

22 November 2018

Lowell Q3 Results 2018

A resilient business delivering growth and returns

Lowell, a European leader in credit management services, has today announced its Q3 2018 Results, for the period ending 30 September 2018. The quarter represents another step in the Group's evolution and demonstrates its continued commitment to growing the business in the right way.

Pro Forma Performance Highlights (Last Twelve Months)

	LTM Sep-17	LTM Sep-18	Change %
Cash Income	£793m	£849m	+7%
Cash EBITDA	£385m	£422m	+10%
Portfolio Acquisitions	£349m	£481m	+38%
120m Estimated Remaining Collections (ERC)	£2.6bn	£3.0bn	+14%

- > New £255m UK securitisation facility
- > Consistent forecasting accuracy – collections performance at 101%¹
- > Leverage in line with expectations
- > Weighted Average Cost of Debt down to 6.3% (from 7.4% at Q3 17)
- > Strong client relationships continue to drive Forward Flow purchases (43% of portfolios purchased)

Operational Highlights

- > Agreed disposal of Nordic payments business to focus on core operation
- > Signed multi-year IT Infrastructure partnership

James Cornell, Group CEO, said:

"Our performance again shows that this is a resilient business, managed effectively to deliver growth and returns.

"We seek growth that increases scale and diversification, while remaining mindful of leverage. Capital is deployed rationally for attractive returns, and our diversity of geography, markets and sectors allows us to adapt swiftly to the shifting needs of our clients, and the local economies where we operate.

"The new UK securitisation facility reflects the inherent value of our back-book. This facility diversifies our funding structure further; reduces our dependency on high yield and RCF funding; and increases our ability to manage our capital to grow the business the right way.

"We continue to invest strategically for the long-term good of the business with stable, consistent returns, and are well-positioned for continued success."

¹Versus December 2017 static pool collections forecast

Our Q3 2018 results presentation, and the accompanying interim financial statements are available at: <https://www.lowell.com/investors/results/>

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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