

# EVLI BANK PLC: FINANCIAL REVIEW 1-12/2021

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EVLI

# Highlights for the period

## FINANCIAL PERFORMANCE

- Historic performance – All major business lines saw significant growth
- Group Net revenue reached EUR 115.6 million (EUR 79.7 million)
- Operating profit exceeded previous full-year level reaching EUR 53.0 million (EUR 29.1 million)
- Recurring revenue at 130% (128%)

## STRATEGY

- AUM reached new all-time high at EUR 17.5 billion
- International AuM reached 30% of Evli funds
- Net subscriptions of alternative funds close to EUR 500 million
- Multiple new alternative product launches during the year
- Incentive business continued to grow strongly

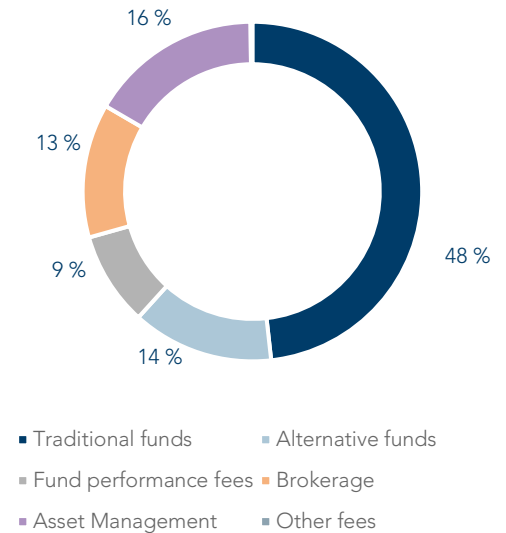
## MARKET ENVIRONMENT

- Customer demand for asset management services strong
- Inflation worries have increased, Fed expected to raise rates soon
- Equity markets showing signs of fatigue, especially growth and momentum stocks

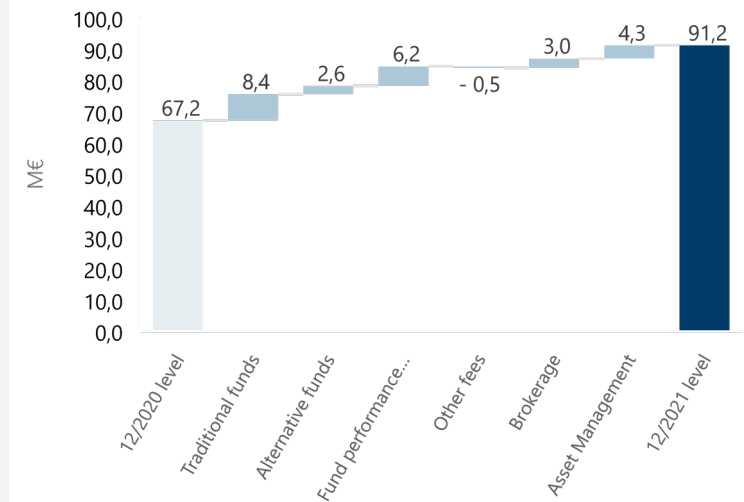
# Wealth Management & Investor Clients

- Net revenues increased 36% to EUR 91.4 million (EUR 67.1 million)
- Operating profit increased 61% to EUR 53.8 million (EUR 33.5 million)
  
- AUM EUR 17.5 billion (EUR 14.1 billion)
  - Discretionary asset management EUR 6.0 billion (EUR 5.2 billion)
  - Mutual funds EUR 7.6 billion (EUR 6.1 billion)
  - Alternative investment funds EUR 1.6 billion (EUR 1.1 billion)
  - EUR 2.3 billion from subsidiaries and associated companies (EUR 1.7 billion)
  
- Fundraising to alternatives exceeded expectations reaching EUR 500 million
  - Evli Infrastructure Fund I raised EUR 51 million
  - Evli Impact Forest Fund I raised EUR 53 million
  - Evli Private Equity I raised EUR 67 million
  - Evli Private Equity III raised EUR 57 million
  - Evli Private Debt Fund I raised EUR 76 million
  - Evli Growth Partners II raised EUR 62 million
  - Evli Leverage Loan raised EUR 83 million
  - Evli Residential II raised EUR 35 million
  - Evli Rental Yield raised EUR 25 million

