

JSE Limited
(Incorporated in the Republic of South Africa)
Registration number: 2005/022939/06
Share code: JSE
ISIN: ZAE000079711
LEI: 213800MZ1VUQEBWRF039
("JSE" or "the Company")

Unreviewed Interim Results for the six months ended 30 June 2022

R million (unless stated otherwise)	H1 2022	H1 2021	% change
Operating revenue	1 355	1 227	10%
Total revenue	1 382	1 242	11%
Personnel expenses	302	292	3%
Other operating expenses	453	430	5%
Depreciation and amortisation	125	132	-5%
Total expenditure	880	853	3%
Earnings before interest and tax (EBIT)	502	388	29%
Net finance income	89	68	30%
Net profit after tax (NPAT)	447	348	28%
EBIT margin	36%	31%	+5 pts
Earnings before interest tax depreciation and amortisation (EBITDA)	627	520	20%
EBITDA margin	45%	42%	+3 pts
Earnings per share (EPS) (cents)	542.7	420.2	29%
Headline earnings per share (HEPS) (cents)	542.7	420.1	29%
Net cash generated from operations	534	472	13%
Earnings cash conversion (as a % of adjusted NPAT)*	100%	105%	-5 pts
Capital expenditure	51	46	-

* Earnings cash conversion is calculated by dividing net cash generated from operations by adjusted NPAT.

"The JSE delivered a strong first half performance driven by a combination of external market forces and the strength of the JSE's business model to diversify earnings through delivery of new business lines. Revenue growth across all business lines has contributed to an increase in EBITDA and HEPS over the corresponding period in 2021.

Throughout this period, uncertainty in the markets manifested in volatility and higher trade activity. The depth of the JSE's operational capabilities has ensured resilience during these volatile periods.

We are particularly pleased with the contribution of annuity revenue derived from business uncorrelated to trading activity and our disciplined cost management. These steady improvements create positive momentum and together underpin the quality of earnings in line with our strategy."

- Dr Leila Fourie, Group CEO

Overview of results

EBITDA increased by 20% to R627 million, with EBITDA margin widening to 45% from 42% in the corresponding period. EPS and HEPS both increased by 29% year-on-year (YoY) to 542.7 cents per share.

Operating revenue grew 10% to R1.36 billion, reflecting the impact of market volatility driven by global macro-economic events as well as 15% revenue growth in Information Services and 46% revenue growth in JSE Investor Services (JIS). The Group recorded strong revenue growth across all segments.

Operating expenditure was up 3% YoY to R880 million. Whilst some costs are subject to timing differences, operating expenditures have been well contained. Rising interest rates and growth in margin deposits have supported higher net finance income which increased 30% YoY to R89 million.

Capital expenditure of R51 million was focused mainly on operational resilience initiatives. The Group continued to be highly cash generative, with net cash from operations of R534 million (2021: R472 million) from NPAT of R447 million (2021: R348 million).

Regulatory capital in the form of equity capital amounts to R1.2 billion in total for JSE Limited and for JSE Clear, of which R795 million is held in the form of restricted cash and cash equivalents.

Strategically and operationally, the JSE executed well on its priorities in H1 2022. Highlights include:

Protect and grow core business

- Introduced Transition and Sustainability Linked Bonds
- Launched Actively Managed Certificates
- Listing Requirements reform
- Maintained local market share of 99.7% of equity market value traded

Transform the business

- Launched JSE Private Placements (JPP) with eleven issuances year to date and R10 billion in investor capital onboarded
- Launched JSE Trade Explorer to provide equity market trade analytics
- Grew JSE Investor Services (JIS) market share, from 20% at acquisition to 27%, and added 14 new clients

Partner for a sustainable marketplace

- Published Sustainability and Climate Change Disclosure Guidance

Our long-term strategic objectives are to grow and diversify revenue streams, invest in operational robustness and resilience and further entrench sustainability in the business. Our role as a market infrastructure is to balance the needs of our diverse range of stakeholders, and to ensure the investments we make today position the Group for a sustainable and prosperous future.

2 August 2022

For further information

This short-form announcement is the responsibility of the directors. It is only a summary of the information in the full announcement and does not contain full details. Any investment decision should be based on the full announcement, published and available at: <https://senspdf.jse.co.za/documents/2022/JSE/ISSE/JSE/02082022.pdf> and on our website at: www.jse.co.za.

The full announcement is also available at our registered offices and the offices of the sponsor for inspection at no charge during office hours. Copies of the full announcement may be requested by emailing: ir@jse.co.za.

Sponsor: Rand Merchant Bank (a division of FirstRand Bank Limited)