



Half-Year Result 2017

30 August 2017

Highlights

Financials

Business update

Appendix



Highlights of first six months



Solid **operating income (4.8% adjusted YTD growth)** and solid **EBIT (14.7% adjusted YTD growth)**



Successful **signing of sale contract of commercial issuing business** in Austria in February 2017



Three **new listings** on Swiss Exchange (Galenica Santé, Idorsia, Rapid Nutrition). Galenica Santé was the second biggest European IPO in H1



Successful launch of **TWINT** in April 2017; over 600'000 downloads, over 375'000 registered users, and over 270'000 transactions/month



Successful completion of **Hard Turm Park Building** in April 2017, hosting over 800 employees and creating a single SIX Campus in Zurich



Opening of **Finanzmuseum** in June 2017, located inside the new Hard Turm Park Building



Subsequent events

Successful **signing of purchase contract of VÖB-ZVD Processing GmbH** in Germany in July 2017 and successful **closing of purchase contract of Aduno SA** in Switzerland in August 2017.

Highlights

Financials

Business update

Appendix



Key Financial Figures (adjusted YTD)

4.8%

Revenue increase

14.2%

Operating profit
increase

14.7%

EBIT increase

SIX Group Financials

mCHF and YTD	Jun 2017	Jun 2016*	Change % (Jun 2017 / Jun 2016*)	
Operating income	929.7	887.3	4.8	
Operating expenses	-769.3	-746.9	-3.0	
Operating profit	160.4	140.4	14.2	
Net financial income	9.1	1.1	n/a	
Income from associates	-5.4	1.5	n/a	
EBIT	164.0	143.0	14.7	
Group net profit	124.5	105.0	18.5	
EBIT margin (in %)	17.6	16.1	9.5	
Cost/income ratio (in %) ¹	83.2	84.0	-1.0	
Return on equity (in %, average) ²	8.4	9.5	-11.0	
Equity ratio (in %, average) ³	77.6	77.3	0.4	
CAPEX	50.6	35.0	44.4	
FTEs	3'721	3'822	-2.6	

Ordinary dividend of CHF 7.30 per share (total CHF 142.5m); **payout-ratio 64.6%**

Confirmation of **AA- credit rating** by Standard & Poor's

* adjusted for special effects

Sale of a property (Securities Services): Operating income + 26mCHF

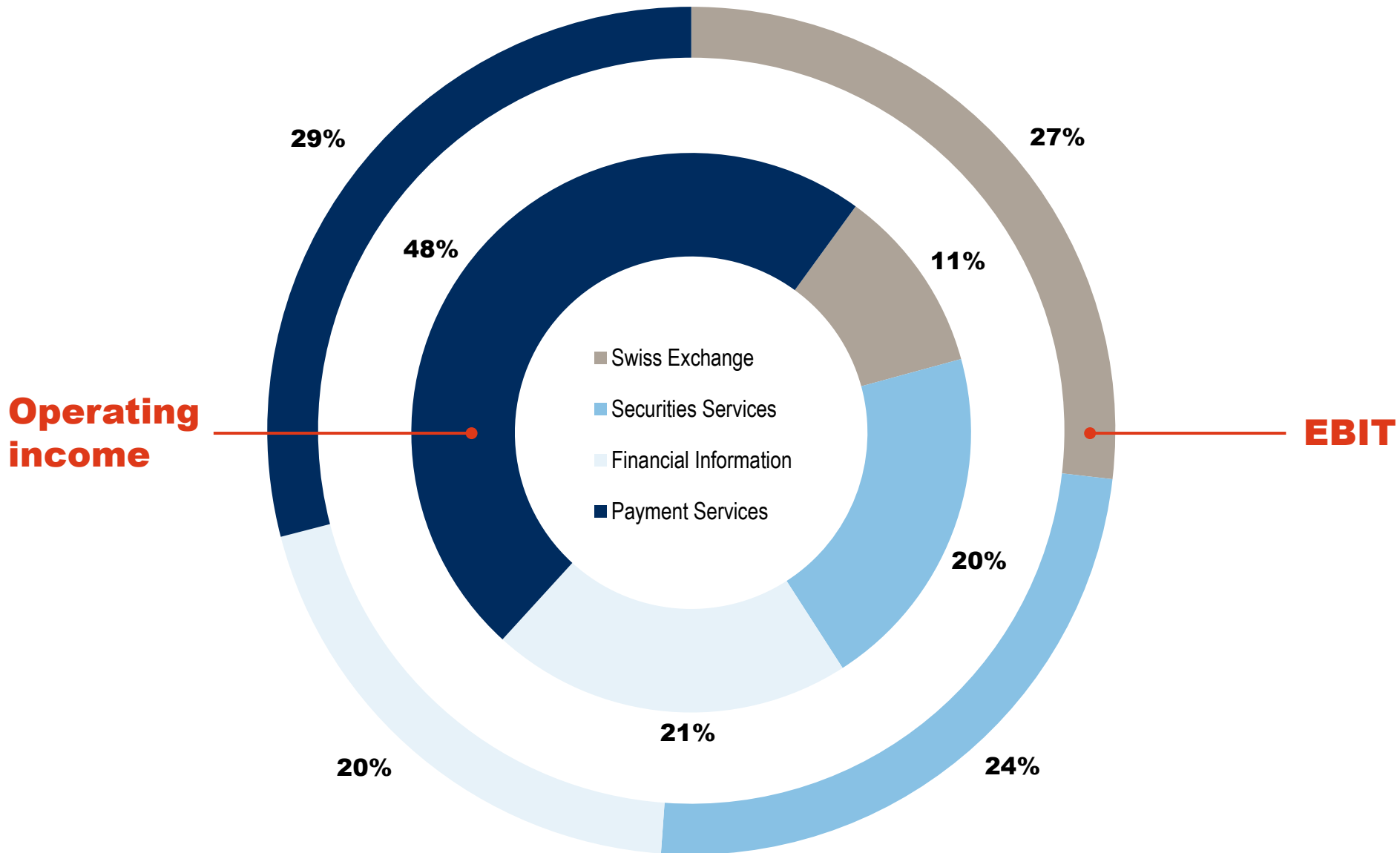
Sale sub-group SIX Payment Services Luxembourg (Payment Services): Net financial result + 3.9mCHF

