

Intertrust reports Q4 and FY 2019 results

Amsterdam, the Netherlands – 6 February 2020 – Intertrust N.V. ("Intertrust" or "Company") [Euronext: INTER], a global leader in providing tech-enabled corporate and fund solutions to clients operating and investing in international business, today publishes its results for the fourth quarter and full year ended 31 December 2019.

Q4 2019 Highlights

- Revenue increased 3.0% underlying to EUR 151.1 million.
- Adjusted EBITA amounted to EUR 55.5 million (+0.5% underlying).
- Adjusted EBITA margin of 36.7% (Q4 2018: 37.7%).
- Adjusted EPS increased to EUR 0.45 (Q4 2018: EUR 0.41).

FY 2019 Highlights

- Full year 2019 performance in line with guidance.
- Revenue increased 3.7% underlying to EUR 544.9 million. Revenue increased 3.0% excluding Viteos.
- Adjusted EBITA amounted to EUR 196.9 million (-0.8% underlying).
- Adjusted EBITA margin of 36.1% (FY 2018: 37.5%).
- Adjusted EPS increased to EUR 1.58 (FY 2018: EUR 1.54).
- Integration of Viteos largely completed and migration plan to Centre of Excellence on track.
- Proposed final dividend of EUR 0.33 per share, resulting in total dividend of EUR 0.63 (FY 2018: EUR 0.62).
- Guidance 2020 announced and medium term outlook reconfirmed.

Stephanie Miller, CEO of Intertrust, commented:

"I am delighted to announce that Intertrust has delivered a full year result for 2019 in line with guidance for all key financial metrics. I am particularly proud that we have done so in the same year as we completed the game-changing acquisition of Viteos.

"We are delivering against the ambitions of our strategic plan: to provide clients with leading edge, tech-enabled services. Across all our regions and lines of business we are investing in people and technology to drive performance and growth. We continued to grow in Fund Services as well as in Capital Markets, evidenced by the Wells Fargo deal which strengthens our aviation finance business.

"Our people and clients are our core strategic objectives during 2020, when we will see the beneficial impacts of the investment in our new Centre of Excellence in India. This continued execution enables us to achieve the stated cost synergies target of USD 22 million."

Intertrust Group Q4 2019 figures

	As reported			Adjusted ¹			Underlying % change ³
	Q4 2019 ²	Q4 2018	% Change	Q4 2019	Q4 2018	% Change	
Revenue (€m)	150.7	132.7	13.6%	151.1	132.7	13.8%	3.0%
EBITA (€m)	51.9	46.5	11.5%	55.5	50.0	10.9%	0.5%
EBITA Margin	34.4%	35.1%	-64bps	36.7%	37.7%	-98bps	-91bps
Net Income (€m)	20.5	29.3	-30.0%	40.4	36.2	11.6%	
Earnings per share (€) ⁴	0.23	0.33	-30.3%	0.45	0.41	10.5%	
Cash flow from operating activities (€m)	71.0	69.5	2.2%				

¹ Reconciliation of performance measures to reported results (see page 8) for further information on Adjusted figures

² As reported Q4 2019 figures include the impact of IFRS16

³ Underlying: Current (excluding the IFRS16 impact) and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

⁴ Average number of shares for Q4 2019: 90,055,506 shares; average for Q4 2018: 89,167,939 shares

Intertrust Group FY 2019 figures

	As reported			Adjusted ¹			Underlying % change ³
	FY 2019 ²	FY 2018	% Change	FY 2019	FY 2018	% Change	
Revenue (€m)	543.3	496.1	9.5%	544.9	496.1	9.8%	3.7%
EBITA (€m)	178.5	172.0	3.8%	196.9	185.9	5.9%	-0.8%
EBITA Margin	32.9%	34.7%	-181bps	36.1%	37.5%	-133bps	-162bps
Net Income (€m)	90.3	89.4	1.1%	141.8	137.7	3.0%	
Earnings per share (€) ⁴	1.01	1.00	1.0%	1.58	1.54	2.6%	
Cash flow from operating activities (€m)	186.7	185.0	0.9%				

¹ Reconciliation of performance measures to reported results (see page 8) for further information on Adjusted figures

² As reported FY 2019 figures include the impact of IFRS16

³ Underlying: Current (excluding the IFRS16 impact) and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

⁴ Average number of shares for FY 2019: 89,734,033 shares; average for FY 2018: 89,399,344 shares

Financial review

Revenue

In Q4 2019 underlying revenue increased 3.0% to EUR 151.1 million. Funds reported strong revenue growth in the quarter of 14.8%. FY 2019 revenue increased 3.7% underlying to EUR 544.9 million and was up 3.0%, excluding Viteos.

Revenue per service line

(EUR million)	Q4 2019	Q4 2018	% Change	Underlying % change ¹	FY 2019	FY 2018	% Change	Underlying % change ¹
Corporates	52.2	52.1	0.2%	-1.4%	196.0	190.2	3.1%	1.8%
Funds	64.1	43.5	47.5%	14.8%	213.1	166.2	28.2%	10.6%
Capital Markets	18.3	18.0	1.7%	0.5%	65.4	63.0	3.8%	2.7%
Private Wealth	15.3	17.6	-13.2%	-15.3%	65.4	69.7	-6.2%	-7.8%
Other ²	1.1	1.4	-23.4%	-26.0%	4.9	6.9	-29.3%	-31.1%
Group total	151.1	132.7	13.8%	3.0%	544.9	496.1	9.8%	3.7%

¹ Underlying: Current (excluding the IFRS16 impact) and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

² The IFRS16 impact in other services, related to sublease income is EUR (0.4m) in Q4 2019 and EUR (1.5m) in FY 2019

On a full year basis:

- Corporates grew by 1.8% to EUR 196.0 million with strong growth in Rest of the World (Nordics and the UK).
- Funds reported underlying revenue growth of 10.6%, driven mainly by Luxembourg and Viteos (included in the Americas). Viteos' revenue was in line with expectations.
- Revenue in Capital Market Services increased 2.7%, in line with market growth.
- Private Wealth declined by 7.8% due to lower transactional activity as a result of uncertainty surrounding Brexit.

Adjusted EBITA and adjusted EBITA margin

In Q4 2019 adjusted EBITA amounted to EUR 55.5 million, an increase of 10.9% (+0.5% underlying) compared to EUR 50.0 million in Q4 2018. In FY 2019, adjusted EBITA amounted to EUR 196.9 million (FY 2018: EUR 185.9 million) with margin of 36.1% compared to 37.5% last year. As announced earlier, the lower margin was mainly due to IT investments and a change in business mix with higher growth in the Rest of the World segment. Full year adjusted EBITA margin of 36.1% was in line with guidance of at least 36%.

Financing and tax expenses

A breakdown of the net financial result is presented in the table below:

(EUR million)	Q4 2019	Q4 2018	FY 2019	FY 2018
Net interest cost	(9.8)	(10.9)	(35.8)	(31.4)
Fair value adjustment of the early redemption option	(1.7)	(0.3)	22.7	(0.3)
Fair value adjustment earn out	-	(0.7)	(1.3)	(0.8)
Other	(0.8)	0.3	(0.7)	(0.3)
Net financial result	(12.3)	(11.6)	(15.0)	(32.9)

The net financial result, mainly driven by the fair value adjustment of the early redemption option, amounted to EUR 12.3 million negative in Q4 2019 and EUR 15.0 million negative on a full year basis. The fair value adjustment of EUR 1.7 million negative in Q4 2019 and EUR 22.7 million positive in FY 2019 related to the mark to market accounting of the early redemption option of the senior notes. This item is excluded in the calculation of adjusted net income and has no cash impact.

Income tax expenses in 2019 amounted to EUR 24.4 million (2018: EUR 8.4 million). The increase was mainly the result of a change in the corporate income tax rate in the Netherlands impacting our deferred tax position. The effective tax rate in 2019 was 21.3%. If tax expenses were normalised for one-off items such as the deferred tax expense on the Dutch rate change, and the adjustment relating to the Viteos acquisition fees, the effective tax rate was 18.6%.

Earnings per share (EPS)

Adjusted EPS in Q4 2019 was EUR 0.45 compared to EUR 0.41 in Q4 2018. On a full year basis the adjusted EPS increased to EUR 1.58 from EUR 1.54 in FY 2018. The average number of outstanding shares in FY 2019 was 89,734,033 (FY 2018: 89,399,344).

Key performance indicators (KPIs)

	Q4 2019	Q4 2018	FY 2019	FY 2018
FTE (end of period)	3,467	2,515	3,467	2,515
Revenue / Billable FTE (€k, LTM) ¹	218.9	221.8	218.9	221.8
Billable FTE / Total FTE (as %, end of period)	76.0%	75.0%	76.0%	75.0%
HQ & IT costs (as % of revenue)	14.9%	14.9%	14.5%	14.2%
Working capital / LTM Revenue (as %)	-2.8%	-3.2%	-2.8%	-3.2%

¹ Billable FTE and revenue is calculated based on LTM average, revenue is not corrected for currency impact, 2019 and 2018 ratios include proforma figures for acquisition(s)

Total number of FTEs increased and LTM revenue per billable FTE was slightly lower at the end of 2019, following the addition of Viteos' FTEs. Total HQ & IT costs as a percentage of revenue increased to 14.9% in Q4 2019, largely driven by higher IT investments. Working capital, as a percentage of LTM revenue, remained strong.

Capital employed

(EUR million)	31.12.2019 ¹	30.09.2019 ¹	31.12.2018
Acquisition-related intangible assets	1,729.0	1,746.9	1,451.8
Other intangible assets	17.6	16.3	15.3
Property, plant and equipment	16.4	15.6	14.6
Total working capital	(15.3)	1.9	(16.0)
Other assets	29.1	30.9	3.1
Total Capital employed (Operational)	1,776.7	1,811.6	1,468.8
Total equity	771.6	773.3	718.8
Net debt	915.9	942.1	682.0
Provisions, deferred taxes and other liabilities	89.2	96.2	68.0
Total Capital employed (Finance)	1,776.7	1,811.6	1,468.8

¹ Excluding impact of IFRS 16

Cash flow, working capital and net debt

Continued strong net cash flow from operating activities in FY 2019 of EUR 186.7 million compared to EUR 185.0 million supported by strong working capital management.

Working capital at the end of Q4 2019 amounted to EUR 15.3 million negative compared to EUR 16.0 million negative at the end of 2018. The breakdown is as follows:

(EUR million)	31.12.2019	30.09.2019	31.12.2018
Operating working capital	16.6	32.0	10.7
Net current tax	(31.9)	(30.1)	(26.6)
Total working capital	(15.3)	1.9	(16.0)

Working capital included EUR 6.3 million of working capital of Viteos. On a like for like basis, working capital improved EUR 5.6 million compared to 2018. The ongoing improvement was mainly driven by accelerated cash collection and improved billing processes. Capex¹ in FY 2019 increased to 2.3% of revenue from 1.9% of revenue in FY 2018. This was a result of increased investments in technology relating to the set up of our Centre of Excellence in India and workflow automation.

At the end of 2019 net debt increased to EUR 915.9 million from EUR 682.0 million at the end of 2018, mainly as a result of a new USD 150 million term loan, USD 65 million revolving credit facility utilisation and cash used for the acquisition of Viteos. The leverage ratio increased to 3.96x in 2019 from 3.38x (end 2018), and remained well within our bank covenant of 4.50x. Based on the covenant definitions in our Senior Facilities Agreement, pro forma EBITDA of Viteos and expected synergies are included in the calculation of the leverage ratio.

Performance in key jurisdictions

Western Europe

44% of FY 2019 Group revenue

	Q4 2019	Q4 2018	% Change	Underlying % change ¹	FY 2019	FY 2018	% Change	Underlying % change ¹
Revenue (€m)	63.2	62.5	1.1%	0.5%	237.3	234.2	1.3%	1.1%
Adjusted EBITA (€m)	35.8	36.7	-2.4%	-2.1%	132.9	134.2	-0.9%	-0.8%
Adjusted EBITA Margin	56.6%	58.7%	-204bps	-155bps	56.0%	57.3%	-126bps	-109bps

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

Revenue in Q4 2019 amounted to EUR 63.2 million and was broadly in line on an underlying basis with revenue in Q4 2018. In FY 2019 revenue increased 1.1% underlying to EUR 237.3 million driven by high single digit growth in Fund

¹ Investments in property, plant, equipment and other intangible assets, excluding right-of-use assets and not related to acquisitions.

Services. On a full year basis, the Netherlands performed in line with expectations with underlying revenue decline of around 1%. Netherlands continued to increase market share in a challenging market. Luxembourg reported low to mid single digit revenue growth in FY 2019. In Q4, Fund Services in Luxembourg showed an uptick in revenue following the onboarding of new clients as well as increased fund activity. Activation of certain funds remains delayed to 2020. Adjusted EBITA margin amounted to 56.0% in FY 2019 compared to 57.3% in FY 2018 as a result of increased expenses in Fund Services in Luxembourg to support future growth.

Rest of the World (ROW)

36% of FY 2019 Group revenue

	Q4 2019	Q4 2018	% Change	Underlying % change ¹	FY 2019	FY 2018	% Change	Underlying % change ¹
Revenue (€m)	51.9	48.3	7.5%	5.3%	196.7	181.9	8.1%	6.5%
Adjusted EBITA (€m)	21.9	21.2	3.0%	1.0%	84.2	78.5	7.3%	5.9%
Adjusted EBITA Margin	42.2%	44.0%	-181bps	-181bps	42.8%	43.1%	-33bps	-24bps

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

Revenue growth continued to be strong in ROW. In Q4 2019, revenue increased 5.3% on an underlying basis and 6.5% underlying on a full year basis with strong revenue growth in Nordics, Spain, and UK. Main growth drivers were Fund Services (Jersey, Nordics, Asia), Corporate Services (UK, Nordics) and Capital Markets (UK, Jersey).

In FY 2019 adjusted EBITA margin was 42.8% compared to 43.1% in FY 2018. Margins in ROW are in general lower compared to margins of other segments due to less operational leverage coupled with ongoing investment in the growth of our service lines.

Americas

20% of FY 2019 Group revenue

	Q4 2019	Q4 2018	% Change	Underlying % change ¹	FY 2019	FY 2018	% Change	Underlying % change ¹
Revenue (€m)	36.0	21.9	64.2%	4.4%	110.9	79.9	38.9%	4.4%
Adjusted EBITA (€m)	20.3	11.9	70.0%	10.0%	58.6	43.6	34.3%	0.4%
Adjusted EBITA Margin	56.3%	54.4%	193bps	289bps	52.8%	54.6%	-180bps	-208bps

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

Revenue increased 4.4% on an underlying basis in Q4 2019 to EUR 36.0 million driven by Fund and Corporate service lines. FY 2019 revenue increased 4.4% underlying to EUR 110.9 million mainly driven by Viteos. In Q4 2019, the delayed clarity on substance requirements was provided in the Cayman Islands which contributed positively to the revenue growth in the quarter.

In FY 2019 adjusted EBITA margin amounted to 52.8% compared to 54.6% in FY 2018. This was mainly due to investments in a corporate trust license, additional sales capabilities and office expansion in Delaware which will enable us to expand our service offering in the US market.

Group HQ & IT costs

(EUR million)	Q4 2019	Q4 2018	FY 2019	FY 2018
Group HQ costs	(9.4)	(10.1)	(33.7)	(34.2)
Group IT costs	(13.1)	(9.7)	(45.1)	(36.2)
Total Group HQ & IT costs	(22.5)	(19.8)	(78.8)	(70.4)

In Q4 2019 total Group HQ and IT costs amounted to EUR 22.5 million or 14.9% of revenue (Q4 2018: EUR 19.8 million and 14.9% of revenue). In FY 2019 total Group HQ and IT costs amounted to EUR 78.8 million or 14.5% of revenue compared to EUR 70.4 million or 14.2% of revenue in FY 2018. Group IT costs increased to EUR 45.1 million in 2019 mainly due to investments relating to the Centre of Excellence, IRIS portal and workflow automation. Total Group HQ and IT costs have now reached a stable level.

Viteos integration largely completed and Centre of Excellence migration on track

Since completion of the transaction in June 2019, we have aligned our commercial and marketing strategies and commenced the migration of selected back office and support functions to our Centres of Excellence in India. The migration program started immediately after the acquisition and will be completed by the end of 2021. As the migration continues, benefits to our existing clients will gradually be realised through increased automation, a digitalised delivery model and a solution-oriented service offering. Total synergies are expected to reach USD 22 million (EUR 20 million²), of which we expect to realise 20% by the end of 2020 and 90% by the end of 2021. More information about the acquisition of Viteos can be found in the [press release of 18 June 2019](#).

Guidance 2020 and medium term outlook

Guidance 2020

- Underlying revenue growth of 4% – 6%.
- Adjusted EBITA margin guidance for the full year of at least 35%:
 - Margin expected to be lower in H1 2020 with strong improvement in H2 2020.
 - Lower H1 2020 margin and phasing due to business mix, planned temporary duplication of costs due to Centre of Excellence build-up and continued opex investments to capture technology and growth opportunities.
 - H2 2020 will benefit from Viteos synergy ramp-up and reduced duplication of costs.
- Capex around 3% of revenue.
- Effective tax rate of around 21%.
- Dividend of at least 40% of adjusted net income.

Medium term outlook

- Underlying revenue growth of 4% – 6%.
- Adjusted EBITA margin of at least 40%.
- Capex around 2% of revenue.
- Effective tax rate of around 21%.
- Dividend of at least 40% of adjusted net income.

Subsequent events

On 23 January 2020, Intertrust announced that it reached an agreement with Round Hill Capital to take over the company's legal and corporate administration services business. Intertrust will continue to provide fund administration services to Round Hill Capital, whilst deepening its real estate value proposition with increasing expertise for this growth sector. The transaction was completed on 21 January 2020.

² Based on closing EUR/USD FX rate of 1.12

Additional information

Financial calendar 2020

Date	Event
14 February	Publication Annual Report 2019
23 April	Publication Q1 2020 trading update
14 May	Annual General Meeting
18 May	Ex-dividend date final dividend
19 May	Record date final dividend
5 June	Payment date final dividend
30 July	Publication Q2/H1 2020 results
22 October	Publication Q3 2020 trading update
4 November	Ex-dividend date interim dividend
5 November	Record date interim dividend
27 November	Payment date interim dividend

Analyst call / webcast

Today, Intertrust's CEO Stephanie Miller and CFO Rogier van Wijk will hold an analyst / investor call at 10:00 CET. A webcast of the call will be available on the Company's website. The webcast can be accessed [here](#). The supporting presentation can be downloaded from our [website](#).

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About Intertrust

Intertrust (Euronext: INTER; "the Company") is a global leader in providing tech-enabled corporate and fund solutions to clients operating and investing in the international business environment. The Company has around 3,500 employees in more than 30 jurisdictions in Europe, the Americas, Asia Pacific and the Middle-East. Intertrust delivers high-quality, tailored fund, corporate, capital market and private wealth services to its clients, with a view to building long-term relationships. The Company works with global law firms and accountancy firms, multinational corporations, financial institutions, fund managers, high net worth individuals and family offices.

