

# 1H FY2023 Results Analyst and Media Briefing

Loh Boon Chye, Chief Executive Officer  
Ng Yao Loong, Chief Financial Officer

9 February 2023

**Singapore Exchange**

Commodities | Equity Derivatives | Fixed Income | FX | Indices | Securities

**Forward Looking Statements**

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Statements in this presentation that are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. These forward-looking statements are based on SGX's current intentions, plans, expectations, assumptions and views about future events and are subject to risks, uncertainties and other factors, many of which are outside SGX's control. Because actual results, performance or events could differ materially from SGX's current intentions, plans, expectations, views and assumptions about the future, such forward-looking statements are not, and should not be construed as a representation as to future performance of SGX. It should be noted that the actual performance of SGX may vary significantly from such statements.

This presentation is being made available to certain authorised recipients for their general information only.

While SGX and its affiliates have taken reasonable care to ensure the accuracy and completeness of the information provided in this presentation, they will not be liable for any loss or damage of any kind (whether direct, indirect or consequential losses or other economic loss of any kind) suffered due to any omission, error, inaccuracy, incompleteness, or otherwise, any reliance on such information. Neither SGX nor any of its affiliates shall be liable for the content of information provided by or quoted from third parties. Examples provided are for illustrative purposes only. The information in this presentation is subject to change without notice.

Any recirculation, transmission or distribution of this presentation or any part thereof by any third party requires the prior written permission of SGX. SGX and its affiliates disclaim all responsibility and liability arising in connection with any unauthorised recirculation, transmission or distribution of this presentation or any part thereof.

© Singapore Exchange Limited

# Agenda

1

1H FY2023 – Financial Highlights and Performance

2

Business Update

3

Questions and Answers

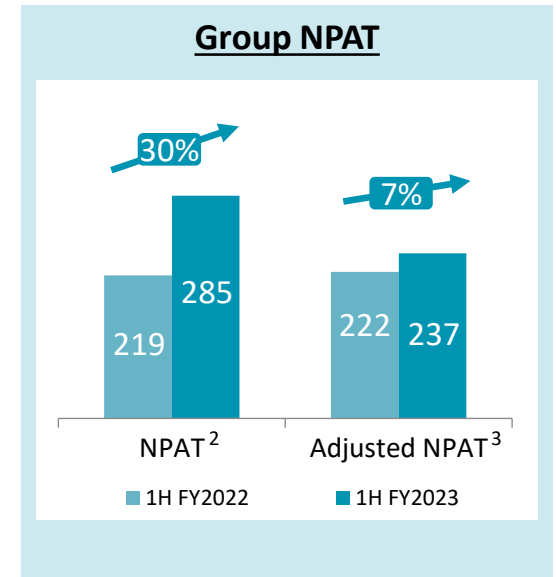
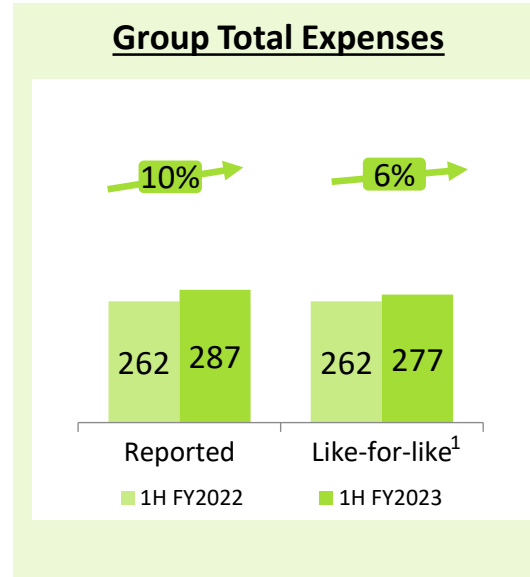
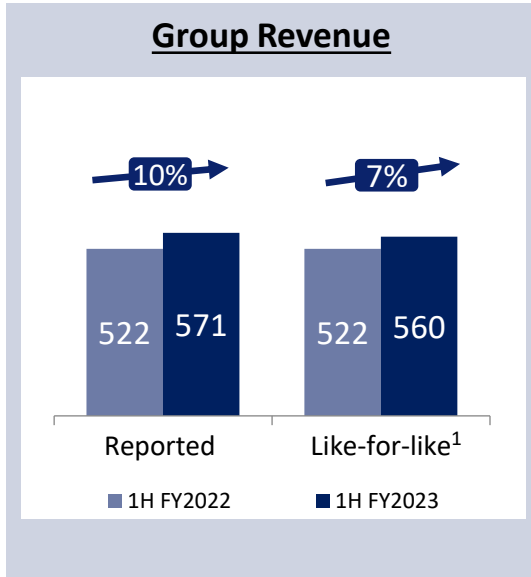
# 1H FY2023

