

# Results presentation

Year ended 31 March 2021

10 June 2021





**LORD CRUDDAS**  
Chief Executive Officer



**EUAN MARSHALL**  
Chief Financial Officer



**DAVID FINEBERG**  
Deputy Chief Executive Officer



**MATTHEW LEWIS**  
Head of APAC & Canada

# 2021 highlights

## Delivering record profits whilst evolving the business

- Net operating income growth of 63% to £409.8m
  - CFD gross client income increase of 39%, underpinned by a 34% increase in annual active clients with volatility providing trading opportunities
  - CFD revenue per client up 22% to £4,560, driven by a higher proportion of income retained as revenue
  - Stockbroking net trading revenue up 72%, with heightened levels of client trading throughout the year and a 28% increase in active clients
- Strong operating leverage results in profit before tax of £224.0m
- Final dividend of 21.43p
- Investment continues in our proprietary technology platforms



## Continuous improvements to platform functionality to enhance client service and remain a market leader

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### Technology and operational excellence

- Providing uninterrupted access to the financial markets
- Continually improving the functionality of the platforms, responding to client needs

### Risk management strategy

- Risk system (“TARDIS”) built in-house and fully integrated with front-end trading platform
- Underpins and generates real-time pricing and automates trade execution
- Optimises our risk management process through better aggregation of client flows

### Strong financial position

- 2021 delivered record net operating income and further diversification of revenue channels
- We aim to maintain our secure capital and liquidity structure, with a focus on technology investment



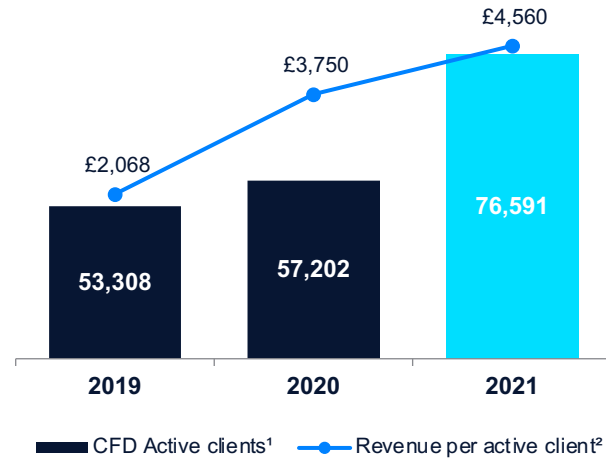
# Financial performance

Euan Marshall, CFO

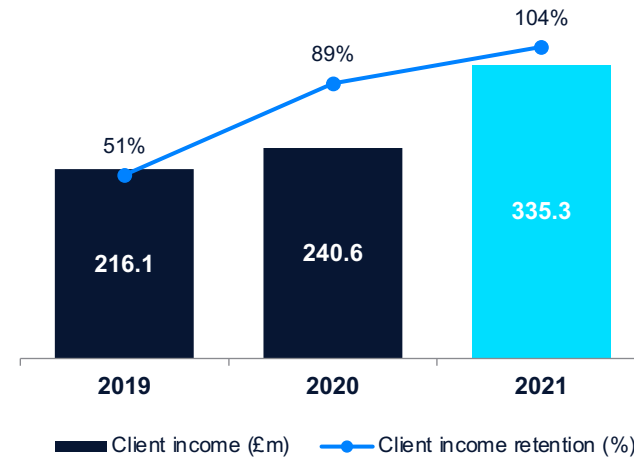
# KPIs

## Record year across all key metrics

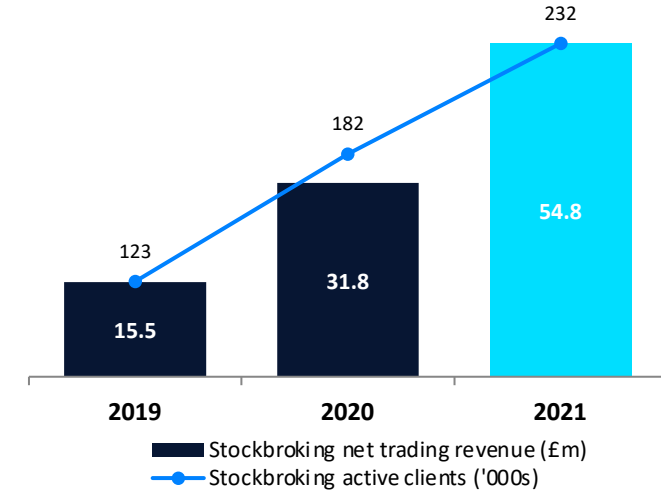
Active clients<sup>1</sup> and Revenue per active client<sup>2</sup> (RPC)



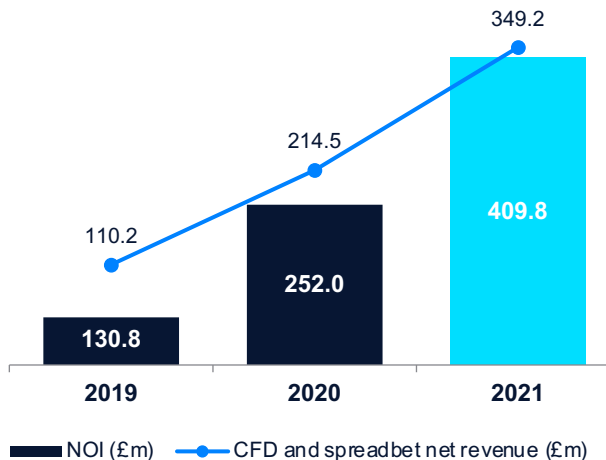
CFD gross client income<sup>3</sup> (£m) and retention (%)



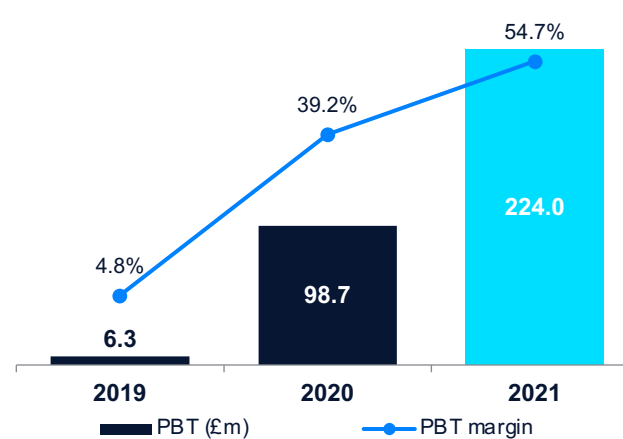
Stockbroking net trading revenue (£m) and active clients



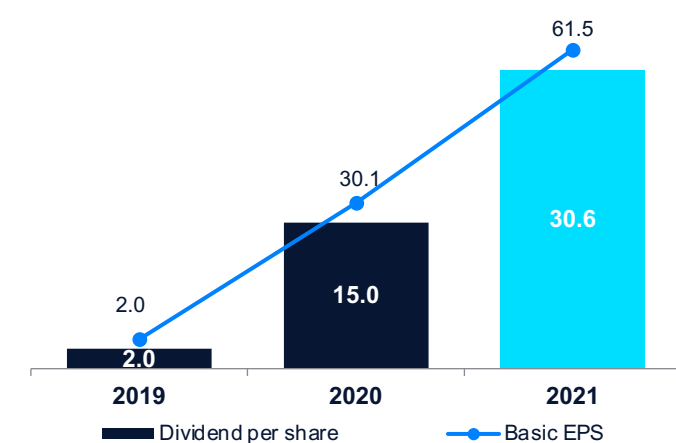
Net operating income<sup>4</sup> (£m)



Profit / (loss) before tax (£m and margin %)



Basic earnings per share and dividend per share (pence)



1. Active clients represent those individual clients who have traded with or held CFD or spread bet positions with CMC Markets on at least one occasion during the period.  
 2. Revenue per active client represents total trading revenue from CFD and spread bet active clients after deducting rebates and levies.  
 3. CFD gross client income represents spreads, financing and commissions charged to clients (client transaction costs) before rebates and levies. See slide 11 for further detail.  
 4. Net operating income represents total revenue net of introducing partner commissions and spread betting levies.

