

1Q FY2018 Analyst and Media Briefing

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

25 October 2017

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First Quarter FY2018

Financial Highlights and Performance

Chng Lay Chew, Chief Financial Officer

First Quarter FY2018 Highlights

Revenue

- \$204M
- Up 7%

Expenses

- \$98M
- Up 5%

Operating Profit

- \$106M
- Up 9%

Net Profit

- \$91M
- Up 9%

Earnings Per Share

- 8.5 cents
- Up 9%

Operating Profit Margin

- 52%
- Up 1% pt

Return On Equity

- 38%
- Maintained

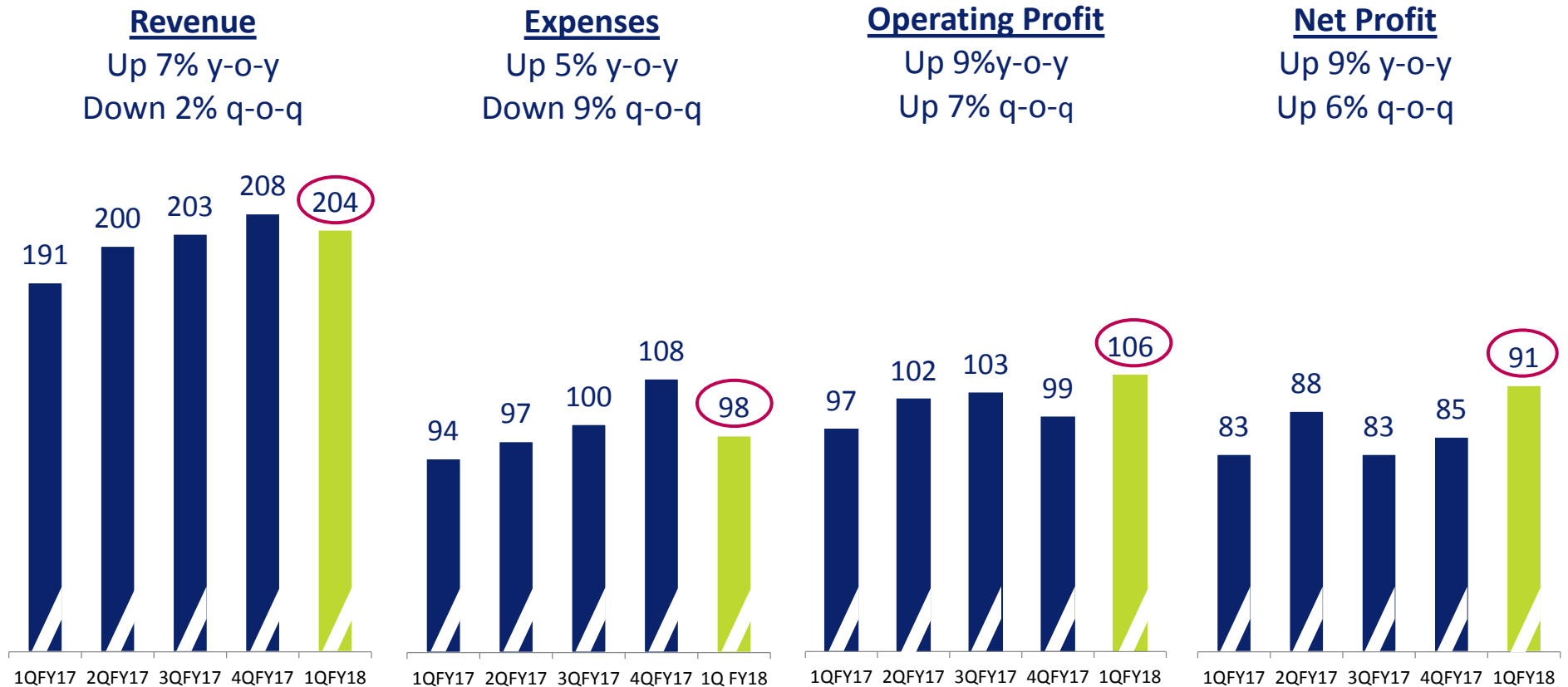
Dividend Per Share

- Interim dividend
5 cents per share
- Maintained

- Net profit of \$91M, up 9% from a year ago, up 6% quarter-on-quarter
- Positive JAW of 2% → Revenue up 7%, Operating expenses up 5%.
- Operating profit margin → 52%, Earnings per Share – 8.5 cents, Dividend per share – 5 cents

Financial Performance: Quarterly Trend

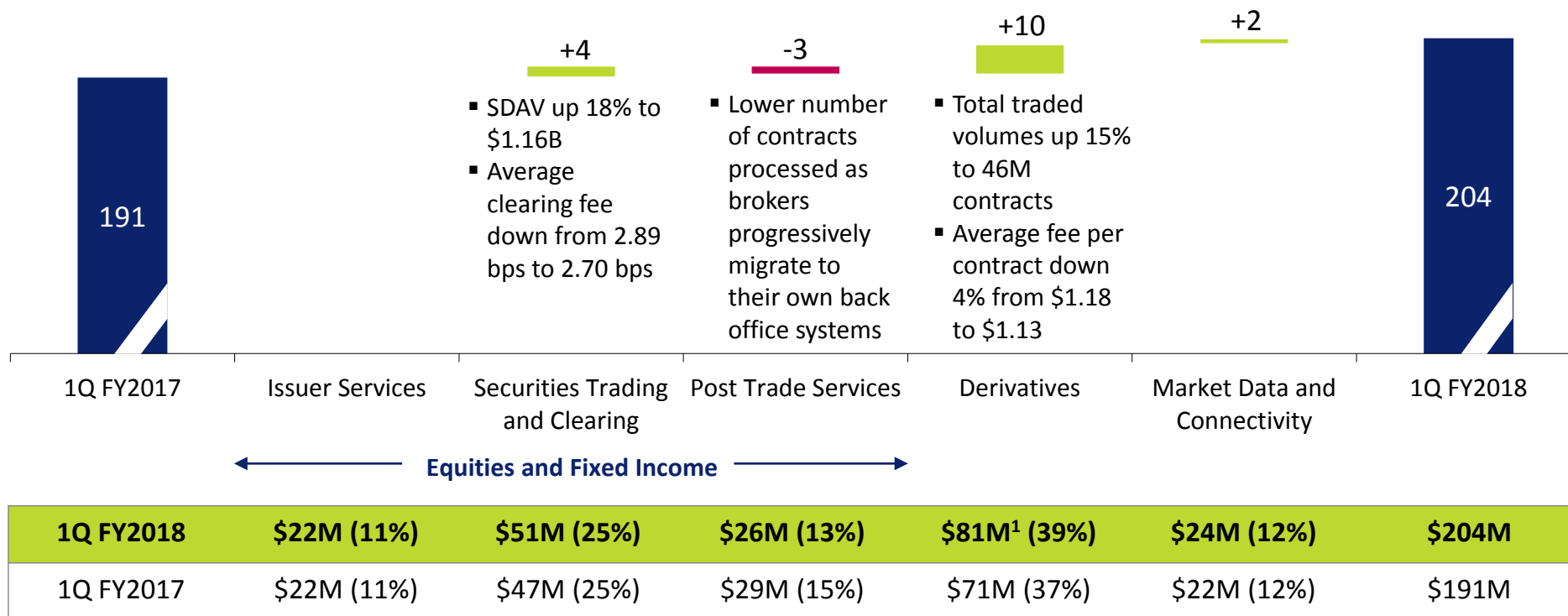
- Highest operating profit and net profit since 1Q FY2016



