WisdomTree
Second Quarter 2026 Earnings Conference Call
July 31, 2026

Presenters
Jessica Zaloom, Head of Corporate Communications
Bryan Edmiston, Chief Financial Officer
Jarrett Lilien, President & COO
Jonathan Steinberg, Founder, CEO & Director
William Peck, Head of Digital Assets
Jeremy Schwartz, Global Chief Investment Officer

Q&A Participants
Chris Kotowski - Oppenheimer & Co.
George Sutton - Craig-Hallum
Wilma Burdis - Raymond James
Mike Grondahl - Northland Capital Markets

Operator
Greetings, and welcome to the WisdomTree Second Quarter 2026 Earnings Call.

At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. If anyone should require operator assistance, please press "*', "0" on your telephone keypad.

As a reminder, this conference is being recorded.

It's now my pleasure to introduce Jessica Zaloom, Head of Corporate Communications. Please go ahead.

Jessica Zaloom
Good morning. Before we begin, I would like to reference our legal disclaimer available in today's presentation. This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. A number of factors could cause actual results to differ, initially, from the results discussed in forward-looking statements, including, but not limited to, the risks set forth in this presentation in the Risk Factors section of WisdomTree's annual report on Form 10-K for the year ended December 31, 2025, and in subsequent reports filed with or furnished to the Securities and Exchange Commission. WisdomTree assumes no duty and does not undertake to update any forward-looking statements.

Now it is my pleasure to turn the call over to WisdomTree's CFO, Bryan Edmiston.

Bryan Edmiston
Thank you, Jessica, and good morning, everyone. I'll begin with a review of our second quarter results, followed by updates to our forward-looking guidance before turning the call over to Jarrett and John for additional business updates.

Our assets under management reached $162.9 billion at quarter end, marking our sixth consecutive quarter of record AUM. Assets increased 7% from March 31, driven by favorable market conditions, positive net inflows and the addition of Atlantic House, which closed on May 1. Record AUM was achieved across both our U.S. and European businesses, reflecting continued, growth across our global platform.

During the quarter, we generated $3.1 billion of net inflows, including $2.1 billion in Europe and $1 billion in the U.S. Year-to-date net inflows totaled $9 billion, representing an annualized organic growth rate of approximately 13%. Flows were generated across a broad range of strategies and geographies contributing to another quarter of strong organic growth.

We also completed the acquisition of Atlantic House, adding more than $4 billion of assets under management, along with complementary revenue streams. The acquisition expands our presence in Europe, enhances our capabilities in outcome-oriented and derivatives-based investment solutions and provides additional avenues for growth across our international business.

Alongside our growth initiatives, we continue to execute upon our capital management priorities. During the quarter, we retired approximately $127 million principal amount of our convertible notes maturing in 2026 and 2029, using cash to reduce leverage and simplify our capital structure.

We also commenced open market share repurchases during the quarter and have repurchased approximately $29 million through today, representing roughly 1.7 million shares. These repurchases reflect our confidence in the business and our commitment to enhancing shareholder value.

Overall, the first half of the year has been characterized by strong organic growth, targeted strategic expansion and disciplined capital allocation. Together, these initiatives have strengthened our platform and position us, well, for continued growth and long-term shareholder value creation.

Global AUM currently stands at approximately $164 billion, up 1%, reflecting $700 million of net inflows and positive market movements since quarter end.

Next slide. Revenues were $177.2 million during the quarter, an increase of 11% from the first quarter and 57% from the prior year quarter, driven by higher AUM, including the Atlantic House acquisition, contributions from Ceres and growth in other revenues. Ceres contributed

$5.4 million of management fees and $6 million of performance fees. Other revenues of $19.5 million reflected higher AUM in our European products and revenues from Atlantic House, partly offset by more moderate European trading activity.

Year-to-date revenues increased 53%, driven by higher AUM, elevated trading activity relative to the prior year and contributions from the Ceres and Atlantic House acquisitions.

Operating leverage in our business model, together with our recent acquisitions resulted in a year-to-date adjusted operating margin of 41.1%, an expansion of 900 basis points, compared to the prior year period. Surpassing a 40% operating margin marks an important milestone and underscores the scalability of our operating model as we continue to grow.

Adjusted net income for the quarter was $48.1 million or $0.31 per share.

Next slide. Now a few comments on our forward-looking guidance. As mentioned previously, we have commenced open market share repurchases this quarter and expect to continue repurchasing our common stock, over time. While we are not committing to a specific level of repurchases each quarter, we anticipate ongoing activity, balancing capital return with our continued focus on deleveraging and maintaining flexibility for strategic initiatives.