## Financial Highlights and Performance

Ng Yao Loong, Chief Financial Officer

# 1H FY2023 Highlights

Continued growth in an uncertain macroeconomic environment



Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

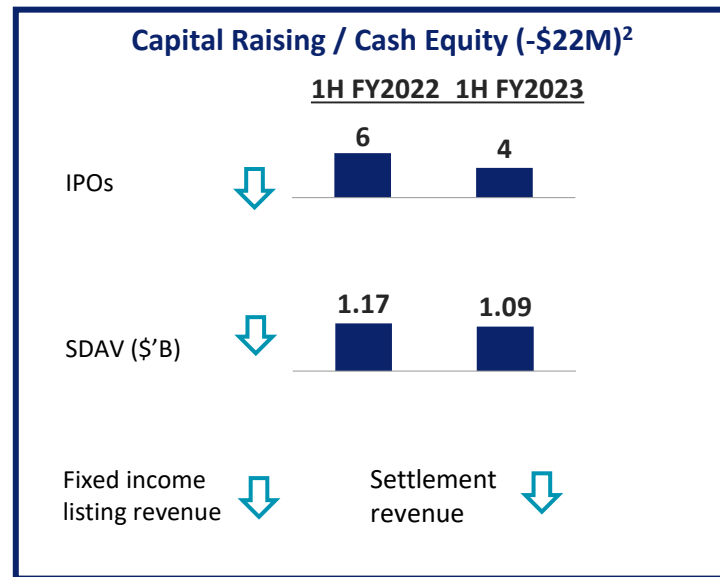
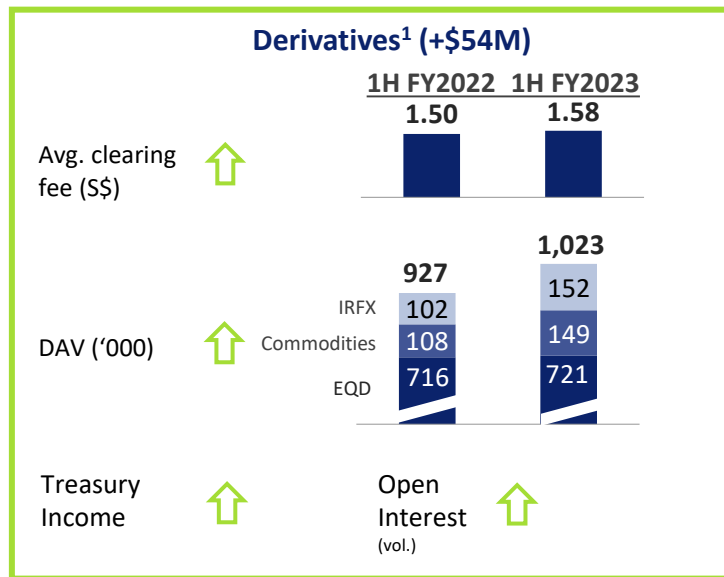
<sup>1</sup> Like-for-like basis excludes revenue and expenses contribution from MaxxTrader

<sup>2</sup> NPAT relates to 'Net profit attributable to equity holders of the Company'

<sup>3</sup> Adjusted NPAT excludes certain non-cash and non-recurring items that have less bearing on SGX's operating performance. Hence, they better reflect the group's underlying performance. Adjusted figures are non-SFRS(I) measures. Please refer to Section 7 of our financial results for reconciliations between the adjusted and their equivalent measures

