



Common sense  
lending for over  
four decades.

## Q1 '21 Results

Investor Presentation

16<sup>th</sup> November 2020



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## Management team participants

### Gary Beckett, Group Managing Director and Chief Treasury Officer



Gary is one of the longest serving colleagues at Together, joining in 1994. He has overseen much of the organic growth of the Group, undertaking a number of roles within the Finance, Operations and Risk functions. Group CFO between 2001 and Feb. 2018, Gary contributed to the strategic development of the Group, with specific responsibility for financial reporting, taxation and treasury. In Mar. 2018 he became Group Managing Director and Chief Treasury Officer, continuing to oversee Treasury and IR and also supporting the Group CEO in developing and implementing the Group's strategy. Gary created the group structure in 1996, led the original private equity buy in during 2006 and buy out in 2016, and arranged the Group's inaugural RCF Syndication, Securitisation Programme, RMBS, Senior Note and PIK Toggle Note issuance. Gary is a qualified Chartered Accountant

### Mike Davies, Director of Corporate Affairs



Mike joined Together in 2017 to lead the Group's Corporate / External Affairs team. He is responsible for Together's reputation and IR programmes and has played a key role in several Senior Secured Notes and RMBS issuances. He was previously Managing Partner of Financial Services at international communications consultancy, Instinctif Partners. Earlier in his career, Mike was a Senior Director at multinational PR firm, Bell Pottinger, led investor relations at FTSE 100 companies 3i Group, The Rank Group and Invensys and was an investment banker at HSBC. Mike is a qualified Chartered Accountant

### Paul Brackley, Corporate Finance Manager



Paul joined Together in 2015 within Financial Planning & Analysis, including budgeting and forecasting, product profitability, channel profitability and projects. Paul then assumed his current role as Corporate Finance Manager, being involved in the most recent Senior Secured Note issuance in February 2020. Previously worked as a Commercial Accountant at Clyde & Co and a Business Intelligence Analyst at Findel Education. Paul is a Certified Management Accountant.

# Agenda

- 1 Key highlights
- 2 Loan book performance
- 3 Funding update
- 4 Financial review
- 5 Covid-19 update
- 6 Shaping our Business for the Future
- 7 Summary and Outlook
- 8 Q&A
- 8 Appendix



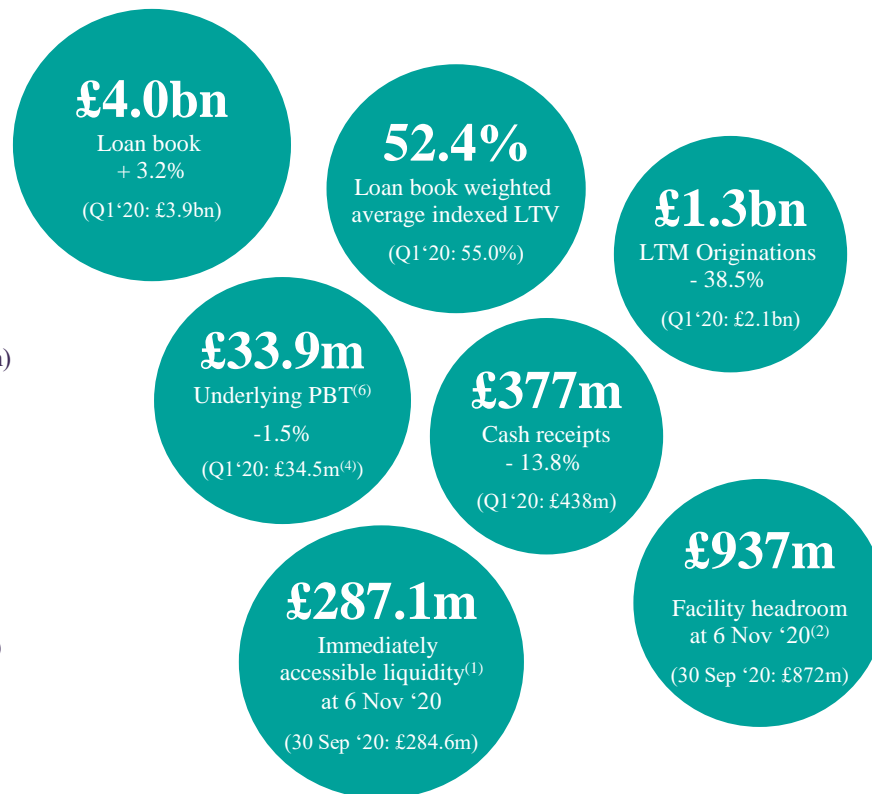
# Key highlights

## Solid Q1'21 performance

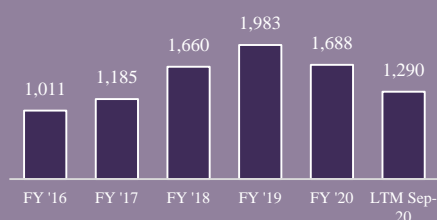
- £4.0bn loan book with very conservative 52.4% LTV
- Prudent increase in originations
  - Average monthly lending of £43.6m up 118.3% from £20m in Q4'20 (Q1'20: £176.2m)
  - Increased to £64.0m in October 2020
- Robust profitability and cash generation
  - Underlying PBT<sup>(4)(6)</sup> £33.9m consistent with £34.5m in Q4'20 (Q1'20: £34.5m)
  - Impairment charge of £13.4m down from £16.4m in Q4'20 (Q1'20: £5.5m)
  - Consolidated group cash receipts £377m, increased from £300m in Q4'20 (Q1'20: £438m)
- PIK Toggle notes cash serviced in October 2020

## Supporting customers and shaping the business for the future

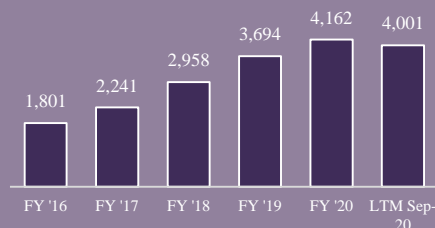
- c.3% of customer, by value, in a payment deferral at 5 Nov (cumulative: 23%; peak: 16%)
- Increased facility headroom and accessible liquidity
  - Issued 4<sup>th</sup> public RMBS for £366m and extended RCF facilities to 2023
  - Facility headroom<sup>(2)</sup> £937m at 6 Nov (30 Sep: £872m; 30 Jun: £406m)
  - Immediately accessible liquidity<sup>(1)</sup> £287.1m at 6 Nov (30 Sep £284.6m; 30 Jun: £144.7m)
- Completed cost review and employee consultation reducing annual costs run rate by c.£9m
  - Underlying cost / income ratio<sup>(4)(6)(7)</sup> 28.1% (Q1'20: 35.8%)
- Further progressed transformation and modernisation projects



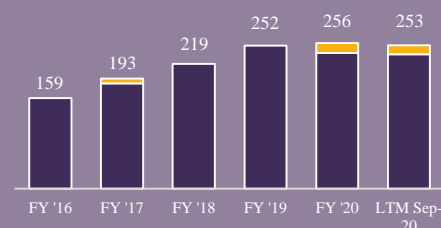
## Originations £m



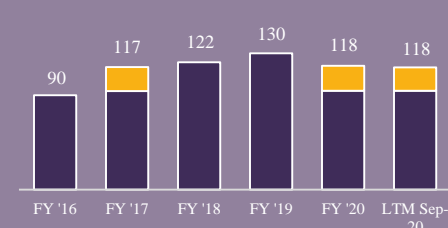
## Loan book £m



## Underlying EBITDA <sup>(3)(4)(6)</sup> £m



## Underlying PBT <sup>(3)(4)(5)(6)</sup> £m



Underlying adjustment made to EBITDA and PBT

Note: All figures from 1 July 2018 are presented on an IFRS 9 basis. Prior to this figures are presented on an IAS 39 basis

(1) Includes Borrower Group unrestricted cash of £115.3m, undrawn commitments under the RCF of £71.9m and cash available from securitisations through sale of existing eligible assets of £99.9m and takes into account the gearing constraints under our SSN indentures and RCF

(2) Represents undrawn amounts on existing facilities incl. private securitisations and RCF through sale of existing and origination of new eligible assets

(3) FY '17 EBITDA and PBT adjusted for £8.2m and £23.0m, respectively, of exceptional costs in respect of acquisition of minority interest (£8.2m) and refinancing of Senior Secured Notes (£14.8m)

(4) Underlying EBITDA and PBT adjusted to exclude exceptional customer provisions (Q1'20: £3.0m; Q4'20: £2.9m; FY'20: £17.2m; LTM Sep-20: £14.2m)

(5) Underlying PBT adjusted to exclude £6.7m of exceptional costs in respect of refinancing of 2021 Senior Secured Notes in FY'20.

