Lowell

Press Release
28 August 2025 / 7.00am

Lowell Reports Second Quarter 2025 Results

Recapitalisation of Balance Sheet completed, providing platform for strategic growth

Lowell, a European leader in credit management services, today announces its results for the three months ended 30 June 2025.

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

"This quarter has seen us complete the full refinancing of our balance sheet, providing us with solid foundations to deliver on our ambitions as a leading CMS provider across key European markets. We continue to deliver strong underlying performance across the business and there remains a strong pipeline of opportunities at attractive returns"

Key Highlights

- Full balance sheet recapitalisation has extended maturities by three years and reduced secured debt by £450m
- Disciplined portfolio acquisitions[1] of £52m at a 23% net priced IRR which is outperforming priced collection expectation at 103% YTD
- LTM Cash EBITDA at £459m, lower YOY reflecting the timing of BSV activity
- Continued innovation and operational development with new co-invest partnership in Nordic region and delivery of the Wolf IV securitisation
- Wolf I residual assets re-acquired in line with commercial terms, leading to a P&L gain of £26m

Key Financial Highlights

As at 30 June 2025	LTM Q2-25	LTM Q2-24	*Change*	*Change %*
Cash Income	£886m	£1,195m	*(£309m)*	*(26%)*
Cash EBITDA	£459m	£756m	*(£297m)*	*(39%)*
Portfolio Acquisitions	£366m	£332m	*£34m*	*10%*
120m ERC	£3,549m	£3,465m	*£84m*	*2%*

Outlook

The business remains well positioned to deliver on its financial and operational targets for 2025. Portfolio acquisitions are expected to continue in line with the ERC replacement rate, building a vintage with strong net priced returns. Innovative client solutions such as co-invest and client securitisations will also allow even greater market participation across our markets.

Cost control will continue to benefit underlying margin alongside the growth of servicing revenues, as guided, and we look forward to building on the strong momentum from H1.

[1] Reflects Lowell DP spend before consolidation of certain co-invest and client securitisation structures

Group Financial Performance

Recapitalisation completion and Bond buyback

Successful implementation of the comprehensive recapitalisation transaction in Jun-25 following unanimous support from RCF lenders and over 96% of Noteholders.

The transaction provided a three-year extension to the Notes and RCF maturity dates, alongside a £450m reduction in secured debt.

This was further supported by wider balance sheet management; with the delivery of the Wolf IV ABS transaction as part of the Balance Sheet Velocity programme, the extension and increase of the ABS Facility 2 commitments and the repurchase of the Wolf I Junior notes.

Since completion, the Group has utilised the New Money Notes that were issued to repurchase OpCo bonds. A total of €194.9m bonds were repurchased at a cost of €228.1m. This will be reflected in the Q3-25 accounts.

Encouraging underlying performance

After adjusting for BSV proceeds, the Group has demonstrated underlying growth across Cash Income and Cash EBITDA in Q2. Collection deviation from Dec-24 balance sheet expectation has been offset by strong cost control, improving efficiency and servicing growth.

The Group continues to deploy in line with its calculated ERC replacement rate and benefits from additional volume generated through structures such as co-invest where Lowell retains full servicing.

Strong pipeline of opportunities

The Group continues to deploy capital at attractive returns, with H1-25 purchases priced at net IRRs of 23%.

H2 commitments currently stand at ~£100m, and the Group's participation in market will be further supplemented through its ability to deliver flexible client solutions, whether these are on-balance sheet acquisitions, co-invest partnerships, client securitisations or 3PC servicing

Conference Call and Webcast

Call and webcast live at 8.30am Thursday 28 August 2025

Registration details:

- Webcast
    - Link
- Teleconference Lines
    - Link

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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

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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.