

# 1H FY2023 Post Results Investors Lunch

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9 February 2023

**Singapore Exchange**

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

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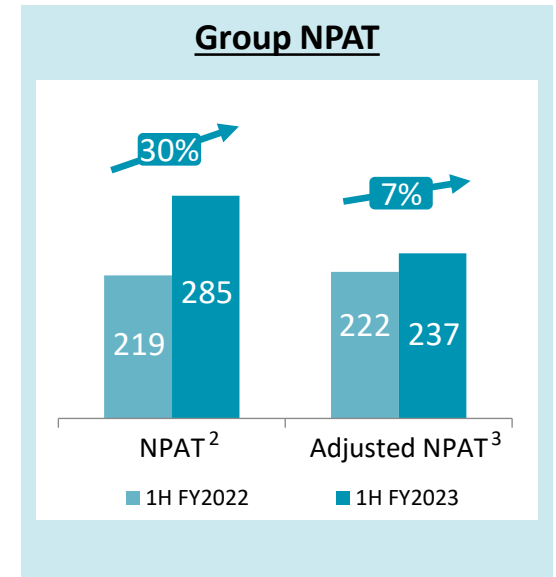
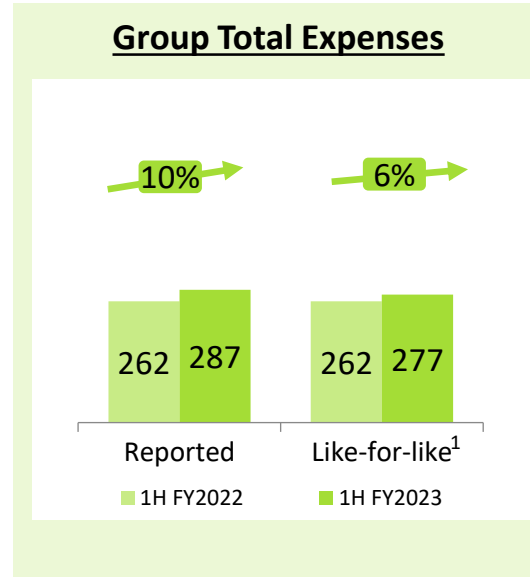
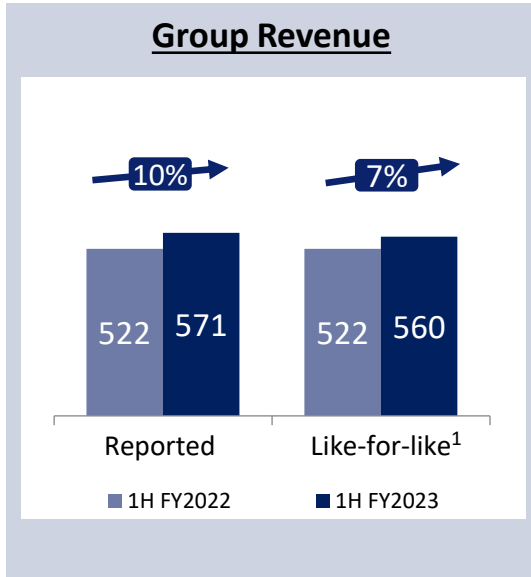
# 1H FY2023

