



The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

28 January 2025

Time Finance plc
(the "Group" or the "Company")

INTERIM RESULTS AND CORPORATE STRATEGY UPDATE

*Record lending book after fourteen consecutive quarters of growth, PBT margin enhancement and 39% increase in EPS
Launch of corporate strategy through to May 2028 driving lending book to in excess of £300m*

Time Finance plc, the AIM listed independent specialist finance provider, today announces its unaudited interim results for the six-months ended 30 November 2024 ("Results", "Interims" or "H1 2024/25"). The Results reflect continued strong demand from businesses across the UK for the range of alternative finance products offered by the Group.

Financial Highlights:

- Revenue up 16% to £18.2m (H1 2023/24: £15.7m)
- Profit before Tax ("PBT") up 44% to £3.9m (H1 2023/24: £2.7m)
- PBT margin improved to 21% (H1 2023/24: 17%)
- Earnings Per Share ("EPS") up 39% to 3.24 pence per share (H1 2023/24: 2.33 pence per share)
- Net Assets up 8% to £69.0m at 30 November 2024 (30 November 2023: £63.9m)
- Net Tangible Assets up 14% to £41.5m at 30 November 2024 (30 November 2023: £36.4m)
- Gross lending book up 11% to a record £209.4m at 30 November 2024 (30 November 2023: £188.6m)
- Net deals in arrears fell to 5% of the lending book as at 30 November 2024 (30 November 2023: 6%)
- Net Bad Debt Write-Offs stable at 1% of the average lending book at 30 November 2024 (30 November 2023: 1%)
- Deferred income up 9% to £26.1m at 30 November 2024 (30 November 2023: £23.9m) providing strong visibility of future earnings
- Continued positive trading momentum throughout December 2024 gives significant confidence that full year trading will be at least in line with market expectations

Operational Highlights

- Strengthened senior management team to drive operational efficiencies
- Continued focus on risk management underpinning quality of lending book
- Extended and improved funding facilities, including a £65m back-to-back Invoice Finance facility with NatWest and a £64m Asset finance facility with the British Business Bank

Corporate Strategy Update

In June 2021 the Company set out a four-year medium-term strategy to May 2025 that aimed to double the Gross Lending Book, achieve run-rate profits ahead of the 2019 pre-pandemic levels, strengthen the balance sheet through own book lending, and to become a nationally recognised SME funder. With the Company well on track to meet these metrics, a new strategy, designed to maintain the significant momentum generated and to provide a platform for the next phase of the Company's growth to May 2028, has been set. The key pillars include:

- Lending Book Growth to over £300m - expected to be achieved from existing funding lines
- Resilient Lending - arrears and write-offs well controlled at broadly current levels
- Operational Leverage - PBT margins rising to the mid-twenty percents
- Increased Return on Equity ("RoE") - RoE increasing to the mid-teen percentages

Commenting on the Interim Results, Tanya Raynes, Non-Executive Chair, said:

"H12024/25 marks another period of strong financial performance and delivery against our strategic plan. Demand from UK SMEs remained robust helping drive the Lending Book to record highs and, while Revenues continue to grow, our focus on efficiencies has resulted in even more significant growth in both Profits and EPS. Net Tangible Assets are at record highs, and cash reserves and funding sources remain solid, while arrears and write-offs are well controlled.

"The Group remains in an excellent position to deliver further growth and increased value to our shareholders and we are pleased to launch the pillars of the Group's updated corporate strategy targets in this regard."

Investor Presentation

The Company will deliver a live presentation relating to these H1 2024/25 Interim results and the corporate strategy update to

The Company will deliver a live presentation relating to these H1 2024/25 Interims and to the corporate strategy update via the Investor Meet Company platform at 1:00pm GMT today. Existing and potential shareholders can sign up to Investor Meet Company for free and add to meet Time Finance plc via: <https://www.investormeetcompany.com/time-finance-plc/registerinvestor>.

For further information, please contact:

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About Time Finance:

Time Finance's purpose is to help UK businesses thrive and survive through the provision of flexible funding facilities. It offers a multi-product range for SMEs concentrating on Asset, Loan and Invoice Finance. While focussed on being an 'own-book' lender, the Group does retain the ability to broke-on deals where appropriate, enabling it to optimize business levels through market and economic cycles.

