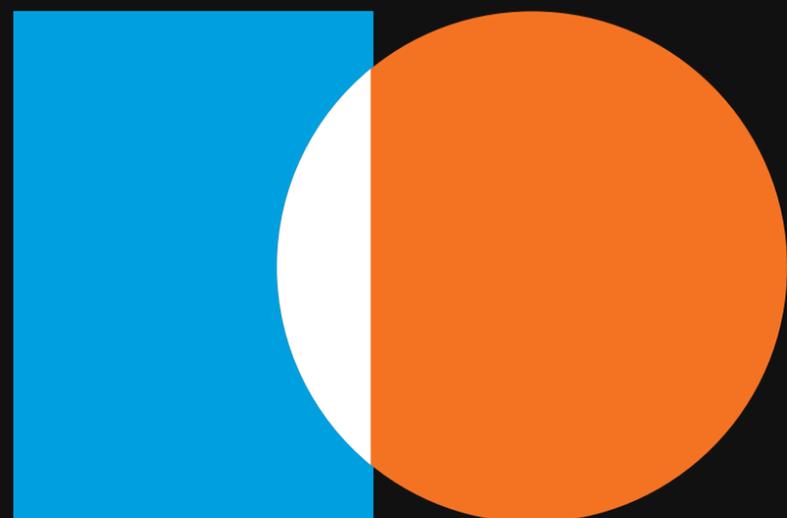


FLATEXDEGIRO AG | 28 FEBRUARY 2023

# PRELIMINARY RESULTS 2022



**Disclaimer****Preliminary results 2022**

This release contains preliminary information that is subject to change and that is not intended to be complete.

**Non-IFRS measures (APMs)**

This presentation includes non-IFRS measures, including Adjusted EBITDA. These measures are alternative performance measures as defined by the European Securities and Markets Authority ("ESMA"). flatexDEGIRO presents these non-IFRS measures as (i) they are used by its management to measure performance, including in presentations to the Management Board and Supervisory Board members and as a basis for strategic planning and forecasting; and (ii) they represent measures that flatexDEGIRO believes are widely used by certain investors, securities analysts and other parties as supplemental measures of operating and financial performance. These non-IFRS measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered as a substitute for analysis of flatexDEGIRO's operating results as reported under IFRS. Non-IFRS measures are not a measurement of flatexDEGIRO's performance or liquidity under IFRS and should not be considered as alternatives to consolidated net profit or any other performance measure derived in accordance with IFRS or other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

**Forward-looking statements**

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.

Agenda

**Update BaFin Audit**

**Preliminary Results 2022**

**Strategic direction**

**Guidance 2023**

# **Update BaFin Audit**



## Processing of BaFin findings fully on schedule

### 1 Final BaFin announcement with no surprises

- publication corresponds to our proactive communication on 3 December 2022
- audit completed
- special representative allows BaFin to adjust measures in a timely manner
- misdemeanor procedure (2020/2021) closed
- imposed measures do not restrict or limit our business model

### 2 Status Update

- Strengthening regulatory framework with newly hired people
- Project Office set up, all major workstreams established and started
- Set-up reviewed by two auditors
- Each workstream and each finding with internal and external quality control, explicit and separate control of “conception”, “implementation”, “effectiveness”

### 3 Targeted timeline

- First milestones in H1 2023, focus on DEGIRO margin loans / credit risk mitigation strategies
- Working-off all findings by mid-2024, final testing
- All findings to be solved by end of 2024
- Building on this/ongoing: organisational development, ensuring permanent synchronisation of organisation and growth

