

# 3Q FY2018 Analyst and Media Briefing

Loh Boon Chye, Chief Executive Officer  
Chng Lay Chew, Chief Financial Officer

20 April 2018

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# Agenda

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Business Update

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Questions and Answers

# Third Quarter FY2018

## Financial Highlights and Performance

Chng Lay Chew, Chief Financial Officer

# Third Quarter FY2018 Highlights

## Revenue

- \$222M
- Up 10%

## Expenses

- \$104M
- Up 5%

## Operating Profit

- \$118M
- Up 15%

## Net Profit

- \$100M
- Up 21%

## Securities Trading

- \$90B total traded value
- Up 15%

## Derivatives Trading

- 54M contracts
- Up 34%

## Earnings Per Share

- 9.4 cents
- Up 21%

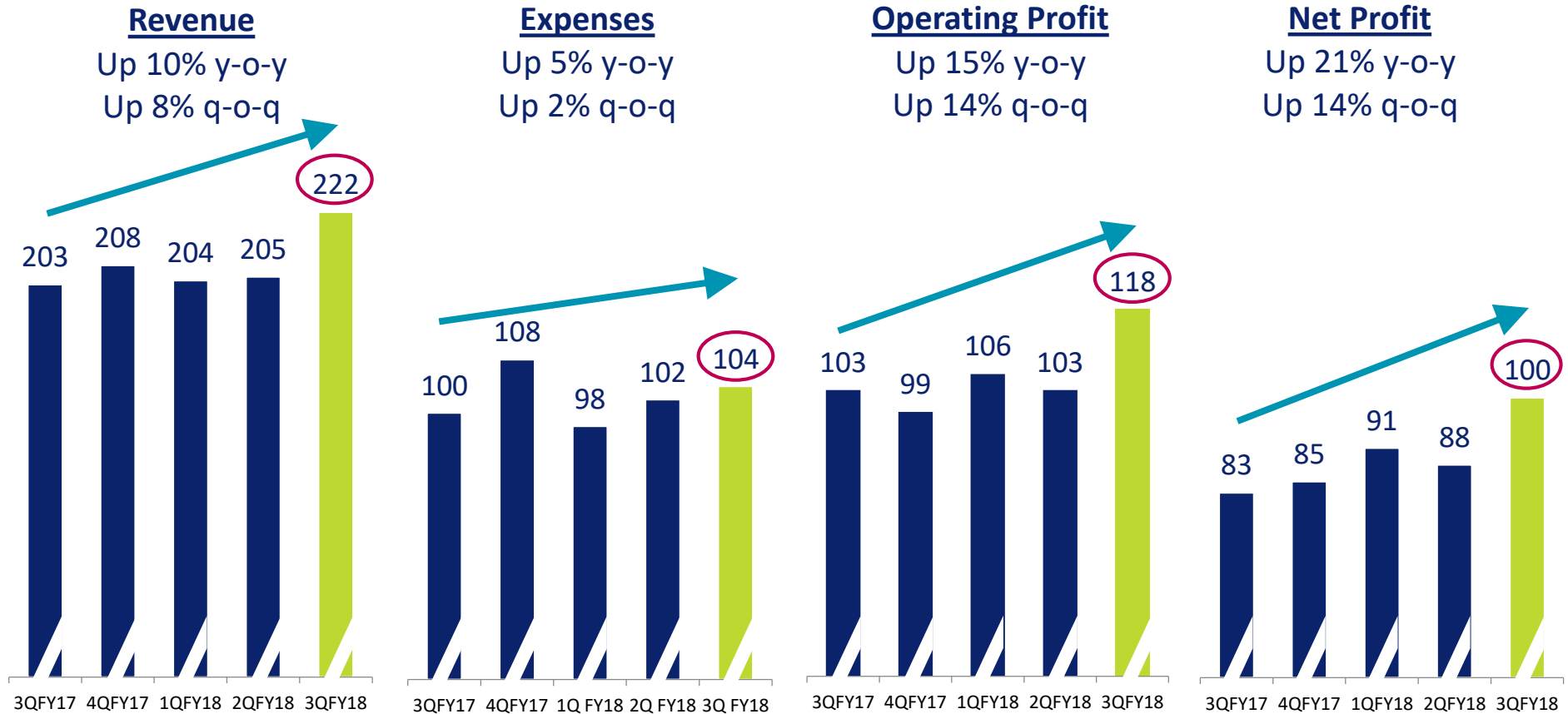
## Dividend Per Share

- Interim dividend 5 cents per share
- Unchanged

- Strong quarter with Net profit of \$100M, up 21% from a year ago, up 14% quarter-on-quarter
- Securities traded value up 15% to \$90B. Derivatives traded volume up 34% to 54M contracts
- Earnings per Share – 9.4 cents, Dividend per share – 5 cents
- 9M YTD Net Profit \$280M, up 10%. Revenue of \$632M, up 7%; Expenses \$305M, up 5%

