

Plus500

Annual Results for the twelve months ended 31 December 2015

London Stock Exchange Symbol: PLUS



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Strong 2015 KPIs despite eventful year

- ✚ Strong revenue growth due to increase in active and new customers
- ✚ Less than expected fall in EBITDA; additional marketing and regulatory costs partly mitigated by customer growth
- ✚ Total dividend represents a pay-out of 100% of net profit for the year ended 31 December 2015
- ✚ Dividend policy maintained at 60% pay-out ratio with payment of special dividends and flexibility to buyback shares
- ✚ Another record year of strong customer growth
- ✚ Plus500 is the second largest CFD provider in the UK*
- ✚ Product innovation continued
- ✚ Regulatory and compliance onboarding process completed

Plus500 in numbers:

#1

Rated on mobile
app stores

>50

Countries

31

Languages

\$276m

Revenues
FY 2015

+20%

Growth in Revenues
FY 15/
FY 14

\$133m

FY 2015
EBITDA

85,000

New customers FY 15
+28%
Growth FY 15/FY 14

137,000

Active customers FY 15
+29%
Growth FY 15/FY 14

**#1 in new
customers**

* Investment Trends 2015 UK Leveraged Trading report



Business Overview



Regulatory & Risk Management



Financial Overview



Outlook

Key Business Model Strengths

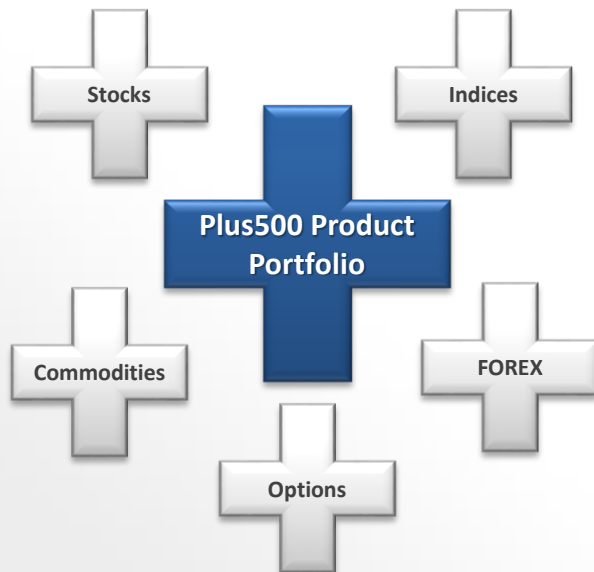


- ✚ Customer facing:
 - Highly rated trading platform focusing on retail customers
 - Competitive pricing (tight spreads, zero commissions) vs peers
 - Large instrument portfolio
 - The Plus500 brand
- ✚ Marketing and technology:
 - Proprietary in-house developed technology
 - Proprietary “Marketing Machine” and affiliate program
- ✚ Compliance and risk:
 - Low cost, low risk and low capital intensive model
 - Significant investment in enhanced regulatory compliance procedures

Strong Product Platform



CFD products



2,200 CFD products

Platform and Devices



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

Trading Platform

Most Popular	Shares	Commodities	Indices	Forex	Options
UK 100	5905.20	Buy	5904.30	Short	-2.75%
Oil	30.84	Buy	30.82	Short	-2.50%
USA 500	1919.50	Buy	1918.75	Short	-0.63%
Lloyds	62.74	Buy	62.64	Short	-2.08%
Natural Gas	2.088	Buy	2.086	Short	-3.02%
GBP/USD	1.4409	Buy	1.4407	Sell	-0.08%
US-TECH 100	4265.62	Buy	4264.12	Short	-0.62%
Twitter	17.92	Buy	17.87	Short	6.55%

