



# Q2-21 Results Presentation



# Disclaimer

**By reading or reviewing the presentation that follows, you agree to be bound by the following limitations.**

This presentation has been prepared by Garfunkelux Holdco 2 S.A. (the "Company") solely for informational purposes. For the purposes of this disclaimer, the presentation that follows shall mean and include the slides that follow, the oral presentation of the slides by the Company or any person on their behalf, any question-and-answer session that follows the oral presentation, hard copies of this document and any materials distributed in connection with the presentation. By attending the meeting at which the presentation is made, dialling into the teleconference during which the presentation is made or reading the presentation, you will be deemed to have agreed to all of the restrictions that apply with regard to the presentation and acknowledged that you understand the legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of the presentation.

The Company may have included certain non-IFRS financial measures in this presentation, including Estimated Remaining Collections ("ERC"), Cash EBITDA, Portfolio Acquisitions, Net Debt and certain other financial measures and ratios. These measurements may not be comparable to those of other companies and may be calculated differently from similar measurements under the indentures governing the senior secured notes (the "Notes") of the Company's direct subsidiary (Garfunkelux Holdco 3 S.A.). Reference to these non-IFRS financial measures should be considered in addition to IFRS financial measures, but should not be considered a substitute for results that are presented in accordance with IFRS. For a reconciliation of the Company's Cash EBITDA to operating profit, cash collections and net cash flow, see the Company's Consolidated Financial Statements for the three months ending 30 June 2021.

Certain information contained in this presentation has not been subject to any independent audit or review. A significant portion of the information contained in this document, including all market data and trend information, is based on estimates or expectations of the Company, and there can be no assurance that these estimates or expectations are or will prove to be accurate. Our internal estimates have not been verified by an external expert, and we cannot guarantee that a third party using different methods to assemble, analyse or compute market information and data would obtain or generate the same results. We have not verified the accuracy of such information, data or predictions contained in this report that were taken or derived from industry publications, public documents of our competitors or other external sources. Further, our competitors may define our and their markets differently than we do. In addition, past performance of the Company is not indicative of future performance. The future performance of the Company will depend on numerous factors which are subject to uncertainty.

Certain statements contained in this document that are not statements of historical fact, including, without limitation, any statements preceded by, followed by or including the words "targets," "believes," "expects," "aims," "intends," "may," "anticipates," "would," "could" or similar expressions or the negative thereof, constitute forward-looking statements, notwithstanding that such statements are not specifically identified. In addition, certain statements may be contained in press releases, and in oral and written statements made by or with the approval of the Company that are not statements of historical fact and constitute forward-looking statements. Examples of forward-looking statements include, but are not limited to: (i) statements about future financial and operating results; (ii) statements of strategic objectives, business prospects, future financial condition, budgets, projected levels of production, projected costs and projected levels of revenues and profits of the Company or its management or board of directors; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements.

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict and outside of the control of the management of the Company. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. We have based these assumptions on information currently available to us, if any one or more of these assumptions turn out to be incorrect, actual market results may differ from those predicted. While we do not know what impact any such differences may have on our business, if there are such differences, our future results of operations and financial condition, and the market price of the Notes, could be materially adversely affected. You should not place undue reliance on these forward-looking statements. All subsequent written and oral forward-looking statements concerning a proposed transaction or other matters and attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements referenced above. Forward-looking statements speak only as of the date on which such statements are made. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

The presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire the Company or the Company's (or its subsidiaries') securities, or an inducement to enter into investment activity in any jurisdiction in which such offer, solicitation, inducement or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This presentation is not for publication, release or distribution in any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction nor should it be taken or transmitted into such jurisdiction.

## A Quarter of Continuing Strong Trends

**111%**

Collections vs Static Pool<sup>1</sup>

**~100**bps

Increase in LTM Cash EBITDA Margin

**£163**m

Capital Deployed across H1-21

**3.5x**

Net Leverage

- ◇ **Collections continue to outperform forecasts;**
  - ◇ All regions demonstrating excellent performance and underlying resilience
- ◇ **Efficiency actions and margin expansion;**
  - ◇ Delivery of cost actions and digital transformation supports continuation of positive margin trends
- ◇ **Growing pipeline of NPL opportunities;**
  - ◇ Significant increase in capital deployed in Q2 of £130m
- ◇ **Strong cash flow generation delivering balance sheet strength;**
  - ◇ Leverage reduction of 0.3x in H1-21 to lower end of target range
  - ◇ £655m of available liquidity

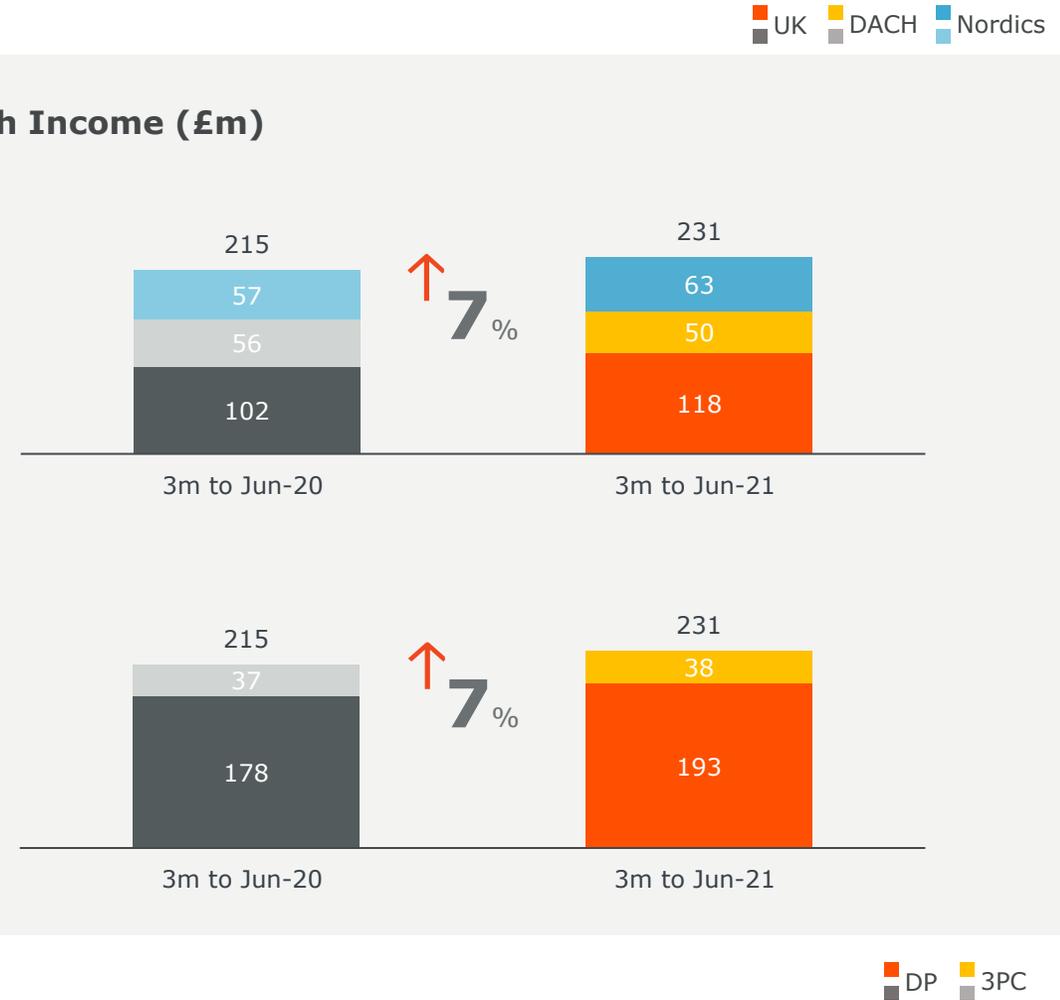
<sup>1</sup> Collection performance for the 6 months to Jun-21 vs Dec-20 static pool.

# Continued Top-line Resilience

**111%** DP Collection performance vs Dec-20 Static Pool

- ◇ Cash Income operating at pre-Covid levels
- ◇ Growth QoQ despite reduced purchases YoY highlights the strength and materiality of Lowell’s backlog
- ◇ Collections continue to be positively impacted by increased digital engagement with customers
- ◇ DP collections underpinned by resilience in backlog and outperformance to forecasts
- ◇ Encouraging stability to 3PC performance providing platform for longer term growth with expected placement volume increase

Cash Income (£m)



# Continued Efficiency Improvement

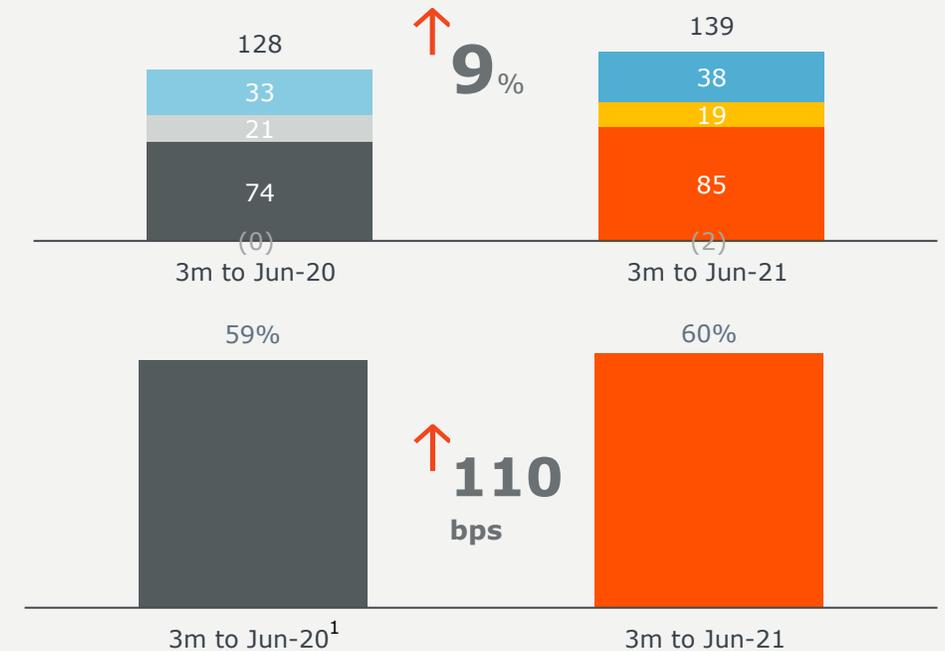
**£139m** Record quarter for Cash EBITDA Performance

- ◇ Cash EBITDA continues to benefit from the collection strength across the Group
- ◇ Benefit from recent increase in purchasing activity expected across H2 and beyond; strong pipeline of opportunities to support further Cash EBITDA growth for the Group
- ◇ Exceptional margin performance in Q2-21 reflects both the delivery of the cost actions undertaken and resilience in top-line collections
- ◇ Cost efficiency actions continue to progress in line with expectation to support margin accretion guidance by FY22

<sup>1</sup> Q2-20 margin positively impacted as a result of the actions taken in UK to pause litigation and limit outbound dialling across Q2-20

■ UK ■ DACH ■ Nordics ■ Group

## Cash EBITDA (£m)

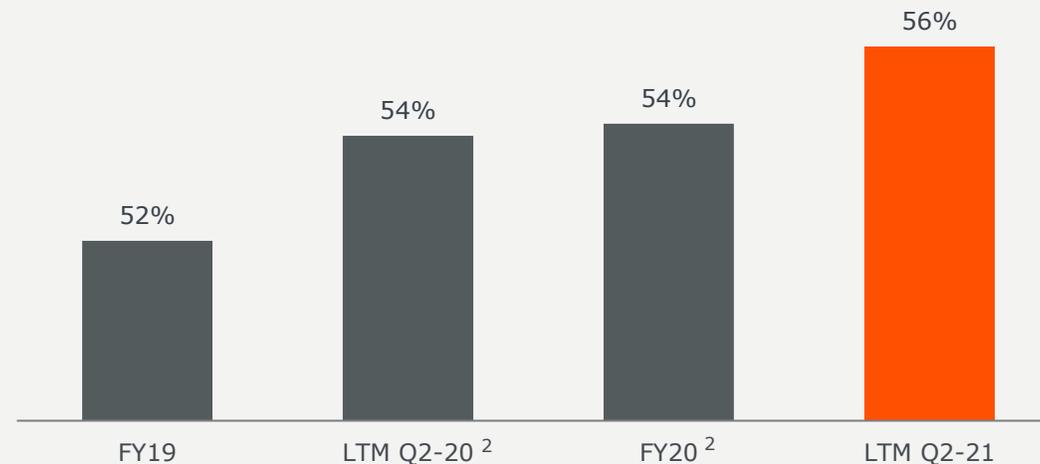


## Cost Efficiency Actions Delivering

- ◇ Benefits of cost efficiency actions visible with a £19m LTM P&L cost base reduction YoY
- ◇ Annual run-rate benefits of ~£50m on track to be delivered by Dec-21
- ◇ Group remains on course to deliver margin accretion guidance
- ◇ Digital initiatives continue to help collection efficiency and deliver margin improvement;
  - ◇ Launch of UK consumer app to further support and personalise solutions
  - ◇ LTM digital led payments up 33% YoY<sup>1</sup>

<sup>1</sup> Quantum of UK digital led collections. <sup>2</sup> Excludes estimated positive impact from reduced litigation volumes of ~1% as disclosed. <sup>3</sup> Guidance of 300bps from underlying 54% base, as disclosed at Q2-20.

### Underlying Cash EBITDA Margin (%)



**+160**bps Underlying improvement YoY

**+300**bps Margin accretion guidance<sup>3</sup>

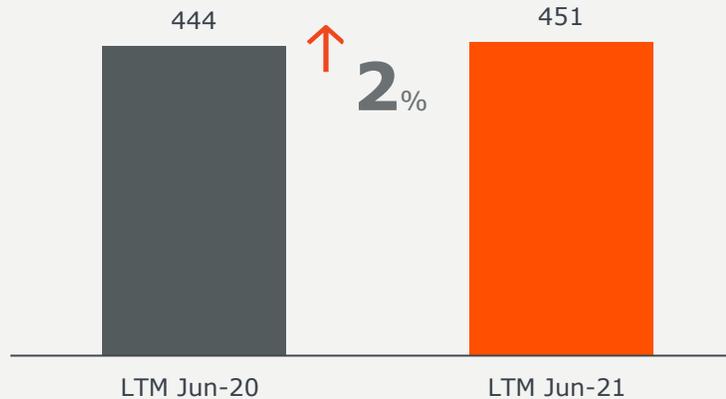
# UK

£159m LTM Purchases

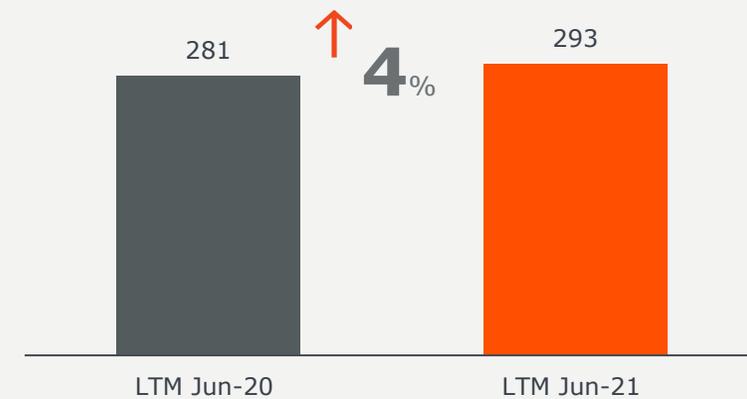
£2.1bn 120m ERC

- ◇ UK regions strongest ever quarter for Cash EBITDA of £85m underpinned by;
  - ◇ Collection resilience and continued recovery of collections vs pre-Covid forecasts; and
  - ◇ Margin accretion; benefitting from cost control and collection efficiency
- ◇ Digital engagement continues to increase with digital led payments up 33% YoY
- ◇ Constructive purchasing environment and strong visibility as to pipeline

## Cash Income (£m)



## Cash EBITDA (£m)



**113%** DP Collection Performance vs Dec-20 Static Pool

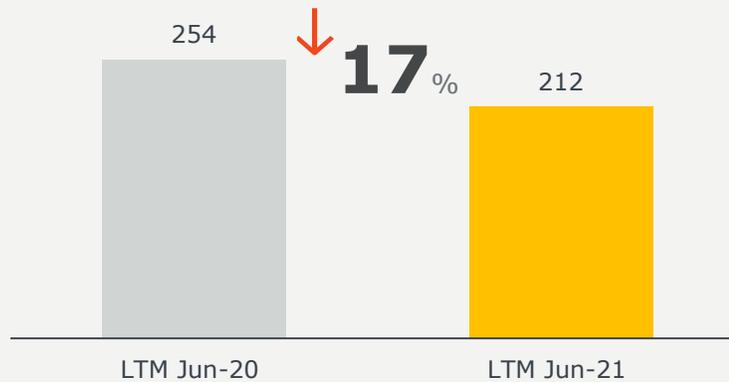
**65%** LTM Cash EBITDA margin; 160bps increase YoY

# DACH

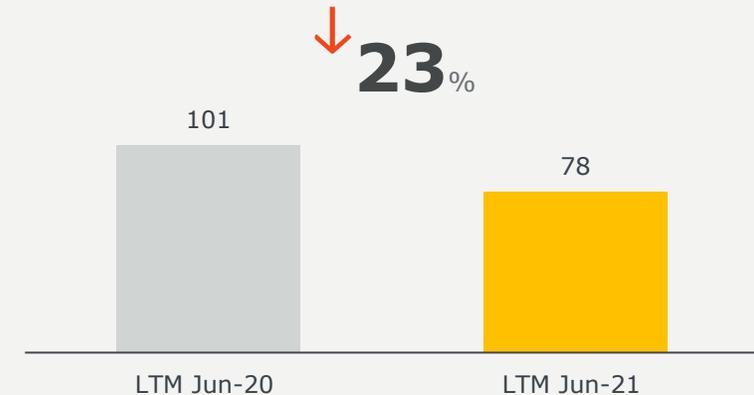
£37m LTM Purchases  
 £0.5bn 120m ERC

- ◇ DP collections in DACH continue to outperform static pool forecasts
- ◇ Margin stability as region manages reduced NPL volumes across both DP and 3PC platforms
- ◇ Reduced purchases across last 12 months leading to a softening of top-line KPIs
- ◇ Region continues to focus on the delivery of digitalisation and efficiency projects
- ◇ Increasing level of NPL opportunities visible as we move in to the second half of the year

## Cash Income (£m)



## Cash EBITDA (£m)



**108%** DP Collection Performance vs Dec-20 Static Pool

**37%** Q2-21 Cash EBITDA margin; 60bps increase YoY

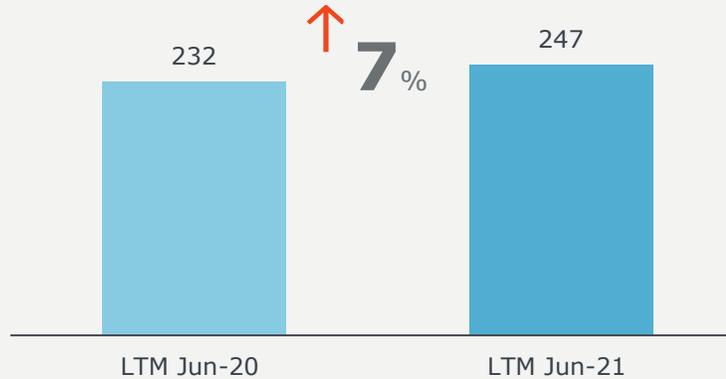
# Nordics

£128m LTM Purchases

£0.9bn 120m ERC

- ◇ Continuation of strong performance in the region
- ◇ Completion of two material DP transactions in Q2
- ◇ Solvencia acquisition continuing to perform ahead of business case
- ◇ Continue to deliver economies of scale in cost base
- ◇ Encouraging pipeline of opportunities in the region

## Cash Income (£m)



## Cash EBITDA (£m)



**109%** DP Collection Performance vs Dec-20 Static Pool

**59%** LTM Cash EBITDA margin; 120bps increase YoY

# ERC and NPL Acquisitions

Increased Q2 purchases to £130m; strong NPL pipeline expected to increase portfolio purchases in H2

**£1.2**bn

Collections forecast across next 24 months

**£325**m

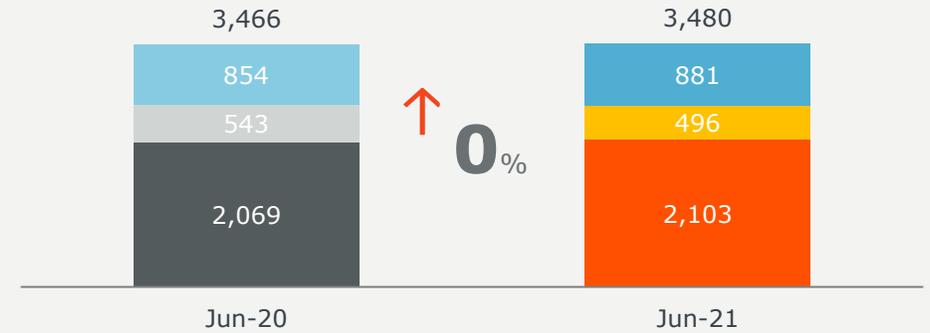
LTM Purchases; ~£76m in excess of Replacement Rate

**~46%**

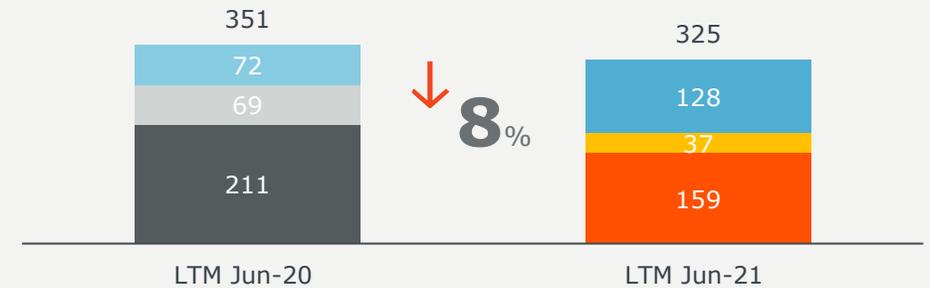
Proportion of Forward Flow Purchases

UK DACH Nordics

ERC (£m)



