

Intertrust reports Q4 and FY 2018 results

Amsterdam, the Netherlands – 7 February 2019 – Intertrust N.V. ("Intertrust" or "Company") [Euronext: INTER], a leading global provider of expert administrative services to clients operating and investing in the international business environment, today publishes its results for the fourth quarter and full year ended 31 December 2018.

Q4 2018 Highlights

- Revenue increased 3.3% underlying year-on-year to EUR 132.7 million.
- Adjusted EBITA amounted to EUR 50.0 million, decrease of 2.6%, due to one-off HQ costs.
 - Adjusted EBITA margin of 37.7% (Q4 2017: 40.0%).
- Adjusted EPS decreased 2.4% to EUR 0.41 due to higher finance expenses.
- Refinancing successfully completed consisting of senior unsecured notes and new senior facilities.
- Strong cash flow generation of EUR 69.5 million, an increase of more than 40%.

FY 2018 Highlights

- Full year 2018 results well within guidance. Guidance 2019 reiterated.
- Revenue of EUR 496.1 million, an underlying increase of 3.5% year-on-year.
- Adjusted EBITA amounted to EUR 185.9 million, up 1.8% on an underlying basis.
- Adjusted EBITA margin of 37.5% (FY 2017: 38.2%).
- Adjusted EPS increased 0.7% to EUR 1.54.
- Cash flow from operating activities increased 18% to EUR 185.0 million.
- Effective tax rate (ETR) of 8.6% due to a one-off adjustment mainly as a result of tax rate changes in the Netherlands (adjusted ETR 18.2%).
- Proposed final dividend of EUR 0.32 per share, resulting in total dividend of EUR 0.62 (FY 2017: EUR 0.61).

Stephanie Miller, CEO of Intertrust, commented:

"We are pleased to have consistently delivered on our full year 2018 guidance. Our cash flow generation was very strong as a result of enhanced working capital management. Our full year underlying revenue increased by 3.5% to EUR 496.1 million with our underlying EBITA having grown by 1.8% to EUR 185.9 million. The adjusted EBITA margin amounted to 37.5%. Our operating environment continues to be more advanced and more sophisticated. So, with a very clear strategy in place, Intertrust is changing at a faster and faster pace which will make us stronger and more successful than ever. We made significant progress in 2018 and created a strong foundation to facilitate future success, from which our clients will benefit. One key initiative I would like to highlight is our Client Portal which we have launched this January. This is a testament of our ability to deliver on our promises, and on our strategy. Furthermore, launching the Client Portal marks a major milestone in further advancing our client service. As always, work remains to be done. We continue to invest to become the leading tech-enabled corporate and fund solutions provider. We continue to execute our strategy and we continue to drive long-term profitability, having embedded purpose in our business model and corporate strategy. We are confident about delivering on our medium-term expectations.

We will propose a final dividend of EUR 0.32 per ordinary share at our Annual General Meeting of Shareholders on 16 May 2019, resulting in a total dividend for 2018 of EUR 0.62."

Intertrust Group Q4 2018 figures

	As reported			Adjusted ¹			Underlying % change ²
	Q4 2018	Q4 2017	% Change	Q4 2018	Q4 2017	% Change	
Revenue (€m)	132.7	127.4	4.1%	132.7	127.4	4.1%	3.3%
EBITA (€m)	46.5	48.2	-3.4%	50.0	51.0	-1.8%	-2.6%
EBITA Margin	35.1%	37.8%	-275bps	37.7%	40.0%	-229bps	-230bps
Net Income (€m)	29.3	29.9	-2.3%	36.2	38.6	-6.1%	
Earnings per share (€) ³	0.33	0.32	3.1%	0.41	0.42	-2.4%	
Cash flow from operating activities (€m)	69.5	48.4	43.7%				

¹ See Reconciliation of performance measures to reported results (see page 10) for further information on Adjusted figures

² Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

³ Average number of shares for Q4 2018: 89,167,939 shares; average for Q4 2017: 91,787,418 shares.

Intertrust Group FY 2018 figures

	As reported			Adjusted ¹			Underlying % change ²
	FY 2018	FY 2017	% Change	FY 2018	FY 2017	% Change	
Revenue (€m)	496.1	485.2	2.2%	496.1	485.2	2.2%	3.5%
EBITA (€m)	172.0	173.8	-1.1%	185.9	185.1	0.4%	1.8%
EBITA Margin	34.7%	35.8%	-115bps	37.5%	38.2%	-69bps	-65bps
Net Income (€m)	89.4	88.7	0.8%	137.7	139.5	-1.3%	
Earnings per share (€) ³	1.00	0.97	2.6%	1.54	1.53	0.7%	
Cash flow from operating activities (€m)	185.0	156.9	17.9%				

¹ See Reconciliation of performance measures to reported results for further information on Adjusted figures

² Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

³ Average number of shares for FY 2018: 89,399,344 shares; average for FY 2017: 91,020,700 shares.

Financial review

Revenue

In Q4 2018, revenue increased 4.1% (+3.3% underlying) to EUR 132.7 million compared to EUR 127.4 million in Q4 2017. Revenue growth was mainly driven by growth in Luxembourg (+15.3% underlying) and Rest of the World (+5.8% underlying). FY 2018 revenue increased 3.5% underlying, exceeding the guidance which was at least 3%. FY 2018 revenue amounted to EUR 496.1 million (FY 2017: EUR 485.2 million).

The table below presents the revenue per client type for the full year 2018. As of Q1 2019 this revenue breakdown will be reported on a quarterly basis.

(EUR million)	FY 2018	
	Revenue	% Revenue
Corporate Services	190.2	38%
Fund Services	166.2	34%
Capital Market Services	63.0	13%
Private Wealth Services	69.7	14%
Other services	6.9	1%
Total Group revenue	496.1	100%

Entity / ARPE development

Gross inflow of entities during FY 2018 was 7,624 and gross outflow was 9,587 resulting in a net outflow of 1,963 entities. The number of entities developed in line with expectations. In Q4 2018 the number of entities remained stable compared to Q4 2017. Total inflow in FY 2018 was 10% higher compared to the inflow in FY 2017. The main reason for outflow in 2018 was end-of-life, with a stronger concentration of outflow in the high volume, lower ARPE jurisdictions. ARPE for FY

2018 increased 6.4% (+7.7% underlying) to EUR 10.2 thousand, driven by the increase of high value entities in Funds and Capital Markets, which are key strategic growth areas.

Adjusted EBITA and adjusted EBITA margin

Adjusted EBITA in Q4 2018 decreased 2.6% underlying to EUR 50.0 million from EUR 51.0 million in Q4 2017. The decrease was due to an increase in HQ costs in Q4 2018 and strong comparables in Q4 2017. In FY 2018 adjusted EBITA increased 1.8% underlying to EUR 185.9 million (FY 2017: EUR 185.1 million). On a full year basis the increase in adjusted EBITA was softened by higher HQ costs.

Adjusted EBITA margin was 37.7% in Q4 2018 compared to a relatively strong adjusted EBITA margin of 40.0% in Q4 2017. In FY 2018 the adjusted EBITA margin was 37.5%, which exceeded our guidance of at least 37% (FY 2017: 38.2%).

Financing and tax expenses

The reported financial result of EUR 32.9 million negative for FY 2018 (FY 2017: EUR 25.9 million negative) included interest expenses of EUR 31.8 million (FY 2017: EUR 27.3 million). The reported financial result on a full year basis included the write-off of capitalised costs (EUR 3.5 million) relating to the previous debt facilities agreement. These costs are one-off items and are excluded in the calculation of adjusted net income. On 14 November 2018 the Company completed a refinancing by replacing its previous debt facilities with EUR 500 million senior unsecured notes and a new senior facilities agreement of approximately EUR 435 million (for more details see [press release of 7 November 2018](#)).

The income tax expenses amounted to EUR 8.4 million in FY 2018 (FY 2017: EUR 18.9 million). The decrease was the result of a change in corporate income tax rate mainly in the Netherlands impacting our deferred tax positions. As a result, the effective tax rate for FY 2018 was 8.6% (FY 2017: 17.6%). Normalising the tax expenses for the impact of the one-off release, the adjusted corporate income tax rate was 18.2%. The benefit of the deferred tax liabilities adjustment is excluded in the calculation of adjusted net income.

Earnings per share (EPS)

(EUR million)	Q4 2018	Q4 2017	FY 2018	FY 2017
Adjusted Net Income	36.2	38.6	137.7	139.5
Average number of shares	89,167,939	91,787,418	89,399,344	91,020,700
Adjusted EPS (€)	0.41	0.42	1.54	1.53

Adjusted EPS in Q4 2018 was EUR 0.41 versus EUR 0.42 in Q4 2017, a decrease of 2.4%, mainly due to higher finance expenses. On a full year basis adjusted EPS amounted to EUR 1.54 compared to EUR 1.53 in FY 2017.

Key performance indicators (KPIs)

	FY 2018	FY 2017	Change
Underlying revenue growth	3.5%	4.4%	
Adjusted EBITA margin	37.5%	38.2%	
FTE (end of period)	2,515	2,468	1.9%
Revenue / Billable FTE (€k, LTM) ¹	264.2	260.4	1.5%
Billable FTE / Total FTE (as %, end of period)	75%	76%	
HQ & IT costs (as % of revenue)	14.2%	12.4%	
Number of entities (000's, end of period)	48.4	50.4	-3.9%
> Regular	23.0	23.5	-2.0%
> High volume, low value (HVLV)	25.4	26.9	-5.6%
ARPE (€k, LTM)	10.2	9.6	6.4%
> Regular	18.4	17.4	5.8%
> High volume, low value (HVLV)	2.9	2.9	-0.1%
Working capital / LTM Revenue (as %)	-3.2%	-0.2%	

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

Underlying revenue growth and adjusted EBITA margin in FY 2018 were slightly higher than the guidance at +3.5% growth and 37.5% respectively. Revenue per billable FTE increased 1.5% to EUR 264.2 thousand in FY 2018. The indicator of

productivity, the ratio of billable FTE / total FTE decreased slightly to 75% compared to 76% in the previous year. Total HQ and IT costs increased from 12.4% to 14.2% of revenue mainly due to higher HQ costs, which is explained on page 8. The focus on working capital paid off in 2018 which was reflected in the strong improvement compared to 2017.

Capital employed

(EUR million)	31.12.2018	30.09.2018	31.12.2017
Acquisition-related intangible assets	1,451.8	1,460.8	1,474.2
Other intangible assets	15.3	13.4	14.8
Property, plant and equipment	14.6	14.3	16.5
Total working capital	(16.0)	5.9	(0.9)
Other assets	3.1	3.9	4.4
Total Capital employed (Operational)	1,468.8	1,498.2	1,509.0
Total equity	718.8	713.9	705.1
Net debt	682.0	701.7	720.7
Provisions, deferred taxes and other liabilities	68.0	82.7	83.2
Total Capital employed (Finance)	1,468.8	1,498.2	1,509.0

Cash flow, working capital and net debt

Net cash flow from operating activities increased 18% from EUR 156.9 million in FY 2017 to EUR 185.0 million in FY 2018, driven by strong working capital management.

