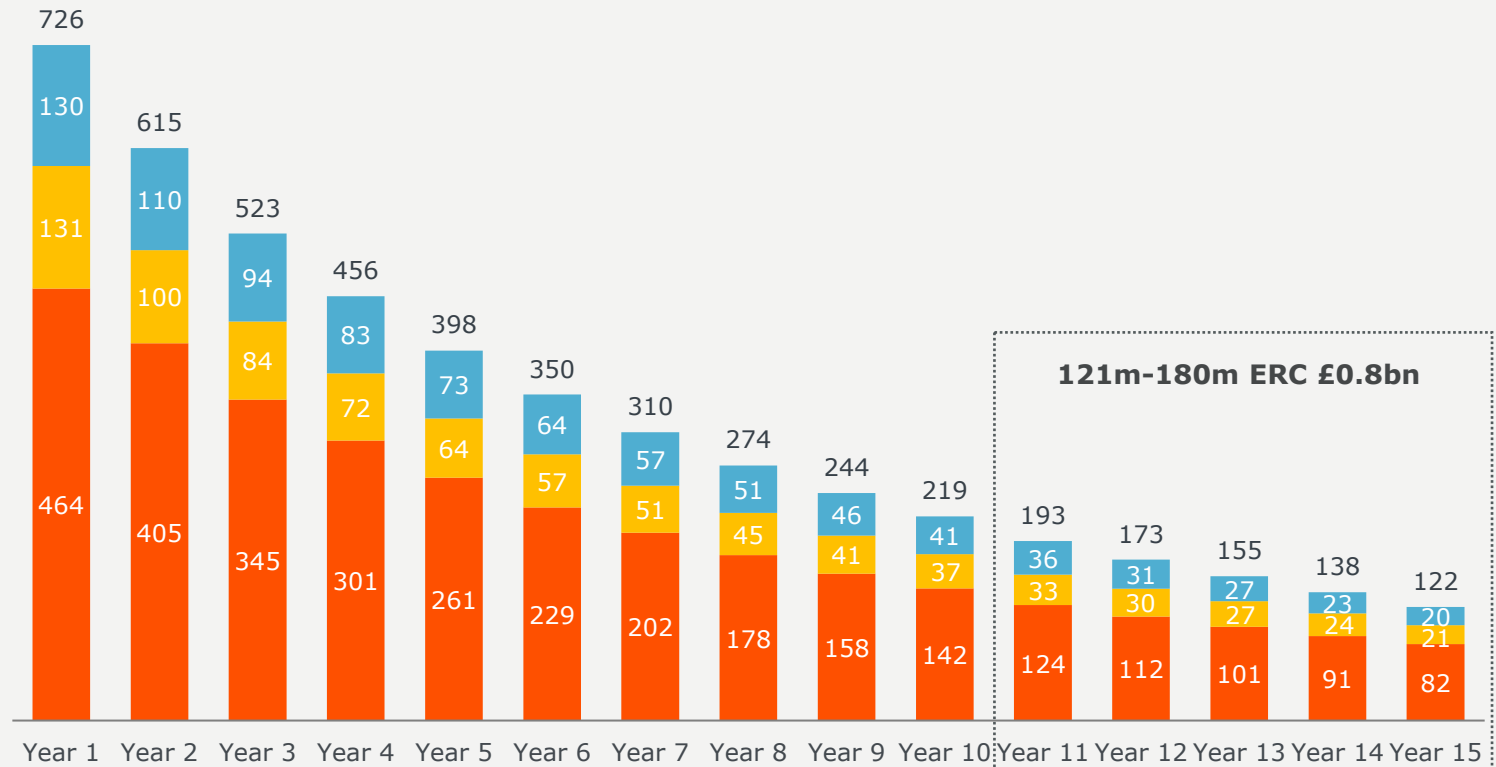
Diversified backbook formed of 20 vintages, ~4,500 portfolios and across a range of originating sectors

