



Half-Year 2020 Financial Results

SIX Reports Strong Performance for the First Half of 2020
Despite Global Markets Turmoil

25 August 2020



Summary Half-Year 2020 Financial Results

Financial results of BME since closing are included in SIX Half-Year 2020 Financial Results

On 16 June 2020, SIX completed the acquisition of a controlling stake in the Spanish stock exchanges and financial markets group **Bolsas y Mercados Españoles** (BME), forming the third largest operator of financial market infrastructure in Europe.

TRANSACTION VALUE



2.77 bnCHF

TOTAL OPERATING INCOME

624.1 mCHF

Adj. 593.4 mCHF / YoY +7.6%



Operating income for HY1/2020 was 624.1 mCHF. Excluding the contribution from BME since closing, adjusted total operating income totaled 593.4 mCHF, 7.6% higher than last year, mainly due to a strong trading result that overcompensated a drop in other business areas due to COVID-19.

EBITDA for HY1/2020 was 151.6 mCHF. Excluding the contribution from BME since closing, adjusted EBITDA reached 132.5 mCHF, 32.7% higher than in 2019. **Group net profit** rose to 184.2 mCHF, compared to 32.4 mCHF in last year's period, as it was positively impacted by a partial divestment of the Worldline stake.

EBITDA



151.6 mCHF

Adj. 132.5 mCHF / YoY +32.7%

2020 INCOME OUTLOOK

~1.3 bnCHF



Going forward, the size and diversity of the combined group will accelerate the expansion of the SIX product offering to existing customers as well as reaching out to new customers and markets, resulting in **profitable growth**. In 2020, operating income is expected to reach about 1.3 bnCHF, with substantially improved profitability compared to past years.

Successfully Completed Acquisition of BME

SIX is moving forward in 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



Spanish authorities give green light – SIX submits its public tender offer at an implied total equity value of 2.8 bnEUR.

26 March 2020



Successful acquisition of a controlling stake in BME, receiving 93.16% of the shares.

16 June 2020



Opportunity for the remaining 6.84% shareholders of BME to sell their shares to SIX at the offer price of 32.98¹ EUR per share.

Until 5 September 2020

Half-Year 2020 Financial Results¹ (1/4)

In times of extraordinary circumstances SIX reports solid operational performance due to its diversified business portfolio

	HY 2020 (mCHF)	HY 2019 (mCHF)	
Total Operating Income	624.1	551.7	+13.1%
	593.4 ²		+7.6%
Total Operating Expenses	-472.5	-451.9	+4.6%
	-460.9 ²		+2.0%
EBITDA	151.6	99.9	+51.8%
	132.5 ²		+32.7%
Workforce 3'407 FTE	Total Assets 20'842 mCHF	Equity Ratio 82.8%	

Adjusted total operating income

increased 7.6% compared to 2019 thanks to the diversified business portfolio. The drops in card and ATM transactions were overcompensated by a strong trading result due to persistently high market volatility.

Due to the realization of efficiency gains in all business units, the year-on-year increase of **adjusted operating expenses** was kept at 2.0% only, despite extraordinary cost items such as M&A activities related to the BME acquisition as well as additional costs related to the higher trading volume.

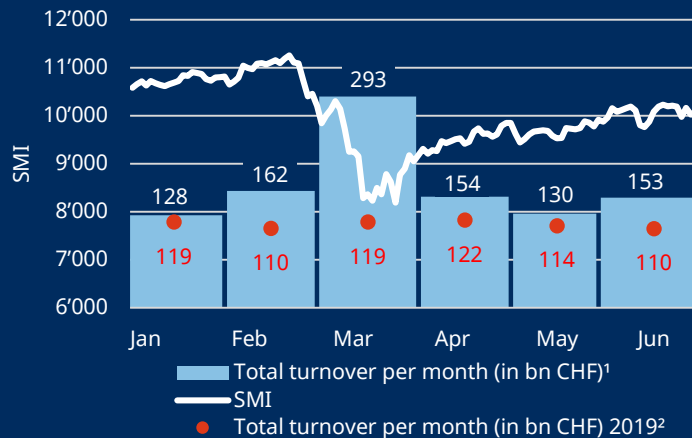
As a result, **adjusted EBITDA** grew by 32.7% to 132.5 mCHF compared to 2019.

Half-Year 2020 Financial Results (2/4)

Impact of COVID-19 on selected SIX business areas

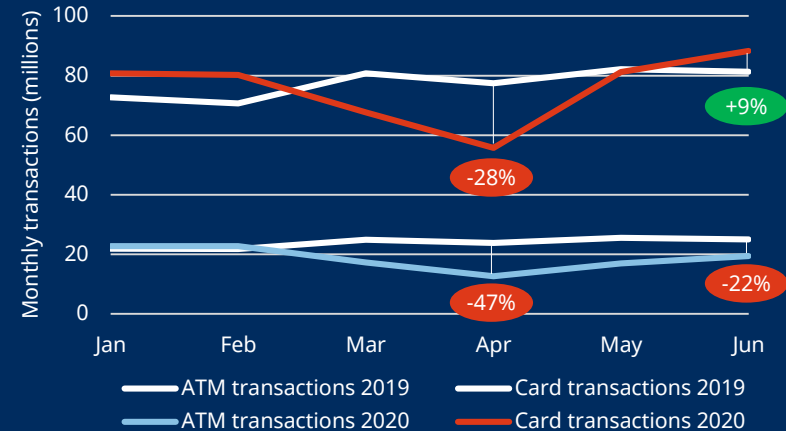
Trading¹

- The strong turnover increase in trading was driven by a spike in volatility caused by COVID-19 uncertainties.
- While the stock markets gradually recovered, volatility has remained at elevated levels.
- Despite split operations, record-high volumes were handled without any capacity or system issues.



