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UK Specialty Finance Sector

Latest Sector Insights & Our Thoughts on Maximising Deal Value

March 2025

Executive Summary

Evolving Landscape in Specialty Finance in the UK

- The Specialty Finance sector has undergone significant shifts due to rising interest rates, the cost-of-living crisis, regulations and evolving geopolitical factors. As a result, some businesses are focusing on raising capital to drive growth, some are pursuing expansion through mergers, acquisitions and strategic partnerships and some are looking to monetise and exit.
- The rise of Asset Backed Finance ("ABF"), fuelled by the continued retreat of bank lending with credit funds stepping in, is opening new opportunities for specialty finance businesses ("Spec Fin"). However, the bar for participation and benefiting from ABF growth remains high.
- Some founders are approaching retirement, and thus actively exploring a partial or a full exit.
- Understanding market dynamics, key players, and, most importantly, being prepared for this evolving landscape will be essential for specialty finance players to succeed.

Understanding Key Value Drivers and Driving Value

- Robust financial and operational preparation ensures readiness and positions the business as an attractive target. This is also critical in raising capital for growth.
- A valuation involves more than simply applying a multiple range to P/BV or EBITDA; valuation of specialty finance companies requires a deep understanding of the business, origination channels, operations, funding, credit performance and compliance.

Path to Success

- With preparation, and by appointing the right advisor, Spec Fins can navigate the complexities of a deal, ranging from a full or partial sale of the business, or a credit/equity raise. No matter the deal type, the idea is to achieve the strategic goals.
- Interpath has created an M&A playbook for Spec Fins to guide them through each stage of a sale process. We provide a blueprint for this document here and welcome conversations with market participants.
- While this blueprint is for Specialty Finance companies, we will release others covering brokers, IFAs, etc.

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1.
The Evolving Landscape of Specialty Finance

UK Specialty Finance Market

Key market considerations

- **On-balance sheet:** UK specialty finance originators have typically favoured on-balance sheet business models, particularly when equity availability was limited, as credit leverage allowed many to grow without raising additional equity. Forward flow funding arrangements began to become a feature in the market from around 2017, however appetite for this type of financing has ebbed and flowed with a close correlation to performance in credit markets. Given the current strength in the securitisation markets, we see there are currently more forward flow buyers than sellers.
- **Regulator**: Since the GFC, the FCA has been active in tightening standards in the UK market. While this has led to many positive consumer outcomes, it has also had the effect of causing uncertainty in the regulated market which has had a knock-on effect in the unregulated space, causing some concern to existing and new investors.
- **Lack of exits:** Delivering exits has been challenging in the UK market due to several factors, including regulatory change, availability of credit and buyer/seller valuation gap. Over the last 5 years, we have seen declining private equity interest in the sector. However, in recent market discussions, we are beginning to see early signs of an increase in the appetite for this sector from investors.
- **Highly fragmented market:** A function of the above has meant the market is highly fragmented. Some originators have geared up for scale, by investing in staff and their platform, significantly increasing operating expenses, however, some have been unable to gain the required scale. As a result, we are of the view that not only can we expect further consolidation, but this is essential for the sustainability of the sector.

Overview of UK Market

- **Bank Mergers.** The UK banking market has seen some consolidation in recent years, with mergers mainly arising from a desire to generate capital (and growth) where the acquisition prices are substantially below book value. This has been seen in recent deals between Nationwide with Virgin Money and Coventry Building Society with the Co-operative Bank.
- **Investor issues with exiting, regulation and the lack of equity.** Investors have faced challenges in attempting to exit, due to liquidity constraints and market volatility. With the speciality finance sector emphasising on-balance sheet lending, private equity has been showing a cautious stance towards this approach. As a result, exits have become less frequent, with valuation expectations currently misaligned, though there are signs of improvement and appetite to bridge the gap via structuring.
- **Rise of credit funds.** With traditional banks shifting their focus to their core products and focusing on optimising regulatory capital, and with large pools of capital competing for returns in alternative segments, credit funds have experienced rapid growth and are now deeply entrenched in the market, to the point they are becoming a source of equity to Spec Fins with the aim to strengthen their relationships with originators.
- **Lack of economic stability.** The UK has faced a period of economic instability, driven by factors such as the impact of Brexit, fluctuating inflation rates, uncertain global trade conditions, rising living costs, supply chain disruptions and labour shortages. These combined have hindered steady economic growth, leading to lower investor confidence.
- **Insufficient preparation for exit**. In a highly fragmented market, originators could benefit from emphasising their unique strengths to enhance exit potential. Many businesses have yet to prioritise their exit strategies, with owner-managed companies beginning to recognise a potential gap between their valuation expectations and prevailing market conditions.
- **Non-lending income streams.** Development in this area presents an opportunity for lenders to diversify revenue and reducing reliance on balance sheet usage.

