

3 April 2020

CMC Markets Plc

FY 2020 Pre-Close Trading Update

CMC delivers strong performance for the year, consistent with previous upgrades and affirms confident outlook

CMC Markets Plc ("CMC" or the "Group"), a leading global provider of online trading and institutional ("B2B") platform technology solutions, today issues a trading update for the year to 31 March 2020 ("FY 2020") ahead of its full year results which are expected to be released on 11 June 2020.

Trading Update

As announced in a series of upgrades throughout the financial year, net trading revenue across the Group has been strong in FY 2020 and in particular during the final quarter of the year.

The CFD business has generated gross client income (client transaction fees) of c.£241 million (FY 2019: £216.0 million) due to the strong underlying performance in the business throughout the year. This was further enhanced by the increased market activity in the final quarter, which more than offsets the reduced client trading activity resulting from the ESMA intervention measures implemented in August 2018, four months into FY 2019. In addition, client income retained has been considerably stronger than the 75-80% range that was guided at the half year results (H1 2020: 82%). The Group expects CFD net trading revenue to be approximately £214 million (FY 2019: £110.2 million). The Group is encouraged by the continued trading of its loyal client base, in addition to new clients who have joined the platform and existing clients have been reactivating their accounts.

The stockbroking business has also had a strong year and net revenue is expected to increase to c.£32 million (FY 2019: £15.5 million). The increase was mainly driven by the first full year of revenue generated from the ANZ Bank white label partnership and its ongoing success, further complemented by additional growth across the core stockbroking business.

Operating costs, including depreciation and amortisation and excluding variable remuneration, are expected to be in the region of £136 million (FY 2019: £120.4 million).

The Group continues to have a strong balance sheet and liquidity position, and re-affirms that its dividend policy of paying a total annual dividend of 50% of profit after tax remains in place.

Peter Cruddas, Chief Executive Officer, commented:

"During these times of global uncertainty, of course our first priority is to protect the health, safety and wellbeing of our employees and to support our clients. I am impressed by the dedication our teams have shown in preventing disruption while working in unprecedented circumstances, I would therefore like to thank all of my colleagues for their continued hard work during these tough times. Our thoughts are with those impacted by this crisis.

At CMC we have focused rigorously on our strategic priorities and feel that the benefit of this focus has started to come through in our performance this year which demonstrates a step change from where we were 12 months ago.

Our institutional offering, targeting high quality clients and our change in risk management strategy have both contributed to strong underlying performance for the Group. Technology continues to be at the core of everything we do and underpins our strategy. This is shown in both the strength of our platform, which has been put to the test recently, and the data we have to adapt our offering and develop products that match our client needs.

Looking forward, there are many new uncertainties, including how governments, regulators and exchanges will react. Notwithstanding the uncertainty we remain confident in the outlook for 2021 as we progress with our numerous strategic growth initiatives. We're not reliant on a sustained period of

high volatility in markets, but our well invested platform, technical expertise and diversified offering supports us delivering sustainable results not just now but also in years to come.”

Full Year Results

CMC expects to report its Full Year Results for FY 2020 on 11 June 2020. There will be a presentation at 9.30am on 11 June 2020 for institutional investors and analysts, more details will be made available closer to the date of announcement.

The Group notes the 26 March 2020 FCA, PRA and FRC joint announcement associated with the ongoing developments of COVID-19 and will continually assess the expected reporting date.

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.

Note: As at 2 April 2020, the Group compiled Full Year 2021 consensus is as follows:

- Net operating income of £193.2 million, ranging from £190.7 million to £196.0 million
- Profit Before Tax of £46.8 million, ranging from £45.5 million to £47.7 million

This includes 3 out of 4 covering analysts who have updated estimates following the previous COVID-19 and Trading Update on 20 March 2020.

Enquiries

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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 Group 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/>