



13 June 2024

Australian Securities and Investments Commission  
Mr Benjamin Cohn-Urbach  
Senior Executive Leader, Market Infrastructure  
Level 5, 100 Market Street  
SYDNEY NSW 2000

ASX Market Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

### INVESTOR FORUM PRESENTATION SLIDES

Attached is a copy of the slides that will be presented at ASX's Investor Forum briefing being held today.

The briefing will commence at 10am (Australian Eastern Standard Time) and will be webcast live. Register to view the briefing [here](#).

The webcast will be available on [ASX's website](#) for viewing after the live event.

Release of market announcement authorised by:  
**The Board of ASX Limited**

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Further enquiries:

#### Media

David Park  
Manager, Media and Communications  
T +61 2 9227 0010  
M +61 429 595 788  
E [david.park@asx.com.au](mailto:david.park@asx.com.au)

#### Analysts and Investors

Simon Starr  
GM, Investor Relations and Sustainability  
T +61 2 9227 0623  
M +61 416 836 550  
E [simon.starr@asx.com.au](mailto:simon.starr@asx.com.au)

20 Bridge Street  
Sydney NSW 2000

PO Box H224  
Australia Square NSW 1215

Investor Support 13 12 79  
[asx.com.au](http://asx.com.au)

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ASX Limited

# 2024 Investor Forum

13 June 2024

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## Summary information

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# Acknowledging Country

ASX acknowledges the Traditional Owners of Country throughout Australia. We pay our respects to Elders past and present.

Artwork by Lee Ann Hall, *My country My People*

# Agenda

## Session one: Group view

10.00am

**Update on ASX five year strategy**  
Helen Lofthouse, Chief Executive Officer

10.30am

**Technology roadmap**  
Tim Whiteley, Chief Information Officer

10.40am

**Finance update**  
Andrew Tobin, Chief Financial Officer

10.50am

**Break**

## Session two: business line deep dives

11.00am

**Listings**  
Blair Beaton, Group Executive, Listings

11.15am

**Markets**  
Darren Yip, Group Executive, Markets

11.30am

**Securities & Payments**  
Clive Triance, Group Executive, Securities & Payments

11.45pm

**Technology & Data**  
Diccon Close, General Manager, Data & Access Products

11.55pm

**Closing comments**  
Helen Lofthouse

12.00pm

**Q&A**  
ASX Executive Leadership team

12.30pm

**Light lunch for attendees and meet and greet with ASX Executive Leadership team**

# ASX Executive Leadership Team

Presenting today



**Helen Lofthouse**  
Managing  
Director and CEO



**Tim Whiteley**  
Chief Information  
Officer



**Andrew Tobin**  
Chief Financial  
Officer



**Blair Beaton**  
Group Executive,  
Listings



**Darren Yip**  
Group Executive,  
Markets



**Clive Triance**  
Group Executive,  
Securities &  
Payments



Group Executive,  
Technology & Data  
(until June 2024)  
**Dan Chesterman**



Chief People  
Officer  
**Jane Franks**



Chief Customer  
and Operating  
Officer  
**Diona Rae**



Chief Compliance  
Officer  
**Daniel Moran**



Group General  
Counsel and  
Company Secretary  
**Johanna O'Rourke**



Chief Risk Officer  
**Hamish  
Treleven**

# Strategy

Helen Lofthouse, CEO

# ASX portfolio

## High quality businesses



Portfolio of high quality businesses, diverse revenue streams



Strong position in multiple markets



Strength of business model



Demonstrated by delivery of record revenue for a first half in 1H24 despite challenging markets.



# ASX value chain: creating value across the market lifecycle

Strength of business model

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The market



The market

ASX creates value in different ways through the connectivity we provide across the market lifecycle.

# Supported by structural tailwinds

Long term growth drivers



Growing Australian capital base



Increasing demand for technology and data



Transition to net zero emissions

## **Importance of public markets:**

Role of an exchange is to support the economy and solve customer challenges.

To deliver price transparency and fair access for all, which facilitates liquidity.

Trusted. Connected. Dynamic.



# Strategic horizons

Making good progress through Horizon 1 but still plenty to do

## HORIZON 1 – RESET

*Restore confidence, focus on fundamentals*

## HORIZON 2 – EMBED AND GROW

*Increase speed, quality and value, drive future growth*



Still in Horizon 1 with ongoing focus on regulatory commitments, technology modernisation and business rationalisation.

Increasing focus on Horizon 2 growth opportunities.

# Great Fundamentals

## Key wins in FY24 and focus areas for FY25



### Great Fundamentals

#### Focus areas

##### Regulatory commitments



Promoting financial system stability



Sustainable, secure and resilient technology

##### Business efficiency



Continuing our cost conscious approach

#### Wins in FY24

- Delivered three special reports to regulators
- Released external experts report on management of intra-group conflicts

- CHES replacement solution announced
- Major projects in delivery mode

- Targeted restructure
- Equity portfolio review

#### Focus for FY25

- Embedding special report and FSS<sup>1</sup> recommendations
- Ongoing ASIC investigation

- Launch integrated delivery plan
- Execution of major projects

- More expense management initiatives including:
  - Reduced use of consultants
  - Strategic procurement

# Five year strategy

## Our purpose, vision and FY28 outcomes

Our purpose

To power a stronger economic future by enabling a fair and dynamic marketplace for all.

Vision  
for success

ASX is in a new era. We are the market's choice, inspiring confidence and trust.



