

wallstreet:online

## Earnings Call

Preliminary Financials 2021 | Outlook 2022

### Speakers

Matthias Hach | CEO

Roland Nicklaus | CFO

### Moderation

Sabrina Kassmannhuber | IR

9 March 2022

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# wallstreet:online offers a Unique Combination of Digital Brokerage & Relevant Financial Information



WSO Group 2021: €51.4m revenues (+82%), €17.5m EBITDA before CAC (+45%)

## Transaction

Smartbroker launched Dec 2019



- Comprehensive brokerage platform for private investors offering virtually all licensed securities on any German venue & extensive range of foreign stock exchanges
- Low-cost fund broker

142 %  
2021 YoY  
Smartbroker  
revenue growth

neg.  
2021 EBITDA  
margin

110 %  
Brokerage accounts  
growth



## Media

Launched 1998



- Financial news websites, stock exchange portals & social forums
- B2B financial services, data analytics & software development

32 %  
2021 YoY organic  
revenue growth

43 %  
2021 EBITDA  
margin

16 %  
annual page  
impressions growth

wallstreet:online



## Investing redefined

Supporting private investors, savers, traders and capital market enthusiasts on all stages of the investment cycle – from information seeking to decision-making

# Operational Highlights 2021

Solidified market position as largest neo broker operator in Germany by AUC & largest publisher-independent financial portal operator in German-speaking Europe

## TRANSACTION

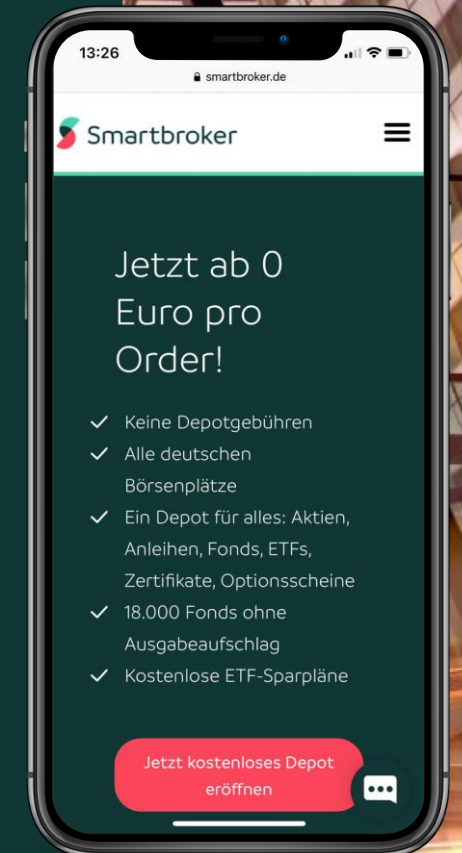
- More than 125k new securities accounts opened during 2021 | +110% YoY
- Assets under custody doubled to €8.8 billion
- Preparation of “Smartbroker 2.0”: Secured 95+% stake in wallstreet:online capital AG (Smartbroker operator), applied for expanded BaFin licence (expected for H1 2022), kicked-off internalisation project (expected for H2 2022)

## MEDIA

- Recorded growth across all portals | Implemented innovations to increase usability
- Preparation of investment newsletter editorial desk

## GROUP

- Over-achieved revenue guidance 2021 | On track to over-achieve operational goals of “Vision 2024”
- Hired new senior Management layer | Expanded headcount by ca. 40 employees



# “Smartbroker 2.0“

State of the art digital broker for execution-only investors & savers

- Smartbroker 2.0 to be launched in H2 2022
- Brand new customer experience
- Faster service
- New products: e. g. selection of crypto currencies
- New client groups
- New and integrated customer data and content platform
- Smartbroker Cloud Platform
- Digital ecosystem with well-known fintech companies located in Berlin



# Record Year FY2021 Financial Performance

# 2021 Financial Statements - Basis of Preparation

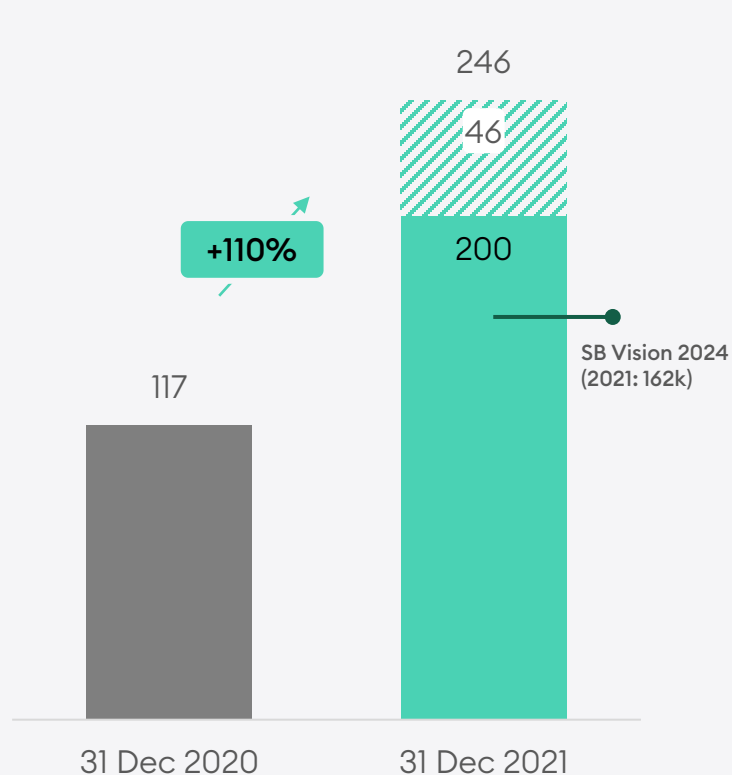


- Consolidated P&L and balance sheet based on management information system
- Preliminary and unaudited
- Material entities include: wallstreet:online capital AG ("WOC", Smartbroker operator), wallstreet:online AG ("WSO"), Ariva AG, ABC New Media AG, Markets Inside Media GmbH
- All “consolidated” figures presented herein are based on the pro forma assumption of full consolidation of WOC from 1 January 2021 onwards
  - According to German Commercial Code (HGB) consolidation rules, WOC will be fully consolidated in the audited financial statements from 1 August 2021 onwards
- Full annual report and audited financial statements to be published in May

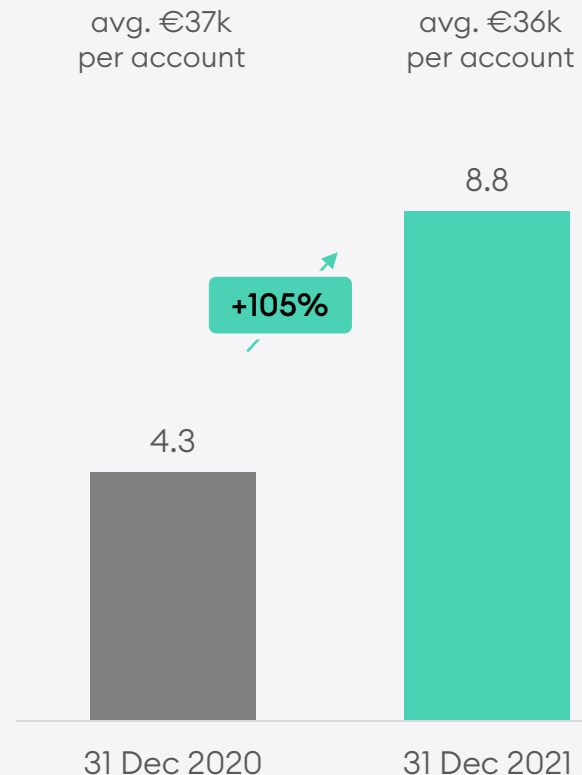
# Operational KPIs

## Brokerage accounts & AUC more than doubled - Media reach also expanded

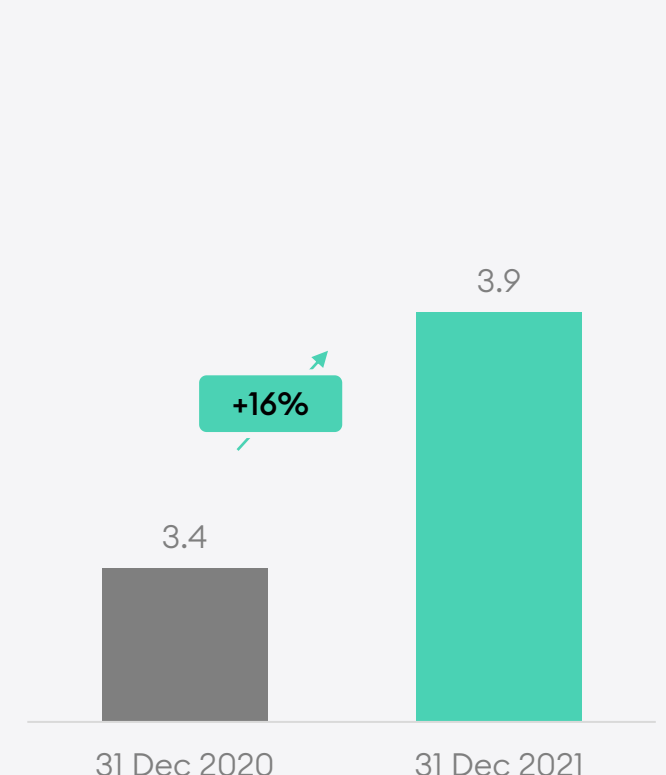
Brokerage accounts, in k



Assets under custody, in €bn



Page impressions, in bn



■ Smartbroker    ▨ Classic Transaction



# Savings Plans become Increasingly Popular

## Underpinning Smartbroker's role as partner for long-term value creation

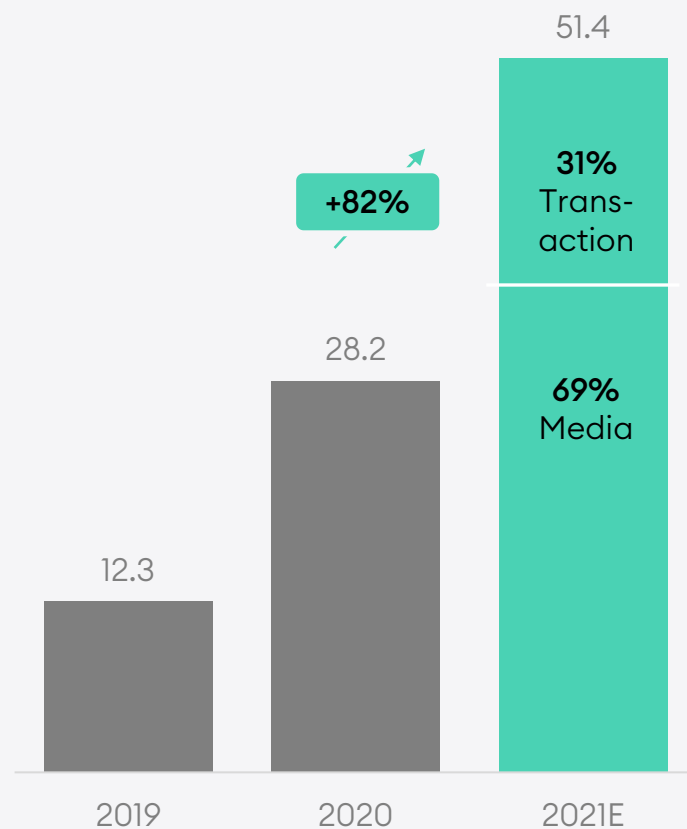
<i>rounded</i>	31 Dec 2020	31 Dec 2021	Growth in %
Number of savings plans, in k	39	105	+170%
Savings Plan per securities account	2.5	2.6	+4%
Annual Payment per securities account, in €	2,314	3,660	+58%
Share of securities accounts with savings plan	13%	17%	+31%

- The Group offers large selections of free savings plans on ETFs and funds
- Regular payments start from €25
- Savings plans on funds, stocks and ETCs available for 0.2% per contribution

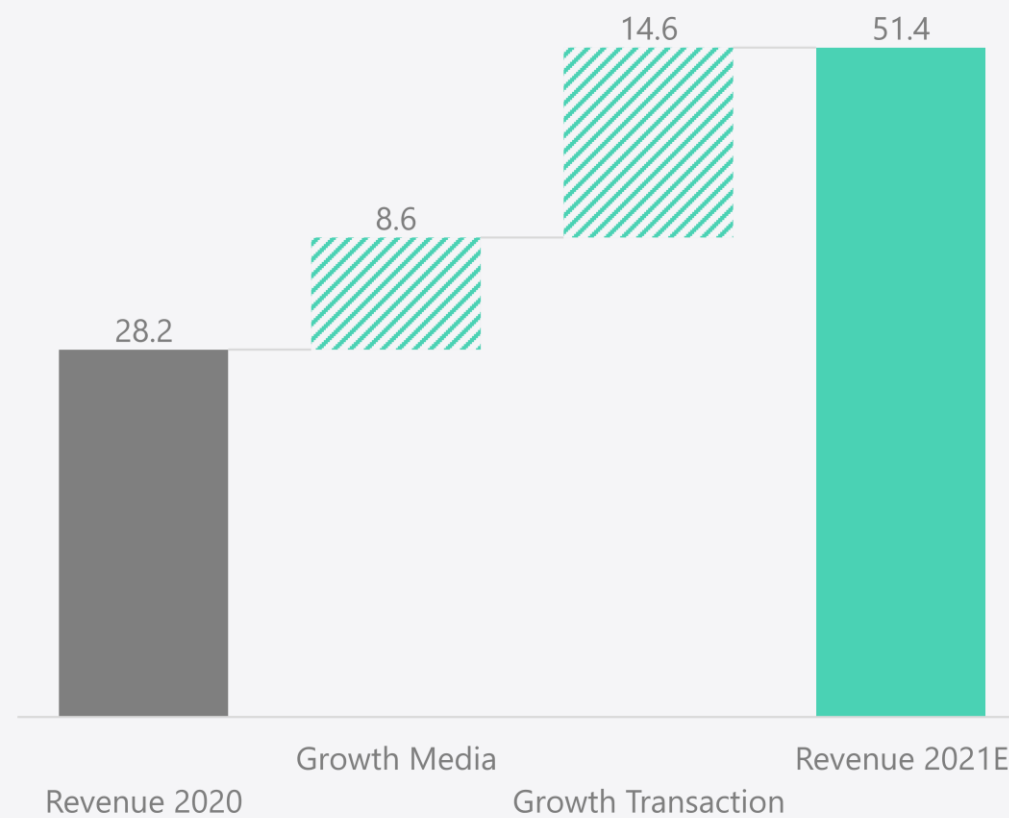
# 2021E Revenue

Over-achieved guidance - Growth stemming from both business units

Revenues, in €m



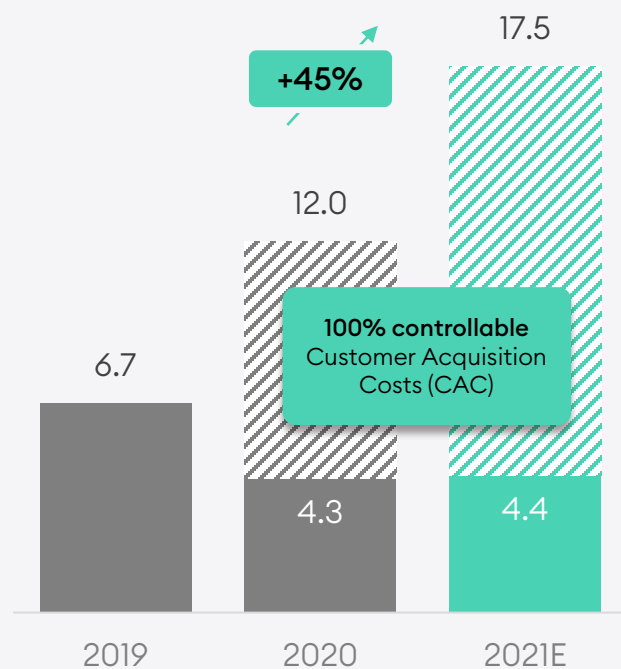
Revenue growth by segment, in €m



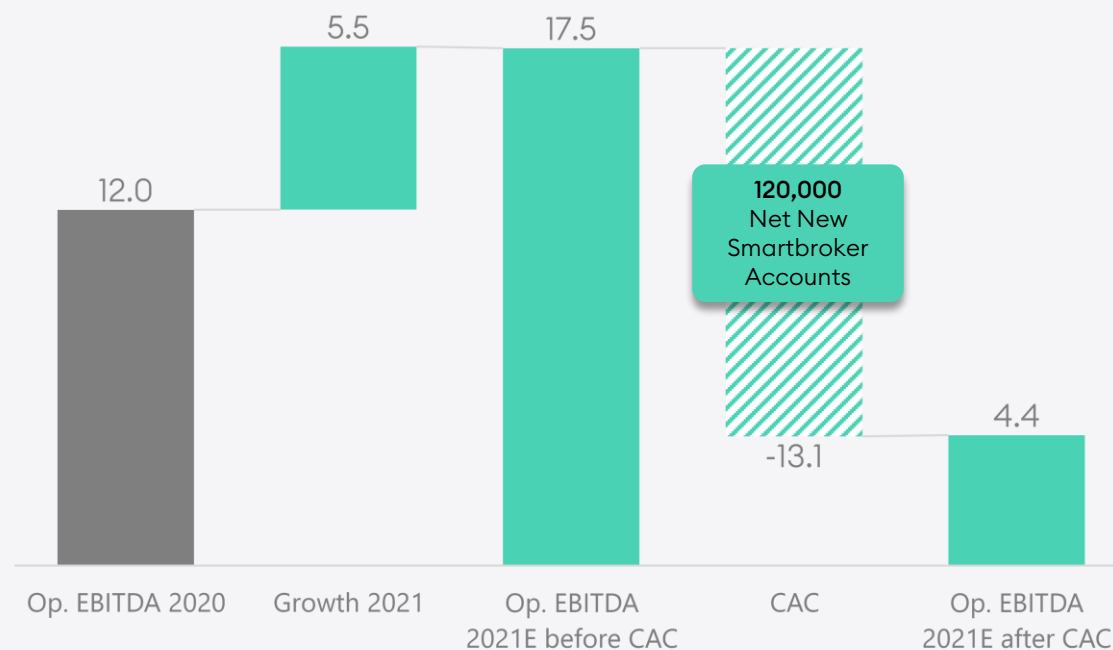
# 2021E Profitability

3<sup>rd</sup> consecutive year of achieving or exceeding our financial guidance

Operational EBITDA, in €m



Targeted investment into Smartbroker client growth, in €m



**Fulfilled guidance - Self-financing Smartbroker customer growth**

# 2021E Preliminary Expenses

Marketing and Personnel are main cost drivers – to expand and support business

<i>in €m</i>	2020	2021E	Change in %
<b>Revenue</b>	<b>28.2</b>	<b>51.4</b>	+82%
Other Operating Income	0.3	0.9	
Data & IT Costs	(5.4)	(8.9)	+67%
Marketing	(8.1)	(15.4)	+90%
Personnel	(8.0)	(15.8)	+97%
Other	(2.5)	(7.7)	+227%
Non-recurring items	3.0	(0.5)	n/a
<b>EBITDA</b>	<b>7.5</b>	<b>3.9</b>	
add back/ (deduct): non-recurring items	(3.0)	0.5	n/a
<b>Operational EBITDA</b>	<b>4.5</b>	<b>4.4</b>	(2%)
Add back: Smartbroker Customer Acquisition Cost	7.5	13.1	+74%
<b>Operational EBITDA before CAC</b>	<b>12.0</b>	<b>17.5</b>	+45%

# 2021E Preliminary Balance Sheet

Cash and equity respectively represent 33% and 66% of balance sheet total

	Assets		
<i>in €m</i>	31.12.2020	31.12.2021E	% of total
<b>Fixed Assets</b>	<b>28.8</b>	<b>41.9</b>	<b>54 %</b>
