



# Company Summary

## 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 Asset Finance and Invoice Finance.

The Company's **4 year Medium-term Strategy** launched in May 2021:

### 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 run-rate profits organically in excess of 2019 pre-covid levels



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

How this is being achieved:

#### 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

## What's New?

TIME has **extended** and **increased** its funding facility with the **British Business Bank** from £35m to **£64m** under its **ENABLE** programme. Combined with other recent extensions and enhancements, TIME's total funding facilities are now over **£200m**.

In line with TIME's 4-year plan, its **Q3 trading update** saw the **11th** consecutive quarter of loan book growth, reaching its record gross total of **£190.3m** at the end of February this year, up 21% Y-O-Y. This growth has been driven primarily by **Invoice Finance** and the 'Hard' subset of Asset Finance which make up nearly **75%** of the total lending book (as of 29th February 2024) and **78%** of the new deal volume originated in 9M to 29th February 2024. Correspondingly, a **25% rise** in **own-book lending** origination has reached **£66m** compared to £52.9m ("9M 2022/23"). A **20% increase** in revenue to **£24m** from £20m, and a **40% increase** in profits before tax of **£4.2m** from £3m ("9M 2022/23"). Time Finance's **Net Arrears** have **remained stable** at **6%** of the lending book over the year period (28 February 2023: 6%). Moreover, there has been a continued 14% increase to £37.6m in **Net Tangible Assets** (28 February 2023: £33.0m).

**Ed Rimmer, CEO** commented: "I am particularly pleased that the profit generated in the first nine months of the current financial year has already surpassed the level achieved for the whole of the previous year. Such continuing positive trading momentum gives the Board confidence that full-year trading will be at least in line with the market expectations as upgraded on 5 March 2024."

## Investment Profile

1. Making very significant progress towards achieving its ambitious 4 year growth Strategy to May 2025
2. Focussed on growing the balance sheet through own-book lending across Asset Finance and Invoice Finance
3. Highest margins and most secured lending sits in the fastest growing division - Invoice Finance
4. Significant growth potential with c£50m of lending facility headroom
5. 11 successive quarters of growth
6. Strong financial controls keep arrears stable at circa 6% and trending downwards

## Share Information

|                               |           |
|-------------------------------|-----------|
| <b>Ticker</b>                 | AIM: TIME |
| <b>Share Price</b> (GB pence) | 41.0      |
| <b>Shares in issue</b> (m)    | 92.5      |
| <b>Market Cap</b> (£m)        | 37.9      |
| <b>12m Hi/Low</b> (GB pence)  | 23.0/44.0 |

(Source: The London Stock Exchange, May 2024)

## 12-Month Share Price



(Source: The London Stock Exchange, May 2024)

## Major Shareholders (as of 19th January 2024)

| Name               | %    |
|--------------------|------|
| Arena Investors LP | 19.9 |
| GPIM Limited       | 18.5 |
| Ron Russell        | 12.4 |

(Source: [company website](https://www.investormetcompany.com/TimeFinance-plc/register-investor))

## 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.investormetcompany.com/TimeFinance-plc/register-investor>

## Core Business Divisions - Asset Finance & Invoice Finance

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 **£10k-£20k for soft assets** and **£50k - £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-£3.5m**, with the sweet spot being **£250k-£1m**, 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 **£50m** back-2-back facility provided by a high street bank.

## What Sets Time Finance Apart?

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

## Time Finance in the Media

**Master Investor - [Boost To Facility Will Power Further Growth](#)**

**Investors' Chronicle - [Time Finance ups guidance and trades on a 17% discount](#)**

**Investor's Champion - [Bonkers Bargains: improved facility and still dirt cheap](#)**

### Forecasts (Source: Consensus forecasts compiled by Factset)

|             | May'22 (Actual) | May'23 (Est.) | May'24 (Est.) | May'25 (Est.) |
|-------------|-----------------|---------------|---------------|---------------|
| Sales (£m)  | 23.6            | 27.4          | 31.5          | 33.1          |
| PBT (£m)    | 3.0             | 4.5           | 5.7           | 6.3           |
| EPS (pence) | 1.0             | 3.5           | 4.6           | 5.1           |

## Recent Newsflow

**April: [Extended & Improved £64m Funding Facility](#)**

**March: [Trading Update](#)**

**January: [Interim Results](#)**

**Dec: [Half Year Trading Update & Notice of Results](#)**

**Nov: [Trading Update](#)**

**Oct: [Directors Share Purchases](#)**

## 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"*