£4.1bn 120m ERC

£4.9bn 180m ERC

UK DACH Nordics

(£m)



121m-180m ERC £0.8bn

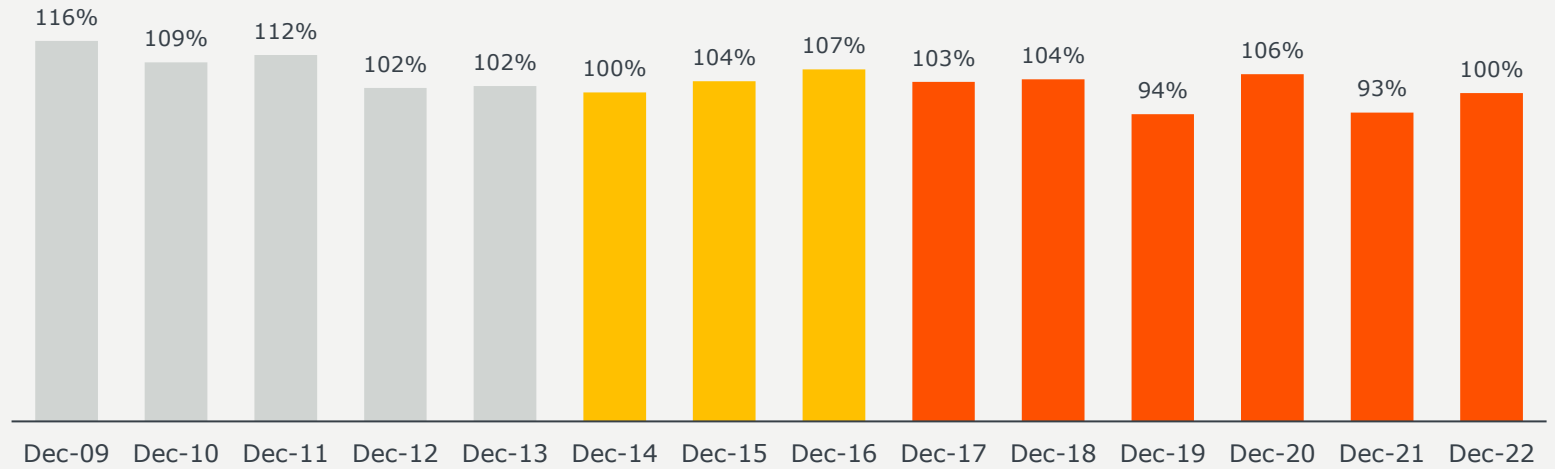
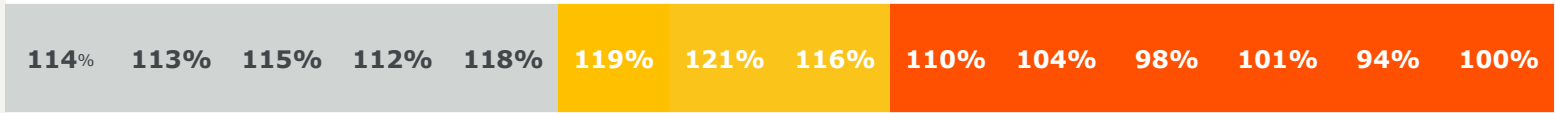
Historic Collection Performance

