

Lowell Reports First Quarter 2025 Results

Resilient performance provides strong foundations for delivery in 2025

Lowell, a European leader in credit management services, today announces its results for the three months ended 31 March 2025.

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

"This quarter has been defined by nearing the completion of our full balance sheet refinancing which will provide the foundations for the business to move forward on our sustainable growth strategy across our core markets. With that in place, the consistent positive underlying performance of the business and strong outlook on collections, we are well placed to deliver for the year."

Key Highlights

- Full balance sheet recapitalisation extending maturities by three years and set to reduce secured debt by £450m. Due to complete in Q2-25
- Disciplined portfolio acquisitions¹ of £63m at attractive 22% net IRR which is outperforming pricing expectations at 109% YTD
- Strong reported liquidity of £198m
- Collections performance at 98% vs Dec-24 static pool but set to close gap across H2-25 through mitigating activities
- LTM Cash EBITDA at £566m, lower YOY reflecting the timing of BSV activity
- Continued innovation and operational development with new on-balance sheet client securitisation and further BSV activity

Key Financial Highlights

As at 31 March 2025	LTM Q1-25	LTM Q1-24	Change	Change %
Cash Income	£997m	£1,159m	(£162m)	(14%)
Cash EBITDA	£566m	£710m	(£144m)	(20%)
Portfolio Acquisitions	£399m	£328m	£71m	22%
120m ERC	£3,694m	£3,642m	(£52m)	(1%)

Outlook

The business is positioned to perform well over 2025. Portfolio acquisitions will continue ahead of our ERC replacement rate, supporting our growth. Those purchases will continue to be acquired at attractive returns far in excess of cost of capital.

Continued BSV activity is expected to deliver increased proceeds in H1-25 following activity deferred from FY-24. It will then revert to the previously guided figure of £100m-£150m in Q4-25.

Underlying margin will continue to benefit from overhead cost control alongside leveraging of the cost base as top-line grows through sustainable capital deployment and increasing service revenue.

The business expects to complete the full balance sheet refinancing in Q2-25.

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

Group Financial Performance

Strong underlying performance

The timing and quantum of BSV activity within the reported LTM period for Q1-25 shows a nominal fall in Cash Income and Cash EBITDA. This is mostly due to LTM Mar-25 including ~£110m less BSV proceeds vs LTM Mar-24 and reflects the impact from having a lower asset base across LTM.

Underlying performance and margin (50% LTM Mar-25) remains strong and in line with expectations. While purchasing volumes are supporting growth, tracking above the ERC replacement rate. The latest vintage of acquisitions also performing strongly at 109% vs pricing expectations.

Collections below expectations but set to recover

Q1-25 collections performance is marginally below expectations at 98% vs Dec-24 static pool. This is largely due to the phasing of litigation selections in the UK and the challenging performance of remaining DACH run-offs as the business moves to a service-led model.

The business expects collections to recover over FY25 and deliver in line with our target. A number of collection initiatives have been implemented in the two regions to support this delivery.

The Nordic region remains ahead of balance sheet expectations in Q1.

Continuing delivery of innovative securitisations and co-investment

The business continues to demonstrate its innovative approach with the continued delivery of several initiatives including its balance sheet velocity programme, the new co-investment acquisition model and the new on-balance sheet client securitisation structure.

The growth in reported LTM NPL acquisitions to £399m reflects the consolidation of the co-invest and securitisation structures, with £107m coming from partner contributions.

The new on-balance sheet securitisation structure has been implemented with a Nordic bank, allowing the business to open new markets for deployment and supporting profitable servicing arrangements in the region. £41m has been spent via the structure with Lowell committing £6m.

Conference Call and Webcast

Call and webcast live at 8.30am Friday 23 May 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.