

# 1H FY2024 Results Analyst and Media Briefing

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

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**Singapore Exchange**

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

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# Agenda

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1H FY2024 – Financial Highlights and Performance

2

Business Update

3

Questions and Answers

# 1H FY2024

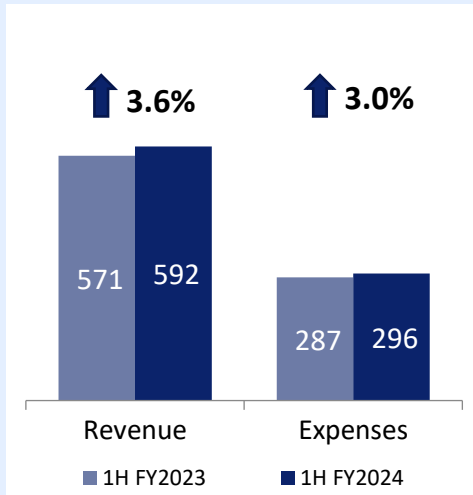
## Financial Highlights and Performance

Ng Yao Loong, Chief Financial Officer

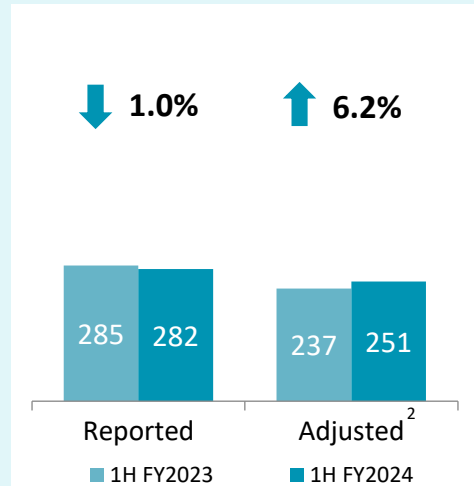
# 1H FY2024 Highlights

Resilience amidst a challenging macroeconomic environment