# Income statement

## Record performance delivered

Group (£m)	2021	2020	YoY %
CFD and spread bet net trading revenue <sup>1</sup>	349.2	214.5	63%
Stockbroking net trading revenue	54.8	31.8	72%
Interest income	0.7	3.3	(78%)
Other operating income	5.1	2.4	113%
<b>Net operating income<sup>2</sup></b>	<b>409.8</b>	<b>252.0</b>	<b>63%</b>
Operating expenses (excl. variable remuneration)	(167.8)	(137.3)	(22%)
Variable remuneration <sup>3</sup>	(16.2)	(14.0)	(16%)
Finance costs	(1.8)	(2.0)	14%
<b>Profit before taxation</b>	<b>224.0</b>	<b>98.7</b>	<b>127%</b>
PBT margin	54.7%	39.2%	
Tax	(45.9)	(11.8)	(291%)
<b>Profit after tax</b>	<b>178.1</b>	<b>86.9</b>	<b>105%</b>
<b>Profit before taxation</b>	<b>224.0</b>	<b>98.7</b>	<b>127%</b>
CFD and spread bet	200.7	90.1	123%
Stockbroking	23.3	8.6	171%

### Net operating income

- 63% (£134.7m) increase in CFD net trading revenue, with significant growth in all regions
  - Gross CFD client income significantly higher than prior year (up 39% or £94.7m), driven by a larger active client base who were incentivised to trade throughout the year as a result of increased market volatility
  - Client income retention increased to 104%, driven by strong hedge performance
- Stockbroking revenue up £23.0m (72%), also driven by favourable market conditions
- Rise in other operating income due to non-recurring items

### Operating expenses

- Increase in operating expenses (excluding variable remuneration) driven by:
  - Variable costs related to increased client interest; and
  - Investment to support the delivery of strategic projects
- Higher variable remuneration due to higher headcount with sustained financial performance in comparison to prior year

### Profit before tax

- Strong operational gearing delivers a 127% (£125.3m) increase in profit before tax

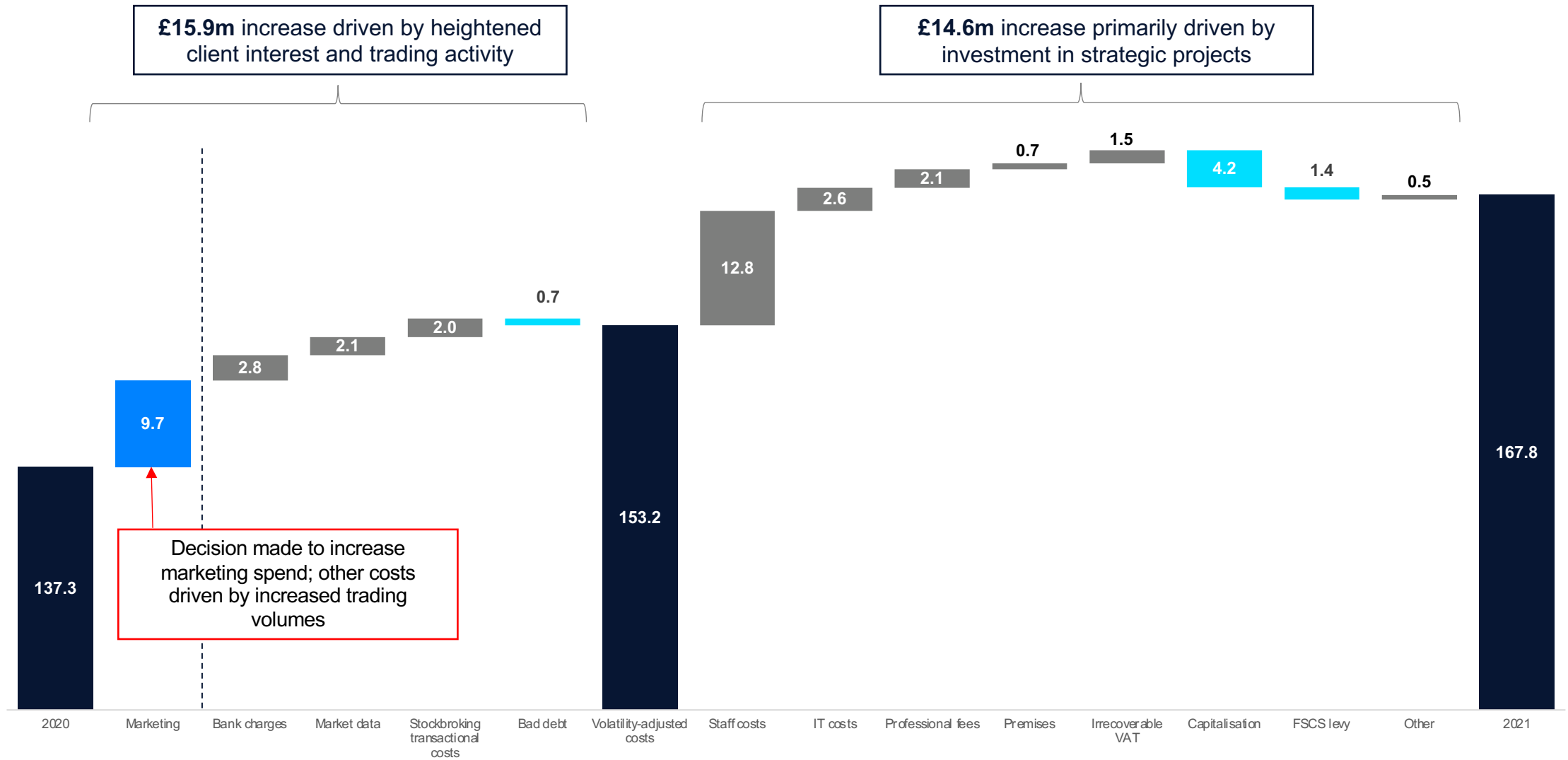
1. Includes binary products.

2. Net operating income represents total revenue net of introducing partner commissions and spread betting levies.

3. Includes share based payments

# Operating cost<sup>1</sup> bridge

Higher costs driven by increased client interest and strategic investment





# Liquidity and regulatory capital

## Strong liquidity position retained

Regulatory capital		
Group (£m)	2021	2020
Core Equity Tier 1 Capital <sup>1</sup>	338.2	247.6
Less: intangibles and deferred tax assets	(10.3)	(10.9)
<b>Capital Resources</b>	<b>327.9</b>	<b>236.7</b>
Pillar 1 requirement <sup>2</sup>	127.6	81.4
Total risk exposure <sup>3</sup>	1,595.5	1,017.9
<b>Capital ratio %</b>	<b>20.5%</b>	<b>23.3%</b>

Total available liquidity		
Group (£m)	2021	2020
<b>Own funds</b>	<b>370.4</b>	<b>238.3</b>
Non-segregated client and partner funds	30.7	8.7
Available syndicated facility	55.0	21.3
<b>Total available liquidity</b>	<b>456.1</b>	<b>268.3</b>

### Regulatory Capital

- CET1 up £90.6m due increase in capital reserves less foreseeable dividends
- **Capital ratio** of 20.5% (2020: 23.3%)

### Liquidity

- Increase in **own funds** of £132.1m driven by current year profits, partially offset by the payment of dividends
- **Blocked cash** increases have been mainly driven by a capital injection into the German subsidiary and higher segregated client cash buffer requirements in Australia
- **Broker margin requirements** increased throughout the year, with a peak requirement of £222m

Net available liquidity		
Group (£m)	2021	2020
<b>Total available liquidity</b>	<b>456.1</b>	<b>268.3</b>
Blocked cash <sup>4</sup>	(75.4)	(40.2)
Initial margin requirement at broker	(170.1)	(39.0)
<b>Net available liquidity</b>	<b>210.6</b>	<b>189.1</b>

1. Core Equity Tier 1 capital – total audited capital resources and verified profits as at the end of the financial period, less foreseeable dividends

