










Compagnie Financière Tradition

Investora

Zurich, September 2019

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-  2 What we do for our clients and our business model
-  3 Industry dynamics and the wider ecosystem
-  4 Our track record and strategic roadmap
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CFT a global transactional and data platform headquartered in Switzerland



Company founded

Lausanne,
1959



of employees

2'300



Geographies

29 countries



Annual notional
volumes

200'000+
billion

A number of growth opportunities arising in our core business, data and analytics and hybrid broking capabilities

A number of growth opportunities arising in our core and ancillary businesses but also through minority investments



Wholesale and Institutional brokerage

One of only 3 worldwide

- Organic growth from recruitment of new talent to complete the geographical and product portfolio
- Activity level supported by market volatility
- High marginal profitability
- Structural reshaping of clients' profile



Data & Analytics

From ancillary to core

- Starting from a low base
- Mid term objective to reach 5% of transactional revenue
- High growth and high margin business



Electronic trading platforms

In partnership with leading investment banks

- Award-winning platforms – Trad-X and ParFX
- Both also in partnership with respectively 13 and 12 investment banks as liquidity provider to the platforms
- Trad-X: In response to expected regulatory changes



Gaitame.com

A top tier Retail FX online broker in Japan

- Currently # 4 in its sector
- Almost 500'000 retail customers
- 1H19: 48% EBITDA margin
- Mostly fixed costs basis

Tradition one of only 3 global Wholesale and Institutional brokerage firms

Acting as a marketplace and an intermediary

Critical market infrastructure component in sourcing liquidity and price discovery


No position taking and associated balance sheet risk

Largest banks and non bank institutions in the world as clients

Business model of high volume annually with low commission rates

Activities regulated by local authorities apart from few exceptions

Tradition market place

 Clients
7'500+

 Desks
300+

 Asset classes
5

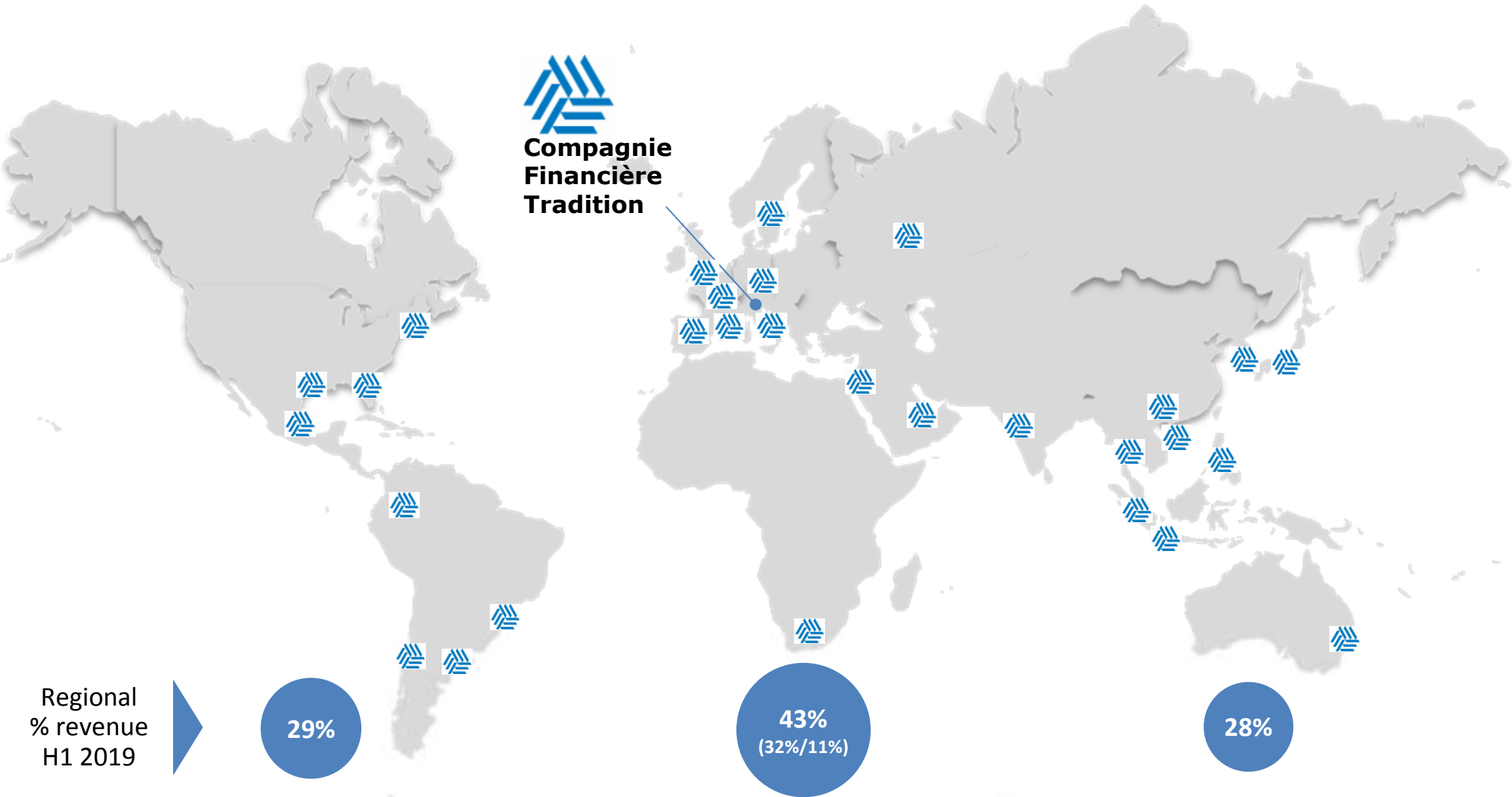
 Product groups
25+

 Products
200+

Annual# of trades
~3
million

 Currencies
80

A global network with in-depth market intelligence and specialized knowledge of local markets and products



Regional % revenue H1 2019

29%

43%
(32%/11%)

28%

Altogether, Tradition generates a commission pool of CHF 1.1 billion of which close to CHF 1 billion is Group share

REPORTED

IFRS consolidated revenue figures reported in the 2018 income statement of the Annual report

885

JOINT VENTURES

Group share of revenue related to joint ventures into which the Group hold a joint control over the activities through a shareholders' agreement and included in the Group management accounts. At 100% it represent a liquidity pool of 180m

87

ADJUSTED

Total revenue including the Group related to joint ventures into which the Group hold a joint control over the activities through a shareholders' agreement in line with the Group management accounts.

972

ASSOCIATES

Group share of revenue pool related to equity investments in which the Group exercise significant influence and accounted as such in both the Group management accounts and IFRS.

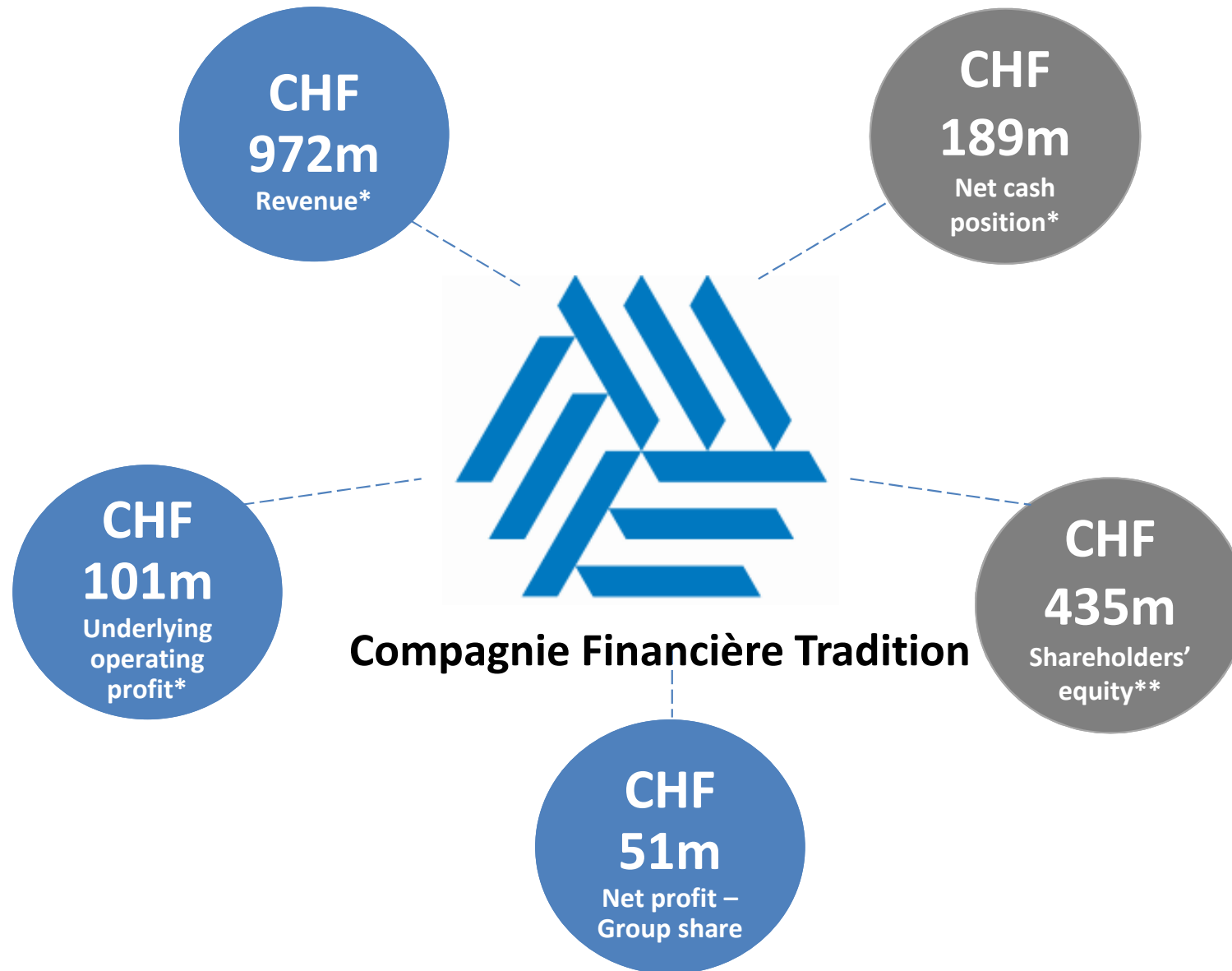
23

Total

Total Group share of the commission pool accessible by the Group. At 100% this represents revenue of CHF 1.1 billion.

995

Key figures performance and financial position as of 31 December 2018



CFT shareholding structure, entrepreneurial with a long term vision

Founder background

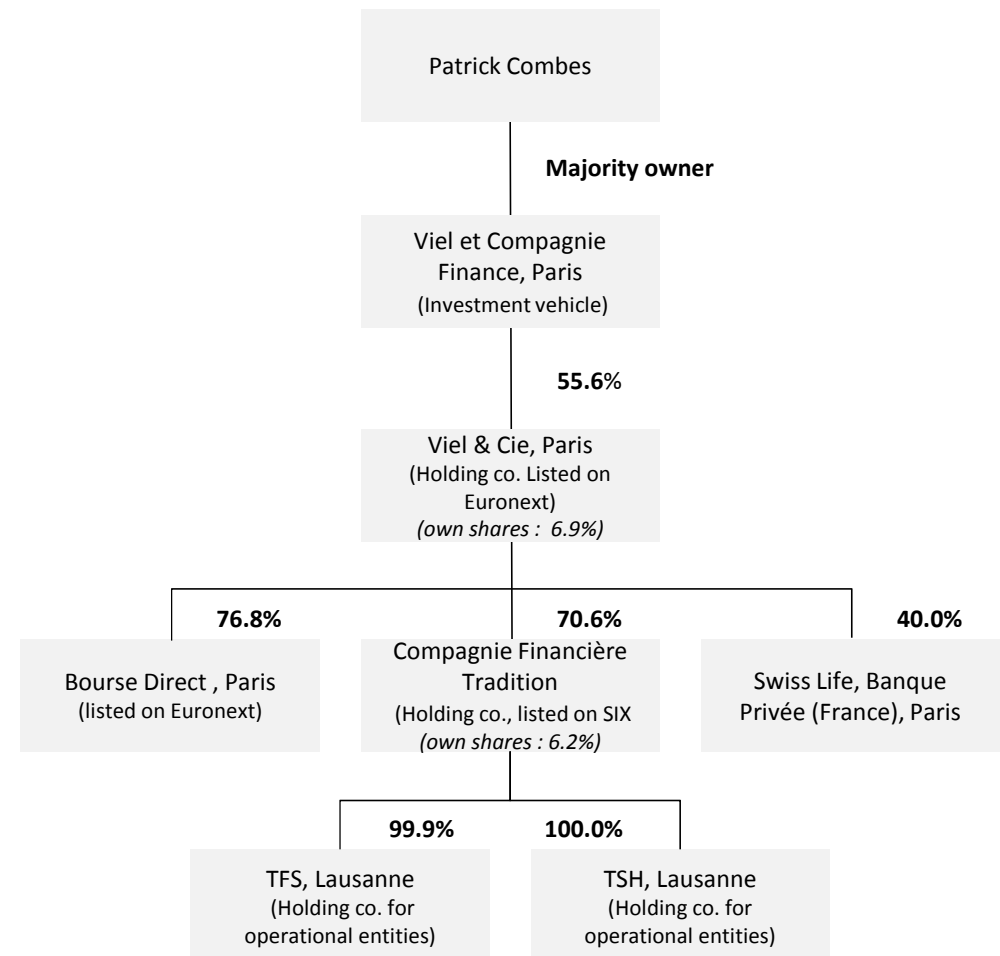
- Patrick Combes serves as the Chairman of the Board and CEO of VIEL et Compagnie Finance, VIEL & Cie and Compagnie Financière Tradition
- 1978** - MBA from Columbia University
- 1979** - Acquires VIEL & Cie, a small scale money broker with 3 employees
- 1996** - Takes control of Compagnie Financière Tradition
- Patrick Combes has led the development of his group into a global financial market player while remaining a majority shareholder

VIEL & Cie's other investments

- Bourse Direct (France):** Largest online retail broker in France by market share. Now more than 140'000 accounts. Track record of organic growth and acquisitions. VIEL & Cie played a key role in the consolidation of this sector since the launch of Capitol.fr in 1999. Listed on Euronext
- SwissLife Banque Privée (France):** Acquisition of a 40% stake in 2007

Simplified legal structure

% ownership as of 30 June 2019



Offer best-in-class execution services for institutional clients through customized trading protocols



Adding value

- Organize price discovery in secondary markets in Over-The-Counter (OTC)
- Match transactions between buyers and sellers with a combination of voice (hi touch), hybrid and electronic execution
- Manage complex trades and protect clients interests
- Execute in customized trading protocols (RFQ, Auction, CLOB)



Independent

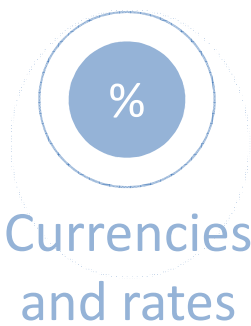
- No conflict of interest
- Sourcing liquidity with transparency
- Regulated activities



Scalable

- Strong operating upside
- Long established industry used to market cycles, competition with exchanges, new geographies, financial and commodity-related asset classes and product innovation

One stop shop of deep liquidity pools across all asset classes



Currencies and rates

- Interest Rate Swap
- Interest Rate Option
- Money markets (eg Deposits)
- FX forwards (o/w NDFs)
- FX options



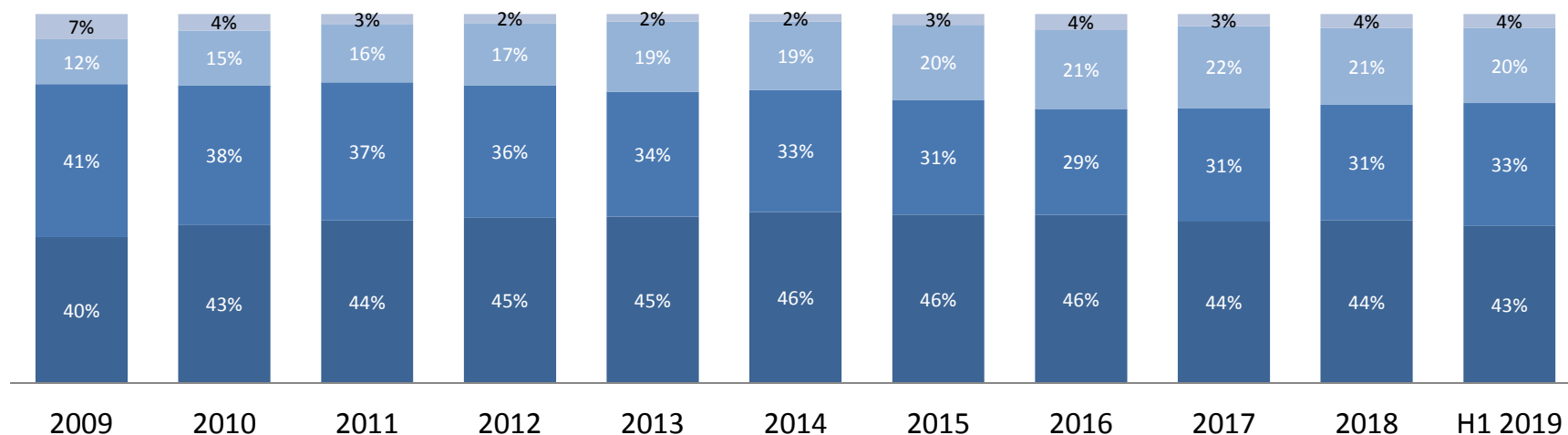
Securities and security derivatives

- Government bonds
- Corporate bonds
- Credit derivatives
- Repos
- Equities and equity derivatives
- Futures and options



Energy and commodities

- Oil
- Electricity
- Gas
- Metals
- Coal
- Energy C&I



Straightforward business model with strong operating leverage

Notional transacted annually in hundreds of USD trillion with low commission fee



Commission only revenue driven by cyclical and structural factors

Flexible F.O. cost base, performance driven

Highly scalable support structure

Activity driven by trading volumes which are influenced by a range of factors:

- Macroeconomic performance
- Budget imbalances
- Interest rate environment
- Corporate and government bond issuance
- Commodities cycle
- Market volatility
- Emerging economies

Flexibility driven by brokers' compensation scheme including :

- Variable compensation mainly production driven
- Performance clause
- Communication and market data
- Other F.O. costs (eg trading platform)

