

Welcome and agenda

Peregrine Riviere

L



SEG



LSEG

Capital Markets Day **2023**

What we're going to cover

16 November

17.30 - **Partnering to transform our industry**
18.30

David Schwimmer CEO

Accelerating growth and improving profitability

Anna Manz CFO

19.00 - **DINNER**
21.00 at The Ned

17 November

8.00 - **REGISTRATION AND BREAKFAST**
9.00

9.00 - **Data & Analytics**

9.45

Satvinder Singh Head of Data & Analytics

Sales Transformation

Ron Lefferts Head of Sales & Account Management

10.00 - **Break-out sessions**

12.50

Workflows and Analytics | Data & Feeds and Data Intelligence | Capital Markets | Post Trade | Transformation | Demos/downtime

12.50 **LUNCH**

13.40 - **Break-outs continued**

15.00

15.15 - **Panel Q&A**

16.15

David Schwimmer, Anna Manz, Satvinder Singh and Ron Lefferts

16.30 **MARKET CLOSING CEREMONY**

Partnering to transform our industry

David Schwimmer, CEO

L



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Capital Markets Day **2023**

Partnering to
transform our
industry

The journey to today

What differentiates our business

Strong platform for growth

LSEG tomorrow



The journey to today



LSEG

2020: businesses with strong market positions but in need of investment and integration



London
Stock Exchange Group

Mainly national/regional market infrastructure;
global index business; equities-focused

Strong brands, trusted partner

Unintegrated businesses

Mainly transactional revenue

Organic revenue growth:

2019: **7.0%** 2020: **5.0%**

REFINITIV 

Global presence in Data & Analytics;
leading FX and fixed income venues

Long-term relationships, mixed perception

Unintegrated businesses, investment required

Mainly recurring revenue

Organic revenue growth (D&A¹):


2019: **1.7%** 2020: **2.2%**



LSEG

1. Pro forma, including LSEG D&A businesses.

Four perceived challenges to the Refinitiv acquisition

Investor concerns	LSEG delivery
<p>Can LSEG achieve revenue growth of <u>even</u> 5%?</p>	<p>Organic revenue growth¹</p> <p>6.1%₂₀₂₁ 6.3%₂₀₂₂ 6.7%_{9M 2023} = 6.4% CAGR</p>
<p>Can LSEG stem the decline of the Trading & Banking business?</p>	<p>7 Consecutive quarters of underlying growth (Q1 2022 onwards)</p> 
<p>Significant level of investment required in the Refinitiv business</p>	<p>Generating returns with revenue growth acceleration and higher revenue synergies</p> <p>>300bps</p> <p>Underlying EBITDA margin improvement²</p>
<p>Share overhang risk from large stake held by former Refinitiv owners</p>	<p>37% ➔ 11%³</p>



1. Organic constant currency growth rates are on a pro-forma basis 2021, exclude deferred revenue haircut accounting adjustment in 2021 and 2022, and the impact of the Russia/Ukraine war from 2022.
 2. Underlying improvement between 2020 pro-forma margin of 46.3% and H1 2023 adjusted margin of 47.7% on a constant currency basis, allowing for the impacts of acquisitions and disposals (120bps), the Russia / Ukraine war (70bps), Microsoft (30bps) and FX impacts (20bps).
 3. Assuming all covered calls are exercised.

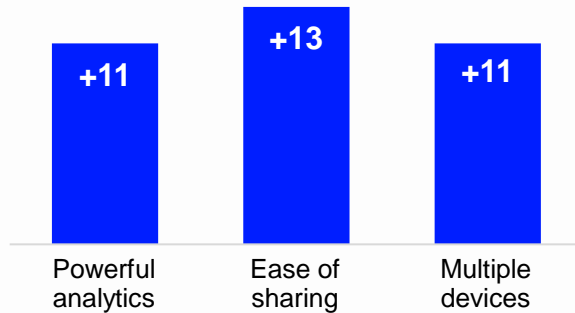
We've beaten our growth targets

	Historical performance ¹	Growth ambition as of July 2021	Growth achieved ²
LSEG		5-7%	6.7%
Data & Analytics	1-3%	4-6%	6.6%
Enterprise Data	4-5%	Mid single digit	9.0%
Trading & Banking	(1-2)%	Low single digit	2.5%
Customer & Third Party Risk	10-12%	Double digit	14.4%
Investment Solutions	3-5%	High single digit	11.6%³
Wealth	Low to mid single digit	Mid single digit	4.7%

We've delivered much more than synergies in our integration

SIMPLIFIED

Customer satisfaction:
Workspace significantly enhanced¹

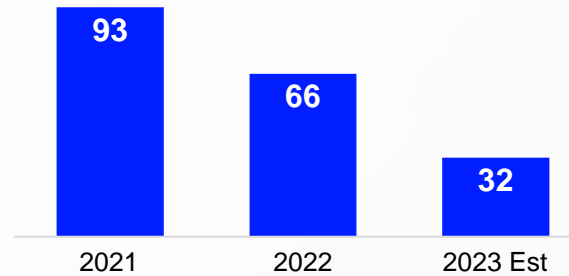


From **240 products** to **9 solutions**

From **30+ Eikon variants** to **5 for Workspace**

RESILIENT

Technology P1/P2 Risk Events:
down ~65% since 2021



Risk culture reflecting **market infrastructure heritage**

UNIFIED



LSEG

From **20** disparate brands to **6** consistent **LSEG brands**

New and distinctive **culture**

Improving customer retention, growing faster, attracting talent

We've assembled a deeply experienced leadership team

Executive Committee



David Schwimmer
CEO
Yrs. at LSEG: 5
Yrs. of relevant experience: 25



Anna Manz
CFO
Yrs. at LSEG: 3
Yrs. of relevant experience: 27



Balbir Bakhshi
Chief Risk Officer
Yrs. at LSEG: 3
Yrs. of relevant experience: 29