# **Preliminary Results 2022**



# Highlights



**Resilient operating and financial performance in challenging environment**



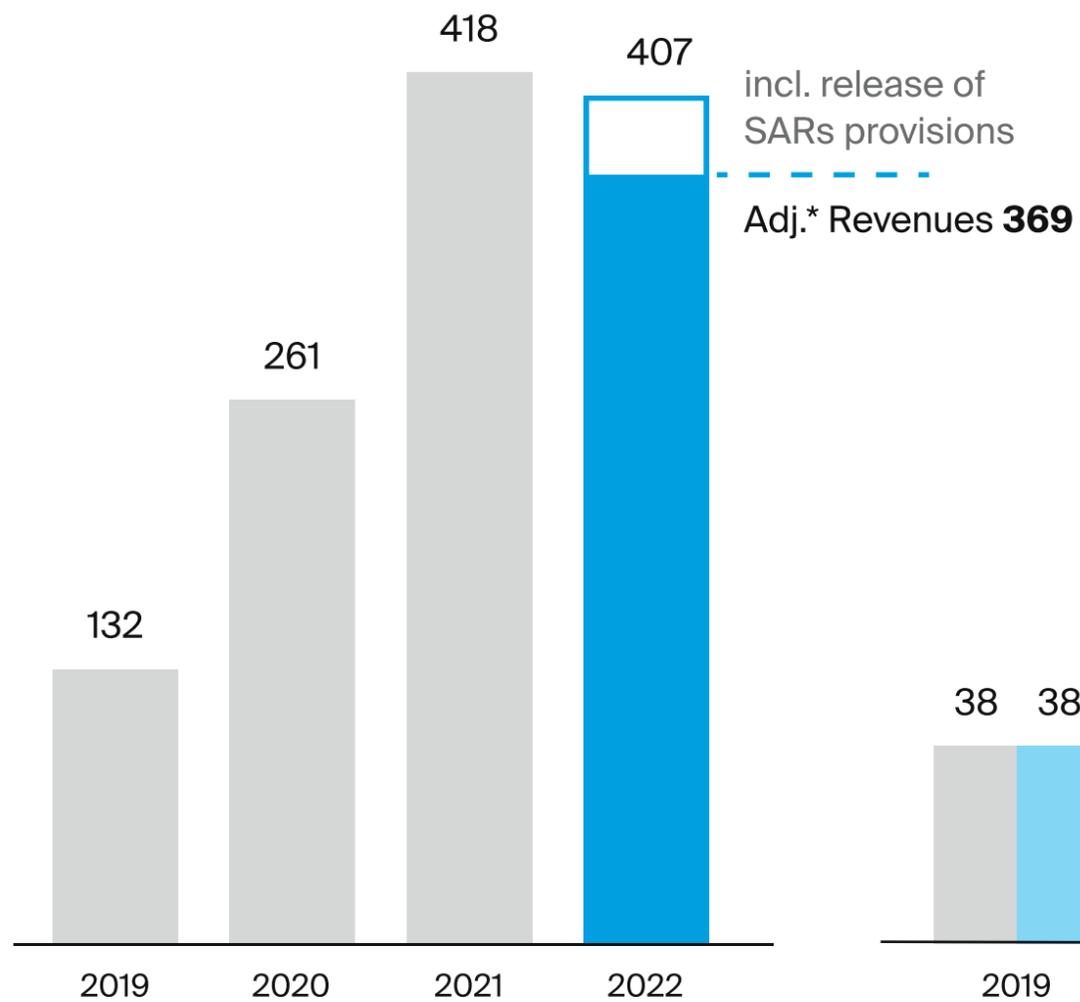
**Business focus increased**



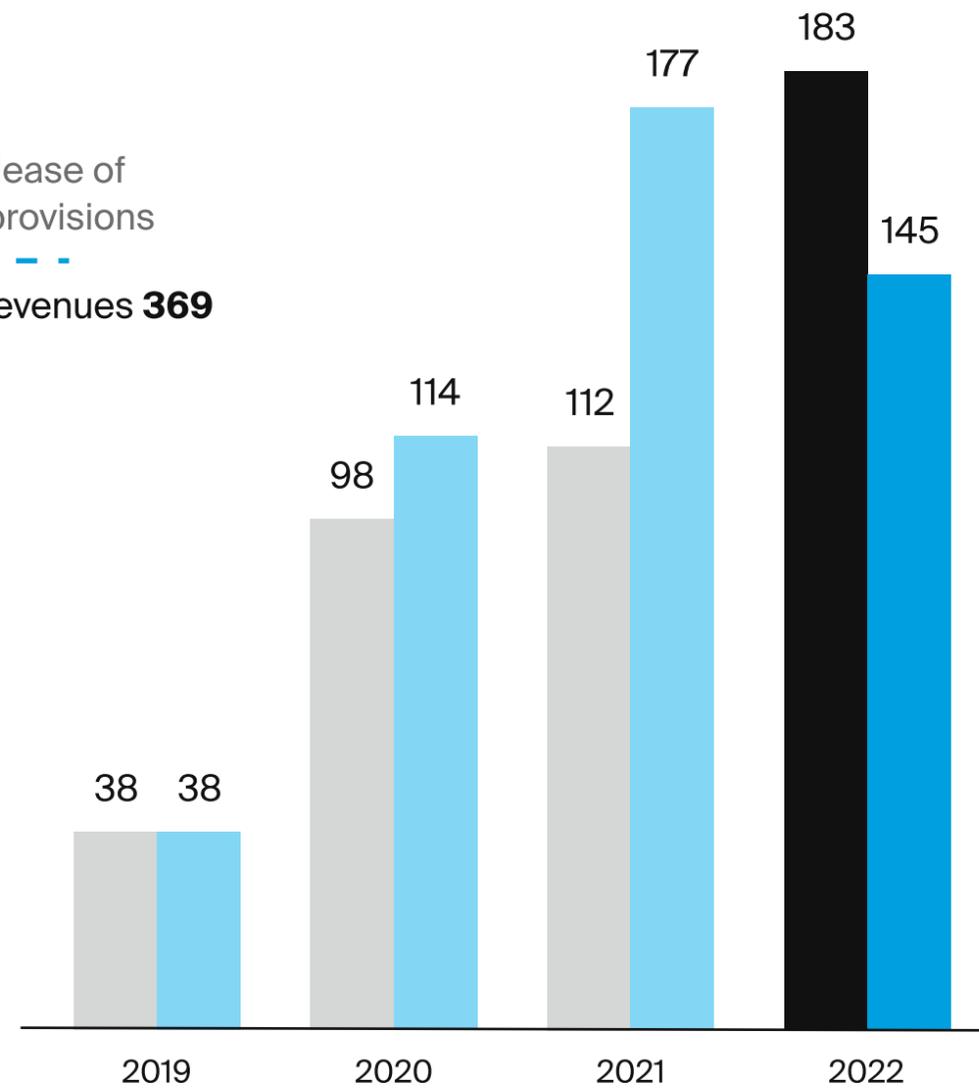
**Corporate governance strengthened**

## High level financial overview

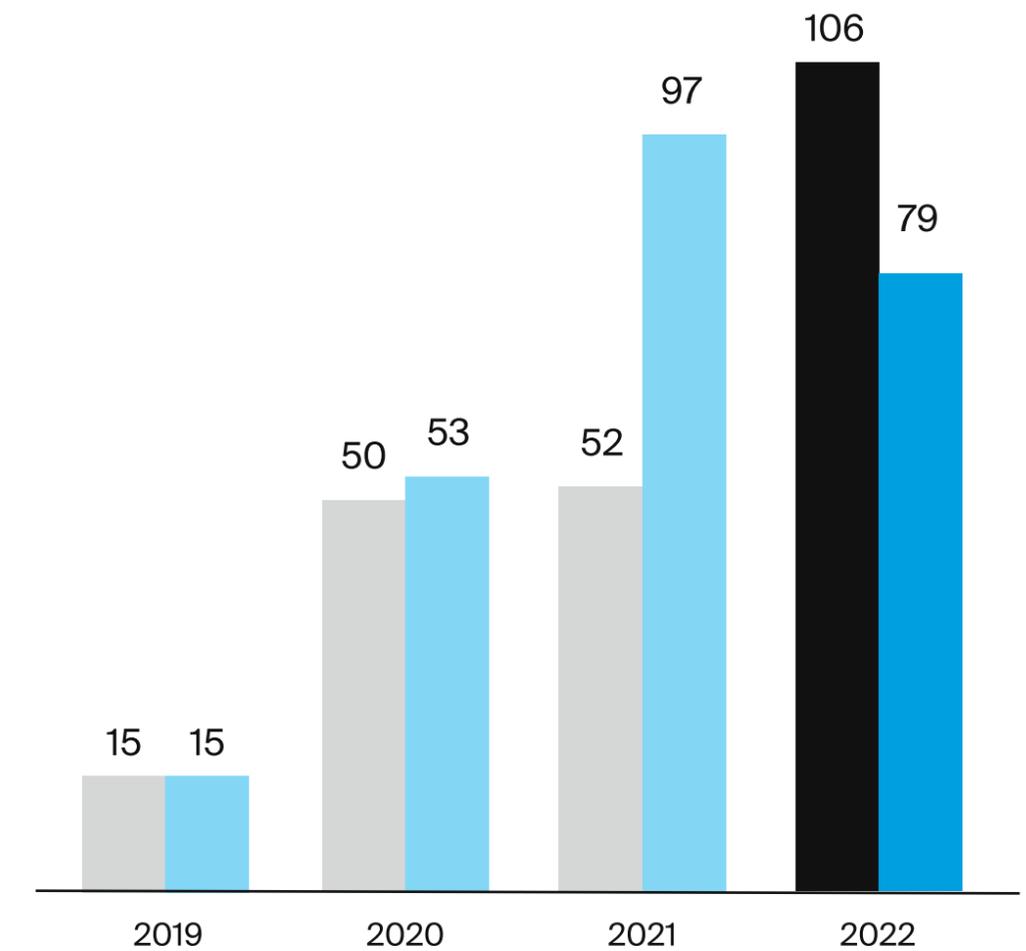
### Revenues (m EUR)



### EBITDA and Adjusted\* EBITDA (m EUR)



### Net income and Adj.\* Net income (m EUR)



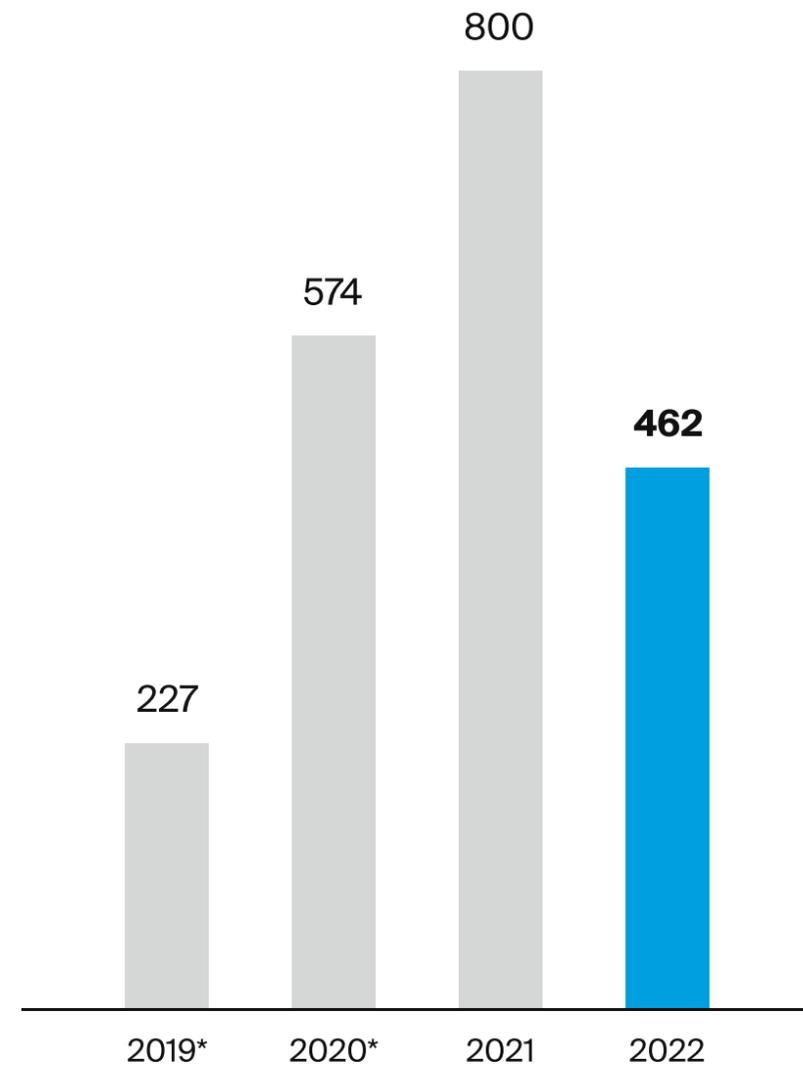
■ EBITDA ■ Adjusted\* EBITDA

■ Net income ■ Adjusted\* Net income

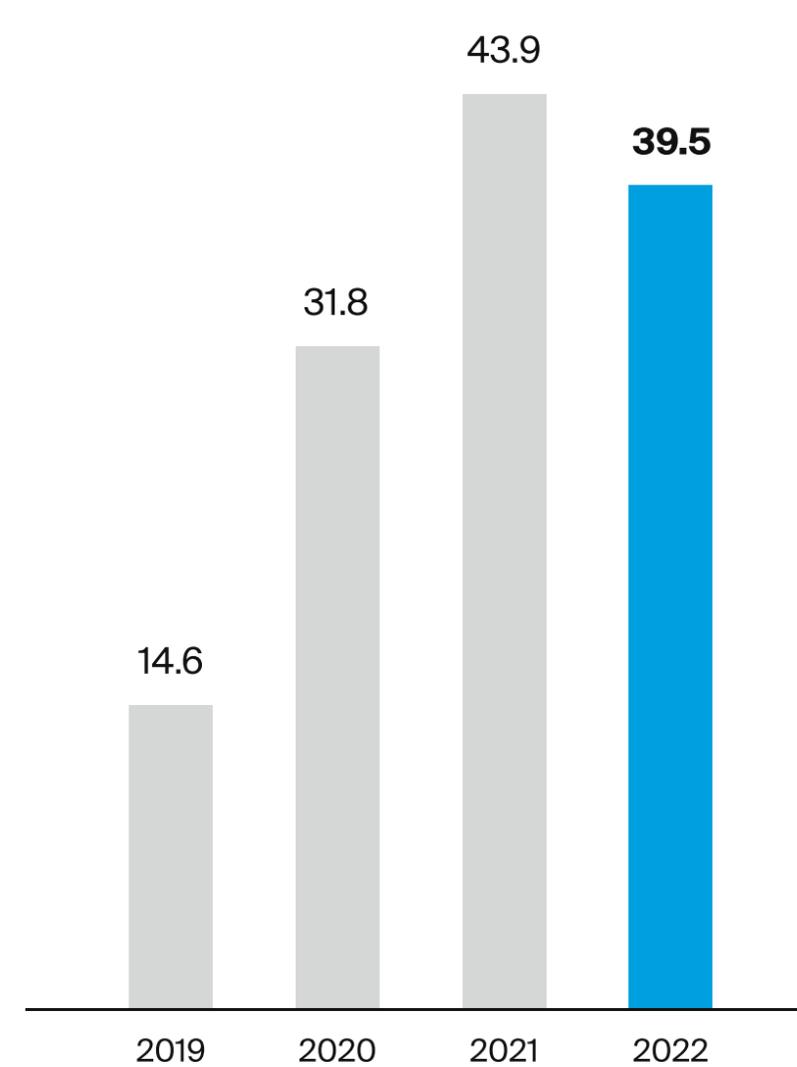
\* excl. effects resulting from building (2020/2021) or releasing (2022) provisions for long-term incentive program (Stock Appreciation Rights Plan, SARs) and in 2021 expenses in the personnel area in connection with business combinations

## Commercial performance

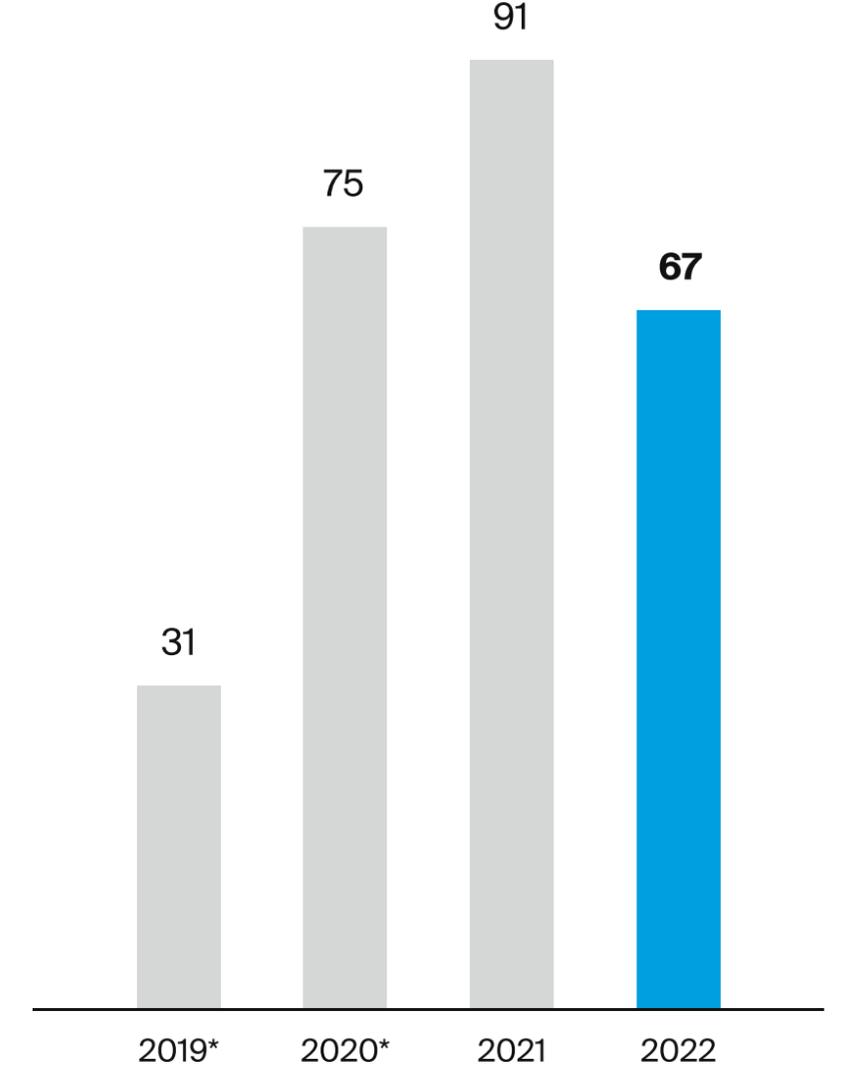
### Gross customer additions (k)



