

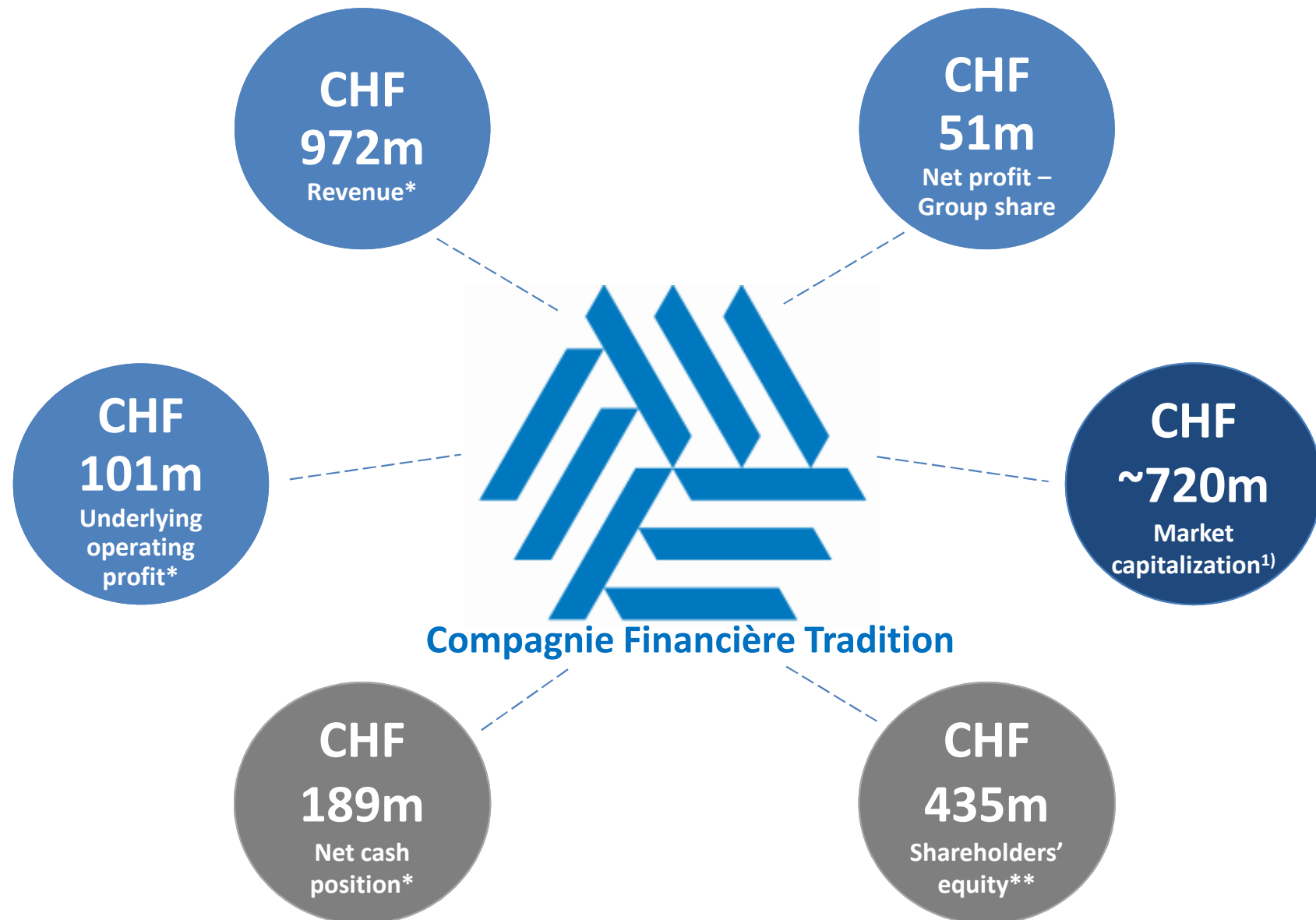


# Compagnie Financière Tradition

## FY 2018 Results

Zurich, March 2019

# Key figures performance and financial position as of 31 December 2018



# A long established Swiss group with proven track record

*Focused on critical size and quality of balance sheet*

## Consistent strategy since acquired by Viel & Cie in 1997

- Return to profitability
  - Built critical market share
- Focus on organic growth and sound financial position*

## Post Lehman shake up

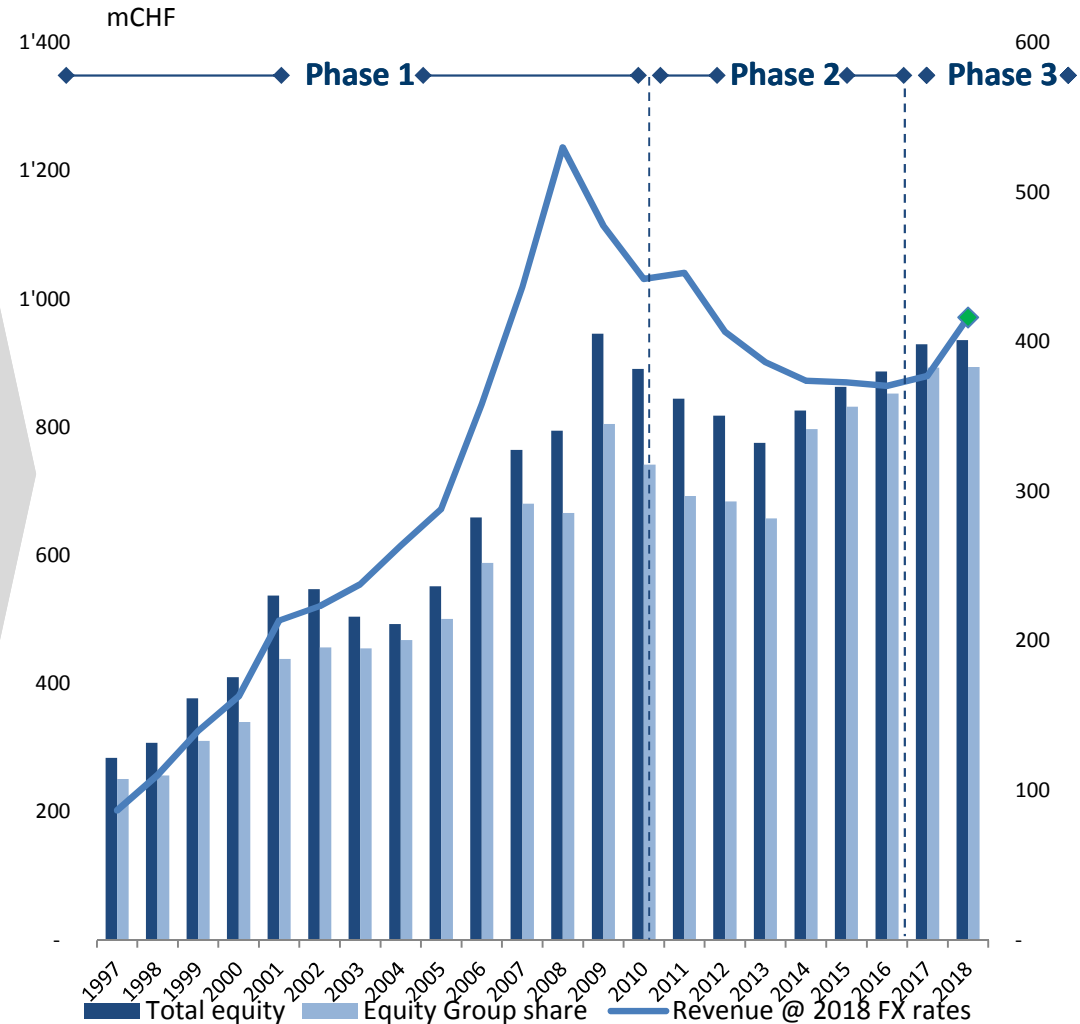
- Regulatory transformation with increased pressure on banks
  - Launch of electronic initiatives
- Focus on cost management and cultural changes*

