

1Q FY2019 Analyst and Media Briefing

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

19 October 2018

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First Quarter FY2019

Financial Highlights and Performance

Chng Lay Chew, Chief Financial Officer

First Quarter FY2019 Highlights

- Creditable results – Revenue of \$209M, up 2%; Net profit of \$91M, comparable y-o-y
- Strong Derivatives performance – Traded volume up 17% to a record of 54M contracts
- Securities traded value down 8% to \$68B amidst current weakness in emerging markets
- Dividend per share – 7.5 cents, up 2.5 cents; Earnings per share – 8.5 cents

Revenue

- \$209M
- Up 2%

Expenses

- \$102M
- Up 4%

Operating Profit

- \$106M
- Comparable

Net Profit

- \$91M
- Comparable

Derivatives Trading

- 54M contracts
- Up 17%

Securities Trading

- \$68B total traded value
- Down 8%

Earnings Per Share

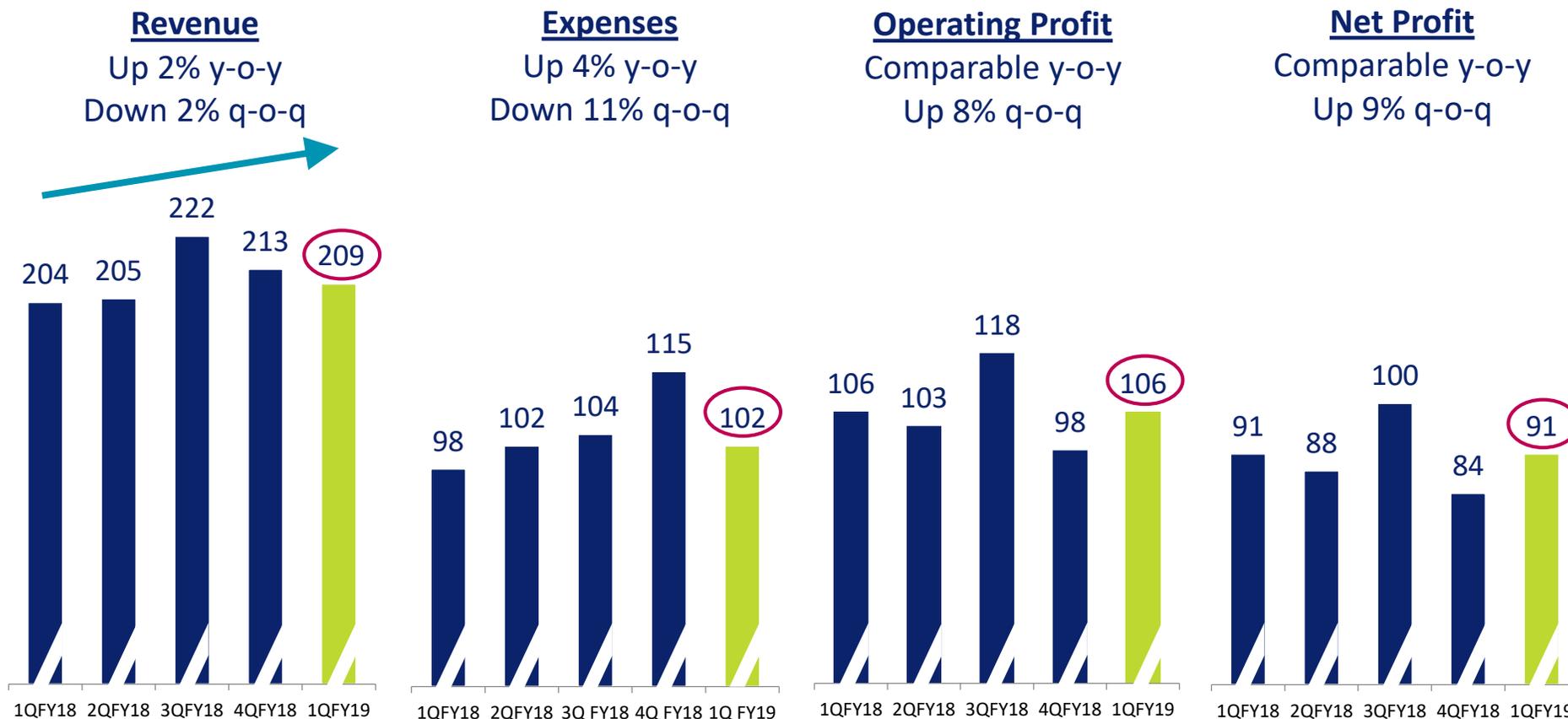
- 8.5 cents
- Comparable

Dividend Per Share

- 7.5 cents
- Up 2.5 cents

Financial Performance: Quarterly Trend

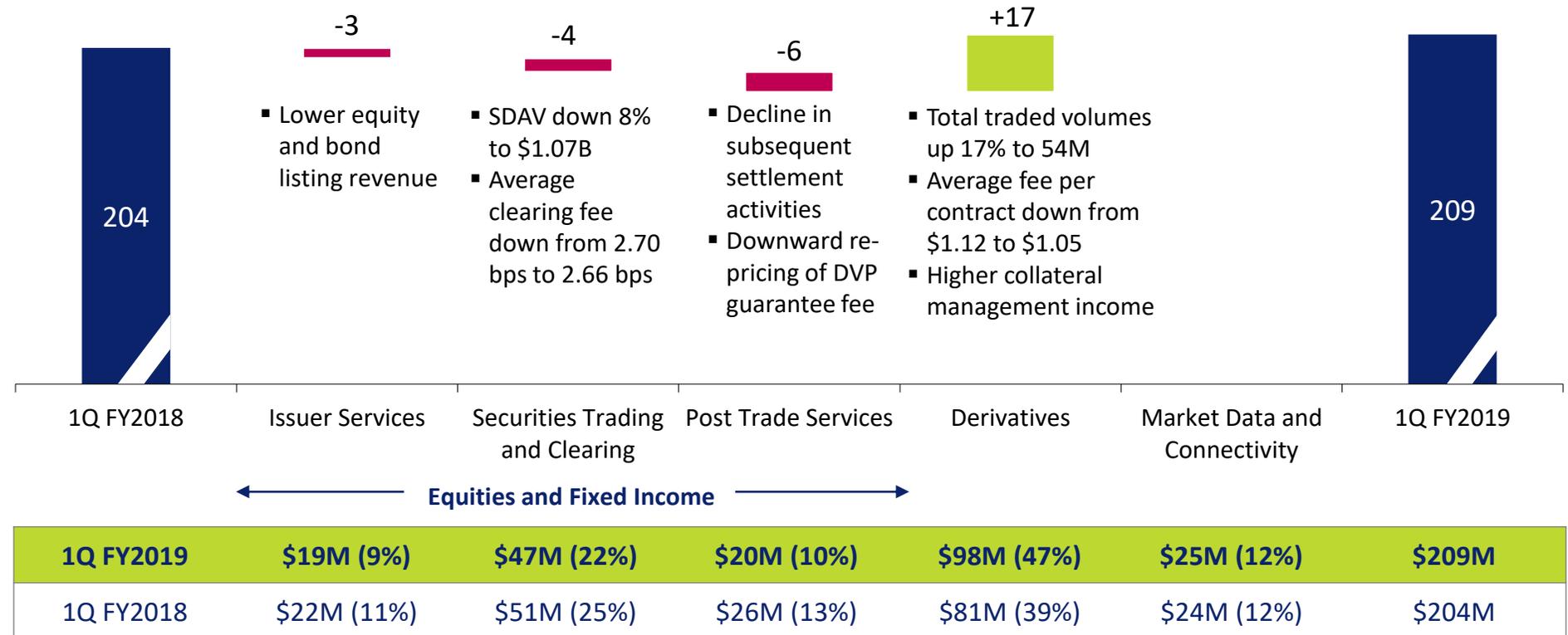
- Net profit of \$91 million, up 9% quarter-on-quarter



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

1Q Revenue up 2%

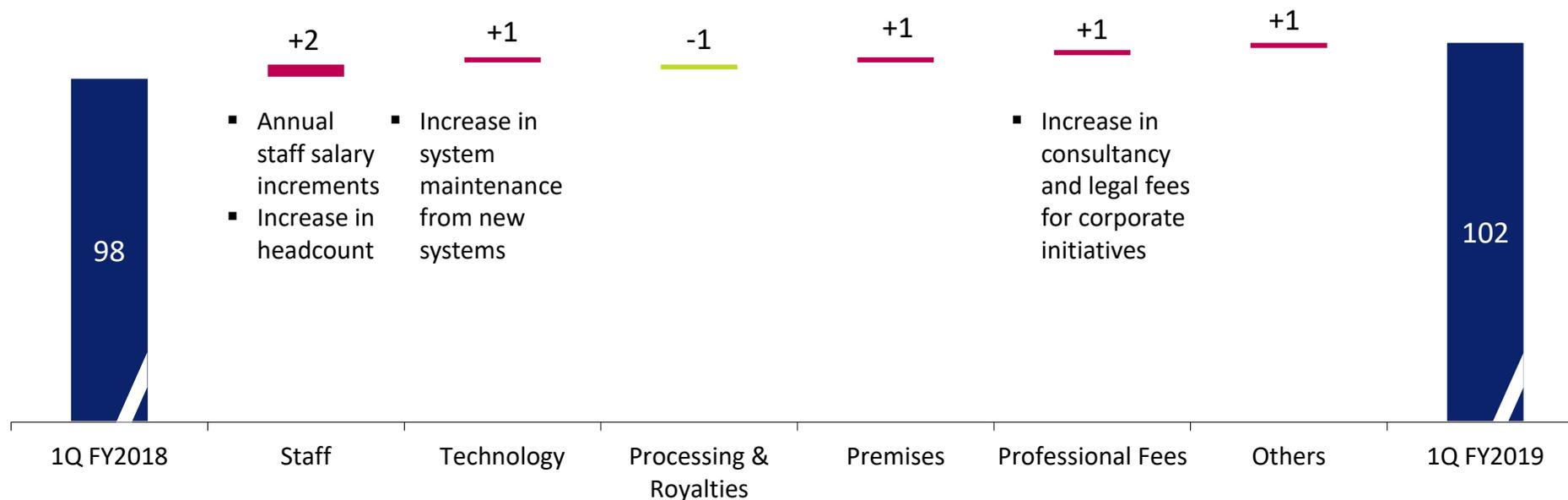
- Record Derivatives revenue of \$98M, up 21%
- Equities & Fixed Income revenue of \$86M, down 13%
- Market Data and Connectivity revenue of \$25M, up 2%



