Q3 2018 Results

1 November 2018

Intertrust

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Agenda

1. Q3 2018 highlights & operational update – CEO Stephanie Miller
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Highlights and Operational Update

CEO Stephanie Miller

Intertrust

Q3 2018 Financial Highlights

Revenue	› Revenue increased 2.6% underlying[1] to EUR 121.8m. Growth driven by Luxembourg and Rest of the World partly offset by Jersey and Netherlands. › Challenging market conditions in certain jurisdictions and a strong 3rd quarter last year which was positively impacted by one-off items.
Adjusted EBITA and margin	› Adjusted EBITA decreased 1.4% underlying to EUR 45.9m. › Adjusted EBITA margin of 37.7%. › Decrease primarily related to a release from the LTIP accrual in Q3 2017 of EUR 1.3m.
EPS	› Adjusted EPS of EUR 0.39 in Q3 2018 versus EUR 0.40 in Q3 2017. › Due to lower adjusted EBITA and higher tax expenses compared to Q3 2017. › As of 25 September 2018 2.2m shares cancelled. Total outstanding shares 89,755,202.

Notes

1. Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

Operational Update – Executing our strategic ambitions

> **Clients & Services**

- Secured several mandates following commercial campaigns around industry events in South Korea and Italy;
- New inflow for the Netherlands and other EU offices from equities and bond trading firms, and pharmaceutical companies anticipating Brexit;
- Money Laundering Reporting Officer (MLRO) services launched following new AML legislation in Cayman.

> **Innovation & Technology**

- Conceptual design of client portal completed and choice of technology partner is imminent;
- Client portal on track to go live early 2019;
- Migration of data centres on track; Cayman and Jersey remaining.

> **People**

- Accelerated performance review cycle to drive personal and professional growth;
- Redesign of the LTIP programme to be submitted for approval by our shareholders in 2019;
- Upgrade of our international leadership and development programme.

> **Operational excellence**

- Initial steps are being taken to set up a shared services centre; selection of nearshore location by end Q1 2019;
- Global alignment programme aimed at company wide standardisation of processes.

Q3 2018 Results

CFO Hans Turkesteen

Highlights Q3 2018

(€m)	Q3 2018	Q3 2017	Change %	Underlying[1] change %
Revenue	121.8	118.1	3.1%	2.6%
Adjusted[2] EBITA	45.9	46.3	-1.0%	-1.4%
Adjusted EBITA margin	*37.7%*	*39.2%*	*-156bps*	*-154bps*
Adjusted Net Income	34.7	36.5	-4.9%	-
Adjusted EPS (€)	0.39	0.40	-2.5%	-
Cash from operating activities	20.2	23.8	-15.0%	-

> Revenue of EUR 121.8m, up 2.6% on an underlying basis. Year-to-date revenue growth was in line with guidance of at least 3%.

> Adjusted EBITA was EUR 45.9m (-1.4% underlying) resulting in adjusted EBITA margin of 37.7% primarily related to a one-off release from the LTIP accrual (EUR 1.3m) in Q3 2017.

> Adjusted EPS was EUR 0.39 due to lower adjusted EBITA and higher tax expenses as a result of one-off credits in Q3 2017. EPS in Q3 2017 excluding one-off items would have been EUR 0.03 lower. The reduced number of shares in Q3 2018 had a EUR 0.01 positive impact.

> Cash from operating activities in Q3 2018 included EUR 10.7m income tax payments relating to previous years.

Notes
1. Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)
2. See Reconciliation of performance measures to reported results in the press release for further information on Adjusted figures
3. Average number of shares for Q3 2018: 88,905,202; for Q3 2017: 90,572,385.

Revenue per segment

Revenue (€m)	Q3 2018	Q3 2017	Change	Underlying[1] change	9M 2018	9M 2017	Change	Underlying[1] change
Netherlands	28.4	29.3	-2.8%	-2.8%	85.1	85.9	-0.9%	-0.9%
Luxembourg	26.8	24.1	11.2%	11.2%	79.8	71.7	11.4%	11.4%
Americas[2]	21.4	20.9	2.7%	1.4%	61.0	65.1	-6.3%	0.5%
Jersey	14.0	14.4	-2.8%	-3.4%	43.2	44.1	-2.1%	-0.9%
ROW	31.1	29.4	5.5%	4.8%	94.2	90.9	3.6%	6.1%
Group total	**121.8**	**118.1**	**3.1%**	**2.6%**	**363.4**	**357.8**	**1.6%**	**3.6%**

NL: In Q3 2018 revenue decreased by 2.8% with revenue -0.9% in 9M 2018 compared to 9M 2017.

