

# Plus500

London Stock Exchange Symbol: PLUS



# Disclaimer

The Presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares or other securities of the Company, nor shall it (or any part of it), or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract whatsoever relating to any securities.

The Presentation is being made, supplied and directed only at persons in member states of the European Economic Area who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC, as amended) and, additionally in the United Kingdom, to those qualified investors who (a) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (investment professionals) or (b) fall within Article 49(2)(a) to (d) of that Order (high net worth companies, unincorporated associations etc) (all such persons being "Relevant Persons"). Any person who is not a Relevant Person may not attend the Presentation and should not act or rely on this document or any of its contents. Any investment or investment activity to which the Presentation relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

The Presentation is provided for general information only and does not purport to contain all the information that may be required to evaluate the Company and/or the Placing. The information in the Presentation is provided as at the date of the Presentation (unless stated otherwise) and is subject to updating, completion, revision and further verification. No reliance may be placed for any purpose whatever on the information or opinions contained or expressed in the Presentation or on the accuracy, completeness or fairness of such information and opinions.

To the extent permitted by law or regulation, no undertaking, representation or warranty or other assurance, express or implied, is made or given by or on behalf of the Company or Liberum Capital Ltd ("Liberum") or any of their respective parent or subsidiary undertakings or the subsidiary undertakings of any such parent undertakings or any of their respective directors, officers, partners, employees, agents, affiliates, representatives or advisors, or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in the Presentation. Save in the case of fraud, no responsibility or liability is accepted by any person for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred, however arising, directly or indirectly, from any use of, as a result of the reliance on, or otherwise in connection with, the Presentation. In addition, no duty of care or otherwise is owed by any such person to recipients of the Presentation or any other person in relation to the Presentation.

Nothing in the Presentation is, or should be relied on as, a promise or representation as to the future. The Presentation includes certain statements, estimates and projections provided by the Company in relation to strategies, plans, intentions, expectations, objectives and anticipated future performance of the Company and its subsidiaries. By their nature, such statements, estimates and projections involve risk and uncertainty since they are based on various assumptions made by the Company concerning anticipated results which may or may not prove to be correct and because they may relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Company's ability to control or predict. No representations or warranties of any kind are made by any person as to the accuracy of such statements, estimates or projections, or that any of the events expressed or implied in any such statements, estimates or projections will actually occur. The Company is not under any obligation, and expressly disclaims any intention, to update or revise any such statements, estimates or projections. No statement in the Presentation is intended as a profit forecast or a profit estimate.

A prospective investor considering acquiring shares in the Placing is reminded that any such acquisition must be made only on the basis of the information contained in the admission document to be published in due course in connection with the Placing, which may be different from the information contained in the Presentation, and on its own judgment as to the merits of the suitability of the shares for its purposes, having taken all such professional or other advice as it considers necessary or appropriate in the circumstances.

The Presentation is confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by its recipients to any other person for any purpose, other than with the consent of the Company.

The Presentation does not constitute or form part of an offer or invitation to issue or sell, or the solicitation of an offer to subscribe or purchase, any securities to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful, and, in particular, is not for distribution in or into Australia, Canada, Israel, Japan, the Republic of South Africa or the United States.

# Business Overview

- ✚ **Plus500** has developed and operates an online trading platform for **retail** customers to trade Contracts For Difference (CFDs) in more than 50 countries
- ✚ **Proprietary technology platform** is user friendly, robust, scalable and easily accessible to new customers
- ✚ Customer acquisition via **online marketing**
- ✚ Revenue and PBT growth 2013/2012 **103%** and **191%** respectively
- ✚ Successful IPO in Q3 2013 on AIM, Symbol: **PLUS**

## Plus500 in numbers:

**#1**

Rated on mobile  
app stores

**>50**

Countries

**31**

Languages

**\$115m**

Revenues  
FY 13

**+105%**

Growth in Revenues  
FY 13/  
FY12

**58%**

EBITDA  
Margin

**1,900**

CFDs

**50%**

Dividend  
policy

**\$33m**

Dividend paid  
2014

# Results Summary

- ✚ Record year for revenue and profit - significantly ahead of expectations at the time of the IPO
- ✚ Successful listing on AIM in July 2013
- ✚ Active customers increased 47% to 85,795 (FY 2012: 58,343)
- ✚ New customers increased 53% to 56,819 (FY 2012: 37,050)
- ✚ Ongoing strengthening in Plus500's market position with further expansion in Europe
- ✚ Significant increase in smartphone and tablet users accessing Plus500's trading platform
- ✚ Expansion into Australia continues to gather a very positive momentum
- ✚ Trading in the 7 weeks to 19 February 2014 has been strong
- ✚ Board remains confident of continued growth in 2014 and beyond

\*Active Customers: Customers who made at least one real money trade during the period.

\* New Customers: Customers depositing for the first time ever during the period.