Our diluted share guidance for the second half of the year is $152 million to $155 million compared with previous guidance of 154 million shares. This guidance reflects repurchases, to date, of 1.7 million shares and also contemplates incremental shares associated with our convertible notes, assuming a stock price approximating recent levels. As a reminder, our remaining convertible notes have conversion prices of approximately $19 and $21. An illustration is included within our earnings presentation to assist in quantifying the incremental shares associated with our convertible notes going forward.

We are also updating our interest income guidance to $8 million from $10 million, reflecting the allocation of a portion of our interest earning assets to share repurchases, which we believe is a more efficient use of capital. All other elements of our forward-looking guidance remain unchanged from the guidance we provided last quarter. That concludes my remarks.

I will now turn the call over to Jarrett.

Jarrett Lilien

Thanks, Bryan, and good morning, everyone. This was another strong quarter for WisdomTree and more importantly, another quarter that demonstrated the strength of the business we've been building.

Repeating some of the metrics that Bryan just listed, in the quarter, we generated $3.1 billion of net inflows. Year-to-date, we've delivered a 13% annualized organic growth rate. We finished the quarter with a record $162.9 billion of assets under management, our sixth consecutive quarter, ending at an all-time high. and we delivered adjusted earnings per share of $0.31, while expanding our adjusted operating margin by 900 basis points, year-over-year.

Those are excellent results, but what I find most encouraging isn't any single number, it's where those results came from. For several years, we've talked about creating more ways to win, building a business with greater breadth across geographies, client channels, investment capabilities and revenue streams, and this quarter showed exactly what that looks like. Growth came from both the U.S. and Europe. It came from multiple asset classes, multiple client segments and businesses we've deliberately invested in over several years. No single product or market drove the quarter.

And that diversification matters because it makes the business more durable. It gives us greater confidence that we can continue to perform across different market environments, rather than depending on one product, one theme or one geography.

Portfolio Solutions is another highlight. We've invested heavily in building deeper relationships with advisers through models and SMAs, and that business continues to grow faster than the firm, overall. and those are long-term relationships with stickier assets that should become an increasingly important contributor to our organic growth, over time.

This quarter also demonstrates the strength of our operating model. As we've continued to grow organically, we've translated that growth into higher revenues, expanding margins and higher earnings while continuing to invest in the business.

We're also executing against our broader strategic priorities. During the quarter, we completed the Atlantic House acquisition, we continued integrating Ceres, and we've repurchased approximately 1.7 million of our shares, and each reflects the disciplined way we're building the firm, while thoughtfully allocating capital.

So overall, the quarter reinforces something we've been saying for a long time. The strategy is working. We're creating more ways to win. Growth is becoming broader and more durable and the operating model is delivering exactly as we expected.

And with that, I'll turn it over to Jono.

Jonathan Steinberg
Thank you, Jarrett, and good morning, everyone. As Bryan and Jarrett had said, this was another strong quarter for WisdomTree, with record average AUM, strong diversified net inflows, adjusted operating margin expansion to 42.6% for the second quarter and EPS growth up 72% year-over-year and 15% from last quarter.

This quarter also marks an important milestone for WisdomTree, 20 years since we launched our first 20 ETFs. Over the last two decades, we have grown from an ETF pioneer into a truly modern global asset manager, spanning exchange-traded products, private markets and tokenized financial infrastructure. Years of disciplined investments are tangibly paying off.

Our operating model continues to do exactly what it was designed to do, translate sustained top line growth into expanding profitability and earnings per share growth. For years, we've described the financial model we're building at WisdomTree. Today, we are seeing that model play out.

It starts with sustained organic growth, layer on appreciation over time as you generate consistent asset growth, add a stable to improving revenue yield as we diversify into higher-value capabilities like private markets and liquid alternatives, and you create the potential for double-digit revenue growth, through the market cycle. That revenue growth drives operating leverage.

We've consistently generated incremental margins of more than 50%. That formula has delivered compound annual earnings per share growth of 30% over the past five years and more than 50%, over the past three years. And now, with disciplined share repurchases, we've added another lever for long-term earnings per share growth.

Switching gears. As you know, WisdomTree spend years building one of the industry's most advanced tokenization platforms. Today, public markets are assigning billion dollar valuation to companies focused on tokenized financial infrastructure. Yet we believe our own platform, which spans regulated infrastructure, tokenized investment products and institutional distribution capabilities and digital asset services is largely unrecognized in our current valuation.

If WisdomTree was simply a global ETF franchise with industry-leading organic growth, expanding operating margins and consistent earnings per share growth, we believe it should command a meaningfully higher valuation than where our shares trade, today.

