

Lowell Third Quarter Results 2024

Leading Operational Performance with Collection Outperformance

Lowell, a European leader in credit management services, today announces its results for the 3 months ended 30 September 2024.

Commenting on today’s announcement Colin Storrar, Group Chief Executive Officer, said:

“The results continue to evidence the strength of our underlying businesses within the Group. We continue to see a strong flow of debt purchase opportunities and have managed to accelerate some of these throughout 2024 at very attractive return levels.

Our collection performance continues to outperform expectation both across frontbook and backbook and we look forward to carrying on this strong momentum.”

Key Highlights

- Collections performing at 101% vs Dec-23 static pool (100%)
- LTM Cash EBITDA increasing to £742m (£646m)
- LTM portfolio acquisitions of £348m (£319m) at attractive priced returns
- Strong reported liquidity at the end of the quarter of £290m (£215m)
- Reported Net leverage of 3.1x (3.7x)

(Note: comparable numbers for LTM Q3-23 in brackets)

Key Financial Highlights

As at 30 September 2024	LTM Q3-24	LTM Q3-23	Change
Cash Income	£1,180m	£1,101m	+7%
Cash EBITDA	£742m	£646m	+15%
Cash EBITDA Margin	63%	59%	+400bps
Portfolio Acquisitions	£348m	£319m	9%

Outlook

The business continues to deploy capital at attractive returns with the FY24 expected priced net IRR now increasing to ~22%. Guided purchases for the year have increased to ~£330m, increasing by ~£30m as some FY25 opportunities have been accelerated into 2024.

Group Financial Performance

Leading Operational Franchises

The Group continues to deliver collection performance in excess of balance sheet expectation, coupled with exceptional frontbook performance of 104% vs pricing expectation YTD on 2024 purchases.

This continues to demonstrate both the strength of the Group's collection capabilities across its regions, but also the underlying value of its assets

Attractive Portfolio Returns

The Group now expects to deploy in the region of £330m across FY24, an increase of ~£30m vs previous guidance as a result of the acceleration of purchases identified for 2025 into 2024.

The Group continues to find the purchasing environment attractive, with the 2024 vintage priced returns now increasing to ~22% priced net IRR.

Strong Liquidity Providing Key Optionality

The Group continues to generate strong underlying cash generation from its operations which supports ongoing liquidity and provides key optionality ahead of refinancing, together with the continued attractive returns available on debt purchase opportunities in market.

Conference Call and Webcast

Call and webcast live at 08:30am Thursday 28th November 2024

Registration details

- Webcast (listen only with digital question submission)
 - [Lowell Group Q3 Report 2024 \(financialhearings.com\)](https://financialhearings.com)
- Teleconference Lines (with interactive Q&A)
 - [Call Access \(financialhearings.com\)](https://financialhearings.com)

Contacts

Investor Relations enquiries:

Shaun Sawyer
Group Director of FP&A and Corporate Development
Email: investors@lowellgroup.co.uk

Media enquiries:

Woolf Thomson Jones
Communications Support UK
Telephone: +44 7376 392 693
Email: lowell@nepean.co.uk

About Lowell

Lowell is one of Europe's largest credit management companies with a mission to make credit work better for all and a commitment to fair and ethical customer practices. It operates in the UK, Germany, Austria, Switzerland, Denmark, Norway, Finland, and Sweden.

Lowell's unparalleled combination of data analytics, deep consumer 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 is committed to delivering the most fair and affordable 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

Legal Disclaimer

This press release includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this press release, including, without limitation, those regarding the Group's or any of its affiliate's future financial position and results of operations, their strategy, plans, objectives, goals and targets, future developments in the markets in which they participate or are seeking to participate or anticipated regulatory changes in the markets in which they operate or intend to operate. In some cases, these forward-looking statements can be identified by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "potential," "predict," "projected," "should," or "will" or the negative of such terms or other comparable terminology.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that the Group's or any of its affiliate's actual results of operations, financial condition and liquidity, and the development of the industries in which they operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this press release. In addition, even if the Group's or any of its affiliate's results of operations, financial condition and liquidity, and the development of the industries in which they operate, are consistent with the forward-looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods.