London Stock Exchange Group plc
Interim results for six months ended 30 June 2023

Delivering on our growth potential: strong H1 performance; 2023 revenue growth expected to be towards the upper end of 6-8% guidance

David Schwimmer, CEO said:

"LSEG delivered strong, broad-based growth in the first half. Data & Analytics is growing faster than it has for many years, with the ongoing improvements to our offering and strengthened customer relationships increasingly reflected in financial performance. Post Trade once again demonstrated the critical role it plays in helping customers manage risk in uncertain markets, delivering outstanding growth. Our Capital Markets businesses also made progress, despite a very strong prior period. LSEG's resilient business model and the quality of our earnings, diversified by customer, geography, product and asset class, position us well for further growth in the second half and beyond.

"Through our multi-year investment programme we are delivering better solutions and higher customer satisfaction, and building a faster-growing, more scalable business. We are progressing well with the implementation phase of our transformational strategic partnership with Microsoft, with customers beginning to see the benefits from next year."

Six months ending 30 June, reported	**2023 £m**	2022 £m	Variance %	Constant currency variance %	Organic variance %
Total income (excl. recoveries)	3,990	3,569	11.8%	7.9%	6.5%
Recoveries[1]	189	166	13.9%	4.4%	4.4%
Total income (incl. recoveries)	4,179	3,735	11.9%	7.8%	6.4%
Adjusted[2]					
EBITDA	1,872	1,799	4.1%	5.8%	6.4%
EBITDA margin	*46.9%*	*50.4%*			
Operating profit	1,418	1,408	0.7%	4.1%	5.0%
Adjusted earnings per share	160.9	167.4	(3.9%)		
Reported					
Operating profit	729	897	(18.7%)		
Profit before tax	662	803	(17.6%)		
Basic earnings per share	77.2	98.0	(21.2%)		
Dividends per share	35.7	31.7	12.6%		

Financial highlights

(All growth rates relate to H1 and are expressed on a constant currency basis unless otherwise stated)

- Total income (excl. recoveries) up 7.9%; up 11.8% on a reported basis
- Accelerating growth in Q2: Total income (excl. recoveries) up 8.4% vs Q2 2022
- Broad-based growth: Data & Analytics +7.6%, Capital Markets +1.5%, Post Trade +19.2%
- Strong subscription revenue: organic annual subscription value (ASV) up 6.9% at June 2023, consolidating the significant improvements made over the last two years
- Good profitability: adjusted EBITDA up 5.8%. EBITDA and margin impacted by non-cash FX-related balance sheet adjustments. On track to deliver full year adjusted EBITDA margin around 48%[3] excluding these items
- Basic EPS -21.2% on a reported basis; adjusted EPS -3.9% to 160.9 pence, impacted by non-cash FX items and higher effective tax rate
- Updated leverage target of 1.5-2.5x operating net debt to adjusted EBITDA (previously 1.0-2.0x) reflecting diversified and recurring nature of the Group's revenues; day-to-day leverage expected around the middle of this range (H1 2023: 1.8x); no credit rating impact anticipated

Strategic progress and outlook

- Full year constant currency growth in total income (excl. recoveries) now expected to be towards the upper end of the +6-8% guidance range
- Other 2023 targets reiterated: adjusted EBITDA margin c.48%[3], business-as-usual capex c.£750 million[4]
- Connecting our businesses: £107 million runrate revenue synergy delivery at end of H1; FXall/Tradeweb solution for EM debt now live
- Investing in our products: Acadia acquisition reinforces our leading position in Post Trade solutions; new FX Matching platform to launch in H2
- Harnessing the power of AI technologies: AI embedded in many products, incl. new Advanced Dealing solution for FX; partnering with customers as they deploy AI technologies
- Strong start to Microsoft partnership: good progress on product development, Design Partner Programme set up
- Significant shareholder returns: interim dividend +12.6% to 35.7p, £400 million returned via buyback in H1; up to £750 million directed buyback expected by April 2024

This release contains revenues, costs, earnings and key performance indicators (KPIs) for the six months ended 30 June 2023. Revenues and costs associated with the BETA divestment were classified as discontinued and excluded from the prior period. Constant currency variances are calculated on the basis of consistent FX rates applied across the current and prior year period. Organic growth is calculated on a constant currency basis, adjusting the results to remove disposals from the entirety of the current and prior year periods, and by including acquisitions from the date of acquisition with a comparable adjustment to the prior year. Within the financial information and tables presented, certain columns and rows may not add due to the use of rounded numbers for disclosure purposes.

[1] Recoveries mainly relate to fees for third-party content, such as exchange data, that is distributed directly to customers.

[2] For definition, see page 9.

[3] Based on GBP:USD of 1.21 and GBP:EUR of 1.14, excluding Acadia and non-cash balance sheet FX movements.

[4] Excludes ROU assets.

H1 Interim results investor and analyst presentation, webcast and conference call:

David Schwimmer (Chief Executive Officer) and Anna Manz (Chief Financial Officer) will host a webcast presentation on LSEG's 2023 interim results for analysts and institutional shareholders today at 10:00am (UK time). This will be followed by the opportunity to ask questions via the conference call line.

To access the webcast or telephone conference call please register in advance using the following link and instructions below:

Webcast:
https://www.lsegissuerservices.com/spark/LondonStockExchangeGroup/events/98bb9940-98cb-4c42-b7b4-20dd8a2f70f8

Conference call:
https://services.choruscall.za.com/DiamondPassRegistration/register?confirmationNumber=6796597&linkSecurityString=11538923c9

Presentation slides can be viewed at http://www.lseg.com/investor-relations

Capital Markets event

We are hosting a Capital Markets event in London on 16 (afternoon/evening) and 17 November 2023. The event will combine plenary presentations, which will be webcast, and a day of break-out sessions enabling investors and analysts to engage in-depth with management across a wide range of LSEG's businesses. We strongly encourage in-person attendance. Please register your interest with the Investor Relations team at ir@lseg.com.

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Additional information can be found at **www.lseg.com**

Overview and strategic progress

Note: Unless otherwise stated, variances refer to growth rates on a constant currency basis

H1 2023 performance in summary

LSEG performed strongly in the first half, with broad-based growth against a backdrop of macroeconomic and geopolitical uncertainty. We are on track to deliver all this year's targets. We continue to drive the transformation of our Group, building a faster-growing business with a clear performance culture and customer focus. Our strategic partnership with Microsoft has started well, with hundreds of people from both organisations focused on building and delivering the first products next year.

Total income excluding recoveries rose 7.9% to £3,990 million, with all divisions making a positive contribution to our growth. On a reported basis, total income excluding recoveries was up 11.8%, with the good underlying performance boosted by a positive foreign exchange movement.

Organic annual subscription value (ASV) growth within Data & Analytics was 6.9% at June 2023, consolidating the significant improvements made over the last two years. We saw a small sequential decline in ASV growth in Q2 reflecting short-term timing differences between cancellations and the on-boarding of contracted sales. We expect this temporary impact to reverse in the second half.

Adjusted EBITDA increased by 5.8%. The adjusted EBITDA margin was adversely impacted by £30 million of non-cash FX-related balance sheet adjustments in the period. Excluding these items, the H1 EBITDA margin was 47.7%, with the year-on-year decline primarily reflecting the impact of recent acquisitions and costs relating to development of products with Microsoft. As disclosed in the comparable period, the adjusted EBITDA margin in H1 2022 reflected a benefit of £59 million from similar FX-related adjustments.

Operating expenses before depreciation, amortisation and impairment grew by 6.1% on an organic, constant currency basis, excluding the impact of non-cash FX-related balance sheet adjustments. Adjusted operating profit rose 4.1% as higher costs, depreciation and amortisation partly offset growth in total income.

Financial performance is analysed in full in the Financial Review section starting on page 9.

Progress on our strategic priorities

LSEG is a leading global financial markets infrastructure and data provider. We are leaders in data and analytics; capital formation and trade execution; and clearing and risk management. We are also increasingly differentiated, both through our presence across the financial markets value chain and our scale and capabilities across multiple asset classes, including equities, fixed income, foreign exchange and related derivatives.

Our businesses benefit from strong growth drivers, including the increasing application of new technologies to data for decision-making, the electronification of financial markets, the growing digitisation of broader financial services, the growth of cross-border trading and customers' need for greater capital efficiency. Both LSEG and our customers are well positioned to benefit from the rapid developments in AI technologies which will enhance the value of our data, improve customer workflow and drive ongoing efficiencies in our own business.

We have made further good progress on our levers for growth and value creation in H1, as outlined below.

Data & Analytics – running the business better

We continue to see significant improvements in business performance as a result of much tighter and more data-driven management of Data & Analytics. These changes include more stretching sales and retention targets, an increased focus on retention, an increase in expert account management coverage for our most valuable customers and a much deeper understanding of our customers' data strategies and day-to-day usage.

As a result, we are achieving consistent improvements in our win rates on new mandates and an increase in the average size of deals, supported by the introduction of enterprise agreements which play to the breadth of our data offering. These agreements typically benefit customers by reducing their total cost of ownership, while bringing us a growing share of wallet. In the first half, for example, LSEG signed a multi-year strategic partnership to provide Barclays with access to our market-leading data, insights and capabilities, workflow solutions and feeds as well as supporting Barclays in its digitisation journey, cloud adoption and customer platform enhancements. Another enterprise agreement signed with a major global bank in 2021 is generating $30 million of annual savings for the customer and at the same time, significantly increasing LSEG's share of client data spend.

These commercial developments, combined with continued investment in our products and a more resilient platform, have led to clear improvements in customer satisfaction. In H1 we saw a significant increase in customer scores for both product satisfaction and ease of doing business compared to the same period last year, underpinned by broad based improvements across responsiveness, accessibility, resilience, workflow integration and partnership metrics. This in turn supported a realised pricing benefit of more than 100bps above that of recent years at the beginning of 2023.

ASV growth stood at 6.9% at the end of June 2023, compared to 6.2%[1] six months earlier and 3.0% around the time of the Refinitiv acquisition (Q1 2021).

Driving synergies from the Refinitiv acquisition

Our strong and consistent execution on the Refinitiv integration continues. Efficiencies including property rationalisation and supplier renegotiation delivered £368 million of runrate cost synergies at the end of H1, already ahead of our original 2025 target. We expect to achieve substantially all of our £400 million runrate cost synergy target by year end.

Revenue synergies grew to £107 million on a runrate basis at the end of H1, with the greater connectivity between our benchmark and index products and our pricing and reference data a key driver. Through a combination of cross-selling, enhancing existing products and developing new ones we remain on track to deliver runrate revenue synergies this year that are roughly double those of last year (£68 million in FY2022).

We are making substantial progress with our brand transformation, creating a simplified structure, consolidating the number of brands and strengthening the natural linkages across the LSEG portfolio. In May we introduced LSEG FX, uniting FX products across the Group in a single go-to-market brand. The LSEG Post Trade brand will bring together all our products and services in this area into a consolidated visual identity. From the end of this month, Refinitiv Workspace will become LSEG Workspace as we retire the Refinitiv brand across the Group.

This transformation enables us to better leverage the LSEG brand on a global scale, simplify our customer offering and realise efficiencies in our marketing spend.

[1] Dec 2022 ASV figure excludes the impact of lost revenue due to the Ukraine/Russia war.

Investing in our platforms to build scalable, world-class services

We are implementing a multi-year investment programme in our technology and infrastructure to serve our customers better while also improving product profitability and overall margin over time.

The roll-out of our modern, cloud-based workflow platform, Workspace, continues to progress well with strong positive customer feedback. The power and flexibility of the platform is accelerating the introduction of new functionality, with 130 updates going live in the first half. Following the success of this programme, we intend to cease support for Eikon, the predecessor to Workspace, in 2025. The investment we are making in our index platform is increasing capacity and reducing time to market, with almost twice as many new index products launched in the first half than in the corresponding period last year. The migration of FX Matching to our own proven technology, together with other enhancements, will improve latency (speed) by a factor of 10, and we expect the first new functionality to be launched in H2.

Our offering in the uncleared derivatives space was significantly reinforced by completion of the Acadia acquisition in H1. This adds important collateral workflow, optimisation and multi-asset class capabilities to the Post Trade solutions we are developing to support our customers' regulatory and capital needs.

Connecting our businesses to create exciting propositions

We continue building linkages between our businesses to the benefit of customers. Our Advanced Dealing solution for FX Traders went live in H1. It offers bilateral execution through conversational trading powered by AI and using LSEG's market surveillance tools and Workspace platform. We connected FXall and Tradeweb in H1, giving customers the ability to trade local currency emerging market bonds while simultaneously executing the currency leg of the transaction from a single-screen. This reduces transaction risk and creates a more seamless customer workflow. FTSE Russell and Tradeweb also launched benchmark GBP and Euro-denominated government bond prices in the first half, building on the natural linkages and deepening connectivity between the two businesses.

Microsoft partnership

We have made significant progress on our partnership with Microsoft over the last six months. Across LSEG and Microsoft we now have hundreds of people working together globally building product.

Microsoft's recently announced Fabric will be the cornerstone of LSEG's Data Platform. Our development teams are working together to enable customers to use AI and other capabilities through Microsoft Fabric fuelled by LSEG's comprehensive financial markets intelligence.

We are advancing in the development of Workspace and Analytics products, including working to bring the first elements of enhanced functionality to Workspace.

We are also launching our Design Partner Programme. This will provide a framework for us to engage with a number of our largest customers to demonstrate our design thinking and new product capabilities. Feedback from these customers will inform product development and prioritisation. We will provide a further update on the partnership at our Capital Markets Day in November.

Capital allocation

Our goal is to invest for growth using the cash we generate, building a platform for long-term capital appreciation while rewarding investors today through a progressive dividend, growing broadly in line with adjusted earnings per share (AEPS).

