

ENGAGEMENT FACTSHEET

Intertrust

ENGAGEMENT RATIONALE

We preferred the company to cancel the FY19 dividend to secure maximum financial flexibility and reduce leverage when facing uncertainties related to COVID-19.

BACKGROUND

The COVID-19 pandemic poses unprecedented threats to global economies. Many companies cancelled their dividend proposals or delayed dividend payments in order to preserve liquidity and cash reserves for uncertain times. Paying a dividend may also limit the company's access to state aid in the future. We asked the company to take into consideration the cancellation of the €0.33 final dividend per share over 2019 as a precautionary measure. As long-term shareholders we prefer the companies that we invest in not only to survive recessionary periods but also to improve its competitive position as smaller competitors might struggle to survive independently. In our view, such a cautious approach can unlock even more shareholder value in the long term.

THEME FOR ENGAGEMENT

x Capital allocation

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ENGAGEMENT OBJECTIVES

x Company announcement to cancel FY19 dividend in order to create additional financial flexibility to weather the uncertain economic environment.

DEVELOPMENT



ENGAGEMENT RESULTS

x When publishing its AGM agenda Intertrust canceled the final dividend 2019 to maintain flexibility during a period of macroeconomic uncertainty.

NEXT STEPS

x We closed the engagement successfully

MILESTONE



COMPANY

Intertrust NV engages in the provision of private client, capital markets, corporate and fund services.

COUNTRY

Netherlands

SECTOR

Investment Services

MARKET CAP

Mid Ca

ISSUE

Intertrust proposed dividend payment amid economic uncertainty caused by COVID-19

MATERIALITY

In case of a continuing economic crisis financial flexibility can ensure that companies do not breach financial covenants. A strong balance sheet can also allow companies to improve their competitive position while peers are in distress.

RISK

x Decreasing financial flexibility through dividend pay-out

MSCI ESG RESEARCH

UN Global Compact: PASS
ESG Rating: A, MSCI ESG