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SEG

2023 results



LSEG

Faster growing, more efficient, returning capital

Strong performance in 2023

- Accelerating, broad-based growth
- Achieving all Refinitiv acquisition targets
- Driving efficiency and cash generation
- Delivering substantial shareholder returns
- Set ambitious medium-term targets



LSEG

1. Total Income excl. recoveries
2. 2020-23 CAGR in Total Income excl. recoveries, before impact of Ukraine/Russia war and deferred revenue haircut
3. Underlying EBITDA margin expansion

+8.3%

Total Income¹
growth in 2023

+6.5%

organic revenue
CAGR 2020-23²

+110bps

underlying margin
improvement³

£1.8bn

free cash flow
in 2023

£1.2bn

returned via
buybacks in 2023

+7.5%

dividend growth
in 2023



Accelerating growth and continued transformation

Anna Manz, CFO

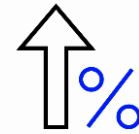


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Today's key messages



Track record of performance: consistently delivering against our targets



FY23 performance reflects strong, accelerating growth



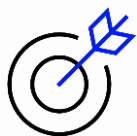
Strong cash flow, funding investment and capital returns



Upgraded medium-term guidance established

Delivering on all Refinitiv acquisition targets

Target



Total income growth

5-7%

2020PF - 2023 CAGR

EBITDA margin

50%

by exit 2023

Revenue synergies

£350 - 400m

run rate by end of 2025³

Cost synergies

>£400m

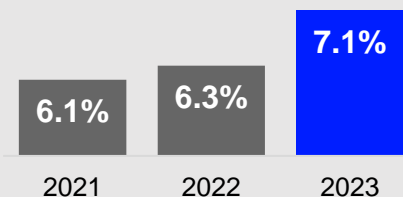
run rate by end of 2025⁴

Progress



Organic income growth CAGR:

6.5%¹



'Like for like' basis²:

50.3%

Reported basis²:

47.2%

Run rate - Dec 23:

£158m

Run rate - Dec 23:

£442m

Delivered **2 years ahead** of schedule.

1. Organic, constant currency income (excl. recoveries) growth, excluding deferred revenue accounting adjustment in 2021 and 2022, and the impact of Ukraine/Russia war in 2022.
2. 'Like for like' assumes a constant perimeter of the business and excludes the impacts of acquisitions and disposals (140bps), the Microsoft partnership (50bps), Ukraine/Russia war impacts (70bps) and impacts from FX related balance sheet items (50bps).
3. Upgraded from original £225m target at announcement of acquisition
4. Upgraded from original £350m target at announcement of acquisition

Strong income and EBITDA growth in 2023

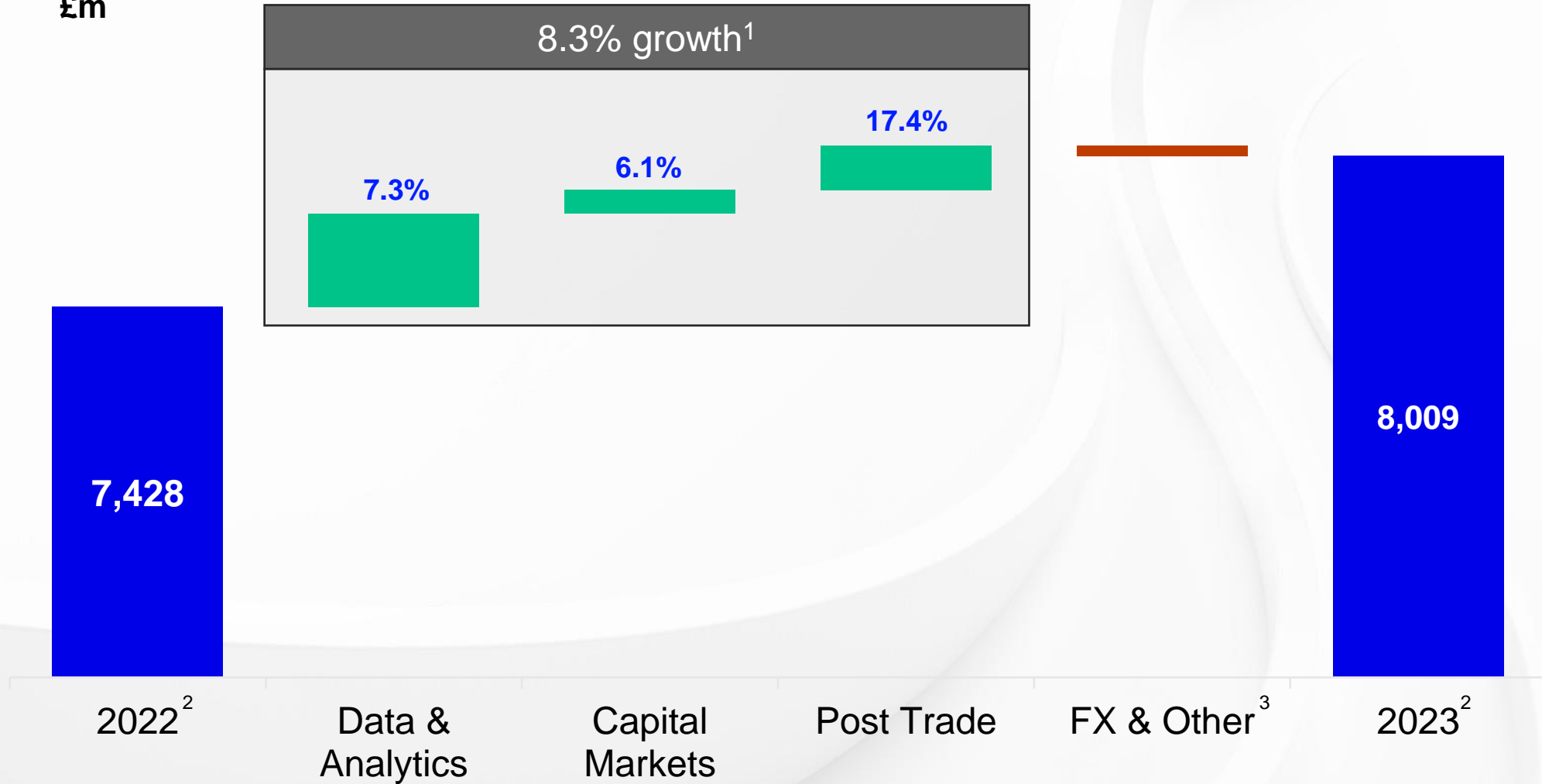
£m	2023	2022	Growth	Constant currency growth
Total income excl. recoveries	8,009	7,428	7.8%	8.3%
Adjusted EBITDA	3,777	3,550	6.4%	8.6%
<i>Adjusted EBITDA margin</i>	<i>47.2%</i>	<i>47.8%</i>		
Adjusted depreciation, amortisation & impairment	(915)	(822)	11.3%	10.7%
Adjusted operating profit	2,862	2,728	4.9%	7.9%

