DelfinGroup: Valuation Update



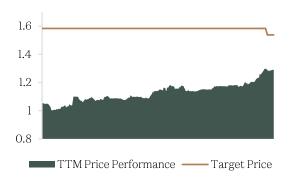
Marginal changes in valuation

AS DelfinGroup (hereafter "DGR" or the "Group") has continued to deliver solid loan portfolio growth in 2025, exceeding our earlier expectations. However, credit loss expenses remained materially above our estimates. As previously noted, this may be linked to larger discounts on bad debt sales, with the Group shifting focus toward in-house recoveries. The sustained upward trend in credit loss ratio to gross loans continues to weigh on net profit. On a more positive note, loan issuance volumes have been revived, supporting NII growth and improving operating efficiency, as reflected in the declining cost-to-income ratio.

In light of these developments, we update our target price to EUR 1.54 per share (prev. EUR 1.58). We have revised our medium-term profit forecasts downward due to higher operating costs and assumed elevated credit loss expenses, but our net loan portfolio estimates move higher on the back of stronger Latvian market performance. Additionally, peer multiple recovery has supported the market-based valuation component.

The report also provides guidance on the potential INDEXO offer for DGR shareholders. From a synergy perspective, we consider INDEXO as the primary beneficiary, and therefore we do not factor in potential benefits for DGR in our valuation. All in all, the potential merger does imply additional risk as the possible new shareholder plans remain unknown.

Company profile	
Listing market	Nasdaq Riga
Ticker	DGRIR
Industry	Financialservices
Website	https://delfingroup.lv/



Share Data (Aug 26, 2025)	
Current price, EUR	1.288
Target price, EUR	1.54
Potential Upside/Downside, %	19.4
52 week Low/High, EUR	1.0/1.3
3 month av. daily volume	18676
Market cap, EURm	58.5
Ordinary shares	45.4

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Key Numbers (EURm)	2021	2022	2023	2024	2025E	2026E	2027E	2028E
Revenue	25.2	35.8	50.4	63.0	77.7	90.8	101.8	111.0
EBITDA	10.0	13.1	18.2	22.3	24.6	28.3	31.5	34.6
Operating Profit	5.0	7.3	8.3	9.4	10.5	12.8	14.2	16.1
EPS	0.09	0.13	0.15	0.16	0.18	0.23	0.25	0.28
Total Net Loans	43.8	67.5	89.0	113.5	142.8	163.7	185.4	200.4
Net Debt	30.3	54.5	74.2	95.4	121.3	137.0	153.1	161.9
Total Equity	17.5	18.1	21.3	25.1	28.9	34.1	40.0	46.6
Dividends	3.7	5.4	3.5	3.7	3.9	5.0	5.5	6.3
Dividend Yield (%)	5.9	8.1	5.9	7.1	7.4	9.6	10.3	11.9
ROE (%)	29.8	33.5	33.6	31.9	30.7	32.6	30.6	29.7
EV/EBITDA (x)	9.4	9.7	7.3	6.4	5.8	5.0	4.5	4.1
P/E (x)	15.8	11.3	8.9	7.1	6.4	5.1	4.7	4.1
P/Book (x)	3.6	3.7	2.8	2.1	1.8	1.5	1.3	1.1



DGR: Estimates, EURm	FY/25	FY/26	FY/27	Δ, % FY/25	Δ, % FY/26	Δ, % FY/27	FY/25	FY/26	FY/27
		New						Old	
Revenue	78	91	102	11	21	29	70	75	79
EBITDA	25	28	32	(1)	5	10	25	27	29
Operating Profit	11	13	14	(14)	(9)	(10)	12	14	16
EPS	0.18	0.23	0.25	(15)	(9)	(10)	0.22	0.25	0.28
Net loan portfolio	143	164	185	15	18	27	125	138	146
Net Debt	121	137	153	19	25	36	102	110	112
Total Equity	29	34	40	(5)	(6)	(6)	30	36	43
Dividends	3.9	5.0	5.5	(15)	(7)	(12)	4.6	5.4	6.2
ROE (%)	30.7	32.6	30.6	-4.6pp	-1.3pp	-1.3pp	35.3	33.9	31.9

Source: Signet Bank

Q2/25 Earnings review

Another good quarter in terms of loan issuance. Total loans issued increased by 27% y-o-y and 10% q-o-q. Loan portfolio reached EUR 129m growing 27% y-o-y and 7% q-o-q. Lithuania consumer loan portfolio in six months already reached EUR 3.4m, constituting nearly 3% of total loan portfolio. NII increased at similar rate – 24% y-o-y and 8% q-o-q. Although we see some setback in loan yields that might be related to efforts to capture market share and intensified competition, reduction in cost of debt offsets the effect.

