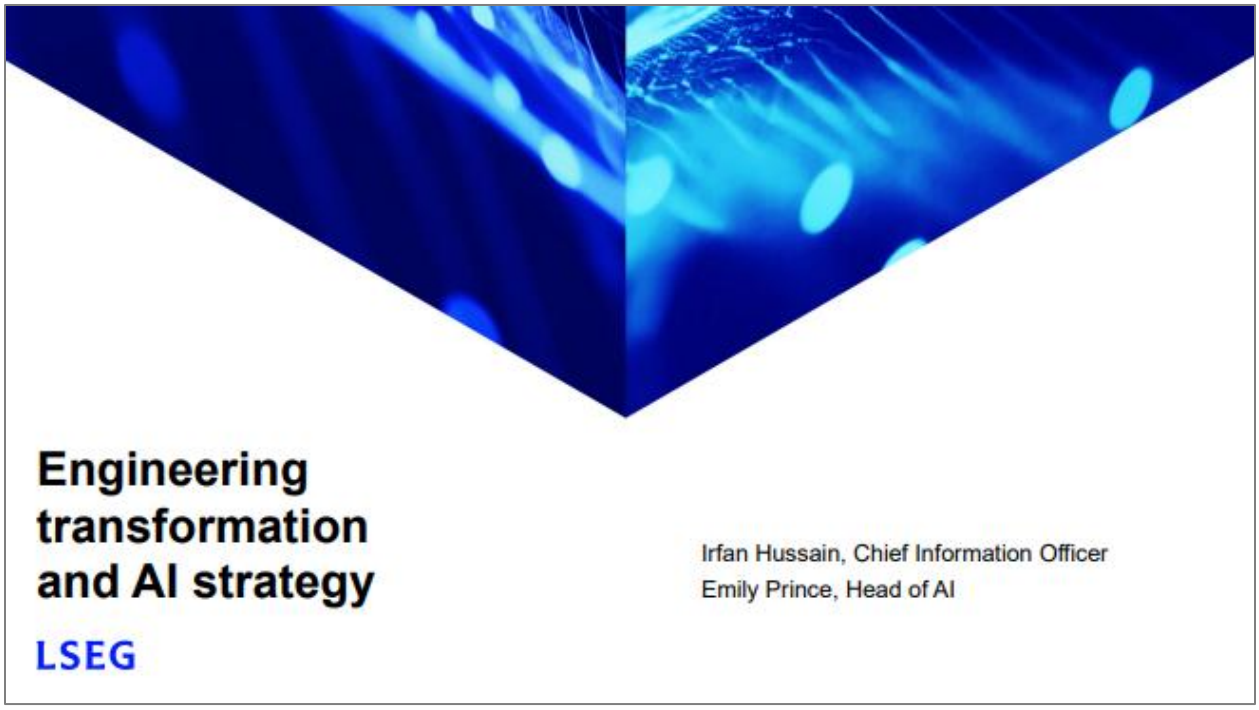
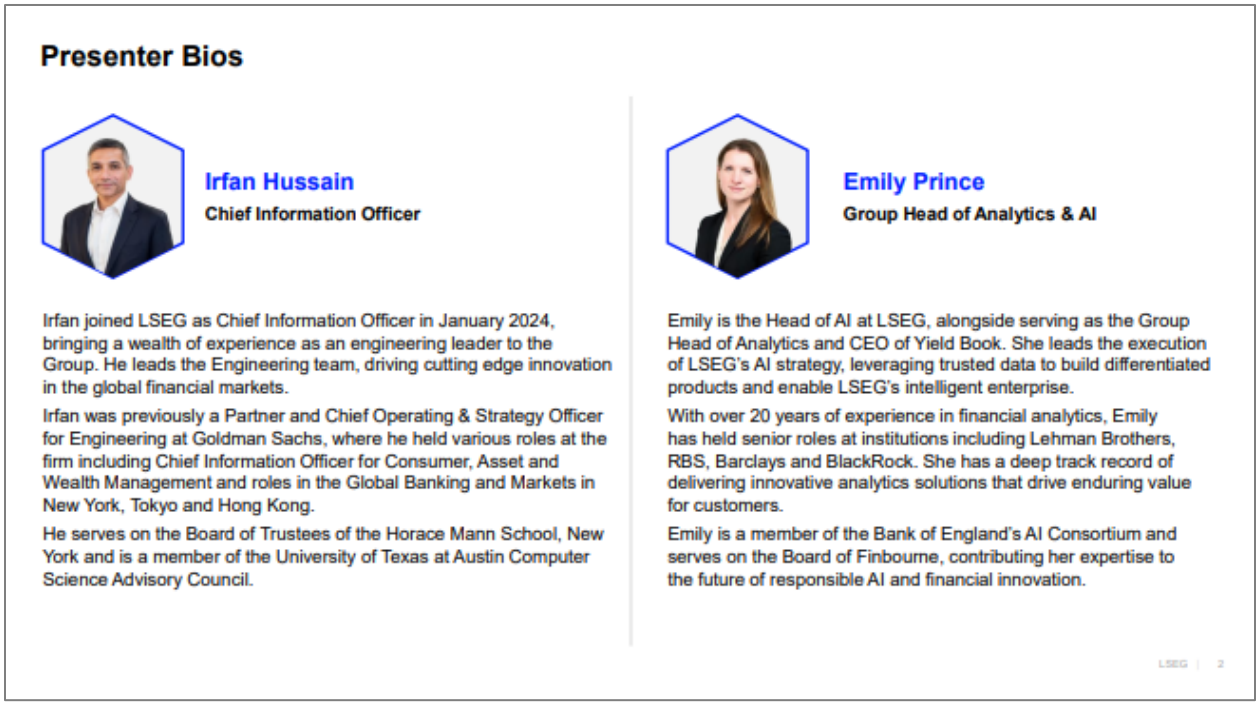


LSEG Innovation Forum

10 November 2025

Engineering Transformation and AI Strategy

Transcript



Irfan Hussain

Thanks David. Hello everyone.

Emily and I will start with brief introductions and then we'll talk about Engineering Transformation at LSEG, and our AI Strategy.

I joined LSEG as CIO in January last year. Prior to that I was at Goldman Sachs for 28 years where I worked in most of their businesses starting from FICC to equities to asset management to wealth management to consumer, so from working on exotic derivatives, realtime trading, big data analytics, multi asset portfolio construction and 24/7 credit card transactions, I had the opportunity to learn and lead various engineering domains across finance

Emily Prince

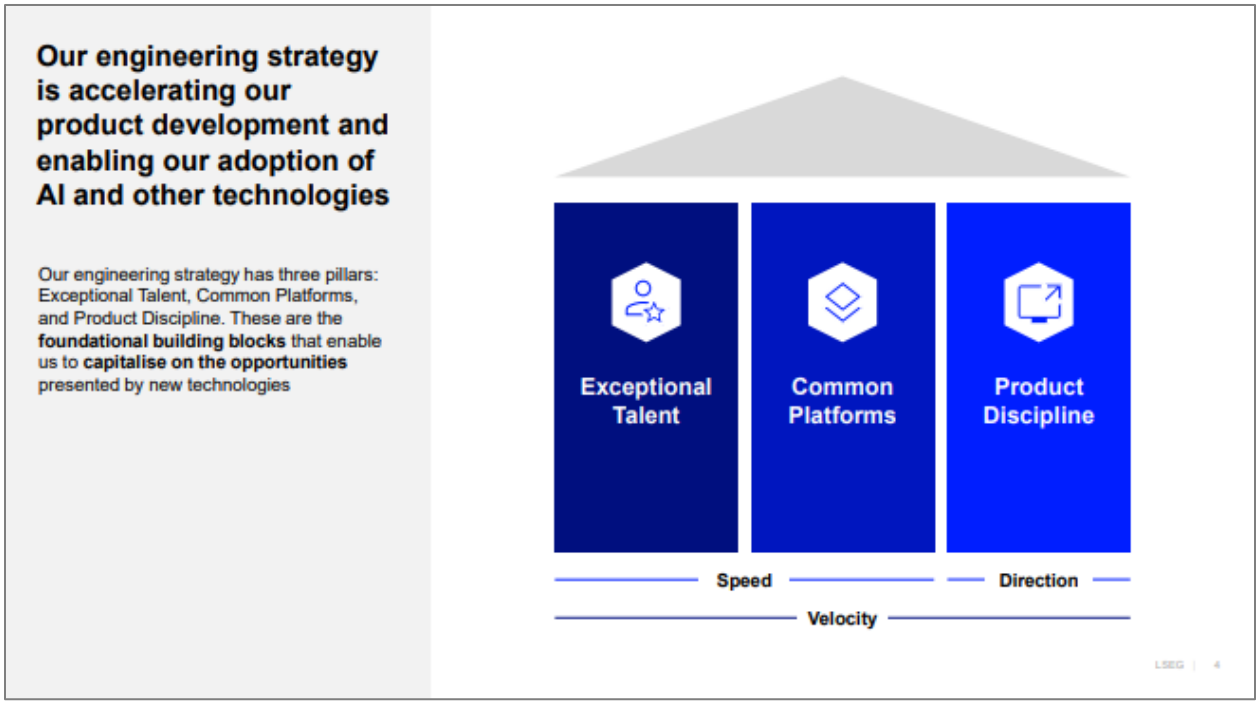
And I am Emily Prince, Head of AI at LSEG. I have been at LSEG for 9 years, working as the Head of Analytics. I joined LSEG from BlackRock, and prior to that spent 9 years in various quantitative analytical roles including structuring, portfolio modelling and research across Barclays, Lehman Brothers, UniCredit and RBS. I'm also a member of the Bank of England's AI Consortium.

Irfan Hussain

I will first walk you through our Engineering Strategy and how it's helping us transform the way we build products, then Emily and I will cover AI.

We took a first principles approach to our engineering strategy, focusing on identifying the foundational problems we need to solve in order to accelerate product development and manage our costs and risks better.

We asked ourselves -What are the key ingredients to building a world class product company which allow us to continuously capitalize on latest advancements in technology? How do we build a durable and efficient factory to create new products faster, cheaper and with appropriate controls?



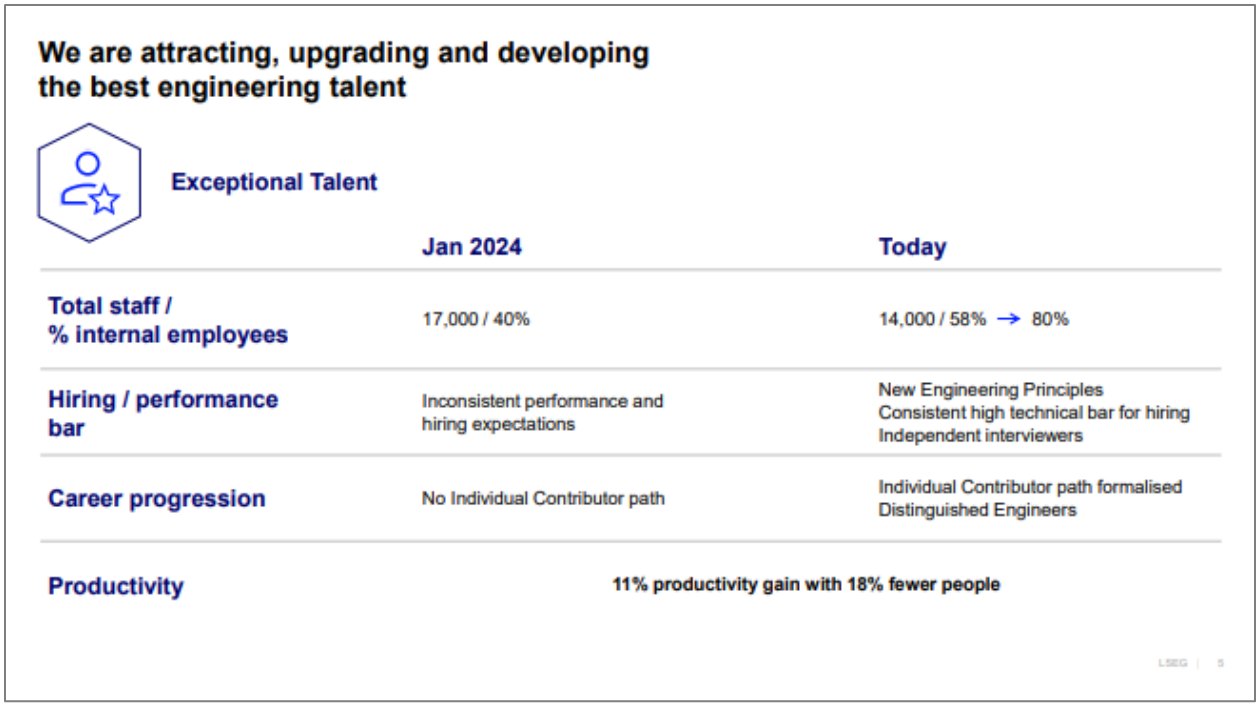
We have three pillars of this strategy, and they are in line with what David talked about earlier. Having exceptional talent, common platforms, and Products discipline. Now these pillars may sound very obvious and basic. But they are not. They are foundational and some of the hardest aspects of building a world class organization.

You may also notice that these pillars are technology agnostic. Regardless of whether it's AI, quantum, digital assets, cloud or whatever the latest and greatest is, these are the key building blocks, and as we master these, we can play both offense and defense with any technology by accelerating our product development

So the talent or people piece is essential. LSEG ultimately serves its customers and build its products by shipping software. We are a fintech firm, and you cannot build amazing products without the best engineers. That's pillar one.

But talent alone is not sufficient. You will take the best engineers and convert them into mediocre performers if you don't give them tools and platforms to be efficient. That's the second pillar.

But if you only do the first two, all you get is speed. Meaning you will be able to ship software quickly. But speed alone is not enough. We don't want to just move faster. We also want to move in the right direction and build the right products for our customers. In other words, what we are really after is Speed and Direction which the tech firms would typically refer to as velocity. This is where our third pillar, product discipline, comes in which sets that direction and is helping LSEG become a product-led firm.



Rather than getting into the weeds of every single pillar, let me give you some concrete examples and metrics to bring these to life. Where we were, the progress we have made and where we want to go.

Last January, we had 17 thousand engineers in the firm and only 40% of them were employees. The rest were contractors. In general, firms don't get the best engineering talent when they go the contractor route and they can't build the best products with outsourced staff.

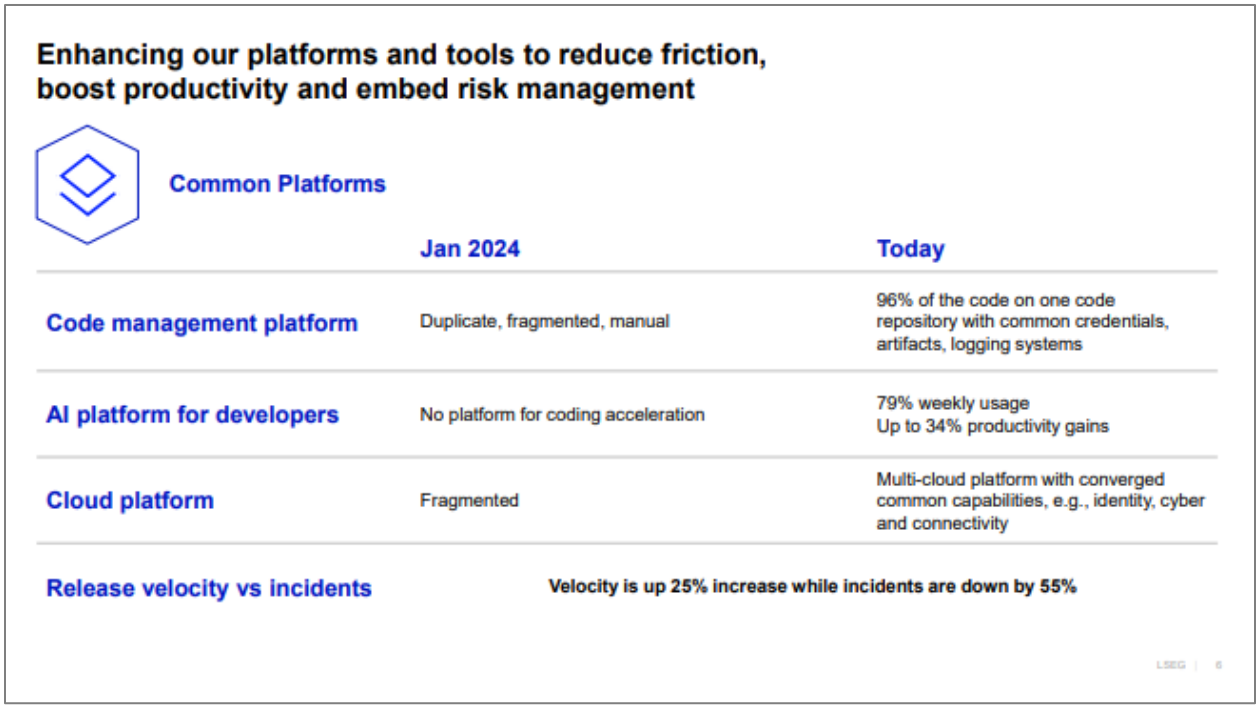
Fast forward to today, we currently have about 14,000 engineers with 58% of them being internal engineers, that's an 18 % increase. Our goal is to get close to 80% by the end of 2027.

We didn't just shift these numbers blindly; we shifted them with the clear goal of raising the bar on excellence. We introduced new engineering principles to guide all our actions. We significantly improved our hiring standards and implemented an independent 'bar-raiser' protocol to ensure we are consistently hiring the best people.

Prior to this year, if you were an amazing engineer, you had to become a manager to progress your career, and as you know, not all engineers want to manage people. We didn't want to take our top quartile engineers and convert them into bottom quartile managers.

Now we have individual contributor tracks where you can grow to have the most senior title in the firm without managing a single soul. And we announced the first batch of our distinguished engineers late last year to recognize the best of our technical talent.

So, what does all this mean? What's the upshot? In the end, it's about productivity. Our productivity is up 11% while our headcount is down by 18%. In other words, 14k engineers are producing 11% more output than what 17K did in January last year. Our hypothesis that fewer, higher-caliber people will produce more output is proving to be true.

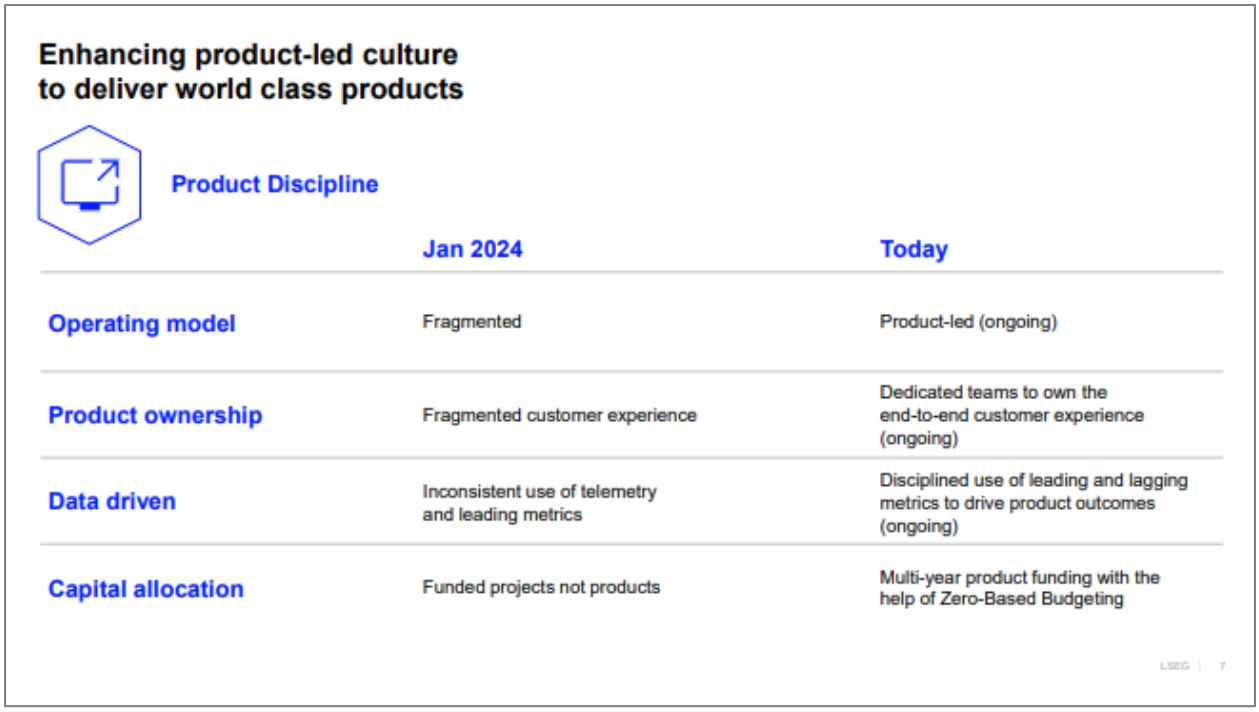


Regarding the second pillar, our engineers used to have lot of friction when they built products. We had 8 different source code repositories, limited automated code pipelines, and no common credential, artifacts, or logging systems. Fast forward to today, 96% of our code is now on a single source code repository with common platforms.