FX items and tax rate impacting AEPS

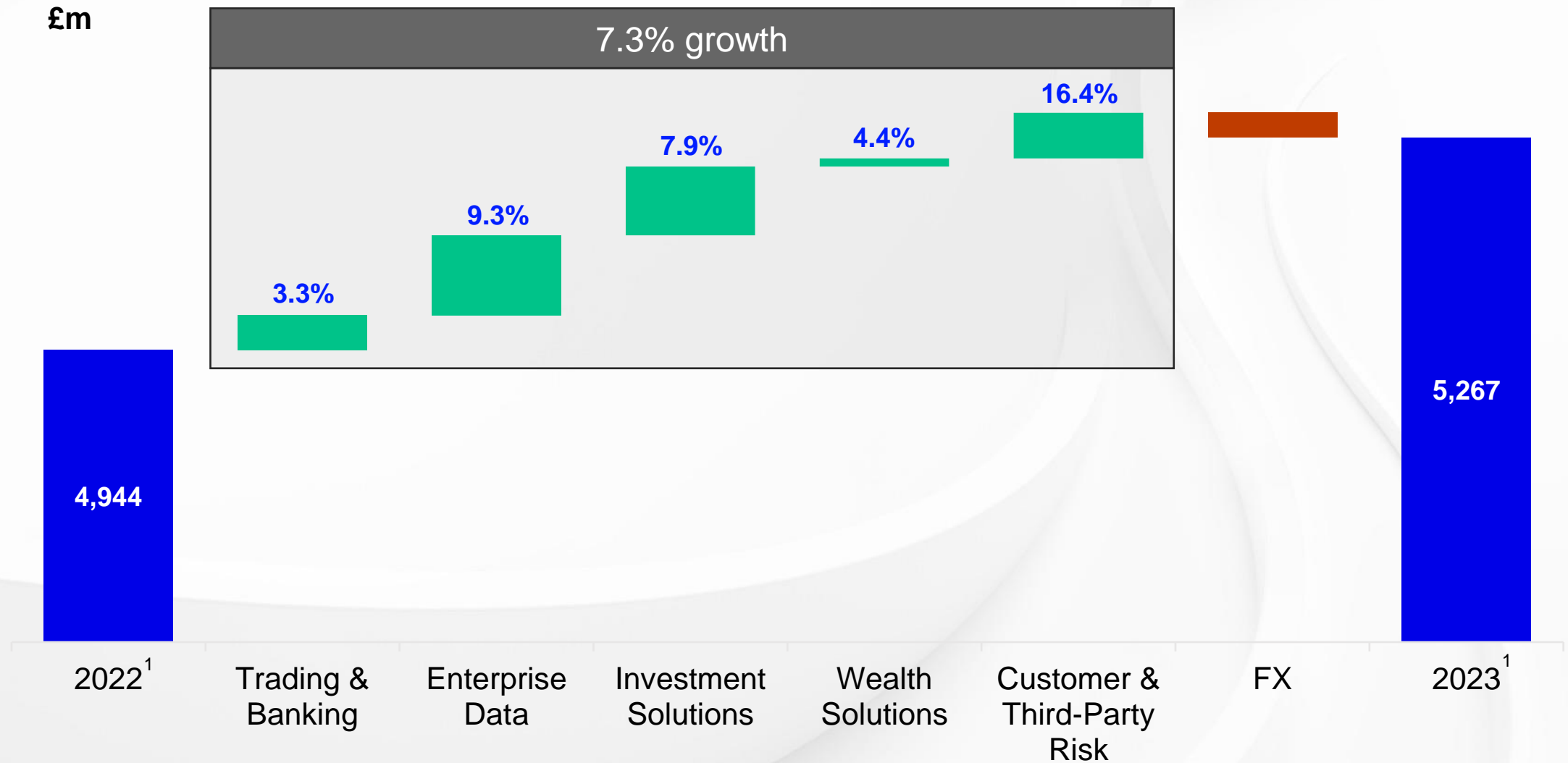
£m	2023	2022	Growth	Constant currency growth
Adjusted operating profit	2,862	2,728	4.9%	7.9%
Adjusted net finance expense	(170)	(160)	6.3%	
Adjusted tax expense	(625)	(540)	15.7%	
<i>Adjusted effective tax rate</i>	23.2%	21.0%		
Adjusted profit attributable to:				
Equity holders	1,775	1,770	0.3%	
Non-controlling interests	292	258	13.2%	
Adjusted earnings per share (p)	323.9	317.8	1.9%	