Total sales of pre-owned goods (including pawn collateral sales) reached EUR 4.8m in Q2/25, continuing a steady growth trend with a 2% increase q-o-q and a stronger 17% rise y-o-y. Online store sales advanced 24% y-o-y but declined 5% q-o-q. Sales performance has been supported by the launch of new branches in Lithuania, the expansion of Banknote XL locations in Latvia, the integration of Latvian and Lithuanian online stores, and improvements in user experience across the e-commerce platform.

Credit loss expense reached EUR 5.3m in Q2/25 (+14% q-o-q, +50% y-o-y), increasing at a faster pace than the net loan portfolio. As previously noted, this may be driven by larger discounts on bad debt sales, reflecting the Group's shift toward recovering a greater share of debts in-house. The overall trend in credit loss rate has remained negative for an extended period, and visibility on when it might

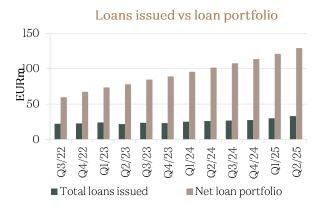
stabilize remains limited. While the Group's efforts to build in-house debt recovery capabilities could help stabilize or even improve the credit loss rate over time, this initiative is likely to come with additional operating expenses.

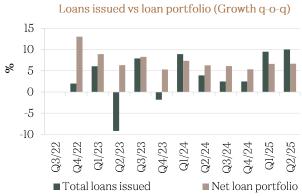
In Q2/25, DGR maintained solid control over operating costs. OpEx amounted to EUR 5.8m, flat q-o-q and up 13% y-o-y. Excluding credit loss expense, revenue growth continued to outpace cost growth, bringing the C/I ratio down by 1.2 pp q-o-q and 2.0 pp y-o-y to 44.9%.

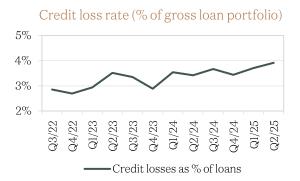
Operating profit reached EUR 2.6m (+14% q-o-q, +12% y-o-y), while net profit stood at EUR 2.0m (+11% q-o-q, +7% y-o-y).

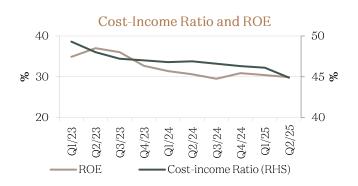
Over the past four quarters, including the annual dividend distributed in July 2025 and the proposed Q2/25 dividend, total dividends would represent 55% of TTM net profit, equating to EUR 0.0936 per share or a 7.2% yield based on the EUR 1.3 share price as of August 7. DGR still retains a comfortable covenant buffer, indicating continued quarterly dividend distributions near 50% of profits, with potential for additional annual dividends depending on capital requirements for loan portfolio expansion in Latvia and Lithuania.











Results Review, EURm	Q2/25A	Q2/24A	Q1/25A	% q-o-q	% y-o-y	Q2/25E	Dev. Abs	Dev. % l	2M/24A	12M/23A	% у-о-у
Net loan portfolio	129.0	101.5	121.0	7	27	118	11.1	9	113.5	89.0	27.5
Net sales (Retail)	1.0	0.8	1.0	8	32	0.8	0.3	33	3.6	3.1	15.1
Netinterestincome	12.7	10.2	11.7	8	24	11.9	0.8	6	41.4	32.6	26.9
Credit loss expenses	(5.3)	(3.5)	(4.7)	14	50	(4.2)	(1.1)	26	(15.1)	(10.7)	41.3
Gross profit	8.4	7.5	8.0	4	13	8.5	(0.1)	(1)	29.9	25.1	19.3
Operating expenses, net EBITDA	(5.8) 6.1	(5.1) 5.4	(5.8) 5.6	0	13 13	(5.6) 6.0	(0.2) 0.1	4 1	(20.7) 21.9	(16.8) 18.2	23.6 20.3
Operating profit	2.6	2.3	2.3	14	12	2.9	(0.3)	(11)	9.2	8.3	10.7
Netprofit	2.0	1.8	1.8	11	7	2.3	(0.4)	(15)	7.3	6.6	9.8

Source: DelfinGroup, Signet Bank for estimates.



INDEXO planned offer

INDEXO plans to make a voluntary share buyback offer to the DGR shareholders. So far some details regarding the offer have been provided with the rest to be available upon the release of prospectus.

