

# Lowell Group

Goldman Sachs

EMEA Leveraged Finance  
Conference

26 September 2017







Our vision is to be the best in our field

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For Clients  
For Consumers  
**For Investors**

# Lowell

## At a glance

Our  
markets



Investor in  
Customers®  
Gold 2017

1 in 5  
UK

adults

1 in 7  
DACH

Global investors

Permira

Ontario  
Teachers'  
Pension Plan

£1.7bn  
portfolio  
investment<sup>2</sup>

1,869  
portfolios<sup>2</sup>

27.4m  
owned accounts

£22.9bn  
portfolio face  
value

(as of June 30, 2017)

Customer  
NPS  
Increased to  
**+43**

More than  
**3,100**  
colleagues



60% UK  
consumer crossover<sup>4</sup>



INVESTORS  
IN PEOPLE | Gold

£300m  
debt  
purchased<sup>3</sup>

£17  
Average monthly  
repayment<sup>1</sup>

78%  
payments from  
long-term sustainable  
plans<sup>1,3</sup>



DEUTSCHLAND  
2017  
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

£10bn  
3PC AuM

<sup>1</sup> UK only

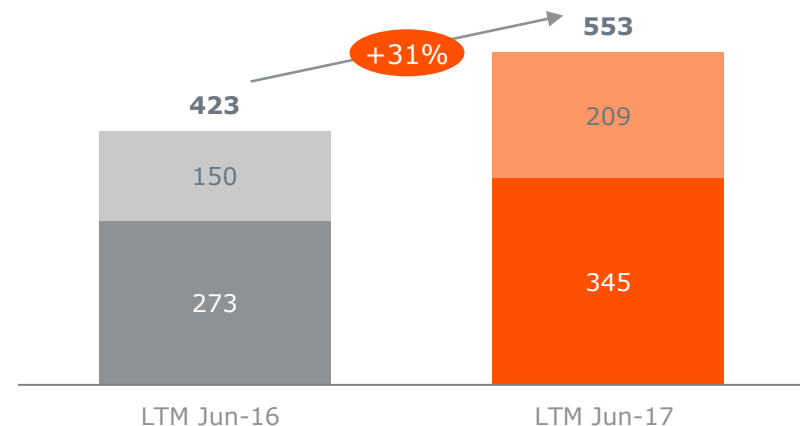
<sup>2</sup> Since inception

<sup>3</sup> LTM June 2017

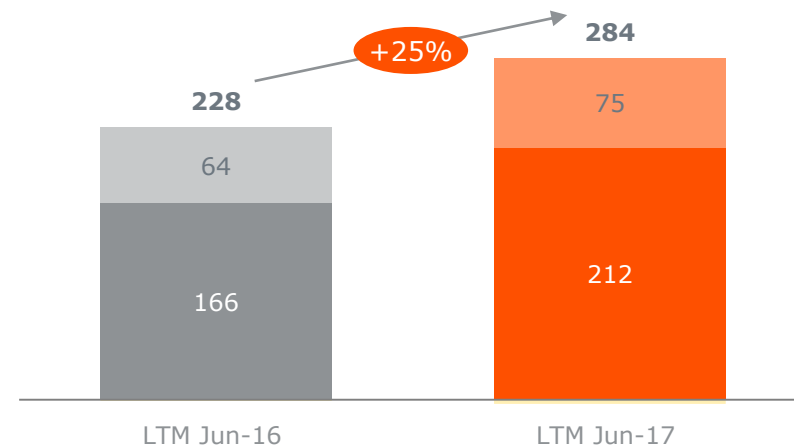
<sup>4</sup> Defined as the percentage of consumers acquired through NPL purchases in each calendar year where Lowell holds an existing relationship with the consumer within its back-book

