



London Stock Exchange Group plc: Q1 2021 Trading Statement

This release contains revenues and key performance indicators (KPIs) for the three months ended 31 March 2021 (Q1). All figures quoted in this release are on an underlying basis. Figures are stated on both a statutory and pro-forma basis for Q1 2021 and Q1 2020. Pro-forma figures assume that the acquisition of Refinitiv took place on 1 January 2021 and the prior year comparator assumes that the acquisition of Refinitiv occurred on 1 January 2020. All pro-forma and statutory figures exclude the financial contribution from Borsa Italiana which is classed as a discontinued item. Constant currency variance is calculated on the basis of consistent FX rates applied across the current and prior year period, the conversions have been made from the transactional values, which will eliminate any transactional and translational movements along with any related accounting adjustments. For more information please refer to "Accounting and modelling notes" section below. Organic variances have been removed from our disclosure due to the large variances associated with the acquisition of Refinitiv.

Highlights

Note: Unless otherwise stated, variances refer to growth rates on a pro-forma constant currency basis, excluding the impact of a deferred revenue accounting adjustment¹, to provide the best view of underlying performance

- Good Q1 performance driven by new business growth and strong customer retention
- Q1 total income (excluding recoveries) up 3.9%, with good growth in Data & Analytics and Capital Markets; down 1.2% on a reported pro-forma basis (reflecting currency headwinds as USD declined 8% year on year versus GBP and the impact of the deferred revenue adjustment)
- Acquisition of Refinitiv successfully completed on 29 January 2021 and execution of integration plan well underway to deliver on strategic and financial benefits
- Approximately £40 million of cost synergies already realised on a run-rate basis and new products arising from the combination now launched
- Successfully conducted c.£5 billion bond issuance with longer-term financing structure now in place at a blended cost of 1.6%² across all LSEG debt
- Borsa Italiana Group divestment progressing well and expected to complete shortly in Q2
- Investor education events scheduled to give deeper insight into the new LSEG business; first event to be held on 2 July 2021 with an overview of Data and Analytics and deeper dives into Trading and Banking, Enterprise Data, and Customer and Third-Party Risk businesses; subsequent events to be announced to cover the remaining businesses

¹ *The deferred revenue impact is a one-time, non-cash, negative revenue impact resulting from the accounting treatment of deferred revenue within Refinitiv's accounts which have been re-evaluated upon acquisition by LSEG under purchase price accounting rules. The result of this accounting treatment is a £22m adjustment reducing revenue for Q1 2021. The vast majority impacts the Data & Analytics business with a smaller impact applied to the FX venues business within Capital Markets. There will be further immaterial impacts in subsequent periods within 2021. Further information is available in the "Accounting and modelling notes" section. Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior year period at consistent exchange rates.*

² *Reflects blended interest cost post divestment of Borsa Italiana Group*

David Schwimmer, CEO said:

"LSEG has delivered good results in the first quarter, with strong underlying performance across all divisions.

"Following the completion of the acquisition of Refinitiv, we are executing on our integration plans to deliver the long-term strategic and financial benefits of the transaction; we are making good progress on our synergies and have already realised £40 million of run-rate cost savings. We have also begun to implement a number of programmes to deliver product

enhancements and offer additional data and services for our customers as we execute on our growth ambitions.

“The successful re-financing of our bridge facilities with longer-term debt at the end of Q1, together with the reduction in leverage with the proceeds from the expected completion of the divestment of Borsa Italiana, puts LSEG in a strong financial position. We look forward to further progress during the rest of 2021.”

Q1 2021 Summary – Pro-forma¹

Variances are provided against reported and constant currency results. Commentary is provided on the constant currency variance (excluding deferred revenue adjustment) to provide the best insight into underlying performance. Please refer to the Accounting and Modelling notes section for more information on relevant accounting adjustments.

