

# 3Q FY2015 Results

## Analyst and Media Briefing

Magnus Böcker, CEO

Chng Lay Chew, CFO

22 April 2015

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# Agenda for 3Q FY2015 Results Briefing

1 Third Quarter Highlights

2 Financial Performance

3 Business Update

4 Questions & Answers

# Third Quarter FY2015 Highlights

## Revenue

- \$199M
- Up 20%

## Expenses

- \$96M
- Up 25%

## Operating Profit

- \$103M
- Up 17%

## Net Profit

- \$88M
- Up 16%

## Earnings Per Share

- 8.2 cents
- Up 16%

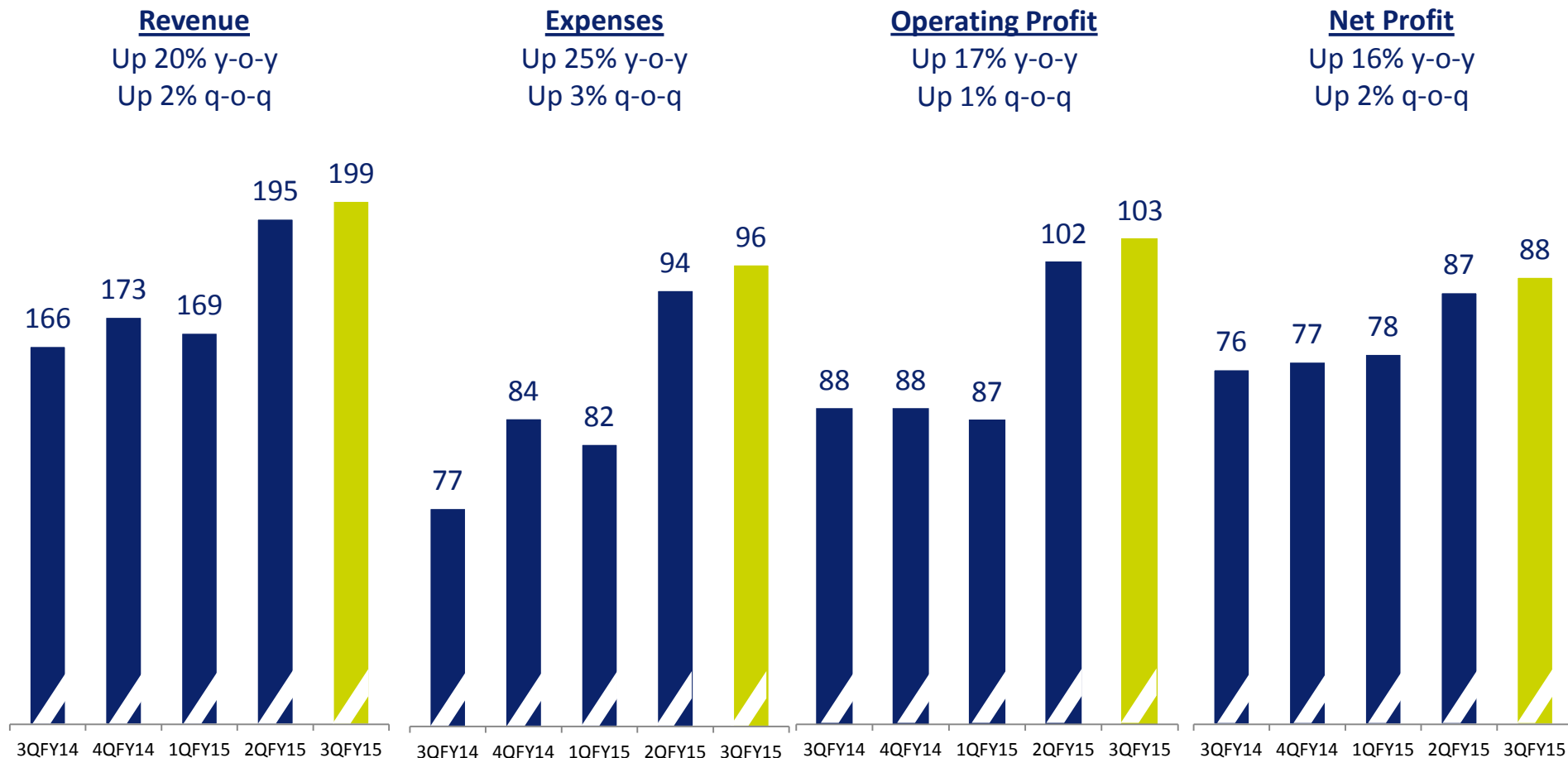
- Securities market transformation on track
  - SDAV up 8% to \$1.2 billion and total traded value up 6% to \$71 billion
  - Market-makers and liquidity providers have added liquidity and depth, enhancing market quality
  - Board-lot size reduced in January, improving retail investor access to higher-priced stocks
  - Commenced transition to minimum trading price of \$0.20 in March
- Derivatives continuing growth trajectory with revenue up 52%
  - Total volumes increased 49% to 39 million contracts
  - SGX FTSE China A50 Index futures up 165% to 18 million contracts
  - Global commodities benchmarks Iron Ore and Rubber up 280% and 50% respectively
- Issuer Services revenue unchanged at \$20 million
  - Total funds raised decreased 7% to \$48 billion
  - 2 new equity listings and 111 new bond listings

