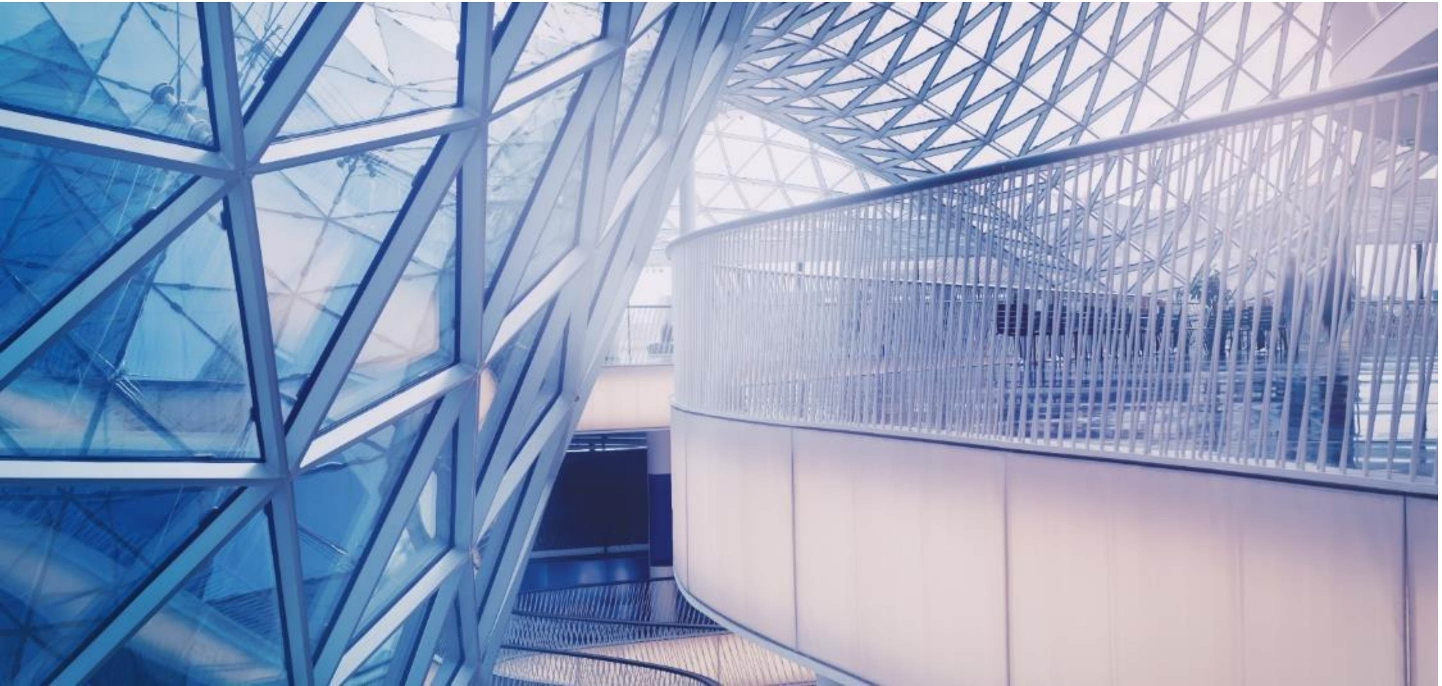
Q1 2019 Trading update

25 April 2019



intertrustgroup.com

Intertrust

Agenda

- Q1 2019 Highlights and Operational Update – CEO Stephanie Miller
- Q1 2019 Results – CFO Hans Turkesteen
- Q&A

Highlights and Operational Update

CEO Stephanie Miller

Intertrust

Solid results in a transformational year

Highlights Q1 2019

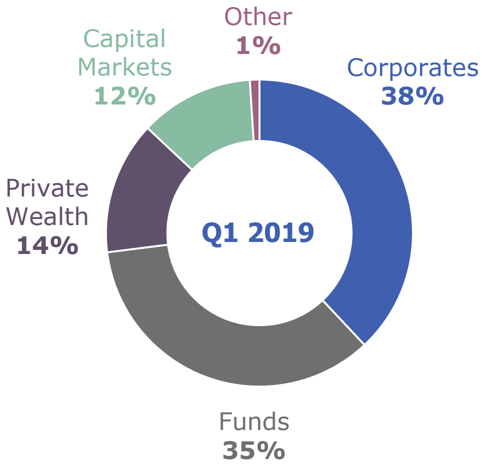
Revenue

- Revenue increased 2.1% to EUR 125.3 million
- New segment reporting structure

Adjusted EBITA margin

- Adjusted EBITA margin in line with guidance
- Adjusted EBITA margin lower than Q1 2018, primarily due to higher IT expenses and segment mix effect

Revenue per client type



With good progress on our strategic agenda

Operational update

Clients & Services

- Fund Administration license obtained in Ireland
- UK Fund Finance Advisory services launched

People

- New Chief Commercial Officer Ian Lynch to start in July
- New Global Head of Funds Patrick O'Brien to start next week
- Updated Corporate Values: rolled-out in local offices and embedded in 2019 employee objectives
- Centralised tools, supporting efficiency and consistency - set to launch in Q2: global learning library, global induction, global expense system

Innovation & Technology

- Technology upgrade Americas accelerated
- IRIS client data on-boarding continuing
- Commercial agreement with Viteos

Intertrust & Viteos: Becoming tech-enabled through portal technology, differentiating from competition

KYC & AML

- Digitising Know-Your-Client process and Anti-Money Laundering processes through adapting out-of-the box Viteos solutions

Entity creation

- Self-service: request and setup of new entities through the portal
- Improved workflow, increasing quality, efficiency and speed

Transaction monitoring

- Increased regulatory requirements on transaction monitoring
- Further enhance and improve process to monitor all legal transactions, incoming and outgoing payments

Q1 2019 results

CFO Hans Turkesteen

Intertrust

Highlights Q1 2019

Intertrust

(€m)	Q1 2019	Q1 2018	% Change	Underlying % change
Revenue	125.3	120.1	4.3%	2.1%
Adjusted EBITA	45.3	45.3	0.0%	-2.7%
Adjusted EBITA margin	*36.1%*	*37.7%*	*-158bps*	*-177bps*
Adjusted net income	32.8	33.8	-2.9%	
Adjusted EPS (€)	0.37	0.37	-1.6%	
Average number of shares	89,231,848	90,378,583		

- Revenue increased 2.1% to EUR 125.3 million
- Adjusted EBITA margin at 36.1% in line with guidance
- The new IFRS 16 accounting standard was adopted on 1 January 2019
- Adjusted Q1 2019 numbers (excluding IFRS 16) are used for comparison purposes

Strong growth in key strategic growth areas: Funds and Capital Markets

(€m)	Q1 2019	Q1 2018	% Change	Underlying % change
Western Europe	58.1	57.5	0.9%	0.9%
Americas	19.9	18.2	9.8%	1.4%
ROW	47.3	44.4	6.5%	4.0%
Group total	**125.3**	**120.1**	**4.3%**	**2.1%**

(€m)	Q1 2019	Q1 2018	% Change	Underlying % change
Corporate Services	47.0	46.0	2.2%	0.7%
Fund Services	43.8	39.3	11.6%	8.3%
Capital Market Services	15.6	14.2	9.7%	7.9%
Private Wealth Services	16.9	18.4	-8.1%	-10.0%
Other services	1.9	2.1	-11.3%	-15.7%
Total Group	**125.3**	**120.1**	**4.3%**	**2.1%**

- Netherlands revenue decrease of 2.4% due to challenging market conditions partially offset by expansion of services
- Luxembourg reported mid-single digit growth with Funds as the main driver, acceleration expected in second half of the year
- Americas starting to benefit from increased sales capabilities in the US
- Strong growth in Fund and Corporate Services in Hong Kong, Spain, UK and Nordics
- Channel Islands still impacted by insourcing decision in Private Wealth in Q2 2018 (~ GBP 1m impact) and uncertainties surrounding Brexit
- Strong growth in Funds, driven by PE and RE across all segments, as well as increasing demand for AIFM ManCo services
- Capital Markets saw good performance in Ireland, Luxembourg, UK and Netherlands

Key Performance Indicators

Intertrust

	KPI	Definition	Q1 2019	Q1 2018
1	FTE	end-of-period	2,565	2,465
2	Revenue / Billable FTE [1]	€k, LTM	265.0	257.8
3	Billable FTE / Total FTE	As %, end-of-period	75.8%	75.5%
4	HQ & IT costs	As % of revenue	14.2%	13.8%
5	Working capital / LTM revenue	As %	-6.6%	-5.8%

- Revenue / Billable FTE increased 2.8% to EUR 265k
- Billable FTE / total FTE increased slightly to 75.8%
- HQ & IT costs amount to 14.2% of revenue mainly due to higher IT costs
- Continued improvement in working capital in line with ambition to improve quarter by quarter, subject to seasonality

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

Group HQ and IT costs

Expenses (€m)	Q1 2019	Q1 2018
Group HQ	(7.7)	(8.2)
As % of revenue	*6.2%*	*6.9%*
Group IT	(10.0)	(8.3)
As % of revenue	*8.0%*	*6.9%*
Total	**(17.8)**	**(16.5)**
As % of revenue	***14.2%***	***13.8%***

- As previously communicated quarterly HQ expenses in 2019 are expected to be in the range of EUR 8.5 – EUR 9.0 million
- HQ costs lower in Q1 2019 due to timing of staff related expenses
- IT costs higher as a result of continued outsourcing to external data centers in line with the execution of the IT roadmap
- IT costs in Q1 2018 were relatively low due to timing of projects
- IT costs in Q4 2018 amounted to EUR 9.7 million

Capital employed

Intertrust

(€m)	31.03.2019[1]	31.21.2018	31.03.2018
Acquisition-related intangible assets	1,461.7	1,451.8	1,459.4
Other intangible assets	14.8	15.3	14.1
Property, plant and equipment	13.8	14.6	15.6
Total working capital	(32.9)	(16.0)	(28.2)
Other assets	6.6	3.1	4.1
Total Capital employed (Operational)	**1,464.0**	**1,468.8**	**1,465.0**
Total equity	753.6	718.8	702.6
Net debt	638.0	682.0	679.7
Provisions, deferred taxes and other liabilities	72.4	68.0	82.7
Total Capital employed (Finance)	**1,464.0**	**1,468.8**	**1,465.0**

(€m)	31.03.2019[1]	31.12.2018	31.03.2018
Operating working capital	(1.5)	10.7	9.2
Net current tax	(31.4)	(26.6)	(37.4)
Total working capital	**(32.9)**	**(16.0)**	**(28.2)**

- Balance sheet remains solid
- Continued strong deleveraging driven by disciplined working capital management
- Leverage ratio decreased to 3.14x end of Q1 2019 from 3.38x end of Q4 2018
- Our bank covenant is 4.50x

- Continuation of structural improvements in operating working capital
- Improved billing processing and faster centralised cash collection drive working capital performance
- Net current tax position reduced compared to Q1 2018 as a result of tax settlement relating to prior years

[1] Excluding impact of IFRS 16

Free cash flow

Intertrust

Free cash flow (€m)	Q1 2019[1]	Q1 2018
Adjusted EBITA	**45.5**	**45.3**
Adjustments for:		
Depreciation and amortisation of other intangible assets	6.7	2.8
Other non cash items	1.5	0.7
Net cash used for specific items	(3.3)	(0.9)
Changes in:		
(Increase)/decrease in working capital (excl. current tax)	13.2	22.0
Others	(1.9)	0.3
Income tax paid	(1.5)	(2.5)
Cash flow from operating activities	**60.1**	**67.7**
Capex paid	(1.5)	(1.0)
Interests and other finance expenses paid	(3.1)	(5.9)
Free cash flow	**55.5**	**60.8**