### ONE ASX

- A vibrant and inclusive culture inspiring growth
- Accountable, empowered and engaged teams

- Employee engagement score
- Leadership index
- Risk culture score



### GREAT FUNDAMENTALS

- A modern technology stack that is sustainable, secure and resilient
- High quality and reliable delivery for the market
- Mature risk, compliance and operating frameworks
- Sustainable shareholder value

- Delivery of new trading, clearing and settlement platforms
- Maturity of key business frameworks
- Return on equity



### CUSTOMER DRIVEN

- Working effectively with our customers, solving challenges and delivering value
- Improved market quality

- Customer satisfaction
- Revenue generated from new initiatives
- Market quality measures
- Reputation score (RepTrak)



### DIGITAL BY DESIGN

- Customer and people experiences with ASX are easy
- High quality data and analytics drives customer value

- Customer effort score
- People effort score
- Improved value delivered to customers through data products and services

Strategic  
pillars

FY28  
outcomes

What we will  
measure

# Year two of our five year strategy

## Actions in FY25



Strategic  
pillars

ONE ASX

GREAT  
FUNDAMENTALS

CUSTOMER DRIVEN

DIGITAL BY DESIGN

FY25  
actions

- Executing key cultural shifts
- Improving our employee experience and employer brand

- Regulatory deliverables
- Delivery of critical projects
- Expense management
- Targeting Net Zero (Scope 1 and 2) emissions

- Continued stakeholder engagement
- Carefully considered growth execution aligned to structural tailwinds

- Launch new data products
- Enhance data management
- Digitising additional activities based on participant feedback

# Current operating environment

Addressing current market dynamics



Inflation and higher interest rate environment



Lower equity market activity and  
good recovery in rate futures volumes



Legislative reform:

- Competition in Clearing and Settlement
- Financial Market Infrastructure Reform

