



## Corporate News

### **Ferratum Group achieves record Q4 performance and strong full year 2016 results in line with guidance**

Helsinki, March 7, 2017 - Ferratum Oyj (ISIN: FI4000106299, WKN: A1W9NS) ("Ferratum" or the "Group") announces strong preliminary unaudited results for the 12 months ended 31 December 2016 (the "Period").

#### **Financial highlights**

- Record Group revenue for the Period of EUR 154.1 million – up 39% year-on-year
- Record Q4 2016 revenue of EUR 45.5 million – up 43% year-on-year
- Operating profit (EBIT) for the Period of EUR 21.1 million – up 28% year-on-year
- EBIT margin for the Period of 13.7%
- Strong positive operating cash flow of EUR 23.7 million
- EPS (basic and diluted) increased 17.6% to EUR 0.60 per share
- EUR 20 million Ferratum bond expiring in January 2017 (WKN: A1Z4JU) replaced with a new EUR 25 million bond (WKN: A189MG)
- Cost of capital reduced significantly to 5.25% in 2016 (2015: 8.02%)

#### **Operational highlights**

- Gross book value of loan portfolio increased 58% to EUR 247 million
- Net book value of loan portfolio (net of risk provisions) grew by 73% to EUR 184 million
- Portfolio quality further improved: impaired loan coverage ratio reduced to 25.4% at Period end (2015: 31.5%)
- Management actions taken in 3Q 2016 to accelerate growth have been effective
- Strong recovery of growth in consumer lending driven by new customers and demand from existing Microloan customers for bigger and longer term products such as Credit Limit and PlusLoans
- Ferratum Business (SME) lending, launched in Q2 2015, contributed EUR 4.3 million to Ferratum's revenues over the Period
- Ferratum Mobile Bank launched in Germany, Norway and Sweden
- Deposit volume at the Period end over EUR 100 million, exceeding Ferratum's expectations
- Active/former customers increased 27% to 1.6 million
- New customers during the Period increased 21% to 330,145 (2015: 272,787)



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	3 months ended 31 December		12 months ended 31 December	
	2016	2015	2016	2015
<i>Key Figures, EUR '000</i>				
<i>Revenue</i>	45,483	31,829	154,128	111,008
<i>Operating profit (EBIT)</i>	6,911	4,266	21,142	16,478
<i>Profit before tax</i>	5,272	3,024	14,728	12,419
<i>Profit before tax %</i>	11.6%	9.5%	9.6%	11.2%
<i>Earnings per share, basic (EUR)</i>	0.21	0.13	0.60	0.51
<i>Earnings per share, diluted (EUR)</i>	0.21	0.12	0.60	0.51

**CEO and Founder Jorma Jokela commented:** “2016 has been another year of strong, profitable growth for Ferratum, during which we took decisive steps to restore the momentum of revenue growth and profitability to deliver full year results in line with our guidance. Our actions in Q3 to reorganize our management structures, invest in more scalable IT architecture and systems and focus on core business growth delivered a record performance over the last quarter – both in terms of absolute revenue growth and profitability – and current trading gives us confidence that this momentum is continuing into 2017.”

### Strategic Developments

2016 has been a significant year in Ferratum’s journey to become a leading international mobile bank, marked by the launch of our app-based Mobile Bank in three markets: Germany, Norway and Sweden. Since launch, demand in these markets has exceeded our expectations, attracting over EUR 100 million in total deposits. This positive development provides Ferratum with a very strong liquidity position of EUR 73 million at the year-end 2016 and is a solid base for further growth in 2017.

We expect to build on this momentum by launching the Mobile Bank in several more countries over the year ahead, as well as rolling out Credit Limit, PlusLoans and Ferratum Business (SME) lending in additional countries during 2017.

In the final quarter of 2016, Ferratum Bank Plc successfully refinanced a EUR 20 million bond expiring in January 2017 with a EUR 25 million senior unsecured bond maturing in March 2020. The additional capital raised further



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supports the Group's strong financial position and ability to enhance and expand Ferratum's offering to the Group's customers.

As of March 1, 2017, the two bonds issued by Ferratum Capital Germany GmbH – Ferratum Capital Germany GmbH 8% 2018 (WKN: A1X3VZ) and Ferratum Capital Germany 4.875% 2019 (WKN: A2AAR2) – have commenced trading on Scale, Deutsche Börse's new market segment for small and medium-sized enterprises.

### 2017 Outlook

The Board of Directors of Ferratum Oyj reconfirms that revenues for the fiscal year 2017 are expected to range between EUR 200 million and EUR 225 million. The operating profitability margin (EBIT margin) is expected to range between 13% and 16%.

Ferratum Oyj bases this guidance on certain assumptions, including:

- Consumer credit volumes continue to grow, exceeding the market average, based on new customers, continued diversification of consumer lending products and growth in new markets.
- Ferratum Business (SME) lending continues to gain market share in the 5 existing markets. Ferratum plans to introduce the product in additional markets during 2017.
- The Ferratum Mobile Bank is rolled out in additional countries and generates new customers, retains customer loyalty, stimulates cross selling, increases deposit volume and diversifies deposit currencies.
- There are no material negative changes in the consumer and business credit markets of relevance to Ferratum.
- Stable capital market conditions.
- There are no unexpected significant new regulatory challenges or changes.



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### About Ferratum Group:

Ferratum is an international provider of consumer and small business loans, distributed and managed by mobile devices. Founded in 2005 and headquartered in Helsinki, Finland, Ferratum is a pioneer in the fields of financial technology and mobile lending and has expanded rapidly to operate in 23 countries. Ferratum's customers utilize digital media to apply for consumer credit in amounts varying between EUR 25 and EUR 5,000 and small businesses instalment loans up to EUR 100,000 with a term of six to twelve months. Led by its founder, Jorma Jokela, Ferratum has more than 1.6 million active and former customers who have been granted one or more loans in the past (as at 31 December 2016).

Ferratum Group is listed on the Prime Standard of Frankfurt Stock Exchange under symbol 'FRU.' For more information, visit [www.ferratumgroup.com](http://www.ferratumgroup.com).

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