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.

All figures included in this press release are unaudited. Adjusted Q4 2019 and FY 2019 numbers are excluding IFRS16 impact and used for comparison purposes unless stated otherwise.

This press release contains information that qualifies, or may qualify, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Explanatory tables

Figures presented in EUR million tables are calculated before roundings.

Segmentation change reconciliation

As of Q1 2019, Intertrust reports on three segments consisting of Western Europe, Americas and Rest of the World.

(EUR million)

	Q4				FY			
	2018 presented in 2019		2018		2018 presented in 2019		2018	
	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue
Netherlands	-	0%	30.6	23%	-	0%	115.7	23%
Luxembourg	-	0%	29.3	22%	-	0%	109.1	22%
Western Europe	62.5	47%	-	0%	234.2	47%	-	0%
Americas ¹	21.9	17%	23.4	18%	79.9	16%	84.4	17%
Jersey	-	0%	14.7	11%	-	0%	57.9	12%
Rest of the World ¹	48.3	36%	34.7	26%	181.9	37%	128.9	26%
Segment Revenue	132.7	100%	132.7	100%	496.1	100%	496.1	100%

¹ Part of the business responsibilities were re-allocated from the Americas to ROW

(EUR 000)

	Q4				FY			
	2018 presented in 2019		2018		2018 presented in 2019		2018	
	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA
Netherlands	-	0%	18.4	37%	-	0%	69.8	38%
Luxembourg	-	0%	17.5	35%	-	0%	62.7	34%
Western Europe	36.7	73%	-	0%	134.2	72%	-	0%
Americas ¹	11.9	24%	12.7	25%	43.6	23%	45.7	25%
Jersey	-	0%	7.6	15%	-	0%	29.2	16%
Rest of the World ¹	21.2	42%	13.6	27%	78.5	42%	48.8	26%
Group HQ and IT costs	(19.8)	-40%	(19.8)	-40%	(70.4)	-38%	(70.4)	-38%
Segment Adjusted EBITA	50.0	100%	50.0	100%	185.9	100%	185.9	100%

¹ Part of the business responsibilities were re-allocated from the Americas to ROW

Reconciliation of performance measures to reported results

(EUR million)

	Q4 2019 (excl IFRS16)	Q4 2018	Q4 2019 (incl IFRS16)	FY 2019 (excl IFRS16)	FY 2018	FY 2019 (incl IFRS16)
Profit/(loss) from operating activities	38.9¹	36.0	39.4	131.4¹	130.7	132.5
Amortisation of acquisition - Related intangible assets	12.4	10.5	12.4	46.1	41.3	46.1
Specific items - Integration and transformation costs	2.3	3.3	1.9	8.5	12.5	8.1
Specific items - Transaction and other costs	1.8	0.2	1.8	10.9	1.4	10.9
Adjusted EBITA	55.5	50.0	55.5	196.9	185.9	197.5

¹ This amount includes the IFRS16 impact on the below items

Adjusted EBITA is defined as EBITA before specific items and excludes IFRS16 impact. 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.

Integration and transformation costs relate to the migration of certain activities to the Centres of Excellence and to ongoing efforts to streamline and improve operational efficiency. Transaction and other costs in 2019 primarily consist of costs relating to the acquisition of Viteos.

(EUR million)	Q4 2019 (excl IFRS16)	Q4 2018	Q4 2019 (incl IFRS16)	FY 2019 (excl IFRS16)	FY 2018	FY 2019 (incl IFRS16)
Adjusted EBITA	55.5	50.0	55.5	196.9	185.9	197.5
Net finance costs (adjusted) – excluding net foreign exchange loss and other adjusting items ¹	(10.1)	(8.3)	(10.8)	(36.7)	(29.5)	(39.4)
Share of profit of associate (net of tax)	0.0	0.0	0.0	0.0	0.1	0.0
Income tax (adjusted)	(5.0)	(5.5)	(4.9)	(18.5)	(18.7)	(18.3)
Adjusted Net income	40.4	36.2	39.8	141.8	137.7	139.8

¹ Foreign exchange gain/(loss) for Q4 2019 was EUR (0.5m), FY 2019 was EUR 0.2m; Q4 2018 was EUR 0.2m, FY 2018 was EUR 0.1m

Adjusted Net Income is defined as Adjusted EBITA less net interest costs, less adjusted tax expenses and share of profit of associate (net of tax) and excluding adjusting items in financial results and income taxes.

