



## **FINANCIALS**

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**CFO**

# THE MULTITUDE INVESTMENT CASE

1

We are a growing FinTech

2

We are highly resilient

3

We are a market leader

4

We are increasingly profitable

5

We are dividend paying

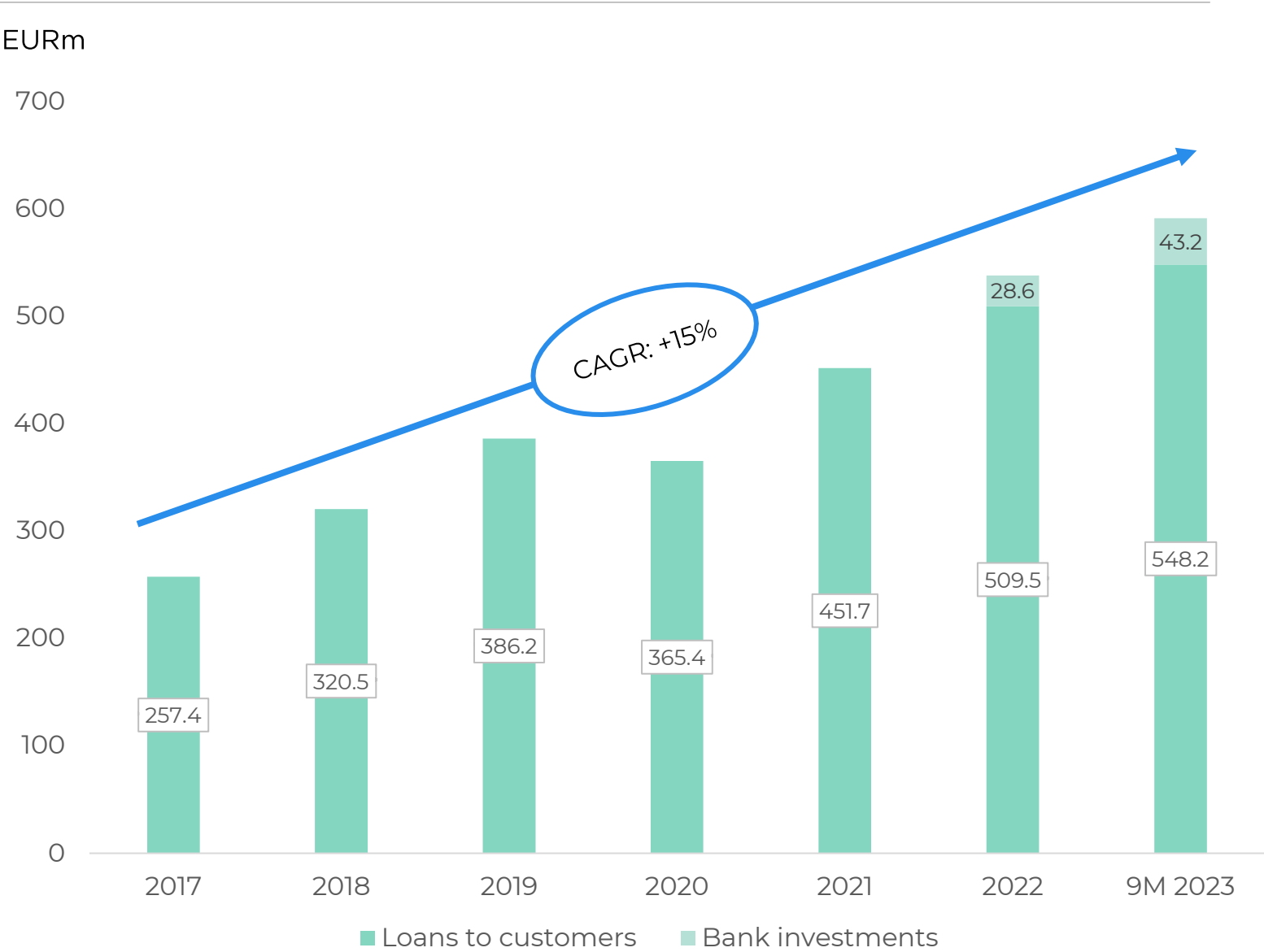


# BUSINESS PERFORMANCE: STRONG GROWTH DYNAMICS

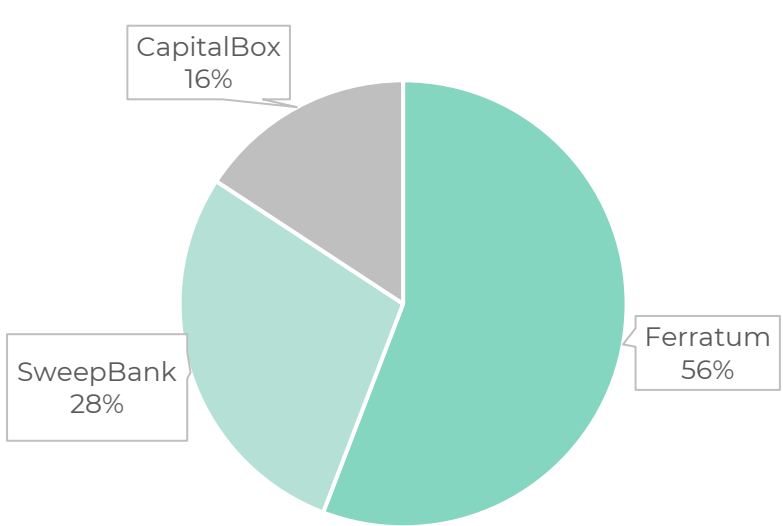


