Results Review: 6M 2025



Solid growth offset by spike in impairments and accumulating FX loss

Eleving Group S.A. ("Eleving" or the "Group") net loan portfolio and revenues expanded in line with expectations. Net revenue growth slightly outpaced portfolio expansion, supported by stable interest expense following IPO capital injections used to refinance higher-cost debt. Operating expenses were reduced by a EUR 3m tax reversal in Romania, though underlying cost discipline remained solid. Despite decent loan portfolio and revenue momentum, bottom-line growth was constrained by a sharp rise in impairment costs and higher FX losses.

Net loan portfolio reached EUR 375.3m, increasing 9% y-o-y, with consumer loans up 18% y-o-y, driven by strong performance in Romania, Latvia, Armenia, and Sub-Saharan Africa. Vehicle rent/lease portfolio contracted 5% y-o-y, negatively impacted by non-Eurozone currency loan revaluations. The Group is exposed to developing market currencies, many of which tend to follow USD movements. Although hedging instruments are in place across most markets, the weakening of the US dollar had an adverse affect on the portfolio development. Reported loan portfolio (including currency revaluation) increased by 1.1% since the beginning of the year, while at constant currency rates the increase would amount to 5.5%.

Net revenues came in at EUR 96.4m (+13% y-o-y), with interest expense up only 2% y-o-y despite a 14% increase in borrowings, as refinancing reduced Eleving's weighted average annual Mintos funding cost to 8.8% at end of Q1/25 from 10.1% at end of 2024.

Impairments surged 36% y-o-y to EUR 26.8m, materially outpacing portfolio growth. Vehicle finance impairments rose 3.4% y-o-y (NPL 5.5% vs. 6.1% end of 2024), while consumer loan impairments jumped 77.7% y-o-y with NPL stable at 4.4%. The increase reflects higher discount debt sales in Balkan states, thus the Group had to shift more focus to in-house recoveries, and temporary challenges in African markets, which management expects to at least partially normalize going forward.

Company profile	
Listing market	Nasdaq Riga/FRA
Ticker	ELEVR/OT8
Industry	Financial services
Website	https://www.eleving.com/



Share Data (August 12, 2025)	
Current price, EUR	1.68
Target price, EUR	1.88
Potential Upside/Downside, %	12.1
52 week Low/High, EUR	1.60/1.715
3 month av. daily volume	20291
Market cap, EURm	196.7
Ordinary shares	117.1

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Key Numbers (EURm)	2021	2022	2023	2024	2025E	2026E	2027E	2028E
Revenue	153.7	175.9	191.3	223.6	238.4	271.0	316.0	351.5
EBITDA attr. to equity holders of parent company	57.5	65.6	77.5	89.8	90.9	105.3	129.2	150.2
Net profit attr. to equity holders of parent company	2.1	15.3	20.1	23.7	51.0	61.8	78.2	94.5
Net loan portfolio	245.6	293.0	320.3	371.6	403.3	482.3	580.2	636.2
Net Debt	257.9	277.5	311.1	293.8	322.5	381.2	452.6	477.4
Total Equity (att. to equity holders)	24.3	45.2	53.6	92.9	109.0	127.0	149.7	177.2
Dividends	0.4	0.6	10.0	14.8	14.8	18.0	22.8	27.5
Dividend Yield (%)	-	-	-	7.6	7.5	9.1	11.6	14.0
ROE (%)	9.2	44.0	40.7	32.4	29.2	30.5	32.9	33.6
EV/EBITDA (x)	-	-	-	5.5	5.3	4.6	3.8	3.2
P/E (x)	-	-	-	8.3	6.6	5.5	4.3	3.6
P/Book (x)	-	-	-	2.1	1.8	1.5	1.3	1.1



OpEx remained stable at EUR 44.4m, aided by a EUR 3m tax reversal in Romania. Following the formal contestation of the additional VAT liability reported within the twelvementh period of the 2024 financials, the Romanian Ministry of Finance has cancelled the contested original tax conclusion. Excluding this, OpEx rose 7% y-o-y, reflecting solid cost control. The C/I ratio improved 2.3pp y-o-y to 36.3%, though we expect some reversal in C/I ratio in H2/25 as the anticipated new markets scale and additional fee costs from the planned Eurobond refinancing in H2/25.

Bottom-line momentum was held back by FX losses, which surged to EUR 5.7m (+159% y-o-y) due to developing market currency depreciation, limiting EBITDA and profit from continuing operations to just +4% and +2% y-o-y, respectively. Net profit attributable to shareholders of the parent company declined 2% y-o-y to EUR12.lm due to FX losses and prior-year discontinued operations gains.

Minority interest normalized to 20% from 31% in Ql/25, aligning with last year's level and supporting future dividend capacity. The Hl/25 capitalization ratio stood at 25.9%, above the 20–25% post-dividend range required for a 50% payout. Management has yet to announce the Hl dividend, with disclosure expected in September, but in our view 50% payout is quite realistic scenario.

Overall, Eleving is progressing well on portfolio expansion and cost discipline, though higher impairments and FX volatility can potentially limit the bottom line. We maintain our 2025 estimates, viewing the results as rather positive with potential for some H2/25 FX recovery and growth acceleration from supportive seasonality in Q4, new market launches and scaling of smartphone financing in Uganda and Kenya.

Results Review, EURm	6M/25A	6M/24A	% y-o-y	FY/25E %	б у-о-у Ехр	FY/24A	FY/23A	% y-o-y
Net loan portfolio	375.3	343.5	9	403.3	9	371	320	15.9
Revenues	117.5	106.0	11	238.4	10	217	189	14.8
Net revenues	96.4	85.4	13	204.3	16	175	152	15.5
Impairment costs	(26.8)	(19.7)	36	(46.8)	13	(42)	(39)	6.1
Operating expenses, net	(44.4)	(44.2)	0	(103.2)	12	(93)	(78)	12.5
Adj. EBITDA	45.3	43.7	4	90.9	1	90	77	15.9
Net profit before FX	20.9	17.1	22	-		33	31	16.5
Net profit from contin. Operations	15.2	14.9	2	36.1	25	29	22	22.9
Net profit attr. to equity holders	12.1	12.4	(2)	29.7	26	24	20	16.9

Source: Eleving, Signet Bank



Investment Case

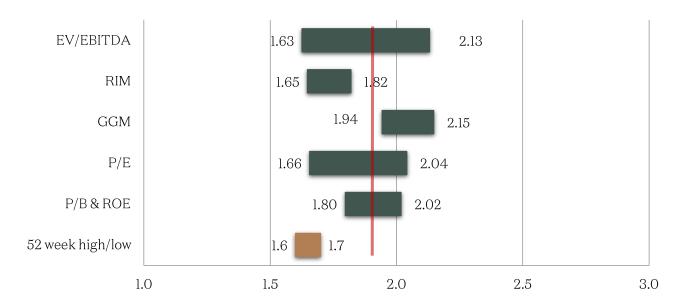
We view profitable growth and appealing dividend yields as the cornerstone of the investment case for Eleving. We look positively on the Group's effectively automated underwriting processes accompanied by agile corporate governance model and know-how, exhibiting ability of entering new markets and scaling the loan portfolio.

Key Risks:

- The relative instability of developing countries where the Group has exposure
- Economic recession resulting in slower than projected loan portfolio growth
 - deterioration of the credit quality and downtrend in non-euro currencies
- Regulatory tightening towards loan rate caps and licensing

Key Drivers:

- Strong presence in developing markets where economic growth potential is higher
- Diversified sales channels
- Advanced IT solutions enable Group to effectively scale operations globally
- Strong track record of profitable growth and dividend payments



Source: Signet Bank

 Weighted Value	Per	iod weights		Period			
Per Share, EUR	2024E	2025E	2026E	weighted	Weights	Contribution to value	
Method	33%	33%	33%	value		to value	
RIM				1.73	35%	0.6	
GGM				2.05	35%	0.7	
EV/EBITDA	2.1	1.8	1.6	1.84	10%	0.2	
P/B & ROE	1.8	1.9	2.0	1.89	10%	0.2	
P/E	1.7	1.9	2.0	1.87	10%	0.2	
Total weighted value	per share					1.88	

Source: Signet Bank

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Sign-off time: 13.08.2025 18:00

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