Split of Wealth Management fees 1-12/2021



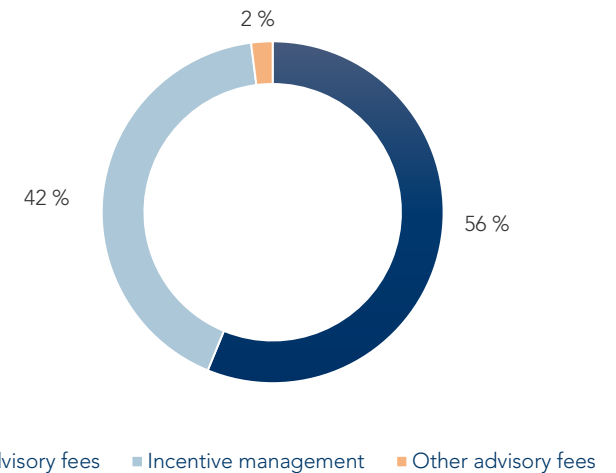
Development of Investor client commission



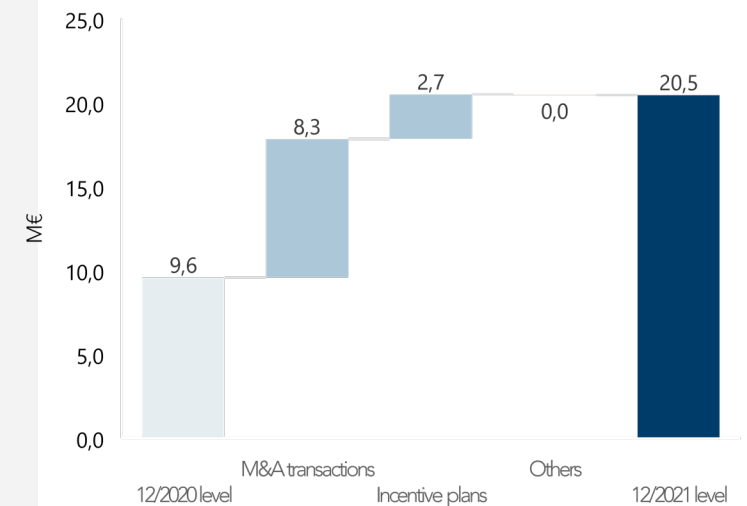
# Advisory & Corporate Clients

- Net revenues increased 108% to EUR 20.2 million (EUR 9.7 million)
- Operating profit increased to EUR 7.4 million (EUR 1.8 million)
- Corporate Finance advisory fees grew to EUR 11.5 million (EUR 3.3 million)
  - Acted as advisor in 30 transactions during review period, of which 4 during Q4
  - Client activity remained strong throughout the year
  - Mandate base on a good level
- Incentive business revenues increased to EUR 8.5 million (EUR 5.9 million)
  - Revenue development driven by an increase in the number of client companies
  - Strategic drive to grow among non-listed and Swedish companies progressing well
  - The company is responsible for the management of some 110 incentive plans and acts as an advisor to about 130 companies in reward-related planning annually

Split of advisory commissions 1-12/2021



Development of advisory commissions

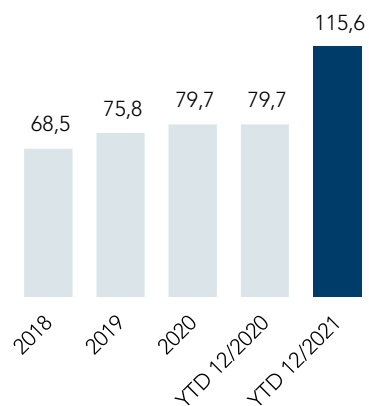


An aerial photograph of a winter landscape. The scene is dominated by a dense forest of evergreen trees, all heavily laden with snow. A wide, frozen lake or river winds through the center of the forest. To the right, a long, straight road, also covered in snow, stretches from the foreground towards the horizon. The sky is a pale, hazy blue, suggesting a clear or slightly overcast day. The overall color palette is cool, consisting of various shades of blue, white, and light grey.

