Timbercreek Financial Announces 2021 Second Quarter Results

Toronto Stock Exchange: TF

TORONTO, August 6, 2021 - Timbercreek Financial (TSX: TF) (the “Company”) announced today its financial results for the three months and six months ended June 30, 2021 (“Q2 2021”).

Q2 2021 Highlights

- Delivered distributable income of $16.1 million and adjusted distributable income of $15.4 million or $0.19 per share and paid $14.0 million in dividends to shareholders.

- Generated $0.20 in distributable income per share and $0.19 in adjusted distributable income per share equating to an 86.8% distributable income payout ratio, and a 90.8% adjusted distributable income payout ratio.

- Basic and diluted earnings per share was $0.17, and basic and diluted adjusted earnings per share was also $0.17.

- Funded $96.3 million on new and existing mortgages versus repayments of $84.0 million. This maintained portfolio size of net mortgage investments at $1,159.2 million in Q2 2021. The transaction volume resulted in a Q2 turnover ratio of 7.2% versus 13.7% in Q1.

- Maintained conservative portfolio risk position focused on income-producing commercial real estate
  - 92.0% of mortgage investment portfolio are first mortgages
  - 89.0% of mortgage investment portfolio is invested in cash-flowing properties
  - 69.7% weighted average loan-to-value
  - 7.2% quarterly weighted average interest rate on net mortgage investments

“It was a strong second quarter for the Company, highlighted by consistent distributable income from the portfolio – our primary objective,” said Blair Tamblyn, CEO of Timbercreek Financial. “The portfolio continues to perform well and transaction activity was solid against an improving backdrop for commercial real estate transactions. We are seeing attractive opportunities across the country and, while multi-family residential remains competitive, we continue to receive our fair share of these opportunities. We have an expanded capital base and the financial flexibility to achieve steady growth of the total portfolio as opportunities allow.”

Quarterly Comparison

$ millions	Q2 2021	Q2 2020	Q1 2021
Net Mortgage Investments	**$ 1,159.2**	$ 1,210.3	$ 1,147.6
Enhanced Return Portfolio Investments	**$ 94.7**	$ 82.6	$ 87.4
Net Investment Income	**$ 23.4**	$ 24.0	$ 22.4
Income from Operations	**$ 18.8**	$ 18.2	$ 19.4
Net Income and comprehensive Income	**$ 13.5**	$ 11.7	$ 15.0
--Adjusted Net Income and comprehensive Income	**$ 13.6**	$ 14.1	$ 14.1
Distributable Income	**$ 16.1**	$ 14.8	$ 15.3
--Adjusted Distributable Income	**$ 14.1**	$ 14.8	$ 15.3
Dividends to Shareholders	**$ 14.0**	$ 14.2	$ 14.0
$ per share	**Q2 2021**	**Q2 2020**	**Q1 2021**
Dividends per share	**$ 0.17**	$ 0.17	$ 0.17
Distributable Income per share	**$ 0.20**	$ 0.18	$ 0.19
Adjusted distributable per share	**$ 0.19**	$ 0.18	$ 0.19
Earnings per share	**$ 0.17**	$ 0.14	$ 0.19
--Adjusted Earnings per share	**$ 0.17**	$ 0.17	$ 0.17
Payout Ratio on Distributable Income	**86.8 %**	95.7 %	91.2 %
--Payout ratio on Adjusted Distributable Income	**90.8 %**	95.7 %	91.2 %
Payout Ratio on Earnings per share	**103.7 %**	120.5 %	93.1 %
--Payout Ratio on Adjusted Earnings per share	**102.7 %**	100.2 %	98.8 %
Net Mortgage Investments	**Q2 2021**	**Q2 2020**	**Q1 2021**
Weighted Average Loan-to-Value	**69.7 %**	68.7 %	68.8 %
Weighted Average Remaining Term to Maturity	**0.9 yr**	1.3 yr	1.0 yr
First Mortgages	**92.0 %**	92.1 %	90.3 %
Cash-Flowing Properties	**89.0 %**	85.8 %	86.7 %
Rental Apartments	**51.4 %**	51.6 %	51.2 %
Floating Rate Loans with rate floors (at quarter end)	**79.5 %**	75.1 %	76.3 %
Weighted Average Interest Rate			
For the quarter ended	**7.2 %**	7.1 %	7.3 %
Weighted Average Lender Fee			
New and Renewed	**0.8 %**	0.7 %	0.9 %
New Net Mortgage Investment Only	**1.3 %**	1.1 %	1.0 %

Additional Updates

Subsequent to quarter end, the Company announced that independent director Amar Bhalla was appointed the new Chair of the Audit Committee of the Board of Directors. Mr. Bhalla, who joined the Board in November 2020, is a principal at the Amdev Property Group, a private real estate company that owns and manages a portfolio of apartment buildings, commercial sites, and development projects in the GTA. He has over 20 years of experience in the acquisition, repositioning and redevelopment of GTA-based real estate across asset classes. Mr. Bhalla serves on the boards of several TSX and TSX-V listed businesses, including acting as Chair of Dream Impact Trust. Mr. Bhalla is a CFA charterholder and a member of the Institute of Corporate Directors.

Quarterly Conference Call

Interested parties are invited to participate in a conference call with management on Friday, August 6, 2021 at 1:00 p.m. (ET) which will be followed by a question and answer period with analysts. To join the call:

https://timbercreekfinancial.adobeconnect.com/tfq22021/
Participant Toll Free Dial-In Number: (866) 211-4953
Participant International Dial-In Number: (873) 415-0258
Conference ID Number: 3859426

The playback of the conference call will also be available on www.timbercreekfinancial.com following the call.

About the Company

Timbercreek Financial is a leading non-bank, commercial real estate lender providing shorter-duration, structured financing solutions to commercial real estate professionals. Our sophisticated, service-oriented approach allows us to meet the needs of borrowers, including faster execution and more flexible terms that are not typically provided by Canadian financial institutions. By employing thorough underwriting, active management and strong governance, we are able to meet these needs while generating strong risk-adjusted yields for investors. Further information is available on our website, www.timbercreekfinancial.com.

Non-IFRS Measures

The Company prepares and releases financial statements in accordance with IFRS. As a complement to results provided in accordance with IFRS, the Company discloses certain financial measures not recognized under IFRS and that do not have standard meanings prescribed by IFRS (collectively the “non-IFRS measures”). These non-IFRS measures are further described in Management's Discussion and Analysis ("MD&A") available on SEDAR. The Company has presented such non-IFRS measures because the Manager believes they are relevant measures of the Company’s ability to earn and distribute cash dividends to shareholders and to evaluate its performance. The following non-IFRS financial measures should not be construed as alternatives to total net income and comprehensive income or cash flows from operating activities as determined in accordance with IFRS as indicators of the Company’s performance.

Certain statements contained in this news release may contain projections and "forward looking statements" within the meaning of that phrase under Canadian securities laws. When used in this news release, the words "may", "would", "should", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect", "objective" and similar expressions may be used to identify forward looking statements. By their nature, forward looking statements reflect the Company's current views, beliefs, assumptions and intentions and are subject to certain risks and uncertainties, known and unknown, including, without limitation, those risks disclosed in the Company's public filings. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by these forward looking statements. The Company does not intend to nor assumes any obligation to update these forward looking statements whether as a result of new information, plans, events or otherwise, unless required by law.

SOURCE: Timbercreek Financial

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