

EVLI

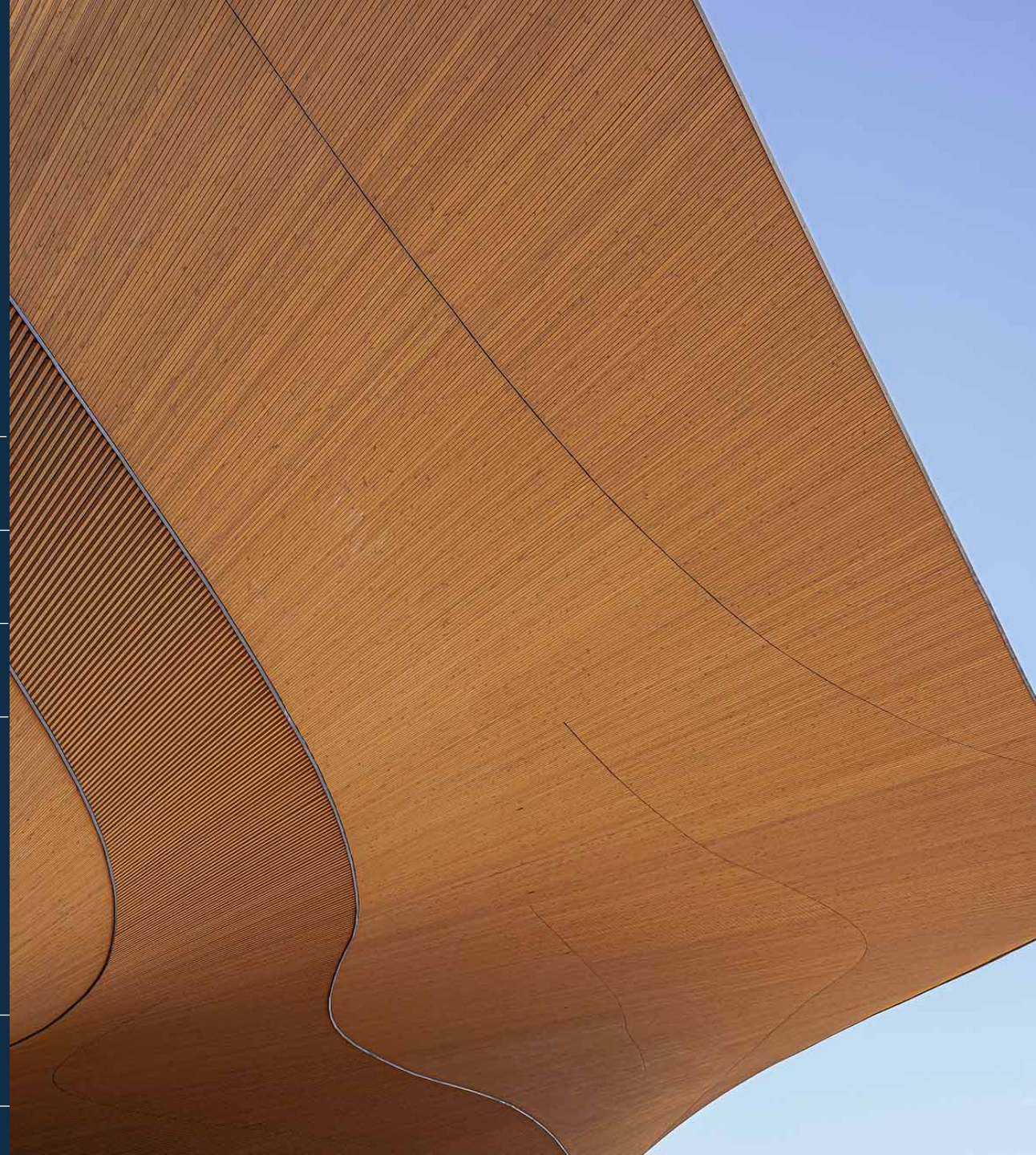
EVLI PLC

INTERIM REPORT 1–3/2024



APRIL 22, 2024

MAUNU LEHTIMÄKI
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Agenda

01 STRATEGY HIGHLIGHTS

02 BREGAL MILESTONE

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01

STRATEGY HIGHLIGHTS

Favorable business development

– Assets under management at all–time high

Market Environment

Economic growth in the US remained strong, in Europe growth was sluggish

Rate cuts expected in Europe in June, in the US in H2

Share prices rose in the US and Europe. In Finland, stock prices mainly moved sideways