### Assets under Custody (bn EUR)



### Transactions (m)



\* pro forma, FY inclusion of DEGIRO

## Business focus increased

### Focus on Online Brokerage

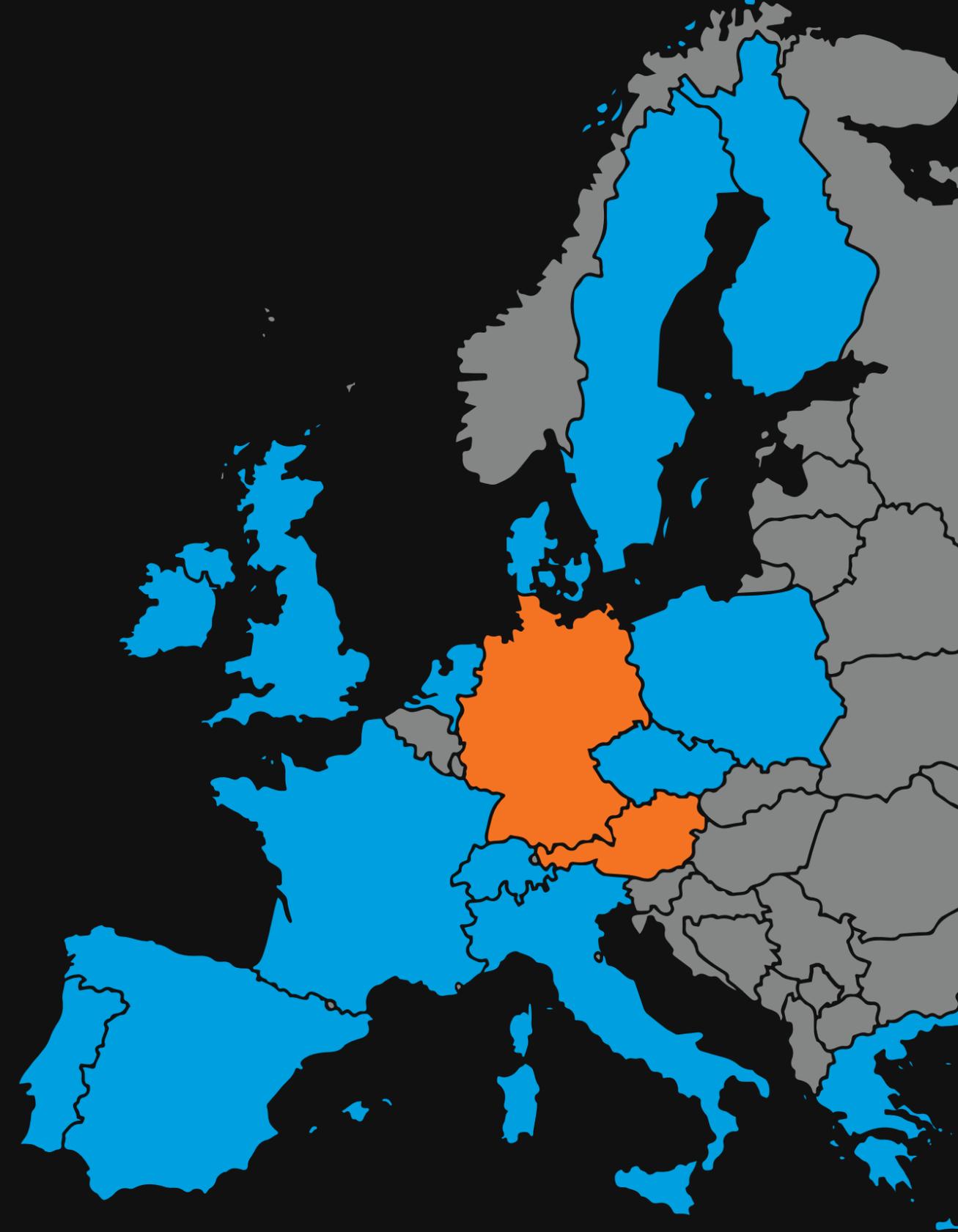
- offboarding of B2B customers

### Drive profitable growth

- Brand migration Austria & Netherlands
- Closure Norway & Hungary

### Reduce complexity

- Dropping non-strategic, small alternative finance business (factoring, football financing)



# Corporate Governance strengthened

## Supervisory Board



**Martin Korbmacher**

Chair



**Stefan Müller**

Deputy Chair



**Aygül Özkan**

Member



**Herbert Seuling**

Member

## Management Board



**Frank Niehage, LL.M.**

CEO



**Muhamad Said Chahrour**

Deputy CEO & COO



**Dr. Benon Janos**

CFO



**Stephan Simmang**

CTO



**Christiane Strubel**

CHRO

Once regulatory requirements are fulfilled

## MorningStar/Sustainalytics Company ESG Risk Rating\* (lower score is better)

Company	Risk Classification	Score
Fineco	Low	13.2
<b>flatexDEGIRO</b>	<b>Low</b>	<b>18.7</b>
Hargreaves Lansdown	Medium	22.8
Charles Schwab	Medium	23.2
Avanza	Medium	23.8
Swissquote	Medium	24.0
AJ Bell	Medium	24.9
Robinhood	Medium	29.2
Nordnet	High	31.3
Interactive Brokers	High	32.1

ESG RISK RATING - **18.7 LOW**

Negl **Low** Med High Severe

EXPOSURE - **MEDIUM**

MANAGEMENT - **STRONG**

Low **Med** High

Weak Avg **Strong**

### Other ESG Ratings

#### ISS ESG

Rating: C- ("Prime Group" starts at C)  
Decile rank: 2

#### S&P

Score: 33 (previous year: 3)  
Percentile: 83 (previous year: 17)

#### MSCI

Rating: B, no update since 10/2020  
Update expected in 2023 with significant improvements

Within its sub-segment ("Investment Banks & Brokerage"), flatexDEGIRO ranks Top5 (out of 146 companies).

