

28 February 2020

## **BME REPORTS A NET PROFIT OF €122.8 MILLION IN 2019**

- **It is 9.9% lower than last year**
- **Net income in 2019 reached €285.4 million, down 6.2% year-on-year**
- **Total operating costs in the year decreased 2.2% compared to 2018**
- **The ratio of revenue not linked to trading volume stands at 126%**
- **Issuance of a gross €0.42 final dividend to be put before shareholders at the General Shareholders' Meeting**
- **Investment flows channeled through the stock exchange in 2019 totalled €16.7 billion, up 9.8% year-on-year**

The net result obtained by BME in 2019 reached €122.8 million, 9.9% less than in 2018. The net result in the fourth quarter reached €29.5 million, 13.2% less than that obtained in the same period of the previous year.

Net revenue in 2019 amounted to €285.4 million and to €72.8 million in the quarter. Compared to the previous year they were down 6.2% year-to-date and in the quarter. Total operating costs in the year decreased 2.2% compared to 2018, to €115.5 million.

Accumulated EBITDA in 2019 fell by 8.7% compared to the same period of 2018, to €169.9 million. EBITDA in the fourth quarter was €41.5 million, falling 11.9% compared to the previous year.

The earnings per share amounted to €1.48 in the year and to €0.36 in the quarter.

BME's return on equity (ROE) remains better than that of its peers. At the end of the year it was 31.7%, below 33.1%, posted a year earlier, but 13.6% better than the sector average. The ratio of revenue not linked to trading volume stands at 126%.

In 2019 BME received an "A-" rating with a stable outlook, granted by S&P Global Ratings, the risk rating agency. This rating places the company in investment grade and is a result of the low level of debt, the strong operational efficiency, the vertical integration of the business value chain and the solid liquidity position.

The Board of Directors' proposals to be put before shareholders at the next General Shareholders' Meeting include issuance of a final dividend of €0.42, gross, which, if approved, will be paid out to shareholders on 8 May 2020.

Last year, the Swiss company Six Group, the manager of the Swiss Stock Exchange, submitted a voluntary takeover bid for all BME shares at an initial price of €34 per share, from which the dividends that BME has distributed and distributes prior to the settlement date of the Bid will be deducted. On 29 November 2019, the Spanish stock market supervisor (CNMV) communicated the admission to processing of the Bid.

## **HIGHLIGHTS BY BUSINESS AREA**

### **EQUITY**

Investment flows to the Stock Exchange reached an amount of €16.7 billion for 2019, exceeding the total channelled a year earlier by 9.8%. Of this amount, the flows channelled in already listed shares totalled €15.4 billion, 42.4% more than in 2018 thanks to the capital increases.

The MAB was the most active market in admitting new companies in 2019, with 21 admissions.

### **FIXED INCOME**

Trading in Fixed Income on the BME platforms in 2019 increased 63.1%. Total admissions to trading on the regulated Market showed a growth over the year of 4.7%, thanks to the 48.6% increase posted by Private Fixed Income, which compensates for the 11.7% fall in Public Debt as a result of the reduction of the public deficit.

The MARF market reinforced itself across all its areas of activity. A total of 78 companies raise funding in this market, whose total volume issued during 2019 stands at €10.4 billion, up 62.9% on previous year. The balance of outstanding issues at the year-end stood at €5.1 billion, 54% more than a year ago.

### **DERIVATIVES**

The total volume of Financial Derivatives contracts traded in BME during 2019 increased by 3.3% compared to the previous year to stand at 44.9 million contracts.

Trading in stock futures grew by 42.9% in 2019. Derivative products as hedges for dividend payments of the IBEX 35® and individual shares also grew 104.8% and 60.8% respectively over the year.

In 2019 new derivative products based on xRolling® FX currencies launched.

### **CLEARING**

The total net revenue posted by BME Clearing in the quarter increased 2.2% compared to the same period of the previous year. In 2019 the unit made progress in its diversification strategy and among its activities it includes the clearing of spot equity transactions traded on systems managed by BME, the clearing and settlement of all financial and electricity derivatives traded or registered on MEFF as well as natural gas derivatives, the clearing of repos with fixed income securities (swaps or repos on Spanish government debt and other countries of the EU), and the clearing and settlement of interest rate derivatives.

## **SETTLEMENT & REGISTRATION**

In 2019 Iberclear obtained the licence from the regulator so that it could continue to provide its services in accordance with the requirements established in the Regulation on improving securities settlement in the European Union, also known as the CSD Regulation. This fact and the efficient adaptation to the new regulatory environment formed by the migration of the Spanish Securities Settlement and Clearing System to Target2 Securities (T2S) are the main business continuity milestones in the area this year.

## **MARKET DATA**

The Unit underwent many internal changes in 2019 that have crystallised in a refocusing of the businesses based on the consolidation of the traditional services offered and, in parallel, the creation of new products and services from its BME Inntech division to boost growth.

## **VALUE-ADDED SERVICES**

This section follows several strategic lines. One is to enhance the hub of regulatory solutions (RegTech Solutions) whereby customers are assisted in their regulatory compliance, digitisation and efficiency, and the Innovation Labs project, with the Artificial Intelligence and DLT laboratories.

Further information on the results posted by BME on:

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

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