



# Ferratum™

More than money **to everyone**



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IFRS unaudited financial results  
Nine months to 30 September 2017

# Overview





Founded  
Helsinki  
2005



EU  
Banking  
Licence



Frankfurt  
Prime  
Standard



Consumer  
loans



Business  
loans



Mobile  
bank

12 years of  
profitable  
growth

1.8M

active  
& former  
customers

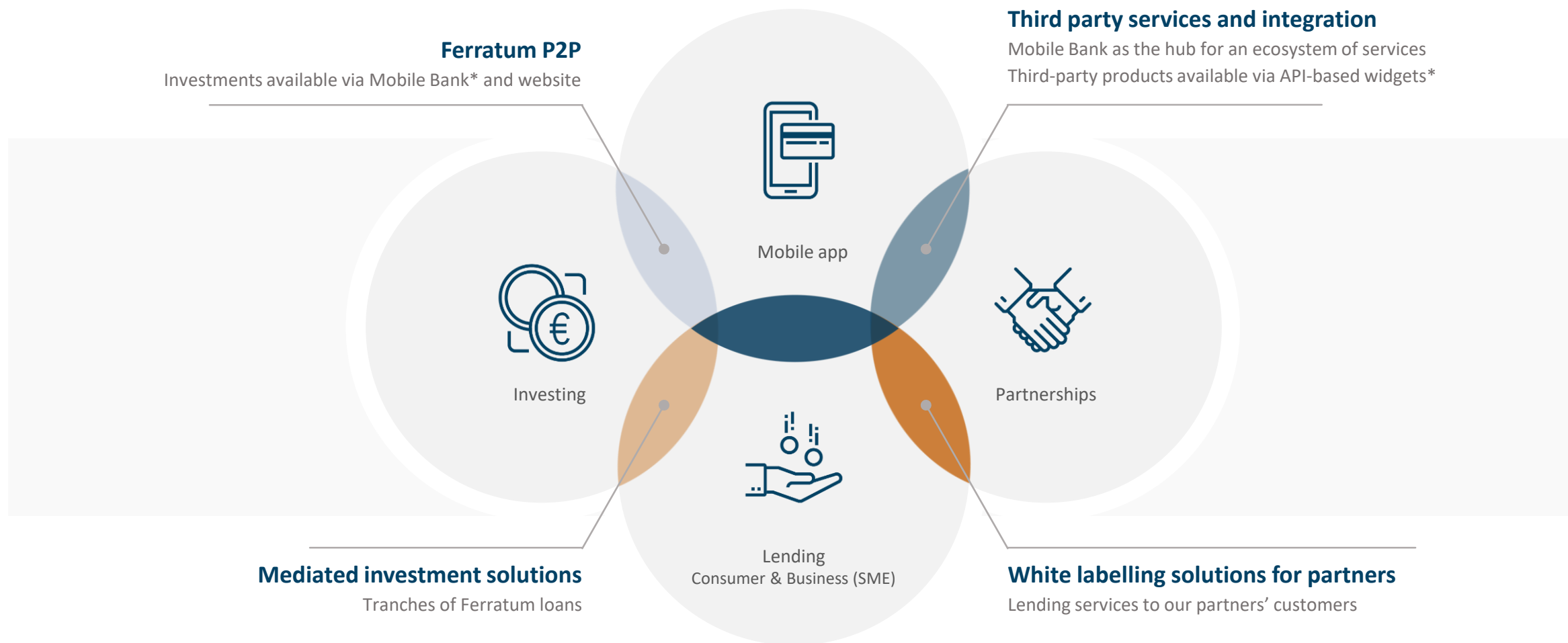
25 Countries

€161M 9M 2017 revenue

+48% year-on-year growth

At the forefront of the mobile banking revolution

# Ferratum – What we do today



# Lending

Addressing a range of financial needs

Products	Average Loan Value	Average Loan Term (Days)	Revenue Share	Revenues by product (€'000)	Active markets
<b>PrimeLoan</b> €3,000 – €20,000 / 1 – 10 years	N/A	N/A	N/A	2016 2017   N/A	1
<b>Business (SMEs)</b> Up to €250,000 / 6 – 18 Month term	€12,955	374	5.6%	2016 ▨ 2,541 2017 ■ 9,001 +254% y-o-y	6
<b>Credit Limit</b> Up to €3,000 / Digital revolving credit line	€1,051	N/A	46.8%	2016 ▨ 46,180 75,294 2017 ■ 63.0% y-o-y	9
<b>PlusLoan</b> €300 – €5,000 / 2 – 36 month term	€671	352	27.3%	2016 ▨ 20,776 2017 ■ 43,902 +111% y-o-y	9
<b>Microloan</b> €25 – €1,000 / 7 – 90 day term	€193	28	20.3%	2016 ▨ 38,935 2017 ■ 32,724 -15% y-o-y	23

