

Avanza's third quarter 2024

Results presentation



Private Markets - onoterade tillgångar

Med våra fonder inom Private Equity, Private Credit och Real Assets får du som Private Banking-kund exklusiv tillgång till onoterade bolag och projekt – som tidigare bara varit tillgängligt för institutionella investerare.

Chans till högre avkastning

Det blir allt vanligare att bolag håller sig onoterade längre innan de introduceras till börsen. Som exempel så är 75% av alla bolag med över 100 miljoner USD i intäkter fortfarande onoterade.

Var först med att investera i enhörningar

Antalet unicorns utanför de publika börserna har bara ökat de

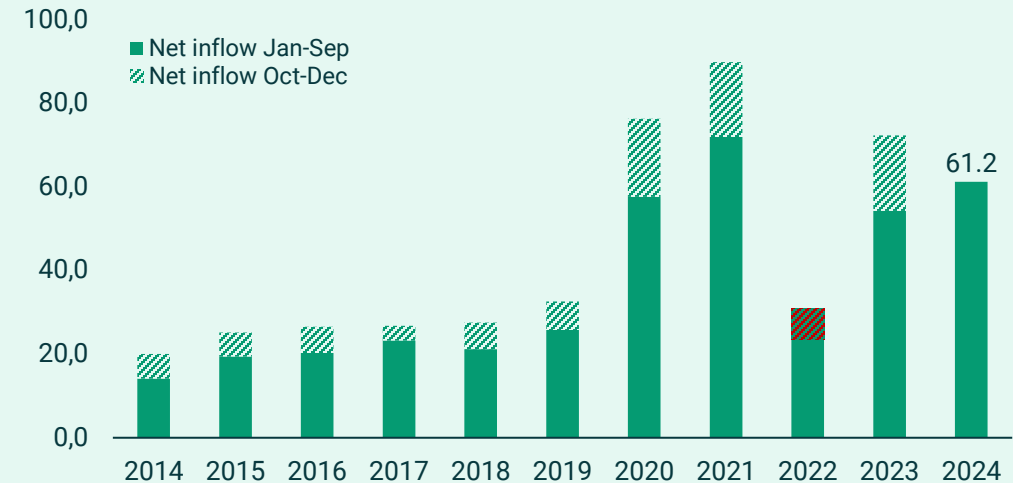
Exklusiva investeringar

En möjlighet att investera i onoterade ti publika marknaderna, och som tidigare institutionella investerare.

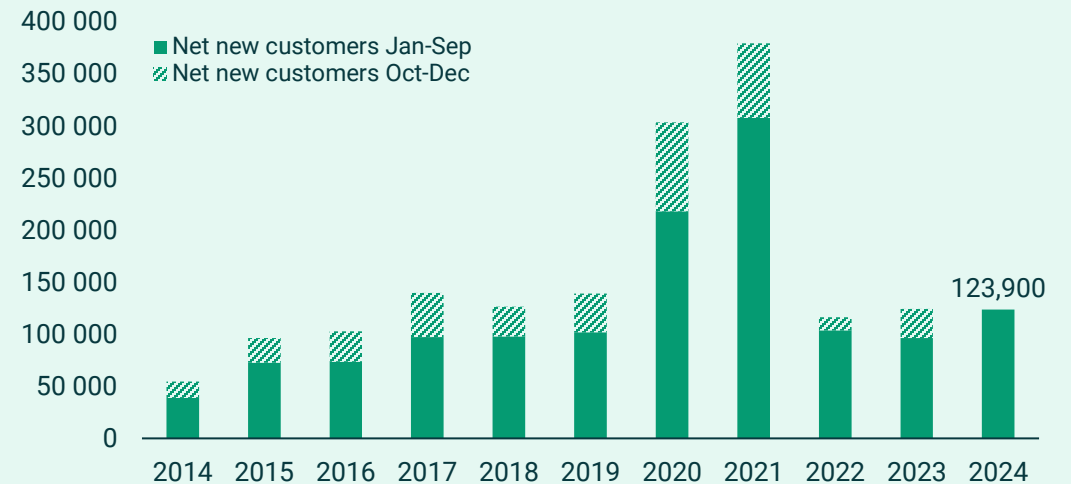
Key highlights from the third quarter

- Strong growth figures and reached the important milestone 2 million customers
- High inflows to funds – 20 per cent of the market inflow
- Increased volatility kept trading activity up
- Quarterly revenue at all-time-high
- Progress within our prioritised areas
 - Unlisted assets for Private Banking customers
 - Entered an exclusive collaboration with Affärsvärlden to strengthen the news and analysis content within Placera
- Ranked as one of Sweden’s most attractive employers by Universum
- New CTO started – and CPO on the way

