

FY2021 Results

Analyst and Media Briefing (Virtual)

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

5 August 2021

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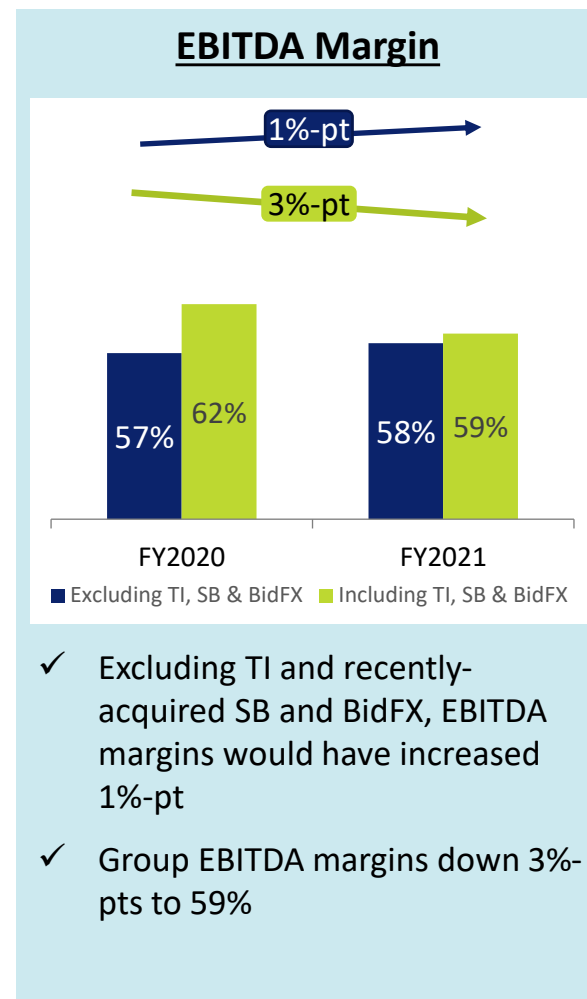
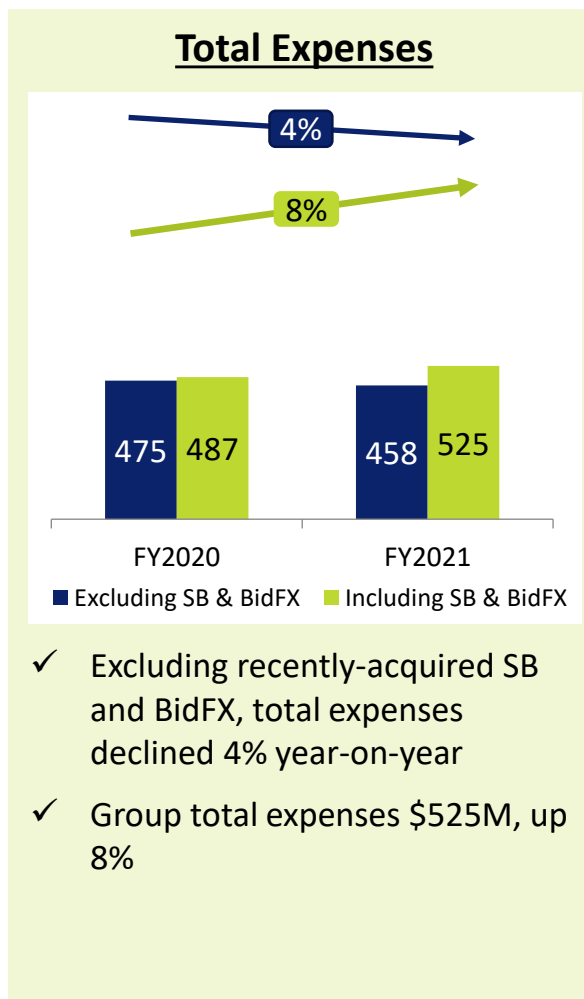
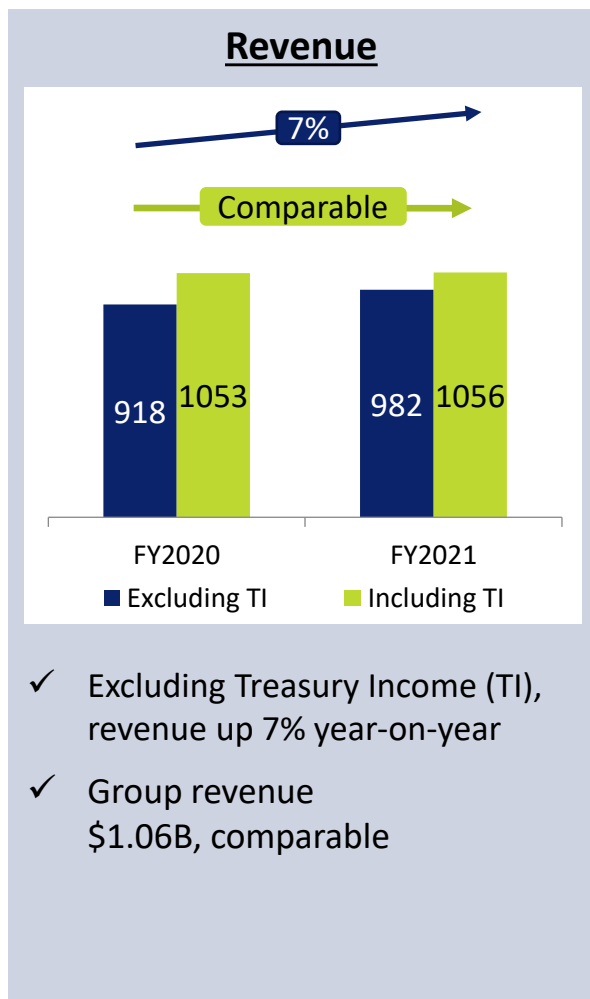
FY2021

Financial Highlights and Performance

Ng Yao Loong, Chief Financial Officer

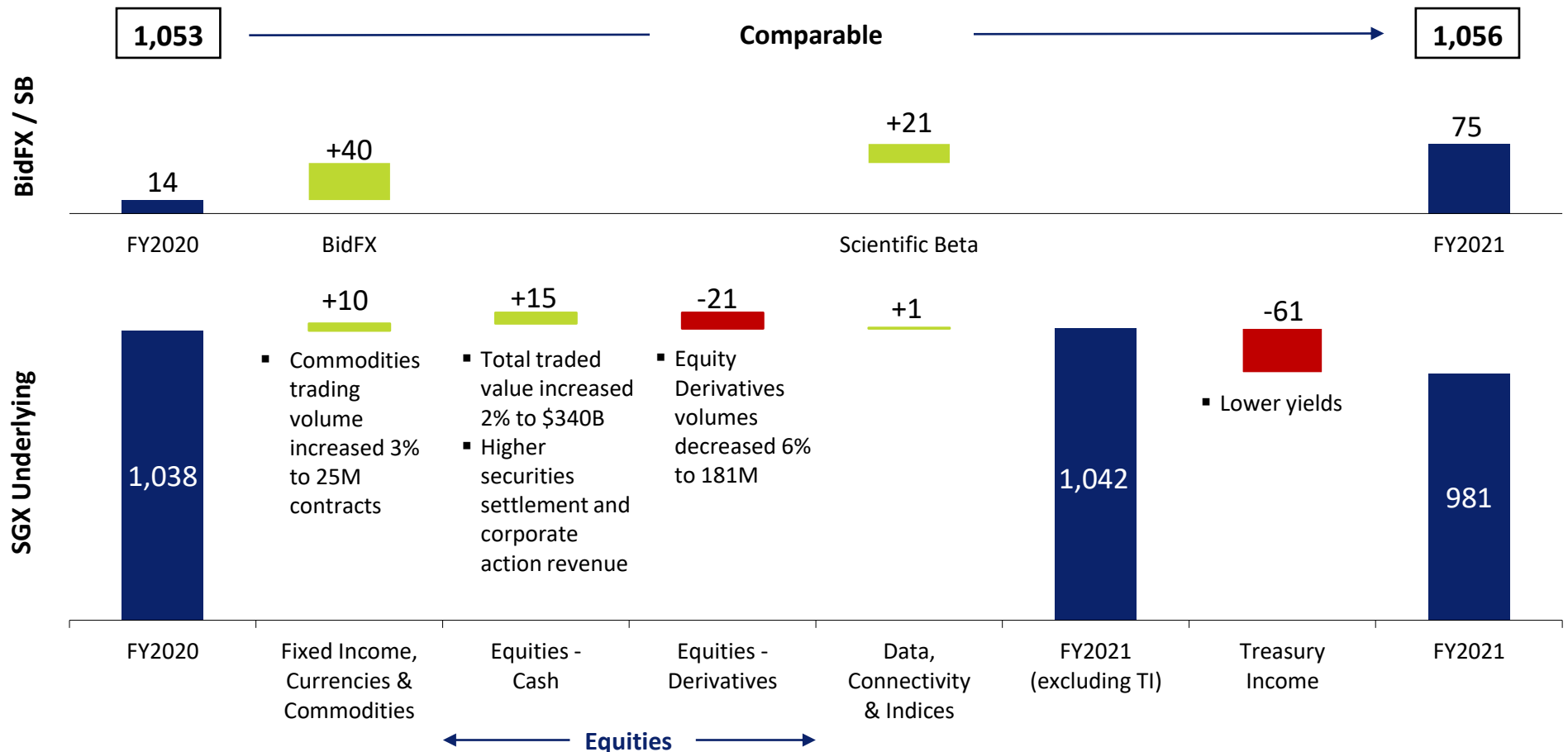
FY2021 Highlights

Strong underlying performance, continued investments in growth, disciplined in cost management



