Q4 & FY 2020 Results

12 February 2021

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Introduction

Shankar Iyer (CEO)

A clear strategic direction to drive our transformation

Focus on delivering strategic and operational priorities

BACKGROUND

- Over 30 years of international experience in business acquisition and development
- Extensive experience in integrating digital capabilities to expand client relationships
- CEO and co-founder of Viteos and Silverline Technologies
- Joined Intertrust Executive Committee as Chief Solutions Officer post Viteos acquisition (June 2019)

PAST 18 MONTHS

- Focused on the Viteos' integration and realising CoE synergies in a challenging, Covid related environment
- Supported enhancement of the Intertrust Funds offering with proprietary technology
- Developed and led the highly successful Client Relationship Management practice aimed at increasing client wallet share

FUTURE PRIORITIES

- Revenue growth
- Focus on execution with clear strategic and operational priorities
- Committed to maintaining financial discipline
- Embedding Sustainability into our strategic agenda, with a particular focus on human capital

Highlights & Operational Update

Shankar Iyer (CEO)

FY 2020 Highlights

Overall performance impacted by market conditions whilst continuing to deliver on synergies realisation

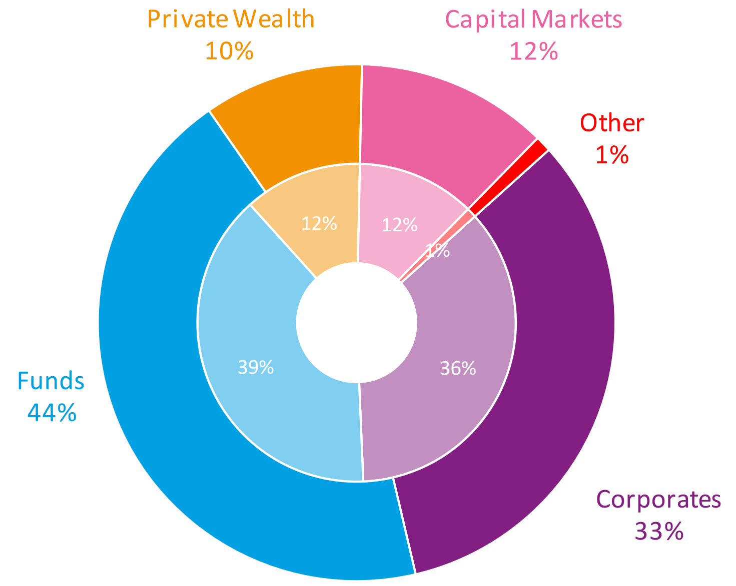
PEOPLE & ORGANISATION
- Preserved health & safety across the organisation
- Resilience against unprecedented challenges
- Ensured business continuity with efficient remote working
- Continued seamless migration to CoE

REVENUE
- FY revenue broadly stable which underpins the overall resilience of our business model
- Continued positive growth trajectory in Funds
- Revenue decline in Corporates essentially driven by lower market activities and higher outflows due to end-of-life structures

MARGINS
- Adjusted EBITA margin was 32.8% due to soft underlying revenue growth, investments in the CoE and lower revenue in Corporates and Private Wealth which negatively impacted margin mix
- Continued investments in the Centre of Excellence throughout the year, allowing synergies to be on track

CASH AND CAPITAL
- Net Debt reduced by EUR 123.2m over 2020 and leverage ratio reduced to 3.83x
- For 2020, management proposes not to declare a dividend, to further reduce leverage ratio below 3.4x by the end of 2021
- Revised capital allocation framework announced

FY 2020 – Revenue per service line
(inner circle: FY 2019)