Tax reconciliation

(EUR million)	FY 2019 ¹		FY 2018		Change
Profit before income tax		114.8		97.8	17.0
Income tax using the Company's domestic tax rate	25.0%	(28.7)	25.0%	(24.4)	(4.2)
Effect of tax rates in foreign jurisdictions		7.9		9.0	(1.0)
Effect of non-taxable and deferred items		(4.5)		7.3	(11.8)
Effect of prior year adjustments		0.8		(0.3)	1.1
Income tax	21.3%	(24.4)	8.6%	(8.4)	1270bps
<i>Of which:</i>					
Current tax expense	22.9%	(26.2)	22.1%	(21.6)	(4.7)
Deferred tax (expense)/ income	-1.6%	1.8	-13.5%	13.2	(11.4)

¹ Figures for 2019 include the impact of IFRS16

Normalised for one-off items such as the deferred tax expense on the Dutch rate change and the adjustment relating to the Viteos acquisition fees, and a few smaller one-off items, the effective tax rate was 18.6%.

Specification of the impact of IFRS16 and Adjusting items

(EUR million)	FY 2019				
	As reported (incl IFRS16)	Adjustments	Adjusted (incl IFRS16)	IFRS16 impact	Adjusted (excl IFRS16)
Revenue	543.3	-	543.3	(1.5)	544.9
Staff expenses	(250.7)	(4.1)	(246.7)	0.6	(247.3)
Rental expenses	(8.6)	-	(8.6)	18.4	(27.0)
Other operating expenses	(77.0)	(14.9)	(62.1)	-	(62.1)
Other operating income	0.1	-	0.1	-	0.1
Depreciation and amortisation of other intangible assets	(28.6)	-	(28.6)	(16.9)	(11.7)
Amortisation of acquisition-related intangible assets	(46.1)	(46.1)	-	-	-
Profit/(loss) from operating activities	132.5	(65.1)	197.5	0.6	196.9
Financial income	24.4	22.7	1.7	0.7	1.0
Financial expense	(42.1)	(1.0)	(41.1)	(3.4)	(37.7)
Financial result	(17.7)	21.7	(39.4)	(2.7)	(36.7)
Share of profit of associate (net of tax)	0.0	-	0.0	-	0.0
Profit/(loss) before income tax	114.8	(43.4)	158.2	(2.1)	160.3
Income tax	(24.4)	(6.1)	(18.3)	0.2	(18.5)
Profit/(loss) after tax	90.3	(49.5)	139.8	(2.0)	141.8
Profit/(loss) for the year after tax attributable to:					
Owners of the Company	90.3	(49.5)	139.8	(2.0)	141.8
Non-controlling interests	0.0	-	0.0	-	0.0
Profit/(loss)	90.3	(49.5)	139.8	(2.0)	141.8
Basic earnings per share (EUR)	1.01		1.56		1.58
Diluted earnings per share (EUR)	1.00		1.54		1.56

Specification of the impact of IFRS16 on Capital employed

(EUR million)

	31.12.2019		
	31.12.2019 (incl IFRS16)	IFRS16 impact	31.12.2019 (excl IFRS16)
Acquisition-related intangible assets	1,729.0	-	1,729.0
Other intangible assets	17.6	-	17.6
Property, plant and equipment	107.7	(91.3)	16.4
Total working capital	(15.3)	(0.1)	(15.3)
Other assets	45.5	(16.4)	29.1
Total Capital employed (Operational)	1,884.5	(107.8)	1,776.7
Total equity	774.7	(3.1)	771.6
Net debt	915.9	-	915.9
Provisions, deferred taxes and other liabilities	193.9	(104.7)	89.2
Total Capital employed (Finance)	1,884.5	(107.8)	1,776.7

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(Unaudited)

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Consolidated statement of profit or loss

(EUR 000)	Q4		FY	
	2019	2018	2019	2018
Revenue	150,679	132,688	543,340	496,056
Staff expenses	(67,152)	(58,950)	(250,732)	(223,559)
Rental expenses	(2,292)	(6,162)	(8,563)	(24,309)
Other operating expenses	(21,512)	(18,266)	(77,045)	(65,179)
Other operating income	25	-	135	51
Depreciation, impairment and amortisation of other intangible assets	(7,894)	(2,795)	(28,591)	(11,096)
Amortisation of acquisition-related intangible assets	(12,419)	(10,504)	(46,075)	(41,309)
Profit/(loss) from operating activities	39,435	36,011	132,469	130,655
Financial income	(1,857)	143	24,401	387
Financial expense	(11,237)	(11,710)	(42,125)	(33,321)
Financial result	(13,094)	(11,567)	(17,724)	(32,934)
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)	14	19	44	78
Profit/(loss) before income tax	26,355	24,463	114,789	97,799
Income tax	(5,858)	4,800	(24,447)	(8,408)
Profit/(loss) after tax	20,497	29,263	90,342	89,391
Profit/(loss) for the year after tax attributable to:				
Owners of the Company	20,487	29,254	90,325	89,362
Non-controlling interests	10	9	17	29
Profit/(loss)	20,497	29,263	90,342	89,391
Basic earnings per share (EUR)	0.23	0.33	1.01	1.00
Diluted earnings per share (EUR)	0.23	0.32	1.00	0.99

