

FINANCIAL AND PORTFOLIO REVIEW Q2 2023

# PURO PUSHING THROUGH THE STRUGGLING ECONOMY

# PURO

FINANCE

14 August 2023

# PURO PUSHING THROUGH THE STRUGGLING ECONOMY

(H1 2023)

Q2 was a stable quarter for PURO in terms of growth and profitability. Due to struggling economy especially affecting the big industries (manufacturing and construction) also PURO is finding hard to keep up with the ambitious growth targets. But with 30% YTD top-line growth we are within reach to our business plan objectives.

Customer activity overall continued strong in Q2 in terms of number of new customers and financed invoices. 215 new customers for H1 surpasses our earlier records with especially the most advanced solution through Procuntor solution, co-produced with Accountor, blooming.

In terms of number of invoices the financed volume has increased 36% from previous year. However the aforementioned lack of investments in manufacturing and construction has put a constraint to growth in terms of euros with financed invoicing for H1 reaching 216 m eur, a modest 20% higher than previous year. We are also rejecting to finance a higher share of companies in order to manage the increasing risks in the market.

June as a month was promising in volumes and showing similar boost in activity as the same period in 2023. This is visible in end-of-period loan receivables, where June 2022 peak was mirrored. Nearly all of our business still comes from Finland with just a handful of pilot customers providing a minor revenue injection from Sweden. There the active customer offering through our partner network will commence during Q3.



## THE FLOW IN FINANCE

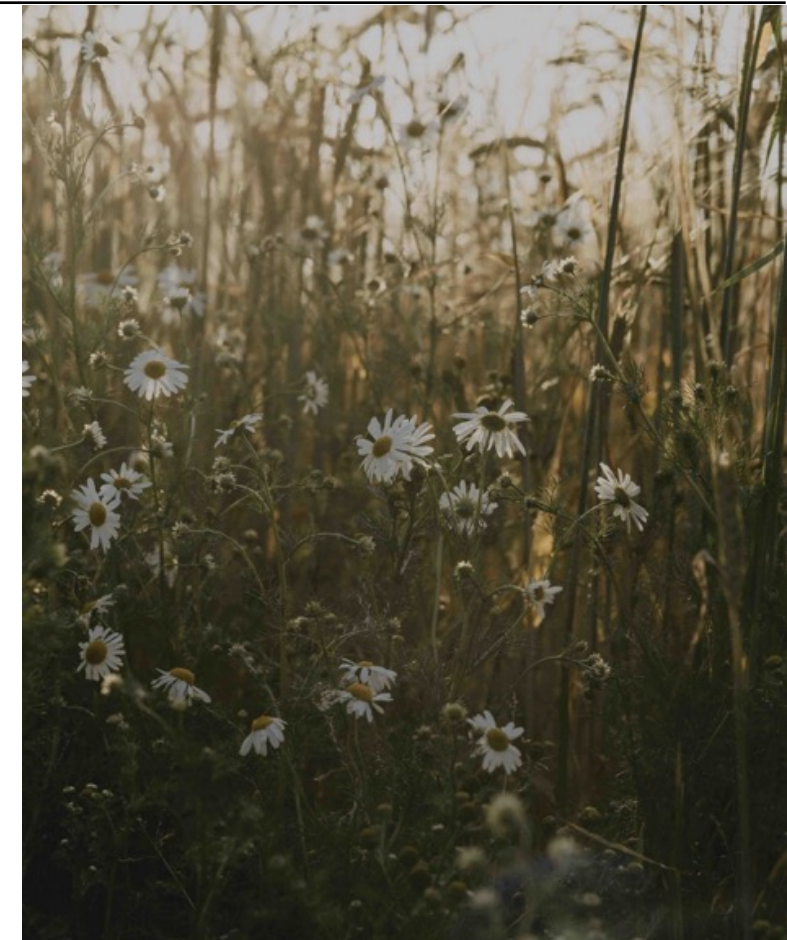
Despite the hike in loan receivables our risk position has remained stable or even improved. We have the few continuing long-term headaches in our balance sheet, for which major loan losses have already been provisioned. Despite the loss-provisions and somewhat modest top-line growth we are keeping our profitability commitments, with PBT (Profit before taxes) way above target level and reaching 281 t eur for H1.