Second highest 9M net inflow ever



Customer acquisition already in line with full-year 2023



Financials – Q3 results

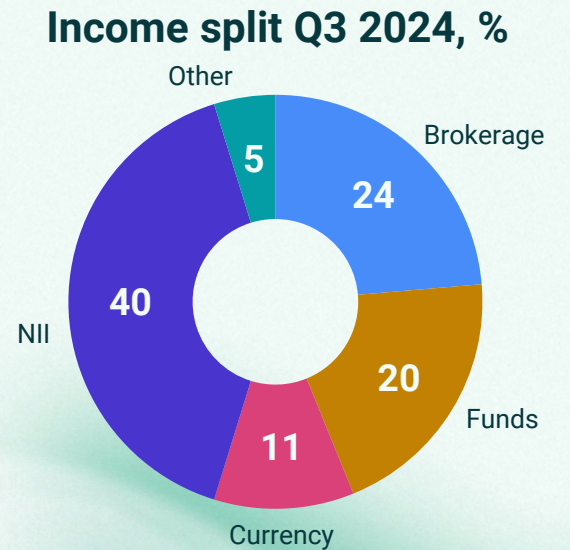
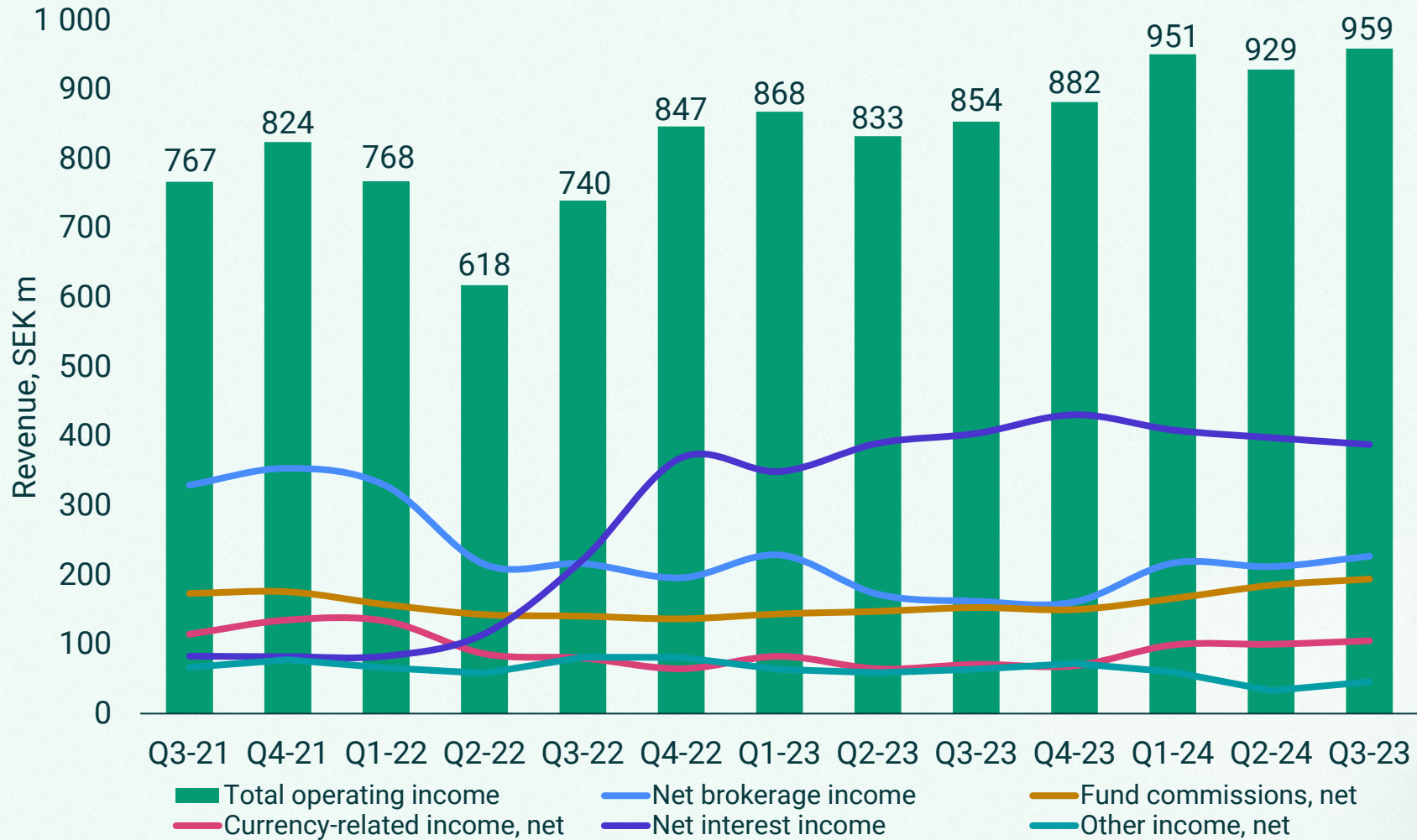
Strong results negatively impacted by one-offs

	Q3 24	Q2 24	Δ %	9M 24	9M 23	Δ %
Operating income, SEK m	959	929	3	2,838	2,555	11
Operating expenses, SEK m	-300	-341	-12	-944	-842	12
Operating profit, SEK m	658	588	12	1,893	1,713	11
Adjusted operating profit, SEK m	679¹⁾	618²⁾	10	1,944¹⁾²⁾	1,713	14
Profit for the period, SEK m	568	506	12	1,629	1,483	10
Operating margin, %	69	63	5	67	67	0
ROE, %	42	35	7	38	39	-1
EPS, SEK	3.61	3.22	12	10.36	9.47	9

¹⁾ Adjusted for SEK 10.5 million in customer compensation related to interest on ISK and SEK 10.6 million related to changes in the media company Placera

