



13 June 2024

Australian Securities and Investments Commission
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INVESTOR FORUM 2024 MARKET RELEASE

Attached is a market release relating to the ASX 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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20 Bridge Street
Sydney NSW 2000

Market Release

13 June 2024

ASX continues momentum on strategy, outlines technology roadmap and provides FY25 financial guidance

Today's Investor Forum marks one year since ASX announced its new five year strategy and Managing Director and CEO Helen Lofthouse will detail the progress made on strategic outcomes including the key focus areas of technology modernisation and regulatory commitments.

The briefing today will also deliver further detail on the indicative technology roadmap and outline growth opportunities ASX is pursuing while maintaining its focus on executing Horizon 1 strategic outcomes.

Ms Lofthouse said: "Our five year strategy builds on the foundations of a high quality portfolio of businesses that deliver resilient revenue performance throughout market cycles. The key regulatory deliverables for FY24 were achieved within expected timelines, and we're pleased to share further detail on our major technology projects including CHES replacement and the work underway to upgrade our trading and derivatives clearing platforms."

Key highlights since the last investor briefing include:

- > CHES replacement in delivery phase following decision to progress with a product based solution to be delivered by global technology firm Tata Consultancy Services;
- > Commencement of program of industry consultation for CHES replacement releases and for potential shortening of settlement cycle to T+1;
- > Delivery of three special reports to ASIC detailing roadmap for maintenance and supportability of CHES, implementation of external review recommendations on aspects of CHES replacement and further uplift of delivery capability;
- > Increase in stakeholder engagement and independent advice for cash market clearing and settlement with the formation of the Advisory Group and the appointment of an independent chair to the ASX Business Committee;
- > Launch of first ASX corporate bond, raising \$275 million;
- > Targeted restructure in early 2024 delivering \$11 million in annual savings;
- > Ongoing Listings activity which attracted total capital onto exchange of \$73.6 billion for financial YTD (after delisted capital for the same period of \$51.1 billion, this delivered net new capital of \$22.5 billion);
- > Announcement of exploratory work with Clean Energy Regulator to develop an Australian Carbon Exchange.

"Being able to deliver these key wins in the first year of our strategy gives us confidence in our ability to continue to execute strongly," Ms Lofthouse said.

"We've made strong progress against our strategic goals but we have more to do and we've prioritised investment into technology modernisation and regulatory commitments to support long term shareholder value."

ASX continues to prioritise business efficiency and provides the following financial guidance:

- > Forecast FY24 total expense growth rate of ~15%, at the top end of guidance provided with 2H24 expenses expected to be lower than 1H24;
- > Guidance for FY25 total expense growth rate to be between 6% and 9% (when excluding depreciation and amortisation, the range is expected to be between 4% and 7%);
- > Forecast capital expenditure for FY24 of around \$135 million which is within previous guidance range;



- > FY25 technology capital expenditure guidance of between \$160 million and \$180 million¹, with this elevated range expected for the medium term (FY25 – FY27) before starting to reduce beyond this point; and
- > Intention to maintain capital management settings for dividend payout ratio of between 80% and 90% of underlying net profit after tax for the medium term, and to continue to operate the Dividend Reinvestment Plan.

The FY25 expense growth rate set out above is primarily driven by ongoing technology related investment including software licensing, equipment costs and depreciation and amortisation. ASX will maintain focus on expense management initiatives in FY25 including optimising our workforce mix, process simplification and automation, and strategic procurement.

“Continuing to invest in our business is critical to our strategy. We have high quality businesses, a compelling value chain and structural tailwinds that will support us into the future, and I’m confident we are building a clear path to our growth horizon,” Ms Lofthouse said.

Further enquiries:

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¹ Capex guidance range of between \$160m and \$180m excludes \$10m to \$12m which has been committed for fit out of new premises in each of FY25 and FY26.