## 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

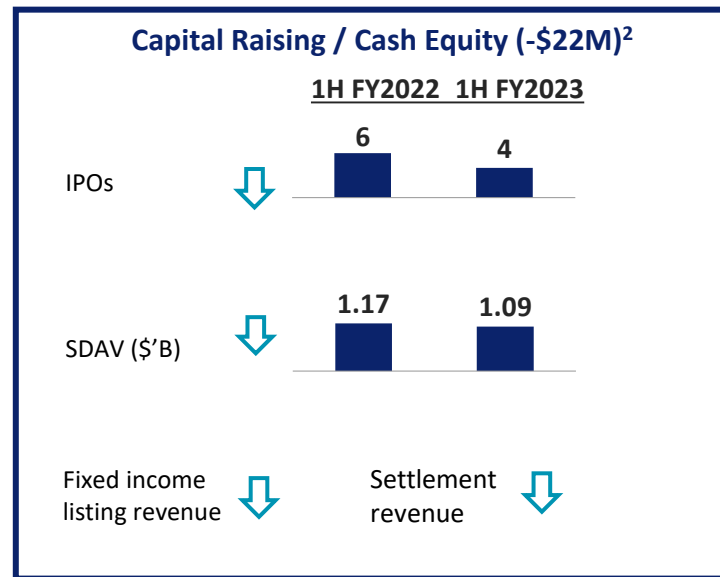
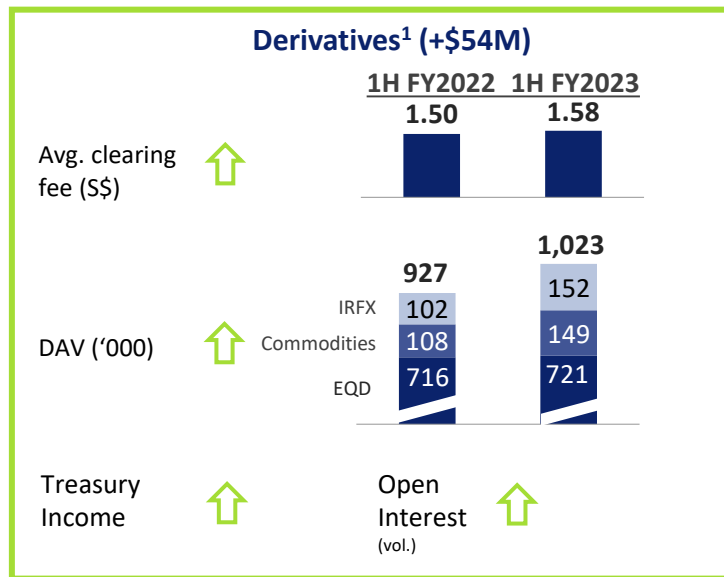
<sup>1</sup> Like-for-like basis excludes revenue and expenses contribution from MaxxTrader