UK Speciality Finance Market (not comprehensive)

Large Players (£1bn+)

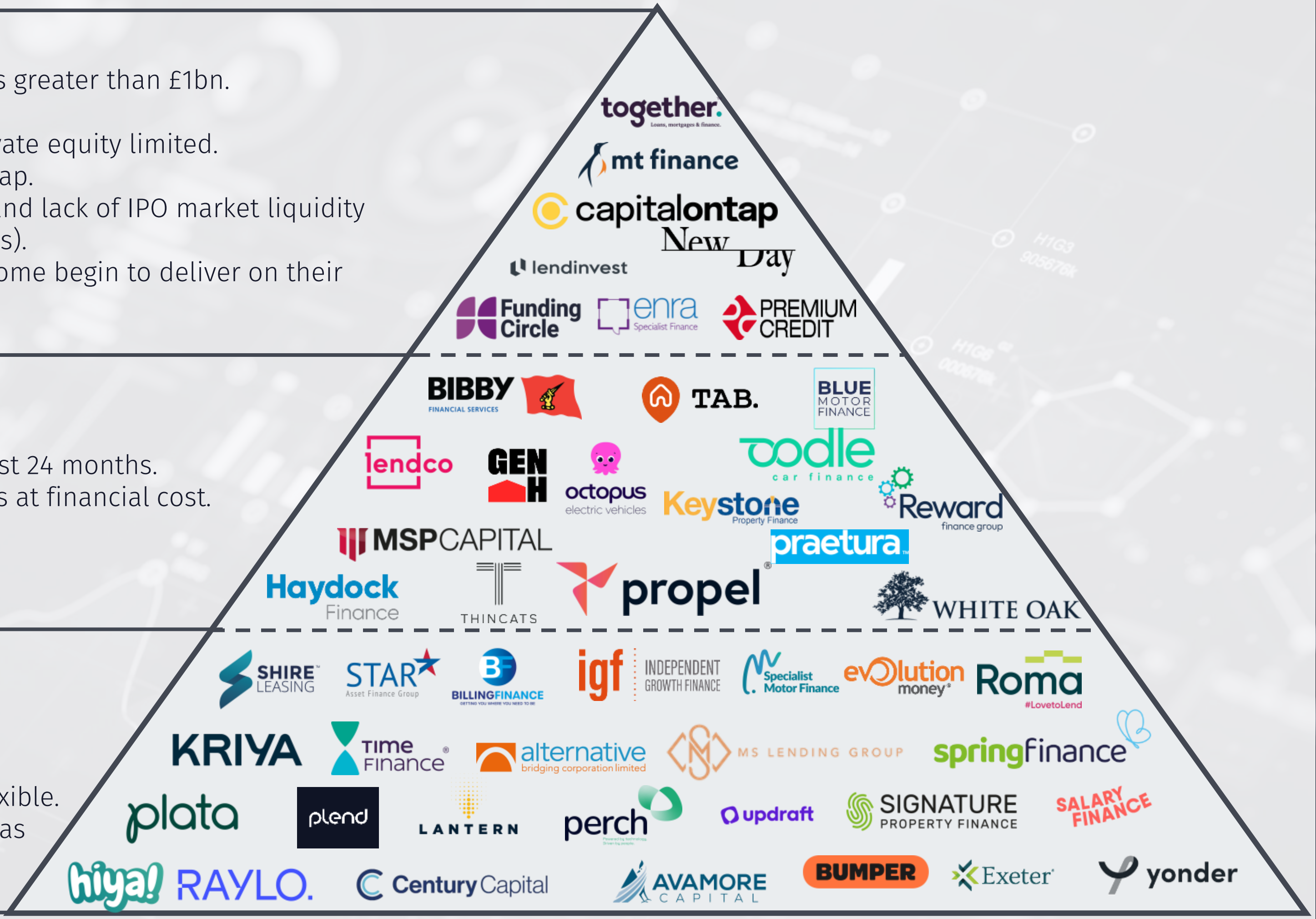
- The UK has seen a limited number of lenders with loan books greater than £1bn.
- Post GFC, equity and debt capital was scarce.
- In more recent times debt capital has been available but private equity limited.
- M&A activity has been muted due to buyer/seller valuation gap.
- Exit opportunities at the higher end with limited PE interest and lack of IPO market liquidity (in part due to the challenges faced by previous listed entities).
- We have been seeing a steady increase of larger players as some begin to deliver on their growth promises.

Mid-Tier Players (£0.25bn+)

- Increasing number of players.
- Typically, limited equity available to grow, especially in the last 24 months.
- Credit funds stretch to drive loan book growth, but this comes at financial cost.
- Very limited M&A activity.