¹ Cost/income ratio = (Operating expenses) / (Operating income + income from associates)

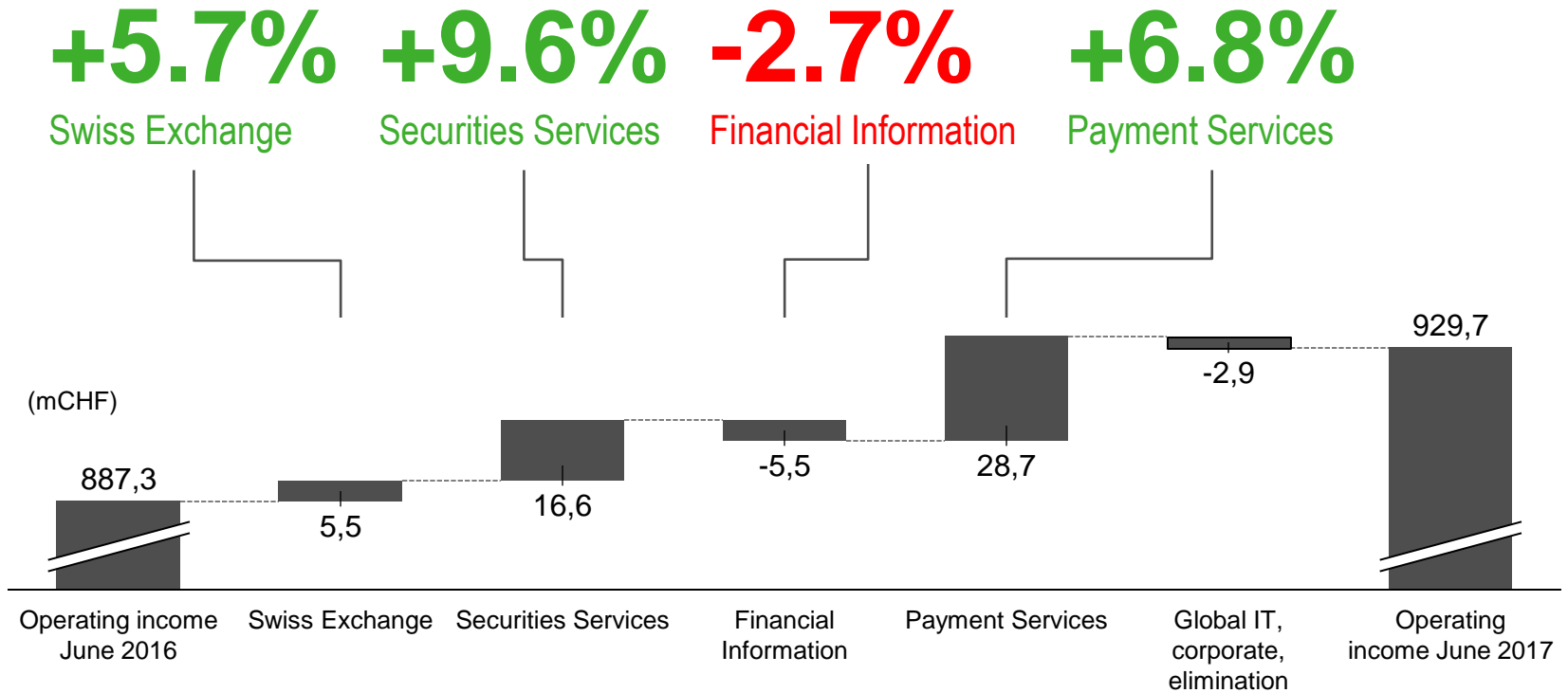
² Return on equity = Profit previous 12 months / average equity previous 12 months