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

1Q Expenses up 4%

- Higher staff costs, technology expenses and professional fees
- Continued to maintain cost discipline



1Q FY2019	\$43M (42%)	\$31M (31%)	\$11M (10%)	\$7M (7%)	\$3M (3%)	\$7M (7%)	\$102M
1Q FY2018	\$41M (42%)	\$31M (31%)	\$12M (12%)	\$7M (7%)	\$2M (2%)	\$6M (6%)	\$98M

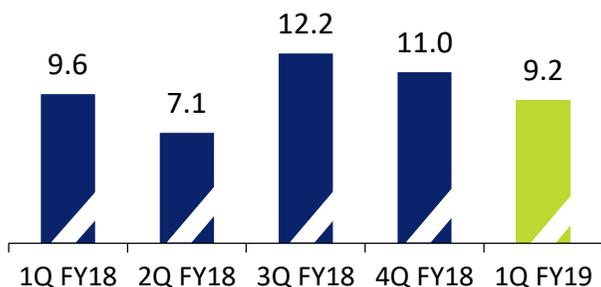
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Key Financial Indicators

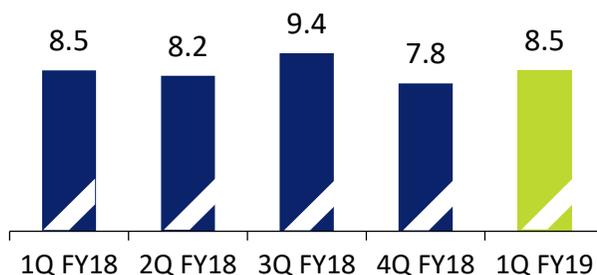
- High operating profit margin of 51%
- High ROE of 39%
- Quarterly dividend per share of 7.5 cents per share

	1Q FY2018	2Q FY2018	3Q FY2018	4Q FY2018	1Q FY2019
Revenue (\$ million)	204	205	222	213	209
Operating profit (\$ million)	106	103	118	98	106
Operating profit margin	52%	50%	53%	46%	51%
Net profit (\$ million)	91	88	100	84	91
Return on equity	38%	37%	37%	34%	39%

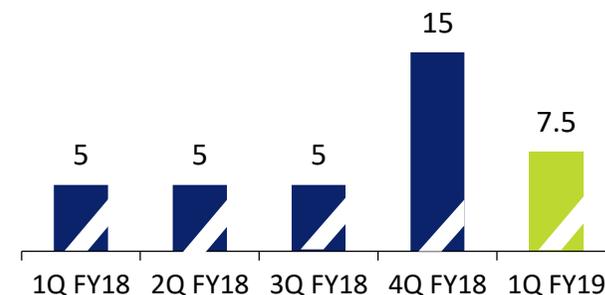
Operating cash flow per share (cents)



Earnings per share (cents)



Dividend per share (cents)



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Business Update

Loh Boon Chye, Chief Executive Officer

1Q FY2019 Performance

- Diversified business with record Derivatives revenue offsetting the decline in EFI revenue
- Softening equities market comparable with regional markets amidst current weakness in emerging markets

(\$ million)	1Q FY2019 Revenue	Change (y-o-y)	Revenue Contribution
Equities & Fixed Income	86	↓ 13%	41%
Derivatives	98	↑ 21%	47%
Market Data & Connectivity	25	↑ 2%	12%
Total Revenue	209	↑ 2%	100%



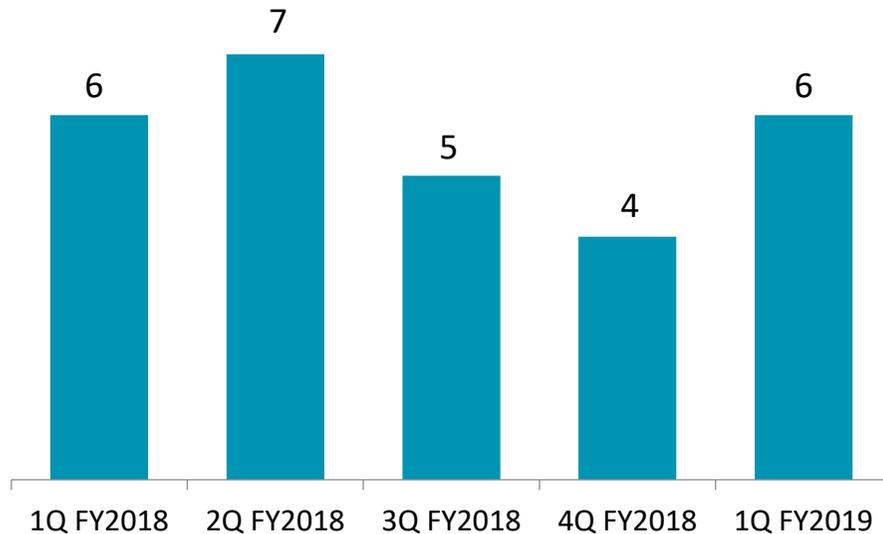
- Derivatives Exchange of the Year: Asia Risk Awards (Sep 2018)
- Exchange of the Year – Derivatives: FOW Asia Capital Markets Awards (Sep 2018)
- Asia-Pacific Derivatives Exchange of the Year: GlobalCapital (Sep 2018)
- Asia’s Best FX Exchange & Clearing House – by FX Week (Aug 2018)

