

Suffering from market uncertainty

Alisa Bank issued a profit warning for 2024, lowering expectations for total income and profitability due to the prolonged market uncertainty.

Issued a profit warning due to decline in financing demand

Alisa Bank issued a profit warning on December 16th due to prolonged market uncertainty, leading to business financing volume growth falling short of the company's targets due to a decrease in the utilization rate of factoring limits and a general decline in the demand for financing. Alisa Bank now expects total income to remain close to previous year levels and the operating profit before non-recurring items and taxes to be between EUR -0.4m and 0.2m (prev. EUR 0.5-1.5m). The total capital adequacy ratio is expected to exceed 16% at the end of 2024.

Profitability still fairly decent, growth outlook uncertain

We have lowered our estimates for total income and PTP (excl. one-offs) in 2024 to EUR 17.4m (19.3m) and -0.1m (0.7m) respectively. The profit warning reflects the shift in general expectations of recovery in economic activity towards the latter half of 2025 and although negative in the short-term, we find the expected relative profitability for H2 still to be quite decent given the larger difference in total income. This will, however, together with the market conditions continue to strain any future growth given the capital adequacy limiting volumes and growth potential depending on earnings development. We continue to see potential for growth next year, aided by the merger with PURO, but with the overall unfavourable outlook further extended. Profitability should as such also remain clearly positive, but with the weaker volumes below previous expectations. However, uncertainty remains high, and should economic activity not start to pick up during H1/25 any potential volume growth is clearly at risk.

HOLD with a TP of EUR 0.18

Despite the weak near-term outlook, Alisa Bank has significant profitability scaling potential in the mid-term should financing volumes start to develop favourably. With the currently more challenging valuation levels, we retain our HOLD-rating and target price of EUR 0.18.

Rating Hold



Share price, EUR (Last trading day's closing price) **0.18**
Target price, EUR 0.18

Latest change in recommendation 16-Feb-24

Latest report on company 12-Aug-24

Research paid by issuer: YES

No. of shares outstanding, '000's 127 585

No. of shares fully diluted, '000's 127 585

Market cap, EURm 26

Free float, % -

Exchange rate 0.000

Reuters code ALISA.HE

Bloomberg code ALISA FH

Average daily volume, EUR -

Next interim report -

Web site Alisabank.com

Analyst Jerker Salokivi

E-mail jerker.salokivi@evli.com

Telephone +358 9 4766 9149

BUY HOLD SELL

KEY FIGURES

	Revenues EURm	Op. profit EURm	Net profit EUR m	EPS EUR	P/E (x)	P/B (x)	Cost/income %	ROE %	Div. yield %	DPS EUR
2022	10	-10	-9	-0.10	-3.6	1.2	113.1%	-34.7%		
2023	17	0	0	0.00	83.9	0.6	68.3%	0.7%		
2024E	17	-1	-1	-0.01	-17.3	0.7	73.0%	-4.2%		
2025E	22	2	2	0.01	14.3	0.7	63.6%	5.0%		
2026E	24	3	2	0.01	11.9	0.7	63.5%	5.7%		

Market cap, EURm	26	BV per share 2024E, EUR	0.2	CAGR EPS 2023-26, %	93.6 %
Equity 2024E, EURm	35	Loan losses 2024, %	3.29 %	CAGR op. profit 2023-26, %	148.2 %
Total assets, 2024E, EURm	570	Tax rate 2024E, %	-15.0 %	CAGR revenues 2023-26, %	12.4 %
Lending 2024E, EURm	185	Tier 1 ratio 2024E, %	13.2 %	CAGR DPS 2023-26, %	0.0
RWA 2024E, EURm	152	Capital ratio 2024E, %	16.3 %	PEG, P/E 24/CAGR	-0.2

All the important disclosures can be found on the last pages of this report.

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1E	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net interest income		7		7	15		7		9	16	20	22
Net commission income		1		1	2		0		1	1	2	2
Trading/items at fair value		0		0	0		0		0	0	0	0
Other income												
Total income		8		8	17		8		10	17	22	24
Total costs		-6		-6	-11		-6		-6	-13	-14	-15
Profit before loan losses		3		3	5		1		3	5	8	9
Loan losses		-2		-3	-5		-3		-3	-6	-6	-6
Operating profit		0		0	0		-2		1	-1	2	3
Taxes		0		0	0		0		0	0	0	-1
Minorities												
Net profit		0		0	0		-2		1	-1	2	2
EPS		0.0		0.0	0.0		0.0		0.0	0.0	0.0	0.0
EPS adjusted (diluted no of shares)												
Dividend per share												

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net interest income				9	15	16	20	22
Net commission income				2	2	1	2	2
Trading/items at fair value				0	0	0	0	0
Other income								
Total income				10	17	17	22	24
Income growth (%)					62.0%	5.2%	25.4%	7.7%
Total costs				-12	-11	-13	-14	-15
Costs growth (%)					-1.7%	11.7%	9.2%	7.5%
Profit before loan losses				-1	5	5	8	9
Loan losses				-8	-5	-6	-6	-6
Operating profit				-10	0	-1	2	3
Operating profit growth					-101.8%	-735.0%	-300.4%	20.1%
Taxes				1	0	0	0	-1
Minorities								
Net profit				-9	0	-1	2	2
BALANCE SHEET, EURm								
Assets								
Lending to credit institutions				126	134	367	348	315
Lending to the public				155	169	185	195	211
Growth (%)					9.3%	9.5%	5.4%	8.0%
Interest-bearing securities								
Other assets				2	2	2	2	2
Total Assets				292	314	570	562	544
Growth (%)					7.6%	81.7%	-1.4%	-3.2%
Liabilities								
Deposits by credit institutions								
Deposits from the public				247	269	510	500	480
Growth (%)					9.0%	89.7%	-2.0%	-4.0%
Debt securities in issue								
Subordinated loans				6	6	6	6	6
Other liabilities				13	13	19	19	19
Shareholder's equity				26	26	35	37	39
Total liabilities and equity				292	314	570	562	544