2. Pillar 1 requirement – the minimum capital requirement required to adhere to CRD IV.

3. Total risk exposure – the Pillar 1 requirement multiplied by 12.5, as set out by the FCA.

4. Blocked cash relates to cash needed to support regulatory and overseas subsidiaries operational requirements.

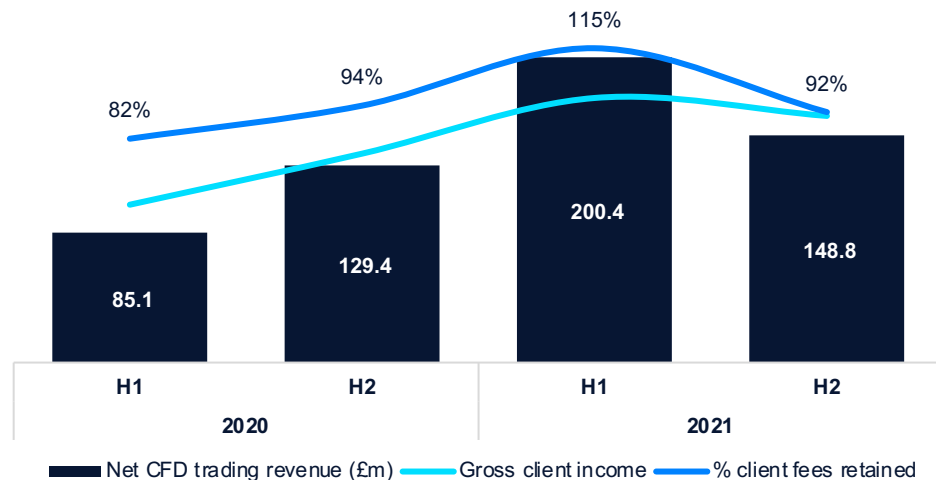
# Client trading and regulation

David Fineberg, Deputy CEO

# CFD client income

Increased client activity and exceptional client income retention drive results

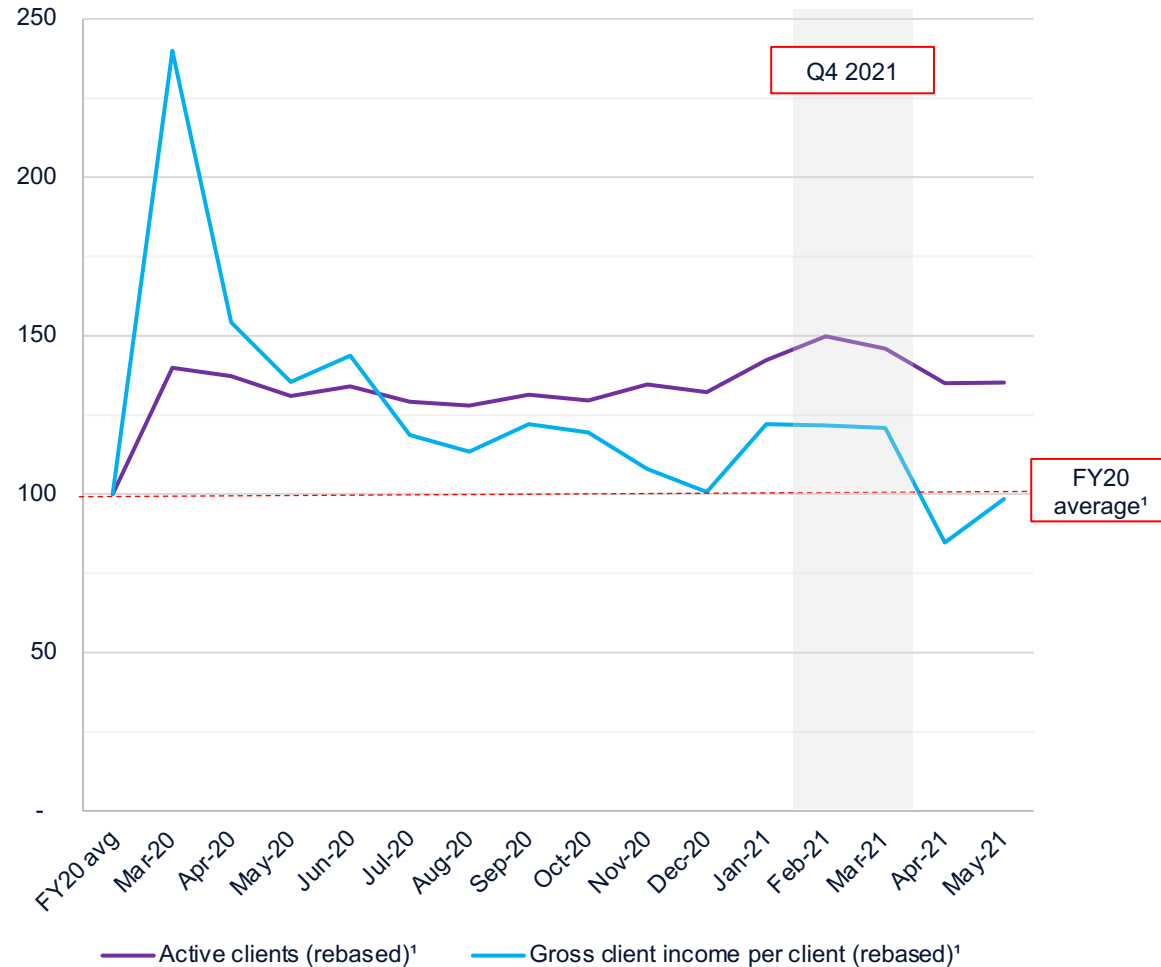
£m	2020			2021			2021 vs 2020	
	H1	H2	FY20	H1	H2	FY21	£m	%
Gross CFD client income <sup>1</sup>	103.5	137.1	240.6	173.6	161.7	335.3	94.7	39%
Rebates and levies	(7.5)	(9.0)	(16.5)	(10.1)	(10.7)	(20.8)	(4.3)	(26%)
<b>Net CFD client income</b>	<b>96.0</b>	<b>128.1</b>	<b>224.1</b>	<b>163.5</b>	<b>151.0</b>	<b>314.5</b>	<b>90.4</b>	<b>40%</b>
Risk management gains / (losses)	0.5	13.2	13.7	46.9	9.9	56.8	43.1	315%
Hedging costs	(11.4)	(11.9)	(23.3)	(10.0)	(12.1)	(22.1)	1.2	5%
<b>Net CFD trading revenue</b>	<b>85.1</b>	<b>129.4</b>	<b>214.5</b>	<b>200.4</b>	<b>148.8</b>	<b>349.2</b>	<b>134.7</b>	<b>63%</b>
% client income retained	82%	94%	89%	115%	92%	104%		



- 63% increase in net CFD trading revenue to £349.2m driven by:
  - 39% growth in gross client income, primarily driven by a larger client base, with active client numbers 34% higher than prior year
  - Improvement in risk management revenue as we continue to optimise the strategy, with results driven by hedge performance rather than client losses

# Client trading trends

## Larger active client base drives future value



- After peaking at the height of the coronavirus outbreak in Q1 2021, **gross client income per client** has returned to more normalised levels during the course of the year
  - Gross client income per client is broadly in line with historical data, suggesting that new clients are of a similar quality to our existing client base
  - The increase in gross client income per client in Q4 was driven by heightened client interest in shares trading
- Step change in monthly **active client** levels to around a third higher than seen before the start of the pandemic
  - A sustained larger active client base gives confidence that gross client income will remain at a new, elevated base
- Clients onboarded since the start of the pandemic continue to display similar characteristics to historical cohorts, giving confidence in their quality and longevity
  - Attrition rates are in line with pre-pandemic clients
  - Gross client income per client is in line with historical cohorts

- **Regulatory update**

- **Australia:** Product intervention measures related to the issuance and distributions of CFDs to retail clients were implemented from 29 March 2021. As such, these measures have had an immaterial effect on 2021 results. The local regulator, ASIC, also announced a further ban on the sale of binary options from 3 May 2021.
  - Leverage limits are the same as implemented in the ESMA region in August 2018; other intervention measures are also broadly in line with those imposed by ESMA
  - Initial indications are that retail clients in Australia have responded in a similar manner to ESMA-affected clients in FY19
    - The ESMA measures resulted in a small decrease in the number of active clients, but an increase in the proportion of high quality clients and account balances
  - We continue to be supportive of regulatory change that moves towards a globally consistent environment.
- **UK:** From 6 January 2021, a ban on the sale of cryptocurrency derivative products to retail clients was introduced by the FCA.
  - This is not expected to have a significant impact upon the Group, with less than 1% of FY21 CFD net trading revenue generated from this asset class

- **Brexit**

- Following the end of the Brexit transition period on 31<sup>st</sup> December 2020, our German subsidiary now operates as our European Economic Area hub. The Group headquarters will remain in the UK



