

## Boost in earnings ahead

Alisa Bank completed the combination with PURO Finance and issued a guidance for 2024. Our views are largely unchanged; earnings are set to improve going forward while loan book growth remains a challenge.

### Completed the combination with PURO Finance

Alisa Bank completed the combination with the Finnish Fintech company PURO Finance and issued approx. 58.9m new shares as consideration (40% of new total outstanding). The company also issued a guidance for 2024. If synergies from the combination are realized, total income is expected to increase y/y and PTP (excl. one-offs) to be 0.5m-1.5m in 2024 and 0.5m-1.5m negative in H1/2024. The target for the total capital ratio is 16 percent.

### Growth limited but earnings set to improve

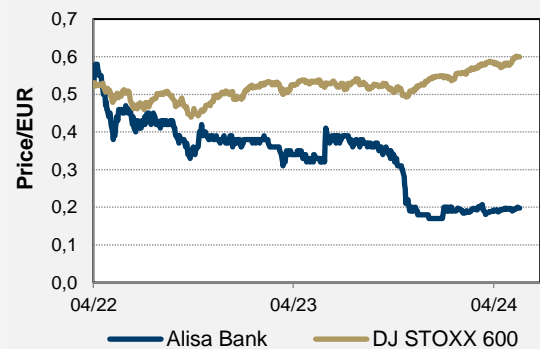
Based on our preliminary estimates for the combined entity, the only larger change relates to the one-offs related to the combination, with our preliminary estimate for PTP (excl. one-offs) in 2024 within the guidance range (Evli 2024e PTP incl. one-offs EUR -0.5m). We expect PTP to improve to EUR 2.6m, driven mainly by PURO Finance and the synergies from the change to Alisa Bank's cheaper source of financing. We have also further lowered our expectations for loan book growth, offset by an expected increase in the share of higher margin lending. The capital structure is expected to remain a limiting factor, with the expected improvements in profitability in 2025 bringing some relief, but faster growth still requires additional measures to strengthen the capital structure.

### HOLD with a target price of EUR 0.20

The combination with PURO Finance is in our view a step in the right direction for Alisa Bank. There is, however, only so much that can be achieved by the primary earnings growth driver of transitioning towards higher margin lending, without notable loan book growth to benefit from the scalability of the operating model. Without further growth, we expect mid-term ROE potential to remain in the upper single digits. We retain our target price of EUR 0.20 and HOLD-rating.

### Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 0.20

Target price, EUR 0.2

Latest change in recommendation 16-Feb-24

Latest report on company 11-Apr-24

Research paid by issuer: YES

No. of shares outstanding, '000's 147,211

No. of shares fully diluted, '000's 147,211

Market cap, EURm 29

Free float, % -

Exchange rate -

Reuters code ALISA.HE

Bloomberg code ALISA FH

Average daily volume, EURm -

Next interim report 09-Aug-24

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+ BUY ■ HOLD - SELL

## KEY FIGURES

	Revenues EURm	Op. profit EURm	Net profit EURm	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	0.0	0.00
2023	17	0	0	0.00	83.9	0.6	68.2	0.7	0.0	0.00
2024E	19	0	0	0.00	-67.8	0.8	72.4	-1.2	0.0	0.00
2025E	23	3	2	0.01	14.3	0.8	64.5	5.5	0.0	0.00
2026E	25	4	3	0.02	10.3	0.7	62.8	7.2	0.0	0.00

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

Market cap, EURm	29	BV per share 2024E, EUR	0.2	CAGR EPS 2023-26, %	112.1
Equity 2024E, EURm	36	Loan losses 2024E, %	3.19	CAGR op. profit 2023-26, %	171.9
Total assets, 2024E, EURm	486	Tax rate 2024E, %	20.0	CAGR revenues 2023-26, %	14.2
Lending 2024E, EURm	198	Tier 1 ratio 2024E, %	12.4	CAGR DPS 2023-26, %	0.0
RWA 2024E, EURm	162	Capital ratio 2024E, %	15.2	PEG, P/E 24/CAGR	-0.6