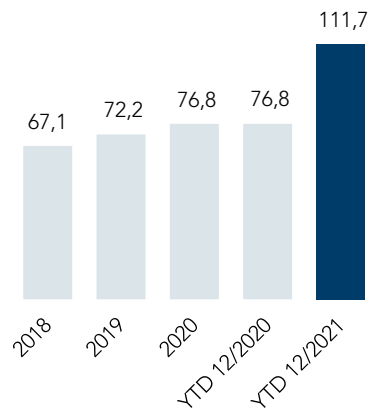
# Financial figures 1-12/2021

# Financial development 2018-2021

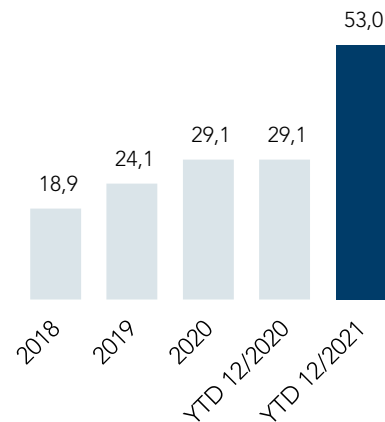
Net Revenue (M€)



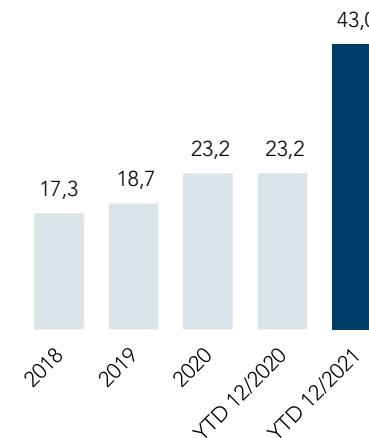
Net commission income (M€)



Operating profit (M€)



Net profit (M€)



## KPIs 31.12.2021

Return on Equity  
(Target >15%)

**40.3%**

Recurring revenue ratio  
(target >100%)

**130%**

Assets Under Management

**17.5**

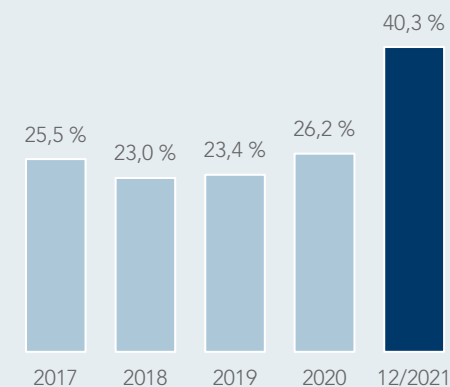
Net Commissions

**111.7**

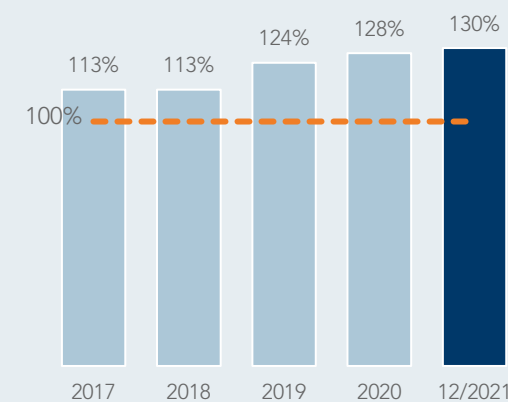
# Key figures

	12/2021	12/2020	2019	2018
<b>Profitability key figures</b>				
Return on equity (ROE), %	40.3	26.2	23.4	23.0
Return on assets (ROA), %	5.6	2.7	2.1	1.9
<b>Balance sheet key figures</b>				
Equity-to-assets ratio, %	15.6	12.3	8.9	9.5
Capital adequacy ratio, %	15.4	15.2	15.1	16.2
<b>Key figures per share</b>				
Earnings per Share (EPS), fully diluted, €	1.47	0.87	0.71	0.68
Comprehensive Earnings per Share (EPS), fully diluted, €	1.48	0.88	0.71	0.67
Dividend/share, €	1.06	0.73	0.66	0.61
Equity per share, €	4.73	3.86	3.40	3.27
Share price at the end of the period, €	26.20	12.20	10.40	7.28
<b>Other key figures</b>				
Expense ratio	0.54	0.63	0.68	0.72
Recurring revenue ratio, %	130	128	124	113
Personnel at the end of the period	290	261	249	254
Market value, M€	631.7	294.1	248.6	172.5

