



novation forum presentation - January 2017

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What we do

- Provide or arrange commercial lease finance, business loans and vehicle finance for business-critical equipment for SMEs
- Cover a broad range of sectors, lending from £1,000 to £250,000; 3 to 60 months
- Strict Underwriting and Credit Control - bad debt provisions 1.64% of the portfolio at period end
- Operate through three trading entities: Onepm Finance, Academy Leasing and Bradgate Business Finance

The market

- Financing to UK SMEs (excluding bank term loans) is approx. £64bn, of which asset finance market is circa £30bn, and of that £10bn is plant, machinery & equipment.

Group origination

- Annualised origination rate: approx. £73m; capital value of leases, loans and vehicles.

Group companies



- Formed 2000, IPO 2006, 35 employees. Bath.



- Acquired August 2015, 45 employees. Warrington.



- Acquired March 2016, 8 employees. Lutterworth.

Deal examples



'High Street' SMEs:

- **Lease: UK Jump City Ltd.** £45k of a syndicated deal, funding the Cardio Wall feature within a new trampoline park.
- **Loan: Fibre Technologies Limited.** £50k loan for business expansion for a long established company looking to expand (large contracts with companies including Virgin Media)

Asset funding and broking:

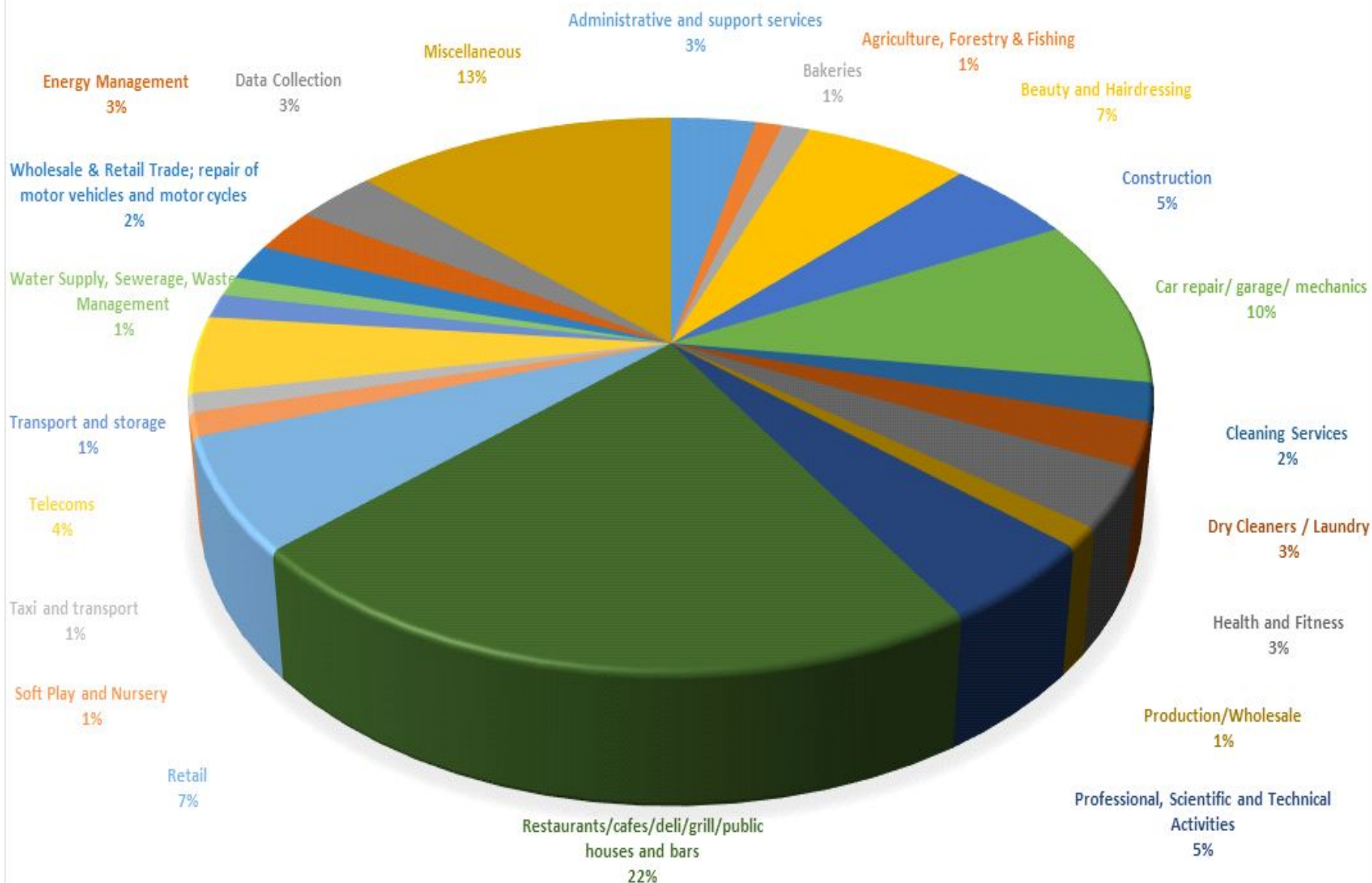
- **Lancashire County Cricket Club:** Ongoing project, valued at c£2.5m for the build and fit out of new on-site Hilton Hotel. Facilities both on own book and brokered.
- **Site Engineering Personnel:** Long standing vehicles client; recently agreed terms so that they introduce their customers. Also agreed a facility to fund equipment for their hire fleet.



