ASX 2019 Full-Year Results

Dominic Stevens, Managing Director and CEO
Gillian Larkins, Chief Financial Officer

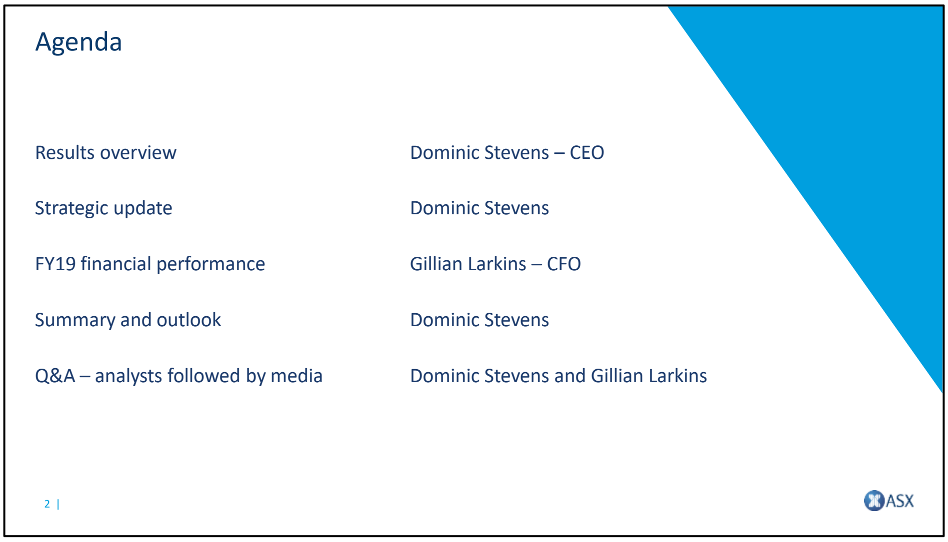
Presentation and Speaking Notes

15 August 2019

(Check against delivery)

Good morning everyone and welcome to ASX's 2019 annual results presentation, whether here at ASX, on the phone or via webcast.

My name is Dominic Stevens, the CEO of ASX.

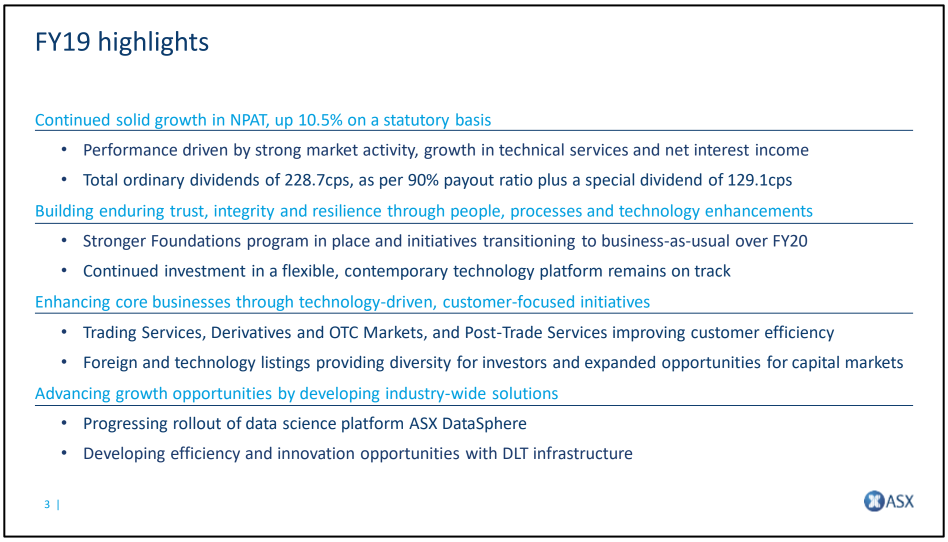


This morning I will start with overall highlights and then give an update on our strategic progress.

I will then hand to our CFO Gillian Larkins to cover our financial performance in detail and return to summarise and comment on outlook.

We will then have questions from analysts followed by media.

Let’s begin.



FY19 was another strong year for ASX with NPAT up 10.5% on a statutory basis. We saw increased market activity across all our transactional businesses, continued growth in technical and information services, and an increase in net interest income. This led to a record bottom line and for the seventh year in a row, an increase in our ordinary dividends. We are also paying a fully franked special dividend following the sale of our shareholding in IRESS.

Among the achievements this year has been the substantial work we’ve done to strengthen the way we manage financial and non-financial risks. We also progressed significantly our multi-year investment program to maintain a flexible and contemporary technology platform from which to operate and grow. These initiatives contribute to the quality of, and trust in, our infrastructure.

We continue to enhance our core businesses with customer-focused innovations – not only to improve how customers interact with ASX, but also how customers interact with each other. This creates new efficiencies and lowers their total cost of ownership, and draws on the successful model of our Australian Liquidity Centre (ALC).

We are expanding our Listings business by growing the number of technology companies, offshore listings and ETFs. These sit on top of our deep markets in mining, financial services and other industry sectors. They offer diversity to investors and create opportunities for the local capital markets ecosystem. The expansion of listings also helps lower the cost of capital for a range of new industries.

ASX DataSphere, DLT Solutions and Sympli are all good examples of how ASX is looking to develop industry-wide solutions for the benefit of our customers. I’ll address this in more detail later in my presentation.

FY19 results

Strong performance from all businesses while continuing to invest in resilience and growth

Revenue	$863.8m	+$52.9m	• Up 6.5% on a like-for-like accounting basis
Expenses	$214.8m	($19.3m)	• Increased 9.9% due to investing for resilience and growth
EBITDA	$649.0m	+$33.6m	• Up 5.5% on a like-for-like accounting basis
Underlying NPAT	$492.0m	+$35.0m	• Up 7.7% on a like-for-like accounting basis
Statutory NPAT	$492.0m	+$55.2m	• Up 12.6% on a like-for-like accounting basis
Earnings per share	254.1cps	+24.1cps	• Up 10.5% on a statutory basis
Dividends per share	228.7cps	+12.4cps	• Total ordinary dividends up 5.7% on pcp, final dividend 114.3cps
Special dividend per share	129.1cps	-	• 100% franked, from the IRESS sale proceeds

4 | Revenue and expenses as per the Group segment reporting. For the purpose of the management discussion, FY18 comparative has been restated for the impact of AASB 15 to provide a like-for-like comparison. Refer to appendix on page 31 for details. This has not been audited or reviewed in accordance with Australian auditing standards. Variance relative to the prior comparative period (FY18 pcp) expressed favourable/(unfavourable).

ASX

Turning now to our FY19 performance.

Revenue rose to $863.8 million reflecting pleasing growth in all four of our businesses, with Trading Services and Derivatives and OTC Markets growing the strongest.

Expenses for the year increased by $19.3 million, which was a 9.9% increase on the prior year.

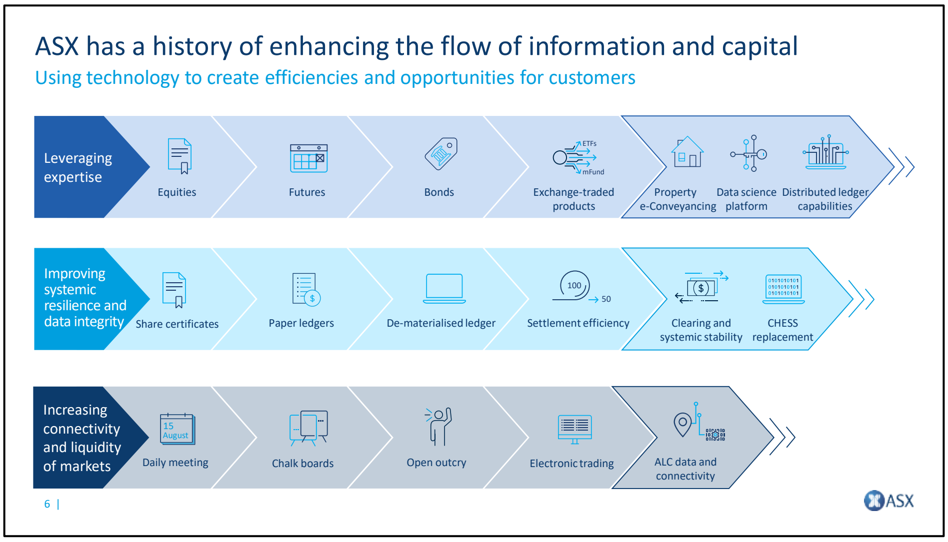
As a result, EBITDA was up $33.6 million to $649.0 million. This is a pleasing result given the significant foundational work done this year.

Interest and dividend income was up strongly, which helped statutory NPAT increase to $492.0 million, a rise of 12.6% on a like-for-like accounting basis.

Consistent with ASX's dividend policy to payout 90% of underlying profit, the final dividend was 114.3 cents per share cents per share fully franked, taking total ordinary dividends for the year to 228.7 cents per share fully franked.

We are also paying a special dividend of 129.1 cents per share fully franked, with the proceeds from the sale of ASX's shareholding in IRESS last February.

In summary, our FY19 numbers reflect a strong year for ASX. There's also been a significant amount of work done developing and delivering our strategy, which I will take you through now.



To begin, I'd like to take a step back and discuss how our technology-driven strategy continues a long tradition of enhancing the flow of information and capital in our markets. I will start at the bottom of the slide and work up.

1. Firstly, ASX has increased the connectivity and liquidity of markets. From chalk boards to globally-connected electronic markets, with speeds moving from seconds to nanoseconds, ASX has often led these technology advancements.

    - Currently, at the far right on the slide, ASX provides a highly efficient technology, communications and liquidity hub for our customers at the ALC, which has become the heart of Australia's financial markets. The ALC supports a highly diverse ecosystem connected seamlessly from around the globe to create one of the most liquid and transparent marketplaces in the world.

2. Secondly, ASX has continually improved systemic resilience and data integrity. From uncleared paper scrip, through to dematerialised securities and netting efficiencies.

    - Currently, ASX provides significant capital support and clearing risk management. It is also looking to replace CHESS with globally leading technology that will enable more secure and reliable data for a wider range of customers.

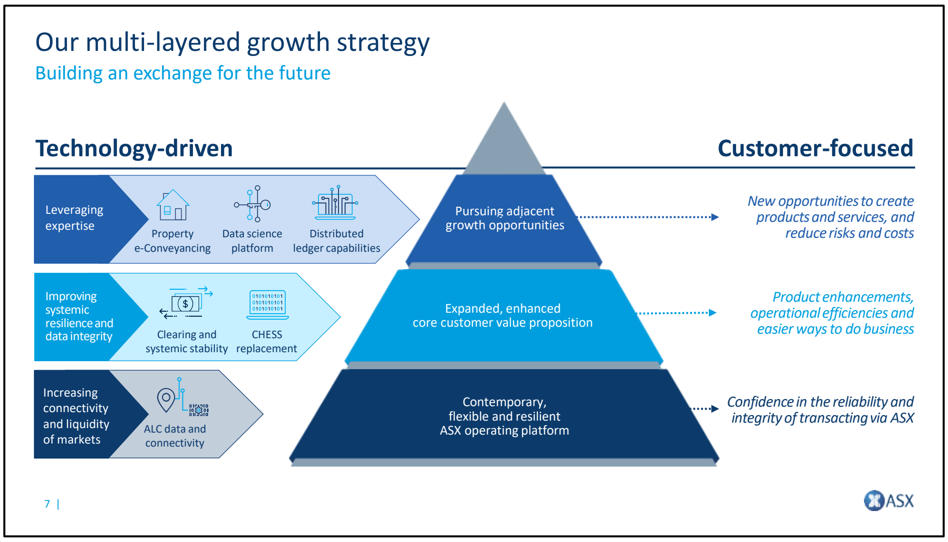
3. Finally, over many decades, ASX has leveraged its expertise into a wide range of new areas, from acquiring the futures exchange, to setting up mFunds and quoting ETFs. These initiatives have expanded our core skills into adjacent asset classes, products and services.

    - Currently, ASX is developing valuable new adjacencies such as e-conveyancing and data science, and investigating other possible DLT use cases.

ASX's success over the decades has come from building infrastructure that allows our domestic and global customers to communicate, collaborate and connect with confidence, which in turn enables them to create products and services for their clients.

So, when I'm asked why we built the ALC or are investing in DLT or ASX DataSphere, my answer is simple: this is what ASX has always done. This is ASX's raison d'etre. This is what our customers and regulators expect of us.

If I take where we are currently and compare it to our broader strategy on the next slide – you can see that:

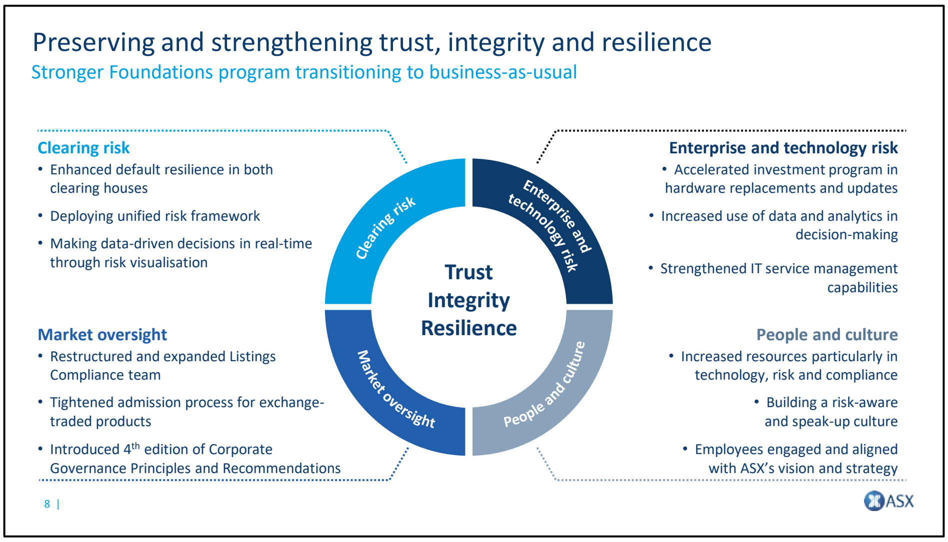


- **Our strategy is technology-driven**. We are at the leading edge of our industry with initiatives like DLT and ASX DataSphere
- **Our strategy is customer-focused on industry-wide solutions**. ALC, ASX DataSphere and DLT allow our customers to interact not just with ASX but with each other
- **We are building on our strengths** in operating critical infrastructure to expand into attractive adjacencies.

Looking to the future, we see a continuation of our strategy to be a customer and technology-driven market infrastructure provider.

Before I hand over to Gillian, I will provide:

- An update on our Stronger Foundations progress
- Some detail about the development of our four core businesses and
- How we are pursuing emerging growth opportunities.



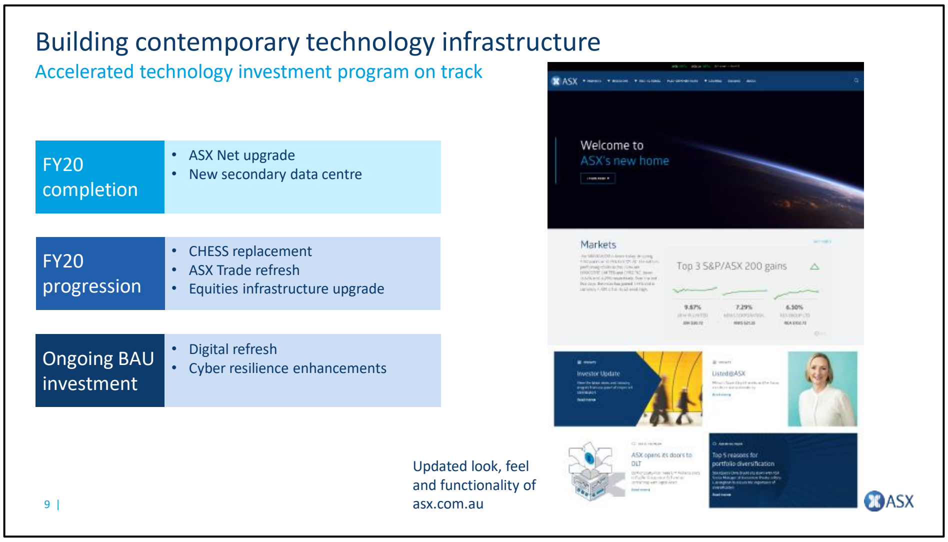
Let's begin with how we have been strengthening our foundations of trust, integrity and resilience.