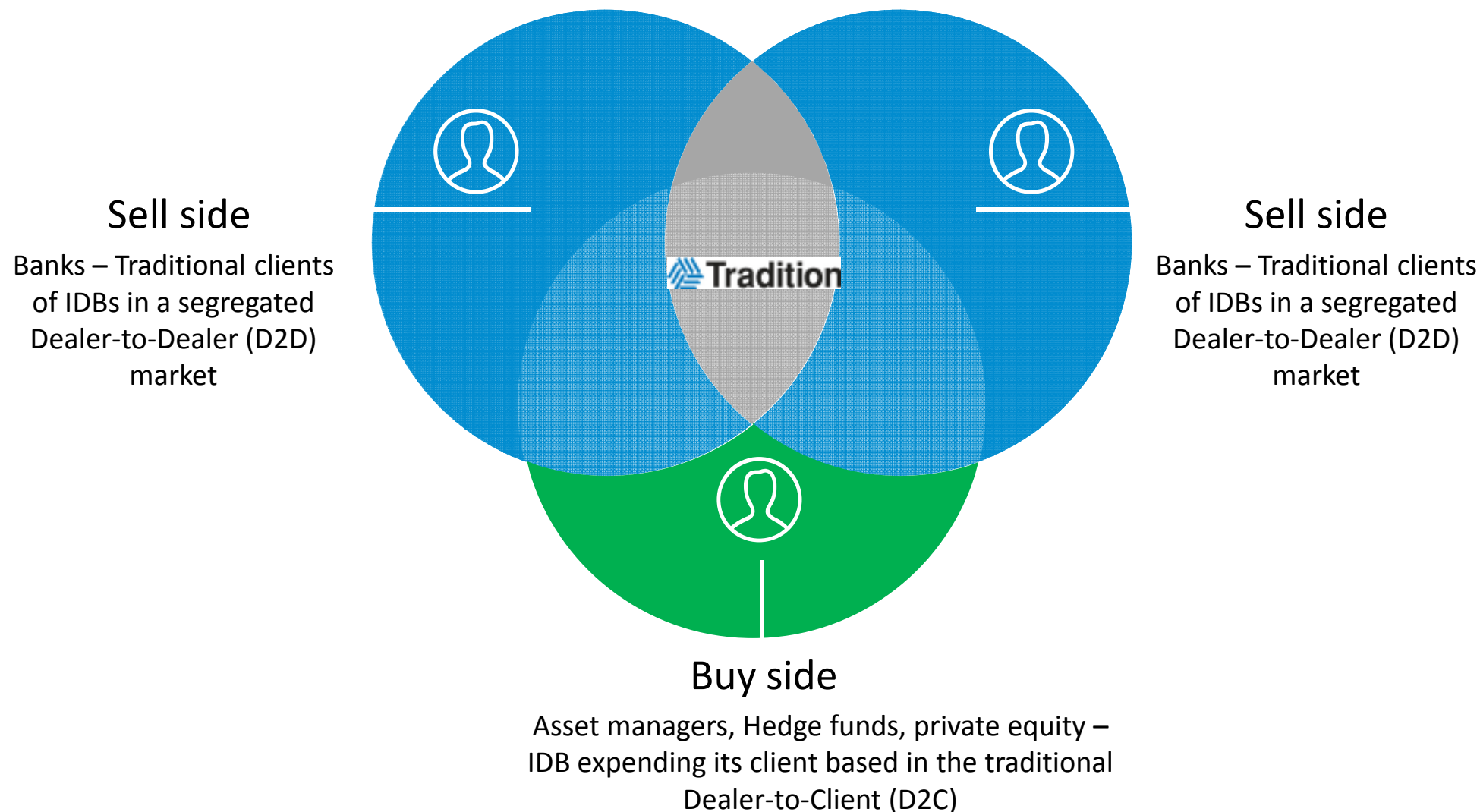
A range of administrative functions in support to the business:

- Management
- Information Technology
- Operations
- Accounting and Finance
- Legal, Human Resources, Compliance and Risk
- Facilities

Growth opportunities going beyond the theme of consolidation

At stake, a larger fee pool with the unfolding of a new market structure

OTC markets: A degree of convergence between D2D and D2C happening

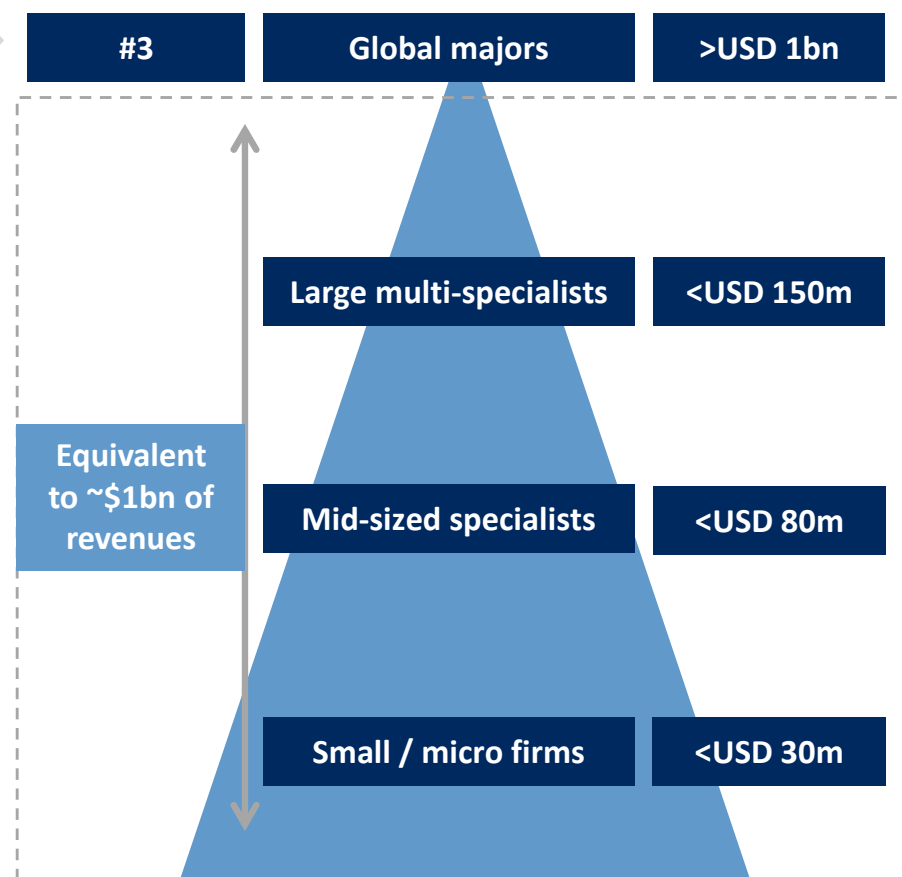
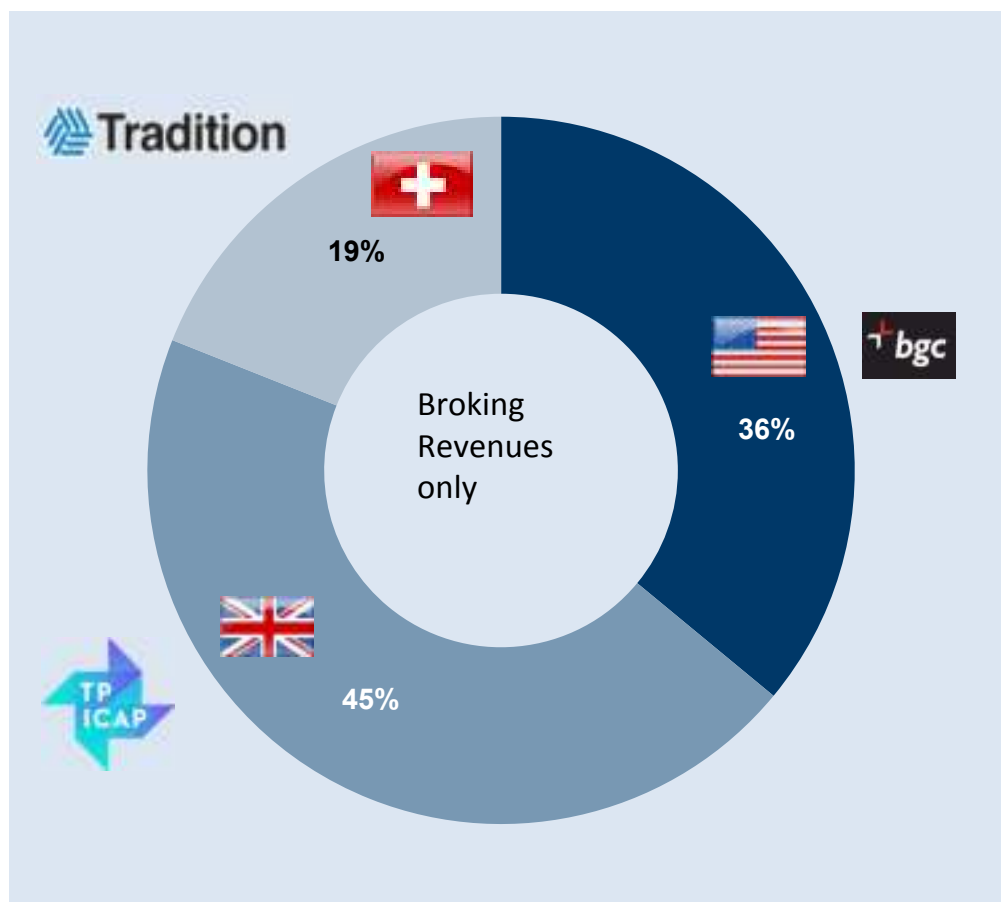


A sector in a final stage of consolidation with increased pressure on smaller players

3 global players represents ~80% of sector's revenues

Increased pressure on smaller players

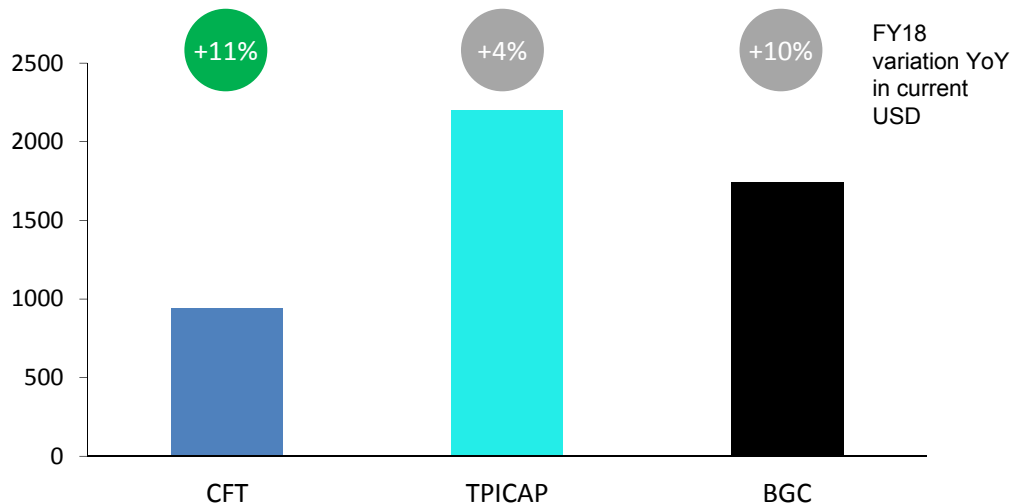
Estimated market share



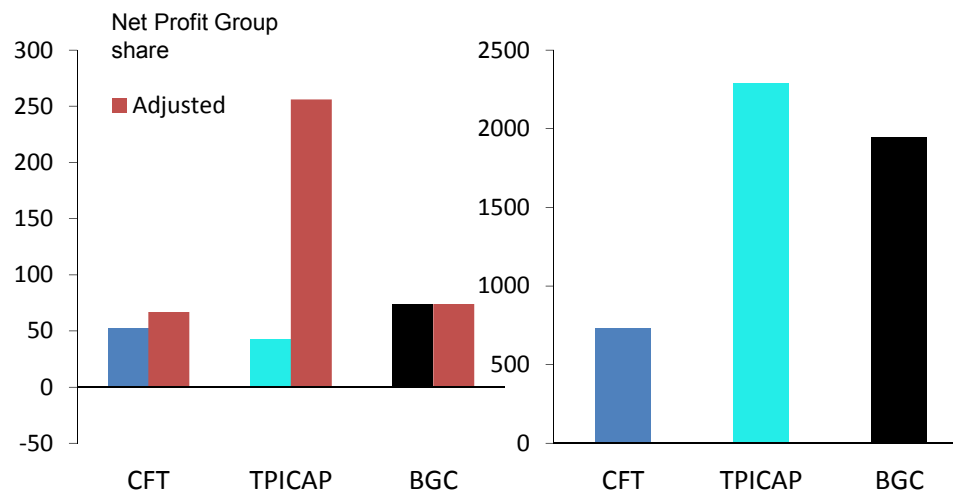
Tradition organic growth strategy reflected in the key metrics