Working capital at the end of 2018 amounted to EUR 16.0 million negative versus EUR 0.9 million negative at the end 2017. This strong improvement was mainly driven by an accelerated billing process in Cayman and the implementation of centralised cash collection in the Netherlands, Cayman, Ireland and the UK. More countries will follow in 2019.

Capex¹ for FY 2018 increased to 1.9% of revenue from 1.5% of revenue in FY 2017 and is in line with guidance of around 2% of revenue. This is a result of increased investments in technology.

On 14 November 2018 a refinancing was successfully completed consisting of the following components:

(in million)	Currency	Amount	Year of maturity	Initial interest rate
Senior Notes	EUR	500	2025	3.375%
Facility A1	USD	200	2023	Libor + 2.25%
Facility A2	GBP	100	2023	Libor + 2.25%
Revolving credit facility	Multicurrency	150 ¹	2023	Libor + 1.85%

¹ The facility size amounts to EUR 150 m

As a result of the new capital structure the Company has diversified its sources of financing, extended the debt maturity profile, increased liquidity and improved the currency mix.

Net debt decreased to EUR 682.0 million at the end of 2018 (from EUR 701.7 million at the end of Q3 2018) as a result of strong working capital management, partly offset by the interim dividend payment of EUR 26.8 million in November. The leverage ratio, as defined in the senior facilities agreement, decreased to 3.38x (end 2018) from 3.48x (end Q3 2018), well within our bank covenant of 4.50x. As a result the margins will be reduced to 2.00% for facility A1 and A2 and 1.60% for the revolving credit facility as per February 2019.

¹ Investments in property, plant, equipment and other intangible assets not related to acquisitions.

Performance in key jurisdictions

Figures presented in EUR million tables are calculated before roundings.

The Netherlands

23% of FY 2018 Group revenue

<i>The Netherlands</i>	Q4 2018	Q4 2017	% Change	Underlying % change ¹	FY 2018	FY 2017	% Change	Underlying % change ¹
Revenue (€m)	30.6	31.3	-2.0%	-2.0%	115.7	117.2	-1.2%	-1.2%
Adjusted EBITA (€m)	18.4	19.2	-4.1%	-4.1%	69.8	72.0	-3.0%	-3.0%
Adjusted EBITA Margin	60.0%	61.3%	-129bps		60.3%	61.4%	-108bps	
Average number of FTEs					440	437	0.8%	
Number of entities (000's, end of period)					3.5	3.9	-12.4%	
ARPE (€k, annualised)					33.5	29.7	12.7%	12.7%
Revenue/avg FTE (€k, annualised)					262.9	268.2	-2.0%	

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

In Q4 2018 revenue decreased 2.0% to EUR 30.6 million from EUR 31.3 million in Q4 2017. The decrease compared to Q4 2017 is partly explained by the strong quarter last year and by continued challenging market conditions. On a full year basis revenue amounted to EUR 115.7 million, a decrease of 1.2% compared to EUR 117.2 million in the previous year. Despite challenging market conditions Intertrust Netherlands continued to increase its market share for the second consecutive year.

Adjusted EBITA in Q4 2018 was EUR 18.4 million compared to EUR 19.2 million in Q4 2017, a decrease of 4.1%. For FY 2018 adjusted EBITA declined 3.0% to EUR 69.8 million. The decrease in the quarter and on a full year basis was mainly driven by lower operating leverage, one-off severance costs and additional costs spent on setting up new services. Adjusted EBITA margin was 60.0% in Q4 2018 (Q4 2017: 61.3%) and amounted to 60.3% for the full year (FY 2017: 61.4%).

The number of entities declined in line with expectations from 3.9 thousand at year-end 2017 to 3.5 thousand at the end of 2018 mainly due to end-of-life. Total inflow in FY 2018 was 3% higher compared to the inflow in FY 2017. In Q4 2018 the number of entities remained stable. ARPE increased 12.7% to EUR 33.5 thousand per entity in FY 2018 (FY 2017: EUR 29.7 thousand).

Following the new reporting structure, as announced on 14 January 2019, Managing Director Intertrust Netherlands, Sara Douwes, has decided to step down. We have appointed Andrew O'Shea as her successor subject to regulatory approval. Andrew joined Intertrust Luxembourg in 2011 and was member of the Luxembourg management team. As of 2016, he worked at Intertrust Ireland as Global Head of Key Clients and, most recently, he was managing director on an interim basis at Intertrust Guernsey.

Luxembourg

22% of FY 2018 Group revenue

Luxembourg	Q4 2018	Q4 2017	% Change	Underlying % change ¹	FY 2018	FY 2017	% Change	Underlying % change ¹
Revenue (€m)	29.3	25.4	15.3%	15.3%	109.1	97.1	12.4%	12.4%
Adjusted EBITA (€m)	17.5	13.5	29.6%	29.6%	62.7	51.4	22.1%	22.1%
Adjusted EBITA Margin	59.8%	53.2%	661bps		57.5%	52.9%	459bps	
Average number of FTEs					466	454	2.6%	
Number of entities (000's, end of period)					2.8	2.8	-1.7%	
ARPE (€k, annualised)					39.1	34.2	14.3%	14.3%
Revenue/avg FTE (€k, annualised)					234.0	213.7	9.5%	

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

Revenue increased 15.3% to EUR 29.3 million in the quarter (Q4 2017: EUR 25.4 million). In FY 2018 revenue was EUR 109.1 million, an increase of 12.4% compared to EUR 97.1 million in FY 2017, which was the result of strong performance in Fund and Capital Market Services and increased client activity levels. Growth in Luxembourg came both from existing clients and new client wins. The funds market in Luxembourg is driven by the global trend to base alternative funds in well-regulated onshore jurisdictions.

On the back of strong operating leverage, adjusted EBITA for the quarter was EUR 17.5 million, a significant increase of 29.6% compared to the same quarter last year (Q4 2017: EUR 13.5 million). In FY 2018, adjusted EBITA increased 22.1% to EUR 62.7 million (FY 2017: EUR 51.4 million).

Adjusted EBITA margin amounted to 59.8% in Q4 2018 (+661bps year-on-year). FY 2018 adjusted EBITA margin increased 459bps to 57.5% (FY 2017: 52.9%).

The number of entities remained stable at 2.8 thousand at the end of 2018 and 2017. In 2018 the inflow of entities increased 19% compared to 2017. ARPE increased 14.3% to EUR 39.1 thousand in FY 2018 (FY 2017: EUR 34.2 thousand) which was driven by an increase in specialised services.

Americas

17% of FY 2018 Group revenue

Americas	Q4 2018	Q4 2017	% Change	Underlying % change ¹	FY 2018	FY 2017	% Change	Underlying % change ¹
Revenue (€m)	23.4	24.1	-2.7%	-4.7%	84.4	89.2	-5.4%	-1.0%
Adjusted EBITA (€m)	12.7	13.8	-7.9%	-9.6%	45.7	46.4	-1.5%	2.8%
Adjusted EBITA Margin	54.3%	57.4%	-310bps		54.1%	52.0%	210bps	
Average number of FTEs					262	288	-9.2%	
Number of entities (000's, end of period)					26.7	27.7	-3.4%	
ARPE (€k, annualised)					3.2	3.2	-2.1%	2.4%
Revenue/avg FTE (€k, annualised)					322.4	309.3	4.2%	

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

Revenue decreased 4.7% on an underlying basis in Q4 2018 to EUR 23.4 million on the back of a strong Q4 2017. The strong Q4 2017 revenue was attributable to the one-time set up fees for UBO reporting following the implementation of the AML Directive. Revenue in Q4 2018 increased 9.3% compared to Q3 2018. FY 2018 revenue amounted to EUR 84.4 million, a decrease of 1.0% underlying compared to EUR 89.2 million in FY 2017.

In Q4 2018 adjusted EBITA decreased 9.6% underlying to EUR 12.7 million (Q4 2017: EUR 13.8 million) mainly as a result of investments in business development resources and expansion of our capabilities in Delaware including a limited trust

license. In FY 2018, adjusted EBITA increased 2.8% to EUR 45.7 million as a result of stricter cost management and improved efficiency in processes. This highlights the trend towards improved performance in this segment. Adjusted EBITA margin was 54.3% in Q4 2018 (Q4 2017: 57.4%), a decrease of 310bps. In FY 2018 the adjusted EBITA margin increased 210bps to 54.1% compared to 52.0% in FY 2017.

The number of entities decreased 3.4% to 26.7 thousand at the end of 2018 compared to 27.7 thousand entities at year-end 2017. The decrease was mainly in Cayman due to end-of life, competitive losses and administrative clean-up which, as previously reported, was completed in the first half of the year. In Q4 2018 the number of entities remained stable in Cayman. ARPE increased 2.4% in FY 2018 on an underlying basis to EUR 3.2 thousand (FY 2017: EUR 3.2 thousand).

Jersey

12% of FY 2018 Group revenue

Jersey	Q4 2018	Q4 2017	% Change	Underlying % change ¹	FY 2018	FY 2017	% Change	Underlying % change ¹
Revenue (€m)	14.7	14.4	2.0%	1.9%	57.9	58.5	-1.1%	-0.2%
Adjusted EBITA (€m)	7.6	7.3	4.2%	4.1%	29.2	30.0	-2.7%	-1.8%
Adjusted EBITA Margin	51.7%	50.6%	113bps		50.4%	51.2%	-82bps	
Average number of FTEs					315	339	-7.3%	
Number of entities (000's, end of period)					3.7	4.3	-13.6%	
ARPE (€k, annualised)					15.6	13.6	14.4%	15.4%
Revenue/avg FTE (€k, annualised)					183.9	172.3	6.7%	

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

Revenue in Q4 2018 increased 1.9% on an underlying basis to EUR 14.7 million from EUR 14.4 million in Q4 2017. On a full year basis revenue was slightly lower at EUR 57.9 million compared to EUR 58.5 million in FY 2017 (-0.2% underlying). A large family office decided to insource in Q2 2018 which impacted the revenue development in Private Wealth Services. Eliminating this specific case, Private Wealth grew by approximately 2.9% in local currency in FY 2018. All service lines performed in line with expectations throughout the year. The challenging market circumstances, driven by uncertainties surrounding Brexit, had an impact on client activity levels in Jersey. We expect this to continue until the UK and EU can provide more clarity on the outcome.

Adjusted EBITA increased 4.1% on an underlying basis from EUR 7.3 million in Q4 2017 to EUR 7.6 million in Q4 2018. This was mainly the result of lower staff expenses. In FY 2018 adjusted EBITA decreased 1.8% to EUR 29.2 million (FY 2017: EUR 30.0 million). Adjusted EBITA margin amounted to 51.7% in Q4 2018, up 113 bps compared to Q4 2017. FY 2018 adjusted EBITA margin decreased 82bps to 50.4%.

The number of entities decreased from 4.3 thousand at the end of 2017 to 3.7 thousand at the end of 2018, mainly due to insourcing of a large Private Wealth client and an administrative clean-up which was, as previously reported, completed in the first half of the year. In Q4 2018 the number of entities remained stable. ARPE increased 15.4% underlying from EUR 13.6 thousand in FY 2017 to EUR 15.6 thousand in FY 2018.

Rest of the World (ROW)

26% of FY 2018 Group revenue

<i>Rest of the World</i>	Q4 2018	Q4 2017	% Change	Underlying % change ¹	FY 2018	FY 2017	% Change	Underlying % change ¹
Revenue (€m)	34.7	32.3	7.4%	5.8%	128.9	123.2	4.6%	6.0%
Adjusted EBITA (€m)	13.6	13.3	2.0%	0.4%	48.8	45.4	7.5%	8.6%
<i>Adjusted EBITA Margin</i>	39.3%	41.3%	-208bps		37.9%	36.9%	102bps	
Average number of FTEs					810	753	7.6%	
Number of entities (000's, end of period)					11.7	11.9	-1.7%	
ARPE (€k, annualised)					11.0	10.3	6.4%	7.8%
Revenue/avg FTE (€k, annualised)					159.2	163.7	-2.7%	

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

In ROW revenue in Q4 2018 was EUR 34.7 million (Q4 2017: 32.3 million), an underlying increase of 5.8%. The growth was mainly in APAC (Australia, Hong Kong and Singapore), the Nordics and Spain. Revenue increased 6.0% from EUR 123.2 million in FY 2017 to EUR 128.9 million in FY 2018 largely driven by support for operational businesses with our local expert administrative services. In July 2018 Intertrust expanded into Australia via the acquisition of Seed Outsourcing which is successfully contributing to the growth in the ROW segment.

Adjusted EBITA in Q4 2018 increased 0.4% to EUR 13.6 million (Q4 2017: EUR 13.3 million) and trailed revenue development, largely as a result of investments in business development capabilities which will benefit the business going forward. In FY 2018, adjusted EBITA amounted to EUR 48.8 million, an increase of 8.6%. The increase was primarily driven by operating leverage in APAC, the Nordics and Spain. Adjusted EBITA margin amounted to 39.3% in Q4 2018 compared to 41.3% in Q4 2017. Adjusted EBITA margin was 37.9% in FY 2018 (+102bps) compared to 36.9% in FY 2017.

During FY 2018, the number of entities decreased 1.7% to 11.7 thousand (FY 2017: 11.9 thousand entities). The increase in ARPE of 7.8% underlying to EUR 11.0 thousand in FY 2018 was driven by more specialised services as a result of increased regulatory and compliance requirements.

Group HQ & IT costs

(EUR million)	Q4 2018	Q4 2017	FY 2018	FY 2017
Group HQ costs ¹	(10.1)	(7.7)	(34.2)	(26.3)
IT costs	(9.7)	(8.5)	(36.2)	(33.7)
Total Group HQ and IT costs	(19.8)	(16.2)	(70.4)	(60.0)
<i>As % of Revenue</i>	14.9%	12.7%	14.2%	12.4%

¹ As a result of the new segmentation, the North America HQ costs have been moved to the Americas segment EUR 0.8 m in Q4 2017, EUR 3.2 m in FY 2017

As previously communicated, HQ costs continued to increase in FY 2018, mainly due to higher staff expenses and Long Term Incentive Plan (LTIP) costs. Additionally, the implementation of GDPR resulted in higher one-off professional fees in the first half of 2018. In Q4 expenses increased further as a result of a catch-up in compensation related accruals, but have now reached a stable run rate level. The upgrade of the central functions has been completed and there are no further HQ expense increases anticipated. Quarterly HQ expenses excluding one-off items are expected to be in the range of EUR 8.5 - 9.0 million going forward.

The increase in IT costs in FY 2018 was mainly driven by the initiation of new projects during the year, which are a key part of our strategy to become tech-enabled. This included the set-up of the new client portal - which was successfully launched in January 2019 - and the implementation of the virtual boardroom, an enhanced payment hub and the continued execution of our IT roadmap. This roadmap, consisting of integration, workspace, cloud services, and network upgrades, continues to be on track for delivery in 2019.

Guidance 2019

Guidance for 2019 is reiterated:

- Underlying revenue growth of 3-5%.
- Adjusted EBITA margin of at least 36%.
- Capex around 2% of revenue.
- Effective tax rate of approximately 19%.
- Dividend policy at least 40% of adjusted net income.
- Target leverage of around 3x.

Subsequent events

On 14 January 2019 Intertrust announced it will simplify its organisational structure by replacing its current geographical setup of five segments with three segments. As of Q1 2019, the Company will report on:

- Western Europe (Belgium, Germany, Luxembourg, Netherlands and Switzerland)
- Americas (Bahamas, Brazil, BVI, Canada, Cayman Islands, Curacao and USA)
- Rest of the World (Asia Pacific (Australia, China, Hong Kong, Japan and Singapore); and Northern and Southern Europe (Cyprus, Denmark, Finland, Guernsey, Ireland, Jersey, Norway, Spain, Sweden, Turkey, UAE and UK)

Explanatory tables

Figures presented in EUR million tables are calculated before roundings.