Strong products have driven dynamic growth

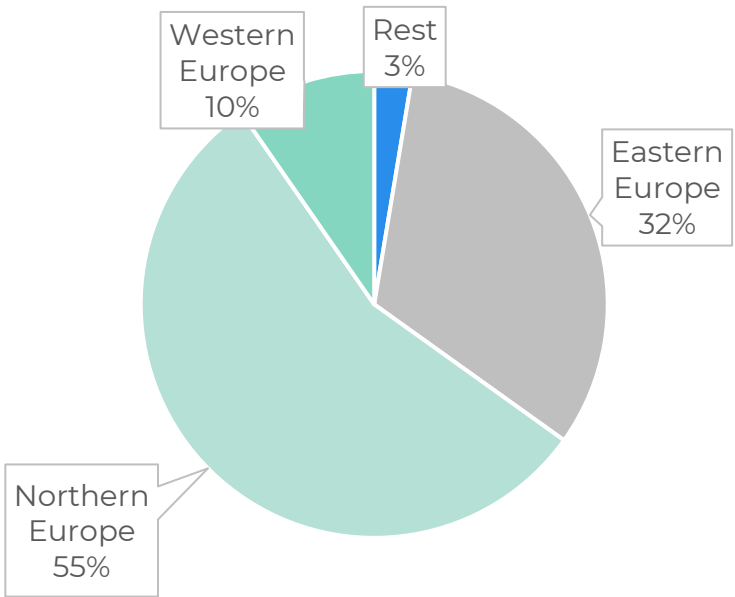
## Lending and investment portfolio development



## Portfolio split by business units (9M 2023)



## Region split (9M 2023)



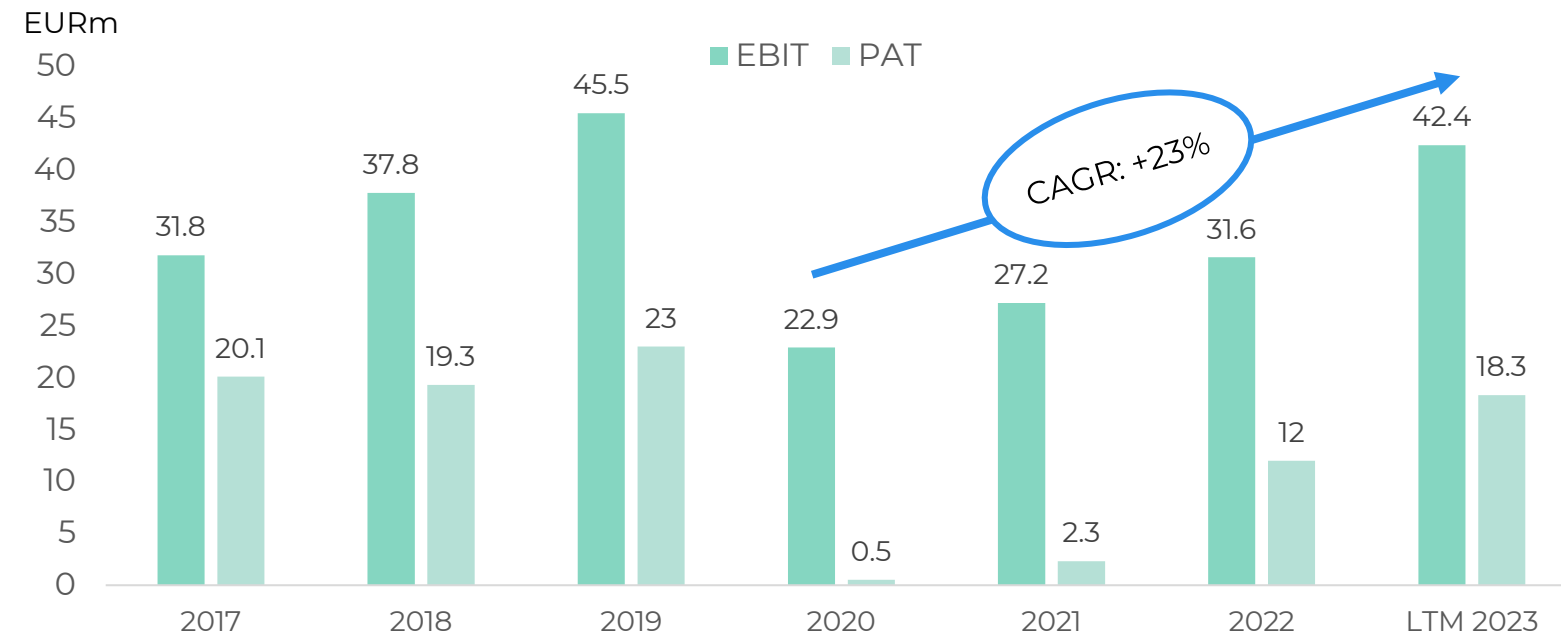
- Loan and investments growth at CAGR = 15% over 2017-2023
- Business has demonstrated a high level of resilience
- Concentration on European customers
- Focus on profitable markets

