Press release
Paris, march 24, 2020[1] - 08h00

2019 Results: €18.3 M€
2019 ROE: 12.8%

The Board of Directors of ABC arbitrage, presided by the Chairman Dominique Ceolin, met on March 19, 2020 to approve the consolidated financial statements for fiscal year 2019.The financial data are as follows:

	Dec. 31, 2019 IFRS	Dec. 31, 2018 IFRS
Net revenues	€37.2m	€40.1m
Net income	**€18.3m**	**€19.7m**
Earnings per share (EPS)	*€0.31*	*€0.34*
Return On Equity (ROE)	*12.8%*	*12.8%*

Business Performance

2019 again shows market parameters significantly below historical averages. The market for M&A deals remained relatively sluggish in 2019 despite an increase in the second half of the year. Volumes continued to decline. Issuers' capital transactions also declined significantly, but in line with the zero borrowing rates imposed by central banks. The correlation of the Group's results with these parameters, mainly volatility, largely explains the weaker results. The Group's return on equity of nearly 13% is satisfactory, although below its ambitions.

Dividend Policy

As a reminder, in 2019, the Board of Directors approved the gradual introduction of quarterly distribution. Following the approval by the General Meeting on June 14, 2019, two distributions of 0.10 euro per share were made in October and December 2019. Finally, the Board of Directors confirms that an interim dividend of 0.10 euro per share will be paid on April 23, 2020, with payment on April 27, 2020.
The proposition of the Board of Directors regarding the potential final distribution will be communicated on April 24, 2020.

Outlook

The results of the "Step Up 2019" plan are significant and consistent with the exogenous parameters encountered and the Group's current know-how, but remain below initial ambitions. The Group has decided to focus on handling the current health crisis and will present its strategic plan "ABC 2022" on Tuesday 24 March on abc-arbitrage.com - "ABC 2022" is focused on a strong development of the third-party asset management activity and an increase in R&D investments.

Since the end of February, volatility has increased sharply, reaching levels higher than in 2008. In this health crisis environment, the Group has executed its Business Continuity Plan for its activities and for the safety of its employees. In the current state of margin calls deposited as a guarantee of activity, the Group is not facing any collateral problems despite a significant increase in activity. The Group's analytical data is consistent with the market parameters encountered. The Group confirms a significant increase in the pace of activity over a large part of its strategies. Moreover, in a context of "hyper-volatility", M&A strategies are encountering a negative "mark to market" impact, which was typical of the previous crises of 2001, 2007 and 2008. The final realisation and extent of this impact will depend on the successful convergence of the operations in progress. The Group's major risks related to this crisis are, for example, an uncoordinated decision to close stock exchanges; a ban on short sales that would limit the ability of liquidity providers, core business of the Group, to intervene; a sharp rise in failure rates and/or a fall in bid prices on ongoing M&A transactions.
Moreover, compared to the crisis of 2008, the sharp fall in the financial markets could lead to massive outflows that would impact the Group's turnover but in a minor way. After the quiet months of January and February, the Group's pace of activity is in line with the first half of 2019, with significant growth in earnings potential since the beginning of March. The entire Group is mobilized to deliver performance in line with the current volatility, while respecting its employees and the current restrictions in force. Given the seriousness of this global health crisis with as yet undetermined consequences, the Group remains particularly attentive to future developments.

[1] At this date, the audit procedures carried out by the statutory auditors are still in progress.