Our engineers are actively using AI to build products, and they are seeing up to 34% increase in productivity. And we're not just using AI to do code completion; we're also using it to write new apps from scratch, perform cloud migrations, upgrade legacy code and automate tests.

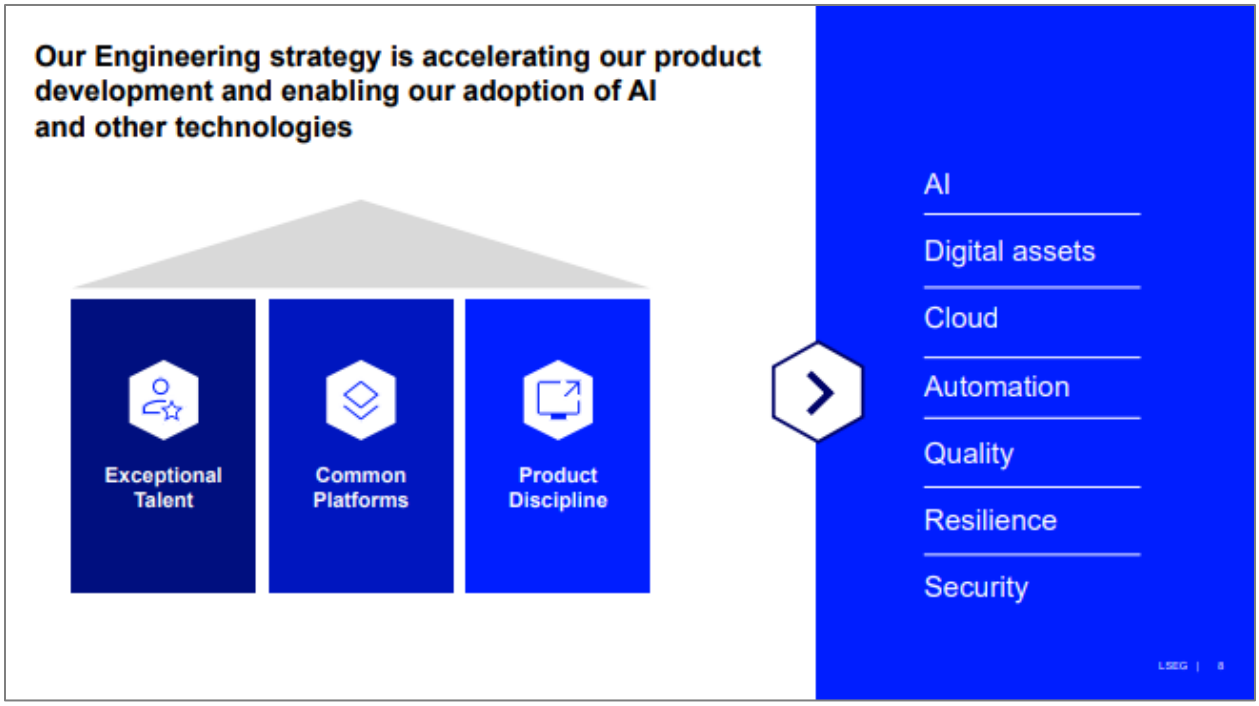
We have also deployed a common cloud platform to operate across all three major cloud providers, allowing us to automate software development and more importantly automatically enforce cyber and other control policies.

So what's the punch line for this pillar? We are seeing up to 25% increase in release velocity while our incidents or outages are down by 55%. Why is that important? It's important because there is a risk that more software changes can mean more instability. These are very important metrics that we track. We want to of course move fast to serve our customers, but the same customers and our regulators demand the highest level of resiliency and quality, and that's a key part of our product offering.



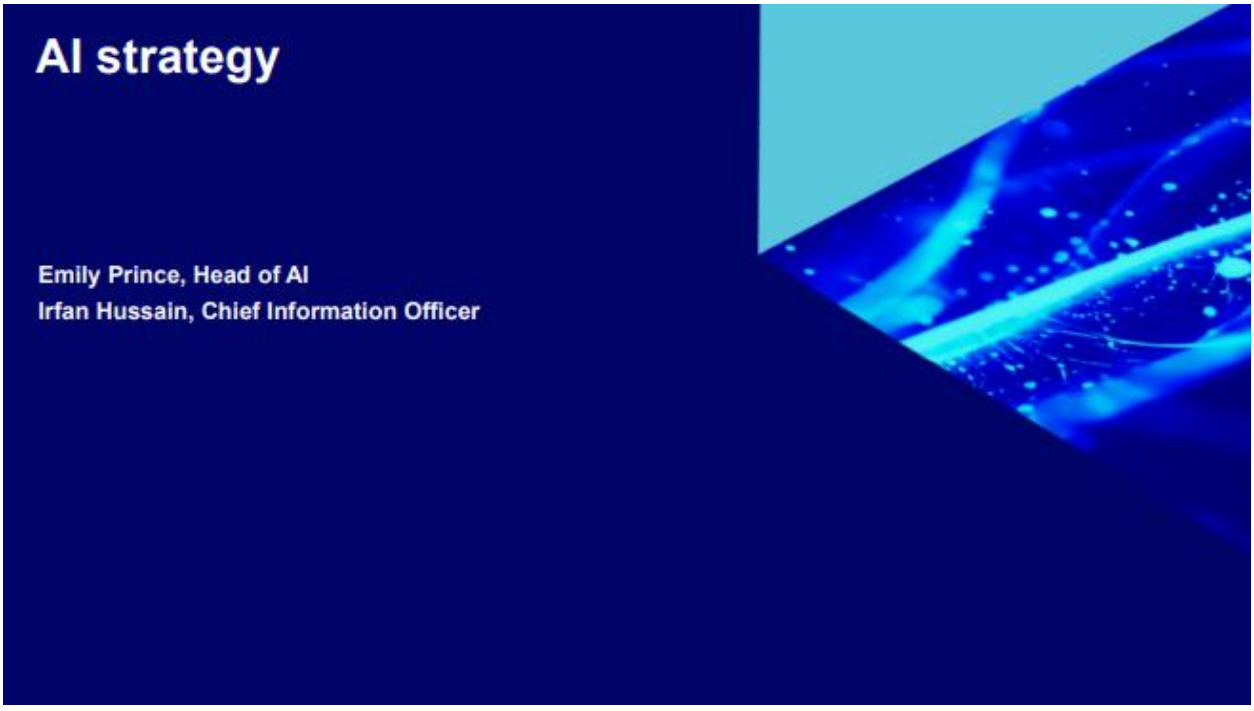
On Pillar 3, I know David, MAP and Peregrin have talked to you about our journey to become product-led. This involves significant cultural, people and process changes.

We're going product by product, team by team and ensuring that we have the right people and right processes in place to improve our offerings. This means having a dedicated team of product managers, engineers and ops people to own the totality of customer experience, regardless of how many teams are involved in delivering the ultimate product. We are driving our decisions with data and ensuring that we are upgrading and attracting the best talent.



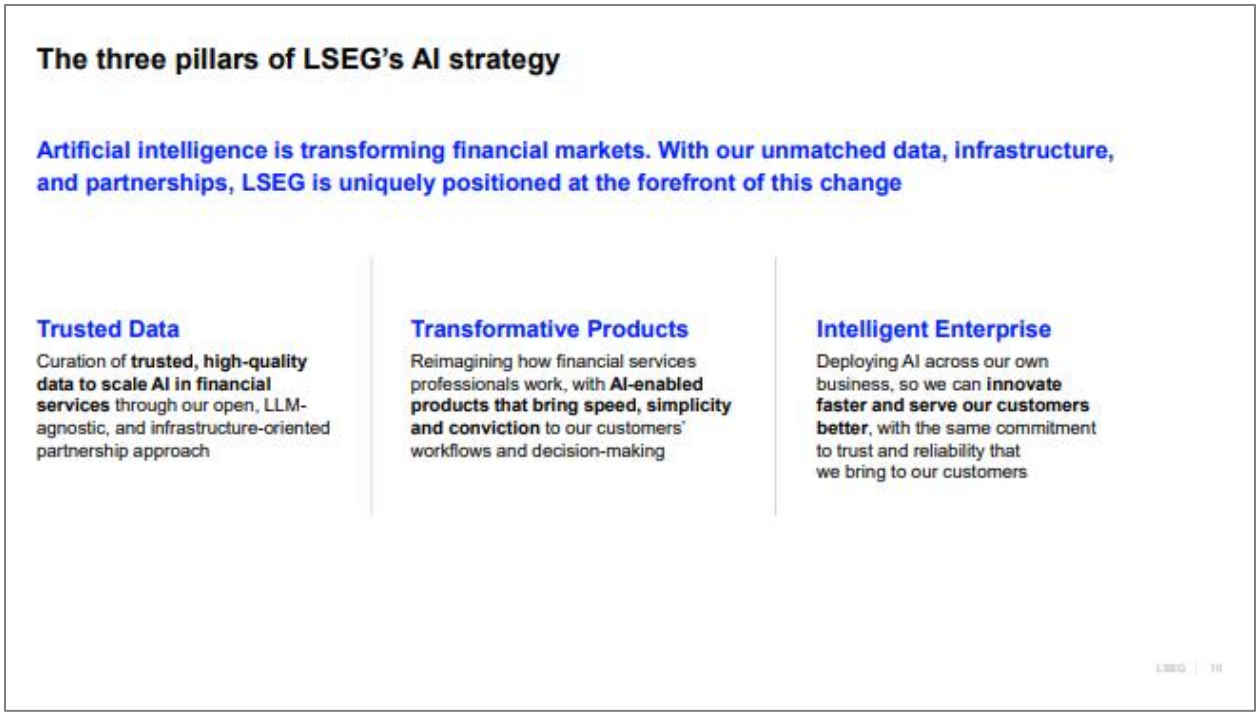
To recap, these three are the foundational pillars of our strategy allowing us to have the velocity and quality needed to build the right products for our customers while managing our costs and risks better. They are laying the foundation for us to leverage AI and other technologies, so that we can serve our customers better. Without these pillars, it would have been much slower and more expensive for us to incorporate AI in our products.

And speaking of AI, I will now hand over to Emily to kick us off on our AI strategy.



Emily Prince

Thanks Irfan!



Whatever you think about Artificial Intelligence, whether you are an evangelist or sceptic, what is remarkable is the way it is allowing us to consider new approaches to solving old problems. At LSEG with our global reach and diverse, vast datasets, together with decades of experience in data and analytics, we see AI as a powerful opportunity.