72% of the Group's revenues are now recurring in nature, up from 43% in 2020 prior to the acquisition of Refinitiv. We believe our success in integrating Refinitiv, as evidenced by our record of strong growth and cash generation since the acquisition, supports a higher leverage range. As a result, we now aim to maintain our leverage in the range of 1.5-2.5x operating net debt to adjusted EBITDA (previously 1.0-2.0x), which we expect to be consistent with our current A3 rating at Moody's and A rating from S&P. We plan to maintain day-to-day leverage around the middle of the new range.

Leverage at the end of June 2023 remained at 1.8x (December 2022: 1.8x).

LSEG generated £1,249 million in operating cash flow in H1 2023, which we deployed as follows:

Business-as-usual capex – £380 million
Business-as-usual capex, on a constant currency basis, was £380 million. We continued to focus on programmes to support growth, efficiency and resilience. Our investments in Tradeweb and Workspace product development are expected to drive continued revenue growth, while upgrades to our own infrastructure will provide increased capacity, greater agility and better resilience. The development of our data platform and ongoing cloud migration should underpin both future revenue growth, agility and scalability.

In addition to these investments, and consistent with our plans, we incurred a further £103 million of integration capex, the vast majority of which was related to delivering the synergies relating to the Refinitiv acquisition. Total capex on a cash basis was £488 million.

M&A – £467 million
In March we completed the acquisition of Post Trade solutions business Acadia, significantly enhancing our risk management, margining and collateral optimisation capabilities across asset classes, particularly in the uncleared derivatives space. These services are of growing strategic importance to our customers and we are well positioned to develop and scale them in a way that is deeply complementary to our existing Post Trade offering.

Dividend – £415 million
The cash cost of last year's 75.3 pence final dividend payment was £415 million, which was paid in May 2023. The proposed 2023 interim dividend is 35.7 pence per share, up 12.6% year-on-year. This is consistent with our policy for the interim dividend to be set at one–third of the previous year's total dividend.

Share buyback – £400 million
We remain very focused on capital discipline and will, from time to time, return excess capital to shareholders to the extent that we stay within our target leverage range. We returned £400 million to shareholders via share repurchases in the first half. With a further £50 million repurchased in July, this completes the £750 million share buyback announced in August 2022.

Outlook and guidance

We continue to see good demand for our products and services, reflecting our strong and improving offering, our deepening customer relationships and the strength of the structural growth drivers that we are aligned to. Where customers are under pressure we see an opportunity to consolidate our presence, increasing our share of wallet while managing the total cost of data for the customer.

We expect the Group's growth in total income (excl. recoveries) on a constant currency basis to be towards the upper end of the previously stated 6-8% range, excluding the benefit of the Acadia acquisition completed earlier this year.

We continue to expect our EBITDA margin for 2023 to be around 48%, on the basis set out in March 2023. Actual EBITDA margin for the year will reflect the consolidation of Acadia and the effect of FX movements.

Business-as-usual capex for 2023 is planned to be around £750 million, in line with our previous guidance.

We received shareholder approval at the 2023 AGM for a directed share buyback, enabling us to buy shares directly from the former Refinitiv shareholders (entities owned by certain investment funds affiliated with Blackstone, an affiliate of Canada Pension Plan Investment Board, an affiliate of GIC Special Investments Pte. Ltd, and Thomson Reuters). We expect to deploy up to £750 million in directed buybacks by April 2024.

Board Committee change

William Vereker, who joined the Board on 3 October 2022 and is a member of the Remuneration Committee, will become Chair of the Remuneration Committee on 14 September 2023, taking over from Cressida Hogg. Cressida will remain as the Senior Independent Director of LSEG and a member of the Remuneration Committee.

Financial Review

Note: Unless otherwise stated, variances refer to growth rates on a constant currency basis

Six months ending 30 June, reported	2023 £m	2022[1] £m	Variance %	Constant currency variance %	Organic variance %
Data & Analytics	2,626	2,354	11.6%	7.6%	6.3%
Capital Markets	759	720	5.4%	1.5%	1.5%
Post Trade	590	483	22.2%	19.2%	14.8%
Other	15	12	25.0%	15.2%	15.2%
Total income (excl. recoveries)	3,990	3,569	11.8%	7.9%	6.5%
Recoveries	189	166	13.9%	4.4%	4.4%
Total income (incl. recoveries)	4,179	3,735	11.9%	7.8%	6.4%
Cost of sales	(572)	(504)	13.5%	9.2%	7.2%
Gross profit	3,607	3,231	11.6%	7.6%	6.3%

Reported			
Operating profit	729	897	(18.7%)
Profit before tax	662	803	(17.6%)
Basic earnings per share[2]	77.2	98.0	(21.2%)
Dividends per share	35.7	31.7	12.6%

Adjusted[3]					
EBITDA	1,872	1,799	4.1%	5.8%	6.4%
EBITDA margin	*46.9%*	*50.4%*			
Depreciation, amortisation and impairment	(454)	(391)	16.1%	11.9%	11.2%
Operating profit	1,418	1,408	0.7%	4.1%	5.0%
Net finance costs	(63)	(81)	(22.2%)		
Profit before tax	1,355	1,327	2.1%		
Taxation	(321)	(262)	22.5%		
Profit from continuing operations	1,034	1,065	(2.9%)		
Equity holders	888	934	(4.9%)		
Non-controlling interests	146	131	11.5%		
Adjusted earnings per share[2]	160.9	167.4	(3.9%)		

[1] Revenues and costs associated with the BETA divestment, completed in July 2022, have been classified as discontinued and are excluded from the prior period.

[2] Weighted average number of shares used to calculate basic earnings per share and adjusted basic earnings per share from continuing operations is 552 million (2022: 558 million).

[3] The Group reports adjusted operating expenses before depreciation, amortisation and impairment, adjusted earnings before interest, tax, depreciation, amortisation and impairment (EBITDA), adjusted depreciation, amortisation and impairment, adjusted operating profit and adjusted basic earnings per share (EPS). These measures are not measures of performance under IFRS and should be considered in addition to, and not as a substitute for, IFRS measures of financial performance and liquidity. Adjusted performance measures provide supplemental data relevant to an understanding of the Group's financial performance and exclude non-underlying items of income and expense that are material by their size and/or nature. Non-underlying items include: amortisation and impairment of goodwill and other purchased intangible assets, incremental amortisation and impairment of the fair value adjustments of intangible assets recognised as a result of acquisitions, tax on non-underlying items and other income or expenses not considered to drive the operating results of the Group (including transaction, integration and separation costs related to acquisitions and disposals of businesses), as well as restructuring costs.

Total income excluding recoveries grew 7.9% to £3,990 million, including a 1.4% contribution to growth from acquisitions. Reported growth was higher at 11.8% reflecting an additional benefit from favourable foreign exchange movements. Total income including recoveries grew by 7.8% to £4,179 million, or by 11.9% on a reported basis. All three divisions contributed positively to this growth.

Adjusted operating expenses before depreciation, amortisation and impairment grew by 9.5% to £1,734 million. Excluding acquisitions the Group's operating cost base grew 6.1%. The drivers of this expense growth were fairly evenly balanced between ongoing operational costs and investment for growth. Continued good delivery of Refinitiv-related synergies helped mitigate some of the inflationary pressures seen across our business, in particular this year's higher annual pay awards. Reported cost growth of 20.3% reflects the translational impact of FX moves on our costs, as well as non-cash FX-related balance sheet items.

Adjusted EBITDA increased by 5.8% to £1,872 million.

The adjusted EBITDA margin declined to 46.9% (H1 2022: 50.4%), in part driven by non-cash FX-related balance sheet adjustments. Excluding these items, the Group's underlying EBITDA margin was 47.7%, as planned Microsoft-related investments and the impact of M&A more than offset a small improvement in the underlying efficiency of our business. As disclosed in the comparable period, the adjusted EBITDA margin in H1 2022 reflected a benefit of £59 million from similar FX-related adjustments.

Reported depreciation, amortisation and impairment of £1,029 million (H1 2022: £898 million) includes £575 million (H1 2022: £507 million) of non-underlying charges, the majority of which related to the amortisation of purchased intangible assets (mainly Refinitiv). Excluding these, adjusted depreciation, amortisation and impairment grew by 16.1% to £454 million and by 11.9% on a constant currency basis. The growth in depreciation and amortisation reflects our continued investment in technology as well as amortisation of capex associated with achieving the Refinitiv synergies.

Operating profit fell 18.7% to £729 million on a reported basis as higher operating expenses and depreciation, amortisation and impairments more than offset the stronger gross profit performance. Adjusted operating profit grew 4.1% to £1,418 million with the strong income growth partially offset by investment for future growth, the headwind to operating expenses from non-cash FX-related balance sheet adjustments and the higher depreciation and amortisation expense.

Reconciliation of adjusted operating profit to reported operating profit

Six months ending 30 June	**2023 £m**	**2022** £m
Adjusted operating profit	**1,418**	1,408
Transaction costs	(64)	(24)
Integration, separation & restructuring costs	(119)	(136)
Profit on disposal & remeasurement gains	69	156
Amortisation and impairment of purchased intangible assets	(570)	(483)
Depreciation & impairment of other assets	(5)	(24)
Operating profit	**729**	897

Transaction costs of £64 million reflect management incentive payments related to the acquisition of TORA and MayStreet as well as other fees and charges, primarily linked to the Refinitiv acquisition. Integration, separation and restructuring costs have mostly been incurred in relation to the integration of Refinitiv and are in line with previous guidance. The acquisition of Acadia triggered a remeasurement gain of £69 million in H1 2023 on the previously held 14% stake. Amortisation and impairment of purchased intangible assets of £570 million mainly arose from the Refinitiv acquisition.

Net finance costs / Tax / Non-controlling interest

On a reported basis net finance costs were £67 million (H1 2022: £94 million). Adjusted net finance expenses declined to £63 million (H1 2022: £81 million), as higher interest rates fed through to increased interest income on cash balances.

Profit before tax decreased by 17.6% on a reported basis, from £803 million to £662 million. Adjusted profit before tax increased by 2.1% to £1,355 million (H1 2022: £1,327 million). The Group's underlying effective tax rate was 23.7% (H1 2022: 19.7%), with the increase primarily related to the higher UK corporate tax rate effective from 1 April 2023. The reported tax charge in the period of £114 million (H1 2022: £159 million) represents a tax rate of 17.2% (H1 2022: 19.8%) reflecting the tax benefit of non-underlying items.

Adjusted profits attributable to non-controlling interests totalled £146 million in the period, an 11.5% increase on a reported basis from H1 2022 reflecting the strength of growth at Tradeweb and LCH.

Earnings per share

Basic earnings per share from continuing operations was 77.2 pence (H1 2022: 98.0 pence). Adjusted earnings per share (AEPS) from continuing operations was 160.9 pence (H1 2022: 167.4 pence). The 3.9% decrease in AEPS compared to the same period last year primarily reflects the adverse impact of non-cash FX-related balance sheet items and a higher effective tax rate.

Dividend

The Board is proposing an interim dividend of 35.7 pence per share, in line with our policy of the interim dividend being one third of the prior year's full-year dividend and representing a 12.6% increase (H1 2022: 31.7 pence). The interim dividend will be paid on 20 September 2023 to all shareholders on the share register at the record date of 18 August 2023.

Data & Analytics

Six months ending 30 June	2023 £m	2022[1] £m	Variance %	Constant currency variance %	Organic variance %
Trading & Banking Solutions	837	770	8.7%	4.7%	2.5%
Trading	661	606	9.1%	4.9%	2.2%
Banking	176	163	8.0%	4.0%	4.0%
Enterprise Data Solutions	704	620	13.5%	9.9%	8.9%
Real-Time Data	446	396	12.6%	9.3%	7.8%
PRS	258	224	15.2%	11.0%	11.0%
Investment Solutions	700	637	9.9%	6.1%	6.1%
Benchmark Rates, Indices & Analytics	338	291	16.2%	11.8%	11.8%
Index – Asset-Based	137	141	(2.8%)	(5.5%)	(5.5%)
Data & Workflow	225	205	9.8%	6.0%	6.0%
Wealth Solutions	144	131	9.9%	5.8%	5.8%
Customer & Third-Party Risk Solutions	241	196	23.0%	18.0%	13.4%
Total revenue (excl. recoveries)	2,626	2,354	11.6%	7.6%	6.3%
Recoveries	189	166	13.9%	4.4%	4.4%
Total revenue (incl. recoveries)	2,815	2,520	11.7%	7.4%	6.1%
Cost of sales	(457)	(420)	8.8%	4.8%	3.1%
Gross profit	2,358	2,100	12.3%	7.9%	6.7%
Adjusted operating expenses before depreciation, amortisation and impairment	(1,174)	(963)	21.9%	9.1%	
Adjusted EBITDA	1,184	1,137	4.1%	6.7%	
Depreciation, amortisation and impairment	(332)	(291)	14.1%	10.4%	
Adjusted operating profit	852	846	0.7%	5.4%	

Adjusted EBITDA margin	*45.1%*	*48.3%*

[1] To better align with our internal reporting, some small revenue items have been reallocated between business lines across 2022 from Real-Time Data and Data & Workflow into Benchmark Rates, Indices & Analytics.

Data & Analytics provides customers with high value data, analytics, indices, workflow solutions and data management capabilities. The division is split into five areas addressing different customer needs.

Total revenue excluding recoveries grew by 7.6% to £2,626 million driven by strong performance across all five businesses. Organic annual subscription value growth (ASV) at June 2023 was 6.9%, materially higher than the same period last year (H1 2022: 4.1%), reflecting improving retention and sales as well as a larger pricing benefit.

Trading & Banking Solutions revenue increased by 4.7% to £837 million. Adjusting for last year's acquisition of TORA, the multi-asset class order and execution management business, organic growth was 2.5%. This performance was driven by the impact of this year's slightly larger price increase and further improvement in product retention, particularly within the Trading business.

Enterprise Data Solutions revenue grew by 9.9% to £704 million reflecting the continued investment and expansion of our content and capabilities. There was strong demand for our proprietary real time tick-history and packet capture (PCAP) data, in particular from quantitative traders looking to backtest execution strategies. Pricing and Reference Services also grew strongly as revenue synergies from cross-selling data to FTSE Russell customers continue to build. Last year's addition of MayStreet's super low-latency capabilities supported both sales and improved retention in the period.

Investment Solutions revenue increased by 6.1% to £700 million, driven by strong subscription revenue growth, with Benchmark Rates, Indices & Analytics up 11.8%. Asset-based revenue returned to growth in Q2, reflecting mandate wins and product inflows as well as a broader recovery in asset prices over the period. The investment we are making in our index platform is supporting greater innovation, supporting customer demand with almost twice as many new products launched compared to H1 2022.

Wealth Solutions revenue grew by 5.8% to £144 million in H1, with both Digital Solutions and Wealth Desktops growing well, the latter against a comparatively weak prior year period. Workspace revenue more than doubled from the same period last year.

Customer & Third-Party Risk Solutions revenue grew by 18% to £241 million. The World-Check screening business continued to grow strongly, up 18%, offsetting further IPO-related weakness in our due diligence business. Last year's acquisition of the identity verification data business GDC expanded our capabilities in high growth digital identity and fraud solutions and also contributed to growth in H1.

Cost of sales of £457 million reflects the cost of purchased content and royalties, including news, specialist data and exchange data, which are required for the Data & Analytics products. Growth at 4.8% was below that of revenues.

Adjusted operating expenses before depreciation, amortisation and impairment increased to £1,174 million. Adjusted EBITDA was up 6.7% to £1,184 million, and the adjusted EBITDA margin decreased 320 basis points to 45.1%.

Non-Financial KPIs

	H1 2023	H1 2022	Variance %
Annual subscription value growth (%) [1]	6.9%	4.1%	
Subscription revenue growth (%) [1,2]	6.0%	4.5%	
Index – ETF AUM ($bn)			
- Period end	1,129	962	17.4%
- Average	1,079	1,066	1.2%
Index – ESG passive AUM ($bn) [3]	311	261	19.2%

[1] Organic, constant currency variance.

[2] 12-month rolling.

[3] ESG Passive AUM is at 31 December 2022 and prior period comparator is at 31 December 2021. The metric is updated bi-annually.

Capital Markets

Six months ending 30 June	**2023 £m**	2022 £m	Variance %	Constant currency variance %
Equities	116	129	(10.1%)	(10.9%)
FX	128	124	3.2%	(1.9%)
Fixed Income, Derivatives & Other	515	467	10.3%	5.8%
Total revenue	759	720	5.4%	1.5%
Cost of sales	(17)	(16)	6.3%	0.6%
Gross profit	742	704	5.4%	1.5%
Adjusted operating expenses before depreciation, amortisation and impairment	(357)	(314)	13.7%	6.5%
Adjusted EBITDA	385	390	(1.3%)	(2.5%)
Depreciation, amortisation and impairment	(59)	(48)	22.9%	15.7%
Adjusted operating profit	326	342	(4.7%)	(5.2%)
Adjusted EBITDA margin	*50.8%*	*54.2%*		

Capital Markets provides businesses with access to capital through issuance, and offers secondary market trading for equities, fixed income, interest rate derivatives, foreign exchange (FX) and other asset classes.

Total revenue grew by 1.5% to £759 million, a more modest rate of growth than in previous periods as subdued market volatility and investor risk aversion weighed on transaction volumes and mix across most asset classes. The structural drivers of growth across our Capital Markets businesses remain robust, particularly the trend for greater electronic trading across FX, fixed income and interest rate products.

Equities revenue declined by 10.9% to £116 million, as market conditions reduced secondary market activity in the period. Although global IPO activity remained subdued in H1, annual listing fees continued to support primary market revenue which was broadly flat. The first half also saw our strategic partner in the private markets transaction space, Floww, receive regulatory approval from the FCA and execute its first transactions.

FX revenue declined by 1.9% to £128 million. Our interdealer FX Matching platform delivered positive growth supported by last year's change in commercial incentives, reversing a multi-year period of decline. This was offset by reduced activity across our dealer-to-client FXall platform, as lower transactional activity across many asset classes fed through to reduced demand for FX services. Our new Singapore-based non-deliverable forward (NDF) venue is expected to go live in H2 2023, with further modernisation of the core Matching platform following in 2024.

Fixed Income, Derivatives & Other revenue increased by 5.8% to £515 million. This principally reflects activities at Tradeweb, a global operator of electronic marketplaces for rates, credit, equities and money markets. Tradeweb saw record transaction volumes and revenues in the first half with continued market share gains across overall US credit and global swaps. Activity in the period skewed towards shorter-duration instruments and asset classes where Tradeweb earns lower fees, leading to revenue growth below that of volumes.

We continue to build on the linkages between Tradeweb and LSEG. The combined FXall/Tradeweb service for emerging market bonds went live in July, and Tradeweb and FTSE Russell together launched new UK and Euro government bond price benchmarks in H1, illustrating the potential for greater cooperation between the two businesses in the fixed income space.

Cost of sales were broadly flat at £17 million while adjusted operating expenses before depreciation, amortisation and impairment increased by 6.5% to £357 million, primarily driven by growth at Tradeweb.

Adjusted EBITDA declined 2.5% to £385 million and the adjusted EBITDA margin fell to 50.8%.

Non-Financial KPIs

	H1 2023	H1 2022	Variance %
Equities			
Secondary Markets – Equities			
UK value traded (£bn) – average daily value	3.9	5.3	(26.4%)
SETS yield (bps)	0.70	0.66	6.1%
FX			
Average daily total volume ($bn)	453	470	(3.6%)
Fixed income, Derivatives and Other			
Tradeweb average daily value ($m)			
Rates – cash	353,646	364,423	(3.0%)
Rates – derivatives	468,980	364,323	28.7%
Credit – cash	11,062	10,483	5.5%
Credit – derivatives	14,584	19,449	(25.0%)

Post Trade

Six months ending 30 June	**2023 £m**	2022 £m	Variance %	Constant currency variance %	Organic variance %
OTC Derivatives	260	191	36.1%	32.8%	21.2%
Securities & Reporting	127	122	4.1%	1.8%	1.8%
Non-Cash Collateral	53	49	8.2%	7.9%	7.9%
Total revenue	440	362	21.5%	19.1%	13.3%
Net treasury income	150	121	24.0%	19.4%	19.4%
Total income	590	483	22.2%	19.2%	14.8%
Cost of sales	(98)	(68)	44.1%	38.6%	33.0%
Gross profit	492	415	18.6%	16.0%	11.8%
Adjusted operating expenses before depreciation, amortisation and impairment	(202)	(155)	30.3%	17.4%	
Adjusted EBITDA	290	260	11.5%	15.0%	
Depreciation, amortisation and impairment	(63)	(52)	21.2%	16.3%	
Adjusted operating profit	227	208	9.1%	14.7%	

Adjusted EBITDA margin	*49.2%*	*53.8%*

Post Trade provides risk management, capital optimisation and regulatory reporting solutions across both cleared and uncleared assets. Total revenue grew by 19.1% to £440 million and total income, including net treasury income, was £590 million, up 19.2% year-on-year.

OTC Derivatives revenue increased by 32.8% to £260 million. Elevated uncertainty over the future path of global interest rates drove strong client demand for SwapClear's services and was the primary driver of the 21.2% organic growth in the period. We also helped more than 550 customers migrate their USD contracts to the new SOFR reference rate in the half, generating £18 million of one-time revenue and reinforcing our reputation as a trusted partner to the industry. Last year's acquisition of Quantile added important multi-lateral netting capabilities, while the completion of the Acadia acquisition in March 2023 significantly enhanced our Post Trade solutions capabilities across multiple asset classes, particularly for uncleared products.

Securities & Reporting revenue rose slightly, up 1.8% to £127 million, as revenue relating to early termination of a multi-year clearing agreement offset ongoing pricing pressures in equities. Growth in RepoClear was broadly flat.

Non-cash collateral revenue increased by 7.9% to £53 million reflecting increased client clearing activity, principally in the SwapClear business.

Net treasury income (NTI) increased by 19.4% to £150 million as sustained market volatility drove record collateral balances and interest margins benefited from the prevailing money market conditions.

In July, LSEG completed the acquisition of 11.1% of LCH SA for a total cash consideration of €111 million through LCH Group, which is majority owned by LSEG. The transaction gives LCH Group full ownership of LCH SA, which plans to accelerate the introduction of new products and services to customers.

Cost of sales increased by 38.6% to £98 million, driven mainly by the impact of revenue share arrangements relating to SwapClear which grew strongly in the period.

Adjusted operating expenses excluding depreciation, amortisation and impairment rose 17.4% to £202 million, reflecting the growth in Post Trade revenue and impact of acquisitions. Adjusted EBITDA grew strongly, up 15.0% to £290 million as a result, albeit at a lower margin due to the addition of Acadia and Quantile.

Non-Financial KPIs

	H1 2023	H1 2022	Variance %
OTC			
SwapClear			
IRS notional cleared ($trn)	675	597	13.1%
Client trades ('000)	1,553	1,334	16.4%
ForexClear			
Notional value cleared ($bn)	12,463	12,708	(1.9%)
ForexClear members	37	36	2.8%
Securities & Reporting			
EquityClear trades (m)	836	1,199	(30.3%)
Listed derivatives contracts (m)	112.2	147.2	(23.8%)
RepoClear – nominal value (€trn)	153.9	137.3	12.1%
Non-Cash Collateral			
Average non-cash collateral (€bn)	178.2	169.5	5.1%
Cash Collateral			
Average cash collateral (€bn)	142.0	130.0	9.2%

Cash Flow

Six months ending 30 June	2023 £m	2022 £m
Operating cash flow	**1,249**	**1,338**
Net interest & royalties paid	(93)	(117)
Other dividends	(24)	(68)
Net taxes paid	(52)	(207)
Capex	(488)	(473)
Equity free cash flow	**592**	**473**
Lease payments	(81)	(71)
Disposal proceeds	-	153
Acquisitions	(467)	(359)
Investing activities	218	-
Dividends to LSEG shareholders	(415)	(390)
Net borrowings	1,001	62
Share buybacks	(428)	(43)
Other	(20)	(94)
Net cash flow	**400**	**(269)**

The Group's business continued to be strongly cash generative in the first half, with operating cash flow of £1,249 million. The small decline from the previous year (H1 2022: £1,338 million) primarily reflects foreign exchange movements.

Equity free cash flow of £592 million was 25.2% higher than the same period last year (H1 2022: £473 million), in part due to the benefit of lower cash tax expenses. Total cash capex of £488 million is comparable to the same period a year earlier (H1 2022: £473 million).

Total net cash flow in the first half was £400 million (H1 2022: £269 million outflow). We deployed £467 million on acquisitions completed in the period, net of cash acquired. Total shareholder distributions were £867 million (H1 2022: £501 million). These comprise £428 million outflow from share buybacks including a small component related to Tradeweb's share repurchase, and dividend payments, including dividends paid to non-controlling interests, of £439 million (H1 2022: £458 million).

Balance Sheet / Leverage / Ratings

Net Debt	30 June 2023 £m	31 December 2022 £m
Gross borrowings	8,851	8,151
Cash and cash equivalents	(3,500)	(3,209)
Net derivative financial liabilities	75	48
Lease liabilities	677	672
Net debt	6,103	5,662
Less lease liabilities	(677)	(672)
Regulatory and operational amounts	1,361	1,236
Operating net debt	6,787	6,226

At 30 June 2023, operating net debt increased to £6,787 million (31 December 2022: £6,226 million) after setting aside £1,361 million for regulatory and operational amounts. The increase was driven by the 2022 final dividend, the Acadia acquisition and an increase in the amount of cash held for regulatory and operational purposes. Leverage[1] was stable at 1.8x (31 December 2022: 1.8x). The Group is well positioned within its new targeted leverage range of 1.5x-2.5x times operating net debt to adjusted EBITDA before foreign exchange gains or losses.

The Group has access to committed revolving credit facilities of £2.5 billion, consisting of a £1,425 million facility maturing in December 2024 and a £1,075 million facility maturing in December 2027. No drawings were outstanding under either facility at 30 June 2023 (31 December 2022: £nil). With respect to the Group's long-term debt financing, no bonds were issued or repaid in H1 2023. A partial repayment was made on the US Dollar term loan, reducing the outstanding balance to $1,400 million (31 December 2022: $1,560 million).

During H1 2023, the Group updated its US commercial paper ('USCP') and euro commercial paper ('ECP') programmes, increasing their limits to $1.5 billion and £1.5 billion respectively. The Group began issuing USCP and resumed issuing ECP in the period, with balances outstanding at 30 June 2023 of $590 million under the USCP programme, and €680 million and £75 million under the ECP programme (31 December 2022: $nil, €nil, £nil).

LSEG is rated A with positive outlook by Standards & Poor's and A3 with stable outlook by Moody's. LCH Limited and LCH SA are rated AA- with stable outlook by S&P.

[1] Leverage is calculated as operating net debt (i.e., net debt before lease liabilities and after excluding amounts set aside for regulatory and operational purposes) to adjusted EBITDA before foreign exchange gains or losses.

Foreign Exchange

The majority of LSEG revenues and expenses are in US dollars followed by Sterling, Euro and other currencies.