# Financial Performance

Chng Lay Chew, CFO

# Financial Performance: Quarterly Trend

Net profit of \$88 million, up 16% from \$76 million a year earlier

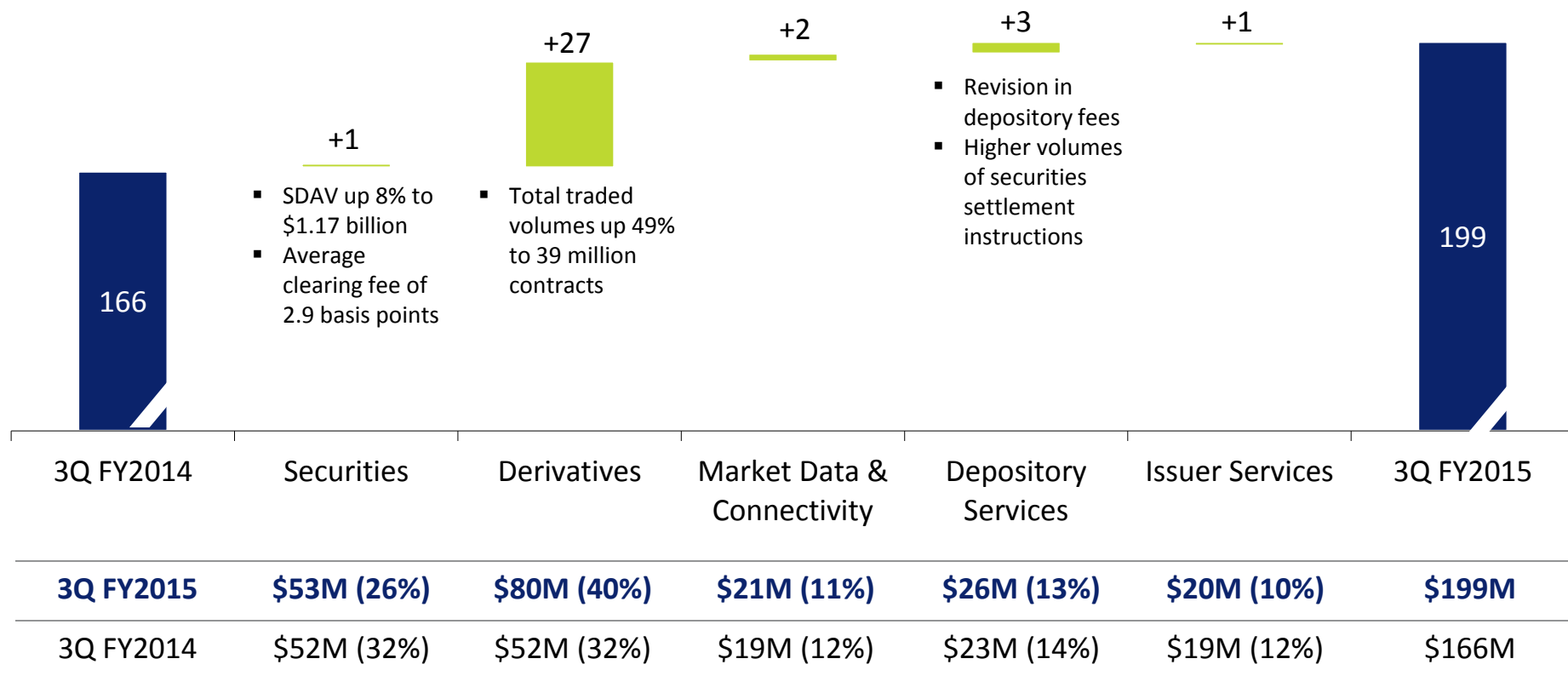


Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

# Financial Performance: Revenue, Year-on-Year

Revenue of \$199 million, up 20% from \$166 million a year earlier

Excluding EMC revenue of \$6 million, revenue increased 17% to \$194 million

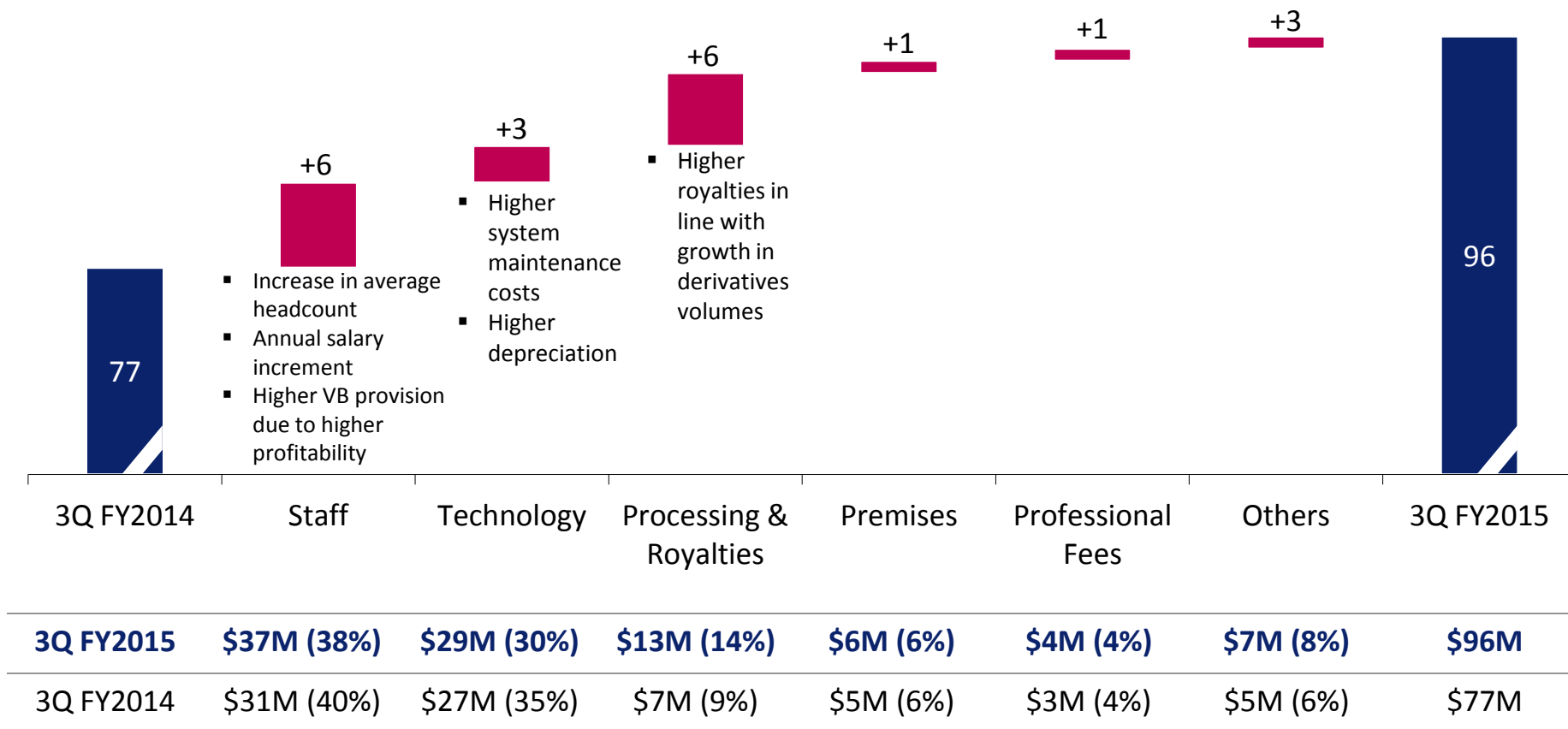