# Financial Performance: Quarterly Trend

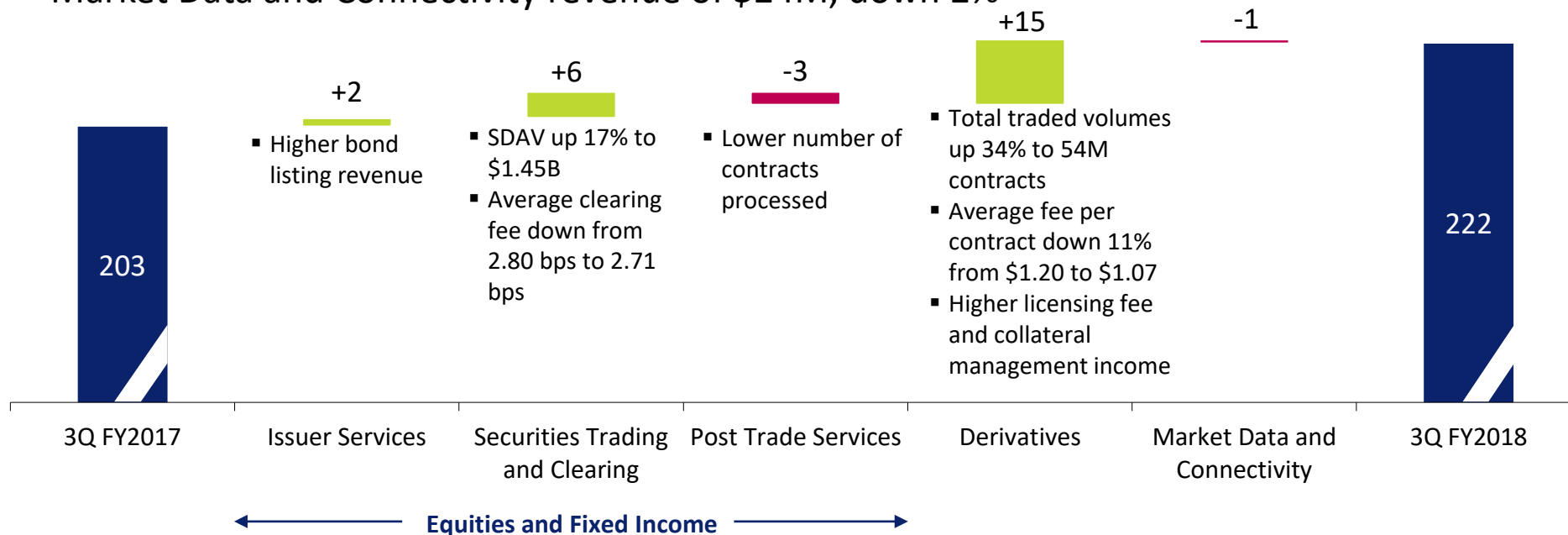
- Record quarterly revenue of \$222M since SGX listing.
- Net profit of \$100 million, up 21% from a year earlier. Highest net profit since 3Q FY2008.



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

# Financial Performance: Revenue, Year-on-Year

- Revenue of \$222M, up 10%
- Equities & Fixed Income revenue of \$108M, up 5%; Derivatives revenue of \$90M, up 20%
- Market Data and Connectivity revenue of \$24M, down 2%

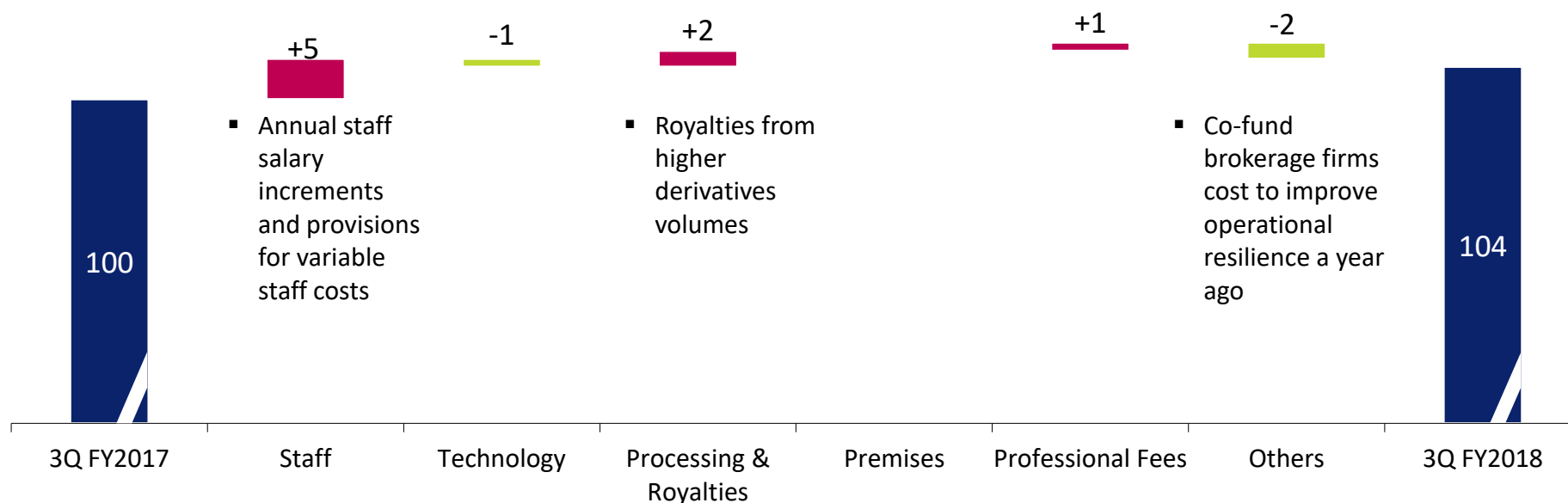


<b>3Q FY2018</b>	<b>\$21M (9%)</b>	<b>\$62M (28%)</b>	<b>\$26M (12%)</b>	<b>\$90M (41%)</b>	<b>\$24M (11%)</b>	<b>\$222M</b>
3Q FY2017	\$19M (9%)	\$55M (27%)	\$29M (14%)	\$75M (37%)	\$24M (12%)	\$203M