We've synthesized LSEG's AI Strategy into 3 pillars: Trusted Data, Transformative Products and Intelligent Enterprise.

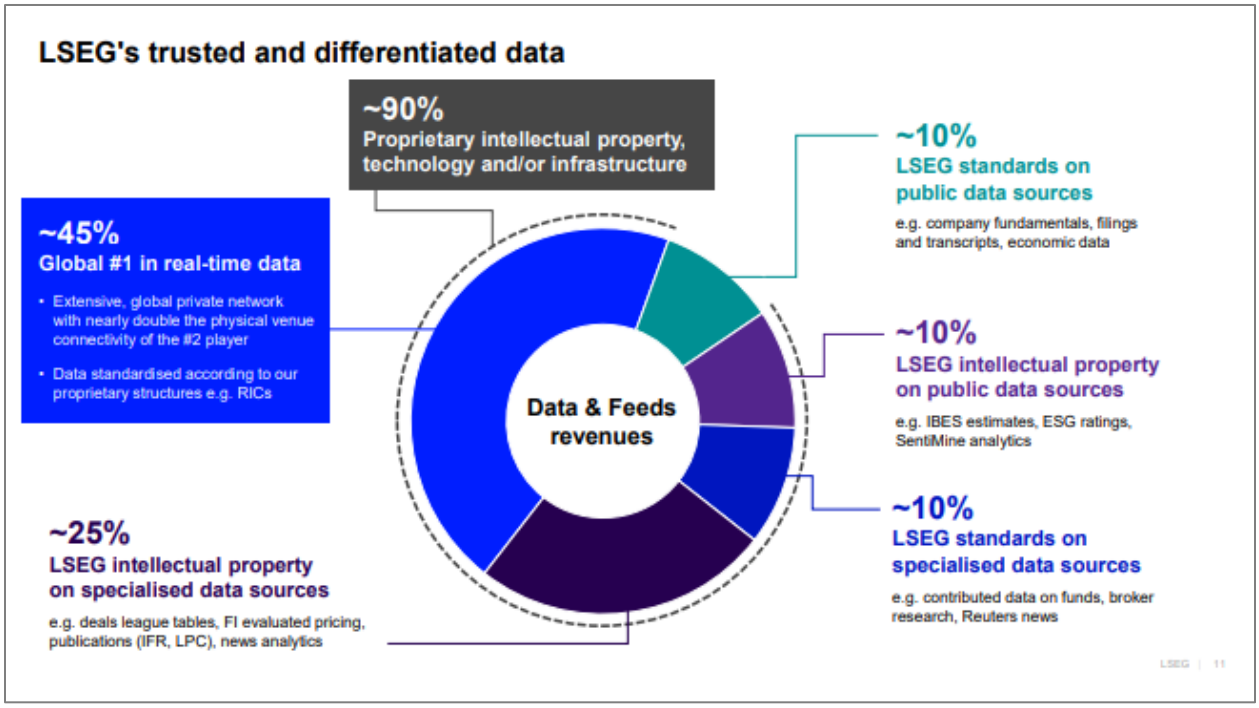
Let's start with our first pillar, Trusted Data. You've known LSEG as that trusted provider of content across financial services for a long time, we've reinforced this commitment, and now we've made our data 'AI ready'. Data is the basis of AI. To achieve trust in AI, you first must have trusted data.

While the first pillar focuses on the importance of that core trusted content, our second pillar, Transformative Product, is focused on applying AI to the products we build for our customers. We are in an age of product enablement, with a single question, in a customer's preferred language, we can not only discover new insights but also orchestrate entire workflows. But just as Data is the basis of AI, knowledge is the basis of transformative products. LSEG is using its depth of market expertise to reimagine how financial service professionals work – with speed, simplicity and conviction – which you'll see in our demos later today.

And finally, our third pillar, Intelligent Enterprise. Achieving success in AI starts with our people. It increasingly shapes the velocity with which we can build products, evaluate risks, respond to customer questions with consistency, and transform unstructured disparate data into structured insights.

Let’s spend more time on our trusted data. The depth, breadth and diversity of LSEG’s data is hard for the human brain to comprehend, but for a model, it’s a game changer. Why is it models care so much about data – and especially the 33+ petabytes that LSEG has?

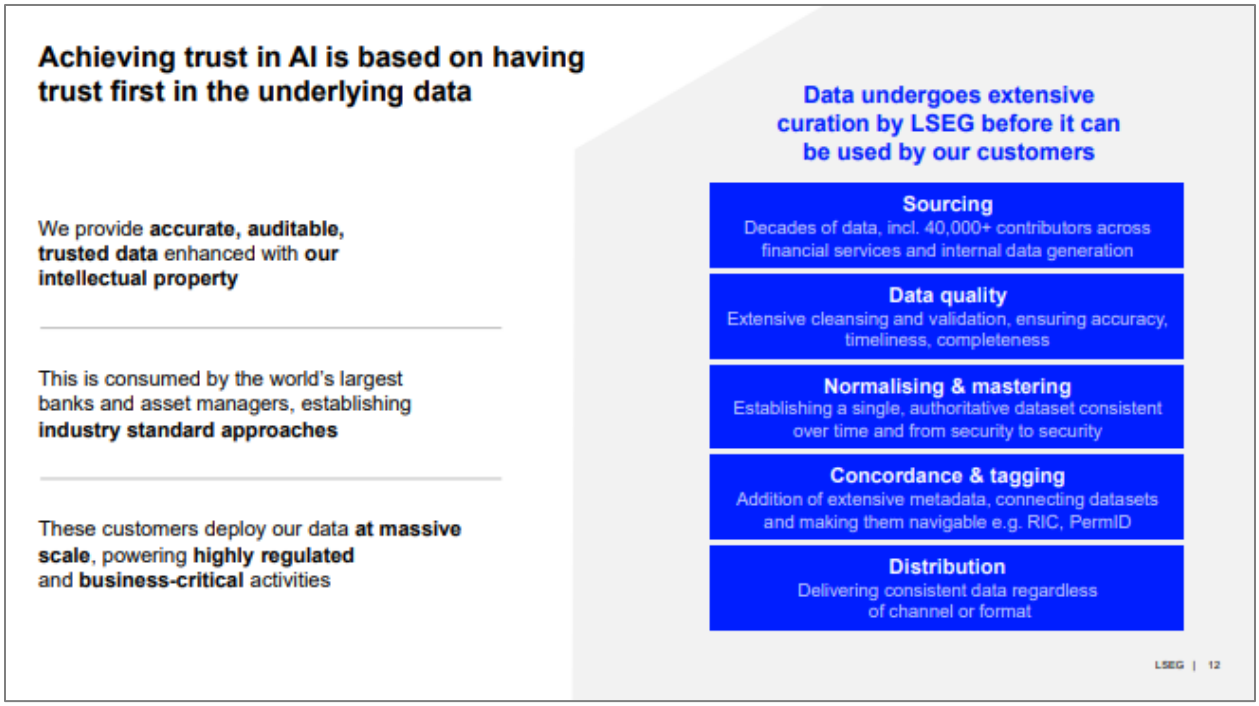
Models, of which there are thousands, are generally trained on publicly sourced data. For models to differentiate, they need differentiated and deep data. When presented with trusted data through the likes of LSEG’s MCP server, models can identify relationships in data that generate new insights for end users. Combining LSEG’s extraordinary breadth, history and subject matter expertise-led differentiation in areas such as evaluated pricing, together with powerful AI models, allows LSEG customers to benefit from unparalleled insights.



On this slide, which you heard David discuss as part of our recent results, we point to the level of differentiation we have in LSEG's data. While I won't step through every number, two I do want to draw your attention to are 90% and 45%. 90% of the Data and Feeds revenue is based on proprietary data, which the LLMs don't have access to publicly to train from.

45% represents the proportion of our Data and Feeds revenues which are real time. Built on a global private network, this is a private content set not available to AI models, and highly desired for use by our customers in AI products such as agents.

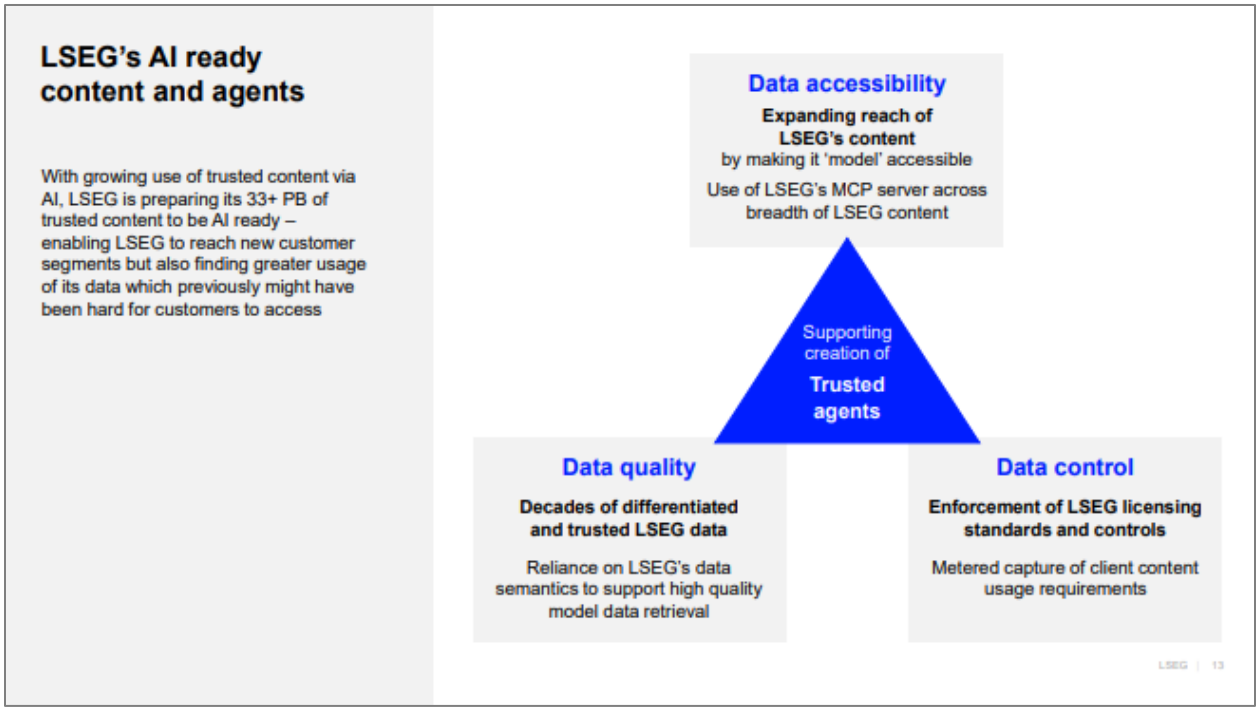
LSEG's trusted data is differentiated, and highly valuable in the context of AI. We have an extraordinary mix of proprietary, non-replicable, historical data, brought together with LSEG defined standards, followed by customers across the globe.



Every day, our trusted data is underpinning decisions across the financial services ecosystem, from traders in the largest banks to quants building signals and risk analysts responding to changing market conditions. To achieve this data standard, LSEG's content undergoes significant care to achieve the quality which we are happy with.

Our process starts with the sourcing and has been done over decades. It includes over 40 thousand contributors and of course, our own proprietary data generation. Then there's our data's quality, which involves deep, iterative cleansing until it meets our standards. Coming now to data normalizing, the step which means our customers can use the breadth of our data 'out of the box'. This step, together with the application of mastering, is a hugely important one and requires a deep level of expertise. Later today Adam and Tim will go into this in further detail and share some demos. This brings us to concordance and tagging. This is an enrichment step which broadens the usability of LSEG's data and represents a very important part of what ensures LSEG's data is AI Ready. And finally, distribution. This is not as simple as depositing data in a client environment. LSEG is ensuring consistent delivery of data, where and how our customers need it. Through Databricks Delta Share, Workspace, API, MSFT or Google BigQuery. LSEG is everywhere and we are meeting our customers in their preferred infrastructure.

LSEG delivers the highest standard in trusted data – from source to insight – through unrivaled quality, concordance and intelligent distribution.



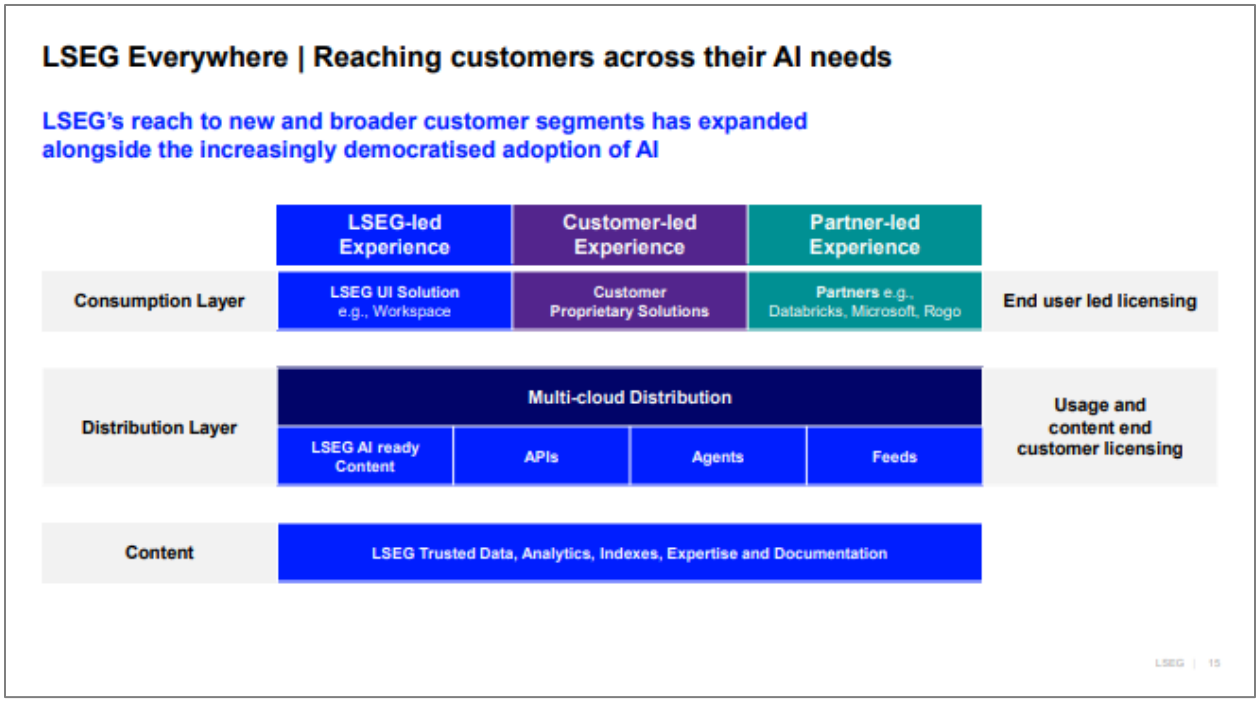
Having spent time on the importance of Trusted Data, I'd like to spend a few minutes now on what makes our data 'AI Ready'. Building from the Quality enabled as part of Trusted Data, we layer this with Control, including data rights management, and Accessibility. Our focus on Accessibility with semantic enrichment within MCP or Model Context Protocol ensures that models don't just consume vast amounts of data but truly understand it. We are leveraging consistent taxonomies, ontologies and entity concordance to unify disparate datasets and preserve context, enabling models to reason over meaningful relationships rather than unstructured noise.

The introduction of MCP has shepherded in the ability for LSEG's data to safely be presented alongside LLMs. We are extending the reach of our unique, proprietary data while preserving the underlying licensing and controls. This positions LSEG as the preferred partner and is enabling us to 'plug into' agentic environments such as Microsoft's Copilot Studio, in turn enabling the creation of Trusted Agents.

With each such partner connection we are opening new client use cases and opportunities. You will hear more about these opportunities from Ron and Gianluca shortly.

Let's now watch a short video to bring this to life.

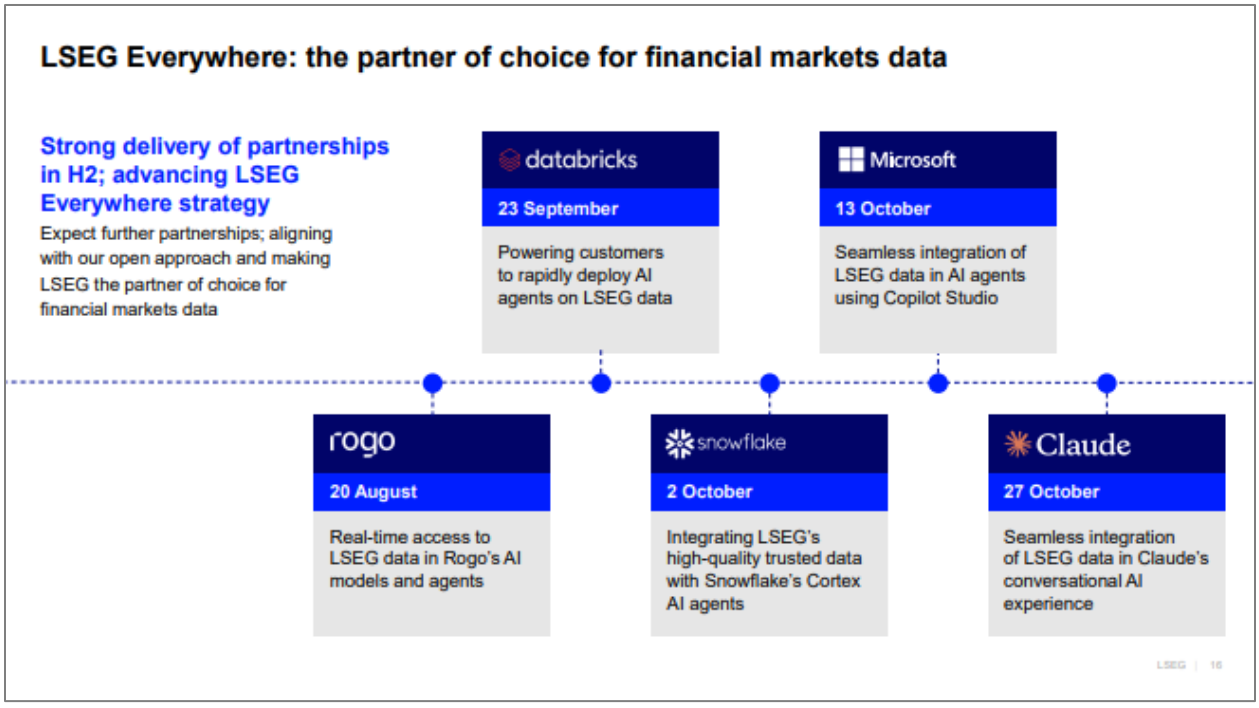
<<video>>



We are meeting our customers where they are. From our flagship Workspace integrated experience, powered by AI, to the enablement of our customers' proprietary solutions, and through our strategic AI partners. This broad-based distribution is underpinned by our multi cloud distribution, AI ready content, APIs, Agents, and Feeds.

Regardless of how our customers prefer to consume and use LSEG's products in their organizations, we ensure it is underpinned by trusted content.

At LSEG, we provide trusted data to our customers to enable their trusted use of AI.



Over the past few months, we've announced a series of strategic AI partnerships. From specialist partners complementing our Workspace business, such as Rogo, to scaled partnerships with the likes of Databricks, Snowflake and Claude. Building on the success of our partnership with Microsoft, we've extended our relationship by making LSEG's trusted data available as part of Microsoft's copilot studio. This is enabling customers to build custom agents in the MSFT ecosystem with LSEG's trusted data.

To hear more about this, let me hand over to Irfan and Matt Kerner from Microsoft.

Irfan Hussain

Hello.

Matt Kerner

Hello.

Irfan Hussain

Emily just covered the trusted data part of the three-pillar strategy that we earlier talked about in AI. Our second pillar is transformative products. Instead of talking about product by product, as David mentioned earlier, you'll be seeing these products live in action. Instead of talking about them, what we're going to do is we're going to talk to Matt Kerner, who's going to give us his perspective on our partnership with Microsoft and how we are co-building various different products using AI, collaboration, and other technology.

Before that, here's a quick intro or bio of Matt. Matt is Corporate Vice President, CTO in Microsoft's commercial organization. He oversees technology partnership within the worldwide sales and solution organization, collaborating closely across global commercial and enterprise customers and partners. As a Microsoft veteran with 24 years of experience in the company's product group, including roles spanning Windows, Azure, and Microsoft Cloud for Industry, Matt knows our space, our customers, and he knows LSEG. Matt, welcome.

Matt Kerner

Thanks so much for having me. It's great to be here with this informed audience.

Irfan Hussain

Before we start, I know you just landed last night. How is your jet lag?

Matt Kerner

I'm doing okay. I think I'll last through this conversation, but I reserve the right to go to sleep right afterward.

Irfan Hussain

All right. Matt, let's start with Microsoft and especially AI. I know it's a beefy and big topic to start with, but share with us about how you're thinking about AI? How is Microsoft thinking about AI? What is it that you and Microsoft are most excited about?

Matt Kerner

AI is changing the way we operate at Microsoft. It's changing the way we develop our products and serve our customers and go to market. We see employees becoming more efficient, and as they become more efficient, they have time to exercise their creativity, and we see them becoming more productive in measurable ways.

We also see people learning new skills. For example, a person who has no coding experience at all can now create applications and agents to make their jobs better. And a person who's an expert in their area now can focus on the specialized and most complex part of their job, which drives more fulfillment at work. With that flexibility of people being able to do new things, we also see some new optionality in how we structure teams and distribute work across end-to-end business processes to drive better customer outcomes.

In financial services, what we see is AI transforming the way people do risk analysis. People no longer have to wait for laborious work by a team of analysts. They can get immediate insights across many more options for actions that they take instead of a narrow set of options that they analyze. As Emily said, they can also, with AI, analyze a lot more data than they could have made sense of manually. So we see not only better decision-making, but more demand for the differentiated data that LSEG provides.

We also now see the emergence of autonomous agents that can take on tasks that were historically only accomplished by people. The first tranche of that has focused on internal scenarios where employees are interacting with HR or IT. We now see this happening externally, customer-facing, where in sales functions and in customer support, we see AI agents driving results. We see it happening across transformation of business processes. Perhaps most exciting for me personally is bending the curve on innovation, where we see autonomous AI agents now

participating in product development, writing code, and taking on more jobs that developers have historically had to do themselves. That's really quite exciting.

I think a theme that you'll hear through this conversation, and of course, through the rest of the afternoon, is that through our partnership, we're bringing together enterprise workflows and technology with financial services specific workflows and technology. By bringing those things together, we squeeze a lot of friction out of the system, we reduce cost for customers, we reduce time to value for customers, and we give them better and simpler product experiences. It's tremendous opportunity with AI between us.

Irfan Hussain

In terms of the autonomous agent—I know you and I were talking about it this morning—are you seeing people writing a lot of read-only agents, or are they also making decisions and updating and actually changing the systems?

Matt Kerner

Certainly, there's much lower risk when people are just reading things. You can have any employee develop agents that can read things. As soon as you start to write and change the world and drive transactions, you have to be a little bit cautious. So many times, our customers, and internally, we're bringing professional developers, and we're having more oversight on those scenarios. Certainly, governance to manage the risk that comes with writing is going to be important.

Irfan Hussain

Makes sense. Now, turning to our partnership we have, obviously, it's a strategic partnership between our firms. Microsoft, obviously, is a shareholder in LSEG. Scott Guthrie joined our board in 2023. Give me your perspective on the importance of this partnership to Microsoft.

Matt Kerner

This partnership is a game changer for us. We have a horizontal platform capability that we bring to our customers. With LSEG's differentiated data and vertical solutions and know-how, we see a lot of doors opening in the market that previously were not available to us. Our value proposition is more relevant to our customers, and we have simpler and better product propositions.

As Microsoft, it's always been our premise that we need to very carefully and thoughtfully and intentionally serve financial services. There's a very large target market for us. It's also the segment that provides growth and stability to the global economy, so it's important to us. Our observation would be that some of the tools, workflows, data distribution methods in financial services have not really kept pace with some of the changes that have happened in the rest of

enterprise technology. So there's a big opportunity for us to bring value and change to customers that will really help in their business.

Looking at LSEG, LSEG has this differentiated data. This data drives insights and actions for so many different market participants, the buy-side, the sell-side, asset management, insurance, banking, even corporate finance. So we felt the partnership with LSEG would bring us closer and with more relevance to all of those different audiences, which we think of as being very valuable. The other thing that you could say about LSEG is I think there's multiple centuries of having established trust, which is tremendous. Microsoft also values deeply trust with our customers.

And the open philosophy of LSEG is really helpful because we have customers who want to do all kinds of different things. So having an open ecosystem enables their scenarios to work. Finally, I would say that the partnership mentality and the role that partnerships have played in LSEG across different businesses that you have is very clear, and we see this partnership between us as being no different from that.

From a customer perspective, what customers see is a more thoughtfully integrated out-of-the-box solution that just works, so they have less cost, they have less time, shorter time to value, and simpler products. We deeply appreciate all the product feedback that you give us. You have helped make many of our products better.

I could give an example with Microsoft Fabric. Microsoft Fabric is our data and analytics platform, which we make available to our customers to store all of their enterprise data and then run analysis in the enterprise. To date, we've had Fabric generally available for just about 2 years. In that time, we've acquired 28,000 paying customers. We grew 60% last year. That makes Fabric the fastest-growing data platform in the industry, and it's used by 80% of the Fortune 500.

Now, in Fabric, we have this great horizontal platform that's used by many customers, and they have this broad data estate. The work we've done with LSEG is to bring LSEG data as a first-class capability into Fabric so customers can discover the data, explore it, and then access that data and analyze it not only on its own, but joined with their proprietary data or other commercial data that they've acquired. In order to do that, we had to do a lot of platform improvement to Fabric to meet all the requirements that LSEG had for global data distribution. So LSEG has played a key role in making Fabric a better product for every customer.

Not only that, we have customers who have lots of different ways that they do business, even inside of their own organization, department by department. There's native integration with both Azure Databricks and Snowflake, and so LSEG data that shows up in Fabric can be consumed

through Fabric workloads or through those partner solutions that also consume that same data set, which makes it very valuable.

We have similar stories around Copilot Studio, as Emily said, for people to create agents. We have that story in Teams, in Microsoft 365, we have it in Azure. Across all of these, what you see is the merging, again, of financial services-specific workflows with enterprise-specific workflows and platforms to be a more relevant, low friction, low-cost solution for customers. All of this is about product truth and solution truth, the statements we would make to customers about what they can achieve. There's also a go-to-market side.

Microsoft has had great relationships with the CIO organization for many years at most of our customers. But we don't often have deep relationships with the financial services line of business leaders. LSEG has those relationships and has that deep domain knowledge. So when we go to customers together and tell our joint story, we can have a much more relevant, cohesive conversation that unifies their tech and line of business conversation so they can much more quickly get to a plan jointly with us on how they want to proceed.

The most exciting thing is when this partnership started, AI was not on our radar as an important thing for us to focus on. All of these things that we've talked about were things that we set out to do at the beginning of the partnership before the AI inflection point. So a whole bunch of the foundational investments that we've made in these first 2 years of the partnership now put us in this pole position with AI, and we can very quickly adapt these things to bring differentiated AI value through the work that we've already done. It's a very exciting time. I think we have an innovative future that we can drive.

Irfan Hussain

I'm sure. I'm glad you mentioned the word innovation, but before we get to that question, I remember early when I first joined, AI was a thing, but not that big of a thing. You're absolutely right. Now it is becoming a thing, and some of the work we've done, especially on the data pipeline, that really sets up really, really well.

In terms of the innovation, we work very closely together. You and I talk at least once a week, if not daily, especially given many products we're about to ship out. From your perspective, from Microsoft perspective, what does innovation mean to you? How does it work? We're not just working together ourselves, but working with our partners and our customers. How do you think about innovation in that context?

Matt Kerner

We've had a lot of conversations with our customers who have told us how meaningful this partnership is to them, and they've expressed their interest in helping to influence the partnership and shape the products that we build. That's great for two reasons. First, it helps us build the right product because we get a lot of customer feedback to inform it. Second, it prepares this initial tranche of early adopters who can deploy that product more quickly and get value out of it because they have confidence having shaped the product, that it'll be the right one for them. That direct customer engagement is really important. As I said in Fabric, the case of Fabric that I described before, we had many, many customer conversations that shaped how that product would go.

I think another one to talk about a little bit more is Copilot Studio. We might unpack that one a bit because there's a lot of buzz and many keywords, and so maybe I can just go through it step by step and explain how that works and why customer input is important there.

I think it was 3 weeks ago, LSEG announced that there'd be a Copilot Studio-based connector for LSEG's MCP server to make LSEG AI-ready data available in our Copilot Studio. That's a mouthful. What is MCP? MCP is Model Context Protocol. This is a way that you can make a tool available to an LLM that it can call to do something. It might push a transaction to a system, or it might query a system for information. In the case of LSEG data, it's querying the LSEG data set to get information back for use in an AI workflow.

In addition to making that tool available, MCP lets you describe what the tool is and how to use it. "Here's what the tool is. Here are the parameters you can pass to it. Here's what the results look like. Here are some examples of calling the tool and getting the results." All of that text lets the LLM reason about what that tool can do and how to build it into a workflow. So when LSEG wraps their data with MCP, it makes it easy for LLMs to interact with that data. That takes trusted, definitive, up to date, and accurate financial data and makes it available to any AI workflow, which is really important because it helps you ground that AI, which reduces hallucination and makes those results more trusted and reliable. Now LSEG has this capability with MCP. MCP is a standard which can fit into many different AI systems.

Microsoft Copilot Studio is one such AI system. Copilot Studio is a low-code and no-code agent development platform. So anyone, whether they're a developer or a novice can write down what they want an agent to do in plain English—or the language of their choice—and have that agent created, and they can then use Copilot Studio to publish that agent to various different channels. You can put it into Microsoft Teams, you can put it into Microsoft 365 Copilot, you can put it into your website or your own application, you could even stick it on the end of a phone number so you could do IVR and have somebody talk to the agent. That agent can interact with other systems through connectors. It might be querying Microsoft Dynamics for CRM or ERP data, it might be querying Salesforce, it might be querying SAP, or it might be querying LSEG data.

The feedback we had from customers was, "Hey, we'd like to consume LSEG data, but we want it be a super simple zero configuration task for a completely novice user, and we also want it to be enterprise-grade." When we say enterprise-grade, we mean it should work consistently and it should be governable. In addition to allowing people to create agents, Copilot Studio allows an IT department to inventory and govern those agents, so they can see all the agents that exist in their environment, and they can set permissions.

For example, every employee ought to be able to create an agent for their own use, but if they want to share it, maybe they can only share it with 10 other internal employees. If they want to share it with more than that, they have to go through a security and compliance and engineering review, so we can make sure that the right thing is happening with that agent before we publish it out to the world inside of the organization.

The result of this customer feedback on wanting enterprise grade has resulted in LSEG being the very first partner of ours to release an enterprise grade, zero configuration, MCP connector for Copilot Studio. Because LSEG is first, it means that LSEG is bumping into some product gaps and some sharp edges and other things in Copilot Studio that we haven't ironed out yet.

I can say over the past 6 weeks, we've had a very tight loop between LSEG and Microsoft product folks, ironing out those bugs, getting those bug fixed pushed to production, and paving the path for every subsequent customer who's going to come use that connector in Copilot Studio to get their job done inside of their own organization. That feedback has been super valuable for us. I think that's an explanation of how customer feedback drives the stuff on Copilot Studio. Could I talk about DMI?

Irfan Hussain

Sure, of course. Look, DMI, I think David mentioned earlier, it's a product that we just had our first transaction a month or two ago. I remember talking to you when I first joined, and I know you were considered an expert in blockchain and digital assets. So, yeah, please talk about DMI.

Matt Kerner

Sure. DMI is this modern cloud-based infrastructure for lifecycle management of digital assets from cradle to grave. We started talking about DMI, and we said, "Hey, we can build this thing, and we work together to build this thing on Azure." Once we built it, LSEG started to talk to the world about it, and LSEG got this flood of customer interest from customers who either wanted to onboard assets or transact on the platform. It's great to have that signal.

The challenge is when you have a new product like this, it's very hard to go from zero to one. You have to balance many different considerations. The thing that that product feedback did from those customers, the expression of interest and their fine-grained feedback on what they wanted to do, combined with LSEG's market knowledge and relationships with those customers, LSEG has orchestrated a very intentional path to go from zero to one and then from one to scale. That's a lot of trade-offs. You have to manage time to market. You have to manage which jurisdictions you're in and what regulatory requirements they have. You have to decide which asset classes you want to support, what workflows you want to support, and which customers you want to onboard so that you maximize liquidity and flow on the platform to make it relevant and to get scale.

It's been great to see LSEG chart the course for this product where we had a technical point of view on how that product would work, but LSEG knows how to take it to scale with customers. That's another place where I think customer feedback has really driven very intentional product development and product management and a product mindset. I would say this is where LSEG's data, LSEG's domain knowledge, LSEG's vertical solutions, plus our platforms, these are all examples of where we're breaking new ground for the industry, and we're doing it hand in glove with customers.

Irfan Hussain

Pardon, you point around the Copilot. We don't mind being guinea-pigged. When I first heard that we were the first enterprise-grade MCP connection on the entire Microsoft plant on the Copilot and Copilot Studio, it was good to hear because we're learning at the same time. For us to learn much ahead of anybody else makes it better for us as well. So we don't mind co-creating.

One of the innovations that our teams have been working on and showcasing today is Open Directory. This has been an incredible partnership between our teams that's been going on for a bit. It solves a clear customer problem. It's secure, it's compliant, it's a cross communication, augmented by LSEG's Workspace and LSEG's workflows. Tell us more about your thoughts on Teams and on Workspace, because now we have brought both of these products together, and it wasn't a snap of the finger, off you go, and we have this product live, and you invested a lot in it. From a Microsoft perspective, how do you view Open Directory?

Matt Kerner

Let's start with Teams. Teams is an enterprise collaboration platform. People can do chat, they can do video calls, audio calls, collaborate and edit documents, work in a shared canvas. There are a lot of things that Teams can do. When we last reported on Teams usage, it was in our fiscal year '24, so the number is a little bit dated, but at that time, we reported 320 million monthly active users on Teams.

Teams, for those users, is a part of their daily routine. They log on, they interact with it, and it's part of the air they breathe, and it's the system that they live in. Similarly, it's integrated into the IT environment in the organization with identity, security, networking, data policies. All of those things are in place with Teams. What many people don't know is that Teams has a feature called federation, where two different organizations can have their users chat with each other. We have this between LSEG and Microsoft. I can type Irfan's name in the address bar of my Teams, and his profile shows up. I click it and I can send him a message. Emily and I were doing this this morning with a couple of links we were sharing. We can chat back and forth. That works on desktop, web, mobile.

True story, about 5 or 6 weeks ago, I was in a 12 acre corn maze with my wife and four children, and we were lost in the corn maze. At that moment, Irfan pinged me, saying, "We need to talk about an issue we found in Open Directory." I was like, "Well, I'm lost in a corn maze. Can I reach you after we find our way out?" He said, "Sure, sure, sure. Prioritize your family, and then we can talk later." Then indeed, we did talk later. So you get alerts, and you get that chat, and it's just like it is inside of your own organization.

Microsoft is pretty free and easy with Teams federation because we love chatting with our customers that way. But many financial institutions do not turn on cross-organization federation because there's risk associated with having your employees talk outside of the organization. So we don't see high penetration of federation inside of financial services.

When LSEG came and said, "Hey, we'd like to do Open Directory," we were quite excited. We said, "This sounds great." They said, "Well, wait a minute. We think there are some things that you need to do in order to make Teams better so that it'll be ready for these customers." So we've spent 2 years working on a shared backlog of things that we needed to do in the Teams platform to make it ready for this use case. For example, two recent features. This fall, we enabled something called trust indicators. Next to every person in conversation, we mark, is it internal or is it external? That way a person inside of an organization knows whether they're having a conversation with an external person, and they can gauge what they say. I see Nej nodding. That was very important. We got your feedback.

Then I think the second one, which just became generally available week before last, is granular controls. An IT admin can now say, "This set of users is authorized to chat externally." Maybe it's front office people who have a business need to do that. And there are back office people who are not authorized to chat externally because they have no business need to do it. So you can turn on federation for just those users who should need it. That capability was also very important.

These are examples of platform things that we had to do. Then LSEG said, "Look, what we'll do is instead of…" If you have a new member who wants to join a network, with the way Teams federation works out of the box, that organization would have to go talk to every single one of the other organizations in the network to do KYC and vetting and then technical onboarding to get the federation turned on on both sides. LSEG, "Look, we'll be the centralized clearing house. We have a KYC business that's a leading business. We'll do the KYC on behalf of the network, and we can facilitate and orchestrate that technical onboarding." So we said, "That's great. Let us build a solution to do that, which we call automated domain management." With automated domain management, there's a way for an enterprise to come and say, "I want to be part of this." LSEG does that vetting, and then that configuration is taken, and there's a little piece that runs inside of each organization that they deploy when they onboard, which picks up that trusted, centrally distributed configuration from LSEG, validates it, and deploys it locally so that every member organization picks up that new federation and turns it on right away.

I think I can announce that this past weekend, LSEG became the very first tenant deployed in production with Open Directory, and in the next 5 or 6 weeks, we're going to go take it to other customers together, which is super exciting.

Look, the whole point at some level of financial services, at least capital markets, is to facilitate transactions across counterparties. When that stuff does not happen in Teams, we're not living up to our mission to empower every person in business around the world to achieve more. We really want all of the sorts of activities that happen in a business to be able to happen on Teams. For us, bringing this kind of collaboration into Teams through Open Directory is really strategic and exciting. So we're delighted to see this thing happen. As you said, this was not an overnight job. This is 2 years of platform work and solution work. Part of the thesis of our partnership is we can tackle hard problems and see them through. It's great to have this data point show that.

Irfan Hussain

Awesome. It's my last question. I know we're probably a little over time over here, but we covered a lot today. We talked about DMI, we talked about MCP, we talked about Open Directory, we talked about agentic platforms. I'm not sure if people are keeping track of it. We talked about a lot of these products that we're working together. What excites you? What's next? What is it that you think? What is exciting you for next few years for us working together?

Matt Kerner

I like to think about the footwork that we do to get in position and then the execution we can do once we're in position. The footwork has been a whole bunch of this foundational work. We've got a team that operates as a joint team. That's no small thing to build that team. It took years of work to build that team. I think we have top to top alignment that's very clear. I spent a significant portion

of last week with many members of LSEG's executive committee in Redmond, and now I'm here today. I have untold frequent flyer status, and I know the people at the hotels around St. Paul's, and they know me. That's very exciting. We've got all those pieces in place.

Then you look at the technology foundation. We have a regulatory compliant footprint of LSEG in Azure. We have LSEG data in Fabric. We have the Copilot Studio integration with the LSEG MCP server and AI ready data. We have DMI. We have Open Directory and Teams integration with M365 and with Open Directory. All of these things are now in place, so you can imagine some very exciting scenarios. It does not take a big leap to now describe a scenario. I'll just hypothesize one.
Two years ago, it would have been inconceivable to talk about this scenario, but now this scenario seems obvious and achievable. The scenario is this. Let's say you have a conversation going with a counterparty in Teams, someone in a different firm, that connection is facilitated by Open Directory, and you have an investment thesis. You go into Workspace and you look at some economic indicators, and you produce a chart. You then take the link for that chart, you share it in Teams, and it comes through as a first-class thing on the other side.

They see the chart embedded in Teams, they can click it and jump in their own Workspace deployment, deep-linked, straight to the same context that the originators had so that person can do more deep analysis and validation of the data on the chart. They chat about the investment, and you decide, "Hey, this investment is valuable. I want to go pursue the next thing." So in M365 Copilot, you initiate an agent that you built in Copilot Studio that uses LSEG's Copilot Studio connectivity. The agent goes, and it retrieves the transcript of the chat in Teams and extracts the investment intent from that chat autonomously.

Then it takes that, and it constructs a scenario, and it delivers that scenario to LSEG's Modelling-as-a-Service running in Azure with a risk model that runs over that possible investment thesis using LSEG data coming from Fabric to do a bunch of pricing and risk and volatility analysis, whatever the people who know this stuff know how to do. I don't know how to do that. It does that stuff, and it comes back with data.

That data in turn goes to a deep reasoning model running in Microsoft's AI Foundry. And the deep reasoning model looks over that result of that analysis and puts together a proposed trade with an explanation of why that trade makes sense and maybe what hedges you might want to do and whatever other things, again, these people do that I don't know what it is. It comes back, and it's presented in M365 Copilot, along with an accounting of the recent emails, chats, files, and meetings that happened in your enterprise that you have access to, to make sure you're not missing something about the context on any of those securities that are in the list. You look at the trade, maybe you edit it, maybe you approve it, and you send it off to Workspace for execution.

This all can happen in minutes, maybe seconds, if the analysis doesn't need to take that long. It doesn't require you to depend on a team of analysts. It's entirely compliant and audited in your enterprise. It's consistent and repeatable, so every single person in the firm can get the same result if they want to ask the same question. This is the new AI standard that we're building to, and this is going to be the direction that we go in the partnership. It's very exciting to contemplate. Again, it's merging together financial services specific workflows, enterprise platforms in a way where Microsoft and LSEG bring complementary strengths to the partnership. We are very excited for the value we'll deliver for customers.

