



Compagnie Financière Tradition

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

Increase of adjusted operating profit before exceptional items by 24.7% to CHF 101.1m

Net profit Group share up 10.5% to CHF 50.8m

Cash dividend of CHF 5.00 per share; exceptional distribution of treasury shares (1:35) for the 60 years of Compagnie Financière Tradition

<i>CHF m</i>	2018	2017	Variation in current currencies	Variation in constant currencies
Reported (IFRS)				
Revenue	884.7	802.5	+10.2%	+9.5%
Operating profit	57.9	63.1	-8.2%	-7.9%
Operating margin	6.5%	7.9%		
Net profit Group share	50.8	46.4	+9.4%	+10.5%
Adjusted*				
Revenue	971.7	873.5	+11.2%	+10.4%
Operating profit before exceptional items	101.1	80.8	+25.2%	+24.7%
Operating margin before exceptional items	10.4%	9.3%		

* with proportionate consolidation method for joint ventures

Overview

The Group's overall activity improved during the year, growing compared with 2017, benefiting in particular from a positive market environment. Moreover, the interdealer broking business (IDB) benefited from recruitment efforts of specialised brokers to reinforce the Group's presence in a number of regions and asset classes.

Against this backdrop, the Group's adjusted consolidated revenue reached CHF 971.7m compared with CHF 873.5m in 2017, a rise of 11.2% at current exchange rates, or 10.4% in constant currencies. Adjusted revenue from IDB business rose 9.7% in constant currencies to CHF 935.0m while the forex trading business for retail investors in Japan, Gaitame.com, was up 31.9% to CHF 36.7m.

The Group's performance in 2018 helped generate a substantial increase in its direct contribution, up by nearly CHF 40m, however impacted by an increase in exceptional costs. Thus adjusted operating profit before exceptional items was CHF 101.1m against CHF 80.8m in 2017, a rise of 25.2% at current exchange rates and 24.7% in constant currencies, for an operating margin of 10.4% and 9.3% respectively. Exceptional costs represented CHF 23.5m against CHF 9.4m during the previous year.

Reported revenue and operating profit

The Group reported consolidated revenue (IFRS) of CHF 884.7m against CHF 802.5m in 2017, up 9.5% in constant currencies.

Reported operating profit for the year was down 7.9% in constant currencies to CHF 57.9m compared with CHF 63.1m in 2017, for an operating margin of 6.5% and 7.9% respectively.

Net profit

The financial result represented a net expense of CHF 5.1m in 2018 against CHF 4.4m for the previous year. Net financial result mainly included interest expense on bank borrowings and bonds, net of interest income from the investment of short-term cash as well as net foreign exchange differences due to exchange rate fluctuations.

The share in the results of associates and joint ventures was CHF 17.5m against CHF 6.3m in 2017, a rise of 177.7% at current exchange rates and 175.8% in constant currencies, thanks to the Group's good performance in Mainland China and that of Gaitame.com.

The consolidated tax charge for the year was CHF 15.3m against CHF 16.4m in 2017, for an effective tax rate of 29% against 28% respectively.

Consolidated net profit was CHF 55.0m compared with CHF 48.6m in 2017 with a Group share of CHF 50.8m against CHF 46.4m in 2017, an increase of 10.5% in constant currencies.

Balance sheet

The Group maintained its focus on a sound balance sheet with a strong capital position while keeping a low level of intangible assets and a strong net cash position. Before deduction of treasury shares of CHF 34.1m, consolidated equity amounted to CHF 435.4m at 31 December 2018 with an adjusted cash of CHF 189.1m, including Group share of net cash held by joint ventures.

At 31 December 2018, consolidated equity stood at CHF 401.3m (31 December 2017: CHF 398.4m) of which CHF 383.3m was attributable to shareholders of the parent (31 December 2017: CHF 382.9m). Total adjusted cash, including financial assets at fair value, net of financial debt, was CHF 96.7m at 31 December 2018 against CHF 137.9m at 31 December 2017.

Dividend

At the Annual General Meeting to be held on 23 May 2019, the Board will be seeking shareholders' approval to pay a cash dividend of CHF 5.0 per share (yield of 4.7%¹). In addition, an exceptional distribution of treasury shares will also be proposed for the 60 years of Compagnie Financière Tradition with one share distributed for each 35 shares held (yield of 3.0%¹).

Outlook

The Group will remain focused on external and organic growth opportunities in order to further enhance its product portfolio, against a backdrop of advanced consolidation in the industry around three global players, including Compagnie Financière Tradition.

Annual report

The 2018 annual report of Compagnie Financière Tradition SA will be available on 26 April 2019 on the Company's website at <http://tradition.com/financials/reports.aspx>

¹ Indicative value based on 14 March 2019 closing share price of CHF 105.50 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 29 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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