

27 July 2018

## **BME POSTS €71.3 MILLION NET PROFIT IN THE FIRST HALF OF 2018**

- **The result is 11.2% lower year-on-year**
- **Net profit in the second quarter came in at 33.4 million euros**
- **To the end of June net income totaled 153.9 million euros, down 6.3% from the same period a year earlier**
- **A 0.40 euro gross dividend per share was approved yesterday, to be paid on 14 September**
- **The first Investors Day of the company will be held on 4 October**

BME's net profit for the first half of 2018 totalled 71.3 million euros while in the second quarter of the year it reached 33.4 million euros, down 11.2% and 18.4 year-on-year respectively.

Total net revenue for the first half of the year totaled 153.9 million euros, down 6.3% year-on-year, while operating costs amounted to 57.7 million euros, an increase of 6.1% (1.8% excluding the provision made associated with a workforce renovation plan). EBITDA for the second quarter stood at 45.6 million euros while the figure for the first six months of 2018 amounts to 96.2 million euros, 12.5% lower than in 2017.

The ratio of revenues not linked to volumes over the cost base presented a value of 125% at the close of the first half of the year. As for the financial performance indicators at the end of June, the return on equity (ROE) was at 33.1%, 13.9 percentage points above its peers. The efficiency ratio presented a value of 37.5% for the year so far, 3.6 points better than the competition.

The Board of Directors of BME yesterday agreed to distribute an interim dividend against 2018 earnings of 0.40 euros per share gross, the same amount as last year. The payment will be effective on 14 September. Total shareholder remuneration against 2017 earnings was 1.78 euros per share while pay-out in 2017 came in at 96%, one of the highest ratios among listed companies and among its peers. Earnings per share for the first half of the year it stands at 0.86 euros.

### **EFFICIENCY AND ROE RATIOS**

	<b>2Q2017</b>	<b>2Q 2018</b>	<b>%change</b>	<b>1H2017</b>	<b>1H2018</b>	<b>%change</b>
<b>Cost base Ratio*</b>	-	-	-	127%	125%	-
<b>Efficiency ratio</b>	32.2%	39.2%	+7.0 p.p.	33.1%	37.5%	+4.4 p.p.
<b>ROE</b>	36.5%	29.7%	-6.8 p.p.	37.4%	33.1%	-4.3 p.p.

(\*) Ratio of the cost base with revenues not linked to trading volume

On 4 October 2018 BME plans to hold its first Investors Day, during which the company's fundamentals and prospects for each business area in the coming years will be analysed.

## **Highlights for the quarter by business area**

### **EQUITY**

Trading in equities for the second quarter of 2018 has shown better results in terms of turnover than in trades. In turnover, trading reached 192.1 billion euros, 6.3% lower than 2017, but improving on the previous quarter by 30.2%. The cumulative figure up to June totalled 339.7 billion euros in turnover, 7% less than the first half of 2017.

The Real Estate sector was the most active in terms of new listings. As of 30 June, 58 such companies were traded on the market with a combined market capitalization of 22.4 billion euros.

### **FIXED INCOME**

The first six months of the year have been characterized by the adaptation of BME's Fixed Income market to the new regulation ushered in by MiFID II as well as the incorporation of more than 80 main references for Government Debt from European countries such as Germany, Austria and the Netherlands. After these inclusions the outstanding balance incorporated to the electronic SEND platform exceeded 6.7 trillion euros. The outstanding balance for national public debt at the close of the first half of the year totalled 1.04 trillion euros whereas private debt stood at 482.3 billion euros.

MARF closed the first half of 2018 with an issue volume of 3 billion euros, 46.9% up on the same period of the previous year, and with an outstanding balance of 2.8 billion euros, 22% up year-on-year. Since its launch in 2013, a total of 48 companies have sought financing through issues on this market.

### **DERIVATIVES**

IBEX 35® futures continue to perform well with growth of 8% in the second quarter of 2018 and 10% in the first half of the year, compared to the same period of the previous year. Options grew by 11.5%, Mini futures by 5.3% and Impacto Dividendo Futures by 30.4%. The open interest at the end of June in index-linked derivatives has also performed well, with growth compared to the previous year of 48.7%.

### **CLEARING**

The activity of the BME Clearing unit has expanded since June with the inclusion of natural gas contracts in the energy segment, in its day-ahead formats and the entire future maturities curve of this product: weekly, monthly, quarterly, seasonal or annual.

### **SETTLEMENT & REGISTRATION**

Activity in this business unit has been marked by the adaptation to the new regulatory environment following the connection to Target2 Securities. This translates into less weight in the generation of revenue by the settlement component - down 47.9% at the end of June – and an increase in revenue for the Registration activity of 13.1%.

REGIS-TR®, the European trade repository for derivatives, closed the second quarter of the year with growth of 5.3% in the number of open accounts and 16.6% in the number of registered contracts.

## **MARKET DATA & VALUE-ADDED SERVICES**

BME Market Data's and BME Inntech's services continue to gain specific weight as a source of income for the Group. The first six months of the year closed with revenue of 33 million euros, this being 5.3% up on that for the same period of 2017.

An increase in demand for solutions for Portfolio Consultancy and Management Solutions has also been recorded within the area of the Spanish management entities. With regard to international consultancy, this activity was relevant in Venezuela, Bolivia and Algeria. The number of clients with a direct connection to the BME information servers remained at record levels

## **INCOME STATEMENT**

Data in €million

	<b>2Q 2017</b>	<b>2Q 2018</b>	<b>%</b>	<b>1H 2017</b>	<b>1H 2018</b>	<b>%</b>
<b>Net Revenue</b>	82.81	74.9	-9.6%	164.3	153.9	-6.3%
<b>Operating costs*</b>	26.7	29.3	+10.0%	54.4	57.7	+6.1%
<b>EBITDA</b>	56.1	45.6	-18.9%	109.9	96.2	-12.5%
<b>Net profit</b>	41.0	33.4	-18.4%	80.3	71.3	-11.2%

\* Quarterly increase of 3.2% and semi-annual increase of 2.7% excluding the effect of the provision made in Q2 associated with an incentive redundancy plan.

Further information on the results posted by BME on:

<https://www.bolsasymercados.es/ing/Shareholders-Investors/Financial-information/Results/2018>

### **Corporate Communication BME**

Tel.: + 34 91 589 12 86

Email: [newsbme@grupobme.es](mailto:newsbme@grupobme.es)

<https://www.bolsasymercados.es/ing/Home>

Follow us on:

