



6 May 2021

Australian Securities and Investments Commission
Mr Nathan Bourne
Senior Executive Leader, Market Infrastructure
Level 5, 100 Market Street
SYDNEY NSW 2000

ASX Market Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

2021 MACQUARIE AUSTRALIA CONFERENCE PRESENTATION

Please find attached the presentation to be presented virtually at the Macquarie Australia Conference in Sydney today by ASX Managing Director and CEO, Dominic Stevens.

This presentation provides an overview of the ASX Group, the trading conditions influencing the Derivatives and OTC Markets business unit and ASX's technology transformation program.

Release of market announcement authorised by:

Daniel Csillag
Company Secretary

Further enquiries:

Media

David Park
Senior Adviser, Media and Communications
T +61 2 9227 0010
M +61 429 595 788
E david.park@asx.com.au

Investors

Josie Ashton
Head of Investor Relations
T +61 2 9227 0646
M +61 416 205 234
E josie.ashton@asx.com.au



ASX Limited

2021 Macquarie Equities Conference

6 May 2021

Dominic Stevens

Managing Director and CEO

World-leading provider of financial markets infrastructure and services

- Top 10 global securities exchange by market capitalisation
- Integrated exchange with a track record of delivering resilient earnings to shareholders
- Providing Australia with world-class financial market infrastructure and services
- Long history of investing in new technology
- Delivering long-term value to all our stakeholders including customers, investors, regulators, shareholders and employees



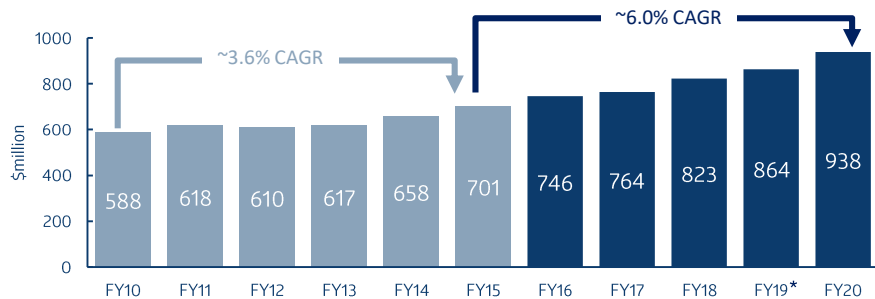
Commodities	Item	Last	Chg	Chg%
GOLD SPOT		1247.63	-0.25	-0.02%
SILVER SPOT		15.96	0.00	0.03%
PALLADIUM SPOT		942.20	-2.50	-0.26%
PLATINUM SPOT		941.65	-5.65	-0.59%
ICE BRENT CRUDE		77.76	-0.09	-0.12%



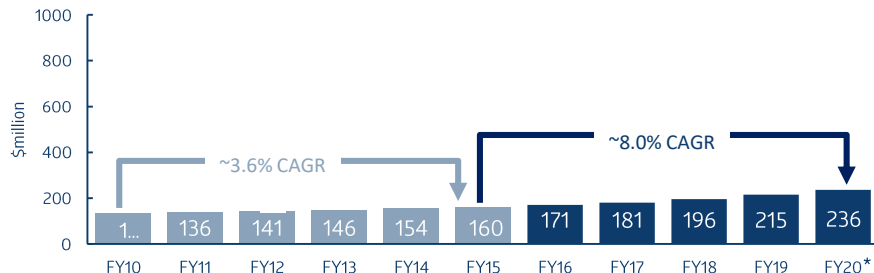
History of stable growth and shareholder returns

