An introduction to LSEG

April 2024
Contents

What is LSEG? 3

Refinitiv acquisition 8

What differentiates LSEG? 14

Strong platform for growth 21

Medium-term guidance and capital allocation 47

Latest interim results 54

Appendix 62
What is LSEG?
Who we are

We are a leading global financial markets infrastructure and data provider

We play a vital social and economic role in the world’s financial system

With our trusted expertise and global scale, we enable the sustainable growth and stability of our customers and their communities

AEPS
15% CAGR
(2003-2023)

Total Income (exc. recoveries)
£8.0bn
2023

DPS
18% CAGR
(2003-2023)

EBITDA
£3.8bn
2023

18% CAGR

DPS

Ticker LSEG.L
LSEG is a critical strategic partner to global financial institutions

- **Capital formation**: through primary markets operated by the London Stock Exchange
- **Data and analytics**: providing crucial insight to customers through a variety of data, indices, risk, analytics and workflow solutions
- **Capital optimisation & risk management**: through global clearing and reporting services across asset classes
- **Capital deployment**: through LSEG’s trading venues and across asset classes, including FX, fixed income and equities

**Uniquely positioned, seamlessly integrated**

Note: We now report under 5 divisions. For details on our revised reporting structure with effect from Q1 2024 see slide 61.
LSEG has leading market positions and deep customer relationships

Data & Analytics:
- Longstanding relationships with all of top 100 global banks and 78% of top 100 asset managers, >45,000 customers in >170 countries
- Global leader in real-time data
- Many other leading data and workflow solutions

FTSE Russell
- Top 3 global index provider

Risk Intelligence
- Leading KYC solution

Capital Markets:
- #1 global dealer-to-client FX platform
- Leading global fixed income trading platform

Post Trade:
- Systemically important infrastructure
- >90% share of interest rate swap notional outstanding
Our history - a deeply trusted reputation, built on 200 years of heritage

- First regulated exchange established: 1801
- LSE lists: 2001
- Acquired Millenium IT: 2009
- Acquired Russell Indexes, forming FTSE Russell: 2013
- Acquired Yieldbook: 2015
- Acquired Refinitiv: 2017
- Announced Microsoft Partnership: 2022
Refinitiv acquisition
LSEG and Refinitiv businesses prior to acquisition

**LSEG**
- Mainly national/regional market infrastructure; global index business; equities-focused
- Strong brands, trusted partner
- Unintegrated businesses
- Mainly transactional revenue
- Organic revenue growth:
  - 2019: **7.0%**  
  - 2020: **5.0%**

**Refinitiv**
- Global presence in Data & Analytics; leading FX and fixed income venues
- Long-term relationships, mixed perception
- Unintegrated businesses, investment required
- Mainly recurring revenue
- Organic revenue growth (D&A\(^1\)):
  - 2019: **1.7%**  
  - 2020: **2.2%**

---

1. Pro forma, including LSEG D&A businesses
Acquisition rationale

Transforms LSEG’s position as a leading global financial markets infrastructure and data provider

Significantly enhances LSEG’s customer proposition in data and analytics

Creates a global multi-asset class capital markets business with the addition of leading foreign exchange and fixed income venues

Deepens and expands LSEG’s and Refinitiv’s shared core principles of open access and customer partnership

Improves LSEG business mix and generates attractive revenue growth

Generates significant value creation through cost and revenue synergies
Delivering on all Refinitiv acquisition targets

<table>
<thead>
<tr>
<th>Target</th>
<th>Total income growth</th>
<th>EBITDA margin</th>
<th>Revenue synergies</th>
<th>Cost synergies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5-7% 2020PF - 2023 CAGR</td>
<td>50% by exit 2023</td>
<td>£350 - 400m run rate by end of 2025&lt;sup&gt;3&lt;/sup&gt;</td>
<td>&gt;£400m run rate by end of 2025&lt;sup&gt;4&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Progress</th>
<th>Organic income growth CAGR:</th>
<th>‘Like for like’ basis&lt;sup&gt;2&lt;/sup&gt;:</th>
<th>Run rate - Dec 23:</th>
<th>Run rate - Dec 23:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6.5%&lt;sup&gt;1&lt;/sup&gt;</td>
<td>50.3%</td>
<td>£158m</td>
<td>£442m</td>
</tr>
</tbody>
</table>

Reported basis<sup>2</sup>:

- 6.1% 2021
- 6.3% 2022
- 7.1% 2023
- 47.2% 2023

---

2. ‘Like for like’ assumes a constant perimeter of the business and excludes the impacts of acquisitions and disposals (140bps), the Microsoft partnership (50bps), Ukraine / Russia war impacts (70bps) and impacts from FX related balance sheet items (50bps).
3. Upgraded from original £225m target at announcement of acquisition
4. Upgraded from original £350m target at announcement of acquisition

Delivered 2 years ahead of schedule.
## Met or beat growth targets line by line

<table>
<thead>
<tr>
<th>LSEG</th>
<th>Historical performance(^1)</th>
<th>Growth ambition as of July 2021</th>
<th>Growth achieved(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data &amp; Analytics</td>
<td>1-3%</td>
<td>5-7%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Enterprise Data</td>
<td>4-5%</td>
<td>Mid single digit</td>
<td>8.9%</td>
</tr>
<tr>
<td>Trading &amp; Banking</td>
<td>(1-2)%</td>
<td>Low single digit</td>
<td>2.5%</td>
</tr>
<tr>
<td>Customer &amp; Third Party Risk</td>
<td>10-12%</td>
<td>Double digit</td>
<td>14.1%</td>
</tr>
<tr>
<td>Investment Solutions</td>
<td>3-5%</td>
<td>High single digit</td>
<td>11.5%(^3)</td>
</tr>
<tr>
<td>Wealth</td>
<td>Low to mid single digit</td>
<td>Mid single digit</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

Note: We revised our reporting revised reporting structure with effect from 2024, see slide 61 for details.
3. Benchmark Rates, Indices & Analytics. Total Investment Solutions growth 7.9%.
LSEG TODAY

- Services with strong competitive positions, meeting business-critical needs

- Exposed to multiple structural growth drivers

- Attractive, all-weather economic model: diversified, high-quality revenues and strong cash generation

- Differentiated customer proposition: partnership model, open ecosystem, integrated offering
What differentiates LSEG?
What differentiates our business...

...for customers...
- Global
- Multi-asset class
- Across the trade lifecycle
- Trusted, long-term partner

...and shareholders
- Diversity of revenue
- Quality and visibility of revenue
- Uncorrelated growth
- Strong cash generation
We deliver deep expertise globally, across multiple asset classes and across the trade lifecycle…

- **Equities**
- **Fixed income**
- **FX**
We are a trusted, long-term partner to the industry

We are trusted to own, manage and develop the industry’s own infrastructure

We partner with global leaders for innovation and growth
Our business and revenue are diversified across products, geographies and customers. 

Diversified offering:
- Data & Analytics: 49%
- Capital Markets: 15%
- Post Trade: 19%
- Risk Intelligence: 6%
- FTSE Russell: 11%

£8.0bn

Geographically balanced presence:
- EMEA: 43%
- Americas: 15%
- Asia: 15%
- Other: 20%

Balanced customer footprint:
- Sell-side: 63%
- Buy-side: 17%
- Other: 20%

We have an attractive mix of recurring and high-quality transactional revenue

Recurring revenue is highly visible and diversified…

…With a strong track record of high-quality transactional revenue

LSEG total income, 2023, excluding recoveries

- Recurring revenue
- Transactional revenue
- Net Treasury Income

1. Total revenue per Tradeweb’s disclosures, not adjusted to bring their accounting policies in line with those used by the Group and not reflective of our 51.2% economic interest.
2. Reported revenue CAGR.
We have a track record of uncorrelated, all-weather growth

Source: Euromonitor International, Federal Reserve Bank of St. Louis, LSEG, SDC Platinum. All metrics up to October 2023 excluding LSEG organic growth as at FY 2023.

1. Average monthly effective Fed rate.
2. Equity and debt issuance 2023 YTD vs 2022 YTD.
3. Volatility measured using average of daily VIX for year
Strong platform for growth
We operate in large and growing market segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>2022 LSEG Income</th>
<th>2022 Segment Spend</th>
<th>LSEG Segment Share</th>
<th>Segment Growth 2022-25 CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Data &amp; Analytics</strong></td>
<td>£3.7bn</td>
<td>£32 – 38bn$^1$</td>
<td>10 - 12%</td>
<td>5 - 7%</td>
</tr>
<tr>
<td><strong>FTSE Russell$^2$</strong></td>
<td>£0.8bn</td>
<td>£4 – 5bn</td>
<td>16 - 19%</td>
<td>8 - 10%</td>
</tr>
<tr>
<td><strong>Risk Intelligence$^3$</strong></td>
<td>£0.4bn</td>
<td>£8 – 9bn</td>
<td>4 - 6%</td>
<td>8 - 12%</td>
</tr>
<tr>
<td><strong>Capital Markets</strong></td>
<td>£1.5bn</td>
<td>£10 – 13bn</td>
<td>11 - 14%</td>
<td>5 - 7%</td>
</tr>
<tr>
<td><strong>Post Trade</strong></td>
<td>£1.0bn</td>
<td>£5 – 6bn</td>
<td>16 - 18%</td>
<td>4 - 6%</td>
</tr>
</tbody>
</table>

