



Time Finance plc Interim Results Presentation

Six months ended 30 November 2023

25 January 2024

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The Presenters



Ed Rimmer, CEO

Ed has worked within commercial finance for over 25 years holding many senior roles, including UK CEO of Bibby Financial Services. Ed has been involved with Time since 2017 having previously been Managing Director of the Invoice Finance Division and Group COO.

Ed became Group CEO in June 2021.



James Roberts, CFO

James qualified as an accountant with PwC and has worked in financial services for over 20 years. He 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 May 2017.

SECTION ONE

STRATEGIC PLAN UPDATE



The medium-term strategy - June '21 to May '25



To become a nationally recognised SME funder



To more than double our Gross Lending Book from its June '21 level of c£115m



To achieve profits organically well in excess of 2019 pre-covid levels



To significantly strengthen our Balance Sheet through focussing on own-book lending

Significant Progress to 30 November 2023

£189m

Gross Lending Book

Growth since
strategy launch



60% from £116m

Growth since start
of financial year



11% from £170m

£76m

Hard Asset



138% from £32m



23% from £62m

£61m

Invoice Finance



144% from £25m



9% from £56m

Significant Progress to 30 November 2023

£23.9m

Unearned Income

98:2

Own-Book : Broked-On

6%

Net Arrears

Growth since strategy launch (June '21)



67% from £14.3m



from 87:13



down from 13%

Growth since end of financial year (31 May '23)



13% from £21.2m



from 97:3



flat from 6%

▶ Focus on Core Business

- ✓ Two own-book core lending divisions: Asset Finance and Invoice Finance, from 4 UK locations: Bath, Manchester, Reading and Warrington
- ✓ Exited non-core consumer brokerage businesses in October '22
- ✓ Exited small, unsecured Loans in December '22

▶ Investment in proven industry leaders embedded

- ✓ Director of Asset joined in January '22
- ✓ Head of Credit (Asset Finance) joined in July '22
- ✓ Head of Group Operations joined in September '21

▶ Developed Product offering

- ✓ Asset Based Lending (“ABL”) product launched in April '23
- ✓ ‘Soft’ Asset “Fast-track” launched in April '23 performing well

▶ Continued to build brand

- ✓ Sponsorship of NACFB in 2024
- ✓ Won numerous awards in 2023
- ✓ Ranked Number 1 in Business Money Intermediary Index

SECTION TWO

Unaudited Financial Results



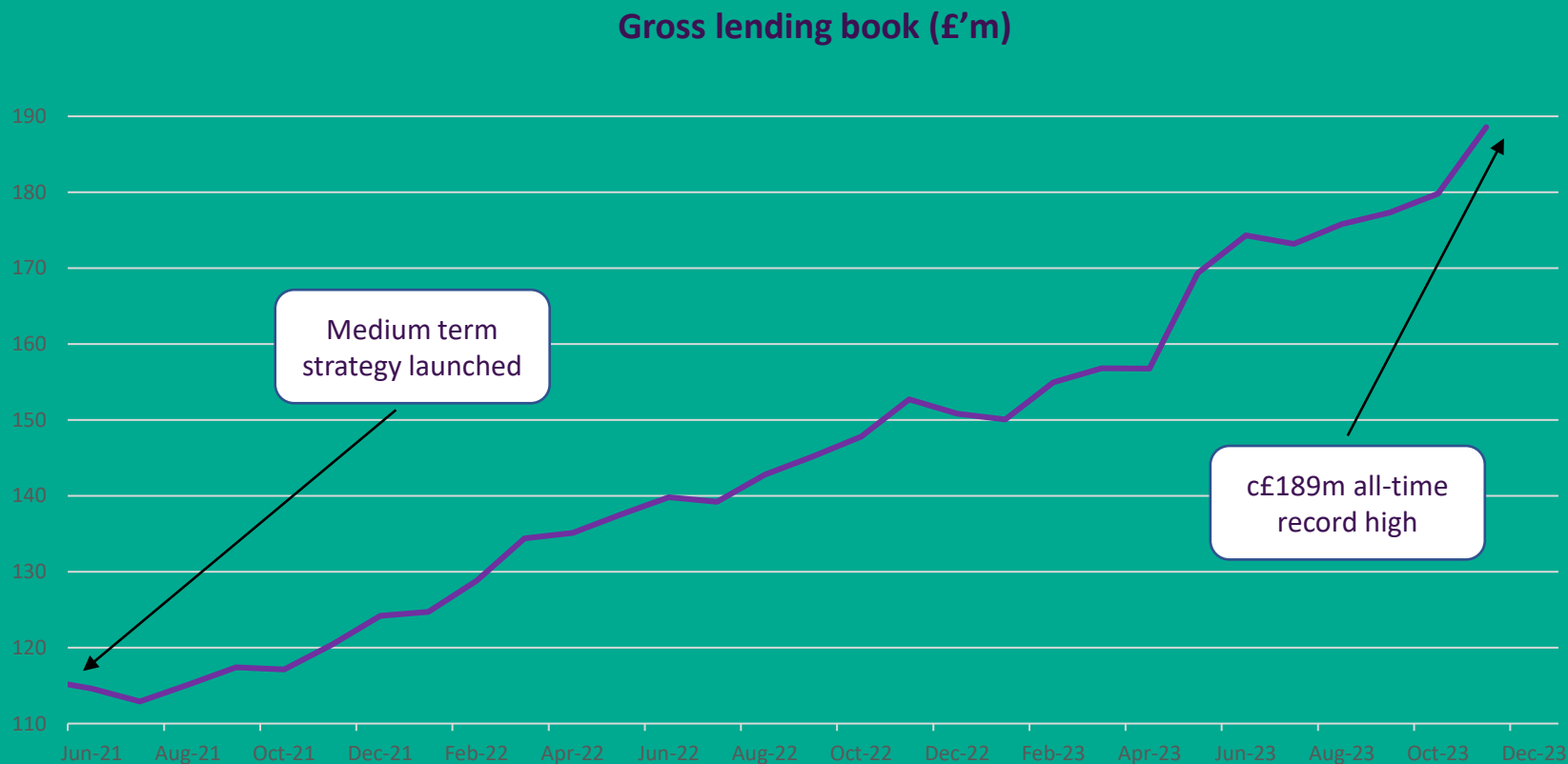
Unaudited Interim results to 30 November 2023

