



# Company Summary

## Investment Profile

- Proven, sustainable model** with track record of delivery - **13 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 good progress on 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

<b>Ticker</b>	AIM: TIME
<b>Share Price</b> (GB pence)	58.00
<b>Shares in issue</b> (m)	92.5
<b>Market Cap</b> (£m)	53.7
<b>12m Hi/Low</b> (GB pence)	63.8 / 31.0

(Source: The London Stock Exchange, November 2024)

## 12-Month Share Price



(Source: The London Stock Exchange, November 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

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## 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 **4 year Medium-term Strategy**:



How this is being achieved:

<b>Focus on Core Business</b>	<ul style="list-style-type: none"> <li>✓ Two own-book core lending divisions: Asset Finance and Invoice Finance operating from 4 locations: Bath, Manchester, Reading and Warrington</li> <li>✓ Exited non-core consumer brokerage businesses in October '22</li> <li>✓ Exited small, unsecured Loans in December '22</li> <li>✓ Exited regulated deals in January '24</li> </ul>
<b>Investment in proven industry leaders</b>	<ul style="list-style-type: none"> <li>✓ Head of Business Improvement joined in June '24</li> <li>✓ Managing Director of Asset joined in January '22</li> <li>✓ Head of Credit (Asset Finance) joined in July '22</li> <li>✓ Head of Group Operations joined in September '21</li> </ul>
<b>Developed Product offering</b>	<ul style="list-style-type: none"> <li>✓ Asset Based Lending ("ABL") product launched in April '23, performing well</li> <li>✓ "Soft" Asset "Fast-track" launched in April '23, performing well</li> <li>✓ Government Guarantee Scheme launched in July '24</li> </ul>
<b>Continued to build brand</b>	<ul style="list-style-type: none"> <li>✓ Sponsorship of NACFB in 2024</li> <li>✓ Won numerous awards throughout 2023 and 2024</li> <li>✓ Ranked Number 1 in Business Money Intermediary Index</li> </ul>

## What's New?

In November **revenue and PBT market expectations for FY25 were raised** to £35.1m and £7.2m, respectively. Q1 25 started strongly with the Group recording **record quarterly revenues of £9.1m**, up 20% from £7.9m in the prior year. Net tangible assets rose by 14% to £40.1m, while **PBT jumped 46% to £1.9m** for the quarter. Underpinning this performance is **continued growth in own-book lending origination**, which has reached £22.1m, up from £20.2m vs Q1 24, and a **commitment to responsible lending** that has seen net arrears and net debt write off come in at 5% and 1%, respectively. The Company has also renewed and extended its back-to-back invoice finance funding facility with NatWest to £65m, providing headroom for further growth.

**Ed Rimmer, CEO, commented:** "The lending book has now seen consistent increases for thirteen consecutive quarters, reflecting the demand for our multi-product offering and the value placed on our first-class customer service by UK businesses seeking access to finance." "The continued strong performance highlights the benefits of the four-year plan we implemented in 2021. With an eye firmly on the future and building on this momentum, management is focused on establishing a new medium-term strategy that will commence from June next year and guide the Company's next period of growth. I look forward to updating our shareholders on that plan towards the end of this calendar year."

**In FY24 Time Finance reported significant increases in revenue (+20%), PBT (+41%) and EPS (+30%). Tanya Reynes, Non-executive Chair,** commented that results were "particularly strong", while **CEO, Ed Rimmer, said** "Great strides forwards have been taken in both of our core divisions, which have seen significant increases in their lending books while, crucially, adhering to strong portfolio management and control."

## 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 **£5k-£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?

	Time Finance	Traditional Banks	Challenger Banks	Alternative finance platforms	Quoted companies	Private companies
<b>Banks</b> Lend to SMEs, but no longer their primary focus	✓					
<b>Challenger Banks</b> Generally do not operate at the smaller end of the market. Lend to us wholesale.						
<b>Alternative finance platforms</b> Algorithm driven with higher credit risk and moving more to traditional models						
<b>Quoted companies</b> Tend to be more single product focussed						
<b>Private companies</b> multiple regional players, normally smaller						
<b>Flexibility</b>	✓	x	x	✓	✓	✓
<b>Speed of service</b>	✓	x	✓	✓	✓	✓
<b>Personal approach</b>	✓	x	x	x	x	✓
<b>Range of products</b>	✓	✓	✓	x	x	x

## Time Finance in the Media

Investors' Chronicle - [This lender is on a roll - it's not too late to get on Board](#)

Master Investor - ['54p is a giveaway price not to be missed'](#)

Investor's Champion - [Terrific Growth and still a bargain](#)

## Supportive and Diversified Funding Partners





## Recent Newsflow

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

October: [Director share purchases](#)

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

September: [Notice of AGM](#)

September: [Q1 Trading Update](#)

September: [Final Results](#)

## Management Team

### Ed Rimmer, Chief Executive Officer

Ed has worked within commercial finance for over 20 years and was previously Time Finance's Chief Operating Officer until April 2020, having joined the Group in 2017 as Managing Director of their newly established Commercial Finance Division. Ed spent over 18 years working in various roles within the Bibby Group before he came to Time Finance.



### James Roberts, Chief Financial Officer

A qualified accountant, James has held leadership positions with several AIM listed companies. He has significant experience in mergers and acquisitions within fast-paced, growing businesses and boasts a track record of improving business performance. Prior to Time Finance he had worked at PwC, Cooper Gay and held a Finance Director role at AIM-listed Jelf Group plc. James holds a History & Economics degree from the University of Durham.



## 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"*

## 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