Return on Equity (%)



Proportion of recurring revenue to operating expenses (%)



# Profit and Loss Statement

M€	10-12/2021	10-12/2020	1-12/2021	1-12/2020	Change, %	2019	2018
Net interest	0.0	0.0	0.1	0.2	-41%	0.3	0.7
Net commissions	34.2	26.6	111.7	76.8	45%	72.2	67.1
Net income from securities trading and FX	0.7	1.4	3.5	2.4		3.2	0.7
Other operative income	0.2	0.1	0.2	0.2	-	0.1	0.1
<b>NET REVENUE</b>	<b>35.0</b>	<b>28.1</b>	<b>115.6</b>	<b>79.7</b>	<b>45%</b>	<b>75.8</b>	<b>68.5</b>
Personnel expenses	-10.4	-8.9	-37.4	-30.5	23%	-30.4	-27.9
General expenses	-6.7	-3.4	-18.5	-12.5	49%	-14.0	-15.9
Depreciations and amortizations	-1.1	-1.3	-4.8	-5.7	-16%	-3.5	-2.1
Other operative expenses	-0.6	-0.8	-1.8	-1.7	8%	-3.7	-3.6
Impairment losses	0.0	0.0	0.1	-0.1		-0.1	0.0
<b>NET OPERATING PROFIT/LOSS</b>	<b>16.1</b>	<b>13.6</b>	<b>53.0</b>	<b>29.1</b>	<b>82%</b>	<b>24.1</b>	<b>18.9</b>
Share of profit/loss of associates	0.1	0.1	0.5	0.4		-0.6	2.6
Taxes	-3.5	-2.7	-10.5	-6.3		-4.9	-4.2
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>12.6</b>	<b>11.0</b>	<b>43.0</b>	<b>23.2</b>		<b>18.7</b>	<b>17.3</b>
Attributable to							
Non-controlling interest	1.3	0.6	6.7	1.9		1.4	1.3
Equity holders of parent company	11.4	10.4	36.3	21.3		17.3	16.0



# Balance Sheet

ASSETS, M€	31.12.2021	31.12.2020	LIABILITIES, M€	31.12.2021	31.12.2020
Liquid assets	384.1	331.6	Liabilities to credit institutions and central banks	8.6	0.7
Debt securities eligible for refinancing with central banks	33.4	37.2	Liabilities to the public and public-sector entities	402.9	385.2
Claims on credit institutions	48.1	66.8	Debt securities issued to the public	91.0	131.1
Claims on the public and public-sector entities	98.0	109.6	Derivative contracts and other trading liabilities	26.3	52.5
Debt securities	0.7	9.8	Other liabilities	75.7	84.4
Shares and participations	49.6	57.3	Accrued expenses and deferred income	35.0	23.3
Participating interests	4.1	4.2	Deferred tax liabilities	0.0	0.0
Derivative contracts	26.4	52.2	<b>LIABILITIES TOTAL</b>	<b>639.5</b>	<b>677.2</b>
Intangible assets	13.8	16.0	Equity to holders of parent company	112.9	91.8
Property, plant and equipment	1.4	1.4	Non-controlling interest in capital	5.2	3.6
Other assets	95.4	83.3	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>757.7</b>	<b>772.6</b>
Accrued income and prepayments	2.6	3.3			
Deferred tax assets	0.1	0.1			
<b>TOTAL ASSETS</b>	<b>757.7</b>	<b>772.6</b>			

