

# Distribution Finance Capital Holdings plc

## **Full Year Results 2025**

March 2026



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# Introductions



**Carl D'Ammassa**  
Chief Executive Officer



**Sameera Khaliq**  
Chief Financial Officer



# 1. Background

Carl D'Ammassa



# DF Capital

## Built to serve the sectors others overlook.

Specialist lender providing funding solutions to manufacturers, dealers and distributors.

- 1 Specialist by design.** Working capital for sectors underserved by mainstream lenders.
- 2 Bank funding.** Retail savings, accessed via best buy tables, underpin our secured loan book.
- 3 Scaled with discipline.** Profitable within two years of authorisation – now expanding into natural product adjacencies.

### 4<sup>th</sup>

consecutive year of profitable year-on-year growth

### 2016

Founded in Manchester

### c.150

Employees; Manchester HQ

### 2020

Full banking licence granted

### <2 years

To profitability from authorisation

## 2025 Positioning

Firmly positioned as a multi-product lender operating across product adjacencies whilst remaining committed to supporting the sales growth and vitality of manufacturers, dealers and distributors



# Focused business model

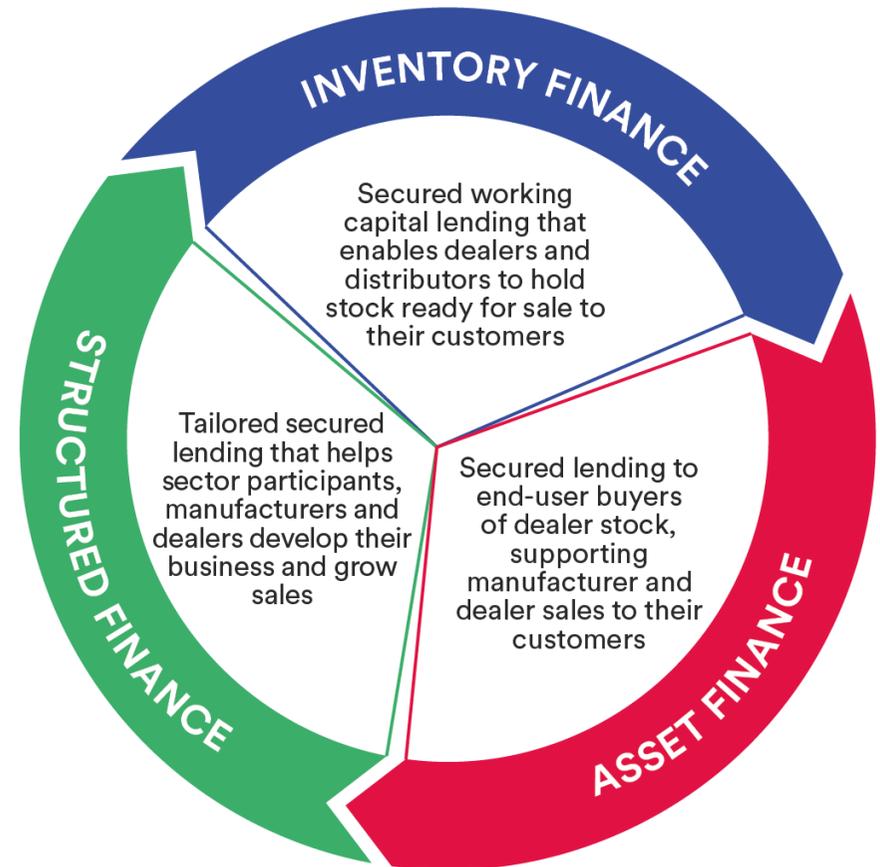
Lending products that unlock the sales growth of manufacturers, dealers and distributors

## Why we win

- Attractive niche** – underserved by mainstream lenders
- Customer-first finance** - fast, simple and reliable; easy to do business with
- Technology-enabled** platform that scales with award winning human touch
- Deep sector expertise** with experienced leadership and specialists across the business
- Extensive lending product experience** - diligent credit management stewardship underpinned by through-the-cycle credit expertise
- Multi-product offering** - commitment through the credit cycle – virtuous approach to relationship management

