



Driving the Transformation of Financial Markets

Half-Year Financial Results 2019

21 August 2019

Selected Business Highlights in 2019 to date

- After completing the strategic realignment last year, **a resized but more focused SIX** generated **CHF 551.7 million** in **operating income** and **CHF 99.9 million** in **EBITDA** in the first half of 2019
- Non-operating financial result was heavily influenced by the **27%-stake in Worldline**, meanwhile the fair value of the participation increased since Signing **from CHF 2.5 to 3.5 billion¹**
- **Closing of SIC and SECB transactions** with full ownership of SIX going forward
- SIX has been mandated to lead the development of a **Payments Vision** for the Swiss Financial Center
- **SIX Digital Exchange on track** – reaching out to market with a successful proof of technical feasibility of core platform
- **Four Listings** in the first half of 2019: Medacta, Stadler Rail, Alcon, Aluflexpack
- **Regulatory and Tax Compliance Services performing well** with services such as Global Sanctioned Securities Monitoring
- **Smooth transition of EU trading volumes** onto Swiss Stock Exchange **after EU-equivalence** was no longer granted

(1) From 14 May 2018 to 28 June 2019

Half-Year Financial Results 2019 (1/3)

SIX reports solid operational performance after substantial investments in the transformation of the Swiss Financial Center

	HY 2019	HY 2018 ¹
Total Operating Income	551.7 mCHF	572.5 mCHF -4%
Total Operating Expenses	-451.9 mCHF	-429.7 mCHF 5%
EBITDA	99.9 mCHF	142.8 mCHF -30%

Year-on-year **decrease in operating income** was due to **price adjustments** granted mid-2018.

With the new structure in place, SIX has undertaken a **series of strategic investments in new products and innovation**, such as SIX Digital Exchange and the ramp-up of Innovation & Digital. Together with M&A activities and regulatory projects this led to **higher operating expenses** compared to last year's period.

Accordingly and as expected, **EBITDA** of 99.9 mCHF was lower than in the first half of 2018.

Half-Year Financial Results 2019 (2/3)

in mCHF	HY 2019	HY 2018 ¹	Δ
Total operating income	551.7	572.5	-4%
Total operating expenses	-451.9	-429.7	5%
EBITDA	99.9	142.8	-30%
Depreciation & Amortisation	-44.1	-30.7	44%
Operating profit	55.8	112.1	-50%
Share of profit of associates	31.9	-8.6	n/a
Net financial result	-28.8	-1.3	n/a
EBIT	58.8	102.2	-42%
Net interest and tax expenses	-26.4	-27.4	-4%
Group net profit	32.4	74.8	-57%
/ without Worldline	81.3	81.7	-1%
	30/06/2019	31/12/2018	Δ
Workforce (FTE)	2,538	2,474	3%
Total assets (mCHF)	13,723	12,671	8%
Equity ratio (%)	87.2	81.8	5.4pp

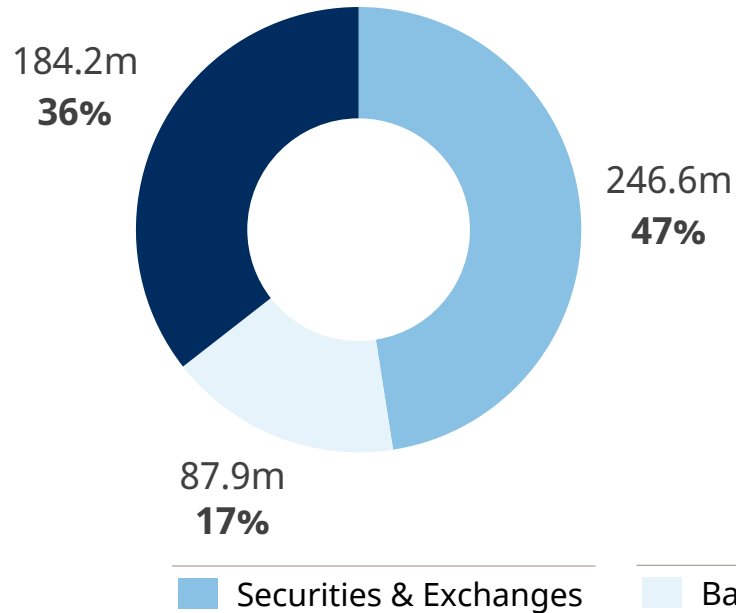
- 1 Decline of EBITDA** was predominantly caused by

 - **Price reductions** in accordance with new mandate
 - Substantial **strategic investments** in new products and innovation
 - Expenses for **M&A activities** and **regulatory projects**
- 2** As expected, the **27%-stake in Worldline** had a positive effect on **share of profit of associates**. A contingent cash consideration that was part of the Worldline transaction negatively affected **net financial result**. A value increase of the strategic liquidity partly offset that effect.
- 3** Excluding the total impact of the Worldline participation, **Group net profit** almost equalled previous year's figure.