Alisa Bank	2022	H1/'23	H2/'23	2023	H1/'24E	H2/'24E	2024E	2025E	2026E
Total income	10.3	8.4	8.3	16.7	8.0	11.5	19.5	22.7	24.7
<i>growth %</i>		253.2%	5.6%	62.8%	-4.6%	38.0%	17 %	16 %	9 %
Net interest income	9.1	7.4	7.3	14.8	6.9	10.4	17.4	20.3	22.2
Net fee income	1.5	0.8	0.9	1.8	1.0	1.0	2.0	2.2	2.4
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	-2.8	-3.4	-6.2	-7.1	-7.5
Other administrative expenses	-4.5	-2.2	-2.3	-4.5	-2.4	-2.7	-5.1	-5.5	-5.7
Depreciation and amortization	-0.7	-0.4	-0.4	-0.8	-0.4	-0.5	-0.9	-1.0	-1.1
Other operating expenses	-1.0	-0.4	-0.2	-0.6	-1.5	-0.4	-1.9	-1.0	-1.2
Total operating expenses	-11.6	-5.7	-5.7	-11.4	-7.1	-7.0	-14.1	-14.6	-15.5
Impairment of receivables	-8.3	-2.2	-2.8	-5.0	-3.0	-2.9	-5.9	-5.5	-5.6
Pre-tax profit	-9.7	0.4	-0.1	0.3	-2.1	1.6	-0.5	2.6	3.6
-Excl. one-offs					-0.9	1.6	0.7		
Income taxes	0.7	-0.1	0.1	0.0	0.4	-0.3	0.1	-0.5	-0.7
Net earnings	-9.0	0.3	0.0	0.3	-1.7	1.3	-0.4	2.1	2.8
Loan book	164	167	169	169	190	190	198	208	225

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1E	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net interest income	0	7	0	7	15	0	7	0	10	17	20	22
Net commission income	0	1	0	1	2	0	1	0	1	2	2	2
Trading/items at fair value	0	0	0	0	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0	0	0	0	0
Total income	0	8	0	8	17	0	8	0	11	19	23	25
Total costs	0	-6	0	-6	-11	0	-7	0	-7	-14	-15	-15
Profit before loan losses	0	3	0	3	5	0	1	0	4	5	8	9
Loan losses	0	-2	0	-3	-5	0	-3	0	-3	-6	-5	-6
Operating profit	0	0	0	0	0	0	-2	0	2	0	3	4
Taxes	0	0	0	0	0	0	0	0	0	0	-1	-1
Minorities	0	0	0	0	0	0	0	0	0	0	0	0
Net profit	0	0	0	0	0	0	-2	0	1	0	2	3
EPS	0.00	0.00	0.00	0.00	0.00	0.00	-0.02	0.00	0.02	0.00	0.01	0.02
EPS adjusted (diluted no of shares)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net interest income	0	0	0	9	15	17	20	22
Net commission income	0	0	0	2	2	2	2	2
Trading/items at fair value	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0
Total income	0	0	0	10	17	19	23	25
<i>Income growth (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>62.0</i>	<i>17.5</i>	<i>16.3</i>	<i>8.9</i>
Total costs	0	0	0	-12	-11	-14	-15	-15
<i>Costs growth (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-1.7</i>	<i>23.7</i>	<i>3.6</i>	<i>6.1</i>
Profit before loan losses	0	0	0	-1	5	5	8	9
Loan losses	0	0	0	-8	-5	-6	-5	-6
Operating profit	0	0	0	-10	0	0	3	4
<i>Operating profit growth (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-101.8</i>	<i>-365.7</i>	<i>-645.6</i>	<i>38.6</i>
Taxes	0	0	0	1	0	0	-1	-1
Minorities	0	0	0	0	0	0	0	0
Net profit	0	0	0	-9	0	0	2	3
<b>BALANCE SHEET, EURm</b>								
Assets								
Lending to credit institutions	0	0	0	126	134	269	271	263
Lending to the public	0	0	0	155	169	198	208	225
<i>Growth (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>9.3</i>	<i>17.2</i>	<i>5.1</i>	<i>8.0</i>
Interest-bearing securities	0	0	0	0	0	0	0	0
Other assets	0	0	0	2	2	2	2	2
Total Assets	0	0	0	292	314	486	498	506
<i>Growth (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>7.6</i>	<i>54.9</i>	<i>2.5</i>	<i>1.6</i>
Liabilities								
Deposits by credit institutions	0	0	0	0	0	0	0	0
Deposits from the public	0	0	0	247	269	425	435	440
<i>Growth (%)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>9.0</i>	<i>58.1</i>	<i>2.4</i>	<i>1.1</i>
Debt securities in issue	0	0	0	0	0	0	0	0
Subordinated loans	0	0	0	6	6	6	6	6
Other liabilities	0	0	0	13	13	19	19	19
Shareholders' equity	0	0	0	26	26	36	38	41
Total liabilities and equity	0	0	0	292	314	486	498	506

