

Solid financial results poise JSE for future growth

The Johannesburg Stock Exchange (JSE) has posted a net profit after tax of R749m.



Source: GIBS Business School. Leila Fourie, the chief executive officer of the Johannesburg Stock Exchange.

The 4% year-on-year (YoY) increase was announced in the release of its annual financial results for the year ended 31 December 2022.

Headline earnings per share also increased by 4% to 917.7 cents (2021: 878.9 cents) per share, and earnings before interest, tax and depreciation increased by 1% to R1.07bn (2021: R1.06bn).

“The JSE’s solid performance reflects the quality of our earnings and the resilience of our operating platforms within a challenging trading environment.

“I am pleased to report year-on-year growth of 4% in headline earnings per share, and a strong return on equity 18%, well within our long-term target range,” says Leila Fourie, JSE group chief executive officer.

The bourse recorded revenue growth across its business segments with a growing contribution from non-trading revenue in line with its diversification strategy.

Operating revenue growth

Operating revenue grew 5% to R2.7bn, with an 11% increase in revenue from information services (IS) and a 21% increase in revenue from JSE investor services (JIS). This performance is underpinned by robust operational processes and 99.9% uptime across our markets.

“Our strategy to diversify revenue continues to gain traction with non-trading revenue up 13% year-on-year from R590m to R668m in 2022 - to account for 25% of total operating revenue,” continued Fourie.

Rising interest rates and growth in margin deposits supported higher net finance income which increased 40% to R203m as compared to R146m in 2021.



“Our core business model, underpinned by quality earnings and strong cash generation, continues to provide a solid foundation for growth. At the same time, we saw our new business lines contribute positively to the group’s financial results.

“Our business model continues to evolve to meet the changing needs of market participants and our growth areas, information services, JIS and JPP, continue to deliver operationally and strategically,” said Fourie.

Cash-generation growth

The business remains highly cash generative, reporting R978m (2021: R917m) in cash from operations, ending the year on a cash balance of R2.2bn (2021: R2.4bn). The Board was able to declare an ordinary dividend of 7 cents per share, an increase of 2% YoY, resulting in a distribution to shareholders of R668m.

The JSE made significant leaps towards its long-term strategic goals in 2022. It made significant progress in cloud-based data initiatives and delivered JSE private placements, a fintech-powered private markets platform.

The JSE also launched Trade Explorer, a digital analytics platform for equity market brokers, which is a global first for a stock exchange.

Recent updates to the JSE’s listings requirements continue to ensure an effective and appropriate balance of regulation.

In 2023, the bourse will focus on investing in the core business to sustain operations and advance its growth strategy for information services. It will continue to accelerate growth in new business lines and effectively manage its cost base with discipline, Fourie said.

The comprehensive report of JSE’s summarised consolidated annual financial results for 2022 is available [here](#)