Equities & Fixed Income – Equity Listings

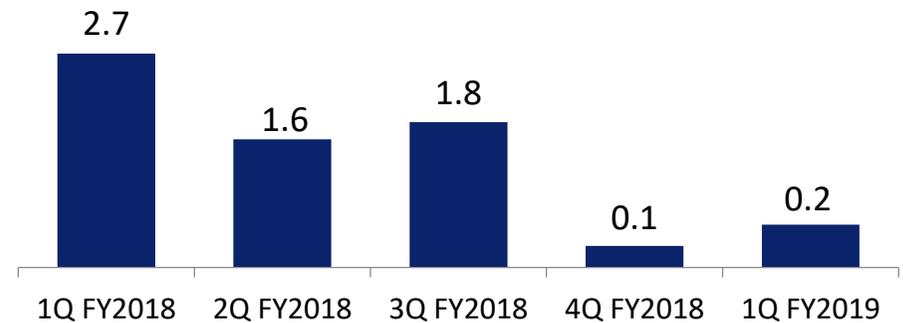
Issuer Services
\$19M ↓ 12% y-o-y

- Revenue down 12% from \$22M to 19M
- 6 new equity listings, comparable to a year ago
- Healthy pipeline

No. of New Equity Listings



Funds Raised from New Equity Listings (\$B)



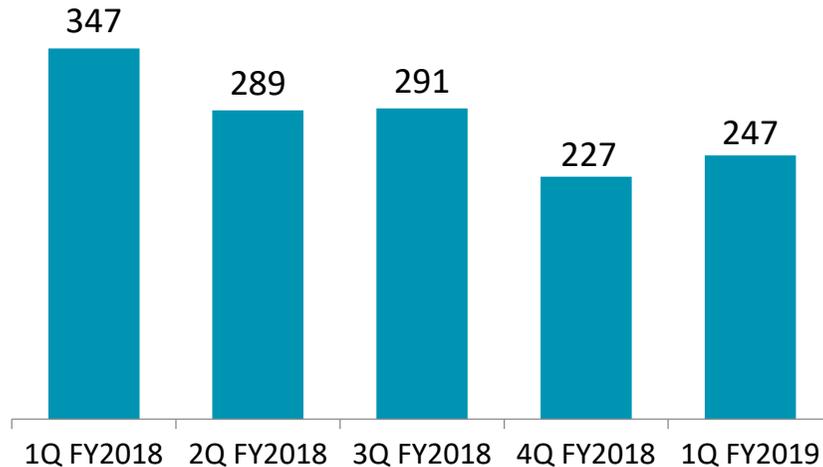
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Equities & Fixed Income – Fixed Income Listings

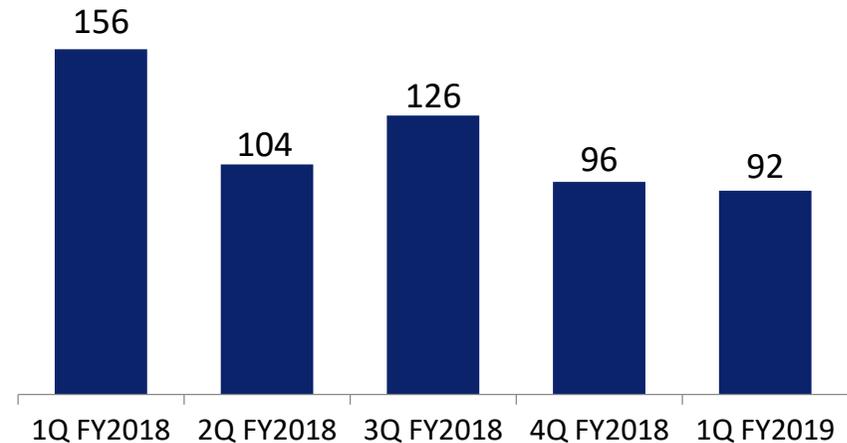
Issuer Services
\$19M ↓ 12% y-o-y

- Number of bond listings at 247
- Largest exchange in Asia for the listing of international bonds with 80% of listed bonds from offshore issuers

No. of New Bond listings



Funds Raised from New Bond listings (\$B)