(6) Underlying EBITDA and PBT adjusted to exclude £1.5m of exceptional redundancy costs posted in Q1'21.

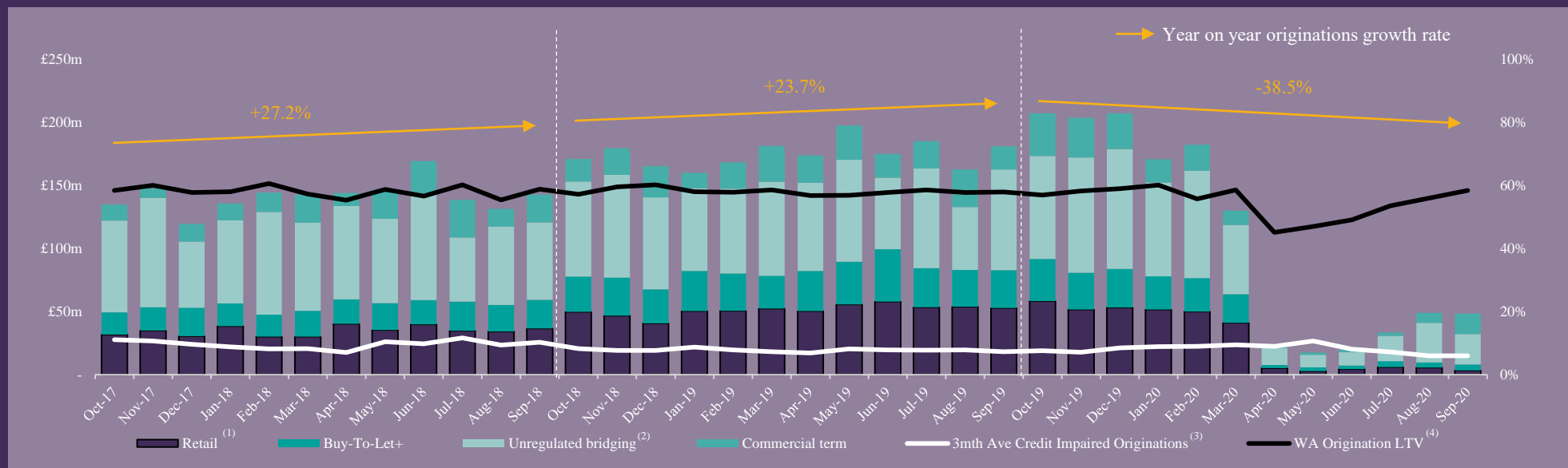
(7) Rolling 12 months operating expenses excluding impairment, financing costs, and tax / rolling 12 months net operating income

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# Prudently increasing lending volumes with conservative LTVs

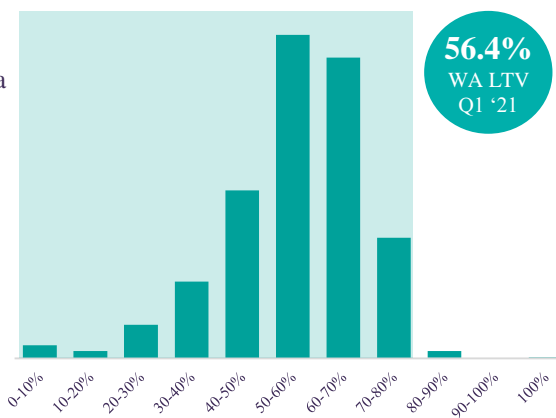


## Cautiously increasing lending volumes

- Originations of £131m up 118.2% on Q4'20 of £60m (Q1'20 £529m)
- Increased to £64.0m Oct '20
- Q1 '21 new business nominal rate increased to 8.2% reflecting a focus on our higher yielding products first in our phased return to market, with nominal rates also slightly up on a like for like product basis
  - Q1'20: 7.8%; Q4'20: 7.6%
- Robust credit quality maintained
  - Weighted average origination LTVs remain very conservative at 56.4% (Q1'20: 58.1%)
  - Credit impaired originations<sup>(3)</sup> remain low, with recent vintage arrears showing no deterioration in quality

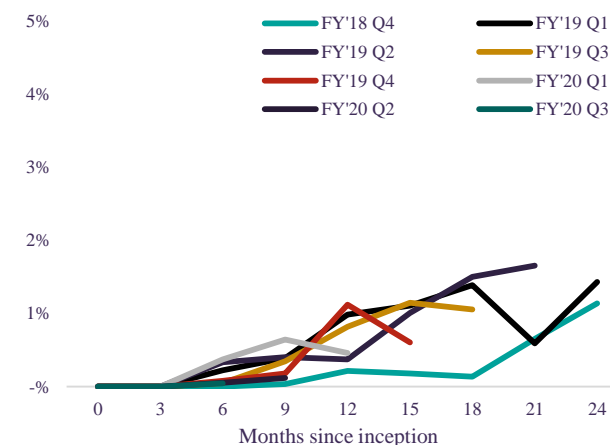
## Origination LTVs<sup>(4)</sup> remain low

99.2% of Q1'21 originations < 80% LTV



## Robust recent vintage performance<sup>(5)</sup>

(>3m arrears by quarterly vintage)



(1) Includes CBTL and Regulated Bridge accounting for £0.6m and £0.3m of Q1'21 originations compared to £10.2m and £48.5m, respectively, in Q1'20

(2) Includes development loans

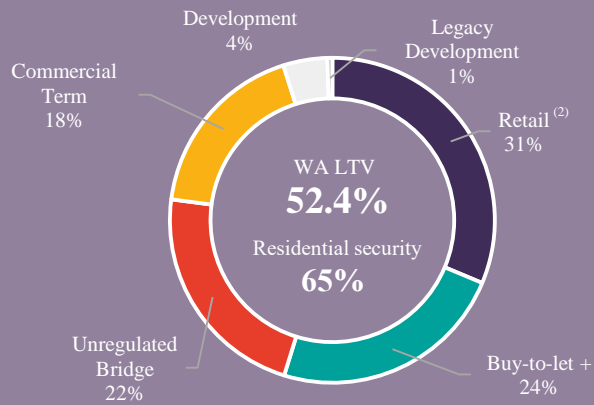
(3) 3-month rolling average of credit impaired customers as % of total new business written, using FCA definition of 'credit impaired'

(4) This analysis is prepared on a loan-by-loan basis, and as such does not take into account any cross-charges which provide additional security

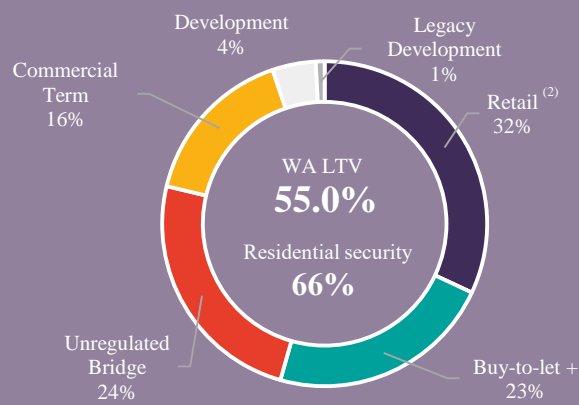
(5) Origination balance of loans > 3months arrears divided by the total originated in the quarter

