

# SALDO

Annual report 2020 Q3  
Saldo Finance Oyj



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## Q3 2020

### The international growth is advancing

# Saldo's 2020 Q3 results show continued steady progress

Saldo Finance Plc continued its steady progress during the third quarter of 2020 despite legislative changes affecting the sector. Turnover was EUR 8,2 million (EUR 8,9 million), operating profit EUR 4,9 million (EUR 7,0 million) and net profit EUR 3,9 million (Q4 2020 EUR 4,4 million).

In an anticipated move, the Finnish government tightened the interest rate on consumer loans in July 2020. The temporary cap reduced the interest rate on all new consumer loans to 10%. However, Saldo's optimisations in a further tightening situation have proven effective, demonstrating stability in Q3 compared to previous quarters, and having little impact on business operations. This is evidenced in Saldo offering instalment-free periods for its customers during Q3.

Saldo's daughter company, Tact Finance AB, began operations in Sweden during Q2 2020 with the launch of Saldo SMS Lån. Saldo's continued success in Sweden has accelerated the company's growth strategy. The next step is to achieve further internationalisation with the commencement of lending operations in Lithuania, the preparation of which began during Q3. Lithuania is an excellent strategic expansion target for Saldo, offering great data sources that support responsible lending and align with Saldo's values. At the beginning of 2020's third quarter, Saldo Safe loan

insurance was launched to provide financial stability for customers facing challenging times. The insurance has been well received by both new and existing customers, achieving stable popularity indicated by an increased number of customers opting for payment security insurance on their loans.

Each development step taken during the third quarter has taken Saldo forward in accordance with the company's growth strategy. The milestones achieved and planned next steps are in line with Saldo's vision of becoming an international financial institution with market leading onboarding and scoring systems that make it a strong player in all markets.

## Jarkko Mäensivu

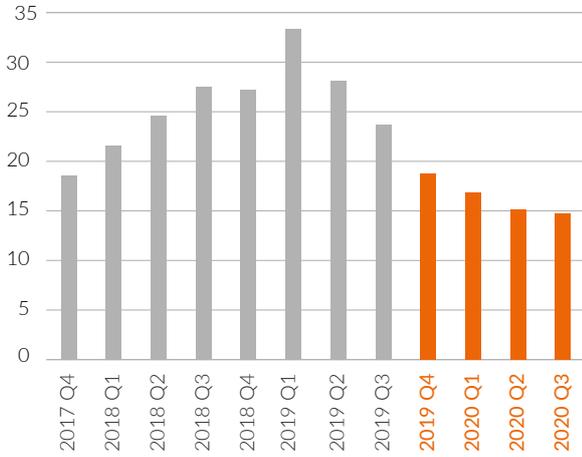
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## Saldo Finance Oyj

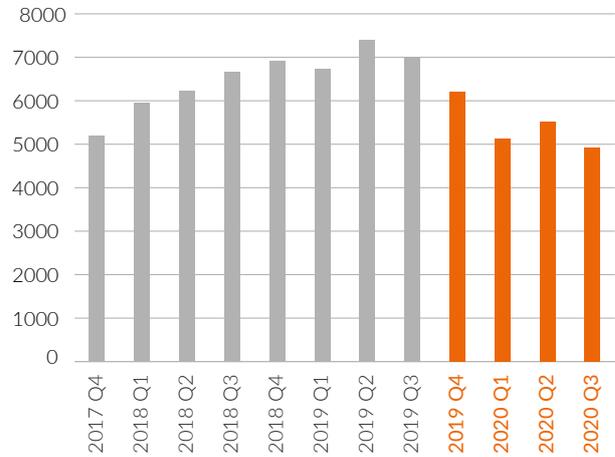
- Turnover was EUR 8.2 million (EUR 8.9 million), operating profit was EUR 4.9 million (EUR 5.5 million) and net profit EUR 3.9 million (EUR 4.4 million)
- The Finnish government reduced the interest rate on all new consumer loans to 10%, but Saldo's optimisations maintained stability in Q3 compared to previous quarters.
- Saldo offered instalment-free periods for its customers during Q3, which allowed customers to facilitate their economic situation.
- Saldo's lending operations in Sweden demonstrated steady sales growth and SMS Lån found its niche in the market during the third quarter.
- In line with its growth strategy, the company initiated measures in its lending operations to start in Lithuania. Thus geographical growth strategy is advancing as planned and Saldo is becoming an international financial institution.

KPI's	2019 H2	2020 Q1	2020 Q2	2020 Q3
Turnover mEUR	25,4	10,1	8,9	8,2
Operating profit (loss) mEUR	13,2	5,1	5,5	4,9
Operating profit margin	51,97 %	50,50 %	61,80 %	60,45 %
Equity mEUR	76,3	80,3	84,7	87,8
Return on equity-%	34,07 %	20,10 %	20,47 %	20,27 %
Equity ratio %	83,02 %	86,41 %	97,60 %	97,74 %

