

31 July 2019

## **BME POSTS €63.4 MILLION NET PROFIT IN THE FIRST HALF**

- **The result is 11.8% lower than in the same period the previous year**
- **Net income reached €142.5 million, down 7.9% yoy**
- **Operating costs decreased 2.9% to €56 million**
- **The ratio of the revenue not linked to trading volume stands at 128%**
- **The first interim dividend against 2019 earnings, of €0.40 per share, was approved yesterday**
- **BME ranks 13<sup>th</sup> among the world's stock exchanges by investment flows, at €5.99 billion**

The net result obtained by BME in the first half of 2019 totalled €63.4 million and in the second quarter it stood at €31.8 million, down 11.8% and 6.6% year on year and up 0.9% on the first quarter.

Net revenue for the quarter amounted to €71 million, down 6.4% year-on-year. Between January and June 2019, accumulated net revenue fell by 7.9% to €142.5 million. Total operating costs for the quarter decreased by 6.3% to €27.5 million compared to the previous year and also 2.9% for the first six months to €56 million. The accumulated EBITDA for the first six months of 2019 was down 10.8%, at €86.5 million compared to the comparable period of 2018 while earnings per share for the second quarter amounted to €0.76 for the first half of the year, falling 12% compared to the previous year.

In the first half of the year, the ratio of revenue not linked to volumes over costs stood at 128%, up three percentage points on the first half of 2018 and six percentage points higher than that recorded for the whole of the previous year. The progressive increase in the indicator is the result of the efforts to diversify and expand the company's business lines. The efficiency ratio was 39.3% and the return on equity (ROE) 31.7%. The difference compared to the average value of comparable companies in the sector exceeds those by 13 percentage points in favour of BME.

The Board of Directors of BME yesterday approved the the distribution of an interim dividend on account of the results for the year 2019 in the amount of €0.40 gross per share on 13 September 2019.

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

### **EQUITY**

According to the comparative data published by the World Federation of Exchanges (WFE), BME ranks 13th among the world's stock exchanges by investment flows, which at the end of the first half were up 27.6% year-on-year, at €5.99 billion.

There were 53 capital increases, 29% more than in the same period of 2018, highlighting the tendency of issuers to use the market to diversify their sources of financing.

The inclusion of 4 REITs during the first half of the year with 7 more in the first weeks of July, confirm the upward trend of the real estate sector in Spain. The total number of REITs admitted to BME's systems now stands at 78 companies

### **FIXED INCOME**

Trading in Fixed Income increased by 74.5% in the first half of 2019 to €186.4 billion. Admissions of Private Fixed Income grew in the first half of the year by 63.7% in the regulated market to €66.8 billion and by 49% in the MARF market to €4.5 billion. Sustainability and the fight against climate change are gaining prominence in the markets managed by BME. Spain is seventh in the world ranking of green bonds, with €2.6 billion admitted to trading in the first half.

### **DERIVATIVES**

Products designed for the management of dividend payments have performed well. Equity Dividend Futures increased by 107.8% for the first half of the year. Meanwhile, IBEX35® Impacto Div Futures almost tripled in the second quarter, accumulating a growth of 162.6% for the first half of the year.

### **CLEARING**

Throughout the first half of 2019 the BME Clearing business unit took new steps in its objective for diversification with the inclusion of clearing for new assets, such as currency Futures contracts.

The unit's total net revenue increased by 2.6% in the second quarter of 2019 compared to the same period of 2018, driven both by the positive performance in trading and the open position of financial derivatives, and also by the activity in energy and interest rate derivatives, which together offset the fall in equities.

### **SETTLEMENT & REGISTRATION**

The business unit's EBITDA amounted to €22.3 million (+0.8% for the first half of the year) as a result of a fall in revenue of 1.2% offset by a decrease of 6.9% in operating costs.

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

During the first half of 2019, the Market Data & VAS business unit obtained a net revenue of €32.8 million, 0.6% less than in the previous year. In relation to advice and portfolio management, ABANCA's new online securities trading facility has been completed as part of the integration process of Deutsche Bank PCB Portugal while progress has been made in connection with projects developed in Chile and Mexico.

## **INCOME STATEMENT**

Data in million euros

	<b>1H 2018</b>	<b>1H 2019</b>	<b>%</b>
<b>Net Revenue</b>	154.7	142.5	-7.9%
<b>Operating costs</b>	57.7	56.0	-2.9%
<b>EBITDA</b>	97.0	86.5	-10.8%
<b>Net profit</b>	<b>71.9</b>	<b>63.4</b>	<b>-11.8%</b>

*Note: The information presented for 1H2018 corresponds to proforma data in which the effects derived from the first application of IFRS 15 have been reflected, as if it had occurred since January 1, 2018. Therefore, the information corresponding to 1H2018 differs from the public information presented the first half of 2018. The recording and impacts of the application of IFRS 15 were described in 4Q 2018."*

Further information on the results posted by BME on:

<https://www.bolsasymercados.es/ing/Shareholders-Investors/Financial-information/Results/2019>

### **Corporate Communication BME**

Tel.: + 34 91 589 12 86

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

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

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