# High quality diversified portfolio focused on affordability and low LTVs<sup>(1)</sup>

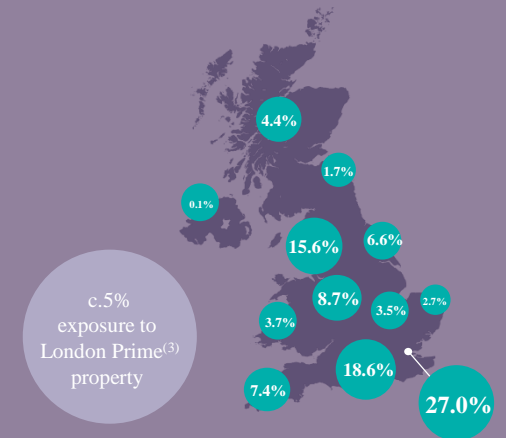
Loan book at Sep'20: £4.0bn



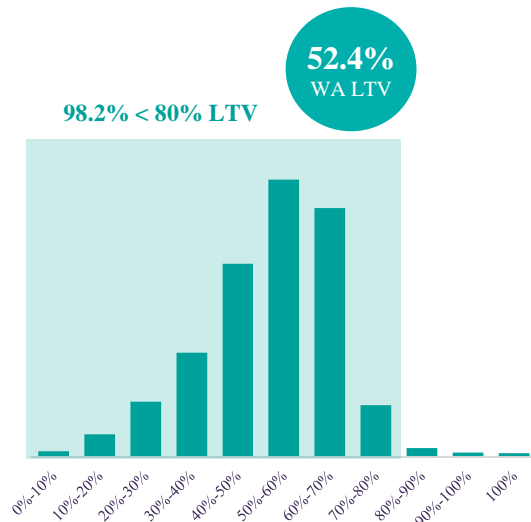
Loan book at Sep'19: £3.9bn



Loan book diversified across geography



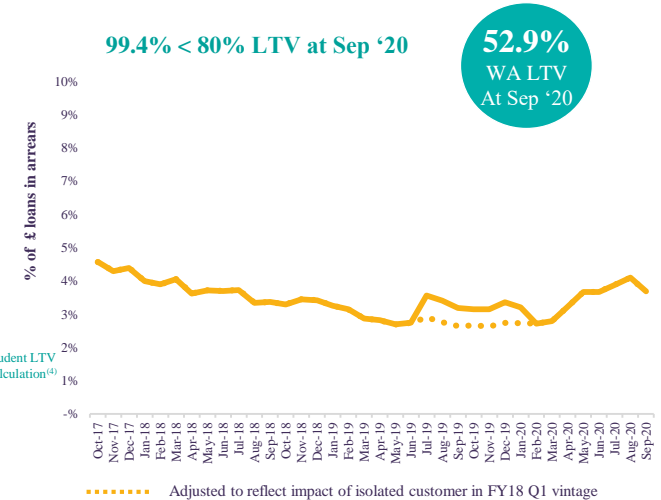
Loan book by indexed LTV at Sep '20



Diversified and conservative loan book profile

Total Loan Book	Avg. Loan Size (£k)	WA Indexed LTV	% Loans > 80% WAILTV
Retail	61.1	48.0%	0.2%
Buy-to-let +	108.2	55.9%	1.2%
Unregulated Bridge	324.4	54.8%	3.9%
Commercial Term	200.4	50.4%	0.2%
Development	867.5	59.9%	11.5% <sup>(4)</sup>
<b>Total</b>	<b>112.6</b>	<b>52.4%</b>	<b>1.8%</b>

> 3 Month Arrears <sup>(5)</sup>



(1) Loan book analysis for core operating subsidiaries is presented after loss allowances

(2) Incl. CBTL and Regulated Bridge, accounting for £75.7m and £95.7m as at Sep'20 compared to £75.0m and £168.0m at Sep'19

(3) As defined by the Courtis London Prime Index – residential property only

(4) LTV of development loans based on origination advance plus further advances divided by valuation at origination plus further advances

(5) Loans in arrears > 3 months (incl. performing or non performing arrears) as % of total loan book excl. development loans, repossession, loans past term and non-serviced loans





# Low LTVs provide significant downside protection<sup>(1)</sup>

## LTVs remain conservative at 52.4%

- Weighted average indexed LTV of loan portfolio of 52.4%
  - 54.8% for the Borrower Group
- Percentage of loans with indexed LTV of > 80% is 1.8%
  - 5.9% for the Borrower Group

## Loans in negative equity

- Group had negative equity exposure of £24.9m (attached to 1.1% of total loans, by value)
- Compared to £128.0m of IFRS9 impairment allowances for the total loan portfolio

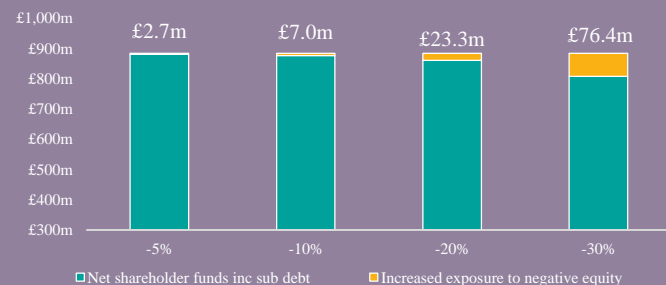
## Downside scenario analysis

- Additional Group exposure to negative equity from falls in property values is 10% = £7.0m; 20% = £23.3m and 30% = £76.4m
  - Additional Borrower Group exposure to negative equity from falls in property values is 10% = £6.9m; 20% = £22.5m and 30% = £57.6m
- Peak principal loss ratio only 0.8% during financial crisis
  - Reduced to 0.1% in recent years
  - Since we tightened underwriting policies in 2010, loss ratios consistently below 0.02%

### Conservative loan book LTVs



### Estimated impact of declining security valuations



### Principal loss ratios<sup>(2)</sup>



(1) FY'19, FY'20 and FY'21 figures and KPIs are presented on an IFRS 9 basis. Prior year figures and KPIs are presented on an IAS 39 basis

(2) Principal losses = total principal advances + 3rd party costs (i.e. foreclosure costs) less total receipts

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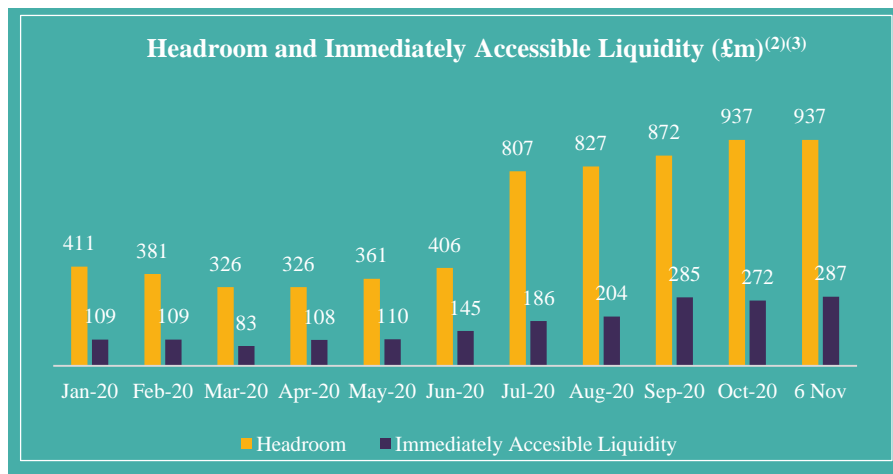
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# Funding update

## Increased funding diversity, headroom and liquidity

- Completed fourth RMBS, £366m TABS 4; refinanced £72m RCF to 2023
  - Recent transactions demonstrate strong investor and bank support
- Facility headroom<sup>(2)</sup> increased to £937m at 6 Nov
  - 30 Sep: £872m; 30 Jun: £406m; 31 Mar: £326m
- Average facility maturity of 3.1 years
  - Earliest maturity: HABS Jun '22 representing 12%<sup>(1)</sup> of liabilities
- Accessible liquidity<sup>(3)</sup> £287.1m at 6 Nov based on existing assets
  - 30-Sep: £284.6m; 30 Jun: £144.7m; 31 Mar: £82.5m
  - Further liquidity available on origination of new eligible assets
  - Cash servicing of Midco1 PIK toggle note resumed & paid in October '20
- Remain conservatively geared – Group: 77.2%; SBG 56.3%
- Significant shareholder funding – Group: £858.3m; SBG £450.6m