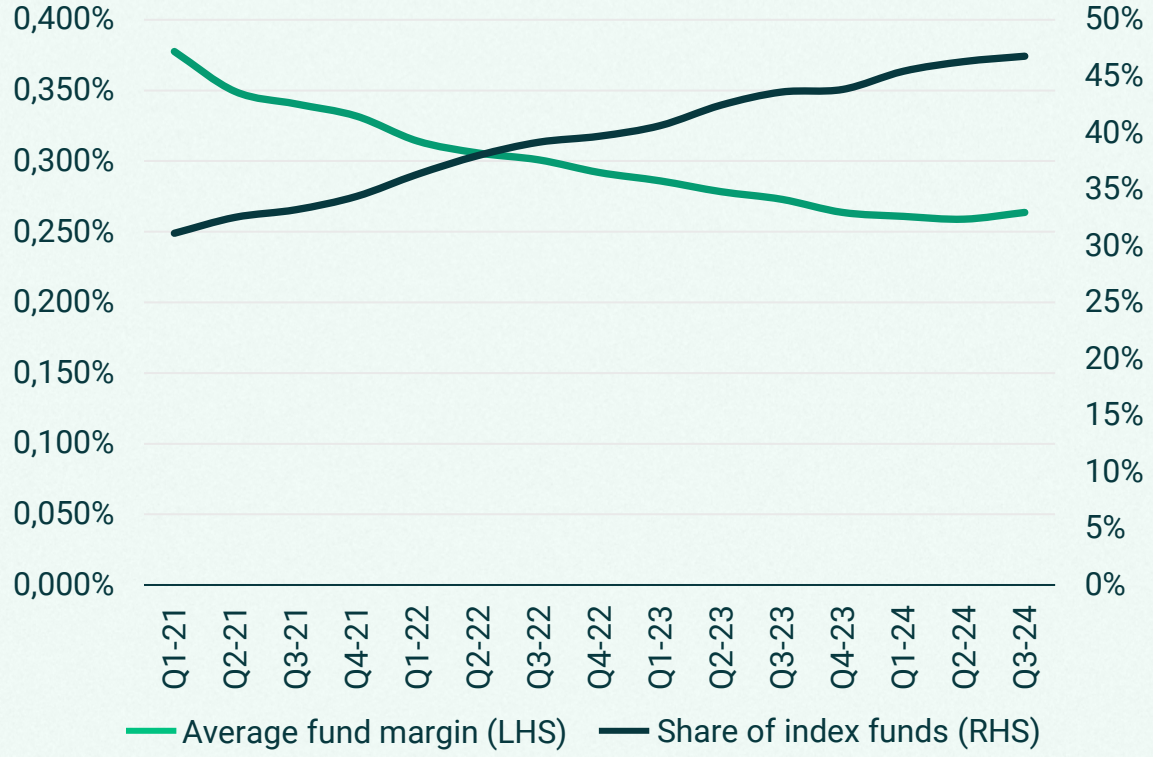
²⁾ Adjusted for one-off impacts of a SEK 15 million fine from IMY and SEK 15.3 million in customer compensation related to interest on ISK