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	0	0	32	15	29	29	29
Total assets	0	0	292	314	486	498	506
Total income	0	0	10	17	19	23	25
Total costs	0	0	-12	-11	-14	-15	-15
Operating profit	0	0	-10	0	0	3	4
Net profit	0	0	-9	0	0	2	3
Equity	0	0	26	26	36	38	41
Tier 1 capital	0	0	18	18	20	22	25
Risk-weighted assets	0	0	140	147	162	169	181
Loans	0	0	155	169	198	208	225
<b>Valuation multiples</b>							
P/E	0.0	0.0	-3.5	83.9	-67.8	14.3	10.3
P/E, adj.	0.0	0.0	-3.6	83.9	-67.8	14.3	10.3
P/B	0.0	0.0	1.2	0.6	0.8	0.8	0.7
Dividend yield, %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Target P/E	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Target P/B	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Per share measures</b>							
Number of shares	0	0	87,745	88,332	127,585	147,211	147,211
Number of shares (diluted)	0	0	87,745	88,332	127,585	147,211	147,211
EPS	0.00	0.00	-0.10	0.00	0.00	0.01	0.02
EPS, adj.	0.00	0.00	-0.10	0.00	0.00	0.01	0.02
Book value per share	0.00	0.00	0.29	0.30	0.25	0.26	0.28
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend payout ratio %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Financial ratios</b>							
ROE, %	0.0	0.0	-34.7	0.7	-1.2	5.5	7.2
Adjusted ROE, %	0.0	0.0	-33.5	0.7	-1.2	5.5	7.2
ROA, %	0.0	0.0	-6.2	0.1	-0.1	0.4	0.6
Net interest margin, %	0.0	0.0	2.3	3.4	2.8	3.2	3.3
Cost/income, %	0.0	0.0	113.1	68.2	72.4	64.5	62.8
Loan losses/lending, %	0.00	0.00	9.04	3.00	3.19	2.75	2.71
Tier 1 ratio, %	0.0	0.0	12.6	12.0	12.4	13.0	13.7
Capital ratio, %	0.0	0.0	15.9	15.2	15.2	15.8	16.3
Equity/assets, %	0.0	0.0	8.9	8.3	7.4	7.7	8.1
Loans/assets, %	0.0	0.0	53.0	53.9	40.7	41.8	44.4
Tax rate, %	0.0	0.0	7.0	-1.1	20.0	20.0	20.0
Number of employees, average	0	0	0	0	0	0	0
Income per employee, EUR	0	0	0	0	0	0	0
Op. profit per employee, EUR	0	0	0	0	0	0	0

COMPANY DESCRIPTION:

INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Evli Oyj	15.288	2.951	17.3 %
Taaleri Oyj	15.288	2.951	17.3 %
Oy Scripo Ab	5.500	1.061	6.2 %
TN Ventures Oy	5.498	1.061	6.2 %
Oy Prandium Ab	4.754	0.917	5.4 %
Oy T&T Nordcap Ab	3.939	0.760	4.5 %
OP Finland Small Cap	1.391	0.268	1.6 %
Rausanne Oy	1.242	0.240	1.4 %
Bure Capital Oy	0.970	0.187	1.1 %
Avensis Capital Oy	0.05	0.175	1.0 %
Ten largest	54.774	10.571	62.0 %
Residual	33.558	6.477	28.0 %
Total	88.331	17.048	100%

EARNINGS CALENDAR

August 9, 2024

H1 Report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Juha Saari

CFO: Kukka Lehtimäki

Tel:

IR:

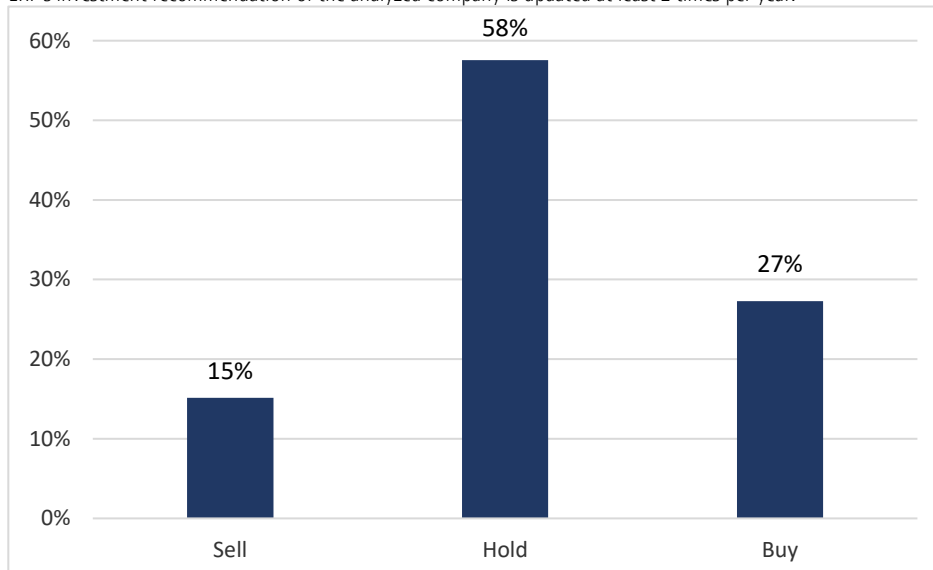
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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