

20 March 2020

## CMC Markets Plc

### COVID-19 and Trading Update

#### **Strong trading activity and technology enabled operational resilience**

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 first 13 trading days of March from 1 March 2020 to 19 March 2020 (the "Period").

#### **Peter Cruddas, Chief Executive Officer, commented:**

"During these worrying times we are supporting our staff to stay safe by working from home. Due to our long-term investment in technology, we can effectively run this business from home and from our disaster recovery sites in Hertfordshire and Sydney, and that is what we have been doing this week. Ninety-nine per cent of our London office are working from home or from our disaster recovery site in Hertfordshire. We are operating split shift systems in Sydney across our main office and our Chatswood disaster recovery site. As a result of this, there is effectively no limit to the amount of time we can operate this way.

"I am proud of my team and their commitment to the business during these difficult times. They understand that we have to support the business and our clients during these turbulent times. We are also listening to advice from the Government and support the Government's plans as much as possible. I am pleased to say that our technology infrastructure has held up well, including our B2B and stockbroking platforms, despite record trades in the underlying markets and exchanges. At times like these it is not just about our financial performance, which is clearly very good, but it is about protecting the business, our clients and our staff and that is my major concern now. However, I can confirm that we are operating very well and there are no major commercial or technology issues that concern me at this time. Hopefully we can all get back to normal soon."

#### **Trading update**

The heightened trading activity experienced at the end of February and highlighted in the 3 March trading update has continued into March. The Group has experienced continued high levels of client trading activity over the Period which has been in excess of double that seen in more normalised market conditions in both our CFD and stockbroking businesses. During the Period the retention of client income has remained strong.

This leads the Board to expect to deliver net operating income ahead of current market consensus<sup>1</sup> for the year ended 31 March 2020 with nine trading days remaining in the financial year.

#### **Business continuity**

Particularly during periods of heightened volatility, our clients rely on our ability to support their trading activity on a real time basis. Building on our continuing investment in scalable, modular technology, the Group confirms that internal systems, external interfaces and the trading platform have remained robust during the heightened levels of trading activity, client support needs and new client applications. We are confident our technology will continue to serve our clients during these times.

The Group has been implementing changes in working practices in response to the COVID-19 virus to protect our employees and their families as well as slowing the spread in the wider community. All employees have the ability to work from home in order to support our business and our clients during these challenging times.

#### **Pre-close trading update**

CMC expects to announce its pre-close trading update for the year ended 31 March 2020 on 3 April 2020.

## 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.

<sup>1</sup> As at 19 March 2020, the Group compiled full year 2020 consensus is as follows:

- Net operating income of £219.0m, ranging from £217.9m to £220.1m
- Profit Before Tax of £72.9m, ranging from £71.0m to £74.4m

## 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/>