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

# Financial Performance: Expenses, Year-on-Year

- Expenses of \$104M, up 5% from a year earlier



<b>3Q FY2018</b>	<b>\$46M (44%)</b>	<b>\$31M (30%)</b>	<b>\$12M (12%)</b>	<b>\$7M (7%)</b>	<b>\$2M (2%)</b>	<b>\$7M (6%)</b>	<b>\$104M</b>
3Q FY2017	\$41M (41%)	\$32M (32%)	\$11M (11%)	\$7M (7%)	\$1M (1%)	\$9M (9%)	\$100M

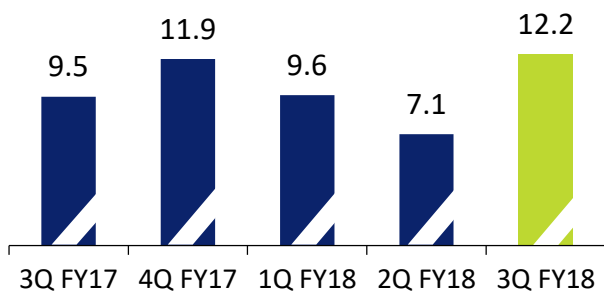
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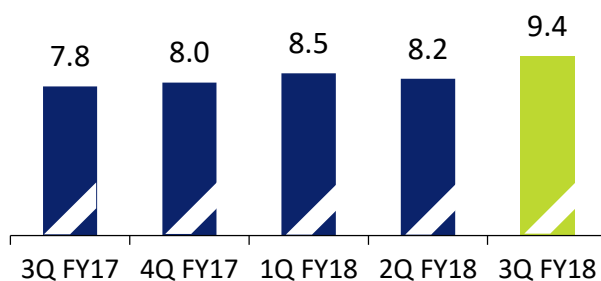
# Financial Performance: Key Indicators

	3Q FY2017	4Q FY2017	1Q FY2018	2Q FY2018	3Q FY2018
Revenue (\$ million)	203	208	204	205	222
Operating profit (\$ million)	103	99	106	103	118
Operating profit margin	51%	48%	52%	50%	53%
Net profit (\$ million)	83	85	91	88	100
Return on equity	36%	34%	38%	37%	37%
Earnings per share (cents)	7.8	8.0	8.5	8.2	9.4
Dividend per share (cents)	5	13	5	5	5

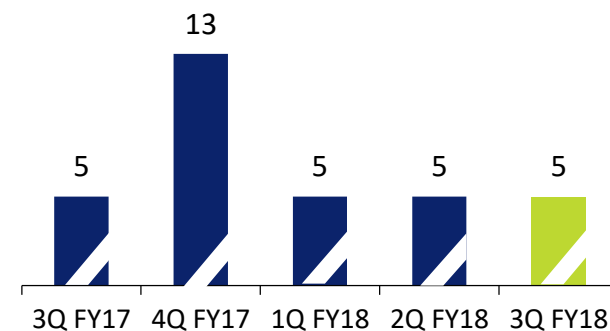
Operating cash flow per share (cents)



Earnings per share (cents)



Dividend per share (cents)



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

# Business Update

Loh Boon Chye, Chief Executive Officer

# Business Performance

- Achieved highest-ever quarterly revenue since listing almost 20 years ago
- Highest quarterly net profit in the last 10 years

(\$ million)	3Q FY2018 Revenue	Change (y-o-y)	Revenue Contribution
Equities & Fixed Income	108	↑ 5%	49%
Derivatives	90	↑ 20%	41%
Market Data & Connectivity	24	↓ 2%	11%
<b>Total Revenue</b>	<b>222</b>	<b>↑ 10%</b>	<b>100%</b>