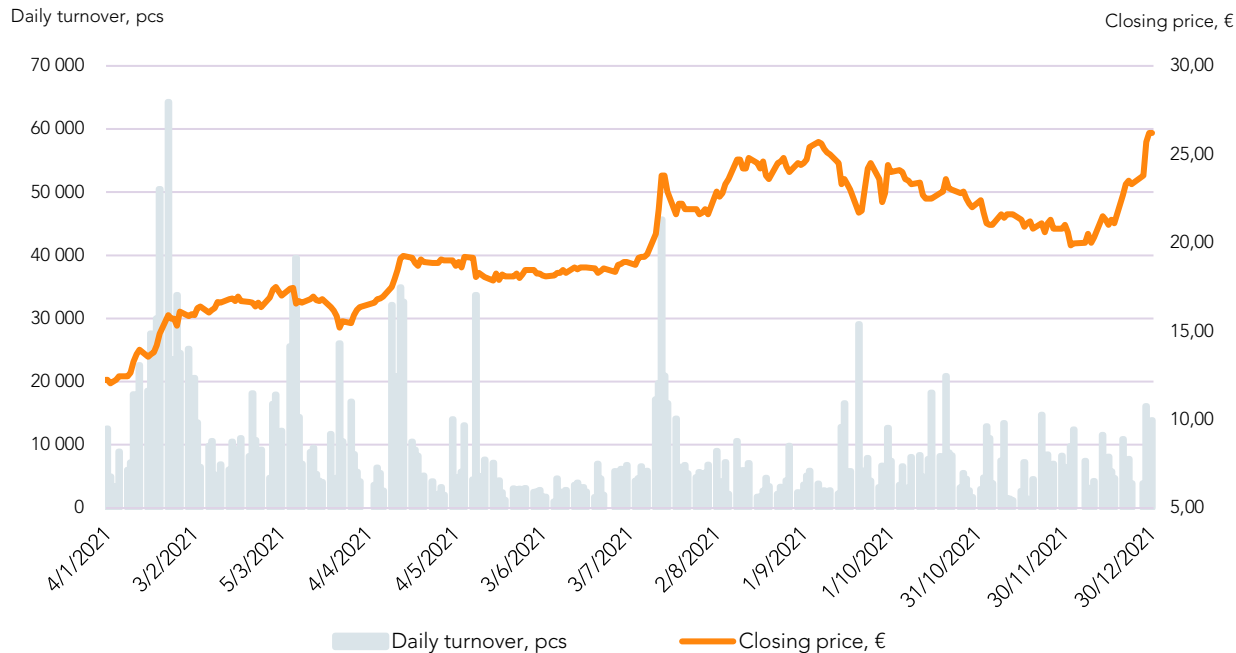
# Focus in 2022

1. Demerger of Evli to banking entity and asset management group during spring
2. Grow both domestic and international
3. Scale existing products

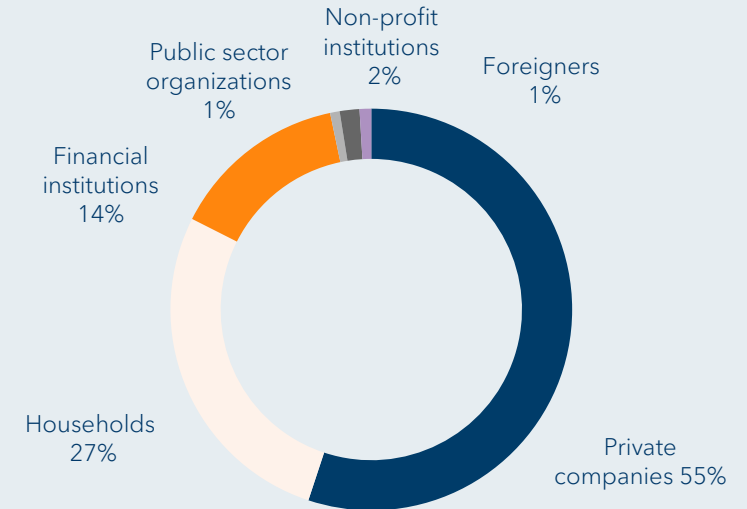


# Share price development and trading volume

Share price development and trading volume\* 1.1.2021-31.12.2021



Breakdown of shareholdings by owner group  
31.12.2021\*\*



Listed on Nasdaq Helsinki 2015

Market cap M€ 631.7\*\*\*

Registered shareholders 5,897\*\*\*

Source: Nasdaq OMX Helsinki  
\*Series B shares \*\*Excluding 2% nominee registered \*\*\*31.12.2021

# Outlook for 2022

Due to demerger, outlook to be specified later in Spring. Current expectation that Asset Management business to perform well.

## ➤ Supporting factors

- Assets under management at all time high
- More stable alternative investments grown to form a good part of assets under management
- Increased customer demand towards Evli's products and services

## ➤ Challenges

- Risks related to common stock and fixed-income markets have grown
- Potential decrease in asset values would impact negatively company's profitability
- Uncertainty related to advisory fees and development of Evli's own investment portfolio