# Accelerating Growth – one year into our programme

Driving Ferratum's profitability and growth



## Organization and Management

- ✓ Organizational change from region focus to products and increased efficiency in management structures
- ✓ IT migration to more scalable architecture and systems
- ✓ Centralizing customer service, marketing and collection



## Geographic Expansion

- ✓ International strategy to include joint ventures and collaborations
- ✓ Partnerships to leverage Ferratum's platform model, without additional balance sheet risk



## Mobile Bank

- ✓ Product management empowered
- ✓ Marketing started in first five Mobile Bank markets: Germany, Sweden, Norway, Spain and France



## Product Portfolio

- ✓ Focusing on products that deliver highest CLV

# Ferratum's Mobile Bank ecosystem

Global scalability beyond  
Ferratum's balance sheet



## Innovation and Widget Partners

An ecosystem of services through the integration of third party products and services



## White Label Partners

Ferratum's technology and licence platform enables consumer-facing brands to offer financial services



## International Bank Partners

A franchise model that combines Ferratum's plug-and-play Mobile Bank and our partners' balance sheets





# Financial highlights



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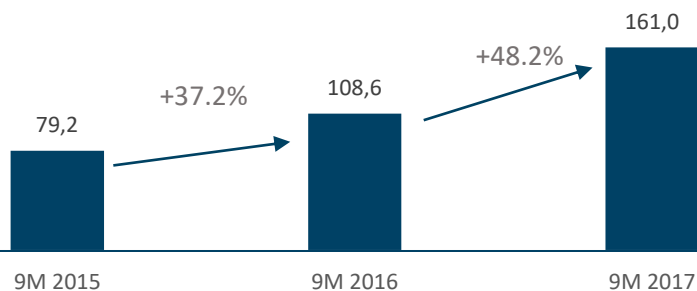
# Summary

- Financial performance
- Portfolio quality
- Balance sheet
- Operating cash flow
- Cost of capital and financing

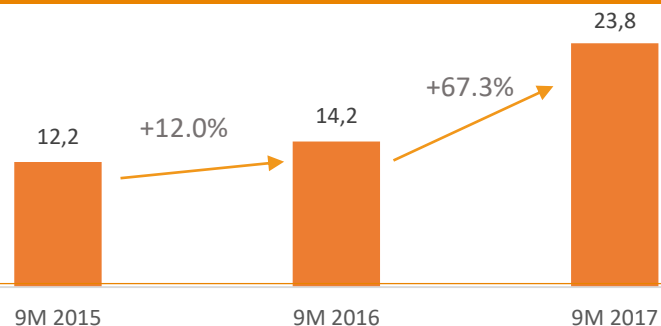


# Revenue and profitability growth accelerated in 2017

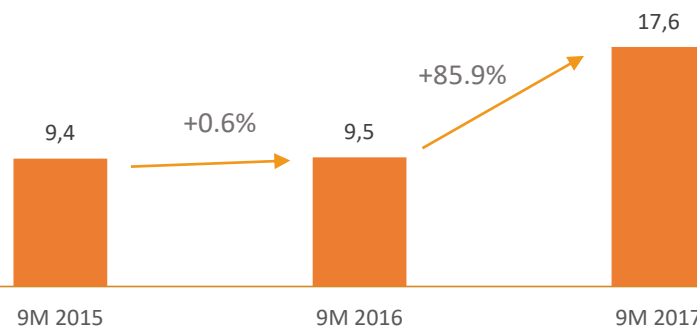
Revenue (EUR million)



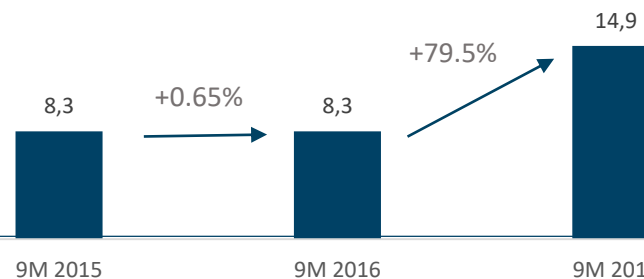
Operating profit – EBIT (EUR million)