## How the model works

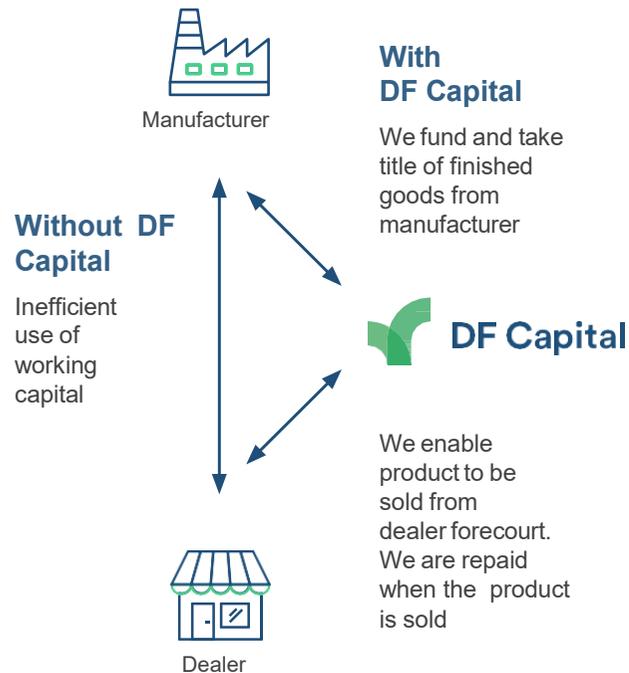
- Retail deposit funding base** - stable, cost-efficient liability structure that easily scales with lending ambitions
- Lending structured around sales cycles drawing on sector knowledge** – bespoke terms and lending products appropriate for customer needs
- Secured lending** – clear routes to recovery with multiple layers of recourse in most cases
- Diversification of end-user markets** – minimises concentration risk whilst providing resilience across particular market cycles
- Organically self-funding** - TNAV and capital growth through retained earnings - no dilutive equity raise required



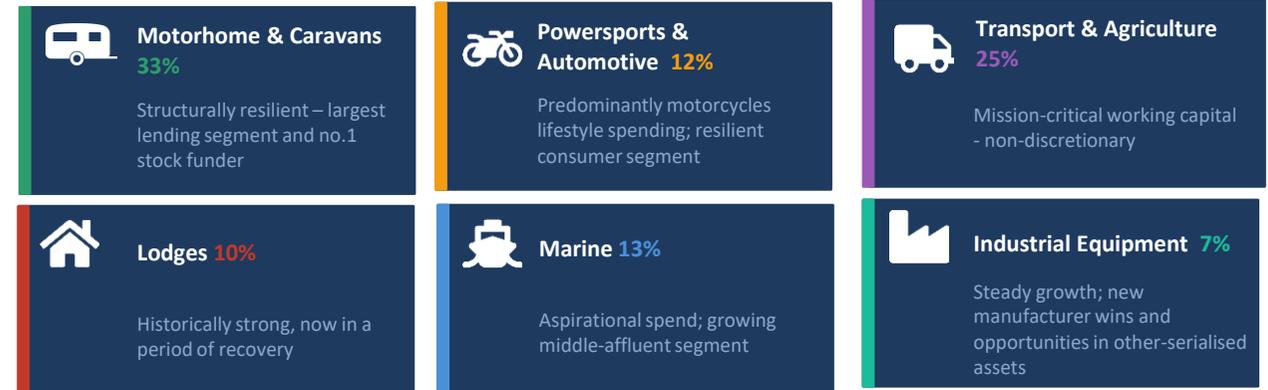
# Core lending product: Inventory finance

An attractive underserved niche that provides access to lending product adjacencies

## Product – How it works



## Primary Sectors<sup>1</sup>



## Product dynamics overview

- Strong security position, hold title against individual assets
- Typical loan-to-value of c.85% of wholesale value or c.70% of retail value
- Repaid by dealer when asset is sold – typical average loan of c.150 days
- c.60% of the loan book part of manufacturer programmes benefitting from redistribution and/or repurchase arrangements
- Repeat facility-based financing - fee-based structure with double digit gross yield
- Losses and impairments c.1% through the cycle
- Exceptional client advocacy measured annually through Net Promotor Score

Notes: (1) Sector breakdown shown at percentage of total inventory finance loan book as at 31 December 2025



## **2. FY25 Review**

Carl D'Ammassa

# FY25: Our best year so far

Fifth year as a bank – fourth year of profitable year-on-year growth

Record breaking performance – ahead of expectations	Core lending momentum	Asset finance launch – driver of future growth	Platform and culture built to scale
<p><b>£1.8bn</b> +27% New lending</p>	<p>Lending growth driven by <b>increased market share</b> in resilient, specialist lending niches</p>	<p><b>Embedded relationships</b> – adjacent to core product, supporting known sectors and distributed through existing relationships</p>	<p>Relocated to <b>new, expanded Manchester HQ</b> - investment in capacity to support the next phase of growth</p>
<p><b>£846m</b> +27% Closing loan book</p>	<p>Net interest margin <b>held at c.8%</b> - well ahead of medium-term target, demonstrating strong pricing discipline</p>	<p>Dealer network generates <b>£10bn+ annual sales</b> - a large addressable market, much bigger than core inventory finance</p>	<p>Lending customer NPS <b>+59</b> up 21pts &amp; deposits Platinum Service Award &amp; feefo 4.8 stars - reflecting the service quality</p>
<p><b>£18.1m</b> +26% Adjusted PBT<sup>(1)</sup></p>	<p><b>Portfolio quality maintained</b> - total arrears and legal recoveries only 0.85% of loan book; cost of risk only 59bps – well below TTC target of 1%</p>	<p><b>Digital first</b> – scalable modern platform digital technology, regulatory-compliant, no legacy.</p> <p><b>DFRNT</b></p>	<p><b>'Excellent'</b> across all categories in Best Places to Work survey; a platform that attracts and retains exceptional talent</p>

Notes: (1) Adjusted metrics reflect a removal of a one-off VAT recovery of £1.5m relating to prior periods



# Roadmap to 2030

Sticking to our niche lending delivers sizeable value creation

>£1.5bn

Loan Book  
by 2030

vs. >£1.3bn FY28  
target

45-48%

Cost-to-Income  
Ratio

vs. <50% FY28 target

~20%

Return on  
Required Equity

Material step-up from  
mid-teens

10-15%

TNAV Growth  
per Annum

Self-funded via  
retained earnings

FY28 “steppingstone” targets remain in place. The 2030 plan is additive - further acceleration, not a replacement.

## Self-Funded by Design

Growth funded entirely through retained earnings - **no dilutive equity raise required**

Excess capital above regulatory buffers **retained throughout the medium term**

**Strong capital position** provides a natural buffer against unexpected headwinds

## Capital Optionality

**Accelerate growth strategy** as opportunities arise

**Enable portfolio acquisitions** in adjacent or complementary lending

**Returns to shareholders** via buyback or dividend - first dividend expected to be announced alongside FY28 results

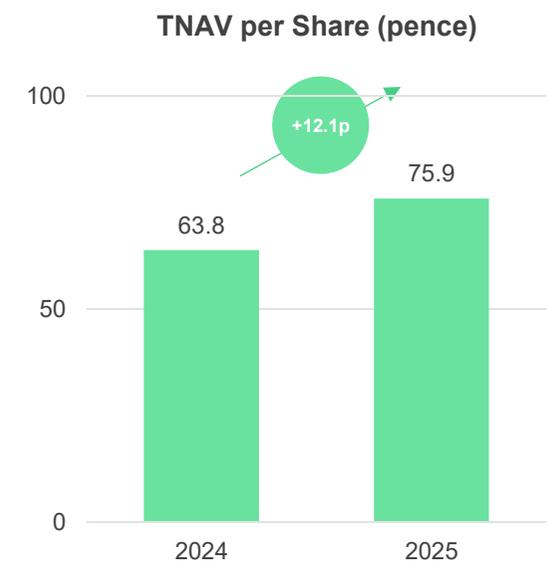
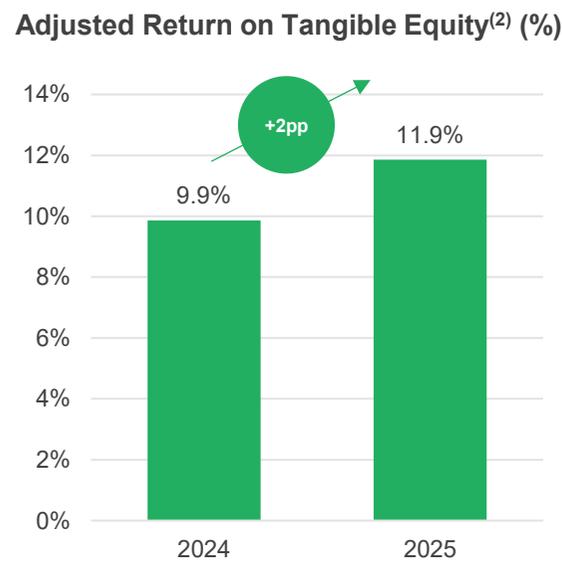
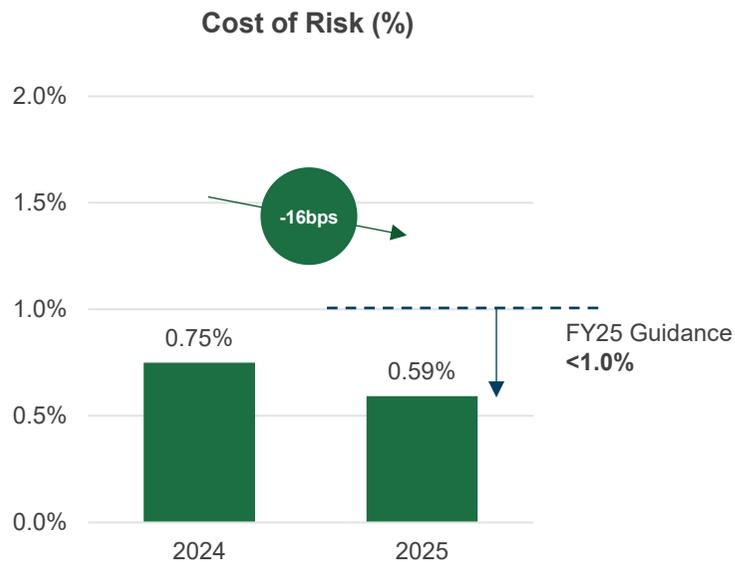
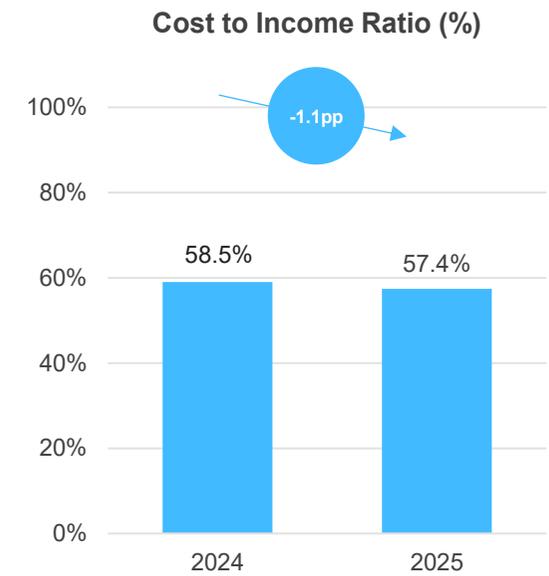
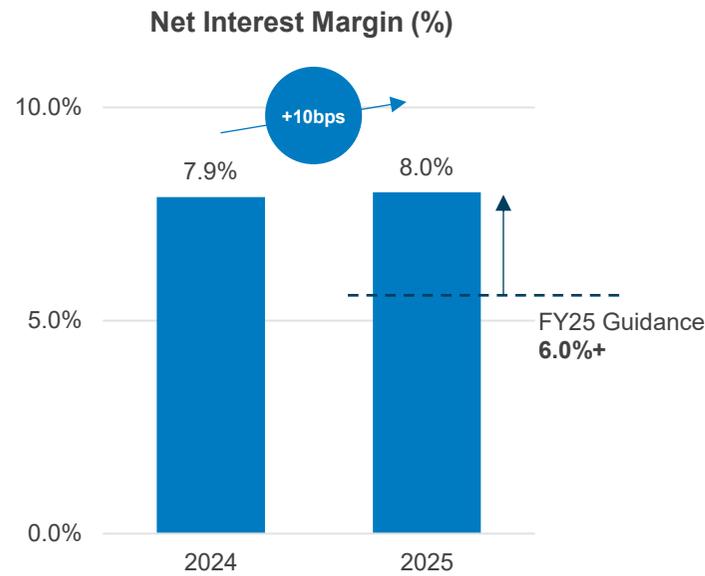
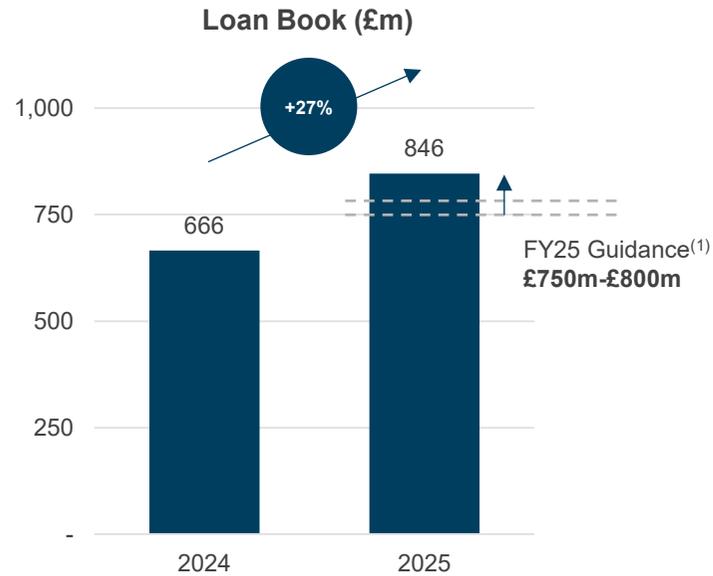


# 3. FY25 Financials

Sameera Khaliq

# Continuing to build shareholder value

Exceeding expectations as we head towards our medium-term targets



Notes: (1) Company guidance provided as part of FY24 year-end investor presentation, (2) Adjusted metrics reflect a removal of a one-off VAT recovery of £1.5m relating to prior periods and FY24 reallocates a one-off impairment recovery of £4.7m



