

FLOW TRADERS REPORTS BEST QUARTERLY PERFORMANCE TO DATE, CONFIRMING THE BUSINESS MODEL

Amsterdam, the Netherlands - Flow Traders N.V. (Euronext: FLOW) today released its unaudited 1Q18 trading update. The highlights for the period are as follows:

- Best quarterly trading results (NTI) to date, with strong performance across all regions;
- NTI increased to €213.2 million in 1Q18, against €39.3 million in 4Q17 and €48.3 million in 1Q17;
- Flow Traders' ETP Value Traded grew 49% Q-o-Q, while the Market ETP Value Traded grew 38% Q-o-Q, showing market share gains across all regions;
- Fixed costs fell 2% Q-o-Q, as Flow Traders continued to operate cost-consciously;
- EBITDA margin 1Q18 was 63% compared to 34% in 4Q17;
- Net Profit grew to €109.7 million, resulting in an EPS of €2.36;
- Under the CRR capital requirement regulation, Flow Traders' own funds requirement as at 31 March 2018 was €151 million, resulting in excess capital of €183 million;
- Dividend policy remains unchanged, Flow Traders targets to pay out at least 50% of its net profit;
- Flow Traders remains the leading market maker in ETPs in EMEA;
- Flow Traders' FTEs grew 4% Q-o-Q to 411 as at 31 March 2018.

Overview consolidated Quarterly results Flow Traders

€million, unless otherwise stated	1Q18	4Q17	Change	1Q17	Change
Net Trading Income	213.2	39.3	443%	48.3	342%
<i>EMEA (Europe)</i>	49.5	27.6	79%	30.6	62%
<i>Americas</i>	152.7	5.8	2,535%	13.1	1,069%
<i>APAC (Asia)</i>	11.0	5.9	87%	4.6	140%
EBITDA	133.9	13.2	913%	18.2	637%
EBITDA Margin	63%	34%		38%	
Net Profit	109.7	7.9	1,282%	13.6	705%
EPS (EUR)	2.36	0.17		0.29	
Flow Traders ETP Value Traded (€bn)	243.7	164.0	49%	174.8	39%
<i>EMEA (Europe)</i>	142.9	103.5	38%	106.2	35%
<i>Americas</i>	91.8	54.6	68%	63.2	45%
<i>APAC (Asia)</i>	9.0	5.9	53%	5.4	66%
Flow Traders' non ETP Value Traded (€bn)	692.8	529.8	31%	544.1	27%
Market ETP Value Traded (€bn)	6,540	4,730	38%	5,005	31%
<i>EMEA (Europe)</i>	382	303	26%	339	13%
<i>Americas</i>	5,616	3,807	48%	4,255	32%
<i>APAC (Asia)</i>	542	620	(13%)	410	32%
<i>APAC (ex China)</i>	303	226	34%	176	72%

Current Trading and Outlook

Market dynamics in the first quarter of 2018 caused volumes traded in the market to increase significantly and assets under management growth to stabilize overall. The strong growth trend witnessed in the ETP industry in 2017 is expected to continue in 2018 and beyond. The shift in assets from actively managed funds towards passive investments continues to drive ETP growth across all asset classes. Regulation such as MiFID II has improved transparency and levelled the playing field, which has already yielded benefits for the ETP market.

Flow Traders will continue to focus on growing its ETP liquidity providing activities and rolling out its growth initiatives. FX trading, US off-exchange trading and the growth strategy in APAC are expected to further support the Company's performance in 2018 and beyond.

Management Board Statements

Co-CEO Dennis Dijkstra stated:

"On top of favourable market conditions, our performance in 1Q18 is a direct result of the investments made in the past and the focus Flow Traders has had over the past years. Flow Traders grew its traded volumes this quarter, benefitting from improved market conditions. Furthermore our increased scale has begun to bear fruit. Looking at CRR and MiFID II, these developments have not limited Flow Traders in its abilities to grow. The first impact of MiFID II on the ETP market seems beneficial to us, as we have seen an increase in volumes traded on MTFs that we are connected to. Nevertheless, the implementation of MiFID II and subsequent developments keep impacting market structure, as legislators seek a level playing field in European markets. In addition, we managed to comply with the requirements under the CRR capital regulation on the first reporting date, 31 March 2018. Following the Dutch Central Bank's announcement in November 2017 our implementation of the CRR capital requirements has been managed very well within a short period by our Risk and Finance departments. The results we have witnessed in 2018 so far are a confirmation of our business model, and we will continue to build on the strong foundations and further leverage our leading position."