INDEXO has provided 2 options which DGR shareholders can chose with the 3rd obvious option is to not accept the offer and remain DGR shareholder:

- 1. Exchange each DelfinGroup share for 0.136986 INDEXO shares
- 2. Sell DelfinGroup shares at a price of EUR 1.30 per share
- 3. Not participate and keep DelfinGroup shares

The first option value can be interpreted through the share exchange ratio (0.136986) and INDEXO's last public offer price (EUR 10.15), implying a value of EUR 1.39 per DGR share (10.15 × 0.136986). At first glance, this appears favorable—around 7% higher than the current market price of EUR 1.30. However, shareholders should be aware that post-merger, exposure extends beyond DGR to the combined entity's future, meaning the true value lies as well in INDEXO's long-term performance.

It's also worth noting that prior to the offer, DGR traded below the implied offer price, suggesting that the combined market capitalization might not reflect above calculation. In other words there might be short-term downward adjustment in INDEXO's share price after the transaction. Nevertheless, this would be a temporary technical effect, whereas the investment rationale of the merger points toward potential long-term upside. Synergies may include access to a broader customer base for INDEXO and more cost-efficient funding for DGR through the banking arm of the group.

The second option is to sell DGR shares at EUR 1.30, providing immediate and guaranteed liquidity. This route is straightforward, and the decision ultimately depends on each shareholder's entry price—whether locking in a gain or accepting a loss at this level which is deemed acceptable. INDEXO has stated that the share purchase offer will be subject to a cap, meaning that if the number of shares sold exceeds the limit, the purchase will be allocated on a pro rata basis. INDEXO is currently raising EUR 3.5m through an SPO and holds EUR 28.2m in cash. The largest shareholders are expected to exchange their 41% stake, with other shareholders potentially to follow. Given the capital requirements and funding needs for growth, we believe INDEXO is not in a position to acquire 50% of DGR, suggesting that the offer could be restricted to a significantly smaller portion of DGR shares.

The third option involves retaining DGR shares. If you are satisfied with the dividend yield and believe in the Group's growth plan, holding the stock may be reasonable. If INDEXO acquires at least 95% of shares, it can initiate a mandatory squeeze-out at no less than the current offer price without shareholder consent. Given the willingness of DGR's largest shareholders to accept the offer or exchange shares, we anticipate INDEXO will acquire at least 50%. If 75% is obtained, INDEXO can propose delisting, again with the offer to repurchase shares. While the intention to delist was not explicitly considered, low trading liquidity and cost-efficiency could justify such a move. Shareholders choosing to hold should account for potential loss of liquidity. All in all, with a condition that this offer takes place, if delisting or squeeze-out follows, shareholders will be able to sell for at least the previous offer price at EUR 1.3 (this rule shall apply for 12 months after the offer. Afterwards 12 month average price shall be applied).

Option	Value per share	Summary
Share exchange	EUR 1.39	Highest value; exposes you to INDEXO's future performance
Money offer	EUR 1.3	Guaranteed, immediate liquidity
Hold	EUR 1.3	Potential upside or downside limited to DelfinGroup operations, shares potentially delisted

Additionally, it should be taken into account that DGR bonds and possibly also debt listed on Mintos and debt from other credit institutions hold a Change of Control put option clause that might be triggered if Change of Control materializes. In the case of bonds, the clause essentially means that if any other person or entity (except the existing major shareholders) acquires control (>50%) in DGR, bond investors have the right to demand DGR to repurchase the notes. It is, however, still early to say whether this situation could potentially materialize, and we would expect to see some communication from the Issuer on this matter.



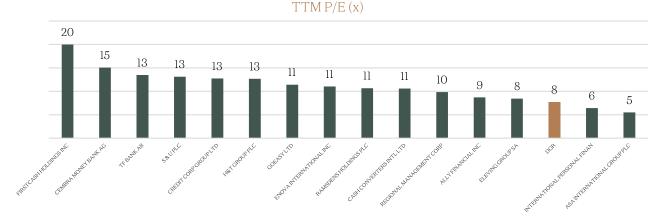
Based on our valuation approach, the cash offer implies a 15% discount while exchange offer is at around 10% discount to our target price. The analysis below compares current peer multiples, viewing the offer primarily in the context of market pricing. In our peer analysis, we have compiled a list of companies involved in consumer lending and pawnshop operations. Some peers operate online platforms offering lending products globally. To ensure a broader comparison, we have included a few companies from the US. For the premium/discount comparison we have used peer group median excluding outliers.

