



Flow Traders Ltd.

Q124 Trading Update Presentation

25 April 2024

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AMSTERDAM ■ CLUJ ■ HONG KONG ■ LONDON ■ MILAN ■ NEW YORK ■ PARIS ■ SHANGHAI ■ SINGAPORE

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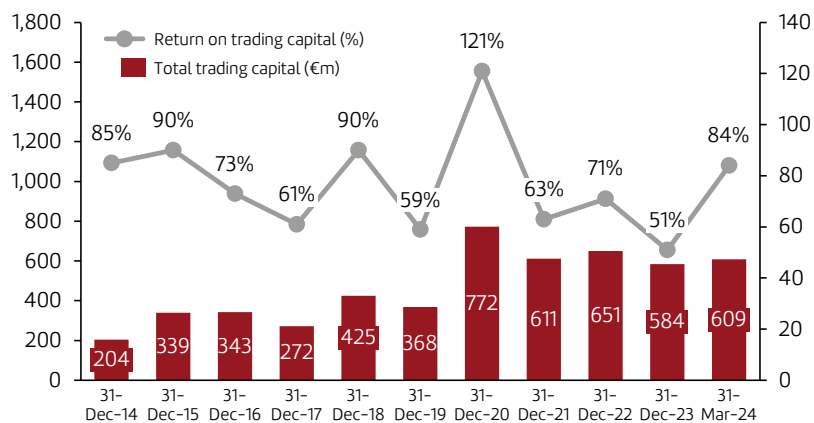
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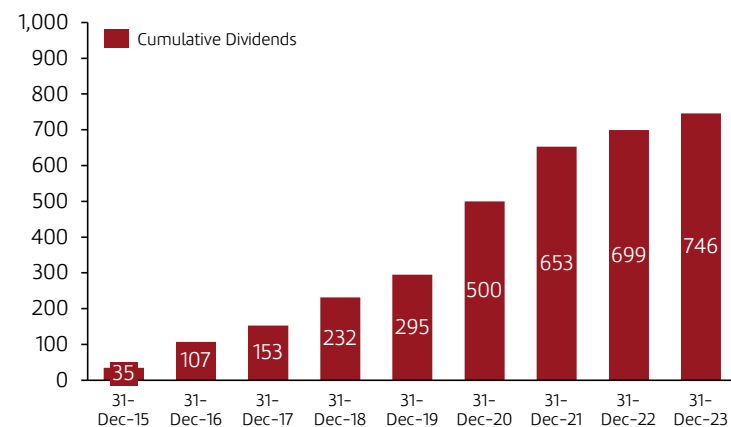
84% Annualized Return on Trading Capital in Q1 2024

Return on Trading Capital



Note: Return on trading capital defined as LTM NTI divided by end of period trading capital. Q124 return on trading capital is annualized.

Cumulative Dividends Paid (€m)

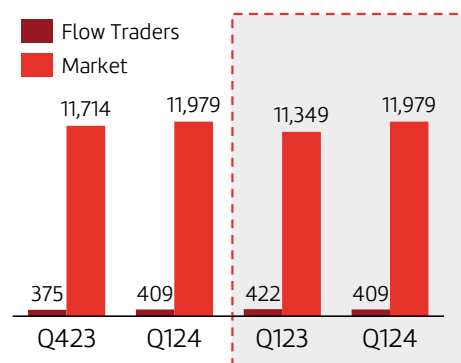


- 84% return on trading capital in Q124 (on an annualized basis).
- 76% average return on trading capital since 2014.
- Over €700m of dividends paid out to shareholders since the IPO.
- Bolstering the firm's trading capital is a strategic priority.

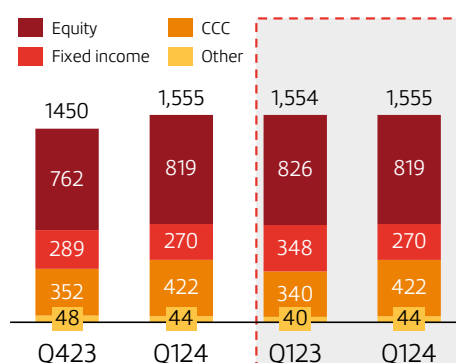
Q124 Trading Update Snapshot

Q124 saw a slight improvement in market trading volumes but volatility remained subdued.

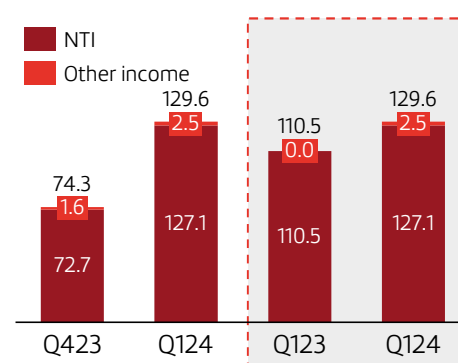
ETP Value Traded (€bn)



Total Value Traded (€bn)



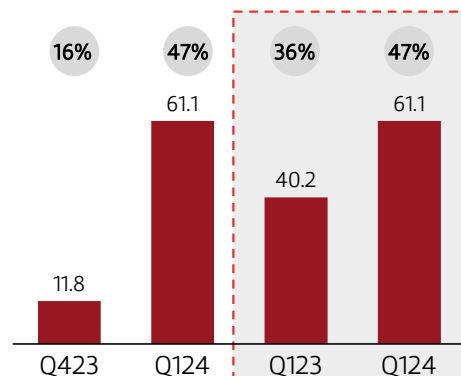
Total Income (€m)



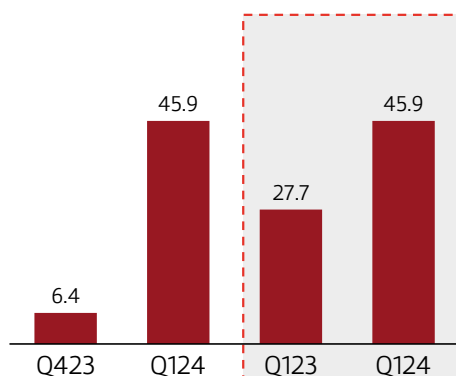
Summary

- Market trading volumes improved in the quarter both q/q and y/y, however volatility remained subdued.
- Flow Traders ETP Value Traded increased by 9% q/q in Q124 and was down 3% y/y.
- Fixed Operating Expenses were €43.6m for Q124, in-line with the full-year guidance.
- Total Operating Expenses were €68.5m in Q124 vs. €70.3m in Q123 due mainly to the absence of one-off expenses.
- Strong Net Profit of €45.9m in Q124 compared to €27.7m in Q123 and €6.4m in Q423.
- 633 FTEs at the end of Q124 vs. 646 at the end of Q423, compared to guidance of flat to down for the year.
- €4.3m worth of shares were repurchased in the quarter as part of the €15m share buyback program, with €7.6m of the program remaining.

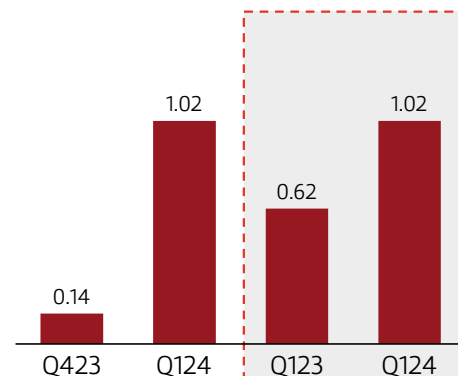
EBITDA (€m) and margin



Net Profit (€m)

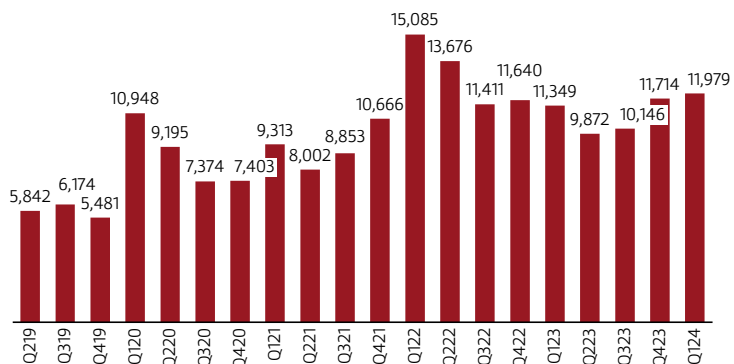


EPS (€)



