



Annual Press Conference 2018

18 March 2019

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«A year of transformation and many achievements lies behind SIX»

Jos Dijsselhof, CEO

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«SIX delivers solid operating profit despite significant investments in strategic realignment, a one-off effect from the carve-out of Cards boosts Group Net Profit»

Daniel Schmucki, CFO

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«SIX is excellently positioned to drive the competitiveness of the Swiss financial center into the (digitized) future»

Jos Dijsselhof, CEO

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Business Highlights 2018

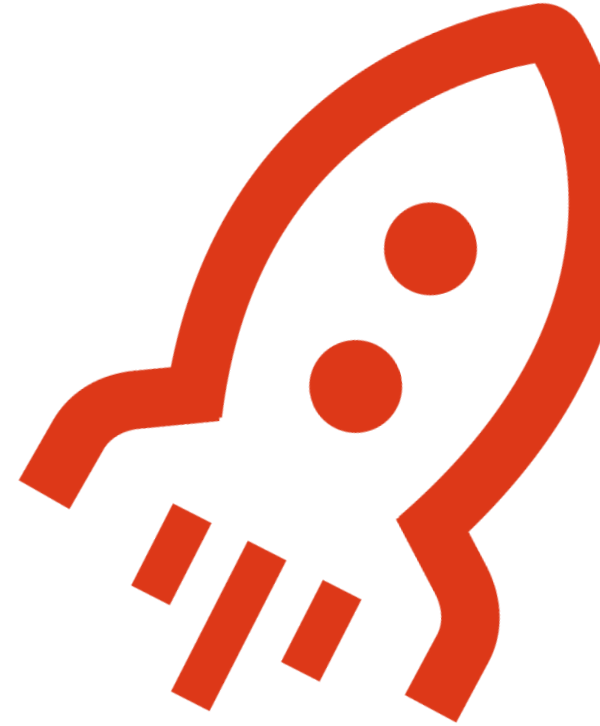
«A year of transformation and many achievements lies behind SIX»

Strategic and Organizational Achievements 2018

- Full **strategic reorganization** with **new mandate**, purpose and value for **SIX** and for the next decade completed
- Successful **merger** of the Business Units **Swiss Exchange and Securities Services** into one Business Unit **Securities & Exchanges**
- Go-live of the two new Business Units **Banking Services** and **Innovation & Digital**
- **Price adjustments** in accordance with **new mandate**
- **Signing and Closing** of the **Worldline transaction** completed - as part of this transaction SIX now holds a **27% equity stake in Worldline**
- **SIX shareholder** group extended by **PostFinance**
- Introducing **strong single brand strategy** with one **SIX**

SIX Business Highlights 2018

- SIX on **third position** among Europe's exchanges with **12 Initial Public Offerings in 2018**
- SIX Digital Exchange - Launch of building a **fully integrated trading, settlement and custody infrastructure** for **digital assets**
- Official opening of the **24x7 Security Operations Center (SOC)**
- Announcement of developing a **Swiss Cloud and Compliance Utility** for the **Swiss Financial Industry**
- Launch of **eBill** - the new Swiss infrastructure for **digital invoices**
- First four investments of **SIX FinTech Ventures**, the **CHF 50 million corporate venture fund** of SIX
- Successful launch of **Deal Pool**, the new **central and electronic support tool** for the **Swiss Franc fixed income primary market** in **Switzerland**
- SIX as **Benchmark Administrator** of **SARON** (Swiss Average Rate Overnight)



SIX Innovation Highlights 2018

- SIX opened the first **24x7 SOC** (security operations center) solely focused on the needs of the Swiss Financial centers (banks and insurances) and launched first services.
- With **Swiss Cloud**, SIX is developing a “real Swiss” cloud solution in collaboration with HIAG Data to ensure Swiss financial market data is safely and reliably stored in Switzerland.
- In close collaboration with leading private banks, **SIX Compliance Utility** works on a solution to reduce risks and costs with focus on know-your-customer (KYC) processes.
- With **Deal Pool**, a very successful product has gone live in 2018, resulting in over 92.7% of all issues in the Swiss fixed income primary market are published on Deal Pool. Further modules are being prototyped (investor view, order placement, book-building, allocation).
- **SDX – SIX Digital Exchange** has been announced in 2018 and aims to launch first pilots in 2019.
- **SIX FinTech Ventures** (venture capital fund) has made **first investments** in new promising start-up companies.
- **Swiss Corporate API** allows 3rd party software providers access to (corporate) bank account information and the submission of payment instructions. Implementation has started and will continue in 2019.