Irfan Hussain

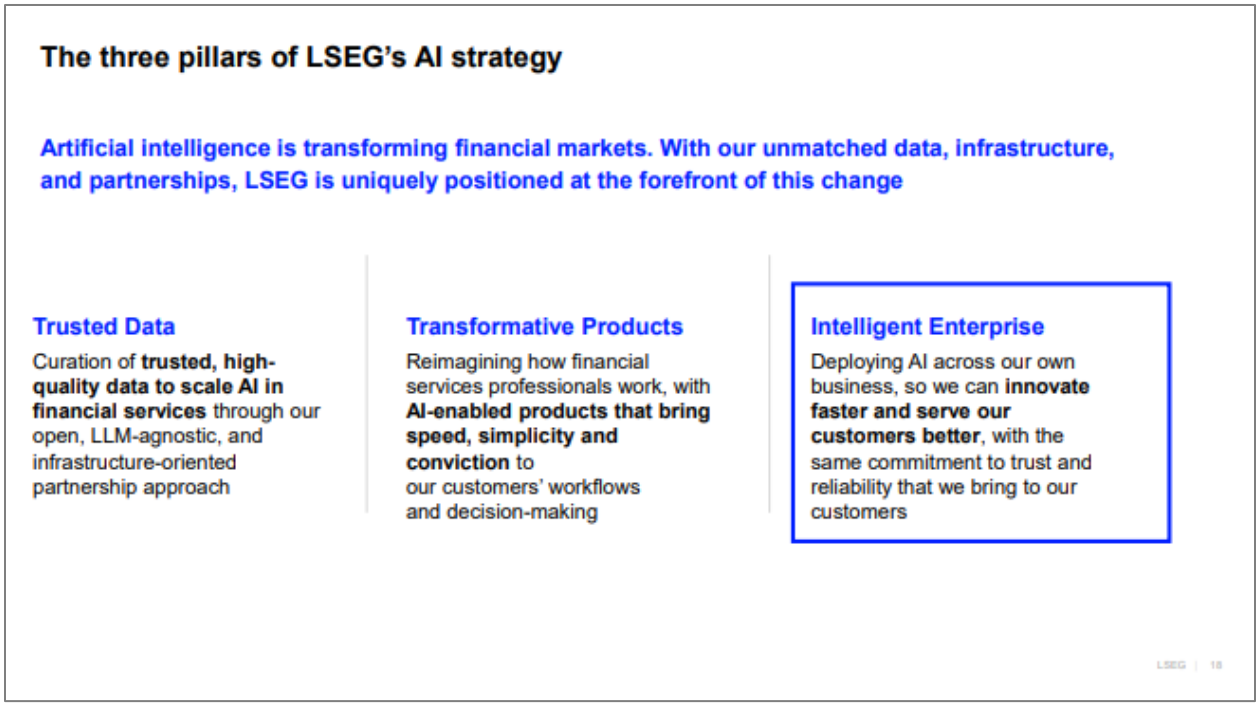
We did not prepare for this scenario you just mentioned, but for the audience, as I hear what Matt just said, you will see many demos today, which brings a chunk of that workflow to life. I think that it's exciting to hear what you just mentioned. Thank you so much for your time. Really appreciate it.

Matt Kerner

Thank you.

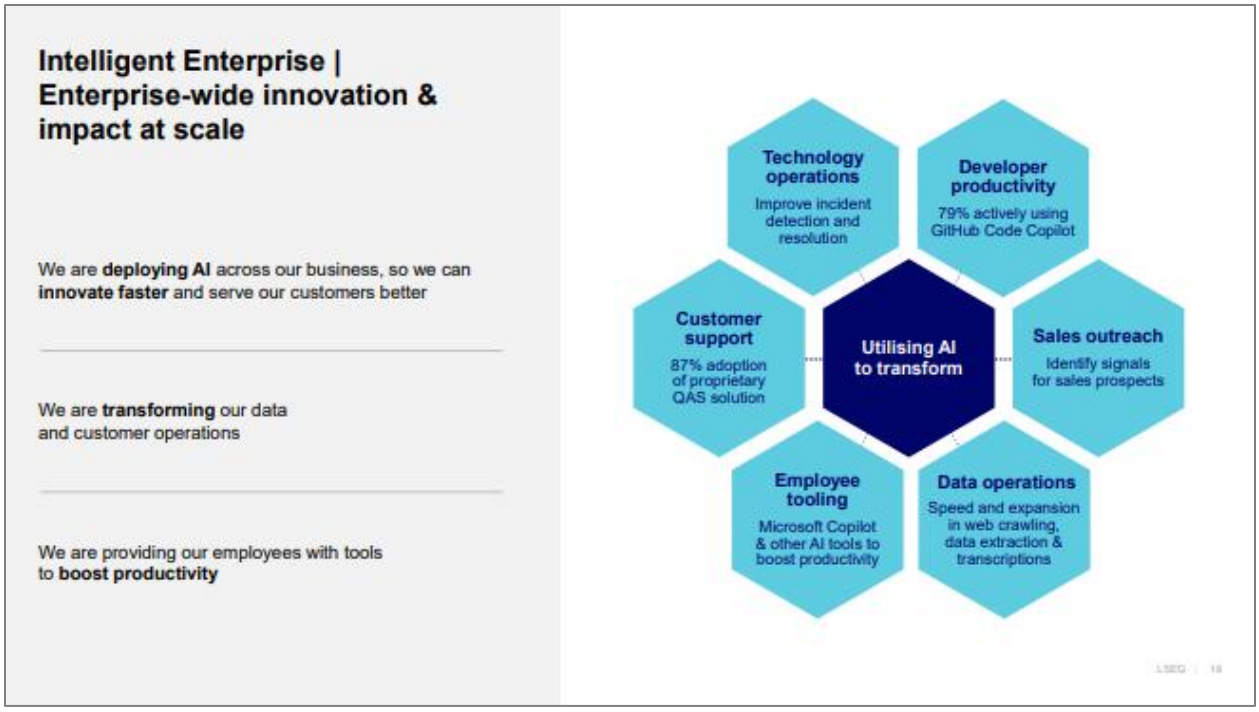
Irfan Hussain

Thank you.



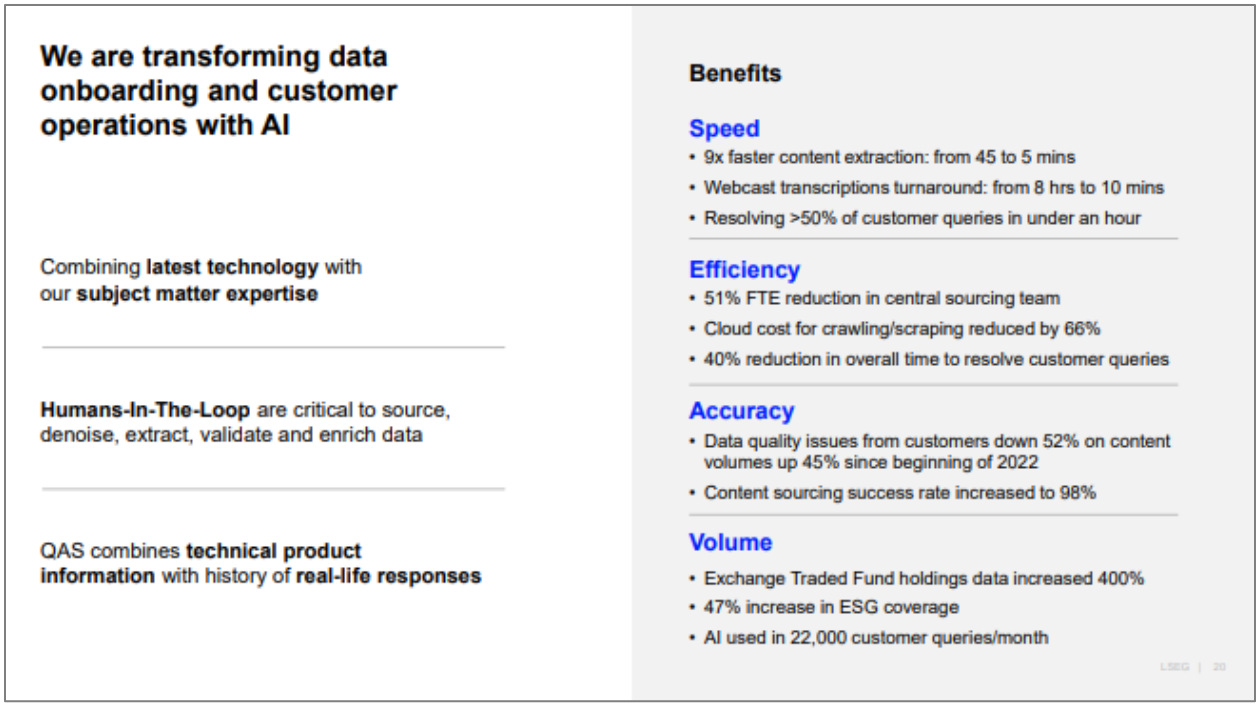
Emily Prince

Let's now come back now to the 3 pillar's of LSEG's AI Strategy and focus on the third pillar of our AI Strategy, Intelligent Enterprise.



Across LSEG, we're deploying AI to innovate faster with our clients, boost productivity and to transform our data and content operations.

At the top of this bubble image, as you heard from Irfan earlier, you see some of the examples of AI transformation happening in our Engineering organization. This AI enabled transformation is also permeating through other parts of our organization. In our sales team, we're actively using AI to identify prospects and support client management. In our customer support teams, there is already an 87% adoption of LSEG's proprietary QAS or Question and Answer Service, designed to support our customer consultants while providing consistent and timely responses. Indeed, we are already seeing up to a 40% reduction in the overall time to resolve customer queries with over 50% of queries now being resolved in under an hour.



In content operations, we're similarly seeing the benefits of our AI deployment. We are using the latest techniques in AI combined with our deep data expertise to optimize delivery of the highest quality content to our customers. We've already become 9 times faster in content extraction while simultaneously improving accuracy.

We are not only seeing the benefits in speed, we are also seeing the gains in efficiency. We have realized a 51% employee reduction in central sourcing and a 66% reduction in cloud costs as part of data scraping activities.

While we are going faster and with greater efficiency, we are not compromising on quality, we are getting even stronger. Data-quality issues reported by customers are down 52% on content volumes that have risen by 45% since the beginning of 2022. And content extraction success rate has increased to 98%.

And the breadth and depth of our content just keeps expanding. To say 'the volume of what LSEG is providing has grown substantially' is an understatement. As an example, our exchange traded fund holdings data has increased by 400%.

AI is already creating new opportunities for LSEG and our clients. With our Trusted Data, Transformative Products and Intelligent Enterprise, combined with our solid infrastructure and strategic partnerships, LSEG is uniquely positioned at the forefront of this change.

We are now going to take a short break. Our next session will start at 10 to 2pm, with Ron and Gianluca. Thank you.