

FLOW TRADERS REPORTS 2Q18 NTI € 53.8M, ON TARGET TO ACHIEVE RECORD YEAR

Amsterdam, the Netherlands - Flow Traders N.V. (Euronext: FLOW) today released its unaudited 2Q18 results. The highlights for the period are as follows:

- NTI reached €53.8m in 2Q18, against € 213.2m in 1Q18 and € 46.7m in 2Q17. 1H18 NTI reached €266.9m and is on track to lead to a record year
- Fixed costs grew 0.8% Q-o-Q, leading to fixed cost growth in 1H18 of 4.1% Y-o-Y
- 2Q18 EBITDA margin was 36%, leading to a 1H18 EBITDA margin of 57%
- Net Profit reached €17.2m in 2Q18, resulting in a 1H18 Net Profit of €126.8m, or a 1H18 EPS of € 2.73
- Under the CRR (Capital Requirement Regulation), Flow Traders' own funds requirement was €179m as at 30 June 2018, resulting in excess capital of €111m
- Interim dividend for 2018 is set at € 1.35
- Flow Traders connected to 5% more trading venues, grew its counterparties base by 10% and its official liquidity providership by 8% to over 6,000 ETPs since end 2017
- FTEs remained flat Q-o-Q as at the end of 2Q18 at 412, realising an FTE growth of 4.5% since end 2017
- Flow Traders reiterates its organic long term growth strategy

Overview consolidated quarterly results Flow Traders

€million, unless otherwise stated	2Q18	1Q18	Change	YTD 18	YTD 17	Change
Net Trading Income	53.8	213.2	(75%)	266.9	95.0	181%
EMEA (Europe)	32.4	49.5	(35%)	81.9	65.7	25%
Americas	14.7	152.7	(90%)	167.4	21.3	684%
APAC (Asia)	6.7	11.0	(40%)	17.7	8.0	122%
EBITDA	19.4	133.9	(86%)	153.3	35.2	335%
EBITDA Margin	36%	63%		57%	37%	
Net Profit	17.2	109.7	(84%)	126.8	26.1	386%
EPS (EUR)	0.37	2.36		2.73	0.56	
Flow Traders ETP Value Traded (€bn)	205.0	243.7	(16%)	448.7	359.5	25%
EMEA (Europe)	112.8	142.9	(21%)	255.7	218.6	17%
Americas	83.9	91.8	(9%)	175.7	129.7	36%
APAC (Asia)	8.3	9.0	(8%)	17.4	11.3	54%
Flow Traders' non ETP Value Traded (€bn)	621	693	(10%)	1,313	1,142	15%
Market ETP Value Traded (€bn)	5,544	6,540	(15%)	12,084	9,956	21%
EMEA (Europe)	338	382	(11%)	720	676	6%
Americas	4,621	5,616	(18%)	10,237	8,392	22%
APAC (Asia)	585	542	8%	1,127	888	27%
APAC (ex China)	206	303	(32%)	509	371	37%

Current Trading and Outlook

After the strong start to the year in the first quarter, market dynamics slowed down in the second quarter of 2018. Value traded in the market decreased Q-o-Q, but showed a Y-o-Y increase. That slow down resulted in market dynamics we've witnessed before: tightening spreads and change in product mix traded. Nevertheless, market value traded continued to stay on the upward trend observed since 3Q17. Growth in assets under management picked up again in 2Q18, reaching new highs at the end of this quarter. Momentum in the ETP market therefore remains healthy.

On the regulatory front, MiFID II has improved transparency as flows have moved onto lit venues from dark pools in EMEA, increasing the addressable market in ETPs.

Flow Traders sees confirmation in the recent results of the strength of its organic growth strategy. The ongoing focus on growth through more venues and with more counterparties in more products, while at the same time diversifying trading into areas like FX, US OTC and Fixed Income have supported the Company's performance in 2018 so far, and are expected to remain supportive in the coming period.

