

Saldo Finance continued to grow with net sales up by 20 % and operating profit by 6 % in 2019

For Saldo Finance Plc, a leading provider of automated credit solutions, 2019 was a year of scalable growth. The company diversified its business while continuing to grow net sales and improving profitability

2019 was the Saldo Finance's best year ever in terms of net sales and profitability. Net sales increased during 2019 by 19.8 % to EUR 53.9 million (2018: EUR 44.9 million). Profitability remained at an excellent level as operating profit (EBIT) increased by 6.20 % compared to the previous year and was EUR 27.4 (25.8) million. The operating profit margin was 50.8 % (57.3 %). The company's financial position remained strong as the equity ratio was 83.0 % (72.4 %) at the end of 2019. In 2019, Saldo paid EUR 5.3 (5.0) million in corporate tax in Finland.

Jarkko Mäensivu, CEO of Saldo Finance:

"The financial year of 2019 has been the first year of scalable growth for Saldo Finance Oyj. During this year we were able to achieve several key milestones of the long-term strategy in order to diversify the company and our business areas. We have successfully entered into SME lending products and have been able to strengthen our market position and to achieve increased efficiency in consumer lending. Optimization of the product portfolio with focus on cost income ratio were our key actions during the year. These actions led us 19,84 % growth in turnover and simultaneously to a 6,20 % growth in earnings versus prior year. These were strong numbers in a competitive and volatile market which experienced a legislation change during the financial year. Regulation related to the maximum cost of consumer loans changed in September 2019 in Finland. Saldo Finance adapted well to the changes, as our proprietary scoring technology enabled us to change the business immediately to comply with the new regulations.

During 2019 we focused on executing our strategy and succeeded in diversifying our business and creating a foundation for a scalable business. We increased our market visibility and the number of active customers. With these actions were able to enhance awareness of Saldo significantly. Expansion of sales channels to attract new customers combined to efforts in customer experience and retention were key in achieving the best ever results in all core measurement areas: lending volume EUR 103.9 million, revenue EUR 53.9 million and EBIT EUR 27.4 million.

We changed the name of our company from Tact Finance Oyj to Saldo Finance Oyj on 8th of March 2019. We also established a subsidiary into Lithuania (Saldo Finance UAB) in order to explore Baltic operations & expansion possibilities."

Events after the reporting period

In July 2020, the Finnish government will temporarily lower the interest rate cap on consumer loans due to COVID-19 pandemic. At least so far, the consequences of the pandemic have not yet directly reflected into the number of loan applications, but the number of loans granted has

decreased slightly. As a responsible lender, we want to avoid over-indebtedness among our customers, and continue to assess our customers' solvency and also during the pandemic and offer our existing customers e.g. installment-free periods.

In 2020, we will continue our growth strategy and promote the transformation of Saldo Finance into even more diversified international financial services company. Our goal is to increase our market share in corporate loans. At the same time, we will continue to provide consumer financing with our current range of products and introduce new consumer loans to the Swedish market.

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Saldo in brief:

Saldo Finance Plc is a Finnish financial services company and a leading provider of fully automated credit solutions in Finland. Saldo offers flexible loans and car financing for both consumers and businesses. The company's advanced scoring system ensures responsible lending, and its own lending system supports business growth also internationally. Saldo is a solvent and reliable partner whose net sales have grown by 56 per cent in the last three years. In 2019, the company's net sales were EUR 54 million and operating profit was 51 per cent of net sales. Saldo had 27 employees at the end of 2019.

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