



JSE Limited 2024 Interim Results Presentation

8 August 2024

let's connect

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Overview

Stable results within an evolving operating environment

Stable revenue performance

Operating income up 4.2% YoY – Segment & asset class diversification and non-trading income offset the 12% decline in equity value traded

Disciplined approach to cost management

Reflects focus on strategic initiatives with investment in our people and technology

Healthy cash generation

Robust balance sheet and cash position

Strategic and operational delivery

Collaborating with partners to drive innovation
Strong operational resilience

R1.5bn
Operating
income¹
+4.2% YoY

R1.0bn
OPEX
+6.4% YoY

R493m
NPAT
Flat YoY

R503m
Cash generated
from operations
+3.0% YoY

¹Includes net margin income

Risk off sentiment impacts overall activity with net foreign inflows in bonds

Risk-off sentiment leads to lower volatility

Net foreign inflows in bonds (+R35bn), with net foreign sellers in equities (-R81bn)

Published ADV down 12% YoY to R20.9bn owing to a high base effect

VIX half-year average



Bond / Equity net inflows and outflows



Equities market – Average Daily Value Traded (bn) / Average Daily Deals



Improving global sentiment with renewed optimism in SA post national elections

Global indices up on earnings, interest rate cut expectations and economic optimism

JALSH up 3.7% in H1 2024, driven by Industrials (Ind 25 +4.4%), Financials (Fini 15 +5.6%), and Resources (Res 10 +2.7%)

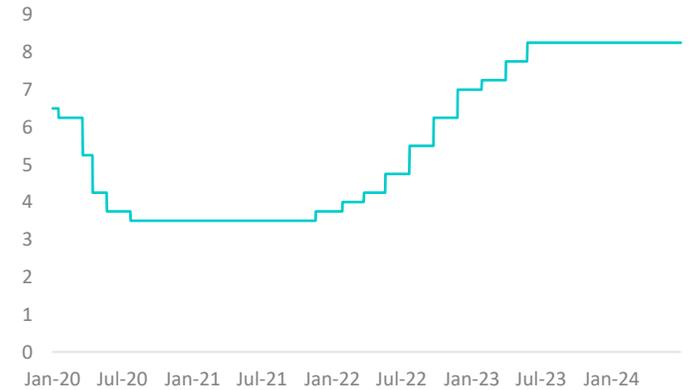
SA repo rate flat at 8.25%, USD/ZAR stable versus end December 2023, slowdown in inflation – above central bank target of 4.5%

SA's weighting within FTSE EM index moved from 3.45% (31 Dec 2023) to 3.22% (30 Jun 2024) – increased weightings in India and Taiwan

Global indices 2024 performance



SA repo rates (1 Jan 2020 – 30 Jun 2024)



USD/ZAR H1 2024

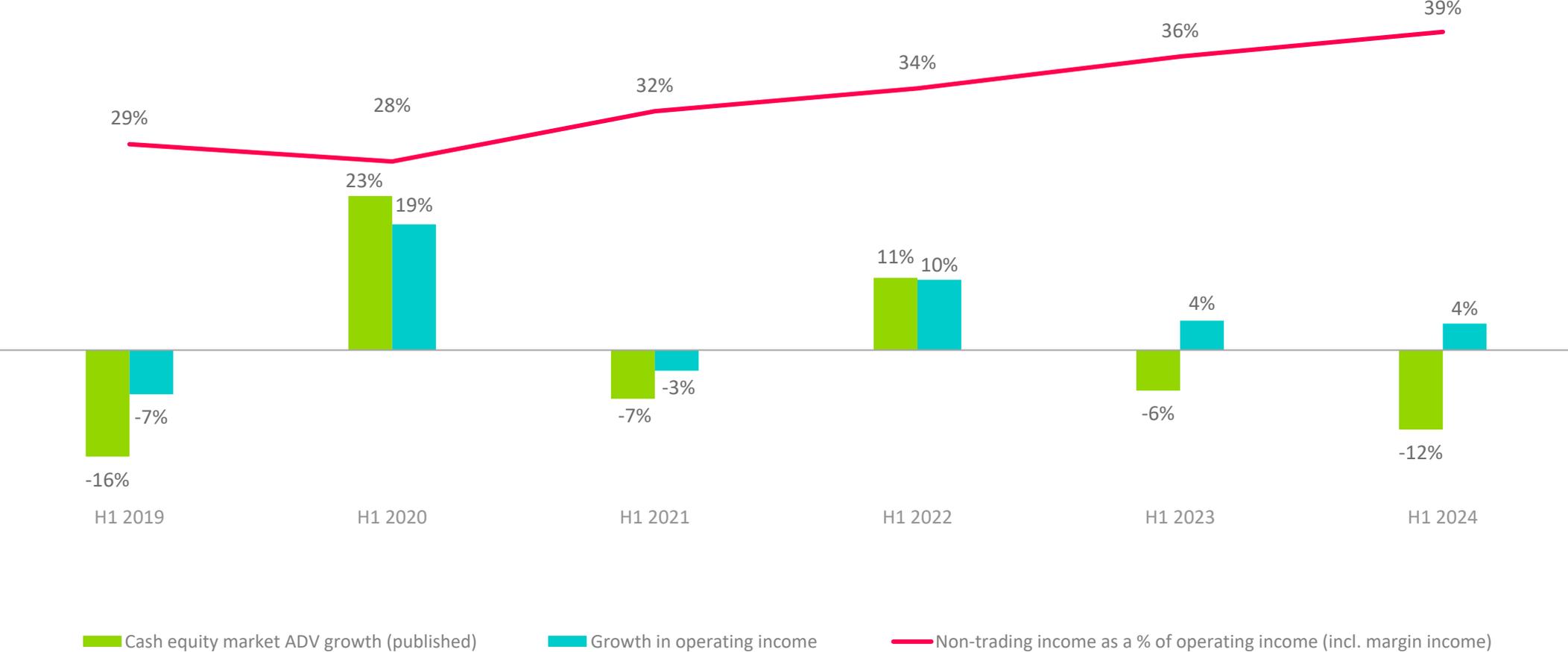


SA FTSE EM index weighting H1 2024



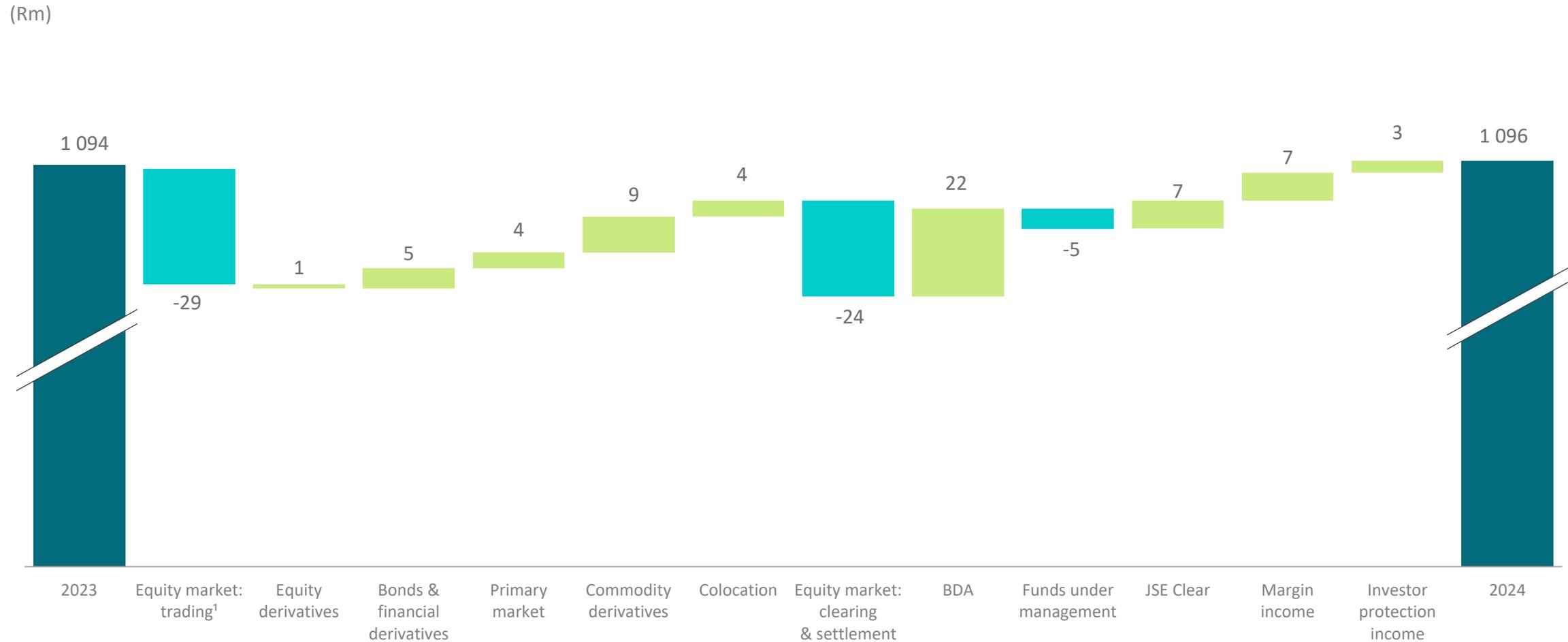
Continued positive trend in revenue diversification