# Lowell is a consistent fast growing business

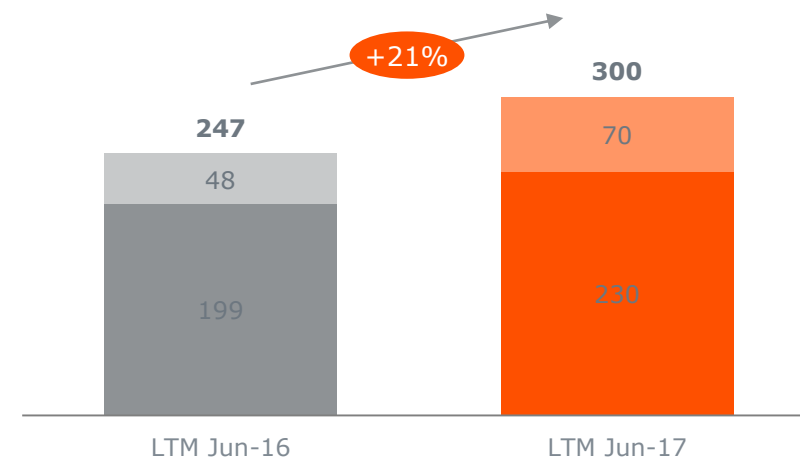
## Revenue (£m)



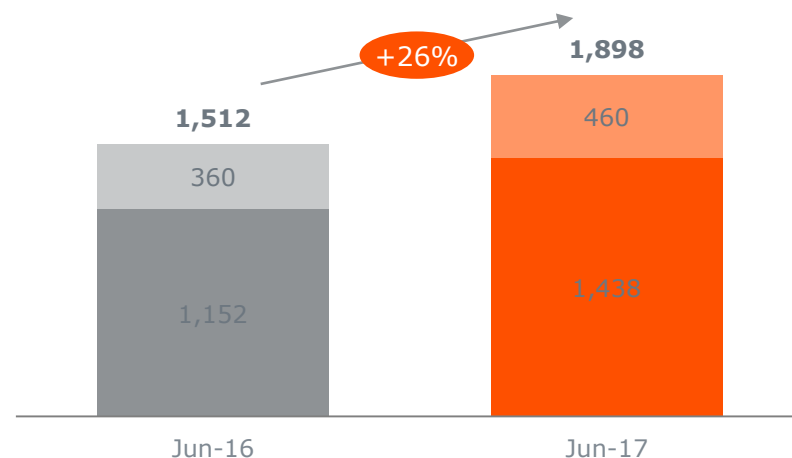
## Cash EBITDA (£m)



