

Lowell GFKL

Carnegie Conference,
Stockholm

March 20th, 2017





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Matthias Gerhardt

Director of Corporate Development

- Joined the Group in January 2017
- More than 20 years of financial services experience
- Previously with Arvato Financial Solutions and Credit Suisse



Jon Trott

Head of Investor Relations

- Joined the Group in October 2013
- 11 years of financial services experience
- Previously with HSBC, Santander and General Electric



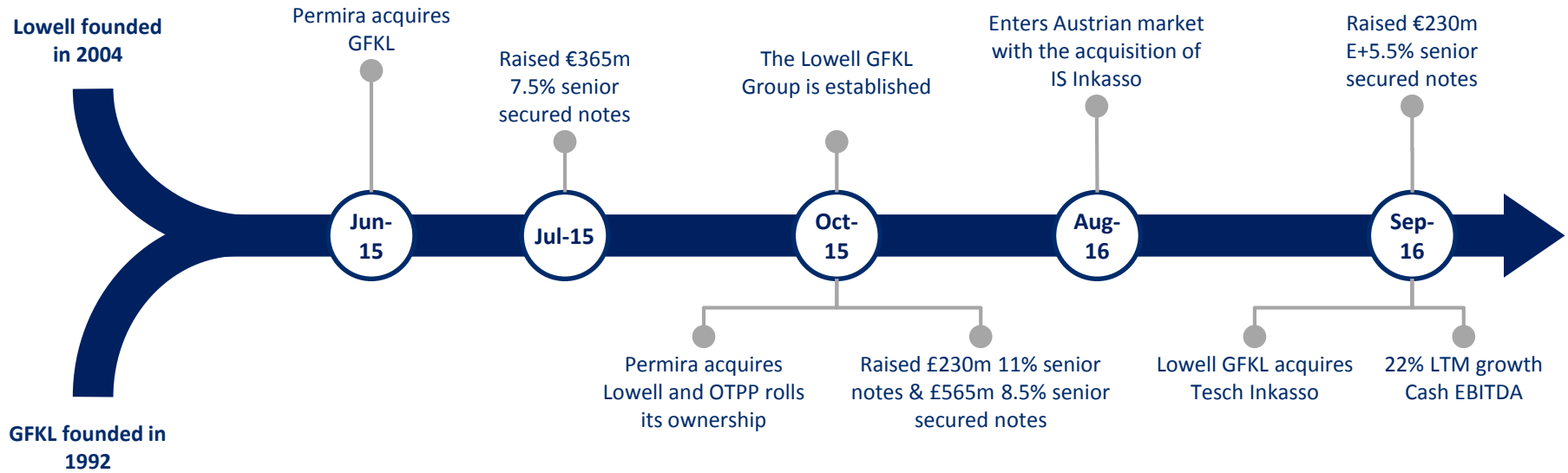
I. Lowell GFKL – Introduction

II. A Balanced & Diversified Growth Platform

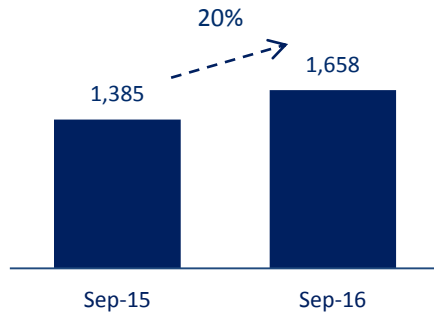
III. Outlook

Lowell GFKL – Our Recent Timeline

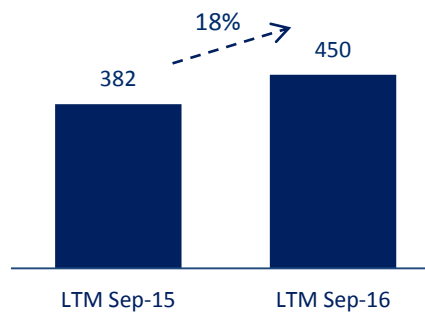
Key Events As A Group



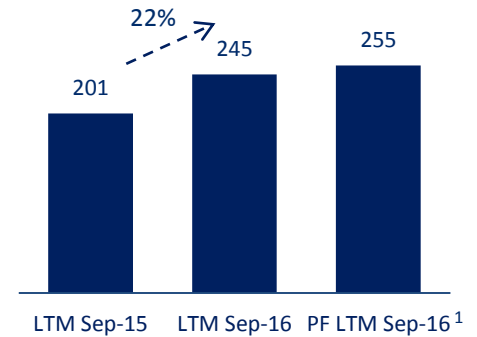
120m ERC (£m)



