

Together Financial Services Limited

19 September 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 year ended June 30, 2024.

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

"As we celebrate our 50th anniversary I am pleased to report that Together had another strong year, growing our loan book to a new high of £7.4bn while delivering an attractive net interest margin of 5.4% and a 22.8% increase in underlying profit before tax.

"We successfully raised or refinanced over £3.2bn of funding, including a £450m bond, five public securitisations and our first development finance securitisation. We also maintained 75% five-star customer ratings, achieved CCA Global accreditation for customer experience and were awarded 'UK Employer of the Year' in our category by Investors in People.

"While inflation is now in line with the Bank of England's target and interest rates are expected to fall gradually, economic growth is forecast to remain modest. Against this backdrop, we expect many more customers will be underserved by mainstream lenders and look to specialists, 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: year ended June 30, 2024

- Average monthly lending up 7.1% to £249.6m (2023: £233.1m)
 - Conservative weighted average origination LTVs of 56.8% (2023: 58.3%)
- Group net loan book increased by 14.9% to £7.4bn (2023: £6.4bn)
 - Weighted average indexed LTV remains very low at 55.7% (2023: 55.3%)
 - Impairment coverage of 1.9% reflecting the continuing impact of economic pressures on the market (2023: 1.7%)
- Strong growth in net interest income, profits and cash receipts
 - Net interest income up 22.7% to £369.3m (2023: £301.1m)
 - Net interest margin of 5.4% (2023: 5.2%)
 - Annualised cost of risk of 0.79% (2023: 0.73%) due to some expected increases in arrears
 - Underlying cost-to-income ratio improved to 30.0% (2023: 31.8%) due to continued cost discipline
 - Group remains highly profitable and cash generative
 - Underlying profit before tax up 22.8% to £200.9m (2023: £163.6m)
 - Cash receipts up 22.7% to £2.7bn (2023: £2.2bn) as redemptions remained strong

| Key metrics | 2024 | 2023 |
|---|---------|---------|
| Interest receivable and similar income (£m) | 776.3 | 572.9 |
| Underlying interest cover ratio ¹ | 1.5:1 | 1.6:1 |
| Interest cover ratio | 1.5:1 | 1.6:1 |
| Net interest margin ² (%) | 5.4 | 5.2 |
| Underlying cost-to-income ratio ¹ (%) | 30.0 | 31.8 |
| Cost-to-income ratio (%) | 31.9 | 33.5 |
| Underlying cost-to-asset ratio (%) | 1.5 | 1.5 |
| Cost-to-asset ratio (%) | 1.6 | 1.6 |
| Cost of risk (%) | 0.79 | 0.73 |
| Underlying profit before taxation ¹ (£m) | 200.9 | 163.6 |
| Profit before taxation (£m) | 194.0 | 158.6 |
| Underlying EBITDA ¹ | 614.9 | 441.4 |
| Loans and advances to customers ⁴ (£m) | 7,363.9 | 6,410.2 |
| Net debt gearing (%) | 83.9 | 82.9 |
| Shareholder funds ³ (£m) | 1,159.2 | 1,118.0 |
| Underlying return on equity ¹ (%) | 13.7 | 12.6 |
| Return on equity (%) | 13.2 | 12.3 |

Shaping our business for an exciting future

- Transformation project initiated to deliver improved customer, broker and colleague experience via a modern, agile and scalable back office and lending and servicing platform
 - Platform will deliver automated first journeys freeing colleagues to focus on customers and brokers, expanded distribution channels and enhanced operational efficiency with better returns
 - Project scope and governance established, ring-fenced team created, delivery plan developed and delivery partners secured
- Continued to strengthen and diversify funding, raising or refinancing over £3.2bn of facilities
 - Issued four public RMBS and one CRE MBS
 - Issued £450m 2030 senior secured notes to support refinancing of 2026 notes
 - Upsized HABS facility for small balance commercial real estate lending to £725m
 - Launched first securitisation facility for development finance
- Richard Rowntree announced as new CEO, with effect from early 2025
 - Henry Moser moving to role of Executive Vice Chairman

Supporting our customers and communities

- Launched partnership with green home expert to help customers improve efficiency of their properties
- Achieved target of financing 1,000 affordable properties, supporting more than 5,483 tenants
- Supported range of deserving charities including Centrepont, North West Air Ambulance Charity, Manchester Youth Zone, Hideout Youth Zone and The Joshua Tree

¹ During the current year the Group incurred £6.9m of transformation costs. (2023: excluded £8.4m discretionary bonus along with a £3.4m release of strategic review costs.)

² There are no exceptional items impacting upon net interest income recorded in the current or comparable prior years

³ Includes subordinated shareholder loans of £22.8m (2023: £33.7m)

⁴ Net loan book is the net of gross loans and advances to customers and impairment allowances

Full Year 2023/24 results presentation

Together will be presenting its Full Year 2023/24 results via audio webcast today at **14:00 UK time (BST)**, for the year ended June 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://togethermoney.com/investors>) ahead of the presentation.

The live audio webcast for the Full Year 23/24 results will be available via the following link:

<https://www.investis-live.com/together/668ea0d55437390c00129625/rhde>

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

- Access code: 085717
- From the UK: +44 (0) 20 3936 2999/ 800 358 1035
- [Global Dial-In Numbers](#)

A copy of the 2023/24 Annual Report and Accounts is also available on our website at:

<https://togethermoney.com/investors>.

For further enquires please contact:

Together

Mike Davies, Director of Corporate Affairs

+44 7753 138185

mike.davies@togethermoney.com

Abena Affum, Corporate Affairs Manager

+44 7542 862956

abena.affum@togethermoney.com

Camarco (Financial PR)

Ben Woodford

+44 7990 653341

ben.woodford@camarco.co.uk

Eddie Livingstone-Learmonth

+44 7900 121128

Edward.Livingstone-Learmonth@camarco.co.uk

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.