Smaller Players (<£0.25bn)

- Large number of players - highly fragmented.
- Limited private equity, especially within the last 24 months.
- Typically, low ROE, scale needed but competitive market.
- Funding available, but not always competitive or the most flexible.
- A logical approach would be multiple mergers, but the idea has yet to gain traction.



UK M&A Activity

The UK M&A market has seen trends of more domestically focused deals, with transactions taking place below P/BV reflecting depressed market valuations. Very limited transaction activity over last 12 months involving solely specialty finance lenders and banks

Key M&A Drivers	Description
Capital generating transactions	▪ Transactions are taking place below book value (P/BV <1.0x) for banks. This has been shown in recent M&A transactions: ▪ May 2024: the acquisition of Co-operative Bank by Coventry Building society – P/BV of 0.6x[1]. ▪ September 2024: the acquisition of Virgin Money by Nationwide – P/BV of 0.66x[2].
Opportunistic / Funding Synergies	▪ Trend of smaller / capital structured deals for banks looking to acquire/merge with NBFIs (Non-Bank Financial Institutions) to generate funding and revenue synergies. ▪ June 2024: Shawbrook Bank acquired specialist auto finance lender, JBR Capital from Cabot Square Capital. ▪ August 2024: Allica Bank acquired bridging lender Tuscan Capital to leverage Tuscan's existing bridging expertise and broker network.
No real cross border activity X	▪ Limited cross border activity due to the regulatory differences between the UK and other jurisdictions (post-Brexit) creating legal and compliance difficulties. ▪ Concerns over political and economic uncertainty in recent years has led to a more domestically focused M&A market.
Regulatory Driven	▪ September 2024: Close Brothers has agreed to sell its wealth management division to Oaktree Capital management, as the lender seeks to strengthen its capital position ahead of the results of an investigation into motor finance deals.

1: Company source
2: Company source

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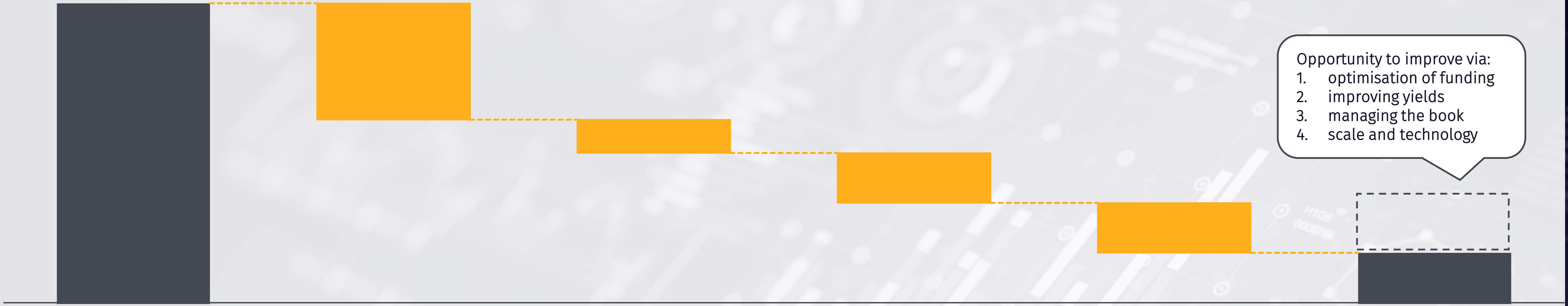
2.
Examples of Value Drivers for Specialty Finance Companies & Approach to Valuation

Unit Economics

Is your product positioned to generate attractive equity returns? Product level unit economics is often amongst the first few questions that buyers ask



Interest & Fees

- Annualised Interest Income
- Origination fee
- Exit and/or other fees (annualised)

Funding Costs

- **All-in senior, mezzanine and pref. costs**
- Commitment & other fees
- Do you need **flexibility** to fund loans in arrears and are you currently using equity/expensive pref. to fund?

Cost of Risk

- What is the **probability of default**?
- What is the **loss given default** (i.e. net of recovery)?
- How long is the recovery process?
- Can you substantiate your cost of risk with **robust data**?

Direct Costs

- Direct costs **paid to intermediaries** at origination
- **Can you optimise these costs** by originating directly?
- Can you **partner up** with brokers and strike better deals?

Opex

- Includes **salaries and costs** for technology, systems, marketing, professional services fees, etc.
- **Leveraging technology** at each stage of operation will minimise costs, reduce errors and increase scale

Equity Returns

- Considered on both an **unlevered and levered** basis
- The level of **leverage** will inform equity returns
- What is the **sustainable level of equity returns** and how does **this compare with peers and / vs. the sector**?
- **Impact of taxes**

Regulatory Risk

- **Challenging to quantify**, but an important consideration for businesses
- The potential for **financial loss, operational disruption**, or **reputational** damage
- Currently a **major issue on commissions disclosure** in the auto finance sector

Valuation Factors to Consider

Valuations are influenced by a combination of financial performance, market conditions, growth potential, operational efficiency and compliance matters.

