



# 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

 <b>Company-wide</b>	 <b>Exchanges</b>	 <b>Securities Services</b>	 <b>Financial Information</b>	 <b>Banking Services</b>
<ul style="list-style-type: none"><li>› New organizational structure for further growth in international markets</li><li>› 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</li></ul>	<ul style="list-style-type: none"><li>› Four listings in Switzerland, including first “Sparks” listing</li><li>› Eight listings in Spain, thereof six in “BME Growth”, one in “Latibex” and one in main market</li><li>› Expansion of the data microwave network with new route to Bergamo</li><li>› First trading activities on digital bond on SDX</li><li>› Successful test integration of settlement in wholesale CBDC</li></ul>	<ul style="list-style-type: none"><li>› Expansion of international custody business to Singapore</li><li>› Launch of new clearing platform for Scandinavian markets</li><li>› Partnership with Cyprus for post-trade solution</li><li>› Completion of full acquisition of REGIS-TR</li><li>› Cooperation with LMAX Group for clearing of crypto futures</li></ul>	<ul style="list-style-type: none"><li>› Expansion of ESG data offering with data from Sustainalytics</li><li>› Cooperation with Urgentem for offering climate data and analytics</li></ul>	<ul style="list-style-type: none"><li>› Cooperation with Finnova for Open Banking platform bLink</li><li>› Increasing transaction volumes of debit cards, ATMs and eBill</li></ul>

# Summary of Half-Year 2022 Financial Results and Outlook

## Half-Year 2022 Financial Results

### Operating Income



**751.7** mCHF / YoY **+0.8%**

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.

### EBITDA



**213.7** mCHF / YoY **-5.5%**

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.

### Group Net Profit



**121.3** mCHF / YoY **+12.1%**

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.

## Financial Outlook

### FY 22 Operating Income Outlook



**~1'500** mCHF

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

	HY 2022 (mCHF)	HY 2021 (mCHF)	Δ (%)
Total Operating Income	751.7	745.8	+0.8%
Total Operating Expenses	-538.0	-519.7	+3.5%
EBITDA	213.7	226.1	-5.5%
EBITDA Margin	28.4%	30.3%	-1.9pp

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).

# Payment Processing Volume Has Increased Over the Last 18 Months

## ATM Transactions



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.

## Cards Transactions



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.

Number of ATMs

Number of ATM Transactions

Increased COVID-19 Restrictions

Number of New Generation Debit Cards

Number of Old Generation Debit Cards

Number of Card Transactions

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

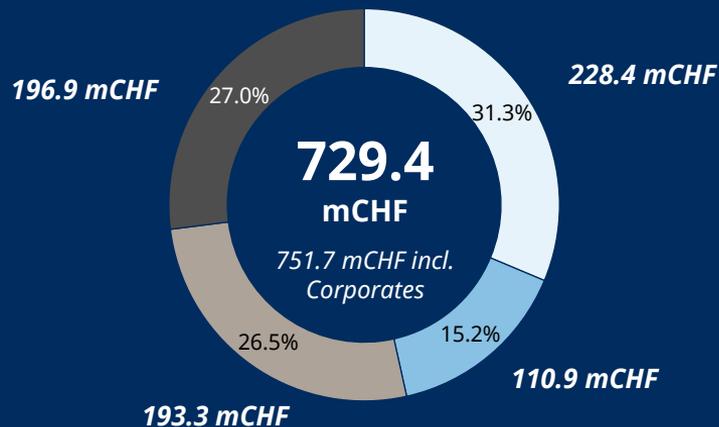
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- 1 The increased Banking Services income largely compensated for the declined income of other businesses. Consequently, SIX was able to match year-on-year **operating income** (+0.8%). At constant exchange rates, this corresponds to an improvement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

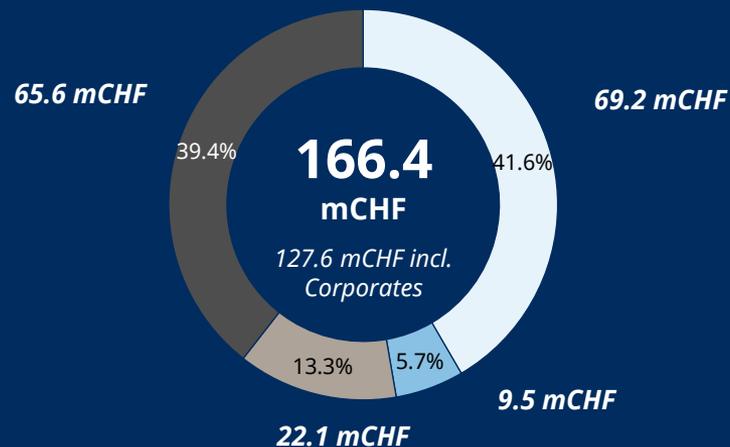
in mCHF	HY 2022	HY 2021	Δ 2021
Total operating income	1 751.7	745.8	+0.8%
Total operating expenses	-538.0	-519.7	+3.5%
<b>EBITDA</b>	<b>213.7</b>	<b>226.1</b>	<b>-5.5%</b>
Depreciation & amortization & impairment	-86.1	-86.9	-0.9%
<b>Operating profit</b>	<b>127.6</b>	<b>139.2</b>	<b>-8.4%</b>
Share of profit of associates and joint ventures	19.8	11.0	+79.7%
Net financial result	14.0	3.5	n/a
<b>EBIT</b>	<b>161.4</b>	<b>153.8</b>	<b>+4.9%</b>
Net interest and tax expenses	-40.1	-45.6	-12.0%
<b>Group net profit</b>	<b>121.3</b>	<b>108.2</b>	<b>+12.1%</b>
	<b>30/06/2022</b>	<b>30/06/2021</b>	
Workforce (FTE)	3'819	3'580	+6.7%
	<b>30/06/2022</b>	<b>31/12/2021</b>	
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<sup>1</sup>



## Business Unit Profit<sup>1</sup>



Exchanges

Securities Services

Banking Services

Financial Information

(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**.

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

(2) Equities only.

Financial Figures (in mCHF)		HY 2022	HY 2021 <sup>1</sup>	Δ 2021
<b>Total operating income</b>		196.9	206.8	<b>-5%</b>
	<i>FX-adjusted growth rate</i>			<i>-2%</i>
<b>Total operating expenses</b>		-124.2	-116.5	<b>+7%</b>
Depreciation, amortization & impairment		-7.0	-4.7	<b>+51%</b>
<b>Business unit profit</b>		65.6	85.7	<b>-23%</b>
Business unit profit margin		33.3%	41.4%	<b>-8pp</b>
Business Figures		HY 2022	HY 2021	Δ 2021
<b>Trading turnover</b> (in bn)	CH (in CHF)	705.7	694.2	<b>+2%</b>
	ES (in EUR) <sup>2</sup>	212.4	188.2	<b>+13%</b>
<b>Trading transactions</b> (million)	CH	34.4	33.7	<b>+2%</b>
	ES	22.9	24.1	<b>-5%</b>
<b>Market share</b> (average)	CH	68.9%	81.6%	<b>-13pp</b>
	ES	60.3%	63.0%	<b>-3pp</b>

# Securities Services

Financial Figures (in mCHF)	HY 2022	HY 2021 <sup>1</sup>	Δ 2021
<b>Total operating income</b> <i>FX-adjusted growth rate</i>	228.4	232.3	-2% -0%
<b>Total operating expenses</b>	-155.4	-160.6	-3%
Depreciation, amortization & impairment	-3.8	-3.4	+10%
<b>Business unit profit</b>	69.2	68.3	+1%
Business unit profit margin	30.3%	29.4%	+1pp

Business Figures	HY 2022	HY 2021	Δ 2021
<b>CH Deposit volume</b> (avg.; bnCHF)	3'775.2	3'955.5	-5%
<b>ES Deposit volume</b> (avg.; bnEUR)	2'505.9	2'467.7	+2%

- 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.

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

# Banking Services

- **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.
- **SSFN<sup>2</sup>** 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**.

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

(2) SSFN refers to Secure Swiss Finance Network.

Financial Figures (in mCHF)	HY 2022	HY 2021 <sup>1</sup>	Δ 2021
<b>Total operating income</b> <i>FX-adjusted growth rate</i>	<b>110.9</b>	<b>98.1</b>	<b>+13%</b> <i>+14%</i>
<b>Total operating expenses</b>	<b>-94.7</b>	<b>-87.9</b>	<b>+8%</b>
Depreciation, amortization & impairment	-6.8	-6.1	+11%
<b>Business unit profit</b>	<b>9.5</b>	<b>4.2</b>	<b>+126%</b>
Business unit profit margin	8.5%	4.3%	+4pp
Business Figures	HY 2022	HY 2021	Δ 2021
<b>Card transactions</b> (million)	<b>603</b>	<b>511</b>	<b>+18%</b>
<b>SIC transactions</b> (million)	<b>467</b>	<b>425</b>	<b>+10%</b>
<b>eBill transactions</b> (million)	<b>28</b>	<b>24</b>	<b>+16%</b>

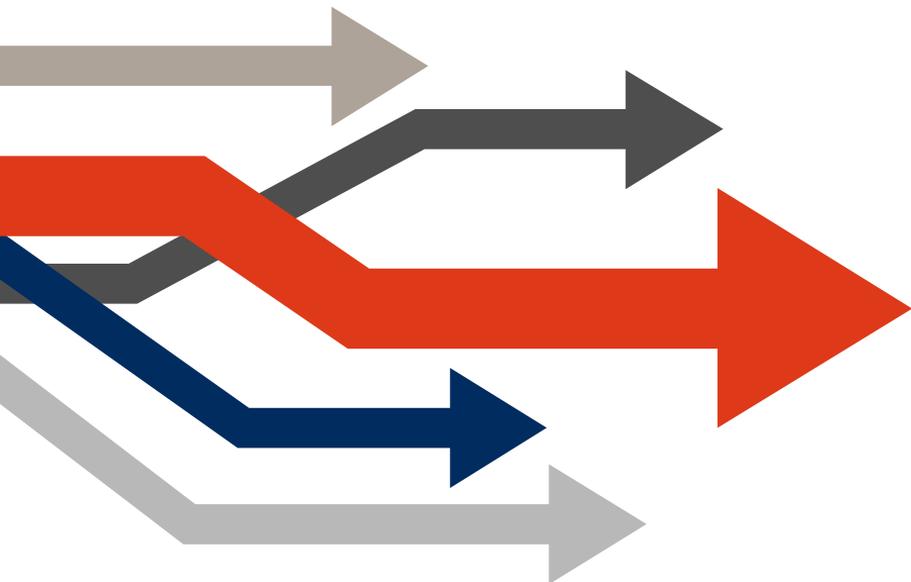
# Financial Information

Financial Figures (in mCHF)	HY 2022	HY 2021 <sup>1</sup>	Δ 2021
<b>Total operating income</b> <i>FX-adjusted growth rate</i>	<b>193.3</b>	<b>191.9</b>	<b>+1%</b> +3%
<b>Total operating expenses</b>	<b>-166.0</b>	<b>-160.2</b>	<b>+4%</b>
Depreciation, amortization & impairment	-5.2	-5.9	-12%
<b>Business unit profit</b>	<b>22.1</b>	<b>25.8</b>	<b>-14%</b>
Business unit profit margin	11.4%	13.5%	-2pp

- 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.

# 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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