

# 1H FY2022 Post-Results Meeting with Investors

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Singapore Exchange

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# Agenda

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1H FY2022 – Financial Highlights and Performance

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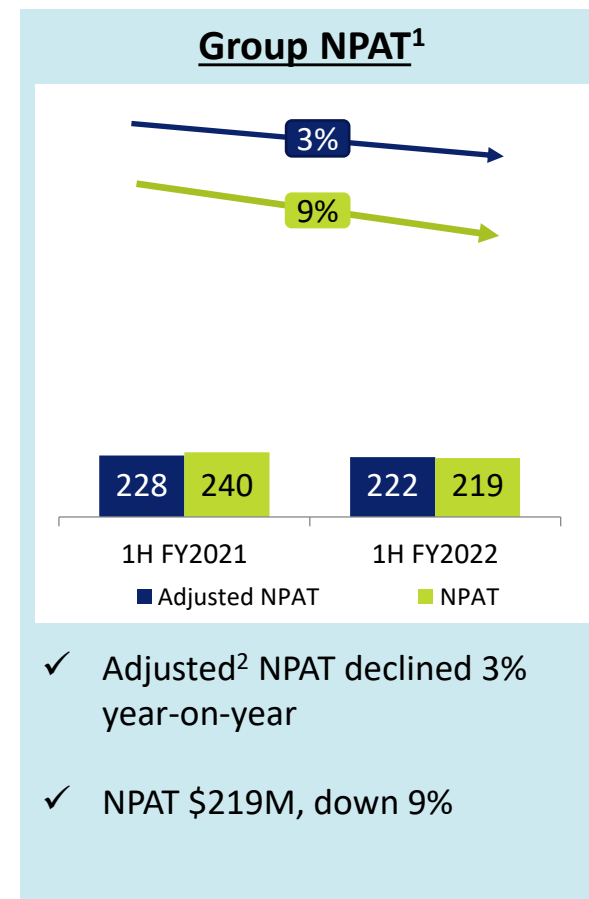
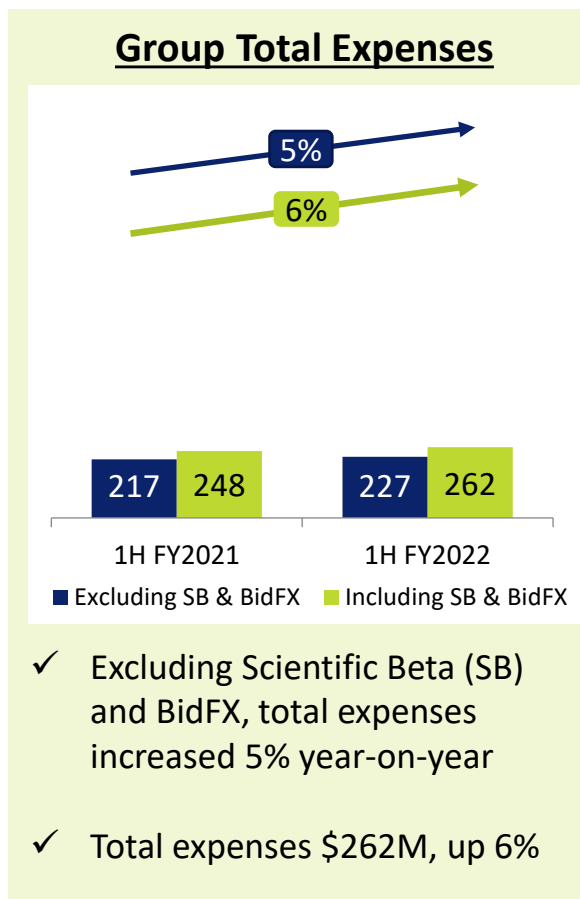
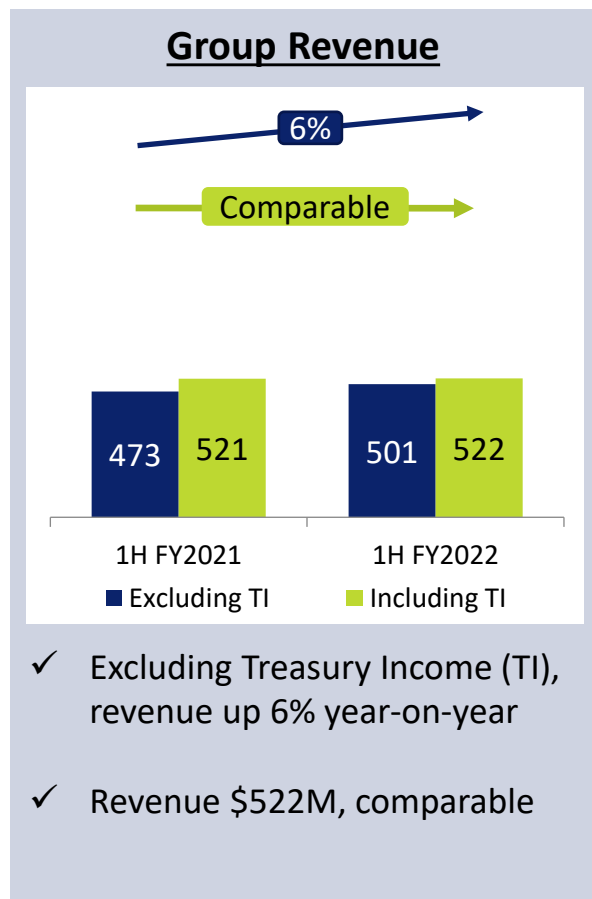
Questions and Answers

