

FLOW TRADERS 3Q18 TRADING UPDATE

Amsterdam, the Netherlands - Flow Traders N.V. (Euronext: FLOW) releases its unaudited 3Q18 trading update. The highlights for the period are:

- Market ETP Value Traded down 12% quarter-on-quarter, Market ETP AuM up 6% quarter-on-quarter (in €)
- Flow Traders 3Q18 NTI €42.4m, resulting in a record NTI of €309.3m year-to-date
- Flow Traders gained market share in all regions in 3Q18
- 3Q18 Fixed operating expenses grew 5%; fixed operating expenses growing 6% year-to-date
- FTEs grew to 425 at the end of 3Q18; FTE growth of 8% year-to-date
- Own Funds Requirement (OFR) was €174m on 30 September 2018, resulting in excess capital of €113m

Overview 3Q18 Value Traded

€billion	3Q18	2Q18	Change	YTD 18	YTD 17	Change
Flow Traders ETP Value Traded	184.0	205.0	(10%)	632.8	521.8	21%
<i>EMEA (Europe)</i>	96.4	112.8	(15%)	352.1	314.7	12%
<i>Americas</i>	79.2	83.9	(6%)	254.9	190.0	34%
<i>APAC (ex China)</i>	8.4	8.3	1%	25.7	17.1	51%
Flow Traders' non-ETP Value Traded	589	621	(5%)	1,902	1,685	13%
Market ETP Value Traded	4,874	5,544	(12%)	16,958	14,207	19%
<i>EMEA (Europe)</i>	281	338	(17%)	1,001	967	4%
<i>Americas</i>	4,091	4,621	(11%)	14,329	11,919	20%
<i>APAC ex China</i>	198	206	(4%)	707	540	31%

Financial Overview Flow Traders 3Q18

€million	3Q18	2Q18	Change	YTD 18	YTD 17	Change
Net Trading Income	42.4	53.8	(21%)	309.3	126.7	144%
<i>EMEA (Europe)</i>	27.5	32.4	(15%)	109.4	87.1	26%
<i>Americas</i>	8.1	14.7	(45%)	175.5	28.3	521%
<i>APAC</i>	6.8	6.7	1%	24.5	11.3	116%
Net Trading Income	42.4	53.8	(21%)	309.3	126.7	144%
<i>Employee expenses (fixed)</i>	8.9	8.9	-	26.5	23.4	13%
<i>Technology expenses</i>	9.1	8.6	5%	26.6	28.0	(5%)
<i>Other expenses</i>	5.0	4.4	15%	13.4	11.3	19%
Fixed Operating Expenses	22.9	21.9	5%	66.5	62.7	6%
<i>Employee expenses (var)</i>	6.8*	12.5	(46%)	76.8	21.2	263%
Total operational expenses	29.7	34.4	(14%)	143.3	83.8	71%
EBITDA	12.7	19.4	(34%)	166.0	42.8	288%
<i>Depreciation/Amortisation</i>	2.4	2.1		6.5	5.2	
<i>Write offs, tangible assets</i>	-	0.1		0.1	-	
<i>Results subsidiaries</i>	-	(3.1)		(3.1)	-	
Profit Before Tax	10.4	20.3	(49%)	162.5	37.6	332%
<i>Tax</i>	2.2	3.1		27.5	6.0	
Net Profit	8.2	17.2	(52%)	135.0	31.7	327%
<i>EPS (in €)</i>	0.18	0.37		2.91	0.68	
<i>EBITDA margins (%)</i>	30%	36%		54%	34%	

* including one-off €1.1m impact related to employees leaving the firm with shares under lock up

3Q18 regional highlights:

AMERICAS:

- Flow Traders US ETP market share grew further in 3Q18
- Flow Traders US ETP Value Traded reached €79.2bn, lower quarter-on-quarter, but ahead of the market
- Number of counterparties continues to grow, momentum in OTC trading is increasing

EMEA:

- Flow Traders EMEA ETP market share grew in 3Q18, confirming our leading position in the ETP ecosystem
- Flow Traders EMEA ETP Value Traded reached €96.4bn, lower quarter-on-quarter, but ahead of the market
- Number of counterparties continues to grow, supported by the impact of MiFID II
- FX liquidity providing is live on FastMatch and Currenex with a rapidly growing number of counterparties

APAC:

- Flow Traders APAC ETP market share grew further in 3Q18
- Flow Traders APAC ex-China ETP Value Traded reached €8.4bn, flat versus previous quarter, but ahead of the market
- Flow Traders APAC ETP OTC trading in terms of Value Traded continued to grow in 3Q18

Co-CEO Dennis Dijkstra stated:

“Markets were seasonally slow in the third quarter, as certain geopolitical events only had a short impact on the market. The temporary fall in realized volatility in especially the US, affected profit potential in 3Q18. Flow Traders continued to focus on executing its organic growth strategy, with momentum increasing in its global OTC trading. FX liquidity providing with external counterparties is now live in EMEA and expansion to other platforms is expected to follow soon. All in all, Flow Traders’ market share continued to grow in 3Q18, leading to an NTI in the quarter that is above last year’s NTI level, adding to what is already our best year since inception. With FX trading live, Flow Traders is accelerating plans to diversify into other asset classes, in addition to its leading ETP business.”

CFO Marcel Jongmans added:

“In 3Q18 our focus on cost control continued. The fixed cost increase in the quarter was mainly the result of expected investments, such as the start of new graduate classes in trading and technology and the ongoing expansion of our infrastructure. Our regulatory capital base remained healthy with conservative levels of excess capital in 3Q18. Flow Traders continues to have a strong and unleveraged balance sheet, while generating strong free cash flows. Looking ahead, Flow Traders remains focused on enhancing the performance of its trading infrastructure to maximize NTI, while keeping a tight grip on cost.”

Preliminary Financial Calendar

11 January 2019	Start Silent Period ahead of release FY18 results
08 February 2019	Release FY18 results (incl. analyst conference call)
28 February 2019	Release Annual Report 2018
26 March 2019	Start Silent Period ahead of release 1Q19 trading update
16 April 2019	Release 1Q19 trading update (no analyst conference call)
08 May 2019	AGM Flow Traders

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