



Compagnie Financière Tradition

**Adjusted revenue of CHF 981.2m in 2020,
growth of 2.4% at constant exchange rates**

**Adjusted operating profit before exceptional items
of CHF 111.0m**

Net profit Group share up 24.4% to CHF 70.9m

**Cash dividend of CHF 5.0 per share; exceptional distribution of
treasury shares (1:75 from capital contribution reserve)**

<i>CHF m</i>	2020	2019	Variation at current exchange rates	Variation at constant exchange rates
Reported (IFRS)				
Revenue	903.0	924.0	-2.3%	+3.4%
Operating profit	84.1	65.5	+28.4%	+35.9%
Operating margin	9.3%	7.1%		
Profit before tax	86.9	72.4	+20.0%	+27.3%
Net profit Group share	70.9	60.4	+17.4%	+24.4%
Adjusted*				
Revenue	981.2	1'012.4	-3.1%	+2.4%
Operating profit before exceptional items	111.0	107.9	+2.9%	+8.6%
Operating margin before exceptional items	11.3%	10.7%		

* with proportionate consolidation method for joint ventures ("Adjusted")

Overview

Business activities in 2020 took place against an unfolding health crisis caused by the COVID-19 pandemic, with strong divergences from one period to the next. Indeed, after a first half-year showing strong growth with an increased volatility in the financial markets driving business volumes, notably in March. The Group subsequently observed a decrease in activity during the summer months, and more particularly in August. There was a renewed activity in November and December, with the prospect of the US elections which has not created additional volatility as could have been expected.

In response to the health crisis, the Group has opted for a regional approach depending on the spread of the pandemic and national measures, prioritising both the health of its employees and maintaining services to clients. The work of adaptation to this new environment by our teams has been remarkable; we would like to thank them. Teleworking nonetheless remains a challenge given the nature of our activities, restraining team dynamics and their interaction on the trading floor.

Against this backdrop, the Group's adjusted consolidated revenue reached CHF 981.2m compared with CHF 1,012.4m in 2019, nonetheless increasing by 2.4% at constant exchange rates with the interdealer broking business (IDB) up 2.6% at constant exchange rates to CHF 946.8m while the forex trading business for retail investors in Japan (Non-IDB) was down 3.0% to CHF 34.4m.

Adjusted operating profit before exceptional items was CHF 111.0m against CHF 107.9m in 2019, a rise of 8.6% at constant exchange rates, for an operating margin of 11.3% and 10.7% respectively. Net exceptional costs represented CHF 10.5m against CHF 24.1m during the previous year.

Reported revenue and operating profit

The Group reported consolidated revenue (IFRS) was CHF 903.0m against CHF 924.0m in 2019, yet up 3.4% at constant exchange rates. Reported operating profit for the year was up 35.9% at constant exchange rates to CHF 84.1m compared with CHF 65.5m in 2019, for an operating margin of 9.3% and 7.1% respectively.

Net profit

Net financial expense was CHF 14.0m for the year compared with CHF 11.0m in 2019. Net foreign exchange results due to exchange rate fluctuations negatively impacted the Group's financial income and represented a loss of CHF 3.8m for the year against CHF 1.7m in 2019. Interest expense on bank borrowings and bonds, net of interest income from short-term cash investments, totalled CHF 7.6m against CHF 6.4m in the previous year.

The share in the results of associates and joint ventures was CHF 17.2m against CHF 17.9m in 2019 stable at constant exchange rates.

Profit before tax was CHF 86.9m compared with CHF 72.4m in 2019. The Group's tax expense amounted to CHF 12.3m against CHF 8.1m in 2019 for an effective tax rate of 18% against 15% in the previous year, which benefitted from the recognition of tax losses in the United States.

Consolidated net profit was CHF 74.6m compared with CHF 64.3m in 2019 with a Group share of CHF 70.9m against CHF 60.4m in 2019, an increase of 24.4% at constant exchange rates.

Balance sheet

The Group maintained its sound balance sheet with a strong capital position while keeping a low level of intangible assets and a significant net cash position. Before deduction of treasury shares of CHF 17.3m, consolidated equity amounted to CHF 425.0m at 31 December 2020 with increased adjusted cash to CHF 194.7m, including Group share of net cash held by joint ventures (31 December 2019 : CHF 174.8m).

At 31 December 2020, consolidated equity stood at CHF 407.7m (31 December 2019: CHF 416.5m) of which CHF 389.3m was attributable to shareholders of the parent (31 December 2019: CHF 396.9m). Total cash, including financial assets at fair value, net of financial debt, was up to CHF 99.4m at 31 December 2020 against CHF 77.4m at 31 December 2019.

Dividend

At the Annual General Meeting to be held on 19 May 2021, the Board will be seeking shareholders' approval to pay a cash dividend of CHF 5.0 per share (yield of 4.4%¹). In addition, an exceptional distribution of treasury shares will also be proposed with one share distributed for each 75 shares held from capital contribution reserve (yield of 1.5%).

Outlook

The average level of activity for the months of January and February shows a slight increase at constant exchange rates compared to the same period last year. However, we should see an important base effect in the month of March given the exceptional volume of activity in the same period in 2020. The optimal work environment in our businesses remains that of a pre-COVID 19 world which allows close collaboration between employees fostering a dynamic essential to the activity.

Furthermore, in line with prior years, the Group will pursue its development strategy to further enhance its product portfolio across its geographic footprint.

Annual report

The 2020 annual report of Compagnie Financière Tradition SA will be available on 28 April 2021 on the Company's website at <http://tradition.com/financials/reports.aspx>

¹ Indicative value based on 11 March 2021 closing share price of CHF 113.0 per share

ABOUT COMPAGNIE FINANCIERE TRADITION SA

Compagnie Financière Tradition SA is one of the world's largest interdealer brokers in over-the-counter financial and commodity related products. Represented in over 30 countries, Compagnie Financière Tradition SA employs more than 2,300 people globally and provides broking services for a complete range of financial products (money market products, bonds, interest rate, currency and credit derivatives, equities, equity derivatives, interest rate futures and index futures) and non-financial products (energy and environmental products, and precious metals). Compagnie Financière Tradition SA (CFT) is listed on the SIX Swiss Exchange.

For more information, please visit www.tradition.com.

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