# Outstanding year of profitable growth

Summary Income Statement	FY25	FY24	Change	Change
	£m	£m	£m	%
Gross revenues	90.9	76.7	14.2	19%
Interest expense	(34.9)	(31.2)	(3.7)	(12%)
<b>1 Net income</b>	<b>56.0</b>	<b>45.5</b>	<b>10.5</b>	<b>23%</b>
<b>2 Operating expenses</b>	<b>(32.2)</b>	<b>(26.6)</b>	<b>(5.6)</b>	<b>(21%)</b>
<b>3 Impairment charges and provisions</b>	<b>(4.2)</b>	<b>0.2</b>	<b>(4.4)</b>	<b>n/a</b>
<b>Profit before taxation</b>	<b>19.6</b>	<b>19.1</b>	<b>0.6</b>	<b>3%</b>
Impact of extraordinary VAT recovery	(1.5)	-	(1.5)	n/a
Impact of extraordinary impairment recovery	-	(4.7)	4.7	n/a
<b>Adjusted profit before taxation<sup>(1)</sup></b>	<b>18.1</b>	<b>14.4</b>	<b>3.8</b>	<b>26%</b>

## Key Performance Indicators

Gross yield %	12.0%	12.2%	-0.2pp
<b>1 Net interest margin %</b>	<b>8.0%</b>	<b>7.9%</b>	<b>+0.1pp</b>
Average cost of deposits %	4.4%	5.2%	-0.8pp
<b>2 Cost income ratio %</b>	<b>57.4%</b>	<b>58.5%</b>	<b>-1.1pp</b>
<b>3 Adjusted cost of risk %<sup>(1)</sup></b>	<b>0.59%</b>	<b>0.75%</b>	<b>-0.16pp</b>
Adjusted return on customer assets % <sup>(1)</sup>	2.0%	1.8%	+0.2pp
<b>4 Adjusted return on tangible equity %<sup>(1)</sup></b>	<b>11.9%</b>	<b>9.9%</b>	<b>2.0+pp</b>
<b>5 Adjusted basic earnings per share<sup>(1)</sup></b>	<b>8.3p</b>	<b>5.9p</b>	<b>+2.4p</b>

Notes: (1) Adjusted metrics reflect a removal of a one-off VAT recovery of £1.5m relating to prior periods and FY24 reallocates a one-off impairment recovery of £4.7m

**1** Net interest margin (NIM) increased marginally to 8.0% (FY24: 7.9%) supported by strong pricing disciplines on lending and deposits, balance sheet mix.

**2** Operating expenses increased by 21% year-on-year with targeted investment in strategic growth priorities (e.g. asset finance), enabling greater efficiency, strengthening controls and supporting consistent service delivery to customers. Overall cost-to-income ratio decreased to 57.5% from 58.6%.

**3** Overall impairment charge in the year of c.£4.2m (FY24: c.£0.2m release <sup>(2)</sup>) remains stable and a reduction in cost of risk to 0.59% (FY24: 0.75% adjusted cost of risk), reflecting continued discipline in credit stewardship.

**4** Proven track record of scaling lending delivers improvement in adjusted return on tangible equity to 11.9% (2024: 9.9%), moving steadily towards our mid-teens target for FY28 and c.20% for FY30.

