



Full-Year 2020 Financial Results

SIX Demonstrates Operational Stability
and Strengthens the Competitiveness of
the Financial Center

17 March 2021



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Jos Dijsselhof, CEO

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Jos Dijsselhof, CEO

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Business Highlights 2020

2020 – Highlights in a Challenging Year



SIX

Company

- BME Acquisition
- Significant Investments in Efficiency, Stability, Security and Reliability of our Infrastructures
- SIX Digital Exchange (SDX)
- Commitment in Worldline (Ingenico)
- Impact of COVID-19



Securities & Exchanges

- Two Listings on Primary Market in CH: Ina Invest and V-Zug
- Nine Listings on Primary Market in ESP
- Stability despite High Levels of Market Volatility
- Investment in 12H, Europe's largest microwave network
- New Triparty Agent to Enhance Collateral and Liquidity Management



Financial Information

- Significant Growth in Indices, Tax and Regulatory Segments
- SARON Launch as Libor Replacement
- New Product Launches including SIX Tax Score
- Regulatory Services Enhanced with Expansion to SIX Sanctions Monitoring Service and Launch of CSDR and PRI Regulatory Services



Banking Services

- Rollout New Generation Debit Cards with Improved Security and Functionality
- Launch b.Link Open-Banking Platform
- Migration of Postfinance to eBill Platform
- Launch of Digital QR-Bill
- Completion ATM Futura Project – Standardization of ATM Software for 6,000 ATMs

Summary of Full-Year 2020 Financial Results

Financial results of BME since closing are included in SIX Full-Year 2020 Financial Results¹

Operating Income



1'375.9 mCHF / YoY +21.8%

Adj. 1'179.3 mCHF / YoY +4.4%

Besides the **additional revenue from BME** since the closing in June, **strong trading results** from the SIX Swiss Stock Exchange more than compensated for a decrease in some business areas that were negatively impacted by COVID-19.

EBITDA



368.9 mCHF / YoY +72.8%

Adj. 248.0 mCHF / YoY +16.1%

By realizing **efficiency gains**, operating expenses could be **kept at a similar level** to last year despite the impact of extraordinary items, such as expenses related to the BME acquisition.

Group Net Profit



439.6 mCHF

Adj. 386.4 mCHF

Aside from the high operating performance, net profit was also significantly impacted by a **strong financial result**, which was mainly driven by a partial **divestment of the stake in Worldline** as well as an increase in Worldline's valuation.

2021 Investment Outlook



~200 mCHF

SIX will continue to invest strongly in the expansion of its reach, customers and product portfolio. While capitalizing on new **growth opportunities**, SIX will also further **improve efficiency** by investing into automatization and continuous process optimization.

(1) Closing of the acquisition was in June 2020. Slide also shows adjusted figures, i.e., financial results excluding BME contribution since closing.

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Financial Figures 2020

Despite Challenging Market Conditions, the Diversified Business Portfolio of SIX Allowed for a Solid Operational Performance in 2020

	FY 2020 (mCHF)	FY 2019 (mCHF)	
Total Operating Income	1'375.9	1'129.7	+21.8%
	Adj. 1'179.3 ²		+4.4%
Total Operating Expenses	-1'007.0	-916.2	+9.9%
	Adj. -931.3 ²		+1.7%
EBITDA	368.9	213.5	+72.8%
	Adj. 248.0 ²		+16.1%

Workforce:

3'529
FTE

Total Assets:

18'402
mCHF

Equity Ratio:

76.0%

i

The increase in **total operating income** by 21.8% was driven by two factors. First, the completed acquisition of BME added an additional revenue of 196.6 mCHF to the Group. Second, a strong trading result due to high market volatility and resulting trading volumes. These effects offset a drop in both card and ATM transactions.