³ Equity ratio = Average equity previous 12 months / (total av. adjusted liabilities previous 12 months + av. equity previous 12 months)

Contribution by division (adjusted YTD)

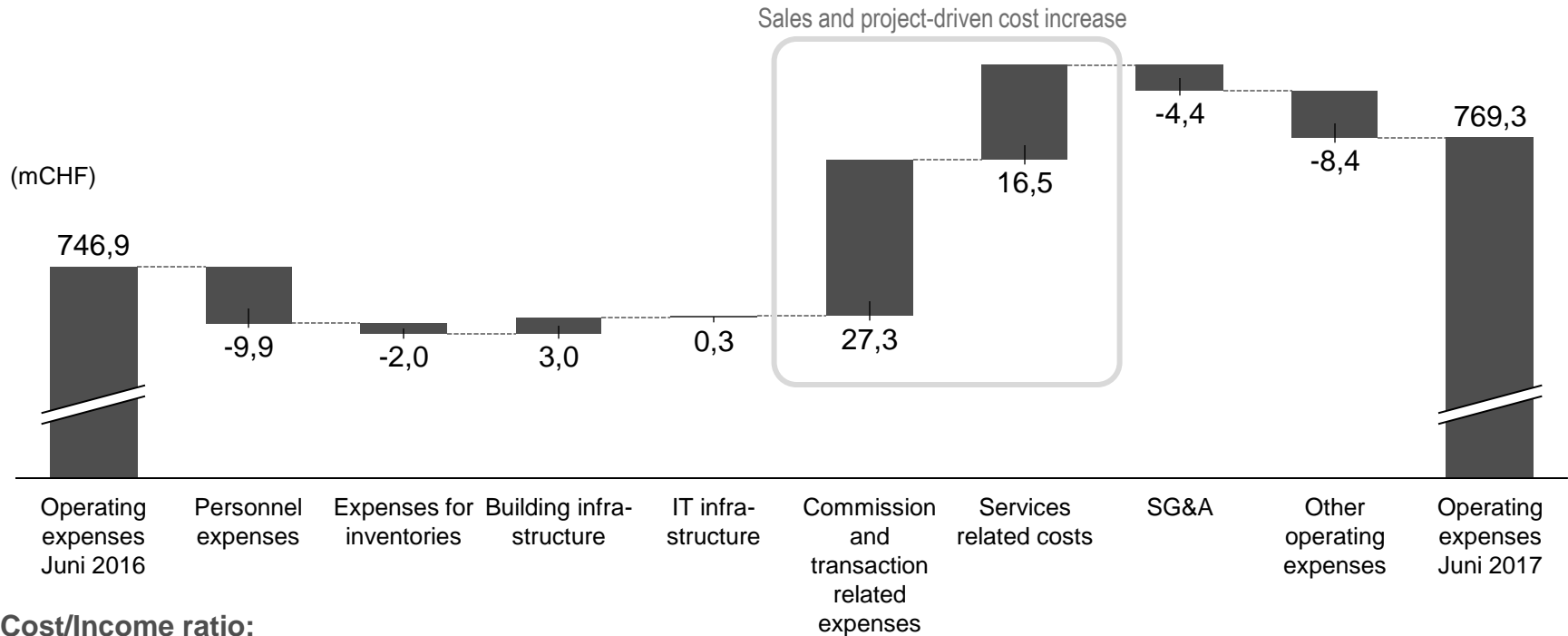


SIX Group Operating Income (adjusted YTD)