Significant growth in all key fundamentals

	30/11/23 £'m	30/11/22 £'m	Movement		
			£'m	%	
• Own-book origination	£47.3m	£36.6m	+£10.7m	+29%	✓
• Gross own-book Lending book	£188.6m	£152.7m	+£35.9m	+24%	✓
• Unearned Income	£23.9m	£18.9m	+£5.0m	+26%	✓
• Net Deals in arrears	6%	6%	-	-	=
• Consolidated Tangible Assets	£63.9m	£59.7m	+£4.2m	+7%	✓
• Consolidated Net Tangible Assets	£36.4m	£32.1m	+£4.3m	+13%	✓
• Total Revenue for the period	£15.7m	£13.2m	+£2.5m	+19%	✓
• Profit Before Tax	£2.7m	£2.0m	+£0.7m	+35%	✓
• Earnings per Share	£2.33pps	£1.73pps	+£0.60pps	+35%	✓

Record high lending book

Own-book lending is key as the compound nature drives revenue and profit growth



Since the launch of the medium-term strategic plan in June 2021, the lending book has grown steadily and consistently through to November 2023. It surpassed the previous pre-pandemic highs of c£145m in September of 2022 and now stands at record high levels of c£189m.

Other medium term plan metrics:

i. Larger, more secured lending:

Average deal size of £44k in Nov '23 compared to £14k at start of strategy . An increase of over 200%.

Hard Asset and IF account for over 70% of the lending portfolio compared approximately half as at the start of the strategy.

ii. Continued focus on spread

Top ten sectors by value account for less than a third of the overall lending book.

Largest sector by value accounts for less than 10% of the overall lending book.

iii. Sensible approach to provisioning

The bad debt provision continues to represent c3% of the total net exposure.

A robust balance sheet that weathers all storms

Net tangible assets continually to grow month on month; arrears holding static

Net Tangible Assets:

At record levels

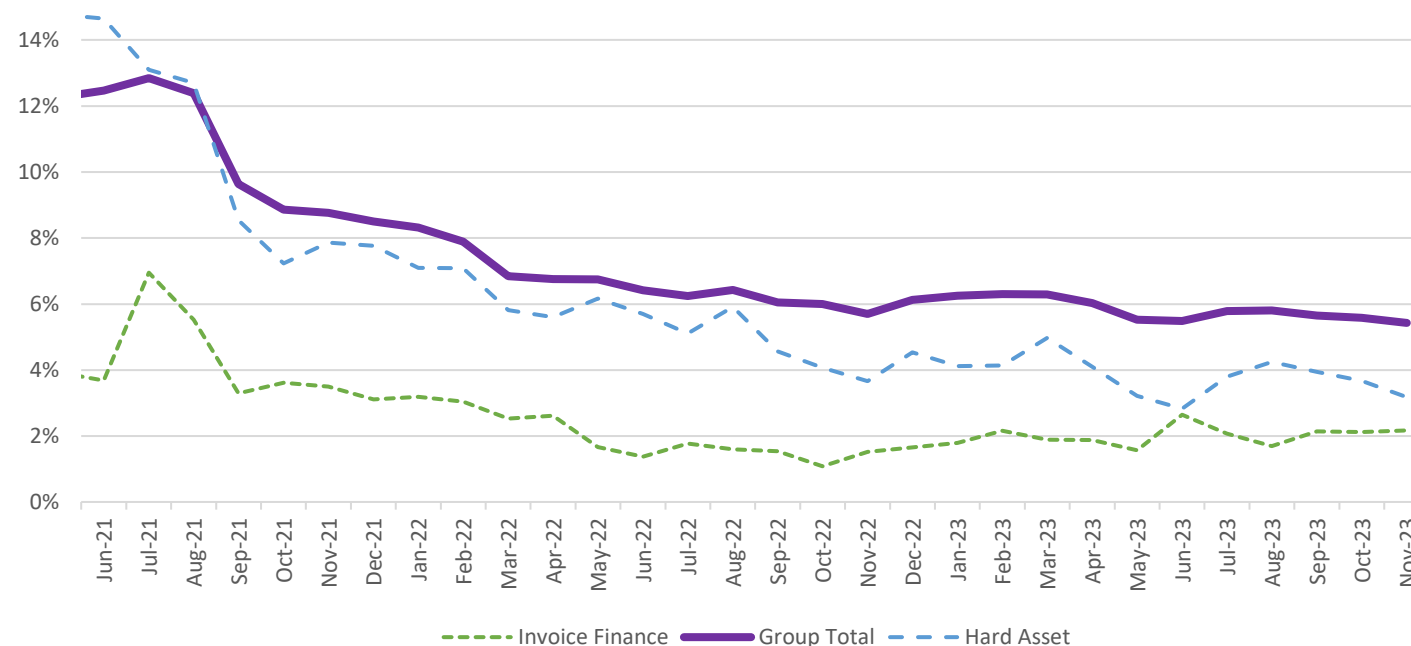
	£'m
May 21	£28.4
May 22	£30.5
May 23	£34.2
Nov 23 (unaudited)	£36.4

Tangible Assets stand at £63.9m as at 30 November 2023.

After removing goodwill and intangible assets, Net Tangible Assets are £36.4m.

Net Arrears:

Consistently now around c6% of the book; well below strategy start point



As a percentage of the lending book Group arrears have fallen from over 12% at the start of medium-term plan to around 6%. They have remained at around this 6% level now for the past 18 months or so.

IF and Hard Asset, the two main focusses of the Group's strategy, have arrears of just over 2% and 3% respectively as at 30 November 2023.

SECTION 3

SUMMARY AND OUTLOOK





Summary

- Simplified structure, B2B lending only
- Focus on Hard Asset and Invoice Finance
- Multi-product offering expanded with ABL
- Key hires now embedded in core parts of the business
- Arrears well controlled
- Profile and brand recognition continues to increase
- Positive financial performance

Outlook

- Continued focus on current strategy
- The medium-term aims remain the same and positive momentum is being maintained
- Expected to see significant growth in PBT in FY24/25 and FY25/26 due to compound nature of lending book revenue
- Market conditions are challenging but this presents opportunities for alternative lenders

SECTION 4

Appendices



Appendix 1: Who we are and what we do

Time Finance plc is a business committed to ensuring that UK businesses can access a multi-product range of funding solutions to support their growth plans. In summary:

**Alternative
finance
provider**

A non-Bank, alternative
finance provider

**Supporting
UK
businesses**

Helping c10,000 UK
SMEs to access the
finance they need for
growth

**Lending on
our
own-book**

Focused primarily on
own-book lending on
our own balance sheet

**Flexibility
to broke
on deals**

We have the flexibility to
broke-on deals that don't
fit with our criteria

**Multi
Product
portfolio**

Offering Asset Finance,
Invoice Finance and
Loan Finance

Appendix 2: Our core products

Asset Finance



- Soft and Hard Assets (including a small broked-on element)
- Introduction channels: finance brokers, equipment suppliers/manufacturers & existing clients
- Deal size: £1k to £1m
- “Sweet Spot”: c£15k Soft asset; c£75k Hard asset
- Typical yield: 9-18%
- Funding: Wholesale block funders, BBB

Invoice Finance



- Disclosed and Confidential
- Introduction channels: finance brokers, insolvency practitioners, professional firms
- Deal size: £50k to £3.5m
- “Sweet Spot”: c£250k-£750k
- Typical yield: 10-20%
- Funding: Corporate banker back-to-back facility

Appendix 3: Why we stand out from the crowd



	 Time Finance®	Traditional Banks	Challenger Banks	Alternative finance platforms	Quoted companies	Private companies
Flexibility	✓	X	X	✓	✓	✓
Speed of service	✓	X	✓	✓	✓	✓
Personal approach	✓	X	X	X	X	✓
Range of products	✓	✓	✓	X	X	X