



Together Financial Services Limited

Full Year 2017 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 year ended 30 June 2017 ('2017').

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

"Together delivered another record performance in the year to 30 June 2017, with sustained growth in lending volumes and profitability underpinned by continued investment for future growth and a corresponding increase in the scale, depth and diversity of our funding structure."

"We further enhanced our position as one of the UK's leading specialist secured lenders, growing the loan book by 24.4% to £2.24bn, with originations averaging over £98.8m per month and our weighted average loan-to-value of new originations remaining conservative at 57.1%. We also increased underlying profit before tax by 29.7% to £117.1m while accelerating our programme of significant investment across the business to support our future growth ambitions."

"The Group raised significant additional liquidity to support future growth, issuing £575m of senior secured notes and repaying £300m of existing notes, introducing a new £90m asset-backed facility and increasing and extending our revolving credit facility."

"During the year, the existing majority shareholders acquired the remaining shares from Equistone Partners and Standard Life Investments, clearly demonstrating their belief in the Group's growth strategy and prospects. While the performance of the UK economy has been mixed and Brexit uncertainties remain, with our proven business model, 43-year track record of profitability and significant growth opportunities, we believe that Together has an exciting future."

Highlights

- **Strong growth in underlying EBITDA and profit before tax**
 - Underlying EBITDA up 21.4% to £193.4m (2016: £159.3m)
 - Underlying PBT increased by 29.7% to £117.1m (2016: £90.3m)
 - Statutory PBT increased to £94.1m (2016: £90.3m)

- **Loan book grown to £2.24bn with robust lending volumes, conservative LTVs and low impairments**
 - Loan book £2.24bn at 30 June 2017, up 24.4% (2016: £1.80bn)
 - Average monthly loans £98.8m, up 17.2% (2016: £84.3m)
 - Group weighted average LTV of new originations has remained conservative at 57.1% (2016: 57.1%)
 - Net impairment charge 46.4% lower at £7.4m (2016: £13.8m), representing 0.33% of the loan book value at 30 June 2017 (2016: 0.77% of the loan book value)

- **Increased interest receivable and high cash generation**
 - Interest receivable and similar income increased by 16.9% to £246.5m (2016: £210.8m), driven by interest earned on increased loan book levels
 - Group remains highly cash generative with net cash receipts of £1,001m (2016: £833m)

- **Significant additional liquidity raised to support lending growth**
 - Issue of £575m of senior secured notes to replace £300m of existing notes
 - New £90m Delta asset backed facility (runs to January 2021)
 - Increase and extension of revolving credit facility to £57.5m (2016: £29m) due in 2021
- **Increased equity ownership by existing shareholders**
 - Buy-out of minority 30% equity stake held by Equistone Partners and Standard Life Investments, increasing existing shareholders' ultimate voting interest in Together to 100%
- **Continued significant investment to support growth objectives**
 - New governance structure with separate subsidiary boards to manage our Personal Finance and Commercial Finance businesses including appointment of Pete Ball as CEO of the Personal Finance business and to the Group Board
 - Distribution channels further extended including opening up our first-charge residential mortgage range to broker networks and mortgage clubs across the UK
 - Continued enhancement of core IT platforms and processes, including our systems security, providing greater protection against cyber attacks.

	2017	2016
Underlying profit before taxation (£m) ⁽¹⁾	117.1	90.3
Statutory profit before taxation (£m)	94.1	90.3
Impairment charge (£m)	7.4	13.8
Loans and advances to customers (£m)	2,240.9	1,800.7
Shareholder funds (£m) ⁽²⁾	651.6	575.0
Underlying return on equity (%) ⁽³⁾	15.8	13.6

(1) Underlying PBT excludes one-off refinancing and transaction costs of £23.0m

(2) Includes shareholder loans and notes of £23.2m (2016: £60.0m)

(3) Return on equity is adjusted to include shareholder loans and notes within equity and for one-off refinancing and transaction costs

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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 year to 30 June 2017, our 550+ colleagues advanced £98.8m per month growing our loan book to £2.24bn and generated £117m profit before tax.