

London Stock Exchange Group plc: Q3 2021 Trading Statement

This release contains revenues and key performance indicators (KPIs) for the three months ended 30 September 2021 (Q3). All figures quoted in this release are on an underlying basis. Figures are stated on both a statutory and pro-forma basis for Q3 2021 and Q3 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 was divested in H1 2021. 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 the "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 Q3 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

- Strong performance across all divisions driving 7.6% growth in Q3 total income¹ and gross profit growth of 7.3%
- Continued good progress on the integration of Refinitiv and comfortably on target for full year run-rate cost synergy delivery of £125 million, ahead of original phasing; 10 new products launched in Q3 as part of revenue synergy programme, taking the total to 37 year-to-date
- Data & Analytics revenue grew 6.0% and continues to perform well with growth in Annual Subscription Value increasing from 3.9% at H1 to 4.0% in Q3, reflecting strength in subscription-based new business wins
- Capital Markets revenue grew 17.2% driven by double-digit growth at Tradeweb, strong primary issuance within Equities and good dealer-to-client volumes at FXall
- Post Trade revenue grew 11.5% driven by increased clearing activity from both new and existing customers; total income up 2.3%, reflecting lower investment returns in Net Treasury Income compared to the strong comparator in Q3 2020
- Year-to-date total income¹ grew 5.6%, reflecting the good performance across the Group
- As previously guided, the Group expects total income¹ to grow between 4-5% for full year 2021, with Q4 2021 income not expected to grow as fast as Q3 on a constant currency basis due to the strong comparator in Q4 2020; no change to previous cost or capex guidance although supply chain pressures may impact timing of some technology spend this year
- The Group's second Investor Education Event on 1 October confirmed the strong growth ambitions for Data & Analytics, with revenues to increase by 4-6% annually over the medium term, reflecting multiple supportive trends and our ongoing focus on rigorous performance management and improvement of the customer experience. FX trading is also well-positioned for continued growth in electronic trading and the planned migration to new technology will strengthen it further. Replays of the two Investor Education Events are available online

¹ Excluding recoveries and a deferred revenue accounting impact. As previously stated, 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 £1m adjustment reducing revenue for Q3 2021, (£24m reduction for Q3 YTD). 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 Q4 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 periods at consistent exchange rates.

David Schwimmer, CEO said:

"The Group has delivered a strong Q3 financial performance with revenue growth across all divisions.

"We are making excellent progress on the integration of Refinitiv and are comfortably on-track to achieve £125 million of cost synergies in 2021, ahead of our original phasing. We continue to execute across a number of workstreams to deliver the target revenue synergies. The Group is well placed as we make targeted investments in product and technology enhancements to help us meet the needs of our customers and capitalise on the growth trends driving change across our industry."

Q3 2021 Summary – Pro-forma

For the pro-forma table, variances are provided on a reported and constant currency basis. 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.

Pro-forma underlying ¹					
Continuing operations	Q3 2021 £m	Q3 2020 £m	Reported Variance ² %	Constant Currency Variance ³ %	Constant Currency Variance (excl. deferred revenue adjustment) ^{3,4} %
Trading & Banking Solutions	372	399	(6.8%)	(0.5%)	(0.3%)
Enterprise Data Solutions	283	290	(2.4%)	4.1%	4.1%
Investment Solutions	293	278	5.4%	11.1%	11.1%
Wealth Solutions	115	123	(6.5%)	(0.8%)	(0.8%)
Customer & Third-Party Risk Solutions	92	69	33.3%	40.6%	40.6%
Data & Analytics	1,155	1,159	(0.3%)	5.9%	6.0%
Equities	60	52	15.4%	15.4%	15.4%
FX	56	56	-	7.1%	7.1%
Fixed Income, Derivatives & Other	195	170	14.7%	21.1%	21.1%
Capital Markets	311	278	11.9%	17.2%	17.2%
OTC Derivatives	86	80	7.5%	11.4%	11.4%
Securities & Reporting	61	58	5.2%	8.8%	8.8%
Non-Cash Collateral	24	21	14.3%	19.0%	19.0%
Net Treasury Income	47	63	(25.4%)	(21.0%)	(21.0%)
Post Trade	218	222	(1.8%)	2.3%	2.3%
Other	9	6	-	-	-
Total Income (excl. recoveries)	1,693	1,665	1.7%	7.5%	7.6%
Recoveries	90	82	9.8%	(1.1%)	(1.1%)
Total Income (incl. recoveries)	1,783	1,747	2.1%	7.1%	7.2%
Cost of sales	(228)	(228)	-	5.7%	5.7%
Gross Profit	1,555	1,519	2.4%	7.2%	7.3%