Tradition best revenue growth, peers focus on non gaap reporting measures

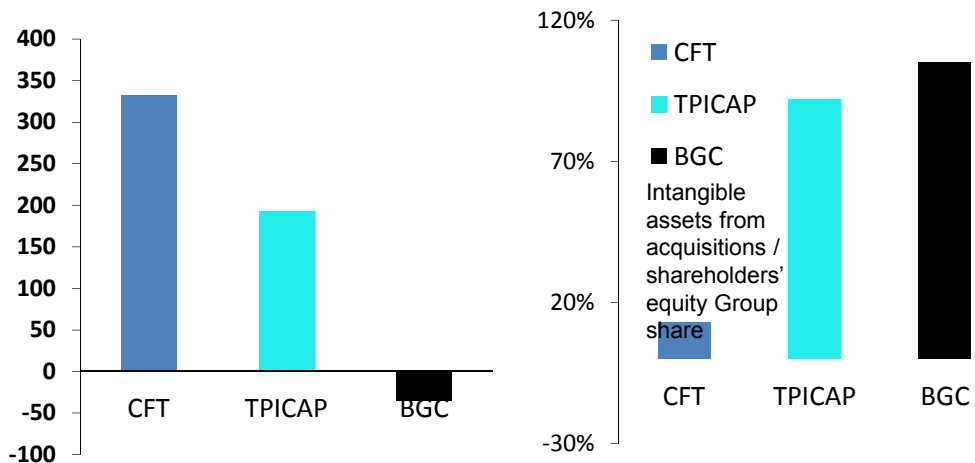
Revenue FY2018* - Brokerage only



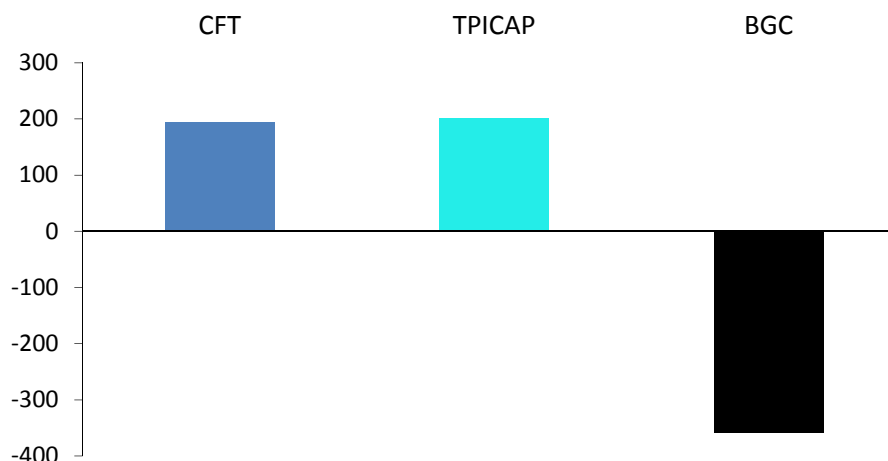
Net profit and Market capitalization*



Tangible shareholders' equity (USD and %)*

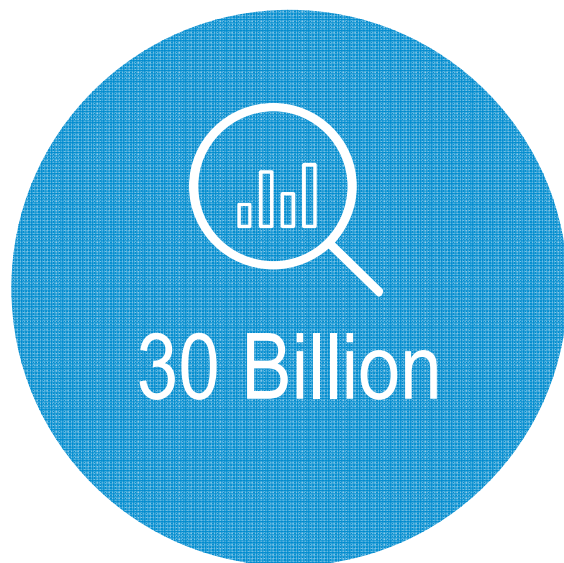


Net cash / debt*

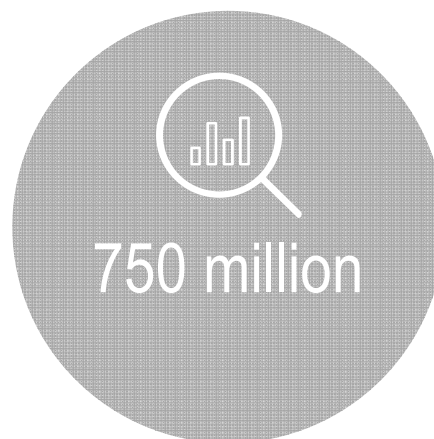


* Figures in USD converted at average rate for the period. BGC estimates based FY18 disclosures. TPI figures from FY18 disclosure. Estimated market capitalization in UsD as of 12 September 2019

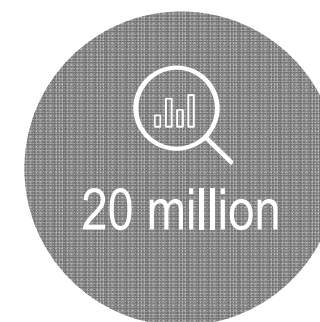
Moving Data and Analytics business from ancillary to core



Total Data and Analytics market



Addressable market for IDBs



Our market share

Important potential to increase revenues from OTC Data and Analytics for firms like Tradition with demand driven by:

- Changing regulation in areas such as compliance and risk management
- Increasing interest for scarce data notably on the Buyside
- Emerging data-hungry technologies

A long established Swiss group with proven track record

Focused on critical size and quality of balance sheet

Phase 1 –
1997 to
2008

Consistent strategy since acquired by Viel & Cie in 1997

- Return to profitability
 - Built critical market share
- Focus on organic growth and sound financial position*

Phase 2 –
2009 to
2015

Post Lehman shake up

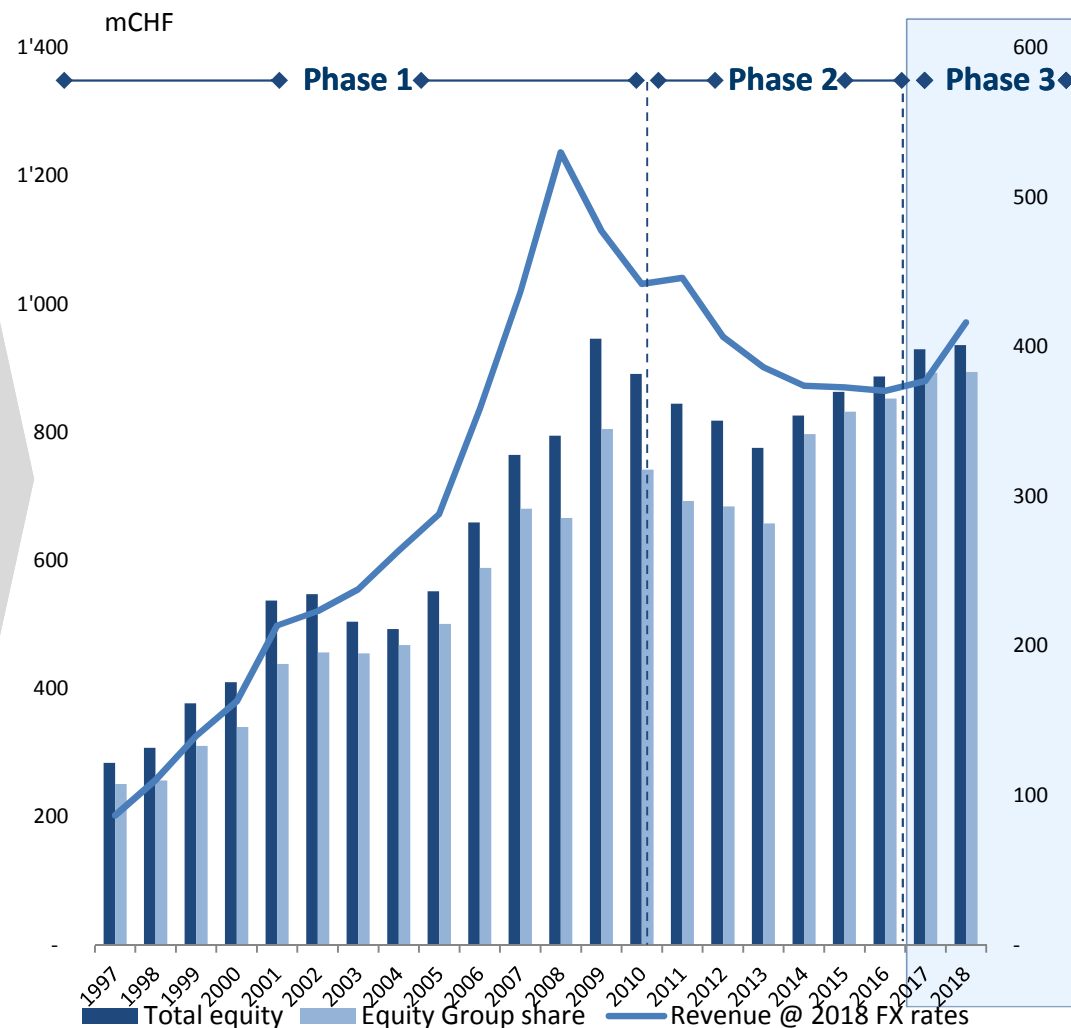
- Regulatory transformation with increased pressure on banks
 - Launch of electronic initiatives
- Focus on cost management and cultural changes*