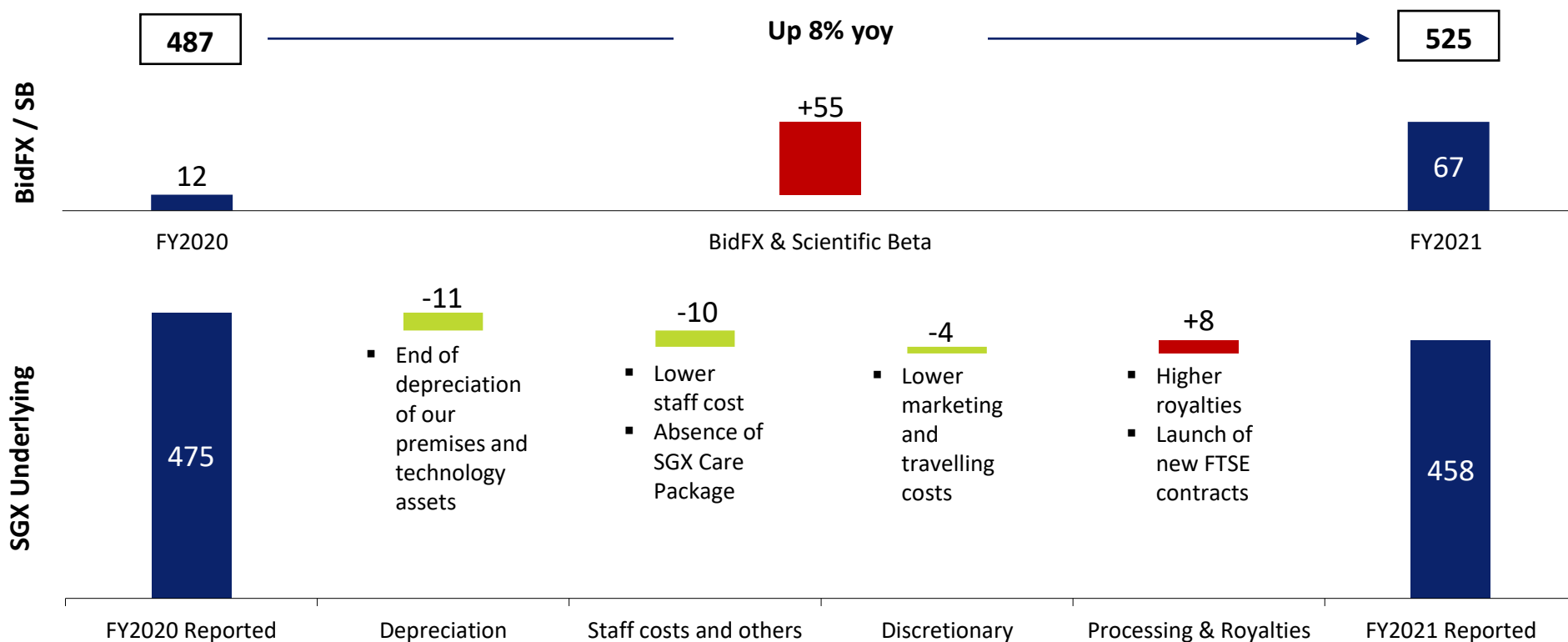
FY2021 Revenue comparable at \$1,056M

- Average securities clearing fee of 2.68 bps, comparable
- Average fee per contract for Equity, Currency and Commodity derivatives of \$1.34, comparable



FY2021 Total Expenses up 8% to \$525M

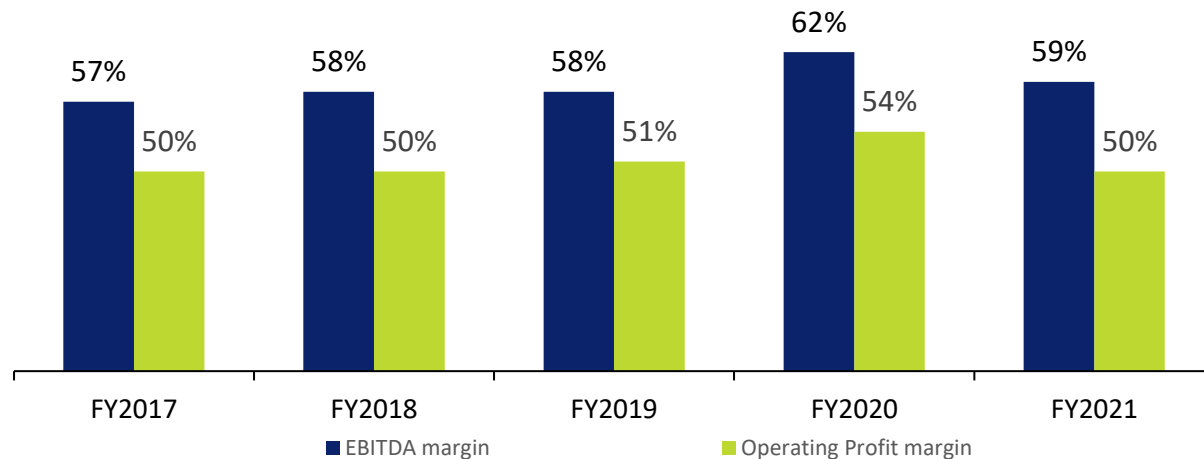
- Excluding BidFX and SB, underlying expenses would have decreased 4% to \$458M
- FY2021 adjusted expenses¹ was \$12M lower than reported expenses after excluding amortisation of purchased intangibles, acquisition-related expenses and other one-off costs



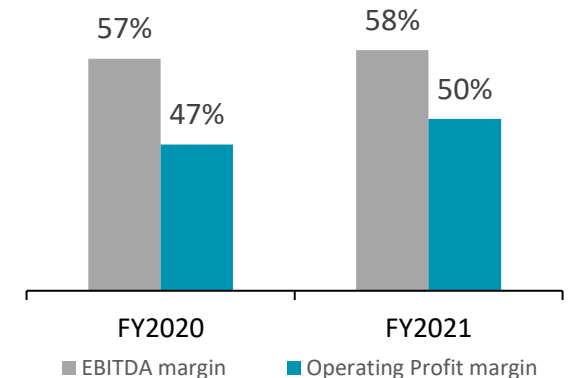
Underlying business continues to deliver operating leverage

- Excluding Treasury Income, SB and BidFX, EBITDA and operating profit margins would have increased by 1%-pts and 2%-pts, respectively
 - FY2021 EBITDA margin of SB and BidFX combined was 37%¹
- Overall EBITDA and operating profit margins expected to be higher in the medium term as we build scale

EBITDA and Operating Profit margins

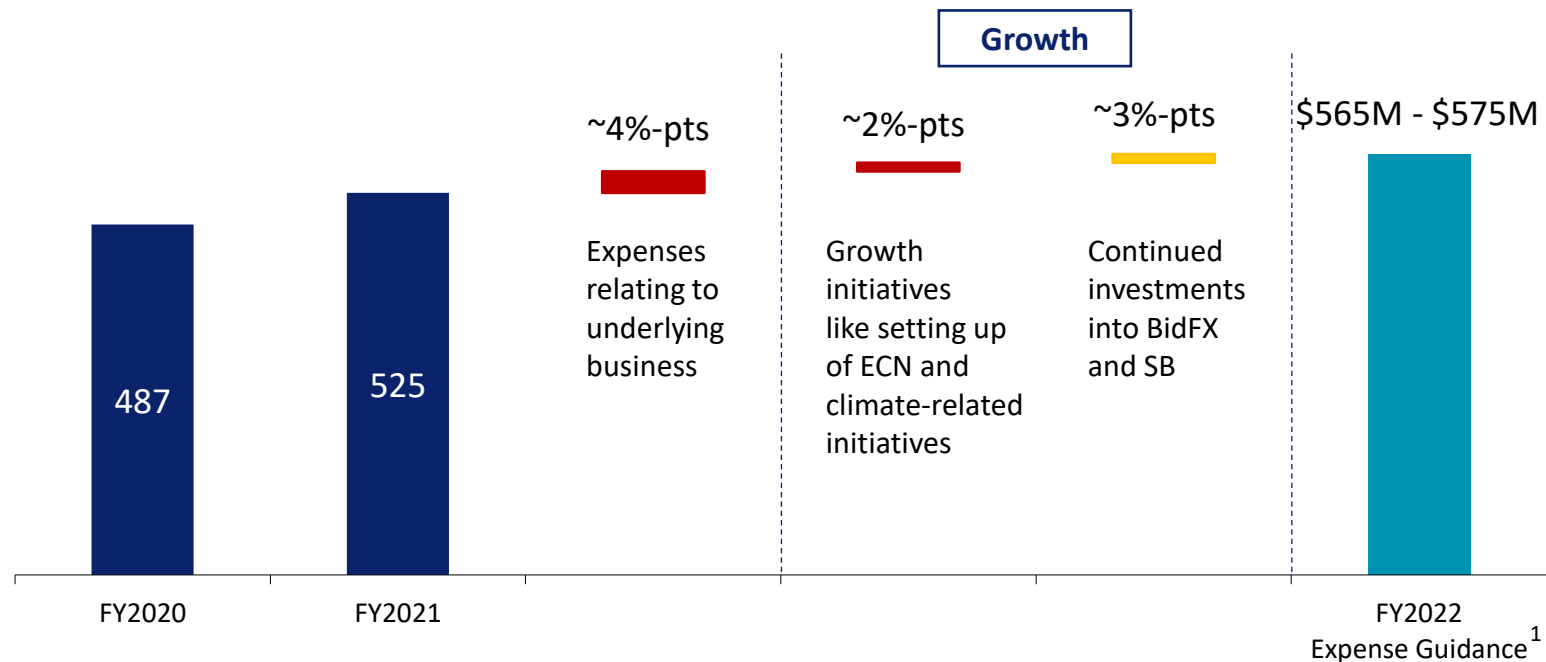


**EBITDA and Operating Profit margins
(Excluding TI, SB & BidFX)**



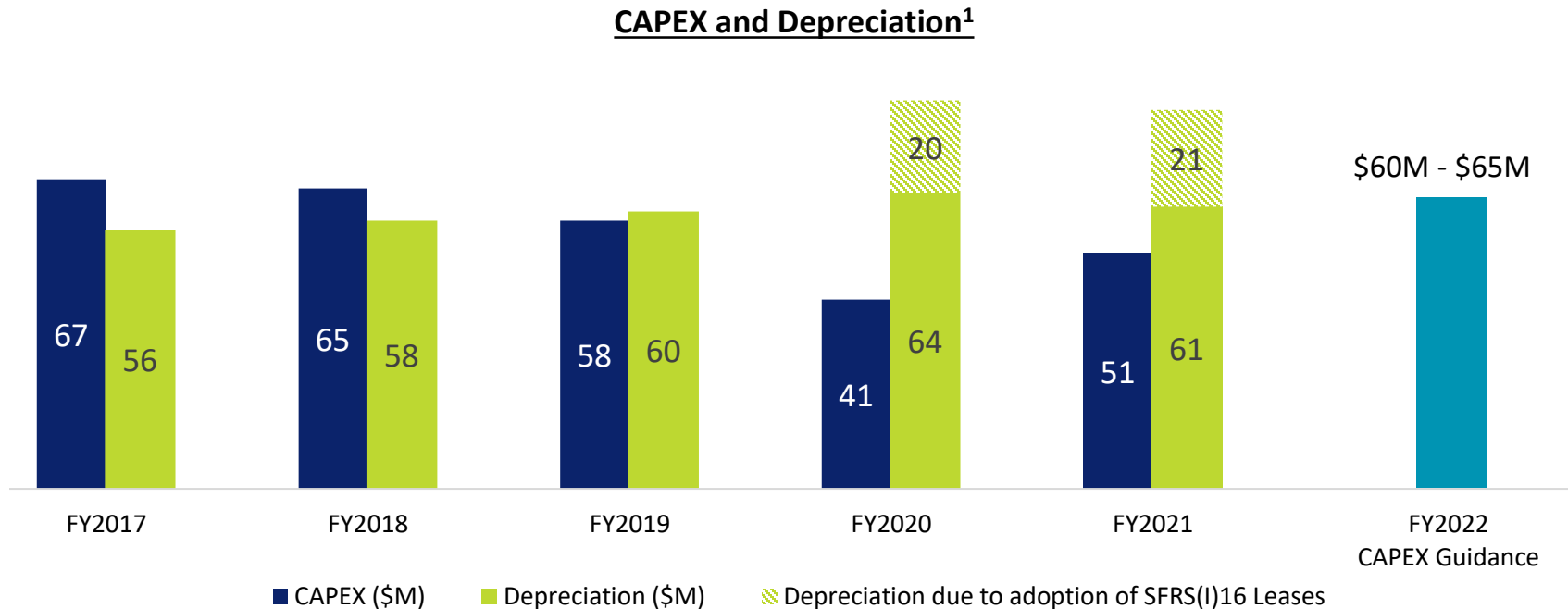
Expense for FY2022 expected to be \$565M-\$575M

- Excluding SB and BidFX, underlying expense CAGR (FY2020-22) expected to be ~1.5%
- More than 50% of FY2022 increase in expenses will be for near-term investments in growing our business
 - Include setting up of FX ECN, climate-related initiatives, and continued investments in SB and BidFX
- FY2022 expense guidance excludes MaxxTrader acquisition, which is expected to close in 2Q FY2022
 - Expect to add a further ~\$25M to FY2022 expenses on an annualised basis
- Expense growth expected to moderate in the medium-term



CAPEX to support our growth ambitions

- FY2021 CAPEX of \$51M was mainly to upgrade our Titan OTC platform, digitalise retail investor services, modernise our infrastructure, and infrastructure setup for BidFX
- FY2022 CAPEX is expected to be between \$60M-\$65M as we invest in resilience, digitalisation of our Fixed Income and FX markets, and partnership initiatives



Additional financial measures

- FY2021 EBITDA and NPAT are comparable with adjusted metrics
- Key non-operating adjustments include a \$16.7M remeasurement gain from initial equity interest in BidFX, offset by a \$9.6M contingent consideration for BidFX earnout

(S\$'M)	FY2021	
	EBITDA	NPAT ¹
EBITDA / NPAT	625.2	445.4
Net remeasurement gains on BidFX	-	(16.7)
Additional earnout contingent consideration for BidFX	-	9.6
Amortisation of purchased intangibles	-	13.1
Other adjustments ²	(1.4)	(4.5)
Adjusted EBITDA / NPAT	623.9	446.9

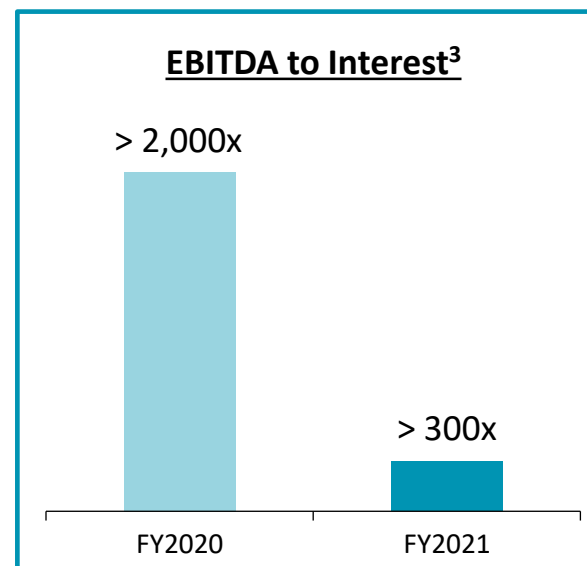
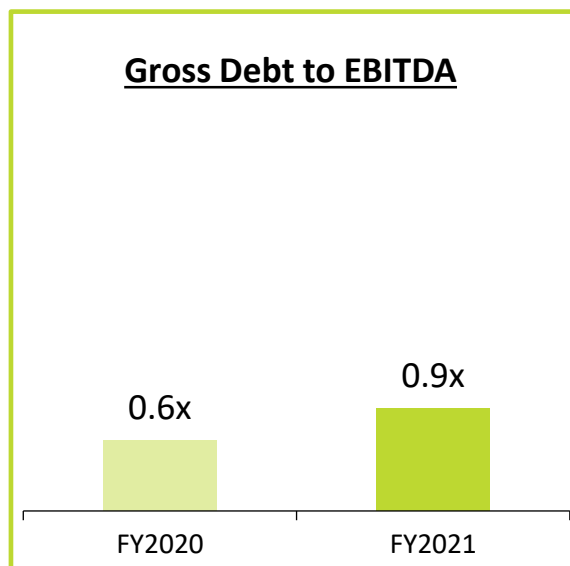
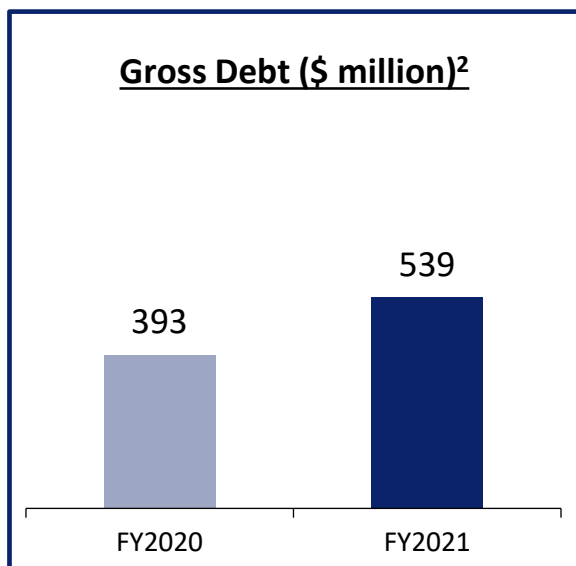
Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

¹ NPAT relates to 'Net profit attributable to equity holders of the Company'

² Includes non-recurring staff related credits, acquisition-related expenses, income tax adjustments, non-controlling interests and net gains or losses from long-term investments. Please refer to Section 8 of our financial results for the full reconciliation between the adjusted and their equivalent measures.

Strong balance sheet with healthy coverage ratios

- Assuming MaxxTrader acquisition¹ is financed solely by debt, Gross Debt to EBITDA increases to ~1.1x