Co-CEO Sjoerd Rietberg added:

"Taking a closer look at our performance, Flow Traders' NTI delivered a sharply better performance compared to 3Q15, when we realized our previous record quarter. Market activity was much more concentrated in 1Q18 than in 3Q15, nevertheless Flow Traders managed to realise a sharp NTI increase, confirming the continued success of our investments in trading technology and people. Going forward we will also inform the market about flows traded outside ETPs, as we further diversify our liquidity providing activities into asset classes like currencies. This means that revenue capture in ETPs as a metric is becoming less meaningful. We will continue to focus on maximizing our NTI growth from ETPs and other asset classes."

CFO Marcel Jongmans commented:

"As we stated last year, Flow Traders has found the right balance between growing our firm and controlling our cost base. The strong performance in 1Q18 was achieved without major cost increases. Flow Traders was occupied with several important projects in 1Q18, like the CRR capital requirements and the employee participation plan. As the results demonstrate, we comfortably meet the regulatory required capital levels under CRR per 31 March 2018. As a result, we reiterate our dividend policy and look forward to the new IFR/IFD regulations, expected to be implemented through 2020. Furthermore, the treatment of Flow Traders' employee participation plan under IFRS has an impact on the reported variable cash component in the P & L statement. Looking forward, Flow Traders will be able to continue optimizing its NTI and returns for its shareholders in 2018 and beyond."

Consolidated simplified P&L

<i>Consolidated (in €m)</i>	<i>1Q18</i>	<i>4Q17</i>	<i>Change</i>	<i>1Q17</i>	<i>Change</i>
Net Trading Income	213.2	39.3	443%	48.3	342%
<i>Employee expenses (fixed)</i>	8.8	8.8	-	7.7	13%
<i>Technology expenses</i>	8.9	9.3	(5%)	9.2	(4%)
<i>Other expenses</i>	4.1	3.9	3%	3.8	7%
Fixed Operating Expenses	21.7	22.0	(2%)	20.8	4%
<i>Employee expenses (var)</i>	57.5	4.0	1,331%	9.3	518%
Total operational expenses	79.2	26.1	204%	30.1	163%
EBITDA	133.9	13.2	913%	18.2	637%
<i>Depreciation/Amortisation</i>	2.0	2.0		1.7	
<i>Write offs, tangible assets</i>	-	0.5		-	
<i>Results subsidiaries</i>	-	(0.1)		-	
Profit Before Tax	131.9	10.8	1,121%	16.5	700%
<i>Tax</i>	22.2	2.9		2.9	
Net Profit	109.7	7.9	1,282%	13.6	705%
<i>EPS (in €)</i>	2.36	0.17		0.29	
<i>EBITDA margins (%)</i>	63%	34%		38%	

Financial Calendar 2018

26 April 2018	AGM Flow Traders
30 April 2018	Proposed Ex-dividend date final dividend FY17
02 May 2018	Proposed Record date final dividend FY17
04 May 2018	Proposed Payment date final dividend FY17
29 June 2018	Start Silent Period ahead of 1H18 results
27 July 2018	Release 1H18 Results
08 August 2018	Ex-dividend date interim dividend FY18 (if any)
09 August 2018	Record date interim dividend FY18 (if any)
13 August 2018	Payment date interim dividend FY18 (if any)
27 September 2018	Start Silent Period ahead of 3Q18 trading update
18 October 2018	Release 3Q18 trading update

Starting 2018, Flow Traders has moved to interim reporting. This means that Flow Traders will release a trading statement in the first and third quarters of each financial year going forward, unless market developments require otherwise. More elaborate Half Year and Full Year reports will be released as done in the past. Flow Traders remains committed to the highest level of disclosure and engagement with its stakeholders.

Analyst Conference Call and Webcast

The analyst conference call on the results will be held at 10:00 am Amsterdam Time on Tuesday 24 April 2018. The presentation will also be accessible via www.flowtraders.com/investors, where the presentation can be downloaded and the conference call can be followed via a listen-only audio webcast. A replay of the conference call will be available on the company website for at least 90 days.

Contact Details

Flow Traders N.V.
 Serge Enneman / Manager Investor Relations
 Phone: +31 20 7996799
 Email: Investor.relations@flowtraders.com

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