Retail customers only

Market Leading Technology



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



Flexible Business Model



Revenue Split

+ Dealing Spreads

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

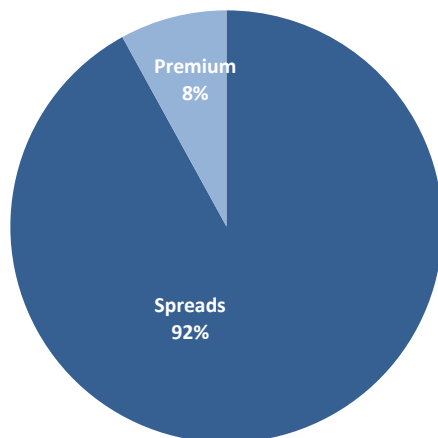
+ Overnight Premiums

Charges on open customer positions held overnight

+ Market Positions

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

Revenues FY 2015



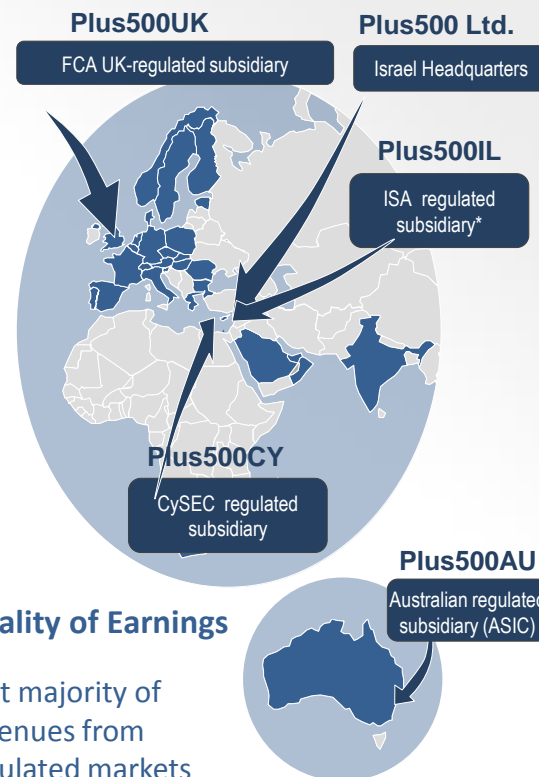
+ Trade Time

Median trade time is 1 hour

+ Market PL

Revenues from Market PL was nil in 2015
And only 1% in 2014

International Footprint



+ Quality of Earnings

Vast majority of revenues from regulated markets

* Pending approval

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