Note: All figures may be subject to rounding

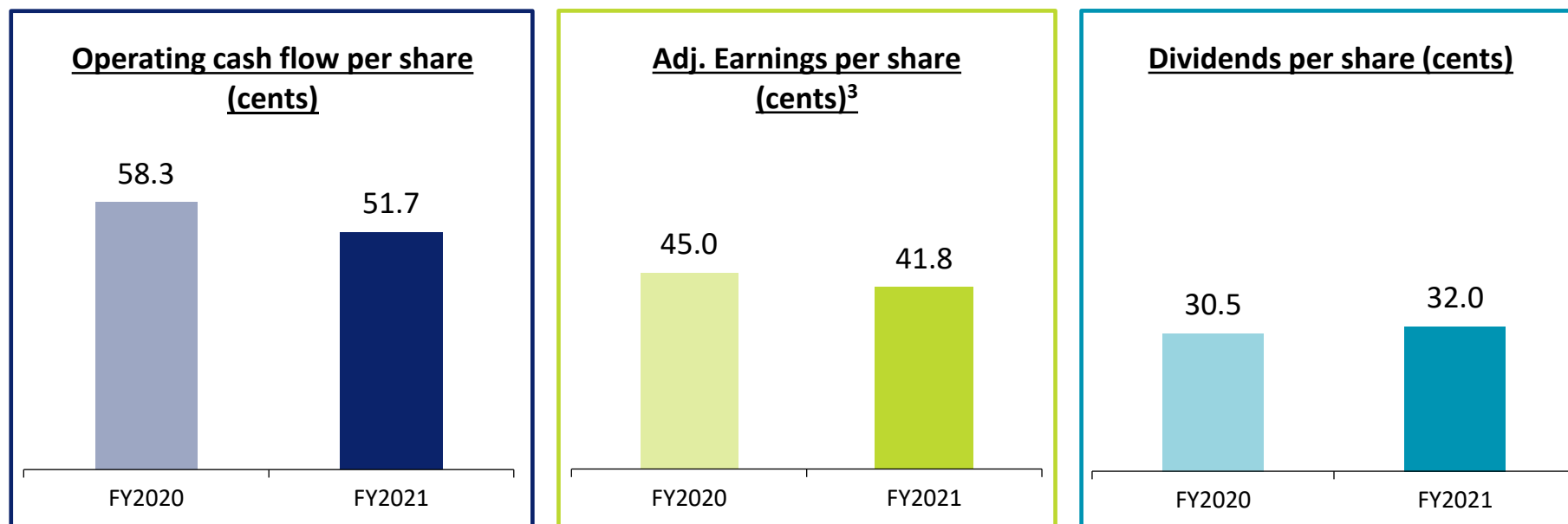
¹ Based on cash consideration of US\$125M, which excludes performance-based earnout

² Gross debt include both borrowings and lease liabilities

³ EBITDA less rental expenses: Only cash interest is taken into account

Delivering shareholder returns

- Proposed final quarterly dividend of 8.0 cents¹ per share, bringing total dividend for FY2021 to 32.0 cents¹, an increase of 5% from FY2020
- We will be putting in place a scrip dividend scheme² to give shareholders the option to:
 - re-invest their cash dividends in SGX shares; and
 - participate in SGX’s medium term growth journey



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

¹ Subject to shareholders' approval at the forthcoming AGM on 7 October 2021.

² For the avoidance of doubt, the scrip dividend scheme does not apply to the proposed 4Q FY2021 dividend. Implementation date will be announced in due course.

³ Adjusted figures are non-SFRS(I) measures. Please refer to Section 8 of our financial results for reconciliations between the adjusted and their equivalent measures

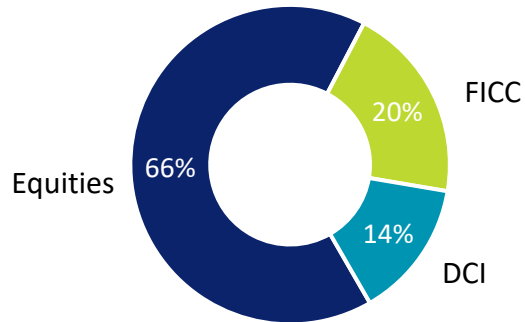
Business Update

Loh Boon Chye, Chief Executive Officer

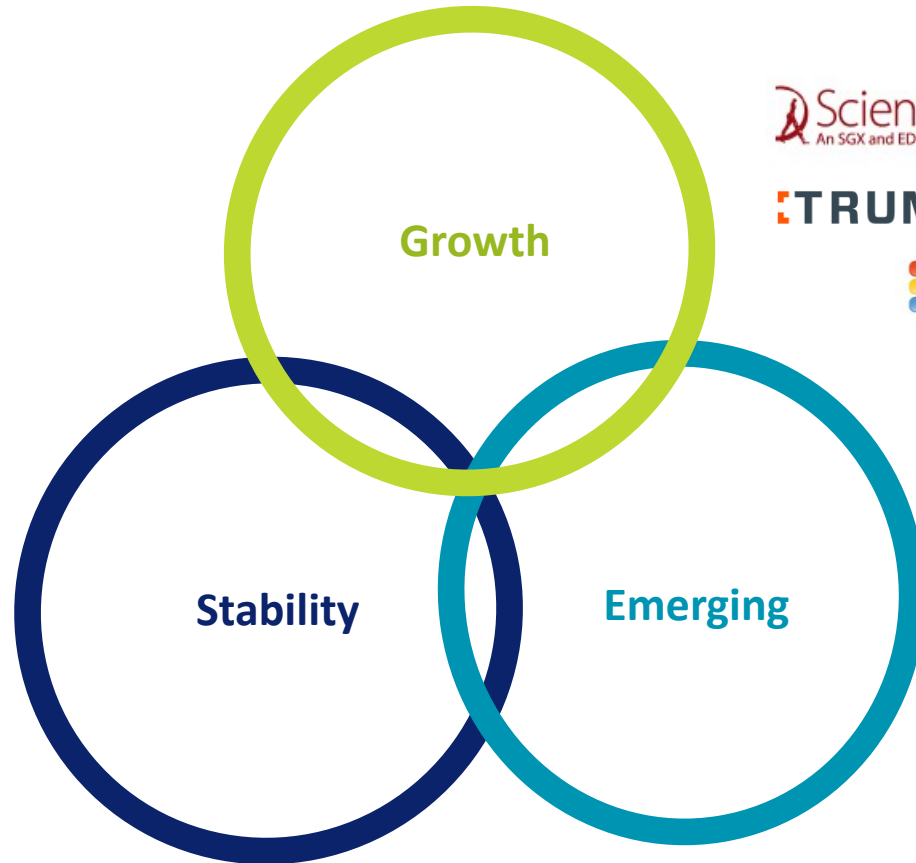
Advancing SGX as a leading international multi-asset exchange

