

Newsletter

June 2023

A word from the CEO

There's no doubt about it, the past couple of years have put everyone through their paces in what it takes to run a business. I could start by going through the ever-growing list of challenges we as business leaders are now facing – from inflation, to supply chain challenges, to energy bills – but for many of us they have now just become 'business as usual'. And, as such, clearly show the overwhelming resilience of UK SMEs in the face of disruption.

It's this resilience, and the everyday examples of optimism we see in the face of challenging circumstances, that drive us at Simply to ensure that every business has the best possible chance for growth

and feels supported in its goals. We set out almost six years ago with a blank sheet of paper, to create a blueprint for how a good lender can meet the evolving needs of today's businesses. This meant ensuring we were not only nimble and built upon the best technology, but most importantly that we had a team of the right people, with the right experience, who would care about being there for our customers and helping them find funding solutions, come rain or shine.

Looking ahead, there are still reasons to remain optimistic. There are positive signs that inflation and energy bills are beginning a downward trend, which will ease the strain on business finances. ▶

Key developments



Grown to a team of **139 members** across four offices, serving over **6,400 customers** since inception.



Opened office in **Liverpool** meaning Simply now has four offices across the UK.



Increased bond programme with LGB Capital Markets from **£39 million** to **£65 million**.



Continued to develop our state-of-the-art lending platform, and in February, announced our partnership with contract management system **Landscape** to support Simply's business growth, geographic expansion and further improve the customer experience we deliver.



Secured **1,443** new agreements in the past six months alone, giving **£152 million** in funding to businesses.



Named in the **FT1000's top 20** of Europe's fastest-growing financial services businesses for the second consecutive year.



Increased Simply's scalability through the ability to white label and embed Simply's solution in multiple lending platforms, an approach that is already live with two of our partners.



Raised **£12,700 in 10 weeks** for Cancer Research UK through our charity initiatives.

Moreover, growth is still high on the agenda for businesses that just want to 'get on with it'. In the first quarter of 2023 alone, we observed a 35% increase in funding applications, as business owners sought to take advantage of investments to spearhead their growth. In fact, optimism remains strong, as nearly three fifths (58%) of UK SMEs expect their revenues to increase this quarter, and four in ten (39%) are planning to increase their number of employees.¹

It's in this environment, amid concerns about the availability of finance, that business owners need a quick decision and the reassurance that they can access the funds they need to grow. By using our technology to conduct due diligence checks within minutes, and offering customers quick decisions alongside an expert face, we aim to provide that reassurance. We want to be a part of their success, while hopefully setting an example for the future of

SME lending. So, while we're confident about the future of the UK SME landscape, we know we have a crucial part in ensuring its success and supporting the businesses we work with.

And lastly, on a more personal note, I am immensely proud to go to work every day and work alongside the excellent team we have created at Simply. By working in the way we do and remembering how critical the funding we enable is to the businesses we support, we are able to help business owners build the businesses of the future, create jobs and ultimately realise their dreams.



Mike Randall

CEO at Simply

1. Barclays SME Barometer 2023

Simply overview

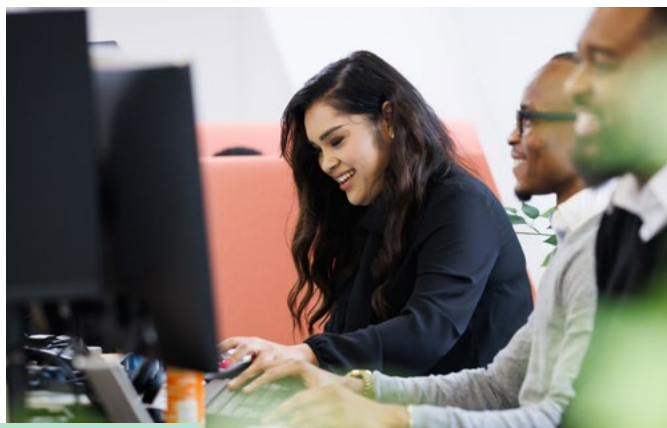
Simply was established in 2017, with the aim to disrupt the asset finance sector and provide a fresh approach to flexible finance options that empower companies and help them realise their potential. The combination of our expertise and technological know-how underpins our ability to provide SMEs with informed, swift decision-making, enabling us to be a bridge to their expansion – as we grow alongside them.