Segmentation change reconciliation

(EUR million)	Q4				FY			
	2017 presented in 2018		2017		2017 presented in 2018		2017	
	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue
Netherlands	31.3	25%	31.3	25%	117.2	24%	117.2	24%
Luxembourg	25.4	20%	25.4	20%	97.1	20%	97.1	20%
Americas	24.1	19%	-	n.a.	89.2	18%	-	n.a.
Cayman	-	n.a.	18.7	15%	-	n.a.	68.9	14%
Jersey	14.4	11%	14.4	11%	58.5	12%	58.5	12%
Rest of the World	32.3	25%	37.7	30%	123.2	25%	143.6	30%
Segment Revenue	127.4	100%	127.4	100%	485.2	100%	485.2	100%

(EUR million)	Q4				FY			
	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	19.2	38%	19.2	38%	72.0	39%	72.0	39%
Luxembourg	13.5	27%	13.5	27%	51.4	28%	51.4	28%
Americas	13.8	27%	-	n.a.	46.4	25%	-	n.a.
Cayman	-	n.a.	11.9	23%	-	n.a.	40.6	22%
Jersey	7.3	14%	7.3	14%	30.0	16%	30.0	16%
Rest of the World	13.3	26%	16.0	31%	45.4	25%	54.4	29%
Group HQ and IT costs ¹	(16.2)	-32%	(17.0)	-33%	(60.0)	-32%	(63.3)	-34%
Segment Adjusted EBITA	51.0	100%	51.0	100%	185.1	100%	185.1	100%

¹ Group HQ and IT costs are not allocated by operating segment.

Reconciliation of performance measures to reported results

(EUR million)	Q4 2018	Q4 2017	FY 2018	FY 2017
Profit/(loss) from operating activities	36.0	38.0	130.7	132.8
Amortisation of acquisition-related intangible assets	10.5	10.2	41.3	41.0
Specific items – Transaction costs	-	-	0.1	0.1
Specific items – Integration and transformation costs	3.3	2.0	12.5	7.8
Specific items – Share-based payment upon IPO	0.2	0.4	1.1	2.1
Specific items – Share-based payment upon integration	0.1	0.1	0.2	1.1
Specific items – Other items	0.0	0.3	0.0	0.3
Adjusted EBITA	50.0	51.0	185.9	185.1

Adjusted EBITA is defined as EBITA before specific items. Specific items are income and expense items that, based on their size or nature, should be separately presented to provide further understanding on financial performance. Specific items are not of an operational nature and do not represent core recurring operating results. The one-off expenses are related to redundancies, legal costs and settlement fees. The Company uses adjusted EBITA to analyse the operational performance of the company and its reportable segments.

(EUR million)	Q4 2018	Q4 2017	FY 2018	FY 2017
Adjusted EBITA	50.0	51.0	185.9	185.1
Net finance costs (adjusted) – excluding net foreign exchange loss ¹	(8.3)	(7.0)	(29.5)	(27.8)
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)	0.0	0.9	0.1	0.7
Income tax (adjusted)	(5.5)	(6.3)	(18.7)	(18.5)
Adjusted Net income	36.2	38.6	137.7	139.5

¹ Foreign exchange gain/(loss) for Q4 2018 was EUR 0.1 m, FY 2018 was EUR 0.2 m; Q4 2017: (EUR 0.7 m), FY 2017: EUR 1.9 m

Adjusted Net Income equals adjusted EBITA minus Net finance costs, minus share of Profit & Loss from equity-accounted investees and minus Income tax. The Finance costs exclude the foreign exchange gains and losses and is adjusted for the write-off of capitalised finance costs. Income tax is adjusted for any tax related to the pre-IPO period as well as the impact of tax rate changes.

Tax reconciliation

(EUR million)	FY 2018		FY 2017		Change
Profit before income tax		97.8		107.6	(9.8)
Income tax using the Company's domestic tax rate	25.0%	(24.4)	25.0%	(26.9)	2.4
Effect of tax rates in foreign jurisdictions		9.0		10.4	(1.5)
Effect of tax rate changes on deferred tax		9.3		-	9.3
Effect of non-taxable and deferred items		(2.0)		(3.6)	1.6
Effect of prior year adjustments		(0.3)		1.1	(1.4)
Income tax	8.6%	(8.4)	17.6%	(18.9)	-897bps
<i>Of which:</i>					
Current tax expense	22.1%	(21.6)	22.7%	(24.4)	2.8
Deferred tax income	-13.5%	13.2	-5.1%	5.5	7.6

The effect of tax rate changes was largely due to a decrease in corporate income tax rate in the Netherlands impacting our deferred tax position. The adjusted effective tax rate, excluding the impact of the changes in the tax rate, was 18.2%.

Additional information

Financial calendar 2019

Date	Event
15 February	Annual Report 2018
25 April	Q1 2019 trading update
16 May	Annual General Meeting
20 May	Ex-dividend date
21 May	Dividend record date
7 June	Dividend payment date
1 August	Q2/H1 2019 results
31 October	Q3 2019 trading update

Analyst call / webcast

Today, Intertrust's CEO Stephanie Miller and CFO Hans Turkesteen will hold an analyst call at 13:00 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 is a global leader in providing expert administrative services to clients operating and investing in the international business environment. The Company has more than 2,500 employees across 41 offices and 29 jurisdictions in Europe, the Americas, Asia Pacific and the Middle-East. Intertrust has leading market positions in selected key financial markets, including the Netherlands, Luxembourg, Jersey and the Americas. Intertrust delivers high-quality, tailored corporate, fund, 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 information in this press release is unaudited.