Intangible Assets	20.5	38.7	50 %
Tangible Assets	0.4	1.0	1 %
Financial Assets	7.9	2.2	3 %
<b>Current Assets</b>	<b>22.0</b>	<b>35.1</b>	<b>45 %</b>
Inventories	0.0	0.0	0 %
Trade Receivables	4.3	6.9	9 %
Other	3.6	2.7	3 %
Cash & Equivalentents	14.1	25.5	33 %
Prepaid Expenses	0.3	0.4	< 1 %
<b>Total Assets</b>	<b>51.2</b>	<b>77.4</b>	<b>100 %</b>

	Equity & Liabilities		
<i>in €m</i>	31.12.2020	31.12.2021E	% of total
<b>Equity</b>	<b>30.2</b>	<b>51.1</b>	<b>66 %</b>
Provisions	2.7	5.2	7 %
Financial debt	7.5	5.7	7 %
Trade payables	1.6	10.4	13 %
Other liabilities	6.4	1.9	2 %
Deferred Income	1.7	2.3	3 %
Deferred Taxes	1.0	0.8	1 %
<b>Total Liabilities</b>	<b>51.2</b>	<b>77.4</b>	<b>100 %</b>

# Guidance FY2022

## Continuing Our Profitable Growth

# 2022 Outlook | A year of two halves

## Smartbroker 2.0: Entering a new era – improving all key aspects of our business

“Smartbroker 2.0” to be launched in H2 2022

- Immediate access for new clients to comprehensive product and functionality
- Subsequent migration of current customer base

### Impact on key dynamics in 2022

#### Pre-Launch

##### Customers

- Intentional temporary slow-down of client additions to avoid migration of recently onboarded customers

##### Cost base

- WSO is maintaining the current brokerage platforms while investing into the launch & roll-out of Smartbroker 2.0

#### Smartbroker 2.0

##### Customers

- Accelerated and more efficient customer acquisitions onto a state-of-the-art Smartbroker Cloud Platform,
- Higher revenues per trade
- Increased trade frequency