Google search results for "apple shares trading".

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Market cap over 2 Bn £ · Listed on the FTSE 250 · £400m cash reserves
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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



+500Affiliates

JOIN NOW ►



Most Profitable Affiliate Program

Plus500

Marketing infrastructure: offline campaigns



- ✚ Increased activity offline to strengthen the Plus500 brand
- ✚ Continue with targeted campaigns
- ✚ Main official sponsor of Atlético Madrid FC
- ✚ Eurosport TV ads
 - Key campaigns from 2015

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



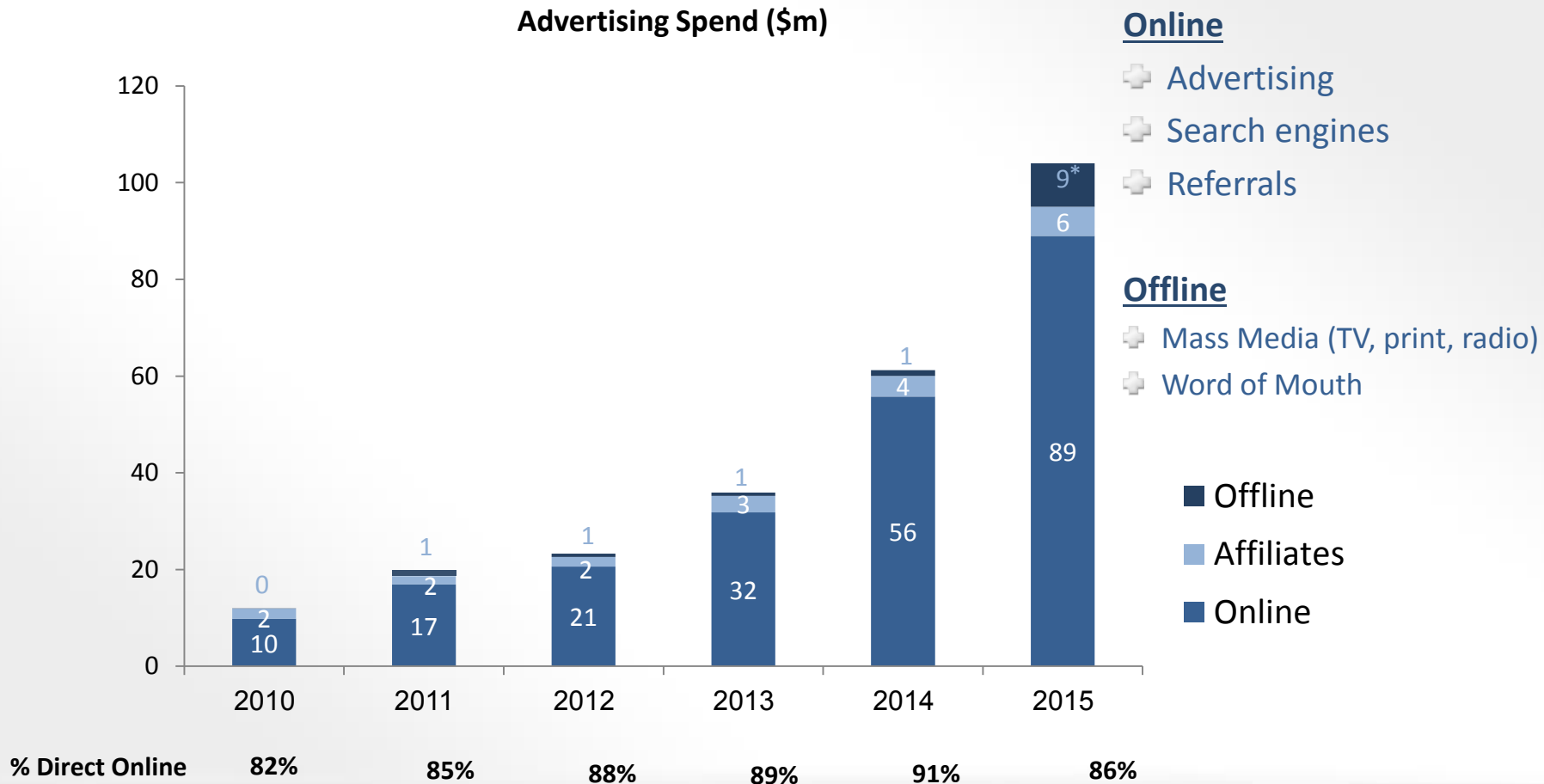
<https://www.youtube.com/watch?v=TgdCQz8c0g8>