## Purchases (£m)



## 120m ERC (£m)

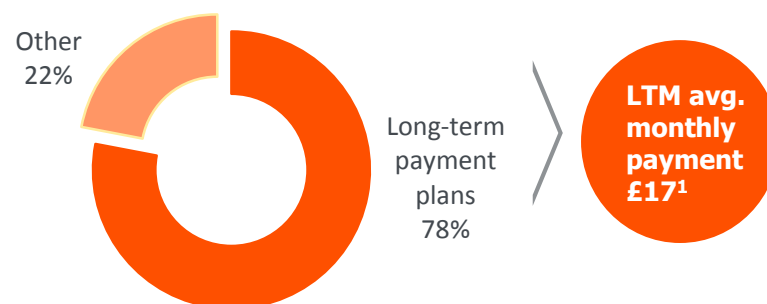


# Lowell has a resilient business model

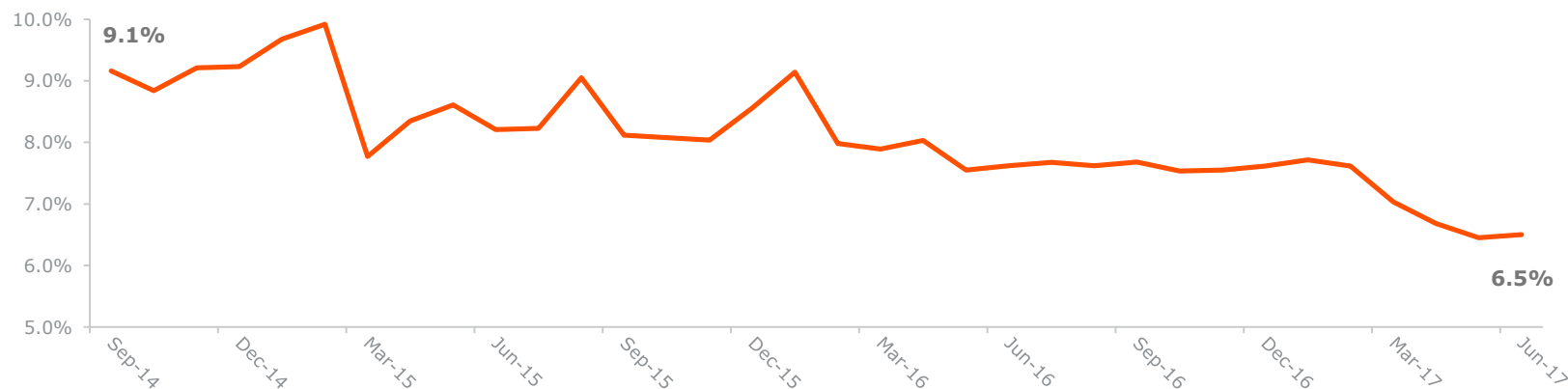
## The Economic Cycle

- Focus on long-term payment plans which are affordable
- Default rates have decreased
- Strong track record through prior economic downturns

### Long-term payment plans<sup>1</sup> as % of collections



### Declining Default Rate<sup>2</sup>



<sup>1</sup> Defined as collections coming from a plan which is due to last >3 months or collections coming from payments where the payment value is <1/3 of the account's original balance. UK data only

<sup>2</sup> Calculated as the percentage of payment plans which make no payments in the month a payment was due, based on a three-month average. UK data only

# Six reasons why we believe we're the best

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- 1 > **Leading presence** in large and attractive markets
- 2 > Balanced, **diversified** business model
- 3 > A business founded on a **consumer centric** approach
- 4 > Sophisticated data analytics driving **accurate** and **disciplined forecasting**
- 5 > **Strong through-the-cycle performance**
- 6 > High visibility into **future cash flow** generation



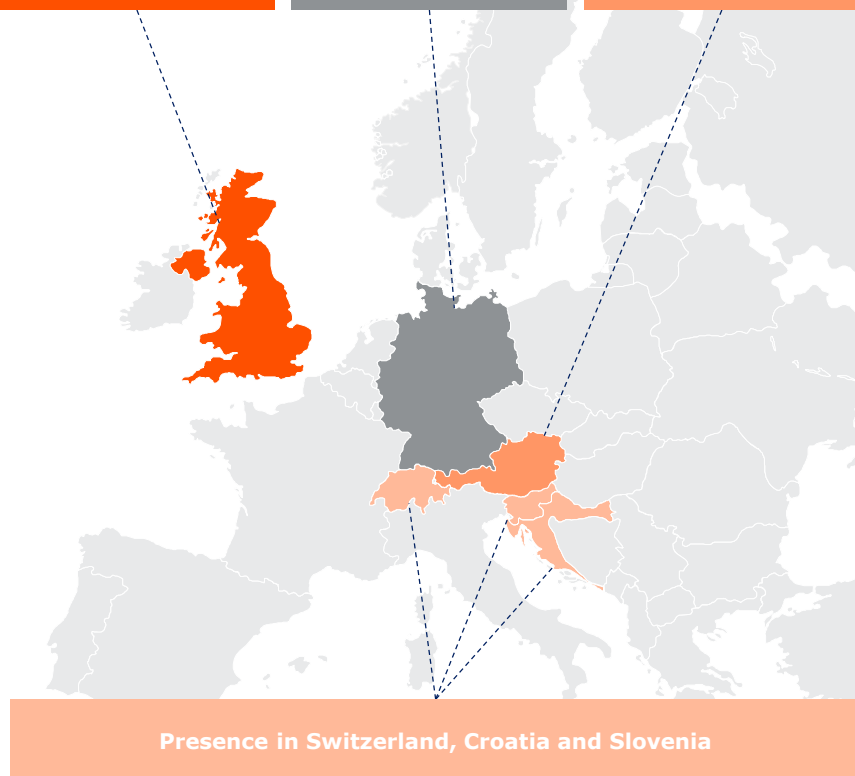
# 1 Leading presence in large and attractive markets