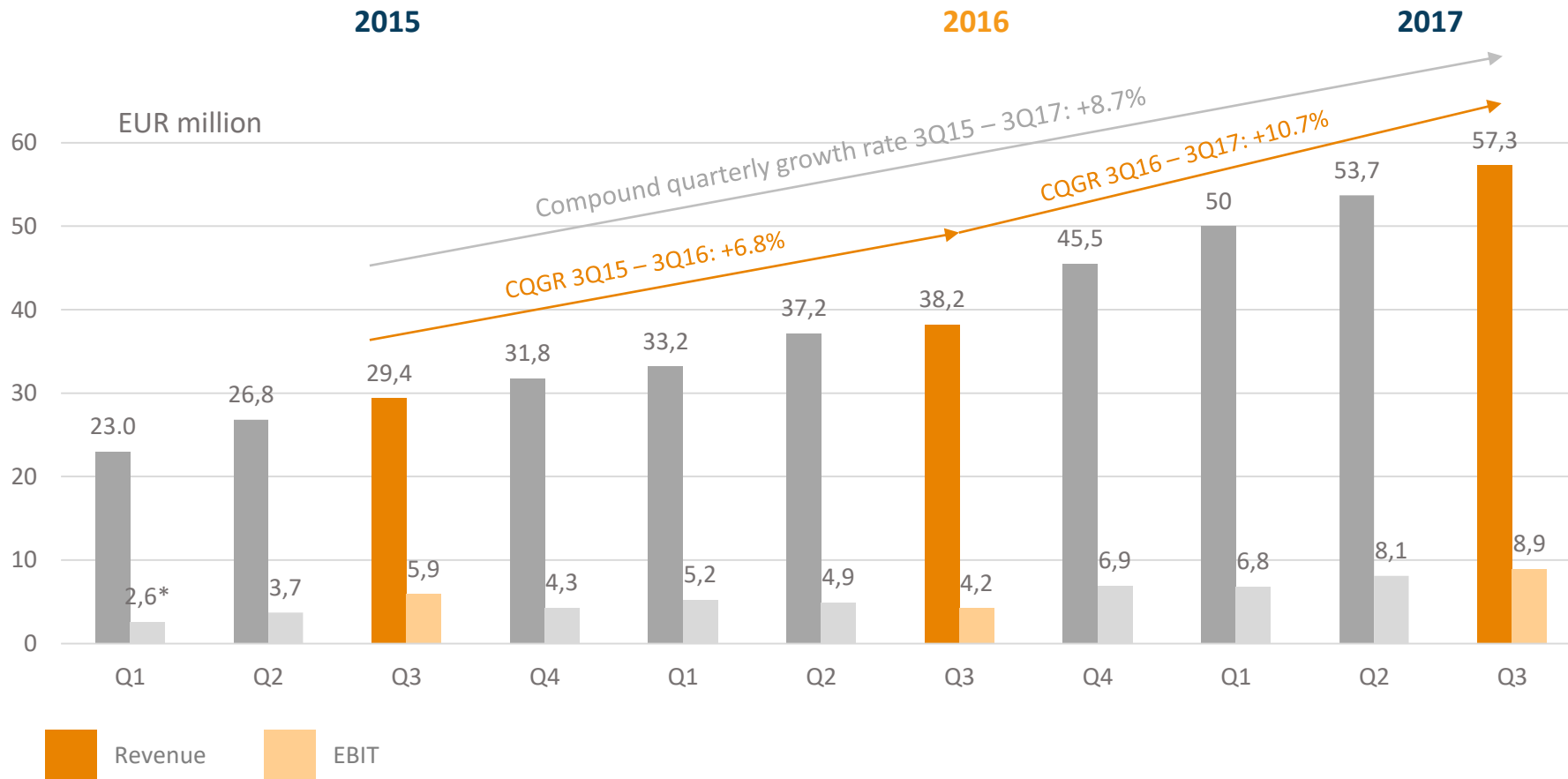
Profit before tax – EBT (EUR million)



Profit for the period – EAT (EUR million)

