

Growth some 30% in H1

Fellow Finance's H1/2019 revenue and EBIT were quite in line with expectations, with revenue of EUR 7.2m (Evli EUR 7.0m) and an EBIT of EUR 1.4m (Evli EUR 1.3m). EPS was below our estimates at EUR 0.06 (adj. EPS EUR 0.07, Evli EUR 0.09). Fellow Finance expects revenue in 2019 to grow by over 20 % and the adjusted EBIT to be lower than in 2018 (updated 16.8.2019).

- Revenue in H1 amounted to EUR 7.2m (EUR 5.6m in H1/18), quite in line with our estimates (Evli EUR 7.0m). Growth in H1 amounted to 29.6%.
- Fellow Finance facilitated loans during H1 for a total of EUR 109m (EUR 76.5m in H1/18).
- EBIT in H1 amounted to EUR 1.4m (EUR 1.7m in H1/18), in line with our estimates (Evli EUR 1.3m).
- EPS in H1 amounted to EUR 0.06 per share (EUR 0.14 in H1/18), below our estimate of EUR 0.09. The for listing expenses adjusted EPS amounted to EUR 0.07.
- **Guidance:** Fellow Finance expects revenue in 2019 to grow by over 20 % and the adjusted EBIT to be lower than in 2018 (updated 16.8.2019).
- Fellow Finance will during the end of the year continue to expand to new markets.

Rating 🟡 HOLD

H1/19	Actual	Evli	H1/18
Revenue	7.2	7.0	5.6
EBIT	1.4	1.3	1.7
EPS	0.06	0.09	0.14

Deviation	Actual	Evli	H2/17
Revenue		4%	29%
EBIT		12%	-16%
EPS		-35%	-57%

 Share price, EUR (Last trading day's closing price) 5.06

 Target price, EUR 5.5

Latest change in recommendation	19-Aug-19
Latest report on company	19-Aug-19
Research paid by issuer:	YES
No. of shares outstanding, '000's	7,129
No. of shares fully diluted, '000's	7,129
Market cap, EURm	36
Free float, %	-
Exchange rate	0.000
Reuters code	FELLOW.HE
Bloomberg code	FELLOW HE
Average daily volume, EURm	-
Next interim report	-
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+ BUY 🟡 HOLD - SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	9	2	28.8%	1	0.19	0.0	1.7	0.0	5.9	0.09
2018	12	3	28.3%	1	0.12	55.1	4.3	9.5	15.2	0.04
2019E	15	3	17.5%	2	0.19	26.7	2.9	27.1	16.3	0.06
2020E	18	3	18.7%	3	0.29	17.6	2.3	23.4	12.4	0.09
2021E	21	4	18.9%	3	0.38	13.4	2.0	22.5	10.3	0.11

Market cap, EURm	36	BV per share 2019E, EUR	2.2	CAGR EPS 2018-21, %	47.3
Net debt 2019E, EURm	6	Price/book 2019E	2.3	CAGR sales 2018-21, %	21.4
Enterprise value, EURm	42	Dividend yield 2019E, %	1.1	ROE 2019E, %	9.0
Total assets 2019E, EURm	33	Tax rate 2019E, %	20.0	ROCE 2019E, %	9.0
Goodwill 2019E, EURm	0	Equity ratio 2019E, %	47.1	PEG, P/E 19/CAGR	0.6

All the important disclosures can be found on the last pages of this report.

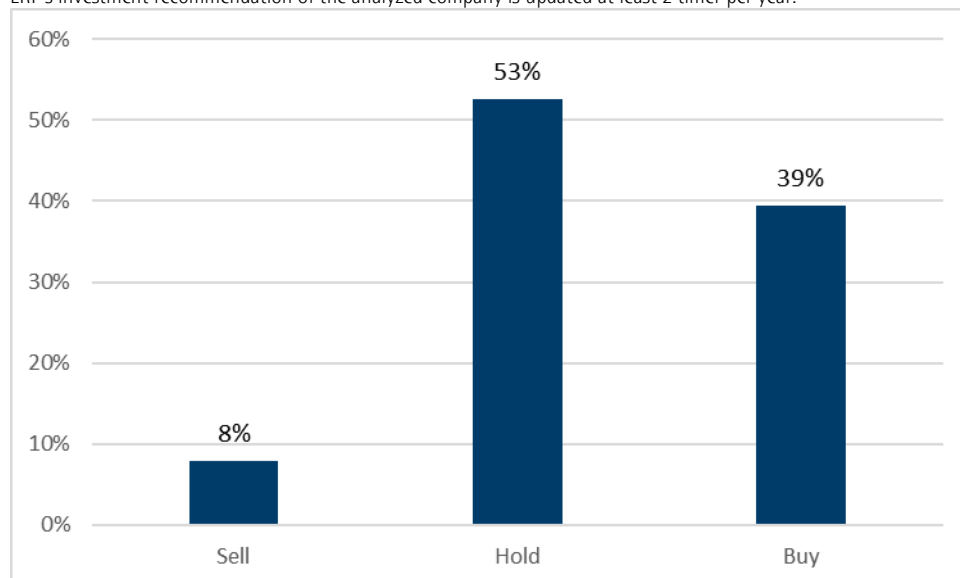
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - (+10) %	HOLD
> 10 %	BUY

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Salokivi

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