Intertrust Sees Solid Performance in Q1

and expects Full Year 2016 Adjusted net income per share of at least €1.30

Intertrust N.V. Q1 2016 results

Amsterdam, April 21, 2016, Intertrust N.V. ("Intertrust" or "Company") [ticker symbol INTER] a leading global provider of high-value trust and corporate services, today announces its operating results for the three months ended March 31, 2016.

Presentation of financial and other information

Financials are presented on adjusted basis before specific items and one-off revenues/expenses. Year-to-date (YTD) financial information represents unaudited financial information for the three months ended March 31, 2016.

	Q1 2016	**Q1 2015**	**% Change (reported)**	**% Change (Proforma and CC[10])**
Adjusted revenue[1] (€m)	87.9	81.6	7.7%	3.8%
Adjusted EBITA[1] (€m)	36.0	33.7	6.8%	4.5%
Adjusted EBITA[1] margin	40.9%	41.3%	-34.6bps	+24.8bps
Operating free cash flow[2] (€m)	36.5	34.7		
Cash conversion ratio including strategic capital expenditure (%)[3]	94.7%	93.4%		
Cash conversion ratio excluding strategic capital expenditure (%)[4]	96.3%	98.1%		
Adjusted net income	25.5	na		
Adjusted net income per share (€)[5]	0.30	na		
Profit (loss) after income tax	15.9	3.0		
No. of entities[6] (000's)	39.2	40.9	-4.1%	
Average Adjusted revenue per entity (ARPE) [7] (€k)	9.0	8.0		
No. of full-time equivalents (FTEs)[6]	1,737.4	1,568.5	10.8%	
Adjusted revenue[1] per FTE[6,7] (€k)	202.3	208.1		
Total net debt[8]	415.3	na		
Net debt leverage ratio[9]	2.75	na		

1. Adjusted financial information before specific items and one-off revenues/expenses. 2016 figures include CorpNordic acquisition
2. Defined as Adjusted EBITDA – Maintenance capex
3. Defined as Adjusted EBITDA less capital expenditure, including strategic capital expenditures/ Adjusted EBITDA
4. Defined as (Adjusted EBITDA less capital expenditure, excluding strategic capital expenditures) / Adjusted EBITDA
5. Adjusted Net Income per share is calculated as Quarterly Adjusted EBITA less net interest costs and less tax costs calculated at the applicable effective tax rate divided by the number of shares (85,221,614) outstanding as of March 31, 2016
6. As of March 31, 2016 and March 31, 2015 respectively
7. Annualised numbers based on Adjusted revenue before specific items and one-off revenue/expenses
8. Net debt at the end of March 2106 at closing rate
9. Net debt leverage ratio is defined as Total net debt divided by the last twelve months Adjusted Proforma EBITDA (Adjusted EBITDA including Adjusted EBITDA of CorpNordic April to June 2015 and full year run rate of synergies)
10. Proforma including CorpNordic contribution for the period January to March 2015. CC defined as constant currency

Financial highlights Q1 2016 versus Q1 2015

- Adjusted revenue for the quarter increased by 7.7% to €87.9 million (Q1 2015: €81.6 million). On a constant currency basis, our Adjusted revenues grew by 7.7%. Revenue growth continues to be driven by our ARPE growth whilst the number of entities declined. The number of entities decreased mainly due to low ARPE structures exiting in Cayman. Including the contribution of CorpNordic for the first 3 months in 2015, Adjusted revenues grew on a like-for-like pro forma basis by 3.8%. The growth in revenues was impacted by approx. €0.8 million by less available billable hours, due to amongst others training and timing of holidays.
- Adjusted EBITA for the quarter increased by 6.8% to €36.0 million (Q1 2015: €33.7 million). On a constant currency basis, our Adjusted EBITA increased by 6.5%. Including the proforma contribution of CorpNordic for the first 3 months in 2015, our Adjusted EBITA grew by 4.5%. The year-on-year profitability improvement in Q1 is attributable to the revenue growth while strictly monitoring our expenses.
- Adjusted EBITA margin was 40.9% vs. 41.3% for Q1 2015, a reduction of 34.6 bps partially driven by the incorporation of the lower margin CorpNordic acquisition. Including the proforma contribution of CorpNordic for the first three months in 2015, the margin improved by 24.8 bps from 40.6% in Q1 2015 to 40.9% in Q1 2016.
- Total capital expenditure for the quarter was €2.0 million (Q1 2015: €2.3 million); €0.6 million (Q1 2015 €1.7 million) of which represented one-off strategic capital expenditure resulting from the implementation of the Business Application Roadmap, a company-wide standard software application platform. Increase in maintenance capex versus previous year was driven by timing of hardware replacement and the initial phases of the implementation to outsource the datacentres.
- Q1 2016 cash conversion ratio excluding strategic capital expenditures was 96.3% (YTD 31 March 2015: 98.1%), slightly below last year due to timing of maintenance capex.
- YTD annualised ARPE increased by 12.3% to €9.0 thousand (YTD March 31, 2015: €8.0 thousand). We continue to see additional hours per entity due to more complex structures, regulatory reporting requirements and our focus on higher value-added entities. In addition, increased ARPE was partially driven by the outflow of lower valued registered office entities in Cayman.
- As of Q1 2016, we had 39,227 entities, a net outflow of 1,684 entities over the last twelve months mainly due to the re-entry of a competitor in Cayman (2,370 entities lost of which 1,026 in 2016), partially compensated by the increase of entities due to the CorpNordic acquisition.
- A net increase of 169 FTEs over the last twelve months period ended in March 2015 was due to the increase in billable FTEs (135 FTEs, of which 58 FTEs from the CorpNordic acquisition) mainly in the Netherlands and Luxembourg to support business growth and the increase in non-billable staff (34 FTEs, of which 13 FTEs from the CorpNordic acquisition and 15 IT FTEs to support IT initiatives). During Q1 2016, the number of FTEs increased by 23 FTEs (19 billable FTEs and 4 non-billable FTEs).
- YTD annualised Adjusted revenue per FTE decreased by 2.8% to €202.3 thousand (YTD March 31, 2015: €208.1 thousand) due to lower amount of available billable hours in Q1 this year.
- Reported Profit after tax for the quarter was €15.9 million compared to €3.0 million in Q1 2015. The increase in Q1 2016 was primarily driven by increased EBITA and by significant reduction of net finance costs.

Adjusted net income and Adjusted net income per share

- Our Adjusted net income for Q1 2016 was €25.5 million. Adjusted net income is defined as Adjusted EBITA less net interest costs and less tax costs calculated at the applicable effective tax rate.
- Our Adjusted net income per share for the quarter was €0.30 per share.

Operational highlights Q1 2016

- Opening of Sales office in Chicago in January 2016 in line with strategy of proximity to our clients.
- CorpNordic operational integration is completed and realisation of annualised synergies in excess of €900 thousand is on track.
- Rest of World saw strong revenue growth in particular, Singapore, Spain, the UK and Ireland, combined with attractive ARPE growth. Ireland AIFMD ManCo services signed-on launching customers for five funds.
- Completed roll-out of the Business Application Roadmap IT project.

Outlook

- Intertrust expects Adjusted net income per share for the full year 2016 to be a minimum of €1.30.
- Interest costs for full year 2016 are expected to be €18.7 million of which €3.7 million is related to the amortisation of financing fees (non-cash).
- Intertrust is keeping cash on its balance sheet to maintain flexibility for acquisitions.
- Previous guidance is reconfirmed:
  - For the medium term, management aspires to organic revenue growth slightly exceeding market growth, which is estimated to be 5% CAGR for the period 2015 to 2018.
  - EBITA margin is expected to improve over 2015 proforma EBITA margin of 40.4% (including the effects of CorpNordic for the whole year) by 200-250 bps by 2018 supported by operating leverage and productivity improvements. This guidance includes LTIP costs (2016 - €1.5 million, 2017 - €3.5 million, 2018 - €5.5 million) and is also slightly impacted by structurally increased IT expenses due to transition to Software as a Service and Infrastructure as a Service partially offset by decreased IT capex.
  - Cash conversion rates are expected to be in line with historical rates. Maintenance / normalised capex marginally below historical levels.
  - Effective tax rate is expected to be around 18%.
  - Unchanged target steady-state debt ratios are at 2 - 2.5 times, with a temporary increase in the event of an acquisition. Dividend policy is a target dividend of 40-50% of Adjusted net income. First interim dividend will be paid in Q4 over the year ending December 31, 2016.