# Stockbroking update

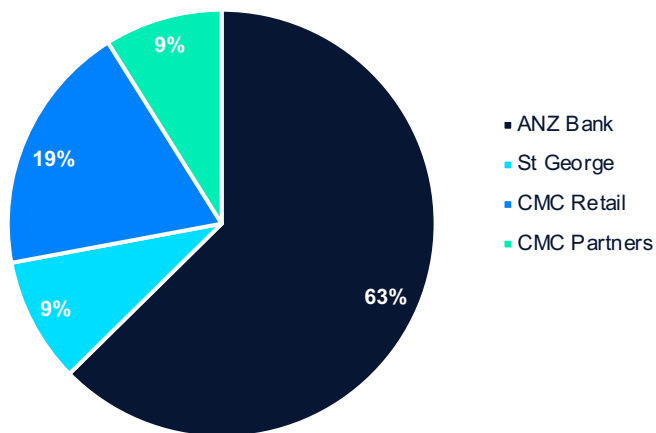
Matthew Lewis, Head of APAC & Canada

# Stockbroking

Record results driven by unprecedented growth and favourable market conditions



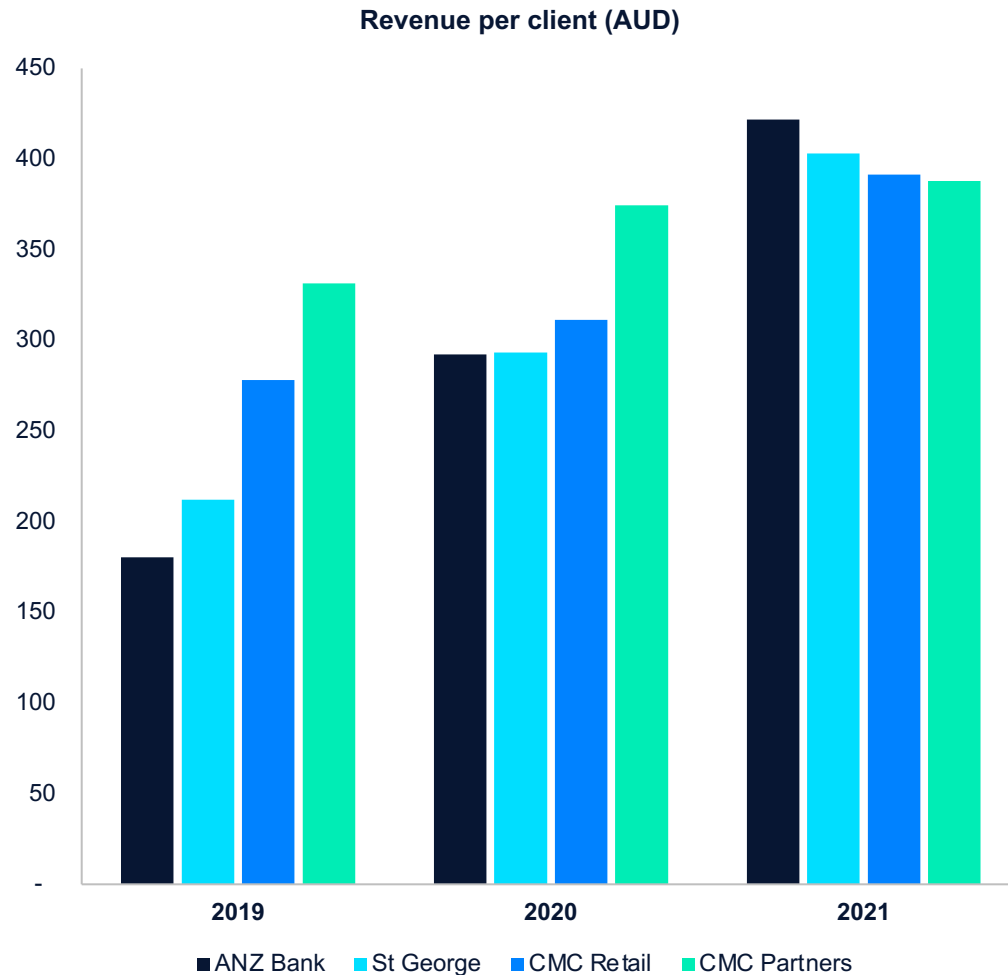
2021 net trading revenue² breakdown



- Stockbroking net revenue is 72% or £23.0m higher year-on-year as a result of continued strong growth in the market.
  - Brokerage revenue up 68% year-on-year, FX revenue up 361%
- The **ANZ Bank white label partnership** continues to perform well, with net trading revenue up £17.0m or 75% to £39.5m
- The **Core Stockbroking** business also performed strongly during the year
  - Core net trading revenue up 65% or £6.0m
- Market conditions continued to be favourable throughout the period with:
  - Persisting low interest rate environment leading to a 'hunt for yield'
  - Continued elevated volatility
  - Increased client engagement
  - Market growth

<sup>1</sup> ANZ Bank white label partnership consists of ANZ retail clients and intermediaries, plus the St. George white label partnership which formed part of the transaction. Core stockbroking consists of CMC stockbroking and partners

<sup>2</sup> Income received from brokerage and FX spread on client trades, less rebates



- Stockbroking continued to expand on its market-leading international offering through:
  - Introduction of zero brokerage across four major international markets for CMC Retail clients
  - Addition of new markets – we now service 41 exchanges in over 15 countries
  - A new mobile Stockbroking app
  - Algorithmic trading strategies
- Tighter CFD platform integration with single sign-on
- Looking ahead to 2022, we see further value and growth in:
  - Continuous improvement of our product offering through platform enhancements including:
    - On-boarding efficiencies
    - Android app and iPad native app
    - New 'look and feel'
    - Trading strategies



# Financial outlook

Euan Marshall, CFO

- **Net operating income**

- The Group has confidence in the underlying performance of the business when market activity normalises, with client income retention expected to be in excess of 80%
- We believe that current active client levels are likely to be sustainable, with new clients displaying similar behaviour and value characteristics of previous cohorts. However, client activity has moderated from the higher levels seen in 2021.
- The Board remains confident in achieving net operating income in excess of £330 million for the year

- **Operating costs**

- Expected to be moderately higher in 2022 due to annualised impact of higher headcount, and planned hires during the year
- Marketing spend also expected to be higher to maintain our larger active client base

- **Dividend:** Policy remains in place with an expected payout of 50% of profit after tax; this balances shareholder returns with continued investment



# Strategic update

Lord Cruddas, CEO

# Strategic overview

Our goal is to constantly provide a superior and unrivalled trading experience for our clients

## Our scalable platforms offer a wide range of financial products....

Contracts for difference ("CFDs") and spread betting

Multi-asset class liquidity

Outsourced trading platform technology

Stockbroking

 Leveraged  Non-leveraged

....with market leading service and availability to an ever-broadening pool of clients and partners



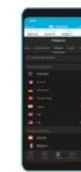
### Clients

- Dedicated service
- Unique value add products
- Competitive pricing
- Customisable platform



### Business to Business ("B2B") offering

- White label offerings
- Grey label offerings
- API connectivity



### Stockbroking

- International shares
- Native mobile app
- White label offerings
- Online exchange-traded options

# Strategic timeline

The business was started in 1989 with a simple ethos: to make financial markets truly accessible for investors

This belief remains at the heart of everything we do, and staying true to that has been pivotal to our success

## Previous areas of focus

- Build white labelling solution
- Regulatory compliance
- Sign ANZ Partnership
- Develop technology:
  - Mobile app launched for iPhone
  - Next Generation platform launched
  - Prime FX launched
  - Stockbroking platform launched

