

## Together Financial Services Limited

21 November 2024

Together Financial Services Limited ('Together' or 'the Group'), one of the UK's leading non-bank relationship lenders, is pleased to announce its results for the quarter ended September 30, 2024.

### Commenting on today's results, Mike McTighe, Chairman of Together, said:

"Together delivered another strong performance in the quarter to 30 September, growing the loan book to £7.6bn while the Group remained highly profitable and cash generative.

"Originations remained robust as we further increased interest receivable and similar income, underlying profit before tax and cash receipts during the quarter, and we successfully raised or refinanced over £1bn of facilities to end the period with c£1.0bn of funding headroom. We have continued to strengthen and enhance our Executive team, announcing the appointment of Richard Rowntree as our new CEO and promoting Chris Adams to CFO and John Barker to CEO of our Personal Finance division. We were also delighted to be named one of 'Europe's Long-term Growth Champions' by the Financial Times in October.

"While inflation is now close to the Bank of England's target and interest rates are continuing to reduce gradually, UK economic growth is forecast to remain modest. Against this backdrop and as evidenced by our recent residential property market report, we expect many more customers will be underserved by mainstream lenders and look to specialist lenders, like Together, for support. We will continue to be there to help our customers realise their ambitions and to play our part in supporting the UK economy, as we have for the last 50 years."

### Financial highlights: quarter ended September 30, 2024

- Robust loan book growth at conservative LTVs
  - Average monthly lending of £269.3m, up 20.5% on Q1'24 (£223.5m), slightly down 3.5% on Q4'24 (£279.2m)
    - Conservative weighted average origination LTVs of 60.0% (Q1'24: 58.6%; Q4'24: 60.1%)
  - Group net loan book increased to £7.6bn, up 14.7% on Q1'24 (£6.6bn) and up 3.0% on Q4'24 (£7.4bn)
    - Weighted average indexed LTV remains very low at 55.6% (Q1'24: 56.2%; Q4'24: 55.7%)
    - In line with the wider industry, we are seeing some increases in arrears and continue to manage carefully
- Strong and sustainable financial performance
  - Interest receivable and similar income of £214.5m, up 17.3% on Q1'24 (£182.9m) and up 3.7% on Q4'24 (£206.9m)
  - Net interest margin remains in line with prior quarter at 5.2% (Q1'24: 5.5%; Q4'24: 5.2%)
  - Annualised cost of risk of 0.79% (Q1'24: 0.76%; Q4'24: 0.85%)
  - Group remains highly profitable and cash generative
    - Underlying profit before tax of £53.7m, up 12.6% on Q1'24 (£47.7m) and up 1.3% on Q4'24 (£53.0m) primarily due to the increase in net interest income during the period and continued cost efficiency with underlying cost to income ratio remaining low at 30.3% (Q1'24: 31.6%; Q4'24: 28.0%)
    - Cash receipts of £787.6m (Q1'24: £653.8m; Q4'24: £723.9m) as redemptions remained strong

Key metrics	3 months ended or as at September 30		3 months ended or as at June 30
	2024	2023	2024
Interest receivable and similar income (£m)	214.5	182.9	206.9
Underlying interest cover ratio <sup>1</sup>	1.5:1	1.5:1	1.5:1
Interest cover ratio	1.4:1	1.5:1	1.5:1
Underlying net interest margin <sup>2</sup> (%)	5.2	5.5	5.2
Net interest margin (%)	5.2	5.5	5.2
Underlying cost-to-income ratio <sup>1</sup> (%)	30.3	31.6	28.0
Cost-to-income ratio (%)	33.7	31.6	31.6
Underlying cost-to-asset ratio <sup>1</sup> (%)	1.5	1.6	1.4
Cost-to-asset ratio (%)	1.7	1.6	1.6
Cost of risk (%)	0.79	0.76	0.85
Underlying profit before taxation <sup>1</sup> (£m)	53.7	47.7	53.0
Profit before taxation (£m)	50.3	47.3	49.6
Underlying EBITDA <sup>1</sup>	172.9	143.2	168.2
EBITDA	169.5	142.8	164.8
Loans and advances to customers <sup>4</sup> (£m)	7,581.4	6,610.2	7,363.9
Net debt gearing (%)	83.7	83.0	83.9
Shareholder funds <sup>3</sup> (£m)	1,177.0	1,133.7	1,159.2
Underlying return on equity <sup>1</sup> (%)	14.1	13.1	14.5
Return on equity (%)	13.3	13.0	13.6

### Operational highlights

- Continued to shape our business for the future
  - Richard Rowntree announced as new Chief Executive Officer and Executive Director commencing 25 November 2024
  - Chris Adams promoted to Chief Financial Officer and Executive Director in October 2024
  - John Barker promoted to CEO of Personal Finance division in October 2024
- Maintained funding momentum to support growth plans, raising or refinancing over £1bn during the quarter
  - Upsized DABS bridging facility from £400m to £600m in September 2024
  - Issued third RMBS of 2024, TABS 12, raising £445m in September 2024
  - Upsized LABS facility to £1bn in November 2024
- Included in the Financial Times ‘Europe’s Long-term Growth Champions’ ranking of the 300 companies across Europe with the highest disclosed compound annual growth rates between 2013 and 2023
- Awarded Investors in People Award 2024 for Best Newcomer, organisations with over 250 employees
- Published 2024-25 Residential Property Market Report (<https://togetherness.com/blog/is-this-the-road-to-residential-revival-find-out-first-in-our-new-report>) in October

<sup>1</sup> During the current quarter, the Group incurred £3.4m of transformation costs. (Q1'24 Exceptional items consisted of £0.4m of transformation costs which were not previously treated as exceptional items but have been subsequently reclassified. (Q4'24 exceptional items consisted of £3.4m of transformation costs).

<sup>2</sup> There are no exceptional items impacting upon net interest income recorded in the current or comparable prior periods.

<sup>3</sup> Includes subordinated shareholder loans of £23.3m (Q1'24: £34.3m, Q4'24: 22.8m)

<sup>4</sup> Net of gross loans and advances to customers and impairment allowances

## Q1 2024/25 Results Presentation

Together will be presenting its Q1 2024/25 results via audio webcast at **14:00 GMT (09:00 EST) today**, for the quarter ended September 30, 2024.

The presentation for analysts and investors is expected to last for approximately 35 minutes, followed by a Q&A.

The slides will be available on the Investor Relations website (<https://investors.togethermoney.com/>) ahead of the presentation.

The live audio webcast for the Q1 24/25 results will be available via the following link: <https://www.investis-live.com/together/670e8ca19bcff0000e50a68f/nfghe>

The webcast will also be accessible via a live conference call:

- Access code: 484149
- From the UK: +44 (0) 20 3936 2999/ 0800 358 1035
- [Global Dial-In Numbers](#)

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### About Together

One of the UK's leading non-bank relationship lenders, Together has been making finance work to help our customers realise their ambitions for 50 years.

A strong, diverse and financially inclusive lender, we support a wide range of underserved customers including the self-employed, those with more complex incomes, in later life or with thin or impaired credit, landlords and SME and business customers. We offer our customers a wide range of flexible lending products including short-term finance, auction finance, residential, buy-to-let and commercial mortgages, secured loans and development finance.

Our expertise in lending means we can look beyond mainstream lending criteria to consider individual circumstances and treat each application on its own merits to help our customers solve problems and realise opportunities.

Together is the trading name of Together Financial Services Limited, which has its registered office address at Lake View, Lakeside, Cheadle, Cheshire SK8 3GW.