

13 April 2021

Plus500 Ltd.
("Plus500", "the Company" or together with its subsidiaries "the Group")
Q1 2021 Trading Update

Plus500, a leading technology platform for trading Contracts for Difference ("CFDs") internationally, today issues the following trading update for the three months ended 31 March 2021.

Financial Highlights (unaudited):

	Q1 2021	Q4 2020	Change % Q1 2021 vs Q4 2020	Q1 2020	Change % Q1 2021 vs Q1 2020
Revenue	\$203.2m	\$91.9m	121%	\$316.6m	(36%)
EBITDA ¹	\$121.7m	\$19.9m	512%	\$231.6m	(47%)
EBITDA Margin %	60%	22%	173%	73%	(18%)

Operational Highlights (unaudited):

	Q1 2021	Q4 2020	Change % Q1 2021 vs Q4 2020	Q1 2020	Change % Q1 2021 vs Q1 2020
Number of New Customers ²	89,406	50,314	78%	82,951	8%
Number of Active Customers ³	269,743	215,305	25%	194,024	39%
ARPU ⁴	\$753	\$427	76%	\$1,632	(54%)
AUAC ⁵	\$473	\$916	(48%)	\$641	(26%)

Key Headlines:

- Continued positive operational and financial momentum achieved during Q1 2021, following a record performance in FY 2020, supported by attractive trading conditions
 - Record quarterly number of Active Customers achieved in Q1 2021, with further substantial growth in New Customers on-boarded, at attractive levels of ARPU and AUAC
 - Excellent revenue performance - with continued high levels of Customer Income⁶, a key underlying growth metric, highlighting Plus500's successful investment in customer engagement initiatives
 - Very strong EBITDA performance helped to drive further cash generation, with cash balances as at 31 March 2021 of \$675.6m⁷
- Further progress made in starting to deliver the Company's new vision to evolve from a technology company solely focused on CFDs to a multi-asset fintech group over time
- Unrivalled service levels delivered by Plus500's proprietary technology, ensuring the Group continues to benefit from elevated platform usage in the current market environment
- New regulations introduced for the CFD industry in Australia on 29 March 2021 – while at an early stage, the Board believes the impact is already incorporated in current compiled analysts' consensus forecasts⁸
- Share buyback programme continued, with 1,550,563 shares acquired in Q1 2021, for cash consideration of \$29.2m, as part of the Company's share buyback programmes
- The Board remains confident about the outlook for Plus500 and expects FY 2021 revenue and EBITDA to be moderately ahead of current compiled analysts' consensus forecasts

¹ EBITDA - Earnings before interest, taxes, depreciation and amortisation

² New Customers - Customers depositing for the first time

³ Active Customers - Customers who made at least one real money trade during the period

⁴ ARPU - Average Revenue Per User

⁵ AUAC - Average User Acquisition Cost

⁶ Customer Income - Revenue from customer spreads and overnight charges

⁷ The Group's cash balances will be utilised to pay the final dividend for FY 2020 of \$55.6m and the special dividend of \$29.4m on 12 July 2021, as well as the remaining element of the \$25.0m share buyback programme, announced on 17 February 2021. The actual aggregate dividend to be paid by the Company on the dividend payment date will be less than initially estimated since the Company repurchased additional Ordinary Shares between the date of dividend declaration and the record date of the dividend, which represents Ordinary Shares held in treasury and not entitled to dividend payment.

⁸ Compiled analysts' consensus forecasts - Revenue of \$454.8m and EBITDA of \$240.3m for FY 2021. More details can be found on the Investor Relations section of the Company's website

Overview of trading during Q1 2021

Throughout this announcement, the Group's results for Q1 2021 are compared to Q4 2020, which experienced similar market conditions to those seen in Q1 2021, and are also compared to Q1 2020, when there were significantly increased levels of customer trading activity at the start of the COVID-19 pandemic.

Group Revenue in Q1 2021 was \$203.2m (Q1 2020: \$316.6m, Q4 2020: \$91.9m) driven by continued attractive trading conditions, supported by the high quality and resilience of Plus500's proprietary technology in managing elevated platform usage.

