



10 February 2022

Australian Securities and Investments Commission
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ASX LIMITED – 2022 HALF-YEAR RESULTS MARKET RELEASE

Attached is a copy of the market release relating to the 2022 Half-Year Financial Results.

Release of market announcement authorised by:

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Company Secretary

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Market Release

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ASX Limited Half-Year Results to 31 December 2021 (1H22)

Financial highlights relative to the prior comparative period (1H21) based on Group segment reporting

- Strong result with operating revenue up 6.6% to \$501.4m and NPAT up 3.5% to \$250.3m
- Record half-year EBIT of \$338.4m, up 6%
- Result driven by:
 - Record half for capital raisings
 - Most number of listings since 1H08
 - Second highest half for cash equity market value traded
 - Offset by subdued futures volumes
- Higher interim dividend in line with increased NPAT – up 3.5% to 116.4cps – 90% payout ratio maintained

	1H22	Variance (pcp)
Profit after tax	\$250.3 million	↑\$8.5m ↑3.5%
Operating revenue <ul style="list-style-type: none"> • Growth in Listings supported by elevated capital raisings • Decline in Markets with lower futures volumes, partially offset by higher cash equity market trading activity • Rise in Technology and Data with continued demand for information and technical services • Higher Securities and Payments supported by trading activity 	\$501.4 million	↑\$30.9m ↑6.6%
Total expenses (includes depreciation) <ul style="list-style-type: none"> • Increased costs reflecting continued investment in initiatives coupled with growth in market activity • Guidance for full-year updated to 7-8% growth 	\$163.0 million	↑\$11.6m ↑7.6%
EBIT <ul style="list-style-type: none"> • Strong operating result reflecting diversified business 	\$338.4 million	↑\$19.3m ↑6.0%
Net interest income <ul style="list-style-type: none"> • Lower interest earnings due to low interest rate environment 	\$21.7 million	↓\$5.0m ↓18.9%
Earnings per share <ul style="list-style-type: none"> • Increase in line with higher profit 	129.3 cents	↑4.4cps ↑3.5%
Interim dividend per share <ul style="list-style-type: none"> • 90% payout ratio, fully franked 	116.4 cents	↑4.0cps ↑3.5%
Capital expenditure <ul style="list-style-type: none"> • Investment in long-term sustainability of business, in line with market guidance 	\$54.0 million	



Mr Dominic Stevens, ASX Managing Director and CEO, said: “ASX has delivered a strong first half result, driven by revenue growth of 6.6%, up \$30.9 million to \$501.4 million on the same period last year. This reflects the strength of ASX’s diversified business model. EBIT grew by \$19.3 million, a 6% increase to \$338.4 million, which sets a new half-year record for the company.

“Net profit was up 3.5%, rising by \$8.5 million to \$250.3 million. The smaller increase was due to lower interest income, a function of the low interest rate environment. Earnings per share and the interim dividend both increased 3.5% in line with net profit, with the dividend rising to 116.4 cents per share, remaining consistent with ASX’s 90% dividend payout policy.

“The total amount of capital raised grew significantly to a record \$90.3 billion, with both a strong primary and secondary market. We also saw elevated listings activity with 150 new listings in the period, the highest number since 1H08. There was a 6% increase in on-market cash equity trading – the second highest half on record – with a daily average value across the period of \$6.2 billion. The increase in market activity also supported strong revenue growth in our Securities and Payments business. ASX’s Technology and Data business benefited too, with higher demand for market data, and for our connectivity and data centre services.

“As expected, our Markets business continued to be impacted by the RBA’s current policy settings, with futures volumes subdued. However, we did see a significant rebound in 90-day bank bill contracts, albeit off a low base. And demand for our electricity derivative products continued to climb, having now grown at circa 20% per annum for the last five years. These products will play an important role in the decarbonisation of energy production.

“ASX’s expenses rose 7.6%, reflecting continued investment in initiatives coupled with growth in market activity. Full-year guidance has been increased to 7-8% growth. Capital expenditure was \$54 million, with our full-year guidance remaining \$105-115 million.

“We continue to focus on modernising and upgrading our technology, and delivering value for our customers. During the period we launched Synfini, our ‘DLT as a Service’ platform, which is powered by the same technology underpinning CHES replacement. The platform allows customers to leverage our DLT infrastructure to build their own enterprise DLT applications and solutions. Four firms have signed agreements to connect to the Synfini development environment and we anticipate the first to go-live this month. We also recently launched electronic CHES statements, providing a faster, more efficient service for investors and issuers.

