



2019 Interim Results: €8.5m 2019 annualized ROE: 11.2%

The Board of Directors of ABC arbitrage, presided by the Chairman Dominique Ceolin, met on September 19, 2019 to approve the consolidated financial statements for the first half 2019.

In EUR millions	June 30, 2019 IFRS	June 30, 2018 IFRS	Dec. 30, 2018 IFRS
Net revenues	€17.8m	€18.6m	€40.1m
Net income	€8.5m	€8.5m	€19.7m
Earnings per share (EPS)	€0.14	€0.15	€0.34
Shareholders equity	€141.2m	€149.5m	€146.3m
Annualized Return On Equity (ROE)	11.2%	11.0%	12.8%

Business performance

In accordance with IFRS standards, consolidated net revenue at 30 June 2019 came to €17.8 million and consolidated net income amounted to €8.5 million, which is in line with S1¹ 2018.

The beginning of 2019 was characterized by a further decrease in volatility following the peak of Q4 2018. The correlation of results to volatility remains significant. The stability of results between the first semesters of 2018 and 2019 is therefore consistent with the relative stability of the level of volatility over these two periods.

In a broader sense, the implicit support of Central Banks for directional activities, particularly unlisted activities, requires the Group to engage in permanent strategic re-evaluation.

Dividend Policy

On the proposal of the Board of Directors, the General Meeting of 14 June 2019 approved two payments of €0.10 per share each, consistent with the Group's results and needs. These payments will only be offered in cash and will have for taxation purposes, as a result of the deduction from the share premium account, the nature of a repayment of contributions within the meaning of Article 112 1° of the General Tax Code. Detachments are scheduled for Tuesday, October 8, 2019 and Tuesday, December 10, 2019 for payments on Thursday, October 10, 2019 and Thursday, December 12, 2019 respectively. The total distributions for 2019 represent a return of more than 7%².

Outlook

February 2019 and Q4 2018 market configurations demonstrate the Group's ability to perform in a context of "lively" markets. Nevertheless, Central Banks seem determined to continue intervention in 2019 and 2020. The Group is structuring itself to compensate for this eventuality, which is generating temporary difficulties in terms of raising AUM and/or improving margins for its historical activities. The first semester 2019 has confirmed this fact. However, the Group manages to produce a ROE above an annualized 10%, which is satisfactory given the parameters encountered. A classic situation in the Group's most recent financial years, the average rate of activity in Q3 is lower than the average for S1 2019.

In this context, the Group is maintaining its investments by developing several strategies that are partially uncorrelated to equity market volatility, strategies that should gradually gain in importance over the next semesters. Investments have also been made to stimulate AUM growth and fill the Group's management capacities. ABC arbitrage will accelerate its deliberations to acknowledge the record duration of this atypical paradigm and build the priority objectives of the next strategic program to be presented in the first quarter of 2020.

¹ S1 means "first semester" and S2 means "second semester". Q3 means "third quarter" and Q4 means "fourth quarter"

² based on the share price at 31/12/2018