# PROFITABILITY INCREASING SIGNIFICANTLY

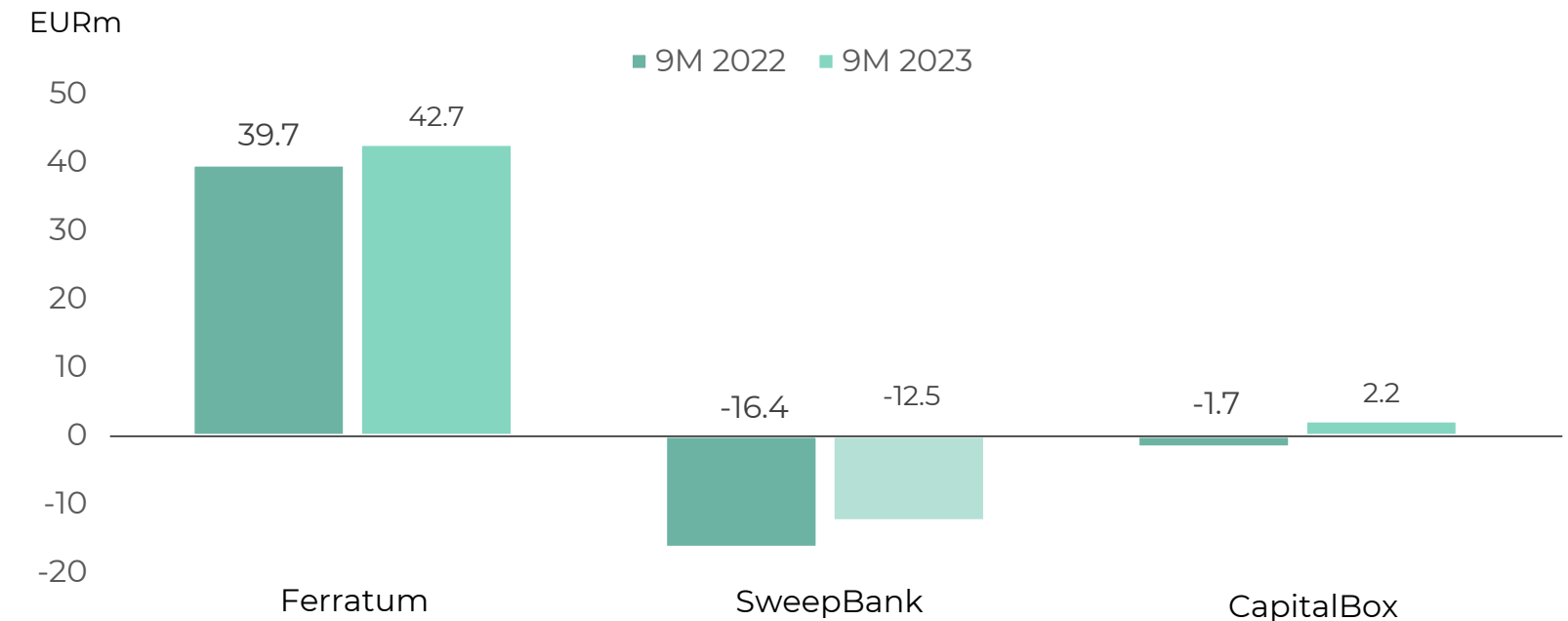
Strong products are driving dynamic growth



## Profit metrics: EBIT & Net Profit



## EBIT split per business segment (9M 2023 & 9M 2022)



- Profitability growth re-established from 2021 onwards
- Key drivers: portfolio growth, scalable operating model showing degressive cost development, and constantly improving underwriting and risk management

- Consumer business is main source of profit
- Sweep Business including Wholesale Banking: approaching positive EBIT
- SME business is back to positive EBIT and set for growth

