

Welcome to NZX's Annual Meeting

5 APRIL 2019



NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA



Address from Chair James Miller



Agenda

- Chair address
- CEO address
- Resolutions
- Other business
- Refreshments with NZX team

NZX

NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

>> CELEBRATING 150 YEARS OF

NZ'S EXCHANGE >>

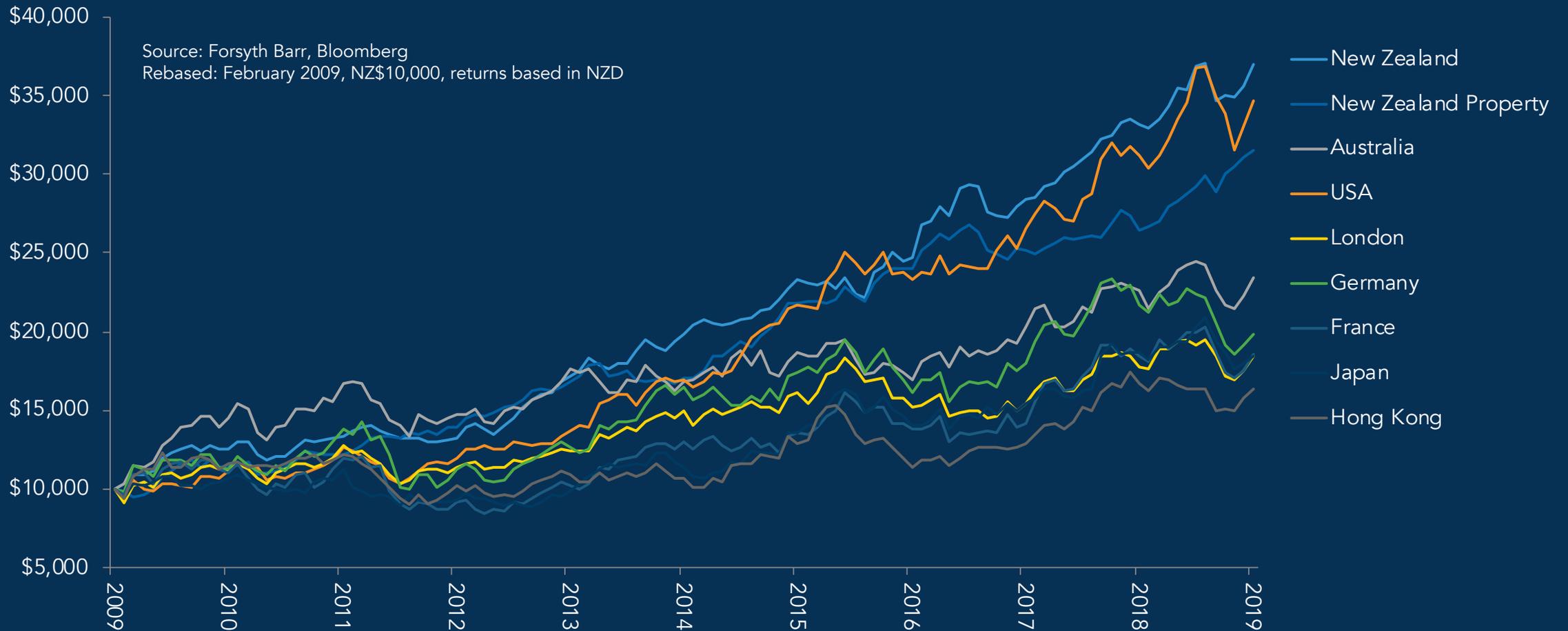
Celebrating 150 years of New Zealand's exchange