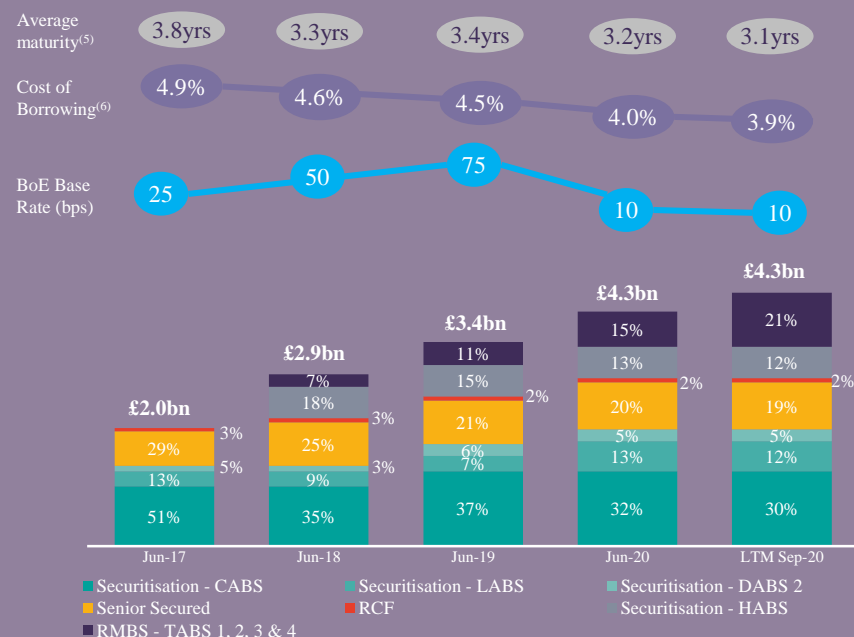


(1) Based on total facility size

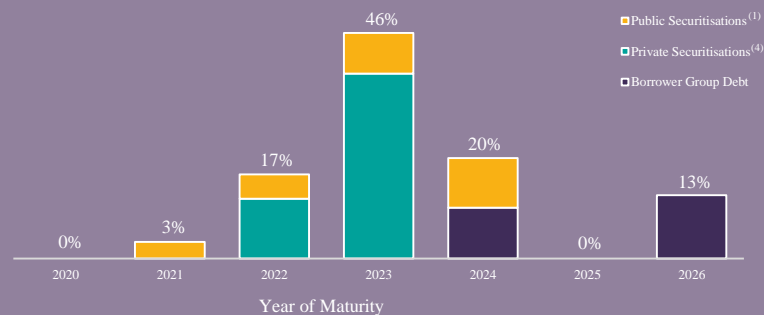
(2) Represents undrawn amounts on existing facilities incl. private securitisations and RCF through sale of existing and origination of new eligible assets

(3) Includes Borrower Group unrestricted cash of £115.3m, undrawn commitments under the RCF of £71.9m and cash available from securitisations through sale of existing eligible assets of £99.9m and takes into account the gearing constraints under our SSN indentures and RCF

## Diversified funding base as at 30 September 2020<sup>(1)</sup>



## Debt maturity profile<sup>(4)</sup>



(4) Based on drawn balances

(5) Cost of Borrowing is calculated as total interest payable on an LTM basis (excluding interest on subordinated debt) divided by opening and closing gross debt. Total interest payable includes core interest, non-utilisation fees and fee amortisation. FY17 adjusted for exceptional interest payable of £14.8m and FY20 adjusted for exceptional interest payable of £6.7m.

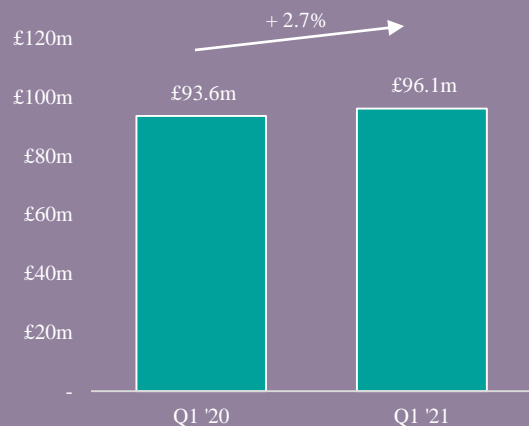
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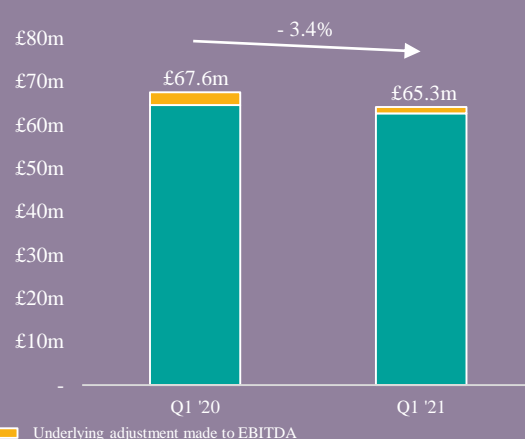


# Income, EBITDA and PBT

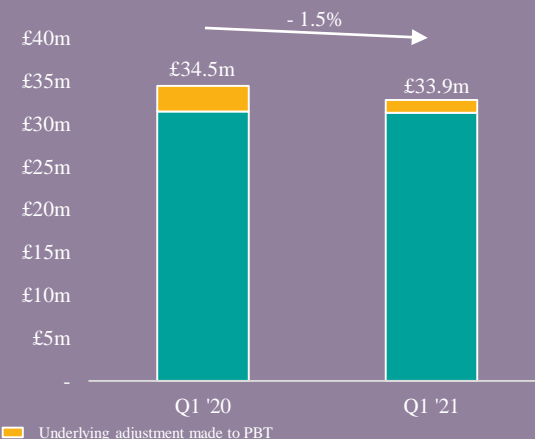
## Income<sup>(1)</sup>



## Underlying EBITDA<sup>(2)</sup>



## Underlying PBT<sup>(3)</sup>



## Income & expenditure

	Q1 '20	Q4 '20	Q1 '21
Income <sup>(1)</sup> £m	93.6	99.4	96.1
Interest Payable £m	31.8	30.1	30.1
Underlying NIM <sup>(5)</sup>	6.8%	6.6%	6.7%
Impairment Charge £m	5.5	16.4	13.4
Cost of Risk <sup>(6)</sup>	0.5%	1.7%	1.9%
Underlying Cost / Income Ratio <sup>(2)(3)(4)(7)</sup>	35.8%	29.0%	28.1%
Underlying EBITDA <sup>(2)(3)(4)</sup> £m	67.6	67.7	65.4
Underlying PBT <sup>(2)(3)(4)</sup> £m	34.5	34.4	33.9
EBITDA £m	64.6	64.8	63.9
PBT £m	31.5	31.5	32.4
Underlying Return on Equity <sup>(2)(3)(4)(8)</sup>	15.1%	12.8%	12.5%

- Income increased by 2.7% to £96.1m (Q1'20: £93.6m) following loan book growth supported by yield stabilisation
- Underlying NIM levelling off at 6.7%, 0.1% lower YoY (Q1'20: 6.8%)
- Impairment charge slightly lower than prior quarter, with the charge primarily driven by prudent overlays and changes to the macroeconomic outlook and other forward looking assumptions which contributed £10.6m to the quarterly charge
- LTM cost of risk has increased primarily as a result of Covid-19
- Underlying cost / income ratio reduced to 28.1% (Q1 '20: 35.8%)
- Underlying PBT £33.9m in Q1 '21 despite additional impairment charge of £13.4m. PBT in Q1 '21 of £32.4m including £1.5m exceptional redundancy costs

(1) Includes fees & commission receivables

(2) Q1 '20 EBITDA, PBT and related metrics adjusted for £3.0m of exceptional customer provisions recognised in the quarter

(3) Q4 '20 EBITDA, PBT and related metrics adjusted for £2.9m of exceptional customer provisions recognised in the quarter

(4) Q1 '21 EBITDA, PBT and related metrics adjusted for £1.5m of exceptional redundancy costs in the quarter

(5) Calculated as rolling 12 month net interest income / average opening and closing loan assets

(6) Based on rolling 12 months impairment charge / average of net loan book

(7) Rolling 12 months operating expenses excluding impairment, financing costs, and tax / rolling 12 months net operating income

(8) Calculated as rolling last 12 months adjusted PAT for subordinated debt interest and exceptional items<sup>(4)(5)</sup> net of effective tax / average of opening and closing shareholder funds (including subordinated debt interest and exceptional items<sup>(4)(5)</sup> net of effective tax)



# Strong balance sheet and credit metrics

## Strong credit metrics

- £4.0bn diversified secured loan book with conservative LTVs
- Robust credit criteria with in house origination and servicing
- Prudent capitalisation and very conservative gearing relative to peers
  - SBG gearing improved further with TABS 4 (RMBS) issuance and cash build up
- Strong underlying asset cover of 40.4% at Group and 30.8% at Borrower Group
- Improving credit metrics