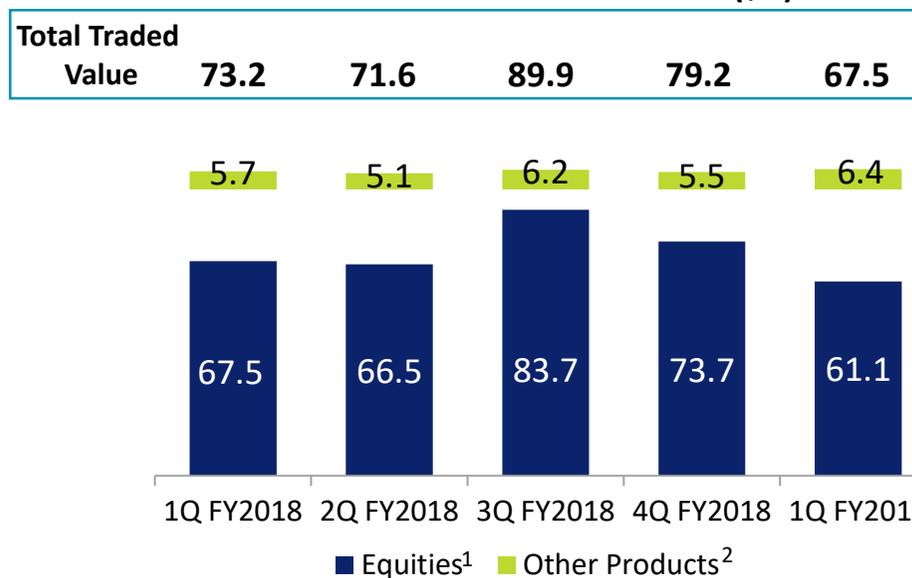
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Equities & Fixed Income

Securities Trading & Clearing
\$47M ↓ 8% y-o-y

- SDAV down 8% y-o-y from \$1.16B to \$1.07B
- New DLCs boosted trading in Other Products²
- Building on the DLC momentum with expansion to Single Stock DLCs on Singapore and Hong Kong underlyings

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

¹ Equities include ordinary shares, real-estate investment trusts and business trusts

² 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
\$20M ↓ 24% y-o-y

- Securities settlement revenue down 23% from \$23M to \$18M due to:
 - Decline in subsequent settlement activities
 - Downward re-pricing of DVP guarantee fee from April 2018.
- Cessation of contract processing service following completion of broker-migration in February 2018

New Post Trade System (Phase 2)



Revenue Opportunities:

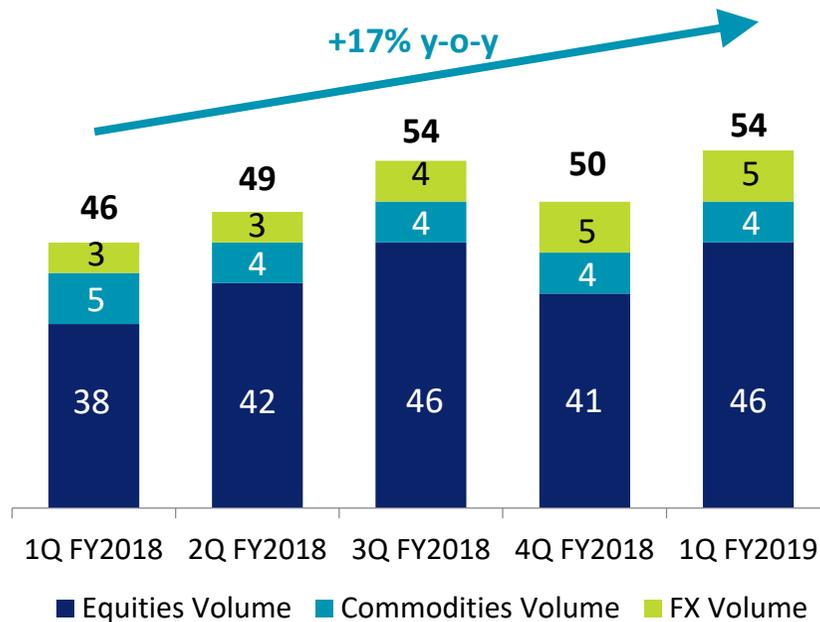
1. New settlement instructions
2. Broker linked balances
3. Securities borrowing & lending
4. FX Conversion

Derivatives

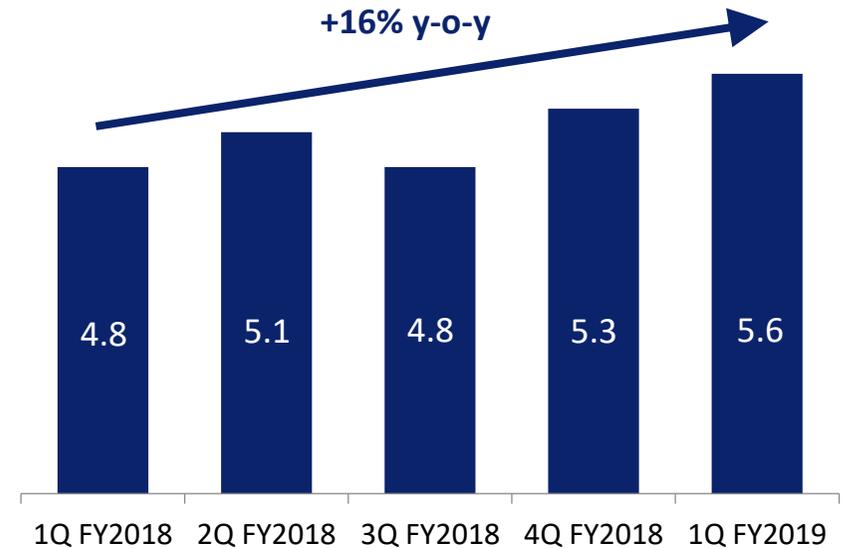
Equity & Commodities
\$65M ↑ 11% y-o-y

- Record Derivatives volumes in 1Q FY19, up 17% y-o-y
- Average open interest up 16% y-o-y
- Continued momentum in FX Futures, up 75% y-o-y