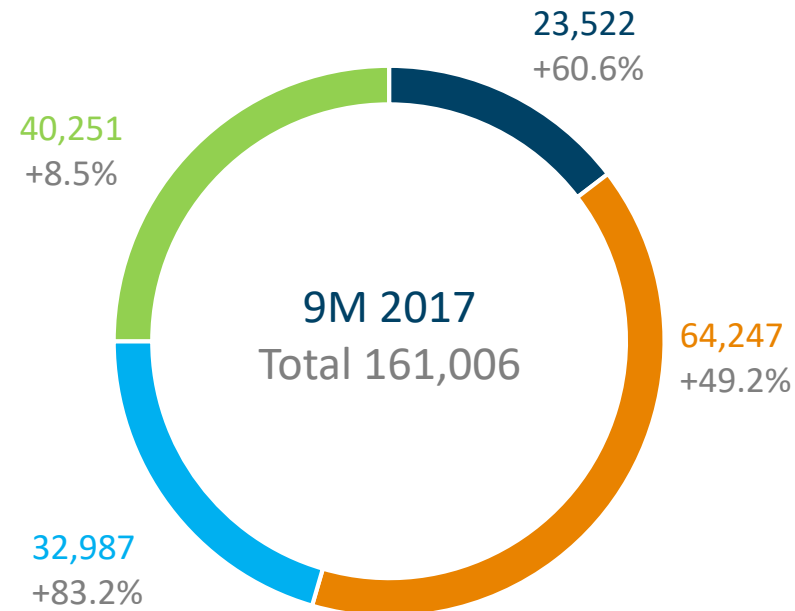
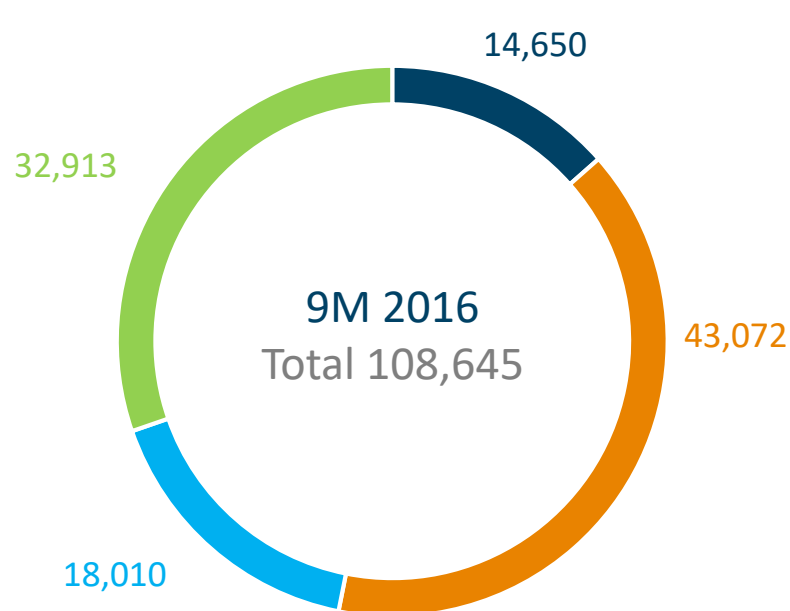


# Accelerated growth since Q4 2016



# Revenue growth in all regions

EUR '000



Region 1 (Finland, Sweden, Denmark, Norway)



Region 2 (Netherlands, UK, New Zealand, Australia, Canada)



Region 3 (Estonia, Latvia, Lithuania, Poland, Czech, Slovakia, Russia)



Region 4 (Bulgaria, Romania, Croatia, Spain, Germany, France, Mexico, Brazil)



# Strong y-o-y revenue performance; profit before tax (EBT) up by 86%

EUR '000

	9M 2017	9M 2016	% Change
Revenue	161,006	108,645	+48.2%
Other income	200	113	+77%
Impairment of loans	(56,277)	(35,232)	+59.7%
Other operating expenses	(56,170)	(38,306)	+46.6%
Selling & marketing expenses	(24,958)	(20,990)	+18.9%
<b>EBIT</b>	<b>23,810</b>	<b>14,231</b>	<b>+67.3%</b>
Net financial costs	(6,236)	(4,774)	+30.6%
<b>EBT</b>	<b>17,575</b>	<b>9,456</b>	<b>+85.9%</b>
Income tax	(2,636)	(1,135)	+132.2%
<b>Net profit</b>	<b>14,939</b>	<b>8,322</b>	<b>+79.5%</b>
Earning per share, basic (EUR)	0.69	0.39	+76.9
Earning per share, diluted (EUR)	0.69	0.39	+76.9

- Applying IFRS 2, the potential benefit from options granted to employees (EUR 848k) is allocated as personnel expenses
- Due to a change in customer acquisition strategy, marketing costs are increasing at a lower rate than revenue growth, resulting in increased EBIT profitability
- EBT continues to benefit from cheaper refinancing from deposit taking

