

21 April 2020

LONDON STOCK EXCHANGE GROUP PLC

Annual General Meeting

Tuesday 21 April 2020

Chair's statement by Don Robert

We are disappointed that, as a result of the global pandemic COVID-19, we are unable to host our shareholders in person at today's Annual General Meeting. The challenges that we collectively face as a society are unprecedented and we appreciate shareholders' understanding in light of the current circumstances.

As a systemically important financial markets infrastructure business, London Stock Exchange Group places a high priority on its responsibility to ensure the orderly functioning of markets and continuity of services for its customers and other stakeholders. LSEG has in place robust business continuity arrangements and we continue to prioritise operational resilience across the Group's Capital Markets, Information Services and Post Trade businesses. Employee health and wellbeing has been a key focus. The vast majority of our employees have been working remotely, and I commend them for their commitment to serving our customers during these unusual times. We are in regular contact with public health authorities, governments and stakeholders around the world and will continue to adjust our response as needed.

The Group delivered another strong performance in 2019, despite another year of macroeconomic and geo-political events that have directly influenced global financial markets. Total income rose 8% and adjusted earnings per share increased 15%. The Board is proposing a final dividend of 49.9 pence per share, resulting in a full year dividend of 70.0 pence per share, up 16%.

We have continued to invest in our business as we grow in scale, while continuing to progress financially, strategically and operationally across our core businesses of Information Services, Post Trade and Capital Markets. Our successful strategy is underpinned by the continuation of our Open Access and customer partnership approach to deliver innovative solutions across the financial markets value chain.

In our Information Services division, FTSE Russell is a key contributor to Group revenues, delivering 10% revenue growth over the course of the year. This included strong growth in subscription revenues, up 12% in 2019, reflecting new sales across a number of indices. The Group's Post Trade businesses continued to perform well. LCH delivered a strong performance with income up 14% to £756 million. Post Trade – Italy saw income increase by 5% to £152 million. Capital Markets continued to perform well despite macroeconomic headwinds with revenue up 5% to £426 million.

Building on the results from 2019, I am pleased to share our Q1 2020 results, released this morning. Against a challenging market environment, the Group delivered a good performance in the first quarter. Total income rose 13% year-on-year to £615 million, driven by increased equity trading in Capital Markets and higher clearing activity across listed and OTC products leading to higher NTI in Post Trade.

While the Group has performed well in Q1, it is too early to comment specifically on the impact of the coronavirus pandemic on the outlook for LSEG and its customers for the remainder of the year. However, the Group believes the longer-term drivers of growth in each of its business lines remain intact.

On 1 August 2019, LSEG announced the proposed acquisition of Refinitiv. This was the culmination of many months of strategy development, deep consideration and discussion. It is a transformational transaction, strategically and financially. The combined global business will be headquartered and domiciled in the UK with a premium listing in London. The transaction received overwhelming shareholder approval in November, and we continue to make progress in relation to the remaining antitrust, foreign investment and regulatory clearances that the transaction is also conditional upon. We remain committed to closing the transaction during the second half of 2020. The global transition to a more sustainable economy continues to be a focus across our industry. LSEG has many touch points with stakeholders that put us in a strong position to engage in this discussion and we take our responsibility seriously. Our ability to help facilitate change is demonstrated through the diverse ecosystem of sustainable bonds listed on our markets with issuers from 18 different countries and bonds issued in 17 different currencies. FTSE Russell has also launched an innovative new index providing a forward-looking assessment of the climate risk faced by sovereigns, allowing investors to reduce climate risk and greenhouse gas emissions in their portfolios.

As a global company, we are committed to playing our part, building on our engagement with UK Government initiatives such as the Green Finance Taskforce, which led to the creation of the Green Finance Institute, and the EU's High Level Expert Group and Technical Expert Group. Both of these groups included representatives from LSEG as part of their work to develop recommendations for the EU's Green Finance Taxonomy.

The Board seeks to operate to high governance and ethical standards. The Board, along with the executive team, seeks to promote a culture of Group-wide collaboration and customer focus. LSEG has made good progress this year on these efforts. The Board has also engaged directly with employees, with candid feedback provided to Directors through a series of informal meetings, as well as more formal interaction with employee forums, which will continue in the coming year.

Dominic Blakemore joined the Board as a Non-Executive Director, effective 1 January 2020. Following the conclusion of today's Annual General Meeting, Paul Heiden will step down from the LSEG Board and Dominic will assume the Chair of the Audit Committee from Paul, and Stephen O'Connor will become the Senior Independent Director. I would like to record the Board's gratitude to Paul Heiden for his significant contribution to LSEG over the last decade during which the Group has delivered significant growth and diversification. His counsel and experience have been invaluable during this period of transformational change.

In October 2019, David Warren, Group Chief Financial Officer informed the Group of his intention to retire from the company and step down from the Board. The Board is grateful for the key role David has played in the successful growth, diversification and global expansion of our business over the last seven years as well as for his leadership when he served as Interim CEO. David will continue in his current role as Group CFO and a member of the Board through the close of the Refinitiv transaction to ensure a smooth transition to his successor. LSEG is undertaking a global search for his replacement, which is being led by the Board's Nomination Committee.

In March 2020, LSEG also announced that Dr. Ruth Wandhöfer, Non-Executive Director, had stepped down from the Board with immediate effect to pursue new opportunities.

It was a great honour to be asked to serve as Chair of London Stock Exchange Group, an iconic institution with a 300-year history at the heart of global financial markets. I would like to extend my appreciation to Donald Brydon for handing over the reins to a Group that is well positioned strategically and financially.

Since becoming Chair in May 2019, I have been impressed by the calibre and focus of our employees. I'd like to thank them for their dedication and professionalism during what has been a very busy year. I would also like to thank my Board colleagues for their support, challenge and for their commitment.

London Stock Exchange Group is in a position of strength, sitting at the heart of international financial markets, as we look ahead to the many opportunities within our industry. I look forward to working with the Board and the executive team to continue to develop the business for the future.

- Ends -

For further information:

Media: Gavin Sullivan/ Lucie Holloway
Investor Relations: Paul Froud

+44 (0)20 7797 1222
+44 (0)20 7797 3322