Balance sheet / asset quality

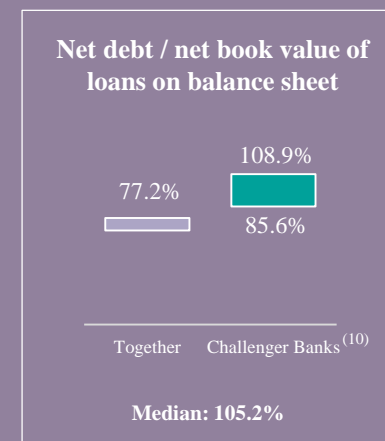
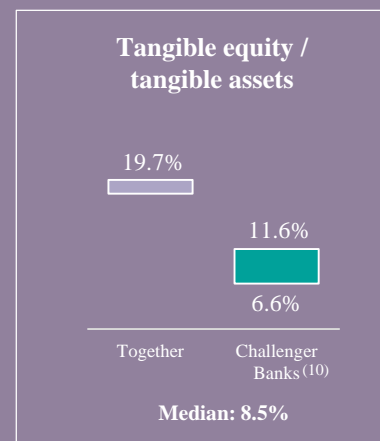
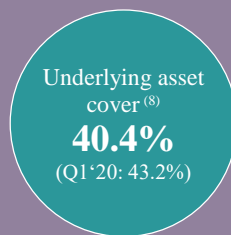
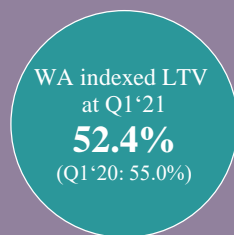
	Consolidated Group		
	Q1'20	Q4'20	Q1'21
Net loan book (£m)	3,878.4	4,162.2	<b>4,000.8</b>
Shareholder funds (£m) <sup>(1)</sup>	814.9	856.4	<b>858.3</b>
Weighted average indexed LTV of portfolio	55.0%	54.9%	<b>52.4%</b>

Senior Borrower Group		
Q1'20	Q4'20	Q1'21
1,189.2	1,102.0	<b>1,132.3</b>
411.6	407.7	<b>450.6</b>
58.0%	57.4%	<b>54.8%</b>

Key credit metrics

Underlying EBITDA (£m) <sup>(2)(3)(4)</sup>	67.6	67.7	<b>65.4</b>
Gearing <sup>(1)(6)(7)</sup>	78.6%	78.6%	<b>77.2%</b>
Underlying asset cover <sup>(1)(6)(8)</sup>	43.2%	43.1%	<b>40.4%</b>
Net debt : Underlying EBITDA <sup>(1)(2)(3)(4)</sup>	11.9x	12.8x	<b>12.9x</b>
Gross debt : shareholder funds <sup>(1)</sup>	3.9x	4.1x	<b>3.9x</b>
Underlying interest cover <sup>(2)(3)(4)(9)</sup>	2.1x	2.0x	<b>1.9x</b>
Tangible equity <sup>(1)</sup> / tangible assets	20.2%	19.1%	<b>19.7%</b>

46.9	50.3	<b>48.9</b>
64.5%	61.9%	<b>56.3%</b>
37.4%	35.5%	<b>30.8%</b>
4.0x	3.7x	<b>3.8x</b>
1.9x	2.0x	<b>1.7x</b>
4.1x	3.6x	<b>3.8x</b>
n/a	n/a	n/a



(1) Subordinated shareholder loans and notes treated as equity  
 (2) Q1 '20 EBITDA and related metrics adjusted for £3.0m exceptional customer provisions  
 (3) Q4 '20 EBITDA and related metrics adjusted for £2.9m exceptional customer provisions  
 (4) Q1 '21 EBITDA and related metrics adjusted for £1.5m exceptional redundancy costs  
 (5) Q4 '20 and Q1 '21 interest cover adjusted for the £6.7m of exceptional costs in respect of refinancing of Senior Secured Notes

(6) Ratio of net borrowings to the value of net loans and advances to customers of consolidated Group and Senior Borrower Group ('SBG')  
 (7) Excludes lease liability classified as borrowings on adoption of IFRS16  
 (8) Ratio of net borrowings to the value of underlying security valuation of consolidated Group and SBG, respectively  
 (9) Underlying LTM basis. SBG represents SBG EBITDA divided by cash interest payable on senior secured notes and RCF  
 (10) Challenger Banks: Charter Court Financial Services, Close Brothers, One Savings Bank, Paragon, Secure Trust and Shawbrook. Data based upon latest available public figures as at 8<sup>th</sup> July, 2020

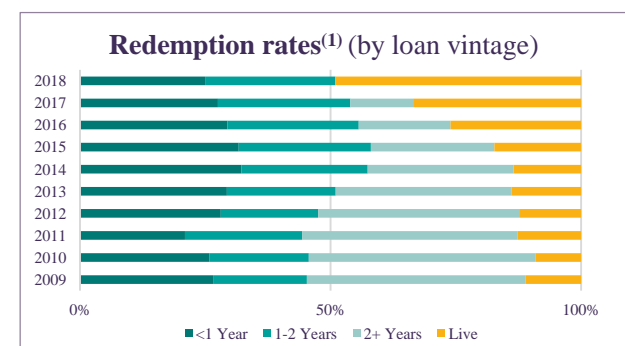


# Cash generation and cash flow

## Strong cash flows underpinned by secured property lending

- Consolidated group cash receipts of £377m, lower than prior year quarter of £438m, but up from £300m in Q4'20
  - Represents 37% of average loan assets on an annualised basis (Q1'20: 46%) reflecting more seasonal reduction in Aug-20 (£97.8m) than Aug-19 (£167.5m) with July and September in line with the prior year quarter
- Cash available for debt service, debt repayment or new advances of £355m (Q1'20: £404m), cash available for debt repayment or new advances (after interest serviced) of £318m (Q1'20 £363m)
- Interest cover of 1.9x on a consolidated basis and 3.8x at the Borrower Group level. Much higher on cash basis.

	Consolidated group	
	Q1'20	Q1'21
Interest and Fees	£82m	£75m
Principal	£355m	£303m
<b>Cash receipts</b>	<b>£438m</b>	<b>£377m</b>
Cash receipts as % of avg. net loan book	46%	37%
Cash available for debt service, debt repayment or new advances	£363m	£318m
Steady state cash flow	£19m	£33m



(1) Based on calendar year

(2) Expenses principally represents staff costs and overheads as well as new business costs

(3) Reoccurring loan advances are loan advances required to maintain the size of the gross loan book at the beginning of period.

Calculated as loans originated in the last twelve months less growth in loans & advances over the last twelve months

(4) Debt issuance costs adjusted proportionately to reflect costs associated with reoccurring loan advances only.

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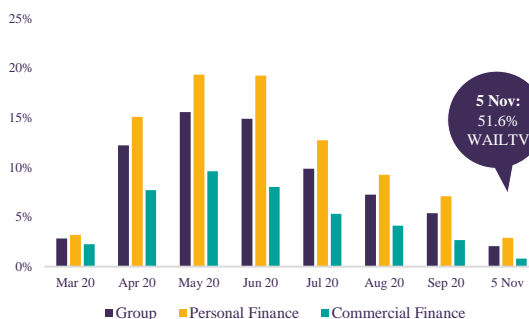


# Covid-19 update

## Supporting our customers

- Payment deferrals ('MPDs') / forbearance for 7,492 customers
- MPDs at 5 Nov
  - 2% by number (30 Jun: 15%)
  - 3% by value (Borrower Group 2%);
    - WA LTV of MPDs 51.6%; no loans with LTV > 80%
    - around half of live payment deferral accounts have extended deferrals > 3 months
    - 80.0% of accounts exiting MPDs resumed payments<sup>(1)</sup>, 15.2% making part payments<sup>(2)</sup> and 4.8% no payments
- Modest increase in 3mth arrears<sup>(3)</sup> between 30 Jun (3.7%) and 31 Oct (3.8%) (30 Sep: 3.7%)
- Currently assessing impact of recent extension of payment deferrals window to 31 Jan

% of loans remain in a mortgage-payment deferral (by number)<sup>(4)</sup>

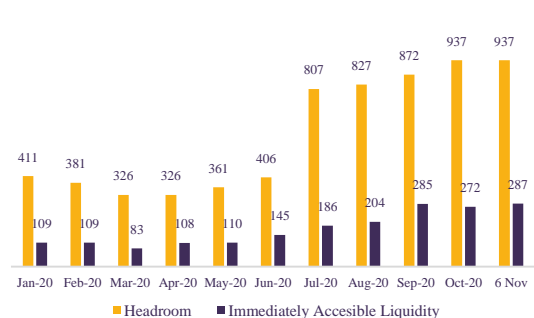


(1) Current arrears position hasn't grown by more than 5% of the current monthly instalment since entering the MPD period  
 (2) Current arrears position has grown by more than 5% of the current monthly instalment since entering the MPD period  
 (3) Loans in arrears > 3 months (incl. performing or non performing) as % of total loan book excl. development loans, repossession, loans past term and non-serviced loans  
 (4) Customer not reached first payment after MPD  
 (5) £370m TABS4 RMBS - effective advance rate 92%; principal aggregate balance £366m