Continuing operations	Reported Q1 2021 £m	Reported Q1 2020 ² £m	Reported Variance ³ %	Constant Currency Variance ⁴ %	Constant Currency Variance (excl. deferred revenue adjustment) ^{4, 5} %
Trading & Banking Solutions	372	396	(6.1%)	(2.2%)	(0.2%)
Enterprise Data Solutions	277	285	(2.8%)	1.0%	3.1%
Investment Solutions	272	272	-	5.5%	6.6%
Wealth Solutions	122	126	(3.2%)	3.2%	4.0%
Customer & Third-Party Risk Solutions	85	67	26.9%	30.9%	33.8%
Data & Analytics	1,128	1,146	(1.6%)	2.9%	4.7%
Equities	61	62	(1.6%)	(1.6%)	(1.6%)
FX	57	64	(10.9%)	(6.3%)	(6.3%)
Fixed Income, Derivatives & Other	201	186	8.1%	12.8%	12.8%
Capital Markets	319	312	2.2%	6.4%	6.4%
OTC Derivatives	87	87	-	1.1%	1.1%
Securities & Reporting	65	59	10.2%	8.3%	8.3%
Non-Cash Collateral	22	19	15.8%	15.8%	15.8%
Net Treasury Income	55	67	(17.9%)	(16.2%)	(16.2%)
Post Trade	229	232	(1.3%)	(0.9%)	(0.9%)
Other	5	11	(54.5%)	(54.5%)	(54.5%)
Total Income (excl. recoveries)	1,681	1,701	(1.2%)	2.6%	3.9%
Recoveries	88	87	1.1%	(1.1%)	1.1%
Total Income (incl. recoveries)	1,769	1,788	(1.1%)	2.4%	3.7%
Cost of sales	(231)	(242)	(4.5%)	1.7%	1.7%
Gross Profit	1,538	1,546	(0.5%)	2.6%	4.0%

¹ Pro-forma assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure. Both figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment

² Q1 2020 comparator figure differs to the previous disclosure due to the treatment of FX and other adjustments. For more information please refer to the “Accounting and modelling notes” section

³ Reported variance is the difference between current and prior year periods using FX rates prevalent at each time, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance

⁴ Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

⁵ The deferred revenue adjustment is explained in the "Accounting and modelling notes" section

Pro-forma¹ Q1 2021 Highlights

- **Data & Analytics:** revenues up 4.7%
 - Trading and Banking Solutions down 0.2% - resilient overall performance with growth in Banking products offset by a continued reduction in Trading products; Trading rate of decline improved
 - Enterprise Data Solutions up 3.1% - continued good customer demand for pricing and reference data (non real-time data) supported by our ongoing investment in the broad range and depth of data delivered via feeds
 - Investment Solutions up 6.6% - reflects good growth in FTSE Russell with subscriptions up 8.0% and AUM-based revenues up 7.4%, with stronger equity markets driving record ETF levels. Positive early signs of cross-selling activity between FTSE Russell and Refinitiv data products as well as cost internalisation via a number of FTSE products using Refinitiv data
 - Wealth Solutions up 4.0% - increase driven in part by revenue contribution from the Scivantage acquisition in H1 2020, with partial offset by lower Beta performance against strong comparator in Q1 2020 (associated with pandemic-related volatility)
 - Customer and Third-Party Risk Solutions up 33.8% - double-digit organic growth in the core entity screening business reflecting growth in the corporate customer base and increased revenues from EMEA and Asia; and additional contribution from the Red Flag Group and GIACT acquisitions
- **Capital Markets:** revenues up 6.4%
 - Equities revenues down 1.6% - record levels of equity capital raising led to stronger primary markets revenue, offset by secondary markets revenue where volumes were lower than the strong prior year (associated with pandemic-related volatility)
 - FX revenues down 6.3% - resulting from lower transaction volumes against strong prior year comparator (associated with pandemic-related volatility)
 - Strong growth within Fixed Income, Derivatives and Other, up 12.8% - driven by strong performance at Tradeweb² which saw a record \$1.1 trillion of total Average Daily Volume traded in the quarter, an increase of 18% driven by volume growth in US government bonds, Swaps / Swaptions and Repo transactions
- **Post Trade³:** total income down 0.9%; revenues up 5.4% before Net Treasury Income
 - OTC Derivatives revenue up 1.1% and client clearing volumes up 2% reflecting the continuing strength of the SwapClear service when compared to the elevated performance in Q1 2020 driven by Covid-19 related volatility. SwapClear was well positioned to benefit from increased market activity driven by the ongoing debate regarding potential reflation and central bank policy
 - Securities & Reporting up 8.3% with strong growth in Euro denominated Repo volumes as customers were able to benefit from the Balance Sheet and Settlement netting efficiencies

provided by the service. Equity volumes continued to perform strongly, up 3% on Q4 2020, although they were down on the high volumes from Q1 2020

