

Year of opportunities ahead

Alisa Bank reports its H2 results on February 14th. With the profit warning issued in December we keep our estimates intact. While heading into 2025 with somewhat cautious expectations, we still expect improvements in total income and profitability, with further upside from potential improvements in market conditions.

Profitability to return to positive figures

Alisa Bank reports H2 results on February 14th. The company issued a profit warning in December due to business financing volumes falling short of targets in the uncertain market. The total income for FY24 is expected to remain close to previous year levels and PTP (excl. NRI's) between EUR -0.4m and 0.2m. Our estimates remain unchanged since our update following the profit warning, expecting H2 total income of EUR 9.8m and PTP of EUR 0.9m. H2 mark's a notable improvement in profitability following the PURO merger, with improvements driven by the transition to Alisa Bank's cheaper form of financing.

Cautiously eyeing opportunities ahead

We expect the company to issue a more cautious outlook for 2025 given recent uncertainties. With focus currently on business financing and invoice funding in particular, we expect to see a continued shift away from consumer funding and leveraging existing and new partnerships to seek to accelerate business financing growth. The uncertainty heading into 2025 is elevated, but we still expect to see notable improvements in total income and profitability, largely due to merger benefits and weaker comparison figures. With rather limited OPEX pressure in the near-term, 2025 will offer a good opportunity for Alisa Bank to benefit from scalability and post healthy profit margins, should market conditions improve from the for now still rather careful expectations for early 2025. We expect to see the changing loan portfolio mix in itself to also aid profitability through reduced fee expenses and slightly declining credit losses.

REDUCE (HOLD) with a TP of EUR 0.18

We do not expect the company to propose any dividend distribution. With our estimates intact we retain our TP of EUR 0.18 and adjust our rating to REDUCE (HOLD) following amendments to our rating methodology (see page 3).

Rating ■ Reduce



Share price, EUR (Last trading day's closing price)	0.19
Target price, EUR	0.18
Latest change in recommendation	12-Feb-25
Latest report on company	17-Dec-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	27
Free float, %	-
Exchange rate	0.0
Reuters code	ALISA.HE
Bloomberg code	ALISA FH
Average daily volume, EURm	-
Next interim report	14-Feb-25
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+++ BUY + ACCUMULATE - REDUCE --- 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	-18.4	0.8	73.0%	-4.2%		
2025E	22	2	2	0.01	15.2	0.7	63.6%	5.0%		
2026E	24	3	2	0.01	12.7	0.7	63.5%	5.7%		

Market cap, EURm	27	BV per share 2024E, EUR	0.2	CAGR EPS 2023-26, %	93.6 %
Equity 2024E, EURm	35	Loan losses 2024E, %	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.

Alisa Bank	2022	H1/'23	H2/'23	2023	H1/'24	H2/'24E	2024E	2025E	2026E
Total income	10.3	8.4	8.3	16.7	7.7	9.8	17.5	22.1	23.5
<i>growth %</i>		253.2%	5.6%	62.8%	-8.5%	17.9%	5%	26%	7%
Net interest income	9.1	7.4	7.3	14.8	7.2	8.8	16.0	20.3	21.7
Net fee income	1.5	0.8	0.9	1.8	0.4	0.9	1.4	1.6	1.7
Other operating income	-0.3	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Personnel expenses	-5.4	-2.8	-2.7	-5.5	-3.0	-3.4	-6.4	-7.6	-8.2
Other administrative expenses	-4.5	-2.2	-2.3	-4.5	-2.7	-2.2	-4.9	-4.6	-4.8
Depreciation and amortization	-0.7	-0.4	-0.4	-0.8	-0.6	-0.6	-1.2	-1.3	-1.4
Other operating expenses	-1.0	-0.4	-0.2	-0.6	-0.1	-0.1	-0.2	-0.4	-0.5
Total operating expenses	-11.6	-5.7	-5.7	-11.4	-6.4	-6.3	-12.7	-13.9	-14.9
Impairment of receivables	-8.3	-2.2	-2.8	-5.0	-3.2	-2.6	-5.8	-5.8	-5.9
Pre-tax profit	-9.7	0.4	-0.1	0.3	-2.0	0.9	-1.1	2.4	2.7
-Excl. one-offs					-1.0	0.9	-0.1		
Income taxes	0.7	-0.1	0.1	0.0	0.0	-0.2	-0.2	-0.5	-0.5
Net earnings	-9.0	0.3	0.0	0.3	-2.0	0.7	-1.3	1.9	2.2
Loan book	164	167	169	169	193	190	190	195	211

Source: Alisa Bank, Evli Research estimates

We have amended our rating methodology since the previous update of the stock. Please see the updated and previous methodologies below.

