



2018 was a strong year for fee and commission income, which increased by 11.5%. Fee and commission growth accelerated year-on-year and outpaced the rolling four-year CAGR. The fastest-growing business segments were Equities (+20.0%), Derivatives (+15.3%) and the Money Market (13.1%). Fees and commissions accounted for 59.3% of operating income in 2018.

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Financial results review

In 2018, the Exchange reported record fee and commission income. Fees and commissions accounted for 59% of total operating income, the highest share ever in the Exchange's history as a public company. Net interest and other finance income¹ slightly decreased on the back of lower realized gains/losses from investment portfolio revaluation. As a result, MOEX's operating income rose 3.5% YoY.

The Exchange maintained its focus on cost control. Operating expenses (net of other operating expenses) increased 7.6% YoY, primarily on the back of rising amortization and depreciation expenses. In early 2018, the company revised amortization schedules and reduced useful lives of certain intangible assets. As a result, the amortization expense for the year increased. Excluding this impact, operating expenses added just 5.1% YoY.

Changes in the cost² and revenue structure led to a further reduction in the cost-to-income ratio, underscoring that greater operating efficiency was the key driver of higher fee income, not that fee growth outstripped cost growth.

EBITDA grew by 2.6% YoY. The EBITDA margin remained strong at 72.1%. Net profit declined 2.6% YoY.

Financial highlights, RUB mln

	2014	2015	2016	2017	2018	Change 2018/2017
Operating expenses	30,394.0	45,990.0	43,567.2	38,538.9	39,901.4	3.5%
Fee and commission income	15,586.0	17,784.0	19,797.6	21,207.6	23,647.1	11.5%
Net interest and other finance income	14,279.4	28,084.9	23,695.0	17,285.3	16,061.0	-7.1%
Other operating income	528.7	121.1	74.6	46.0	193.3	320.2%
Operating Expenses (excl. other operating expenses)	-10,373.3	-11,271.9	-12,259.4	-13,431.8	-14,453.7	7.6%
Operating Profit (before other operating expenses)	20,020.8	34,718.1	31,307.8	25,107.1	25,447.7	1.4%
EBITDA (before other operating expenses)	21,616.1	36,519.0	33,602.1	28,059.6	28,787.2	2.6%
<i>EBITDA margin, %</i>	<i>71.1</i>	<i>79.4</i>	<i>77.1</i>	<i>72.8</i>	72.1	<i>-0.7 p.p.</i>
Other operating expenses	-	-	-	-	-1,075.2	-
Net Profit	15,993.2	27,852.1	25,182.6	20,255.2	19,720.3	-2.6%
Basic earnings per share, RUB	7.21	12.51	11.22	9.02	8.76	-2.8%

1. Calculated as the sum of interest and other finance income, gains/losses on FVTOCI, gains/losses on AFS and foreign exchange gains less losses less interest expense.

2. Operating expenses (net of other operating expenses) excluding amortization and depreciation expenses.