\* as of 10 February 2023

# Financial details



**Industry-wide low trading activity**



**Customer growth, better  
monetization and cost disciplin**

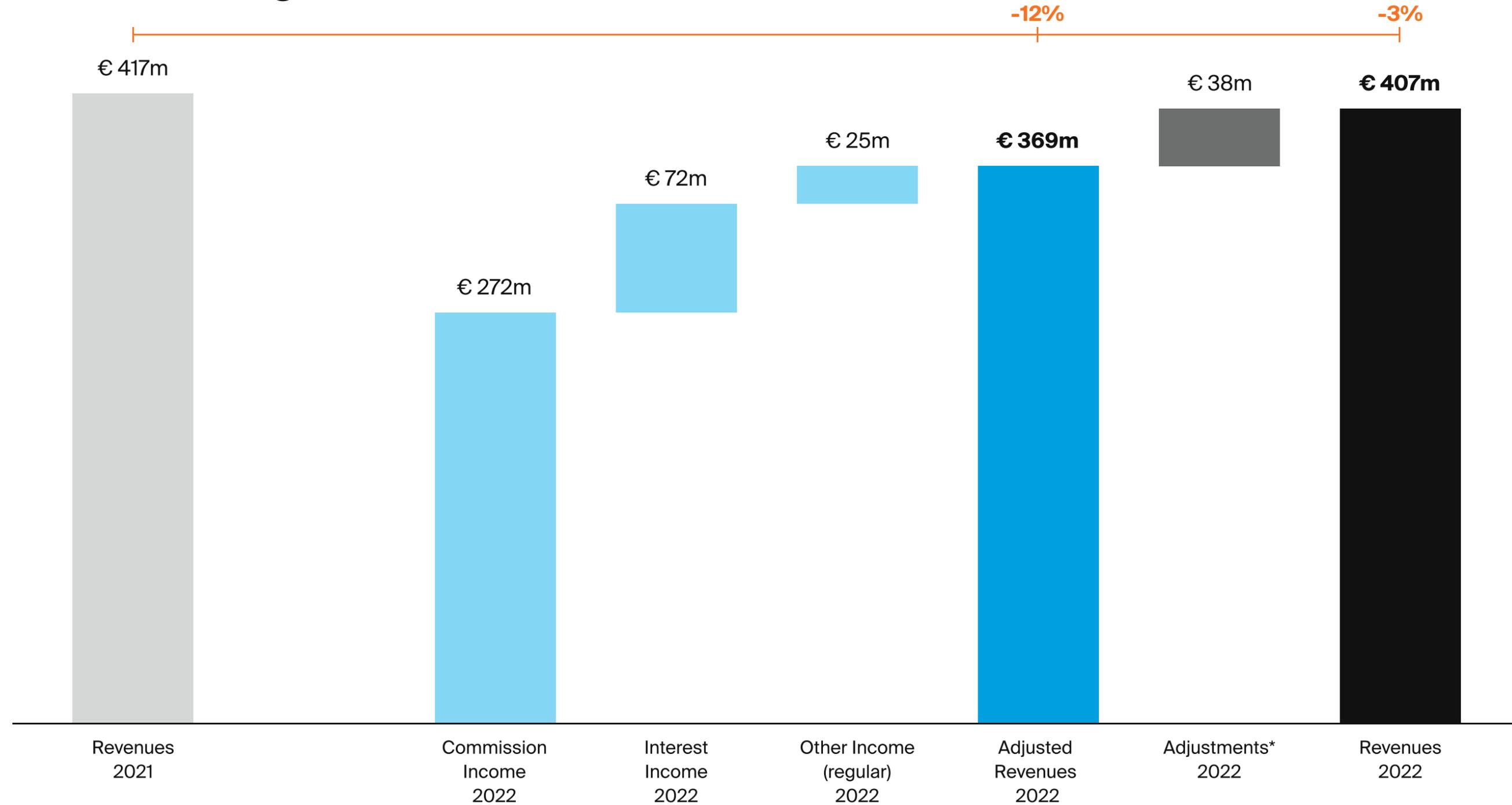


**First positive impact from  
higher interest rates**



**Contineous net cash inflows**

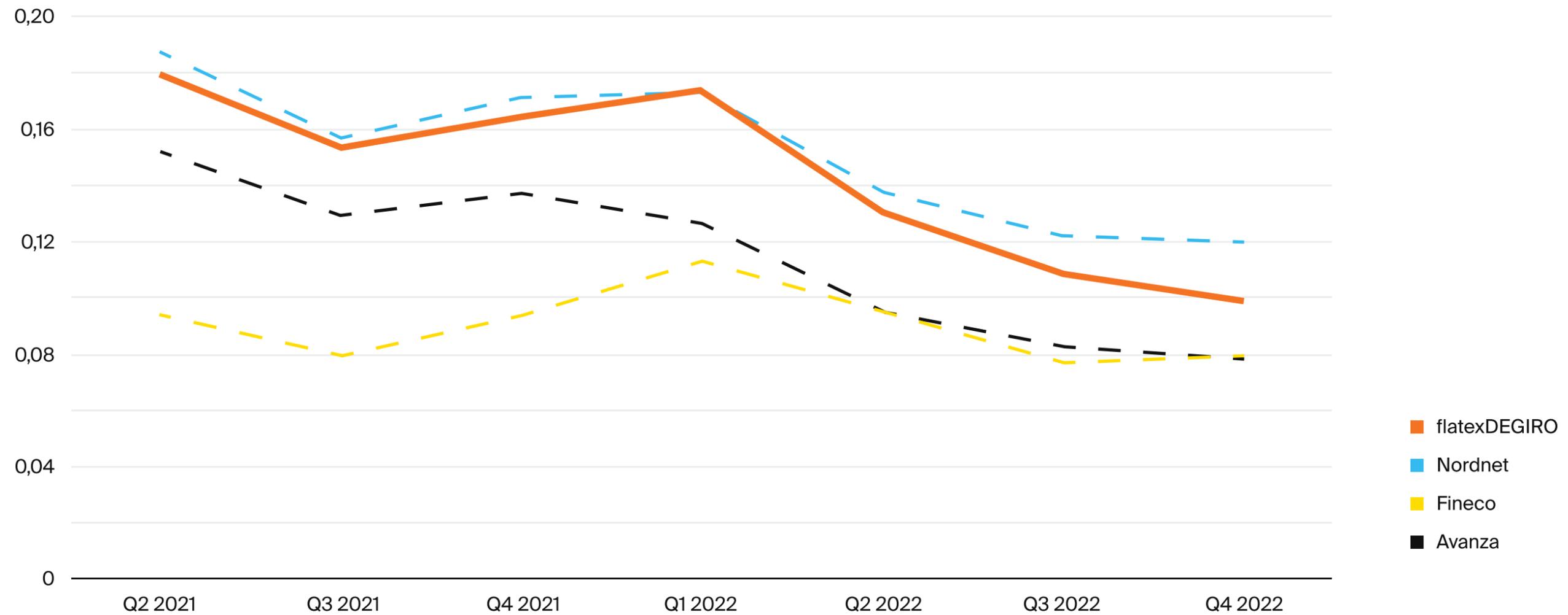
## Revenue bridge 2022



\* Adjustments for long-term variable compensation (Stock Appreciation Rights Plan, SARs)

## Lower trading activity across the industry

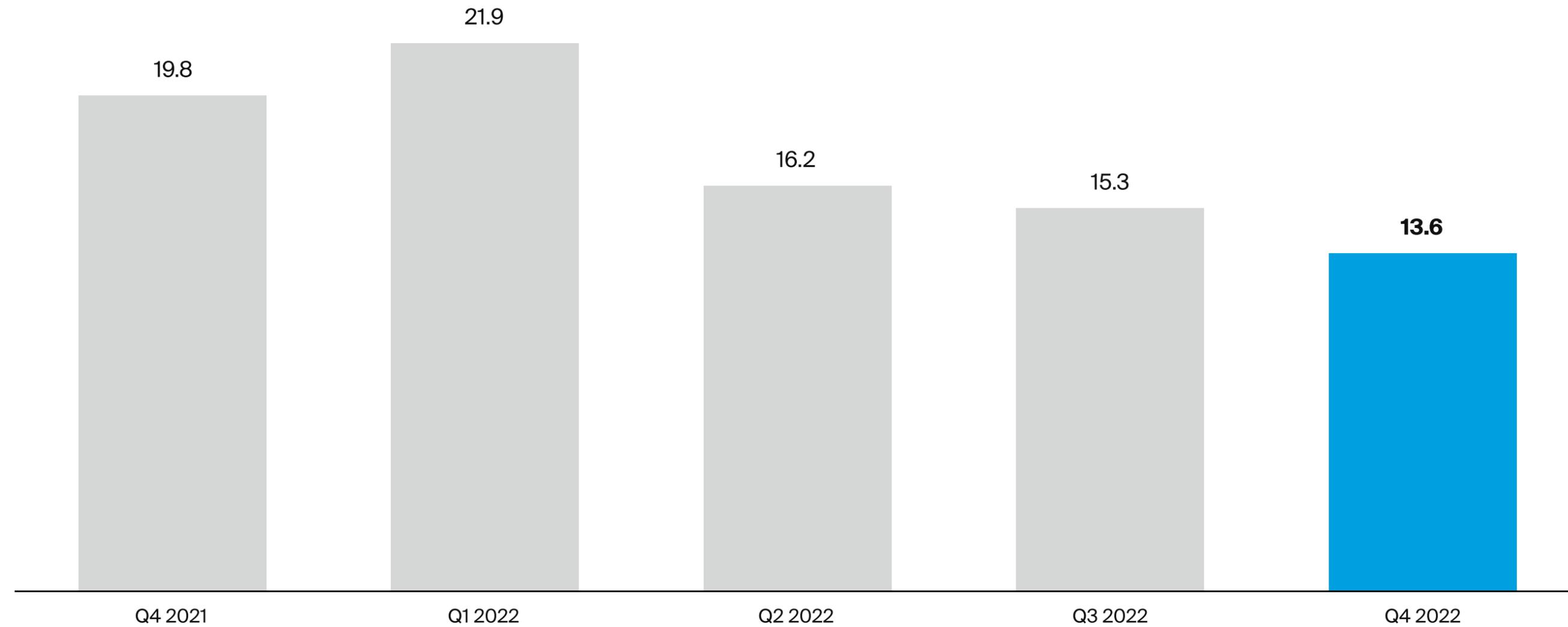
### DARTs\* per customer account



\* Nordnet, Avanza: based on Monthly statistics published by the companies, Fineco based on "FY 2022 database"  
flatexDEGIRO: excluding days where markets in the US/Germany/Netherlands are closed

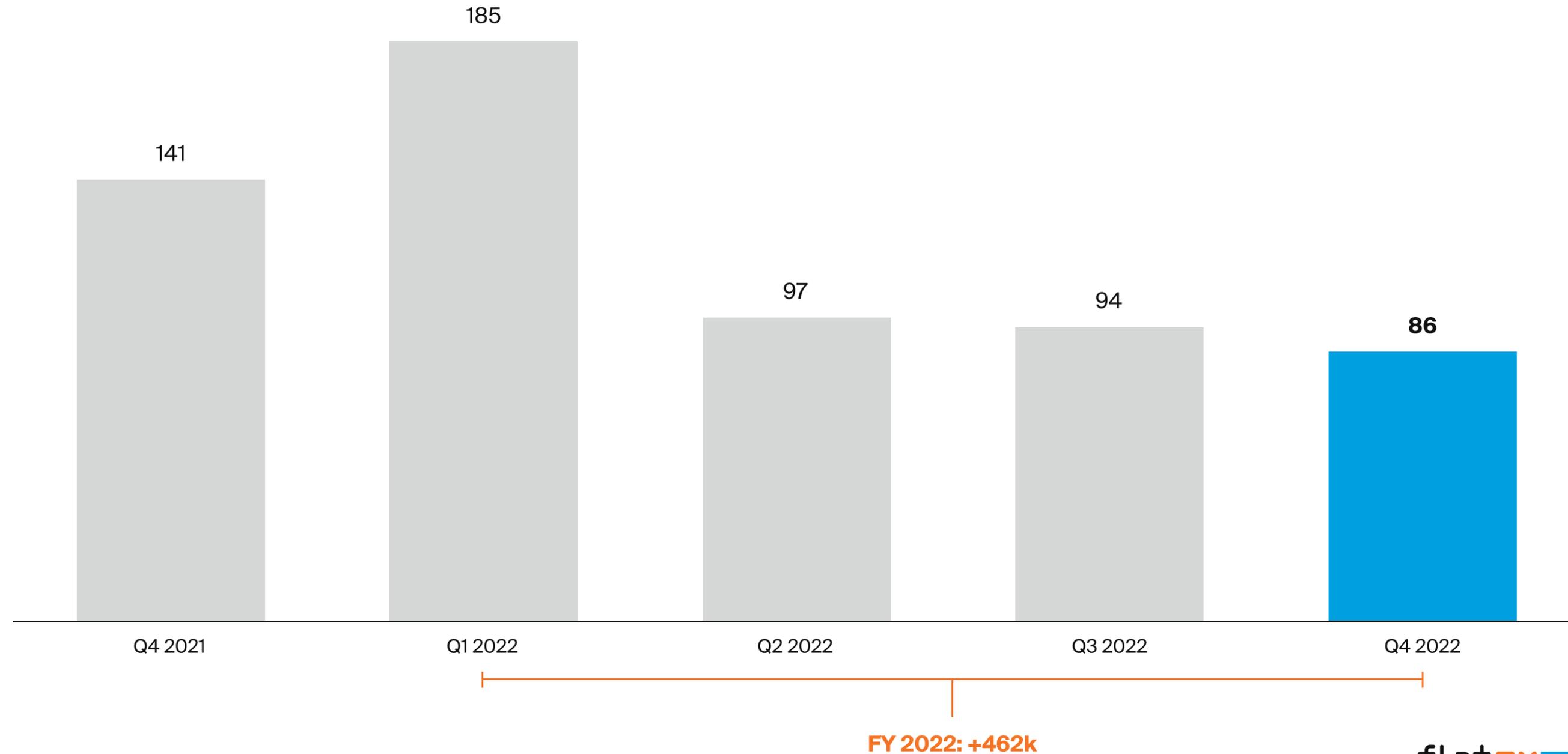
## Dampening of market sentiment after Q1/22..