■ UK ■ UK and DACH ■ UK, DACH and Nordics

Cumulative collection performance to Sep-23 vs static pool

Next 12 months actual collections vs static pool

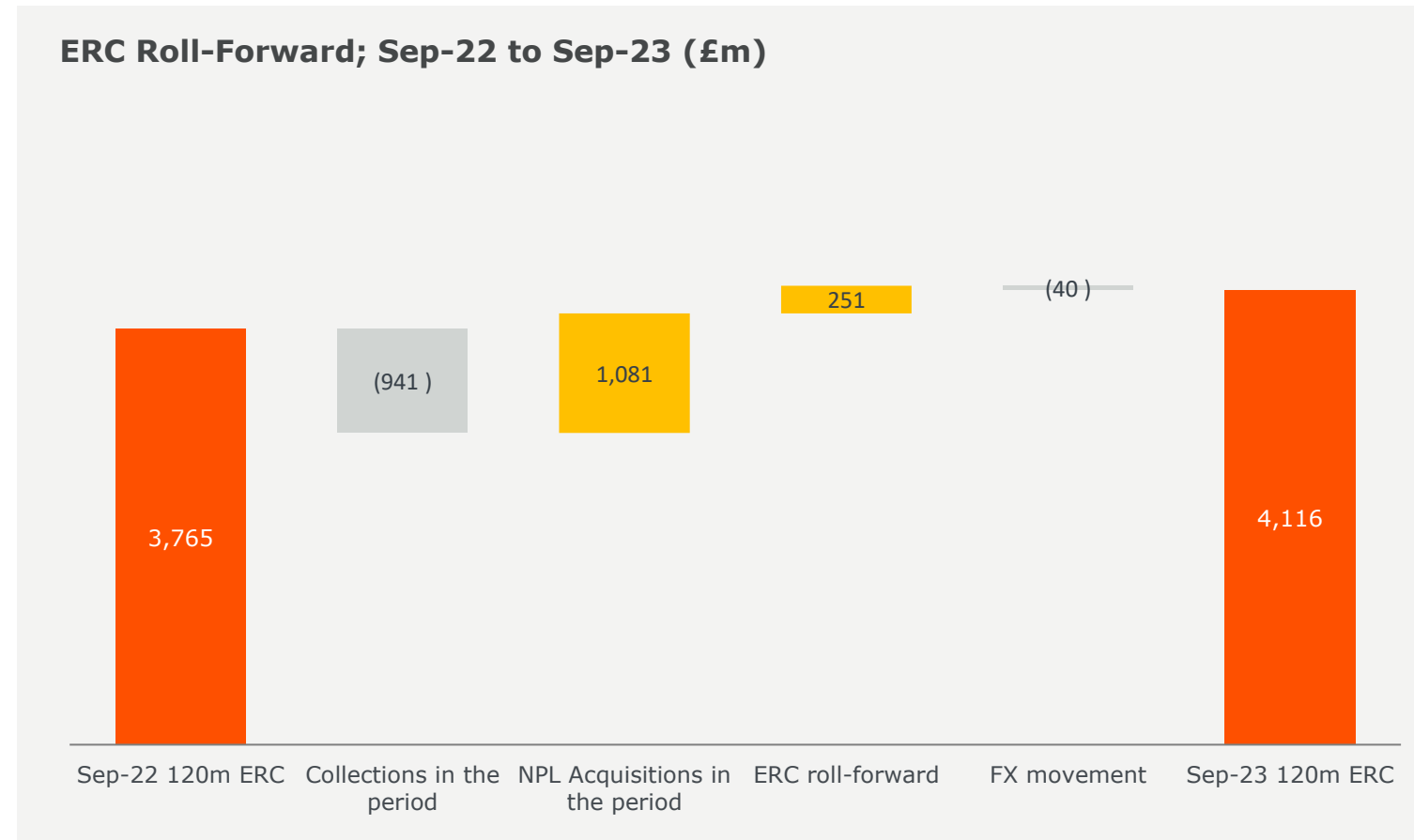
100% Cumulative Collection Performance vs Dec-22 Static Pool



Note: Collection performance metrics exclude asset sales and accelerated collections from ABS deconsolidation where applicable.