**5** Adjusted basic earnings per share increased to 8.3p (FY24: 5.9p).



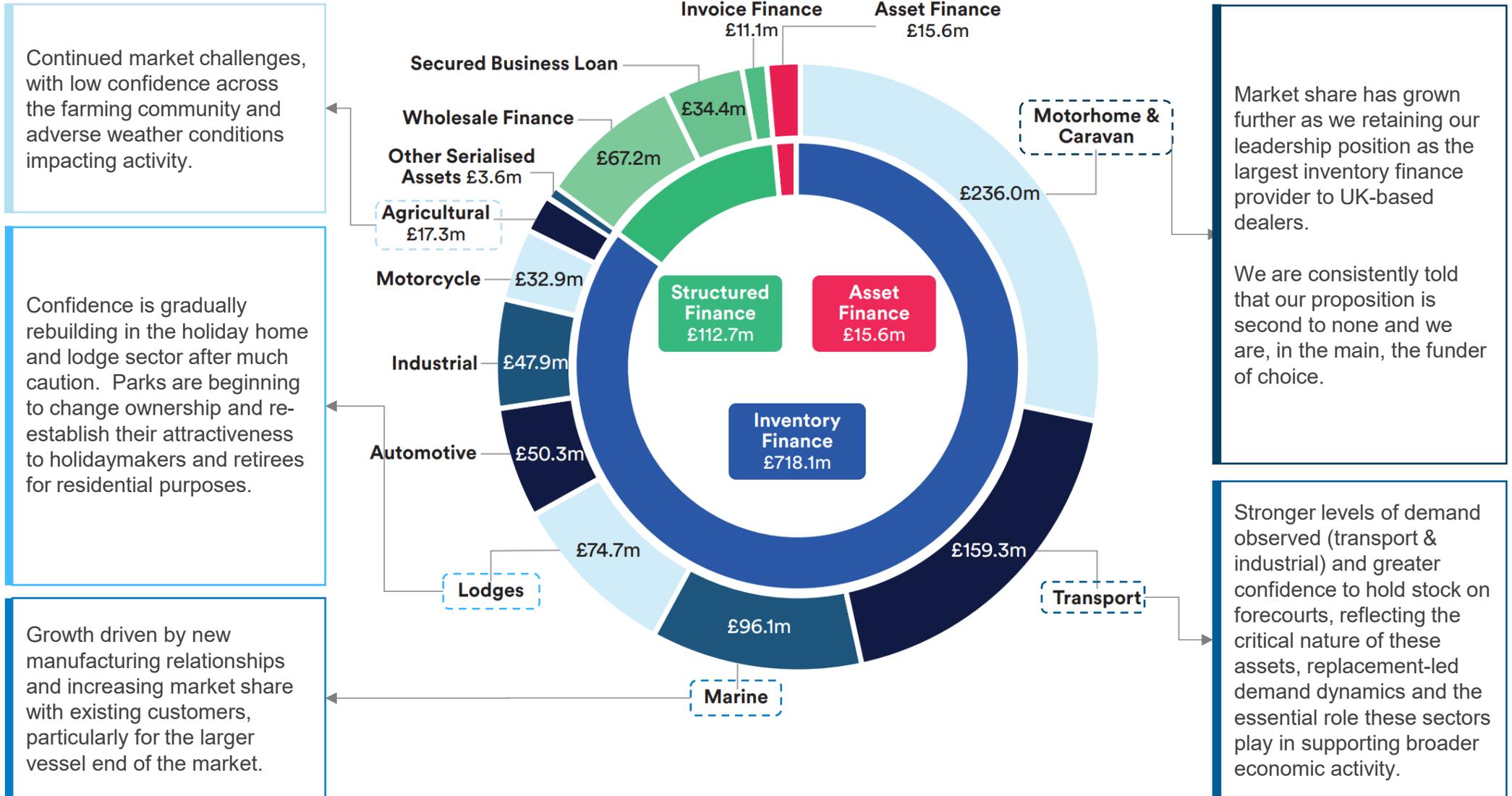
# Improving capital efficiency, fuelled by organic profit

Summary Balance Sheet KPIs	31 December 2025	31 December 2024	Change	Change %
1 Loan book (£m)	846	666	180	27%
2 Customer deposits (£m)	841	650	191	29%
Net assets (£m)	127.2	115.4	11.9	10%
3 CET1 (%)	18.0%	21.6%	(3.6%)	(17%)
TCR (%)	20.5%	23.8%	(3.3%)	(14%)
4 Impairment coverage on loans to customers %	1.0%	1.0%	-	-
Loan to wholesale value of assets %	87%	84%	3%	3.6%
Stock days	129	140	(11)	(7.9%)
5 Tangible net asset value per share (pence)	75.9	63.8	12.1p	19.0%

- 1 Record loan originations delivered a c.27% increase in the loan book to £846m (December 2024: £666m), achieved through a diversified portfolio of inventory finance, structured finance and asset finance product segments.
- 2 Savings balances grew by 29%, matching our lending growth and achieved through a range of savings products for customers, at competitive rates. Customer deposits of £841m (2023: £650m), with over 18,500 accounts up 20% on the prior year.
- 3 CET1% reduction driven by increased loan book but comfortably above our regulatory minima. Self-generated profits have helped to maintain a strong capital position. No further equity capital required to hit our 2030 targets.
- 4 Impairment coverage stable year-on-year at 1.0% (31 December 2024: 1.0%).
- 5 Tangible Net Asset Value per share increased by 12.1p to 75.9p (December 2024: 63.8p), even after accounting for the c. £4.9m returned to shareholders through the share repurchase programme.



# Loan book of £846m remains well-diversified, deploying our capital for optimised returns



Continued market challenges, with low confidence across the farming community and adverse weather conditions impacting activity.

Confidence is gradually rebuilding in the holiday home and lodge sector after much caution. Parks are beginning to change ownership and re-establish their attractiveness to holidaymakers and retirees for residential purposes.

Growth driven by new manufacturing relationships and increasing market share with existing customers, particularly for the larger vessel end of the market.

Market share has grown further as we retaining our leadership position as the largest inventory finance provider to UK-based dealers.

We are consistently told that our proposition is second to none and we are, in the main, the funder of choice.

Stronger levels of demand observed (transport & industrial) and greater confidence to hold stock on forecourts, reflecting the critical nature of these assets, replacement-led demand dynamics and the essential role these sectors play in supporting broader economic activity.

