

1H FY2024 Results Analyst and Media Briefing

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

1 February 2024

Singapore Exchange

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

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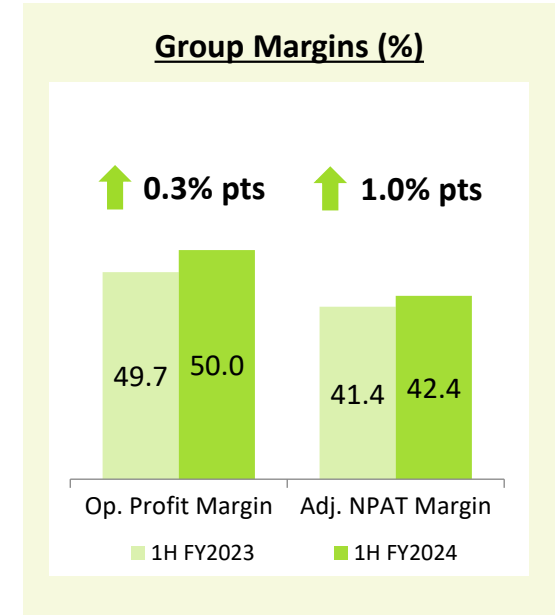
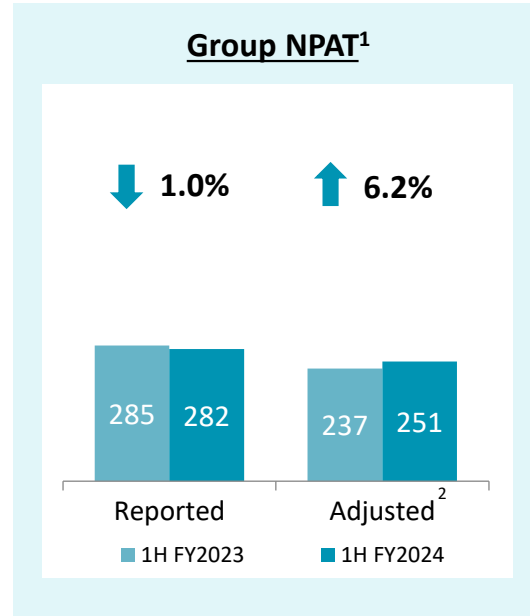
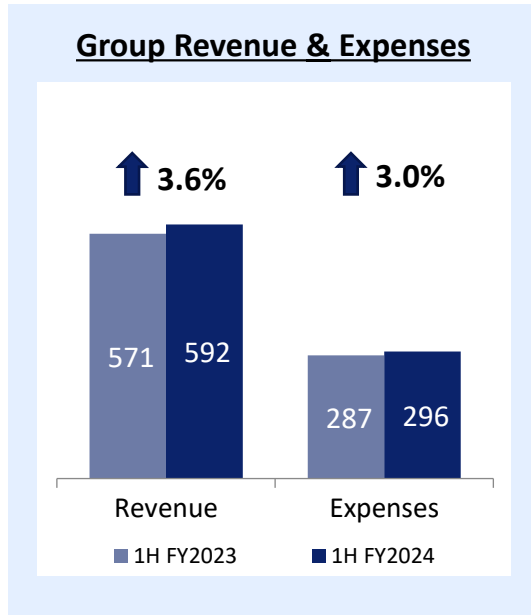
1H FY2024