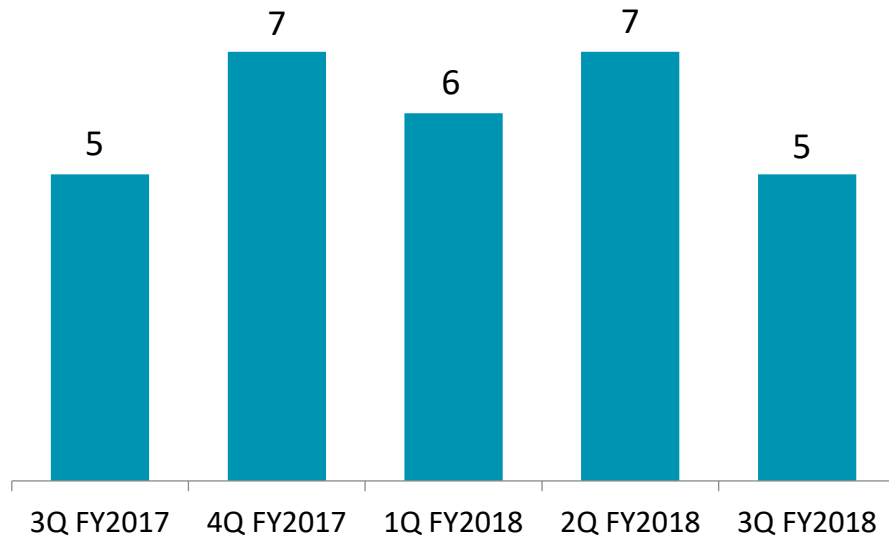
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# Equities & Fixed Income – Equity Listings

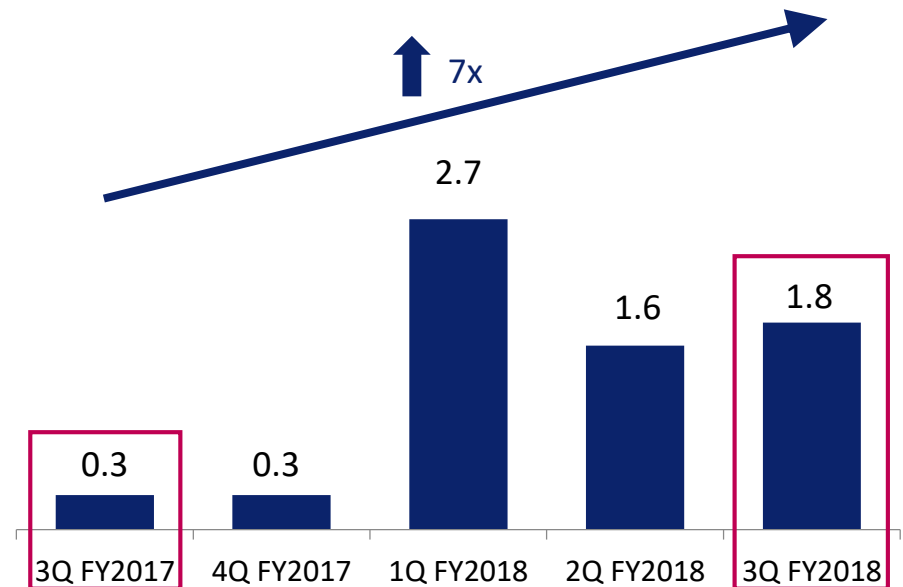
**Issuer Services**  
**\$21M ↑ 8% y-o-y**

- 5 new equity listings, comparable to a year ago
- Equity funds raised increased 7x from \$0.3B to \$1.8B

**No. of New Equity Listings**



**Funds Raised from New Equity Listings (\$B)**



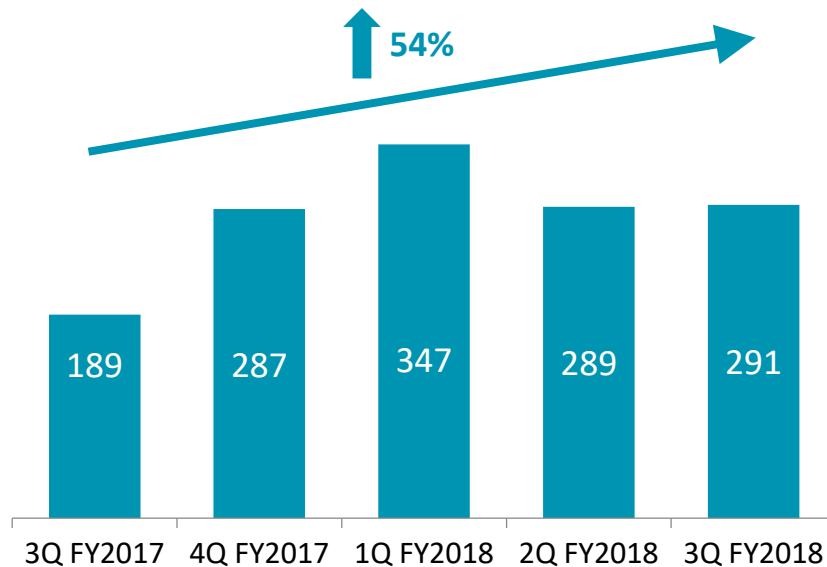
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# Equities & Fixed Income – Fixed Income Listings

