Half-Year 2022 Financial Results

SIX Closes First Half of 2022 With Stable Results on the Back of Challenging Market Conditions

22 July 2022
## Half-Year 2022 Business Highlights

### Company-wide
- New organizational structure for further growth in international markets
- Milestones in the integration of BME such as expansion of CONNEXOR into Spanish markets, consolidation of market data feeds and SWIFT systems, and settlement and custody of Swiss securities via Iberclear

### Exchanges
- Four listings in Switzerland, including first “Sparks” listing
- Eight listings in Spain, thereof six in “BME Growth”, one in “Latibex” and one in main market
- Expansion of the data microwave network with new route to Bergamo
- First trading activities on digital bond on SDX
- Successful test integration of settlement in wholesale CBDC

### Securities Services
- Expansion of international custody business to Singapore
- Launch of new clearing platform for Scandinavian markets
- Partnership with Cyprus for post-trade solution
- Completion of full acquisition of REGIS-TR
- Cooperation with LMAX Group for clearing of crypto futures

### Financial Information
- Expansion of ESG data offering with data from Sustainalytics
- Cooperation with Urgentem for offering climate data and analytics

### Banking Services
- Cooperation with Finnova for Open Banking platform bLink
- Increasing transaction volumes of debit cards, ATMs and eBill
In an economically challenging environment, SIX managed to match operating income of the first half-year 2021 as a result of its diversified business model (+0.8%). Adjusted for currency effects, the growth rate increases to 2.6%. Income resulting from investments in the Banking Services business over the past three years largely compensated for the income decline in other business units.

Investments in infrastructure and integration expenses resulted in a year-on-year cost increase of 3.5%. Overall, this resulted in an operating result before interest, tax, depreciation and amortization (EBITDA) of CHF 213.7m.

Net income is 12.1% above previous year's level due to one-off effects in financial income mainly related to the full acquisition of REGIS-TR. Group net profit thus increased by a substantial 12.1% to CHF 121.3m.

Going forward, SIX expects the development to continue in the second half of the year. SIX remains adherent to its growth strategy by increasing its volume, reach and business productivity as well as to its medium- to long-term revenue and cost targets.
Thanks to Its Diverse Business Model, SIX Closes First Half of 2022 With a Solid Performance

<table>
<thead>
<tr>
<th></th>
<th>HY 2022 (mCHF)</th>
<th>HY 2021 (mCHF)</th>
<th>Δ (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Income</td>
<td>751.7</td>
<td>745.8</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>-538.0</td>
<td>-519.7</td>
<td>+3.5%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>213.7</td>
<td>226.1</td>
<td>-5.5%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>28.4%</td>
<td>30.3%</td>
<td>-1.9pp</td>
</tr>
</tbody>
</table>

Workforce: 3'819 FTE  
S&P Credit Rating: A (stable)  
Net Debt/EBITDA: 1.6x

Thanks to its diverse business model, SIX achieved a total operating income of CHF 751.7m, which corresponds to a year-on-year increase of 0.8%.

Adjusted for currency effects, the growth rate increases to 2.6%. Especially Banking Services business recorded strong income growth which was enabled, among other factors, by the increase in payment processing volume (see page 5). Moreover, other income resulted from successful past investments into services such as Debit & Mobile services, ATMs and the digital bill eBill, which compensated the income decline in other business units, which suffered from currency effects and unfavorable market developments.

On the cost side, SIX recorded a year-on-year increase on total operating expenses of 3.5% due to continuous investments in infrastructure and integration expenses.

As a result, EBITDA decreased by 5.5% to CHF 213.7m, resulting in an EBITDA margin of 28.4% (-1.9pp YoY).
The number of ATM transactions has recovered following the easing of COVID-19 restrictions, suggesting that demand for cash is still present. The number of ATMs has decreased, confirming the trend towards a consolidated and more efficient ATM network.

The number of card transactions has increased significantly in recent months. In addition, the share of newly issued e-commerce and mobile enabled debit cards rose steadily and created new income streams for SIX in the business unit Banking Services.
Half-Year 2022 Financial Results (3/4)

Non-operating Result Substantially Impacted by One-Off Effects in Financial Income

1. The increased Banking Services income largely compensated for the declined income of other businesses. Consequently, SIX was able to match year-on-year **operating income** (+0.8%). At constant exchange rates, this corresponds to an improvement in total operating income of +2.6% compared with previous year.

