

## FLOW TRADERS REPORTS STRONG FINISH TO RECORD YEAR 2018

## Amsterdam, the Netherlands - Flow Traders N.V. (Euronext: FLOW) announces its unaudited 4Q18 results:

- 4Q18 ETP Value Traded was up 49% Q-o-Q to €273bn. This resulted in a 31% Y-o-Y increase, compared to a 34% Y-o-Y increase in market ETP Value Traded following market developments in the US
- 4Q18 Net Trading Income (NTI) was up 75% Q-o-Q to €74.1m, resulting in a record FY18 NTI of €383.4m
- 4Q18 fixed costs grew 6% Q-o-Q, including a one-off US office rent charge, resulting in 7% Y-o-Y growth in fixed costs in FY18
- FTEs grew 10.7% Y-o-Y to 436 as at the end of December 2018
- 4Q18 EBITDA margin reached 46%, leading to a FY18 EBITDA margin of 52%
- 4Q18 Net Profit amounted to €25.9m, resulting in a FY18 Net Profit of €160.9m, and a FY18 EPS of €3.46
- Flow Traders' own funds requirement, under EU Capital Requirements Regulation, was €168m as at 31 December 2018, resulting in excess capital of €110m
- Flow Traders proposes final FY18 dividend of €1.00, implying a €2.35 total dividend for FY18 and a 68% dividend pay-out ratio
- Key growth initiatives confirm our longer-term growth strategy focus on diversification and growth of our trading infrastructure

## Overview of Flow Traders' quarterly and full year consolidated results

€million, unless otherwise stated	4Q18	3Q18	Q-o-Q Change	FY18	FY17	Y-o-Y Change
<b>Net Trading Income</b>	<b>74.1</b>	<b>42.4</b>	<b>75%</b>	<b>383.4</b>	<b>166.0</b>	<b>131%</b>
<i>EMEA (Europe)</i>	44.4	27.5	62%	153.8	114.7	34%
<i>Americas</i>	13.8	8.1	71%	189.3	34.1	456%
<i>APAC (Asia)</i>	15.8	6.8	131%	40.4	17.2	134%
<b>Fixed operating expenses</b>	<b>24.2</b>	<b>22.9</b>	<b>6%</b>	<b>90.7</b>	<b>84.7</b>	<b>7%</b>
<b>EBITDA</b>	<b>33.8</b>	<b>12.7</b>	<b>167%</b>	<b>199.8</b>	<b>56.0</b>	<b>257%</b>
<b>EBITDA Margin</b>	<b>46%</b>	<b>30%</b>		<b>52%</b>	<b>34%</b>	
<b>Net Profit</b>	<b>25.9</b>	<b>8.2</b>	<b>217%</b>	<b>160.9</b>	<b>39.6</b>	<b>306%</b>
<b>EPS (EUR)</b>	<b>0.56</b>	<b>0.18</b>		<b>3.46</b>	<b>0.85</b>	
<b>Flow Traders ETP Value Traded (€bn)</b>	<b>272.8</b>	<b>183.2</b>	<b>49%</b>	<b>899.4</b>	<b>685.8</b>	<b>31%</b>
<i>EMEA (Europe)</i>	123.6	96.5	28%	473.9	418.3	13%
<i>Americas</i>	139.5	78.4	78%	391.0	244.6	60%
<i>APAC (Asia)</i>	9.7	8.3	17%	34.5	22.9	51%
<b>Flow Traders' non ETP Value Traded (€bn)</b>	<b>807</b>	<b>586</b>	<b>38%</b>	<b>2,681</b>	<b>2,215</b>	<b>21%</b>
<b>Market ETP Value Traded (€bn)</b>	<b>8,454</b>	<b>4,874</b>	<b>73%</b>	<b>25,412</b>	<b>18,936</b>	<b>34%</b>
<i>EMEA (Europe incl MTF)</i>	347	281	24%	1,347	1,270	6%
<i>Americas</i>	7,472	4,091	83%	21,800	15,726	39%
<i>APAC (Asia)</i>	636	502	27%	2,265	1,940	17%
<i>APAC (ex China)</i>	291	198	47%	998	767	30%

## Current Trading and Outlook

Market activity picked up in 4Q18 after a slow summer. Geopolitical developments in the US, China and Europe resulted in more trading activity in 4Q18, especially in the US. Value Traded in the market rose substantially quarter-on-quarter, leading to even stronger year-on-year growth in Value Traded versus FY17. Growth in ETP assets under management decelerated towards the end of 2018, due to the selling pressure in markets globally. However, inflows into ETPs continued year-on-year, confirming the market long-term shift towards passive investing.

Flow Traders' recent results were supported by the disciplined execution of our growth strategy, with more venues connected, more counterparties and more products traded, while at the same time diversifying trading into areas like FX and Fixed Income. Flow Traders' performance in 2018 confirmed in turn the relevance of our growth strategy, which focus in the future will remain on diversification, while growing our presence in ETPs.

## Management Board statements

Co-CEO Dennis Dijkstra stated:

*"The initiatives we launched in 2017 and before, started to materialize in 2018 in the form of NTI growth. The strategic focus we presented at the beginning of 2018, combined with disciplined execution, have resulted in another record year for Flow Traders. NTI more than doubled year-on-year, as Flow Traders' presence in the overall financial markets expanded and Value Traded grew strongly. Investments made in the past years in new trading desks, new products and new venues, whilst maintaining a tight grip on our fixed cost base, have already yielded great results and puts us today in an improved market position. Those results translate in a total proposed dividend of €2.35 over 2018, or a 68% dividend pay-out ratio, as our free cash flows continue to be high and our capital position to be healthy with an unleveraged balance sheet.*

*This foundation allows Flow Traders to provide a competitive liquidity platform for other asset classes on top of ETPs, and complements our ambition to be the leading liquidity provider in ETPs globally. As flagged before, regulatory developments like CRR and MiFID II have contributed to the development of a level playing field and to greater transparency in the financial markets and, as such, have supported Flow Traders' growth strategy in 2018.*

*In 2019 and beyond, Flow Traders will further intensify its efforts to diversify into asset classes like FX, Fixed Income and into other financial products as a liquidity provider, which will in turn support our presence and growth in the global ETP ecosystem. This will materialize even more on the strong foundation of ever expanding trading relationships we have been building to date."*

Co-CEO Sjoerd Rietberg added:

*"Looking at 2018, Flow Traders increased its presence in all active markets and regions and NTI grew to a record level, helped by improved overall market conditions. Flow Traders grew the number of financial products traded, both in the ETP and non-ETP space. We connected to more trading venues, started providing liquidity in FX, traded more products on a continuous basis, became an important liquidity provider in ETPs in Asia as well as an Authorized Participant in the first crypto ETF in Switzerland and grew OTC trading in all regions. This all without any loss days in 2018.*

*Whilst all these achievements illustrate Flow Traders' strong growth in 2018, the modularity of our trading setup will provide Flow Traders with further leverage in a larger part of the financial markets in the future. Flow Traders wants to remain the leading liquidity provider in ETPs globally, which goes hand in hand with the ambition of becoming a one-stop shop liquidity platform for all kind of financial products.*

*We will further address those objectives in our first Investor Day, which will be held on 18 April 2019."*

**Preliminary Financial Calendar 1H19**

28 February 2019	FY18 annual report release
26 March 2019	Silent period start ahead of 3Q18 trading update
16 April 2019	1Q19 trading update release (no analyst conference call)
18 April 2019	Flow Traders Investor Day
08 May 2019	AGM
10 May 2019	FY18 final dividend proposed ex-dividend date
13 May 2019	FY18 final dividend proposed record date
15 May 2019	FY18 final dividend proposed payment date
28 June 2019	Silent period start ahead of 1H19 results
24 July 2019	1H19 results release

**Analyst conference call and webcast**

The analyst conference call on the FY18 results will be held at 10:00 am Amsterdam time on Friday 8 February 2019. The presentation will also be accessible via [www.flowtraders.com/investors](http://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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