



# Full-Year 2023 Financial Results

SIX with Strong Operational Performance For 2023 – Reported  
Group Net Result Affected By Non-Cash Value Adjustments

13 March 2024

# Agenda

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Jos Dijsselhof, CEO
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Daniel Schmucki, CFO
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Jos Dijsselhof, CEO
- 4 — **Q&A**

# Business Performance & Highlights

# SIX with Strong Operating Performance – Reported Group Net Result Affected By Non-Cash Value Adjustments

**CHF 1,526.0 mn**

Total operating income  
+2.1% YoY | +3.5% YoY at const. ex. rates

**CHF 413.4 mn**

EBITDA  
+4.0% YoY | +6.7% YoY at const. ex. rates

**CHF 181.1 mn**

Adjusted Group net result  
Group net result CHF -1,006.2 mn

**A**

S&P Rating  
Outlook negative

**4,024**

Employees (FTEs)  
+2.9% YoY

**CHF 5.20**

Dividend per share  
+2.0% YoY

2023

# SIX Grew Its Global Presence and Partner Network, and Continued Investing in New Technologies and Innovations



## Exchanges

*Third-largest stock exchange group in Europe*

- **10 companies listed** their shares on **SIX Swiss Exchange**, including the first Special Purpose Acquisition Company (SPAC), R&S group.
- **10 companies listed** their shares on **BME growth**. In addition, **BME Scaleup** was launched, aimed to complement companies' support throughout their entire life cycle.
- **World's first digital bond issued** on a regulated DLT-based financial market infrastructure settled against a wholesale CBDC on **SDX**.



## Securities Services

*Unbeatable post-trade services from A to Z*

- **Growing central securities depositories**, whereby average deposit volumes were up 3.3% in Switzerland and 2.5% in Spain.
- SIX SIS partnered with Piraeus Bank by taking over the custody of international assets, enhancing its **global network**.
- SIX Clearing continued its diversification efforts with the regulatory approval of the new **Digital Assets Derivatives Segment**.
- First phase of the **Swiss Registration and Proxy Voting** service successfully implemented.



## Financial Information

*Data you trust*

- With **SIX cloud connectivity** through SIX Connect and the Web API, SIX offers access to a wide range of real time and historical data with cross-asset class and global coverage.
- Extended **Swiss equity ESG indices** offerings and the **launch of the BME IBEX® ESG** index family to promote sustainable financial markets.
- Introduced new innovative proposition with the **corporate actions bot & calendar**, allowing clients to reliably track and monitor upcoming corporate actions.



## Banking Services

*Smooth payment transactions*

- Launched the new **SIC5 platform** pioneering instant payments in Switzerland.
- **bLink** added 15 new participants, solidifying its standing as the leading Swiss open finance platform.
- The **debiX+** app for debit cards has proven very popular, reaching 0.8 million users and receiving high ratings from consumers.
- **eBill** expanded at a rapid pace, with half of Swiss households using the digital platform to pay and manage their digital invoices.

# BME Plays a Crucial Role in the Operational and Financial Success of SIX

## Key Highlights of BME Today



### Strong footprint in EU

Cornerstone of the Spanish capital market infrastructure



### Attractive business mix

Equities, fixed income, derivatives, indices, cross-collateral mgmt.



### Leading exchange venue

No. 1 European exchange by # of listed companies

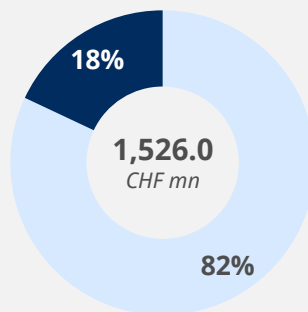


### Adjacent growth services

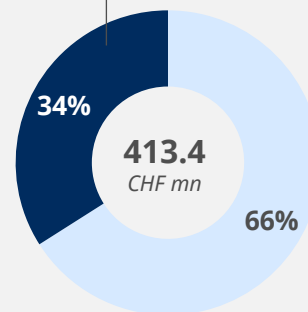
Trade repository (REGIS-TR), ESG IBEX indices family

## BME Financial Contribution to SIX Financial Profile in 2023

Total operating income



EBITDA



In 2023, **BME once again made a substantial contribution** to the strong financial performance of SIX, generating 18% of the Group's total revenue, 34% of the Group's total EBITDA for 2023.