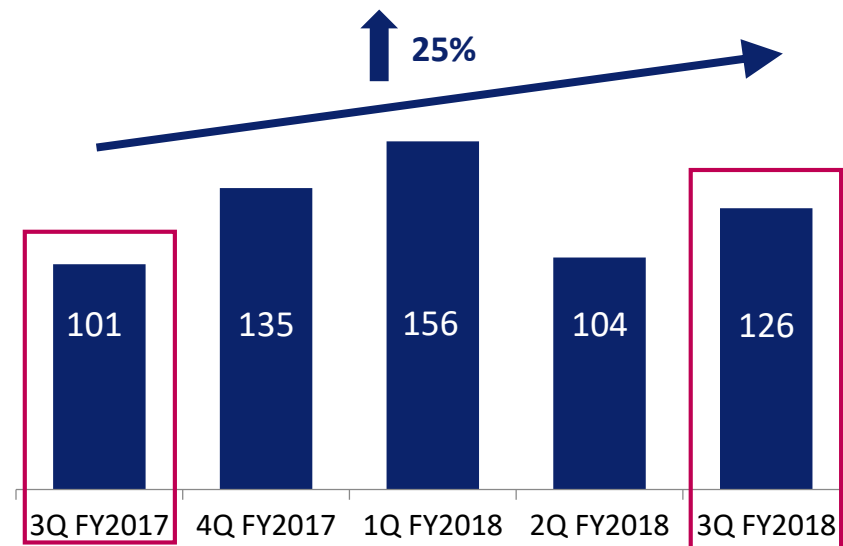
**Issuer Services**  
**\$21M ↑ 8% y-o-y**

- Continue to be a leading global bond listing venue in Asia
- Number of bonds listed up 54% to 291; funds raised up 25% to \$126B
- YTD FY18 listings of 927 bonds surpassed FY17 record listings of 819

**No. of New Bond listings**



**Funds Raised from New Bond listings (\$B)**



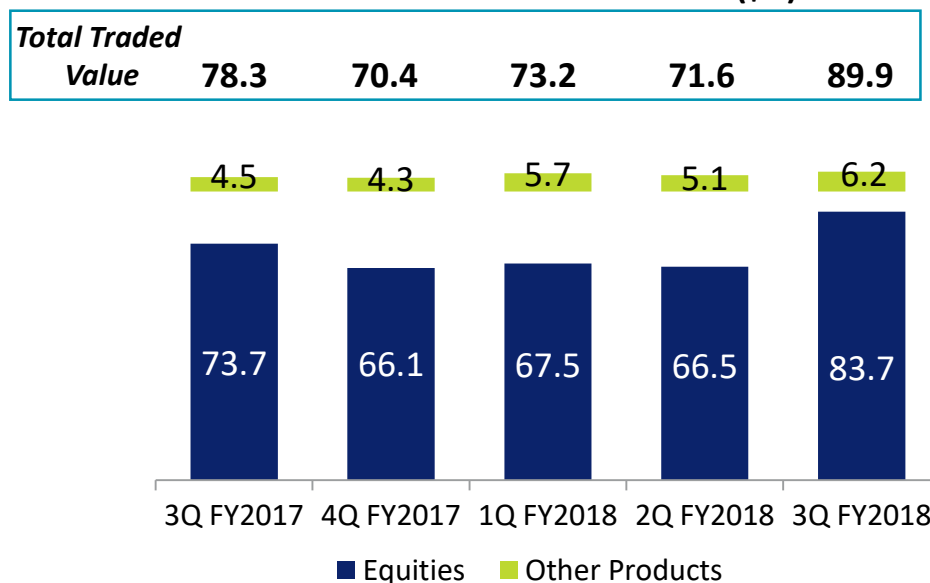
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# Equities & Fixed Income

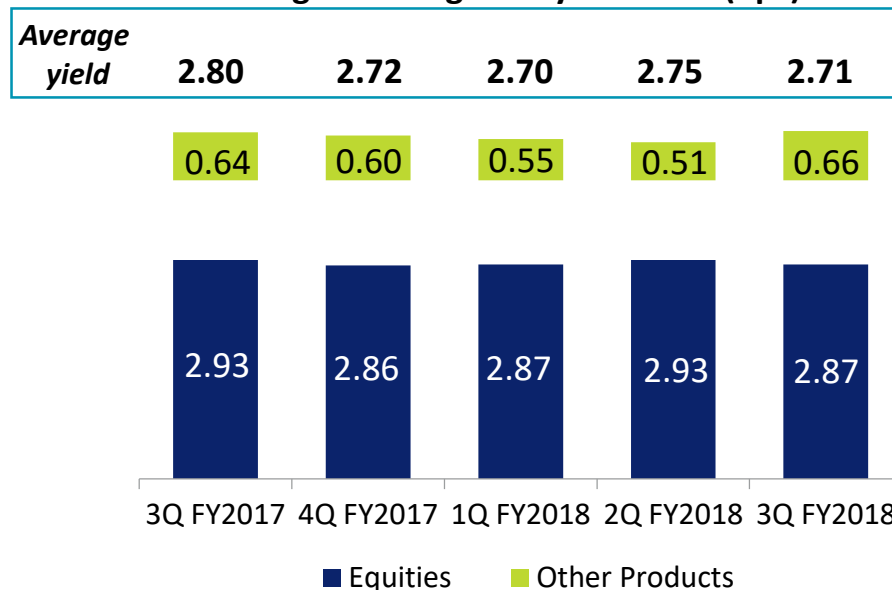
**Securities Trading & Clearing**  
**\$62M ↑ 12% y-o-y**

- SDAV up 17% y-o-y from \$1.24B to \$1.45B
- Increase in number of Market Makers & Liquidity Providers
- Continued contribution from outreach efforts to investors