“We achieved a significant milestone with our CHES replacement project by opening the Industry Test Environment (ITE) in November, giving CHES software vendors access to our fully integrated external solution. The environment provides a valuable opportunity to develop and stress test systems, and enhance the overall resilience of the new infrastructure. We look forward to opening ITE to all CHES users in coming months.

“ASX continues to invest in contemporary technology to strengthen the quality of our infrastructure and reduce operational risk. We are diligently working through a program to address the recommendations related to the November 2020 market outage. We are pleased that ASIC’s investigation into the outage is closed and that no breach of ASX’s licence conditions was found.”



Mr Stevens continued: “The transformation of our technology has been a multi-year, multi-project undertaking, with much achieved already. The age of some of our core equity technologies is set to drop from over 20 years to an average of less than five years. We have also improved ASX’s operating resilience, with incidents falling by 85% over the last five years. There was only one severity 1 incident in the three years to December 2021, compared to five in the three years prior, and 12 in the three years before that.

“Notwithstanding the challenges that COVID continues to present for all industries, ASX is well-positioned to serve Australia’s financial markets given our mix of initiatives, expertise and core businesses. We are excited about the opportunities ahead and remain committed to building an exchange for the future – one that will benefit all our stakeholders,” concluded Mr Stevens.

ASX also advised today that Managing Director and CEO Dominic Stevens has announced his intention to retire this year, with the Board beginning a process for a timely and orderly transition to a new CEO. Please see separate announcement.

- Please see the accompanying speaking notes and presentation slides for more detail and insights.
- Complete results and other materials will be available on the [ASX market announcements page](#).
- A webcast of today’s 10.30am (Sydney time) presentation will be available on the [ASX website](#).

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APPENDIX – ASX half-year results to 31 December 2021 (1H22) based on the Group’s segment reporting

Group income statement	1H22 \$m	1H21 \$m	Variance \$m	Variance %
Operating revenue	501.4	470.5	30.9	6.6%
Operating expenses	(138.1)	(126.1)	(12.0)	(9.4%)
EBITDA	363.3	344.4	18.9	5.5%
Depreciation and amortisation	(24.9)	(25.3)	0.4	1.5%
Total expenses	(163.0)	(151.4)	(11.6)	(7.6%)
EBIT	338.4	319.1	19.3	6.0%
Net interest income	21.7	26.7	(5.0)	(18.9%)
Profit before tax	360.1	345.8	14.3	4.1%
Income tax expense	(109.8)	(104.0)	(5.8)	(5.5%)
Profit after tax	250.3	241.8	8.5	3.5%

Operating revenue	1H22 \$m	1H21 \$m	Variance \$m	Variance %
Annual listing	53.2	43.5	9.7	22.3%
Initial listing	11.1	9.0	2.1	22.9%
Subsequent raisings	35.1	31.4	3.7	11.7%
Investment products and other listing	4.7	5.0	(0.3)	(5.5%)
Listings	104.1	88.9	15.2	17.0%
Equity options	7.0	7.2	(0.2)	(3.6%)
Futures and OTC clearing	100.8	106.9	(6.1)	(5.7%)
Cash market trading	34.1	31.6	2.5	8.1%
Markets	141.9	145.7	(3.8)	(2.6%)
Information services	63.6	56.3	7.3	12.9%
Technical services	45.0	42.3	2.7	6.3%
Technology and Data	108.6	98.6	10.0	10.1%
Issuer services	42.4	38.7	3.7	9.6%
Cash market clearing	38.2	34.2	4.0	11.8%
Cash market settlement	39.2	33.9	5.3	15.4%
Austraclear	27.0	30.5	(3.5)	(11.3%)
Securities and Payments	146.8	137.3	9.5	6.9%
Operating revenue	501.4	470.5	30.9	6.6%

Key activity indicators	1H22	1H21	Variance	Variance %
All Ordinaries Index (end of period)	7,779.2	6,850.6	928.6	13.6%
Number of new listed entities (IPOs)	150	85	65	76.5%
New and secondary capital raised	\$90.3 billion	\$51.9 billion	\$38.4 billion	73.8%
Daily average cash on-market value	\$6.2 billion	\$5.9 billion	\$0.3 billion	5.7%
Futures daily average contracts traded	513,508	559,624	(46,116)	(8.2%)
OTC cleared notional value	\$1,916.3 billion	\$3,779.6 billion	(\$1,863.3 billion)	(49.3%)

Variances expressed favourable/(unfavourable).