# 1H FY2022

## Financial Highlights and Performance

# 1H FY2022 Highlights

Continued underlying growth, disciplined in cost management



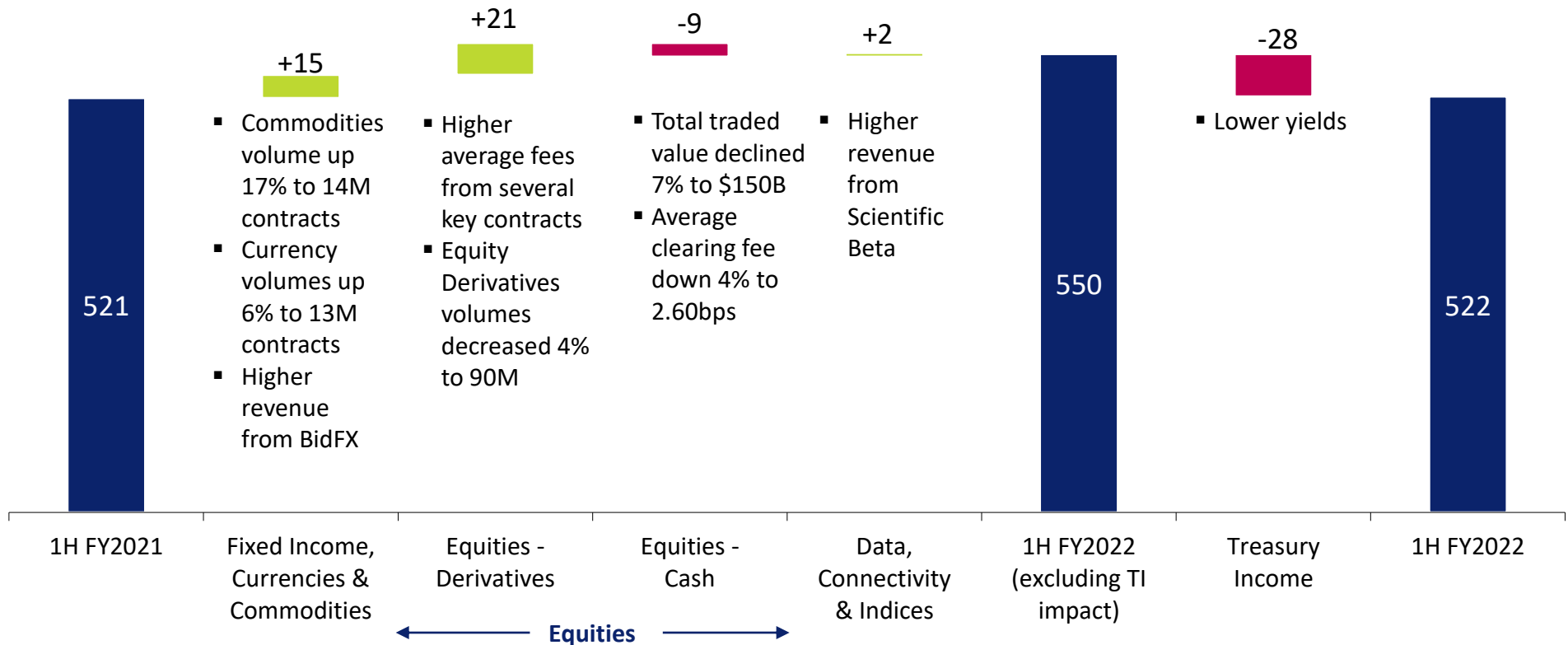
Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

<sup>1</sup>NPAT relates to 'Net profit attributable to equity holders of the Company'

<sup>2</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

# 1H FY2022 Revenue comparable at \$522M

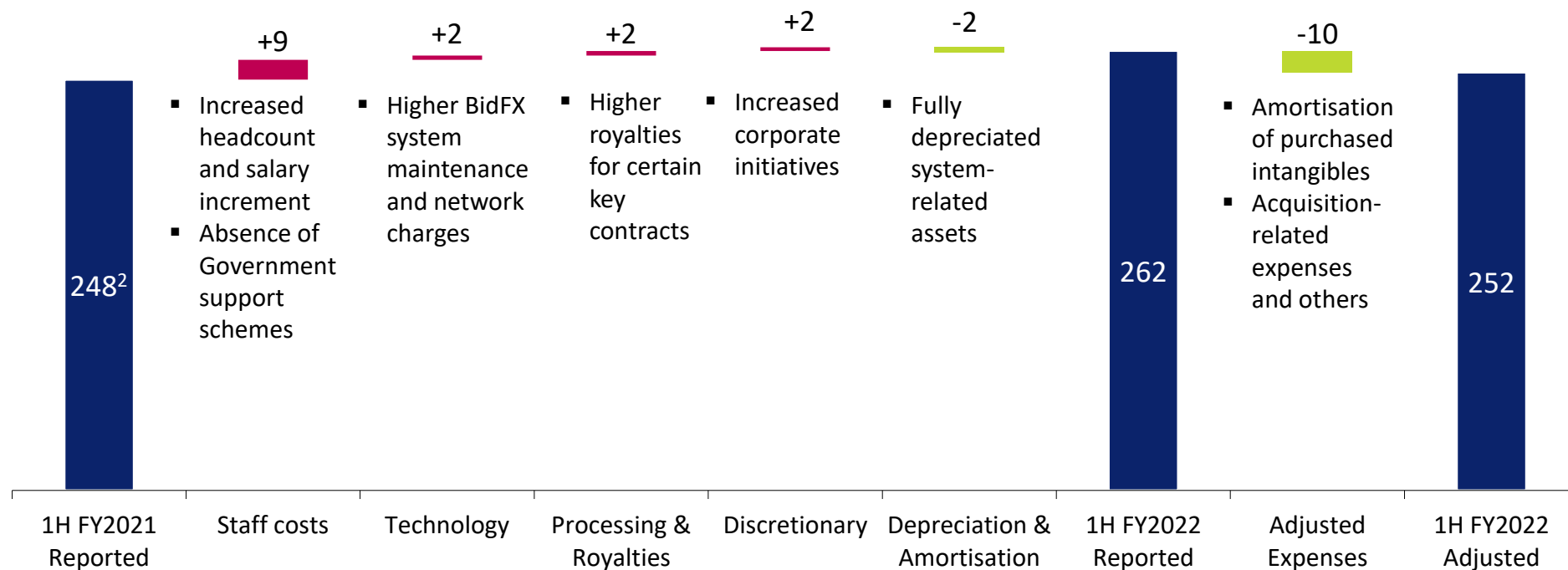
- Average fee per contract for Equity, Currency and Commodity derivatives increased 19% from \$1.27 to \$1.50
- Average securities clearing fee declined 4% to 2.60 bps
- FICC and DCI contributed to 36% (33%) of overall revenues



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

# 1H FY2022 Total Expenses up 6% to \$262M

- Total expenses was \$14M or 6% higher mainly due to higher staff and technology costs
- Excluding BidFX and Scientific Beta, total expenses would have increased \$10M or 5% to \$227M
- Adjusted expenses<sup>1</sup> increased 4% year-on-year; and is 4% lower than 1H FY22 reported expenses



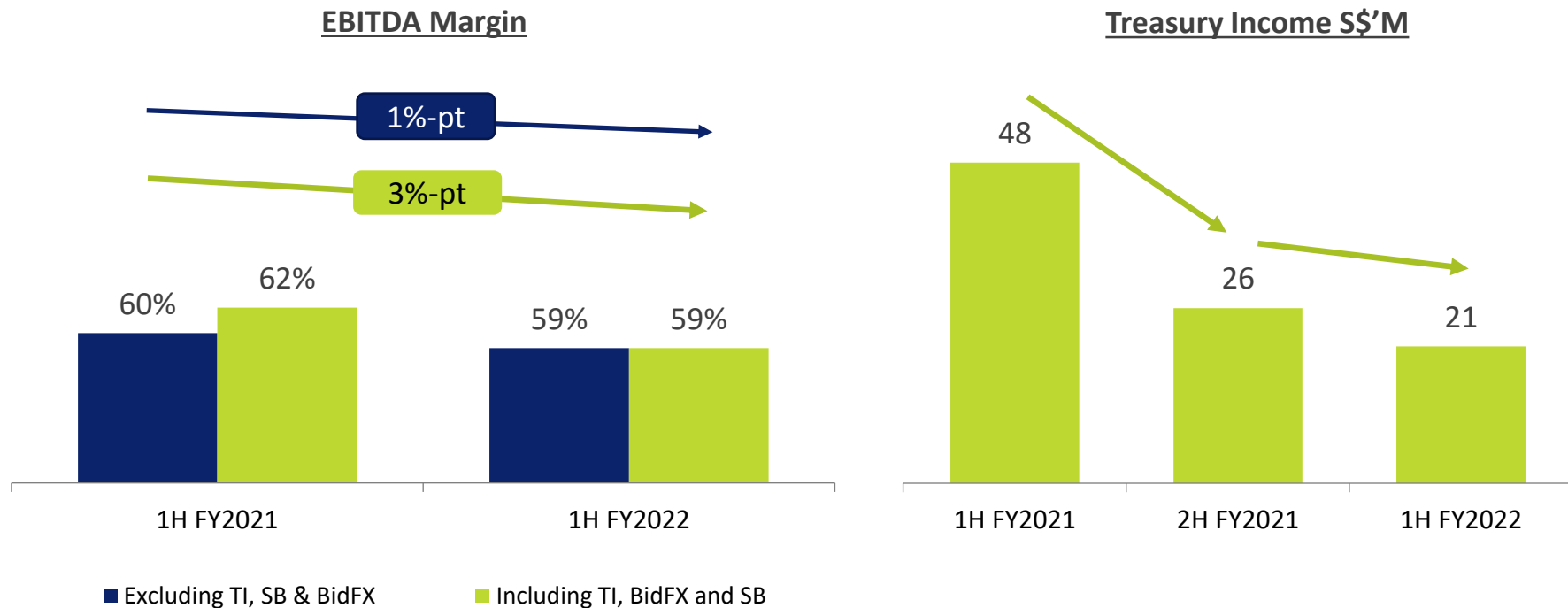
Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

<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 measure. Adjustments exclude amortisation of purchased intangibles, acquisition related expenses and other one-off costs

<sup>2</sup> Adjusted 1H FY2021 expenses was \$242M

# 1H FY2022 EBITDA margins lower by 3%-points to 59%

- Excluding Treasury Income, SB and BidFX, EBITDA margins would have been lower by 1%-point
  - Combined EBITDA margin for SB and BidFX have improved from 37% to 38%<sup>1</sup>
- Slowing pace of Treasury income decline



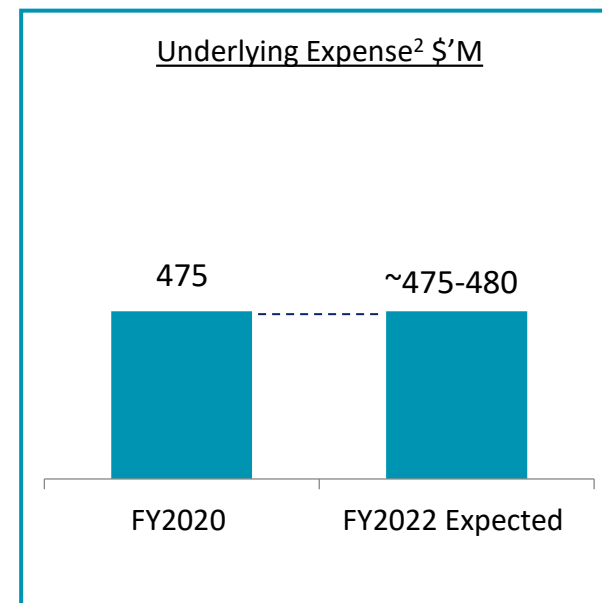
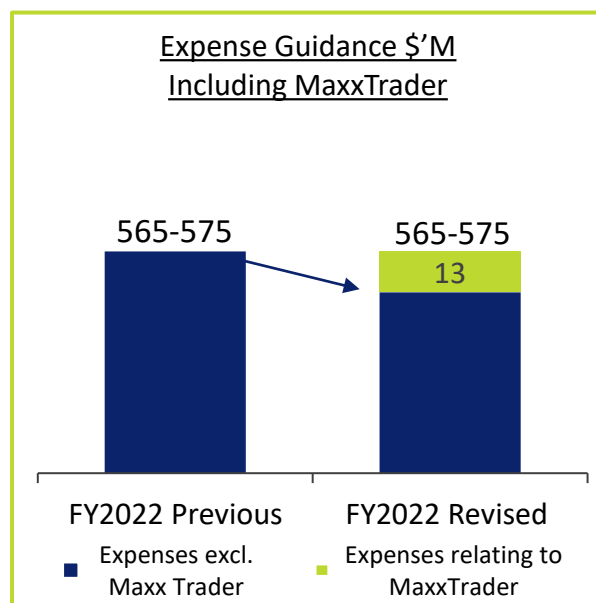
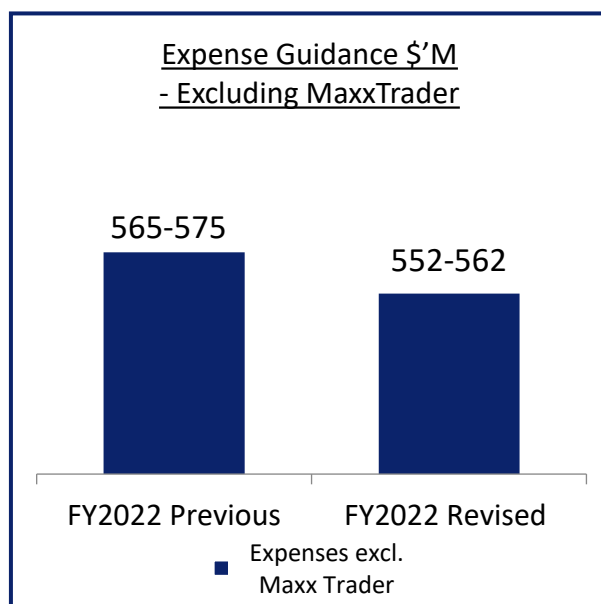
Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

<sup>1</sup> Computed on a standalone basis



# Maintaining expense guidance for FY2022 even with inclusion of MaxxTrader

- Previous guidance was \$565-575M, excluding MaxxTrader<sup>1</sup>
- On a like-for-like basis (i.e. excluding MaxxTrader), expected FY2022 expense is ~\$13M lower than previously guided
  - Discipline in expense management amidst inflationary pressures
  - Underlying FY2022 expense<sup>2</sup> expected to remain flat or marginally higher compared to FY2020 level



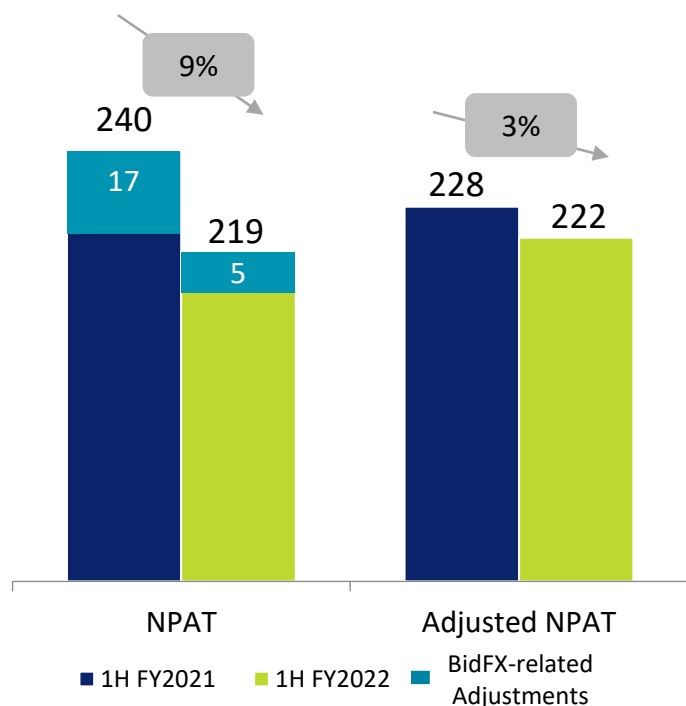
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<sup>1</sup> We previously guided that MaxxTrader's expense will be ~\$25M on an annualized basis, which remains unchanged. The acquisition closed in January 2022

<sup>2</sup> Underlying expense exclude MaxxTrader, Scientific Beta and BidFX

## Additional financial measures

- Adjusted NPAT is a better reflection of the underlying performance of our business
  - One-off adjustments include \$16.7M Net remeasurement gain on BidFX a year ago, and a \$5.0M writeback of earnout contingent consideration for BidFX in 1H FY2022
- Financial performance of BidFX has so far exceeded forecasts at point of acquisition



(S\$'M)	1H FY2021	1H FY2022	Change Yoy
<b>NPAT<sup>1</sup></b>	<b>239.8</b>	<b>218.7</b>	<b>(9%)</b>
Net remeasurement gains on BidFX	(16.7)		
Writeback of contingent consideration for BidFX	-	(5.0)	
Other adjustments <sup>2</sup>	4.9	8.1	
<b>Adjusted NPAT</b>	<b>228.0</b>	<b>221.8</b>	<b>(3%)</b>

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

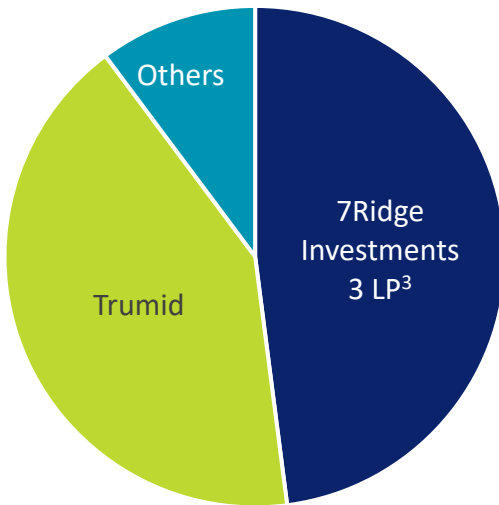
<sup>1</sup> NPAT relates to 'Net profit attributable to equity holders of the Company'

<sup>2</sup> Includes amortisation of purchased intangible assets, non-recurring staff related credits, acquisition-related expenses, other one-off adjustments, related income tax and non-controlling interests adjustments. Please refer to Section 7 of our financial results for the full reconciliation between the adjusted and their equivalent measures.

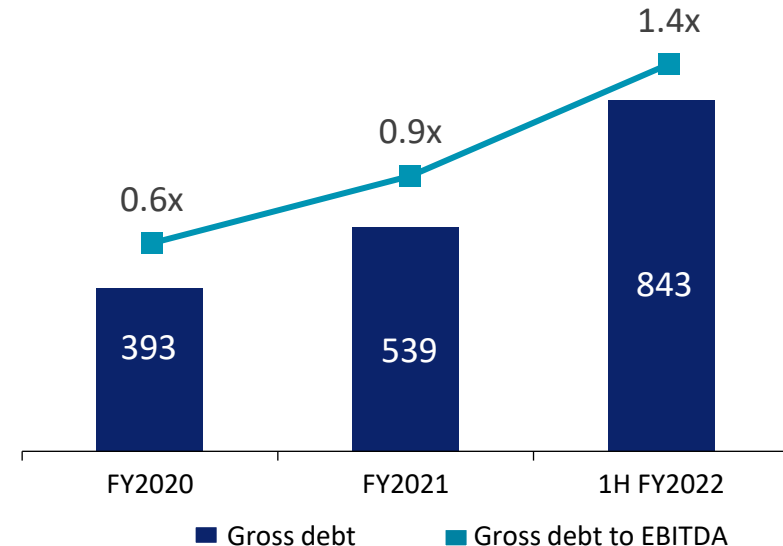
# Investing in growth while maintaining healthy leverage ratios

- We have made ~\$1B of acquisitions<sup>1</sup> and investments in last 2 years
- Besides the subsidiaries, growth investments<sup>2</sup> are held at gross carrying value of ~\$600M or ~\$0.55 per share
- Prudent use of leverage - gross Debt to EBITDA ratio at 1.4x

**Gross carrying value of growth investments**



**Gross Debt (\$ million)<sup>4</sup> Gross debt to EBITDA**



Note: All figures may be subject to rounding

<sup>1</sup>Including MaxxTrader acquisition

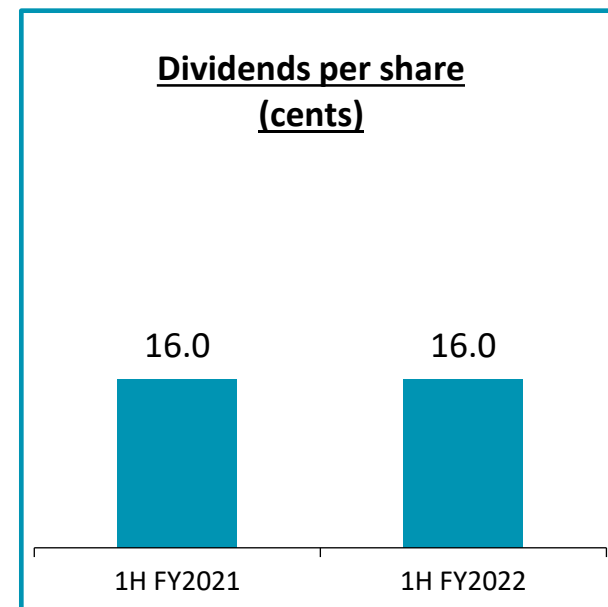
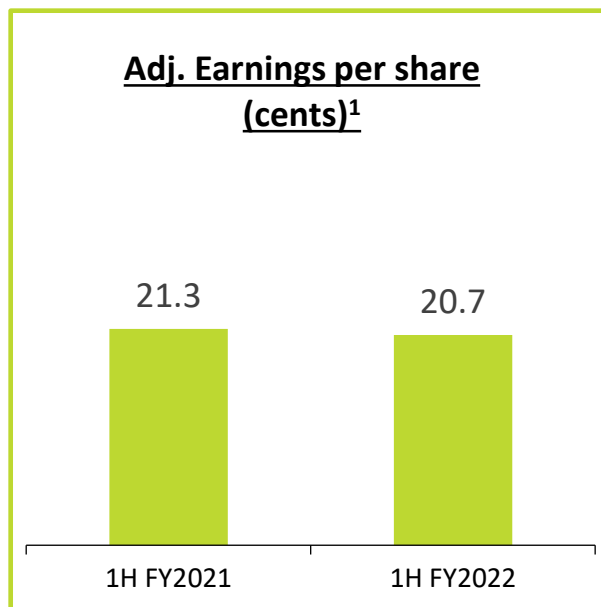
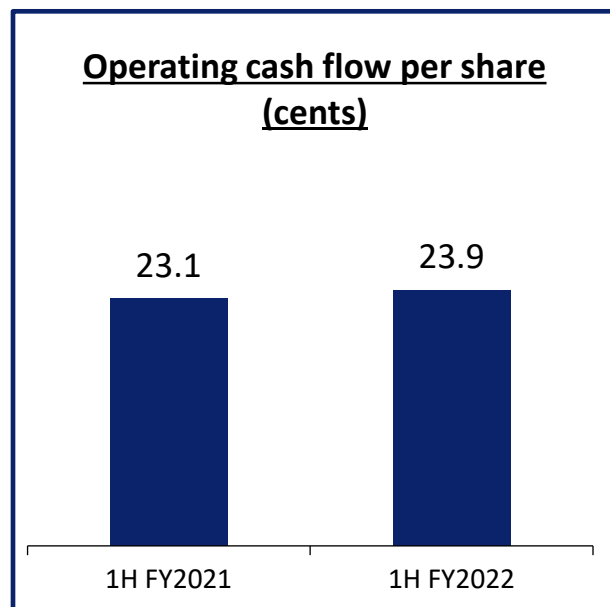
<sup>2</sup>Excluding financial assets managed as part of Treasury activities

<sup>3</sup>Closed-end fund managed by 7RIDGE, that has acquired global trading software provider Trading Technologies

<sup>4</sup>Gross debt include both borrowings and lease liabilities. 1H FY2022 Gross debt to EBITDA is computed using LTM EBITDA

# Delivering shareholder returns

- Quarterly dividend per share of 8.0 cents per share, or 16.0 cents per share for 1H FY2022
- No plans to introduce scrip dividends in FY2022



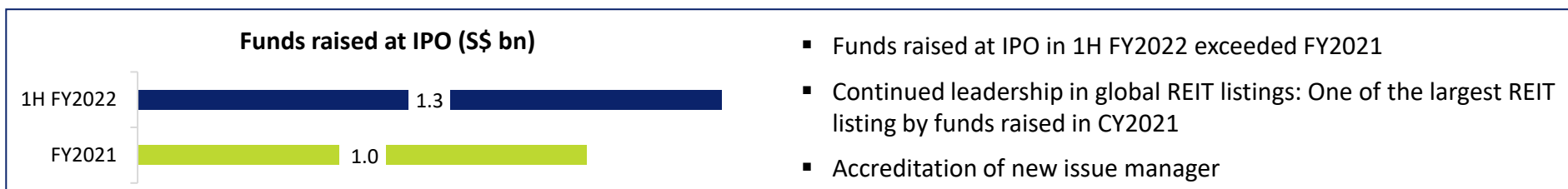
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# Business Update

# We started FY22 with positive momentum in equity listings and products

- Capital markets initiatives and SPACs framework reinforce SGX's wide-ranging solutions to support global enterprises at different stage of growth
- AUM of SGX-listed ETFs increased 50% to > S\$12 billion



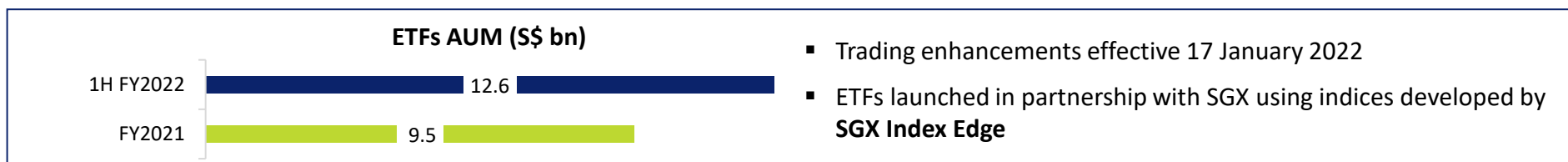
## Boosting Equity Financing for High-Growth Enterprises

- Anchor Fund @ 65
- Growth IPO Fund
- Enhanced Grant for Equity Markets Singapore (GEMS)
- SGX's Strategic Partnership Model



