



**London**

Stock Exchange Group

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# Creating a Financial Markets Infrastructure Leader of the Future

All share acquisition of Refinitiv



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# LSEG H1 - Strong financial performance

Total income

**+8%**

**£1,140m**

(2018 H1: £1,060m)

Gross profit

**+8%**

**£1,031m**

(2018 H1: £954m)

Underlying  
expenses

**-2%**

on a constant currency basis,  
while investing for growth

**£406m**

(2018 H1: £407m)

Adjusted EBITDA

**+14%**

**£621m**

(2018 H1: £544m)

AEPS

**+13%**

**100.6p**

(2018 H1: 88.7p)

Interim Dividend

**+17%**

**20.1p** per share

(2018 H1: 17.6p)

- Strong financial performance
- Continued good growth in Information Services and Post Trade
- Continue to make good progress towards achievement of financial targets
- FTSE Russell revenue up 9% to £315m
- Benchmarked AUM to FTSE Russell indices increased 9% to \$705bn
- LCH revenue up 12% to £266m driven by strong OTC volume growth notably in SwapClear
- Adjusted Operating profit up 11% to £533m with good cost control
- Leverage at 1.7x adjusted net debt: pro forma EBITDA



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- 1. Creating a financial markets infrastructure (“FMI”) leader of the future**
- 2. Refinitiv: a leading global provider of financial markets data, analytics and infrastructure**
- 3. Industry defining transaction**
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- 5. Management and governance**

# Key transaction terms

## Purchase price

- All share transaction
- Enterprise value of approximately \$27bn with an equity value of \$14.5bn <sup>(1)</sup>
- Total new shares issued to Refinitiv shareholders will result in approximately 37% economic interest and less than 30% voting interest in LSEG
- Represents 2018 EV / Adjusted EBITDA multiple of 11.9x <sup>(2)</sup>

## Management

- Combined business will be chaired by LSEG's Chairman Don Robert and led by LSEG's CEO David Schwimmer with David Warren as CFO
- Refinitiv's CEO David Craig will join LSEG's Executive Committee and continue as CEO of Refinitiv

## Governance

- 3 new members to be added to the Board: 2 from Blackstone and 1 from Thomson Reuters
- LSEG will remain in compliance with the UK Corporate Governance Code following completion

## Headquarters

- LSEG's global business continues to be headquartered in London
- LSEG will retain its Premium Listing on the Official List of the FCA and trade on London Stock Exchange plc's Main Market for listed securities

**Note:**

(1) Based on Refinitiv's net debt of \$12.5bn and other adjustments as of June 2019

(2) Adjusted EBITDA multiple also includes run rate cost saves delivered as of Q2 2019 adjusted for cost saves achieved during 2018

# Creates significant value and reshapes the industry

**1**

## **Transforms LSEG's position as a leading global financial markets infrastructure group**

Ability to benefit from global growth opportunities with greater range of leading businesses and enhanced strategic balance

**2**

## **Significantly enhances LSEG's customer proposition in data and analytics**

Combination of valuable datasets with extensive distribution and IP capabilities, boosting revenue opportunities

**3**

## **Creates a global multi-asset capital markets business**

Adds high-growth execution venues in the two largest traded asset classes: FX and fixed income

**4**

## **Deepens and expands our shared core principles of customer partnership and open access**

Continued partnership with customers to deliver innovative solutions across the financial markets value chain

**5**

## **Compelling financial profile: Sustainable growth and substantial synergies**

- In excess of £350m cost and £225m revenue run rate synergies
- Revenue<sup>(1)</sup> CAGR of 5-7% targeted over the first three years post completion with c.70% recurring subscription-based revenue
- Over 30% adjusted EPS accretion in the first full year post completion and increasing in years 2 and 3

# Anticipating customer needs in the fast evolving financial markets infrastructure landscape

## Core capabilities of future FMI provider

**GLOBAL FOOTPRINT**

**LEADING DATA & ANALYTICS CAPABILITIES**

**MULTI-ASSET COVERAGE**

## Historic landscape

Geographic constraints

Significant overheads in processing of data

Voice trading in FX and fixed income markets

Individual asset class based trading and investing

Fragmented value chain

## Future landscape

Global borderless trading

Automation and digitisation unlocking value from data

Electronification of all asset classes

Highly automated multi-asset investment strategies

Coverage across value chain

**Open access to platforms and services**

# Positions LSEG for future growth

LSEG has successfully capitalised on structural trends in the past through M&A and organic strategies

Acquisition positions LSEG for growth in ongoing evolution of financial markets

## 1 Shift to passives

- ETF growth
- Expanding index requirements and innovation

## 2 Regulatory driven growth in post trade

- OTC clearing mandates introduced
- Driving margin and capital efficiencies
- Increased risk management transparency

## 3 Technology-enabled innovation

- Automation and digitisation unlocking value from data
- Rising demand for data and analytics
- Commercialisation of proprietary and alternative data

## 4 Multi asset investment and trading strategies

- Investor shift to multi asset portfolios
- Electronification of fixed income markets
- Increased importance of the buy-side

Globalisation of markets

Leading index and analytics business



Leading risk and balance sheet management offering



Leading global financial markets infrastructure group



**Note:**

- (1) Minority stake
- (2) Refinitiv Data Platform was formerly known as Elektron Data Platform

# Creates a new global financial markets infrastructure leader

- A leading global financial markets infrastructure business
- Successful open access philosophy and customer partnership approach
- Systemically important, world-class businesses serving global customer base
- Leading global OTC clearer with over \$1,000tn of notional cleared in 2018: **LCH**
- Leading global multi-asset index company with \$15tn in AuM and \$705bn ETF AuM: **FTSE Russell**
- Leading European equities trading business
- Strong track record of top-line organic growth and strategic M&A



- A leading global provider of data, analytics and financial markets solutions
- Open platform promoting partner community, solutions and efficiency
- Global reach and significant customer connectivity
- Best-in-class capabilities in data collection, management and distribution
- Leading trading venues in FX and fixed income: **FXall** and **Tradeweb**
- 150,000 data sources, over 10,000 data partners and 24,000 developer community
- Significant recent investment to accelerate growth
- High quality, highly recurring subscription-based revenue base

**2018 Revenue: £2.1bn <sup>(1)</sup>**  
**2018 Adj. EBITDA: £1.1bn**

**2018 Revenue: £4.3bn <sup>(2)(3)</sup>**  
**2018 Adj. EBITDA: £1.5bn <sup>(3)</sup>**

**Note:**

- (1) Revenue includes treasury income and other income
- (2) Revenue adjusted for business not transferred and excludes recoveries
- (3) Refinitiv's performance for the 12 months to 31 December 2018 has been translated from USD to GBP using an FX rate of 1.34