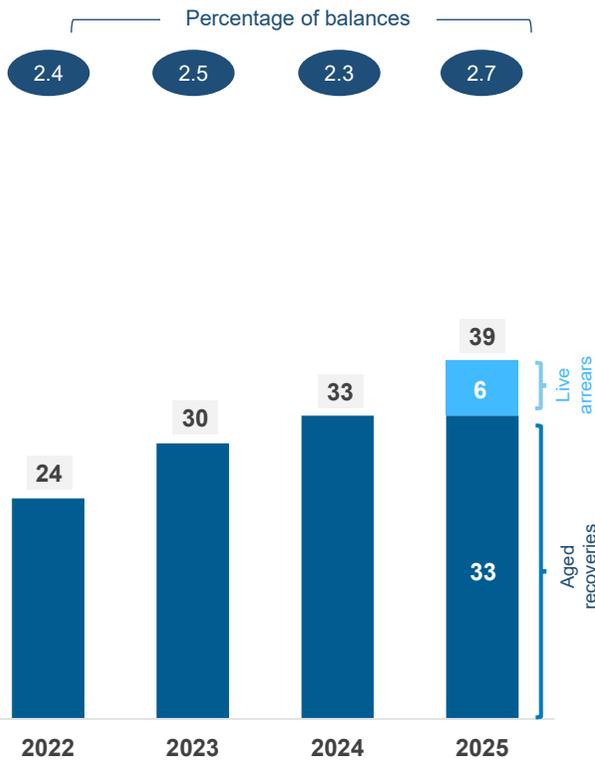


# Diligently managed arrears and recoveries cases

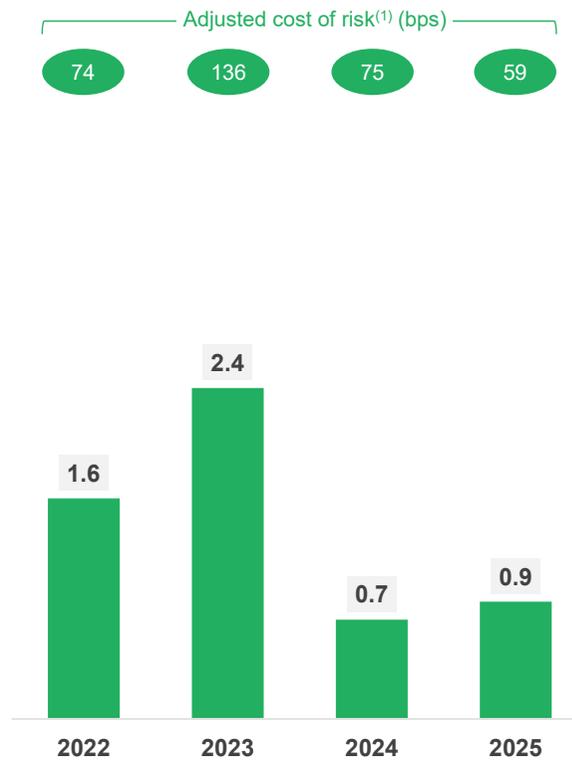
Continued low numbers of dealer arrears cases...

...with well-controlled core arrears balances resulting in strong overall credit performance

Number of dealers in arrears



Percentage of loan book in arrears



Arrears ageing

	31 December 2025	31 December 2024
<b>Status</b>	<b>Loan Balance (£000s)</b>	<b>Loan Balance (£000s)</b>
<b>Early: 1-30 days past due</b>	175	1,101
<b>Mid: 31-90 days past due</b>	350	739
<b>Default: &gt;90 days past due with appropriate credit loss provisions</b>	6,670	2,976
<b>Total</b>	<b>7,195</b>	<b>4,816</b>

Notes: (1) FY24 reallocates a one-off impairment recovery of £4.7m to FY23



## **4. Strategy & Outlook**

# Many routes to hit 2030 target – whilst operating in attractive niche lending segments

Inventory Finance	Asset Finance		Structured Finance
c.50% of loan book	c.40% of loan book		c.10% of loan book
<b>Products</b> <ul style="list-style-type: none"> <li>Floorplan</li> <li>Unit Stocking</li> <li>Rental</li> <li>Flexible Fleet Finance</li> </ul>	<b>Consumer</b> (80% - 90%)	<b>Business</b> (10% - 20%)	<b>Products</b> <ul style="list-style-type: none"> <li>Larger, bespoke lending solutions, secured on underlying assets</li> <li>Invoice discounting through Satago technology partnership</li> <li>Wholesale lending (lending to non-bank lenders)</li> </ul>
<b>Customers and Sectors</b> <ul style="list-style-type: none"> <li>Leisure</li> <li>Powersports</li> <li>Commercial</li> <li>Distribution</li> </ul>	<b>Products</b>		<b>Customers</b> <ul style="list-style-type: none"> <li>Existing dealers and new customers</li> </ul>
<b>Distribution</b> <ul style="list-style-type: none"> <li>Direct</li> </ul>	<ul style="list-style-type: none"> <li>Regulated hire purchase</li> </ul>	<ul style="list-style-type: none"> <li>(Unregulated) hire purchase and leasing</li> </ul>	<b>Distribution</b> <ul style="list-style-type: none"> <li>Direct</li> <li>Professional advisors (unpaid)</li> </ul>
	<b>Customers</b>		
	<ul style="list-style-type: none"> <li>UK individuals purchasing leisure assets</li> </ul>	<ul style="list-style-type: none"> <li>UK SMEs and corporates purchasing commercial assets</li> </ul>	
	<b>Distribution</b>		
	<ul style="list-style-type: none"> <li>Via existing dealer customers as distribution partners</li> </ul>		