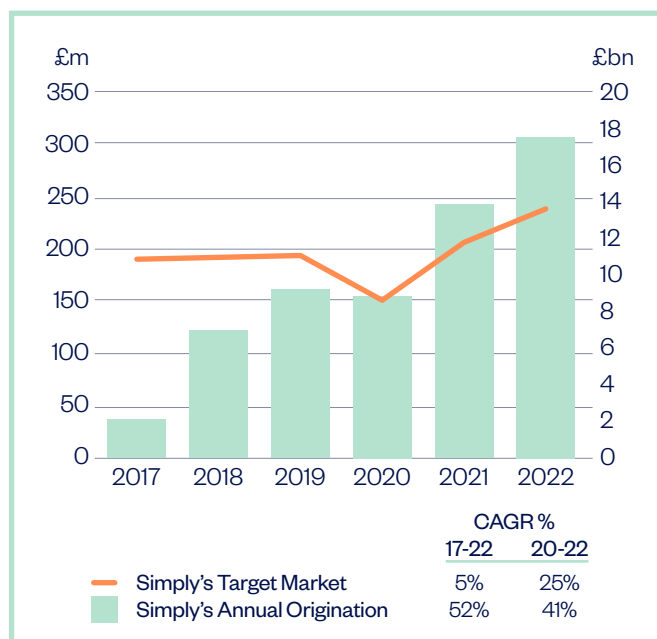
Financial update

The speed of our growth and the profitability of the business are down to the strength of our specialist team, and testament to the technology we've built to ensure a seamless end-to-end funding experience. Our 2022 profits doubled year on year to £7.1 million and revenues soared to £38.2 million, clearly demonstrating our strong growth trajectory in a landmark year for the business. We also added £110 million to Simply's loan book, a 36% increase year on year.

Looking ahead, we've recently arranged an increase to our bond programme from £39 million to £65 million, growing our ability to serve the ever-growing demand for our bespoke lending solutions.



Following analysis of the Finance and Leasing Association's (FLA) recent statistics on asset finance business written by its members in the last 12 months, we found that of the £33 billion written, our estimated target market is £13 billion. In 2022, we had a market share of approximately 2.3%, and in 2023 we are on track to increase this by 31%, reaching 3%.



Over the last five years, the compound annual growth of our target market has been 5%, with Simply's compound annual growth landing at 52%. This growth has led to our team numbers expanding by 17% year on year, and enabled us to open more offices across the UK, the most recent being Liverpool.

2023 has already seen new business volumes grow significantly faster than the asset finance market, and Simply is on track for this to continue throughout 2023 and beyond.



Stefan Wolvaardt

CFO at Simply

Year end 31 December	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Cumulative origination	£37m	£158m	£318m	£473m	£714m	£1,019m
Gross loan book	£0.0m	£90m	£172m	£218m	£307m	£417m
Revenue	£0.7m	£4.1m	£14.5m	£20.7m	£29.9m	£38.2m
Profit / (Loss)	£(1.6)m	£(5.4)m	£(2.8)m	£(3.1)m	£3.4m	£7.1m
Total number of customers	n/a	910	2,127	3,191	4,430	5,989

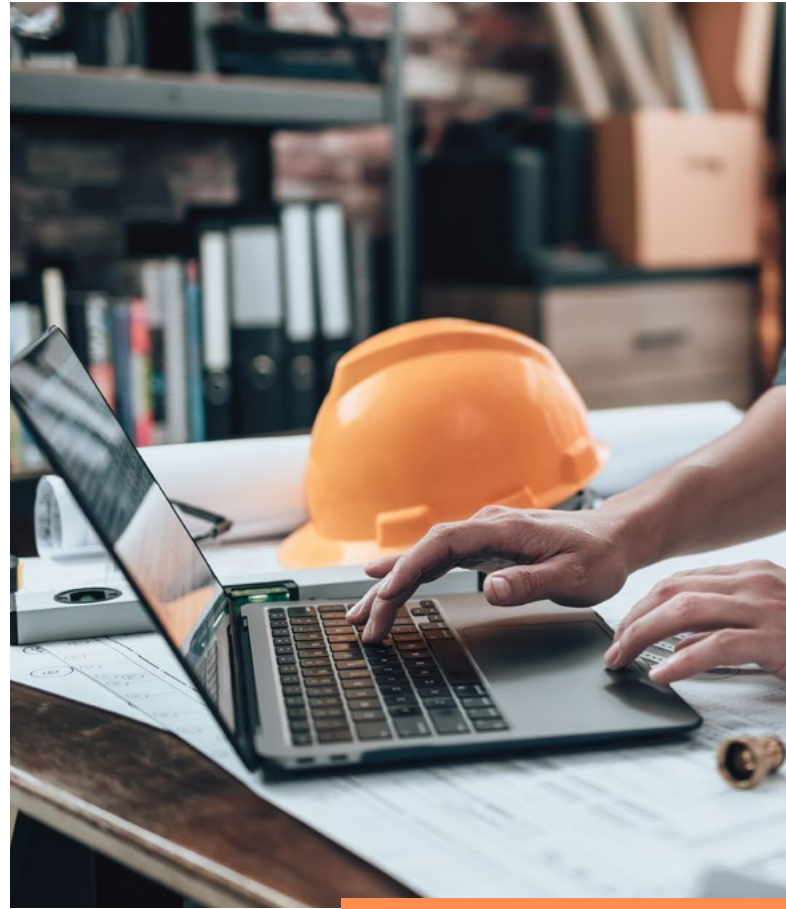
Simply— connect

Simply Connect, our end-to-end digital journey to finance, was built from a complete rethink of what lending should be, allowing us to improve service levels without added complexity. This approach, which we call ‘technology with a handshake’, has continued to evolve and develop in recent years, and 2023 has seen us enable access to our broker partners through a bespoke portal, where they can complete a deal end to end.