	<b>Q2/23</b>	<b>Q1/23</b>	<b>Q2/22</b>	<b>2023</b>	<b>2022</b>	<b>Chg 23/22</b>
# of active customers	914	856	680	914	680	34 %
Facility limits, m eur	101	94	80	101	80	26 %
Loan receivables, m eur	28	24	28	28	28	-2 %
Customer invoicing, m eur	116	100	102	216	180	20 %
Turnover, t eur	1 451	1 287	1 160	2 738	2 099	30 %
Operating profit, t eur	646	485	530	1 131	828	37 %
Profit before taxes, t eur	166	115	136	281	174	61 %

A minor capital issue was secured in June to bolster our financial position. This, with our track record of profitable growth, makes our position solid for the coming period to continue on our plan to further develop and provide the best financing solutions for Finnish, Swedish and European SME companies.

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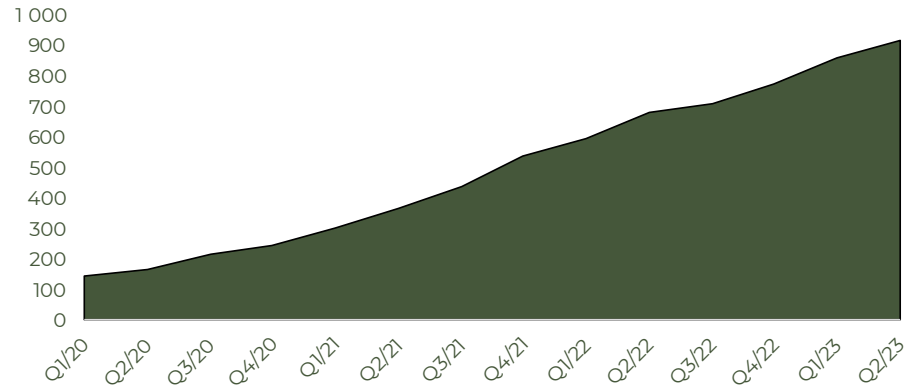
Junno Roine, CEO