Source: LSEG Market Intelligence

1. TAM refers to vended segment only, additional opportunities exist to displace in-house solutions.
2. FTSE Russell formerly referred to as Benchmarks & Indices and part of Data & Analytics. For details on our revised reporting structure with effect from 2024 see slide 61.
3. Risk Intelligence formerly referred to as Customer & Third-Party Risk and part of Data & Analytics. For details on our revised reporting structure with effect from 2024 see slide 61.
All our businesses are benefiting mega trends

- Demand for data and its integration into workflows
- Rise of new technologies including AI
- Reputational and financial risk management
- Electronification and digitisation of trading
- Regulation placing increasing demands on capital
Data & Analytics: leadership built on our breadth and depth of data serving an array of customers

- **60k** Terabytes of data stored
- **50m** Estimates and KPI’s internationally
- **4.8m** Research documents per year
- **15m** Economic time series
- **13.4m** Fixed income securities
- **1.45m** Merger and acquisition deals
- **3.7m** Company events available in our library
- **62k** Active public companies
- **17.2m** Private companies
- **142m** Company financial data points per year
- **14m** Financial price updates per second at peak
- **520k** Equity quotes from 297 exchanges

Delivered to our customers…

Analysts & portfolio managers  
Investment bankers  
Sales and traders  
Wealth advisors  
Academia
Data & Analytics: Workflows

Workflows comprise all of our “user interface” businesses across all user groups.

Key differentiators:
– Top tier franchises in Banking, Wealth, FX and Commodities
– Diversified, global footprint
– High proportion of recurring revenues
– Eikon to be sunset in 2025
– Partnership with Microsoft to embed LSEG data in teams and Office 365

Key products and services

LSEG Workspace  Eikon
Drivers of growth in 2023

► Accelerating pace of innovation – over 380 Workspace updates, integration with FXall and TORA, Advanced Dealing

► Improved retention supporting better price realisation

► Competitor displacements – e.g. Unicredit

Drivers of growth in 2024 and beyond

► Workspace roll-out largely complete by end-2024 – +5pp product satisfaction vs. Eikon

► Microsoft capabilities build from H1 2024 – incl Meeting Prep and Workspace/Teams Open Directory pilots

1. Comparison of Workspace vs. Eikon users, based on customer survey
2. % of Trading customers returning a 9 or 10 satisfaction rating (out of 10), Dec 2023
Data & Analytics: Data & Feeds

Data & Feeds serves the **entire spectrum** of business-critical data needs across **asset classes, latencies and delivery mechanisms** including real-time data and news, text, reference and legal entity data.

**Key differentiators:**
- Breadth and depth of data; tick history dating back 25+ years
- Fastest, most connected, and most reliable real-time network
- Trusted partners: **open** access model and **customer choice** of distribution channels and latency

**Key products and services**

<table>
<thead>
<tr>
<th>Real-time data</th>
<th>Pricing &amp; reference services</th>
<th>SEDOL</th>
<th>Tick History</th>
<th>LEI Creation</th>
<th>DataScope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Stream</td>
<td>Machine Readable News</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: See slide 35 and 61 for more details on Data & Feeds.  
1. Effective for reporting from Q1 2024. For details on our revised reporting structure with effect from 2024 see slide 61.
Data & Analytics: Data & Feeds

Growth opportunities:

- Extended capabilities in direct feeds and e.g. machine-ready text
- Combination of Tick History and PCAP\(^1\) data
- Redistribution partnerships at scale
- Continued delivery of revenue synergies with FTSE Russell

<table>
<thead>
<tr>
<th>#1</th>
<th>Top 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>global real-time data provider</td>
<td>global provider of pricing and reference data</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>100 million</th>
<th>2.8 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruments across 550 exchanges</td>
<td>Fixed income instrument evaluations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10 million</th>
<th>2PB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed income securities</td>
<td>Tick history data added per year</td>
</tr>
</tbody>
</table>
Customer case study: Large Asian bank

Return of a large customer lost in 2017

- Asian bank switched away from our real-time service under previous Refinitiv ownership, following aggressive price-based competition.
- Competitor couldn’t match the breadth or depth of our real time solution, nor the quality of our tick history offering.
- The bank has returned to LSEG buying a broader range of services and giving LSEG a greater share of overall customer wallet.

Drivers of growth in 2023

- Multi-year investment in content – fixed income, evaluated pricing
- New cloud distribution channels – Real Time Optimised, Full Tick, Tick History
- Providing additional services for customers – data management and storage

Drivers of growth in 2024 and beyond

- Further expansion of content and distribution – real time, pricing & reference data, low latency feeds
- Acceleration of capabilities in partnership with Microsoft – news and text feeds
Data & Analytics: Analytics

Financial Analytics & Models
Scalable cross-asset models and analytics solutions for a diverse set of customer needs, including risk, regulatory and historical analysis.