ATM & Card transactions

- The number of ATM & Card transactions dropped by almost 50% and 30%, respectively, due to the COVID-19 measures mandated by the Swiss government.
- While Card transactions have fully recovered since, ATM transactions remained below the pre-COVID-19 level.



(1) Swiss Stock Exchange only / not taking BME into account.
 (2) EU Equivalence was in place for the first 6 months of 2019.

Half-Year 2020 Financial Results¹ (3/4)

A positive impact from partial divestment of the Worldline stake caused jump in group net profit

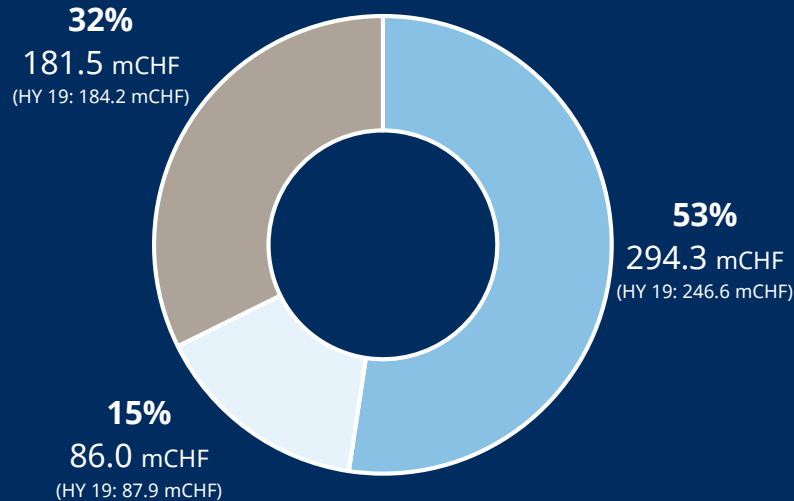
- 1 The year-on-year decrease of **share of profit of associates** was mostly driven by adverse developments in the Worldline participation as well as the partial divestment in Worldline by SIX.
- 2 **EBIT** was strongly impacted by a positive **net financial result**. This is mostly due to realized income resulting from the partial sale of Worldline shares held by SIX.
- 3 Overall, **group net profit** grew substantially compared to the previous year. This was mainly due to an improved operational result as well as favorable effects related to the partial sale of the Worldline stake.

in mCHF	HY 2020 ¹	HY 2019	Δ
Total operating income	624.1	551.7	13.1%
Total operating expenses	-472.5	-451.9	4.6%
EBITDA	151.6	99.9	51.8%
Depreciation & amortisation	-47.3	-44.1	7.2%
Share of profit of associates	1 8.8	31.9	-72.5%
Net financial result	2 103.0	-28.8	n/a
EBIT	216.1	58.8	n/a
Net interest and tax expenses	-31.9	-26.4	20.8%
Group net profit	3 184.2	32.4	n/a
	30/06/2020	30/06/2019	
Workforce (FTE)	3'407.3	2'538.4	34.2%
Equity ratio (12m avg. in %)	82.8	87.6	-4.8pp

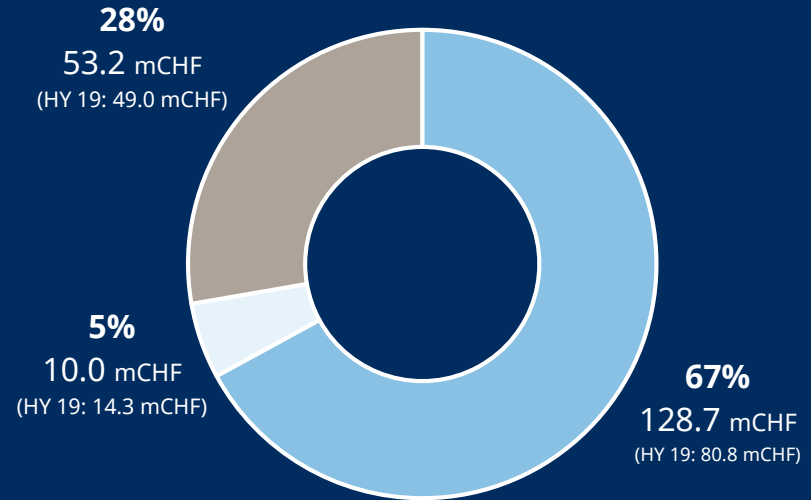
Half-Year 2020 Financial Results (4/4)