I am pleased to say we made tremendous progress over the past 12 months. We have achieved the goals we set as part of our Stronger Foundations program in the areas of clearing, enterprise and technology risk. These initiatives will now wind back into BAU over the first half of FY20.

In relation to our market oversight activities – we restructured our listings compliance team to sharpen our industry specialisation and improved the admission process for ETPs.

We have also spent a significant amount of time developing our culture and engaging our people. Our employees have a better understanding of our strategy, which has increased engagement and improved awareness of everyone's role in pursuing ASX's vision.

While not direct drivers of revenue, these foundations are extremely valuable – especially in a post-Hayne environment and for a company like ASX, where trust, integrity, resilience and customer service are vitally important and generate tremendous value for our brand.



Moving to the next slide, ASX continues to invest in contemporary technology infrastructure. We see this as an important part of securing our own future success as well as our industry's ability to digitally transform.

Very shortly we will complete the multi-year upgrade of our financial markets network, ASX Net, which will simplify connectivity to ASX services and enable ASX to support connectivity to an increasing range of third parties.

Not far behind, is the commissioning of the new secondary data centre in October, which will come on line progressively over the following six months. This has allowed us to design a more secure, reliable and efficient primary and secondary data centre architecture, as well as improve ASX's resilience by contemporising our hardware. These core infrastructure enhancements allow ASX to maintain the high standards of robustness and integrity expected of a leading industry platform like ours.

We will also progress a number of significant customer-driven technology projects including:

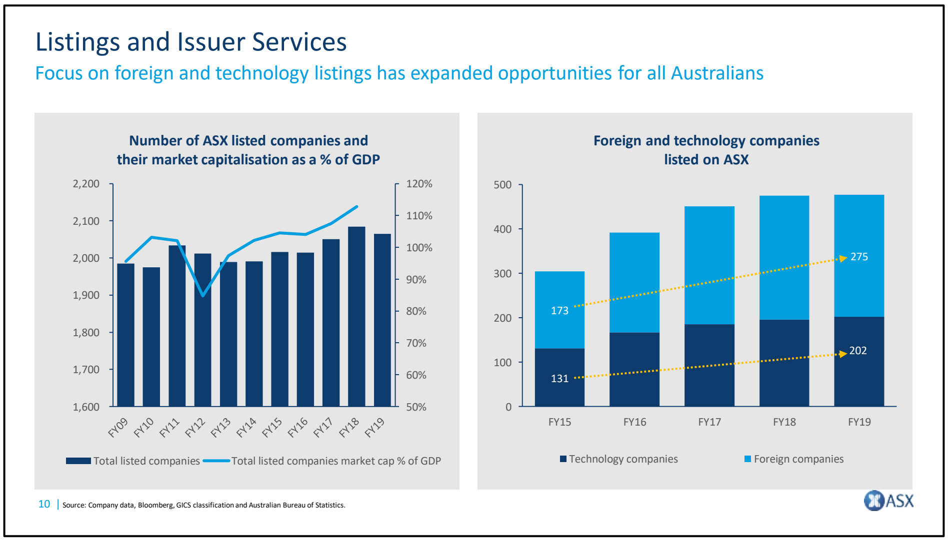
- CHESS replacement and associated infrastructure, which I will delve into deeper later and
- ASX Trade upgrade, which provides a refresh of the hardware and software that supports our cash equity market trading platform.

These projects are in addition to our ongoing BAU projects which include our:

- Digital refresh – a rebuild of ASX.COM.AU is currently in beta testing and will go live later this year and
- Ongoing program to continually enhance our cyber resilience.

Now, as I move onto discussing our businesses, I will draw out a few key themes for each.

Beginning with the Listings business.

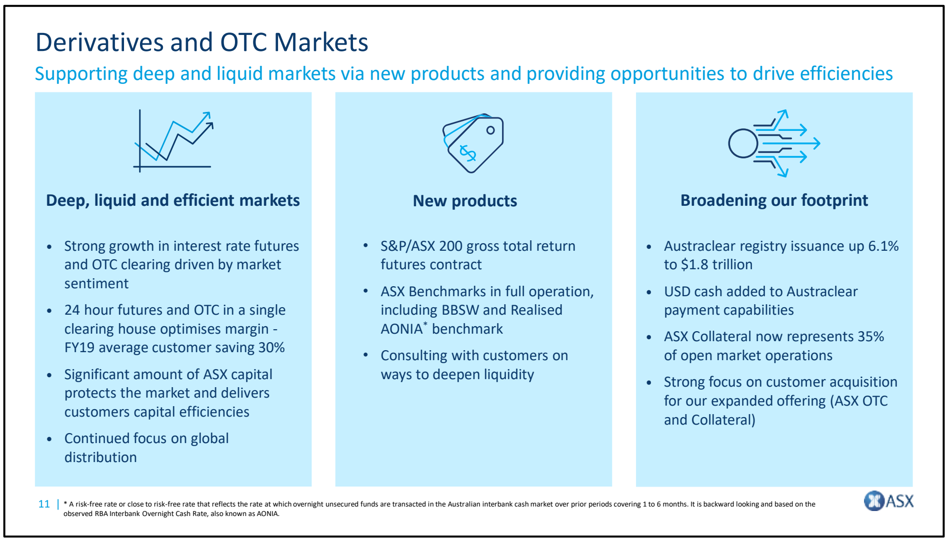


Much has been written about the de-equitisation of public markets around the world and the growth of private markets. The decline in the number of listed US companies since the 1990s is often highlighted. In Australia the number of companies has been generally increasing, and – as you can see on the chart – total capitalisation of ASX as a percentage of GDP has been growing. While this also includes valuation effects, it shows that – in Australia at least – the average listed company is becoming larger and the listed market remains very sizable and relevant. This is good news for investors. While we see growing private equity and venture capital markets providing value, we believe the transparency and liquidity of the listed market is the fundamental bedrock of the capital allocation process in a market economy.

ASX has a strong listings business that continues to find ways to create value for customers. Over the last five years the listed technology sector has grown materially from 1.3% to 3.4% of the market by value. There were 202 tech companies at the end of FY19, with 13 of them capitalised over a billion dollars.

We believe Australia should develop its listed technology sector further, particularly as the relevance of technology to the economy increases. Our role is to promote the attractions of the ASX market, set the admission standards and provide the infrastructure to enable listing and fair, orderly and transparent trading. This in turn allows the market to determine a company's value, and creates opportunities for other capital market service providers.

But our focus on technology does not come at the cost of ignoring the sectors upon which ASX is traditionally based, including mining and, more recently, financials. Providing diversity is the goal.



Derivatives and OTC Markets is our largest business, accounting for 36% of overall revenues. Well-functioning derivatives markets are vitally important to the global economy, and as the fourth largest rates futures market in the world, ASX punches well above its weight here. In FY19, we have seen continued volume growth and new customers across all asset classes.

In particular, the changes in the Australian interest rate environment have seen an increase in activity as customers use our futures markets to hedge changes in their desired risk profile. As a result, we saw activity up 119% in the 30 day interbank cash rate futures contract, up over 50% in OTC clearing activity, and good growth in our other interest futures products.

And because ASX offers 24-hour clearing of our futures and OTC markets in a single venue, our cross-margining service has reduced customers' margins on average by 30%. It is also worth noting that ASX continues to contribute a significant amount of capital to the clearing house default fund. This is valuable for our customers as it reduces the amount of capital they need to operate their businesses.

These deeply liquid and efficient markets remain attractive globally. This means we have continued to use our overseas distribution capabilities to add new customers to our market.