## 2019 - 2021: Where we are now

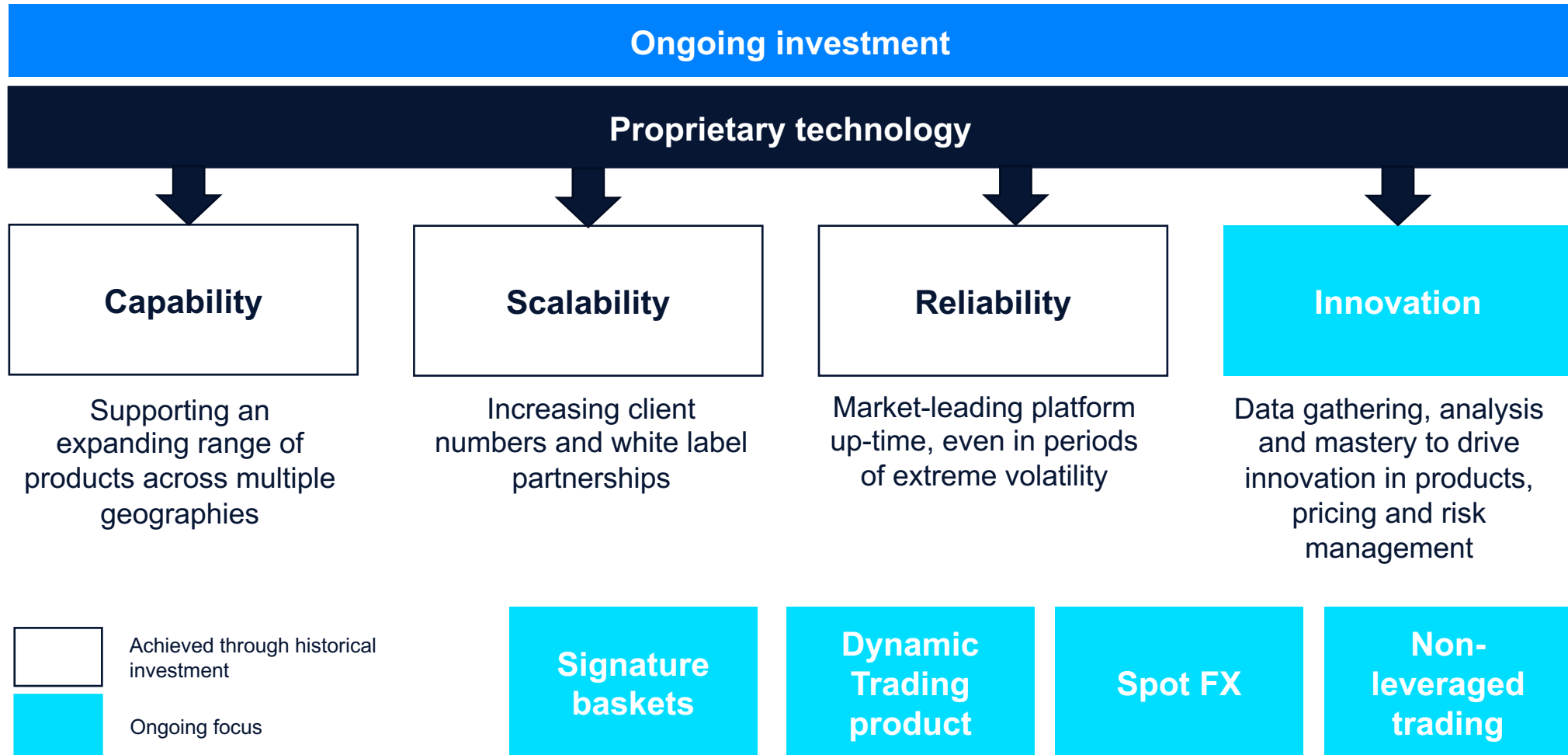
- Risk management strategy enhanced
- CMC Pro platform launched
- Investment in low latency infrastructure
- Focusing resources on technology development and diversifying revenue

## Future focus areas

- Expansion of non-leveraged business
- Established markets:
  - Developing brand and product awareness
  - Maintain market-leading client service
- Client journey optimisation:
  - Invest in responsive, insight-driven platform
  - Deliver innovative new services for clients which improve retention and lifetime value
- Institutional offering:
  - Build a multi-asset offering attracting a greater share of client wallet

# Strategic update

We are a technology-driven business



### There are a number of factors which differentiate CMC and drive our success:

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- **Data and analytics** inform our risk management decisions and allows us to maximise revenues
- Continued focus on our **high value client base**, demonstrated through strong revenue per client
- **Reliable technology** with 99.95% uptime means that our platform delivers for our clients when they need it most
- **Scalability of our technology** allows us to add new products, diversify revenue and enhance client experience

# Q&A





# Appendices



### Put our clients first

*Our business is built around our clients, we are proud to have long-lasting relationships by understanding and supporting them every step of the way.*

*4.2 / 5 Trustpilot rating  
24 awards won globally*



### Lead with quality

*Our commitment to quality is at the heart of our culture. Whatever we do, we do it properly. When faced with the choice, we always prioritise quality over quantity.*

*99.95% CFD platform core uptime  
35% reduction in median order execution time*

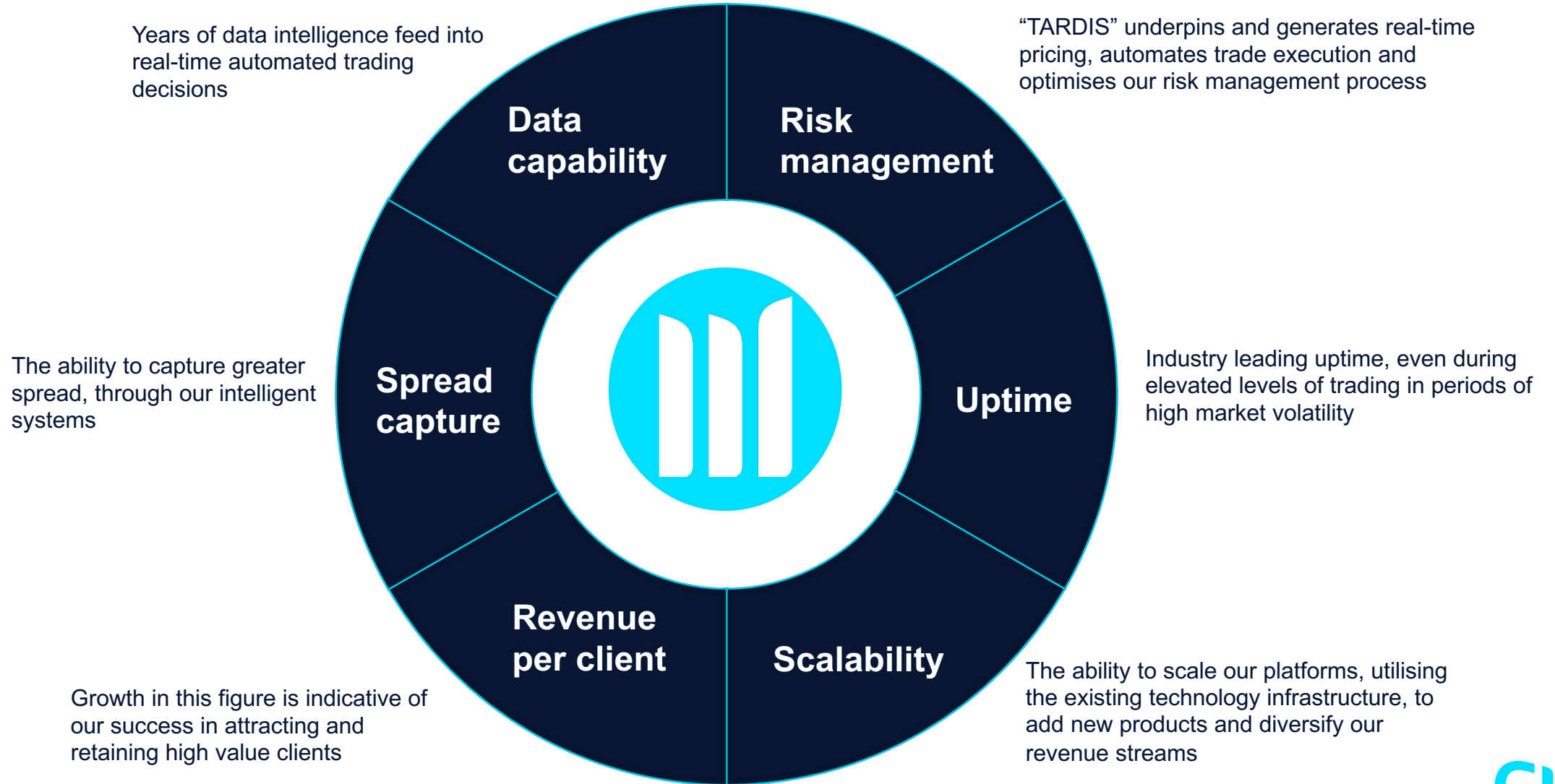


### Set the standards

*We are clear, open and honest with our clients, and with each other. We don't wait for others, but set the standards for others to follow.*

*10,000+ instruments*

Support for our local communities and environment



### Environmental

- Key environmental impacts are from running our global offices and business travel
  - Our office in Sydney has the highest green energy rating in Australia
- We have well-established waste management initiatives in place
- Following the move to a flexible work environment, desktop computers were replaced with laptops
  - All surplus equipment donated to local educational bodies and community groups

### Social

- Charitable partnerships across our offices
- “Charity Champions” scheme encourages staff to nominate charities
- Sponsor the annual Making the Leap Social Mobility Careers Fair in London
  - Provided a further three internships to students from London along with several apprenticeships

### Governance

- Applied the Principles as set out in the 2018 UK Corporate Governance Code
- Independent Audit were appointed in January 2021 to undertake an in-depth review of the Company
- Committed to having a diverse workforce, member of the Inclusive Employer and the Everywoman Network

# Appendix 4

## Selected KPIs by half year

CFD gross client income (£m)									
	2019			2020			2021		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
UK	41.5	41.8	83.3	37.4	49.0	86.4	63.3	59.9	123.2
Europe	24.2	19.0	43.2	17.1	26.5	43.6	28.3	25.4	53.7
APAC & Canada	43.0	46.6	89.6	49.0	61.6	110.6	82.0	76.4	158.4
<b>Total</b>	<b>108.7</b>	<b>107.4</b>	<b>216.1</b>	<b>103.5</b>	<b>137.1</b>	<b>240.6</b>	<b>173.6</b>	<b>161.7</b>	<b>335.3</b>