<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

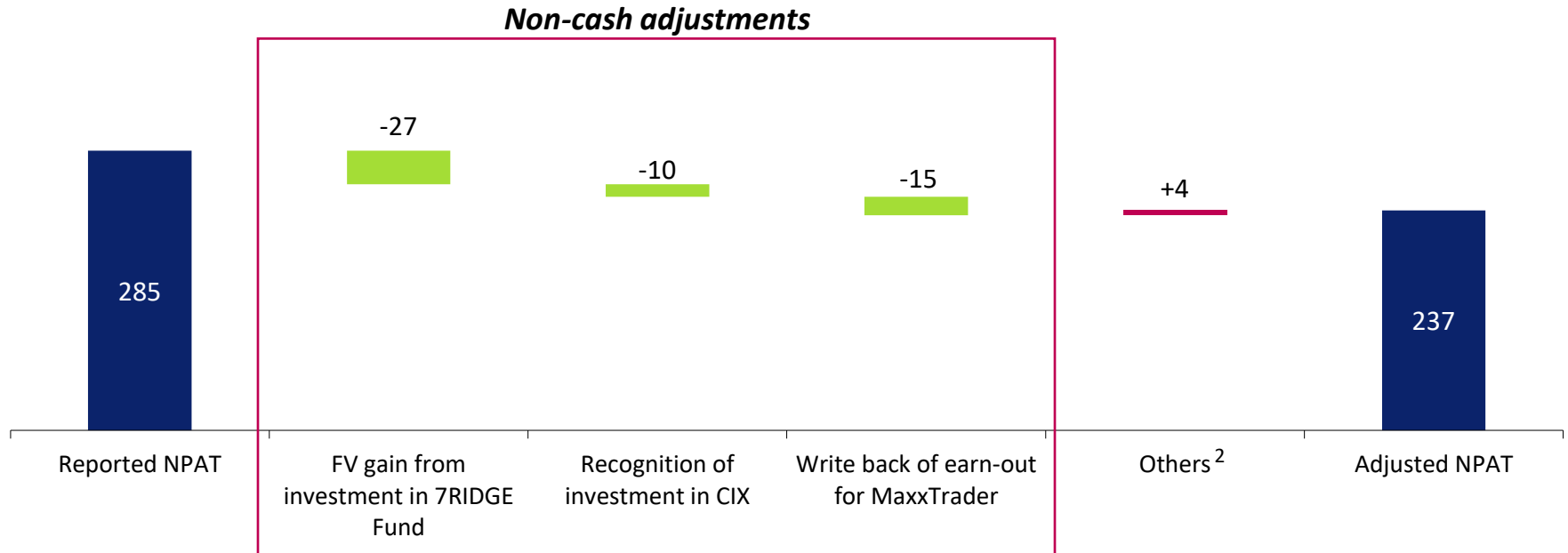


<sup>1</sup> Derivatives revenue includes Equities Derivatives, Currencies and Commodities futures and options trading and clearing revenue and associated treasury income. Derivatives contributed 44% to Group revenues in 1H FY2023

<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

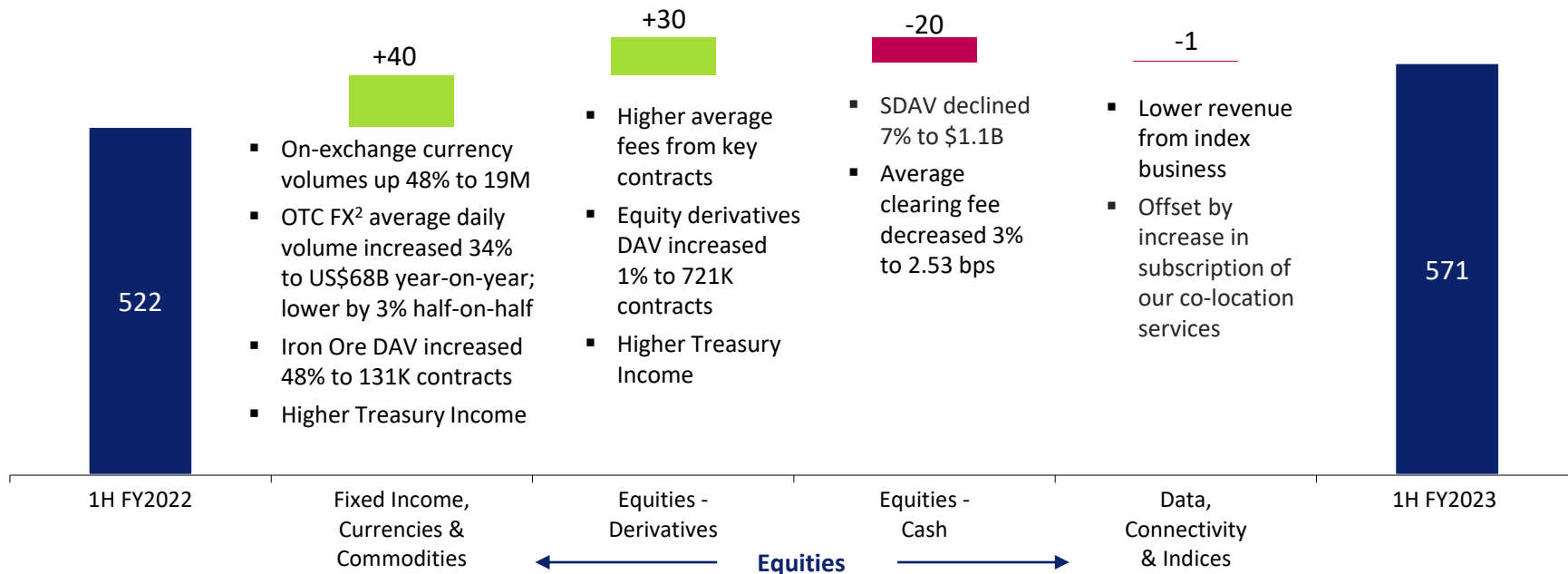


<sup>1</sup> Closed-end fund managed by 7RIDGE, that has acquired global trading software provider Trading Technologies

