



# MULTITUDE

Creating Success Stories in FinTech

Lasse Mäkelä  
Chief Strategy and IR Officer

Multitude SE  
May 2024

## KEY TAKEAWAYS FROM OUR 2023 RESULTS

- **REACHED GUIDANCE: EBIT EUR 45.6m**
- **REVENUE INCREASED BY 8.5% TO EUR 230.5m**
- **NET PROFIT INCREASED BY 39.6% TO EUR 16.4m**
- **EPS INCREASED BY 34.2% TO EUR 0.51**
- **STRONG CASH POSITION**
- **THE BOARD OF DIRECTORS PROPOSES A DIVIDEND OF EUR 0.19 PER SHARE**

# WE HAVE BEEN CREATING SUCCESS STORIES IN FINTECH FOR THE LAST TWO DECADES



Founded in Finland in 2005, HQ in Helsinki



EU wide banking licence



Listed on the Frankfurt Stock Exchange

“Since our foundation, we have focused on helping customers who are overlooked by traditional banks, with an amazing and fully digital customer experience.”



Customers

~400,000

Revenue 2023

EUR 230m

Net profit 2023

EUR 16.4m

Employees

~700

Countries

16

# OUR SHARPENED VISION GIVES OUR TEAM A COMMON DIRECTION, WITH AN INSPIRING MISSION



## VISION

Building the most valuable financial platform for overlooked customers

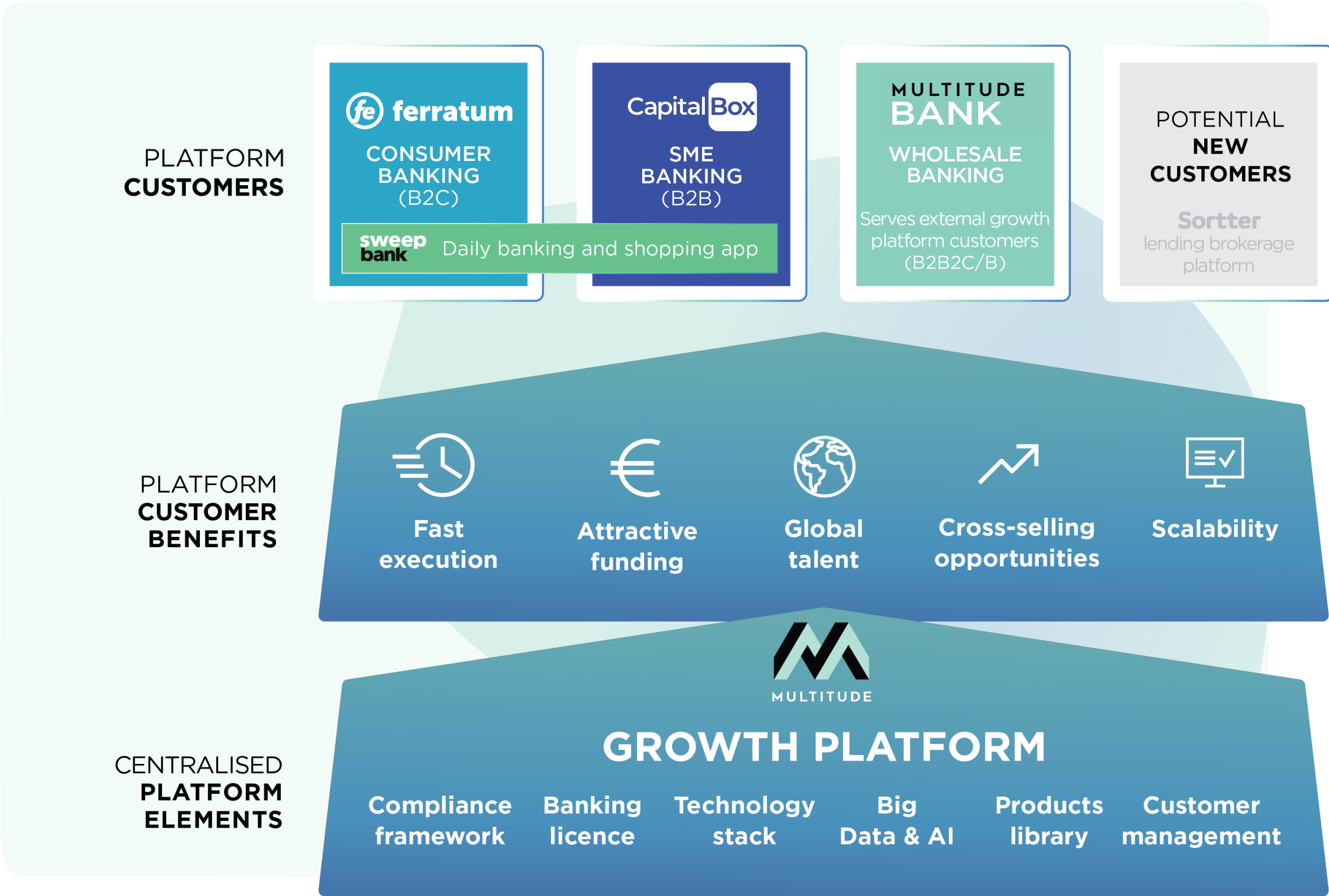
## MISSION

Democratise financial services through digitalisation, making them fast, easy & green

## OUR VALUES

Customer centricity – Entrepreneurial spirit –  
Candour – Respect – Winning teams

# WE HAVE THREE BUSINESS UNITS, WHICH USE OUR INTERNAL BANKING-AS-A-SERVICE GROWTH PLATFORM



# OUR GROWTH IS BUILT ON THREE FUNDAMENTALS: ORGANIC DEVELOPMENT, PARTNERSHIPS, AND ACQUISITIONS



## ORGANIC DEVELOPMENT

- Enhance customer-facing and internal processes
- Product and country portfolio expansion
- Bolster our unique selling points (USP) for customers

## PARTNERS

- With sales allies
- With white-label collaborators
- With service provider partners

## ACQUISITIONS

- Entering new countries or introducing new products
- Enhancing our current offerings within existing markets and products
- Integrating new tribes into our Growth platform

# THERE IS SIGNIFICANT GROWTH POTENTIAL FOR ALL OUR BUSINESS UNITS\*

EUR

**24.9** bn

Total Outstanding Portfolio



**2.3%**

Our Current Share-%

EUR

**14.8** bn

Total Outstanding Portfolio



**1.0%**

Our Current Share-%

EUR

**15.7** bn

Total Outstanding Portfolio

MULTITUDE  
BANK

**0.3%**

Our Current Share-%

\*Total Addressable Market; Full Potential For The Products and Markets of The Future