¹ Pro-forma underlying 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 Reported variance is the difference between current and prior year periods on a pro-forma underlying basis, using year-to-date FX rates prevalent in each period, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance. The Q3 results are derived by deducting the H1 results, which have been translated using the average exchange rates for the 6 months to 30 June 2021, from the 9 months figure

³ Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

⁴ The deferred revenue adjustment is explained in the “Accounting and modelling notes” section

Pro-forma¹ Q3 2021 Highlights

- **Data & Analytics: revenues up 6.0%**

- Annual Subscription Value growth for the division increased from 3.9% at H1, to 4.0% at Q3; ahead of the subscription revenue growth in Q3 year-to-date of 3.5%. This indicates that the current book of business covered by the ASV metric (c.87% of Data & Analytics revenue) is growing faster than the associated subscription revenues so far this year
- Trading & Banking Solutions revenues down 0.3% - Banking segment delivered a good performance, reflecting product and customer service enhancements, including Workspace; in the Trading segment the pace of decline in Eikon Premium continues to slow
- Enterprise Data Solutions revenues up 4.1% - strong sales in the period in Pricing & Reference Services (PRS) and Real Time Data, with low, early-stage revenue synergies now contributing
- Investment Solutions revenues up 11.1% - double-digit growth in Benchmark Rates, Indices & Analytics with good sales. Asset-based ETF AUM remained above \$1 trillion with strong growth
- Wealth Solutions revenues down 0.8% - Advisor & Investor Services revenues were flat as cancellations offset new client wins. Operations Management (BETA) saw a small decline in revenue despite increased volumes due to the mix of customers using the service
- Customer & Third-Party Risk Solutions revenues up 40.6% - strong growth continues, with double-digit growth at World-Check, GIACT and Due Diligence

- **Capital Markets: revenues up 17.2%**

- Equities revenues up 15.4% - large scale and high-profile listings on London Stock Exchange, the world's most international exchange. Secondary markets revenues have grown due to higher volumes across our orderbooks
- FX revenues up 7.1% - strong volumes in dealer-to-client (FXall) driving growth, reflecting the investment in new product capabilities, relationship management and better customer service
- Fixed Income, Derivatives & Other revenues up 21.1% - Tradeweb² continues to grow strongly, as it expands its offering to meet demand from increased electrification of trading markets

- **Post Trade: revenue up 11.5%; total income up 2.3% (impacted by Net Treasury Income)**

- OTC Derivatives revenues up 11.4% - strong performance across services with increased SwapClear revenues driven by growth in the number of active clients
- Securities & Reporting revenues up 8.8% - RepoClear activity growth continues to drive revenue with record volumes in September across Euro debt clearing

- Non-Cash Collateral revenues up 19.0% - partly due to increased activity at SwapClear and RepoClear
- Net Treasury Income down 21.0% - rate of investment return reduced compared to a strong comparator in Q3 2020, alongside flat cash collateral balances. NTI expected to continue at current levels for time being

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 Q3 2021 results will be released on 28 October 2021

Q3 2021 Summary – Statutory

Unless otherwise stated, all figures refer to continuing operations for the three months ended 30 September 2021 (Q3 2021). Comparative figures are for continuing operations for the three months ended 30 September 2020 (Q3 2020).

Continuing operations	Statutory underlying ¹	
	Q3 2021 £m	Q3 2020 £m
Trading & Banking Solutions	372	4
Enterprise Data Solutions	283	32
Investment Solutions	293	172
Wealth Solutions	115	-
Customer & Third-Party Risk Solutions	92	-
Data & Analytics	1,155	208
Equities	60	52
FX	56	-
Fixed Income, Derivatives & Other	195	16
Capital Markets	311	68
OTC Derivatives	86	80
Securities & Reporting	61	58
Non-Cash Collateral	24	21
Net Treasury Income	47	63
Post Trade	218	222
Other	9	-
Total Income (excl. recoveries)	1,693	498
Recoveries	90	-
Total Income (incl. recoveries)	1,783	498
Cost of sales	(228)	(44)
Gross Profit	1,555	454

¹ Statutory underlying figures for Q3 2021 are equivalent to the pro-forma figures presented. Figures associated with the Borsa Italiana Group divestment are excluded from Q3 2020

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

Q3 investor and analyst conference call:

The Group will host an audio-only webcast and conference call on its Q3 Trading Statement for analysts and institutional shareholders today at 09:00am (UK time). On the call will be David Schwimmer (Chief Executive Officer), Anna Manz (Chief Financial Officer) and Paul Froud (Group Head of Investor Relations).