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Financial Figures 2018

«SIX delivers solid operating profit despite significant investments in strategic realignment, a one-off effect from the carve-out of Cards boosts Group Net Profit»

Financial Figures 2018

SIX reports solid operating profit, one-off gain boosts Group Net Profit

	2018	Year-on-Year
Total Operating Income	1,938.7 mCHF	1,944.6 mCHF -0.3 %
Operating Profit	221.3 mCHF	280.5 mCHF -21.1 %
Group Net Profit	2,882.7 mCHF	207.2 mCHF n/a

Year-on-year comparison is impaired as Business Unit Cards contributed for only 11 months in 2018.¹

SIX delivers solid **operating profit** of 221.3 mCHF despite

- Significant investments in strategic realignment
- Price adjustments in accordance with new mandate
- Intensified M&A activities

Transfer of the Business Unit Cards resulted in a one-off gain which boosts **Group Net Profit**

Key Financial Figures 2018

in mCHF	FY 2018	FY 2017	Δ in %
Total operating income	1,938.7	1,944.6	-0.3%
Total operating expenses	-1,717.3	-1,664.0	3.2%
Operating profit (1)	221.3	280.5	-21.1%
Share of profit or loss of associates	-6.4	-23.2	
Net financial result (2)	2,732.0	15.8	
EBIT	2,946.9	273.2	n/a
EBIT adj. by gain of disposal of Cards	222.9	273.2	-18.4%
Net interest and tax expenses	-64.3	-65.9	
Group net profit	2,882.7	207.2	n/a
Group net profit adj. by gain of disposal of Cards	160.6	207.2	-22.5%
Workforce as at 31/12 (FTE)	2,474	3,755	-34%
Equity ratio* (Ø, %)	81.9%	80.0%	1.9pp
Return on equity** adj. by gain of disposal of Cards (Ø, %)	5.1%	7.9%	-2.8pp
Total dividend per share (CHF)	21.40	7.00	n/a

(1) Decrease in **operating profit** caused by significant investments in strategic realignment, price adjustments in accordance with new mandate, and intensified M&A activities.

(2) The transaction with Worldline on 30 November 2018 resulted in a **one-off gain** before tax of 2,724.0 mCHF. The consideration paid includes 49.1m Worldline shares and 338 mCHF cash.

(*) Equity ratio = avg. equity prev. 12 months / (avg. adj. liabilities prev. 12 months + avg. equity prev. 12 months)

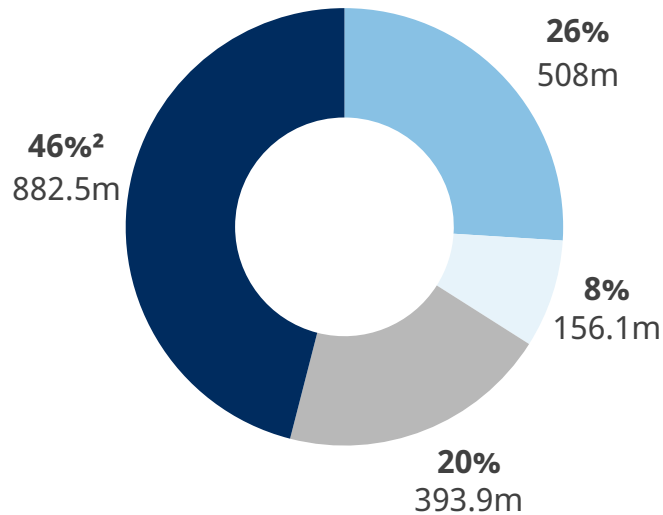
(**) Return on equity = profit prev. 12 months / avg. equity prev. 12 months



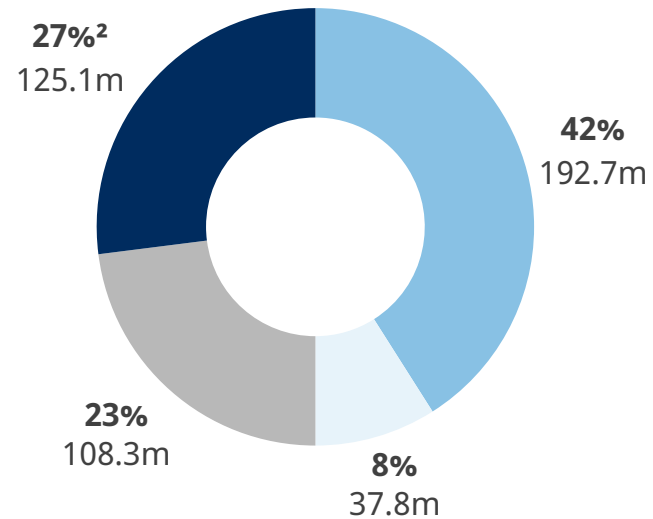
Financial Figures 2018

Total Operating Income and Operational Profit Distribution by Business Unit (in CHF)

Total Operating Income¹



Operational Profit¹



Securities & Exchanges

Banking Services

Financial Information

Cards

Securities & Exchanges – Financials & Business Highlights

Financial Figures (in mCHF)	FY 2018	Δ 2017
Total operating income	508.0	0.4%
Non-product related income from other BUs	5.5	
Total operational expenses	-320.8	-1.2%
Operational profit	192.7	2.8%

- Favorable market conditions supported by high volatility as well as tick-size harmonization (MiFID II) boosted trading and international custody business revenues substantially

Business Figures	FY 2018	Δ 2017
Stock ex. trading volume (CHF bn)	1,361.3	1%
Market share of trading in SLI (Ø)	70.8%	2.5pp
No. of clearing transactions (m)	458.4	41%
No. of settlement transactions (m)	37.9	0%
Deposit volume (Ø, CHF bn)	3'243	-2%

Business Highlights

SIX Digital Exchange founded with first services to be expected in 2019

12 listings in 2018, most since 2001

Market share of trading in **SLI** rose to **70.8%**

Named **best provider of international CSD services** for the 4th consecutive year

Clearing trx. rose by **41%** due to new pricing model, regaining customers and **commitment** of SIX to stay in clearing business

Swiss Financial Market Supervisory Authority (FINMA) recognized **SIX x-clear** Ltd as a **central counterparty clearing (CCP)** according to the Financial Market Infrastructure Act (FMIA; Ger. FinfraG)

Banking Services – Financials & Business Highlights

Financial Figures (in mCHF)	FY 2018	Δ 2017 ¹
Total operating income	156.1	-1.0%
Non-product related income from other BUs	0.3	
Total operational expenses	-118.6	4.5%
Operational profit	37.8	-16.8%

- Increased volumes in e-bills and ATM Services as well as higher revenues in the interbank clearing business (mainly due to the migration of PostFinance) partly compensated granted price reductions
- The carve-out from the former division Payment Services and the transformation of the Business Unit led to higher operational expenses

Business Figures	FY 2018	Δ 2017
Number of debit cards CH/LI (m)	10.2	2%
Cards transactions processed (m)	1,168	6%
No. of SIC² transactions ('000)	610,486	19%

Business Highlights

Go-live of new Business Unit Banking Services per 1st of October

Successful implementation the new full-market solution for processing **eBill and direct debits**

Release of QR invoice specification in November. Preparations by all partners has started, go-live is planned for mid-2020.

Broad stakeholder agreement on **joint QR-invoice & eBill roadmap**

>1,000 ATMs run under **ATMfutura** and the first bank (SGKB) has completed its migration

Financial Information – Financials & Business Highlights

Financial Figures (in mCHF)	FY 2018	Δ 2017
Total operating income	393.9	-0.5%
Non-product related income from other BUs	3.4	
Total operational expenses	-289.0	-0.7%
Operational profit	108.3	0.6%

- Operating income fell short of previous year mainly due to price adjustments implemented in accordance with the new mandate
- Nevertheless, operational profit increased due to rising revenue growth in tax & regulatory services and indices as well as lower costs in data operations derived from use of Machine Learning and Artificial Intelligence

Business Figures	FY 2018	Δ 2017
No. of financial instruments (m)	32.4	19%
Price updates per second (average)	135,252	62%

Business Highlights

SIX Flex packages released in core areas such as **corporate actions**, **valuation prices** and **MiFID2**; more packages planned in 2019 for reference data

Regulatory Hub onboarded **239 banks** of MiFID II data and **20m documents**

Regulatory and Tax Compliance Services, going strong, with services such as our **Global Sanctioned Securities Monitoring**

Index business with transaction based **SARON** being a transparent alternative to the controversially discussed consensus rate LIBOR
10 prestigious industry awards received for our data and regulatory services

Cards – Financials & Business Highlights

Financial Figures (in mCHF)	2018 ¹	Δ 2017 ²
Total operating income	882.5	10.1%
Non-product related income from other BUs	45.1	
Total operational expenses	-802.4	9.3%
Operational profit	125.1	39.2%

- Positive development of operating income seen in 2018 due to higher merchant sales volumes in Switzerland and Europe. Further growth stemmed from VÖB- and Aduno-integration
- Organic growth resulted in higher interchange- and scheme-fees and therefore in higher direct costs
- Higher expenses primarily driven by M&A-related costs

Business Figures	2018 ¹	Δ 2017 ²
Acquiring turnover (CHF m)	100,101.4	30%
Cards transactions processed (m)	3,126	21%
Number of payment cards (m)	16.5	12%

On the Strategic Partnership with Worldline

After SIX and Worldline announcing a **strategic partnership** on 15 May 2018, the transaction was **successfully completed on 30 November 2018**.

SIX transferred the business unit Cards to Worldline. In return, **SIX received a 27%-stake in Worldline** (49,1 mio shares) becoming the second-largest shareholder after Atos and a cash consideration of CHF 338m.

SIX is represented with two Directors (Romeo Lacher, Giulia Fitzpatrick) and one Censor (Daniel Schmucki) **on the Worldline Board** and in all relevant committees.

Accounting Specifics and Outlook after the Carve-out of Cards

SIX Continues to Actively Participate in the Cards Business

in mCHF	Total SIX			Continuing Operations (1)		
	FY 2018	FY 2017	Δ in %	FY 2018	FY 2017	Δ in %
Total operating income	1,938.7	1,944.6	-0.3%	1,115.8	1,119.6	-0.3%
Total operating expenses	-1,717.3	-1,664.0	3.2%	-978.3	-921.5	6.2%
Operating profit	221.3	280.5	-21.1%	137.5	198.1	-30.6%
Share of profit or loss of associates (2)	-6.4	-23.2		-6.4	-23.2	
Net financial result (3)	2,732.0	15.8		4.0	7.5	
EBIT	2,946.9	273.2	n/a	135.0	182.3	-26.0%
Net interest and tax expenses	-64.3	-65.9		-40.0	-42.1	
Profit from continuing operations	-	-	-	95.0	140.3	-32.3%
Group net profit	2,882.7	207.2	n/a	-	-	-

(1) As the cards business was transferred to Worldline on 30 November 2018, IFRS require the cards business to be reported separately from the **continuing operations** in the income statement as well as in the balance sheet.

(2) Since 30 November 2018, SIX' share in Worldline has been contributing to "**share of profit or loss of associates**". This will potentially lead to a gap between operating profit and EBIT going forward.

(3) The closing of the transaction with Worldline on 30 November resulted in a **one-off gain** before tax of 2,724.0 mCHF.

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Outlook

«SIX is excellently positioned to drive the competitiveness of the Swiss financial center into the (digitized) future»



2019 – SIX is Set for the Future

SIX business model and course are set and clear after completion of strategic realignment

SIX develops and operates infrastructure services for the Swiss financial center in the areas of banking services, securities, financial information and digital infrastructure

SIX strengthens competitiveness of its customers

The absolutely reliable, value-adding services of SIX increase efficiency, quality and innovative capacity along the entire Swiss banking value chain

SIX drives innovation

Together with our clients SIX brings new products and services to market that really tackle today's challenges of the financial industry

SIX is on a growth path in all business areas

Securities & Exchanges drives forward digitization (SDX) and at the same time further strengthens the existing Swiss Value Chain (IPO, trading and settlement)

Banking Services shapes the cash (ATMfutura), billing (eBill) and payment (new generation of debit cards) ecosystems of tomorrow

Financial Information grows internationally and offers new innovative services (SIX Flex or Regulatory Services)

Current Challenges for the Financial Industry

And How SIX is Helping Financial Institutions to Overcome these Challenges

Challenges

SIX Solution

Evolution of regulatory (and political) landscapes	Regulatory Data	Compliance Utility	SIX Digital Exchange (SDX)
Value chain disruption and its impact on intermediaries	Corporate API	SIX Deal Pool	
Digitalized economic future	Security Operations Center	Secure Swiss Cloud	
Rise of cyber crime and related risks			

« SIX is excellently positioned to drive the competitiveness of the Swiss financial center into the (digitized) future. »»

Thank you for your attention.

We are looking forward to answering your questions.

Appendix

On the Strategic Partnership with Worldline

SIX plays an active role at the leading Payments Service Provider in Europe

Key Transaction Terms

- On 15 May 2018, SIX and Worldline announced that they have entered into a strategic partnership
- On 30 November 2019, the transaction was successfully completed: SIX transferred the business unit Cards to Worldline
- In return, SIX received a 27%-stake (49,1 m shares) in Worldline becoming the second-largest shareholder after Atos and a cash consideration of CHF 338m
- SIX is represented with two Directors (Romeo Lacher, Giulia Fitzpatrick) and one Censor (Daniel Schmucki) on the Worldline Board and in all relevant committees
- Worldline has become shareholder of TWINT with a 20%-stake

Strategic Partnership

- Worldline is providing processing partnership for the Swiss debit, ATM and TWINT transactions
- SIX is providing IT infrastructure services and a rental and facility services to Worldline
- SIX is providing transitional services to Worldline for 12-24 months (e.g. IT, Accounting)
- Further possibilities of collaboration are currently being discussed

Short Profile Worldline

- European leader in the payments and transactional services industry
- Worldline generates ca. EUR 1.6bn revenue and employs more than 9,400 people worldwide
- France-based, listed on Euronext and majority-owned by IT company Atos

Financial Results 2018 – Balance sheet as at 31 December 2018

in Mio. CHF	31.12.2018	31.12.2017	Δ in mCHF
Assets			
Cash and cash equivalents	5'496.9	4'462.6	1'034.3
Trade and other receivables	130.6	263.4	-132.8
Receivables from clearing & settlement	2'699.6	3'566.9	-867.3
Financial assets current	823.8	754.8	69.1
Inventories	0.0	17.4	-17.4
Current income tax receivables	23.7	23.6	0.1
Other current assets	96.1	218.1	-122.0
Current assets	9'270.7	9'306.8	-36.1
Property, plant and equipment	243.1	277.6	-34.5
Intangible assets	116.0	393.4	-277.3
Investments in associates	2'656.1	23.5	2'632.6
Financial assets non-current	354.0	260.1	93.9
Other non-current assets	16.6	28.0	-11.4
Deferred tax assets	11.3	12.1	-0.7
Non-current assets	3'397.2	994.7	2'402.5
Total assets	12'667.9	10'301.5	2'366.4

Most movements in the individual assets and liabilities positions were caused by the sale of the cards business. In particular, the increase of non-current assets (+2'402.5 mCHF) is mostly related to the acquisition (2'625.8 mCHF) of 27% of the shares in Worldline SA. Accordingly, equity increased by 2'709.1 mCHF in the reporting period to 5'385.0 mCHF.

Other movements, e.g. current assets (-36.1 mCHF), were mainly due to the ordinary movements in giro balances with Swiss National Bank and receivables and payables from clearing & settlement in the post-trading area.

in Mio. CHF	31.12.2018	31.12.2017	Δ in mCHF
Liabilities			
Bank overdrafts	0.0	1.0	-1.0
Trade and other payables	25.2	262.1	-236.9
Payables from clearing & settlement	6'725.4	6'861.5	-136.1
Financial liabilities current	110.1	68.9	41.2
Provisions current	5.0	33.6	-28.7
Contract liabilities (current)	29.0	0.0	29.0
Current income tax payables	27.5	23.1	4.4
Other current liabilities	207.2	247.1	-39.8
Current liabilities	7'129.4	7'497.3	-368.0
Provisions non-current	14.0	28.4	-14.4
Contract liabilities (non-current)	35.1	0.0	35.1
Other non-current liabilities	77.1	40.6	36.5
Deferred tax liabilities	27.3	59.3	-32.0
Non-current liabilities	153.5	128.3	25.3
Total liabilities	7'282.9	7'625.6	-342.7
Equity			
Share capital	19.5	19.5	0.0
Capital reserve	234.1	234.1	0.0
Other reserves	-54.0	-36.6	-17.4
Retained earnings	5'175.9	2'449.0	2'726.8
Shareholders' equity	5'375.5	2'666.0	2'709.4
Non-controlling interests	9.5	9.9	-0.3
Total equity	5'385.0	2'675.9	2'709.1
Total liabilities and equity	12'667.9	10'301.5	2'366.4

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