Financial Performance & KPIs

- Assess historical and projected revenue, gross profit, net profit, margins and cash flows
- How are your key KPIs tracking vs. internal budget and vs. peers?
- Is the business generating equity and cash?
- Is your business meeting profitability hurdles? E.g. RoE
- Can you evidence build up of retained earnings over time?

Growth Potential

- Buyers will be looking at scalability and the potential for business expansion (trade vs PE)
- Innovative products? Businesses with unique products, services, IP after often valued higher
- Buyers will be looking at potential synergies i.e., funding, distribution and cross-selling
- What is your market share and has this been historically growing? can you generate growth with more capital?

Operational Efficiency & Governance

- What is your current cost structure – fixed and variable costs?
- What costs / operational investment would you need to grow significantly?
- The level of manual vs automated tasks and plans to deploy technology (especially AI)
- Can you demonstrate robust governance and effective management of the business?
- Is your credit approval process robust and scalable?

Market Conditions & Deal Activity

- Review the current state and outlook of the industry and how this could impact demand for your lending products
- What is the competitive landscape and your relative position?
- Where do you aspire to be on the competitive map?
- Macroeconomic factors such as inflation, interest rate and employment
- The level of deal activity and types of buyers will inform and shape value and deal structures

Compliance & Legal

- A clean regulatory history and compliance with laws and regulations minimises buyers' concerns (this is diligenced via regulatory and legal DD)
- Pending litigation or disputes can negatively impact valuation
- The level of customer complaints and disputes reflect the quality of service/products
- Having a well functioning compliance team would be considered positive

What is the Approach to Valuing a Specialty Finance Business?

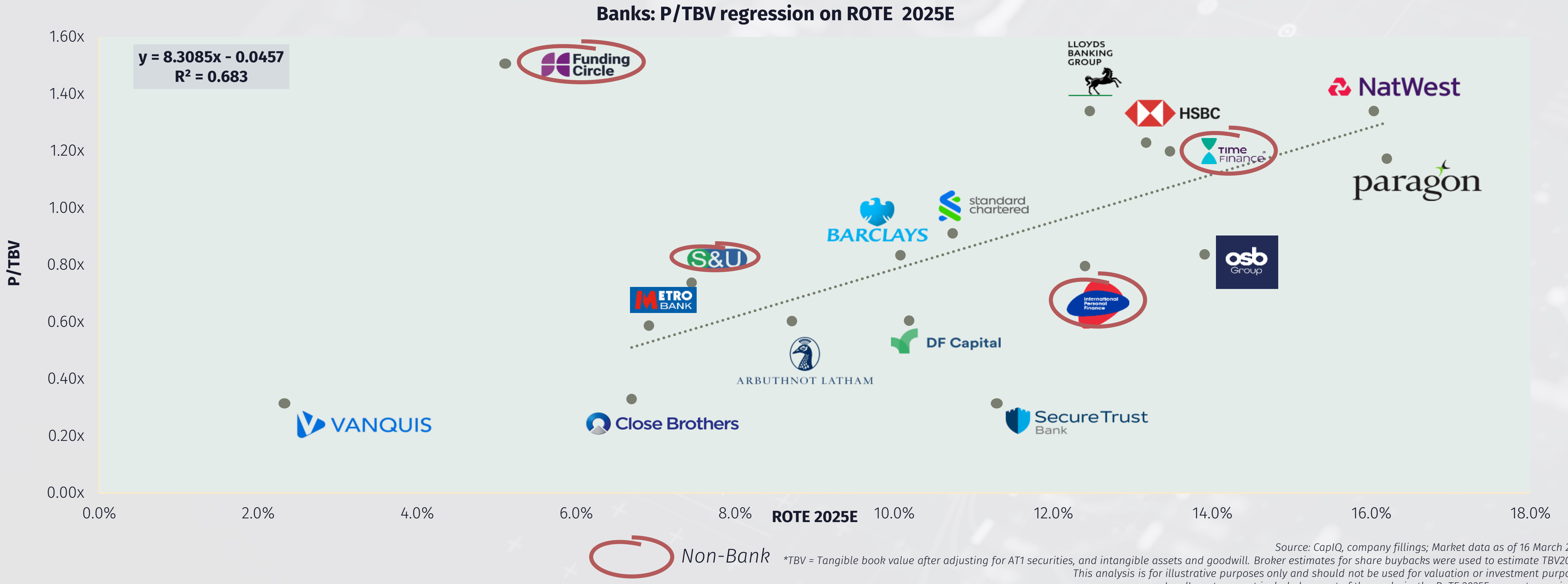
There is no one approach that fits all, and valuing a specialty finance business is based on a combination of fundamentals, credit performance, funding structure, deal activity, interest rate cycle and above all, understanding the buyer and their objectives.

