

Q3 2020 Results

22 October 2020



Agenda

Highlights and Operational Update

CEO - Stephanie Miller

Q3 2020 Results

CFO - Rogier van Wijk

Q&A

All

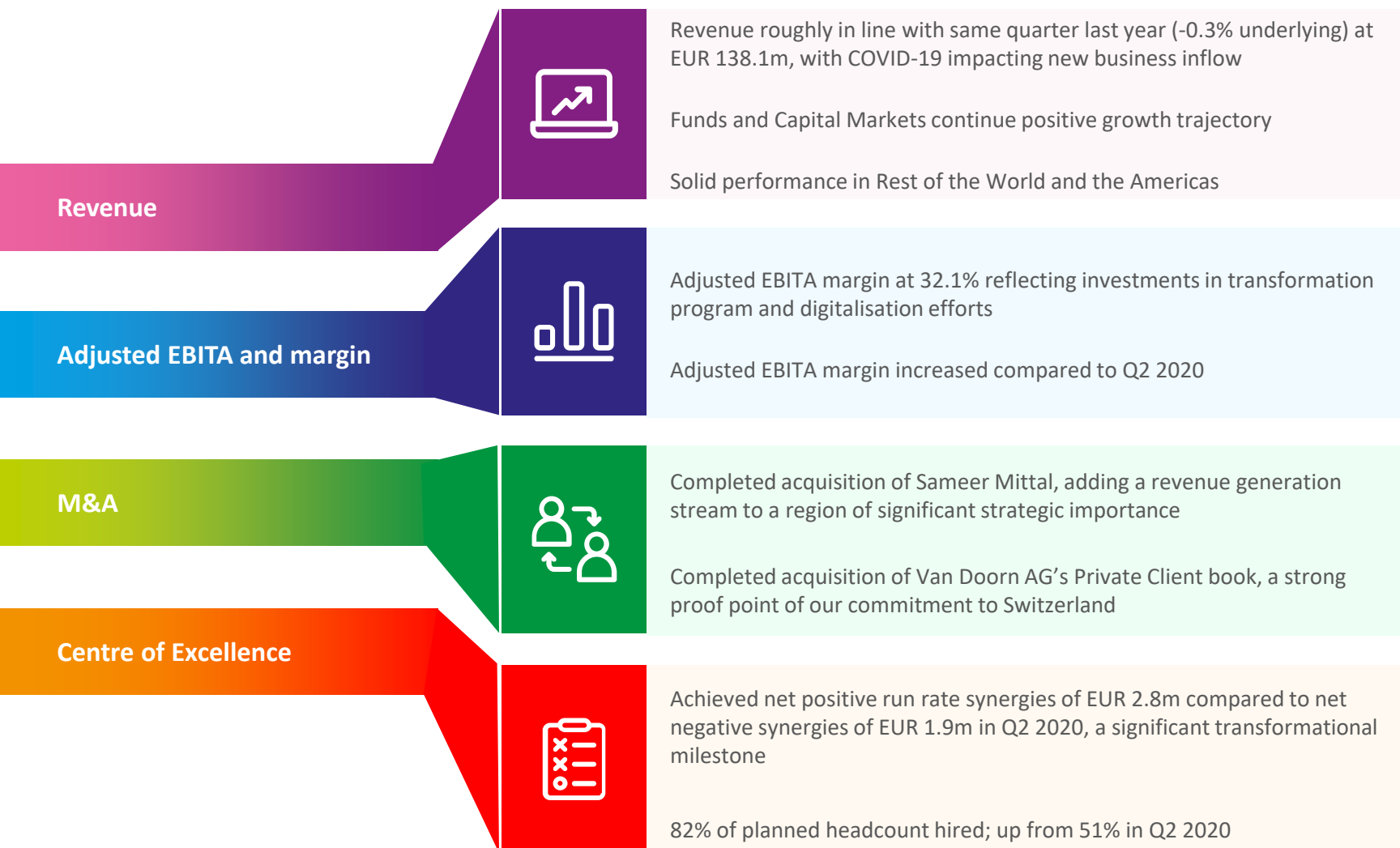
Highlights and Operational Update

CEO – Stephanie Miller

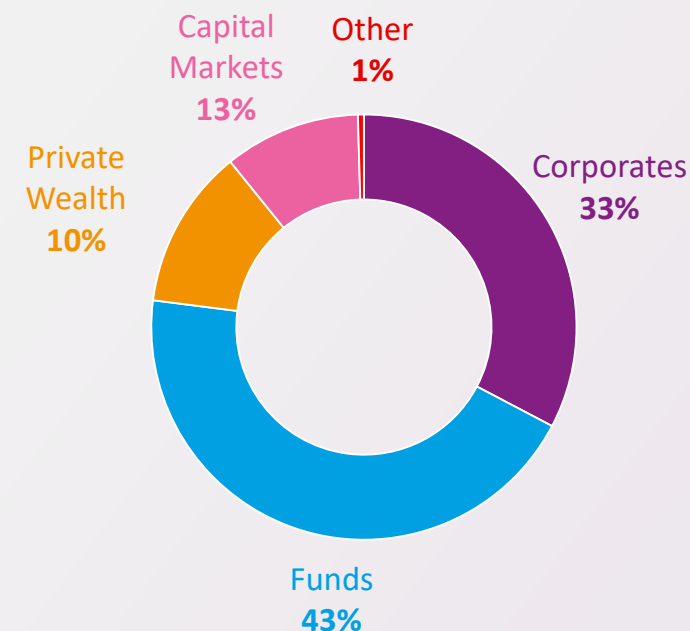


Q3 2020 Highlights

Funds and Capital Markets main growth areas



Revenue per service line



Operational update Q3 2020

Clients & Services

- Launched a refreshed Intertrust Brand which will be followed by innovative, next generation campaigns aimed to reach a more diverse set of clients
- Launched Intertrust Law which strengthens our position in the Cayman market and allows for a more holistic client solution
- In final stages of approval for a private limited trust license in South Dakota, expecting full approval in Q4

Innovation & Technology

- Fastlane Risk Engine & Transaction Monitoring utilities rolled out in Netherlands and underway in Luxembourg and Cayman
- Continue to leverage in-house technology capability to build client-centric solutions (e.g. FIFA)
- Accelerating our Product & Solutions roadmap



People & Organisation

- Significant increase in employee engagement scores compared to 2019
- Launched the new Diversity & Inclusion Charter
