

## Intertrust N.V. reports Q4 and Full Year 2016 unaudited results

**Amsterdam – February 10, 2017 – Intertrust N.V. (“Intertrust” or “the Company”) [ticker symbol INTER], the leading global provider of high-value trust, fund and corporate services, today announces fourth quarter and full year 2016 results.**

### Intertrust financial and operating performance for Q4 and Full Year 2016

- Q4 revenue of €120.7 million increased by 31.9% year-on-year and underlying\* Intertrust revenue for Q4 increased by 4.0% year-on-year.
- Luxembourg Q4 revenue was up sharply reflecting clearance of the Q3 backlog by new billable employees.
- In Cayman the outflow of entities over Q4 slowed and loss of revenue to competitors decelerated versus Q3.
- EBITA was €40.2 million in Q4 and EBITA margin including costs related to the acquisition of Elian was 33.3%. Adjusted EBITA margin for the quarter contracted by 153bps to 39.9% reflecting the consolidation of Elian while underlying\* EBITA margin was unchanged at 41.5%.
- Adjusted FY 2016 EPS was €1.27 (including Elian full year contribution, adjusted net income per share of €1.44). The integration of Elian continues to be on track for completion in 2018.
- The final dividend will be €0.25 and will be paid on June 12, 2017, subject to shareholder approval, resulting in a total FY 2016 dividend of €0.49.

### Intertrust Group Q4 2016 figures

	Notes	As reported			Adjusted		
		Q4 16	Q4 15	% Change	Q4 16	Q4 15	% Change
Revenue (€m)	(1)	120.7	91.6	31.9%	120.7	91.5	32.0%
EBITA (€m)	(2)	40.2	38.0	5.8%	48.1	37.9	27.1%
EBITA Margin		33.3%	41.5%	-819bps	39.9%	41.4%	-153bps
Net Income (€m)	(3)	15.9	n/a		35.5	n/a	
Earnings per share (€)	(4)	0.17	n/a		0.39	n/a	
Cash from operating activities (€m)		51.6	37.7	36.9%			

### David de Buck, Chief Executive Officer of Intertrust, commented:

*"I am pleased with our solid performance over Q4 and the progress we have made on the integration of Elian. Our efforts to improve the Luxembourg operations have been successful. In Cayman, we see an improvement versus Q3 and outflow of entities reduced in Q4 as well as during the start of 2017. On the basis of a full year of Elian, our adjusted net income per share in FY 2016 would have been €1.44. Our growth in 2016 was largely driven by clients' needs for more added-value services per entity. Geopolitical uncertainty such as Brexit caused a slowdown in Foreign Direct Investment and M&A activity which impacted the rate of creation of new entities. For 2017, we expect to achieve underlying revenue growth of 4-5% and maintain our adjusted EBITA margin (39.9% for FY 2016). We welcome Maarten de Vries as our new CFO. Going forward, IT, Operations and Finance will report to Maarten."*

\* Underlying: Intertrust standalone (excluding Elian) at constant currency and, for FY, including January-June 2015 CorpNordic figures.

## Intertrust Group FY 2016 figures

	Notes	As reported			Adjusted		
		FY 16	FY 15	% Change	FY 16	FY 15	% Change
Revenue (€m)	(1)	385.8	344.6	11.9%	385.8	344.9	11.9%
EBITA (€m)	(2)	135.9	137.4	-1.1%	153.8	140.4	9.5%
EBITA Margin		35.2%	39.9%	-464bps	39.9%	40.7%	-85bps
Net Income (€m)	(3)	52.0	2.6		113.2	101.4	
Earnings per share (€)	(4)	0.58	0.12		1.27	1.19	6.9%
Cash from operating activities (€m)		152.4	127.5	19.5%			

## Intertrust (standalone)

Intertrust standalone presented for historical comparison purposes

	Q4 2016	Q4 2015	% Change	% Change (Constant Currency)	FY 2016	FY 2015	% Change	% Change (Constant Currency)	% Change (Underlying*)
Adjusted Revenue (€m)	93.9	91.5	2.6%	4.0%	357.3	344.9	3.6%	4.8%	3.0%
Adjusted EBITA (€m)	39.0	37.9	2.9%	4.0%	144.0	140.4	2.6%	3.6%	2.6%
Adjusted EBITA margin	41.5%	41.4%	12bps	0bps	40.3%	40.7%	-40bps	-48bps	-16bps
FTEs					1,753	1,714	2.3%		
Number of entities (000's)					37.9	40.1	-5.4%		
ARPE					9.4	8.6	9.5%	10.7%	8.9%
Adj. Revenue/FTE					203.8	201.2	1.3%	2.4%	
Adj. EBITA/FTE					82.2	81.9	0.3%	1.2%	

\*Underlying: Intertrust standalone (excl. Elian) at constant currency and, for FY, incl. Jan-Jun 2015 CorpNordic figures

- \* See definitions
- ARPE, Adj. Revenue/FTE and Adj. EBITA/FTE in all tables shown in € thousands
- Standalone 2016: Intertrust excl. Elian. Standalone 2015: includes Jul-Dec 2015 CorpNordic figures

### Notes to Adjusted figures:

- (1) Adjusted Revenue is Revenue adjusted for one-off revenue in 2015 which consisted mainly of revenues related to the release of one-off provision(s).
- (2) Adjusted EBITA is defined as EBITA before specific items and before one-off revenue / expenses. Specific items of income or expense are income and expense items that, based on their significance in size or nature, should be separately presented to provide further understanding on financial performance. Specific items include (i) transaction and monitoring costs of €5.3 million in 2015 and €4.2 million in 2016; (ii) integration costs of €3.1 million in 2015 and €8.5 million in 2016; (iii) income / (expenses) related to disposal of assets of €3.7 million in 2015 and (€0.5 million) in 2016 (iv) share-based payment upon IPO and integration of €4.4 million in 2015 and €4.5 in 2016. Specific items are not of an operational nature and do not represent core operating results. One-off revenue consists mainly of revenues related to the release of one-off provision. The one-off expenses are related to redundancies, legal costs and settlement fees.
- (3) Adjusted net income is defined as Adjusted EBITA less net interest costs and less tax costs
- (4) Adjusted earnings per share is defined as Adjusted net income divided by the average number of shares outstanding at December 31, 2016. Average for Q4: 91,995,836. Average for FY2016: 88,942,943

## Highlights Q4 2016

- Q4 revenue of €120.7 million grew by 31.9% on a year-on-year basis including Elian's contribution. Underlying revenue grew by 4.0% driven primarily by an increase in clients' needs for more added-value services per entity.
- Luxembourg Q4 revenue was up sharply, 17.7% higher year-on-year as sufficient billable employees were in place to absorb market growth and address the Q3 backlog.
- Cayman Islands standalone revenue declined 10.2% in Q4 year-on-year while net entity outflow during Q4 was 207 compared to 1,891 over the first nine months of 2016 and compared to 1,413 net outflow in Q4 2015.
- Elian contributed €26.9 million in revenue and €9.2 million in Adjusted EBITA over Q4, slightly behind initial management estimates. Performance of Elian's capital markets business was strong, with Jersey operations experiencing some weakness related to Brexit. Elian continued its track record of high single digit constant currency revenue growth on an annual basis.
- The integration of Elian continued in Q4 and is on track for completion in 2018, with expected run-rate synergies of £10.4 million to be achieved by year-end 2018.
- Standalone adjusted EBITA margins were maintained at 41.5%. Including Elian's lower margin profile and on an adjusted basis, group margins decreased by 153bps to 39.9%.
- Net debt decreased to €758.5 million at end Q4 (from €771.1 million at end Q3). The net debt leverage ratio decreased from 3.79x (end Q3) to 3.72x (end Q4). An interim dividend amounting €22.1 million was paid out in November 2016.

## Highlights FY 2016

- In FY 2016, revenue grew 11.9% to €385.8 million. Underlying revenue grew by 3.0%, with growth in Luxembourg and the Netherlands of 7.4% and 4.3% respectively, while Cayman's revenue decline of 10.6% on a constant currency basis had a significant impact.
- EBITA for the year was €135.9 million (35.2% margin). EBITA margin of 35.2% included €17.9 million in one-off costs mainly related to the Elian acquisition. Underlying EBITA margin was down slightly by 16bps to 40.3% year-on-year due to the decrease in Cayman margin which could not be fully compensated by the increase in Luxembourg margin.
- The number of entities worldwide on a standalone basis decreased by 5.4% during the year of which the majority due to end-of-life with the remainder being due to portfolio optimisation, loss to competition, compliance reasons, bad debtors and insourcing. Underlying ARPE showed growth of 8.9%. This was driven by both a decrease in entities as a result of loss of low-ARPE entities to competitors and end-of-life and an increase in added-value services stemming from increased regulatory complexity and substance requirements.
- The Elian acquisition and our strategic focus on investing in people enabled us to increase the number of full-time equivalent employees (FTEs) at year-end to 2,359. Average revenue per FTE increased by 1.3% on a standalone basis. At year-end 2016 we had 75.4% billable employees.
- Cash from operating activities was €152.4 million. The cash conversion ratio, excluding strategic capital expenditures, was 94.5%.
- Net Income was €52.0 million or €113.2 million on an adjusted basis. The main adjustments were Elian-transaction related costs (total €17.9 million), depreciation and amortisation (€33.8 million), and forex (€9.6 million).
- Earnings per share were €0.58 based on the average number of shares outstanding over the year (88,942,943).

## Market trends 2016

Management estimates that the market continued to grow in line with 2015 rates, with increasing ARPE being the primary component driving growth. This growth in ARPE is the result of an increase in regulation and more complexity, leading to more reporting requirements for clients. Management believes that entity creation may have been negatively impacted by global political uncertainty which contributed to a decrease in deal-making worldwide.

Demand by regulators for transparency increased following the Panama Papers, contributing to pressure on smaller Trust and Corporate Services providers in some jurisdictions.

## Guidance

*The guidance below pertains to 2017. Management will update the medium term guidance at our first Capital Markets Day on September 21, 2017.*

- Underlying revenue growth for 2017 is expected to be between 4-5%.
- Underlying EBITA margins in 2017 are expected to expand slightly due to synergies and continued operating leverage, which will compensate for the margin pressure inherent to Elian's lower margin profile. This will result in expected adjusted EBITA margin being roughly stable versus 2016 (39.9%).
- Dividend policy over 2017 continues to be 40-50% of adjusted net income.
- Previous guidance on synergies (£10.4 million by end CY 2018E, of which 75% by end CY 2017E), capex (2-2.5% of revenue), effective tax rate (circa 16%), and cash conversion (in line with historical rates) remain unchanged.

## Performance in key jurisdictions

The figures in this press release are shown in a manner consistent with Intertrust's historical reporting for comparability. Due to integration of Elian, as of Q1 2017 Intertrust will no longer break out Elian results but will use the following segmentation: the Netherlands, Luxembourg, Jersey, Cayman Islands, and Rest of World (ROW) whereby Guernsey will become a part of ROW.

### The Netherlands (Intertrust standalone)

	<u>Q4 2016</u>	<u>Q4 2015</u>	<u>% Change</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>% Change</u>
Adjusted Revenue (€m)	28.8	28.6	0.8%	116.9	112.1	4.3%
Adjusted EBITA (€m)	18.1	17.7	2.4%	74.8	71.8	4.2%
Adjusted EBITA margin	62.8%	61.8%	104bps	64.0%	64.1%	-8bps
FTEs				438	414	5.8%
Number of entities (000's)				4.2	4.5	-6.5%
ARPE				27.9	25.0	11.5%
Adj. Revenue/FTE				267.1	270.9	-1.4%
Adj. EBITA/FTE				170.9	173.6	-1.5%

In the Netherlands, we maintained our position as market leader. Based on the number of incorporations of Dutch entities by trust and corporate services providers, we estimate an increase in our market share. Increasingly strict regulation by the Dutch Central Bank has contributed to a decrease in the number of service providers in the Netherlands, a trend which is expected to continue.

In the Netherlands, we achieved year-on-year Adjusted Revenue growth of 0.8% in Q4 and 4.3% for the year driven by solid growth in corporate services, despite a slowdown from specialised services due to timing. A write-down of Work-in-Progress (WIP) of €1.2 million in Q4 has impacted the growth rate of the Netherlands. Inflow of entities in 2016 was in line with expectations and similar to 2015, largely driven by new entities from existing clients as well as inflow from US clients. Outflow was largely driven by end-of-life and administrative clean-up but also impacted by insourcing. ARPE grew by 11.5% in FY 2016 to €27.9 k driven by transaction monitoring services, substance-related services as well as a mix effect.

The Netherlands Adjusted EBITA margin expanded by 104bps to 62.8% in Q4 year-on-year and was flat over the full year (-8bps) at 64.0%.