**Securities Total Value Traded (\$B)**



**Average Clearing Fee by Products (bps)**



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

<sup>1</sup> Equities include ordinary shares, real-estate investment trusts and business trusts

<sup>2</sup> Other products include structured warrants, company warrants, exchange-traded funds, daily leverage certificates, debt securities, and American depository receipts

# Equities & Fixed Income

**Post Trade Services**  
**\$26M ↓ 11% y-o-y**

- Securities settlement revenue down 4% from \$24M to \$23M due to a change in the mix of subsequent settlement activities
- All brokers had successfully migrated to their own back office systems by February 2018

## New Post Trade System (Phase 2)



### Key features:

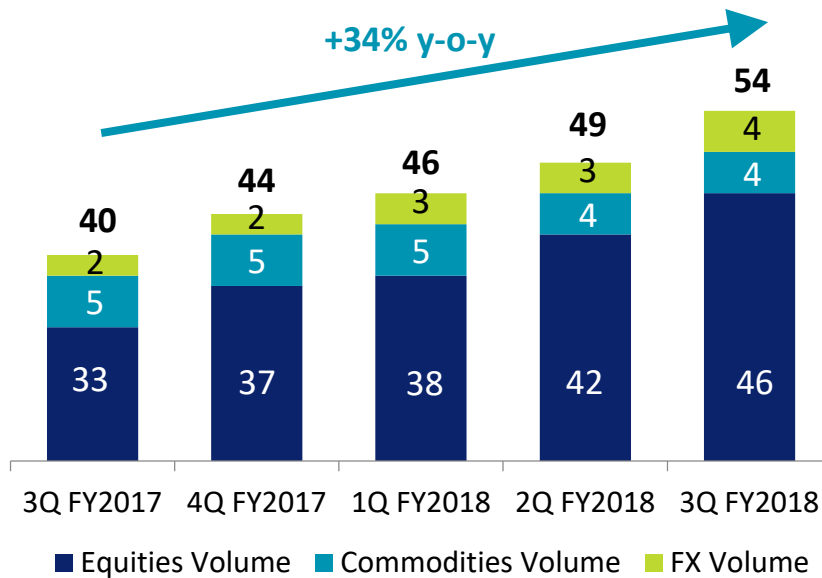
- Introduce Broker-linked Balances
- Simultaneous Money & Share Settlement
- Supports the shortening of securities settlement cycle from T+3 to T+2 (2H FY2019)

# Derivatives

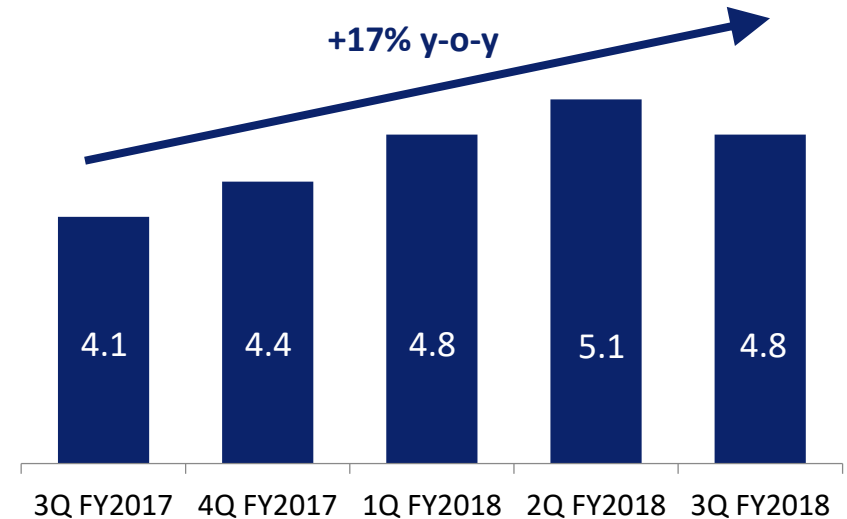
**Equity & Commodities**  
\$63M ↑ 16%

- Large volume increases in Equities and FX contracts
- SGX continues to be a key risk management centre
- T+1 volume grew 70% following implementation of Titan (22.5 hrs) & marketing efforts from our distribution centres in US and UK
- Consolidated our market share in Commodities despite lower volumes

