

10th August 2017

LOWELL CONTINUES STRONG GROWTH IN Q2

Lowell, a European leader in credit management services, delivered another quarter of strong growth in the Q2 period, 1 April to 30 June 2017, it announced today.

The Group's sustainable growth plan continues to be delivered through its consistent data-driven insight, portfolio diversification and consumer-centric focus.

Operationally, these results have been underpinned by Lowell's continued commitment to people, strong governance, process improvement and extensive data capabilities.

Financial Highlights

- 28% y-o-y increase in Cash Income to £143m¹
- 18% y-o-y increase in Cash EBITDA to £71m¹
- 26% y-o-y increase in ERC to £1.9bn²
- 44% of acquisitions over the last 12 months from forward flow agreements
- Maintained balance of acquisition mix across a range of sectors
- Collections ahead of forecast

Operational Highlights

- Full FCA authorisation achieved
- First UK business to receive Investors in Customers (IIC) Gold award³
- Senior management team further strengthened

Colin Storrar, Group Chief Financial Officer, said:

"By focusing on our core strategy of combining sophisticated decision science with class-leading customer service, we have again delivered strong quarterly growth across our key metrics.

"The Group's work to expand its data capabilities, reinforce operating structures and put clients and consumers first, consistently underpins our operational strategy and provides a good platform for second half."

To join the Q2 Bond call at 10.30am BST today, please register on the investor website: www.lowellgroup.com

¹ for the three months to June 2017

² as at 30 June 2017

³ relates to Lowell Financial Ltd

Overview

Lowell has continued to deliver growth in Q2 by remaining focused on its core strategy of combining advance decision science, customer-centric culture and practices with focused governance. The Group's vision is to be recognised as the best in the industry.

Central to this plan has been achieving full FCA authorisation. This was delivered in June, following the work to complete the successful merger of the Lowell Group and GFKL.

Our customer-centric approach and wider investment in our people, continues to be recognised by respected independent bodies. The feedback of our own customers saw us receive Investor in Customers' highest rating for the third year in succession, and become the first to take its newly branded "Gold" status.

Ensuring the business has the highest quality leadership which blends insight and experience is key to its sustainable success. This quarter saw the appointment of Bill Flynn as Group Counsel and UK CRO. Bill brings deep experience of the financial services regulatory environment. We also announced Laurence Hamilton had joined us to lead our strategic business development as we look to grow our book and client base further.

Delivering our financial objectives

In the second quarter, our financial performance remained focused on growing the NPL portfolio in order to continue the upward trends in Cash Income, Cash EBITDA and Estimated Remaining Collections (ERC).

NPL portfolio acquisition saw a 22% increase for the 12 months to June versus the previous year. Cash Income rose to £143m in the quarter, compared to £112m in the corresponding quarter in 2016 and ERC reached a new record level of £1.9bn.

The quarter has also seen continued growth and investment in our unrivalled decision science and data analytics. As a result, Lowell collected 105% of forecast collections, as at December 2016, for the six months to 30 June 2017; with the Group projecting the value of ERC over the next ten years at £1.9bn and with £730m projected to be collected in the next 24 months.

We continue to drive diversification in our portfolio. This provides positive benefits through enhanced customer relationships, while helping to avoid sector and regional concentration risks. The current portfolio sector mix is 39% Financial Services, 36% Retail, 20% Communications and 5% other. 'Off market' acquisitions, from forward flow agreements, rose to 44% of the mix – evidence of further strong client relationships.

Notes to Editors
About Lowell:

Lowell is one of Europe's largest credit management companies with operations in the UK, Germany and Austria, and a vision to be the best in its field in Europe. Lowell combines its principled approach, international experience, deep understanding of data analytics and operational efficiency to serve every part of the credit management value chain, with expertise in debt purchasing, third party collections, business process outsourcing, credit management and e-commerce.

Previously named Lowell GFKL Group, Lowell was formed in 2015 following the merger of the UK and German market leaders: the Lowell Group and the GFKL Group. It is backed by global private equity firm Permira, and Ontario Teachers' Pension Plan, and is headquartered in both Leeds (UK) and Essen (Germany). For more information on Lowell, please visit our investor website: www.lowellgroup.com

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