
Results Presentation

Full year ended 31 March 2024

20 June 2024

Today's presenters



Lord Peter Cruddas
Chief Executive Officer



Albert Soleiman
Chief Financial Officer



David Fineberg
Deputy Chief Executive
Officer



Matthew Lewis
Head of APAC &
Canada



Laurence Booth
Head of Capital
Markets

Key Highlights

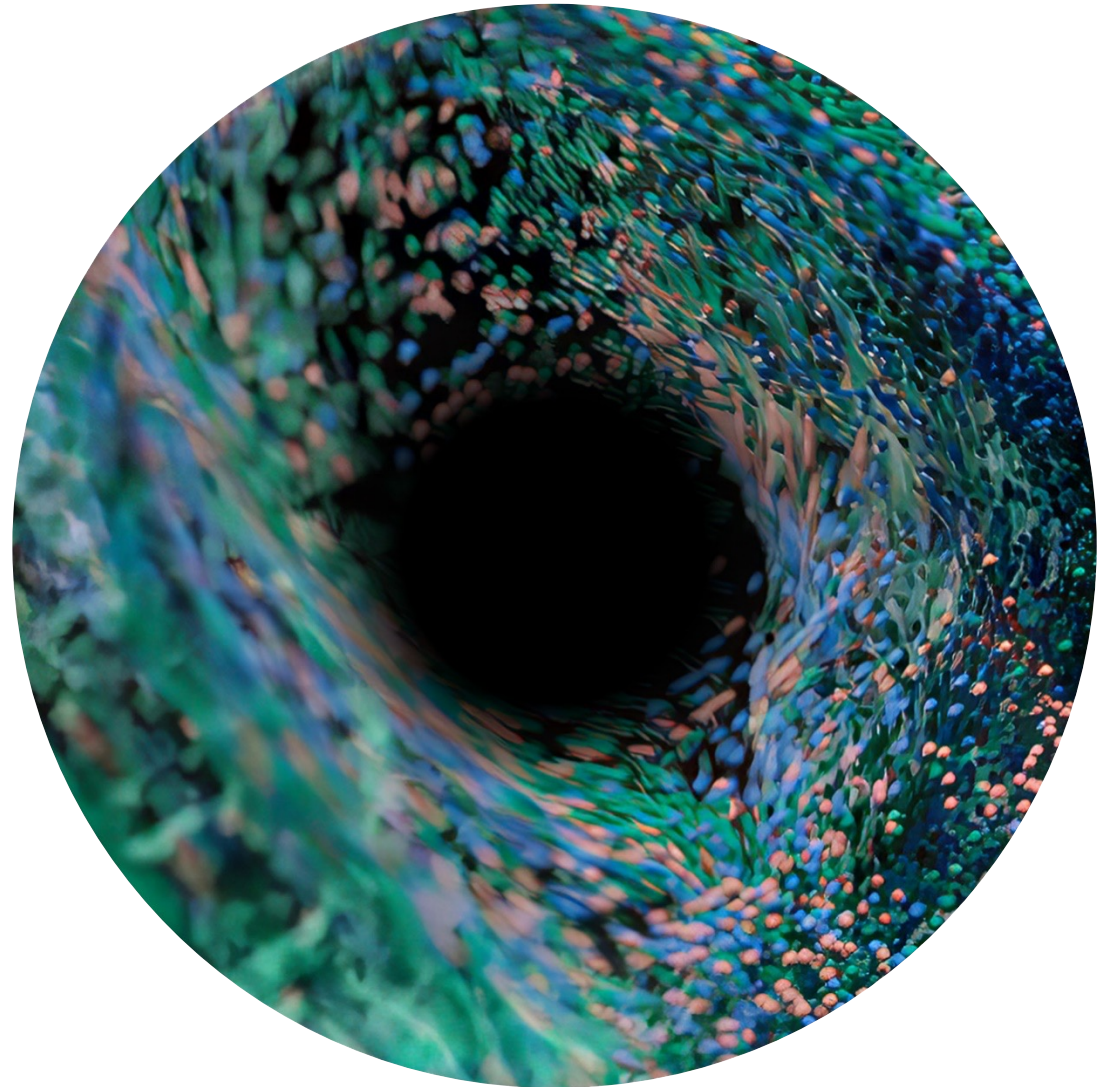
Strategic initiatives designed to broaden growth opportunities and diversify revenue streams demonstrating success

- Record financial performance, outside COVID-19 pandemic period, demonstrates strength of our product, power of our technology and successful implementation of our strategic vision
- CMC Markets Connect and API ecosystem central to our institutional first positioning and a core driver of our growth enabling us to secure large B2B partnerships, such as that with Revolut
- Continued expansion across new products and geographies, with launch of Invest Singapore, Middle East subsidiary, expansion of Opto and renewed focus on Europe
- Successful completion of cost review in H2 supported by operational developments designed to drive efficiency, such as our centralised Treasury Management System
- Management focused on delivering sustainable profit margin expansion in years ahead with robust growth that leverages the Group's scalability supported by delivery of further efficiencies



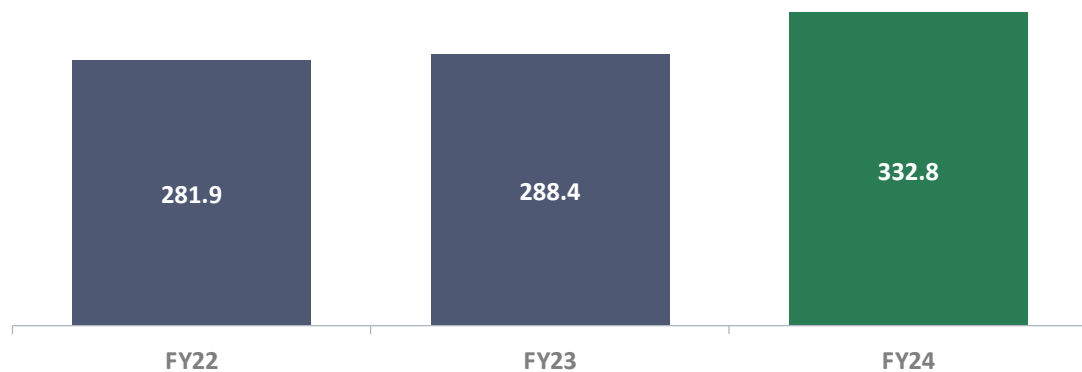
Financial update

Albert Soleiman
CFO

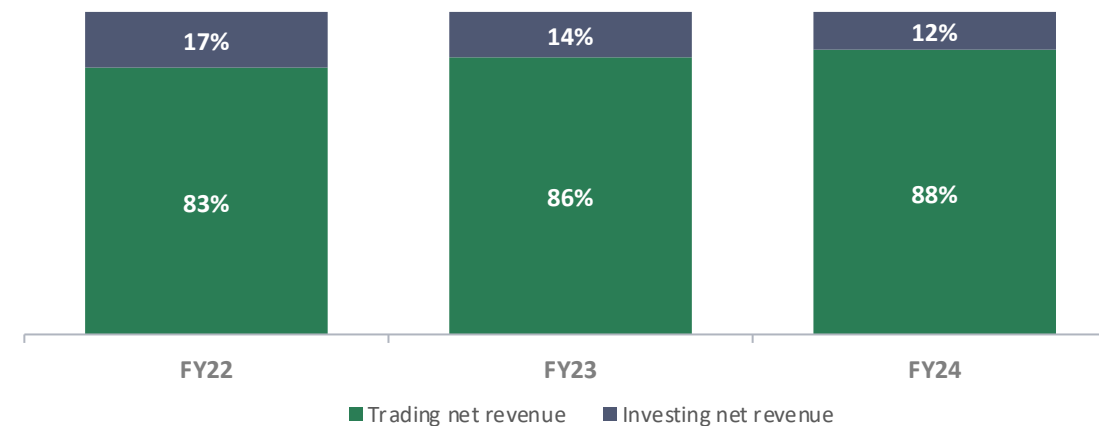


Key Performance Indicators: Group

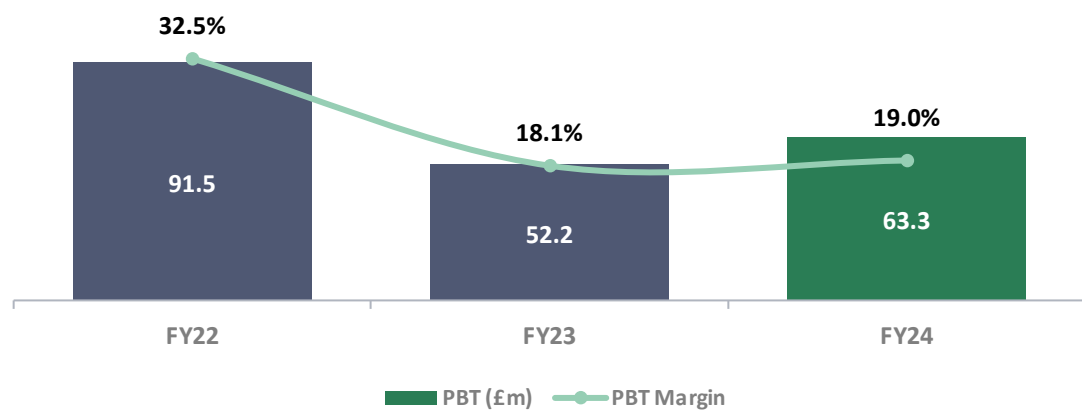
Net operating income¹ (£m)



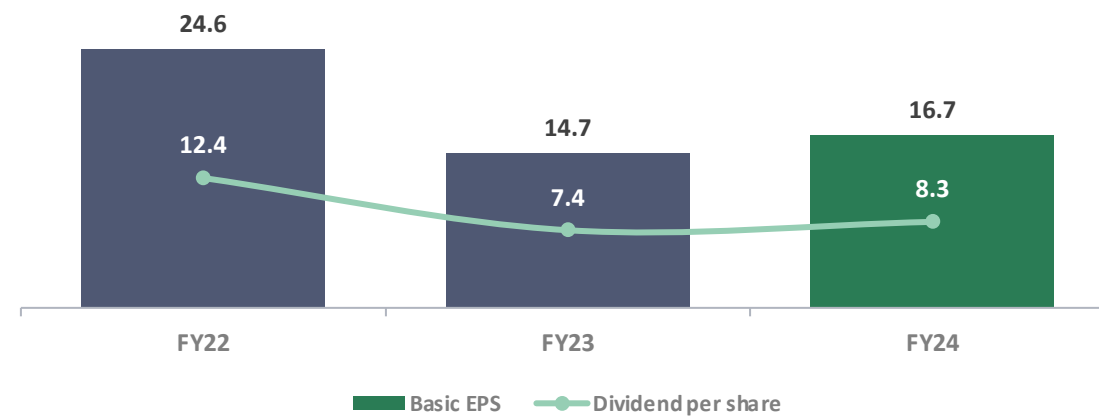
Net revenue mix



Profit before tax (£m) & profit before tax margin (%)



Basic earnings per share & dividend per share (p)



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

Income Statement

Group (£m)	FY24	FY23	YoY %
Trading net revenue	259.1	233.1	11%
Investing net revenue	34.0	37.9	(10%)
Interest income	35.0	13.9	152%
Other operating income	4.7	3.5	34%
Net operating income¹	332.8	288.4	15%
Adjusted operating expenses ²	(249.5)	(217.2)	(15%)
Variable remuneration ³	(17.7)	(16.7)	(6%)
Finance costs	(2.0)	(2.3)	16%
Profit / (loss) on share of associates	(0.3)	-	-
Profit before taxation	63.3	52.2	21%
PBT margin	19.0%	18.1%	0.9 ppts
Tax	(16.4)	(10.8)	(53%)
Profit / (loss) after tax	46.9	41.4	13%



1. Net operating income represents total revenue net of introducing partner commissions and spread betting levies.
2. Excludes variable remuneration & adjusted to include impairment of intangible asset costs.
3. Includes share-based payments.