# NEW GUIDANCE FRAMEWORK LAUNCHED IN NOVEMBER 2023: STABLE PROFITABLE GROWTH, COMMITMENT TO ESG VALUES AND DIVIDEND DISTRIBUTION TO SHAREHOLDERS



## ESG

Emissions reduced and increases in Responsible lending index, NPS and eNPS

## GROWTH

Scaling current tribes and adding new businesses

## PROFIT

2.5x Net profit growth to EUR 30m by 2026

## DIVIDENDS

Target dividend payout ratio 25-50%

## MARKET CAP

Management's dream is to build a 1-billion-euro valued company in 5 years

**ESG DRIVEN FINTECH**

**GROWTH FINTECH**

**PROFITABLE FINTECH**

**DIVIDEND FINTECH**

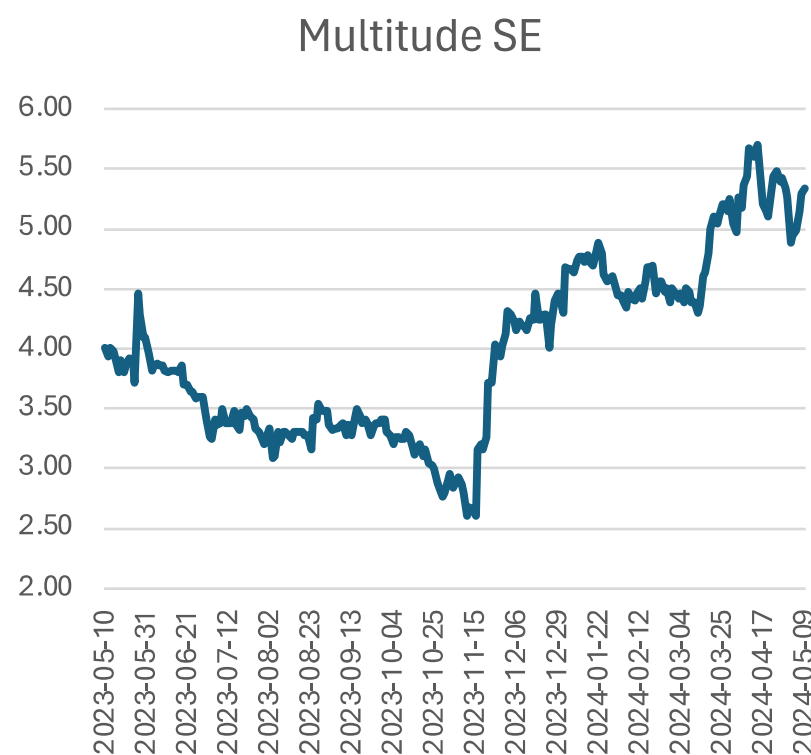
# CONSENSUS ESTIMATE FOR MULTITUDE SHARE IS EUR 9.60 VS CURRENT PRICE OF EUR 5.30 (8.5.2024)



## Details of the share

Company: Multitude SE  
 ISIN: FI4000106299  
 WKN: A1W9NS  
 Ticker: FRU

## Share price performance (12 M)



## Current Analyst views of the share

### Multitude



#### Analyst Expectations

#### Detailed Consensus

Broker	Target Prices (EUR)				Recommendations			
	Current	Previous	Change	Up-/Downside	Current	Previous	Change	Last Update
mwb research	13.20	12.60	4.8%	147.2%	Buy	Buy	No	2024-04-04
NuWays	12.00	10.00	20.0%	124.7%	Buy	Buy	No	2024-04-10
Pareto Securities	5.20	-	-	-2.6%	Hold	-	-	2023-04-04
Warburg Research	8.00	7.00	14.3%	49.8%	Buy	Buy	No	2024-03-20

■ >10% upside   
 ■ 10% upside to 10% downside   
 ■ >10% downside

Highest	13.20	147.2%
Consensus	9.60	79.8%
Median	10.00	87.3%
Lowest	5.20	-2.6%

# PRELIMINARY FULL YEAR RESULT: EBIT EXCEEDS GUIDANCE LEVEL OF EUR 45m



in EURm	2023	2022*	%/pp change
Interest income	230.5	212.5	8.5
Interest expense	(22.2)	(14.0)	58.5
Net interest income	208.2	198.4	4.9
Fair value and foreign exchange losses	(4.3)	(3.8)	12.5
Net operating income	204.0	194.7	4.8
Operating expenses:			
Impairment loss on loans to customers	(89.3)	(84.6)	5.4
Personnel expense	(34.1)	(34.0)	0.4
General and administrative expense	(32.0)	(31.9)	0.1
Depreciation and amortisation	(15.0)	(17.5)	-14.3
Selling and marketing expense	(14.2)	(12.4)	14.6
Other expense	(0.5)	(0.7)	-25.0
Profit before income tax	19.0	13.6	39.7
Income tax expense	(2.6)	(1.8)	40.4
Profit for the period	16.4	11.8	39.6

\* Restated



## STRONG BUSINESS PERFORMANCE IN CHALLENGING ENVIRONMENT

- EBIT 2023 at EUR 45.6m (EBIT will be presented as Alternative Performance Metric going forward, as P&L structure has been adjusted to financial industry standards)
- Revenue grew by 8.5% to EUR 230.5m
- Impairment losses grew 5.4% vs last year to EUR 89.3m (after classification of EUR 3.2m variable collection cost into credit loss impairments, 2022 restated accordingly)
- Interest expenses increased 58.5% due to significant increase in reference rate levels and volume increase
- Personnel expenses managed to remain flat
- Degressive cost development reflecting further efficiency gains during 2023



## STRONG PROFITABILITY METRICS:

- EBIT above Capital Market guidance for the 3<sup>rd</sup> consecutive year
- PBT increasing by almost 40% to EUR 19m
- Equivalent Net Profit uptick to EUR 16.4m

# BALANCE SHEET: ASSETS REFLECTING BUSINESS GROWTH AND DELEVERAGING STRATEGY



in EURm	2023	2022	% change
Cash and cash equivalents	283.7	153.3	85.0
Derivative financial assets	0.3	3.2	-90.6
Loans to customers	575.9	507.1	13.6
Debt investments	62.1	21.0	194.3
Current tax assets	1.8	2.2	-17.8
Other financial assets	19.4	19.4	-
Prepaid expenses and other assets	2.8	0.2	-
Intangible assets	29.5	31.4	-6.2
Right-of-use assets	4.8	4.6	4.5
Property, plant and equipment	2.9	3.0	-6.0
Investments accounted for using the equity method	1.0	-	-
Deferred tax assets	6.5	7.5	-14.3
<b>Total assets</b>	<b>990.9</b>	<b>753.2</b>	<b>31.5</b>

