

# Plus500

Annual Results for the twelve months ended 31 December 2014  
London Stock Exchange Symbol: PLUS



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# Highlights

✚ **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**

## Plus500 in numbers:

**#1**

Rated on mobile  
app stores

**>50**

Countries

**31**

Languages

**\$228.9m**

Revenues  
FY 2014

**+99%**

Growth in Revenues  
FY 14/  
FY 13

**63.6%**

FY 2014  
EBITDA  
Margin

**\$145.4m**

EBITDA  
FY 14

**+89%**

Growth in EPS  
FY 14/  
FY13

**60%**

Dividend  
policy

# Results Summary

- ✚ FY 2014 Active Customers\* increased 24% to 105,976 (FY 2013: 85,795)
- ✚ FY 2014 New Customers\*\* increased 17% to 66,553 (FY 2013 : 56,819)
- ✚ Ongoing strengthening in Plus500's market position with further expansion in Europe
- ✚ Significant increase in smartphone and tablet users accessing Plus500's trading platform
- ✚ Continued strong cash generation allows dividend policy increase from 50% to 60%
- ✚ Expansion into Australia continues to gather very positive momentum
- ✚ Board remains confident of **continued** growth in 2015 and beyond



**Business Overview**



**Financial Overview**



**Outlook**

# Products



## CFD products



**2,000** 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

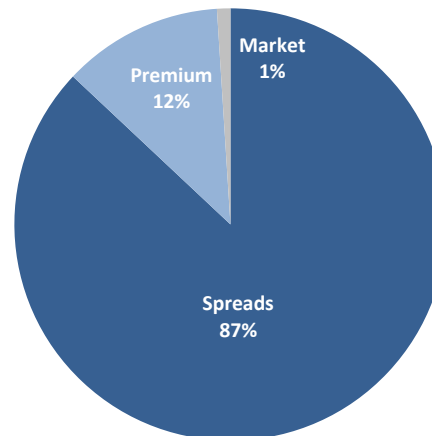
# Business model



## Revenue Split

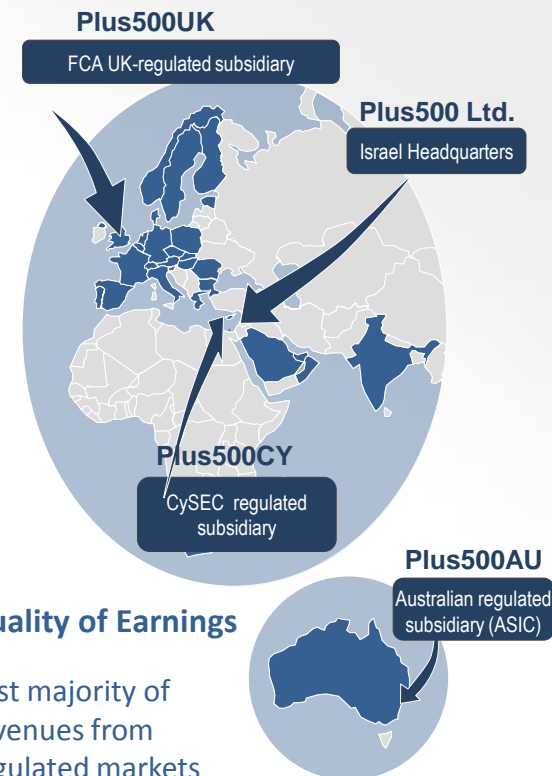
- + **Dealing Spreads**  
Difference between the buy price and the sell price of a CFD
- + **Overnight Premiums**  
Charges on open customer positions held overnight
- + **Market Positions**  
Gains (offset by losses) on customers' trading positions, acting as principal

## Revenues FY 2014



- + **Trade Time**  
Median trade time is 1 hour

## International Footprint



- + **Quality of Earnings**  
Vast majority 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



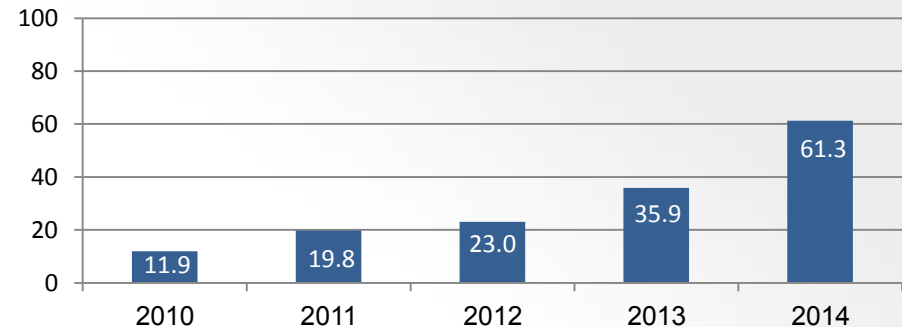
## Online advertising

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



Google search results for "apple shares trading". The top result is circled in red:

**Apple shares trading - Plus500.co.uk**  
Ad [www.plus500.co.uk/Stocks\\_Trading](http://www.plus500.co.uk/Stocks_Trading) - Stocks CFD trading-No Commissions! Plan ahead, your capital is at risk Plus500 has 2,377 followers on Google+ Stock CFDs - Why Plus500 UK? - Indices CFDs - Forex CFDs

Below this, another result is visible:

**Buy Apple Shares - Live prices from multiple venues**  
Ad [www.ig.com/uk/Apple](http://www.ig.com/uk/Apple) - 0800 195 3100  
4.2 ★★★★★ rating for ig.com  
Remember, your capital is at risk  
Market cap over 2 Bn £ · Listed on the FTSE 250 · £400m cash reserves  
Our trading platform - Transfer investments - Create account - Why IG?

Source: Google

# Marketing infrastructure: affiliates program



## +500Affiliates

The Plus500 affiliate program

- ✚ 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
- ✚ Localised 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

**Plus500**  
Join the Most Profitable  
**Affiliate Program**

Online Trading

Click Here

**+500Affiliates**

**+500Affiliates**

JOIN NOW ►



Most Profitable Affiliate Program

**Plus500**

# Marketing infrastructure: offline campaigns

- ✚ Increased activity offline to strengthen the Plus500 brand
- ✚ Continue with targeted campaigns
- ✚ Official sponsor of Atlético Madrid FC
- ✚ Eurosport TV ads
  - Key campaigns from 2014

- Roland Garros
- US open
- Tour de France
- Snooker world championship

infrastr



Select offline  
campaigns:



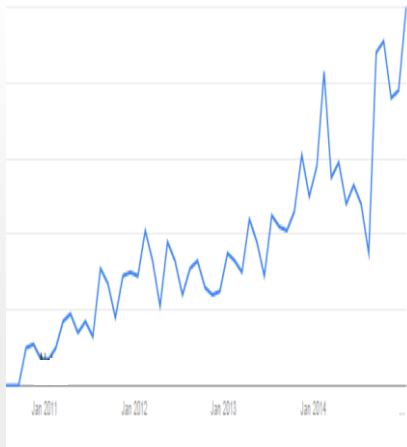
**Plus500**



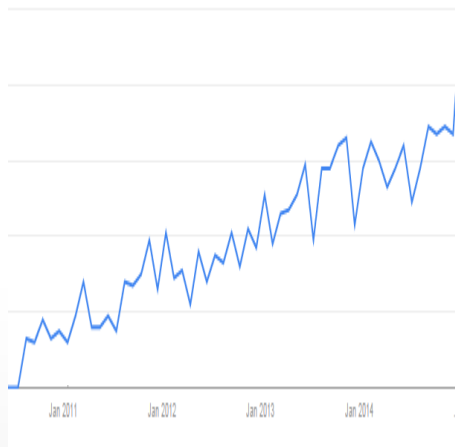
# The Plus500 brand



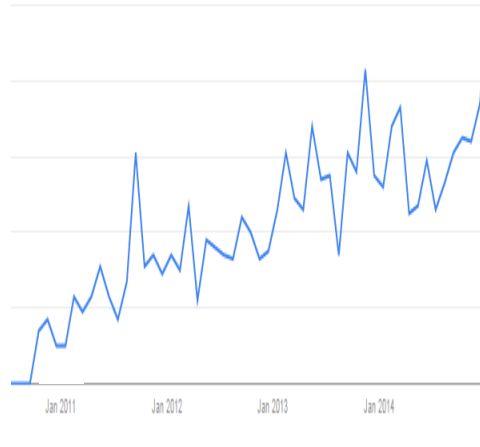
**United Kingdom**



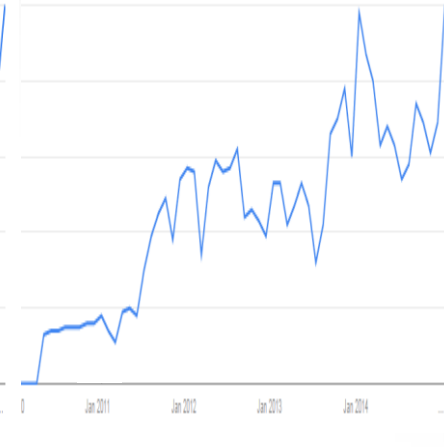
**Italy**



**Germany**



**Spain**

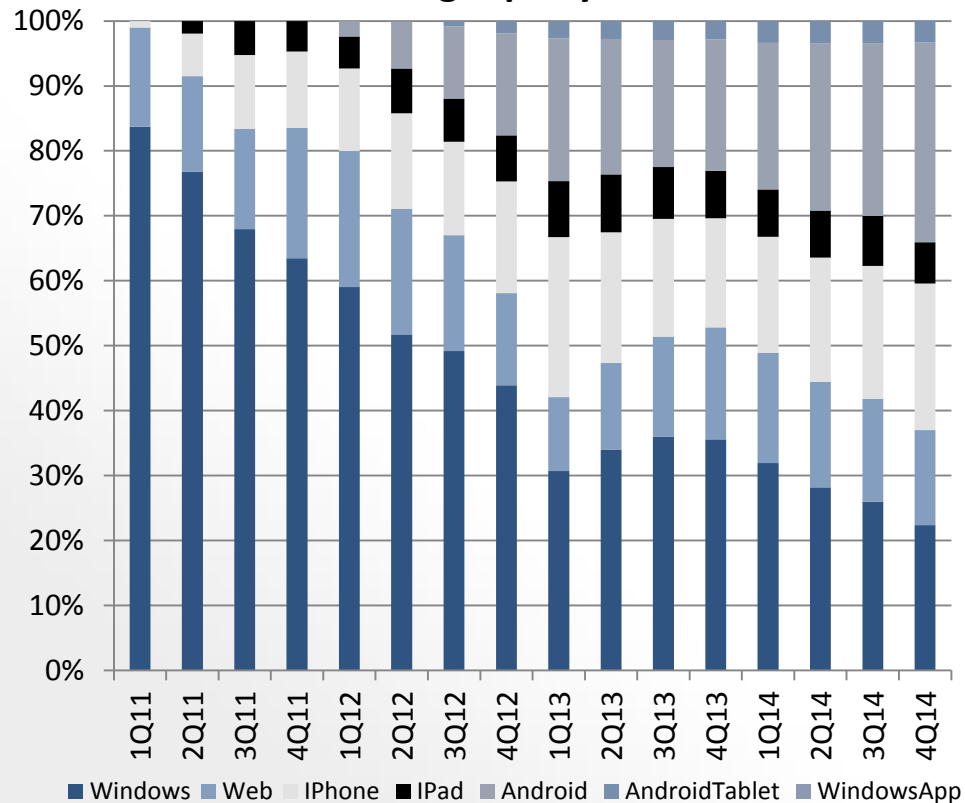


(Data from Google Trends web searches, June 2010 – Feb 15, 2015)