Strong income growth across divisions

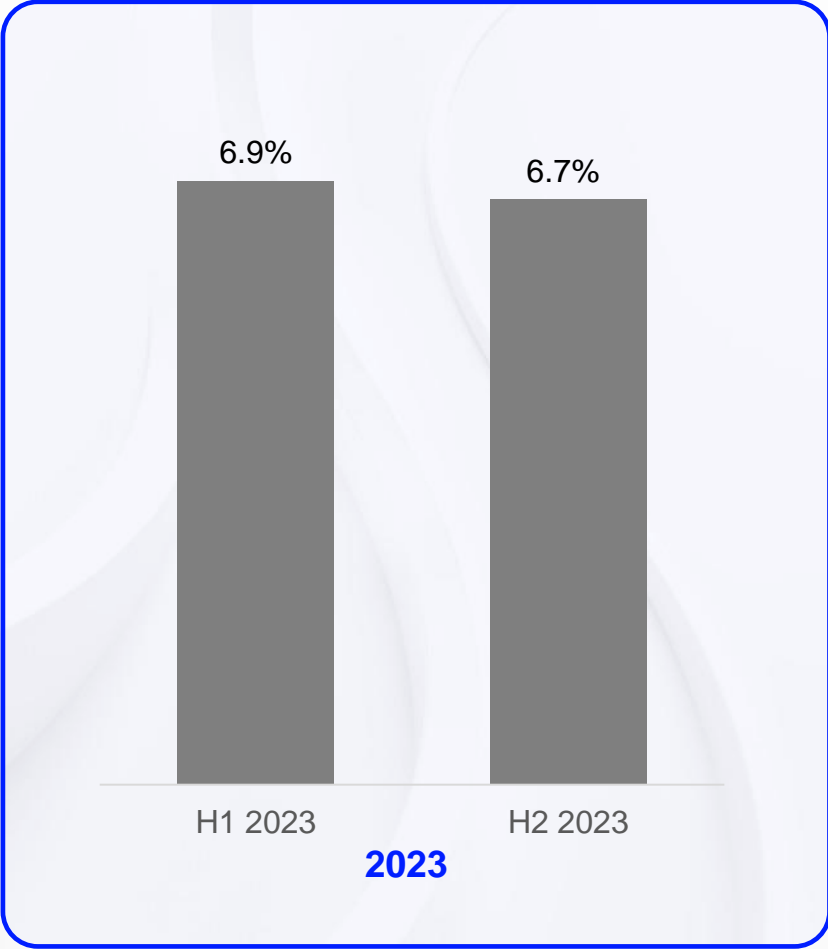
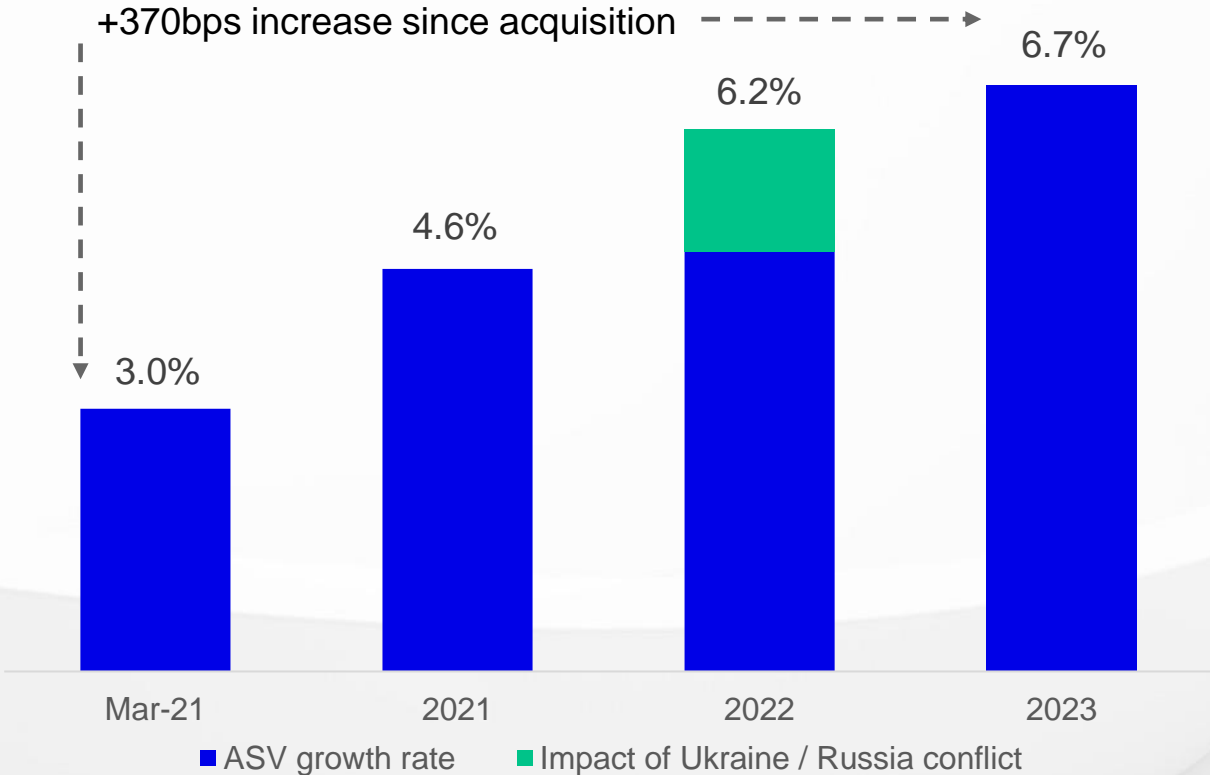
£m



