

# 1H FY2021 Analyst and Media Briefing (Virtual)

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

22 January 2021

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# Agenda

1

First Half FY2021 – Financial Highlights and Performance

2

Business Update

3

Questions and Answers

# 1H FY2021

## Financial Highlights and Performance

Ng Yao Loong, Chief Financial Officer

# 1H FY2021 Highlights

- Solid performance in an uncertain environment
- Revenue of \$521M, up 9%, Adjusted (Adj.)<sup>1</sup> Net profit attributable to equity holders of the Company of \$228M, up 7%
- Adj. Earnings per share – 21.3 cents, up 7%
- Quarterly dividend per share – 8.0 cents, up 0.5 cents; total 1H FY2021 dividend – 16.0 cents per share

## Revenue

- \$521M
- ↑ 9%

## Adj. Total Expenses

- \$242M
- ↑ 9%

## Adj. EBITDA

- \$321M
- ↑ 7%

## Adj. Net Profit<sup>2</sup>

- \$228M
- ↑ 7%

## Equities - Derivatives

- 93.3M contracts
- ↑ 4%

## Equities - Cash

- \$162B traded value
- ↑ 19%

## Currencies and Commodities

- 24.0M contracts
- ↓ 2%

## Adj. EPS

- 21.3 cents
- ↑ 7%

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

<sup>1</sup>Adjusted figures presented are non-SFRS(I) measures. Please refer to Section 7 of our financial results for reconciliations between the adjusted and their equivalent measures.

<sup>2</sup>Net Profit relates to 'Net profit attributable to equity holders of the Company'

