

**WisdomTree, Inc.**  
**First Quarter 2025 Earnings Call**  
**May 2, 2025**

---

**Presenters**

**Jessica Zaloom, Head of Corporate Communications**  
**Bryan Edmiston, CFO**  
**Jarrett Lilien - President and COO**  
**Jono Steinberg, Founder and CEO**  
**Will Peck, Head of Digital Assets**  
**Jeremy Schwartz, Chief Investment Officer**

**Q&A Participants**

**George Sutton - Craig-Hallum**  
**Mike Grondahl - Northland Securities**

**Operator**

Greetings, and welcome to the WisdomTree Q1 2025 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 during the conference, please press “\*”, “0” on your telephone keypad.

Please note, this conference is being recorded.

I will now turn the conference over to your host, Jessica Zaloom, Head of Corporate Communications. Thank you. You may begin.

**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, materially, 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 the WisdomTree annual report on Form 10-K for the year ended December 31, 2024, and in subsequent reports filed with or furnished with 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 CFO, Bryan Edmiston.

**Bryan Edmiston**

Thank you, Jessica, and good morning, everyone. I'll begin by covering our first quarter results, along with commentary and our forward-looking guidance before turning the call over to Jarrett and Jono for additional updates on our business.

We ended the quarter with record AUM of \$115.8 billion, up 5.5% from the prior quarter. Net inflows totaled \$3 billion, reflecting an annualized organic growth rate of 11% with contributions that were broad-based across our global product suite.

In the U.S., we generated over \$1.8 billion of inflows, including into our fixed income and U.S. equity product categories. Our digital money market fund also attracted \$100 million of AUM during the quarter.

In Europe, we generated over \$1.1 billion of inflows, primarily into our UCITS ETF suite, including \$770 million of net inflows into our WisdomTree Europe Defence UCITS ETF, which was launched in March. We also benefited from positive market movement, as favorable conditions and commodities helped offset headwinds in the US market.

Next slide. We generated \$108 million of revenue during the quarter, down slightly from the fourth quarter, due to two fewer trading days and a lower average fee capture offset by higher average AUM.

Our revenues were 11.6% higher than the same period last year driven by higher average AUM and higher other revenues attributable to our European listed products.

Our adjusted net income for the quarter was \$23 million, or \$0.16 per share. These results were impacted by seasonal compensation, including payroll taxes, benefits, and other items recognized in connection with year-end bonuses.

Next slide. Our 2025 guidance remains largely unchanged versus what was communicated, last quarter. Refer to our guidance update included in our earnings presentation for additional information.

That's all I have. I'll now turn the call over to Jarrett.

**Jarrett Lilien**

Thanks, Brian. As you just heard, we had a strong quarter by the numbers, and I'd like to now build on that by walking through some of the operational drivers behind the performance and how we're positioned for what's next. So let's start with flows and outlook.

We came into 2025 with real client momentum and Q1 was a fantastic start to the year with over \$3 billion in net inflows, across a diverse set of products. That said, we're now operating in a more volatile market, but that's exactly where WisdomTree shines.

We are very well-positioned, with our AUM being more balanced today than at any point in our history. And that diversification is serving us well, with our large exposures to gold and metals in Europe and USFR here in the US. It is noteworthy that our group AUM is up this month and is up year to date, a standout versus our peers.

It's also worth highlighting the exceptional launch of our WisdomTree Europe Defence UCITS ETF, which brought in \$770 million in Q1 alone, and has already added more than \$700 million in April. This is one of the most successful launches in our history and the fund's flow momentum, creating shares every day but one since launch, should not be overlooked.

Beyond the impressive flows, this launch is a clear example of our ability to adapt to evolving market dynamics and act as a pioneer of unique, first-of-their-kind investment ideas. We began focusing on shifting geopolitical risks over a year ago with the introduction of our geopolitical risk aware model portfolios, and we've since carried those insights forward into a broader suite of ETF offerings.

A case in point, we are in the final stages of repositioning our European currency hedge small cap fund into a more expansive European opportunities fund, one that not only reflects a broader opportunity set but also embeds the geopolitical themes we believe are increasingly relevant.

We see greater AUM potential in this strategy, and we believe our differentiated ability to innovate and bring timely high conviction products to market is a key ingredient in driving industry-leading organic growth.

Looking beyond flows, we continue to focus on deepening and expanding the quality of our client relationships.

Through Q1, we are on track to grow the total number of clients using WisdomTree products by 4% this year, a pace that continues the strong client growth we saw in 2024. And those clients are using more of our solutions than ever before, with the average product usage per client growing at a double-digit annualized rate, so far this year. And that's a powerful combination, deepening relationships while expanding reach. And it's exactly the formula that drives sustainable long-term organic growth.

Our model portfolios business remains a standout with AUA reaching \$4 billion, that's up 4% to date, reflecting a nearly 20% annualized organic growth rate. This momentum highlights our growing mindshare and wallet share, even in a tough market. With 2,700 advisors now using our models, we're on track to meet our 2025 growth targets.