Global ETP Market Continues to Grow in Q124

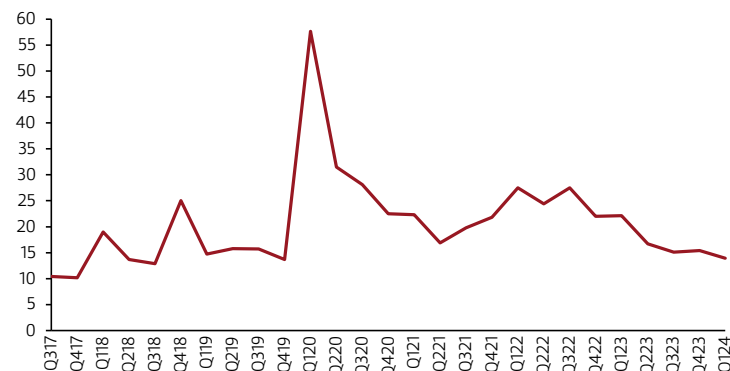
ETP Value Traded (€bn) *



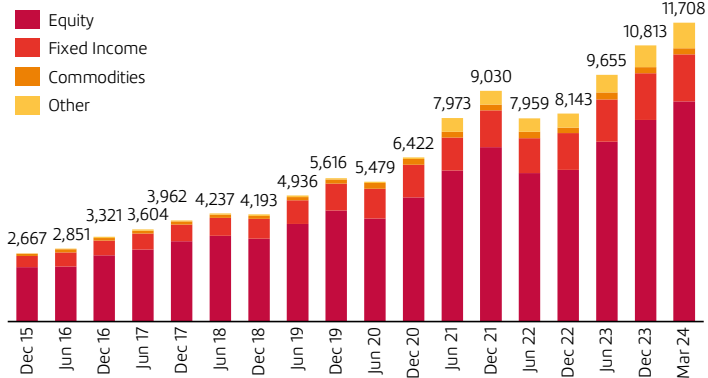
GENERAL MARKET DEVELOPMENTS

- Market ETP Valued Traded increased by 6% y/y in Q124 vs. Q123 and 2% q/q vs. Q423.
- Subdued levels of implied volatility (VIX) continued in Q124 and remains significantly below the levels seen in Q123.

Average Implied Volatility (VIX)



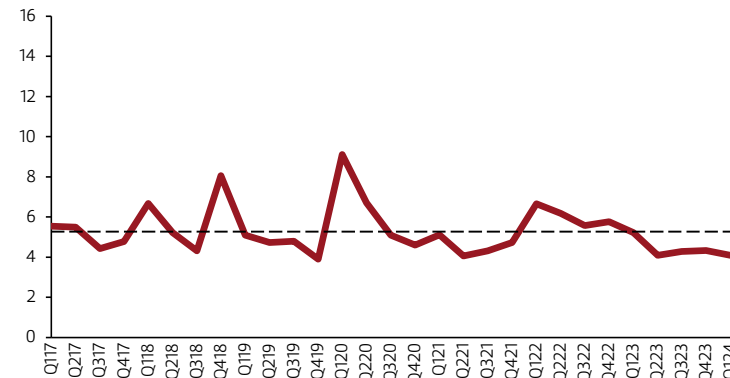
ETP AuM (€bn) **



ETP MARKET DEVELOPMENTS

- 8% increase in ETP AuM in the quarter to €11,708bn due to the strength in the market and continued fund inflows into ETPs.
- ETP velocity remained relatively flat in Q124.
- Strong outlook remains for the ETP market.

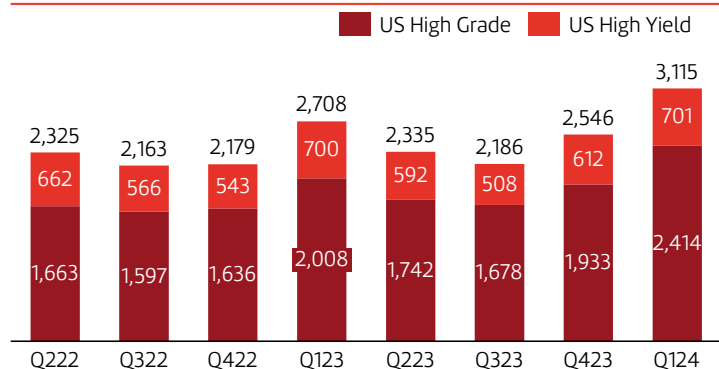
ETP Velocity



* Source: Bloomberg, iShares, Tradeweb, Bloomberg RFQ, Flow Traders. See appendix
 ** Source: BlackRock ETP Landscape until December 2020. ETFGI from 2021 onwards