Cash Income (£m)



Cash EBITDA (£m)



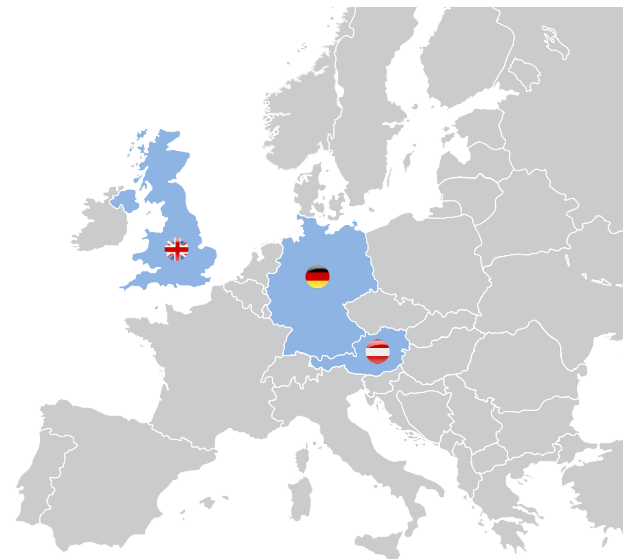
¹ Proforma LTM Cash EBITDA as quoted is defined as both Lowell's and GFKL's Cash EBITDA for the twelve months ended 30 September 2016, further adjusted to include the Cash EBITDA contributions of the Tesch Group and IS Inkasso Group for the twelve months ending 30 September 2016.



Company Overview

- **Supported by leading global investors** Permira and Ontario Teachers' Pension Plan
- A **European leader** in credit receivables management with **leadership positions** in the UK, Germany and Austria
- Business of **significant scale**, generating Cash Income of £450m and Cash EBITDA of £245m (LTM to Sept-16)
- **High visibility** into future cash flow generation with 120m ERC of £1.7bn and significant purchase visibility through **forward flow contracts** of £350m over the next five years
- Sophisticated **data insights and analytics with almost 25m owned accounts**, providing a competitive differentiator enhancing pricing accuracy and collections efficiency

Geographic Footprint



Key Metrics (LTM Sept-16)

▪ Cash Income:	£ 450m
▪ Cash EBITDA:	£ 245m
▪ Purchases:	£ 238m
▪ 120m ERC:	£ 1.7bn
▪ # of owned accounts:	24.8m
▪ FTEs ¹ :	~2,400

¹ Excludes Tesch.

Lowell GFKL – Our Funding Profile

Current Outstanding Bonds



Debt Details

£230m senior unsecured @ 11.00%

Maturity: Nov-23

1st call date: 1st November 2018

£565m senior secured @ 8.50%

Maturity: Nov-22

1st call date: 1st November 2018

€365m senior secured @ 7.50%

Maturity: Aug-22

1st call date: 1st August 2018

€230m senior secured @ EURIBOR +5.50%

Maturity: Sept-21

1st call date: 1st October 2017

€200m RCF @ LIBOR / EURIBOR + 3.50%

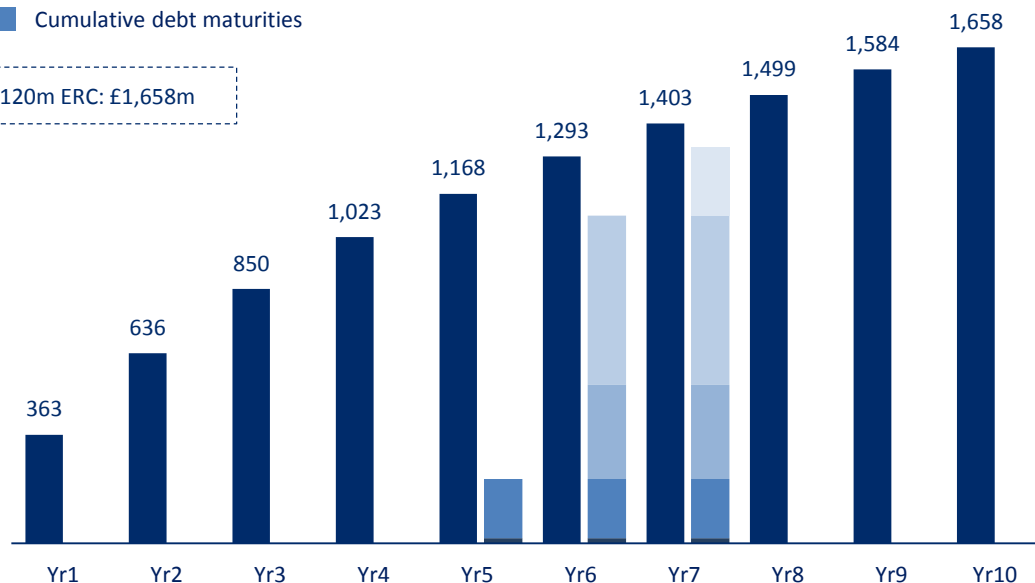
Maturity: December 2021

120-month ERC & Debt Maturity (£m)

■ Cumulative 120m ERC

■ Cumulative debt maturities

120m ERC: £1,658m



- Most recent FRN issuance at E+5.5%
- RCF provides additional flexibility, with amounts drawable in either GBP or EUR