## Ensuring our business remains strong and resilient

- Further enhanced capital and liquidity buffers
  - Continued active management of cash and costs
  - Negotiated securitisation facility waiver extensions
  - Issued fourth RMBS, £366m TABS 4<sup>(5)</sup> (Jul-20)
  - Refinanced RCF<sup>(6)</sup> (Sep-20) to 2023
- Strong position to capitalise on expected future opportunities
  - Total accessible liquidity<sup>(7)</sup> £287m at 6 Nov
  - Facility headroom<sup>(8)</sup>: £937m at 6 Nov

Headroom and Immediately Accessible Liquidity (£m)<sup>(7)(8)</sup>

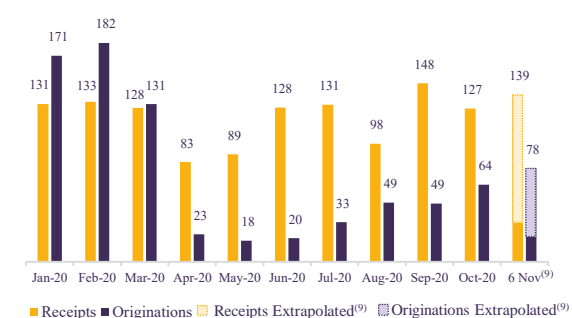


(6) Revolving Credit Facility ('RCF') extended from Jun-21 to Jun-23  
 (7) Includes Borrower Group unrestricted cash of £115.3m, undrawn commitments under the RCF of £71.9m and cash available from securitisations through sale of existing eligible assets of £99.9m and takes into account the gearing constraints under our SSN indentures and RCF  
 (8) Represents undrawn amounts on existing facilities incl. private securitisations and RCF through sale of existing and origination of new eligible assets  
 (9) 6 Nov receipts and originations extrapolated out to a full month, based upon working days

## Protecting our colleagues and shaping our business for the future

- All colleagues enabled to support customers from home
  - Phased return to office from mid-July in line with Covid-19 safe capacity for c. 65% of colleagues
    - Reassessed return to office reflecting second national lockdown from 5 Nov
- Continued to shape business for the future
  - Accelerated transformation and automation projects
  - Completed colleague consultation with 191 roles removed and a number of new roles created
    - Estimated savings of c.£9m p.a.
  - Prudently increasing new lending with tighter Covid-19 criteria and customer assessments
    - Q1 '21 average monthly lending £43.6m (Q4'20: £20.0m)
    - Oct '21: £64.0m; up to 6 Nov '21: £18.5m

Monthly Receipts and Originations (£m)



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# Shaping our Business for the Future

## Strategic priorities

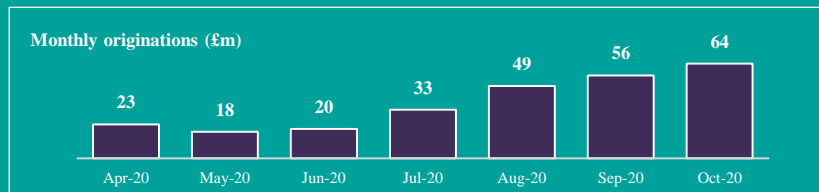
- Looking after our existing customers
- Transforming and automating to improve customer journey, enhance efficiency and deliver a modern lending platform
- Cautious expansion of lending activity based on revised assessment of credit risk and customer circumstances

## Market update

- Mortgage product availability has reduced from > 20,000 products to < 10,000 products since March
- Residential and BTL markets currently buoyed by pent up demand and the stamp duty holiday
- Second charge market has been challenging but early signs of recovery
- Lenders have generally tightened criteria, reducing loan size and LTV
  - Few lenders have specifically restricted employment sectors such as hospitality, travel or leisure
  - However, tighter criteria may exclude
- Bridging continues to attract strong demand as property investors seek opportunities in a dislocated market
- Expect increase in demand for specialist lending in response to consequences of Covid-19

## Cautiously expanding lending volumes

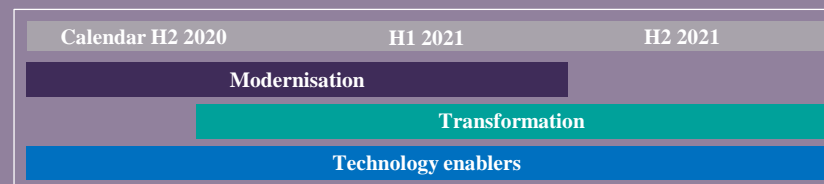
- Prudent return to new lending since June
  - Simplified products, increased average rates, reduced LTVs and loans sizes
  - Tighter Covid-19 criteria and customer assessments



- Best Specialist Lender, Mortgage Strategy Awards 2020
- Channel 4 'The Great House Giveaway' sponsorship
  - 24 episodes: over 750k average viewers<sup>(1)</sup>
  - 124 articles; 2.1m SEO impressions; 10.8k website visits



## Modernisation & Transformation



- eFiles extended across business, saving significant colleague hours
- Rolling-out paperless DDs, electronic disbursements and automatic income validation
- Launched Together app to Commercial Finance direct customers to transform the way they process their applications

(1) Over 750,000 average viewers per episode on Channel 4, peaking at 826,000 viewers for one episode

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# Summary and Outlook

**£4.0bn**

Loan book  
+ 3.2%  
(Q1 '20: £3.9bn)

**52.4%**

Loan book weighted  
average indexed LTV  
(Q1 '20: 54.3%)

**£1.3bn**

LTM Originations  
- 38.5%  
(Q1 '20: £2.1bn)

**£33.9m**

Underlying PBT<sup>(3)</sup>  
- 4.8%  
(Q1 '20: £34.5m<sup>(9)</sup>)

**£377m**

Cash receipts  
- 13.8%  
(Q1 '20: £438m)

**£287.1m**

Immediately  
accessible liquidity<sup>(1)</sup>  
at 6 Nov '20  
(30 Sep '20: £284.6m)

**£937m**

Facility headroom  
at 6 Nov '20  
(30 Sep '20: £872m)

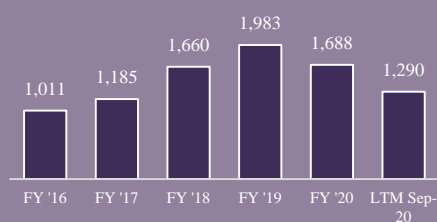
## Summary

- Resilient Q1 '21 performance
  - Loan book at £4.0bn with a 52.4% LTV; average monthly lending increased to £43.6m
  - Robust profits and cash flows: £33.9m underlying PBT and £377m Group cash receipts
- Supporting our customers: c.3% by value in payment deferral at 5 Nov (down from 16% peak)
- Strengthened capital, liquidity and facility headroom positions
  - Shareholder funds £858.3m at 30 Sep '20
  - Accessible liquidity<sup>(1)</sup> £287.1m at 6 Nov '20
  - Facility headroom £937m at 6 Nov '20 with weighted average maturity of 3.1 years
  - Completed two refinancing's recently, confirming strong bank and investor support

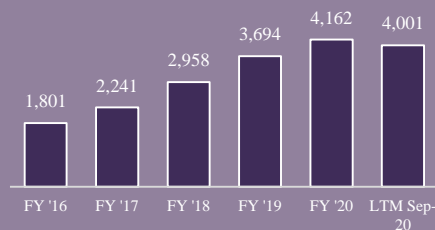
## Outlook

- Too early to reliably estimate the full economic impact of Covid-19, but expect conditions to remain challenging into 2021
- Together benefits from:
  - Multi-cycle experience, including managing successfully through several recessions
  - High quality secured and prudently underwritten loan book with very low LTVs
  - Strong liquidity and funding providing resilience, flexibility and capacity to grow
- Positioning the business to play our part in supporting the UK's economic recovery

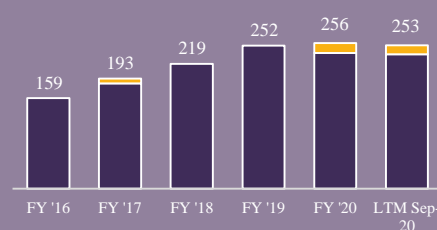
### Originations £m



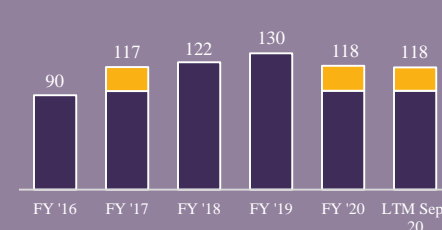
### Loan book £m



### Underlying EBITDA <sup>(2)(3)(5)</sup> £m



### Underlying PBT <sup>(2)(3)(4)(5)</sup> £m



Note: All figures from 1 July 2018 are presented on an IFRS 9 basis. Prior to this figures are presented on an IAS 39 basis

Underlying adjustment made to EBITDA and PBT

(1) Includes Borrower Group unrestricted cash of £115.3m, undrawn commitments under the RCF of £71.9m and cash available from securitisations through sale of existing eligible assets of £99.9m and takes into account the gearing constraints under our SSN indentures and RCF  
(2) FY '17 EBITDA and PBT adjusted for £8.2m and £23.0m, respectively, of exceptional costs in respect of acquisition of minority interest (£8.2m) and refinancing of Senior Secured Notes (£14.8m)

(3) Underlying EBITDA and PBT adjusted to exclude exceptional customer provisions (FY'20: £17.2m; Q1'20: £3.0m; LTM Sep'20: £14.2m)  
(4) Underlying PBT and Underlying Net Interest Margin adjusted to exclude £6.7m of exceptional costs in respect of refinancing of 2021 Senior Secured Notes in FY'20.  
(5) Underlying EBITDA and PBT adjusted to exclude £1.5m of exceptional redundancy costs posted in Q1'21.

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Q&A  
**session**

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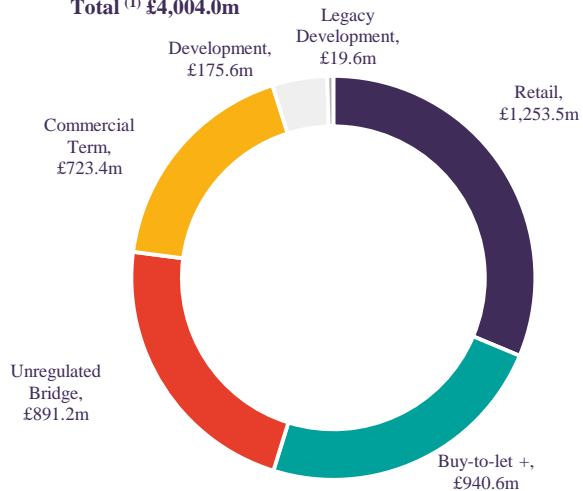
## Appendix: additional information



# Diversified loan book – consolidated group <sup>(1)(2)</sup>

## Loan portfolio breakdown by loan purpose

Total <sup>(1)</sup> £4,004.0m



65% secured on residential security

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
Retail	61.1	6.8%	48.0%
Commercial	169.8	8.5%	54.0%
Development	883.2	10.5%	59.9%
<b>Total</b>	<b>111.9</b>	<b>8.1%</b>	<b>52.4%</b>

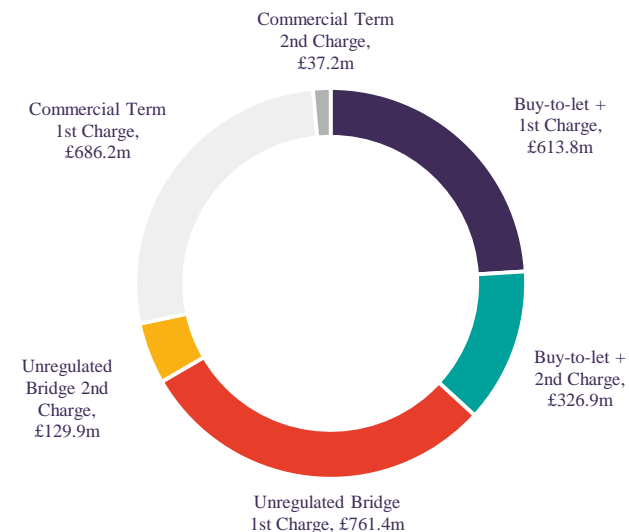
## Retail loan book breakdown



100% secured on residential security

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
1 <sup>st</sup> Charge	99.5	5.9%	46.0%
2 <sup>nd</sup> Charge	40.9	8.0%	50.7% <sup>(4)</sup>

## Commercial loan book breakdown <sup>(3)</sup>



49% secured on residential security

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
Buy-to-let 1 <sup>st</sup> Chg.	129.2	6.9%	55.5%
Buy-to-let 2 <sup>nd</sup> Chg.	82.9	7.5%	56.6% <sup>(5)</sup>
Unreg. Bridge 1 <sup>st</sup> Chg.	329.5	10.3%	53.9%
Unreg. Bridge 2 <sup>nd</sup> Chg.	300.6	11.3%	60.0% <sup>(6)</sup>
Comm. Term 1 <sup>st</sup> Chg.	207.3	7.8%	50.6%
Comm. Term 2 <sup>nd</sup> Chg.	123.9	8.3%	46.7% <sup>(7)</sup>

(1) Loan book analysis for core operating subsidiaries is presented after allowances for impairments.

(2) All figures are presented on an IFRS 9 basis

(3) Excludes development loans

(4) The 1<sup>st</sup> charge attachment point for the 2<sup>nd</sup> charge retail loan book is 35.8%

(5) The 1<sup>st</sup> charge attachment point for the 2<sup>nd</sup> charge buy-to-let+ loan book is 37.2%

(6) The 1<sup>st</sup> charge attachment point for the 2<sup>nd</sup> charge unregulated bridge loan book is 33.8%

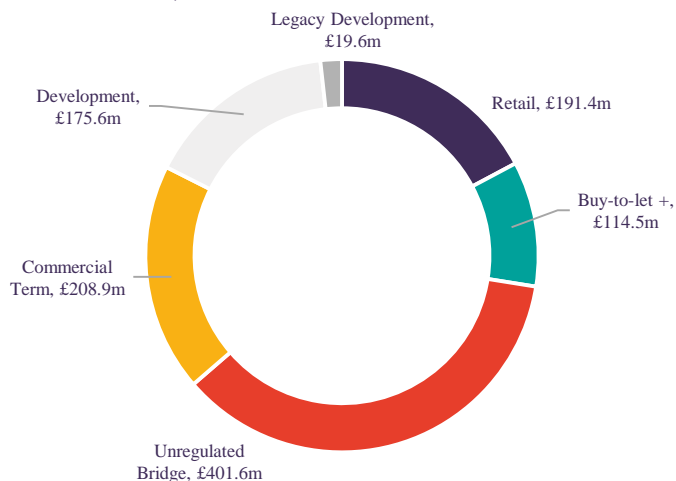
(7) The 1<sup>st</sup> charge attachment point for the 2<sup>nd</sup> charge commercial term loan book is 25.6%



# Diversified loan book – senior borrower group <sup>(1)(2)</sup>

## Loan portfolio breakdown by loan purpose

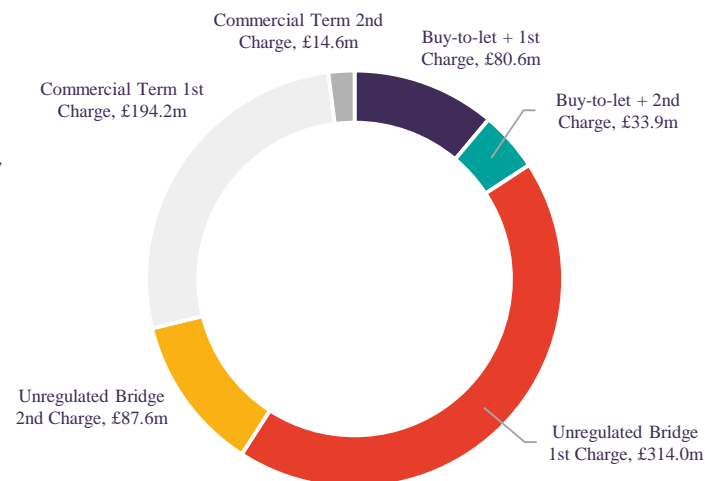
Total <sup>(1)</sup> £1,111.5m



## Retail loan book breakdown



## Commercial loan book breakdown <sup>(3)</sup>



42% secured on residential security

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
Retail	44.0	8.1%	49.0%
Commercial	284.5	9.5%	54.9%
Development	883.2	10.5%	59.9%
<b>Total</b>	<b>156.2</b>	<b>9.4%</b>	<b>54.8%</b>