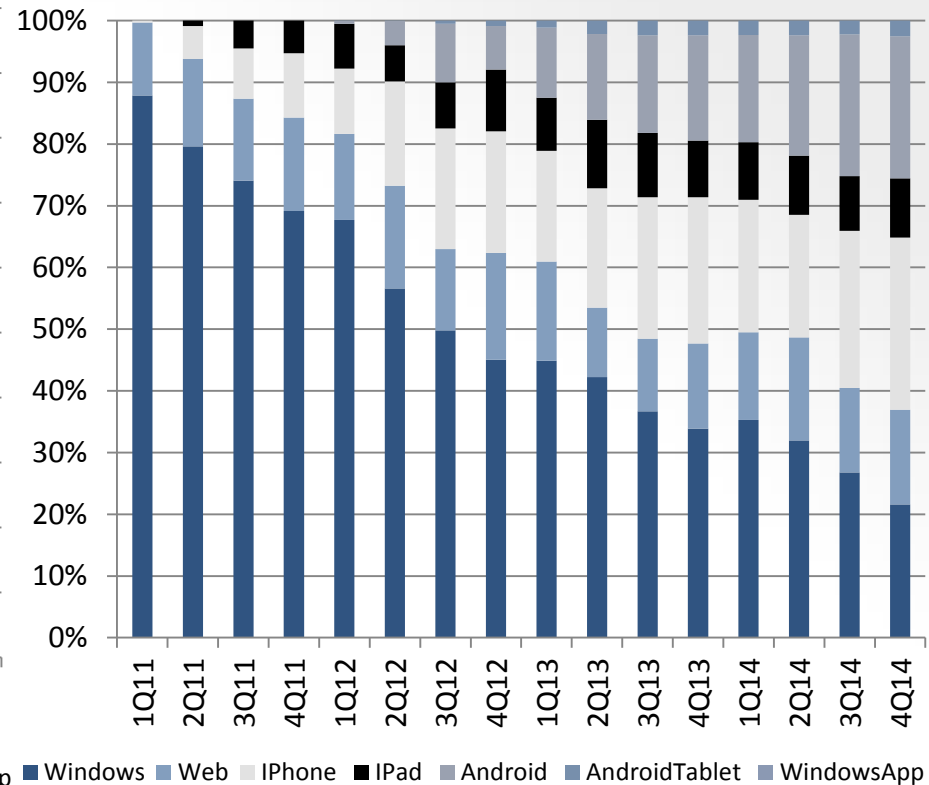
# Mobile as a key growth driver



## Number of Signups by Device



## Revenues by Device



# Risk management



## 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 Company 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

## Risk Management Advisory

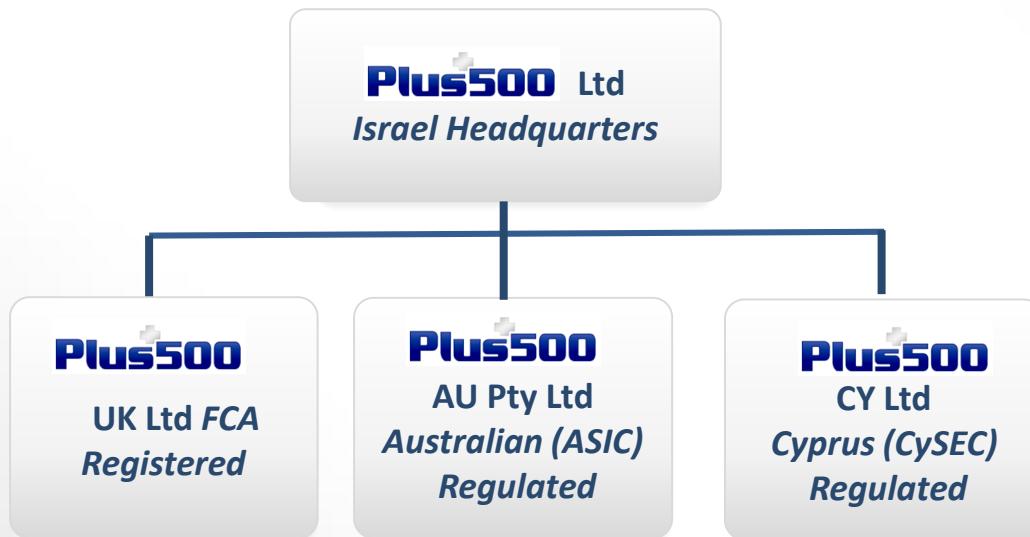


## Regulators



## Segregated Customer Accounts held by





- ⊕ All EEA customers facilitated via “passporting mechanism”
- ⊕ Periodic FCA visits, ongoing dialogue maintained
- ⊕ Regulatory burden increasing, although this increases barriers to entry

## Client Take-On

- ⊕ FCA / CySEC / ASIC rules set out client take-on requirements
- ⊕ Client money treated the same across jurisdictions
- ⊕ Customers must self-certify their understanding of the risks
- ⊕ All marketing carries appropriate risk warnings
- ⊕ KYC / AML process fully compliant, recently enhanced and in line with peers
- ⊕ Risk-based approach in line with regulations





Business Overview



Financial Overview



Outlook

# FY 2014: best performance yet



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

	Twelve months ended December 31		
	2014	2013	FY14/FY13growth
Trading income (net)	228,865	115,088	99%
Selling and marketing expenses	75,170	44,322	70%
Administrative and general expenses	8,373	3,563	134%
<b>EBITDA</b>	<b>145,444</b>	<b>67,285</b>	<b>116%</b>
Financing expenses (income) - net	7,203	38	18,855%
Tax expense	35,667	16,532	116%
<b>Net profit</b>	<b>102,452</b>	<b>50,633</b>	<b>102%</b>
Earnings per share (\$)	0.89	0.47	89%
Dividend per share (\$)	0.80	0.36	122%