- The cash flow from operating activities as a percentage of adjusted EBITA equals 132%
- Cash flow from operating activities decreased due to one-off working capital inflow in Q1 2018
- First senior notes coupon payment due in May 2019 benefitting Q1 free cash flow

[1] Including impact of IFRS 16

Full year 2019 guidance reiterated

Intertrust

Revenue growth

- Underlying revenue growth of 3 - 5%

EBITA margin

- Adjusted EBITA margin of at least 36%

Other elements

- Capex expected to be around 2% of revenue
- Effective tax rate of approximately 19%
- Dividend policy at least 40% of adjusted net income
- Target leverage of around 3x

Key takeaways

Intertrust

First quarter **in line with expectations**, with Funds and Capital Markets as key contributors of growth. **Guidance 2019 reiterated**.

Gaining **efficiencies** from standardisation and automation in process through successful collaboration with **Viteos** and roll out of client portal **IRIS**.

Good progress on executing our **clients & services**, **people** and **innovation & technology** strategy, to become the leading tech-enabled provider.

Q&A

Intertrust

Appendix

Intertrust

IFRS 16 – Accounting for leases

Intertrust

Impact of new accounting standard IFRS 16

- IFRS 16 adopted as of 1 January 2019
- Modified retrospective approach, no impact on 2018 results
- Only an accounting impact; it does not change the underlying economics
- New accounting standard eliminates the classification of leases as either operating or finance leases as required by IAS 17 and instead uses a single lessee accounting model
- Group leases effected are mostly property leases and car fleet
- In Q1 2019, rent expenses of EUR 4.2m and staff expenses of EUR 0.2m replaced by depreciation of EUR 3.8m and interest of EUR 0.6m
- Underlying EBITA is EUR 0.2m higher and Reported net income lower by EUR 0.4m in Q1 2019

Consolidated Profit/Loss (unaudited)

(€m)	Q1 2019[2]	Q1 2018
Revenue	**124.9**	**120.1**
Staff expenses	(57.1)	(53.9)
Rental expenses	(1.9)	(6.0)
Other operating expenses	(15.9)	(13.3)
Other operating income	0.0	0.0
Depreciation and amortisation of other intangible assets	(6.7)	(2.8)
Amortisation of acquisition-related intangible assets	(10.5)	(10.1)
Profit/(loss) from operating activities	**32.9**	**33.9**
Financial income	3.6	0.0
Financial expense	(10.2)	(7.5)
Financial result[1]	**(6.6)**	**(7.5)**
Share of profit of associate (net of tax)	-	0.0
Profit/(loss) before income tax	**26.3**	**26.4**
Income tax	(4.9)	(4.5)
Profit/(loss) after tax	**21.4**	**22.0**

[1] Reported financial result of EUR (6.6m) for Q1 2019 (Q1 2018: EUR (7.5m)) included net interest expenses of EUR 8.4m (Q1 2018: EUR 6.6m)