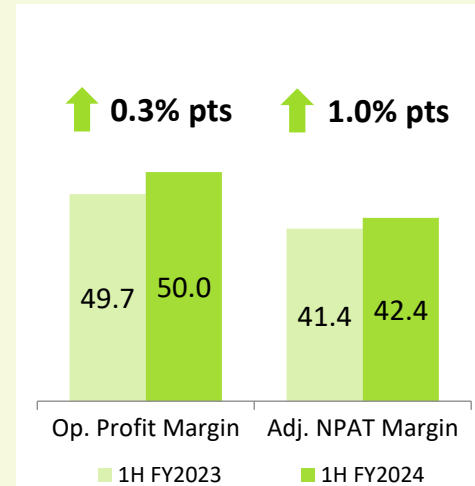
## Group Revenue & Expenses



## Group NPAT<sup>1</sup>



## Group Margins (%)

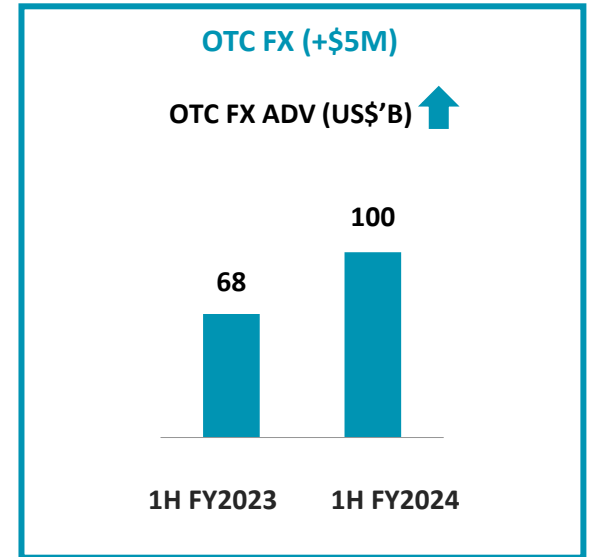
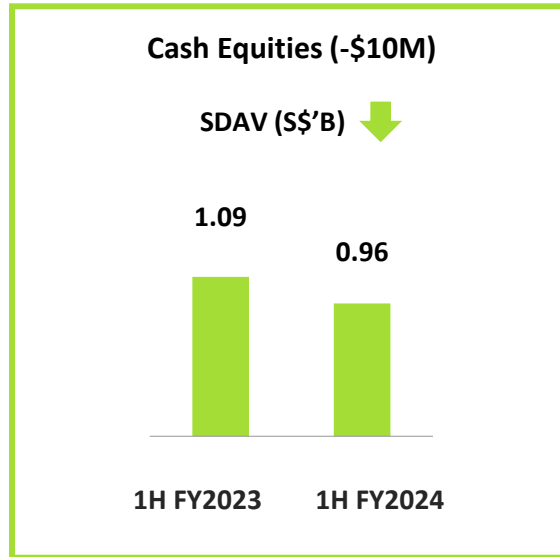
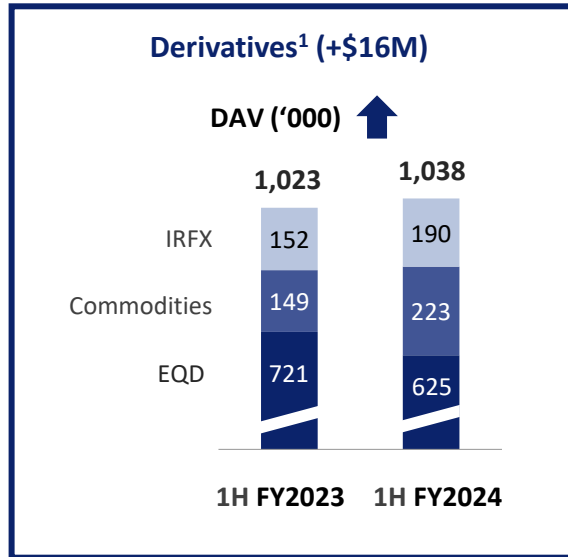


<sup>1</sup> NPAT relates to 'Net profit attributable to Equity holders of the Company'.

<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.

# Volume growth driven by commodities, FX derivatives and OTC FX

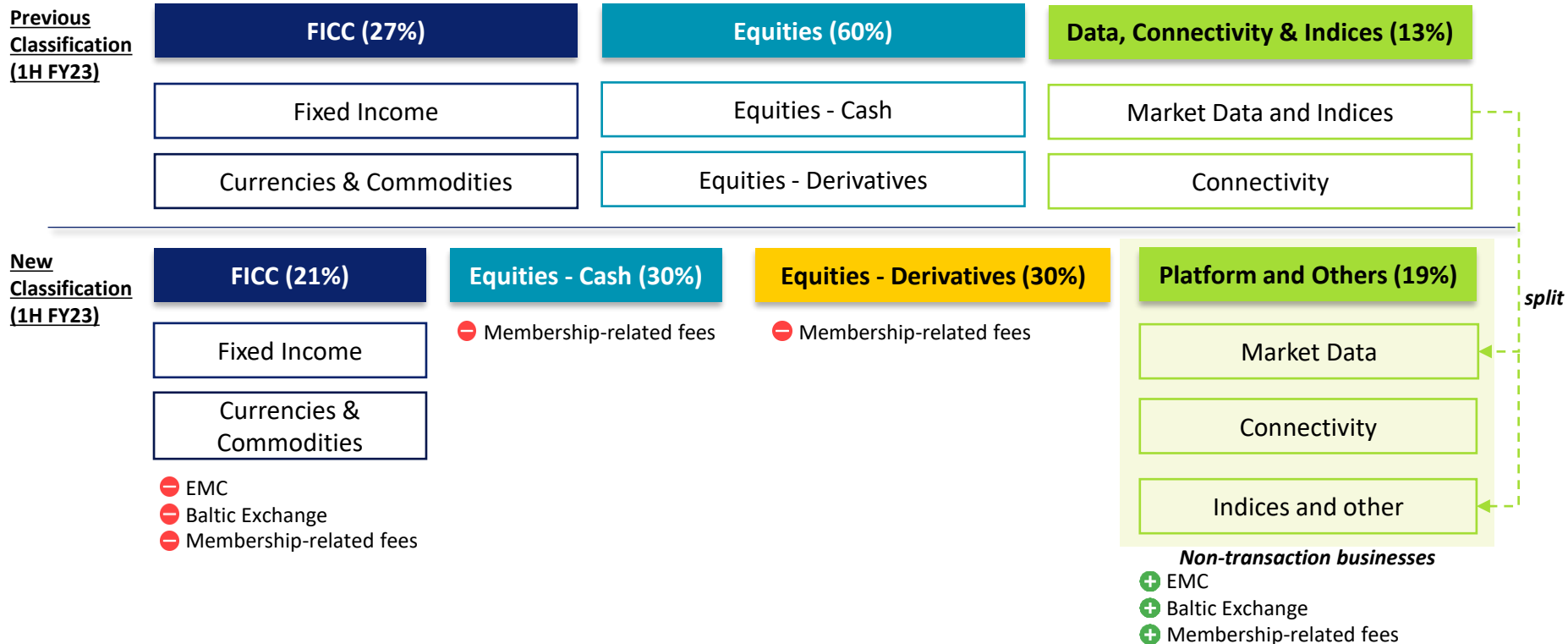
- Increased portfolio risk management activities in commodities and currencies
- Broader Equities business faced challenges



