

2022 ASX Limited Half-Year Financial Statements



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Directors' report

The directors present their report together with the consolidated financial statements of ASX Limited (ASX or the Company) and its subsidiaries (together referred to as the Group), for the half-year ended 31 December 2021 and the auditor's report thereon. The consolidated financial statements have been reviewed and approved by the directors on the recommendation of the ASX Audit and Risk Committee.

The consolidated net profit after tax for the half-year ended 31 December 2021 attributable to the owners of ASX was \$250.3 million (31 December 2020: \$241.8 million).

Directors

The directors of ASX in office during the half-year and up to the date of this report (unless otherwise stated) were as follows:

- Mr Damian Roche (Chairman)
- Mr Dominic J Stevens (Managing Director and CEO)
- Ms Yasmin A Allen
- Ms Melinda B Conrad
- Dr Ken R Henry AC
- Mr Peter R Marriott
- Mr Peter S Nash
- Mrs Heather M Ridout AO
- Mr Robert J Woods

Organisational restructure

ASX has reorganised its structure to better reflect its strategic priorities, enhance management responsibility and accountability, and sharpen its focus on customers. This resulted in four clearly defined revenue generating business units reporting directly to the Managing Director and CEO. They are:

- Listings business – responsible for the origination of listed primary and secondary equity, and investment products
- Markets business – responsible for cash equities and equity derivatives trading, futures trading and clearing, and OTC clearing
- Securities and Payments business – responsible for cash equities clearing and settlement, issuer services and post-trade investor services, Austraclear, ASX Collateral, payments and Financial Settlement Management. This business includes the CHES replacement project
- Technology and Data business – responsible for technology, connectivity and data-related businesses including Technical and Information Services, DataSphere and DLT Solutions.

This new structure is reflected in the half-year financial statements and the prior comparative period (pcp) revenue classification has been restated. Total revenue in the comparative period remains unchanged. Refer to note 1 of the consolidated financial statements for further details.

Results of operations

The Group's net profit after tax (NPAT) for 1H22 increased 3.5% on the pcp to \$250.3 million. A summary income statement in line with the Group's segment note is reflected in the table below.

Earnings per share (EPS) was 129.3 cents, up 3.5% compared to 124.9 cents in the pcp.

Summary Income Statement for the period ending 31 December 2021

Based on Group segment reporting note

	1H22 \$m	1H21 \$m	Variance fav/(unfav)	
			\$m	%
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
<i>Total expenses</i>	<i>(163.0)</i>	<i>(151.4)</i>	<i>(11.6)</i>	<i>(7.6)</i>
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
Tax expense	(109.8)	(104.0)	(5.8)	(5.5)
Profit after tax	250.3	241.8	8.5	3.5

The directors have determined an interim dividend of 116.4 cents per share, up 3.5% on the pcp interim dividend of 112.4 cents per share, reflecting the increase in profit.

Additional information relating to dividends for the current and prior periods, including dividends determined by the Board since the end of the half-year, is set out in note 3 of the consolidated financial statements.

Directors' report continued

Operating revenue

Operating revenue as reflected in the Group's segment note increased 6.6% in 1H22 to \$501.4 million.

	1H22	1H21	Variance fav/(unfav)	
	\$m	\$m	\$m	%
Listings	104.1	88.9	15.2	17.0
Markets	141.9	145.7	(3.8)	(2.6)
Technology and Data	108.6	98.6	10.0	10.1
Securities and Payments	146.8	137.3	9.5	6.9
Total operating revenue	501.4	470.5	30.9	6.6

1H21 revenue classification has been restated in line with the organisational restructure effective 1 July 2021. There was no change to total revenue. Refer to note 1 for further details.

Listings revenue was \$104.1 million, up 17.0% reflecting:

Annual listing revenue up 22.3% to \$53.2 million

Strong growth in billable market capitalisation resulted in higher revenue.

Initial listing revenue up 22.9% to \$11.1 million

There were 150 new listings compared to 85 in the pcp and capital raised of \$29.7 billion was well up on the pcp of \$17.8 billion, up 67.0%. Revenue is amortised over five years and the pattern of historical revenue resulted in an overall increase of 22.9% on the pcp.

Subsequent raisings revenue up 11.7% to \$35.1 million

Capital raisings were strong and increased 77.3% to \$60.6 billion, compared to \$34.2 billion in the pcp. Revenue is amortised over three years and the pattern of historical revenue resulted in an overall increase of 11.7% on the pcp.

Investment products and other listings revenue down 5.5% to \$4.7 million

A decline in re-instatement activity resulted in lower revenue. This was partly offset by higher investment product revenues with strong growth in Exchange Traded Products (ETP) funds under management (FUM) balances period on period.

Markets revenue was \$141.9 million, down 2.6% reflecting:

Futures and OTC revenue down 5.7% to \$100.8 million

Subdued activity led to an 8.2% decline in futures volumes resulting in a decline in revenue. Strong growth in the 90 day bank bill product partially offset declines in 3 and 10 year bond products. Value cleared through the OTC clearing service was down 49.3% on the pcp.