Growing Investment in Marketing

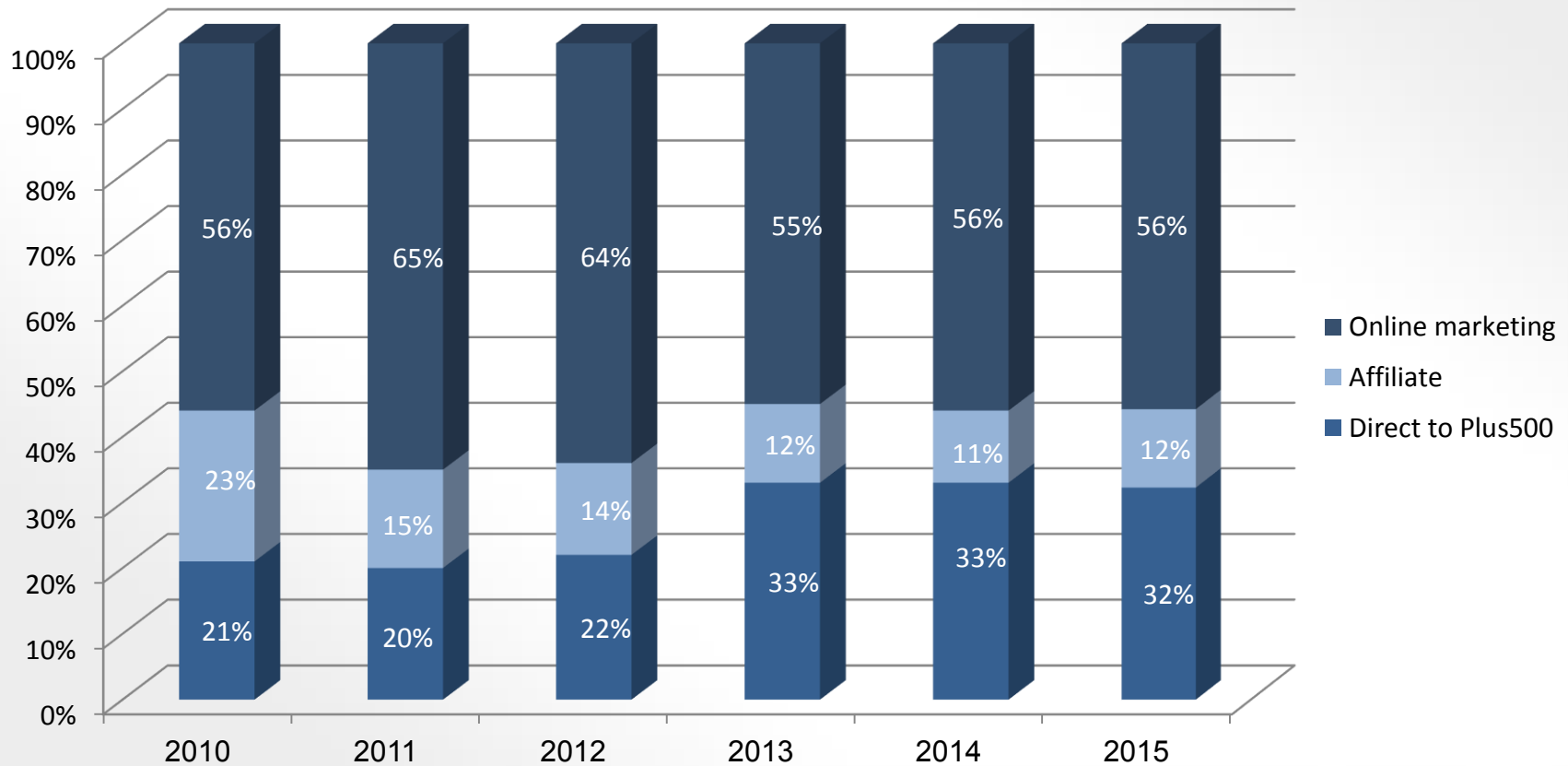
Focus remains online but Plus500 will explore offline opportunities