Customer Facing Analytics Software
Robust tech environment to build, deploy and run analytics at scale using LSEG’s proprietary data and models.

Generative AI Solutions
Next gen AI & ML solutions designed for financial services and powered by AI agents, analytics plugins and model classification vectors.

Yield Book
An expanded set of capabilities including market-leading data and cashflow modelling for security and portfolio analysis from vanilla bonds to highly structured mortgages for clients to comprehensively address their requirements.

StarMine
StarMine quantitative analytics provide a rock-solid foundation for your investment research spanning sectors, regions and markets. StarMine models focus on credit risk, economic forecasts, company financials and valuation.

Lipper
With a track record of over 50 years of independent content, Lipper is the go-to resource for fund performance research, providing premium data, fund ratings, analytical tools, and global commentary through specialized product offerings.

LPC
The premier global provider of syndicated loan, direct lending and CLO market data, news and analysis, keeping you on top of market trends and enabling better lending and investment decisions.

Quantitative Pricing
Analytics APIs offer a wide range of user-defined analytics for listed and OTC instruments. The coverage spans across FX, interest rate derivatives, equity derivatives, government and corporate bonds, zero-coupon curves, and volatility surfaces.

Key products and services...

Note: Effective for reporting from Q1 2024. For details on our revised reporting structure with effect from 2024 see slide 61.
**FTSE Russell**

<table>
<thead>
<tr>
<th>Global index leader</th>
<th>Across asset classes</th>
<th>Across investment objectives</th>
<th>Integrated Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>A global provider of benchmark &amp; index solutions serving customers throughout the investment ecosystem in over 70 countries.</td>
<td>Indices across asset classes to inform asset allocation, portfolio construction, risk management and performance analysis.</td>
<td>Indices across investment objectives including factor, multi-factor, alternatively weighted, and sustainable investment.</td>
<td>Data, analytics, and tools to underpin our benchmarks. With the quality, coverage and granularity to support sophisticated strategies</td>
</tr>
</tbody>
</table>

**Our customers**

- Asset owners (Buy-side)
- Banks (Sell-side)
- Asset managers (Buy-side)
- Regulators & Exchanges (Non-financial) and asset servicers (mixed)

**Key products and services**

- Thought leadership, index design, data and analytics to help them achieve investment goals
- Benchmark solutions, data and investment IP to support creation and growth of investment products and evaluation of portfolio performance and risk
- Data, benchmark rates and indices to maintain consistency and drive market standards
FTSE Russell

Drivers of growth in 2023
► Broadening and deepening customer usage – esp. Russell, GEIS, WMR and LIBOR transition products
► Greater commercial discipline – better management of multi-year contract renewals
► Building on natural linkages between data and indices – +150% growth in revenue synergies

Drivers of growth in 2024 and beyond
► Continuing innovation – expansion of bespoke indexing, new indices e.g. FTSE UK ESG risk adj
► Focus on partnership – Grayscale, Tradeweb

Accelerating growth in subscription revenues

1. Benchmark rates, indices and analytics revenues, constant currency excl. deferred revenue haircut
## Risk Intelligence

A suite of datasets, products, and services enabling businesses to manage their KYC & AML compliance, empower digital customer on-boarding, conduct third party risk due diligence, and detect fraud.

### What we do?

- **Screening**
  - Screening data and analytics on people and entities to support Know Your Customer and Anti Money Laundering compliance

- **Digital Identity & Fraud**
  - Digital identity and bank account verification to manage the risk of identity theft and payment fraud

- **Refinitiv Due Diligence**
  - Deep research & diligence on people & entities to identify a broader range of risks, to comply with various regulatory and governance requirements

### Key products and services

- **Screening**: World-Check

- **Digital Identity & Fraud**:
  - GDC (Global Data Consortium)
  - Giact
  - Qual-ID

### Customers

- **Screening**:
  - Banks / Financial Institutions
  - Insurance Firms
  - Corporates
  - FinTech’s

- **Digital Identity & Fraud**:
  - Banks / Financial Institutions
  - FinTech’s
  - Corporates
  - Payment Service Providers

- **Refinitiv Due Diligence**:
  - Banks / Financial Institutions
  - Insurance Firms
  - Corporates
  - Governments & Academia
# Capital Markets: leading platforms across asset classes

