

# Together Financial Services Limited

## Q3 2018 Results

Together Financial Services Limited ('Together' or 'the Group'), one of the UK's leading specialist secured lenders, is pleased to announce its results for the quarter ended 31 March 2018.

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

"Together maintained its strong growth momentum in the quarter, with record levels of lending volumes driving the Group's loan book to a new high of £2.78bn.

"Originations were up 38% on the same quarter last year, while we maintained the quality of our lending with weighted average origination LTVs remaining at a highly conservative 58.8% and net impairments at just 0.1% of the loan book. To support this continued growth, we added further depth and diversity to our funding platform with the successful £150m tap of our 2024 bonds and the refinancing of our £255m Lakeside ABS on improved terms in January.

"We also continued to invest in our people, products, distribution channels, systems and governance during the quarter to further enhance our platform to support our growth ambitions, while still delivering strong levels of profit and cash generation. Our continued strong progress was reflected both in a ratings upgrade from Fitch and in our recognition as one of the best places to work in the UK, with our entry in 34<sup>th</sup> place into the Sunday Times Top 100 Companies to Work For.

"The UK's economic outlook remains mixed with signs of increased productivity and wage inflation giving way to more modest growth forecasts and continued uncertainty as Brexit negotiations enter more detailed stages. However, as work force demographics continue to evolve we see increasing demand from customers for our broad range of tailored products and our personalised approach to underwriting and remain confident that Together is well placed to deliver on our ambitious future growth plans."

## Highlights

- **Loan book reaches £2.78bn, driven by record lending volumes at conservative LTVs**
  - Loan book at £2.78bn, up 30.8% from March 31, 2017 (£2.13bn) and up 9.4% compared with December 31, 2017 (£2.55bn)
  - Average monthly loan originations up 37.7% to £140.8m (Q3'17: £102.2m), and up 5.1% compared with £133.9m in Q2'18
  - Group weighted average LTV of new originations remained conservative at 58.8% compared with 58.2% in Q3'17 and 58.7% in Q2'18
  - Net impairment charge at £3.0m for the quarter remains at 0.1% of the closing loan book (Q3'17: £2.6m; Q2'18: £2.6m)
- **Increased interest receivable and high cash generation**
  - Interest receivable and similar income up 16.9% at £72.9m, compared with £62.4m in Q3'17 and up 2.4% on £71.2m in Q2'18, driven by interest earned on increased loan book levels
  - Group remains highly cash generative with cash receipts of £259.4m compared with £231.1m in Q3 2016/17 and £299.5m in Q2 2017/18
- **Group continues to generate strong profits**
  - Underlying EBITDA at £53.5m up 9.6% on Q3'17 (£48.8m) and broadly in line with Q2'18 (£54.3m)
  - Profit before tax remained strong at £28.9m for the quarter compared with £29.7m for Q3'17 and £31.5m for Q2'18. This includes a non-recurring £1.5m increase in bond accruals, £0.7m additional cost relating to the £150m bond tap and continued investment to support the Group's growth ambitions.
- **Further depth and diversity added to funding platform**

- £255m Lakeside ABS facility refinanced on favourable terms and extended and £150m tap of 2024 bonds successfully completed in the quarter
- Fitch ratings upgrade to BB in January
- Momentum maintained with increase in revolving credit facility from £57.5m to £71.9m in April

	Q3'18	Q3'17	Q2'18
Underlying profit before taxation (£m)	28.9	29.7	31.5
Profit before taxation (£m)	28.9	29.7	31.5
Impairment charge (£m)	3.0	2.6	2.6
Loans and advances to customers (£m)	2,784.8	2,129.2	2,545.8
Shareholder funds (£m) <sup>1</sup>	720.0	638.4	694.7

<sup>(1)</sup> Includes shareholder loans and notes of £24.6m (Q3'17: £22.8m, Q2'18: £24.1)

## For further information:

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## About Together

Established in 1974, Together has been bringing common sense to the UK specialist secured lending market for over 40 years.

Our expertise in lending means we can look beyond mainstream lending criteria to take an individual view of customers' needs and treat each application on its own merits.

We offer a wide range of specifically designed products, including short-term finance, auction finance, residential, buy-to-let and commercial mortgages and secured loans through our established distribution network.

In the quarter to 31 March 2018, our 700+ colleagues advanced £140.8m per month growing our loan book to £2.78bn and generated £28.9m underlying profit before tax.