- Cemented our ESG ambitions through two key partnerships; the UN Global Compact and KIVA

Operational excellence

- Completed CoE migrations for Spain and Jersey; preparation underway for Luxembourg, Guernsey and the Nordics
- Hired 82% of planned total headcount in the CoE
- Completed SAP implementation in the Netherlands, a key step to harmonising and standardising our financial operations
- Completed IT Roadmap initiatives providing performance, stability and security across the globe

Q3 2020 results

CFO – Rogier van Wijk



Highlights Q3 and 9M 2020

(€m)

	Q3 2020	Q3 2019	Change	Underlying change	9M 2020	9M 2019	Change	Underlying change
Revenue	138.1	139.9	-1.3%	-0.3%	419.6	392.7	6.9%	0.7%
Adjusted EBITA	44.3	49.7	-10.9%	-8.9%	135.2	142.0	-4.8%	-8.8%
<i>Adjusted EBITA margin</i>	32.1%	35.5%	-346bps	-304bps	32.2%	36.2%	-393bps	-334bps
Adjusted net income	31.3	33.9	-7.6%		94.8	100.0	-5.2%	
Adjusted EPS (€)	0.35	0.38	-8.3%		1.05	1.12	-5.9%	
Cash flow from operating activities	16.3	28.2	-42.2%		120.4	115.6	4.1%	

9M 2020 revenue increased to EUR 419.6m, an increase of 6.9% compared to same period last year, of which 6.9% related to acquisitions and -0.7% due to negative FX impact; underlying revenue growth was 0.7%