Erica Bourne
Chief People Officer
Yrs. at LSEG: 1
Yrs. of relevant experience: 25



Irfan Hussain
Chief Information Officer
Yrs. at LSEG: NA
Yrs. of relevant experience: 28



Catherine Johnson
General Counsel
Yrs. at LSEG: 27
Yrs. of relevant experience: >30



Ron Lefferts
Head of Sales & Account Management
Yrs. at LSEG: 2
Yrs. of relevant experience: 25



Daniel Maguire
Head of Post Trade & Chief Strategy Officer
Yrs. at LSEG: 21
Yrs. of relevant experience: 24



Murray Roos
Head of Capital Markets
Yrs. at LSEG: 3
Yrs. of relevant experience: 26



David Shalders
Chief Operating Officer and Head of Integration
Yrs. at LSEG: 4
Yrs. of relevant experience: >30



Satvinder Singh
Head of Data & Analytics
Yrs. at LSEG: <1
Yrs. of relevant experience: 28

Other Divisional Heads



Fiona Bassett
Head of FTSE Russell
Yrs. at LSEG: <1
Yrs. of relevant experience: 20

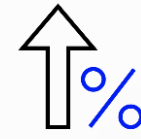


David Wilson
Head of Risk Intelligence
Yrs. at LSEG: <1
Yrs. of relevant experience: 15

LSEG TODAY



Services with strong competitive positions, meeting business-critical needs



Exposed to multiple structural growth drivers



Attractive, all-weather economic model: diversified, high-quality revenues and strong cash generation



Differentiated customer proposition: partnership model, open ecosystem, integrated offering



What differentiates our business



LSEG

What differentiates our business...



...for customers...

Global

Multi-asset class

Across the trade lifecycle

Trusted, long-term partner



...and shareholders

Diversity of revenue

Quality and visibility of revenue

Uncorrelated growth

Strong cash generation

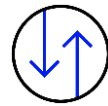


We deliver deep expertise globally, across multiple asset classes and across the trade lifecycle...