P/E: Our peer group analysis shows that at EUR 1.3 per share, DGR trades with a 32% discount to its peer group P/E median.

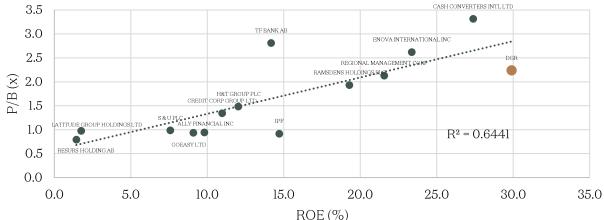
P/B and ROE regression analysis: Companies with higher capital efficiency (reflected in ROE) are commanding higher value per book value unit. By this measure DGR is trading with 20% discount.

 $\label{eq:Dividend yield: Its dividend yield is among the highest in the peer group, roughly twice the peer median, which also reflects the discount implied by P/E and ROE&P/B metrics.$

- For investors primarily focused on regular high-yield dividends, holding DGR remains attractive. By contrast, INDEXO, with less than 1% market share in the Latvian bank loan portfolio, will likely require significant capital to expand, leaving little or no room for dividends for several years.
- The share-exchange option reflects current market pricing (with marginal premium) but exposes investors to INDEXO's performance. We see that synergy is possible here, tough this move could also change part of the clients perspective about the bank. All in all, share exchange option is fair compared to current DGR share price, but the decision here lies on whether INDEXO will be able to successfully fund and capture notable market share in the Latvian market. If so, the combined value can be beneficial to investors.
- Given the current peer valuation discount, the cash offer, although at a 16.4% premium to the 12-month average weighted price, appears less compelling when compared with the broader peer group. Despite being broadly in line with one of the closest peers, IPF, which after strong H1/25 results have reduced its P/E, but still is expected to record P/E around 8x at the end of the year, we would better look at broader group.



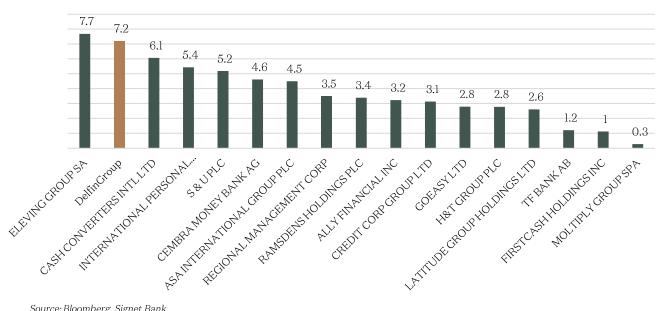




Source: Bloomberg, Signet Bank



Div Yield (%) TTM



Source: Bloomberg, Signet Bank





Investment Case

DGR's profitable growth and appealing dividend yields form the core of its investment case. We view favorably the Group's development of new products, enhancements in online channels for both consumer loans and secondary goods sales, and the synergistic benefits across its business segments. DGR also holds a unique competitive advantage with the largest branch network in the country within the financial sector. The Group has demonstrated consistent profitability and a strong dividend-paying capacity, reinforcing its attractiveness to investors. Having solidified its market position in Latvia, DGR has now expanded into Lithuania, targeting further loan portfolio growth. Given the Group's proven track record in Latvia, Lithuania presents an attractive opportunity to scale its operations and drive sustained expansion.

Key Risks:

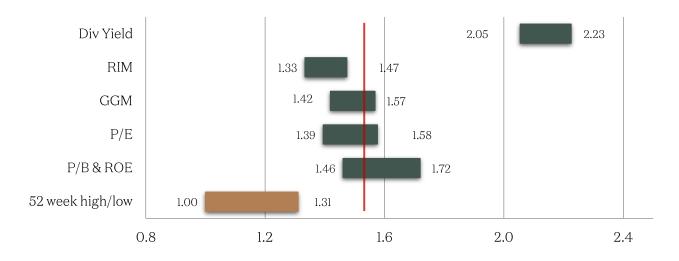
- Economic recession
 - Deterioration of portfolio quality
 - · Lower lending volumes
- · Stiff competition/product similarity
- · Rising cost of debt cession

Key Drivers:

- Strong position in Latvian market
- Diversified sales channels
- Extensive branch network

Weighted Value	Peri	od weights		Period				
Per Share, EUR	2024E				Weights	Contribution to value		
Method	33%	33%	33%	value		to value		
RIM				1.40	35%	0.49		
GGM				1.49	35%	0.52		
Dividend Yield	2.05	2.23	2.10	2.13	10%	0.21		
P/B & ROE	1.69	1.72	1.46	1.62	10%	0.16		
P/E	1.58	1.50	1.39	1.49	10%	0.15		
Total weighted value per share								