## Business Overview



## Financial Overview



## Outlook

# Products



## CFD products



**1,900** CFD products

## Platform and Devices



Supporting **31** languages in  
more than **50** countries

## Trading Platform

Most Popular	Shares	Commodities	Indices	Forex	ETFs
UK 100	6018.00	Buy	6016.50	Short	-0.63%
Perseus	0.52	Buy	0.50	Short	-25.37%
GBP/USD	1.5457	Buy	1.5453	Sell	0.14%
USD/JPY	97.50	Buy	97.48	Sell	-0.24%
Bitcoin / USD	105.27	Buy	103.84	Sell	1.53%
Tesla Motors	101.65	Buy	101.45	Short	2.75%
Apple	402.46	Buy	401.36	Short	-2.67%
Kazakhmys	234.83	Buy	232.98	Short	-13.77%

Retail customers only

# Business model



## Revenue Split

### + Dealing Spreads

Difference between the buy price and the sell price of a CFD

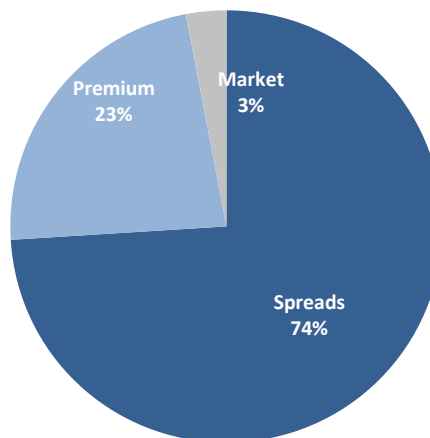
### + Overnight Premiums

Charges on open customer positions held overnight

### + Market Positions

Gains (offset by losses) on customers' trading positions, acting as principal

## Revenues FY 2013



### + Trade Time

Median trade time is 1 hour

## International Footprint

### Plus500 UK

FCA UK-regulated subsidiary

### Plus500 Ltd.

Israel Headquarters

### Plus500 AU

Australian regulated subsidiary (ASIC)

### + Quality of Earnings

93% of revenues from regulated markets



# Plus500 technology, our key asset



**Proprietary technology, developed in-house: key differentiator and flexible advantage**





# Marketing infrastructure: online is key



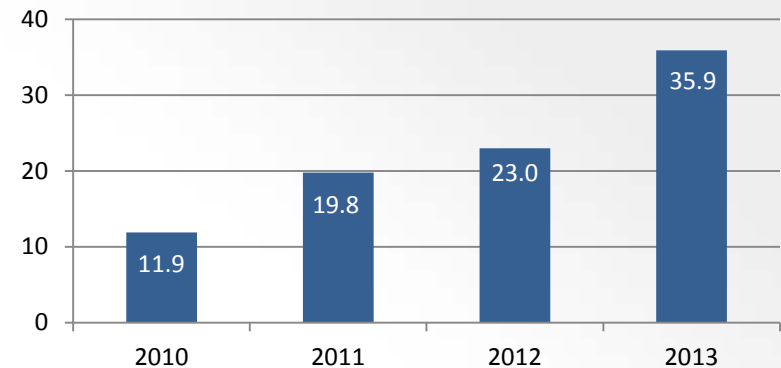
## Online advertising

Using our proprietary automated marketing platform ensures that spending is efficient with a demonstrable return on investment

## The “Marketing Machine”

- + Focus is online
- + Measurable
- + Learns from experience
- + Flexible spending
- + Context specific advertising
- + Defined ROI from spend
- + Accumulated knowledge is a barrier to entry and competitive advantage

## Total marketing investment in \$m



Source: Google

# Marketing infrastructure: affiliates and offline



## +500AFFILIATES.com

- + A large international affiliates program
- + Over 5,000 active affiliates who advertise Plus500
- + Paid on success only
- + Easy-to-access and use affiliates' portal of marketing collateral
- + Fully automated online analysis and reward platform
- + Localized marketing tools for affiliates
- + Attractive revenue proposition for affiliates

**TRADE ONLINE**  
Plus500 CFD Service

**INDEXES**

- £20 SIGNUP BONUS
- FREE DEMO ACCOUNT
- 0 COMMISSIONS

**START NOW**

**Plus500**  
www.Plus500.co.uk

Your capital is at risk

## Offline

- + Increased activity offline to build the Plus500 brand
- + IPO enhanced brand awareness
- + Continue with targeted campaigns

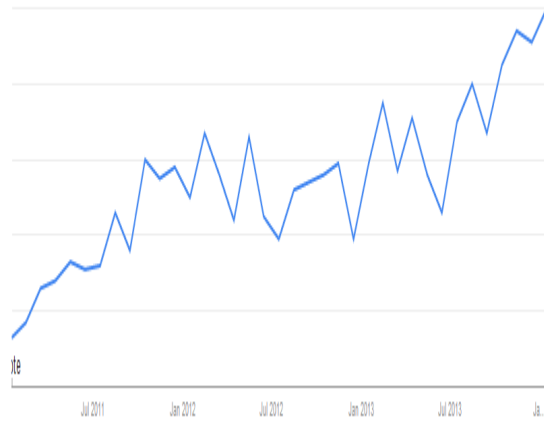
Select offline campaigns:



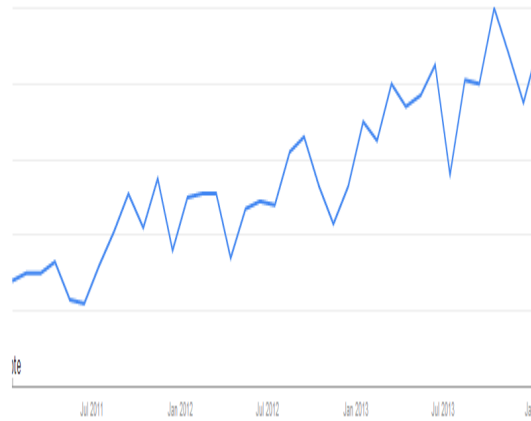
# The Plus500 Brand



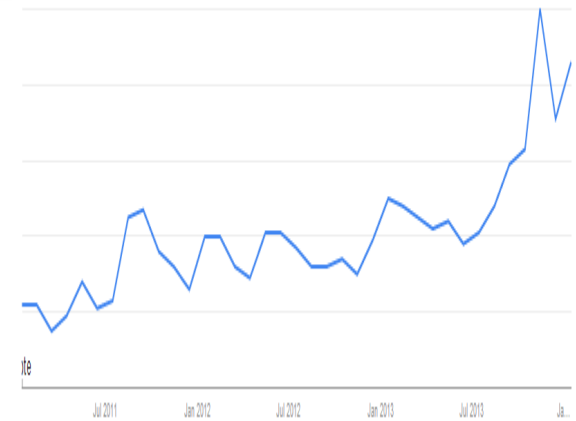
## United Kingdom



## Italy



## Netherlands

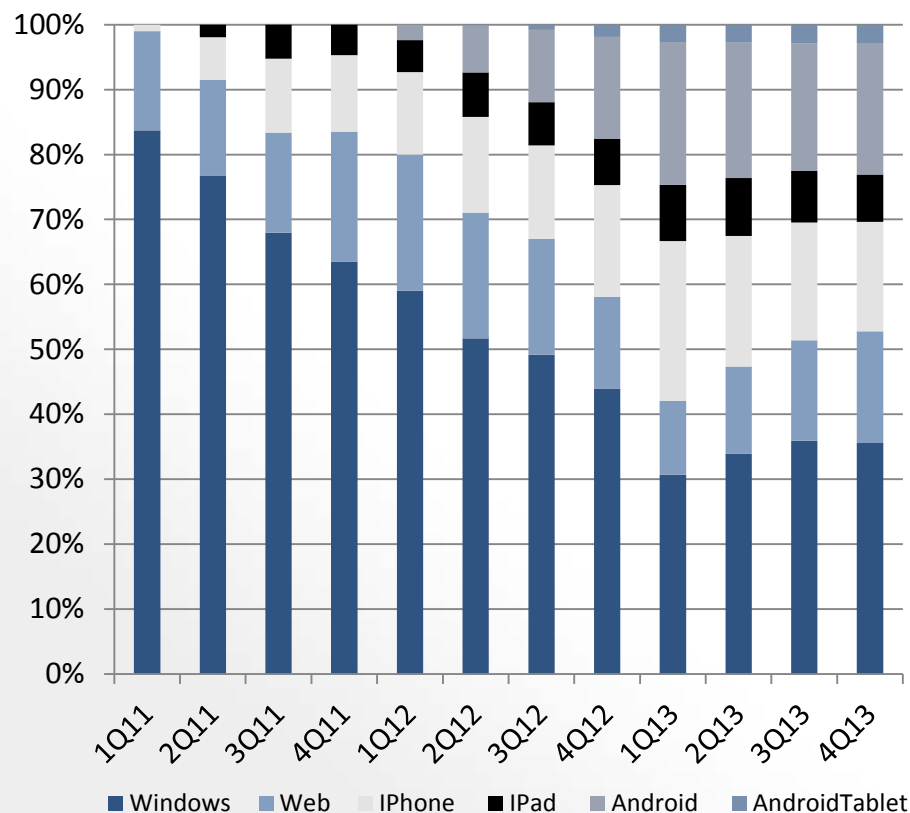


\* Data from Google Trends web searches, Jan 2011 – Jan 2014

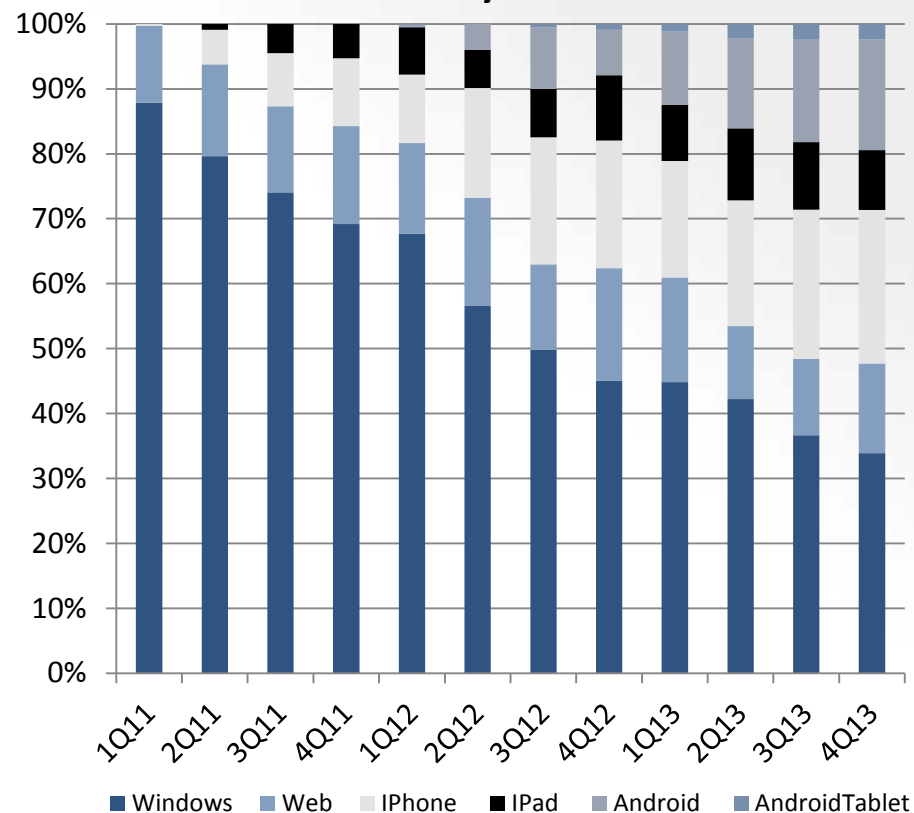
# Mobile as a key growth driver



## Number of Signups by Device



## Revenues by Device





## Financial risk management is key to the business

### Market Risk

Spread of customers acts as a natural risk-mitigation:

- ✚ No dominant customers

Real-time monitoring of exposure limits by:

- ✚ Individual clients
- ✚ Individual instruments
- ✚ Total Group exposure

When limits are reached, no further trades accepted

Hedging undertaken if market movement breach the limits

### Credit Risk

Automated real-time close-out policy to minimise unfunded customer losses

### Surplus Capital

Plus500 continues to maintain significant reserves post-IPO

## Risk Management Advisory

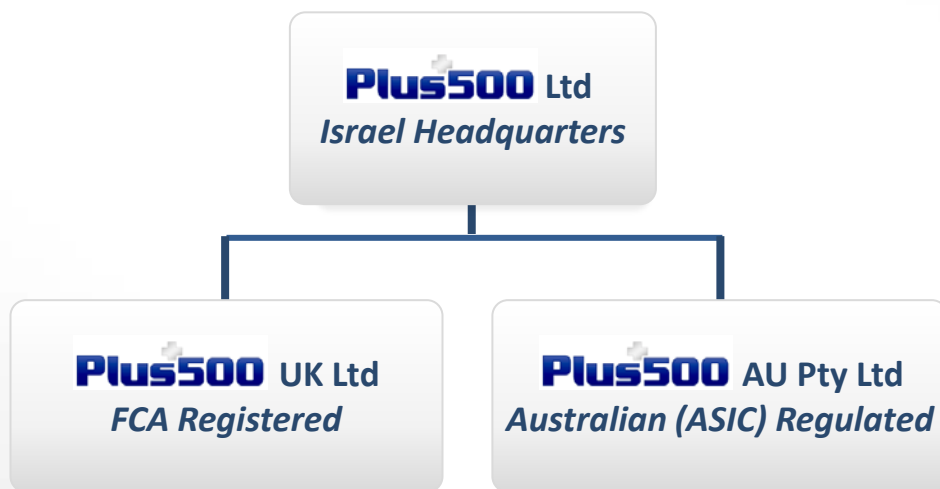


## Regulators



## Segregated Customer Accounts held by



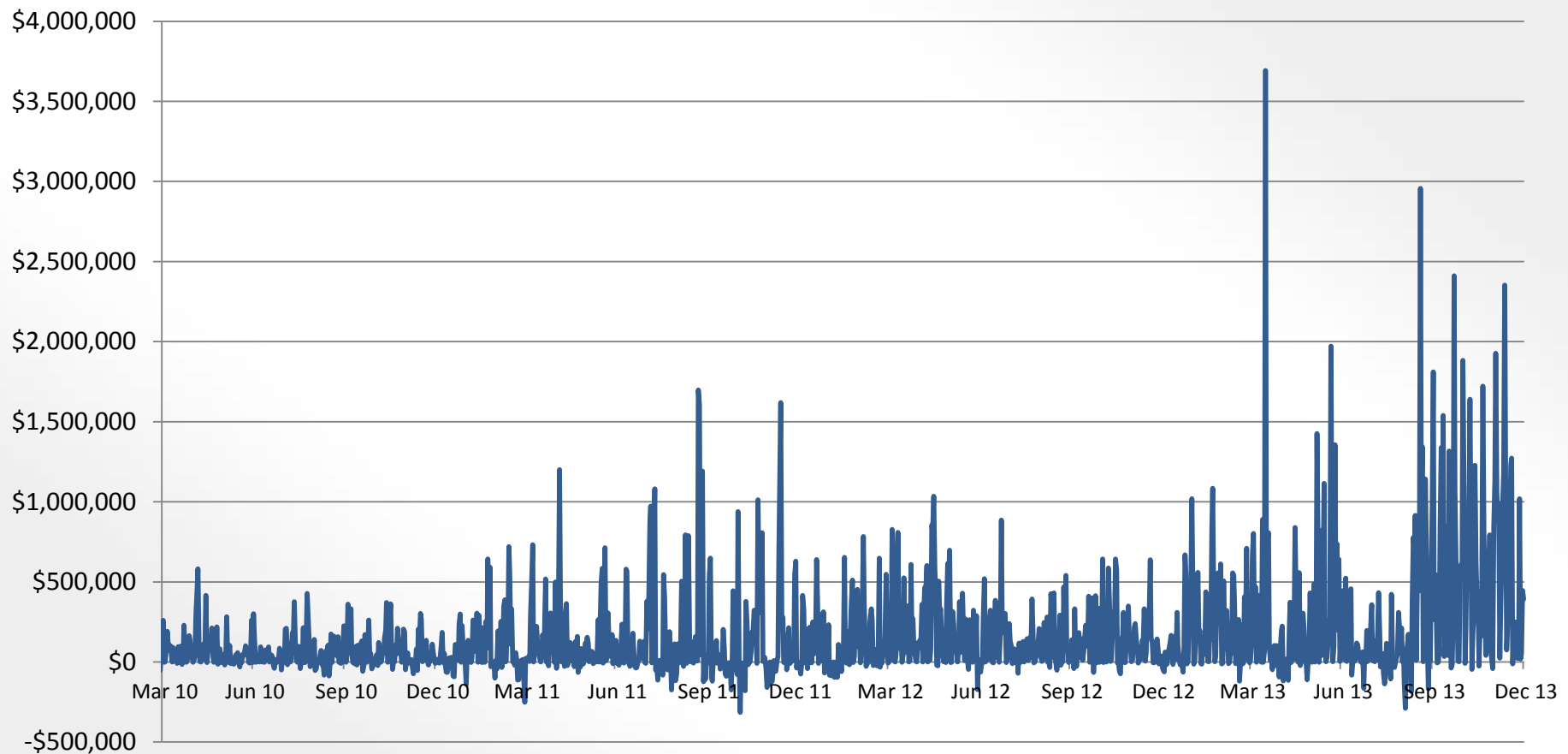


- + All EEA customers facilitated via “passporting mechanism”
- + Periodic FCA visits, no issues outstanding

## Client Take-On

- + FCA / ASIC rules set out client take-on requirements
- + Customers must self-certify their understanding of the risks
- + All marketing carries appropriate risk warnings
- + KYC / AML process fully compliant and in line with peers
  - Risk based approach in line with regulations