Highest quarterly income in the history of Avanza

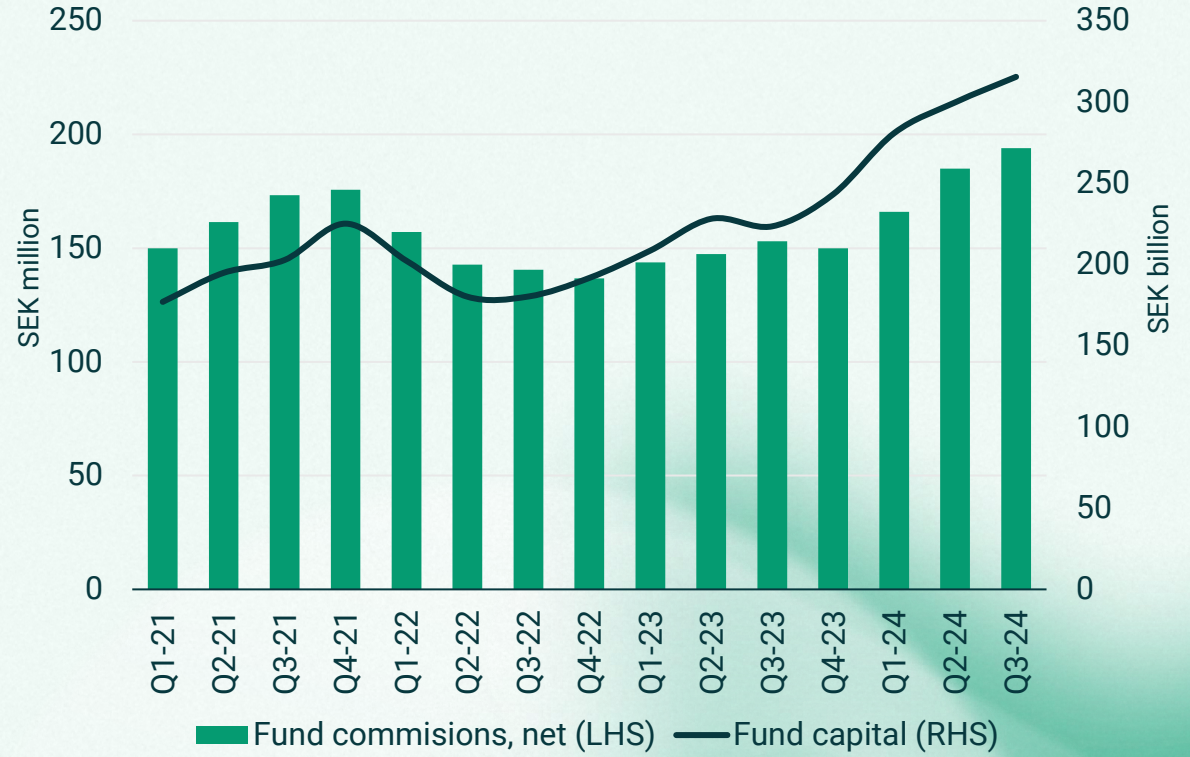


Growing fund volume contributing to all-time high fund commissions

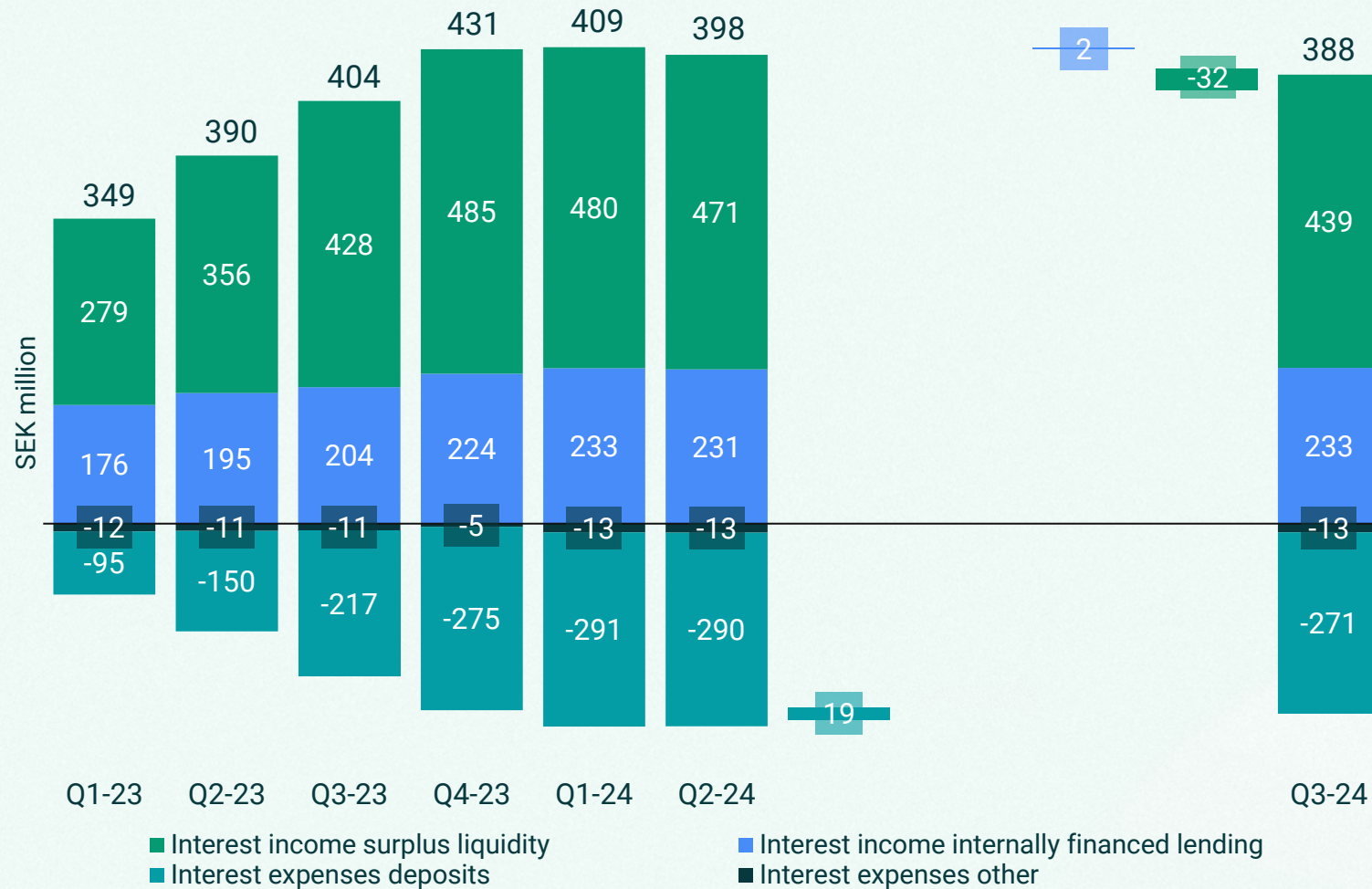
Fund margin increased during the quarter, despite higher share of index funds



