



Media release

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SIX rounds off exceptional year with record profit

SIX had an exceptional year in 2015, culminating in a record profit. The income from the sale of the shares in the joint ventures STOXX and Indexium boosted earnings before interest and tax (EBIT) by CHF 464.3 million to CHF 762.9 million and net profit by 188.7% to CHF 713.7 million. Adjusted for the contribution to earnings by STOXX and Indexium in 2014 and 2015, EBIT increased by 7.8% to CHF 286.1 million, and the EBIT margin climbed from 14.8% to 15.8% The turbulence on the markets unleashed by the removal of the EUR/CHF floor impacted business operations in different ways: while Swiss Exchange and Securities Services benefited from the rise in volumes, the strong Swiss franc had an adverse effect on operating income in the business areas Financial Information and Payment Services. Operating income increased by 0.5% overall, and the business grew by 5.6% on a currency-adjusted basis.

Urs Rügsegger, Group CEO SIX: "2015 was an exceptionally successful year for SIX – and one which we concluded with a record profit. The repercussions of the strong Swiss franc on revenue generated in foreign currencies made a dent in our foreign business. This makes it all the more pleasing that all business areas once again posted growth on a currency-adjusted basis. In the past few years we have aligned our strategy consistently to a more diversified business model, broadening our revenue streams and making us less dependent on individual business areas and markets. Our hard work is paying off."

Currency effects impact growth

SIX increased its 2015 operating income by CHF 8.7 million (+0.5%) on the previous year to CHF 1,810.9 million. Adjusted for negative currency effects, SIX grew by 5.6%.

Swiss Exchange and Securities Services saw a significant jump in revenue – up 3.0% and 8.0% respectively – on the back of the volatility on the stock markets and historically high trading activity triggered by the removal of the EUR/CHF floor by the Swiss National Bank (SNB). Swiss Exchange succeeded in maintaining its market share in Swiss blue-chip trading of 67.9% (68.1%), generating record high volumes in the process. Growth in Securities Services was driven by the marked rise in clearing and settlement transactions in the first half of the year. All systemically important services for the Swiss financial center have been pooled in this business area since 1 January 2015. The internationalization strategy being pursued in Financial Information (-2.9%) and Payment Services (-1.3%) is paying off: while the strong Swiss franc had an adverse effect on income, revenue was up measured in local currencies. Financial Information posted impressive growth, especially in the field



of reference data; in Payment Services, meanwhile, momentum on the international payment markets stimulated transaction activity.

In spite of the above-average levels of growth in local currencies, the strength of the Swiss franc meant that the proportion of revenue generated abroad fell slightly from 37.5% to 36.1%. About a quarter of all revenue originates in Austria and Luxembourg, which now both count as domestic markets of the business area Payment Services. In 2015 SIX thus made a significant step forward in the implementation of its growth and diversification strategy.

Another significant improvement in profitability

SIX faces persistently high pressure on margins and costs in all areas. In order to remain profitable, SIX is therefore committed to rigorous cost control. Operating expenses declined Group-wide by CHF 40.5 million or 2.6% to CHF 1,531.9 million. 2015 saw a further reduction in the profitability gaps between the business areas. The highest EBIT was achieved by Payment Services at CHF 88.1 million (+17.2%), fuelled by lean cost management, improved margins and foreign business, especially in Austria. In spite of the excellent operating result in the year under review, EBIT in Swiss Exchange fell by 18.3% to CHF 85.1 million in the wake of price reductions and the sale of the shares in the joint ventures STOXX and Indexium, meaning they ceased to contribute to revenue. Adjusted for the contribution to earnings by STOXX and Indexium in 2014 and 2015, the decline in EBIT was 8.8%. The strong growth due to rising transaction volumes resulted in 10.9% higher EBIT (CHF 47.0 million) at Securities Services. The jump in profitability was even larger at Financial Information, with EBIT climbing by 17.6% to CHF 53.9 million, attributable primarily to falling costs, a rigorous focus on the core business and a functional organization geared towards global operations.