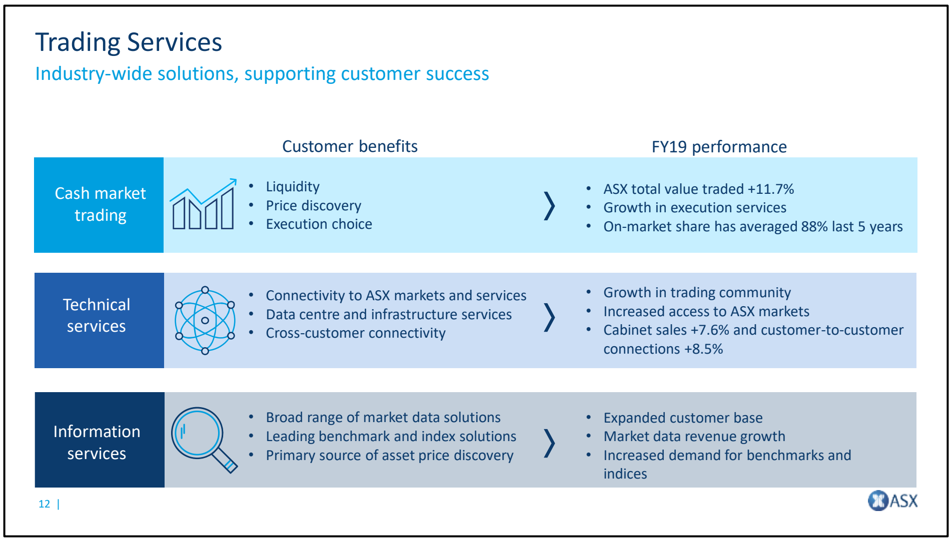
FY19 has also been a year of new product development. In June this year, in response to customer requests, we launched the new S&P/ASX 200 gross total return futures contract. For those customers who invest on a total return basis, it provides an alternative to OTC products or our existing equity futures products. Early signs are encouraging as we focus on growing liquidity.

I'm also pleased to note that ASX Benchmarks became the first benchmark administrator to be licensed in Australia. Benchmarks are a vital component of Australia's financial markets. In May this year, we started publishing the new Realised AONIA rate alongside BBSW, which helps to support the expanded use of risk free rates in Australia.

Austraclear and ASX Collateral are part of the critical infrastructure at the heart of Australia's financial markets. During FY19, Austraclear's registry issuance rose 6.1% to $1.8 trillion, mainly driven by the increased securitisation issuance we saw during the year.

We also added US$ payment capabilities to expand our foreign currency payment offering and to support future product development.

In ASX Collateral we added new customers and now account for an average of 35% market share of the RBA's Open Market Operations. This delivers significant automation and operational efficiencies for customers, as well as the capital efficiency gains which can be improved through optimising collateral.



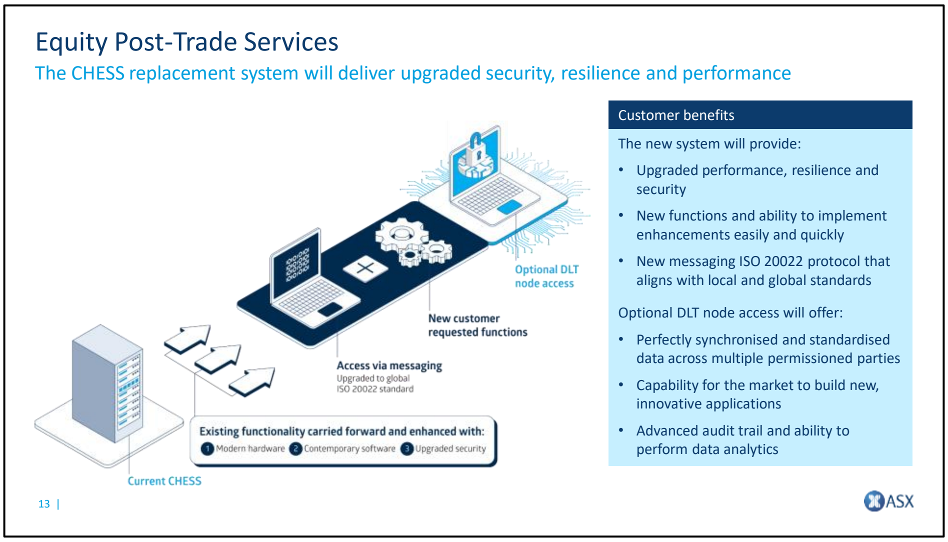
Moving now to our Trading Services business – revenues were up across the board. As well as reflecting a more vibrant market, the growth in cash market trading revenue also reflects the value our customers place on the services we offer.

Customers particularly value the benchmark pricing and deep liquidity offered by our closing Auction service, as well as the liquidity and information protection available in Centre Point.

Within technical services, the ALC remains a strong source of revenue growth. In addition to low latency access for those customers that value speed, large institutions are increasingly using the ALC (and ASX Net) to access alternative venues, service providers and customers. This leads to increased demand for ALC cabinets and connections. Customers choose to use ALC and ASX Net because they deliver cost benefits and risk reductions to their overall business.

Growth in technical services is also coming from new international customers who value the infrastructure ASX provides and the highly liquid and regulated markets we offer. This is increasing revenue and market liquidity.

Information services revenue growth was driven by ASX 24 market data and the index and benchmark services. ASX data is considered the benchmark for price discovery in Australian financial markets, and is also the basis of price discovery in the OTC debt and equity markets. Specific benchmarks such as the S&P/ASX 200 index and the suite of BBSW benchmarks also experienced increased demand in FY19. Consistent with the growth in our global connectivity, we continue to experience a rise in customer numbers for our information services.



And now the final business, Equity Post-Trade Services. While it might be our smallest business by revenue, it's the business attracting the greatest interest thanks to the CHESS replacement program.

Firstly, the replacement of CHESS was never an 'if' but always a 'when'. It was flagged in our 2015 results as something ASX would be doing even before we considered distributed ledger technology (DLT).

Our CHESS replacement project is like any system replacement – it enables a new system to be built on more secure, modern hardware and contemporary software.

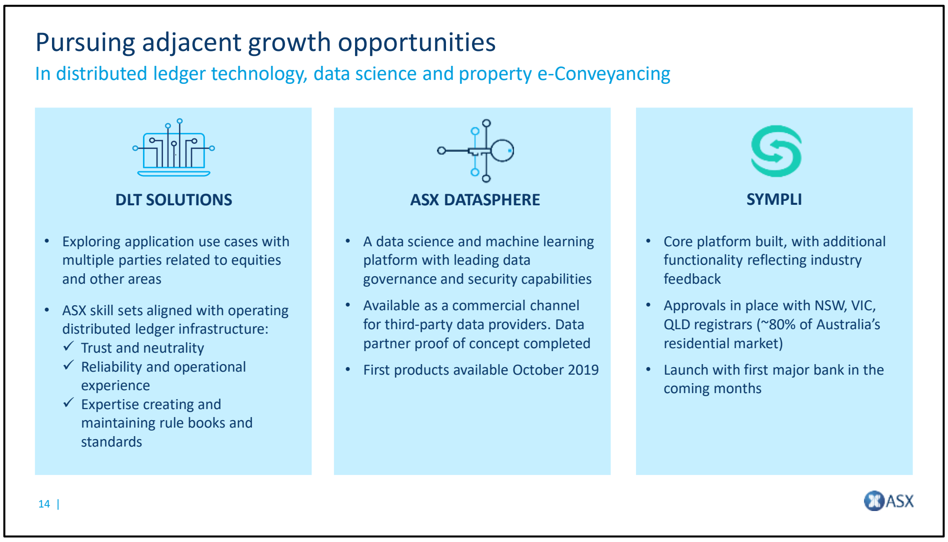
The new system will enable customers to clear and settle equities in the Australian market just as CHESS does today – but with a system that offers better performance, resilience and security, as well as new functions requested by customers during our extensive market consultation. Also, the new system uses the global messaging protocol ISO 20022, bringing it into line with the standard used by the RBA and other international exchanges.

All this is before we talk about an option that will allow customers to realise the benefits of a DLT-based connection to the system.

