

29 April 2020

## **BME REPORTS A NET PROFIT OF €34 MILLION IN THE FIRST QUARTER, UP 7.7% YEAR ON YEAR**

- **Net income in the first quarter reached €80.1 million, up 12% year-on-year**
- **Return on Equity (ROE) grows 4.1 points year on year and stands at 34.4%**
- **The markets and systems managed by BME have operated with absolute normality during the Covid-19 health crisis**
- **The Board of Directors of BME unanimously issued a favourable opinion concerning the takeover bid launched by SIX Group**

The net result obtained by BME in the first quarter of 2020 reached €34 million, 7.7% more than that obtained in the same period of the previous year.

Net revenue for the quarter amounted to €80.1 million, increasing 12% year-on-year. EBITDA for the period was of €47 million, 9.2% more than in the first quarter of 2019.

The total operating costs stood at €33.2 million, 16.3% more than the same period of the previous year

Excluding the effect of certain non-recurrent costs recognised in the quarter, operating costs for the quarter would reflect an increase of 3.3%, resulting in an increase of the EBITDA of 17.8%. Whereas, net profit for the first quarter of 2020 would increase by 17.8%. These items are associated with the acquisition, through a public offer for the acquisition of shares, of 100% of BME's capital by SIX Group AG, as well as expenses related to the Covid-19 health crisis, such as the purchase of health protection material within the framework of "Operation Balmis" in the fight against the spread of the coronavirus.

The return on equity (ROE) grew 3.6 points compared to the data recorded in the first quarter of 2019 and 4.1 compared to the last quarter of the previous year. At the end of the first quarter of 2020, it reached a value of 34.4%.

The ratio of revenue not linked to volumes (RNLV) based on costs presented a value of 107% in the first quarter of 2020 while the efficiency ratio stood at 41.4%.

### **Highlights of the quarter**

The markets and systems managed by BME have remained open and have operated with absolute normality during the Covid-19 health crisis. The regulated securities markets have continued to exercise their key corporate functions of guaranteeing liquidity for investors and preserving the transparency, fairness, security and integrity of financial transactions in all circumstances.

On 24 and 25 March 2020 the Council of Ministers and the National Securities Market Commission respectively authorised the acquisition, through a takeover bid, of 100% of

the share capital of BME by SIX Group. On 1 April 2020 the Board of Directors of BME unanimously issued a favourable opinion concerning the takeover bid.

BME today will submit to the General Shareholders' Meeting a proposal for the distribution of a final dividend amounting to €0.42 gross per share that will be paid on 8 May 2020.

## **EQUITIES**

The Spanish Stock Exchange has put in place different mechanisms in order to continue its normal operations, such as liquidity auctions or the widening of the fluctuation ranges of securities.

In the first quarter of 2020, €129.8 billion were traded in equity products, 19.6% more than in the same period of 2019. In terms of trades, during the first quarter there was an increase of 59.2% compared to the first quarter of 2019 to total 15.2 million brokered trades against a background of increased volatility.

A new entity joined the REITs segment of the MAB. This incorporation brings the total of number of REITs to 76, 13% more than in 2019

## **FIXED INCOME**

At the end of the first quarter, the total outstanding balance of Spanish securities registered in the Fixed Income markets grew 2% to €1.58 trillion.

The total volume issued on BME's Fixed Income market, MARF, reached €2.5 billion in the quarter, 21.5% more than in the same period last year. The total outstanding balance at the end of March stood at €5 billion, up 32%, and there are now a total of 79 companies that have issued fixed-income securities in this market since it was launched by BME in October 2013.

## **DERIVATIVES**

The volume traded in financial derivatives stood at 13.4 million contracts in the first quarter, 17.8% more than in the comparable period of 2019.

## **CLEARING**

During the first quarter of the year 30.3 million equity trades were processed, up 59.2% for the quarter year-on-year. With regard to energy derivatives, (electricity and natural gas), the volume cleared for the first quarter of 2020 was 83.4% more than in the same period of the previous year.

## **SETTLEMENT & REGISTRATION**

The total accumulated number of trades settled in the year up to the end of March exceeds 2.6 million, 15.2% more than those settled at the end of the first quarter of the previous year.

The Registration activity contributed during the quarter to 59.2% of net revenues with an increase of 0.6% compared with the same period of 2019.

## **MARKET DATA**

EBITDA in the Market Data & VAS business area increased by 3.6% in the first quarter of the year compared to the same period of 2019, mainly as a result of the 4.9% decrease in operating costs.

During the quarter, the solutions offered by traditional services such as Market Access & Trading and Information Platforms have been of great help to entities to prepare their remote and contingency systems in the last period affected by the Covid19 crisis.

## **INCOME STATEMENT**

Data in million euros

	<b>1Q2020</b>	<b>1Q2019</b>	<b>%</b>
<b>Net Revenue</b>	80.1	71.5	12.0%
<b>Operating costs</b>	33.2	28.5	16.3%
<b>EBITDA</b>	47.0	43.0	9.2%
<b>Net profit</b>	<b>34.0</b>	<b>31.6</b>	<b>7.7%</b>

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