

H1 / 2024

PRELIMINARY RESULTS



Executive summary - Development Q2 2024

With a positive development of all commercial Key Performance Indicators (KPIs) in Q2 2024, flatexDEGIRO continues its good start to the year and closes a successful first half.

New account openings in Q2 2024 increased by 15 percent compared to Q2 2023, while average customer acquisition costs dropped by 32 percent. The number of settled transactions increased by 16 percent.

In Q2 2024, Commission Income increased by 25 percent compared to Q2 2023, driven by a continuously growing customer base, higher trading activity and higher commissions per transaction. Interest Income increase by 47 percent on the back of a growing average margin loan book, higher average amounts of Cash under Custody and interest rates above the previous year's level. Total Revenues thereby increased by 31 percent.

Gross Margins benefitted from positive mix effects and thus improved by 3 percent. Operating expenses saw a slight increase by 1 percent with lower marketing spendings and less additions to provisions for long-term variable remuneration mostly compensating higher general administrative costs and an increase in current personnel expenses.

Due to the high scalability of flatexDEGIRO's business model, Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) increased by 82 percent with a margin growth of 39 percent. Net Income more than doubled (+133 percent) with a margin growth of 78 percent.

Based on current developments, management is confident to achieve a record year in 2024. Revenues and Net Income for the full year 2024 are expected to arrive at the upper end of the guidance corridor communicated at the start of the year (Revenue growth of 5 to 15 percent and an increase in Net Income of 25 to 50 percent).

Operational development

In H1 2024, approx. 205,900 **new customer accounts** were opened, an increase of 10.7 percent compared to the approx. 186,000 new customer accounts opened in H1 2023. During Q2 2024, approx. 84,600 new customer accounts were opened, an increase of 15.0 percent (Q2 2023: approx. 73,600).

The **customer base** at the end of H1 2024 amounted to 2.88 million, an increase of 6.7 percent compared to year-end 2023 (2.70 million). Over the last twelve months, flatexDEGIRO grew its customer base by 12.5 percent (customer base H1 2023: 2.56 million). The annualized retention rate in H1 2024 amounted to 99.1 percent (H1 2023: 98.1 percent).

In H1 2024, flatexDEGIRO settled 31.4 million **transactions**, an increase of 6.2 percent compared to H1 2023 (29.5 million). During Q2 2024, 15.2 million transactions were settled, up 15.5 percent compared to 13.2 million in the previous year's period. The annualized average trading activity per customer¹ amounted to 22.5 in H1 2024, compared to 23.8 in H1 2023 (-5.6 percent). During Q2 2024, trading activity increased by 2.7 percent from 20.9 in Q2 2023 to 21.4 in Q2 2024.

Net cash inflows to flatexDEGIRO's platforms amounted to EUR 3.25 billion in H1 2024, an increase of 13.6 percent against H1 2023 (EUR 2.86 billion). Inflows during Q2 2024 amounted to EUR 1.45 billion versus EUR 1.13 billion in Q2 2023 (+28.5 percent). With EUR 3.54 billion, customers' investment in securities exceeded the net cash inflows in H1 2024 by 9.0 percent or EUR 0.291 billion. Customers' cash deposits decreased slightly over the last six months by approx. EUR 0.08 billion, while the volume of margin loans increased by approx. EUR 0.21 billion.

Since the start of the year, **Assets under Custody** (AuC) increased by 18.1 percent to a record EUR 61.11 billion at the end of H1 2024 (31 December 2023: EUR 51.75 billion). This includes securities

¹ Calculated as number of settled transactions in the period divided by the average number of customer accounts during this period, annualized

under custody of EUR 57.56 billion (+19.6 percent versus EUR 48.11 billion as of December 2023) and cash under custody of EUR 3.56 billion (-2.2 percent versus EUR 3.64 billion as of December 2023).

flatexDEGIRO continues its conservative **treasury strategy** with customer cash under custody being deployed in very short duration investments. As of 30 June 2024, this mainly includes EUR 1.10 billion of fully collateralized margin loans provided to flatexDEGIRO brokerage customers as well as approx. EUR 2.45 billion of additional customer cash under custody of which the vast majority being deposited directly at the German Federal Bank (Bundesbank) with overnight availability.