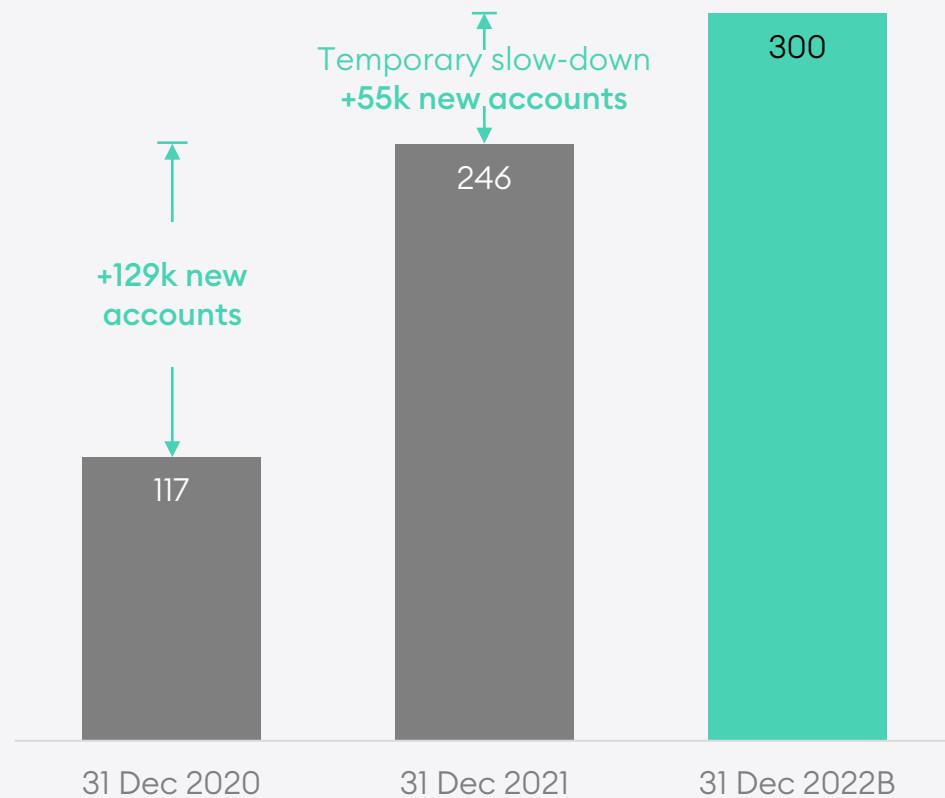
##### Cost base

- Degressive cost base & scalable business model
- Higher customer lifetime value