<sup>1</sup> 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 Revenue<sup>1</sup>

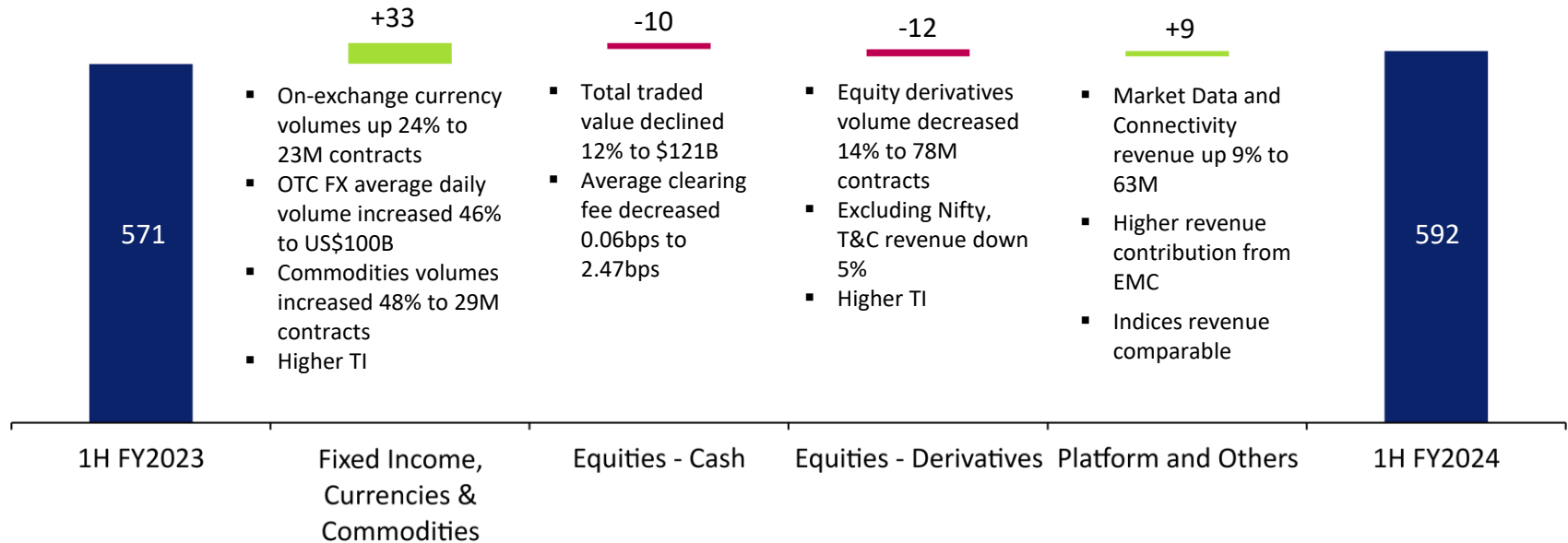
- Four operating segments to better reflect the nature of revenue