The European Central Bank's (ECB) depository rates stood at 4.00 percent throughout almost the entire first half-year 2024. Only in mid-June, ECB lowered deposit rates by 0.25 percent. In the previous year's period, average deposit rates were still significantly below these levels, starting the year at 2.00 percent and then continuously increasing to 3.50 percent in June 2023. Based on the sharp increase in the previous year, flatexDEGIRO had decided to adjust interest rates for margin loans at flatex and DEGIRO. Since 1 January 2024, margin loan rates amount to 7.9 percent at flatex and between 5.25 percent and 6.9 percent at DEGIRO.

Development in the "flatex" and "DEGIRO" segments

In the "flatex" segment, approx. 53,400 new customer accounts (gross) were opened in the first six months of 2024, an increase of 48.7 percent over the 35,900 newly opened customer accounts in H1 2023. In Q2 2024, approx. 22,600 new customer accounts (gross) were opened, comparing to approx. 14,800 in Q2 2023 (+53.2 percent). The customer base in the "flatex" segment expanded since the start of the year by 6.8 percent to approx. 713,000 (31 December 2023: approx. 667,300).

The number of settled transactions in the "flatex" segment increased in H1 2024 by 9.5 percent to 11.1 million (H1 2023: 10.1 million) and by 17.7 percent in Q2 2024 to 5.4 million (Q2 2023: 4.6 million). Annualized average trading activity of customers in the "flatex" segment decreased in H1 2024 by 1.0 percent to 32.1 (H1 2023: 32.4) and increased by 6.0 percent in Q2 2024 to 30.6 (Q2 2023: 28.9).

In the "DEGIRO" segment, approx. 152,500 new customer accounts (gross) were opened in the first six months of 2024, an increase of 1.6 percent over the 150,100 newly opened customer accounts in H1 2023. In Q2 2024, approx. 62,00 new customer accounts (gross) were opened, comparing to approx. 58,900 in Q2 2023 (+5.4 percent). The customer base in the "DEGIRO" segment expanded since the start of the year by 6.6 percent to approx. 2,166,400 (31 December 2023: approx. 2,032,400).

The number of settled transactions in the "DEGIRO" segment increased in H1 2024 by 4.4 percent to 20.3 million (H1 2023: 19.4 million) and by 14.3 percent in Q2 2024 to 9.9 million (Q2 2023: 8.6 million). Annualized average trading activity of customers in the "DEGIRO" segment decreased in H1 2024 by 7.7 percent to 19.3 (H1 2023: 21.0) and increased by 1.3 percent in Q2 2024 to 18.4 (Q2 2023: 18.2).

Financial position and results of operations

Revenues in H1 2024 increased by 27.8 percent to EUR 241.7 million (H1 2023: EUR 189.1 million). In Q2 2024, revenues amounted to EUR 118.7 million, an increase of 30.8 percent compared to the previous year's period (Q2 2023: EUR 90.8 million).

Commission Income amounted to EUR 140.9 million in H1 2024 corresponding to an average of EUR 4.49 of commission per transaction. During the first six months of 2023, Commission Income amounted to EUR 120.7 million, with commission per transaction equalling EUR 4.08. Together with an increase of settled transaction based on ongoing customer growth, this 10.0 percent increase in commission per transaction was the main driver of the 16.7 percent growth in Commission Income recorded in H1 2024 compared to H1 2023. Similarly, in Q2 2024, Commission Income increased by 25.4 percent to EUR 66.1 million (Q2 2023: EUR 52.7 million) with an 8.5 percent increase in commissions per transaction, rising from EUR 3.99 in Q2 2023 to EUR 4.33 in Q2 2024.

Interest Income in H1 2024 amounted to EUR 91.6 million, an increase of 55.2 percent over H1 2023 (EUR 59.0 million). In Q2 2024, interest income amounted to EUR 47.7 million, an increase of 47.2 percent over Q2 2023 (EUR 32.4 million). The increase in both periods results from higher depository rates at the ECB, increased interest rates for margin loans at flatex and DEGIRO as well as higher average amounts of customer cash under custody and an increase in the margin loan book. Q2 2024 additionally benefitted by approx. EUR 2 million from a revaluation of real estate investments.

Other Operating Income amounted to EUR 9.2 million in H1 2024 remaining basically at previous year's level of EUR 9.4 million (-2.2 percent). In Q2 2024, Other Operating Income amounted to EUR 4.9 million, 12.8 percent less than in Q2 2023 (EUR 5.7 million).