# Credit Limit and PlusLoan established as core drivers of revenue

EUR '000

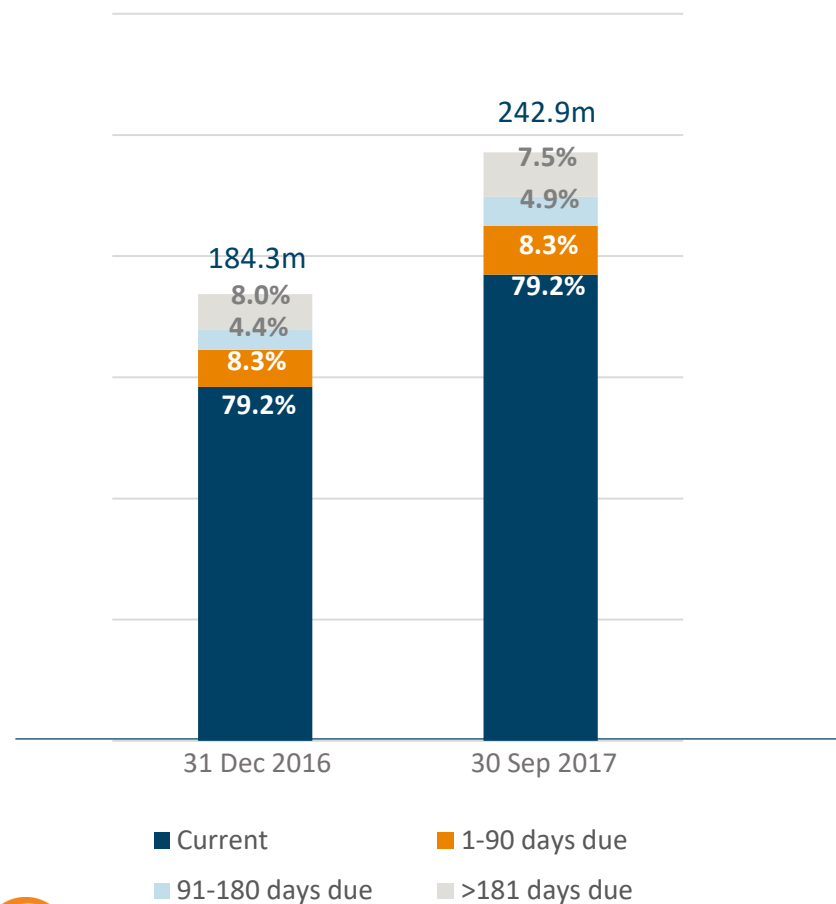
	Microloan		PlusLoan		Credit Limit		SME		Other*		Total	
	9M 2017**	9M 2016	9M 2017**	9M 2016	9M 2017	9M 2016	9M 2017	9M 2016	9M 2017	9M 2016	9M 2017	9M 2016
Revenue	32,724	38,935	43,902	20,776	75,294	46,180	9,001	2,541	85	213	161,006	108,645
Impairments	(17,942)	(15,545)	(16,325)	(7,204)	(19,657)	(11,714)	(2,066)	(540)	(288)	(229)	(56,277)	(35,232)
<i>As % of Revenue</i>	<i>54.8%</i>	<i>39.9%</i>	<i>37.2%</i>	<i>34.7%</i>	<i>26.1%</i>	<i>25.4%</i>	<i>23.0%</i>	<i>21.3%</i>	-	-	<i>35.0%</i>	<i>32.4%</i>
Marketing	(2,630)	(4,354)	(6,983)	(5,112)	(12,770)	(9,557)	(2,091)	(972)	(483)	(994)	(24,958)	(20,990)
<i>As % of Revenue</i>	<i>8.0%</i>	<i>11.2%</i>	<i>15.9%</i>	<i>24.6%</i>	<i>17.0%</i>	<i>20.7%</i>	<i>23.2%</i>	<i>38.3%</i>	-	-	<i>15.5%</i>	<i>19.3%</i>
Attributable Product Margin	12,153	19,036	20,594	8,459	42,867	24,909	4,844	1,029	(687)	(1,010)	79,771	52,423
<i>As % of Revenue</i>	<i>37.1%</i>	<i>48.9%</i>	<i>46.9%</i>	<i>40.7%</i>	<i>56.9%</i>	<i>53.9%</i>	<i>53.8%</i>	<i>40.5%</i>	-	-	<i>49.5%</i>	<i>48.3%</i>
Total Non-directly Attributable costs	(10,507)	(12,686)	(14,096)	(6,769)	(24,175)	(15,047)	(2,890)	(828)	(4,293)	(2,862)	(55,961)	(38,193)
Operating Profit	1,646	6,350	6,498	1,690	18,692	9,862	1,954	201	(4,980)	(3,872)	23,810	14,231
<i>Gross Product Margin, %</i>	<i>5.0%</i>	<i>16.3%</i>	<i>14.8%</i>	<i>8.1%</i>	<i>24.8%</i>	<i>21.4%</i>	<i>21.7%</i>	-	-	-	<i>14.8%</i>	<i>13.1%</i>
Finance costs, net	(747)	(735)	(1,648)	(878)	(2,939)	(1,862)	(737)	(237)	(9)	(17)	(6,236)	(4,774)
<b>Profit before tax</b>	<b>899</b>	<b>5,614</b>	<b>4,850</b>	<b>812</b>	<b>15,754</b>	<b>8,000</b>	<b>1,216</b>	<b>(36)</b>	<b>(4,989)</b>	<b>(3,889)</b>	<b>17,575</b>	<b>9,456</b>
<i>As % of Revenue</i>	<i>2.7%</i>	<i>14.4%</i>	<i>11.0%</i>	<i>3.9%</i>	<i>20.9%</i>	<i>17.3%</i>	<i>13.5%</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>10.9%</i>	<i>8.7%</i>