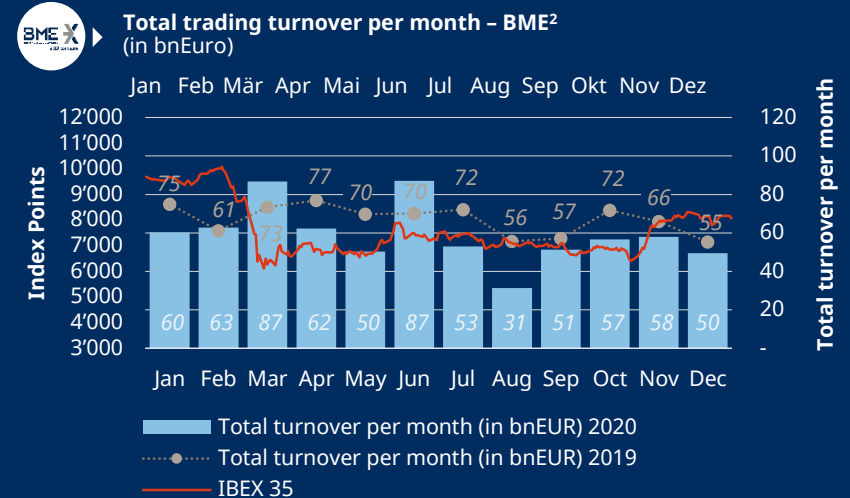
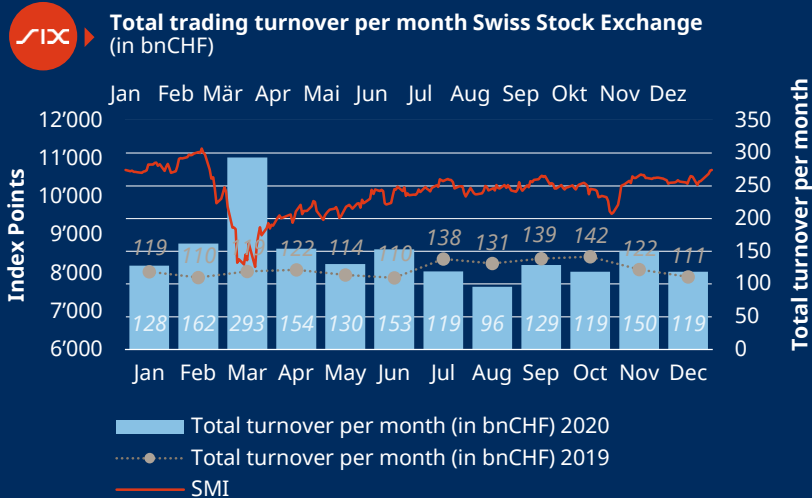
Due to the realization of efficiency gains in all business units, the year-on-year increase in **adjusted operating expenses** was limited to only 1.7%, despite extraordinary cost items such as expenses related to the BME acquisition as well as additional costs related to the higher trading volume.

As a result, **adjusted EBITDA** grew by 16.1% to 248.0 mCHF compared to 213.5 mCHF in 2019.

(1) SIX financial reporting includes BME results since closing in June. Any results of BME prior to the acquisition are not considered.

(2) Closing of the acquisition was in June 2020. Slide also shows adjusted figures, i.e., financial results excluding BME contribution since closing.

Impact of COVID-19 on Trading Business



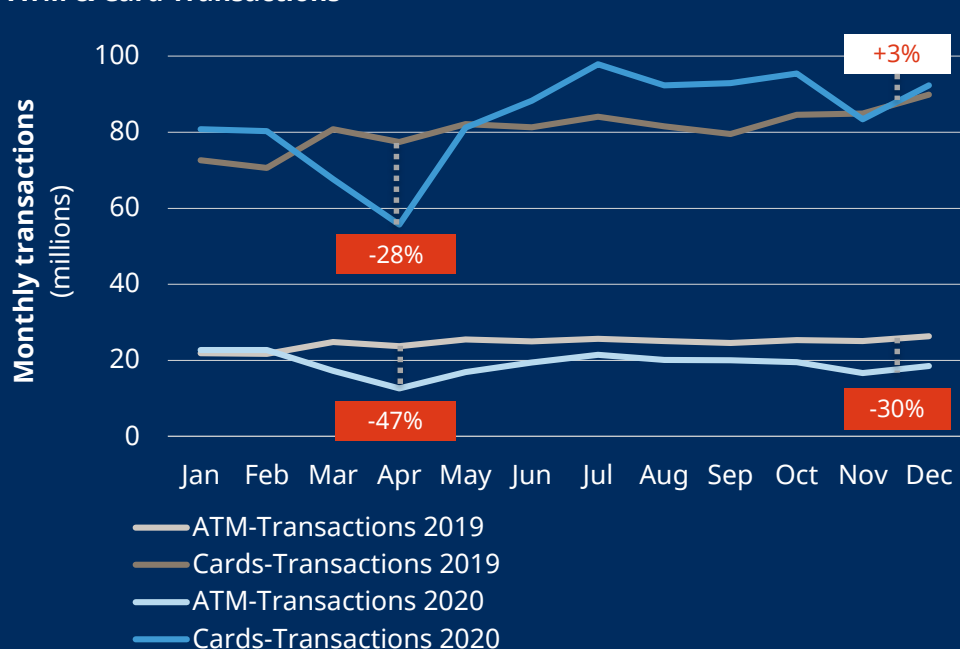
- The strong year-on-year increase in trading turnover was driven by a spike in volatility caused by the uncertainties around COVID-19 and the discontinuation of EU Equivalence as of July 2019¹.
- Despite a relaxation in trading volume during the summer months, SIX reached record-high annual volumes. This was mostly driven by the volumes registered in March, which was the month with the highest turnover ever recorded at the SIX Swiss Stock Exchange.
- Despite these all-time highs in volume, SIX as well as BME infrastructures remained available without any capacity or system issues.

(1) EU Equivalence was in place until 30 June 2019. Its discontinuation led to higher turnover at the Swiss Stock Exchange for the following 18 months.

(2) Turnover financials include the asset classes equity and fixed income. Derivatives are not included.

The Pandemic Caused a Shift in Consumer Payment Behavior, Greatly Affecting the ATM and Cards Business of SIX

ATM & Card Transactions



The COVID-19 pandemic has strongly affected consumer payment behavior and has likely accelerated the adaptation of digital payment solutions:

- › The number of ATM & card transactions dropped by almost 50% and 30%, respectively, as a result of the COVID-19 measures mandated in March.
- › ATM transactions remained below the pre-COVID-19 level. However, card transactions recovered quickly, exceeding previous year's numbers especially during the time between the first and second Corona waves in Switzerland.
- › The figures from July to October might be an indication for a sustainable change in consumer payment behavior after the restrictions related to COVID-19 are lifted.

Group Net Profit Was Strongly and Positively Impacted by the Partial Divestment of the Worldline Stake

- 1 EBITDA increased significantly versus prior year due to the inclusion of **BME results** as well as **increased trading turnover**. Efficiency gains partially offset extraordinary cost items, such as M&A expenses related to the BME acquisition.
- 2 The year-on-year decrease in share of profit of associates was mostly driven by adverse developments in the **Worldline participation** as well as a partial **divestment in Worldline** by SIX.
- 3 EBIT was strongly impacted by a **positive net financial result**. This is mostly due to realized income resulting from the partial sale of Worldline shares held by SIX and an increased Worldline valuation due to the merger with Ingenico.
- 4 As a consequence of the improved operational results and favorable Worldline impact, **Group net profit grew substantially** compared to the previous year.

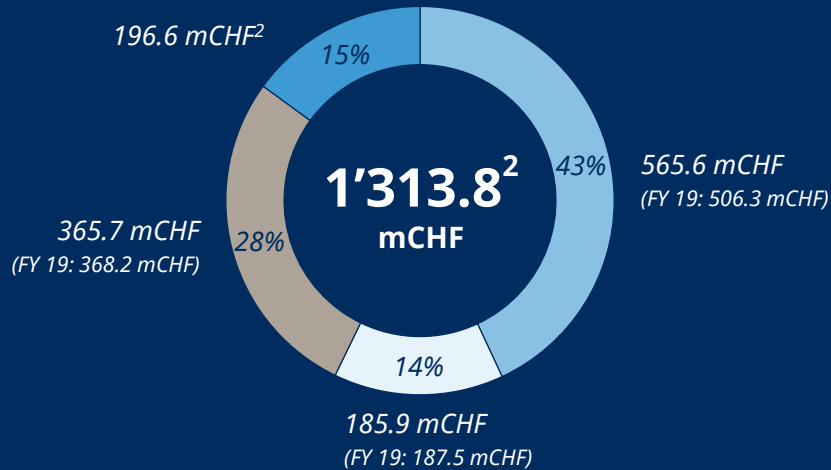
in mCHF	FY 2020 ¹	FY 2019	Δ
Total operating income	1'375.9	1'129.7	21.8%
Total operating expenses	-1'007.0	-916.2	9.9%
EBITDA	368.9	213.5	72.8%
Depreciation & amortization	-141.8	-90.1	57.4%
Share of profit of associates	15.7	69.6	-77.5%
Net financial result	273.8	-25.1	n/a
EBIT	516.6	168.0	n/a
Net interest and tax expenses	-77.1	-47.5	62.3%
Group net profit	439.6	120.5	n/a
	31/12/2020	31/12/2019	
Dividend paid per share (CHF)	4.3	3.9	10.3%
Pay-out ratio ²	65%	65%	0pp

(1) SIX financial reporting includes BME results since closing in June. Any results of BME prior to the acquisitions are not considered.

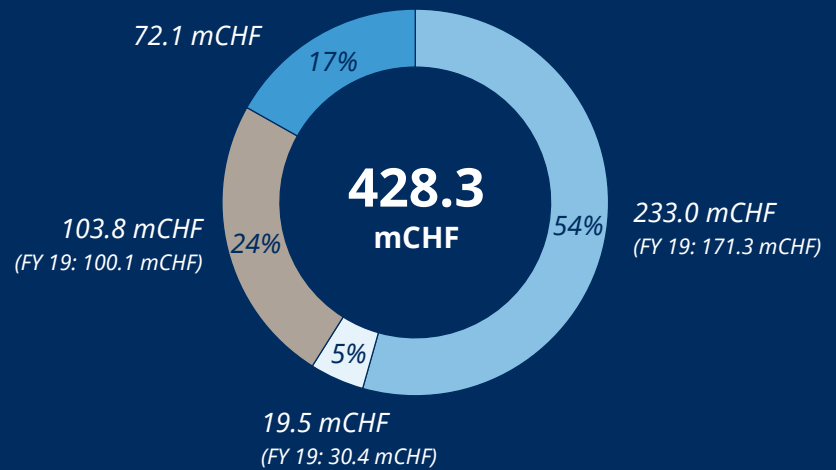
(2) According to the dividend policy, the distribution is based on the reported Group net profit without effects from the participation in Worldline.

Total Operating Income and Profit Contribution by Business Unit (excl. Corporates)

Total Operating Income¹



Profit Contribution^{1;3}



■ Securities & Exchanges

■ Banking Services

■ Financial Information

■ BME

(1) Other revenues (Corporates) are not included. SIX financial reporting includes BME results only since closing in June 2020.

(2) If BME had been acquired on 1 January 2020, the revenue reported under SIX would have been 138.8 mCHF higher.

(3) Profit contributions include only costs that can be influenced and controlled by the reportable segments (e.g., excludes fees from corp. functions).

Securities & Exchanges

- > **Two IPOs** on primary markets: Ina Invest and V-ZUG. **Capital increases** by listed companies amounted to just under 6 bn CHF, demonstrating the solid financing ability of the Swiss Stock Exchange even in times of market uncertainty.
- > A further 88.1 bn CHF in capital (+13.2% YoY) was raised through **bond issues**.
- > On the secondary markets, with high levels of market volatility, the Swiss Stock Exchange registered an **increase in trading turnover** of 18.7% (+55.3% YoY).
- > The **suspension of EU equivalence** since July 2019 continued to drive consolidation of trading in Swiss equities at SIX.
- > Higher trading activity led to increasing **clearing and settlement** transactions, compensating pull back on **custody volume** due to temporarily lower SMI levels.

Financial Figures (in mCHF)	FY 2020	Δ 2019
Total operating income	565.6	12%
Total operating expenses	-322.9	0%
Depreciation, amortization & impairm.	-9.7	-25%
Profit contribution	233.0	36%

Business Figures	FY 2020	Δ 2019
Trading transactions (m)	99.4	55%
Market share in SLI stocks (%; average)	99.9	17%
SMI (%) ; average)	10'031	2%

Bolsas y Mercados Españoles (BME)

Financial Figures (in mCHF)	FY 2020	Δ 2019
Total operating income	196.6	n/a
Total operating expenses	-75.7	n/a
Depreciation, amortization & impairm.	-48.9	n/a
Profit contribution	72.1	n/a

Financial figures only since closing of acquisition

Business Figures	FY 2020	Δ 2019
Equity trading transactions (m)	55.7	50%
ETF turnover (bn EUR)	2.5	48%
Raised in capital increases (bn EUR)	15.7	18%

- In the year under review, companies raised 15.7 bn EUR on Spain's stock markets through **capital increases**, 17.5% more than in the previous year.
- **Trading** on the stock exchange was characterized by a high level of volatility as a result of the pandemic.
- The **IBEX-35** reached a high of 10'083 points on 19 February and a low of 6'107 points a month later (16 March). The number of **stock market transactions** rose by 50% year on year.
- On the "**BME Growth**" **SME equity market** (the EU label for SME growth markets replaces the previous name "MAB"), BME listed nine new entrants.

Banking Services

- Rolled out the first new generation of **debit cards** with improved security and functionality (incl. online purchases).
- Launched **b.Link** open-banking platform to provide standardized interfaces and to enable innovative partnerships between financial institutions and third-party providers.
- Further developed **eBill platform** with the migration of Postfinance bank customers and the extension of new eBill features (incl. look-up function for billers).
- Coordinated the development and launch of the digital **QR-bill** jointly with partners.
- Completed **ATM Futura** project which achieved standardization of ATM software for close to 6,000 ATMs.

Financial Figures (in mCHF)	FY 2020	Δ 2019
Total operating income	185.9	-1%
Total operating expenses	-149.1	6%
Depreciation, amortization & impairm.	-17.4	7%
Profit contribution	19.5	-36%

Business Figures	FY 2020	Δ 2019
Number of cards (avg.; '000)	10'602	3%
Processing transactions (m)	1'236	-1%

Financial Information

Financial Figures (in mCHF)	FY 2020	Δ 2019
Total operating income	365.7	-1%
Total operating expenses	-252.4	-3%
Depreciation, amortization & impairm.	-9.4	33%
Profit contribution	103.8	4%

Business Figures	FY 2020	Δ 2019
No. of financial instruments (m)	34.5	16%
Price updates per second (avg; '000)	185	34%

- Financial Information maintained **service and stability** throughout the pandemic.
- **Significant growth achieved** in the Indices, Tax and Regulatory segments.
- **SARON** gained strong traction as a Libor replacement in the market.
- Successful **new product launches** including SIX Taxscore.
- **Regulatory services were enhanced** with expansions to **SIX Sanctions Monitoring Service** and the launch of **CSDR and PRI** regulatory services.
- Significant **data coverage improvements** in fixed income and derivatives.

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Outlook



**OUR
INDUSTRY
IS GROWING**

Financial Market Infrastructures...

... have been growing at **5% globally**, and at **3% in Europe** since 2012 annually.

... are being consolidated globally as we speak.

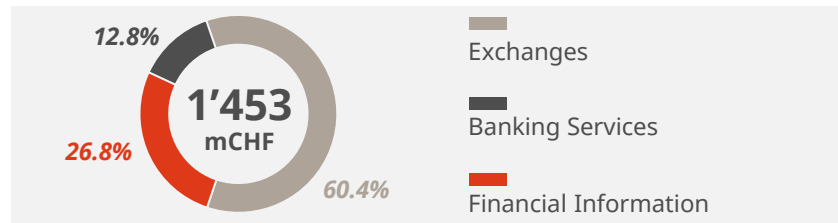
**SIX is actively taking part in
this growth and consolidation.**

The Combined Group Has Significant Growth and Synergy Potential and Ensures a Strong Market Position in a Competitive and Consolidating Market.

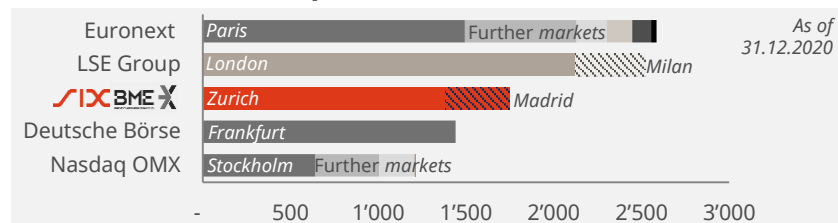
Advantages of the combined Group

- 1 DIVERSIFICATION**
 - Expansion of current offering into new fixed income- and derivatives products.
 - Diversification of geographical footprint and customer base.
- 2 SIZE**
 - Strengthening of competitive position in consolidating European FMI landscape.
 - More powerful platform with enhanced ability to capture larger strategic opportunities.
- 3 PROFITABILITY**
 - Streamlining of processes as well as cost and growth synergies to increase Group profitability.
 - Realization of economies of scale.

Pro-forma combined Group 2020¹



Free float market cap, in EUR bn



(1) Pro-forma financials reflect the aggregated SIX 2020 revenue and full year 2020 BME revenue (excl. corporate functions and consolidation) to show an aggregated full-year picture of the combined group. Please note that actual closing of the acquisition was in June 2020, hence, BME result before closing is not reported under the SIX Group.

Outlook 2021

Market Development

Continued elevated market uncertainty expected



COVID-19 significantly increased uncertainty and exerted great pressure on the global capital markets infrastructure (CMI) and tested its capacity and reliability. Uncertainty levels are expected to remain elevated in the near future.



Ongoing consolidation of an attractive industry



The market for CMIs is highly attractive, but also driven by economies of scale, platform synergies and margin pressure. As a result, the growing industry is experiencing a strong trend towards consolidation.



Technological change accelerated (by COVID-19)



Changing customer behavior, increasing strength of platforms and the rise of integrated synergies make technological leadership an increasingly important competitive differentiator within the CMI industry.



EU Non-Equivalence / BREXIT



The ordinance remains in force in the European Union. As a direct consequence of BREXIT and the United Kingdom having left the European Union, trading in Swiss equities on UK exchanges has been resumed since 3 February 2021.



SIX Measures in 2021

SIX ensures a stable infrastructure and reliable services

- With uncertainties expected to remain high, SIX continues to invest in the stability and reliability of its infrastructures and markets

SIX drives forward with its growth strategy

- By continuously fostering organic growth across its business areas, i.e. ESG area, SDX, Swiss Payment Vision, Swiss cash ecosystem
- By considering potential national and international acquisitions or partnerships

SIX invests heavily in new technologies and solutions

- Project volume of almost 200 mCHF for 2021 to heavily invest into new technologies and solutions to cater SIX's customers' needs.
- SIX continuously expands its reach and product portfolio with innovative solutions (i.e. SDX, F10, b.Link, etc.)

SIX welcomes competition with UK MTFs

- And strives to maintain a market share of over 70% in the trading of Swiss shares.
- SIX offers the deepest, most liquid and least expensive market for Swiss shares and offers great liquidity and tight spreads

Thank You for Your Attention!

We are looking forward to answering your questions

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