Geopolitical risks still elevated

Financial Performance

Despite the uncertainty in the operating environment, Evli's revenue developed strongly

Net revenue EUR 42.9 million (EUR 25.7 million)
Net revenue excluding items affecting comparability EUR 29.1 million

Operating profit EUR 25.1 million (EUR 9.4 million). Operating profit excluding items affecting comparability EUR 11.3 million

Earnings per Share (EPS) EUR 0.79 (EUR 0.26)

Strategy

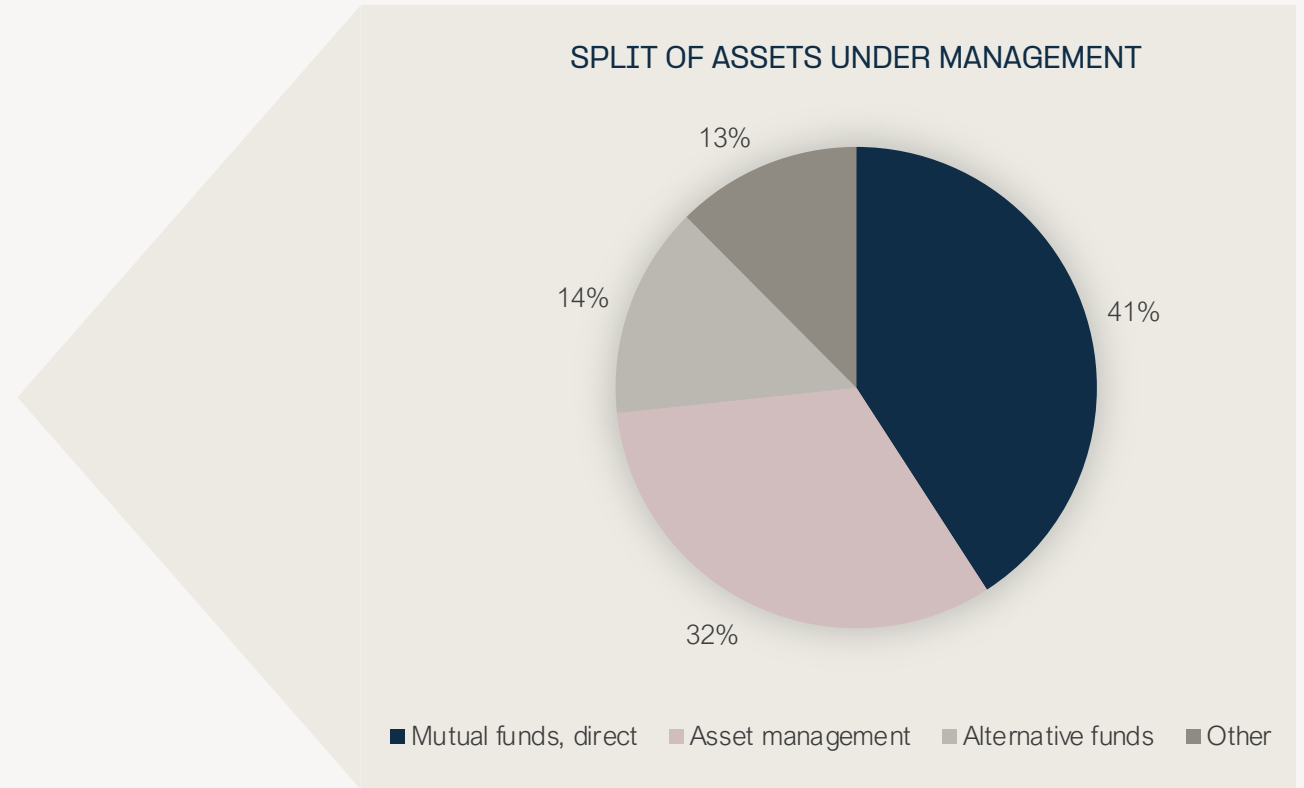
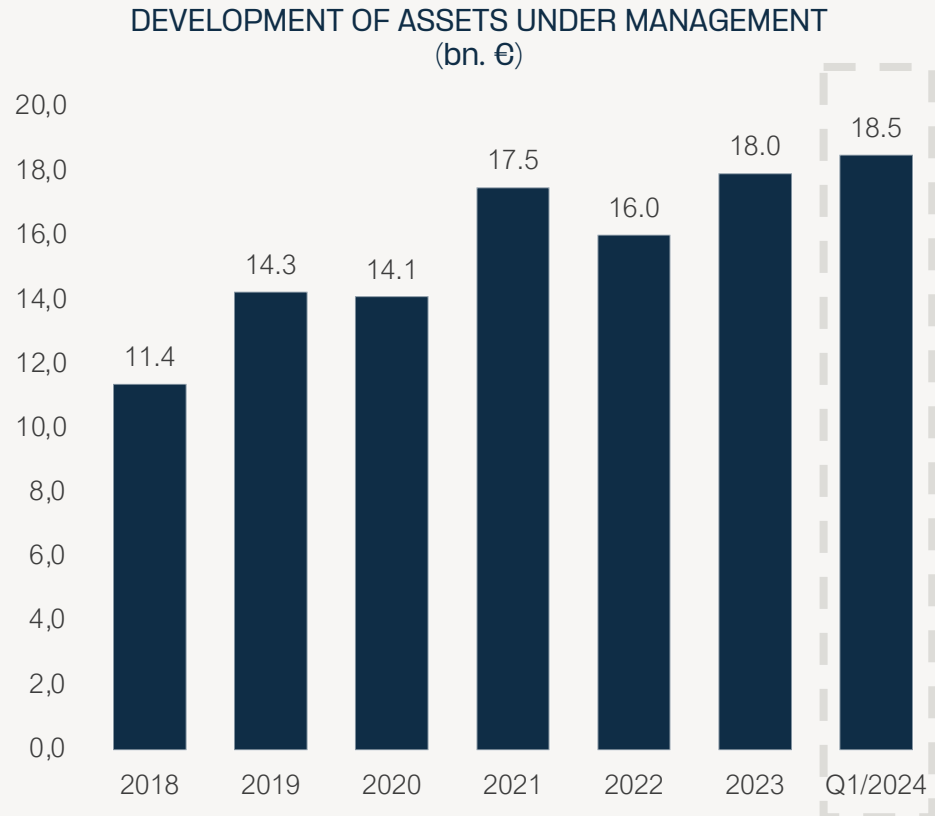
Sluggish demand for alternative products, outlook remains soft