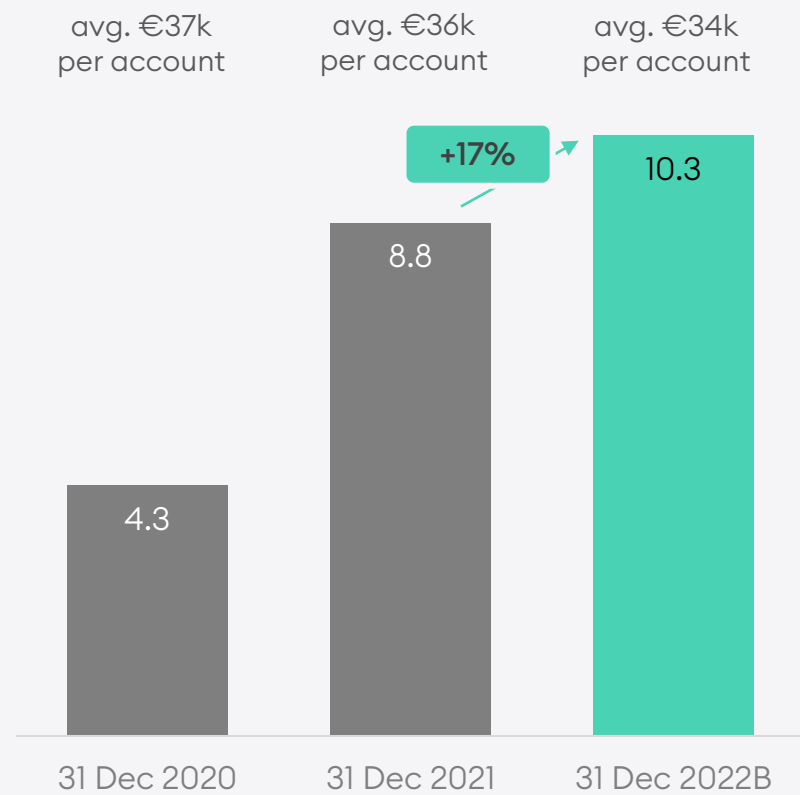
# Operational KPIs 2022 Guidance

## Focusing on the Launch of „Smartbroker 2.0“

Brokerage accounts, in k



Assets under custody, in €bn

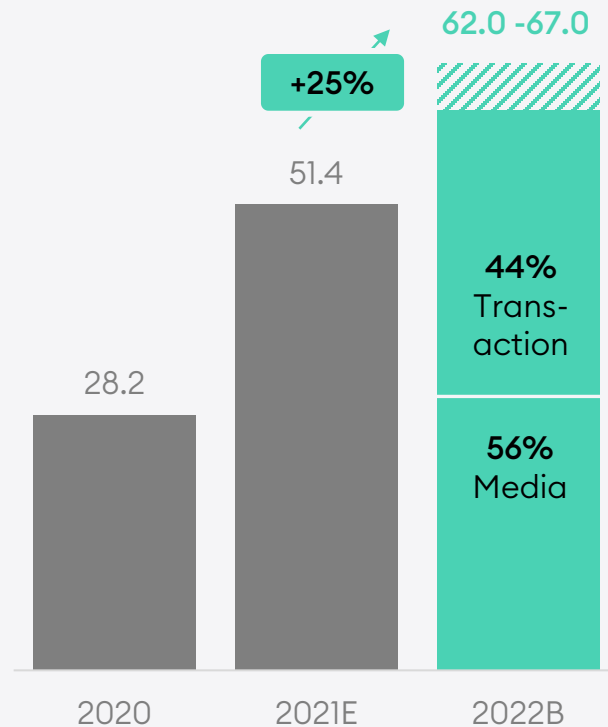




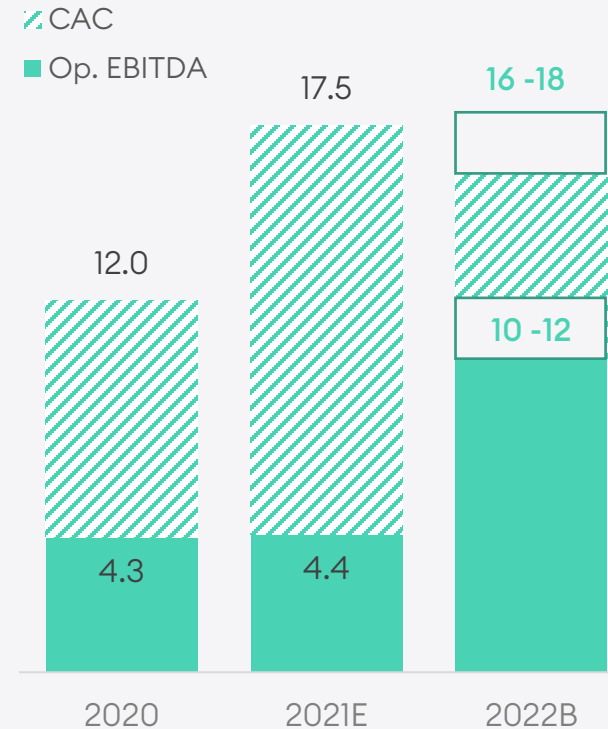
# Financial Guidance 2022

## 25% revenue growth & temporary increase in investment

Revenues, in €m



Operational EBITDA before and after Smartbroker CAC, in €m



### Total Investment into Smartbroker 2.0 of c€20m

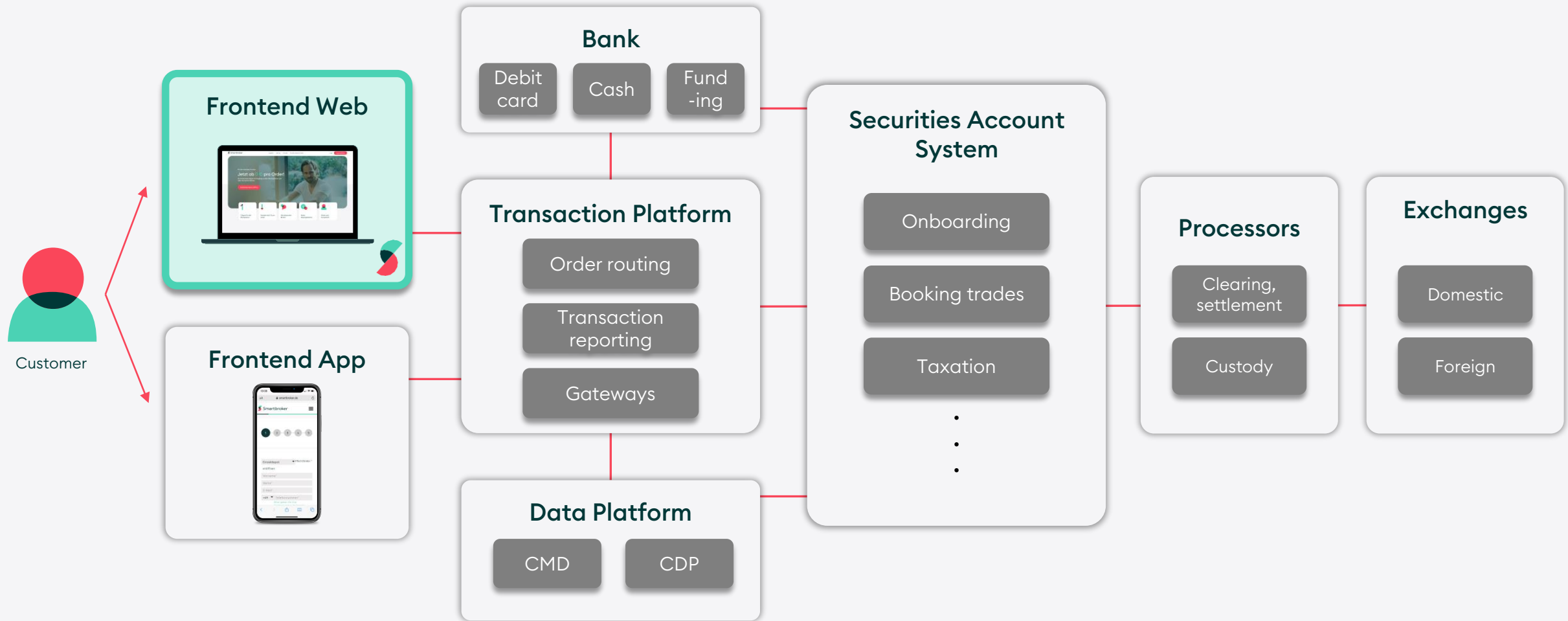
- In 2021 (c40% of total) and 2022 (c60%)
- Across P&L (c20% of total) and Cash Flow (c80%)
- Financed by cash on balance sheet (€25+m) and operational cash generation
- Additional liquidity available/ undrawn