Financial Highlights and Performance

Ng Yao Loong, Chief Financial Officer

1H FY2024 Highlights

Resilience amidst a challenging macroeconomic environment

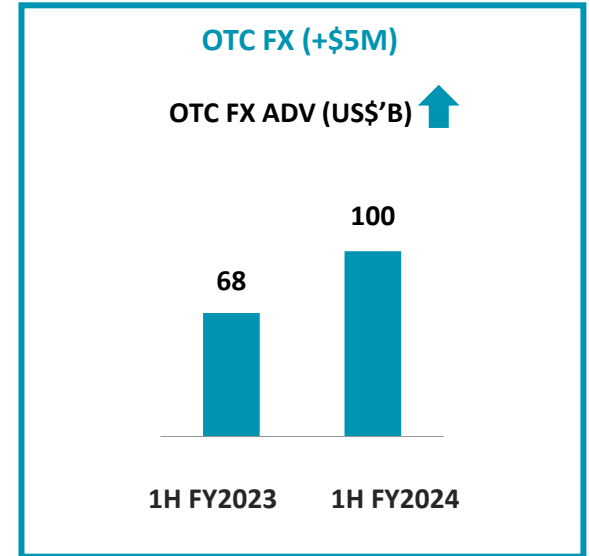
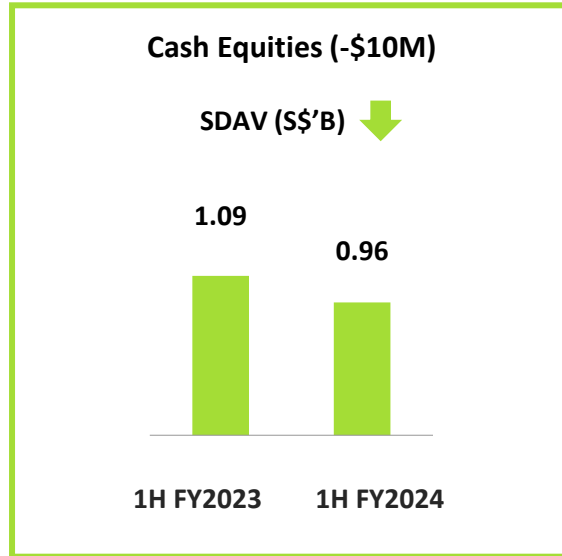
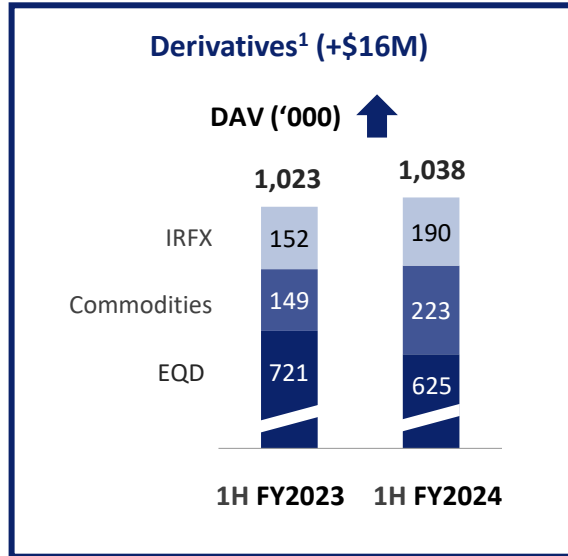


¹ NPAT relates to 'Net profit attributable to Equity holders of the Company'.

² 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.