### Settled transactions in m



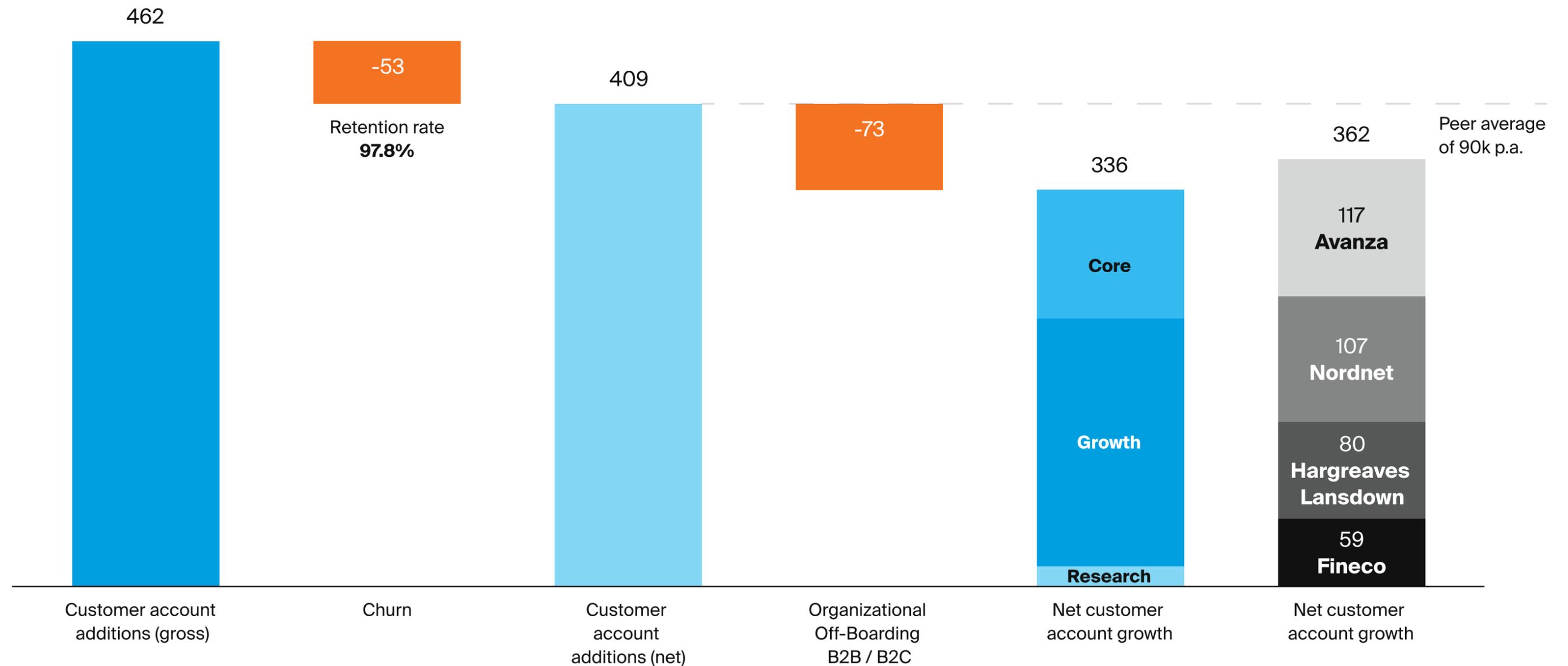
**..reflected in gross customer growth as well.**

**Additional customer accounts (gross) in k**



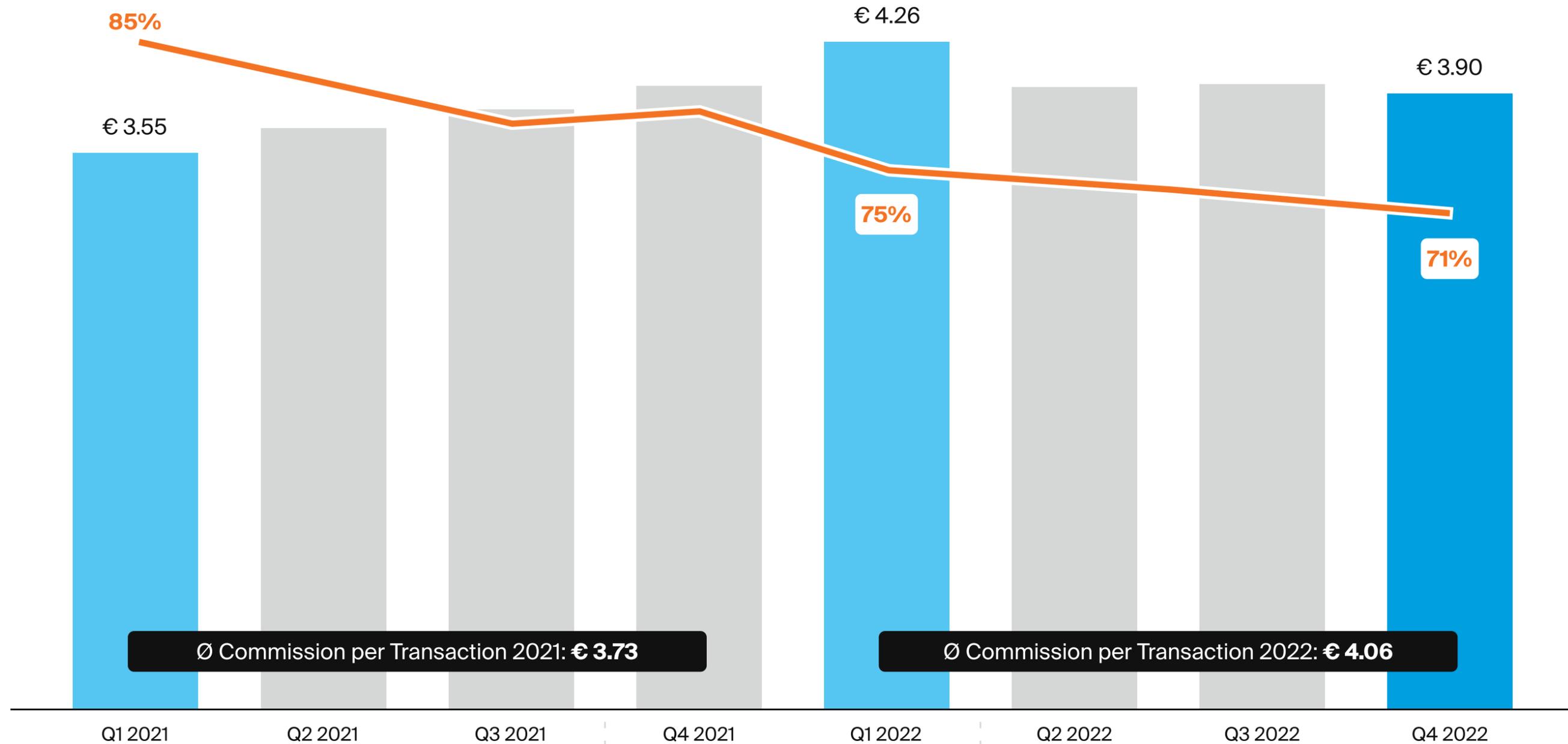
# Customer growth & retention 2022

## Additional customer accounts 2022 in k



# Commission per Transaction

— Share of “High revenue Transactions” (Cash products, incl. stocks, bonds, etc.)

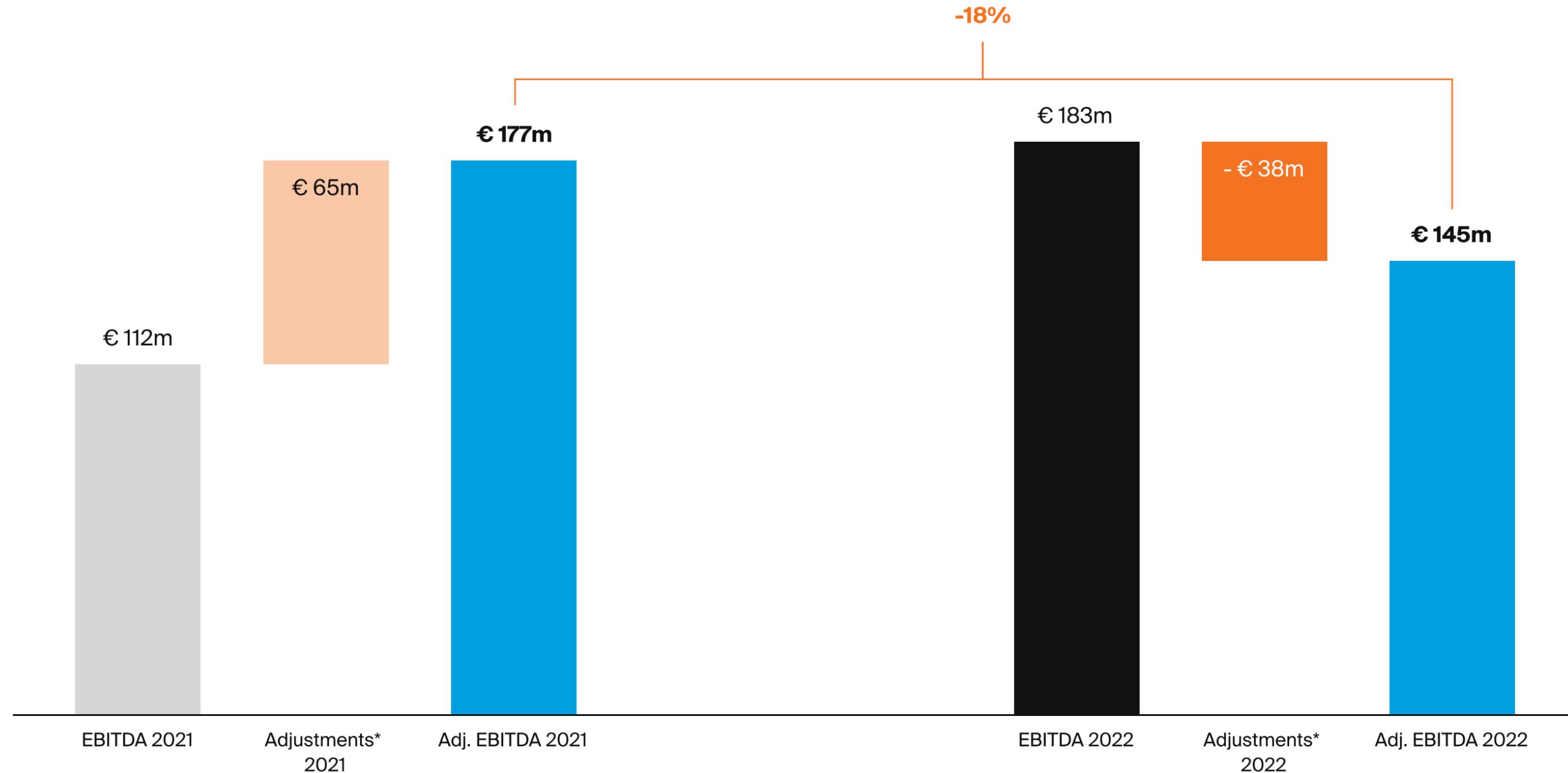


Increase of Commission per Transaction, reduced “new customer campaigns”

“DEGIRO goes Zero” in 12/2021 leads to significant increase of Commission per Transaction

Decrease of Commission per Transaction, lower trading activity increases relative share of “low revenues transactions” (e.g. ETF, saving plans)