Net operating income

Net operating income of £332.8 million (FY23: £288.4 million), up 15%, marks a new record-high outside the COVID-19 pandemic period and driven by:

- Strong growth in our trading business, with net revenue up 11% to £259.1 million (FY23: £233.1 million)
- Investing net revenue 10% lower at £34.0 million (FY23: £37.9 million) but primarily driven by movements in FX. Year-on-year performance in local currency was 3% lower
- Interest income up 152%, to £35.0 million (FY23: £13.9 million) due to higher global rates and more efficient treasury management
- Excluding one-off costs relating to the impairment of intangible assets and actions taken to reduce global headcount, profit before tax grew to £80.0 million, an increase of 52%

Operating expenses

The increase in operating expenses (excl. variable remuneration) was mainly driven by:

- An increase in net staff costs which is a result of the annualisation of higher headcount levels for much of the year and wage inflation to ensure the Group continues to remunerate staff in line with market rates
- One-off and non-recurring charges, including £12.3 million impairment and £4.3 million of termination costs from the global headcount reduction

Increase in variable remuneration reflects stronger Group financial performance in the period.

Liquidity and regulatory capital

Regulatory capital		
Group (£m)	FY24	FY23
Common Equity Tier 1 Capital ¹	383.1	363.1
Less: intangibles, investment in associates and deferred tax assets ²	(43.0)	(36.3)
Capital Resources	340.1	326.8
Own funds requirements ³ ("OFR")	109.0	88.6
Total OFR ratio %⁴	312%	369%

Regulatory Capital

- Total capital resources increased to £340.1 million with increases in retained earnings for the year being partly offset by the proposed final dividend distribution
- Total OFR ratio of 312%, down from 369% in FY23 as a result of an increase in own fund requirements to £109.0 million

Net available liquidity		
Group (£m)	FY24	FY23
Own funds	325.8	309.7
Non-segregated client and partner funds	119.6	49.4
Total available liquidity	445.4	359.1
Blocked cash ⁵	(68.5)	(68.8)
Initial margin requirement at broker	(184.7)	(106.1)
Net available liquidity	192.2	184.2

Liquidity

- Increase in own funds to £325.8m driven by profits for the year, offset by dividend payments
- Increase in non-segregated funds driven by a small number of high net-worth, institutional clients

Financial Outlook

Net operating income:

- Current trading proving encouraging, with positive trends seen early in the new fiscal year
- Management is therefore expecting to achieve net operating income of between £320-360 million in FY25

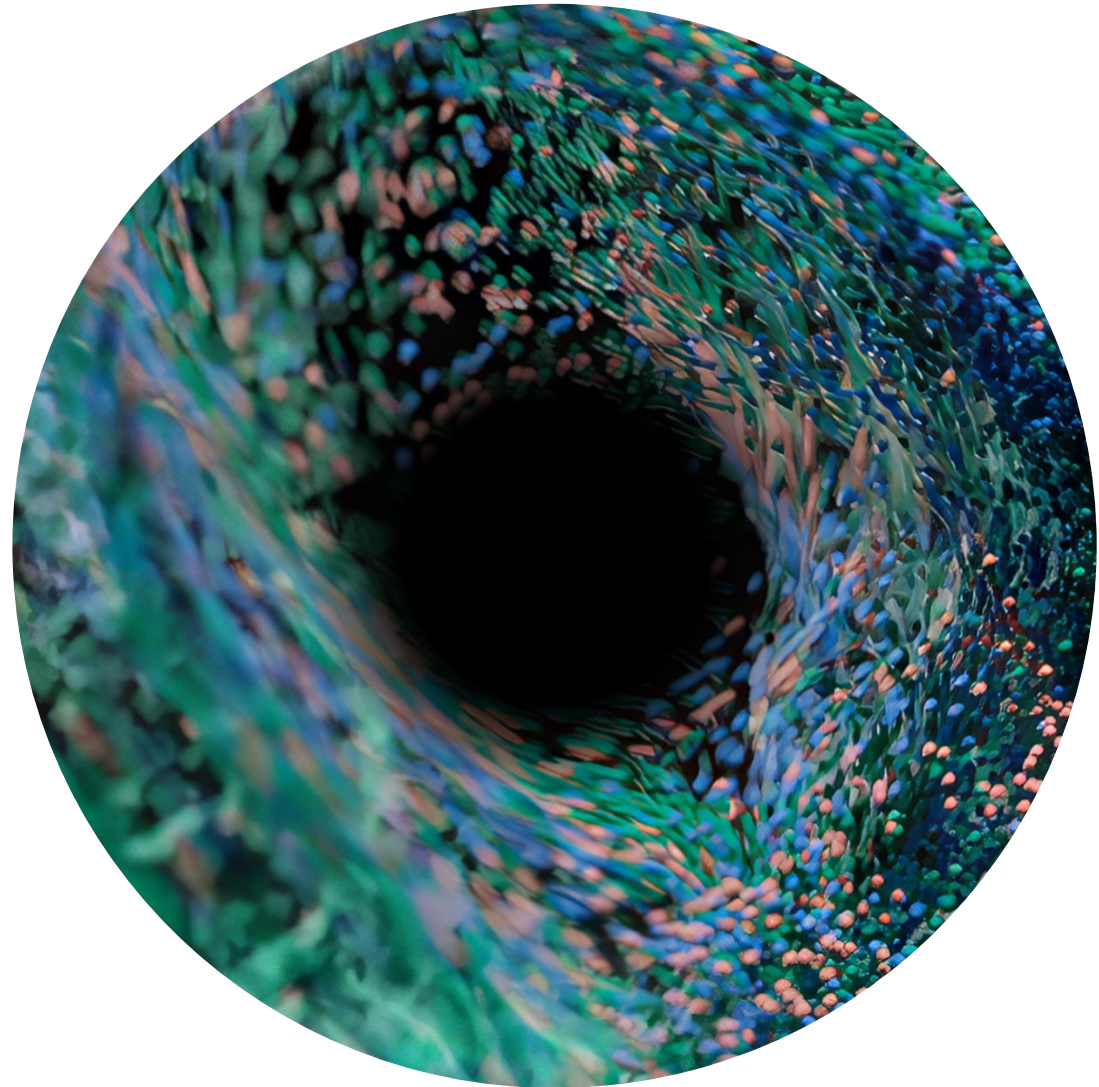
Operating costs (excluding variable remuneration):

- Whilst we have reached the peak of our investment cycle, we will continue to invest in the core functionality of our platforms and remain committed to a disciplined level of investment over the medium-term
- Focus on profit margin expansion and a leaner cost base as a result of operational synergies and headcount reduction, which will result in operating costs, excluding variable remuneration, of around £225 million in FY25

FY25 effective tax rate expected to be consistent with FY24 at 26%

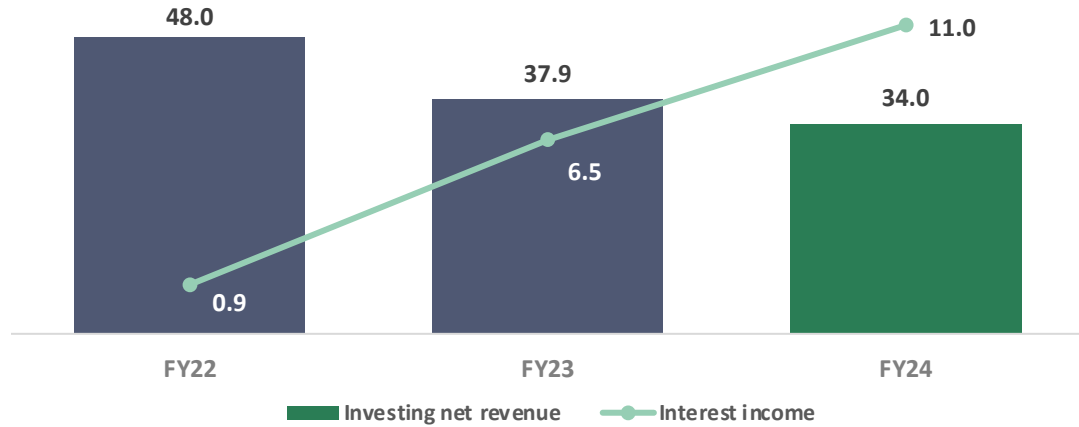
Investing business update

Matthew Lewis
Head of APAC & Canada

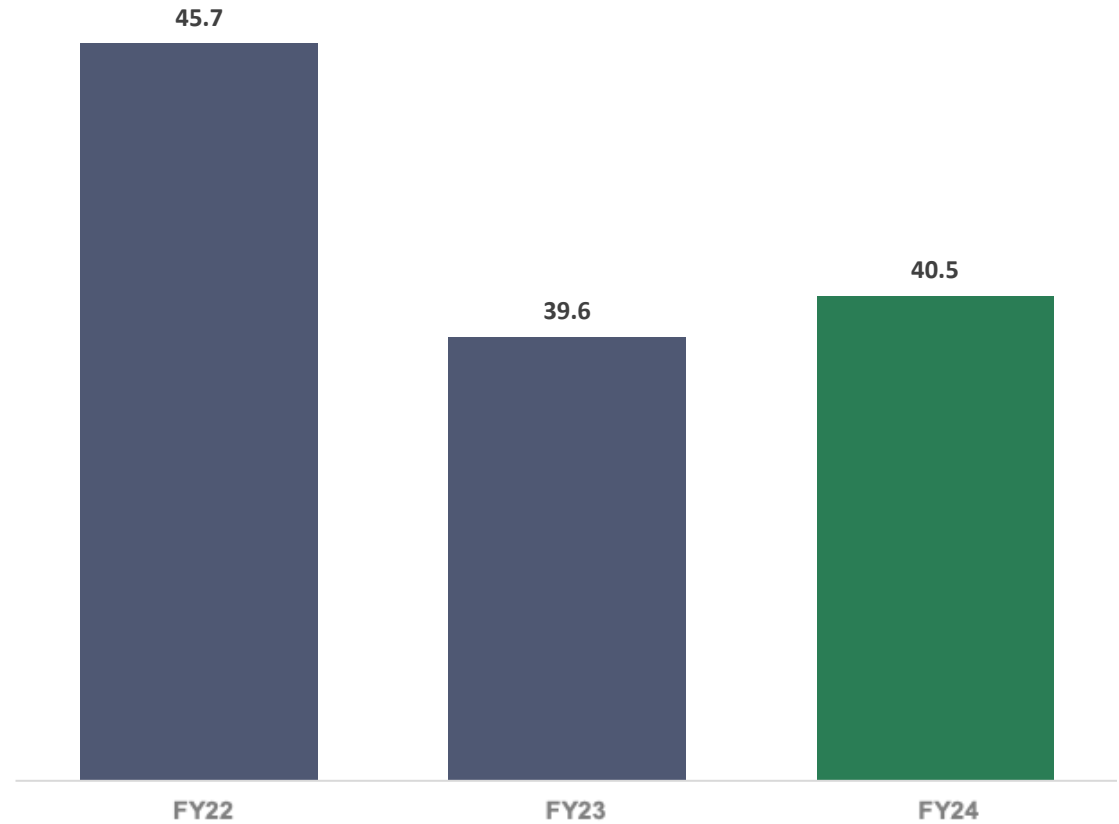


Key Performance Indicators: Investing

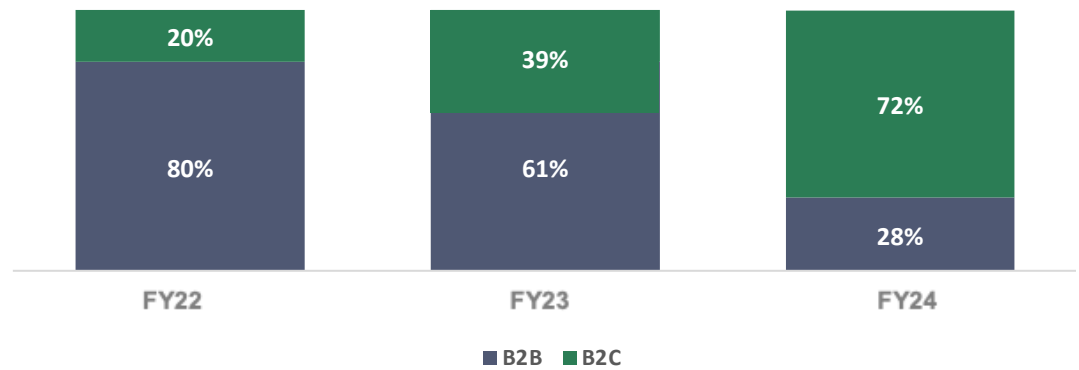
Net operating income (£m)



Assets under administration (£bn)



Investing net revenue: B2C and B2B mix¹



1. Shift in client mix from H2 2023 is driven by the migration of the ANZ Share Investing client base to CMIC. Before migration, revenue from these clients was classified as B2B; subsequently, these clients are classified as B2C.