All Data & Analytics businesses performing well

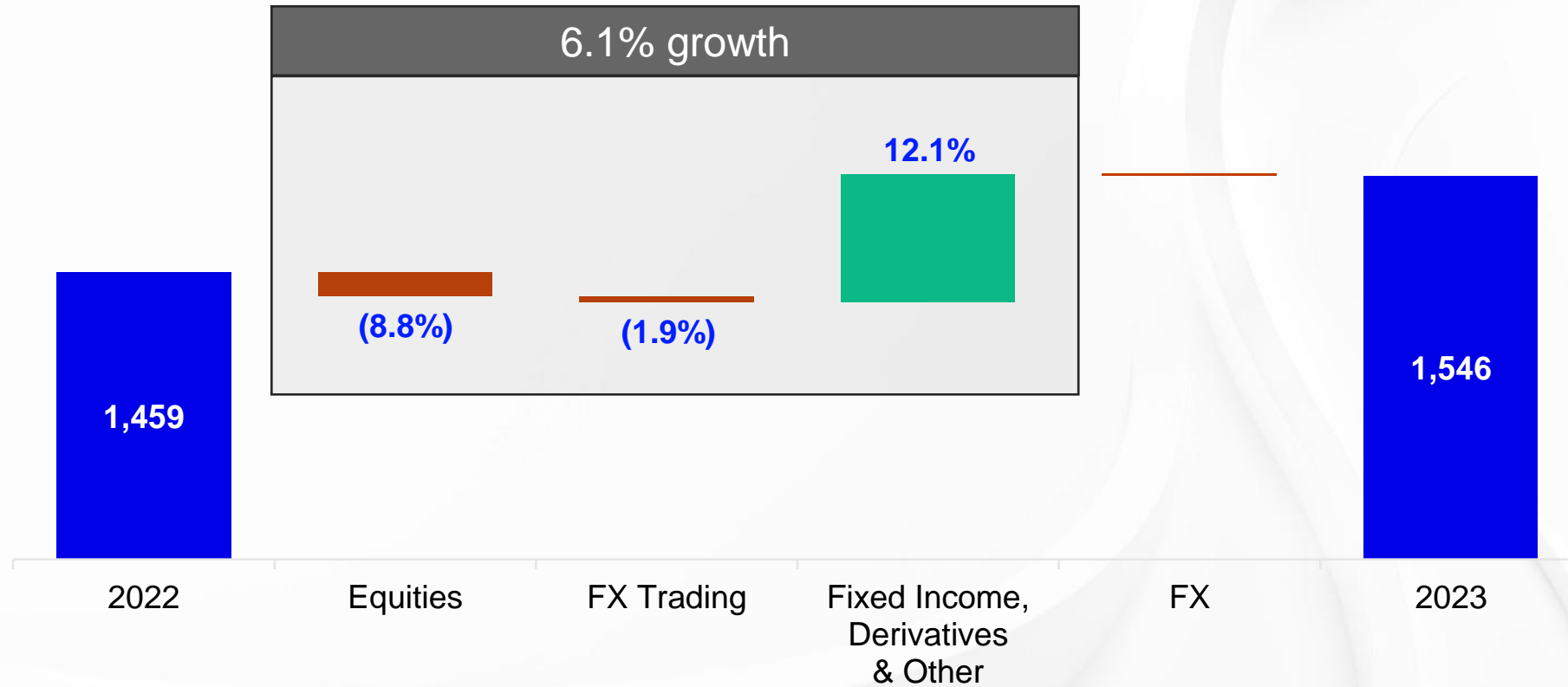


Retention, sales and price driving ASV growth



Capital Markets: ongoing strength in Fixed Income