# Delivers attractive financial returns for shareholders

- 1 Enhanced revenue <sup>(1)</sup> mix with attractive growth**
  - **c.70%** recurring subscription-based revenue up from c.40%
  - **5-7%** revenue CAGR targeted over the first three years post completion
- 2 Significant synergies**
  - Annual run rate cost synergies **in excess of £350m**
  - Annual run rate revenue synergies **in excess of £225m**
- 3 Attractive returns**
  - **Over 30% adjusted EPS accretion** in the first full year post completion and increasing in years 2 and 3
  - ROIC expected to exceed investment criteria in the 3<sup>rd</sup> year post completion
- 4 Maintains current capital management framework**
  - **1.0 – 2.0x** target leverage in 24-30 months post completion, from around 3.5x at completion
  - Maintaining current progressive dividend policy
- 5 Committed, long-term new shareholders with interests fully aligned**

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**Refinitiv: a leading global provider of financial markets data, analytics and infrastructure**

# A leading financial markets data and infrastructure provider serving over 40,000 customers in 190+ countries



## Refinitiv Data Platform <sup>(1)</sup>

Open data platform and core capabilities in data collection, integration, distribution & management to power financial markets

- Financial, company, economic, commodities, deals and 'alternative data'
- Content workflow and analytics
- Benchmarks and indexes, pricing, reference and entity data
- Strategic workflow solutions such as FXT, REDI, AlphaDesk, etc.
- Ownership of proprietary data content (e.g. Lipper, ESG, financial crime, venue data)
- Messaging and collaboration services

**£3.2bn revenue in 2018 <sup>(2)(3)</sup>**

**Leading data & analytics business with significant global reach and connectivity**

- FX venues — FXall, Matching
- Fixed income venues — Tradeweb
- BETA trade processing in Wealth

**£0.8bn revenue in 2018 <sup>(2)(3)</sup>**

**Leading FX, fixed income and multi asset trading venues**

- Anti-financial crime data and solutions
- KYC/AML financial crime data and solutions
- Legal entity identifiers
- Enhanced due diligence services for customer and supplier screening

**£0.3bn revenue in 2018 <sup>(2)(3)(4)</sup>**

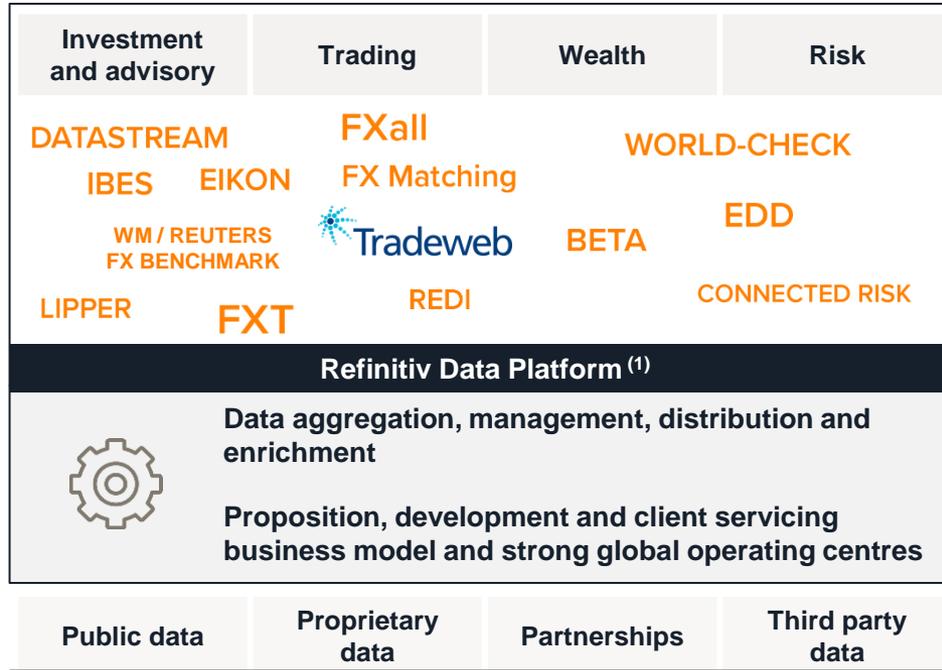
**Leading Risk business providing innovative products to corporates**

**Note:**

- (1) Refinitiv Data Platform was formerly known as Elektron Data Platform
- (2) Revenue adjusted for business not transferred and excluding recoveries
- (3) Refinitiv's performance for the 12 months to 31 December 2018 has been translated from USD to GBP using an FX rate of 1.34
- (4) Risk includes Risk & Other

# Open architecture, leading data platform

40,000 customers across 4 key communities



## Data integrated into customer work flows

through open API feeds, desktop solutions or via private and public cloud

## Synergistic Ecosystem

with content creation and data enhancement from platform usage across communities

150,000 data sources, over 10,000 data partners, 400,000 end users and consumed by machines globally (24,000 developer community)

## Core capabilities in data and analytics

with access to and ownership of proprietary content sets (e.g. ESG, financial crime, advanced analytics, FX and FI, pricing and reference data)

Note:

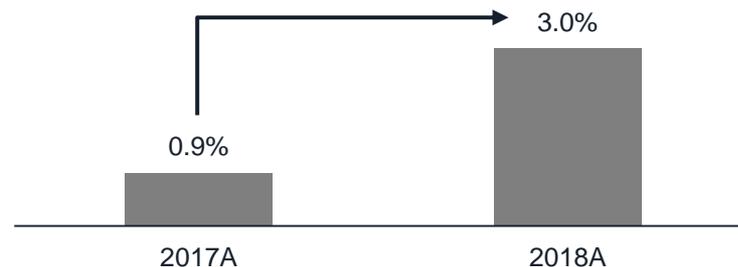
(1) Refinitiv Data Platform was formerly known as Elektron Data Platform

# Accelerating revenue growth and improving efficiency

## Acceleration of revenue growth

- Expanded data platform capabilities including cloud distribution
- Improved sales force and service effectiveness driving product retention
- New content sets, derived content and analytics capabilities (e.g. ESG data)
- Improved agility and speed to market
- Investment in emerging and frontier market content sets and workflow

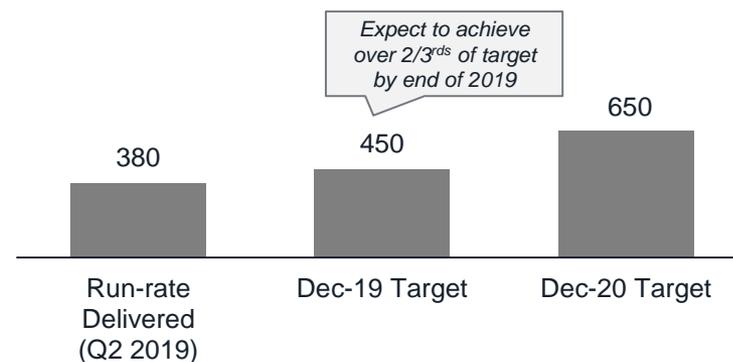
Revenue growth profile <sup>(1)</sup>



## Operating efficiency

- On track to achieve \$650m run-rate savings by end of 2020 – clear roadmap to all savings
- Reduction in operating layers and leveraging operational centres
- Technology modernisation, content automation and operating cost reduction
- Procurement and real estate savings