	USD	GBP	EUR	Other
H1 2023 Total income[1]	59%	17%	16%	8%
H1 2023 Underlying expenses[2]	55%	23%	9%	13%

H1 2023 Total income by division	USD	GBP	EUR	Other
Data & Analytics	65%	11%	12%	12%
Capital Markets	62%	19%	18%	1%
Post Trade	25%	41%	32%	2%
Other	57%	26%	13%	4%

[1] *Total income includes recoveries.*

[2] *Underlying expenses includes cost of sales and underlying operating expenses.*

Spot / Average Rates

	Average rate 6 months ended 30 June 2023	Closing rate at 30 June 2023	Average rate 6 months ended 30 June 2022	Closing rate at 30 June 2022
GBP : USD	1.233	1.262	1.300	1.212
GBP : EUR	1.141	1.159	1.188	1.157

Condensed consolidated income statement

Six months ended 30 June		2023			2022		
		Unaudited			Unaudited		
	Notes	Underlying £m	Non-underlying £m	Total £m	Underlying £m	Non-underlying £m	Total £m
Continuing operations							
Revenue	2, 3	**4,014**	**-**	**4,014**	3,602	-	3,602
Net treasury income from CCP clearing business	2, 3	**150**	**-**	**150**	121	-	121
Other income	2, 3	**15**	**-**	**15**	12	-	12
Total income		**4,179**	**-**	**4,179**	3,735	-	3,735
Cost of sales	2	**(572)**	**-**	**(572)**	(504)	-	(504)
Gross profit		**3,607**	**-**	**3,607**	3,231	-	3,231
Operating expenses before depreciation, amortisation and impairment	4, 5	**(1,734)**	**(183)**	**(1,917)**	(1,433)	(160)	(1,593)
Profit on disposal of property, plant and equipment	5	**-**	**-**	**-**	-	133	133
Remeasurement gain	5, 10	**-**	**69**	**69**	-	23	23
Share of (loss)/profit after tax of associates		**(1)**	**-**	**(1)**	1	-	1
Earnings before interest, tax, depreciation, amortisation and impairment		**1,872**	**(114)**	**1,758**	1,799	(4)	1,795
Depreciation, amortisation and impairment	5	**(454)**	**(575)**	**(1,029)**	(391)	(507)	(898)
Operating profit/(loss)	2	**1,418**	**(689)**	**729**	1,408	(511)	897
Finance income	6.1	**109**	**-**	**109**	40	-	40
Finance costs	5, 6.2	**(172)**	**(4)**	**(176)**	(121)	(13)	(134)
Net finance costs		**(63)**	**(4)**	**(67)**	(81)	(13)	(94)
Profit/(loss) before tax		**1,355**	**(693)**	**662**	1,327	(524)	803
Taxation	5, 7	**(321)**	**207**	**(114)**	(262)	103	(159)
Profit/(loss) from continuing operations		**1,034**	**(486)**	**548**	1,065	(421)	644
Discontinued operations							
Profit/(loss) after tax from discontinued operations		**-**	**-**	**-**	55	(2)	53
Profit/(loss) for the period		**1,034**	**(486)**	**548**	1,120	(423)	697

		2023 Unaudited			2022 Unaudited		
	Notes	Underlying £m	Non-underlying £m	Total £m	Underlying £m	Non-underlying £m	Total £m
Profit/(loss) from continuing operations attributable to:							
Equity holders		**888**	**(462)**	**426**	934	(386)	548
Non-controlling interests		**146**	**(24)**	**122**	131	(35)	96
Profit/(loss) from continuing operations		**1,034**	**(486)**	**548**	1,065	(421)	644
Profit/(loss) from discontinued operations attributable to:							
Equity holders		**-**	**-**	**-**	55	(2)	53
Non-controlling interests		**-**	**-**	**-**	-	-	-
Profit/(loss) from discontinued operations		**-**	**-**	**-**	55	(2)	53
Profit/(loss) for the period		**1,034**	**(486)**	**548**	1,120	(423)	697
Earnings per share attributable to equity holders							
Continuing operations							
Basic earnings per share	8			**77.2p**			98.0p
Diluted earnings per share	8			**76.8p**			97.3p
Adjusted basic earnings per share	8	**160.9p**			167.4p		
Adjusted diluted earnings per share	8	**160.0p**			166.1p		
Total operations							
Basic earnings per share	8			**77.2p**			107.6p
Diluted earnings per share	8			**76.8p**			106.8p
Adjusted basic earnings per share	8	**160.9p**			177.4p		
Adjusted diluted earnings per share	8	**160.0p**			176.0p		
Dividend per share in respect of the financial period							
Dividend per share paid during the period	9			**75.3p**			70.0p
Dividend per share declared for the period	9			**35.7p**			31.7p

Condensed consolidated statement of comprehensive income

Six months ended 30 June	Notes	2023 Unaudited £m	2022 Unaudited £m
Continuing operations			
Profit from continuing operations		**548**	644
Other comprehensive income			
Items that will not be subsequently reclassified to the income statement			
Actuarial losses on retirement benefit obligations[1]		**(49)**	(105)
(Loss)/gain on equity instruments designated as fair value through other comprehensive income (FVOCI)	12.1	**(3)**	21
Deferred tax relating to items that will not be reclassified[2]		**(37)**	35
		(89)	(49)
Items that may be subsequently reclassified to the income statement			
Gain on cash flow hedge recycled to the income statement	14.4	**(2)**	(1)
Net gains/(losses) on net investment hedges	14.4	**55**	(85)
Net gains from changes in fair value on debt instruments at FVOCI		**6**	5
Net exchange (losses)/gains on translation of foreign operations		**(1,262)**	2,329
Deferred tax relating to items that may be reclassified		**-**	(2)
		(1,203)	2,246
Other comprehensive income net of tax from continuing operations		**(1,292)**	2,197
Total comprehensive income from continuing operations		**(744)**	2,841
Discontinued operations			
Total comprehensive income from discontinued operations		**-**	53
Total comprehensive income		**(744)**	2,894
Total comprehensive income from continuing operations attributable to:			
Equity holders		**(767)**	2,566
Non-controlling interests		**23**	275
Total comprehensive income from continuing operations		**(744)**	2,841
Total comprehensive income from discontinued operations attributable to:			
Equity holders		**-**	53
Non-controlling interests		**-**	-
Total comprehensive income from discontinued operations		**-**	53
Total comprehensive income		**(744)**	2,894

1 On 18 May 2023, the Trustee of London Stock Exchange Group Pension Scheme (LSEGPS) entered into a bulk annuity policy (buy-in) with Standard Life covering all of the scheme's remaining deferred and retiree obligations (not already insured with Pension Insurance Corporation in 2016). The purpose of the arrangement is to reduce pension volatility by transferring investment and longevity risk to Standard Life and further improve interest rate and inflation risk and the matching of assets and liabilities. The initial premium for the pension buy-in transaction was funded through the existing investment assets held by the Trustees on behalf of the Scheme and the impact of the transaction is reflected in the IAS 19 Employee Benefits valuation.

2 During the period, the deferred tax benefit on actuarial losses on retirement benefit obligations was offset by a deferred tax expense for certain changes in the tax rate applied to a pension scheme surplus previously recognised in other comprehensive income.

Condensed consolidated balance sheet

As at	Notes	30 June 2023 Unaudited £m	31 December 2022 Audited £m
Assets			
Non-current assets			
Intangible assets	11	**33,803**	35,066
Property, plant and equipment		**771**	797
Investment in associates		**27**	34
Investments in financial assets	12, 14	**380**	394
Derivative financial instruments	14	**5**	12
Other receivables	14	**183**	209
Retirement benefit assets		**191**	231
Deferred tax assets		**609**	622
		35,969	37,365
Current assets			
Trade and other receivables	14	**1,798**	1,364
Clearing member financial assets		**710,390**	687,727
Clearing member cash and cash equivalents		**94,877**	104,707
Clearing member assets	14	**805,267**	792,434
Investments in financial assets	12, 14	**-**	226
Derivative financial instruments	14	**22**	36
Current tax receivable		**385**	522
Cash and cash equivalents	14	**3,500**	3,209
		810,972	797,791
Total assets		**846,941**	835,156
Liabilities			
Current liabilities			
Trade and other payables	14	**1,644**	2,143
Contract liabilities		**464**	257
Borrowings	13, 14	**2,634**	1,295
Clearing member financial liabilities	14	**805,584**	792,594
Derivative financial instruments	14	**36**	9
Current tax payable		**65**	142
Provisions		**37**	29
		810,464	796,469
Non-current liabilities			
Borrowings	13, 14	**6,217**	6,856
Other payables	14	**1,182**	1,182
Contract liabilities		**81**	89
Derivative financial instruments	14	**66**	87
Retirement benefit obligations		**66**	64
Deferred tax liabilities		**2,131**	2,200
Provisions		**45**	58
		9,788	10,536
Total liabilities		**820,252**	807,005
Net assets		**26,689**	28,151
Equity			
Capital and reserves attributable to the Company's equity holders			
Ordinary share capital		**39**	39
Share premium		**978**	978
Retained earnings		**3,528**	3,840
Other reserves		**20,023**	21,139
Total shareholders' funds		**24,568**	25,996
Non-controlling interests		**2,121**	2,155
Total equity		**26,689**	28,151

Condensed consolidated cash flow statement

Six months ended 30 June	Notes	2023 Unaudited £m	2022 Unaudited £m
Operating activities			
Profit from continuing operations		**548**	644
Adjustments to reconcile profit to net cash flow:			
– Taxation	7	**114**	159
– Net finance costs	6	**67**	94
– Amortisation and impairment of intangible assets	11	**891**	744
– Depreciation and impairment of property, plant and equipment		**138**	154
– Profit on disposal of property, plant and equipment	5	**-**	(133)
– Remeasurement gain	5	**(69)**	(23)
– Share based payments		**68**	71
– Foreign exchange (gains)/losses		**(75)**	68
– Other movements		**70**	35
Working capital changes and movements in other assets and liabilities:			
– Increase in receivables, contract and other assets		**(335)**	(331)
– Decrease in payables, contract and other liabilities		**(372)**	(89)
– Increase in clearing member financial assets		**(37,769)**	(68,887)
– Increase in clearing member financial liabilities		**37,973**	68,832
Cash generated from operations		**1,249**	1,338
Interest received		**50**	-
Interest paid		**(94)**	(77)
Net taxes paid		**(52)**	(207)
Royalties paid		**(49)**	(40)
Net cash flows from continuing operations		**1,104**	1,014
Net cash flows from discontinued operations		**-**	37
Net cash flows from operating activities		**1,104**	1,051
Investing activities			
Purchase of intangible assets	11	**(455)**	(363)
Purchase of property, plant and equipment		**(33)**	(110)
Proceeds from disposal of property, plant and equipment		**-**	153
Acquisition of subsidiaries, net of cash acquired	10	**(467)**	(359)
Proceeds from disposal of financial assets	12.2	**218**	-
Other investing activities		**-**	(35)
Net cash flows from continuing operations		**(737)**	(714)
Net cash flows from discontinued operations		**-**	(16)
Net cash flows from investing activities		**(737)**	(730)
Financing activities			
Payment of principal portion of lease liabilities		**(81)**	(71)
Net proceeds from borrowings with short-term maturities	13	**1,128**	62
Repayment of borrowings	13	**(127)**	-
Dividends paid to equity holders of the parent	9	**(415)**	(390)
Dividends paid to non-controlling interests		**(24)**	(68)
Repurchase of shares by Parent Company		**(403)**	-
Repurchase of shares by subsidiary (Tradeweb)		**(25)**	(43)
Other financing activities		**(20)**	(80)
Net cash flows from continuing operations		**33**	(590)
Net cash flows from financing activities		**33**	(590)
Increase/(decrease) in cash and cash equivalents		**400**	(269)
Foreign exchange translation		**(109)**	124
Cash and cash equivalents at beginning of period		**3,209**	2,665
Cash and cash equivalents at end of period		**3,500**	2,520

Condensed consolidated statement of changes in equity

		Attributable to equity holders						
	Note	Ordinary share capital[1] £m	Share premium £m	Retained earnings £m	Other reserves £m	Total attributable to equity holders £m	Non-controlling interests[2] £m	Total equity £m
1 January 2022		39	978	3,816	18,807	23,640	1,879	25,519
Total comprehensive income for the period		-	-	550	2,069	2,619	275	2,894
Dividends payable	9	-	-	(390)	-	(390)	(68)	(458)
Share-based payments		-	-	42	-	42	32	74
Tax on share-based payments in excess of expense recognised		-	-	6	-	6	-	6
Purchase of non-controlling interests		-	-	4	-	4	(19)	(15)
Tradeweb share buyback		-	-	-	-	-	(43)	(43)
Shares withheld from employee options exercised (Tradeweb)[5]		-	-	-	-	-	(75)	(75)
Tax on investment in partnerships		-	-	-	-	-	(49)	(49)
Adjustments to non-controlling interest		-	-	-	-	-	11	11
30 June 2022 (Unaudited)		39	978	4,028	20,876	25,921	1,943	27,864
1 January 2023		39	978	3,840	21,139	25,996	2,155	28,151
Total comprehensive income for the period		**-**	**-**	**349**	**(1,116)**	**(767)**	**23**	**(744)**
Share buyback by Parent Company[3]		**-**	**-**	**(253)**	**-**	**(253)**	**-**	**(253)**
Dividends payable	9	**-**	**-**	**(415)**	**-**	**(415)**	**(24)**	**(439)**
Share-based payments		**-**	**-**	**46**	**-**	**46**	**23**	**69**
Tax on share-based payments in excess of expense recognised		**-**	**-**	**3**	**-**	**3**	**-**	**3**
Purchase of non-controlling interests[4]		**-**	**-**	**(42)**	**-**	**(42)**	**(53)**	**(95)**
Tradeweb share buyback		**-**	**-**	**-**	**-**	**-**	**(25)**	**(25)**
Shares withheld from employee options exercised (Tradeweb)[5]		**-**	**-**	**-**	**-**	**-**	**(34)**	**(34)**
Tax on investment in partnerships		**-**	**-**	**-**	**-**	**-**	**64**	**64**
Adjustments to non-controlling interest		**-**	**-**	**-**	**-**	**-**	**(8)**	**(8)**
30 June 2023 (Unaudited)		**39**	**978**	**3,528**	**20,023**	**24,568**	**2,121**	**26,689**

1 At 30 June 2023, the number of ordinary shares in issue was 551 million (31 December 2022: 554 million and 30 June 2022: 558 million). At 30 June 2023, the Company held 7 million treasury shares (31 December 2022: 4 million and 30 June 2022: nil) which were acquired as part of its share buyback programme.