Resilient earnings underpinned by diversified business

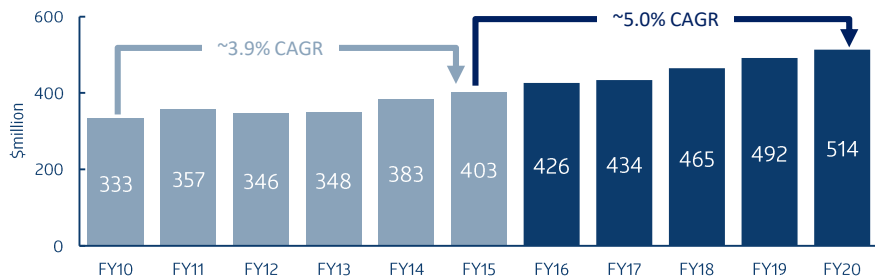
Operating revenue



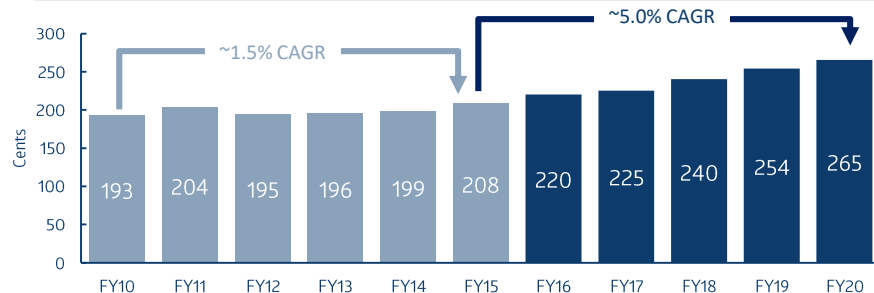
Operating expenses



Underlying net profit after tax



Underlying earnings per share

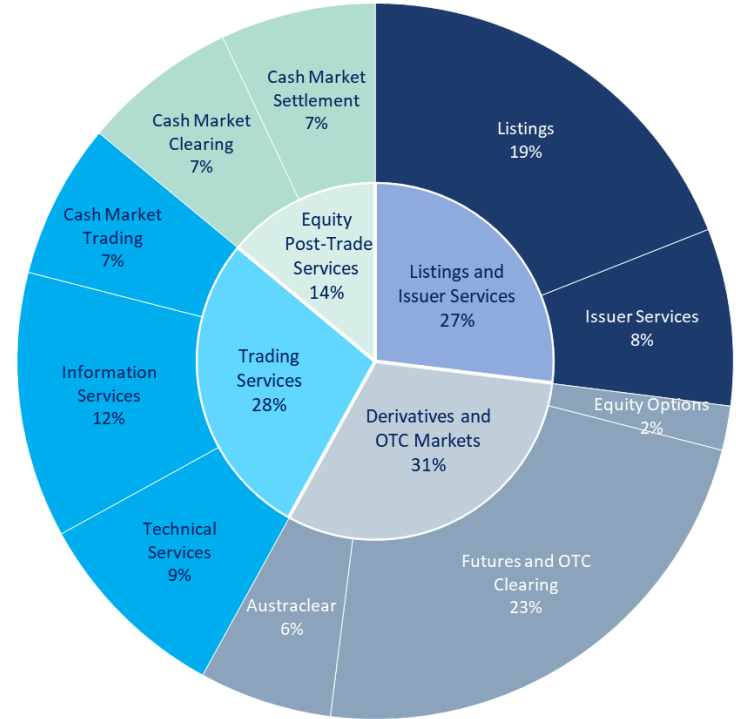


Strength of diversification evident in 1H21

Equities-related growth offset impact of lower volumes in futures due to RBA yield curve control

	1H21 \$m	2H20 \$m	1H20 \$m	1H21 v 1H20
Listings and Issuer Services	127.6	122.5	114.6	11.4%
Derivatives and OTC Markets	144.6	160.9	156.7	(7.7%)
Trading Services	130.2	131.4	124.9	4.2%
Equity Post-Trade Services	68.1	68.7	58.7	16.1%
Operating revenue	470.5	483.5	454.9	3.4%

1H21 operating revenue contribution by business

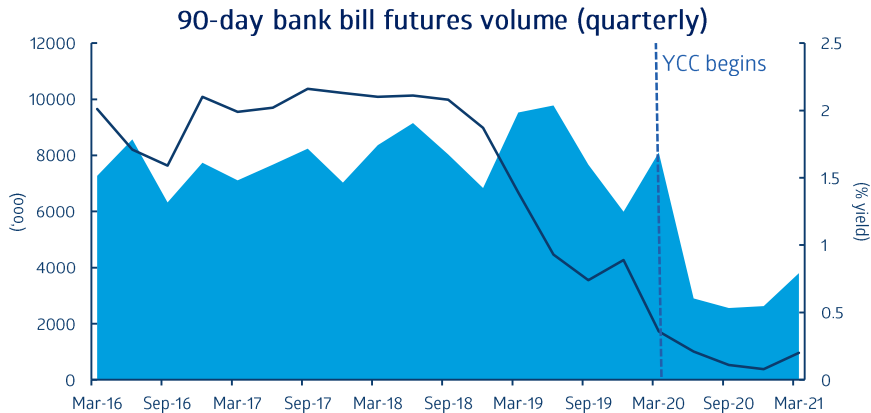


Derivatives and OTC markets face mixed trading conditions

RBA yield curve control (YCC) weighing on short-dated interest rate futures volumes