# Financial Results 2023

# SIX Closes 2023 With Strong Operating Results by Further Growing Its Underlying Business

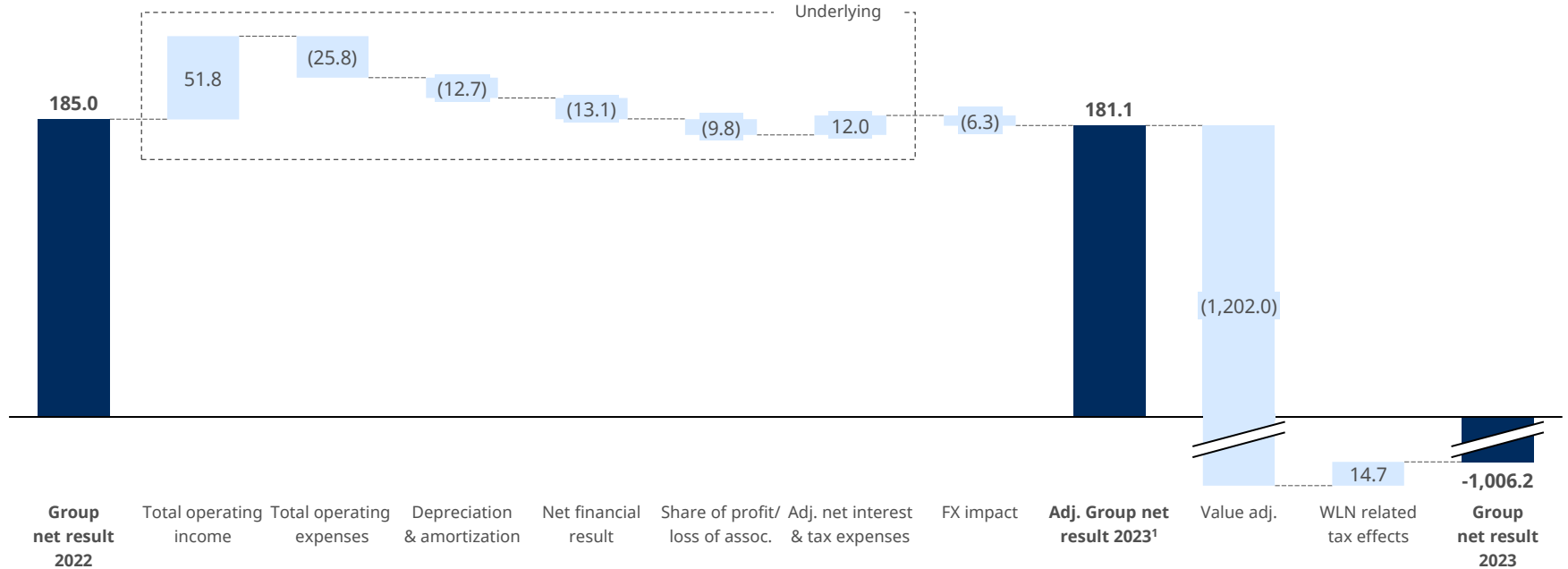
CHF million	FY 2023	Change rep. curr.	Change const. ex. rates
<b>Total operating income</b>	<b>1,526.0</b>	<b>+2.1%</b>	<b>+3.5%</b>
<b>Total operating expenses</b>	<b>-1,112.5</b>	<b>+1.5%</b>	<b>+2.4%</b>
<b>EBITDA</b>	<b>413.4</b>	<b>+4.0%</b>	<b>+6.7%</b>
<b>EBITDA Margin</b>	<b>27.1%</b>	<b>+0.5pp</b>	<b>+0.8pp</b>



- Despite the challenging market environment, SIX delivered continued business growth, benefiting from its **diversified business model and expanded global presence**.
- Increased **total operating income** driven by higher interest income and larger repo volumes in Securities Services, strong sales in Financial Information, and expanded revenues from debit and mobile services in Banking Services. By contrast, Exchanges affected by lower trading volumes, and net interest income at SECB in Banking Services was dampened by higher interest paid to depositories.
- **Total operating expenses** increased below inflation by a modest 1.5% and EBITDA increased by 4.0% (6.7% at const. ex. rates).



# Non-Cash Value Adjustments in Connection With Worldline and BME Have Negatively Impacted SIX Group Net Result



(1) 2023 adjusted by a value adjustment in Worldline (CHF 862.3 million) less tax effect (CHF -14.7 million) and an impairment of goodwill of BME Group (CHF 339.6 million).