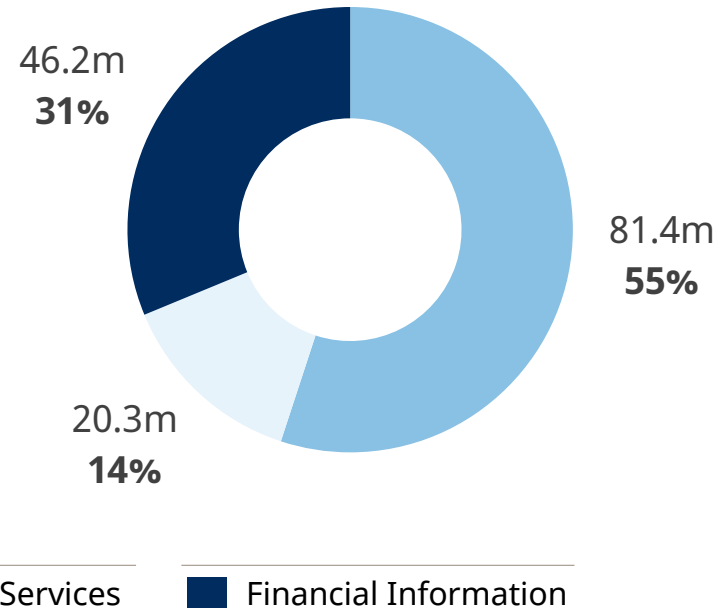
Half-Year Financial Results 2019 (3/3)

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

Total Operating Income



Profit Contribution



Securities & Exchanges – Financials and Business Highlights

- **SIX Digital Exchange on track** – reaching out to market with a successful proof of technical feasibility of core platform
- With **1,500 ETFs listed**, SIX ranks among top 3 ETF venues in Europe
- In June **SMI** breaks through the **10'000 point mark** for the first time
- **Four listings** in the first half of 2019 (market capitalization in mCHF based on first closing price): **Medacta Group SA** (1'922), **Stadler Rail AG** (4'310), **Alcon Inc.** (28'369), **Aluflexpack AG** (389)

Financial Figures (in mCHF)	HY 2019	Δ 2018	Business Figures	HY 2019	Δ 2018
Total operating income	246.6	1 -7%	Trading turnover (bnCHF)	693.2	3 -6%
Total operational expenses	-165.2	2 5%	SLI Market Share (%)	71.4	0%
Profit Contribution	81.4	-25%	SMI level (average)	9'506	8%

1 Year-on-year decrease in operating income mainly due to **price reductions** and **lower market volatility** compared to 2018

2 Higher expenses due to **larger investments** such as SIX Digital Exchange

3 **Lower market volatility** resulting in lower overall stock exchange trading turnover

Banking Services– Financials and Business Highlights

- Mandate to lead the development of a **Payments Vision** for the Swiss Financial Center
- **ATMfutura** runs on **>2'500 ATMs** and processed **2/3 of all ATM cash transactions** in June
- **eBill Migration completed** with 92 banks migrated to the new platform
- **Visa Debit / Debit Mastercard project on track** with first set of IT developments implemented
- **Connectivity (Swiss Corporate API) Pilot went live** in June

Financial Figures (in mCHF)	HY 2019	Δ 2018	Business Figures	HY 2019	Δ 2018
Total operating income	87.9	1 17%	Number of Cards ('000)	10,238	2%
Total operational expenses	-67.6	2 23%	Processing transactions (m)	602	3 7%
Profit Contribution	20.3	-1%			

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

2 Higher expenses are a result of **business ramp-up**

3 Increase in overall card transactions linked to **higher number of cards in circulation**

Financial Information – Financials and Business Highlights

- **Regulatory and Tax Compliance Services performing well** with offers such as Global Sanctioned Securities Monitoring and Marijuana Related Business (MRB) Securities
- **Successful launch** of Core Reference Data, Enhancements to EOD Valuation Price and MIFID II in **SIX Flex**
- Passing of the **30+ million documents mark** in the **DocHub**
- **10** prestigious **industry awards** received for data and regulatory services

Financial Figures (in mCHF)	HY 2019	Δ 2018	Business Figures	HY 2019	Δ 2018
Total operating income	184.2	1 -10%	No. of financial instruments (m)	31.5	2 6%
Total operational expenses	-138.0	-6%	Price updates per second (avg.)	140,185	15%
Profit Contribution	46.2	-21%			

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

2 **Number of financial instruments** has been increasing over time. Currently steps are being taken in order to **further increase data quality**, which will likely reduce the number in the future

Selected Innovation Highlights in 2019 to date

- Publication of White Paper '**Future of the Securities Value Chain**'
- **Security Operations Center** – cyber risk monitoring service is onboarding **new customers**
- **Compliance Utility** (KYC) – first module developed together with clients
- **SIX Rating** leveraging cutting edge technology based on Artificial Intelligence
- **SIX Fintech Ventures** acquired a stake in **PXL Vision AG**, realizing its 6th investment
- **F10 Hackathon Zurich** with a record number of 143 participants
- Shared Service Center in Warsaw established **SIX Competence Center Robotics**

Appendix

Balance Sheet as at 30 June 2019

in mCHF	30.06.2019	31.12.2018 ¹	Δ in mCHF
Assets			
Cash and cash equivalents	4'051.6	5'496.9	-1'445.3
Trade and other receivables	163.0	130.6	32.4
Receivables from clearing & settlement	2'984.7	2'699.6	285.1
Financial assets	1'082.8	823.8	259.0
Current income tax receivables	41.2	23.7	17.5
Other current assets	176.9	96.1	80.8
Current assets	8'500.3	9'270.7	-770.4
Property, plant and equipment	401.9	243.1	158.8
Intangible assets	122.7	116.0	6.7
Investments in associates	2'625.0	2'656.1	-31.0
Financial assets	2'047.7	354.0	1'693.6
Other non-current assets	15.9	16.6	-0.7
Deferred tax assets	9.6	14.6	-5.1
Non-current assets	5'222.8	3'400.5	1'822.3
Total assets	13'723.1	12'671.2	1'051.9

Most major changes were caused by the **full acquisition of SECB**, which had a material effect on the following positions: cash and cash equivalents (+311.8 mCHF), current financial assets (+166.9 mCHF), non-current financial assets (+1,813.8 mCHF) and payables from clearing & settlement (+1,708.9 mCHF). Aside from this, the decrease in current assets (-770.4 mCHF) was mainly due to the **ordinary movements in giro balances** with the Swiss National Bank (SNB) and clearing houses approved by the SNB or central banks (-1,720.4 mCHF without the impact of SECB). Equity decreased by 463.4 mCHF to 4,909.6 mCHF during the reporting period. This decrease was mainly driven by the **dividends paid** (-405.8 mCHF).

in mCHF	30.06.2019	31.12.2018 ¹	Δ in mCHF
Liabilities			
Trade and other payables	29.1	25.2	3.9
Payables from clearing & settlement	7'956.4	6'725.4	1'231.1
Financial liabilities	177.5	110.1	67.5
Provisions	3.4	5.0	-1.6
Contract liabilities	91.0	29.0	62.0
Current income tax payables	18.8	27.5	-8.8
Other current liabilities	171.9	207.2	-35.3
Current liabilities	8'448.1	7'129.4	1'318.8
Financial liabilities	155.5	0.0	155.5
Provisions	13.2	14.0	-0.9
Contract liabilities	45.4	50.4	-5.0
Other non-current liabilities	124.4	77.1	47.3
Deferred tax liabilities	27.0	27.3	-0.3
Non-current liabilities	365.3	168.8	196.5
Total liabilities	8'813.5	7'298.2	1'515.3
Equity			
Share capital	19.5	19.5	0.0
Capital reserves	234.1	234.1	0.0
Other reserves	-95.8	-54.0	-41.8
Retained earnings	4'750.6	5'163.9	-413.3
Shareholders' equity	4'908.5	5'363.5	-455.0
Non-controlling interests	1.2	9.5	-8.3
Total equity	4'909.6	5'373.0	-463.4
Total liabilities and equity	13'723.1	12'671.2	1'051.9

11 (1) Due to changes in accounting policies the balance sheet as at 31 December 2018 was restated. For details on the non-material changes see note 2 in the SIX Interim Condensed Consolidated Financial Statements 2019.

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