- Non-Cash collateral revenues up 15.8% mainly driven by an increase in average non-cash collateral balances
- Net Treasury Income revenues down 16.2%, as expected, reflecting a strong prior year comparator; collateral balances and returns have now reverted to more normalised levels

¹ Pro-forma assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure. Both figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment

² Tradeweb Q1 2021 results will be released on 29 April 2021 and will provide more detailed commentary on performance

³ In Q1 2021, the Post Trade division changed the presentation of its revenues to reflect the way the business is managed and is now split across OTC Derivatives, Securities & Reporting, Non-Cash Collateral and Net Treasury Income. Further detail on the businesses contained in these splits is detailed in the Post Trade section below

Statutory financials¹

Continuing operations	Q1 2021 £m	Q1 2020 ² £m
Trading & Banking Solutions	247	4
Enterprise Data Solutions	192	31
Investment Solutions	237	166
Wealth Solutions	82	-
Customer & Third-Party Risk Solutions	57	-
Data & Analytics	815	201
Equities	61	62
FX	39	-
Fixed Income, Derivatives & Other	142	15
Capital Markets	242	77
OTC Derivatives	87	87
Securities & Reporting	65	59
Non-Cash Collateral	22	19
Net Treasury Income	55	67
Post Trade	229	232
Other	4	2
Total Income (excl. recoveries)	1,290	512
Recoveries	58	-
Total Income (incl. recoveries)	1,348	512
Cost of sales	(172)	(56)
Gross Profit	1,176	456

¹ Statutory figures for Q1 2021 incorporate revenues from Refinitiv for February and March 2021. Revenues associated with the Borsa Italiana Group divestment are excluded from both periods

² Q1 2020 comparator figure refers to LSEG Q1 2020 results as reported, adjusted for the removal of the financial contribution of Borsa Italiana and provided on current presentation of the P&L

Business update:

Refinancing

LSEG, having affirmed its credit ratings with Moody's and S&P at A3 and A respectively, refinanced a significant proportion of the c.£8 billion bridge facility drawn down at completion of the Refinitiv acquisition using its £10 billion Global Medium Term Note Programme to issue bonds of approximately £5 billion. The remainder of the bridge facility is expected to be repaid from the proceeds from the divestment of the Borsa Italiana business which is anticipated to take place shortly. LSEG is on a firm financial footing with its total debt financing structure which, post the divestment of Borsa Italiana, is expected to have a weighted average maturity of 6.2 years and a blended interest cost of 1.6%. The business is on target to achieve a net debt / pro-forma EBITDA leverage ratio of 1-2x within 24 months of the completion of the Refinitiv transaction.

Synergy realisation

LSEG has made a good early start to its synergy realisation programme having achieved approximately £40 million of run-rate cost synergies, arising from senior role deduplication, reorganisation of sales teams and initial-stage office consolidations. The Group remains confident of achieving 25% of the announced >£350m run-rate cost synergy target by the end of 2021, in line with previous guidance.

In the quarter, the Group launched 17 new or enhanced products as a result of the combination with Refinitiv which forms an early step towards the achievement of revenue synergies, though none are yet material in revenue terms. These include the FTSE Russell Climate Carry and Roll-down WGBI index and new Yield Book analytic tools with enhanced datasets. A number of FTSE Russell indices are now sourcing data directly from Refinitiv's PRS platform while a number of FTSE Russell clients have now signed up to use Refinitiv's PRS platform for their wider data needs

The Group will provide further update on its progress on both synergy realisation and integration execution at its interim results on 6 August 2021.

