



Compagnie Financière Tradition

Ad hoc announcement pursuant to Article 53 of the Six Exchange Regulation Listing Rules

Growth of 10.6%* in adjusted revenue to CHF 1,028.6m in 2022

Adjusted operating profit before exceptional items increase by 34.0%* to CHF 130.3m, for a margin of 12.7%

Profit before tax of CHF 120.1m, up 44.6%*

Net profit Group share up 40.3%* to CHF 89.1m

**Cash dividend up 10% to CHF 5.50 per share;
distribution of treasury shares (1:100)**

Activity growing by more than 10%* in 2023 year to date

* Variation in constant currencies

<i>In CHF m (except earnings per share)</i>	2022	2021	Variation in current currencies	Variation in constant currencies
Reported (IFRS)				
Revenue	947.4	873.6	+8.4%	+10.5%
Operating profit	94.2	73.2	+28.7%	+29.1%
Operating margin	9.9%	8.4%		
Profit before tax	120.1	85.0	+41.3%	+44.6%
Net profit Group share	89.1	65.3	+36.5%	+40.3%
Earnings per share	11.83	8.76	+35.0%	+38.8%
Adjusted¹⁾				
Revenue	1,028.6	950.8	+8.2%	+10.6%
Operating profit before exceptional items	130.3	99.9	+30.5%	+34.0%
Operating margin before exceptional items	12.7%	10.5%		

1) with proportionate consolidation method for joint ventures ("Adjusted")

Overview

A shift in central bank monetary policy, away from quantitative easing and towards rate hikes, benefited the Group's operations. This positive trend was reflected across all regions and products, particularly in foreign exchange and interest rate products and securities and security derivatives. With the easing of Covid-19 measures, the gradual transition back to the office across the trading floors also benefited our activities, and generally enabled the financial markets to function more efficiently.

Against this backdrop, the Group's adjusted consolidated revenue was up 10.6% at constant exchange rates to CHF 1,028.6m, compared with CHF 950.8m in 2021. Adjusted revenue from interdealer broking business (IDB) grew 10.4% at constant exchange rates to CHF 994.7m, while revenue from the online forex trading business for retail investors in Japan (non-IDB), was ahead 14.6% to CHF 33.9m. At current exchange rates, adjusted consolidated revenue was up 8.2%, while IDB and non-IDB activity was up 8.5% and 0.3% respectively, caused by depreciation of JPY over the year.

After an increase of 7.7% at constant exchange rates in the first half, adjusted consolidated revenue was up 13.8% at constant exchange rates in the second half compared to the same period in 2021, with IDB business growing by 13.9% and non-IDB business by 11.9%.

Adjusted operating profit before exceptional items was CHF 130.3m against CHF 99.9m in 2021, an increase of 34.0% at constant exchange rates, with an operating margin of 12.7% and 10.5% respectively. Net exceptional costs represented CHF 12.9m compared with CHF 5.8m in the previous year and include a net amount of CHF 7.9m in relation to the Russian invasion of Ukraine.

Reported revenue and operating profit

The Group's activity grew during the year with reported consolidated revenue of CHF 947.4m compared with CHF 873.6m in 2021, up 10.5% at constant exchange rates, or 8.4% at current exchange rates.

Reported operating profit for the year was CHF 94.2m against CHF 73.2m in 2021, an increase of 29.1% at constant exchange rates with an operating margin of 9.9% against 8.4% in the previous year. Excluding the Russia related impact, the operating margin was 10.8% against 8.4% in 2021

Net profit

The Group recognised net financial expense of CHF 3.7m in 2022 against CHF 10.8m in the previous year. Net foreign exchange results due to exchange rate fluctuations positively impacted the Group's financial income and represented a gain of CHF 5.0m for the year as a result of movements in the rouble, against a loss of CHF 1.7m in 2021. Interest expense on bank borrowings and bonds, net of interest income from short-term cash investments, totalled CHF 6.4m against CHF 6.5m in the previous year.

The share in the results of associates and joint ventures was CHF 29.6m against CHF 22.6m in 2021, an increase of 38.6% at constant exchange rates.

Profit before tax was CHF 120.1m against CHF 85.0m in 2021. The Group's tax expense amounted to CHF 22.7m against CHF 13.5m in 2021, with an effective tax rate of 25% against 22% in the previous year.

Consolidated net profit was CHF 97.4m compared with CHF 71.5m in 2021 with a Group share of CHF 89.1m against CHF 65.3m in 2021, an increase of 40.3% at constant exchange rates. Hence, the basic earnings per share increase by 35.0% at current exchange rates to CHF 11.83 from CHF 8.76 in 2021.

Balance sheet

The Group maintained its focus on a sound balance sheet with a strong capital position while keeping a low level of intangible assets and a strong net cash position. Consolidated equity, before deduction of treasury shares of CHF 23.5m, was CHF 466.0m at 31 December 2022, with an increase in adjusted cash to CHF 243.1m, including the Group's share of net cash held by joint ventures, compared with CHF 203.4m in 2021.

At 31 December 2022, consolidated equity stood at CHF 442.5m (2021: CHF 429.7m) of which CHF 416.8m was attributable to shareholders of the parent (2021: CHF 407.5m). Total adjusted cash, including financial assets at fair value, net of financial debts, was up to CHF 149.1m at 31 December 2022 against CHF 105,7m at 31 December 2021.

Dividend

At the Annual General Meeting to be held on 25 May 2023, the Board will be seeking shareholders' approval to pay a cash dividend of CHF 5.5 per share (yield of 5.0%¹⁾). In addition, a distribution of treasury shares will also be proposed with one share distributed for each 100 shares held (yield of 1.0% or CHF 1.1¹⁾).

Outlook

The level of activity at the start of 2023 continued along the lines of last year, growing more than 10% from January to date compared with the same period in 2022 at constant exchange rates, driven by central bank monetary tightening policy to combat stubborn inflation. Compagnie Financière Tradition will pursue its growth strategy and cost discipline, while maintaining investment in its data and analytics activities and hybrid broking capabilities.

Annual report

The 2022 annual report of Compagnie Financière Tradition SA will be available on 27 April 2023 on the Company's website at <http://tradition.com/financials/reports.aspx>

¹⁾ Indicative value based on 23 March 2023 closing share price of CHF 111.0 per share

ABOUT COMPAGNIE FINANCIERE TRADITION SA

Compagnie Financière Tradition SA is one of the world's largest interdealer brokers in over-the-counter financial and commodity related products. Represented in over 30 countries. Compagnie Financière Tradition SA employs more than 2.400 people globally and provides broking services for a complete range of financial products (money market products, bonds, interest rate, currency and credit derivatives, equities, equity derivatives, interest rate futures and index futures) and non-financial products (energy and environmental products, and precious metals). Compagnie Financière Tradition SA (CFT) is listed on the SIX Swiss Exchange.

For more information, please visit www.tradition.com.

MEDIA CONTACTS

Patrick Combes, President
Compagnie Financière Tradition SA
+41 (0)21 343 52 87
actionnaire@tradition.ch

Rohan Sant
Voxia communication
+41 (0)22 591 22 63
rohan.sant@voxia.ch