Source: Signet Bank



Source: Signet Bank



Residual income model

Residual Income Model (EURm)	2025E	2026E	2027E	2028E	Term
ROE (%)	30.7	32.6	30.6	29.7	29.7
Cost of Equity (%)	16.4	16.4	16.4	16.4	16.4
Residual Income Yield (%)	14.3	16.2	14.2	13.3	13.3
Total Equity (eop)	28.9	34.1	40.0	46.6	46.6
Residual Income (RI=Equity*RI %)	3.9	5.l	5.3	5.8	41.0
Discounted Residual Income	3.6	4. l	3.6	3.4	24.1
Sum of PV of RI					38.7
Opening Equity					25.1
Equity Value					63.8
Equity Value per share (EUR)					1.40

Cost of Equity Assumptions:	
Risk free rate	2.5%
Market risk premium	5.1%
Levered Beta	1.4
Country Risk Premium	1.8%
Add. comp. risk premium	5.0%
Cost of Equity	16.4%
Terminal sales growth	2.0%

Gordon Growth Model

Fair P/B Model (Gordon Growth Approach, EURm)		2025E	2026E	2027E	2028E	Term
Long-term normalised ROE (%)	29.7					
Cost of Equity (%)	16.4					
Long-term growth rate (%)	2.0					
Fair P/B=(ROE-g)/COE-g)	1.93					
Total Equity (end of period)		28.9	34.1	40.0	46.6	46.6
Fair terminal P/BV						
Terminal Value (based on fair P/BV)						
Dividends Distributed		3.9	5.0	5.5	6.3	0.0
PV of dividends + TV		3.6	4.0	3.7	3.7	52.8
Equity Value	67.8					
Equity Value per share (EUR)	1.49					

Sensitivity of GGM target value to changes in assumptions (EUR)

	ROE										
		26.7%	27.7%	28.7%	29.7%	30.7%	31.7%	32.7%			
rate	1.1%	1.34	1.38	1.42	1.46	1.50	1.54	1.58			
h ra	1.4%	1.35	1.39	1.43	1.47	1.51	1.55	1.59			
growth	1.7%	1.36	1.40	1.44	1.48	1.52	1.56	1.61			
l gr	2.0%	1.37	1.41	1.45	1.49	1.54	1.58	1.62			
Terminal	2.3%	1.38	1.42	1.46	1.51	1.55	1.59	1.63			
ırm	2.6%	1.39	1.43	1.47	1.52	1.56	1.61	1.65			
Te	2.9%	1.40	1.44	1.49	1.53	1.58	1.62	1.66			