Total Derivatives Volume (M contracts)



Average Quarter-End Open Interest (M contracts)



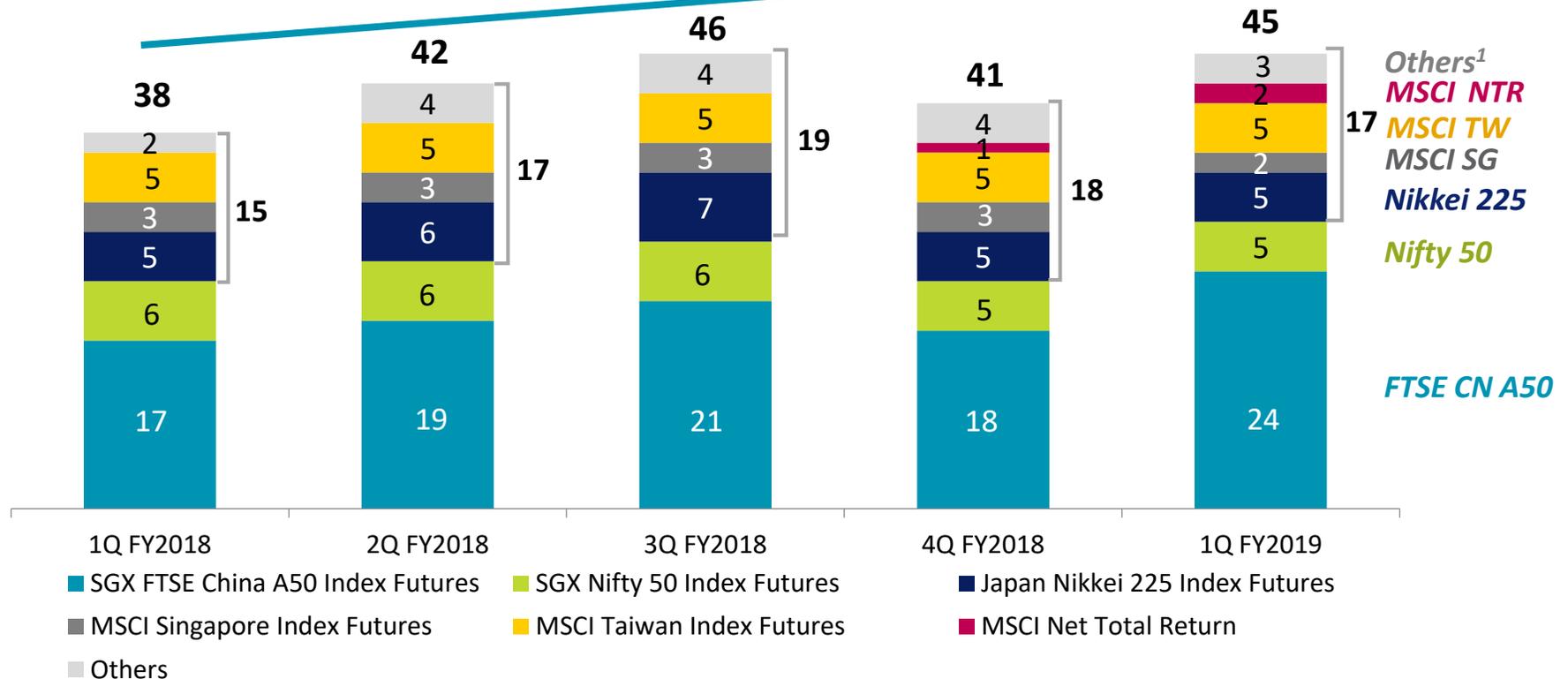
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Derivatives – Equities

Equity & Commodities
\$65M ↑ 11% y-o-y

- Increased trading volumes in key Equity Index contracts, up 19%
- Traction in MSCI Net Total Return index futures with increasing volumes and open interest

Equity Derivatives Volume (M contracts)

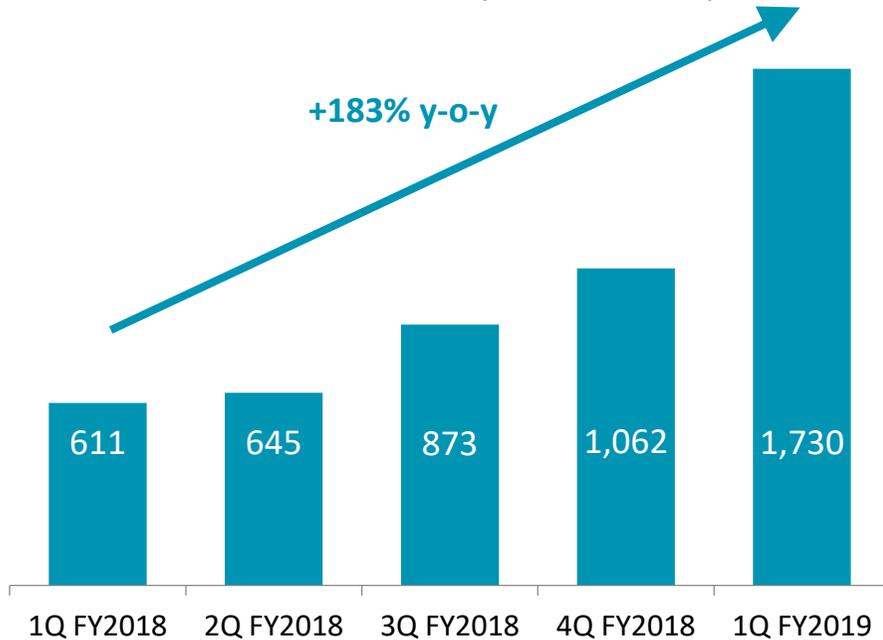


Derivatives – FX and Commodities

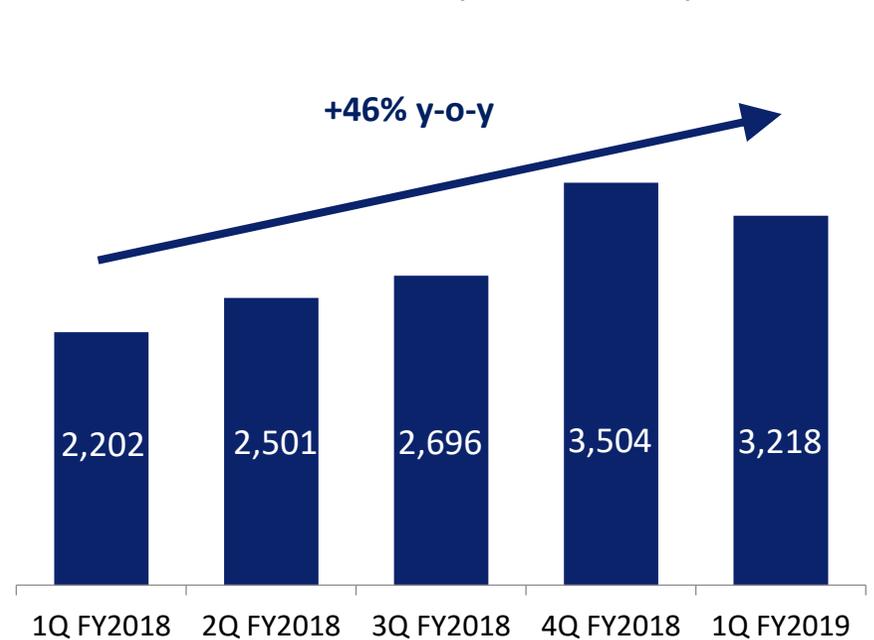
Equity & Commodities
\$65M ↑ 11% y-o-y

- Record FX futures volume, up 75% from 2.9M to 5.0M contracts
- New FlexC FX futures that allow transactions in currency futures using customisable expiry dates
- New Titan OTC Pro derivatives trading platform enhanced brokers' capabilities to service OTC commodities customers

USD/ CNH Volume ('000 contracts)



INR/ USD Volume ('000 contracts)



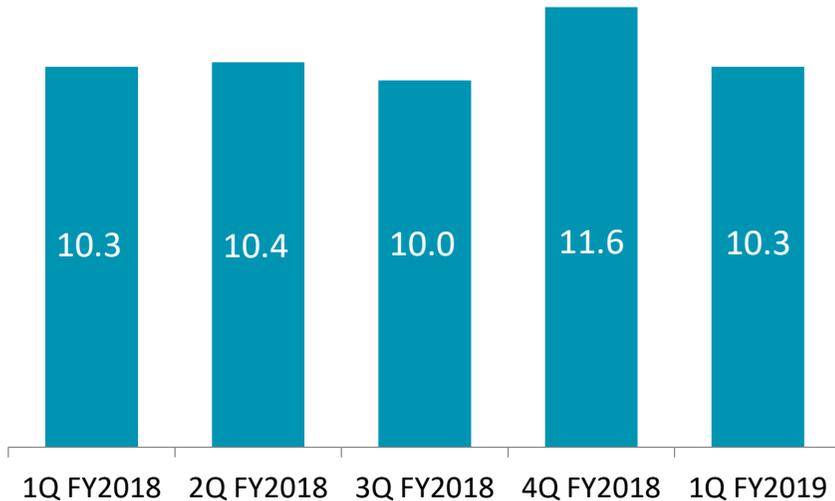
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Market Data & Connectivity