Laying foundations for vastly improved business model

# Mid Range Outlook

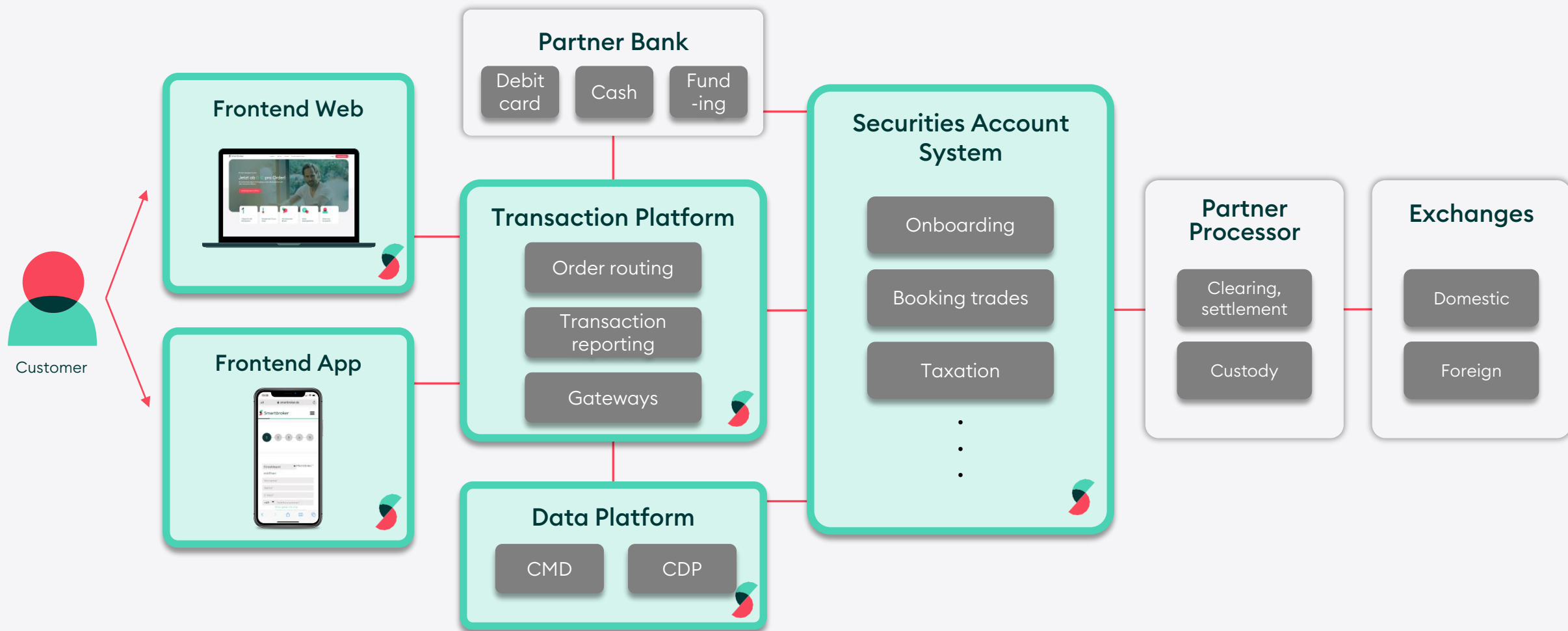
# The Brokerage Value Chain

## Smartbroker's Current Offering



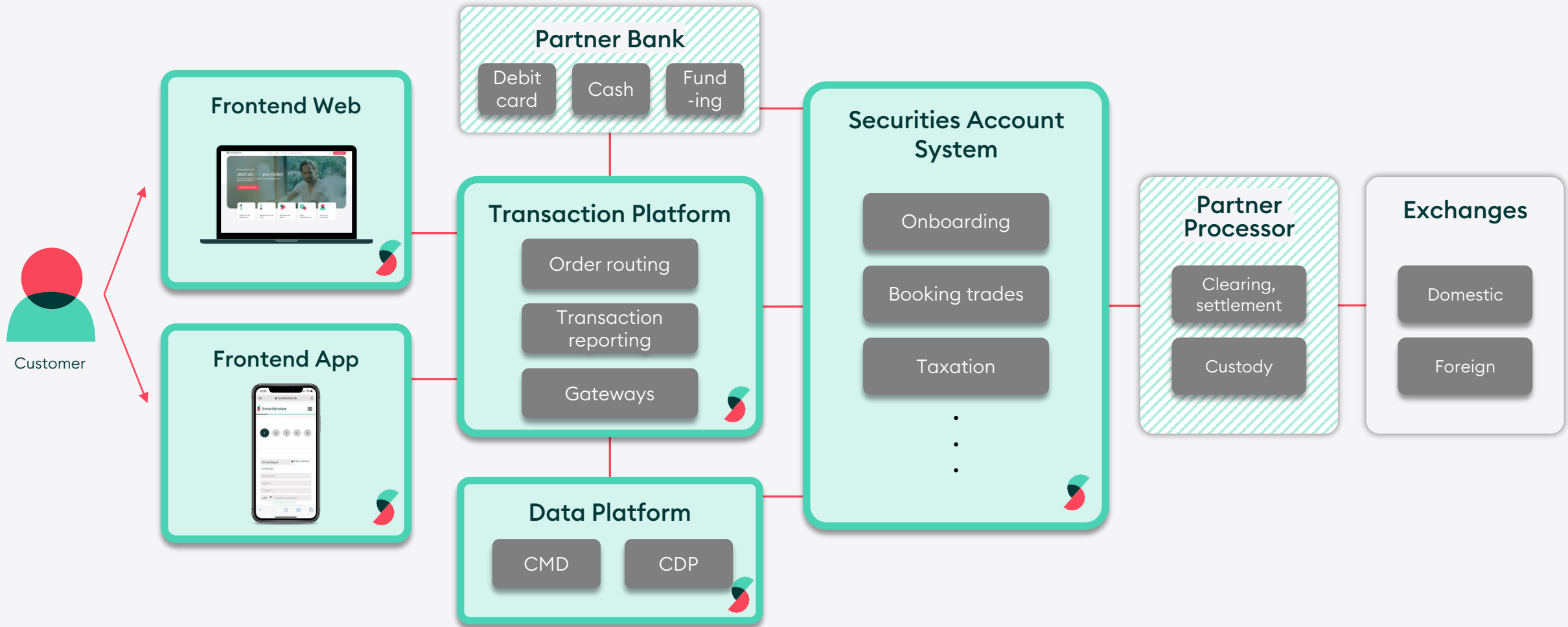
# The Brokerage Value Chain: Smartbroker 2.0

