



2022 Interim Result: : €16.2m 2022 annualized ROE: 20.2 %

The Board of Directors of ABC arbitrage, presided by the Chairman Dominique Ceolin, met on September 15, 2022 to approve the consolidated financial statements for the first half 2022¹.

In EUR millions	June 30, 2022 IFRS	June 30, 2021 IFRS	Dec. 31, 2021 IFRS
Net revenues	€31.5m	€35.1m	€64.1m
Net income	€16.2m	€16.8m	€28.0m
Earnings per share (EPS)	€0.27	€0.29	€0.48
Return On Equity (ROE)	20.2%	21.7%	17.5%

Business performance

In accordance with IFRS standards, consolidated net revenue at 30 June 2022 was €31.5 million and consolidated net income amounted to €16.2 million, almost flat (-3.6%) compared to the first half of 2021.

The first half of 2022 was impacted by the war in Ukraine, a situation unknown in Europe since the Second World War and therefore statistically rare. This conflict and its economic tensions weighed negatively on financial markets. Initially, differences in perception of the consequences of this war by the United States and Europe and asynchronous monetary policies in the face of inflationary risks created major international de-correlations on the markets, particularly in the second quarter. The main stock market indices ended up with a fairly similar negative performance over the six-month period, with -20% for the European Eurostoxx 50 index and -21% for the S&P 500.

Despite this difficult context on the world markets, the group reports excellent half-year results absorbing the decline in M&A activities, a decline consistent with the economic and geo-political situation. Annualized ROE is 20.2%. This result once again confirms the excellence of the group's know-how in a context of high volatility.

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 ex-dates are scheduled on Tuesday October 11, 2022 and Tuesday, December 6, 2022 for payments on October 13, 2022 and December 8, 2022 respectively .

Outlook

The year 2022 seems to outline the end of the central bank paradigm established since 2012. The size of their balance sheets is still very significant and the ECB's anti-fragmentation stance confirms for the time being the durability of their strong presence in the market ecosystem. The war in Ukraine and the inflationary tensions resulting from past central bank interventions and catalyzed by this war are going to be the key issues in the coming months. The level of volatility, which has been hovering above its historical average since February 2022, illustrates this situation. This volatility allows most of the strategies deployed by the group to produce historically high performance. Nevertheless, geographical decorrelation remains difficult to manage for some of our strategies, in particular for the ABCA Reversion fund. Although performance was significantly better than the financial indices, it was still below the group's expectations in such a context. This, combined with legitimate investor apprehension in this type of situation, makes it unlikely that the ambitions of the "ABC 2022" strategic plan in terms of new assets under management will be achieved.

The group's strong expertise in this type of context should enable the ABCA Reversion and ABCA Opportunities funds to come back to satisfactory levels of performance in the coming months and thus favor a resumption of growth in assets under management. As of September 1, 2022, the average monthly activity rate is thus comparable to that of fiscal year 2021, despite the prohibition of working on Russian stocks and the overall decline in M&A activity. The year 2022 represents the end of the ABC 2022 strategic plan in a context of turbulent markets.

Market parameters should help us finalize the majority of our objectives while maintaining our investments to begin the launch of the next strategic plan to be announced in March 2023.

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