Customer acquisition by marketing channel



New Customers by marketing channel



Marketing KPIs



	2010	2011	2012	2013	2014	2015
New Customers	20,348	32,874	37,050	56,819	66,553	84,858
% Growth		62%	13%	53%	17%	28%
AUAC	586	603	628	632	921	1,227
% Growth		3%	4%	1%	46%	33%
Active Customers	26,570	45,431	58,343	85,795	105,976	136,540
% Growth		71%	28%	47%	24%	29%
ARPU	911	1,101	962	1,325	2,160	2,019
% Growth		21%	-13%	38%	63%	-7%

- + Consistent growth in new customers
- + Significant growth expected in ARPU in 2016 due to improved branding and retention initiatives
- + Higher AUAC as marketing spend focussed on higher value customer set



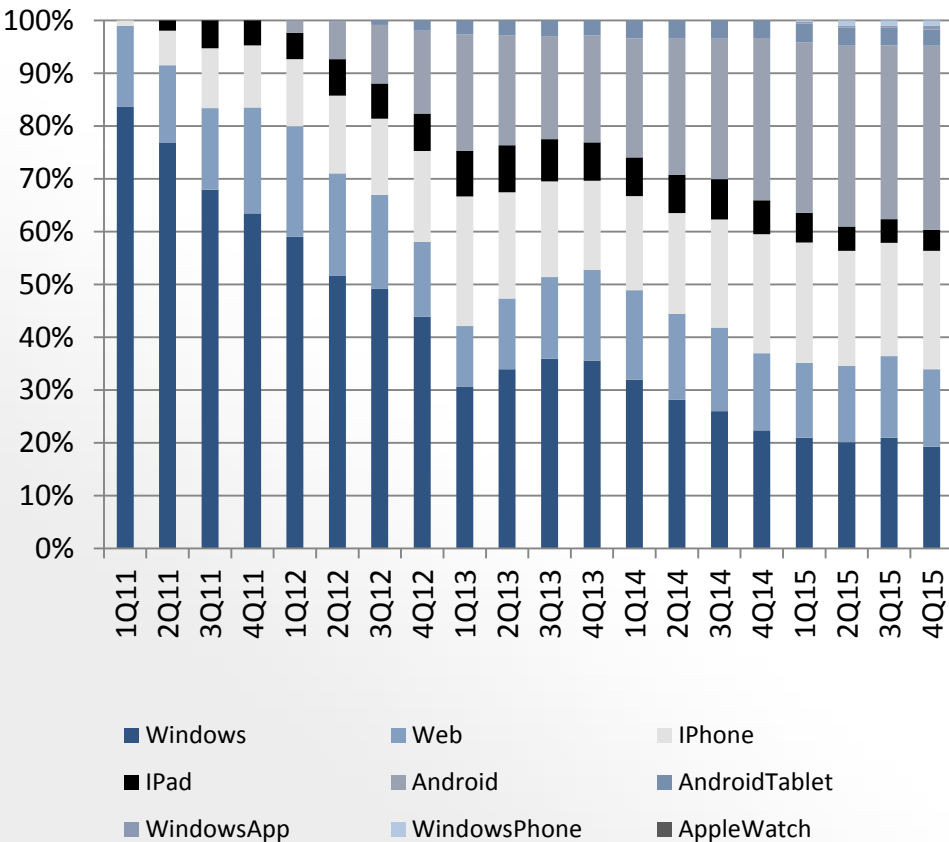
Mobile – a key growth driver

- ✚ Key driver of market growth
- ✚ Mobile is a key access point for retail customers
- ✚ GUI developed for mobile, consistent with other platforms
- ✚ Features and portfolio of instruments on par with PC version
- ✚ Key acquisition channel for Plus500
- ✚ Successfully launched a dedicated app for iOS 9, Android, Surface tablets, Windows Phone, and Apple Watch
- ✚ Majority of revenues and new sign ups from mobile

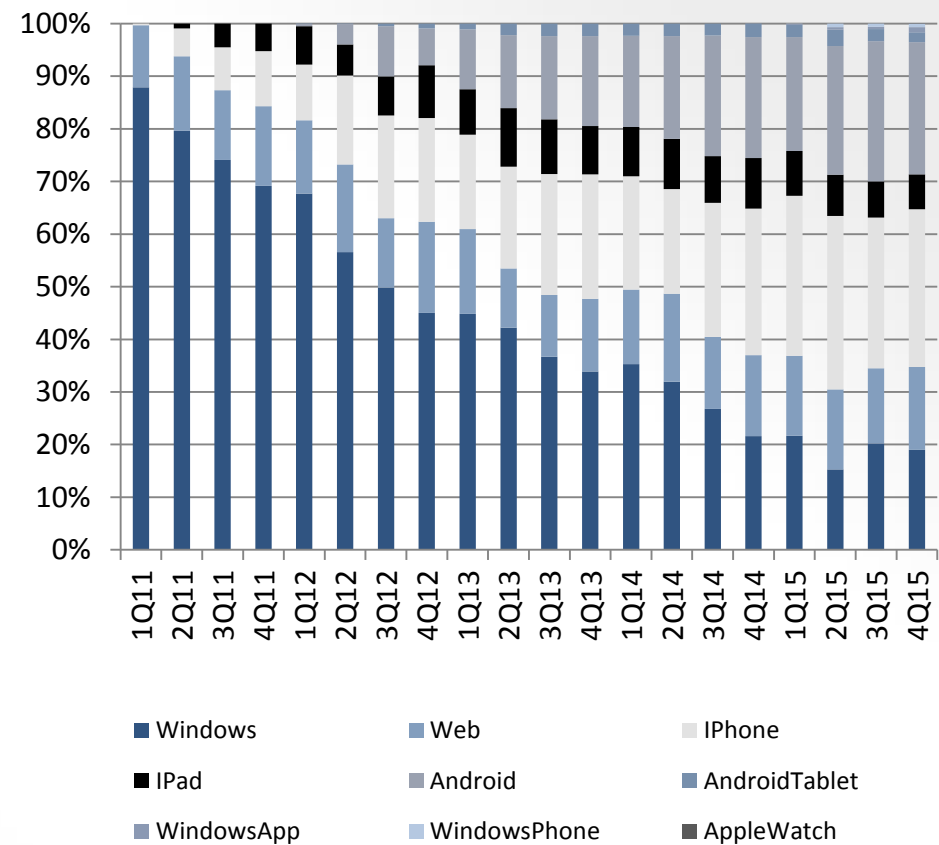
Mobile revenues and sign ups by device



Number of Signups by Device



Revenues by Device





Business Overview



Regulatory & Risk Management



Financial Overview



Outlook

Enhanced procedures at Plus500UK



During 2015 Plus500 was subject to a high level of regulatory scrutiny:

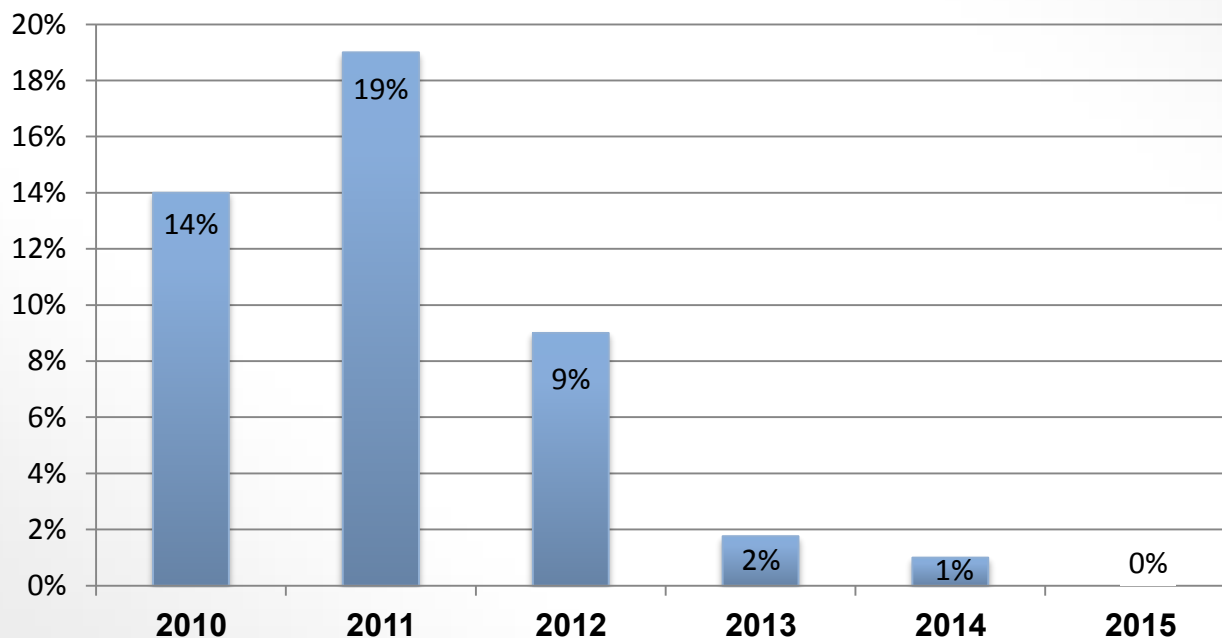
- ✚ 9 January 2015: S166 'Skilled Person report' by independent firm to improve AML procedures
- ✚ 15 May 2015: 'Voluntary Requirement' (VREQ) restrictions until new AML checks had been completed to:
 - temporarily suspend new trading by existing customers
 - temporarily suspend onboarding of new customers
- ✚ UK compliance team temporarily increased to 50 staff – implemented enhanced procedures recommended by Skilled Person
- ✚ 27 June 2015: Second S166 'Skilled Person report' by independent firm was submitted to the FCA – onboarding restrictions lifted
- ✚ 4 December 2015: VREQ removed from FCA register
- ✚ 6 January 2016: Onboarding of new customers recommenced
- ✚ 2016: Plus500 is not subject to any regulatory restrictions in any of its markets

Revenues from Market P&L



As Plus500 has grown, less of the revenue comes from Market P&L – reflecting a balanced book

% Revenue from Market P&L



Total Revenue	2010	2011	2012	2013	2014	2015
	\$24m	\$50m	\$56m	\$115m	\$229m	\$276m



Business Overview



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Financial Overview



Outlook

Income Statement



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

	Twelve months ended December 31			FY 15/FY 14
	2015	2014	2013	Growth
Trading income (net)	275,651	228,865	115,088	20%
Selling and marketing expenses	125,413	75,170	44,322	67%
Administrative and general expenses	17,647	8,373	3,563	111%
Capital loss from realization of fixed assets	109	N/A	N/A	
EBITDA	132, 874	145,442	67,285	-9%
Financing expenses (income) - net	4,598	7,203	38	-36%
Tax expense	31,317	35,667	16,532	-12%
Net profit	96,567	102,452	50,633	-6%

Balance sheet remain strong



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

	Twelve months ended December 31			FY 15/FY 14
	2015	2014	2013	Growth
Cash and cash equivalents	156,535	140,201	85,285	12%
Other Current Assets	10,169	3,996	3,454	154%
Total Current Assets	166,704	144,197	88,739	16%
Non Current Assets	2,266	2,109	1,354	7%
Total Assets	168,970	146,306	90,093	15%
Current Liabilities	51,102	35,677	22,079	43%
Non Current Liabilities	214	169	0	27%
Equity	117,654	110,460	68,014	7%



