Intertrust

Press release

Intertrust N.V. 9M 2018 interim statements

Intertrust Group Interim Financial Report 30 September 2018

(Unaudited)

Interim Management Board report

Introduction

Intertrust N.V. (the "Company") and its subsidiaries (together referred to as the "Group") is a leading global provider of expert administrative services to clients operating and investing in the international business environment. The Company has approximately 2,500 FTEs working in its offices across all continents.

Full year 2018 outlook

Intertrust management confirms its outlook for the full year 2018:

- Underlying revenue growth of at least 3% year-on-year.
- Adjusted EBITA margin of at least 37%.
- Capex around 2% of revenue.
- Effective tax rate of approximately 18%.
- Dividend policy 40-50% of adjusted net income.

Medium term guidance

At Capital Markets Day (20 September 2018) we have presented the following medium term guidance:

- Underlying revenue growth of 3 - 5% year-on-year.
- Adjusted EBITA margin growing to more than 38% by 2021, from at least 36% in 2019, reflecting three near-term impacts:
  - Investment in cost efficiency measures
  - Investment in business development and new solutions
  - Mix impact from slower growth in the Netherlands and higher growth in ROW.
- Capex expected to be around 2% of revenue.
- Effective tax rate of around 19%.
- Dividend policy at least 40% of adjusted net income.
- Target leverage of around 3.0x.

Financial review for the nine-month period ended 30 September 2018

In the first nine months of 2018, the Group generated revenue of EUR 363.4 million, which is EUR 5.6 million higher compared with EUR 357.8 million in the same period of 2017, or 3.6% on an underlying basis. Adjusted EBITA margin was 37.4% for the first nine months of 2018, compared to 37.5% adjusted EBITA margin for the same period in 2017.

Revenue

The revenue growth was mainly driven by Luxembourg and Rest of the World. On an underlying basis, revenue in the first nine month of 2018 was more or less stable year-on-year in the Netherlands, Jersey and Americas. The impact of exchange rate variances, mostly arising from USD exchange rate fluctuation, resulted in 3.6% higher revenue in EUR compared to the same period last year.

Staff expenses

Salaries and wages increased by EUR 4.1 million year-on-year to EUR 164.6 million for the first nine months ending 30 September 2018. On an underlying basis, staff expenses increased by EUR 5.2 million or 3.3%. The increase is largely driven by increased headcount.

Rental and other operating expenses

Rental and operating expenses remained stable year-on-year.

Depreciation and amortisation
Depreciation and amortisation charges remained fairly constant at EUR 39.1 million for the first nine months of 2018, consisting of amortisation of brand and customer relationship of EUR 30.8 million, software and other intangible amortisation of EUR 4.3 million and depreciation of EUR 4.0 million.

Operating result
Driven by higher sales and slightly lower costs, the Profit from operating activities in the first nine months of 2018 decreased by EUR 0.2 million, or -0.2%, to EUR 94.6 million.

Financial result
The financial result decreased by EUR 3.2 million year-on-year, to EUR 21.4 million negative for the first nine months of 2018 from EUR 18.2 million negative. This decrease is mainly due to a foreign exchange gain offset in the first nine month of 2017 resulting from intercompany loans. Most of the intercompany currency exposures were eliminated towards the end of 2017 resulting in a significantly lower revaluation result.

The breakdown of the financial result of EUR 21.4 million negative (EUR 18.2 million negaitve for the nine months ended 30 September 2017) was as follows:
- Bank interest of EUR 17.9 million (2017: EUR 17.1 million);
- Amortisation of financing fees EUR 2.7 million (2017: EUR 3.4 million);
- Net foreign exchange losses of EUR 0.1 million (2017 net foreign exchange gains of EUR 2.6 million);
- Net change in fair value of derivatives of EUR 0.2 million loss (2017: EUR 0.3 million gain);
- Other costs of EUR 0.5 million (2017: EUR 0.6 million).

Income taxes
The income tax expense decreased by EUR 4.5 million to EUR 13.2 million, resulting in an effective tax rate of 18.0% (the first nine months of 2017: 23.1%). In the first nine months ended 30 September 2017 tax expenses included one-off income tax expenses, amongs others, of EUR 5.4 million related to pre-IPO period (2012-2015). Eliminating those items the effective tax rate in the first nine months of 2017 was similar to the same period in 2018.

Cash flow
In the first nine months of 2018, operating cash flow increased by EUR 6.9 million, or 6.4% compared to the same period of 2017. Main increase relates to higher cash collection from accounts receivable. Cash used in investing activities decreased from EUR 12.1 million in the first nine month of 2017 to EUR 9.3 million in the same period in 2018 driven by lower capex as well as lower cash spent on acquisitions. Cash flow used in financing activities of EUR 85.2 million comprises mainly of the purchase of treasury shares amounting to EUR 37.0 million, interest and other finance expenses of EUR 18.6 million and dividend paid in June 2018 amounting to EUR 29.4 million.