Capital Formation & Issuance



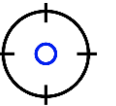
Pre-Trade & Liquidity Discovery



Trade Execution



Post-Trade & Capital Optimisation



Data & Analytics

Data & Analytics

Data & Analytics

Data & Analytics

Capital Markets

FTSE Russell

Capital Markets

Post Trade

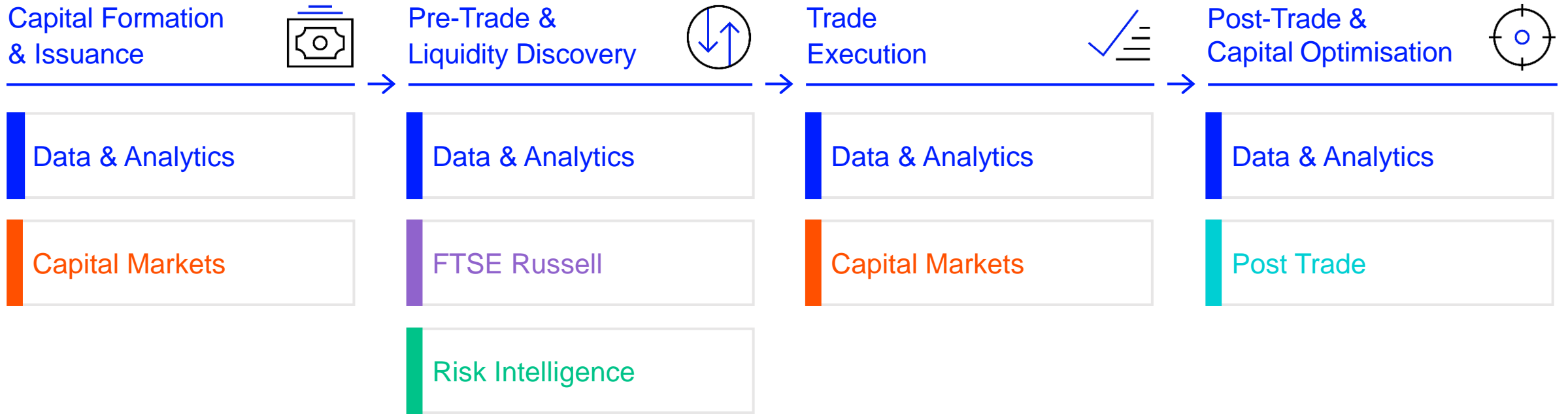
Risk Intelligence

Equities

Fixed income

FX

...and this is a strategic differentiator



LSEG Unified by brand, account management and strategic value



We are a trusted, long-term partner to the industry

Unparalleled track record of infrastructure partnership



LONDON STOCK EXCHANGE

LCH



Tradeweb

TURQUOISE

Partnering with leaders for innovation and growth



Microsoft

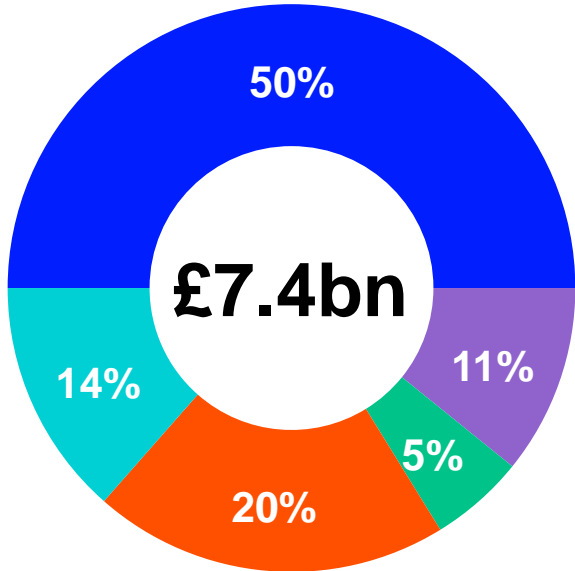
Aladdin
by BlackRock



LSEG

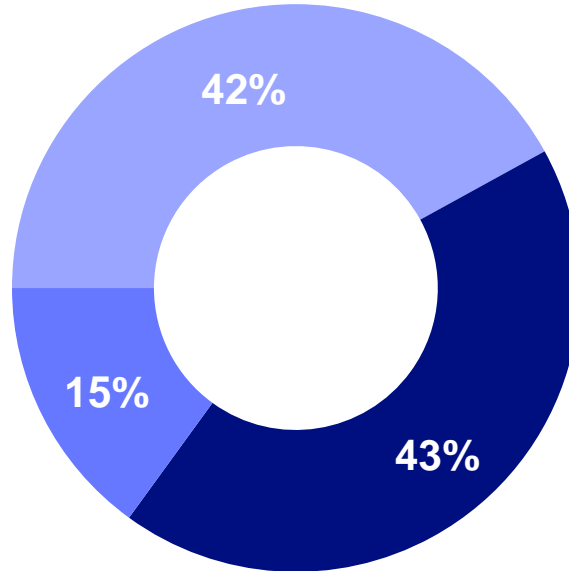


Our business and revenue are diversified across products, geographies and customers



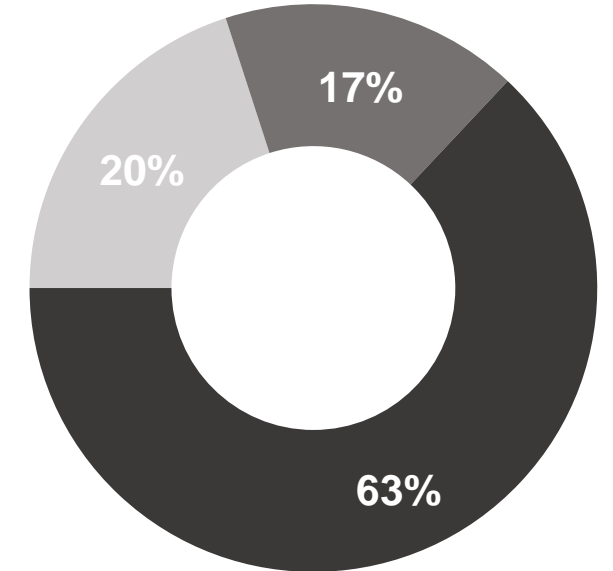
Diversified offering

- Data & Analytics
- Capital Markets
- Post Trade
- FTSE Russell
- Risk Intelligence



