



Flow Traders N.V. ■ 4Q 2015



AMSTERDAM - NEW YORK - SINGAPORE - CLUJ

FLOW ■ TRADERS

Disclaimer

- This presentation is prepared by Flow Traders N.V. and is for information purposes only. It is not a recommendation to engage in investment activities and you must not rely on the content of this document when making any investment decisions. The information in this document does not constitute legal, tax, or investment advice and is not to be regarded as investor marketing or marketing of any security or financial instrument, or as an offer to buy or sell, or as a solicitation of any offer to buy or sell, securities or financial instruments.
- The information and materials contained in this presentation are provided 'as is' and Flow Traders N.V. or any of its affiliates ("Flow Traders") do not warrant the accuracy, adequacy or completeness of the information and materials and expressly disclaim liability for any errors or omissions. This presentation is not intended to be, and shall not constitute in any way a binding or legal agreement, or impose any legal obligation on Flow Traders. All intellectual property rights, including trademarks, are those of their respective owners. All rights reserved. All proprietary rights and interest in or connected with this publication shall vest in Flow Traders. No part of it may be redistributed or reproduced without the prior written permission of Flow Traders.
- This presentation may include forward-looking statements, which are based on Flow Traders' current expectations and projections about future events, and are not guarantees of future performance. Forward looking statements are statements that are not historical facts, including statements about our beliefs and expectations. Words such as "may", "will", "would", "should", "expect", "intend", "estimate", "anticipate", "project", "believe", "could", "hope", "seek", "plan", "foresee", "aim", "objective", "potential", "goal", "strategy", "target", "continue" and similar expressions or their negatives are used to identify these forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of Flow Traders. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no undue reliance should be placed on any forward-looking statements. Forward-looking statements speak only as at the date at which they are made. Flow Traders expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statements contained in this presentation to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.
- Financial objectives are internal objectives of Flow Traders to measure its operational performance and should not be read as indicating that Flow Traders is targeting such metrics for any particular fiscal year. Flow Traders' ability to achieve these financial objectives is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond Flow Traders' control, and upon assumptions with respect to future business decisions that are subject to change. As a result, Flow Traders' actual results may vary from these financial objectives, and those variations may be material.
- Efficiencies are net, before tax and on a run-rate basis, i.e. taking into account the full-year impact of any measure to be undertaken before the end of the period mentioned. The expected operating efficiencies and cost savings were prepared on the basis of a number of assumptions, projections and estimates, many of which depend on factors that are beyond Flow Traders' control. These assumptions, projections and estimates are inherently subject to significant uncertainties and actual results may differ, perhaps materially, from those projected. Flow Traders cannot provide any assurance that these assumptions are correct and that these projections and estimates will reflect Flow Traders' actual results of operations.
- By accepting this document you agree to the terms set out above. If you do not agree with the terms set out above please notify legal.amsterdam@nl.flowtraders.com immediately and delete or destroy this document.
- The figures comprised in this presentation have not been audited nor reviewed

Content

- 4Q15 Highlights
- 2015 Results
- Consolidated Results
- Europe
- Americas
- Asia
- Operational Expenses
- Consolidated Financial Position
- Guidance Medium- to Long-Term Strategy
- Appendix

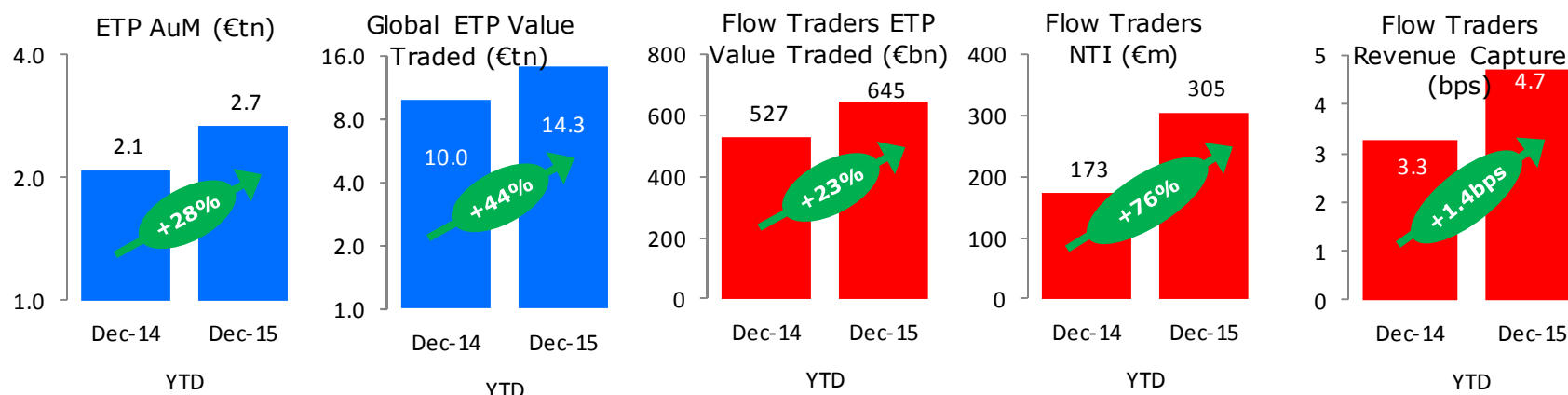
4Q15 Highlights

Solid quarter, closing a record year for Flow Traders

Inflows AuM	Globally, ETP market inflows reached record €109bn in 4Q15, the highest level in 2015 (source BlackRock), confirming ongoing momentum in the ETP markets
Volumes	Flow Traders' Volumes Traded came in at €144bn, a decrease of 16% versus 3Q15, in line with market developments, confirming 3Q15 was an exceptional quarter
Net Trading Income	NTI came in at €64.5m, versus €92.8m in 3Q15, driven by low volatility impacting trading volumes, which were the lowest quarterly volumes in 2015
Revenue Capture	Revenue Capture came in at 4.5 bps, versus 5.4 bps in 3Q15, showing a solid performance in periods of slower markets.
Adjusted EBITDA Margin	Adjusted EBITDA Margin came in at 49%, a slight decrease versus 3Q15, caused by stable developments in cost base and lower NTI
Adjusted Net Profit	Adjusted Net profit came in at €29.8m (EPS €0.64), versus €37.9m in 3Q15

2015 Results

Record year, confirming momentum in ETP market



Source for AuM: Blackrock ETP Landscape. Source for Market ETP Value Traded: World Federation of Exchanges (WFE), London Stock Exchange (LSE) Group.

ETP AuM growth

ETP Market AuM reached €2.7tn, showing 28% growth versus 2014. Market ETP Value Traded grew to €14.3tn, showing 44% growth versus 2014

NTI development

NTI grew to €305m in 2015, +76% versus 2014, outperforming both ETP Market AuM as well as Market ETP Value Traded

Revenue Capture

Overall Revenue Capture came in at 4.7bps, a 44% increase versus 2014. At 31 December 2015 Flow Traders was connected to over 95 markets and made markets in over 3,000 ETPs

Dividend

Flow Traders proposes to pay a €1.00 final dividend, bringing total dividend paid in 2015 to €1.50, or 54% of Adjusted Net Profit, confirming our policy to pay out at least 50% of Net Profit

Consolidated results

4Q results solid, despite lower market volumes and volatility

Consolidated (in €m)	Adj. Q4 2015	Adj. Q3 2015	Q4 2015	Q3 2015	Adj. Q4 vs adj. Q3	Adj. YTD Dec 15	YTD Dec 15	YTD Dec 14	Adj. YTD-15 vs YTD-14
Net Trading Income	64.5	92.8	64.5	92.8	(30%)	304.7	304.7	172.7	76%
Personnel expenses (fixed)	(6.4)	(5.0)	(6.4)	(5.0)		(21.5)	(21.5)	(17.9)	
Personnel expenses (variable)	(15.7)	(29.7)	(15.7)	(29.9)		(87.9)	(121.1)	(43.1)	
Technology expenses	(8.0)	(7.2)	(8.0)	(7.2)		(27.5)	(27.5)	(18.7)	
Other expenses	(3.2)	(2.5)	(3.2)	(3.5)		(11.1)	(13.0)	(9.1)	
Operational Expenses	(33.3)	(44.3)	(33.3)	(45.6)	(25%)	(148.0)	(183.1)	(88.8)	67%
EBITDA	31.2	48.4	31.2	47.2	(36%)	156.7	121.6	83.9	87%
Depreciation / Amortisation	(2.2)	(1.8)	(2.2)	(1.8)		(7.2)	(7.2)	(5.4)	
Result subsidiaries	0.7	-	0.7	-		0.7	0.7	(0.1)	
Profit Before Tax	29.7	46.6	29.7	45.4	(36%)	150.2	115.1	78.3	92%
Tax	0.1	(8.7)	0.1	(8.5)		(21.8)	(17.8)	(10.5)	
Net Profit	29.8	37.9	29.8	36.9	(21%)	128.4	97.3	67.9	89%
EPS (in €)	0.64	0.81	0.64	0.79		2.76	2.09	1.46	
EBITDA margin (in %)	48%	52%	48%	51%		51%	40%	49%	

Adjustments Q3: SARs expenses €0.2m, IPO expenses €1m and tax effect €(0.2m)

Adjustments Q4: no adjustments

Adjustments YTD: SARs expenses €33.2m, IPO expenses €1.9m and tax effect €(4.0m)

NTI

4Q15 NTI came in at €64.5m, driven by low volatility impacting trading volumes, which were the lowest quarterly volumes in 2015

Adjusted EBITDA Margin

Fixed operational expenses rose due to increase in FTEs and a number of technological improvements. Following the strong performance in NTI, Adjusted EBITDA Margin came in at 51% for 2015, versus 49% in 2014

Adjusted Net Profit

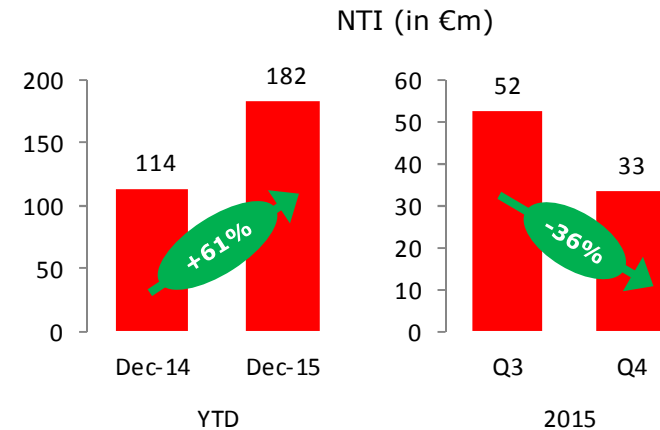
4Q15 Adjusted Net Profit came in at €29.8m versus €37.9m in 3Q15, following a decrease in NTI. The impact was dampened by a lower effective tax rate than anticipated

Europe

Aligned with the market for the quarter, outperforming for the year

In €bn unless otherwise stated

	2015			YTD		
	Q4	Q3	Δ	Dec-15	Dec-14	Δ
ETP AuM (end of period)	460	453	1%	460	371	24%
Europe ETP Value Traded	216	238	(9%)	934	636	47%
Flow Traders ETP Value Traded	91	104	(13%)	390	270	45%
Flow Traders NTI (€m)	33.4	52.3	(36%)	182.5	113.7	61%
Flow Traders Revenue Capture (bps)	3.7	5.0	(1.4)	4.7	4.2	0.5



Source for AuM: Blackrock ETP Landscape. Source for Market ETP Value Traded: World Federation of Exchanges (WFE), London Stock Exchange (LSE) Group.

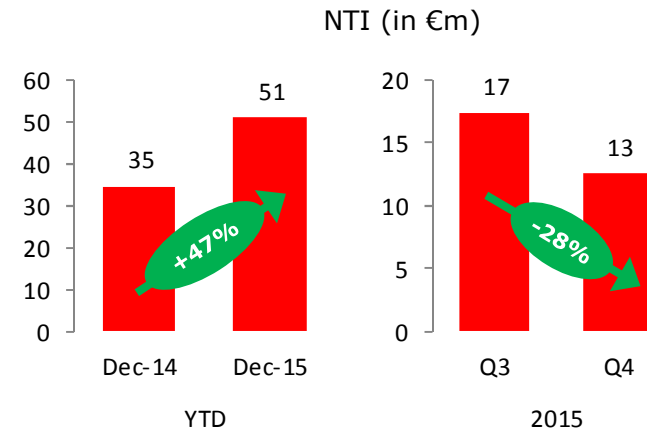
Market share European Market	Market share came in just below 20%, roughly stable versus previous quarters
NTI	Most of the impact of lower volatility and lower volumes on NTI was noted in Europe
Revenue Capture	In Europe, Revenue Capture came in at 3.7 bps for the quarter, leading to an overall Revenue Capture in 2015 of 4.7 bps.

Americas

Tracking the market in Q4, increased revenue capture for the year

In €bn unless otherwise stated

	2015			YTD		
	Q4	Q3	Δ	Dec-15	Dec-14	Δ
ETP AuM (end of period)	1,987	1,845	8%	1,987	1,558	28%
Americas ETP Value Traded	2,982	3,333	(11%)	11,881	8,695	37%
Flow Traders ETP Value Traded	44	47	(8%)	198	223	(11%)
Flow Traders NTI (€m)	12.6	17.4	(28%)	51.0	34.7	47%
Flow Traders Revenue Capture (bps)	2.9	3.7	(0.8)	2.6	1.6	1.0



Source for AuM: Blackrock ETP Landscape. Source for Market ETP Value Traded: World Federation of Exchanges (WFE), London Stock Exchange (LSE) Group.

ETP Value Traded

ETP Value Traded by Flow Traders came in at €44bn versus €47bn in 3Q15, following lower volatility and a more reserved stance from investors towards year end

NTI

As targeted, NTI in the Americas improved by 47% to €51m, as Flow Traders expanded the number of traded ETP products and implemented a new pricing model in combination with changes in IT products

Revenue Capture

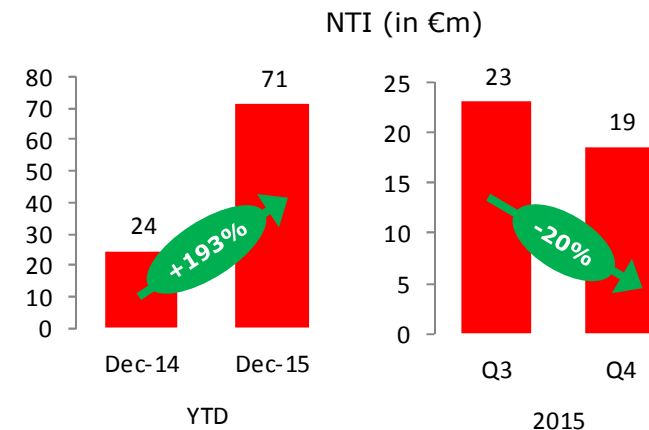
Revenue Capture came in at 2.9 bps in 4Q15. Helped by improvements in our platform and some changes in our product mix.

Asia

Flow Traders showed solid performance in Asia

In €bn unless otherwise stated

	2015			YTD		
	Q4	Q3	Δ	Dec-15	Dec-14	Δ
ETP AuM (end of period)	219	199	10%	219	151	46%
Asia ETP Value Traded	225	422	(47%)	1,486	625	138%
Flow Traders ETP Value Traded	10	20	(50%)	58	34	69%
Flow Traders NTI (€m)	18.5	23.0	(20%)	71.3	24.3	193%
Flow Traders Revenue Capture (bps)	18.3	11.5	6.8	12.3	7.1	5.2



Source for AuM: Blackrock ETP Landscape. Source for Market ETP Value Traded: World Federation of Exchanges (WFE), London Stock Exchange (LSE) Group.

ETP Value Traded	Flow Traders' ETP Value Traded fell by 50% versus 3Q15, in line with market developments on the back of worries over the troubled markets in China
NTI	The market trend in 4Q15 had an impact on our NTI, nevertheless 2015 NTI came in +193%
Revenue Capture	Revenue Capture came in at 18.3bps, following late benefits in Q4 due to market circumstances in China

Operational expenses

Stable performance and predictable low cost base

Consolidated (in €m)	Adj. Q4 2015	Adj. Q3 2015	Q4 2015	Q3 2015	Adj. Q4 vs adj. Q3	Adj. YTD Dec 15	YTD Dec 15	YTD Dec 14	Adj. YTD-15 vs YTD-14
Net Trading Income	64.5	92.8	64.5	92.8	(30%)	304.7	304.7	172.7	76%
Personnel expenses (fixed)	(6.4)	(5.0)	(6.4)	(5.0)		(21.5)	(21.5)	(17.9)	
Personnel expenses (variable)	(15.7)	(29.7)	(15.7)	(29.9)		(87.9)	(121.1)	(43.1)	
Technology expenses	(8.0)	(7.2)	(8.0)	(7.2)		(27.5)	(27.5)	(18.7)	
Other expenses	(3.2)	(2.5)	(3.2)	(3.5)		(11.1)	(13.0)	(9.1)	
Operational Expenses	(33.3)	(44.3)	(33.3)	(45.6)	(25%)	(148.0)	(183.1)	(88.8)	67%
EBITDA	31.2	48.4	31.2	47.2	(36%)	156.7	121.6	83.9	87%
Depreciation / Amortisation	(2.2)	(1.8)	(2.2)	(1.8)		(7.2)	(7.2)	(5.4)	
Result subsidiaries	0.7	-	0.7	-		0.7	0.7	(0.1)	
Profit Before Tax	29.7	46.6	29.7	45.4	(36%)	150.2	115.1	78.3	92%
Tax	0.1	(8.7)	0.1	(8.5)		(21.8)	(17.8)	(10.5)	
Net Profit	29.8	37.9	29.8	36.9	(21%)	128.4	97.3	67.9	89%

Adjustments Q3: SARs expenses €0.2m, IPO expenses €1m and tax effect €(0.2m)

Adjustments Q4: no adjustments

Adjustments YTD: SARs expenses €33.2m, IPO expenses €1.9m and tax effect €(4.0m)

Personnel expenses

Due to the increase in headcount from 211 at the end of 2014 to 268 at the end of 2015, personnel expenses increased alongside recruitment activities

IT Costs

IT and infrastructure expenses developed in line with previous quarters (disregarding FX impact) and remain one of the largest cost drivers of the company. No major future investments in IT and Infrastructure are foreseen.

Disposal of Assets

The proposed sale of non-core part of our communications infrastructure did not materialize in the fourth quarter. Management is currently investigating other options. No material financial impact is expected.

Consolidated financial position

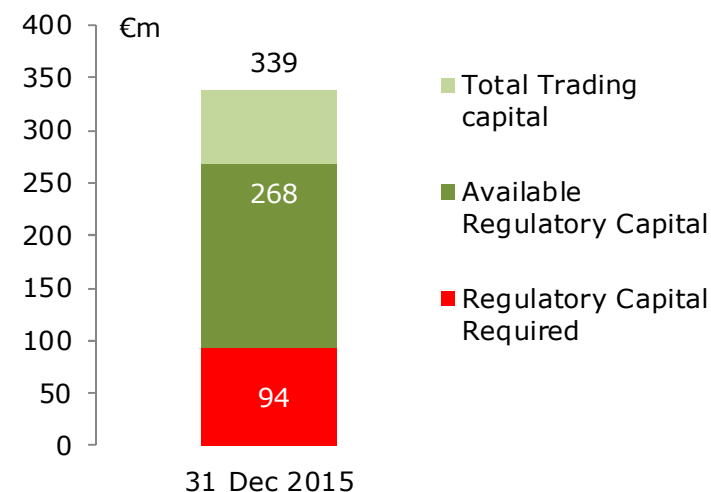
Further strengthening of Flow Traders' Balance Sheet

Condensed Balance Sheet

In €m

	Δ 31 Dec 15		
	31 Dec 15	31 Dec 14	vs. 30 Jun 15
Assets			
Trading capital	339	204	134
Property, Equipment and Intangible Assets	24	22	2
Other Assets	16	6	10
Total Assets	378	232	146
Equity & Liabilities			
Other Liabilities	118	83	36
Tax Liabilities	14	7	7
Total Liabilities	132	90	42
Equity			
Member capital accounts	-	65	(65)
Share Capital	5	-	5
Share Premium	151	-	151
Legal reserves	17	10	7
Other reserves	(23)	-	(23)
Profit for the year	97	68	29
Total Equity	247	143	104

Other liabilities mainly consist of bonuses



Trading Capital

Total Trading Capital grew due to less Regulatory Required Capital and strong NTI performance

Regulatory Capital Required

Regulatory Capital Required fell to €94m due to more efficient trading positions towards the end of 2015

Guidance to Medium to Long-Term Strategy

Combining organic growth with strong cash generation

Current Trading

- Trading in 1Q16 shows some improvements over 4Q15. So far we have had a solid start of the year.

Guidance on Growth

- Flow Traders continues to focus on organic growth, through expanding the number of products traded, continuously improving the platform and further leveraging operations
- Flow Traders reiterates the target to grow ahead of the growth in global ETP AuM, capturing additional upside during periods of higher volatility and higher volumes

Guidance on Costs

- Continue to control fixed costs in line with prior years¹

Dividend policy

- First goal is to maintain adequate capital to support future growth of the business
- Flow Traders has decided to propose €1.00 as a final dividend, bringing total dividend to €1.50, confirming our dividend policy

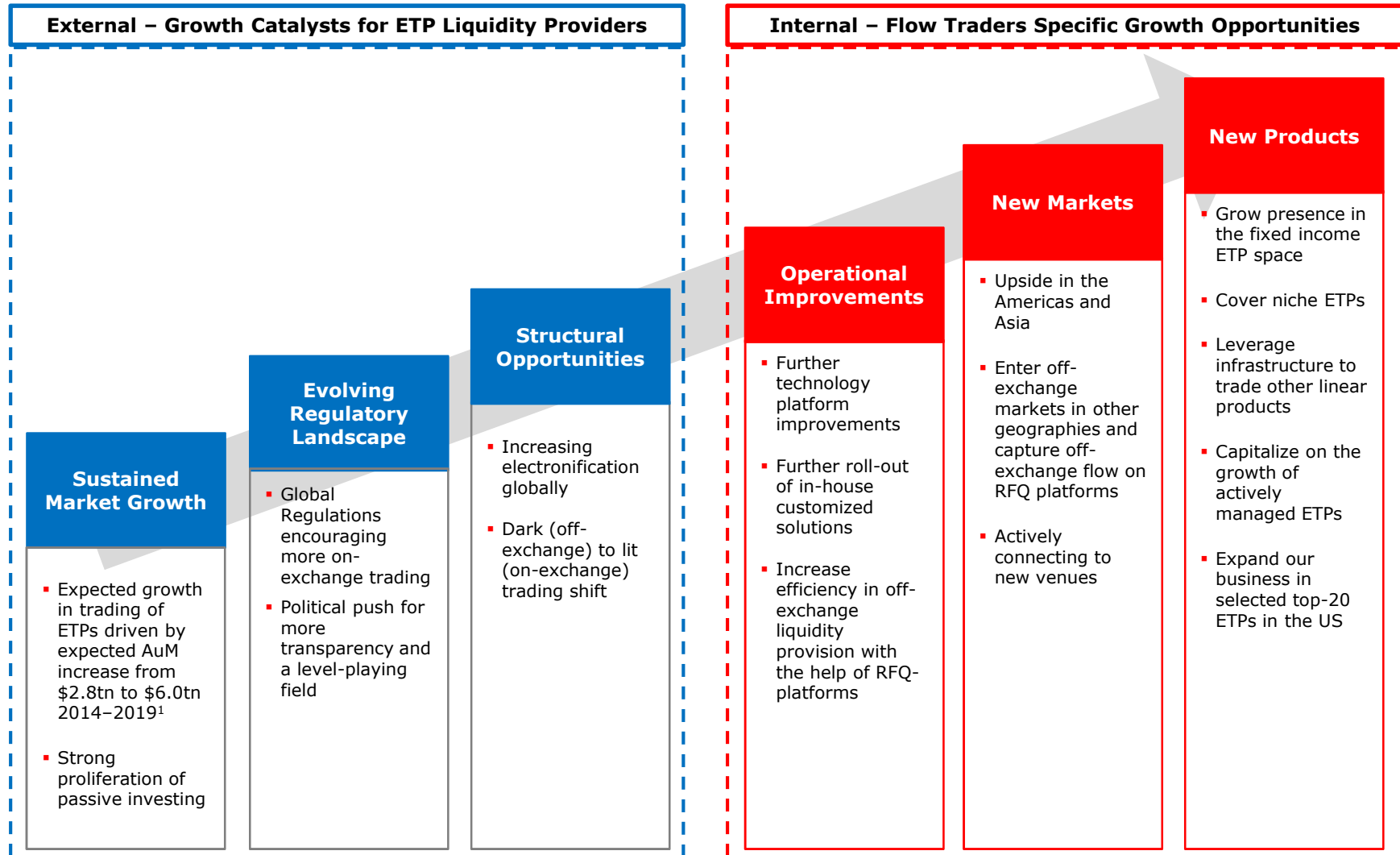
1: Fixed costs refers to all non-trading costs excluding variable remuneration

Appendix



Appendix 1 - Growth drivers

Delivering on strategic growth and financial objectives



1: Blackrock ETP Landscape, December 2014

Appendix 2 - Glossary

Adjusted earnings	Earnings (NTI, Net Profit, EBITDA, etc.) adjusted for one-off expenses related to the IPO and SARs expenses.
EBITDA	Operating result before depreciation of property and equipment, amortization of intangible assets, write off of tangible and intangible assets and non-trading financial income and expenses.
EBITDA Margin	EBITDA as a percentage of Net Trading Income
NTI	Net Trading Income, i.e.. gross trading income minus direct trading-related expenses such as trading fees, clearing fees, short stock fees, interest expenses directly related to the financing of positions, etc.
SARs	Share Appreciation Rights, which are cancelled and settled in connection with the IPO resulting in a one-off expense of €33.2m in financial year 2015
Value Traded	Cumulative value of trades. Unless indicated otherwise, this excludes creation and redemption volume, and therefore refers to secondary market volume only, i.e. both on- and off-exchange.
Revenue Capture	Relates to revenue capture in basispoints calculated taking Flow Traders NTI divided by Flow ETP value traded * 10,000
YTD	Year To Date

Thank you

