

Market Release

16 August 2018

ASX Limited Full-Year Results to 30 June 2018 (FY18)

- Strong financial result – statutory NPAT up 2.5% to \$445.1m; underlying NPAT up 7.2% to \$465.3m
- Growth in earnings per share for 6th year in a row – underlying EPS up 7.1% to 240.4c
- Solid core business performance and growth in initiatives driving shareholder returns - final dividend per share up 9.3% to 109.1c
- Investment in technology, risk management and operational infrastructure strengthening our foundations for continued resilience and future growth

Financial highlights relative to the prior comparative period (FY17) based on Group segment reporting

Statutory profit after tax <ul style="list-style-type: none"> • Includes non-cash impairment for Yieldbroker; no impact on final dividend 	\$445.1 million	↑\$11.0m ↑2.5%
Underlying profit after tax	\$465.3 million	↑\$31.2m ↑7.2%
Operating revenue <ul style="list-style-type: none"> • Growth in Listings and Issuer Services supported by higher capital raisings • Stronger Derivatives and OTC Markets due to rise in futures trading, OTC clearing and collateral management activity • Lift in Trading Services underpinned by new data products and increased technical services usage • Marginally higher Equity Post-Trade Services reflecting lower cleared values flowing from flat cash market trading 	\$822.7 million	↑\$58.6m ↑7.7%
Operating expenses <ul style="list-style-type: none"> • Underlying growth of 8.0% in line with guidance 	\$195.5 million	↑\$14.6m ↑8.0%
EBITDA <ul style="list-style-type: none"> • Underlying rise of 7.5% 	\$627.2 million	↑\$44.0m ↑7.5%
Statutory earnings per share	230.0 cents	↑5.5cps ↑2.4%
Underlying earnings per share	240.4 cents	↑15.9cps ↑7.1%
Final dividend per share <ul style="list-style-type: none"> • 90% payout ratio, fully franked 	109.1 cents	↑9.3cps ↑9.3%
Total FY18 dividends	216.3 cents	↑7.2%
Capital expenditure <ul style="list-style-type: none"> • Strengthening and upgrading technology capabilities • FY19 guidance circa \$70-75 million 	\$54.1 million	

‘Licence to operate’ initiatives undertaken across the organisation

- Selected distributed ledger technology for CHES replacement and outlined new features and timetable for implementation
- Accelerated program of replacing legacy infrastructure
- Progressed Stronger Foundations program with operational risk and technology enhancements made throughout ASX
- Embedding 3 Lines of Defence risk management approach to build culture of risk awareness, accountability and speaking-up
- Upgrading ASX Net communications infrastructure

Strategic growth initiatives progressing across all businesses

- Continuing to attract technology and foreign company listings
- Introduced new and enhanced BBSW benchmark calculation methodology
- Significant growth in offshore customers using new futures trading system
- Expanding customer ecosystem within the Australian Liquidity Centre
- Developing new data and analytics products and services to give customers easier access to more data
- Invested in joint venture to create Sympli to enter the electronic property settlement market

Mr Dominic Stevens, ASX Managing Director and CEO, said: “This is a very pleasing financial result reflecting ASX’s disciplined balance between investing in the operation and integrity of our core businesses - our Stronger Foundations initiative - and pursuing growth initiatives.

“Underlying profit rose 7.2% on last year to \$465.3 million, an increase of \$31.2 million. Each of ASX’s four main businesses grew, with the overall performance driven by higher capital raisings and increased futures trading, particularly from offshore customers. Cash market trading was down slightly amid low levels of market volatility. But revenue from technical and information services grew due to increasing connections and data feeds.

“This result highlights the versatility of ASX’s diversified business model to deliver attractive earnings growth across different business cycles. We have determined a final dividend of 109.1 cents per share, a rise of 9.3%.

“ASX’s expenses rose 8.0%, in line with guidance, with increases in the ASIC levy and electricity charges causing a substantial part of the uplift. Capital expenditure was \$54.1 million, reflecting continued investment in strengthening ASX’s technology capabilities. These projects include the replacement of CHES, and the upgrading of our secondary data centre and ASX Net communications network, which connects our data centres to customers in Australia and around the world.

“In FY18, we also took steps to strengthen ASX’s operational and technological foundations, which help ensure our continued resilience and creates a solid platform for future growth. This included outlining the planned new features and timetable for replacing CHES with distributed ledger technology as the post-trade infrastructure for Australia’s equity market; the evolution of the rules and guidance for listed companies to ensure ASX market standards are kept high; and the continued development of our multi-year program to upgrade our technology and operational risk management functions with investments in staff, physical hardware, systems and improved governance.”



