

8 October 2020

CMC Markets Plc

H1 2021 Pre-Close Trading Update For the six months ended 30 September 2020

CMC announces record H1 trading performance, leading to increased full year guidance

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 2020 ("H1 2021" or "the period").

The Group continued to build on the momentum gained in 2020, resulting in a strong trading performance across all areas of the business, driven by an ongoing focus on retaining and acquiring high value clients and diversification through its institutional B2B and stock broking business. This was supplemented by elevated volatility in the period resulting from the COVID-19 pandemic increasing client trading activity, further amplifying the positive impact of the Group's strategic objectives.

This resulted in CFD net trading revenue of approximately £200 million (H1 2020: £85 million), with client income retention remaining strong and well in excess of guidance of 'above 80%' due to the market conditions prevailing for much of H1 2021 and continued improvements to the risk management strategy.

The Group's stockbroking net revenue is expected to increase to approximately £26 million for H1 2021 (H1 2020: £14 million), mainly as a result of the continued growth across the business, reflecting the strengthening of the ANZ Bank white label partnership, as well as more volatile markets leading to increased client trading activity.

Operating costs for H1 2021, excluding variable remuneration, will be approximately £80 million (H1 2020: £65 million). This is primarily as a result of the Group's continued investment in technology leading to higher personnel costs, in addition to an increase in marketing costs to attract high-value new clients and other variable costs which are linked to higher client trading activity.

Outlook

Following the strong performance in H1 2021, the Board is confident that net operating income will be towards the upper end of the current range of consensus¹, while operating costs (excluding variable remuneration) are anticipated to be moderately above consensus¹.

Peter Cruddas, Chief Executive Officer, commented:

"I am delighted with our record first half performance, which vindicates our strategy of diversification and continuing focus on high value clients. The performance is particularly pleasing given that the financial year began in the midst of the global COVID-19 pandemic. I am proud of the resilience and dedication shown by all of my colleagues at CMC, who continue to ensure that our clients are able to trade throughout these periods of high volume and volatility in global financial markets.

The significant increase in net trading revenue across all areas of the business in H1 2021 is a result of the Group's unwavering focus on our strategic initiatives. This has delivered increased diversification of Group revenues, improved CFD client income retention and an increased number of active clients.

During the period we continued to recruit new staff, we did not accept any Government financial schemes and all staff were paid in full through the normal payroll. Our new Chief Technology Officer Brendan Foxen has settled in well and is already making a positive impact with the existing technology teams.

I believe that CMC is in an excellent position with many opportunities to leverage our reputation for technological innovation, quality client service and platform stability to expand our product portfolio and deliver further diversification for the Group and ongoing returns for shareholders over the coming years."

H1 2021 Results

The results for the six months ending 30 September 2020 will be announced on 19 November 2020. A presentation for institutional investors and analysts will be held virtually on 19 November 2020 at 10.30am GMT. Webcast and conference call details will be available in due course.

Enquiries

CMC Markets Plc
Euan Marshall, Chief Financial Officer

investor.relations@cmcmarkets.com

Camarco
Geoffrey Pelham-Lane
Jennifer Renwick

+44 (0) 20 3757 4994

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.

¹ As at 7 October 2020, the Group's compiled Full Year 2021 consensus is as follows:

- Net operating income of £329.9 million, ranging from £321.0 million to £348.7 million;
- Operating expenses (excluding variable remuneration) of £148.5 million, ranging from £145.4 million to £152.1 million; and
- Profit Before Tax of £159.6 million, ranging from £149.2 million to £175.3 million.

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 13 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/>