LUX: Continued strong growth in Fund Services, reflecting our market leadership position in an attractive market for PE/RE funds.

Americas[2]: Q3 revenue increased 1.4% underlying, driven by increased client activity levels and more demand for regulatory services.

Jersey: Revenue impacted by a continued effect of the decision of a large Private Wealth client to insource. Corporate and Fund Services continued to perform well.

ROW: Revenue growth driven by Funds in Hong Kong, Corporates and Funds business in Spain and good performance across all service lines in the Nordics.

Notes
1. Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)
2. As of Q1 2018, Cayman Islands is included within the new Americas segment, together with Bahamas, BVI, Curacao, USA and Brazil, previously part of Rest of the World. Restated 2017 figures can be found in the table on slide 19

New set of key performance indicators

Key performance indicators

	9M 2018	9M 2017	Change
Underlying revenue growth	3.6%	3.5%	
Adjusted EBITA margin	37.4%	37.5%	
FTE (end of period)	2,532	2,478	2.2%
Revenue / Billable FTE (€k, LTM)[1]	261.5	260.2	0.5%
Billable FTE / Total FTE (as %, end of period)	74.6%	76.7%	
HQ & IT costs (as % of revenue)	13.9%	12.2%	
Number of entities (000's, end of period)	**48.3**	**51.1**	**-5.4%**
> Regular	*23.2*	*23.8*	*-2.5%*
> High Volume Low Value (HVLV)	*25.1*	*27.3*	*-7.9%*
ARPE (€k, LTM)	**10.2**	**9.4**	**8.4%**
> Regular	*18.0*	*16.9*	*7.0%*
> High Volume Low Value (HVLV)	*2.9*	*2.9*	*1.4%*
Working capital / LTM revenue (as %)	1.2%	-0.2%	

- Billable FTE / Total FTE decreased mainly as a result of an increased number of FTEs in HQ and IT.
- Decrease in number of entities relatively higher in HVLV entities confirming the trend.
- Regular entities increased from 23.1k in H1-18 to 23.2k in Q3 2018.
- Significant increase in ARPE per Regular entity on the back of increased regulation and complexity.
- Working capital / LTM revenue primarily up due to EUR 10.7m income tax payments relating to previous years.

Notes
1. Billable FTE is calculated based on LTM average, revenue is not corrected for currency impact

Group HQ and IT costs

Expenses (€m)	Q3 2018	Q3 2017	9M 2018	9M 2017
Group HQ	(7.8)	(5.6)[1]	(24.1)	(18.5)[1]
As % of revenue	*6.4%*	*4.7%*	*6.6%*	*5.2%*
Group IT	(9.1)	(8.0)	(26.5)	(25.3)
As % of revenue	*7.5%*	*6.8%*	*7.3%*	*7.1%*
Total	**(16.9)**	**(13.6)**	**(50.6)**	**(43.8)**
As % of revenue	*13.9%*	*11.5%*	*13.9%*	*12.2%*

Group HQ costs

As previously communicated, HQ costs continued to increase in Q3 2018.

Increase of EUR 2.2m in Q3 2018 vs Q3 2017 mainly due to a release from the LTIP accrual of EUR 1.3m.

For 9M 2018, HQ costs increased by EUR 5.6m compared to 9M 2017.

Group IT costs:

Q3 2018 IT costs increased EUR 1.1m mainly related to:

- preparation of the new client portal;
- increased outsourcing costs following migration of data centres.

IT roadmap implementation on track and, as previously disclosed, will be completed mid-2019.

Notes
1. As a result of the new segmentation, the North America HQ costs have been moved to the Americas segment (EUR 0.8m in Q3 2017, EUR 2.5m in 9M 2017)

Capital employed

(€m)	30.09.2018	31.12.2017	30.09.2017
Acquisition-related intangible assets	1,460.8	1,474.2	1,491.3
Other intangible assets	13.4	14.8	13.9
Property, plant and equipment	14.3	16.5	17.7
Total working capital	5.9	(0.9)	(0.9)
Other assets	3.9	4.4	5.2
Total Capital employed (Operational)	**1,498.2**	**1,509.0**	**1,527.2**
Total equity	713.9	705.1	719.1
Net debt	701.7	720.7	724.7
Provisions, deferred taxes and other liabilities	82.7	83.2	83.4
Total Capital employed (Finance)	**1,498.2**	**1,509.0**	**1,527.2**

- Working capital at the end of Q3 2018 amounted to EUR 5.9m, versus EUR 0.9m negative (end Q3 2017) primarily as a result of income tax payments for an amount of EUR 10.7m relating to previous years.
- Net debt decreased to EUR 701.7m at the end of Q3 2018 (from EUR 720.7m end Q4 2017) mainly as a result of strong cash generation.
- Leverage ratio decreased to 3.55x (end Q3 2018) from 3.66x (end Q4 2017), well within bank covenant of 4.50x.

