



NZX showing ongoing strength through economic & market cycles

- Group operating earnings¹ of \$22.4 million, up 12% year on year
- Underlying net profit after tax (NPAT) of \$8.0 million, a year-on-year increase of 10.9% after excluding an accounting adjustment of \$7.3 million relating to the fair value of the QuayStreet Asset Management earnout provision
- Reported NPAT was \$15.3 million, up 119.0%
- Interim dividend of 3.0 cents per share, fully imputed
- FY2024 operating earnings is tracking towards the upper end of the 2024 full-year guidance range of \$40 million to \$44.5 million.

23 AUGUST 2024 – NZX Limited today announced operating earnings (EBITDA) of \$22.4 million for the six months ended 30 June 2024, up 12% on H1 2023, demonstrating positive momentum in delivering to its growth strategy. Excluding acquisition, integration and restructure costs, Group operating earnings (EBITDA) for the same period were \$22.9 million – up 11.5%.

“In an ongoing challenging environment for global markets, NZX’s earning result shows the benefit of having interrelated businesses and a diverse range of offerings available for companies to access capital,” NZX Chief Executive Mark Peterson says.

Operating revenue increased 7.3% to \$57.9 million and operating expenses, excluding acquisition integration and restructure costs, increased 4.7% to \$35.0 million.

NZX has a strong focus on cost management, as well as extracting efficiencies in its funds management business. The increased operating expenses were largely driven by changes in Smartshares’ cost base arising from the full period impact of the QuayStreet Asset Management (QuayStreet) acquisition and Superlife Superannuation Master Trust integration activities.

NZX produced an underlying net profit after tax (NPAT) of \$8.0 million for the 2024 half year (H1 2023 \$7.2 million), a year-on-year increase of 10.9%. Including an accounting adjustment of \$7.3 million relating to the fair value of the QuayStreet earnout provision, reported NPAT was \$15.3 million, up 119.0%.

NZX’s growth strategy is to expand its Capital Markets’ product range and drive scale and operating leverage across our financial markets’ businesses. Despite economic and financial market conditions, the first half of 2024 saw ongoing progress in delivering our strategic goals.

“While the macroeconomic environment remains challenging for equity raising and trading activity – affecting new issuance and market liquidity – NZX expects to see activity levels rise as interest rates begin to fall. Nevertheless, secondary and debt issuance have remained solid, reinforcing the value of being NZX-listed as a platform for access to capital,” Mr Peterson says.

Key features of H1 2024 result include:

- Successful launch of **NZX Dark** in June – New Zealand’s first midpoint order book – providing an additional trading mechanism to execute client orders and leading to price improvement.
- Continued **Dairy Market** volume growth in our derivatives partnership with Singapore Exchange

¹ Operating earnings (EBITDA) are before net finance expenses, income tax, depreciation, amortisation, gain on lease modification, loss on disposal of assets, change in fair value of contingent consideration and share of profit/loss of associate. Operating earnings is not a defined performance measure in NZ IFRS. NZX Group’s definition of operating earnings may not be comparable with similarly titled performance measures and disclosures by other entities. Refer to note 2 of NZX Group’s financial statements for a reconciliation of EBITDA to NZ IFRS profit for the period.

- **Smartshares** launched new funds and QuayStreet won 2024 Morningstar KiwiSaver and Fund Manager of the Year awards. Funds under management (FUM) as at 30 June 2024 was \$11.9 billion, up 11.3% on last year. FUM movement is a combination of positive market returns and net cash flows.

When Smartshares acquired QuayStreet in February 2023 from Craigs Investment Partners (CIP), it agreed potential earnout consideration of up to \$18.75 million. This was based on expected net FUM inflows from the CIP network over a three-year period to November 2025.

QuayStreet net FUM inflows post-acquisition have been slower than expected to this point, but the size of the opportunity remains. Consequently, NZX's reassessment of the probability of achieving the net FUM inflow target by November 2024 has reduced, resulting in a \$7.3 million reduction of the QuayStreet earnout provision. While earnout-related net FUM inflows are lower than expected, QuayStreet is nevertheless performing strongly with net inflows building and revenue ahead of the acquisition business case.

- **NZX Wealth Technologies** transitioned five new clients on to its platform with annual recurring revenue increasing from \$7.2 million in December 2023 to \$8.9 million at the end of H1 2024, making strong progress on its path to becoming cash flow positive.

"The results highlight the resilience and strength of NZX as a market operator, funds manager and funds administration platform provider. When equity market conditions turn more favourable, we would expect to see further upside for NZX," Mr Peterson says.

In market development, work is progressing to relaunch the S&P/NZX20 Index Futures later this year or in early 2025. Go live timing will be dependent on a number of factors, including regulatory approvals.

The NZX Board has declared a fully imputed interim dividend of 3.0 cents per share (H1 2023 3.0 cents) to be paid on 3 October 2024 to shareholders registered as at the record date of 19 September 2024.

NZX's full-year 2024 operating earnings are tracking towards the upper end of the \$40 million to \$44.5 million guidance range. The guidance is subject to market risks and outcomes.

ENDS

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About NZX

For more than 155 years we have been committed to connecting people, businesses and capital. Our vision is to be a trusted New Zealand business delivering sustainable wealth, value and opportunities for all. NZX operates New Zealand's equity, debt, funds, derivatives and energy markets. To support the growth of our markets, we provide trading, clearing, settlement, depository and data services for our customers. We also own Smartshares, New Zealand's only issuer of listed Exchange Traded Funds (ETFs), and KiwiSaver provider SuperLife. NZX Wealth Technologies is a 100%-owned subsidiary delivering rich online platform functionality to enable New Zealand investment advisors and providers to efficiently manage, trade and administer their clients' assets. Learn more about us at: www.nzx.com