

Flow Traders Q1 2026 Results

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Operator: Hello. Welcome to the Flow Traders' First Quarter 2026 Trading Update Conference Call. For the first part of the call, the participants will be in listen-only mode. Afterwards, there will be question and answer session. If you wish to ask a question, please press pound key five on your telephone keypad. You may also submit written questions via the form at the bottom of the player.

I would now like to hand over the call to Dick Peters. Please go ahead.

Dick Peters: Thank you. Good morning, and thank you for joining Flow Traders' first quarter 2026 trading update presentation. As you may have seen, we published our trading update earlier this morning. I'm joined today by our CEO, Thomas Spitz, and our Co-Chief Trading Officer, Alex Kieft, who will take you through the results. After our prepared remarks, we will be happy to take any questions you may have.

Before we begin, let me draw your attention to the disclaimer on page two. As always, this presentation is for informational purposes only. Any results will be discussed are unaudited.

I will now hand over to Thomas for the trading update snapshot.

Thomas Spitz: Thank you, Dick, and good morning, everyone. Let me start with a high level overview of our quarter one performance.

We delivered a strong first quarter, resulting in a net profit of €50.4 million and an EPS of €1.15. Our ETP value traded increased 27% year-over-year and 25% quarter-over-quarter, underscoring the healthy trading environment. Our total value traded grew 27% year-over-year.

In the first quarter, we generated an NTI of €155.9 million, increased slightly by €1.8 million in other income, leading to a total income of €158 million. Our fixed operating expenses were €56.1 million in Q1, in line with our guidance of €220 million to €230 million for the year. The EBITDA reached €72.2 million for Q1, with an EBITDA margin of 46%. We ended the quarter with 656 full-time employees, up from 635 at the end of 2025.

Overall, we delivered steady, diversified results across regions and asset classes.

I will now hand it over to Alex to walk you through the market environment and the regional performance.

Alex Kieft: Thank you, Thomas, and good morning, everyone. The global ETP market showed a strong momentum with ETP value traded up 77% year-on-year and 23% quarter-on-quarter, setting a new record high.

Implied volatility, measured by the VIX, was elevated compared to the previous quarters, driven by the geopolitical events in the Middle East.

In terms of assets under management, there's a solid year-on-year growth of 19%. On a quarterly basis, AUM growth is more muted, though this is mainly caused by market movements.

ETP velocity increased both quarter-on-quarter and year-on-year, which correlates with the increase in volatility, as you can see by comparing the two charts on the right. Overall, fundamentals remain very supportive for continued long-term growth in the global ETP market.

Here we discuss the fixed income and crypto market dynamics. In fixed income, US investment grade and high yield volumes showed strong pickup. Fixed income volatility stabilised in Q1 on the back of a trend of declining volatility, which peaked back in 2022 on the back of significant rate increases.

Moving to crypto. Crypto markets saw continued declining trading activity after the peak in October last year. Bitcoin volumes are still slightly up, but in the overall crypto market, volumes are down.

Global crypto ETP value traded decreased quarter-on-quarter, but showed material growth year-on-year, underscored continued institutional adoption of crypto ETPs.

Moving to our regional performance overview.

In Europe, we maintained our position as a leading liquidity provider in European ETFs, supporting liquidity both on and off exchanges. Our results came in higher than the previous periods, benefiting from increased activity in both equity and commodity ETPs. The Americas saw continued NTI increases compared to prior quarters, supported by increased ETF volumes and our ability to participate in larger transaction flows following the increase in trading capital on our balance sheet.

In Asia, overall, ETF market volumes are up significantly year-on-year. We are still developing and expanding our Asia market presence, and as such, we're not yet able to fully capture this increase in volumes, though results are still up meaningfully quarter-on-quarter. We continue to view APAC as a core growth region and continue to focus on strengthening the business.

Moving to crypto. As mentioned earlier, the crypto market is still in a downturn, leading to lower trading volumes and fewer trading opportunities. On a positive side, we continue to see growth in tokenised real-world asset trading, reflecting a shift to 24/7 trading models. We are actively providing liquidity in tokenised equities and other real-world assets on a 24/7 basis, as mentioned in our press release in March.

I'll now hand it back to Thomas to walk you through our NTI, cost base, and capital base.

Thomas Spitz: Thank you, Alex. This slide illustrates our future growth in NTI relative to implied market volatility. Our investments in trading capabilities across regional asset classes continue to enable us to capture opportunities under varying market conditions.

1Q 2026 performance is strong due to a conducive market environment, combined with a number of actions taken to expand our trading operations.

As shown on slide eight, fixed operating expenses were €56.1 million in Q1, an increase of 10% year-over-year and 7% quarter-over-quarter. This increase was driven primarily by higher employee expenses and ongoing technology investments, and are consistent with our growth plans. We delivered 46% EBITDA margin in Q1, underscoring the strength of our variable compensation model and our high operating leverage.

We ended the quarter with 656 FTEs, reflecting targeted hiring to support our strategic initiatives. Fixed operating expenses guidance for the year 2026 is €220 million to €230 million, driven by continued technology investment, selective headcount additions to support growth initiatives and inflationary pressures.

Turning to capital. As unit trading capital is one of the core of our businesses, and since 2024, we have continued to strengthen our balance sheet. In October 2025, we secured a \$200 million private credit facility and a \$75 million revolving credit facility, significantly enhancing our financial flexibility. Both of them have not been fully deployed and we continue to optimise the allocation of this capital across our trading operations.

As a result, trading capital increased by 36% year-on-year, hitting €1.092 billion, the highest level in the company's history. Shareholders' equity also reached a record of €918 million, up 17% year-on-year. Return on average shareholders' equity is 23% for the quarter. Our continued capital expansion ensures that we can continue to optimally position and capture opportunities across asset classes and geographies, and will continue to support our diversification strategy.

As a reminder, on 23rd June, we will be hosting our Capital Markets Day. During our Capital Markets Day, me and the rest of the leadership team will provide the market with an update on the business, as well as its strategy and our expansion plans going forward. Further details regarding the CMD will follow in due course, and we are looking forward to have the opportunity to introduce our updated strategy and meet with our investors.

Dick Peters: Thank you. That concludes our prepared remarks. We would now like to open the floor for questions. So operator, please go ahead.

Questions and Answers

Operator: Ladies and gentlemen, we are now ready to take your questions. You may submit written questions via the form at the bottom of the player or press pound key five on your telephone keypad. If you wish to withdraw your question, please press pound key six on your telephone keypad. Our first question comes from Julian Dobrovolschi from ABN AMRO-ODDO BHF. Julian, go ahead.

Julian Dobrovolschi (ABN AMRO-ODDO BHF): Good morning, gentlemen. Thanks for taking my questions. Congrats on the quarter. I think it looks pretty good, but still I have a couple of questions just to understand some dynamics. First one is on the US market shares. This one again seems to be on the low side, 1.5% in Q4, marginally up to 1.6% in Q1. If you look in the previous quarters, you were at about 2% in the US in the ETP business. So I would appreciate if you could share additional colour on why underperforming in the recent quarters. Also, how does that actually correlate with your ability to participate in larger transaction flows following the expansion of capital? I believe that's exactly what Alex just said during the presentation. That's the first one.

The second one is on the returns on capital. This one seems to be flat quarter-over-quarter, but technically it had on hand the entire pool of trading capital available for the full quarter. That was clearly not the case for Q4, for example. Just wondering if anything has changed operationally that could answer the flat progression in the returns of capital Q1 versus Q4.

Then, on the P&L line items, A and B parts. On the A part, we see another small impairment becoming a beautiful recurring item. Just wondering what's the origin of it and how can we make sure this does not happen in the next quarters? The part B is the equity accounted

investments. It looks quite volatile. This went from 4.5 positive in Q4 to minus 1.3 in Q1. I'm just wondering what's driving this vola in the general case. Also I would appreciate related to that, if you could speak about the underlying VC portfolio position that it has. Thanks.

Alex Kieft: Thanks, Julian. Thanks for the questions. I'll take at least the first two. On US market share, indeed, we saw a slight pickup quarter-over-quarter amid the general rise in volumes. Our ability to participate in larger trades is not always – doesn't higher on-exchange turnover. It can also be large RFQ or OTC trades with counterparties that we previously could not do.

The volumes in the US are typically highly concentrated to the mega cap ETFs like SPY and QQQ, where our market share is low compared to other ETFs that require more diverse pricing capabilities. We are monitoring and making sure that our market share remains where it is, but we don't necessarily target to increase it massively. We prioritise profitability in the US over purely going for market share.

Then, on the return on capital question, the published numbers are LTM, so trailing ROC. On the quarterly basis, it's slightly higher than the previous one. We see that we can deploy on peak days, can deploy the majority of the PCF and even on some days through the RCF. But given that we've increased our capital base now by almost 80% in two years, we know that we need a bit of time to optimise that further. And as we do that, we expect that we can continue to deploy it accretively, but also that we have more buffer to participate and to use it when volatility peaks.

Then on the third question you had on the impairments, there that's comparable to the previous quarters, whereby we have certain token investments and that we hedge, whereby, depending on the market, either we have a positive in NTI and a negative impairment, or the other way around. Typically for accounting purposes, those sit in different lines. This is the same as what we saw in previous quarters. Given the decline in crypto prices, there was a small positive in NTI and a small impairment comparable to the previous ones. If there's an increase in crypto prices, you expect it the other way around.

Julian Dobrovolschi: Understood. Then I also had a second part on the equity-accounted investment, also quite some swings. Anything to flag the way you see the evolution of the VC portfolio there?

Dick Peters: Yeah. Julian, in terms of the numbers, specifically on this quarter, that's mainly due to the venture capital portfolio, where we're seeing that some of the investments where we're having a revaluation, well, not effectively revalue, equity accounting where we see that there's particularly cost one that impacts the carrying value of those assets.

Julian Dobrovolschi: Understood. Thanks.

Operator: The next question is about capital allocation. The trading capital has risen. Is there room for dividends or buybacks in the future?

Dick Peters: Let me take that one. There's currently no plan for a new share buyback or reinstatement of the dividend, as that would not be in line with the trading capital expansion plan that was implemented and communicated before. We will provide an update on that as well if there's any change to that.

Operator: The next question comes from Mike Werner from UBS. Mike, go ahead.

Michael Werner (UBS): Thank you very much for the presentation and the opportunity to ask a question. I have two, please. One, we saw a bit of an uptick in the headcount in the quarter. Can you just tell me which areas you are hiring for, either regions or departments within Flow Traders?

Then second, you're talking about improving the capabilities to deploy all the capital. What do you need to get to being fully operational from a capital allocation perspective with the new capital bases that you've built up in recent quarters? And then, how long do you think it will take to get there, I guess? Thank you.

Thomas Spitz: Thank you. I'll take the first part of the question regarding headcounts. It is true that we have been increasing our headcounts, as mentioned, as noted. Our focus at the moment is very much on the quantitative technology and related businesses. So the headcount is more focused on a number of technology initiatives, AI initiatives and quantitative initiatives that are complementary to our existing business and will accelerate our existing business, and that we can now use much more or much more efficiently as we are deploying more capital as well. I will let Alex explain the second part.

Alex Kieft: Yeah, regarding the capital deployment, so what we saw in March when it was very volatile, then we could deploy everything. There we have in our core ETF business, having a diversified trading strategy, so from ETFs to fixed income and FX to crypto and also across the regions allows us to optimally deploy it where we can.

We are, of course, a market maker, so we typically respond to opportunities that happen in the market rather than take on positions actively. This flexibility allows us to provide liquidity even when volumes and activity and volatility increases to our counterparties and to the exchanges. We're confident that, as time passes, we're able to fully absorb the PCF that we've added alongside with the increase in retained earnings.

When we added the PCF as a six year facility, we have now had it on the balance sheet for five months. I think we're quite pleased with how quickly we've been able to increase trading activity in certain parts, and we continue to optimise that further in the coming quarters.

Michael Werner: Thank you.

Operator: Our next question, are you expecting operating expenses to continue growing over the next quarters?

Dick Peters: As Thomas explained, we continue to invest in our growth through investment in technology as well as targeted add-ons of subject matter experts, which results in higher costs as we experienced this quarter. But as also guided, we expect for the year the operating expense to end up in a range of €220 million to €230 million. I believe that's what the expectation is for the rest of the year. We can't provide any further guidance beyond that.

Operator: Just as a reminder, you can press pound key five on your telephone keypad at any time to ask a question. You may also submit written questions via the form at the bottom of the player. Thank you. With that, I will now turn the call back to Dick for any closing remarks.

Dick Peters: Thank you, operator, and thank you all for joining today's call. We appreciate your continued interest in Flow Traders and look forward to speaking with you again during our 2026 Capital Markets Day. This concludes today's presentation. Have a great day. Thank you.

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