Non-trading income offsets lower trading activity



7 Data excludes other revenue and other finance income
 Non-trading income includes market data fees (Information Services, JSE Investor Services), margin income, colocation fees and primary market fees

Diversification across asset classes underpins business resilience



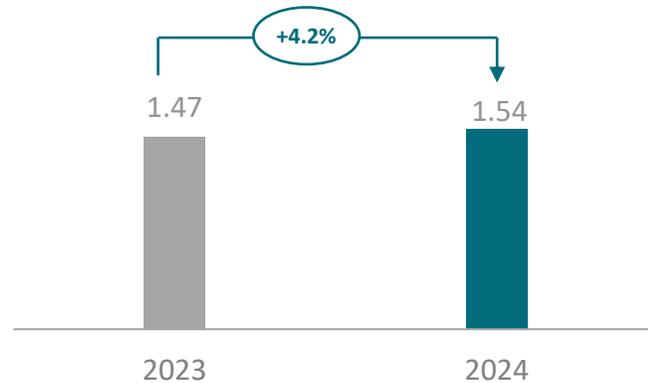
¹Equity market trading includes colocation revenue (R10m)



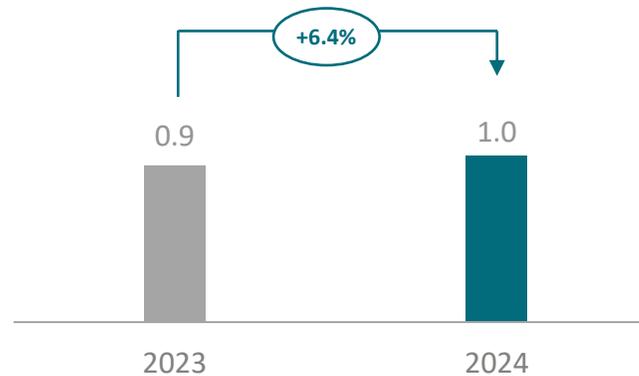
Financial review

Financial summary – Income statement

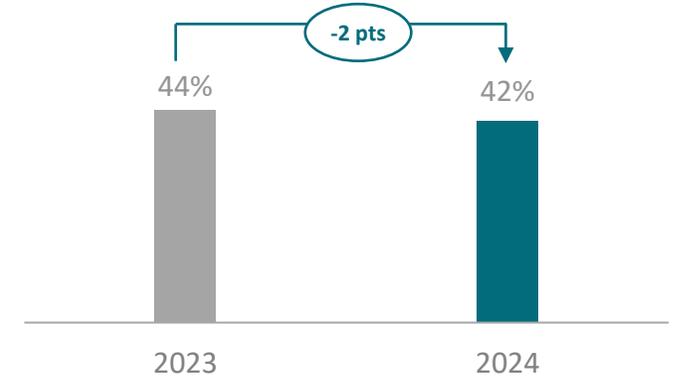
Operating income (Rbn)¹



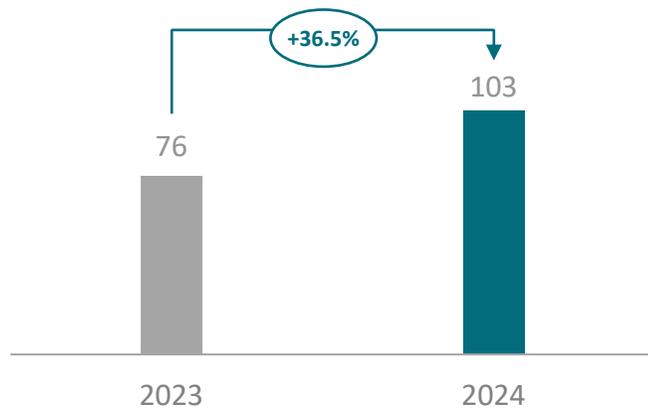
Total OPEX (Rbn)



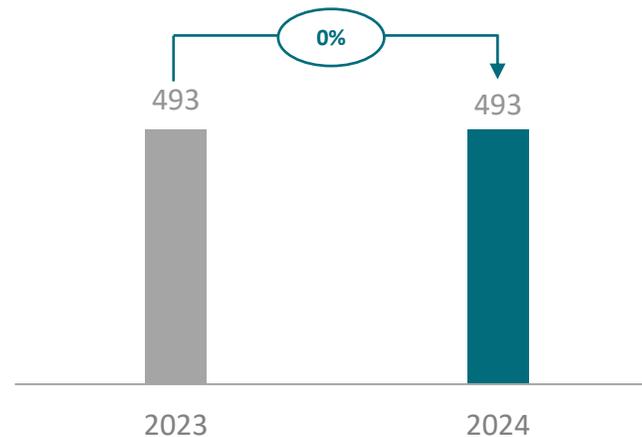
EBITDA margin¹



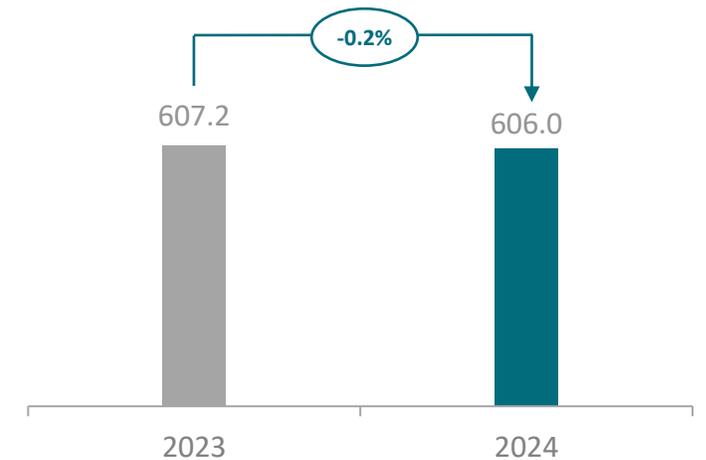
Net finance income (Rm)



NPAT (Rm)



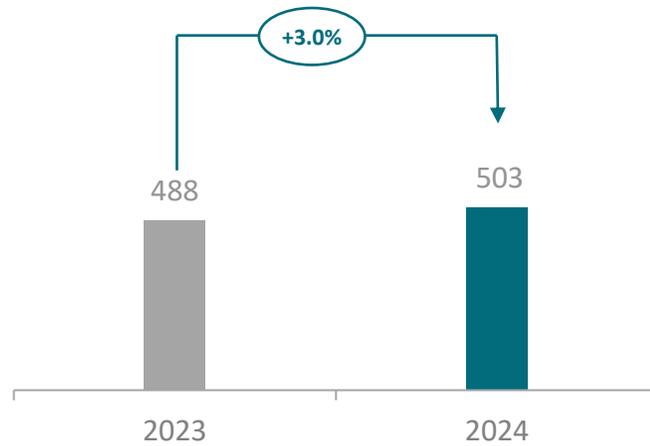
HEPS (cents)



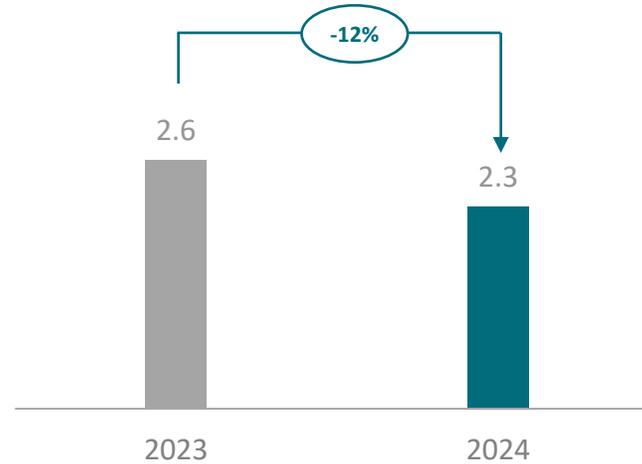
¹Margin income included in operating income and EBITDA

Financial summary – Cash and capital allocation

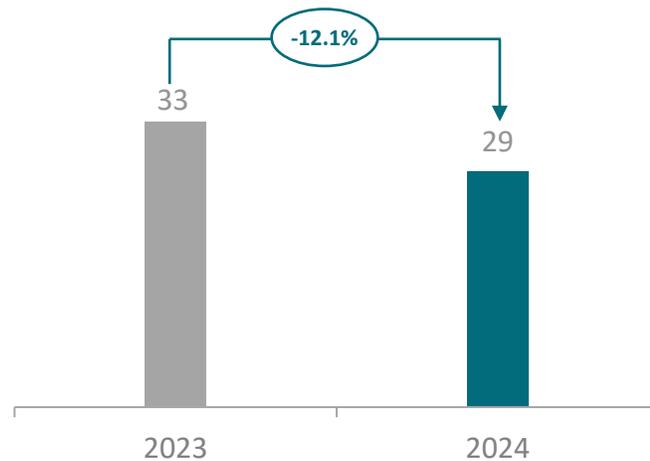
Net cash generated (Rm)



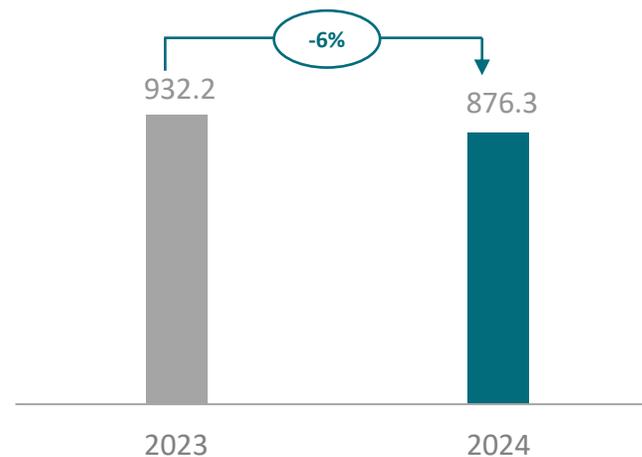
Cash balance (Rbn)¹



CAPEX (Rm)



Regulatory capital (Rm)²



¹Cash balance includes bonds: R467m (2023: R256m), ²Regulatory capital has been recalculated in line with required levels of mandatory holding

Income statement snapshot

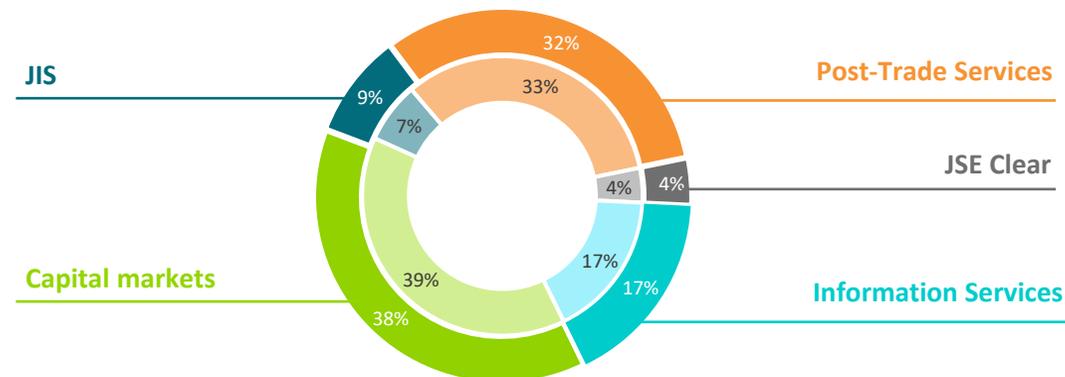
(Rm)	2024	2023	Δ (%)
Revenue	1 476	1 415	4.3%
Margin income & collateral	61	60	2.1%
Operating income	1 537	1 475	4.2%
Other income	27	39	-32.3%
Total income	1 563	1 514	3.3%
Personnel expenses	362	344	5.2%
Other operating expenses	546	506	7.9%
EBITDA	656	664	-1.3%
EBITDA (%)	42%	44%	-2 pts
Depreciation and amortisation	103	99	3.7%
Total operating expenses	1 010	949	6.4%
EBIT	553	565	-2.1%
EBIT (%)	35%	37%	-2 pts
Net finance income	103	76	36.5%
Share of profit from associate	19	29	-34.7%
Profit before tax	675	670	0.8%
Income tax expense	182	177	3.1%
NPAT	493	493	0.0%
NPAT (%)	32%	33%	-1 pts
EPS (cents)	606.0	602.0	0.7%
HEPS (cents)	606.0	607.2	-0.2%

Note: Margin income reclassified from net finance income to operating income – 2024: R61m and 2023: R60m

Revenue breakdown

- Capital market revenue was flat due to lower equity market trading revenue, offset by higher commodity derivatives, bonds and financial derivatives revenue. We also saw a 17% increase in colocation revenue
- JIS and Information Services revenue contributed 26% to operating revenue and increased by 29% and 7% YoY respectively
- Double-digit growth in JIS and JSE Clear
- Post-Trade Services was down 2%, in line with lower equity value traded. Funds under management revenue was down 10% on the back of lower JSE Trustees cash balances

H1 2024 revenue contribution (inner circle represents H1 2023)



Revenue (Rm)	2024	2023	% Growth YoY
Capital markets¹	529*	530	0%
Primary market	87	83	6%
Equity market trading	212	241	-12%
Colocation	24	20	17%
Bonds, currency & interest rate derivatives	70	65	8%
Equity derivatives	58	59	-1%
Commodity derivatives	46	37	25%
JIS	121	94	29%
Post-Trade Services	447	454	-2%
Equity market: clearing & settlement	197	221	-11%
BDA	203	181	12%
Funds under management	48	53	-10%
JSE Clear	60	53	13%
Information Services	242	227	7%
Market Data	194	183	6%
Indices	48	44	9%

Note: Figures contain rounding differences

¹Includes Issuer Services revenue (R5m), JPP (R1m) and SME development income (R2m). For illustrative purposes, R21m (2023) has been excluded from other income and included in Capital Markets revenue.

Capital Markets & JIS

Primary market revenue up 6%

- Additional capital raised R79bn (2023: R4bn) up by more than 100%
- Growth in sustainability segment and structured products: ETNs, ETFs & AMCs

Equity market trading revenue down 12%

- Published equity value traded down 12% and ADV down to R21bn (2023: R24bn)

Colocation revenue up 17%

- Increase in the number of racks: 52 (2023: 49)
- Colocation activity contributed 70% (2023: 68%) to value traded, an important enabler of activity

Bonds & financial derivatives revenue up 8%

- Bonds nominal value traded up 2%
- Currency derivatives no. of contracts traded down 7%
- Interest rate derivatives no. of contracts traded up 13%

Equity derivatives revenue down 1%

- Equity derivatives value traded down 3%

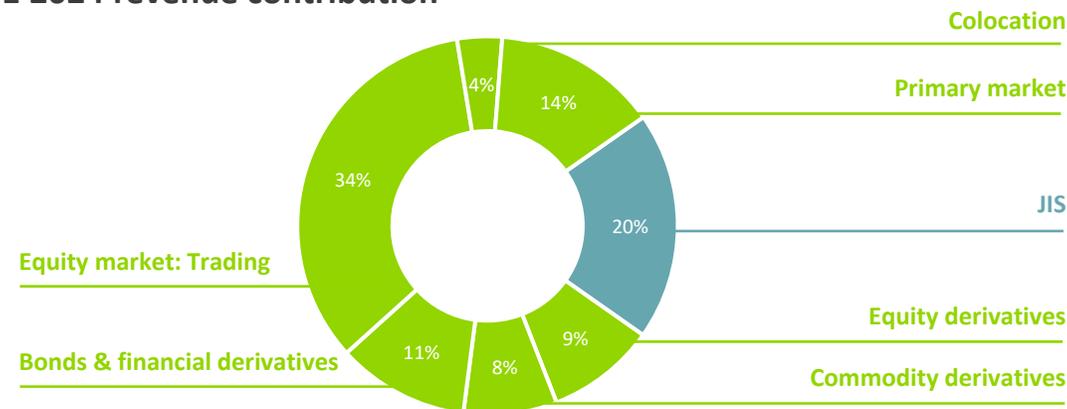
Commodity derivatives revenue up 25%

- No. of contracts traded up 9%
- No. of tons delivered up 21%

JIS revenue up 29%

- 6 new customers
- Growth in margin income due to favourable interest rates and recognition of margin income relating to prior years in the current year
- Growth in share plans services

H1 2024 revenue contribution



Post-Trade Services

Information Services

Capital markets

JIS

JSE Clear

	H1 24 Revenue (Rm)	H1 23 Revenue (Rm)	% Growth YoY
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Primary market	87	83	6%
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Note: Figures contain rounding differences

¹Includes Issuer Services revenue (R5m), JPP (R1m), Investor protection levy income (R24m) and SME development income (R2m)

Post-Trade Services & JSE Clear

Clearing & Settlement fees down 11%

- Billable equity value traded down 10%

BDA fees up 12%

- Equity transactions up 11%; ADT¹ up to 358k (2023: 322k)

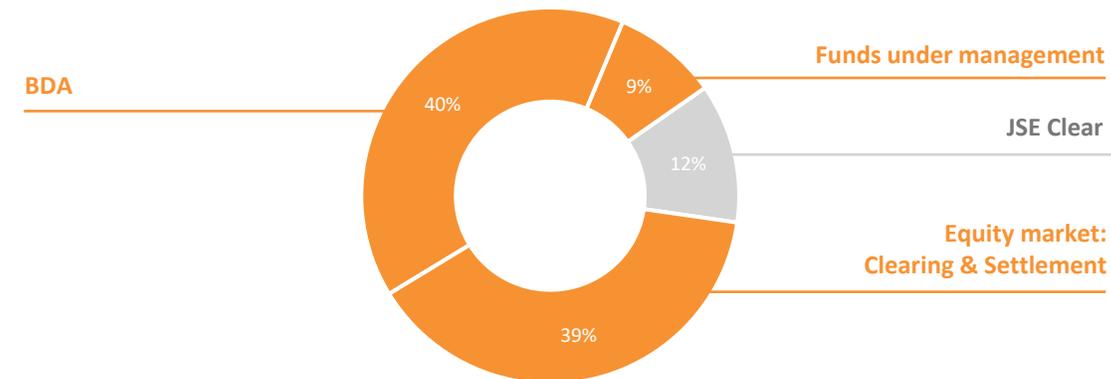
Funds under management revenue down 10%

- Lower JSE Trustees cash balances

JSE Clear revenue up 13%

- Higher clearing fees based on underlying growth in commodity and interest rate derivatives
- Low base effect as clearing membership fees charged from April 23 onwards

H1 2024 revenue contribution



	H1 24 Revenue (Rm)	H1 23 Revenue (Rm)	% Growth YoY
Post-Trades Services	447	454	-2%
Equity market: Clearing & Settlement	197	221	-11%
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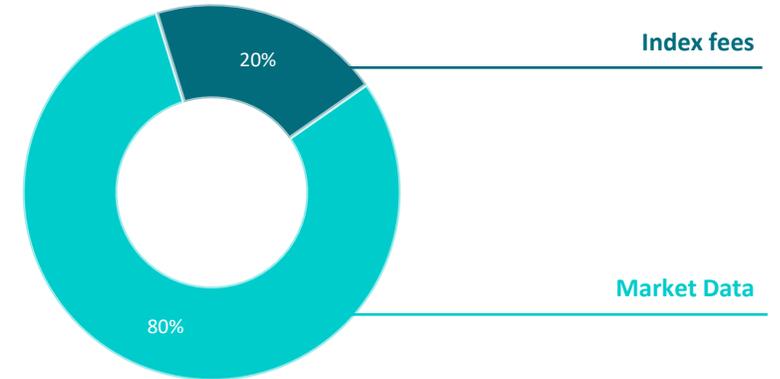
¹Average daily transactions

Information Services

Information Services revenue up 7%

- Net new clients: 12
- JSE Trade Explorer new clients: take-up by 20 top equity members progressing well, with 45% coverage by broker count and 60% by daily flows
- Positive impact from FX

H1 2024 revenue contribution



Post-Trade Services

Information Services

Capital markets

JIS

JSE Clear

	H1 24 Revenue (Rm)	H1 23 Revenue (Rm)	% Growth YoY
Information Services	242	227	7%
Market Data	194	183	6%
Index fees	48	44	9%

OPEX growth reflects investment in our people and technology

Personnel costs up 5% (R18m) to R362m

- Annual salary increases

Technology costs up 18% (R31m) to R208m

- Growth strategy, including Information Services and initiatives for sustaining the business (9%)
- Reclassifications relating to cloud-related spend (4.5%)
- Inflationary and foreign currency impact on licence costs (4.4%)

Depreciation and amortisation up 4% (R4m) to R103m

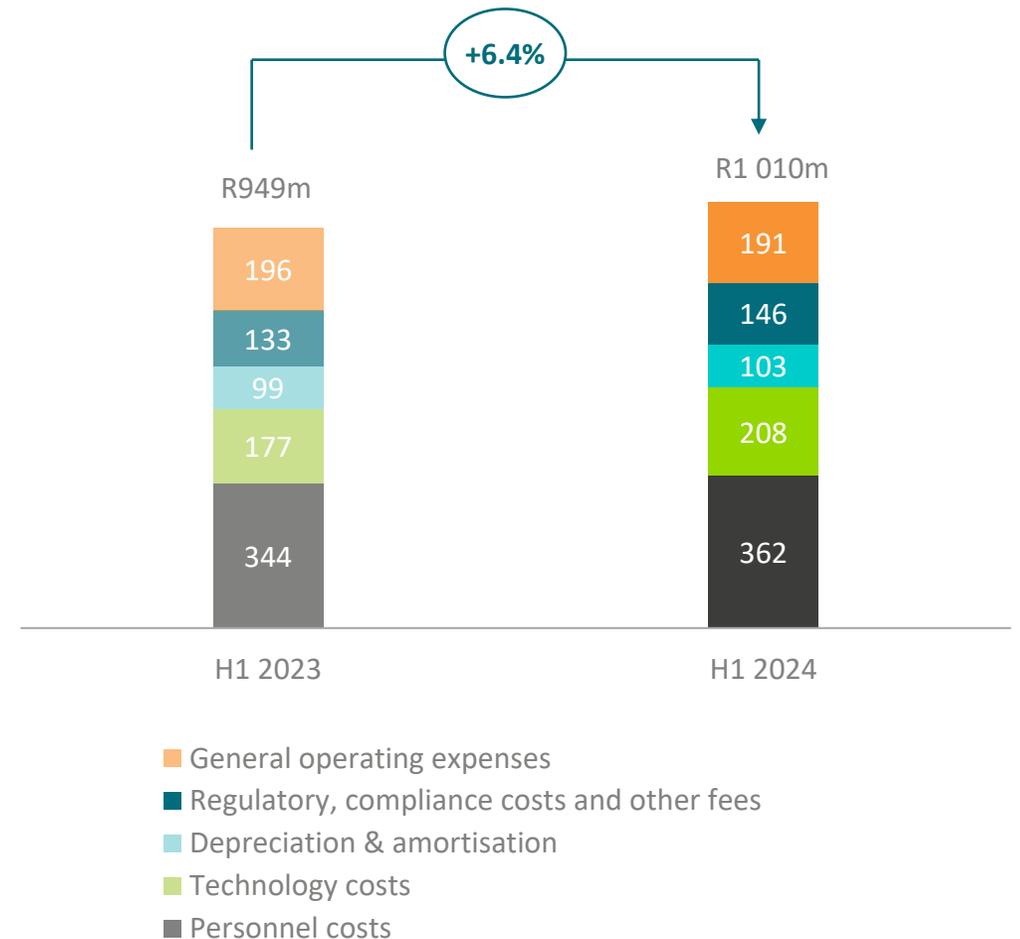
- Higher depreciation due to new assets capitalised in the current year (largely due to Securities Collateral project and computer hardware)

Regulatory, compliance costs & other fees up 10% (R13m) to R146m

- Increase in FSCA levies (annualised, introduced in April 2023)
- Under provision of audit fees

General operating expenses down 3% (R5m) to R191m

- Lower marketing & advertising costs



CAPEX spend focused on protecting the core and growing the business

H1 2024 CAPEX drivers

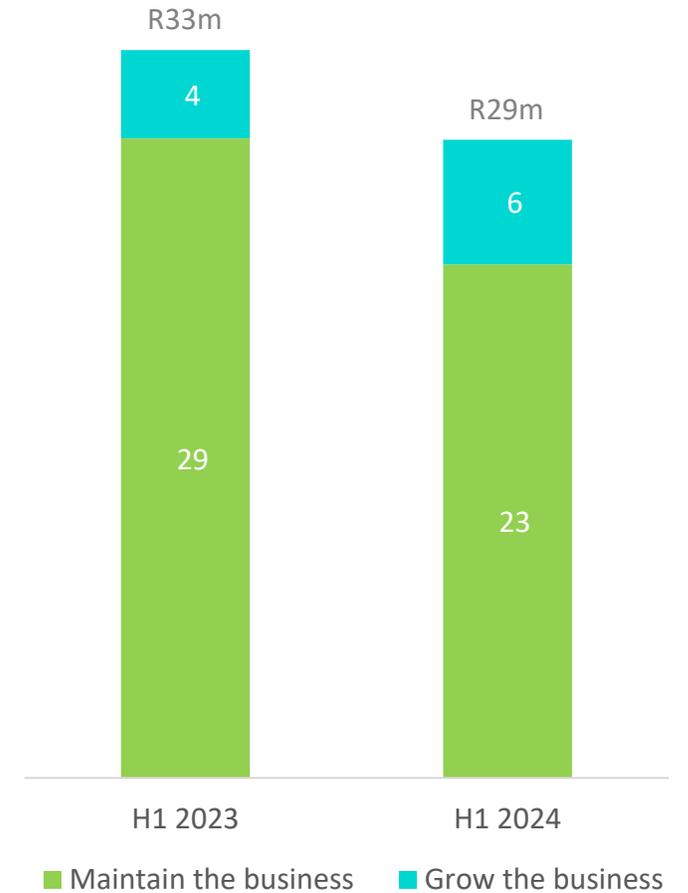
- Infrastructure enhancement and rejuvenation – planned completion in H2
- Upgrade of platform supporting remaining derivative markets – commodities, bonds with planned completion in H2
- Regulatory enhancements – management of insider trading system