Adjusted EBITA margin reflecting the continued investments in our transformation program and digitalisation efforts as well as impact from business mix

Cash flow from operating activities was EUR 12m lower compared to Q3 2019, mainly due to income tax payments of EUR 11m related to previous years; however cash flow in 9M 2020 showed an increase

Revenue per service line

(€m)

	Q3 2020	Q3 2019	Change, %	Underlying change, %	9M 2020	9M 2019	Change, %	Underlying change, %
Corporates	45.8	48.3	-5.1%	-5.4%	139.3	143.8	-3.1%	-4.2%
Funds	60.0	58.5	2.6%	4.7%	183.9	149.0	23.4%	7.1%
Capital Markets	17.2	15.6	10.4%	11.4%	49.4	47.1	4.9%	4.9%
Private Wealth	14.4	16.9	-14.6%	-13.1%	44.5	50.1	-11.1%	-10.9%
Other	0.6	0.6	-9.0%	-5.4%	2.5	2.7	-8.5%	-8.2%
Total Group	138.1	139.9	-1.3%	-0.3%	419.6	392.7	6.9%	0.7%

Corporates decreased due to less transactional activity, outflow of end-of-life structures and a delay in winning new business

Funds increased including strong performance of former Viteos business

Capital Markets reported strong revenue growth as a result of increased demand for liquidity and loan administration

Private Wealth revenue decreased due to reduced new business inflow, Brexit uncertainties and continued directed outflow

Revenue per segment

(€m)

	Q3 2020	Q3 2019	Change, %	Underlying change, %	9M 2020	9M 2019	Change, %	Underlying change, %
Western Europe	56.6	58.6	-3.4%	-4.4%	172.1	174.1	-1.1%	-2.2%
Rest of the World	49.0	47.9	2.1%	3.1%	147.2	143.7	2.5%	2.7%
Americas	32.5	33.4	-2.7%	2.1%	100.3	74.9	33.9%	2.8%
Group total	138.1	139.9	-1.3%	-0.3%	419.6	392.7	6.9%	0.7%

Western Europe:

Corporate Services decreased due to lower transactional activity related to COVID-19 and end-of-life structures

Funds increased as a result of higher maintenance and compliance related revenue

Rest of the World:

Funds performed well during the quarter especially in the Nordics, Ireland and Singapore

Strong growth in Capital Markets in UK on the back of distressed asset transactions

Americas:

Strong performance in fund administration and increased fund accounting activity

Key performance indicators

KPI	Definition	Q3 2020	Q3 2019	9M 2020	9M 2019	
1	FTE	end-of-period	4,093	3,421	4,093	3,421
2	Revenue / Billable FTE ¹	€k, LTM	198.3	219.9	198.3	219.9
3	Billable FTE / Total FTE	As %, end-of-period	77.4%	77.2%	77.4%	77.2%
4	HQ & IT costs	As % of revenue	16.0%	14.7%	15.4%	14.3%
5	Working capital / LTM revenue	As %	-0.6%	0.4%	-0.6%	0.4%

Increased FTEs consisting of permanent employees in the Centre of Excellence and additional resources to support the transformation program

Decrease in revenue per billable FTE ratio is primarily driven by the temporary duplication of resources due to the migration activities

Working capital improved further driven by disciplined cash collection

HQ and IT costs

(€m)

Costs	Q3 2020	Q3 2019	9M 2020	9M 2019
Group HQ	(9.7)	(8.9)	(27.4)	(24.3)
<i>As % of revenue</i>	7.0%	6.4%	6.5%	6.2%
Group IT	(12.4)	(11.6)	(37.1)	(32.0)
<i>As % of revenue</i>	9.0%	8.3%	8.8%	8.1%
Total	(22.0)	(20.5)	(64.5)	(56.3)
<i>As % of revenue</i>	16.0%	14.7%	15.4%	14.3%

Total HQ & IT costs in line with earlier communicated quarterly run rate of EUR 22.5m

IT costs included continued investments in digitalisation, new technology and IT infrastructure

Continued investments in inhouse IT development capabilities to drive innovation and improve client service delivery