Fixed Income and Crypto Market Dynamics

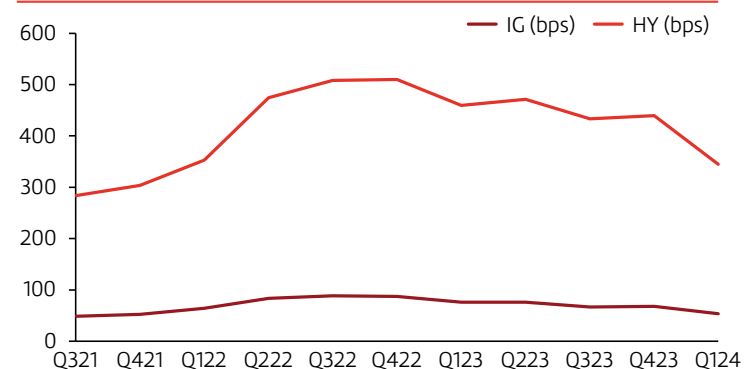
TRACE Volumes (\$bn)



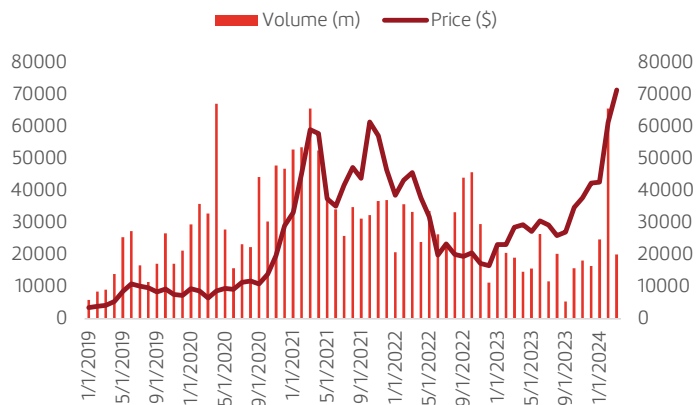
BOND MARKET DEVELOPMENTS

- U.S. Investment Grade and High Yield bond volumes increased in Q124 on both a quarter-over-quarter and year-over-year basis. However, volatility levels were down on both a quarter-over-quarter and year-over-year basis.
- CDX spreads was relatively flat for investment grade credit in Q124 while high yield credit declined further.

