

For immediate release: Thursday 9th August 2018

Cabot Credit Management delivers strong performance and continued growth as Encore takes the helm

Financial results for six months ended 30th June 2018

Cabot Credit Management (Cabot), a market leader in European credit management services, today announced the financial results for the six months ending 30th June 2018.

Key Financials	6 Months to June 2018	6 Months to June 2017	% Change
Adjusted EBITDA	£161.9m	£139.0m	+16%
120 month ERC*	£2.5bn	£2.2bn	+15%
Debt Purchase Collections	£220.1m	£195.2m	+13%
Servicing Revenue	£41.1m	£14.2m	+189%

*Estimated Remaining Collections

Highlights

- Capital deployment of £160m at consistent returns
- Continued robust UK back book performance
- Servicing revenue +189% vs H1'17, now 22% of total revenue
- Underlying margins consistent with 2017 – last 12 month Adjusted EBITDA margin 63%
- On track to delivery £6m annual synergies from UK servicing restructure
- Maintaining balance sheet discipline – leverage stable at 4.2x with available liquidity at £153m at 30 June 2018
- Successfully executed bond exchange in July 2018, improving maturity profile and aligning covenants
- Encore acquisition of remaining interest in Cabot completed 24 July 2018

Ken Stannard, Chief Executive Officer, Cabot Credit Management, said:

“As Encore announces the completion of its acquisition of the remaining interest in Cabot Credit Management, our company has yet again delivered an excellent quarter

with year to date revenues growing 26% compared to the prior year, and delivering Adjusted EBITDA of £318m for the last twelve months.

“Wescot continues to perform strongly as it captures emerging market opportunities, with service revenue now representing 22% of our total revenue.

“Our UK back book continues to provide consistent cash generation as we work with our customers to help them achieve their own financial recovery, with 72% of our payments generated from an average of 868,000 regular players each month, and breakage rates remaining at historically low levels.

“We continue to maintain a robust liquidity position, prudent leverage and strong track record of delivering results. This is reflected by the fact that Moody’s upgraded the long term rating of Cabot from B2 to B1 at the end of June and S&P put us on positive outlook. After the end of the quarter, we also successfully closed our bond exchange transaction, enabling us to improve our maturity profile and align bond covenants.”

Ends

At 14:00 hours BST on Thursday 9th August 2018, Cabot Credit Management will hold an audio conference presentation on the company’s performance and Encore transaction. For further details, please visit the Cabot investor website at www.cabotcm.com/investors.

For further information, please contact:

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Note to editors

Cabot Credit Management (www.cabotcm.com) is one of the largest credit management services providers in Europe and the market leader in the UK and Ireland, based on expected future gross cash collections. Cabot provides a range of credit management services across a broad client base that includes some of the

largest credit providers in Europe. These services include debt servicing offerings such as early stage collections, business process outsourcing, contingent collections, trace services and litigation activities. Cabot has credit management experience across a range of both credit providers (including consumer finance, telecommunications companies, retailers, utilities companies and government agencies) and asset classes (including secured consumer debt, small and medium-sized enterprise debt, and high-value accounts).

Between Cabot's inception in 1998 to 30 June 2018, it has invested a combined total of c£2.4 billion in the acquisition of over £25 billion in face value of purchased loan portfolios and has received £2.9 billion in cumulative collections from purchased loan portfolios. As at 30 June 2018, Cabot's 120-month estimated remaining collections was £2.5 billion, and Cabot's 180-month estimated remaining collections was £2.9 billion.

With 20 years of debt purchase and debt servicing experience, Cabot was one of the first companies to engage in the credit management services market in the United Kingdom. In March 2016, Cabot became the first large credit management service company in the United Kingdom to be authorised by the FCA, and in May 2017 Cabot became the first credit management service company in Ireland to be authorised by the Central Bank of Ireland.

Customer service and regulatory compliance are at the core of Cabot's business and culture and are implemented through its collections strategy. Cabot seeks to treat its customers fairly and offer affordable payment solutions, often through long-term payment plans. Cabot has customer satisfaction scores in excess of all UK banking and building society benchmarks and many leading high street banks, and Cabot believes that it has one of the lowest rates of complaints in the debt collection industry referred to the UK Financial Ombudsman Service. Cabot has won numerous industry accolades, including a 2017 UK Customer Satisfaction Award from the Institute of Customer Service, the CCR Credit Excellence Awards 2016 for Compliance and the Credit Today Award 2016 for Treating Customers Fairly.