Phase 3 –
2016
onwards

Top line stabilisation and growth opportunities

- Final stage of industry consolidation and pressure on smaller scale brokers
 - Blurring of traditional market boundaries
 - Development of Data and Analytics business
- Focus on growth opportunities*

Consolidated revenue and shareholders' equity



Significant investments in award winning electronic trading capabilities

In partnership with banks

Key initiatives



Risk Awards 2019 Winner
Trad-X OTC trading platform of the year

Highlights

- Market co-pioneer
- In partnership with now 13 banks in response to expected regulatory changes
- Launched for Interest Rate Swaps (IRS) in EUR (2011), USD (2013) and GBP (2014)
- Since launch, close to 140'000 trades amounting to close to USD 20 Trillion executed
- Technology also available for JPY IRS since 2015

Founding partners



FX-Week Awards 2018 Winner
Best e-FX trading venue

- Selected by a consortium of banks for a new spot FX concept
- Launched in June 2014
- In partnership with 12 banks
- Direct and indirect onboarding of non bank institutions
- Average 8 billion in notional daily

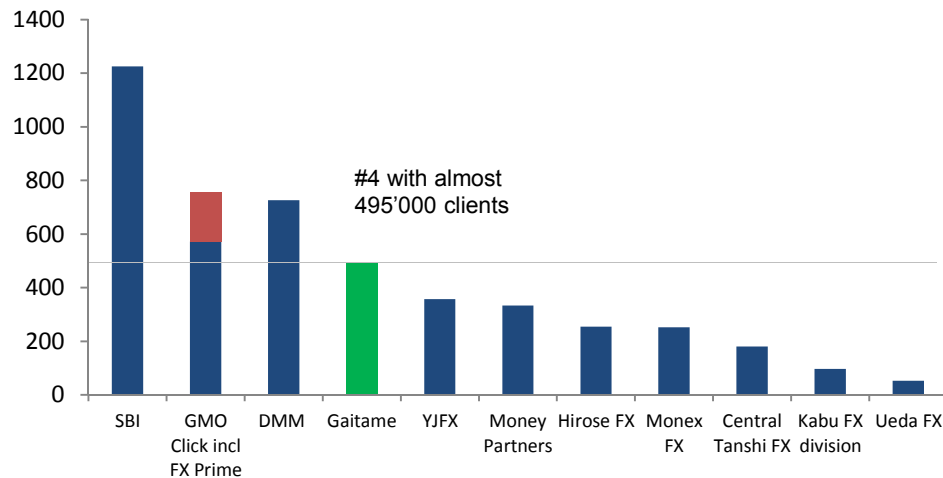


Within CFT, a significant minority stake in Gaitame.com

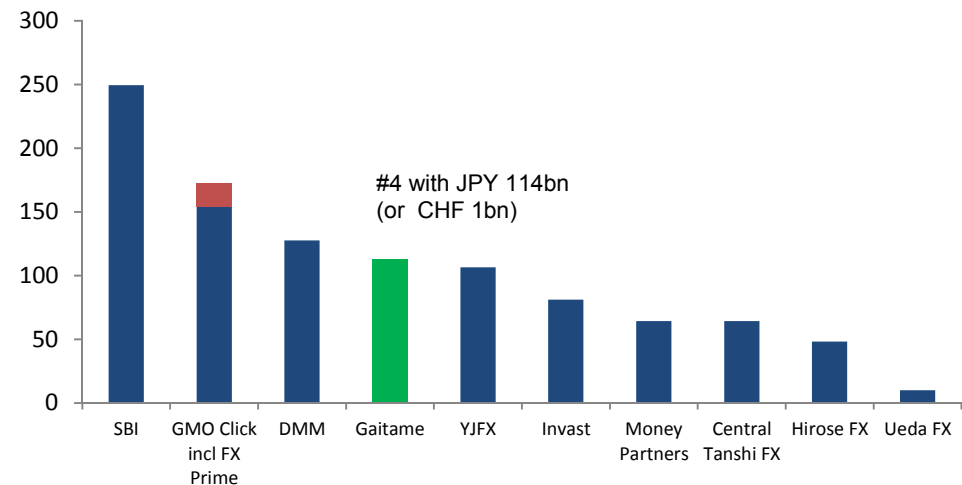


A leading online retail FX broker in Japan, the largest market in the world

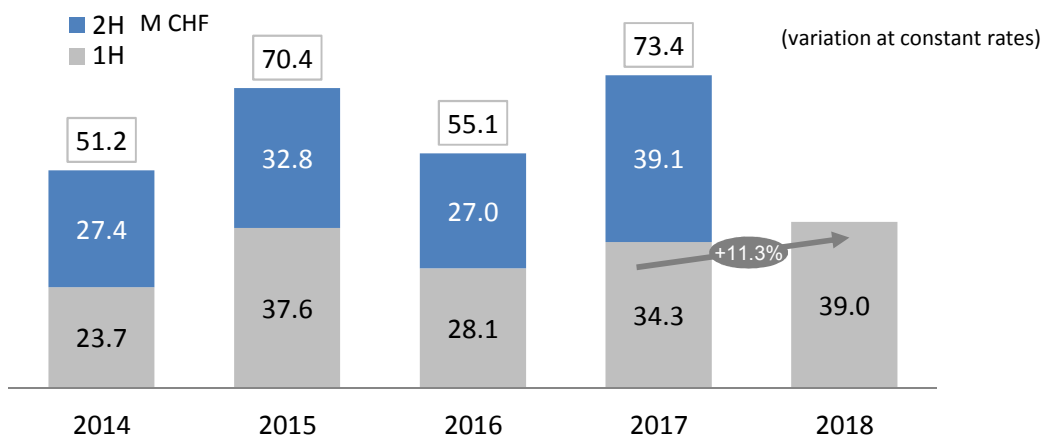
Number of clients (in thousands)



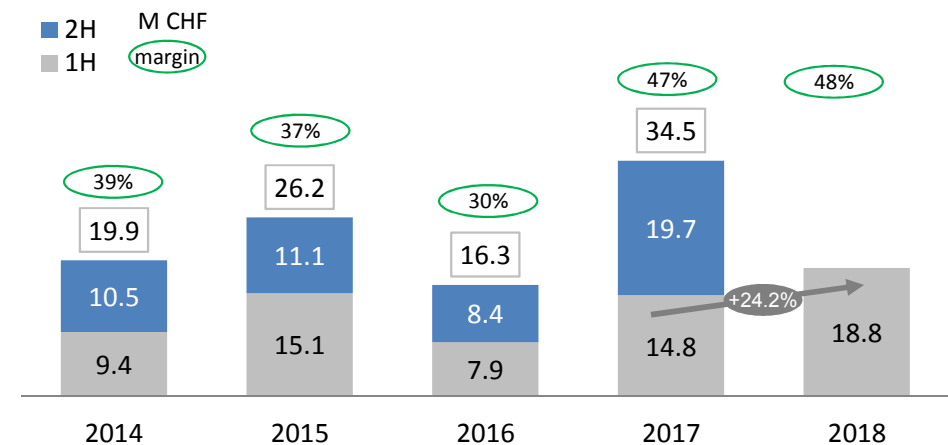
Clients' money (in billions JPY)