I. Lowell GFKL – Introduction

II. A Balanced & Diversified Growth Platform

III. Outlook

A Balanced & Diversified Growth Platform



1 Leading presence in our core markets with attractive fundamentals

2 Balanced, diversified business model

3 Sophisticated data insights and analytics

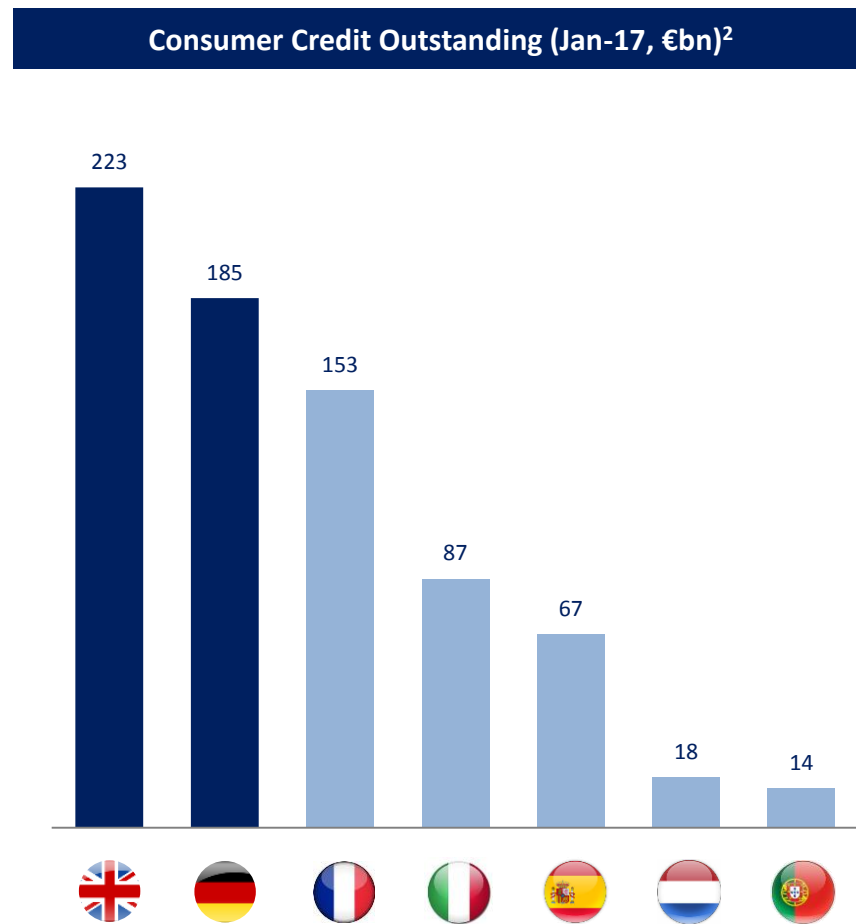
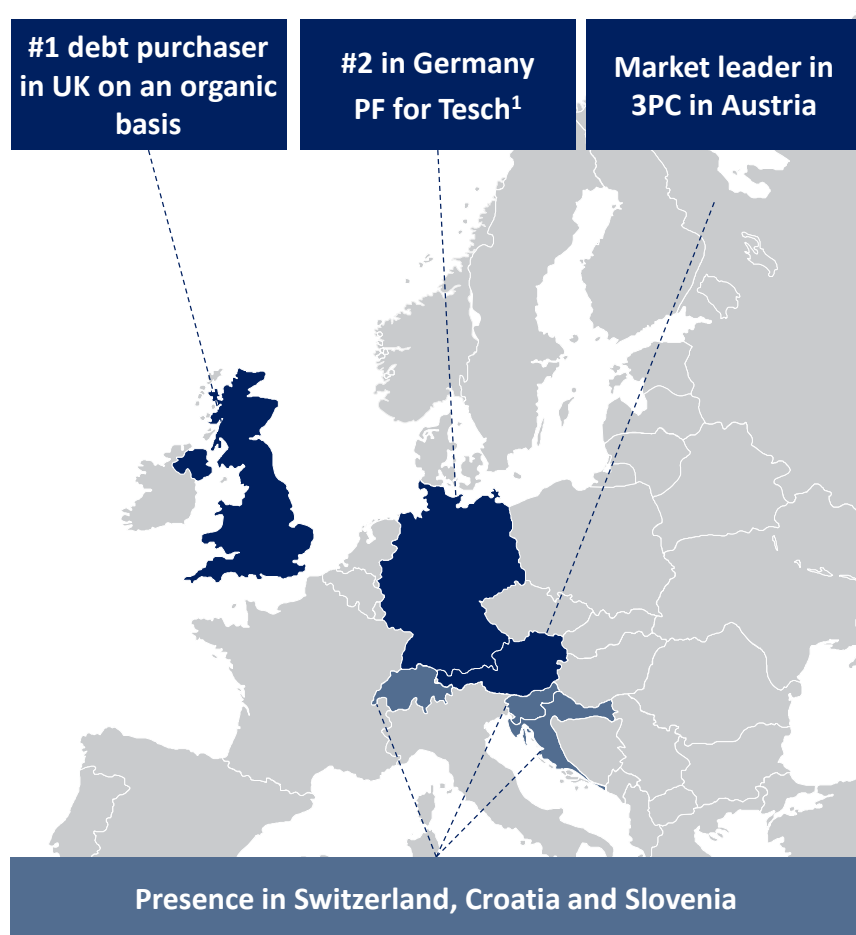
4 Customer centric collections approach

5 Accurate and disciplined forecasting

6 High visibility into future cash flow generation

1 Leading Presence in Core Markets with Attractive Fundamentals

UK and Germany are the Largest Markets in Europe



¹ Revenue based on latest public filings and management estimates.

² Based on data from ECB and BoE.

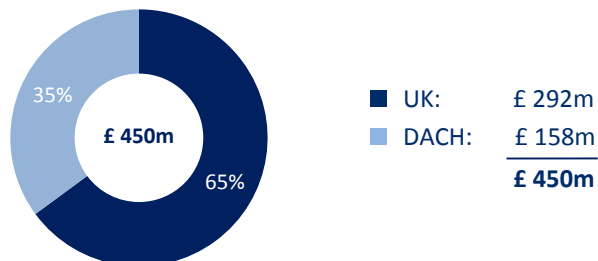
2 Balanced, Diversified Business Model

Diversification Across the Spectrum

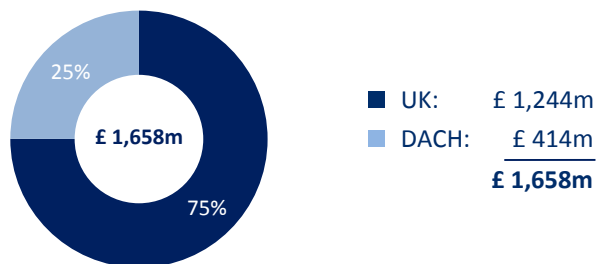


Across Geographies & Sectors

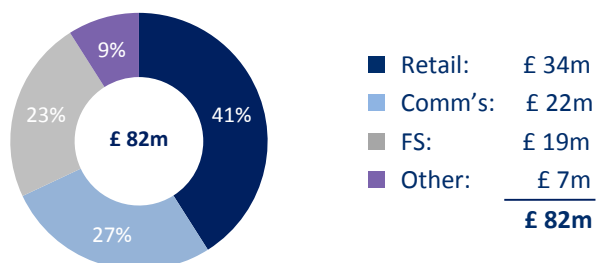
Cash Income By Region (LTM Sep-16)