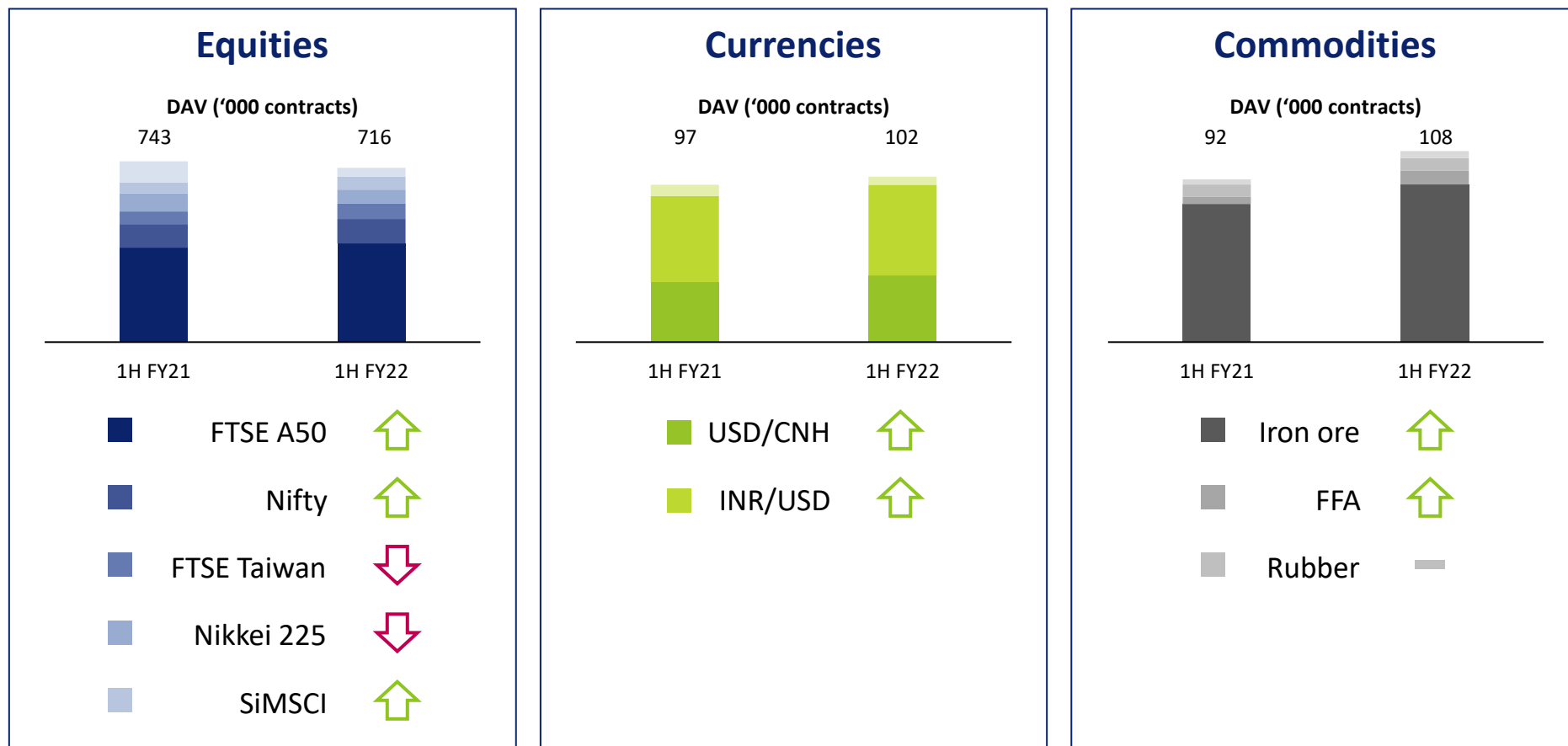
## Special Acquisition Companies Listing (SPACs) Framework

- Inaugural batch of three SPACs listings
- Raised > S\$500mn in total
- Retail subscription rate > 7x



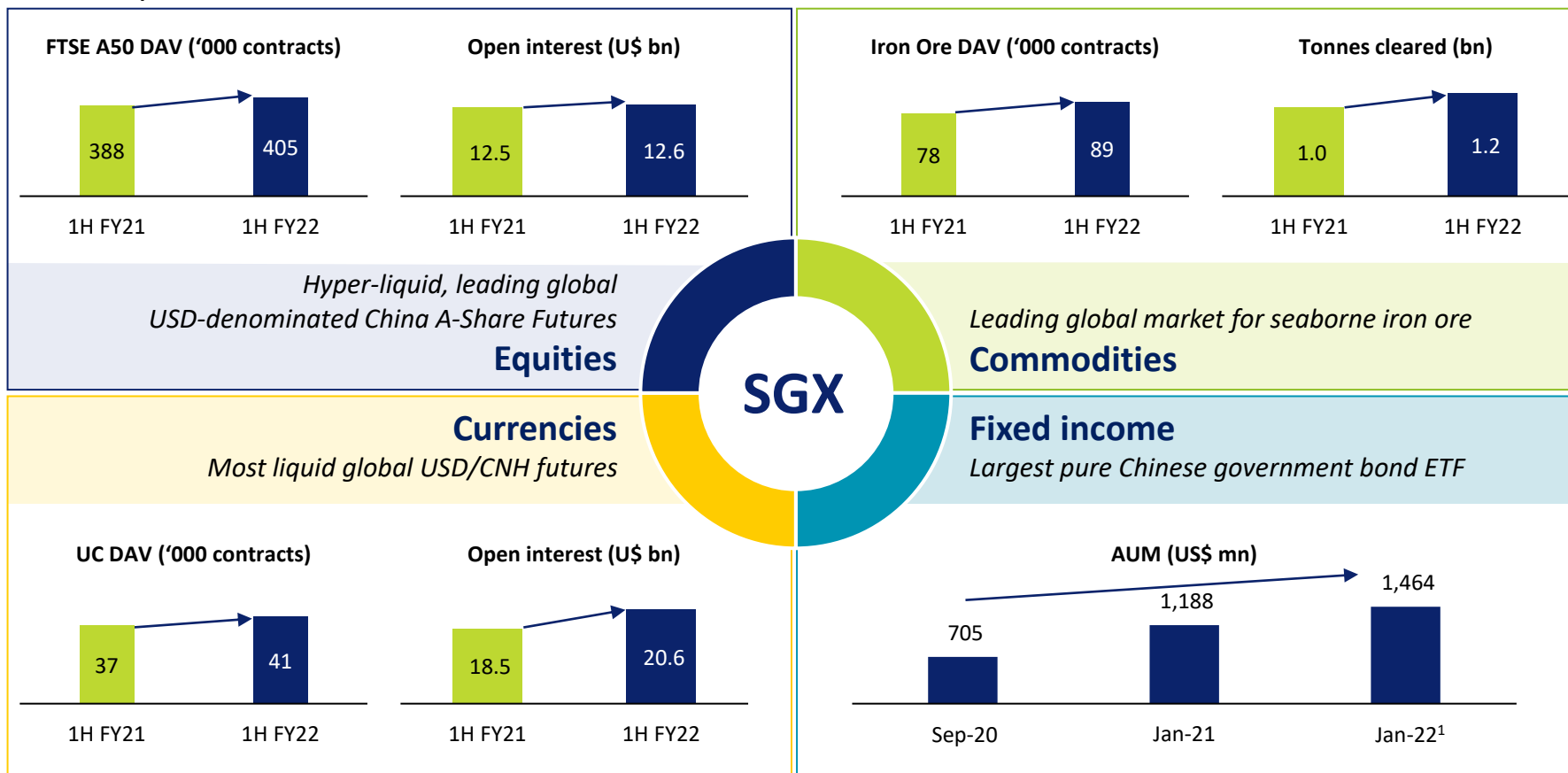
# SGX's comprehensive derivatives platform enables investors to navigate an uncertain macroeconomic environment