- Information Services – transfer of market data to the cloud, data marketplace and self-service BI
- Bond electronic trading platform upgrade to cater for trading of inflation linked bonds – completed upgrade

FY 2024 CAPEX guidance: R145m – R165m¹

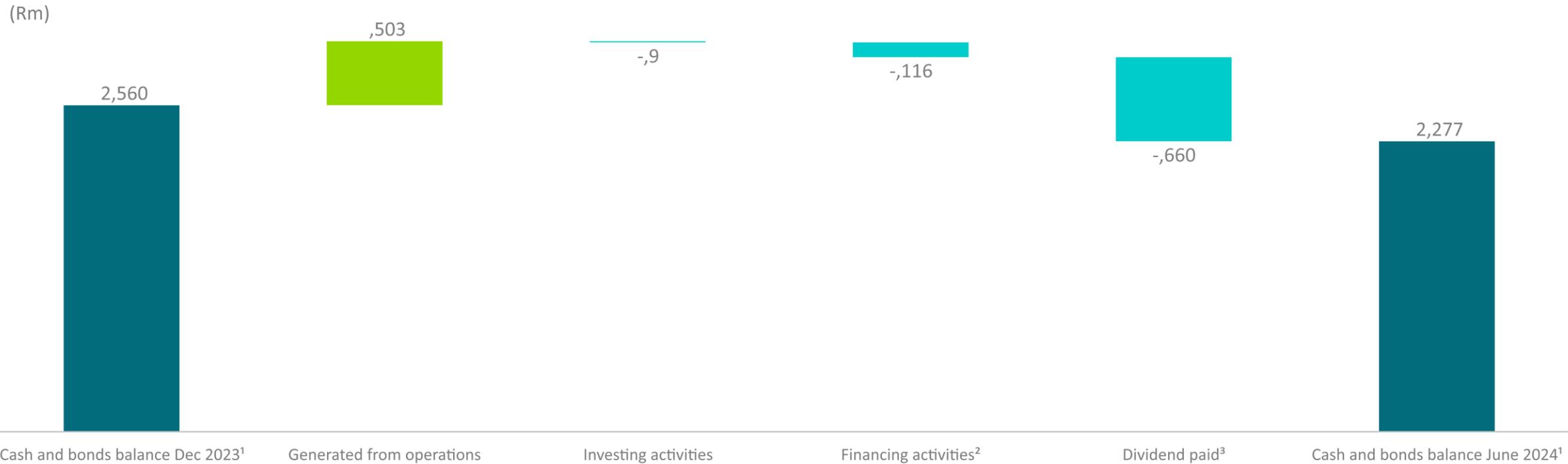
- Rejuvenation of infrastructure
- Modernisation of platforms
- Regulatory enhancements
- Automation of key processes
- System maintenance

- Information Services growth strategy



¹Increase in project delivery expected in H2, within the committed range

Robust balance sheet and healthy cash generation



Investing activities

- Intangible assets, acquisition of plant and equipment
- Investment in government bonds
- Dividends from equity accounted investments

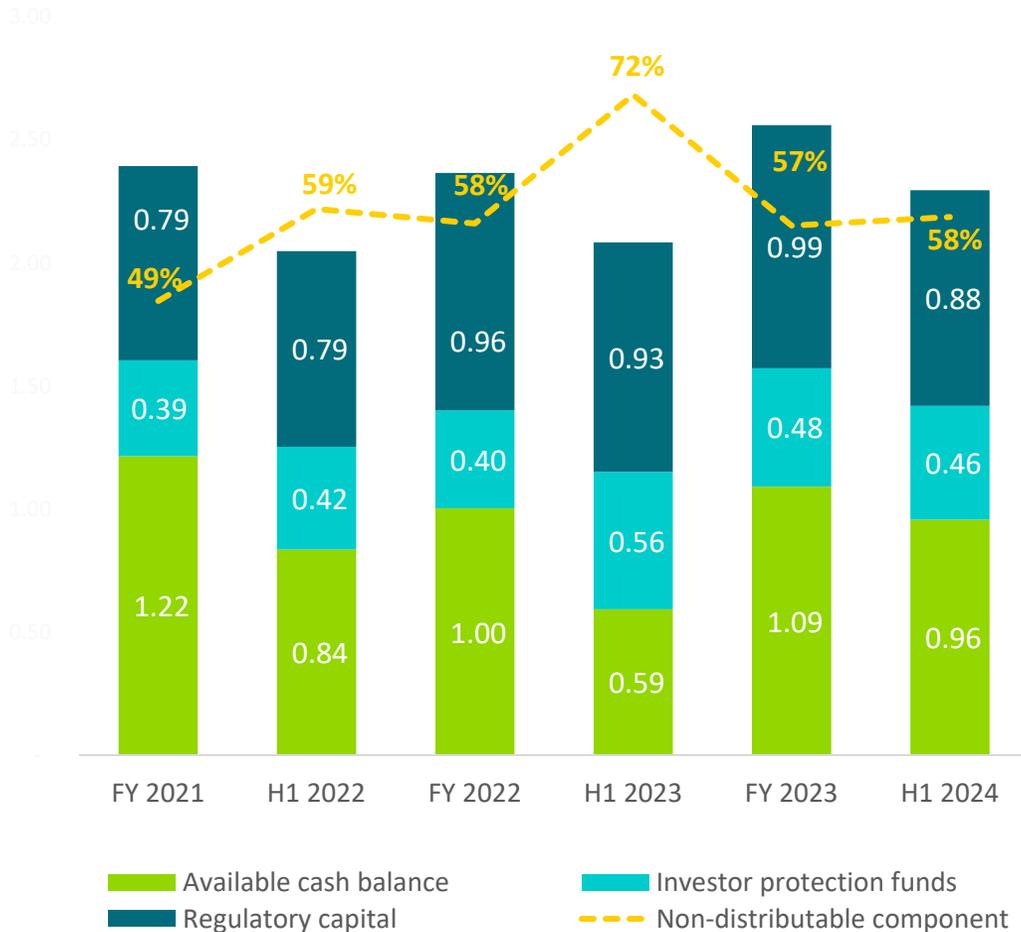
Financing activities

- Acquisition of treasury shares
- Lease liability repaid

¹Includes amount invested in bonds: R467m (2023: R256m), ²Includes effect of exchange rate fluctuations on foreign-denominated cash, ³Excluding dividend paid to JSE Empowerment Fund (JEF)

Soundly capitalised with significant investor protection and regulatory capital

Cash and bonds investment (Rbn)



Investor protection and other funds – Not distributable

- JSE Derivatives Fidelity Fund
- JSE Guarantee Fund
- BESA Guarantee Fund JSE
- JSE Empowerment Fund

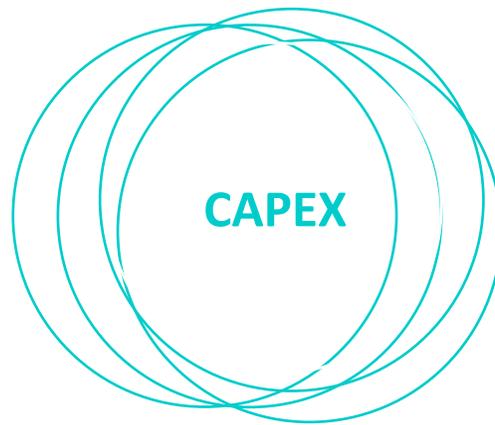
Available cash

- CAPEX
- Shareholder returns (67 – 100% pay-out)
- Other investment
- Working capital

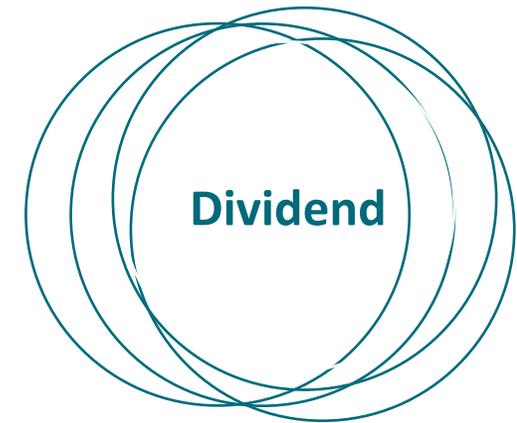
Maintaining FY 2024 expectations



5% – 8%



R145m – R165m



67% – 100% pay-out ratio



Conclusion

Innovating for a resilient, diversified and sustainable Exchange group

- Drive innovation through partnerships
- Focus on revenue diversification
- Progress Information Services growth strategy



- Maintain operational resilience and stability
- Expand cloud strategy
- Innovate and modernise legacy systems / BDA

- Attract and retain top talent
- Maintain BBEE Level 1 scorecard rating
- Advance listing reforms
- Implement sustainability strategy

- 2024 objectives**
- NPAT growth: in line with CPI
 - Maintain NPAT margin
 - Maintain strong ROE

Solid progress across our strategic pillars

Protect the core

- Continued operational resilience
- Progressed BDA modernisation partnership with AWS

Transform

- JIS¹: 6 new clients and 29% increase in revenue growth
- Information Services on track to deliver the growth strategy: Market data to the cloud; Marketplace, JSE Trade Explorer & big xyt ecosystems
- Expanded cloud-based colocation services with Colo 2.0
- Delivered Bond CCP² milestones to date
- Growth in sustainability bonds (+8), AMCs³ (+3) & AMETFs⁴ (+2)

Sustainable marketplace

- Listings Requirements: continue to deliver enhancements
- Achieved BBBEE Level 1 status

Generate sustainable high-quality earnings over the period to 2026

BDA modernisation partnership with AWS on track

Rationale

- Provide a richer interface and improved user experience
- Produce new features beneficial to the market
- Improve analytics and reporting
- Provide access to data via secure API mechanisms

Progress to date and timeline

- Built AWS foundational cloud infrastructure
- Conducted a detailed assessment of application functionality
- Pilot phase started on 1 August with decision made to continue project to Q4 2024
- If successful, pilot phase to be followed by an 18 to 24-month code migration & testing phase

Spend

- FY 2024: R10 million CAPEX allocated for pilot phase
- FY 2025: Spend to be approved by Board in November 2024

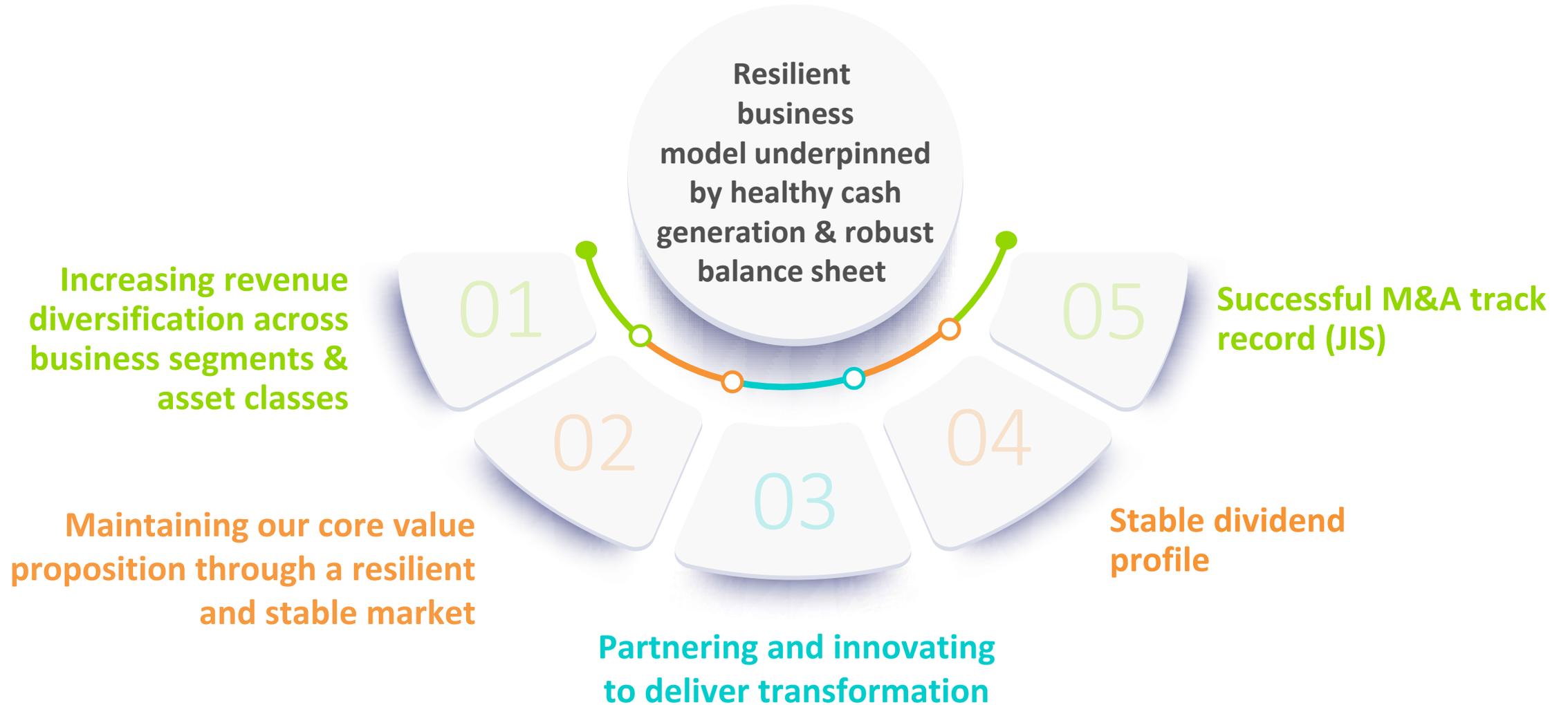


let's connect

Evolving Marketplace Infrastructure services to futureproof the business



Committed to stakeholder value creation





Appendix

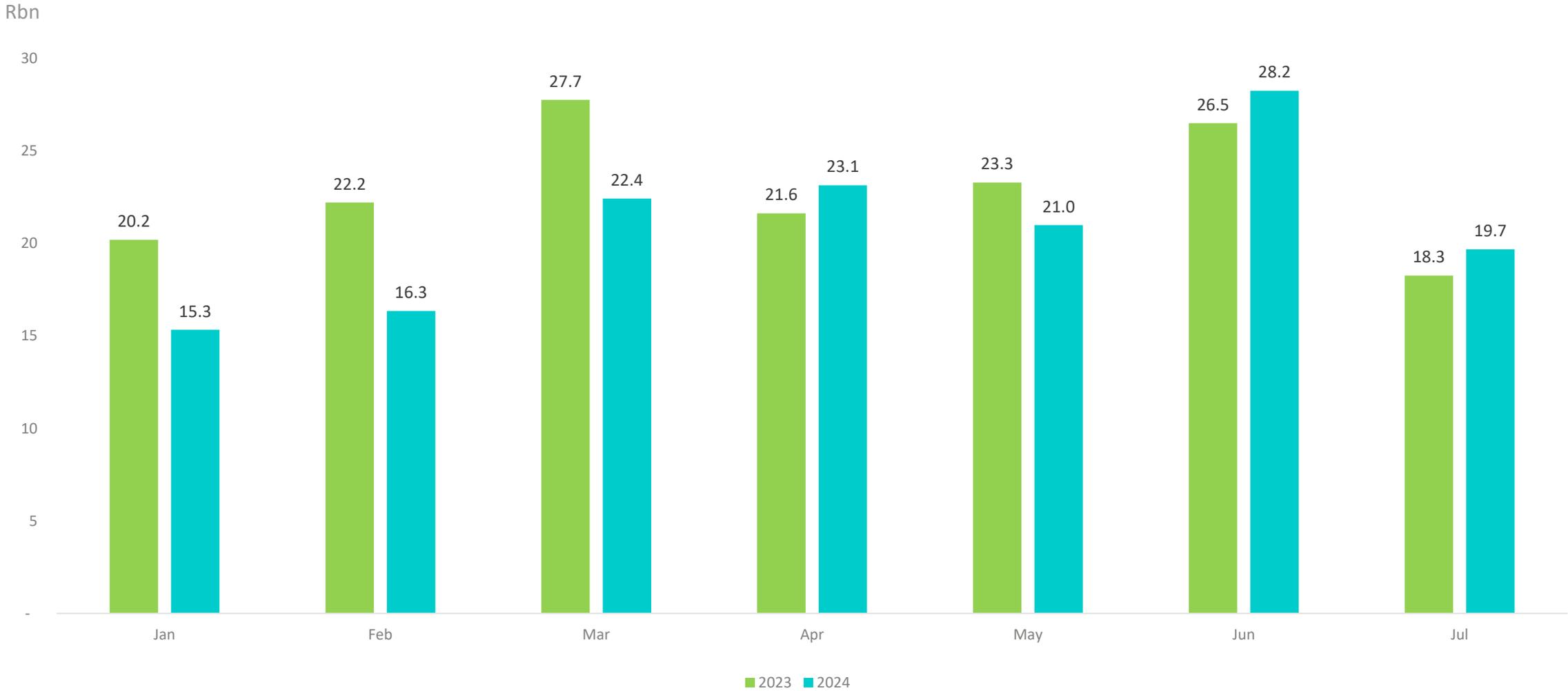
H1 2024 market drivers

	2024	2023
Primary market		
Number of IPOs	4	2
Additional capital raised	79bn	4bn
Aggregate market cap. of all equity listed instruments on the JSE ¹ (YoY growth)	-10%	+20%
New bond listings	366	360
Nominal value of listed bonds	4.8tr	4.4tr
New bond listings – sustainability segment	8	7
New ETFs	7	6
New ETNs	8	5
No. of warrants and structured products	185	233
New AMCs	3	11
JPP ²	13bn	12bn
Post-Trade Services and JIS		
Billable equity value traded	-10%	-1%
No. of transactions/deals	358k	322k
ADTs ³ %	+11%	-6%
JIS new customers ⁴	6	6