But we are not simply an ETF company. We also have a growing private markets business with meaningfully higher revenue yields, an expanded liquid alternatives platform through Atlantic House and a tokenization business that we believe is not reflected our current share price.

As Bryan mentioned, we repurchased $29 million of our stock at an average price of $17.40. We will continue approaching capital allocation with discipline and at today's valuation, we believe repurchasing our own shares remains one of the most compelling opportunities to create long-term shareholder value.

In conclusion, 20 years after launching our first EPS, our vision has remained remarkably consistent. Our business has never been stronger, and we believe we're still in the early innings of what this platform can become. Our vision has never changed; the world around it has.

That concludes my remarks. Thank you. We can now open the call up to questions.

Operator
Thank you. Ladies and gentlemen, if you would like to ask a question, please press "*", "1" on your telephone keypad and a confirmation tone will indicate your line is in the question queue. You may press "*", "2" if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset, before pressing the star keys. One moment please while we poll for questions.

And our first question comes from the line of Chris Kotowski with Oppenheimer. Please proceed.

Chris Kotowski
Yeah, good morning, and thanks for taking the questions. I wonder, just a couple of things. One is we were wondering is there a cadence to the Ceres both flows and also the incentive fees from Ceres or should we assume that those are kind of random through the year?

Jonathan Steinberg
Bryan, do you want to go first on that?

Bryan Edmiston
Yeah, I could take that question. On the flows, if you recall, we generated I think it was $75 million in the first quarter. I suggest that's a nice quarter for us. It was about $5 million this quarter, but we closed the flagship fund to new investment. We just launched Fund II, so there's a transition period there with respect to flow cadence. I wouldn't necessarily think of flows as fits and starts, although there may be certain periods in the year where it may very well be fits and starts. But this particular quarter, it was a transition quarter, and I think I'd attribute it to that.

On the performance fee, $6 million this quarter was maybe $3 million in the prior quarter, if memory serves correctly. The first quarter does have some seasonality in it. There is some seasonality with respect to the performance fee structures. This $6 million number, in my mind, is a, call it, more normalized number. If you're thinking about modeling, I guess I'd keep my message consistent, just take our AUM and multiply it by a reasonable rate of return, maybe 7% or 8% and multiply that by a 15% fee capture.

Jarrett Lilien
And I'd throw one more thing on about Ceres. We're very happy that the Ceres team is part of the WisdomTree team today. And as Bryan said, a little bit of transition or integration right now as we've closed Fund 1 to new investment, launched Fund II in June, but more importantly, the pipeline looks great. We've got over 100 interested investors that have come from the WisdomTree distribution team representing over $100 million of assets. So feeling very good, today.

Chris Kotowski
Okay. Great. Then the other kind of more technical modeling question is you had Atlantic House in for two months of the quarter. And I guess we can see the advisory fees just from the AUM disclosures that you give. But just I'm curious in terms of the AUA and the structuring fees that they generate. How would that have looked in your P&L that you disclosed on Page 23, how would we have looked at that if Atlantic House had been in for the whole quarter?

Bryan Edmiston
Yeah, and I'll take this one again. Atlantic House, we closed on May 1. We have two months of Atlantic House in our P&L. As it relates to the advisory fees, that should be straightforward because you have our AUM, you have our fees that we're earning on our AUM, that's all embedded in the information that we provide on our website. The other portion of Atlantic House rolls through other revenue. They have a models business, there's about $1.5 billion of assets, AUA in their models business that captures 25 basis points. That's not going to fluctuate meaningfully, quarter-to-quarter.

So whatever that math is would establish a good run rate. It'll grow over time, but it's not going to be highly sporadic. The structuring fee stuff, that could ebb and flow each quarter. The prior 12 months, just to provide some kind of indication as it relates to magnitude, in the 2025 year, that number was $13 million for the year.

And again, I can't tell you exactly how that's going to come in each quarter because it's dependent upon when a particular product gets structured, launched and issued. But that was their baseline number in '25. We think there's a lot of opportunity to grow that line over time, by providing those offerings not only in the U.K. market, but also in the U.S. and Europe, as well.

Chris Kotowski
Right. But we'll see all the Atlantic House revenues and what you classified other revenues in European.

Bryan Edmiston
In other revenue, and then if I were just to shed a little color on other revenue, we were $19 million this quarter, $16 million last quarter. It's probably a good baseline going into the third quarter. We'll have one more month of Atlantic House, but the transaction fees, markets aren't as volatile as they once were in our European products. That might be a partial offset versus Atlantic House rolling in for a full three months, next quarter.

Chris Kotowski
Okay, great, thank you. That's it for me.

