



# Time Finance plc

## Mello Presentation

Incorporating financial year-ended 31 May 2024  
and quarter ended 31 August 2024

20 November 2024

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# The Presenters



**Ed Rimmer, CEO**

Ed has worked within commercial finance for well 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 then the 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

# Time Finance – An Overview

Helping UK businesses thrive and survive



# Who we are and what we do

Time Finance's purpose is to Help UK Businesses Thrive and Survive through the provision of flexible funding facilities.

**Alternative  
finance  
provider**

A non-Bank, alternative  
finance provider

**Supporting  
UK  
businesses**

Helping roughly  
10,000 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, ABL  
and Commercial Loans

# Our core products

## Asset Finance



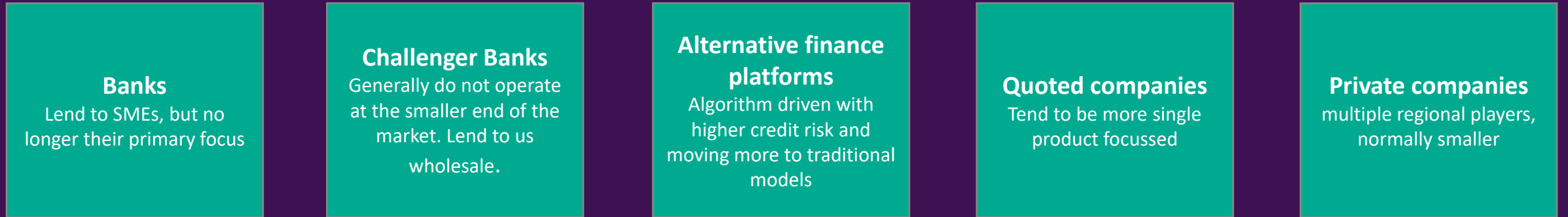
- Soft and Hard Assets
- Introduction channels: finance brokers, equipment suppliers & manufacturers, and existing clients
- Deal size: £5k to £1m
- “Sweet Spot”: c£15k – c£25k Soft asset; c£75k - £150k Hard asset
- Typical yield: 9-19%
- Funding: Wholesale block funders, British Business Bank

## Invoice Finance



- Disclosed and Confidential facilities
- Introduction channels: finance brokers, insolvency practitioners, professional firms
- Deal size: £50k to £3.5m
- “Sweet Spot”: c£250k-c£1m
- Typical yield: 10-20%
- Funding: Corporate banker back-to-back facility

# Why we stand out from the crowd



	 Time Finance®	Traditional Banks	Challenger Banks	Alternative finance platforms	Quoted companies	Private companies
<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: Award winning



Outstanding achievement award



Rising star award



Asset finance provider of the year





SECTION TWO

## STRATEGIC PLAN UPDATE

Entering final year of the 4-year plan



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



To become a nationally recognised SME funder



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



To achieve run-rate profits in excess of 2019 pre-covid levels



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

# Significant Progress to 31 August 2024

**£205m**

## Gross Lending Book



Up 2% from £201m at 31 May 2024



Up 78% from £115m at the strategy launch in June 2021

**£90m**

## Hard Asset Lending



Up 6% from £85m at 31 May 2024



Up 181% from £32m at the strategy launch in June 2021

**£68m**

## Invoice Finance Lending



Up 5% from £65m at 31 May 2024



Up 172% from £25m at the strategy launch in June 2021

# Significant Progress to 31 August 2024

**£26m**

**Unearned Income**



Up 4% from £25m at 31 May 2024



Up 86% from £14m at the strategy launch in June 2021

**21%**

**PBT Margin**



Up from 18% for financial year to 31 May 24



Up from 8% for financial year to 31 May 21 prior to strategy launch

**5%**

**Net Arrears**



Flat from 5% at 31 May 2024



Down from 13% at the strategy launch in June 21

# Significant Progress to 31 August 2024

## ► Focus on Core Business

- ✓ Two own-book core lending divisions: Asset Finance and Invoice Finance operating from 4 locations: Bath, Manchester, Reading and a new office in Birchwood
- ✓ Exited non-core consumer brokerage businesses in October '22
- ✓ Exited small, unsecured Loans in December '22
- ✓ Exited regulated deals in January '24

## ► Investment in proven industry leaders

- ✓ Head of Business Improvement joined in June '24
- ✓ Managing 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, performing well
- ✓ ‘Soft’ Asset “Fast-track” launched in April '23, performing well
- ✓ Government Guarantee Scheme launched in July '24

## ► Continued to build brand

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

## SECTION THREE

# THE FINANCIAL RESULTS

Record Lending Book  
Controlled Arrears



# Audited financial results to 31 May 2024

Strong results in every key metric

	31/05/24	31/05/23	Movement		
	£'m	£'m	£'m	%	
• Own-book origination	£91.6m	£73.4m	£18.2m	25%	✓
• Gross own-book Lending book	£201.2m	£170.1m	£33.1m	18%	✓
• Net deals in arrears	5%	6%	(1)%		✓
• Net bad debt write-offs	1%	2%	(1)%		✓
• Total Revenue for the period	£33.2m	£27.6m	£5.6m	20%	✓
• Profit Before Tax	£5.9m	£4.2m	£1.7m	41%	✓
• Consolidated Net Tangible Assets	£38.6m	£34.2m	£4.4m	13%	✓
• Earnings Per Share	4.8pps	3.7pps	1.1pps	30%	✓

# Unaudited financial results to 31 August 2024

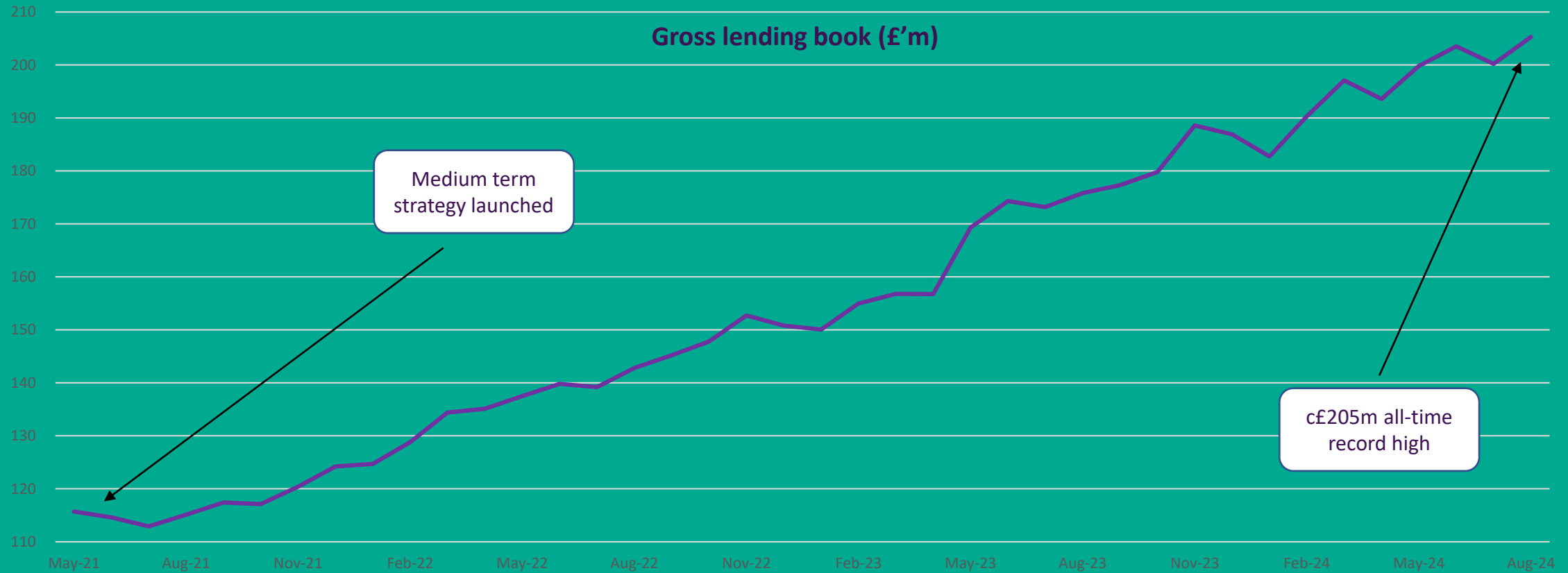
Strong momentum continuing throughout Q1 FY2425