Equity options revenue down 3.6% to \$7.0 million

Subdued activity resulted in a decline in volumes, with index options down 9.4% on the pcp and single stock options down 1.8% on the pcp.

Cash market trading revenue up 8.1% to \$34.1 million

Average on-market traded value of \$6.2 billion per day, was up 5.7% on the pcp resulting in higher revenue. The increase was also supported by growth in Auctions and Centre Point value up 18.9% on the pcp, both of which have higher associated revenues. ASX's share of on-market trading averaged 89.0% which was broadly consistent with 89.1% in the pcp.

Technology and Data revenue was \$108.6 million, up 10.1% reflecting:

Information services revenue up 12.9% to \$63.6 million

An increase in equities and futures market data distribution and increased index royalties from Standard & Poor's (S&P) contributed to higher revenue.

Technical services revenue up 6.3% to \$45.0 million

Growth in hostings and connections resulted in higher revenues with the number of cabinets up from 345 to 369 and the number of ALC cross-connections up from 1,132 to 1,203.

Securities and Payments revenue was \$146.8 million, up 6.9% reflecting:

Issuer services revenue up 9.6% to \$42.4 million

An increase in the use of the primary market facilitation service and a higher volume of CHES holding statements drove growth in revenue.

Cash market clearing revenue up 11.8% to \$38.2 million

The daily average on-market value cleared increased 5.3% to \$6.5 billion reflecting increased trading across all venues in Australia. The clearing revenue share rebate provided was \$0.9 million which is lower than \$2.9 million in the pcp.

Cash market settlement revenue up 15.4% to \$39.2 million

The number of messages increased, primarily driven by messages related to the movement and conversion of securities up 6.9%. The settlement revenue share rebate provided was \$0.5 million which is lower than \$4.6 million in the pcp.

Austraclear revenue down 11.3% to \$27.0 million

A decline in Collateral balances and an increase in the losses associated with ASX's investment in Sympli resulted in an overall decline in revenue. This is partially offset by further growth in registry issuances.

Directors' report continued

Total expenses

Total expenses as reflected in the Group's segment note in 1H22 increased 7.6% to \$163.0 million.

- Staff costs increased 13.0% to \$85.7 million. This reflects costs associated with operating model redesign, headcount increase and higher contractor costs to support project initiatives. The average full-time equivalent (FTE) headcount increased to 749 compared to 737 in the pcp.
- Occupancy costs decreased 6.7% to \$4.5 million, primarily as a result of the London office closure.
- Equipment costs increased 12.2% to \$23.6 million, due to new licensing and maintenance costs for initiatives and projects that went live in the past 12 months.
- Administration costs decreased 0.3% to \$13.0 million, broadly flat on pcp. An increase in insurance and consulting fees was offset by a decrease in travel and entertainment spend due to restrictions.
- Variable costs increased 16.8% to \$8.0 million, due to higher postage costs with a higher volume of CHES statements.
- ASIC supervision levy decreased 27.8% to \$3.3 million, due to ASIC current fee estimate.
- Depreciation and amortisation expense decreased 1.5% to \$24.9 million, broadly flat on pcp.

	1H22	1H21	Variance fav/(unfav)	
	\$m	\$m	\$m	%
Staff	85.7	75.9	(9.8)	(13.0)
Occupancy	4.5	4.8	0.3	6.7
Equipment	23.6	21.0	(2.6)	(12.2)
Administration	13.0	13.0	-	0.3
Variable	8.0	6.8	(1.2)	(16.8)
ASIC supervision levy	3.3	4.6	1.3	27.8
Operating expenses	138.1	126.1	(12.0)	(9.4)
Depreciation and amortisation	24.9	25.3	0.4	1.5
Total expenses	163.0	151.4	(11.6)	(7.6)

Capital expenditure

The Group invested \$54.0 million in capital expenditure during the period, compared to \$54.5 million in the pcp. Expenditure included the continued investment in the CHES replacement project, as well as various initiatives to strengthen the resiliency of ASX services.

Net interest income

Net interest income decreased 18.9% to \$21.7 million. Net interest consists of two components: net interest earned on ASX's cash balances and net interest earned from the investment of collateral balances lodged by participants.

Net interest on ASX's cash balances and financing costs from borrowings and leases for the period was a loss of (\$2.3) million, an increase of 56.3% on the loss of (\$1.5) million in the pcp. Cash balances incurred decreased earnings rates, resulting in lower interest earned due to the prevailing low interest rate environment.

Net interest earned from the investment of participant balances decreased 14.9% to \$24.0 million. Investment earnings on this portfolio averaged 10 basis points compared to 15 basis points in the pcp and there was a 7.2% decline in average cash collateral and commitment balances to \$11.8 billion. This was partially offset by an increase in the average Futures Client charge, 34 basis points compared to 31 basis points in the pcp.