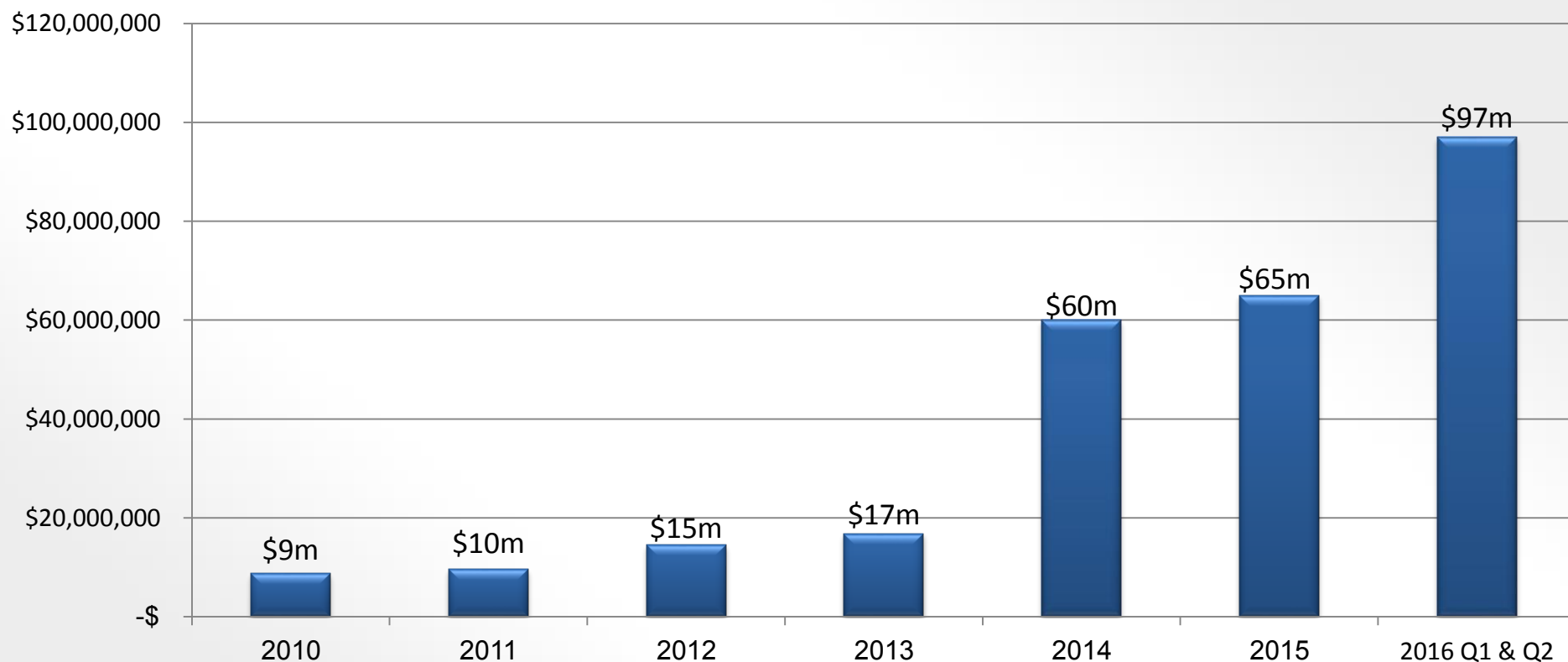
Cash balances



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

	Twelve months ended December 31		
	2015	2014	2013
Operating activities:			
Cash generated from operations	128,133	141,259	66,991
Income tax paid - net	-42,658	-22,407	-9,894
<i>Net cash provided by operating activities</i>	85,475	118,852	57,097
<i>Net cash used in investing activities</i>	18	-1,305	-92
Financing activities:			
Dividend Paid	-65,005	-60,006	-16,810
Shares issued (net)	-	-	21,074
<i>Net cash used in financing activities</i>	-65,005	-60,006	4,264
Exchange gain on cash and cash equivalents	-3,155	-2,485	353
Cash and Cash Equivalents, End of Period	156,497	139,164	84,108

Dividend distribution by payment date



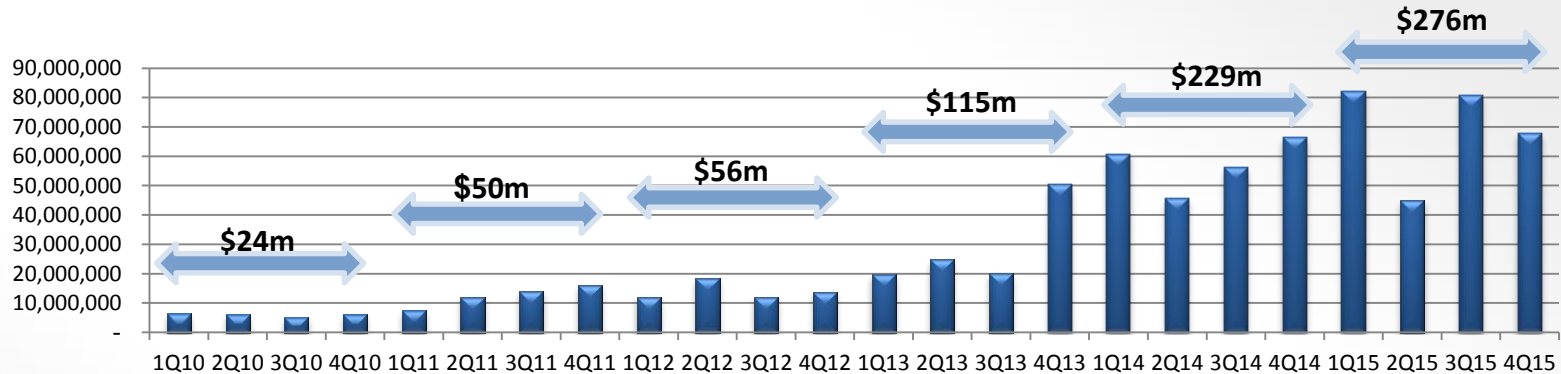
- ⊕ Dividend policy – 60% of net profit & a special dividend at the end of the year
- ⊕ Buyback plan - the Board has approved a programme to buyback up to \$20 million of the Company's shares

Strong track record of growth

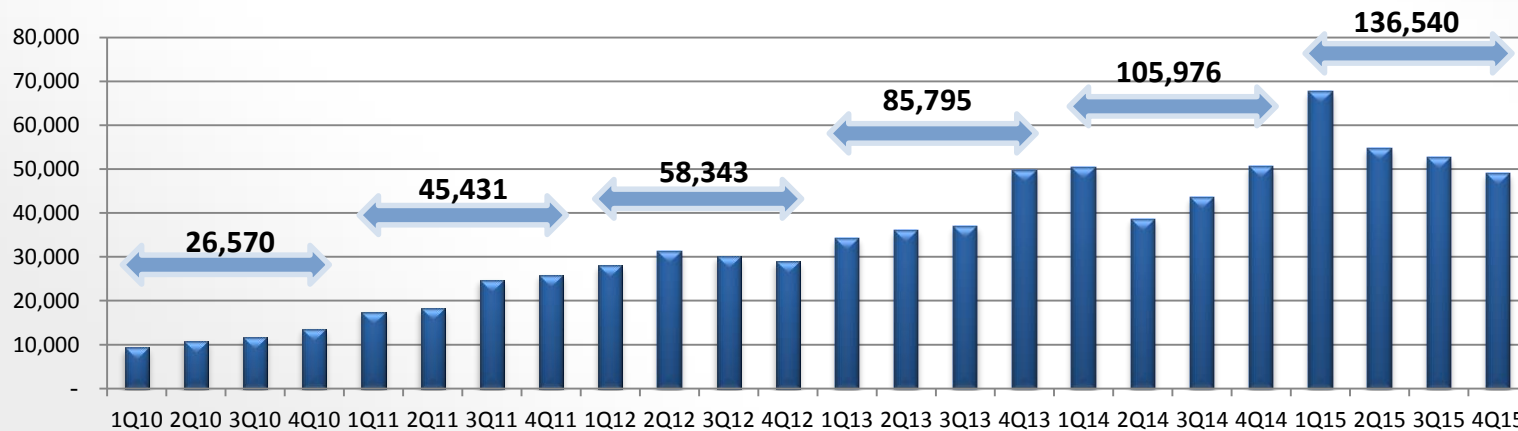


Plus500 has been building momentum in Revenue and Customer Wins

Revenue (\$)



Active Customers





Business Overview



Regulatory & Risk Management



Financial Overview



Outlook & Summary



Outlook – confident of another successful year

- ✚ Strong start to Q1 2016 with increased number of new customers and active customers, revenues and EBITDA margin
- ✚ Focus on organic growth through continuing investment, innovation, brand building
- ✚ Conclusion: more high value customers, an enhanced trading platform, more robust processes, a stronger brand and more routes to market
- ✚ The Board believes that the Company's momentum will continue, resulting in sustained strong revenue growth in 2016 with improved margins



Investment Summary

- ✚ Business model significantly differentiated from major peers
- ✚ Market leading in use of innovative technology and marketing techniques
- ✚ Low cost, low risk and low capital intensive financial model
- ✚ Highly cash generative – robust balance sheet
- ✚ Strong organic growth prospects on back of growing international brand
- ✚ Focus on shareholder returns through dividend policy and / or share buy backs