2 The disaggregated movements in non-controlling interests for H1 2022 have been re-presented to be consistent with H1 2023.

3 During H1 2023, as part of its £750 million share buyback programme, the Company purchased £400 million of its own shares of which £200 million had been irrevocably committed to as at 31 December 2022. The deduction from retained earnings reflects:
- the further £200 million to repurchase 2.4 million of its own shares from the market;
- an irrevocable commitment of £50 million to purchase shares during the close period from 1 July 2023 up to the announcement of the H1 2023 results (see note 16 for shares repurchased after the reporting period); and
- total costs directly attributable to the share buyback programme of £3 million.

4 During the period, the Group entered into an irrevocable commitment to acquire the 11% non-controlling interest in LCH SA for €111 million (£95 million). The Group recognised a decrease in non-controlling interests of £53 million and a decrease in retained earnings of £42 million.

5 Tradeweb is required to withhold shares issued as a result of employee share plans in order to settle the taxes payable by the employee.

Notes to the interim condensed consolidated financial statements

The interim condensed consolidated financial statements (interim statements) of London Stock Exchange Group plc (the 'Group' or the 'Company') for the six months ended 30 June 2023 were approved by the Directors on 2 August 2023.

The Company is a public company, incorporated and domiciled in England and Wales. The address of its registered office is 10 Paternoster Square, London, EC4M 7LS.

On 31 March 2023, the Group acquired AcadiaSoft, Inc. (Acadia) (see note 10). The results of Acadia have been consolidated since the date of acquisition.

1. Basis of preparation and changes to accounting policies

1.1. Basis of preparation
The interim statements of the Group for the six months ended 30 June 2023 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and UK-adopted International Accounting Standard (IAS) 34 *Interim Financial Reporting*.

The interim statements are unaudited but have been reviewed by the auditors and their review opinion is included in this report.

Comparative amounts presented for the condensed consolidated balance sheet relate to the Group's position as at 31 December 2022. All other comparative amounts presented relate to the six months ended 30 June 2022 (referred to as H1 2022).

The interim statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2022, which were prepared in accordance with UK-adopted international accounting standards and endorsed by the UK Endorsement Board. The interim statements do not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

The statutory financial statements of London Stock Exchange Group plc for the year ended 31 December 2022, which carried an unqualified audit report and did not contain a statement under section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies.

All notes to the interim statements include amounts for continuing operations, unless otherwise stated.

Going concern
The Group has prepared these interim statements on the basis that it will continue to operate as a going concern. In assessing the appropriateness of the going concern assumption, management has stress tested the Group's most recent financial projections using severe but plausible downside scenarios as determined by the Group Risk Committee and considering the Group's principal risks and borrowing facilities (included in note 13). No scenario leads to an inability to meet the Group's obligations or cash headroom falling below the Group's risk thresholds.

The Directors, therefore, consider there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for 12 months from the date when these interim statements are authorised for issue. Accordingly, the going concern basis has been adopted in the preparation of these interim statements.

Presentation of income statement
The Group uses a columnar format for the presentation of its consolidated income statement to separately identify results before non-underlying items ("adjusted"). This is consistent with the way that financial performance is measured by management and reported to the Executive Committee and Board (see note 2).

The "adjusted" measures reported by the Group include:
- Adjusted operating expenses before depreciation, amortisation and impairment
- Adjusted earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)
- Adjusted depreciation, amortisation and impairment
- Adjusted operating profit
- Adjusted earnings per share

1.2 New standards, interpretations, and amendments adopted by the Group

The principal accounting policies adopted in the preparation of these interim statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of certain amended standards which became effective as of 1 January 2023. These have not had a material impact on the Group's financial statements:

- IFRS 17 *Insurance Contracts*, including amendments to IFRS 17 (and initial application of IFRS 17 and IFRS 9 *Financial Instruments* – comparative information)
- Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Material Judgements*: Disclosure of accounting policies
- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of accounting estimates
- Amendments to IAS 12 *Income Taxes*: Deferred tax related to assets and liabilities arising from a single transaction

On 23 May 2023, the International Accounting Standards Board (IASB) issued *International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12*. The Amendments introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from implementation of the Pillar Two Model Rules. The Group has applied this mandatory temporary exception. The Group is currently assessing the impact for the annual reporting period beginning on 1 January 2023.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

1.3 Significant accounting estimates, assumptions and judgements

The preparation of the interim statements requires management to make estimates, assumptions and judgements that affect the reported income, expense, assets or liabilities, and the disclosure of contingencies at the date of the interim statements. Although these estimates, assumptions and judgements are based on management's best judgement at the date of the interim statements, actual results may differ from these estimates.

Estimates, assumptions and judgements are regularly reviewed based on historical experience, current circumstances and expectations of future events.

Significant accounting estimates and assumptions are those that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant judgements are those made by management in applying the Group's significant accounting policies that have a material impact on the amounts presented in the financial statements. Significant judgement may be exercised in management's accounting estimates and assumptions.

The significant accounting estimates, assumptions and judgements are the same as those described in the Group's annual consolidated financial statements for the year ended 31 December 2022 (note 1.6 Significant accounting estimates, assumptions and judgements), except for the judgements and sources of estimation uncertainty related to the acquisition of Acadia (see note 10).

1.4 Other information

There have been no material related party transactions in H1 2023 and no material changes to the related party transactions described in the audited financial statements for the year ended 31 December 2022 that could have a material effect on the H1 2023 financial position or performance.

2. Segment information

The Group reports three main operating segments:

- Data & Analytics includes the core Refinitiv business and the FTSE Russell businesses
- Capital Markets includes the London Stock Exchange, Tradeweb, FXall and Turquoise
- Post Trade includes the Group's Central Counterparties (CCPs) for LCH and other post trade services

Results by operating segment for the six months ended 30 June 2023 are as follows:

Continuing operations **Unaudited**	**Notes**	**Data & Analytics** **£m**	**Capital Markets** **£m**	**Post Trade** **£m**	**Other** **£m**	**Group** **£m**
Revenue from external customers	3	**2,815**	**759**	**440**	**-**	**4,014**
Net treasury income from CCP clearing business	3	**-**	**-**	**150**	**-**	**150**
Other income	3	**-**	**-**	**-**	**15**	**15**
Total income		**2,815**	**759**	**590**	**15**	**4,179**
Cost of sales		**(457)**	**(17)**	**(98)**	**-**	**(572)**
Gross profit		**2,358**	**742**	**492**	**15**	**3,607**
Adjusted operating expenses before depreciation, amortisation and impairment		**(1,174)**	**(357)**	**(202)**	**(1)**	**(1,734)**
Share of loss after tax of associates		**-**	**-**	**-**	**(1)**	**(1)**
Adjusted EBITDA		**1,184**	**385**	**290**	**13**	**1,872**
Underlying depreciation, amortisation and impairment		**(332)**	**(59)**	**(63)**	**-**	**(454)**
Adjusted operating profit (before non-underlying items)		**852**	**326**	**227**	**13**	**1,418**
Non-underlying depreciation, amortisation and impairment	5					**(575)**
Other non-underlying items excluding net finance costs	5					**(114)**
Operating profit						**729**
Net finance costs (including non-underlying items)	6					**(67)**
Profit before tax from continuing operations						**662**
Profit before tax from discontinued operations						**-**
Profit before tax						**662**

Results by operating segment for the six months ended 30 June 2022 are as follows:

Continuing operations **Unaudited**	**Notes**	**Data & Analytics** **£m**	**Capital Markets** **£m**	**Post Trade** **£m**	**Other** **£m**	**Group** **£m**
Revenue from external customers	3	2,520	720	362	-	3,602
Net treasury income from CCP clearing business	3	-	-	121	-	121
Other income	3	-	-	-	12	12
Total income		2,520	720	483	12	3,735
Cost of sales		(420)	(16)	(68)	-	(504)
Gross profit		2,100	704	415	12	3,231
Adjusted operating expenses before depreciation, amortisation and impairment		(963)	(314)	(155)	(1)	(1,433)
Share of profit after tax of associates		-	-	-	1	1
Adjusted EBITDA		1,137	390	260	12	1,799
Underlying depreciation, amortisation and impairment		(291)	(48)	(52)	-	(391)
Adjusted operating profit (before non-underlying items)		846	342	208	12	1,408
Non-underlying depreciation, amortisation and impairment	5					(507)
Other non-underlying items excluding net finance costs	5					(4)
Operating profit						897
Net finance costs (including non-underlying items)	6					(94)
Profit before tax from continuing operations						803
Profit before tax from discontinued operations						71
Profit before tax						874

3. Total income

The Group's revenue from contracts with customers disaggregated by segment, major product and service line, and timing of revenue recognition for the six months ended 30 June 2023 is shown below:

Continuing operations **Unaudited**	**Data & Analytics** **£m**	**Capital Markets** **£m**	**Post Trade** **£m**	**Other** **£m**	**Group** **£m**
Revenue from external customers					
Major product and service lines					
Trading & banking solutions[1]	**837**	**-**	**-**	**-**	**837**
Enterprise data solutions[1]	**704**	**-**	**-**	**-**	**704**
Investment solutions	**700**	**-**	**-**	**-**	**700**
Wealth solutions	**144**	**-**	**-**	**-**	**144**
Customer & third-party risk solutions	**241**	**-**	**-**	**-**	**241**
Recoveries[1]	**189**	**-**	**-**	**-**	**189**
Equities	**-**	**116**	**-**	**-**	**116**
FX	**-**	**128**	**-**	**-**	**128**
Fixed income, derivatives and other	**-**	**515**	**-**	**-**	**515**
OTC derivatives	**-**	**-**	**260**	**-**	**260**
Securities & reporting	**-**	**-**	**127**	**-**	**127**
Non-cash collateral	**-**	**-**	**53**	**-**	**53**
Total revenue	**2,815**	**759**	**440**	**-**	**4,014**
Net treasury income	**-**	**-**	**150**	**-**	**150**
Other income	**-**	**-**	**-**	**15**	**15**
Total income	**2,815**	**759**	**590**	**15**	**4,179**
Timing of revenue recognition					
Services satisfied at a point in time	**101**	**530**	**386**	**-**	**1,017**
Services satisfied over time	**2,714**	**229**	**54**	**-**	**2,997**
Total revenue	**2,815**	**759**	**440**	**-**	**4,014**

1 From 1 January 2023 onwards, foreign exchange-related items associated with embedded derivatives, previously included in Recoveries have been recognised within the appropriate Data & Analytics revenue lines, primarily Trading & banking solutions and Enterprise data solutions, as this is where the corresponding contractual revenue is recorded. The 2022 results have not been restated. In H1 2022, the embedded derivatives foreign exchange impact reduced Recoveries by £7 million.

The Group's revenue from contracts with customers disaggregated by segment, major product and service line, and timing of revenue recognition for the six months ended 30 June 2022 is shown below:

Continuing operations	**Data & Analytics**	**Capital Markets**	**Post Trade**	**Other**	**Group**
Unaudited	**£m**	**£m**	**£m**	**£m**	**£m**
Revenue from external customers					
Major product and service lines					
Trading & banking solutions	770	-	-	-	770
Enterprise data solutions	620	-	-	-	620
Investment solutions	637	-	-	-	637
Wealth solutions	131	-	-	-	131
Customer & third-party risk solutions	196	-	-	-	196
Recoveries	166	-	-	-	166
Equities	-	129	-	-	129
FX	-	124	-	-	124
Fixed income, derivatives and other	-	467	-	-	467
OTC derivatives	-	-	191	-	191
Securities & reporting	-	-	122	-	122
Non-cash collateral	-	-	49	-	49
Total revenue	2,520	720	362	-	3,602
Net treasury income	-	-	121	-	121
Other income	-	-	-	12	12
Total income	2,520	720	483	12	3,735
Timing of revenue recognition					
Services satisfied at a point in time	75	504	356	-	935
Services satisfied over time	2,445	216	6	-	2,667
Total revenue	2,520	720	362	-	3,602

Total revenue by geographical location

The Group's revenue from continuing operations disaggregated by geographical location of services provided is as follows:

Six months ended 30 June	**2023**	**2022**
	Unaudited	**Unaudited**
Continuing	**£m**	**£m**
UK	**1,233**	1,131
USA	**1,449**	1,270
Europe	**611**	563
Asia	**505**	465
Other	**216**	173
Total revenue	**4,014**	3,602

4. Operating expenses before depreciation, amortisation and impairment

Six months ended 30 June Continuing operations	Note	2023 Unaudited £m	2022 Unaudited £m
Staff costs		**1,038**	905
IT costs		**296**	258
Professional fees		**201**	191
Short-term lease costs		**8**	6
Other costs		**161**	92
Foreign exchange losses/(gains)		**30**	(19)
Underlying operating expenses before depreciation, amortisation and impairment		**1,734**	1,433
Non-underlying operating expenses before depreciation, amortisation and impairment	5	**183**	160
Total operating expenses before depreciation, amortisation and impairment		**1,917**	1,593

5. Non-underlying items

The Group separately identifies results before non-underlying items (we refer to these results as 'adjusted'). These measures are not measures of performance under IFRS and should be considered in addition to, and not as a substitute for, IFRS measures of financial performance and liquidity. This note explains the main non-underlying items in the period, most of which have arisen as a result of acquisition activity.