# Revenue growth driven by our Derivatives business

- Increase in Derivatives Trading & Clearing revenue, and Treasury Income
- Decline from capital raising and Cash Equity

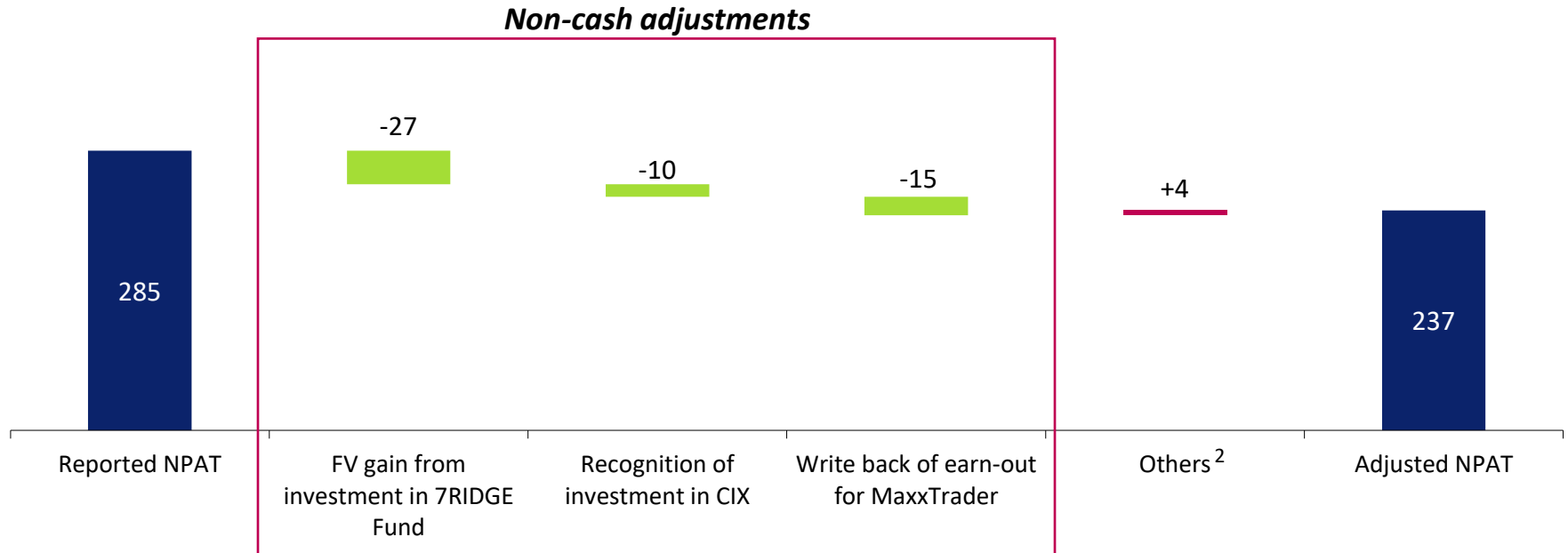


<sup>1</sup> Derivatives revenue includes Equities Derivatives, Currencies and Commodities futures and options trading and clearing revenue and associated treasury income. Derivatives contributed 44% to Group revenues in 1H FY2023

<sup>2</sup> Fixed Income Listing revenue and total Equities – Cash revenue

# NPAT includes non-cash adjustments from investments

- Adjustments are mainly from:
  - \$27M fair value gain from 7RIDGE fund<sup>1</sup> and \$10M value recognition of our investment in CIX
  - \$15M writeback of earn-out contingent consideration for MaxxTrader