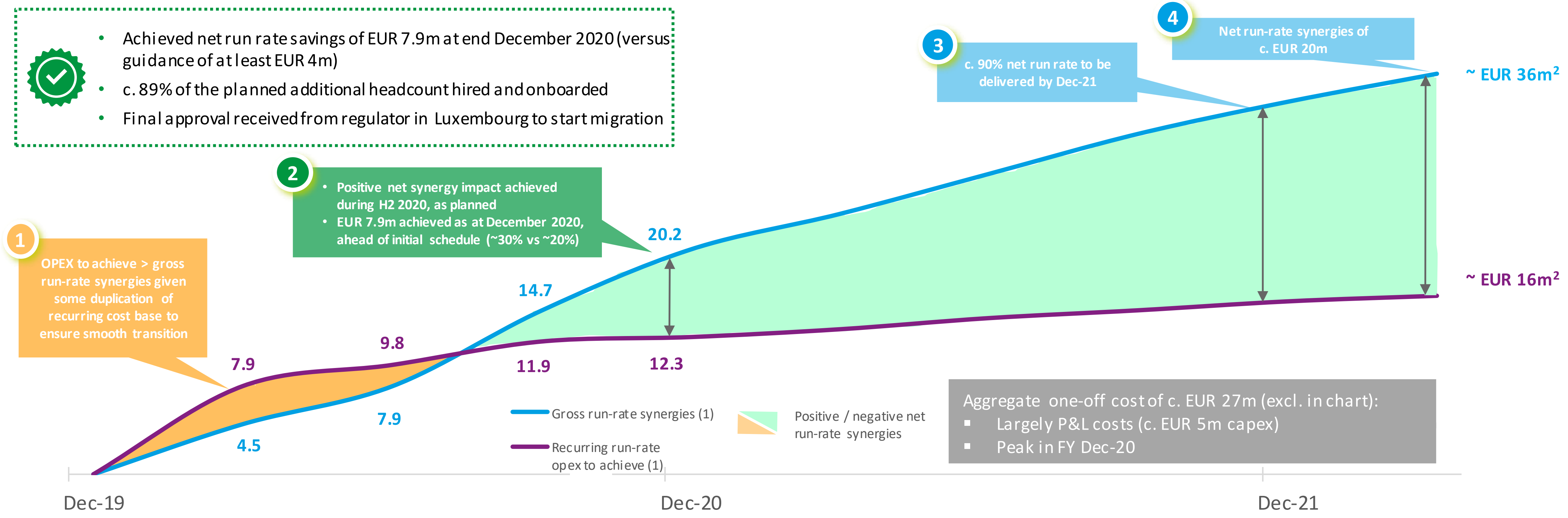
Delivery of Centre of Excellence synergy savings on track

Status update on migration plan and synergies achieved

2020 achievements | **Next steps**

Illustrative phasing of net run-rate synergies (€m, excl. one-off costs)

- Achieved net run rate savings of EUR 7.9m at end December 2020 (versus guidance of at least EUR 4m)
- c. 89% of the planned additional headcount hired and onboarded
- Final approval received from regulator in Luxembourg to start migration



Aggregate one-off cost of c. EUR 27m (excl. in chart):
- Largely P&L costs (c. EUR 5m capex)
- Peak in FY Dec-20

1 Gross synergies exclude IT costs / savings incurred in Q4-19
2 Guidance as presented in June 2019 of USD 22m net run rate savings excl. IFRS16 translated to EUR amount incl. IFRS16

FY 2020 Operational update

Clients & Services

- Continued growth in Funds, partially offsetting a challenging environment in core Corporates jurisdictions
- Executed inorganic growth strategy through 2 small acquisitions, 2 regional expansions and 1 key lift-out partnership
- Enhanced end-to-end product offering through launch of Intertrust Law and Ironstone Directors
- Launched the new Intertrust Group brand

People & Organisation

- Preserved the health & safety of our employees through a constant state of lock-downs and re-openings
- Significantly increased employee engagement scores compared to 2019
- Launched a full suite of development and growth programs
- Decreased voluntary attrition from 23.4% to 17.6%
- Launched our new ESG framework, which will form its own strategic pillar in 2021

Innovation & Technology

- Accelerated IT Roadmap to provide uninterrupted client service in a remote working environment
- Completed development of the Fastlane Risk Engine & Transaction Monitoring utilities; roll-out completed in large jurisdictions
- Leveraged in-house technology capability to build client-centric solutions

Operational excellence

- Onboarded and trained 700+ of planned CoE hires, all in a remote working environment
- Completed CoE migrations in Hong Kong, Singapore, Americas, Jersey, Guernsey, Netherlands and Spain
- Achieved EUR 7.9m net run-rate synergies, exceeded run-rate synergy target of EUR 4.0m
- Transitioned focus to steady state optimisation

Q4 and FY 2020 results

Rogier van Wijk (CFO)

Q4 and FY 2020 financial highlights

(€m - adjusted)