Source: Bloomberg, Signet Bank



Peer comparison table

Company	Country	Market Cap	Р	/E (x)		Divide	nd Yield	d (%)	Р	/B (x)		R	OE (%)	
Company	Country	EURm 2	2025E 2	:026E 2	2027E 2	2025E 2	2026E 2	2027E 2	2025E 2	026E	2027E 2	2025E 2	2026E	2027E
INTERNATIONAL PERSONAL FINAI	NBRITAIN	530	8.3	7.7	6.4	5.9	6.3	6.8	0.9	0.8	0.7	11.2	11.6	13.2
H&T GROUP PLC	BRITAIN	328	12.0	11.3	10.7	2.9	3.1	3.2				12.3	12.1	11.7
S&UPLC	BRITAIN	270	12.8	9.9	8.6	5.2	5.5	6.1	1.0	0.9	0.9	7.3	9.7	10.6
RESURS HOLDING AB	SWEDEN	503												
CEMBRA MONEY BANK AG	SWITZERLAND	2 931	14.5	13.3	12.8	5.0	5.4	5.7	2.0	1.9	1.8	14.1	14.8	14.6
RAMSDENS HOLDINGS PLC	BRITAIN	123	9.6	10.3		4.1	4.2							
MOLTIPLY GROUP SPA	ITALY	1772	25.3	18.7	16.5	0.3	0.3	0.3	4.6	4.l	3.3	24.l	24.4	22.8
HARMONEY CORP LTD	NEW ZEALAND	37	14.3	7.0	5.4	0.0	0.0		2.1	1.9	1.6	10.3	20.6	20.2
LATITUDE GROUP HOLDINGS LTD	AUSTRALIA	669	11.0	8.2	7.7	5.2	7.2	7.8	0.9	0.9	0.8	8.6	11.2	11.2
OPORTUN FINANCIAL CORP	UNITED STATES	239	5.l	4.l	3.5				0.7	0.7	0.6	16.0	17.3	16.8
ASA INTERNATIONAL GROUP PLC	NETHERLANDS	138	4.l	3.1	2.4	3.5	4.2	4.7				33.8	33.5	33.4
CREDIT CORP GROUP LTD	AUSTRALIA	670	12.8	11.4	10.4	4.0	4.4	4.9	1.3	1.3	1.2	10.8	11.3	11.7
MULTITUDE PLC	FINLAND	9 833	10.3	6.9	6.0	3.2	3.3	3.5	0.9	0.8	0.7	6.9	11.7	12.0
ALLY FINANCIAL INC	UNITED STATES	289	7.5	5.2	2.5	3.5	3.5	3.5	0.9	0.8	0.6	12.2	15.7	26.7
REGIONAL MANAGEMENT CORP	UNITED STATES	2 2 3 9	8.6	7.4	6.2				2.0	1.6		25.0	24.5	26.3
ENOVA INTERNATIONAL INC	UNITED STATES	1867	10.7	8.4	7.0	3.0	3.4	3.9	2.3	2.0	1.6	23.0	25.3	26.2
GOEASYLTD	CANADA	116	9.2	7.9	6.5	6.1	7.6	8.5				10.8	12.1	13.9
CASH CONVERTERS INTL LTD	AUSTRALIA	799	14.2	10.9	9.1	2.5	4.l	5.0	2.9	2.4	2.1	22.7	24.4	24.8
TF BANK AB	SWEDEN	5 162	16.4	13.7	11.4	1.2	1.3	1.4	2.7	2.3	2.0	16.7	17.3	18.5
FIRSTCASH HOLDINGS INC	UNITED STATES	803	11.1	10.6	9.6							11.9	11.6	13.6
EZCORP INC-CL A	UNITED STATES	194												
Median (Excluding outliers)			10.8	8.3	7.0	3.5	4.2	4.8	1.3	1.3	1.2	12.2	15.2	15.7
Average (Excluding outliers)			10.7	8.7	7.4	3.5	4.3	4.7	1.6	1.4	1.4	15.4	17.2	18.2
Quartile l			8.9	7.2	6.1	2.8	3.3	3.5	0.9	0.8	0.7	10.8	11.6	12.3
Quartile 3			13.5	11.1	10.2	5.0	5.4	6.0	2.3	1.9	1.8	21.2	23.4	24.3
Company size discount applied	20%													
Respective financial result of Delfin			0.0	10.0	11.0	0.0	~ 0		00.0	0.4.1	40.0			
(EURm) Estimated ROE for Delfin (%)			8.3	10.3	11.3	3.9	5.0	5.5	28.9	34.1	40.0	00.7	00.0	
P/B and ROE correlation Implied P/B												30.7	32.6	30.6
(x)												2.7	2.3	1.7
Implied equity value based on Median (EURm)		71.6	68.1	63.3	93.3	101.1	95.3				76.6	78.1	66.4	
Implied value per share (EUR)			1.58	1.50	1.39	2.05	2.23	2.10				1.69	1.72	1.46

Report Tables

Balance Sheet (EURm)	2021	2022	2023	2024	2025E	2026E	2027E	2028E
Assets								
Intangible assets	0.6	0.9	1.9	2.3	2.6	3.0	3.4	3.8
Property, plant and equipment	3.5	3.2	3.7	3.6	3.9	4.1	4.2	4.4
Non-current financial assets	28.6	46.2	66.7	91.5	116.4	133.4	151.0	163.3
Total non-current assets	32.7	50.3	72.3	97.3	122.9	140.4	158.6	171.4
Inventories	1.3	2.3	3.4	4.0	2.9	3.0	3.1	3.2
Loans & receivables	15.2	21.4	22.3	22.0	26.7	30.6	34.6	37.4
Other	_	_	_		_		_	_
Cash and cash equivalents	2.5	2.4	5.9	2.6	2.0	4.1	3.4	2.1
Total current assets	19.4	26.9	32.8	30.1	33.5	39.7	43.2	44.8
Total assets	52.2	77.2	105.1	127.4	156.3	180.2	201.9	216.2
Equity and liabilities								
Equity								
Share capital	11.4	11.5	11.6	11.7	11.7	11.7	11.7	11.7
Retained earnings	6.1	6.6	9.7	13.4	17.2	22.4	28.3	34.9
Total equity	17.5	18.1	21.3	25.1	28.9	34.1	40.0	46.6
Liabilities								
Borrowings	18.0	19.3	48.2	67.1	64.3	116.3	126.4	133.4
Finance lease liabilities	2.7	2.4	2.3	2.2	2.7	2.9	3.1	3.3
Total non-current liabilities	20.6	21.7	50.5	69.3	67.0	119.3	129.5	136.7
Borrowings	11.4	34.6	28.8	28.0	55.6	20.9	25.9	25.9
Finance lease liabilities	0.7	0.6	0.8	0.7	0.7	0.9	1.1	1.3
Trade payables	0.8	0.9	1.0	0.9	0.7	1.2	1.2	1.2
Taxes and social insurance	0.4	0.6	1.4	-	-	-	-	-
Accrued liabilities	0.8	0.7	1.2	1.4	1.8	2.1	2.3	2.4
Total current liabilities	14.1	37.4	33.2	33.1	60.4	26.8	32.4	32.9
Total liabilities	34.7	59.1	83.7	102.4	127.4	146.0	161.9	169.6
Total Equity and Liabilities	52.2	77.2	105.1	127.4	156.3	180.2	201.9	216.2

