Flow Traders Full Year 2025 Results Conference Call

Thursday, 12th February 2026

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Operator: Welcome to the Flow Traders Full Year 2025 Results Conference Call. For the first part of the call, participants will be in listen only mode and afterwards there will be a 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 the call over to Caroline Leenders. Please go ahead.

Caroline Leenders: Good morning and thank you for joining Flow Traders Fourth Quarter and Full Year 2025 Results Presentation. As you may have seen, we published our results earlier this morning. I'm joined today by our CEO, Thomas Spitz, and Co-Chief Trading Officer, Alex Kieft, who will take you through the results. After our prepared remarks, we'll 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 information purposes only and the results we will be discussing are unaudited. I will now hand over to Thomas.

Thomas Spitz: Thank you, Caroline. And let me start with a high-level overview of our Q4 and full year performance. We delivered a solid fourth quarter, resulting in a full year net profit of €133.6 million and an EPS of €3.07. ETP value traded increased 22% year on year in the quarter and 26% for the full year, underscoring the healthy trading environment. Total value traded grew 5% year on year in both Q4 and full year 2025. In Q4, we generated an NTI of €123.8 million, offset slightly by €2.8 million loss in other income, leading to a total income of €121 million. Fixed operating expenses were €52.4 million in Q4 and €204.1 million for the year. In line with guidance, EBITDA reached €49.2 million for Q4 and €198.9 million for full year 2025, with margins of 41% for both periods. We ended the year with 635 full time employees, up from 609 at the start 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 Keift: Thank you, Thomas, and good morning, everyone. So on this slide I'll discuss the global ETP market environment. As you can see on the top left, ETP value traded increased substantially year over year 44% compared to 2024, underscoring ever increasing adoption of ETFs as investment and allocation and hedging vehicles. Market volatility, as shown on the right by the VIX, was similar compared to Q4 last year, And a slight pickup quarter on quarter. ETP assets under management reached €16.9 trillion, an increase of 21% year on year, driven by fund inflows and market trend. ETP velocity, which is the ratio of ETP value traded divided by total management increased modestly back to its multi-year average. So overall fundamentals remain very supportive for continued long term growth of the global ETP market.

In fixed income and crypto markets, starting with fixed income trading volumes in US, IG and high yield declined due to seasonality in Q4 and are up modestly year over year. However, fixed income volatility as measured by the move index decreased substantially in the quarter, underscoring a muted trading environment for fixed income business. Moving to crypto. After a spike in activity in October, which also saw the largest crypto liquidation event in history, Volumes subsided in November and December. Bitcoin volumes are still up for the quarter, but the overall crypto market across all tokens and derivatives is down. Crypto ETP volume, however, increased again, highlighting continued institutional adoption of ETPs as a tool to gain or manage crypto exposures.

I'll now move to our regional performance overview. On the left, the stacked bars are the market value traded. In the middle, we see Flow Traders GDP value traded per region, and on the right, we see the total income per region. Starting with Europe, we maintained our position as a leading liquidity provider in European ETPs with a pickup in market share amidst the pickup in trading activity compared to the previous quarter, especially in equity and precious metal markets, Following the rise in gold and silver prices last year.

In the Americas, we saw an increase in NTI compared to the previous quarters due to increased trading volumes and our ability to participate in larger transactions Following the increase in trading capital. in Asia, the ETF market volumes rose significantly year on year, with most growth coming from China. Excluding China, the growth was 36% year over year, so more in line with the global average, but in onshore China, that saw a much more significant increase. Onshore China still development area for the firm. And as such, we were not yet able to fully capture this increase in volumes, but it remains a key development area for us.

Also interesting to note in Asia is the increase in overnight trading activity in US equities, which is reflecting increasing investor adoption and appetite for overnight and round the clock trading. We see a similar trend in digital assets where we have seen the start to tokenized equities trading. The markets that flow traders is active in, and we are actively providing liquidity in tokenized real-world assets and forming partnerships around the topic. As mentioned, we also witnessed the largest crypto liquidation event in history. It's important to note that we did it did not negatively impact us, and we came out with a profit, underscoring the robustness of our trading and risk systems.

Moving on. Here, we see the NTI per region and per asset class. On the left, we see it regionally. So Americas and Asia together account for 40% of group NTI, with continued momentum coming from Asia. On the right, we see the asset class mix, where FIC including cryptocurrencies, accounted for 41% of total group NTI, highlighting the diversity of our trading business. And furthermore, our global or our flexible trading allocation model allows us to quickly allocate capital where opportunities arise, both geographically or regionally or by asset class, while at the same time making sure that we can always provide liquidity to our counterparties. And on the exchanges, even in more quiet times. And with that, I'll hand it back to Thomas for the next few slides.

Thomas Spitz: Thank you, Alex. And moving to slide eight. As shown on this slide, our fixed operating expenses were €52.4 million in Q4 and €204.1 million for the year. Increases of 17% and 15%, respectively. These increases were driven primarily by higher employee expenses and ongoing technology investment, and are consistent with our growth plans, which we highlighted in our press release. We delivered 41% EBITDA margins in both Q4 and full year 2025, underscoring the strength of our variable compensation model and our high operating leverage. We ended the year with 635 FTEs, and we'll continue to focus on targeted hiring to support strategic initiatives. Fixed operating expenses guidance for the year 2026 is 220 to €230 million, driven by continued technology investment, selective headcount, additions to support growth initiatives as well as inflationary pressures.

Moving on to slide nine. This slide illustrates our structural growth in NTI relative to implied market volatility. Our investment in trading capabilities across regions asset classes will continue to enable us to capture opportunities under varying market conditions, supporting steady performances even during periods of lower volatility. Over the past decade, we have

delivered an average EBITDA margins above 40%, demonstrating the strength of our operating model and flexible compensation philosophy. Full year 2025 performance remained resilient and consistent with our long-term trends.

Turning to capital. As you know, the trading capital is core to our business. Our trading capital expansion plan, first announced in July 2024, continues to strengthen our balance sheet. In addition, in October 2025, we secured a $200 million private credit facility and a $75 million revolving credit facility, significantly enhancing our financial flexibility. As a result, trading capital increased 35% to €1,000,000,044 million, the highest level in the company's history. Shareholders equity also reached a record €868 million, up 13% year on year. Return On average shareholders' equity was 16% for the year, a solid result given market conditions. This expansion and its capital strategy ensures that we are optimally positioned to capture opportunities across asset classes and geographies and to continue to support our diversification strategy.

Caroline Leenders: That concludes our prepared remarks. We would now like to open the floor for questions. Operator, please go ahead.

Questions and Answers

Operator: Ladies and gentlemen, we are now ready to take your questions. You may submit your written questions via the form at the bottom of the player. If you're connected via the phone, please press pound key on your telephone keypad. We'll now wait for you to signal. Our first question comes from Iulian Dobrovolschi from ABN AMRO - ODDO BHF. Your line is now open. Please go ahead.

Iulian Dobrovolschi (ABN AMRO - ODDO BHF): Hello. Good morning, and thanks for taking my questions. I have three to begin with. Maybe if you can share anything around the experience you had from deploying such a sizable amount of additional trading capital in Q4. Just for us to understand how do you actually manage that, given the fact that this is a bit of a new, let's say experience for you and maybe a bit of an indication how did you manage that across different liquidity, across different desks and whether that was actually well absorbed by the existing team. So they had to hire more traders across regions. So that's the first thing.

The other one, I've seen some comments about you developing some deep learning initiatives with an intent to apply that for developing your midterm trading strategies. So just wondering if you can kind of speak more about generally the whole idea concept behind it, and how do you think this is going to roll out in 2026? And finally, in prediction markets, just wondering how meaningful can this become in the NTI mix going forward? And generally, if you can speak about the structure of this market in terms of competition, returns and capital and perhaps anything about capital intensity overall. Thanks.

Alex Keift: Okay. Thanks, Iulian. Good morning. I'll take the first question about capital. So indeed, we now have over a billion in trading capital, as communicated earlier as we increased our capital by almost 80% year on year. We always anticipated a bit of a ramp up in terms of our ability to quickly deploy it. But we have seen that especially in periods of high activity or in around one or for multi-day events that we're already actually able to deploy almost everything.

We have a strategic capital allocation per business line to make sure that we can always provide liquidity to our counterparties and not just when it suits us.

So that is the minimum that every unit requires. Then tactically, we can very easily deploy it where it is most accretive. And as we are extremely collaborative and we have a global model we just optimize for wherever we see the highest returns. And that's how we will continue to do so while at the same time, of course, ensuring that we diversify and continue to refine our trading strategies so that long term, we're in a position to we're in a position to deploy all the capital as well as the increase in trading capital that we still foresee in the future. And we can also still, at a later stage, expand the either the current debt or other forms. So that's also still on our agenda.

Thomas Spitz: Thank you. I will take the second question about deep learning initiatives. So the way we think about it is, as the market continues to evolve, there is a number of market related technology related or quantitative related technologies that are happening and really shifting how markets operate and how they behave. As you very well know, our historical trend has really been in this kind of market shifting product, which is ETF. What we have now been observing over the past few years is a more and more importance being given to be capable of managing very, very large amount of data, either data that are from exchanges or data that we see from our flows, analysing them and use them for predicting trend, analysing market, but are also critical for some of our initiatives that we want to deploy. We've mentioned cash equity trading. We could mention a few others.

So the way we're thinking about deep learning is really we have started to build really as an applied research approach technology. So we're not doing deep learning for the sake of pure research. We're doing it with a very intense focus that over the next few quarters, we're going to start rolling out our results into a live proof of concept across our training. And it is obviously a multi quarters and multi-year initiatives. And it is something that will become, over time, more and more strategic. Both of our existing businesses, such as ETF, to become more and more precise, for example, in market analysis, it's also going to become more and more strategic in a 24/7 world where, at the same time, people want to be able to trade all the time. But also, not all markets are still open at the same time. And also, you have more and more diversity of agents trading and agent behaviour. So for us, it's a long-term strategy. It's a long-term investment, and it's part of some of the roadmap that will be expanding more upon during our capital market day.

Alex Keift: And then finally, the question on prediction markets. So it is for us very interesting to connect to those markets both from the market data side. So the information that is disseminated there through the expression of many investors in there - in probabilities around market teams or market moving teams. We can use that in our trading decisions either systematically or discretionarily. And we are looking into whether it makes sense for us also to become actively trading participants on those venues as well. So for us, it's still too early to comment on the predicted return on trading capital, et cetera, but it's definitely an area that we look at from a market and pricing perspective. And we are exploring whether to become active there as well.

Iulian Dobrovolschi (ABN AMRO - ODDO BHF): Sounds good. Thank you very much.

Operator: Ladies and gentlemen, just as a reminder, you may submit questions via the form at the bottom of the player. If you're connected via phone, please press pound key five on your telephone keypad. It appears that we currently have no more incoming questions. Therefore, I would like to hand the word over to Caroline for any closing remarks.

Caroline Leenders: 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 when we release our first quarter 2026 results. This concludes today's presentation. Have a great day.

Operator: Ladies and gentlemen, you may now disconnect.

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