CELEBRATINGOUREXCHANGE.CO.NZ

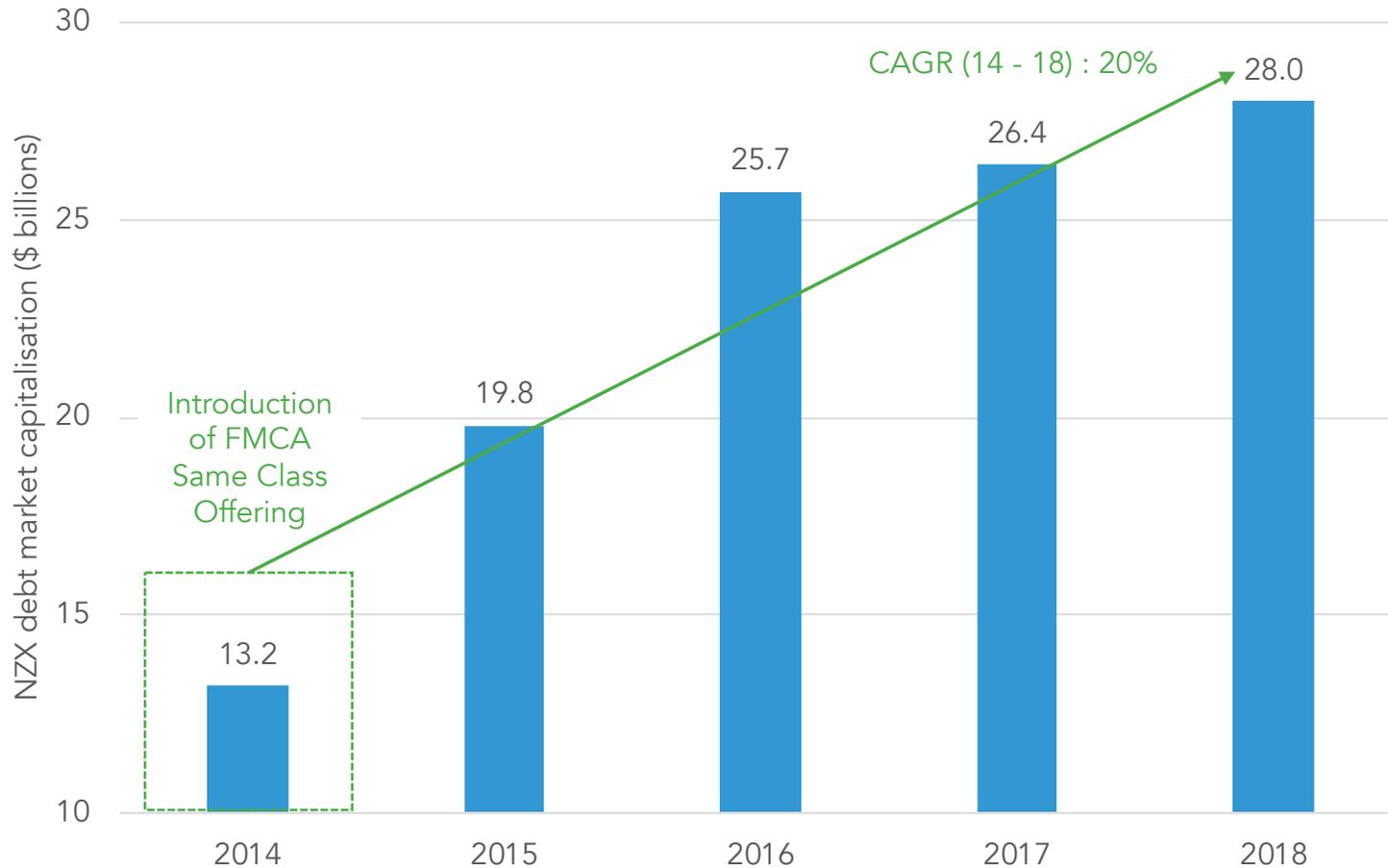
Capital Markets 2029 will build on strong growth of New Zealand market to date