Net fund commissions at all-time high

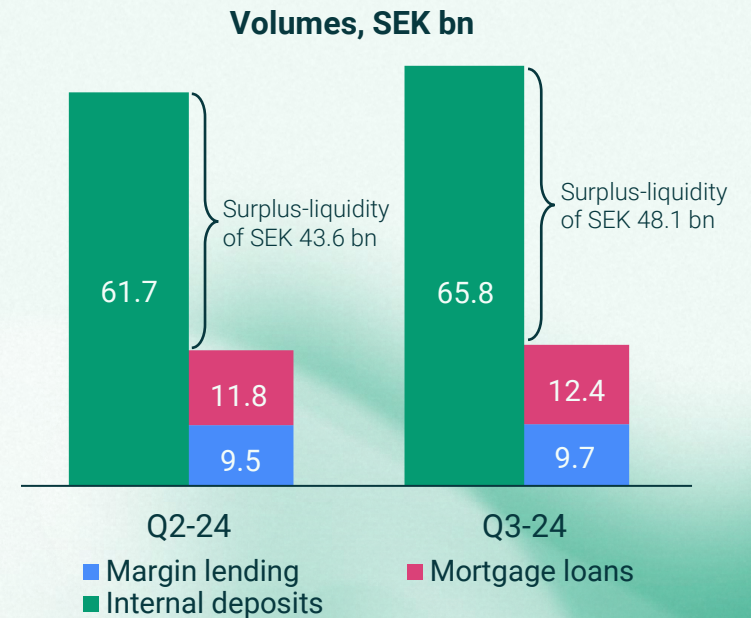


Policy rate decreases continue to put pressure on NII

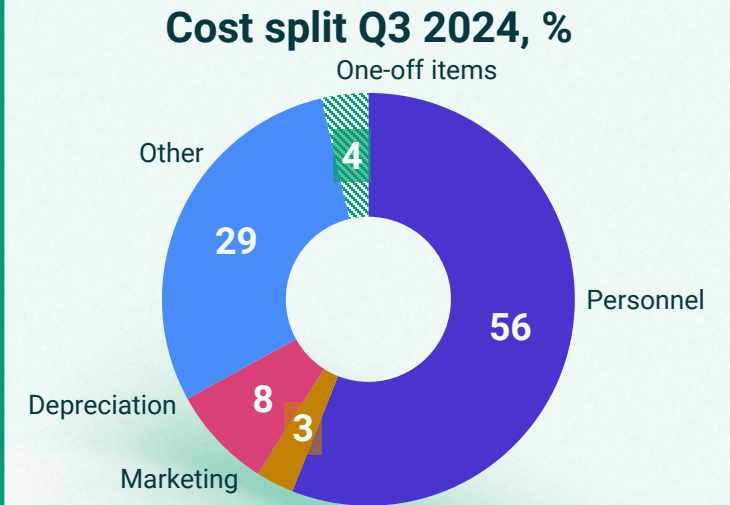
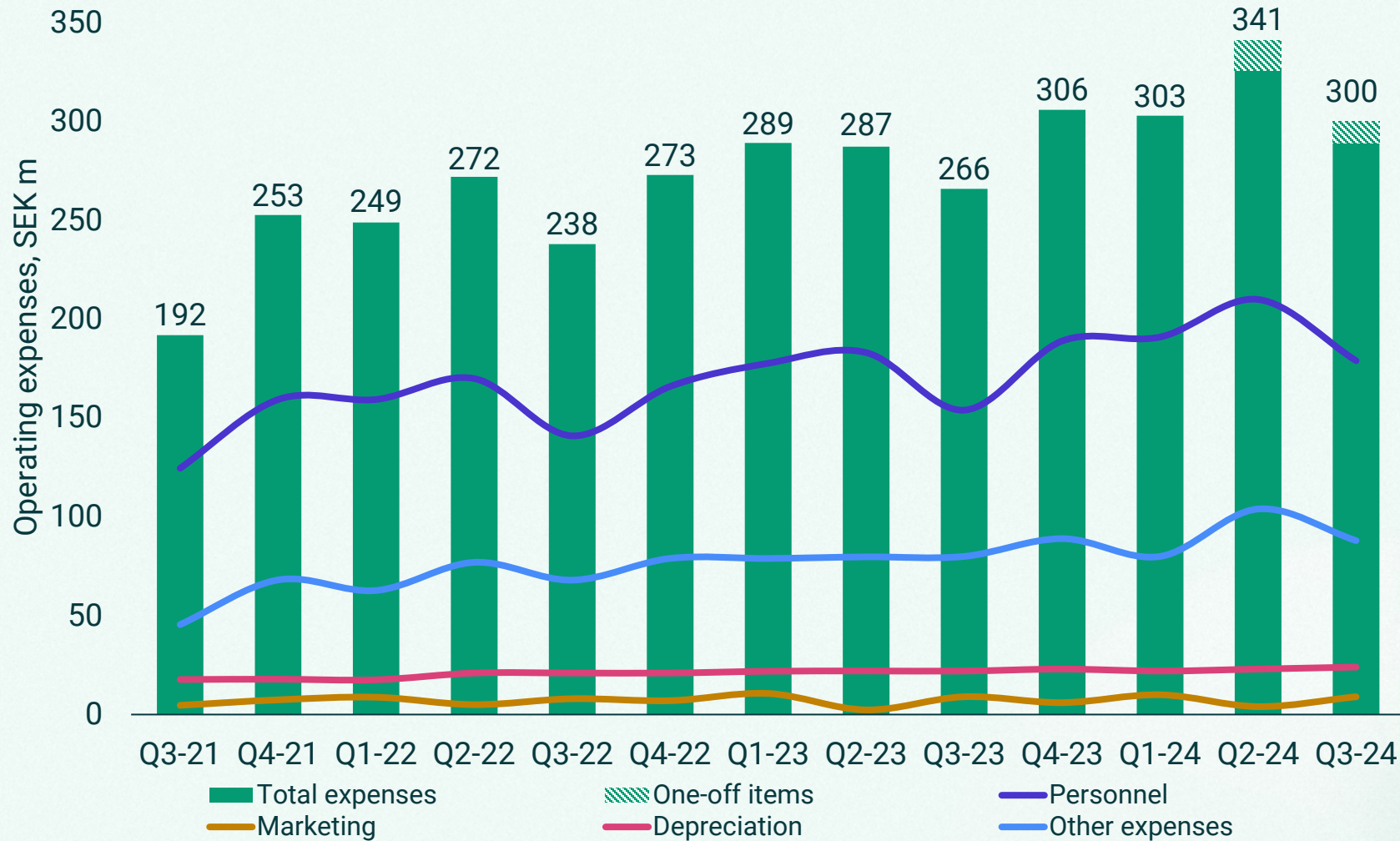