	Q4 2020	Q4 2019	Change	Underlying change	FY 2020	FY 2019	Change	Underlying change
Revenue	144.8	150.7	-3.9%	-1.3%	564.5	543.3	3.9%	0.2%
Adjusted EBITA	49.9	55.5	-10.2%	-7.1%	185.1	197.5	-6.3%	-8.3%
Adjusted EBITA margin	*34.4%*	*36.9%*	*-242bps*	*-216bps*	*32.8%*	*36.4%*	*-356bps*	*-304bps*
Adjusted net income	37.3	39.8	-6.3%		132.1	139.8	-5.5%	
Adjusted EPS (€)	0.41	0.44	-6.5%		1.47	1.56	-6.0%	
Cash flow from operating activities	54.7	71.0	-23.0%		175.1	186.7	-6.2%	

FY 2020 revenue increased to EUR 564.5m, an increase of 3.9% compared to same period last year, of which 4.8% related to acquisitions and -1.1% due to a negative FX impact; underlying revenue growth was 0.2%

Adjusted EBITA margin was lower in FY 2020 due to higher costs in HQ and IT, lower productivity due to migration activities, and lower revenue in Corporates and Private Wealth which negatively impacted margin mix

Cash flow from operating activities was EUR 12m lower than FY 2019, reflecting mainly lower Adjusted EBITA and higher income tax paid; cash flow from changes in operating working capital was EUR 1.1m negative compared to EUR 1.1m positive in FY 2019

Revenue per service line

(€m)

	Q4 2020	Q4 2019	Change	Underlying change	FY 2020	FY 2019	Change	Underlying change
Corporates	48.4	52.2	-7.3%	-6.3%	187.8	196.0	-4.2%	-4.8%
Funds	63.7	64.1	-0.7%	2.8%	247.5	213.1	16.1%	6.0%
Capital Markets	17.0	18.3	-7.0%	-4.8%	66.5	65.4	1.5%	2.2%
Private Wealth	14.8	15.3	-3.7%	0.7%	59.3	65.4	-9.3%	-8.2%
Other	1.0	0.7	40.4%	48.1%	3.4	3.4	1.4%	3.0%
Total Group	**144.8**	**150.7**	**-3.9%**	**-1.3%**	**564.5**	**543.3**	**3.9%**	**0.2%**

Corporates decreased primarily due to lower revenues in Luxembourg and the Netherlands, although this was partially mitigated by revenue growth in the Nordics and the UK; revenue impacted by lower transactional activity as well as lower level of referrals from business partners

Funds increased driven by in-line-with-market growth in Luxembourg and high single digit growth in fund administration

Capital Markets, by nature more transaction driven, grew mainly on the back of higher demand for loan administration services in the Netherlands and the UK and increased demand for liquidity

Private Wealth revenue decreased reflecting directed outflow and lower market activity overall

Revenue & Adj. EBITA per segment

(€m - adjusted)

REVENUE	Q4 2020	Q4 2019	Change	Underlying change	FY 2020	FY 2019	Change	Underlying change
Western Europe	60.6	63.2	-4.0%	-4.6%	232.8	237.3	-1.9%	-2.8%
Rest of the World	50.0	51.5	-2.9%	0.6%	197.2	195.1	1.1%	2.2%
Americas	34.2	36.0	-5.0%	2.0%	134.5	110.9	21.3%	2.6%
Group total	**144.8**	**150.7**	**-3.9%**	**-1.3%**	**564.5**	**543.3**	**3.9%**	**0.2%**

Adj. EBITA	Q4 2020	Q4 2019	Change	Underlying change	FY 2020	FY 2019	Change	Underlying change
Western Europe	31.4	35.4	-11.4%	-11.6%	116.5	132.6	-12.1%	-11.9%
Rest of the World	21.4	22.2	-3.7%	-0.3%	81.5	84.8	-4.0%	-2.9%
Americas	17.5	20.4	-13.9%	-8.4%	72.1	58.8	22.6%	4.7%
Group total (after HQ&IT costs)	**49.9**	**55.5**	**-10.2%**	**-7.1%**	**185.1**	**197.5**	**-6.3%**	**-8.3%**

Adj. EBITA margin (% of Revenue)	Q4 2020	Q4 2019	Change	Underlying change	FY 2020	FY 2019	Change	Underlying change
Western Europe	51.8%	56.1%	-428bps	-411bps	50.1%	55.9%	-583bps	-513bps
Rest of the World	42.8%	43.1%	-37bps	-38bps	41.3%	43.5%	-218bps	-217bps
Americas	51.2%	56.5%	-533bps	-581bps	53.6%	53.0%	59bps	111bps
Group total	**34.4%**	**36.9%**	**-242bps**	**-216bps**	**32.8%**	**36.4%**	**-356bps**	**-304bps**