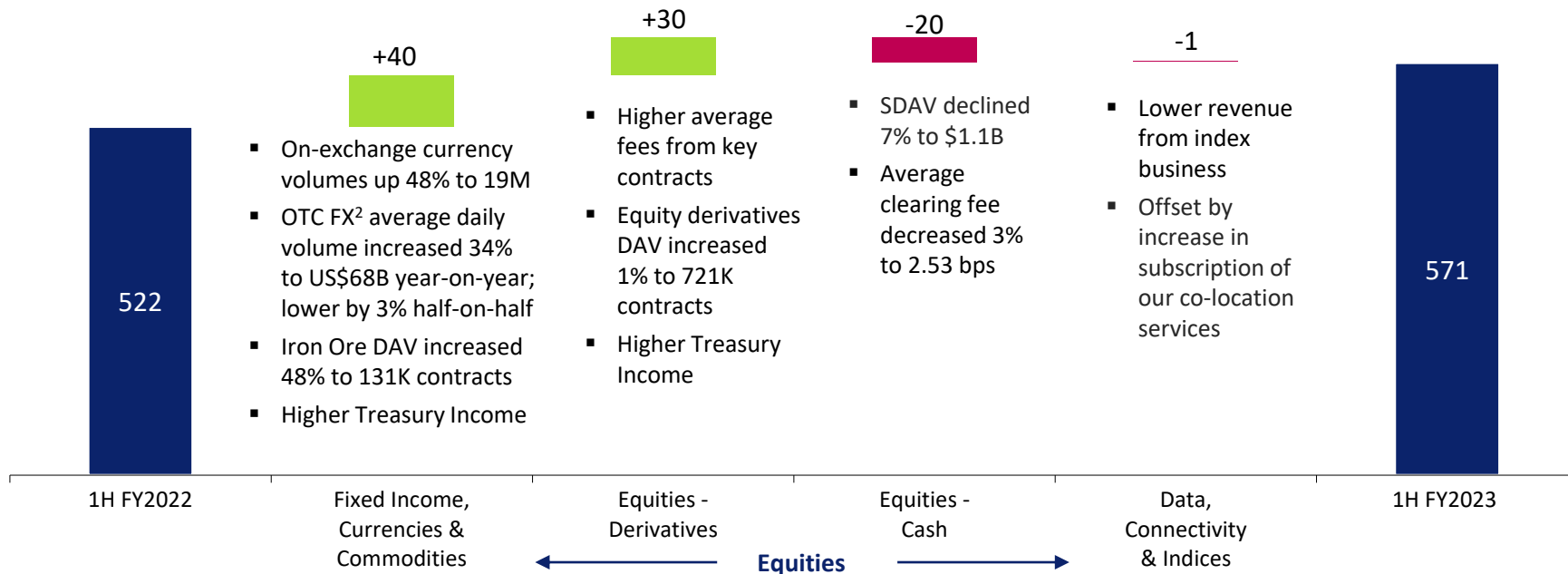


<sup>1</sup> Closed-end fund managed by 7RIDGE, that has acquired global trading software provider Trading Technologies

<sup>2</sup> Others include amortisation of purchased intangibles, associated income tax adjustments and other one-off items

# 1H FY2023 Revenue up 10% to \$571M

- FICC revenue up 35% from strong growth in Commodities and the consolidation of MaxxTrader
  - On a like-for-like basis<sup>1</sup>, FICC revenue up 25%



Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

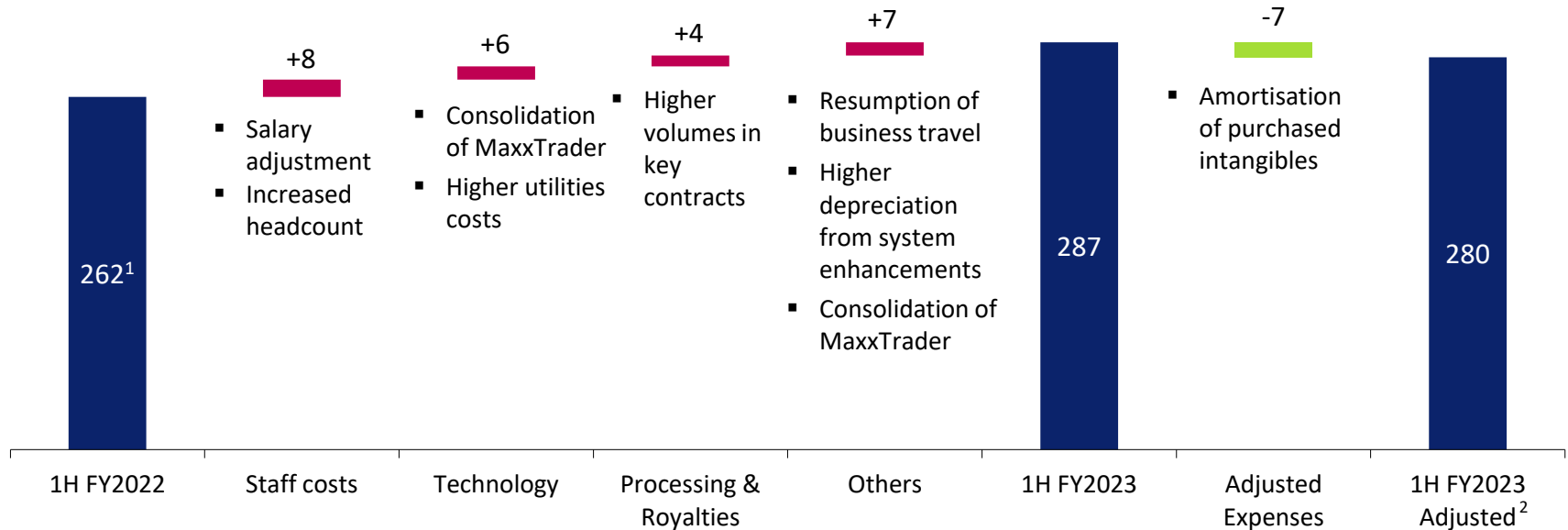
<sup>1</sup> Like-for-like basis excludes revenue and expenses contribution from MaxxTrader

<sup>2</sup> OTC FX excluded MaxxTrader in 1H FY2022



# 1H FY2023 Total Expenses up 10% to \$287M

- Excluding expenses from MaxxTrader, total expenses increased 6%



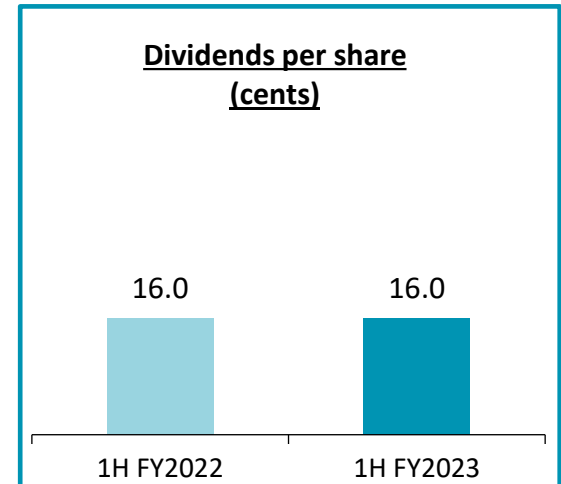
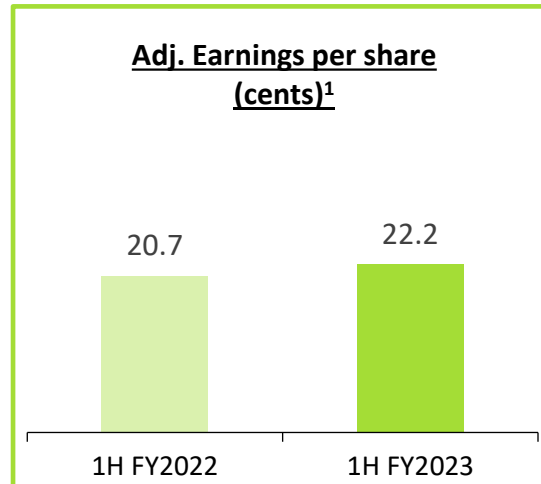
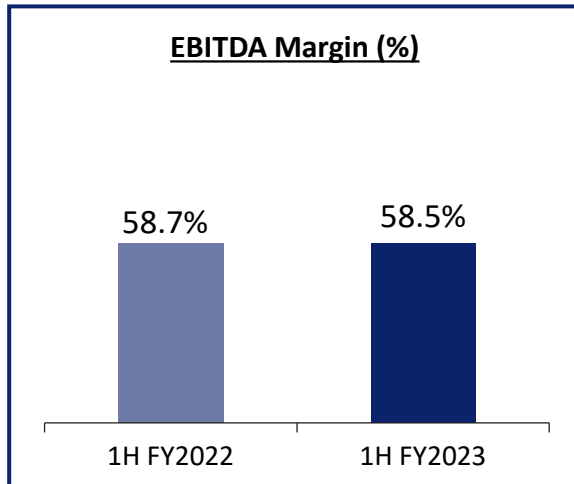
Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