£m



Equities

Market conditions impacting activity

FX Trading

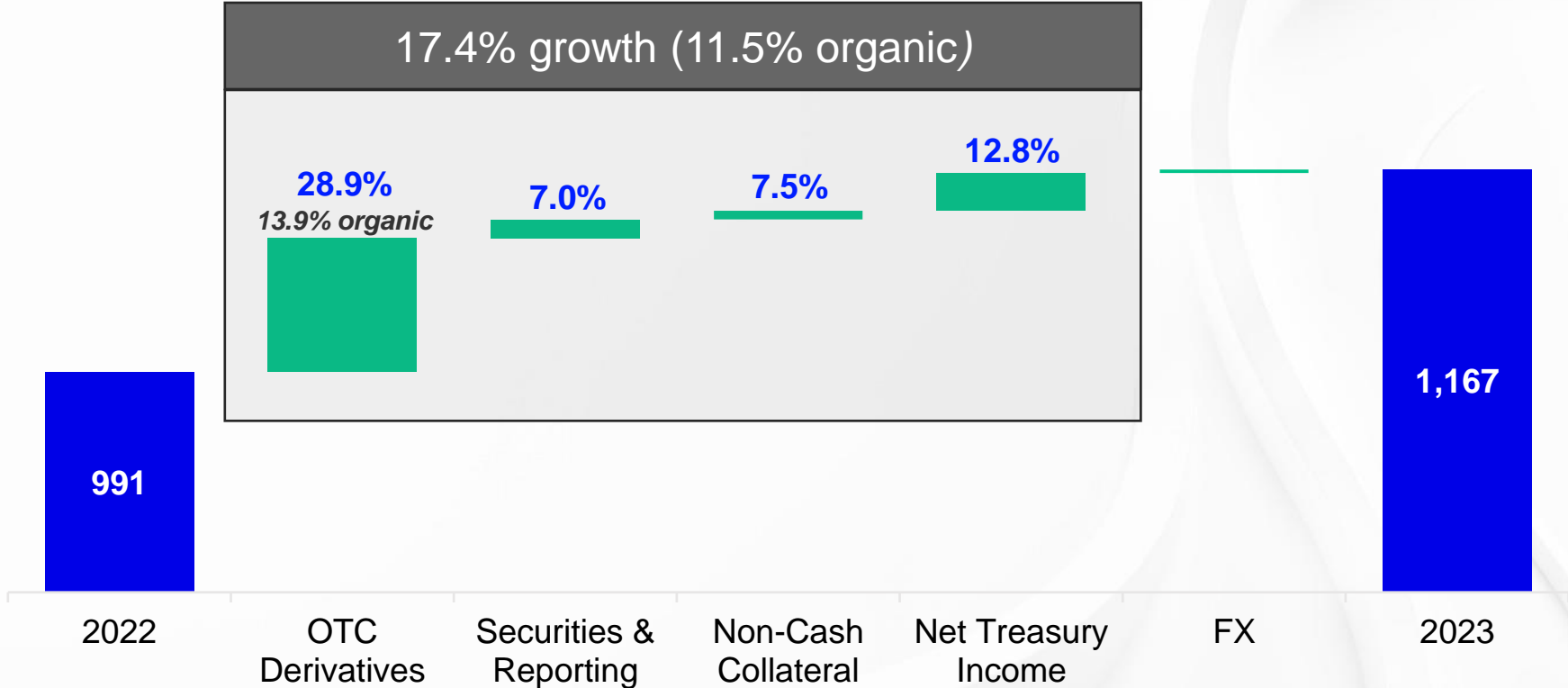
Weaker market volumes impacting revenues