**Luxembourg** (Intertrust standalone)

	<b>Q4 2016</b>	<b>Q4 2015</b>	<b>% Change</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>% Change</b>
Adjusted Revenue (€m)	23.5	19.9	17.7%	80.9	75.3	7.4%
Adjusted EBITA (€m)	13.7	10.2	35.1%	43.2	37.8	14.4%
Adjusted EBITA margin	58.4%	50.9%	752bps	53.4%	50.1%	323bps
FTEs				388	383	1.4%
Number of entities (000's)				2.7	2.6	3.7%
ARPE				30.3	29.3	3.6%
Adj. Revenue/FTE				208.6	196.9	5.9%
Adj. EBITA/FTE				111.3	98.7	12.8%

In Luxembourg, we maintained our position as number two in the market overall, but were number one in terms of new incorporations. In Luxembourg, we achieved Adjusted revenue growth of 17.7% in Q4 year-on-year and 7.4% in 2016, driven mostly by a higher billing ratio and more available hours due to the successful on-boarding of new billable employees.

Adjusted EBITA in Luxembourg grew 35.1% year-on-year in Q4 and 14.4% year-on-year for FY 2016, relating to margin increases of 752bps year-on-year in Q4 and 323bps year-on-year in FY 2016. These margin improvements resulted from a 7.4% increase in FY 2016 Adjusted revenue, staff expenses remaining flat due to stable year-on-year FTE numbers as well as strong cost control measures.

The number of client entities grew 3.7% year-on-year in 2016, with particularly strong inflows of new entities from existing Intertrust clients.

**Cayman Islands** (Intertrust standalone)

	<b>Q4 2016</b>	<b>Q4 2015</b>	<b>% Change</b>	<b>% Change</b> (Constant Currency)	<b>FY 2016</b>	<b>FY 2015</b>	<b>% Change</b>	<b>% Change</b> (Constant Currency)
Adjusted Revenue (€m)	14.8	16.2	-9.1%	-10.2%	52.7	58.8	-10.4%	-10.6%
Adjusted EBITA (€m)	8.9	10.1	-11.6%	-12.7%	30.5	35.2	-13.3%	-13.5%
Adjusted EBITA margin	60.3%	62.0%	-174bps	-174bps	58.0%	59.9%	-195bps	-195bps
FTEs					125.7	139.5	-9.9%	
Number of entities (000's)					15.5	17.6	-11.9%	
ARPE					3.4	3.3	1.7%	1.5%
Adj. Revenue/FTE					419.0	421.5	-0.6%	-0.8%
Adj. EBITA/FTE					243.0	252.7	-3.8%	-4.1%

Although we saw increased competition in the Cayman Islands, we maintained our number two position and saw a settling of the landscape in the second half of the year. In the Cayman Islands, on a constant currency basis, Adjusted revenue declined 10.2% in Q4 year-on-year and 10.6% for FY 2016 year-on-year, driven by the decline of registered office entities (largely as a result of the re-entry of a competitor) but also impacted by the sale of our representative banking activities at the end of 2015.

At constant currency, Adjusted EBITA declined 12.7% year-on-year in Q4 and 13.5% year-on-year for FY 2016, resulting in margin decline to 60.3% for the quarter.

Cayman standalone net entity outflow during Q4 was limited to 207 versus total net outflow over the first nine months of 1,891 and 1,413 net outflow in Q4 2015. Developments in Q4 and the beginning of 2017 show continued improvement in Intertrust Cayman's market position.

### **Eliau**

	<u>Q4 2016</u>	<u>FY 2016</u>
Adjusted Revenue (€m)	26.9	28.5
Adjusted EBITA (€m)	9.2	9.7
Adjusted EBITA margin	34.1%	34.1%
FTEs		606
Number of entities (000's)		14.0

Intertrust completed the acquisition of Eliau in September 2016 in order to bolster its capabilities in capital markets and funds services. As a result of the acquisition, Intertrust became a leading service provider in Jersey, and added scale in key locations such as Ireland, the United Kingdom, and Cayman Islands. The Eliau integration is progressing well. Eliau was rebranded to Intertrust in December 2016 and as of January 2017 all office moves have been completed.

Since the September 23, 2016 closing of the transaction, Eliau contributed revenue of €28.5 million and Adjusted EBITA of €9.7 million. Based on management estimates, Eliau FY 2016 revenue was £92.2 million and EBITA was £30.4 million. Eliau performance was slightly below management's initial estimates, with specifically Jersey impacted by a slowdown of business as a result of the uncertainty surrounding Brexit. The capital markets business showed good growth overall, specifically in the UK. Overall, management estimates that Eliau showed high single digit revenue growth for the FY 2016.