2. While year-on-year **operating profit** decreased by 8.4%, **earnings before interest and tax (EBIT)** increased by 4.9%. This can be attributed to **one-off effects in financial income** mainly related to the **full acquisition of REGIS-TR** end of March 2022.

3. Lower **operating profit** but significantly higher **financial income** as well as lower **net interest and tax expenses** led to a year-on-year increase in **Group net profit** by 12.1%.

<table>
<thead>
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<td>+3.5%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>213.7</td>
<td>226.1</td>
<td>-5.5%</td>
</tr>
<tr>
<td>Depreciation &amp; amortization &amp; impairment</td>
<td>-86.1</td>
<td>-86.9</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>127.6</td>
<td>139.2</td>
<td>-8.4%</td>
</tr>
<tr>
<td>Share of profit of associates and joint ventures</td>
<td>19.8</td>
<td>11.0</td>
<td>+79.7%</td>
</tr>
<tr>
<td>Net financial result</td>
<td>14.0</td>
<td>3.5</td>
<td>n/a</td>
</tr>
<tr>
<td>EBIT</td>
<td>161.4</td>
<td>153.8</td>
<td>+4.9%</td>
</tr>
<tr>
<td>Net interest and tax expenses</td>
<td>-40.1</td>
<td>-45.6</td>
<td>-12.0%</td>
</tr>
<tr>
<td>Group net profit</td>
<td>121.3</td>
<td>108.2</td>
<td>+12.1%</td>
</tr>
</tbody>
</table>

30/06/2022 30/06/2021

Workforce (FTE) 3'819 3'580 +6.7%

30/06/2022 31/12/2021

Equity ratio (12m avg. in %) 70.3% 71.6% -1.3pp
Total Operating Income and Profit Contribution by Business Unit (excl. Corporates)

**Total Operating Income**
- **729.4 mCHF**
  - Exchanges: 196.9 mCHF (27.0%)
  - Securities Services: 193.3 mCHF (26.5%)
  - Banking Services: 110.9 mCHF (15.2%)
  - Financial Information: 228.4 mCHF (31.3%)

**Business Unit Profit**
- **166.4 mCHF**
  - Exchanges: 65.6 mCHF (39.4%)
  - Securities Services: 110.9 mCHF (65.6%)
  - Banking Services: 22.1 mCHF (13.3%)
  - Financial Information: 9.5 mCHF (5.7%)

(1) Corporates not included.
Exchanges

In the first half of 2022, Exchanges attracted four listings on the main markets at SIX & BME, seven listings on the SME segments Sparks and BME Growth and one listing in LATAM-segment “Latibex”.

First trading activities on digital bond were followed by first entry on share registry at SDX.

CONNEXOR successfully expands to Spanish markets.

Microwave network service of SIX Swiss Exchange expands offering with new route linking Bergamo to Frankfurt.

SIX continues to drive investments in future growth resulting in higher operating expenses. At the same time, income is impacted by financial transaction tax in Spain and a relatively lower market share.

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**Financial Figures** *(in mCHF)*

<table>
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<tr>
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<th>HY 2022</th>
<th>HY 2021¹</th>
<th>Δ 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total operating income</strong></td>
<td>196.9</td>
<td>206.8</td>
<td>-5%</td>
</tr>
<tr>
<td>FX-adjusted growth rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>-124.2</td>
<td>-116.5</td>
<td>+7%</td>
</tr>
<tr>
<td><strong>Depreciation, amortization &amp; impairment</strong></td>
<td>-7.0</td>
<td>-4.7</td>
<td>+51%</td>
</tr>
<tr>
<td><strong>Business unit profit</strong></td>
<td>65.6</td>
<td>85.7</td>
<td>-23%</td>
</tr>
<tr>
<td><strong>Business unit profit margin</strong></td>
<td>33.3%</td>
<td>41.4%</td>
<td>-8pp</td>
</tr>
</tbody>
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**Business Figures**

<table>
<thead>
<tr>
<th></th>
<th>CH (in CHF)</th>
<th>ES (in EUR)²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trading turnover</strong></td>
<td>705.7</td>
<td>212.4</td>
</tr>
<tr>
<td>(in bn)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trading transactions</strong></td>
<td>34.4</td>
<td>22.9</td>
</tr>
<tr>
<td>(million)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Market share</strong></td>
<td>CH</td>
<td>ES</td>
</tr>
<tr>
<td>(average)</td>
<td>68.9%</td>
<td>60.3%</td>
</tr>
</tbody>
</table>

(1) Due to internal reorganizations as of 01 Jan 2022, the prior year figures were restated.
(2) Equities only.
Securities Services