Strong demand for fixed income funds

Strategic partnership with Bregal Milestone to grow the business of Allshares

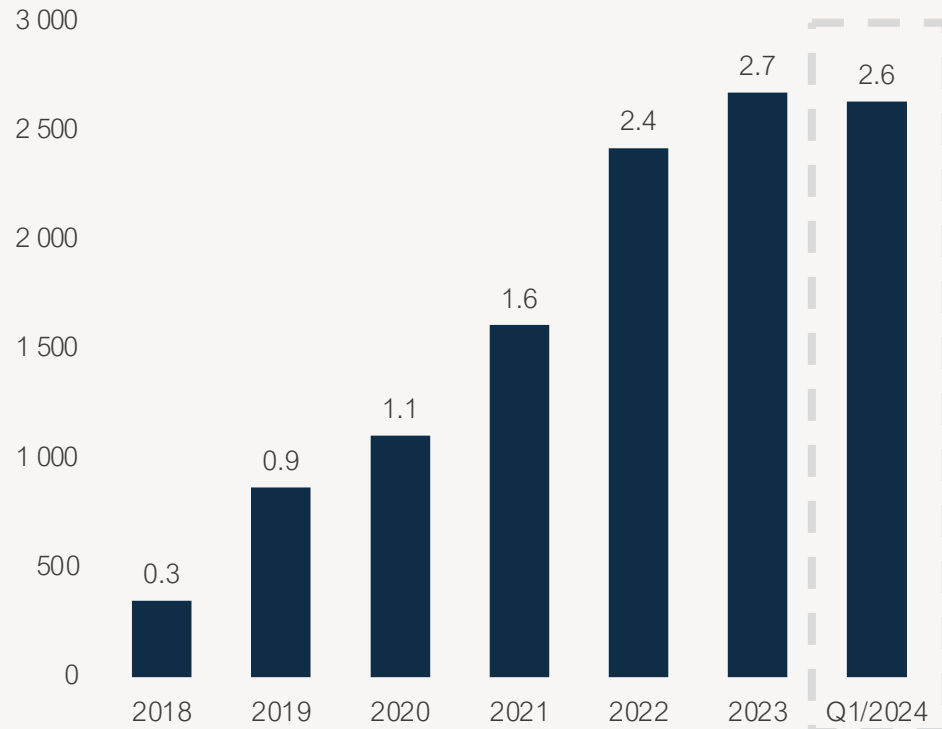
Acquisition of a majority stake in the investment services company Zenito Oy completed

