



Company Summary

Investment Profile

- Proven, sustainable model** with track record of delivery - **14 consecutive quarters of sustained book growth**
- Senior Management Team with 150+ years of experience in lending to UK businesses
- Excellent growth in pretax profit and earnings per share**; underpinned progress towards medium term strategy which focusses on **own book growth**, and supported by **growing margins**
- Operations span wide range of sectors, **diversifying risk**
- Significant future growth potential with **£90m of lending facility headroom**
- Strong financial controls keep **arrears stable** at circa 5% and **trending downwards** - highlighting the **quality of the lending book**

Share Information

| Ticker | AIM: TIME |
|------------------------|------------|
| Share Price (GB pence) | 60.00 |
| Shares in issue (m) | 92.5 |
| Market Cap (£m) | 55.5 |
| 12m Hi/Low (GB pence) | 67.0 /35.5 |

(Source: The London Stock Exchange, February 2024)

12-Month Share Price



(Source: The London Stock Exchange, February 2024)

Major Shareholders (as of 25th September 2024)

| Name | % |
|--------------------|------|
| Arena Investors LP | 19.9 |
| GPIM Limited | 18.1 |
| Ron Russell | 12.5 |

(Source: [company website](https://www.timefinanceplc.com))

Meet Time Finance

You can view the latest Company presentation and register to receive invites for future presentations by signing up with Investor Meet Company here: <https://www.investormeetcompany.com/TimeFinance-plc/register-investor>

Company Overview & Growth Strategy

Time Finance is a specialist finance provider lending to SMEs across the UK. Its core strategy is to grow its balance sheet through own-book lending offering a multi-product, but highly focussed proposition primarily through Hard Asset Finance and Invoice Finance.

The Company's updated **3 year Medium-term Strategy**:

| Lending Book Growth | Resilient Lending | Operational Leverage | Increased Return on Equity |
|--|---|--|---|
| <p>Increase the gross lending book to £300m+ by:</p> <ul style="list-style-type: none"> Expanding the IF sales team & Geographical coverage Product development Direct to market strategy Acquisitions | <p>Arrears controlled in the 5-6% range by:</p> <ul style="list-style-type: none"> Secured lending (IF and HA) to account for 90%+ of the lending book Risk team further strengthened Enhanced systems | <p>Improve Profit Before Tax margins to the mid-20% by:</p> <ul style="list-style-type: none"> Business Improvement team created to increase focus on operational efficiencies Improved data and reporting Enhanced systems | <p>Increased RoE to the mid-teens by ensuring achievement of the other three pillars:</p> <ul style="list-style-type: none"> Balance Growth, Resilience and Efficiencies |

What's New?

The Company recently announced that its **Hard Asset lending portfolio had broken the £100m milestone**, following 41 consecutive months of growth - highlighting the Company's commitment to driving own-book lending – **a key pillar of the Group's stated strategy**.

The Group reported a **record lending book after fourteen consecutive quarters of growth, PBT margin enhancement and 39% increase in EPS as it released its Interim results** in January, also launching its new corporate strategy at the same time. The Results reflected **continued strong demand from businesses across the UK, excellent financial progress as well as operational successes** which included a substantially strengthened senior management team, with a focus on driving operational efficiencies, and consistent performance on risk management - **underpinning the quality of its growing lending book**.

Commenting on the Interim Results, Tanya Raynes, Non-Executive Chair, said: "H12024/25 marks another period of strong financial performance and delivery against our strategic plan. Demand from UK SMEs remained robust helping drive the Lending Book to record highs and, while Revenues continue to grow, our focus on efficiencies has resulted in even more significant growth in both Profits and EPS. Net Tangible Assets are at record highs, and cash reserves and funding sources remain solid, while arrears and write-offs are well controlled. The Group remains in an excellent position to deliver further growth and increased value to our shareholders and we are pleased to launch the pillars of the Group's updated corporate strategy targets in this regard."