Financial position

At 31 December 2021, the net assets of the Group remain strong at \$3,771.7 million.

Summary Balance Sheet as at 31 December 2021

As at	31 Dec 2021	30 Jun 2021	Variance increase/ (decrease)	
	\$m	\$m	\$m	%
Assets				
Cash	5,288.4	5,357.8	(69.4)	(1.3)
Other financial assets ¹	7,795.5	8,024.1	(228.6)	(2.8)
Intangibles (excluding software)	2,325.5	2,325.6	(0.1)	-
Investments	92.5	87.6	4.9	5.6
Other assets ²	1,224.8	801.9	422.9	52.7
Total assets	16,726.7	16,597.0	129.7	0.8
Liabilities				
Amounts owing to participants	11,838.1	12,214.8	(376.7)	(3.1)
Other liabilities	1,116.9	645.9	471.0	73.0
Total liabilities	12,955.0	12,860.7	94.3	0.7
Equity				
Capital	3,027.2	3,027.2	-	-
Retained earnings	664.9	629.9	35.0	5.6
Reserves	79.6	79.2	0.4	0.5
Total equity	3,771.7	3,736.3	35.4	0.9

¹ Includes other financial assets at amortised cost and financial assets at fair value through profit or loss

² Other assets includes software of \$279.4 million (30 June 2021: \$240.9 million)

Directors' report continued

Investments

Investments for the period were up \$4.9 million or 5.6% compared to 30 June 2021 and reflect the movement in carrying value of ASX's investments as detailed below:

- 44.7% shareholding in Yieldbroker Pty Limited, down \$0.7 million, reflecting the share in the year-to-date net loss of the company. Yieldbroker is an unlisted entity operating licensed electronic markets for trading Australian and New Zealand debt securities.
- 5.6% shareholding in Digital Asset Holdings LLC (DAH), up \$1.1 million, due to favourable foreign exchange movements. DAH is an unlisted US domiciled technology entity.
- 49.4% shareholding in Sympli Australia Pty Limited, up \$4.5 million, mainly attributable to \$10.0 million additional investment partially offset by the share in the year-to-date net loss of the company. Sympli is an unlisted entity established to provide electronic property conveyancing and settlement services.

Amounts owing to participants

Amounts owing to participants were down \$376.7 million or 3.1% compared to 30 June 2021, reflecting a decrease in open positions held in interest rate and equity index futures at period end. ASX holds these collateral positions to cover cash market and derivatives exposures as part of its clearing operations. The decrease in participant balances results in a corresponding decrease in cash and other financial assets.

Total equity

Total equity was up \$35.4 million compared to 30 June 2021. This was primarily due to the \$250.3 million profit for the period, which was offset by payment of the final dividend for the year ended 30 June 2021 of \$215.3 million.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

Rounding of amounts

ASX is a company of the kind referred to in ASIC Legislative Instrument 2016/191. In accordance with that instrument, amounts in the consolidated financial statements and the Directors' Report have been rounded to the nearest hundred thousand dollars unless otherwise indicated.

Signed in accordance with a resolution of the directors:



Damian Roche
Chairman



Dominic Stevens
Managing Director and CEO
Sydney, 10 February 2022



Auditor's independence declaration

As lead auditor for the review of ASX Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of ASX Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'V. Papageorgiou', written in a cursive style.

Voula Papageorgiou
Partner
PricewaterhouseCoopers

Sydney, 10 February 2022

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Consolidated statement of comprehensive income

For the period ended	Note	31 Dec 2021 \$m	Restated ¹ 31 Dec 2020 \$m
Revenue			
Listings	2	104.8	89.5
Markets	2	142.6	145.3
Technology and Data	2	109.6	99.6
Securities and Payments	2	152.4	139.1
Interest income		24.6	34.8
Share of net (loss) of equity accounted investments		(6.2)	(1.2)
		527.8	507.1
Expenses			
Staff		(85.7)	(75.9)
Occupancy		(4.5)	(4.8)
Equipment		(25.0)	(22.3)
Administration		(23.7)	(24.0)
Finance costs		(2.9)	(8.1)
Depreciation and amortisation		(25.9)	(26.2)
		(167.7)	(161.3)
Profit before income tax expense		360.1	345.8
Income tax expense		(109.8)	(104.0)
Net profit for the period attributable to owners of the Company		250.3	241.8
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Change in the fair value of cash flow hedges		0.1	(0.7)
Items that cannot be reclassified to profit or loss:			
Change in the fair value of investments in equity instruments		0.8	(3.6)
Other comprehensive income for the period, net of tax		0.9	(4.3)
Total comprehensive income for the period attributable to owners of the Company		251.2	237.5
Earnings per share			
Basic earnings per share (cents per share)		129.3	124.9
Diluted earnings per share (cents per share)		129.3	124.9

¹ 31 December 2020 revenue classification has been restated in line with the organisational restructure effective 1 July 2021. There was no change to total revenue. Refer to note 1 for further details.