# Growing cash balances



## Key Financial Indicators – Cash Flow: (\$ ,000):

	Twelve months ended December 31		FY14/FY13
	2014	2013	Growth
Operating activities:			
Cash generated from operations	141,259	66,991	111%
Income tax paid - net	(22,407)	(9,894)	126%
<i>Net cash provided by operating activities</i>	118,852	57,097	108%
<i>Net cash used in investing activities</i>	-1,305	-92	1,318%
Financing activities:			
Dividend Paid	-60,006	-16,810	
Shares issued (net)	-	21,074	
<i>Net cash used in financing activities</i>	-60,006	4,264	-1507%
Exchange gain on cash and cash equivalents	-2,485	353	
<b>Cash and Cash Equivalents, End of Period</b>	<b>139,164</b>	<b>84,108</b>	<b>65%</b>

# Balance sheet strengthened



## Key Financial Indicators – Balance Sheet: (\$'000):

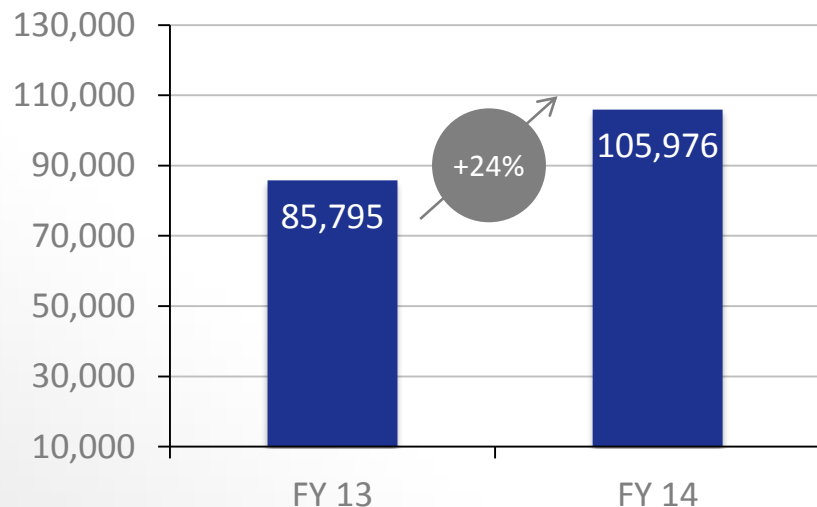
	Twelve months ended December 31		FY 14/FY 13
	2014	2013	Growth
Cash and cash equivalents	140,201	85,285	64%
Other Current Assets	3,996	3,454	16%
Total Current Assets	144,197	88,739	62%
Non Current Assets	2,109	1,354	56%
Total Assets	146,306	90,093	62%
Current Liabilities	35,677	22,079	62%
Non Current Liabilities	169	0	
Equity	110,460	68,014	62%



