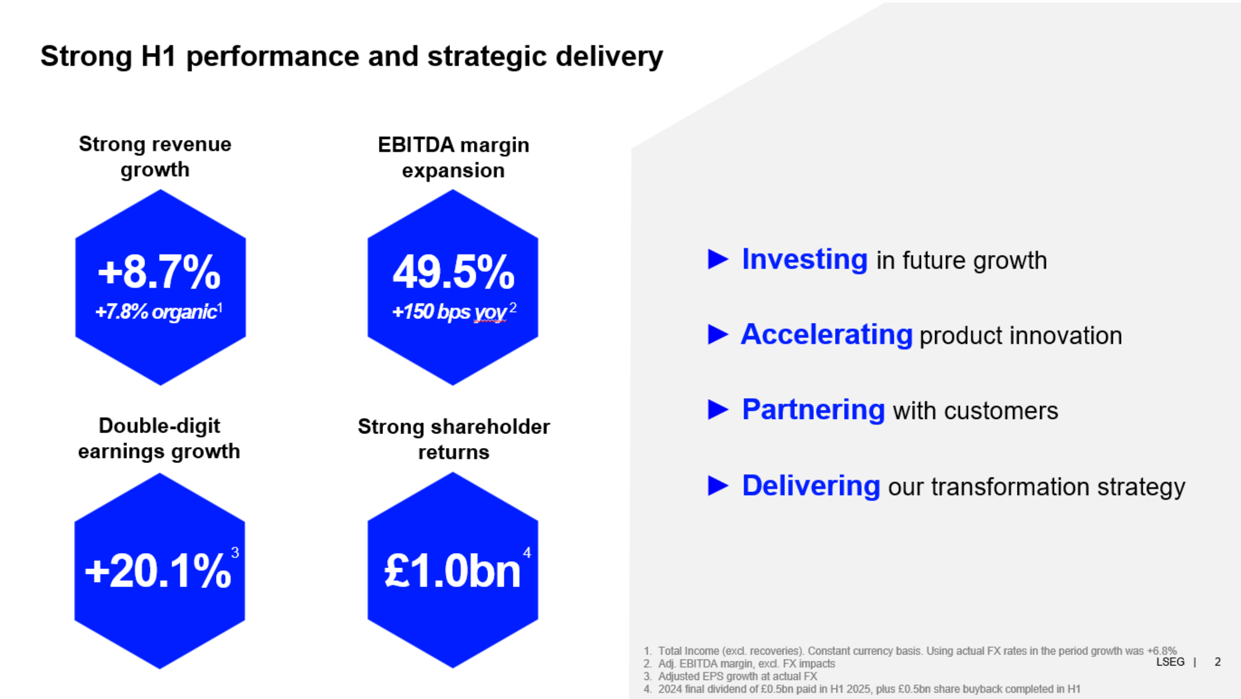
LSEG H1 2025 Interim Results

Presentation Transcript

July 31, 2025

PRESENTATION



David Schwimmer

Good morning and welcome to our first half 2025 results. I'm joined by Michel-Alain Proch, MAP, our CFO, and by Peregrine Riviere, Head of Investor Relations.

We've had a very good start to the year, continuing our strong and consistent track record of growth. Revenues grew 8.7% with all businesses contributing positively. Our focus on efficient and scalable growth is paying off with 150 basis points of margin expansion, taking EBITDA margins to 49.5%. That operational leverage continued down the P&L with adjusted EPS growing a little over 20%. Cash conversion remains strong. We returned a billion pounds in buybacks and dividends to shareholders in the first half while still investing in future growth and maintaining optionality around bolt on M&A. And today, we've announced a further billion-pound buyback in the second half, and a 15% increase in our interim dividend, and we are raising our margin guidance. This performance is a direct consequence of our strategy and execution. The investments we're making are driving growth today and are also building the capabilities and platforms for future growth. We're accelerating our high level of product innovation, consistently rolling out new products. We are deepening our customer relationships, building strategic partnerships that have our data, insights, and solutions at their core. We continue to drive greater efficiency and operational leverage through the ongoing transformation of our business and application of new tools, including AI.

I'll say more about the strong commercial and strategic progress we're making in a moment, but first I'll hand over to MAP to discuss our financial performance in more detail.

Delivering growth, profitability and shareholder returns

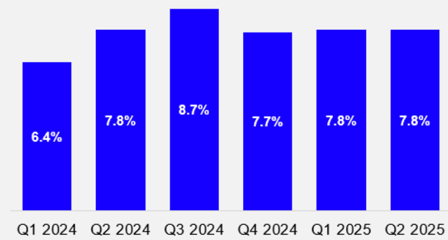
Michel-Alain Proch, CFO

LSEG

Strong, consistent H1 income growth in 2025

(GBP million)	Q1	Q2	H1
2025 total income excl. recoveries	**2,261**	**2,228**	**4,489**
2024 total income excl. recoveries	2,089	2,115	4,204
Reported growth	8.2%	5.3%	6.8%
Organic growth[1]	**7.8%**	**7.8%**	**7.8%**

Organic growth is consistently strong[1]



1. Organic, constant currency growth

Michel-Alain Proch

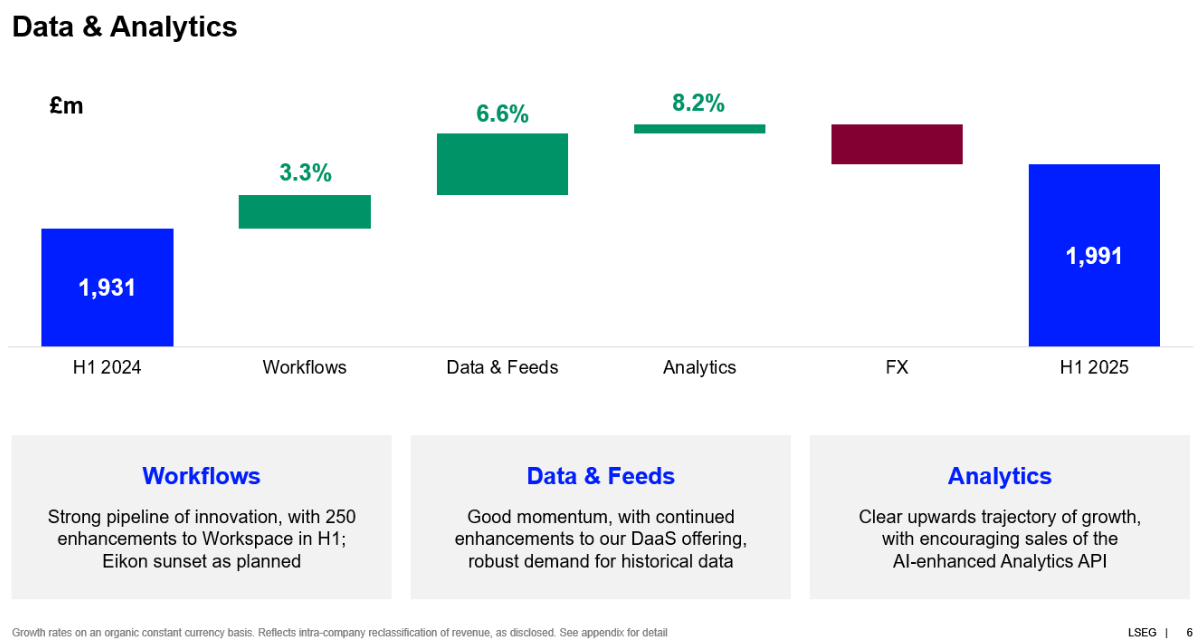
Thanks, David, and good morning everyone. Let's begin with the group growth for the quarter and semester. Our organic constant currency income growth for H1 was 7.8%. This growth was consistent across Q1 and Q2. On a reported basis, our income growth is 6.8%, including the impact of FX and M&A. Overall, FX was a 1.9% headwind in H1. As you can see, growth across all prior six quarters has been consistently strong.

Delivering broad-based growth across all divisions

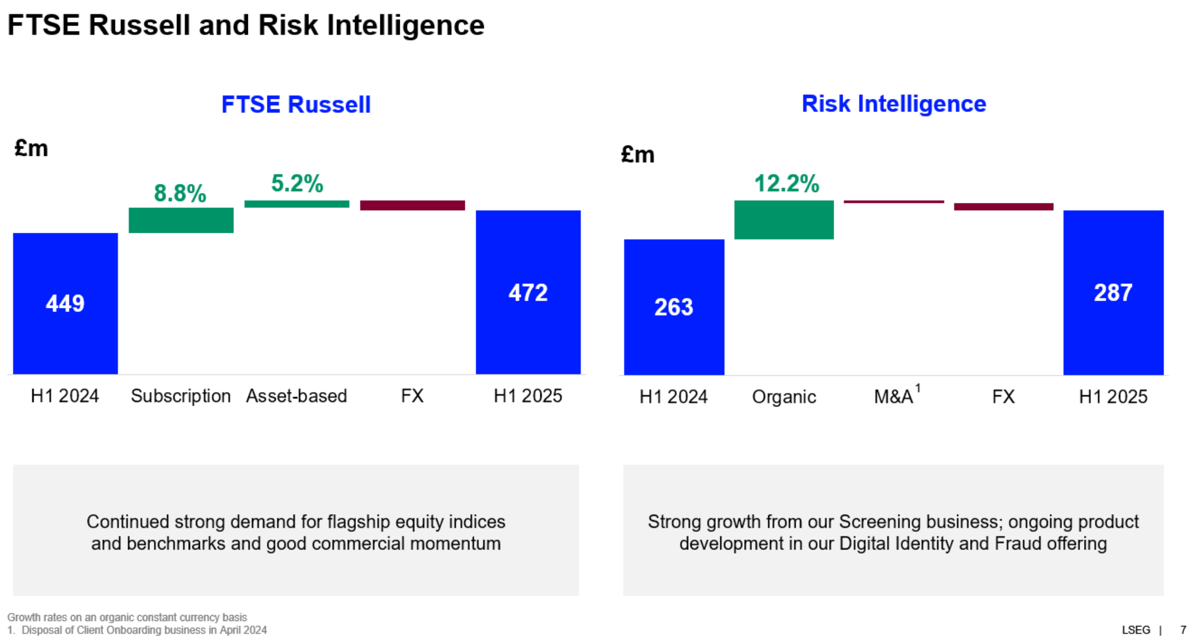
(GBP million)	H1 2025	H1 2024	Reported growth vs H1 2024	Organic growth[1] vs H1 2024
Data & Analytics	1,991	1,931	3.1%	5.1%
FTSE Russell	472	449	5.1%	7.6%
Risk Intelligence	287	263	9.1%	12.2%
Markets	1,735	1,553	11.7%	10.7%
Total[2]	4,489	4,204	**6.8%**	**7.8%**

1. Organic, constant currency growth
2. Totals include other income of £4m in 2025 and £8m in 2024. Reflects intra-company reclassification of revenue, as disclosed. See appendix for detail

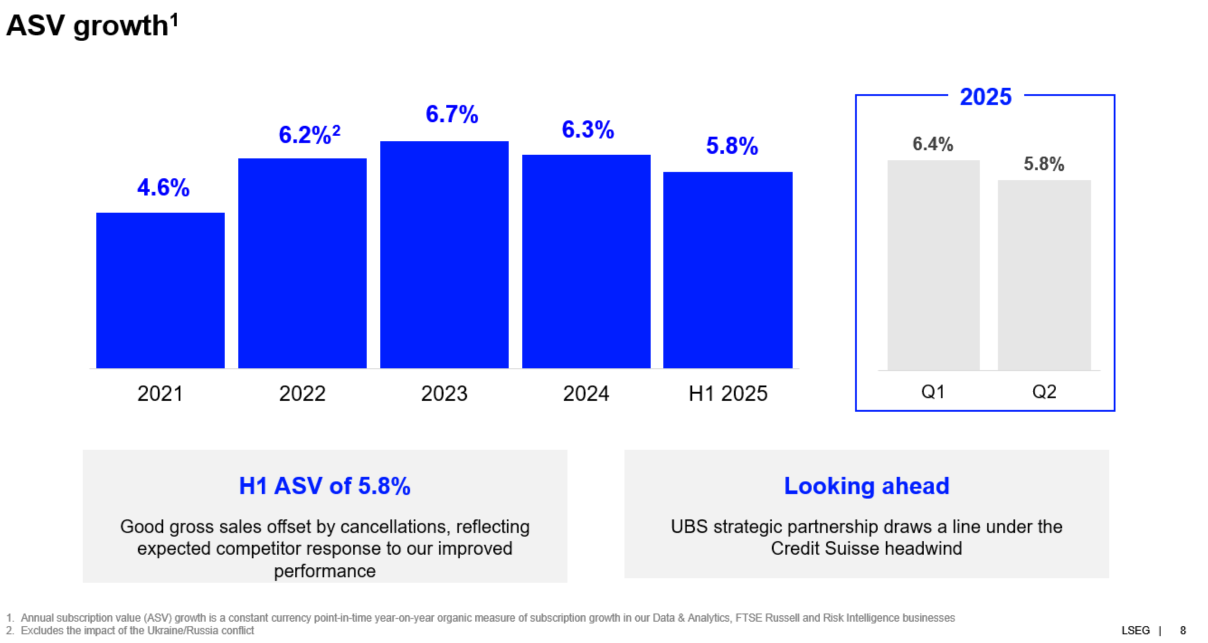
Looking now by division, you can see growth across all four businesses in H1. Data analytics and FTSE Russell maintain a solid performance throughout the first half, and our risk intelligence and market businesses grew at double-digit rates. The weakness in the dollar has been a headwind to reported growth in all divisions. Market's reported growth includes the benefit of the acquisition of ICD by Tradeweb in August 2024. There is one last point to call out on our reporting. Effective from H1 2025, certain revenue items have been reallocated, a total of £83 million in H1 2025 and £79 million in H1 2024. This is to better reflect how these businesses are managed operationally and has no impact on group-level revenues. Details of this are set out in the appendix of this presentation, and in our earnings release.