<sup>1</sup> 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 forma<sup>1</sup> average fee per contract remained comparable at \$1.54

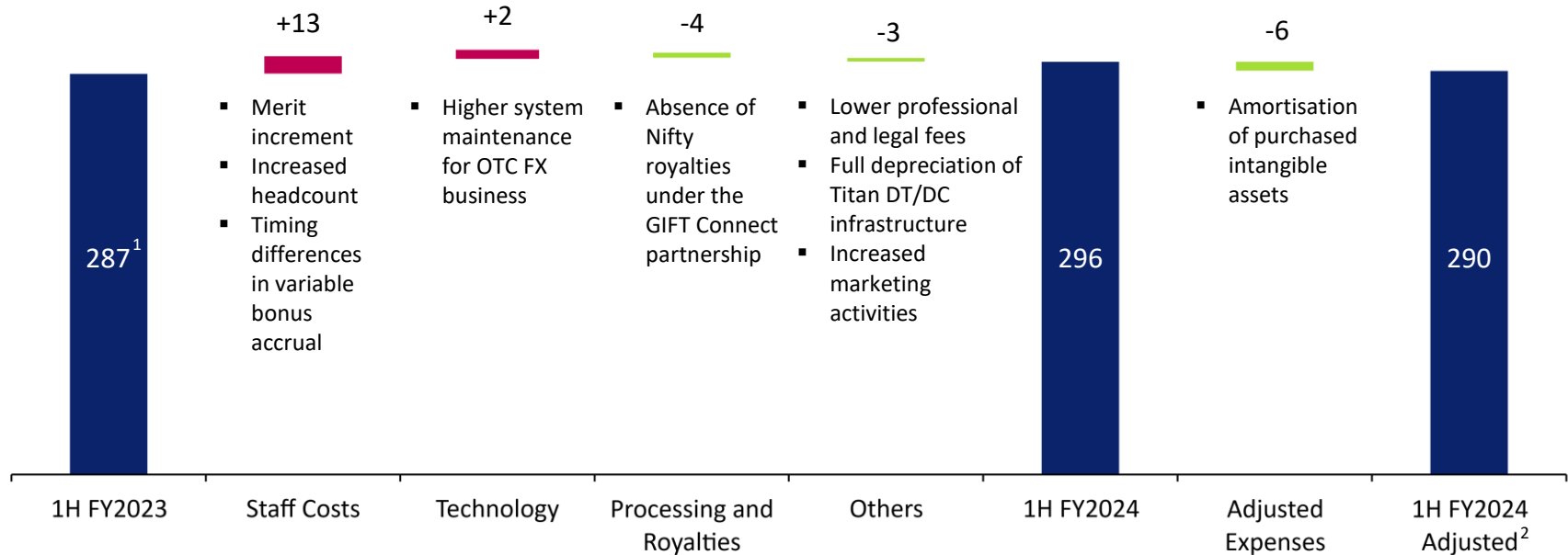


<sup>1</sup> Under the fee arrangement with the National Stock Exchange of India (NSE) that commenced on 1 July 2023 (GIFT Connect), royalties expense for GIFT Nifty no longer applies; and the fee payable to NSE is netted-off against Equities - Derivatives Trading & Clearing revenue. 1H FY2023 average 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