The first step	• A comprehensive understanding of the unit economics of the products today and in the future, including the levers that can be pulled to optimise equity returns. • Having a dynamic and supportable business plan with a robust set of assumptions. A business must be in a position to discuss the key pillars of the plan and be able to articulate how they plan to scale the business in the context of operations, technology and funding.
The science	• Refine the assumptions and prepare multiple business scenarios, as a potential investor or buyer would. • Apply multiple valuation approaches (Income Approach, Market Approach and Cost to Recreate) with a range of assumptions. • Derive a range of valuations and implied valuation multiples; P/E, P/BV, P/TBV or EV/EBITDA (relevant only for asset light businesses). • Assess the reasonableness of multiples based on forecast fundamentals: RoA, RoE, RoTE, growth in profits and trends in margins.
Deal structure	• Setting out the right deal perimeter is critical to maximise value and manage risk whilst aligning with the deal objectives of the seller. • Typically, this means assessing value of the back-book, servicing, platform/technology, IP, and front book. In a sale of the business, these components are generally assessed as a whole. However, in certain situations, to maximise value (or to achieve other goals of a seller) some components may be retained by the seller.
Market overlay	• There are limited speciality finance deals to assess and compare, and secondly, disclosure on price considerations and structures is highly opaque, making it difficult to draw a reasonable comparison and conclusion. • Nonetheless, deal activity and market intelligence is insightful in assessing appetite from potential investors and buyers. • Valuation multiples of publicly listed banking and non-bank peers, whilst of limited use, are helpful as buyers use them as reference points.
Buyer type	• It is essential to understand the nature of the buyer and their intentions and plan for the acquisition. A Bank, for example could generate funding synergies by deploying cheaper deposits, however consideration is needed on specific equity banks need to put aside for specific products - if too high can negate some of that benefit. Even within the Bank buyer group, certain banks will have cheaper cost of funding vs others. A larger pot of synergies supports a higher valuation. • A private equity buyer would typically structure deal consideration with earnouts and/or deferred components. Additionally, certain PE buyers may own specialty finance businesses with sophisticated treasury functions, providing a path towards funding synergies (i.e., via securitisations).

Illustrative Regression Analysis – Banks & Non-Banks

The graph below depicts the regression analysis of both the ROTE and P/TBV for various banks and non-bank lenders. This analysis illustrates the metrics, which can be adopted to arrive at an illustrative range of values based on the ROTE (Return on Tangible Equity).

Banks / Non-Banks: P/TBV 2024 regression on ROTE 2025E



*TBV = Tangible book value after adjusting for AT1 securities, and intangible assets and goodwill. Broker estimates for share buybacks were used to estimate TBV2025E

Source: CapIQ, company fillings; Market data as of 16 March 2025

This analysis is for illustrative purposes only and should not be used for valuation or investment purposes

LendInvest was not included as part of the analysis; the RoTE 2025E was not meaningful

LendInvest,,Vanquis Banking, STB, Funding Circle were not included within the regression analysis

Selected M&A transactions – Lending

There has been a lack of relevant transactions, with limited disclosure on valuation and deal structures. An advisor can add value to unpack deals and provide insights