10 YEAR RETURN OF NZ\$10,000 (DIVIDENDS REINVESTED)



Recommendations help spur growth

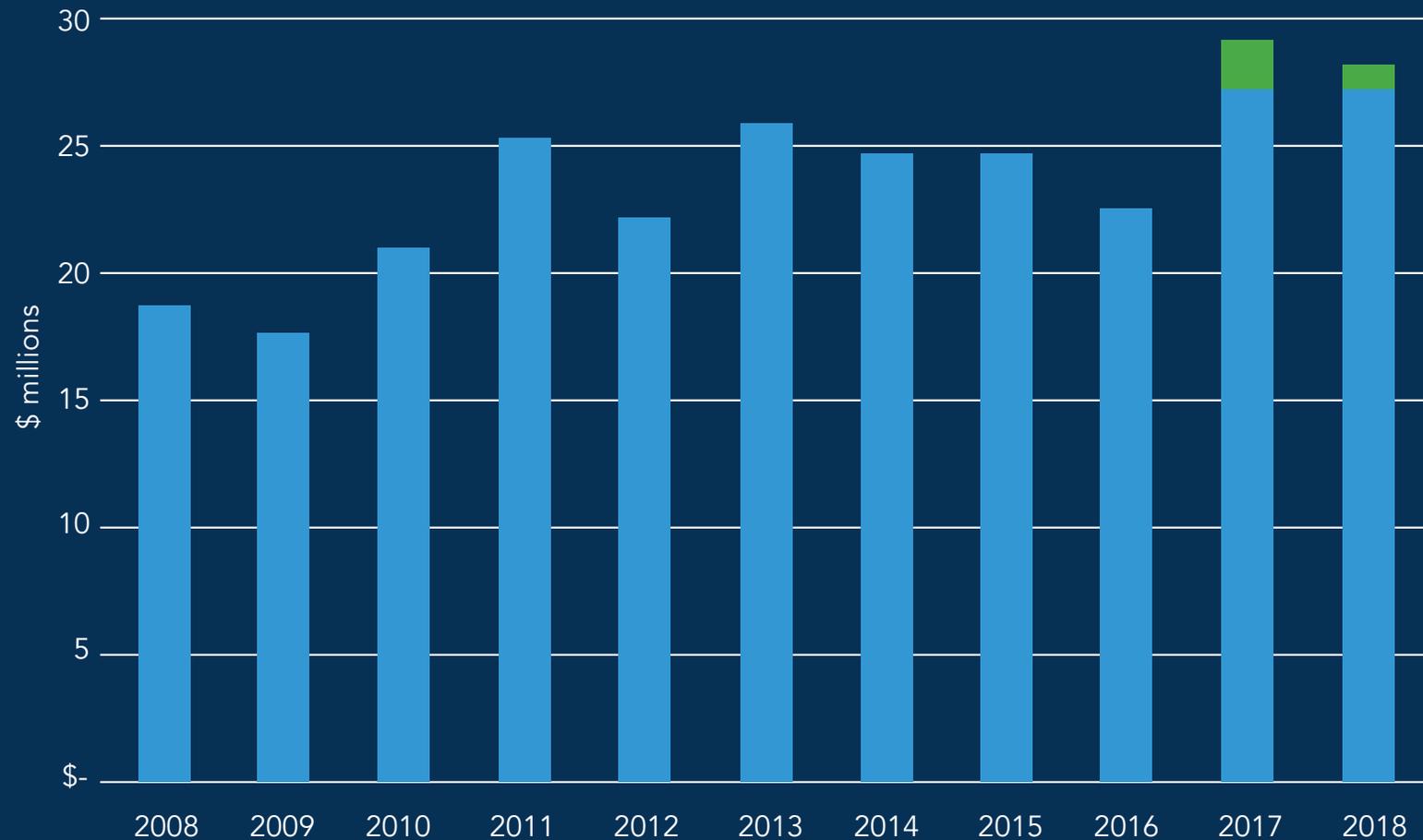
NEW ZEALAND DEBT MARKET CAPITALISATION



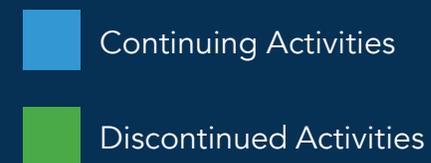
- Provisions in the Financial Markets Conduct Act 2013 helped remove blockages for debt listings
- This underpins our confidence that Capital Markets 2029 will deliver meaningful industry change

Progress to date: transition and hard work

SIGNIFICANT AMOUNT OF ENERGY SPENT IMPLEMENTING THE INITIAL STAGES OF OUR FIVE-YEAR STRATEGY

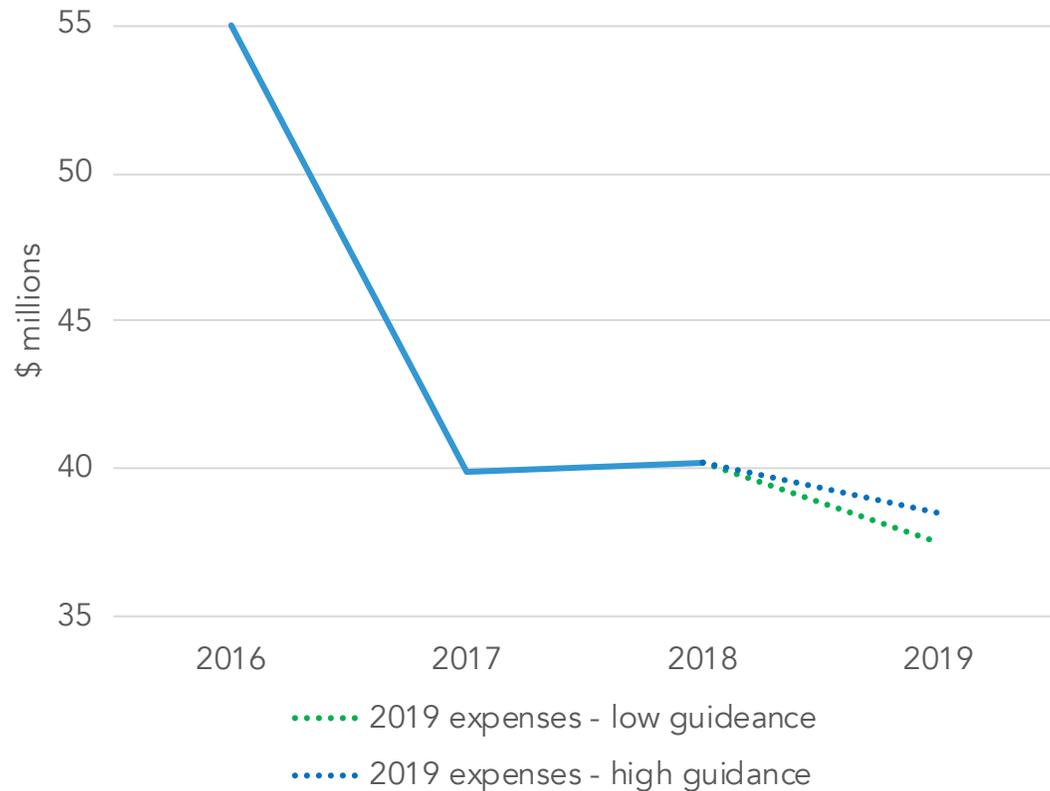


- Total operating earnings of \$28.1 million (2017: \$29.0 million)

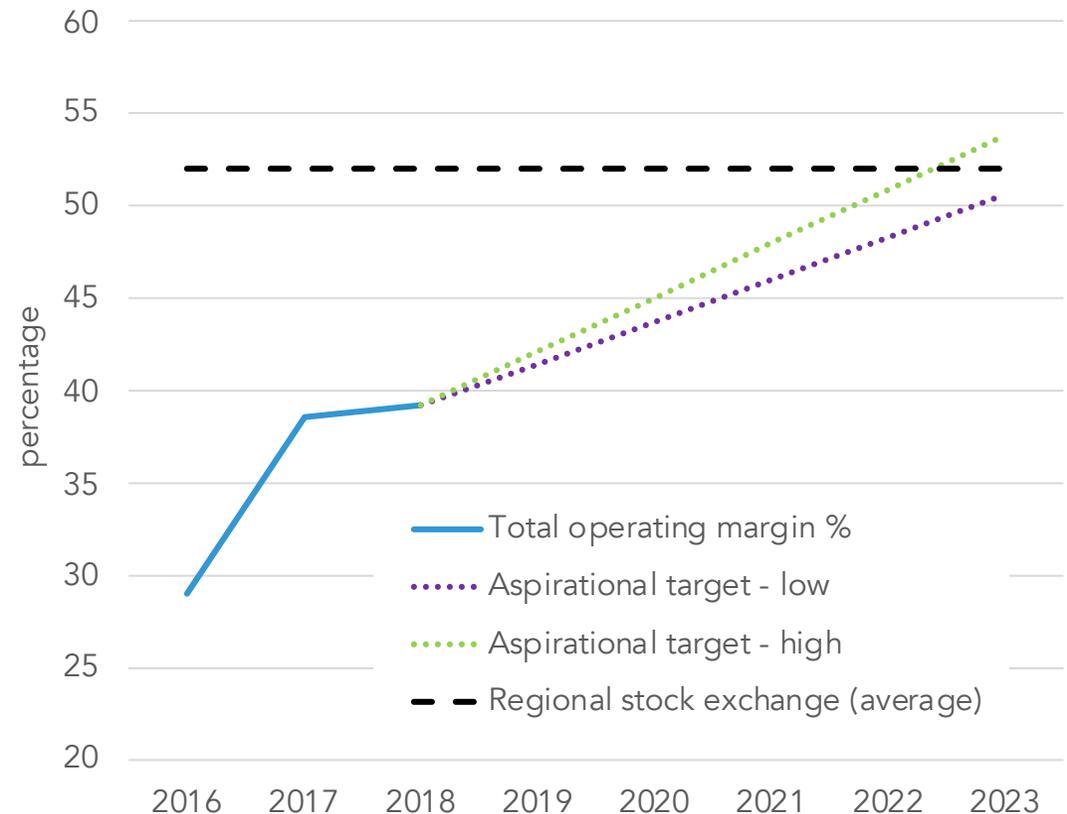


We are making progress: expenses and operating margin explained

EXPENSES



OPERATING MARGIN



We are committed to increased transparency

		External dependencies	2019 deliverables	Five-year aspirational target ranges (2023)**	
				Low	High
NZX Group	Total shareholder return (percentage)*	<ul style="list-style-type: none"> Dependant on external factors outlined below 		TSR average of 9.29% p.a. to 11.29% p.a. by December 2022	
	Earnings per share*	<ul style="list-style-type: none"> Dependant on external factors outlined below 		EPS average of 8% p.a. to 16% p.a. by December 2022	
	Operating earnings	<ul style="list-style-type: none"> See earnings guidance 	\$28 - \$31 million	\$42 million	\$54 million
Core Markets					
Issuer Relationships	Capital raised (total primary and secondary capital issued or raised for equity, funds and debt)	<ul style="list-style-type: none"> Listing ecosystem dependent on others No major market correction 	\$9.1 billion (average of two prior years)	Three year rolling average:	Three year rolling average:
				\$11 billion	\$12 billion
Secondary Markets	Total value traded	<ul style="list-style-type: none"> Participant activity levels drive value traded No major market correction 	\$41.0 billion	\$42.5 billion	\$45.0 billion
				Dairy derivatives lots traded	<ul style="list-style-type: none"> Participant activity levels drive lots traded
Data & Insights	Revenue growth (in subscriptions, licenses and dairy subscriptions changing revenue mix)	<ul style="list-style-type: none"> Dependent on core markets growth 	<ul style="list-style-type: none"> License growth: 10% Dairy subscription product growth: 24% 	Three year rolling average revenue growth: 2.0% p.a.	Three year rolling average revenue growth: 4.2% p.a.
Funds Management	Total Funds under management	<ul style="list-style-type: none"> Investment market returns impacts FUM (all asset classes) No major market correction 	Continue three year rolling average growth: 14%	2023 average FUM: \$5.0 billion	2023 average FUM: \$5.75 billion
Wealth Technologies	Total Funds under administration	<ul style="list-style-type: none"> Investment market returns impacts FUA (all asset classes) No major market correction 	Prepare for new client phase two migration and transition of current clients	2023 average FUA: \$35 billion	2023 average FUA: \$50 billion

The impact from Capital Markets 2029 has not yet been factored into our core markets aspirational targets

* Consistent with CEO long term incentive programme, see share based payments note in the financial statements for more information.

** These are not financial forecasts

Your board



Frank Aldridge



Nigel Babbage



Richard Bodman



Elaine Campbell



Jon Macdonald



James Miller



Anna Scott
(future director)



Lindsay Wright



We have a range of governance skills, reflecting our diverse customer base

NZX BOARD SKILLS EXPERIENCE MATRIX – 2018/2019

	NZX Limited Board – tenure	Stock exchange sector expertise	International stakeholder engagement strategy / sector trends	Data / information	Technology and business operations	Environmental and energy sector	Funds management ETFs	Debt capital markets	Entrepreneurial (equity capital markets focus)	Strategic / commercial capability	Dairy derivatives	Legal expert, conflicts, FMCA and listing rules	Clearing House	Regulatory governance
Frank Aldridge	1	●	●	●	●	●	●	●	●	●	●	●	●	●
Nigel Babbage	1	●	●	●	●	●	●	●	●	●	●	●	●	●
Richard Bodman	1	●	●	●	●	●	●	●	●	●	●	●	●	●
Jon Macdonald	5	●	●	●	●	●	●	●	●	●	●	●	●	●
James Miller	8	●	●	●	●	●	●	●	●	●	●	●	●	●
Lindsay Wright	1	●	●	●	●	●	●	●	●	●	●	●	●	●
Elaine Campbell		●	●	●	●	●	●	●	●	●	●	●	●	●

● Strong experience
 ● Solid experience
 ● Minimal to some experience

Areas of focus for the board in 2019

ENTERING
AN EXCITING
CHAPTER
FOR NZX

WE HAVE THE
RIGHT PLATFORM
IN PLACE – WE ARE
HEADING IN THE
RIGHT DIRECTION

THIS YEAR WE ARE
COMMITTED TO
GENERATING
GROWTH FROM
2018 CHANGES: A
DOLLAR SAVED, IS
A DOLLAR MADE

Address from CEO Mark Peterson



Today you'll hear about ...

1. Our strategic delivery efforts in 2018 and why they were important
2. Progress over the first quarter of 2019
3. The culture change we have seen internally, and our shift to create a stronger sales and growth focused NZX
4. What you can expect from us looking forward

Our strategic delivery efforts in 2018 and why they were important

- Sharpened strategic focus
- Removed barriers to growth
- Created efficiency and improved team's accuracy, timeliness and reputation
- Improved balance sheet resilience



Progress in the first quarter of 2019

- Sharesies and Tiger Financial announced intentions to become cash market trading and clearing participants
- Napier Port announced intention to complete partial listing
- Single largest non-Government bond issued
- Five wholesale bonds listed
- Record breaking month for the derivatives market
- Smartshares cracked \$3.3 billion funds under management
- Wealth Technologies chasing strong customer pipeline

Our culture has changed

- Clear focus on strategic delivery and customer relationships. Turning to sales and pipeline conversation in 2019
- Skill sets and organisational structure reviewed to match strategic intent
- Delivered 70 projects in 2018 – a 90% increase on 2017
- Staff engagement levels never higher, attrition levels never lower



Looking forward, what you can expect from us

- 2018 was about getting our house in order
- 2019 is about delivering on the pipeline of opportunities we have created
- Active leadership role in the market: Capital Markets 2029 and responding to the Tax Working Group Report
- Everything done with an intention to lift returns for shareholders and promote a strong capital market for New Zealand

Resolutions

Ordinary Resolution 1

That the board be authorised to determine the auditor's fees and expenses for the 2019 financial year

Ordinary Resolution 2



To elect Elaine Campbell as a
director of NZX

Ordinary Resolution 3



To re-elect James Miller
as a director of NZX

Resolution 4: special resolution

That NZX amend its existing Constitution, in the manner marked up in the Constitution as presented to shareholders at the annual meeting and initialled by a director of the Company for the purposes of identification.

Other business

150

>> CELEBRATING 150 YEARS OF NZ'S EXCHANGE >>

Thank you

Please join our team for refreshments

Celebrating 150 years of NZ's Exchange