<sup>1</sup> Adjusted 1H FY2022 total expenses was \$252M

<sup>2</sup> Adjusted figures presented are non-SFRS(I) measures. Please refer to Section 7 of our financial results for reconciliations between the adjusted and their equivalent measures. Adjustments exclude amortisation of purchased intangibles, acquisition related expenses and other one-off costs

# Delivering shareholder returns

- 1H FY2023 EBITDA margins comparable at 58.5%
- Healthy leverage ratio – Gross Debt to EBITDA<sup>2</sup> ratio at 1.1x, down from 1.4x a year ago
- Quarterly dividend of 8.0 cents per share, bringing total dividend for 1H FY2023 to 16.0 cents



Note: All figures may be subject to rounding

<sup>1</sup> Adjusted figures presented are non-SFRS(I) measures. Please refer to Section 7 of our financial results for reconciliations between the adjusted and their equivalent measures

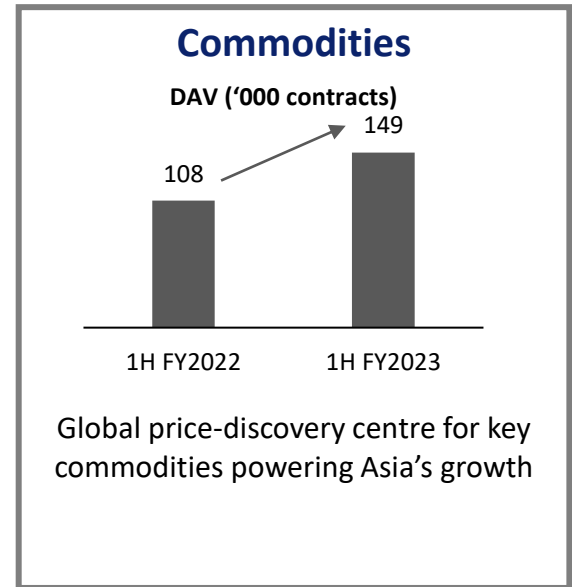
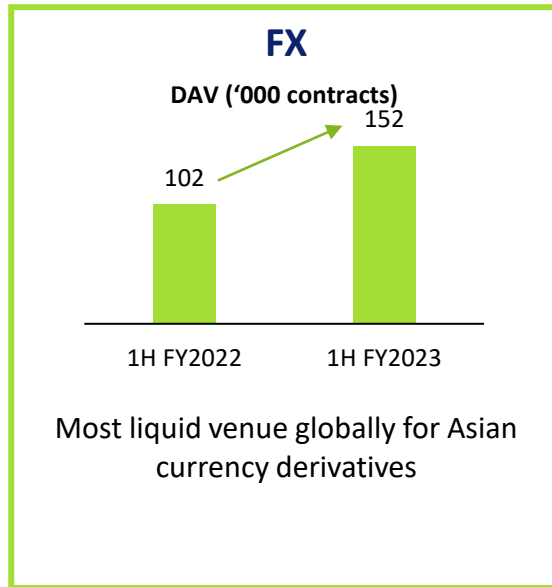
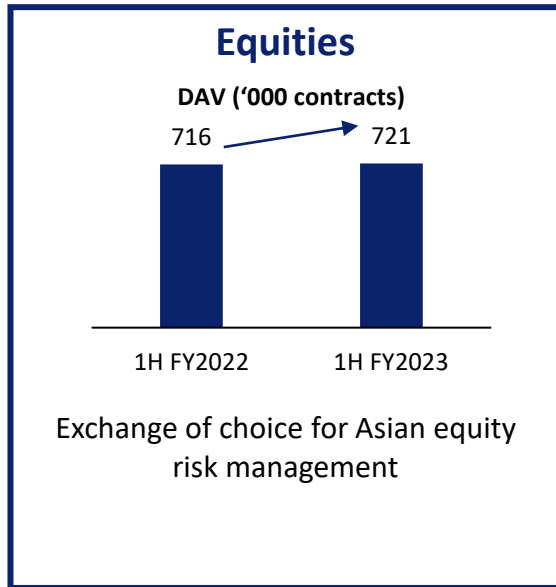
<sup>2</sup> Gross debt includes both borrowings and lease liabilities; EBITDA is net of rental expenses and over the last 12 months