CFD net trading revenue <sup>1</sup> (£m)									
	2019			2020			2021		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
UK	27.6	19.7	47.3	29.7	37.4	67.1	66.4	55.6	122.0
Europe	16.3	10.8	27.1	15.9	27.6	43.5	38.7	26.1	64.8
APAC & Canada	19.2	16.6	35.8	39.5	64.4	103.9	95.3	67.1	162.4
<b>Total</b>	<b>63.1</b>	<b>47.1</b>	<b>110.2</b>	<b>85.1</b>	<b>129.4</b>	<b>214.5</b>	<b>200.4</b>	<b>148.8</b>	<b>349.2</b>

Active clients <sup>2</sup>									
	2019			2020			2021		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
UK	11,083	9,065	13,181	9,259	12,009	13,883	14,871	15,921	20,077
Europe	16,617	14,232	19,159	13,865	16,487	18,347	17,191	16,593	20,280
APAC & Canada	16,997	17,150	20,968	18,479	21,319	24,972	27,020	28,799	36,234
<b>Total</b>	<b>44,697</b>	<b>40,447</b>	<b>53,308</b>	<b>41,603</b>	<b>49,815</b>	<b>57,202</b>	<b>59,082</b>	<b>61,313</b>	<b>76,591</b>

1. CFD net revenue represents total trading revenue generated from CFD and spread bet clients after the impact of Rebates & Levies. Geographic segmentation is according to location of office which on-boards client, rather than client place of residence.
2. Active clients represent those individual clients who have traded with or held CFD or spread bet positions with CMC Markets on at least one occasion during the preceding 6 months for half year figures and 12 months for full year.

# Appendix 5

## ESMA client trading<sup>1</sup>

CFD net trading revenue (£m)									
	2019			2020			2021		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
ESMA Professional		19.6		27.6	32.5	60.1	44.8	45.2	90.0
ESMA Retail		10.9		18.0	32.5	50.5	60.3	36.5	96.8
<b>Total ESMA Region</b>	<b>43.9</b>	<b>30.5</b>	<b>74.4</b>	<b>45.6</b>	<b>65.0</b>	<b>110.6</b>	<b>105.1</b>	<b>81.7</b>	<b>186.8</b>

Active clients									
	2019			2020			2021		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
ESMA Professional		2,095		2,002	2,046	2,232	1,951	2,236	2,442
ESMA Retail		21,202		21,122	26,450	29,998	30,111	30,278	37,915
<b>Total ESMA Region</b>	<b>27,700</b>	<b>23,297</b>	<b>32,340</b>	<b>23,124</b>	<b>28,496</b>	<b>32,230</b>	<b>32,062</b>	<b>32,514</b>	<b>40,357</b>

# Appendix 6

## Stockbroking KPIs

Net brokerage <sup>1</sup> (AUD m)									
	2019			2020			2021		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
ANZ Bank white label <sup>2</sup>	1.4	11.0	12.4	13.9	17.8	31.7	25.9	26.3	52.2
St. George white label	0.8	1.7	2.4	2.1	2.8	4.9	4.0	3.9	7.9
CMC Retail	3.5	3.4	6.9	4.3	5.1	9.4	7.6	7.2	14.8
CMC Partners	2.4	2.2	4.7	2.9	3.2	6.1	3.5	3.9	7.4
<b>Total</b>	<b>8.0</b>	<b>18.4</b>	<b>26.4</b>	<b>23.2</b>	<b>28.9</b>	<b>52.1</b>	<b>41.0</b>	<b>41.3</b>	<b>82.3</b>

Turnover (AUD m)									
	2019			2020			2021		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
ANZ Bank white label <sup>2</sup>	1,595	10,680	12,274	13,911	16,587	30,499	22,197	21,381	43,578
St. George white label	683	1,492	2,175	1,940	2,416	4,355	3,302	2,993	6,295
CMC Retail	2,325	2,376	4,700	3,023	3,550	6,572	4,945	5,263	10,208
CMC Partners	5,427	5,088	10,514	6,434	5,459	11,894	5,665	6,087	11,752
<b>Total</b>	<b>10,029</b>	<b>19,635</b>	<b>29,664</b>	<b>25,307</b>	<b>28,012</b>	<b>53,319</b>	<b>36,109</b>	<b>35,724</b>	<b>71,833</b>

Active clients ('000s)									
	2019			2020			2021		
	H1	H2	Full year	H1	H2	Full year	H1	H2	Full year
ANZ Bank white label <sup>2</sup>	13.0	69.4	72.1	76.3	89.6	116.0	103.9	108.8	141.8
St. George white label	6.7	9.8	12.0	10.9	13.7	17.6	16.3	17.1	22.4
CMC Retail	18.5	17.9	25.3	20.4	25.2	31.5	32.2	37.3	46.4
CMC Partners	10.5	9.9	14.1	10.9	13.0	16.5	15.9	17.1	21.5
<b>Total</b>	<b>48.7</b>	<b>107.0</b>	<b>123.5</b>	<b>118.5</b>	<b>141.5</b>	<b>181.6</b>	<b>168.3</b>	<b>180.3</b>	<b>232.1</b>

1. Figures represent net brokerage only and excludes other income that is included in Stockbroking net trading revenue, such as foreign exchange fees  
 2. ANZ Bank white label consists of ANZ retail clients and intermediaries.

# Appendix 7

## Institutional (“B2B”) and retail (“B2C”) revenue

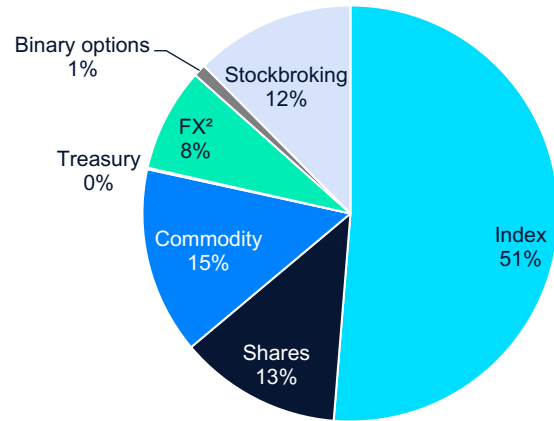
Net trading revenue (£m)	2021			2020			Growth (£m)			Growth (%)		
	B2C	B2B	Total	B2C	B2B	Total	B2C	B2B	Total	B2C	B2B	Total
CFD & spread bet net revenue	307.3	41.9	349.2	186.8	27.7	214.5	120.5	14.2	134.7	65%	51%	63%
Stockbroking net revenue	10.4	44.4	54.8	5.8	26.0	31.8	4.6	18.4	23.0	80%	70%	72%
<b>Net trading revenue</b>	<b>317.7</b>	<b>86.3</b>	<b>404.0</b>	<b>192.6</b>	<b>53.7</b>	<b>246.3</b>	<b>125.1</b>	<b>32.6</b>	<b>157.7</b>	<b>65%</b>	<b>61%</b>	<b>64%</b>
<b>% share of Group</b>	<b>79%</b>	<b>21%</b>		<b>78%</b>	<b>22%</b>							



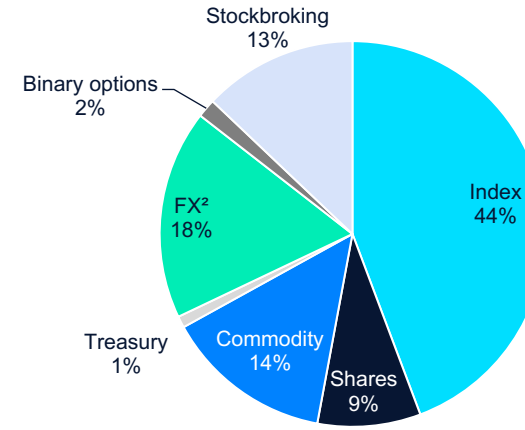
# Appendix 8

## Revenue composition

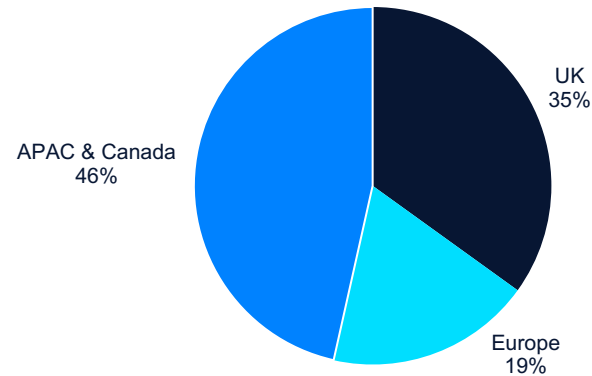
2021 CFD and Stockbroking revenue<sup>1</sup> by asset class