<table>
<thead>
<tr>
<th><strong>Fixed Income</strong></th>
<th><strong>Foreign Exchange</strong></th>
<th><strong>Equities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tradeweb</strong></td>
<td><strong>LSEG FX</strong></td>
<td><strong>TURQUOISE</strong></td>
</tr>
<tr>
<td>Leading global platform for trading interest rate and credit products providing a seamlessly connected and powerful network</td>
<td>Market leader in dealer-to-client and interbank FX trading, with an unrivalled global footprint</td>
<td>Trusted long term partner to markets; #1 exchange by capital raised in Europe¹</td>
</tr>
<tr>
<td><strong>Client network:</strong> 2,500+ clients across 65+ countries globally, covering institutional, wholesale and retail clients</td>
<td><strong>Global scale:</strong> Global FX trading venues with presence in 130+ countries with 500+ currency pairs</td>
<td>Heritage &amp; long-term partnerships: Europe’s most active equity market with 200+ years as a trusted venue for capital raising</td>
</tr>
<tr>
<td><strong>Deep pools of liquidity:</strong> 40+ products traded and $1.2+ trillion ADV, positioning us as an electronic market leader</td>
<td><strong>Breadth of offering:</strong> 2,400 buy-side customers in FXall, with 4,100 customers on Dealing</td>
<td>Geographical advantage: Location and time-zone bridges Asia and the Americas, English language, respected legal system, attracting a deep pool of international capital and largest number of international issuers</td>
</tr>
<tr>
<td><strong>Technology:</strong> Integrated into traders’ workflows using Tradeweb’s Automated Intelligent Execution tool</td>
<td><strong>Trusted globally:</strong> Our Matching data is trusted globally to drive price discovery and set reference levels</td>
<td><strong>Innovation:</strong> A global leader in product innovation e.g. sustainable finance</td>
</tr>
</tbody>
</table>

¹ Source: LSEG.
Delivering further growth with LSEG

**FTSE Russell partnership:** more powerful fixed income benchmarks

**FXall integration:** more seamless and lower-risk trading solutions

**Data distribution:** enhanced redistribution capabilities

**Opportunity to do more:** e.g. Workspace

---

**Drivers of growth in 2023**

- Gaining share and driving electronification in credit – US high grade share up 170bps to ~26%\(^1\)
- Innovating from a leading position in interest rate products – EM and Inflation Swaps, RFM\(^2\) protocol
- Expanding geographic footprint – Yieldbroker

**Drivers of growth in 2024 and beyond**

- Expanding trading capabilities – additional automation tools and multi-product functionality
- Inroads into emerging markets – Asia Pac, LATAM, CEEMEA
- Continuing to build share in fixed income markets

---

1. Tradeweb high grade as a % of TRACE volumes, excluding EM and convertible bonds
2. Request for market (RFM) protocol provides two-way pricing from multiple dealers to minimise information leakage in lower liquidity markets
Growth opportunities:

- Increase share in core markets
- Expand internationally
- Grow presence across the trade lifecycle, partnering with LSEG
- Leverage technology and data to drive volumes

Continued electronification of fixed income a tailwind for growth

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Electronic</th>
<th>Voice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgages</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Euro Govt. Bonds</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>European Credit</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>US Treasuries</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>US Inv. Grade</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>US High Yield</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Global Swaps</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

C. 13% of LSEG

Leading global platform for trading interest rate and credit products

C.2,500 clients across >65 countries: institutional, wholesale and retail clients
Post Trade

Post Trade is an operator of systemically important infrastructure, seen as the gold standard globally amongst competitors, regulators, partners and customers in terms of risk management, resiliency and collaboration.

**Systemically important**

Leading global clearing house with >90% share of cleared interest rate swap notional outstanding

**Ensuring financial stability**

Clearing, risk management, capital optimisation and regulatory reporting solutions

**Resilient and scalable technology**

Enabling us to operate as a trusted custodian and authoritative source for trade and risk data

**Multi-national clearing houses**

LCH Ltd (London) and LCH SA (Paris) offer a range of clearing services for a diverse range of assets classes

**Net Treasury Income**

Income on cash assets lodged with CCP as margin and default funds

- **Non-cash collateral**
  - Fees from handling non-cash collateral balances
  - Total income: £1.2bn

- **Securities & Reporting**
  - Clearing services and regulatory reporting solutions

- **OTC Derivatives**
  - Clearing and capital optimisation solutions
  - Key offerings:
    - SwapClear
    - SwapAgent
    - ForexClear

LSEG
Post Trade: leading businesses, strong track records, continuing structural tailwinds

Leading global clearing house with >90% share of cleared interest rate swap notional outstanding

C. 15% of LSEG

Clearing, risk management, capital optimisation and regulatory reporting solutions

Growth opportunities:

- New customer groups e.g. EU pension funds
- Geographic and OTC market expansion e.g. ForexClear
- Launch of Post Trade Solutions