David de Buck, Chief Executive Officer of Intertrust, commented:
"I am pleased to report a solid performance in Q1 and we are on track to meet our targets for the full year 2016. Recently, there has been a lot of attention to our sector in the media and among politicians. Our selective approach to client acceptance combined with high ethical and compliance standards has shown its value throughout this period, despite the sectoral turbulence in the media. We continue to monitor the environment, and do not see regulatory proposals which would negatively impact our business. We think that recent developments, such as the Panama Papers, confirm our belief that transparency requirements will increase. This will provide us with the opportunity to assist our clients with additional administration and reporting requirements. It may also benefit quality providers like Intertrust."

Performance in key jurisdictions

The Netherlands

	Q1 2016	Q1 2015	% change (reported)
Adjusted revenue[1] (€m)	28.6	27.1	+5.5%
Number of entities	4,396	4,406	-0.2%
Annualised ARPE	26.0	24.6	+5.7%

1. Adjusted financials before specific items and one-off revenues/expenses

In the Netherlands, we achieved quarter-on-quarter Adjusted revenue growth of 5.5% The growth was supported by the increase in the number of billable FTEs. Nevertheless, the revenue growth was impacted in Q1 2016 by amongst others training and timing of holidays (e.g. Easter). In Q1 2016, the inflow of entities was strong due to continued sales efforts. The outflow of entities was driven by "end of life" and product rationalization initiatives in order to focus on higher ARPE entities. The ARPE growth of 5.7% was driven by regulatory and transaction complexity, which required more value-added services.

Luxembourg

	Q1 2016	Q1 2015	% change (reported)
Adjusted revenue[1] (€m)	18.8	18.4	+2.5%
Number of entities	2,572	2,560	+0.5%
Annualised ARPE	29.3	28.7	+2.0%

1. Adjusted financials before specific items and one-off revenues/expenses

In Luxembourg, we achieved quarter-on-quarter Adjusted revenue growth of 2.5%. Q1 2015 comprised €0.5 million overruns which have been monitored and invoiced more regularly going forward. On a like-for-like basis, Q1 2016 Adjusted revenue grew by 5.3% compared to Q1 2015, driven by increased billable workforce. In addition, the Adjusted revenue growth was impacted by lower amount of available billable hours partially because of training and timing of holidays (e.g. Easter). The number of entities remained stable compared to March 2015, outflows were mainly due to end of life and consolidation at competitors but were balanced by inflows coming mainly from existing customers. The ARPE growth of 2.0% reflects continuous increase in substance requirements and increasing complexity of structures, but was impacted by the lower amount of billable hours which affected overall revenues in Q1 2016.

The Cayman Islands

	Q1 2016	Q1 2015	% change (reported)	% change (CC[1])
Adjusted revenue[2] (€m)	13.3	13.7	-2.4%	-4.5%
Number of entities	16,485	18,874	-12.7%	
Annualised ARPE	3.2	2.9	+11.7%	+9.3%

1. At constant currency
2. Adjusted financials before specific items and one-off revenues/expenses

In the Cayman Islands, on a constant currency basis, Adjusted revenue decreased by 4.5% for the quarter, driven by the re-entry of a competitor in the market. Although the negative impact was consistent with our expectations, our revenues were impacted by less registered office (RO) fees resulting from transfers out to a competitor (2,370 low ARPE RO entities lost). Therefore, the number of entities was reduced. Our ARPE grew by 9.3% at constant currency, driven by the transfer of lower ARPE entities, upselling corporate support to existing clients, growth in fiduciary services and exit fees in Q1 2016.