## SIGNIFICANT INCREASE IN BUSINESS PORTFOLIO SIZE & CASH:

- Net loan book up by almost EUR 70m, growing at 13.6%
- Investment business (predominantly collateralised warehouse lending) tripled during 2023
- Cash resources support growth strategy for 2024

# BALANCE SHEET : LIABILITIES AND SHAREHOLDERS' EQUITY



in EURm	2023	2022	% change
<b>Equity</b>			
Share capital	40.1	40.1	-
Treasury shares	(0.1)	(0.1)	-27.6
Retained earnings	85.2	75.7	12.5
Unrestricted equity reserve	14.7	14.7	-
Perpetual bonds	45.0	50.0	-10.0
Translation differences	(1.3)	(3.0)	-57.3
Other reserves	-	2.6	-100.0
<b>Total equity</b>	<b>183.6</b>	<b>180.0</b>	<b>2.0</b>
<b>Liabilities</b>			
Derivative financial liabilities	5.3	0.4	-
Deposits from customers	732.4	503.4	45.5
Current tax liabilities	2.3	0.9	146.2
Provisions, accruals and other liabilities	13.4	15.6	-14.2
Debt securities	47.8	47.4	0.8
Lease liabilities	5.0	4.6	8.7
Deferred tax liabilities	1.2	1.0	19.2
<b>Total liabilities</b>	<b>807.2</b>	<b>573.3</b>	<b>40.8</b>
<b>Total equity and liabilities</b>	<b>990.9</b>	<b>753.2</b>	<b>31.5</b>

## SOLID EQUITY POSITION:

- Increased to EUR 183.6m
- EUR 5m Perpetual Bond acquired back as market conditions were favourable
- ND/E 2.85
- Net Equity Ratio 26%

## HEALTHY LIABILITY LEVEL:

- Deposits remain main source of funding
- No capital market debt raised during 2023

# SEGMENT VIEW – BUSINESS UNIT PERFORMANCE



in EURm	Ferratum			SweepBank			CapitalBox			Group		
	2023	2022	% change	2023	2022	% change	2023	2022	% change	2023	2022	% change
Revenue*	192.7	184.8	4.3	23.1	16.0	44.4	24.7	21.4	15.4	240.5	222.1	8.3
Revenue share, %	80.1	83.2	-3.1	9.6	7.2	2.4	10.3	9.6	0.6	100.0	100.0	-
Credit losses	(62.8)	(59.1)	6.3	(16.2)	(11.7)	38.5	(6.6)	(7.8)	-15.4	(85.6)	(78.6)	8.9
Profit before interests and taxes ('EBIT')	59.1	53.7	10.1	(15.3)	(21.1)	-27.5	1.7	(1.0)	270.0	45.6	31.5	44.8
Net AR	343.3	293.2	17.1	189.2**	147.4**	28.4	103.7	86.1	20.4	636.2	526.7	20.8
Net AR share, %	54.0	55.7	-1.7	29.7	28.0	1.8	16.3	16.3	-	100.0	100.0	-

\* All business units: Revenue before deducting directly attributable transaction costs like broker fees

\*\* Including Wholesale Banking



- Solid and sustainable top-line development
- Satisfactory full year credit loss performance
- Continues to deliver excellent profitability level



- Significant revenue growth
- Gradual shift towards products less prone to credit losses
- Negative EBIT contribution not on target level, but substantially improved versus 2022



- Back to significant revenue growth
- Credit loss development volatile during the year, but significantly improved
- Back to positive EBIT contribution in 2023