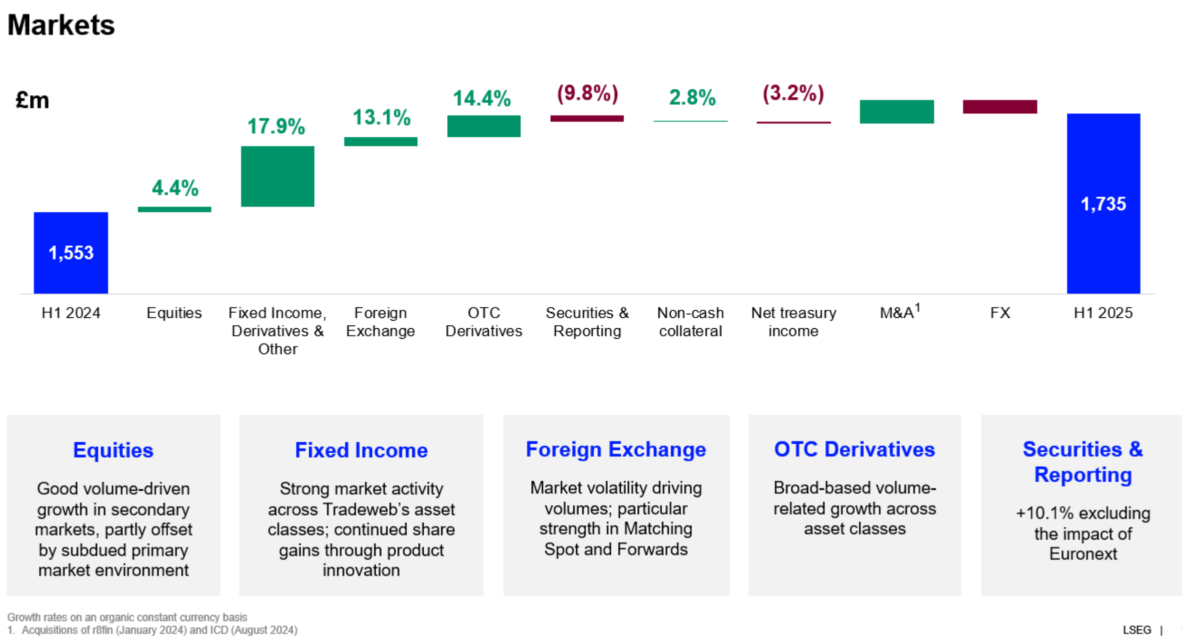
Now let's look at D&A in more detail. There was a good performance from Workflows with organic growth of 3.3%. We sunset Eikon as planned at the end of H1, and it has been delivered on time and on budget. We continue to make significant investment in our Workspace platform that David will later detail, with innovation driving around 250 enhancements in H1. Data & Feeds maintain its good momentum with organic growth of 6.6%. We continue to broaden our data sets and in H1 we added company fundamentals data onto our Data as a Service platform. Analytics has had a very strong first half with 8.2% organic growth accelerating in Q2. There has been a clear upwards trajectory of this business over recent quarters. Sales of our new AI enhanced Analytics API has helped to drive the growth here.



Turning to the next slide. In FTSE Russell, we have continued to see strong demand for our flagship equity indices and benchmarks, which have supported good growth in our subscription business even against a very strong comparable period. We also announced our partnership with Stepstone to jointly develop private asset indices and data analytics product, and we launched 25 ETFs across our equity franchise which is a record. As I mentioned previously, this half we have seen the impact of a mandate loss from the third quarter of 2024. Excluding this, asset-based growth would have been mid-single digit rather than the flat performance we reported in Q2. Price increase in this business occurs upon renewal which are spread over the year. Looking into H2, we see fewer renewals than usual. This is a function of contract timing, but it means that there will be a little less contribution from pricing to subscription growth. Risk Intelligence had another excellent half of double-digit growth which continues to be driven by World-Check. Growth in digital identity and fraud has also been strong where our new product launches have helped drive good volumes momentum.



Looking now at our ASV metric on the next slide. ASV growth was 5.8% as we exited Q2 compared to 6.4% 3 months earlier. The Eikon to Workspace migration is one of the largest ever desktop migrations, and inevitably this quarter was a period of adjustment as migrating customers cleaned up their subscriptions. We have also seen the expected competitive reaction to our improved product and commercial performance. Across our subscription businesses, our gross sales remain strong, but they have been partly offset by higher cancelation for these two reasons. Going into Q3, ASV growth will be slightly impacted by the strategic partnership that we signed with UBS and announced last week. This is a very valuable long-term arrangement, and it also draws a line, once and for all, under the Credit Suisse headwind, bringing the last effect to a close in Q3. We expect to see ASV move up around the turn of the year, but as we have said before, we would not rely too heavily on ASV as a measure of progress. Indeed, we expect usage-based revenue models to increase as it is already happening in our Analytics and Risk Intelligence businesses, and these revenues are not captured by ASV, so it may become less and less relevant as a metric in the future.

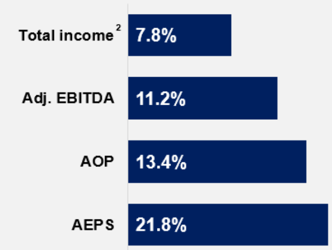


Markets had a strong half with double-digit growth in Tradeweb, FX, and OTC Derivatives. Growth was driven by elevated volumes across our Markets businesses. Within Equities, we have seen good volume-driven growth in secondary markets while the global primary market environment remains relatively subdued. Fixed income had another exceptional performance with 17.9% growth in H1. Tradeweb is continuing to successfully execute on their strategy while benefiting from favourable market conditions across all their asset classes. The integration of ICD is doing well. Turning to FX, we delivered growth of 13% continuing the positive trend. Market volatility pushed volume up 14%, and we saw particular strength in our Matching Spot and Forward businesses. In OTC Derivatives, we drove broad based growth across asset classes. SwapClear saw strong growth with interest rate swap notional volumes up 15% and ForexClear notional volumes were up 33%. The development of our Post Trade Solutions business is picking a pace, and we have seen demand from both new and existing customers for this service. We onboarded over 30 new customers across the product suite, and we have seen double-digit growth in H1. The minus 9.8% growth in Securities and Reporting does not reflect the underlying performance given the impact of the Euronext exit, which we previously confirmed would see a circa 30 million drag in the first three quarters of 2025. Stripping out this impact, H1 growth is 10% which includes strong growth in RepoClear.

Strong EBITDA growth flowing through to AEPS

(GBP million)	H1 2025	H1 2024	Growth % vs H1 2024 Reported	Growth % vs H1 2024 Organic[1]
Total income excl. recoveries	**4,489**	**4,204**	**6.8%**	**7.8%**
Gross profit	4,070	3,801	7.1%	7.9%
Adjusted EBITDA	**2,223**	**2,040**	**9.0%**	**11.2%**
Adjusted EBITDA margin	*49.5%*	*48.5%*		
Adjusted depreciation, amortisation & impairment	(497)	(477)	4.2%	4.2%
Adjusted operating profit	**1,726**	**1,563**	**10.4%**	**13.4%**
Adjusted net finance expense	(66)	(112)	(41.1%)	
Adjusted tax expense	(399)	(360)	10.8%	
Adjusted effective tax rate	*24.0%*	*24.8%*		
Non-controlling interest	(156)	(160)	(2.5%)	
Adjusted profit attributable to equity holders	**1,105**	**931**	**18.7%**	
Adjusted earnings per share	**208.9**	**174.0**	**20.1%**	**21.8%**

Operating leverage in action[1]



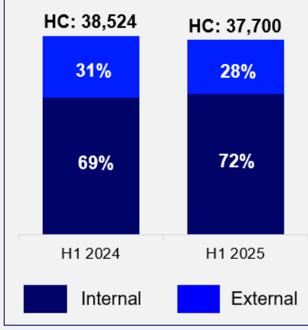
1. Constant currency organic growth
2. Total income excluding recoveries

Moving now from revenue to the rest of the P&L on the next slide. I will go into OPEX and margin in a bit more detail on the following slide. I have spoken before about operating leverage and the overall message here is that you can now really see us continuing to deliver it. The strong top line growth of 7.8% translates into higher levels of adjusted EBITDA growth at 11.2%, AOP growth of 13.4%, and AEPS growth of 21.8%, all on an organic constant currency basis. This is operating leverage in action.

Consistently improving cost control

(GBP million)	H1 2025	H1 2024	Growth % vs H1 2024 Reported	Organic[1]
Cost of sales	**602**	**588**	**2.4%**	**4.9%**
Staff costs	1,173	1,102	6.4%	6.8%
Third-party services	172	195	(11.8%)	(9.6%)
Total resource cost	**1,345**	**1,297**	**3.7%**	**4.4%**
As a % of total income excl. recoveries	**30.0%**	**30.9%**		
IT costs	324	309	4.9%	6.2%
Other costs	165	174	(5.2%)	(0.5%)
FX-related items[2]	13	(21)		
Total adjusted operating expenses	**1,847**	**1,759**	**5.0%**	**4.2%**
Total Group cost base[3]	**2,450**	**2,347**	**4.4%**	**4.4%**

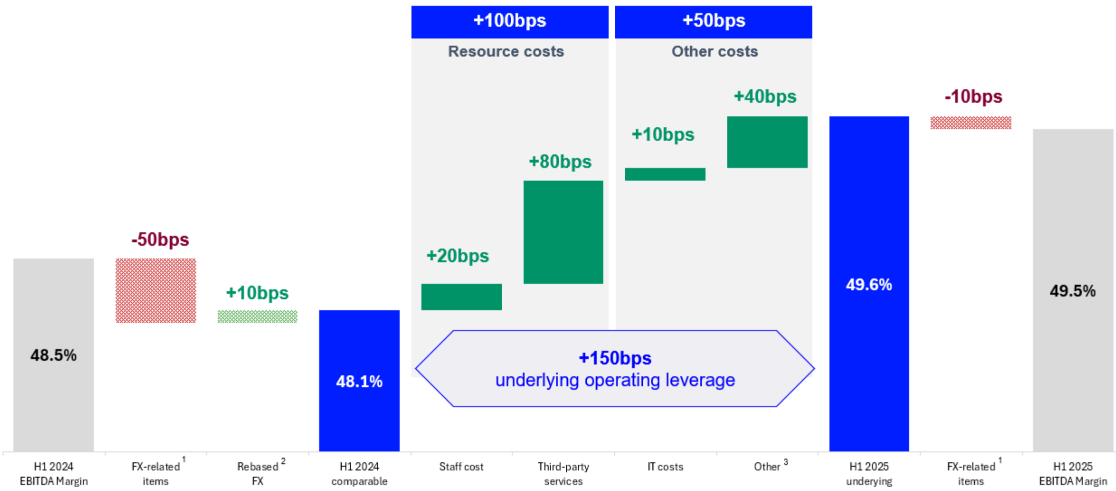
Good progress on our insourcing programme



1. Constant currency organic growth
2. FX-related items represent fair value movements on embedded derivative contracts and foreign exchange (gains)/losses (H1 2025: £13m loss; H1 2024: £21m gain). Within this, the impact of embedded derivatives was a £19m loss in H1 2025 and a £27m gain in H1 2024
3. Total Group cost base consists of cost of sales and adjusted operating expenses

Looking at the cost base in more detail on the next slide, this looks at both cost of sales and operating expenses. Cost of sales grew by 4.9%, a slower pace than the 7.8% income growth we reported. This is largely due to the revenue mix in our divisions and also in FTSE Russell, last year's mandate loss that I already mentioned has reduced revenue share payments. Turning now to operating expenses. Staff costs in conjunction with third-party services, reflect the total people resources we employ across our organization. The resource equation which looks at resource cost as a percentage of total income excluding recoveries has improved by 90 basis points. This has been driven by disciplined cost control and our workforce in sourcing program, which is going well. Our total headcount is slightly decreasing, and we have increased the percentage of our internal workforce to 72% reducing our external headcount by approximately 1,500 and adding over 600 permanent employees compared to H1 2024, mostly in engineering. And as we are doing this, we are raising the bar on talent. The reduction in our other cost line is mainly driven by ongoing optimization of our property portfolio and travel expenses. This is another example of us delivering operating leverage with total operating expenses increasing by 4.2% compared to income growth of 7.8%.

Delivering operating leverage through disciplined execution



1. FX-related items represent fair value movements on embedded derivative contracts and foreign exchange (gains)/losses (H1 2025: £13m loss, H1 2024: £21m gain)
2. Rebased FX into 2024 average FX rates
3. "Other" includes recoveries revenue, cost of sales, other operating expenses, income from equity investments and share of loss after tax of associates

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Let's now turn to the next slide where we bridge the effects of cost drivers on our EBITDA margin rate. Starting from the left, the 48.5% is the reported margin for H1 2024. Then there are last year's adjusting FX factors, namely embedded derivatives and a translational impact. All in, it gets you to a comparable baseline of 48.1% for H1 2024. Next, you can see the contribution to margin from each cost line on a constant currency basis. The net benefit to margin from people resource cost leverage is 100 basis-point improvement and from IT cost, another 10 basis-point benefit. The 40 basis points from other include a 20 basis points improvement in cost of sales due to the reduced revenue share payment in FTSE Russell and 20 basis-point benefit from the optimization of our property and travel expense as I just mentioned. Taking these controllable movements together shows our very strong underlying margin improvement of 150 basis points for H1. That brings us to an underlying margin for H1 of 49.6%. There is a net impact of 10 basis points from embedded derivatives and translational effects, and that gets you to our reported 49.5%. So, in H1, we have delivered a very strong margin progression which make us confident of reaching our improved guidance for the year of 75-100 basis-point improvement. One more point that I would like to make is that we are not only raising the floor of our guidance, but we will be executing it while absorbing in H2 the 60 basis-point negative impact of the £27 million Euroclear dividend that we received last year, but that obviously we won't be receiving this year anymore as we sold our stake in Euroclear, an important point while looking at the H2 margin improvement.

Net finance expense reduced through active debt management

(GBP million)	H1 2025	H1 2024
Interest expense on bank and other borrowings, including derivative interest	(142)	(157)
Bank deposit and other interest income, and other net gains	79	77
Net lease interest expense	(10)	(9)
Interest differential and foreign exchange gains / (losses)	5	(16)
Other net finance income / (expenses)	2	(7)
Adjusted net finance expense	**(66)**	**(112)**

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Turning now to net finance expense. You can see that adjusted net finance expense was 66 million in H1 2025 compared to 112 million in H1 2024. This represents a 46 million year-on-year reduction. This decrease includes three elements. First, a 23 million credit from the bond tender offer we completed in March. Second, a gain of 12 million coming from the discontinuums of a US dollar net investment hedge. Finally, the balance came from a better management of the Group debt structure AKA 11 million improvement versus last year. There will be a small headwind in H2 from additional interest cost from the share buyback this year. Taking this into account for the full year 2025, I expect the total adjusted net finance expense to be slightly above 200 million.

Tax rate reduction within guidance

(GBP million)	H1 2025	H1 2024
Reported income taxes	**230**	**225**
Reversal in income tax on amortisation of intangibles arising from acquisition	150	141
Rate change on non-underlying attributes[1]	-	(44)
Transactions, integration and similar costs	19	33
Other	-	5
Adjusted tax	**399**	**360**
Effective tax rate	**24.0%**	**24.8%**

1. Reflects the impact of changes in the tax rate applied to the surplus on one of the Group's pension schemes

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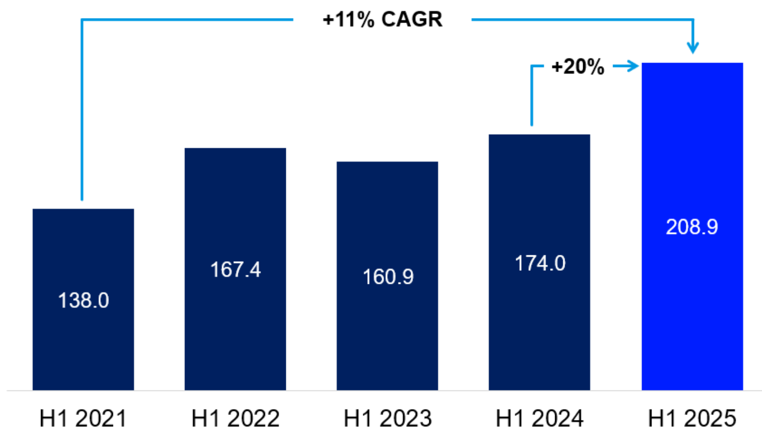
On tax, on the next slide, the effective tax rate decreased from 24.8% to 24.0%. This 80 basis-point improvement puts us in a good position to meet our guidance of 24-25% for the full year.