More information is available on the Company website: www.timefinance.com.

**CHIEF EXECUTIVE OFFICER'S STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 NOVEMBER 2024**

Introduction

Time Finance plc is a multi-product alternative finance provider to UK SMEs. It is primarily a lender for the working capital requirements of UK businesses, but it can also act as a broker in arranging funding where more appropriate. It comprises two core, own-book divisions - Asset Finance and Invoice Finance - with lending proposals originated through a variety of channels. These include finance brokers and other professional firms, equipment vendors, suppliers and dealers, and direct from borrowers. Its target market is generally those businesses with a funding requirement between £5k and £3.5m.

Financial Results

I am pleased to report this set of interim financial results which continues the good progress made since the start of our current four-year strategic plan, launched in June 2021.

Expanding our lending book is a key performance indicator for the Group. Pleasingly, at the end of the six-month period to 30 November 2024, it stood at £209.4m compared to £188.6m twelve months earlier, an increase of 11%. An increasing own-book lending portfolio is key to the Group's strategy as it underpins future income generation and profitability and, in turn, the inherent value of the balance sheet. Clearly, it is also important that the quality of the receivables funded are within our credit policy and the amount of arrears is kept to acceptable levels. It is, therefore, extremely pleasing that net arrears as at 30 November 2024 actually fell to 5% from 6% twelve months ago, despite the increasingly challenging environment for SMEs.

It is also very encouraging to see that the key metrics in the Profit and Loss account - Revenue, Margins and Profit Before Tax - show growth from the comparative period to 30 November 2023. Revenue is up 16% to £18.2m and PBT an impressive 44% up; with PBT margins having increased from 17% to 21%.

A significant achievement in the period was the renewal and increase of our Back-to-Back funding facility with NatWest for another 3 years, which firmly underpins our future strategy and demonstrates the confidence our funding partners have in the business.

The continued good progress against the strategic plan, resulting financial performance and on-going support from our funding partners have combined to further strengthen the Group's balance sheet. Net Tangible Assets stood at £41.5m as at 30 November 2024 compared to £36.4m as at 30 November 2023, an increase of 14%.

Strategy and Outlook

The Group remains on track to deliver the key objectives set out in its four-year medium-term strategy introduced in June of 2021 and I am pleased with the overall progress made and the financial results achieved so far. The focus on growing the business through own-book lending, investing in improved IT infrastructure to enable the business to scale more efficiently and maximising our multi-product offering, will continue into the next stage of our strategic plan as we look to deliver a lending book in excess of £300m and significantly increasing Profit Before Tax by May 2028.

Taking into account the increasing challenges faced by UK SMEs, including a very unpredictable macro-economic and geo-political climate, the Board is pleased with these interim financial results and also with the operational progress made during the first half of the current financial year. As a result, and whilst remaining vigilant and cautious as to the potential impact that further economic uncertainty could have on the Group, the Board is confident that the results for the full-year will be at least in-line with current market expectations.

Ed Rimmer
Chief Executive Officer, Time Finance plc

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS TO 30 NOVEMBER 2024**

	Unaudited 6 months to 30 November 2024 £'000	Unaudited 6 months to 30 November 2023 £'000	Audited 12 months to 31 May 2024 £'000
Note			
Revenue	18,249	15,652	33,230
Cost of sales	(7,554)	(6,617)	(14,000)
GROSS PROFIT	10,695	9,035	19,230
Administrative expenses	(6,512)	(6,235)	(13,185)
Share-based payments	(12)	(30)	(61)
OPERATING PROFIT	4,171	2,770	5,984
Finance expense	(223)	(21)	(145)
Finance income	-	-	96
PROFIT BEFORE INCOME TAX	3,948	2,749	5,935
Income Tax	(948)	(593)	(1,491)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,000	2,156	4,444
Attributable to:			
Owners of the parent company	3,000	2,156	4,444
	Pence per share	Pence per share	Pence per share
- basic	6 3.24	2.33	4.80
- diluted	6 3.24	2.33	4.80