## Leadership Position in Each of our Core Markets

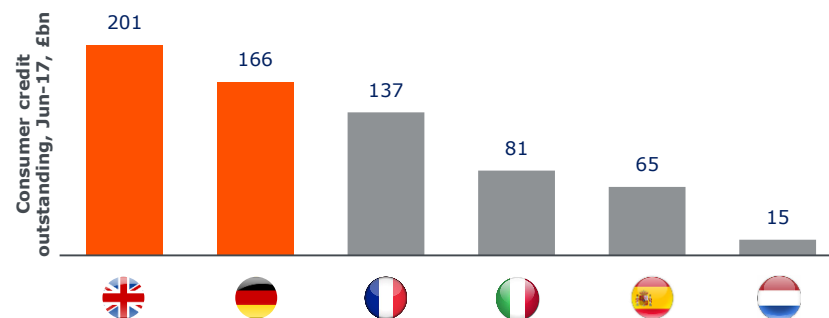
**Largest debt purchaser in UK in 2016**

**#3 in 3PC in Germany**

**Market leader in 3PC in Austria**



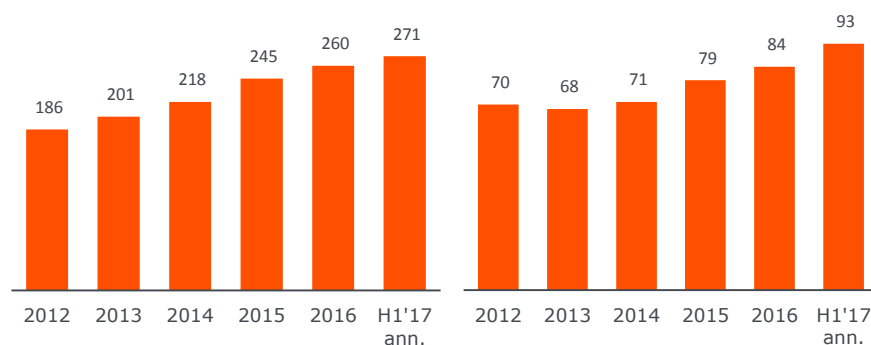
We operate in the two largest consumer credit markets in Europe...



...benefiting from significant and increasing new consumer credit origination

UK (£bn)

Germany (£bn)

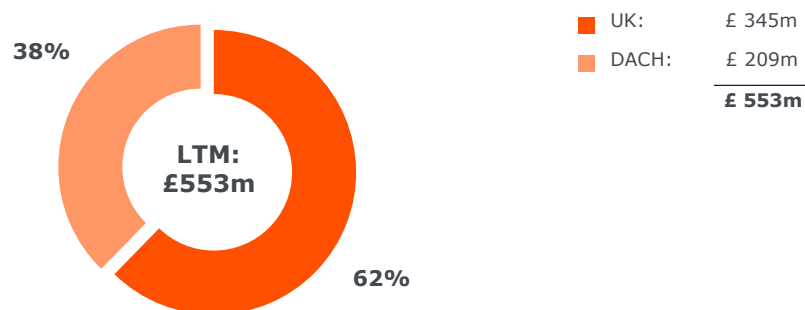


Source: Bank of England (gross consumer credit lending excl. student loans and macro forecasts), Deutsche Bundesbank (new business volume of consumer credits, macro forecasts), ECB