Total operating income and profit contribution by business unit (excl. BME and Corporates)

Total Operating Income



Profit Contribution



Securities & Exchanges

Banking Services

Financial Information

Half-Year 2020 Segment Information

Securities & Exchanges

- Various extraordinary global events led to persistently high market volatility. As a result, **trading turnover reached a new all time high in Q1**. Overall, trading turnover in the first half of 2020 was up 47.2% as compared to last year's period.
- Multiple high-profile **issuers and trading participants** joined the Swiss Stock Exchange, while **two new listings** could be noted (Ina Invest, V-ZUG).
- SIX and Nasdaq **expand the current European microwave network**. SIX now owns and operates the largest microwave network in Europe.
- Successful launch of the new comprehensive **Triparty Agent solution** to enhance collateral and liquidity management of its clients.

Financial Figures (in mCHF)	HY 2020	Δ 2019
Total operating income	294.3	19%
Total operating expenses	-160.7	1%
Depreciation, amortization & impairm.	-4.9	-25%
Profit contribution	128.7	59%

Business Figures	HY 2020	Δ 2019
Trading transactions (m)	56.4	112%
Market share in SLI stocks (%)	99.9	40%
SMI (average)	9'880	4%

Half-Year 2020 Segment Information

Banking Services

Financial Figures (in mCHF)	HY 2020	Δ 2019
Total operating income	86.0	-2%
Total operating expenses	-68.9	5%
Depreciation, amortization & impairm.	-7.2	-10%
Profit contribution	10.0	-30%

Business Figures	HY 2020	Δ 2019
Number of cards ('000)	10'477	3%
Processing transactions (m)	566	-6%

- **Launched the b.Link platform** to provide standardized interfaces for Open-Banking and to enable innovative partnerships between financial institutions and third-party providers.
- Coordinated the development and launch of the **digital QR-bill** jointly with partners.
- Rolled out first **new Debit Mastercards**, starting with Credit Suisse.
- Migrated around **400,000 PostFinance bank customers** to the eBill platform and introduced new eBill features, such as look-up function for billers.

Half-Year 2020 Segment Information

Financial Information

- Achieved **sales and operational stability** throughout the COVID-19 pandemic, ensuring credentials as a reliable provider of high-quality data.
- Due to COVID-19, many new **SIX iD trials** are now running globally, supporting our clients with increased access to financial information.
- Achieved **significant growth** in the Tax and Regulatory Services segment, whilst at the same time achieving consistent positive sales performance in core reference data and pricing data.
- Developed a **cloud-based innovation sandbox** enabling clients to augment corporate actions history and pricing history in a big data environment with integrated analytics.
- Operating income was negatively impacted by **FX effects** related to the COVID-19 uncertainties.

Financial Figures (in mCHF)	HY 2020	Δ 2019
Total operating income	181.5	-2%
Total operating expenses	-124.3	-6%
Depreciation, amortization & impairm.	-4.0	21%
Profit contribution	53.2	9%

Business Figures	HY 2020	Δ 2019
No. of financial instruments (m)	33.0	5%
Price updates per second (avg)	178'798	28%

Half-Year 2020 Segment Information

Bolsas y Mercados Españoles (BME)

Financial Figures (in mCHF)	June 2020	Δ 2019
Total operating income	30.7	n/a
Total operating expenses	-11.6	n/a
Depreciation, amortization & impairm.	-3.9	n/a
Profit contribution	15.1	n/a

Financial figures only since closing of acquisition

Business Figures	HY 2020	Δ 2019
Equity trading transactions (m)	28.8	57%
ETF turnover (bnEUR)	1.5	77%
Number of companies listed	2'817	-4%

- The markets and systems managed by BME remained open and **continued to operate normally** during the State of Alarm decreed in Spain as a consequence of COVID-19.
- **Three new companies** joined the Alternative Stock Market (MAB): GAVARI PROPERTIES SOCIMI, Home Capital Rentals, Making Science
- On 4 June, **the Latam Exchanges Data** (joint initiative of BME and the Mexican Stock Exchange) was launched to promote the generation, distribution and sale of benchmark information for Latin American financial markets.



Outlook



The **integration of BME** will be driven forward to streamline the two organizations as well as to realize gains from identified growth synergies.



Combined, the group's size and diversity will **accelerate the expansion** in the home markets Switzerland and Spain as well as the reaching out to new customers and markets to achieve **profitable growth**. In 2020, operating income is expected to reach about 1.3 bnCHF, with substantially **improved profitability** compared to past years.



With a project volume of around 200 mCHF, SIX continues to **invest heavily in the expansion of its reach, customers and product portfolio**. While capitalizing on **new growth synergies**, SIX will also further **improve efficiency** by investing into automatization and continuous process optimization.



At least in the short term, uncertain market developments as a result of **COVID-19** will continue to significantly affect the various business areas of SIX. In the past months, the **business model and systems of SIX have proven to be highly resilient** to any challenges that might arise.

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