Group EBITDA in Q1 2021 was \$121.7m (Q1 2020: \$231.6m, Q4 2020: \$19.9m) with Group EBITDA margin of 60%, supported by the Company's lean, flexible cost base and efficient business model. Plus500 continues to invest in marketing technology to capture opportunities to drive attractive return-on-investment over time. The Company has made good progress with regards to its recently announced new R&D investment programme, with a new R&D centre now being established in Tel Aviv and a number of highly skilled engineers and programmers being recruited to enable Plus500's development into the fintech space.

Customer Income, a key underlying growth metric for Plus500, remained robust at \$221.5m in the quarter (Q1 2020: \$233.5m, Q4 2020: \$200.6m) highlighting the Company's continued successful investment in technology-based customer engagement initiatives. Customer Trading Performance⁹ saw some monthly volatility but was ultimately relatively modest during Q1 2021 at (\$18.3m), (Q1 2020: \$83.1m, Q4 2020: (\$108.7m)). Customer Trading Performance is expected to be broadly neutral over time, as evidenced by Plus500's performance in recent years.

The Company on-boarded a total of 89,406 New Customers in the quarter, up 8% compared with Q1 2020 and up 78% compared with Q4 2020 (Q1 2020: 82,951, Q4 2020: 50,314), as a result of the Company's continued significant investment in its marketing technology, enabling Plus500 to respond with agility to market developments, news events and customer requirements.

Plus500 achieved a record quarterly number of Active Customers of 269,743 during Q1 2021, an increase of 39% compared with Q1 2020 and an increase of 25% compared with Q4 2020 (Q1 2020: 194,024, Q4 2020: 215,305), driven by the Company's efforts and investment in customer retention. ARPU was \$753 in Q1 2021 (Q1 2020: \$1,632, Q4 2020: \$427).

Primarily as a result of the substantial increase in New Customers on-boarded during the quarter, driven by continued investment in marketing technology, AUAC reduced from the prior year and the prior quarter to \$473 in Q1 2021 (Q1 2020: \$641, Q4 2020: \$916). The Company continues to expect that AUAC will rise steadily over time as the Company's customer profile continues to shift to higher value customers.

Customer Churn¹⁰ at 16.2% (Q1 2020: (11.9%), Q4 2020: 16.7%) remained stable and towards the lowest levels since the Group's IPO in 2013, reflecting the Company's successful investment in technology-based customer retention initiatives and ongoing platform improvements.

Client deposits remained strong at \$673.8m in Q1 2021 (Q1 2020: \$697.5m, Q4 2020: \$572.5m), reflecting customers' continued confidence in the Plus500 platform and product, and supported by the on-going success of the Company's customer attraction and retention activities.

The Group maintains an appropriate level of cash on its balance sheet to support current and future levels of activity. Cash balances as at 31 March 2021 were \$675.6m¹¹ (31 December 2020: \$593.9m), reflecting continued strong cash generation.

The Company repurchased 1,550,563 shares in the quarter, at an average price of £13.64, for a total cash consideration of \$29.2m, as part of its share buyback programmes.

⁹ Customer Trading Performance - Gains/losses on customers' trading positions

¹⁰ Customer Churn = [(Active Customers (T) + New Customers (T+1)) - Active Customers (T+1)] / Active Customers (T)

¹¹ The Group's cash balances will be utilised to pay the final dividend for FY 2020 of \$55.6m and the special dividend of \$29.4m on 12 July 2021, as well as the remaining element of the \$25.0m share buyback programme, announced on 17 February 2021. The actual aggregate dividend to be paid by the Company on the dividend payment date will be less than initially estimated since the Company repurchased additional Ordinary Shares between the date of dividend declaration and the record date of the dividend, which represents Ordinary Shares held in treasury and not entitled to dividend payment.