The DLT infrastructure we are building ensures data consistency through sharing the same data with permissioned parties. It will ensure all copies of the ledger are synchronised and accurate. And by using smart contracts, the new system can ensure that all data is interpreted and processed the same way.

We are excited by the possibilities of providing a trusted ledger state to those who have permission to see it. If you can do this, the wider industry will be able to innovate in areas well beyond clearing and settlement of cash equities.

If ASX had not included the DLT option Australia's financial markets would have missed a major opportunity to benefit from this important technological innovation. And indeed, it would have been contrary to ASX's history of embracing innovation that I outlined earlier, in which CHESS itself was a prime example 25 years ago.



This segues to an update on how ASX is leveraging its expertise into adjacent growth opportunities.

What I just described for the equity post-trade market is relevant to any logistical system in any industry that relies on disparate databases and multiple sources of truth. It is through what we call our 'DLT Solutions' capability that we are looking at other ways we can use our growing expertise to help customers identify how they might be able to benefit from using a distributed ledger.

Our DLT Solutions team is having a range of discussions about equity and non-equity related opportunities. And also, because the DAML smart contracting language of our DLT partner, Digital Asset, is now open source, it's available for those wanting to investigate how they might use it on our distributed ledger, other distributed ledgers, as well as traditional databases.

Significant progress has also been made on our data analytics initiative, ASX DataSphere, which is a data science and machine learning platform.

ASX DataSphere is designed as an open but highly governed privacy-preserving platform, which will support the pooling of data from a broad range of customers and data partners. The objective is to provide a range of scalable analytic solutions to regulatory, risk, valuation and compliance problems, and to support digital transformation of the industry.

It is already working internally and with pilot customers. It will launch its initial services to external customers and data partners in October via its webstore.

Another adjacency we are focused on is Sympli, our joint venture with InfoTrack parent ATI in the electronic property conveyancing space. Sympli is progressing well. Its core platform is now built and it has approvals from the registrars of NSW, Victoria and Queensland, which covers 80% of the national residential real estate market.

Early trials indicate workspace creation, document preparation and lodgement to be circa 25-50% more efficient than the competitor. Its flexible workflow and permissions design means Sympli's service adapts to its customers' processes, rather than users needing to adapt their processes. These and other workflow enhancements will be valuable to both banks and conveyancers. Sympli has connected to, and is looking to launch with, its first major bank in the next couple of months, and will progressively connect to others after that.

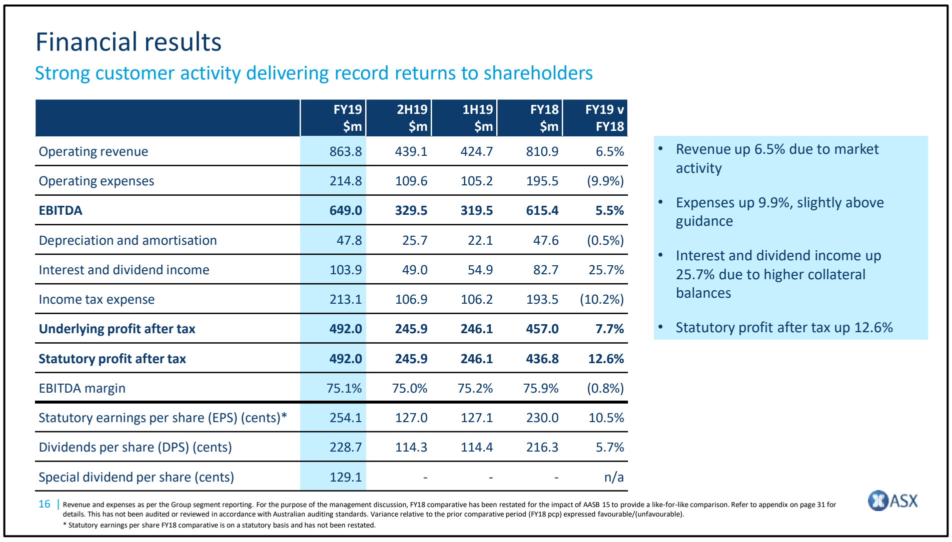
As I think is clear from my update – we have a full agenda of customer-focused initiatives that position ASX as:

- Having a flexible and contemporary platform
- Being a trusted and reliable provider of technology infrastructure services with a strong brand
- At the leading edge of relevant new technologies like DLT and data science and
- Looking to expand our expertise into other areas.

I will now hand over to Gillian to take you through the financials.

Thanks Dom and good morning to everyone in the room and on the line.

ASX's result for 2019 reflects strong customer activity across our portfolio of businesses. In particular, our cash trading, derivatives franchise and technical services offering have underpinned company profit in a period when we also incurred higher expenses to support our current and future infrastructure investments.



	FY19 $m	2H19 $m	1H19 $m	FY18 $m	FY19 v FY18
Operating revenue	863.8	439.1	424.7	810.9	6.5%
Operating expenses	214.8	109.6	105.2	195.5	(9.9%)
EBITDA	**649.0**	**329.5**	**319.5**	**615.4**	**5.5%**
Depreciation and amortisation	47.8	25.7	22.1	47.6	(0.5%)
Interest and dividend income	103.9	49.0	54.9	82.7	25.7%
Income tax expense	213.1	106.9	106.2	193.5	(10.2%)
Underlying profit after tax	**492.0**	**245.9**	**246.1**	**457.0**	**7.7%**
Statutory profit after tax	**492.0**	**245.9**	**246.1**	**436.8**	**12.6%**
EBITDA margin	75.1%	75.0%	75.2%	75.9%	(0.8%)
Statutory earnings per share (EPS) (cents)*	254.1	127.0	127.1	230.0	10.5%
Dividends per share (DPS) (cents)	228.7	114.3	114.4	216.3	5.7%
Special dividend per share (cents)	129.1	-	-	-	n/a

16 | Revenue and expenses as per the Group segment reporting. For the purpose of the management discussion, FY18 comparative has been restated for the impact of AASB 15 to provide a like-for-like comparison. Refer to appendix on page 31 for details. This has not been audited or reviewed in accordance with Australian auditing standards. Variance relative to the prior comparative period (FY18 pcp) expressed favourable/(unfavourable).
* Statutory earnings per share FY18 comparative is on a statutory basis and has not been restated.

Turning to the financials on slide 16, we adopted the new accounting standard for revenue, AASB 15, in 2019. This is relevant for revenue related to our Listings business, and as per the allowance of the standard, we have not restated 2018 in the statutory accounts. However, for the purpose of year-on-year comparability, we have adjusted last year retrospectively in our Operating and Financial Review (OFR) in the Annual Report using the term 'like-for-like'. I will be talking to these numbers this morning.

Starting with the top line, revenue for the year is up 6.5% on a like-for-like basis from 2018, reflecting two strong halves of heightened trading volumes. For the year, overall expenses for the Group increased by 9.9% on FY18 which I will explain shortly. However, moving through the table you will see that the growth in revenue more than absorbed the higher than historical expense growth, allowing ASX to achieve a solid EBITDA growth of 5.5% leading to an EBITDA margin of 75.1%.

The second half of FY19 saw a slight uptick in depreciation as some infrastructure projects were completed. This included, among other items, our ASX Net communication hardware. However, for the full-year depreciation and amortisation (D&A) came in fairly flat to last year with D&A as a percentage of revenue being maintained at a similar percentage to past years.

With our interest income up 25.7% more than FY18 due to the portfolio composition and associated returns, this contributed to an underlying profit after tax increase of 7.7%. Taking into account the significant item booked last year, we delivered a statutory profit after tax increase of 12.6%. In terms of profitability metrics, EPS on NPAT increased by 10.5%.

These results allowed the Board to declare a dividend of 114.3 cents for the half, bringing FY19 full-year dividends to 228.7 cents per share.

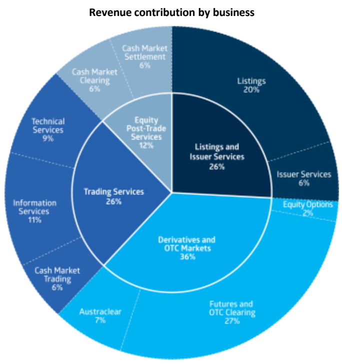
In addition to the final dividend, the majority of the proceeds received from the sale of ASX's shareholding in IRESS will be paid as a special dividend of 129.1 cents per share. ASX believes the best use for the IRESS sale proceeds is to return the bulk of the funds to shareholders and retain a portion to further invest in our growth strategy.