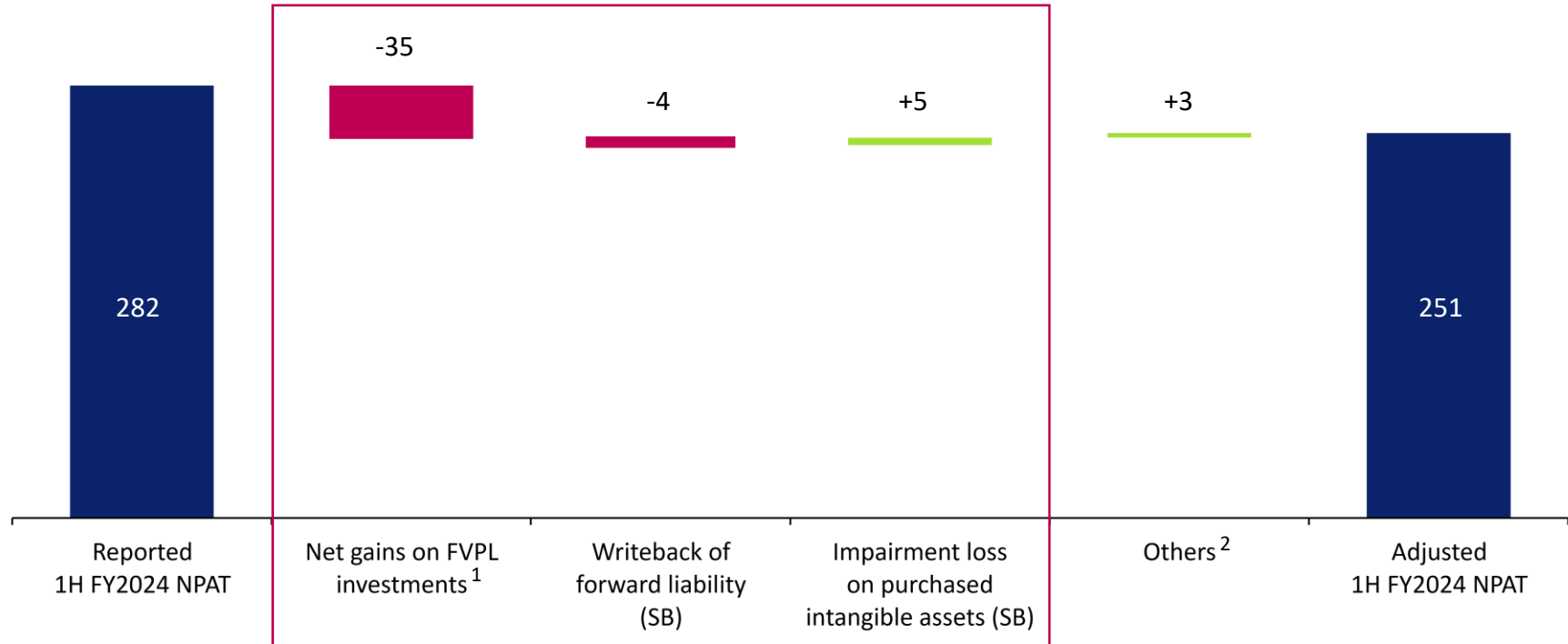


<sup>1</sup> Adjusted 1H FY2023 total expenses was \$280M.

<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 relate to amortisation of purchased intangible assets.