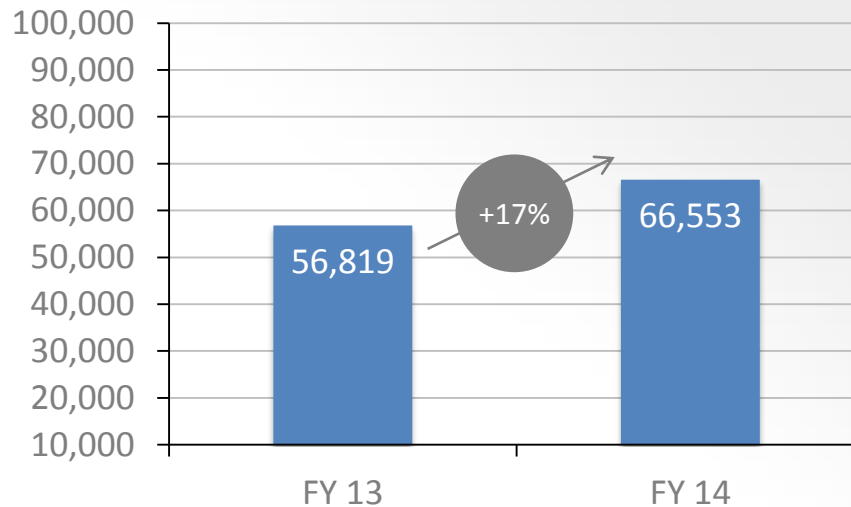
# Client base continues to grow fast



## Number of Active Accounts

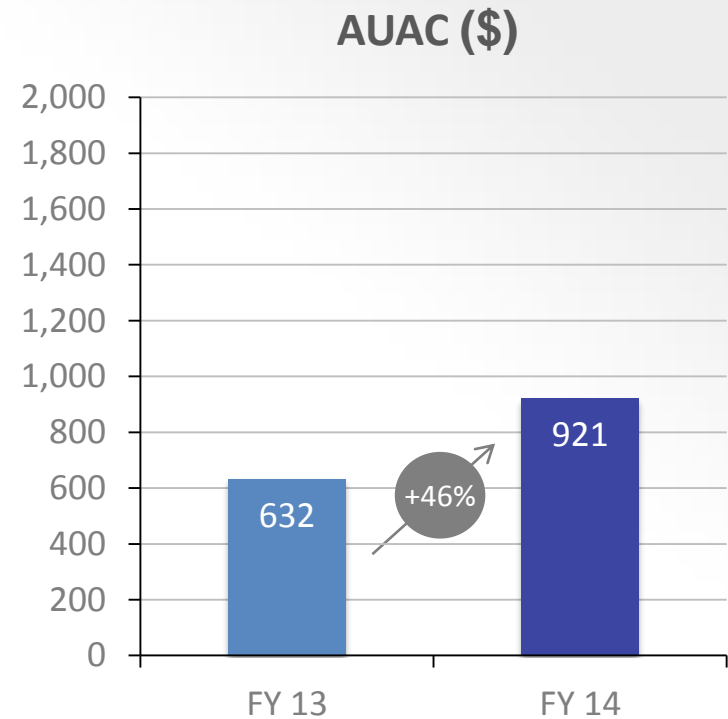
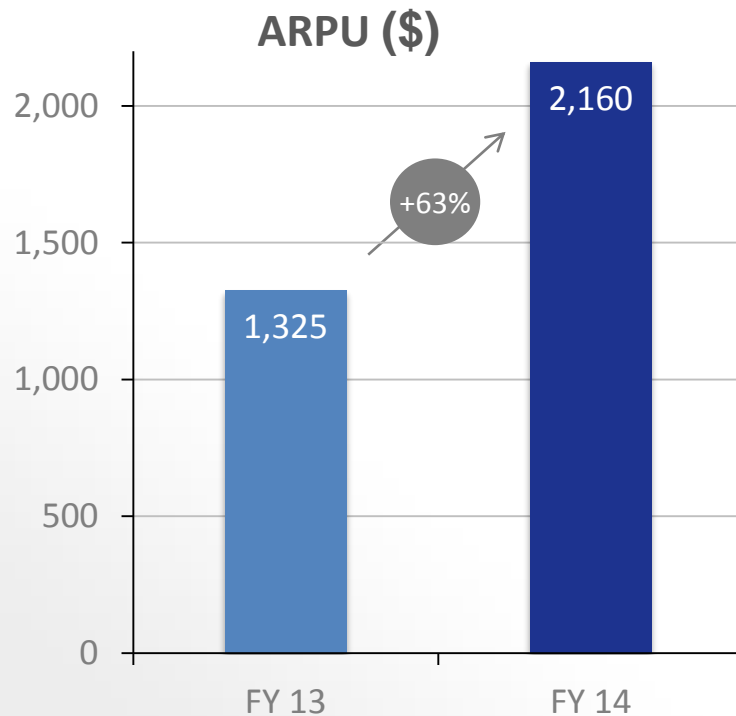


## Number of New Accounts



- + Europe and Australia are among our fastest growing markets
- + We remain the top rated app in our field (February 2015)
- + Significant growth in FY 2014 in all KPIs

# ARPU vs. AUAC



+ Significant growth expected in ARPU in 2015 due to improved branding and retention initiatives



Business Overview



Financial Overview



Outlook



# Outlook



- + Focus on organic growth
- + Expand mobile offering through support of new devices such as Windows Phone and Surface tablets
- + Continue to expand online marketing spending in the same cost effective manner
- + Increase the number of instruments available to trade
- + Add new licenses across new geographies
- + Improve customer service through additional native language support and quicker response times



## Appendices



# Contact details

**Plus500** Ltd.

MATAM, Building 25  
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.

45 Moorfields  
London, EC2Y9AE  
UK

**Plus500** AU Pty Ltd.

19-21 Hunter St  
Sydney, 2000  
Australia

**Plus500** CY Ltd.

1, Siafi, P.C. 3042  
Limassol,  
Cyprus