Now to the revenue results of our key business lines.

Revenue

Up 6.5% with all businesses delivering solid results

	FY19 $m	2H19 $m	1H19 $m	FY18 $m	FY19 v FY18
Listings and Issuer Services	220.2	108.7	111.5	208.8	5.5%
Derivatives & OTC Markets	308.6	161.8	146.8	286.4	7.8%
Trading Services	229.6	116.1	113.5	209.9	9.4%
Equity Post-Trade Services	108.4	53.7	54.7	104.8	3.5%
Other	(3.0)	(1.2)	(1.8)	1.0	n/a
Operating revenue	**863.8**	**439.1**	**424.7**	**810.9**	**6.5%**



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ASX is a diversified business that allows us to deliver stable revenue across all market cycles. FY19 was no different. It was a year that saw a number of themes play out across the portfolio, including business development momentum, which is evidenced in the Listings and Issuer Services and the Trading Services businesses, which combined makes up 52% of ASX's portfolio.

Listings saw 16 more technology companies join the ASX board and an increase in the number of exchange-traded products (ETPs) traded. Our Trading Services arm saw a 7.6% increase in cabinet hosting and cross connections volume growth of 8.5%. Of note, the number of customers using the ALC increased by close to 9%.

Our Derivatives and OTC Markets business and our Equity Post-Trade Services business – which combined makes up 48% of our overall portfolio – saw elevated volumes in the market, which supported the overall operating revenue increase of 6.5%.

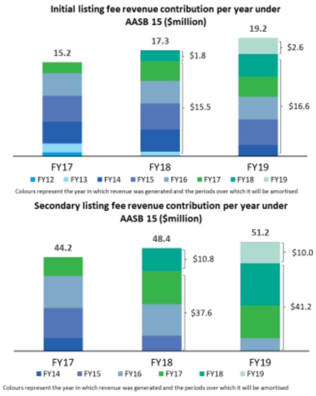
Continued growth in ASX's core businesses allows the company to develop adjacent offerings over time. Our 49% stake in Sympli – a provider of e-conveyancing – is one of these. You can see on the Other line at the bottom of this slide that we have booked our share of its expected first-year trading loss. We believe that in time, Sympli and our other investments will complement and broaden our current product and service suite.

Listings and Issuer Services

First year adopting AASB 15 revenue standard

	FY19	2H19	1H19	FY18	FY19 v FY18
Revenue ($million)	**220.2**	**108.7**	**111.5**	**208.8**	**5.5%**
Listings	171.1	86.1	85.0	159.6	7.3%
Issuer services	49.1	22.6	26.5	49.2	(0.2%)
Key drivers					
New listings (number)	111	39	72	137	(19.0%)
Market cap of new listings ($billion)	37.4	5.3	32.1	25.7	45.6%
Secondary capital ($billion)	48.6	18.9	29.7	56.0	(13.2%)

- Annual listing fee revenue up 9.3% to $93.8 million
- 202 technology listings at 30 June 2019
- Exchange-traded products (ETPs) – 33 new listings in FY19, 244 ETPs listed overall, total market value $50.9 billion, up 30.0% on pcp
- New Zealand office opened in June



18 | Revenue and expenses as per the Group segment reporting. For the purpose of the management discussion, FY18 comparative has been restated for the impact of AASB 15 to provide a like-for-like comparison. Refer to appendix on page 31 for details. This has not been audited or reviewed in accordance with Australian auditing standards. Variance relative to the prior comparative period (FY18 pcp) expressed favourable/(unfavourable).

ASX

On a like-for-like basis for the year, our Listings and Issuer Services revenue is 5.5% higher. The increase is mainly due to the strong capital raisings in prior years and the continued growth in the domestic equity market capitalisation. When looking at the Listings line, with the advent of AASB 15 amortising the initial listings revenue over five years, and the secondary listings over three, the variance between halves is muted. However, overall the Listings business for FY19 is still higher by 7.3% on last year. This was assisted by the increase in offshore entities listing on our market over the last few years.

On the right hand side of the slide, you can see each of the previous year's amortisation contribution for both initial and secondary listings. This provides guidance to the revenue composition over the next little while.

Of note, the market cap of new listings is higher than last year by 45.6%, primarily due to the Coles demerger in the first half. Other listings revenue was down due to fewer reinstatements and debt raisings. Offsetting this however, was an increase in ETP revenues.

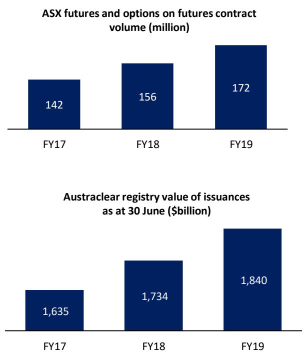
Issuer services revenue has come in flat on last year with a small dip half-on-half due to CHESS services activity being down slightly. Moving to the Derivatives and OTC Markets slide.

Derivatives and OTC Markets

Increased futures activity with market volatility

	FY19	2H19	1H19	FY18	FY19 v FY18
Revenue ($million)	**308.6**	**161.8**	**146.8**	**286.4**	**7.8%**
Futures and OTC	232.9	123.6	109.3	212.5	9.6%
Equity options	19.9	9.7	10.2	21.9	(9.2%)
Austraclear	55.8	28.5	27.3	52.0	7.4%
Key drivers					
Futures volume (million)	171.8	93.4	78.4	156.4	9.9%
OTC cleared value ($billion)	9,710.6	7,674.1	2,036.5	6,314.3	53.8%
Single stock options volume (million)	73.8	37.2	36.6	80.1	(7.8%)
Austraclear registry issuance value ($billion)	1,839.6	1,839.6	1,784.8	1,733.5	6.1%
Collateral average balance ($billion)	21.9	20.2	23.6	19.9	9.9%

- Futures volumes up 9.9% driven by changes in interest rate expectations
- Single stock and index option volumes down 7.8% and 9.5% respectively
- Austraclear registry revenue driven by a 6.1% increase in the value of issuances



19 | Revenue and expenses as per the Group segment reporting. Variance relative to the prior comparative period (FY18 pcp) expressed favourable/(unfavourable).

ASX

The strength of our offering in Derivatives and OTC Markets has facilitated higher volumes from both new and existing participants, with the increased volatility in rates also benefiting derivative volumes materially. This is evident by the 9.9% increase in futures trading volumes and approximately 54% rise in OTC clearing volumes for the year. This supported the overall revenue increase for this business of 9.6%. As you can see, activity was heightened in the second half due to the volatility experienced in the fixed income market.

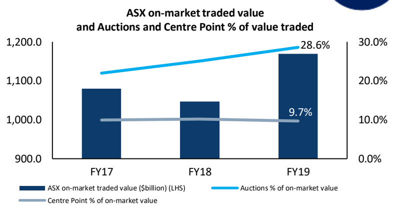
Austraclear saw average holdings up 5% and higher registry activity with revenue coming in 7.4% more than FY18. One of the drivers for this was the increase in securitisation activity during the first half of the year and an increase in depository holdings. In contrast, equity options declined from both the previous year and between halves due to subdued activity, with market maker activity relatively flat year-on-year.

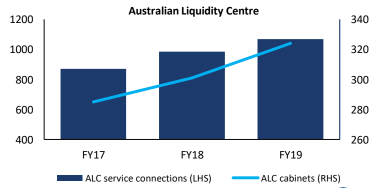
Trading Services

Strong market activity and continued growth in the ALC

	FY19	2H19	1H19	FY18	FY19 v FY18
Revenue ($million)	**229.6**	**116.1**	**113.5**	**209.9**	**9.4%**
Cash market trading	51.7	25.7	26.0	45.7	12.9%
Information services	96.3	49.1	47.2	90.1	6.9%
Technical services	81.6	41.3	40.3	74.1	10.3%
Key drivers					
Total ASX on-market value ($billion)	1,169.1	582.4	586.7	1,046.5	11.7%
Number of ALC cabinets (spot)	324	324	310	301	7.6%
Number of ALC customers (spot)	134	134	130	123	8.9%

- On-market trading market share 88.6% (86.6% pcp)
- Continued growth in ALC customers, up 8.9%, driving the increase in ALC service connections and cabinets
- Customers continue to seek deep liquidity through Auctions and Centre Point





20 | Revenue and expenses as per the Group segment reporting. Variance relative to the prior comparative period (FY18 pcp) expressed favourable/(unfavourable).

Cash market trading saw its revenue up 12.9% on last year due to overall on-market trading being up 11.7%. Of note is the continued increase in the use of our Auction and Centre Point offerings, with Auctions increasing its percentage share of the total on-market value. You can see this in the top table on the right hand side of the slide.

Information services saw two consecutive halves of growth assisted by an increase in benchmark and index revenue, and an increase in client usage. While technical services saw an overall increase in revenue of 10.3% mainly due to an increase in the number of cabinets as new and existing customers expanded their footprint. It was also pleasing to see the increase in revenue from ALC cross-connects and income from global connections through the ASX Net offering.

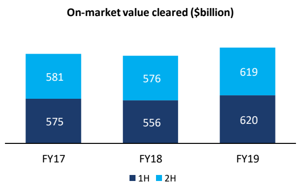
Moving now to the Equity Post-Trade Services results.

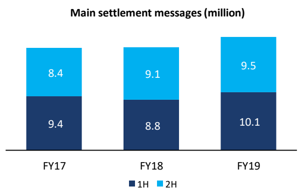
Equity Post-Trade Services

Higher cash market and settlement activity

	FY19	2H19	1H19	FY18	FY19 v FY18
Revenue ($million)	**108.4**	**53.7**	**54.7**	**104.8**	**3.5%**
Cash market clearing	54.4	27.1	27.3	51.9	4.9%
Cash market settlement	54.0	26.6	27.4	52.9	2.1%
Key drivers					
On-market value cleared ($billion)	1,238.6	618.8	619.8	1,131.7	9.4%
Main settlement messages (million)	19.6	9.5	10.1	17.9	10.1%
Average trades per day (million)	1.4	1.5	1.3	1.2	23.1%

- On-market value cleared up 9.4% in line with higher traded value
- Growth in the main settlement message offset by a decrease in other settlement activities





21 | Revenue and expenses as per the Group segment reporting. Variance relative to the prior comparative period (FY18 pcp) expressed favourable/(unfavourable).

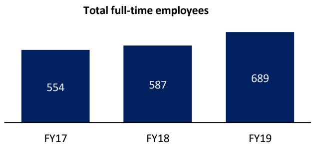
Higher clearing and settlement activity levels translated into a 4.9% increase in cash market clearing revenue for FY19. Cash market settlement revenue increased by 2.1%, supported by the increase in message volume that you can see on the right hand side of the slide. Moving now to operating expenses.

Operating expenses

Investment in resilience and growth initiatives as per guidance

	FY19 $m	2H19 $m	1H19 $m	FY18 $m	FY19 v FY18
Staff	127.7	64.5	63.2	114.6	(11.5%)
Occupancy	17.9	9.3	8.6	16.4	(9.5%)
Equipment	30.7	15.4	15.3	27.9	(10.2%)
Administration	22.5	12.0	10.5	22.4	(0.4%)
Variable	8.4	4.0	4.4	7.9	(5.6%)
Supervision levy	7.6	4.4	3.2	6.3	(19.3%)
Operating expenses	**214.8**	**109.6**	**105.2**	**195.5**	**(9.9%)**
Depreciation and amortisation	**47.8**	**25.7**	**22.1**	**47.6**	**(0.5%)**

- Expense uplift mainly due to additional resources for licence to operate activities and growth initiatives
- AASB 16 lease standard become effective from 1 July 2019
- FY20 expense guidance between 6-8% (inclusive of operating expenses and depreciation and amortisation)



22 | Operating expenses as per the Group segment reporting. Variance relative to the prior comparative period (FY18 pcp) expressed favourable/(unfavourable).

ASX

Operating expenses came in slightly above guidance at $214.8 million – 9.9% higher than 2018. The expense uplift was mainly due to hiring more than 100 full-time employees, which contributed to an overall staff increase of 11.5%. The new employees provide additional resourcing for our critical licence to operate activities, as well as supporting key project initiatives such as CHESS replacement. This growth will abate over the coming year.

Occupancy costs increased by 9.5% due to employee growth, with equipment costs increasing 10.2% to $30.7 million due to additional licensing and maintenance costs associated with new initiatives.

Variable costs increased by 5.6%, with higher postage costs and the supervisory levy increasing more than previously expected, 19.3% higher than last year, leading to an overall expense rise for the Group of 9.9%. The higher than market guidance result was primarily due to the unexpected increase in our levy.

As highlighted, the depreciation and amortisation line is similar to last year. However, the new lease standard effective from 1 July will alter the profile of expenses going forward. For the next half we will start reporting the portion related to leases in the D&A line, rather than as an occupancy expense as it is currently. Currently leases make up half of the occupancy expense line.

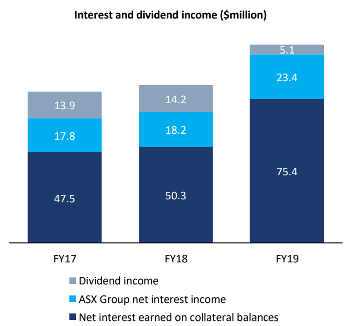
Also of note is our guidance for expenses next year, which will be in the range of 6-8% growth, inclusive of both operating expenses and depreciation and amortisation.

Interest and dividend income

Increased investment earnings from higher collateral balances

	FY19	2H19	1H19	FY18	FY19 v FY18
ASX Group net interest income	23.4	12.5	10.9	18.2	28.7%
Net interest on collateral balances	75.4	36.5	38.9	50.3	49.7%
Total net interest income	**98.8**	**49.0**	**49.8**	**68.5**	**44.1%**
Dividend income	5.1	-	5.1	14.2	(63.6)%
Interest and dividend income	**103.9**	**49.0**	**54.9**	**82.7**	**25.7%**

- ASX Group net interest income up 28.7% reflecting higher average cash reserves and investment returns
- Net interest earned on collateral balances up 49.7%
  - Average collateral balances (including commitments) up 18.4% to $8.2 billion
  - Investment spread 51 bps, up on pcp (34 bps) due to elevated BBSW and repo rates
- No dividends were received in 2H19 due to the sale of IRESS shareholding



23 | Net interest income per segment reporting. Variance relative to the prior comparative period (FY18 pcp) expressed favourable/(unfavourable).

ASX

Net interest and dividend income increased 25.7% to $103.9 million for the year. Interest income on our cash balances increased 28.7% due to higher margin balances and increased investment spreads. The increase seen in the second half is due to the increase in cash holdings after divestment of our IRESS shareholding.

Net interest earned on our participant balances grew 49.7% due to the increase in average collateral balances, which is reflective of a higher number of open positions and also due to investment earnings average 51 basis points compared to 34 basis points above the official overnight cash rate. Half-on-half, you can see the impact of the decrease in investment spread in the last three months of the year.

The near-term expectation is that rates will remain low. So looking ahead, the portfolio's composition should remain fairly constant. However portfolio returns will decline as maturing investments continue to be replaced with lower yield investments. This decline will in part depend on the timing of actual cuts in the overnight cash rate relative to the expectations of the cuts that will be reflected in market rates. Also of note in this slide is the dividend revenue, which was lower than last year due to the sale of our shareholding in IRESS in February 2019, which meant we forewent its dividend in the second half.

Moving now to examine ASX's balance sheet and key performance indicators.