Acquirer	Acquirer Type	Target	Transaction Closing Date	Deal Size (£m)	Transaction type	Products	Loan Book (£m)	Net Profit /(loss) (£m)	Date of FS	RoTE	Implied P/E	Implied P/TBV
Warburg Pincus	Private Equity	United Trust Bank	Dec-24	520	Minority equity investment	▪ Deposits, Asset Finance, Bridging, Development	3,104	63.3	Dec-23	21.5%	8.2x	1.77x
eCapital	Institution	Optimum Finance	Oct-24	ND	100% share acquisition	▪ Invoice Finance for SMEs	N/A	0.9	Dec-23	NML	N/A	N/A
Allica Bank	Bank	Scan Capital	Aug-24	ND	100% share acquisition	▪ Specialist property finance provider	N/A	(1.0)	Dec-23	NML	N/A	N/A
shawbrook	Bank	JBR Capital	Jun-24	ND	100% share acquisition	▪ Motor Finance	332	(3.0)	Dec-22	NML	N/A	N/A
Chetwood	Bank	chl mortgages	May-24	ND	100% share acquisition	▪ Buy-to-let	N/A	(3.8)	Dec-23	NML	N/A	N/A
Barclays	Bank	Kensington	Mar-23	2,415[4]	100% share acquisition	▪ Specialist mortgage lender	2,091	6.6	Mar-22	26.2%	N/A	>3.0x
Arrow Global	Institution	Maslow Capital	Mar-23	ND	100% share acquisition	▪ Specialist Residential Mortgages	N/A	N/A	N/A	N/A	N/A	N/A
Elliott	Private Equity	enra Specialist Finance	Sep-22	350	100% share acquisition	▪ Buy-to-let & Development Finance	N/A	N/A	Dec-21	NML	NML	N/A
OakNorth	Bank	ask	Oct-22	ND	50% share acquisition	▪ Development Finance, Bridging Finance & Development Exit Finance	N/A	N/A	N/A	N/A	N/A	N/A
USS	Institution	Pluto Finance	Sep-21	75	49% share acquisition	▪ Bridging Finance & Development Finance	N/A	N/A	N/A	N/A	N/A	N/A
Starling Bank	Bank	Fleet Mortgages	Jul-21	50	100% share acquisition	▪ Buy-to-let	N/A	4.6[1]	Mar-22	NML	10.7x	NML
IPO	N/A	lendinvest	Jul-21	255.6	IPO	▪ Buy-to-let, Residential, Bridging and Dev Fi	1,257	4.9	Mar-21	10.1%	NML	5.32x
Towerbrook	Private Equity	Précis	Mar-21	ND	Start-up funding	▪ Development Finance	N/A	(4.3)	Dec-21	NML	NML	N/A
MT Finance MBO	Bank	mt finance	Mar-21	ND	MBO 100% share acquisition	▪ Bridging Finance	44	0.7	Jun-21	NML	N/A	N/A
shawbrook	Bank	The Mortgage Lender	Mar-21	ND	100% share acquisition	▪ Mortgage lender	N/A	(1.0)	Dec-20	NML	N/A	N/A
Cabot Square Capital	Private Equity	MSP Capital	Nov-18	ND	100% share acquisition	▪ Development Finance & Bridging Finance	130.5	8.3	Dec-19	23.7%	N/A	N/A
pepper money	Institution	Optimum Credit Limited	Oct-18	N/A	100% share acquisition	▪ Second charge lender	450	N/A	N/A	N/A	N/A	N/A
paragon	Bank	Titlestone	Jul-18	48	100% share acquisition Book acquired vis portfolio sales	▪ Development Finance	227.4	9.5	Sep-17	25.2%	5.0x [3]	1.3x

Source of data: Company fillings, market intelligence, news articles. ND: Not disclosed. N/A: Not available. NML Not meaningful, 1: Annualised based on 15-month accounting period
(2) Arrow acquired a significant minority stake in December 2021 and subsequently acquired the remaining stake for a full acquisition
(3) Multiples are based on 2017 Y/E figures for Titlestone hence some lag but still useful
(4) Total consideration of £2.4bn was split between £2.1bn for the loan book and c. £300m for the platform. Our RoTE is based on 2022 Y/E and book value on March 2023
According to publications West One Lending, Enra lending arm, originated around £1.5bn of assets annually

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3.
Interpath as a Strategic Advisor

Interpath as a Strategic Advisor to Specialty Finance Businesses

Our relationships are built on trust, independent advice, deep knowledge of the sector and above all, delivering high quality advice to our clients.

Market view

Our **senior members are well embedded in the specialty finance ecosystem** to share market insights on deal activity (M&A, equity, debt).

We lead a number of surveys as such as Bridging Market Survey (in association with The BDLA) and the J.P. Morgan's Specialist Lenders Conference pre-event survey.[1]

Client journey

Our culture of providing **honest views to our clients** combined with providing strategic independent advice has resulted in our clients coming back to us for advice over time.

We strive to assist our clients **across their journeys**. and focus on creating long term value for our clients.

Understanding of our clients' needs and business diagnostics

We invest time to **understand short term and long-term goals of our clients**.

We deploy a senior member team to understand the business, products, funding, distribution channels, operations and financials.

Strategic advice

Depending on the context, objectives of our clients and market activity, **we critically assess whether our client requires an organic solution or an inorganic approach via M&A, equity or debt raise**.

Our credentials across **M&A, capital raise and loan diligence** demonstrate our knowledge in the specialty finance market and the depth and breadth of relationships we have built over many years.

1: Contact us for more information on any of the surveys

4.
Our M&A Playbook Blueprint & Actions to Maximise Value

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Our M&A Playbook Blueprint

We have developed a blueprint for M&A to assist our existing and prospective clients. Our experience confirms that a successful sale or a merger transaction is a series of multiple (often sequential) workstreams that requires preparation, a deal mindset, determination and a unique skillset. Interpath can assist you across these phases to maximise value and deal certainty.