Fixed Income

Record transaction volumes skewed to shorter-duration instruments

Post Trade: strong performance in uncertain rate environment

£m



OTC Derivatives

Strong client activity driven by global interest rate uncertainty

Securities & Reporting

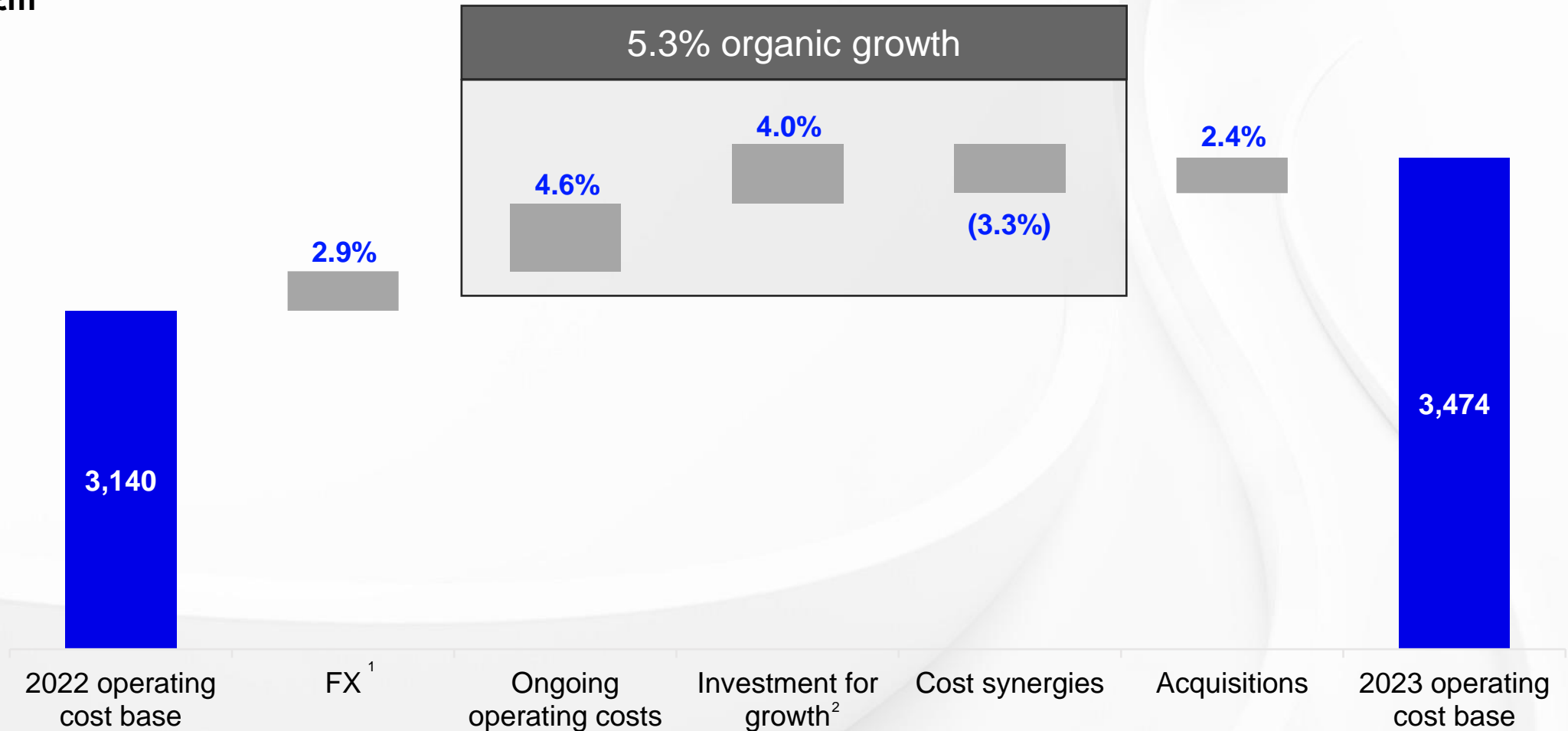
One-off termination fees and strength in RepoClear offsetting impacts of lost equity clearing revenues

Net Treasury Income

Higher margins offset lower cash collateral balances

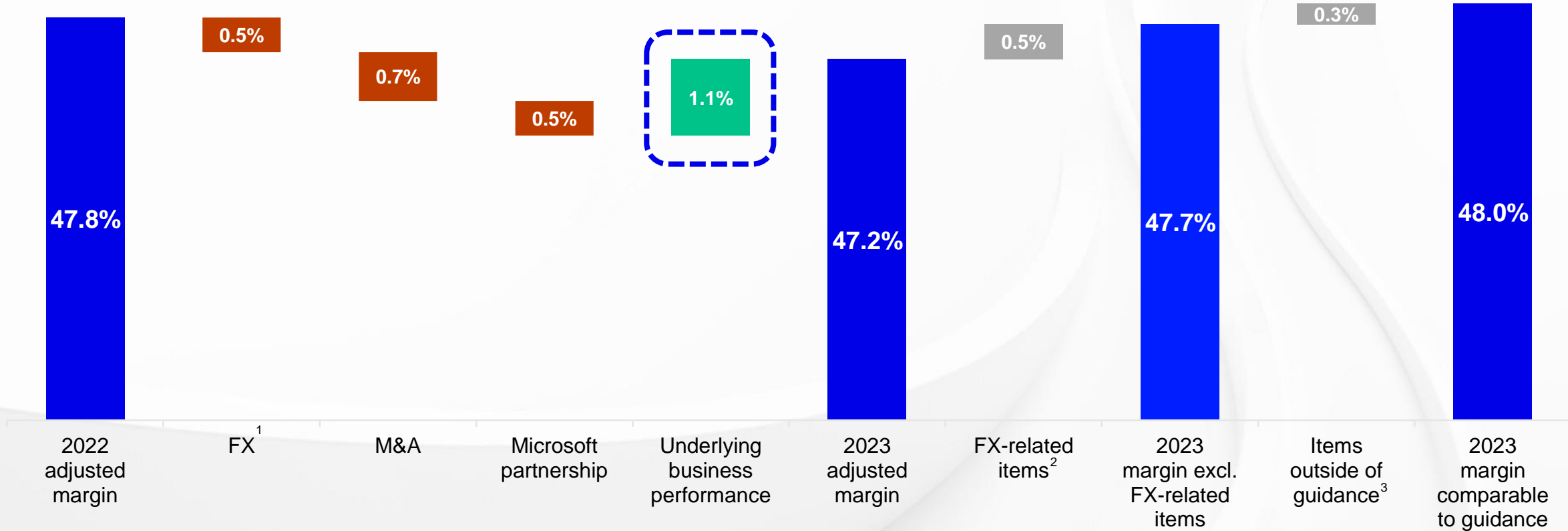
Operating expenses: 5.3% organic cost growth

£m



EBITDA margin in line with guidance

	EBITDA margin	EBITDA margin excl. FX-related items
2022	47.8%	46.9%
2023	47.2%	47.7%