US CDX Index



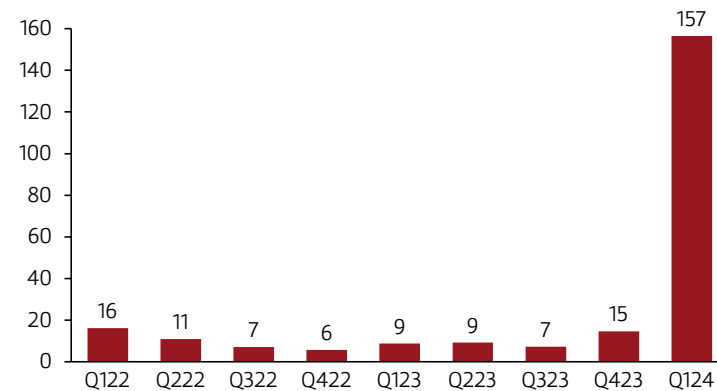
Bitcoin Volume and Price



CRYPTO MARKET DEVELOPMENTS

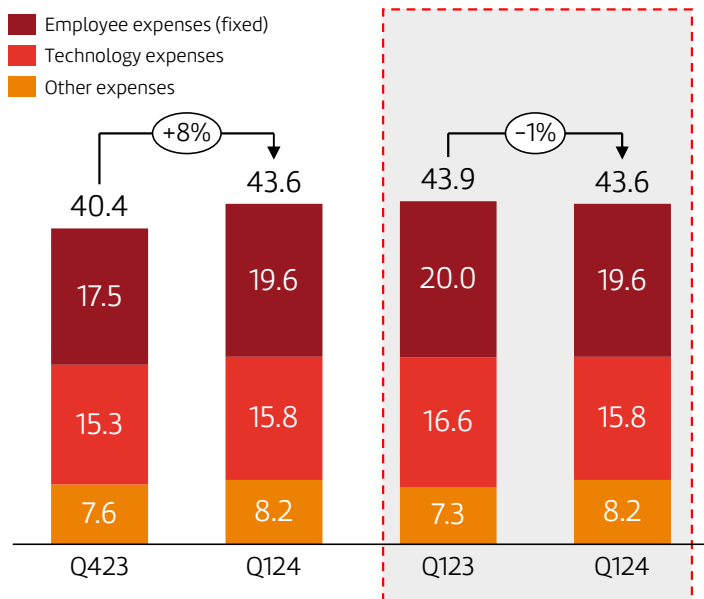
- Trading volume and volatility in digital assets continued to increase in Q124 after the regulatory approvals of spot Bitcoin ETFs in the U.S.
- Global crypto ETP value traded in Q124 increased by over 10x quarter-over-quarter given the spot Bitcoin ETF launches.

Global Crypto ETP Value Traded (€bn)

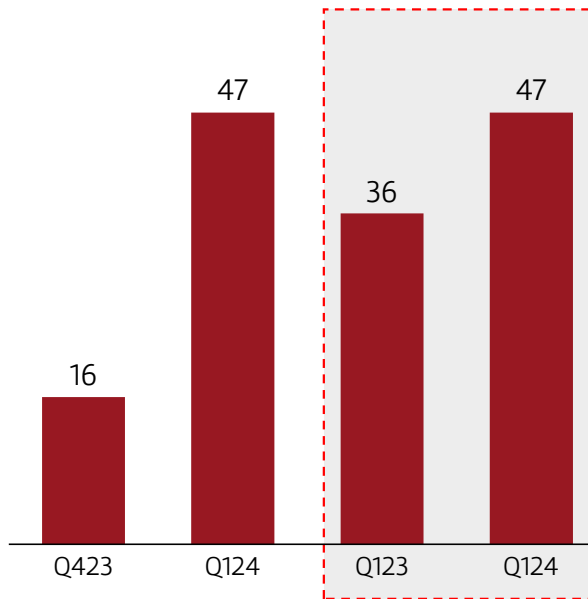


Continued Investment to Drive Strategic Growth while Focusing on Operational and Cost Efficiencies

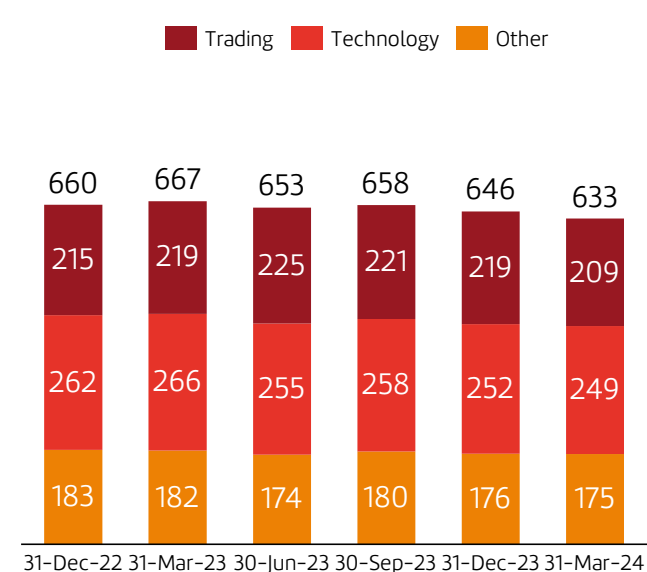
Fixed operating expenses (€m)*



EBITDA margin (%)



FTEs



- Fixed operating expenses of €43.6m in Q124 increased by 8% compared to Q423 and declined by 1% compared with Q123, as the decrease in FTE was offset by salary increases and other one-time provisions that were released in Q423.
- The firm remains fully focused on operational and cost efficiencies across the business while implementing its growth and diversification strategies. Fixed Operating Expenses for the year are expected to be in the same range as FY23 as headcount is expected to be flat to down for the year, offset by continued technology investments and inflationary pressures.

* Excludes one-off expenses

Q&A

Thank you!

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