Cost savings progress (\$m)



**Note:**  
(1) Revenue adjusted for business not transferred and excludes recoveries, growth on a constant currency basis

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# Industry defining transaction

# Creates significant value and reshapes the industry

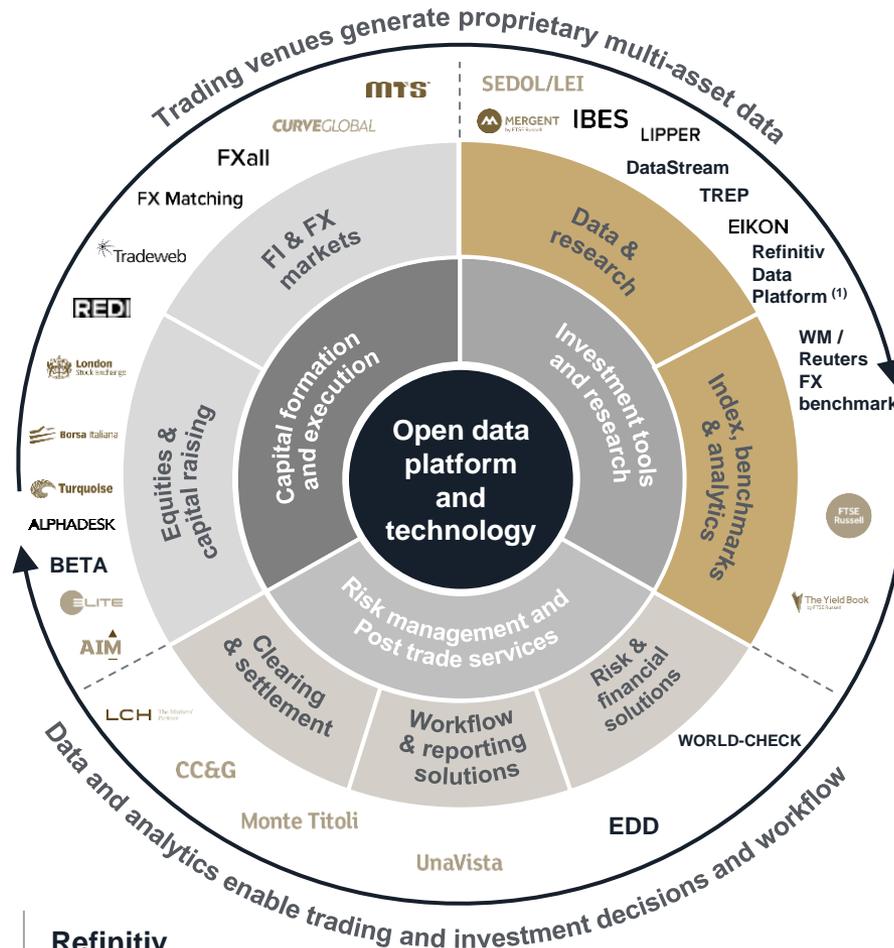
- 1** Transforms LSEG's position as a leading financial markets infrastructure group, expanding its global footprint and accelerating its strategy
- 2** Significantly enhances LSEG's customer proposition in data and analytics, accelerating opportunities in valuable IP and innovative new services
- 3** Creates a global multi-asset capital markets business with the addition of high growth foreign exchange and fixed income venues
- 4** Deepens and expands our shared core principles of customer partnership and open access

## Creates a global FMI leader

- #1** Listed FMI business by revenue
- Top 3** Global index provider by AuM
- Top 2** Global data provider by revenue
- 90%+** Share of clearing notional value
- Top 3** FX trading venue by volumes
- #1** European equities trading business

Positions LSEG for future growth in the fast evolving financial markets infrastructure landscape

# 1 Transforms LSEG's position as a leading financial markets infrastructure group



## Provides proprietary content and extensive data management capabilities

- Enables expansion of fixed income and ESG index business
- Development of high value analytics
- Unlocks value in post trade data
- Adds data-enabled services to support issuers

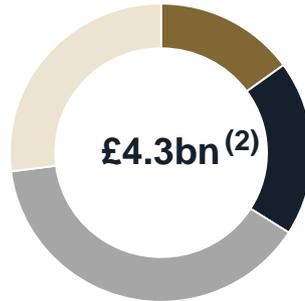
## Creates a multi-asset capital markets offering

- Diversifies into a new asset class of foreign exchange
- Transforms LSEG's offering in fixed income
- Complements existing capital formation and execution business

1

# Creates a global footprint with significant growth opportunities

## 2018 Revenue diversification



### Combined



## Growth opportunities in existing and new geographies

- Growth and scale in the US – the world’s largest financial market
- Expands LSEG’s existing position in Asia, particularly China
- Growth in emerging markets where Refinitiv has a significant presence
- Global servicing capability aligned to customers’ global operating model

**Note:** Certain figures contained in this presentation, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this presentation may not conform exactly with the total figure given

(1) LSEG revenue includes treasury income and other income

(2) Refinitiv revenue adjusted for business not transferred and excludes recoveries. Refinitiv’s performance for the 12 months to 31 December 2018 has been translated from USD to GBP using an FX rate of 1.34

(3) In accordance with the Listing Rules, the Circular and Prospectus when published will include pro forma financial information on the Combined business based on IFRS. Such information will differ from the illustrative pro forma information set out above

# 2 A leading index and analytics business and a global data platform



## REFINITIV DATA PLATFORM<sup>(1)</sup>

**DATASTREAM**      **IBES**      **WORLD-CHECK**

**FXT**      **TREP**

<b>Leading multi-asset global index business</b>	<b>\$15tn</b> Assets benchmarked to FTSE Russell indexes	<b>\$3.5tn</b> Fixed income assets benchmarked
<b>First class analytics capabilities</b>	<b>80m</b> Calculations every 24 hours on Yield Book	<b>&gt;25 years</b> Fixed income analytics history
<b>Key growth driver</b>	<b>17%</b> ETF AUM growth over last 3 years	<b>22%</b> FTSE Russell revenue CAGR in the last 3 years