Invest Australia – B2B

Important client acquisition channel and source of growth

Key highlights

- Over 120 wholesale relationships including tier one/two banks, investment houses, financial planners and advisory firms
- Serving 270k underlying client accounts
- Contributed c.30% of brokerage revenue in FY24

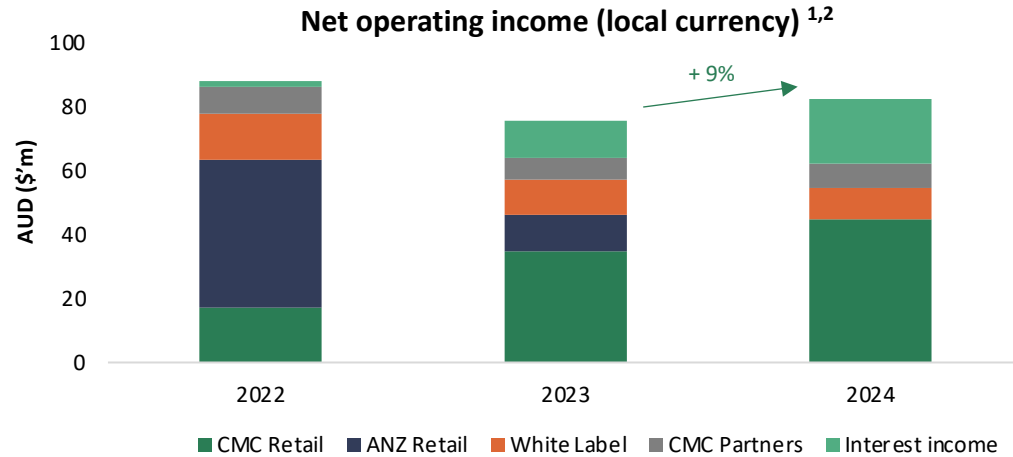
Growth opportunities

- **International shares trading:** replicating the retail success of our international offering which experienced 38% annual growth in international shares turnover, with a growing proportion of new accounts placing their first trade in international shares (over 18% at March 2024)
- **Physical crypto trading:** providing access to this new and increasingly popular asset class to our partner and white label clients on the same trading platform that they love and trust
- **Cash management:** enhance returns on cash holdings
- **Expanding white label opportunities:** building on a successful track record in partnering with major banks and other financial institutions in powering their stockbroking and investing offering

The image shows a screenshot of the Bendigo Invest Direct web platform. The top navigation bar includes 'Dashboard', 'Account', 'Markets', 'Instruments', 'Tools', 'Watchlists', and 'Highlights'. The main content area is titled 'Account' and displays a 'Profit & loss' table. The table has columns for 'USER', 'LAST PRICE', 'BUYER', 'SHARES', 'BUY PRICE', 'SELL PRICE', 'BUY VALUE', 'SELL VALUE', 'NET GAIN', 'NET LOSS', 'NET GAIN %', and 'NET LOSS %'. The table contains multiple rows of data, each representing a trade. The 'NET GAIN' and 'NET LOSS' columns are highlighted in red and green respectively. The bottom of the table shows a total of '10,000.00' for 'BUY VALUE' and '10,000.00' for 'SELL VALUE', with a 'NET GAIN' of '100.00' and a 'NET LOSS' of '100.00'.

Invest Australia

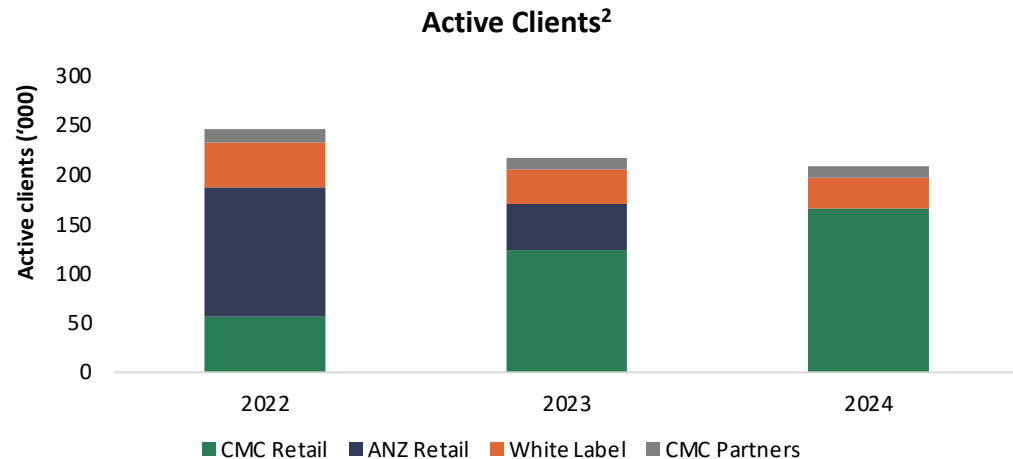
Strong underlying financial performance with 9% growth year-on-year in local currency



FY24 net operating income was £44.5 million, in line with prior year, with growth in underlying performance in local currency of 9% year-on-year being offset by negative impact from movements in FX during the period:

- **Investing net revenue** £33.9 million, down 11%, driven by:
 - Underlying performance in local currency down 3%, largely driven by 18% reduction in domestic turnover³, partially offset by 40% increase in FX revenue from international trading and contribution from start of physical crypto trading for retail customers
 - Negative currency movement impact of £2.9 million
- **Interest income** of £10.6 million, up 63%

Active clients at 208k, 4% lower than prior year but with H2 demonstrating more encouraging uptrends.



1. Net operating income includes investing net revenue (split by brands) and interest income. Investing net revenue includes net brokerage revenue and FX revenue.
 2. ANZ Retail customers are managed as CMC Retail customers after integration in March 2023.
 3. Based on IRESS data on Australian domestic market turnover. By comparison, direct competitors declined 20% YoY.

Invest Strategic Expansion

Multi-pronged approach through product and regional expansion

Product expansion – Physical crypto trading

- Launched September 2023 to our retail customers
- First mainstream broker to introduce physical crypto driven by significant client demand, all within a single platform
- FY25 launch to new geographies and white label/partners segment

Regional expansion – Invest Singapore

- Launched September 2023
- Building customer base through expansion of product offering and marketing investment including collaboration with local sport personalities




Continuing platform enhancements

- Complete rebuild of the web platform front-end with a cloud first approach, improving user experience and functionality, in line with our award-winning mobile app
- New decision support and research tools including Opto, thematic trading and TradingView charts
- Enhanced client security with ForgeRock multi-factor authentication
- Awarded “Canstar 2024 Broker of the Year” - 14 years in a row



In The Know

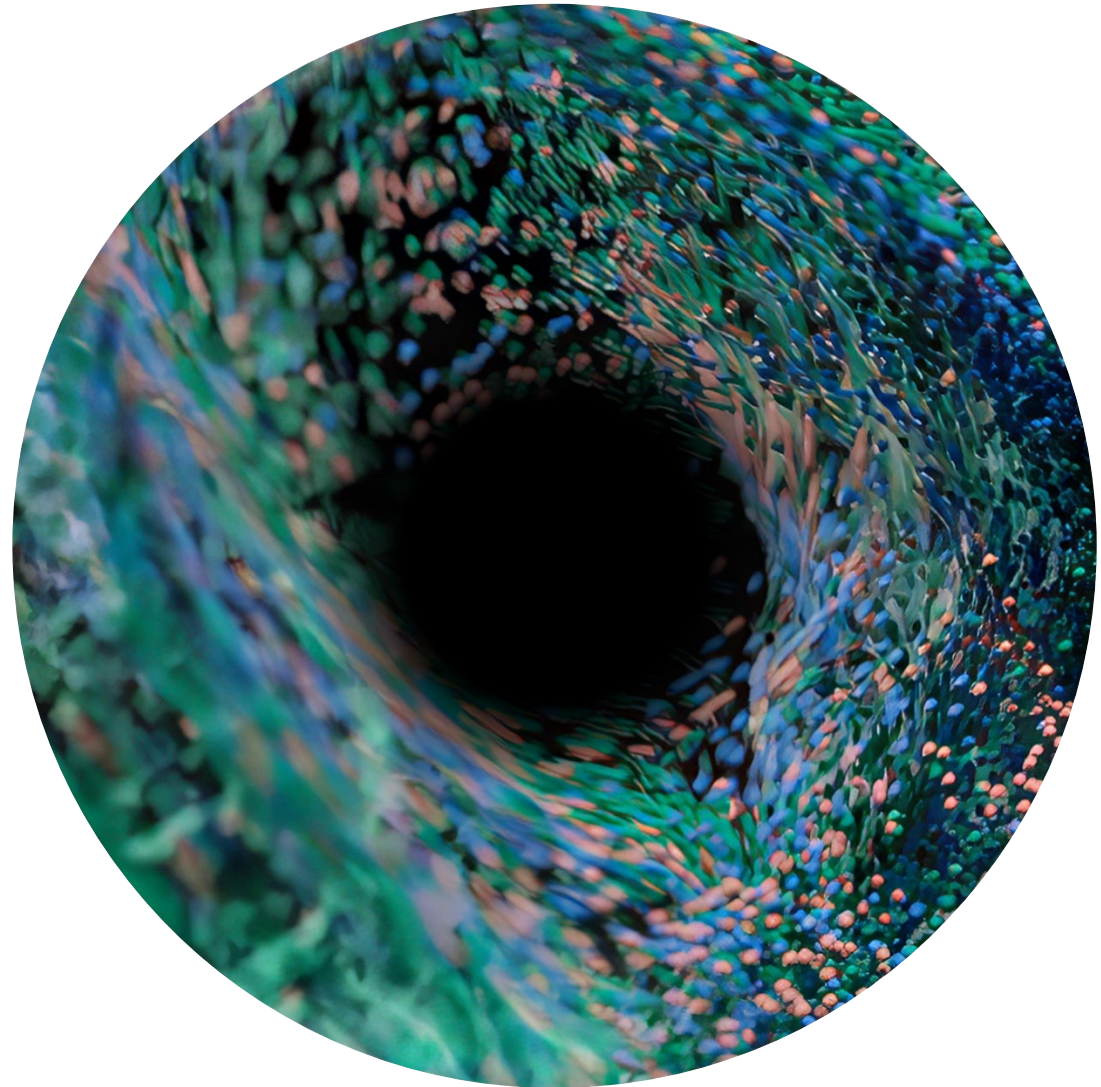
Get the latest scoop on promotions, features, investing tips and more.