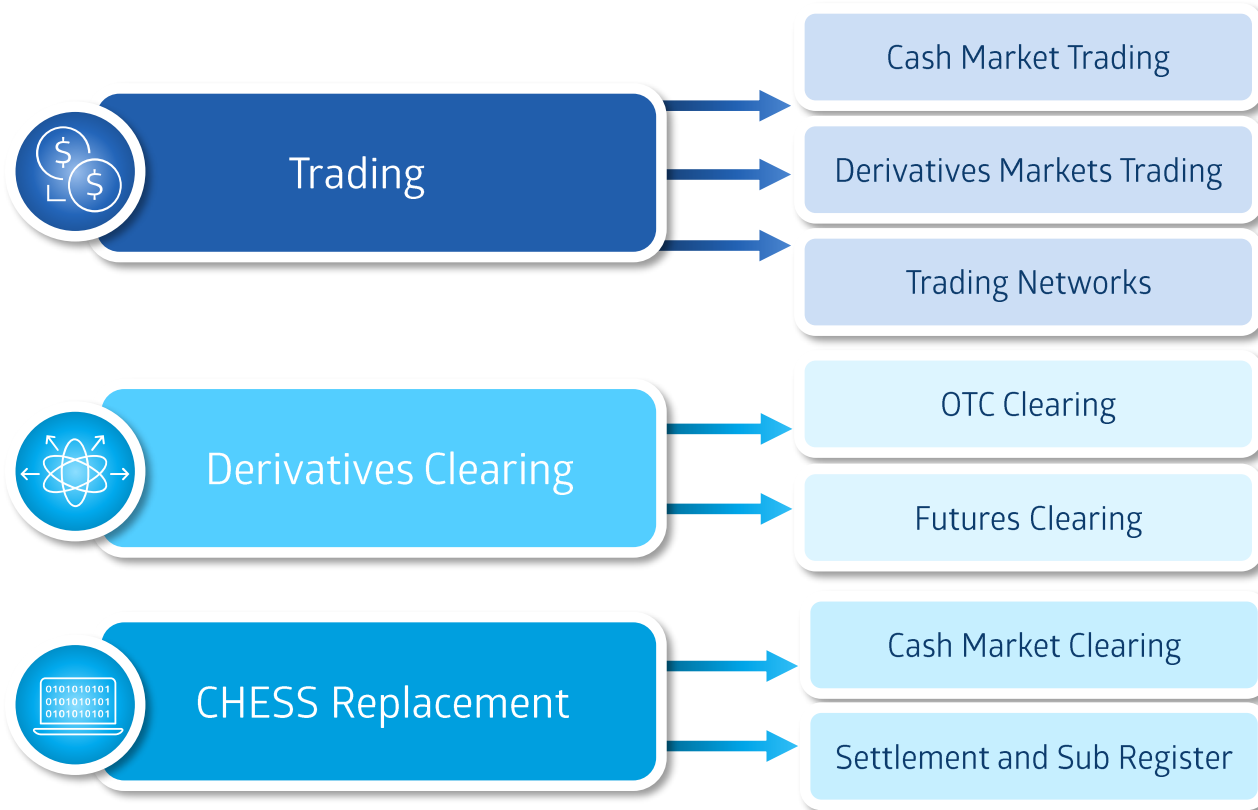
# Technology roadmap

Tim Whiteley, Chief Information Officer



# Major projects

Driving our delivery roadmap



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# Technology modernisation

## Platforms and delivery capability

### Technology platform

Improving scale, resilience, security and risk management

Digital

Data

Cloud

+

### Delivery capability

Driving productivity, standardising processes and increasing automation

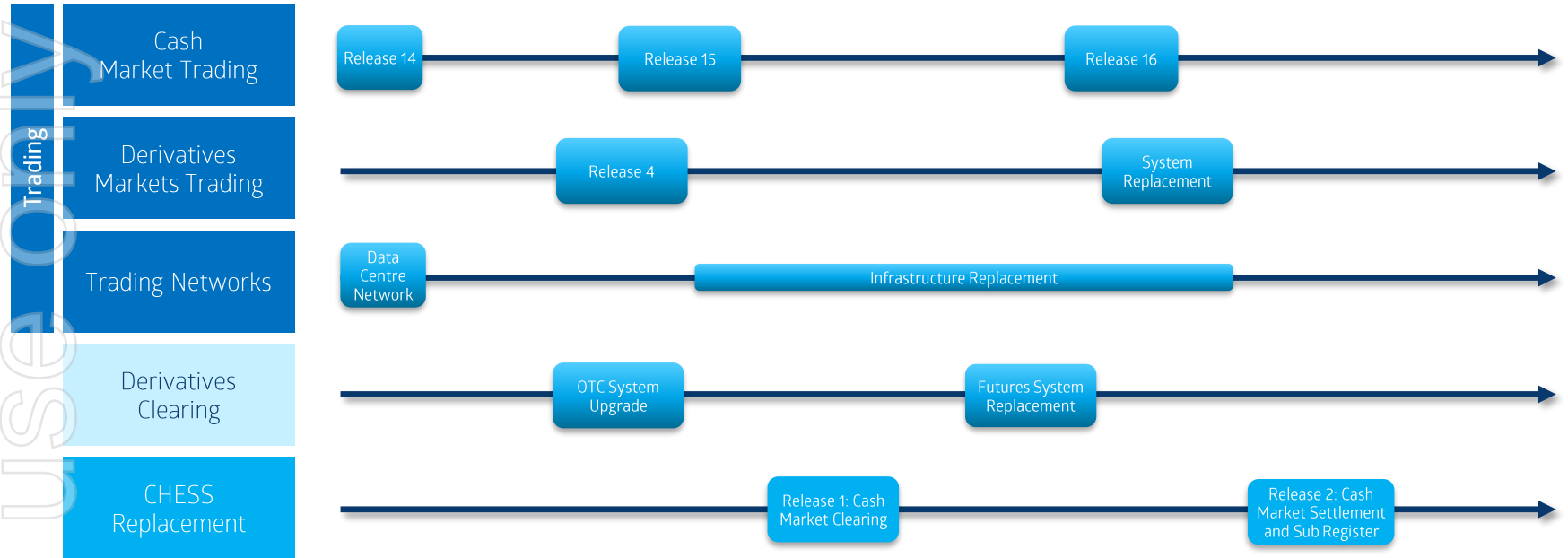
Strategic portfolio plan

Project delivery governance

Improved processes and tools

# Delivery roadmap<sup>1</sup>

Integrated plan to manage ASX and market capacity for change



# Technology modernisation

## Role in the ASX value chain



Technology modernisation will enable ASX's value chain

Create sustainable, secure and resilient technology

More dynamic response to market demand



To support customer driven growth

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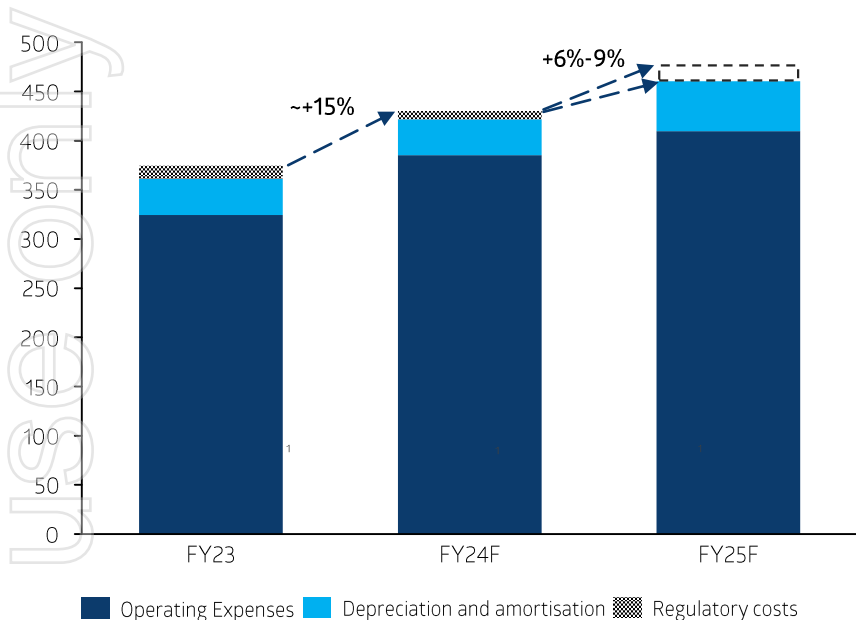
## Finance update

Andrew Tobin, Chief Financial Officer

# FY24 and FY25 total expense growth guidance

Lower staff cost growth offset by higher technology related cost growth in FY25

Total expenses profile (\$m)



## FY24 total expense profile:

- FY24 expense growth forecast of ~15%<sup>1</sup>
  - Expecting reduction in 2H24 total expenses compared to 1H24

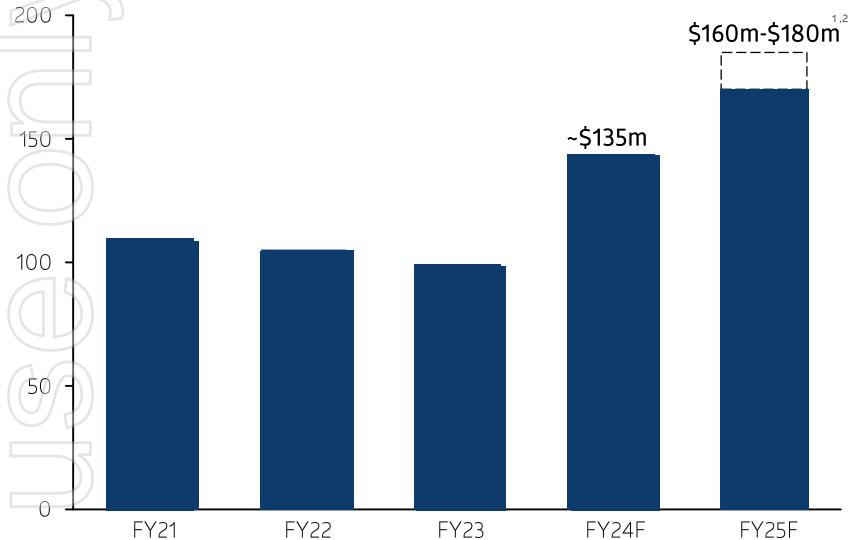
## FY25 total expense profile:

- FY25 expense growth guidance of 6% to 9%<sup>1</sup> supporting costs associated with Horizon 1 of the five year strategy
  - Targeted restructure to deliver ~\$11m reduction in annualised staff expenses and one-off regulatory costs expected to decline
  - Offset by increase in technology licence and equipment costs and higher depreciation and amortisation
- Expense management focus to continue in FY25:
  - Optimise workforce mix
  - Process simplification and automation
  - Strategic procurement

# FY24 and FY25 capital expenditure guidance

Primarily driven by technology modernisation program

Capital expenditure (\$m)

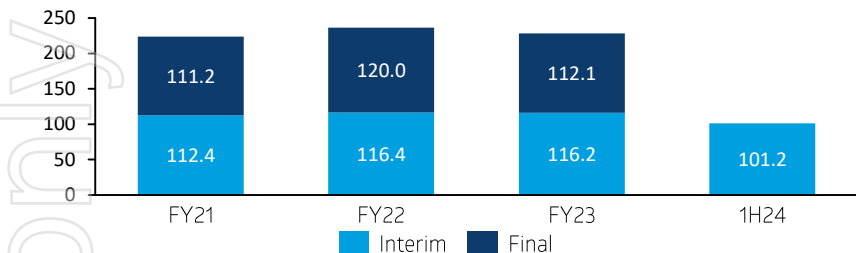


- Increase in capital expenditure profile primarily driven by technology modernisation program
- FY24 capital expenditure guidance of ~\$135 million
- FY25 technology capital expenditure guidance of \$160 to \$180 million<sup>1</sup>
  - Elevated range expected for the medium term (FY25F to FY27F) before starting to reduce
- Depreciation and amortisation schedule for capital expenditure on major technology projects expected to average between 7 to 10 years once live

# Capital management

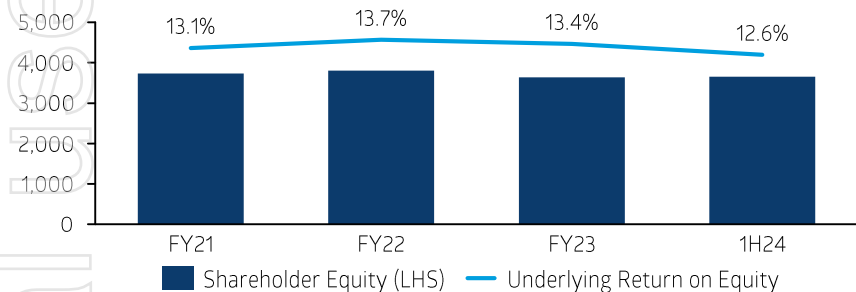
## Providing flexibility in balancing investment and shareholder returns

### Dividend per share (cents)



- Maintaining dividend policy of 80% to 90% of underlying profit after tax<sup>1</sup> for medium term
- Operating Dividend Reinvestment Plan
  - ~10% shareholder take-up in 1H24

### Shareholder equity (\$ million) and underlying ROE (%)



- Strong balance sheet with S&P long term credit rating of AA-
- \$275m corporate bond issued in February 2024 to support forward capital expenditure program
- Medium term underlying ROE performance metric target range of 13.0% to 14.5%



10 minute break

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# Listings

Blair Beaton, Group Executive



# Why list on ASX

We have a compelling value proposition



World's 5th largest pension system<sup>1</sup>



Outsized access to growth capital via secondaries



Half the cost of the US<sup>2</sup>



Earlier index inclusion drives liquidity



Valuation metrics compare favourably

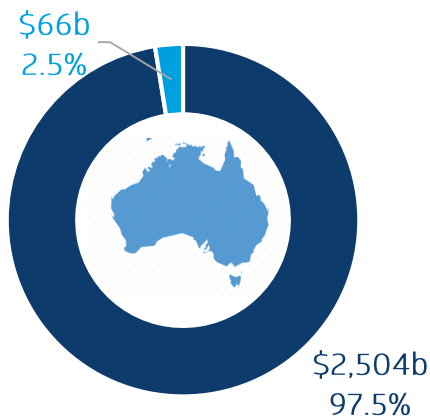


Price transparency and discovery

# Listed market remains the dominant arena for raising equity

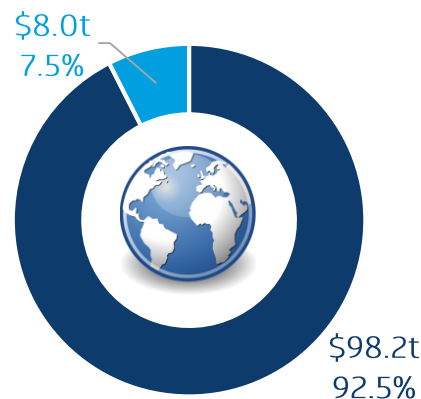
## ASX accounts for 97.5% of domestic equity investment

### PE/VC vs ASX – comparative size<sup>1</sup>



- Aggregate ASX domestic equity market capitalisation
- Australian PE/VC AUM (including investable capital)

### PE/VC vs Global listed market – comparative size<sup>2</sup>

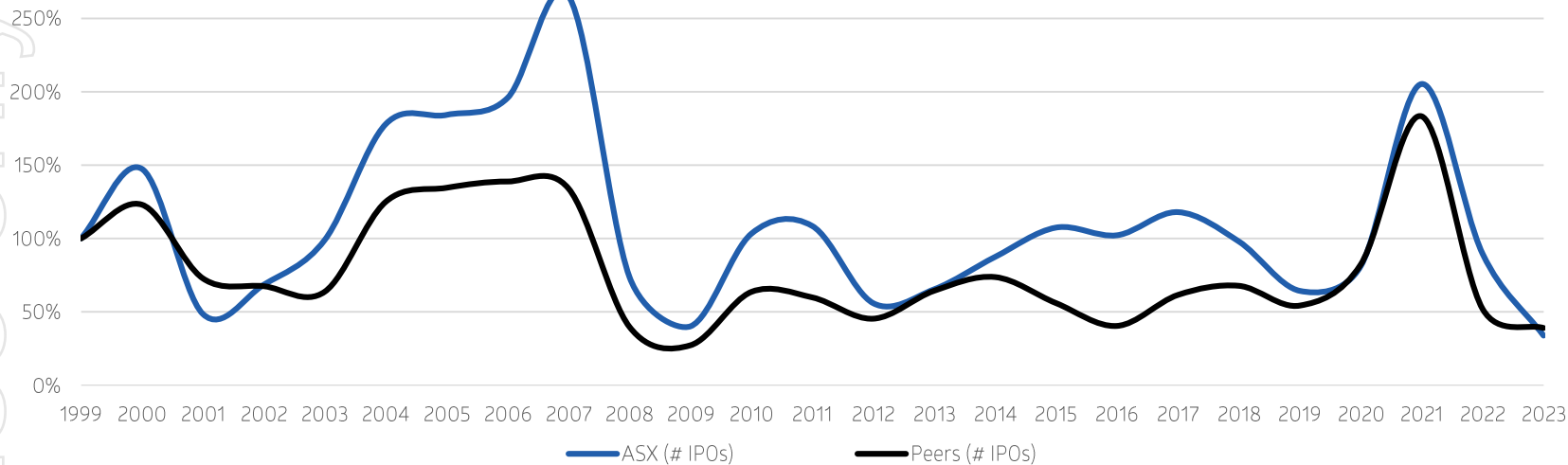


- S&P Global BMI – aggregate market capitalisation
- Global PE/VC AUM (including investable capital)