The Group uses its judgement to classify items as non-underlying. They include:

- Amortisation and impairment of goodwill and purchased intangible assets. Purchased intangible assets include customer relationships, trade names, and databases and content, all of which are as a result of acquisitions
- Incremental amortisation and impairment of any fair value adjustments of intangible assets recognised as a result of acquisitions
- Other income or expenses not considered to drive the operating results of the Group (including transaction, integration and separation costs related to acquisitions and disposals of businesses, as well as restructuring costs)
- Tax on non-underlying items

Six months ended 30 June **Continuing operations**	**Notes**	**2023 Unaudited £m**	**2022 Unaudited £m**
Non-underlying operating expenses before interest, tax, depreciation, amortisation and impairment			
Transaction costs[1]		**64**	24
Integration and separation costs[2]		**93**	122
Restructuring and other costs		**26**	14
		183	160
Profit on disposal of property, plant and equipment		**-**	(133)
Remeasurement gain[3]	10	**(69)**	(23)
Non-underlying operating expenses before interest, tax, depreciation, amortisation and impairment		**114**	4
Non-underlying depreciation, amortisation and impairment			
Amortisation of intangible assets[4]	11	**570**	483
Depreciation of property, plant and equipment		**-**	12
Impairment of property, plant and equipment		**5**	12
		575	507
Non-underlying items before interest and tax		**689**	511
Non-underlying finance costs	6	**4**	13
Non-underlying items before tax		**693**	524
Non-underlying tax[5]		**(207)**	(103)
Non-underlying items after tax		**486**	421

*1 **Transaction costs** mainly relate to the following:*
- Acadia acquisition - £6 million (H1 2022: £3 million) (see note 10)
- MayStreet and TORA acquisitions employment-linked management incentives and MayStreet earn-out arrangement costs - £25 million (H1 2022: £3 million)
- Refinitiv acquisition - £18 million (H1 2022: £13 million)

*2 **Integration and separation costs** mainly consist of Refinitiv integration costs of £98 million (H1 2022: £108 million), partly offset by a release of a BETA separation-related provision.*

*3 Prior to the acquisition of Acadia on 31 March 2023, LSEG held a 14% equity interest in Acadia. The acquisition date fair value of the previously held interest resulted in a **remeasurement gain** of £69 million (see note 10). In H1 2022, the acquisition of Global Data Consortium, Inc. (GDC) resulted in a £23 million remeasurement gain on the previously held 11% interest.*

*4 **Amortisation of intangible assets** of £570 million (H1 2022: £483 million) mainly relates to the amortisation of intangible assets recognised as a result of the acquisition of Refinitiv.*

*5 The non-underlying **tax** benefit of £207 million (H1 2022: £103 million) mainly reflects the tax impact of the Group's non-underlying items (computed based on the tax rates applicable to the respective territories) together with the impact of certain changes in the tax rate applied to the surplus on one of the Group's pension schemes.*

6. Net finance costs

6.1 Finance income

Six months ended 30 June Continuing operations	2023 Unaudited £m	2022 Unaudited £m
Finance income		
Bank deposit and other interest income	**49**	4
Lease interest income	**1**	-
Interest income on retirement benefit assets	**59**	36
Underlying finance income	**109**	40

6.2 Finance costs

Six months ended 30 June Continuing operations	Note	2023 Unaudited £m	2022 Unaudited £m
Finance costs			
Interest payable on bank and other borrowings[1]		**(101)**	(70)
Lease interest expense		**(8)**	(7)
Interest cost on retirement benefit obligations		**(55)**	(31)
Other finance expenses		**(8)**	(13)
Underlying finance costs		**(172)**	(121)
Non-underlying finance costs	5	**(4)**	(13)
Total finance costs		**(176)**	(134)

1 Interest payable on bank and other borrowings is net of amortisation of the realised gain on interest rate derivatives held in the hedging reserve.

7. Taxation

7.1 Income tax
Tax recognised in the income statement

Six months ended 30 June Continuing operations	2023 Unaudited £m	2022 Unaudited £m
Current tax		
UK corporation tax for the period at 23.5% (H1 2022: 19%)	**39**	20
Overseas tax for the period	**106**	91
Adjustments in respect of previous years	**(14)**	22
Total current tax	**131**	133
Deferred tax		
Deferred tax for the period	**54**	44
Adjustments in respect of previous years[1]	**(38)**	(8)
Deferred tax benefit on amortisation and impairment of purchased intangible assets	**(33)**	(10)
Total deferred tax	**(17)**	26
Total tax	**114**	159
Underlying tax	**321**	262
Non-underlying tax	**(207)**	(103)
Total tax	**114**	159

1 During H1 2023, the adjustments in respect of previous years mainly relate to a non-underlying deferred tax benefit for certain changes in the tax rate applied to a pension scheme surplus previously recognised in profit or loss.

Factors affecting the tax charge for the period
The corporation tax rate in the UK increased from 19% to 25% on 1 April 2023 resulting in a blended corporate tax rate for the year of 23.5%. The income statement tax charge for the period differs from the standard rate of corporation tax in the UK of 23.5% (H1 2022: 19%) as explained below:

Six months ended 30 June Continuing operations	2023 Unaudited £m	2022 Unaudited £m
Profit before tax from continuing operations	**662**	803
Profit multiplied by standard rate of corporation tax in the UK	**155**	152
Overseas earnings taxed at higher rate	**2**	9
Adjustment arising from changes in tax rates	**1**	(12)
Income not taxable	**-**	(2)
Expenses not deductible	**8**	-
Adjustments in respect of previous years	**(52)**	14
Other	**-**	(2)
Total tax	**114**	159

7.2. Uncertain tax positions
The Group is subject to taxation in the many countries in which it operates. The tax legislation of these countries differs, is often complex and is subject to interpretation by management and government authorities. These matters of judgement sometimes give rise to the need to create provisions for tax payments that may arise in future years with respect to transactions already undertaken. The significant accounting estimates and judgements in respect of uncertain tax positions are the same as those described in the Group's annual consolidated financial statements for the year ended 31 December 2022 and during H1 2023 there have been no material movements in the balances. Management believes that the resolution of the five uncertain tax positions explained in note 8 to those financial statements will not have a material impact on the Group's financial position.

8. Earnings per share

Earnings per share is presented on four bases: basic earnings per share, diluted earnings per share, adjusted basic earnings per share and adjusted diluted earnings per share. Earnings per share is calculated as the Group's profit for the period divided by the weighted average number of shares in issue during the period.

Basic earnings per share is in respect of all activities. Diluted earnings per share takes into account the dilutive effect that would arise on conversion or vesting of all outstanding share options and share awards under the Group's share option and award schemes. Adjusted basic earnings per share and adjusted diluted earnings per share exclude non-underlying items from earnings.

Six months ended 30 June	2023			2022		
	Unaudited			Unaudited		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Basic earnings per share	**77.2p**	**-**	**77.2p**	98.0p	9.6p	107.6p
Diluted earnings per share	**76.8p**	**-**	**76.8p**	97.3p	9.5p	106.8p
Adjusted basic earnings per share	**160.9p**	**-**	**160.9p**	167.4p	10.0p	177.4p
Adjusted diluted earnings per share	**160.0p**	**-**	**160.0p**	166.1p	9.9p	176.0p

Profit and adjusted profit for the period attributable to the Company's equity holders

Six months ended 30 June		2023			2022		
		Unaudited			Unaudited		
		Continuing	Discontinued	Total	Continuing	Discontinued	Total
	Note	£m	£m	£m	£m	£m	£m
Profit for the financial period attributable to the Company's equity holders		**426**	**-**	**426**	548	53	601
Adjustments:							
– Total non-underlying items net of tax	5	**486**	**-**	**486**	421	2	423
– Non-underlying items attributable to non-controlling interests		**(24)**	**-**	**(24)**	(35)	-	(35)
Adjusted profit for the financial period attributable to the Company's equity holders		**888**	**-**	**888**	934	55	989

Weighted average number of shares

Six months ended 30 June	2023	2022
	Unaudited	Unaudited
	millions	millions
Weighted average number of shares[1]	**552**	558
Dilutive effect of share options and awards	**3**	4
Diluted weighted average number of shares	**555**	562

1 The weighted average number of shares excludes those held in the Employee Benefit Trust.

9. Dividends

Six months ended 30 June	2023 Unaudited £m	2022 Unaudited £m
Final dividend for 31 December 2021 paid 25 May 2022: 70.0p per Ordinary share	**-**	390
Final dividend for 31 December 2022 paid 24 May 2023: 75.3p per Ordinary share	**415**	-
	415	390

Dividends are only paid out of available distributable reserves of the Company.

The Board has proposed an interim dividend in respect of the six months ended 30 June 2023 of 35.7p per share (H1 2022: 31.7p per share), which amounts to an expected payment of £197 million, to be paid in September 2023 (H1 2022: £177 million paid in September 2022). This is not reflected in these interim statements.

10. Business combination

On 31 March 2023, the Group acquired an 86% interest in Acadia for US$705 million or £570 million, adding to the existing 14% stake. Goodwill of £341 million has been recognised. The calculation of goodwill requires the fair value of the acquired assets and liabilities to be measured. The main intangible assets acquired with Acadia are customer relationships and software.

Significant accounting estimates and assumptions: Intangible assets acquired as part of a business combination
The fair value of intangible assets is significantly affected by a number of factors. These include management's best estimates of future performance (i.e. forecast revenue, expected revenue attrition, forecast operating margin), any contributory assets charges and estimates of the return required to determine an appropriate discount rate (in order to calculate the net present value of the assets).

10.1 Details of business acquired

Acquired business	Description of business	Reason for acquisition	Acquisition date	Voting equity interest acquired
AcadiaSoft, Inc. (Acadia)	A leading provider of automated uncleared margin processing and integrated risk and optimisation services for the global derivatives community.	With deep domain expertise in margining, collateral and risk management, Acadia is complementary to LSEG's Post Trade capabilities. The transaction will strengthen LSEG's provision of resilient and systemically important financial markets infrastructure to our customers. LSEG and Acadia share a commitment to an open model, giving customers a choice as to how they process trades.	31 March 2023	86%[1]

1 Prior to the acquisition LSEG held a 14% interest in Acadia and on 31 March 2023, recognised a £69 million remeasurement gain on this investment in associate (see note 5)

10.2 Consideration transferred, assets acquired and liabilities assumed, and resulting goodwill
The purchase price allocation has been prepared on a provisional basis in accordance with IFRS 3 *Business Combinations*. If new information obtained within one year of the acquisition date, about facts and circumstances that existed at the acquisition date, identifies adjustments to the amounts below or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Goodwill arising from the acquisition has been recognised as follows:

	Note	£m	Estimated useful lives
Purchase consideration			
– Cash		**484**	
– Fair value of previous interest held		**86**	
Total purchase consideration		**570**	
***Less:* Fair value of identifiable net assets acquired**			
– Intangible assets: Customer relationships[1]	11	**(250)**	18 years
– Intangible assets: Software[1]	11	**(46)**	10 years
– Other non-current assets		**(2)**	
– Cash and cash equivalents		**(17)**	
– Other current assets		**(16)**	
– Total liabilities, excluding deferred tax liabilities		**36**	
– Net deferred tax liabilities[2]		**66**	
Fair value of identifiable net assets acquired		**(229)**	
Goodwill	11	**341**	

1 The fair values of the net assets acquired were determined based on assumptions that reasonable market participants would use in the principal (or most advantageous) market and primarily included significant unobservable inputs (Level 3 of the fair value hierarchy). The following valuation methodologies were used to determine fair value:
- Customer relationships: multi-period excess earnings method (MEEM) (income approach)
- Software: relief from royalty method (income approach)

2 The deferred tax liability mainly comprises the tax effect of the intangible assets.

The goodwill is attributable to anticipated growth in the underlying business and future technology not yet developed.

Goodwill has been provisionally allocated to the Post Trade cash-generating unit. None of the goodwill recognised is expected to be deductible for income tax purposes.

10.3 Revenue and profit contribution

From the date of acquisition, Acadia contributed revenue and profit for the three months ended 30 June 2023 as follows:

	2023
	Three months ended 30 Jun
	£m
Revenue	**15**
Adjusted EBITDA	**4**
Loss before tax	**(1)**

If the acquisition had occurred on 1 January 2023, Acadia would have contributed to the Group additional revenue and adjusted EBITDA (for the three months ended 31 March 2023) as follows:

	2023		
	LSEG	**Acadia**	
	Six months ended 30 Jun	**Three months ended 31 Mar**	***Pro-forma Group***
	£m	**£m**	**£m**
Revenue	**4,014**	**15**	**4,029**
Adjusted EBITDA	**1,872**	**3**	**1,875**

10.4 Acquisition-related costs

During the period, the Group incurred acquisition related costs of £6 million (H1 2022: £3 million) on advisor and professional fees. These costs are recognised as non-underlying transaction costs in the income statement (see note 5).

11. Intangible assets

		Purchased intangible assets					
	Goodwill	Customer and supplier relationships	Brands	Databases and content	Software licences and intellectual property	Software and other	Total
	£m	£m	£m	£m	£m	£m	£m
Cost							
1 January 2023	19,859	9,925	2,113	2,734	903	4,129	39,663
Intangible assets acquired on acquisition of subsidiaries (see note 10)	**341**	**250**	**-**	**-**	**46**	**-**	**637**
Additions[1]	**-**	**-**	**-**	**-**	**-**	**488**	**488**
Disposals and write-offs	**-**	**-**	**-**	**-**	**-**	**(11)**	**(11)**
Foreign exchange translation	**(846)**	**(448)**	**(86)**	**(128)**	**(26)**	**(136)**	**(1,670)**
30 June 2023 (Unaudited)	**19,354**	**9,727**	**2,027**	**2,606**	**923**	**4,470**	**39,107**
Accumulated amortisation and impairment							
1 January 2023	30	1,650	584	490	367	1,476	4,597
Amortisation charge for the period[2]	**-**	**303**	**75**	**116**	**25**	**372**	**891**
Disposals and write-offs	**-**	**-**	**-**	**-**	**-**	**(11)**	**(11)**
Foreign exchange translation	**(1)**	**(72)**	**(22)**	**(26)**	**(6)**	**(46)**	**(173)**
30 June 2023 (Unaudited)	**29**	**1,881**	**637**	**580**	**386**	**1,791**	**5,304**
Net book values[3]							
30 June 2023 (Unaudited)	**19,325**	**7,846**	**1,390**	**2,026**	**537**	**2,679**	**33,803**
31 December 2022	19,829	8,275	1,529	2,244	536	2,653	35,066

1 During the period, consideration for additions comprised £455 million (H1 2022: £363 million) in cash and £33 million (H1 2022: £6 million) in accruals. During the period, the Group capitalised sales commissions paid to employees (contract costs) of £29 million (H1 2022: £14 million).