All of the above amounts are in respect of continuing operations.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTHS TO 30 NOVEMBER 2024**

	Unaudited 6 months to 30 November 2024 £'000	Audited 12 months to 31 May 2024 £'000
NON-CURRENT ASSETS		
Goodwill	27,263	27,263
Intangible assets	231	226
Property, plant and equipment	363	286
Right-of-use property, plant & equipment	454	552
Trade and other receivables	76,433	70,015
Deferred tax	1,418	1,418
	106,162	99,760
CURRENT ASSETS		
Trade and other receivables	110,919	108,389
Cash and cash equivalents	3,279	1,590

	114,198	109,979
TOTAL ASSETS	220,360	209,739
Called up share capital	9,252	9,252
Share premium	25,543	25,543
Employee Shares	303	292
Treasury Shares	(965)	(815)
Retained earnings	34,863	31,863
TOTAL EQUITY	68,996	66,135
LIABILITIES		
NON-CURRENT LIABILITIES		
Trade and other payables	69,804	62,973
Financial liabilities - borrowings	104	294
Lease liability	263	363
	70,171	63,630
CURRENT LIABILITIES		
Trade and other payables	80,137	78,303
Financial liabilities - borrowings	702	1,025
Tax payable	21	288
Provisions	155	173
Lease liability	178	185
	81,193	79,974
TOTAL LIABILITIES	151,364	143,604
TOTAL EQUITY AND LIABILITIES	220,360	209,739

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS TO 30 NOVEMBER 2024**

	Unaudited 6 months to 30 November £'000	Unaudited 6 months to 30 November £'000
Cash generated from operations		
Profit before tax	3,948	2,749
Depreciation and amortisation charges	300	220
Finance costs	223	21
(Increase) in trade and other receivables	(8,948)	(11,399)
Increase in trade and other payables	8,665	7,297
Movement in other non-cash items	7	(1)
	4,195	(1,113)
Cash flows from operating activities		
Interest paid	(223)	(21)
Tax paid	(1,145)	(225)
Net cash generated from operating activities	2,827	(1,359)
Cash flows from investing activities		
Purchase of software, property, plant & equipment	(312)	(101)
Net cash generated from investing activities	(312)	(101)
Cash flows from financing activities		
Payment of lease liabilities	(164)	(109)
Loan repayments in period	(512)	(1,112)
Purchase of own shares in EBT	(150)	(16)
Net cash generated from financing activities	(826)	(1,237)
Increase/(decrease) in cash and cash equivalents	1,689	(2,697)

Cash and cash equivalents at the beginning of the period	1,590	3,772
Cash and cash equivalents at the end of the period	3,279	1,075

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS TO 30 NOVEMBER 2024

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Treasury Shares £'000	Employee Shares £'000	Total Equity £'000
Balance at 31 May 2024	9,252	25,543	31,863	(815)	292	66,135
Total comprehensive income	-	-	3,000	-	-	3,000
Transactions with owners						
Sale of treasury shares	-	-	-	(150)	-	(150)
Value of employee services	-	-	-	-	11	11
Balance at 30 November 2024	9,252	25,543	34,863	(965)	303	68,996

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Treasury Shares £'000	Employee Shares £'000	Total Equity £'000
Balance at 31 May 2023	9,252	25,543	27,419	(770)	231	61,675
Total comprehensive income	-	-	2,156	-	-	2,156
Transactions with owners						
Sale of treasury shares	-	-	-	(10)	-	(10)
Value of employee services	-	-	-	-	30	30
Balance at 30 November 2023	9,252	25,543	29,575	(780)	261	63,851

1 BASIS OF PREPARATION

The financial information set out in the interim report does not constitute statutory accounts as defined in section 434(3) and 435(3) of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 May 2024 prepared in accordance with UK adopted International Financial Reporting Standards ("IFRS") and with the Companies Act 2006 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006. These interim financial statements have been prepared under the historical cost convention.

These interim financial statements have been prepared in accordance with the accounting policies set out in the most recently available public information, which are based on the recognition and measurement principles of the UK adopted IFRS in issue and are effective at 31 May 2024. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the UK adopted International Accounting Standard 34 'Interim Financial Reporting'.