New product development

In addition to synergy related products, the Group launched a number of new products in the quarter and continues to progress on a number of product initiatives. Within Investment Solutions, FTSE Russell launched 13 new ETFs of which 5 were related to ESG indices continuing the strong trend seen in 2020. Refinitiv also launched its Term SONIA Benchmark as part of the wider action across both FTSE Russell and Refinitiv to lead the way on alternative reference rates. In the Wealth segment, LSEG launched Refinitiv Wealth Connect, a solution designed to increase collaboration between wealth management firms and their advisors to aid digital transformation within the sector. LSEG also launched a new ESG analytics tool designed to provide greater access to LSEG's ESG data and to further drive transparency

The roll-out of Workspace continues to progress with customers in the Wealth and Banking communities and was launched for asset and portfolio managers in April 2021.

Market activity

In Capital Markets, LSEG saw the strongest level of IPO activity since 2006 through 24 IPOs across its equity platforms. Key listings included Dr Martens (£1.5 billion), Fix Price (£1.2 billion) and Moonpig (£0.5 billion).

Within Post Trade, SwapClear saw strong client volumes in March, as clients sought to hedge against rate rises driven by reflation and the rise in US bond yields. LSEG's EquityClear also processed strong volumes in the quarter utilising the new technology platform implemented last year, while RepoClear saw strong volumes in Europe as a result of the high level of debt issuance.

New appointments

In April, LSEG announced the appointment of Lea Carty and Sabrina Bailey to lead LSEG's Investment Solutions and Wealth Solutions Businesses respectively, both within the Data & Analytics division. Lea and Sabrina will report to Andrea Stone, LSEG's Chief Product Officer of the Data & Analytics division and bring with them significant industry experience. Additionally, Arne Staal was appointed to lead the FTSE Russell business as Group Head, Indices & Benchmarks and will report to Lea Carty.

LSEG Board appointments

Tsega Gebreyes and Ashok Vaswani will join the Board as Independent Non-Executive Directors, effective 1 June 2021. Tsega will join the Risk and Remuneration Committees and Ashok will join the Audit and Risk Committees. They will both also join the Nomination Committee.

Separately, Jacques Aigrain and Stephen O'Connor, Chair of the Remuneration Committee and Senior Independent Director (SID) respectively, will have served nine years on LSEG's Board in 2022. It is proposed that Jacques and Stephen will step down before the AGM in 2022 and that Cressida Hogg will become Chair of the Remuneration Committee with effect from 22 October 2021 and SID when Stephen steps down from the Board.

Borsa Italiana Group

The Borsa Italiana business continues to perform well having generated £106 million of revenue, up 2.0% on a reported basis and £102 million of gross profit in Q1, up 2.4%. The completion of the sale of Borsa Italiana to Euronext is progressing well and is expected to complete shortly in Q2.

Accounting and modelling notes:

Deferred revenue accounting adjustment

As a result of the acquisition of Refinitiv and the associated purchase price accounting rules, Refinitiv's deferred revenue balances are subject to a one-time haircut at the time of acquisition. This is a non-cash adjustment. The negative revenue impact is mostly in Q1 2021 at approximately £22 million; the remaining impact will be immaterial over subsequent quarters in 2021. The impact will be mostly in the Group's Data & Analytics division, with a much smaller impact on the Group's FX venues business sitting within Capital Markets.

An adjusted variance, excluding the deferred revenue adjustment, has been presented to show true underlying business growth on the prior year.

Sub-lease income and intercompany revenues

Income for sub-leases were treated as a positive cost within Refinitiv's accounts prior to completion. Under LSEG's policies these are now treated as "Other" income. The effect on this for the FY2020 pro-forma is to add a further £26 million of revenue to this line. This is offset by an equal increase to underlying operating expenses.

Intercompany revenues and costs between heritage LSEG and Refinitiv businesses, are eliminated in the results post acquisition. The pro-forma results reflect this elimination in all periods. The effect on the FY2020 pro-forma is to reduce total income by £24 million, mainly impacting Data & Analytics and Recoveries revenues but improves Cost of Sales by the same amount.

The data agreement between Tradeweb and Refinitiv is eliminated in all periods, in line with previous disclosures.

The combination of the change in treatment for the sub-lease income and elimination of intercompany revenues have a £nil effect on pro-forma Adjusted Operating Profit for 2020.