Raw materials and consumables amounted to EUR 35.5 million in H1 2024 or 14.7 percent of revenues, compared to EUR 29.9 million and 15.8 percent in H1 2023. In Q2 2023, raw materials and consumables amounted to EUR 16.7 million (Q2 2023: 13.1 million) or 14.0 percent of revenues (Q2 2023: 14.5 percent of revenues). The improvement of these ratios in both periods were largely driven by a more favorable revenue mix with a significantly increased share of Interest Income.

Operating expenses decreased by 10.0 percent from EUR 110.8 million in H1 2023 to EUR 99.7 million in H1 2024 and increased by 1.4 percent from EUR 48.5 million in Q2 2023 to EUR 49.2 million in Q2 2024.

Current personnel expenses amounted to EUR 49.9 million in H1 2024, an increase of 17.0 percent versus H1 2023 (EUR 42.7 million). In Q2 2024, they amounted to EUR 25.1 million compared to EUR 21.2 million in Q2 2023 (+18.2 percent). Salary increases as well as a significant hiring of additional employees in the first half of 2023 in the context of remedying regulatory findings led to this increase in personnel expenses. Additions to provisions for long-term variable remuneration played a much lesser role in 2024, amounting to EUR 2.8 million during the first half, out of which EUR 1.4 million were accounted for during the second quarter. Compared to the previous year, this represents a reduction of 82.0 percent in the first half (H1 2023: EUR 15.4 million) and by 70.5 percent in the second quarter, respectively (Q2 2023: EUR 4.8 million).

Marketing expenses were cut by 29.4 percent to EUR 18.0 million in H1 2024 (H1 2023: EUR 25.5 million) with no negative impact on customer account growth, which actually increased year-over-year. As a result, average customer acquisition costs² dropped by 36.2 percent from EUR 137.19 in H1 2023 to EUR 87.53 in H1 2024. Likewise, marketing expenses were reduced during Q2 2024, amounting to EUR 6.5 million compared to EUR 8.3 million in Q2 2023 (-21.4 percent). Average customer acquisition costs in Q2 2024 improved by 31.7 percent to EUR 76.99 (Q2 2023: EUR 112.70).

² Calculated as marketing expenses divided by the number of new customer accounts opened during the period

Other administrative expenses amounted to EUR 29.0 million in H1 2024 (H1 2023: EUR 27.1 million) and EUR 16.2 million in Q2 2024 (Q2 2023: EUR 14.2 million). The increase stems largely from significantly higher legal and consultancy fees, partially related to workstreams connected to regulatory requirements as well as additional costs for this year's Annual General Meeting and the ongoing CEO search. These increases were partially compensated for by the absence of any special items such as the payment of a fine issued by the Italian competition authority in Q2 2023 due to the complaint of a single local competitor, against which flatexDEGIRO is taking legal action.

Earnings before Interest, Tax, Depreciation and Aamortization (EBITDA) amounted to EUR 106.5 million in H1 2024, an increase of 119.7 percent compared to the EUR 48.5 million achieved in H1 2023. The EBITDA margin in the first six months 2024 amounted to 44.0 percent (H1 2023: 25.6 percent). During Q2 2024, flatexDEGIRO achieved an EBITDA of EUR 52.9 million with an EBITDA margin of 44.5 percent. This compares to an EBITDA in Q2 2023 of EUR 29.1 million and an EBITDA margin of 32.1 percent.

Net Income for H1 2024 amounted to EUR 60.8 million, tripling compared to the EUR 20.1 million in H1 2023 (+203.3 percent). The Net Income margin increased in the same period from 10.6 percent in 2023 to 25.2 percent in 2024. In Q2 2024, Net Income increased by 132.8 percent to EUR 30.8 million (Q2 2023: EUR 13.2 million), reaching a margin of 26.0 percent in Q2 2024 and of 14.6 percent in Q2 2023.

Outlook

Based on current developments, management is confident to achieve a record year in 2024. Revenues and Net Income for the full year 2024 are expected to arrive at the upper end of the guidance corridor communicated at the start of the year (Revenue growth of 5 to 15 percent and an increase in Net Income of 25 to 50 percent).