# NPAT includes non-cash adjustments from investments

## Non-cash adjustments

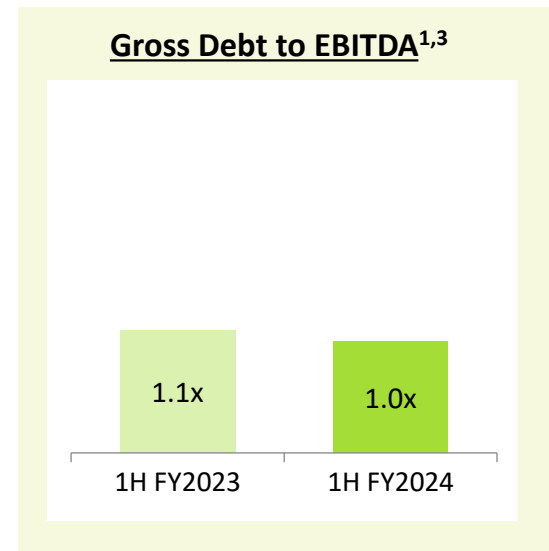
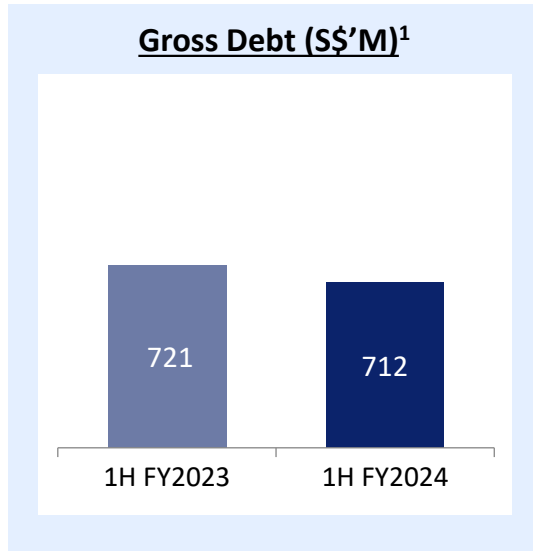


<sup>1</sup> Mainly from investment in a private equity fund managed by 7RIDGE, that acquired global trading software provider Trading Technologies.

<sup>2</sup> 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



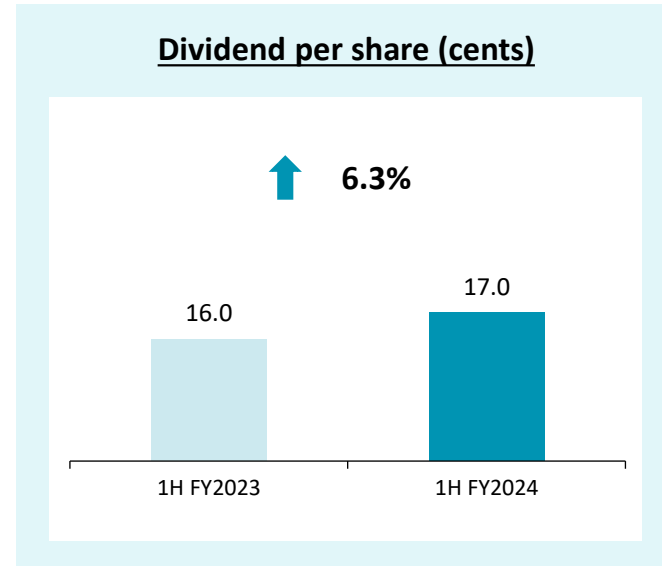
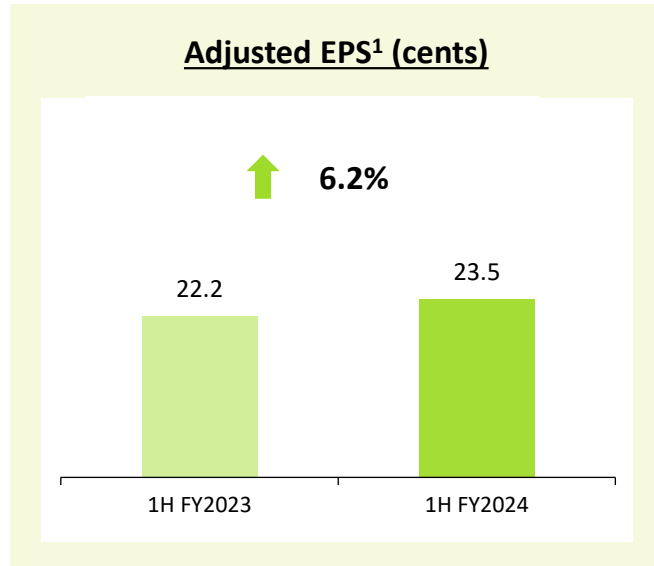
<sup>1</sup> Gross debt as at 31 December 2022 and 31 December 2023 for 1H FY2023 and 1H FY2024 respectively; and includes both borrowings and lease liabilities.