<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

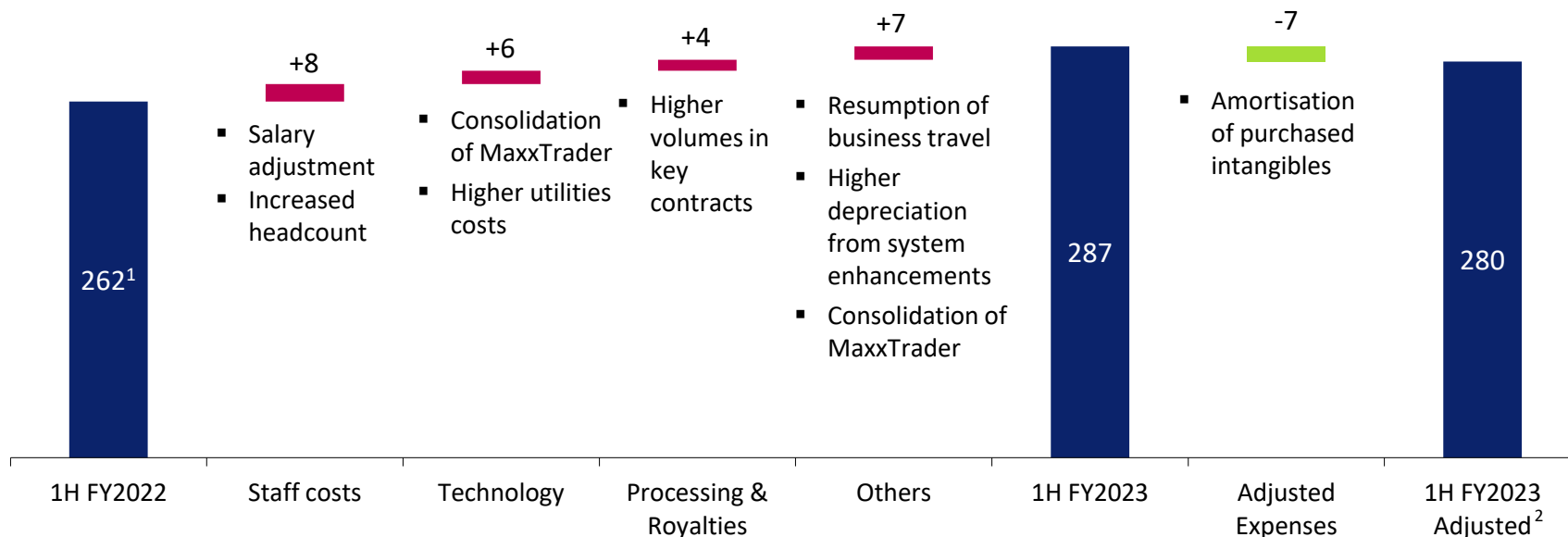
<sup>1</sup> Like-for-like basis excludes revenue and expenses contribution from MaxxTrader