120m ERC Roll-Forward

- ◆ NPL Acquisitions in the period: purchases in the period grossed up to 120m ERC based on respective priced 120m GMMs
- ◆ ERC roll-forward takes into account:
 - ◇ Mechanical nature of revaluation (roll-in of value present in the tail)
 - ◇ Change in collections expectations leading to an uplift or reduction in estimated cash-flows



Pro Forma Cash EBITDA Reconciliation

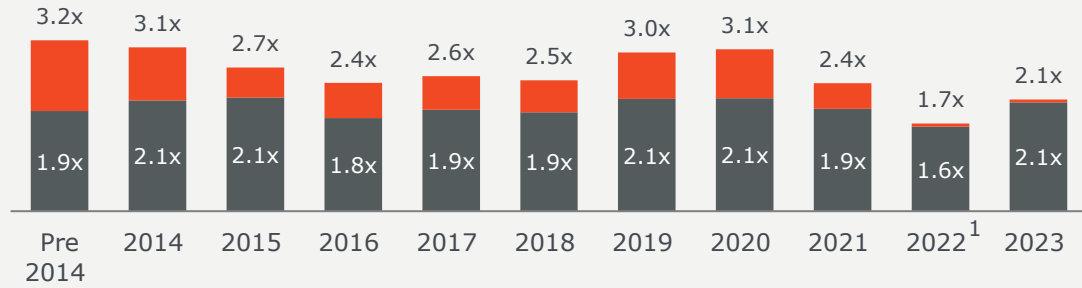
Cash EBITDA (£m)

	LTM Sep-23	LTM Sep-22
UK	329	365 ¹
DACH	110	81
Nordics	269	155
Group Costs ²	(61)	(18)
Group Cash EBITDA	646	583
Pro Forma Cost Adjustments ³	4	1
Pro Forma Hoist UK contribution ⁴	6	-
Pro Forma Cash EBITDA	656	584

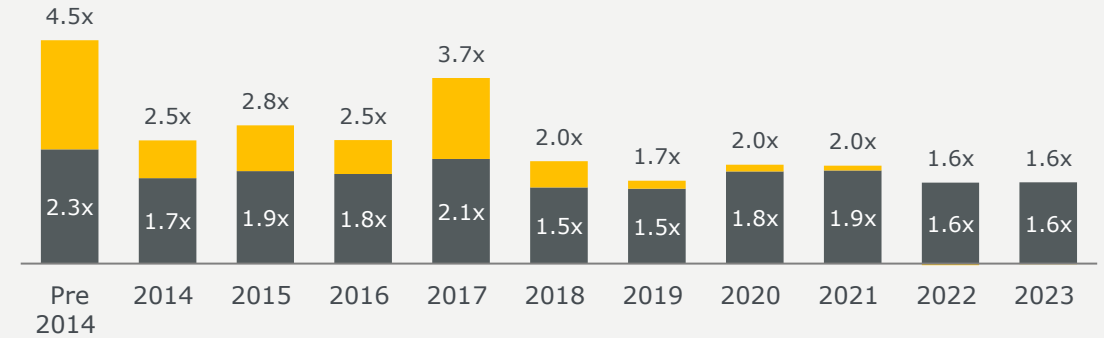
¹Includes the contribution from the Wolf I transaction of £91m. ² Group cost increase reflects reclassification of costs from the regions as part of continued move to increase efficiency and transparency of true underlying regional performance. ³ Pro Forma cost adjustments represent adjustments made to reflect the full run rate benefits of changes enacted. ⁴ Hoist UK Cash EBITDA for the 1 month prior to completion