2 Includes non-underlying amortisation of intangible assets of £570 million (H1 2022: £483 million).

3 At 30 June 2023, software and other net book value includes contract costs of £77 million (31 December 2022: £75 million).

Goodwill and purchased intangible assets: Impairment testing

The Group performs its annual impairment testing for goodwill and purchased intangible assets in December and when circumstances indicate that the carrying values may be impaired. The Group's impairment testing is based on value-in-use calculations. The key assumptions used to determine the value-in-use for the different cash-generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2022.

There were no circumstances indicating that the goodwill and purchased intangible assets may be impaired during the reporting period.

12. Investments in financial assets

12.1 Equity instruments

The Group holds equity investments in a number of companies, the largest of which is its stake in Euroclear. Movements in the period in the fair value of the equity instruments (which are almost entirely classified as Level 3) are as follows:

	2023 £m
1 January	**394**
Fair value loss recognised in other comprehensive income	**(3)**
Foreign exchange translation	**(11)**
30 June (Unaudited)	**380**

Fair value of equity instruments

In determining the fair value of equity instruments, recent market transactions are used as the primary source of an instrument's value. If no such transactions can be identified, latest financial performance is compared with expectation to determine whether the value continues to be supported. If actual financial performance has deviated materially from expectation, internal valuations are calculated using a range of appropriate valuation methodologies including discounted cash flows and trading/transaction multiples. These valuation models generate a range of values by considering reasonable changes in the key unobservable inputs (e.g. terminal growth rates and discount rates). The investments are recognised at the lowest value in the range.

12.2 Debt instruments

	2023 £m
1 January	**226**
Disposals[1]	**(218)**
Foreign exchange translation	**(8)**
30 June (Unaudited)	**-**

1 During the period, we divested £218 million in French Government and European Central Bank bonds.

13. Borrowings and net debt

13.1 Borrowings

	30 June 2023 Unaudited £m	31 December 2022 Audited £m
Non-current		
Bank borrowings – committed bank facilities[1]	**(4)**	(5)
Bonds[2]	**6,220**	6,860
Trade finance loans	**1**	1
Total non-current borrowings	**6,217**	6,856
Current		
Bank borrowings – term loan[3]	**1,109**	1,295
Commercial paper[4]	**1,129**	-
Bonds[2]	**396**	-
Total current borrowings	**2,634**	1,295
Total borrowings[5]	**8,851**	8,151

1 Balances are shown net of capitalised arrangement fees. Where there are no amounts borrowed on a particular facility, this gives rise to a negative balance. During the period, the Group borrowed and repaid amounts on its multi-currency revolving credit facility. As at 30 June 2023, none of the facilities were drawn (31 December 2022: nil).

2 The movement in total bonds during the period relates to foreign exchange translation and amortisation of arrangement fees of £3 million. The US$500 million bond issued in April 2021 matures in April 2024 and therefore became a current liability in the period.

3 The movement in the term loan is primarily due to a repayment of US$160 million (£127 million) in June 2023 and foreign exchange translation.

4 During the period, the Group updated the limits to and issued commercial paper (CP) under its £1.5 billion Euro CP and US$1.5 billion programmes. At 30 June 2023, US$590 million (£468 million), €680 million (£586 million) and £75 million of CP was outstanding (31 December 2022: nil).

5 The fair value of total borrowings as at 30 June 2023 was £7,952 million (31 December 2022: £7,204 million).

13.2 Analysis of net debt

Net debt comprises cash and cash equivalents less lease liabilities, interest-bearing loans and borrowings, adjusted for derivative financial instruments.

	30 June 2023 Unaudited £m	31 December 2022 Audited £m
Non-current		
Bank borrowings	**4**	5
Bonds	**(6,220)**	(6,860)
Trade finance loans	**(1)**	(1)
Lease liabilities	**(546)**	(533)
Derivative financial assets	**5**	12
Derivative financial liabilities	**(66)**	(87)
Total due after one year	**(6,824)**	(7,464)
Current		
Cash and cash equivalents	**3,500**	3,209
Bank borrowings	**(1,109)**	(1,295)
Commercial paper	**(1,129)**	-
Bonds	**(396)**	-
Lease liabilities	**(131)**	(139)
Derivative financial assets	**22**	36
Derivative financial liabilities	**(36)**	(9)
Total due within one year	**721**	1,802
Net debt	**(6,103)**	(5,662)

14. Financial assets and financial liabilities

The Group has a number of financial assets and financial liabilities. Financial assets mainly consist of clearing member trading assets, trade and other receivables, cash and cash equivalents, and investments in financial instruments. Financial liabilities are mainly clearing member balances, trade and other payables and borrowings.

The Group classifies its financial instruments as fair value though profit or loss (FVPL), fair value through other comprehensive income (FVOCI) or at amortised cost. Other than borrowings, we have assessed that the fair value of financial assets and financial liabilities categorised as being at amortised cost approximate to their carrying values. The fair value of the Group's borrowings is disclosed in note 13.

The Group's financial assets and financial liabilities held at fair value consist largely of securities which are restricted in use for the operations of the Group's CCPs as managers of their respective clearing and guarantee systems.

14.1 Financial assets

30 June 2023 Unaudited	Amortised cost £m	FVOCI £m	FVPL £m	Total £m
Clearing business financial assets[1]				
– Clearing member trading assets	**950**	**-**	**682,356**	**683,306**
– Other receivables from clearing members	**7,444**	**-**	**-**	**7,444**
– Other financial assets[2]	**-**	**19,640**	**-**	**19,640**
– Clearing member cash and cash equivalents[2]	**94,877**	**-**	**-**	**94,877**
Total clearing member assets	**103,271**	**19,640**	**682,356**	**805,267**
Trade and other receivables[3]	**1,715**	**-**	**-**	**1,715**
Cash and cash equivalents	**3,500**	**-**	**-**	**3,500**
Investments in financial assets – equity instruments	**-**	**380**	**-**	**380**
Derivative financial instruments				
– Foreign exchange forward contracts[4]	**-**	**-**	**9**	**9**
– Embedded foreign exchange contracts[5]	**-**	**-**	**16**	**16**
– Currency option	**-**	**-**	**2**	**2**
Total derivative financial instruments	**-**	**-**	**27**	**27**
Total financial assets	**108,486**	**20,020**	**682,383**	**810,889**

1 At 30 June 2023 (and 31 December 2022), there were no provisions for expected credit losses in relation to any of the CCP businesses' financial assets held at amortised cost. The Group closely monitors its CCP investment portfolio and invests only in government debt and other collateralised instruments where the risk of loss is minimal. There was no increase in credit risk in the period and none of the assets are past due.

2 Clearing member cash and cash equivalents represent amounts received from clearing members to cover initial and variation margins, and default fund contributions that are not invested in bonds. These amounts are deposited with banks, including central banks, or invested securely in short-term reverse repurchase contracts (reverse repos). Other financial assets represent CCP investment in government bonds.

3 Prepayments of £262 million and contract assets of £4 million within trade and other receivables are not classified as financial instruments.

4 The Group uses foreign exchange forward contracts to manage its foreign exchange risk. It has a series of exchange contracts to purchase or sell certain currencies against sterling and US dollars in the future at fixed amounts.

5 The Group has embedded foreign currency derivatives primarily in revenue contracts where the currency of the contract is different from the functional or local currencies of the parties involved.

31 December 2022 Audited	Amortised cost £m	FVOCI £m	FVPL £m	Total £m
Clearing business financial assets				
– Clearing member trading assets	1,997	-	661,370	663,367
– Other receivables from clearing members	5,945	-	-	5,945
– Other financial assets	-	18,415	-	18,415
– Clearing member cash and cash equivalents	104,707	-	-	104,707
Total clearing member assets	112,649	18,415	661,370	792,434
Trade and other receivables[1]	1,344	-	12	1,356
Cash and cash equivalents	3,209	-	-	3,209
Investments in financial assets – debt instruments	-	226	-	226
Investments in financial assets – equity instruments	-	394	-	394
Derivative financial instruments				
– Foreign exchange contracts	-	-	14	14
– Embedded foreign exchange contracts	-	-	34	34
Total derivative financial instruments	-	-	48	48
Total financial assets	117,202	19,035	661,430	797,667

1 Prepayments of £214 million and contract assets of £3 million within trade and other receivables are not classified as financial instruments.

14.2 Financial liabilities

30 June 2023 **Unaudited**	**Amortised cost** **£m**	**FVPL** **£m**	**Total** **£m**
Clearing business financial liabilities			
– Clearing member trading liabilities	**950**	**682,356**	**683,306**
– Other payables to clearing members	**122,278**	**-**	**122,278**
Total clearing member financial liabilities	**123,228**	**682,356**	**805,584**
Trade and other payables[1]	**2,694**	**38**	**2,732**
Borrowings	**8,851**	**-**	**8,851**
Derivative financial instruments			
– Foreign exchange forward contracts	**-**	**23**	**23**
– Embedded foreign exchange contracts	**-**	**14**	**14**
– Cross-currency interest rate swaps	**-**	**65**	**65**
Total derivative financial instruments	**-**	**102**	**102**
Total financial liabilities	**134,773**	**682,496**	**817,269**

1 Social security and other taxes of £94 million within trade and other payables are not classified as financial instruments.

31 December 2022 **Audited**	**Amortised cost** **£m**	**FVPL** **£m**	**Total** **£m**
Clearing business financial liabilities			
– Clearing member trading liabilities	1,997	661,370	663,367
– Other payables to clearing members	129,227	-	129,227
Total clearing member financial liabilities	131,224	661,370	792,594
Trade and other payables[1]	3,211	38	3,249
Borrowings	8,151	-	8,151
Derivative financial instruments			
– Foreign exchange forward contracts	-	6	6
– Embedded foreign exchange contracts	-	6	6
– Cross-currency interest rate swaps	-	84	84
Total derivative financial instruments	-	96	96
Total financial liabilities	142,586	661,504	804,090

1 Social security and other taxes of £76 million within trade and other payables are not classified as financial instruments.

14.3 Fair values

The following tables provide the fair value measurement hierarchy of the Group's financial assets and financial liabilities measured at fair value:

Financial assets

30 June 2023 Unaudited	Note	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total £m
Clearing business financial assets					
– Derivative instruments		88	5,981	-	6,069
– Non-derivative instruments		-	676,287	-	676,287
– Other financial assets		19,640	-	-	19,640
		19,728	682,268	-	701,996
Investment in financial assets – equity instruments	12.1	-	-	380	380
Derivatives not designated as hedges					
– Foreign exchange forward contracts		-	9	-	9
– Embedded foreign exchange contracts		-	16	-	16
– Currency option		-	2	-	2
Total financial assets measured at fair value[1]		19,728	682,295	380	702,403

1 There were no transfers between levels during the period.

Financial liabilities

30 June 2023 Unaudited	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total £m
Clearing business financial liabilities				
– Derivative instruments	88	5,981	-	6,069
– Non-derivative instruments	-	676,287	-	676,287
	88	682,268	-	682,356
Contingent consideration payable[2]	-	-	38	38
Derivatives not designated as hedges				
– Foreign exchange forward contracts	-	23	-	23
– Embedded foreign exchange contracts	-	14	-	14
Derivatives designated as hedges				
– Cross-currency interest rate swaps	-	65	-	65
Total financial liabilities measured at fair value[1]	88	682,370	38	682,496

1 There were no transfers between levels during the period.

2 The contingent consideration payable, resulting from the acquisition of Quantile Group Limited, was recognised in 2022 for additional consideration to be paid if certain performance targets are achieved. At 30 June 2023, there was no change in the fair value of the contingent consideration payable.

14.4 Hedging activities
In 2017, the Group entered into cross-currency interest rate swaps to swap €700 million of bonds into US$836 million. The fair value of these swaps as at 30 June 2023 was a liability of £65 million (31 December 2022: £84 million). The cross-currency interest rate swaps have been designated as a hedge of the Group's net investment in its US dollar reporting subsidiaries and qualify for hedge accounting. During H1 2023 a gain of £19 million has been recognised in other comprehensive income (H1 2022: £47 million loss).

In February 2021, the Group entered into a series of US dollar interest rate swaps, which were designated as cash flow hedges. The interest rate swaps were settled in March and April 2021 and a gain of US$31 million (£22 million) was recognised in the hedging reserve at the time. During the period £2 million was recycled to the income statement (H1 2022: £1 million).

Non derivative hedges
€800 million of the Group's bonds have been designated as a hedge of the Group's net investment in its euro reporting subsidiaries and qualify for hedge accounting. During H1 2023 a gain of £36 million was recognised in other comprehensive income (H1 2022: £38 million loss).

15. Commitments and contingencies

The Group has no contracted capital commitments which are not provided for in the interim statements.

