



16 August 2024

Australian Securities and Investments Commission
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ASX LIMITED – 2024 FULL-YEAR RESULTS MARKET RELEASE

Attached is a copy of the market release relating to the 2024 Full-Year Financial Results.

Release of market announcement authorised by:
The Board of ASX Limited

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Market Release

16 August 2024

ASX Limited Full-Year Results to 30 June 2024 (FY24)

Key financial highlights (vs prior corresponding period of FY23)

 <p>Operating revenue \$1.03 billion (↑ 2.4%)</p>	<p>Record operating revenue, achieved in challenging market conditions Revenue performance supported by diversified business model: growth in Markets and Technology & Data businesses, partly offset by lower contributions from Listings and Securities & Payments businesses</p>	
 <p>Statutory and underlying net profit after tax (NPAT)</p>		
<p>Statutory NPAT \$474.2 million (↑ 49.4%) Statutory net profit after tax (NPAT) was significantly higher due to the CHES Replacement project derecognition charge in the prior corresponding period</p>	<p>Underlying NPAT \$474.2 million (↓ 3.4%) Decline in underlying NPAT driven by higher operating expenses, partially offset by operating revenue growth and increase in net interest income</p>	
 <p>Total expenses \$429.5 million (↑ 14.7%)</p> <p>Total expense growth for FY24 in line with previously stated guidance</p> <p>Primarily driven by an increase in employee costs to support investment for regulatory commitments and technology initiatives, as well as higher equipment and administration costs, and ASIC supervision levy</p> <p>FY25 total expense growth guidance of between 6% and 9%¹ reflecting continued investment in technology modernisation associated with Horizon 1 of five year strategy</p>	 <p>Final dividend per share 106.8 cents (↓ 4.7%)</p> <p>Fully franked, represents dividend payout ratio of 85% Total interim and final dividends per share for FY24 of 208.0 cents (↓ 8.9%)</p>	
 <p>Underlying return on equity (ROE) 13.0% (↓ 40bps)</p> <p>ROE up 70bps from 12.6% in 1H24 to 13.3% in 2H24 Medium term ROE target of between 13.0% and 14.5%</p>		

ASX Managing Director and CEO Helen Lofthouse said:

“As we move into the second year of our five year strategy, I’m pleased that ASX continues to demonstrate resilient financial performance, which was achieved amid challenging market conditions and during a period of transformation for the Group. Our record FY24 operating revenue of \$1.03 billion was driven by solid growth in our Markets and Technology & Data divisions.

¹ Excludes any significant items.

“We’ve made considerable headway in delivering our regulatory commitments and progressing our technology modernisation plans which is reflected in the higher operating expenses for the period. Our total expense growth rate for FY24 was 14.7%, which was in line with our previously stated guidance, and we expect a lower total expense growth rate of between 6% and 9% in FY25 as a result of ongoing expense management initiatives.

“Our underlying net profit after tax for FY24 was \$474.2 million, and we’re pleased to have been able to announce a fully franked dividend for our shareholders that represents a payout ratio of 85% of this net profit, while also continuing to focus on building long term value.

“This week ASIC filed civil proceedings against ASX Limited in relation to certain statements made by ASX in February 2022 regarding the previous CHES Replacement project. We recognise the significance and serious nature of these proceedings and are now carefully reviewing and considering the allegations. We play a critical role at the centre of Australia’s financial markets and continue to focus on supporting and delivering for our customers. We are committed to taking ASX forward, and the progress we’ve made in FY24 underscores our ongoing commitment to the execution of our strategy.

“During FY24 we embedded new processes to track strategic outcomes, refreshed senior leadership, lifted our risk and technology capabilities and continued to deepen engagement with stakeholders. There is still plenty of work ahead of us, but I want to recognise the contribution of everyone at ASX in driving towards our vision of a new era ASX.”

Financial performance: record operating revenue

ASX delivered FY24 operating revenue of \$1.03 billion, a 2.4% increase on the prior corresponding period (pcp) and a record revenue performance for ASX.

Performance across ASX’s four lines of business was mixed, with growth in Markets and Technology & Data offset by lower contributions from Listings and Securities & Payments.