In June 2021 the Company set out a four-year medium-term strategy to May 2025 that aimed to double the Gross Lending Book, achieve run-rate profits ahead of the 2019 pre-pandemic levels, strengthen the balance sheet through own book lending, and to become a nationally recognised SME funder. With the Company well on track to meet these metrics, a new strategy, **designed to maintain the significant momentum generated and to provide a platform for the next phase of the Company's growth** to May 2028, as detailed above.

Time has a number of long-standing relationships with its funding partners, in a diverse base that provides substantial facilities and ample headroom across its divisions - having most recently announced an extended and improved £65m funding facility with NatWest in October. The Group's total facilities now stand in excess of £230m, equipping it to proceed with its growth ambitions.

Core Business Divisions

The Business comprises **two core, own-book divisions - Asset Finance and Invoice Finance** - with lending proposals originating through a variety of channels. These include finance brokers and other professional firms, equipment vendors, suppliers and dealers, and direct from borrowers. Its target market is SME businesses which have a funding requirement between £25k and £1m.

1. Asset Finance - Equipping businesses for the future and making investment possible

Time Finance lends against soft and hard assets, through brokers, suppliers and manufacturers. Typically, deals range in value from **£1k-£1m**, with the sweet spots being **c.£15k for soft assets** and **c.£100k for hard assets**. Yields for these deals range between **8% and 18%**, the funding comes primarily from wholesale block funders, such as challenger banks.

2. Invoice Finance - Improving cashflow to give businesses the financial freedom to grow

Disclosed and confidential Invoice Finance, via financial introducers and financial advisors. Finance agreements can vary from **£50k-£3m**, with the sweet spot being **£250k-£750k**, yielding **10-20%**. Funding comes from a back-to-back corporate banking facility. This is the fastest growing division with the highest margins. Funding comes from a **£65m** corporate back-2-back facility.

What Sets Time Finance Apart?

| | Banks | Challenger Banks | Alternative finance platforms | Quoted companies | Private companies |
|-------|---|--|--|---|---|
| Banks | SME lending no longer their primary focus | Generally do not operate at the smaller end of the market. Tend to us wholesale. | Algorithm driven with higher credit risk | Tend to be more single product focussed | Multiple regional players, normally smaller |

| | 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 |

Time Finance in the Media

Investors' Chronicle - [Time Finance impresses as loan book swells](#)

Master Investor - ['its shares, now 64p, are seriously undervalued'](#)

Investor's Champion - [Bonkers Bargains: fabulous interim results](#)

Supportive and Diversified Funding Partners



Forecasts (Source: Consensus forecasts compiled by Factset)

| | May'23 (Actual) | May'24 (Actual) | May'25 (Est.) | May'26 (Est.) |
|-------------|-----------------|-----------------|---------------|---------------|
| Sales (£m) | 27.6 | 33.2 | 35.1 | 37.0 |
| PBT (£m) | 4.2 | 5.9 | 7.2 | 8.1 |
| EPS (pence) | 3.5 | 4.8 | 5.9 | 6.5 |

Recent Newsflow

February: [Lending Portfolio Update](#)

January: [Interim Results](#)

December: [Half-Year Trading Update](#)

November: [Trading Update - Expectations Upgrade](#)

October: [Director share purchases](#)

October: [Extended & Improved £65m NatWest Funding Facility](#)

September: [Notice of AGM](#)

September: [Q1 Trading Update](#)

Management Team

Ed Rimmer, Chief Executive Officer

Ed has worked within commercial finance for nearly 30 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, Chief Financial Officer

James qualified as an accountant with PwC and has worked in financial services for nearly 25 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.



Supporting UK SMEs

James Roberts, Chief Financial Officer:

"Over the past five years we have developed a strong working relationship with the British Business Bank and I am delighted this will now be able to continue for the foreseeable future. The enhanced facility will enable Time Finance to provide additional funding to UK SMEs for their business-critical equipment in one of our more secured and key strategic growth areas. With the British Business Bank facility being a cornerstone of the Group's funding mix we hope to help many more UK businesses and thereby further improve our shareholder returns"