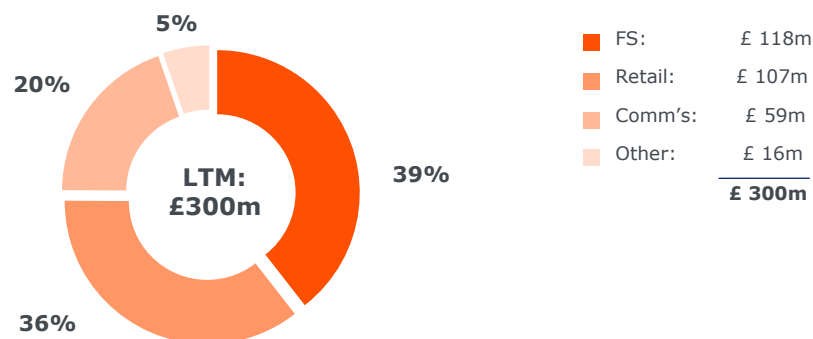


## 2 A balanced and diversified business model

### Cash Income By Region (LTM Jun-17)



### NPL Acquisitions By Sector (LTM Jun-17)



### Across Clients



## 3 Founded on a consumer centric approach



<sup>1</sup> Calculated as the percentage of payment plans which make no payments in the month a payment was due, based on a three-month average. UK data only



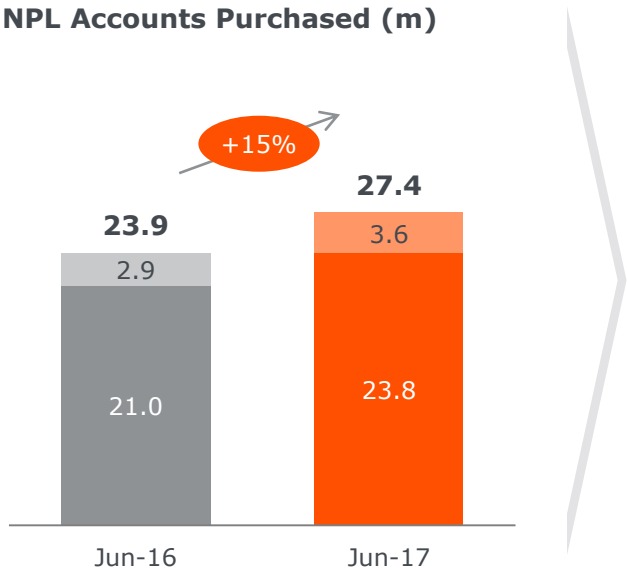
# 4 Most sophisticated data insights & analytics

Largest & Diversified Data-Set

Sophisticated Data Science Capabilities

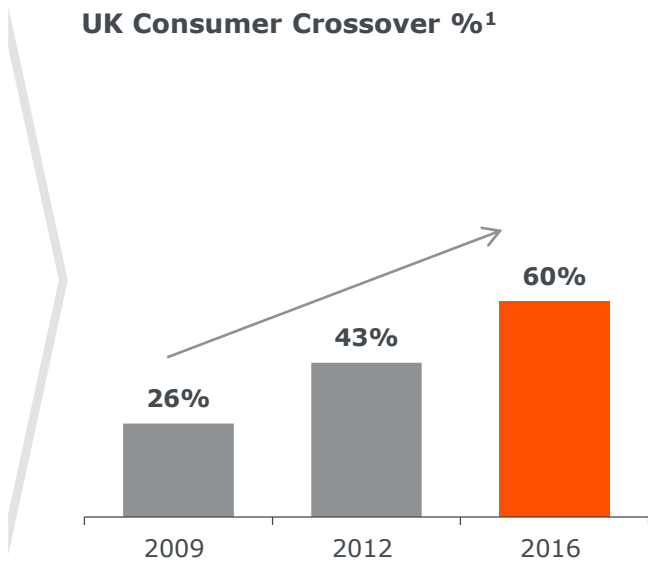
Meaningful Practical Benefits

NPL Accounts Purchased (m)