Non-underlying items mainly relate to Refinitiv integration

£m	2023	2022
Adjusted operating profit	2,862	2,728
Transaction costs	(85)	(85)
Integration, separation & restructuring costs	(247)	(304)
Profit on disposal & remeasurement gains	69	156
Depreciation, amortisation & impairment of intangibles and other assets	(1,228)	(1,078)
Operating profit	1,371	1,417

£247m

integration, separation and restructuring costs, mostly related to the integration of Refinitiv

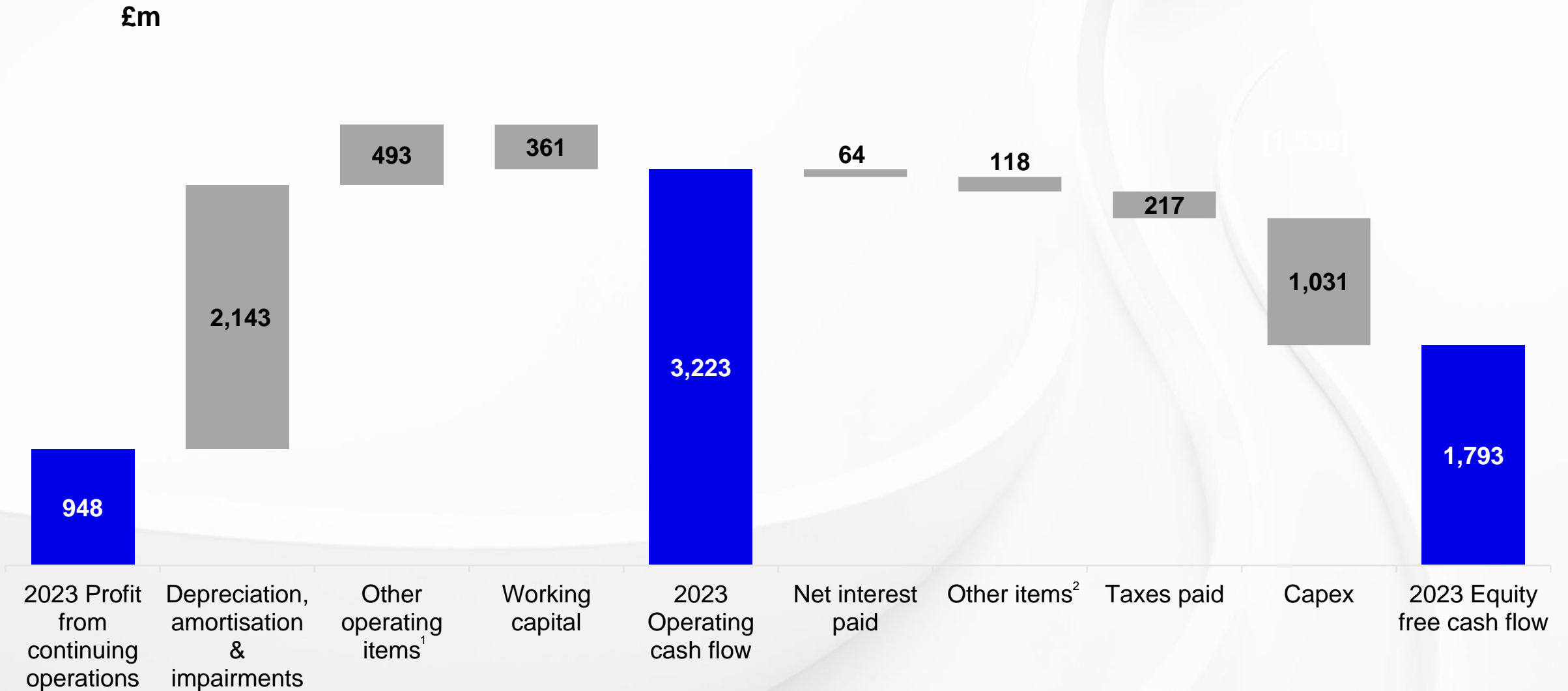
£69m

remeasurement gain, triggered by the acquisition of Acadia, on the previously owned 14% stake

£1,228m

depreciation, amortisation and impairment of intangible assets, largely recognised on the acquisition of Refinitiv

Highly cash generative business model: strong free cash flow



Deploying our strong cash flow for growth and shareholder returns

Share buyback

£1.2bn of buybacks completed in 2023. Further £1bn in 2024

M&A

Completion of Acadia and Yieldbroker acquisitions; buyout of LCH SA minorities



Capex

Progress in organic investment strategy

Dividends¹

Total dividend of 115.0p, up 7.5%

1. Pie chart segment represents cash dividends paid in 2023

Medium-term guidance: accelerating growth, good cash conversion



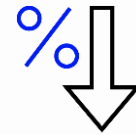
Revenue

Mid-to-high single-digit organic growth annually, accelerating after 2024



EBITDA Margin

Underlying margin to increase over time



Capex¹

Remain around current levels of 11-12% of income² in 2024, then declining over time to high single digit % of income²



Cash Conversion

Cumulative free cash flow to exceed adjusted profit after tax attributable to equity holders

In summary



Strong track record of performance: delivering against all our targets



Highly cash generative business model with disciplined capital allocation



Confident in delivering medium-term guidance



Transforming our business

David Schwimmer, CEO



LSEG

Transforming our business

1.

Delighting customers

2.