Purchases (£m)



# Strengthening Cash Generation

Strong cash generation benefitting from continuing collections performance and increased cost efficiency

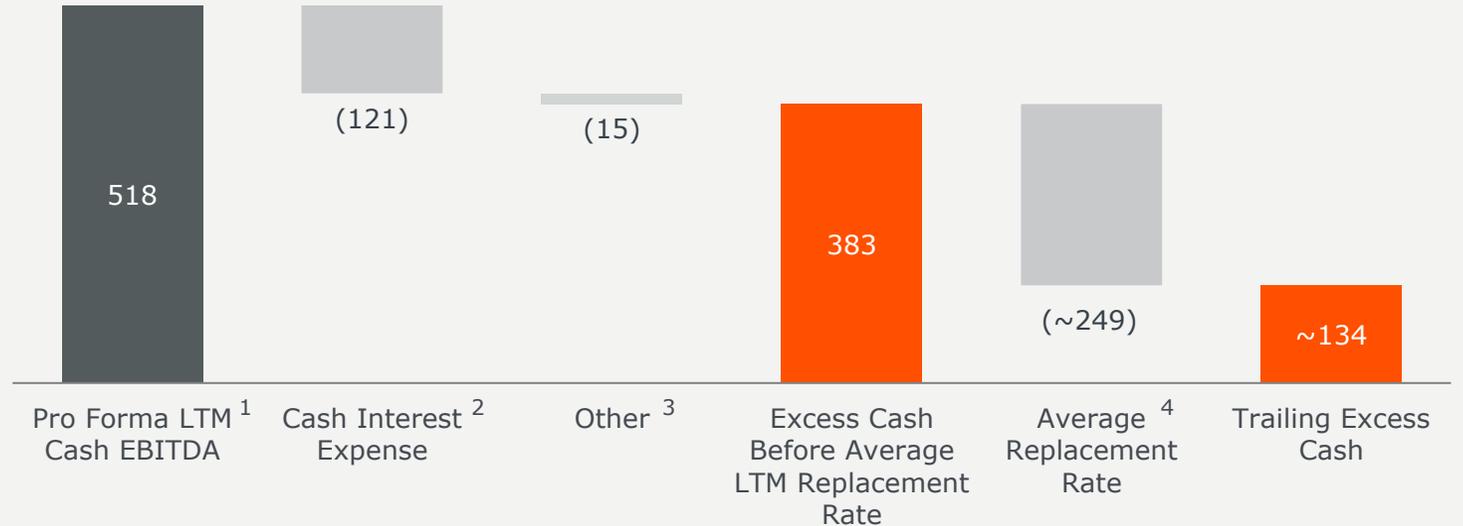
£383m

Cash generation before Portfolio Purchases

~£134m

Excess Cash generated to fund growth

Trailing Steady State Cash Flow (£m)



<sup>1</sup> Pro Forma Cash EBITDA includes ~£8m of Pro Forma cost adjustments. <sup>2</sup> Cash Interest calculated as next 12 months interest on debt instruments and drawings as of 30 Jun 2021. <sup>3</sup> Other represents Cash tax expenses paid in LTM Q2-21 (£9m) and Management maintenance capex estimate (£6m). <sup>4</sup> Average Replacement Rate as calculated in Appendix.

# Funding Strengthened

Successfully strengthened liquidity and extended maturity profile to support balanced growth

£655m

Available liquidity

2025

First debt maturity

■ ABS Facility 1 ■ RCF ■ EUR SSN 6.75% ■ GBP SSN 7.75% ■ EUR SSN 6.25%

## Maturity Profile (£m)



**~5 years** Weighted average maturity of debt extended

**3.5x** Leverage within guidance of 4.0-3.5x

## Funding Update

Successful development of balanced capital structure with increased diversification of funding sources

**+£150**<sub>m</sub>

Increase in securitisation commitments

**+12**months

Extension of existing facility maturity

**~340**<sub>bps</sub>  
margin<sup>2</sup>

Continued focus of lowering WACD

Note: Facility 1 will be capped at £175m once it has amortised below this cap on its current amortisation profile. Current drawings on facility total £198m.

<sup>1</sup> Total gross amounts available across both facilities. <sup>2</sup> Weighted average cost of securitisation facilities

**£400**<sub>m</sub>

Available Securitisation Liquidity<sup>1</sup>

	<b>Facility 1</b>	<b>Facility 2</b>
Commitment	£175m	£225m
Margin	S+328bps	S+350bps
Revolving Period	18 months to Dec-23	30 months to Dec-24
Maturity	July-25	Jan-27
Advance Rate (84m ERC)	50%	
Underlying Assets	Arbitrary selection of UK portfolios	
Utilisation at Jun-21	Fully drawn	Undrawn
Use of Proceeds	Repay RCF Drawings	

+**300**<sub>bps</sub>

Margin improvement expected mid-FY22

**£350**<sub>m</sub>

FY21 purchasing guidance increased by £50m

**4.0 – 3.5x**

Net Leverage guidance

## Sustainable Platform to Drive Further Financial Progress

- ◇ Continued collections **resilience** supporting strong financial performance
- ◇ Cost reduction and digital transformation on track to increase **efficiency** and achieve margin guidance
- ◇ Healthy pipeline provides significant purchasing opportunities; leading to increased FY21 guidance
- ◇ Continued **delivery** of increased balance sheet strength to support opportunities;
  - ◇ increased operational cashflow to £505m<sup>1</sup>
  - ◇ further strengthening of liquidity position, extension of maturity profile and increased diversification of funding sources
  - ◇ continued focus on leverage discipline

<sup>1</sup> LTM Cash generated by operating activities before portfolio acquisitions

# Sustainability at Lowell

- ◇ Continuation of our sustainability journey;
  - ◇ Building a business that delivers better returns for all stakeholders and supports future growth
  - ◇ Scorecard developed to support stakeholders in monitoring progress
  - ◇ Sustainability at Lowell built around continuing themes of **Resilience, Efficiency** and **Delivery**
- ◇ Adding value through our mission

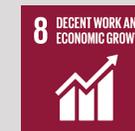
**Mar-22**

Expected publication of sustainability report with full scorecard and targets

**Lowell.com**

All materials available to view online

**Our Sustainability Strategy is aligned to SASB and the UN SDGs**



# Making credit work **better for all**



## Better for customers

Supportive and personalised debt resolution for all

- » Trusted and engaging
- » Personalised approach
- » Supporting the vulnerable
- » Enabling financial health



## Better ethics and understanding

Set the highest ethical standards and build a positive sector

- » Values-led
- » Client and customer promise
- » Advancing standards and understanding



## Better for society

Put people first to build a stronger business and society

- » Improving debt understanding
- » Positive for colleagues
- » Inclusive culture
- » Community engagement