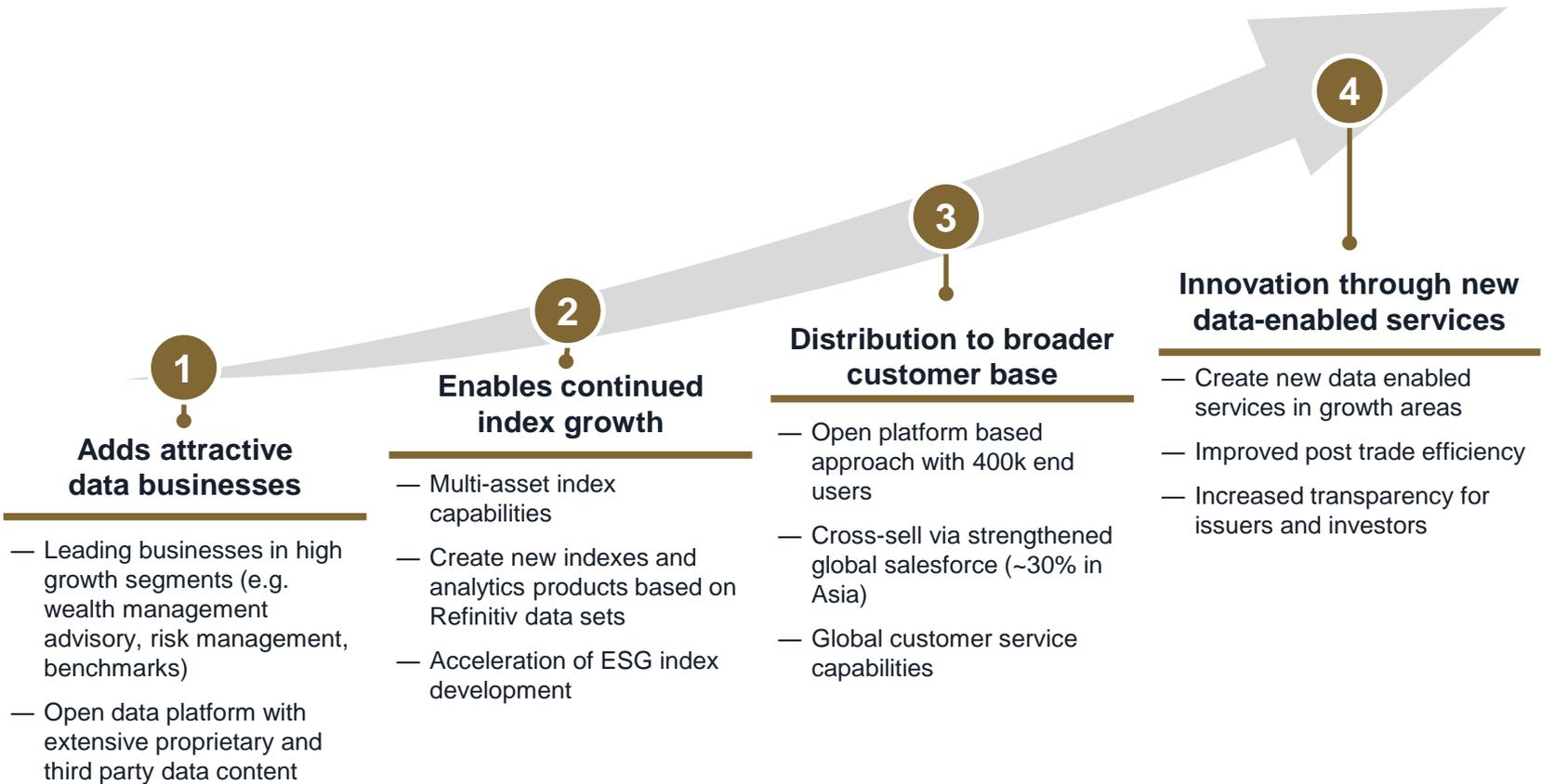
<b>High value proprietary and third party content sets</b>	FX and fixed income pricing, earnings estimates, ESG, reference data, entity data, company research	<b>10,000</b> Data partners
<b>Leading data management &amp; aggregation capabilities</b>	Open and efficient platform	<b>150,000</b> Data sources
<b>Global distribution</b>	<b>190+</b> Countries	<b>24,000</b> Developers
		<b>400k</b> End users

**Data and analytics key to digitisation of financial markets infrastructure**

**Note:**  
(1) Refinitiv Data Platform was formerly known as Elektron Data Platform

2

# Transforms customer proposition in data and analytics



**Drives continued growth and recurring subscription-based revenue**

### 3 Adds high-growth execution venues in the two largest traded asset classes: FX and fixed income

	Foreign exchange	FXall	FX Matching	Fixed income	Tradeweb			
<b>Market size / opportunity</b>	<ul style="list-style-type: none"> <li>— Global ADV traded: <b>\$6.7tn</b></li> <li>— Refinitiv '16-'18 ADV CAGR: <b>c.8%</b></li> </ul>			<ul style="list-style-type: none"> <li>— Global ADV traded: <b>\$4.0tn</b></li> <li>— Refinitiv '16-'18 ADV CAGR: <b>c.30%</b></li> </ul>				
<b>Products served</b>	FX spot	FX swaps	FX forwards	FX options	Rates	Credit	Money markets	FI derivatives
<b>Key statistics</b>	<b>500+</b> currency pairs <b>&gt;2,000</b> clients <b>&gt;120</b> countries			<b>&gt;40,000</b> daily trades in 2018 <b>&gt;2,000</b> clients <b>&gt;60</b> countries				
<b>Growth trends</b>	<ul style="list-style-type: none"> <li>— Growth of dealer-to-client venues (in particular Multi Dealer Platforms)</li> <li>— Increased electronification</li> <li>— Regulatory requirements promoting transparency</li> <li>— Increased globalisation of trade and overseas investment</li> </ul>			<ul style="list-style-type: none"> <li>— Increased electronification</li> <li>— Expanding government and corporate debt pool</li> <li>— Emerging market opportunity (e.g. China)</li> <li>— Expansion of fixed income assets into alternative, sustainability, ETFs</li> </ul>				

# 3 Creates a diversified multi-asset capital markets business

	 <b>London</b> Stock Exchange Group	<b>REFINITIV</b> 
<b>Equities</b>	 <b>London</b> Stock Exchange  <b>Borsa Italiana</b>  <b>Turquoise</b>  <b>ELITE</b>  <b>AIM</b>	<b>BETA</b> <b>REDI</b> eBlock <b>ALPHADESK</b>
<b>FX</b>		<b>FXall</b> <b>FXT</b> FX Matching
<b>Fixed income</b>	 <b>MTS</b>  <b>EUROTLX</b>	 <b>Tradeweb</b> Fixed Income and Money Market Auctions
<b>ETFs</b>	 <b>London</b> Stock Exchange  <b>Borsa Italiana</b>  <b>Turquoise</b>	 <b>Tradeweb</b>
<b>Derivatives</b>	<b>CURVEGLOBAL</b> IDEM / IDEX	<b>FXall</b> <b>FX Matching</b>  <b>Tradeweb</b>

- Adds high growth asset classes to existing product suite
- Aligns with secular drivers for long-term growth
  - Electronification of fixed income markets at early stages
  - Shift from active to passive
  - Increasing buy-side direct participation
- Continuous commitment to capital formation, SMEs and facilitating economic growth and job creation

# 4 We share core principles of open access and customer partnership

## Open access

Customers should have the choice of where they place their business

- **Provide access to all markets and products** for a wide range of users including competitors' venues and platforms
- LCH provides clearing services to a number of external equities, derivatives and fixed income trading venues
- FTSE Russell licenses its indexes to a range of exchange operators globally

- **A leading open access data platform** distributing proprietary and third party content and applications
- OMS / EMS provide open access to multiple trading venues <sup>(1)</sup>
- PermID, data tagging platform, to integrate dispersed data sets

## Customer partnership

Strategic alignment to the interests of customers is central to supporting long-term value creation

- Shared ownership, governance and **development of businesses in partnership with customers** enabling product innovation and rapid adoption of new products
- LCH, Turquoise, CurveGlobal and MTS are all examples of this and customers play an active role in shaping the services offered

- **Operate businesses in partnership with customers**
- Third party content and applications, with open APIs
- Leading development platform, App Studio and integration tools

Note:  
(1) OMS, order management systems; EMS, execution management systems

4

# Diversifies customer network with increasing touchpoints across customer base



**Expanded client base**

**Global operations with increasing scale**

**20 / 20**

Top ETF issuers

**Top 10**

Investment banks

**400k+**

End users

**40,000+**

Customers

**98 / 100**

Top asset managers

**>70%**

Of largest Group clients take up index and data products

**Sell-side, buy-side and corporates**

Broad customer base

**5,000+**

Investment firms and hedge funds

**~\$15tn**

Assets benchmarked to FTSE Russell indexes

**100+**

Issuers on LSEG operate in over 100 different countries

**190+**

Countries in which Refinitiv operates

**>\$1.1tn**

FX and fixed income volumes traded per day

**>\$1,000tn**

cleared in OTC markets in 2018

**~\$705bn**

ETF AuM benchmarked

**11m+**

Daily messages on Refinitiv platform

**10,000**

Data partners globally

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## **Financial highlights**

# Delivers attractive financial returns for shareholders

- 1 High quality revenue <sup>(1)</sup> mix with attractive growth**
  - High quality business mix increasing recurring subscription-based revenue from c.40% to c.70%
  - Revenue CAGR of 5-7% targeted over the first three years post completion
  - Strong geographic diversification and broader customer reach
- 2 Significant synergies**
  - Annual run rate cost synergies in excess of £350m to be achieved by end of year 5
  - Annual run rate revenue synergies in excess of £225m to be achieved by end of year 5
- 3 Attractive returns**
  - Target adjusted EBITDA margin of around 50% in the medium term post completion<sup>(2)</sup>
  - Delivers enhanced returns for shareholders, with over 30% adjusted EPS accretion in the first full year post completion and increasing in years 2 and 3
  - Expected to deliver a ROIC that exceeds LSEG's investment criteria in the 3<sup>rd</sup> year post completion
- 4 Maintains current capital management framework**
  - 1.0 – 2.0x target leverage in 24-30 months post completion, from around 3.5x at completion
  - Continuation of LSEG's progressive dividend policy

**Note:** These statements are based on non-IFRS financial projections on Refinitiv. These statements may be subject to amendment by LSEG in the Circular and Prospectus when based on Refinitiv financial projections under IFRS and / or IFRS-consistent accounting policies adopted by LSEG in its own internal Group projections

(1) Revenue excludes recoveries and includes treasury income and other income

(2) 2018 adjusted EBITDA margin for LSEG was 50% and 2018 adjusted EBITDA margin excluding recoveries for Refinitiv was 36%

# 1 Multiple engines to drive revenue growth

## 5-7% revenue<sup>(1)</sup> CAGR targeted over the first three years post completion

### 1 Continued strong LSEG organic growth

- Continued strong growth in FTSE Russell and post trade supported by structural drivers
- Maintain customer partnership approach to drive innovation

### 2 Continued strong growth in FX, fixed income and risk

- Leading high growth execution venues in FX and fixed income
- Benefits from ongoing electronification
- Regulatory-driven growth in KYC and Risk services

### 3 Accelerating growth at Refinitiv due to ongoing transformation

- Expansion of content and platform upgrades following recent investment
- Increased salesforce and customer service effectiveness after reorganisation
- A number of ongoing initiatives including on-demand data services, cloud distribution, etc.

### 4 Realisation of revenue synergies

- Cross-sell of products and services to a complementary customer base
- Creation of new and enhanced offering combining IP with best-in-class data management capabilities

# 1 Significantly enhances business mix with larger proportion of recurring subscription-based revenue



2018 revenue by type

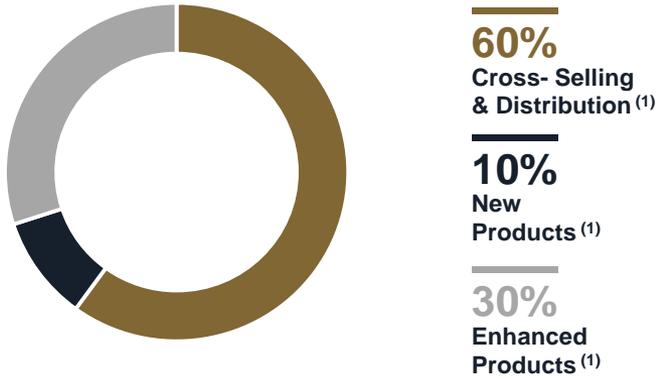
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## 2 Delivers annual run rate revenue synergies in excess of £225m



Synergies	Target run rate phasing
Year 3	60%
Year 5	100%

**One-time cash costs to achieve: c.£180m**

### Cross-selling and distribution

- Distribution of Yield Book analytics via Refinitiv platform
- Distribution of Refinitiv pricing and reference data to LSEG index customers
- LSEG index distribution via Refinitiv platforms
- Utilise Refinitiv's global salesforce to introduce LSEG services to new customer segments such as wealth management advisory and corporates

### Enhanced products

- Enhanced LSEG issuer services through addition of Refinitiv data
- Enhanced LCH valuation, margin and capital optimisation tool using Refinitiv data
- Refinitiv indexes and benchmarks (including WM/Reuters FX benchmarks) enhanced through LSEG index expertise

### New products

- Extended LSEG ESG index and analytics services based on Refinitiv data
- Extended suite of LSEG fixed income indexes utilising Refinitiv pricing and reference data

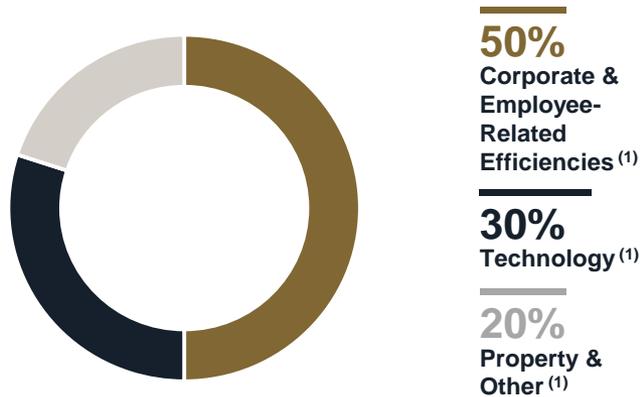
**5 year run rate revenue synergies represent c.3.5% of combined 2018 revenue <sup>(2)</sup>**

**Note:** These statements are based on non-IFRS financial projections on Refinitiv. These statements may be subject to amendment by LSEG in the Circular and Prospectus when based on Refinitiv financial projections under IFRS and / or IFRS-consistent accounting policies adopted by LSEG in its own internal Group projections

(1) Synergy breakdown rounded to the nearest tenth

(2) Revenue excludes recoveries and includes treasury income and other income

## 2 Aligned efficiency initiatives support annual run rate cost synergies in excess of £350m



Synergies	Target run rate phasing
Year 1	25%
Year 3	70%
Year 5	100%

**One-time cash costs to achieve: c.£550m (1.6x run rate)**

### Cost synergies delivered through wide ranging efficiency programme:

- Corporate and employee-related efficiencies: Removing duplication and leveraging wider geographic footprint, while continuing to invest in growth; delayering, capturing associated flow-through to variable compensation
- Technology: De-duplication of services and applications while adopting the best of both organisations' capabilities and maintaining resiliency, data centre rationalisation
- Property and other: Consolidation of property footprint in common locations, seeking economies of scale on supplier contracts, depreciation benefits from technology and property de-duplication

These synergies are separate from and in addition to Refinitiv's previously announced and ongoing \$650m cost savings programme

LSEG and Refinitiv have a strong track record of execution and creation of shareholder value

# Delivers attractive returns for shareholders and maintains current LSEG capital management framework

## Financial targets

<b>Revenue Growth</b>	5-7% revenue CAGR targeted over the first three years post completion <sup>(1)</sup>
<b>EBITDA Margin</b>	Target adjusted EBITDA margin of around 50% in the medium term post completion <sup>(2)</sup>

## Returns

<b>Accretion</b>	Over 30% adjusted EPS accretion in the first full year post completion and increasing in years 2 and 3 – Refinancing existing Refinitiv debt expected to materially reduce combined interest expense
<b>ROIC</b>	Expected to deliver a ROIC that exceeds LSEG’s investment criteria in the 3 <sup>rd</sup> year post completion

## Capital management framework

<b>Leverage</b>	Leverage around 3.5x net debt / adjusted EBITDA at completion 1.0 – 2.0x target leverage in 24-30 months post completion
<b>Dividend</b>	Continuation of progressive dividend policy
<b>Ratings</b>	Target to maintain strong investment grade rating

**Note:** These statements are based on non-IFRS financial projections on Refinitiv. These statements may be subject to amendment by LSEG in the Circular and Prospectus when based on Refinitiv financial projections under IFRS and / or IFRS-consistent accounting policies adopted by LSEG in its own internal Group projections

(1) Revenue excludes recoveries and includes treasury income and other income

(2) 2018 adjusted EBITDA margin for LSEG was 50% and 2018 adjusted EBITDA margin excluding recoveries for Refinitiv was 36%

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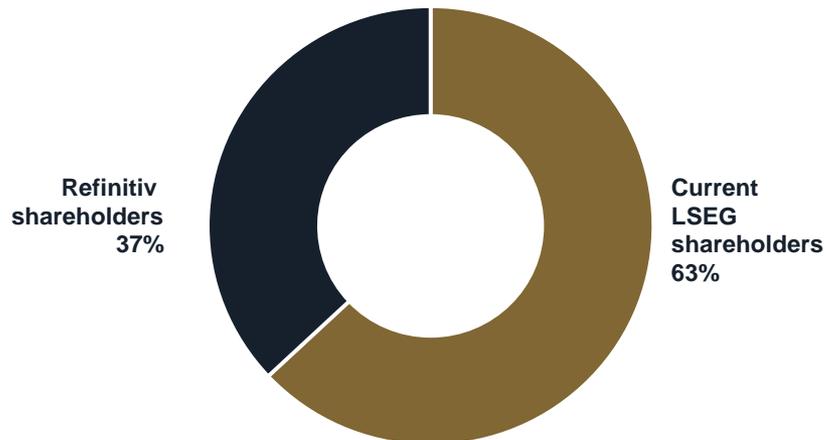
# Management and governance

# Management and governance

<b>Management</b>	<ul style="list-style-type: none"><li>— Combined business will be chaired by LSEG’s Chairman Don Robert and led by LSEG’s CEO David Schwimmer with David Warren as CFO</li><li>— Refinitiv’s CEO David Craig will join LSEG’s Executive Committee and continue as CEO of Refinitiv</li></ul>
<b>Board composition</b>	<ul style="list-style-type: none"><li>— 3 new members to be added to the Board: 2 from Blackstone and 1 from Thomson Reuters</li><li>— LSEG will remain in compliance with the UK Corporate Governance Code following completion</li></ul>
<b>Headquarters</b>	<ul style="list-style-type: none"><li>— LSEG’s global business continues to be headquartered in London</li><li>— LSEG will retain its Premium Listing on the Official List of the FCA and trade on London Stock Exchange plc’s Main Market for listed securities</li></ul>
<b>Integration</b>	<ul style="list-style-type: none"><li>— An integration committee, led by David Schwimmer, will be established post completion with representation from LSEG and Refinitiv</li></ul>

# Committed, long-term new shareholders with interests fully aligned

## Post transaction shareholding structure



- 
- |                                |   |
|--------------------------------|---|
| <b>Lock-up period</b>          | <ul style="list-style-type: none"><li>— Lock-up for the first 2 years post completion</li><li>— Thereafter, ability to sell:<ul style="list-style-type: none"><li>— 1/3 in year 3 post completion</li><li>— 1/3 in year 4 post completion</li><li>— 1/3 in year 5 post completion</li></ul></li></ul>   |
| <b>Standstill restrictions</b> | <ul style="list-style-type: none"><li>— Standstill to apply for so long as Refinitiv shareholders hold 10% or are represented on the Board</li></ul>  |
| <b>Shareholder voting</b>      | <ul style="list-style-type: none"><li>— Refinitiv shareholders are committed to voting with the Board on all shareholder resolutions whilst represented on the Board, other than resolutions relating to:<ul style="list-style-type: none"><li>— Significant transactions</li><li>— Certain non pre-emptive issues</li><li>— Recommended change of control transactions</li></ul></li></ul> |
-

# Transaction creates significant value and reshapes the industry

- 1** Transforms LSEG's position as a leading financial markets infrastructure group, expanding its global footprint and accelerating its strategy
- 2** Significantly enhances LSEG's customer proposition in data and analytics, accelerating opportunities in valuable IP and innovative new services
- 3** Creates a global multi-asset capital markets business with the addition of high growth foreign exchange and fixed income venues
- 4** Deepens and expands our shared core principles of customer partnership and open access