Extensive coverage expansion through in-house development & partnerships



# The Brokerage Value Chain: Smartbroker 2.0

## More flexibility in the cooperation with our partners



# Commercial Impact of “Smartbroker 2.0”

Establishing greatly improved Business Model for the Brokerage Segment

CLIENTS

TRADES

REVENUE

CASH FLOW

×

×

=

# Commercial Impact of “Smartbroker 2.0”

New clients, trades per client and revenue per trade to grow

## CLIENTS

Number of new clients

HIGHER



App  
and  
Desktop



## TRADES

Number of trades

HIGHER



Comprehensive  
access



## REVENUE

Revenue per trade

HIGHER



No more  
revenue share



## CASH FLOW

# Commercial Impact of “Smartbroker 2.0”

## Customer acquisition costs and cost per trade to decline

### CLIENTS

Number of new clients

HIGHER



App  
and  
Desktop

Cost per new client

LOWER



All  
marketing  
channels



### TRADES

Number of trades

HIGHER



Comprehensive  
access

Cost per trade

LOWER



Economies  
of scale



### REVENUE

Revenue per trade

HIGHER



No more  
revenue share



### CASH FLOW



# Commercial Impact of “Smartbroker 2.0”

Cash flow per trade expected to double

## CLIENTS

Number of new clients

HIGHER



App  
and  
Desktop

Cost per new client

LOWER



All  
marketing  
channels



## TRADES

Number of trades

HIGHER



Comprehensive  
access

Cost per trade

LOWER



Economies  
of scale



## REVENUE

Revenue per trade

HIGHER



No more  
revenue share



## CASH FLOW

Cash flow per trade

MATERIALLY  
HIGHER



Impact of customer  
base transfer

Existing customers will be  
transferred to the new  
platform by 2023

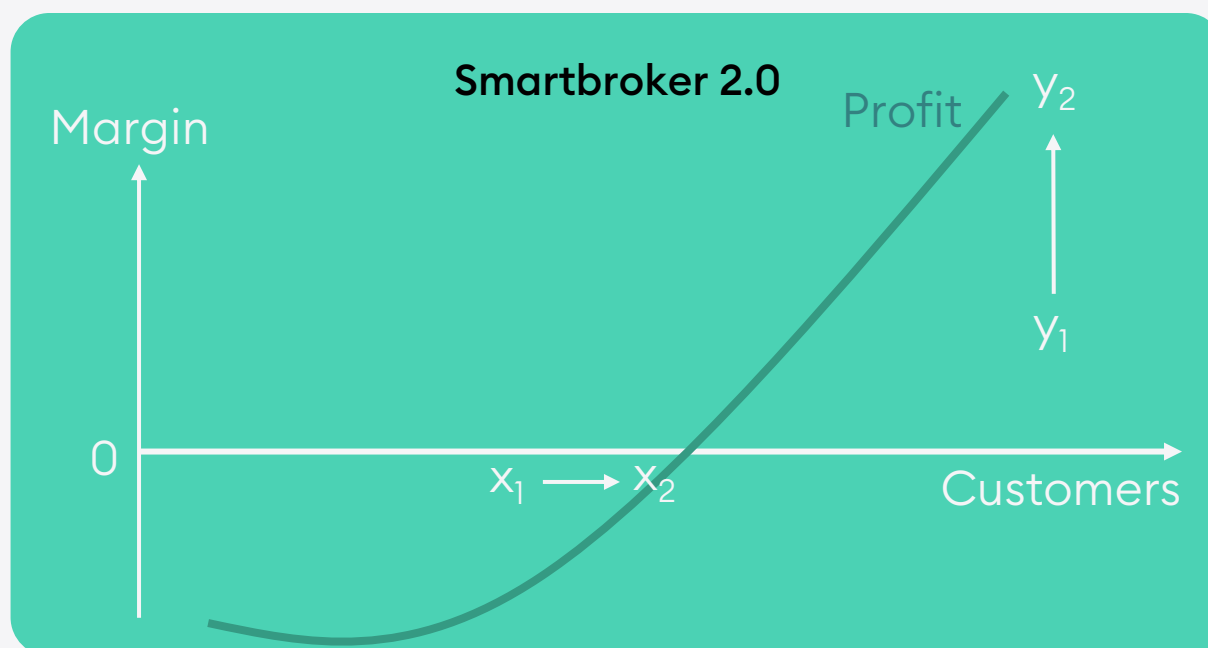
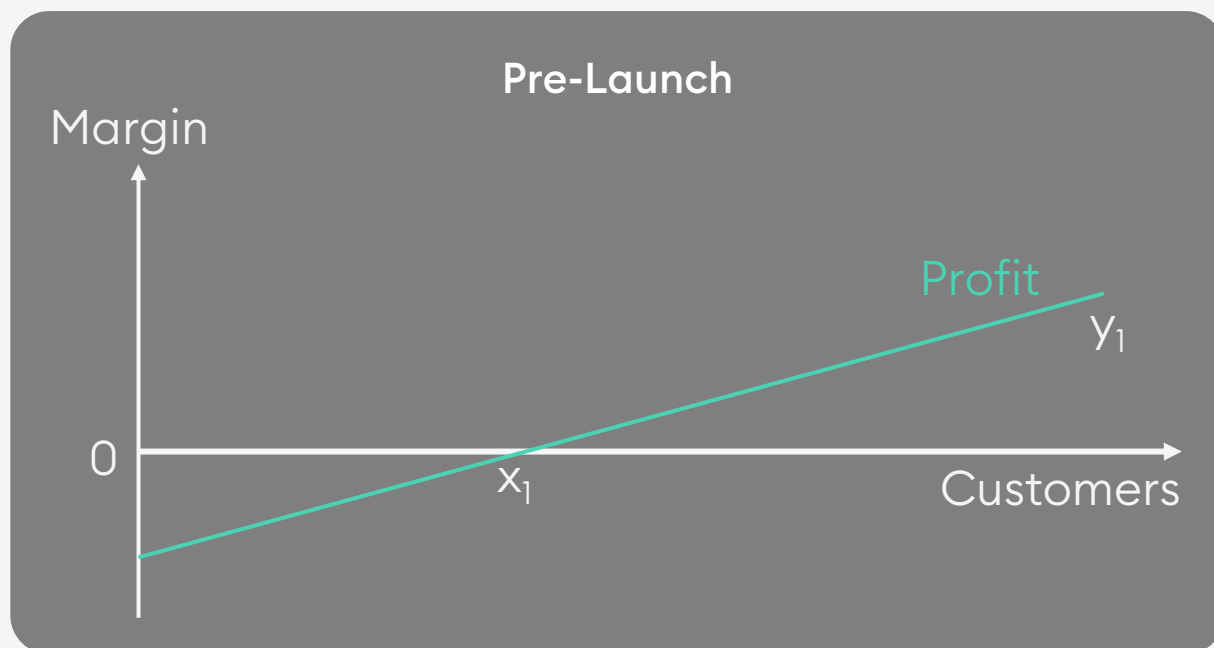
# Smartbroker 2.0: Optimized Business Model

## Taking full advantage of the customer base built up since 2019

### Evolving the commercial model from a linear into a fully scalable structure

- Under the current model, on a per customer basis, a small number of Smartbroker customers generates roughly the same margin as, say, a base of 1,000,000 customers would
- Smartbroker 2.0 will combine a progressive revenue profile with a degressive cost structure
  - Leading to significantly higher flow-through margins as customer numbers increase
  - Both models are profitable (before CACs) at our current customer numbers

### Profit Impact of Smartbroker 2.0



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**Thank You  
for Your Attention**