YCC has reduced volumes at short-end of yield curve

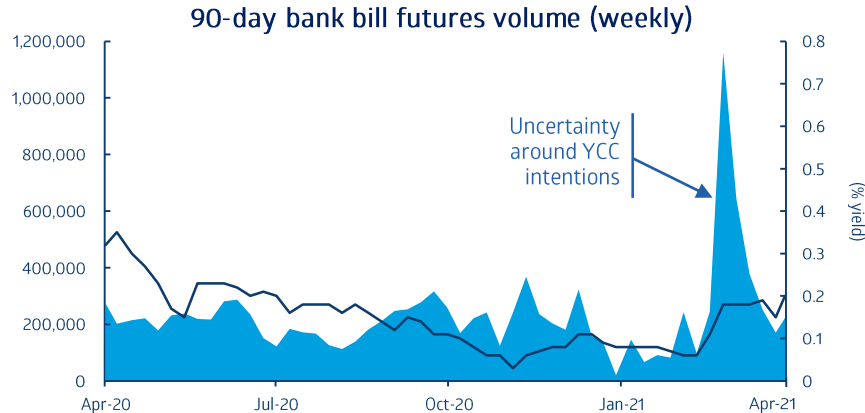
- Interest rate futures activity levels driven by
 - Expectations regarding interest rate outlook
 - Broader fixed income market activity levels
 - Absolute level of interest rates
- YCC intended to give short-term interest rate certainty, reducing
 - Need for hedging
 - Ability to speculate on near term rates direction



■ 90-day bank bill futures volume
— 90-day bank bill futures yield (RHS)

However, volumes sensitive to changing rate expectations

- 22 February 2021: all time record volume traded in 90-day bank bill futures
- Driven by views on emerging inflation indicators, steepening of the long-end of the US yield curve and speculation on YCC policy
- While market views can be short lived, in the current environment, YCC policy change needed to drive longer-lasting change



■ 90-day bank bill futures volume
— 90-day bank bill futures yield (1 year forward) (RHS)



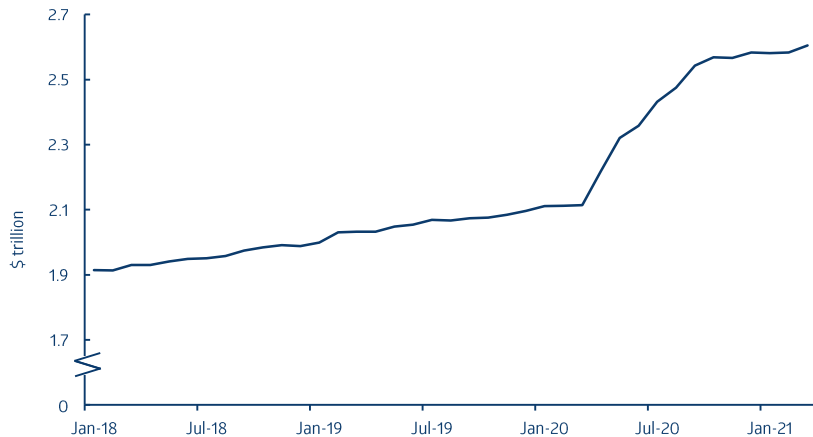
Derivatives and OTC markets face mixed trading conditions

Benefiting from government and semi-government bond issuance

Driving growth in Austraclear

- Government issuance driving increased holding and transaction revenues
- Semi-government driving registry, holding and transaction revenues