# IPO activity – ASX and peer exchanges

New listings are cyclical

Number of IPOs – ASX vs global peers<sup>1</sup>



Consistent with peer exchanges we're still at the bottom of the cycle.

# Net new capital added to ASX in each of the past 7 years

\$750 billion gross and \$441 billion of net new capital quoted over past 7 years

## Net new capital

\$42b

\$58b

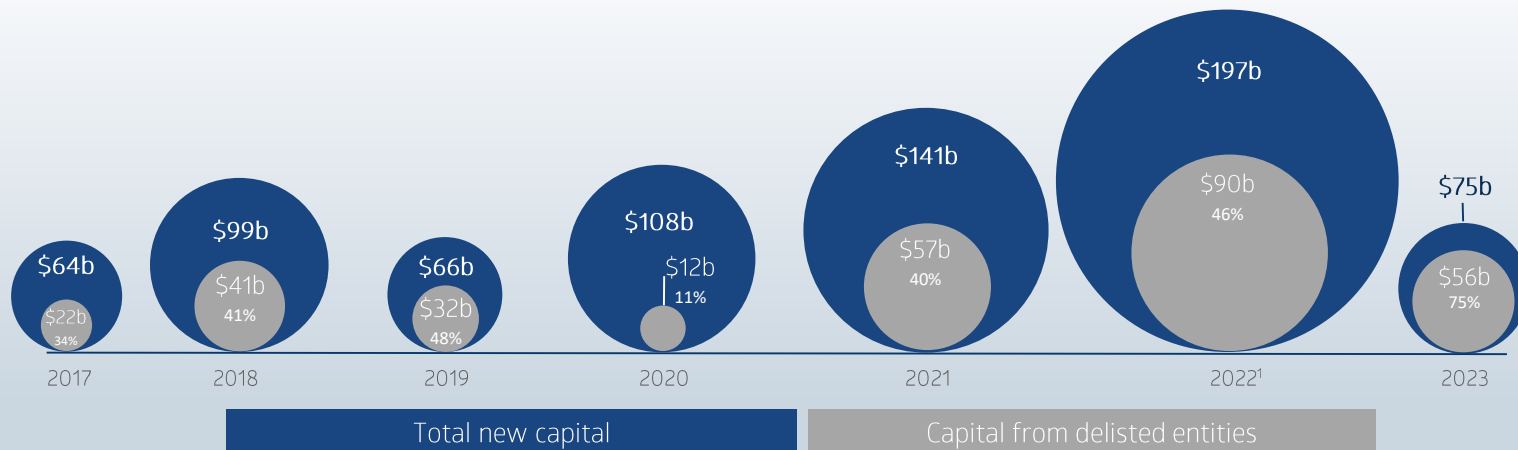
\$34b

\$96b

\$84b

\$107b

\$19b



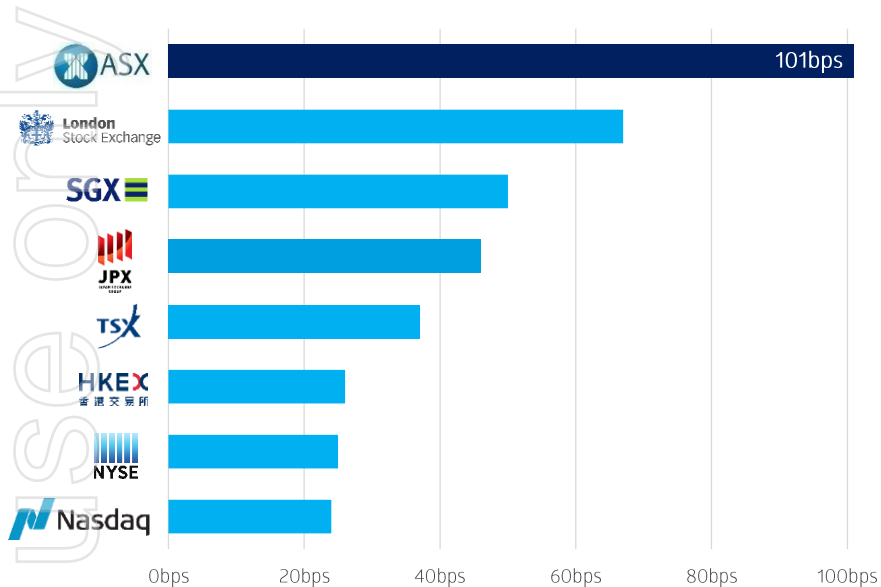
Total new capital

Capital from delisted entities

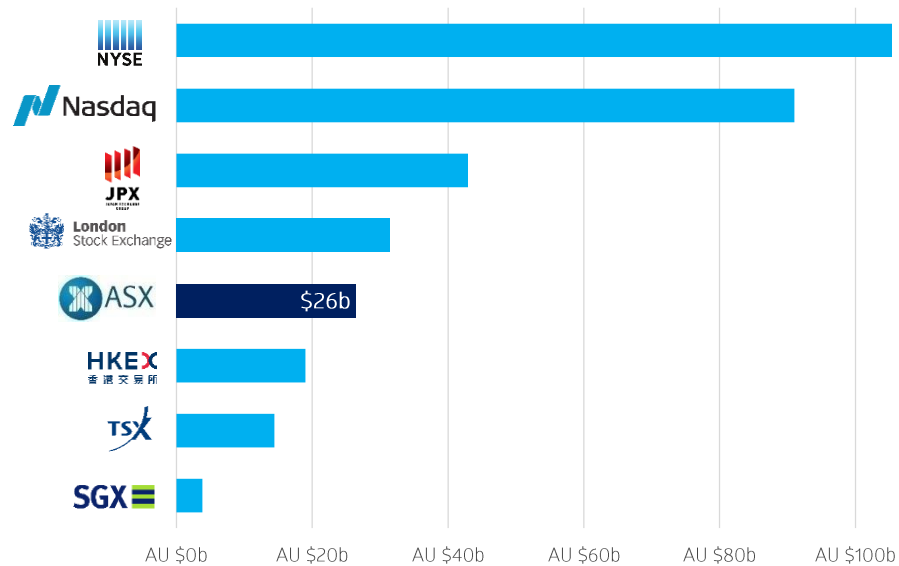
# Follow-on offerings show the strength of the ASX market

## Performing well compared to peers


















bps relative to total market cap (2023<sup>1</sup>)



Value (2023<sup>1</sup>)



# Top new listings in 2023-24 by market capitalisation

Company	Sub industry	Total market cap at listing (A\$b)	Listing type	Company nationality
 <b>Newmont.</b>	Gold	\$68.6	Dual	
 aracidium lithium	Specialty Chemicals	\$10.9	Dual	
 <b>LIGHT &amp; WONDER.</b>	Casinos & Gaming	\$8.5	Dual	
 <b>CAPSTONE COPPER</b>	Copper	\$5.2	Dual	
 <sup>1</sup>	Restaurants	\$2.2	IPO	
 storage king	Self-Storage REITs	\$1.9	De-merger	
<b>Freightways</b>	Air Freight & Logistics	\$1.4	Dual	
 <b>REDOX</b>	Trading Companies and Distributors	\$1.3	IPO	
 METALS ACQUISITION CORP	Copper	\$1.2	Dual	



# Growth strategy

Activity through the cycle



# Markets

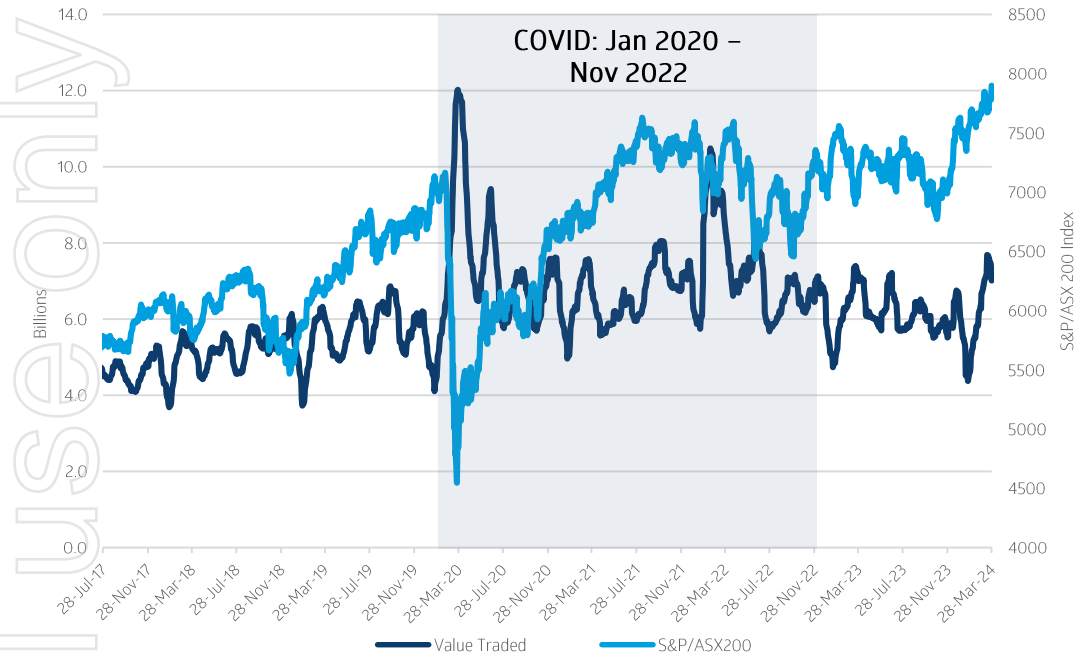
Darren Yip, Group Executive



# Cash market trading

## Key drivers and recent trends

### ASX Cash Equities Total Traded Value - 20 Day Moving Average



### Current drivers of cash equities trading

- Global equities indices trading at or near record levels
- Resilient company earnings
- Changes in interest rate expectations
- Solid growth in ASX Centre Point & Auctions

	FY24 average daily volume	Compared to FY19
Q1	\$5.2bn	+15%
Q2	\$5.1bn	+12%
Q3	\$5.4bn	+19%

# Cash market trading

## Potential catalysts



Potential catalysts  
that impact activity

Central bank interest rate decisions

Increase in IPO activity

M&A activity

Geopolitical events

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# Rates futures

## Key revenue drivers and recent trends



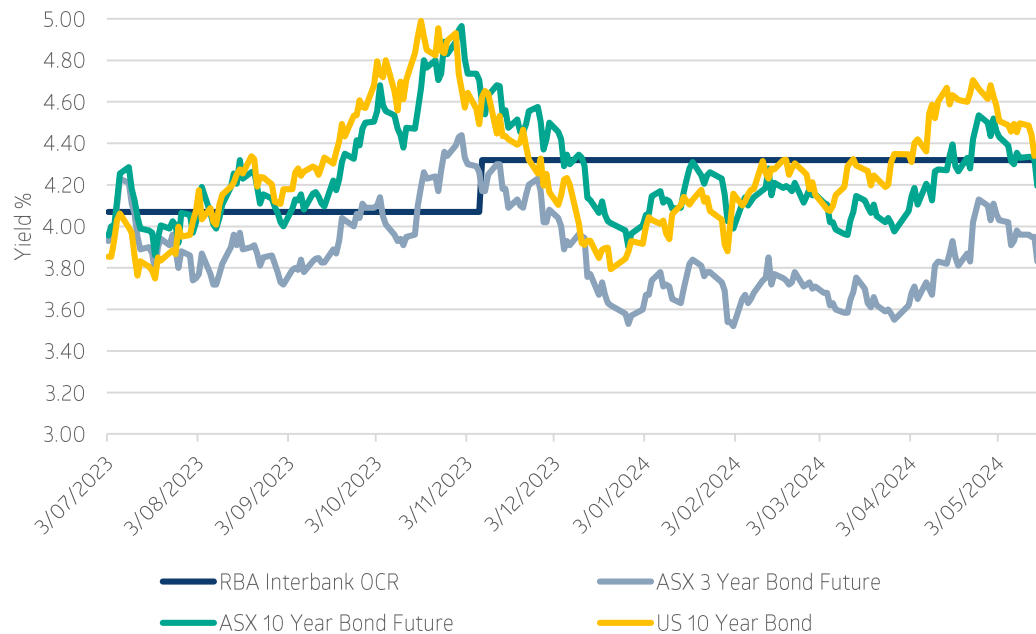
### Drivers of rates futures trading activity

- Changes in market's interest rate expectations (domestically and globally)
- Federal and state debt issuance
- ASX product, service and market quality initiatives
- Deep liquidity and price transparency in futures markets compared to alternative OTC products

### Trends in FY24 (to date)

- Ongoing increase in volumes but still below pre-COVID levels
- New annual and monthly records for 90-day bank bills
- Changing market expectations of central bank interest rates moves
- Strong trading opportunities across the Australian rates curve

### Rates and yields during FY24 (to date)



Source: ASX and Bloomberg

# Rates futures

Volumes below pre-COVID levels



## Potential drivers of an increase in activity:

- New ASX rates futures initiatives
- Continuation of increased federal and state government debt issuance at higher levels
- Ongoing interest rate uncertainty
- Globally comparative trading opportunities
- Geopolitical events

\$A interest rate futures volumes - quarterly since July 2017



# Growth opportunities

Customer driven, enabled by technology



Enabled by technology

- Making it easier to do business with us



Customer driven

- Stakeholder engagement
- Continuing to evolve products and focus on market quality

# Growth opportunities

## Transition to net zero product ecosystem

### Developing a transition to net zero product ecosystem

- Core electricity futures
- Gas futures
- Environmental futures (including carbon)
- Exploring opportunity with Clean Energy Regulator to run Carbon Exchange



The transition to net zero creates volatility and uncertainty.

**ASX will play a critical financial market role by operating liquid and transparent derivatives markets.**

Supporting customers' to manage their risk.



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# Securities & Payments

Clive Triance, Group Executive



# Securities & Payments

Efficient provision of essential infrastructure and services to power the value chain



Delivering essential services including clearing, settlement, payments and asset servicing to a diverse range of customers.

We are focused on safe and robust performance in running key systems like CHES and Austraclear.



Diverse range of clients

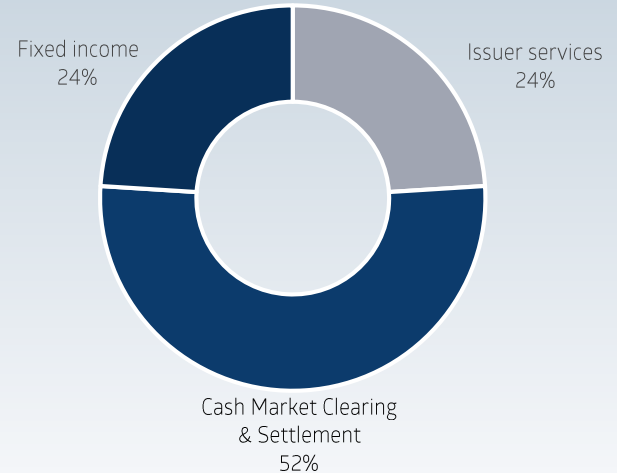
- Authorised Market Operators
- Banks
- Share registries
- Clearing and settlement participants
- Listed companies
- Product issuers
- Central banks
- International central securities depositories (CSDs)



Key licences

- ASX Clear
- ASX Settlement
- Austraclear
- ASX Collateral Management

## Revenue split (FY23)



# Cash Market Clearing and Settlement

Our proposition and revenue drivers

ASX Clear & ASX Settlement provide reliable and efficient clearing and settlement services for the cash equity market.

Clearing House Electronic Sub register System (CHES).

## Revenue drivers



Trading volume and capital markets activity



Shareholders with Holder Identification Numbers (HIN)



Value of the equities cleared

# Issuer Services

Delivering secure and efficient title registration tracking

## Key features and services



>3 million active HIN holders and  
20 million unique security holdings



~5,000 corporate action events

## Revenue drivers



Number of holders with active  
holdings on HIN



Volume of changes in holding balances



Markets activity, capital issuance and  
corporate action activity

# Fixed income and payments

How Austraclear supports Australia's debt capital markets

## Austraclear by the numbers

**\$3.1 trillion**

Total depository holdings

**1,400**

Issues per month

**\$90 billion**

Average daily value

**1,115**

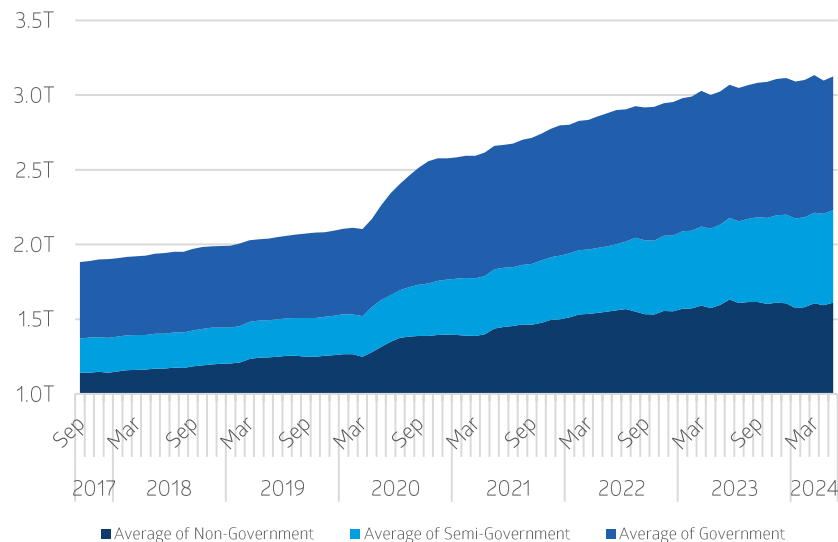
Austraclear participants

**2 million**

Transactions processed per year

## Depository holdings

Holdings Balance



# CHESS Replacement

CHESS Replacement in delivery phase, industry consultation continues



## Consultation: Release 1

Consultation paper released in March 2024, response expected in late June 2024.