Operator

The next question comes from the line of George Sutton with Craig-Hallum Capital Group. Please proceed.

George Sutton
Thank you. First, 41% margin is just outstanding. Congratulations. So I wondered, Jono, as we look at this, the market has endorsed and I believe we'll continue to endorse your M&A strategy. As I look at the AUM breakdown chart, you've got some smaller sleeves, obviously, like the newer private assets or liquid alts. I'm curious how you're thinking of broadening out via future M&A. Would it be in some of these smaller sleeves? Would you be looking for more international distribution. Just curious how you're thinking about that.

Jonathan Steinberg
Thanks for the question, George. So first, M&A has historically been and I think will continue to be a secondary strategy, though I think we have proven to be very adept at it, considering that we've made now three acquisitions in Europe, plus of private assets, Ceres acquisition. We have guardrails when we're trying to make acquisitions. We want it to be accretive; we'd like it to be revenue enhancing or revenue capture enhancing and really strategically important to the firm as opposed to just trying to buy AUM for the sake of AUM.

I think you have to be somewhat opportunistic, which we were in both Ceres and in Atlantic House. But I think we'll continue to try to find those winning opportunities and when we do, well, I think, pounce on them again, particularly if it meets those criteria.

George Sutton
So I'm curious, relative to your tokenized plans, where are we in terms of expanding partnerships? And we're in a weird period, I think, in the tokenized market but we are also, hopefully, just in front of the CLARITY Act. I'm just kind of curious how you're thinking of expansion opportunities in that part of the market.

Jonathan Steinberg
Will.

William Peck
Yeah, happy to take this one. Good morning. The pipeline has never been more robust. I mean it's, I think as you noted, it's kind of an interesting time, pre-CLARITY Act. But I think certainly, post GENIUS Act, you've just seen an immense amount of investment and interest across different parts of the financial services ecosystem in tokenization and in stable coins.

I, mean you saw a big stable clink consortium announced recently that was bringing a lot of new people in and you've heard major U.S. broker-dealers talk about adding wallet offerings to their platforms. You've seen some of the largest fintechs, as well, engaging in the space on top of just what we call crypto platforms. So for us, those are all opportunities. Like that's a very rich pipeline and opportunity set for us to sell products and services into.

Right now, that's largely the tokenized money market fund, WTGXX. I'd also highlight that we've got a very novel filing in for a tokenized ETF. But we would believe if it were to launch and become effective would be the first tokenized ETF in the market. We haven't seen anyone thinking about things the way that we are thinking about them with that. And that would just open up a whole new set of opportunities for WisdomTree extending into products beyond the money market fund, so to equities, others.

So, I'd say the opportunities that's never been larger than it is, today. We feel extremely confident in it and excited about it. And I think maybe it happens with CLARITY or whatever the next couple of months, nothing is going to slow us down there. We think the things are out of the barn, so to speak, and things are going to keep growing from here.

Jonathan Steinberg
Just add a little of color on this as well, if you don't mind. Recently, Broadridge asked a survey of asset managers where 85% of asset managers say tokenization is strategically important. They say tokenization is not an if, it's a when. Personally, I have to be one of the few CEOs in asset management who feels great, who feels extraordinarily confident in our tokenization strategy. As I indicated in my opening remarks, I think we have $1 billion of value in our Onchain platform that has yet to be recognized.

And why does tokenization matter? The practical problem that tokenization addresses is simple. Modern markets increasingly operate in real-time, 24/7, 365 days a year, while most traditional financial infrastructure still depends on business hours, batch processing and multi-day settlement. That's the mismatch and that tokenization solves.

And WisdomTree has demonstrated with our 24/7 trading of our money market fund that we're actually executing, currently, on the strategy and on the promise of tokenization. So we're feeling great about it, going forward.

George Sutton
You're speaking to the choir, there. Last question. Relative to the farm assets, we are obviously seeing a lot of these NIMB, not in my backyard concerns relative to data centers. You obviously have a wide portfolio with a lot of different potential use case opportunities, understanding, including solar. But I'm curious specifically about the AI data center opportunity. And I know you've contemplated pursuing some opportunities there. Can you give us a sense of that opportunity?

Jonathan Steinberg
Jarrett or Will, not Will, Jarett or Jeremy, would you want to take this, or I can.

Jeremy Schwartz
Yes, this is Jeremy Schwartz, our Global CIO. I'm part of our Investment Committee on the Series Group, and we're looking at these things very closely. We always want to work with the

communities for sure and not against them in all those places. But we do see a continued exploration. Across the portfolio, there's a number of opportunities that the team is looking at.

