

# 1Q FY2015 Results

## Analyst and Media Briefing

Magnus Böcker, CEO

Chng Lay Chew, CFO

21 October 2014

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# Agenda for 1Q FY2015 Results Briefing

1 First Quarter Highlights

2 Financial Performance

3 Business Update

4 Questions & Answers

# First Quarter FY2015 Highlights

## Revenue

- \$169M
- Down 8%

## Expenses

- \$82M
- Up 6%

## Operating Profit

- \$87M
- Down 19%

## Net Profit

- \$78M
- Down 16%

## Earnings Per Share

- 7.3 cents
- Down 16%

- Securities market continues to be challenging primarily due to low volatility
  - SDAV down 27% with SDAV of sub-\$0.20 stocks down 66%
  - Transformation of Securities market continues with introduction of market-makers and liquidity providers in June, and announcement of dates for implementation of board-lot size reduction and minimum share price in the first quarter of 2015
- Issuer Services revenue grew 20% following improved capital market activities, and revised fees following expanded services to our listed companies
  - 13 new equity listings and 131 new bond listings, up from 11 and 98 a year earlier
  - Total funds raised up 36% to \$59 billion
- A strong quarter for Derivatives with volumes of 29 million contracts, up 9% year-on-year
  - Volumes of FTSE A50 futures and Iron Ore derivatives up 109% and 318% respectively
  - Completed acquisition of the Energy Market Company on 1 October