		Q2 2024	Q2 2023	Change in %	H1 2024	H1 2023	Change in %
Key financial figures							
Revenues	EUR m	118.7	90.8	+30.8	241.7	189.1	+27.8
Commission income	EUR m	66.1	52.7	+25.4	140.9	120.7	+16.7
<i>Commission income per transaction</i>	<i>EUR</i>	<i>4.33</i>	<i>3.99</i>	<i>+8.5</i>	<i>4.49</i>	<i>4.08</i>	<i>+10.0</i>
Interest income	EUR m	47.7	32.4	+47.2	91.6	59.0	+55.2
Other operating income	EUR m	4.9	5.7	-12.8	9.2	9.4	-2.2
Raw materials and consumables	EUR m	16.7	13.1	+26.8	35.5	29.9	+18.9
in percent of revenues	%	14.0	14.5	-3.0	14.7	15.8	-7.0
Operating expenses	EUR m	49.2	48.5	+1.4	99.7	110.8	-10.0
Current personnel expenses	EUR m	25.1	21.2	+18.2	49.9	42.7	+17.0
Personnel expenses for long-term variable remuneration	EUR m	1.4	4.8	-70.5	2.8	15.4	-82.0
Marketing expenses	EUR m	6.5	8.3	-21.4	18.0	25.5	-29.4
<i>Average customer acquisition costs</i>	<i>EUR</i>	<i>76.99</i>	<i>112.70</i>	<i>-31.7</i>	<i>87.53</i>	<i>137.19</i>	<i>-36.2</i>
Other administrative expenses	EUR m	16.2	14.2	+14.0	29.0	27.1	+6.7
EBITDA	EUR m	52.9	29.1	+81.6	106.5	48.5	+119.7
EBITDA margin	%	44.5	32.1	+38.9	44.0	25.6	+71.9
Net Income	EUR m	30.8	13.2	+132.8	60.8	20.1	+203.3
Net Income margin	%	26.0	14.6	+78.0	25.2	10.6	+137.3

		Q2 2024	Q2 2023	Change in %	H1 2024	H1 2023	Change in %
Commercial KPIs							
Customer accounts at the end of the reporting period	m	2.88	2.56	+12.5	2.88	2.56	+12.5
New customer accounts	k	84.6	73.6	+15.0	205.9	186.0	+10.7
Transactions settled	m	15.2	13.2	+15.5	31.4	29.5	+6.2

		June 2024	June 2023	Change in %	June 2024	Dec 2023	Change in %
Customer Assets under Custody	EUR bn	61.1	47.8	+27.9	61.1	51.7	+18.1
- of which: Securities	EUR bn	57.6	44.2	+30.2	57.6	48.1	+19.6
- of which: Cash	EUR bn	3.6	3.5	+0.3	3.6	3.6	-2.2

		June 2024	June 2023	Change in %	June 2024	Dec 2023	Change in %
Segments - Customer accounts							
flatexDEGIRO	m	2.88	2.56	+12.5	2.88	2.70	+6.7
Segment "flatex"	m	0.71	0.64	+11.6	0.71	0.67	+6.8
Segment "DEGIRO"	m	2.17	1.92	+12.8	2.17	2.03	+6.6

		Q2 2024	Q2 2023	Change in %	H1 2024	H1 2023	Change in %
Segments - Transactions settled							
flatexDEGIRO	m	15.2	13.2	+15.5	31.4	29.5	+6.2
Segment "flatex"	m	5.4	4.6	+17.7	11.1	10.1	+9.5
Segment "DEGIRO"	m	9.9	8.6	+14.3	20.3	19.4	+4.4

Disclaimer

Preliminary, unaudited information

This release contains preliminary, unaudited information that is subject to change and does not purport to be complete.

Non-IFRS key figures (APMs)

This presentation contains non-IFRS measures. These measures are alternative performance measures as defined by the European Securities and Markets Authority ("ESMA"). flatexDEGIRO presents these non-IFRS measures because (i) they are used by management to measure performance, including in presentations to the Management Board and members of the Supervisory Board 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 similarly titled measures of other companies and have limitations as analytical tools and should not be considered a substitute for analysis of flatexDEGIRO's operating results as reported under IFRS. Non-IFRS measures are not a measure of flatexDEGIRO's performance or liquidity under IFRS and should not be considered as an alternative to net income or other performance measures derived under IFRS or other generally accepted accounting principles, or as an alternative to cash flows from operating, investing or financing activities.

Forward-looking statements

This release may contain forward-looking statements and information identified by terminology such as "expect", "aim", "anticipate", "intend", "plan", "believe", "estimate" or "will". Such forward-looking statements are based on current expectations and certain assumptions that may be subject to a variety of risks and uncertainties. Actual results achieved by flatexDEGIRO AG may differ materially from these forward-looking statements. flatexDEGIRO assumes no obligation to update these forward-looking statements or to revise them in the event of developments that differ from those anticipated.