Yearly and half yearly Revenue trend*



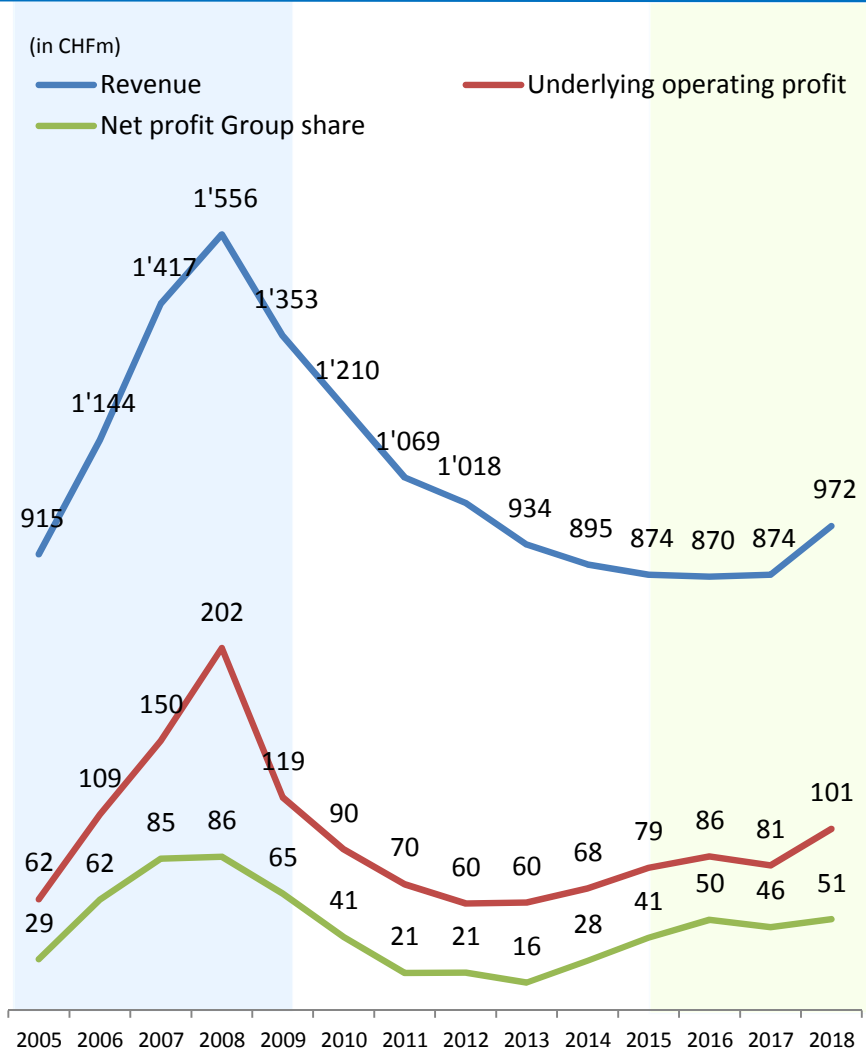
Yearly and half yearly EBITDA trend*



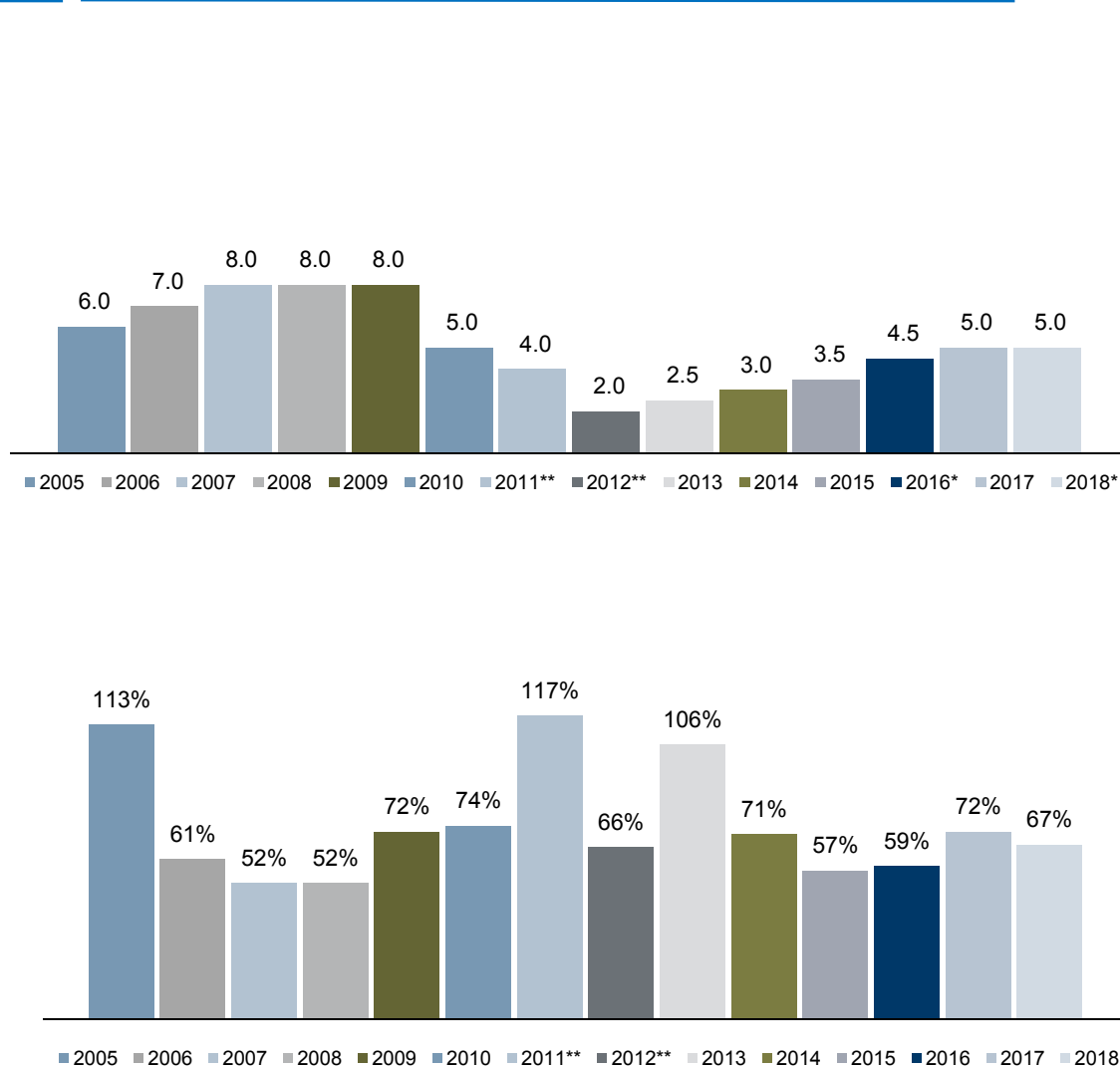
Business model incorporate a strong operating upside

Consistent dividend payout

Performance trend between 2004 to 2018*



Dividend payout trend 2004 to 2018



*Adjusted basis

*An additional distribution of one treasury share for each 35 shares held above the dividend in cash (2016 : 1:25)
 ** Paid in shares or cash at the shareholders' choice

Growth in adjusted revenue of 3.4% in constant currencies to CHF 520.5m

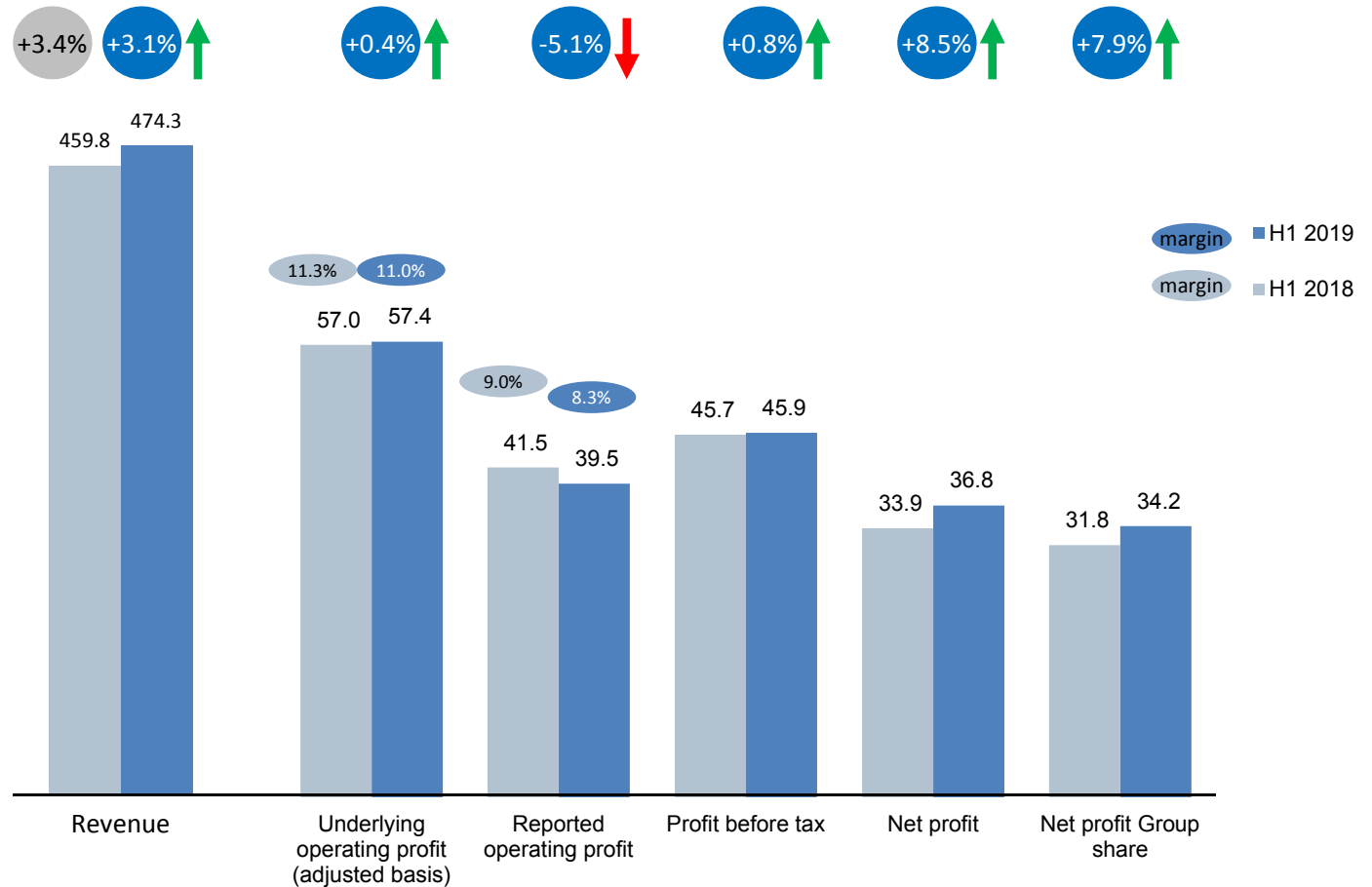
Net profit Group share up 7.9% to CHF 34.2m

H1 2019 performance summary, in mCHF

- Overall revenue growth 3.4%
 - Market environment changing from periods and regions
 - Continued recruitment efforts in specialised brokers
- Good performance from equity investments including JV in Mainland China, Ping An Tradition and Gaitame.com
- Effective tax rate of 26% (H1 2018 : 30%)
- Marginal impact from IFRS 16

Balance sheet

- Shareholder's equity of CHF 415.8m before deduction of own shares of CHF 20.9m. Adjusted net cash of CHF 184m*
- Sustained level of activity in July and August compared with last year



* Adjusted from variation in MP activities and including Group share of cash in JV