- SGX provides round-the clock liquidity for investors navigating, amongst others, the evolving COVID-19 pandemic, sell-off in technology stocks and Fed interest rate policy



# SGX's suite of China access products allows investors to participate in emerging market and global growth

- Recognising our strength as a multi-asset platform, our customers increased their activity on key China access products



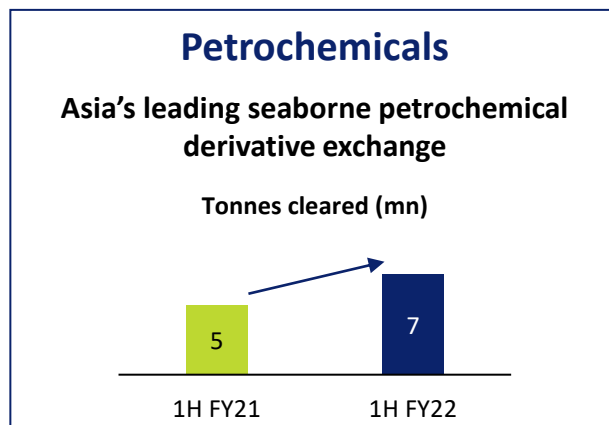
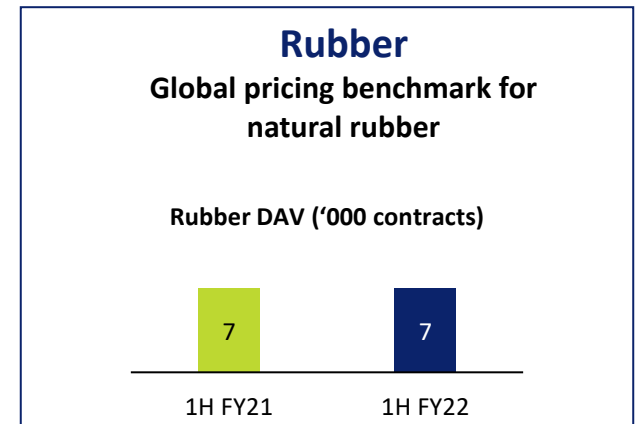
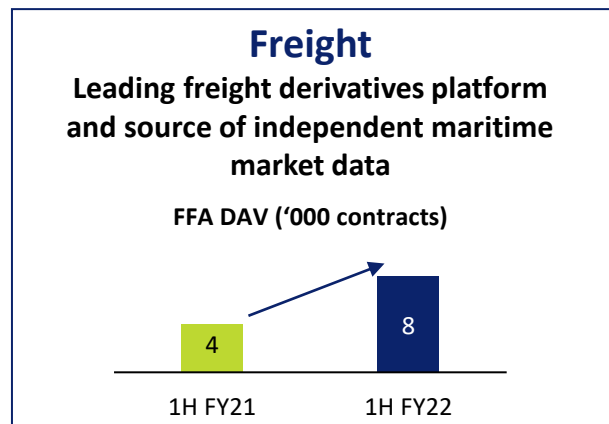
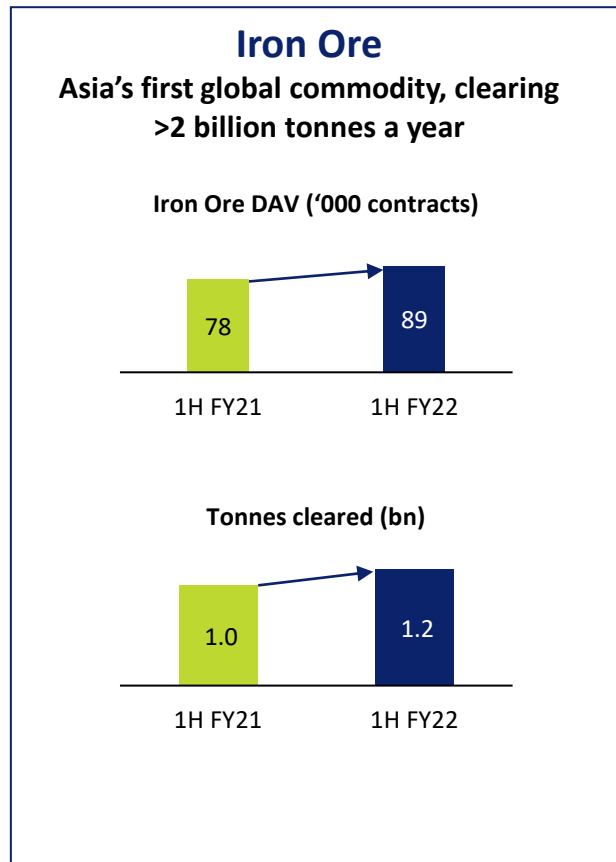
Sources: SGX, Bloomberg

<sup>1</sup> Up to 31 January 2022



# As economies reopen, SGX is well-positioned for recovery in global trade and transport

- SGX's suite of commodities contracts is a proxy for global trade and economic growth; provides another avenue for investors to invest and seek opportunities as economies reopen



Source: SGX

<sup>1</sup> From 22 November 2021 to 2 February 2022

# SGX is poised to accelerate growth and tap different liquidity pools in FX

- Total FX daily average volume increased 46% to US\$57 billion<sup>1</sup>
- Completed MaxxTrader acquisition; FX Electronic Communication Network (ECN) went live

## SGX FX

### FX Futures

Largest and most liquid FX derivatives exchange in Asia



### OTC FX

Multi-Dealer Platforms and FX Pricing and Risk Management Engine



OTC FX Electronic Communication Network ("ECN")