FX conversion

As a result of the acquisition of Refinitiv, the majority of LSEG revenues and expenses are in USD followed by EUR, GBP and other currencies. All guidance given by LSEG, including the longer-term targets associated with the acquisition of Refinitiv as well as specific guidance for the 2021 financial year, has been given on a constant currency basis.

Pro-forma quarterly revenues for FY2020 (assuming that Refinitiv was acquired on 1 January 2020), which were previously published as part of LSEG's 2020 results, converted Refinitiv's USD results to GBP at a constant rate for every quarter. These have now been amended to reflect YTD average FX rates for each quarter and will serve as the prior year comparator for future results releases, together with changes from additional adjustments associated with sub-lease income and intercompany revenues, mentioned above. The FY2020 total income figure for the Group on a pro-forma basis is similar to that previously disclosed.

Reported results for the period ended 31 March 2021 have been translated into Sterling using the average exchange rates for the period.

	Average rate 3 months ended 31 March 2021	Closing rate at 31 March 2021	Average rate 3 months ended 31 March 2020	Closing rate at 31 March 2020
GBP : USD	1.3790	1.3744	1.2816	1.2419
GBP : EUR	1.1433	1.1725	1.1613	1.1234

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Q1 investor and analyst conference call:

The Group will host a conference call for investors and analysts, Wednesday 28 April at 09:00am (UK time) which will be available through a telephone conference line or listen-only webcast. On the call will be David Schwimmer (CEO), Anna Manz (CFO) and Paul Froud (Group Head of Investor Relations).

Depending on whether you wish to access the call via the telephone conference call or listen-only webcast you will need to register separately for each in advance; the link below will direct you to the relevant registration pages. Please note that if you wish to participate in Q&A this can only be done via the telephone conference line.

<https://www.lsegissuerservices.com/spark/LondonStockExchangeGroup/events/5710a43e-6f9b-405b-b18a-90473fb632f4>

For further information, please call the Group's Investor Relations team on +44 (0) 20 7797 3322.

Divisional revenue, gross profit and non-financial KPIs

1. Data & Analytics

Pro-forma¹

Continuing operations	Reported Q1 2021 £m	Reported Q1 2020 ² £m	Reported Variance ³ %	Constant Currency Variance ⁴ %	Constant Currency Variance (excl. deferred revenue adjustment) ^{4, 5} %
Trading & Banking Solutions	372	396	(6.1%)	(2.2%)	(0.2%)
Enterprise Data Solutions	277	285	(2.8%)	1.0%	3.1%
Investment Solutions	272	272	-	5.5%	6.6%
Wealth Solutions	122	126	(3.2%)	3.2%	4.0%
Customer & Third-Party Risk Solutions	85	67	26.9%	30.9%	33.8%
Total Revenue (excl. recoveries)	1,128	1,146	(1.6%)	2.9%	4.7%
Recoveries	88	87	1.1%	(1.1%)	1.1%
Total Revenue (incl. recoveries)	1,216	1,233	(1.4%)	2.7%	4.4%
Cost of sales	(193)	(199)	(3.0%)	4.1%	4.1%
Gross Profit	1,023	1,034	(1.1%)	2.3%	4.4%

¹ Pro-forma assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure. Both figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment

² Q1 2020 comparator figure differs to the previous disclosure due to the treatment of FX and other accounting adjustments. For more information, refer to the "Accounting and modelling notes" section

³ Reported variance is the difference between current and prior year periods using FX rates prevalent at each time, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance

⁴ Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

⁵ The deferred revenue adjustment is explained in the "Accounting and modelling notes" section

KPIs for the Data and Analytics division will be presented at the H1 2021 results. An investor education event planned for 2 July 2021 will also provide further information on aspects of LSEG's Data & Analytics business and the markets in which it operates.