**Total Derivatives Volume (M contracts)**



**Average Quarter-End Open Interest (M contracts)**



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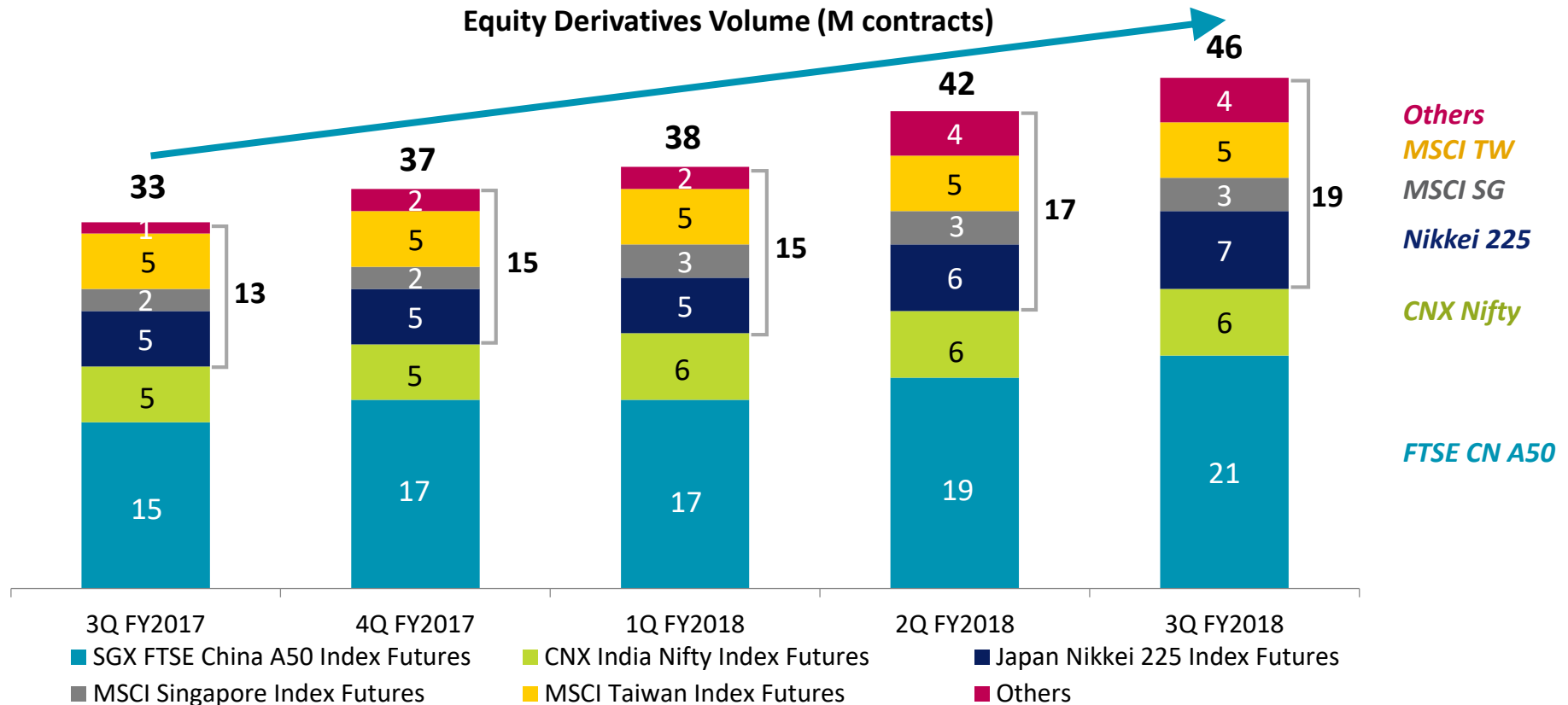


# Derivatives – Equities

**Equity & Commodities**  
\$63M ↑ 16%

- Higher y-o-y trading volumes across all key Equity Index contracts

Equity Derivatives Volume (M contracts)



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

# Derivatives – Commodities

Equity & Commodities  
\$63M ↑ 16%

- Commodities volume down 14% on lower volatility
- Iron Ore seeing increased overnight electronic participation
- Coking Coal gaining traction, cementing our position in the steel value chain