# Excluding Value-Adjustments and at Constant Exchange Rates, SIX Outperforms Previous Years Net Result by 1.3%

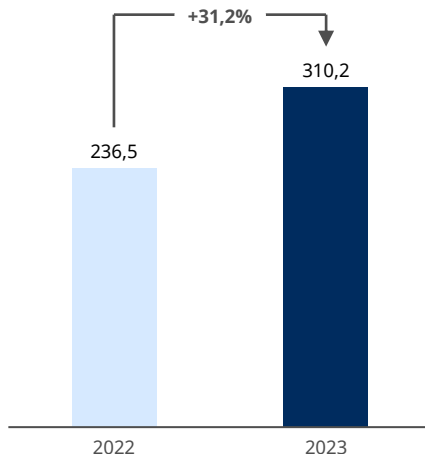
- **Two non-cash value adjustments** led to negative earnings before interest and tax (EBIT) of CHF -975.0 million:
  - 1 As a result of increased discount rates as well as lower trading volumes in Spain and across Europe, the goodwill attributed to BME had to be adjusted by CHF 339.6 million.
  - 2 On the back of the share price decline at Worldline, SIX adjusted the value of the 10.5% stake in Worldline by CHF 862.3 million.<sup>1</sup>
- Excluding value adjustments and including the associated positive tax effects of CHF -14.7 million, **Group net result** would have been CHF 181.1 million, -2.1% compared to previous year. At constant exchange rates SIX would have outperformed previous year's group net result by 1.3%.

<i>CHF million</i>	<b>FY 2023</b>	<b>FY 2022</b>	<i>Change rep. curr.</i>	<i>Change const. ex. rates</i>
Total operating income	1,526.0	1,494.1	+2.1%	+3.5%
Total operating expenses	-1,112.5	-1,096.4	+1.5%	+2.4%
<b>EBITDA</b>	<b>413.4</b>	<b>397.7</b>	<b>+4.0%</b>	<b>+6.7%</b>
Depreciation, amortization & impairment	-526.3	1	+196.6%	n/a
Net financial result	-763.5	2	n/a	n/a
Share of profit or loss of associates	-98.6	21.6	n/a	n/a
<b>EBIT</b>	<b>-975.0</b>	<b>243.9</b>	<b>n/a</b>	<b>n/a</b>
Net interest and tax expenses	-31.2	-59.0	-47.1%	-46.1%
<i>Adjusted net interest and tax expenses</i>	<i>-45.9</i>	<i>-59.0</i>	<i>-22.2%</i>	<i>-20.8%</i>
<b>Group net result</b>	<b>-1,006.2</b>	<b>185.0</b>	<b>n/a</b>	<b>n/a</b>
<i>Adjusted group net result</i>	<i>181.1</i>	<i>185.0</i>	<i>-2.1%</i>	<i>+1.3%</i>

(1) As the Worldline stake of SIX is reported at equity method, the share of profit or loss of associates includes 10.5% of Worldline's 2023 net result, whereby the remainder of the value adjustment is allocated to the Net financial result.

# Capital Position of SIX and Free Cash Flow Generation Remain Strong

**Free Cash Flow**  
in CHF million



- The value adjustments did not affect the **strong free cash flow** generation in 2023, which increased by 31.2% compared to 2022.
- The **capital position of SIX remains strong**. The company's equity ratio at year-end after value adjustments amounts to 64.2%, with a net leverage ratio of 1.5x EBITDA.
- For 2023, the Board of Directors recommends that the Annual General Meeting approves an **ordinary dividend per share** of CHF 5.20 (CHF 5.10 in 2022), representing an adjusted pay-out ratio of 59%<sup>1</sup>.

**64.2%**

Adj. Equity Ratio<sup>2</sup>  
-1.7pp YoY

**1.5x**

Net Debt to EBITDA  
-0.2pp YoY

**A**

S&P Rating  
Outlook negative

(1) Dividend distribution is based on reported Group net result excluding non-cash result contributions and value adjustment in the context of the participation in Worldline and impairment of goodwill of BME. (2) Adjusted equity ratio = equity / adjusted liabilities + equity as at the balance sheet date.

# SIX Continues to Leverage Its Diversified Business Model, With Securities Services Being the Largest Contributor

**Business Unit**  
in CHF million excl. Corporate Functions



**Exchanges**



**Securities Services**



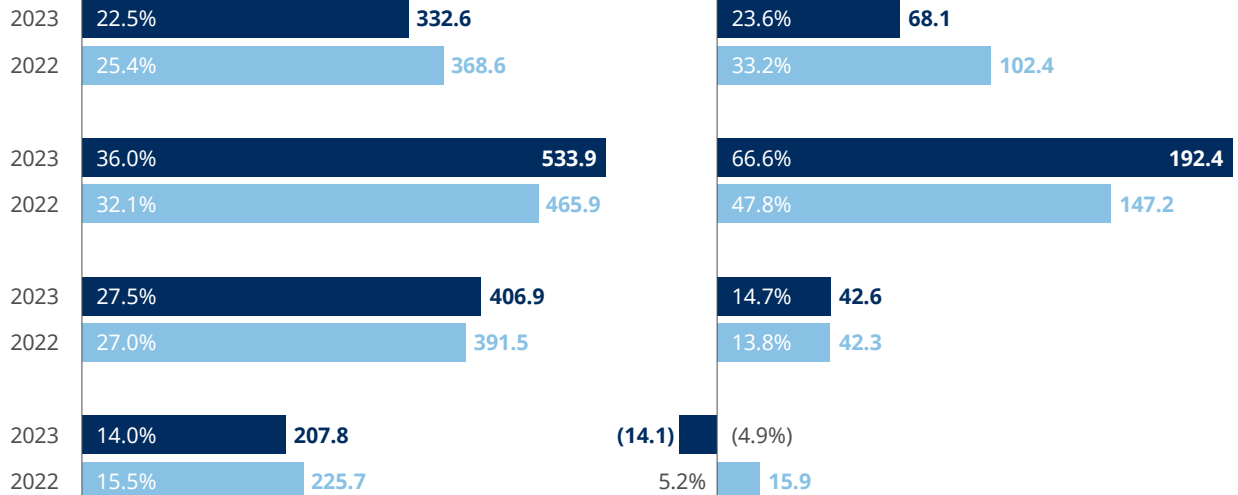
**Financial Information**



**Banking Services**

## Operating Income Contribution

## Profit Contribution



# Exchanges

<i>CHF million</i>	<b>FY 2023</b>	<b>FY 2022</b>	<i>Change</i>
Total operating income	332.6	368.6	-9.8%
<i>Growth rate at const. ex. rates</i>			-8.3%
Total operating expenses	-250.5	-249.7	+0.3%
<b>EBITDA</b>	<b>82.1</b>	<b>118.9</b>	<b>-31.0%</b>
<i>EBITDA-Margin</i>	24.7%	32.3%	
Depreciation, amortization & impairment	-14.0	-16.5	-15.4%
<b>Business unit profit</b>	<b>68.1</b>	<b>102.4</b>	<b>-33.5%</b>
<i>Profit-Margin</i>	20.5%	27.8%	
<b>Trading turnover CH</b> (CHF bn)	1,046.3	1,208.1	-13.4%
<b>Trading turnover ES</b> (EUR bn) <sup>1</sup>	301.6	362.5	-16.8%
<b>Market share CH</b>	66.7%	67.8%	-1.1 pp
<b>Market share ES</b>	57.0%	59.3%	-2.3 pp

(1) Equities only.

- Lower income in 2023 due to persistent headwinds in the European equity markets, leading to a **decade-low in both volatilities and trading volumes**.
- Despite peak in March, trading volumes and volatilities could not match previous year's levels, notably **affected by significant events related to the Ukraine conflict** in the first quarter of 2022.
- The **initial public offering (IPO) landscape on main markets** remained subdued in 2023. However, notable listings emerged, such as the Novartis spin-off Sandoz and the SPAC-formed R&S Group.
- Continued demand for the **Global Depositary Receipts (GDR)** program (8 Listings) as well as the **BME growth segment** (10 Listings) was recorded, powered by the introduction of the new segment **BME Scaleup**.

# Securities Services

<i>CHF million</i>	<b>FY 2023</b>	<b>FY 2022</b>	<i>Change</i>
Total operating income	533.9	465.9	+14.6%
<i>Growth rate at const. ex. rates</i>			+15.6%
Total operating expenses	-321.2	-308.6	+4.1%
<b>EBITDA</b>	<b>212.7</b>	<b>157.3</b>	<b>+35.2%</b>
<i>EBITDA-Margin</i>	39.8%	33.8%	
Depreciation, amortization & impairment	-20.3	-10.1	+100.4%
<b>Business unit profit</b>	<b>192.4</b>	<b>147.2</b>	<b>+30.7%</b>
<i>Profit-Margin</i>	36.0%	31.6%	
<b>Deposit volume CH</b> (avg., CHF billion)	3,825	3,702	+3.3%
<b>Deposit volume ES</b> (avg., EUR billion)	2,571	2,508	+2.5%
<b>Clearing transactions CH</b>	361	445	-18.9%
<b>Clearing transactions ES</b>	57	78	-26.3%

- Securities Services delivered a **very strong performance** driven by the introduction of new products and services, increased client acquisitions as well as favorable momentum across business lines.
- Especially international custody **expanded its global presence** and forged new partnerships. Additionally, and by leveraging the favorable interest rate environment, the management of cash reserves and client collaterals was successfully converted into additional income.
- Strong **income growth** in the securities finance area, supported by a strong **repo market** underscoring its positive development throughout 2023.
- Growing **central securities depositories volumes** up 3.3% in Switzerland and 2.5% in Spain, whereby clearing transactions declined due to reduced trading volumes on connected platforms.

# Financial Information

<i>CHF million</i>	<b>FY 2023</b>	<b>FY 2022</b>	<i>Change</i>
Total operating income	406.9	391.5	+3.9%
<i>Growth rate at const. ex. rates</i>			+6.5%
Total operating expenses	-351.9	-336.6	+4.6%
<b>EBITDA</b>	<b>55.0</b>	<b>54.9</b>	<b>+0.2%</b>
<i>EBITDA-Margin</i>	13.5%	14.0%	
Depreciation, amortization & impairment	-12.4	-12.5	-1.1%
<b>Business unit profit</b>	<b>42.6</b>	<b>42.3</b>	<b>+0.6%</b>
<i>Profit-Margin</i>	10.5%	10.8%	

- Financial Information continues to advance its **growth trajectory across the entire product range**, leveraging its attractive recurring revenue model.
- The **core business** maintained a robust sales pipeline, complemented by favorable revenue streams from **Sanction Services and Indices**. The latter benefited from the strong performance of Swiss indices and the introduction of new indices, including ESG and crypto indices.
- In addition to **launching innovative products**, the global footprint of the existing product range also increased through **new strategic partnerships** with multiple platform and distribution providers.
- As a **global player** with over half of its operating income generated outside of Switzerland, Financial Information was heavily exposed to the weakening of foreign currencies against the Swiss franc.

# Banking Services

<i>CHF million</i>	<b>FY 2023</b>	<b>FY 2022</b>	<i>Change</i>
Total operating income	207.8	225.7	-7.9%
<i>Growth rate at const. ex. rates</i>			-7.6%
Total operating expenses	-209.3	-196.3	+6.6%
<b>EBITDA</b>	<b>-1.5</b>	<b>29.3</b>	<b>-105.2%</b>
<i>EBITDA-Margin</i>	-0.7%	13.0%	
Depreciation, amortization & impairment	-12.6	-13.4	-6.1%
<b>Business unit profit</b>	<b>-14.1</b>	<b>15.9</b>	<b>-188.4%</b>
<i>Profit-Margin</i>	-6.8%	7.1%	
<b>Card transactions</b>	1,258	1,244	+1.1%
<b>SIC transactions</b>	968	944	+2.5%
<b>eBill transactions</b>	70	58	+20.6%
<b>ATM transactions</b>	195	216	-9.7%

- Despite strong customer and revenue growth in newly established business areas, **Swiss Euro Clearing Bank (SECB)** reports a decline in interest income attributed to rising interest rates in the **eurozone**.
- **Excluding SECB**, the Banking Services division would have demonstrated a **13.7% growth in business unit profit**, highlighting the robust operational performance across various ecosystems.
- Alongside the successful monetization of new products like **the debiX+ debit card app** or **eBill** as the Swiss households preferred billing solution, initiatives such as the launch of the instant payments platform **SIC5 were initiated in 2023**, enhancing the product portfolio and market presence.



# Outlook

# SIX Remains Committed to Its Growth Strategy and Continues to Invest in New Technologies and Innovations



- For 2024, SIX expects the **political and macroeconomic landscape to be similarly challenging** as in the previous year. Therefore, SIX places an extra premium on ensuring financial market efficiency, stability, and security.
- The medium-term goal of SIX is to **grow total operating income by > 3% p.a.** while extending profitability gains by unlocking further cost synergies and efficiencies.
- With its **diversified business model**, SIX is strategically well positioned to advance along its growth path. **Bolt-on acquisitions and partnering opportunities** will further strengthen this already strong portfolio.

# Q&A

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