Share cancellation
As of 25 September 2018 the number of outstanding shares amounted to 89,755,202 shares following the cancellation of 2,244,190 shares. This has resulted in EUR 1.3 million decrease in share capital and EUR 34.5 million in retained earnings compared to year end 2017.

Related party transactions
For related party transactions, please refer to note 15 of our interim financial report.

Principal risks and uncertainties of the first nine months of 2018
In the Annual Report 2017, we described the key business risks and uncertainties which we are aware of, and which could have a material adverse effect on our financial position and results.
We have assessed the risks for the first nine months of 2018 and believe that the risk categories and risk factors identified are in line with those presented in the Annual Report 2017. Those are deemed incorporated and repeated in this report by

reference. Other risks not known to us, or currently regarded not to be material, could later turn out to have an adverse material impact on our business, objectives, revenues, income, assets, liquidity or capital resources.

Responsibility statement

With reference to the statement within the meaning of article 5:25d (2c) of the Financial Supervision Act, the Management Board hereby declares that, to the best of their knowledge:

- the interim financial statements prepared in accordance with IAS 34, "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position, profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the interim Management Board report gives a fair review of the information required pursuant to section 5:25d(8)/(9) of the Financial Supervision Act.

Amsterdam, 31 October 2018

The Management Board
Stephanie Miller, CEO
Hans Turkesteen, CFO
Henk Pieter van Asselt, COO

Condensed consolidated interim statement of profit or loss

(EUR 000)	Note	Q3 2018	Q3 2017	9M 2018	9M 2017
Revenue	5	121,763	118,086	363,368	357,802
Staff expenses	6	(56,025)	(51,470)	(164,609)	(160,484)
Rental expenses		(6,103)	(5,852)	(18,147)	(17,881)
Other operating expenses		(16,094)	(15,106)	(46,913)	(45,804)
Other operating income		–	200	51	200
Depreciation and amortisation of other intangible assets		(2,744)	(2,749)	(8,301)	(8,189)
Amortisation of acquisition-related intangible assets		(10,441)	(10,224)	(30,805)	(30,845)
Profit/(loss) from operating activities		30,356	32,885	94,644	94,799
Financial income		60	4	244	9
Financial expense		(6,825)	(5,370)	(21,611)	(18,193)
Financial result		**(6,765)**	**(5,366)**	**(21,367)**	**(18,184)**
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)		18	4	59	(191)
Profit/(loss) before income tax		23,609	27,523	73,336	76,424
Income tax		(4,457)	(8,542)	(13,208)	(17,680)
Profit/(loss) after tax		19,152	18,981	60,128	58,744
Profit/(loss) for the year after tax attributable to:					
Owners of the Company		19,152	18,961	60,108	58,675
Non-controlling interests		–	20	20	69
Profit/(loss)		19,152	18,981	60,128	58,744
Basic earnings per share (EUR)	7	0.21	0.21	0.67	0.65
Diluted earnings per share (EUR)	7	0.21	0.20	0.66	0.63

Quarterly figures and nine month period ended 30 September 2017 are neither audited, nor reviewed.

Condensed consolidated interim statement of comprehensive income

(EUR 000)	Note	Q3 2018	Q3 2017	9M 2018	9M 2017
Profit/(loss) after tax		19,152	18,981	60,128	58,744
Actuarial gains and losses on defined benefit plans		267	(5)	441	148
Income tax on actuarial gains and losses on defined benefit plans		154	–	154	–
Items that will never be reclassified to profit or loss		**421**	**(5)**	**595**	**148**
Foreign currency translation differences - foreign operations		1,321	(11,631)	10,181	(43,607)
Movement on cash flow hedges in other comprehensive income		158	(407)	642	804
Income tax on movement on cash flow hedges in other comprehensive income		(39)	(244)	(159)	(546)
Items that are or may be reclassified to profit or loss		**1,440**	**(12,282)**	**10,664**	**(43,349)**
Other comprehensive income/(loss) for the year, net of tax		1,861	(12,287)	11,259	(43,201)
Total comprehensive income/(loss) for the year		21,013	6,694	71,387	15,543
Total comprehensive income/(loss) for the year attributable to:					
Owners of the Company		21,011	6,674	71,364	15,474
Non-controlling interests		2	20	23	69
Total comprehensive income/(loss) for the year		21,013	6,694	71,387	15,543

Quarterly figures and nine month period ended 30 September 2017 are neither audited, nor reviewed.

The amounts for the period ended 30 September 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated (refer to Basis of preparation).