# Financial Performance

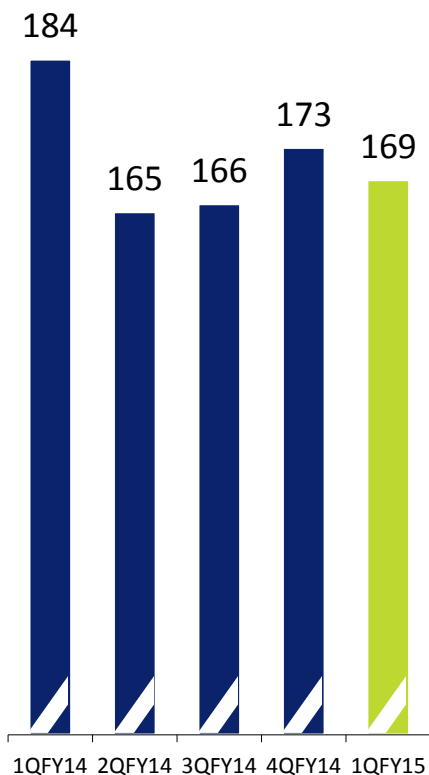
Chng Lay Chew, CFO

# Financial Performance: Quarterly Trend

Net profit of \$78 million, down 16% from \$92 million a year earlier

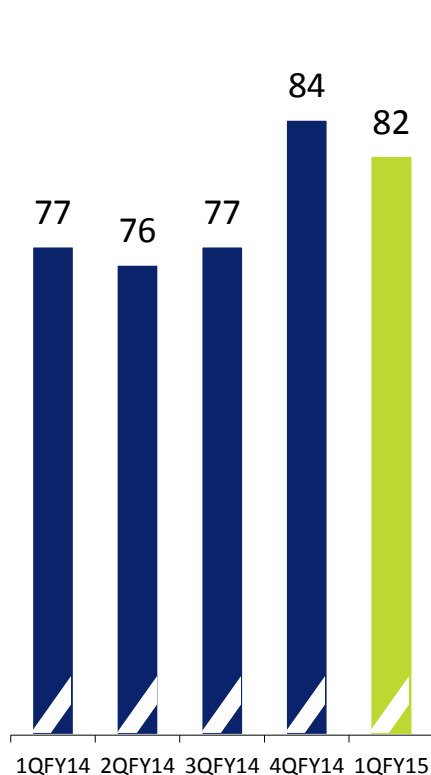
## Revenue

Down 8% y-o-y  
Down 2% q-o-q



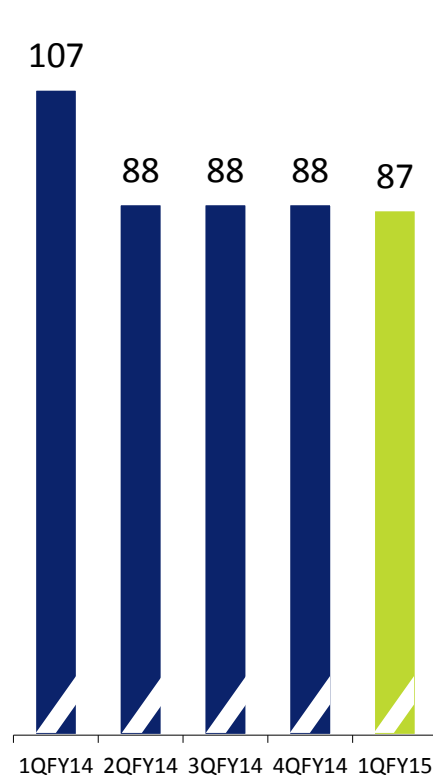
## Expenses

Up 6% y-o-y  
Down 3% q-o-q



## Operating Profit

Down 19% y-o-y  
Down 2% q-o-q



## Net Profit

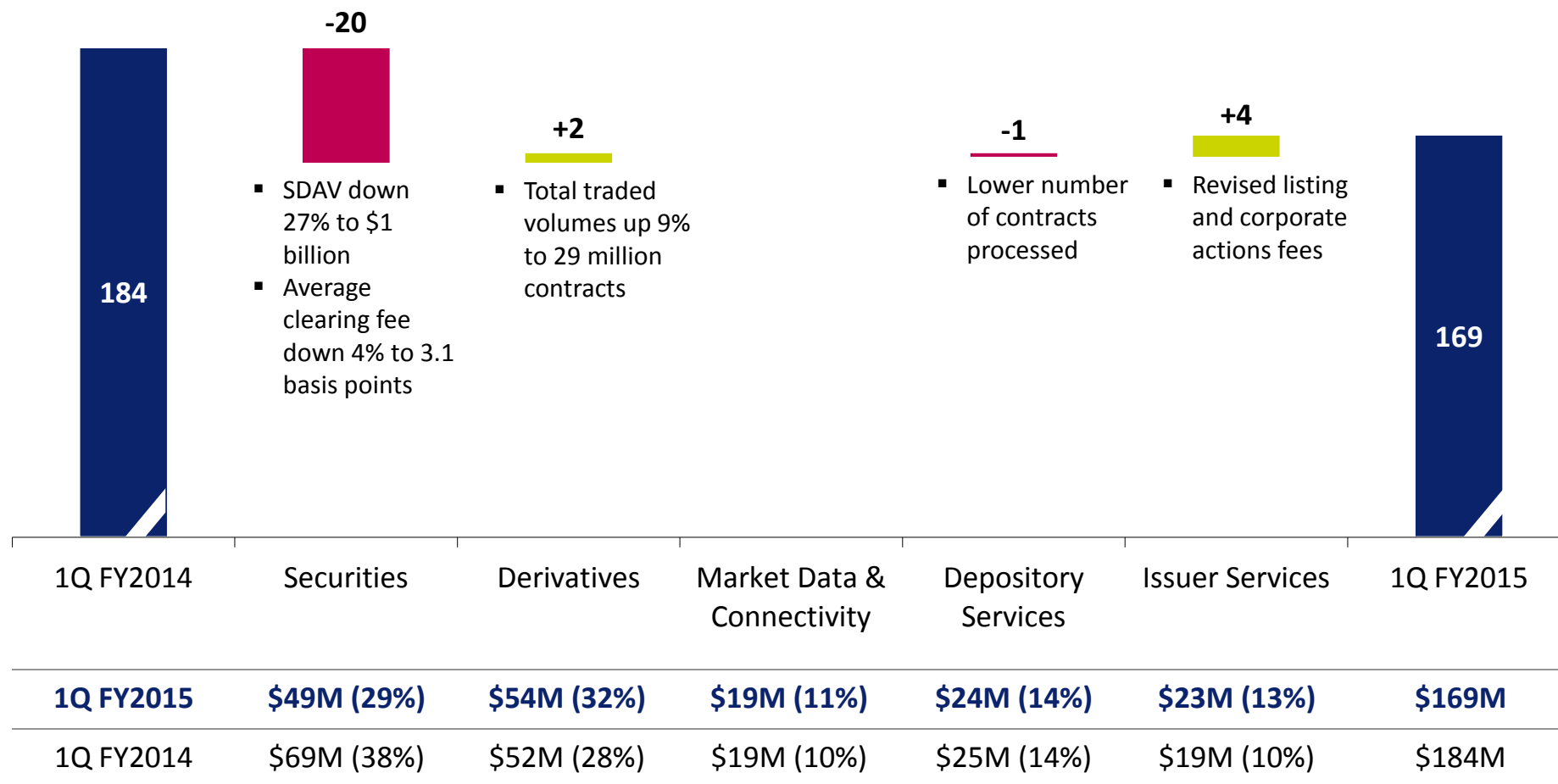
Down 16% y-o-y  
Unchanged q-o-q



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

# Financial Performance: Revenue, Year-on-Year

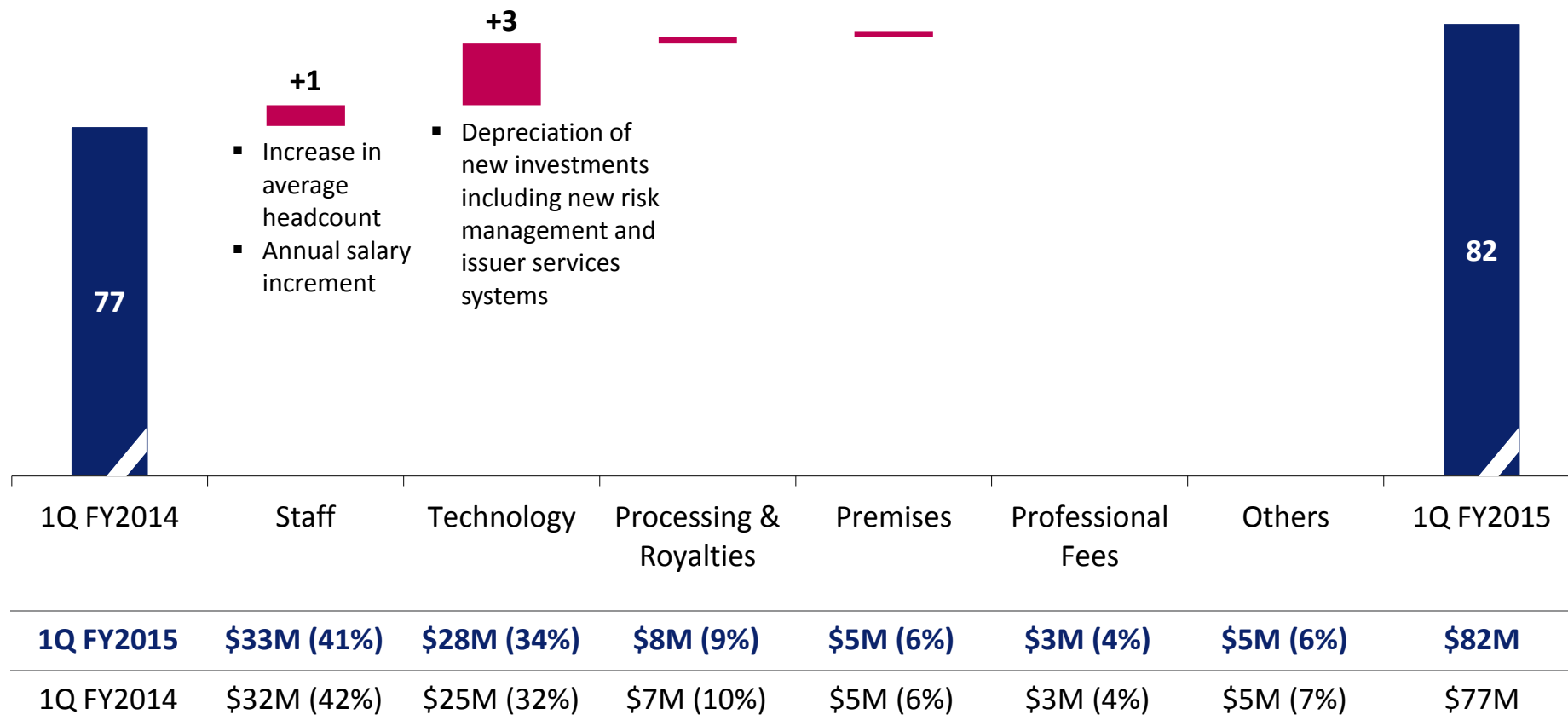
Revenue of \$169 million, down 8% from \$184 million a year earlier



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

# Financial Performance: Expenses, Year-on-Year

Expenses of \$82 million, up 6% from \$77 million a year earlier

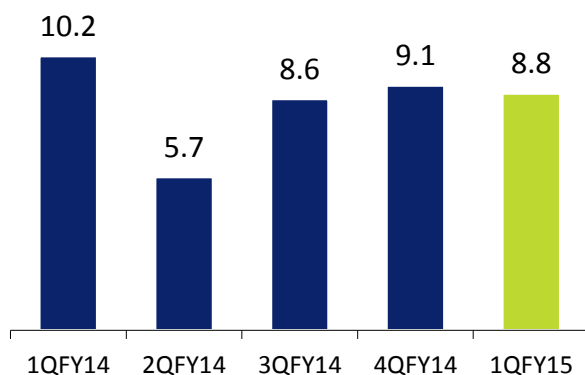


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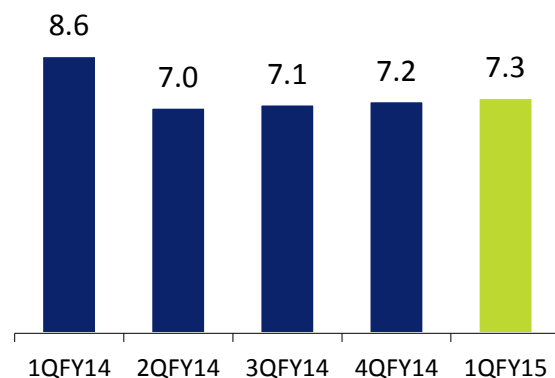
# Financial Performance: Key Indicators

	1Q FY2014	2Q FY2014	3Q FY2014	4Q FY2014	1Q FY2015
Revenue (\$ million)	184	165	166	173	<b>169</b>
Operating profit (\$ million)	107	88	88	88	<b>87</b>
Operating profit margin	58%	54%	53%	51%	<b>51%</b>
Return on equity	48%	46%	40%	35%	<b>39%</b>
Earnings per share (cents)	8.6	7.0	7.1	7.2	<b>7.3</b>
Dividend per share (cents)	4	4	4	16	<b>4</b>

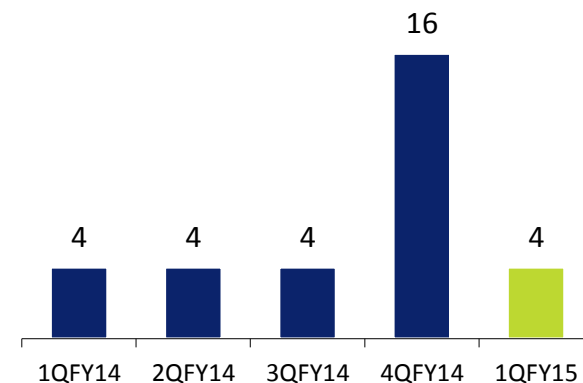
Operating cashflow (cents)



Earnings per share (cents)



Dividend per share (cents)



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# Business Update

Magnus Böcker, CEO

# Highlights for the Quarter

Challenging quarter for Securities partially offset by growth in Derivatives

- Securities market continues to be challenging primarily due to low volatility
- Strong quarter for Derivatives with volumes of 29 million contracts