Western Europe

Revenue decreased due to a decline in Corporates in Luxembourg and the Netherlands

Margin decline reflecting lower productivity and higher portion of lower revenue/billable FTE segment

Rest of the World

Growth in Corporates and Funds in the Nordics partially offset by decline in Jersey and Guernsey

Margin impacted by CoE related expenses

Americas:

Good performance in Funds partially offset by a decline in Corporates

FY margin improved by 111bps; Q4 impacted by setup costs Intertrust Law

Key performance indicators

KPI		Definition	Q4 2020	Q4 2019	FY 2020	FY 2019
1	FTE	end-of-period	4,076	3,467	4,076	3,467
2	Revenue / Billable FTE [1]	€k, LTM	188.3	219.1	188.3	219.1
3	Billable FTE / Total FTE	As %, end-of-period	76.7%	76.0%	76.7%	76.0%
4	HQ & IT costs	As % of revenue	14.1%	14.9%	15.1%	14.5%
5	Working capital / LTM revenue	As %	-1.8%	-2.8%	-1.8%	-2.8%

Increase in FTEs as a result of the expansion of the CoE and additional resources to support the transformation program

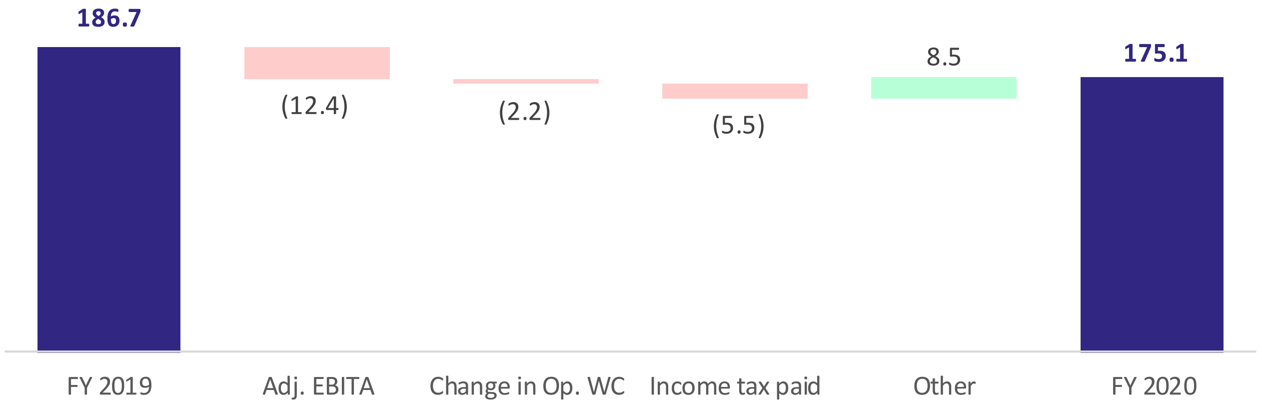
Temporary additional resources due to the execution of the migration plan, lowering the Revenue/Billable FTE ratio and improving the Billable FTE / Total FTE ratio

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

Continued focus on cash flow generation

Adjusted EBITA and Capex as main drivers

Cash flow from operating activities (EUR m)



EUR m	FY 2020	FY 2019
Adjusted EBITA	185.1	197.5
Change in Op. WC [1]	(1.1)	1.1
Income tax paid	(29.9)	(24.4)
Other [2]	21.0	12.5
Cash flow from operating activities	**175.1**	**186.7**

[1] Change in Op. WC = Cash flow from changes in Operating Working Capital

[2] Other in FY 2020 = D&A (30.6m) + adj. non-cash items (5.7m) -/- cash used in specific items (18.5m) + other (3.1m)

Operating Working Capital

- Slight deterioration due to tax settlements related to previous years and an FX impact on deferred income

Capex

- Marginally ahead of 3% of revenue - due to investments in automation of processes (Fastlane) and the implementation of the SAP ERP system