# Where are we heading – route to 2030

- Many opportunities to grow, supporting our medium-term strategy and roadmap to >£1.5bn loan book:
  - Further opportunity to scale in core inventory finance – growing our market share and entering new sectors;
  - Deepening the relationship with existing dealers and manufacturers, lending beyond the forecourt with our asset finance; an estimated market opportunity in excess of c.£10bn; and
  - Tailored financing solutions that support the growth ambitions and sales across existing sectors
- Our continuing investment means we have all of the products, services and technology in place to deliver on our 2030 targets :
  - Loan book >£1.5bn;
  - Cost to income ratio in the range of 45% - 48% - scale unlocks further operational leverage;
  - Returns of c.20%; and
  - Annual value creation of 10-15% of TNAV.
- Growth funded through internally generated capital, via retained earnings, with no requirement for a dilutive capital raise.
- Expecting to hold excess capital above acceptable buffers, which provides the capacity to accelerate the growth strategy as opportunities arise; consider shareholder distributions and a maiden dividend announced alongside FY28 results (subject to regulatory approval).



# Outlook 2026

## Macro-economic and geo-political landscape

- Whilst remaining cautious and vigilant; we have navigated similar unpredictable times since authorisation in 2020
  - Most dealers' sales have shown resilience to recent cost of living and macro-economic challenges
  - We have excellent credit control disciplines in place across the firm
  - We have a track record of successful dealer support during challenging times, mitigating risk
  - Portfolio quality is expected to remain robust, supported by secured lending and disciplined underwriting

## Delivering sustainable long-term growth in lending and earnings

- Strong new loan momentum continued as we entered 2026, supporting our proven track record of lending volumes and a growing loan book
- Expect to continue to build market share in core inventory finance; whilst building further momentum in asset finance through H2 2026, as rollout broadens across additional core markets
- Continued strength of net interest margin through disciplined approach to pricing, notwithstanding portfolio remix over-time
- Operating leverage to continue to improve, as income growth outpaces cost growth
- Well-capitalised balance sheet, providing capacity to deliver medium-term targets without equity dilution

## Expect FY2026 closing loan book to be in excess of £900m



# 5. Appendices

# Summarised statement of profit and loss and other comprehensive income

	2025	2024
	£'000	£'000
Gross revenues	90,936	76,698
Interest expense	(34,897)	(31,208)
<b>Net income</b>	<b>56,039</b>	<b>45,490</b>
Operating expenses	(32,181)	(26,607)
Impairment charges	(4,267)	241
Provisions for commitments and other liabilities	50	(50)
<b>Profit before taxation</b>	<b>19,641</b>	<b>19,074</b>
Taxation	(4,482)	(5,053)
<b>Profit after taxation</b>	<b>15,159</b>	<b>14,021</b>
Other comprehensive income	-	75
<b>Total comprehensive profit</b>	<b>15,159</b>	<b>14,096</b>



# Condensed consolidated statement of financial position

	2025	2024
	£'000	£'000
<b>Assets</b>		
Cash and balances at central banks	131,676	110,030
Loans and advances to banks	5,894	3,771
Debt securities	5,722	769
Loans and advances to customers	839,526	660,772
Current and deferred taxation asset	1,912	3,980
Other assets	15,082	7,218
<b>Total assets</b>	<b>999,812</b>	<b>786,540</b>
<b>Liabilities</b>		
Customer deposits	840,565	649,665
Financial liabilities	2,444	90
Other liabilities	15,302	10,230
Subordinated liabilities	14,271	11,201
<b>Total liabilities</b>	<b>872,582</b>	<b>671,186</b>
<b>Total equity</b>	<b>127,230</b>	<b>115,354</b>



# Largest shareholders

Shareholders	Shareholding (#)	Shareholding (%)
Watrium	31,327,593	18.8%
Janus Henderson	18,144,206	10.9%
Lombard Odier	15,909,961	9.5%
River Global	15,600,000	9.4%
UBS	13,998,017	8.4%
Crucible	8,628,633	5.2%
Premier Miton	6,800,000	4.1%
Hargreaves Lansdown	5,270,376	3.2%
<b>Total</b>	<b>115,678,786</b>	<b>69.4%</b>

## Notes:

- Shareholders disclosed where holding exceeds 3.0%
- Information from shareholder register accurate as at 27 February 2026
- Total shares in issue of 179,369,199 of which 12,642,866 treasury shares leaving 166,726,333 voting shares, which has been used as the shareholding denominator