OTC contract value outstanding was up 56% at YE 2022 vs YE 2021

$ trn gross value

Post Trade 5 year organic income CAGR of 10%

£ m

Post Trade: leading businesses, strong track records, continuing structural tailwinds

Leading global clearing house with >90% share of cleared interest rate swap notional outstanding

C. 15% of LSEG

Clearing, risk management, capital optimisation and regulatory reporting solutions

Growth opportunities:

- New customer groups e.g. EU pension funds
- Geographic and OTC market expansion e.g. ForexClear
- Launch of Post Trade Solutions

OTC contract value outstanding was up 56% at YE 2022 vs YE 2021

$ trn gross value

Post Trade 5 year organic income CAGR of 10%

£ m
Partnering to transform our industry: Post Trade

A decade of delivery from LCH¹ in cleared products

► Three-fold increase in revenues²; >€1.2bn today vs. ~€380m in 2013
► EBITDA margins almost doubled; ~56% today vs. 30% in 2013
► Six-fold increase in operating profit; ~€600 today vs. €90m in 2013
…with further regulatory driven growth in cleared solutions to come

Partnering to build industry solutions for uncleared products

► Pressing customer need for solutions to acute regulatory and capital-driven pressures
► Opportunity similar in size to cleared space
  ◦ >$10tn gross market value currently uncleared

---

1. LSEG acquisition of 55.5% of LCH Group closed in March 2013, LSEG owned 2.3% prior to this.
2. Includes Net Treasury Income
3. BIS data for Dec 2022, gross market value of OTC derivatives
Partnering to transform our industry with Microsoft

Workspace
- Workspace and Microsoft Office
- Copilot AI

Analytics
- Financial Analytics
- Financial Data Engineering
- AI Solutions

Data Intelligence
- LSEG data
- Customer data
- Digital rights

Transformed LSEG Estate

Foundation

Workflows
AI & Analytics
Purview MS Fabric
Foundation
Our long-term strategic partnership with Microsoft

In December 2022, we announced a 10-year strategic partnership with Microsoft to deliver next-generation data & analytics workflow and cloud infrastructure solutions

<table>
<thead>
<tr>
<th>Workflow</th>
<th>Analytics</th>
<th>Cloud infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Fully integrating LSEG Workspace with the Office 365 suite</td>
<td>• Delivering best-in-class cloud-based modelling and analytics-as-a-service</td>
<td>• Accelerating our strategy towards a primarily cloud-based data offering</td>
</tr>
<tr>
<td>• Potential to reach a global audience of over 300 million Teams users with a tiered product approach</td>
<td>• Focusing on high-quality performance, scalability and usability of analytics for our customers</td>
<td>• Delivering a resilient and efficient experience for customers with the potential for consumption-based pricing over time</td>
</tr>
</tbody>
</table>
Progressing well: ahead of plan

Developments in Gen AI
Microsoft established as a global leader in Gen AI, bringing significant additional value to our joint product development

Launch of Microsoft Fabric
LSEG is a pioneer customer on Fabric, making the onboarding, cataloguing and discovery of data simpler and more intuitive

Design Partner Programme
Major customers are closely engaged through DPP

Acceleration of product roadmap
Early product enhancements and new applications to begin to launch in H1 2024
Monetising the opportunity

Clear commercial framework

- We get paid for consumption of:
  ▶ Our data
  ▶ Our intellectual property and products

- Microsoft gets paid for consumption of:
  ▶ Their intellectual property and products
  ▶ Their cloud services

Expanding our addressable market

- An additional £50bn segment of the Data & Analytics value chain:
  ▶ Data & Feeds: incl data management services, machine ready text
  ▶ Analytics: incl proprietary and bespoke finance specific large language models; Analytics & Modelling as services

- Workspace for ~320m MS Teams users\(^1\)

Accelerating revenue impact from Microsoft partnership from 2025

---

1. Active monthly users of MS Teams, Q1 2024
Breaking into new markets and asset classes

New verticals
- LSEG services becoming more widely applicable
- Wider Workspace opportunity across full Teams / O365 base
- Leveraging our data management DNA
- Channel partner strategy in e.g. Risk Intelligence

New asset classes
- Private markets: investment in Floww, development of intermittent trading venue
- Digital assets: clearing and indices

New platforms
- Digital market infrastructure: exploratory work with Microsoft complete
- Further work on potential opportunity ongoing
Medium-term guidance and capital allocation
Medium-term guidance: accelerating growth, good cash conversion

Revenue
Mid to high single digit organic growth annually, accelerating after 2024

EBITDA Margin
Underlying margin to increase over time

Capex\(^1\)
Remain around current levels of 11-12% of income\(^2\) in 2024, then declining over time to high single digit % of income\(^2\)