# IMPAIRMENT LOSSES REMAIN AROUND 4% - CONSTANTLY STRONG

## ASSET QUALITY

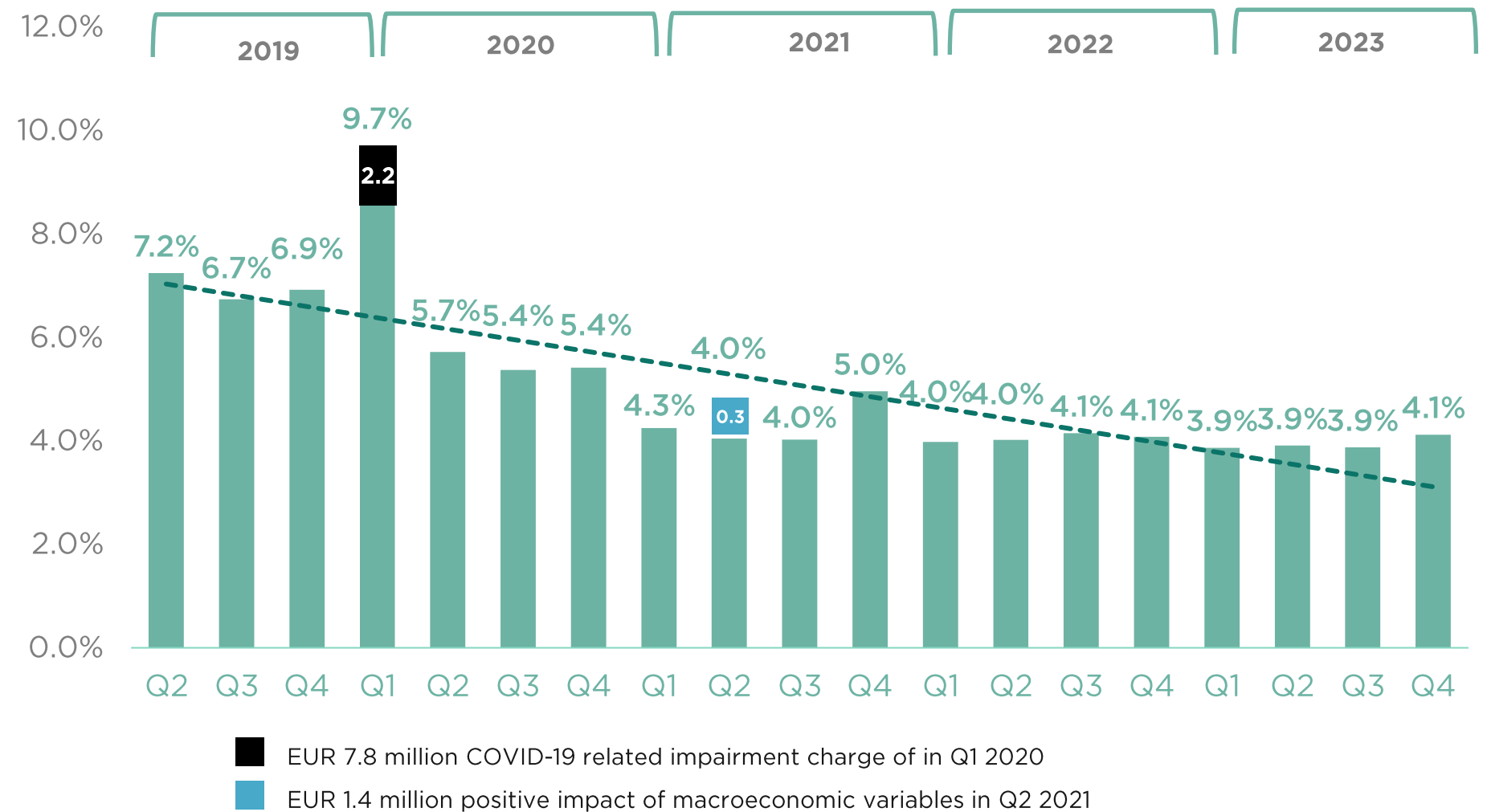


MULTITUDE

### BALANCED GROWTH STRATEGY DRIVES ASSET QUALITY IMPROVEMENTS

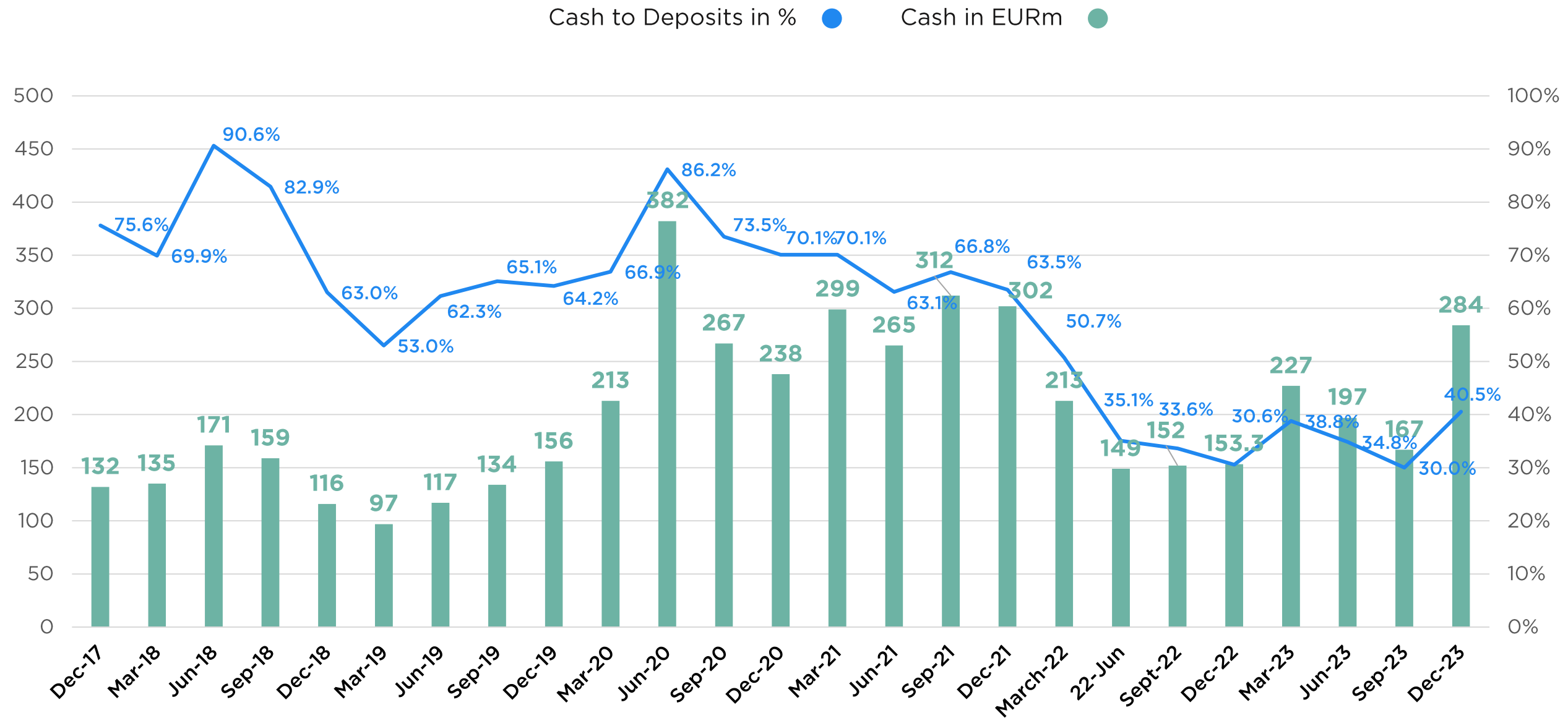
- Long-term trend: Continuous improvement in impairment losses over net accounts receivable (NAR)
- High asset quality maintained during challenging periods
- Key driver is enhanced scoring and underwriting and focus on better asset classes, partly offset by impact of market environment

### IMPAIRMENT LOSSES (TOTAL) / NAR



Note: Credit losses do not include collection costs for comparative purposes

# CASH BASE SET FOR GROWTH

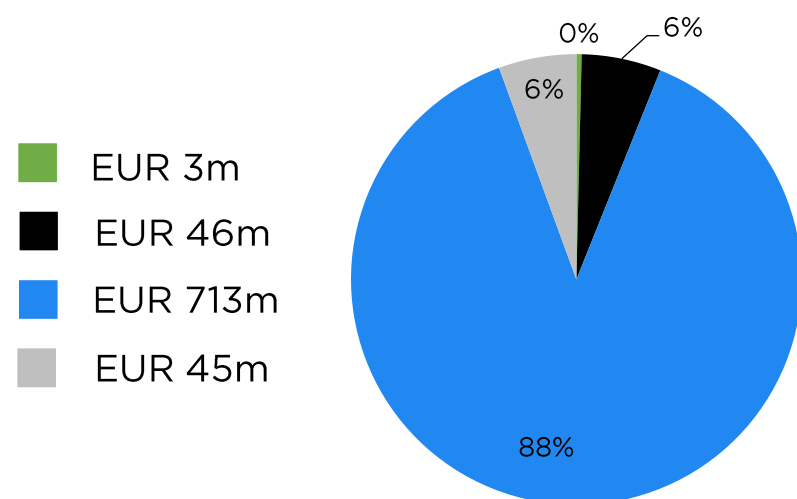


- Cash base on target level for strong growth in 2024
- More than 40% of the deposit intake relates to longer maturities (long-term > 12 months), compared to 17% at the end of 2022