Source: DelfinGroup for historicals, Signet Bank for estimates

Report tables

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Income Statement (EURm)	2021	2022	2023	2024	2025E	2026E	2027E	2028E
Net turnover	4.8	6.5	9.2	10.6	12.7	12.7	13.1	13.4
Cost of sales	(3.2)	(4.2)	(6.1)	(7.0)	(8.6)	(8.3)	(8.6)	(8.7)
Interest and similar income	20.4	29.3	41.2	52.3	65.0	78.1	88.7	97.7
Interest and similar expenses	(3.8)	(4.7)	(8.6)	(10.9)	(12.5)	(14.1)	(15.9)	(17.1)
Credit loss expenses	(2.8)	(6.2)	(10.7)	(15.1)	(21.9)	(27.7)	(32.6)	(37.1)
Gross profit	15.4	20.7	25.1	29.9	34.7	40.7	44.7	48.1
Selling expense	(6.1)	(7.5)	(8.7)	(11.0)	(13.0)	(14.9)	(16.2)	(17.0)
Administrative expense	(4.2)	(5.8)	(7.7)	(9.3)	(10.8)	(12.7)	(14.0)	(14.6)
Other operating income	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3
Other operating expense	(0.1)	(0.3)	(0.4)	(0.4)	(0.6)	(0.5)	(0.6)	(0.7)
Operating profit	5.0	7.3	8.3	9.4	10.5	12.8	14.2	16.1
Profit before tax	5.0	7.3	8.3	9.4	10.5	12.8	14.2	16.1
Corporate income tax (incl. deferred)	(1.0)	(1.3)	(1.7)	(2.0)	(2.2)	(2.6)	(2.8)	(3.2)
Net profit for the period	4.0	6.0	6.6	7.4	8.3	10.3	11.3	12.9
D&A	(1.1)	(1.2)	(1.3)	(2.0)	(1.6)	(1.3)	(1.4)	(1.5)
EBITDA	10.0	13.1	18.2	22.3	24.6	28.3	31.5	34.6
Cash Flow Statement Summary (EURm)	2021	2022	2023	2024	2025E	2026E	2027E	2028E
Profit before tax	5.0	7.3	8.3	9.4	10.5	12.8	14.2	16.1
Adjustments for:								
- Amortisation and depreciation	1.1	1.2	1.3	1.8	1.6	1.3	1.4	1.5
- Change in loans and receivables	(11.3)	(29.9)	(34.7)	(38.3)	(42.1)	(20.9)	(21.7)	(15.0)
- Change in inventories	0.3	(1.0)	(1.1)	(0.6)	1.1	(0.1)	(0.1)	(O.l)
- Change in payables and accrued liabilties	(0.1)	0.0	1.2	1.0	0.6	0.9	0.4	0.3
- Other adjustments	2.4	5.5	11.4	13.2	12.0	(0.1)	(0.1)	(0.1)
Cash generated from operations, gross	(2.6)	(17.0)	(13.6)	(13.4)	(16.3)	(6.1)	(5.9)	2.7
Corporate income tax paid	(0.8)	(1.0)	(1.3)	(1.8)	(1.3)	(2.6)	(2.8)	(3.2)
Net cash flows from operating activities	(3.3)	(18.0)	(14.9)	(15.2)	(17.6)	(8.7)	(8.7)	(0.5)
Purchase of intangible assets and PPE, net	(0.5)	(0.7)	(1.2)	(1.5)	(1.3)	(1.5)	(1.6)	(1.6)
Other Investments, net	0.5	(0.1)	(1.2)	(1.0)	(1.9)	(1.0)	(1.0)	(1.0)
Net cash flows from investing activities	(0.1)	(0.7)	(1.2)	(1.5)	(3.1)	(1.5)	(1.6)	(1.6)
Dividends paid	(3.7)	(5.4)	(3.5)	(3.7)	(4.3)	(5.0)	(5.5)	(6.3)
Changes in Equity	7.4				-			-
Loans repaid & received, net	0.8	16.8	2.2	6.2	24.5	7.3	5.0	12.0
Bonds repaid & received, net	(2.4)	8.2	22.0	12.5	1.5	10.1	10.0	(5.0)
Finance lease liabilities, net	(0.9)	(0.9)	(1.0)	(1.5)	(0.5)			
Net cash flows from financing activities	1.2	18.6	19.7	13.4	21.1	12.3	9.6	0.7
Change in cash and cash equivalents for the	(2.1)	(0.1)	7.6	(3.3)	0.4	9.1	(0.7)	(1.4)

(2.1)

4.6

2.5

(0.1)

2.5

2.4

3.6

2.4

5.9

(3.3)

5.9

2.6

Source: DelfinGroup for historicals, Signet Bank for estimates

Cash and cash equivalents at the beginning

Cash and cash equivalents at the end of the

of the year

year

(1.4)

4.4

3.1

2.1

3.0

5.l

0.4

2.6

3.0

(0.7)

5.l

4.4

Report tables



Main Ratios	2021	2022	2023	2024	2025E	2026E	2027E	2028E
Growth, %								
Revenues (%)	6.4	42.0	40.9	24.9	23.5	16.9	12.1	9.1
Gross Profit (%)	7.6	34.8	20.9	19.3	16.1	17.0	9.9	7.7
EBITDA (%)	4.3	31.8	38.6	22.4	10.5	15.1	11.2	9.8
Pre-tax Profit (%)	2.9	45.2	14.2	13.1	12.2	21.9	10.4	13.6
Net Profit (%)	(2.0)	48.4	11.2	11.7	11.8	24.0	10.4	13.6
Margins and profitability, %								
Gross margin	61.1	58.0	49.7	47.5	44.7	44.8	43.9	43.3
EBITDA margin	39.6	36.7	36.1	35.4	31.6	31.2	31.0	31.2
Operating margin	19.8	20.3	16.4	14.9	13.5	14.1	13.9	14.5
Net margin	16.0	16.7	13.1	11.8	10.7	11.3	11.1	11.6
Return ratios								
Capital Employed (EUR m)	50.2	75.0	101.5	123.1	152.3	175.2	196.5	210.5
ROCE (%)	10.6	11.6	9.4	8.4	7.6	7.8	7.6	7.9
ROE (%)	29.8	33.5	33.6	31.9	30.7	32.6	30.6	29.7
ROA (%)	8.2	9.2	7.3	6.4	5.8	6.1	5.9	6.2
Leverage								
Net Debt, EURm	30.3	54.5	74.2	95.4	121.3	137.0	153.1	161.9
Net gearing, x	1.7	3.0	3.5	3.8	4.2	4.0	3.8	3.5
Debt/Equity ratio, x	1.9	3.1	3.8	3.9	4.3	4.1	3.9	3.5
Net debt/EBITDA, x	3.0	4.4	4.l	4.3	4.9	4.8	4.9	4.7
Other, %								
Average yield on earning assets	49.6	51.0	50.8	49.0	45.6	43.8	42.3	40.9
Cost of interest-bearing liabilities	11.4	10.4	12.5	12.2	11.1	10.7	10.7	10.6
Net credit losses to gross loans	6.9	6.0	12.8	14.1	15.9	16.6	17.1	17.6
Cost-income ratio	57.3	50.3	47.0	45.8	43.0	40.9	39.7	37.8
Dividend payout ratio	90.8	135.0	49.9	55.8	49.9	50.0	50.0	50.0
Bond covenants								
Captalization ratio (%)	39.9	26.8	29.3	30.0	27.2	27.0	27.0	28.2
ICR (x)	2.6	2.6	2.1	2.0	2.0	2.0	2.0	2.0
(Net portf.+cash-mintos)/unsecured debt (x)	2.6	1.8	1.6	1.7	1.8	1.7	1.7	1.9

 $Source: Delfin Group, \ Signet \ Bank \ for \ estimates..$

Disclaimer

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Sign-off time: August 26, 2025 18:00

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