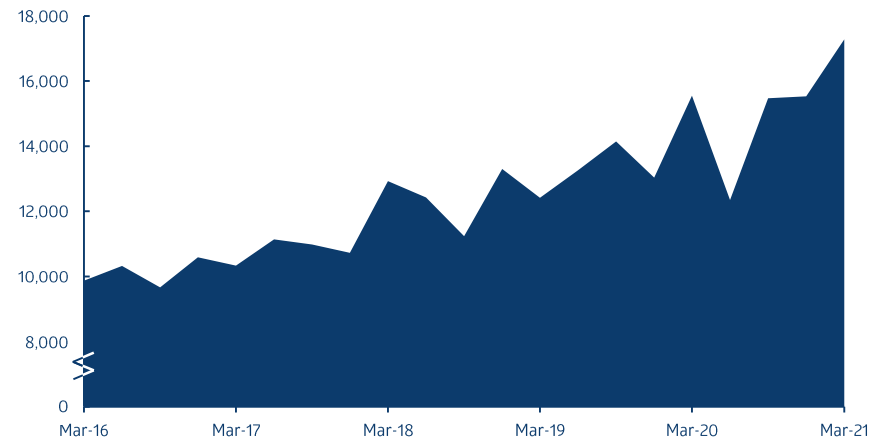
Austraclear holdings (monthly)



Supporting trading in longer dated bond futures

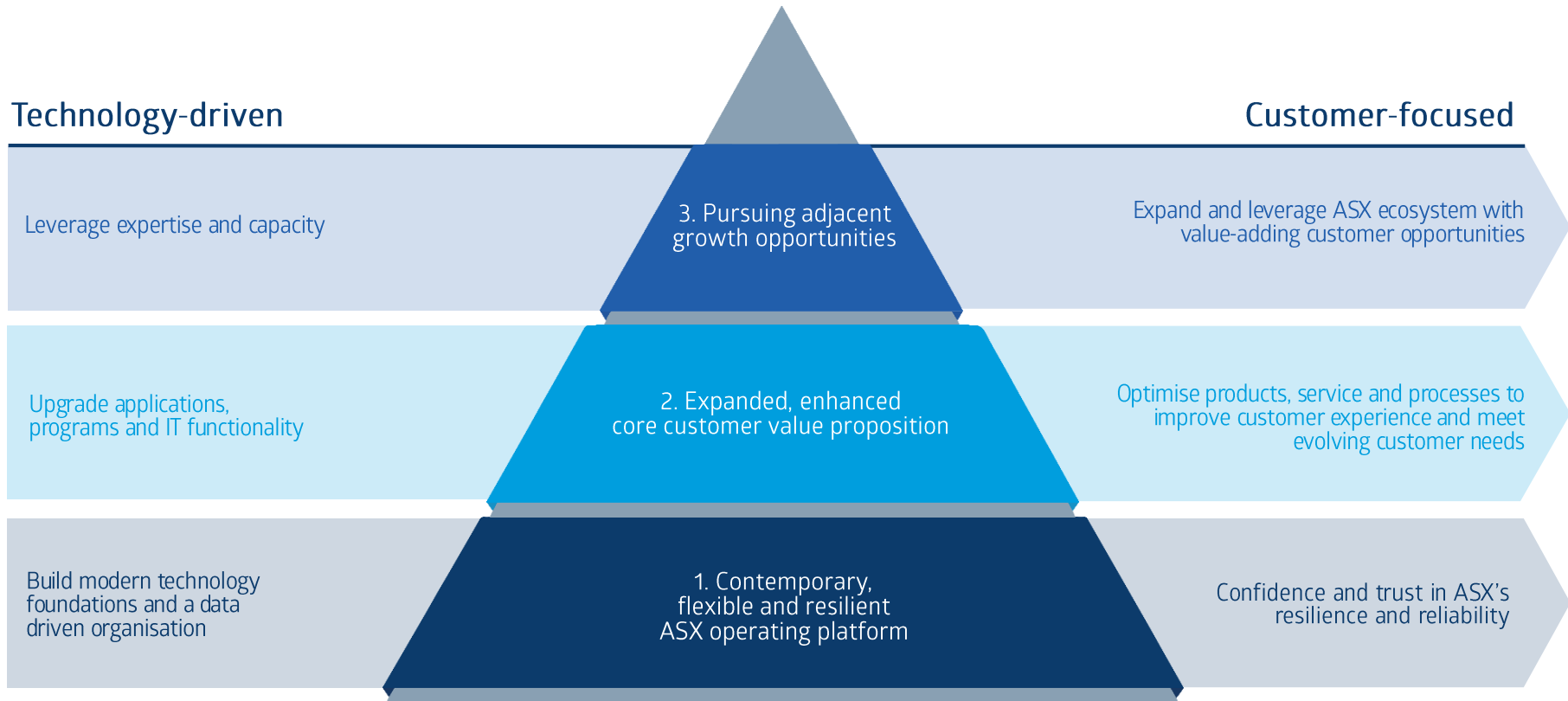
- 10-year bond futures volume +9.6% yoy as at 31 March 2021
- Trading in 5-year bond futures contract continues to develop
- YCC has driven a rebalance of trading opportunities to longer dated bond futures