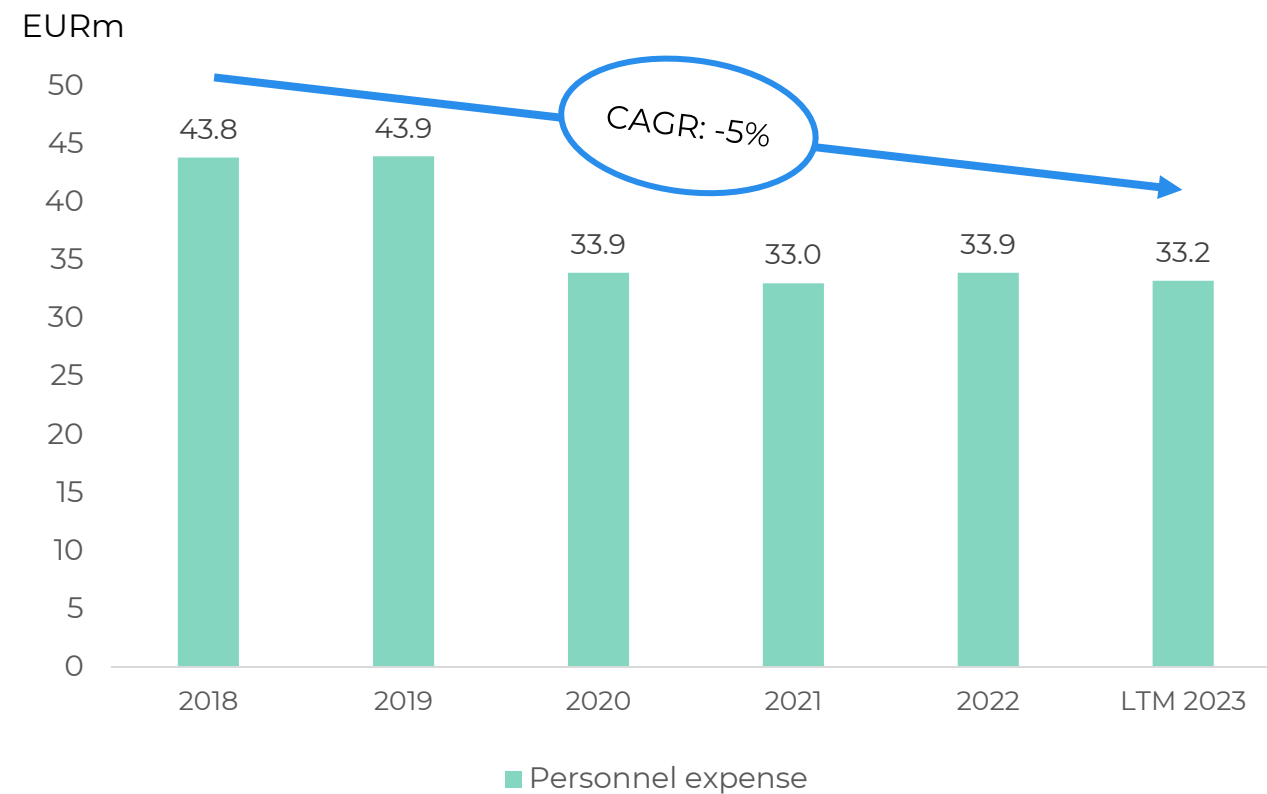
Note(s): Net profit relates to profit from continued operations

# SCALABLE OPERATING MODEL

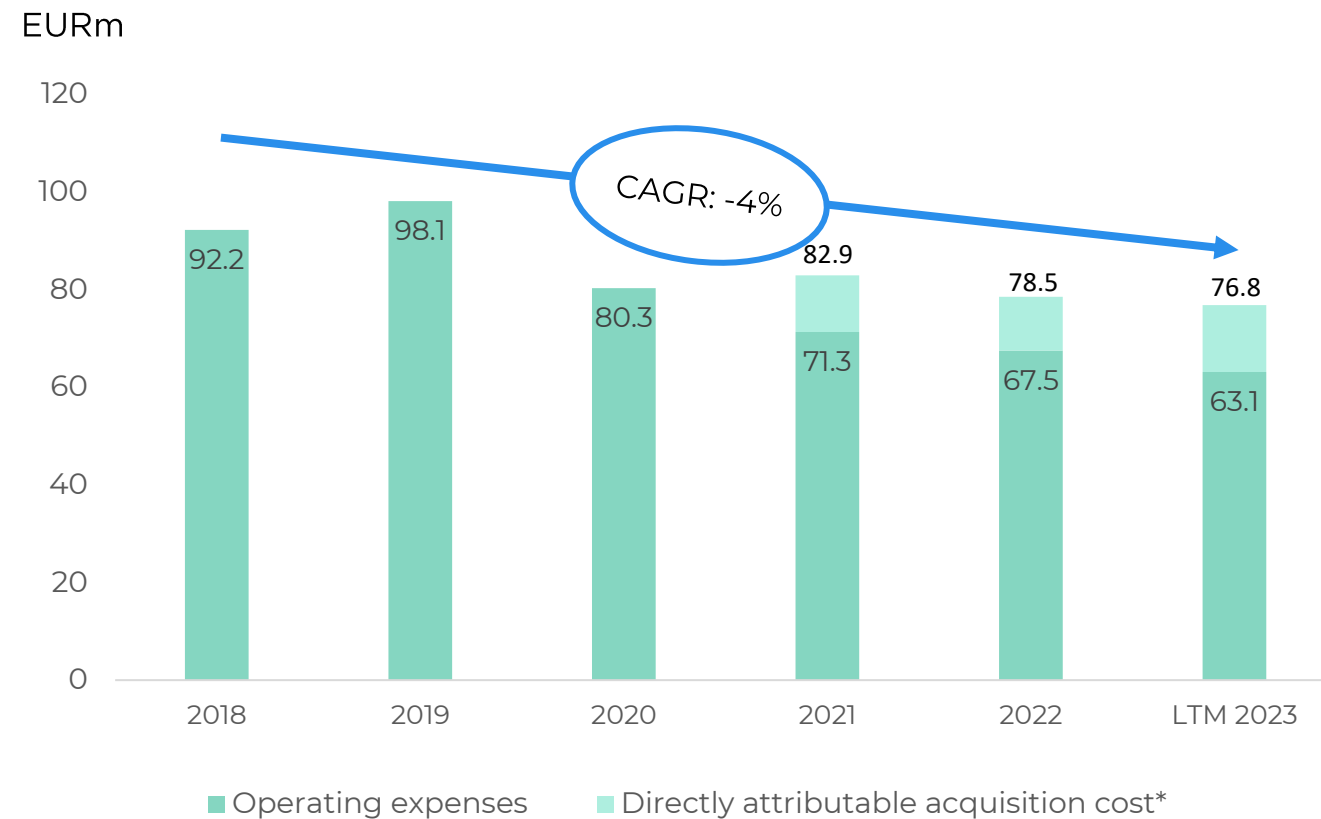
Degressive cost development reflecting Multitude's scalable organisation and technology