# Business Update

Loh Boon Chye, Chief Executive Officer

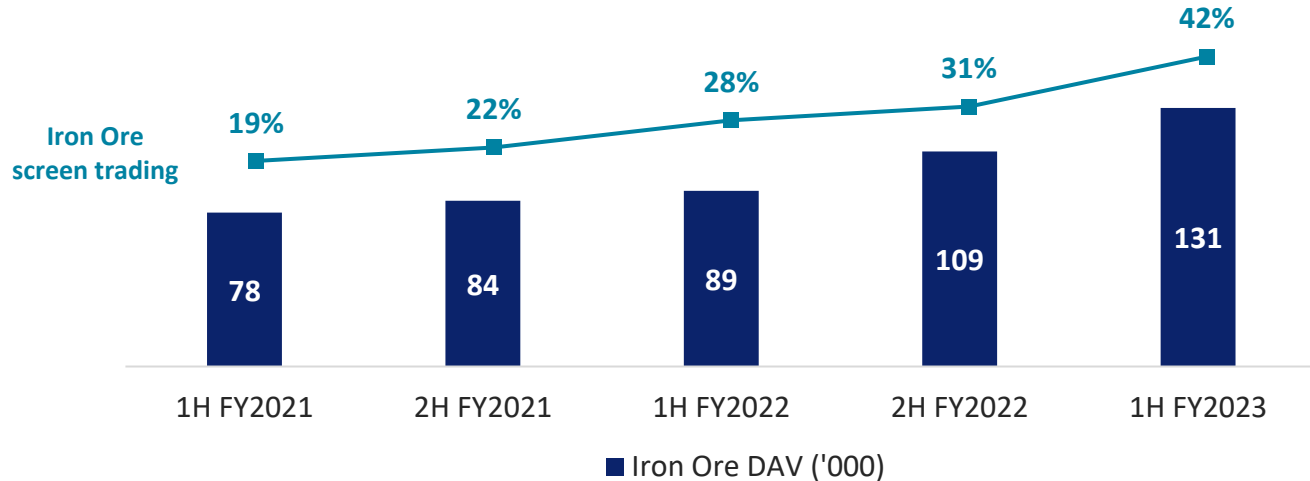
# Our multi-asset platform supports global investors with highly liquid and efficient risk management solutions

- DAV was up 10% Y-o-Y to over 1M contracts with growth across asset classes
- Record volumes registered in various contracts as investors turned to SGX's diverse and liquid product shelf to hedge and invest amid evolving macroeconomic conditions



# Our steel and iron ore product suite is now significantly deeper and larger

- CY2022 was a record year for iron ore contracts, clearing 3 billion tonnes; 1H FY2023 recorded highest six-month iron ore volumes ever
- Strong participation of financial participants with robust growth in screen liquidity; screen trading for iron ore contributed 42% to volumes compared to 28% a year ago



# Our OTC FX business remains on track to achieving an ADV of US\$100 billion in the medium term

- Continued to expand our FX platforms, products and customer base
- OTC FX pillar contributed 6% of Group revenue; Average Daily Volume (ADV) in 1H FY2023 was US\$68 billion
- Expanded CurrencyNode offering with the launch of non-deliverable forwards (NDFs)