The Notes on pages 10 to 17 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of financial position

(EUR 000)	Note	30.09.2018	31.12.2017
Assets			
Property, plant and equipment		14,253	16,470
Other intangible assets		13,392	14,849
Acquisition-related intangible assets	8	1,460,803	1,474,188
Investments in equity-accounted investees		205	196
Other non current financial assets		2,596	3,368
Deferred tax assets		2,709	1,357
Non-current assets		**1,493,958**	**1,510,428**
Trade receivables		72,623	103,103
Other receivables		17,923	18,937
Work in progress		37,819	33,078
Current tax assets		1,485	614
Other current financial assets		1,083	857
Prepayments		10,453	9,058
Cash and cash equivalents		97,996	66,620
Current assets		**239,382**	**232,267**
Total assets		1,733,340	1,742,695
Equity			
Share capital		53,853	55,200
Share premium		630,441	630,441
Reserves		(44,911)	(56,308)
Retained earnings		74,222	75,585
Equity attributable to owners of the Company		**713,605**	**704,918**
Non-controlling interests		248	225
Total equity	**10**	**713,853**	**705,143**
Liabilities			
Loans and borrowings		775,975	770,367
Other non current financial liabilities		3,222	2,216
Employee benefits liabilities		1,396	1,963
Deferred income		6,540	5,750
Provisions		306	579
Deferred tax liabilities		77,189	80,405
Non-current liabilities		**864,628**	**861,280**
Loans and borrowings		316	375
Other current financial liabilities		2,006	5,000
Deferred income		42,449	62,602
Provisions		4,785	497
Current tax liabilities		31,505	34,400
Trade payables		4,110	6,625
Other payables		69,688	66,773
Current liabilities		**154,859**	**176,272**
Total liabilities		**1,019,487**	**1,037,552**
Total equity and liabilities		1,733,340	1,742,695

The amounts for the period ended 30 September 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated (refer to Basis of preparation).

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Condensed consolidated interim statement of changes in equity

(EUR 000)		For the period ended 30 September 2018									
		Attributable to owners of the Company									
	Note	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Other reserve	Total	Non-controlling interests	Total equity
Balance at 01 January 2018		55,200	630,441	75,585	(41,437)	(545)	(14,326)		704,918	225	705,143
Profit/(loss)		-	-	60,108	-	-	-	-	60,108	20	60,128
Other comprehensive income/(loss) for the year, net of tax		-	-	595	10,178	483	-	-	11,256	3	11,259
Total comprehensive income/(loss) for the year		-	-	60,703	10,178	483	-	-	71,364	23	71,387
Contributions and distributions											
Equity-settled share based payment		-	-	3,937	-	-	-	-	3,937	-	3,937
Purchase of treasury shares		-	-	-	-	-	(36,011)	-	(36,011)	-	(36,011)
Treasury shares delivered		-	-	(858)	-	-	858	-	-	-	-
Dividend paid		-	-	(29,401)	-	-	-	-	(29,401)	-	(29,401)
Total contributions and distributions		-	-	(26,322)	-	-	(35,153)	-	(61,475)	-	(61,475)
Changes in ownership interests											
Share cancellation		(1,347)		(34,542)		-	35,889	-	-	-	-
Total changes in ownership interest		(1,347)	-	(34,542)	-	-	35,889	-	-	-	-
Total transactions with owners of the Company		(1,347)	-	(60,864)	-	-	736	-	(61,475)	-	(61,475)
IFRS 9 opening balance adjustment		-	-	(1,202)	-	-	-	-	(1,202)	-	(1,202)
Total opening balance sheet adjustment		-	-	(1,202)	-	-	-	-	(1,202)	-	(1,202)
Balance at 30 September 2018	10	53,853	630,441	74,222	(31,259)	(62)	(13,590)	-	713,605	248	713,853

(EUR 000)		For the period ended 30 September 2017									
		Attributable to owners of the Company									
	Note	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Other reserve	Total	Non-controlling interests	Total equity
Balance at 01 January 2017		55,200	630,441	29,887	7,627	(1,324)	(76)	36,118	757,873	1,930	759,803
Profit/(loss)		-	-	58,675	-	-	-	-	58,675	69	58,744
Other comprehensive income/(loss) for the year, net of tax		-	-	148	(43,607)	258	-	-	(43,201)	-	(43,201)
Total comprehensive income/(loss) for the year		-	-	58,823	(43,607)	258	-	-	15,474	69	15,543
Contributions and distributions											
Equity-settled share based payment		-	-	3,783	-	-	-	-	3,783	-	3,783
Business combination		-	-	-	-	-	-	(56)	(56)	-	(56)
Purchase of treasury shares		-	-	-	-	-	(33,968)	-	(33,968)	-	(33,968)
Treasury shares delivered		-	-	(752)	-	-	752	-	-	-	-
Dividend paid		-	-	(22,535)	-	-	-	(451)	(22,986)	-	(22,986)
Total contributions and distributions		-	-	(19,504)	-	-	(33,216)	(507)	(53,227)	-	(53,227)
Changes in ownership interests											
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	(54)	(54)
Acquisition of subsidiary with non-controlling interest		-	-	(1,250)	-	-	-	-	(1,250)	(1,750)	(3,000)
Total changes in ownership interest		-	-	(1,250)	-	-	-	-	(1,250)	(1,804)	(3,054)
Total transactions with owners of the Company		-	-	(20,754)	-	-	(33,216)	(507)	(54,477)	(1,804)	(56,281)
Balance at 30 September 2017	10	55,200	630,441	67,956	(35,980)	(1,066)	(33,292)	35,611	718,870	195	719,065

The amounts for the period ended 30 September 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated (refer to Basis of preparation). The nine month period ended 30 September 2017 has not been audited, nor reviewed.