### **Rest of the World (ROW)**

#### **Guernsey (Intertrust standalone)**

	<u>Q4 2016</u>	<u>Q4 2015</u>	<u>% Change</u>	<u>% Change</u> (Constant Currency)	<u>FY 2016</u>	<u>FY 2015</u>	<u>% Change</u>	<u>% Change</u> (Constant Currency)
Adjusted Revenue (€m)	6.7	6.7	-0.3%	20.2%	27.7	27.9	-0.9%	11.9%
Adjusted EBITA (€m)	2.4	2.8	-14.5%	3.6%	10.6	10.1	4.4%	17.9%
Adjusted EBITA margin	36.1%	42.1%	-600bps	-600bps	38.2%	36.2%	192bps	192bps
FTEs					123	122	0.8%	
Number of entities (000's)					2.4	3.3	-26.6%	
ARPE					11.3	8.4	35.1%	52.6%
Adj. Revenue/FTE					225.0	228.8	-1.7%	11.0%
Adj. EBITA/FTE					85.9	82.9	3.5%	12.9%

Intertrust Guernsey continued to gain market share and is now market leader.

In Guernsey during Q4, on a constant currency basis, Adjusted revenue grew 20.2% year-on-year, driven mainly by an increase in regulatory and compliance services.

On a constant currency basis, Adjusted EBITA margin for FY 2016 increased by 192bps driven mainly by increased revenue, however decreased by 600bps in Q4 year-on-year as Q4 2015 benefitted from a release of provisions.

In FY 2016 there was a net outflow of 885 client entities, due to a combination of end of life, and proactive management of our client portfolio in line with our objective of focussing on the provision of added-value services to complex client structures.

**Rest of World (excl. Guernsey) (Intertrust standalone)**

	Q4 2016	Q4 2015	% Change	% Change (Constant Currency)	FY 2016	FY 2015	% Change	% Change (Constant Currency)	% Change (Underlying*)
Adjusted Revenue (€m)	20.1	20.0	0.8%	0.9%	79.1	70.8	11.8%	12.7%	3.9%
Adjusted EBITA (€m)	6.0	6.3	-5.1%	-4.9%	25.3	22.0	15.3%	16.0%	9.5%
Adjusted EBITA margin	29.9%	31.7%	-185bps	-182bps	32.0%	31.1%	96bps	92bps	163bps
FTEs					541	522	3.5%		
Number of entities (000's)					13.1	12.1	8.4%		
ARPE					6.0	5.8	3.2%	4.0%	
Adj. Revenue/FTE					146.4	135.2	8.2%	9.1%	
Adj. EBITA/FTE					46.9	42.1	11.5%	12.2%	

\*Underlying: Intertrust standalone (excl. Elian) at constant currency and, for FY, incl. Jan-Jun 2015 CorpNordic figures

Q4 revenue increased by 0.8% year-on-year and 0.9% at constant currency. Double digit growth was reported by Spain, Ireland, UK, and Singapore. The revenue growth and Adjusted EBITA margins of ROW were impacted in Q4 by a one-off write-down of €1.3 million in Switzerland.

FY revenue increased by 11.8% year-on-year and underlying revenue of ROW increased by 3.9%. FY Adjusted EBITA increased by 15.3% year-on-year and underlying EBITA growth was 9.5%.

The number of entities increased by 8.4% in 2016, driven mainly by the inflow of lower revenue generating entities in Delaware. The number of higher value entities remained stable. As a consequence, ARPE increased only 4.0% year-on-year at constant currency.

**Group HQ and IT (Intertrust standalone)**

	Q4 2016	Q4 2015	% Change	FY 2016	FY 2015	% Change
Group HQ and IT costs	-10.2	-9.2	10.7%	-40.4	-36.5	10.6%

Group HQ and IT costs in Q4 & FY increased by €1 million and €3.9 million year-on-year respectively. The increase is largely driven by IT and mainly comes from outsourcing cost, IT staff expenses in order to support the business and higher software amortisation costs due to capitalisation of software investments.



## Clients *(Intertrust standalone)*

Management estimates that revenue per service segment at year end 2016 comprised circa 48% corporate services, 23% funds services, 12% capital markets services and 16% private client services. 41% of our FY 2016 revenue came from North American clients, 39% from European clients, 10% from Asian clients, 3% from South American clients, and 8% from clients in Rest of World. Client concentration remains unchanged with no single client accounting for more than 1% of Intertrust's total revenue over FY 2016.

