EDISON

QuickView

LendInvest

Financials

25 July 2025

Scalable growth on the horizon

After a tough year, LendInvest (LINV) has turned a corner and returned to profitability, with H225 PBT turning positive. The mortgage origination division continues to drive the recovery in growth, with lending increasing by more than 60% in FY25. The company should continue to benefit from the recovery in the UK buy-to-let mortgage market, with falling base rates acting as a tailwind to demand. The cost base has been significantly restructured to increase speed and efficiency in the underwriting parts of the business. LINV's FY25 results were materially ahead of consensus, which caused the share price to increase by 15% on the day. Medium-term consensus estimates assume double-digit growth in revenues in FY27.

Strong FY25 results ahead of consensus expectations

On 21 July, LINV reported FY25 results, which were ahead of market expectations. Strong revenues of £38.6m (+96% y-o-y) were 11% ahead of consensus (£34.8m). Importantly, the company posted H225 PBT of £0.5m, compared to a £1.7m loss in H125. Adjusted EBITDA was also positive at £3.2m compared with a £19m loss in FY24 and better than the £2.5m loss consensus estimate. Total operating expenses decreased by 22% to £39.8m, principally driven by lower staffing costs and efficiency savings.

Positive outlook, with focus on increasing profitability

LINV will focus on driving lending growth, improving efficiency and growing profitability in FY26. It secured improved terms on several funding commitments from large institutions, including a £500m increase in its separate account funding agreement with JP Morgan, as well as funding from BNP Paribas and HSBC. Coupled with completion of its sixth securitisation, these deals give LINV ample runway for growth over the medium term. Additionally, it showed operational efficiency gains, with buy-to-let underwriters processing up to six cases per day, a 50% increase over FY24. Management believes its current platform is scalable and can roughly double lending volumes without a significant increase in operating expenses. This should drive profitability higher over the medium term, in our view.

Valuation: Revenue growth continues

The stock was up by >15% on the day of results, with guidance remaining in line with market expectations and consensus forecasts increased to account for the strong results beat. Consensus factors in 7% revenue growth in FY26, before accelerating to 13% in FY27. FY26 EPS is forecast to turn positive, with strong top-line growth supporting of the share price given LINV's technology focus.

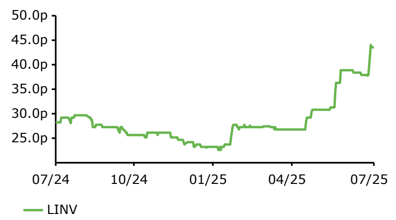
Consensus estimates

Year end	Revenue (£m)	EBITDA (£m)	EPS (p)	EV/EBITDA (x)	P/E (x)
3/24	19.7	(19.0)	(14.50)	N/A	N/A
3/25	38.6	3.2	(1.10)	21.6	N/A
3/26e	41.2	3.9	1.50	17.7	29.0
3/27e	46.6	5.8	2.70	12.0	16.1

Source: Company data, LSEG Data & Analytics

Price	**43.50p**
Market cap	**£62m**

Share price performance



Share details

Code	LINV
Listing	LSE
Shares in issue	142.8m
Net cash/(debt) at end FY25	£(7.0)m

Business description

LendInvest is a UK asset management platform for property finance. It provides investors with a range of solutions to access and gain exposure to the UK property market. For borrowers, it provides access to capital (as mortgages) through its platform.

Bull points

- Fast-growing buy-to-let mortgage origination platform.
- A well-established technology that is scalable.
- Strong recovery of revenues in a falling interest rate environment.

Bear points

- Mortgage market competitive.
- Pressure on buy-to-let market from regulatory reforms.
- Demand sensitive to changes in economic conditions.

Analysts

Martyn King +44 (0)20 3077 5700
Jonathan Richards +44 (0)20 3077 5700

financials@edisongroup.com
Edison profile page

General disclaimer and copyright

This report has been prepared and issued by Edison. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or sol icitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom