



ASX Limited ABN 98 008 624 691



# Letter to Shareholders

## Half-Year 2019

Dear ASX shareholder

On 14 February 2019, ASX Limited (ASX) announced a strong result for the first half of the 2019 financial year (the six months to 31 December 2018 – 1H19). Statutory profit of \$246.1 million was achieved, up 6.8% – almost \$16 million – or up 10.2% on a like-for-like accounting basis, compared to the same period last year. Each of our four businesses grew solidly, as did interest earnings, during a period of heightened volatility, emphasising the benefit of ASX’s diverse business model.

The key performance drivers of our businesses were a 38% increase in capital raised to \$62 billion, underpinned by the demerger and listing of Coles; a greater than 5% rise in the number of futures contracts traded, particularly in SPI equity futures; an increase of more than 15% in cash market trading amid market volatility; and the continued expansion in the number and variety of financial market participants in ASX’s Australian Liquidity Centre, spurring demand for our technical and information services.

ASX’s expenses rose 9.4% and our capital expenditure guidance is unchanged at approximately \$70-\$75 million for the full-year. Both reflect ASX’s commitment to strengthening our foundations and upgrading our capabilities to support growth opportunities.

### Dividend and financial highlights

The strong result has allowed ASX to deliver an attractive return to shareholders, with our interim dividend rising 6.7% – up 7.2 cents – to 114.4 cents per share. We have maintained a payout ratio of 90% of underlying profit. Our earnings per share (EPS) of 127.1 cents was the highest half-year EPS on record. The Dividend Reinvestment Plan will not operate for the interim dividend.

Other key financial results relative to the prior comparative period, including comparisons to a new accounting standard that took effect this financial year, were:

	1H19	Statutory variance (pcp)	Restated variance (AASB 15) <sup>1</sup>
<b>Operating revenue</b>	\$424.7 million	↑\$15.7m ↑3.8%	↑\$26.0m ↑6.5%
<b>Operating expenses</b>	\$105.2 million	↑\$9.0m ↑9.4%	N/A
<b>EBITDA</b>	\$319.5 million	↑\$6.7m ↑2.1%	↑\$17.0m ↑5.6%
<b>Profit after tax</b>	\$246.1 million	↑\$15.6m ↑6.8%	↑\$22.8m ↑10.2%
<b>Earnings per share</b>	127.1 cents	↑8.0cps ↑6.7%	↑11.7cps ↑10.1%
<b>Dividend per share</b>	114.4 cents	↑7.2cps ↑6.7%	N/A

<sup>1</sup> Assuming 1H18 comparables were restated for impact of AASB 15 to provide a like-for-like accounting comparison. AASB 15 requires initial and secondary capital raising revenue to be amortised over a multi-year period.

## Strengthening the core and leveraging for growth

Across the period, ASX continued its balanced approach of investing in the integrity of our core businesses and pursuing growth initiatives. For example, we made good progress on our program to replace CHESSE with distributed ledger technology and restructured our Listings Compliance team to enhance the quality of market oversight for companies and investors. Among new business opportunities, which leverage ASX's expertise and infrastructure, were the development of a data platform to provide customers with more ASX data and analytical tools, and our investment in Sympli, a joint venture to deliver the benefits of e-conveyancing in the property market.

ASX plays a critical and privileged role in Australia's financial markets as a trusted, central and independent party. Our stakeholders are many and varied. We work hard to enhance our reputation and exceed expectations by strengthening our foundations and creating a solid platform for growth. It's been a pleasing and busy six months. ASX is well-positioned for an exciting period ahead.

- Complete 1H19 results materials, including a webcast of the presentation to analysts and media, are available on the ASX website: [www.asx.com.au/about/investor-relations.htm](http://www.asx.com.au/about/investor-relations.htm)
- ASX's full-year results for 2019 will be announced on 15 August 2019 and the Annual General Meeting will be held on 24 September 2019 in Sydney.
- Any questions you would like to ask ASX can be emailed to: [Investor.Relations@asx.com.au](mailto:Investor.Relations@asx.com.au)

Thank you for your support.



**Rick Holliday-Smith**  
Chairman



**Dominic Stevens**  
Managing Director and  
Chief Executive Officer



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