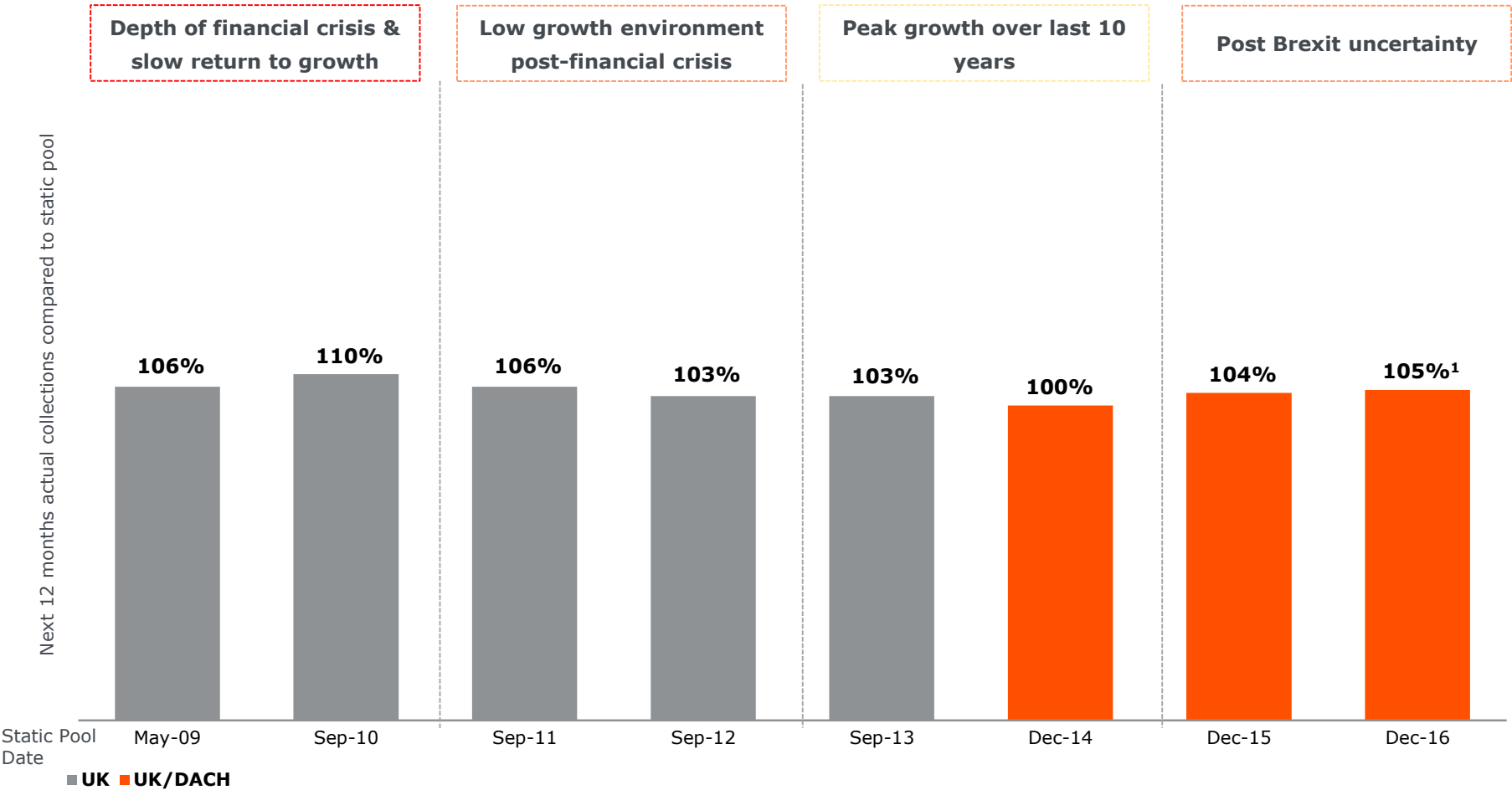
**People**  
+  
**Process**  
+  
**Technology**  
=  
**Accurate forecasting**