## Financial Calendar

Date	Event
April 3, 2017	Publication of Annual Report 2016 and audited financial statements
May 4, 2017	Q1 2017 results
May 16, 2017	Intertrust N.V. AGM
May 18, 2017	Intertrust NV share quotation ex-final dividend 2016
May 19, 2017	Record date final dividend 2016 entitlement
June 12, 2017	Payment date final dividend 2016
August 24, 2017	Q2 & Half Year 2017 results & announcement of interim dividend
September 21, 2017	Capital Markets Day
November 9, 2017	Q3 2017 results

## Press and analyst calls

Today, Intertrust's CEO David de Buck and CFO Maarten de Vries will hold a:

- Press call at 09:30 am CET
- Analyst / investor call at 1:00 pm CET. A webcast of the call will be available on the company website. Details can be found at <https://www.intertrustgroup.com/investors>.

## For further information

Intertrust N.V.

Anne Louise Metz

Director of Investor Relations, Marketing & Communications

[annelouise.metz@intertrustgroup.com](mailto:annelouise.metz@intertrustgroup.com)

Tel: +31 20 577 1157

## About Intertrust

Intertrust is the leading global provider of high-value trust, fund and corporate services, with more than 2,500 employees located throughout a network of 41 offices in 30 jurisdictions across Europe, the Americas, Asia and the Middle-East. The Company delivers high-quality, tailored services to its clients with a view to building long-term relationships. Intertrust's business services offering is comprised of corporate services, fund services, capital market services, and private wealth services. Intertrust has leading market positions in selected key geographic markets of its industry, including the Netherlands, Luxembourg, Jersey and the Cayman Islands. Intertrust works with global law firms and accountancy firms, multi-national corporations, financial institutions, fund managers, high net worth individuals and family offices.



## Comparison of Unaudited Results for the Full Year 2016 and Full Year 2015

The following table and subsequent discussion summarises our financial performance and certain operating results for Historical FY 2016 and Historical FY 2015.

### Intertrust N.V. – Consolidated Profit/Loss

(in € millions)	<u>FY 2016</u>	<u>FY 2015</u>
<b>Revenue</b>	<b>385.8</b>	<b>344.6</b>
Staff expenses	-170.7	-144.9
<i>thereof equity share-based payments upon IPO</i>	-4.1	-4.4
<i>thereof equity share-based payments upon integration</i>	-0.4	0.0
Rental expenses	-20.1	-17.2
Other operating expenses	-50.5	-41.6
<i>thereof transaction &amp; monitoring costs</i>	-4.2	-5.3
<i>thereof integration costs</i>	-8.5	-3.1
Other operating income	0.1	3.7
<b>EBITDA</b>	<b>144.6</b>	<b>144.6</b>
Depreciation & amortisation	-42.5	-37.3
<b>Profit/(loss) from operating activities</b>	<b>102.1</b>	<b>107.3</b>
Net Finance costs	-30.6	-100.7
<b>Profit/(loss) before tax</b>	<b>71.5</b>	<b>6.6</b>
Income tax	-19.5	-4.0
<b>Profit/(loss) from continuing operations</b>	<b>52.0</b>	<b>2.6</b>

### EBITDA to Adjusted EBITA Analysis

<b>EBITDA</b>	<b>144.6</b>	<b>144.6</b>
Transaction & monitoring costs	4.2	5.3
Integration costs	8.5	3.1
Other operating (income)/expense	0.5	-3.7
Equity share-based payments upon IPO and integration	4.5	4.4
One off revenue	0.0	0.3
One-off expenses	0.3	-6.3
<b>Adjusted EBITDA</b>	<b>162.5</b>	<b>147.6</b>
Depreciation and software amortisation	-8.7	-7.2
<b>Adjusted EBITA</b>	<b>153.8</b>	<b>140.4</b>

#### *Revenue*

Revenue increased by €41.2 million or 11.9% year-on-year on a reported basis to €385.8 million, driven by the acquisition of Elian which contributed 8.3% or €28.5 million for the full year. Furthermore, Luxembourg, Netherlands and ROW contributed an increase year-on-year of €5.6 million, €4.8 million and €8.4 million respectively, whereby ROW benefitted from the full year contribution of CorpNordic, versus 6 months in 2015. Revenue was negatively impacted by the performance of Cayman (minus €6.1 million), as a result of the re-entry of a competitor. Guernsey decreased €0.2 million year-on-year driven by the weakening of the GBP.

#### *Staff expenses*

Staff expenses increased by €25.8 million or 17.8% year-on-year to €170.7 million, driven by a 15% increase of the average amount of full-time equivalent employees, resulting from the acquisition of Elian and the full year inclusion of CorpNordic in 2016 versus 6 months in 2015. Furthermore, 2015 staff expenses also included €6.7 million of one-off gain due to a reduction in pension liabilities deriving from the change in our Dutch pension plan from a defined benefit plan to a defined contribution scheme. Staff expenses comprised €4.1 million of equity share-based payments upon IPO, presented in Specific items in Intertrust's adjusted results.

