

NZX Limited

# FY2024 Results

Enabling growth



## NZX Limited – Full Year 2024 Results and Annual Report

Dear Shareholder,

On behalf of the NZX Board, I am pleased to share with you our 2024 Annual Report and Financial Results, which were released today and are available to read online [here].

Highlights for the year ended 31 December 2024 were:

- Group operating earnings<sup>1</sup> of \$48.5 million (excluding integration and restructure costs), up 21% year on year
- Net profit after tax (NPAT) of \$25.5 million, up 88.1% (normalised NPAT \$18.3 million, up 30.1%)
- Final dividend of 3.1 cents per share, fully imputed. FY2024 dividend total 6.1 cents per share, fully imputed
- NZX Wealth Technologies – positive cashflow achieved in December 2024 (excluding internal development being undertaken for Smart)
- FY2025 operating earnings guidance range is \$49 million to \$54 million

NZX continued to experience positive momentum towards achieving its strategic goals, due to the diversified nature of the Company's activities and the strong growth opportunities in front of us.

For local markets, capital markets issuance and trading activity grew steadily throughout 2024. As interest rates began to fall, NZX saw a meaningful pick-up in capital markets activity in the second half of the year.

In addition, asset prices were stronger both locally and globally through the year and, alongside solid growth in Smart's funds under management and NZX Wealth Technologies' fund under administration, this has translated to strong results across the Group.

This is a pleasing result demonstrating NZX's all-round business strength as a market operator, fund manager and fund administration platform provider – especially with NZX Wealth Technologies reaching positive cashflow from its external client activities in December.

At a Group level, growth was reflected by operating revenue increasing by 11.4% to \$120.8 million, driven by increases in all business units.

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<sup>1</sup> Operating earnings (EBITDA) is before net finance expense, income tax, depreciation, amortisation, loss on disposal of assets, gain on lease modification, impairment loss on goodwill, change in fair value of contingent consideration and share of profit of associate. Operating earnings is not a defined performance measure in NZ IFRS. The Group's definition of operating earnings may not be comparable with similarly titled performance measures and disclosures by other entities.

Operating expenses, excluding integration and restructure costs, were up 5.8% to \$72.2 million. This was driven by an inflation and exchange rate-driven lift in IT costs and a cost structure change to Smart (previously known as Smartshares).

NZX produced an audited net profit after tax (NPAT) of \$25.5 million, an increase of 88.1% from 2023. Excluding the accounting adjustments to the fair value of the QuayStreet Asset Management earnout provision and the Electricity Authority contract's intangible asset, the underlying net profit after tax was \$18.3 million, an increase of 30.1% year-on-year.

NZX – and a small capital markets industry group – worked closely with the New Zealand Government and regulators to develop appropriate initiatives and market regulatory settings that will encourage investment, boost liquidity, and continue to ensure fair, efficient, and transparent capital markets.

It was pleasing to see the Government announce a package of intended reforms in December 2024 that acknowledge that healthy and well-functioning New Zealand capital markets are essential to lifting our country's productivity and international competitiveness.

The NZX/S&P 50 index (gross) produced a return of 11.4% for 2024. Capital listed and raised totalled \$15.8 billion – up 11.6% on 2023. Total value traded grew strongly in H2 2024 and was positively impacted by significant index rebalance activity and the Auckland Council sell down of its remaining shares in Auckland International Airport. Value traded finished the year totalling \$41.5 billion – up 22.9% on 2023. This was NZX's third-highest result ever.

Through the challenging economic environment, the market was able to support companies raising equity and debt capital. This highlights the value of being NZX-listed in a capital constrained environment. Expectations are for this positive momentum to continue into 2025 as confidence in the global and local economies continue to build.

Additional NZX Group highlights for 2024 include:

- Delivery of NZX Dark – the new anonymous mid-point trading venue: launched in June 2024, 5.24% of on-market value traded was achieved within six months of launch – well above expectations of 2% after 12 months of trading.
- Dairy market derivatives partnership with Singapore Exchange (SGX Group) – saw continued volume growth for lots traded of 15.3% and, in May 2024, a record monthly volume of 88,834 traded lots was achieved.
- Smart finished 2024 with \$13.5 billion in funds under management (FUM) – up 22.6% from 2023. In the last six years Smart's FUM has grown \$10.6 billion. It was rebranded Smart in October 2024 to reflect its growth ambitions and the broad range of products and services it now offers.
- NZXWT achieved positive cashflow in December. In 2024 it won 12 new clients (22 in the last two years) and transitioned 11 clients on to its platform. In 2024 its funds under administration (FUA) grew by 40.4% (\$4.7 billion). Since 2018, FUA has grown from \$2 billion to \$16.2 billion.

In market development, work is progressing on a relaunch of the S&P/NZX 20 Index Futures later in H1 2025. The launch date depends on a number of factors, including regulatory approvals. A liquid equity derivatives market will help drive growth in the broader New Zealand capital markets through additional cash market trading, participation and data revenues.

It was pleasing that 2024 is the third year in a row where NZX maintained 100% uptime for its critical applications with no market outages to the operating platform. This is a credit to the operational

management of the senior leadership team and the entire technology team. It also highlights the resilience, capability and capacity of our systems.

The performance of NZX in meeting its market operator obligations, including its technology and relationships with the market, continued to be positively noted by the Financial Market Authority in its latest annual review of NZX published in June 2024.

The NZX Board has declared a fully imputed final dividend of 3.1 cents per share (2023: 3.1 cents) to be paid on 2 April 2025 to shareholders registered as at the record date of 19 March 2025. Total dividends for the 2024 Financial Year are 6.1 cents per share fully imputed (2023: 6.1 cents).

NZX Limited has suspended its Dividend Reinvestment Plan (DRP). As a result, shareholders who have previously elected to participate in the DRP will receive their dividend payment in cash.

With the growth activities NZX has underway across the business, NZX is forecasting full year 2025 operating earnings (excluding integration and restructuring costs) to be in the range of \$49 million to \$54 million. The guidance is subject to the usual market risks and outcomes.

Thank you for your continued support as a shareholder of NZX. I also want to acknowledge the capability of our CEO Mark Peterson in leading our team, and the commitment our people show every day in connecting people, businesses and capital.

John McMahon

CHAIR