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap			32	15	26	26	26
Total assets			292	314	570	562	544
Total income			10	17	17	22	24
Total costs			-12	-11	-13	-14	-15
Operating profit			-10	0	-1	2	3
Net profit			-9	0	-1	2	2
Equity			26	26	35	37	39
Tier 1 capital			18	18	20	22	24
Risk-weighted assets			140	147	152	159	171
Loans			155	169	185	195	211

Valuation multiples	2020	2021	2022	2023	2024E	2025E	2026E
P/E			-3.5	83.9	-17.3	14.3	11.9
P/E, adj.			-3.6	83.9	-17.3	14.3	11.9
P/B			1.2	0.6	0.7	0.7	0.7
Dividend yield, %							
Target P/E							
Target P/B							

Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
Number of shares			87 745	88 332	127 585	147 211	147 211
Number of shares (diluted)			87 745	88 332	127 585	147 211	147 211
EPS			-0.10	0.00	-0.01	0.01	0.01
EPS, adj.			-0.10	0.00	-0.01	0.01	0.01
Book value share			0.29	0.30	0.24	0.25	0.27
Dividend per share							
Dividend payout ratio %							

Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
ROE, %			-34.7%	0.7%	-4.2%	5.0%	5.7%
Adjusted ROE, %			-33.5%	0.7%	-4.2%	5.0%	5.7%
ROA, %			-6.2%	0.1%	-0.3%	0.3%	0.4%
Net interest margin, %			2.3%	3.4%	2.3%	2.9%	3.1%
Cost/income, %			113.1%	68.3%	73.0%	63.6%	63.5%
Loan losses/lending, %			9.04%	3.00%	3.29%	2.94%	2.97%
Tier 1 ratio, %			12.6%	12.0%	13.2%	13.7%	14.1%
Capital ratio, %			15.9%	15.2%	16.3%	16.6%	16.8%
Equity/assets, %			8.9%	8.3%	6.2%	6.6%	7.2%
Loans/assets, %			53.0%	53.9%	32.5%	34.7%	38.7%
Tax rate, %			7.0%	-1.1%	-15.0%	20.0%	20.0%
Number of employees, average							
Income per employee, EUR							
Op. profit per employee, EUR							

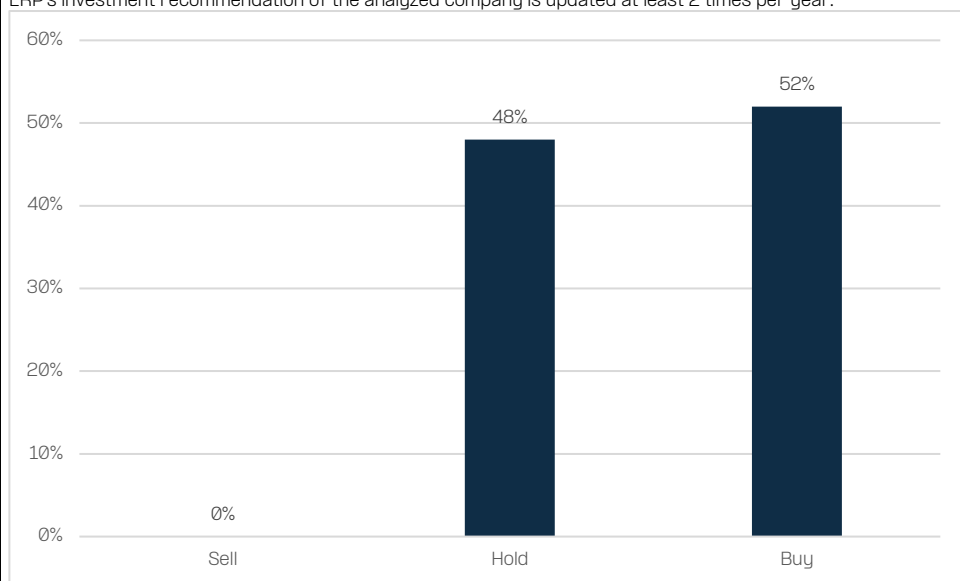
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Jerker Salokivi

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Contact information**SALES, TRADING AND RESEARCH****Equity Sales & Trading**

Joachim Dannberg (head) +358 9 4766 9123
Aleksi Jalava +358 9 4766 9123
Pasi Väisänen +358 9 4766 9123

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205

Equity Research

Jerker Salokivi (head) +358 9 4766 9149
Joonas Ilvonen +358 44 430 9071
Atte Jortikka +358 40 054 3725
Atte Pitkälampi +358 44 047 6597

EVLI

EVLI PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000