Volume growth driven by commodities, FX derivatives and OTC FX

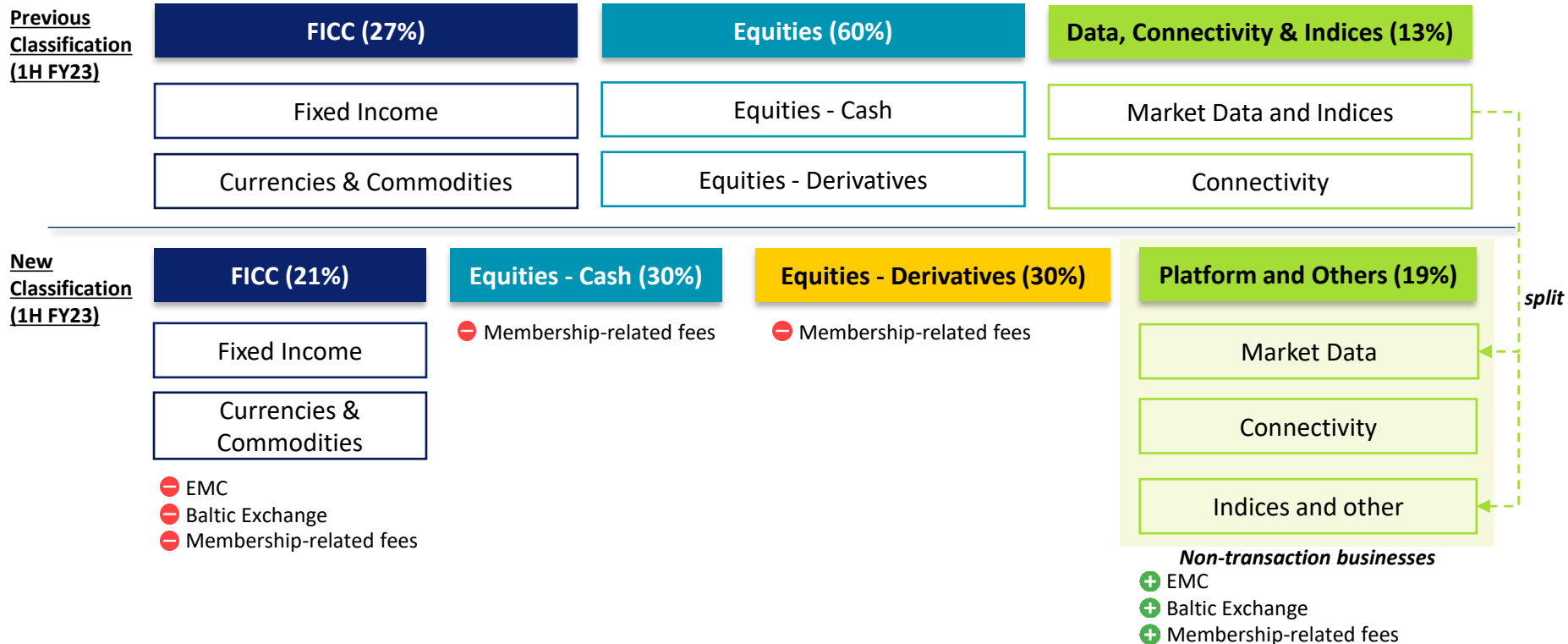
- Increased portfolio risk management activities in commodities and currencies
- Broader Equities business faced challenges



¹ Derivatives revenue includes Equities - Derivatives, Currencies and Commodities futures and options trading and clearing revenue and associated treasury income. Derivatives contributed 45% of Group revenues in 1H FY2024.

Revenue Reclassification - 1H FY23 Revenue¹

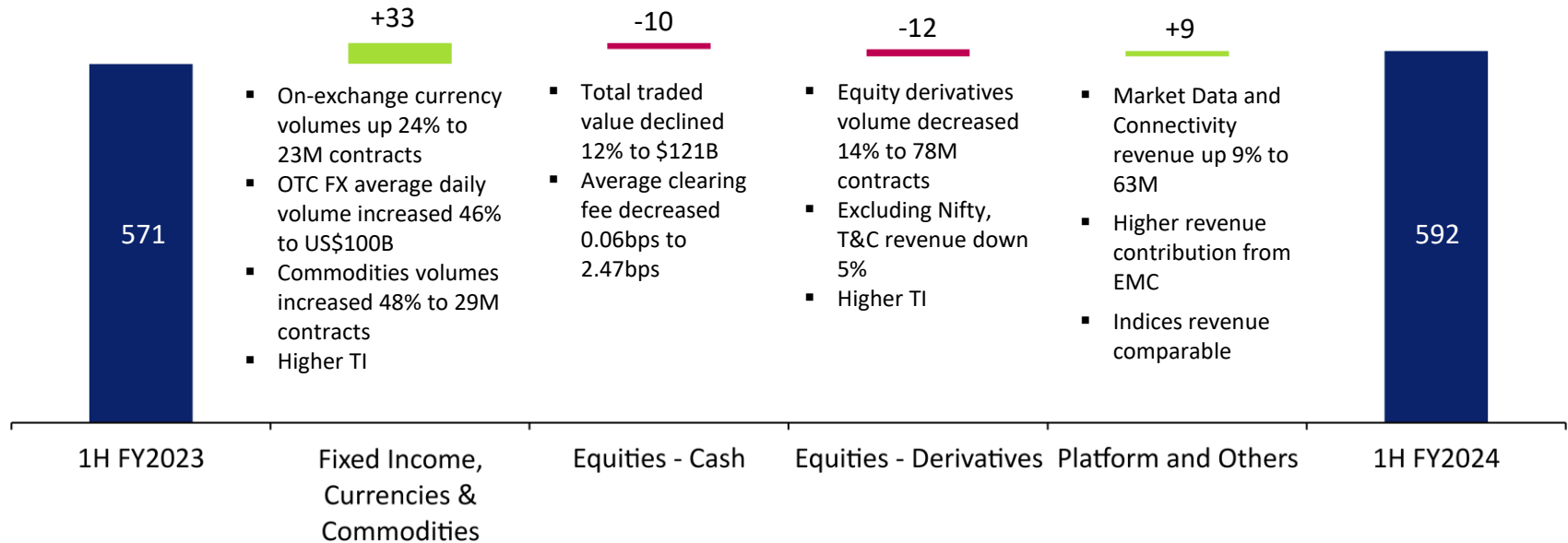
- Four operating segments to better reflect the nature of revenue