Average interest rates

Q2 24	Q3 24
Internally financed lending: 4.44%	Internally financed lending: 4.30%
Deposits: 1.88%	Deposits: 1.70%



Costs on track with the full-year guidance



Strong capital position

Consolidated situation	30 September 2024 ¹⁾		31 December 2023	
	%	SEK m	%	SEK m
Total capital ratio / Own funds	24.7	3,615	24.7	3,574
Total capital requirement ²⁾	18.2	2,667	18.2	2,631
Capital surplus	6.5	955	6.5	943
Leverage ratio / Tier 1 Capital	4.8	3,622	5.0	3,574
LR-requirement and P2-guidance	3.5	2,659	3.5	2,485
Capital surplus after LR-requirement and P2-guidance	1.3	963	1.5	1,089

¹⁾ Note that 2024 figures do not include generated profit YTD. This as the figures have not yet been audited

²⁾ Including external buffers and Pillar 2 requirements

Strategic priorities 2030

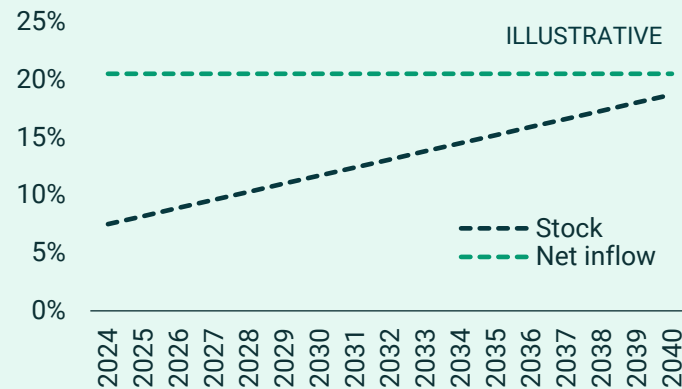


Attractive long-term growth prospects in Sweden

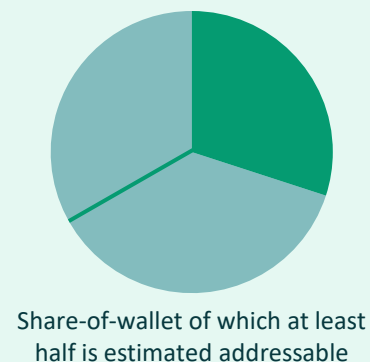
The Swedish savings and investment market is large, growing and advanced

- The largest market in the Nordics, comprising SEK 12,000 billion¹
- Higher growth projections than most European markets
- EU’s highest share of household financial assets invested in securities
 - Seven out of ten save in mutual funds – highest in the world
 - One out of four is invested in stocks and the share of total assets invested in stocks is twice as high as the European average
- Ongoing structural changes imply greater individual responsibility for personal finances

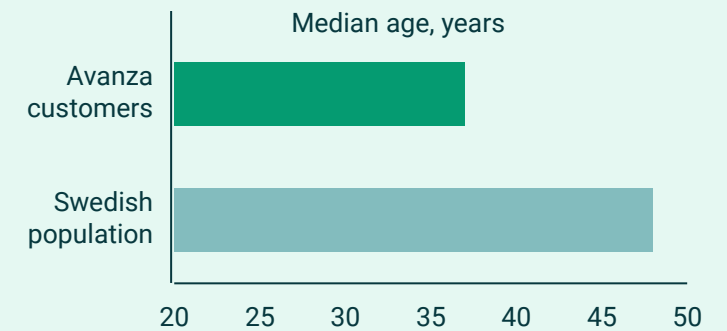
Large **potential for continued market share growth** – illustrated by the delta between front- and back-book market shares



Large share of customers’ savings capital is held with other institutions, meaning we have a **great opportunity to increase share-of-wallet**



