

2020 Interim Results: €25.7m¹ 2020 annualized ROE: 32.8%

The Board of Directors of ABC arbitrage, presided by the Chairman Dominique Ceolin, met on September 17, 2020 to approve the consolidated financial statements for the first half 2020.

In EUR millions	June 30, 2020 IFRS	June 30, 2019 IFRS	Dec. 30, 2019 IFRS
Net revenues	€44.8m	€17.8m	€37.2m
Net income	€25.7m	€8.5m	€18.3m
Earnings per share (EPS)	€0.44	€0.15	€0.31
Shareholders equity	€156.5m	€149.5m	€139.9m
Annualized Return On Equity (ROE)	32.8%	11.2%	12.8%

Business performance

In accordance with IFRS standards, consolidated net revenue at 30 June 2020 was €44.8 million and consolidated net income amounted to €25.7 million, a significant increase (+203%) compared to first half 2019.

The first half of 2020 is marked by just over 3 months of volatility and volumes above their levels of the last 5 years. These parameters always strongly influence activity and the Group was able to confirm its expertise in this type of situation despite an exceptional context, particularly in March which experienced market shocks that were unusual even in 2008. Group revenue for the first half of the year is therefore consistent with the markets encountered. In addition, the substantial increase in expenses mainly corresponds to an increase in provisions for future performance-based remuneration for Group employees, in logical correlation with the increase in earnings. From an operational point of view, the implementation of the BCP (Business Continuity Plan) in the context of the health crisis has validated the investments made in recent years with excellent operational performance of our teams remotely.

Dividend Policy

On the proposal of the Board of Directors, and in accordance with its quarterly distribution policy, ABC arbitrage will pay two interim dividends of €0.10 per share each. The detachment of the first interim dividend is scheduled for Tuesday, October 6, 2020 for payment on October 8, 2020. The timing and terms of the following payment will be specified at a later date.

Outlook

In the first half of the year, the health crisis generated high volatility and significant volumes on the markets. ABC arbitrage has once again demonstrated its expertise in this type of context. The strategic plan "ABC 2022", launched at the beginning of 2020, aims at improving the results of the Group in a situation of low volatility, maintained by the central banks for many years. Without reducing its efforts on its core businesses, the Group confirms its desire to continue to invest to improve its results in calm environments, symptomatic of the paradigm reinforced in 2020 by central banks and governments to support the economic system. As a direct consequence of their interventions, the markets have in recent months experienced a significant drop in activity and historically high valuations in certain sectors, even taking the S&P500 temporarily to its highs and "intraday"² volatility to 2017 lows. On the strength of its performance at the service of its shareholders and clients, ABC arbitrage confirms its distribution policy and the maintenance of the priorities of its "ABC 2022" plan such as the development of its assets under management and the implementation of new areas of arbitrage.

¹As of the date of this press release, the work of the statutory auditors is in the process of being finalized.

²Movements made by the markets during the course of a day as opposed to the VIX which evaluates potential future turbulence.