THE FLOW IN FINANCE

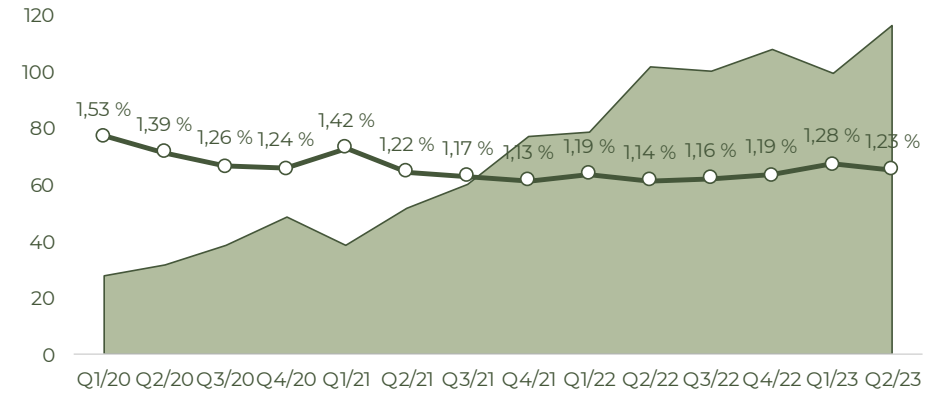
## CUSTOMERS

Total number of active customers



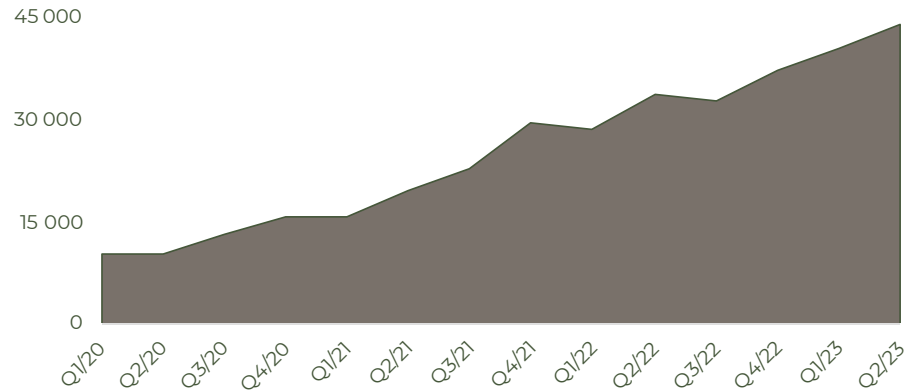
## CUSTOMER INVOICING

Customer invoicing, m EUR and average customer fee



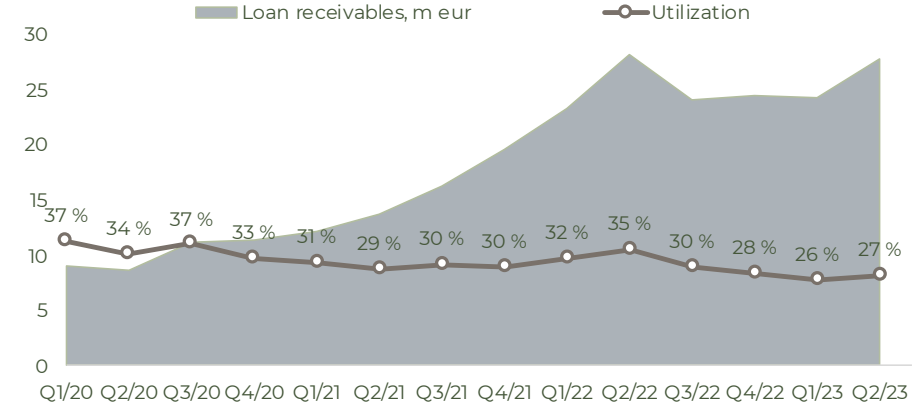
## CUSTOMER INVOICING

Number of invoices



## LOAN RECEIVABLES

Loan receivables, m eur, and utilization, %



## TRACK RECORD

# FINANCIAL OVERVIEW

## INCOME STATEMENT\*

t eur	Jan-Jun 2023	Jan-Jun 2022
<b>Net revenue</b>	<b>2 738</b>	<b>2 099</b>
Other operating income	0	0
Purchased services	-417	-302
Personnel expenses	-579	-510
Depreciation	-40	-31
Other operating expenses	-572	-428
<b>Operating profit</b>	<b>1 131</b>	<b>828</b>
Financial income and expenses	-849	-653
<b>Profit before taxes</b>	<b>281</b>	<b>174</b>
Income taxes	-60	-37
<b>Profit for the period</b>	<b>221</b>	<b>138</b>

\* Unaudited figures

## BALANCE SHEET\*

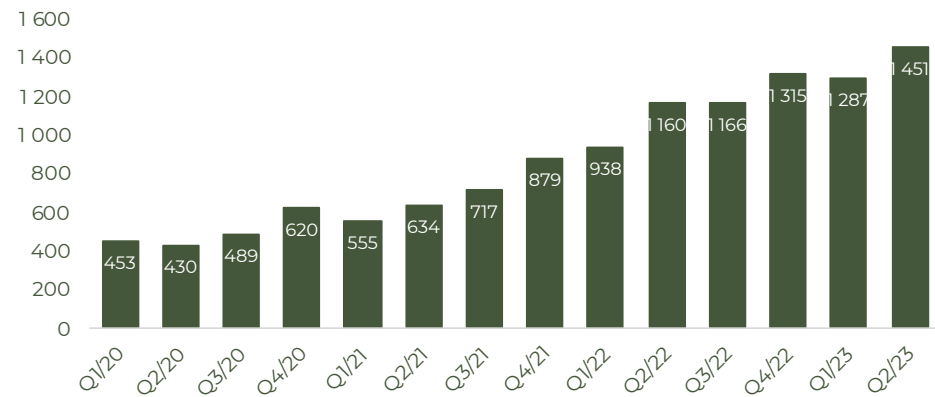
t eur	Jun-23	Jun-22
Intangible assets	494	422
Tangible assets	15	12
<b>Non-current assets</b>	<b>510</b>	<b>434</b>
Long-term receivables	226	168
Short-term receivables	27 295	28 416
<b>Total receivables</b>	<b>27 521</b>	<b>28 584</b>
Cash in hand and at banks	1 792	726
<b>Current assets</b>	<b>29 463</b>	<b>29 310</b>
<b>Total assets</b>	<b>29 973</b>	<b>29 744</b>
Share capital	3	3
Reserve for invested unrestricted capital	4 140	3 100
Retained earnings	436	220
Profit for the financial year	221	138
<b>Total equity</b>	<b>5 001</b>	<b>3 460</b>
Long-term liabilities	14 727	2 505
Short-term liabilities	10 245	23 779
<b>Creditors in total</b>	<b>24 972</b>	<b>26 284</b>
<b>Total equity and liabilities</b>	<b>29 973</b>	<b>29 744</b>