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

<https://www.lsegissuerservices.com/spark/LondonStockExchangeGroup/events/1be2d3b3-dddc-4d42-8827-12facb646b4f>

- Please register with your full name, company name and email address.
- If you wish to participate in Q&A, questions can be provided in written form via the Q&A tool on the webcast page or by emailing the LSEG Investor Relations team at ir@lseg.com. Questions can be submitted in advance and during the event itself, with written questions prioritised
- If you wish to ask a question live, you will need to register for the telephone conference call. The telephone conference registration link can be found in the link above and here: <https://cossprereg.btc.com/prereg/key.process?key=PN3G9JCK6>

As is normal with quarterly trading statements, there will be no slides published for Q3.

Accounting and modelling notes

Reclassified revenues within Trading & Banking

In the 2021 Q3 results, there has been a small reclassification of revenues within Trading & Banking, with revenue moving from Trading into Banking to better align with our operating model. The income by quarter table in the appendix has been adjusted to reflect the changes.

Renamed revenue lines

The following revenue lines have been renamed to better describe our business. Beyond the names, there have been no further changes to the businesses or revenues within the lines.

Investment Solutions

- **Benchmark Rates, Indices & Analytics** – was previously named ‘Index – Subscription’
- **Index – Asset-Based** – was previously named ‘Index – AUM’
- **Data & Workflow** – was previously named ‘Investment Solutions Data & Analytics’

Wealth Solutions

- **Advisor & Investor Services** – was previously named ‘Wealth Data & Analytics’
- **Operations Management (BETA)** – was previously named ‘BETA’

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. Q3 2021 saw a £1 million negative revenue impact following £22 million in Q1 and £1 million in Q2. The remaining impact will be immaterial in Q4 2021. The impact is 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.

FX conversion

As a result of the acquisition of Refinitiv, the majority of LSEG revenues and expenses are in USD followed by GBP, EUR 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.

The results for the 9 months to 30 September 2021 have been translated into Sterling using the average exchange rates for the period. The Q3 results are then derived by deducting the H1 results, which have been translated using the average exchange rates for the 6 months to 30 June 2021. The rates for the largest two currency pairs are shown in the table below.

	Average rate 9 months ended 30-Sep-21	Closing rate at 30-Sep-21	Average rate 9 months ended 30-Sep-20	Closing rate at 30-Sep-20
GBP : USD	1.385	1.343	1.271	1.287
GBP : EUR	1.157	1.157	1.131	1.095

Divisional revenue, gross profit and non-financial KPIs

1. Data & Analytics

*Pro-forma*¹

Continuing operations	Q3 2021 £m	Q3 2020 £m	Reported Variance ² %	Constant Currency Variance ³ %	Constant Currency Variance (excl. deferred revenue adjustment) ^{3,4} %
Trading & Banking Solutions	372	399	(6.8%)	(0.5%)	(0.3%)
<i>Trading</i>	295	318	(7.2%)	(0.6%)	(0.6%)
<i>Banking</i>	77	81	(4.9%)	0.9%	1.2%
Enterprise Data Solutions	283	290	(2.4%)	4.1%	4.1%
<i>Real Time Data</i>	182	191	(4.7%)	2.6%	2.6%
<i>PRS</i>	101	99	2.0%	8.1%	8.1%
Investment Solutions	293	278	5.4%	11.1%	11.1%
<i>Benchmark Rates, Indices & Analytics</i>	135	125	8.0%	12.8%	12.8%
<i>Index - Asset-Based</i>	62	56	10.7%	15.8%	15.8%
<i>Data & Workflow</i>	96	97	(1.0%)	5.2%	5.2%
Wealth Solutions	115	123	(6.5%)	(0.8%)	(0.8%)
<i>Advisor & Investor Services</i>	69	71	(2.8%)	-	-
<i>Operations Management (BETA)</i>	46	52	(11.5%)	(1.1%)	(1.1%)
Customer & Third-Party Risk Solutions	92	69	33.3%	40.6%	40.6%
Total Revenue (excl. recoveries)	1,155	1,159	(0.3%)	5.9%	6.0%
Recoveries	90	82	9.8%	(1.1%)	(1.1%)
Total Revenue (incl. recoveries)	1,245	1,241	0.3%	5.5%	5.6%
Cost of sales	(191)	(195)	(2.1%)	3.6%	3.6%
Gross Profit	1,054	1,046	0.8%	5.9%	6.0%

Pro-forma Non-financial KPIs¹

	Q3 2021	Q3 2020	Reported Variance %
Annual Subscription Value growth (%) ⁵	4.0%	-	-
Subscription revenue growth (%) ^{5, 6}	3.5%	-	-
Index - ETF AUM (\$bn)	1,036	718	44%
Index - ESG Passive AUM (\$bn) ⁷	132	46	187%
BETA transaction volumes (m)	130	121	7%

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 Reported variance is the difference between current and prior year periods on a pro-forma underlying basis, using year-to-date FX rates prevalent in each period, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance. The Q3 results are derived by deducting the H1 results, which have been translated using the average exchange rates for the 6 months to 30 June 2021, from the 9 months figure

³ Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

⁴ The deferred revenue adjustment is explained in the "Accounting and modelling notes" section

⁵ The variance is a constant currency variance excluding the impact of the deferred revenue accounting adjustment

⁶ The growth rate is based on Q3 year-to-date

⁷ ESG Passive AUM is as at 31 December 2020 and prior period comparator is at 31 December 2019 and is as presented at H1 2021. The metric is updated bi-annually with June 2021 available at our 2021 Preliminary Results

2. Capital Markets

Pro-forma¹

Continuing operations	Q3 2021 £m	Q3 2020 £m	Reported Variance ² %	Constant Currency Variance ³ %	Constant Currency Variance (excl. deferred revenue adjustment) ^{3,4} %
Equities	60	52	15.4%	15.4%	15.4%
FX	56	56	-	7.1%	7.1%
Fixed Income, Derivatives & Other	195	170	14.7%	21.1%	21.1%
Total Revenue	311	278	11.9%	17.2%	17.2%
Cost of sales	(7)	(6)	16.7%	16.7%	16.7%
Gross Profit	304	272	11.8%	17.2%	17.2%

Pro-forma Non-financial KPIs¹

	Q3 2021	Q3 2020	Reported Variance %
Equities			
<i>Primary Markets</i>			
New issues	45	12	275%
Total money raised (£bn)	6.9	8.3	(17%)
<i>Secondary Markets – Equities</i>			
UK Value Traded (£bn) – Average Daily Value	4.1	3.8	8%
SETS Yield (bps)	0.75	0.76	(1%)
FX			
Average daily total volume (\$bn)	426	416	2%
Fixed income, Derivatives and Other			
<i>Tradeweb Average Daily (\$m)</i>			
Rates – Cash	337,167	311,033	8%
Rates – Derivatives	246,981	179,054	38%
Credit – Cash	8,440	7,036	20%
Credit – Derivatives	13,796	12,507	10%

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 Reported variance is the difference between current and prior year periods on a pro-forma underlying basis, using year-to-date FX rates prevalent in each period, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance. The Q3 results are derived by deducting the H1 results, which have been translated using the average exchange rates for the 6 months to 30 June 2021, from the 9 months figure

³ Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

⁴ The deferred revenue adjustment is explained in the “Accounting and modelling notes” section

3. Post Trade

Pro-forma¹

Continuing operations	Q3 2021 £m	Q3 2020 £m	Reported Variance ³ %	Constant Currency Variance ⁴ %
OTC Derivatives	86	80	7.5%	11.4%
Securities & Reporting	61	58	5.2%	8.8%
Non-Cash Collateral	24	21	14.3%	19.0%
Total Revenue	171	159	7.5%	11.5%
Net Treasury Income	47	63	(25.4%)	(21.0%)
Total Income	218	222	(1.8%)	2.3%
Cost of sales ²	(30)	(26)	15.4%	24.0%
Gross Profit	188	196	(4.1%)	(0.5%)

