

Together Financial Services Limited

Q1 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 30 September 2017.

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

"Together continued to grow strongly in the quarter to 30 September 2017, significantly increasing lending volumes at conservative LTVs and delivering higher profitability and cash flows.

"Originations were 15.8% higher than in Q4'17, averaging £125.4m per month with a conservative weighted average loan-to-value of 57.8% as we grew the loan book to £2.37bn. Underlying profit before tax was £31.0m, up 2.9% on Q4'17 and 12.3% on Q1'17 as the Group generated cash receipts of £319.3m.

"During the quarter, we accelerated our strategic investment programme as we invest in the people, systems, distribution and marketing to build the platform to support our future growth ambitions. We also further diversified our funding structure with the issue of our £275m debut public residential mortgage backed security transaction.

"While detailed Brexit negotiations may increase market volatility and the UK economic outlook remains mixed, this may create further opportunities for specialist lenders. With our successful 43 year track record, established business model and the investment we are making in our platform we believe Together is well placed to benefit from these conditions and to deliver on our ambitious growth plans."

Highlights

• Continued growth in EBITDA and profit before tax

- EBITDA up 2.2% to £52.8m compared with £51.7m in Q4'17 and £46.1m in Q1'17
- Underlying PBT increased by 2.9% to £31.0m compared with £30.2m in Q4'17 and by 12.3% compared with £27.6m in Q1'17

• Strong lending volumes at, conservative LTVs drive loan book growth to £2.37bn

- Loan book of £2.37bn at September 30, 2017, up 5.7% compared with £2.24bn at June 30, 2017 and up 27.7% compared with £1.86bn at September 30, 2016
- Average monthly loan originations of £125.4m, up 15.8% compared with £108.3m in Q4'17 and up 65.4% compared with £75.8m in Q1'17
- Group weighted average LTV of new originations in the quarter has remained conservative at 57.8% compared with 58.7% in Q4'17 and 55.1% in Q1'17
- Net impairment charge for the quarter remains low at £1.6m, compared with £0.4m in Q4'17 and £2.1m in Q1'17

• Increased interest receivable and high cash generation

- Interest receivable and similar income up 3.4% at £68.0m, compared with £65.8m in Q4'17 and £58.3m in Q1'17, driven by interest earned on increased loan book levels

- Group remains highly cash generative with cash receipts of £319.3m compared with £282.7m in Q4'17 and £231.6m in Q1'17

• **Significant additional liquidity raised to support lending growth**

- Successful issuance of debut public residential mortgage-backed securitisation ("RMBS") of £275m on September 26, 2017 via special purpose vehicle Together Asset Backed Securitisation 1 PLC ("TABS")

	September 30	September 30	June 30
	2017	2016	2017
Underlying profit before taxation (£m) ⁽¹⁾	31.0	27.6	30.2
Profit before taxation (£m)	31.0	13.1	30.4
Impairment charge (£m)	1.6	2.1	0.4
Loans and advances to customers (£m)	2,369.4	1,855.3	2,240.9
Shareholder funds (£m) ⁽²⁾	678.7	585.8	651.6

(1) Underlying PBT for the period ended September 30, 2016 excludes £14.5m non-recurring interest charge as a result of refinancing. Period ended June 30, 2017 includes a £0.2m write back of transaction costs.

(2) Includes shareholder loans and notes of £23.7m (£23.2m June 30, 2017 and £60.0m September 30, 2016).

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 30 September 2017, our 600+ colleagues advanced £125.4m per month growing our loan book to £2.37bn and generated £31m profit before tax. In the year to 30 June, Together advanced £1,185m and generated £117m profit before tax.