Our portfolio consultations practice, powered by AI driven analytics has tripled output versus a year ago, strengthening our broader portfolio solutions offering. With an addressable market of 85,000 advisors and \$8 trillion in assets, we see significant runway ahead and are focused on deepening our market penetration.

Finally, on digital assets, we're continuing to build traction across both WisdomTree Prime and WisdomTree Connect. In Q1, we expanded Prime's availability to Georgia, Tennessee, and North Carolina, and we saw modest growth in both the number of accounts and client assets.

As I mentioned last quarter, our target opportunity is the on-chain community, a segment where the infrastructure is still catching up and where our on and off ramps are not yet in place. We expect to begin enabling on-chain transfers for a subset of users in the coming months, with broader functionality coming in September.

Meanwhile, WisdomTree Connect continues to differentiate us. We remain the only asset manager with a full suite of tokenized funds on chain, and we've now opened access to institutional users, across multiple blockchains.

So, across the board, flows, client growth, model portfolios, digital infrastructure, we're executing on what we can control and positioning the business to capitalize on the opportunities ahead.

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

**Jono Steinberg**

Thanks, Jarrett. Hello, everyone. Last quarter, I ended my comments by saying I believe WisdomTree deserved a significant expansion of our public company multiple. Our Q1 results strongly reinforced that belief. During these volatile times, the strength and resilience of our global platform was obvious.

Let's start with growth. At \$116 billion, assets under management were up over 6%, year to date. Q1 earnings per share were up 33%, compared to last year. That builds on WisdomTree's 23% increase in earnings per share in 2024.

Our strong multi-year momentum continues in 2025, uninterrupted. WisdomTree's strong organic growth inflows helped drive our earnings growth. With over \$3 billion in net inflows in Q1, that's an 11% organic growth rate, one of the fastest in the industry. WisdomTree is worthy of a higher multiple.

We are executing exceptionally well. Two clear recent examples of that. As Jarrett and Bryan mentioned, the WisdomTree Europe Defence UCITS ETF, launched seven weeks ago, has brought in over \$1.4 billion in net inflows year to date, making it our 26th fund with more than \$1 billion in AUM.

It was the first UCITS fund offering a pure basket of European defense stock, as the Trump Administration is pushing Europe to spend 5% of their GDP on self-defense. The fund has had broad appeal to all flavors of investors, virtually every region and every channel.

I've been doing this for a long time, but it's still so much fun when a fund really, really connects with the moment. We are very proud of the European team and want them to enjoy it for as long as it lasts. And for WisdomTree shareholders, you never know what's possible till it happens.

Next, I'd like to draw your attention to our tokenized products, which brought in over \$100 million in flows, year to date. It's just the beginning. I know it's early, but it's exciting to see this strategic initiative starting to prove itself with tangible successes. Remember, WisdomTree has the most extensive suite of tokenized real-world assets across equities, fixed income, and commodities. WisdomTree has positioned itself to be a huge beneficiary as adoption expands; another multiple expander.

On the AUM front, diversification continues to be a real strength for WisdomTree across geographies, asset classes, and client types. It wasn't always that way. Ten years ago, this was not a strength for the company but today, it is. It's the result of years of disciplined organic and inorganic execution, another reason I feel WisdomTree is undervalued.

Lastly, I'd like you to think about our business model. With \$116 billion in AUM and approximately 300 employees, our efficiency stands out. As WisdomTree begins to deploy AI across every aspect of our global platform, I am energized by how it will further improve our efficiency and the speed and quality of our execution.

The future is incredibly bright for WisdomTree. We have the platform, the strategy and the execution to drive real lasting value creation for our shareholders, in the years ahead.

Thank you. Now let's open up the call to Q&A.

### **Operator**

Thank you. And at this time, we will conduct our question-and-answer session. If you would like to ask a question, please press “\*”, “1” on our telephone keypad. A confirmation tone will indicate that your line is in the question queue. You may press “\*”, followed by the number “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. Once again, to ask a question, press “\*”, “1” on your telephone keypad. We'll pause a moment while we poll for questions.

Our first question comes from George Sutton with Craig Hallam. Please state your question.

### **George Sutton**

InComm Conferencing

Thank you, and many congrats on the European Defense Fund. That's a biggie. So, I wondered if we could talk a little bit more in detail about the on and the off-ramp opportunity for WisdomTree Prime. You mentioned some near term timing, but then also a little more expanded rollout in September. Can you just give us a better sense of what you mean by that?

**Jono Steinberg**

Absolutely, George. Thank you for the question. Will Peck, our head of digital assets. Will, will you take this?

**Will Peck**

Hey, George. Yeah, thanks for the question. Good morning. So in terms of the on and off ramps, I mean, I think that's actually one of the most critical features if you're doing something in the public blockchain space, right, the ability to interact with stablecoins that are out there, other crypto assets like Bitcoin and Ether, and allow our products to travel to external wallets as well, right? So, that to me, is like one of the core user experience enhancements, and really allows us to go after the crypto native community that's out there.