Geographically balanced presence

- EMEA
- Americas
- Asia



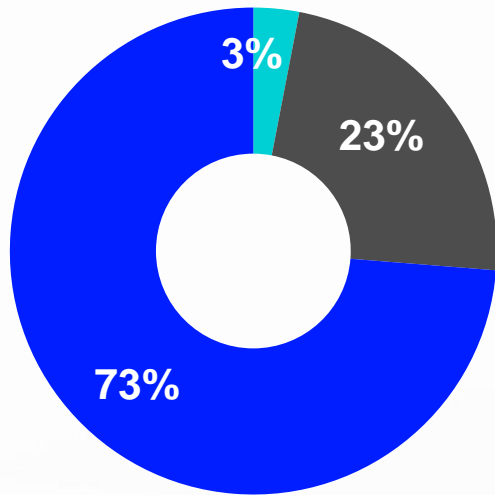
Balanced customer footprint¹

- Sell-side
- Buy-side
- Other



We have an attractive mix of recurring and high-quality transactional revenue

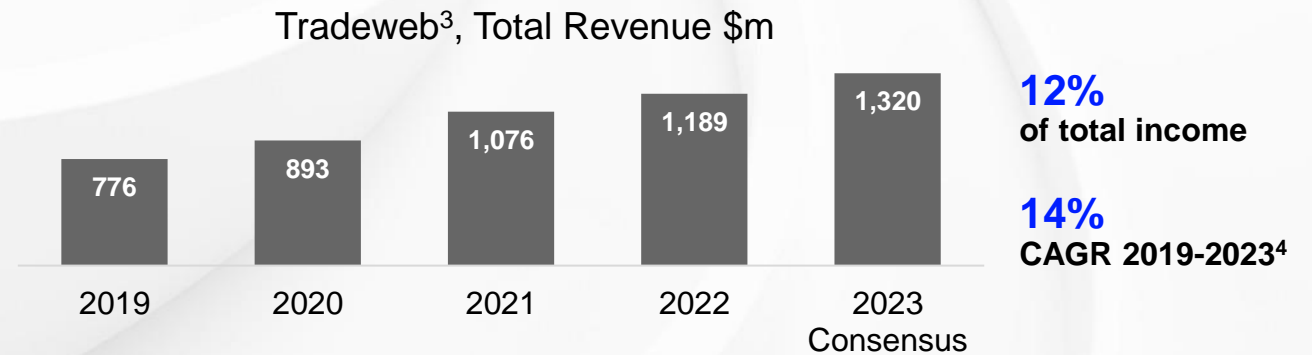
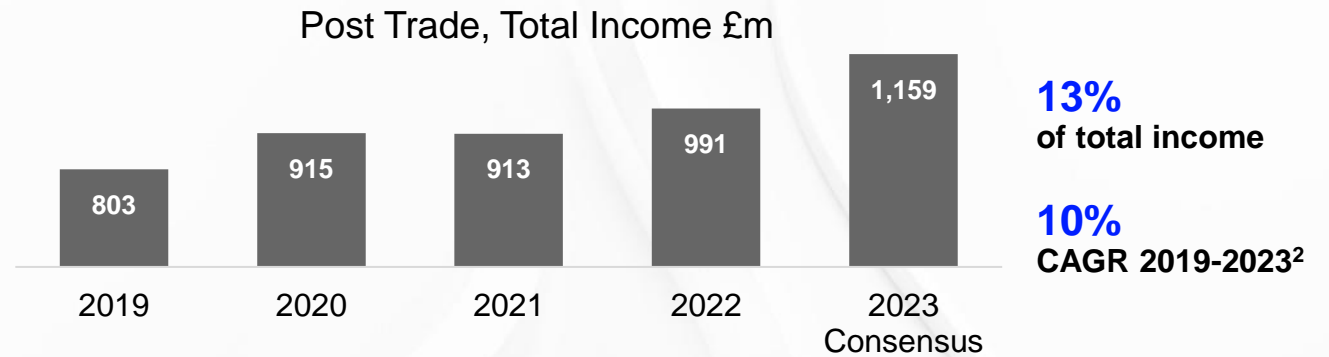
Recurring revenue is highly visible and diversified...



LSEG total income¹, 2022, excluding recoveries

- Recurring revenue
- Transactional revenue
- Net Treasury Income

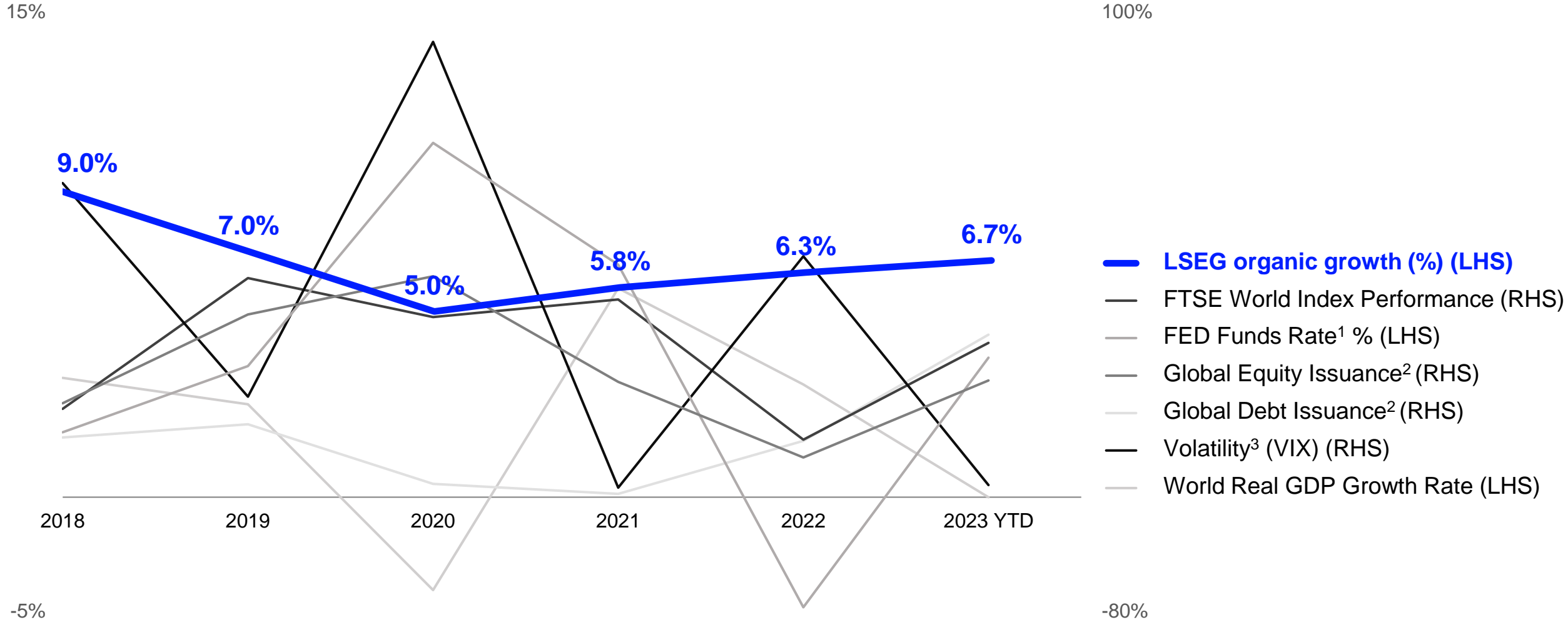
...With a strong track record of high-quality transactional revenue