NEW

Target price compared to share price

< -10%

-10 – 0%

0 – (+10)%

> 10%

Recommendation

SELL

REDUCE

ACCUMULATE

BUY

OLD

Target price compared to share price

< -10%

-10 – (+10)%

> 10%

Recommendation

SELL

HOLD

BUY

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	27	27	27
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	-18.4	15.2	12.7
P/E, adj.			-3.6	83.9	-18.4	15.2	12.7
P/B			1.2	0.6	0.8	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							

COMPANY DESCRIPTION:**INVESTMENT CASE:**

OWNERSHIP STRUCTURE	SHARES	EURm	%
Evli Oyj	13 256 046	2.845	10.4 %
Taaleri Oyj	13 256 046	2.845	10.4 %
Kempinvest Oy	11 610 204	2.492	9.1 %
Vaiste Heikki Tapani	7 144 741	1.533	5.6 %
Mininvest Oy	6 328 199	1.358	5.0 %
Oy Scripo Ab	4 771 666	1.024	3.7 %
TN Ventures Oy	4 758 908	1.021	3.7 %
Oy Prandium Ab	4 120 985	0.884	3.2 %
Veikko Laine Oy	4 006 158	0.860	3.1 %
Kajala Jani Markus	3 572 371	0.767	2.8 %
Ten largest	72 825 325	15.629	57.1 %
Residual	54 759 337	11.752	42.9 %
Total	147 210 903	27.381	100%

EARNINGS CALENDAR

February 14, 2025

FY 2024 Results

OTHER EVENTS**COMPANY MISCELLANEOUS**

CEO: Sampsa Laine
CFO: Kukka Lehtimäki
IR:

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Important Disclosures

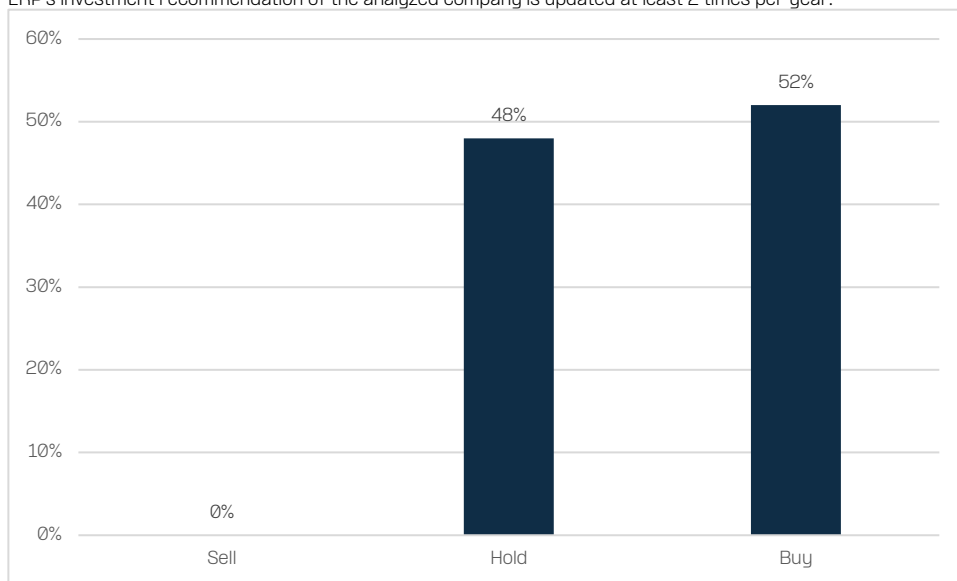
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – 0 %	RECUDE
0 – (+10) %	ACCUMULATE
> 10 %	BUY

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

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