Combination of strong core businesses, growth engines and emerging opportunities

FY2021 Revenue



FICC and DCI contributed to 34% of revenue in FY2021, up from 20% in FY2015



ScientificBeta
An SGX and EDHEC Venture



TRUMID XT

MaxxTrader

MARKETNODE

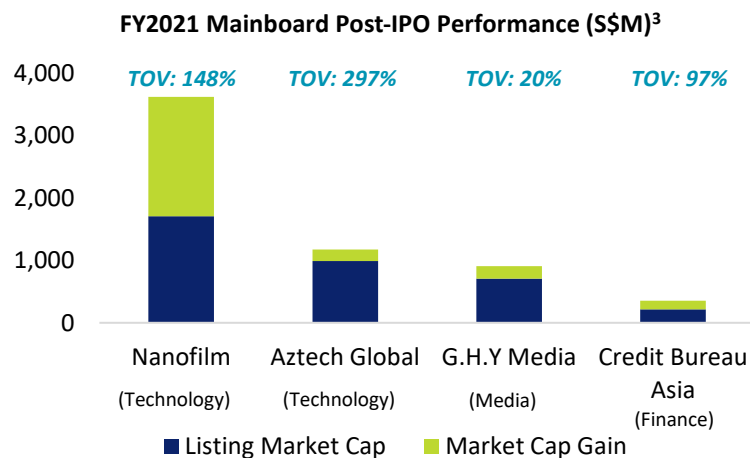
Climate Impact X

Enhancing the quality of cash equities market

- Non-REITs listings in FY2021 displayed sustained post-IPO performance
- Record year for ETFs, with AUM¹ nearing S\$10B; new China-themed and fixed income ETFs²

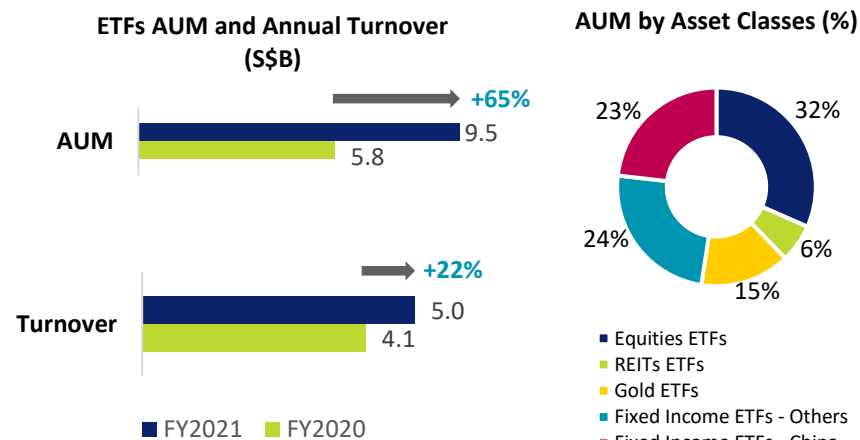
Meet diverse capital raising needs

- Spectrum of industries
- Different pathways to listing



Broaden investment offering

- Multi-asset
- Multi-geography



Expand participant groups

- Market makers and active traders
- Singapore and regional investors

Provide new and enhanced post-trade services

- Electronic Corporate Actions
- Securities Lending & Borrowing enhancement

Leader for pan-Asian derivatives

- Strong performance in a year of transition
- Competitive advantage from our strong network and portfolio effects
- Continually enhance our platform offering, including risk management solutions for ESG portfolios



Becoming Asia's largest integrated FX platform

- Significant FX volume at US\$75B average daily volume (ADV)¹
- Further invest in setting up a FX Electronic Communication Network (ECN) to scale our FX franchise; targeted launch by end CY2021

SGX is largest and most liquid FX derivatives exchange in Asia

1 Exchange of choice

- Best FX exchange in Asia at FX Market Awards 2020
- Best Exchange for FX at FX Markets eFX Awards 2020
- Open interest and volume records

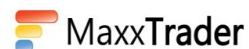
2 Broadening product shelf

- USD/SGD and KRW/USD full-sized futures
- USD/INR quanto futures and options
- USD/CNH mini futures

Expanding to OTC FX



- Enhanced system workflow and new functionalities for key client segments; new innovative products
- Growth in client acquisition in APAC and EMEA



- Leading provider of FX pricing and risk solutions for sell-side institutions, and a multi-dealer platform for buyside clients
- Global client and dealer franchisee
- Positive momentum with ADV > US\$17B (January - June 2021)

1. Based on ADV for SGX FX Futures, BidFX and MaxxTrader for the period January - June 2021

Expanding solutions from Asia's only global index provider

- Bespoke index solutions and ESG products gathering momentum
- Accelerate new product development through Scientific Beta's research pedigree

Enabling scalable growth with IP-based offerings

Smart Factor Indices

Scientific Beta's smart factor indices provide robust exposure to long-term rewarded factors, good diversification of unrewarded risks, and ESG/Low Carbon options to enable a consistent and effective investor engagement policy.

SB assets under replication (AUR) > US\$60 billion¹ and growing

ESG/Climate Indices

Scientific Beta's indices with pure climate objectives allow climate exclusions and weightings to be combined in order to translate corporate climate alignment engagement into portfolio decisions.

New *Climate Impact Consistent Indices* add to existing ESG offerings for multifactor indices

Thematic indices



iEdge-CNBC China Growth Economy Index



SB Equity inflation indices

and more...