## Responsible business

A resilient and efficient business, supporting a low carbon world

- » Strong governance
- » Environmental responsibility

# Full Sustainability Scorecard

Pillar and ambitions	Sub-topics	Key Performance Indicators	SASB
 <b>Better for customers</b> To help customers return to financial wellbeing. We do this by delivering tailored and supportive solutions designed to help them take control of their debt.	<b>Trusted and engaging</b>	Customer Net Promoter Score (average Jan-June 2021)	
		Client Customer Treatment Score	
	<b>Personalised approach</b>	Number of customers who cleared their debts with Lowell	
	<b>Supporting vulnerable customers</b>	Disclosure of policy and procedure for the treatment of vulnerable customers	
	<b>Enabling broader financial health</b>	Customers accessing financial health services	
 <b>Better ethics and understanding</b> To be an industry leader in ethics and standards; build a wider understanding of what our industry does; and promote improved outcomes for all consumers.	<b>Lowell values and ways of working</b>	Colleague Engagement Score	✓
	<b>Our promise to clients and customers</b>	Client Satisfaction Score	
	<b>Advancing standards and understanding</b>	Actively champion progress and engage with partners to improve sector standards and regulation	

# Full Sustainability Scorecard

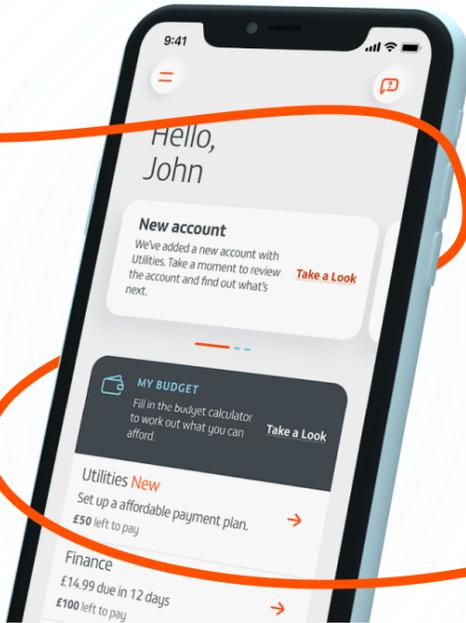
Pillar and ambitions	Sub-topics	Key Performance Indicators	SASB
 <b>Better for society</b> To create a stronger society through fostering better financial wellbeing, promoting inclusive work opportunities and providing support for our communities.	<b>Improve debt understanding</b>	Proactively engage consumers with real-life experiences and peer-to-peer support	
		Contribute to wider system knowledge through new insights	
	<b>Colleague development and wellbeing</b>	Employee Engagement Survey Scores	✓
		Number of employees	✓
	<b>Diverse and inclusive culture</b>	Gender diversity	✓
		Employee Turnover Rate	✓
<b>Community engagement</b>	Number of colleagues participating in Lowell volunteering		
 <b>Responsible Business</b> To be a resilient and ethical business that also takes responsibility for the environment - through robust processes, transparent disclosure and continuous improvement.	<b>Governance</b>	Creation of a formal Sustainability Development Group (SDG)	
		Sustainability performance metrics part of all Executive Management and Senior Management objectives (starting 2022)	
		Group Risk Framework supported by local policies relative to data security, protection and privacy	✓
		Number of substantiated complaints received concerning breaches of customer privacy and losses of customer data	✓
		Number of employees who have received training on Lowell's anti-bribery and corruption policies and procedures	
	<b>Environment</b>	Greenhouse Gas Emissions	
		Zero waste to landfill	
		% of colleagues engaged on environmental impact	

# Our Ambitions and Headline Measures

Pillar and ambitions	Sub-topics	Key Performance Indicators	Performance*	SASB
 <b>Better for customers</b> To help customers return to financial wellbeing. We do this by delivering tailored and supportive solutions designed to help them take control of their debt.	<b>Trusted and engaging</b>	Customer Net Promoter Score (average Jan-June 2021)	71 NPS UK (average Jan-June 2021)	
			52 NPS Nordics (average Jan-June 2021)	
	Client Customer Treatment Score	100% believe we do the right thing by our customers - UK Client Survey		
	<b>Personalised approach</b>	Number of customers who cleared their debts with Lowell	1.5 million	
 <b>Better ethics and understanding</b> To be an industry leader in ethics and standards; build a wider understanding of what our industry does; and promote improved outcomes for all consumers.	<b>Lowell values and ways of working</b>	Colleague Engagement Score	67 points	✓
	<b>Our promise to clients and customers</b>	Client Satisfaction Score	100% UK Client Survey 83% Nordics Client Survey (2021)	
	<b>Advancing standards and understanding</b>	Actively champion progress and engage with partners to improve sector standards and regulation	£3.5m Fair Share contribution scheme (FSC) CSA membership and Board representation	
 <b>Better for society</b> To create a stronger society through fostering better financial wellbeing, promoting inclusive work opportunities and providing support for our communities.	<b>Improve debt understanding</b>	Contribute to wider system knowledge through new insights	Financial Vulnerability Index launched in the UK Expanded Payment Indicator research to cover all Nordic countries	
	<b>Colleague development and wellbeing</b>	Employee Engagement Survey Scores	69 points employee satisfaction score 59 points opportunities to learn and grow score	✓
	<b>Diverse and inclusive culture</b>	Gender diversity	Overall - Male/Female 40%/60% Executives - Male /Female 68%/32%	✓
 <b>Responsible Business</b> To be a resilient and ethical business that also takes responsibility for the environment - through robust processes, transparent disclosure and continuous improvement.	<b>Governance</b>	Sustainability performance metrics part of all Executive Management and Senior Management objectives (starting 2022)	In progress for 2022	
		Number of substantiated complaints received concerning breaches of customer privacy and losses of customer data	Establishing Group definition	✓
	<b>Environment</b>	Greenhouse Gas Emissions	Establishing a baseline for scope 1 and 2	

\* All performance data is Group and 2020 unless stated

# Leading the Way for Customers



Better for  
customers

Supportive and personalised  
debt resolution for all

- ◇ **Making debt repayment easier** by investing into digital engagement, including the launch of our new App in the UK which will offer free credit scores
- ◇ **Supporting vulnerable customers** through clear policy, process and specially trained colleagues
- ◇ **New Customer Panel** of 1,964 people providing direct input to how we support customers in debt
- ◇ **Partnering with specialists** to provide independent support and advice – referring almost 30,000 people in the UK in 2020 and paying over £3.5 million to Fair Share in the UK in 2020

- ❖ **Customer Net Promoter Score:**  
**71 UK, 52 Nordics<sup>1</sup>**
- ❖ **Client Customer Treatment Score:**  
**100% UK<sup>2</sup>**

<sup>1</sup> Average across H1-21

<sup>2</sup> UK Client Survey 2020

## Setting the Standards for a Sustainable Future...

- ◇ We want to be an **industry leader** in ethics and standards;
- ◇ We want to **look beyond** Lowell and our industry;
- ◇ We want to uphold the **highest standards**