Assets under management at an all-time high

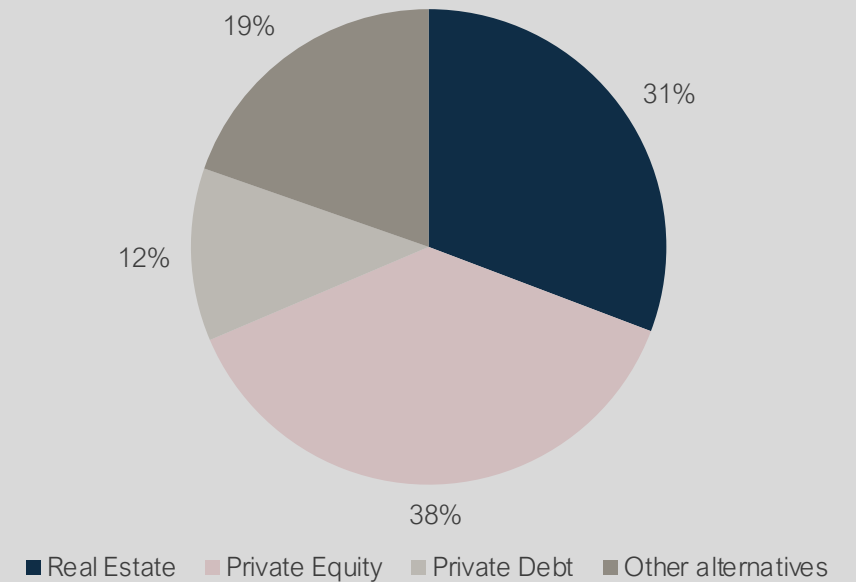


Alternative investment AUM brought down by valuation changes

DEVELOPMENT OF ASSETS UNDER MANAGEMENT IN ALTERNATIVE INVESTMENT FUNDS (bn. €)