#### *Rental expenses*

Rental expenses increased by €2.9 million or 16.6% year-on-year to €20.1 million. This can almost fully be attributed to the integration of Elian in 2016 and the full year inclusion of the rental expenses of CorpNordic in 2016.

#### *Other operating expenses*

Other operating expenses increased by €8.9 million or 21.4% year-on-year to €50.5 million. €4.2 million of the increase is driven by higher Transaction & monitoring costs and Integration costs as a result of the acquisition of Elian in 2016 versus the costs in 2015 related to the IPO and the acquisition of CorpNordic. Furthermore, an increase of €2.9 million is the result of the incorporation of Elian and the remainder is mainly caused by an increase in IT expenses.

#### *Other operating income*

Other operating income decreased by €3.6 million or 97.3% year-on-year to €0.1 million. The Operating income reported for Full Year 2015 consisted of indemnities received from former shareholders in relation to tax settlements of past years, along with the gain from the sale of the Cayman Bank operations.

#### *EBITDA*

As a result of the aforementioned factors, EBITDA remained at the same level as 2015 at €144.6 million.

#### *Depreciation and Amortisation*

Depreciation and Amortisation charges increased by €5.3 million year-on-year, or 14.1%, to €42.5 million for FY 2016. The increase is driven by higher amortisation and depreciation of software due to higher capital expenditure relating to the implementation of the Business Application Roadmap (BAR) and other IT projects and higher amortisation of intangibles related to the Elian acquisition.

#### *Profit/(Loss) from Operating Activities*

As a result of the aforementioned factors, the Profit from operating activities decreased by €5.2 million year-on-year, or 4.8%, to €102.1 million for FY 2016.

#### *Net finance costs*

The net finance costs decreased by €70.1 million year-on-year or 69.6%, to €30.6 million for FY 2016. This decrease is mainly due to the refinancing in October 2015 of the Senior Facilities, the Second Lien Facilities, using a combination of proceeds from the primary offering, and a drawdown from new facilities and the restructuring of shareholder loans.

Finance costs in FY 2016 of €30.6 million include €21.0 million bank interest and other related costs and €9.6 million of foreign exchange losses. Finance costs in FY 2015 of €100.7 million included €47.0 million bank interest, €7.0 million shareholder loan interest, a €33.7 million write-off of financing fees for the pre-IPO debt, €5.5 million amortisation of financing fees, net foreign exchange losses of €1.6 million, as well as expenses relating to the termination of the pre-IPO debt and other costs of €5.9 million.

#### *Income tax*

Income tax expense increased by €15.5 million year-on-year to an income tax charge of €19.5 million for FY 2016. The increase was primarily the result of the increase of the profit before income tax by €64.9 million.

In FY 2016 the income tax rate as a percentage of Profit before taxes was 27.3% and was impacted by non-tax-deductible interest expenses in the fiscal unity of Intertrust Luxembourg and non-tax-deductible specific items (transaction costs related to Elian acquisition and share-based payment expenses).

#### *Profit/(Loss) for FY 2016*

As a result of the foregoing factors, the profit for the period increased by €49.3 million year-on-year to €52 million for FY 2016 from €2.6 million for FY 2015.

## Balance Sheet

### Intertrust N.V.

In € millions

31.12.2016 31.12.2015

#### Assets

Property, plant and equipment	20.2	11.3
Intangible assets	1,580.5	1,064.5
Investments in equity-accounted investees	0.7	0.3
Other non current financial assets	3.8	4.1
Deferred tax assets	2.5	7.1

#### Non-current assets

**1,607.7 1,087.2**

Trade receivables	99.2	81.0
Other receivables	15.0	16.5
Work in progress	32.0	18.0
Current tax assets	0.9	0.7
Other current financial assets	1.6	1.2
Prepayments	8.2	5.4
Cash and cash equivalents	69.9	80.5

#### Current assets

**226.8 203.2**

#### Total assets

**1,834.4 1,290.4**

#### Equity

Share capital	55.2	51.1
Share premium	630.4	513.4
Reserves	42.3	0.1
Retained earnings	29.9	(2.5)
<b>Equity attributable to owners of the Company</b>	<b>757.9</b>	<b>562.2</b>
Non-controlling interests	1.9	0.1

#### Total equity

**759.8 562.3**

#### Liabilities

Loans and borrowings	781.2	523.7
Other non current financial liabilities	1.8	0.0
Employee benefits liabilities	3.1	2.8
Deferred income	8.7	8.3
Provisions	1.1	0.8
Deferred tax liabilities	85.7	72.3