Markets revenue was \$315.4 million, up 7.9%, reflecting higher futures volumes with significant growth in the traded volumes of 90 day bank bill futures, and 3 year and 10 year treasury bond futures in particular. Technology & Data revenue was up 5.9% to \$255.1 million, driven by an increase in equities and futures market data distribution, and growth in customer connections at the Australian Liquidity Centre (ALC).

Lower activity in cash equities clearing and settlement services impacted the Securities & Payments division, with revenue down 1.1% to \$255.6 million. Cyclically low levels of capital markets activity also impacted the Listings business, reflected in total revenue for the division down 4.8% to \$208.2 million.

Total expenses for the Group increased 14.7% to \$429.5 million, reflecting an increase in employee costs to support investment for regulatory commitments and technology initiatives, as well as higher equipment and administration costs, and ASIC supervision levy. The total expense growth rate for FY24 was in line with previously stated guidance of ~15%.

Underlying net profit after tax (NPAT) was down 3.4% at \$474.2 million. This decline was driven by higher operating expenses, and was partially offset by operating revenue growth and increase in net interest income. Net interest income increased 8.3% on the pcp primarily driven by higher returns on ASX cash balances exposed to the rising interest rates.

A fully franked final dividend of 106.8 cents per share (cps) will be payable on 20 September 2024. The total dividend per share for FY24 of 208.0 cents is 8.9% lower than the prior year, reflecting the decrease in underlying NPAT and a lower dividend payout ratio of 85% in FY24 (90% in FY23).

Strategic priorities and operational highlights

ASX made significant progress on its strategic focus areas of regulatory commitments and technology modernisation during FY24.

ASX produced a series of important reports and initiatives including three special reports required by ASIC, that we published during the period of June to November 2023. The special reports detailed the roadmap for ongoing support of CHES, implementation of recommendations from an external review into aspects of CHES Replacement, and an assessment of further improvements to delivery capability.

In November 2023, ASX announced a product based solution for CHES Replacement would be delivered by global technology provider TATA Consultancy Services (TCS). ASX proposes to implement the new platform in two main releases, with the clearing service to be delivered in a first release, and the settlement and sub-register services to follow in the second release. Industry consultation for the first release is complete and ASX is working towards delivering this in 2026. Industry consultation for the second release is currently underway and this includes potential approaches should Australia move to shorten the settlement cycle to T+1.

In June ASX shared an indicative technology roadmap that provided a view of major projects, including CHES Replacement and upgrades to ASX's trading and derivatives clearing platforms. In FY24 work delivered under the roadmap included the delivery of new services on the cash market trading platform, migration of multiple data services away from legacy systems and replacement of infrastructure in our data centre.

While we remain focused on executing our Horizon 1 priorities, during FY24 we continued to progress work on customer-driven growth opportunities, including supporting customers on the transition to net zero. ASX is uniquely positioned to offer the products, connectivity and price transparency to support our customers hedge transitional price risk. During FY24, we developed three environmental futures contracts to allow customers to price and hedge emissions reduction risk. ASX listed these products in July 2024.

Despite a globally subdued cycle for listings activity, ASX continued to be an active market to raise capital. In FY24 a total of almost \$28 billion in net new capital was quoted on our exchange, and we ranked first globally for metals and mining IPOs. ASX quoted exchange traded funds (ETFs) also increased significantly in terms of total funds under management during the year, growing 36% to a record \$199 billion.

Outlook and guidance

We are starting to see signs of a return of IPO activity with the listing of Guzman y Gomez being a recent high profile example. We continue to see increasing levels of interest from companies considering listing on ASX. The more stable macro-economic conditions may be supportive of an increase in listings activity, although ongoing geopolitical instability may impact sentiment.

In July 2024, net new capital quoted on ASX was down, following several large delistings due to the conclusion of previously announced M&A activity, including the acquisitions of Boral and CSR. Notwithstanding these delistings, net new capital quoted on ASX increased by approximately \$15 billion in the 12 months ending 31 July 2024.

The changing interest rate environment is driving higher traded volumes in interest rate futures, and we expect this trend to continue. We are also seeing activity move further across the curve as the market takes a view on longer term interest rates.



In terms of guidance, FY25 total expense growth is expected to be within the previously stated range of between 6% and 9%². FY25 capital expenditure guidance of \$160 million to \$180 million³ will primarily support the indicative technology modernisation roadmap.

Key performance metric

ASX remains focused on underlying return on equity (ROE) of between 13.0% and 14.5% as the performance metric driving the organisation, and we will continue to focus on disciplined execution of our strategy.

- This announcement is designed to be read in conjunction with the FY24 results briefing slides and accompanying speaking notes released today.
- Complete results materials will be available on the [ASX market announcements page](#).

Further enquiries

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² Excludes any significant items.

³ Capex guidance range of between \$160 million and \$180 million excludes \$10 million to \$12 million which has been committed for fit out of new premises in each of FY25 and FY26.



Appendix – ASX full-year results to 30 June 2024 (FY24) based on the Group's segment reporting

Group income statement	FY24	FY23	Variance	Variance
	\$m	\$m	\$m	%
Operating revenue	1,034.3	1,010.2	24.1	2.4
Operating expenses	(392.5)	(337.7)	(54.8)	(16.2)
EBITDA	641.8	672.5	(30.7)	(4.6)
Depreciation and amortisation	(37.0)	(36.9)	(0.1)	(0.3)
Total expenses	(429.5)	(374.6)	(54.9)	(14.7)
EBIT	604.8	635.6	(30.8)	(4.8)
Net interest income	76.7	70.8	5.9	8.3
Underlying profit before tax	681.5	706.4	(24.9)	(3.5)
Tax expense	(207.3)	(215.3)	8.0	3.7
Underlying profit after tax	474.2	491.1	(16.9)	(3.4)
Significant items	—	(173.8)	173.8	(100.0)
Statutory profit after tax	474.2	317.3	156.9	49.4

Operating revenue	FY24	FY23	Variance	Variance
	\$m	\$m	\$m	%
Annual listing	107.2	108.3	(1.1)	(1.0)
Initial listing	20.0	23.0	(3.0)	(13.0)
Secondary raisings	72.8	78.3	(5.5)	(7.0)
Investment products and other listing	8.2	9.0	(0.8)	(8.9)
Listings	208.2	218.6	(10.4)	(4.8)
Equity options	17.2	17.3	(0.1)	(0.6)
Futures and OTC clearing	237.9	211.8	26.1	12.3
Cash market trading	60.3	63.3	(3.0)	(4.7)
Markets	315.4	292.4	23.0	7.9
Information services	156.3	144.8	11.5	7.9
Technical services	98.8	96.0	2.8	2.9
Technology and Data	255.1	240.8	14.3	5.9
Issuer services	58.1	61.1	(3.0)	(4.9)
Cash market clearing	64.5	68.5	(4.0)	(5.8)
Cash market settlement	64.9	66.3	(1.4)	(2.1)
Austraclear (including Sympli)	68.1	62.5	5.6	9.0
Securities and Payments	255.6	258.4	(2.8)	(1.1)
Operating revenue	1,034.3	1,010.2	24.1	2.4



Key activity indicators	FY24	FY23	Variance	Variance
	\$m	\$m	\$m	%
All Ordinaries Index (end of period)	8,013.8	7,401.5	612.3	8.3
Number of new listed entities (IPOs)	56	57	(1)	(1.8)
Total net new capital quoted (\$b)	27.8	14.3	13.5	94.8
Total ASX on-market value (\$b)	1,330.8	1,415.2	(84.4)	(6.0)
Futures and Options on Futures volume (m)	163.5	142.3	21.2	14.9
Single stock options volume (m)	61.6	58.3	3.3	5.6
ALC service connections	1,399	1,346	53	3.9
Average no. of unique security holdings (m)	20.2	20.7	(0.5)	(2.4)
On-market value cleared (\$b)	1,410.1	1,495.5	(85.4)	(5.7)
Austraclear holdings balance (\$b)	3,109.3	3,068.4	40.9	1.3

Variances expressed favourable/(unfavourable)