10-year treasury bond futures volume (quarterly)



Building an exchange for the future

Positioning ASX for continued long-term growth



Well positioned to continue benefiting from long-term industry trends

Technology transformation enables ASX to optimise opportunities from macro tailwinds

Compulsory superannuation



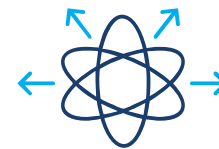
Expanding Australian
superannuation (pension)
system

Digitisation of processes



Ongoing need for process efficiency
and risk reduction through
standardisation of data and
automation of workflows

Data explosion



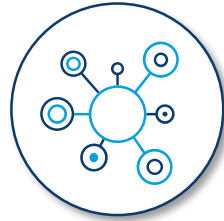
Increasing demand for
more granular and source of
truth data

Re-platformed technology hardware and infrastructure

Infrastructure layer modernised without impacting customers or services



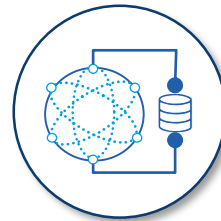
New secondary data centre



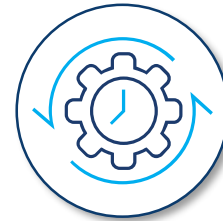
Network modernisation



New customer network



Industry-grade data science platform



IT service management

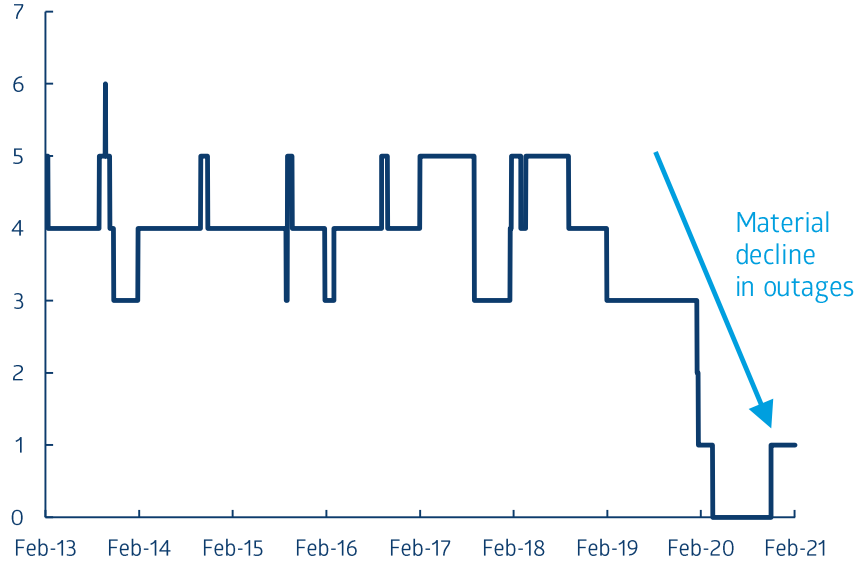
PROVIDE

Contemporary, flexible and resilient ASX operating platform

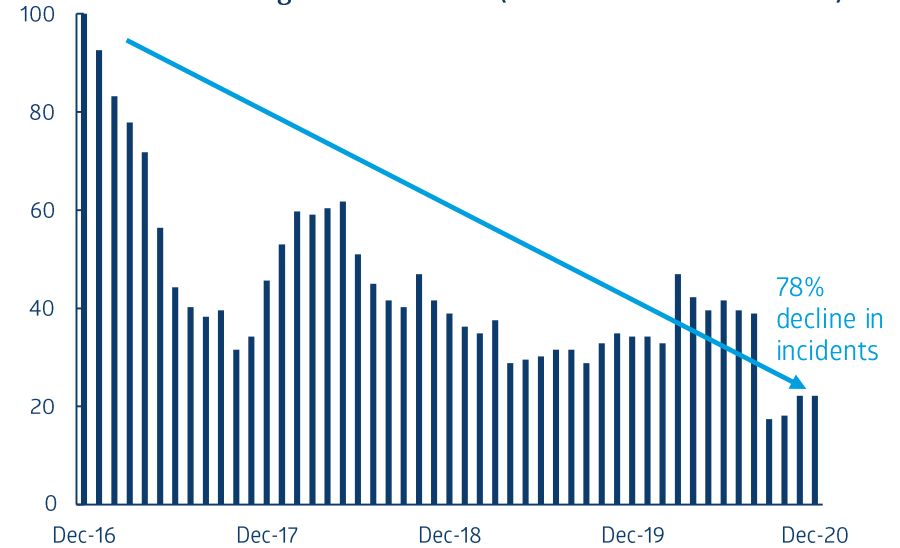
Technology transformation delivering operational benefits today

Increased resilience and reliability

Average number of outages on a rolling two-year basis*



Index of incidents that have a customer impact on a rolling six-month basis (December 2016 = 100 base)



Modernising Australia's cash market technology

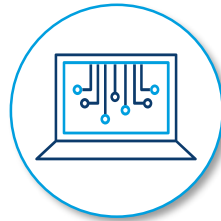
Making business easier for customers



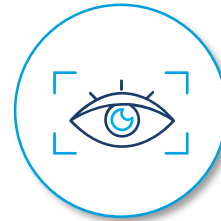
Upgraded ASX Trade



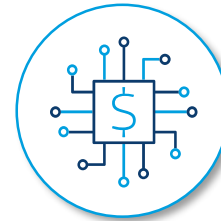
Corporate actions STP



New website creates digital foundation



Strengthened surveillance capabilities



New DLT-enabled CHES

ENABLE

Expanded and enhanced core customer value proposition

Modernising Australia's equity market technology

Making business easier for customers

Corporate actions STP

- Leading the global exchange industry given the
 - Coverage of all relevant corporate actions standardised
 - Depth of the data available in machine readable format

Benefits

- Data validation and listing rule compliance at point of entry for issuers
- Reduced risk via process automation and process efficiencies via machine readable data for registries and custodians