¹ All segment information for the comparative period of 1H FY2023 was restated. Please refer to Section 20(b) of our financial results for full disclosure on the restatement to presentation of income statement and segment information.

1H FY2024 Revenue up 3.6% to \$592M

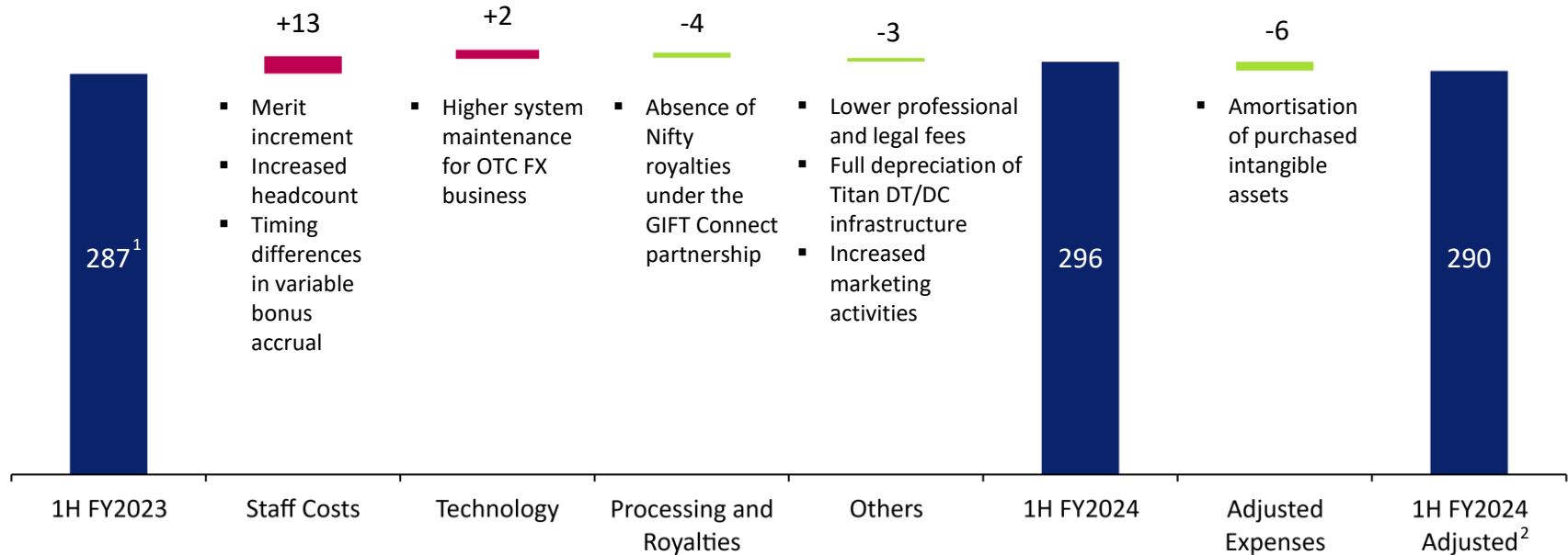
- FICC revenue up 28.1% from strong growth in Currencies & Commodities
- Pro forma¹ average fee per contract remained comparable at \$1.54



¹ Under the fee arrangement with the National Stock Exchange of India (NSE) that commenced on 1 July 2023 (GIFT Connect), royalties expense for GIFT Nifty no longer applies; and the fee payable to NSE is netted-off against Equities - Derivatives Trading & Clearing revenue. 1H FY2023 average fee per contract has been adjusted on this basis for a like-for-like comparison.