[2] Including impact of IFRS 16

Reconciliation of performance measures to reported results

Intertrust

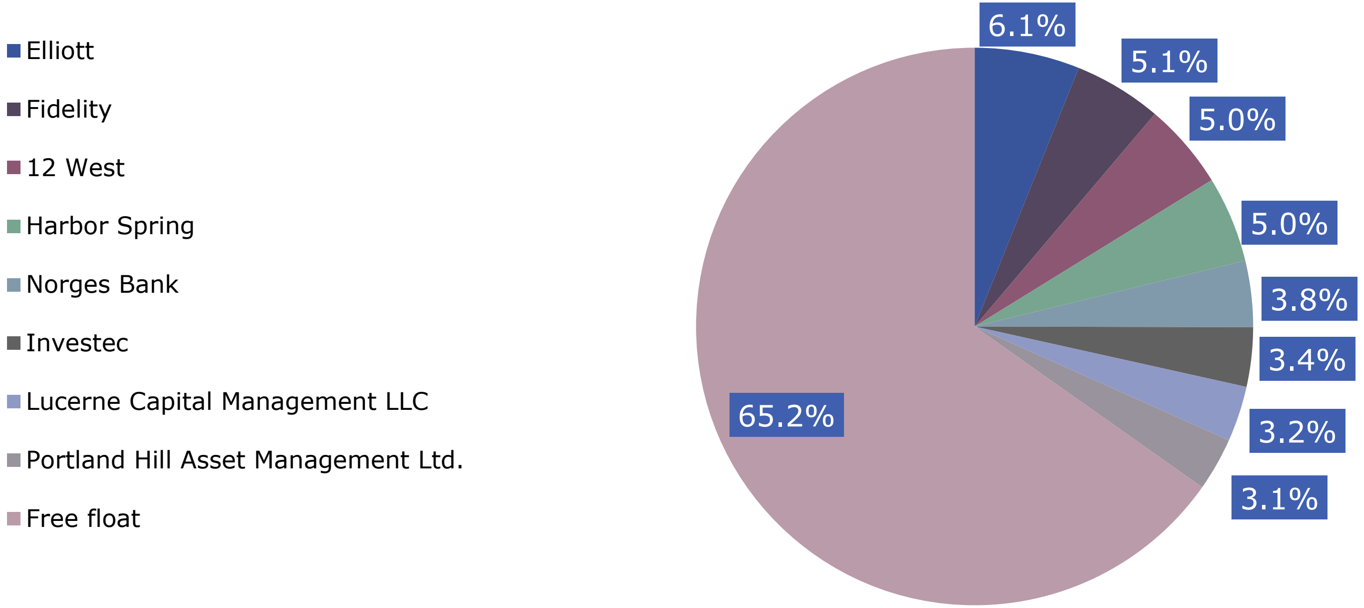
(€k)	Q1 2019[1]	Q1 2018
Profit/(loss) from operating activities	**32.7**	**33.9**
Amortisation of acquisition-related intangible assets	10.5	10.1
Specific items – Integration and transformation costs	1.8	0.9
Specific items – Other items	0.2	0.3
Adjusted EBITA	**45.3**	**45.3**

(€k)	Q1 2019[1]	Q1 2018
Adjusted EBITA	**45.3**	**45.3**
Net finance costs (adjusted) - excluding net foreign exchange loss[1]	(8.0)	(7.0)
Share of profit of associate (net of tax)	-	0.0
Income tax (adjusted)	(4.4)	(4.5)
Adjusted Net income	**32.8**	**33.8**

[1] Excluding impact of IFRS 16
[2] Foreign exchange gain/(loss) for Q1 2019 was EUR 0.0m, Q1 2018 was EUR (0.5m)

Ownership structure

Shareholder structure
31 March 2019



Notes & Definitions

- Intertrust N.V. Q1 2019 financial figures are shown on a reported and adjusted basis
- Figures presented in € million tables, are calculated before rounding
- Adjustments in EBITDA and EBITA are disclosed in the press release. Adjusted figures represent adjustments because of non-recurring items
- As of Q1 2019, Intertrust uses the following segmentation: Western Europe, Americas, and Rest of the World (ROW)

Selected definitions

- Adjusted net income per share is defined as Adjusted net income divided by the average number of shares outstanding at 31 March 2019. Average no. of shares for Q1 2019: 89,231,848; for Q1 2018: 90,378,583
- Capital expenditure is defined as investments in property, plant, equipment and other intangible assets not related to acquisitions
- CC is Constant Currency
- FTE is Full-time equivalent employee
- Leverage ratio is total net debt (at LTM average FX rate) divided by the Adjusted EBITDA of Intertrust, including proforma contribution for acquisitions and full year run-rate synergies related to acquisitions and other SFA adjustments such as the addback of LTM LTIP accruals
- Net interest is defined as Net finance cost excluding Forex gains and losses
- Net debt is defined as the net of the cash and cash equivalents excluding cash held on behalf of clients and gross value of the third party indebtedness
- Underlying (excluding IFRS 16 impact) is current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

Thank you

Intertrust

intertrustgroup.com