- Structured source-of-truth data to power innovation for fintechs and service providers
- Faster receipt of richer information for investors



REDUCED RISK
VIA PROCESS
AUTOMATION



INTERNATIONALLY
STANDARDISED
DATA



INCREASED
PROCESS
EFFICIENCY



IMPROVED
DATA
ACCURACY



FASTER
PROCESSING
TIMES

CHES replacement

- On track for 'go-live' April 2023
- Build of end-to-end technology largely complete
- Preparing to commence industry testing, accreditation and customer readiness phase from late November

Benefits

- Delivers Australia a DLT-enabled equity clearing and settlement system
- Immutable, real-time record of truth enabling multi-party workflows
- Internationally standardised messages and machine readable data reduces need for reconciliation
- Drives industry-wide innovation in the use of smart contract and distributed ledger technology

Technology transformation to deliver benefits into the future

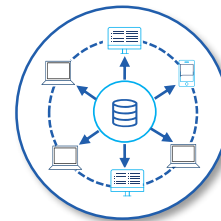
Enabling innovation for ASX, its customers and our industry



Australian
Liquidity Centre
(ALC)



DataSphere



DLT Solutions

PURSUE

Adjacent growth opportunities

The ALC: delivering efficiency and innovation opportunities

- Providing reliable, resilient infrastructure
- Providing cost efficiency of shared infrastructure
- Enabling connectivity to ASX and other ALC customers
- Enabling business process innovation
- Driving growth opportunities for ASX



Well positioned to serve Australia's financial markets

Investing in contemporary technology to support growth in industry capacity and innovation

- 1H21 operating result reflected strength of diversification
- On track to meet FY21 operating expense growth guidance of 8-9%
- FY21 capital expenditure guidance of \$110-115 million unchanged
- Investment in technology infrastructure delivering improved resilience and reliability measures
- CHESS replacement on track for 'go-live' in April 2023

Thank you.

Disclaimer

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Forward-looking statements may be identified by words such as "aim", "anticipate", "assume", "continue", "could", "estimate", "expect", "intend", "may", "plan", "predict", "should", "will", or "would" or the negative of such terms or other similar expressions that are predictions of or otherwise indicate future events or trends.

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