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# Financial Performance: Expenses, Year-on-Year

Expenses of \$96 million, up 25% from \$77 million a year earlier

Excluding EMC expenses of \$5 million, expenses increased 18% to \$91 million

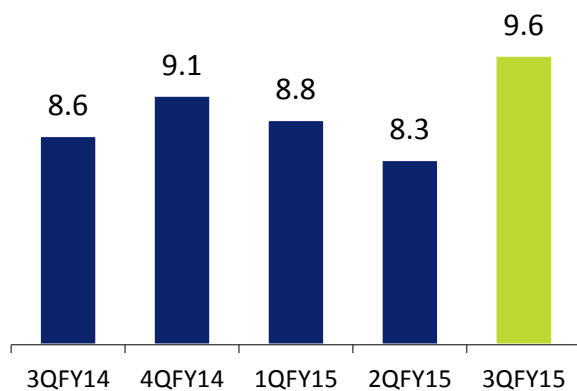


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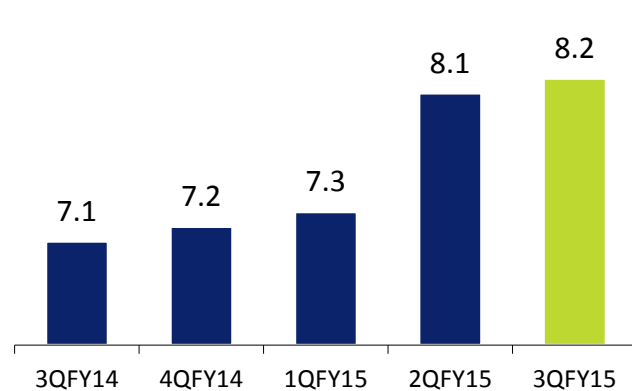
# Financial Performance: Key Indicators

	3Q FY2014	4Q FY2014	1Q FY2015	2Q FY2015	3Q FY2015
Revenue (\$ million)	166	173	169	195	<b>199</b>
Operating profit (\$ million)	88	88	87	102	<b>103</b>
Operating profit margin	53%	51%	51%	52%	<b>52%</b>
Return on equity	40%	35%	39%	39%	<b>38%</b>
Earnings per share (cents)	7.1	7.2	7.3	8.1	<b>8.2</b>
Dividend per share (cents)	4	16	4	4	<b>4</b>

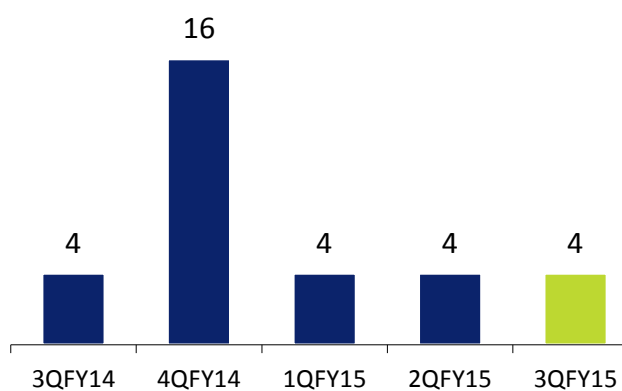
Operating cashflow (cents)



Earnings per share (cents)



Dividend per share (cents)



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# Business Update

Magnus Böcker, CEO

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# Highlights for the Quarter