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

As at	Note	31 Dec 2021 \$m	30 Jun 2021 \$m
Current assets			
Cash		5,288.4	5,357.8
Other financial assets at amortised cost		7,096.9	7,565.4
Financial assets at fair value through profit or loss	6	698.6	458.7
Trade and other receivables		726.6	362.6
Prepayments		24.0	21.0
Total current assets		13,834.5	13,765.5
Non-current assets			
Investments in equity instruments	6	42.9	41.8
Equity accounted investments		49.6	45.8
Intangible assets		2,604.9	2,566.5
Net deferred tax asset		68.6	48.1
Property, plant and equipment		53.8	58.2
Right-of-use assets		64.1	64.3
Prepayments		8.3	6.8
Total non-current assets		2,892.2	2,831.5
Total assets		16,726.7	16,597.0
Current liabilities			
Amounts owing to participants	5	11,638.1	12,014.8
Trade and other payables		684.7	332.0
Current tax liabilities		42.7	21.9
Provisions		21.2	20.0
Lease liabilities		10.4	9.8
Revenue received in advance	2	184.6	108.7
Total current liabilities		12,581.7	12,507.2
Non-current liabilities			
Amounts owing to participants	5	200.0	200.0
Provisions		6.2	6.0
Lease liabilities		62.4	62.6
Revenue received in advance	2	104.7	84.9
Total non-current liabilities		373.3	353.5
Total liabilities		12,955.0	12,860.7
Net assets		3,771.7	3,736.3
Equity			
Issued capital	4	3,027.2	3,027.2
Retained earnings		664.9	629.9
Reserves		79.6	79.2
Total equity		3,771.7	3,736.3

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the period ended	Note	Issued capital \$m	Retained earnings \$m	Reserves \$m	Total equity \$m
Opening balance at 1 July 2021		3,027.2	629.9	79.2	3,736.3
Profit for the period		-	250.3	-	250.3
Other comprehensive income for the period		-	-	0.9	0.9
Total comprehensive income for the period, net of tax		-	250.3	0.9	251.2
Transactions with owners in their capacity as owners:					
Incentive plans – value of employee services		-	-	(0.5)	(0.5)
Dividends paid	3	-	(215.3)	-	(215.3)
Closing balance at 31 December 2021		3,027.2	664.9	79.6	3,771.7
Opening balance at 1 July 2020					
		3,027.2	603.8	89.4	3,720.4
Profit for the period		-	241.8	-	241.8
Other comprehensive income for the period		-	-	(4.3)	(4.3)
Total comprehensive income for the period, net of tax		-	241.8	(4.3)	237.5
Transactions with owners in their capacity as owners:					
Incentive plans – value of employee services		-	-	(0.1)	(0.1)
Dividends paid	3	-	(237.1)	-	(237.1)
Closing balance at 31 December 2020		3,027.2	608.5	85.0	3,720.7

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the period ended	31 Dec 2021 \$m	31 Dec 2020 \$m
Cash flows from operating activities		
Receipts from customers	653.8	546.6
Payments to suppliers and employees	(200.8)	(183.1)
	453.0	363.5
(Decrease)/increase in participants' margins and commitments ¹	(620.7)	58.7
Decrease/(increase) in financial assets at amortised cost	469.8	(225.4)
Interest received	23.4	28.2
Interest paid	(2.7)	(9.2)
Income taxes paid	(109.8)	(108.2)
Net cash inflow from operating activities	213.0	107.6
Cash flows from investing activities		
Payments for investments in equity instruments	-	(2.9)
Payments for equity accounted investments	(10.0)	(4.3)
Payments for other non-current assets	(56.1)	(54.3)
Net cash (outflow) from investing activities	(66.1)	(61.5)
Cash flows from financing activities		
Dividends paid	(215.3)	(237.1)
Proceeds from borrowings	20.0	120.0
Repayment of borrowings	(20.0)	(100.0)
Principal payments for leased assets	(5.2)	(4.8)
Net cash (outflow) from financing activities	(220.5)	(221.9)
Net (decrease) in cash	(73.6)	(175.8)
Increase/(decrease) in the fair value of cash	0.1	(0.9)
Increase/(decrease) in cash due to changes in foreign exchange rates	4.1	(0.5)
Cash at the beginning of the period	5,357.8	858.1
Cash at the end of the period	5,288.4	680.9

The total funds available for the Group to invest comprises the following:

ASX Group funds	1,245.8	1,178.9
Participants' margins and commitments	11,838.1	12,574.8
Less: non-cash collateral	(698.6)	(326.9)
Total	12,385.3	13,426.8
Cash	5,288.4	680.9
Other financial assets at amortised cost	7,096.9	12,745.9
Total	12,385.3	13,426.8

¹ Commitments are cash backed and included under 'Amounts owing to participants' in non-current liabilities.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows continued