120m ERC By Region (Sep-16)



NPL Acquisitions By Sector (Q3-16)



Across Clients

	UK	Germany	Austria
Fin. Services			
Home Retail			
Utilities			
Insurance			
Telecom			

3 Sophisticated Data Insights & Analytics

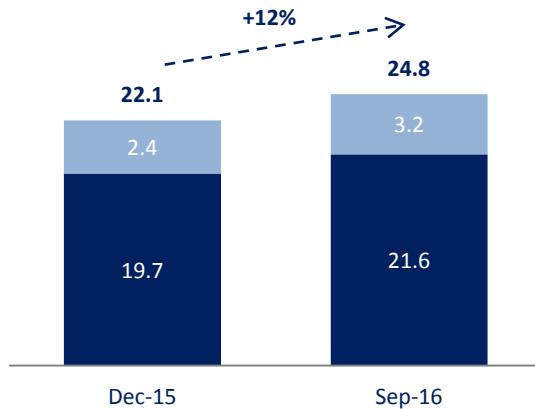
Data Insight Evolution



Largest & Diversified Data-Set

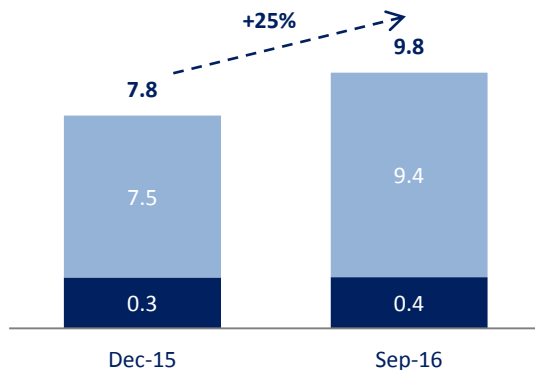
NPL Accounts Under Mgmt (m)

■ UK ■ DACH



3PC Face Value AuM (£m)

■ UK ■ DACH

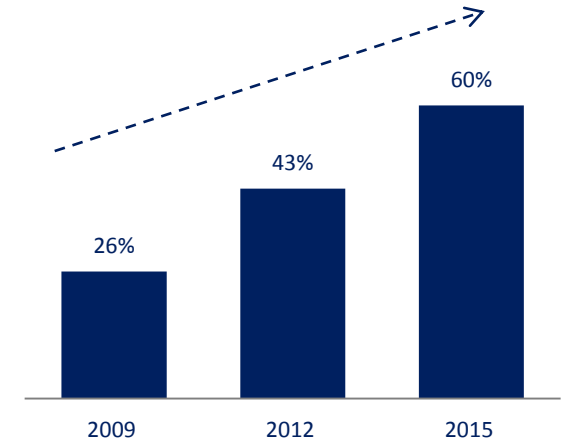


Sophisticated Data Science Capabilities

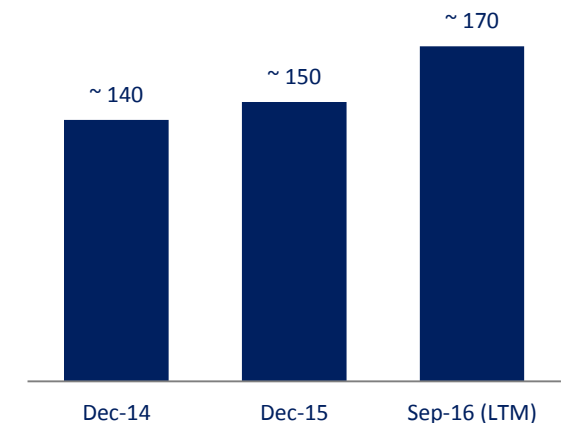
- Interdisciplinary team of 50 analysts, project managers and scientists
- 28 scorecards enhancing 5 distinct operational areas
- Consumer-level underwriting and predictive modelling

Meaningful Practical Benefits

UK Customer Crossover %



Group DP Collections per FTE (£'000)



¹ Defined as the percentage of customers acquired through NPL purchases in each calendar year where Lowell holds an existing relationship with the customer within its back-book.