# Minimising downside risk: daily income statement





# 2013 – Key Management Initiatives



- ✚ Launching Plus500AU – Our Australian subsidiary which holds an ASIC license
- ✚ Successful IPO (Q3 2013)
- ✚ Over 600 new CFD products
- ✚ New features in mobile to bring on par with PC version
- ✚ Improving marketing ROI
- ✚ Improved retention initiatives



Business Overview



Financial Overview



Outlook

# FY 2013 - Best Performances Yet



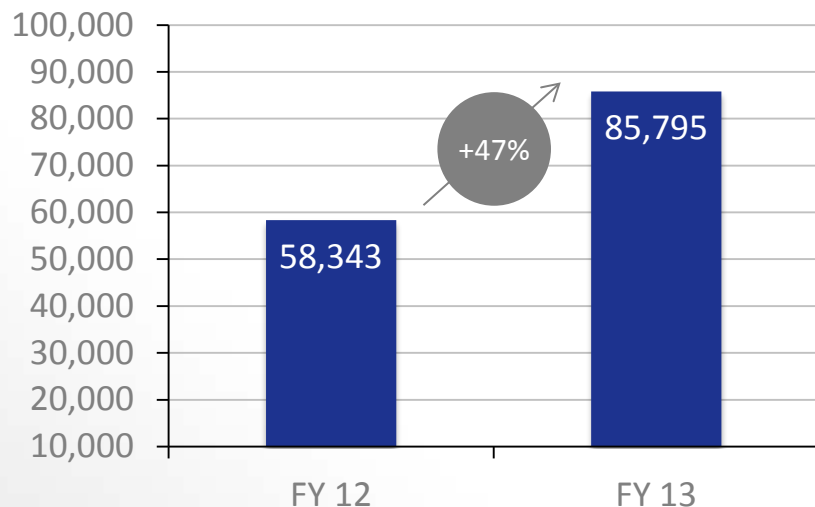
## Key Financial Indicators – Income Statement (\$ ,000):

	Twelve months ended December 31		
	2013	2012	FY13/FY12 growth
Trading income (net)	115,088	56,127	105%
Selling and marketing expenses	44,322	28,930	53%
Administrative and general expenses	3,563	4,124	-14%
<b>EBITDA</b>	<b>67,285</b>	<b>23,165</b>	<b>190%</b>
Financing income (net)	(38)	-	
Tax expense	16,532	5,973	177%
<b>Net profit</b>	<b>50,633</b>	<b>17,100</b>	<b>196%</b>
Earnings per share (\$)	0.47	0.17	176%

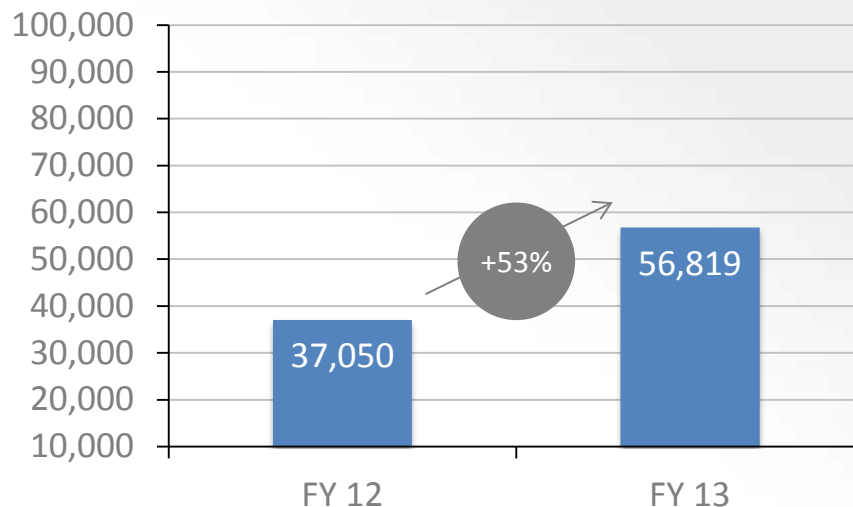
# Our Client Base Continues to Grow Fast