Double-digit AEPS growth



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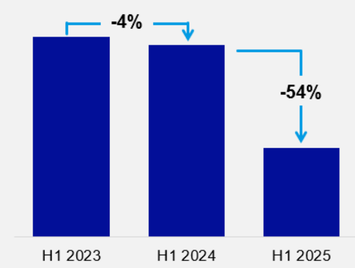
AEPS was 208.9 pence in H1 2025. It represents 20.1% year-on-year increase. On AEPS, it's helpful to take a multi-year view given the year-to-year noise from FX. This slide shows our strong continuing earnings accretion with 11% compound growth since the first half of 2021, and in the last year we have seen a significant acceleration at 20% - well ahead of revenue growth, which clearly demonstrates the strong improvement in underlying profitability. And we have achieved this double-digit earnings growth while continuing to invest in our business.

Reduction in non-underlying costs, as committed

(GBP million)	H1 2025	H1 2024
Adjusted operating profit	**1,726**	**1,563**
Transaction costs credit / (costs)	(15)	10
Integration, separation & restructuring costs	(53)	(114)
Profit on disposal & remeasurement gains	-	8
Depreciation, amortisation & impairment of intangible and other assets	(597)	(655)
Operating profit	**1,061**	**812**

Integration costs have halved



Now looking at non-underlying items, the main point to note here is that we have massively reduced our integration costs by more than 50% compared to last year as we previously committed. The Refinitiv integration is completed, and the only costs posted in non-underlying going forward relate to our engineering contractor re-internalization program that I already mentioned and the deployment of a single ERP throughout LSEG. These two programs will be completed by 2027.

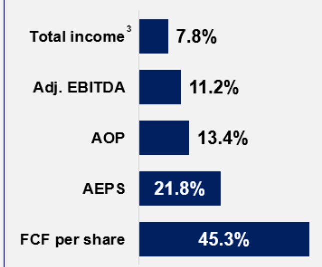
Highly cash generative business model: strong free cash flow

(GBP million)	H1 2025	H1 2024	Variance	
Reported EBITDA	**2,155**	**1,944**	**211**	**10.9%**
Non-cash / non-operating P&L items	127	37	90	243.2%
Change in working capital	(500)	(480)	(20)	(4.2%)
Operating cash flow	**1,782**	**1,501**	**281**	**18.7%**
Net interest on debt and commercial paper[1]	(87)	(73)	(14)	19.2%
Net taxes paid	(213)	(203)	(10)	4.9%
Capex	(424)	(454)	30	(6.6%)
Lease payments[1]	(75)	(79)	4	(5.1%)
Other items[2]	(48)	(41)	(7)	17.1%
Equity free cash flow[1]	**935**	**651**	**284**	**43.6%**
Equity free cash flow per share (p)	**177**	**122**	**55**	**45.3%**

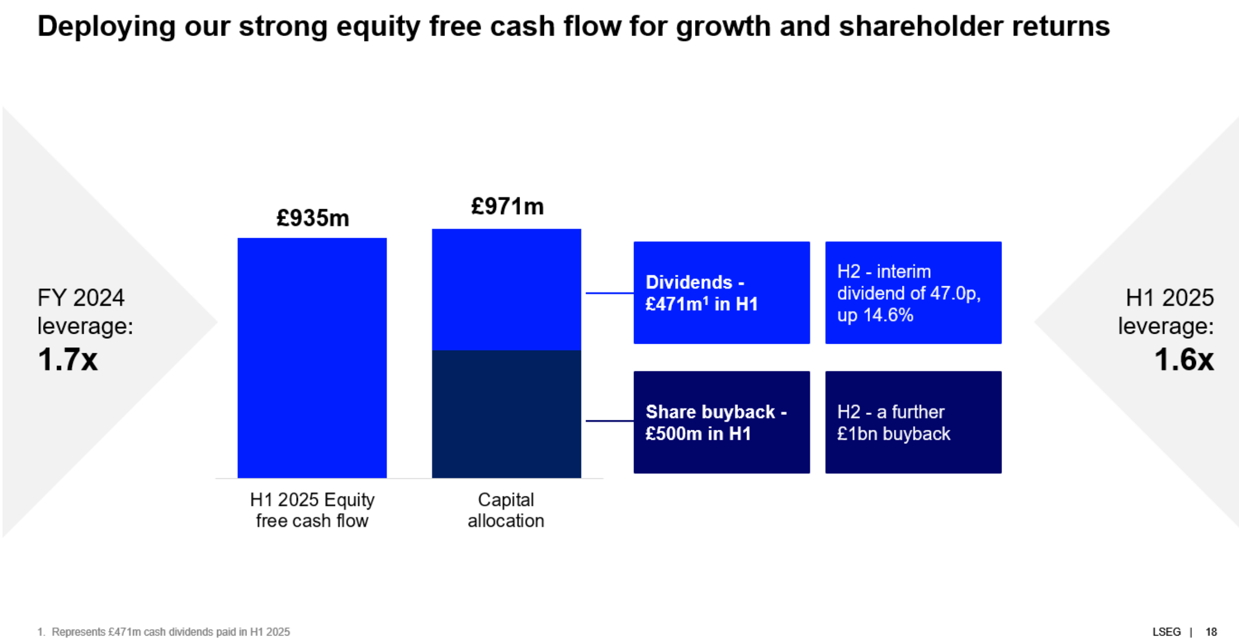
Equity free cash flow: **+43.6% vs H1 2024**

1. Equity free cash flow is the cash generated before M&A, returns to shareholders and financing activities. We have redefined equity free cash flow to deduct principal repayments under leases of £75 million (2024: £79 million) and interest charges on commercial paper of £22 million (2024: £31 million)
2. Consists of dividends received, dividends paid to non-controlling interests and sales commissions paid
3. Total income excluding recoveries
4. Constant currency, organic growth, except equity free cash flow per share

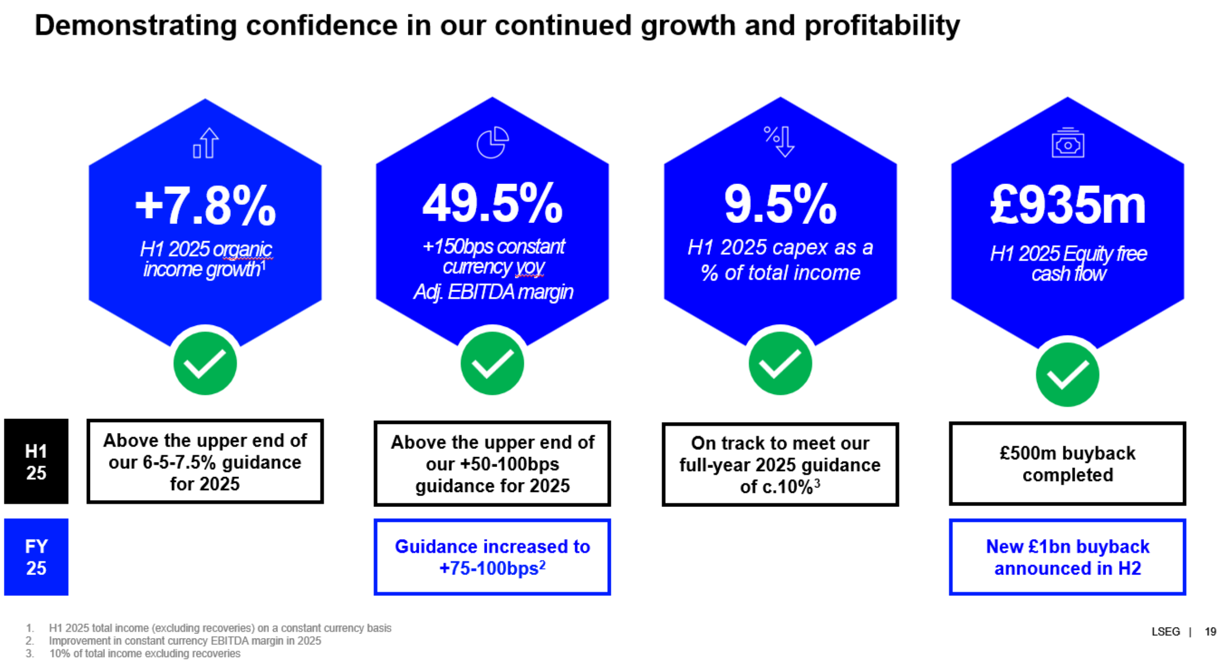
Operating leverage in action[4]



Let's turn now to cash flow. We have continued to increase our operating cash flow generating 281 million more compared to the first half of 2024, and we were able to materialize all of this increase in operating cash flow into equity free cash flow. Capex was 424 million in H1 2025. This represents 9.5% of total income and a 30 million year-on-year reduction due to lower cost related to the Refinitiv transaction and an improved investment control process. We are fully in line with our guidance to reduce our capital intensity to approximately 10% in 2025. We have a good line of sight to it declining further as per our medium-term guidance. As a result of this discipline, equity free cash flow shows really strong growth of 284 million which is a 43.6% year-on-year improvement. As you can see, LSEG is highly cash generative and with higher margins and lower capital intensity, it will become even more so.



We continue to be very active in our allocation of cash as you can see from this slide. First, the dividend. The interim dividend is increasing 15% to 47 pence in line with our dividend policy, and it's representing approximately 250 million. Second, buybacks. We return 500 million via buybacks in H1, and we plan to execute up to a further 1 billion share buyback in the second half of the year. We ended the period with a leverage of 1.6 times net debt to EBITDA, which is almost at the bottom of our guided range. This gives us significant financial flexibility to return surplus capital to our shareholders as well as invest in M&A opportunities across our business that make sense both strategically and financially as we have always done.



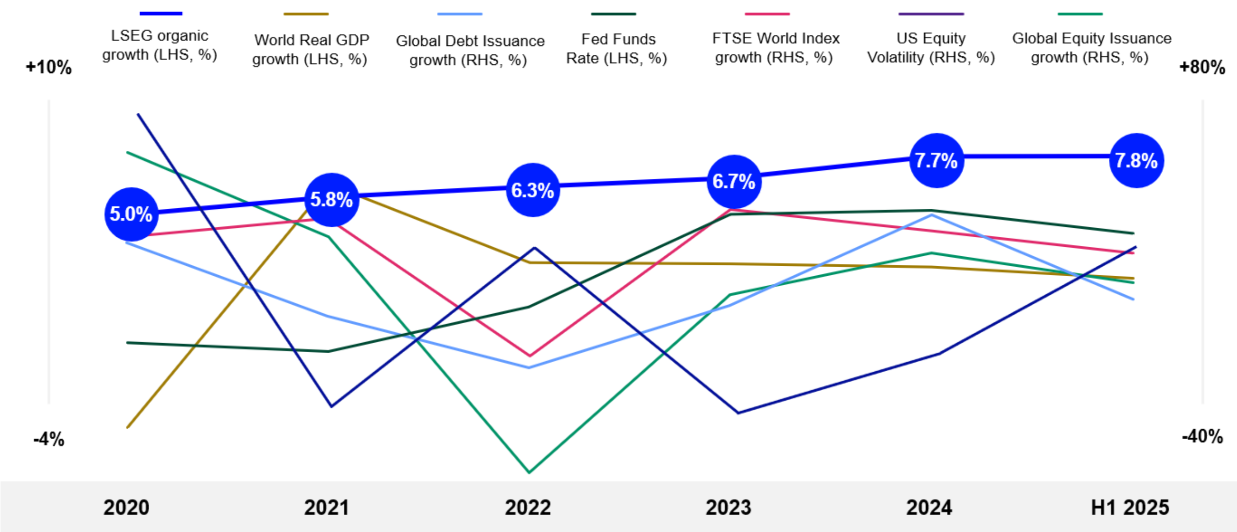
The next slide summarizes our H1 performance versus our 2025 guidance. Starting with revenue, H1 organic growth of 7.8% exceeds the upper end of our 6.5-7.5 guidance for 2025. On the basis of this performance, we are very confident that we can deliver on our revenue guidance for the full year. If our transactional businesses continue to perform well, our position relative to the range can obviously improve further. Next to margin, I have spoken already about the H1 performance which exceed our guidance for 2025. We are now raising our EBITDA margin guidance for 2025 to a 75-100 basis-point improvement, all this while absorbing a 30 basis-point impact on the year following the end of the Euroclear dividend that I mentioned. This demonstrates the progress we have made and our conviction that in our capacity of execution. Thirdly, we are bringing down our capital intensity as planned, and we are on track to meet our full year guidance of around 10% of income in 2025. Finally, we are deploying our strong equity-free cash flow for growth and shareholder returns. As I've mentioned, this includes a new one billion buyback. In conclusion, we are very confident that we will deliver on all our promises for 2025 and in the medium term. We have a clear plan, and we are very focused on executing it. Now, let me hand back to David to talk about our strategic and operational progress.