Regional distribution

- Unlock customer segments beyond asset owners to include ETF issuers, private banks and investment banks with SGX's client footprint
- Launch ETFs and structured products based on index solutions

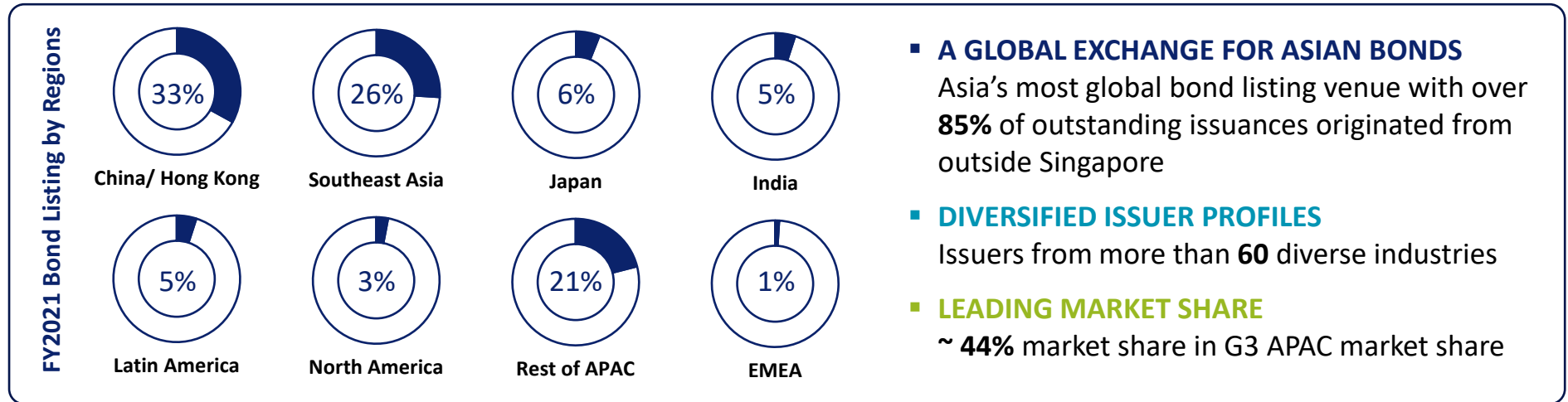
Custom indices and calculations

- Continued strong demand for 3rd party custom index calculation; supported by in-house calculation platform

1. As of June 2021

Developing digital fixed income marketplace covering full lifecycle

- Wide geographical diversity of bond listings
- Develop end-to-end digital fixed income marketplace for enhanced workflow and customer experience



Digital primary workflows



JV for digital asset primary issuance, post trade and asset servicing

Global access to Asian ESG bond data



East-West data partnership with Nasdaq Sustainable Bond Network covering Green, Social, Sustainability fixed income securities

Global access to Asian bonds



JV to enhance liquidity / execution in the Asian bond trading market via Trumid XT

Digital post-trade



Partnerships to strengthen post-trade connectivity with global CSDs / ICSDs for Singapore-based settlement

Note: All figures may be subject to rounding

Leading the way in sustainability to build a resilient future

- Our vision: A leading capital and trading hub enabling sustainable finance and credible transitions with end-to-end products, solutions and ecosystem
- First Asian exchange to commit to 1.5°C-aligned science-based emission reduction targets

Corporates and investors are embarking on a decarbonisation path¹

1. **Measure** carbon footprint, and understand key risks and opportunities
2. **Set** emission reduction targets
3. **Reduce** absolute emissions footprint
4. **Neutralise** unavoidable residual emissions
5. **Compensate** Year-on-Year (YoY)
6. **Disclose** progress

... leading to new opportunities



Debt financing
Equity financing

- GSSS bonds²
- Infrastructure/decarbonisation funds



Renewable energy certificates
Carbon credits

- EMC PowerSelect platform
- Climate Impact X



Investment and risk
management solutions

- Climate Impact Consistent Indices
- Derivatives
- Exchange traded funds and other products



Data solutions

- Nasdaq Sustainable Bond Network partnership
- ESG data portal

1. Credible decarbonisation and transition for corporates in Asia, SGX, 11 June 2021

2. Green, social, sustainability and sustainability-linked

Looking ahead ...



- Well-poised to help our customers capture growth opportunities in Asia and capitalise on trends
 - Becoming Asia’s largest integrated FX platform
 - Developing digital fixed income marketplace covering full lifecycle
 - Leading capital and trading hub enabling sustainable finance and credible transitions with end-to-end products, solutions and ecosystem
- We will continue to invest in scaling our businesses, while maintaining cost discipline

Questions and Answers Panel

Loh Boon Chye, Chief Executive Officer

Ng Yao Loong, Chief Financial Officer

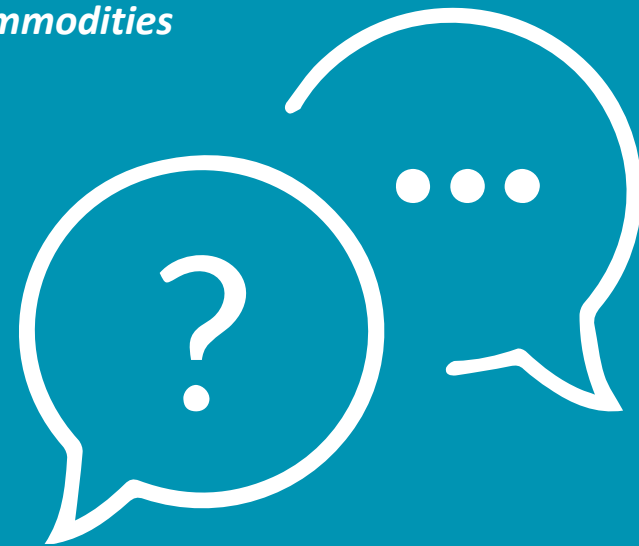
Michael Syn, Head of Equities

Lee Beng Hong, Head of Fixed Income, Currencies & Commodities

Ng Kin Yee, Head of Data, Connectivity & Indices

Pol De Win, Head of Global Sales & Origination

Tan Boon Gin, CEO of SGX RegCo



Thank You!

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