Pro-forma Non-financial KPIs¹

	Q3 2021	Q3 2020	Reported Variance %
OTC			
<i>SwapClear</i>			
IRS notional cleared (\$trn)	202	209	(3%)
SwapClear members	122	122	-
Client trades ('000)	516	367	41%
Client average 10-year notional equivalent (\$trn)	3.8	3.2	19%
<i>ForexClear</i>			
Notional cleared (\$bn)	5,528	4,556	21%
ForexClear members	35	35	-
<i>CDSClear</i>			
Notional cleared (€bn)	467	495	(6%)
CDSClear members	25	26	(4%)
Securities & Reporting			
EquityClear trades (m) ⁵	493	424	16%
Listed derivatives contracts (m)	66.3	70.8	(6%)
RepoClear – nominal value (€trn)	62.0	52.1	19%
Non-Cash Collateral			
Average non-cash collateral (€bn)	167.2	165.5	1%
Net Treasury Income			
Average cash collateral (€bn)	103.9	103.9	-

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 Cost of sales incorporates the elimination of intercompany transactions in the Post Trade division as part of the pro-forma financial disclosure

³ Reported variance is the difference between current and prior year periods on a pro-forma underlying basis, using year-to-date FX rates prevalent in each period, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance. The Q3 results are derived by deducting the H1 results, which have been translated using the average exchange rates for the 6 months to 30 June 2021, from the 9 months figure

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

Appendix – Pro-forma¹ Q3 YTD results

The table below shows LSEG's pro-forma results to gross profit for the nine months ended 30 September 2021.

Pro-forma underlying ¹					
Continuing operations	Q3 9m 2021 £m	Q3 9m 2020 £m	Reported Variance ² %	Constant Currency Variance ³ %	Constant Currency Variance (excl. deferred revenue adjustment) ^{3,4} %
Trading & Banking Solutions	1,116	1,205	(7.4%)	(1.0%)	(0.3%)
Enterprise Data Solutions	840	872	(3.7%)	2.3%	3.0%
Investment Solutions	851	832	2.3%	8.8%	9.2%
Wealth Solutions	353	380	(7.1%)	0.3%	0.5%
Customer & Third-Party Risk Solutions	267	205	30.2%	38.2%	39.7%
Data & Analytics	3,427	3,494	(1.9%)	4.6%	5.2%
Equities	180	170	5.9%	4.7%	4.7%
FX	166	177	(6.2%)	1.7%	1.7%
Fixed Income, Derivatives & Other	584	531	10.0%	17.6%	17.6%
Capital Markets	930	878	5.9%	12.0%	12.0%
OTC Derivatives	255	249	2.4%	4.4%	4.4%
Securities & Reporting	188	168	11.9%	13.0%	13.0%
Non-Cash Collateral	70	61	14.8%	18.0%	18.0%
Net Treasury Income	155	212	(26.9%)	(23.6%)	(23.6%)
Post Trade	668	690	(3.2%)	(0.9%)	(0.9%)
Other	24	23	4.3%	8.7%	8.7%
Total Income (excl. recoveries)	5,049	5,085	(0.7%)	5.2%	5.6%
Recoveries	268	246	8.9%	(1.1%)	(0.8%)
Total Income (incl. recoveries)	5,317	5,331	(0.3%)	4.8%	5.3%
Cost of sales	(682)	(714)	(4.5%)	2.0%	2.0%
Gross Profit	4,635	4,617	0.4%	5.3%	5.8%

¹ Pro-forma underlying 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 Reported variance is the difference between current and prior year periods on a pro-forma underlying basis, using year-to-date FX rates prevalent in each period, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance

³ Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

⁴ The deferred revenue adjustment is explained in the "Accounting and modelling notes" section

Appendix – Statutory¹ Q3 YTD results

The table below shows LSEG's pro-forma results to gross profit for the nine months ended 30 September 2021.