The new regulatory changes implemented by the Australian Securities & Investment Commission (“ASIC”) for the CFD industry in Australia came into force on 29 March 2021. While it remains at an early stage, the Board believes that the anticipated impact on the Group’s revenues of these regulatory changes is already incorporated in current compiled analysts’ consensus forecasts¹² for Plus500. The Board continues to assess the impact of these new regulations on the business.

Outlook

The Company has continued to deliver a robust performance in Q1 2021, building on the positive momentum achieved during FY 2020. Plus500’s market-leading proprietary trading platform, flexible and scalable business model and robust financial position leave the Group well positioned to deliver a strong and consistent performance over the medium term.

At this early stage of the year, with these factors in mind, as well as the expected impact of the new regulatory changes in Australia, the Board expects FY 2021 revenue and EBITDA to be moderately ahead of current compiled analysts’ consensus forecasts. For FY 2021, revenue will be driven through further underlying strength of Customer Income, while EBITDA will be supported by Plus500’s lean, flexible cost base and efficient business model.

The Company has multiple opportunities from which to access future growth through both continued organic investment in its technology and targeted acquisitions. Plus500 aims to access growth by expanding its CFD offering, launching new trading products, introducing new financial products and deepening engagement with its customers. Supported by successfully accessing these growth opportunities, the Group aims to deliver growth and consistent levels of cash generation over the medium to long term.

David Zruia, Chief Executive Officer, commented:

“Plus500 delivered an excellent performance during Q1 2021, building on the positive momentum achieved in 2020. This performance has been driven by the strength and agility of our technology and its ability to respond rapidly to market developments, news events and customer requirements.

“Our vision is to enable simplified, universal access to financial markets, as we start to evolve from a technology company solely focused on CFDs to a multi-asset fintech group over time. We aim to achieve this by accessing multiple growth opportunities, through organic investment in our technology and targeted acquisitions.

“We are already making progress in delivering this vision, as highlighted by Plus500’s excellent performance so far this year. With this progress in mind, and with a market environment that continues to provide compelling trading opportunities for our customers, we remain confident about the outlook for the business.”

For further details

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¹² Compiled analysts’ consensus forecasts - Revenue of \$454.8m and EBITDA of \$240.3m for FY 2021. More details can be found on the Investor Relations section of the Company’s website

About Plus500

Plus500 operates a proprietary technology platform for individual customers to trade CFDs internationally. The Group offers more than 2,500 different underlying global financial instruments, comprising equities, indices, commodities, options, ETFs, foreign exchange and cryptocurrencies. Customers of Plus500 can trade CFDs in more than 50 countries and in 32 languages. The trading platform is accessible from multiple operating systems (Windows, iOS, Android and Surface) and web browsers. Plus500 retains operating licences and is regulated in the United Kingdom, Australia, Cyprus, Israel, New Zealand, South Africa, Singapore and the Seychelles.

Customer care is and has always been integral to Plus500, as such, customers cannot be subject to negative balances. A free demo account is available on an unlimited basis for platform users and sophisticated risk management tools are provided free of charge to manage leveraged exposure, and stop losses to help customers protect profits, while limiting capital losses. Plus500 does not utilise cold calling techniques and does not offer binary options. Plus500 shares have a premium listing on the Main Market of the London Stock Exchange (symbol: PLUS) and are a constituent of the FTSE 250 index. www.plus500.com

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR"). Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

Forward looking statements

This announcement contains statements that are or may be forward-looking statements. All statements other than statements of historical facts included in this announcement may be forward-looking statements, including statements that relate to the Company's future prospects, developments and strategies. The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Forward-looking statements are identified by their use of terms and phrases such as "believe", "targets", "expects", "aim", "anticipate", "projects", "would", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements in this announcement are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results, performance and achievements to differ materially from any results, performance or achievements expressed or implied by such forward-looking statements. Factors that may cause actual results to differ materially from those expressed or implied by such forward looking statements include, but are not limited to, those described in the risk factors. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such entity and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. Each forward-looking statement speaks only as at the date of this announcement. Except as required by law, regulatory requirement, the Listing Rules and the Disclosure Guidance and Transparency Rules, neither the Company nor any other party intends to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.