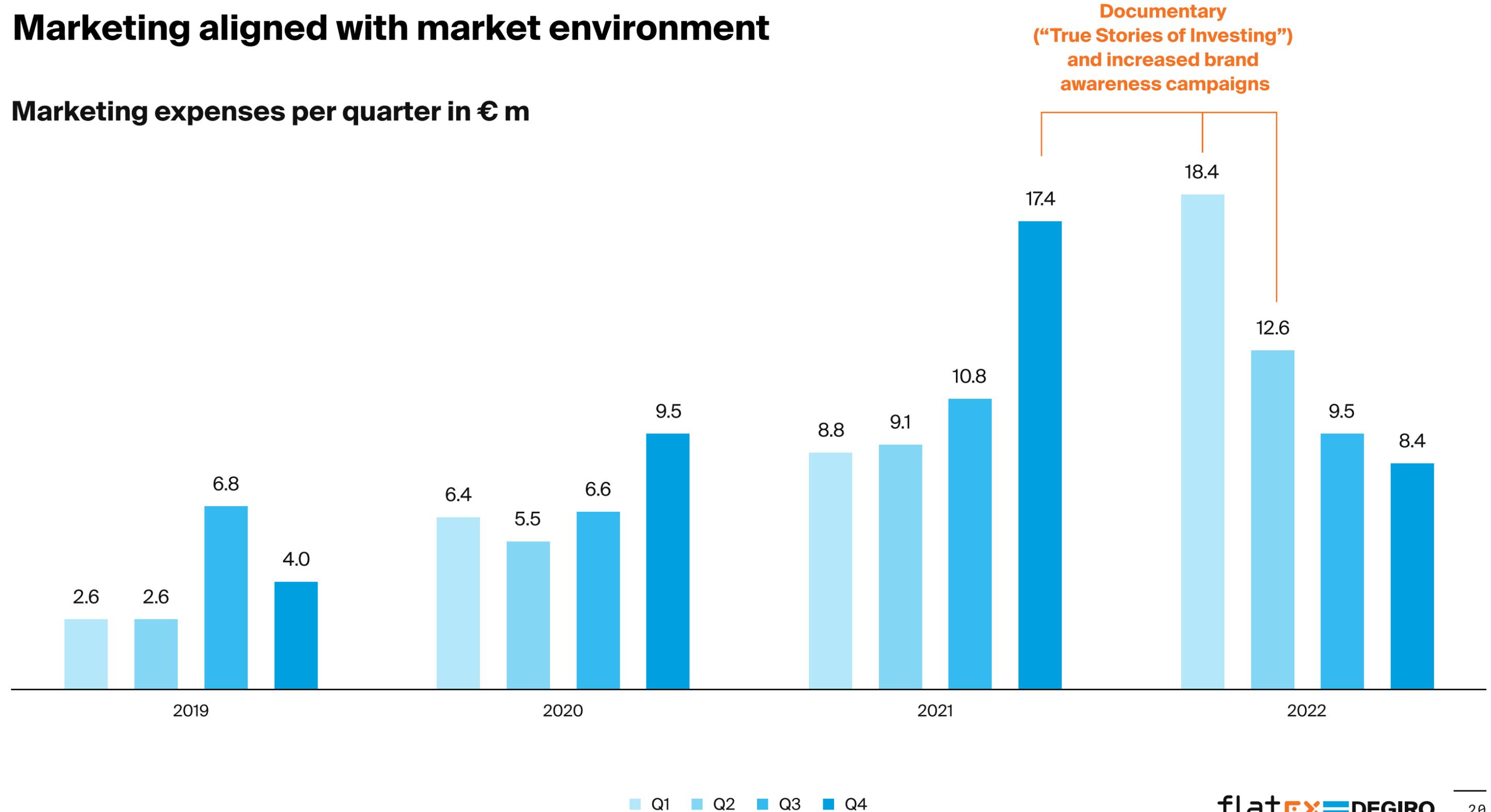
## EBITDA bridge 2022



\* Adjustment in personnel expenses (+) / revenues (-) for long-term variable compensation (building or releasing provisions) and in 2021 additionally for expenses in the personnel area in connection with business combinations

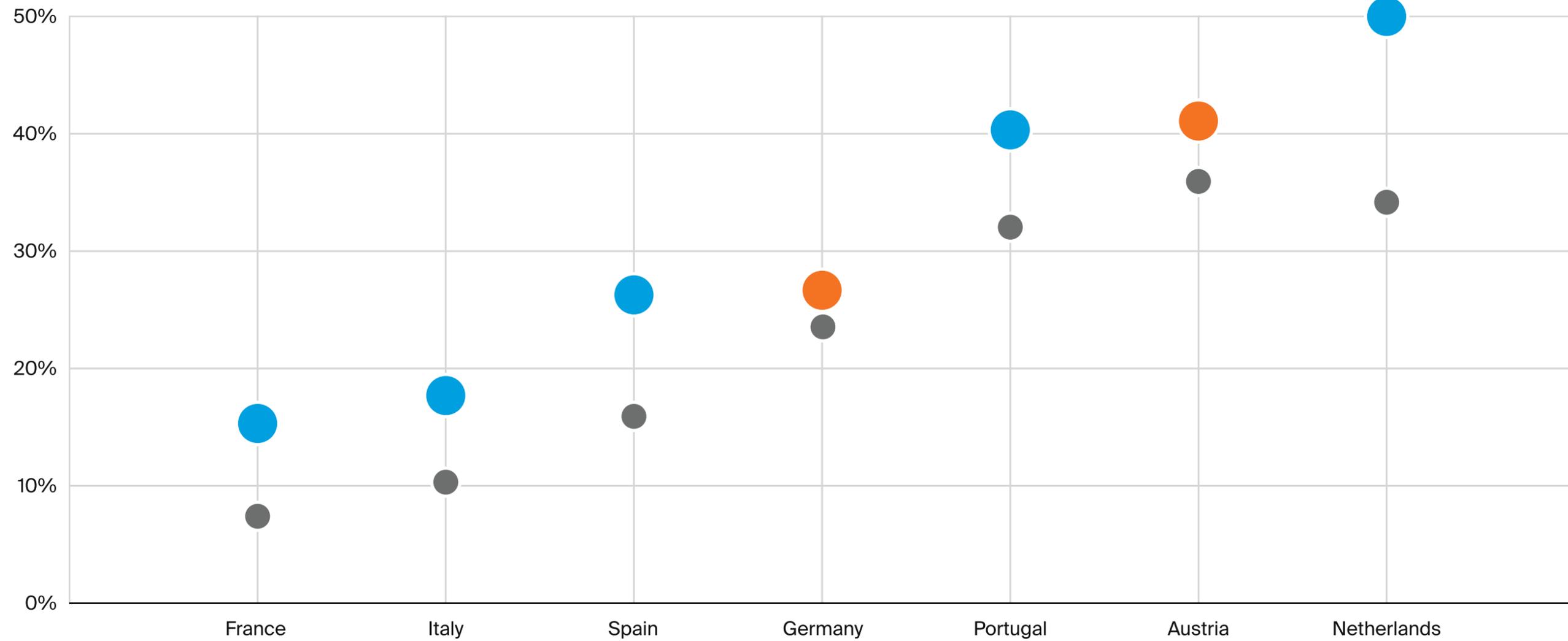
## Marketing aligned with market environment

### Marketing expenses per quarter in € m



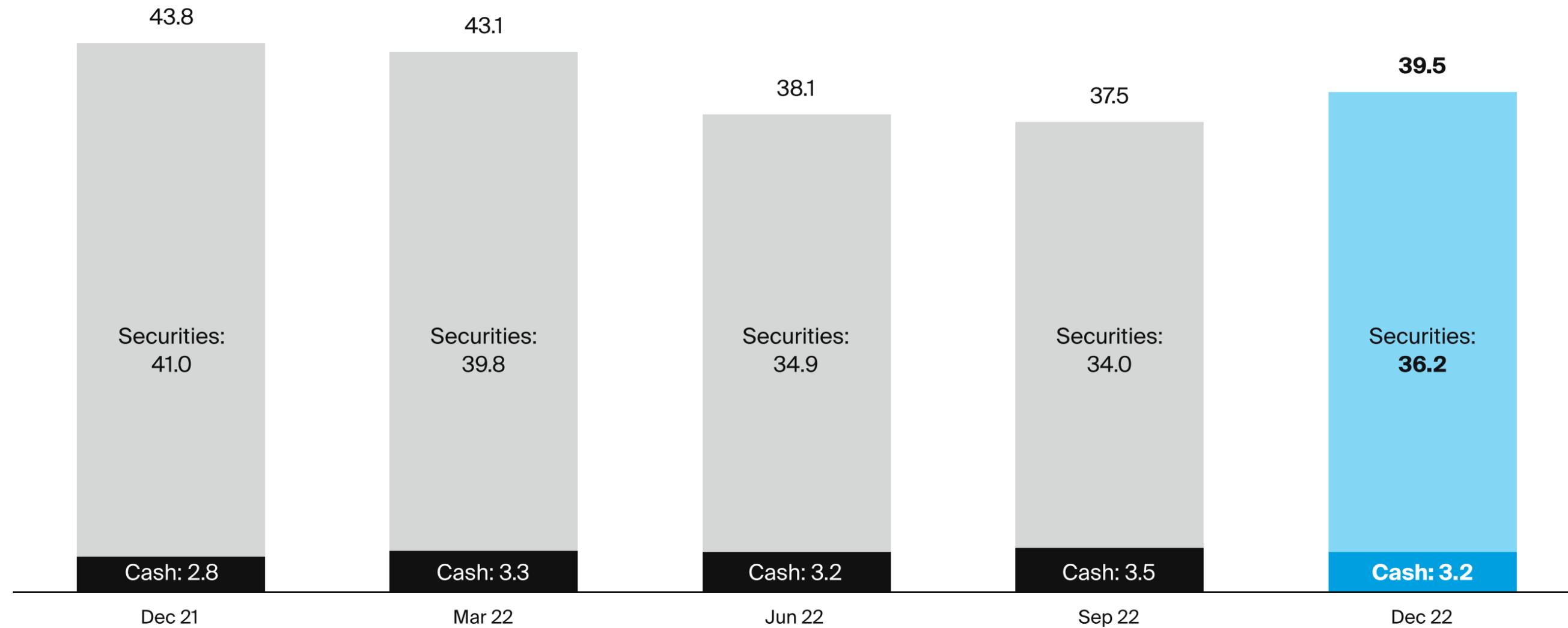
## Raised brand awareness across all key markets