Capital employed

(€m)

	30.09.2020	31.12.2019	30.09.2019
Acquisition-related intangible assets	1,626.3	1,729.0	1,746.9
Other intangible assets	20.7	17.6	16.3
Property, plant and equipment	95.5	107.7	96.2
Total working capital	(3.3)	(15.3)	2.1
Other assets	30.4	45.5	46.9
Total Capital employed (Operational)	1,769.8	1,884.5	1,908.3
Total equity	753.2	774.7	776.4
Net debt	834.9	915.9	942.1
Provisions, deferred taxes and other liabilities	181.6	193.9	189.9
Total Capital employed (Finance)	1,769.8	1,884.5	1,908.3
Operating working capital	24.7	16.6	32.2
Net current tax	(28.0)	(31.9)	(30.1)
Total working capital	(3.3)	(15.3)	2.1

Solid balance sheet and liquidity of more than EUR 220m. Leverage ratio was 3.90x which provides ample headroom compared to leverage covenant of 5.00x

Continued focus on working capital management paid off with 8 consecutive quarters of improvement

Working capital follows a seasonal pattern with a peak level at the end of Q3 and a low level at the end of Q1

Key takeaways



Q3 2020

Resilient performance in challenging business environment due to COVID

Focus on execution of transformation program



Centre of Excellence

Turned to positive net run rate synergies of EUR 2.8 million

On track to deliver EUR 4 million net run rate synergies by 2020 and EUR 20 million by 2021



Strategic execution

Continued to successfully execute across all three pillars of our strategy:

Clients & Services
Innovation & Technology
People & Organisation

Q & A

Appendix

Consolidated Profit/(Loss) (unaudited)

(€k)

	Q3 2020	Q3 2019	9M 2020	9M 2019
Revenue	138,060	139,922	419,635	392,661
Staff expenses	(71,714)	(67,372)	(215,347)	(183,580)
Rental expenses	(1,730)	(2,138)	(6,016)	(6,271)
Other operating expenses	(19,127)	(18,500)	(57,738)	(55,533)
Other operating income	169	30	2,066	110
Depreciation and amortisation of other intangible assets	(7,684)	(7,336)	(22,992)	(20,697)
Amortisation of acquisition-related intangible assets	(12,114)	(12,315)	(61,127)	(33,656)
Profit/(loss) from operating activities	25,860	32,291	58,481	93,034
Financial income	310	4,151	1,342	26,258
Financial expense	(4,732)	(11,209)	(46,715)	(30,888)
Financial result¹	(4,422)	(7,058)	(45,373)	(4,630)
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)	-	15	-	30
Profit/(loss) before income tax	21,438	25,248	13,108	88,434
Income tax	(4,832)	(5,444)	(7,165)	(18,589)
Profit/(loss) after tax	16,606	19,804	5,943	69,845

¹ Reported financial result included a negative revaluation of the early redemption option of the senior notes in 9M 2020 of EUR (14.3m) (9M 2019: EUR 24.4m positive) and net interest expenses of EUR 29.0m (9M 2019: EUR 28.0m)

Reconciliation to reported results

(€m)