## Securities



- Revenue down 29% to \$49 million following 27% decline in SDAV
- Continuing efforts to transform Securities market

## Derivatives



- Revenue up 4% to \$54 million on total traded volumes of 29 million contracts
- Strong growth for China A50 futures and Iron Ore derivatives

## Market Data and Connectivity



- Revenue largely unchanged at \$19 million
- Connectivity business grew as take-up of colocation racks increased 30%

## Depository Services



- Revenue down 5% to \$24 million
- Contracts processed down 19% in line with lower securities market activities

## Issuer Services



- Revenue up 20% to \$23 million with 13 IPOs and 131 new bond listings
- Total funds raised increased 36% to \$59 billion

## Regulatory and Risk Management



- Issued response to joint consultation on Review of Securities Market
- Implementation of initiatives to be phased in over the next 24 months

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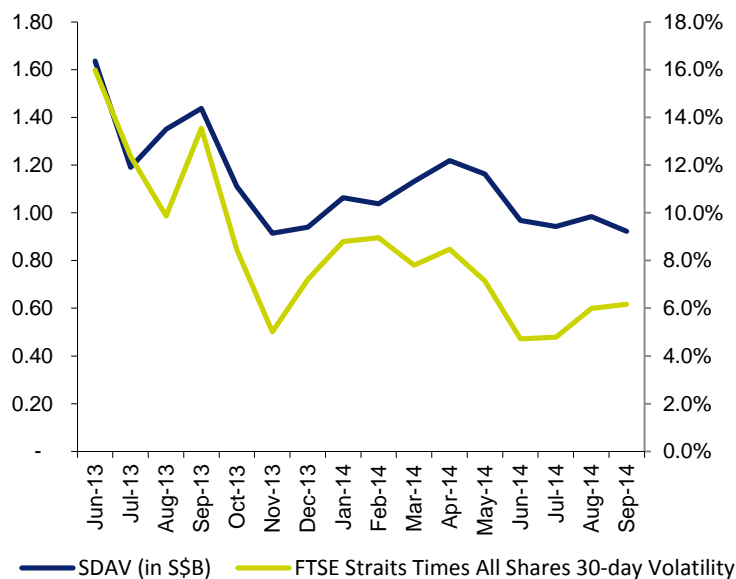
## Market Data and Connectivity