<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%



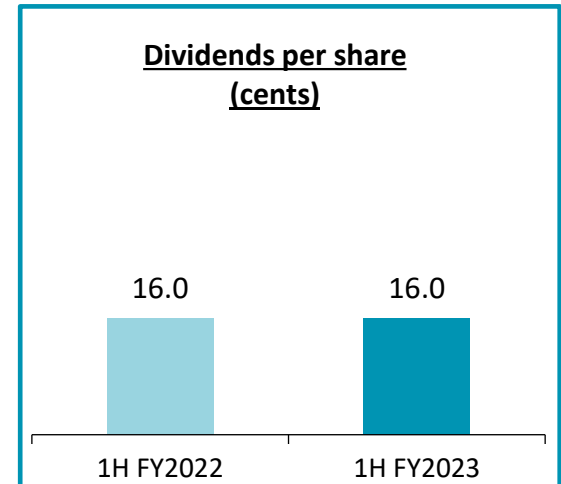
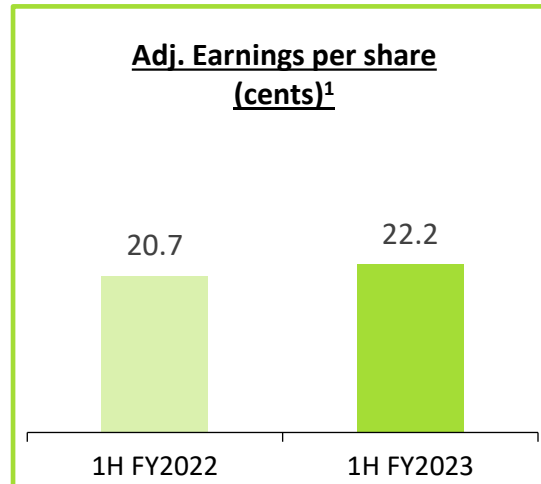
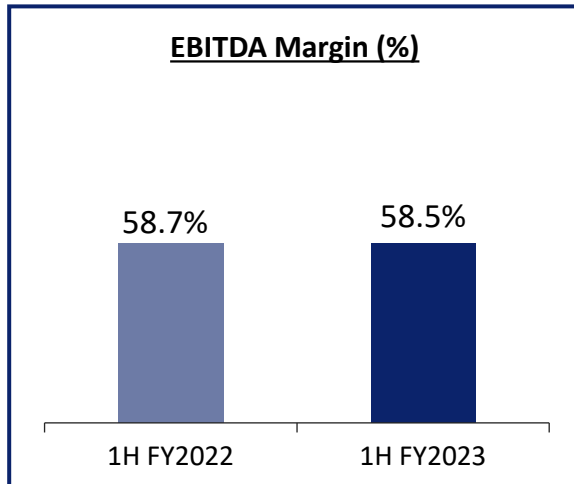
Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

<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

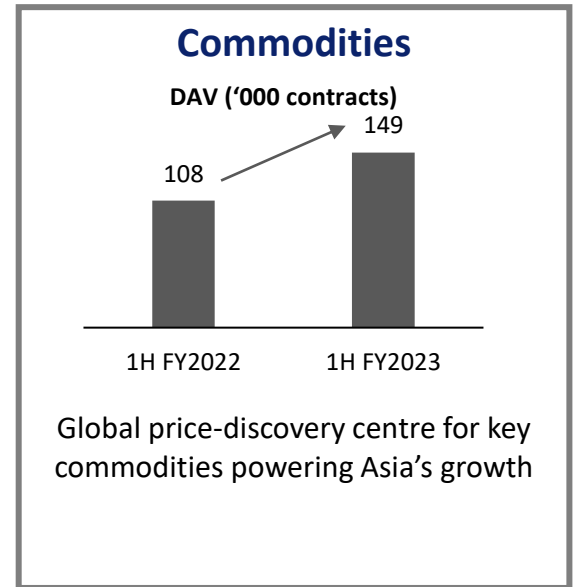
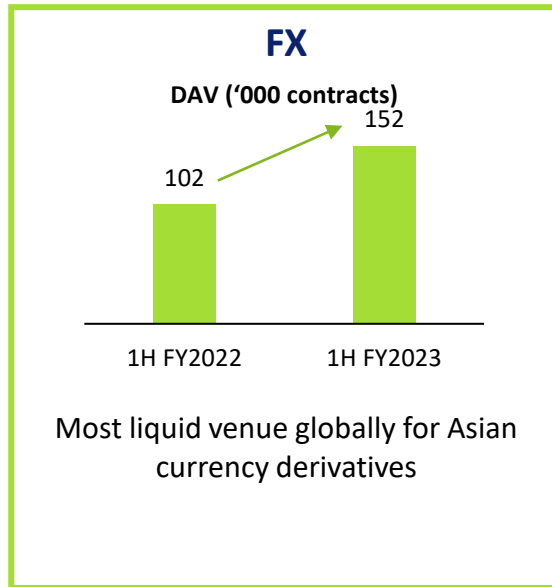
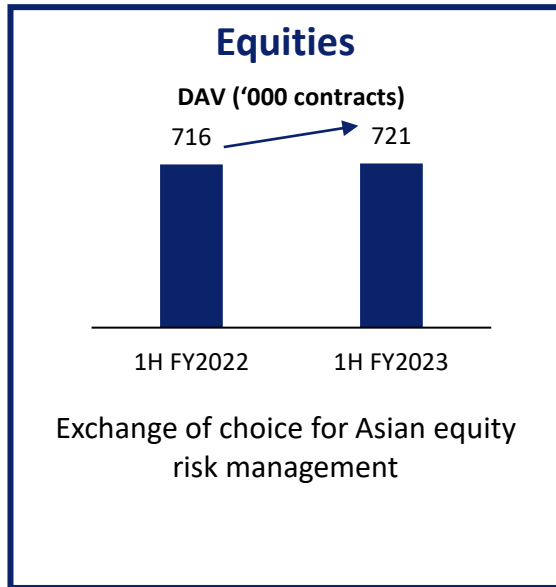
<sup>2</sup> Gross debt includes both borrowings and lease liabilities; EBITDA is net of rental expenses and over the last 12 months