Cash Conversion
Cumulative free cash flow to exceed adjusted profit after tax attributable to equity holders

1. Total capex - BAU and Refinitiv integration related capex.
2. Total income excluding recoveries
Multiple growth drivers

**Secular growth trends**

**Strategic combination: LSEG + Refinitiv**
- Revenue synergy opportunities
- Sales transformation
- End to end workflows e.g. FX

**Smarter pricing**
- Monetising investment in existing products e.g. Workspace upgrades
- Discipline in price realisation
- Moving to a usage-based pricing model over time

**New product**
- Organic and inorganic investment to expand our offering e.g. PCAP¹ data

**Geographic and market expansion**
- Geographical expansion e.g. LCH and Tradeweb
- Developing infrastructure for new asset classes e.g. private markets

---

¹ PCAP - Packet capture data

Microsoft partnership enabling **new and adjacent** market opportunities
…and the potential for margin improvement over time is clear

2022 EBITDA Margins

- **LSEG Divisions**
- **Data & Analytics**
- **Capital Markets**
- **Post Trade**

**Capital Markets** & **Post Trade** are scaled businesses with margins in line with industry averages.

**Opportunity to improve our **Data & Analytics** margin:**

- Common data platform
- Data and content transformation
- Technology modernisation
- eCommerce platform

**These investments have wider benefits for the business and our customers**

---

**Note:** As at CMD in November 2023.
1. LSEG Data & Analytics margin based on the existing structure of the division, which includes Investment Solutions and Customer & Third-Party Risk. For details on our revised reporting structure with effect from 2024 see slide 61.
2. Peerset includes ICE, Factset, Moody’s, Morningstar, MSCI, Nasdaq and S&P. Peer margin is calculated based on comparable segments, and is weighted based on revenue.
We are deploying our significant cash generation for shareholder returns today and sustained growth tomorrow

**Excess capital**
£2.5 billion buybacks completed since August 2022

**M&A**
Enhancing our value proposition: six bolt-ons, TW acquisition of Yieldbroker, buyout of LCH SA minorities.

**Capex**
Investing well ahead of peer group; focus on modernisation and growth. Intensity to decline

**Dividends**
Progressive policy, up 18% CAGR (2003-2023)

---

1. In 2023, £618m deployed on acquisitions, largely in respect of Acadia, Tradeweb’s acquisition of Yieldbroker and the acquisition of the LCH SA minority interest.
Significant investment will continue but intensity will moderate

**Investing ahead of peers** due to:
- Historic underinvestment
- Capex related to cost and revenue synergies
- Investing for new capabilities

**2024:** Capital intensity at 11-12% of income\(^1\)

**2025** onward: Capital intensity declining to high single digit % of revenue over time

---

1. Total income excluding recoveries
Attractive financial returns for investors

Updated progressive dividend policy...

2.5x – 3.0x cover ratio (c.33% – 40% pay-out based on full-year AEPS)

Interim dividend to be ~1/3 of the expected full-year dividend

...and returning excess capital to shareholders

£1.5bn returned since August last year

Announced further £1bn of directed share buybacks in 2024

LSEG annual dividends

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend</th>
<th>Dividend</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>75p</td>
<td>95p</td>
<td>107p</td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td>115p</td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Buybacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>£750m</td>
</tr>
<tr>
<td>2022</td>
<td>£750m</td>
</tr>
<tr>
<td>2023</td>
<td>£1bn</td>
</tr>
</tbody>
</table>
2023 financial results
Faster growing, more efficient, returning capital

Strong performance in 2023

• Accelerating, broad-based growth
• Achieving all Refinitiv acquisition targets
• Driving efficiency and cash generation
• Delivering substantial shareholder returns
• Set ambitious medium-term targets

1. Total Income excl. recoveries
2. 2020-23 CAGR in Total Income excl. recoveries, before impact of Ukraine/Russia war and deferred revenue haircut
3. Underlying EBITDA margin expansion
All Data & Analytics businesses performing well

Growth rates on a constant currency basis unless otherwise stated

1. Total income excluding recoveries

<table>
<thead>
<tr>
<th>£m</th>
<th>2022¹</th>
<th>Trading &amp; Banking</th>
<th>Enterprise Data</th>
<th>Investment Solutions</th>
<th>Wealth Solutions</th>
<th>Customer &amp; Third-Party Risk</th>
<th>FX</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,944</td>
<td>3.3%</td>
<td>9.3%</td>
<td>7.9%</td>
<td>4.4%</td>
<td>16.4%</td>
<td>5,267</td>
</tr>
</tbody>
</table>