## THE FLOW IN FINANCE

# PORTFOLIO PERFORMANCE

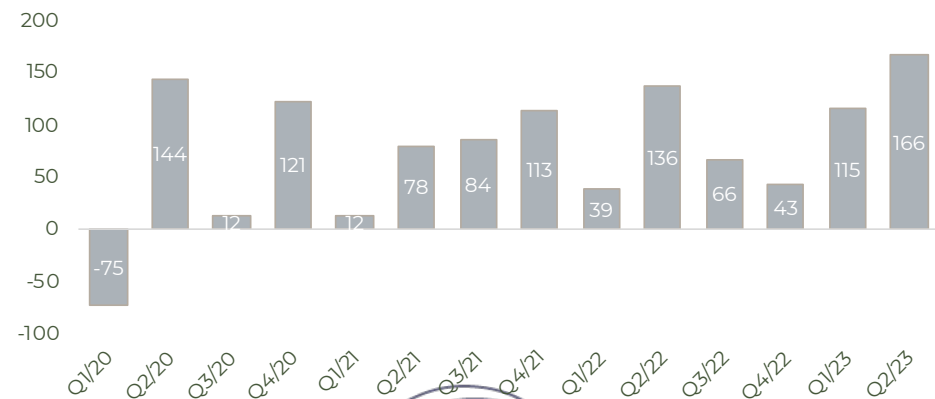
## REVENUE

Turnover, t eur



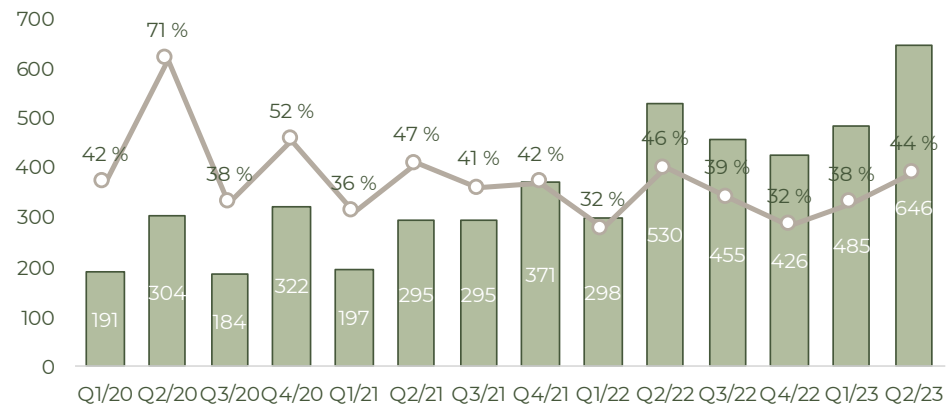
## PROFITABILITY

Profit before taxes, t eur



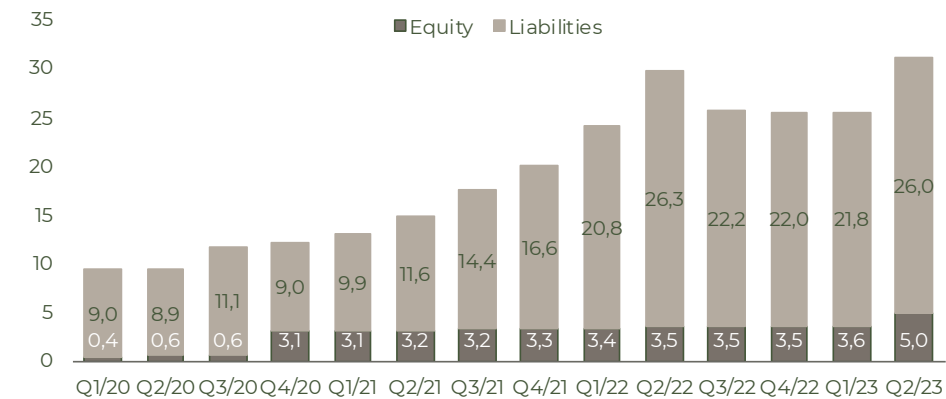
## PROFITABILITY

Operating profit (EBIT), t eur & operating profit margin %



## BALANCE SHEET

Balance sheet totals, m eur



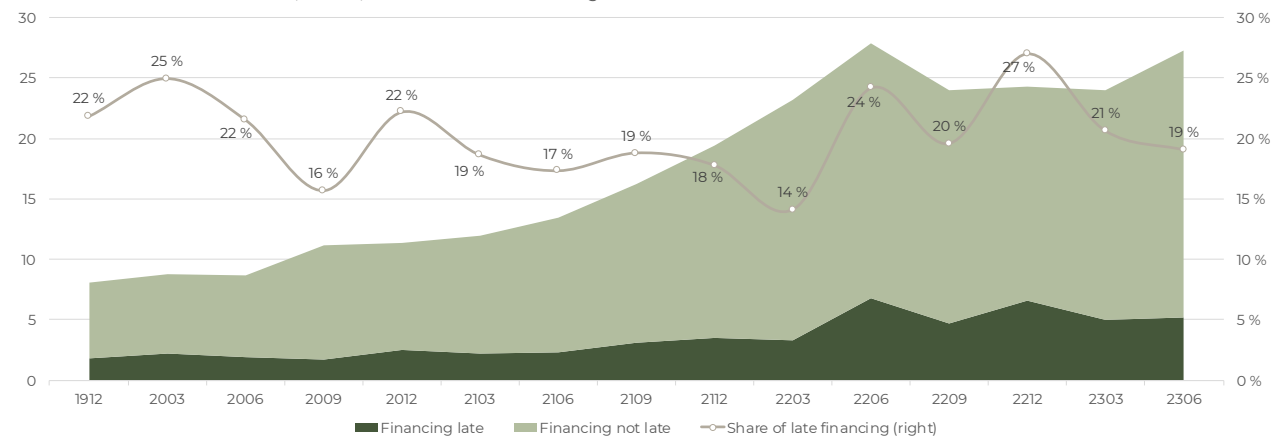
THE FLOW IN FINANCE

## FINANCED RECEIVABLES OUTSTANDING, EOP

t eur	12/20	12/21	12/22	6/23	Chg
Total Financing	11 392	19 430	24 341	27 261	2 921
Financing not late	8 861	15 975	17 754	22 059	4 305
Financing late	2 531	3 455	6 585	5 201	-1 384
1-7 days	1 402	1 582	2 819	1 624	-1 195
8-14 days	404	630	768	532	-235
15-30 days	165	563	652	397	-255
31-45 days	87	45	446	126	-320
46-60 days	13	75	10	83	73
61-90 days	55	116	106	254	149
91- days	405	444	1 784	2 184	400
1-30 days	1 971	2 775	4 239	2 553	-1 685
30+ days	560	680	2 346	2 648	302
Financing not late	78 %	82 %	73 %	81 %	8 %
Financing late	22 %	18 %	27 %	19 %	-8 %
1-7 days	12 %	8 %	12 %	6 %	-6 %
8-30 days	5 %	6 %	6 %	3 %	-2 %
31-90 days	1 %	1 %	2 %	2 %	-1 %
91- days	4 %	2 %	7 %	8 %	1 %
1-30 days	17 %	14 %	17 %	9 %	-8 %
30+ days	5 %	3 %	10 %	10 %	0 %
Bad debt ratio	1.5 %	0.5 %	0.9 %	1.4 %	0.5 %

## SHARE OF LATE FINANCED RECEIVABLES

Historical Financed receivables, m eur, and share of late financing



## CREDIT LOSS PROVISIONS

Credit loss provisions amounting to 391 t eur had been booked per financed receivables by June 2022. Bad debt ratio was thus 1.4%. The provisions are set on customer level after thorough analysis on the past-due items as well as customer financial health. Final credit losses 312 t eur had been booked per end-June.

## PORTFOLIO RISK

## CONTACTS

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