Full year 2018 outlook re-confirmed

Revenue growth	› Underlying revenue growth of at least 3%.
EBITA margin	› Adjusted EBITA margin of at least 37%.
Other elements	› Capex around 2.0% of revenue; › Effective tax rate of approximately 18%; › Dividend policy 40-50% of adjusted net income.

Full year 2019 guidance

Revenue growth	› Underlying revenue growth of at least 3 - 5%.
EBITA margin	› Adjusted EBITA margin of at least 36%.
Other elements	› Capex expected to be around 2.0% of revenue; › Effective tax rate of approximately 19%; › Dividend policy at least 40% of adjusted net income; › Target leverage of around 3.0x.

Q&A

Appendix

Consolidated Profit/Loss *(unaudited)*

Consolidated interim statement of Profit/Loss (€m)

	Q3 2018	Q3 2017	9M 2018	9M 2017
Revenue	**121.8**	**118.1**	**363.4**	**357.8**
Staff expenses	(56.0)	(51.5)	(164.6)	(160.5)
Rental expenses	(6.1)	(5.9)	(18.1)	(17.9)
Other operating expenses	(16.1)	(15.1)	(46.9)	(45.8)
Other operating income	-	0.2	-	0.2
Depreciation and amortisation of other intangible assets	(2.7)	(2.7)	(8.3)	(8.2)
Amortisation of acquisition-related intangible assets	(10.4)	(10.2)	(30.8)	(30.9)
Profit/(loss) from operating activities	**30.4**	**32.9**	**94.6**	**94.8**
Financial income	-	-	0.2	-
Financial expense	(6.8)	(5.4)	(21.6)	(18.2)
Financial result	**(6.8)**	**(5.4)**	**(21.4)**	**(18.2)**
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)	-	-	-	(0.2)
Profit/(loss) before income tax	**23.6**	**27.5**	**73.3**	**76.4**
Income tax	(4.5)	(8.5)	(13.2)	(17.7)
Profit/(loss) after tax	**19.2**	**19.0**	**60.1**	**58.7**

Reconciliation of performance measures to reported results

(€m)	Q3 2018	Q3 2017	9M 2018	9M 2017
Profit/(loss) from operating activities	**30.4**	**32.9**	**94.6**	**94.8**
Amortisation of acquisition-related intangible assets	10.4	10.2	30.8	30.8
Specific items – Transaction costs	0.0	0.0	0.1	0.1
Specific items – Integration and transformation costs	4.9	2.7	9.2	5.8
Specific items – Share-based payment upon IPO	0.4	0.6	0.9	1.7
Specific items – Share-based payment upon integration	0.1	0.1	0.1	1.0
Specific items – Other items	(0.3)	(0.1)	0.1	0.0
Adjusted EBITA	**45.9**	**46.3**	**135.8**	**134.2**

(€m)	Q3 2018	Q3 2017	9M 2018	9M 2017
Adjusted EBITA	**45.9**	**46.3**	**135.8**	**134.2**
Net finance costs - excluding net foreign exchange loss[1]	(6.7)	(6.8)	(21.2)	(20.8)
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)	0.0	0.0	0.1	(0.2)
Income tax (adjusted)	(4.5)	(3.1)	(13.2)	(12.3)
Adjusted Net income	**34.7**	**36.5**	**101.5**	**100.9**

1. Foreign exchange gain/(loss) for Q3 2018 was (EUR 0.0m), 9M 2018 was (EUR 0.1m); (Q3 2017: EUR 1.4m, 9M 2017: EUR 2.6m)

Tax reconciliation

(€m)	30.09.2018		30.09.2017		Change	
Profit before income tax		**73.3**		**76.4**		
Income tax using the Company's domestic tax rate	***25.0%***	**(18.3)**	**25.0%**	**(19.1)**		**0.8**
Effect of tax rates in foreign jurisdictions		6.7		6.3		0.5
Effect of non-taxable and other items		(2.1)		(0.3)		(1.8)
Others		0.5		(4.6)		5.0
Income tax	***18.0%***	**(13.2)**	***23.1%***	**(17.7)**	***-512bps***	**4.5**

> The effective tax rate for 9M 2018 was 18.0% (9M 2017: 23.1%), in line with our guidance for FY 2018.

