

25 September 2018

CMC Markets Plc

H1 2019 Pre-Close Trading Update

CMC Markets Plc (LSE:CMCX, “CMC” or “the Group”), a leading global provider of online trading, today issues a trading update covering the period from 1 July 2018 to 25 September 2018 (“the Period”).

After a solid first quarter, the second quarter has been impacted by a sustained period of low market volatility and range bound markets towards the end of the traditional UK summer period, in addition to an expected decrease in overall client trading activity following regulatory change. As a result, net operating income for 2019 is expected to be below previous guidance, with the overall impact on profitability partially mitigated by tight cost control. Following the summer period, the Group has seen some improvement in client activity levels.

The implementation of the ESMA measures has reduced UK and European retail client activity as expected. However, after just two months it remains too early to draw any real conclusions as to how clients will adapt to the new rules. Taken alongside the aforementioned reduction in market volatility and range bound markets during a period of the second quarter, CFD and spread bet revenue for the full year is now expected to see a c. 20% reduction year-on-year, below previous guidance for a 10% to 15% reduction year-on-year.

The Group continues to deliver on its strategy, having successfully completed the implementation of the white label stockbroking partnership with ANZ Bank in Australia as expected in the last week of the Period, which is expected to drive growth and further diversify revenues. In July, 103 intermediaries were migrated to CMC’s Stockbroking platform and, in September, ANZ Bank’s retail stockbroking clients were successfully migrated. In addition, to meet client demand, MT4, the foreign exchange platform, will be launched in Q3 2019.

The Group also maintains a strong focus on operating costs. Investments in strategic initiatives to drive future growth are ongoing, however discretionary spend around staff and marketing costs is now expected to be lower than previous guidance. As a result, 2019 operating costs are now expected to be just slightly higher year-on-year, partially mitigating the overall impact of Q2 2019 revenue performance on Group profitability for the full year.

Throughout the Period, the Group remained focussed on increasing the proportion of UK and European revenue generated by professional clients (where the criteria are met). On a rolling 12-month view over 40% of UK and European revenue is now generated by professional clients, in line with previous guidance. Including institutional business this increases to 50%.

H1 2019 Results

The results for the six months ending 30 September 2018 will be announced on 22 November 2018.

There will be a presentation on 22 November 2018 at 9.30am for institutional investors and analysts at CMC's offices at 133 Houndsditch, London, EC3A 7BX, United Kingdom. Those wishing to attend should 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.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR"). Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is considered to be in the public domain.

Enquiries

CMC Markets Plc +44 (0) 20 7170 8200
Grant Foley, Chief Operating and Financial Officer

Camarco +44 (0) 20 3757 4980
Geoffrey Pelham-Lane
Ed Gascoigne-Pees
Jennifer Renwick

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 14 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/>