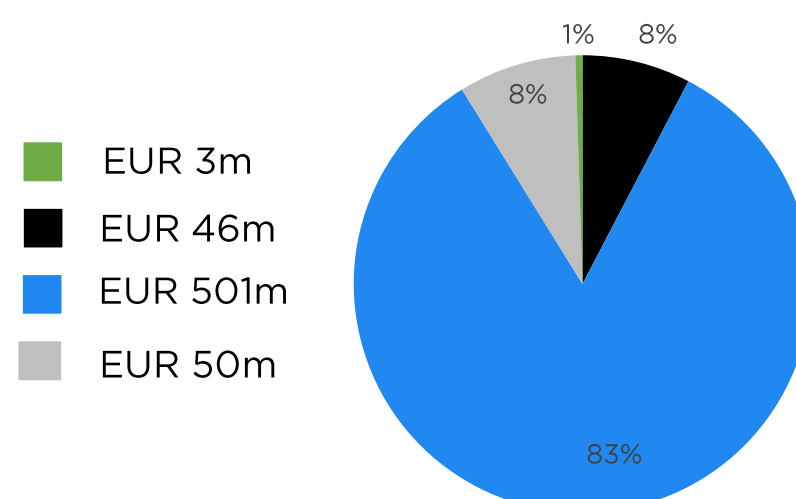
# FUNDING STRUCTURE AND COST OF DEBT CAPITAL



## FINANCING MIX AT 31 DECEMBER 2023

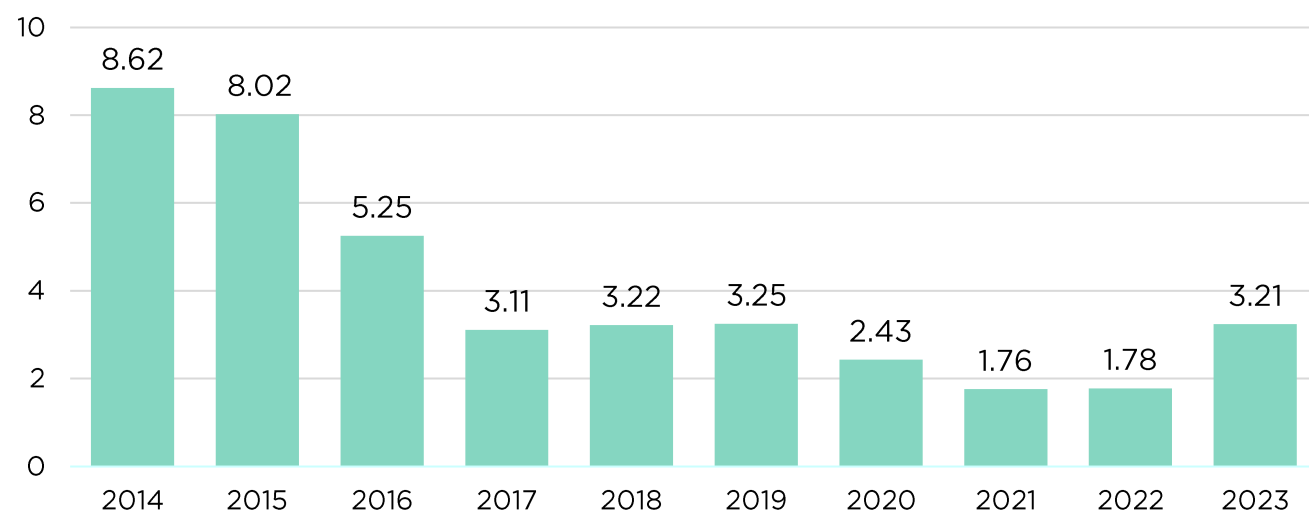


## FINANCING MIX AT 31 DECEMBER 2022



- Deposits
- Multitude SE 8.90% + 3-month Euribor perpetual (IFRS Equity)
- Multitude Bank p.l.c. 6% fixed rate Tier 2 bond 2032 (Reg. Capital)
- Multitude SE 7.5% + 3-month EURIBOR 2025

## COST OF DEBT CAPITAL (%)\*



\*Excluding perpetual bond

### Important Events:

- Focus on deposit funding – no Capital Market debt increase during 2023
- Multitude Bank plc., Malta, has obtained its inaugural public credit rating by Fitch
- Multitude Bank continues to investigate a Tier 2 issue in 2024, subject to market conditions
- Opportunistic tap of outstanding 2025 bond also assessed

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# Q&A

THANK YOU!



Lasse Mäkelä  
Chief Strategy and IR Officer  
MULTITUDE SE

[lasse.makela@multitude.com](mailto:lasse.makela@multitude.com)

# Appendix

# MULTITUDE GROUP HIGHLIGHTS 2023

## - INCREASING REVENUE AND STRONG EBIT GROWTH



### HIGHLIGHTS 2023

- Solid performance continues
- We have increased both revenue and EBIT simultaneously
- Demand and payment behaviour remains robust
- Ferratum continues to deliver strong performance
- CapitalBox shows healthy growth
- SweepBank: Wholesale Banking as a key revenue driver

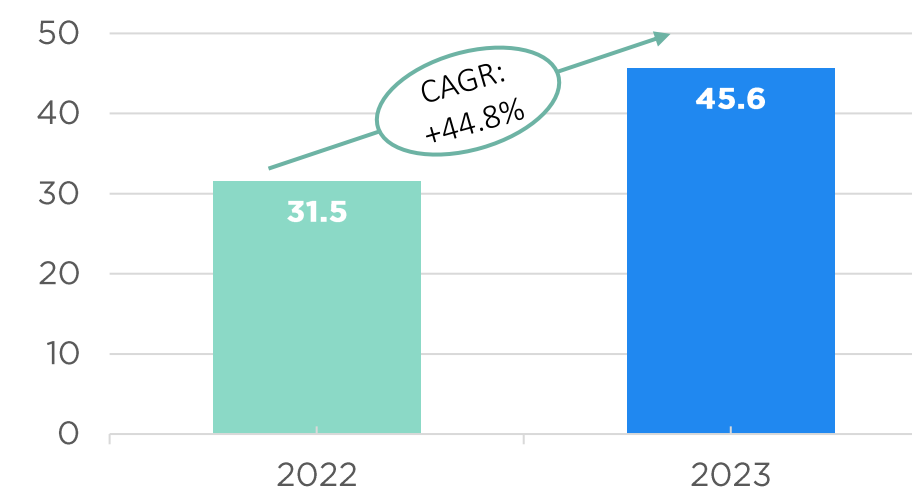
### FOCUS GOING FORWARD

- Utilise agile organisation, enhance risk management and AI investments to further improve scalability
- Focus on 3 main initiatives to accelerate our revenue and profitability growth: Organic, Partnerships and M&A
- Improvements in our growth platform's central processes and value creation in tribes