120m GMMs Per Vintage

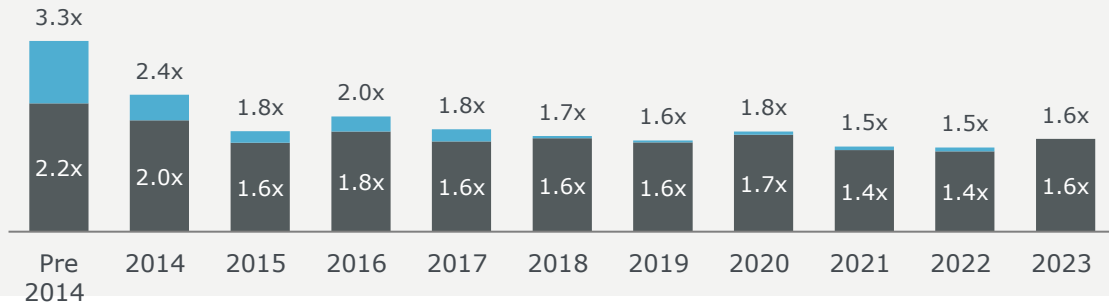
UK



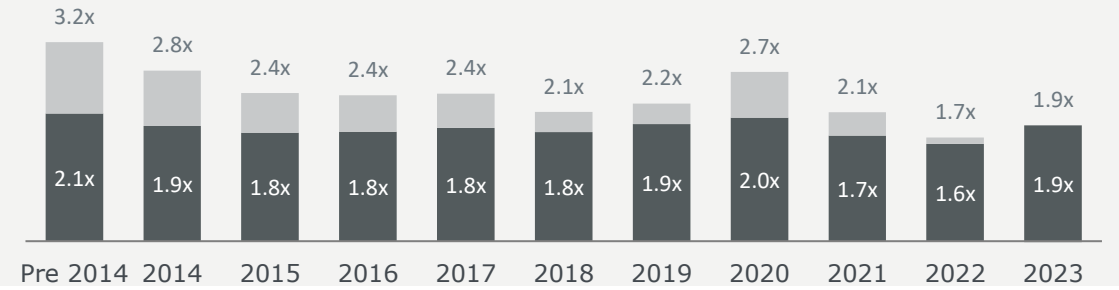
DACH



Nordics



Combined Group²



Note: Current GMM is calculated using actual collections to Sep-23 plus ERC across the next 120m for all regions. Priced GMM is calculated using the priced collection expectation over the initial 120m for all regions.

¹ Includes Hoist UK acquisition. ² Indicative combined Group GMMs shown on a 120m basis and all translated at Sep-23 closing FX rate which may result in differences across reporting periods as FX rates change

Calculation of Group 120m ERC Replacement Rate

£m	Sep-23
120m ERC	4,116
Year 1 Collections	726
Roll-forward (Year 11 Collections)	193
Collections to replace	533
2022 vintage GMM	1.6x
2023 vintage GMM	1.9x
Blended GMM ¹	1.8x
Replacement Rate as calculated at Sep-23	303
Replacement Rate as calculated at Sep-22	264
Average LTM Replacement Rate²	283

GMM Weighted Average Calculation (£m)

2022 Vintage	UK	DACH	Nordics	Total
Purchases (£m)	526	141	96	763
% of total purchases	69%	19%	13%	100%
Actual 120m GMM	1.7x	1.6x	1.5x	
Weighted Average				1.6x
2023 Vintage	UK	DACH	Nordics	Total
Purchases (£m)	133	72	34	239
% of total purchases	56%	30%	14%	100%
Actual 120m GMM	2.1x	1.6x	1.6x	
Weighted Average				1.9x
Blended GMM				1.8x

¹ Blended GMM represents the average 120m GMM for 2022 and 2023 vintages, across the UK, DACH and Nordics as at Sep-23.

² Average Replacement Rate is an average of the Replacement Rate as calculated at Sep-23 and the Replacement Rate as calculated at Sep-22.

Leverage and Liquidity

£215_m Liquidity¹

£m	Sep-23
RCF Capacity	394
Amounts Drawn	(343)
Securitisation Availability ²	79
Cash	84
Available Liquidity	215

£m	Sep-23
Net Debt	2,406
Pro Forma LTM Cash EBITDA	656
Net Debt / Pro Forma LTM Cash EBITDA	3.7x
Senior Secured Net Debt / Pro Forma LTM Cash EBITDA	2.9x

3.7_x Net Leverage³

¹ Calculated as unrestricted cash on balance sheet plus amounts available to draw on RCF and UK Securitisations at Sep-23. Liquidity reported excludes reserves held in securitisation vehicles of ~£20m which are due back to Lowell once facilities mature. Amounts currently treated and reported as 'restricted' cash. ² Amounts available across ABS Facility 1, Facility 2 and Facility 3 as at Sep-23. ³ Calculated as Net Debt to LTM Pro Forma Cash EBITDA.