Mr Stevens continued: “Like all businesses exposed to increasingly complex technology and risk environments, ASX continues to lift its standards to keep meeting the rising expectations of our stakeholders. We are working constructively with our customers, regulators and the wider community to meet those expectations.

“Many of ASX’s key initiatives made good progress during the period. These include the expansion of our listing franchise both internationally and across sectors; significant uptake of the ASX Collateral service, which now sees \$20 billion-plus in value transacted on the platform each day; higher OTC clearing volumes, the notional value of which rose 22.2% in FY18 to \$6.3 trillion; and growth in the ecosystem within the Australian Liquidity Centre, which now houses 123 customers.

“We also pursued new business opportunities. For example, our data strategy is developing, where we are looking to help customers optimise the value inherent in the large volume of data we generate across our businesses; and we invested in a joint venture to create a new electronic property settlement business called Sympli, which will leverage ASX’s expertise in providing secure, electronic financial market settlements to support Australia’s successful transition to full electronic conveyancing.

“ASX plays a critical role in Australia’s financial markets as a trusted, central and independent party. We are continuing to work hard to preserve and strengthen this, and investing in the technology that enables innovation and growth. This will position us to take advantage of new opportunities and leverage our expertise to continue to generate benefits for all our stakeholders.”

Please see the accompanying presentation slides for individual business highlights.

Complete full-year results materials will be available here: <https://www.asx.com.au/about/asx-market-announcements.htm>

A webcast of today’s 9.30am (Sydney time) presentation to analysts and media will be available at: [ASX Full-Year 2018 Results Webcast](#)

Further enquiries:

Media

Matthew Gibbs
General Manager,
Media and Communications
T +61 2 9227 0218
M +61 411 121 219
E matthew.gibbs@asx.com.au

Analysts/Investor Relations

Josie Ashton
Head of Investor Relations
T +61 2 9227 0646
M +61 416 205 234
E josie.ashton@asx.com.au

APPENDIX – ASX full-year results to 30 June 2018 (FY18) based on the Group's segment reporting

Group income statement	FY18 \$m	FY17 \$m	Variance \$m	Variance %
Operating revenue	822.7	764.1	58.6	7.7%
Operating expenses	(195.5)	(180.9)	(14.6)	(8.0%)
EBITDA	627.2	583.2	44.0	7.5%
Depreciation and amortisation	(47.6)	(46.0)	(1.6)	(3.5%)
EBIT	579.6	537.2	42.4	7.9%
Interest and dividend income	82.7	79.2	3.5	4.3%
Underlying profit before tax	662.3	616.4	45.9	7.4%
Income tax expense	(197.0)	(182.3)	(14.7)	(8.1%)
Underlying profit after tax	465.3	434.1	31.2	7.2%
Significant items*	(20.2)	-	(20.2)	-
Profit after tax	445.1	434.1	11.0	2.5%

Operating revenue	FY18 \$m	FY17 \$m	Variance \$m	Variance %
Listings	171.4	150.3	21.1	14.0%
Issuer services	49.2	42.4	6.8	16.2%
Listings and Issuer Services	220.6	192.7	27.9	14.5%
Equity options	21.9	21.7	0.2	1.0%
Futures and OTC clearing	212.5	197.4	15.1	7.7%
Austraclear	52.0	50.0	2.0	3.7%
Derivatives and OTC Markets	286.4	269.1	17.3	6.4%
Cash market trading	45.7	46.3	(0.6)	(1.3%)
Information services	90.1	82.5	7.6	9.3%
Technical services	74.1	67.2	6.9	10.1%
Trading Services	209.9	196.0	13.9	7.0%
Cash market clearing	51.9	53.3	(1.4)	(2.6%)
Cash market settlement	52.9	51.1	1.8	3.5%
Equity Post-Trade Services	104.8	104.4	0.4	0.4%
Other	1.0	1.9	(0.9)	(44.0%)
Operating revenue	822.7	764.1	58.6	7.7%

Key activity indicators	FY18	FY17	Variance	Variance %
All Ordinaries Index (end of period)	6289.7	5764.0	525.7	9.1%
Number of new listed entities (IPOs)	137	152	(15)	(9.9%)
Capital raised, including scrip-for-scrip	\$81.7 billion	\$56.0 billion	\$25.7 billion	46.0%
Daily average cash on-market value	\$4.153 billion	\$4.267 billion	(\$0.114 billion)	(2.7%)
Equity options daily average contracts traded	367,271	409,814	(42,543)	(10.4%)
Futures daily average contracts traded	613,211	556,321	56,890	10.2%
OTC cleared notional value	\$6,314.3 billion	\$5,166.0 billion	\$1,148.3 billion	22.2%

*Significant item – non-cash impairment for Yieldbroker. Variances expressed favourable/(unfavourable).