The Notes on pages 10 to 17 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows

(EUR 000)	Note	Q3 2018	Q3 2017	9M 2018	9M 2017
Cash flows from operating activities					
Profit/(loss) for the period		19,152	18,981	60,128	58,744
Adjustments for:					
Income tax expense		4,457	8,542	13,208	17,680
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)		(18)	(4)	(59)	191
Financial result		6,765	5,366	21,367	18,184
Depreciation and amortisation of other intangible assets		2,744	2,749	8,301	8,189
Amortisation of acquisition-related intangible assets		10,441	10,224	30,805	30,845
(Gain)/loss on sale of non-current assets		-	(10)	61	(2)
Other non cash items		1,033	272	3,128	3,657
		44,574	46,120	136,939	137,488
Changes in:					
(Increase)/decrease in trade working capital		(18,322)	(19,813)	4,332	(11,832)
(Increase)/decrease in other working capital		6,304	476	(6,274)	(7,287)
(Decrease)/increase in provisions		1,909	(21)	3,989	(2,419)
Changes in foreign currency		166	(59)	(271)	1,343
		34,631	26,703	138,715	117,293
Income tax paid		(14,417)	(2,933)	(23,211)	(8,715)
Net cash from/(used in) operating activities		20,214	23,770	115,504	108,578
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		-	-	11	9
Purchase of property, plant & equipment		(351)	(430)	(1,698)	(2,388)
Purchase of intangible assets		(1,363)	(1,913)	(2,897)	(3,124)
Acquisitions, net of cash acquired		(905)	-	(5,905)	(7,508)
(Increase)/decrease in other financial assets		198	(25)	871	841
Dividends received		-	-	75	54
Interest received		60	4	244	9
Net cash from/(used in) investing activities		(2,361)	(2,364)	(9,299)	(12,107)
Cash flows from financing activities					
Proceeds from issue of share capital		-	(25)	-	(25)
Proceeds from bank borrowings		(13,102)	(2,813)	-	720
Acquisition of treasury shares		-	-	(37,040)	(33,968)
Payment of financing costs		(64)	(25)	(114)	(75)
Repayment of loans and borrowings banks		-	-	-	(18,000)
Interest and other finance expenses paid		(6,126)	(5,664)	(18,618)	(17,360)
Dividends paid		-	(2,572)	(29,401)	(22,535)
Dividends paid to non-controlling interest		-	-	-	(54)
Net cash from/(used in) financing activities		(19,292)	(11,099)	(85,173)	(91,297)
Net increase/(decrease) in cash		(1,439)	10,307	21,032	5,174
Cash attributable to the Company at the begining of the period		79,974	44,606	56,157	51,733
Effect of exchange rate fluctuations on cash attributable to the Company		(386)	(53)	960	(2,047)
Cash attributable to the Company at the end of the period		78,149	54,860	78,149	54,860
Cash held on behalf of clients at the end of the period		19,847	5,674	19,847	5,674
Cash and cash equivalents at the end of the period		97,996	60,534	97,996	60,534

(*) Trade Working capital is defined by the net (increase)/decrease in Trade receivables, Work in progress, Trade payables and Deferred income

(**) Other Working capital is defined by the net (increase)/decrease in Other receivables, Prepayments and Other payables (excl. liabilities for cash held on behalf of clients)

Quarterly figures and nine month period ended 30 September 2017 are neither audited, nor reviewed.

The amounts for the period ended 30 September 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated (refer to Basis of preparation).

The Notes on pages 10 to 17 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. Reporting entity

Intertrust N.V. (the "Company") is a company domiciled in The Netherlands and was incorporated on 8 September 2014. The address of the Company's registered office is Prins Bernhardplein 200, Amsterdam, The Netherlands.

The condensed consolidated interim financial statements are unaudited, Quarterly figures and nine month period ended 30 September 2017 are not audited, nor reviewed.

The condensed consolidated interim financial statements of the Company for the period from 1 January 2018 to 30 September 2018 comprise the Company and its subsidiaries (together referred as the "Group" and individually as "Group entities") and the Group's interest in associates.

The Group provides Corporate, Fund, Capital Markets and Private Wealth Services. At 30 September 2018, the Group had operations in 41 offices, 29 jurisdictions and employed 2,532 FTEs (full-time equivalent employees) (30 September 2017: 2,478 FTEs).

2. Basis of preparation

These condensed consolidated interim financial statements for the nine months ended 30 September 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. Accordingly, the condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2017 (part of the "Annual Report 2017"). The presentation currency of the group is the euro (€).

These condensed consolidated interim financial statements were authorised for issue by the Management Board on 31 October 2018.