## Depository Services

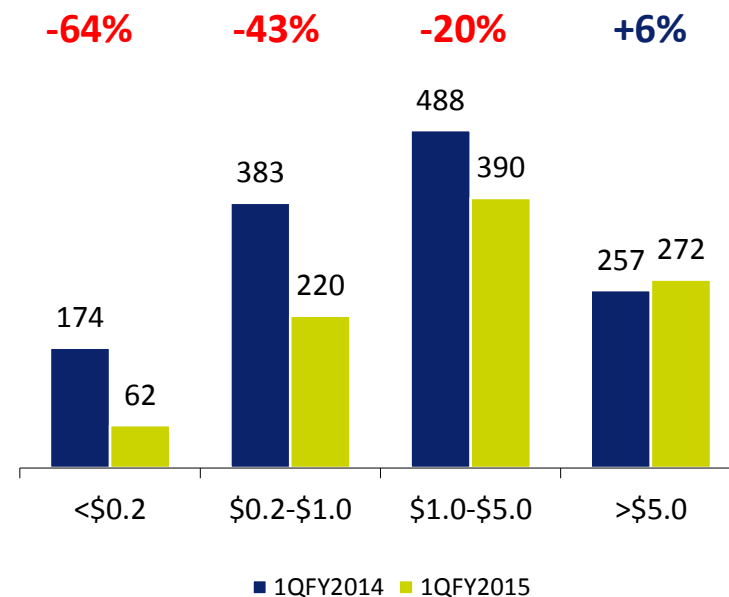
## Issuer Services

## Regulatory and Risk Management

**SDAV (\$ billions) against Market Volatility**



**SDAV by Price Range (\$ millions)**



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Securities

Derivatives

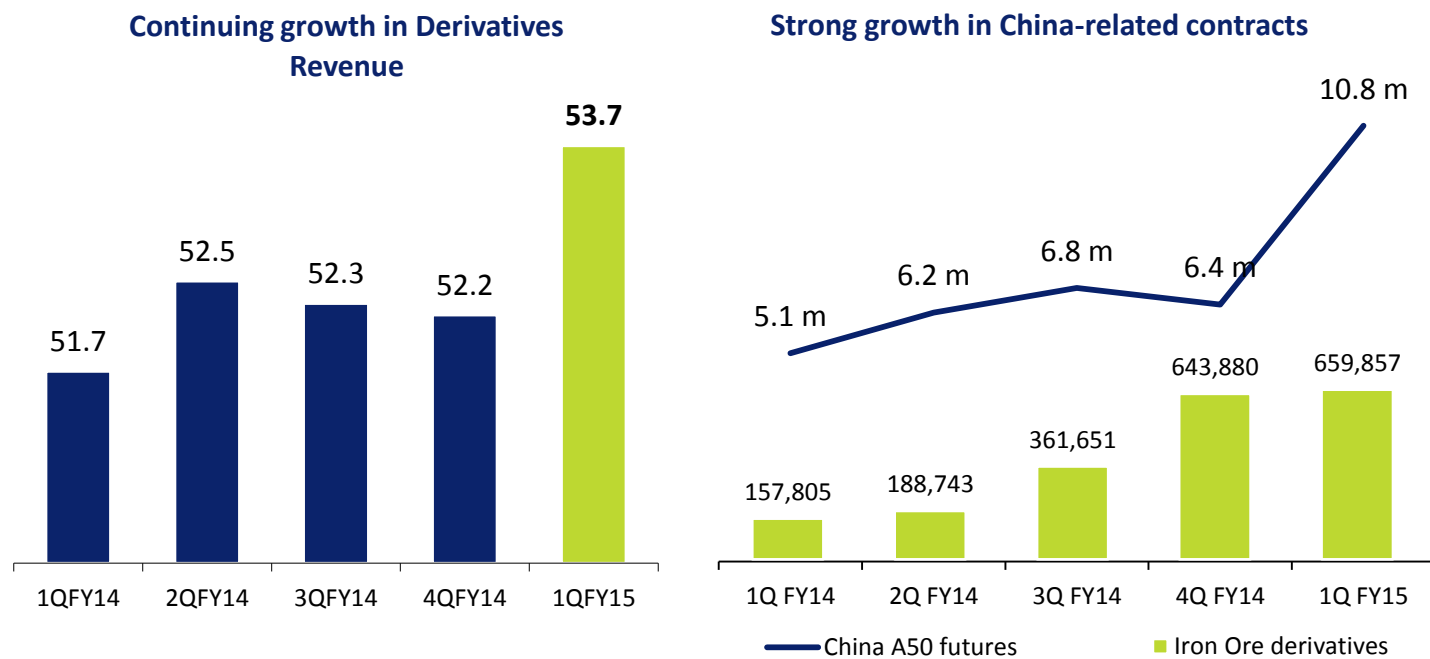
Market Data and Connectivity

Depository Services

Issuer Services

Regulatory and Risk Management

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Securities >

Derivatives >

Market Data and  
Connectivity >

Depository Services >

Issuer Services >

**Regulatory and Risk  
Management >**

- Issued response to joint consultation on Review of Securities Market; to proceed with all five proposals
  - Minimum trading price
  - Collateral requirement for securities trading
  - Short position reporting requirements
  - Transparency of trading restrictions by securities intermediaries
  - Reinforcing the SGX listings and enforcement framework
- Implementation of initiatives to be phased in over the next 24 months

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# Outlook

The outlook for both the domestic and global markets remains uncertain amid recent turbulence. Against this backdrop, the business environment is challenging.

Nevertheless, we are committed to our long term strategy and will continue to invest in our people, as well as in new products, expanded distribution and technology. We will also carry on with the transformation of our Securities market.



Operating expenses for FY2015 are expected to be between \$330 million and \$340 million while technology-related capital expenditure is expected to be between \$50 million and \$55 million.

# Questions and Answers



# Thank You

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