

## Q3 2019 Trading Update

Released : 29 Oct 2019 07:00

RNS Number : 3854R  
Plus500 Limited  
29 October 2019

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Plus500 Ltd.  
("Plus500", "the Group" or "the Company")

### Q3 2019 Trading Update

Plus500, a leading online service provider for trading Contracts for Difference ("CFDs") internationally, today issues the following trading update for the three months ended 30 September 2019.

#### Highlights

- Strong improvement in quarterly performance compared to the previous period with good revenue growth and a strong increase in EBITDA
- Consistent new customer numbers and customer activity over the last two quarters driven by macro and geopolitical events
- 45% of Q3 Group revenues derived from outside the EEA region (Q2 2019: 44%)
- 40% of Q3 EEA revenues from Elective Professional Clients ("EPC") (Q2 2019: 40%)
- Trading for the first nine months of 2019 in line with current expectations for the year

Key customer and revenue metrics for the period ended 30 September 2019 were as follows:

	3 months to 30 Sept*		% Change	3 months to 30 June*		% Change Q3 19 Vs. Q2 19
	2019	2018		2019		
Revenue	\$110.6m	\$100.1m	10%	\$94.1m	18%	
Number of New Customers <sup>1</sup>	24,359	20,684	18%	26,234	(7%)	
Number of Active Customers <sup>2</sup>	110,939	102,043	9%	108,724	2%	
ARPU <sup>3</sup>	\$997	\$981	2%	\$866	15%	
AUAC <sup>4</sup>	\$921	\$1,581	(42%)	\$956	(4%)	

\*Unaudited

[1] A customer who has deposited real money for the first time

[2] A customer who makes at least one trade using real money on the Trading Platform during the relevant period

[3] Average revenue per user

[4] Average user acquisition cost

#### Overview of trading

In the three months ended 30 September 2019, the Group's revenue was \$110.6m, an increase of 10% compared to the same period last year (Q3 2018: \$100.1m). This has been achieved despite the comparator period having benefitted from

one month of trading activity prior to the implementation of ESMA's product intervention measures in August 2018. The period benefitted from geopolitical events in the quarter, with this heightened activity reflected in trading patterns. Revenue for the third quarter is stated after \$3.5m of positive customer trading performance (Q3 2018: \$5.5m).

Active Customers increased to 110,939 in the period, a rise of 9% on the previous year. New Customer acquisition also improved, up 18% compared to the same period last year. Encouragingly, this increase in New Customers was coupled with a 42% fall in AUAC to \$921 per customer. ARPU showed a 15% sequential improvement, and a year-on-year increase of 2%.

EBITDA in Q3 2019 was \$70.1m, a 39% increase in comparison to Q3 2018, with expansion of EBITDA margin to 63% in Q3 2019 from 57% in Q2 2019 (Q3 2018: 50%).

Trading for the first nine months of 2019 remains in line with current expectations for the year as a whole.

#### **Share buyback programme and cash balance**

The Company repurchased 1,639,246 shares in the quarter for a total consideration of \$14.7m as part of its \$50.0m share buyback programme that commenced on 20 August 2019. Cash balances as of 30 September 2019 were approximately \$297.5m (30 June 2019: \$327.3m), reflecting the share buyback and the dividend payment on 9 July 2019 of \$70.2m.

#### **Regulatory outlook**

As detailed in the Company's interim results and reiterated in an announcement (respectively issued on 13 and 22 August 2019) following the release of a consultation paper by The Australian Securities and Investments Commission ("ASIC"), the Group had anticipated potential product intervention measures to be introduced in Australia.

Plus500 responded constructively to the Consultation Paper and continues to assess the potential impact on the c.15% of Group revenues contributed by Australian clients in the nine months ended 30 September 2019. The Board believes that the introduction of the measures will, over time, reduce the number of its competitors, enabling it to gain increased market share at lower customer acquisition cost. Inevitably, the transition period after any new regulations is challenging, but as seen in Europe, client trading patterns subsequently have adjusted and stabilised and the Board therefore expects to see a similar pattern evolve in Australia.

#### **Asaf Elimelech, Chief Executive Officer of Plus500, commented:**

"During the period we continued to concentrate on delivering significant enhancements to the trading platform, with the addition of functionality which appeals to more sophisticated traders, and to customer service, which is an effective retention tool.

"Underlying operational performance and new customer acquisition metrics remain robust. We are confident we can continue to outperform our peer group in terms of customer acquisition, by maintaining the level of highly targeted marketing investment to exploit market opportunities as they appear, with these new customers expected to provide incremental revenues in due course.

"Like all operators in the sector, Plus500's performance for the remainder of the year is dependent, among other things, on financial market conditions providing sufficient trading opportunities for customers. However, we are encouraged by the continued improvement reported in Q3 and we remain on track to meet expectations for the year as a whole."

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.

#### **For further details:**

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#### **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 Company. 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.

### **About Plus500**

Plus500 operates an online trading platform for individual customers to trade CFDs internationally. The Group offers more than 2,400 different underlying global financial instruments, comprising equities, indices, commodities, options, ETFs, foreign exchange and cryptocurrencies. Individual 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, smartphones (iOS, Android and Windows Phone), tablets (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 and Singapore. Customer care is integral to Plus500: customers cannot be subject to negative balances and there are no commissions on trades. Plus500 does not utilise cold calling techniques and does not offer binary options. 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 your leveraged exposure, and stop losses to help customers protect profits and limit capital losses. Plus500 is listed on the main market of the London Stock Exchange, under the symbol PLUS. [www.plus500.com](http://www.plus500.com)

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