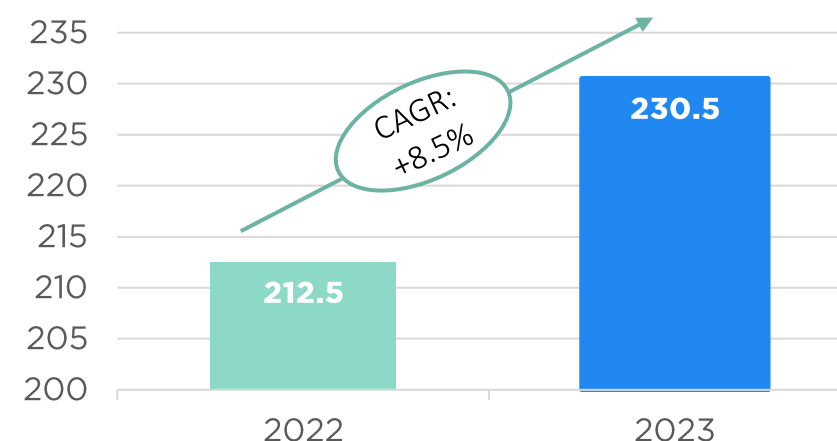
### LOOKING AHEAD

- In 2021, we published a four-year EBIT guidance, starting at EUR 20m for 2021 and with 50% growth year on year until 2024
- We have exceeded our guidance each year and we confirm that our EBIT guidance for year 2024 is EUR 67.5m

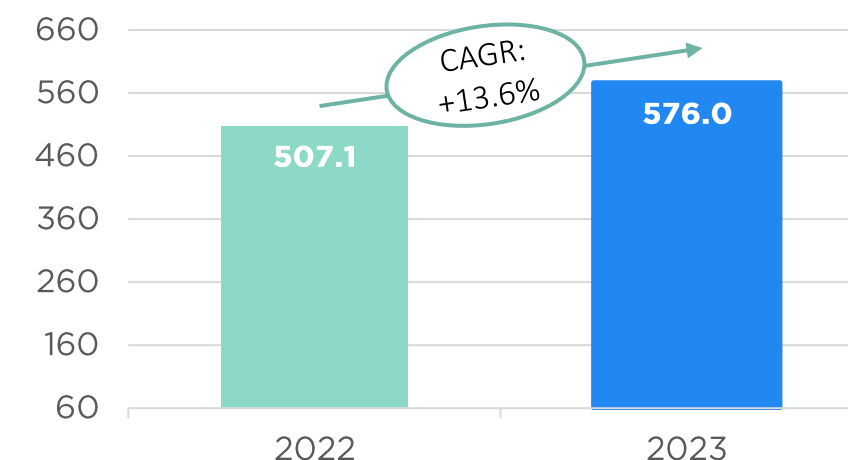
### EBIT in EURm



### REVENUE in EURm



### NET AR\* in EURm



\*Only loans to customers included. Wholesale Banking investments shown later.

# FERRATUM HIGHLIGHTS 2023

## - STRONG PERFORMANCE CONTINUES



### HIGHLIGHTS 2023

- Revenue increased by 4.3% to EUR 192.7m and EBIT by 10.0% to EUR 59.1m
- Focus on core markets - stepped out of Australia and Brazil
- Continuous improvements in digital marketing and customer onboarding processes
- Further improvements in technology and customer service to speed up our “time to money”

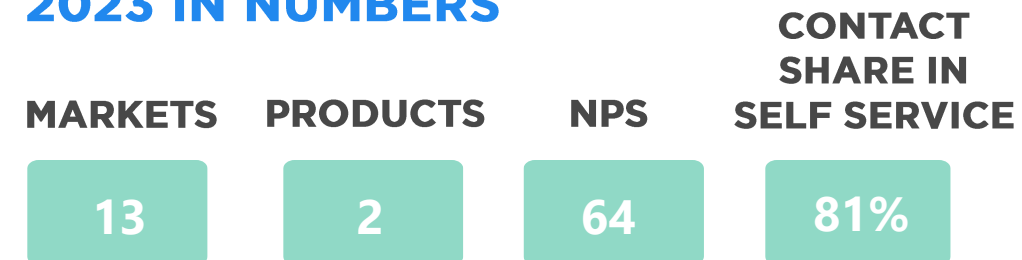
### FOCUS GOING FORWARD

- Integrate SweepBank account and credit card products to Ferratum offering
- Focus on 3 main initiatives to accelerate our revenue and profitability growth: Organic, Partnerships and M&A
- Improvements in scalability by automation, data & AI, and risk innovations

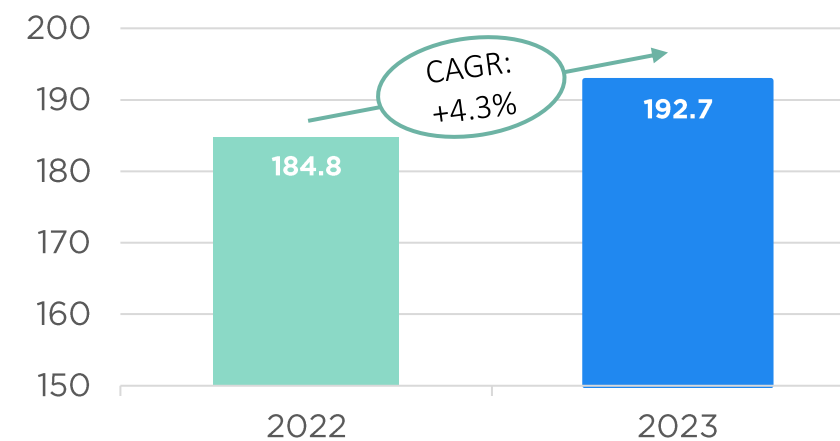
### TARGETS 2024

Our target for 2024 is to achieve 5% higher EBIT than the previous year

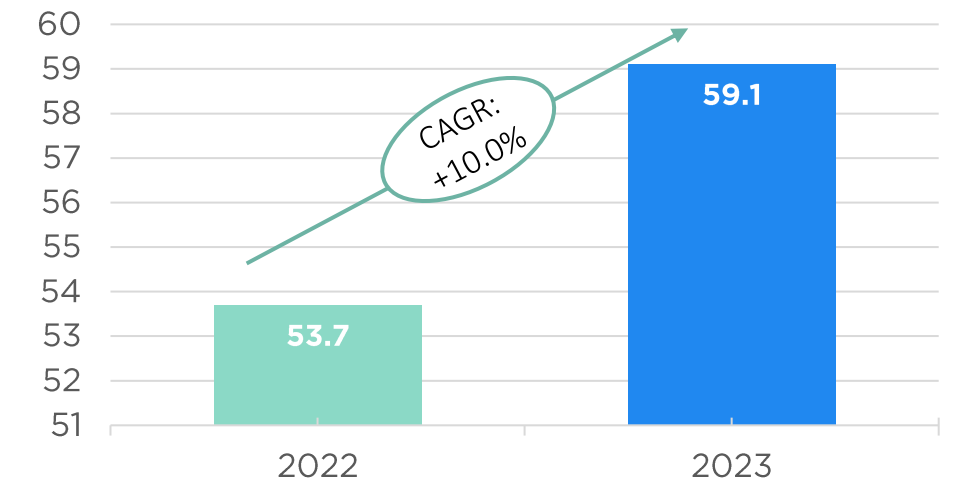
### 2023 IN NUMBERS



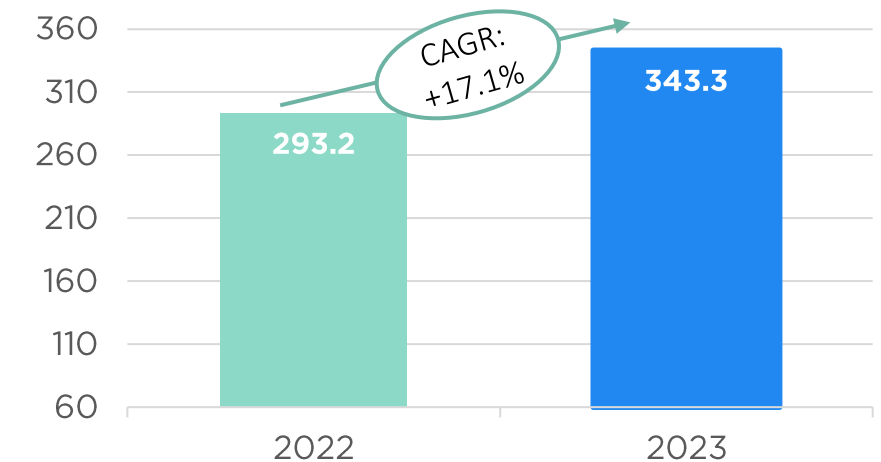
### REVENUE in EURm



### EBIT in EURm



### NET AR in EURm



# CAPITALBOX HIGHLIGHTS 2023

## -BACK ON GROWTH TRACK WITH IMPROVING EBIT

### HIGHLIGHTS 2023

- Revenue increased by 15.4% to EUR 24.7m and EBIT by EUR 2.7m up to EUR 1.7m
- Expanded sales distribution channels with further partnerships
- Improved digital marketing to reduce cost per new customer (CPN)
- Launched new product - secured lending of up to EUR 3.0m
- Automated underwriting and sales process further

### FOCUS GOING FORWARD

- Integrate SweepBank account and credit card products to CapitalBox offering
- Focus on 3 main initiatives to accelerate our revenue and profitable growth: Organic, Partnerships and M&A
- Improvements in scalability by automation, data & AI, and risk innovations
- Following Omniveta acquisition in 2024, expansion of Factoring offering

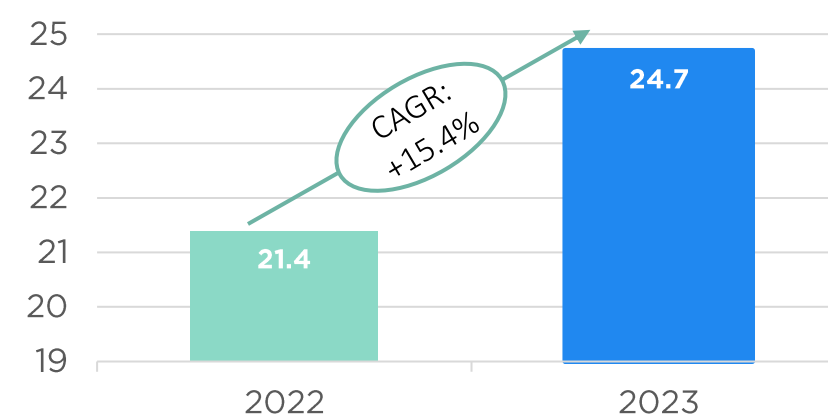
### TARGETS 2024

Our target for 2024 is to achieve EUR 10m EBIT

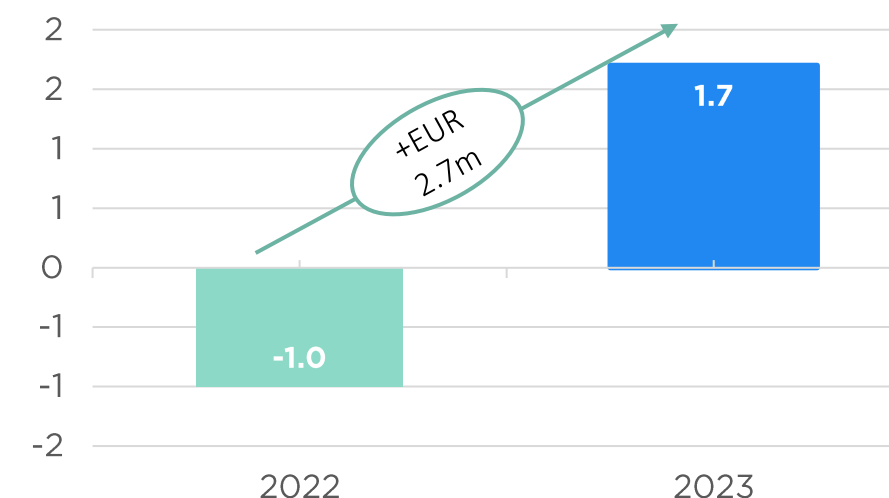
### 2023 IN NUMBERS

PRODUCTS	MARKETS
4	5

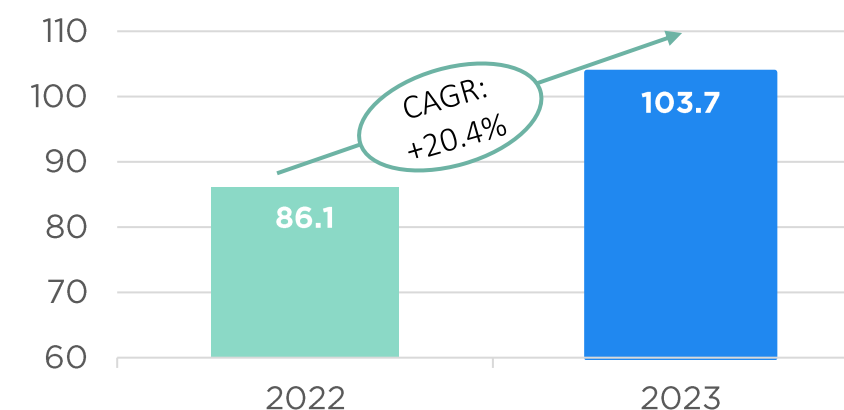
### REVENUE in EURm



### EBIT in EURm



### NET AR in EURm



# SWEEP BANK HIGHLIGHTS 2023



## -SWEEP BANK GROWTH MAINLY FROM WHOLESALE BANKING BUSINESS

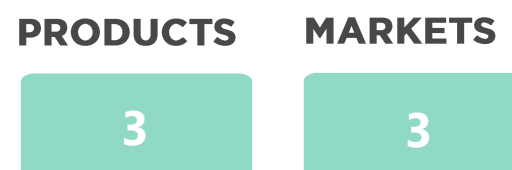
### HIGHLIGHTS 2023

- Revenue increased by 44.4% to EUR 23.1m and EBIT improved by EUR 5.8m to negative EUR 15.3m
- Large part of the growth comes from Wholesale Banking business
- Prime lending portfolio almost unchanged
- Integration of SweepBank to Ferratum and CapitalBox offering ongoing

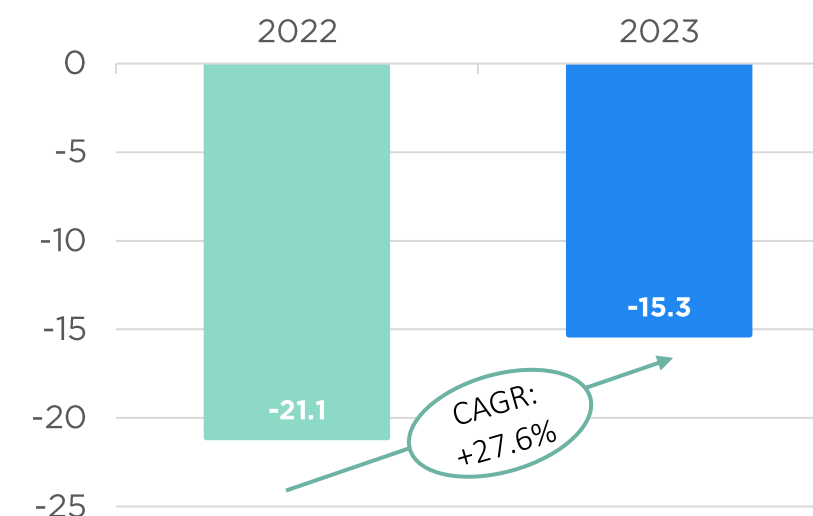
### FOCUS GOING FORWARD

- From 2024 onwards, we no longer report SweepBank as a separate business unit
- Prime loan portfolio will be moved to Ferratum
- Wholesale Banking will be reported as its own business unit
- SweepBank technology and know-how will be integrated into Ferratum and CapitalBox offerings

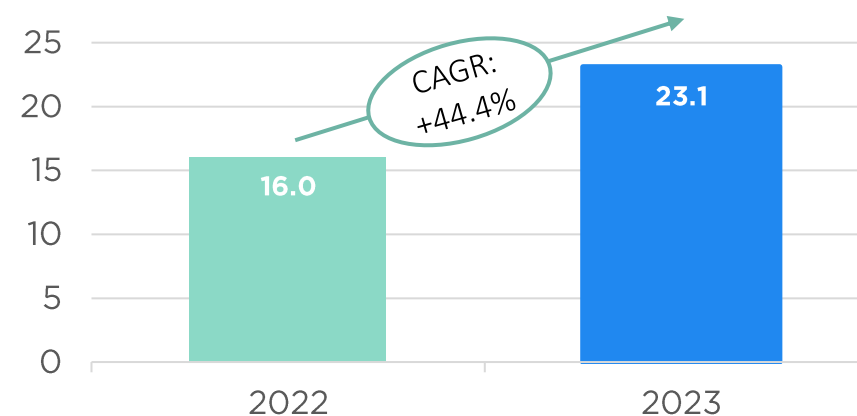
### 2023 IN NUMBERS



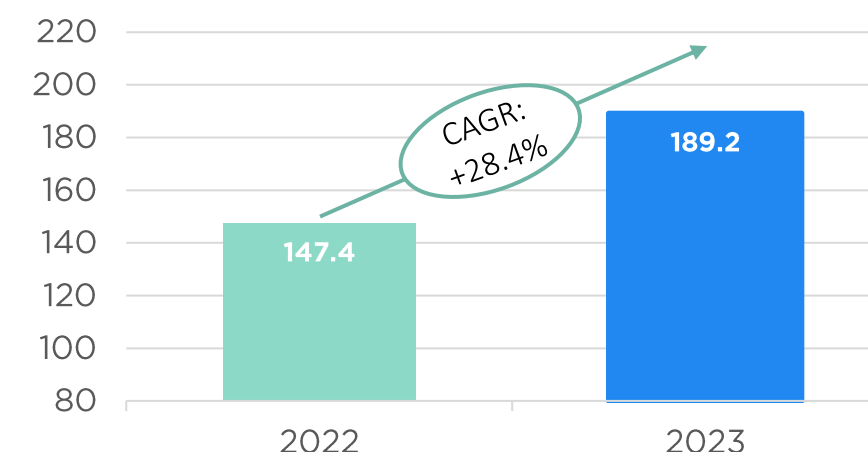
### EBIT in EURm\*



### REVENUE in EURm\*



### NET AR in EURm\*



\* SweepBank business unit include Wholesale Banking business by Multitude Bank.

# WHOLESALE BANKING - A NEW BUSINESS UNIT FROM 2024 ONWARDS

## WHAT IS WHOLESALE BANKING

- Wholesale Banking is the new business unit in the Group, which will officially start its operations in January 2024
- The offering of this business unit is twofold: Secured Debt and Payment Solution
- We have piloted wholesale banking throughout 2023 under the working title: Warehouse Lending
- After successfully piloting and optimising these products, the teams, processes, and technology are ready for expansion
- This business was reported under the SweepBank business unit in 2023 and it will now become its own business unit

## WHAT ARE THE PRODUCTS

### Secured Debt

- Secured debt to non-bank lenders, FinTechs and other selected customer segments
- Secured funding against lending portfolios or other assets pledged as collateral
- Utilising deposit funding, our collection expertise, and the power of data

### Payment Solution

- Payment infrastructure services to other FinTechs, electronic money institutions and banks
- Supports core payment processes and serves as a reliable daily business support or a fallback option for managing payment rails, facilitating receiving and making payments, and managing accounts efficiently