**We want to make credit work better for all**



# Appendix



# ERC Profile

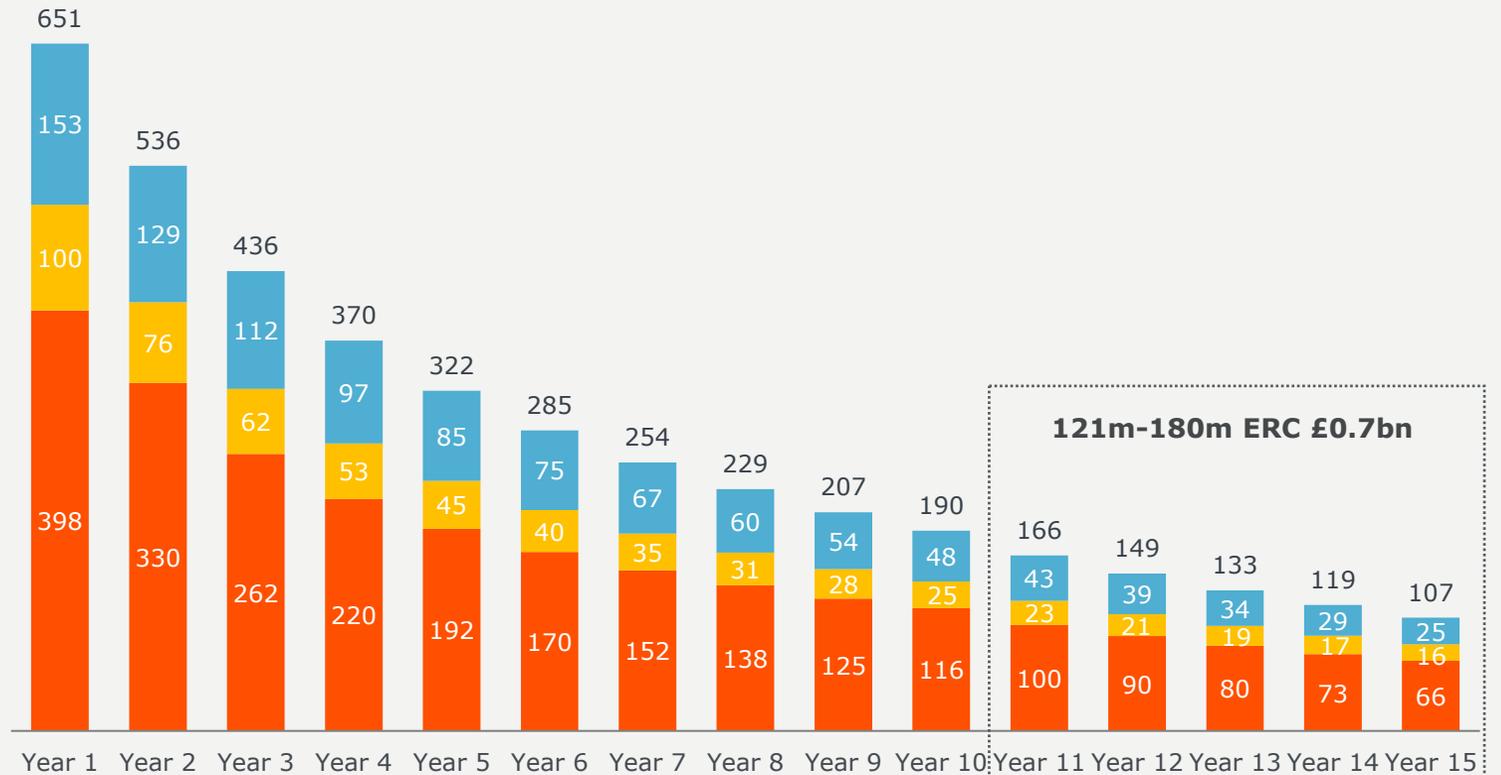
Diversified backbook formed of 19 vintages, ~4,500 portfolios and across a range of originating sectors

£3.5bn 120m ERC

£4.2bn 180m ERC

■ UK ■ DACH ■ Nordics

(£m)



**121m-180m ERC £0.7bn**

# Historic Collection Performance

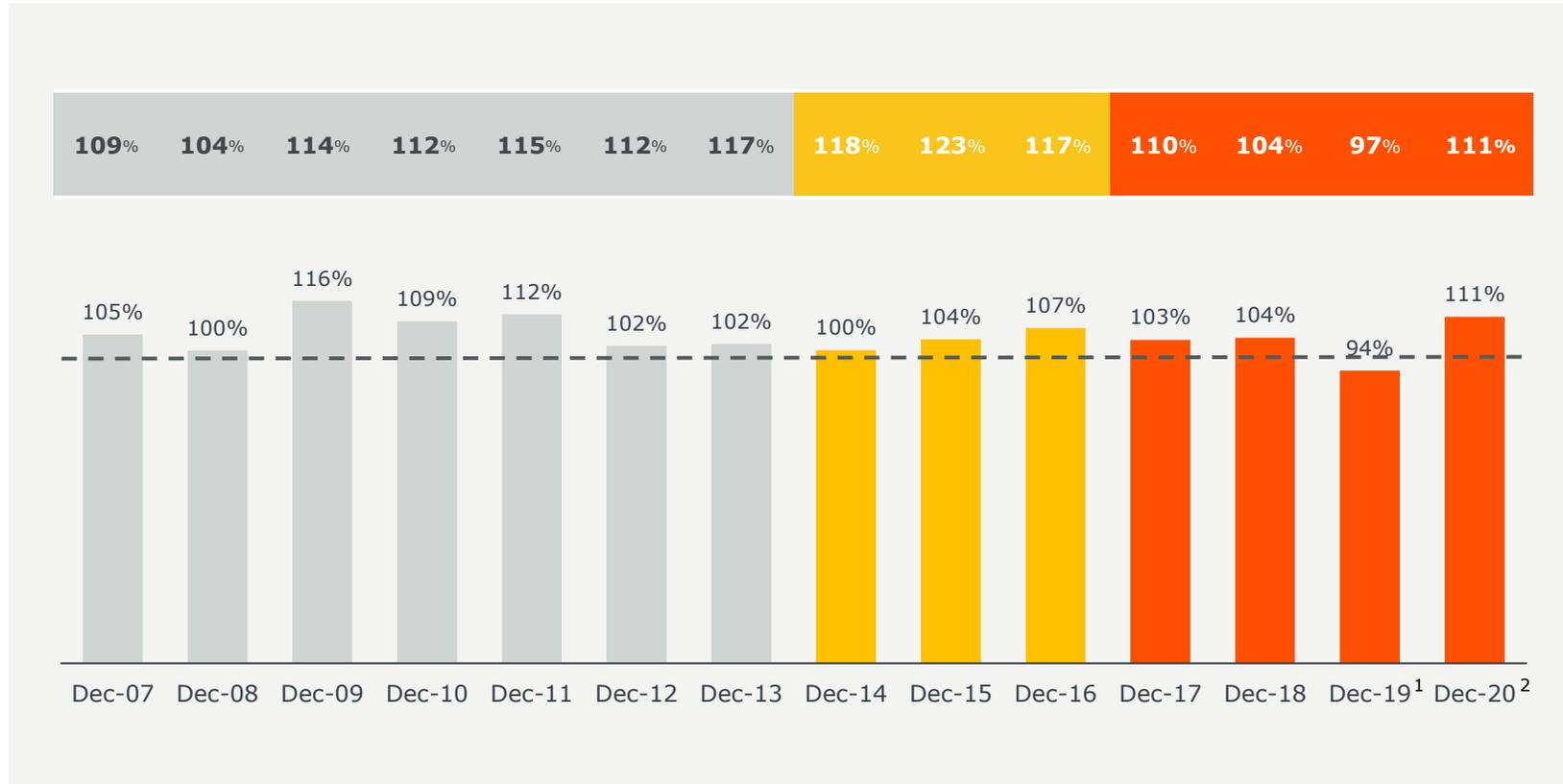
Cumulative collection performance to Jun-21 vs static pool