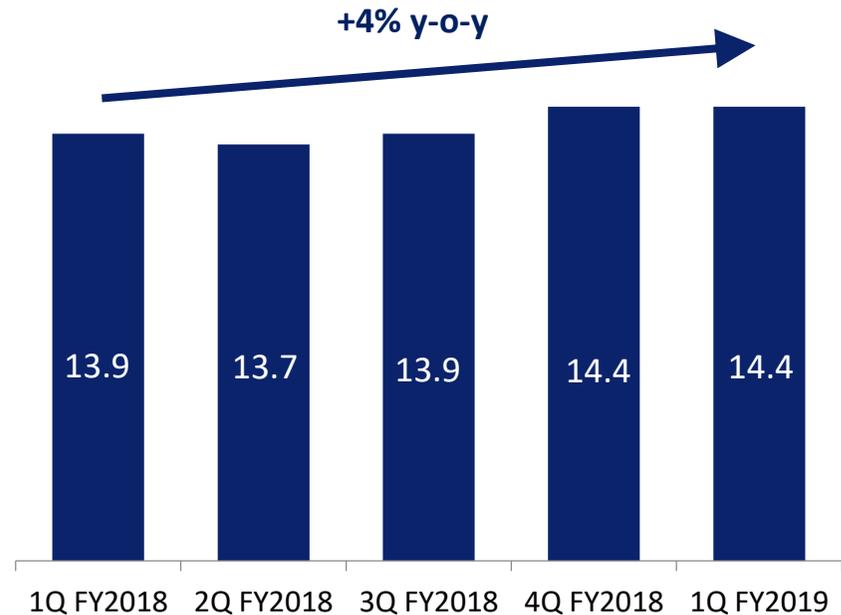
Market Data & Connectivity
\$25M ↑ 2% y-o-y

- Revenue up 2% to \$25M
- Market Data revenue comparable y-o-y
- Connectivity revenue up 4% from higher derivatives API subscriptions and continued growth in our colocation business

Market Data Revenue (\$M)

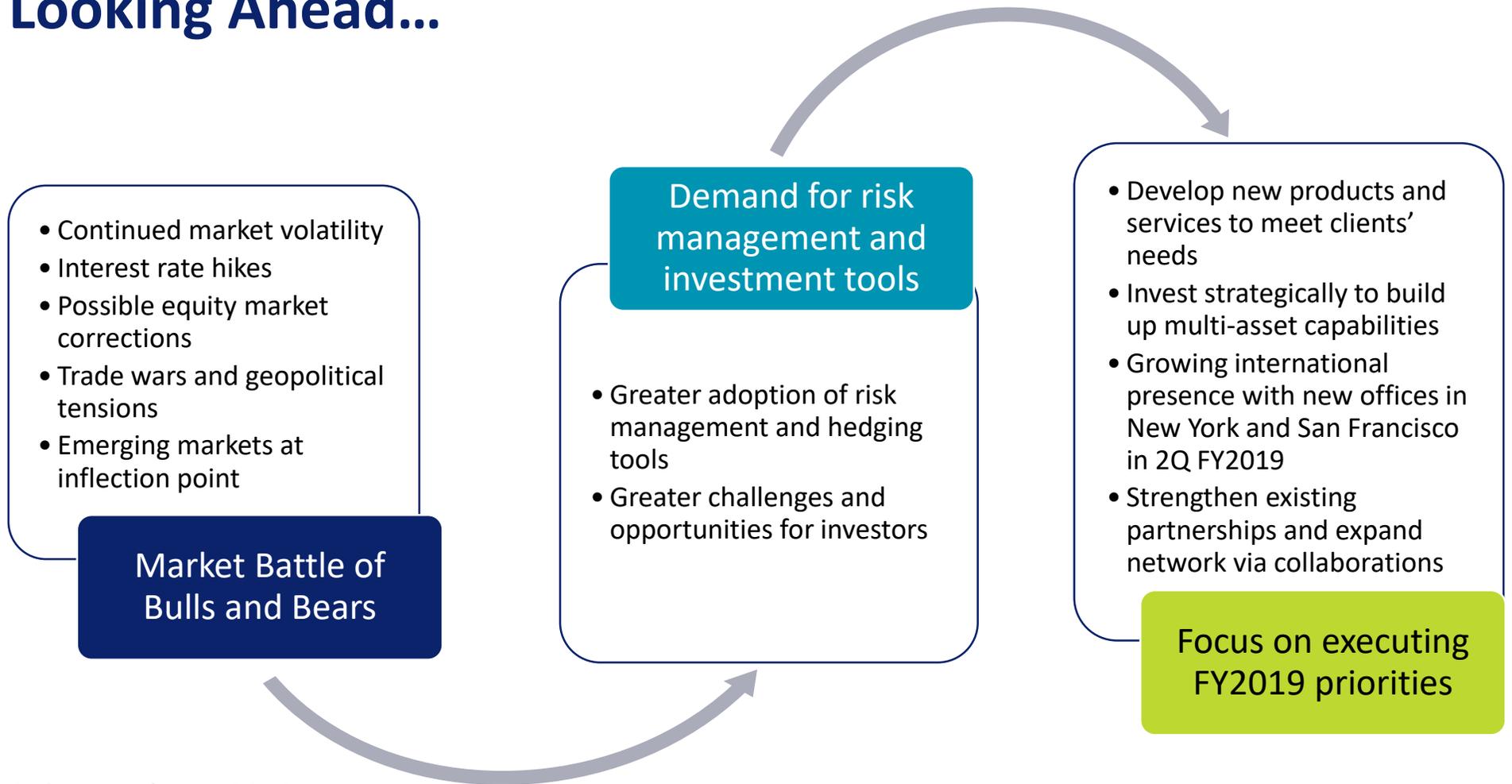


Connectivity Revenue (\$M)



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Looking Ahead...



Guidance for FY2019:

- Operating expenses is expected to be between \$445M & \$455M
- Technology-related capital expenditure is expected to be between \$60M & \$65M

Questions and Answers