4 Customer Centric Collections Approach

Balancing The How & The What



A Virtuous Cycle Of Delivery...



'Exceptional' Rating From Investor in Customers¹



'Exceptional' rating from Investor in Customers

Exceptional

- In practice, our customers rated us highly for;
 - Ease of doing business with us
 - How straight forward and clear our communications are
 - Overall customer experience and satisfaction

FOCUSED
BE BETTER | BE FAIR

Keep our customers at the heart of everything we do

ACCESSIBLE
BE BETTER | BE FAIR

Make it easy for our customers; be approachable, helpful and clear

INFORMED
BE BETTER | BE FAIR

Understand each customer's circumstances; agree solutions and keep them up to date

REASONABLE
BE BETTER | BE FAIR

Deliver on our commitments; deliver fair outcomes for our customers

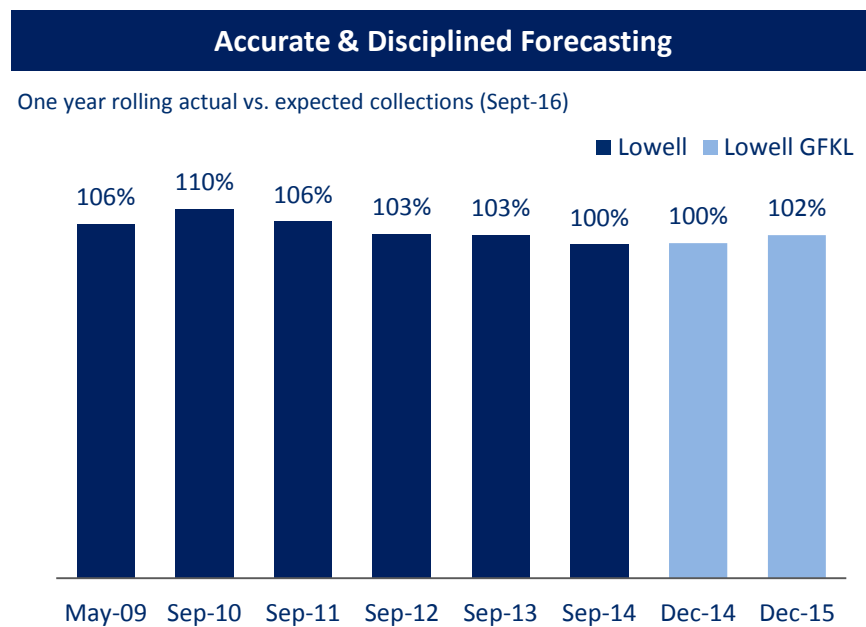
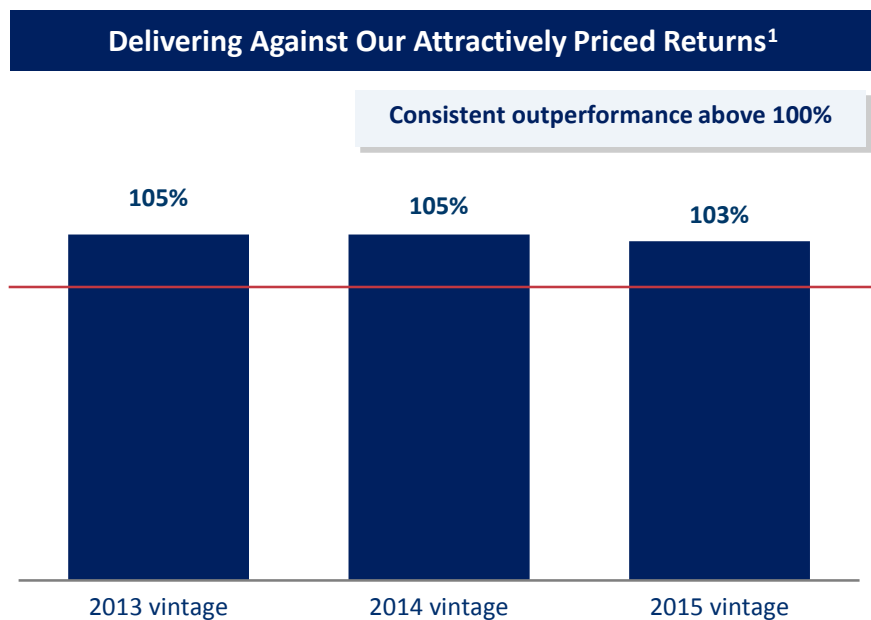
¹ Investor in Customers - the UK's leading customer experience consultancy.