	2024	2023
Secondary market		
Published equity value traded	21bn	24bn
ADV ⁵ %	-12%	-6%
Colocation activity as a % of total value traded	70%	68%
No. of racks	52	49
Interest rate derivatives contracts traded	+13%	+17%
Equity derivatives value traded	-3%	-6%
Bond nominal value traded ⁶	+2%	+16%
Currency derivatives no. of contracts traded	-7%	+58%
Commodity derivatives no. of contracts traded	+9%	flat

¹30 June 2023 to 30 June 2024. ² JSE Private Placements live deals : 46 active. Total funds being raised: R13bn as at 30 June 2024... ³ Average Daily Transactions. ⁴JIS: includes registry and share plans clients. ⁵ADV – Average Daily Value Traded calculated as value traded divided by number of trading days. ⁶Bond repo up 4% to R16.6tr (2023: R15.9tr). Standard bonds down 3% to R6.1tr (2023: R6.3tr).

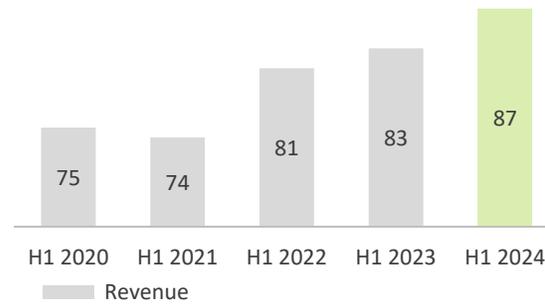
Equities – Average Daily Value per Month



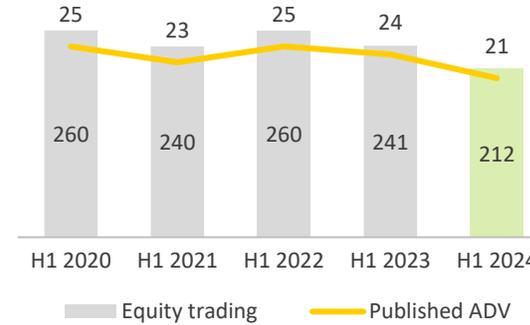
H1 2020 – H1 2024 revenue segment data

CAPITAL MARKETS

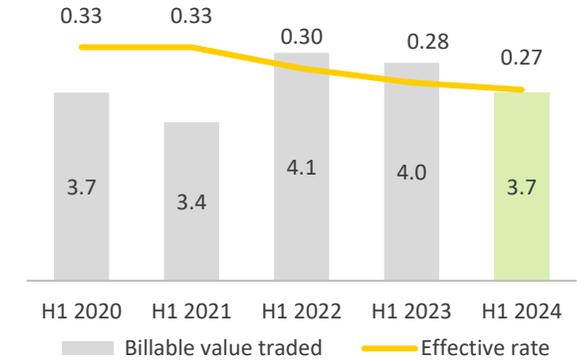
Primary Market (Rm)



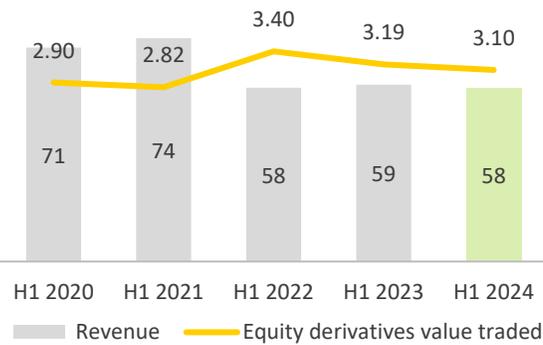
Equity Trading (Rm)



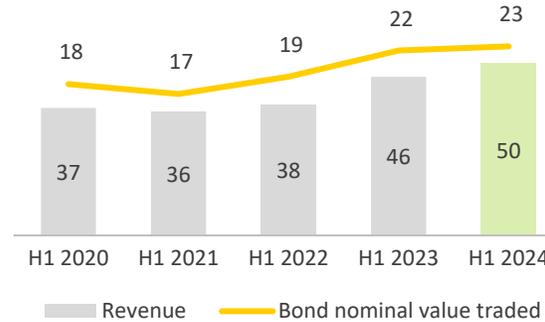
Equity billable value traded (Rtr) and effective rate (bps)¹



Equity Derivatives (Rm) and value traded (Rtr)



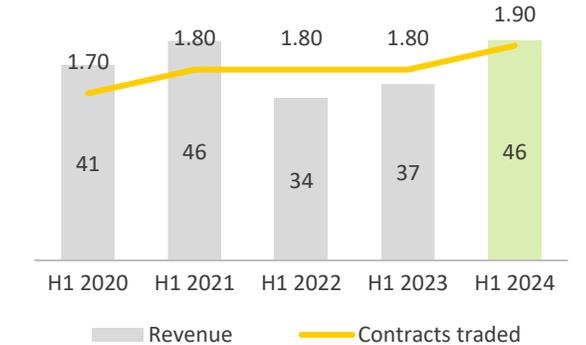
Interest Rate (Rm) and bond nominal value (Rtr)



Currency Derivatives (Rm) and contracts traded (m)



Commodity Derivatives (Rm) and contracts traded (m)

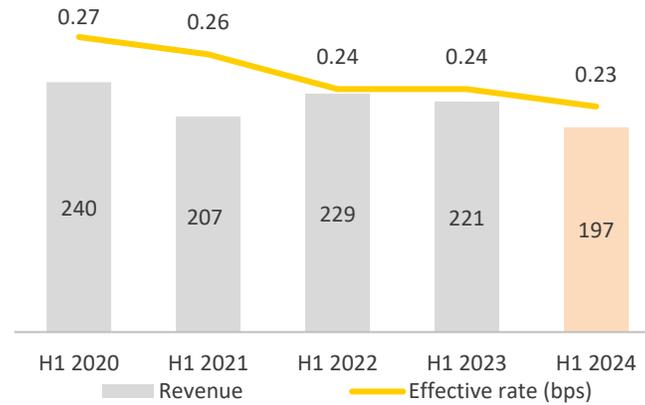


¹Effective rate: Revenue divided by billable value traded. *Recalculation of statistics to obtain alignment between equity derivatives and currency derivatives markets

