

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 2023

R million (unless stated otherwise)	H1 2023	H1 2022	% change
Operating revenue	1 415	1 355	4%
Total revenue	1 454	1 382	5%
Personnel related expenses	359	311	15%
Technology expenses	177	171	4%
Depreciation and amortisation	99	125	(21%)
Regulatory, compliance and other fees	133	123	8%
General operating expenses	182	151	21%
Total expenditure	949	880	8%
Earnings before interest and tax (EBIT)	505	502	1%
Net finance income	135	89	53%
Net profit after tax (NPAT)	493	447	10%
EBIT margin	35%	36%	(1pts)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	604	627	(4%)
EBITDA margin	42%	45%	(3pts)
Earnings per share (EPS) (cents)	602.0	542.7	11%
Headline earnings per share (HEPS) (cents)	607.2	542.7	12%
Net cash generated from operations	488	534	(9%)
Capital expenditure (CAPEX)	33	51	(35%)

"We are pleased to report year-on-year growth of 10% in the JSE's net profit after tax (NPAT). We have delivered solid growth in an uncertain environment, as our largest market experienced lower trading activity amid continued macro-economic volatility. The Group's performance was supported by our ongoing focus on diversifying earnings through new business lines and growth in net finance income. The contribution of non-trading revenue now represents 36% of operating revenue (H1 2022: 34%), with double-digit growth in Information Services and JSE Investor Services (JIS). We also maintained operational resilience with outstanding uptime across our markets of 99.98%, while the business continues to be cash generative alongside a robust balance sheet. We remain focused on continuing to deliver our strategic objectives of protecting the core while growing the non-trading segment further to limit impact from fluctuations in trading activity."

- Leila Fourie, Group CEO

Overview of results

Net profit after tax (NPAT) increased by 10% YoY to R493 million. Headline earnings per share (HEPS) increased by 12% YoY to 607.2 cents. Earnings before interest, tax, depreciation and amortisation (EBITDA) of R604 million decreased by 4% YoY relative to a sound performance in the prior year.

Total revenue was up 5% to R1.45 billion, supported by double-digit growth in Information Services and JIS revenue. We also saw an uptick in trading activity across our derivative markets. The JSE increased the proportion of its income derived from non-trading activity by 2 percentage points YoY to 36%. Total operating expenditure increased by 8% YoY to R949 million. Personnel related costs reflect annual inflationary salary increases and an increase in the Long-Term Incentive Scheme (LTIS) owing to prior year forfeitures. Depreciation and amortisation decreased due to a change in estimated useful life of capitalised software and systems. Regulatory, compliance and other fees were higher YoY owing to an increase in regulatory related costs and new costs associated with the Independent Clearing House (ICH) (effective from 1 April 2023). General operating expenditure included the impact of operating environment pressures and strategic initiatives.

Rising interest rates supported higher net finance income which increased 53% YoY to R135 million.

The Group continues to be cash generative, with net cash from operations of R488 million (2022: R534 million).

Capital expenditure of R33 million remains focused on protecting the core business as well as growing new business lines, with an expected pickup in capital expenditure activity in the second half of the year.

The Group maintains a robust balance sheet and cash of R1.9 billion at 30 June 2023 (excluding bond investment of R195 million). Ring-fenced and non-distributable cash and bonds (regulatory capital and investor protection) amounts to R1.5 billion.

The JSE was able to make progress on its strategic and operational priorities in H1 2023.

Our long-term strategic objectives are to grow and diversify revenue streams, invest in operational resilience and further entrench sustainability in the business.

2 August 2023

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/2023/JSE/ISSE/JSE/02082023.pdf> and on our website at: <https://group.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)