## Number of Active Accounts

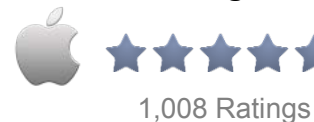


## Number of New Accounts



- + Australia and Asia are among our fastest growing markets
- + We remain the top rated app in our field (February 2014)
- + Significant growth in FY 2013 in all KPIs

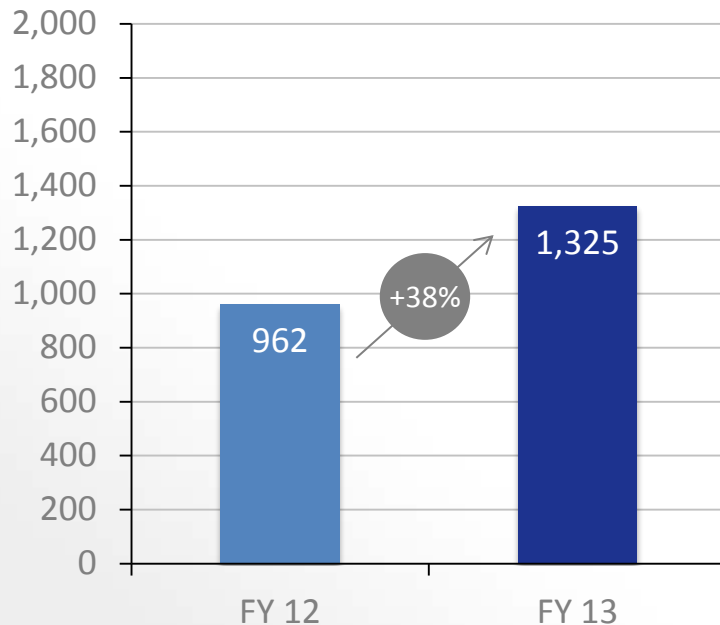
## Ratings



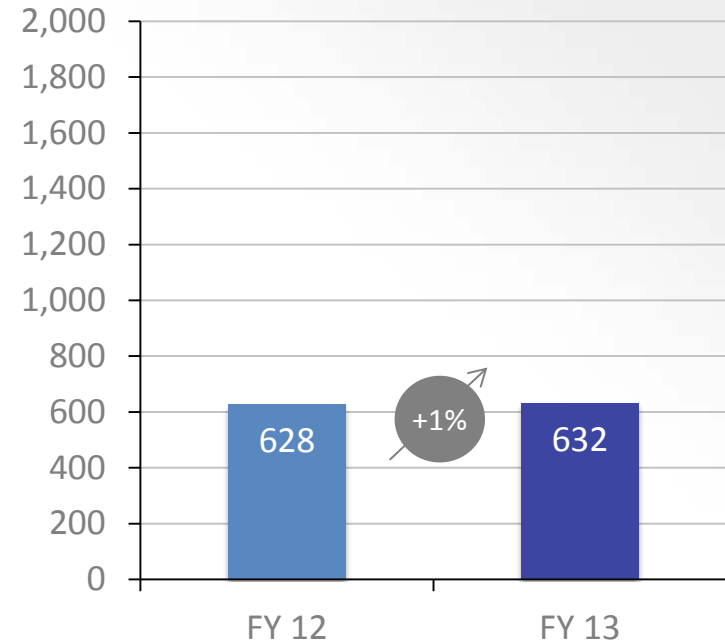
# ARPU Vs. AUAC



**ARPU (\$)**



**AUAC (\$)**

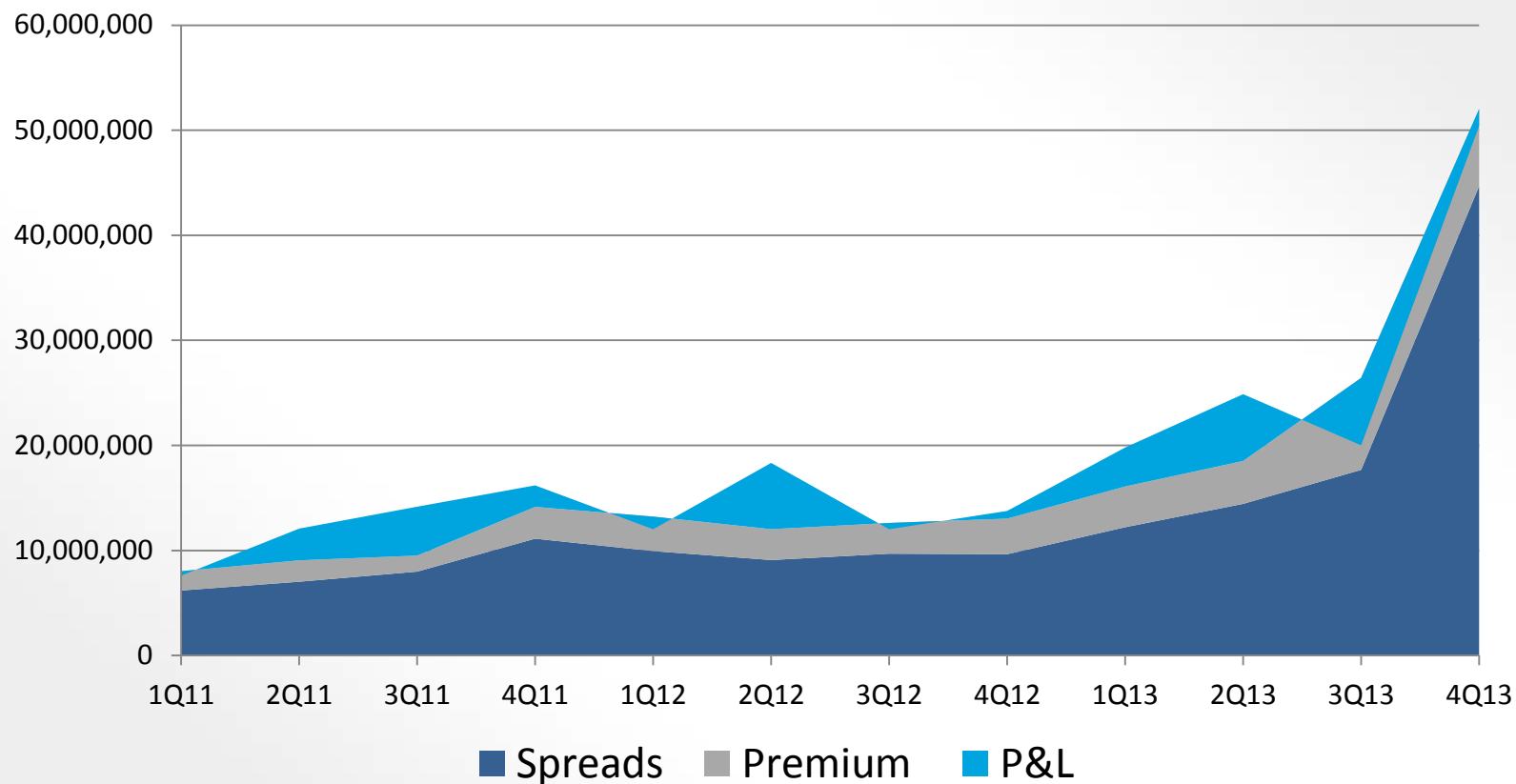


- + Further significant growth expected in ARPU in 2014 due to improved branding and retention initiatives
- + Expect to increase marketing ROI such that AUAC will not increase faster than ARPU