Guernsey

	Q1 2016	Q1 2015	% change (reported)	% change (CC[1])
Adjusted revenue[2] (€m)	7.2	7.3	-1.4%	+2.2%
Number of entities	3,198	3,415	-6.4%	
Annualised ARPE	9.1	8.6	+5.3%	+9.1%

1. At constant currency
2. Adjusted financials before specific items and one-off revenues/expenses

In Guernsey we achieved quarter-on-quarter Adjusted revenue growth of 2.2% in constant currency. This growth was mostly driven by the renegotiation of fees and the deployment of compliance services. The number of entities reduced by 217 structures compared to March 2015, low-value entities being replaced by new more complex structures. Our ARPE increased by 9.1% at constant currency, reflecting the intake of new structures with higher value-added services.

Rest of the World

	Q1 2016	Q1 2015	% change (reported)	% change (Proforma and CC[1])
Adjusted revenue[2] (€m)	19.9	15.1	31.5%	9.7%
Number of entities	12,576	11,656	+7.9%	
Annualised ARPE	6.3	5.2	+21.9%	+8.6%

1. Proforma including CorpNordic contribution for the period January to March 2015. CC defined as constant currency
2. Adjusted financials before specific items and one-off revenues/expenses.

In the rest of the world (ROW) in Q1, at constant currency, Adjusted revenue grew by 31.4% quarter-on-quarter. Q1 2016 figures include CorpNordic, acquired in June 2015. On a pro forma basis, our adjusted revenue at constant currency grew by 9.7%, driven by strong performance of Singapore, Spain, Ireland and the UK. This growth was driven by increased M&A activity, increased private equity activity and growth in demand from financial institutions. The growth in number of entities reflects the inclusion of CorpNordic (+796 structures) and the development of Rest of World affiliates.
On a pro forma basis, ARPE improved from €5.8 thousand in Q1 2015 to €6.3 thousand in Q1 2016, driven by more complex services resulting in a higher-value service offering to new client entities. Increase in FTEs comprises 72 FTEs from the CorpNordic acquisition, together with additional billable FTEs to support business growth.

We opened a sales office in Chicago early January 2016 to further expand our successful strategy of proximity to our clients in the key US markets and to take advantage of opportunities in these regions. We clearly benefited from the trend to outsource in the fund management sector. We launched AIFMD Manco Services in Ireland last year, with first revenues reported in Q1 2016. Our global presence and sales offices generated a strong year-on-year growth in Q1 in cross-border referrals for the entire Intertrust network.

Investor call

Intertrust CEO David de Buck and CFO Ernesto Traulsen will hold an investor call today at 10:00 a.m. CET to discuss the Company's Q1 2016 Trading Update. An audiocast of the call will be available on the website. Details can be found at http://investors.intertrustgroup.com.

For further information

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About Intertrust

Intertrust is a leading global provider of high-value trust and corporate services, with a network of 37 offices in 26 jurisdictions across Europe, the Americas, Asia and the Middle-East. The Company focusses on delivering high-quality tailored services to its clients with a view to building long-term relationships. Intertrust's business services offering comprise corporate services, fund services, capital market services, and private client services. Intertrust has leading market positions in selected key geographic markets of its industry, including the Netherlands, Luxembourg, the Cayman Islands and Guernsey.

Intertrust N.V. – Unaudited Consolidated Profit/Loss

(In € million)		Q1 2016	Q1 2015
Revenue		**87.9**	**81.2**
Staff expenses		(38.8)	(35.2)
	thereof equity share-based payments upon IPO	*(1.0)*	-
Rental expenses		(4.5)	(4.0)
Other operating expenses		(8.3)	(8.4)
	thereof transaction & monitoring costs	-	*(0.4)*
	thereof integration costs	*(0.5)*	*(0.6)*
EBITDA		**36.3**	**33.5**
Depreciation & amortisation		(9.6)	(9.1)
Profit/(loss) from operating activities		**26.8**	**24.5**
Net Finance costs		(5.1)	(19.9)
Profit/(loss) before tax		**21.6**	**4.5**
Income tax		(5.7)	(1.5)
Profit/(loss) from continuing operations		**15.9**	**3.0**

Definitions

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

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

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

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

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

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

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

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

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

Forward-looking statements
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.