The Group has the following contracts in place for future expenditure which are not provided for in the interim statements:

Contract	Description	Minimum commitment
Agreement with **Reuters News**, entered into in 2018, for a 30-year term	To receive news and editorial content	Minimum CPI adjusted payment, which was US$360 million for 2022
10-year strategic partnership with **Microsoft**	To architect LSEG's data infrastructure using the Microsoft Cloud, and to develop new products and services for data and analytics	Minimum cloud-related spend of US$2.8 billion over the term of the partnership[1]

1 The remaining commitment at 30 June 2023 is US$2.8 billion

In the normal course of business, the Group can receive legal claims including, for example, in relation to commercial matters, service and product quality or liability, employee matters and tax audits. The Group is also involved in legal proceedings and actions, engagement with regulatory authorities and in dispute resolution processes. These are reviewed on a regular basis and, where possible, an estimate is made of the potential financial impact on the Group.

In some cases a provision is recognised based on advice, best estimates and management judgement. Where it is too early to determine the likely outcome of these matters, no provision is made.

16. Events after the reporting period

Share buyback programme
Since 30 June 2023, the Company has repurchased 0.6 million of its own shares from the market for £50 million, which are being held as treasury shares.

Payment for interest in LCH SA
On 6 July 2023, the consideration of €111 million (£95 million) was paid for the 11% non-controlling interest in LCH SA.

Principal Risks

The effective management of risk is critical to the execution of the Group's strategy. Accordingly, the Group maintains a robust Enterprise-wide Risk Management Framework (ERMF), which sets out the Group's approach to risk management and its appetite for taking risks. Our regulated entities, including clearing houses, manage their risks in-line with both local regulation and internal risk and investment policies.

As well as our principal risks, we continue to identify and monitor emerging risks which are either new to the Group or are difficult to quantify due to their remote or evolving nature. In most cases, the mitigation for such emerging risks is to establish appropriate contingency plans and monitor the development of the risk until it can be quantified and removed or included as a principal risk. The Group does not consider the landscape of principal risks and uncertainties set out on pages 74 to 84 of its Annual Report for the year ended 31 December 2022 to have changed materially.

Strategic Risks

Risks related to our strategy (including the implementation of strategic initiatives and external threats to the achievement of our strategy). The category also includes risks associated with reputation or brand values.

Global economic and Geopolitical (Executive Lead: Chief Executive Officer)

Risk overview
Whilst the Group is well diversified, global economic underperformance or the influence of geopolitical relations on global financial markets could have an adverse impact on our people, businesses, operations or financial conditions.

Risk description
We operate in a broad range of equity, fixed income, foreign exchange and derivative markets servicing customers who increasingly seek global products and innovative solutions. If the global economy underperforms, or there is reduced activity in our markets, it may lead to lower revenues. Central banks continue to take steps to counteract inflationary pressures, mainly through raising interest rates. This has impacted financial markets, raising the risk of recession and downturn in the credit cycle in advanced economies and the risk of default in some emerging economies. The turmoil in the banking sector that occurred in Q1 2023 has been addressed by prompt regulatory action to avoid broader contagion but may lead to increased regulation and further market volatility including potential consolidation in the financial sector. More broadly, geopolitical relations continue to influence global financial markets, particularly the development of Western countries' relations with China and the ongoing conflict between Russia and Ukraine which is severely impacting global energy and food supplies.

Reputation/Brand/IP (Executive Lead: Chief Executive Officer)

Risk overview
Several of the Group's businesses are iconic and trusted international brands, and as these businesses are more closely aligned under one overarching LSEG name, there is potential for an event or incident to damage not only the reputation and value of an individual brand but also the broader set of LSEG branded products.

Risk description
The strong reputations of LSEG's businesses are valuable for the Group, its business credibility with regulators, and its attractiveness to customers and potential workforce alike. As these businesses are more closely aligned under one Group, there is greater potential for an event or incident to damage the reputation and value of the LSEG brand as a whole. In addition, some of the Group's products and processes may include material which is not subject to intellectual property protection by the Group. Competitors of the Group may also independently develop or otherwise protect products or processes that are the same or similar to our products and processes. This could result in reputational damage, impact LSEG's ability to attract new or retain existing business, and result in financial costs to defend or enforce intellectual property rights.

Transformation (Executive Lead: Chief Executive Officer, Chief Operating Officer)

Risk overview
The Group is materially exposed to risk of loss or failure resulting from transformation or integration as it continues to grow rapidly both organically and inorganically.

Risk description
As LSEG makes acquisitions, these may, in some cases, be complex or necessitate change to operating models, business models, technology and people. The Group's success has a high dependency on its ability to integrate all parts of its business, including acquisitions, realise synergies across the Group, and ensure that the Group is able to compete on a global scale. A failure to align the businesses of the Group successfully may lead to: an increased cost base without a commensurate increase in revenue; a failure to capture future product and market opportunities; and risks in respect of capital requirements, regulatory relationships, and management time. During H1 2023, the Group continued to undertake M&A activity, both acquisitions and divestments. Acquisitions require the Group to operate and integrate different technology platforms and systems while divestments require supporting the divested business through provision of transitional services. In addition, challenges for the Group include maintaining the operational resilience and security of legacy platforms, and consolidating services, or developing new services, where underlying assets used to provide those services are subject to contractual commitments with third-parties. The Group faces significant competition in each of its main business areas. The businesses have to respond to this at the same time as navigating through various transformation and integration activities. The markets for the Group's data, information, services and products are highly competitive and are subject to rapid technological changes and evolving customer demands and needs. Accordingly, the Group has a sizeable strategic change agenda to transform its products, services and platforms as it leverages growth synergies and upgrades its infrastructure.

Financial and Model Risks

The risk of financial failure, loss of earnings and/or capital as a result of investment activity, lack of liquidity, funding or capital, and/or the inappropriate use of models.

CCP Risk (Executive Lead: Group Head of Post Trade)

Risk overview
The Group's CCP activities – through LCH – expose it to a number of financial risks that arise from the CCP's obligation to guarantee the performance of cleared contracts between its members in the event a member defaults.

Risk description
In the event of a member default, the CCP must restore a matched book by liquidating or transferring the defaulting member's positions held with the CCP. This can expose the CCP to both adverse changes in the market value of the positions (such as changes in asset prices, interest rates, credit spreads and foreign exchange) and liquidation costs (such as the cost of finding liquidity to exit the positions). In addition, the CCP has investment risk arising from the investment of member cash and liquidity risk arising from its ongoing payment obligations. If the CCP does not have sufficient cash available, there is a risk of a liquidity shortfall (i.e., the CCP failing to meet its payments). Non-financial risks arise as a result of the CCP's day-to-day operations, such as operational, legal & compliance and reputational risk.

Model Risk (Executive Lead: Divisional Group Heads, Chief Risk Officer)

Risk overview
The Group's model risks could arise from errors during the data sourcing, development, implementation or use of models, or from errors in the decisions made based on their outputs.

Risk description
The Group utilises an increasing suite of models, including Artificial Intelligence (AI), across all of its business divisions (e.g., margin models used within our CCPs, D&A client facing analytics, market abuse detection models within the Capital Markets division, or stress models used to calculate capital and climate risk). Model risks could impact both the reputation and the financial condition of the Group.

Operational Risks

The risk of loss, or other adverse consequences to the business, resulting from inadequate, or failures associated with, internal processes, people and systems, or from external events.

Technology (Executive Lead: Chief Information Officer)

Risk overview
The risk that a failure of technology or technology change leads to negative reputational, financial, regulatory or customer impacts. LSEG is highly dependent on the development and operation of its sophisticated technology and advanced information systems and those of its third-party service and outsourcing providers.

Risk description
Technology failures potentially leading to system outages may impact our customers and the orderly running of our markets, data services and distribution. Technology risk could materialise if technology strategy is inadequate or technology systems are not designed and built to be resilient, scalable and supportable which may increase the operational cost to maintain and remediate. There is also a risk that a software, hardware, network or process failure causes unintended service disruption or if technology changes fail to achieve expected business outcomes. Overall, the number and severity of incidents linked to the legacy estate continues to decline.

Information and cyber security threats (Executive Lead: Chief Information Officer)

Risk overview
As a global Financial Markets Infrastructure (FMI) and data provider, LSEG is exposed to cyber risk. Increasing in sophistication, frequency and persistence, cyber risks are growing more dangerous and diverse.

Risk description
Significant cyber events continue to be observed in the financial sector and in the broader economy that demonstrate the sophistication of cyber adversaries and the impact they can have on the victim organisation. Cyber risk is driven by the increasing use of data, technology and digital services by LSEG directly and by our supply chain. In addition to the direct impact on ourselves and our customers, our role as an FMI provider means that a significant cyber event could create a systemic impact to the UK financial sector and the global markets that we serve. We must acknowledge, to remain competitive in this era of data and digitalisation, that cyber risk cannot be eliminated. However, it can be managed to a level of risk that we are prepared to accept as a cost of doing business.

Business Continuity (Executive Lead: Chief Information Officer, Chief Risk Officer, Divisional Group Heads)

Risk overview
The risk that there are inadequate resiliency strategies in place for the Group to mitigate operational disruption driven by loss or failure of technology, data, facilities, staff or critical third-parties.

Risk description
While the Group has processes and controls in place to ensure the continuity of its services and operations, unforeseen events such as physical security breaches or cyber threats and increased geopolitical concerns could impact the continuity of the Group's services. We routinely conduct forward looking scenario and crisis planning, including for an Energy Crisis, with crisis exercises planned to stress test impacts to our important business services.

Third-party risk (Executive Lead: Chief Operating Officer, Divisional Group Heads, Chief Information Officer)

Risk overview
Failure to manage the risks associated with the selection, management and oversight of critical third-parties could impact on the Group's ability to deliver its strategic objectives.

Risk description
Our third-parties are exposed to a range of risks including geopolitical and cyber security threats and regulatory compliance risk, whereby events may result in suppliers being unable to meet their contractual, regulatory, confidentiality or other obligations to the Group. This could lead to material financial loss, higher costs, regulatory actions and reputational harm. The Group and its entities engage third-party service providers including Cloud Service Providers (CSPs). The Group has engaged CSPs to host critical services and data. The Group also relies on access to certain data used in its business through licences with third-parties. Some of this data is provided exclusively by suppliers and may not be obtained from other sources.

Data governance (Executive Lead: Divisional Group Heads, Chief Operating Officer)

Risk overview
The failure to embed a strong data culture, governance structure and defined roles and responsibilities at LSEG that will impact the efficiency and effectiveness of decision making and the management of data.

Risk description
LSEG plays a significant role in the financial market infrastructure and data landscape with commitments to its customers, counterparties, owners, vendors, regulators and the public in the proper usage of its data. LSEG collects, processes, licenses, calculates, owns, transforms, administers, and distributes data in many formats (e.g. structured, unstructured, electronic and print formats, audio-visual, production, testing and archive data, derived data and personal data). Failure to govern the Group's data successfully could result in those data being unfit for purpose with respect to quality and usage. This could result in the Group or its customers and stakeholders utilising deficient data when making decisions which could adversely affect the Group's reputation, financial condition and operating results. Data privacy breaches, misuse of personal data or failure to protect confidential information could adversely affect the Group's reputation and expose it to litigation or other legal or regulatory actions. Unauthorised data access or privacy breaches may cause some of the Group's customers to lose confidence in its security measures and could impact on the Group's financial performance.

People and Talent (Executive Lead: Chief People Officer)

Risk overview
Risks to the Group could arise from a lack of critical skills, talent and knowledge, resulting in the Group being unable to achieve its objectives.

Risk description
People and culture risks can arise from ineffective career development, organisational structures and leadership, all of which could impact on the engagement and wellbeing of our people. Furthermore, increased market competition and challenging geopolitical or economic conditions can result in an inability to attract and retain diverse, high-performing talent and/or could lead to a disengaged workforce.

Regulatory Change and Compliance (Executive Lead: General Counsel, Chief Executive Officer, Divisional Group Heads)

Risk overview
LSEG is a global business operating within many regulatory environments. The Group is exposed to risks associated with changes to regulatory requirements and how we manage those changes.

Risk description
Regulatory change risks that LSEG may face include risks arising from: the conditions under which LSEG can access a particular market (e.g. EU equivalence for UK CCPs); the regulation and supervision of new activities; the overall reforms in the wholesale markets in the EU and the UK; and the greater focus on information and cyber security, data localisation and ESG data and scoring providers. There is also a risk that one or more of the Group's entities may fail to comply with the laws and regulatory requirements to which it is subject. In this event, the entity may be subject to censures, fines and other regulatory or legal proceedings.

Directors

The Directors of London Stock Exchange Group plc at 30 June 2023 were as follows:

Don Robert
David Schwimmer
Anna Manz
Dominic Blakemore
Martin Brand
Professor Kathleen DeRose
Tsega Gebreyes
Scott Guthrie
Cressida Hogg CBE
Dr Val Rahmani
Douglas M. Steenland
Ashok Vaswani
William Vereker

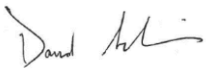
Statement of directors' responsibilities

The directors confirm that, to the best of their knowledge, the interim condensed consolidated financial statements have been prepared in accordance with UK adopted IAS 34 and that the interim report herein includes a fair review of the information required by the Financial Conduct Authority's Disclosure Guidance and Transparency Rules 4.2.7 and 4.2.8, namely:

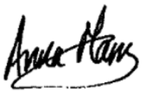
- an indication of important events that have occurred during the first six months of the financial year and their impact on the interim condensed consolidated financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related party transactions in the first six months of the current financial year and any material changes in the related party transactions described in the last annual report.

By order of the Board



David Schwimmer
Group CEO



Anna Manz
Group CFO

2 August 2023

INDEPENDENT REVIEW REPORT TO LONDON STOCK EXCHANGE GROUP PLC

Conclusion

We have been engaged by London Stock Exchange Group plc (the 'Company') and its subsidiaries (together, the 'Group') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity and notes 1 to 16 (together the 'condensed set of financial statements'). We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Group a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Group in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP

Ernst & Young LLP
London
2 August 2023