The financial information for the six months ended 30 November 2023 and the six-month period to 30 November 2024 are unaudited and do not constitute the Group's statutory financial statements for these periods. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

Going Concern

Due to the nature of the Group's trading the Directors do not have any concerns over the key assumptions concerning the future and do not consider there to be any key sources of estimation uncertainty. The Group has ample headroom in its funding facilities. As such, the Directors are confident that the Group will continue to operate as a going concern.

2 SEGMENTAL REPORTING

The Group provides a range of financial services and product offerings throughout the UK and has two core trading divisions, namely: Asset Finance and Invoice Finance. The Group's ancillary product offerings, Commercial Loans and Vehicles fleet brokering are included within the Asset Finance segment as they operate under the same management team, office locations and with the same back-office teams. Asset Based Lending is included within the Invoice Finance segment for the same reason. The operating segments, therefore, reflect the Group's organisational and management structures. The Group reports internally on these segments in order to assess performance and allocate resources. The segments are differentiated by the type of products provided.

The segmental results and comparatives are presented with intergroup charges allocated to each division based on actual revenues generated. Intergroup expenses are recharged at cost and largely comprise plc Board and listing costs, Marketing, Compliance, IT and Human Resource costs.

6 months to 30 November 2024

£'000	Asset Finance	Invoice Finance	Other	TOTAL
Revenue	10,651	7,598	-	18,249
Profit before Tax	1,919	2,897	(868)	3,948

6 months to 30 November 2023

£'000	Asset Finance	Invoice Finance	Other	TOTAL
Revenue	8,987	6,665	-	15,652
Profit before Tax	1,448	2,213	(912)	2,749

3 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the parent company (Time Finance plc) and entities controlled by the company (its subsidiaries) made up to 31 May each year. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

4 TAXATION

Taxation charged for the period ended 30 November 2024 is calculated by applying the Directors' best estimate of the expected tax rate to the result for the period.

5 SHARE CAPITAL

The Articles of Association of the company state that there is an unlimited authorised share capital. Each share carries the entitlement to one vote.

6 EARNINGS PER ORDINARY SHARE

Earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. For diluted earnings per share, the weighted average number of shares is adjusted to assume conversion of all dilutive potential ordinary shares.

There are no dilutive items impacting the Group and, as such, the Basic EPS and Diluted EPS are identical. Any share options that are vested are fully expected to be met from the Group's Employee Benefit Trust. Therefore, issuance of new shares is not expected to be required and as a result, there is no associated dilution.

	6 months to 30 Nov 2024	6 months to 30 Nov 2023	12 months to 31 May 2024
£'000s			
Earnings attributable to ordinary shareholders	3,000	2,156	4,444
Basic EPS			
Weighted average number of shares	92,512,704	92,512,704	92,512,704
Per-share amount pence	3.24	2.33	4.80
Adjusted earnings	3,000	2,156	4,444
Diluted EPS			
Weighted average number of shares	92,512,704	92,512,704	92,512,704
Per-share amount pence	3.24	2.33	4.80

7 DIVIDENDS

At the current time, under the strategy published in June 2020, cash reserves are being deployed for business growth. This approach to future dividends is kept under regular review and any change to the policy would be notified at that point in time.

8 SHARE-BASED PAYMENT TRANSACTIONS

The Group has one established unapproved Share Scheme, the "2022 Scheme", that was previously announced on 22^d July 2022.

On 4th October 2024, the Group announced that, following the achievement of profit-based performance criteria in relation to the Company's Unapproved Share Option Scheme, a total of 611,667 previously awarded nil-cost options over ordinary shares of 10 pence each in the capital of the Company vested. These vested options may be exercised at any time prior to an expiry date of 30 September 2025 being 12 months from the vesting date. As previously stated, it is the Board's intention that, wherever possible, any vested options that are exercised are met through the Group's Employee Benefit Trust and so would not dilute any existing shareholders.

9 COPIES OF THE INTERIM REPORT

Copies of the Interim Report are available from www.timefinance.com and the Company Secretary at the registered office: Time Finance plc, St James House, The Square, Lower Bristol Road, Bath, BA2 3BH.

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