100% secured on residential security

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
1 <sup>st</sup> Charge	120.4	6.7%	50.2%
2 <sup>nd</sup> Charge	24.5	9.9%	47.4% <sup>(4)</sup>

30% secured on residential security

Total Loan Book	Average Loan Size £k	WA Nominal Rate	WA Indexed LTV
Buy-to-let 1 <sup>st</sup> Chg.	147.9	7.9%	58.5%
Buy-to-let 2 <sup>nd</sup> Chg.	89.8	8.4%	53.5% <sup>(5)</sup>
Unreg. Bridge 1 <sup>st</sup> Chg.	491.4	10.8%	53.8%
Unreg. Bridge 2 <sup>nd</sup> Chg.	389.3	11.0%	60.3% <sup>(6)</sup>
Comm. Term 1 <sup>st</sup> Chg.	296.1	7.7%	53.7%
Comm. Term 2 <sup>nd</sup> Chg.	138.0	8.3%	46.9% <sup>(7)</sup>

(1) Loan book analysis for core operating subsidiaries is presented after allowances for impairments  
 (2) All figures presented are on an IFRS 9 basis.  
 (3) Excludes development loans  
 (4) The 1<sup>st</sup> charge attachment point for the 2<sup>nd</sup> charge retail loan book is 32.3%

(5) The 1<sup>st</sup> charge attachment point for the 2<sup>nd</sup> charge buy-to-let+ loan book is 31.9%  
 (6) The 1<sup>st</sup> charge attachment point for the 2<sup>nd</sup> charge unregulated bridge loan book is 32.6%  
 (7) The 1<sup>st</sup> charge attachment point for the 2<sup>nd</sup> charge commercial term loan book is 22.9%



# Funding structure as at 30<sup>th</sup> Sep '20

Bracken Midco1 Plc  
Senior PIK Toggle Notes 2023 (5yr NC2)  
£368m<sup>(2)</sup>  
S&P: B+; Fitch: B

## Together Financial Services Limited

### Together Commercial Finance (unregulated)

BTL+, Commercial term, Bridging Loans, Developments

### Together Personal Finance (FCA regulated)

1st & 2nd Lien Mortgages, Regulated Bridging Loans, Consumer BTL

#### Bonds

##### SSN 2026

6yr NC2  
£435m  
S&P and Fitch: BB-

##### SSN 2024

7yr NC3  
£350m  
S&P and Fitch: BB-

#### Bank Facilities

##### RCF 2023

£71.9m Commitment

#### Public RMBS

##### TABS1

£113.9m rated notes<sup>(3)</sup>  
81% rated Aaa/AAA

##### TABS2

£168.4m rated notes<sup>(3)</sup>  
78.5% rated AAA

##### TABS3

£278.6m rated notes<sup>(3)</sup>  
79% rated AAA

##### TABS4

£338.5m rated notes<sup>(2)(3)</sup>  
79.5% rated AAA<sup>(2)</sup>

#### Private Securitisations

##### CABS 2023

£1,255 Commitment  
Moody's: Aa2(sf); DBRS: AA(sf)<sup>(2)</sup>

##### LABS 2023

£500m Commitment

##### DABS 2 2023

£200m Commitment

##### HABS 2022

£525m Commitment

**Total shareholder funding £858.3m<sup>(4)</sup>**

(Borrower Group: £450.6m)<sup>(4)</sup>

(1) Increased from £350m following the issue of additional notes due to payment in kind of £18.2m on 8 April 2020

(2) Rating in respect to the senior notes only

(3) As at 30 September 2020, net of cash receipts received in the month to be applied to reduce notes

(4) Includes shareholder debt



# Overview of private securitisation structures

Issuer	Charles Street Asset Backed Securitisation	Lakeside Asset Backed Securitisation	Delta Asset Backed Securitisation 2	Highfield Asset Backed Securitisation
Structure	<ul style="list-style-type: none"> <li>Class A – 6 Senior Lenders</li> <li>Class B / C – 4 investor's</li> <li>Sub Note – Together Financial Services</li> </ul>	<ul style="list-style-type: none"> <li>Senior – 5 Senior Lenders</li> <li>Sub Note – Together Financial Services</li> </ul>	<ul style="list-style-type: none"> <li>Senior – 1 Senior Lender</li> <li>Sub Note – Together Financial Services</li> </ul>	<ul style="list-style-type: none"> <li>Senior – 4 Senior Lenders</li> <li>Sub Note – Together Financial Services</li> </ul>
Facility size	<ul style="list-style-type: none"> <li>£1,255m facility size</li> <li>£839.6m issued</li> </ul>	<ul style="list-style-type: none"> <li>£500m facility size</li> <li>£265m issued</li> </ul>	<ul style="list-style-type: none"> <li>£200m facility</li> <li>£165m issued</li> </ul>	<ul style="list-style-type: none"> <li>£525m facility size</li> <li>£410m issued</li> </ul>
Maturity	<ul style="list-style-type: none"> <li>Revolving period September 2022</li> <li>Full repayment September 2023</li> </ul>	<ul style="list-style-type: none"> <li>Full repayment October 2023</li> </ul>	<ul style="list-style-type: none"> <li>Revolving period March 2022</li> <li>Full repayment March 2023</li> </ul>	<ul style="list-style-type: none"> <li>Revolving Period June 2021</li> <li>Full Repayment June 2022</li> </ul>
Rating	<ul style="list-style-type: none"> <li>Rated by Moody's and DBRS</li> <li>Class A – Aa2 / AA</li> <li>Class B – Baa1 / BBB (high)</li> <li>Class C – Ba1 / BB (high)</li> </ul>	<ul style="list-style-type: none"> <li>NR</li> </ul>	<ul style="list-style-type: none"> <li>NR</li> </ul>	<ul style="list-style-type: none"> <li>NR</li> </ul>
Facility purpose	<ul style="list-style-type: none"> <li>Flexible facility to fund residential property for retail and commercial purpose loans</li> <li>Concentration limits on % of short term loans</li> </ul>	<ul style="list-style-type: none"> <li>Primarily to fund unregulated bridge loans and regulated bridge loans</li> </ul>	<ul style="list-style-type: none"> <li>Primarily to fund unregulated bridge loans and commercial term loans</li> </ul>	<ul style="list-style-type: none"> <li>To fund term loans backed by small balance commercial real estate</li> </ul>
Purchase & recycling of assets	<ul style="list-style-type: none"> <li>Beneficial interest in qualifying loans transferred to Securitisation on a random basis in consideration for full principal balance</li> <li>The Borrower Group buys back assets that no longer meet the eligibility criteria. Primarily this is where a loan no longer meets the relevant arrears criteria (3–5 months)</li> </ul>			
Delinquency <sup>(1)</sup> and loss rate	<ul style="list-style-type: none"> <li>Delinquency rate (arrears &gt;1m) 7.46%</li> <li>Rolling 3 month average default rate 0.45%</li> </ul>	<ul style="list-style-type: none"> <li>Delinquency rate (arrears &gt;1m) 3.63%</li> <li>Rolling 3 month average default rate 0.42%</li> </ul>	<ul style="list-style-type: none"> <li>Delinquency rate (arrears &gt;1m) 5.33%</li> <li>Rolling 3 month average default rate 1.88%</li> </ul>	<ul style="list-style-type: none"> <li>Delinquency rate (arrears &gt;1m) 3.80%</li> <li>Rolling 3 month average default rate 0.43%</li> </ul>
Excess spread and subordinated debt interest (LTM)	<ul style="list-style-type: none"> <li>Average monthly excess spread of £5.6m</li> <li>Average monthly subordinated debt interest of £0.3m</li> </ul>	<ul style="list-style-type: none"> <li>Average monthly excess spread of £2.4m</li> <li>Average monthly subordinated debt interest of £0.1m</li> </ul>	<ul style="list-style-type: none"> <li>Average monthly excess spread £2.1m</li> <li>Average monthly subordinated debt interest £0.1m</li> </ul>	<ul style="list-style-type: none"> <li>Average monthly excess spread of £2.5m</li> <li>Average monthly subordinated debt interest of £0.2m</li> </ul>

Note: Data as at September 30, 2020.

(1) Delinquency rate includes technical arrears

## Contacts

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