**Creating a financial markets infrastructure leader of the future**



# Appendix

# Transaction terms

<b>Structure and Purchase Price</b>	<ul style="list-style-type: none"> <li>— All share transaction</li> <li>— LSEG to acquire Refinitiv for an enterprise value of approximately \$27bn, with an equity value of \$14.5bn <sup>(1)</sup></li> </ul>
<b>Pro Forma Ownership</b>	<ul style="list-style-type: none"> <li>— New shareholders will receive c.204.4m shares based on VWAP share price of \$71.12 <sup>(2)</sup> from 1<sup>st</sup> July to 26<sup>th</sup> July, 2019</li> <li>— Total new shares issued will represent an economic interest equal to approximately 37% of LSEG, and less than 30% of the total voting rights</li> </ul>
<b>Standstill &amp; Lock-Up</b>	<ul style="list-style-type: none"> <li>— Refinitiv shareholders will be subject to a lock-up for the first 2 years post completion during which they will not be permitted to sell any of their shares in LSEG (other than c.5.8m shares that will be freely tradable)</li> <li>— In years 3 and 4 post completion, Refinitiv shareholders will become entitled to sell 1/3 in each year and in year 5 the lock-up ends. Any disposals of shares by Refinitiv shareholders once released from lock-up will be subject to orderly marketing restrictions</li> <li>— A standstill restriction will also apply to Refinitiv shareholders until 3 years post completion (and thereafter for so long as they hold at least 10% or more of the issued share capital of LSEG or are represented on the LSEG Board)</li> </ul>

**Note:**

(1) Based on Refinitiv's net debt of \$12.5bn and other adjustments as of June 2019

(2) Based on £56.86 VWAP and daily USD/ Sterling FX rate

# Timetable

<b>Announcement</b>	Announcement of transaction: 1 August 2019
<b>Publication of circular and shareholder vote</b>	Publication of Circular and shareholder vote during Q4 2019
<b>Publication of prospectus</b>	Publication of Prospectus in H2 2020
<b>Regulatory &amp; antitrust approvals</b>	Antitrust and other regulatory approvals from US, UK, EU and other authorities
<b>Completion</b>	Expected by end of 2020

# Illustrative Revenue and EBITDA for LSEG and Refinitiv

\$/ £m	2018		Constant Currency '17/'18 Growth	2018
	Refinitiv (\$m) <sup>(1)</sup>	Refinitiv (£m) <sup>(1)(2)</sup>		LSEG (£m) <sup>(3)</sup>
	US GAAP	US GAAP		IFRS
Revenue	6,287	4,692	2.5%	2,135
Adjusted revenue excluding recoveries	5,743 <sup>(4)</sup>	4,286 <sup>(4)</sup>	3.0%	2,135
EBITDA	1,635	1,220		1,045
Adjusted EBITDA	2,054 <sup>(5)</sup>	1,533 <sup>(5)</sup>		1,066
Adjusted EBITDA margin	36% <sup>(6)</sup>	36% <sup>(6)</sup>		50%
% of recurring revenue	83%	83%		39%

**Note:** These statements are based on non-IFRS financial projections on Refinitiv. These statements may be subject to amendment by LSEG in the Circular and Prospectus when based on Refinitiv financial projections under IFRS and / or IFRS-consistent accounting policies adopted by LSEG in its own internal Group projections

(1) Refinitiv financials for the twelve months ended 31 December 2018 are calculated as the addition of the financials for the nine months ended 30 September 2018 and the three months ended 31 December 2018

(2) Refinitiv's performance for the 12 months to 31 December 2018 have been translated from USD to GBP using an FX rate of 1.34

(3) Revenue includes treasury income and other income

(4) Adjusted revenue excluding recoveries also excludes businesses not transferred

(5) Adjusted EBITDA excludes Refinitiv set up costs, non-underlying costs related to the separation and businesses not transferred

(6) Adjusted EBITDA margin calculated as adjusted EBITDA over adjusted revenue excluding recoveries



# Refinitiv products overview (non exhaustive)

Product	Relevant Refinitiv proposition group	Description
<b>AlphaDesk</b>	Venues	A cloud-based Order Management System (OMS) offering order and portfolio management, risk, and compliance solutions for buy-side clients
<b>Benchmarks &amp; indexes</b>	Data, distribution, analytics and workflow	Benchmarks: provide several benchmark products, including WM/Reuters FX benchmarks indexes: provide a range of index solutions for benchmarking or the development of investment vehicles, including a custom index service (including IP creation, data & calculation, regulatory & reporting, and marketing & licensing offerings)
<b>BETA</b>	Venues	Suite of products that enables customers to manage the daily tasks of their brokerage business. Provides both brokerage and transactions processing capabilities (incl. API access to core brokerage processing data)
<b>Connected Risk</b>	Risk	Compliance software platform that delivers an enterprise wide view of Risk. Risk management through flexible set of online tools, enabling users to build tailored applications to meet their own specific needs. These tools underpin the Audit Management, Compliance Management, Model Risk Management, Policy Management, Risk Management and Regulatory Change Management products
<b>Datastream</b>	Data, distribution, analytics and workflow	The world's most comprehensive financial time series database with over 35 million individual instruments or indicators across all major asset classes, including 8.5 million active economic indicators. Datastream provides robust analysis tools, intuitive charting application as well as seamless MS Office integration
<b>eBlock</b>	Venues	A strategic partnership between Plato Partnership and Tradeweb. The Tradeweb Plato eBlock allows participants to source and aggregate broker principal risk liquidity, addressing buy-side concerns over market fragmentation, providing the buy-side with direct control over their execution and offering both the buy- and sell-side the opportunity to match, negotiate and execute with ease and certainty on a regulated venue
<b>Eikon</b>	Data, distribution, analytics and workflow	A desktop / GUI solution for accessing and analysing both real-time and historical data, enabling and supporting financial markets transactions, and allowing users to connect with the financial markets community. Its analytics and data visualization tools help its users make more efficient trading and investment decisions across asset classes including commodities, derivatives, equities, fixed income, and foreign exchange. Eikon is an open platform, customizable to the individual needs of a financial professional or institution. Eikon is interoperable with REDI, Refinitiv's equities and options trading platform, and FXall and FX Trading (FXT), Refinitiv's foreign exchange trading platforms. Users can create their own customizable applications or download third-party applications that are fully integrated and interoperable with Eikon content
<b>Enhanced Due Diligence (EDD)</b>	Risk	Provides detailed integrity and advanced background checks on entities and individuals
<b>FXT</b>	Data, distribution, analytics and workflow	FXT is a desktop solution which offers a single point of access to the industry's largest collective independent pool of FX liquidity, including FXall and Matching