3. Significant accounting policies and standards

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017 except for the adopted new standards.

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2018, have been adopted by the group from 1 January 2018

The Group has applied the classification, measurement and impairment requirements of IFRS 9 retrospectively as of 1 January 2018 by adjusting the opening balance sheet and opening equity at 1 January 2018 by EUR 1.2 million which is not material for the Group. We decided not to restate comparative periods as permitted by IFRS 9 and decided to continue all of the Group's hedge relationships under IFRS 9 as of 1 January 2018.

As disclosed in our 2017 Annual Report IFRS 15, effective from 1 January 2018, does not have a material impact on the consolidated financial statements.

These standards and interpretations had no material impact for the group.

New standards and interpretations issued but not yet adopted

All IFRS standards and interpretations that were in issue but not yet effective for reporting periods beginning on 1 January 2017 have not yet been adopted and disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2017. No significant changes to the disclosures are recognised at this stage.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments for all leases with a term of more than 12 months, unless the underlying asset is of low value. The standard is effective for annual reporting periods beginning on or after 1 January 2019. The Group has a significant number of operating lease contracts, mainly for real estate, and therefore significant changes are expected upon transition to IFRS 16. It is not currently possible to quantify the impact as it will be dependent on the finalisation of our detailed assessment, as well as accounting policy elections and judgments that should be considered.

4. Use of estimates and judgements

The preparation of these interim financial statements requires management to make certain assumptions, estimates and judgements that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the date of the interim financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and the future periods if the revision affects both current and future periods. For areas involving a higher degree of judgement or areas where assumptions and estimates are significant to the (interim) financial statements, reference is made to Note 2.4 of the Group's consolidated financial statements as at and for the year ended 31 December 2017.

5. Operating segments

5.1. Basis for segmentation

The Management Board is the Chief Operating Decision Maker of the Group (CODM). The responsibility of the Management Board is to assess performance and to make resource allocation decisions across the Group.

The analysis of the business is organised on and managed from a geographical perspective. From 1 January 2018, revenue breakdown reflects Intertrust's new reporting structure, whereby 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 reconciliation table below shows the restated 2017 segmentation:

(EUR 000)	Q3				9M			
	2017 presented in 2018		2017		2017 presented in 2018		2017	
	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue
Netherlands	29,259	25%	29,259	25%	85,903	24%	85,903	24%
Luxembourg	24,079	20%	24,079	20%	71,695	20%	71,695	20%
Americas	20,866	18%	–	n.a.	65,145	18%	–	n.a.
Cayman	–	n.a.	16,022	14%	–	n.a.	50,165	14%
Jersey	14,446	12%	14,446	12%	44,133	12%	44,133	12%
Rest of the World	29,436	25%	34,280	29%	90,926	25%	105,906	30%
Segment Revenue	118,086	100%	118,086	100%	357,802	100%	357,802	100%

(EUR 000)	Q3				9M			
	2017 presented in 2018		2017		2017 presented in 2018		2017	
	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA
Netherlands	17,550	38%	17,550	38%	52,788	39%	52,788	39%
Luxembourg	12,457	27%	12,457	27%	37,852	28%	37,852	28%
Americas	10,829	23%	-	n.a.	32,580	24%	-	n.a.
Cayman	-	n.a.	9,422	20%	-	n.a.	28,688	21%
Jersey	7,777	17%	7,777	17%	22,703	17%	22,703	17%
Rest of the World	11,344	24%	13,519	29%	32,072	24%	38,442	29%
Group HQ and IT costs (*)	(13,622)	-29%	(14,390)	-31%	(43,819)	-33%	(46,297)	-35%
Segment Adjusted EBITA	46,335	100%	46,335	100%	134,176	100%	134,176	100%

(*)Group HQ and IT costs are not allocated by operating segment

Quarterly figures and nine month period ended 30 September 2017 are neither audited, nor reviewed.

All operating segments are regarded as reportable segments due to their size/importance for the overall understanding of the geographical business.

They are reported in a manner consistent with the internal reporting provided to and used by the Management Board.

The Management Board evaluates the performance of its segments based on Revenue and Adjusted EBITA ("segment Revenue" and "segment Adjusted EBITA"). Management considers that such information is the most relevant in evaluating the results of the respective segments. For the reconciliation, please see Reconciliation of performance measures to reported results.no target-node

The individual Adjusted EBITA by operating segment excludes the allocation of Group HQ and IT costs, which is then deducted from the total.

Profit/(loss) before income tax is not used to measure the performance of the individual segments as items like amortisation of intangibles (except for software) and net finance costs are not allocated to individual segments. So the reconciliation to Profit/(loss) before income tax according to IFRS is done on Group level.

Consistent with the aforementioned reasoning, segment assets/liabilities are not reviewed regularly on a segment basis by management and are therefore not included in the IFRS segment reporting.