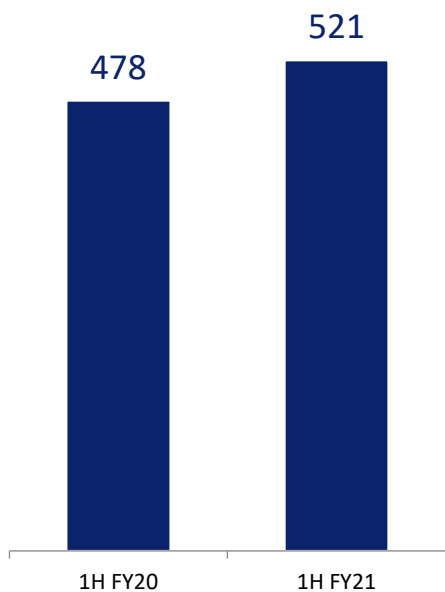
# Half Yearly Performance

■ Reported  
■ Adjusted

- Revenue up 9% y-o-y
- Adjusted<sup>1</sup> Net Profit up 7% y-o-y

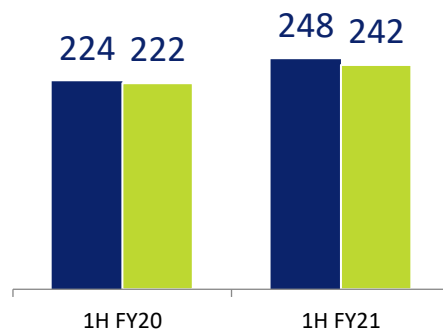
## Revenue

Up 9% y-o-y



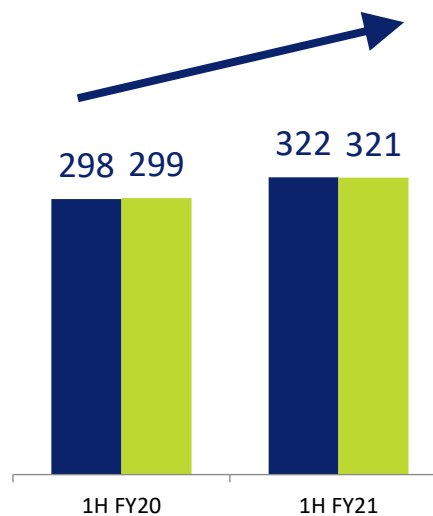
## Total Expenses

Up 11% y-o-y  
Adj.: up 9% y-o-y



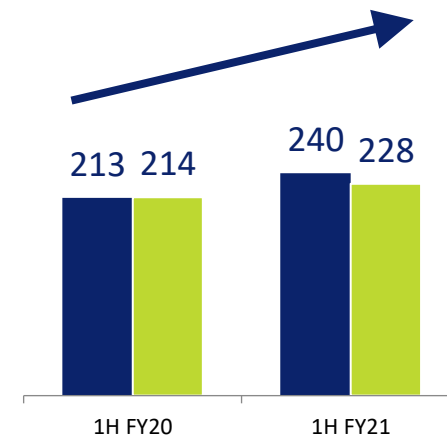
## EBITDA

Up 8% y-o-y  
Adj.: up 7% y-o-y



## Net Profit<sup>2</sup>

Up 12% y-o-y  
Adj.: up 7% y-o-y



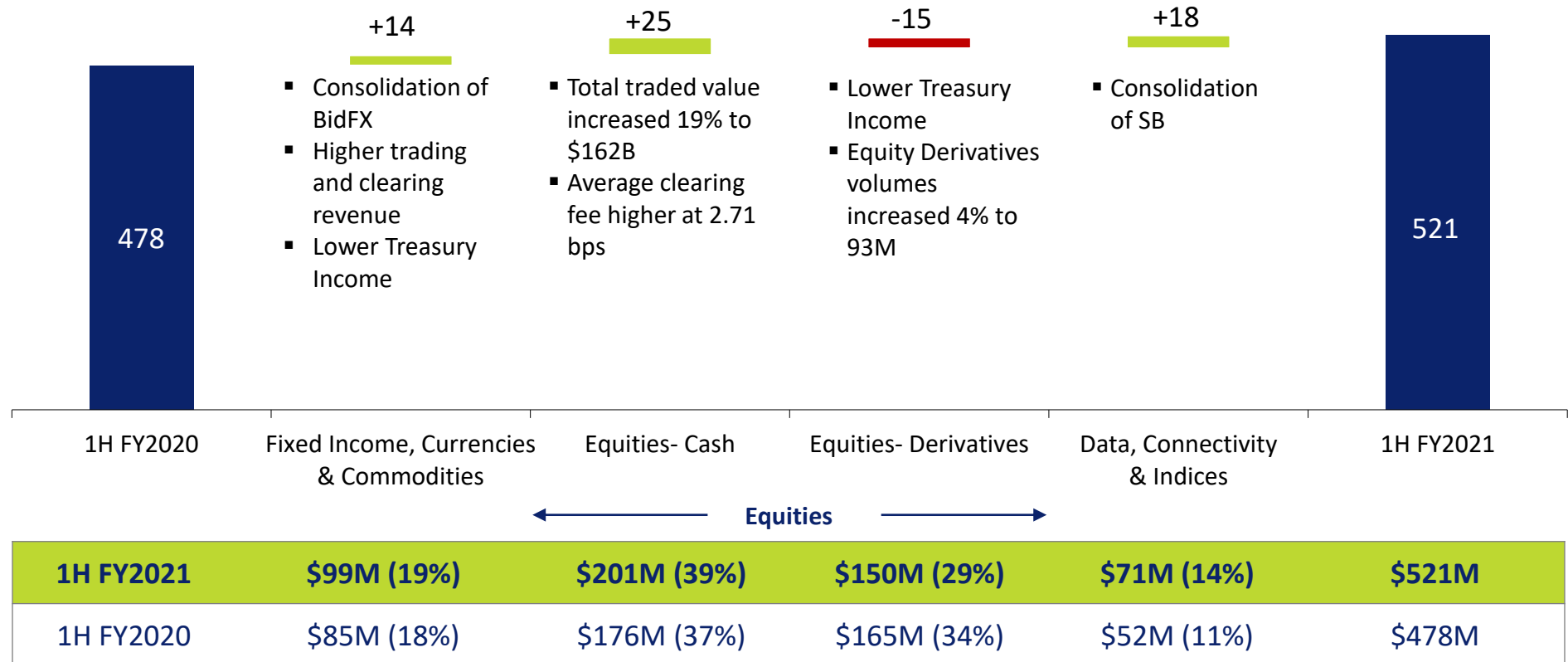
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<sup>2</sup>Net Profit relates to 'Net profit attributable to equity holders of the Company'

# 1H FY2021 Revenue up 9% to \$521M

- Growth across 3 business units – FICC up 17%; Equities up 3%; DCI up 35%
- Recently acquired subsidiaries Scientific Beta (SB) and BidFX contributed \$34M to total revenue
- Average fee per contract for Equity, Currency and Commodity derivatives was lower at \$1.27 (\$1.34)

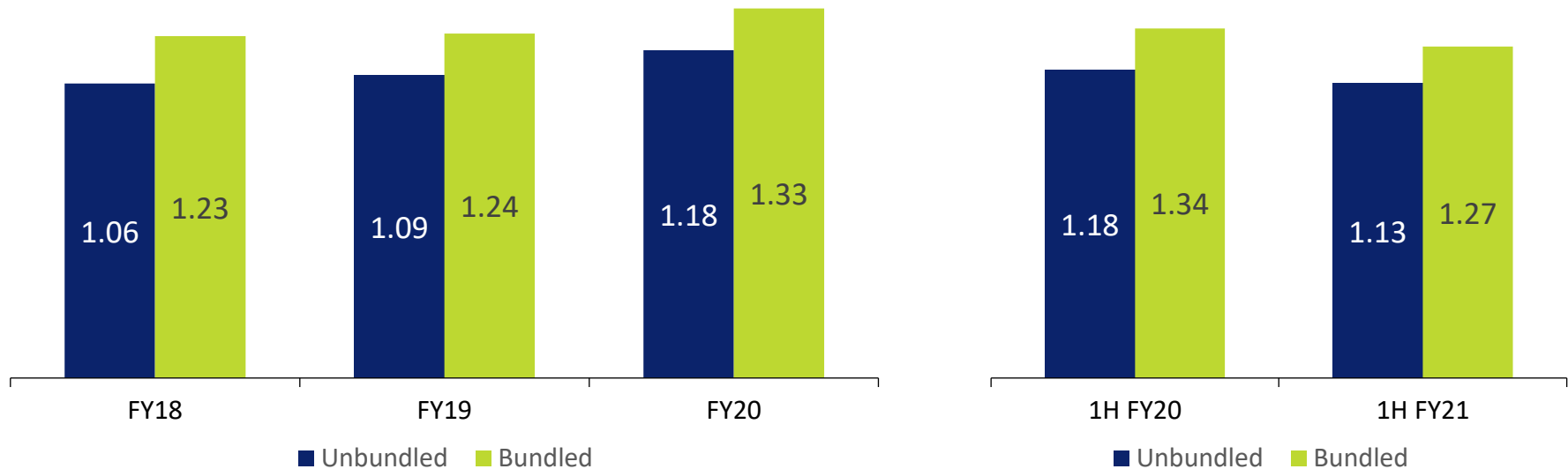


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# Impact to average fee per contract from bundling of clearing and licence fees

- Customers consider fees on an all-in basis
- Practice of bundling of clearing and licence fees into a single clearing fee is in line with other exchanges
- Bundled average fee per contract is ~12% - 16% higher compared to the average fee per contract without licence fees for the last 3 years

