

Corporate News / Frankfurt/Main, 8 April 2021

## flatexDEGIRO delivers excellent business development in the strongest growth year in history

- Full confirmation of the preliminary figures published in February for revenues (EUR 261.5 m), adjusted EBITDA (EUR 114.0 m), and operating cash flow (EUR 141.5 m)
- Great financial strength driven by high operating cash flow and no financial debt
- Very solid equity position increases further to EUR 446 m (+145 %)
- Convincing product and price offering on one of the most stable and secure platforms generates continuous high customer inflow
- Significant expansion of customer offering at DEGIRO and flatex planned in the first half of 2021

**Frankfurt/Main – Today, flatexDEGIRO AG (WKN: FTG111, ISIN: DE000FTG1111, Ticker: FTK.GR), Europe's largest retail online broker, presented its audited business figures for the record year 2020 that once again confirmed the outstanding strength of its fully integrated business model. Driven by a sustained and accelerating growth momentum, the Group achieves a significant increase in all relevant key performance indicators and considers itself ideally positioned to continue to participate extraordinarily in the long-term growth trends in Continental Europe.**

"2020 was the most exceptional year in the history of our company, so far. Our acquisition of DEGIRO has opened the door to Europe, the successful launch of flatex-next started a new growth phase in Germany, our listing in the Prime Standard segment of the Frankfurt stock exchange and admission to the SDAX means that we have truly entered the stage of the international capital markets," Frank Niehage, CEO of flatexDEGIRO, summarizes the key developments of the online broker in the past fiscal year. "As Europe's largest and fastest growing retail online broker, we are ideally positioned to build something unique for our customers. In doing so, we are stepping into a new era of online brokerage in Europe."

flatexDEGIRO generated revenues of 261.5 million euros in 2020, almost doubling the record figure from the previous year. Adjusted EBITDA even rose by over 200 percent to 114.0 million euros due to the great operating leverage of the business model. At the same time, operating cash flow increased to 141.5 million euros (+211 percent).

At the end of 2020, flatexDEGIRO held under custody security and cash deposits of around 32 billion euros (previous year: 15 billion euros) for its customers. The Group was able to significantly expand its very solid equity position once again with an increase of 145 percent to 446 million euros. The return on tangible equity reached 68 percent, an absolute top result in an industry comparison.

### **A reliable partner when it counts the most**

More than any other year in the recent past, 2020 was characterized by an extremely high degree of volatility in the stock markets. For flatexDEGIRO's customers, this resulted in a large number of attractive investment opportunities which a majority was able to successfully exploit. "We are proud of being able to support these success stories today and in the future as a reliable partner and would like to express our gratitude to our more than 1.25 million customers who have placed their continued trust in our company in the year 2020," says Frank Niehage, CEO of flatexDEGIRO.

flatexDEGIRO enables its clients to execute their investment decisions easily and quickly on one of the most professional and secure platforms. The user-friendly and intuitive apps allow everyone to trade anytime and on the go, regardless of financial expertise and available time. Since April 2021, flatex provides Germany's largest ETF and funds savings plan offering with over 3,000 products permanently at zero cost and without custody account fees.

DEGIRO will also significantly expand its customer offering in the coming months, both in terms of products and services. This includes, for example, access to trading venues that allow early and late trading from 8 a.m. to 10 p.m., and will enable DEGIRO to set itself even further apart from the competition in the international markets.

In the turbulent stock market year 2020, the technology group's considerable investments in the performance, security and stability of its IT systems over the past few years have paid off. They form the stable basis for positively differentiating the DEGIRO, flatex and ViTrade brands from the competition for the benefit of customers. With an accessibility of the trading systems of over 99.9 percent, a peak value was again achieved in 2020, guaranteeing customers the highest level of trading reliability - when it counts.

### **Operational success creates room for maneuver**

This proven reliability is the reason why flatexDEGIRO is benefiting above average from the increased interest of retail customers in stock market trading and capital market investments. Sustained customer growth and above-average trading activity by investors resulted in flatexDEGIRO being the first European retail online broker to process 75 million transactions (pro forma).

"Our unique and highly profitable growth is rapidly bringing us closer to our vision of processing well over 100 million transactions annually for over 3 million customers. In 2020, around half a million new customers expressed their trust in us, more than in any other online broker in Europe. Thanks to the outstanding scalability of our business model, we have reduced our cost-income ratio to an extremely low 46 percent and almost tripled our earnings per share to 2.18 euros", says Muhamad Chahrour, CFO of flatexDEGIRO. "flatexDEGIRO is already completely net debt free. Our high operating cash flow, which exceeded 140 million euros in 2020, will enable us to continue to increase our enterprise value organically and inorganically from our own resources in the future. Our journey has only just started."