## Top line stabilisation and growth opportunities

- Final stage of industry consolidation and pressure on smaller scale brokers
- Blurring of traditional market boundaries
- Development of Market Information and Content Services

*Focus on growth opportunities*

### Consolidated revenue and shareholders' equity

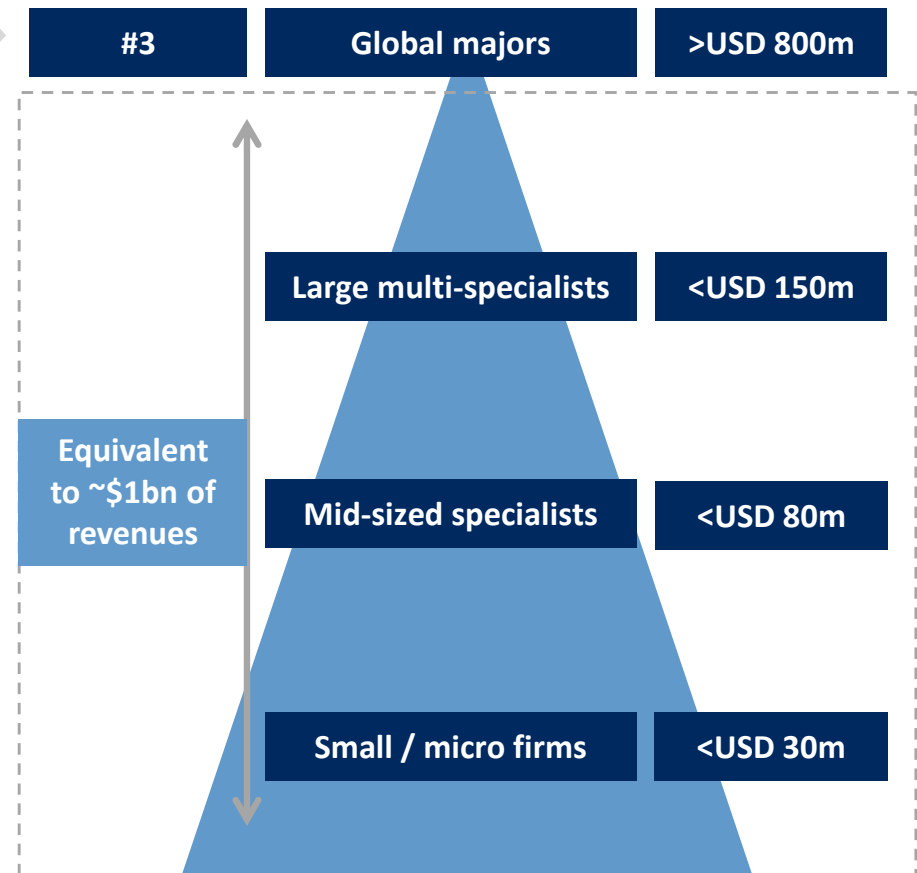
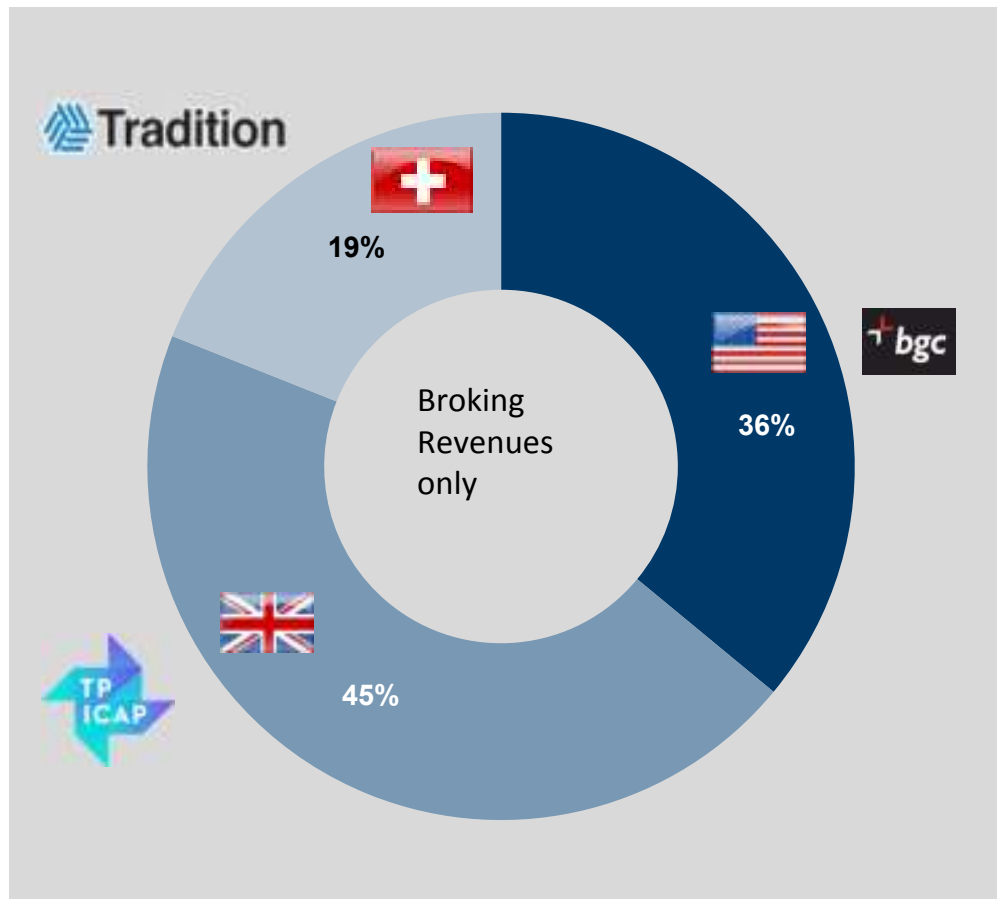


# A sector with only 3 global players, of which Tradition

3 global players represents ~80% of sector revenues

Further consolidation to be expected

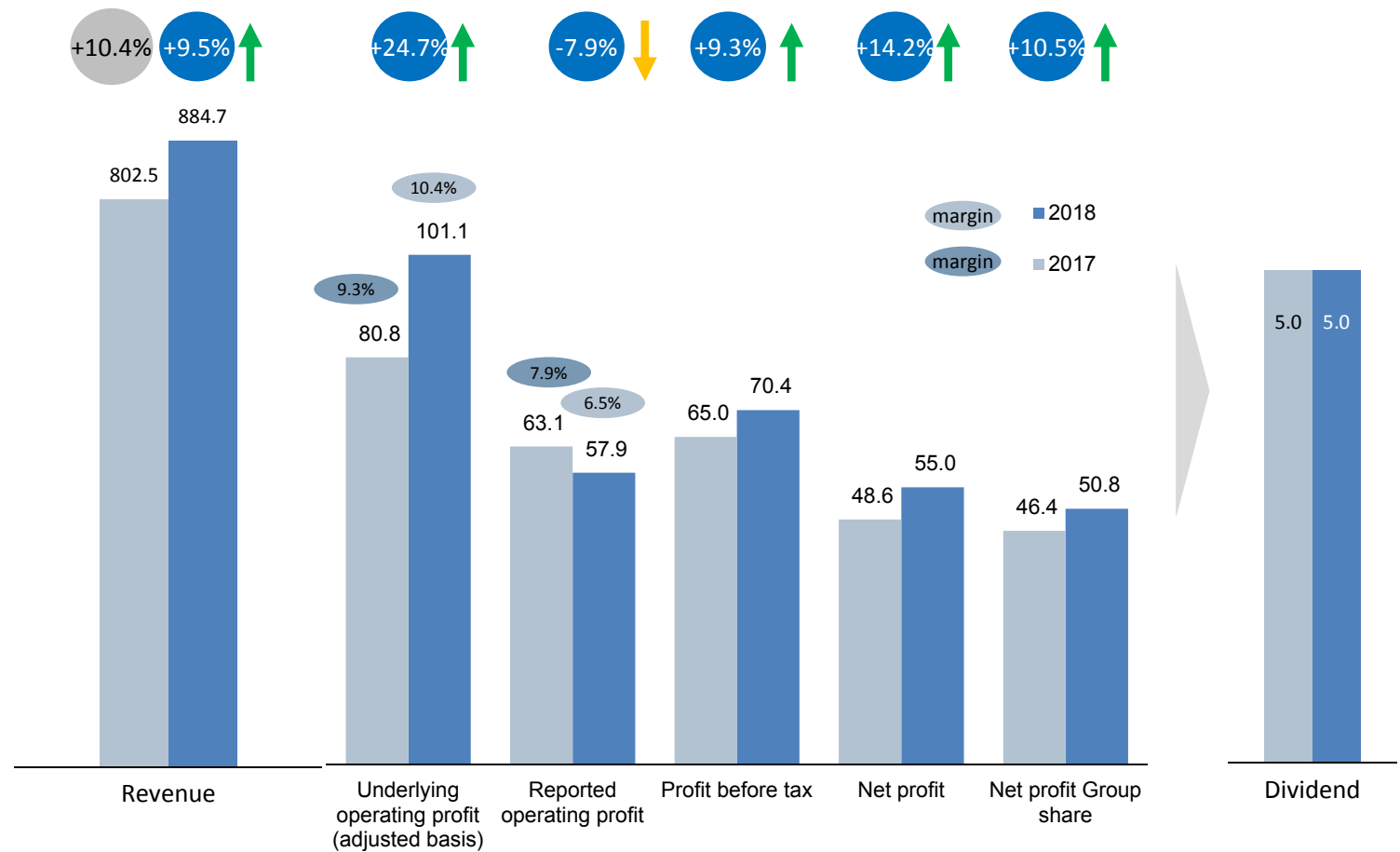
Estimated market share



# Growth in adjusted revenue of 10.4% in constant currencies to CHF 971.7m

## FY 2018 performance summary, in mCHF

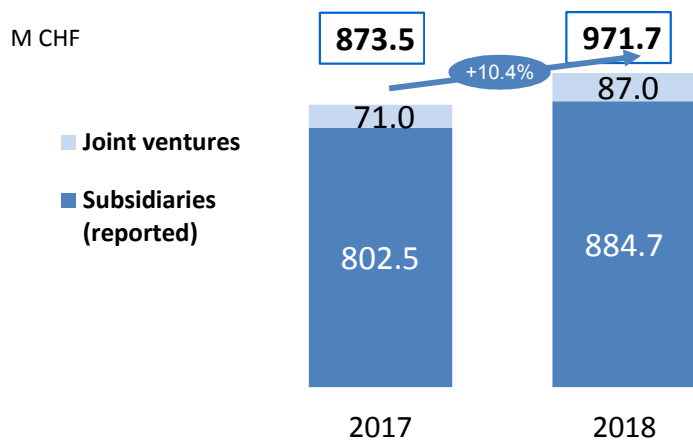
- Revenue growth in a positive market dynamic and accelerated recruitment efforts
- Direct contribution improved close to CHF 40m
- Exceptional costs increased to CHF 23.5m from CHF 9.4m
- Good performance from equity investments including JV in Mainland China and Gaitame.com
- Effective tax rate of 29%
- Proposed cash dividend of CHF 5.00 per share; exceptional distribution of treasury shares (1:35) for the 60 years of Compagnie Financière Tradition



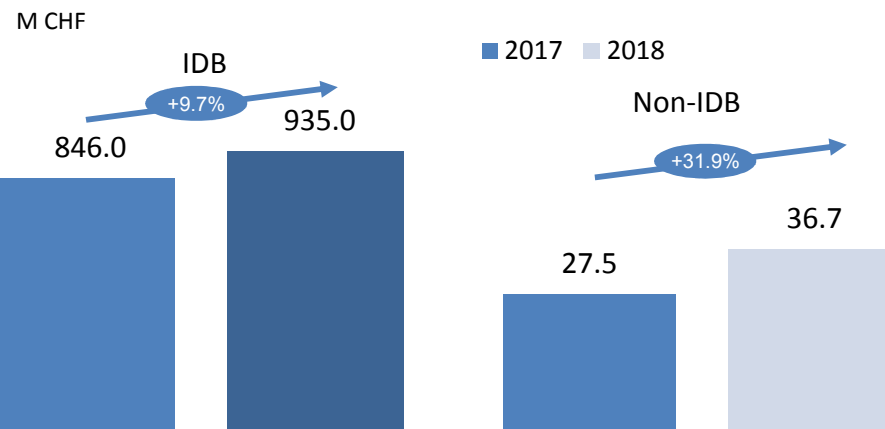
# Revenue overview

Global and diverse product offering

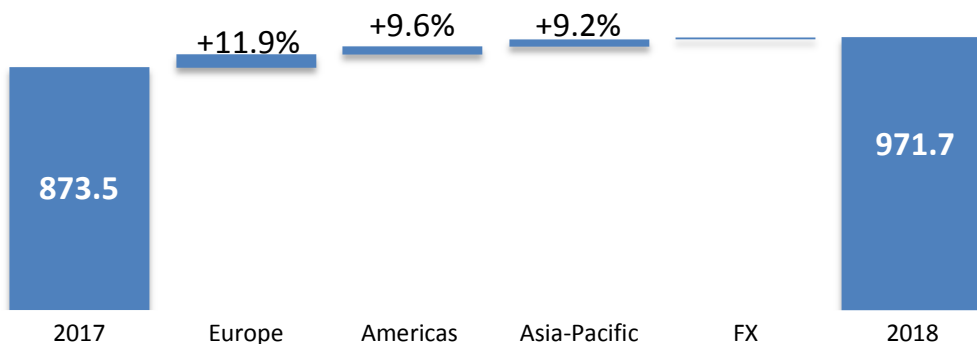
## Group adjusted revenue



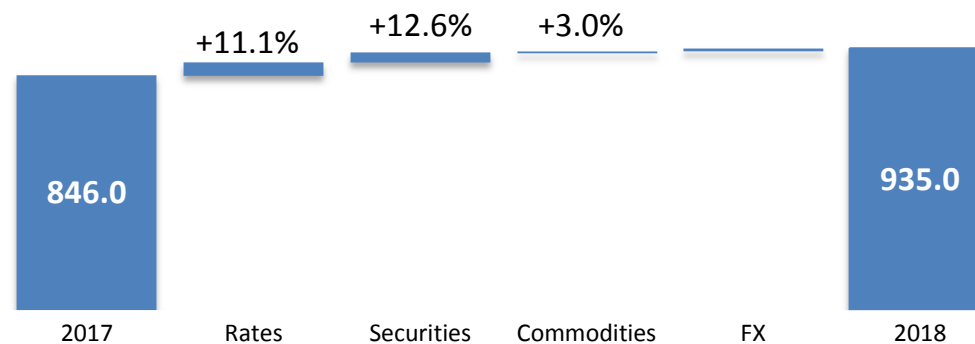
## Adjusted revenue by business



## Adjusted revenue by region



## IDB revenue by product



# Diversified revenue portfolio both in terms of geographies and asset classes

Geographies

## Americas

- USA,
- Argentina,
- Chile,
- Colombia,
- Mexico,
- Brazil (Minority)

30%

## Europe, Middle East, Africa

- United Kingdom,
- France,
- Belgium,
- Germany,
- Italy,
- Israel,
- Luxembourg,
- Monaco,
- Netherlands
- Russia,
- South Africa,
- Spain,
- Switzerland,
- UAE

43%

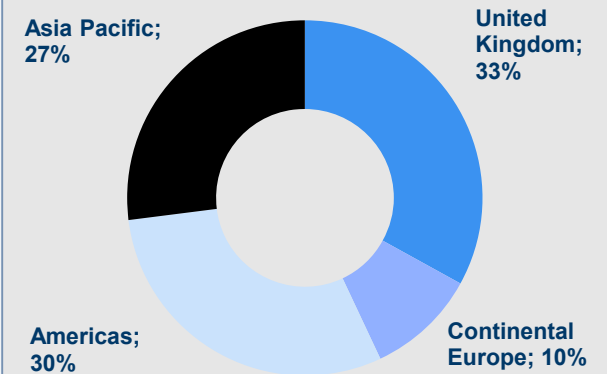
## Asia Pacific

- Japan,
- China Mainland (JV with Ping An),
- Hong Kong,
- India,
- Indonesia
- Singapore,
- South Korea,
- Australia,
- Philippines,
- Thailand

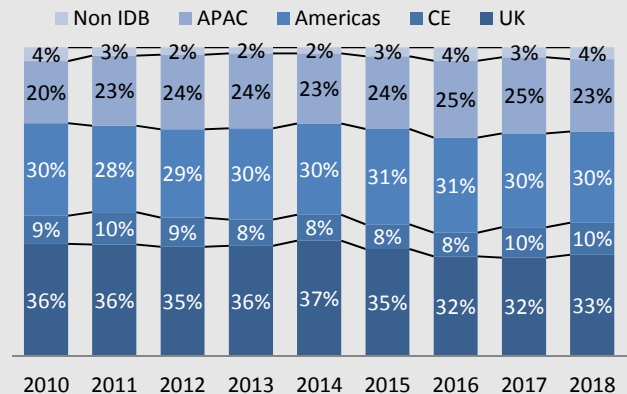
27%

% revenue  
FY 2018

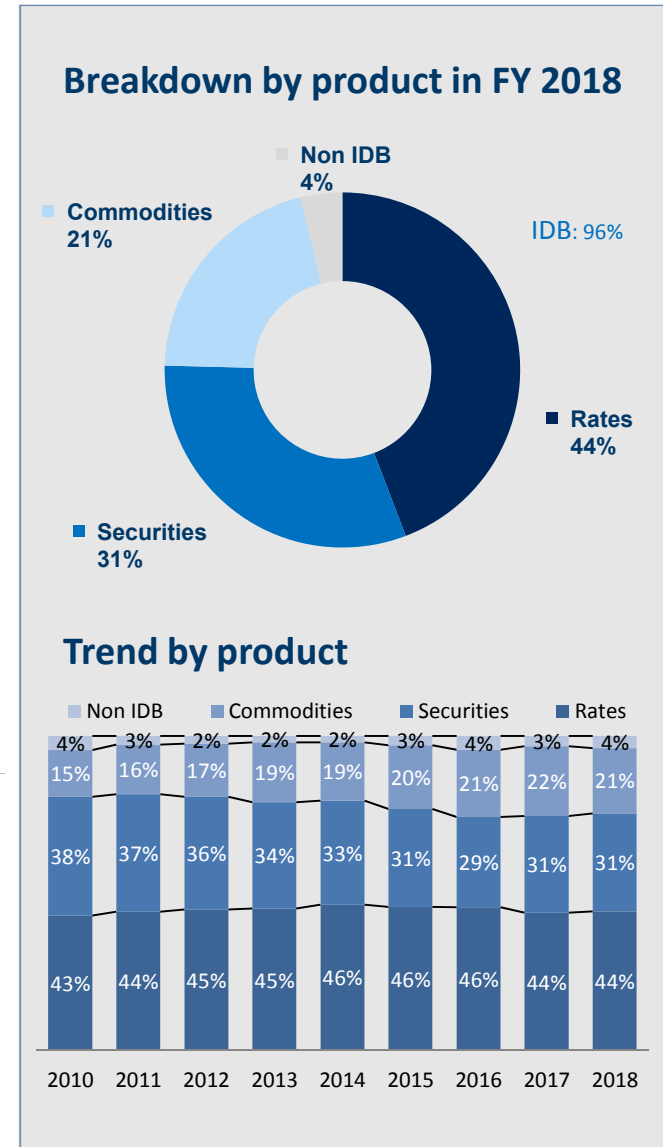
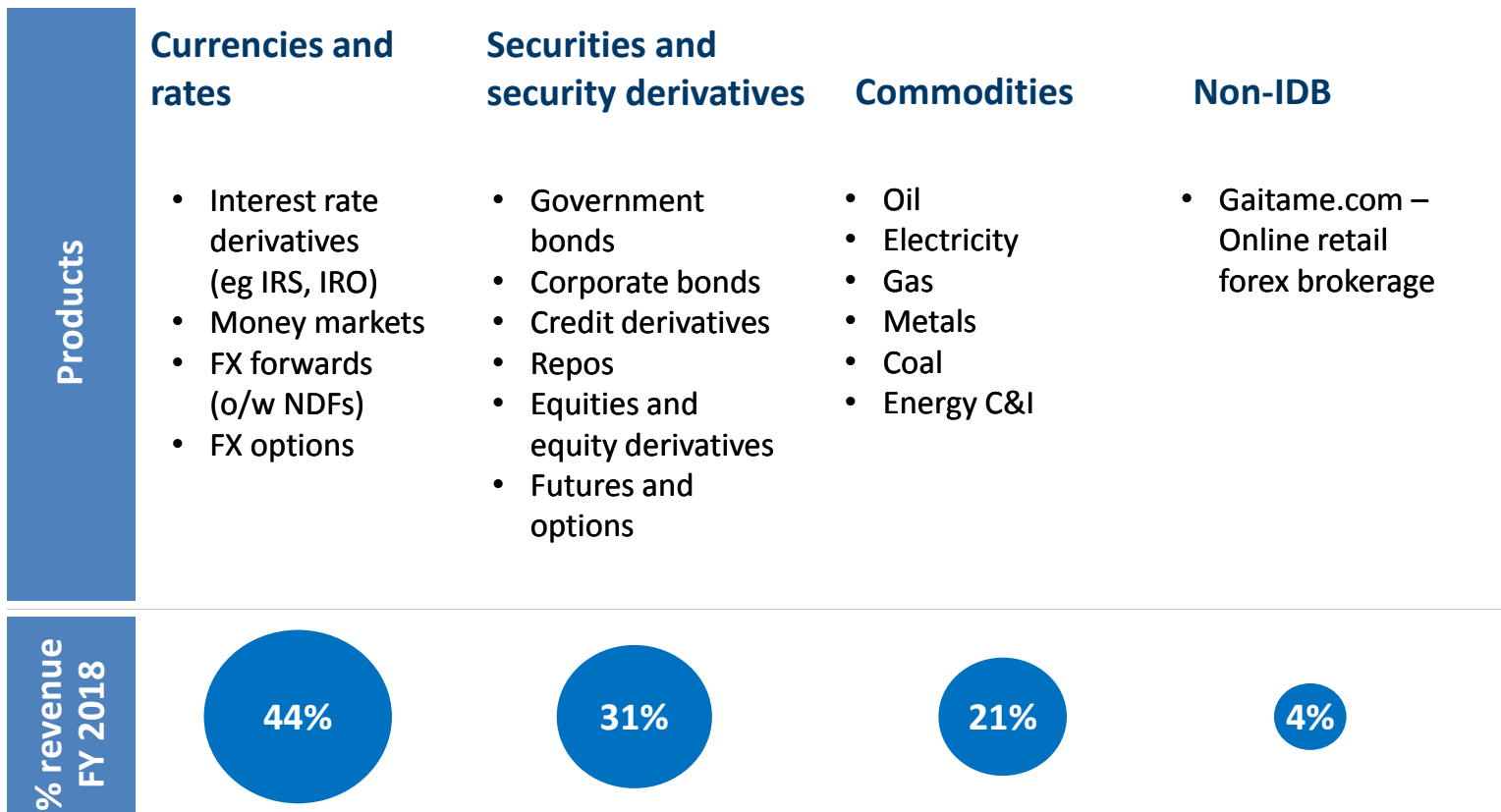
## Breakdown by region in FY 2018



## Trend by region



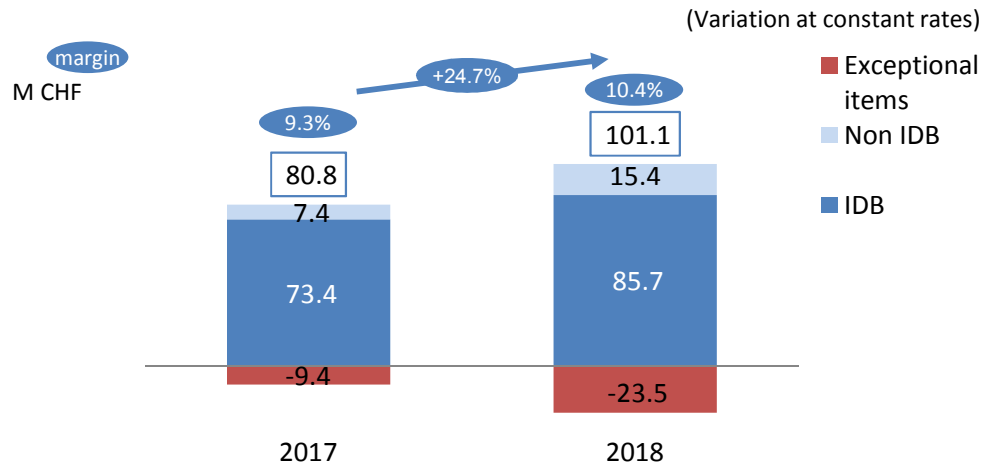
# Diversified revenue portfolio both in terms of geographies and asset classes



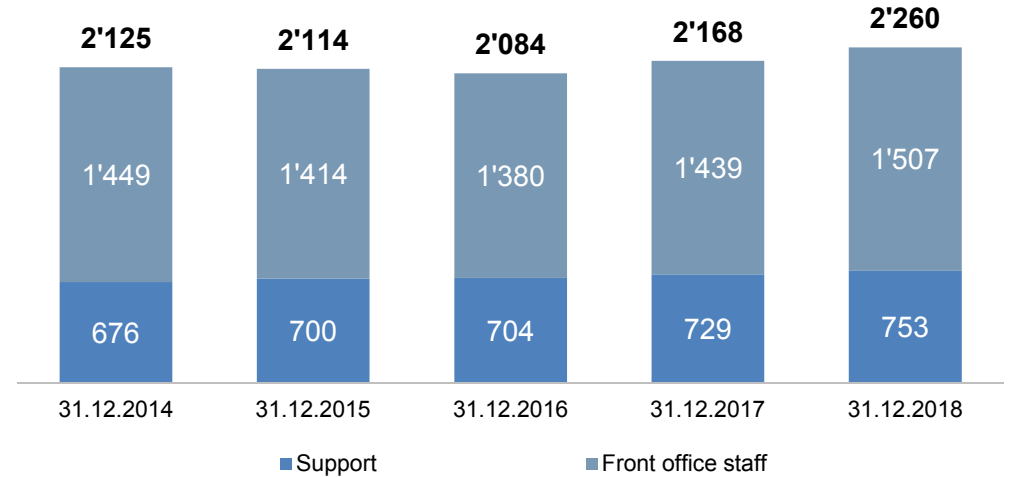


# Adjusted underlying operating profit up 24.7% to CHF 101.1m for a margin of 10.4%; increased exceptional costs

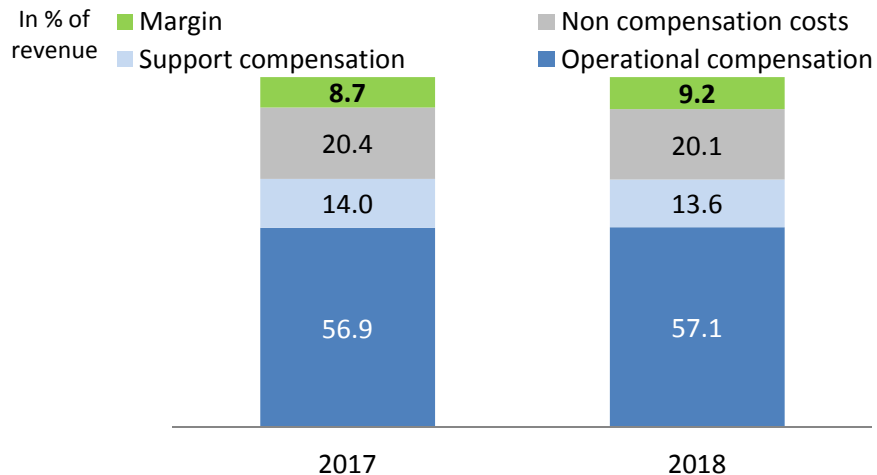
## Adjusted underlying operating profit



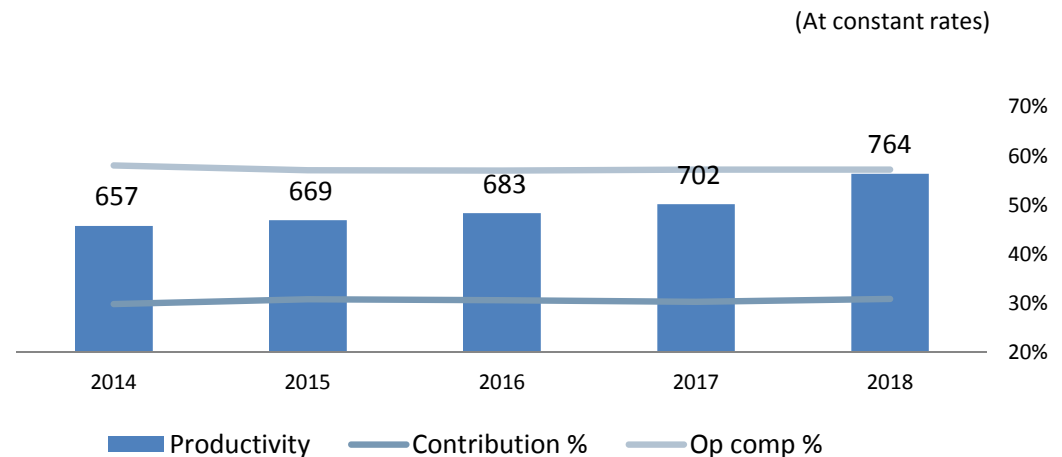
## IDB headcount trend



## IDB underlying operating ratios



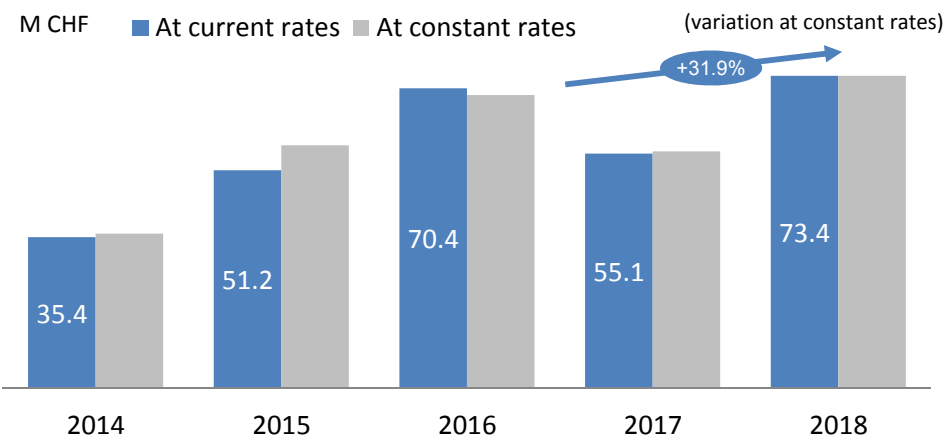
## IDB – Other KPI



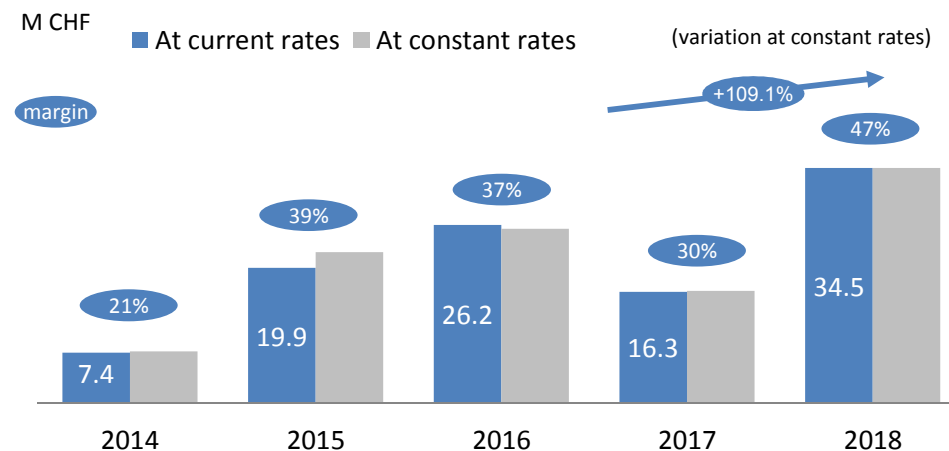
# Gaitame.com improved performance



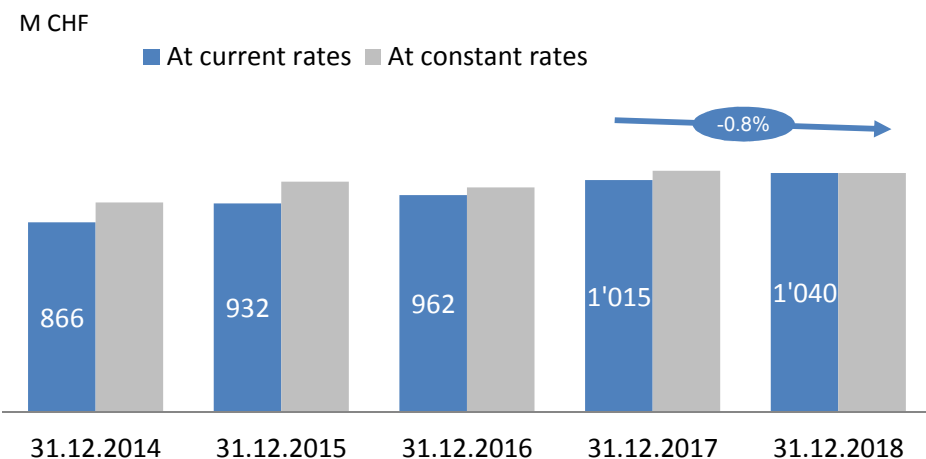
## Revenue trend\*



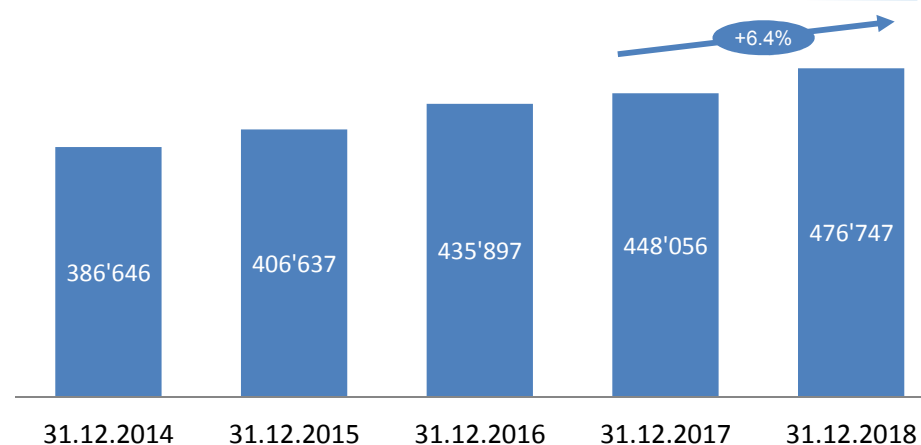
## EBITDA trend\*



## Client deposits trend\*



## Number of clients trend\*



\* Figures presented at 100%. Group stake of 50% accounted as an equity investment

# Net profit – Group share up 10.5% to CHF 50.8m

## Net profit – Group share

M CHF	FY 2018	FY 2017	Change at current exchange rates	Change at constant exchange rates
<b>Operating profit as reported</b>	<b>57.9</b>	<b>63.1</b>	<b>-8.2%</b>	<b>-7.9%</b>
Net financial result	-5.1	-4.4		
Share of profit of associates and joint ventures	17.5	6.3		
<b>Profit before tax</b>	<b>70.3</b>	<b>65.0</b>	<b>+8.2%</b>	<b>+9.3%</b>
Income tax	-15.3	-16.4	-6.6%	-5.2%
<i>Effective income tax rate</i>	<i>29%</i>	<i>28%</i>		
<b>Net profit for the period</b>	<b>55.0</b>	<b>48.6</b>	<b>+13.2%</b>	<b>+14.2%</b>
<b>Group share</b>	<b>50.8</b>	<b>46.4</b>	<b>+9.4%</b>	<b>+10.5%</b>

M CHF	FY 2018	FY 2017
Net interest expense	-5.1	-4.6
Net foreign exchange gains/(losses)	0.6	-1.3
Gains/(losses) on financial assets at fair value	-0.7	1.4
Other financial income	0.1	0.1
<b>Total</b>	<b>-5.1</b>	<b>-4.4</b>

% / M CHF	FY 2018	FY 2017
<b>Normative income tax rate</b>	<b>18% ; 9.4m</b>	<b>17% ; 10.2m</b>
Net unrecognized tax losses	4% ; 1.9m	4% ; 2.5m
Non-deductible expenses	7% ; 3.5m	6% ; 3.4m
Prior year current tax	2% ; 1.1m	-% ; -m
<i>US tax reform</i>	<i>-% ; -m</i>	<i>5% ; 3.0m</i>
Other items	-2% ; -0.6m	-4% ; -2.7m
<b>Effective income tax rate</b>	<b>29% ; 15.3m</b>	<b>28% ; 16.4m</b>

# Continued focus on strong balance sheet

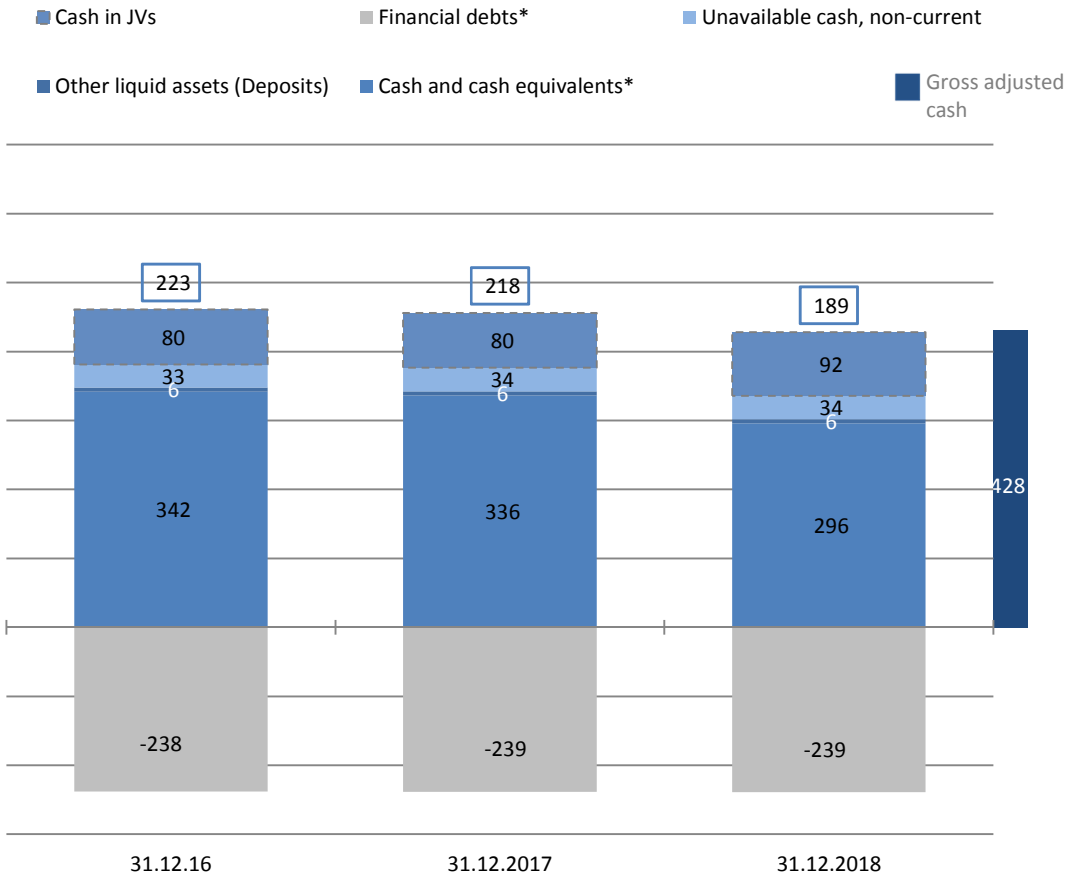
	Assets	
M CHF	31.12.18	31.12.17
Property, Plant & Equipment	27.8	20.2
Intangible assets	50.9	55.0
Investments in associates and joint ventures	146.7	135.2
Financial assets at fair value (FVTOCI & FVTPL)	6.1	5.7
Unavailable cash	34.0	34.1
Other non-current assets	39.6	35.8
<b>Non-current assets</b>	<b>305.1</b>	<b>286.0</b>
Receivables related to MP activities	318.7	211.5
Receivables related to AH activities	63.0	32.4
Trade & other receivables	261.6	203.6
Other financial assets	5.9	6.1
Cash & Cash equivalents	278.0	322.7
Other current assets	21.9	21.4
<b>Current assets</b>	<b>949.1</b>	<b>797.7</b>
<b>TOTAL ASSETS</b>	<b>1 254.2</b>	<b>1 083.7</b>

	Equity and Liabilities	
M CHF	31.12.18	31.12.17
Capital	18.2	18.0
Share premium	37.4	36.4
Treasury shares	-34.1	-26.6
Currency translation	-145.3	-136.7
Consolidated reserves	507.1	491.8
<b>Equity – Group share</b>	<b>383.3</b>	<b>382.9</b>
Minority interests	18.0	15.5
<b>Equity - Total</b>	<b>401.3</b>	<b>398.4</b>
Long term financial debts	238.8	238.5
Other non-current liabilities	32.8	23.6
Short term financial debts	38.6	1.6
Payables related to MP activities	262.5	196.5
Payables related to AH activities	63.0	32.4
Trade & other payables	217.2	192.4
<b>Current liabilities</b>	<b>581.3</b>	<b>423.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 254.2</b>	<b>1 083.7</b>

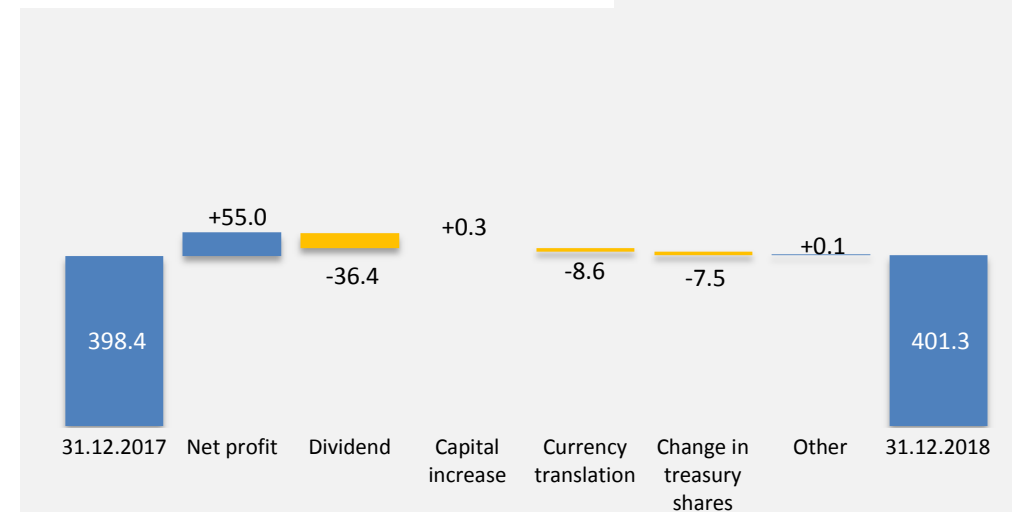
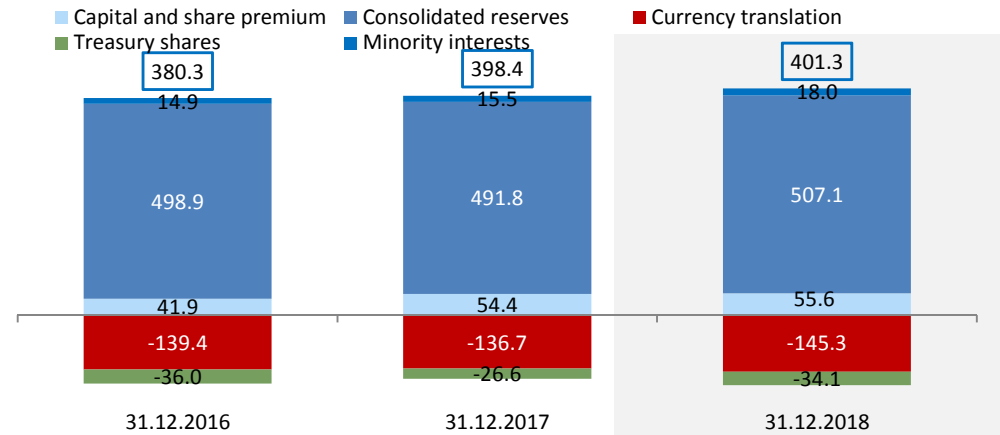
# Shareholders' equity of CHF 435.4m and net cash position of CHF 189m<sup>1)</sup>

Gross adjusted cash balance of CHF 428m; unused credit facilities above CHF 100m

## Net cash position trend



## Shareholders' equity breakdown

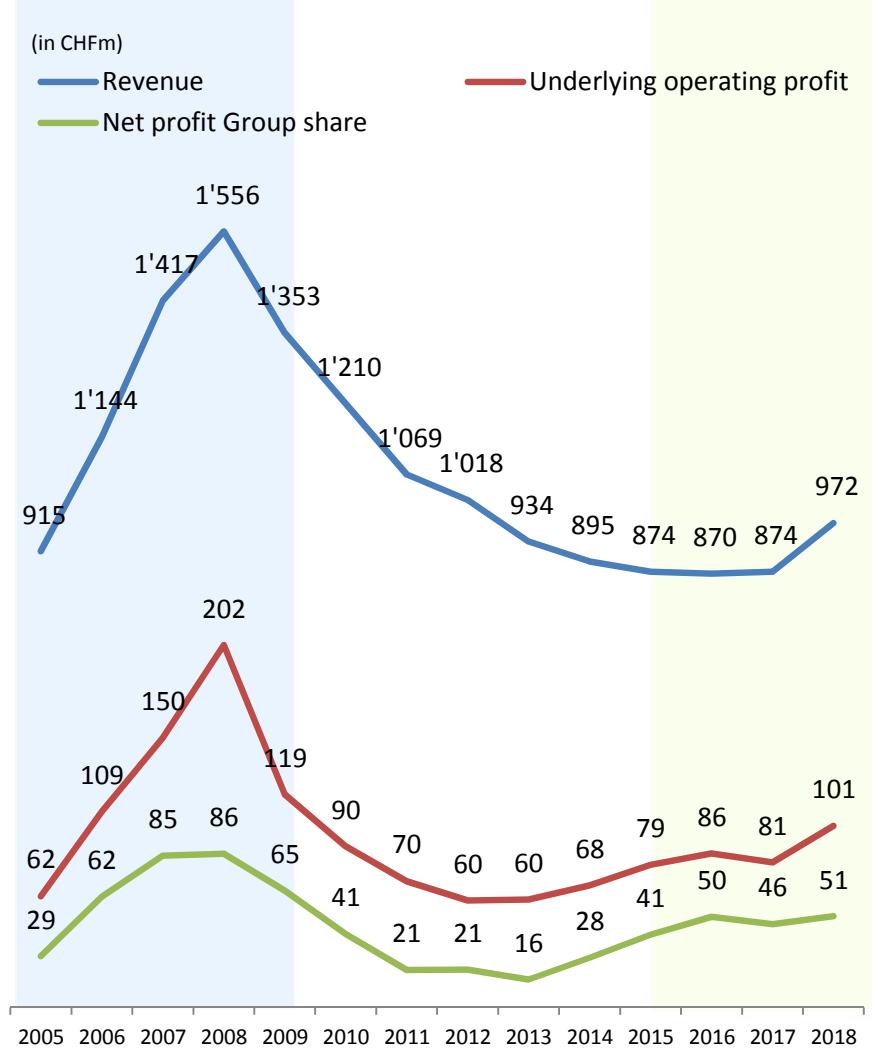


1) Shareholders' equity before the deduction for own shares and net cash position including Group share of cash at JVs accounted as equity investments

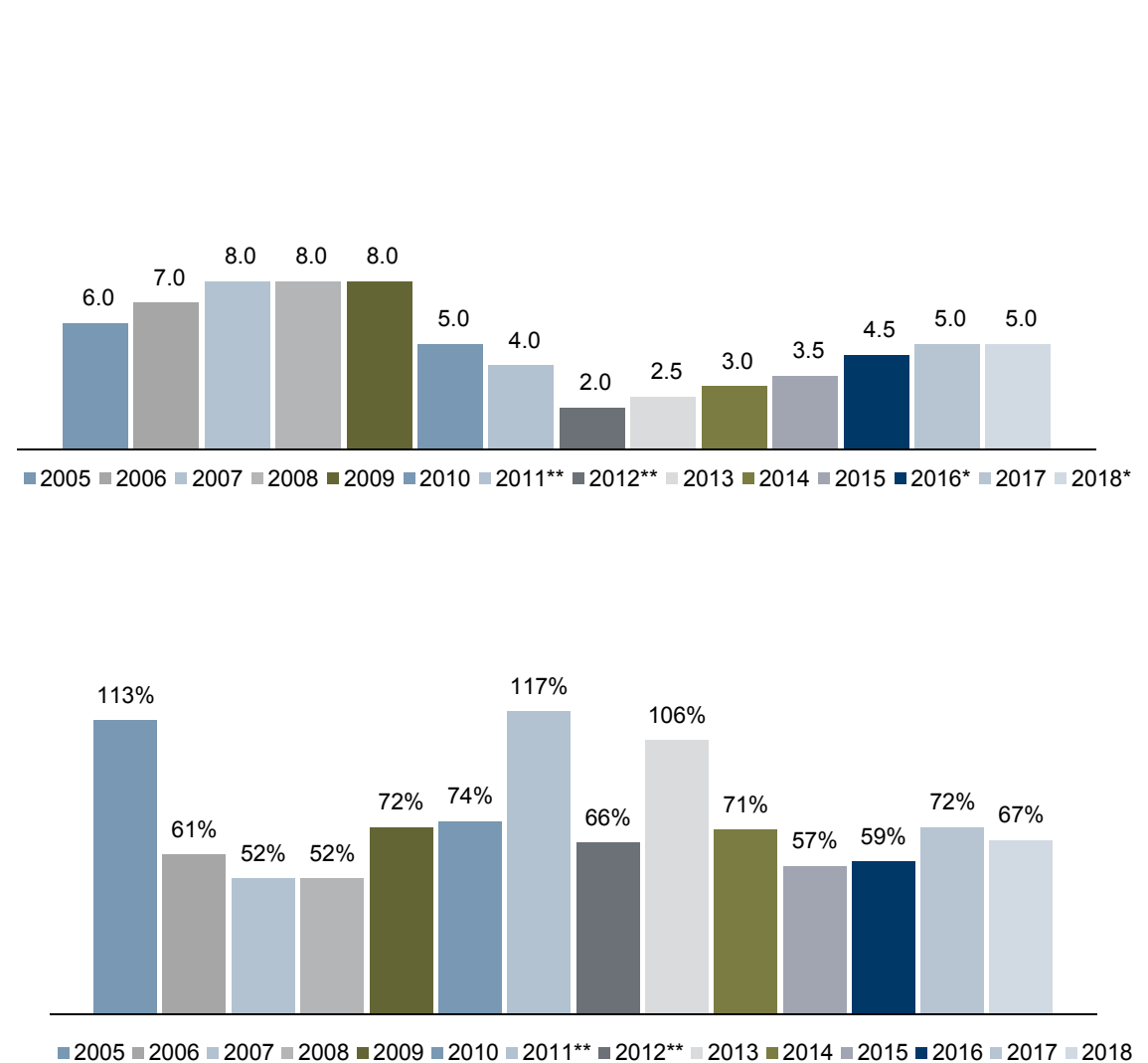
# Business model incorporate a strong operating upside

## Consistent dividend payout

### Performance trend between 2004 to 2018\*



### Dividend payout trend 2004 to 2018



\*Adjusted basis

\*An additional distribution of one treasury share for each 35 shares held above the dividend in cash (2016 : 1:25)  
 \*\* Paid in shares or cash at the shareholders' choice

# CFT, a Swiss group ranked amongst the top 3 worldwide in its sector

*Roadmap based on growth initiatives, operational performance and quality of balance sheet*

1

Track record of agility to cope with market cycles and structural trends (growth, innovation, cost management)

2

Growth opportunities in its core business, arising from market volatility, sector consolidation and structural re-shaping of clients' profile combined with strong operating leverage

3

Consistent strategic roadmap founded on quality of financial position, with the objective to continue to grow shareholders' equity while serving a good dividend



Thank you