### Aided brand awareness



## Development of Assets under Custody

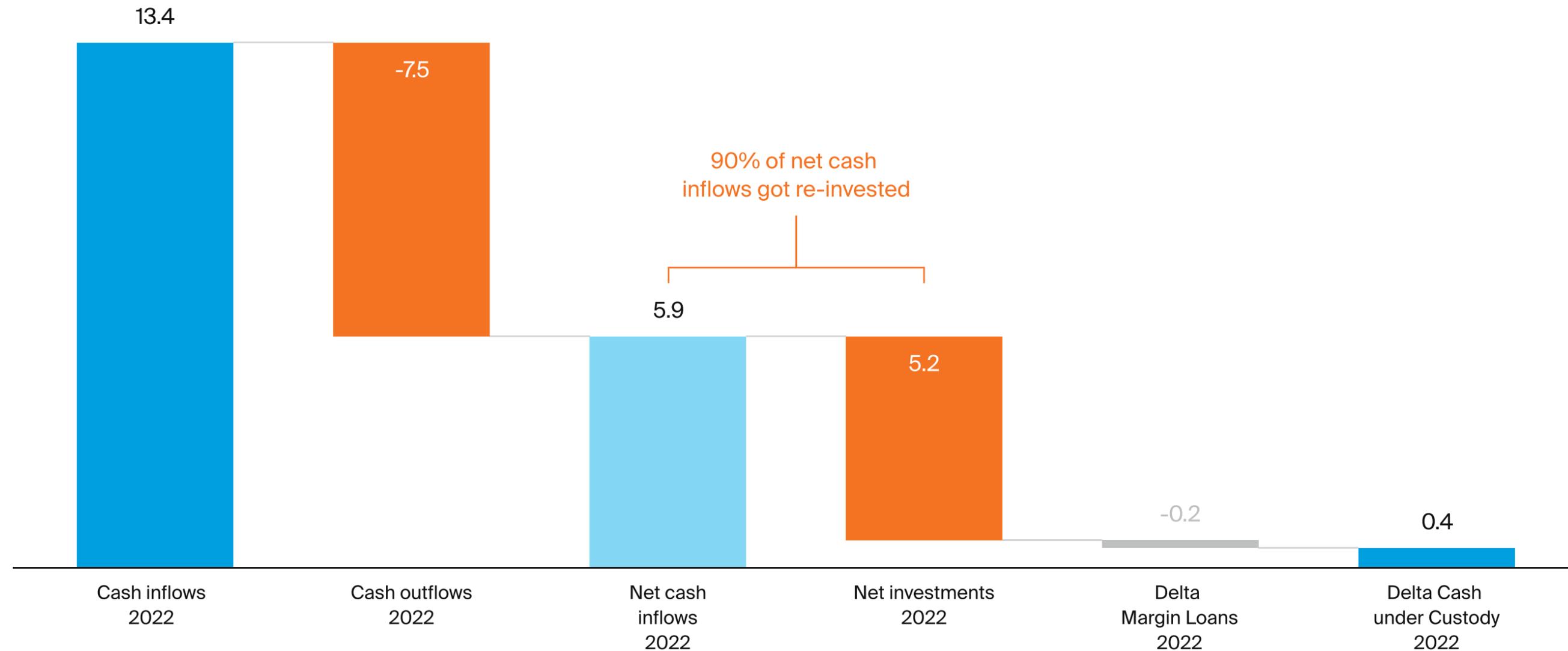
Assets under custody in € bn



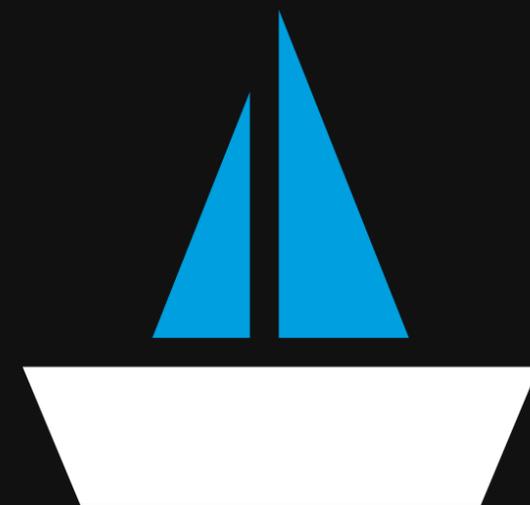
## Net cash inflows of € 5.9 bn, of which 90% invested

Positive monthly inflows continuing despite ECB rate increases

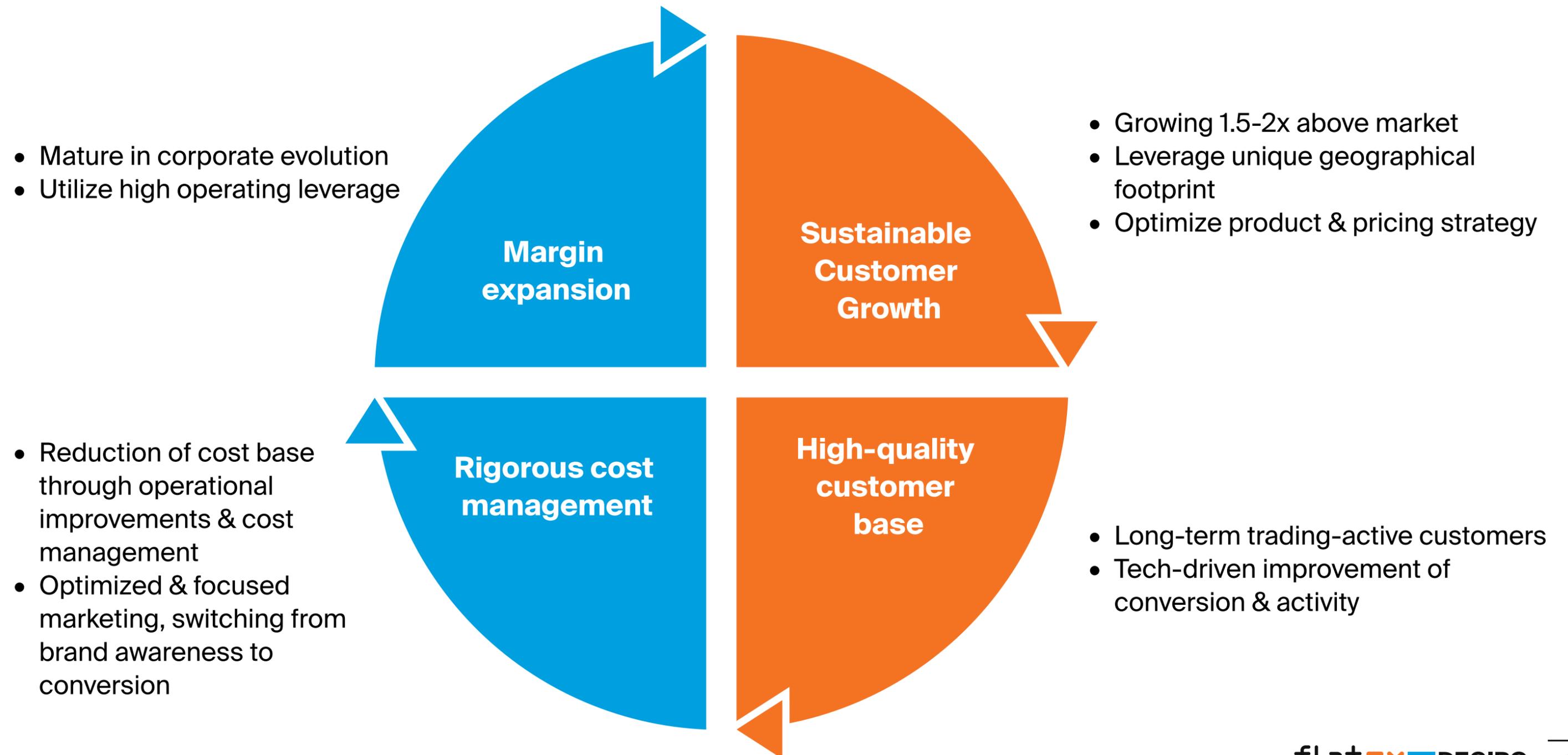
in € bn



# Strategic direction



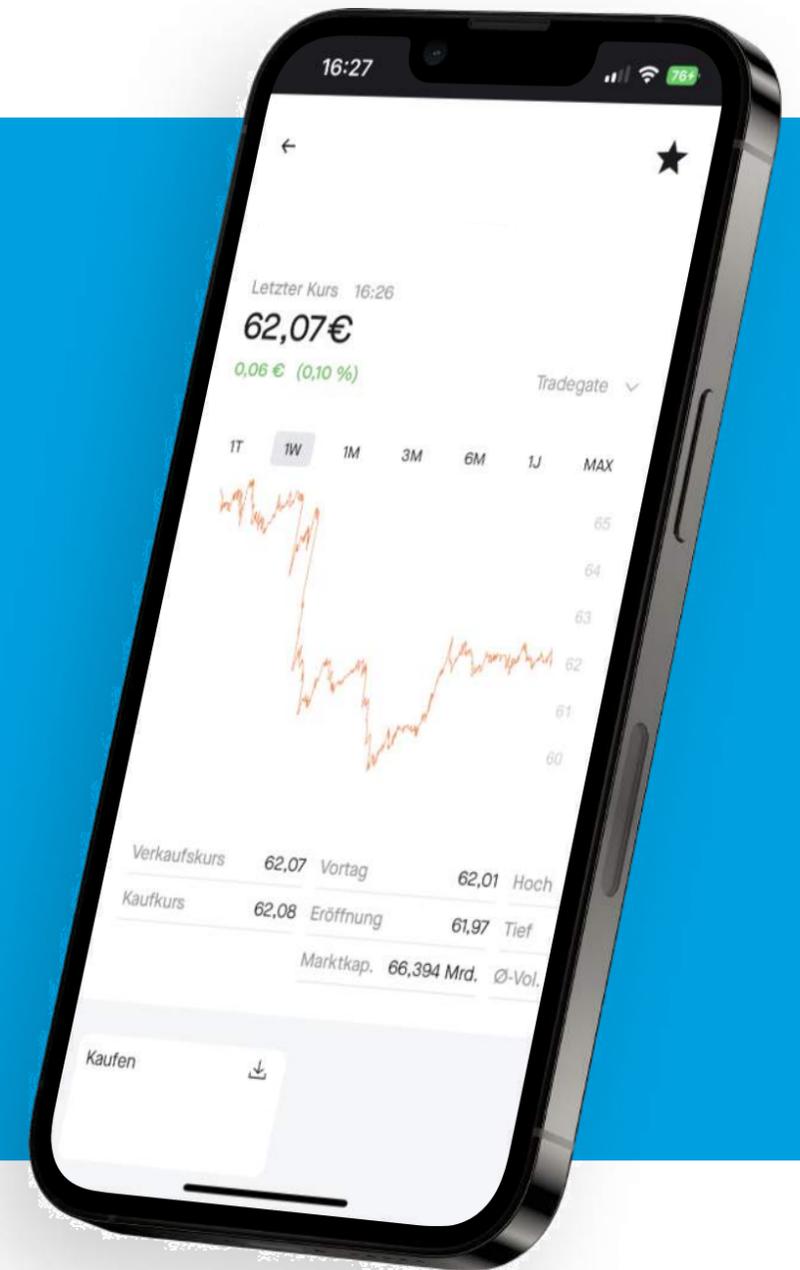
## Strategic focus on **High-Profitability Growth**