	31/08/24 £'m	31/08/23 £'m	Movement		
			£'m	%	
• Own-book origination for quarter	£22.1m	£20.2m	£1.9m	9%	✓
• Gross own-book Lending book	£205.3m	£175.8m	£29.5m	17%	✓
• Net Deals in arrears	5%	5%			✓
• Net bad debt write-offs	1%	1%			✓
• Total Revenue for quarter	£9.1m	£7.6m	£1.5m	20%	✓
• Profit Before Tax for quarter	£1.9m	£1.3m	£0.6m	46%	✓
• Consolidated Net Tangible Assets	£40.1m	£35.2m	£4.9m	14%	✓



# 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 August 2024, thirteen quarters of successive growth.

It surpassed the previous pre-pandemic highs of c£145m in September of 2022 and now stands at record high levels of c£205m.

# A robust and strengthening balance sheet

Net tangible assets grow month on month. Arrears well controlled

## Net Tangible Assets:

*At record levels*

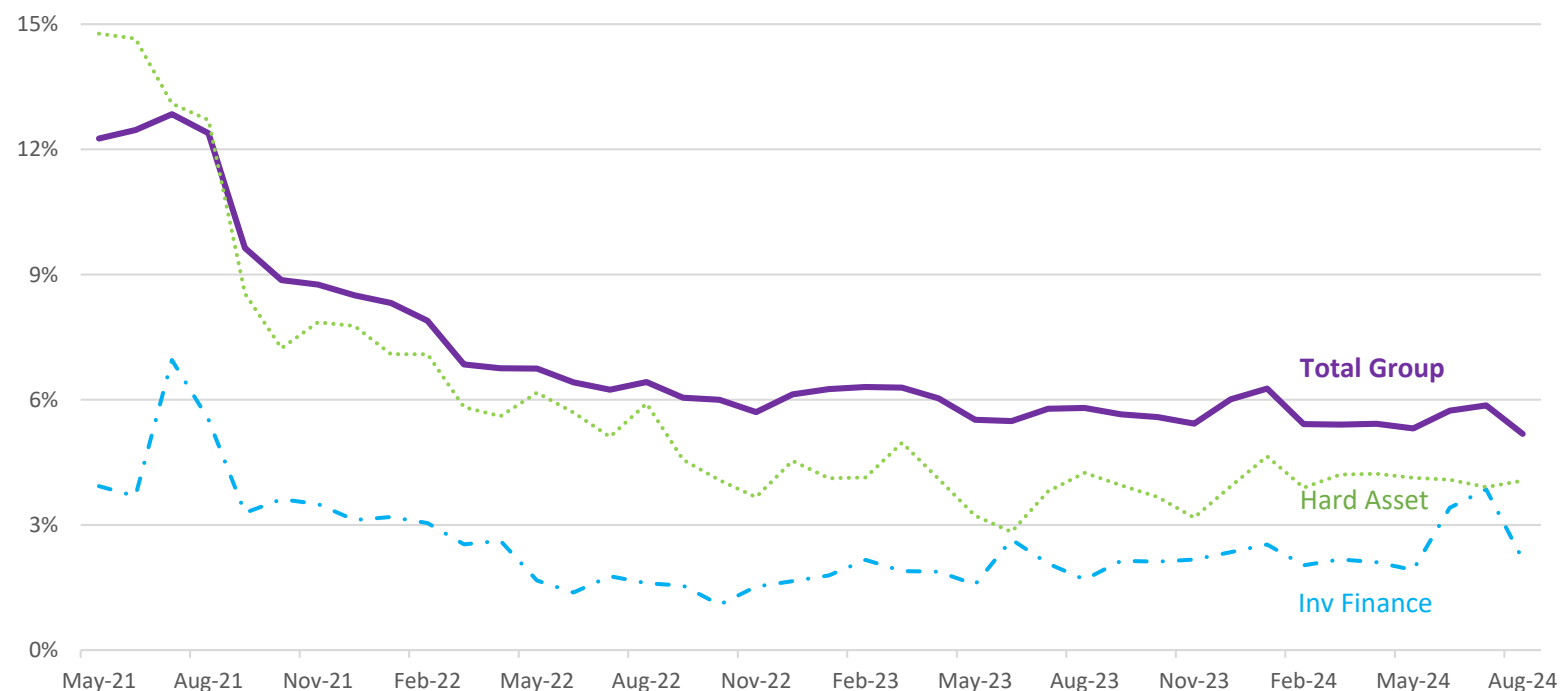
	£'m
May 21	£28.4
May 22	£30.5
May 23	£34.2
May 24	£38.6
<b>Aug 24 (unaudited)</b>	<b>£40.1</b>