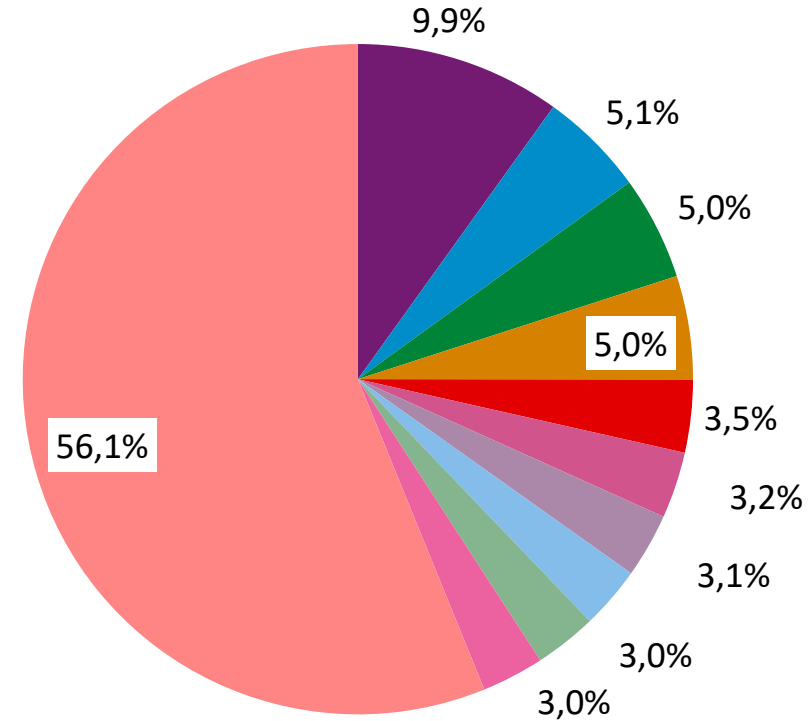
	Q3 2020	Q3 2019	9M 2020	9M 2019	
Profit/(loss) from operating activities		25.9	32.3	58.5	93.0
Amortisation of acquisition – Related intangible assets		12.1	12.3	61.1	33.7
Specific items – Integration and transformation costs		5.4	3.3	11.0	6.2
Specific items – Transaction and other items		0.9	1.8	4.6	9.1
Adjusted EBITA		44.3	49.7	135.2	142.0
	Q3 2020	Q3 2019	9M 2020	9M 2019	
Adjusted EBITA		44.3	49.7	135.2	142.0
Net finance costs (adjusted) - excluding net foreign exchange loss and other adjusting items ¹		(9.4)	(11.1)	(30.1)	(28.6)
Share of profit of associate (net of tax)		0.0	0.0	0.0	0.0
Income tax (adjusted)		(3.6)	(4.8)	(10.3)	(13.4)
Adjusted Net income		31.3	33.9	94.8	100.0

¹ Foreign exchange gain/(loss) for Q3 2020 was EUR (0.9m), 9M 2020: EUR (1.2m); Q3 2019 was EUR 1.0m, 9M 2019: EUR 0.8m

Ownership structure

Shareholder structure 21 October 2020

- FMR LLC 9.9%
- Lucerne Capital Management 5.1%
- Teleios 5.0%
- Harbor Spring 5.0%
- Norges Bank 3.5%
- Portland Hill 3.2%
- Allianz 3.1%
- AllianceBernstein 3.0%
- Blacksheep 3.0%
- Parvus 3.0%
- Other shareholders 56.1%



Notes & definitions

Intertrust N.V. Q3 2020 and 9M 2020 financial figures are shown on a reported and adjusted basis

All figures include IFRS16 unless stated otherwise

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

Selected definitions

Adjusted net income per share is defined as Adjusted net income divided by the average number of shares outstanding at 30 September 2020

Average no. of shares for 9M 2020: 90,153,595; for 9M 2019: 89,449,730

Adjusted EBITA is defined as Adjusted EBITDA excluding depreciation and amortisation of other intangible assets

Capital expenditure is defined as Investments in property, plant, equipment, software and other intangible assets not related to acquisitions and excludes right of-use assets

CC is Constant Currency

FTE is Full-Time Equivalent employee

Leverage ratio is total net debt (on "last twelve months" (LTM) average FX rates) divided by the adjusted EBITDA proforma contribution for acquisitions and full year runrate synergies related to acquisitions and other Senior Facility Agreement (SFA) adjustments such as the addback of LTM LTIP, Share deferral plan (SDP) and Rollover share plan accruals

Net interest is defined as net finance cost excluding forex gains and losses and fair value adjustments for specific financial instruments recognised in the Statement of profit or loss

Net debt is defined as net of the cash and cash equivalents excluding cash on behalf of customers and gross value of the third party indebtedness

Underlying is current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

Market Abuse Regulation

This presentation contains information within the meaning of Article 7(1) of the EU Market Abuse Regulation

Thank you

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