Financial Figures (in mCHF)

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<th>HY 2021¹</th>
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<tr>
<td>Total operating income</td>
<td>228.4</td>
<td>232.3</td>
<td>-2%</td>
</tr>
<tr>
<td>FX-adjusted growth rate</td>
<td></td>
<td></td>
<td>-0%</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>-155.4</td>
<td>-160.6</td>
<td>-3%</td>
</tr>
<tr>
<td>Depreciation, amortization &amp; impairment</td>
<td>-3.8</td>
<td>-3.4</td>
<td>+10%</td>
</tr>
<tr>
<td>Business unit profit</td>
<td>69.2</td>
<td>68.3</td>
<td>+1%</td>
</tr>
<tr>
<td>Business unit profit margin</td>
<td>30.3%</td>
<td>29.4%</td>
<td>+1pp</td>
</tr>
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Business Figures

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<th>HY 2021</th>
<th>Δ 2021</th>
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<tbody>
<tr>
<td>CH Deposit volume (avg.; bnCHF)</td>
<td>3'775.2</td>
<td>3'955.5</td>
<td>-5%</td>
</tr>
<tr>
<td>ES Deposit volume (avg.; bnEUR)</td>
<td>2'505.9</td>
<td>2'467.7</td>
<td>+2%</td>
</tr>
</tbody>
</table>

(1) Due to internal reorganizations as of 01 Jan 2022, the prior year figures were restated.

- In the first half of 2022 SIX successfully closed the acquisition of REGIS-TR.
- Successful launch of new clearing platform for the Scandinavian markets.
- SIX teams up with Cyprus with new post-trade solution.
- Expansion of international custody business to Singapore.
- Lower equity market index levels offset by higher volatility, resulting in largely flat revenues.
Debit card transactions continue to increase. SIX further taps into new potential thanks to new B2B2C offers such as mobile payment wallets and the new mobile app debiX+.

ATM transactions showed partial rebound to HY 2021 but are 25% below 2019 levels. SIX is rolling out additional services to support clients in reducing costs of the ATM network.

eBill transactions are growing fast. SIX is further enhancing the platform with new features (e.g., eBill donations) and working together with partners on promoting eBill’s usage.

QR-bill will replace ES/ESR by 30 Sept 2022 with the vast majority of bills already processed in QR-format as of today.

bLink is actively creating new APIs and entered cooperation with Finnova to expand platform’s reach.

SSFN² data network is now being used by the SNB to access the SIC and euroSIC systems.

Higher total operating expenses are driven among other things by variable transaction fees from increased overall transaction volumes.

Financial Figures (in mCHF) | HY 2022 | HY 2021¹ | Δ 2021
--- | --- | --- | ---
Total operating income | 110.9 | 98.1 | +13%  
FX-adjusted growth rate | | | +14%
Total operating expenses | -94.7 | -87.9 | +8%
Depreciation, amortization & impairment | -6.8 | -6.1 | +11%
Business unit profit | 9.5 | 4.2 | +126%
Business unit profit margin | 8.5% | 4.3% | +4pp

Business Figures | HY 2022 | HY 2021 | Δ 2021
--- | --- | --- | ---
Card transactions (million) | 603 | 511 | +18%
SIC transactions (million) | 467 | 425 | +10%
eBill transactions (million) | 28 | 24 | +16%

(1) Due to internal reorganizations as of 01 Jan 2022, the prior year figures were restated
(2) SSFN refers to Secure Swiss Finance Network.
Main growth driver was the core business (reference data, pricing data and corporate actions) which accounts for the largest share of the financial information business at SIX.

Higher operating expenses driven by investments in growth strategy.

Launch of strategic partnerships with Sustainalytics and Urgentem to grow the range of ESG data and services offered.

Strong performance in Regulatory Services with ESG and sanctioned securities strengthening SIX position.

Strong performance of ULTUMUS across all of its business lines (Index, ETF and Portfolio Composition File Services (PCF)). PCF calculation service growing adoption and coverage across equity, fixed income and crypto universes.

(1) Due to internal reorganizations as of 01 Jan 2022, the prior year figures were restated.
Strategic Outlook

More Volume, More Reach, More Business Efficiency – SIX Continues to Drive Forward Its Growth Strategy

› SIX will expand its digital assets business

› SIX will steadily enhance the data offering in the area of ESG

› SIX will continuously reduce net debt to further ensure financial independence

› SIX will keep innovating and seeking organic and inorganic growth opportunities

› SIX will continue to drive forward the integration of BME
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