Tangible Assets stand at £67.8m as at 31 August 2024.

After removing goodwill and intangible assets, Net Tangible Assets are £40.1m.

## Net Arrears:

*Consistently around c5-6% 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 settle in the broad 5 to 6% range for roughly the last two years.

IF and Hard Asset, the two main focusses of the growth strategy, have arrears of approximately 2% and 4% respectively as at 31 August 2024.

# Funding and Other Metrics

Significant headroom for growth. Larger, more secured and well spread client base

Funding Lines at 31 August 2024

Key Live Funding Lines - £m	Facility	Usage	Headroom
Bank Overdraft	1.0	0	1.0
Block Funding lines (no non-utilisation fees)	151.0	80.6	70.4
Secured Loan Note	3.5	2.5	1.0
Back-to-back facility (includes £8m Accordian)	50.0	32.6	17.4
<b>Total Funding Facilities</b>	<b>205.5</b>	<b>115.7</b>	<b>89.8</b>

Long-Term, supportive and diversified funding partners, including:



## Other metrics:

### i. Larger, more secured lending:

Average deal size in Hard Asset of c£54k in Aug '24 compared to c£14k at start of strategy . An increase of roughly 285%.

Hard Asset and IF account for nearly four-fifths (77%) of the lending portfolio compared to just under 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 15% of the overall lending book.

### iii. Sensible approach to provisioning

The bad debt provision continues to represent c2.5% of the total net exposure.

## SECTION FOUR

# SUMMARY AND INVESTMENT CASE

Strategic plan very much on track





## Summary

- Continued focus on current strategy  
B2B lending only; Hard Asset, Invoice Finance & ABL
- Medium-term aims remain the same  
strong progress has been made to date and positive momentum is being maintained
- Key hires now embedded in core parts of the business  
driving growth and efficiencies
- Profile and brand recognition continues to increase
- New three-year plan from June 25 to May 28 to be unveiled in late 2024 / early 2025



# Investment Case

- **10,000+** = Proud to empower c10,000 UK businesses with funding solutions
- **£200m+** = Lending book continues to increase, up nearly 20% on prior year  
13 consecutive quarters of lending book growth  
Well controlled and maintained arrears and write-offs
- **£5.9m** = Increasing profitability with £5.9m pre-tax profit, up over 40% on prior year  
Multiple profit upgrades over past 18 months  
Continued growth forecast in FY2425 and FY2526
- **£40m+** = Net Tangible Assets of well over £40m and growing month on month
- **Well Spread Lending** = operating in a wide variety of sectors across the UK, diversifying risk
- **Experienced Leadership** = management team with 150 years + in lending to UK businesses
- **Award Winning** = A trusted brand with a strong value set
- **Market conditions** = challenging but this presents opportunities for alternative lenders like Time Finance