Next 12 months actual collections vs static pool

**111%**

Cumulative Collection Performance vs Dec-20 Static Pool<sup>2</sup>

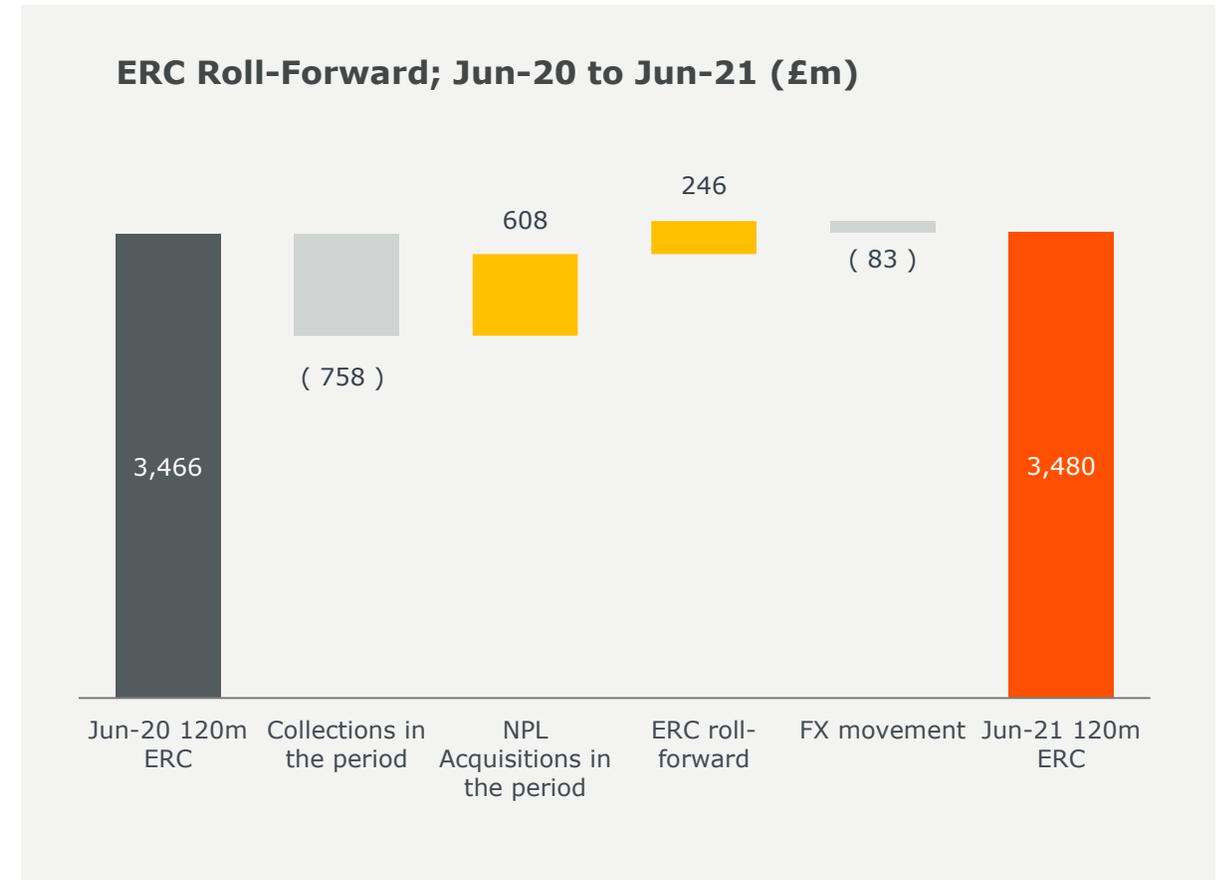
■ UK ■ UK and DACH ■ UK, DACH and Nordics - - Forecast



Note: Collection Performance metrics exclude asset sales where applicable. <sup>1</sup> Group collection performance below 100% as a result of actions taken in UK to pause litigation and limit outbound dialling across Q2-20. <sup>2</sup> Actual collection performance for the 6 months to Jun-21 vs Dec-20 static pool.

# 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



# Leverage and Liquidity

**£655m** Available Liquidity<sup>1</sup>

£m	Jun-21
RCF Capacity	390
Amounts Drawn	68
Securitisation Availability <sup>2</sup>	225
Cash	107
<b>Available Liquidity</b>	<b>655</b>

£m	Jun-21
Net Debt	1,828
Pro Forma LTM Cash EBITDA	518
<b>Net Debt / LTM Cash EBITDA</b>	<b>3.5x</b>
Senior Secured Net Debt / LTM Cash EBITDA	3.1x

**3.5x** Net Leverage<sup>3</sup>

<sup>1</sup> Calculated as unrestricted cash on balance sheet plus amounts available to draw on RCF and ABS Facility 1 and Facility 2 as at Jun-21.

<sup>2</sup> Amounts available across both ABS Facility 1 and Facility 2 as at Jun-21.

<sup>3</sup> Calculated as Net Debt to LTM Pro Forma Cash EBITDA.

# Reconciliations to the Financial Statements

## Reported Income to Cash Income (£m)

Q2-21	DP	3PC	Group Total
Income from Portfolio Investments	99	-	99
<i>Add Portfolio Amortisation</i>	94	-	94
<b>DP Cash Income</b>	<b>193</b>	<b>-</b>	<b>193</b>
Service Revenue	-	44	44
<i>Less Lawyer Service Income</i>	-	(7)	(7)
<b>3PC Cash Income</b>	<b>-</b>	<b>38</b>	<b>38</b>
<b>A Total Cash Income</b>	<b>193</b>	<b>38</b>	<b>231</b>

## Reported Costs to Normalised Costs (£m)

Q2-21	DP	3PC	Group Total
Collection Activity Costs	-	-	62
<i>Less Lawyer Service Costs</i>	-	-	(7)
<i>Less Non recurring costs</i>	-	-	(1)
<b>B Normalised Collection Activity Costs</b>	<b>31</b>	<b>24</b>	<b>54</b>

## Gross Profit Calculation (£m)

Q2-21	DP	3PC	Group Total
<b>A</b> Cash Income	193	38	231
<b>B</b> Collection Activity Costs	(31)	(24)	(54)
<b>C</b> <b>Gross Profit</b>	<b>162</b>	<b>14</b>	<b>177</b>
<b>C/A</b> <b>Gross Profit Margin</b>	<b>84%</b>	<b>37%</b>	<b>76%</b>

## Other Expenses (£m)

Q2-21	Group Total
Other Expenses	59
<i>Less Depreciation, Amortisation &amp; Impairment</i>	(11)
<i>Less Non recurring costs</i>	(10)
<b>Normalised Other Expenses</b>	<b>37</b>

# Pro Forma Cash EBITDA Reconciliation

Cash EBITDA (£m)	LTM Jun-21	LTM Jun-20
UK	292.6	280.9
DACH	78.5	101.4
Nordics	145.2	133.2
Group Costs	(6.3)	(2.7)
<b>Group Cash EBITDA</b>	<b>510.0</b>	<b>512.7</b>
Pro Forma Cost Adjustments <sup>1</sup>	8.3	9.0
<b>Pro Forma Cash EBITDA</b>	<b>518.3</b>	<b>521.6</b>

<sup>1</sup> Pro Forma cost adjustments represent adjustments made to reflect the full run rate benefits of changes enacted.

