

ASX LIMITED (ASX)

16 AUGUST 2018

RESULTS	Full Year 2018	Full Year 2017	CHANGE
Operating Revenue (\$m)	822.7	764.1	+7.7%
Listings & Issuer Revenue (\$m)	220.6	192.7	+14.5%
Trading Services Revenue (\$m)	209.9	196.0	+7.0%
Derivatives/OTC Mkts Revenue (\$m)	286.4	269.1	+6.4%
Underlying Profit (\$m)	465.3	434.1	+7.2%
Bloomberg Consensus (\$m)	465.8		
Final Dividend (\$)	1.091	0.998	+9.3%

ASX Limited (ASX) profits lift thanks to better results across all businesses

- Stock market operator, **ASX Limited (ASX)** posted a solid 7.2% lift in Underlying Profit to \$465.3m for the 12 months to 30 June thanks to better results across its four main business units, a lift in capital raisings and increased futures trading by offshore customers. Revenue growth was the strongest since 2010.
- Its **Listings & Issuer Services** unit stood out with the strongest lift in revenue. Over the year, the business raised \$81.7bn in capital which is a 46% lift on last year with initial capital from listings rising most. While there was a drop in the number of new listings to 137, they were larger in value. IPO capital raised surged by \$11bn, while secondary capital (from companies that are already listed on the ASX) was equally impressive, lifting to \$56bn. An increase in the number of companies on the ASX, rising market cap and fee changes helped generate \$85.8m in annual listing revenue, an 8.2% lift.
- **Derivatives and Over the Counter (OTC)** markets posted a 6.4% improvement in revenue. The gains were mainly due to Futures and OTC trading rather than significant changes to equity options or Austraclear (incl. cash transfer and settlement services for over 830 participants). It continues to benefit from growth in the number of new traders, particularly international traders. While there was a decline in single stock options trades, this was offset by growth in index options volumes.
- **Trading Services** revenue jumped by 7% over the year mainly thanks to the stronger performance of its information and technical services. The ASX expanded its futures data product offering while a lift in the number of service connections and service feeds also helped.
- A \$1.091 fully franked **final dividend** will be paid to eligible shareholders on 26 September and will trade ex-dividend on 6 September. This represents a 90% payout ratio. **Looking ahead**, ASX said it expects changes to US interest rates and geopolitical instability will likely underpin market volatility. The group said it is encouraged by its listings pipeline given recently announced demergers. Note, in recent months Wesfarmers (WES) announced plans to spin-off its Coles business by November, which is expected to form a top 30 company. CBA had also announced its demerger intentions. The company flagged the need for more spending in coming years due to the need to upgrade technology.

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