

Intertrust reports Q2 and H1 2018 results

Amsterdam, the Netherlands – 2 August 2018 – Intertrust N.V. ("Intertrust" or "Company") [Euronext: INTER], a leading global provider of expert administrative services to clients operating and investing in the international business environment, today publishes its results for the second quarter and half year ended 30 June 2018.

Q2 2018 Highlights

- Revenue increased 5.4% underlying year-on-year to EUR 121.5 million.
- Adjusted EBITA amounted to EUR 44.7 million, up 10.0% on an underlying basis.
- Adjusted EBITA margin of 36.8% (Q2 2017: 35.3%).
- Adjusted EPS increased 5.7% to EUR 0.37 (Q2 2017: EUR 0.35).

H1 2018 Highlights

- Revenue of EUR 241.6 million, an underlying increase of 4.0% year-on-year.
- Adjusted EBITA amounted to EUR 90.0 million, up 6.0% on an underlying basis.
- Adjusted EBITA margin of 37.2% (H1 2017: 36.6%).
- Adjusted EPS increased 4.2% to EUR 0.74 (H1 2017: EUR 0.71).
- EUR 50 million share repurchase programme completed on 31 May 2018.
- Interim dividend of EUR 0.30 per share, or approximately EUR 27 million, declared, payment date 30 November 2018.
- A global headcount alignment programme has been completed that will result in a structural annual cost saving of approximately EUR 3 million.
- New senior management appointments have been announced, including the confirmation of Hans Turkesteen as CFO. The senior management transition is now completed.
- Guidance for Full Year 2018 reiterated.

Intertrust Group Q2 2018 figures

	As reported			Adjusted ¹			
	Q2 2018	Q2 2017	% Change	Q2 2018	Q2 2017	% Change	Underlying % change ²
Revenue (€m)	121.5	118.1	2.9%	121.5	118.1	2.9%	5.4%
EBITA (€m)	40.6	37.8	7.3%	44.7	41.7	7.2%	10.0%
EBITA Margin	33.4%	32.0%	135bps	36.8%	35.3%	148bps	156bps
Net Income (€m)	19.0	19.0	0.2%	33.0	31.4	4.9%	
Earnings per share (€) ³	0.22	0.21	4.8%	0.37	0.35	5.7%	
Cash from operating activities (€m)	27.6	18.9	45.7%				

¹ See Reconciliation of performance measures to reported results (see page 9) for further information on Adjusted figures

² Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

³ Average number of shares for Q2 2018: 89,187,291 shares; average for Q2 2017: 90,569,675 shares.

Stephanie Miller, CEO of Intertrust, commented:

"I am very pleased with our performance over the first half year, with revenue growth and EBITA margin in line with our 2018 guidance, and strong cash flow generation. Luxembourg continued its impressive growth, specifically in Fund Services, and in Rest of the World where Ireland, Nordics and Spain performed strongly. The growth was partly offset, however, by headwinds in Jersey's Private Wealth business.

On the business development side, we have substantially added specialised sales capabilities to our teams in the UK and the US. Additionally, we have created a global Client Solutions team to further accelerate service and product development. These are examples of how we continuously enhance our organisation and expand our services to capture opportunities and adapt to changing clients' needs. Technological innovation also plays a crucial role in optimising our service levels and increasing the interaction with clients, while enabling us to improve collaboration and achieve efficiency gains. Furthermore we have expanded into a new geography via the acquisition of Seed Outsourcing in Australia and are in the process of opening our second office in the United Arab Emirates located in Abu Dhabi.

Since I started in January this year, we have made several key changes to our senior executive management, most recently confirming Hans Turkesteen as our CFO. The senior executive team is now complete and I am proud of the strong team we have in place. We have also launched a headcount alignment programme resulting in structural cost savings, as keeping staff costs under control is a constant focus for future growth."

Intertrust Group H1 2018 figures

	As reported			Adjusted ¹			
	H1 2018	H1 2017	% Change	H1 2018	H1 2017	% Change	Underlying % change ²
Revenue (€m)	241.6	239.7	0.8%	241.6	239.7	0.8%	4.0%
EBITA (€m)	84.7	82.5	2.6%	90.0	87.8	2.4%	6.0%
EBITA Margin	35.0%	34.4%	61bps	37.2%	36.6%	59bps	72bps
Net Income (€m)	41.0	39.8	3.1%	66.8	64.5	3.6%	
Earnings per share (€) ³	0.46	0.44	4.5%	0.74	0.71	4.2%	
Cash from operating activities (€m)	95.3	84.8	12.4%				

¹ See Reconciliation of performance measures to reported results for further information on Adjusted figures

² Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

³ Average number of shares for H1 2018: 89,779,964 shares; average for H1 2017: 91,280,560 shares.

Intertrust Group KPIs

	H1 2018	H1 2017	% Change	Underlying % change ¹
Average number of FTEs	2,476	2,418	2.4%	
Number of entities (000's, end of period)	48.5	50.5	-4.0%	
ARPE (€k, annualised)	10.0	9.5	5.0%	8.3%
Revenue/FTE (€k, annualised)	195.1	198.2	-1.6%	1.5%

¹ Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

Financial review

Revenue

In Q2 2018, revenue increased 2.9% (+5.4% underlying) to EUR 121.5 million compared to EUR 118.1 million in Q2 2017. Revenue growth was mainly driven by growth in Luxembourg (+13.8% underlying) and Rest of the World (+8.4% underlying). Good performance, especially in Fund Services, primarily related to increased activity of private equity and real estate funds. H1 2018 reported revenue was slightly higher at EUR 241.6 million, compared to EUR 239.7 million in H1 2017, but increased 4.0% on an underlying basis.

Entity / ARPE development

Gross inflow of entities during H1 2018 was 3,625 and gross outflow was 5,559 entities resulting in a net outflow of 1,934. The main reason for outflow was end-of-life, with a strong concentration of outflow in the high volume, lower ARPE jurisdictions.

ARPE for H1 2018 was EUR 10.0 thousand, an increase of 5.0% (+8.3% underlying) compared to EUR 9.5 thousand in H1 2017.

Adjusted EBITA and adjusted EBITA margin

Adjusted EBITA in Q2 2018 increased 7.2% (+10.0% underlying) to EUR 44.7 million from EUR 41.7 million in Q2 2017. In H1 2018 adjusted EBITA increased 2.4% (+6.0% underlying) to EUR 90.0 million (H1 2017: EUR 87.8 million).

Adjusted EBITA margin was 36.8% in Q2 2018 and 37.2% in H1 2018, compared to 35.3% in Q2 2017 and 36.6% in H1 2017.

Financing and tax expenses

Reported financial result of EUR 14.6 million for H1 2018 (H1 2017: EUR 12.8 million) included interest expenses of EUR 13.9 million (H1 2017: EUR 13.7 million).

Income tax expenses amounted to EUR 8.8 million in H1 2018 compared to EUR 9.1 million in the same period last year. The effective tax rate for H1 2018 was 17.6% (H1 2017: 18.7%), in line with our guidance for FY 2018.

Earnings per share (EPS)

Adjusted EPS in Q2 2018 was EUR 0.37 versus EUR 0.35 in Q2 2017, an increase of 5.7%. On an adjusted basis, EPS in H1 2018 increased 4.2% to EUR 0.74 (H1 2017: EUR 0.71).

In H1 2018, the average number of shares was 89,779,964, a decrease of 1.6% compared to 91,280,560 in H1 2017.

Capital employed

(EUR million) ¹	30.06.2018	31.12.2017	30.06.2017
Acquisition-related intangible assets	1,464.1	1,474.2	1,515.0
Other intangible assets	13.7	14.8	13.1
Property, plant and equipment	15.1	16.5	18.8
Total working capital	(15.6)	(0.9)	(15.1)
Other assets	5.2	4.4	5.2
Total Capital employed (Operational)	1,482.6	1,509.0	1,537.1
Total equity	691.3	705.1	712.2
Net debt	713.7	720.7	741.0
Provisions, deferred taxes and other liabilities	77.6	83.2	84.0
Total Capital employed (Finance)	1,482.6	1,509.0	1,537.1

¹ Figures presented in EUR million tables are calculated before roundings

Cash flow, working capital and net debt

Net cash from operating activities increased 12.4% from EUR 84.8 million in H1 2017 to EUR 95.3 million in H1 2018, driven by strong working capital management.

Working capital at the end of Q2 2018 amounted to EUR 15.6 million negative, versus EUR 15.1 million negative at the end of Q2 2017. Working capital follows a seasonal pattern with a peak level at the end of the third quarter and a low level at the end of the first quarter, primarily resulting from the annual billing run in Cayman in Q4 each year and in the Netherlands and Luxembourg in January of each year.

Capex¹ for H1 2018 increased to 1.3% of revenue (EUR 3.0 million), from 1.0% of revenue in H1 2017. As announced in Q1 this year, capex is expected to be around 2.0% of revenue for full year 2018.

The share repurchase programme was completed on 31 May 2018. The Company repurchased 3,132,378 shares at an average price of EUR 15.96, resulting in a total amount of EUR 50.0 million. A proposed total of 2,244,190 shares will be cancelled and the remainder will largely be used to cover the employee stock ownership and incentive plans vesting in 2018 and 2019.

Net debt increased to EUR 713.7 million at the end of Q2 2018 (from EUR 679.7 million at the end of Q1 2018), mainly as a result of the final part of the share repurchase programme (EUR 14.6 million), dividend payment (EUR 29.4 million) and seasonal working capital developments. The leverage ratio slightly increased to 3.60x (end Q2 2018) from 3.48x (end Q1 2018), well within our bank covenant of 4.50x.

Other specific items

Our aim to remain an efficient organisation is a key topic on the strategic agenda and the effective management of staff related costs is a constant priority. A headcount alignment programme, involving around 60 employees, was launched in Q2 2018. The total costs associated with this programme amount to approximately EUR 6 million of which EUR 2.5 million are included in Q2 2018 as one-off integration and transformation costs. The remainder will be included as a one-off cost item in Q3 2018.

Senior management appointments

Three new Executive Committee (ExCo) members joined Intertrust during Q2 2018:

- Roberto Canenti as Chief HR Officer (CHRO);
- James Nolan as Head of Strategy and M&A;
- Theo Splinter as Chief Operating Officer (COO).

Hans Turkesteen was appointed as Chief Financial Officer (CFO), effective 1 August 2018, and nominated for appointment as member of the Management Board, subject to shareholder approval at an Extraordinary General Meeting to be held in October 2018. With these appointments the senior management transition has been completed.

Expansion in United Arab Emirates and into Australia

Intertrust is in the process of expanding its footprint in the United Arab Emirates by setting up an office in the ADGM, being the financial center of Abu Dhabi. This will be in addition to the existing office in the financial center of Dubai, the DIFC. On 2 July 2018, Intertrust announced its expansion into Australia through the acquisition of Seed Outsourcing, a boutique Australian corporate and fund services provider based in Sydney, Australia. While this acquisition expands Intertrust's global footprint, it does not have a material impact on the Company's financial position or results, hence the terms of the transaction are not disclosed. Australia will be included in the Rest of the World (ROW) reporting segment from Q3 2018 onwards.

¹ Investments in property, plant, equipment and other intangible assets not related to acquisitions.

Performance in key jurisdictions

As of Q1 2018, Cayman Islands is included within the new Americas segment, together with Bahamas, Brazil, BVI, Curacao and USA, previously part of Rest of the World. The quarterly comparables for 2017 based on the new segment Americas are provided on page 19 of this press release.

Figures presented in EUR million tables are calculated before roundings.

The Netherlands

24% of H1 2018 Group revenue

The Netherlands

	Q2 2018	Q2 2017	% Change	Underlying % change ¹	H1 2018	H1 2017	% Change	Underlying % change ¹
Revenue (€m)	27.8	27.6	0.6%	0.6%	56.7	56.6	0.0%	0.0%
Adjusted EBITA (€m)	16.5	16.8	-2.0%	-2.0%	33.7	35.2	-4.2%	-4.2%
Adjusted EBITA Margin	59.3%	60.9%	-163bps		59.5%	62.2%	-266bps	
Average number of FTEs					441	437	1.0%	
Number of entities (000's, end of period)					3.8	4.1	-8.2%	
ARPE (€k, annualised)					30.0	27.6	9.0%	9.0%
Revenue/FTE (€k, annualised)					257.1	259.5	-0.9%	

¹ Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

Revenue in Q2 2018 amounted to EUR 27.8 million and was in line with the revenue in the same period last year (Q2 2017: EUR 27.6 million). In the first half of the year revenue was EUR 56.7 million compared to EUR 56.6 million in H1 2017. Within a slightly decreasing market our flat revenue performance has effectively resulted in an increased market share.

Adjusted EBITA in the quarter was EUR 16.5 million compared to EUR 16.8 million in Q2 2017, a decrease of 2.0%. For H1 2018 adjusted EBITA declined 4.2% to EUR 33.7 million, mainly driven by higher (external) staff expenses due to initial investments in the set-up of additional services.

Adjusted EBITA margin was 59.3% in Q2 2018 (Q2 2017: 60.9%) and amounted to 59.5% for the half year (H1 2017: 62.2%).

The number of entities declined from 4.1 thousand (end H1 2017) to 3.8 thousand (end H1 2018), while ARPE increased 9.0% to EUR 30.0 thousand per entity in H1 2018 (H1 2017: EUR 27.6 thousand). The decline in entities includes both regular end-of-life and client insourcing.

Luxembourg

22% of H1 2018 Group revenue

Luxembourg

	Q2 2018	Q2 2017	% Change	Underlying % change ¹	H1 2018	H1 2017	% Change	Underlying % change ¹
Revenue (€m)	26.8	23.5	13.8%	13.8%	53.1	47.6	11.4%	11.4%
Adjusted EBITA (€m)	15.3	11.9	28.0%	28.0%	30.3	25.4	19.2%	19.2%
Adjusted EBITA Margin	57.0%	50.7%	632bps		57.1%	53.3%	373bps	
Average number of FTEs					463	442	4.8%	
Number of entities (000's, end of period)					2.8	3.0	-4.1%	
ARPE (€k, annualised)					37.4	32.2	16.2%	16.2%
Revenue/FTE (€k, annualised)					229.4	215.7	6.4%	

¹ Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

Revenue was EUR 26.8 million in the quarter (Q2 2017: EUR 23.5 million) and EUR 53.1 million in H1 2018 (H1 2017: EUR 47.6 million). The year-on-year significant increase of 13.8% was mainly driven by continued strong growth in Fund Services.

Adjusted EBITA for the quarter was EUR 15.3 million, an underlying increase of 28.0% compared to the same quarter last year (Q2 2017: EUR 11.9 million). In H1 2018, adjusted EBITA increased 19.2% to EUR 30.3 million (H1 2017: EUR 25.4 million).

Adjusted EBITA margin amounted to 57.0% in Q2 2018 (+632bps year-on-year). H1 2018 adjusted EBITA margin increased 373bps to 57.1% (H1 2017: 53.3%).

The number of entities decreased from 3.0 thousand (end H1 2017) to 2.8 thousand (end H1 2018), largely due to end-of-life. ARPE increased 16.2% from EUR 32.2 thousand in Q2 2017 to EUR 37.4 thousand in Q2 2018 which was driven by an increase in specialised services in Fund and Capital Market Services and increased client activity level.

Americas

16% of H1 2018 Group revenue

Americas	Q2 2018	Q2 2017	% Change	Underlying % change ¹	H1 2018	H1 2017	% Change	Underlying % change ¹
Revenue (€m)	20.6	21.5	-4.4%	3.5%	39.6	44.3	-10.6%	-0.1%
Adjusted EBITA (€m)	11.2	10.4	7.0%	15.6%	21.4	21.8	-1.8%	9.7%
Adjusted EBITA Margin	54.2%	48.5%	577bps		53.9%	49.1%	483bps	
Average number of FTEs					262	292	-10.3%	
Number of entities (000's, end of period)					26.6	27.8	-4.3%	
ARPE (€k, annualised)					3.0	3.2	-6.6%	4.4%
Revenue/FTE (€k, annualised)					302.3	303.3	-0.3%	

¹ Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

Revenue increased 3.5% on an underlying basis in Q2 2018 to EUR 20.6 million. H1 2018 revenue amounted to EUR 39.6 million and was in line with last year on an underlying basis.

Adjusted EBITA increased 15.6% underlying to EUR 11.2 million in Q2 2018. This increase was the result of stricter cost management, amongst others evidenced by a decrease in headcount. In H1 2018, adjusted EBITA amounted to EUR 21.4 million, an increase of 9.7% on an underlying basis.

Adjusted EBITA margin was 54.2% in Q2 2018 (Q2 2017: 48.5%), an increase of 577bps. In H1 2018 the adjusted EBITA margin amounted to 53.9% compared to 49.1% in H1 2017.

The number of entities decreased 4.3% to 26.6 thousand at the end of H1 2018. The decrease was mainly in Cayman due to end-of life, competitive losses and administrative clean-up which is now completed.

Jersey

12% of H1 2018 Group revenue

Jersey	Q2 2018	Q2 2017	% Change	Underlying % change ¹	H1 2018	H1 2017	% Change	Underlying % change ¹
Revenue (€m)	14.4	15.1	-4.6%	-2.9%	29.1	29.7	-1.8%	0.4%
Adjusted EBITA (€m)	6.9	7.9	-12.0%	-10.5%	14.5	14.9	-2.9%	-0.7%
Adjusted EBITA Margin	48.2%	52.3%	-407bps		49.7%	50.3%	-56bps	
Average number of FTEs					324	344	-5.9%	
Number of entities (000's, end of period)					3.8	4.4	-13.6%	
ARPE (€k, annualised)					15.4	13.5	13.6%	16.2%
Revenue/FTE (€k, annualised)					180.1	172.6	4.3%	

¹ Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

In the quarter revenue decreased 2.9% on an underlying basis to EUR 14.4 million from EUR 15.1 million in Q2 2017. Corporate and Fund services performed well but this was impacted by a decline in Private Wealth Services, which included

the decision of a large client to insource. Revenue in the first half year of 2018 was EUR 29.1 million, in line on an underlying basis with the same period last year (H1 2017: EUR 29.7 million).

Adjusted EBITA decreased 10.5% on an underlying basis from EUR 7.9 million in Q2 2017 to EUR 6.9 million in Q2 2018. To align the organisation with the performance of the business, the number of FTEs was reduced.

Adjusted EBITA margin amounted to 48.2% in Q2 2018 (-407bps year-on-year). H1 2018 adjusted EBITA margin decreased 56bps to 49.7% (H1 2017: 50.3%).

The number of entities decreased from 4.4 thousand (end H1 2017) to 3.8 thousand at the end of H1 2018, impacted by an administrative clean-up which has now been completed.

Rest of the World (ROW)

26% of H1 2018 Group revenue

<i>Rest of the World</i>	Q2 2018	Q2 2017	% Change	Underlying % change ¹	H1 2018	H1 2017	% Change	Underlying % change ¹
Revenue (€m)	32.1	30.4	5.4%	8.4%	63.2	61.5	2.7%	6.3%
Adjusted EBITA (€m)	12.0	9.6	25.2%	28.8%	23.7	20.7	14.5%	18.3%
<i>Adjusted EBITA Margin</i>	37.4%	31.5%	591bps		37.6%	33.7%	389bps	
Average number of FTEs					792	738	7.3%	
Number of entities (000's, end of period)					11.5	11.2	2.1%	
ARPE (€k, annualised)					11.0	11.0	0.5%	4.0%
Revenue/FTE (€k, annualised)					159.6	166.7	-4.3%	

¹ Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

In ROW revenue for the quarter was EUR 32.1 million (Q2 2017: 30.4 million), an underlying increase of 8.4%. The growth was mainly driven by good performance of Corporate, Fund and Capital Market Services in Ireland, Nordics and Spain. Spain also benefitted from higher than expected commercial synergies related to the SFM/Azcona acquisition.

Adjusted EBITA increased 28.8% underlying from EUR 9.6 million in Q2 2017 to EUR 12.0 million in Q2 2018. For the first half of 2018, adjusted EBITA amounted to EUR 23.7 million, an increase of 18.3% year-on-year on an underlying basis. This was mainly the result of operating leverage, but also benefitting from easier comparables.

Adjusted EBITA margin amounted to 37.4% in Q2 2018 (+591bps) compared to 31.5% in Q2 2017. Adjusted EBITA margin was 37.6% in H1 2018 (+389bps) compared to 33.7% in H1 2017.

During H1 2018, the number of entities increased 2.1% to 11.5 thousand. Increase in ARPE of 4.0% underlying to EUR 11.0 thousand was driven by additional regulatory and compliance requirements.

Group HQ & IT costs

Group HQ and IT costs	Q2 2018	Q2 2017	H1 2018	H1 2017
Group HQ costs (€m) ¹	(8.0)	(6.4)	(16.2)	(13.0)
IT costs (€m)	(9.1)	(8.5)	(17.4)	(17.2)
Total Group HQ and IT costs (€m)	(17.1)	(14.9)	(33.7)	(30.2)
As % of Revenue	14.1%	12.6%	13.9%	12.6%

¹ As a result of the new segmentation, the North America HQ costs have been moved to the Americas segment (EUR 0.8 m in Q2 2017, EUR 1.7 m in H1 2017)

As previously communicated, HQ costs continued to increase in Q2 2018, on the back of the programme to upgrade central functions. This programme has now been completed. Additionally, the implementation of the GDPR directive led to higher one-off professional fees in Q2 2018. For H1 2018, HQ costs increased by EUR 3.2 million compared to H1 2017.

In Q2 2018, IT costs increased EUR 0.6 million compared to the same period last year. For H1 2018, IT costs increased by EUR 0.2 million year-on-year. The increase is mainly related to new projects initiated in Q2 2018, more specifically in preparation for the new client portal, as well as increased outsourcing costs following the migration of our data centers. While the implementation of our IT roadmap is on track, we expect IT expenses to further increase in H2 2018 and H1 2019.

Full year 2018 outlook

Intertrust management confirms its outlook for the full year 2018:

- Underlying revenue growth of at least 3% year-on-year.
- Adjusted EBITA margin of at least 37%.
- Capex around 2% of revenue.
- Effective tax rate of approximately 18%.
- Dividend policy continues to be 40–50% of adjusted net income.

Capital Markets Day will take place on 20 September 2018 in London.

Explanatory tables

Figures presented in EUR million tables are calculated before roundings.

Segmentation change reconciliation

As of Q1 2018, Cayman Islands is included within the new **Americas** segment, together with Bahamas, BVI, Curacao, USA and Brazil, previously part of Rest of the World. Refer to [Basis for segmentation](#) on page 19 for a detailed breakdown of the change in segmentation and restated 2017 figures.

Reconciliation of performance measures to reported results

(EUR 000)

	Q2		H1	
	2018	2017	2018	2017
Profit/(loss) from operating activities	30,341	27,312	64,288	61,914
Amortisation of acquisition-related intangible assets	10,217	10,493	20,364	20,621
Specific items – Transaction costs ¹	100	(10)	100	83
Specific items – Integration and transformation costs	3,431	2,783	4,290	3,135
Specific items – Share-based payment upon IPO	341	629	502	1,109
Specific items – Share-based payment upon integration	(16)	428	82	832
Specific items – Other items	276	44	329	147
Adjusted EBITA	44,690	41,679	89,955	87,841

¹ Transaction costs related to Azcona acquisition in 2017

Adjusted EBITA is defined as EBITA before specific items. Specific items of income or expense are income and expense items that, based on their significance in size or nature, should be separately presented to provide further understanding on financial performance. Specific items are not of an operational nature and do not represent core operating results. The one-off expenses are related to redundancies, legal costs and settlement fees. The Company uses this measure to analyse the operational performance of the company and its reportable segments.

(EUR 000)

	Q2		H1	
	2018	2017	2018	2017
Adjusted EBITA	44,690	41,679	89,955	87,841
Net finance costs – excluding net foreign exchange loss ¹	(7,499)	(7,002)	(14,473)	(14,052)
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)	32	(192)	41	(195)
Income tax (adjusted)	(4,267)	(3,069)	(8,751)	(9,138)
Adjusted Net income	32,956	31,416	66,772	64,456

¹ Foreign exchange gain/(loss) for Q2 2018 was (EUR 405k), H1 2018 was (EUR 129k); (Q2 2017: EUR 1,918k, H1 2017: EUR 1,234k)

Adjusted Net Income equals adjusted EBITA minus Net finance costs, minus share of Profit & Loss from equity-accounted investees and minus Income tax. The Finance costs exclude the foreign exchange gains and losses. Income tax is adjusted for any tax related to the pre-IPO period.

Tax reconciliation

(EUR million)

	30.06.2018		30.06.2017		Change
Profit before income tax		49.7		48.9	0.8
Income tax using the Company's domestic tax rate	25.0%	(12.4)	25.0%	(12.2)	(0.2)
Effect of tax rates in foreign jurisdictions		3.5		3.3	0.2
Effect of non taxable and other items		0.2		(0.2)	0.4
Others		0.0		(0.1)	0.0
Income tax	17.6%	(8.8)	18.7%	(9.1)	-109bps

Additional information

Financial calendar 2018

Date	Event
20 September	Capital Markets Day
1 November	Q3 2018 trading update
7 November	Interim ex-dividend date
8 November	Interim dividend record date
30 November	Interim dividend payment date

Analyst call / webcast

Today, Intertrust's CEO Stephanie Miller and CFO Hans Turkesteen will hold an analyst / investor call at 13:00 CET. A webcast of the call will be available on the Company's website. The webcast can be accessed [here](#). The supporting presentation can be downloaded from our [website](#).

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About Intertrust

Intertrust is a global leader in providing expert administrative services to clients operating and investing in the international business environment. The Company has more than 2,500 employees across 40 offices and 29 jurisdictions in Europe, the Americas, Asia Pacific and the Middle-East. Intertrust has leading market positions in selected key financial markets, including the Netherlands, Luxembourg, Jersey and the Americas. Intertrust delivers high-quality, tailored corporate, fund, capital market and private wealth services to its clients, with a view to building long-term relationships. The Company works with global law firms and accountancy firms, multinational corporations, financial institutions, fund managers, high net worth individuals and family offices.

Forward-looking statements and presentation of financial and other information

This press release may contain forward looking statements with respect to Intertrust's future financial performance and position. Such statements are based on Intertrust's current expectations, estimates and projections and on information currently available to it. Intertrust cautions investors that such statements contain elements of risk and uncertainties that are difficult to predict and that could cause Intertrust's actual financial performance and position to differ materially from these statements. Intertrust has no obligation to update or revise any statements made in this press release, except as required by law.

All figures included in this press release are unaudited. *This press release contains information that qualifies, or may qualify, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.*

Intertrust Group Interim Financial Report 30 June 2018

(Unaudited)

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Interim Management Board report

Introduction

Intertrust N.V. (the "Company") and its subsidiaries (together referred to as the "Group") is a leading global provider of expert administrative services to clients operating and investing in the international business environment. The Company has approximately 2,500 FTEs working in its offices across all continents.

Intertrust outlook 2018

The guidance for full year 2018 revenue growth and EBITA margin was announced on 9 November 2017. The guidance for Capex for full year 2018 was updated on 26 April 2018. The full year 2018 outlook is as follows:

- Underlying revenue growth of at least 3% year-on-year.
- Adjusted EBITA margin of at least 37%, reflecting continued investment in Group HQ (mainly LTIP) and IT (mainly IT infrastructure outsourcing).
- Capex expected to be around 2.0% of revenue (original guidance FY 2018 guidance was less than 1.5%), primarily due to strategic investment in our client portal.
- Dividend policy continues to be 40–50% of adjusted net income.
- Effective tax rate of approximately 18%.

Financial review for the six-month period ended 30 June 2018

In the first half of 2018, the Group generated revenue of EUR 241.6 million, which is EUR 1.9 million higher compared with EUR 239.7 million in the same period of 2017, or 4.0% on underlying basis. EBITA margin was 35.0% for first half year of 2018, compared to 34.4% EBITA margin for the same period in 2017. The first half of 2017 was impacted by non-recurring items of EUR 2.9 million, primarily related to a legal claim and related legal fees.

Revenue

Revenue increased by EUR 1.9 million, or 0.8%, year-on-year to EUR 241.6 million for the six months ended 30 June 2018. The revenue growth was mainly driven by Luxembourg and Rest of the World. On an underlying basis, revenue was stable year-on-year in the Netherlands, Jersey and Americas. The impact of exchange rate variances, mostly arising from USD exchange rate fluctuation, resulted in 2.9% lower revenue on EUR compared to the same period last year.

Staff expenses

Salaries and wages increased by EUR 0.5 million year-on-year to EUR 84.1 million for H1 2018. Other than the salaries, staff expenses in the first half of 2018 include EUR 2.5 million (2017: EUR 3.6 million) of equity-settled share-based payments. On a constant currency basis, staff expenses increased by EUR 2.8 million or 2.6%.

Rental and other operating expenses

Rental and operating expenses remained stable year-on-year. On a constant currency basis, Rental expenses increased by 3.8%.

Depreciation and amortisation

Depreciation and amortisation charges remained fairly constant year-on-year with a decrease of EUR 0.1 million. The EUR 25.9 million for half year 2018 includes amortisation of brand and amortisation of intangibles of EUR 20.4 million and depreciation and software amortisation of EUR 5.6 million.

Operating result

Driven by higher sales and slightly lower cost, the Profit from operating activities in the first half of 2018 increased by EUR 2.4 million year-on-year, or 3.8%, to EUR 64.3 million.

Financial result

The financial result increased by EUR 1.8 million year-on-year or 14.0%, to EUR 14.6 million negative for the first half year 2018 (2017: EUR 12.8 million negative). This increase is mainly due to favourable exchange gains in H1 2017 that did not occur in 2018.

The breakdown of financial result is as follows:

- Bank interest of EUR 11.9 million (2017: EUR 11.4 million);
- Amortisation of financing fees EUR 1.8 million (2017: EUR 2.3 million);
- Net foreign exchange losses of EUR 0.1 million (2017 net foreign exchange gains of EUR 1.2 million);
- Net change in fair value of derivatives of EUR 0.4 million negative (2017: EUR 0.0 million);
- Other costs of EUR 0.3 million (2017: EUR 0.4 million).

Income taxes

The income tax expense decreased by EUR 0.4 million year-on-year to an Income tax charge of EUR 8.8 million, resulting in an effective tax rate of 17.6% (2017: 18.7%).

Cash flow

In the first half of 2018, operating cash flow increased by EUR 10.5 million, or 12.4% compared to the same period of 2017. Main increase relates to higher cash collection from accounts receivable compared to the same period last year. Investing cash flow expenses decreased from EUR 9.7 million in half year 2017 to EUR 6.9 million in half year 2018. Cash flow from financing activities of EUR 65.9 million negative comprises mainly of purchase of treasury shares amounting to EUR 37.0 million, interest and other finance expenses of EUR 12.5 million and final dividend of 2017 paid in June 2018 amounting to EUR 29.4 million, partially offset by proceeds of bank borrowings of EUR 13.1 million.

Related party transactions

For related party transactions, please refer to [note 15](#) of our interim financial report.

Principal risks and uncertainties of the first half of 2018

In the Annual Report 2017, we described the key business risks and uncertainties which we are aware of, and which could have a material adverse effect on our financial position and results.

We have assessed the risks for the first half year of 2018 and believe that the risk categories and risk factors identified are in line with those presented in the Annual Report 2017. Those are deemed incorporated and repeated in this report by reference. Other risks not known to us, or currently regarded not to be material, could later turn out to have an adverse material impact on our business, objectives, revenues, income, assets, liquidity or capital resources.

Responsibility statement

With reference to the statement within the meaning of article 5:25d (2c) of the Financial Supervision Act, the Management Board hereby declares that, to the best of their knowledge:

- the interim financial statements prepared in accordance with IAS 34, "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position, profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the interim Management Board report gives a fair review of the information required pursuant to section 5:25d(8)/(9) of the Financial Supervision Act.

Amsterdam, 1 August 2018

The Management Board

Stephanie Miller, CEO

Henk Pieter van Asselt, COO

Condensed consolidated interim statement of profit or loss

(EUR 000)	Note	Q2		H1	
		2018	2017	2018	2017
Revenue	5	121,542	118,092	241,605	239,716
Staff expenses	6	(54,660)	(54,564)	(108,584)	(109,014)
Rental expenses		(6,061)	(5,960)	(12,044)	(12,029)
Other operating expenses		(17,499)	(17,013)	(30,819)	(30,698)
Other operating income		11	-	51	-
Depreciation and amortisation of other intangible assets		(2,775)	(2,750)	(5,557)	(5,440)
Amortisation of acquisition-related intangible assets		(10,217)	(10,493)	(20,364)	(20,621)
Profit/(loss) from operating activities		30,341	27,312	64,288	61,914
Financial income		156	2	184	5
Financial expense		(7,250)	(5,086)	(14,786)	(12,823)
Financial result		(7,094)	(5,084)	(14,602)	(12,818)
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)		32	(192)	41	(195)
Profit/(loss) before income tax		23,279	22,036	49,727	48,901
Income tax		(4,267)	(3,069)	(8,751)	(9,138)
Profit/(loss) after tax		19,012	18,967	40,976	39,763
Profit/(loss) for the year after tax attributable to:					
Owners of the Company		19,002	18,970	40,956	39,714
Non-controlling interests		10	(3)	20	49
Profit/(loss)		19,012	18,967	40,976	39,763
Basic earnings per share (EUR)	7	0.22	0.21	0.46	0.44
Diluted earnings per share (EUR)	7	0.21	0.20	0.45	0.42

Quarterly figures are neither audited, nor reviewed.

Condensed consolidated interim statement of comprehensive income

(EUR 000)	Note	Q2		H1	
		2018	2017	2018	2017
Profit/(loss) after tax		19,012	18,967	40,976	39,763
Actuarial gains and losses on defined benefit plans		174	153	174	153
Items that will never be reclassified to profit or loss		174	153	174	153
Foreign currency translation differences – foreign operations		12,232	(28,248)	8,860	(31,976)
Movement on cash flow hedges in other comprehensive income		2	525	484	1,211
Income tax on movement on cash flow hedges in other comprehensive income		-	(131)	(120)	(303)
Items that are or may be reclassified to profit or loss		12,234	(27,854)	9,224	(31,068)
Other comprehensive income/(loss) for the year, net of tax		12,408	(27,701)	9,398	(30,915)
Total comprehensive income/(loss) for the year		31,420	(8,734)	50,374	8,848
<i>Total comprehensive income/(loss) for the year attributable to:</i>					
Owners of the Company		31,409	(8,731)	50,353	8,799
Non-controlling interests		11	(3)	21	49
Total comprehensive income/(loss) for the year		31,420	(8,734)	50,374	8,848

Quarterly figures are neither audited, nor reviewed.

The amounts for the period ended 30 June 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated (refer to [Basis of preparation](#)).

The [Notes](#) on pages [18](#) to [25](#) are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of financial position

(EUR 000)	Note	30.06.2018	31.12.2017
Assets			
Property, plant and equipment		15,131	16,470
Other intangible assets		13,661	14,849
Acquisition-related intangible assets	8	1,464,141	1,474,188
Investments in equity-accounted investees		187	196
Other non current financial assets		2,698	3,368
Deferred tax assets		2,558	1,357
Non-current assets		1,498,376	1,510,428
Trade receivables		77,772	103,103
Other receivables		17,544	18,937
Work in progress		39,632	33,078
Current tax assets		475	614
Other current financial assets		2,315	857
Prepayments		12,246	9,058
Cash and cash equivalents		91,604	66,620
Current assets		241,588	232,267
Total assets		1,739,964	1,742,695
Equity			
Share capital		55,200	55,200
Share premium		630,441	630,441
Reserves		(82,238)	(56,308)
Retained earnings		87,689	75,585
Equity attributable to owners of the Company		691,092	704,918
Non-controlling interests		246	225
Total equity	10	691,338	705,143
Liabilities			
Loans and borrowings		774,751	770,367
Other non current financial liabilities		1,119	2,216
Employee benefits liabilities		1,600	1,963
Deferred income		5,222	5,750
Provisions		260	579
Deferred tax liabilities		77,363	80,405
Non-current liabilities		860,315	861,280
Loans and borrowings		14,534	375
Other current financial liabilities		1,250	5,000
Deferred income		69,920	62,602
Provisions		2,899	497
Current tax liabilities		38,584	34,400
Trade payables		4,874	6,625
Other payables		56,250	66,773
Current liabilities		188,311	176,272
Total liabilities		1,048,626	1,037,552
Total equity and liabilities		1,739,964	1,742,695

The amounts for the period ended 30 June 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated (refer to [Basis of preparation](#)).

The [Notes](#) on pages [18](#) to [25](#) are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

(EUR 000)

Note	For the period ended 30 June 2018									
	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Other reserve	Total		
Balance at 01 January 2018	55,200	630,441	75,585	(41,437)	(545)	(14,326)	-	704,918	225	705,143
Profit/(loss)	-	-	40,956	-	-	-	-	40,956	20	40,976
Other comprehensive income/(loss) for the year, net of tax	-	-	174	8,859	364	-	-	9,397	1	9,398
Total comprehensive income/(loss) for the year	-	-	41,130	8,859	364	-	-	50,353	21	50,374
<i>Contributions and distributions</i>										
Equity-settled share based payment	-	-	2,435	-	-	-	-	2,435	-	2,435
Purchase of treasury shares	-	-	-	-	-	(36,011)	-	(36,011)	-	(36,011)
Treasury shares delivered	-	-	(858)	-	-	858	-	-	-	-
Dividend paid	-	-	(29,401)	-	-	-	-	(29,401)	-	(29,401)
Total contributions and distributions	-	-	(27,824)	-	-	(35,153)	-	(62,977)	-	(62,977)
Total transactions with owners of the Company	-	-	(27,824)	-	-	(35,153)	-	(62,977)	-	(62,977)
IFRS 9 opening balance adjustment	-	-	(1,202)	-	-	-	-	(1,202)	-	(1,202)
Total opening balance sheet adjustment	-	-	(1,202)	-	-	-	-	(1,202)	-	(1,202)
Balance at 30 June 2018	10	55,200	630,441	87,689	(32,578)	(181)	(49,479)	-	691,092	691,338

(EUR 000)

Note	For the period ended 30 June 2017									
	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Other reserve	Total		
Balance at 01 January 2017	55,200	630,441	29,887	7,627	(1,324)	(76)	36,118	757,873	1,930	759,803
Profit/(loss)	-	-	39,714	-	-	-	-	39,714	49	39,763
Other comprehensive income/(loss) for the year, net of tax	-	-	153	(31,976)	908	-	-	(30,915)	-	(30,915)
Total comprehensive income/(loss) for the year	-	-	39,867	(31,976)	908	-	-	8,799	49	8,848
<i>Contributions and distributions</i>										
Equity-settled share based payment	-	-	3,577	-	-	-	-	3,577	-	3,577
Business combination	-	-	-	-	-	-	(56)	(56)	-	(56)
Purchase of treasury shares	-	-	-	-	-	(33,968)	-	(33,968)	-	(33,968)
Dividend paid	-	-	(22,535)	-	-	-	(451)	(22,986)	-	(22,986)
Total contributions and distributions	-	-	(18,958)	-	-	(33,968)	(507)	(53,433)	-	(53,433)
<i>Changes in ownership interests</i>										
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(54)	(54)
Acquisition of subsidiary with non-controlling interest	-	-	(1,250)	-	-	-	-	(1,250)	(1,750)	(3,000)
Total changes in ownership interest	-	-	(1,250)	-	-	-	-	(1,250)	(1,804)	(3,054)
Total transactions with owners of the Company	-	-	(20,208)	-	-	(33,968)	(507)	(54,683)	(1,804)	(56,487)
Balance at 30 June 2017	10	55,200	630,441	49,546	(24,349)	(416)	(34,044)	35,611	711,989	712,164

The amounts for the period ended 30 June 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated (refer to [Basis of preparation](#)).

The [Notes](#) on pages [18](#) to [25](#) are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows

(EUR 000)	Note	Q2		H1	
		2018	2017	2018	2017
Cash flows from operating activities					
Profit/(loss) for the period		19,012	18,967	40,976	39,763
<i>Adjustments for:</i>					
Income tax expense		4,267	3,069	8,751	9,138
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)		(32)	192	(41)	195
Financial result		7,094	5,084	14,602	12,818
Depreciation and amortisation of other intangible assets		2,775	2,750	5,557	5,440
Amortisation of acquisition-related intangible assets		10,217	10,493	20,364	20,621
(Gain)/loss on sale of non-current assets		38	(2)	61	8
Other non cash items		1,169	2,256	2,095	3,385
		44,540	42,809	92,365	91,368
<i>Changes in:</i>					
(Increase)/decrease in trade working capital		(4,686)	(13,219)	22,654	7,981
(Increase)/decrease in other working capital		(7,280)	(6,124)	(12,578)	(7,763)
(Decrease)/increase in provisions		2,298	(1,089)	2,080	(2,398)
Changes in foreign currency		(986)	984	(437)	1,402
		33,886	23,361	104,084	90,590
Income tax paid		(6,336)	(4,450)	(8,794)	(5,782)
Net cash from/(used in) operating activities		27,550	18,911	95,290	84,808
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		9	-	11	9
Purchase of property, plant & equipment		(827)	(1,021)	(1,347)	(1,958)
Purchase of intangible assets		(1,062)	(331)	(1,534)	(1,211)
Acquisitions, net of cash acquired		(5,000)	(1,952)	(5,000)	(7,508)
(Increase)/decrease in other financial assets		(61)	240	673	866
Dividends received		-	53	75	53
Interest received		156	2	184	5
Net cash from/(used in) investing activities		(6,785)	(3,009)	(6,938)	(9,744)
Cash flows from financing activities					
Proceeds from bank borrowings		13,151	3,532	13,102	3,532
Acquisition of treasury shares		(16,048)	(32,278)	(37,040)	(33,968)
Payment of financing costs		(25)	(25)	(50)	(50)
Repayment of loans and borrowings banks		-	-	-	(18,000)
Interest and other finance expenses paid		(6,589)	(5,808)	(12,492)	(11,696)
Dividends paid		(29,401)	(19,962)	(29,401)	(19,962)
Dividends paid to non-controlling interest		-	-	-	(54)
Net cash from/(used in) financing activities		(38,912)	(54,541)	(65,881)	(80,198)
Net increase/(decrease) in cash		(18,147)	(38,639)	22,471	(5,134)
Cash attributable to the Company at the beginning of the period		96,421	84,684	56,157	51,733
Effect of exchange rate fluctuations on cash attributable to the Company		1,700	(1,439)	1,346	(1,993)
Cash attributable to the Company at the end of the period		79,974	44,606	79,974	44,606
Cash held on behalf of clients at the end of the period		11,630	6,639	11,630	6,639
Cash and cash equivalents at the end of the period		91,604	51,245	91,604	51,245

(*) Trade Working capital is defined by the net (increase)/decrease in Trade receivables, Work in progress, Trade payables and Deferred income

(**) Other Working capital is defined by the net (increase)/decrease in Other receivables, Prepayments and Other payables (excl. liabilities for cash held on behalf of clients)

Quarterly figures are neither audited, nor reviewed.

The amounts for the period ended 30 June 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated (refer to Basis of preparation).

The Notes on pages 18 to 25 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. Reporting entity

Intertrust N.V. (the "Company") is a company domiciled in The Netherlands and was incorporated on 8 September 2014. The address of the Company's registered office is Prins Bernhardplein 200, Amsterdam, The Netherlands.

The condensed consolidated interim financial statements are unaudited, Quarterly figures are not audited, nor reviewed.

The condensed consolidated interim financial statements of the Company for the period from 1 January 2018 to 30 June 2018 comprise the Company and its subsidiaries (together referred as the "Group" and individually as "Group entities") and the Group's interest in associates.

The Group provides Corporate, Fund, Private Wealth and Capital Markets Services. At 30 June 2018, the Group had operations in 39 countries (30 June 2017: 30) and employed 2,485 FTEs (full-time equivalent employees) (30 June 2017: 2,452 FTEs).

2. Basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. Accordingly, the condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2017 (part of the "Annual Report 2017"). The presentation currency of the group is the euro (€).

These condensed consolidated interim financial statements were authorised for issue by the Management Board on 1 August 2018.

3. Significant accounting policies and standards

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017 except for the adopted new standards.

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2018, have been adopted by the group from 1 January 2018.

These standards and interpretations had no material impact for the group.

[New standards and interpretations issued but not yet adopted](#)

All IFRS standards and interpretations that were in issue but not yet effective for reporting periods beginning on 1 January 2017 have not yet been adopted and disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2017. No significant changes to the disclosures are recognised at this stage.

The Group has applied the classification, measurement and impairment requirements of IFRS 9 retrospectively as of 1 January 2018 by adjusting the opening balance sheet and opening equity at 1 January 2018 by EUR 1.2 million which is not material for the Group. We decided not to restate comparative periods as permitted by IFRS 9 and decided to continue all of the Group's hedge relationships under IFRS 9 as of 1 January 2018.

As disclosed in our 2017 Annual Report IFRS 15, effective from 1 January 2018, do not have a material impact on the consolidated financial statements.

IFRS 16 'Leases', published in January 2016, introduces a new definition of a lease and eliminates the current dual accounting model for lessees, bringing most leases on-balance in the financial statements of the lessee. It replaces existing guidance on leases, including IAS 17. The Group expects to implement IFRS 16 per 1 January 2019. The Group has a significant number of operating lease contracts, mainly for real estate, and therefore significant changes are expected upon transition to IFRS 16. A more detailed impact assessment will be made later this year.

4. Use of estimates and judgements

The preparation of these interim financial statements requires management to make certain assumptions, estimates and judgements that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the date of the interim financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and the future periods if the revision affects both current and future periods. For areas involving a higher degree of judgement or areas where assumptions and estimates are significant to the (interim) financial statements, reference is made to Note 2.4 of the Group's consolidated financial statements as at and for the year ended 31 December 2017.

5. Operating segments

5.1. Basis for segmentation

The Management Board is the Chief Operating Decision Maker of the Group (CODM). The responsibility of the Management Board is to assess performance and to make resource allocation decisions across the Group.

The analysis of the business is organised on and managed from a geographical perspective. From 1 January 2018, revenue breakdown reflects Intertrust's new reporting structure, whereby Cayman Islands is included within the new Americas segment, together with Bahamas, Brazil, BVI, Curacao and USA, previously part of Rest of the World.

The reconciliation table below shows the restated 2017 segmentation:

(EUR 000)	Q2				H1			
	2017 presented in 2018		2017		2017 presented in 2018		2017	
	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue
Netherlands	27,579	23%	27,579	23%	56,644	24%	56,644	24%
Luxembourg	23,521	20%	23,521	20%	47,616	20%	47,616	20%
Americas	21,512	18%	-	0%	44,279	18%	-	0%
Cayman	-	0%	16,621	14%	-	0%	34,143	14%
Jersey	15,071	13%	15,071	13%	29,687	12%	29,687	12%
Rest of the World	30,409	26%	35,300	30%	61,490	26%	71,626	30%
Segment Revenue	118,092	100%	118,092	100%	239,716	100%	239,716	100%

(EUR 000)	Q2				H1			
	2017 presented in 2018		2017		2017 presented in 2018		2017	
	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA
Netherlands	16,797	40%	16,797	40%	35,238	40%	35,238	40%
Luxembourg	11,920	29%	11,920	29%	25,395	29%	25,395	29%
Americas	10,426	25%	-	0%	21,751	25%	-	0%
Cayman	-	0%	9,412	23%	-	0%	19,266	22%
Jersey	7,881	19%	7,881	19%	14,926	17%	14,926	17%
Rest of the World	9,580	23%	11,442	27%	20,728	24%	24,923	28%
Group HQ and IT costs (*)	(14,925)	-36%	(15,773)	-38%	(30,197)	-34%	(31,907)	-36%
Segment Adjusted EBITA	41,679	100%	41,679	100%	87,841	100%	87,841	100%

(*) Group HQ and IT costs are not allocated by operating segment

Quarterly figures are neither audited, nor reviewed.

All operating segments are regarded as reportable segments due to their size/importance for the overall understanding of the geographical business.

They are reported in a manner consistent with the internal reporting provided to and used by the Management Board.

The Management Board evaluates the performance of its segments based on Revenue and Adjusted EBITA ("segment Revenue" and "segment Adjusted EBITA"). Management considers that such information is the most relevant in evaluating the results of the respective segments. For the reconciliation, please see [Reconciliation of performance measures to reported results](#).

The individual Adjusted EBITA by operating segment excludes the allocation of Group HQ and IT costs, which is then deducted from the total.

Profit/(loss) before income tax is not used to measure the performance of the individual segments as items like amortisation of intangibles (except for software) and net finance costs are not allocated to individual segments. So the reconciliation to Profit/(loss) before income tax according to IFRS is done on Group level.

Consistent with the aforementioned reasoning, segment assets/liabilities are not reviewed regularly on a segment basis by management and are therefore not included in the IFRS segment reporting.

5.2. Information about reportable segments

(EUR 000)	Q2				H1			
	2018		2017		2018		2017	
	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue
Netherlands	27,758	23%	27,579	23%	56,662	23%	56,644	24%
Luxembourg	26,774	22%	23,521	20%	53,052	22%	47,616	20%
Americas	20,567	17%	21,512	18%	39,592	16%	44,279	18%
Jersey	14,377	12%	15,071	13%	29,147	12%	29,687	12%
Rest of the World	32,066	26%	30,409	26%	63,152	26%	61,490	26%
Segment Revenue	121,542	100%	118,092	100%	241,605	100%	239,716	100%

(EUR 000)	Q2				H1			
	2018		2017		2018		2017	
	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA
Netherlands	16,454	37%	16,797	40%	33,742	38%	35,238	40%
Luxembourg	15,262	34%	11,920	29%	30,271	34%	25,395	29%
Americas	11,156	25%	10,426	25%	21,360	24%	21,751	25%
Jersey	6,934	16%	7,881	19%	14,491	16%	14,926	17%
Rest of the World	12,001	27%	9,580	23%	23,745	26%	20,728	24%
Group HQ and IT costs (*)	(17,117)	-38%	(14,925)	-36%	(33,654)	-37%	(30,197)	-34%
Segment Adjusted EBITA	44,690	100%	41,679	100%	89,955	100%	87,841	100%

(*) Group HQ and IT costs are not allocated by operating segment

Quarterly figures are neither audited, nor reviewed.

For the three months ended 30 June 2018 and for the six months ended 30 June 2018, the presentation of the figures has been aligned accordingly to the operating segments defined as of 1 January 2018.

5.3. Seasonality

The business of the Group does not present pronounced cyclical patterns or seasonal evolutions in the condensed consolidated interim statement of comprehensive income, however working capital follows a seasonal pattern with a peak level at the end of the third quarter and a low level at the end of the first quarter, primarily resulting from the annual billing run in Cayman in Q4 each year and in the Netherlands and Luxembourg in January of each year.

6. Staff expenses

(EUR 000)	Q2		H1	
	2018	2017	2018	2017
Salaries and wages	(42,834)	(40,804)	(84,140)	(83,603)
Social security contributions	(4,170)	(4,011)	(8,565)	(7,994)
Pensions and benefits	(1,965)	(2,230)	(4,130)	(4,334)
Share-based payment upon IPO	(341)	(629)	(502)	(1,109)
Share-based payment upon integration	16	(428)	(82)	(832)
Share-based payment long term incentive plan	(1,053)	(1,144)	(1,898)	(1,697)
Other personnel expenses	(4,313)	(5,318)	(9,267)	(9,445)
Staff expenses	(54,660)	(54,564)	(108,584)	(109,014)

Quarterly figures are neither audited, nor reviewed.

The number of FTEs (full time equivalent employees) at period ended 30 June 2018 amounted to 2,485 (period ended 30 June 2017: 2,452). Average number of employees amounted to 2,476 in the first half of 2018 (2017 same period: 2,418).

A headcount alignment programme was launched in Q2 2018. The total costs associated with this programme amount to approximately EUR 6 million of which EUR 2.5 million are included in Q2 2018 as one-off integration and transformation costs in other operating expenses.

Share-based payment arrangements

For the six months ended 30 June 2018, specific items for share based payments upon IPO are included of EUR 502 thousand (for the six months ended 30 June 2017: EUR 1,109 thousand) and upon integration of EUR 82 thousand (for the six months ended 30 June 2017: EUR 832 thousand), related to the awards made under the equity-settled share-based payment arrangements implemented following the listing of the Company's shares on Euronext Amsterdam in 2015, following Elan acquisition in 2016 and Azcona acquisition in 2017.

In April 2018, the group granted 403,774 stock options under the share-based payment long term incentive plan ("LTIP") of which 76,324 stock options were granted to the management board. The purpose of the share-based compensation is to attract and retain management and employees and align the interests of management and eligible employees with those of shareholders, by providing additional incentives to improve the group's performance on a long-term basis.

For further information on our share-based compensation, reference is made to note 8 in our Annual Report 2017.

7. Earnings per share

Earnings per share	Q2		H1	
	2018	2017	2018	2017
Basic earnings per share (euro)	0.22	0.21	0.46	0.44
Diluted earnings per share (euro)	0.21	0.20	0.45	0.42

Quarterly figures are neither audited, nor reviewed.

7.1. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders of EUR 40,956 thousand for the six months ended 30 June 2018 (for the six months ended 30 June 2017: EUR 39,714 thousand) and weighted-average number of ordinary shares of 89,779,964 for the six months ended 30 June 2018 (for the six months ended 30 June 2017: 91,280,560).

7.2. Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 1,295,046 for the six months ended 30 June 2018 (for the six months ended 30 June 2017: 3,115,119).

7.3. Adjusted net income per share

The Group calculates the Adjusted net income for the six months ended 30 June 2018 to be EUR 66,7 million (for the six months ended 30 June 2017: EUR 64.5 million). Adjusted net income is defined as Adjusted EBITA, less net interest costs of EUR 14,5 million (for the six months ended 30 June 2017: EUR 14.1 million) and less tax costs of EUR 8,8 million (for the six months ended 30 June 2017: EUR 9.1 million).

Based on this Adjusted net income and taking the weighted-average number of basic shares for the six months ended 30 June 2018 of 89,779,964 (for the six months ended 30 June 2017: 91,280,560), the adjusted net income per share is EUR 0.74 (for the six months ended 30 June 2017: EUR 0.71).

8. Acquisition-related intangible assets

During the six months ended 30 June 2018, there was no new acquisition-related intangible assets generated. (During the six-months ended 30 June 2017 additional acquisition-related intangible assets were generated in the acquisition of Azcona and SFM Spain. (Note 9).

The amortisation of acquisition-related intangible assets for the six months ended 30 June 2018 is EUR 20,364 thousand (for the six months ended 30 June 2017: EUR 20,621 thousand).

The goodwill per CGU is tested annually for impairment. As at 30 June 2018, there were no impairment indicators and no impairment testing was required for the period. The intangible assets other than goodwill were not tested for impairment because there were no impairment indicators at 30 June 2018.

9. Business combinations

2018

No new acquisitions occurred during the six-months ended 30 June 2018. For subsequent events see [note 16](#).

2017

Acquisition of remaining SFM Spain stake and affiliated local service provider

On 1 February 2017, the Group acquired the remaining 25% stake in Intertrust Management Spain, S.L. ("SFM Spain") together with the affiliated professional services activities of Azcona y Asociados de Consultoría Tributaria, Jurídica y Contable, S.L. ("Azcona").

The Group acquired a 75% stake in SFM Spain as part of the acquisition of Elian on 23 September 2016. The remaining 25% of SFM Spain was held by Azcona, a local Spanish competitor that specialises in the provision of corporate secretarial, accounting and tax compliance services.

The transaction strengthens the Group's position in Spain, making it a leading independent provider of capital markets, funds and corporate services. All Azcona staff members have transferred to the Intertrust team, thereby more than doubling the headcount of the Madrid office to a total of 63 employees. The increased scale of the combined office strengthens the Group's client service capabilities and broadens its career opportunities for employees.

Other than the acquisition of the remainder of the shares, the significant asset recognised was mainly attributable to revenue from new customers. The transaction does not have a material impact on the Company's financial position or results.

10. Capital and reserves

10.1. Share capital

The subscribed capital from 31 December 2017 did not change and as at 30 June 2018 amounts to EUR 55,200 thousand and is divided into 91,999,392 shares fully paid-up with a nominal value per share of EUR 0.60.

10.2. Share premium

At 30 June 2018 the share premium amounts to EUR 630,441 thousand, unchanged compared to 31 December 2017.

10.3. Retained earnings

The retained earnings include accumulated profits and losses, plus remeasurements of defined benefit liability (asset) and equity-settled share-based payment.

The final dividend for the year 2017 of EUR 0.33 per share was paid on 12 June 2018.

An interim distribution of EUR 0.30 per share over financial year 2018 will be payable on the group's ordinary shares. The payment will be subject to 15% Dutch withholding tax. The interim dividend has not been recognised as liability.

Treasury share reserve

The treasury share reserve comprises the costs of the Company's shares held by the Group. At 30 June 2018, the Group held 3,094,190 of the Company's shares (31 December 2017: 1,856,354). The shares acquired during the six months ended

30 June 2018 are in relation to the share buy-back program announced in November 2017 and fully completed as of May 2018.

11. Financial instruments

Credit risk

Our internal credit risk assessment did not change compared to the disclosure Note 27 in our Annual Report 2017. With respect to the net trade receivables, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

Liquidity risk

There has been no change in our liquidity risk assessment compared to our disclosure Note 27 in our Annual Report 2017.

Currency risk

The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency). This did not change compared to previous year. The exposures are mainly with respect to the US dollars (USD) and Pound sterling (GBP). The loans and borrowings of the Group are denominated in Euros, Pound sterling and US Dollars.

Interest rate risk

The risk relates to the Group's long term debt obligations with floating interest rates. To manage this risk the company continues to hold interest rate swaps.

Capital management

The capital structure of the Group did not change significantly. Leverage ratio at the end of the reporting period is 3.6 as cash was used to buy back shares and pay out the final net dividend for FY 2017. This is still within the agreed level of our current facilities.

Fair value and fair value estimation

The fair values of our financial assets and liabilities as at 30 June 2018 are estimated to approximate their carrying value. There has been no change in the fair value estimation technique and hierarchy of the input used to measure the financial assets/liabilities carried at fair value through profit or loss compared with the method and hierarchy disclosed in our Annual Report 2017.

12. Cash flow hedges

The balance at 30 June 2018 includes interest rate swaps to cover part of the fluctuations on the floating interest on the USD, GBP and EUR debt. There were no new swaps entered in 2018.

The USD and GBP hedges were assessed to be effective at 30 June 2018, the EUR hedge was assessed as ineffective since 1 January 2017 therefore accounted its fair value change in the profit and loss and started recycling of Other comprehensive income position as at 1 January 2017 also to the profit and loss. Balance sheet positions recognised as assets at 30 June 2018 were EUR 738 thousand (2017: EUR 494 thousand), liabilities EUR 1.120 thousand respectively (2017: EUR 966 thousand).

13. Contingencies

There are a number of claims against the Group. We concluded that an aggregate amount of the claims (including tax and HR related) against the Group cannot be reliably measured or we consider that the possibility of outflow is not probable.

Where necessary, legal and/or external advice has been obtained and, in light of such advice, the risk of litigation is provided adequately.

14. Commitments

In the first half of 2018, there were no material changes to the group's commitments from those disclosed in note 29 of our Annual Report 2017.

15. Related parties

During the six months ended 30 June 2018, the transactions with related parties were conducted at arm's length basis.

The transactions with key management personnel do not deviate significantly from the transactions as reflected in the financial statements as at and for the year ended 31 December 2017.

The Group has provided services to some entities related to Blackstone in the normal course of business and at arm's length basis.

16. Subsequent events

There are no significant events that have occurred since balance sheet date that would change the financial position and which would require adjustment or disclosure in these condensed consolidated interim financial statements other than a non-significant acquisition in Australia. While this acquisition expands Intertrust's global footprint it does not have a material impact on the Company's financial position or results and the terms of the transaction are not disclosed. Australia will be included in the Rest of the World reporting segment.

17. Non-IFRS Financial measures

Definitions

For the definitions of non-financial measures we refer to the Glossary in the Annual Report 2017. Other than those defined there, we give more clarification as listed below on:

- Adjusted EBITA is defined as EBITA excluding specific items.
- Adjusted net income is defined as adjusted EBITA less net interest costs, less tax costs and share of profit of equity-accounted investees (net of tax).
- ARPE is defined as Average Revenue Per Entity.
- Capital expenditure (capex) is defined as Investments in property, plant, equipment and other intangible assets not related to acquisitions.
- Specific items of income or expenses are income and expenses items that, based on their significance in size or nature, should be separately presented to provide further understanding about the financial performance. Specific items include:
 - Transaction costs
 - Integration and transformation costs
 - Restructuring cost
 - Share-based payment upon IPO
 - Share-based payment upon integration
 - Income/expenses related to disposal of assets

Specific items are not of an operational nature and do not represent the core operating results.

- Underlying is defined as current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s).

Review report

To: the shareholders, the Management Board and the Supervisory Board of Intertrust N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information as at 30 June 2018 of Intertrust N.V., Amsterdam, which comprises the statement of financial position as at 30 June 2018, the statements of profit or loss, comprehensive income, changes in equity, and cash flows for the six month period ended 30 June 2018, and the notes. The Management Board of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2018 and for the six months than ended is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Three months interim financial information not audited or reviewed

The Company did not prepare condensed consolidated interim financial information for the three months period ended 30 June 2017 and for the three months period ended 30 June 2018 and therefore such quarterly information are not audited or reviewed. Consequently, the three months figures included in the statements of profit or loss, comprehensive income, changes in equity and cash flows and in the related notes of the condensed consolidated interim financial information as at 30 June 2018 have not been audited or reviewed.

Amstelveen, 1 August 2018

KPMG Accountants N.V.

W.G. Bakker RA