



19 August 2021

Australian Securities and Investments Commission
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ASX LIMITED – 2021 FULL-YEAR RESULTS MEDIA RELEASE

Attached is a media release relating to the 2021 Full-Year Financial Results.

Release of market announcement authorised by:

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Market Release

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ASX Limited Full-Year Results to 30 June 2021 (FY21)

Financial highlights relative to the prior comparative period (FY20) based on Group segment reporting

- Results reflect strength of diversified business given impact of the RBA's current policy settings
- Operating revenue up 1.4% to \$951.5m, with strong growth in listings and equity activities balancing effects of interest rate policy on futures
- Statutory NPAT down 3.6% to \$480.9m and underlying NPAT down 6.4%
- Material decline in interest earnings reflecting policy settings
- Higher capital investment in long-term sustainability of business
- 90% dividend payout policy maintained

	FY21	Variance (pcp)
Statutory profit after tax (S)	\$480.9 million	↓\$17.7m ↓3.6%
Underlying profit after tax (U)	\$480.9 million	↓\$32.9m ↓6.4%
Operating revenue	\$951.5 million	↑\$13.1m ↑1.4%
<ul style="list-style-type: none"> • Strong growth in Listings and Issuer Services supported by new listings and elevated issuer activity • Decline in Derivatives and OTC Markets as current policy settings reduced demand for short-term interest rate futures • Solid rise in Trading Services underpinned by higher demand for information services • Strong growth in Equity Post-Trade Services reflecting higher settlement activity 		
Total expenses (includes depreciation)	\$310.3 million	↑\$24.1m ↑8.4%
<ul style="list-style-type: none"> • In line with market guidance of 8-9% growth 		
EBIT	\$641.2 million	↓\$11.0m ↓1.7%
<ul style="list-style-type: none"> • Solid operating result reflecting diversified businesses 		
Net interest income	\$46.7 million	↓\$37.1m ↓44.3%
<ul style="list-style-type: none"> • Current policy settings resulted in lower interest earnings on ASX's own capital and lower investment spread on ASX collateral 		
Earnings per share	248.4 cents (S)	↓9.2cps (S) ↓3.6% (S)
<ul style="list-style-type: none"> • Decrease in line with lower profit 	248.4 cents (U)	↓17.0cps (U) ↓6.4% (U)
Final dividend per share	111.2 cents	↓11.3cps ↓9.2%
<ul style="list-style-type: none"> • 90% payout ratio, fully franked 		
Total FY21 dividends (interim and final)	223.6 cents	↓15.3cps ↓6.4%
Capital expenditure	\$109.8 million	
Investment in long-term sustainability of business, in line with market guidance		

Dominic Stevens, ASX Managing Director and CEO, said: “ASX has delivered a resilient result overall in FY21, with operating revenue growing 1.4% to \$951.5 million, up \$13.1 million, following a very robust FY20. Strong listings and equity market activity, due in part to an ongoing surge in retail trading, were tempered by the effects of the RBA’s current policy settings on both short-end futures volumes and interest income. This led to a 3.6% fall in statutory profit to \$480.9 million – down \$17.7 million.

“ASX determined a final dividend of 111.2 cents per share, fully franked, in line with our policy to payout 90% of earnings. This brought total FY21 dividends to 223.6 cents per share – down 6.4%.

“There was healthy revenue growth in our Listings and Issuer Services business with 176 new listings in the period, the highest number since FY08, and almost 200 listings in total including backdoor listings. The total amount of capital raised also grew to \$102.5 billion – up over 5%. Cash market trading revenue was down 5%, coming off the all-time record volumes seen during the initial stages of the COVID pandemic last year.

“The Derivatives and OTC Markets business continued to be impacted by current policy settings at the short-end of Australia’s interest rate curve. While overall futures volumes were down 15%, reflecting lower bank bill and 3-year bond futures volumes, there was strong growth in 10-year bond futures volumes – up 15% – and the new 5-year bond futures contract experienced encouraging volume in its first seven months of trading. Austraclear revenues rose, reflecting greater bond issuance and trading, and we continue to see strong growth in our electricity derivatives business.

“In our data business, demand for Information Services offerings remained strong. Likewise in our connectivity business, Technical Services, which saw a rise in the number of customer cabinets and connections.

“ASX’s expenses rose 8.4% due to additional costs to support licence to operate and growth initiatives, and due to variable costs associated with issuer activity. In FY22, we expect expense growth to moderate to between 5 and 7%. Capital expenditure was \$109.8 million, reflecting the expanded CHES replacement project and ASX’s ongoing commitment to strengthen our foundations to build an exchange for the future.

“We continue to progress ASX’s once-in-a-generation technology transformation, which will help us make business easier for our customers and underpin ASX’s long-term sustainability. When CHES replacement goes live in April 2023, the average age of our equity technology will be at its lowest level for more than two decades. The work to modernise our technology stack has improved the performance of our infrastructure: since 2016, there has been an 87% drop in the number of customer-impacting incidents and flowing from that a significant reduction in outages.

