



Driving the Transformation of Financial Markets

Annual Results 2019 – Media Presentation

Zurich, 17 March 2020



Agenda

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Business Highlights 2019

«Solid operative performance with many highlights despite considerably smaller size»

Jos Dijsselhof, CEO

2

Financial Figures 2019

«SIX continues to invest and lays the foundations for further growth»

Daniel Schmucki, CFO

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Outlook

«SIX is excellently positioned to further create long term values through innovation for the Swiss financial center.»

Jos Dijsselhof, CEO

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Business Highlights 2019

«Solid operative performance with many highlights despite considerably smaller size»

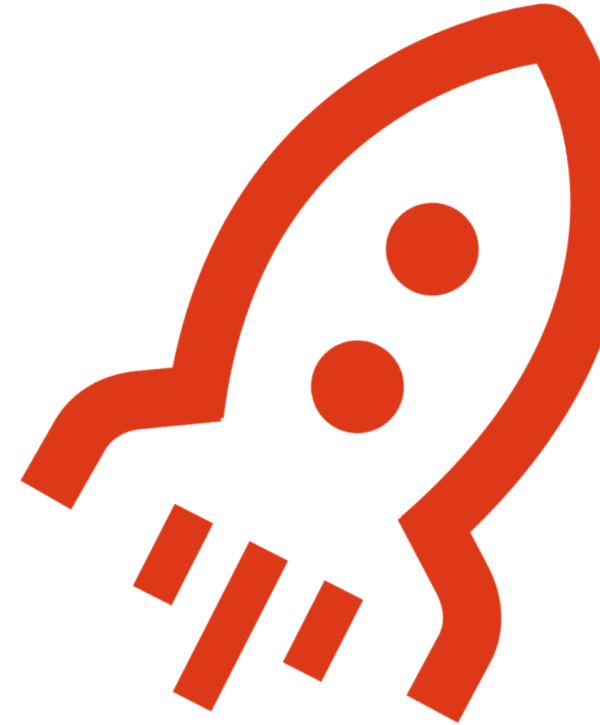
Growth

- ➔ SIX on **fourth position** among Europe's exchanges with **7 company listings in 2019**, aggregating transaction volume of CHF 3.1 billion
- ➔ Extended **global data coverage** through new **data partnerships** with solution providers (for instance with Eagle Investment Systems and SimCorp)
- ➔ Further development of **SIX Sanctioned Securities Monitoring Service**, actively monitoring 6.7 million active instruments
- ➔ **All-Cash tender offer for Bolsas y Mercados Españoles (BME)** – creating **Europe's 3rd largest financial market infrastructure provider**
- ➔ Partnership with **Worldline** proves successful and a **strategic solid investment**
- ➔ **Closing** of transactions of **Swiss Interbank Clearing (SIC)** and **Swiss Euro Clearing Bank (SECB)** with full ownership of SIX going forward
- ➔ Smooth **transition of EU trading volumes** onto SIX **after EU equivalence** was no longer granted



Transformation

- ➔ **eBill** ecosystem introduced a **new network partner business model** open to 3rd parties which will foster competition and innovation – **10 network partners** signed a contract already
- ➔ **Swiss ATM migration** progressing well (>**4,000** cash machines run on ATMfutura - new standardized software)
- ➔ SIX Digital Exchange **launched** trading and settlement **prototype based on distributed ledger technology**
- ➔ **Collaboration with SNB** to explore technological approaches for the use of **digital central bank money** in the settlement of tokenized assets
- ➔ **National Cash Scheme** kicked-off (with market study, product concept, and implementation roadmap for 2020 defined)
- ➔ **SIX FinTech Venture Fund** screened > 1,000 investment cases, made 4 investments
- ➔ Publication of various white papers, amongst others on **“Future of the Securities Value Chain”** and **“Future of Money”**



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Financial Figures 2019

«SIX continues to invest and lays the foundations for further growth»

Financial Figures 2019 (1/3)

SIX continues to invest and lays the foundations for further growth

	2019	Year-on-Year ¹
Total Operating Income	1,129.7 mCHF	1,115.8 mCHF 1.2%
Total Operating Expenses	-916.2 mCHF	-911.3 mCHF 0.5%
EBITDA	213.5 mCHF	204.5 mCHF 4.4%

Year-on-year **increase in total operating income** was mainly due to strong trading result and higher income in the Business Unit Banking Services, offsetting effects of mid-2018 price reductions in all Business Units.

Total operating expenses slightly increased after substantial investments in new products as well as expenses for regulatory projects. This was almost entirely compensated by efforts in enhancing efficiency in all business areas.

Accordingly, **EBITDA** grew by 4.4% to 213.5 mCHF compared to 2018.

Financial Figures 2019 (2/3)

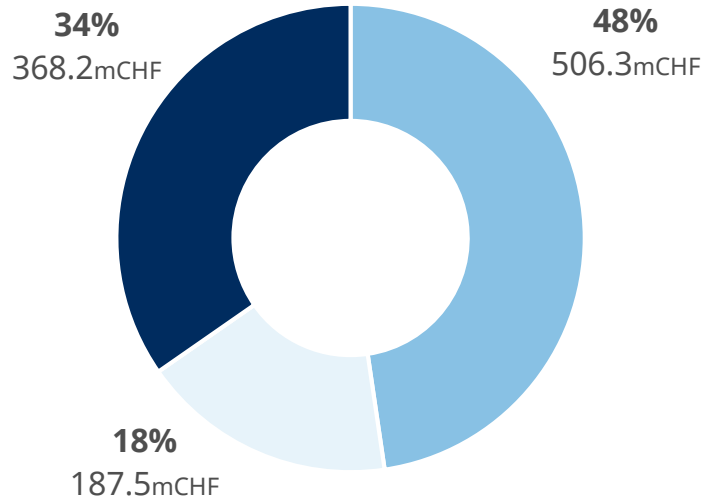
in mCHF	FY 2019	FY 2018 ¹	Δ
Total operating income	1,129.7	1,115.8	1.2%
Total operating expenses	-916.2	-911.3	0.5%
EBITDA	213.5	204.5	4.4%
Depreciation and amortisation	-90.1	-67.0	34.4%
Share of profit of associates	69.6	-6.4	n/a
Net financial result	-25.1	4.0	n/a
EBIT	168.0	135.0	24.4%
Net interest and tax expenses	-47.5	-40.0	18.6%
Profit for the period from continuing operations	120.5	95.0	26.9%
Group net profit	120.5	2,882.7²	n/a
Workforce (FTE)	2,593.4	2,474.0	4.8%
Equity ratio (%)	87.6	81.9	5.7pp
Ordinary dividend per share (CHF)	3.90	4.10	-4.9%

- 1 Through a **stable income development and efforts to enhance efficiency** in all Business Units, SIX made way for investments in highly relevant projects like SIX Digital Exchange and the ramp-up of Banking Services as well as the tender offer for BME.
- 2 The steep year-on-year increase in **share of profit of associates** stems from the participation in Worldline. As an effect of the equity collar transaction, a contingent cash consideration with Worldline was waived, resulting in a one-time negative impact on **net financial result**.
- 3 **EBIT** and **profit for the period from continuing operations** increased mainly due to the positive contribution of the Worldline participation.

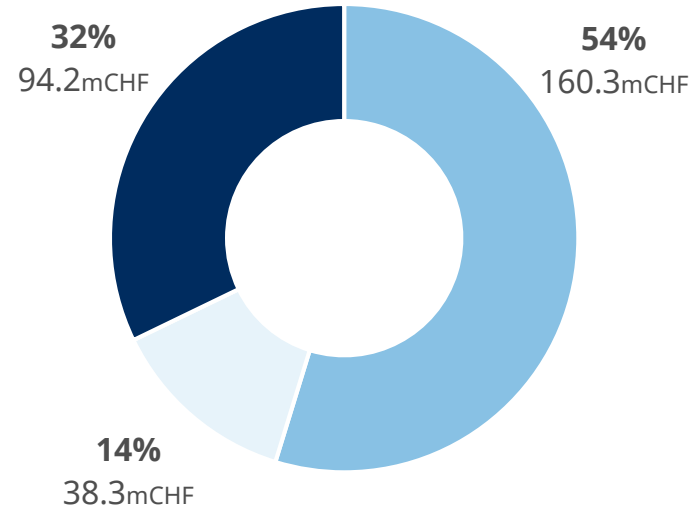
Financial Figures 2019 (3/3)

Total Operating Income and Profit Contribution by Business Unit

Total Operating Income



Profit Contribution



Securities & Exchanges

Banking Services

Financial Information

Securities & Exchanges – Financials and Business Highlights

- ➔ **7 Listings** with aggregated transaction volume of CHF 3.1 billion ranking **SIX as number 4 in Europe**, with **Medacta Group SA** (1,922), **Stadler Rail AG** (4,310), **Alcon Inc.** (28,369)¹ being the largest
- ➔ In June **SMI** breaks through the **10,000 point mark** for the first time
- ➔ With **1,500 ETFs listed**, SIX ranks among top 3 ETF venues in Europe
- ➔ **#1 in Global Custodian Survey** with the **highest score of all times**
- ➔ SIX Digital Exchange **launched DLT-based** trading and settlement **prototype**

Financial Figures (in mCHF)

	2019	Δ 2018
Total operating income	506.3	1 -1%
Total operational expenses	-346.0	2 8%
Profit Contribution	160.3	-17%

Business Figures

	2019	Δ 2018
Trading turnover (bnCHF)	1,477.0	1 8%
SLI Market Share (% , avg.)	85.6	3 15pp
Deposit Volume (bnCHF, avg.)	3,414.0	4 5%

- 1** Year-on-year decrease in operating income mainly due to **mid-2018 price reductions** which were partly offset by a **strong trading year** and effects of the EU Equivalence decision
- 2** Higher expenses due to **larger investments** such as SIX Digital Exchange

- 3** **SLI Market Share increased** from already high levels above 71% in H1 to close to 100% after EU Equivalence decision in H2
- 4** **Strong SMI and MSCI** (SMI +996 index points above previous year on average) affected national and international deposit volume positively

Banking Services – Financials and Business Highlights

- ➔ eBill ecosystem introduced a new network partner business model **open to 3rd parties** which will **foster competition and innovation**
- ➔ **Visa Debit / Debit Mastercard** on track to be **launched in 2020**
- ➔ **National Cash scheme launched** with the aim to create a general standard for cash transactions
- ➔ **ATM migration** progressing well (> **4,000** ATMs run on ATMfutura)
- ➔ Obtained broad support from senior stakeholders across the Swiss Financial Center to **pursue a Swiss Payments Vision**

Financial Figures (in mCHF)	2019	Δ 2018	Business Figures	2019	Δ 2018
Total operating income	187.5	1 20%	Number of Cards (m)	10.4	2%
Total operational expenses	-149.2	2 26%	ATM and cards transactions (m)	1,254	7%
Profit Contribution	38.3	1%	eBill transactions (m)	25.1	3 14%

1 Year-on-year increase, despite price discounts, mainly due to **SECB acquisition** and higher income from **eBill & Direct Debit**

2 Higher expenses resulted from **business ramp-up**

3 Driven mainly by **increasing adoption of digitalized billing** by customers and **eBill product improvements**

Financial Information – Financials and Business Highlights

- ➔ Best quality financial data: 7 prestigious industry awards were received – **Best Corporate Actions Data provider award** was granted for the **10th year in a row**
- ➔ Extended global data coverage through new **data partnerships** with solution providers
- ➔ Sanctioned Securities Monitoring Service business **grew by 65% year-on-year**
- ➔ **7 more distributors** signed to the **RegHub platform** providing **regulatory data** and **30m documents** from **950 manufacturers** covering **6.5m active financial instruments**
- ➔ SIX, the leading index provider for the Swiss market, licensed **SARON** as **underlying for futures** contract to **more than 100 national and international customers**

Financial Figures (in mCHF)	2019	Δ 2018	Business Figures	2019	Δ 2018
Total operating income	368.2	1 -7%	No. of financial instruments (m)	29.7	2 -8%
Total operational expenses	-274.0	-5%	Price updates per second (avg.)	138,292	2%
Profit Contribution	94.2	-13%			

1 Year-on-year decrease in operating income mainly due to granted **mid-2018 price discounts** as well as negative **FX effects**

2 The **number of financial instruments** on the database has decreased due to **quality improvement** efforts and cleanup on long outdated and un-used items

Selected Innovation Highlights in 2019

With **SIX Digital Exchange** or the **Swiss Payments Vision**, SIX is investing in major initiatives today that will substantially strengthen the competitiveness of the Swiss Financial Center tomorrow.



Moreover, the **Innovation & Digital** business unit coordinates innovation processes within SIX and focuses on projects and initiatives the entire ecosystem benefits from, such as:

- ➔ **SIX Rating** onboarded 14 clients on the rating testing platform in Q4 2019
- ➔ Publication of **3 white papers: “Future of the Securities Value Chain”, “Future of Money” & “Future of Financial Information”**. The studies show potential scenarios of the future
- ➔ **SIX FinTech Venture Fund** screened more than 1,000 investment cases and invested into the most promising start-ups in 2019 like PXL Vision or Tradeplus24
- ➔ Second **SIX Innovation Day** took place with more than 400 clients, customers and visitors, facilitating ideation, showcased new services and products and connected stakeholders
- ➔ F10 opens up **presence in Singapore** and attracted the highest number of participants at the **F10/SIX Hackathon in Zurich and Singapore** so far

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Outlook

«SIX is excellently positioned to further create long term values through innovation for the Swiss financial center.»

SIX 2020 and Beyond

SIX is a different company than two years ago: smaller, more agile and more innovative



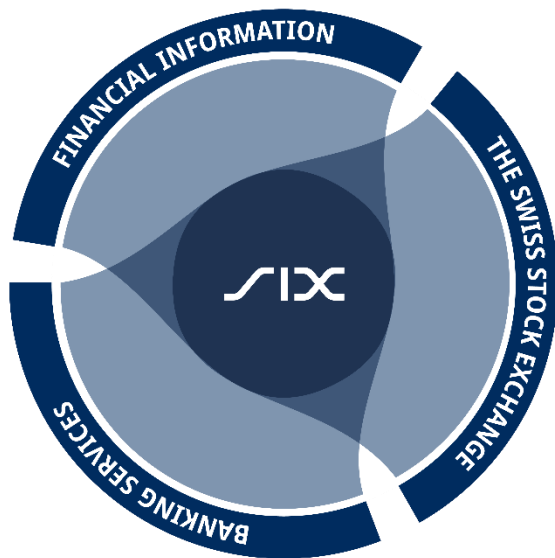
Investment in Worldline remains strategically relevant and enables SIX to participate in the growing importance of payment traffic services

Appendix

SIX Strategy

Driving the Transformation of Financial Markets as a Fully Integrated Company

SIX aims not only at fulfilling its task as a financial market **infrastructure provider** for the Swiss Financial Center, but also at generating sustainable profit.



THE SWISS STOCK EXCHANGE

SIX is running one of **Europe's leading listing and trading venues** with a post-trade powerhouse serving Swiss and international clients. SIX is becoming the worldwide leading marketplace for **digital assets**.

FINANCIAL INFORMATION

SIX is a **global data provider** with a leading position in **regulatory and compliance services**, pursuing a **growth strategy** in selected major markets.

BANKING SERVICES

SIX offers **leading payment and other banking services**. SIX provides thought leadership and **innovation initiatives** to the Swiss payments sector in order to foster banks' and other business models.

All-Cash Tender Offer for BME

Combining local vertically-integrated champions to create a top-3 European market infrastructure group



- 1 Top-3 European & Top-10 Global exchange group
- 2 Diversified group with global reach
- 3 Complementary vertically-integrated groups enhancing respective domestic market strengths
- 4 Significant benefits for each partner's ecosystem
- 5 Increased combined future strategic optionality and flexibility

Offer Highlights

-  Tender offer for 100% of the share capital
-  € 34 price per share
-  Implied total equity value of € 2.8bn
-  Expected Closing in H1 2020
-  Request for authorization of offer has been filed

On the All-Cash Tender Offer for BME

SIX plays an active role in the consolidation of Europe's infrastructure landscape

Key Transaction Terms

- On 18 November 2019 SIX announced that it intends to make an all-cash voluntary tender offer for Bolsas y Mercados Españoles ("BME"), operator of the Spanish stock exchanges and cornerstone of the Spanish markets
- All-cash voluntary tender offer for 100% of the share capital of BME for EUR 34.00 per share, implying a total equity value of EUR 2,843 million¹ (CHF 3,108 million²) (the "Offer")
- The Offer represents a premium of 47.6% over BME's 6-month volume weighted average share price and 33.9% over its closing price of EUR 25.40 on 15 November 2019

Strategic Partnership

- Overall goal is to create the 3rd-largest European financial market infrastructure group
- SIX expects to keep BME's stand-alone listing in the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges
- The combined business will continue to focus on meeting the needs of both BME's and SIX's customers and regulators

Rationale

- BME and SIX have comparable, vertically-integrated and diversified, profitable, business models, operating along the entire value chain (pre-trade, trade, post-trade).
- Through the proposed combination, BME and SIX together would become the 3rd-largest financial market infrastructure group in Europe, creating an entity with the scale to pursue more ambitious growth opportunities and strategic initiatives.

Thank you for your attention

We are looking forward to answering your questions