Launch Date | Post Binding Offer | Complete

Pre-deal → **Warm up** → **Launch** → **Negotiate & Close**

Preparation

1. Align shareholder objectives
2. Scenario analysis & initial valuation
3. Evaluate options; timing, type, structure
4. Prepare dynamic business plan
5. Build a strong investment thesis
6. Prepare buyer list
7. Soft marketing exercise
8. Firm up deal structure
9. Draft information memorandum

An Advisor can be invaluable as the Seller is required to make a series of well-thought-out decisions in the Launch and Negotiate & Close phases.

Laser focused project management is essential for a successful deal.

Execution

10. Complete IM and share with buyers
11. Receive LOIs or NBOs
12. Compare offers with shareholder objectives
13. Financial & Legal DD. Potential Tech DD
14. Select buyers for next phase
15. Next phase with full buyer DD
16. Evaluate binding offers, decide on buyer
17. Negotiate on valuation, structure
18. Reverse DD (for mergers)
19. Commercial inputs in sale agreement
20. Completion mechanics
21. Regulatory approvals
22. Complete

Sellers often underestimate the importance and level of effort required in the Pre-deal and Warm-up stages.

Shareholder misalignment or a lack of robust valuation analysis to set expectations or non-existence of a dynamic business plan can often lead to delays or complexities.

**IM = Information Memorandum, LOI = Letter of Intent, NBO = Non-Binding Offer, BO = Binding Offer, DD = Due Diligence*

Interpath can act as your trusted Advisor to execute the M&A playbook

We see ourselves as an extension of your team, working with you throughout a transaction process, most importantly, preparing you for a deal to maximise certainty and value.

Engage	• Mandate Interpath to act as your trusted advisor to sell your business • This could be 18-24 months before an envisaged deal to help you prepare for high transaction certainty and maximum value • Interpath would typically be engaged on a nominal retainer
Kick-off	• Interpath will facilitate an initial session with you to walk you through the M&A playbook highlighting key milestones and the deliverables involved in each sub workstream • Interpath's emphasis will be arming you with every tool and resource required based on our expert knowledge of the Spec Fin sector, market intelligence and experience of managing multiple M&A processes
Preparation	• The playbook and the discussions will highlight areas where substantial effort and analysis may be required • You can elect to do these yourselves or appoint Interpath (for an additional fee) or use an alternative provider. Interpath can guide you. For example, if there is no financial model, we can introduce experts to help you build one
On going monitoring and soft marketing	• On a regular basis, Interpath will input and hear your progress, particularly in the pre-deal phase. Interpath will attend Board / committee meetings to discuss and to ensure progress is being made • Interpath will share relevant market insights and conduct soft marketing to gauge buyer appetite, and where we spot an opportunity and if agreed with you, Interpath will take a more proactive approach
Execute	• At an appropriate stage, Interpath will become fully involved and drive the process to completion, acting as a trusted advisor supporting you in your decision making at each decision node of the deal

Best Practices for a Successful Specialty Finance Transaction

Ensuring a smooth and successful transaction in the specialty finance market requires careful planning and preparation. Here are key areas to focus on for optimal deal outcomes:

Key Focus Areas

Maintain accurate financial records. Ensure historical financial data is well-documented, with clear financial forecasts and business plans. This streamlines the due diligence process, builds buyer confidence, and supports a robust valuation.

Ensure data tape accuracy. Accurate and well-structured data tapes facilitate a seamless sales process, minimising delays and reinforcing buyer confidence in the company and management team.

Set realistic valuations. Align valuation expectations with profitability, growth prospects, and market trends. Working with advisors ensures a fair and achievable valuation based on sound financial analysis.

Foster clear communication with stakeholders. Proactively managing communication with employees and investors helps align expectations, preserve trust, and maintain business stability throughout the transaction.

Allow sufficient time for the process. Dedicating adequate time to address operational, financial, and legal matters ensures a well-executed and efficient transaction.

Align management and shareholders. Maintaining alignment among key decision-makers helps streamline the sales process, minimise conflicts, and create a unified vision for the company's future.

Prepare thoroughly for due diligence. Anticipate buyer scrutiny by compiling comprehensive legal, operational, regulatory, and financial information. Setting up a well-organised Virtual Data Room (VDR) ensures all necessary details are readily available.

Actions You Can Take To Maximise Value

There are a number of ways you can maximise the value of your business ahead of an exit event.