Management Board Statements

Co-CEO Dennis Dijkstra stated:

"The opportunities we identified in the market in recent years started to contribute to our results in 2018. As Flow Traders' value traded grew ahead of the market in the first six months of 2018, we were able to show the impact of our organic growth strategy. Our 1H18 NTI reached €266.9 million, which is unprecedented. By growing the number of venues to 109 and our counterparty base to over 775, while simultaneously keeping our fixed cost growth in control, +4.1% YTD Y-o-Y, and diversifying our trading activities, Flow Traders further built on its foundation for the future. As flagged before, regulatory developments like CRR and MiFID II have not limited Flow Traders in its ability to execute on its organic growth strategy. Based on our results, we are confident that we will continue to further leverage our leading position."

Co-CEO Sjoerd Rietberg added:

"When taking a closer look, Flow Traders showed an increase of its market presence in all regions in 2018 to date. Our NTI grew at a record pace, helped by favourable market dynamics, in particular in 1Q18. When looking at the different regions, Flow Traders continued to be the dominant liquidity provider in ETPs in EMEA in 2Q18. The impact of MiFID II so far seems beneficial. Furthermore, Flow Traders started to provide liquidity in FX in EMEA, which will be rolled out further in the coming period. In APAC, Flow Traders grew its on-screen presence as our organic growth strategy resulted in market share gains. Our OTC engagement in APAC also showed good progress. With the regulated status in Hong Kong and the registration in Tokyo, Flow Traders is all set for further growth in that region in the future. In the US, we maintained good momentum as we grew our on- and off-screen trading activity. Our OTC flows in the US now make up 25% of our value traded in the US. We also started to trade more products in the Americas. Given these developments, Flow Traders remains committed to its current organic growth strategy in near the future."

CFO Marcel Jongmans commented:

"As we stated before, Flow Traders has found the right balance between growing our firm and controlling our cost base. In 2Q18, we continued to execute and control our growth strategy while maintaining a tight grip on our cost growth. This resulted in a record 1H18 performance for Flow Traders. On the regulatory front, Flow Traders continued to comfortably meet the regulatory required capital levels under CRR as at 30 June 2018, resulting in €111m in excess capital after payment of the final dividend for 2017 and the interim dividend provision for 2018. The IFRS treatment of Flow Traders' employee participation plan continued to have an impact on the reported variable cash component in the income statement. Taking all of this into account, based on our strong balance sheet and our high free cash flow generation, we announce an interim dividend for FY18 of €1.35. Looking forward, Flow Traders will continue to focus on optimizing NTI and returns for its shareholders in 2018 and beyond."

Consolidated simplified P&L

<i>Consolidated (in €m)</i>	<i>2Q18</i>	<i>1Q18</i>	<i>Change</i>	<i>YTD 18</i>	<i>YTD 17</i>	<i>Change</i>
Net Trading Income	53.8	213.2	(75%)	266.9	95.0	181%
<i>Employee expenses (fixed)</i>	8.9	8.8	-	17.6	15.4	15%
<i>Technology expenses</i>	8.6	8.9	(2%)	17.5	18.8	(7%)
<i>Other expenses</i>	4.4	4.1	7%	8.4	7.7	9%
Fixed Operating Expenses	21.9	21.7	0.8%	43.6	41.9	4.1%
<i>Employee expenses (var)</i>	12.5	57.5	(78%)	70.0	17.9	292%
Total operational expenses	34.4	79.2	(57%)	113.6	59.7	90%
EBITDA	19.4	133.9	(86%)	153.3	35.2	335%
<i>Depreciation/Amortisation</i>	2.1	2.0		4.1	3.4	
<i>Write offs, tangible assets</i>	0.1	-		0.1	-	
<i>Results subsidiaries</i>	(3.1)	-		(3.1)	-	
Profit Before Tax	20.3	131.9	(85%)	152.2	31.8	378%
<i>Tax</i>	3.1	22.2		25.3	5.7	
Net Profit	17.2	109.7	(84%)	126.8	26.1	386%
<i>EPS (in €)</i>	0.37	2.36		2.73	0.56	
<i>EBITDA margins (%)</i>	36%	63%		57%	37%	

Financial Calendar 2018/2019

08 August 2018	Ex-dividend date interim dividend FY18
09 August 2018	Record date interim dividend FY18
13 August 2018	Payment date interim dividend FY18
27 September 2018	Start Silent Period ahead of 3Q18 trading update
18 October 2018	Release 3Q18 trading update (no analyst conference call)

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 was 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 Friday 27 July 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.

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