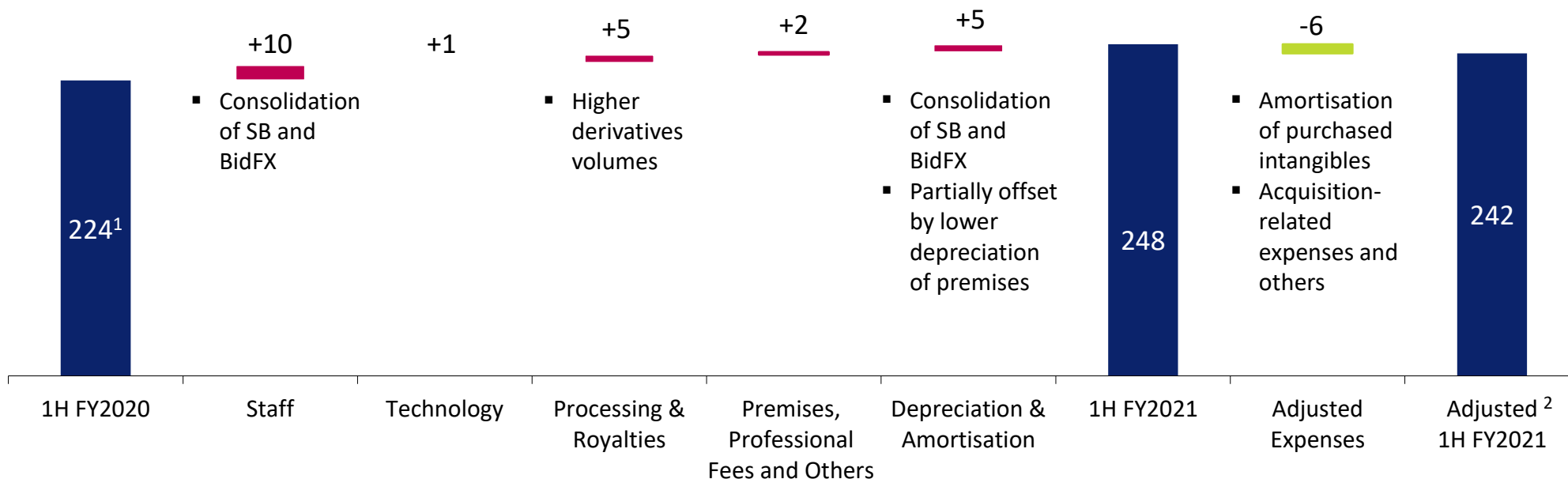
Derivatives – Average fee per contract (SGD)





# 1H FY2021 Adjusted Expenses up 9% to \$242M

- Higher staff costs, which includes Scientific Beta (SB) and BidFX
- Excluding BidFX and SB, total expenses would have decreased \$7M or 3% to \$218M



1H FY2021	\$110M (44%)	\$34M (14%)	\$30M (12%)	\$25M (10%)	\$49M (20%)	\$248M
1H FY2020	\$100M (44%)	\$33M (15%)	\$25M (11%)	\$23M (10%)	\$44M (20%)	\$224M

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

<sup>1</sup> Adjusted 1H FY2020 expenses was \$222M

<sup>2</sup> Adjusted figures presented are non-SFRS(I) measures. Please refer to Section 7 of our financial results for reconciliations between the adjusted and their equivalent measures.

## Disclosure of additional financial measures

- Provides investors with a greater understanding of the factors driving our underlying performance
- Highlights trends in our business that may not otherwise be apparent when relying solely on reported measures
- Adjustments exclude certain one-off gains / losses, infrequently occurring and non-cash items

(S\$'M)	1H FY2020		1H FY2021	
	EBITDA	NPAT <sup>2</sup>	EBITDA	NPAT <sup>2</sup>
<b>EBITDA / NPAT</b>	<b>297.9</b>	<b>213.3</b>	<b>321.5</b>	<b>239.8</b>
Gains from long-term investments	-	(1.2)	-	(16.4)
Amortisation of purchased intangibles	-	1.1	-	6.5
Acquisition-related expenses	1.6	1.6	3.5	3.5
Other one-off adjustments <sup>1</sup>	(0.7)	(0.8)	(3.8)	(5.3)
<b>Adjusted EBITDA / NPAT</b>	<b>298.8</b>	<b>213.9</b>	<b>321.2</b>	<b>228.0</b>

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

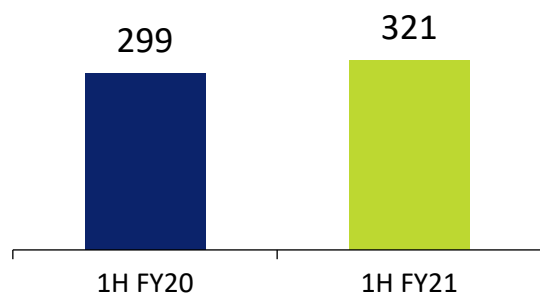
<sup>1</sup> Includes non-controlling interests and income tax adjustments. Please refer to Section 7 of our financial results for the full reconciliation between the adjusted and their equivalent measures.

<sup>2</sup> NPAT relates to 'Net profit attributable to equity holders of the Company'

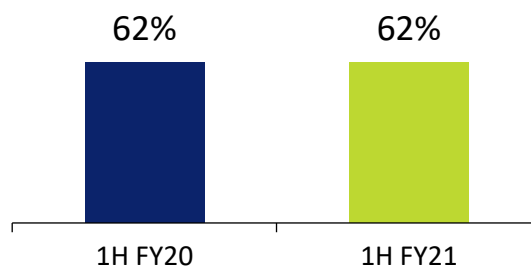
# Key Financial Indicators

- High Adj.<sup>1</sup> EBITDA margin and Adj. Net Profit<sup>2</sup> margin
- Quarterly dividend per share of 8.0 cents per share, or 16.0 cents per share for 1H FY2021

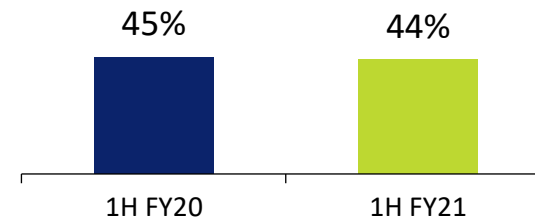
**Adj. EBITDA (\$'M)**



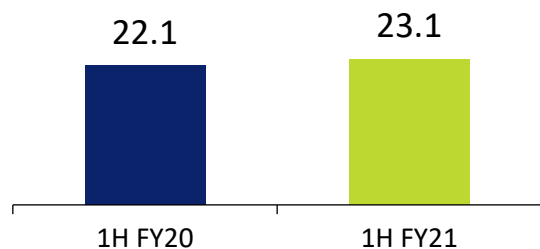
**Adj. EBITDA margin**



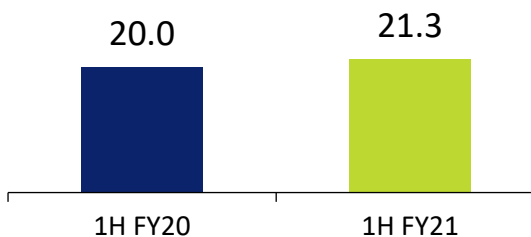
**Adj. Net Profit<sup>2</sup> Margin**



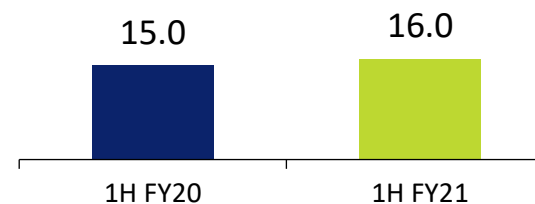
**Operating cash flow per share (cents)**



**Adj. Earnings per share (cents)**



**Dividends per share (cents)**



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<sup>1</sup> Adjusted figures are non-SFRS(I) measures. Please refer to Section 7 of our financial results for reconciliations between the adjusted and their equivalent measures.

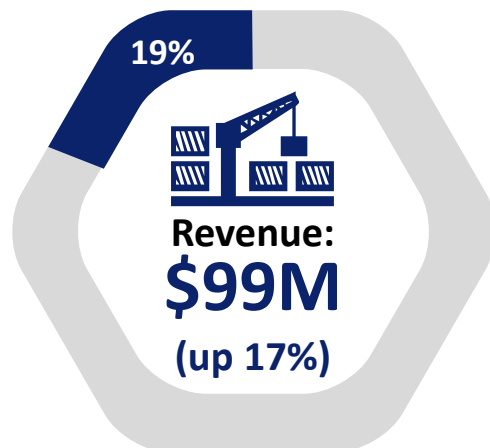
<sup>2</sup> Net Profit relates to 'Net profit attributable to equity holders of the Company'

# Business Update

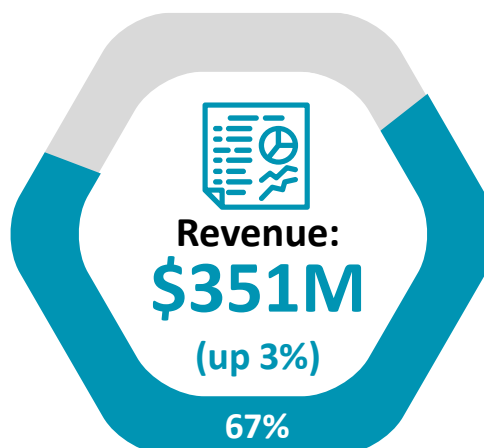
Loh Boon Chye, Chief Executive Officer

# 1H FY2021 Performance

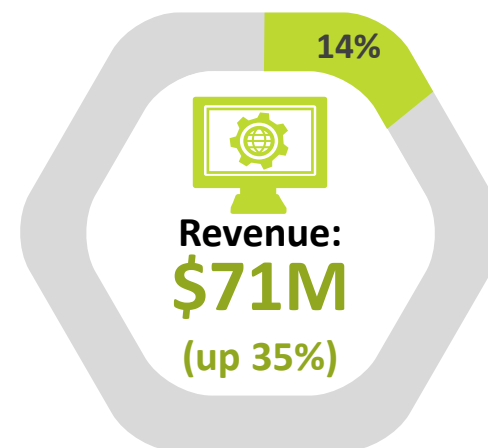
## Fixed Income, Currencies & Commodities (FICC)



## Equities



## Data, Connectivity & Indices (DCI)



- Solid performance in an uncertain environment – all business segments recorded growth
- Recent acquisitions Scientific Beta and BidFX contributing 6% of total revenues
- We deepened our partnership with FTSE Russell to refresh and grow our equity derivative suite; achieved success in retaining liquidity in our offshore Taiwan futures suite, demonstrating the strength of our ecosystem

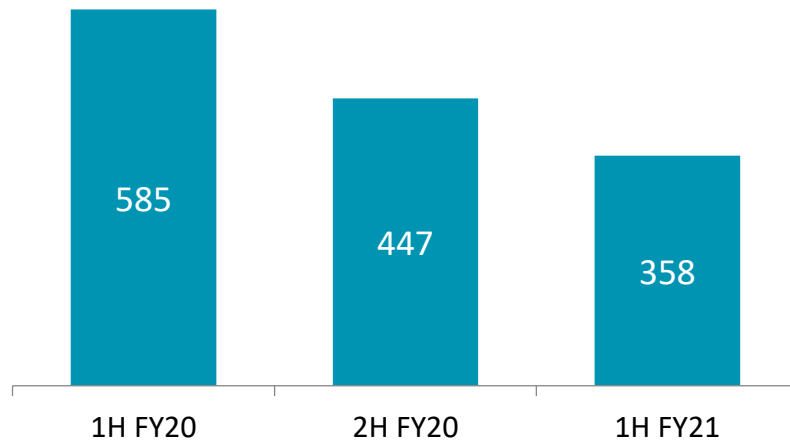
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# FICC – Fixed Income

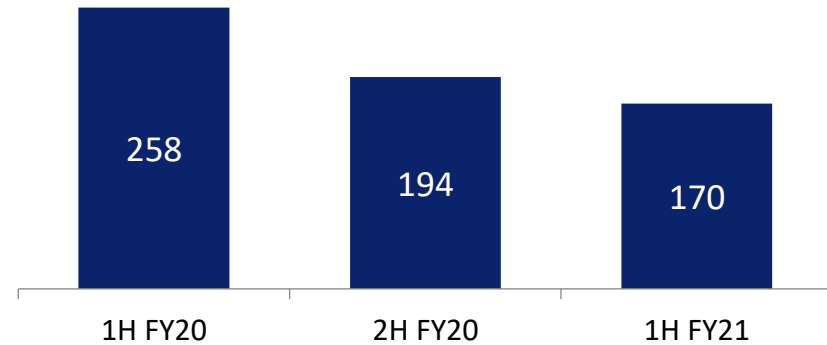
**FICC**  
**\$99M, up 17% y-o-y**

- Number of new bond listings at 358; Amount issued \$170B
- Listing revenue up 4% to \$5.1M
- We will continue to establish partnerships to expedite the development and growth of our Fixed Income business

**No. of New Bond listings**



**Total Bonds Amount Issued (\$B)**



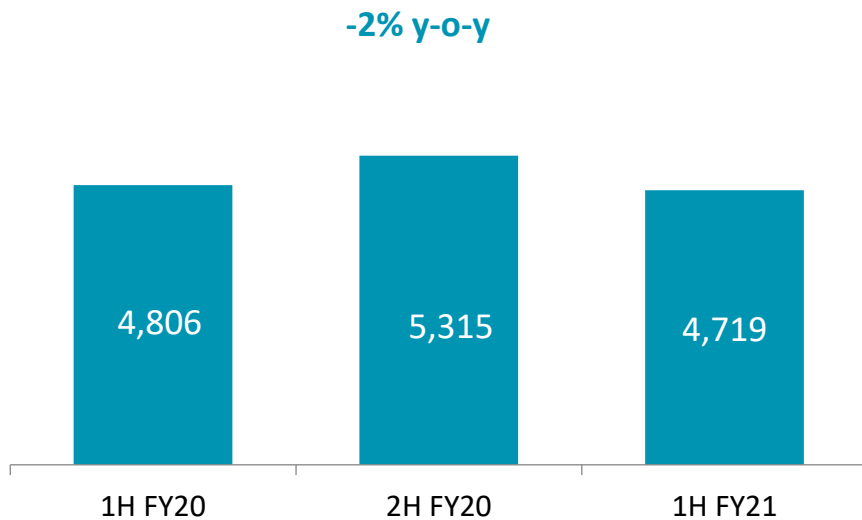
Note: All figures in \$ millions unless otherwise stated and may be subject to rounding

# FICC – Currencies

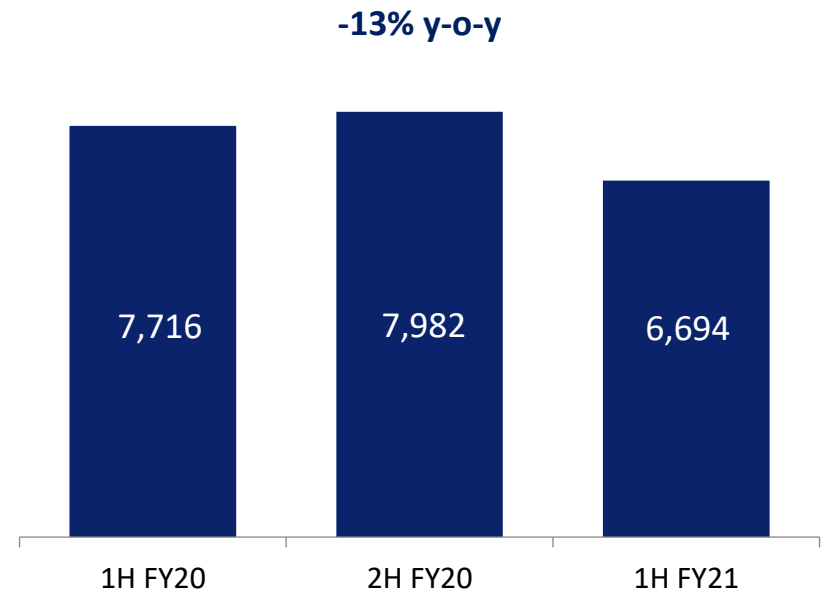
**FICC**  
**\$99M, up 17% y-o-y**

- Currencies futures volume down 8% to 11.8M contracts
- INR/USD volumes declined 13% due to impact from COVID-19
- Market share: INR/USD +10%-pts to 65%; USD/CNH comparable

USD/ CNH Volume ('000 contracts)



INR/ USD Volume ('000 contracts)



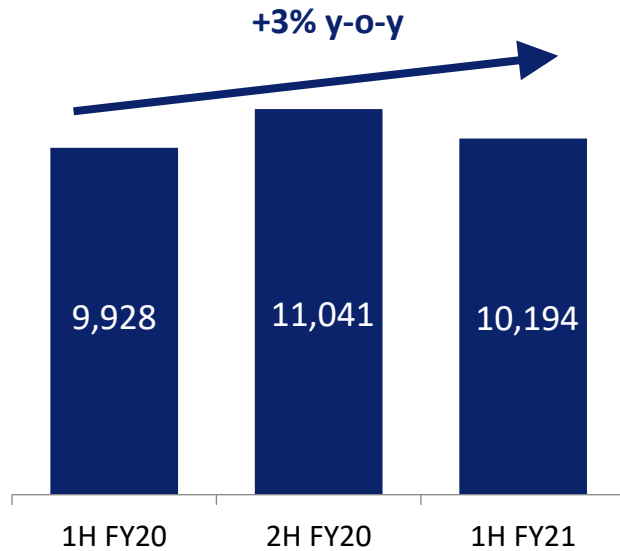
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# FICC – Commodities