Actions

Action	Maximising Value — Driving value through best practices
Business Plan	▪ A three-year business plan predicated on a robust set of assumptions ▪ A financial model that is dynamic and where you can build different scenarios (High, Base, Low) ▪ Make sure you are not just another hockey stick growth potential ▪ Be ready with your investors to address what is required to achieve the Base and High cases and what could drive Low the case
Compelling narrative	• Work with your advisors to showcase your growth potential, market positioning and competitive advantages • Your advisors should also start to educate investors, with soft marketing exercises whilst maintaining confidentiality
De-risk Operations	• Identify and address potential buyer concerns such as key person dependency, compliance issues or outdated technology. If this requires substantial investment, then at minimum, have a well thought out plan to address them
Optimise Financials	• Ensure that you have a clean set of financial statements and historical management accounts • Reduce any unnecessary expenses, enhance revenue streams – maximise returns to equity holders
Engage Advisors	• Ensure you partner with experienced advisors in the speciality finance sector who can assist you in maximising value
Start Early	• To maximise value, make sure you begin this process early, around 12-24 months in ahead of a deal

Throughout the process to maximising value, it is important to work through this process with an advisor. This can lead to outperforming targets which will inspire confidence in bidders and help create value.

5.

About Interpath & Our Credentials in Specialty Finance

About Interpath

Interpath supports businesses, their investors and stakeholders across a broad range of specialisms spanning deals, advisory and restructuring capabilities.

Interpath was formed to allow our people to do what they do best in an agile, independent and conflict-free setting. To create, defend, preserve, sustain and grow value. To offer something different. To help organisations facing challenge or opportunity to navigate what's next.

Interpath proudly works with companies of all sizes, from SMEs to some of the largest organisations globally. Whatever your challenge or opportunity, our market leading people are here to guide you forward.

Our extensive sector coverage model also means we have experts who truly understand the complexities of your market, helping you to successfully navigate the road ahead.

Interpath combines the energy, ambition and agility of a young organisation with the experience and quality of a big 4 firm.

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Locations across the globe

1,000+

People

200+

MD & Directors

Financial Services Deal Advisory & Speciality Finance Capabilities

Our Financial Services Transaction Advisory business provides independent advice to financial services businesses throughout all stages of their lifecycle. Our deep knowledge of the financial services market allows us to quickly identify the right solutions for our clients, enabling us to provide well-informed support and avoiding simplistic 'one-size-fits-all' solutions.

Key service offerings

01 Mergers and Acquisitions

We provide independent M&A advice whether you are seeking to expand organically or via a strategic acquisition, and realise value through the sale of a business, a subsidiary or a shareholding. We support a range of clients across the financial services space with a view to realising strategic objectives, shape vision and unlock value at every stage of the deal.

02 Debt and Capital Advisory

Our Debt and Capital Advisory team provides advice and strategic thought to clients throughout their lifecycle, from capital strategy analysis to private and public securitisations. The team is independent of lenders, products and markets, meaning we provide objective advice on the optimum capital solutions for our clients.

03 Loan Portfolio Sales

As a complimentary capability to our other service offerings, Loan Portfolio Sales supports clients in performing and non-performing sales across a variety of asset classes, including on static portfolios and forward flow purchase arrangements.

04 Loan Portfolio Diligence

The newest service line within the financial services transaction team, providing assistance on a range of loan level data verification and assessment reviews . Our team can also provide support on the assessment of process, structure, policies and decision-making frameworks.

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Our Select Deal Experience[1]

Type	Company	Description	Value	Year
Debt	Reward	Arranged new debt facilities as part of a refinance strategy to support loan book growth	£360m	2025
Debt	TAB.	Arranged a private securitisation to facilitate loan book growth	£300m	2023
Debt	mt finance	Arranged a forward flow facility to support the launch of BTL offering	£500m	2023
Debt	praetura COMMERCIAL	Arranged a private securitisation for invoice finance / ABL	£200m	2023
Debt	octopus electric vehicles	Arranged a private securitisation for EV leasing provider	£550m	2023
Debt	weflex	Arranged a senior debt facility for SME EV leasing provider	£40m	2023
M&A	keo	Successfully advised B2B BNPL on a Growth Equity raise	$20m	2022
M&A	SecureTrust Bank	Sell side advisor to a STB on its exit from the debt purchase market	£94m	2022
Debt	credit shelf	Arranged a private senior financing facility for Creditshelf	€100m	2022
M&A	BNP PARIBAS	Advised on the sale of a UK HGV leasing business	ND	2022
Debt	propel	Arranged a private securitisation for commercial asset finance provider	£310m	2022
Debt	evolution money	Arranged an inaugural private securitisation facility for a consumer lender to	ND	2022
M&A	mt finance	Advised on a management buy-out, resulting in the founder regaining a controlling stake of the business	ND	2021
Debt	247 Money	Arranged a private securitisation facility for an auto finance lender to finance future origination	£305m	2021
M&A	MSP CAPITAL	Advised on the sale of a majority shareholding to a sponsor	ND	2018
M&A	Haydock Finance	Advised Haydock on their majority sale to Apollo	ND	2017

A selection of Interpath engagements and deals our team have led on in previous organisations.