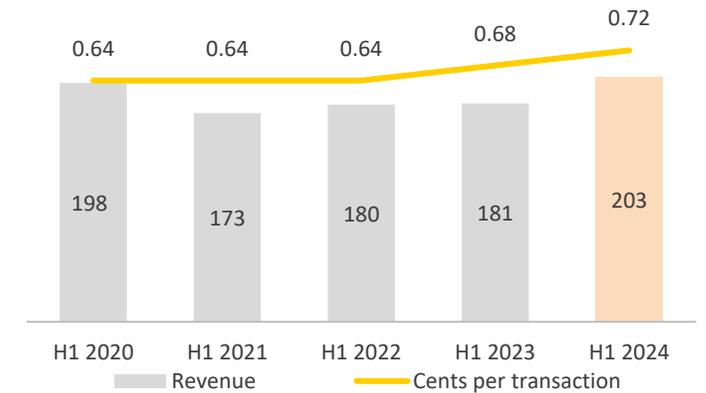
H1 2020 – H1 2024 revenue segment data

POST-TRADE SERVICES

Clearing and Settlement¹ (Rm) and effective rate (bps)²

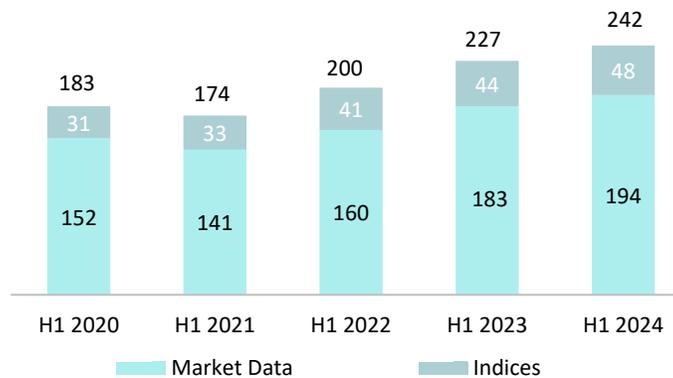


Back-Office Services (Rm) and cents per transaction



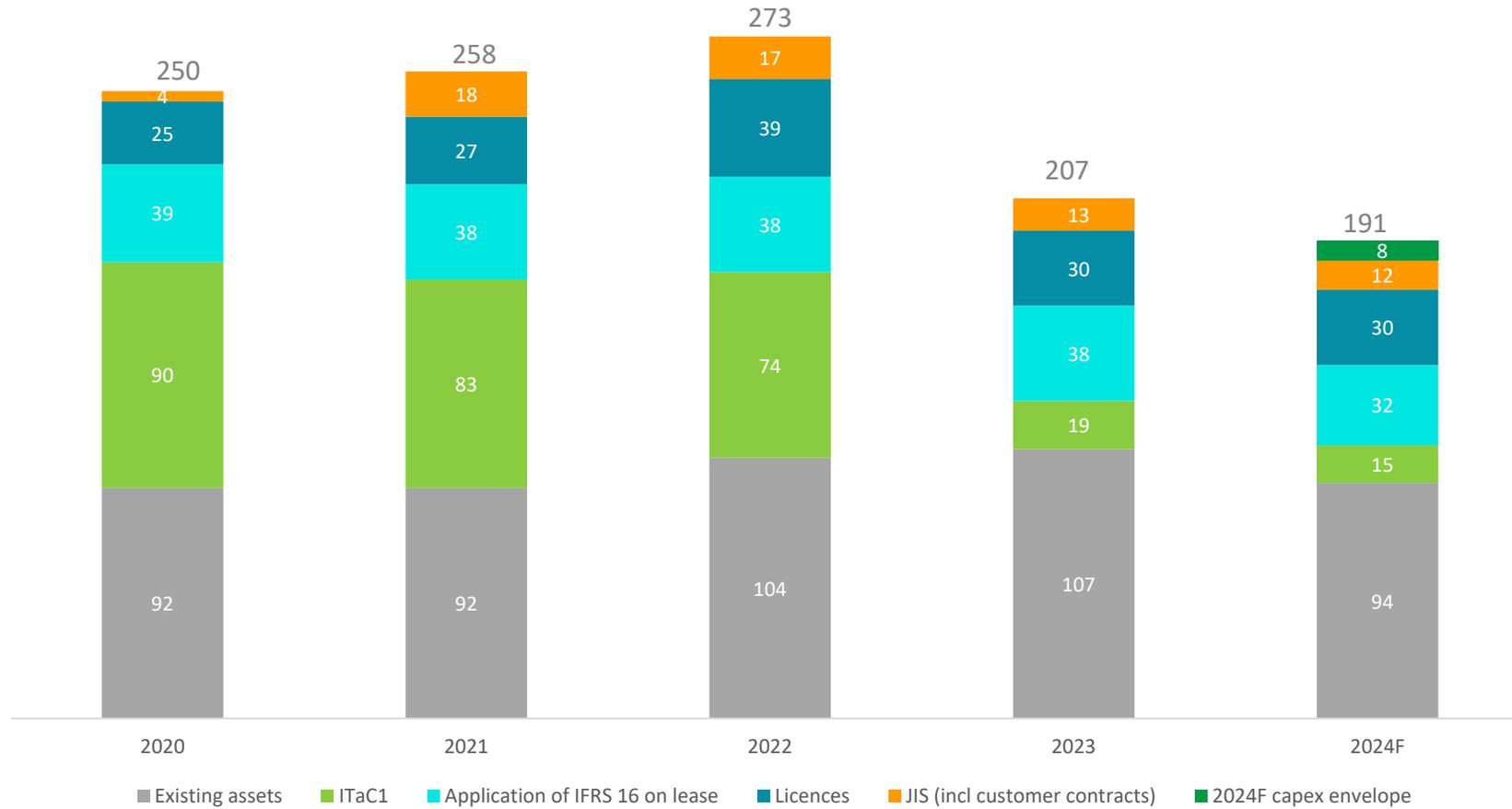
INFORMATION SERVICES

Information Services (Rm)



¹Clearing & Settlement revenue only reflects equity market clearing fees. ²Effective rate: revenue divided by billable value traded

Multi-year depreciation profile of assets and planned CAPEX



Balance sheet

(Rm)	2024	2023
Non-current assets	2 265	2 081
Property and equipment	144	134
Intangible assets	648	678
Investment in associate	342	338
Other non-current assets	1 131	931
Current assets	53 052	59 882
Margin deposits	49 781	56 588
JSE Clear Derivatives Default Fund collateral deposits	500	500
Trade and other receivables	959	904
Cash and cash equivalents	1 810	1 888
Other current assets	2	1
Total assets	55 316	61 962
Total equity	4 135	4 044
Stated capital	(231)	(174)
Reserves	855	853
Retained earnings	3 510	3 365
Non-current liabilities	70	151
Current liabilities	51 112	57 768
Margin deposits	49 781	56 588
JSE Clear Derivatives Default Fund collateral contribution	400	400
Other current liabilities	931	780
Total equity and liabilities	55 316	61 962

Note: Figures contain rounding differences

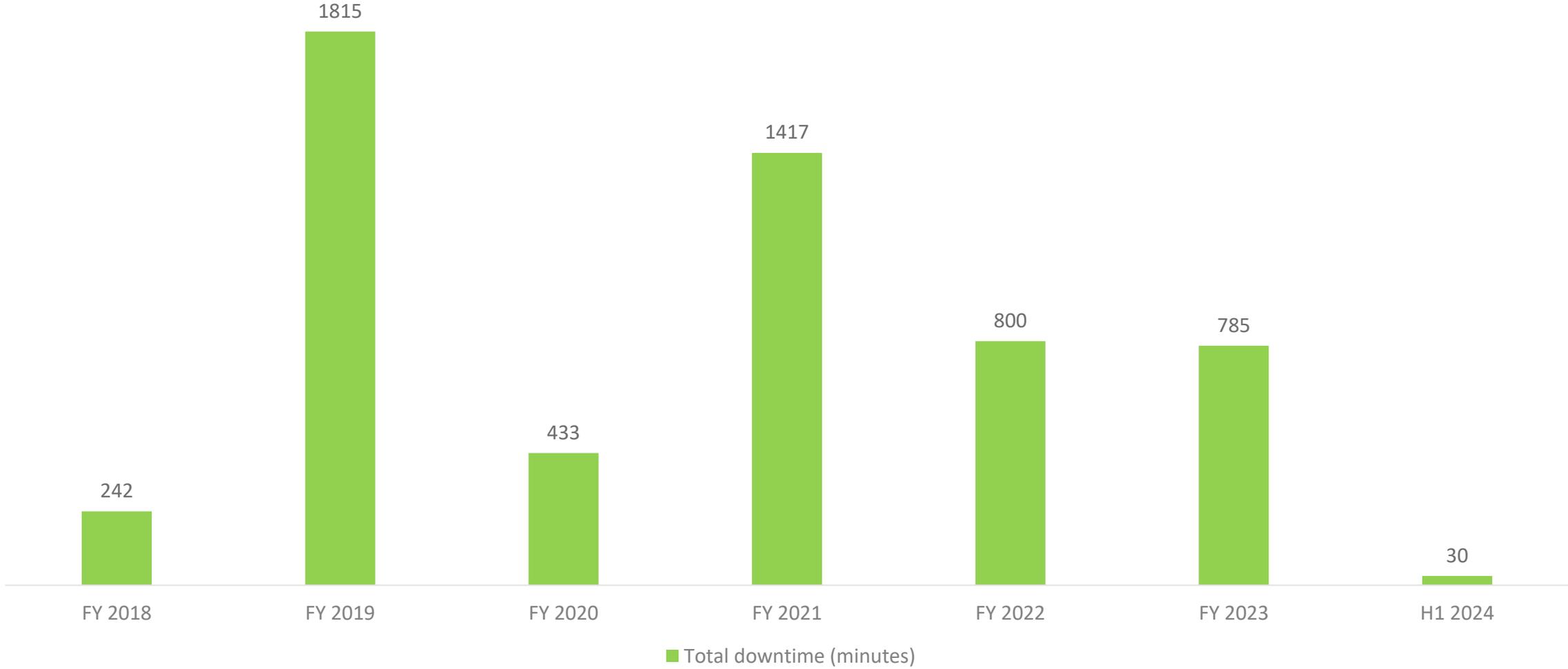
Financial metrics

	2020	2021	2022	2023	2024
Operating margin (EBIT) ¹	39%	31%	36%	37%	35%
EPS (cents)	569.1	420.2	542.7	602.0	606.0
HEPS (cents)	569.0	420.1	542.7	607.2	606.0
PE	21.3	25.1	18.5	15.1	17.9
NPAT (Rm)	485	348	447	493	493
NPAT margin	37%	28%	32%	33%	32%
Full-year ROE (2024 is the targeted FY STI metric) ²	17%	17%	18%	19%	19%

Note: Figures contain rounding differences, ¹Margin income included in operating income in EBIT calculation – 2024: R61m and 2023: R60m

²STI on-target performance metric as per our FY2024 scorecard, published in our FY2024 Integrated Annual Report. This number is not forecasted financial information.

Operational resilience – total downtime kept to a low in H1 2024 across all markets





Thank you

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