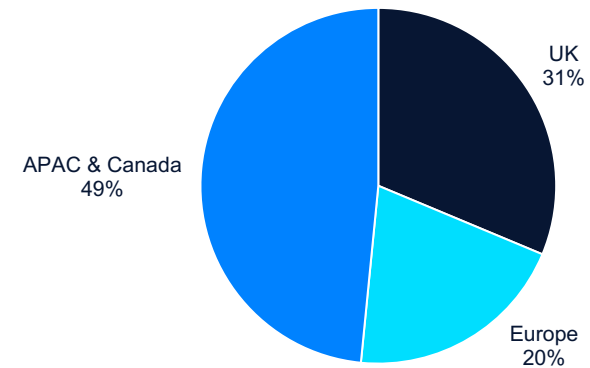
2020 CFD and Stockbroking revenue<sup>1</sup> by asset class



2021 CFD net revenue<sup>3</sup> by region



2020 CFD net revenue<sup>3</sup> by region



1. Net revenue generated from CFD and spread bet active clients, including Countdowns and Digital 100s after the impact of introducing partner commissions and spread betting levies

2. FX includes cryptocurrencies

3. CFD and Stockbroking revenue represents total revenue after the impact of introducing partner commissions and spread betting levies. Geographic segmentation is according to location of office which on-boards client, rather than client place of residence.

# Appendix 9

## Income statement

Group (£m)	2021	2020	YoY %
<b>Total revenue</b>	<b>462.1</b>	<b>298.1</b>	<b>55%</b>
Rebates & levies	(52.3)	(46.1)	(14%)
<b>Net operating income<sup>1</sup></b>	<b>409.8</b>	<b>252.0</b>	<b>63%</b>
Operating expenses	(184.0)	(151.3)	(22%)
Finance costs	(1.8)	(2.0)	14%
<b>Profit before taxation</b>	<b>224.0</b>	<b>98.7</b>	<b>127%</b>
Taxation	(45.9)	(11.8)	(291%)
<b>Profit after tax</b>	<b>178.1</b>	<b>86.9</b>	<b>105%</b>
Dividend per share (pence)	30.63	15.03	104%
Basic EPS (pence)	61.5	30.1	104%

# Appendix 10

## Operating expenses breakdown

Group (£m)	2021	2020	YoY %
Net staff costs (excl. variable remuneration)	62.5	53.8	(16%)
IT costs	26.2	21.5	(22%)
Sales and marketing	30.4	18.1	(68%)
Premises	3.8	3.1	(22%)
Legal and professional fees	7.2	5.2	(40%)
Regulatory fees	5.0	5.2	3%
Depreciation and amortisation	11.2	11.0	(3%)
Other	21.5	19.4	(10%)
<b>Operating expenses (excl. variable remuneration)</b>	<b>167.8</b>	<b>137.3</b>	<b>(22%)</b>
CFD operating expenses	138.0	114.6	(21%)
Stockbroking operating expenses	29.8	22.7	(31%)
Variable remuneration <sup>2</sup>	16.2	14.0	(16%)
Finance costs	1.8	2.0	14%
<b>Total costs</b>	<b>185.8</b>	<b>153.3</b>	<b>(21%)</b>
<b>Average headcount</b>	<b>818</b>	<b>697</b>	<b>17%</b>
Average CFD headcount	627	538	17%
Average Stockbroking headcount	191	159	20%

- Operating expense<sup>1</sup> increase of £30.5m (22%) driven both by variable costs related to heightened client trading activity, and by strategic investment
- **Net staff costs** increased by 16% due to:
  - Increase in salaries, largely due to a higher headcount to support the delivery of strategic projects
  - Offset by higher capitalisation of staff development costs, and the prior period containing one-off restructuring costs
- Higher **IT costs** driven by increased maintenance costs and higher market data costs in light of elevated client trading activity
- Increase in **premises** costs (22% or £0.7m) due to additional office space acquired in London as a result of a higher headcount
- **Legal and professional costs** increased by 40% (£2.0m), primarily driven by Brexit-related consultancy costs
- **Other costs** increase primarily due to higher bank charges and irrecoverable VAT
- Increase in **variable remuneration** following strong Group financial performance and a higher headcount

# Appendix 11

## Balance sheet

Group (£m)		2021	2020	Variance %
<b>Non-current assets</b>	Intangible assets	10.3	4.6	125%
	Property, plant and equipment	26.1	28.1	(7%)
	Deferred tax assets	6.4	16.5	(61%)
	Trade and other receivables	1.8	2.3	(21%)
	<b>Total non-current assets</b>	<b>44.6</b>	<b>51.5</b>	<b>(13%)</b>
<b>Current assets</b>	Trade and other receivables	127.2	162.8	(22%)
	Derivative financial instruments	3.2	5.4	(39%)
	Financial investments	28.1	25.4	10%
	Amounts due from brokers	253.9	134.3	89%
	Cash and cash equivalents	118.9	84.3	41%
	Current tax recoverable	1.7	0.8	106%
	<b>Total current assets</b>	<b>533.0</b>	<b>413.0</b>	<b>29%</b>
<b>Current liabilities</b>	Trade and other payables	152.3	153.6	(1%)
	Derivative financial instruments	3.1	2.4	30%
	Borrowings	0.9	0.9	7%
	Lease liabilities	4.6	4.7	(2%)
	Short term provisions	1.9	0.5	245%
	<b>Total current liabilities</b>	<b>162.8</b>	<b>162.1</b>	<b>0%</b>
<b>Non-current liabilities</b>	Borrowings	0.2	0.8	(74%)
	Deferred tax liabilities	1.6	2.2	(26%)
	Lease liabilities	10.7	14.6	(26%)
	Long term provisions	1.8	1.9	(6%)
	<b>Total non-current liabilities</b>	<b>14.3</b>	<b>19.5</b>	<b>(26%)</b>
	<b>Total equity</b>	<b>400.5</b>	<b>282.9</b>	<b>42%</b>