So as we've talked about in the past, it's been a regulatory grind. You could say we still need some states, we still need some of these product features like the external transferability. We're targeting rolling that out in kind of a measured way over the course of the summer, which sets up in September where we could really kind of increase marketing spend and really go after that user base from there. So that's some of the stuff that Jarrett was referring to when he made that point on the prepared remarks.

**George Sutton**

And Will, just a brief follow-up there, relative to partners or distribution, is September the timeframe when we might anticipate some partner announcements and things like that?

**Will Peck**

We're not going to give any sort of specific forecast in terms of that. I mean, I think we're in lots of conversations, currently. As we mentioned, we had \$100 million in flows year to date through the WisdomTree Connect platforms, through some partner relationships. So, we're seeing the early green shoots of a lot of those relationships so far, and I think we'll continue to build those out in that time period, but there's no kind of like guidance in terms of partnership announcements.

**George Sutton**

And if I could just ask Jono a follow-up on the AI deployment, can you give us a little bit more of a sense of how it's going to get deployed and what sort of impacts you might anticipate?

**Jono Steinberg**

Yeah, I'm going to turn it over to you, Jarrett, in a moment. But I will say that regulated financial services requires employees, and so you can't just go--the SEC won't look just to code for InComm Conferencing

approval; human beings have to stand in the middle. So we have this incredible culture, which I think is a true advantage in implementing AI at the firm. But Jarrett, why don't you go into the specifics?

**Jarrett Lilien**

Sure, and I think--just following up on that, a lot of people talk about using AI. We're really doing it and I think the size of our company makes that more possible. We've got everyone in the company involved. And we're really looking at three broad buckets of where we can use AI to enhance our performance.

And the first bucket's really, how do we enhance the customer experience and customer outcomes? The second one is, how do we enhance growth and efficiency? And the third one, I think is very interesting, is how do we actually enhance decision making? And in all cases, it's about doing more better and doing more faster.

And I can go into more detail, but in every other--in every part of the company we're seeing results whether that's in sales, research, marketing, tech and even in our legal work stream, so it's across the board with every employee.

**George Sutton**

Perfect. Congrats on the results. Thanks, guys.

**Jono Steinberg**

Thank you.

**Operator**

And a reminder to the audience, if you have a question, press "\*", "1". Your next question comes from Mike Grondahl with Northland Securities. Please state your question.

**Mike Grondahl**

Hey guys, thanks. Can you just give us a little bit of update on your crypto funds today, digital assets, and sort of how you see those developing over the next year or two? And then secondly, just kind of--I know you can't name names, but like how does the pipeline look for some new ETFs?

**Jono Steinberg**

Jeremy or--I think maybe you could touch on our crypto in Europe or in the US? You want to start there? Maybe Will, you'll have some to add.

**Jeremy Schwartz**

Yeah, in the US, you're in--from a pure crypto perspective we've focused on bitcoin and in Europe we've had the--it's really where we've shown a lot more leadership in having baskets. We launched a broad 20 coin basket product and we had some good early capital around \$100 million

come into that type of basket. We've taken in over a \$100 million in the crypto offering in Europe, this year.

And so, we're seeing good leadership out of Europe. We continue to look at the U.S. in what to do in terms of more crypto offerings. We're certainly focused on that in the Prime app that Will is overseeing.

But I think as you get a new regulatory environment in the U.S., we'll start to look to see what else we can do in the U.S. It was a very restrictive environment here in the U.S. for a while.

In terms of the broader products that you asked about, we can't talk about things that are not filed or coming to market, but Jarrett highlighted this new opportunities fund for Europe. It's another version of what they're doing with defense over in the UCITS form. We filed for more of that flavors in the US as well.

So, we're going to be continuing to expand new products as we always do, looking at the right themes. And we're very excited that we're as diversified as ever with both growth, value, thematics. Really, in terms of the global rotation that's happening this year, you're seeing our AUM hold up much better than the broader sort of US market opportunity set, and we're excited about that.

**Will Peck**

I think Jeremy covered the crypto ETPs very well, very excited about that. And there's a lot of natural synergy with what we're doing in tokenization where, like I mentioned earlier, we've got a really robust client pipeline for WisdomTree Connect, over the course of the year. The money market funds obviously been a hit, so far. We're also seeing some interest in equities as well. So we're excited about that.

And I think over time, we're really going to be levered to the stablecoin growth story here in the US. We're seeing stablecoin legislation making its way through Congress right now, which is just going to open up a huge user base for our products, WisdomTree Prime as well, in addition to WisdomTree Connect. So we're quite excited about it.

**Jono Steinberg**

Thanks, Will. Any other questions?

**Mike Grondahl**

No, thank you.

**Jono Steinberg**

Thanks, Mike.

**Operator**



Thank you. And there are no further questions in queue at this time, so I'll hand the floor back to Jono Steinberg for closing remarks.

**Jono Steinberg**

Thank you. A very strong, clean quarter. We appreciate your support and attention on today's call and we'll speak to you in 90 days. Thank you, everybody. Have a good day.

**Operator**

Thank you. And that concludes today's call. All parties may disconnect. Have a good day.