“However, the regrettable equity market outage last November fell short of our own high standards and the expectations we want to meet. We will learn from this experience and have already taken steps to enhance our processes and practices, including with our technology provider Nasdaq. We will also incorporate insights from an independent expert we commissioned in consultation with our regulators to review the outage.”

Mr Stevens continued: “Having flexible and contemporary technology is already delivering benefits to customers through initiatives such as our corporate actions straight-through processing capability, improved Austraclear functionality, and an online data licensing portal, which builds direct connections to data customers that previously connected to ASX via a data vendor.

“ASX is putting sustainable foundations in place in other areas too. The current review of our operating model has already changed some teams and reporting structures. Now, 45% of my direct reports are women and we have a target of 45% female participation across our entire workforce by FY25. Also in FY25, we aim to have net zero carbon emissions from our operations. Before then, from FY23, we will use 100% renewable electricity. To help others on this journey, we aim to provide products and services that will support Australia transition to a climate-resilient economy.

“A proper review of FY21 must give credit to the effort and dedication of ASX’s people. I am enormously proud of and grateful for their achievements across the year. We are conscious of the extra pressures faced by all our staff at this current time. Their health and wellbeing is our top priority.

“FY22 has continued where FY21 left off. Equities trading remains robust given ongoing uncertainty generated by COVID and the listings pipeline looks healthy. While futures volumes remain linked to the RBA’s policy settings, market support for our suite of energy derivatives and for Austraclear activity looks positive.

“Overall, ASX enters FY22 with solid operational momentum and a reaffirmed commitment to deliver value to our stakeholders and put in place the financial services infrastructure of the future.”

- Please see the accompanying speaking notes and presentation slides for more detail and insights.
- Complete full-year results materials will be available on the [ASX market announcements page](#).
- A webcast of today’s 10.30am (Sydney time) presentation will be available on the [ASX website](#) or can be viewed live [here](#).

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APPENDIX – ASX full-year results to 30 June 2021 (FY21) based on the Group’s segment reporting

Group income statement	FY21 \$m	FY20 \$m	Variance \$m	Variance %
Operating revenue	951.5	938.4	13.1	1.4%
Operating expenses	(256.8)	(235.7)	(21.1)	(8.9%)
Depreciation and amortisation	(53.5)	(50.5)	(3.0)	(6.0%)
Total expenses	(310.3)	(286.2)	(24.1)	(8.4%)
EBIT	641.2	652.2	(11.0)	(1.7%)
Interest and dividend income	46.7	83.8	(37.1)	(44.3%)
Underlying profit before tax	687.9	736.0	(48.1)	(6.5%)
Income tax expense	(207.0)	(222.2)	15.2	6.8%
Underlying profit after tax	480.9	513.8	(32.9)	(6.4%)
Significant item*	-	(15.2)	15.2	-
Statutory profit after tax	480.9	498.6	(17.7)	(3.6%)

Operating revenue	FY21 \$m	FY20 \$m	Variance \$m	Variance %
Listings	182.5	175.9	6.6	3.8%
Issuer services	75.7	61.2	14.5	23.6%
Listings and Issuer Services	258.2	237.1	21.1	8.9%
Equity options	11.6	18.5	(6.9)	(37.3%)
Futures and OTC clearing	214.4	242.9	(28.5)	(11.8%)
Austraclear	58.6	56.2	2.4	4.4%
Derivatives and OTC Markets	284.6	317.6	(33.0)	(10.4%)
Cash market trading	61.0	64.2	(3.2)	(5.0%)
Information services	118.0	106.8	11.2	10.5%
Technical services	86.0	85.3	0.7	0.9%
Trading Services	265.0	256.3	8.7	3.4%
Cash market clearing	71.0	65.3	5.7	8.6%
Cash market settlement	72.7	62.1	10.6	17.2%
Equity Post-Trade Services	143.7	127.4	16.3	12.8%
Operating revenue	951.5	938.4	13.1	1.4%

Key activity indicators	FY21	FY20	Variance	Variance %
All Ordinaries Index (end of period)	7,585.0	6,001.3	1,583.7	26.4%
Number of new listed entities (IPOs)	176	83	93	112.0%
New and secondary capital raised	\$102.5 billion	\$97.2 billion	\$5.3 billion	5.5%
Daily average cash on-market value	\$5.8 billion	\$6.0 billion	(\$0.2 billion)	(3.7%)
Futures daily average contracts traded	561,720	658,522	(96,802)	(14.7%)
OTC cleared notional value	\$5,200.1 billion	\$12,454.3 billion	(\$7,254.2 billion)	(58.2%)

*Significant item – non-cash impairment for Yieldbroker. Variances expressed favourable/(unfavourable).