Hard asset funding and broking:

- **Jaw Services Ltd.** Bradgate is preferred funding route for this client which has major contracts with Lafarge. Brokered a £345,000 Stone Crusher for commission of £25,500. Now funded c. £1m to this client over the last 12 months through broking and own book funding.

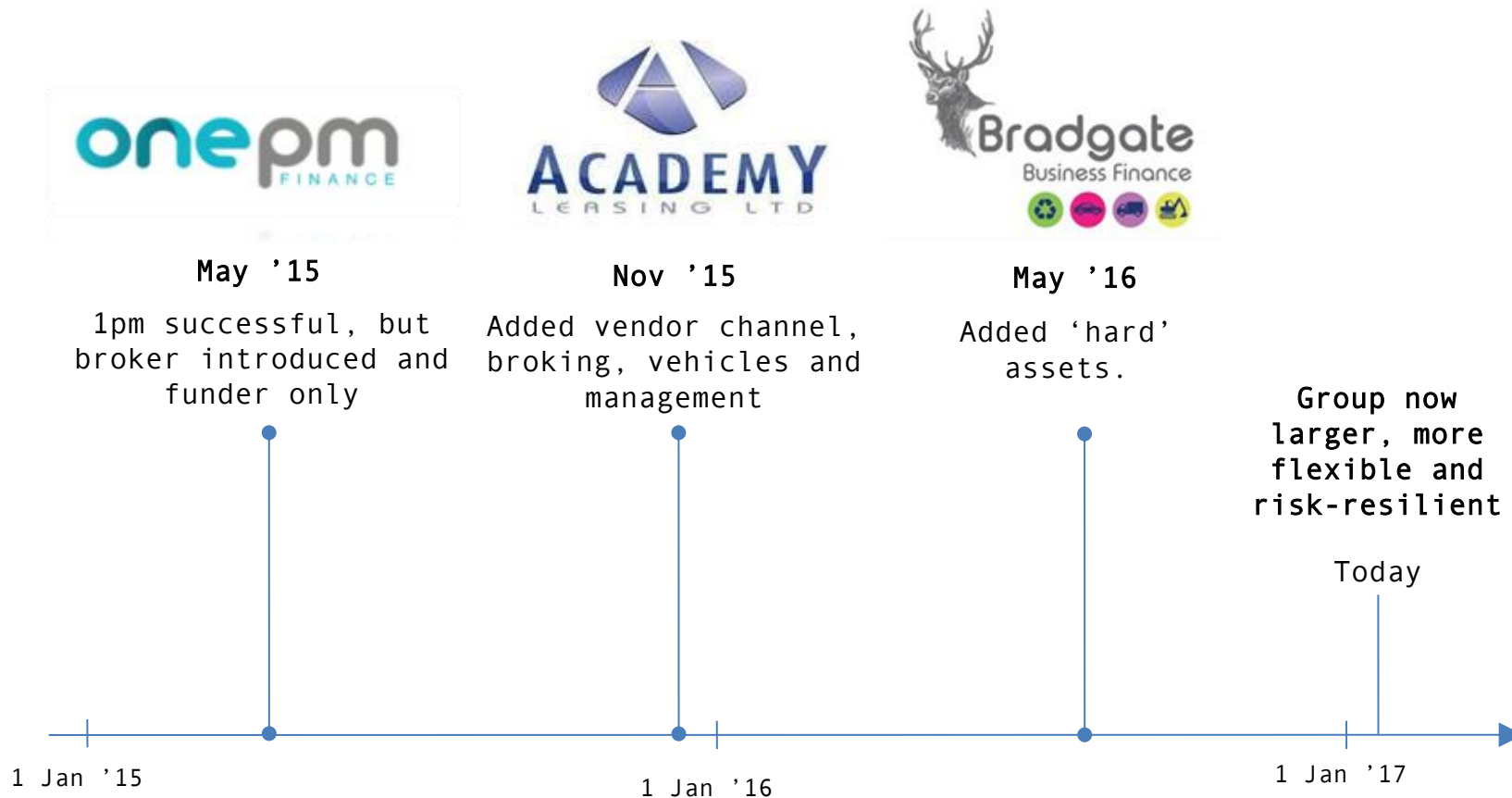
Portfolio analysis



H1 2017 Profit & Loss

		ACTUAL		
		H1: 2016	H2: 2016	H1: 2017
REVENUE £m:	Onepm	3.79	4.21	4.23
	Academy	1.46	2.85	3.14
	Bradgate	0	0.24	0.62
		5.25	7.30	7.99
PBT £m:	Onepm	1.26	0.94	1.06
	Academy	0.50	1.00	0.96
	Bradgate	0	0.02	0.03
		1.76	1.96	2.05
Exceptional items £m		-0.10	-0.27	0
PBT £m:		1.66	1.69	2.05
Basic earnings per share (p):		2.91	2.96	3.08