 <p>Stay on track: Unlock your investing potential like national athlete Shanti Pereira</p> <p>In the realm of personal finance, maintaining discipline and staying on track is akin to the rigorous training regimen of an elite athlete.</p> <p>Read article ></p>	 <p>10 best ideas for 2024: It's still not too late to navigate opportunities in a dynamic market</p> <p>In a rapidly changing global economy, staying ahead of the curve is crucial – here, we explore the ten best investment ideas for 2024.</p> <p>Read article ></p>	 <p>Navigating the storm: Understanding volatility in investing</p> <p>Investing in financial markets can be a rewarding endeavour – however, it's crucial for investors to be aware of the inherent risks, one of which is market volatility.</p> <p>Read article ></p>
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Trading update

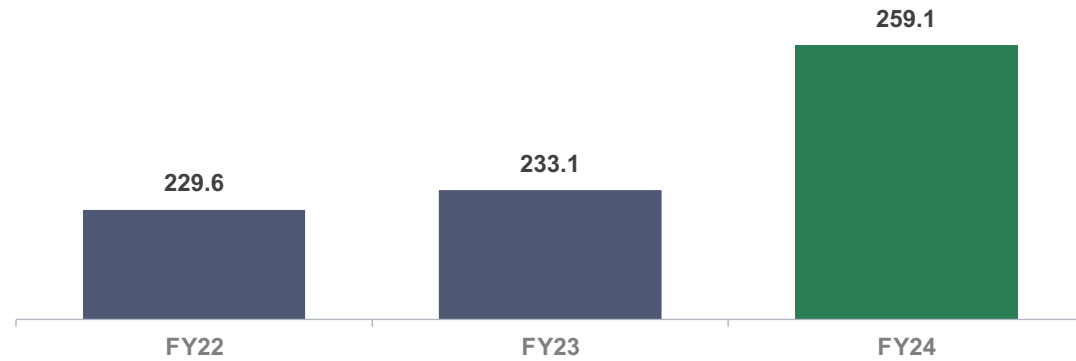
David Fineberg
Deputy CEO

CIIC

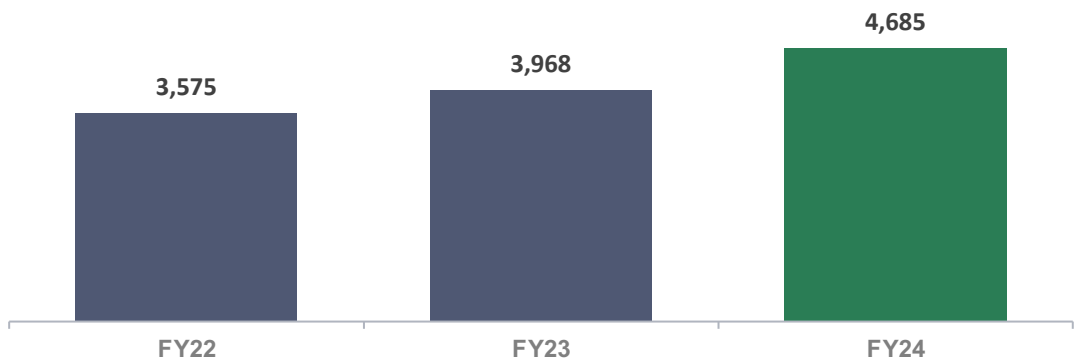


Key Performance Indicators

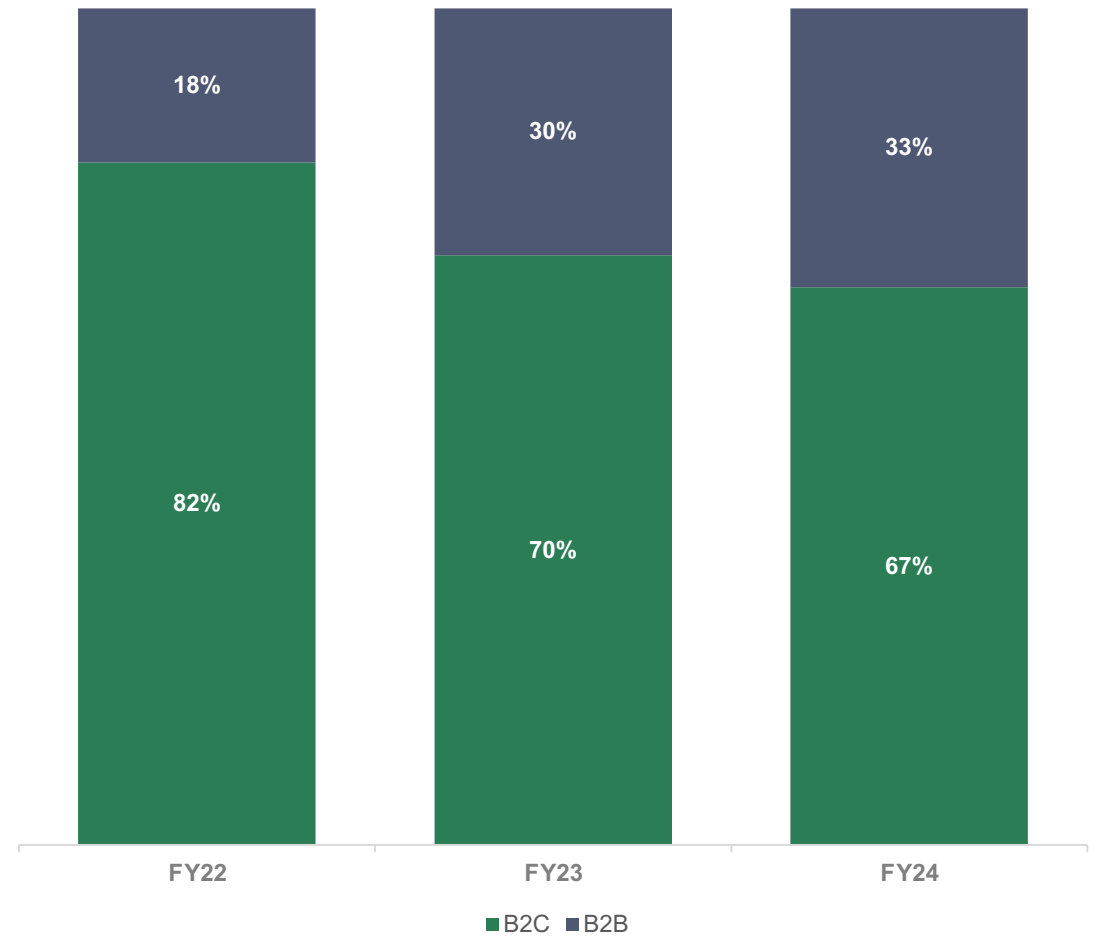
Trading net revenue (£m)



Revenue per active client¹ (£)



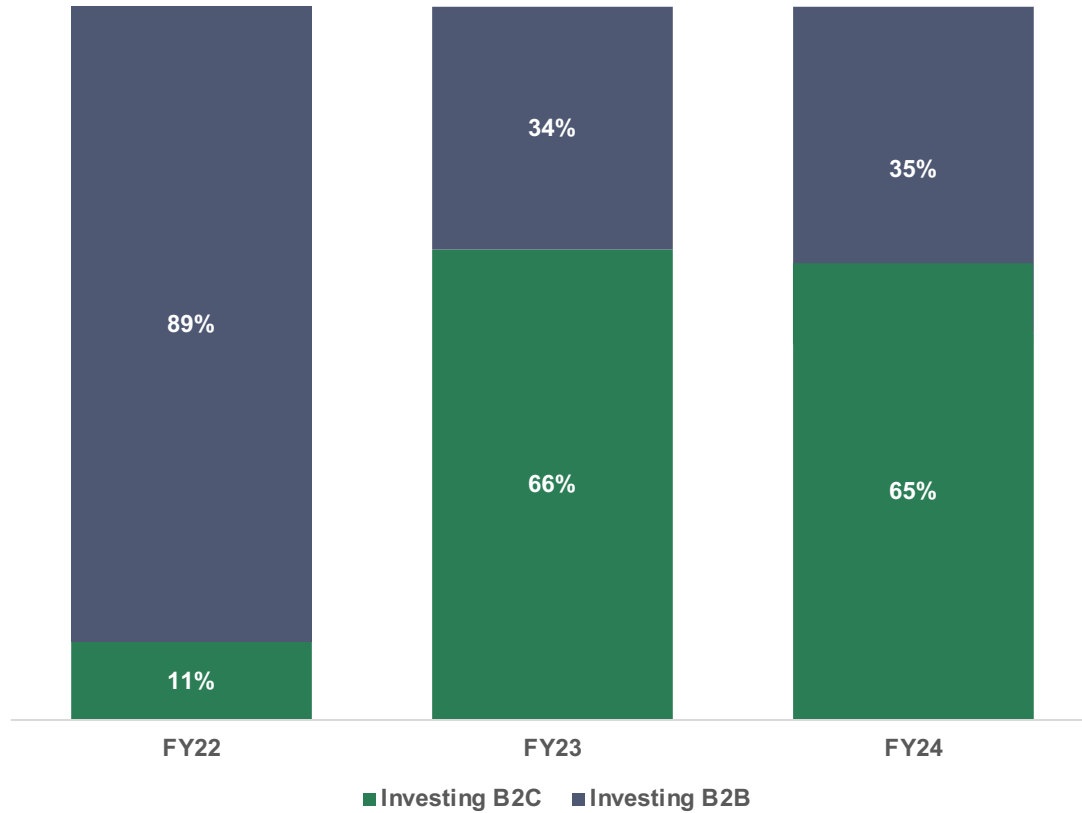
Proportionate B2C/B2B split of turnover²



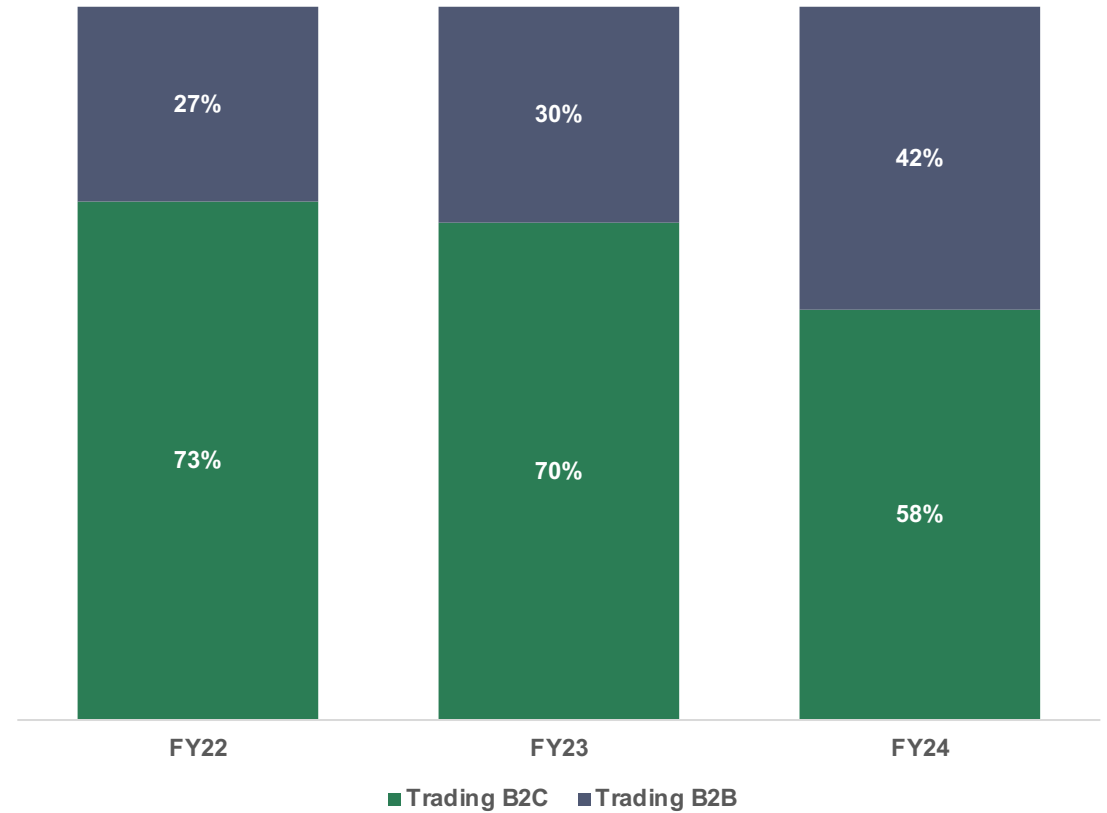
1. Active clients represent those individual clients who have traded with or held CFD or spread bet positions with CMC Markets or who traded on the stockbroking platform on at least one occasion during the period.
 2. Turnover represents the notional value of client trades.

