



# Trading Update and Group Rebranding

15/12/2020

# Time Finance Presenters



**Ian Smith, CEO**

An accountant with 30 years' board-level experience in finance and CEO roles, Ian brings expertise in leading businesses from start-up through to flotation and exit. Ian became CEO of Time Finance in 2015 following two years as non-executive Chairman.



**James Roberts, CFO**

Also a qualified accountant, James has held leadership positions with several AIM listed companies and has significant experience in mergers and acquisitions within fast-paced, growing businesses. James joined Time Finance as its CFO in 2017.

## SECTION ONE

# AN OVERVIEW OF TIME FINANCE

- **Non-bank alternative finance provider**
- **Focused on supporting UK SME businesses**
- **Operates a 'hybrid' model with the ability to fund on own balance sheet or broker-on**



# A snap-shot of the business

Time Finance aims to become a nationally recognized business and the preferred funder of choice by providing specialist finance to the UK SME market.



**Asset Finance**



**Invoice Finance**



**Loans**



**Vehicle Finance**

**20,000  
borrowers**

Empowering 20,000 UK businesses with the confidence they need to achieve their business goals.

**Award  
Winning**

We're proud of the awards that we've won, which recognise the contribution we make to financing the future growth of UK businesses.

**170  
employees**

Employing 170 employees across 6 sites – Bath, Cardiff, Manchester, Abingdon, Birkenhead, Warrington.



# Multi-Product Financing Solutions

## Asset Finance



- Soft and Hard Assets
- Introduction channels: finance brokers, equipment Suppliers and Vendors
- Deal sizes: £1k to £500k
- Average deal size: Soft asset c£10k; Hard asset c£50k
- Pricing: 8% - 18%, average c15%
- Funding: Wholesale block funders

## Invoice Finance



- Disclosed and Confidential
- Introduction channels: Insolvency Practitioners, professional firms
- Facility size: £50k to £1,000k
- Average facility size: c£250k - £500k
- Pricing: lower rate but charges/fees = c£13% cost
- Funding: High Street Bank back-to-back facility

## Loans



- Commercial loans, CBILS, property loans
- Introduction channels: brokers, professional firms
- Deal size: own book, up to £250k; broked on, no limit
- Average deal size: CBILS c£100k, own book c£20k
- Pricing: average c16%
- Funding: Wholesale block funders and HNW Loan Note

## Vehicle Finance



- Commercial Fleet, new cars, second hand cars
- Introduction channels: new and used dealers; direct

## HYRBID MODEL

Able to arrange or provide almost all funding for UK SMEs by broking on consumer deals or deals outside of our credit policy, and underwriting appropriately risk and reward-priced deals on our own balance sheet

## SECTION TWO

# TRADING UPDATE

- **Balance Sheet Strengthened**
- **Increasing Profits**
- **Resilient Model**



# Balance Sheet Resilience

NET TANGIBLE ASSETS CONTINUE TO GROW, ARREARS REDUCING, CASH INCREASING, FORBERANCE REDUCING

## Net Tangible Assets

	£'m
May 18	£19.4
May 19	£25.4
May 20	£26.5
November 20	c£27.8

Despite severe macro economic headwinds the Group's TNAV continues to increase highlighting the strength of the diversified model

## Cash and Cash Equivalents

	£'m
May 18	£2.1
May 19	£1.9
May 20	£1.3
November 20	c£3.5

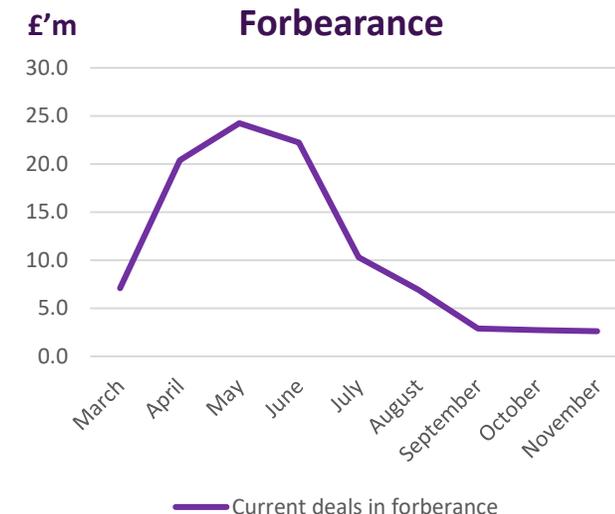
De-risking of the book with clients settling early to take advantage of government backed schemes alongside cash conservation has primed the business for future growth