# Spreads and Premium - Key Revenues Sources



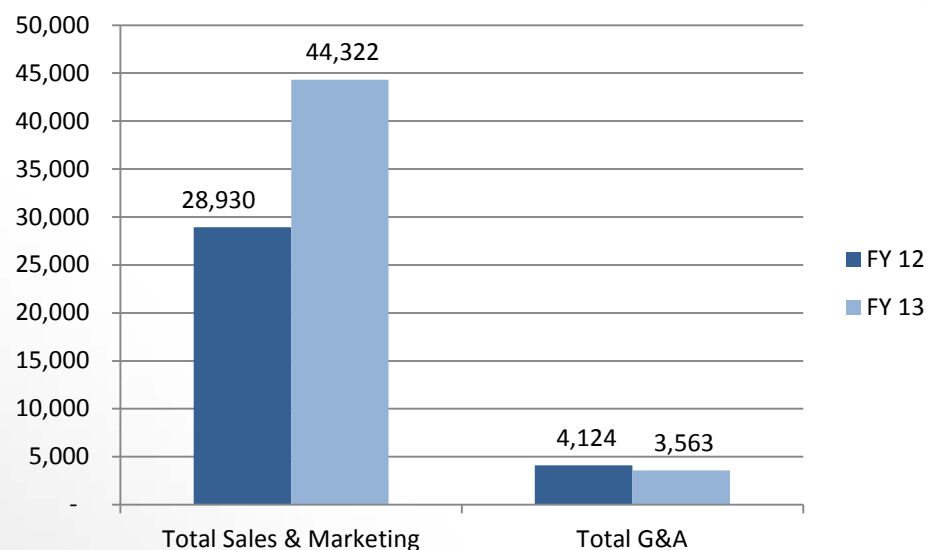
Revenue by Source (\$, Qs):



# Lean Operational Infrastructure



## Operational Expenses:



- ✚ Fully automated operations
- ✚ Aggressive cost structure
- ✚ Talented HR generates higher revenues per employee
- ✚ G&A are expected to grow as company became public in 3Q13

FY13/FY12  
Growth:

+53%

- 14%



# Balance Sheet Strengthened



## Key Financial Indicators – Balance Sheet:

	Twelve months ended December 31		FY 13/FY 12
	2013	2012	Growth
Current Assets	88,739	24,709	259%
Non Current Assets	1,354	546	148%
Total Assets	90,093	25,255	257%
Liabilities	22,079	13,308	66%
Equity	68,014	11,947	469%