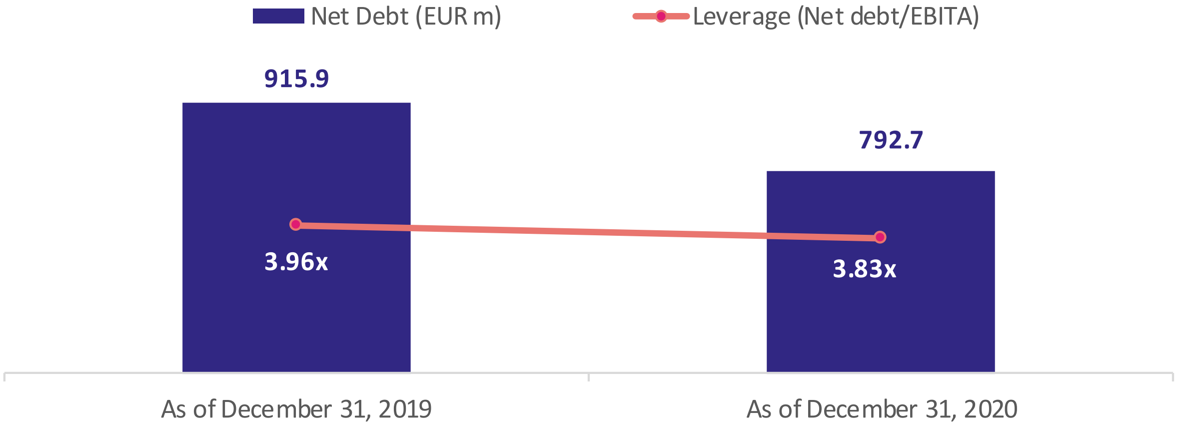
Income tax paid

- EUR 29.9m in FY 2020 compared to EUR 24.4m in FY 2019 due to:
  - Revaluation of the early redemption option of the senior notes
  - Goodwill impairment in Q2 2020
  - Lower profit before tax

Net debt and financial position improved significantly in 2020

(€m)

Net debt & leverage ratio



EUR m	31.12.2020	31.12.2019
Total debt, of which:	903.9	1,026.1
- Term Loans, RCF and overdrafts in cashpool	402.8	525.0
- Senior Notes	501.1	501.1
Cash attributable to the Company	111.2	110.2
Total net debt	**792.7**	**915.9**

Leverage and headroom

- Leverage ratio reduced to 3.83x per the end of 2020
- 23.4% headroom vs. leverage covenant of 5.00x in 2020
- In 2021 the agreed leverage covenant reduces from 5.00x to 4.50x

Financing and liquidity

- Net Debt reduced by EUR 123.2m from EUR 915.9m as of Dec 31, 2019 to EUR 792.7m as of Dec 31, 2020
- RCF fully repaid in Q4 2020. Total liquidity per the end of December 2020 amounted to EUR 251m

Capital Allocation & Outlook

Rogier van Wijk (CFO)

Capital allocation framework

Discipline generates optionality

Continue to invest in organic growth

Cash dividend policy with annual
pay-out of 20% of adjusted net income

Target leverage ratio of around 3.0x

Surplus cash to be deployed alongside

Share buybacks | **Special cash dividend** | **M&A**

Depending on market conditions

The revised capital allocation framework adopts a balanced and flexible approach that delivers:

- Continued investment in organic growth opportunities;
- A strong but efficient balance sheet targeting for a leverage ratio of around 3.0x;
- Return mechanisms through a clear dividend policy and surplus cash flows to be returned to shareholders via share buybacks or special dividends;
- Investment in targeted M&A opportunities in markets with good growth prospects within the confine of clear strategic, operational and financial criteria.

Outlook

Focus on driving revenue growth in the short and mid term

Short-term objectives		FY 2020	FY 2021 targets
	Underlying revenue growth	0.2%	2%-4%
	Adj. EBITA margin	32.8%	34% - 35%
	Capex (% revenue)	3.3%	~ 3%
	Leverage ratio	3.83x	Below 3.4x

Mid-term aspirations		Mid-term aspirations
	Underlying revenue growth	~ 4% - 6%
	Adj. absolute EBITA	Outpacing revenue growth
	Capex (% revenue)	~ 3%
	Leverage ratio	Around 3.0x

Concluding remarks

Shankar Iyer (CEO)

Strategic approach underpinned by long-term trends

Transformation agenda pivotal to strengthen our foundations and help capture new opportunities

Capitalise on mega & business trends

- Globalisation
- Growth in APAC & Americas
- Rise in Regulation & Complexity
- Outsourcing
- Digitalisation
- Fast growth in funds segments

Build upon existing strengths, service offering and industry exposure

Maximise potential

- Protect the Core in key C&TS jurisdictions
- Enhance & expand C&TS offering in growing markets
- Accelerate our Funds value proposition
- Deepen client relationships to expand wallet share
- Execute flawlessly with disciplined focus on ROI