Reconciliation of the operating profit after income tax to the net cash flows from operating activities:	31 Dec 2021 \$m	31 Dec 2020 \$m
Net profit after tax	250.3	241.8
Add non-cash items:		
Depreciation and amortisation	25.9	26.2
Share-based payments	(0.5)	(0.1)
Share of net loss of equity accounted investments	6.2	1.2
Foreign currency revaluation	(4.1)	0.5
Changes in operating assets and liabilities:		
Decrease/(increase) in other financial assets at amortised cost ¹	468.5	(234.5)
(Increase)/decrease in financial assets at fair value through profit or loss (FVTPL) ²	(239.9)	160.6
(Decrease) in amounts owing to participants ²	(376.7)	(102.4)
(Decrease) in tax balances	-	(4.2)
(Increase)/decrease in current receivables ³	(0.7)	2.8
(Increase) in prepayments	(4.5)	(4.3)
(Decrease) in trade and other payables ³	(8.6)	(12.4)
Increase in revenue received in advance	95.7	30.9
Increase in provisions	1.4	1.5
Net cash inflow from operating activities	213.0	107.6

¹ Reconciliation of this line item to the Statement of cash flows on page 11 includes interest from discount securities reflected within net profit after tax.

² Reconciliation of these line item to the Statement of cash flows on page 11 includes foreign currency revaluation on amounts owing to participants reflected within the non-cash items above. The line item reflects the net effect of changes in FVTPL and changes in amounts owing to participants.

³ Changes in assets and liabilities from investing and financing activities such as margins receivable/payable, certain accruals, make good provisions and securities pledged under repurchase agreements are excluded.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

ASX Limited (ASX or the Company) is a company limited by shares, incorporated and domiciled in Australia and is a for-profit entity for the purposes of preparing the financial statements.

The condensed financial statements for the consolidated entity, which consists of ASX and its subsidiaries (together referred to as the Group) for the half-year ended 31 December 2021 were authorised for issue by the Board of Directors on 10 February 2022. The directors have the power to amend and reissue the financial statements.

The half-year financial statements are general purpose financial statements that:

- have been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134 *Interim Financial Reporting* and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)
- include the assets and liabilities of all subsidiaries of the Company as at 31 December 2021 and the results of the subsidiaries for the half-year then ended. Inter-entity transactions with, or between, subsidiaries are eliminated in full on consolidation
- have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss and investments in equity instruments which have been measured at fair value through other comprehensive income
- are measured and presented in Australian dollars, which is ASX's functional and presentation currency, with all values rounded to the nearest hundred thousand dollars unless otherwise stated, in accordance with ASIC Legislative Instrument 2016/191.

The half-year financial statements do not include all of the information required for full-year financial statements. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 June 2021 and any public announcements made by the Group during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Group's accounting policies have been consistently applied to all periods presented, unless otherwise stated.

Unless otherwise stated, comparative period balances have not been restated. Refer to note 1 for further details.

1. Segment reporting

(a) Description of segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO.

The CODM assesses performance of the Group as a single segment, being an integrated organisation that provides a multi-asset class service and product offering under the following business units:

- Listings business – responsible for the origination of listed primary and secondary equity, and investment products
- Markets business – responsible for cash equities and equity derivatives trading, futures trading and clearing, and OTC clearing
- Securities and Payments business – responsible for cash equities clearing and settlement, issuer services and post-trade investor services, Austraclear, ASX Collateral, payments and Financial Settlement Management. This business includes the CHES replacement project
- Technology and Data business – responsible for technology, connectivity and data-related businesses including Technical and Information Services, DataSphere and DLT Solutions.

In addition to reviewing performance based on statutory profit after tax, the CODM assesses the performance of the Group based on underlying profit after tax. This measure excludes amounts regarded as significant items of revenue and expense such as those that may be associated with significant business restructuring or individual transactions of an infrequent nature. There were no items reported as significant in the current or prior financial period.

Group performance measures, including earnings before interest and tax (EBIT) and earnings before interest, tax, depreciation and amortisation (EBITDA), are also reviewed by the CODM. In assessing performance, expected credit loss (ECL) allowances and arrangements where revenue is shared with external parties are reclassified from expenses to operating revenue; certain expenses are reclassified within operating expenses; and interest income is presented net of interest expense.

Notes to the consolidated financial statements continued

(b) New revenue segment reporting

Effective 1 July 2021, ASX reorganised the business into four clearly defined revenue generating business units reporting directly to the Managing Director and CEO. This was undertaken to ensure ASX's structure best reflects its strategic priorities, better aligns management responsibility and accountability, and sharpens focus on customers.

This new structure is reflected in the half-year financial statements. Revenue classifications in the pcp have been restated to align with how the business units are now reported. There was no change to total revenue in the pcp. A reconciliation between the previously reported and restated prior period balances is tabled below.

	31 Dec 2020				
	Segment information			Consolidated income statement	
	Previously reported \$m	Reclassifications \$m	Restated \$m	Adjustments \$m	Restated \$m
Listings ¹	127.6	(38.7)	88.9	0.6	89.5
Markets ²	144.6	1.1	145.7	(0.4)	145.3
Technology and Data ³	130.2	(31.6)	98.6	1.0	99.6
Securities and Payments ⁴	68.1	69.2	137.3	1.8	139.1
Operating revenue	470.5	-	470.5	3.0	473.5
Interest income					34.8
Share of net (loss) of equity accounted investments					(1.2)
Total revenue					507.1

¹ Listings, formerly Listing and Issuer services: Issuer services was reclassified from Listings to Securities and Payments

² Markets, formerly Derivatives and OTC Markets: Austraclear was reclassified from Markets to Securities and Payments, Cash market trading was reclassified from Technology and Data to Markets

³ Technology and Data, formerly Trading Services: Cash market trading was reclassified from Technology and Data to Markets

⁴ Securities and Payments, formerly Equity Post-Trade Services: Issuer services was reclassified from Listings to Securities and Payments, Austraclear was reclassified from Markets to Securities and Payments

(c) Segment results

The information provided on a regular basis to the CODM is presented with a reconciliation to statutory profit after tax for the period attributable to owners of the Company.

ASX derives all external customer revenue within Australia, however some services are accessible and some customers are located offshore.

No single customer generates revenue greater than 10% of the Group's total revenue.

Notes to the consolidated financial statements continued

For the period ended	31 Dec 2021			Restated ¹ 31 Dec 2020		
	Segment information \$m	Adjustments \$m	Consolidated income statement \$m	Segment information \$m	Adjustments \$m	Consolidated income statement \$m
Revenue						
Annual listing	53.2	0.7	53.9	43.5	0.6	44.1
Initial listing	11.1	-	11.1	9.0	-	9.0
Subsequent raisings	35.1	-	35.1	31.4	-	31.4
Investment products and other listing	4.7	-	4.7	5.0	-	5.0
Listings	104.1	0.7	104.8	88.9	0.6	89.5
Equity options	7.0	-	7.0	7.2	-	7.2
Futures and OTC Clearing	100.8	0.7	101.5	106.9	(0.4)	106.5
Cash market trading	34.1	-	34.1	31.6	-	31.6
Markets	141.9	0.7	142.6	145.7	(0.4)	145.3
Information services	63.6	-	63.6	56.3	-	56.3
Technical services	45.0	1.0	46.0	42.3	1.0	43.3
Technology and Data	108.6	1.0	109.6	98.6	1.0	99.6
Issuer services	42.4	0.3	42.7	38.7	-	38.7
Cash market clearing	38.2	(0.2)	38.0	34.2	-	34.2
Cash market settlement	39.2	-	39.2	33.9	-	33.9
Austraclear	27.0	5.5	32.5	30.5	1.8	32.3
Securities and Payments	146.8	5.6	152.4	137.3	1.8	139.1
Operating revenue	501.4			470.5		
Interest income		24.6	24.6		34.8	34.8
Share of net (loss) of equity accounted investments		(6.2)	(6.2)		(1.2)	(1.2)
Total revenue		26.4	527.8		36.6	507.1
Expenses						
Staff	(85.7)	-	(85.7)	(75.9)	-	(75.9)
Occupancy	(4.5)	-	(4.5)	(4.8)	-	(4.8)
Equipment	(23.6)	(1.4)	(25.0)	(21.0)	(1.3)	(22.3)
Administration	(13.0)	(10.7)	(23.7)	(13.0)	(11.0)	(24.0)
Variable	(8.0)	8.0	-	(6.8)	6.8	-
ASIC levy	(3.3)	3.3	-	(4.6)	4.6	-
Operating expenses	(138.1)			(126.1)		
EBITDA	363.3			344.4		
Finance costs	-	(2.9)	(2.9)	-	(8.1)	(8.1)
Depreciation and amortisation	(24.9)	(1.0)	(25.9)	(25.3)	(0.9)	(26.2)
Total expenses	(24.9)	(4.7)	(167.7)	(25.3)	(9.9)	(161.3)
EBIT	338.4			319.1		
Net interest income						
Net interest expense	(2.3)	2.3	-	(1.5)	1.5	-
Net interest income on participant balances	24.0	(24.0)	-	28.2	(28.2)	-
Net interest income	21.7	(21.7)	-	26.7	(26.7)	-
Underlying profit before tax	360.1	-	360.1	345.8	-	345.8
Income tax expense	(109.8)	-	(109.8)	(104.0)	-	(104.0)
Underlying profit after tax	250.3	-	250.3	241.8	-	241.8
Statutory profit after tax	250.3	-	250.3	241.8	-	241.8

¹31 December 2020 revenue classification has been restated in line with the organisational restructure effective 1 July 2021. There was no change to total revenue.

Notes to the consolidated financial statements continued

2. Revenue from contracts with customers

(a) Disaggregation of revenue

The Group derives its revenue from the transfer of services over time and at a point in time. The following table provides a breakdown of revenue by the timing of when performance obligations are satisfied and by major business unit.