Consolidated statement of comprehensive income

(EUR 000)	Q4		FY	
	2019	2018	2019	2018
Profit/(loss) after tax	20,497	29,263	90,342	89,391
Actuarial gains and losses on defined benefit plans	(852)	402	(1,122)	843
Income tax on actuarial gains and losses on defined benefit plans	-	-	-	154
Items that will never be reclassified to profit or loss	(852)	402	(1,122)	997
Foreign currency translation differences - foreign operations	1,744	1,414	15,854	11,595
Movement on cash flow hedges in other comprehensive income	1,688	(1,167)	(3,729)	(525)
Income tax on movement on cash flow hedges in other comprehensive income	-	291	(312)	132
Items that are or may be reclassified to profit or loss	3,432	538	11,813	11,202
Other comprehensive income/(loss) for the year, net of tax	2,580	940	10,691	12,199
Total comprehensive income/(loss) for the year	23,077	30,203	101,033	101,590
<i>Total comprehensive income/(loss) for the year attributable to:</i>				
Owners of the Company	23,067	30,194	101,023	101,558
Non-controlling interests	10	9	10	32
Total comprehensive income/(loss) for the year	23,077	30,203	101,033	101,590

The amounts for the period ended 31 December 2019 have been prepared including the impact of IFRS16; prior period amounts have not been restated.

Quarterly figures 2018 and 2019 and full year 2019 are neither audited, nor reviewed.

Consolidated statement of financial position

(EUR 000)	31.12.2019	31.12.2018
Assets		
Property, plant and equipment	107,713	14,580
Other intangible assets	17,554	15,289
Acquisition-related intangible assets	1,729,011	1,451,836
Investments in equity-accounted investees	156	149
Other non current financial assets	42,888	2,404
Deferred tax assets	6,829	2,159
Non-current assets	1,904,151	1,486,417
Trade receivables	100,794	90,478
Other receivables	31,197	18,422
Work in progress	33,851	34,228
Current tax assets	842	4,836
Other current financial assets	2,453	521
Prepayments	11,347	8,233
Cash and cash equivalents	121,044	127,803
Current assets	301,528	284,521
Total assets	2,205,679	1,770,938
Equity		
Share capital	54,190	53,853
Share premium	630,441	630,441
Reserves	(23,276)	(39,294)
Retained earnings	113,117	73,546
Equity attributable to owners of the Company	774,472	718,546
Non-controlling interests	267	257
Total equity	774,739	718,803
Liabilities		
Loans and borrowings	918,346	774,927
Other non current financial liabilities	94,309	3,664
Employee benefits liabilities	2,575	929
Deferred income	5,100	5,362
Provisions	960	699
Deferred tax liabilities	91,550	69,330
Non-current liabilities	1,112,840	854,911
Loans and borrowings	98,691	2,433
Other current financial liabilities	19,295	1,555
Deferred income	78,085	68,251
Provisions	1,101	4,125
Current tax liabilities	32,699	31,478
Trade payables	11,814	8,375
Other payables	76,415	81,007
Current liabilities	318,100	197,224
Total liabilities	1,430,940	1,052,135
Total equity and liabilities	2,205,679	1,770,938

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Consolidated statement of changes in equity

(EUR 000)	For the period ended 31 December 2019								
	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Total		
Balance at 01 January 2019	53,853	630,441	73,546	(29,845)	(938)	(8,511)	718,546	257	718,803
Profit/(loss)	-	-	90,325	-	-	-	90,325	17	90,342
Other comprehensive income/(loss) for the year, net of tax	-	-	(1,122)	15,861	(4,041)	-	10,698	(7)	10,691
Total comprehensive income/(loss) for the year	-	-	89,203	15,861	(4,041)	-	101,023	10	101,033
<i>Contributions and distributions</i>									
Equity-settled share based payment	-	-	6,130	-	-	-	6,130	-	6,130
Treasury shares delivered	-	-	(4,198)	-	-	4,198	-	-	-
Dividend paid	-	-	(55,654)	-	-	-	(55,654)	-	(55,654)
Total contributions and distributions	-	-	(53,722)	-	-	4,198	(49,524)	-	(49,524)
<i>Changes in ownership interests</i>									
Business Combinations	337	-	(337)	-	-	-	-	-	-
Total changes in ownership interests	337	-	(337)	-	-	-	-	-	-
Total transactions with owners of the Company	337	-	(54,059)	-	-	4,198	(49,524)	-	(49,524)
IFRS16 opening balance adjustment	-	-	4,427	-	-	-	4,427	-	4,427
Total opening balance sheet adjustment	-	-	4,427	-	-	-	4,427	-	4,427
Balance at 31 December 2019	54,190	630,441	113,117	(13,984)	(4,979)	(4,313)	774,472	267	774,739