1H FY2024 Total Expenses up 3.0% to \$296M

- FY2024 expense growth expected to be similar to 1H FY2024 expense growth
- FY2024 CAPEX expected to be between \$70 - 75M, lower than previous guidance of between \$75 - 80M

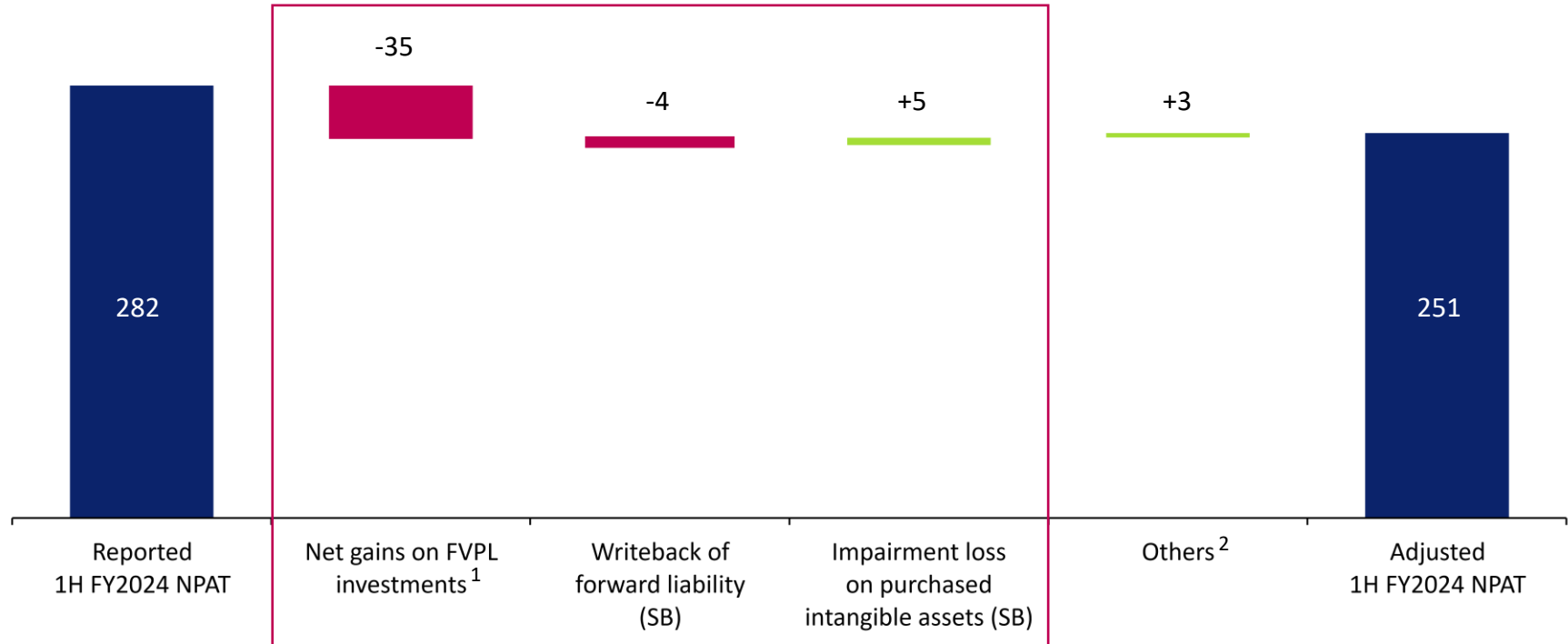


¹ Adjusted 1H FY2023 total expenses was \$280M.

² 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 relate to amortisation of purchased intangible assets.