Proportionate increase in volumes from B2B clients

Investing AuA by B2B & B2C split¹



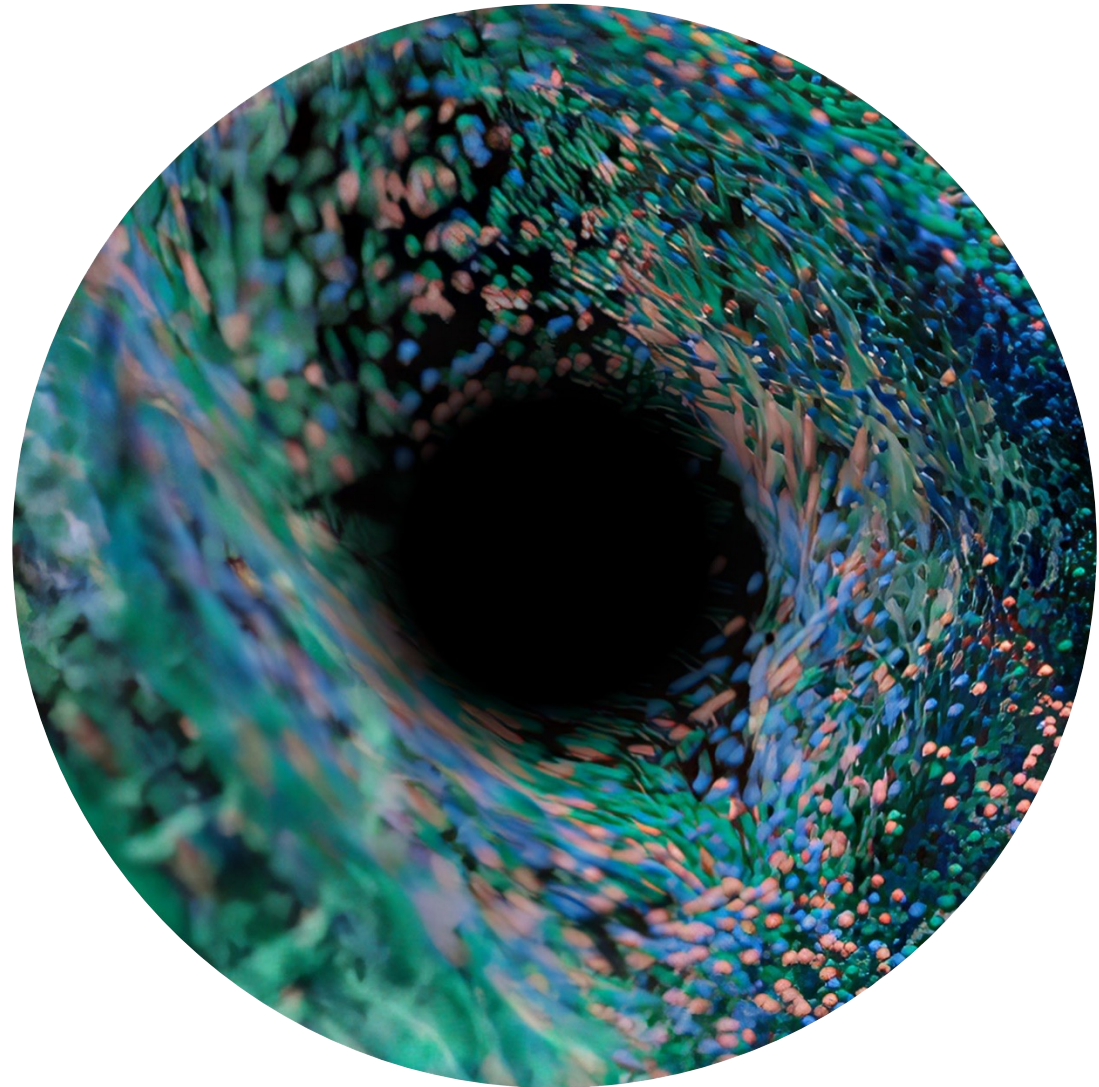
Trading AuA by B2B & B2C split



1. Shift in client mix from 2023 is driven by the migration of the ANZ Share Investing client base to CMIC. Before migration, revenue from these clients was classified as B2B; subsequently, these clients are classified as B2C.