# High-quality customer growth

Platform – Product – Price

Pan-Europe's best investing platform



# Targeted Marketing

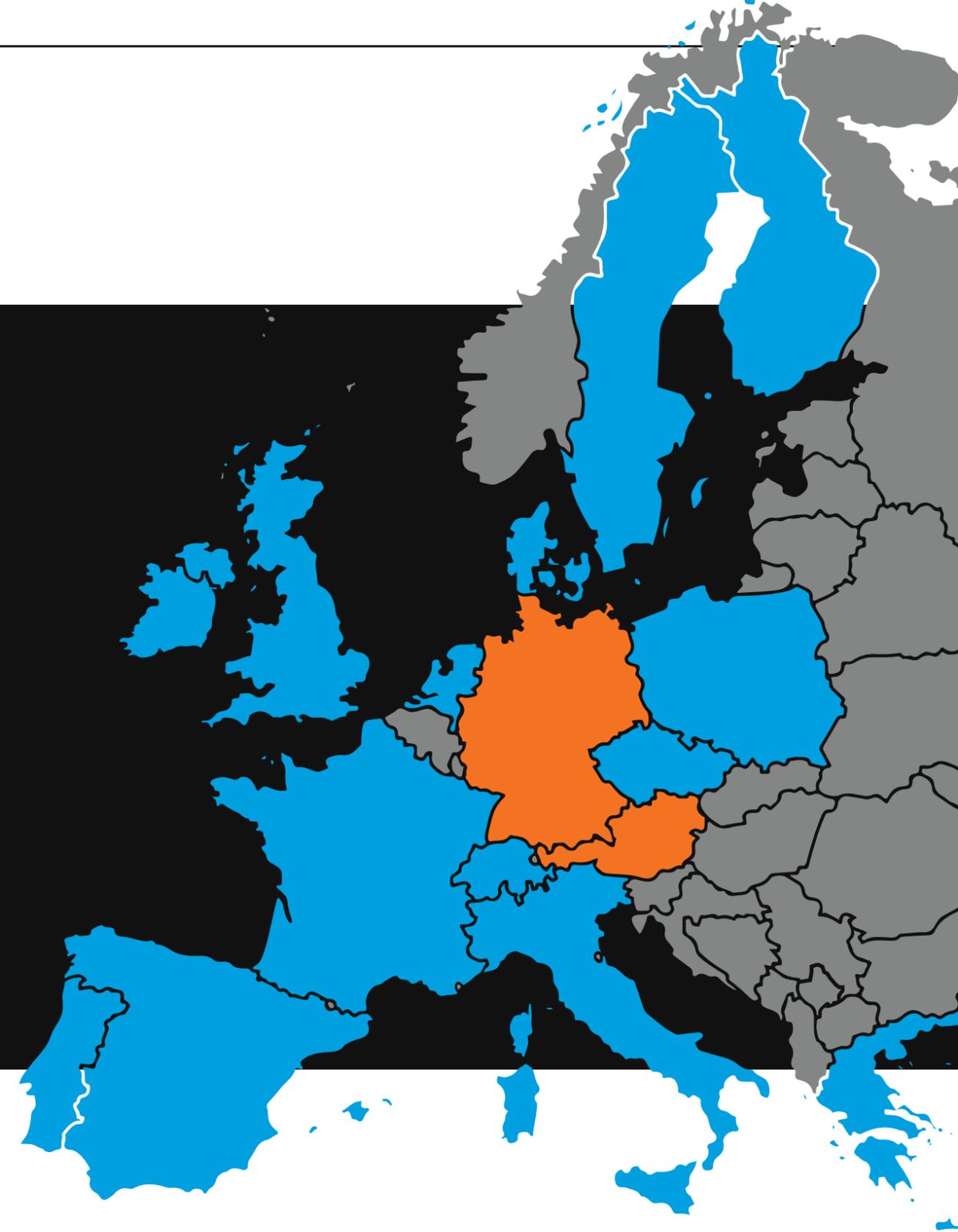
Discontinue “main sponsorship” at Sevilla and switch to Co-Sponsorship at Gladbach in 2024  
Leverage data & analytics to improve conversion



# Leverage Europe

Grow 1.5x to 2x over peers

Take market share from incumbents



# Profitability growth

Improve margins & shareholder value  
Best-in-market investing experience



# Trading Activity

Market conditions, sentiment, external events  
No guidance on Trades

### Unilever

YTD 1D 1W 1M 3M 6M 1Y 3Y 5Y ALL

#### Dividends

Yield: 3,99%

Dividend: 0,4268

Ex-Dividend: 19/05/2022

Payment: 16/06/2022

[SHOW MORE](#)

#### ESG

- Social
- Environment
- Governance

[SHOW MORE](#)

90

#### Orderbook

	Size	Bid (€)	Ask (€)	Size	
1	156	80,06	80,06	156	1
8	210	80,04	80,04	210	8
8	407	80,02	80,02	407	8

#### News

- Unilever Appoints Hei Schumacher As Non-Executive Director  
08:17 22/06/2022
- Kellogg's three-way b plan lacks crunch  
18:30 21/06/2022
- Unilever CEO sees cri new normal for indust  
16:39 21/06/22

# Increasing Transparency

Monthly Commercial KPIs  
Customers / Transactions / AuC

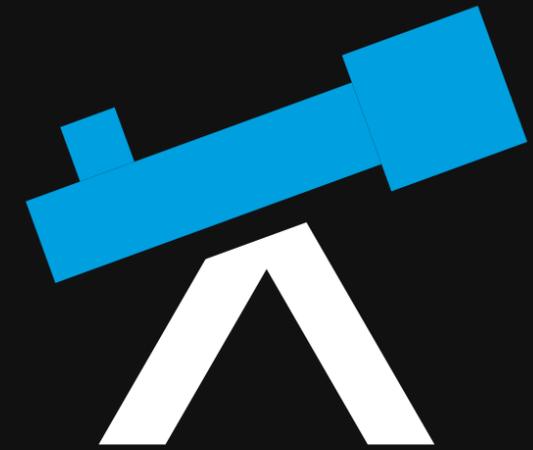


## Monthly Commercial KPI – January 2023

		December 2022	January 2023	Change M/M	January 2022	Change Y/Y
<b>Customer Accounts</b>						
Customer accounts end of month	in m	2,40	<b>2,44</b>	2%	2,11	15%
Customer account additions (gross)	in k	26	<b>43</b>	64%	70	-39%
<b>Assets Under Custody (AUC)</b>						
Total AUC	in EUR bn	39,5	<b>43,5</b>	10%	40,8	7%
- thereof Securities	in EUR bn	36,2	<b>40,0</b>	10%	37,8	6%
- thereof Cash	in EUR bn	3,2	<b>3,5</b>	7%	3,0	14%
Margin Loan Book	in EUR bn	0,9	<b>0,9</b>	-1%	1,1	-17%
<b>Trading</b>						
Trading Days*		21	<b>22</b>	5%	20	10%
Settled Transactions	in m	4,2	<b>5,3</b>	25%	7,3	-28%
Share of Cash Products (Stocks, Bonds, etc)		71%	<b>74%</b>	5%	76%	-2%
Share of ETF & Funds		20%	<b>17%</b>	-15%	16%	8%
Daily Average Revenue Trades (DARTs)	in m	0,20	<b>0,24</b>	20%	0,37	-34%

\* excluding days on which exchanges in DE/NL/US are closed

# Guidance 2023



## Revenue Guidance – Commission Income

- Trading activity assumed to be on Q2-Q4 2022 levels (~ 26 transactions/customer annualized)
- Support from customer growth

**65 m transactions (+/-) assumed**

- EUR 4.10 commission per transaction expected

**~ EUR 265 m commission income**

1 2 3 4 5

Commission Income

~ € 265 m

## Revenue Guidance – Interest Income

- Margin Loans assumed at EUR 900 m
- Expected average yield: 4.0 %

**EUR 36 m interest income (Margin Loans)**

- Treasury portfolio assumed at EUR 2.5 bn
- Expected average yield: 2.5 %

**~ EUR 62.5 m interest income (Treasury)**

1 2 3 4 5

Commission Income ~ € 265 m

Interest Income € ~100 m

## Revenue Guidance – Other Income

- Other Income expected: € 15 m

**EUR 380 m total revenues**

- Raw materials and consumables (COGS) of 17-19 %

①      ②      ③      ④      ⑤

Commission Income ~ € 265 m

Interest Income € ~100 m

Other Income € ~ 15 m

**Total revenues € 380 m**

COGS 17-19%

## Opex Guidance

- Personnel
- Marketing
- General Admin

**EUR 150-160 m Operating Expenses (Opex)**

①      ②      ③      ④      ⑤

Commission Income      ~ € 265 m

Interest Income      € ~100 m

Other Income      € ~ 15 m

**Total revenues**      € 380 m

COGS      17-19%

Opex      € 150-160 m

## Margin Guidance

**Adj. EBITDA margin > 40 %**

**Adj. EBT margin > 30 %**

- Adjustments refer to building/releasing provisions for long-term variable compensation (SARs)
- Trading activity can't be controlled
- Jan & Feb trading supports assumption
- Cost management in place

1 2 3 4 5

Commission Income ~ € 265 m

Interest Income € ~100 m

Other Income € ~ 15 m

**Total revenues € 380 m**

COGS 17-19%

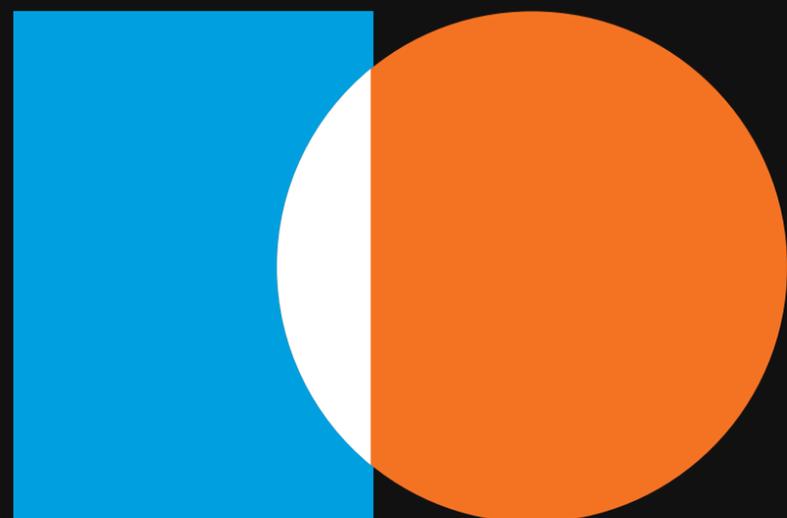
Opex € 150-160 m

Adj. EBITDA margin > 40%

Adj. EBT margin > 30%

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# PRELIMINARY RESULTS 2022



## Contact

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