NPAT includes non-cash adjustments from investments

Non-cash adjustments

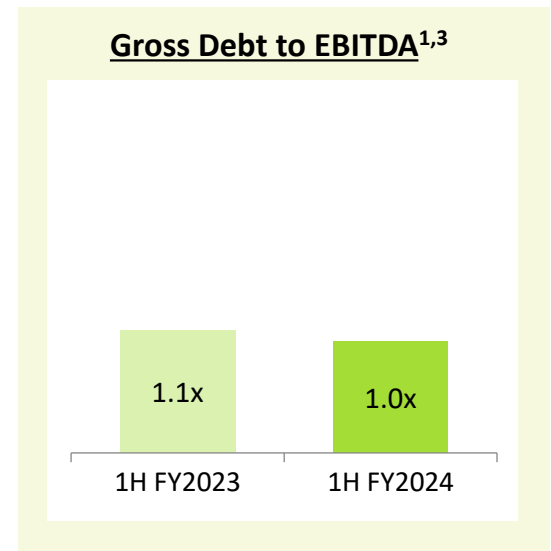
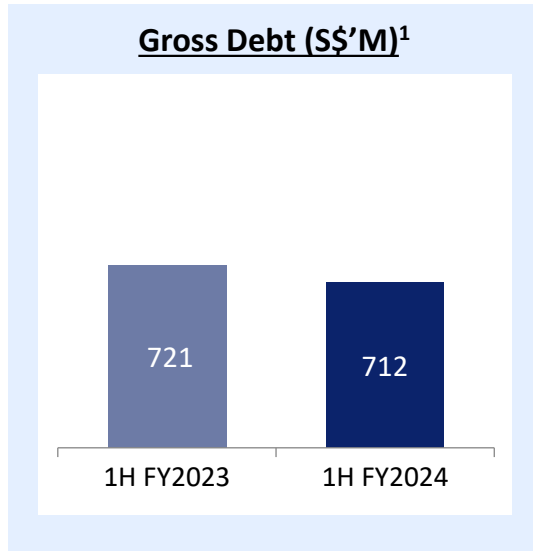


¹ Mainly from investment in a private equity fund managed by 7RIDGE, that acquired global trading software provider Trading Technologies.

² Others include amortisation of purchased intangible assets and associated income tax adjustments.

Strong balance sheet with healthy leverage ratio

- Moody's reaffirmed our Aa2 rating in November 2023, and maintained a stable rating outlook
- EUR240M of existing debt is due for refinancing in March 2024



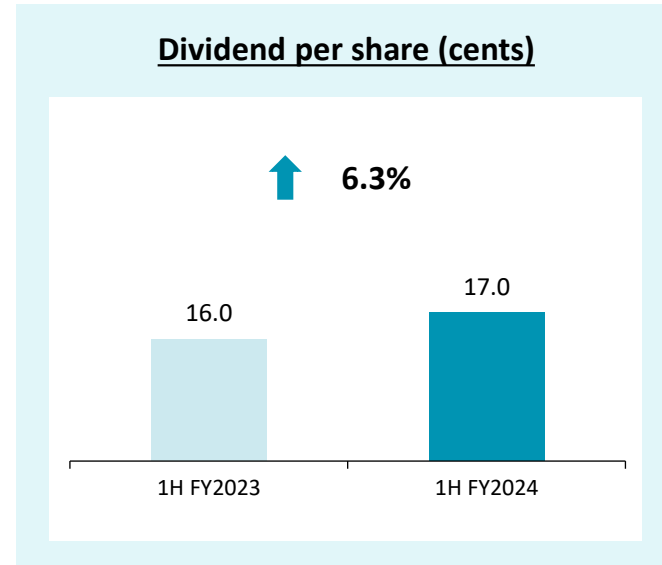
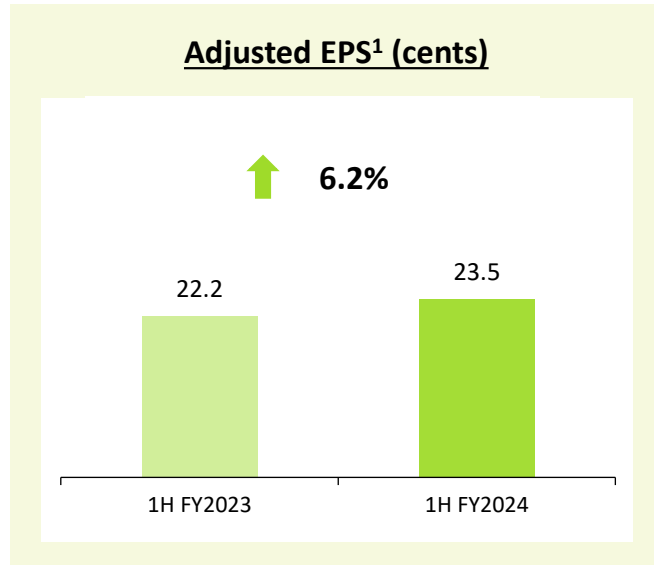
¹ Gross debt as at 31 December 2022 and 31 December 2023 for 1H FY2023 and 1H FY2024 respectively; and includes both borrowings and lease liabilities.