(EUR 000)	For the period ended 31 December 2018								
	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Total		
Balance at 01 January 2018	55,200	630,441	75,585	(41,437)	(545)	(14,326)	704,918	225	705,143
Profit/(loss)	-	-	89,362	-	-	-	89,362	29	89,391
Other comprehensive income/(loss) for the year, net of tax	-	-	997	11,592	(393)	-	12,196	3	12,199
Total comprehensive income/(loss) for the year	-	-	90,359	11,592	(393)	-	101,558	32	101,590
<i>Contributions and distributions</i>									
Equity-settled share based payment	-	-	5,454	-	-	-	5,454	-	5,454
Purchase of treasury shares	-	-	-	-	-	(36,011)	(36,011)	-	(36,011)
Treasury shares delivered	-	-	(5,937)	-	-	5,937	-	-	-
Dividend paid	-	-	(56,171)	-	-	-	(56,171)	-	(56,171)
Total contributions and distributions	-	-	(56,654)	-	-	(30,074)	(86,728)	-	(86,728)
<i>Changes in ownership interests</i>									
Share cancellation	(1,347)	-	(34,542)	-	-	35,889	-	-	-
Total changes in ownership interests	(1,347)	-	(34,542)	-	-	35,889	-	-	-
Total transactions with owners of the Company	(1,347)	-	(91,196)	-	-	5,815	(86,728)	-	(86,728)
IFRS9 opening balance adjustment	-	-	(1,202)	-	-	-	(1,202)	-	(1,202)
Total opening balance sheet adjustment	-	-	(1,202)	-	-	-	(1,202)	-	(1,202)
Balance at 31 December 2018	53,853	630,441	73,546	(29,845)	(938)	(8,511)	718,546	257	718,803

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Quarterly figures 2018 and 2019 and full year 2019 are neither audited, nor reviewed.

Consolidated statement of cash flows

(EUR 000)	Q4		FY	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit/(loss) for the period	20,497	29,263	90,342	89,391
<i>Adjustments for:</i>				
Income tax expense	5,858	(4,800)	24,447	8,408
Share of profit of associate (net of tax)	(14)	(19)	(44)	(78)
Financial result	13,095	11,567	17,724	32,934
Depreciation and amortisation of other intangible assets	7,894	2,795	28,591	11,096
Amortisation of acquisition-related intangible assets	12,419	10,504	46,075	41,309
(Gain)/loss on sale of non-current assets	1	(28)	18	33
Other non cash items	2,547	2,367	5,942	5,495
	62,297	51,649	213,095	188,588
<i>Changes in:</i>				
(Increase)/decrease in trade working capital	8,946	14,709	4,673	19,041
(Increase)/decrease in other working capital	5,750	9,545	(3,545)	3,271
(Decrease)/increase in provisions	(294)	(246)	(2,798)	3,743
Changes in foreign currency	653	(696)	(333)	(967)
	77,352	74,961	211,092	213,676
Income tax paid	(6,316)	(5,487)	(24,435)	(28,698)
Net cash from/(used in) operating activities	71,036	69,474	186,657	184,978
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	1	-	3	11
Purchase of property, plant & equipment	(2,050)	(1,593)	(4,578)	(3,291)
Purchase of intangible assets	(2,287)	(3,378)	(7,406)	(6,275)
Acquisitions, net of cash acquired	(1,799)	(706)	(254,777)	(6,611)
(Increase)/decrease in other financial assets	(56)	799	(1,327)	1,670
Dividends received	37	-	130	75
Interest received	247	78	808	322
Net cash from/(used in) investing activities	(5,907)	(4,800)	(267,147)	(14,099)
Cash flows from financing activities				
Proceeds from bank borrowings	11,891	789,802	259,556	789,802
Repayment of loans and borrowings banks	(8,902)	(782,906)	(67,622)	(782,906)
Interest and other finance expenses paid	(13,654)	(4,729)	(34,429)	(23,347)
Payment of financing costs	(92)	(13,102)	(1,913)	(13,216)
Change in financial lease liabilities/assets	(4,976)	-	(17,810)	-
Dividends paid	(27,016)	(26,770)	(55,654)	(56,171)
Acquisition of treasury shares	-	-	-	(37,040)
Interest rate hedge settlement	-	(330)	-	(330)
Net cash from/(used in) financing activities	(42,749)	(38,035)	82,128	(123,208)
Net increase/(decrease) in cash	22,380	26,639	1,638	47,671
Cash attributable to the Company at the beginning of the period	87,264	78,150	105,505	56,157
Effect of exchange rate fluctuations on cash attributable to the Company	574	716	3,075	1,677
Cash attributable to the Company at the end of the period	110,218	105,505	110,218	105,505
Cash held on behalf of clients at the end of the period	10,826	22,298	10,826	22,298
Cash and cash equivalents at the end of the period	121,044	127,803	121,044	127,803

(*) 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)

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