> "Effect of non-taxable and other items" was EUR 1.8m higher in 9M 2018 mainly due to one-off items included in 9M 2017.

> "Others" included a one-off income tax expense of EUR 5.4m in 9M 2017 related to pre-IPO period (2012-2015). This one-off was excluded from adjusted net income.

> Eliminating the above mentioned items the effective tax rate in 9M 2017 was similar to 9M 2018.

Segmentation change reconciliation – *Revenue*

Revenue (€m)	Q3				9M			
	2017 presented in 2018		2017		2017 presented in 2018		2017	
	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue
Netherlands	29.3	25%	29.3	25%	85.9	24%	85.9	24%
Luxembourg	24.1	20%	24.1	20%	71.7	20%	71.7	20%
Americas	20.9	18%	-	n.a.	65.1	18%	-	n.a.
Cayman Islands	-	n.a.	16.0	14%	-	n.a.	50.2	14%
Jersey	14.4	12%	14.4	12%	44.1	12%	44.1	12%
Rest of the World	29.4	25%	34.3	29%	90.9	25%	105.9	30%
Total Segment Revenue	**118.1**	**100%**	**118.1**	**100%**	**357.8**	**100%**	**357.8**	**100%**

- As of Q1 2018, Cayman Islands is included within the new Americas segment, together with Bahamas, Brazil, BVI, Curacao and USA, previously part of Rest of the World.
- The above reconciliation table shows the restated 2017 segmentation.

Notes & Definitions

- ✓ Intertrust N.V. Q3 2018 financial figures are shown on a reported and adjusted basis.
- ✓ Figures presented in EUR million and tables are calculated before rounding.
- ✓ Adjustments in EBITDA and EBITA are disclosed in the press release. Adjusted figures represent adjustments because of non-recurring items.
- ✓ As of Q1 2018, Intertrust uses the following segmentation:
  - > The Netherlands, Luxembourg, Americas, Jersey and Rest of the World (ROW), whereby Cayman is included in Americas in both 2017 and 2018 figures.

Selected definitions:

Adjusted net income per share is defined as Adjusted net income divided by the average number of shares outstanding at 30 September 2018.
Average no. of shares for Q3 2018: 89,187,291; for Q3 2017: 90,572,385. For 9M 2018: 89,479,430; for 9M 2017: 90,890,356.
ARPE is defined as Average Revenue per Entity.
CC is Constant Currency.
FTE is Full-time equivalent employee.
Leverage ratio is total net debt divided by Adjusted proforma EBITDA. Proforma means adjusted to take into account full year effect of acquisitions, including projected synergies.
Net interest is defined as Net finance cost excluding Forex gains and losses.
Total net debt is nominal value of the senior facilities at the prevailing exchange rates less cash excluding cash held on behalf of clients.
Underlying is current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s).

Disclaimer

Forward-looking statements and other important information

This document and the related oral presentation, including responses to questions following the presentation, contain certain forward-looking statements with respect to the financial condition, results of operations and business of Intertrust and certain of the plans and objectives of Intertrust with respect to these items. Examples of forward-looking statements include statements made about our strategy, estimates of sales growth, future EBITA and future developments in our organic business. By their nature, these statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these statements.

These factors include but are not limited to: global economic and business conditions; developments within the euro zone; the successful implementation of Intertrust's strategy and the ability to realise the benefits of this strategy; the ability to develop and market new products; changes in legislation; legal claims; changes in currency exchange rates and interest rates; future changes in tax rates and regulations, including tax reform in the US; pension costs and actuarial assumptions; changes in employee costs; the ability to identify and complete successful acquisitions, and to integrate those acquisitions, and to integrate those acquisitions into the business; the ability to successfully exit certain businesses or restructure the operations; the rate of technological changes; cyber-attacks, breaches of cybersecurity, political, economic and other developments in countries where Intertrust operates; industry consolidation and competition; and the state of international capital markets. As a result, Intertrust's actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see the Risk management chapter included in the Annual report 2017.

All amounts are in millions of euros unless otherwise stated. Due to rounding, amounts may not add up precisely to totals provided. All reported data is unaudited. Financial reporting is in accordance with the accounting policies as stated in the Annual report 2017, unless otherwise stated.

Market Abuse Regulation

This presentation contains inside information within the meaning of Article 7(1) of the EUR Market Abuse Regulation.

Thank you