



NZX Limited – 2020 Interim Report & Results

Dear Shareholder,

On behalf of the NZX Board, I am pleased to share with you our 2020 Interim Report and Financial Results for the six months ended 30 June 2020, which were released today and are available to read online [here](#).

Highlights of the half-year include:

- Operating earnings¹ up 21.5% to \$17.6m
- Net profit after tax (NPAT) was \$9.1m, up 40.9%
- FY2020 operating earnings guidance range maintained at \$30.0m to \$33.5m

As Chair of NZX, I am tremendously proud of the way our team worked as an essential service through this uncertain and unsettling period dominated by COVID-19. This pandemic brought into sharp relief the vital role of New Zealand's Exchange, and the value of being listed.

We signalled at our Annual Shareholders' Meeting in March that our equity market was open and ready to help Kiwi companies raise capital. They have understood their options and appreciated the additional flexibility in capital raising rules provided by NZX. This enabled issuers to execute offers quickly during a fast-changing environment.

With the New Zealand Government successfully managing to contain the outbreak of COVID-19 to date, both institutional and retail investors have strongly backed Kiwi businesses.

Nearly \$6 billion of equity was raised by a broad range of companies – to address growth opportunities and repair balance sheets, from Auckland Airport's \$1.2 billion and \$207 million by Kathmandu to some of NZX's smaller issuers also being able to effectively access the market for further capital – with Enprise raising just over \$1 million and Cannasouth raising approximately \$6 million.

This has also flowed through into a significant increase in secondary market trading for HY2020 with new highs in trading volumes, value and retail participation – reflected in NZX's financial results.

Operating earnings for the six months were up 21.5% to \$17.6 million. Net profit after tax for the period (NPAT) was \$9.1 million, up 40.9% on HY2019.

Your Board has declared an interim dividend of 3.0 cents per share fully imputed, to be paid to shareholders on 18 September 2020. Our Dividend Reinvestment Plan has proven popular with strong uptake by retail investors, and we are continuing to offer this option – the plan document is available [here](#).

Shares issued under the dividend reinvestment plan will be issued at a 1% discount.

¹ Operating earnings are before net finance expense, income tax, depreciation, amortisation and gain and loss on disposal of business and property, plant and equipment. Operating earnings is not a defined performance measure in NZ IFRS. The Group's definition of operating earnings may not be comparable with similarly titled performance measures and disclosures by other entities.

FY2020 EARNINGS GUIDANCE

NZX is maintaining its FY2020 operating earnings guidance of \$30.0 million to \$33.5 million. Your Board notes that, based on the performance to date, there is a greater expectation for a full-year outcome to be towards the top end of the range.²

Thank you again for your support as a shareholder of NZX.

James Miller

CHAIR

² This guidance is subject to market outcomes for the remainder of the year, including total capital raised, secondary market trading and clearing values, derivatives volumes traded, and funds under management and administration growth. NZX notes the global health and macroeconomic environment remains unusually volatile and guidance assumes no material adverse events, significant one-off expenses, major accounting adjustments or other unforeseen circumstances.