2. Capital Markets

Pro-forma¹

Continuing operations	Reported Q1 2021 £m	Reported Q1 2020 ² £m	Reported Variance ³ %	Constant Currency Variance ⁴ %	Constant Currency Variance (excl. deferred revenue adjustment) ^{4, 5} %
Equities	61	62	(1.6%)	(1.6%)	(1.6%)
FX	57	64	(10.9%)	(6.3%)	(6.3%)
Fixed Income, Derivatives & Other	201	186	8.1%	12.8%	12.8%
Total Revenue	319	312	2.2%	6.4%	6.4%
Cost of sales	(6)	(6)	-	16.7%	16.7%

Gross Profit	313	306	2.3%	6.2%	6.2%
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Pro-forma Non-financial KPIs¹

	Q1 2021	Q1 2020	Reported Variance %
Equities			
<i>Primary Markets</i>			
New issues	35	19	84%
Total money raised (£bn)	6.9	2.7	156%
<i>Secondary Markets – Equities</i>			
UK Value Traded (£bn) – Total	310	390	(21%)
UK Value Traded (£bn) – Average Daily Value	4.9	6.1	(20%)
SETS Yield (bps)	0.71	0.68	4%
Turquoise Value Traded (€bn) - Total	166	166	-
Turquoise Value Traded (€bn) – Average Daily Value	2.6	2.6	-
FX			
Average daily spot volume (\$bn)	92	109	(16%)
Average daily other volume (\$bn)	379	366	4%
Fixed income, Derivatives and Other			
<i>Tradeweb Average Daily (\$bn)</i>			
Rates – Cash	378.3	341.6	11%
Rates – Derivatives	287.5	249.2	15%
Credit – Cash	10.4	7.3	42%
Credit – Derivatives	16.7	25.7	(35%)
Money Markets - Cash	349.5	255.7	37%
Equities – Cash	9.0	9.2	(2%)
Equities - Derivatives	7.2	17.8	(60%)

¹ Pro-forma assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure. Both figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment

² Q1 2020 comparator figure differs to the previous disclosure due to the treatment of FX and other accounting adjustments. For more information, refer to the "Accounting and modelling notes" section

³ Reported variance is the difference between current and prior year periods using FX rates prevalent at each time, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance

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⁵ The deferred revenue adjustment is explained in the "Accounting and modelling notes" section

LSEG's equities revenues contain both primary and secondary markets business. Primary markets revenues benefitted from a surge in equity raisings including IPOs in the quarter. However, the effects of IFRS 15 mean that revenue recognition happens over a longer period into the future, depending on the type of activity. Secondary markets revenues are directly linked to published volumes across both the LSE and Turquoise.

FX volumes are stated across spot volumes and 'other' and are an aggregate of volumes across FXall and FX venues including Matching. FX revenues are mostly transactional in nature; however approximately 20% of revenues in Q1 were comprised of recurring user fees and revenues from transaction data feeds.

Revenues from the Tradeweb business which LSEG owns 52% of and fully consolidates, is contained in "Fixed Income, Derivatives & Other". Tradeweb revenues constitute the large majority of revenue in this line, with revenues from the legacy LSEG Technology business and the RNS business also contained in this line. Tradeweb is a separately listed business on NASDAQ. Tradeweb will release their Q1 2021 results on 29 April 2021 and further performance commentary will be contained in their release. Tradeweb's external results are stated under US GAAP while LSEG's results are stated under IFRS. For revenues, a key difference between Tradeweb's separate presentation of their results and LSEG's consolidated results arises from a data agreement between Tradeweb and LSEG, which Tradeweb shows as revenue and LSEG eliminates in consolidation.

3. Post Trade

Pro-forma¹

Continuing operations	Reported Q1 2021 £m	Reported Q1 2020 ² £m	Reported Variance ³ %	Constant Currency Variance ⁴ %
OTC Derivatives	87	87	-	1.1%
Securities & Reporting	65	59	10.2%	8.3%
Non-Cash Collateral	22	19	15.8%	15.8%
Total Revenue	174	165	5.5%	5.4%
Net Treasury Income	55	67	(17.9%)	(16.2%)
Total Income	229	232	(1.3%)	(0.9%)
Cost of sales	(32)	(37)	(13.5%)	(13.2%)
Gross Profit	197	195	1.0%	1.5%

Pro-forma Non-financial KPIs¹

	Q1 2021 £m	Q1 2020 £m	Reported Variance %
OTC			
<i>SwapClear</i>			
IRS notional cleared (\$trn)	271	402	(33%)
SwapClear members	121	123	(2%)
Client trades ('000)	574	565	2%