1.3% growth
Retention, sales and price driving ASV growth

- ASV growth rate
- Impact of Ukraine / Russia conflict

+370bps increase since acquisition

Mar-21: 3.0%
2021: 4.6%
2022: 6.2%
2023: 6.7%

H1 2023: 6.9%
H2 2023: 6.7%

Annual subscription value (ASV) growth is a constant currency point-in-time year-on-year organic measure of subscription growth in our Data & Analytics business.
Capital Markets: ongoing strength in Fixed Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Equities</th>
<th>FX Trading</th>
<th>Fixed Income, Derivatives &amp; Other</th>
<th>FX</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>1,459</td>
<td>(8.8%)</td>
<td>6.1% growth</td>
<td>(1.9%)</td>
<td>1,546</td>
</tr>
</tbody>
</table>

Equities
Market conditions impacting activity

FX Trading
Weaker market volumes impacting revenues

Fixed Income
Record transaction volumes skewed to shorter-duration instruments

Growth rates on a constant currency basis unless otherwise stated
Post Trade: strong performance in uncertain rate environment

<table>
<thead>
<tr>
<th>£m</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTC Derivatives</td>
<td>991</td>
<td>1,167</td>
</tr>
<tr>
<td>Securities &amp; Reporting</td>
<td>28.9% 13.9% organic</td>
<td>7.0% 7.5% 12.8%</td>
</tr>
<tr>
<td>Non-Cash Collateral</td>
<td>7.5%</td>
<td></td>
</tr>
<tr>
<td>Net Treasury Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FX</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**OTC Derivatives**
Strong client activity driven by global interest rate uncertainty

**Securities & Reporting**
One-off termination fees and strength in RepoClear offsetting impacts of lost equity clearing revenues

**Net Treasury Income**
Higher margins offset lower cash collateral balances

Growth rates on a constant currency basis unless otherwise stated
Operating expenses: 5.3% organic cost growth

Growth rates on a constant currency basis unless otherwise stated:
1. FX comprises FX-related items (£68m benefit in 2022, £42m loss in 2023) and translational FX.
2. Comprising investment in technology modernisation, increasing cloud usage, costs of product development as part of the Microsoft partnership, costs of delivering strong growth at Tradeweb and costs relating to revenue synergies.

<table>
<thead>
<tr>
<th>Component</th>
<th>2022 Operating Cost Base</th>
<th>FX ¹</th>
<th>Ongoing Operating Costs</th>
<th>Investment for Growth ²</th>
<th>Cost Synergies</th>
<th>Acquisitions</th>
<th>2023 Operating Cost Base</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>£m</td>
</tr>
<tr>
<td>2022 operating cost base</td>
<td>3,140</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,474</td>
</tr>
<tr>
<td>FX</td>
<td>2.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ongoing operating costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment for growth ²</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost synergies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023 operating cost base</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[ \text{Growth} = \frac{\text{Current Year Cost} - \text{Previous Year Cost}}{\text{Previous Year Cost}} \times 100 \]
1.
2.
3.

1. FX comprises FX-related items (2022: £68m benefit, 2023: £42m loss) and translational FX
2. 2023 FX-related items loss of £42m
3. Items outside of guidance consist of: Acadia acquisition (-10bps) and difference between guidance and actual FX rates (-20bps)
Appendix
New reporting structure from Q1 2024 to better reflect our business

Data & Analytics
2023 revenues: £3.9bn

Workflows
2023 revenues: £1.9bn

Data & Feeds
2023 revenues: £1.8bn

Analytics
2023 revenues: £218m

FTSE Russell
2023 revenues: £844m

Subscription
2023 Revenues: £563m

Asset based
2023 Revenues: £281m

Risk Intelligence
2023 revenues: £492m

Note: See quarterly revenues for 2023 under the new reporting structure, and corresponding growth rates here: New divisional reporting structure | LSEG
Contacts and further information

Peregrine Riviere
Group Head of Investor Relations
Tel: +44 (0)7 977 379 063 | Email: peregrine.riviere@lseg.com

Chris Turner
Investor Relations Senior Director
Tel: +44 (0)7 769 931 614 | Email: chris.turner@lseg.com

Neha Kasabia
Investor Relations Director
Tel: +44 (0)7 929 048 221 | Email: neha.kasabia@lseg.com

Tom Ferguson
Investor Relations Manager
Tel: +44 (0)7 977 691 439 | Email: tom.ferguson@lseg.com

Natalia Gardner
Investor Relations Assistant Manager
Tel: +44 (0)7 977 555 825 | Email: natalia.gardner@lseg.com

London Stock Exchange Group plc
10 Paternoster Square
London
EC4M 7LS

Contacts and further information
For investor relations information:
lseg.com/investor-relations

For Corporate Sustainability information:
lseg.com/investor-relations/sustainability