Continued focus on strong balance sheet

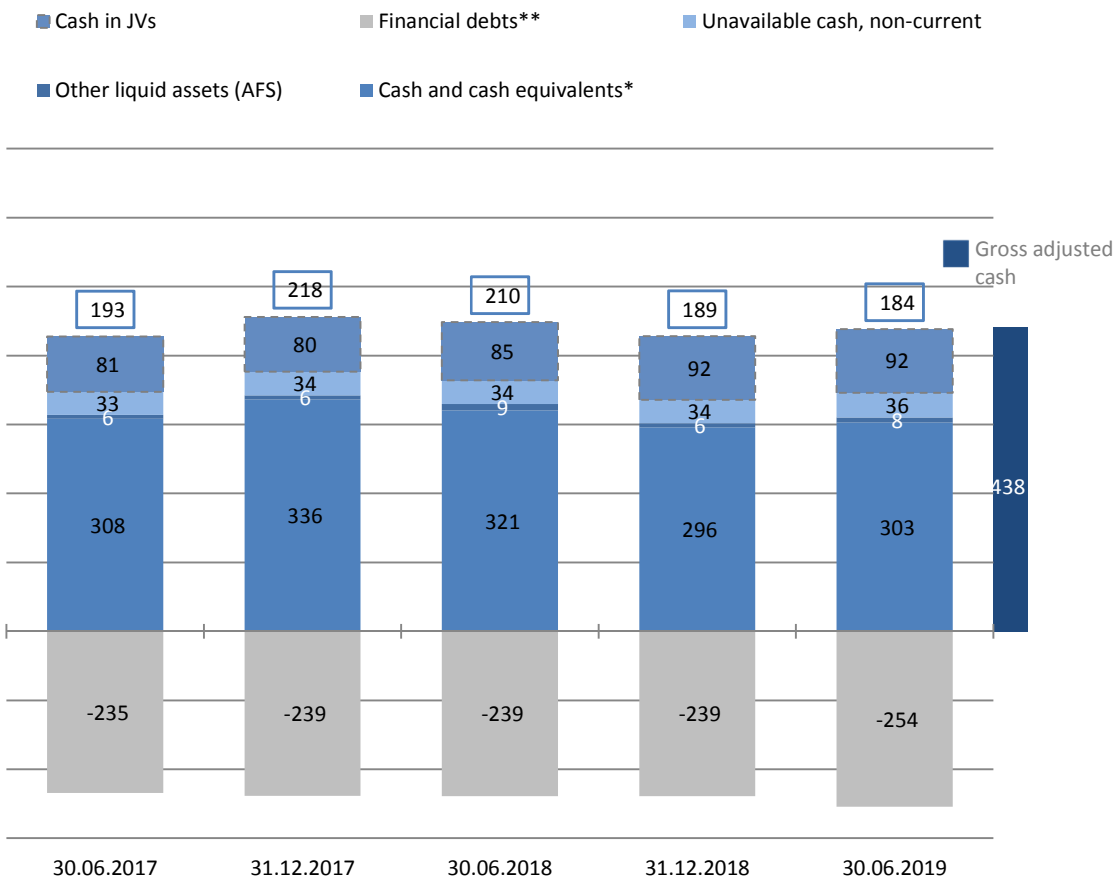
Balance sheet gross up for IFRS 16

	Assets	
M CHF	30.06.19	31.12.18
Property, Plant & Equipment	27.7	27.8
Right-of-use assets	58.9	-
Intangible assets	48.7	50.9
Investments in associates and joint ventures	146.1	146.7
Financial assets at fair value (FVTOCI & FVTPL)	6.7	6.1
Unavailable cash	35.7	34.0
Other non-current assets	38.8	39.6
Non-current assets	362.6	305.1
Receivables related to MP activities	782.1	318.7
Receivables related to AH activities	43.8	63.0
Trade & other receivables	296.8	261.6
Other financial assets	7.6	5.9
Cash & Cash equivalents	294.7	278.0
Other current assets	18.9	21.9
Current assets	1 443.9	949.1
TOTAL ASSETS	1 806.5	1 254.2

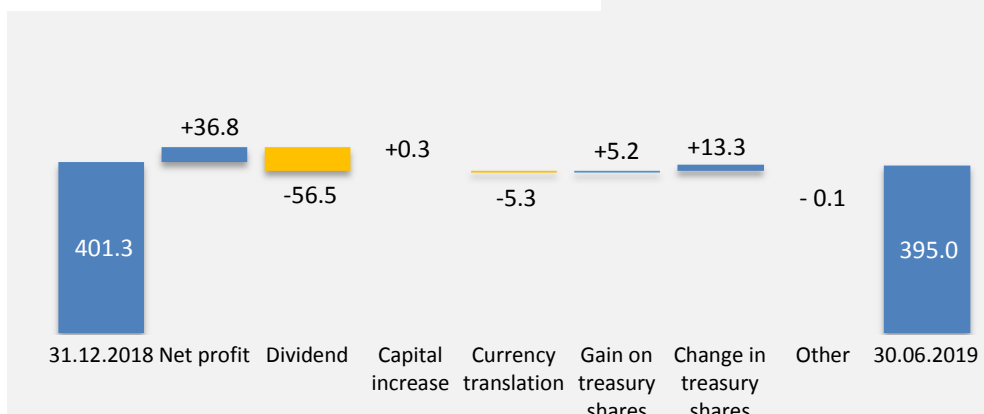
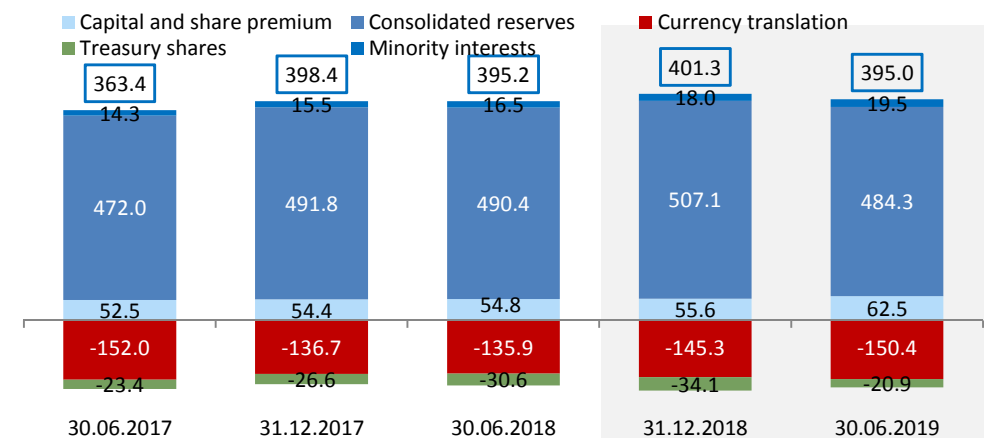
	Equity and Liabilities	
M CHF	30.06.19	31.12.18
Capital	18.5	18.2
Share premium	44.0	37.4
Treasury shares	-20.9	-34.1
Currency translation	-150.4	-145.3
Consolidated reserves	484.3	507.1
Equity – Group share	375.5	383.3
Minority interests	19.5	18.0
Equity - Total	395.0	401.3
Long term financial debts	109.7	238.8
Long-term lease liabilities	53.3	-
Other non-current liabilities	23.9	32.8
Short term financial debts	188.2	38.6
Short-term lease liabilities	15.2	-
Payables related to MP activities	730.5	262.5
Payables related to AH activities	43.8	63.0
Trade & other payables	246.9	217.2
Current liabilities	1 224.6	581.3
TOTAL EQUITY AND LIABILITIES	1 806.5	1 254.2

Shareholders' equity of CHF 415.8m and net cash position of CHF 184m¹⁾

Net cash position trend



Shareholders' equity breakdown



* Adjusted from variation in MP activities of CHF 8m as of 30 June 2019 compared to CHF 18m as of 31 December 2018
 ** Excluding lease obligations and overdrafts related to MP activities

1) Shareholders' equity before the deduction for own shares and net cash position including Group share of cash at JVs accounted as equity investments

CFT, a roadmap based on agility, growth and quality of balance sheet



Track record of agility to cope with market cycles and structural trends (growth, innovation, cost management, regulatory evolution)



Growth opportunities arising in our core business (volatility, consolidation, clients re-shaping), data and analytics business and hybrid broking capabilities



Consistent strategic roadmap founded on quality of financial position, with the objective to continue to grow shareholders' equity while serving a good dividend



Q&A

Thank you



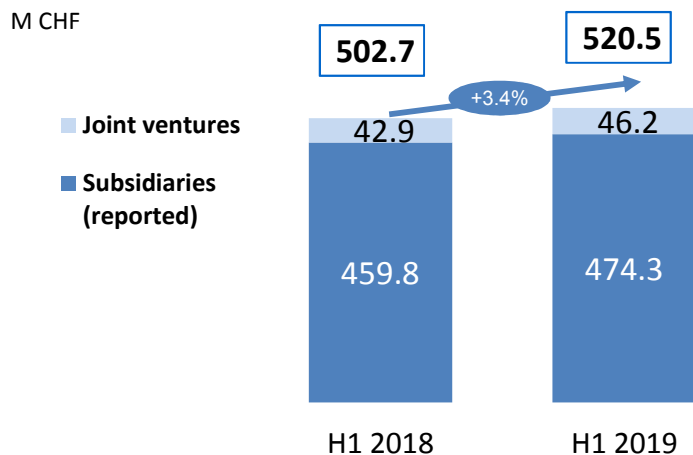
Compagnie Financière Tradition

Appendix (1st half financial details)