5.2. Information about reportable segments

(EUR 000)	Q3				9M			
	2018		2017		2018		2017	
	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue
Netherlands	28,448	23%	29,259	25%	85,110	23%	85,903	24%
Luxembourg	26,785	22%	24,079	20%	79,837	22%	71,695	20%
Americas	21,420	18%	20,866	18%	61,012	17%	65,145	18%
Jersey	14,048	12%	14,446	12%	43,195	12%	44,133	12%
Rest of the World	31,062	26%	29,436	25%	94,214	26%	90,926	25%
Segment Revenue	121,763	100%	118,086	100%	363,368	100%	357,802	100%

(EUR 000)	Q3				9M			
	2018		2017		2018		2017	
	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA
Netherlands	17,705	39%	17,550	38%	51,447	38%	52,788	39%
Luxembourg	14,949	33%	12,457	27%	45,220	33%	37,852	28%
Americas	11,607	25%	10,829	23%	32,967	24%	32,580	24%
Jersey	7,095	15%	7,777	17%	21,586	16%	22,703	17%
Rest of the World	11,460	25%	11,344	24%	35,205	26%	32,072	24%
Group HQ and IT costs (*)	(16,935)	-37%	(13,622)	-29%	(50,589)	-37%	(43,819)	-33%
Segment Adjusted EBITA	45,881	100%	46,335	100%	135,836	100%	134,176	100%

(*) Group HQ and IT costs are not allocated by operating segment

Quarterly figures and nine month period ended 30 September 2017 are neither audited, nor reviewed.

For the three months ended 30 September 2018 and for the nine months ended 30 September 2018, the presentation of the figures has been aligned accordingly to the operating segments defined as of 1 January 2018.

5.3. Seasonality

The business of the Group does not present pronounced cyclical patterns or seasonal evolutions in the condensed consolidated interim statement of comprehensive income, however working capital follows a seasonal pattern with a peak level at the end of the third quarter and a low level at the end of the first quarter, primarily resulting from annual billing runs in the Americas in Q4 each year and in the Netherlands and Luxembourg in January of each year.

6. Staff expenses

(EUR 000)	Q3		9M	
	2018	2017	2018	2017
Salaries and wages	(42,793)	(39,984)	(126,933)	(123,587)
Social security contributions	(4,240)	(3,773)	(12,805)	(11,767)
Pensions and benefits	(2,298)	(2,164)	(6,428)	(6,498)
Share-based payment upon IPO	(393)	(558)	(895)	(1,667)
Share-based payment upon integration	(60)	(139)	(142)	(971)
Share-based payment long term incentive plan	(1,057)	515	(2,955)	(1,182)
Other personnel expenses	(5,184)	(5,367)	(14,451)	(14,812)
Staff expenses	(56,025)	(51,470)	(164,609)	(160,484)

Quarterly figures and nine month period ended 30 September 2017 are neither audited, nor reviewed.

The number of FTEs (full time equivalent employees) at period ended 30 September 2018 amounted to 2,532 (period ended 30 September 2017: 2,478). Average number of employees amounted to 2,488 in the first nine months of 2018 compared to 2,434 in the same period of 2017.

A headcount alignment programme was launched in Q2 2018. The total costs associated with this programme amount to approximately EUR 6 million and are included as one-off integration and transformation costs in other operating expenses.

Share-based payment arrangements

For the nine months ended 30 September 2018, specific items for share based payments upon IPO included of EUR 895 thousand (for the nine months ended 30 September 2017: EUR 1,667 thousand) and upon integration of EUR 142 thousand (for the nine months ended 30 september 2017: EUR 1,182 thousand), related to the awards made under the equity-settled share-based payment arrangements implemented following the listing of the Company's shares on Euronext Amsterdam in 2015, and following Elian acquisition in 2016 and Azcona acquisition in 2017.

In April 2018, the group granted 403,774 stock options under the share-based payment long term incentive plan ("LTIP") of which 76,324 stock options were granted to the Management Board. The purpose of the share-based compensation is to attract and retain management and employees and align the interests of management and eligible employees with those of shareholders, by providing additional incentives to improve the group's performance on a long-term basis.

For further information on our share-based compensation, reference is made to note 8 in our Annual Report 2017.

7. Earnings per share

	Q3		9M	
Earnings per share	2018	2017	2018	2017
Basic earnings per share (euro)	0.21	0.21	0.67	0.65
Diluted earnings per share (euro)	0.21	0.20	0.66	0.63

Quarterly figures and nine month period ended 30 September 2017 are neither audited, nor reviewed.

7.1. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders of EUR 60,108 thousand for the nine months ended 30 September 2018 (for the nine months ended 30 September 2017: EUR 58,675 thousand) and weighted-average number of ordinary shares of 89,479,430 for the nine months ended 30 September 2018 (for the nine months ended 30 September 2017: 90,890,356).

7.2. Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 1,257,671 for the nine months ended 30 September 2018 (for the nine months ended 30 September 2017: 3,050,793).