Balance sheet

Financially strong with record levels of participant margins

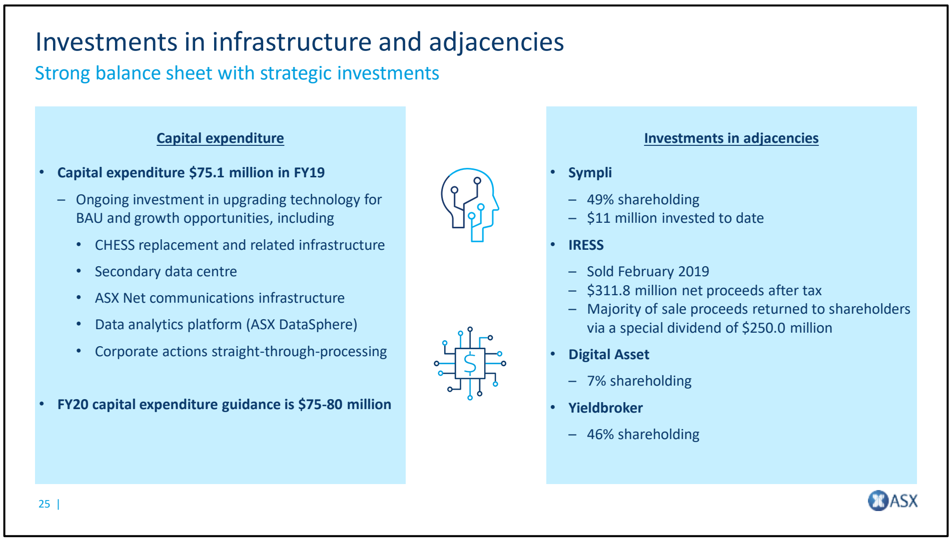
	June 19 $m	June 18 $m
Cash and other financial assets	12,270.3	9,570.1
Intangibles (excluding software)	2,326.1	2,326.3
Investments	76.3	469.5
Other assets	657.6	557.1
Total assets	**15,330.3**	**12,923.0**
Amounts owing to participants	10,801.0	8,495.8
Other liabilities	612.9	481.7
Total liabilities	**11,413.9**	**8,977.5**
Total equity	**3,916.4**	**3,945.5**
Long-term credit rating from S&P	AA-	AA-

- Total cash and financial assets elevated due to record participant balances and IRESS sale proceeds
- Investments decrease due to the sale of IRESS holding
- Total equity impacted by AASB 15 revenue standard adjustment to retained earnings

24 |

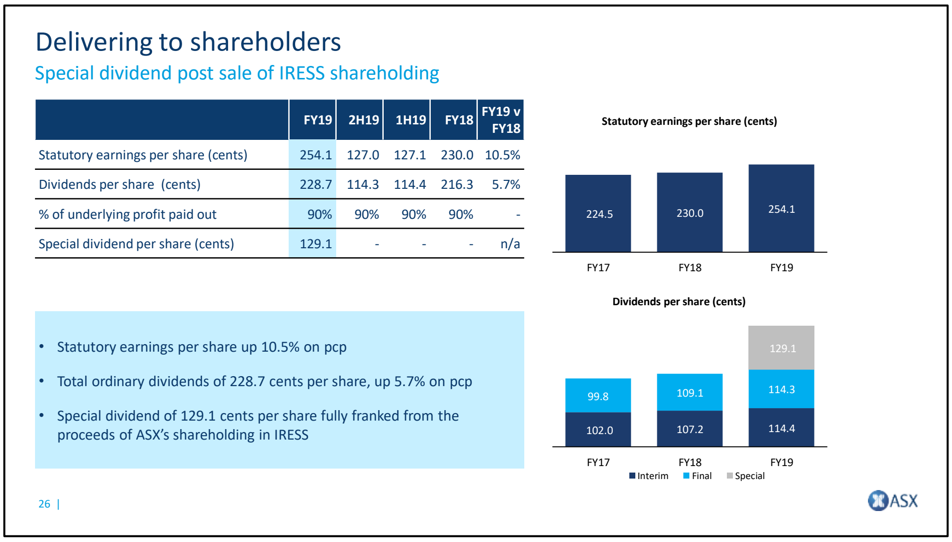
ASX's balance sheet is conservatively positioned with the most notable difference being our total margin and commitments of $10.8 billion, up 27.8% from last year. This is due to the increase in average collateral balances from participants and with the proceeds of selling our shareholding in IRESS, which you can see in the reduction in our investments line, has increased our cash and available-for-sale asset balances to in excess of $12 billion.

We currently have an S&P long-term rating of AA- , and continue to hold no debt.



This slide shows ASX's approach of investing in the integrity of our core businesses and pursuing growth initiatives. Through a strong balance sheet and consistent revenue growth we have been able to support a portfolio spend this year of just over $75 million. This is inclusive of our CHESS replacement project, moving to a new secondary data centre and corporate actions program. Much of our technology work continues into FY20 and we are expecting capital expenditure to the tune of $75-80 million for this coming year.

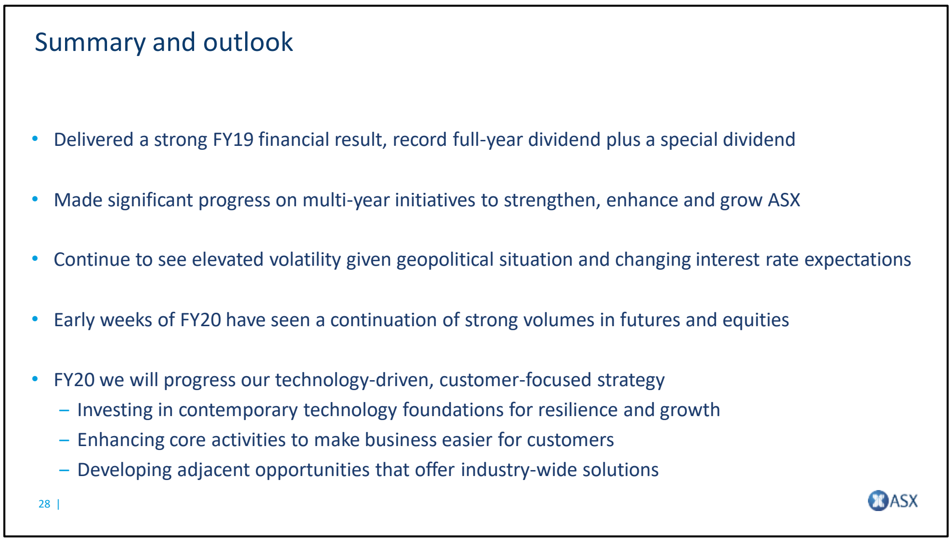
On the right hand side of this slide you can see the ongoing commitment we are making to our adjacent businesses. Sympli is on track with our previous guidance of a $30 million investment – having invested $11 million to date – and we retain a shareholding of 7% in Digital Asset and 46% in Yieldbroker.



Alongside the increase in profit for the year, ASX delivered an increase in EPS of 10.5% allowing the ASX Board to determine a 2H19 fully franked dividend of 114.3 cents per share, bringing total ordinary fully franked dividends for the 12 months to 228.7 cents per share representing an increase of 5.7% on FY18. The dividend can be fully funded from retained earnings and represents a payout ratio of 90% of underlying NPAT in line with our dividend policy guidance.

As already mentioned, we are also announcing a special dividend of 129.1 cents per share, with both dividends being paid out on the 25th September.

Our strong result for FY19 allows management to continue to invest in ASX's foundations, at the same time as investing in core business growth and adjacencies for the future. We're confident that this strategy works well for our shareholders, customers and Australia's financial markets. With that, I will hand back to Dom.



Thank you Gill.

And now, in summary, ASX delivered a strong financial result in FY19, including a record overall dividend and an additional special dividend, both being fully franked.

We also made significant progress on our multi-year initiatives to strengthen, enhance and grow ASX. This is continuing in FY20 with a number of key initiatives coming on line in the next 12 months.

We also believe that in FY20 we will see ongoing elevated volatility given the geopolitical situation and the changing expectations for interest rates.

The early weeks of the new fiscal year reflect this, with the strong equity and futures volumes of FY19 continuing.

Our strategy for FY20 remains technology-driven and customer-focused. This entails working hard to preserve the trust and integrity of our markets, contemporise our technology foundations, make business easier for customers, and develop solutions for the benefit of our users and the broader industry.

That concludes the formal presentation. Let's now open up to questions from analysts and media. First, here in the room and then via the phone.


Q&A
ASX