

## Together Financial Services Limited

20<sup>th</sup> February 2025

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 December 31, 2024.

### Commenting on today's results, Richard Rowntree, Group Chief Executive Officer of Together, said:

"I am pleased to report another strong performance during the quarter, reflecting the unique strengths of Together. Since joining in November, I have been impressed by the commitment and dedication of the team and everything I have seen has confirmed what attracted me to this market leading business.

"During the quarter, we grew the loan book to a new high of £7.7bn, while delivering an attractive net interest margin of 5.4% and increasing net interest income by 12.6%, underlying profit before tax by 14.8% and cash receipts by 29.8% compared with the quarter to December 2023. We also further strengthened and diversified our funding, upsizing our LABS bridging facility to £1bn in November. We maintained this momentum into January, when we successfully separated our CABS 2 facility into two revolving warehouses to support our first and second charge RMBS programmes and, earlier this month, we successfully issued our first RMBS of 2025.

"Looking forward, the UK economy is expected to perform better in 2025, driven by higher consumer and government spending and a continued reduction in interest rates, although the pace at which rates fall may be limited by persistent inflation. With long-term structural trends including changing employment patterns, a rise in multiple incomes and a continued lack of funding for SMEs supporting an increase in customers looking to specialist lenders for solutions, we will continue to be there to help people realise their ambitions as we have for the last 50 years."

### Financial highlights: quarter ended December 31, 2024

- Continued loan book growth at low LTVs
  - Average monthly lending of £283.2m, up 21.6% on Q2'24 (£233.0m) and 5.1% on Q1'25 (£269.3m)
    - Conservative weighted average origination LTVs of 59.8% (Q2'24: 57.4%); Q1'25: 60.0%)
  - Group net loan book increased to £7.7bn, up 13.2% on Q2'24 (£6.8bn) and up 1.8% on Q1'25 (£7.6bn)
    - Weighted average indexed LTV remains very low at 55.2% (Q2'24: 55.7%; Q1'25: 55.6%)
    - While we continue to see some increase in arrears, this is limited to certain segments of the loan book and is slowing compared to prior periods, while, more broadly, arrears are flattening across the majority of our products
- Another robust financial performance
  - Interest receivable and similar income of £220.2m, up 16.1% on Q2'24 (£189.6m) and up 2.7% on Q1'25 (£214.5m)
  - Net interest margin increased on prior quarter at 5.4% (Q2'24: 5.5%; Q1'25: 5.2%)
  - Annualised cost of risk of 0.83% (Q2'24: 0.73%; Q1'25: 0.79%)
  - Group remains highly profitable and cash generative
    - Underlying profit before tax of £55.7m, up 14.8% on Q2'24 (£48.5m) and up 3.7% on Q1'25 (£53.7m) primarily due to the increase in net interest income during the period
    - Underlying cost to income ratio remaining low at 32.2% (Q2'24: 30.9%; Q1'25: 30.3%)
    - Cash receipts of £913.4m (Q2'24: £703.6m; Q1'25: £787.6m) following a strong quarter for redemptions

Key metrics	3 months ended or as at		3 months
	2024	December 31	ended or as at September 30
Interest receivable and similar income (£m)	220.2	189.6	214.5
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	1.4:1
Underlying net interest margin <sup>2</sup> (%)	5.4	5.5	5.2
Net interest margin (%)	5.4	5.5	5.2
Underlying cost-to-income ratio <sup>1</sup> (%)	32.2	30.9	30.3
Cost-to-income ratio (%)	39.2	31.8	33.7
Underlying cost-to-asset ratio <sup>1</sup> (%)	1.7	1.5	1.5
Cost-to-asset ratio (%)	2.0	1.6	1.7
Cost of risk (%)	0.83	0.73	0.79
Underlying profit before taxation <sup>1</sup> (£m)	55.7	48.5	53.7
Profit before taxation (£m)	48.3	47.7	50.3
Underlying EBITDA <sup>1</sup>	174.8	147.9	172.9
EBITDA	167.4	147.1	169.5
Loans and advances to customers <sup>4</sup> (£m)	7,717.1	6,794.9	7,581.4
Net debt gearing (%)	84.0	83.1	83.7
Shareholder funds <sup>3</sup> (£m)	1,203.2	1,099.3	1,177.0
Underlying return on equity <sup>1</sup> (%)	14.2	13.4	14.1
Return on equity (%)	12.4	13.3	13.3

## Operational highlights

- Further enhanced executive management team
  - Richard Rowntree commenced role as Group CEO and Executive Director (Nov '24)
  - Chris Adams promoted to CFO and Executive Director (Oct '24)
  - John Barker promoted to CEO of Personal Finance division (Oct '24)
- Successfully upsized LABS securitisation facility to £1bn to further support bridging lending (Nov '24)
  - Funding momentum maintained into 2025
    - Separated and upsized £1.25bn CABS2 warehouse facility into £1.2bn KABS and £387m WABS revolving warehouses facilities, to support 1<sup>st</sup> and 2<sup>nd</sup> charge RMBS issuances respectively (Jan '25)
    - Issued £276.8m 2<sup>nd</sup> charge RMBS, TABS 13 (Feb '25)
- Achieved key business and industry awards
  - Included in Financial Times 'Europe's Long-term Growth Champions' ranking (Oct '24)
  - Investors in People Award 2024 for 'Best Newcomer', over 250 employees (Nov '24)
  - Short-listed for 'RMBS Issuer of the Year' and 'Specialist RMBS Issuer of the Year' by Global Capital European Securitisation awards (Dec '24)

<sup>1</sup> During the current quarter, the Group incurred £7.4m of transformation costs. (Q2 '24 Exceptional items consisted of £0.8m of transformation costs which were not previously treated as exceptional items but have been subsequently reclassified. (Q1 '25 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 £23.9m (Q2'24: £34.8m, Q1'25: £23.3m)

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

## Q2 2024/25 Results Presentation

Together will be presenting its Q2 2024/25 results via audio webcast at **14:00 GMT (09:00 EST) today**, for the quarter ended December 31, 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 Q2 24/25 results will be available via the following

link: <https://www.investis-live.com/together/678e4386a4d247000ef0fc97/eefefx>

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

- Access code: 214390
- From the UK: +44 20 3936 2999 / +44 800 358 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 over 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.