## Personnel expense



## Operating expenses



- Focus on profitable businesses and markets
- Improved operational leverage
- New roles focused on incremental business impact

- Focus on profitable businesses and markets
- Strong control over G&A expenses
- Leaner corporate structure

Note(s): \*Post 2020 Sales and Marketing expenses adjusted for directly attributable acquisition cost

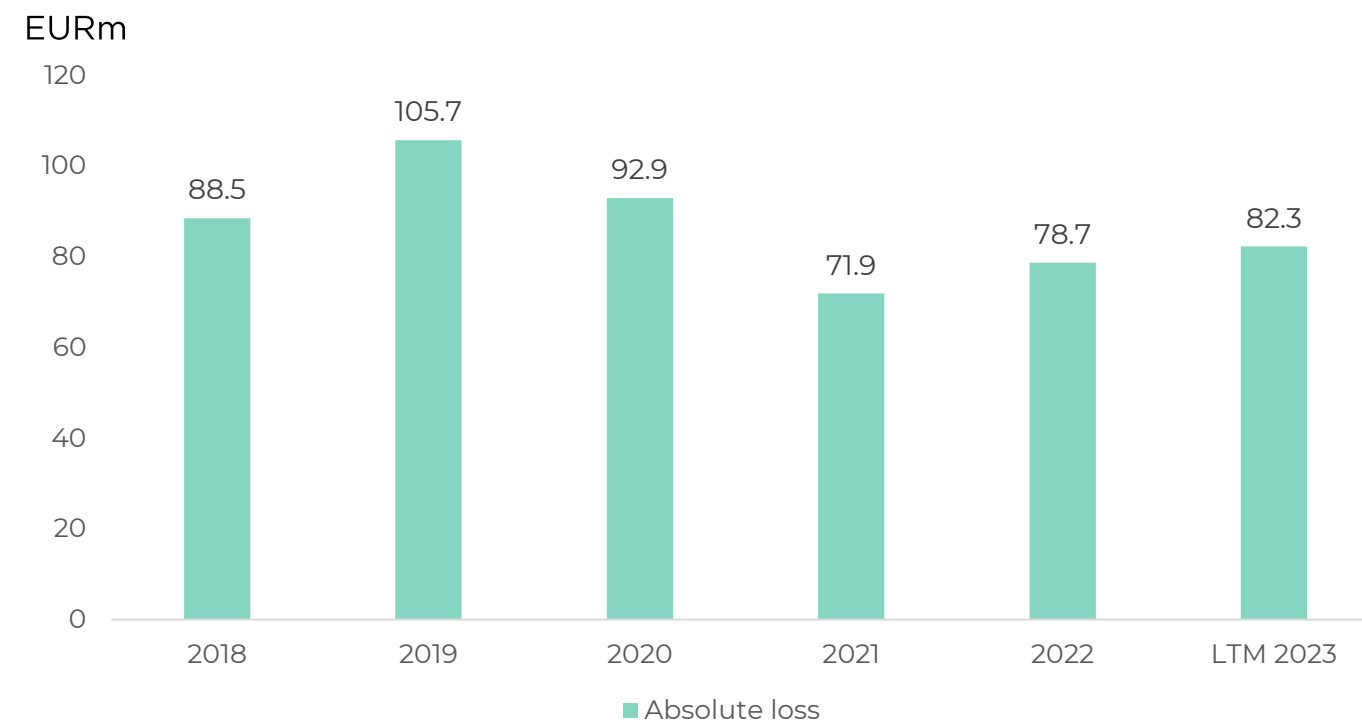


# HIGH ASSET QUALITY AND IMPROVING CREDIT RISK METRICS

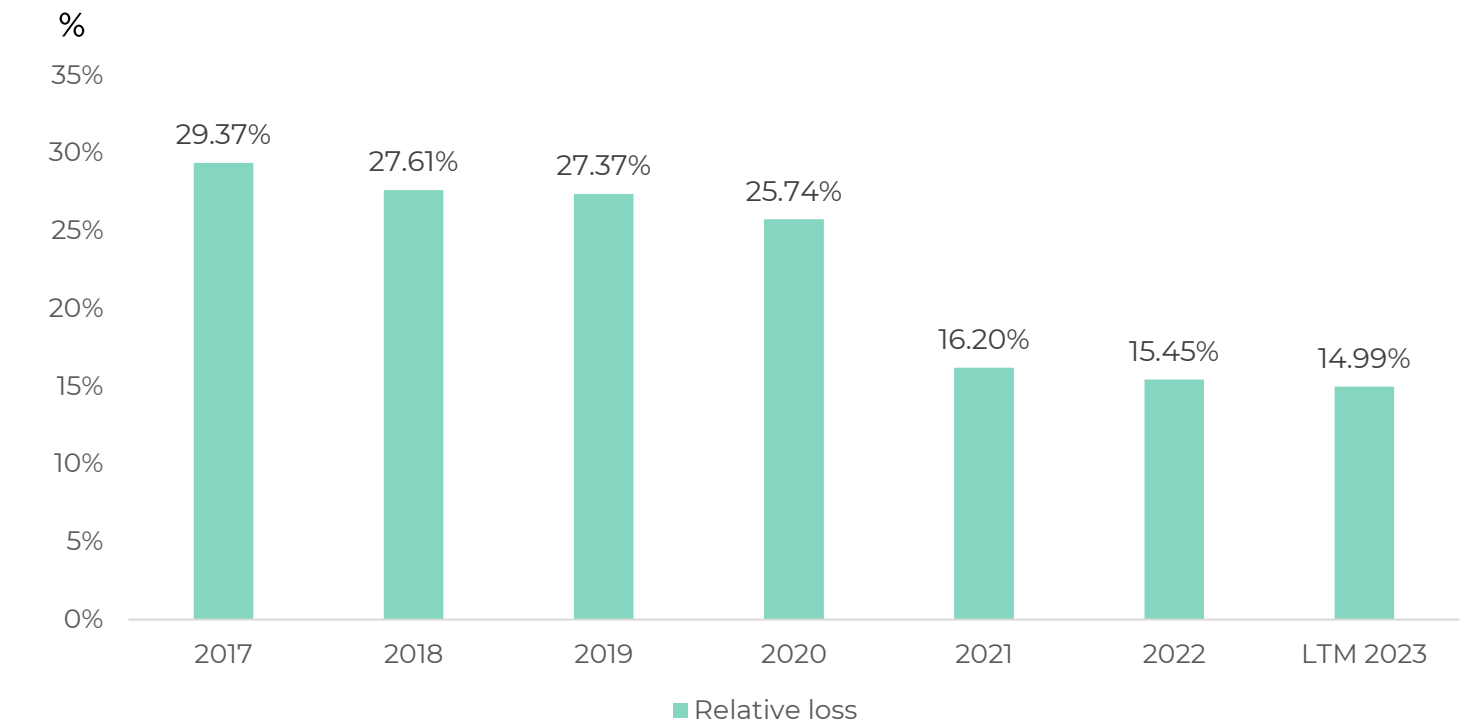


Credit risk managed very well – proven resilience of the business model

## Impairment losses (EURm)



## Impairment losses to loans to customers (%)



- Credit loss impairments as percentage of portfolio size reduced by 50%
- Focus on profitable businesses and markets
- Industry leading underwriting and credit risk management
- Multitude in control over the value chain