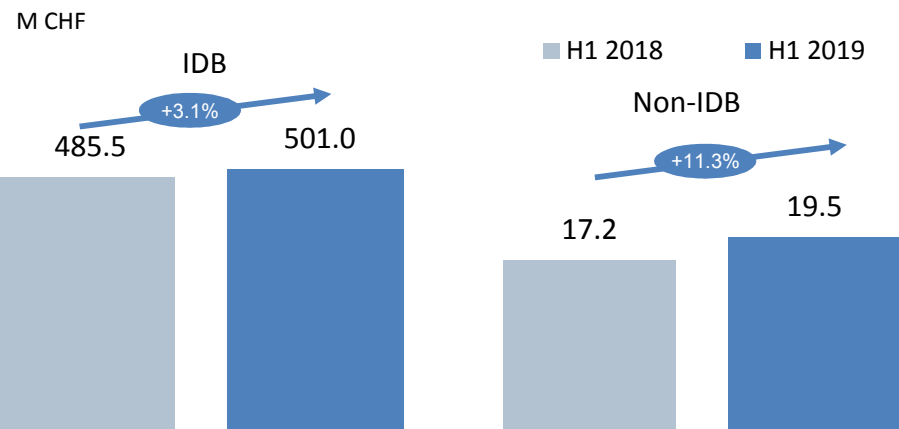
Revenue overview

Global and diverse product offering

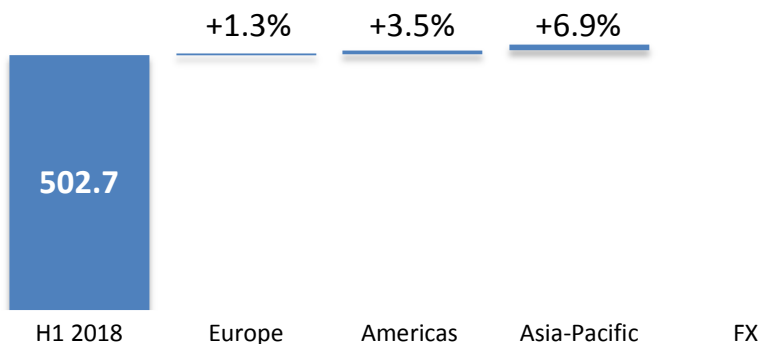
Group adjusted revenue



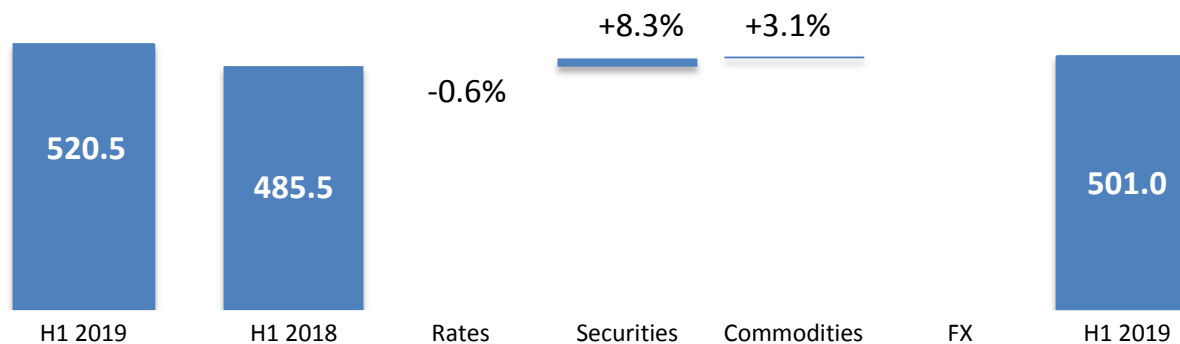
Adjusted revenue by business



Adjusted revenue by region

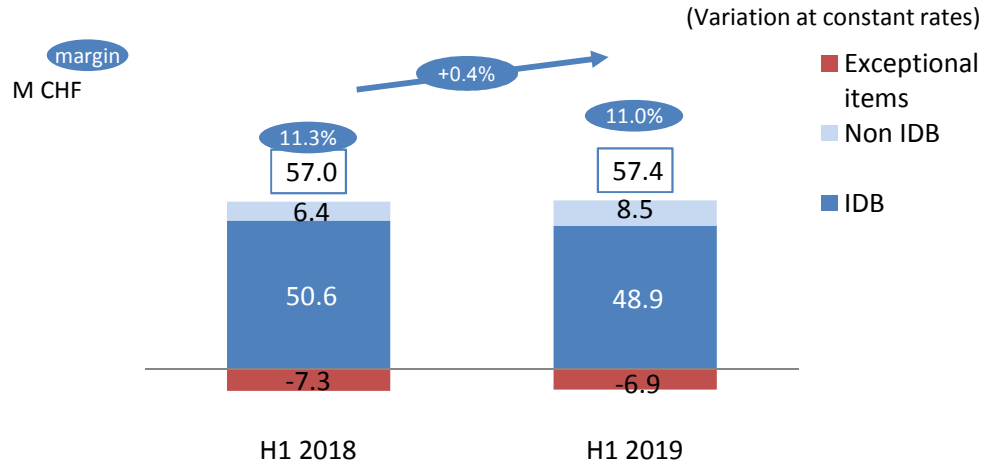


IDB revenue by product

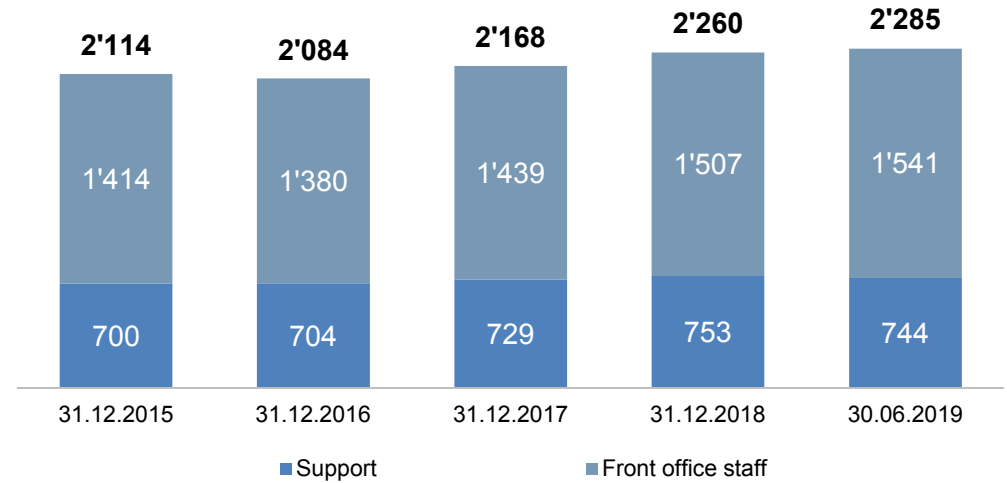


Adjusted underlying operating profit up 0.4% to CHF 57.4m

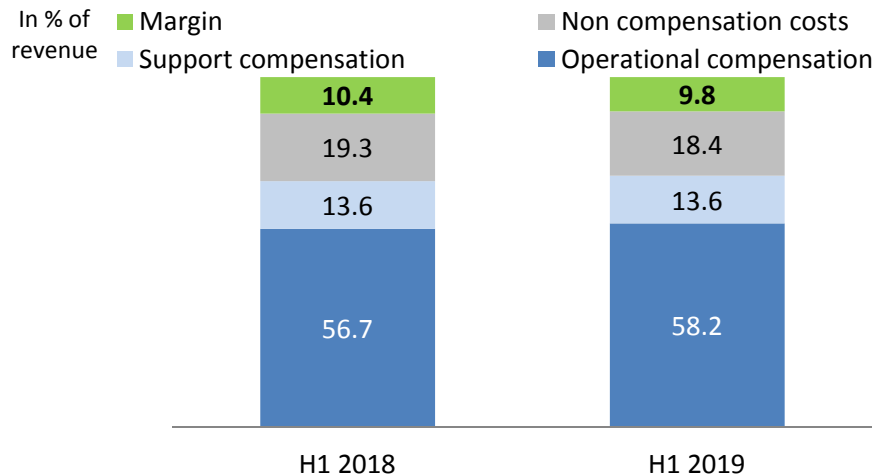
Adjusted underlying operating profit



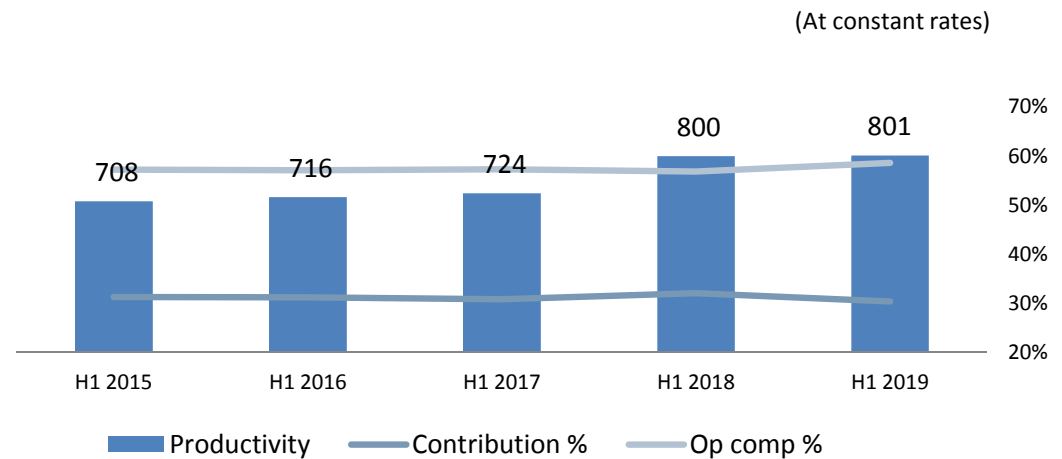
IDB headcount trend



IDB underlying operating ratios



IDB – Other KPI



Net profit – Group share up 7.9% to CHF 34.2m

Net profit – Group share

M CHF	H1 2019	H1 2018	Change at current exchange rates	Change at constant exchange rates
Operating profit as reported	39.5	41.5	-4.9%	-5.1%
Net financial result	-4.4	-2.3		
Share of profit of associates and joint ventures	10.8	6.5		
Profit before tax	45.9	45.7	+0.5%	+0.8%
Income tax	-9.1	-11.8	-22.4%	-21.4%
<i>Effective income tax rate</i>	26%	30%		
Net profit for the period	36.8	33.9	+8.5%	+8.5%
Group share	34.2	31.8	+7.6%	+7.9%

M CHF	H1 2019	H1 2018
Interest expense on bank borrowings and bonds (net)	-2.7	-2.6
Interest expense on lease liabilities	-1.5	-
Net foreign exchange gains/(losses)	-0.2	0.5
Gains/(losses) on financial assets at fair value	-	-0.4
Other financial income	-	0.2
Total	-4.4	-2.3

% / M CHF	H1 2019	H1 2018
Normative income tax rate	19% ; 6.6m	20% ; 7.9m
Net unrecognized tax losses	0% ; 0.1m	2% ; 0.8m
Non-deductible expenses	5% ; 1.6m	5% ; 2.0m
Prior year tax	0% ; 0.1m	2% ; 0.8m
Other items	2% ; 0.7m	1% ; 0.3m
Effective income tax rate	26% ; 9.1m	30% ; 11.8m