For the period ended 31 Dec 2021	Services satisfied at a point in time \$m	Services satisfied over time \$m	Total
Listings	2.5	102.3	104.8
Markets	142.3	0.3	142.6
Technology and Data	1.6	108.0	109.6
Securities and Payments	129.6	22.8	152.4
Total revenue from contracts with customers	276.0	233.4	509.4

For the period ended 31 Dec 2020 (Restated ¹)	Services satisfied at a point in time \$m	Services satisfied over time \$m	Total
Listings	3.0	86.5	89.5
Markets	145.1	0.2	145.3
Technology and Data	1.9	97.7	99.6
Securities and Payments	116.8	22.3	139.1
Total revenue from contracts with customers	266.8	206.7	473.5

¹ Comparative balances have been restated to be in line with revenue classifications under the new revenue segment reporting structure. Refer to note 1 for further details.

As disclosed in note 1, the Group has one operating segment, the disaggregated revenue in this note differs from the reportable segment as the expected credit loss allowance and certain revenue share agreements with external parties are reclassified from expenses to operating revenue.

(b) Revenue received in advance

The Group has recognised the following revenue received in advance related to contracts with customers at period end. The balances represent the aggregate transaction price allocated to contract liabilities for performance obligations that are partially unsatisfied at period end.

As at	31 Dec 2021 \$m	30 Jun 2021 \$m
Current		
Listings and Issuer Services	161.3	86.2
Austraclear	15.2	13.5
Information Services	5.1	7.7
Memberships	3.0	1.3
Total current revenue received in advance	184.6	108.7
Non-current		
Listings and Issuer Services	104.7	84.9
Total non-current revenue received in advance	104.7	84.9
Total revenue received in advance	289.3	193.6

3. Dividends

The Board's policy is to pay a dividend based on 90% of underlying net profit after tax. This is reviewed each time the Board considers payment of a dividend. The policy is unchanged from the prior year.

The following table includes information relating to dividends recognised and paid by ASX during the periods ended 31 December 2021 and 31 December 2020.

For the period ended 31 Dec 2021	Cents per share	Total amount \$m
Final dividend for the year ended 30 June 2021	111.2	215.3
For the period ended 31 Dec 2020		
Final dividend for the year ended 30 June 2020	122.5	237.2

The above dividends paid by the Company include amounts attached to certain shares held by the Group's Long-Term Incentive Plan Trust (LTIPT). The dividend revenue recognised by LTIPT is eliminated on consolidation.

Since the end of the half-year, the directors have determined a FY22 interim dividend of 116.4 cents per share totalling \$225.3 million (FY21 interim dividend of 112.4 cents per share totalling \$217.6 million). This will be paid on 23 March 2022. The dividend will be fully franked based on tax paid at 30%.

The interim dividend has not been recognised in the financial statements for the half-year ended 31 December 2021, and will be recognised in the following reporting period.

Notes to the consolidated financial statements continued

4. Issued capital

(a) Movements in ordinary share capital

At 31 December 2021, the closing balance of ordinary share capital was \$3,027.2 million (30 June 2021: \$3,027.2 million) and the number of shares outstanding was 193,595,162 (30 June 2021: 193,595,162). There were no movements in the balance of ordinary share capital or the number of shares outstanding in the current or prior period.

(b) Treasury shares

The following table presents the movement in the number of treasury shares during the period:

For the period ended	31 Dec 2021 No. of shares	31 Dec 2020 No. of shares
Opening balance	2,027	7,221
Issue of shares under LTVR Plan	(10,773)	(5,222)
Purchase of LTVR Plan shares	10,773	-
Shares transferred to the LTIPT	14,812	-
Closing balance	16,839	1,999

5. Amounts owing to participants

The Group undertakes central counterparty clearing and collects margins and other balances (commitments) from clearing participants as security for clearing risk undertaken.

Participants' margins and commitments lodged and recognised on balance sheet at period end comprised:

As at	31 Dec 2021 \$m	30 Jun 2021 \$m
Current		
Cash	10,939.5	11,556.1
Debt securities	698.6	458.7
Total current amounts owing to participants	11,638.1	12,014.8
Non-current		
Cash commitments	200.0	200.0
Total non-current amounts owing to participants	200.0	200.0
Total amounts owing to participants	11,838.1	12,214.8

Collateral and commitments lodged by clearing participants at period end comprised:

As at 31 Dec 2021	ASX Clear \$m	ASX Clear (Futures) \$m	Total \$m
Cash	710.7	10,428.8	11,139.5
Debt securities	-	698.6	698.6
Total amounts owing to participants	710.7	11,127.4	11,838.1
Equity securities ¹	3,370.5	-	3,370.5

¹ Equity securities are not recognised on the balance sheet.

As at 30 Jun 2021	ASX Clear \$m	ASX Clear (Futures) \$m	Total \$m
Cash	971.3	10,784.8	11,756.1
Debt securities	-	458.7	458.7
Total amounts owing to participants	971.3	11,243.5	12,214.8
Equity securities ¹	3,443.5	-	3,443.5

¹ Equity securities are not recognised on the balance sheet.

All net delivery and net payment obligations relating to cash market and derivative securities owing to or by participants as at 31 December 2021 were subsequently settled.

6. Fair value measurements of financial instruments

(a) Fair value hierarchy and valuation techniques

The following table presents the Group's financial assets measured and recognised at fair value at report date. The Group does not have any financial liabilities measured at fair value.

As at 31 Dec 2021	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Financial assets				
Investments in equity instruments	-	-	42.9	42.9
Financial assets at fair value through profit or loss (FVTPL)	698.6	-	-	698.6
Total financial assets	698.6	-	42.9	741.5
As at 30 Jun 2021	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Financial assets				
Investments in equity instruments	-	-	41.8	41.8
Financial assets at FVTPL	399.7	59.0	-	458.7
Total financial assets	399.7	59.0	41.8	500.5

There were no transfers between levels for recurring measurements during the period. The Group did not measure any financial assets at fair value on a non-recurring basis as at 31 December 2021.

The classification of financial instruments within the fair value hierarchy and the valuation techniques used to determine their values are detailed below.

Level 1

Level 1 inputs are unadjusted quoted prices in active markets at the measurement date for identical assets and liabilities. Financial instruments included in this category consist of Australian Government bonds. The fair value of Australian Government bonds are determined by reference to readily observable quoted prices for identical assets in active markets.

Notes to the consolidated financial statements continued

Level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Financial instruments included in this category include Semi Government bonds as their fair values were determined using observable market prices for identical assets that were not actively traded.

Level 3

Level 3 inputs are based on unobservable market data. The fair value of the Group's unlisted equity investments is determined using unobservable inputs based on the price per share of recent capital raisings by the entity, and therefore is classified as a Level 3 instrument.

(b) Fair values of other financial instruments

The Group has a number of financial instruments which are not measured at fair value on the balance sheet. The carrying amounts of current trade and other receivables, cash, term deposits, reverse repurchase agreements, current trade and other payables and current amounts owing to participants are assumed to approximate their fair value due to their short-term nature. The carrying amount of non-current amounts owing to participants approximates their fair value as the impact of discounting is not significant.

The table below presents other financial assets at amortised cost (excluding those mentioned above) had they been measured on a fair value basis.

As at	31 Dec 2021 \$m	30 Jun 2021 \$m
NCDs	716.8	774.9
P-Notes	2,887.0	1,787.6
T-Notes	1,339.0	275.0
Closing balance – fair value	4,942.8	2,837.5
Closing balance – amortised cost¹	4,942.9	2,837.1

¹ This represents the amount carried on the balance sheet as at the respective period ends.

(c) Level 3 fair value instruments

The following table presents the changes in Level 3 fair value instruments during the period:

Investment in unlisted entities ¹	31 Dec 2021 \$m	30 Jun 2021 \$m
Opening balance at beginning of period	41.8	45.1
Additions	-	12.8
Price revaluation:		
– Recognised in equity	-	(8.2)
– Recognised in deferred tax	-	(3.5)
FX revaluation:		
– Recognised in equity	0.8	(3.1)
– Recognised in deferred tax	0.3	(1.3)
Closing balance	42.9	41.8

¹ The revaluation (loss) or gain, net of tax, has been recognised within the asset revaluation reserve.

7. New and amended standards and interpretations

(a) New and amended standards and interpretations adopted by the Group

The AASB has issued a number of standards and amendments to standards that are mandatory for the first time in the reporting period commenced 1 July 2021. The Group has assessed and determined that there are no new or amended standards applicable for the first time for the 31 December 2021 half-year report that materially affect the Group's accounting policies or any of the amounts recognised in the financial statements.

(b) New and amended standards and interpretations not yet adopted by the Group

The AASB has issued a number of new or amended accounting standards and interpretations that are not mandatory for the first time in the reporting period commenced 1 July 2021. The Group has assessed and determined that there are no standards or amendments to standards that are not yet effective that are expected to have a material impact on the Group in the current or future reporting period.

8. Subsequent events

Other than the interim dividend determined as disclosed in note 3, there has been no matter or circumstance that has arisen which has significantly affected, or may significantly affect, the operations, the results of those operations or the state of affairs of the Group, from the end of the reporting period to the date of this report.

Directors' declaration

In the opinion of the directors of ASX Limited (the Company):

(a) the financial statements and notes that are contained in pages 8 to 18 in the half-year report are in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Damian Roche
Chairman



Dominic Stevens
Managing Director and CEO

Sydney, 10 February 2022



Independent auditor's review report to the members of ASX Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of ASX Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of ASX Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date
 2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
-

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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Independent auditor's review report to the members of ASX Limited continued

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'V. Papageorgiou'.

Voula Papageorgiou
Partner

Sydney, 10 February 2022