² EUR240M of zero-coupon convertible bonds mature on 1 March 2024 and USD250M of MTN mature on 3 September 2026; based on exchange rate of EUR/SGD = 1.46 and USD/SGD = 1.32, respectively.

³ Gross debt to EBITDA is computed using LTM EBITDA.

Delivering shareholder returns

- Quarterly dividend of 8.5 cents per share, bringing total dividend for 1H FY2024 to 17.0 cents



¹ 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.

Business Update

Loh Boon Chye, Chief Executive Officer

Navigating a challenging global macroenvironment

Simplifying access to Asia for our international customers remains key



**SGX Group
offers efficient
access into Asia**

- Structurally higher interest rate environment
- Geopolitical risks and uncertainties
- China and India: Projected to be the top 3 largest economies by 2030 ¹
- ASEAN: Projected to host some of the fastest growing economies in 2024 ²

SGX FX: A growing contributor to our bottom line

OTC FX ADV has consistently reached US\$100 billion in recent months



24% growth in FX Futures volume

- World's most liquid Asian FX futures exchange
- Predominant venue for trading international RMB futures
- Open interest for USD/CNH futures up 29% to >120K contracts (US\$12B notional)
- Robust trading activity in new currency pairs such as KRW/USD and THB/USD
- Expanding suite to include interest rate derivatives



46% increase in OTC FX ADV

- One of the leading exchange-backed OTC platforms
- On track to achieve ADV of US\$100B by FY2025 or earlier
- Expanding customer base across regions (APAC, US, EMEA) and client segments
- Continue to enhance platform functionalities leveraging data and technology

Commodities remain a strong growth pillar

Iron ore and freight increasingly important as an Asia proxy



48% growth in Commodities volume



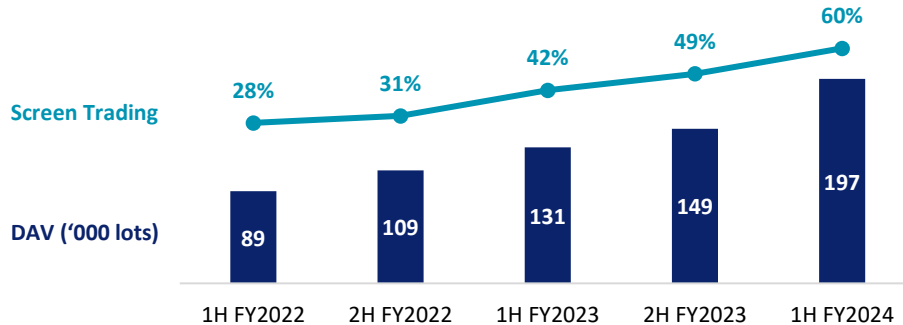
Iron Ore

- Acceleration of financialisation
- Increase in T+1 volumes



FFA

- The ultimate destination for dry FFA trading and clearing



46% Growth in volume

Major Clearing house for FFA

Single Platform

Equity derivatives remain resilient amid headwinds

Flagship contracts remain most liquid and actively-traded internationally



Leading Position in SGX FTSE China A50 Index futures

Open interest continues to grow 16% to >930K contracts (US\$11B notional)

- Lower activity due to weaker market sentiments
- Primary risk management tool for global investors



Strong start to NSE IX-SGX GIFT Connect

Open interest >240K contracts, up 7% since full-scale operations commenced in July 2023 (US\$11B notional)