### Continuum of services across...

FX Clients



Workflow and marketplaces

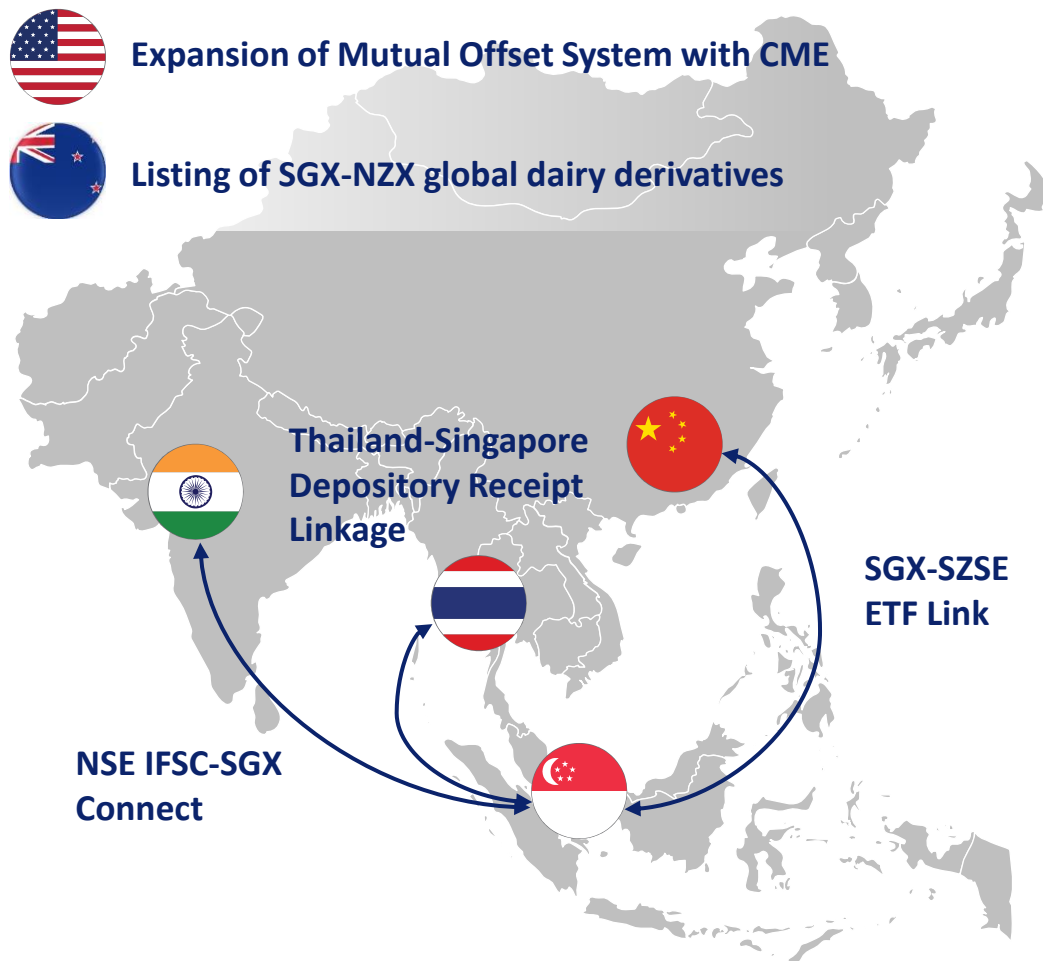


Product segments



<sup>1</sup> Excluding DAV of MaxxTrader and ECN

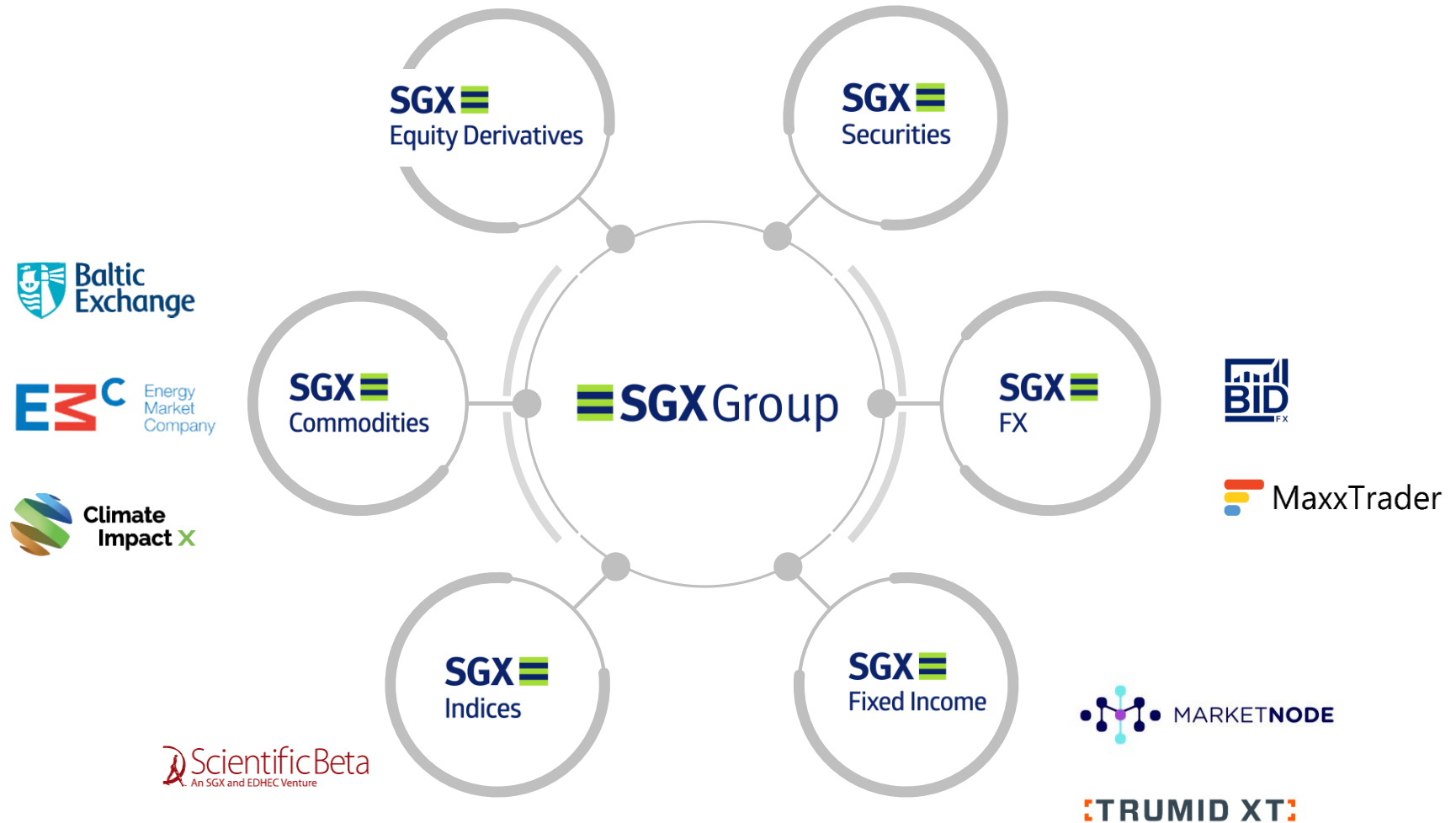
# SGX will continue to expand its leading platform and market reach to meet evolving customer demand



## Highlights of product development in CY2021

- **Equities**
  - FTSE product suite expansion
  - ESG product suite with FTSE and Nikkei
  - Single Stock Futures expansion
- **Currencies**
  - FlexC FX on screen
  - CNH product suite adding mini futures
  - INR product suite adding USD/INR index futures
- **Commodities**
  - Virtual steel mill adding iron ore options and steel rebar
  - Freight product suite adding new routes
  - SGX-NZX global dairy derivatives
- **Index**
  - Carbon Impact Consistent Indices
  - New thematic

# The SGX Group today offers our customers a broader and deeper proposition



# Thank you

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