1. Numbers do not sum to 100% due to rounding.
2. Organic, constant currency CAGR, using 9M 2023 growth as a proxy for 2023 growth.
3. Total revenue per Tradeweb's disclosures, not adjusted to bring their accounting policies in line with those used by the Group and not reflective of our 51.2% economic interest.
4. Reported revenue CAGR.



We have a track record of uncorrelated, all-weather growth



Source: Euromonitor International, Federal Reserve Bank of St. Louis, LSEG, SDC Platinum.
 1. Average monthly effective Fed rate.
 2. Equity and debt issuance 2023 YTD vs 2022 YTD.
 3. Volatility measured using average of daily VIX for year.



Strong platform for growth



LSEG

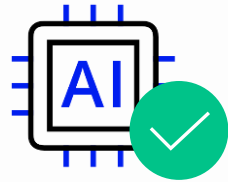
We operate in large and growing market segments

	2022 LSEG Income	2022 Segment Spend	LSEG Segment Share	Segment Growth 2022-25 CAGR
Data & Analytics	£3.7bn	£32 – 38bn ¹	 10 - 12%	5 - 7%
FTSE Russell²	£0.8bn	£4 – 5bn	 16 - 19%	8 - 10%
Risk Intelligence³	£0.4bn	£8 – 9bn	 4 - 6%	8 - 12%
Capital Markets	£1.5bn	£10 – 13bn	 11 - 14%	5 - 7%
Post Trade	£1.0bn	£5 – 6bn	 16 - 18%	4 - 6%

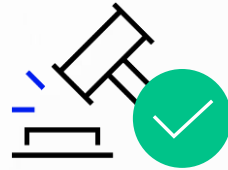
Aligned with trends that are shaping the financial services sector



Demand for data and its integration into workflows



Rise of new technologies including AI



Reputational and financial risk management



Electronification and digitisation of trading



Regulation placing increasing demands on capital

Powerful growth engines today and over the long term



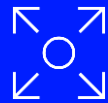
Leading businesses, strong track records, continuing structural tailwinds



Strong market positions, investing to transform customer experience



Partnering to transform our industry



Entering new markets and asset classes

Today

Medium term

Long term

→ →
→ →
→ →
Leading businesses, strong track records, continuing structural tailwinds