# Business Update

Loh Boon Chye, Chief Executive Officer

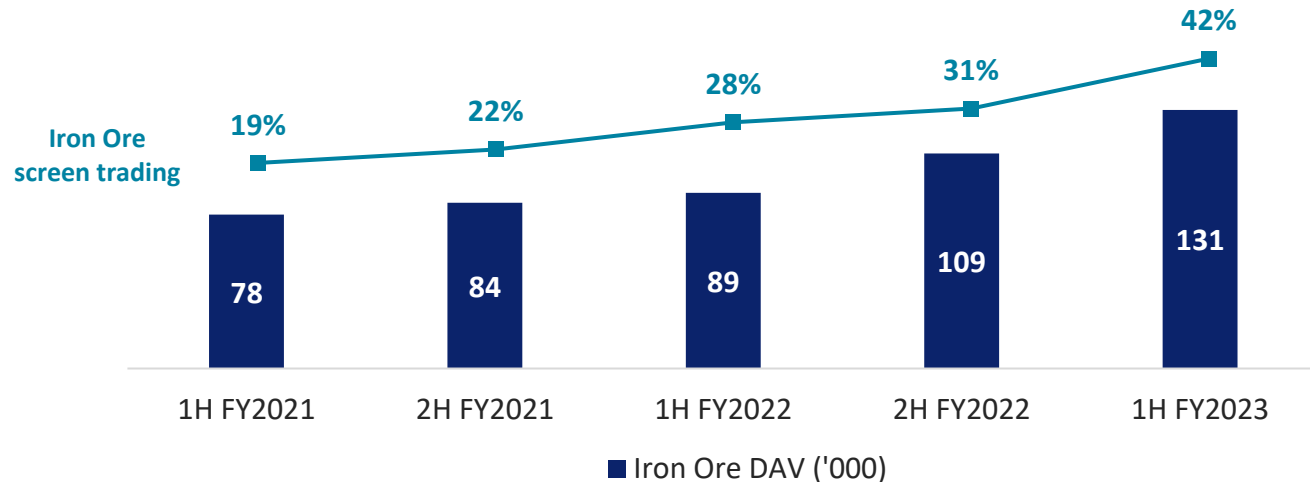
# Our multi-asset platform supports global investors with highly liquid and efficient risk management solutions

- 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 APAC, 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



# Thank you

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