# Refinitiv products overview (non exhaustive)

Product	Relevant Refinitiv proposition group	Description
<b>FX Solutions – FXall, Matching</b>	Venues	FXall is a market leading multibank FX platform with average daily volumes of approximately \$200bn. It connects customers with all types of FX market participants, including banks, hedge funds, and corporations and is integrated into every order management system in the market  Matching is a central limit order book and long-standing leader in the FX market, anonymously connecting participants to trade in over 80 different currency pairs. All of Refinitiv's FX solutions are complemented by Eikon, Refinitiv's financial desktop platform that offers market leading news and analysis for the FX market, as well as charting capabilities and economic data that can be integrated into the FX trading workflow
<b>I/B/E/S Estimates</b>	Data, distribution, analytics and workflow	Provides estimates data shown at a sector level across 22,000 active companies, over 18,000 analysts, and via 260+ measures
<b>KYC as a Service</b>	Risk	KYC as a Service delivers identity data that is verified to a global KYC policy standard. It uses trusted legal entity information from authoritative sources in over 190 countries and 60 languages. It offers a complete client identity, verification, including ultimate beneficial ownership unwrapping, and ongoing screening of all related parties to accelerate client on-boarding. It covers 41 jurisdictions and has been stress tested with regulators and over 100 financial institutions globally. The simple-to use platform enables market participants to proactively manage their due diligence documentation to meet a broad scope of regulatory demands and control who sees their information. KYC as a Service has attained a Type II ISAE 3000 standard and adheres to other regulator outsourcing guidelines. It is delivered either via web-based portal or API
<b>Lipper</b>	Data, distribution, analytics and workflow	Independent fund performance data and tools for fund research with global coverage, providing insight on mutual funds, retirement funds, pension funds, ETFs, insurance products and fund fees and expenses
<b>PermID</b>	Data, distribution, analytics and workflow	Open, permanent, and universal identifiers for data that complement other identifiers (e.g. ISINs, LEIs), providing identification across a wide variety of organizations, instruments, funds, issuers, and people. PermIDs connect data sets in the Refinitiv information model.
<b>Recoveries &amp; royalties</b>	NA	Not a Refinitiv product – represents a revenue line reflecting data purchased by third parties on behalf of clients
<b>Refinitiv Data Platform <sup>(1)</sup></b>	Data, distribution, analytics and workflow	Refinitiv Data Platform enables customers to access all the data and analytics they need to power their applications from a single source, with the ability to integrate their own data using the platform capabilities. As financial firms build smarter machines to move faster, innovate and succeed, Refinitiv Data Platform offers a simple way to access Refinitiv's comprehensive data, and the analytics tools to turn data into insight, offering a range of delivery options including via the cloud to distribute information to wherever customers need it. This includes a wide range of cross-asset market and pricing data, providing over 7 million price updates per second for over 70 million instruments and 10 billion bytes of real-time pricing data daily. It also provides historical data on 35 million individual instruments or indicators across all major asset classes with up to 65 years of history
<b>REDI</b>	Venues	Order routing platform for global equities, futures & options, providing users with access to executing brokers as well as prime and clearing brokers

**Note:**

(1) Refinitiv Data Platform was formerly known as Elektron Data Platform



# Refinitiv products overview (non exhaustive)

Product	Relevant Refinitiv proposition group	Description
<b>Thomson ONE (wealth Desktop)</b>	Data, distribution, analytics and workflow	Thomson ONE provides a comprehensive front office solution for wealth management. It includes customizable book of business dashboards, and a sales proposal module allowing advisors to rapidly create multi-asset investment proposals using analysis tools integrated with Lipper fund performance data. The financial planning module makes it simple for advisors to develop plans focused on client goals, and the solution combines analysis and reporting with powerful asset allocation tools for ongoing portfolio management. Finally, real-time market data, news and commentary keep customers abreast of the latest developments. Our comprehensive solution enables data connections through intelligent tagging and knowledge graphs to uncover hidden connections and insights, empowering advisors and adding client value
<b>Tradeweb</b>	Venues	Tradeweb Markets builds and operates many of the world's most efficient financial marketplaces, providing market participants with greater transparency and efficiency in fixed income, derivatives and ETFs. Focused on applying technology to enhance efficiency throughout the trade lifecycle, Tradeweb pioneered straight-through-processing in fixed income and now supports marketplaces for more than 25 asset classes with electronic execution, processing, post-trade analysis and market data in an integrated workflow. Tradeweb Markets serves the dealer-to-customer markets through the Tradeweb institutional platform, wholesale trading through Dealerweb, and the U.S.-based retail fixed income community on Tradeweb Direct. Customers rely on Tradeweb to drive the evolution of fixed income and derivatives through flexible trading architecture and more efficient, transparent markets
<b>Thomson Reuters Enterprise Platform (TREP)</b>	Data, distribution, analytics and workflow	Market data distribution platform to control data flow and support web-based applications
<b>World-Check</b>	Risk	World-Check is a source of risk intelligence data which helps organisations across the world meet their regulatory obligations, make informed decisions about who they do business with and help prevent themselves from inadvertently being used to launder the proceeds of financial crime or association with corrupt business practices. World-Check monitors a huge range of public sources including more than 600 sanctions, regulatory and law enforcement lists, thousands of media sources, as well as company information and regulatory filings, to ensure its data is accurate and up-to-date. Data can be accessed using purpose-built screening platforms, APIs and selected partner software

# Contacts

Paul Froud  
Head of Investor Relations  
Tel: +44 (0)20 7797 1186  
email: pfroud@lseg.com

Gaurav Patel  
Investor Relations Manager  
Tel: +44 (0)20 7797 1154  
email: gpatel@lseg.com

Ian Hughes  
Investor Relations Executive  
Tel: +44 (0)20 7797 3334  
email: ihughes@lseg.com

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

For information on the Group:  
[www.lseg.com](http://www.lseg.com)



The screenshot shows the London Stock Exchange Group website. The top navigation bar includes 'About', 'Markets, Products and Services', 'Investor Relations', 'Education and Share Info', 'Events', 'Resources', 'Media Centre', and 'Contact us'. The 'Investor Relations' section is highlighted. Below the navigation, there is a section titled 'INVESTOR RELATIONS' with a list of links: 'Latest results', 'Overview of Group activities', 'Investor events', 'Financial reports and key documents', 'Business performance (Statistics & Facts)', 'Regulatory news', 'Financial calendar', 'LSEG news feeds', 'Contact us', and 'Disclaimer services'. A prominent banner for 'LSEG Preliminary results For the year ended 31 December 2018' is displayed, with a 'Presentation' link and the date '1 March 2019'. Below the banner, there is a news item: 'London Stock Exchange Group announced its Preliminary Results for the year ended 31 December 2018, on 1 March 2019'. A link is provided: 'Video and audio recordings of the presentations can be found here'. At the bottom, a small text block states: 'London Stock Exchange Group (LSEG) is an international markets infrastructure business. Its diversified global business focuses on capital formation, intellectual property and risk and balance sheet management. LSEG operates an open access model, offering choice and partnership to customers across all of its businesses. The Group can trace its history back to 1698.'