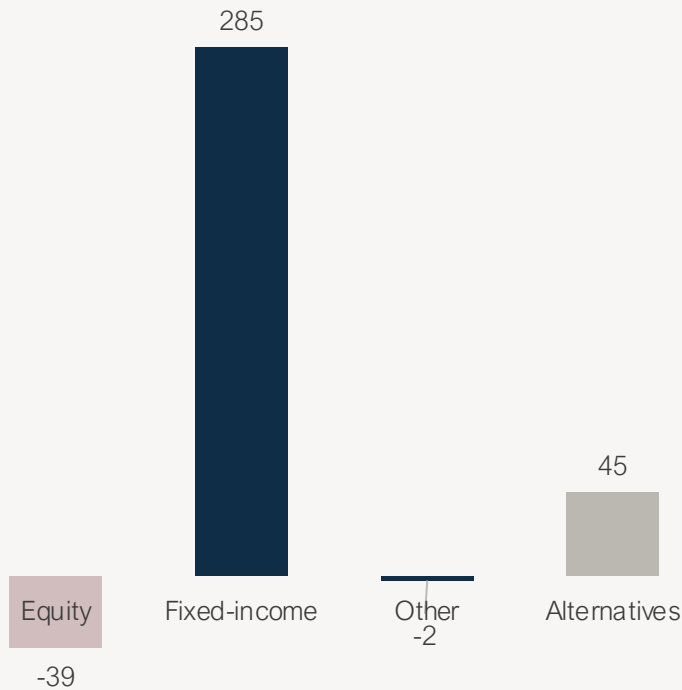


SPLIT OF ASSETS UNDER MANAGEMENT IN ALTERNATIVE INVESTMENT FUNDS

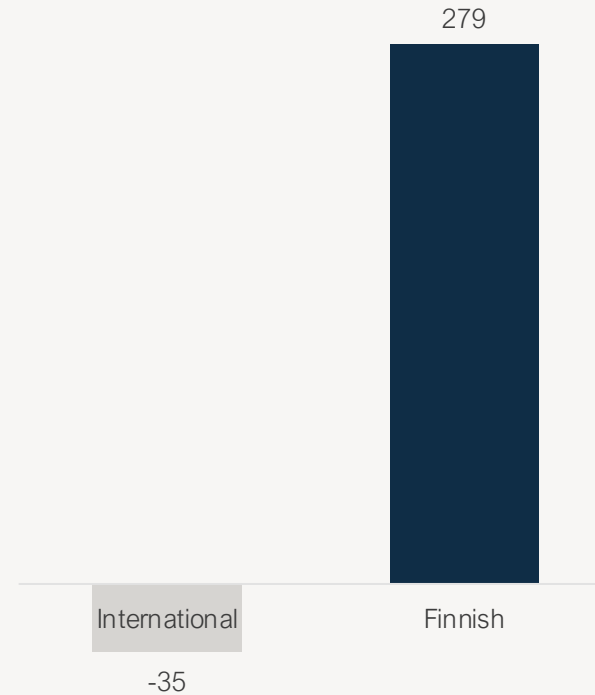


Evli awarded best fund house in Finland and Sweden*

NET SALES BY FUND TYPE (M€)



NET FUND SALES BY AREA (M€)



- Fund sales weighted towards fixed income funds
- Domestic sales strong, international sales negative
- Fund AUM grew to new all time high of EUR 13.4 bn.
- New funds and customers through Zenito
- Evli Short Corporate Bond fund and Evli Emerging Frontier fund awarded by Lipper as best funds in their class in Europe**

* Morningstar Awards 2024 (c). Morningstar, Inc. All Rights Reserved. Awarded to Evli for the Best Fund House in Finland and Sweden.

** LSEG Lipper Fund Awards Europe 2024 Winner, Evli Emerging Frontier, Best fund, Equity Emerging Mkts Global, Fund Over 5 Years.
LSEG Lipper Fund Awards Europe 2024 Winner, Evli Short Corporate Bond, Best fund, Bond EUR Corporates Short Term, Fund Over 10 Years.

M&A and incentive business developed favorably

Corporate Finance advisory fees increased to EUR 1.5 million (EUR 0.1 million)

- Operating environment developed positively, and customer activity increased
- 3 completed transactions during the first quarter
- Mandate base developed favorably

Net revenue from incentive business grew to EUR 3.3 million (EUR 3.2 million)

- Strategic partnership with Bregal Milestone to grow the business internationally
- Favorable development in both design and administration of incentives
- Over 240 incentive programs, of which approximately 100 are personnel funds

02

BREGAL MILESTONE
STRATEGIC PARTNERSHIP

Strategic partnership to grow the incentive business

- Strategic partnership with Bregal Milestone to accelerate the international growth of Allshares Oy (previously Evli Alexander Incentives Oy).
- Bregal Milestone offers
 - strategic guidance
 - operational support
 - financial resources
 - access to its deep network of partners and contacts.
- The goal is to make Allshares the leading provider of share–based incentive and compensation plan administration and design in Europe.
- Evli is strongly involved in the implementation of the strategy. The growth potential is significant and Evli sees this as an attractive value creation opportunity.
- Evli has the opportunity to grow the client base both in Finland and abroad.



