

3 October 2019

CMC Markets Plc

**H1 2020 Pre-Close Trading Update
For the six months ended 30 September 2019**

CMC Markets Plc ("CMC" or the "Group"), a leading global provider of online trading and institutional ("B2B") platform technology solutions, today issues its pre-close trading update for the six months ended 30 September 2019 ("H1 2020" or "the period").

Net trading revenue for the Group was strong during the period, generated through higher valued clients and growing income from our technology ("B2B") business. Our stockbroking business revenue is expected to increase to approximately £14 million for H1 2020 (H1 2019: £5.5 million). This is mainly as a result of the revenue generated from various white label partnerships in Australia of which ANZ Bank is the largest.

The CFD business has generated client income (client transaction costs) only slightly down in comparison to those recorded in H1 2019, despite the prior year comparative including four months of trading pre-regulatory change in the ESMA region. This has been generated by moderately lower active client numbers than H1 2019, underlining the Group's focus on, and ongoing success in, attracting and retaining high value clients. Changes made to the internal business model have resulted in the retention of a greater proportion of client income, meaning that the Group expects the CFD business net trading revenue to be approximately £22 million higher than the £63 million reported in H1 2019 at approximately £85 million.

Operating costs, excluding variable remuneration, for H1 2020 will be moderately higher than the prior year, in line with previously announced full year guidance.

Outlook

Following the strong performance in H1 2020, the Board is now confident that net operating income will exceed £170 million for the full year and profit before tax is expected to increase, benefitting from the operating leverage in the business.

Peter Cruddas, Chief Executive Officer, commented:

"I am pleased with our first half performance. This time last year we had the uncertainty of regulatory change hanging over the sector and the uncertainty of how clients would react to the changes in minimum margin levels. A year on, we are seeing clients adapting to the new changes and still maintaining their interest in the products and the trading platforms we offer.

It is clear that we are becoming more than a CFD business with income also being derived from technology partnerships, such as the ANZ deal. This is an exciting area of the business which will continue to grow through further planned partnerships.

On the regulatory front, we welcome the consultation by The Australian Securities and Investments Commission ("ASIC"). The Group is supportive of regulatory change to ensure that all providers operate to the highest standards, ensuring fair client outcomes and we believe that a stronger and better industry will emerge from these changes. We anticipate the ASIC changes will come into effect in the second half of the financial year, although exact timing is still to be determined."

H1 2020 Results

The results for the six months ending 30 September 2019 will be announced on 21 November 2019.

A presentation for institutional investors and analysts will be held on 21 November 2019 at 10.30am GMT. For those wishing to attend in person, please contact investor.relations@cmcmarkets.com.

Forward looking statements

This trading update may include statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the Listing Rules and applicable law, the Group undertakes no obligation to update, revise or change any forward-looking statements to reflect events or developments occurring after the date such statements are published.

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Notes to Editors

CMC Markets Plc ("CMC"), whose shares are listed on the London Stock Exchange under the ticker CMCX (LEI: 213800VB75KAZBFH5U07), was established in 1989 and is now one of the world's leading online financial trading businesses. The company serves retail and institutional clients through regulated offices and branches in 12 countries, with a significant presence in the UK, Australia, Germany and Singapore. CMC Markets offers an award-winning, online and mobile trading platform, enabling clients to trade up to 10,000 financial instruments across shares, indices, foreign currencies, commodities and treasuries through contracts for difference ("CFDs"), financial spread bets (in the UK and Ireland only) and, in Australia, access stockbroking services. More information is available at <http://www.cmcmarkets.com/group/>