5 Accurate & Disciplined Forecasting

Prudent Underwriting and Accurate Projections



- **Disciplined approach** to portfolio pricing maintaining high portfolio returns
- Pricing process comprises a **rigorous and extensive due diligence** and valuation exercise
- Clear and systematic **governance process** to approve portfolio investments
- Benefits from **scale of data** and experienced and **skilled specialist staff**



¹ Lowell GFKL vintage pricing performance: actual collections as % of priced assumptions (actuals to Jun-16).

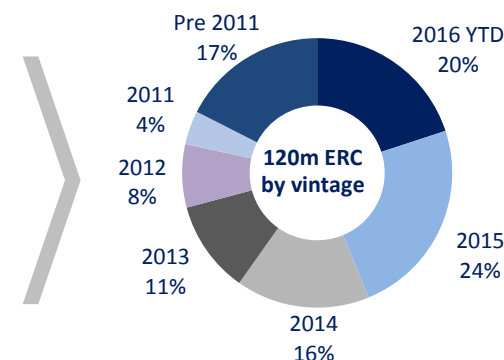
6 High Visibility Into Future Cash Flow Generation

A More Frontloaded Collection Curve Lowers Forecasting Risk

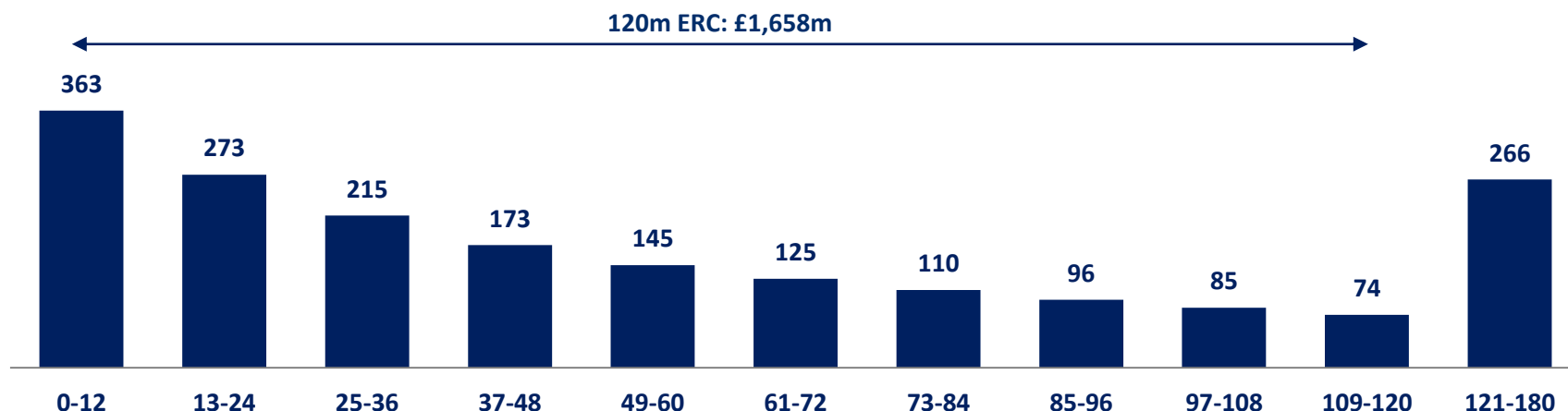


Highlights (as of September 2016)

- **Front loaded curve** supporting high degree of **cash flow visibility** – 38% of 120m ERC expected to be realised within 24 months
- Cash flow stability underpinned by **sustainable payment plans** (77% of collections)
- **Diversified ERC** across vintages and industries