Company	Geographical focus	Net new Customers 2020	% Growth	Customers 2020
<b>flatexDEGIRO</b>	<b>Europe</b>	<b>+450k</b>	<b>56%</b>	<b>1.25m</b>
Nordnet	Nordics	+308k	34%	1.22m
Avanza	Nordics	+304k	31%	1.28m
comdirect	Germany	+230k	15%	1.80m
ING DiBa	Germany	+201k	15%	1.64m
Hargreaves Lansdown	UK	+193k	15%	1.47m
Consorsbank	Germany	+160k	9%	1.33m
AJ Bell	UK	+62k	27%	0.30m
Bourse direct	France	+45k	27%	0.21m
Fineco	Italy	+12k	1%	1.37m

Source: company data for publicly listed companies, press releases and news articles for non-listed companies

### Continuation of a unique success story - beyond Vision 2025

A variety of secular trends will continue to drive growth in the online brokerage market in Europe in the coming years. For example, the negative interest rate environment is driving savers to invest in alternative, value-preserving products such as equities. A development that is further reinforced by systematic long-term problems in many state pension systems. Added to this comes increasing digitalization, which will further significantly raise the number of online bank customers and thus online brokerage activities. This is particularly true for younger generations, who are almost 100 percent online and have not been negatively affected by historical stock market crashes.

The effects of COVID-19 have already further accelerated these trends in 2020 and lead us to expect a sustainably faster development. It can be assumed that the European online brokerage market, which flatexDEGIRO currently estimates at around 65 million customers, will double as a result in the medium term. "We are optimally positioned to continue to benefit disproportionately from this and to further expand the success of our strategic orientation", emphasizes Muhamad Chahrour, CFO of flatexDEGIRO.

## Key figures

		2020	2019	Change in %
<b>Brokerage key figures (pro forma)</b>				
Transactions settled	number	75,024,392	31,433,466	+138.7
Average number of brokerage customers	number	1,023,726	700,779	+46.1
Average number of transactions per customer	number	73	45	+62.2
Customers assets under custody	mEUR	31,765	14,586	+117.8
Employees (average)	number	716	527	+35.9
<b>Financials</b>				
Revenues	kEUR	261,490	131,952	+98.2
Adjusted EBITDA	kEUR	113,953	37,831	+201.2
EBITDA	kEUR	98,425	37,580	+161.9
Adjusted EBIT	kEUR	89,314	25,002	+257.2
EBIT	kEUR	73,786	24,751	+198.1
Net profit	kEUR	49,924	14,908	+234.9
Earnings per share (undiluted)	EUR	2.18	0.77	+183.1
Adjusted Cost-Income-Ratio	in %	46.3	59.9	-22.7
<b>Balance Sheet and Cash Flow Statement</b>				
Equity	kEUR	445,834	182,202	+144.7
Total assets	kEUR	2,818,178	1,265,962	+122.6
Equity ratio	in %	15.8	14.4	+9.9
Operating cash flow	kEUR	141,452	45,513	+210.8
Return of tangible equity (ROTE)	in %	67.7	20.1	+236.8

The pro forma financial information are based on assumptions and represent the hypothetical situation of a full consolidation of DeGiro B.V. in flatexDEGIRO Group for reporting periods. They only serve illustration purposes.

The information on the adjusted EBITDA / EBIT / Cost-Income Ratio have been adjusted for personnel expenses for long-term variable compensation.

## Contact:

Achim Schreck  
Head of IR & Corporate Communications  
flatexDEGIRO AG  
Rotfeder-Ring 7  
D-60327 Frankfurt/Main

Tel. +49 (0) 69 450001 0  
achim.schreck@flatexdegiro.com

## About flatexDEGIRO AG

flatexDEGIRO AG (WKN: FTG111, ISIN: DE000FTG1111, Ticker: FTK.GR) operates one of the leading and fastest growing online brokerage businesses in Europe, executing millions of paperless securities transactions per annum. B2C customers in 18 European countries are serviced via the flatex and DEGIRO brands and offered a wide range of independent products at competitive pricing, based on a modern, in-house state-of-the-art technology.

With more than 1.25 million customers and 75 million securities transactions in 2020, flatexDEGIRO is the largest retail online broker in Europe. In a time of bank consolidation, low interest rates and digitalization, the flatexDEGIRO Group is ideally positioned for further growth. Until 2025 at the latest, flatexDEGIRO aims to win over 3 million customers and execute at least 100 million transactions per year – even in years with only low volatility.

## Disclaimer

This release may contain forward-looking statements and information, which may be identified by formulations using terms such as “expects”, “aims”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates” or “will”. Such forward-looking statements are based on our current expectations and certain assumptions, which may be subject to variety of risks and uncertainties. The results actually achieved by flatexDEGIRO AG may substantially differ from these forward-looking statements. flatexDEGIRO assumes no obligation to update these forward-looking statements or to correct them in case of developments, which differ from those anticipated.