<sup>2</sup> 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.

<sup>3</sup> 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



<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.

# 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 <sup>1</sup>
- ASEAN: Projected to host some of the fastest growing economies in 2024 <sup>2</sup>

# 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



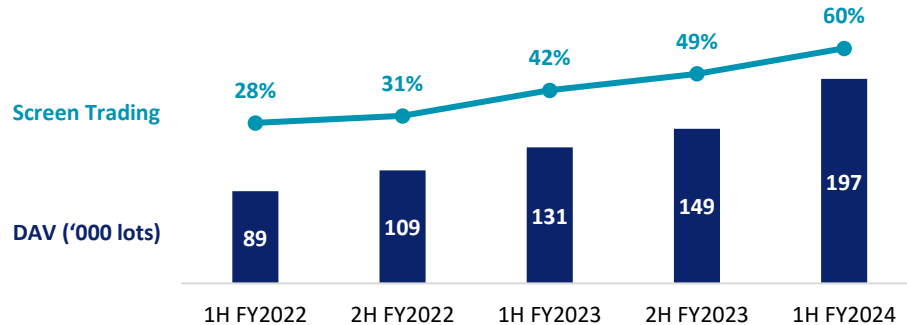
## Iron Ore

- 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



## 1<sup>st</sup> 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 1<sup>st</sup> 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 <sup>1</sup>

# 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 FY2023<sup>1</sup>

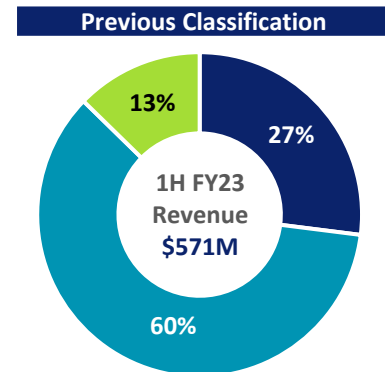
| Previous Classification                         |                |
|---|----------------|
| \$'000  | 1HFY23         |
| <b>Fixed Income, Currencies and Commodities</b> |                |
| <b>Fixed Income</b>                             |                |
| Listing   | 2,570          |
| Corporate actions and other                     | <u>1,694</u>   |
|   | 4,264          |
| <b>Currencies and Commodities</b>               |                |
| Trading and clearing                            | 108,711        |
| Treasury and other                              | <u>41,319</u>  |
|   | 150,030        |
|   | <u>154,294</u> |
| <b>Equities</b>                                 |                |
| <b>Equities - Cash</b>                          |                |
| 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        |
| <b>Equities - Derivatives</b>                   |                |
| Trading and clearing                            | 145,364        |
| Treasury and other                              | <u>28,128</u>  |
|   | 173,492        |
|   | <u>344,654</u> |
| <b>Data, Connectivity and Indices</b>           |                |
| Market data and indices                         | 38,004         |
| Connectivity                                    | <u>34,492</u>  |
|   | 72,495         |
|   | <u>571,444</u> |

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

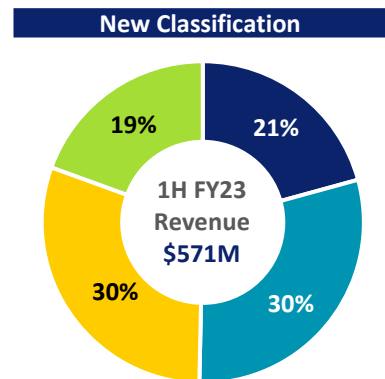
- EMC  
- Baltic Exchange  
- Membership-related fees

- 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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