Value Embedded in Existing Book (£m)

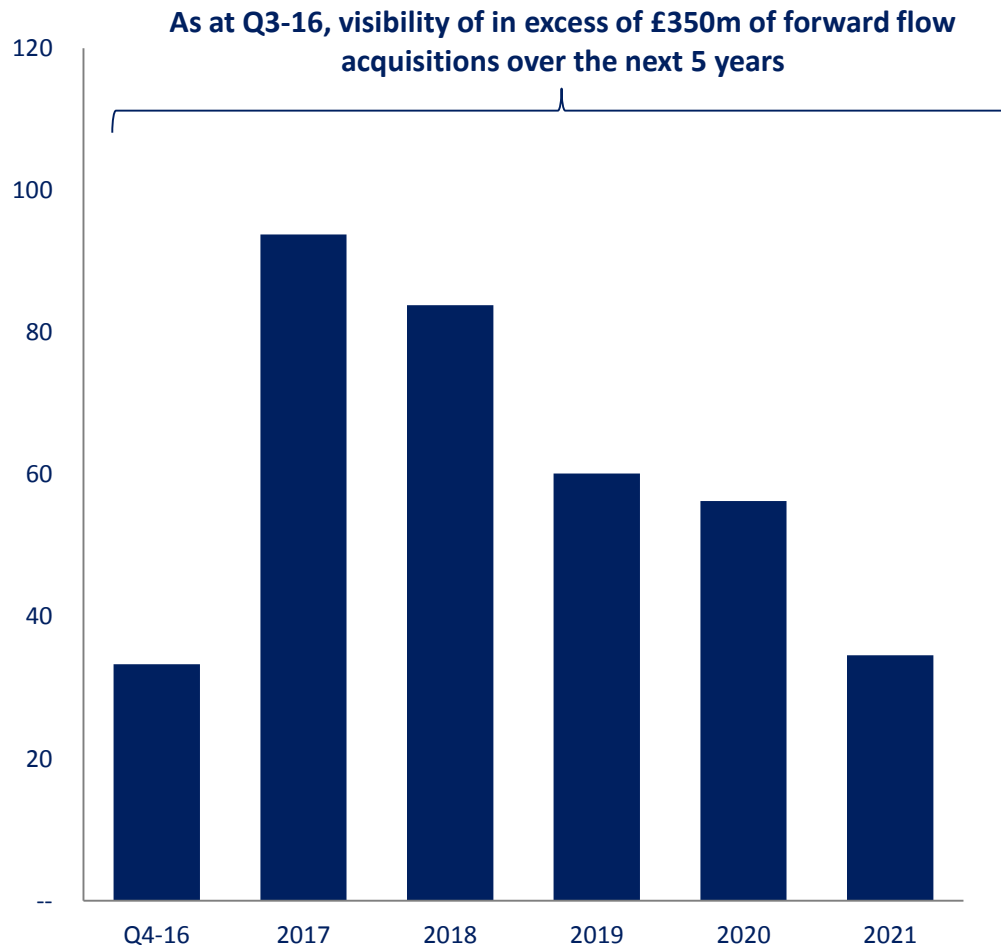


6 High Visibility Into Future Cash Flow Generation

Forward Flow Contracts Supporting Visibility



Forward Flow Commitments (£m)



Insight

- Contractually committed forward flows provide **material coverage** of our ERC replenishment rate
- Average **client tenure** with our top 10 DP clients is between **7 and 8 years**
- Capital light 3PC contracts tend to be **highly sticky**



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***A pan-European provider of end-to-end credit management services,
delivering both fair customer outcomes and sustainable profit***

- **Integration** of Lowell, GFKL, Tesch and IS Inkasso continues to make strong progress
- Focus on **value creation** remains paramount:
 - Sharing best practice to increase our competitiveness
 - Building a strong platform for future Pan-European expansion
 - Maintaining a disciplined approach to pricing and investment
- Clear **structural drivers for market growth** exist in both the UK and DACH regions:
 - Consumer credit continues to grow in both markets
 - Signs that the banks are likely to increase volume of NPL sales

◀ **Proud Histories** ▶ **Bright Future**



Thank You

Questions Most Welcome