\*incl. Mobile Bank, FerBuy, Primeloan and Ferratum P2P

\*\*Multipart loans in Netherlands have been launched in Q4 2016 and initially classified as Microloans have been reclassified in Q2 2017 from Microloans to Plus Loans according to the further development of the product and the management structure.

# Portfolio quality stable

## Portfolio NBV (EUR million)



EUR '000	GBV	Impairments	NBV	Coverage ratio (%)
31 Dec, 2016				
Current	153,394	(7,309)	146,085	4.8
1-90 days due	20,683	(5,359)	15,324	25.9
91-180 days due	14,736	(6,597)	8,139	44.8
>181 days due	58,197	(43,400)	14,797	74.6
<b>Total</b>	<b>247,010</b>	<b>(62,664)</b>	<b>184,346</b>	<b>25.4</b>

EUR '000	GBV	Impairments	NBV	Coverage ratio (%)
30 Sep, 2017				
Current	201,927	(9,548)	192,379	4.7
1-90 days due	27,027	(6,868)	20,159	25.4
91-180 days due	21,418	(9,424)	11,994	44.0
>181 days due	74,533	(56,198)	18,334	75.4
<b>Total</b>	<b>324,905</b>	<b>(82,039)</b>	<b>242,866</b>	<b>25.3</b>

# Solid balance sheet structure: high cash level driven by deposit growth

EUR '000	30 Sep 2017	31 Dec 2016
<b>Assets</b>		
Non-current assets	34,160	30,426
Accounts receivable – loans to customer (net)	242,866	184,346
Other receivables	9,993	7,298
Income tax assets	597	555
Cash and cash equivalents	116,198	73,059
<b>Total Assets</b>	<b>403,814</b>	<b>295,683</b>

EUR '000	30 Sep 2017	31 Dec 2016
<b>Equity and liabilities</b>		
Equity	100,522	87,875
Non-current liabilities	108,728	72,246
Current liabilities	194,564	135,563
of which deposits	155,345	101,436
<b>Total Equity &amp; Liabilities</b>	<b>403,814</b>	<b>295,683</b>
<b>Net debt to equity ratio</b>	<b>1.86</b>	<b>1.53</b>

- Account receivable development is progressing according to the Company's strategy
- Ferratum's maintains a strong liquidity position of EUR 116.2M on its balance sheet
- Deposit volume higher than current needs; Ferratum's strategy is to maintain significant growth in lending volumes in Ferratum Bank p.l.c. and migrate additional countries under the bank
- Net debt to equity ratio remains strong (1.86)