03

FINANCIAL HIGHLIGHTS

Revenue development

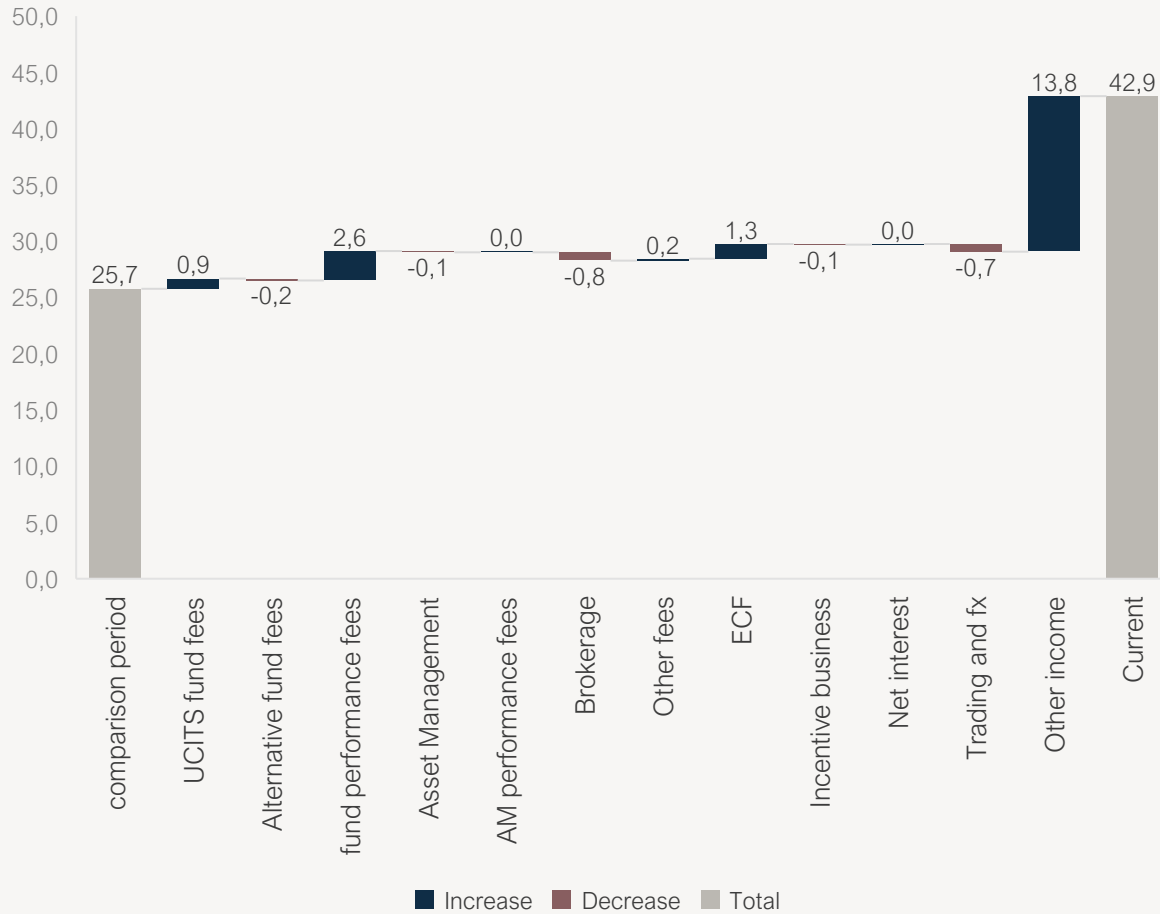
M€	1–3/ 2024	1–3/ 2023	1–12/ 2023
Fee and commission income	28.9	24.9	102.9
Net income from securities transactions	0.3	1.0	3.0
Income from equity investments	0.0	0.0	0.1
Interest income	1.7	1.2	8.8
Other operating income	13.9	0.0	0.8
INCOME TOTAL	44.8	27.1	115.7
Fee and commission expenses	-0.7	-0.6	-2.9
Interest expenses	-1.2	-0.7	-4.1
NET INCOME	42.9	25.7	108.7
Administrative expenses			
Personnel expenses	-10.5	-10.2	-41.0
Other administrative expenses	-6.2	-4.9	-21.0
Depreciation and amortization on tangible and intangible assets	-1.1	-1.3	-4.8
Other operating expenses	-0.2	-0.3	-1.6
Expected credit losses on loans and other receivables	0.0	0.0	0.0
Impairment losses on other financial assets	0.0	0.0	-0.8
Share of profit or loss of associates	0.0	0.4	0.7
OPERATING PROFIT/LOSS	25.1	9.4	40.2
Income taxes	-1.9	-1.9	-8.2
PROFIT / LOSS FOR THE FINANCIAL YEAR	23.1	7.5	32.0

REVENUE DEVELOPMENT HIGHLIGHTS

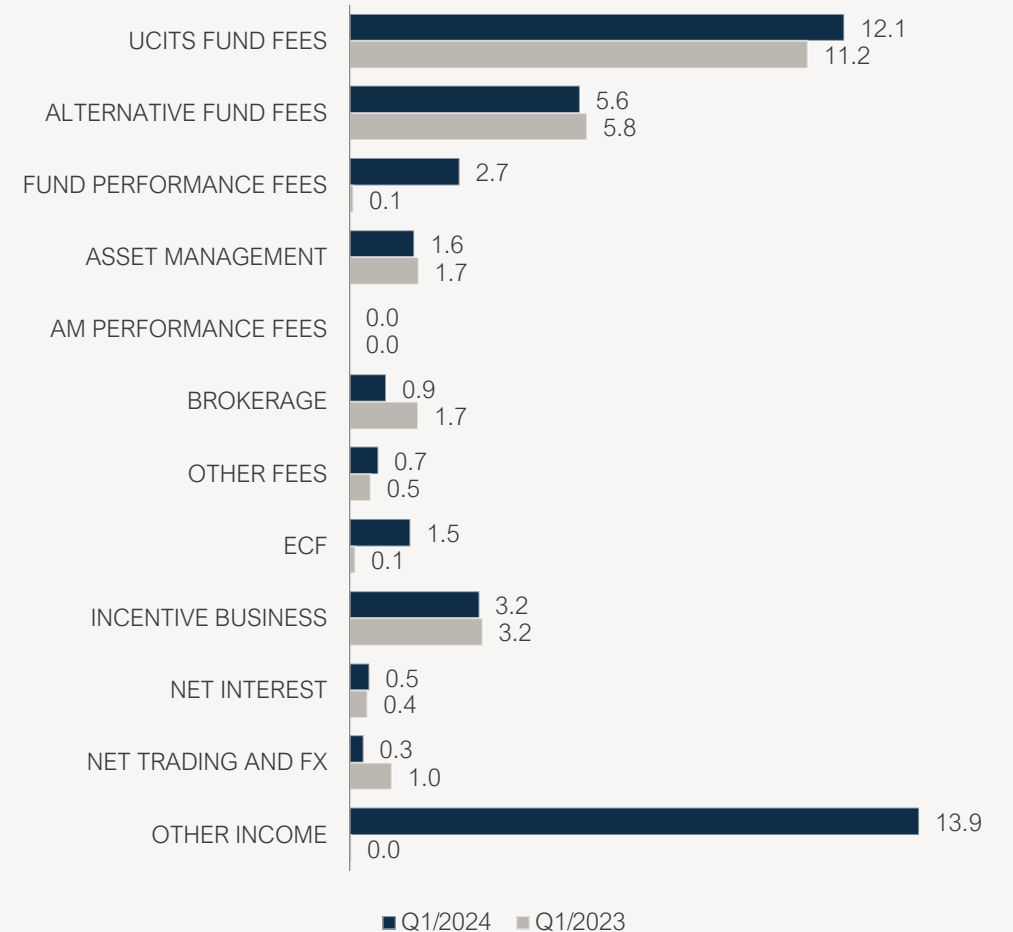
- Net Revenue excluding items affecting comparability EUR 29.1 million
- Operating profit excluding items affecting comparability EUR 11.3 million

Revenue development

REVENUE DEVELOPMENT
(current vs. last year)

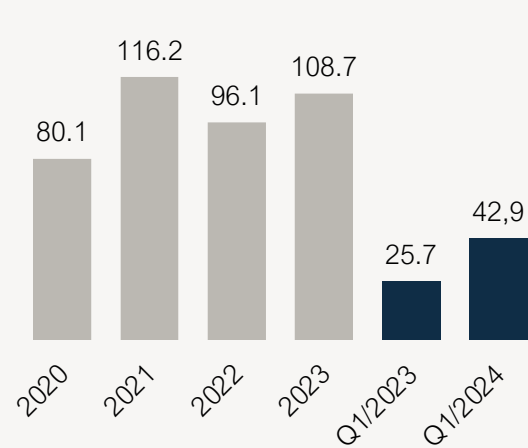


DEVELOPMENT OF COMISSION INCOME
(current vs. last year)

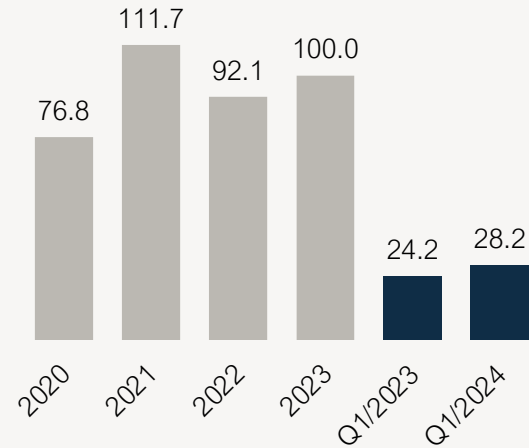


Financial development 2020–Q1/2024

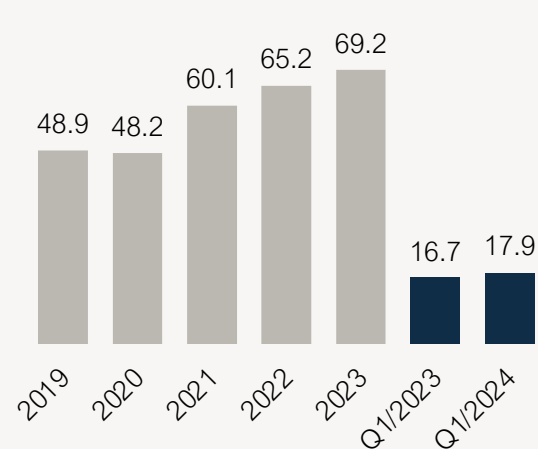
Net Revenue (M€)



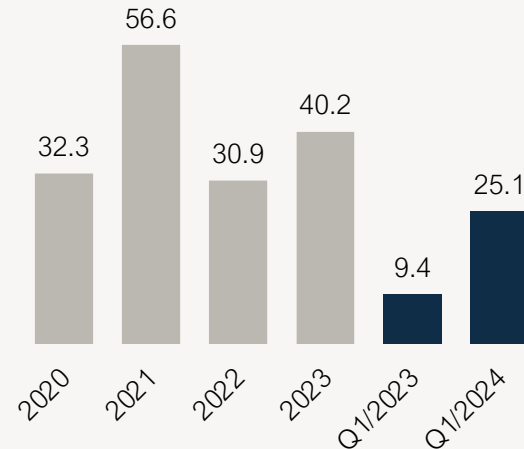
Net commission income (M€)



Costs (M€)



Operating profit (M€)



RETURN ON EQUITY (%)

38.5 (22.7)

RECURRING REVENUE RATIO (%)

125 (128)

ASSETS UNDER MANAGEMENT (BN. €)

18.5 (16.7)

NET COMMISSIONS (M€)

28.2 (24.2)

Consolidated Balance Sheet

M€	31.3.2024	31.3.2023	31.12.2023
ASSETS			
Cash	0.0	0.0	0.0
Claims on credit institutions	97.8	104.3	126.0
Claims on the public and public sector entities	16.5	29.8	19.2
Debt securities	2.0	2.6	2.0
Shares and participations	43.3	44.7	42.5
Derivative contracts	4.4	1.3	5.9
Shares and participations in associates	25.6	6.0	5.2
Intangible assets and goodwill	45.0	49.3	48.7
Property, plant and equipment	1.0	1.0	1.1
Right-of-use assets	11.3	12.3	11.3
Other assets	104.0	118.4	74.4
Accrued income and prepayments	3.5	2.4	3.4
Income Tax receivables	1.4	1.2	1.3
Deferred tax assets	3.6	3.7	3.6
TOTAL ASSETS	359.3	377.2	344.7

M€	31.3.2024	31.3.2023	31.12.2023
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities to credit institutions and central banks	4.4	0.0	3.4
Debts to institutions	0.0	1.5	0.0
Debt securities issued to the public	102.5	108.5	106.7
Derivative contracts and other liabilities held for trading	4.5	1.3	6.0
Other liabilities	94.0	118.9	61.8
Accrued expenses and deferred income	24.1	26.4	27.3
Income tax liabilities	1.0	0.9	2.4
Deferred tax liabilities	0.1	0.0	0.0
TOTAL LIABILITIES	230.6	257.6	207.6
EQUITY			
Equity to holders of parent company	125.9	116.0	133.0
Non-controlling interest in capital	2.9	3.6	4.1
TOTAL EQUITY	128.8	119.6	137.2
TOTAL LIABILITIES AND EQUITY	359.3	377.2	344.7

BALANCE SHEET HIGHLIGHTS

Solvency **150.7**

04

FOCUS & OUTLOOK

Focus for 2024

1. Increasing our fund sales

- Traditional funds (fixed income and equities)
- Continuous development of alternatives offering

2. Growing our customer base

- Domestic HNWI
- Institutional and Corporates

3. Developing our operational capabilities

- Continuous process improvements
- System upgrades
- Integration of Zenito Oy
- Supporting the growth strategy of Allshares



Outlook for 2024

– specified on March 6, 2024

The business environment is expected to remain uncertain and difficult to predict in 2024. The expansion of geopolitical risks, fears of inflation and interest rates, and concerns about the sustainability of economic growth increase uncertainty in the markets.

Despite the challenging market environment, Evli has succeeded in strengthening its position in the market. Growth has been supported by a wide product range and customer base. Due to the one-off impact from the corporate arrangement, the strong position and growth prospects, we estimate that the operating profit will significantly exceed the level of the comparison period.

LONG TERM TARGETS:

- Significant growth of AUM (EUR 30 billion) over the long-term
- EBIT margin of 30%
- High return on equity (25%)
- Recurring revenue ratio in excess of 130%.



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THANK YOU



ADDITIONAL INFORMATION
IR@EVLI.COM

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