And these things are not overnight things. People buy options to do the development, and there's a number of conversations ongoing where there is opportunities that we think potentially will still very much come to market. You see the demand for compute and energy and all these things are like the most important theme for the global economy, today. And we feel very strong about the position that Ceres has and all the optionality on their -- the best use case of their land. So we do think a number of these things will hit over time, and it takes time for that to come to fruition.

George Sutton
Perfect. Thanks, guys.

Operator
The next question comes from the line of Wilma Burdis with Raymond James. Please proceed.

Wilma Burdis
Hey, good morning. Can you give us some color on how far you are along in incorporating private farmland into ETFs and what the liquidity profile could look like? Thanks.

Jonathan Steinberg
Jeremy, would you want to touch on it?

Jeremy Schwartz
Yeah, we've talked about this on prior calls that that is one of our goals that we are working for. And we don't have an exact time line today, but we're absolutely looking to do it, and we will be thoughtful of how do you do that in a way that manages liquidity of the different publicly traded vehicles on ETF. So. we don't have a specific time today, but it is something that we think is manageable and that we have a plan and working towards it, as quickly as we can.

Wilma Burdis
Thank you. You touched on this a bit earlier, but digital assets seem to have a little bit of outflows this quarter. And it's just been a little bit noisy there in that world, in general. Can you talk about the developments and just what you're expecting, going forward? Thanks.

William Peck
Yeah, I view -- yes, AUM goes up and down. I think you've seen in the chart that we've had kind of ups and downs along the broader uptrend in some sense, the business of asset management. Like I said in the answer earlier, we're just incredibly excited about the pipeline as it currently stands today and really where the industry is.

So really, the overall market size needs to grow a lot for all of us for WisdomTree to really see the greatest possible benefit from this, and we're seeing a lot of the activity in the market that leads you to believe that the market size is just going to continue to grow, right, that stable coins will grow from $300 billion and total value outstanding into the trillions that people are forecasting.

And so, we're feeling very optimistic side about that growth trajectory and our ability to win and grow share into it.

Wilma Burdis
Okay, thank you.

Operator
Once again, if you would like to ask a question, please press "*", "1" on your telephone keypad. The next question comes from the line of Mike Grondahl with Northland Securities. Please proceed.

Mike Grondahl
Hey, thanks, guys, and congratulations. What are your couple of priorities for Atlantic House in the back half of the year in '27?

Jonathan Steinberg
When we made the acquisition, we bought an asset manager of excellence, who in the derivative block-based defined outcome space. But what's interesting that they really operated, solely, in the United Kingdom. We expect that we'll be launching ETFs, both in Europe and in the United States using them as the underlying strategy to really develop what we've said in the past, expect something like 15 ETFs over the next 18 months between the U.S. and in Europe, as well as we touched on earlier, the solutions business which, again, generated $13 million last year for them. just in the United Kingdom to take that to the rest of the world, as well.

So, I think you'll see a lot of activity, and it's been a very, very successful integration in a very short period of time.

Mike Grondahl
That's great to hear. It'll be great to see some of those funds in the U.S. And then just secondly, models portfolio, that kind of continues to do well and grab assets, and it's done a lot in a couple of short years. What's next for that?

Jonathan Steinberg
Jarrett

Jarrett Lilien

Yeah, I think it's a continuation. And you're right, it has done well. We ended last year with about $6 billion. Today, we currently have $9 billion in model AUA. And importantly, the flows that are going in the models are outpacing the ETF business as a whole and are tracking ahead of last year, so momentum is increasing. But that's part of another one of our strategic initiatives is to continue to not only increase the sort of sustainability of our flows, but the quality of the flows and model flows are stickier.

And so, going forward, it's really blocking and tackling like it is with every part of the business. We want to increase the number of users and increase the assets per user. We continue to do that, and that's continuing to produce these good results.

Mike Grondahl
Great, thanks, guys.

Operator
Thank you. This concludes the question-and-answer session, and I'd like to turn the call back over to Jonathan Steinberg for closing remarks.

Jonathan Steinberg
Thank you. Markets, investors and analysts are starting to recognize WisdomTree's operational successes and superior strategic positioning, as demonstrated by our total shareholder return, year-to-date over 50%, and over the last five years, where we are best of all of our public peers.

That said, we are still significantly undervalued. Investors should know that management and our board are fully committed to closing the valuation gap that exists, and we are highly confident that we will be able to do so. The best is yet to come. And with that, I want to thank you all for your time and attention today, and we will speak to you again next quarter. Thank you. Have a great day.

Operator
This concludes today's conference. You may disconnect your lines at this time, and we thank you for your participation.