Net Debt and Borrowings at 30 September 2023

Net Debt

Bond Principal	£m
£440m Senior Secured Notes 7.75%	429
€795m Senior Secured Notes 6.75%	686
€630m Senior Secured Notes EURIBOR +6.25%	542
RCF Drawings and Other	
GBP Drawn RCF	151
EUR Drawn RCF	192
ABS – Facility 1	165
ABS – Facility 2	225
ABS – Facility 3	101
Cash	
Cash	84
Senior Secured Net Debt	1,916
Net Debt	2,406
Gross Debt	2,491

Note: Bond principal amounts shown above are net of the Bond repurchase in August 2023, which reduced the notional amounts by £10.7m, €3.3m and €4.0m respectively.

Bonds

Currency	Issue	Security	Maturity	Coupon
GBP m	440	Senior secured notes	Nov-25	7.75%
EUR m	795	Senior secured notes	Nov-25	6.75%
EUR m	630	Senior secured notes	May-26	EURIBOR +6.25%

Revolving Credit Facility (RCF) and Securitisation Facilities

Currency	Committed Amount	Security	Maturity	Interest	Margin
EUR m	455	Super Senior Secured RCF	Aug-25	SONIA / EURIBOR	3.00%
GBP m	175	Asset Backed Loan – Facility 1	Jul-25	SONIA	3.35%
GBP m	225	Asset Backed Loan – Facility 2	Jan-27	SONIA	3.50%
GBP m	170	Asset Backed Loan – Facility 3	Oct-27	SONIA	3.90%

Glossary

3PC	-	Third Party Collection		
ABS	-	Asset backed securitisation		
Acquisitions	-	The purchases of NPLs		
Cash EBITDA	-	Defined as collections on owned portfolios plus other turnover, less collection activity costs and other expenses (which together equals servicing costs) and before exceptional items, depreciation and amortisation		
Cash Income	-	Total income for the period adding back portfolio amortisation and portfolio fair value release and deducting net portfolio write-up, lawyer service revenue, other revenue (less payment services income) and other income		
DACH	-	Germany, Austria and Switzerland		
DP	-	Debt Purchase		
EBITDA	-	Defined as operating profit plus depreciation and amortisation, non-recurring costs and exceptional items (net of exceptional income) and portfolio fair value adjustment (where applicable)		
ERC	-	Estimated Remaining Collections over 84, 120 or 180 months		
EURIBOR	-	Euro Interbank Offer Rate		
GMM	-	'Gross money multiple', being the expected collections on a portfolio or particular vintage, divided by its respective purchase price. Reported on either a 'static' or 'current' basis		
Gross Profit	-	Gross Profit calculated as Cash Income less Collection Activity Costs excluding Lawyer Service activity, less the amounts captured within Collection Activity Costs related to Non-recurring Costs / Exceptional Items (net of exceptional income)		
IFRS	-	International Financial Reporting Standards		
Net Debt	-	Senior Secured Notes bond principal plus Senior Notes bond principal plus RCF drawn amounts plus securitisation drawn amounts less cash		
Nordics	-	For the purpose of the presentation include Sweden, Denmark, Norway and Finland		
NPL	-	Non Performing Loans		
RCF	-	Revolving Credit Facility		
Replacement Rate	-	The estimated amount of purchases to maintain current Group ERC		
SASB	-	Sustainability Accounting Standards Board		
SONIA	-	Sterling overnight index average		

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Upcoming Events

- ◇ **Non-Deal Investor Day Meetings** – Q1-24 (TBC)
- ◇ **FY23 Results** – April 2024
- ◇ **Q1-24 Results** – May 2024

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