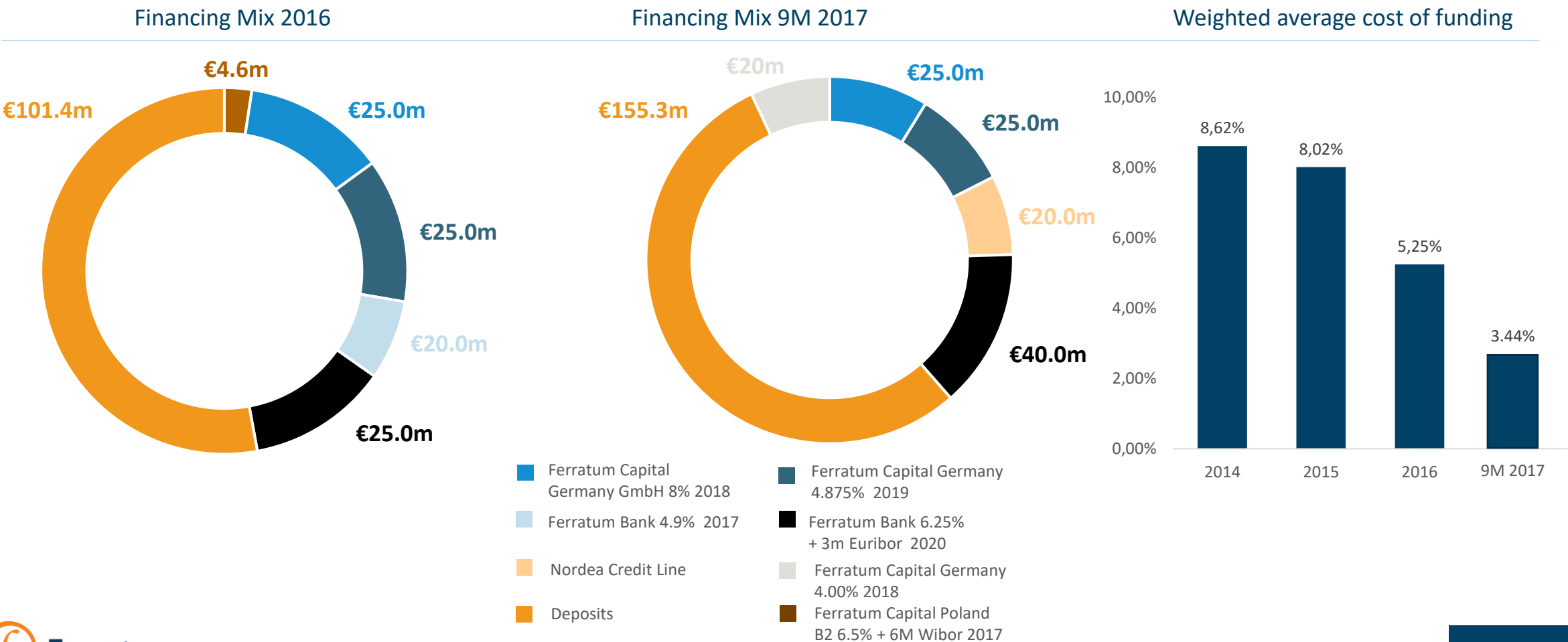


# Operating cashflow positive

EUR '000

Assets	9M 2017	9M 2016
Net cash from operating activities before movements in portfolio and deposits	75,579	40,242
Net cash from operating activities	14,691	43,806
Net cash used in investing activities	(6,862)	(6,038)
Net cash used in financing activities	34,617	17,958
Net increase/decrease in cash equivalents	42,446	55,726
Cash and cash equivalents at the end of the period	116,198	71,765

# Cost of capital further decreasing



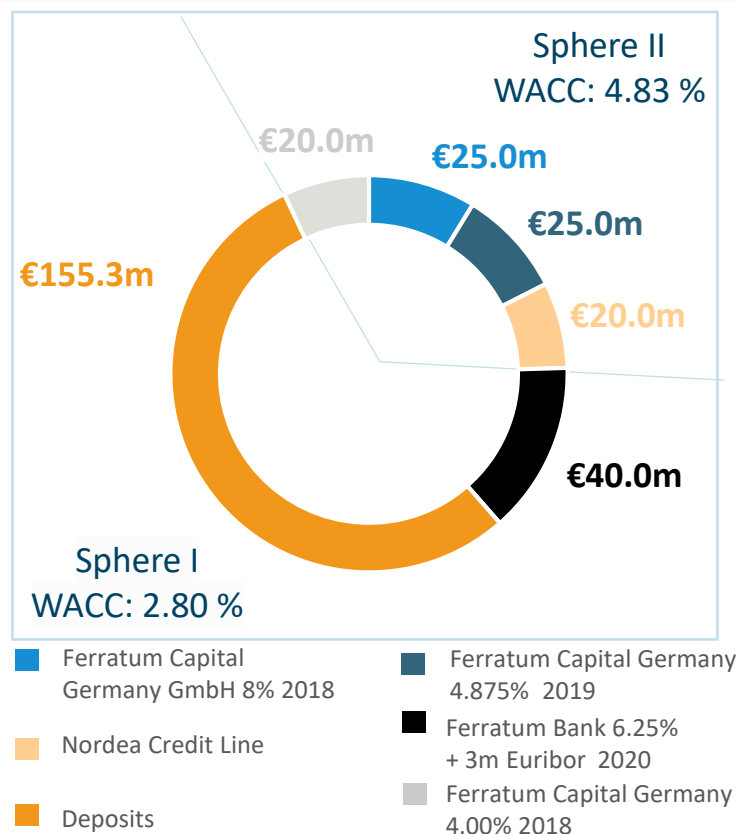
# Scope to further improve cost of capital over time