Grow & Defend

Leverage enablers

- Customer centricity
- Commercial excellence
- Quality of service
- Technology & innovation
- Talent development & retention
- Operational efficiency & automation

Continue to develop sustainable organisation and culture

Key takeaways

FY 2020

Stable performance in a challenging environment

Strong progress across all strategic pillars

Capital allocation

Clear & transparent capital allocation framework in place

De-leveraging is the immediate priority

Looking forward

Focused strategy backed by a robust execution plan

Strategic update planned for Capital Markets Day

Q & A

Consolidated Profit/(Loss) (unaudited)

(€k)

	Q4 2020	Q4 2019	FY 2020	FY 2019
Revenue	**144,834**	**150,679**	**564,469**	**543,340**
Staff expenses	(69,493)	(67,152)	(284,840)	(250,732)
Rental expenses	(2,364)	(2,292)	(8,380)	(8,563)
Other operating expenses	(23,100)	(21,512)	(80,822)	(77,045)
Other operating income	440	25	2,490	135
Depreciation and amortisation of other intangible assets	(7,594)	(7,894)	(30,586)	(28,591)
Amortisation of acquisition-related intangible assets and impairment of goodwill	(12,078)	(12,419)	(73,205)	(46,075)
Profit from operating activities	**30,645**	**39,435**	**89,126**	**132,469**
Financial income	239	(1,857)	1,581	24,401
Financial expense	(8,198)	(11,237)	(54,913)	(42,125)
Financial result[1]	**(7,959)**	**(13,094)**	**(53,332)**	**(17,724)**
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)	-	14	-	44
Profit before income tax	**22,686**	**26,355**	**35,794**	**114,789**
Income tax	(7,789)	(5,858)	(14,954)	(24,447)
Profit after tax	**14,897**	**20,497**	**20,840**	**90,342**

1 Reported financial result included a negative revaluation of the early redemption option of the senior notes in FY 2020 of EUR (13.1m) (FY 2019: EUR 22.7m positive) and net interest expenses of EUR 37.2m (FY 2019: EUR 38.5m)

Reconciliation to reported results

(€m)

	Q4 2020	Q4 2019	FY 2020	FY 2019
Profit/(loss) from operating activities	**30.6**	**39.4**	**89.1**	**132.5**
Amortisation of acquisition – Related intangible assets	12.1	12.4	73.2	46.1
Specific items – Integration and transformation costs	5.2	1.9	16.2	8.1
Specific items – Transaction and other items	2.0	1.8	6.6	10.9
Adjusted EBITA	**49.9**	**55.5**	**185.1**	**197.5**

	Q4 2020	Q4 2019	FY 2020	FY 2019
Adjusted EBITA	**49.9**	**55.5**	**185.1**	**197.5**
Net finance costs (adjusted) - excluding net foreign exchange loss and other adjusting items[1]	(8.6)	(10.8)	(38.7)	(39.4)
Share of profit of associate (net of tax)	-	0.0	-	0.0
Income tax (adjusted)	(4.0)	(4.9)	(14.3)	(18.3)
Adjusted Net income	**37.3**	**39.8**	**132.1**	**139.8**

1 Foreign exchange gain/(loss) for Q4 2020 was EUR (0.5m), FY 2020: EUR (1.7m); Q4 2019 was EUR (0.5m), FY 2019: EUR 0.2m

Capital employed

(€m)

	31.12.2020	30.09.2020	31.12.2019
Acquisition-related intangible assets	1,591.8	1,626.3	1,729.0
Other intangible assets	22.2	20.7	17.6
Property, plant and equipment	92.1	95.5	107.7
Total working capital	(10.4)	(3.3)	(15.3)
Other assets	31.5	30.4	45.5
Total Capital employed (Operational)	**1,727.3**	**1,769.8**	**1,884.5**
Total equity	760.3	753.2	774.7
Net debt	792.7	834.9	915.9
Provisions, deferred taxes and other liabilities	174.3	181.6	193.9
Total Capital employed (Finance)	**1,727.3**	**1,769.8**	**1,884.5**
Operating working capital	18.0	24.7	16.6
Net current tax	(28.4)	(28.0)	(31.9)
Total working capital	**(10.4)**	**(3.3)**	**(15.3)**

Notes & definitions

Intertrust N.V. Q4 2020 and FY 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 31 December 2020
Average no. of shares for FY 2020: 90,162,583; for FY 2019: 89,734,033

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