ForexClear			
Notional value cleared (\$bn)	5,474	5,405	1%
ForexClear members	35	34	3%
CDSClear			
Notional cleared (€bn)	627	776	(19%)
CDSClear members	26	26	-
Securities & Reporting			
Cash equities trades (m) ⁵	506	558	(9%)
Listed derivatives contracts (m)	74.9	104.2	(28%)
Fixed income – nominal value (€trn)	55.6	51.6	8%
NTI			
Average cash collateral (€bn)	106.4	115.9	(8%)

¹ Pro-forma assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure. Both figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment

² Q1 2020 comparator figure differs to the previous disclosure due to the treatment of FX and other accounting adjustments. For more information, refer to the "Accounting and modelling notes" section

³ Reported variance is the difference between current and prior year periods using FX rates prevalent at each time, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance

⁴ Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

⁵ EquityClear trades exclude interoperability trades, these will differ to the volumes published on the LCH website which includes these trades

From 1 January 2021, the Post Trade division changed the presentation of its revenues to closer reflect the way the business is managed.

The OTC business contains the core clearing businesses of SwapClear, ForexClear and CDSClear as well as SwapAgent. SwapClear continues to constitute approximately 85% of total OTC revenues.

The Securities & Reporting business contains clearing and other services for EquityClear, Listed Derivatives, RepoClear and UnaVista.

Non-cash collateral reflects revenues earned through fees charged on non-cash collateral balances. Eligible collateral includes sovereign bonds and bonds issued by supranational institutions.

Net Treasury Income contains 'cash collateral fees' which are spread-based fees on margin deposited as cash. Further income is earned through the investment of cash collateral with central banks and in liquid financial instruments generating a financial return.

Appendix – Pro-forma¹ revenues by quarter

Note the FY2020 quarterly figures presented in the table below will differ slightly from what was presented at the time of the FY2020 financial results due to the basis of FX. The below table has used FX rates on a YTD average basis which is the basis upon which the Group will present its financials going forward. In the previous disclosure, a constant FY2020 average rate was applied for each quarter.

Furthermore, the figures have been retrospectively adjusted to remove intercompany revenues and associated cost of sales as a result of commercial agreements between LSEG and Refinitiv prior to completion of the acquisition, the net effect of this is £nil on a Gross Profit basis. Other adjustments include changes in the treatment of sub-lease income which was reported as a positive cost in Refinitiv's accounts and has now been amended to be a positive revenue impact within the "other" line aligning to LSEG's existing policies, the net effect of this is £nil on an Adjusted Operating Profit basis. Please refer to the Accounting and modelling notes section for more information.

£millions	FY2020 ¹					FY2021 ¹
	Q1	Q2	Q3	Q4	2020	Q1
Trading & Banking Solutions	396	410	399	391	1,596	372
Enterprise Data Solutions	285	297	290	291	1,163	277
Investment Solutions	272	282	278	279	1,111	272
Wealth Solutions	126	131	123	120	500	122
Customer & Third Party Risk Solutions	67	69	69	78	283	85
Data & Analytics	1,146	1,189	1,159	1,159	4,653	1,128
Equities	62	56	52	57	227	61
FX	64	57	56	57	234	57
Fixed Income, Derivatives & Other	186	175	170	178	709	201
Capital Markets	312	288	278	292	1,170	319
OTC	87	82	80	85	334	87
Securities & Reporting	59	51	58	62	230	65
Non-Cash Collateral	19	21	21	21	82	22
NTI	67	82	63	57	269	55
Post Trade	232	236	222	225	915	229
Other	11	6	6	6	29	5
Total Income (excluding recoveries)	1,701	1,719	1,665	1,682	6,767	1,681
Recoveries	87	77	82	92	338	88
Total income (including recoveries)	1,788	1,796	1,747	1,774	7,105	1,769
Cost of sales	(242)	(244)	(228)	(232)	(946)	(231)
Gross Profit	1,546	1,552	1,519	1,542	6,159	1,538

¹Pro-forma assumes that the acquisition of Refinitiv took place on 1 January 2021 for the current financial year and 1 January 2020 for the prior financial year comparator figure. Both figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment