

LSEG to divest BETA+ to Clearlake and Motive and enters strategic partnership in Wealth with BETA+

London Stock Exchange Group plc ("LSEG") today announces it has agreed to divest BETA, Maxit and Digital Investor (collectively "BETA+") to affiliates of Clearlake Capital Group L.P ("Clearlake") and Motive Partners ("Motive") for a total cash consideration of \$1,100 million ("the Transaction"), before tax and separation costs. The Transaction is expected to complete in H2 2022 and is subject to the satisfaction of certain customary conditions, including the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act and certain customer consents.

This divestment, together with strong ongoing cash generation, will de-lever the Group towards the middle of our leverage range. Consistent with our capital allocation framework, LSEG anticipates returning a significant proportion of the net proceeds to shareholders, via a buyback, while still continuing to support organic and inorganic growth opportunities and maintaining our leverage ratio within the target range of 1-2x. We will announce further detail in due course with any buyback likely to commence in Q3.

BETA+ provides back-office processing solutions to the wealth management industry, including securities processing and tax reporting. In the year ended 31 December 2021 it had revenues of approximately \$300 million, primarily linked to US markets.

In addition, LSEG announces that it has entered into a new long-term strategic partnership for data, content and tools with BETA+ and portfolio companies owned by Motive and Clearlake. The partnership will provide LSEG with new, recurring revenues at attractive growth rates through access to new client segments.

The divestment of BETA+ and the new strategic partnership reposition the growth profile of the Wealth segment of LSEG's Data and Analytics business which will now target mid-single digit annual revenue growth in the medium term.

Andrea Remyn Stone, Group Head Data & Analytics, LSEG said:

"The divestment of BETA+ will focus LSEG's Wealth business on meeting our customers' needs in high growth areas. This includes the provision of data, analytics and workflow tools where we have deep capabilities and where LSEG is driving innovation.

"The partnership with BETA+ under its new owners offers a platform for further revenue growth in content and data while ensuring continuity for customers under a new owner focused on this segment of the market."

Sabrina Bailey, Global Head of Wealth, Data & Analytics, LSEG said:

"We are delighted to establish a long-term strategic partnership with BETA+ as we reposition our Wealth business to focus on LSEG's core strengths. We look forward to collaborating with Motive and Clearlake as we deliver on this exciting opportunity in the growing Wealth segment, offering scaled access to new market channels for our business."

Behdad Eghbali, Co-Founder and Managing Partner, and James Pade, Partner, of Clearlake:

“BETA+ has established a strong position in the self-clearing technology space and broader wealth management ecosystem with a reputation for meeting the unique needs of global financial institutions and their clients. We look forward to partnering with Motive, the BETA+ team and LSEG as the company continues to provide best-in-class solutions to its blue-chip customer base.”

Stephen C. Daffron, Co-Founder and Industry Partner at Motive Partners:

“BETA+, together with our other portfolio companies, will be focused on creating frictionless, digital-first experiences for clients, advisors, and home office personnel with streamlined processes, reduced costs, and increased retention and satisfaction, ultimately making it easier for Wealth clients to obtain solutions which address their financial needs. We’re looking forward to partnering with Clearlake once again to continue our transformation of the wealth management sector at a critical time for the industry.”

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Additional Financial Information – BETA+

	2021 (£m)	
Total Income	225	
Operating Expenses	(80)	<i>Excludes central cost allocation which remain in LSEG</i>
Depreciation Amortisation & Impairments	(49)	

BETA+ will be treated as a discontinued operation and accordingly 2021 revenues will be re-based.

Important Notices

Merrill Lynch International ("BofA Securities"), a subsidiary of Bank of America Corporation, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for LSEG in connection with the matters set out in this announcement and for no one else and will not be responsible to anyone other than LSEG for providing the protections afforded to its clients or for providing advice in relation to the subject matter of this announcement or any other matters referred to in this announcement.