# Calculation of Group 120m ERC Replacement Rate Using Static 120m GMMs

£m	Jun-21
120m ERC	3,480
Year 1 Collections	651
Roll-forward (Year 11 Collections)	166
Collections to replace	485
2020 vintage Static GMM	2.1x
2021 vintage Static GMM	1.7x
Blended Static GMM <sup>1</sup>	1.9x
Replacement Rate as calculated at Jun-21	255
Replacement Rate as calculated at Jun-20	242
<b>Average LTM Replacement Rate<sup>2</sup></b>	<b>249</b>

## GMM Weighted Average Calculation (£m)

2020 Vintage	UK	DACH	Nordics	Total
Purchases (£m)	173	43	65	281
% of total purchases	62%	15%	23%	100%
Actual Static 120m GMM	2.2x	2.0x	1.8x	
<b>Weighted Average</b>				<b>2.1x</b>
2021 Vintage	UK	DACH	Nordics	Total
Purchases (£m)	65	13	86	163
% of total purchases	40%	8%	52%	100%
Actual Static 120m GMM	2.2x	1.8x	1.4x	
<b>Weighted Average</b>				<b>1.7x</b>
<b>Blended Static GMM</b>				<b>1.9x</b>

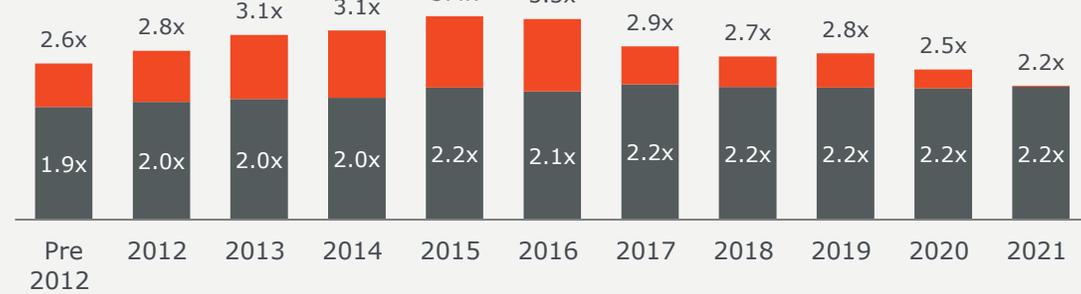
<sup>1</sup> Blended GMM represents the average static 120m GMM for 2020 and 2021 vintages, across the UK, DACH and Nordics as at Jun-21.

<sup>2</sup> Average Replacement Rate is an average of the Replacement Rate as calculated at Jun-21 and the Replacement Rate as calculated at Jun-20.

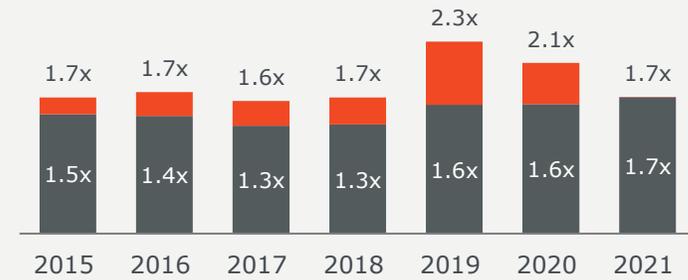
# 120m GMMs Per Vintage

Regional GMMs presented on a 120m basis to align disclosure across the Group

## UK Non-Paying<sup>1</sup>



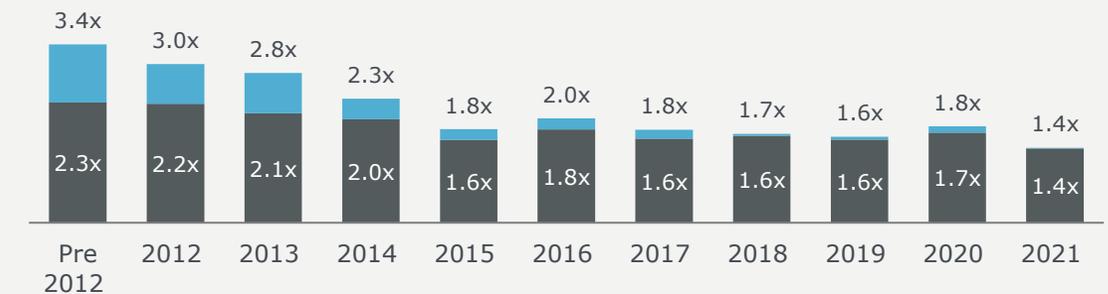
## UK Paying<sup>1</sup>



## DACH



## Nordics



Note: Current GMM is calculated using actual collections to Jun-21 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.  
<sup>1</sup> UK Paying: These portfolios are determined at the point of acquisition based on the proportion of accounts within that portfolio which are set up on a payment plan. UK Non-Paying GMMs pre-2015 reflect total UK GMMs (Paying and Non-Paying, where applicable).

# Net Debt and Borrowings as at 30 June 2021

## Net Debt

Bond Principal	£m
£440m Senior Secured Notes 7.75%	440
€795m Senior Secured Notes 6.75%	682
€630m Senior Secured Notes EURIBOR +6.25%	541
RCF Drawings and Other	
GBP Drawn RCF	19
EUR Drawn RCF	49
ABL – Facility 1	198
ABL – Facility 2	-
DACH Securitisation	6
Cash	
Cash	107
<b>Senior Secured Net Debt</b>	<b>1,624</b>
<b>Net Debt</b>	<b>1,828</b>
<b>Gross Debt</b>	<b>1,936</b>

## 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	LIBOR / EURIBOR	3.00%
GBP m	175	Asset Backed Loan – Facility 1	Jul-25	SONIA	3.28%
GBP m	225	Asset Backed Loan – Facility 2	Jan-27	SONIA	3.50%

# Glossary

<b>3PC</b>	-	Third Party Collection	<b>IFRS</b>	-	International Financial Reporting Standards
<b>Acquisitions</b>	-	The purchases of NPLs	<b>LIBOR</b>	-	London Interbank Offer Rate
<b>Cash EBITDA</b>	-	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	<b>Net Debt</b>	-	Senior Secured Notes bond principal plus Senior Notes bond principal plus RCF drawn amounts plus securitisation drawn amounts less cash
<b>Cash Income</b>	-	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	<b>Nordics</b>	-	For the purpose of the presentation include Sweden, Denmark, Norway, Finland and Estonia (up to the point of disposal)
<b>DACH</b>	-	Germany, Austria and Switzerland	<b>NPL</b>	-	Non Performing Loans
<b>DP</b>	-	Debt Purchase	<b>RCF</b>	-	Revolving Credit Facility
<b>EBITDA</b>	-	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)	<b>Replacement Rate</b>	-	The estimated amount of purchases to maintain current Group ERC
<b>ERC</b>	-	Estimated Remaining Collections over 84, 120 or 180 months	<b>SASB</b>	-	Sustainability Accounting Standards Board
<b>EURIBOR</b>	-	Euro Interbank Offer Rate	<b>SONIA</b>	-	Sterling overnight index average
<b>GMM</b>	-	'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	<b>Static GMM</b>	-	'Gross money multiple' reported on a 'static' basis, being the collections to date and the expected collections on a portfolio or particular vintage, together restricted to 120 or 180 months, divided by its respective purchase price
<b>Gross Profit</b>	-	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)	<b>UN SDGs</b>	-	Sustainability Development Goals adopted by the United Nations

# Upcoming Events

◇ **Q3-21 Results** – November 2021

◇ Goldman Sachs – Annual EMEA Credit and Leveraged Finance Conference, 14 September 2021

[Investors@lowellgroup.co.uk](mailto:Investors@lowellgroup.co.uk)