UK Consumer Crossover %<sup>1</sup>



<sup>1</sup> Defined as the percentage of consumers acquired through NPL purchases in each calendar year where Lowell holds an existing relationship with the consumer within its back-book

# 5 Together these drive accurate forecasting

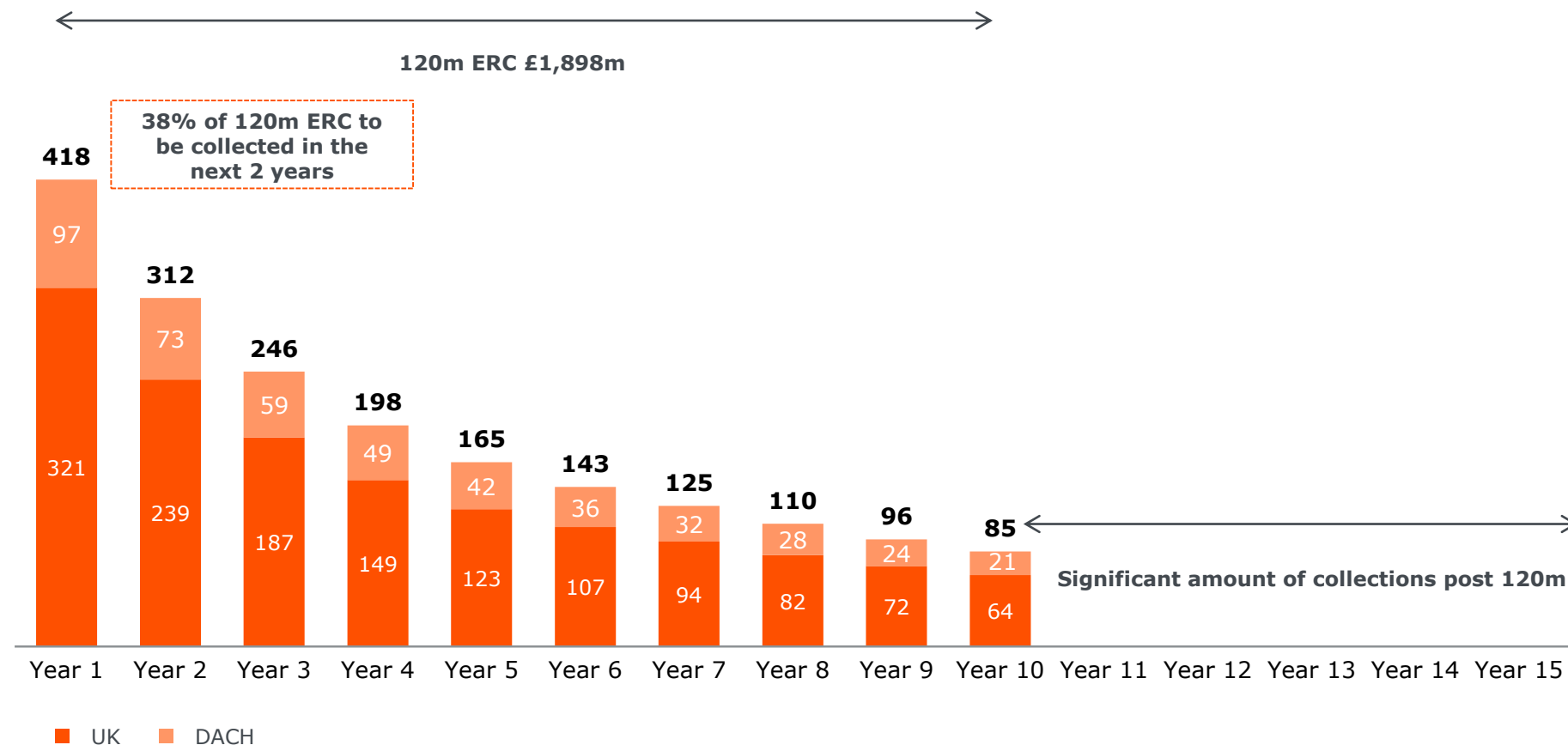


<sup>1</sup> Collected 105% of forecast as of Dec-16 in the 6 months to Jun-17



## 6 High visibility of future cash flow generation

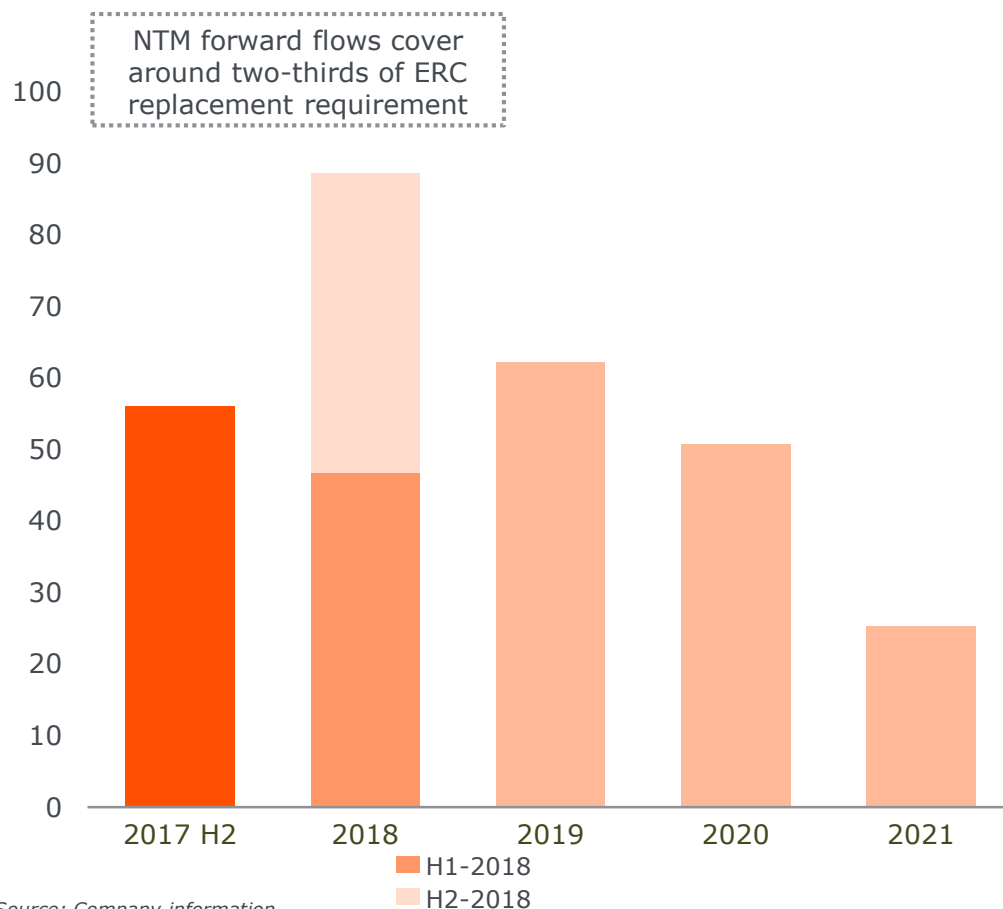
Value Embedded in Existing Book (£m) as of June 30, 2017




Note: ERC presented across the Group on a 120m and 180m basis to provide visibility on future expected gross collections. The respective portfolio investment closing balances as disclosed in the interim accounts are based on a period ranging from 84 months to 120 months

## 6 Unrivalled visibility of future portfolio purchases

### Committed Spend & Signed Forward Flow Visibility (£m)



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- Long-term client relationships
  - Downside protection
  - Constantly refreshed collections data and portfolio analytics

Source: Company information

## Our point of difference

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No one will be the best in  
our field without both a clear  
strategy and genuine  
compassion



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