

8 April 2022

CMC Markets Plc

FY 2022 Pre-Close Trading Update

Q4 performance drives net operating income to the top end of guidance

CMC Markets Plc ("CMC" or the "Group"), a leading global provider of online ("D2C") trading and institutional ("B2B") platform technology, today issues a trading update for the period from 1 January 2022 to 31 March 2022 (the "period") ahead of its full year results.

Key Highlights

- FY 2022 net operating income expected to be approximately £280 million, at the top end of guidance and a record performance outside of the pandemic period.
- FY 2022 gross leveraged client income is expected to be approximately £288 million (FY 2021: £335 million, -14% yoy).
- FY 2022 leveraged trading revenue is expected to be approximately £230 million (FY 2021: £349 million, -34% yoy).
- FY 2022 non-leveraged trading revenue is expected to be approximately £48 million (FY 2021: £55 million, -12% yoy).
- £30 million share buyback commenced 15th March 2022.
- CMC Invest, the UK non-leveraged platform already launched internally. Full market release set for mid-2022. The platform is ahead of schedule and on budget.

Trading Update

Q4 was CMC's strongest quarter of the year leaving net operating income at the top end of guidance at approximately £280 million. Active monthly trading client numbers continue to remain at similar levels as reported earlier in the year. Our APAC stockbroking business finished FY 2022 with record AuA and a record number of annual active clients.

Operating costs for FY 2022, excluding variable remuneration, are expected to be approximately £173 million (FY 2021: £168 million). The increase primarily reflects higher personnel costs to deliver strategic objectives.

FY 2022 results for the 12 months ended 31 March 2022 will be announced on 9 June 2022.

Share Buyback Programme

On 15 March 2022, the Company commenced a share buyback programme of up to £30 million. The Board's decision to undertake the buyback was underpinned by the Company's robust capital position and having considered required ongoing investment in the business. This Buyback Programme forms part of a normal balanced approach to shareholder returns alongside the current dividend policy.

The share buyback programme is progressing well and remains on track to be completed no later than 30 June 2023.

Business Development

CMC has this week delivered the initial internal launch of CMC Invest, our UK non-leveraged platform to our UK staff. This has been achieved ahead of schedule and on budget. The new platform will be made available to the broader market over the coming quarter.

In addition, we will be launching a new investment platform in Singapore within a year, as well as considering two other jurisdictions for launch next year as we continue to diversify and expand our geographic footprint through technology, our leveraged institutional offering, and our non-leveraged platforms.

FY 2023 will be another year of investment in these strategic initiatives, which aim to deliver future revenue growth. In addition to the incremental investment, FY 2023 costs are expected to grow with higher marketing spend together with further investment in personnel.

Lord Cruddas, Chief Executive Officer, commented

“I am delighted to report another year of strong performance both strategically and financially. Outside of the pandemic year (Financial year ending March 2021), this is a record net operating income result for the company. The performance reflects the ongoing success of our B2B technology partnerships and focus across our leveraged and non-leveraged businesses.

This business continues to change as we look to utilise our technology to enter new markets and expand our non-leveraged offering. I look forward to updating investors as the strategy expands over both the short and long-term.”

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 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/>