- Migration of clearing members to be completed in next few months
- Volumes to return to pre-migration levels in 12-18 months

Expanding our securities product suite and network



1st in Asia to launch Listed Structured Certs

- Discount and Autocallable Certificates linked to Asian blue-chip companies



Enlarged and broadened ETF shelf

- Landmark climate action ETF – largest equity ETF launched in Singapore



Singapore-China ETF Product Links

- Launched 1st pair of ETFs under SGX-SSE link



Thailand-Singapore DR Linkage

- Healthy pipeline of DRs on both sides

Our Outlook



Expand multi-asset offerings and drive growth of emerging products



Strengthen global distribution capabilities



Positioning our Index business



Foster deeper relationships with partners



FY2024 expense growth guidance at 3%; Lower FY2024 CAPEX guidance to \$70-\$75M



Maintain mid-single digit % CAGR growth in dividend per share in medium term ¹

Questions and Answers

Loh Boon Chye, Chief Executive Officer

Michael Syn, President, Head of Global Markets Division

Ng Yao Loong, Chief Financial Officer

Lee Beng Hong, Head of Wholesale Markets & Platforms

Pol De Win, Head of Global Sales & Origination



Appendix

Restatement for 1H FY2023¹

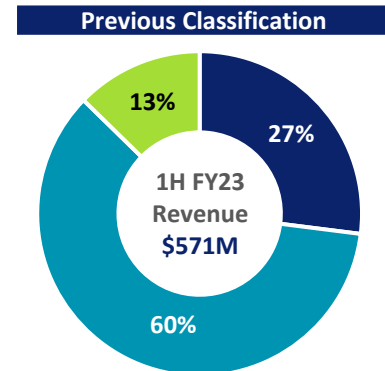
Previous Classification	
\$'000	1HFY23
Fixed Income, Currencies and Commodities	
Fixed Income	
Listing	2,570
Corporate actions and other	<u>1,694</u>
	4,264
Currencies and Commodities	
Trading and clearing	108,711
Treasury and other	<u>41,319</u>
	150,030
	<u>154,294</u>
Equities	
Equities - Cash	
Listing	15,059
Corporate actions and other	14,083
Trading and clearing	89,597
Securities settlement and depository management	48,920
Treasury and other	<u>3,503</u>
	171,162
Equities - Derivatives	
Trading and clearing	145,364
Treasury and other	<u>28,128</u>
	173,492
	<u>344,654</u>
Data, Connectivity and Indices	
Market data and indices	38,004
Connectivity	<u>34,492</u>
	72,495
	<u>571,444</u>

New Classification	
\$'000	1HFY23
Fixed Income, Currencies and Commodities	
Fixed Income	
Listing	2,570
Corporate actions and other	<u>1,694</u>
	4,264
Currencies and Commodities	
Trading and clearing	88,832
Treasury and other	<u>25,424</u>
	114,256
	<u>118,520</u>
Equities - Cash	
Listing	15,059
Trading and clearing	89,597
Securities settlement and depository management	48,920
Corporate actions and other	<u>15,570</u>
	169,146
Equities - Derivatives	
Trading and clearing	147,154
Treasury and other	<u>25,459</u>
	172,613
Platform and Others	
Market data	22,014
Connectivity	35,376
Indices and other	<u>53,775</u>
	111,165
	<u>571,444</u>

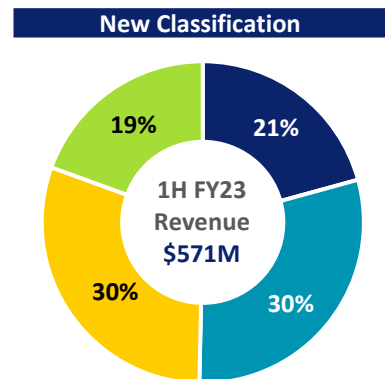
- EMC
- Baltic Exchange
- Membership-related fees

- Membership-related fees
- Membership-related fees

+ EMC
+ Baltic Exchange
+ Membership-related fees



■ FICC ■ Equities ■ Data, Connectivity and Indices



■ FICC ■ EQC ■ EQD ■ Platform and Others

Thank you

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

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