7.3. Adjusted net income per share

The Group calculates the Adjusted net income for the nine months ended 30 September 2018 to be EUR 101.5 million (for the nine months ended 30 September 2017: EUR 100.9 million). Adjusted net income is defined as Adjusted EBITA, less net interest costs of EUR 21.2 million (for the nine months ended 30 September 2017: EUR 20.8 million) and less tax costs of EUR 13.2 million (for the nine months ended 30 September 2017: EUR 12.3 million).

Based on this Adjusted net income and taking the weighted-average number of basic shares for the nine months ended 30 September 2018 of 89,479,430 (for the nine months ended 30 September 2017: 90,890,356), the adjusted net income per share is EUR 1.13 (for the nine months ended 30 September 2017: EUR 1.11).

8. Acquisition-related intangible assets

During the nine months ended 30 September 2018, there was a new acquisition-related intangible assets generated from the acquisition of Seed Outsourcing. During the nine months ended 30 September 2017 additional acquisition-related intangible assets were generated in the acquisition of Azcona and SFM Spain. (Note 9).
The amortisation of acquisition-related intangible assets for the nine months ended 30 September 2018 is EUR 30,805 thousand (for the nine months ended 30 September 2017: EUR 30,845 thousand).

The goodwill per CGU is tested annually for impairment. As at 30 September 2018, there were no impairment indicators and no impairment testing was required for the period. The intangible assets other than goodwill were not tested for impairment because there were no impairment indicators at 30 September 2018.

9. Business combinations

2018

On 2 July 2018, the Group acquired Seed Outsourcing Pty Ltd ("Seed Outsourcing"). Seed Outsourcing is a boutique Australian corporate and fund services firm, providing corporate secretarial, director, domiciliation and payroll services to private equity and real estate fund managers. Intertrust has been working with Seed Outsourcing for more than five years, enabling its global clients to grow their business in Australia and New Zealand. Seed Outsourcing is based in Sydney and the team consisted of six (6) employees.

The asset recognised was mainly attributable to revenue from new customers. While this acquisition expands Intertrust's global footprint it does not have a material impact on the Company's financial position or results and the terms of the transaction are not disclosed. Australia is included in the Rest of the World reporting segment.

2017

Acquisition of remaining SFM Spain stake and affiliated local service provider
On 1 February 2017, the Group acquired the remaining 25% stake in Intertrust Management Spain, S.L. ("SFM Spain") together with the affiliated professional services activities of Azcona y Asociados de Consultoría Tributaria, Jurídica y Contable, S.L. ("Azcona").

The Group acquired a 75% stake in SFM Spain as part of the acquisition of Elian on 23 September 2016. The remaining 25% of SFM Spain was held by Azcona, a local Spanish competitor that specialises in the provision of corporate secretarial, accounting and tax compliance services.

The transaction strengthens the Group's position in Spain, making it a leading independent provider of corporate, funds and capital market services. All Azcona staff members have transferred to the Intertrust team, thereby more than doubling the headcount of the Madrid office to a total of 63 employees. The increased scale of the combined office strengthens the Group's client service capabilities and broadens its career opportunities for employees.

Other than the acquisition of the remainder of the shares, the asset recognised was mainly attributable to revenue from new customers. The transaction does not have a material impact on the Company's financial position or results.

10. Capital and reserves

10.1. Share capital

The subscribed capital is 89,755,202 shares as at 30 September 2018 which is 2,244,190 shares less compared to year end of 2017 due to cancellation of shares as at 25 September 2018. Nominal value per share of EUR 0.60 did not change since 31 December 2017.

10.2. Share premium

At 30 September 2018 the share premium amounts to EUR 630,441 thousand, unchanged compared to 31 December 2017.

10.3. Retained earnings

The retained earnings include accumulated profits and losses, plus remeasurements of defined benefit liability (asset) and equity-settled share-based payment.

The final dividend for the year 2017 of EUR 0.33 per share was paid on 12 June 2018.

An interim distribution of EUR 0.30 per share over financial year 2018 will be payable on the group's ordinary shares. The payment will be subject to 15% Dutch withholding tax. The interim dividend has been recognised as liability and to be paid in November 2018.

Treasury share reserve

The treasury share reserve comprises the costs of the Company's shares held by the Group. At 30 September 2018, the Group held 850,000 of the Company's shares (31 December 2017: 1,856,354) following the share repurchase program which was completed on 31 May 2018. A total of 2,196,146 shares were purchased in 2018. These treasury shares will be used for employee stock ownership and incentive plans. On 25 September 2018 2,244,190 shares were cancelled from the treasury shares. Share cancellation above the EUR 0.60 nominal value was accounted in retained earnings. Other movements in the treasury share reserve were related to vesting of share grants.

11. Financial instruments

Credit risk

Our internal credit risk assessment did not change compared to the disclosure Note 27 in our Annual Report 2017. With respect to the net trade receivables, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

Liquidity risk

There has been no change in our liquidity risk assessment compared to our disclosure Note 27 in our Annual Report 2017.