The sale of the shares in the joint ventures STOXX Ltd and Indexium Ltd boosted the financial result to CHF 468.4 million (2014: CHF 33.6 million). Excluding this special effect, the net financial result decreased by CHF 29.5 million to CHF 4.1 million owing to lower interest income. Given SIX's excellent liquidity and capital situation, the Board of Directors decided in September 2015 to pay shareholders an extraordinary dividend totalling CHF 400.2 million, which equates to a gross dividend of CHF 20.50 per share. The Board of Directors has recommended to the Annual General Meeting to distribute an ordinary dividend of CHF 8.25 (2014: CHF 8.00) per share.

Outlook

The new year got off to a shaky start, rocked by bouts of heavy turbulence on the markets. A solution has yet to be found to the numerous political and economic challenges, which will continue to weigh on the markets in 2016. The market environment will likely remain volatile as a result. The financial sector as a whole will have to contend with a raft of complex and in some cases costly changes to the regulatory framework. These – combined with the rapid pace of technological development – harbour further potential for growth and differentiation. However, they will also pose consistently significant challenges, exacerbated by the persistent pressure on margins. SIX has honed its strategy accordingly and will press firmly ahead with its systematic innovation management in 2016. SIX is excellently positioned to navigate the challenging regulatory, technological and economic environment that lies ahead.



Key figures SIX (in CHF m)	2015	2014	Dev. %
Income statement			
Total operating income	1,810.9	1,802.2	0.5
Total operating expenses	-1,531.9	-1,572.4	-2.6
Operating profit	279.0	229.8	21.4
Share of profit of associates	15.5	26.6	-41.7
Net financial result	468.4	33.6	1,295.9
Earnings before interest and tax (EBIT)	762.9	290.0	163.1
Earnings before interest and tax (EBIT) without profit contribution of STOXX/Indexium	286.1	265.4	7.8
Group net profit	713.7	247.2	188.7
Balance sheet			
Total assets	8,755.8	9,758.6	-10.3
Total liabilities	6,310.6	7,501.8	-15.9
Total equity	2,445.3	2,256.8	8.4
Cash flows			
Cash flow from operating activities	-1,025.7	1,581.0	-164.9
Cash flow from investing activities	729.7	71.7	917.6
Cash flow from financing activities	-539.7	-119.9	-350.2
Workforce (in full-time equivalents)			
Total SIX	3,858.2	3,824.8	0.9
Key ratios			
Earnings per share (in CHF)	37.63	12.95	190.7
EBIT margin (in %)	42.1	16.1	161.8
EBIT margin without profit contribution of STOXX/Indexium (in %)	15.8	14.8	7.2
Return on equity (in %, average ¹)	30.4	11.1	172.7
Equity ratio ² (in %, average ¹)	76.4	72.5	5.3

¹ Average balance sheet items in the reporting period

² Total equity / (total adjusted liabilities + total equity).



Segment information (in CHF m)	2015	2014	Dev.	Dev. %
Operating income				
Swiss Exchange	207.4	201.4	6.0	3.0
Securities Services ¹⁾	353.9	327.5	26.3	8.0
Financial Information	389.0	400.5	-11.5	-2.9
Payment Services ¹⁾	882.8	894.4	-11.6	-1.3
Global IT	328.0	267.7	60.2	22.5
Corporate and elimination	-350.1	-289.3	-60.7	-21.0
Total operating income	1,810.9	1,802.2	8.7	0.5
Earnings before interest and tax (EBIT)				
Swiss Exchange	85.1	104.1	-19.0	-18.3
Securities Services ¹⁾	47.0	42.4	4.6	10.9
Financial Information	53.9	45.8	8.1	17.6
Payment Services ¹⁾	88.1	75.2	12.9	17.2
Global IT	0.0	-15.4	15.4	100.0
Corporate	488.8	37.9	450.9	1,189.5
Total EBIT	762.9	290.0	473.0	163.1

¹⁾ The electronic payments business was transferred from the Payment Services segment to the Securities Services segment as of 1 January 2015. The segment reporting in accordance with IFRS as of 31 December 2014 was adjusted for the purposes of comparison.

If you have any questions, please do not hesitate to contact Stephan Meier, Head Media Relations.

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SIX

SIX operates the infrastructure underpinning the Swiss financial sector and offers a comprehensive range of services around the world in the fields of securities trading and settlement, financial information and payment transactions. The company is owned by its users (approximately 140 banks of various orientation and size). Its workforce of over 4,000 employees and presence in 25 countries throughout the world generated operating income of CHF 1.8 billion and adjusted Group net profit of CHF 713.7 million in 2015.

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