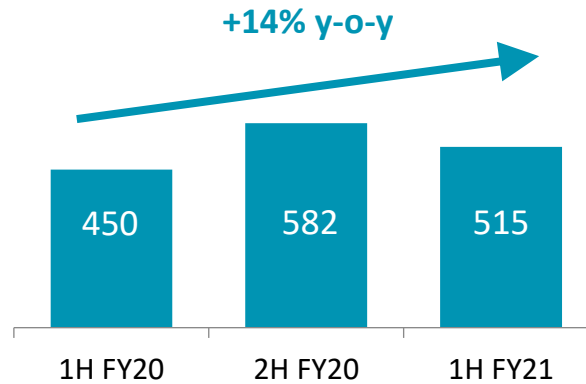
**FICC**  
**\$99M, up 17% y-o-y**

- Iron ore volumes up 3% y-o-y to 10.2M contracts
- Iron Ore retains > 95% offshore market share; FFA > 60% market share
- Adding to our suite of ferrous products

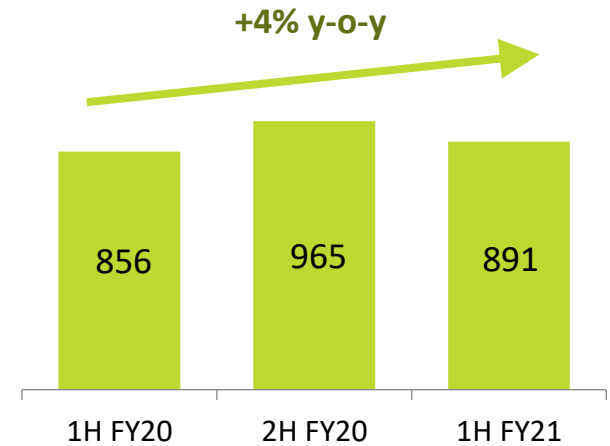
**Iron Ore Derivatives Volume**  
 ('000 contracts)



**Freight Derivatives Volume**  
 ('000 contracts)



**Rubber Futures Volume**  
 ('000 contracts)



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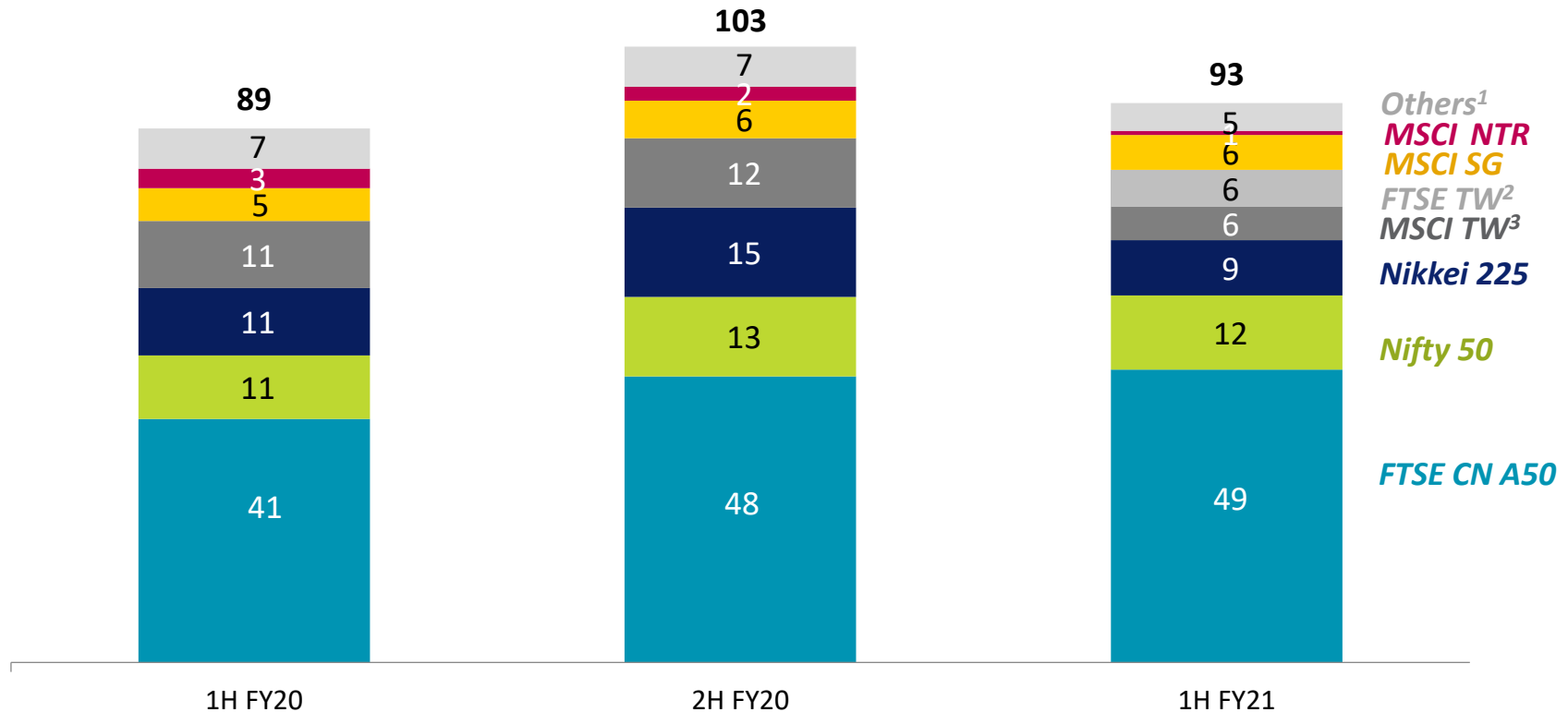


# Equities – Equity Derivatives

**Equities**  
**\$351M, up 3% y-o-y**

- Higher trading volumes in equity derivatives, up 4% y-o-y
- FTSE CN A50 futures volumes up 20%; Nifty 50 futures volumes up 17%
- Launch of ESG index futures contracts

**Equity Derivatives Volume (M contracts)**



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

<sup>1</sup>Others comprise mainly Nikkei 225 Index Options and Single Stock Futures

<sup>2</sup>Commenced trading on 20 July 2020

<sup>3</sup>Ceased trading on SGX on 1 November 2020

# Equities – Equity Derivatives (FTSE Taiwan update)

**Equities**  
**\$351M, up 3% y-o-y**

- Volume of Aggregate SGX MSCI/FTSE Taiwan contracts increased 5% y-o-y
- Open interest and volume market share of the SGX FTSE Taiwan futures contract remain >80% and >90% respectively
- Exchange venue plays a significant role in determining liquidity flows

- We attribute our success in retaining liquidity in the SGX FTSE Taiwan futures contract to:
  - The trust we have built with our customers;
  - The value that our multi-asset offering brings to them; and
  - The significant benefits the SGX ecosystem offers to the investment community
- Impact to average fee per contract:
  - Our derivatives average fee per contract was lower by 15% q-o-q to \$1.16, mainly due to the offering of an introductory fee for the new SGX FTSE Asia expansion suite
  - We expect our average fee per contract to improve as our FTSE Taiwan and new contracts run-in over the next two quarters

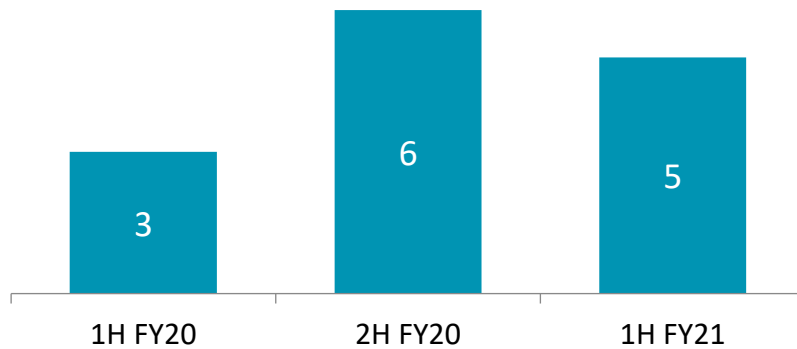
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# Equities – Cash Equities Listings

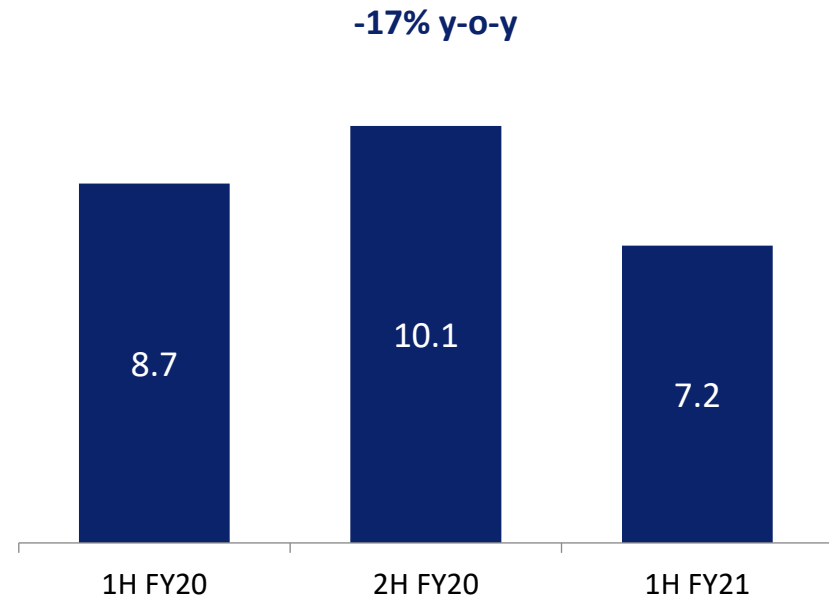
**Equities**  
**\$351M, up 3% y-o-y**

- Listing revenue at \$17M, down 5%
- Total funds raised \$7.2B
- Listing of companies from a wide range of sectors

No. of New Equity Listings



Total Equity Funds Raised (\$B)



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

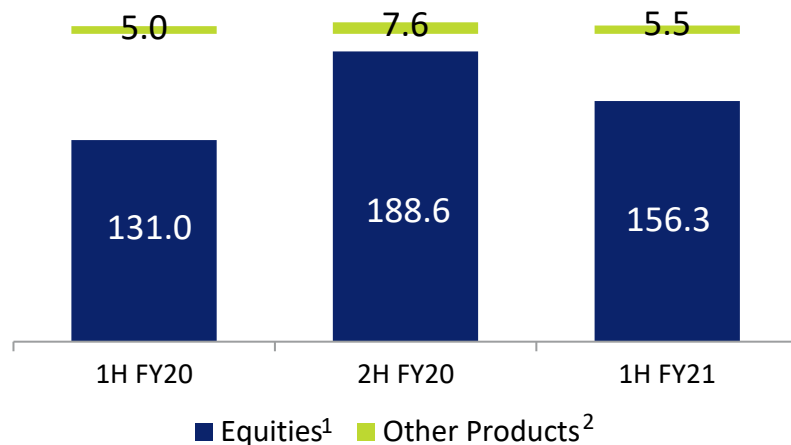
# Equities – Cash Equities Trading & Clearing

**Equities**  
**\$351M, up 3% y-o-y**

- Total traded value increased by 19% to \$161.8B
- Average Clearing Fee for Securities increased from 2.63 bps to 2.71 bps, y-o-y
- Wider spread of participation by different market segments

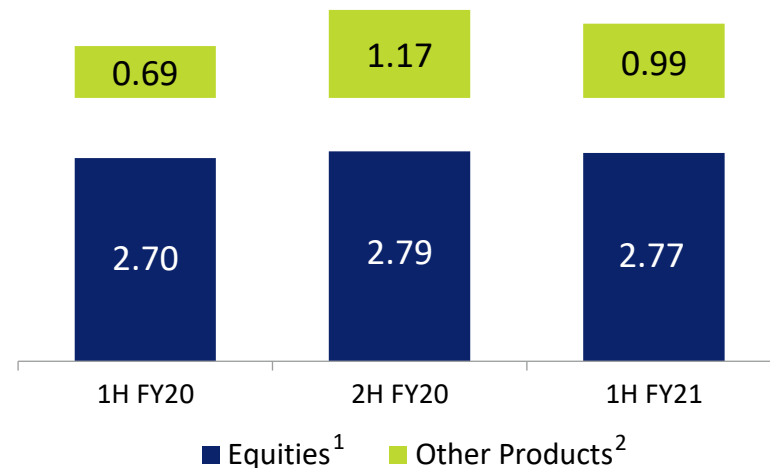
**Securities Total Value Traded (\$B)**

Total Traded Value	1H FY20	2H FY20	1H FY21
	136.0	196.2	161.8



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

Average Yield	1H FY20	2H FY20	1H FY21
	2.63	2.73	2.71



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

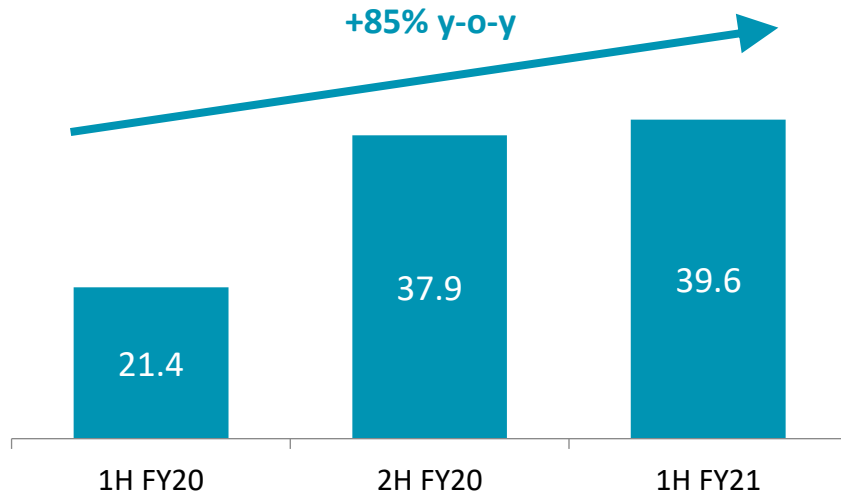
<sup>2</sup> Other products include structured warrants, exchange-traded funds, daily leverage certificates, debt securities, and American depository receipts

# Data, Connectivity & Indices

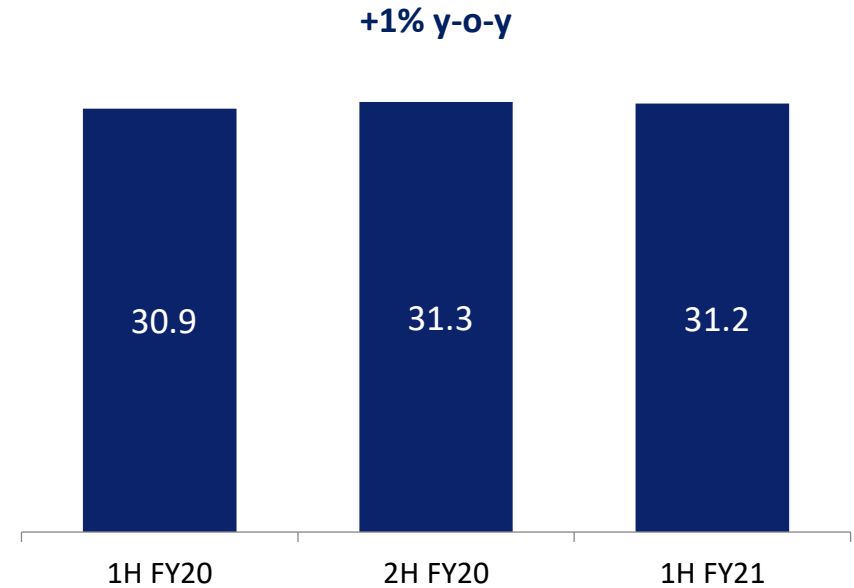
**Data, Connectivity & Indices**  
**\$71M, up 35% y-o-y**

- Market data and Indices revenue up 85% to \$40M
- Connectivity revenue comparable at \$31M
- Scientific Beta to launch Smart Green offering in 3Q FY21

Market Data and Indices Revenue (\$M)



Connectivity Revenue (\$M)



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

## Looking ahead ...



We expect global economies to recover as COVID-19 vaccines become more widely available.



Investments into cash equities is anticipated to grow, while portfolio risk management activities may rise due to shifts in US policies under its new administration.



We expect the medium-term revenue contribution of our recently acquired subsidiaries Scientific Beta and BidFX to grow beyond their current 6%, as they tap on an enlarged network of resources within the SGX group to execute their growth plans.



We launched SGX FIRST (Future In Reshaping Sustainability Together) to expand our sustainability capabilities and drive sustainable practices in our financial ecosystem.



Our total expenses and capital expenditure for FY2021 remain between \$535-\$545 million and between \$55-\$60 million respectively.

# 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*

*Chew Sutat, Head of Global Sales & Origination*

*Tan Boon Gin, CEO of SGX RegCo*