Currency risk

The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency). This did not change compared to previous year. The exposures are mainly with respect to the US dollars (USD) and Pound sterling (GBP). The loans and borrowings of the Group are denominated in Euros, Pound sterling and US Dollars.

Interest rate risk

The risk relates to the Group's long term debt obligations with floating interest rates. To manage this risk the company continues to hold interest rate swaps.

Capital management

The capital structure of the Group did not change significantly. Leverage ratio at the end of the reporting period is 3.55 as cash was used to buy back shares and pay out the final net dividend for FY 2017. This is still well within the agreed level of our current facilities.

Fair value and fair value estimation

The fair values of our financial assets and liabilities as at 30 September 2018 are estimated to approximate their carrying value. There has been no change in the fair value estimation technique and hierarchy of the input used to measure the financial assets/liabilities carried at fair value through profit or loss compared with the method and hierarchy disclosed in our Annual Report 2017.

12. Cash flow hedges

The balance at 30 September 2018 includes interest rate swaps to cover part of the fluctuations on the floating interest on the USD, GBP and EUR debt. There were no new swaps entered in 2018.

The USD and GBP hedges were assessed to be effective at 30 September 2018, the EUR hedge was assessed as ineffective since 1 January 2017 therefore accounted its fair value change in the profit and loss and started recycling of Other comprehensive income position as at 1 January 2017 also to the profit and loss. Balance sheet positions recognised as assets at 30 September 2018 were EUR 775 thousand (2017: EUR 423 thousand), liabilities EUR 781 thousand respectively (2017: EUR 1.108 thousand).

13. Contingencies

There are a number of claims against the Group. We concluded that an aggregate amount of the claims (including tax and HR related) against the Group cannot be reliably measured or we consider that the possibility of outflow is not probable. Where necessary, legal and/or external advice has been obtained and, in light of such advice, the risk of litigation is provided adequately.

14. Commitments

In the first nine months of 2018, there were no material changes to the Group's commitments from those disclosed in note 29 of our Annual Report 2017.

15. Related parties

During the nine months ended 30 September 2018, the transactions with related parties were conducted at arm's length basis.

The transactions with key management personnel do not deviate significantly from the transactions as reflected in the financial statements as at and for the year ended 31 December 2017.

The Group has provided services to some entities related to Blackstone in the normal course of business and at arm's length basis.

16. Subsequent events

There are no significant events that have occurred since balance sheet date that would change the financial position and which would require adjustment or disclosure in these condensed consolidated interim financial statements.

17. Non-IFRS Financial measures

Definitions

For the definitions of non-financial measures we refer to the Glossary in the Annual Report 2017. Other than those defined there, we give more clarification as listed below on:

- EBITA is defined as Profit/(loss) from operating activities excluding amortisation of acquisition related intangibles.
- Adjusted EBITA is defined as EBITA excluding specific items.
- Adjusted net income is defined as adjusted EBITA less net interest costs, less tax costs and share of profit of equity-accounted investees (net of tax).
- ARPE is defined as Average Revenue Per Entity.
- Capital expenditure (capex) is defined as Investments in property, plant, equipment and other intangible assets not related to acquisitions.
- Specific items of income or expenses are income and expenses items that, based on their significance in size or nature, should be separately presented to provide further understanding about the financial performance. Specific items include:
  - Transaction costs

- Integration and transformation costs
- Share-based payment upon IPO
- Share-based payment upon integration
- Income/expenses related to disposal of assets

Specific items are not of an operational nature and do not represent the core operating results.

- Underlying is defined as current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s).

Amsterdam, 31 October 2018

The Management Board
Stephanie Miller, CEO
Hans Turkesteen, CFO
Henk Pieter van Asselt, COO

Review report

To: the shareholders, the Management Board and the Supervisory Board of Intertrust N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information as at 30 September 2018 of Intertrust N.V., Amsterdam, which comprises the statement of financial position as at 30 September 2018, the statements of profit or loss, comprehensive income, changes in equity and cash flows for nine month period ended 30 September 2018, and the notes. The Management Board of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 September 2018 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Corresponding figures not audited or reviewed

The condensed consolidated interim financial information as at 30 September 2017 is not audited or reviewed. Consequently, the corresponding figures included in the statement of financial position, the statements of profit or loss, comprehensive income, changes in equity and cash flows and in the related notes have not been audited or reviewed.

Three months interim financial information not audited or reviewed

The Company did not prepare condensed consolidated interim financial information for the three months period ended 30 September 2017 and for the three months period ended 30 September 2018 and therefore such quarterly information is not audited or reviewed. Consequently, the three months figures for the period ended 30 September 2017 and the three months figures for period ended 30 September 2018 included in the statements of profit or loss, comprehensive income, changes in equity and cash flows and in the related notes of the condensed consolidated interim financial information as at 30 September 2018 have not been audited or reviewed.

Amstelveen, 31 October 2018

KPMG Accountants N.V.

W.G. Bakker RA