Securities market transformation on track as Derivatives continues growth trajectory

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## Securities



- Transformation of Securities market on track
- Revenue unchanged as SDAV growth offset by drop in average fee

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## Derivatives



- Revenue up 52% to \$80 million on total traded volumes of 39 million contracts
- Strong growth for SGX FTSE China A50 and Iron Ore derivatives

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## Market Data and Connectivity



- Revenue up 11% to \$21 million
- Growth from increased market data usage, connectivity and colocation

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## Depository Services



- Revenue up 14% to \$26 million with settlement revenue up 19% following revised fees and increased number of settlement instructions

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## Issuer Services



- Revenue up 3% to \$20 million with 2 new listings and 111 new bond issues
  - Total funds raised down 7% to \$48 billion
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## Securities

## Derivatives

## Market Data and Connectivity

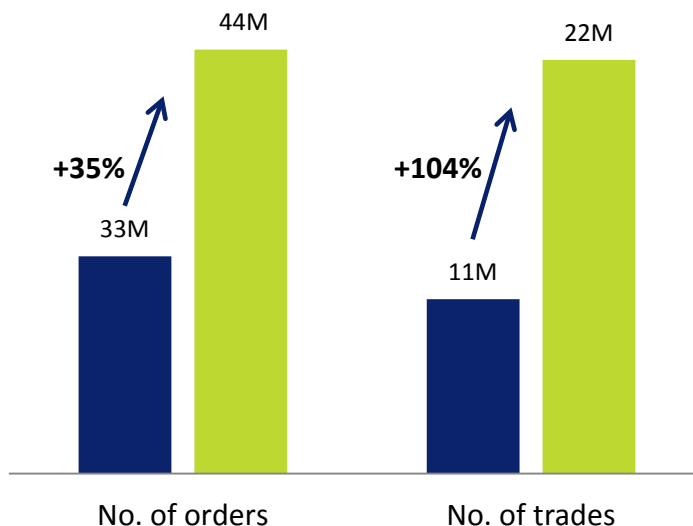
## Depository Services

## Issuer Services

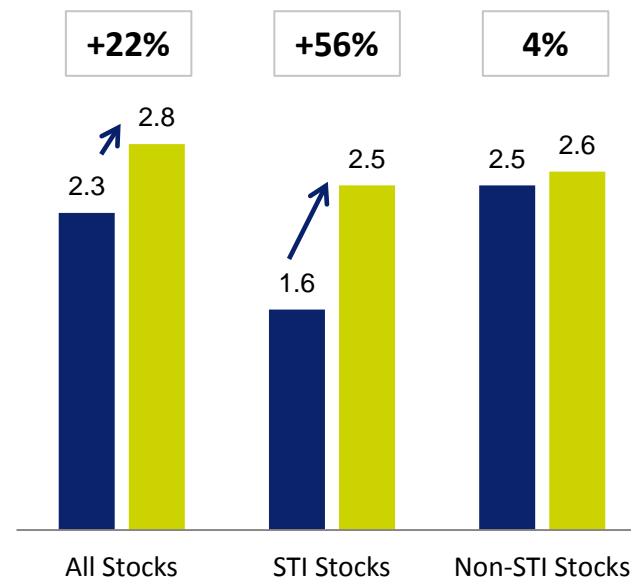
- Revenue unchanged as increase in total traded value offset by lower average clearing fees
- Investors and traders utilizing smaller board-lot sizes to improve efficiency
- Growth in retail participation in high priced stocks outpaced that in overall market

### Total number of orders and trades

- Order-to-trade ratio: 297%
- Order-to-trade ratio: 198%



### Daily no. of trades per retail client



- Before board-lot size reduction 2Q FY2015
- After board-lot size reduction 3Q FY2015

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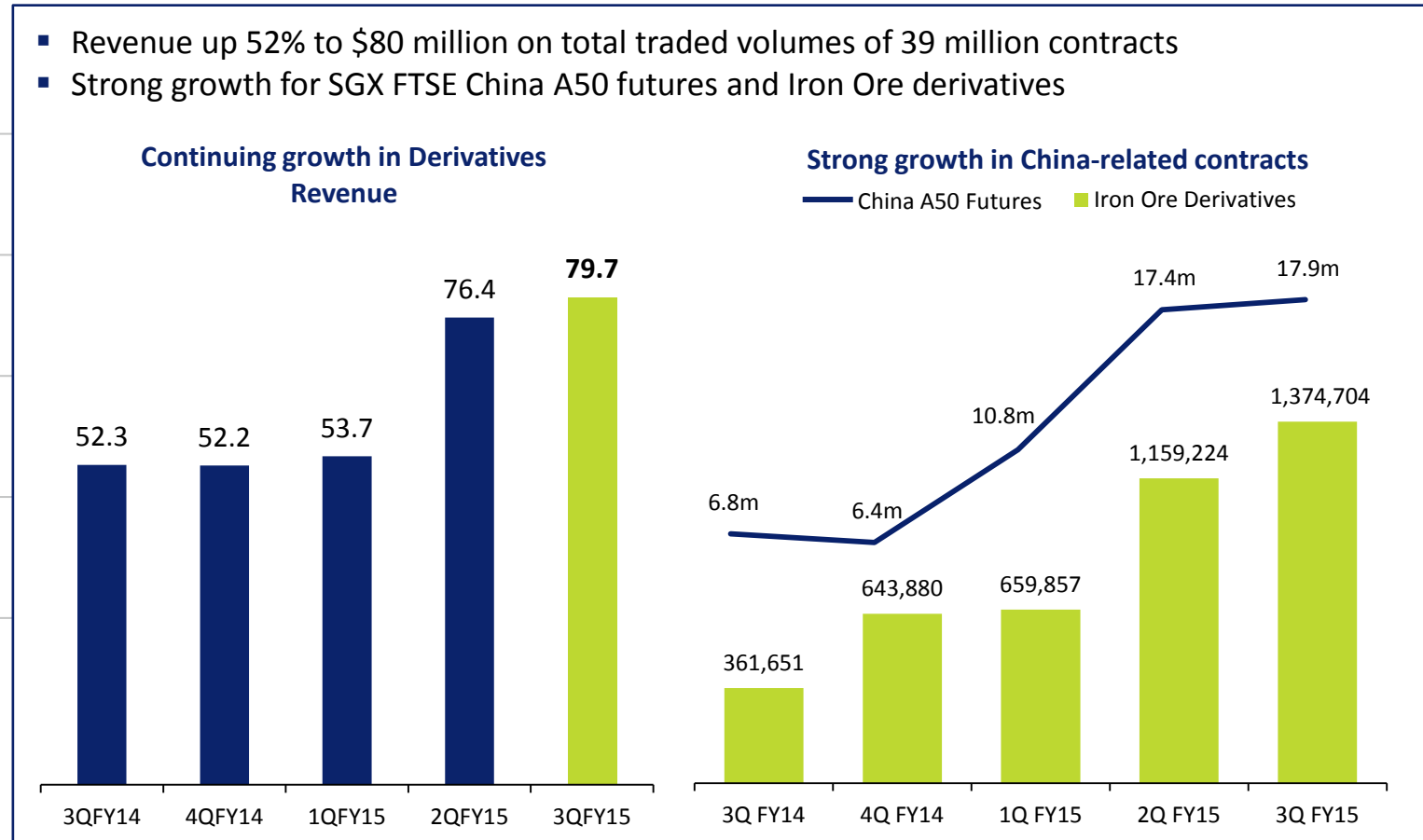
Derivatives

Market Data and Connectivity

Depository Services

Issuer Services

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# Outlook

The outlook for the global economy remains uncertain with continued volatility. Against this backdrop, we expect the demand for Asian trading and clearing services, as well as competition, to grow. We therefore remain committed to our growth strategy.

We have accelerated investments into Derivatives and Fixed Income. These are in addition to on-going investments including a new generation post-trade system for Securities.

We expect FY2015 technology-related capital expenditure to be between \$70 million and \$75 million; and operating expenses to be between \$360 million and \$370 million, as previously announced.



# Questions and Answers

# Thank You

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