	Statutory underlying ¹	
	Q3 9m 2021 £m	Q3 9m 2020 £m
Continuing operations		
Trading & Banking Solutions	991	13
Enterprise Data Solutions	755	96
Investment Solutions	818	508
Wealth Solutions	311	-
Customer & Third-Party Risk Solutions	239	-
Data & Analytics	3,114	617
Equities	180	170
FX	147	-
Fixed Income, Derivatives & Other	526	45
Capital Markets	853	215
OTC Derivatives	255	249
Securities & Reporting	188	168
Non-Cash Collateral	70	61
Net Treasury Income	155	212
Post Trade	668	690
Other	23	4
Total Income (excl. recoveries)	4,658	1,526
Recoveries	238	-
Total Income (incl. recoveries)	4,896	1,526
Cost of sales	(622)	(158)
Gross Profit	4,274	1,368

¹ Statutory underlying figures for Q3 9 months 2021 incorporate figures from Refinitiv for February to September 2021. Figures associated with the Borsa Italiana Group divestment are excluded from both periods

Appendix – Pro-forma¹ income by type

Pro-forma underlying ¹					
Continuing operations	Q3 2021 £m	Q3 2020 £m	Reported Variance ² %	Constant Currency Variance ³ %	Constant Currency Variance (excl. deferred revenue adjustment) ^{3, 4} %
Recurring	1,180	1,196	(1.3%)	4.7%	4.9%
Transactional	457	401	14.0%	19.7%	19.7%
Net Treasury Income	47	63	(25.4%)	(21.0%)	(21.0%)
Other income	9	6	-	-	-
Total income (excl. recoveries)	1,693	1,665	1.7%	7.5%	7.6%
Recoveries	90	82	9.8%	(1.1%)	(1.1%)
Total income (incl. recoveries)	1,783	1,747	2.1%	7.1%	7.2%

¹ Pro-forma underlying 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 Reported variance is the difference between current and prior year periods on a pro-forma underlying basis, using year-to-date FX rates prevalent in each period, therefore any changes in the FX rates are also reflected in the variance percentage alongside business performance. The Q3 results are derived by deducting the H1 results, which have been translated using the average exchange rates for the 6 months to 30 June 2021, from the 9 months figure

³ Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

⁴ The deferred revenue adjustment is explained in the "Accounting and modelling notes" section

Appendix – Pro-forma¹ income by quarter

The table below has used FX rates on a YTD average basis which is the basis upon which the Group presents its financials. The split between Trading and Banking has been updated to recognise the reclassification at Q3 2021.

£m	Q1	Q2	Q3	Q4	2020	Q1	Q2	Q3
Trading & Banking Solutions	396	410	399	391	1,596	372	372	372
<i>Trading</i>	316	328	318	311	1,273	296	295	295
<i>Banking</i>	80	82	81	80	323	76	77	77
Enterprise Data Solutions	285	297	290	291	1,163	277	280	283
<i>Real Time Data</i>	187	197	191	191	766	177	182	182
<i>PRS</i>	98	100	99	100	397	100	98	101
Investment Solutions	272	282	278	279	1,111	272	286	293
<i>Benchmark Rates, Indices & Analytics</i>	118	127	125	125	495	121	126	135
<i>Index - Asset-Based</i>	58	54	56	57	225	58	64	62
<i>Data & Workflow</i>	96	101	97	97	391	93	96	96
Wealth Solutions	126	131	123	120	500	122	116	115
<i>Advisor & Investor Services</i>	66	72	71	69	278	69	70	69
<i>Operations Management (BETA)</i>	60	59	52	51	222	53	46	46
Customer & Third-Party Risk Solutions	67	69	69	78	283	85	90	92
Data & Analytics	1,146	1,189	1,159	1,159	4,653	1,128	1,144	1,155
Equities	62	56	52	57	227	61	59	60
FX	64	57	56	57	234	57	53	56
Fixed Income, Derivatives & Other	186	175	170	178	709	201	188	195
Capital Markets	312	288	278	292	1,170	319	300	311
OTC Derivatives	87	82	80	85	334	87	82	86
Securities & Reporting	59	51	58	62	230	65	62	61
Non-Cash Collateral	19	21	21	21	82	22	24	24
Net Treasury Income	67	82	63	57	269	55	53	47
Post Trade	232	236	222	225	915	229	221	218
Other	11	6	6	6	29	5	10	9
Total Income (excl. recoveries)	1,701	1,719	1,665	1,682	6,767	1,681	1,675	1,693
Recoveries	87	77	82	92	338	88	90	90
Total Income (incl. recoveries)	1,788	1,796	1,747	1,774	7,105	1,769	1,765	1,783
Cost of sales	(242)	(244)	(228)	(232)	(946)	(231)	(223)	(228)
Gross Profit	1,546	1,552	1,519	1,542	6,159	1,538	1,542	1,555

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. All figures exclude the financial contribution from the businesses contained within the Borsa Italiana divestment