# FUNDING STRATEGY SUCCESSFULLY IMPLEMENTED



Multitude is following clear funding principles

Cost Efficiency	Diversification	Strategic Orientation	Equity: Profit Funded
<ul style="list-style-type: none"><li>• Focus on deposits as most cost-efficient source of funding</li><li>• Capital market debt as strategic add-on</li></ul>	<ul style="list-style-type: none"><li>• Current funding mix will be maintained to manage sourcing risks during periods of elevated uncertainty</li><li>• High level of diversification of depositors: 99% below EUR 100k</li></ul>	<ul style="list-style-type: none"><li>• Long-term focus</li><li>• Organisational transformation completed: From de-centralisation to centralisation</li></ul>	<ul style="list-style-type: none"><li>• Profit will remain main source of equity</li><li>• Supplemented by non-dilutive equity and regulatory capital instruments</li></ul>

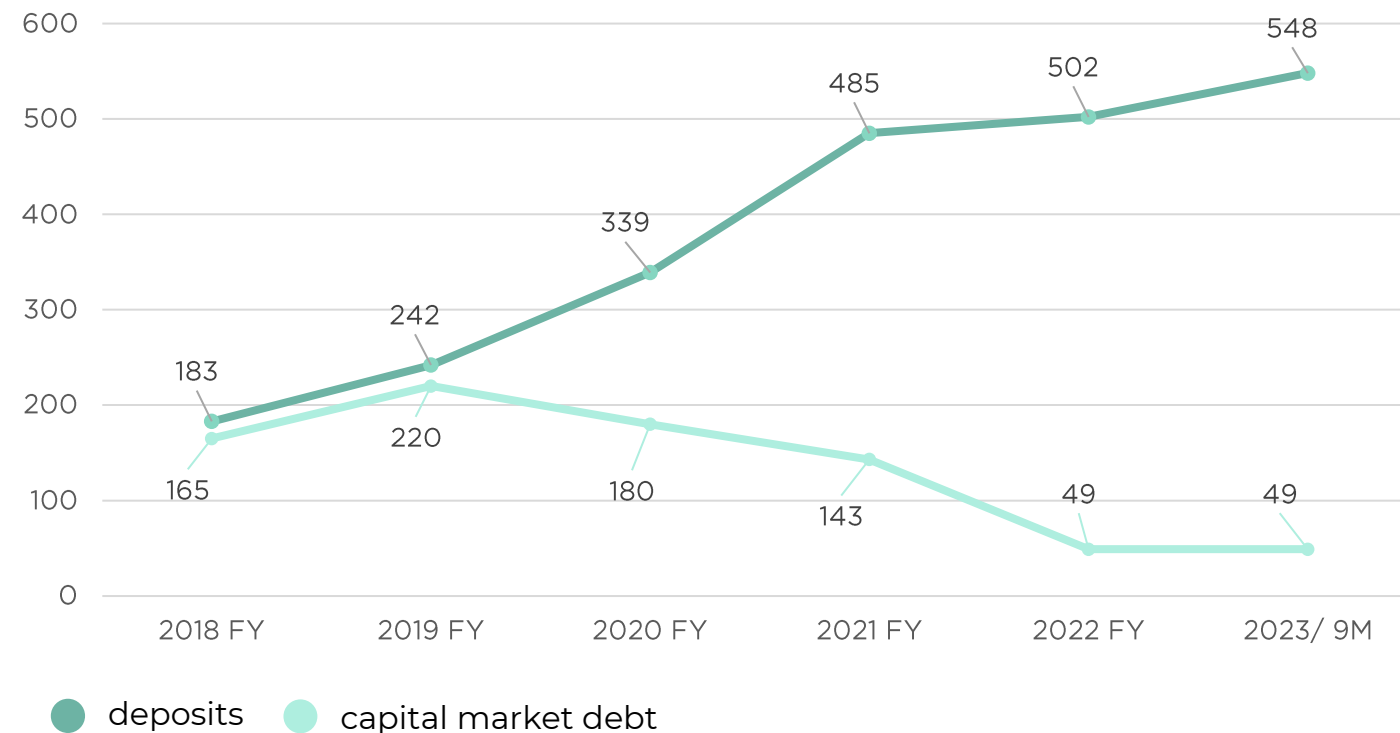
Funding transformed into a competitive advantage