# Appendix 12

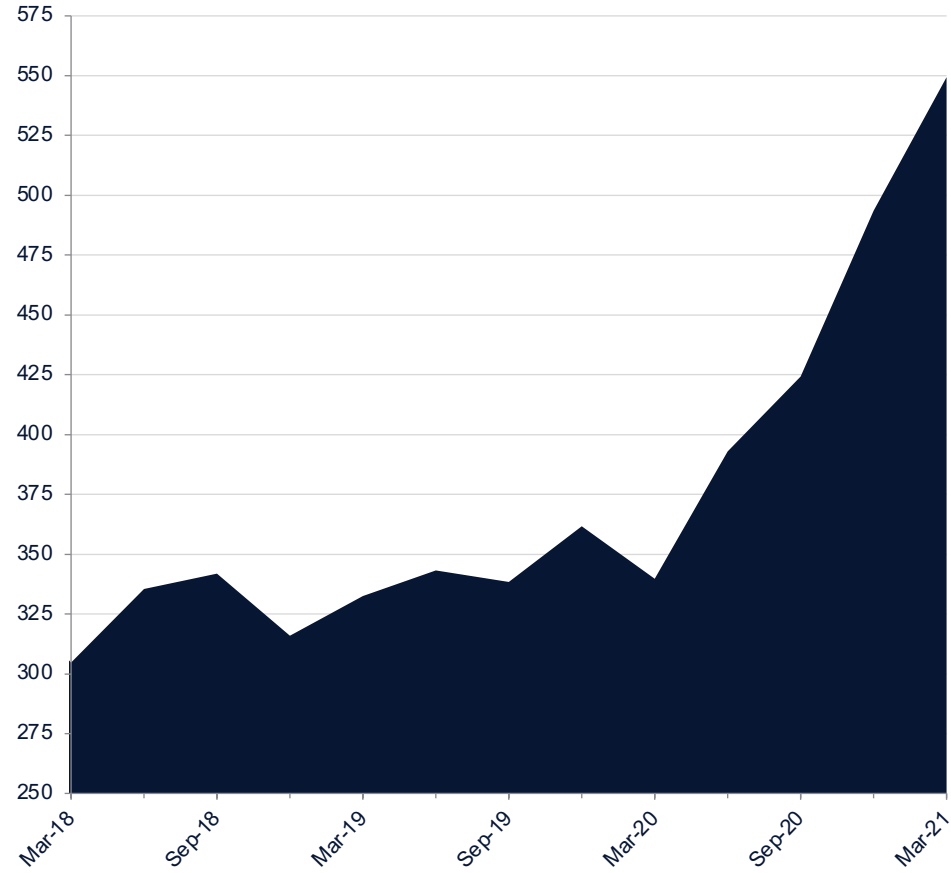
## Own funds flow statement

Group (£m)	2021	2020	YoY %
<b>Operating activities</b>			
<b>Profit before tax</b>	<b>224.0</b>	<b>98.7</b>	127%
Adjustments for:			
Finance costs	1.8	2.0	(14%)
Depreciation and amortisation	11.2	11.0	3%
Other non-cash adjustments	(4.1)	3.4	(221%)
Tax paid	(33.6)	(13.1)	(157%)
<b>Own funds generated from operating activities</b>	<b>199.3</b>	<b>102.0</b>	95%
<b>Movement in working capital</b>	<b>13.9</b>	<b>12.2</b>	13%
<b>(Outflow)/Inflow from investing activities</b>			
Net Purchase of property, plant and equipment and intangible assets	(12.2)	(4.3)	(185%)
Other inflow/(outflow) from investing activities	(1.8)	1.1	(262%)
<b>Outflow from financing activities</b>			
Proceeds from the issue of ordinary shares	0.1	-	-
Interest paid	(1.8)	(2.0)	14%
Dividends paid	(62.1)	(10.2)	(509%)
Other inflow/(outflow) from financing activities	(7.3)	(7.1)	(3%)
<b>Total inflow/(outflow) from investing and financing activities</b>	<b>(85.1)</b>	<b>(22.5)</b>	(277%)
<b>Increase/(decrease) in own funds</b>	<b>128.1</b>	<b>91.7</b>	40%
Own funds at the beginning of the year	238.3	149.8	59%
Effect of foreign exchange rate changes	4.0	(3.2)	224%
<b>Own funds at the end of the year</b>	<b>370.4</b>	<b>238.3</b>	55%

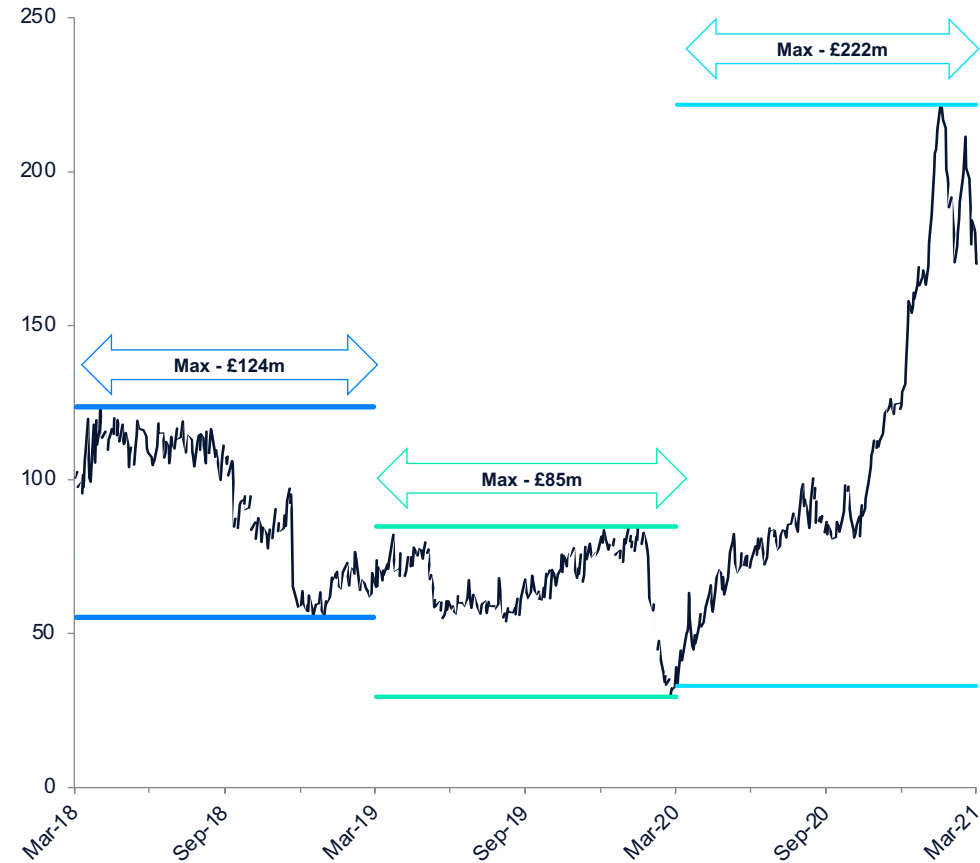
# Appendix 13

## Client assets and prime broker requirements

Client assets under management (£m)

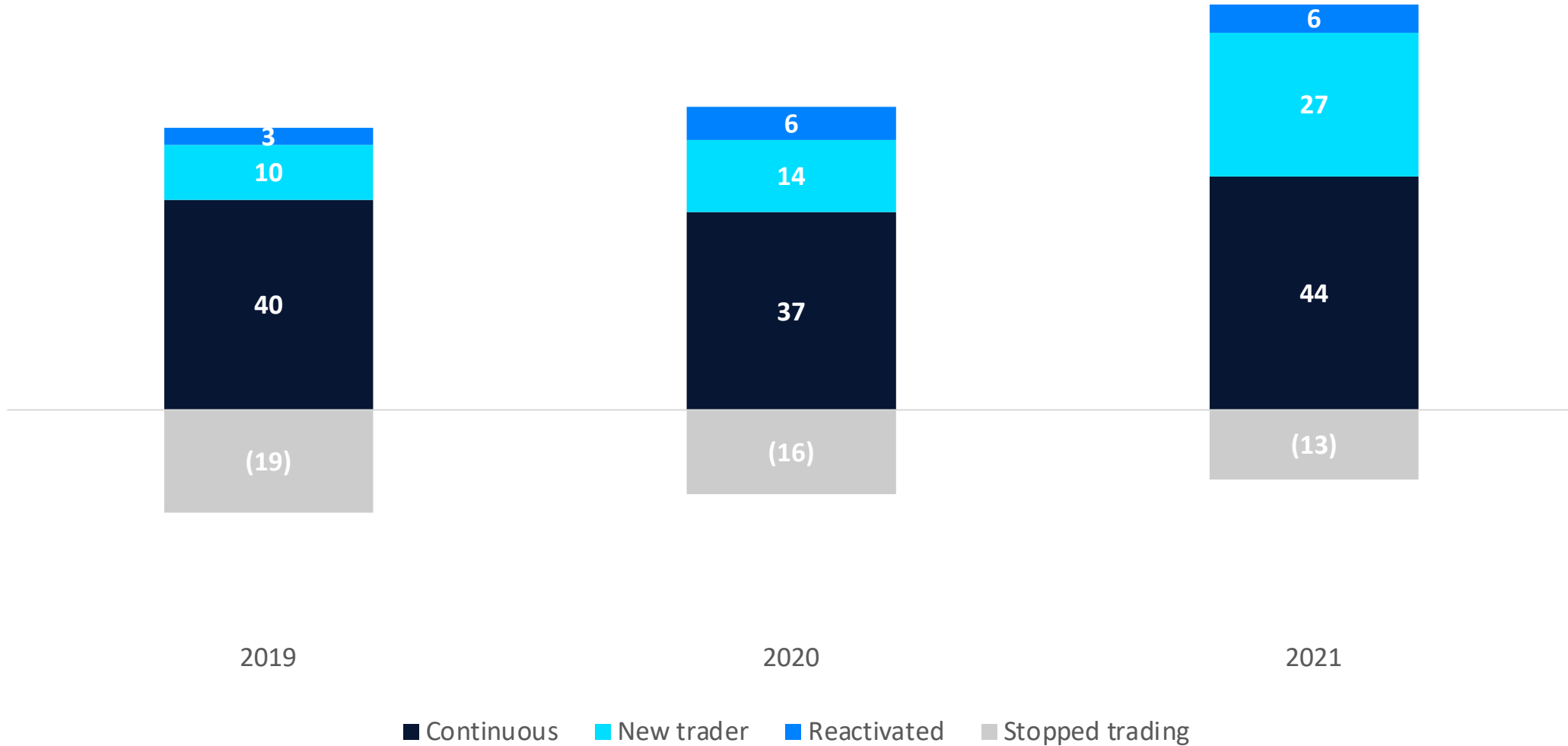


Broker margin requirements (£m)



# Appendix 14

## Yearly client churn ('000s)



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