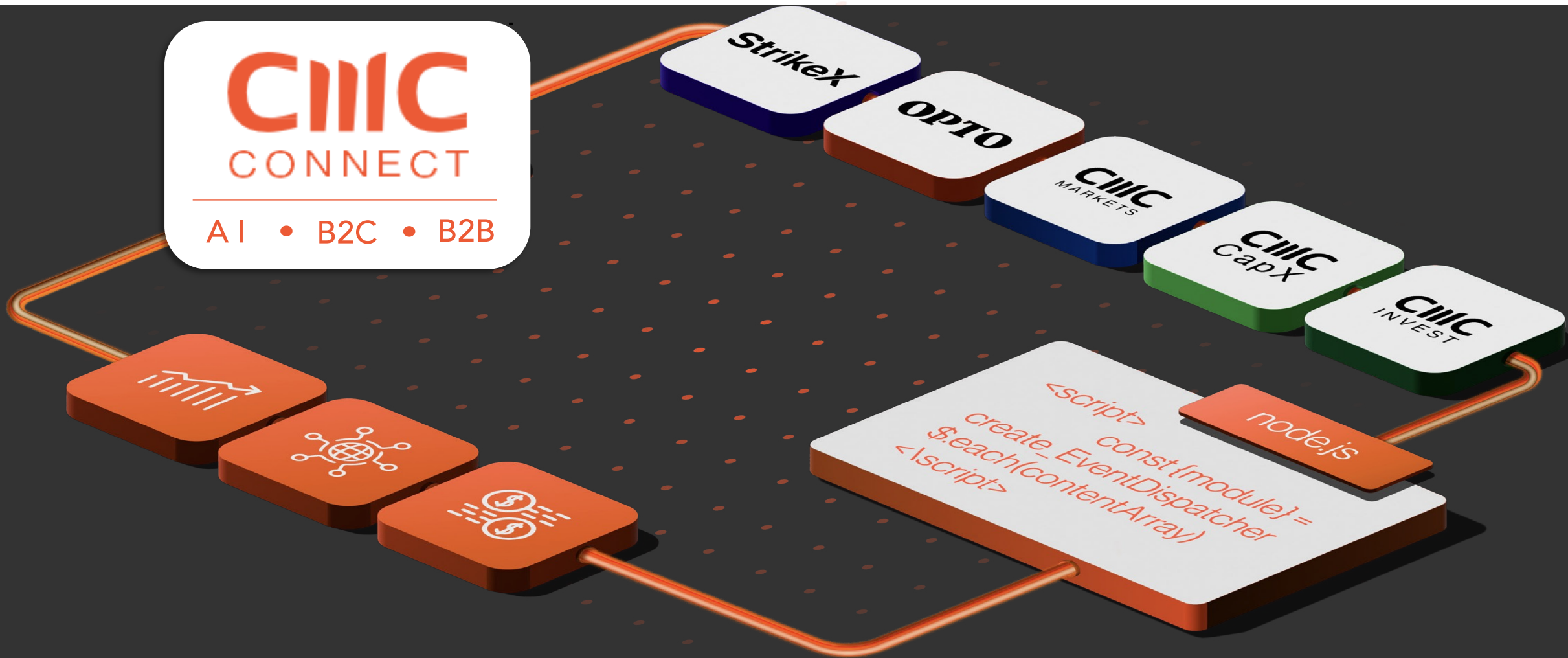
CMC Markets Connect

Laurence Booth
Head of Capital Markets



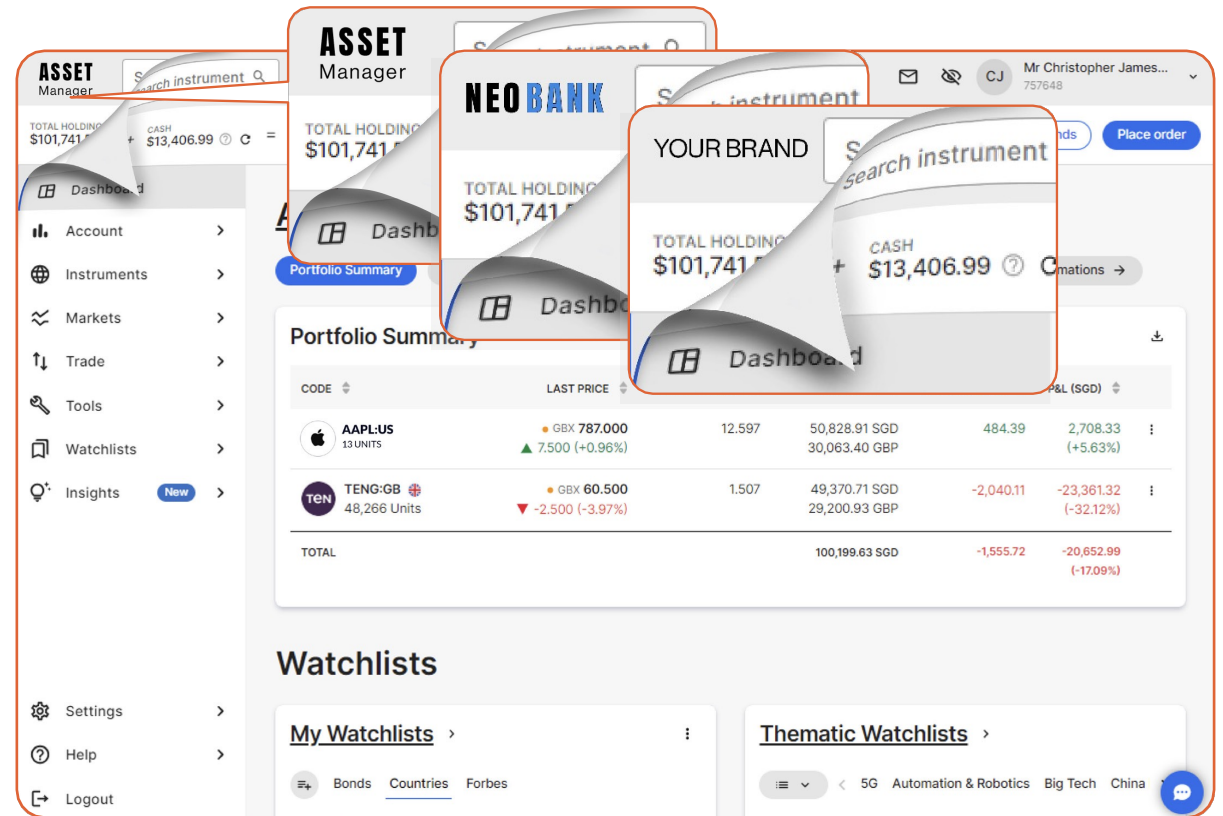
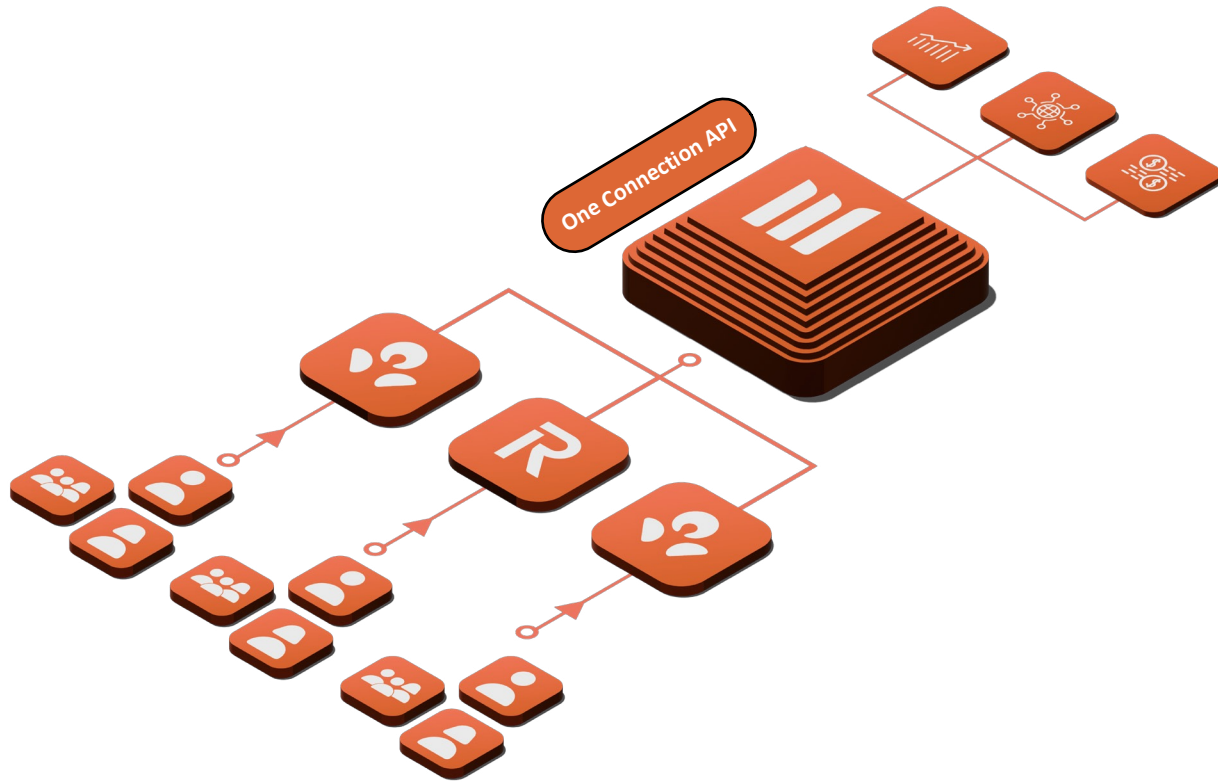
Connect Once, Connect the World

API connectivity, tailored to the needs of our partners



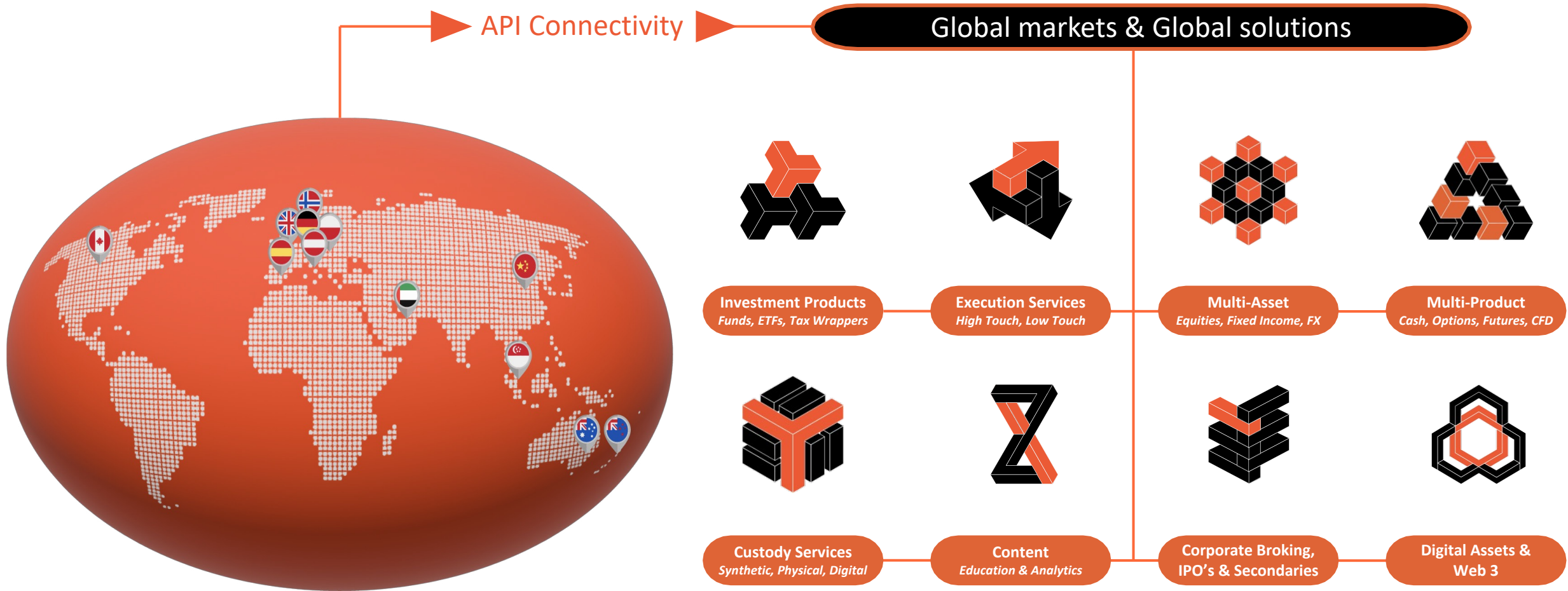
Connect Once: Partnership Solutions

One-stop solution for all our partners financial needs



Connect Micro Services

A product and customer-focused build with API connectivity making the platform scalable and bespoke for our customers



OPTO

Thematic Investing

Thematic Investing app

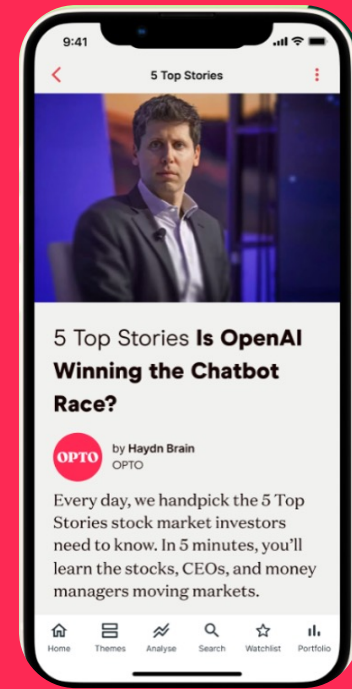
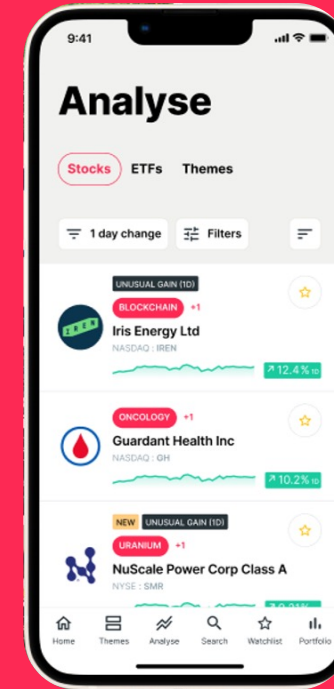
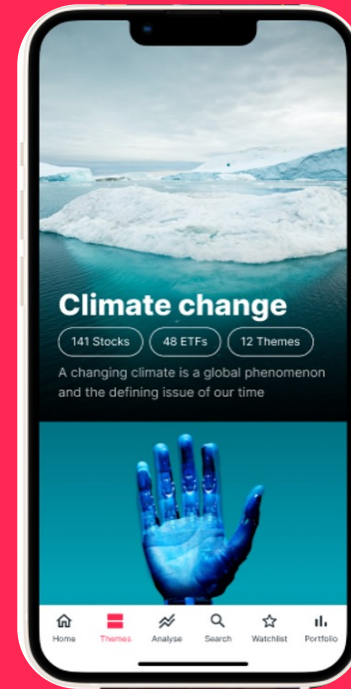
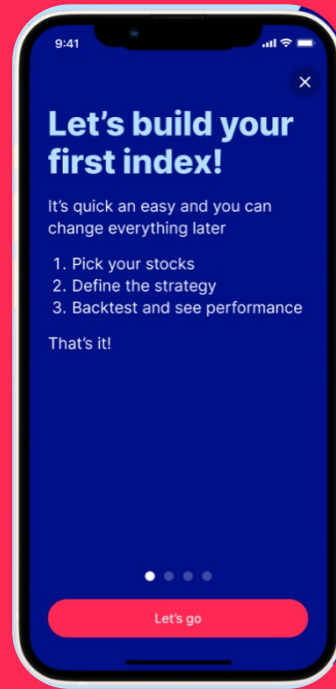
Simplifying the discovery of investment opportunities and uncovering stocks you might normally miss.

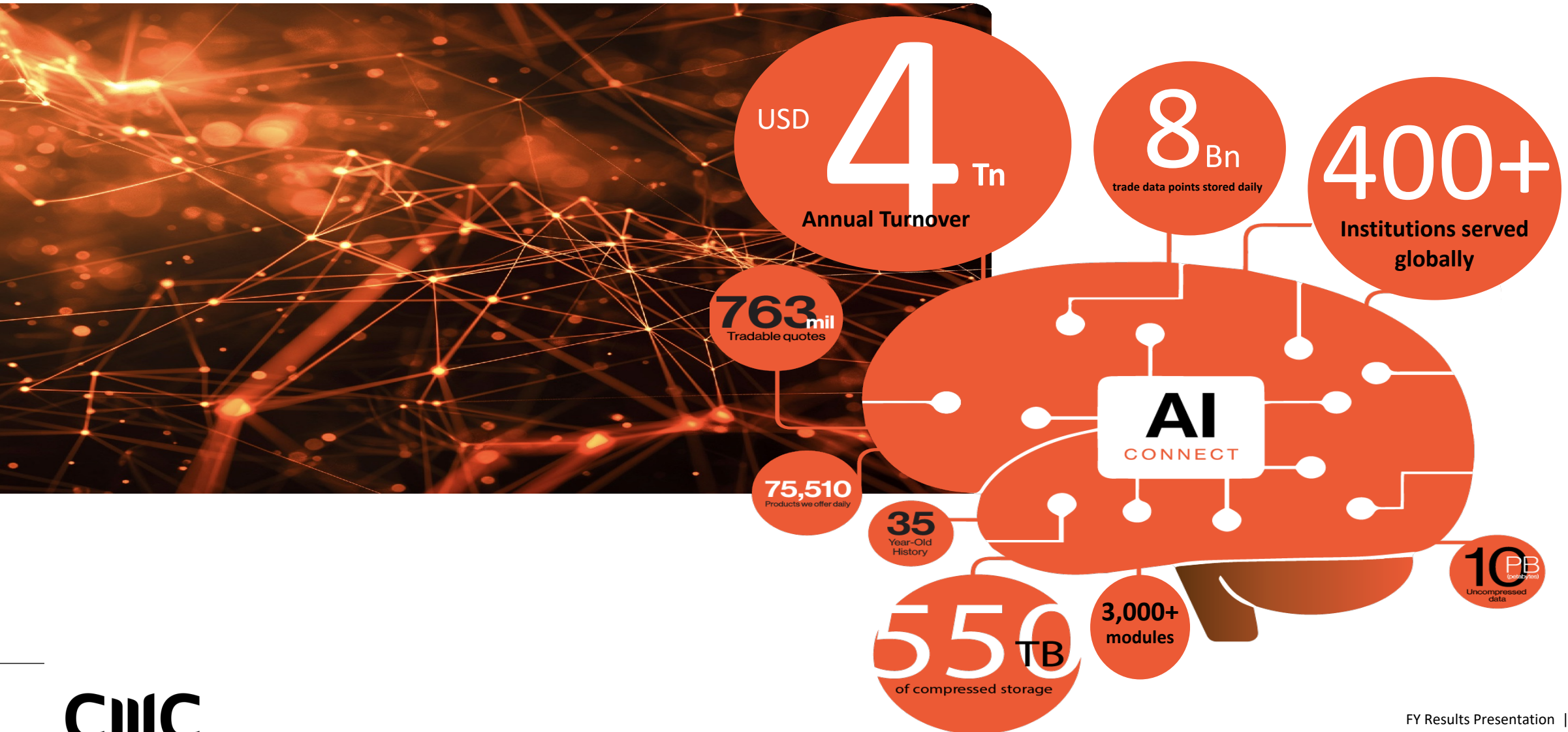
AI-Categorised Stock Universe

Proprietary technology that analyses US-listed stocks, sorting them into 50+ themes like Solar, Blockchain, and AI.

Automated portfolios

Construct portfolios with specific rebalancing methods to save time and Maintain a disciplined investment strategy.

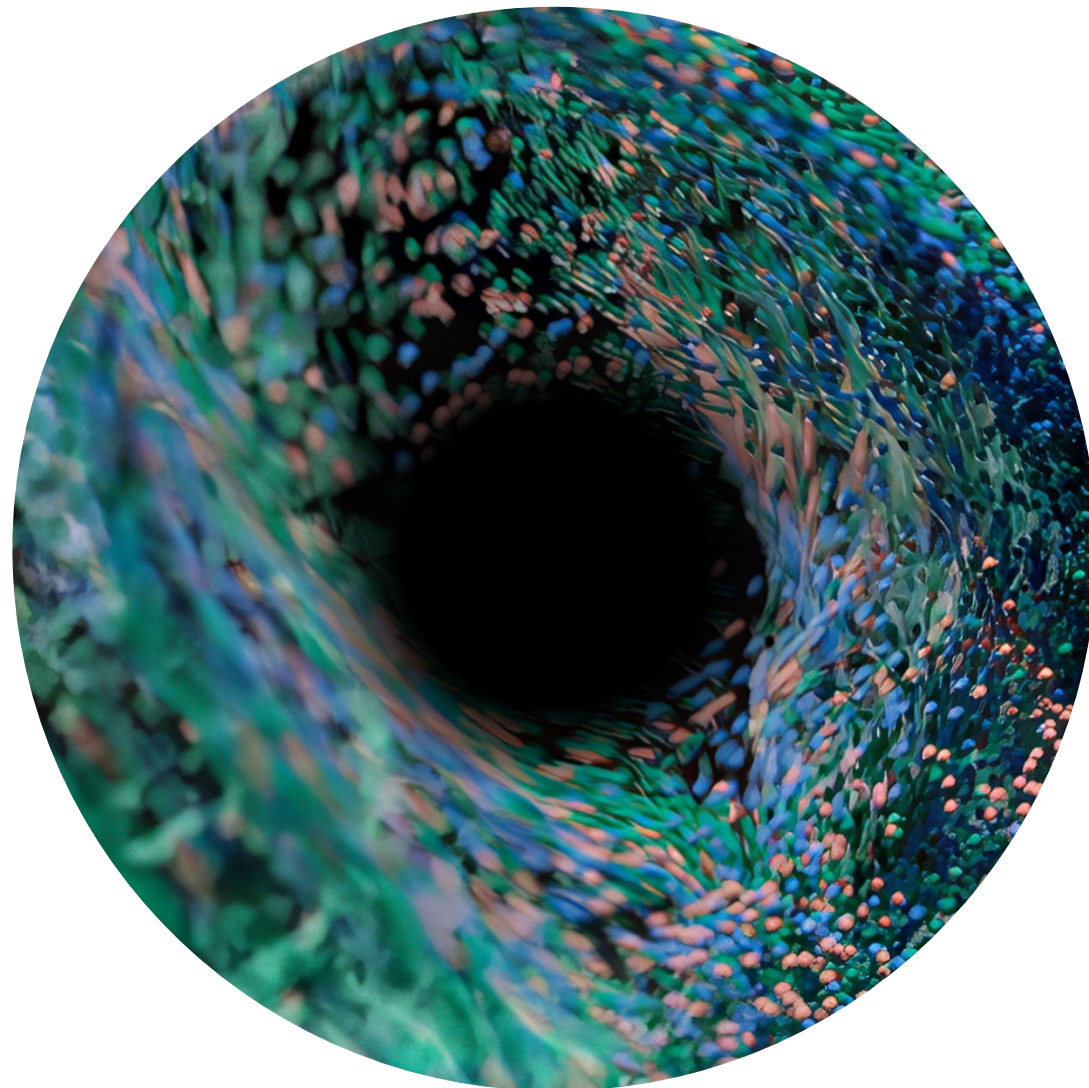




Strategic update

Lord Peter Cruddas
CEO

CIIC




Delivering growth through diversification

Diversification strategy underpinning strong financial performance and unlocking future business opportunities




Product development

- Rollout of options products on our trading platforms
- Cash equities supporting institutional offering
- Physical crypto on Invest Australia
- SIPPs and Mutual Funds launched on Invest UK



Market-leading technology

- CMC Markets Connect adding fintech dimension to business
- Power of technology key to securing big partnership wins
- Remain committed to a disciplined level of investment



New geographies & markets

- Launch of CMC Invest Singapore in September 2023
- Growing footprint in Middle East with DIFC hub
- Renewed focus on Europe as lever for growth
- Opto further supporting regional expansion

Strong financial performance underpinned by diversification across products, technology, markets & geographies

Leaner cost base and operational efficiencies supporting margin expansion

With a disciplined level of investment, we are set to deliver sustainable profit margin expansion in the years ahead



Driving operational synergies

- ✓ Merging of support functions and streamlining of reporting across business lines



Managing global headcount

- ✓ Annualised savings of £21 million to be realised in FY25, with one-off cost of circa £4.3 million in FY24



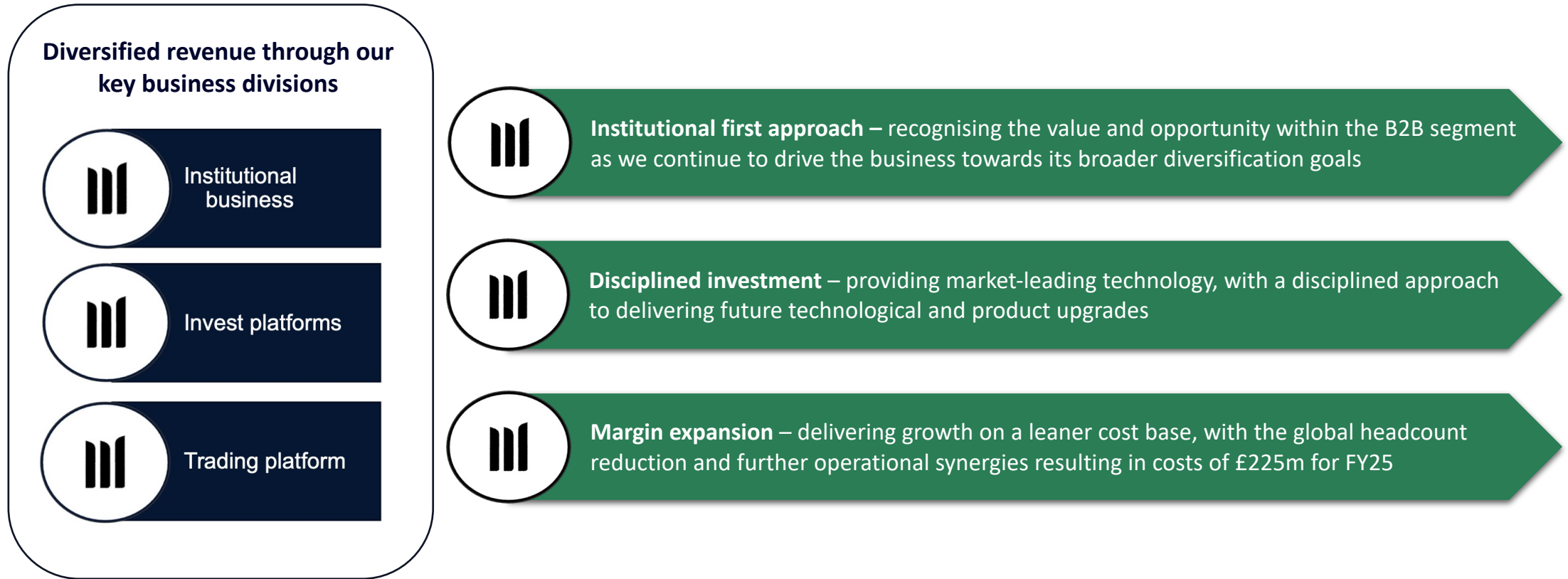
Efficient treasury management

- ✓ New centralised function focused on efficient cash management, currency and liquidity optimisation

Identifying opportunities for further cost savings and operational efficiencies across the global business to deliver a sustainable improvement to profit margins

Strategic Outlook

Continuing to deliver on our diversification strategy, with an institutional first approach



Delivering the best-in-class one stop financial trading and investment services platform of the future

Q&A

Appendices

Appendix 1: CMC Markets Connect signs major fintech partnership with Revolut

Press release from 18 June 2024

CMC Markets Plc (CMC) is pleased to announce a fintech partnership with global neobank, Revolut. The partnership will see the two companies connecting via multiple APIs, with the user interface delivered directly via the Revolut app; while trading, pricing, account systems, execution and clearing are provided by CMC.

Lord Cruddas, CEO of CMC Markets, commented:

"The partnership facilitates back-to-back trading with Revolut, along with a complete back-end integration, providing their customers with access to the CMC Markets Connect trading universe. FX, Index, Commodities, Treasuries and Equity CFDs will be offered initially, with the ability to support other asset classes in the future as the relationship develops and matures. I would like to thank the Revolut team for their trust and faith in our technology and team."

Revolut added:

"As a global neobank, we work with a wide range of fintech providers to ensure Revolut customers have access to best-in-class solutions for their investing needs. CMC's size and legacy in terms of market experience and understanding of how to integrate trading systems seamlessly with other financial institutions has shone through over the last year of negotiations. We look forward to building on this working relationship in the future."

Lord Cruddas further added:

"This important partnership reinforces CMC's position as a market leader and innovator in the B2B fintech space. It illustrates how CMC can fully support institutions looking to offer financial products with a full technology and trading infrastructure. Current expectations are that Revolut will launch to its customers imminently."

Appendix 2: Income Statement

Group (£m)	FY 2024	FY 2023	YoY %
Revenue	324.7	311.2	1%
Interest income on own funds	11.2	4.7	136%
Interest on client funds	23.8	9.2	160%
Total revenue	359.7	325.1	11%
Rebates & levies	(26.9)	(36.7)	27%
Net operating income¹	332.8	288.4	15%
Operating expenses (inc. variable remuneration)	(254.9)	(233.5)	(9%)
Impairment of intangible assets	(12.3)	(0.4)	-
Profit / (loss) on share of associates	(0.3)	-	-
Finance costs	(2.0)	(2.3)	16%
Profit before taxation	63.3	52.2	21%
Taxation	(16.4)	(10.8)	(53%)
Profit after tax	46.9	41.4	13%
Dividend per share (pence)	8.30	7.40	12%
Basic EPS (pence)	16.7	14.7	14%

Appendix 3: Operating Expenses Breakdown

Group (£m)	FY 2024	FY 2023	YoY %
Net staff costs (excl. variable remuneration)	100.8	84.9	(19%)
IT costs	39.7	33.7	(18%)
Sales and marketing	35.6	38.3	7%
Premises	6.7	5.7	(17%)
Legal and professional fees	13.9	8.6	(62%)
Regulatory fees	4.3	9.4	54%
Depreciation, amortisation and impairment	27.4	15.6	(75%)
Other	21.1	21.0	(1%)
Operating expenses (excl. variable remuneration)	249.5	217.2	(15%)
Variable remuneration ²	17.7	16.7	(6%)
Share of results of associates and joint ventures	0.3	-	-
Finance costs	2.0	2.3	16%
Total costs	269.5	236.2	(14%)
Average headcount	1,181	1,087	9%

Operating expenses¹ increase of £32.3m (15%) driven by increase in net staff costs and one-off costs incurred

- **Net staff costs** increased by £15.9m (19%) due to:
 - Increase in salaries, driven by higher average headcount compared to the prior period
 - Higher staff termination benefits, with action taken during FY24 to reduce global headcount
- Increase in **IT costs** driven by higher software maintenance and market data costs, due to expanded product offering and inflationary pressures
- Higher **legal and professional fees** were driven by an increase in project related consultancy costs, along with a smaller increase in legal and audit fees
- The decrease in **regulatory fees** driven by a lower FSCS levy

Appendix 4: Balance Sheet

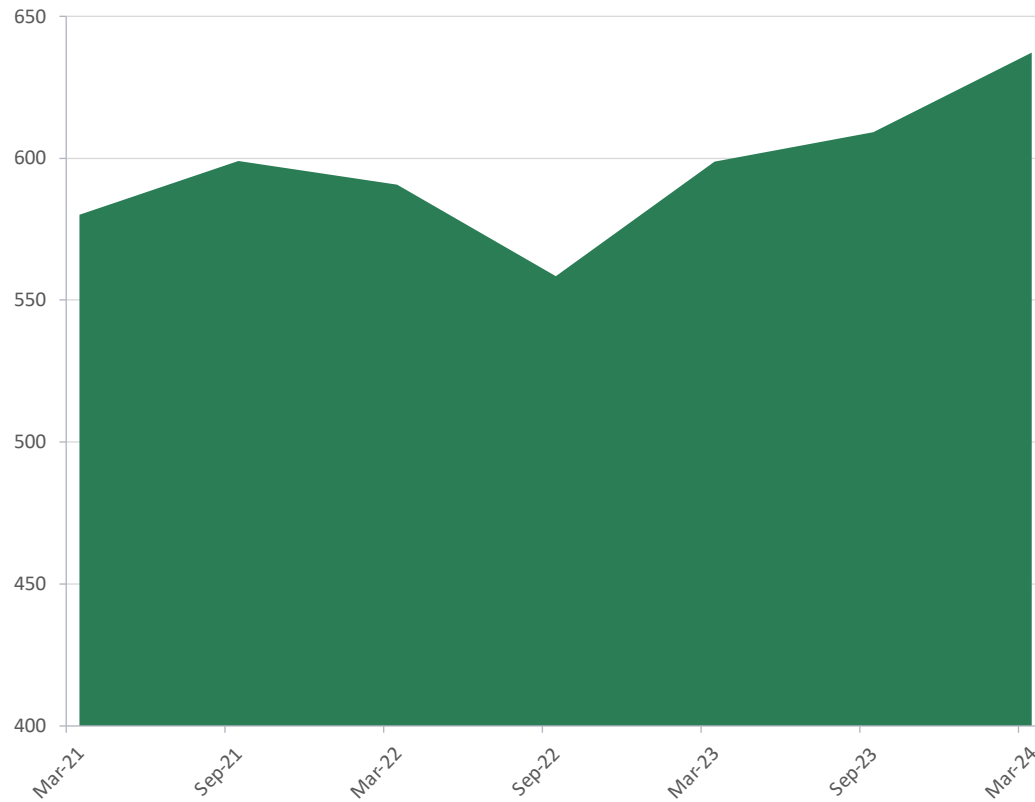
Group (£m)		31 March 2024	31 March 2023
Non-current assets	Intangible assets	28.9	35.3
	Property, plant and equipment	28.5	22.8
	Deferred tax assets	6.2	4.8
	Financial investments	0.0	0.0
	Trade and other receivables	2.8	2.7
	Investment in associates and joint ventures	2.5	-
	Total non-current assets	68.9	65.6
Current assets	Trade and other receivables	162.1	130.6
	Derivative financial instruments	31.6	14.2
	Financial investments	50.9	30.6
	Amounts due from brokers	228.8	188.2
	Cash and cash equivalents	160.3	146.2
	Other assets	12.3	2.0
	Current tax recoverable	1.9	9.0
	Total current assets	647.9	520.8
Current liabilities	Trade and other payables	272.8	182.3
	Derivative financial instruments	7.1	2.1
	Amounts due to brokers	7.0	8.9
	Lease liabilities	4.9	5.6
	Current tax payable	2.1	0.4
	Short term provisions	3.9	0.8
	Total current liabilities	297.8	200.1
Non-current liabilities	Deferred tax liabilities	3.2	4.0
	Lease liabilities	12.0	6.2
	Long term provisions	0.3	2.1
	Total non-current liabilities	15.5	12.3
	Total equity	403.5	374.0

Appendix 5: Own Funds Flow Statement

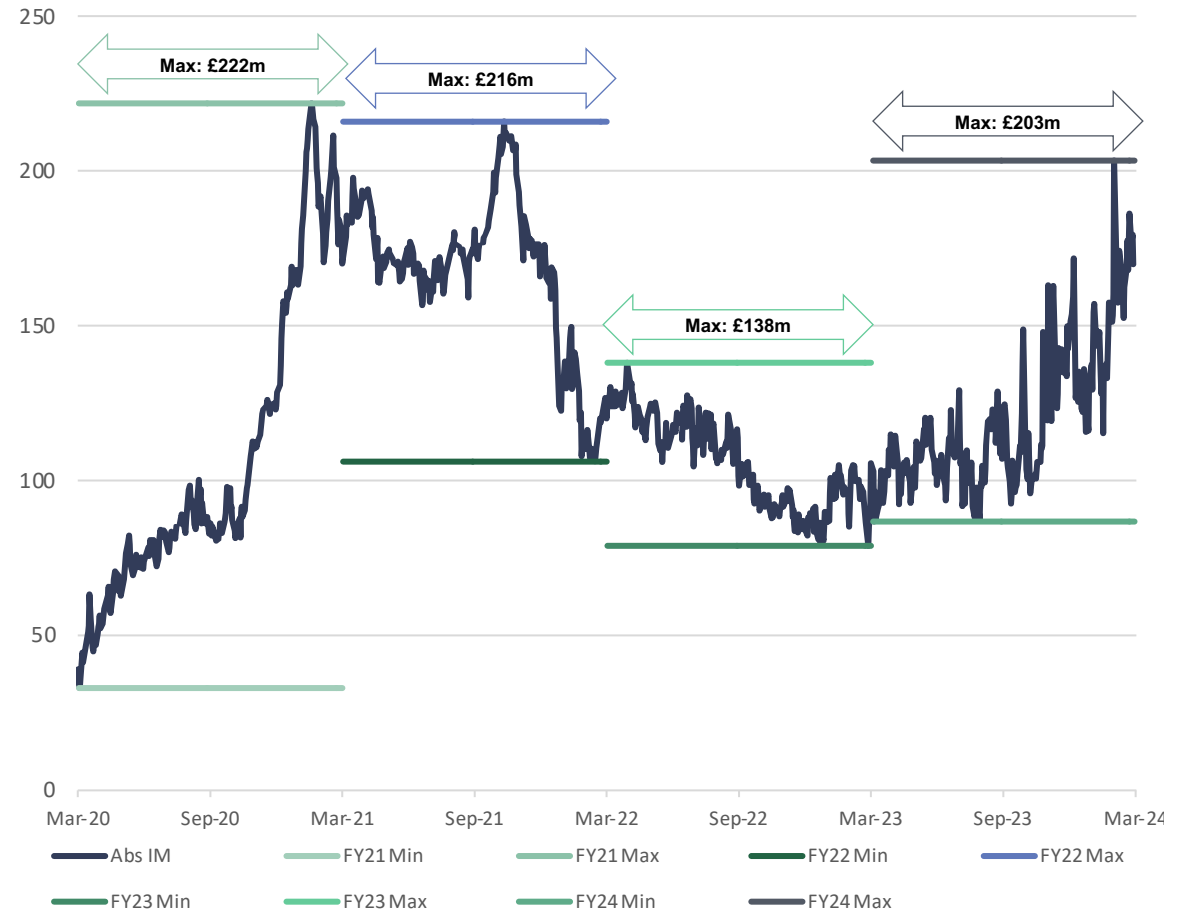
Group (£m)	FY 2024	FY 2023
Operating activities		
Profit / (loss) before tax	63.3	52.2
Depreciation and amortisation	27.4	15.6
Other non-cash adjustments	2.1	1.7
Tax paid	(8.6)	(17.1)
Own funds generated from operating activities	84.2	52.4
Movement in working capital	(21.0)	(14.0)
Outflow from investing activities		
Net Purchase of property, plant and equipment and intangible assets	(19.9)	(28.2)
Other outflow from investing activities	(2.8)	-
Outflow from financing activities		
Share buyback	-	(27.3)
Dividends paid	(13.7)	(35.0)
Other outflow from financing activities	(7.3)	(6.8)
Total outflow from investing and financing activities	(43.7)	(97.3)
Increase /(Decrease) in own funds	19.5	(58.9)
Own funds at the beginning of the year	309.7	369.9
Effect of foreign exchange rate changes	(3.4)	(1.3)
Own funds at the end of the year	325.8	309.7

Appendix 6: Client money and broker margin requirements

Client money¹ ("AUM" - £m)



Broker margin requirements (£m)



1. Client money including both segregated and non-segregated funds

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