Strategic transformation in progress



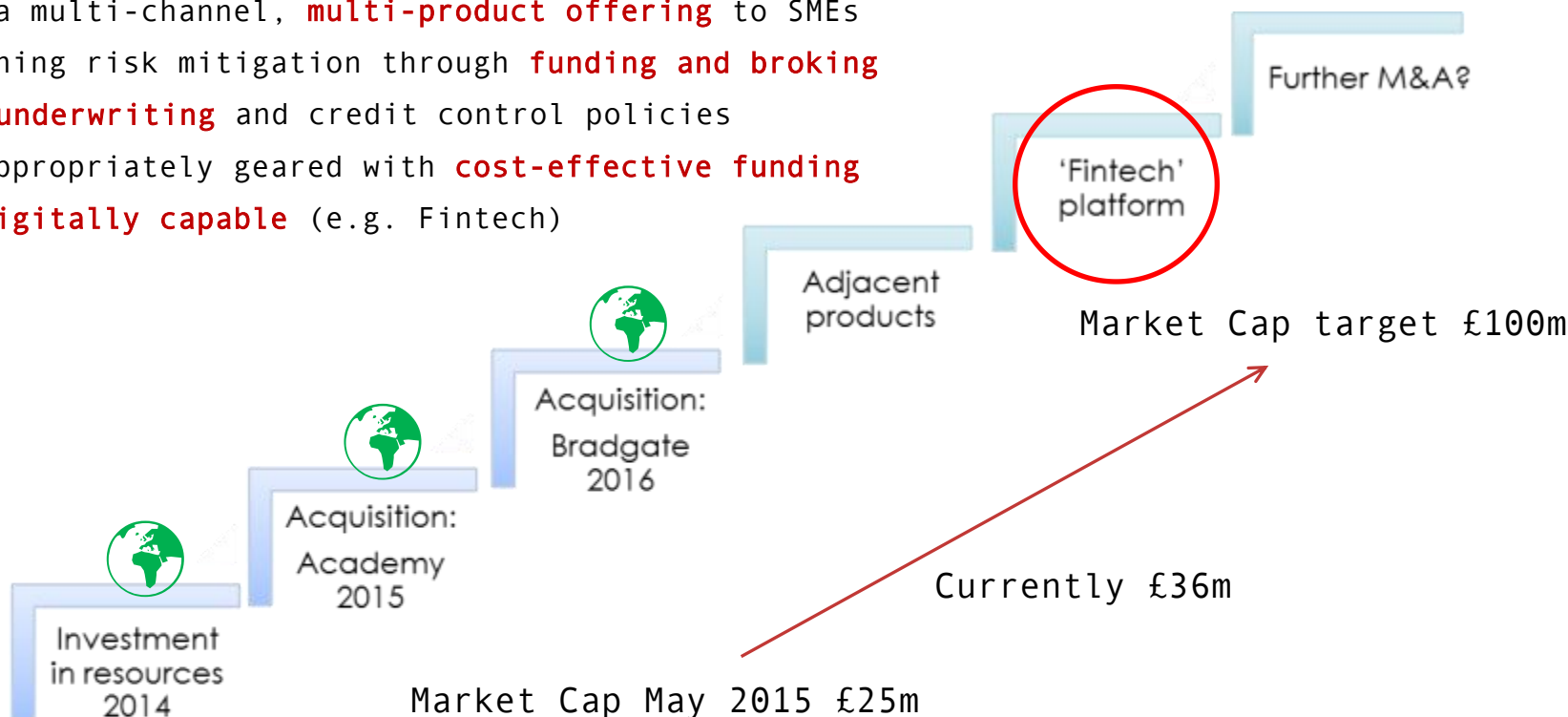
Strategic growth plan

Goal

- £100m market cap

Objectives

- **Building scale** through a model of distributed separate entities
- Having a multi-channel, **multi-product offering** to SMEs
- Maintaining risk mitigation through **funding and broking**
- **Strict underwriting** and credit control policies
- Being appropriately geared with **cost-effective funding**
- Being **digitally capable** (e.g. Fintech)



Digital capability – “FinTech”

- To us, FinTech means:
 - Use of technology to originate more business
 - Process decisions and deals quicker and slicker
 - Own/develop proprietary technology IP
- Examples:
 - Automated data and information gathering
 - Robotic Process Automation
 - Pattern recognition algorithms and use of AI for underwriting recommendations
 - User interface app

Summary

- The Company is continuing to deliver profitable growth in line with KPIs and expectations
- 1pm is a balanced, established, risk-mitigated asset finance provider to a broad range of SMEs – board is optimistic and confident going forward.
- No discernible slow-down in new business origination post Brexit
- The Company is executing against its stated strategy and actively pursuing a number of opportunities
- FinTech – i.e. digital capability and becoming “tech-enabled” are fast becoming an operational necessity rather than a strategic objective.
- Plans in place to deploy technology in our SME finance offering: “Platform 1”
- Technology platform will be a significant enable for growth across the group.

Appendix - Ownership & Management

Principal shareholders:

•Ron Russell (HNW)	19.4%
•Henderson funds	18.6%
•Charles Stanley	14.7%
•Mike Nolan (Academy)	7.5%
•Hargreaves Lansdown	3.1%
	<u>63.3%</u>