Delivering our strategy for growth

David Schwimmer, CEO

LSEG

Our all-weather business model in action



1. Source: LSEG data

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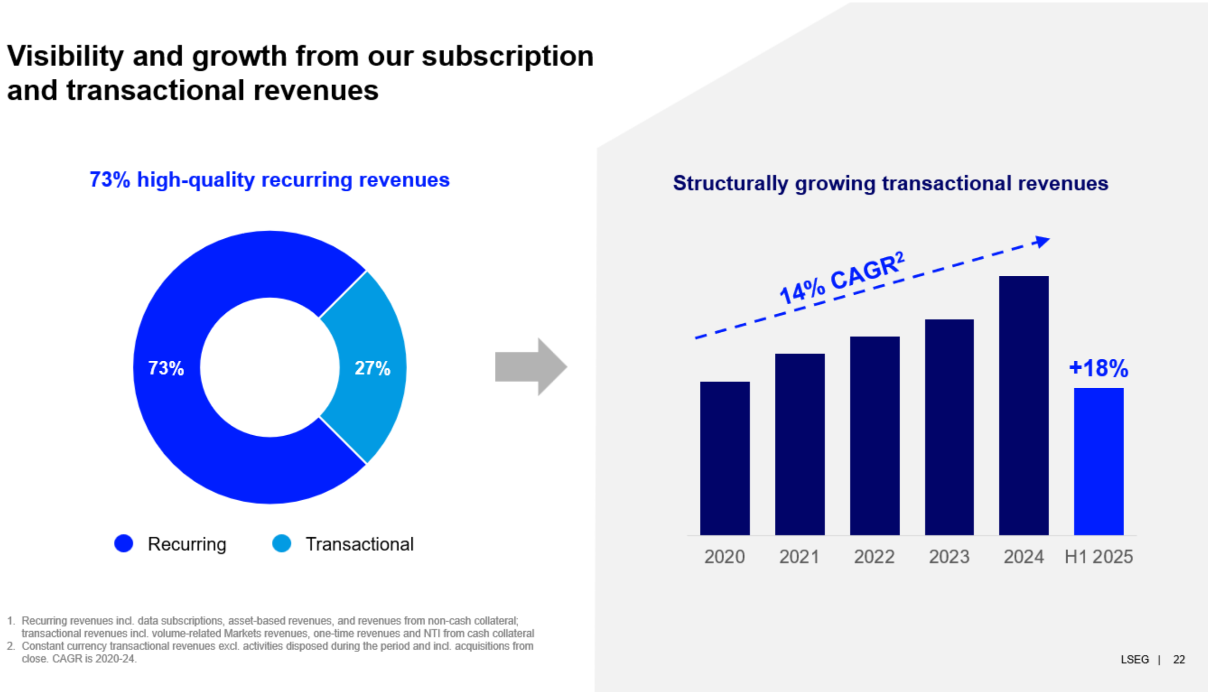
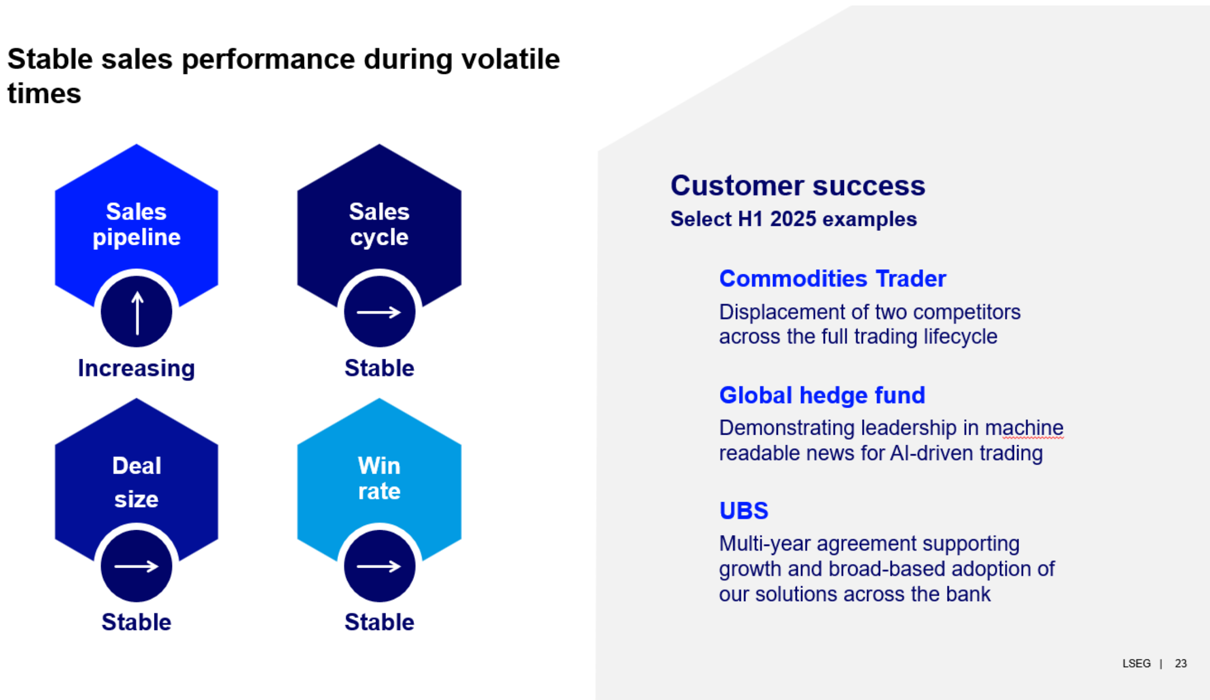
David Schwimmer

Thank you, MAP. This chart puts our recent performance in context. Despite big swings in capital markets and the global economy, we have delivered strong and consistent growth. We're not immune to economic conditions, but the natural offsets in our activities give our business model an all-weather nature. You can also see how disciplined delivery of our strategy over the last few years has accelerated growth from mid-single digits to high single-digit growth.



Almost three-quarters of our revenues are recurring in nature, subscriptions in Data & Analytics, FTSE Russell, and Risk Intelligence and member fees and data sales in our Markets businesses. These businesses have very high retention rates reflecting the quality of our offering and the importance of the services to our customers. Around a quarter of our revenues are transactional in nature, arising largely from the execution and clearing solutions we provide to customers when they are investing capital and managing risk. The double-digit growth in these revenues over the last 5 years speaks to the structural nature of this growth and the innovation we have driven across markets. Whether it is supporting electronification in fixed income trading, introducing new FX trading protocols like forward first fixing, or working with the industry to provide greater capital efficiency in post trade, we are driving structural growth across our transactional businesses.



It speaks to the quality of our sales execution that our pipeline of new business continues to grow, and we have not seen any material change in key metrics such as average deal size or length of sales cycle. MAP highlighted the short-term impact of competitor activity just now, but looking out, our continued investment and high pace of product innovation position us well to strongly compete and continue taking share. An example, in Workflows, we displaced almost 100 users at a major commodities trading firm. That was driven by our superior market data, news and commodity-specific research. In Data &Feeds, we won a highly competitive process to provide a global hedge fund with data and insights powering new AI-driven trading models. Central to this success was our leadership in news, both the breadth of our offering and the investment we've made in making it machine-readable and AI ready. We also agreed a new multi-year data access agreement with UBS. That's a really strong partnership based on the adoption of our solutions across the full range of UBS's activities globally. We expect to see good multi-year growth from the relationship.

Successfully executing on multiple, evolving drivers of growth

1.
Demand for data, the role of AI and new technologies, and AI integration into workflows

- Mass adoption of AI
- Data management in the cloud

2.
Regulation placing increasing demands on capital

- Greater regulatory and fiscal uncertainty
- Moderating pace of new regulation for some customers

3.
Reputational and financial risk management

- More volatile geopolitical environment
- Rapid expansion of financial fraud and risk vectors

4.
Electronification and digitisation of trading

- Growth in digital assets – participants and liquidity
- A more complex private markets ecosystem

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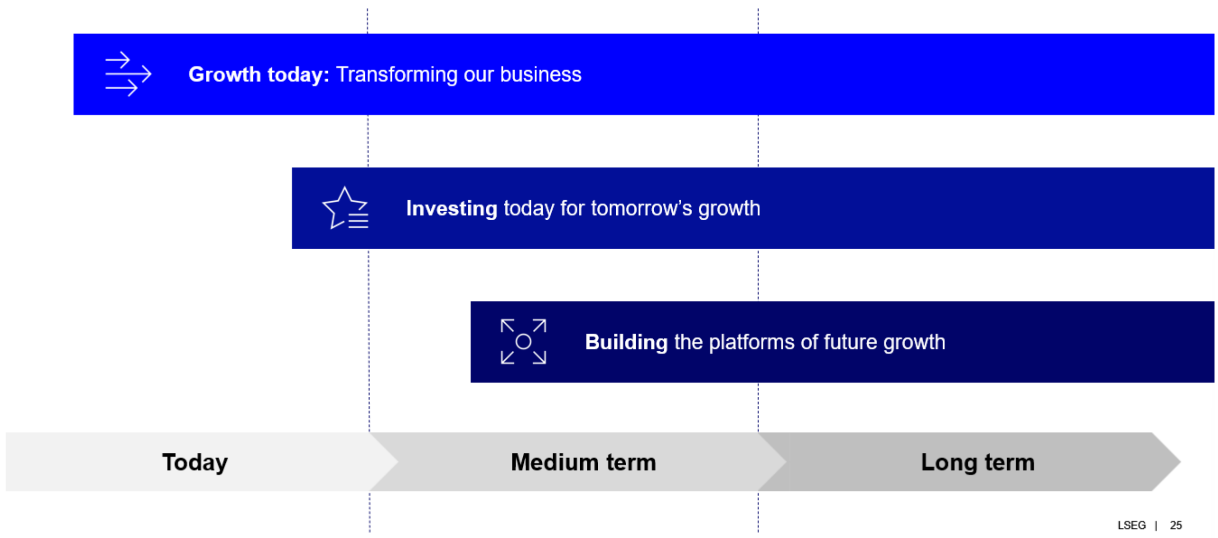
This slide highlights four of the structural growth drivers for our business and how they have evolved over the last few years. It's a good way to think about the opportunities we have in front of us. We've seen generative AI move into mass adoption and the rise of agentic applications. While cloud distribution is not new, customers increasingly want to manage their data on cloud-based platforms too. Regulation has become more uncertain, and in some of our customer segments, the pace of new regulation has slowed, creating opportunities for clients to think more strategically about their businesses. The volatile geopolitical backdrop and the increasing sophistication of financial fraud have brought risk management to the fore. And we've seen the emergence of new digital asset classes, attracting new participants and building new pools of liquidity that, as they mature, require more robust regulated infrastructure.

Delivering a strategy for growth today, tomorrow and over the long term



As we execute and take advantage of these tailwinds, we are very intentionally creating a portfolio of growth opportunities that we'll realize near, medium, and long term. As you've seen from today's results, the transformation of our business is driving growth today. Through the investment we are making in our content and capabilities, we are also securing new growth over the medium term. I'll talk through a few examples of that shortly. We are also building infrastructure and partnerships to establish the platforms for future growth that will position us to win in the medium to longer term.

A single Workflows platform driving innovation and growth

Successful migration to Workspace

- **Delivering** one of the largest financial services workflow migrations in history, ~350,000 users
- **Accelerating** growth simultaneously: +3.3% in H1 2025 vs. -2% CAGR 2018-2020[1]
- **Engaging** users: spending on average ~15% more time on Workspace in Q2
- **Enabling** future growth: freeing up internal bandwidth; establishing a common platform for innovation

Accelerating pace of change

- Strengthening news leadership, embedding AI tools and content, further integrating trading workflows, expanding high-value content
- Deepening community-specific capabilities

1. 2018-2020 revenue CAGR of the Trading & Banking business in constant currency

Workflows is a good example of these overlapping growth drivers in action. I'll start with what is driving growth today. In June, we finished one of the largest financial services workflow migrations in history, moving more than 350,000 users onto Workspace and establishing a common platform for innovation and growth. Delivering that took a great deal of focus and effort from our workflows, sales, and customer support teams, particularly in Q2. Completion of the migration frees up capacity we can now reallocate to growth. Workspace itself continues to evolve at pace with hundreds of updates in the first half. We increased our private markets data by two thirds and are on track to almost double coverage by the end of the year. We furthered Workspace's leadership in news, expanded bilateral trading capabilities into metals and bonds, and added new AI-driven commodities content. Our clients recognize the continuous improvement with the average user spending 15% more time on Workspace in Q2.

Delivering workflow integration with Microsoft's flagship Office365 tools

Investing today for tomorrow's growth

Workspace for MS Teams Application

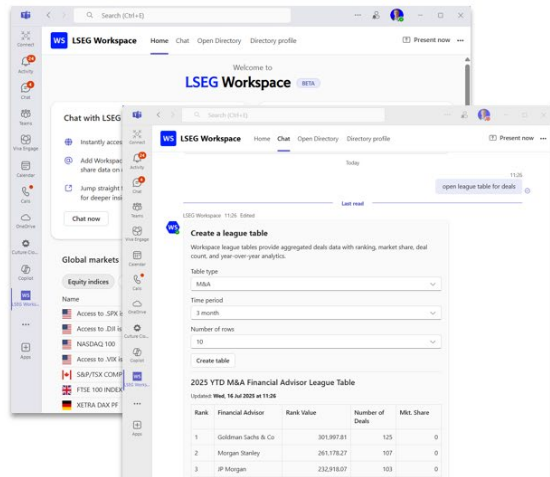
Initial rollout to target customers

- **Discover** Workspace news and market insights in Teams
- **Surface** company and bond data using simple prompts
- **Share** Workspace content using Teams chat

Excel and PowerPoint Add-ins

Available now to all Workspace customers[1]

- **Novel solution** utilising new Office365 functionality
- **Natural language** formula and annotated chart building
- **Meeting a key customer need**: 66% of Workspace customers use existing Excel add-in



1. Subject to technical requirements

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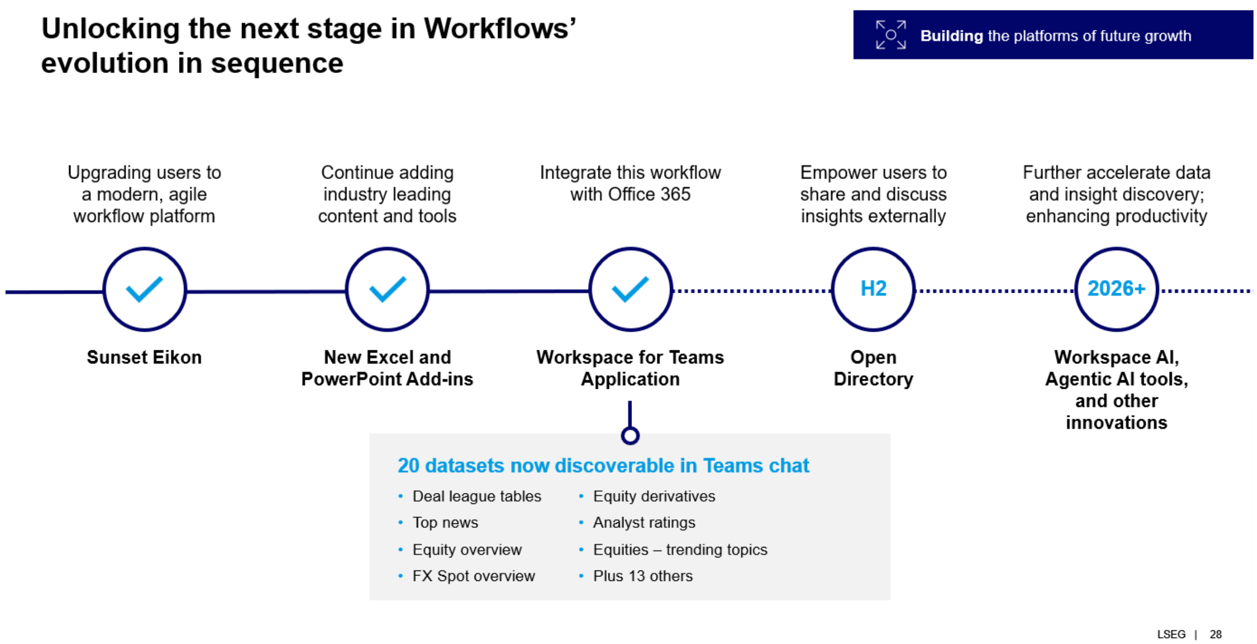
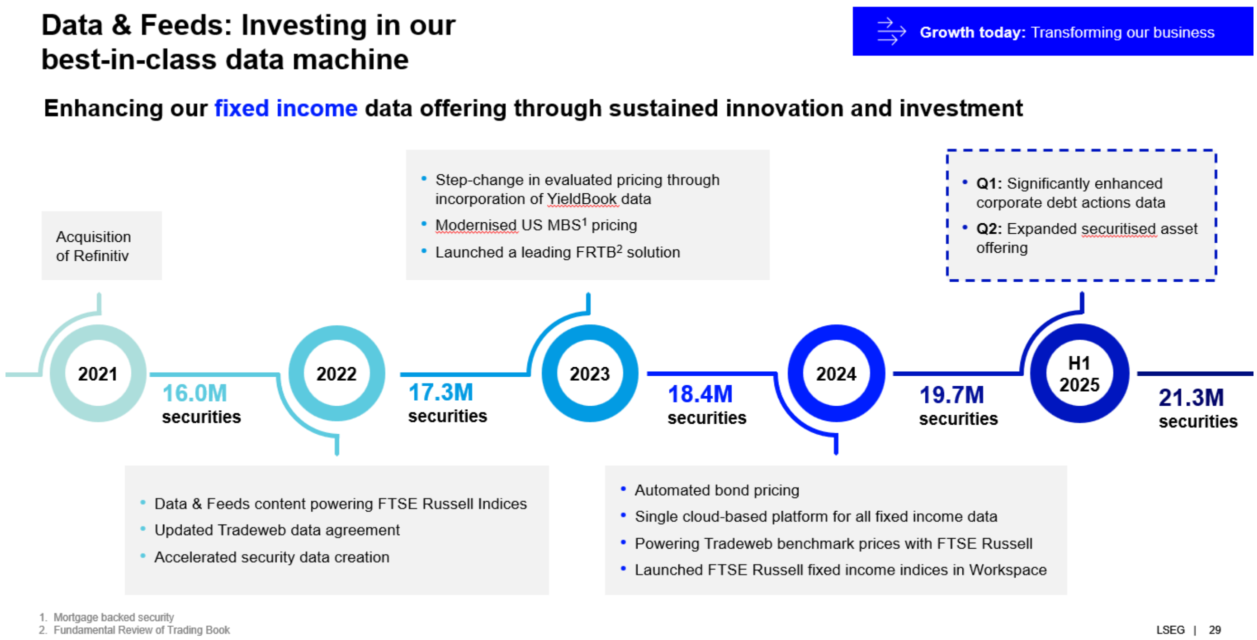
Customers tell us they want more seamless workflows with interoperable data sets and less switching between applications. This is exactly what we are building in partnership with Microsoft. The first iteration of our Workspace for Teams application is now live with target customers, and we will be adding new functionalities and expanding the customer rollout over time. Integrating Workspace data into Teams enhances the discoverability of our data and insights by making them accessible in customers' existing Office 365 workflow. Using simple prompts in Teams Chat, users can call up 20 different data sets with insights on bonds, equities, news, M&A league tables and so on, and share this information with ease. In the same way we're constantly enhancing our Workspace platform, we will continue to expand the capabilities of the Teams application, adding interoperability with Microsoft Copilot, functionality from Meeting Prep, and other enhancements later this year. We also launched the first iteration of our Workspace Add-Ins for Excel and PowerPoint. Focusing on the data and workflow needs of bankers, this uses novel Office 365 functionality to offer natural language formula building and automatic chart annotation. We'll be expanding these capabilities to cover more of the investment management workflow in H2.



These are powerful initiatives, but they do not exist in isolation. There's a natural sequence to our product delivery with each step unlocking the next evolution of our Workflows offering. Without migrating users to the more modern and agile Workspace platform, there would be no Teams app and without the Teams app there would be no gateway to our Open Directory messaging function in Teams. Following the really good progress made in H1, we're rolling out Open Directory to communities of users, giving them the ability to find, share, and discuss insights through Microsoft Teams Chat function. We are not stopping there. The rest of this year and 2026, we'll see further enhancements to our Teams app, wider rollout of Open Directory as well as the first Agentic AI tools for Workspace and a natural language search experience.



You've heard me speak many times before about our best-in-class data and analytics and the investment we are making to expand and deepen this further. Here's what the cumulative effect of that looks like in our fixed income data. We've added more than 5 million new instruments, taking our full data set to over 21 million instruments. It's qualitatively better too, with quicker security creation and more precise data on instrument pricing. We've launched new regulatory solutions such as FRTB and enhanced key data sets such as debt corporate actions. The integration between trading venues like Tradeweb and FTSE Russell's Fixed Income Indices is much deeper, and we have significantly expanded the access to our fixed income data via Workspace or cloud environments like Snowflake. I've used fixed income in this example, but I could just have easily used equities, commodities or FX. This investment in our data is driving growth today and is increasingly recognized by our customers as a differentiator.

Data & Feeds: Expanding our multi-cloud offering

Investing today for tomorrow's growth

Expanding distribution

Connecting to other data platforms

Partnering with Google Big Query to expand distribution of flagship Datascope data in H1

Cloud-agnostic real-time services

Cloud-based Real Time solution (Real Time Optimised) now available in Asia

Building the platforms of future growth

Expanding content capabilities

Data as a Service (DaaS)

- **Company fundamental data added in H1**; reported and adjusted financials for >100k companies now live, alongside an expanded range of ESG data
- **Further data onboarding in H2:** incl. private markets data

Additional Data Management Services (DMS) from H2 2025

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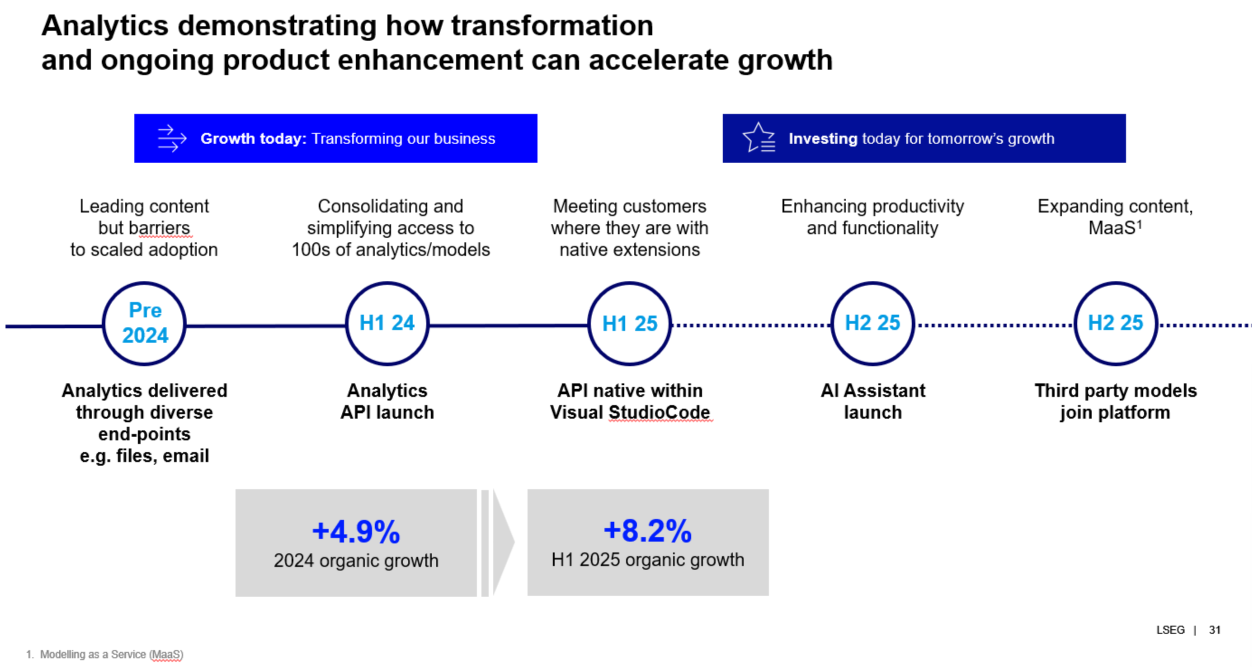
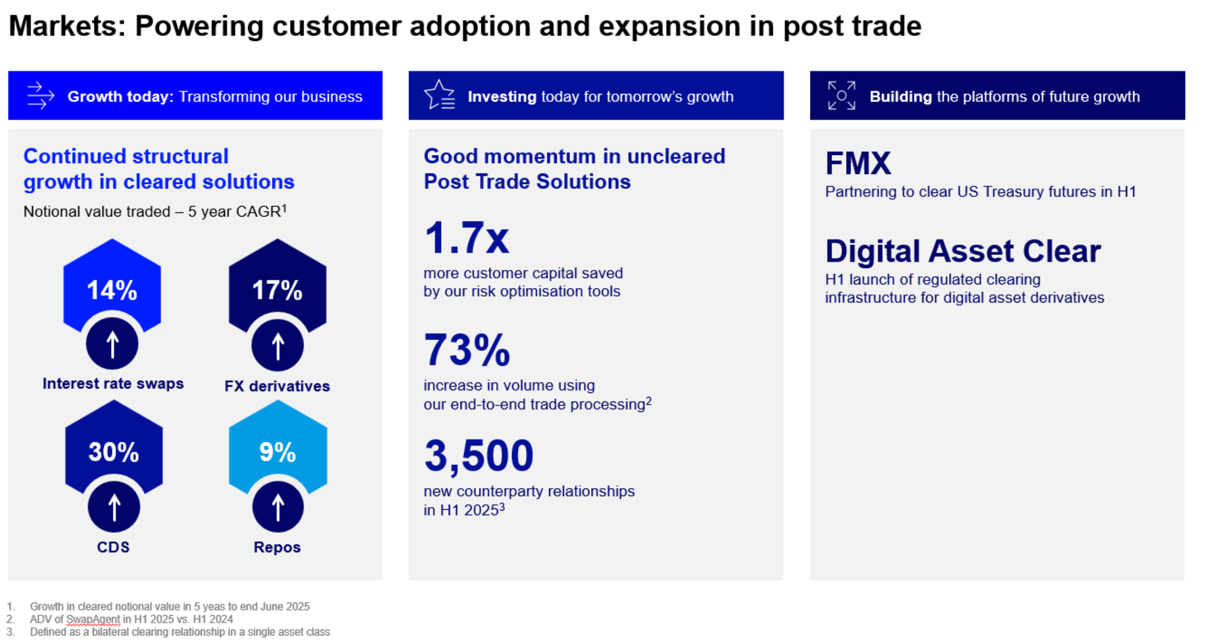
We're also making it easier for customers to find, access, and consume our data by continuing to partner with more cloud platforms. For example, following the success of putting our flagship pricing and reference data - DataScope Warehouse - into AWS last year, we expanded distribution to include Google BigQuery in the first half. Traditionally, customers would download our data via feed or file transfer, then use it on their own systems and platforms. In recent years, they've been accessing data via the cloud before using it on their own system. Increasingly, we hear from customers that they want to use and manage data directly in the cloud, and they are looking to LSEG to provide the connectivity and tools to support that. One of the ways we're meeting this need is through the Data as a Service capabilities we're building with Microsoft. We added our company fundamental data sets to this platform in the first half. This is a massive and critical data set including financial statements, KPIs, and other operating metrics from more than 100,000 companies. As well as further enhancements to our ESG and company fundamental data, we will start adding private company data from the second half. We will also begin rolling out data matching tools as part of our managed data services, establishing a strong platform for future growth.



Our Analytics business is a clear example of our transformation and the value of the Microsoft partnership. Eighteen months ago, we had market-leading models and analytics, but these were hard to use and delivered through a range of different platforms. Growth was okay, but the rich IP was under monetized. In March 2024, we consolidated hundreds of analytics into a single API, making it easy for customers to access and integrate with their workflows as well as discover analytics they probably didn't know we offered. Growth in 2024 was around 5% with new sales strengthening towards the end of the year. Then in March this year, we made it easier for customers to adopt LSEG's analytics where they are working, for example within Visual Studio Code. We'll be adding a number of new channels over the coming months. In H2, we will be introducing LSEG's proprietary analytics AI assistant. This will allow clients to drive their analysis with a simple written prompt and within seconds have this translated into action. This takes routine analytics tasks down from hours to seconds, and this all links to the release of Modelling as a Service where we are enabling our customers to distribute their own models through our API, reaching new end customers, and enhancing the power of our platform. So far in 2025 growth has accelerated to over 8%, and we are confident of continued good momentum.

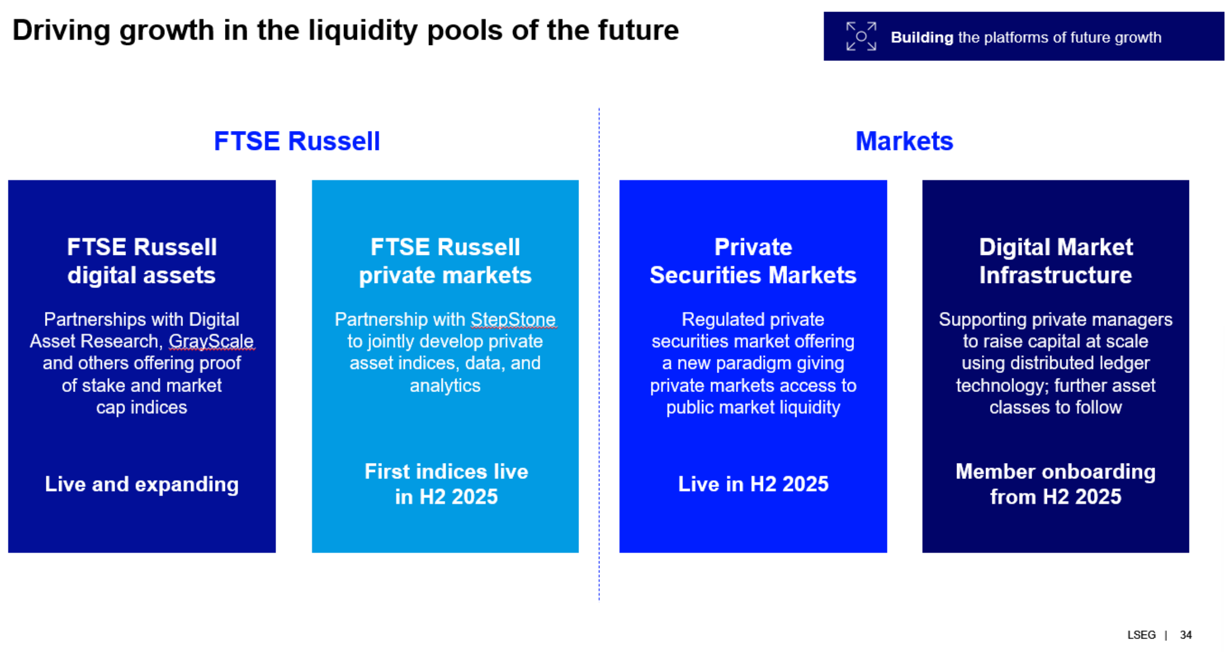


Through our focus on innovation, openness, and partnership, we have driven sustained growth in our centrally cleared OTC solutions as shown in the five-year growth rate on this slide. We see a similar opportunity for solutions in the uncleared space, and we're making good progress in delivering on this vision. The first half saw record growth in the use of our risk optimization tools, saving customers 1.7 times more capital than in the same period last year, or around $7 billion per bank on an annualized basis. Volumes across our end-to-end service for uncleared swaps rose 73%, and we continue to expand our network, adding 3,500 new bilateral counterparty relationships in H1. The first half also saw good progress in building the platforms for future growth with the launch of US Treasury Futures Clearing in partnership with FMX and the first trades cleared using our regulated clearing infrastructure for digital assets.

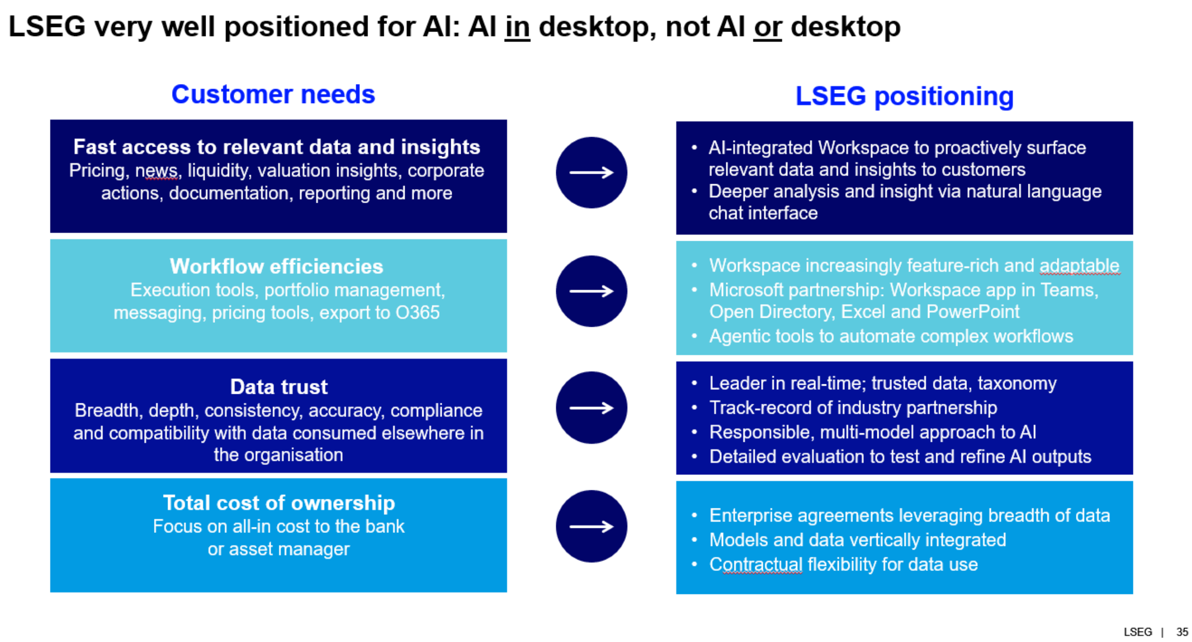
Risk Intelligence: long runway for growth with multiple drivers

Growth today: Transforming our business	**Investing** today for tomorrow's growth	**Building** the platforms of future growth
1 Growing our leading position in core segments	2 Integrating our products, creating compelling customer solutions	3 Addressing customer needs in adjacent market segments
• **Innovating:** Customer pilots of enhanced WorldCheck platform in H1, expanding in H2 • **Customisable data:** Deliverable in near real time • **Scaling self-service:** Configurable solutions at scale	**Two product examples** • **Integrated customer onboarding:** Combining ID verification and WorldCheck One • **Streamlined payments offering:** Integrating WorldCheck data and our Trusted Payments solution	• **Diversifying our use cases:** Meeting emerging identity and financial crime issues: e.g. age verification, supplier credit decisions, account logins, identity documents • **Addressing new user types:** Targeted solutions across gaming, public sector, travel, technology companies, retail sector

Global fragmentation and geopolitical complexity continue to provide a tailwind to our risk intelligence business which continues to deliver double-digit growth. In the first half, we began pilots of a new, more flexible World-Check platform for our sanctions and anti-money laundering data. We'll extend that to a larger number of customers in the second half. But our strategic vision goes far beyond screening. Unlike competitors that tend to provide individual solutions, we operate along the compliance lifecycle, combining digital identity and fraud solutions with screening and due diligence capabilities. There's more that we can do to stitch these capabilities together into integrated solutions. There are also new market segments we can open up over time, providing a platform for future growth.

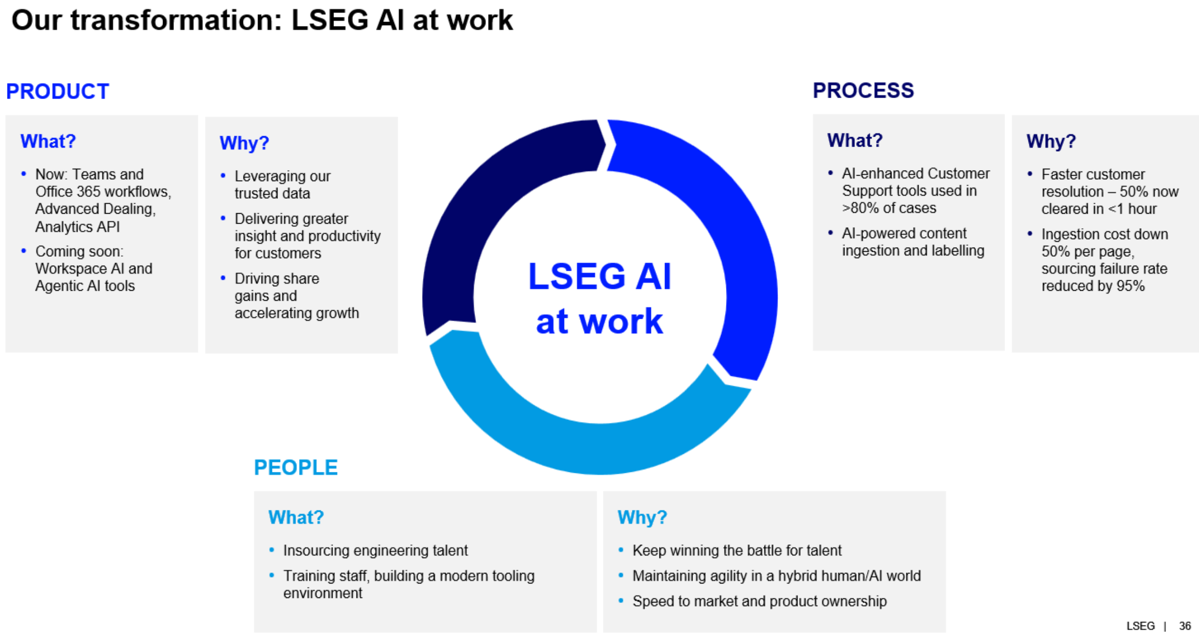


The growth of new asset classes in recent years has brought with it new market participants and new trading technologies. By leveraging our expertise in financial market data and infrastructure, we are supporting growth in these liquidity pools. FTSE Russell offers a number of digital asset and crypto indices in partnership with Digital Asset Research and Grayscale and continues to expand its offering. In H1, FTSE Russell also announced a partnership with Stepstone to introduce investable private markets indices with the first products expected in the second half. Later this year, we expect to formally launch our regulated private securities market business, offering private companies a new way to access liquidity that builds on the public market infrastructure of the London Stock Exchange. Continuing the innovation, we expect to start onboarding the first customers to our digital market infrastructure, which in the first instance will focus on capital raising by private market funds.



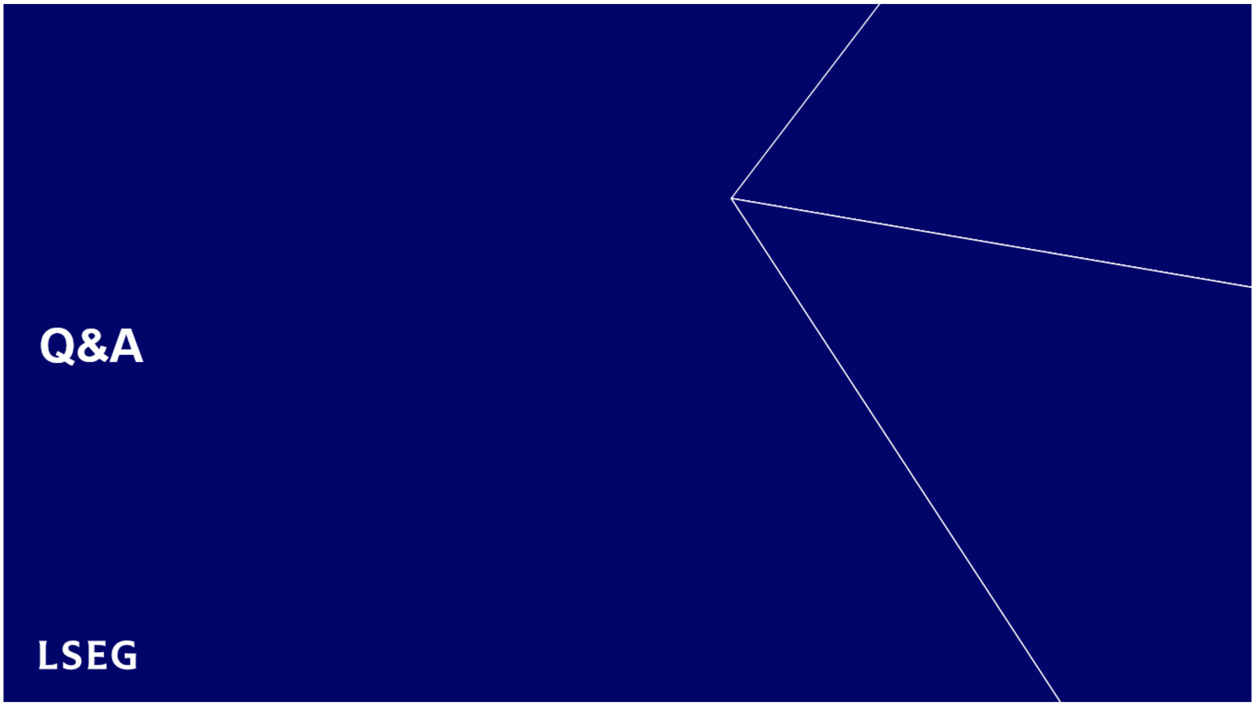
Of course, there continues to be a lot of focus on AI. I just want to spend a moment on how we see our place in the market and why I like our positioning as the technology continues to evolve. First, you have to think about what financial markets participants want from their workflow. Natural language search and the ability to automate a lot of time-consuming activities with agents is very attractive. We're all headed in that direction, but they want that and all the things they get today from an advanced desktop. Curated news and alerts, portfolio tracking, live charts, trading capabilities. So the future is AI integrated into a desktop, not AI replacing a desktop. That desktop should combine financial markets content, insight, and workflow with enterprise workflow. A couple of other really important aspects to this, customers also need absolute certainty around data trust, accuracy, and compliance, including the outputs from AI models. Of course they want simplicity and value for money. LSEG lines up against these needs very well. In Workspace, we have built a modern, modular, and customizable interface that has rich functionality and allows customers to manage entire financial markets workflows, not just research. With Microsoft, we're consolidating enterprise and financial workflows, enhancing productivity by empowering customers to do everything in one place. On data, our position is very strong. Our starting point is leadership in Real-time, unrivalled depth and breadth of data, and significant trust in that data given the rigor of our processes. Then our approach to applying AI to this data is differentiated as well. The truth is, that even for relatively simple prompts, accuracy levels across the industry for AI model outputs in financial services remain below 50%. I'm confident this will improve rapidly, but that's the situation today. As a result, we're taking a rigorous approach to testing and evaluation to improve and refine AI outputs. Our overall commercial strategy is an important tool.

Through access agreements, we offer lower cost of data ownership for major customers. On top of that, we are more liberal in our contracts in allowing customers to train their own models on our data. Others do not take this approach. As you can see, our position is clearly differentiated from others in the market, and we like and have a lot of confidence in our position. We're also confident that as the world continues to change rapidly, and in particular as agentic AI functionality improves, we will remain at the forefront of that change with our data at the core.



The previous slide focused on AI and the desktop, but let's zoom out a bit and look at how we are incorporating AI into our products, our processes and how our people work. We have over 20 live use cases in our business today, with a further 100 in development. On products, you've already heard how we're putting AI to work, from advanced dealing and the analytics API to the new Workspace Teams app and soon in Workspace AI and in various agentic AI tools. For our processes, the addition of AI tools is also making us more efficient and agile. I'll give you a few statistics, but please keep in mind that while we are moving quickly down the path of widespread AI adoption, it is still relatively early days. More than 80% of customer queries are now resolved using AI customer support tools. That's already helped us significantly improve resolution times, and there's further to go. We're also deploying AI tools to ingest data more quickly and accurately. The sourcing failure rate on our automated data retrieval has decreased by 95%, significantly reducing the need for human intervention. Then on our people, we believe it's important that we insource more of our engineering talent and train all staff to operate in a modern AI tooling environment. Not only does that ensure we keep winning in the war for talent, but it will maintain our agility and reduce our time to market. There is a direct line from this transformation to what you are seeing in our margin improvement. We are becoming a modern, more efficient, more skilled, and scalable business.

As you saw in H1, we have built a business which is strategically aligned to a number of powerful growth drivers. We are investing and innovating to deliver on those opportunities, powering near, medium-, and longer-term growth. You've heard from MAP how we're doing that in a more efficient way, ensuring our top-line growth is reflected in earnings, and we continue to generate a lot of cash supporting returns to shareholders and investment in growth while giving us optionality to continue to consider bolt-on M&A that meets our strategic and financial hurdles. One last point. We announced this morning that we'll be giving our shareholders a more in-depth look at the new products across our business at our Innovation Forum for investors on November 10th. I feel more confident about the strength of our offering, particularly our innovation and new product delivery than at any time over the last 7 years, and I look forward to sharing some of that with you at November's event. With that I'll hand to Peregrine for Q&A.



Peregrine Riviere

Thank you, David. A quick reminder, when asking questions, please can I ask you to limit yourself to one question and one follow-up. Operator, over to you.

Operator

If you would like to answer a question, please signal by pressing Star 1 on your telephone keypad to raise your hand and join the queue. To withdraw your question, press the Star 1 again. As Peregrine mentioned, we kindly ask that you please limit yourself to two questions and then rejoin the queue if you would like to ask further questions.

Your first question coming from the line of Russell Quelch. Russel, please go ahead.

Russell Quelch

Morning, gents. Thank you for having me on the call. A couple of questions. Firstly, in regard to AI, David, can you elaborate a bit more on your thinking about the data side of the business, how you expect to increase the distribution and the timing of monetization on the data with respect to AI? Will you be willing to work with other LLMs including OpenAI, and will you be working with other external AI workflow solutions, allowing them to use your data both inside and outside of your own desktop application? That's my first question.

The second question. We've recently seen a number of your peers, including Deutsche Boerse, S&P, Wolters Kluwer, TP ICAP, they've all taken strategic decisions to spin off part of their businesses to release value. I was wondering if that's something you would consider exploring strategic options to release value within your group.

David Schwimmer

Thanks, Russell, and good morning. To your first question on data distribution, we do that. A couple things. We work with a number of different models. We're not tied to any one particular model. We work with open-source models, we work with the pay models. Then the second aspect of that is that we also already provide our data to many users for their consumption in their models. In fact, we have, I think, a more liberal approach. We're very comfortable with it from a legal perspective and from an economic perspective, but we provide our data in a more liberal way to our customers for their usage in their models. A part and parcel of this is making sure that our data is packaged and AI ready, and we have that in very good shape in a number of our data sets, and we are improving it in some of our other data sets so that that is a core part of the value proposition within our Data & Feeds capability.

On your second question, look, we're always looking at our portfolio, and we're always looking to make sure that we are adding the most value and getting the most returns across the portfolio. If you look back over the last few years, we have done some divestitures, we've done some very small ones that I would put in the category of clean-up. A few years ago, we divested the BETA+ business for about a billion dollars, and so you should assume that we will always continue to evaluate our portfolio in the right way. But I feel very good about the strategic coherence of our business and how the different parts of the business fit into driving our strategy of serving our customers across asset classes, across the trade lifecycle, and on a global basis.

Russell Quelch

Great. Thank you very much.

David Schwimmer

Thank you.

Operator

Your next question comes from the line of Kyle Voigt of KBW, please go ahead.

Kyle Voigt

Hi, good morning, everyone. Maybe just a question on the competitive environment in the second quarter and the higher cancelations. Just wondering if you can clarify if that was simply discounting by one of your competitors on the Workspace business specifically.

Then maybe you could speak about the trend that you saw throughout the quarter on the aggressiveness of that competitor or competitors. Has it gotten more intense or less intense? Have you responded competitively there on your own pricing in order to retain the business?

David Schwimmer

Thanks, Kyle. First point I should just make on this is that we can have literally a cancelation or two in each of D&A, FTSE, and Risk Intelligence, and that can have this kind of impact on ASV. We've always shared with you all to be careful on reading too much in ASV because of this kind of sensitivity. So, you should not look at these numbers as a big shift or a big wave. It can really be those kinds of numbers that I'm talking about here in terms of one or two in each of these areas.

The second point I'd make is that we have seen this before. Just an example, a couple years ago, one of our competitors was basically giving their real-time product away for free for 2 years or so. We did see a couple cancels associated with that, and that had a short-term impact on the Data & Feeds growth rate, and then those customers came back, and you see the Data & Feeds growth has been very strong over the last few years.

The next point I would just make on this. It is not surprising to us to see a response from our competitors in this way. You go back over the last few to several quarters, and we have been taking share from them, and this goes back over the last couple of years. I don't want to get into any specific competitors, but you have seen for some of them, their growth rates come down pretty significantly, and their ASV has come down pretty significantly. A lot of that is because of what we are doing to them competitively.

To your specific question, we do not see their pricing in these areas as sustainable. And as I said, we've seen it before. It wasn't sustainable before. We see the same behaviour now, and we don't think it's sustainable now. From our perspective, we are not matching irrationally discounted pricing. We will continue to invest in our products. We are continuing to do that. And, this is really important, we are continuing to see a build in our sales pipeline.

I'll close on this topic just by saying we look forward to continuing to invest in our product, making better and better product. We've seen our customers willing to pay for a greater product, greater return on what they're seeing in our product, and we look forward to continuing to take share from our competitors.

Kyle Voigt

Thank you.

David Schwimmer

Yeah, thank you.

Operator

The next question is from the line of Michael Warner of UBS. Your line is open.

Michael Warner

Thanks for the presentation, guys. Just one question for me. As we look out to 2026, I believe there was an intention to accelerate pricing in the desktop space. I know we're getting to that point where you start these conversations in the next couple of months with clients about pricing for '26. I'm just wondering, is that still the intention? How are you feeling about it? How does the environment looking for you guys to be successful here? Thanks.

David Schwimmer

Thanks, Michael. We are having that conversation really over the course of these next few weeks. That's a summertime conversation for us. We do it every year. We look at the value that we are adding in our product. We look at the new investment we've made, the changes that we have rolled out. We always evaluate, and over the last few years, we've always evaluated the inflation environment, we evaluate the competitive environment. But I think we feel very good about the positioning of the product. We feel good about the changes that are being introduced and the new functionality. We'll be making that decision over the next several weeks, and then we'll be communicating with our customers in the fall.

Michael Warner

Thanks.

Operator

The next question is from the line of Arnaud Giblat from BNP Paribas Exane. Please go ahead.

Arnaud Giblat

Good morning. Can I ask about the ASV growth which has been slowing. Should we expect this to lead to constant currency growth in data remaining a bit more static at around 5% for the next 12 months? In essence, what I'm asking for is how much of the revenue base is represented in ASV growth, and what are the other moving parts to consider? I think you talked about usage-based contract increasing as a share, and you talked also about 15% increase in usage. Could that offset and could that lead to an acceleration in 2026?

My second question is on Data as a Service. Could you maybe spell out some of the key milestones we should be looking out for this to be really a material part of your P&L? Thank you.

David Schwimmer

Thanks Arnaud. MAP will take the first question, and I'm happy to talk about Data as a Service.

Michel-Alain Proch

Yeah, sure. On ASV on that quarter, before going into the detail, just two points. I think David mentioned the volatility of ASV from one quarter to another. I'm not going to go back on this, but the second point I want to make because you mentioned it and I think it's a very good point, is that yes, it's true ASV is not capturing the use-based revenue, and we actually see an increase of our usage-based revenue both in Analytics and Risk Intelligence. Both of these revenue lines are not captured by ASV by itself - just mentioning it. Maybe you know in the long run, it's a metric as usage-based revenue is increasing which is going to become less and less relevant. I'm not saying tomorrow, but I'm saying more in the long run.

On the decrease of the ASV in Q2 on Q1, I think David already mentioned the expected competitive response. I just want to remind you what I've said in Q1 which is we see a continued normalization in FTSE Russell and in Risk Intelligence trajectory following a period of very elevated growth.

Finally, which is kind of a one-off, but it’s really important to mention the sunset of Eikon that has led to some cancelations. We mentioned it. A clean-up if you want at some client. But there were two effects. This one that I've mentioned in the remarks, and another one which is our sales team have been extremely focused at making this shift from Eikon to Workspace a success. And it was, as I said, delivered on time and on budget. But obviously while they were doing this, and particularly our customer excellence team, they were not selling other things, you see. I see this as really as a one-off for this quarter. I think we have indicated, if I carry on your reasoning, we have indicated that in Q3 you will see the low point of ASV with the impact of the UBS LDA deal that we've signed. It's about 30-40bps. I want to mention too that it was anyhow what we were expecting coming from the Credit Suisse termination. Now it's going to be behind us, and we're not going to repeat this every quarter.

Looking at what you're mentioning, the 5% and 2026, when we look at the pipe that David and I are reviewing every month, the sales pipe is increasing both in terms of value and in terms of duration. We have a great roadmap of product, so you put this all together and the pricing that we're going to work on in the weeks to come, it makes us confident in the capability of D&A to accelerate growth in 2026.

David Schwimmer

Arnaud, on your second question on Data as a Service, so putting the fundamentals dataset into that capability this year is significant in terms of moving down that path. We also have talked about how we're adding more data in terms of our private dataset, and then we have more datasets coming next year. And I would expect, and we've talked about this a little bit in the past, that we get to critical mass in terms of the data sets that are available in that mode near the back half of next year. What does that mean in practice is just it becomes much easier for our customers to access our data and use it in the way that they want in, I'll say, an integrated capability and an integrated architecture.

Maybe just by way of analogy, in our presentation that we just went through, we talked about the impact that we have seen in Analytics, which is a much smaller business, but what we've seen in Analytics over the last year, year and a half in terms of improving that architecture, creating an integrated distribution capability and allowing our customers to use that and discover our analytics in a very different way. I think that's an interesting analogy. I think that it's a different business, and Data &and Feeds and Data as a Service is a larger business, so I wouldn't say expect the almost doubling that you've seen in the growth rate from Analytics in terms of that 4% to 8%, but it gives you a sense of the benefits that we are looking to drive from serving the customers better in this integrated architecture.

Operator

Your next question comes from the line of Hubert Lam, Bank of America. Please go ahead.

Hubert Lam

Hi, good morning. Thanks for taking my questions. I've got two of them. Firstly, on your organic growth guidance for this year of 6.5-7.5, you've left that unchanged even after delivering 7.8%

H1. Why aren't you narrowing the range at this stage? What are the risks you see into the second half? First question. The second question is a follow-up on pricing. With the new answers you're making across Workspace, including Open Directory and other functionality, isn't that a good reason to increase your raise pricing to above the average you had over the last couple years? Or does competition just make it much harder to do this and maybe more price increases in '27 rather than '26? Thank you.

David Schwimmer

Thanks, Hubert. MAP will take your first question, I'm happy to take your second.

Michel-Alain Proch

Yeah, sure. On the way we look at the guidance, we've looked at the mix of our business between our subscription business and Markets. On the subscription business, taken together, we believe that in H2 we are going to have roughly the same organic growth as we had in H1. We have a very strong line of sight on this because these are recurring revenues. On the market obviously there is a certain volatility.

Now, we have studied three possible scenarios. The first one is that market carries on at elevated growth as the one we had in H1, around 10%. If this is the case, we're reaching the upper part of the guidance so that justifies and explains the 7.5%.

Then there is our central case which is that we see a normalized growth for Markets. It means normalized for Tradeweb within Markets at low double-digit growth and the rest of market. Altogether, let's say Market division at around 7%. That takes you to the midpoint of our guidance. Again, it's our central case.

Obviously, we are in a situation of very uncertain macroeconomic environment. There is the possibility of a strong slowdown. That would be like 3 or 4% of growth for Markets. Again, it's not something that we see, but that's the environment we are at and that make us the 6.5% which is the low part of our guidance.

With this current environment, it's difficult to be more precise today, but we will be better informed in Q3, and we'll update the guidance at that time.

David Schwimmer

Hubert, on your second question around pricing, similar to what I touched on earlier, this is something that we're actively looking at now and over the next few weeks. There's a lot that we are rolling out. There's a lot of new capability, new functionality, new product. There will be more next year.

So, I could make the argument both ways in terms of how you asked your question. In other words, we got plenty of good reason to do things on pricing this year. We're going to have plenty of good reason to do some good things on pricing next year. We'll keep an eye on the competitive environment, and we'll make the decisions, we just haven't made those calls yet. But I think the broader perspective or answer I can give on this is: I really like our positioning in terms of how we are delivering on new innovation, product, new capabilities.

As you all know, and as we've been talking with you about over the last few years, we have been investing a lot in our business and we're really seeing the benefits of that. There's a lot of focus on what we're doing in Data & Analytics, but there's also lots of new capability coming out in FTSE Russell. We've had a record number of new products in FTSE Russell. We've got new capabilities in Risk Intelligence, we got new capabilities in FX, we got new capabilities in LCH, in Post Trade Solutions. As I look across the business, we'll make the decision that we make about pricing for this year and going into next year. We'll have that same conversation next summer going into 2027.

If you just take a step back for a moment and think about the trajectory of this business and the strength of the relationships that we have with our customers, we're in a very good position. We provide critical services to these customers, and we are, I would say in the industry, we're the one providing the strong pipeline of new product and new capability.

Hubert Lam

Yeah, I recognize the innovation behind it, but hopefully can be translated in terms of monetization or maybe that's just a short-term focus?

David Schwimmer

No, look, I agree with you. It's certainly the goal, but by the same token we also… The way I've answered an aspect of this question over the years, people ask us about the discount of, for example, our desktop product or Workspace relative to one of the big competitors and that being at a 30% or so discount, and we've always been clear we're never going to take the price up 29% in the new year.

Now, obviously I say that as an exaggeration, but the reason I mentioned that is that part of how we are rolling out our price increases over the years is in a way that works for our customers. They understand the amount of innovation, the amount of capital that we're putting into our new product. They appreciate it, and they respect the fact that we need to get an appropriate return on that investment. That's part of the discussion as well. Just in terms of making sure we're maintaining the good, healthy, long-term relationships that we have with, really, the industry.

Hubert Lam

Great, thank you.

David Schwimmer

Thank you.

Operator

Next question is from the line of Benjamin Goy of Deutsche Bank. Your line is open.

Benjamin Goy

Hi, good morning. First on the share buyback of one billion, which is I guess the largest one for half year for you, if you can put it in context of thinking how much is driven by being close to your leverage or the low end of your leverage range, how much is the cash generation or the current share price performance and also as compared to M&A opportunity currently in the market?

Then a follow-up on the usage-based price, is there any chance to quantify that, how much of your revenues are already usage-based and how this compares to the level 1 or 2 years ago? Thank you.

Michel-Alain Proch

I take the first question on the buyback and the capital allocation. We have always taken a very active and disciplined approach to capital allocation. The group is very highly cash generative. You've seen the performance in cash, the plus 40% compared to the first semester we had. You look at this performance in cash, it's driving our leverage ratio to 1.6 at the end of June, which is almost the bottom part of our range, 1.5-2.5. That's the reason why we've decided for a buyback of a billion.

This buyback is funded by our cash flow. Because if I give you the capital allocation for this year, so we said at least 2.4 billion of free cash. Obviously with the performance we had on the first semester, it makes us more comfortable. You look at the first semester, it was 500 million in dividend, 500 million of buyback. In H2, it will be 250 million of dividend, because the interim dividend, and the billion of buyback. By doing all this we are distributing 2.25 billion of the 2.4 billion.

It means that we would still be with the leverage at give or take 1.6, which give us the opportunity, the space to have M&A bolt-on that David mentioned several times, but obviously always with our discipline, both strategically and financially. David.

David Schwimmer

On the usage-based pricing question. As MAP mentioned, we have it today in Analytics, we have it today in Risk Intelligence. Just to be clear on this, when we have more and more usage-based pricing, that doesn't mean that we're getting away from the subscription model. We like having the contractual relationships with our customers, and the usage-based pricing is embedded within those subscriptions.

Within the context of Analytics and Risk Intelligence, those are two attractively growing businesses. They're relatively on the smaller side of our business today compared to Workflows, compared to Data & Feeds. On the smaller end, but an attractive element of the incremental growth is the way I would think about it.

Benjamin Goy

Thank you.

Operator

Thank you. Your next question comes from the line of Enrico Bolzoni from J.P. Morgan. The line is open.

Enrico Bolzoni

Good morning. Thanks for taking my question. One, I just wanted to go back on a comment you made. You say that all things considered, you are confident that you'll be able to accelerate growth for Data & Analytics next year. Perhaps would you be able to extend that comment to the Group level or at least let's say to the Group excluding Markets, which is a bit more volume dependent. That's my first question.

My second question is a very generic one, but I was hoping you can provide some colour. You clearly say that some of the competitors have been very aggressive on pricing, and artificial intelligence is an important part of the story for the sector. What is the risk of seeing a race to the bottom for data consumption? Perhaps if you can spin it specifically to your case, what gives you confidence that your data are unique and what you offer is so unique that we will not see a continuous pricing pressure going forward over the next 2-3 years. Thank you.

David Schwimmer

Thanks, Enrico. MAP will take your first question on how we're thinking about next year, and then I'm happy to talk about the data question.

Michel-Alain Proch

Yeah. Obviously, we are only in July, so we are not set yet for the budget of 2026, so I'm not going to give you a guidance for 2026, but I think it's a fair question and I can give you some colour. We said acceleration of D&A is not going to be a step change, but it's going to be progressive. When you zoom out a bit, and you look at the subscription business, D&A or FTSE Russel, and Risk Intelligence, we are confident into this progressive acceleration in 2026. Yes.

David Schwimmer

Then on the question around the risk of the race to the bottom for the data, so we don't see it that way really at all. I think if you, and there are a couple different ways we could talk about this for the rest of the hour or two, but just a thought on this. First of all, with respect the AI ecosystem, there are three legs to that stool.

There is the computing power, and that includes the data centres and the chips, and we're seeing enormous capital and investment go into that, and you're seeing some potential commoditization over time there. Then you're seeing the models themselves, and you're seeing enormous investment go into that and lots of competition and some open source models and some cheap models coming out of… or cheaper or smaller models coming out of China and other jurisdictions, so competition and potential commoditization there.

Then you have the data as the third leg of the stool. And it is hard to commoditize the data. The data quality is incredibly important in terms of informing, training, feeding the development of the AI functionality in these models. You can have synthetic data, but synthetic data is of the same quality - if synthetic data is built off of, I'll say, commoditized, cheap, low-value data, then it is relatively cheap and low-value. If synthetic data is built off of high-value data, it has higher value itself. It's challenging to get to a race to the bottom or a commoditization of high-quality data, and that is what we have.

We've been getting this question really since ChatGPT first entered the public consciousness in December ‘22… No, I guess November ‘22. Questions about or concerns about whether people would just go to a sophisticated chatbot and get all the information that they need. That's clearly not the case, those kinds of tools and models, they can be pretty cool, they can be fun, you can get a lot of information from them. But especially when you don't know exactly where they are sourcing that information, and especially when you get into financial analysis and market analysis, it's well documented that they're not even close to capable of providing the certainty and quality and accuracy that our industry demands.

I think that if anything, that's the fortress of quality, credibility, accuracy that has to exist within our industry while we're going down this path of using more and more AI functionality, and it's something that we take very seriously. We are investing in AI capabilities, we're doing it on our own, we're doing it with Microsoft, we're doing it with other partners, but we're very focused on making sure that we have that kind of, I'll say, quality control.

Enrico Bolzoni

Thank you.

David Schwimmer

Thank you.

Operator

Your next question comes from the line of Andrew Coombs of Citi. Please go ahead.

Andrew Coombs

Morning. I just wanted to come back to the point on revenue growth and the ASV. You talk about data analytics revenue growth accelerating into next year. At the same time, ASV has gone backwards, and you have the CS UBS hit coming Q3 before it might rebound a bit in Q4. I get all of your points about not to rely on the ASV metric. It's a point in time measure can be distorted by one or two cancelations. But given that your revenue growth from data analytics, FTSE Russell, Risk Intelligence is currently running slightly above the ASV metric year-on-year, is there a risk here? Is there a risk to revenue growth going into next year or is it a case of you are adamant shouldn't read into the ASV, more usage-based models, therefore you are confident on revenues still improving next year?

David Schwimmer

Thanks, Andrew. As MAP said, we're in the process of planning our 2026 budget, so I'd love to give you a rock-solid answer and say this is the answer one way or another. We do see all the things that MAP was talking about. We see the pipeline growing well, we see the product functionality rolling out well, we see really good receptivity amongst each of those three businesses, so we feel very good about 2026. I don't know MAP if there's anything you want to add.

Michel-Alain Proch

No, it's basically it. Basically, is there a risk? There is always a risk obviously, but our central scenario is an acceleration altogether of our subscription businesses. Now, it's not a step change. It is what we told you. You're not going to see a change of like 2% from one-quarter to another, but it's a progressive acceleration.

The reason why we believe that's our central scenario and we're confident to deliver it, it's because we have in our hands a better product driving a good pricing. We have a sales pipeline which is increasing. We have a deal flow coming in, and as you mentioned, we had some negative one-offs during 2025.

Again, I don't want to stress too much this, but again, we have a large salesforce who have been concentrated on making sure that the largest migration of desktop in history actually went well. It went well, and it's great, and that's exactly what we were supposed to do. But during the time they were doing this, well, they were not selling something else.

That's basically what I can tell you. I know it's not a number, Andrew, and apologies for that, but that's the colour I can give you for '26.

Andrew Coombs

Pretty helpful colour. Just one final thing is that you mentioned that ASV doesn't capture the usage-based models and that you're rolling out more of those. Can you give us any indication on what portion of the revenue base is usage-based now, I know you said in Risk Intelligence you have a fair bit, but any guidance you can give around that would be helpful just so we can understand the disparity.

David Schwimmer

Yeah, as I mentioned earlier to another question I think was Ben's question, we haven't put that specific percentage out there. We're seeing more and more of it in Analytics and in Risk Intelligence. But I would the interest, the curiosity is noted, but at this point we haven't put that out.

Andrew Coombs

Thank you.

Operator

Your next question is from the line of Ben Bathurst of RBC Capital Markets. Please go ahead.

Ben Bathurst

Good morning. My question is on Equity Free Cash Flow, Page 17. I know this metric typically being much stronger in the second half than the first. Is it fair to assume that [inaudible 01:18:39] of non-cash and changes in working capital will unwind in the second half this year as it has done in previous years and really just helping to get an idea of the bridge from the 935 in H1 to $2.4 billion guidance for the full year. Along the same line, are there any one-off that you'd highlight from the first half that helped really drive that 45% growth perhaps in the non-cash or non-operating lines? Thank you.

Michel-Alain Proch

Thanks, Ben. Alors. Two points. The first one is that this seasonality of our free cash flow H1 to H2, it's very normal. We always have a much larger cash flow in H2 than in H1 so that is not a problem at all.

Then in terms of change in working cap, same thing, and it's one of the reasons for this seasonality obviously. You've seen the minus 500 in H1 which is equivalent to the one of last year, and this will reverse during H2 which is the major reason for this seasonality.

Then after you see that we managed to materialize the totality of our operating free cash flow into equity free cash flow, and why? Because we have a good control on our net interest on debt and net tax. We are going to pay a bit more cash tax in the second semester because we are running out of non-operating losses. But it's included into the guidance, and you see the reduction of the capital intensity in H1 will carry on in H2. Now I feel very confident on delivering the at least 2.4 billion, and actually even more confident than at the beginning of the year.

Ben Bathurst

On the one-offs in non-operating items in 2027, is that something that won't be fair enough?

Michel-Alain Proch

Sorry, I did not address this. In this line we have two things. We have the reversal of the IFRS 16 charge for the shares, the performance shares of the executive, and it's relatively stable from one year to another, but with the increase of the price of the share, it's more in '25 than in '24.

The second thing, and the reason why you have such an increase is because last year in H1 2024, we had a positive impact of embedded derivatives so that we reverse in cash flow, so it was a big plus if you want. Then we have the reverse in H1 2025. That's the reason for it.

Ben Bathurst

Okay, thank you.

Operator

The next question is from the line of Bruce Hamilton of Morgan Stanley. Please go ahead.

Bruce Hamilton

Thanks, and morning. Most of my questions been asked, but maybe just on this AI topic. Clearly there's been some worry in the market about that as a disruption risk in workplace that the industry as a whole from new fintech AI platforms. But it sounds like you see more of a revenue opportunity. Just to check I've understood, it's just the underlying data is the key combined with a very effective desktop. That's what you think is the best offering in the market.

Then maybe this is a stretch but in terms of the scale and timing of potential revenues linked to that AI opportunity, any way to think about that? Thank you.

David Schwimmer

Thanks, Bruce. Let me dig in on that a little bit because we have heard some noise about concern, potential fintech competitors, etc. Let me just touch on that. I'm going to start where you started, which is with the data. The data is the key to this topic. You can have a really cool user interface, but the quality of the product depends on the quality of the data, and we have the broadest, the deepest, the highest quality data sets.

The second point I would make is that users don't want just a sophisticated - I used this phrase before - sophisticated chatbot. They want that great AI functionality, and they want that AI functionality embedded in all of the other workflows. That can be news curation, charting, order and execution management, analytics, risk systems. We provide all of that in our user interface in Workspace, and we are building AI into all of that. I think that's a really important aspect of this in terms of… Again, you can have, as I said, a cool user interface, but that on its own doesn't get you there in terms of what our industry is looking for and what our industry expects. Our users also want that workflow and that AI capability to be interoperable with their enterprise workflow, which is what we are doing in terms of integrating with Excel, and teams, and the Microsoft Office 365 tools.

The last point, I touched on this earlier, but the last point I think you cannot emphasize enough, is that users want data that they can trust and that they can rely on. With respect to some of the new offerings that are out there, and we've seen and we've played with some of the flashy demos and other things. But in one of those in particular, that has gotten a lot of attention. If you go into their own press release, that press release points to… There's a link in there that points to what they're relying on, and their accuracy in finance is at 51%, and their accuracy in market analysis, they don't define what market analysis is, but I think we do a lot of market analysis. Their accuracy in market analysis is 14%. Coming back to your question, in terms of some of the fintech offerings, they may be cool, and they may be fun to try out, but they cannot meet the demands of this sector, the demands of our customers today.

I think that's really important to keep in mind. Yes, we have the high-quality data, we have the right workflow in our desktop, we're making both of those better and better, we are embedding AI functionality in our offerings, and we're certainly not sitting still, and there's more to come. As I said before, I like our positioning. We welcome the tech innovation, we welcome the tech change, and I think we're in a very good position to keep driving the change in this industry and driving the change for our customers.

Bruce Hamilton

Great. Thank you.

David Schwimmer

Thank you.

Operator

Your next question comes from the line of Oliver Carruthers of Goldman Sachs. Please go ahead.

Oliver Carruthers

Hi there. Morning. Oliver Carruthers from Goldman Sachs. Thanks for taking my questions. Just two final ones from me. David, I thought your comments around the requirement for absolute certainty on data quality from your customers to be really interesting. Particularly given the risk-orientated and regulated nature of financial services. At high level, and maybe taking your answer to Bruce's question a step further, do you think this means that data procurement and data delivery can't really be decoupled in the value chain here because your customers want to verify and query the data that they're ingesting? That's the first one.

The second question in the Q&A you've made the point several times that the salesforce has been distracted through the Eikon migration. Interested how short versus long-term this comment is. Do you mean since the last quarter or do you mean since the migration period 2021, and if it's the latter, what are the implications now that your sales pipeline is building, and we're now through this migration process?

David Schwimmer

Thanks, Oliver. I'll take your first question and MAP can answer the one on the salesforce focus. I think there is an element of what you said in terms of data procurement and data delivery having to be coupled, and we see this already. In other words, you could say that this has been an issue. People can look up a lot of stuff, long before ChatGPT, people could look up a lot of stuff on the internet. That doesn't mean that vast amounts of our data business were disintermediated by the internet.

In many ways, large language models that are trained on information off the internet and can come up with answers to a lot of questions - it's a much more souped-up or high-powered version of that. That's not good enough for our industry. So, are there products or is there certain functionality where it is good enough and it's okay, and an individual is looking up something in the same way that they would do a Google search? Sure, that's fine, and it's helpful, and it actually can be really useful, but that's not what we're talking about for our industry.

I think the notion of data procurement being really focused on what we refer to as data trust - which is a concept that basically means you can validate the data itself, you can validate where it came from, you have the ability to audit it if you need to -e think that notion of data trust is really critical in our industry.

I think there's a separate question as to whether the regulators require it, which is conceivable down the road, given the importance of this issue in our industry. But at this point, it's just something that our customers expect and require when they're going through this process of data acquisition. Let me turn it over to MAP in terms of the second question.

Michel-Alain Proch

Yeah, sure. My comment was really relating to Q2 because it was the crux of the shift. We committed ourselves to a sunset at the end of June, so obviously we were extremely, extremely focused on this. But obviously we did not… The salesforce did not begin to work on this on Q2. It was the case in Q1 and in Q4 last year, but the real big push was the last quarter.

Oliver Carruthers

Thanks very much.

David Schwimmer

Thank you.

Operator

Your next question comes from the line of Ian White of Autonomous Research. Your line is open.

Ian White

Hi there. Thanks for taking my questions. Just two from my side, please. Firstly, on Meeting Prep, what progress has been made there, please, over the last few months? Has the development work that you mentioned previously now been complete, and that product's ready for broader rollout, or is there still some iteration going on there? That's question one.

Sorry to revisit this topic, I know it's come up in a few other questions. But across the three data segments, organic constant currency growth, it's about 6% in one-eight and consensus has it going above 7 and then on to 8% in 2027. Are you comfortable with the consensus trajectory there, and what needs to happen for that to be delivered? Is that mostly about pricing, client product usage, growth in clients, new products with specific charging? What are the main building blocks that get us from 6 to 8 over the next couple of years, please? Thank you.

David Schwimmer

Thanks, Ian. I'll take your first question on Meeting Prep and then MAP can touch on the second one. Meeting Prep is going through an iteration from basically version 1, which we released I believe at the very end of last year coming into this year, and version 2 I would think should be ready over the next few months.

The big change, and I can get into a lot of specifics on what we're changing, the big change is that Meeting Prep version 1 is a Microsoft product, and it is a Microsoft product that includes our data. Meeting Prep version 2 is an LSEG product, and I wouldn't even call it a distinct product, I would call it a feature that is going to be embedded into Workspace and the Workspace Teams app, and so similar concept, similar functionality, but we've taken the feedback from the users on version 1, and we're making it more flexible and addressing a lot of the feedback.

Some of these are going to sound incredibly mundane, but that's what our customers are looking for and that's what will make it a better product. People want to be able to access it in different areas. They want to be able to access it just… I think there was one button in one screen where you could access it before. Now it's going to be embedded and easily accessible. People want to be able to take the document and put it into a PDF and send it out or share it with their teams that wasn't available before. As I said, different language capability. Being able to adjust the dates that it includes news on a particular company or a particular person, all those kinds of things which you can see how that would make the product more flexible, easier to use, etc. Those kinds of things we are building into that, and as I said, it will be a feature, and I would expect we'll see it over the next few months in the second half.

Michel-Alain Proch

On 2026, I give you maybe a more global answer, if it's okay, because we committed ourselves to medium-term guidance at the Capital Markets Day in November 2023 for '24-'26. We are well on track on all these guidance being the acceleration of revenue or being the posting 250 basis points of improved EBITDA margin on this period of time. Actually, on the latter, you see that with the performance we had this year plus the performance we had last year, we are very well-placed to reach these 250 bps.

Altogether, I think on a very good path on our trajectory for 2026 and on the top line, I'm not going to comment versus the consensus, but I can reiterate what I told you, which is that we are confident into an acceleration of our subscription business, but a progressive one. No step change, but a progressive acceleration, and we're very confident into our margin progression.

Ian White

Thanks for those answers.

David Schwimmer

Thank you, Ian.

Operator

There are no further questions on the conference line. I will now hand the presentation back to David Schwimmer, CEO of LSEG, to close the call.

David Schwimmer

Well, thank you all for your time and attention this morning, and we certainly appreciate it. If you have any further questions, you know where Peregrine and the team are, and I'm sure we will be in touch with you soon. Thanks again.

Michel-Alain Proch

Thank you.