Enterprise Data growth² has accelerated strongly under LSEG's ownership

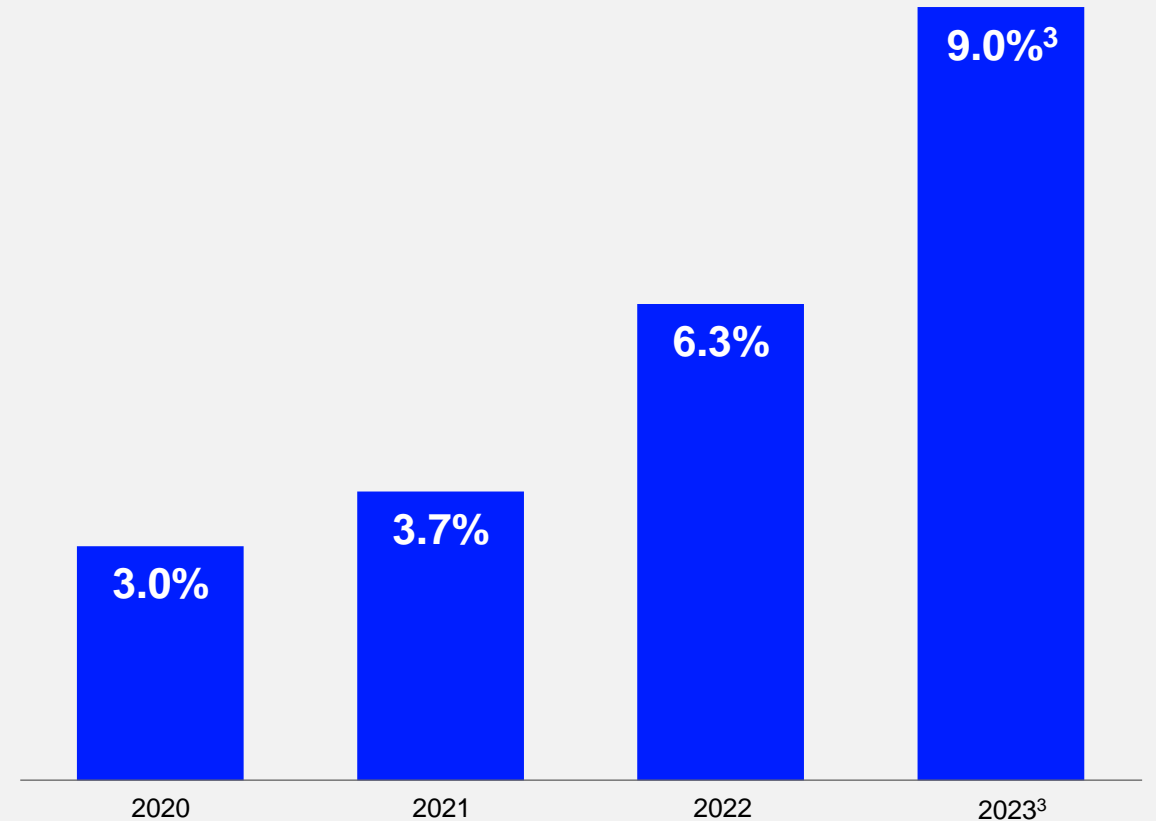
Data & Feeds

#1 global real-time data provider

Top 3 global provider of pricing and reference data

Growth opportunities:

- Combination of Tick History and PCAP¹ data
- Extended capabilities in direct feeds and e.g. machine-ready text
- Redistribution partnerships at scale
- Continued delivery of revenue synergies with FTSE Russell



→ → → Leading businesses, strong track records, continuing structural tailwinds



Leading global platform for trading interest rate and credit products

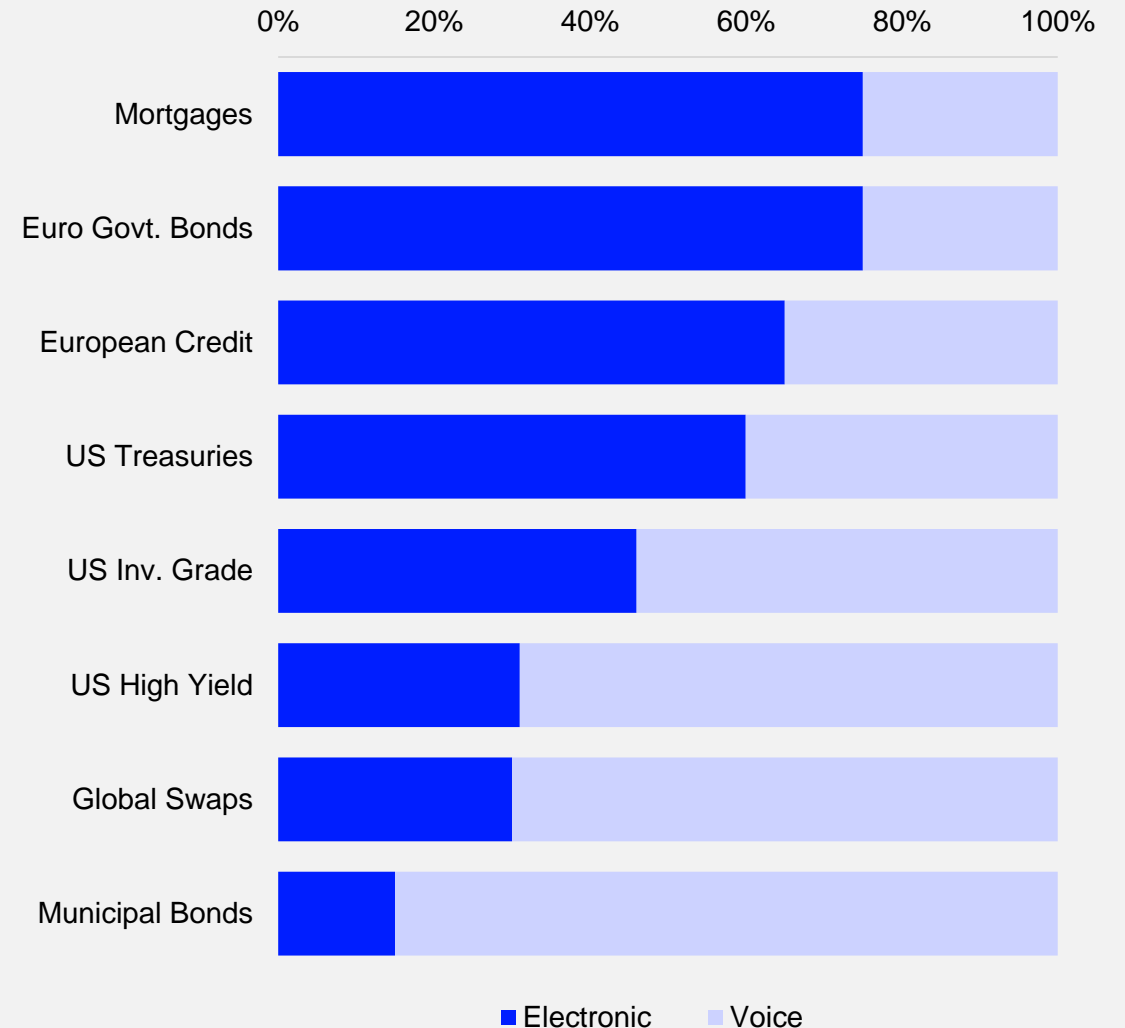
c.2,500 clients across >65 countries: institutional, wholesale and retail clients

Growth opportunities:

- Increase share in core markets
- Expand internationally
- Grow presence across the trade lifecycle, partnering with LSEG
- Leverage technology and data to drive volumes



Continued electrification of fixed income a tailwind for growth



→ → →
Leading businesses, strong track records, continuing structural tailwinds



Leading global clearing house with >90% share of cleared interest rate swap notional outstanding

Clearing, risk management, capital optimisation and regulatory reporting solutions

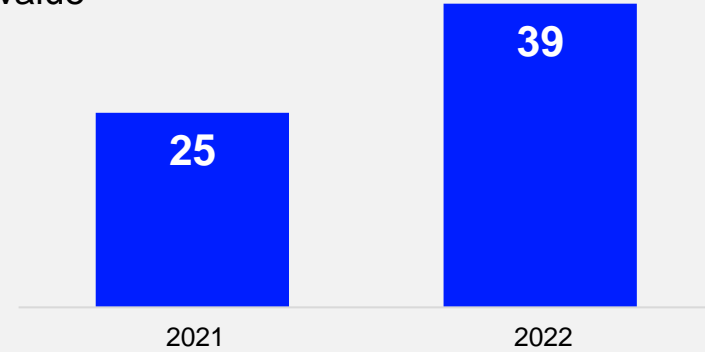
Growth opportunities:

- New customer groups e.g. EU pension funds
- Geographic and OTC market expansion e.g. ForexClear
- Launch of Post Trade Solutions



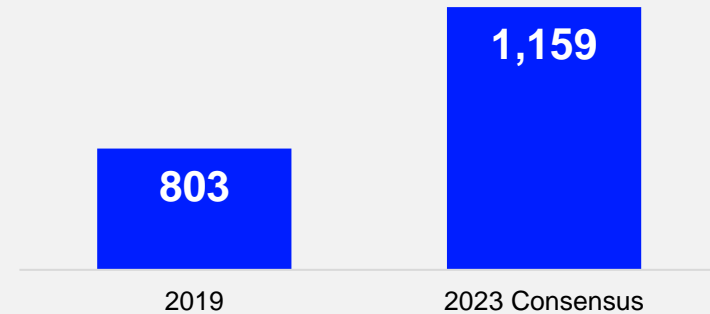
Global OTC derivatives volumes grew 56% in 2022

\$ trn gross value



Post Trade 5 year organic income CAGR of 10%

£ m





Strong market positions, investing to transform customer experience



**FTSE
RUSSELL**
An LSEG Business

#3 global provider in B&I

Investing in speed to market,
customisation and distribution

Refinitiv synergies and deeper
collaboration across LSEG

Next steps

Strengthen geographic/channel
commercial strategy

Expand into higher growth segments

Complete index refactoring and
automation programmes

RISK INTELLIGENCE

#3 provider; fragmented segment;
World-Check a leading platform

Serving c 7,000 corporate clients

Fastest growing segment in LSEG

Next steps

Complete integration of M&A:
e.g. Digital Onboarding solution

Enhance sales model – direct/channel
partners/digital

Invest in high growth segments
e.g. dynamic authentication



LSEG FX

Leading global venues for dealer-to-client
and dealer-to-dealer

Matching re-platforming:

- Significant new functionality
e.g. NDF matching
- 10x latency improvement

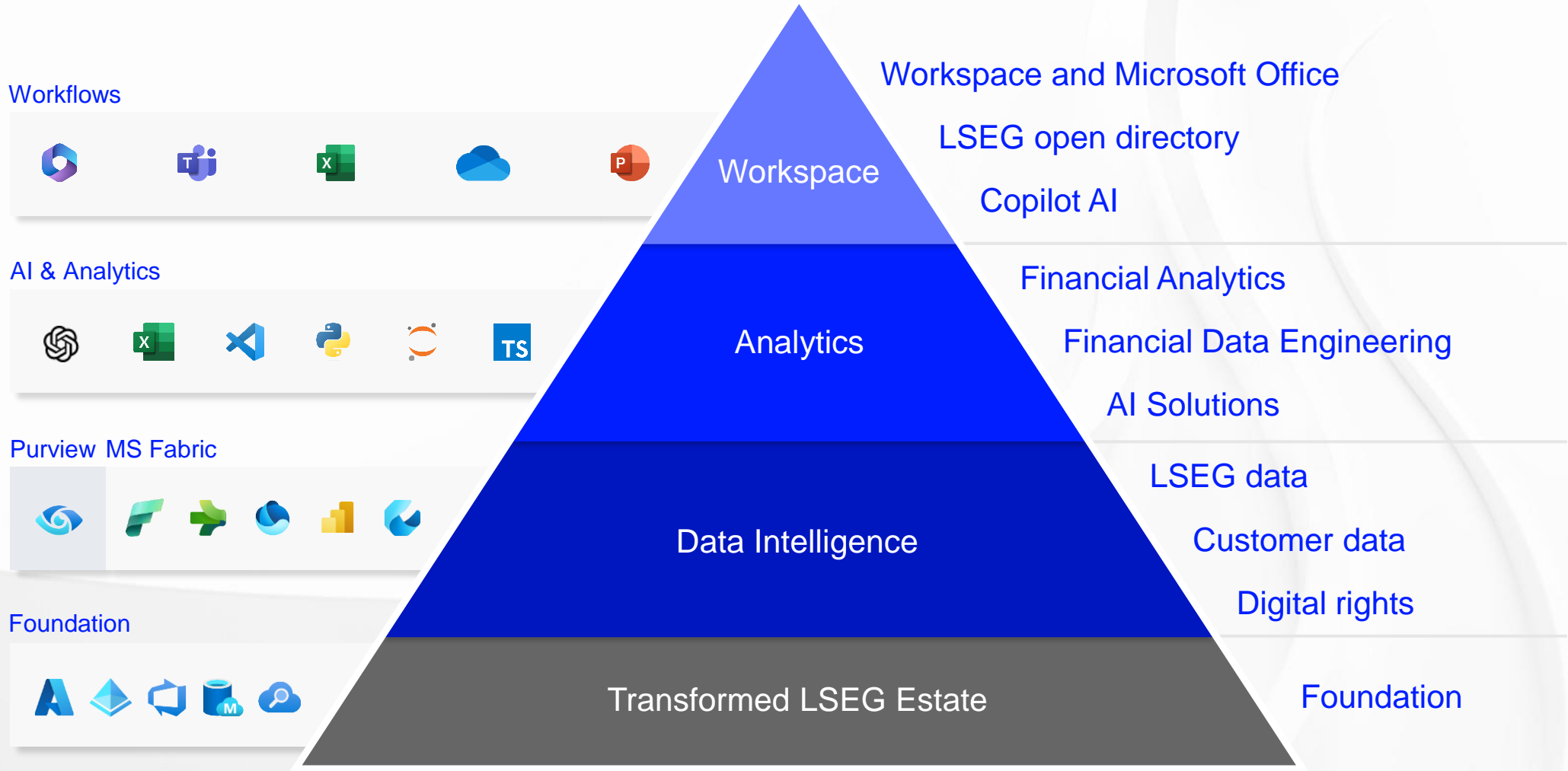
Next steps

Complete comprehensive FX offering
across value chain

Continue integration with fixed income
workflow with Tradeweb

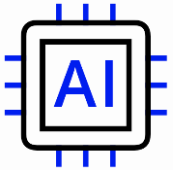


Partnering to transform our industry with Microsoft

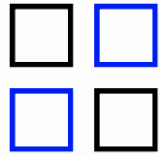




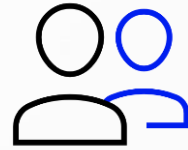
Ahead of plan after 11 months



Developments
in Gen AI



Launch of
Microsoft Fabric



Design Partner
Programme

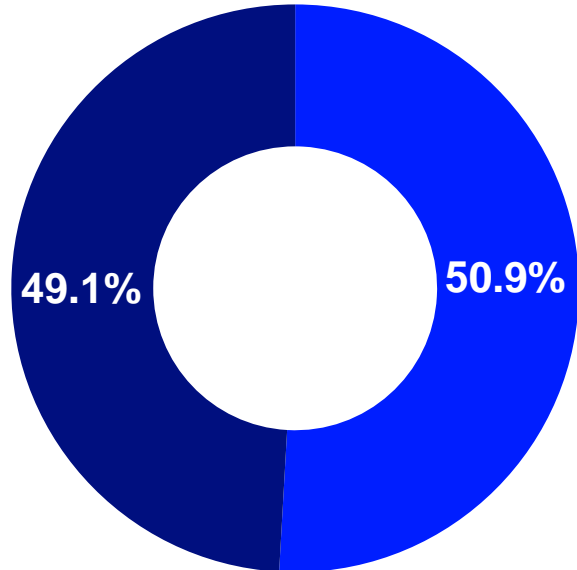


Acceleration of
product roadmap



Partnering to transform our industry: Post Trade Solutions

Half the \$39 trillion market in OTC derivatives remains uncleared



- Cleared
- Uncleared

Growing demands on capital from regulation, e.g. UMR, SA-CCR

Counterparties need an industry solution for efficient trade routing and compression, and standardisation of uncleared contracts

Through acquisition and investment, Post Trade has built an end-to-end solution

Uncleared Solutions

Trade documentation

acadia
SwapAgent

Authoritative trade & portfolio data

acadia

Trade lifecycle, margin & collateral management

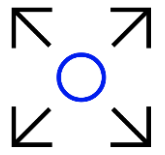
acadia
SwapAgent

Risk & valuations

acadia
SwapAgent

Compression and optimisation

QUANTILE



Breaking into new markets and asset classes

New verticals

- LSEG services becoming increasingly widely applicable
- Wider Workspace opportunity across full Teams / O365 base
- Leveraging our data management DNA
- Channel partner strategy in e.g. Risk Intelligence

New asset classes

- Private markets: investment in Floww, development of intermittent trading venue
- Digital assets: clearing and indices

New platforms

- Digital market infrastructure: exploratory work with Microsoft complete
- Further work on potential opportunity ongoing

LSEG TODAY



Services with strong competitive positions, meeting business-critical needs



Exposed to multiple structural growth drivers



Attractive, all-weather economic model: diversified, high-quality revenues and strong cash generation



Differentiated customer proposition: partnership model, open ecosystem, integrated offering

LSEG TOMORROW



**Leading franchises
across all our
businesses**



**Increasing profitability,
strong cash generation for
value-accretive growth and
shareholder returns**



**Growing with the best
of our peer group**



**Partner of choice across
the financial markets
value chain**