

H1 2019 Results

Consolidated revenue grew 6.0% (2.4% in constant currencies)

Pre-tax profit up 4.2% to €43.4m

Net profit up 12.9% to €35.2m

Group share of net profit up 11.7% to €24.7m

€m	First half 2019	First half 2018	Change 2018/2019* at variable exchange rates	Change 2018/2019* in constant currencies
Consolidated revenue	435.3	410.8	+6.0%	+2.4%
Operating profit	36.2	35.9	+1.0%	-2.5%
Profit before tax	43.4	41.7	+4.2%	+1.3%
Consolidated net profit	35.2	31.2	+12.9%	+9.5%
Net profit - Group share	24.7	22.1	+11.7%	+8.7%
Minority interests	10.5	9.1	+15.7%	+11.4%

*Based on data calculated in thousands of euros

Core business developments

Interdealer broking (IDB)

The Group's activity grew in the first half of 2019 compared with last year, in a market environment which changed from month to month and from one region to another. The interdealer broking business also benefited from efforts to recruit specialised brokers to reinforce the Group's presence in a number of regions and asset classes.

Against this backdrop, consolidated revenue for the first six months reached CHF 474.3m compared with CHF 459.8m in the first half of 2018, a rise of 3.2% at current exchange rates, or 3.1% in constant currencies. Operating profit, including exceptional items was CHF 39.5m against CHF 41.5m in the first half of 2018. Exceptional costs represented CHF 6.9m against CHF 7.3m in the previous period.

Consolidated net profit was CHF 36.8m compared with CHF 33.9m in the first half of 2018. Group share of net profit was CHF 34.2m against CHF 31.8m in 2018, a rise of 7.9% in constant currencies.

Online trading

Although the CAC40 index was up in the first half of 2019, the market environment was one of generally subdued trading volumes and volatility, with the CAC40 VOLA IDX down 38.4% on the period. Bourse Direct, the leader in the French online trading sector, registered close to 1.5 million trades during the period. This figure was down 1.8% on the second half of 2018 and down 12.7% compared with H1 2018, which was buoyed by robust activity in the first months of the year in contrast to H1 2019 which saw a 15.6% drop in volumes.

The Company substantially increased the number of new customers during the period, with close to 10,000 new accounts opened. This represents an increase of 10.2% on H1 2018 and brought the total number of accounts to over 150,000 at 30 June 2019.

Bourse Direct posted banking operating income of €15.9m in the first half, a decrease of 9.7% compared with the same period in 2018.

Private banking and asset management

SwissLife Banque Privée, in which Viel & Cie holds a 40% interest, reported a slight drop in activity, with net banking income of €24.9m against €27.2m in H1 2018.

Consolidated results

The consolidated revenue of operating subsidiaries was €435.3m in the first half of 2019, compared with €410.8m in the equivalent period in 2018, a rise of 6.0% at current exchange rates.

Quarterly consolidated revenue by business segment at current exchange rates was as follows:

€m	2019			2018		
	Q1	Q2	Total	Q1	Q2	Total
IDB business	212.1	207.8	419.9	197.1	196.0	393.1
Online trading	7.6	7.8	15.4	9.3	8.4	17.7
Consolidated revenue	219.7	215.6	435.3	206.4	204.4	410.8

Consolidated operating profit rose 1.0% to €36.2m against €35.9m in the first half of 2018, mainly as a result of an increase in revenue.

The financial result showed a loss of €3.3m in the first half of the year against a loss of €1.3m a year ago. The financial result comprises adjustments related to the application of IFRS 16, which generated a financial expense of €1.3m in 2019.

Consolidated net profit rose 12.9% to €35.2m during the period against €31.2m in the first half of 2018. The contribution of associates was up sharply, by 47.4%, thus contributing to the increase in consolidated net profit.

Group share of net profit was up 11.7% to €24.7m in the first six months of 2019, compared with €22.2m in 2018, a rise of 8.7% in constant currencies.

This result brought consolidated shareholders' equity to €475.2m at 30 June 2019, €360.0m of which was the Group's share, net of the gross value of directly-held treasury shares amounting to €28.3m.

The limited review of the half-year accounts has been conducted by the independent auditors and their report is currently being prepared.

Outlook

In the second half, VIEL & Cie will continue to nurture the development of its core businesses.

Compagnie Financière Tradition began the second half on the front foot with a sustained level of activity in July and August compared with last year. In the coming months, the Compagnie Financière Tradition Group will pursue its development strategy by seeking new talent in order to further enhance its product portfolio across its geographic footprint. The Group will also remain focused on external growth opportunities, against a backdrop of advanced consolidation in the industry around three global players, including Compagnie Financière Tradition.

In a stock market environment still in contraction, Bourse Direct will pursue efforts to expand its customer base in 2019. It will continue to focus on developing innovative services, by adapting its portfolio in line with technological developments, while maintaining the most competitive prices on the market and offering customers stock market expertise coupled with a range of educational services. The Company will also diversify its portfolio by offering new savings products. The Bourse Direct Horizon contract was launched in February 2019, within a self-managed or discretionary management framework. Bourse Direct intends to further enhance its portfolio of services and savings products for retail customers.

VIEL & Cie is an investment company comprising three core businesses in the financial sector: Compagnie Financière Tradition, an interdealer broker with a presence in 29 countries, Bourse Direct, a major player in the online trading sector in France, and a 40% stake in SwissLife Banque Privée, present in the private banking sector in France.

VIEL & Cie shares (codes: FR0000050049, VIL) are listed in Compartment B of Euronext. For more information on our Group, please visit our website at www.viel.com.

The variations in income statement items at variable exchange rates are calculated based on average rates for the current year compared with average rates for the previous year as part of currency conversions for the Group's consolidated subsidiaries. The variations in income statement items in constant currencies are calculated using the average conversion rates of year N-1 over the two comparison years.

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