# Cash Grew



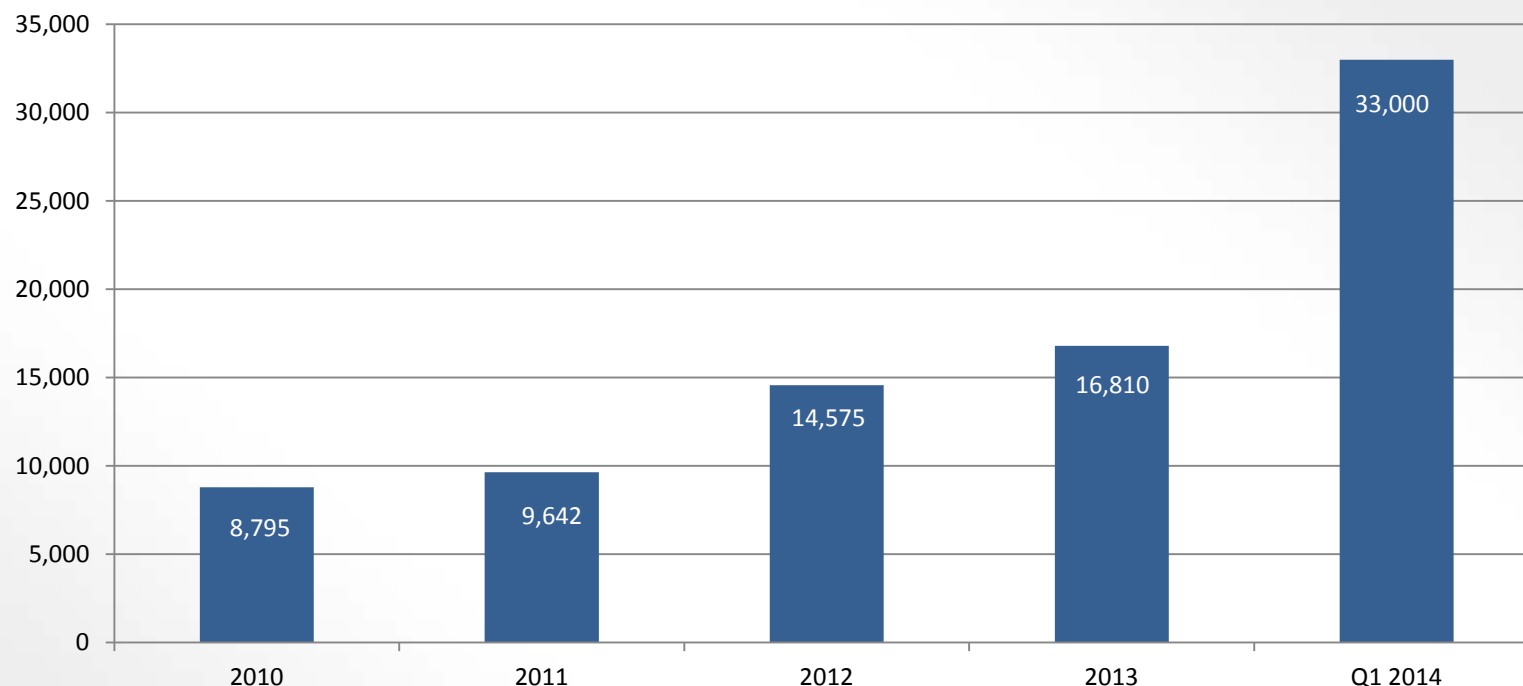
## Key Financial Indicators – Cash Flow:

	Twelve months ended December 31		FY 13/ FY 12 Growth
	2013	2012	
Operating activities:			
Cash generated from operations	66,991	23,216	189%
Income tax paid - net	(9,894)	(3,355)	195%
<i>Net cash provided by operating activities</i>	<i>57,097</i>	<i>19,861</i>	<i>187%</i>
<i>Net cash used in investing activities</i>	<i>-92</i>	<i>-178</i>	<i>-48%</i>
Financing activities:			
Dividend Paid	-16,810	-14,575	15%
Shares issued(net)	21,074	n/a	
	4,264	-14,575	
Net cash used in financing activities			
<b>Cash and Cash Equivalents, End of Period</b>	<b>84,108</b>	<b>22,486</b>	<b>274%</b>

# Dividends Remain High



## Dividend Paid to Shareholders (\$ ,000):



- ✚ Dividend payout of **\$0.2873** per share (Ex-Date **12 March 2014**) – Final dividend of \$0.1506 per share and special dividend of \$0.1369 per share
- ✚ Dividend policy – Minimum of 50% of net profit, special dividends where appropriate
- ✚ 81% of net profit paid out for 2013



Business Overview



Financial Overview



Outlook



# 2014 – Key Management Initiatives

- + Key focus to continue to invest in current markets
- + Continued optimisation of marketing ROI
- + Establishment of cost effective call centre
- + Launch windows phone app and strengthen web app
- + Exploring opportunities for expansion into new geographies

# Outlook



- + We ended 2013 with record customer and deposit levels
- + Strong start to 2014
- + Further considerable growth in 2014
- + The Board remain committed to a 50% payout dividend policy
- + Additional special dividends where capital needs allow

# Contact Details

**Plus500** Ltd.

MATAM, Building 22  
Haifa, 31905  
Israel

Elad Even-Chen,  
Head of Investor Relations

Tel: +972-4-8189503

Email: [ir@Plus500.com](mailto:ir@Plus500.com)

**Plus500** UK Ltd.

359 Goswell Road  
London, EC1V 7JL  
UK

**Plus500** AU Pty Ltd.

19-21 Hunter St  
Sydney, 2000  
Australia