## Sphere I Operations

Countries covered by Ferratum Bank p.l.c.'s EU banking license



## Sphere I/II Financing Split 9M 2017



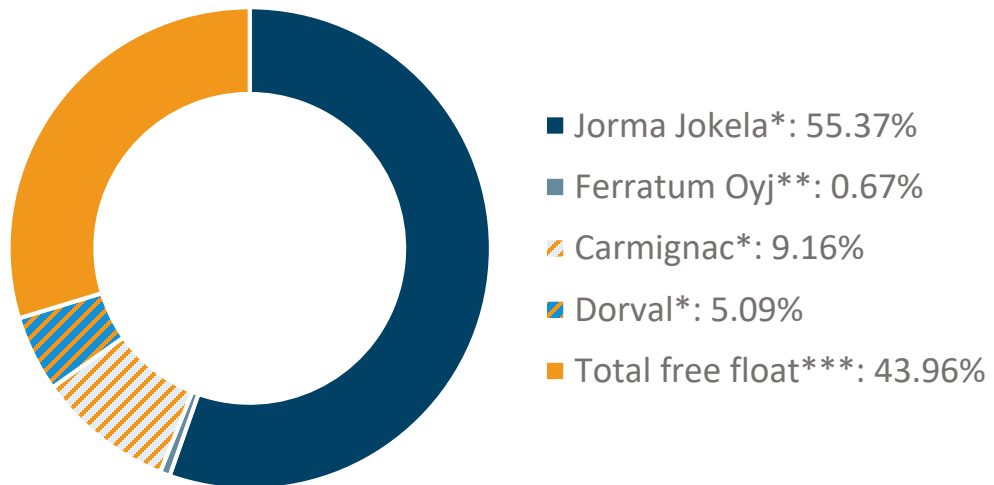
## Sphere II Operations

Countries / operations NOT currently covered by Ferratum Bank p.l.c.'s EU banking license



# Shareholder information

## Shareholder structure



## Financial calendar

Date	Event
21 November 2017	Lond Capital European Mid Small Cap Forum Stockholm
27 - 29 November 2017	German Equity Forum
14 December 2017	Lond Capital European Mid Small Cap Forum Milan

\* Shareholders holding above 5% of the shares based on the latest shareholder notifications received

\*\* Treasury shares

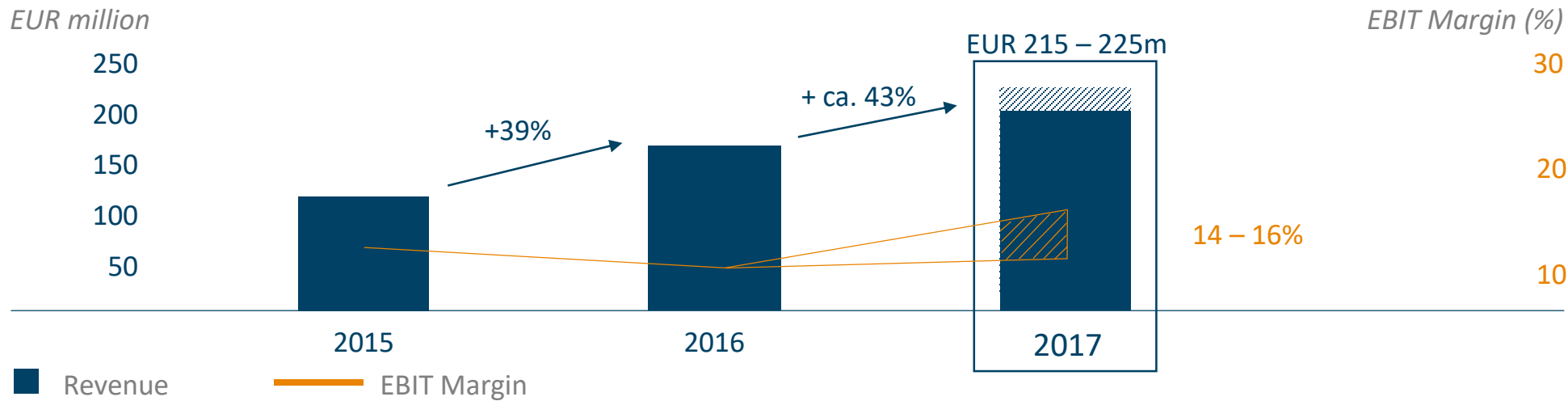
\*\*\* Total free float includes shares held by Carmignac and Dorval as well as shares held by employees and management



# Summary

# Summary

- Consistently strong revenue growth and profitability
- Well funded balance sheet supported by deposit growth
- Further launches and partnership news in the pipeline
- Full year 2017 revenue now expected to be in the upper end of previously published guidance



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# Contacts

## Investor Relations

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## Headquarters

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# Thank You Kiitos Paljon Vielen Dank