## Supporting diverse range of market participants

- Acquired global clients with acquisition efforts focused on APCA, Europe and US
- Buy-side (real money, hedge funds)
- Sell-side (global and regional banks, broker-dealers)



## Strengthening our OTC offering

- G10 currencies and more
- Workflow and automation solutions
- Electronic Communication Network



## Anchoring on futures

- Most liquid Asian FX futures exchange in the world
- SGX CNH and INR FX futures are amongst most traded listed FX futures contracts globally

# We have strengthened our regional links and enhanced customer access to more products



## Deepen access to Asia's leading economies



NSE IFSC-SGX Connect



SZSE-SGX ETF Link

Listing of Pearl bonds (Shanghai Free Trade Zone)



Thailand-Singapore DR Linkage



## Enhance product and service offerings



Grow cash equities product shelf



Grow global trade and transport commodity pillar



Broaden ecosystem for transition finance with products and services

# Looking ahead



- Re-opening of China's borders could lead to higher portfolio risk management and access activities on our derivatives platform
- For cash equities , near term uncertainties may continue to persist



- Continued focus on bridging markets and scaling asset classes, enabled by expansion in client coverage



- Full year expenses and capital expenditure guidance remain unchanged
- Expect both to be at lower end of the range



# Questions and Answers

Loh Boon Chye, Chief Executive Officer

Ng Yao Loong, Chief Financial Officer

Michael Syn, Head of Equities

Lee Beng Hong, Head of Fixed Income, Currencies & Commodities

Ng Kin Yee, Head of Data, Connectivity & Indices

Pol De Win, Head of Global Sales & Origination



# Thank you

Singapore Exchange

Commodities | Equity Derivatives | Fixed Income | FX | Indices | Securities

[sgx.com](https://www.sgx.com)

This material is not intended for distribution to, or for use by or to be acted on by any person or entity located in any jurisdiction where such distribution, use or action would be contrary to applicable laws or regulations or would subject Singapore Exchange Limited ("SGX") and/or its affiliates (collectively with SGX, the "SGX Group Companies") to any registration or licensing requirement. This material is not an offer or solicitation to buy or sell, nor financial advice or recommendation for any investment product. This material has been published for general circulation only. It does not address the specific investment objectives, financial situation or particular needs of any person. Advice should be sought from a financial adviser regarding the suitability of any investment product before investing or adopting any investment strategies. Use of and/or reliance on this material is entirely at the reader's own risk. Investment products are subject to significant investment risks, including the possible loss of the principal amount invested. Past performance of investment products is not indicative of their future performance. Any forecast, prediction or projection in this material is not necessarily indicative of the future or likely performance of the product. Examples (if any) provided are for illustrative purposes only. While each of the SGX Group Companies have taken reasonable care to ensure the accuracy and completeness of the information provided, each of the SGX Group Companies disclaims any and all guarantees, representations and warranties, expressed or implied, in relation to this material and shall not be responsible or liable (whether under contract, tort (including negligence) or otherwise) for any loss or damage of any kind (whether direct, indirect or consequential losses or other economic loss of any kind, including without limitation loss of profit, loss of reputation and loss of opportunity) suffered or incurred by any person due to any omission, error, inaccuracy, incompleteness, or otherwise, any reliance on such information, or arising from and/or in connection with this material. The information in this material may have been obtained via third party sources and which have not been independently verified by any SGX Group Company. No SGX Group Company endorses or shall be liable for the content of information provided by third parties (if any). The SGX Group Companies may deal in investment products in the usual course of their business, and may be on the opposite side of any trades. Each of SGX, Singapore Exchange Securities Trading Limited and Singapore Exchange Bond Trading Pte. Ltd. is an exempt financial adviser under the Financial Advisers Act 2001. The information in this material is subject to change without notice. This material shall not be reproduced, republished, uploaded, linked, posted, transmitted, adapted, copied, translated, modified, edited or otherwise displayed or distributed in any manner without SGX's prior written consent. Please note that the general disclaimers and jurisdiction specific disclaimers found on SGX's website at <https://www.sgx.com/terms-use> are also incorporated into and applicable to this material. © Singapore Exchange Limited