#### Non-current liabilities

**881.5 607.9**

Loans and borrowings	18.1	0.1
Trade payables	10.6	6.2
Other payables	67.0	54.9
Deferred income	71.5	46.7
Provisions	2.2	1.0
Current tax liabilities	23.7	11.1

#### Current liabilities

**193.1 120.1**

#### Total liabilities

**1,074.6 728.1**

#### Total equity & liabilities

**1,834.4 1,290.4**

## Cash flow statement

<i>In € millions</i>	<b>FY 2016</b>	<b>FY 2015</b>
Net cash from operating activities	152.4	127.5
Net cash from/(used in) investing activities	(182.1)	(34.2)
Net cash from/(used in) financing activities	22.5	(51.0)
<b>Net changes in cash and cash equivalents</b>	<b>(7.2)</b>	<b>42.3</b>
Cash and cash equivalent at the beginning of the period	66.5	23.2
Effect of exchange rate fluctuations on cash held	(7.5)	1.0
<b>Cash attributable to the Company at the end of the period</b>	<b>51.7</b>	<b>66.5</b>
Cash held on behalf of clients at the end of the period	18.1	14.0
<b>Cash and cash equivalents at the end of the period</b>	<b>69.9</b>	<b>80.5</b>

## Forward-looking statements and presentation of financial and other information

This press release may contain forward looking statements with respect to Intertrust's future financial performance and position. Such statements are based on Intertrust's current expectations, estimates and projections and on information currently available to it. Intertrust cautions investors that such statements contain elements of risk and uncertainties that are difficult to predict and that could cause Intertrust's actual financial performance and position to differ materially from these statements. Intertrust has no obligation to update or revise any statements made in this press release, except as required by law.

This press release includes unaudited financial information and financial information is presented on adjusted basis before specific items and one-off revenues/expenses. The financial statements have not yet been issued or approved. The audited financial statements and annual report will be available on April 3, 2017.

## Definitions

**Adjusted EBITDA** is defined as EBITDA before specific items and before one-off revenue / expenses. Specific items of income or expense are income and expense items that, based on their significance in size or nature, should be separately presented to provide further understanding about financial performance. Specific items include (i) transaction and monitoring costs; (ii) integration costs; (iii) income / expenses related to disposal of assets; and (iv) share-based payment upon IPO. Specific items are not of an operational nature and do not represent core operating results. One-off revenue consists mainly of revenue related to the release of one-off provisions. The one-off expenses are related to redundancies, legal costs and settlement fees.

**Adjusted EBITA** is defined as Adjusted EBITDA after depreciation and software amortisation.

**Adjusted EBITA margin** is defined as Adjusted EBITA divided by Adjusted revenue, and is expressed as a percentage.

**Adjusted net income** is defined as Adjusted EBITA less net interest costs and less tax costs

**Adjusted net income per share** is defined as Adjusted net income divided by the average number of shares outstanding at December 31, 2016.

Average for Q4: 91,995,836 shares. Average for FY2016: 88,942,943 shares.

**Adjusted revenue** is defined as revenue adjusted for one-off revenue as defined under Adjusted EBITDA.

**Capital expenditure** is defined as investments in property, plant, equipment and software not related to acquisitions.

**Cash conversion ratio including strategic capital expenditures** is defined as Adjusted EBITDA less capital expenditure, including strategic capital expenditures, divided by Adjusted EBITDA and is expressed as a percentage

**Cash conversion ratio excluding strategic capital expenditures** is defined as operating free cash flow divided by Adjusted EBITDA and is expressed as a percentage.

**CC** is **Constant Currency**

**EBITDA** is defined as earnings before interest, taxes, depreciation and amortisation.

**Net debt leverage ratio** is defined as Total net debt divided by the adjusted EBITDA of Intertrust (including Elian Q4 contribution) and the adjusted EBITDA January-September 2016 proforma contribution of Elian and full year run-rate synergies of £10.4 million related to the Elian acquisition.

**Net interest** is defined as Net finance cost excluding Forex gains and losses

**Operating free cash flow** is defined as Adjusted EBITDA less capital expenditure, excluding strategic capital expenditures. We define strategic capital expenditures as capital expenditures relating to the Business Application Roadmap, or relating to investments in IT infrastructure in connection with the Business Application Roadmap.

**Underlying** is Intertrust standalone (excluding Elian) at constant currency and, for FY, including January-June 2015 CorpNordic figures.