The condensed consolidated financial statements are presented in euro (€) and all values are rounded to the nearest million unless otherwise stated. As a consequence, rounded amounts may not add up to the rounded total in all cases.

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

Appendix

Intertrust N.V. - unaudited consolidated financial statements for the full year ended 31 December 2018.

2017 Audited financial statements were included in the Annual Report 2017, available on the Company website.

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Consolidated statement of profit or loss

(EUR 000)	Q4		FY	
	2018	2017	2018	2017
Revenue	132,688	127,414	496,056	485,216
Staff expenses	(58,950)	(54,017)	(223,559)	(214,501)
Rental expenses	(6,162)	(6,274)	(24,309)	(24,155)
Other operating expenses	(18,266)	(16,146)	(65,179)	(61,950)
Other operating income	-	19	51	219
Depreciation and amortisation of other intangible assets	(2,795)	(2,830)	(11,096)	(11,019)
Amortisation of acquisition-related intangible assets	(10,504)	(10,184)	(41,309)	(41,029)
Profit/(loss) from operating activities	36,011	37,982	130,655	132,781
Financial income	143	2,184	387	2,193
Financial expense	(11,710)	(9,896)	(33,321)	(28,089)
Financial result	(11,567)	(7,712)	(32,934)	(25,896)
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)	19	880	78	689
Profit/(loss) before income tax	24,463	31,150	97,799	107,574
Income tax	4,800	(1,213)	(8,408)	(18,893)
Profit/(loss) after tax	29,263	29,937	89,391	88,681
Profit/(loss) for the year after tax attributable to:				
Owners of the Company	29,254	29,649	89,362	88,324
Non-controlling interests	9	288	29	357
Profit/(loss)	29,263	29,937	89,391	88,681
Basic earnings per share (EUR)	0.33	0.32	1.00	0.97
Diluted earnings per share (EUR)	0.32	0.32	0.99	0.94

Consolidated statement of comprehensive income

(EUR 000)	Q4		FY	
	2018	2017	2018	2017
Profit/(loss) after tax	29,263	29,937	89,391	88,681
Actuarial gains and losses on defined benefit plans	402	(393)	843	(245)
Income tax on actuarial gains and losses on defined benefit plans	-	-	154	-
Items that will never be reclassified to profit or loss	402	(393)	997	(245)
Foreign currency translation differences - foreign operations	1,414	(5,461)	11,595	(49,072)
Movement on cash flow hedges in other comprehensive income	(1,167)	236	(525)	1,040
Income tax on movement on cash flow hedges in other comprehensive income	291	286	132	(261)
Items that are or may be reclassified to profit or loss	538	(4,939)	11,202	(48,293)
Other comprehensive income/(loss) for the year, net of tax	940	(5,332)	12,199	(48,538)
Total comprehensive income/(loss) for the year	30,203	24,605	101,590	40,143
<i>Total comprehensive income/(loss) for the year attributable to:</i>				
Owners of the Company	30,194	24,317	101,558	39,794
Non-controlling interests	9	288	32	349
Total comprehensive income/(loss) for the year	30,203	24,605	101,590	40,143

Quarterly figures 2017 and 2018 and full year 2018 are neither audited, nor reviewed.

Consolidated statement of financial position

(EUR 000)	31.12.2018	31.12.2017
Assets		
Property, plant and equipment	14,580	16,470
Other intangible assets	15,289	14,849
Acquisition-related intangible assets	1,451,836	1,474,188
Investments in equity-accounted investees	149	196
Other non current financial assets	2,404	3,368
Deferred tax assets	2,159	1,357
Non-current assets	1,486,417	1,510,428
Trade receivables	90,478	103,103
Other receivables	18,422	18,937
Work in progress	34,228	33,078
Current tax assets	4,836	614
Other current financial assets	521	857
Prepayments	8,233	9,058
Cash and cash equivalents	127,803	66,620
Current assets	284,521	232,267
Total assets	1,770,938	1,742,695
Equity		
Share capital	53,853	55,200
Share premium	630,441	630,441
Reserves	(39,294)	(56,308)
Retained earnings	73,546	75,585
Equity attributable to owners of the Company	718,546	704,918
Non-controlling interests	257	225
Total equity	718,803	705,143
Liabilities		
Loans and borrowings	774,927	770,367
Other non current financial liabilities	3,664	2,216
Employee benefits liabilities	929	1,963
Deferred income	5,362	5,750
Provisions	699	579
Deferred tax liabilities	69,330	80,405
Non-current liabilities	854,911	861,280
Loans and borrowings	2,433	375
Other current financial liabilities	1,555	5,000
Deferred income	68,251	62,602
Provisions	4,125	497
Current tax liabilities	31,478	34,400
Trade payables	8,375	6,625
Other payables	81,007	66,773
Current liabilities	197,224	176,272
Total liabilities	1,052,135	1,037,552
Total equity and liabilities	1,770,938	1,742,695

Quarterly figures 2017 and 2018 and full year 2018 are neither audited, nor reviewed.