# FUNDING STRATEGY SUCCESSFULLY IMPLEMENTED

## Scalable and cost-efficient funding structure

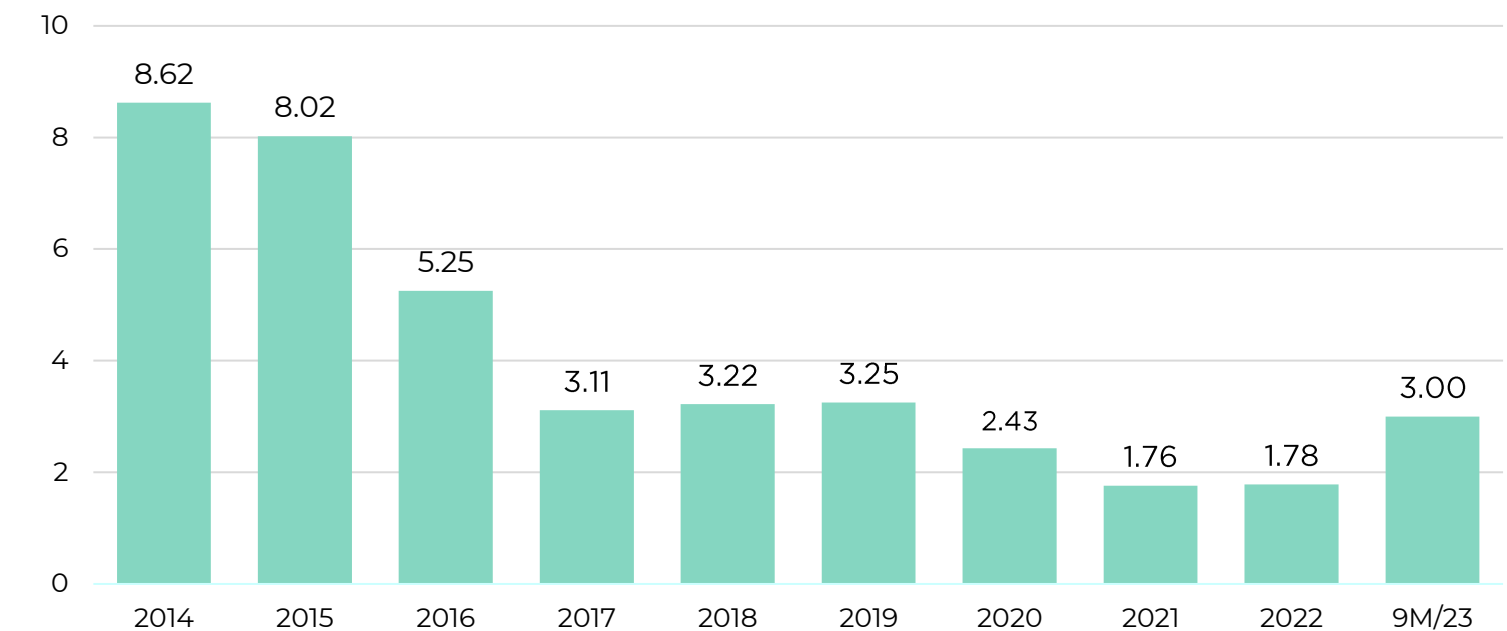


### Debt funding mix: focus on cost-efficient instruments\*



- Ratio of capital market debt to deposits has significantly improved from 1:1 to 1:11
- Improved cost efficiency via consolidation of lending business in Multitude Bank