## Increasing overnight Electronic Participation in Iron Ore

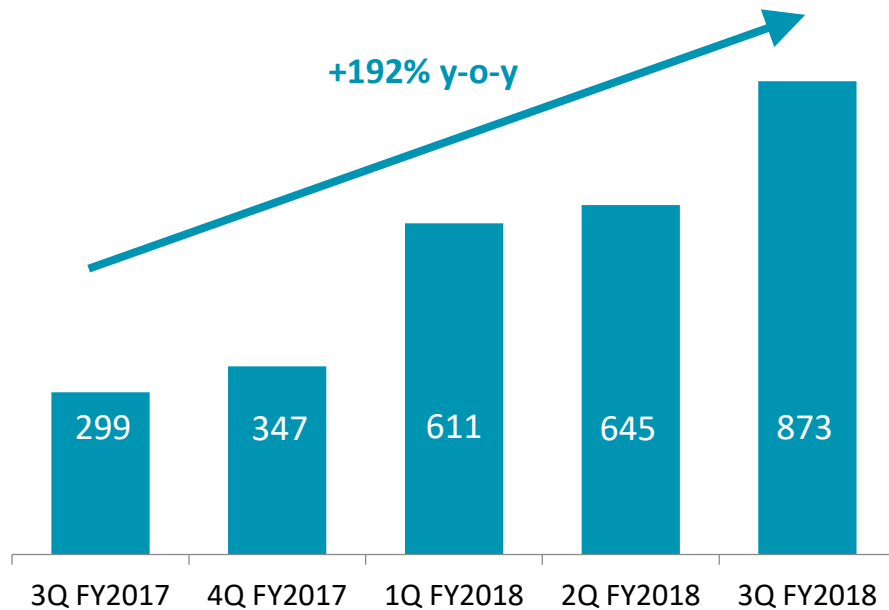


# Derivatives – FX

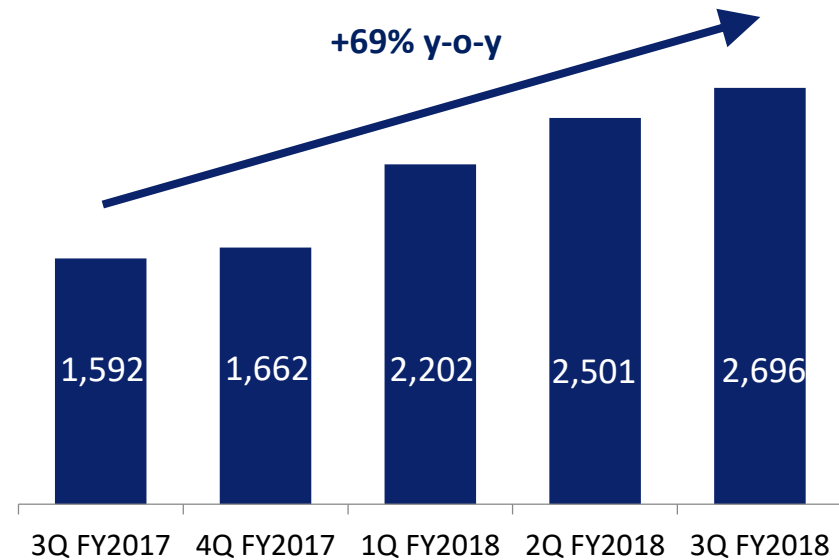
Equity & Commodities  
\$63M ↑ 16%

- FX futures volume in 3Q FY2018 exceeded 3.6M contracts; y-o-y growth at 89%
- Volume market share increased for:
  - USD/CNH ↑ from 55% to 72%
  - INR/USD ↑ from 36% to 41%

USD/ CNH Volume ('000 contracts)



INR/ USD Volume ('000 contracts)



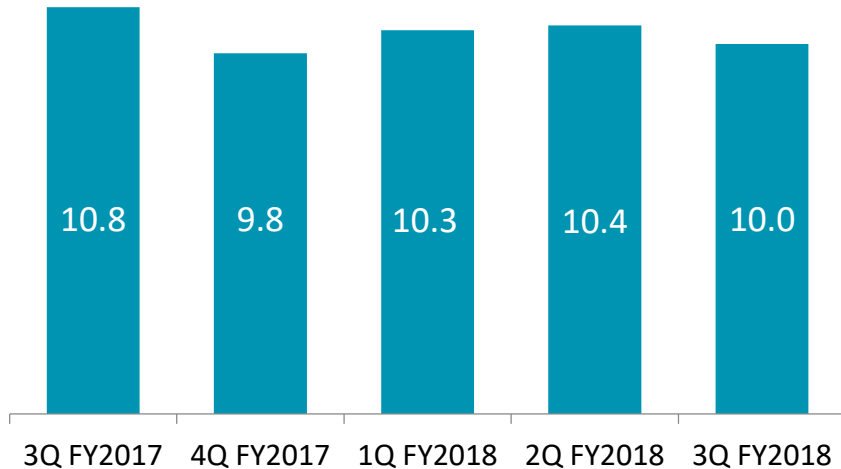
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# Market Data & Connectivity

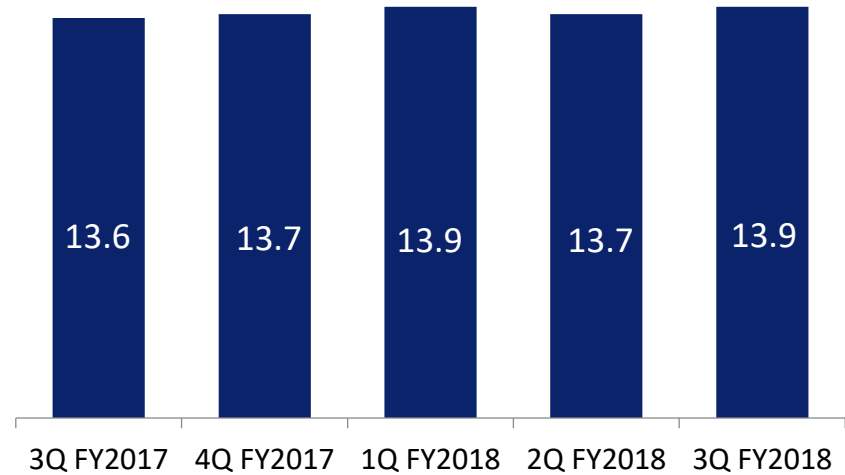
Market Data &  
Connectivity  
\$24M ↓2%

- Market data and connectivity revenue comparable
- Trend towards non-display use of data by algo and post-trade systems
- Increase in connectivity subscriptions in line with growth in derivatives market activity

Market Data Revenue (\$M)



Connectivity Revenue (\$M)



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

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# Looking Ahead ...

- We expect market activity to improve
- We will continue to build on our multi-asset offering and increase our servicing and marketing efforts across our domestic and international client base.
- Strengthen our global network through strategic partnerships and alliances
- Guidance for FY2018
  - Operating expenses will be between \$410M & \$420M
  - Technology-related capital expenditure will be between \$60M & \$65M



# Questions and Answers



**Thank you**

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