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

Financial Performance: Revenue, Year-on-Year

- Revenue of \$204M, up 7%
- Equities & Fixed Income revenue of \$100M, up 2%
- Derivatives revenue of \$81M, up 14%

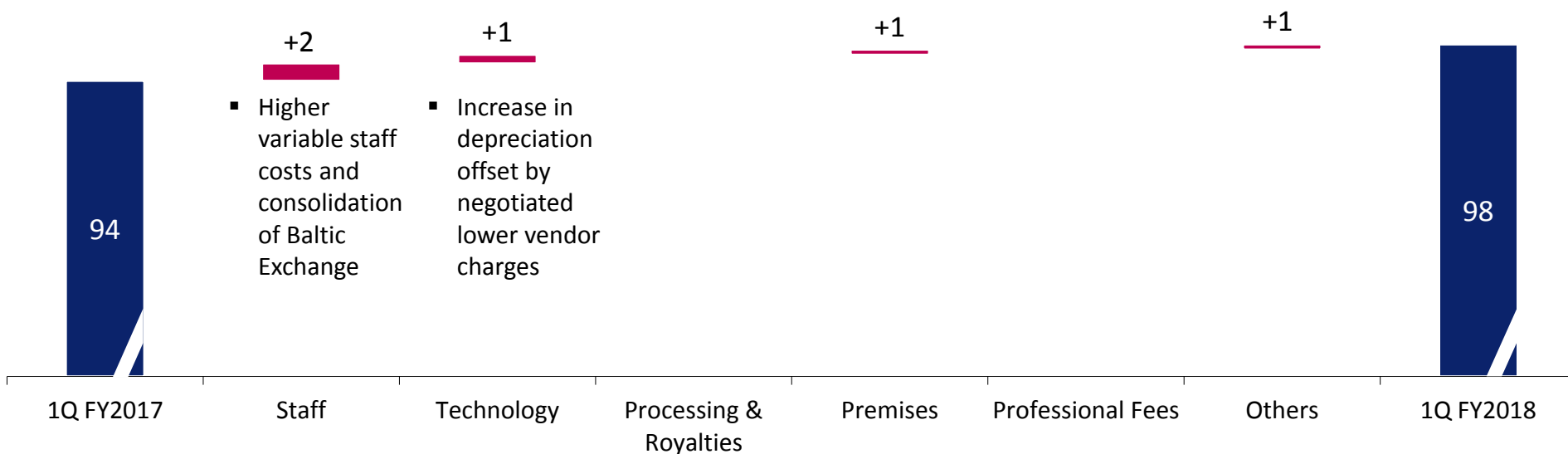


Note: All figures in \$ millions unless otherwise stated and may be subject to rounding.

¹ Derivatives included \$3M in revenues from Baltic Exchange

Financial Performance: Expenses, Year-on-Year

- Expenses of \$98M, up 5% from a year earlier
- Expenses up 2% excluding Baltic costs

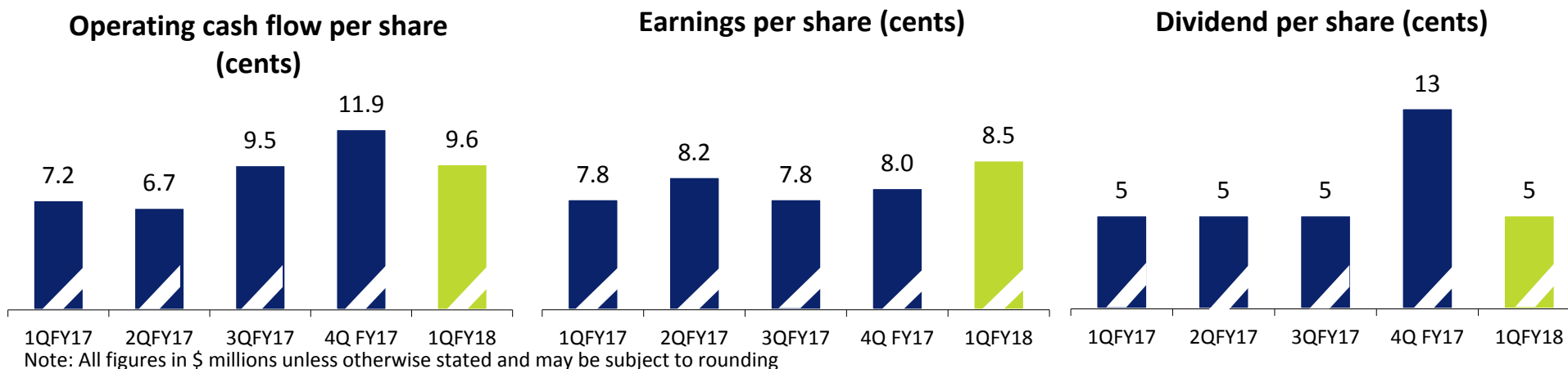


1Q FY2018	\$41M (42%)	\$31M (31%)	\$12M (12%)	\$7M (7%)	\$2M (2%)	\$6M (6%)	\$98M
1Q FY2017	\$40M (42%)	\$29M (31%)	\$11M (12%)	\$6M (6%)	\$2M (2%)	\$5M (6%)	\$94M

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

Financial Performance: Key Indicators

	1Q FY2017	2Q FY2017	3Q FY2017	4Q FY2017	1Q FY2018
Revenue (\$ million)	191	200	203	208	204
Operating profit (\$ million)	97	102	103	99	106
Operating profit margin	51%	51%	51%	48%	52%
Net profit (\$ million)	83	88	83	85	91
Return on equity	38%	38%	36%	34%	38%
Earnings per share (cents)	7.8	8.2	7.8	8.0	8.5
Dividend per share (cents)	5	5	5	13	5







Business Update

Loh Boon Chye, Chief Executive Officer

Business Performance

- Revenue from all businesses improved year-on-year

(\$ million)	1Q FY2018 Revenue	Change (y-o-y)	Revenue Contribution
Equities & Fixed Income	100	↑ 2%	 49%
Derivatives	81	↑ 14%	 39%
Market Data & Connectivity	24	↑ 10%	 12%
Total Revenue	204	↑ 7%	 100%



- Derivatives Exchange of the Year: Asia Risk Awards 2017
- Asia-Pacific Derivatives Exchange of the Year: GlobalCapital 2017
- Asia Exchange of the Year: Structured Products Award 2017

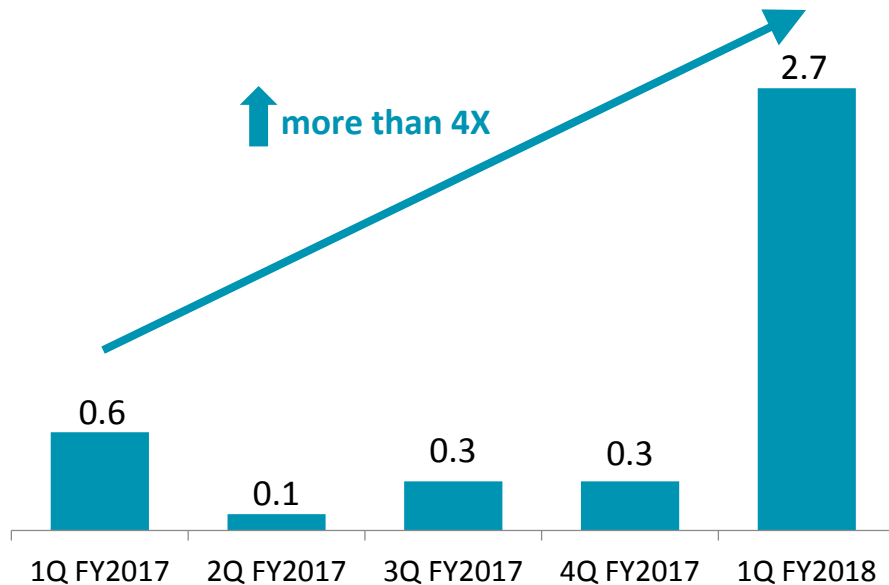
Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

Equities & Fixed Income – Equity Listings

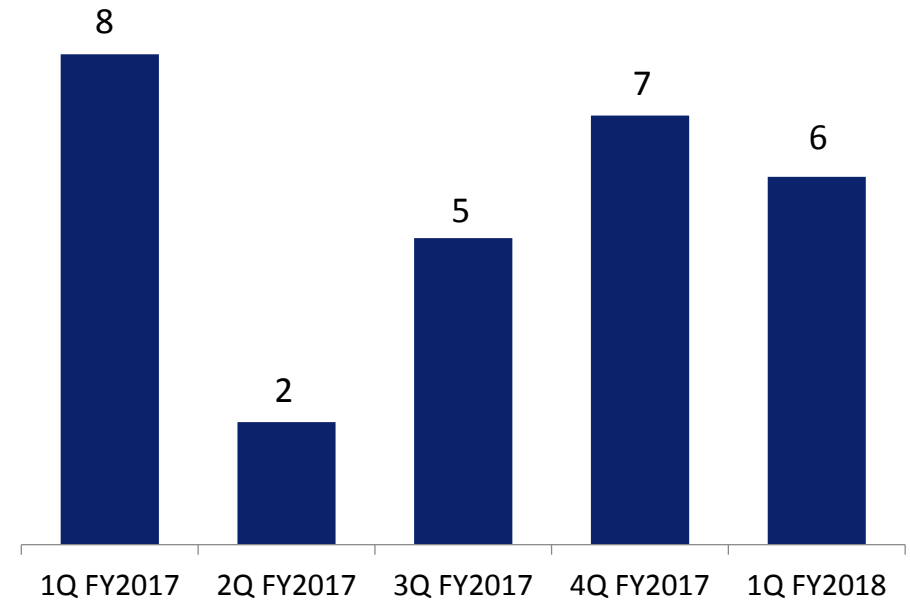
Issuer Services
\$22M ↑ 1% y-o-y

- 6 new equity listings compared to 8 a year ago
- Equity funds raised more than quadrupled from \$0.6B to \$2.7B

Funds Raised from New Equity Listings (\$B)



No. of New Equity Listings



Catalist 10th Anniversary

Total No. of Companies **197**

Total Market Capitalisation **S\$12B**

IPO Funds Raised CYTD **S\$264M**

Secondary Funds Raised for each \$1 from IPO **3X**

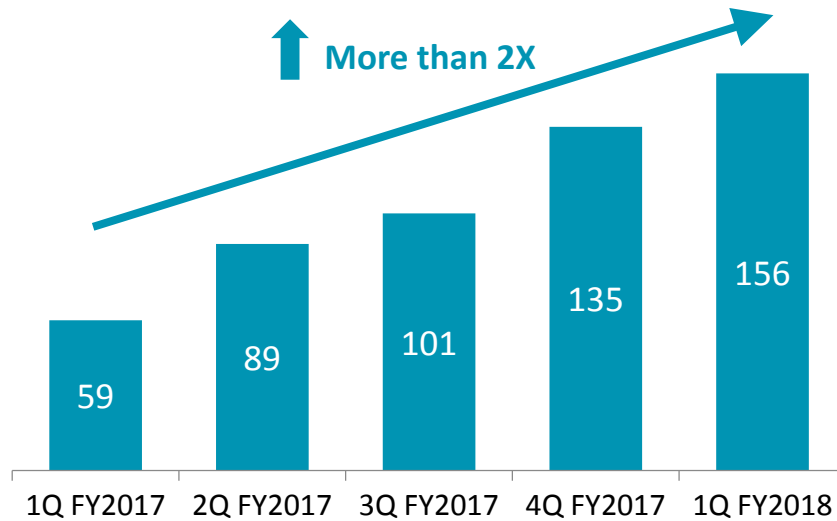


Equities & Fixed Income – Fixed Income Listings

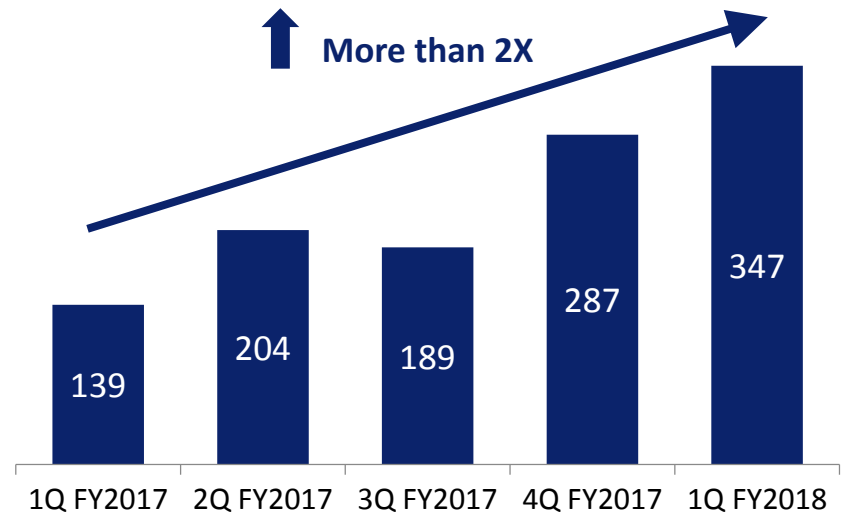
Issuer Services
\$22M ↑ 1% y-o-y

- Number of bonds listed more than doubled from 139 to 347
- Funds raised more than doubled from \$59B to \$156B

Funds Raised from New Bond listings(\$B)



No. of New Bond listings

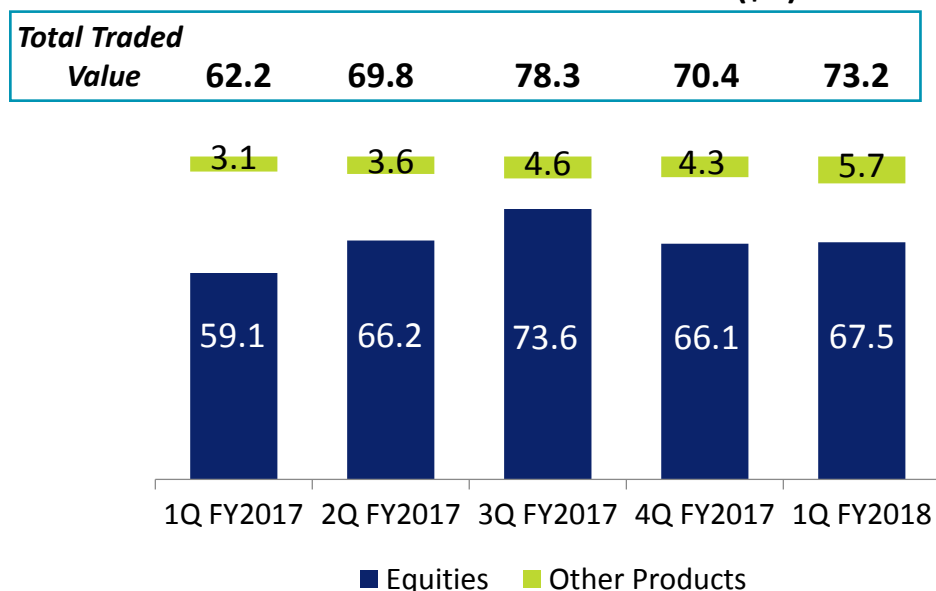


Equities & Fixed Income

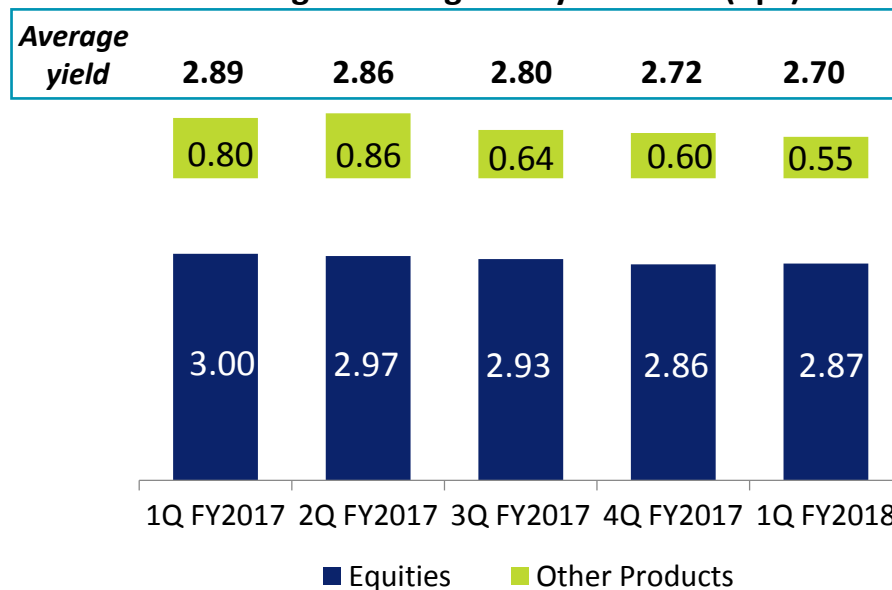
Securities Trading
& Clearing
\$51M ↑ 9% y-o-y

- SDAV up 18% y-o-y from \$0.99B to \$1.16B
- Traded value of Equities¹ up 14%, Other products² up 82%
- Average clearing fee lower at 2.70 bps from 2.89 bps
- STI Index up 12% y-o-y; Total market capitalization up 11% y-o-y, exceeding \$1T

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

Securities Trading
& Clearing
\$51M ↑ 9% y-o-y

- Continued effort in encouraging investor participation in 1Q FY2018

Education
Outreach

Reaching out to
140,000 retail
investors



SGX
MyGateway

Over 260,000
subscribers



SGX
StockFacts

2 million online
views



Corporate
Access
Program

Connecting 41 listed
companies with 209
investors



SGX
Research

67 articles
published

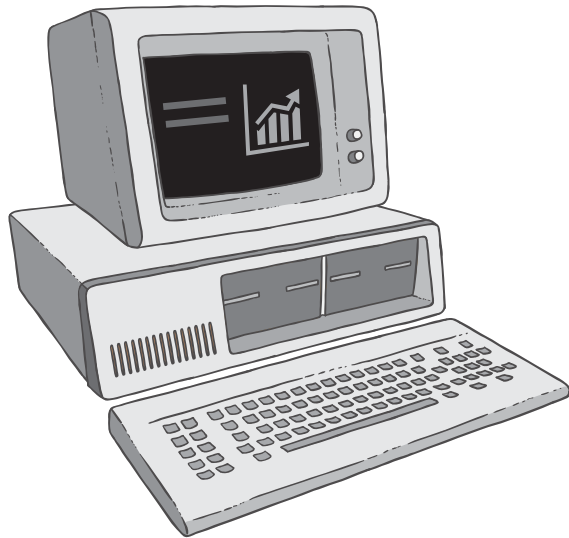


Equities & Fixed Income

Post Trade Services
\$26M ↓ 9% y-o-y

- Securities settlement revenue down 2% from \$24M to \$23M due to change in mix of Settlement Instructions
- Contract processing revenue down 58% from \$3M to \$1M

SGX CAS System



20 brokers migrated



New Post Trade System



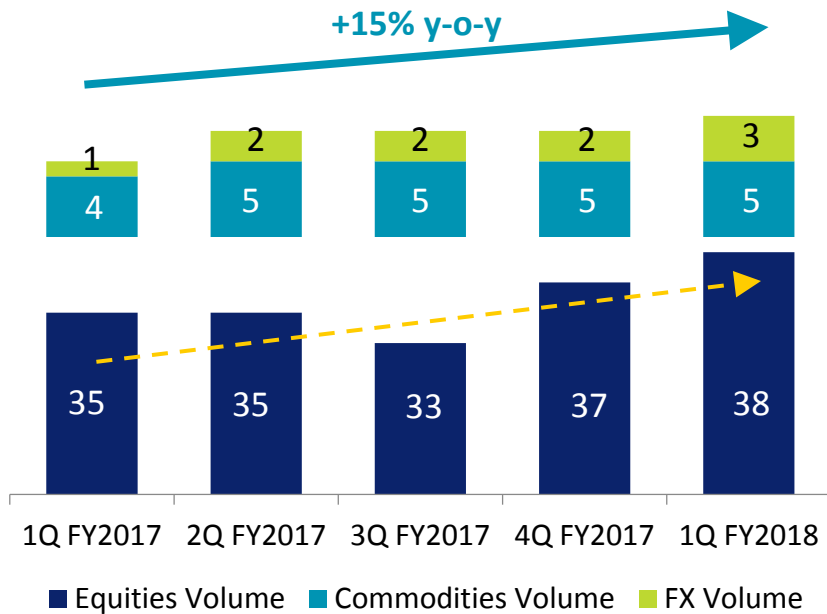
Brokers that migrate to their own systems will be able to enhance their service offerings to their clients

Derivatives

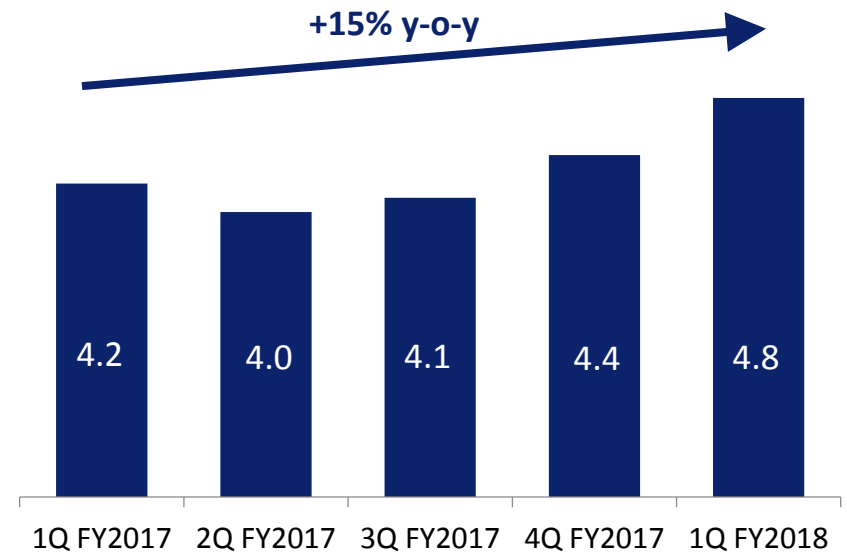
Equity & Commodities
\$58M ↑ 9%

- Revenue up by 9% from \$53M to \$58M
- Derivatives volumes increased by 15% from 40M to 46M contracts
- Average month-end open interest increased 15% to 4.8M contracts
- Average fee per contract 4% lower from \$1.18 to \$1.13

Total Derivatives Volume (M contracts)



Average Quarter-End Open Interest (M contracts)



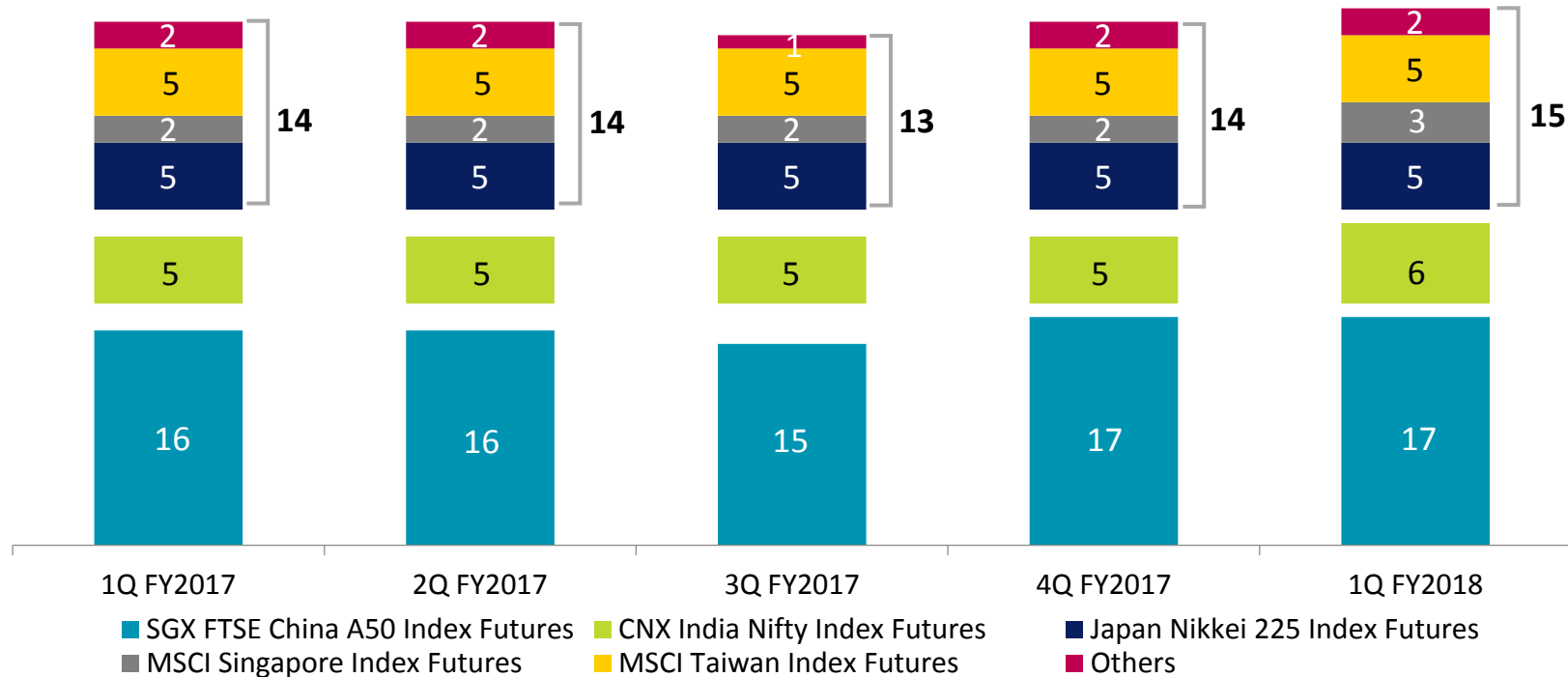
Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

Derivatives - Equities

Equity & Commodities
\$58M ↑ 9%

- Higher y-o-y trading volumes across all key Equity Index contracts
- Increased volume market share in almost all key contracts

Equity Derivatives Volume (M contracts)



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

Derivatives - Equities

Volume Market Share of Key Contracts¹

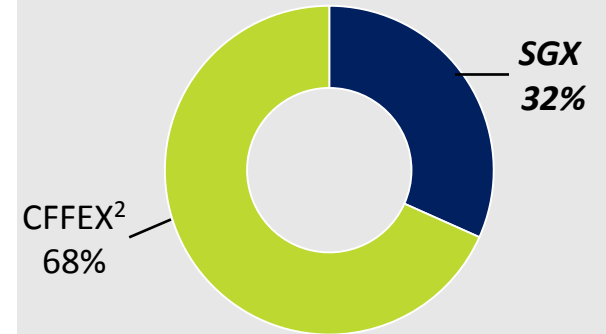
1Q FY2017

1Q FY2018

SGX FTSE China A50
Index futures

1Q FY2017 Total DAV (Contracts): 813K

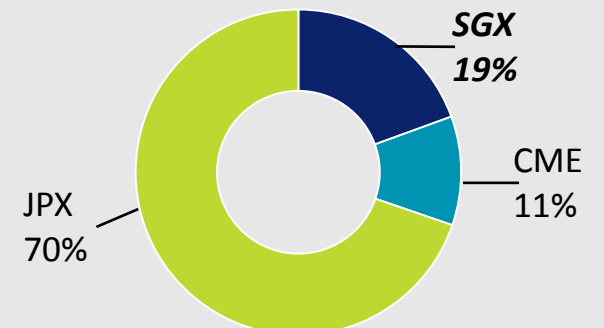
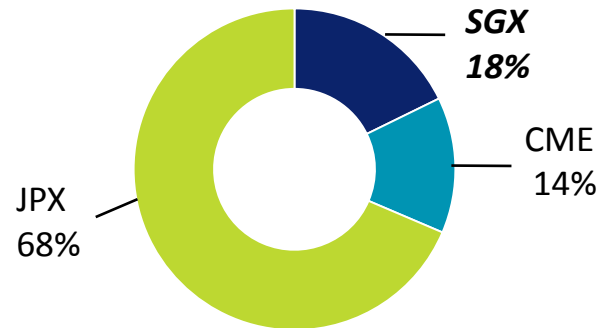
1Q FY2018 Total DAV (Contracts): 819K



Japan Nikkei 225
Index futures

1Q FY2017 Total DAV (Contracts): 478K

1Q FY2018 Total DAV (Contracts): 449K



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

¹ Contracts of other exchanges have been adjusted to reflect the contract size of SGX contracts.

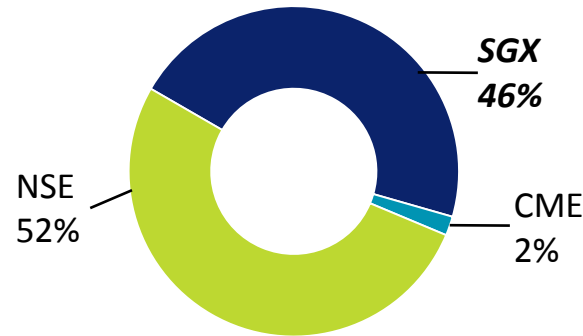
² CFFEX contracts include CSI300, CSI500 and SSE50.

Derivatives - Equities

Volume Market Share of Key Contracts¹

1Q FY2017

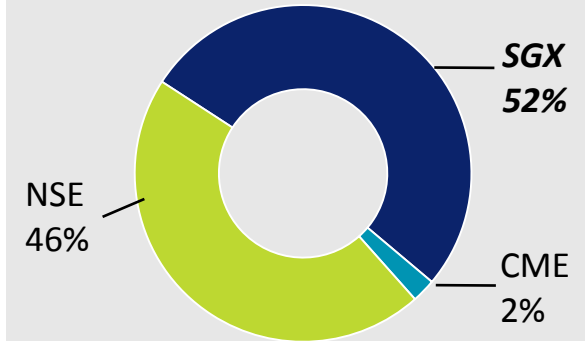
1Q FY2017 Total DAV (Contracts): 184K



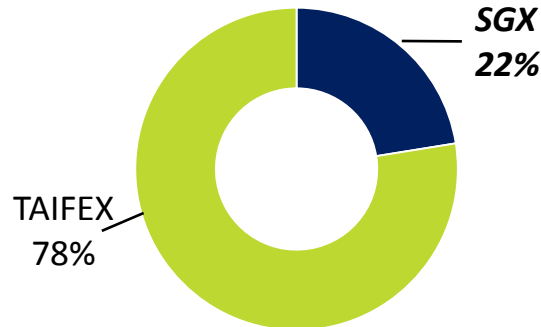
SGX Nifty 50 Index futures

1Q FY2018

1Q FY2018 Total DAV (Contracts): 171K

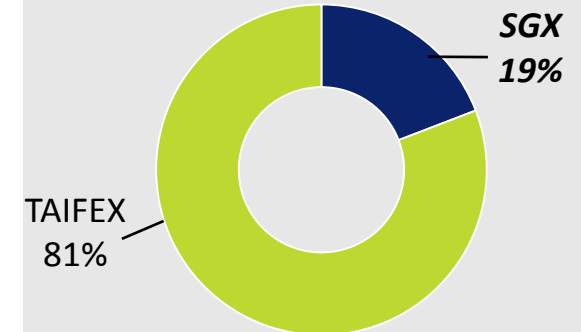


1Q FY2017 Total DAV (Contracts): 344K



MSCI Taiwan Index futures

1Q FY2018 Total DAV (Contracts): 385K



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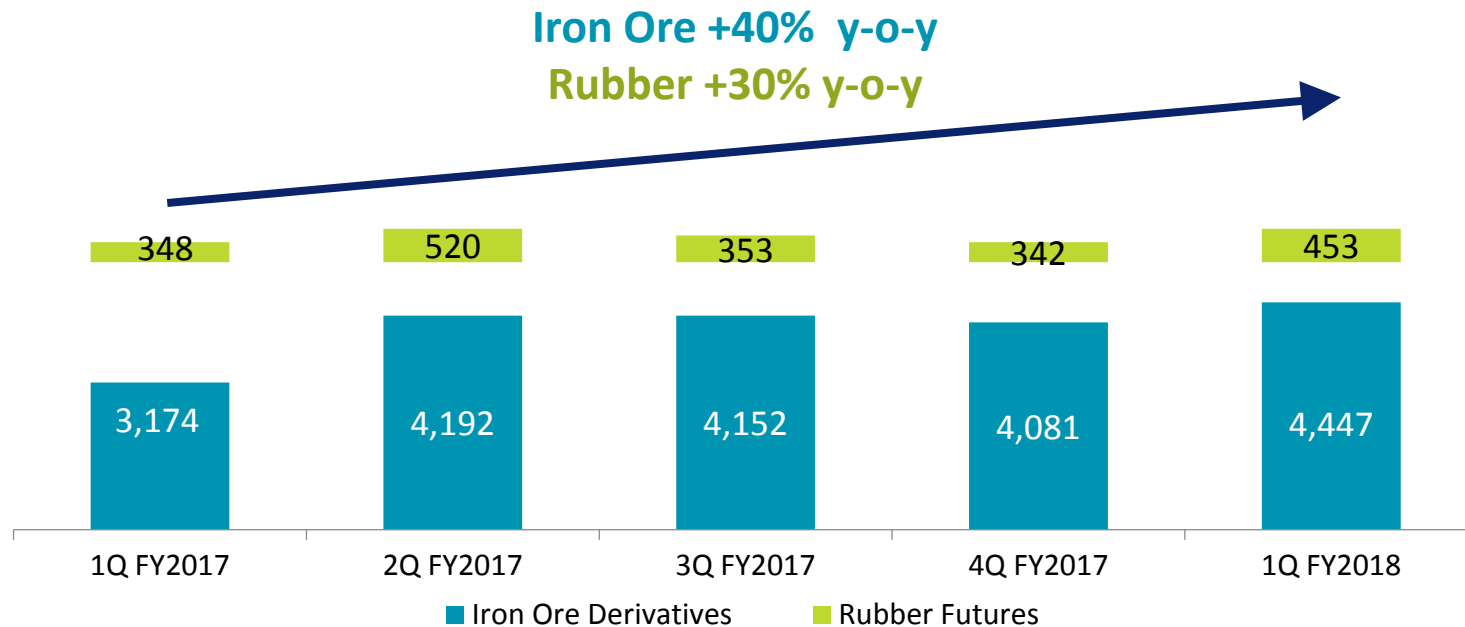
¹ Contracts of other exchanges have been adjusted to reflect the contract size of SGX contracts.

Derivatives – Commodities

Equity & Commodities
\$58M ↑ 9%

- Continued momentum in Commodities trading
- Iron Ore volume market share increased from 93% to 96%

Commodities Volume ('000 contracts)



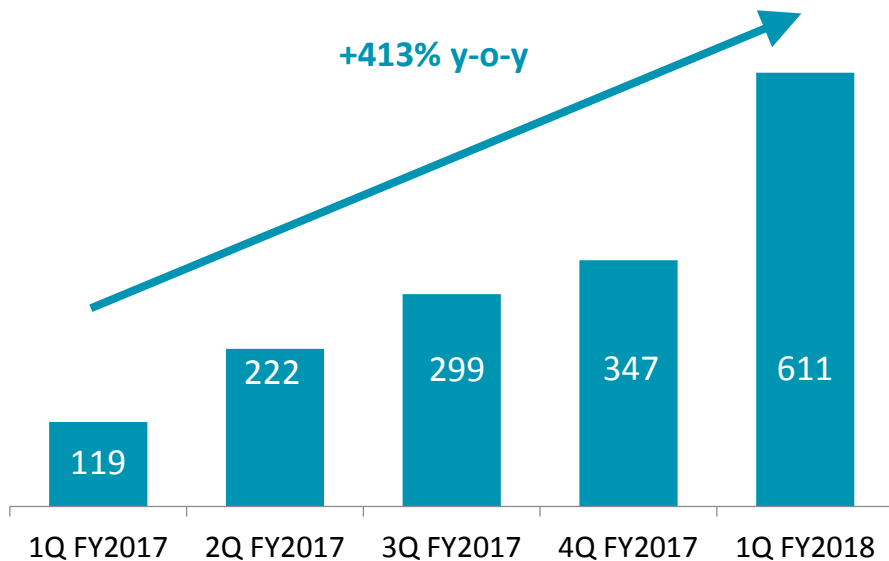
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Derivatives – FX

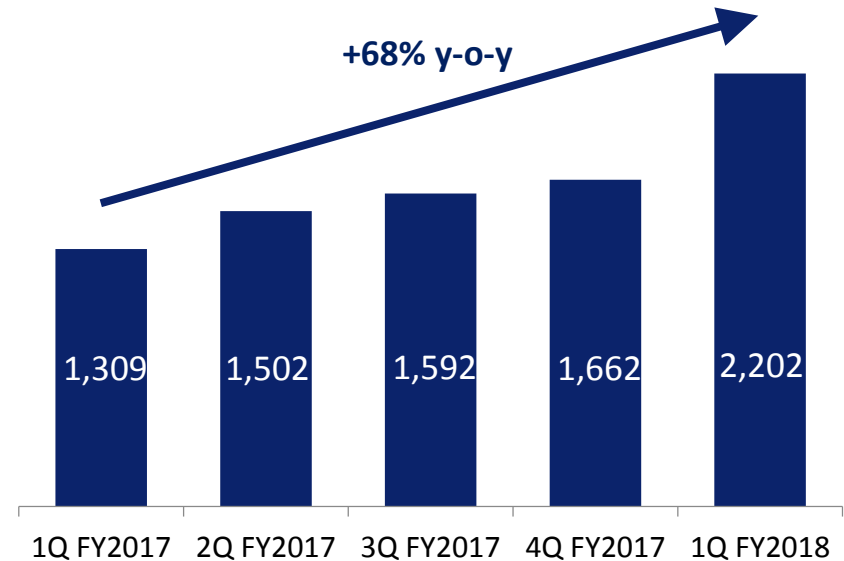
Equity & Commodities
\$58M ↑ 9%

- Record trading volumes in USD/CNH and INR/USD
- Volume market share increased for key FX Futures pairs. Market share for 1Q FY2018 – USD/CNH increased from 54% to 74%, INR/USD increased from 30% to 45%

USD/ CNH Volume ('000 contracts)



INR/ USD Volume ('000 contracts)



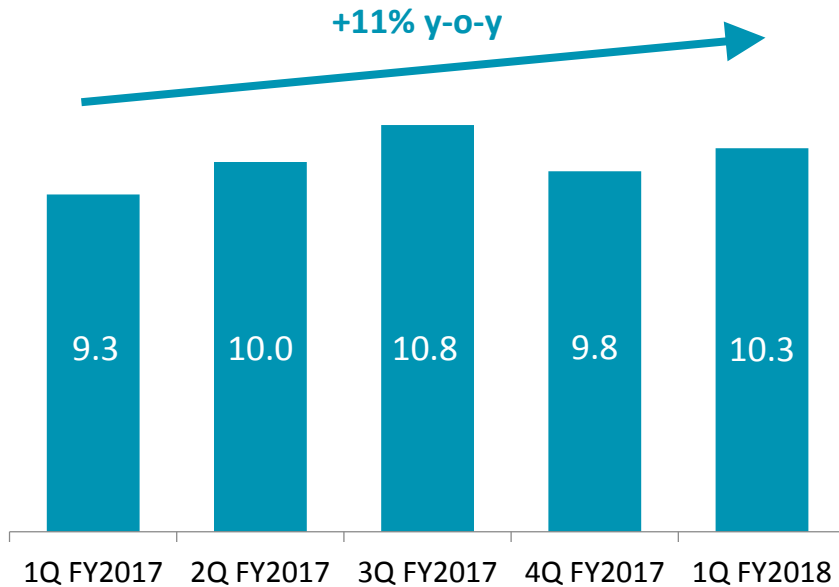
Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

Market Data & Connectivity

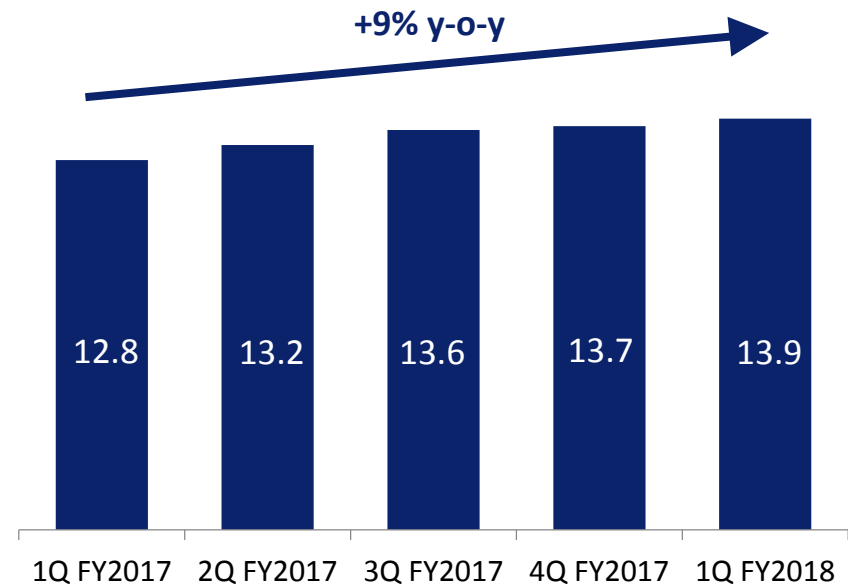
Market Data & Connectivity
\$24M ↑ 10%

- Higher reported data usage
- Continued growth in co-location business
- Launch of new SGX Iron Ore Futures Index series

Market Data Revenue (\$M)



Connectivity Revenue (\$M)



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

Our International Presence

- Reinforces our status as Asia's most connected exchange offering round-the-clock trading across multiple time-zones



New Chicago office to serve a growing client base in North America

Looking Ahead...

- Momentum in market activity to continue
- Focus on growing new asset classes
 - Record trading volumes in FX Derivatives and strong trading activity in securitized products
 - Fixed Income business gaining traction
- Enhance our global distribution network by growing geographically
- Seek opportunities to collaborate with other exchanges
- Evaluate investments and partnerships to grow our FX, Fixed Income and Commodities businesses
- Guidance for FY2018
 - Operating expenses expected to be between \$425M and \$435M
 - Technology-related capital expenditure between \$60M and \$65M



Questions and Answers



Thank you

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