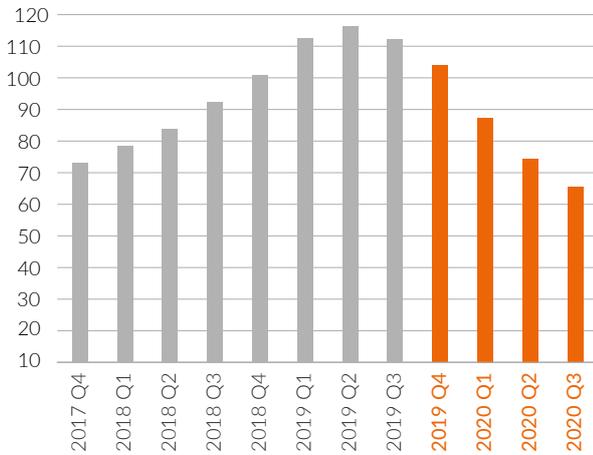
Lending quarterly mEUR



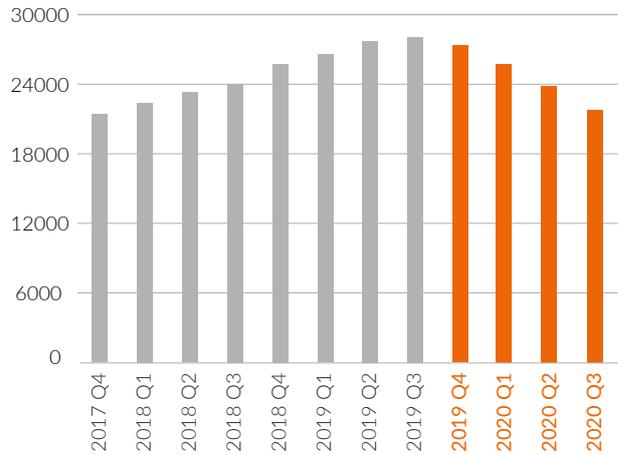
Operating profit quarterly, kEUR



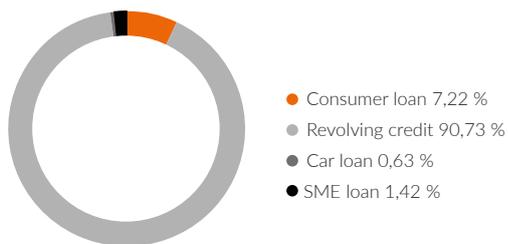
Lending quarterly, mEUR (12 months rolling)



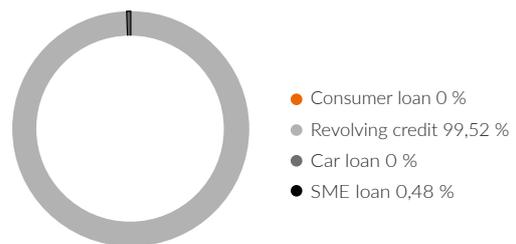
Operating profit quarterly, kEUR (12 months rolling)



Share of lending 2020 Q3, %



Share of operating profit 2020 Q3, %



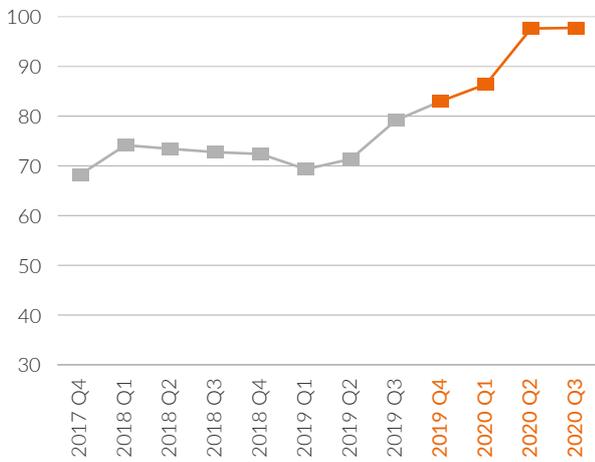
## Profit and Loss kEUR

	2019 H2	2020 Q1	2020 Q2	2020 Q3
Turnover	25365	10076	8935	8150
Other operating income	18	12	4	4
Income, total	25383	10087	8939	8154
Expences, total	-12155	-4953	-3411	-3225
Depreciation and reduction in value	-11	-3	-3	-3
Operating profit (loss)	13216	5131	5526	4926
Financial income and expences	-430	-142	-67	-14
Profit before tax and appropriations	12786	4990	5458	4913
Income taxes	-2568	-1004	-1094	-988
Profit (loss)	10219	3986	4364	3925

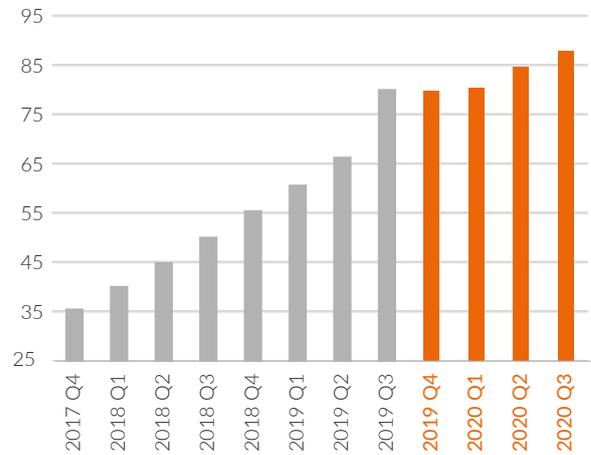
## Balance sheet kEUR

	2019 H2	2020 Q1	2020 Q2	2020 Q2
<b>Assets</b>				
Non-Current assets	93	90	87	85
<b>Current assets</b>				
Long-term debtors	44448	38359	35207	48733
Short-term debtors	35977	34106	34200	19527
Cash in hand and at banks	11449	20412	17258	21534
Total current assets	91874	92877	86665	89793
Total assets	91967	92967	86753	89878
<b>Liabilities</b>				
<b>Capital and reserves</b>				
Subscribed capital	150	150	150	150
Other reserves	668	668	668	668
Retained earnings (losses)	54428	75529	79515	83099
Profit (loss) for the financial year	21101	3986	4364	3925
Total shareholder's equity	76348	80334	84698	87843
<b>Creditors</b>				
Long-term creditors	146	14	0	0
Short-term creditors	15473	12620	2055	2035
Total creditors	15619	12633	2055	2035
Total Liabilities	91967	92967	86753	89878

Equity ratio, %



Equity, mEUR



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