Focus: Staged approach and timing for replacing CHESS, design, scope, testing approach, and schedule.



## Consultation: Release 2

Consultation paper expected to be released in Q3 CY2024.

Focus: Scope, approach, and timeline for Release 2. Will include T+1 and interoperability considerations.

## Implementation progress

Following solution announcement in November 2023, ASX and TCS progressing next implementation milestone and delivery of technology enhancements.



## Consultation: Australia's move to T+1

Whitepaper released in April 2024, inviting feedback.

ASX will publish a summary of feedback received in August 2024 that will inform consultation for Release 2.



# Growth opportunities

## Customer driven initiatives



Continue to drive uptake of e-statements



Progressing the Australian Carbon Exchange



Sympli



Fixed income data

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# Technology & Data

## Diccon Close, General Manager





# Role of Technology & Data business

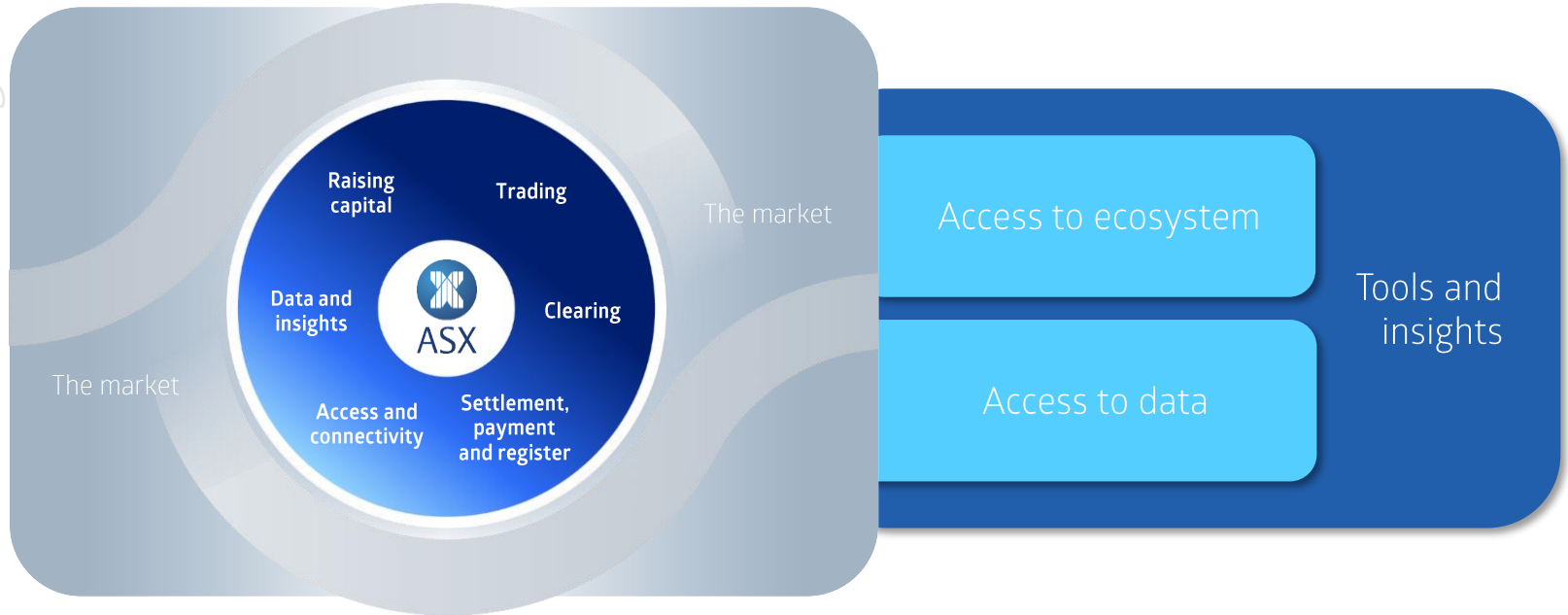
Efficient, secure connectivity and insights for our customers



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# Drivers of growth in Technology & Data business

Part of the ASX value chain



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# Drivers of growth in Technology & Data business

## Structural tailwinds and trends

### Structural tailwinds



Growing Australian capital base



Increasing demand for technology and data



Transition to net zero emissions



### Trends

Machine-based learning

Customers' evolving risk management requirements

Global access to Australian financial markets

# Growth opportunities

ASX is a data-rich environment



Fixed income  
data



Data analytics to  
support market  
activity



New datasets  
from product  
evolution



Augmented  
listed company  
disclosure data

Enabled by:

Listening to our customers

Technology modernisation program

# Investment proposition and summary

Helen Lofthouse

# Investment proposition

## Strengths and structural tailwinds



### Strengths

- High quality portfolio of businesses with diverse revenue streams
- Strong position in multiple markets
- Value chain delivering value across market lifecycle



### Structural tailwinds

- Growing Australian capital base
- Increasing demand for technology and data
- Transition to net zero emissions



### Growth opportunities

- Driven by:
  - Value chain
  - Structural tailwinds
  - Technology modernisation



Long term  
shareholder value

# Summary

Making good progress as we move into second year of five year strategy



## One year into five year strategy

Making good progress, still plenty to do in our key focus areas



## Key FY25 guidance metrics

Total expense growth guidance of 6% to 9%<sup>1</sup>

Capital expenditure guidance of \$160 to \$180 million<sup>2</sup>



## Growth opportunities

Supported by value chain and structural tailwinds

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# Q&A