### Development of debt funding costs in % (2017-2023 9M)\*

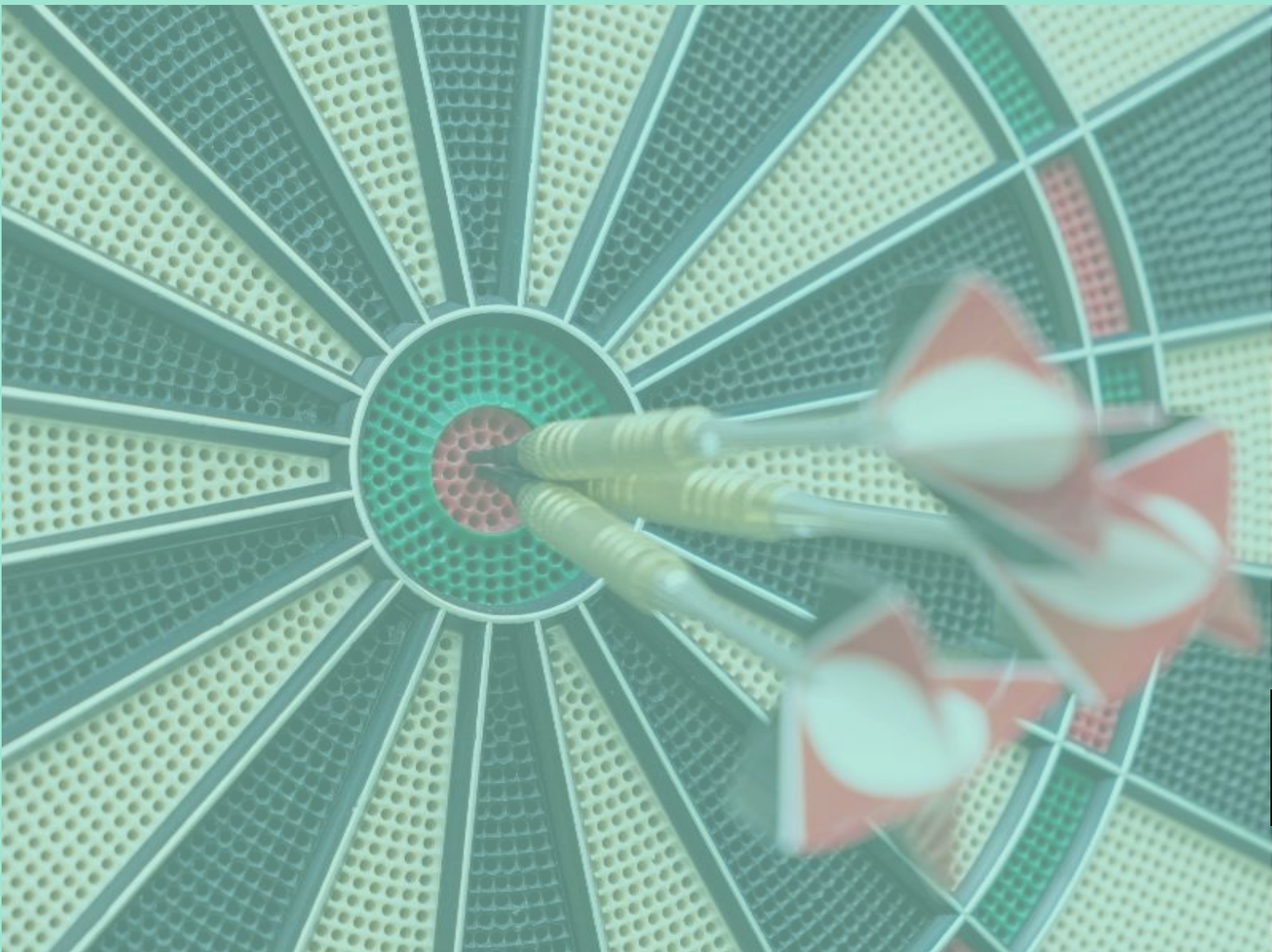


- Debt funding costs well under control - still significantly below historic levels
- Reduced dependency upon capital market debt results in mid- and long-term lower funding cost
- Securitisation model in place to fund also non-bank businesses

Note(s): \*Excluding perpetual bond



# PERFORMANCE ASSESSMENT: FINANCIAL GUIDANCE 2021 – 2023



1	Growth: back to revenue growth during 2021	
2	Profitability: EBIT EUR 20m in 2021	
3	Profitability: EBIT EUR 30m in 2022	
4	Profitability: EBIT EUR 45m in 2023	On track for EUR 44-46m

# MID-TERM FINANCIAL TARGETS: NET PROFIT EXPECTED TO INCREASE SIGNIFICANTLY



## Financial guidance:

we are moving mid-term target metric focus from EBIT to Net Profit, going hand-in-hand with change in reporting structure

## Capital allocation and investment principles going forward

1

Profit first: Clear focus on profitable markets and businesses

2

All business initiatives expected to generate profits within 24 months

3

Determined to achieve both, sustainable profit and investment into future growth

## Mid-term financial guidance: Net Profit up to EUR 30m in 2026\*



1. Multitude will change its financial reporting structure to financial industry standards in 2023 (comparability will be maintained as EBIT will be continued to be reported as alternative performance measure)
2. Key drivers of expected Net Profit growth
  - Scalable operating model
  - Automation
  - Industry-leading risk-management, underwriting & portfolio management

\* Financial guidance is to be understood as subject to adjustments for negative market environment and for one-off transactions and factors

# THANK YOU

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