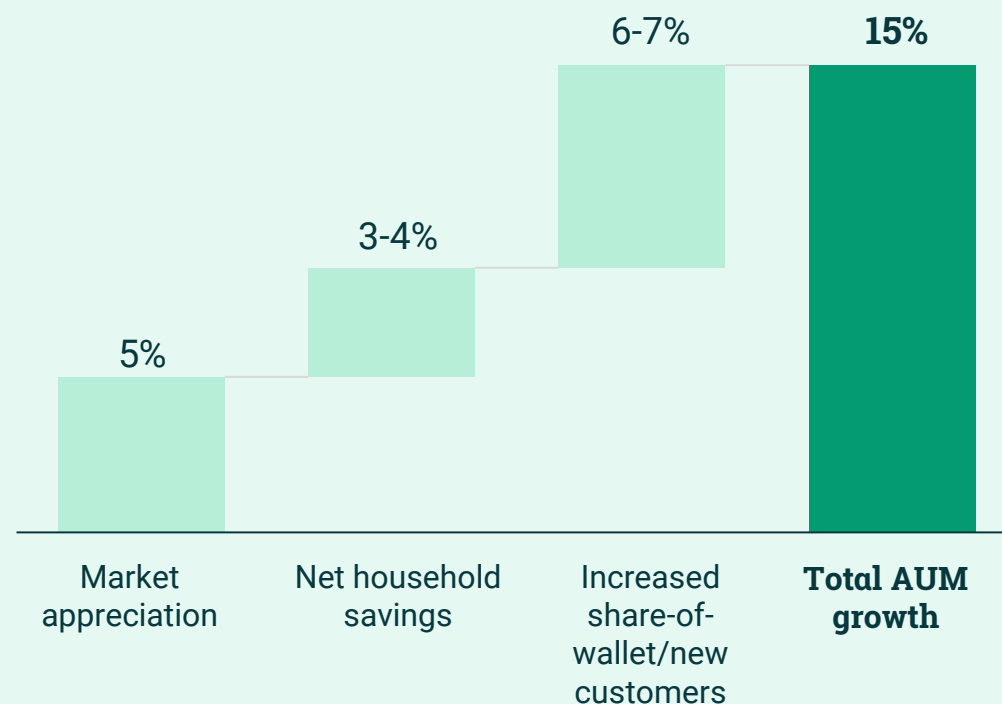
Great potential in our **young customer base** to grow their savings with us and in the intergenerational wealth transfers



Ambition is to grow savings capital in Sweden by 15 per cent annually

- Annual growth of 15 per cent means a savings capital over 2,000 billion by 2030
- Market appreciation effect estimated at 5 per cent – low compared to historical average
- Annual household savings ratio assumed at 3-4 per cent net – in line with historical figures

Savings capital annual growth ambition



Strategic priorities for sustained **strong growth** towards 2030



Further strengthen our core business with focus on increasing share-of-wallet

Starting point

- Over 2 million customers and a very low churn of around 1%
 - A young customer base that will accumulate wealth over time
 - Significant opportunities in the intergenerational wealth transition
 - Many customers with a significant share of their savings capital with other institutions
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Action plan

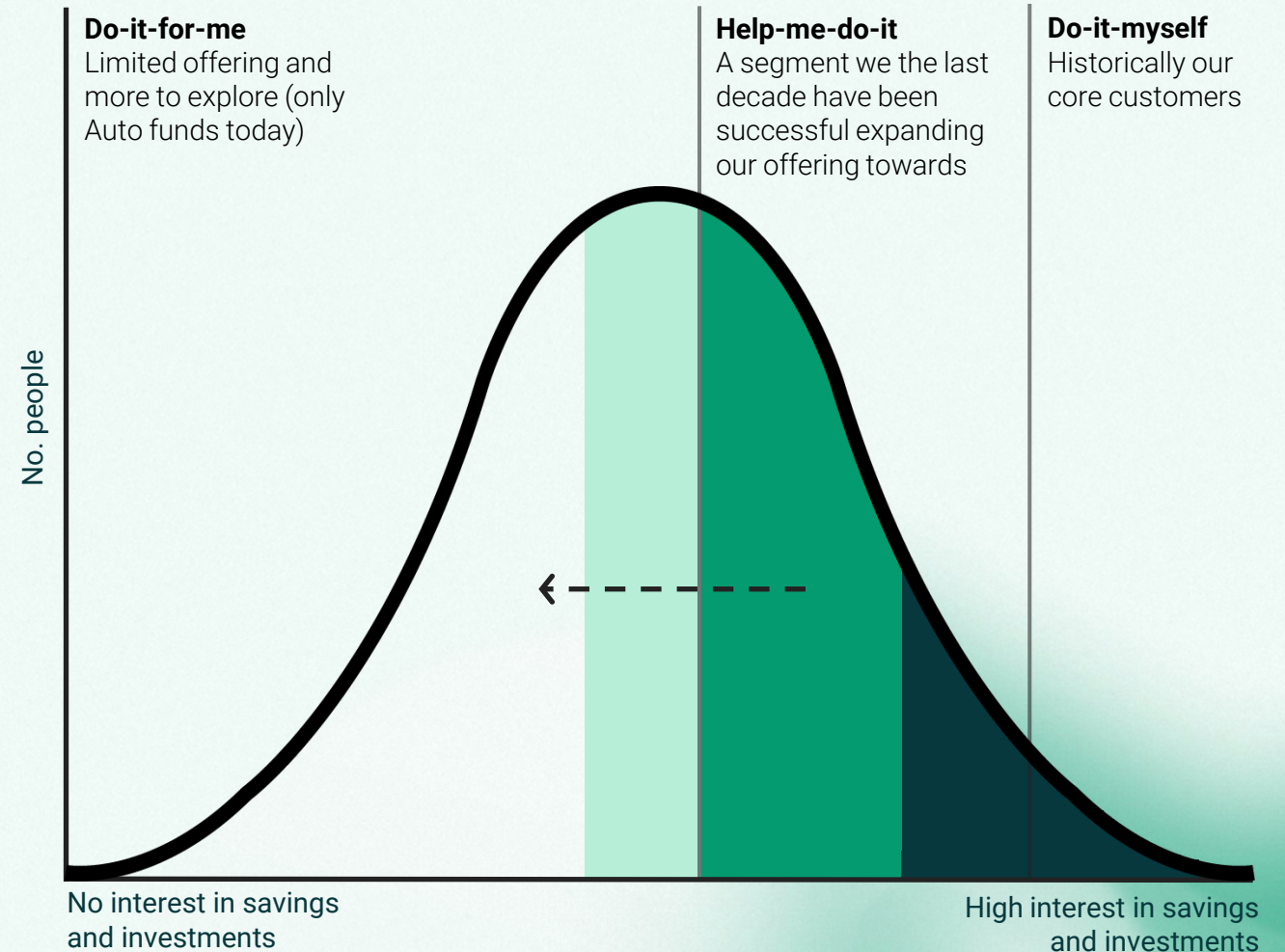
- Develop and personalise the customer experience
 - Further focus on data-driven development and systematic A/B-testing
 - Product development to meet the needs for the do-it-for-me segment
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Ambition 2030

- Strengthened position as the No. 1 savings and investment platform
- A larger share of the customer base using Avanza exclusively for their savings and investments

Significant opportunity to increase addressable market

- Historically, Avanza has focused on the do-it-myself and help-me-do-it segments
- We want to become more relevant for those who have less interest in savings
- We will develop products to attract the large do-it-for-me segment, while remaining fully digital



Strong potential to gain market share within the traditional **Private Banking** segment

Starting point

- Superior digital customer experience and competitive pricing
 - 15% per cent market share – 4th largest – in number of customers
 - Strong willingness to recommend among current customer base
 - Few associate the Avanza brand with Private Banking
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Action plan

- Improve the investment decision tools and create inroads to the do-it-for-me segment
 - Further strengthen and differentiate the Private Banking offering
 - Increase market visibility and proactive customer contacts
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Ambition 2030

- No. 1 position in Private Banking market share in number of customers
- Substantially increased Private Banking savings capital

Accelerate growth within occupational pension

Starting point

- Competitive offering both when it comes to price, user experience and investment universe
- A Swedish pension system that is perceived difficult, and where the individual is expected to take greater responsibility
- The capability and the experience to make difficult things easy, enjoyable, inspiring and understandable
- No. 5 position in premium inflows¹

Action plan

- Make the experience for individual pension customers more intuitive and improve the offering for the do-it-for-me segment
- Improve the administrative processes and interface for corporates
- Grow through own sales force and strengthened pension brand

Ambition 2030

- No. 1 position in premium inflows¹

¹Outside selection centre, unit-linked

Increase efforts to fuel further growth by improving flexibility, cost efficiency and scalability

Starting point

- Sector leading cost efficiency with a costs to savings capital ratio of 15 bps
 - A uniform and modern tech stack with one programming language, one API framework and one way to build and distribute services, which creates efficiencies in the cloud migration
 - Data platform already migrated, and over 85% of our systems in cloud-ready technology
 - Scalable customer front-end, opportunity to improve internal processes
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Action plans

- Accelerate cloud migration with new development in the cloud from 2025
 - Improve operational efficiency
 - Stricter prioritisation of activities and development
-

Ambition 2030

- Improved customer value through enhanced technology-driven development and innovation
- As scalable and digital internally as externally
- Decreasing costs to savings capital ratio over time

Expand into new geographical markets

Starting point

- Avanza is today the clear market leader and by far the most successful digital savings and investments platform in Sweden – arguably the most developed and competitive market in Europe
- Democratised savings and investments in Sweden
- Leading user experience, broad product range, unique customer led development process

Action plans

- Closely monitor and evaluate acquisitions, partnerships and green-field opportunities as well as deepen our understanding of the different European markets and their attractiveness
- Internal readiness preparations

Ambition 2030

- Having established in one or several European markets outside Sweden
- Additional long-term growth opportunities through increased addressable market
- Further diversified revenue base

New 2030 targets to illustrate **growth potential** and **ambition**

- **Customer satisfaction and employee engagement** targets unchanged – critical to drive shareholder value
- Avanza's strategic priorities will accelerate future growth. The ambition is to **grow savings capital in Sweden with an average of 15% per year**
- **Decreased cost to savings capital ratio over time**
- **Annual average cost increase of 8%¹**. The increase will be higher in the beginning of the period and trending downwards to reach 5% by the end of the period as we increase scalability
- **ROE of at least 35%** unchanged
- Maintained **dividend policy of 70 per cent of net profit**, taking into account capital requirements, including Pillar 2 requirements and guidance, as well as the internal buffer requirement

¹Excluding geographical expansion and including cloud migration

2024		Sustain our no. 1 customer satisfaction position		2030
2024		Maintain our unique corporate culture and high employee engagement		2030
2024		Strengthen our position as the no. 1 savings and investment platform in Sweden		2030
2024	900 +	More than double customer savings capital	2,000 +	2030
2024		Take leading positions within Private Banking and occupational pension		2030
2024		Expand into at least one additional European market		2030
2024		Retain industry leading cost position		2030

Opening up for questions