+4.8% **Balanced divisional portfolio**
 SIX Group **proves once again highly effective**

SIX Group Operating Expenses (adjusted YTD)



Cost/Income ratio:

84.0%

83.2%














+3.0%

SIX Group

Strict cost-control

Increase in costs is driven by sales and projects

Swiss Exchange Financials

mCHF and YTD	Jun 2017	Jun 2016	Change % (Jun 2017 / Jun 2016)	
1 Operating income	101.0	95.5	5.7	
<i>Trading</i>	77.0	74.9	2.8	
<i>Data & Indices</i>	22.6	17.5	28.9	
<i>Other</i>	1.4	3.1	-54.0	
2 Operating expenses	-65.7	-61.3	-7.2	
Operating profit	35.3	34.2	3.2	
EBIT	35.7	34.3	4.2	
EBIT margin (in %)	35.4	35.9	-1.5	
Cost/income ratio (in %) ¹	64.8	64.2	1.0	
FTEs	168	160	5.3	
Trading volume (bCHF)	722.5	687.1	5.1	
Number of transactions (m)	25.9	25.4	2.1	
Market Share Equities Blue-Chips (in %)	67.0	64.2	4.4	

¹ Cost/income Ratio = (Operating expenses) / (Operating income + income from associates)

1 Operating income increase driven by macro events / corporate actions as well as by price increase on market data

2 Operating expenses increase mainly driven by operational project cost

SwissAtMid (launched in October 2016) has been tested by over 50% of SSX' customers and many keep on using it

Securities Services Financials

mCHF and YTD	Jun 2017	Jun 2016*	Change % (Jun 2017 / Jun 2016*)	
1 Operating income	189.1	172.5	9.6	
<i>CCP Clearing</i>	14.0	13.9	1.3	
<i>Domestic Custody</i>	59.2	56.8	4.1	
<i>International Custody</i>	48.4	38.6	25.6	
<i>Financial Center Services</i>	29.2	28.2	3.3	
<i>Other</i>	38.3	35.1	9.3	
2 Operating expenses	-156.6	-151.9	-3.1	
Operating profit	32.5	20.6	57.8	
EBIT	32.7	20.7	58.1	
EBIT margin (in %)	17.3	12.0	44.3	
Cost/income ratio (in %)¹	82.8	88.0	-6.0	
FTEs	503	502	0.3	
Clearing transactions (m)	158.5	243.8	-35.0	
Settlement transactions inhouse (m)	14.1	13.6	3.6	
Deposit volume (bCHF YTD avg)	3'289	3'034	8.4	

* Adjusted for special effects

Sale of a property (Securities Services): Total operating income + 26.0 mCHF

¹ Cost/income Ratio = (Operating expenses) / (Operating income + income from associates)

1 Operating income increase mainly driven by international custody (higher deposit volume + higher interest income)

2 Operating expenses increase mainly driven by increase in sales

Launch of first element, **Tax Reclaim Service**, of comprehensive cross-market automated tax service

Financial Information Financials

mCHF and YTD	Jun 2017	Jun 2016	Change % (Jun 2017 / Jun 2016)	
1 Operating income	196.0	201.5	-2.7	
<i>Financial Information</i>	174.6	179.9	-3.0	
<i>Value Added Services</i>	16.9	18.7	-9.7	
<i>Other</i>	4.5	2.8	60.9	
2 Operating expenses	-171.8	-175.8	2.3	
Operating profit	24.2	25.7	-5.6	
EBIT	26.5	24.9	6.4	
EBIT margin (in %)	13.5	12.4	9.3	
Cost/income ratio (in %) ¹	87.6	87.3	0.4	
FTEs	836	918	-8.9	

¹ Cost/income Ratio = (Operating expenses) / (Operating income + income from associates)

1 Operating income decrease due to adverse FX-effects and due to change in customer portfolio

2 Operating expenses decrease mainly due to cost savings resulting from reorganization in France

Named **Best Overall Data Provider** at IMD/IRD Awards 2017

Payment Services Financials

mCHF and YTD	Jun 2017	Jun 2016*	Change % (Jun 2017 / Jun 2016*)	
Operating income	452.8	424.1	6.8	
./. Interchange	-148.6	-127.6	-16.5	
Net Operating income	304.2	296.6	2.6	
Merchant Services	177.4	170.9	3.8	
Financial Institutions Services	124.2	123.5	0.5	
Other	2.7	2.1	n/a	
Net Operating expenses	-257.0	-253.0	-1.6	
Operating profit	47.2	43.6	8.2	
EBIT	38.8	42.1	-7.9	
EBIT margin (in %)	8.6	9.9	-13.7	
Cost/income ratio (net, in %) ¹	86.5	85.3	1.4	
FTEs	888	895	-0.8	
MS Acquiring MSV (mCHF)	38'316.4	35'643.4	7.5	
FIS Card Transactions (m)	1'158.3	1'063.8	8.9	
MS Acquiring Margin (bp)	22.340	24.160	-7.5	

* Adjusted for special effects

Sale sub-group SIX Payment Services Luxembourg (Payment Services): Net financial result + 3.9 mCHF

¹ Cost/income Ratio = (Net Operating expenses) / (Net Operating income + income from associates)

1 Net Operating income increase driven by Merchant Services (higher Acquiring MSV) despite margin pressure

2 EBIT decrease due to loss participation in the new startup Twint AG

3 Acquiring margin decrease due to ongoing pressure on prices and due to increased card scheme fees

Successful launch of **TWINT** in April 2017, with SIX established as unique finance processor

Highlights

Financials

Business update

Appendix



SIX strategy defines four strategic thrusts



Expansion of business volume

- Reaching **further scale** is critical, in **domestic** markets as well as **internationally**
- Introduction of **new** and **value-adding services**



Strengthening of innovation capacity

- Foster creation of **new products/services**



Industrialization of the business model

- **Increase efficiency** of IT systems and business processes
- Further **improvement of group-wide coordination**



Reinforcement of transformation ability

- Ongoing **alignment with changing customer needs**

Strong financial position supports future (organic and inorganic) growth



Organic growth

- SIX has the ability and is committed to make **long-term investments in new services and infrastructure**.
- Recurring **innovation investments** secure an up-to-date product offering.

Strong financial position

- **Strong and stable cash flow** profile.
- **Substantial financial reserves**, dedicated to strategic investments.
- **High equity-ratio** (debt-free balance sheet) provides further flexibility.
- S&P assesses **SIX's financial risk profile as minimal**. No structural debt and a "sizable pool of liquid assets" contribute to this assessment

Inorganic growth

- Continuous **monitoring of M&A opportunities** and market activity.
- **High synergy potential** from economies of scale in all divisions.
- **Proven track record**

Innovation strategy defines four focus points

Technology Exploitation

Enabling the use of **new technologies** as quickly as possible.

Regulatory Services

Helping financial institutions **meet increasing regulatory requirements efficiently**.

Financial Service Utility

Supporting financial institutions by boosting their efficiency and ability to innovate.

Payment Ecosystem

Offering customers the **best payment solution possible** regardless of the situation.

Focused



Off-site



People



Financing



Connected



Timing



Key undertakings



TWINT has been downloaded over 600'000 times, has over 375'000 registered users, and is used for over 270'000 transactions per month. Rollout of QR acceptance on SIX merchant terminals is under way.



xChain builds the 'wikipedia' for corporate actions (collaborative platform) to revolutionize the error-prone handling of corporate action information.



New **PRIIP-KID Service** helping financial advisors meet new regulatory requirements by automating content generation, maintenance, and distribution of KIDs. Product is market ready.



Partnership with IBM to build a next-generation cognitive **Security Operations Center (SOC)** to strengthen cyber defense and offer customers security services.



Tax Cube provides multi-dimensional, complete and validated tax impact to help financial advisors ensure legal compliance while maximizing performance after taxes of their clients.



XBTR on DLT builds a platform for efficient interbank trading of OTC products over blockchain.



Development of **ATM multi-vendor software**, which will increase stability and reduce costs. Rollout planned for 2018.

Highlights

Financials

Business update

Appendix



Appendix

Key figures SIX mCHF	Actual	Prior year		Act adjusted ¹	Prior year adjusted ¹	
	Jun 2017	Jun 2016	Act / Py (%)	Jun 2017	Jun 2016	Act / Py (%)
Income statement						
Total operating income	929.7	913.3	1.8	929.7	887.3	4.8
Total operating expenses	769.3	746.9	3.0	769.3	746.9	3.0
Operating profit	160.4	166.4	-3.6	160.4	140.4	14.2
Share of profit of associates	-5.4	1.5	-471.5	-5.4	1.5	-471.5
Net financial result	9.1	5.0	80.4	9.1	1.1	696.0
Earnings before interest and tax (EBIT)	164.0	172.9	-5.1	164.0	143.0	14.7
Group net profit	124.5	134.9	-7.7	124.5	105.0	18.5
Workforce (in full-time equivalents)						
Total SIX	3'720.5	3'821.7	-2.6	n/a	n/a	n/a
Key ratios						
EBIT margin (in %)	17.6	18.9	-6.8	17.6	16.1	9.5
Cost/income ratio (in %)	83.2	81.7	1.9	83.2	84.0	-1.0
Return on equity ² (in %, average)	8.4	28.5	-70.7	8.4	9.5	-11.0
Equity ratio ³ (in %, average)	77.6	77.3	0.4	n/a	n/a	n/a
mCHF	30.06.2017	31.12.2016	Act / Py (%)	30.06.2017	31.12.2016	Act / Py (%)
Balance sheet						
Total assets	9'918.2	10'279.5	-3.5	n/a	n/a	n/a
Total liabilities	7'333.5	7'725.1	-5.1	n/a	n/a	n/a
Total equity	2'584.7	2'554.4	1.2	n/a	n/a	n/a

¹ There are no special effects in 2017

The special effects in 2016 total 29.9 mCHF and are included in the following positions:

- Total operating income: gain from the sale of a property (26.0 mCHF - DSS: 26.0 mCHF)
- Net financial result: gain from the sale of the companies of the sub-group SIX Payment Services (Luxembourg) (3.9 mCHF - DPS: 3.9 mCHF)

² Return on equity = Profit previous 12 months / average equity previous 12 months

The return on equity has been adjusted by the impact of the following special effects:

- 06.2017: gain from the sale of SIX SAG Ltd (5.4 mCHF), impact of the reorganization in France (-34.4 mCHF), IAS 19 impact of the changes to the Swiss pension plan (26.8 mCHF).
- 06.2016: gain from the sale of a property (26.0 mCHF), gain from the sale of the companies belonging to the SIX Payment Services (Luxembourg) Ltd sub-group (3.9 mCHF), impact from the sale of the shares in STOXX Ltd and Indexium Ltd (net gain: 464.3 mCHF and extraordinary dividend: -387.7 mCHF).

³ Equity ratio = Average equity previous 12 months / (total average adjusted liabilities previous 12 months + average equity previous 12 months)

Appendix

Segment information mCHF	Actual	Prior year		Act adjusted ¹	Prior year adjusted ¹	
	Jun 2017	Jun 2016	Act / Py (%)	Jun 2017	Jun 2016	Act / Py (%)
Operating income						
Swiss Exchange	101.0	95.5	5.7	101.0	95.5	5.7
Securities Services	189.1	198.5	-4.7	189.1	172.5	9.6
Financial Information	196.0	201.5	-2.7	196.0	201.5	-2.7
Payment Services	452.8	424.1	6.8	452.8	424.1	6.8
Global IT	211.9	198.9	6.5	211.9	198.9	6.5
Corporate and elimination	-221.1	-205.2	7.7	-221.1	-205.2	7.7
Total operating income	929.7	913.3	1.8	929.7	887.3	4.8
Operating expenses						
Swiss Exchange	65.7	61.3	7.2	65.7	61.3	7.2
Securities Services	156.6	151.9	3.1	156.6	151.9	3.1
Financial Information	171.8	175.8	-2.3	171.8	175.8	-2.3
Payment Services	405.6	380.5	6.6	405.6	380.5	6.6
Global IT	207.4	194.9	6.4	207.4	194.9	6.4
Corporate and elimination	-237.8	-217.5	9.3	-237.8	-217.5	9.3
Total operating expenses	769.3	746.9	3.0	769.3	746.9	3.0
Earnings before interest and tax (EBIT)						
Swiss Exchange	35.7	34.3	4.2	35.7	34.3	4.2
Securities Services	32.7	46.6	-29.9	32.7	20.7	58.1
Financial Information	26.5	24.9	6.4	26.5	24.9	6.4
Payment Services	38.8	46.0	-15.7	38.8	42.1	-7.9
Global IT	4.5	4.0	11.9	4.5	4.0	11.9
Corporate	25.8	17.0	52.2	25.8	17.0	52.2
Total EBIT	164.0	172.9	-5.1	164.0	143.0	14.7

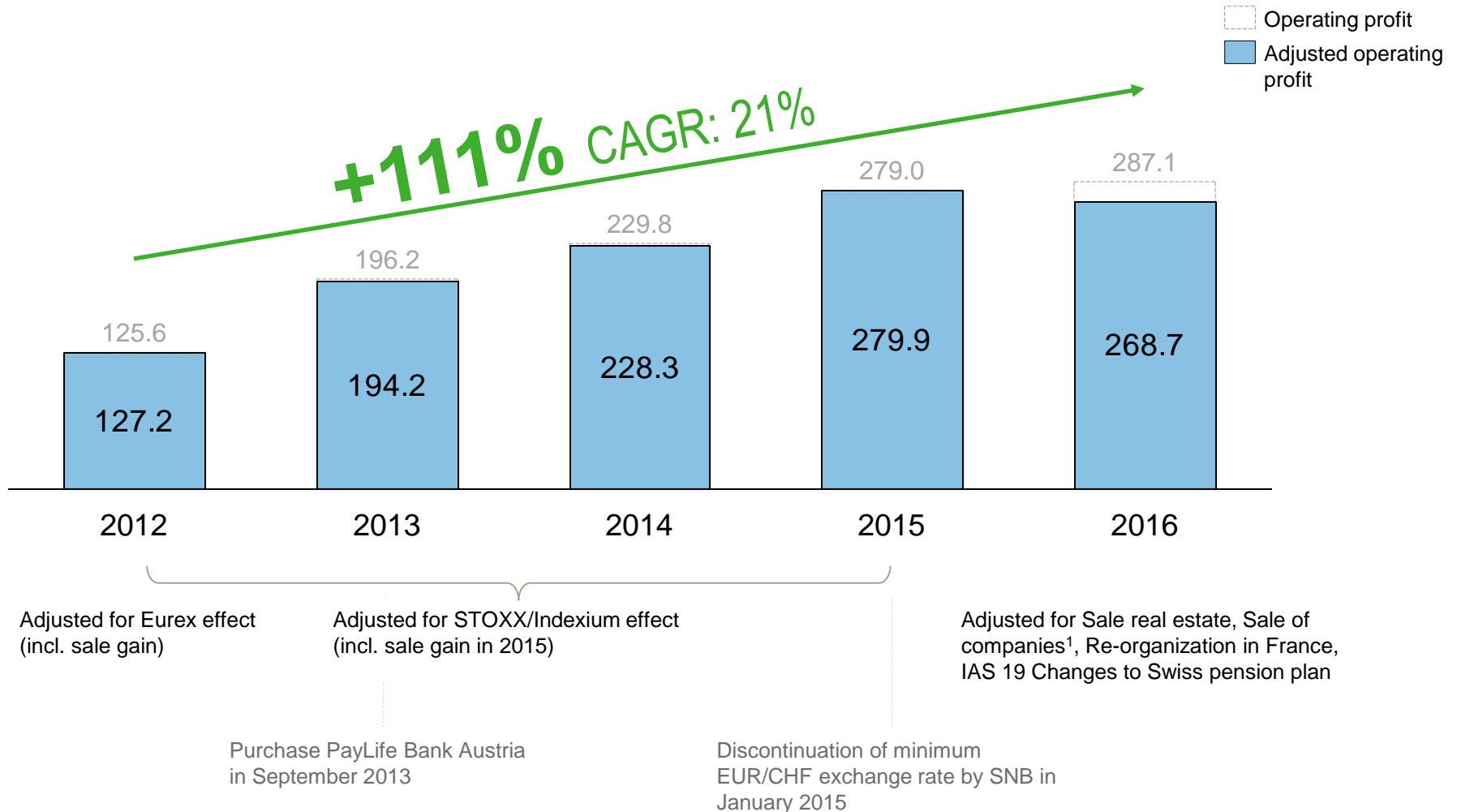
¹ There are no special effects in 2017

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- Total operating income: gain from the sale of a property (26.0 mCHF - DSS: 26.0 mCHF)

- Net financial result: gain from the sale of the companies of the sub-group SIX Payment Services (Luxembourg) (3.9 mCHF - DPS: 3.9 mCHF)

Operating profit development 2012-2016 (mCHF)



¹ Sale of SIX SAG Ltd; Sale of the companies belonging to the sub-group SIX Payment Services (Luxembourg) Ltd.

EBIT development 2012-2016 (mCHF)

Adjusted operating income:

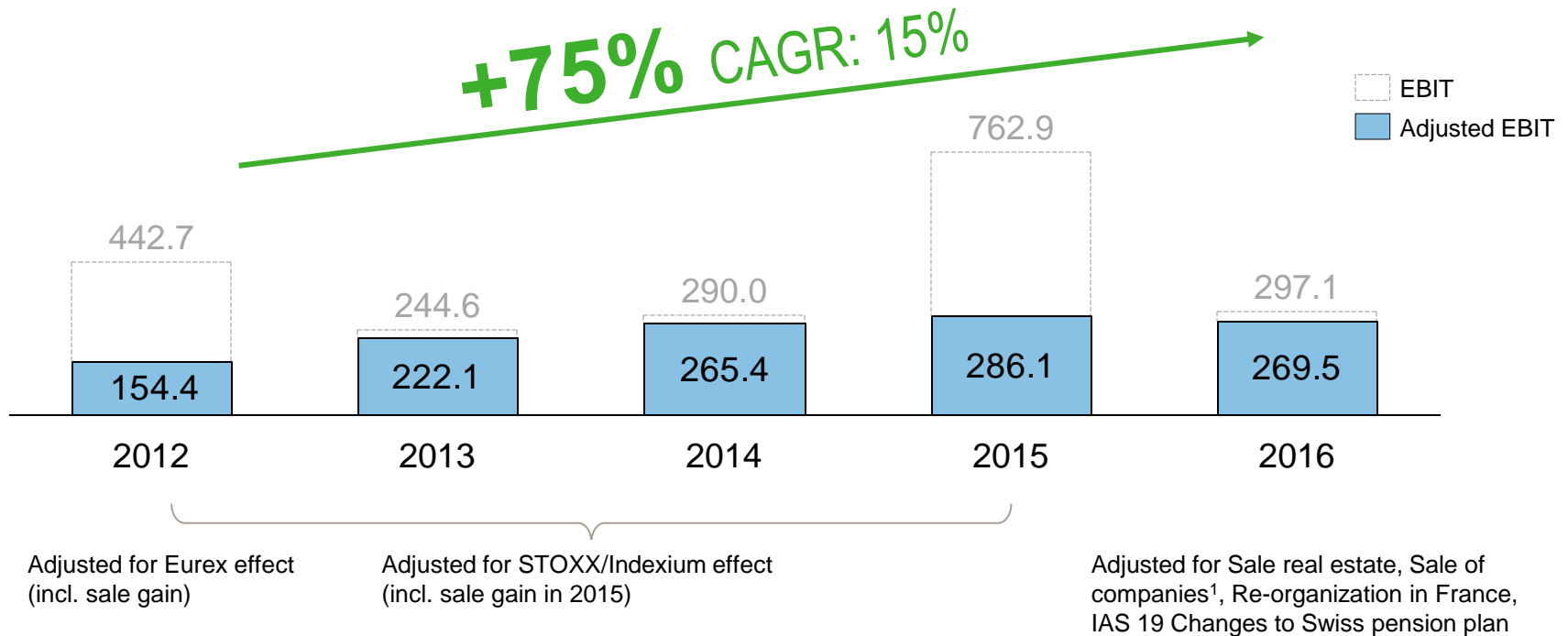
1'447.9

1'576.0

1'795.7

1'806.1

1'812.6



Adjusted EBIT-margin:

10.7%

14.1%

14.8%

15.8%

14.9%

¹ Sale of SIX SAG Ltd; Sale of the companies belonging to the sub-group SIX Payment Services (Luxembourg) Ltd.

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