We work with a panel of selected brokers who help us expand our reach and connect with SMEs across the UK. Our relationship with customers is not always direct, but that doesn’t mean our quality of service should be any different. Simply Connect gives them the advantage of our technology, making them an inclusive part of our eco-system, instead of an external bolt-on.

“Simply Connect allows for faster proposal decisions and provides direct access to our underwriting team.”

Simply Connect allows for faster proposal decisions and provides direct access to our underwriting team. It enables our broker partners to spend more time building relationships, ensuring faster pay-outs, reducing margins for error, enhancing due diligence checks and delivering a smoother know your client (KYC) process. It also allows us to provide real-time information to brokers, opening key communication channels between our internal teams and our external partners, without information getting lost in emails. True efficiency works best when all parties can access data effectively and work together for better results.



Simply Connect, built from scratch by our in-house technology team, is constantly developing with user feedback and improved functionalities based on the observations and assessment of our internal and external users.

In terms of what’s next, the team is currently developing new data integration, analytic tools, and improving customer and asset insights, so we can continue to evolve and build our offering. There will be lots more updates in the coming months.

Case study: Ecomix Concrete



For a lot of businesses today, the journey to accessing finance can be one littered with red tape, endless paper forms and a large amount of uncertainty about whether they'll get the funds they need. Combine this with a global pandemic, which brought much of the country to a standstill, and this problem only worsened for a lot of businesses.

For Ecomix Concrete, this was an immediate challenge it faced, as it sought to maintain the longevity of its business. Established 45 years ago, Ecomix is a family-run business and leading supplier of concrete in the North West of England, which has been fundamental in the construction of housing, infrastructure and commercial buildings in the region. Led by Managing Director, Paul Matthews, the business currently employs 22 people serving over 250 customers, with many long-term client relationships spanning decades.

During the pandemic, Ecomix sought to adapt to the challenges to maintain the longevity of the business and its long-term customer relationships, while ensuring the livelihoods of its employees. Unfortunately, like many small businesses across the UK, Ecomix faced a closed door when it sought support from its existing banking relationship, despite being a customer for over ten years.

Seeking to restructure its finances, Ecomix approached us for a solution. Sitting down with Paul and the business in the boardroom, using Simply Connect, we could give them a decision within minutes, and a line of credit within 24 hours – allowing the team to get on with running the business.

“Ecomix has been able to continue delivering to its customers, even winning new contracts and growing the business by 25%.”

With the swift and targeted support, Ecomix has been able to continue delivering to its customers, even winning new contracts and growing the business by 25%. This open door and flexible approach is exactly what SMEs need, especially in the face of business challenges such as inflation, supply chain issues and the cost of business. With access to funding that works for his business, Paul is now focused on the future, and can effectively plan Ecomix's strategy moving forward.



A people story

Cancer Research is a charity close to the hearts of many, with hundreds of thousands of people diagnosed with cancer every year. For us, the great work the charity does became even more important last year when one of our team members was diagnosed. As a result, we were compelled to effect change.

This is why we chose Cancer Research UK as our official business charity. From November 2022 to January 2023, we set ourselves an ambitious target of raising £10,000 in ten weeks.

We had an incredible response from everyone at Simply. Through initiatives such as a Christmas jumper day, park running events and raffles, and the extraordinary generosity of our colleagues, family and friends, we smashed our target and raised over £12,700 in ten weeks.

In January, members of our team individually committed to travelling 100 kilometres by walking, cycling, swimming or running. We're now a lot fitter and collectively we travelled over 3,000 kilometres on our way to smashing our 10-week target.



The Simply Cup, our 5-a-side football tournament which featured other businesses from across the industry, was won by Audeo Financial Services and raised an incredible £2,500.

Our efforts have not stopped there though, as we continue to run fundraising initiatives such as 100 miles in May, when the team raised a further £1,700. Our partnership with Cancer Research UK means that our efforts will directly contribute to the research and development of life-saving discoveries and treatment.

“We smashed our target and raised over £12,700 in 10 weeks.”

Cancer may be unrelenting, but so is the Simply team. We'll continue to run initiatives and fundraise as we stand together against cancer. Thank you to everyone who has played their part and taken the fight to cancer. There was a real power in the ability to unite for a cause like this, and the support we received from across the industry was unmatched.

If you would like to support our efforts, you can donate below.



Our 5-a-side football tournament, the Simply Cup, raised an incredible £2,500

DONATE NOW →



More from us

For more on how we are driving change in the asset financing industry through innovation, please visit [our website](#).

Simply