Consolidated statement of changes in equity

(EUR 000)	For the period ended 31 December 2018									
	Attributable to owners of the Company									
	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)	-	-	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 interest	(1,347)	-	(34,542)	-	-	35,889	-	-	-	-
Total transactions with owners of the Company	(1,347)	-	(91,196)	-	-	5,815	-	(86,728)	-	(86,728)
IFRS 9 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

(EUR 000)	For the period ended 31 December 2017									
	Attributable to owners of the Company									
	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)	-	-	88,324	-	-	-	-	88,324	357	88,681
Other comprehensive income/(loss) for the year, net of tax	-	-	(245)	(49,064)	779	-	-	(48,530)	(8)	(48,538)
Total comprehensive income/(loss) for the year	-	-	88,079	(49,064)	779	-	-	39,794	349	40,143
<i>Contributions and distributions</i>										
Equity-settled share based payment	-	-	5,142	-	-	-	-	5,142	-	5,142
Deferred consideration delivered	-	-	2,556	-	-	33,056	(35,612)	-	-	-
Purchase of treasury shares	-	-	-	-	-	(47,995)	-	(47,995)	-	(47,995)
Treasury shares delivered	-	-	(689)	-	-	689	-	-	-	-
Dividend paid	-	-	(48,290)	-	-	-	(506)	(48,796)	(54)	(48,850)
Total contributions and distributions	-	-	(41,281)	-	-	(14,250)	(36,118)	(91,649)	(54)	(91,703)
<i>Changes in ownership interests</i>										
Changes in non-controlling interest	-	-	150	-	-	-	-	150	(250)	(100)
Acquisition of subsidiary with non-controlling interest	-	-	(1,250)	-	-	-	-	(1,250)	(1,750)	(3,000)
Total changes in ownership interest	-	-	(1,100)	-	-	-	-	(1,100)	(2,000)	(3,100)
Total transactions with owners of the Company	-	-	(42,381)	-	-	(14,250)	(36,118)	(92,749)	(2,054)	(94,803)
Balance at 31 December 2017	55,200	630,441	75,585	(41,437)	(545)	(14,326)	-	704,918	225	705,143

Quarterly figures 2017 and 2018 and full year 2018 are neither audited, nor reviewed.

Consolidated statement of cash flows

(EUR 000)	Q4		FY	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit/(loss) for the period	29,263	29,937	89,391	88,681
<i>Adjustments for:</i>				
Income tax expense	(4,800)	1,213	8,408	18,893
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)	(19)	(880)	(78)	(689)
Financial result	11,567	7,712	32,934	25,896
Depreciation and amortisation of other intangible assets	2,795	2,830	11,096	11,019
Amortisation of acquisition-related intangible assets	10,504	10,184	41,309	41,029
(Gain)/loss on sale of non-current assets	(28)	63	33	61
Other non cash items	2,367	514	5,495	4,171
	51,649	51,573	188,588	189,061
<i>Changes in:</i>				
(Increase)/decrease in trade working capital ¹	14,709	(9,619)	19,041	(21,451)
(Increase)/decrease in other working capital ²	9,545	10,437	3,271	3,150
(Decrease)/increase in provisions	(246)	264	3,743	(2,155)
Changes in foreign currency	(696)	282	(967)	1,625
	74,961	52,937	213,676	170,230
Income tax paid	(5,487)	(4,581)	(28,698)	(13,296)
Net cash from/(used in) operating activities	69,474	48,356	184,978	156,934
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	-	1	11	10
Proceeds from sale of Investments	-	1,589	-	1,589
Purchase of property, plant & equipment	(1,593)	(110)	(3,291)	(2,498)
Purchase of intangible assets	(3,378)	(2,667)	(6,275)	(5,791)
Acquisitions, net of cash acquired	(706)	(144)	(6,611)	(7,652)
(Increase)/decrease in other financial assets	799	628	1,670	1,469
Dividends received	-	2	75	55
Interest received	78	34	322	43
Net cash from/(used in) investing activities	(4,800)	(667)	(14,099)	(12,775)
Cash flows from financing activities				
Proceeds from issue of share capital	-	25	-	-
Proceeds from bank borrowings	789,802	(719)	789,802	-
Repayment of loans and borrowings banks	(782,906)	-	(782,906)	(18,000)
Interest and other finance expenses paid	(4,729)	(5,853)	(23,347)	(23,212)
Payment of financing costs	(13,102)	(25)	(13,216)	(100)
Dividends paid	(26,770)	(25,756)	(56,171)	(48,290)
Dividends paid to non-controlling interest	-	-	-	(54)
Acquisition of treasury shares	-	(12,998)	(37,040)	(46,966)
Interest rate hedge settlement	(330)	-	(330)	-
Net cash from/(used in) financing activities	(38,035)	(45,326)	(123,208)	(136,622)
Net increase/(decrease) in cash	26,639	2,363	47,671	7,537
Cash attributable to the Company at the beginning of the period	78,150	54,860	56,157	51,733
Effect of exchange rate fluctuations on cash attributable to the Company	716	(1,066)	1,677	(3,113)
Cash attributable to the Company at the end of the period	105,505	56,157	105,505	56,157
Cash held on behalf of clients at the end of the period	22,298	10,463	22,298	10,463
Cash and cash equivalents at the end of the period	127,803	66,620	127,803	66,620

¹ Trade Working capital is defined by the net (increase)/decrease in Trade receivables, Work in progress, Trade payables and Deferred income

² 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 2017 and 2018 and full year 2018 are neither audited, nor reviewed.