## Arrears movement

6 months to	£'m
May 19	n/a
November 19	(0.9)
May 20	9.1
November 20	c(6.5)

COVID saw a large increase in arrears reversing the trend of gradual reductions seen before, but the interim period has seen a return to near pre-COVID levels

## Forbearance



At its peak in June over £25m of the book was in forbearance as a result of COVID. This now stands at less than £3m. Lockdown 1 saw 1,200 requests for forbearance, lockdown 2 nearer 100. Businesses seem better prepared for lockdowns

# Increasing Profitability

RECOVERING WELL FROM COVID DIP – DEAL ORIGINATION, REVENUE AND PROFITS GROWING EACH MONTH SINCE JUNE

## THE IMPORTANCE OF THE BOOK SIZE

As primarily an own book lender, the size of the book is a key driver of revenue.

For example, an average net book of c125m attracting a rate of c15% would generate revenues in the region of £19m. If that book fell and averaged, £95m then the revenues would be c£14m, some £5m lower.

COVID, due to a mixture of lower new business from April to June 2020 and de-risking the book with clients settling early to get funding from government schemes, saw Time Finance's book fall in a similar fashion. Since June the book has grown and now stands in excess of £105m which, in time, will lead to greater revenues again.

## REVENUES

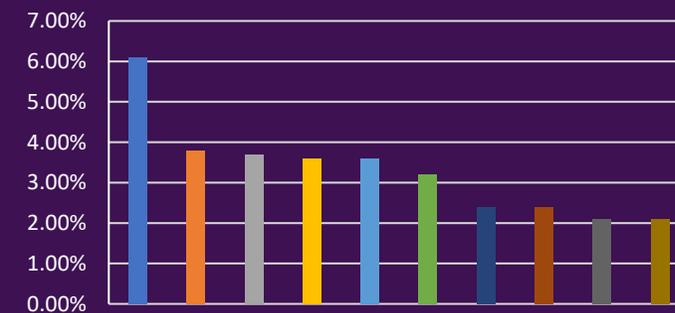
6 months to	£'m
November 19	£15.6
May 20	£13.6
November 20	c£11.6

## PROFIT BEFORE TAX

6 months to	£'m
November 19	£3.0
May 20	£(1.0)
November 20	c£1.2

## HIGHLIGHTS

- PBT £1.2m up from £(1.0)m
- Bad debt provision maintained at c£5.1m for prudence
- Write-off levels in line with historic trends
- Recovery of written off deals remains in the c70% range since year end
- Diversification and spread maintained with highest sector c6% of the book



# What's next?

## FINANCIAL CALENDAR



Interim  
Results

**19 January 2021**

The interim results will be published with subsequent investor roadshows.



Market  
Guidance

**Reinstatement expected**

Around the time of the interims the Group expects to be in a position to offer guidance for the full year and FY 21/22.



Dividend  
Programme

**Update planned**

Also at around the time of the interims the group expects to be able to confirm the latest plans on the dividend policy.

## SECTION THREE

# THE REBRANDING

- **One Company**
- **One Brand**
- **We are Time Finance**



A NATURAL STEP IN THE GROUP'S EVOLUTION

# Welcome to Time Finance

The new name came about as both a 'nod' to the past and, more importantly, to capture two of the most important areas for smaller UK Businesses:

**Time:** to enable business owners to focus on growing their businesses

**Finance:** to have access to finance to run their businesses

**“freedom to grow is what time and finance enable”**



## Logo Inspiration

An hour-glass reflective of time sensitivity

A shield reflective of being trustworthy

An infinity symbol reflecting endless opportunities

A triangle to reflect a direction of growth

# Why now?

The Group has been on ambitious journey over the last five years. Growing from 1 site in Bath employing a dozen staff to a nationwide group spread across six sites and with over 170 employees.

Operating under 7 brands – 1pm plc, OnePm Finance, Academy Leasing, Bradgate Business Finance, Intelligent Loans, Positive Cashflow Finance and Gener8 Finance – was often confusing to those outside the group.

## What this signals

- A simplified message and story
- A strengthened ‘sense of group’
- An opportunity for further synergies
- Enhanced cross-selling potential
- Ease of new product development and roll out

TO CONCLUDE

## SUMMARY AND OUTLOOK

- **Crisp, clean and fresh new look as the group enters a new post-COVID phase**
- **Simplicity and strength as one business**
- **Resilience shown and liquidity maintained throughout the COVID crisis with new deal origination and profits increasing, arrears and forbearance reducing and a strengthened balance sheet**
- **Well positioned and primed for strong growth as the UK emerges from the COVID pandemic**