Deepening and scaling relationships

3.

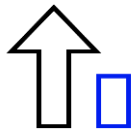
Delivering product excellence and new solutions

...realising our goal of “mid-to-high single-digit organic growth, accelerating after 2024”

1.

Delighting customers

Customers recognise the transformation of our business and power of our solutions



They're happier

300bps increase in
product satisfaction

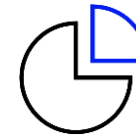
...rising to a 600bps
increase for our largest
accounts



...with a better experience...

% customers feeling
informed about our
services up 300bps

Ease of doing business
200bps higher



...and superior service

Self-service tools mean
~13% fewer customer
queries

Queries solved ~25%
faster following process
improvement

2.

Deepening and scaling relationships

Strategic engagement with largest customers

Top 250 accounts – structured sales approach

Targeted sales resourcing

Single, solution-focussed sales approach

Scaling support for smaller customers

Optimising delivery: >10,000 customers transitioned to 3 global hubs in 2023

Scaling with new ecommerce, AI and tech tools

15%

year-over-year growth in average deal size

+700bps

increase in win rates¹

Stable

sales cycle

3. Delivering product excellence and new solutions

Powerful growth engines over the long term



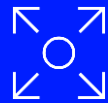
Leading businesses, strong track records, continuing structural tailwinds



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, 9.3% growth

Drivers of growth in 2023

- ▶ Multi-year investment in content – fixed income, evaluated pricing
- ▶ New cloud distribution channels – Real Time Optimised, Full Tick, Tick History
- ▶ Providing additional services for customers – data management and storage

Drivers of growth in 2024 and beyond

- ▶ Further expansion of content and distribution – real time, pricing & reference data, low latency feeds
- ▶ Acceleration of capabilities in partnership with Microsoft – news and text feeds

Customer case study: Large Asian bank

Return of a large customer lost in 2017

- Asian bank switched away from our real-time service under previous Refinitiv ownership, following [aggressive price-based competition](#).
- Competitor couldn't match the breadth or depth of our real time solution, nor the quality of our tick history offering.
- [The bank has returned to LSEG](#) buying a broader range of services and giving LSEG a greater share of overall customer wallet

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

Tradeweb, 12.1% growth¹

Drivers of growth in 2023

- ▶ Gaining share and driving electronification in credit – US high grade share up 170bps to ~26%²
- ▶ Innovating from a leading position in interest rate products – EM and Inflation Swaps, RFM³ protocol
- ▶ Expanding geographic footprint – Yieldbroker

Drivers of growth in 2024 and beyond

- ▶ Expanding trading capabilities – additional automation tools and multi-product functionality
- ▶ Inroads into emerging markets – Asia Pac, LATAM, CEEMEA
- ▶ Continuing to build share in fixed income markets

Delivering further growth with LSEG

FTSE Russell partnership: more powerful fixed income benchmarks

FXall integration: more seamless and lower-risk trading solutions

Data distribution: enhanced redistribution capabilities

Opportunity to do more: e.g. Workspace



Strong market positions,
investing to transform customer
experience

Trading & Banking, 3.3% growth

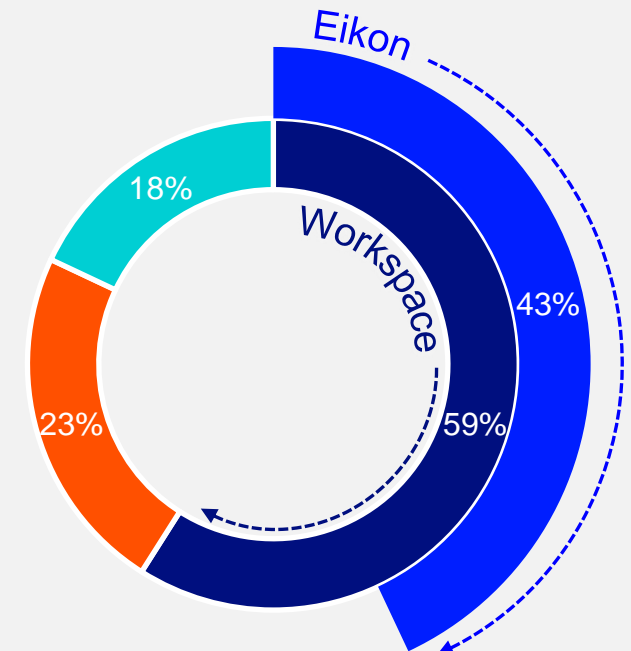
Drivers of growth in 2023

- ▶ Accelerating pace of innovation – over 380 Workspace updates, integration with FXall and TORA, Advanced Dealing
- ▶ Improved retention supporting better price realisation
- ▶ Competitor displacements – e.g. Unicredit

Drivers of growth in 2024 and beyond

- ▶ Workspace roll-out largely complete by end-2024 – +5pp product satisfaction vs. Eikon²
- ▶ Microsoft capabilities build from H1 2024 – incl Meeting Prep and Workspace/Teams Open Directory pilots

Customers with multiple desktops
are much more likely to use Workspace
as their primary platform¹



- Primarily use Eikon
- Primarily use Workspace
- Use them about the same
- Primarily use competitor product



Strong market positions,
investing to transform customer
experience

Investment Solutions, 7.9% growth

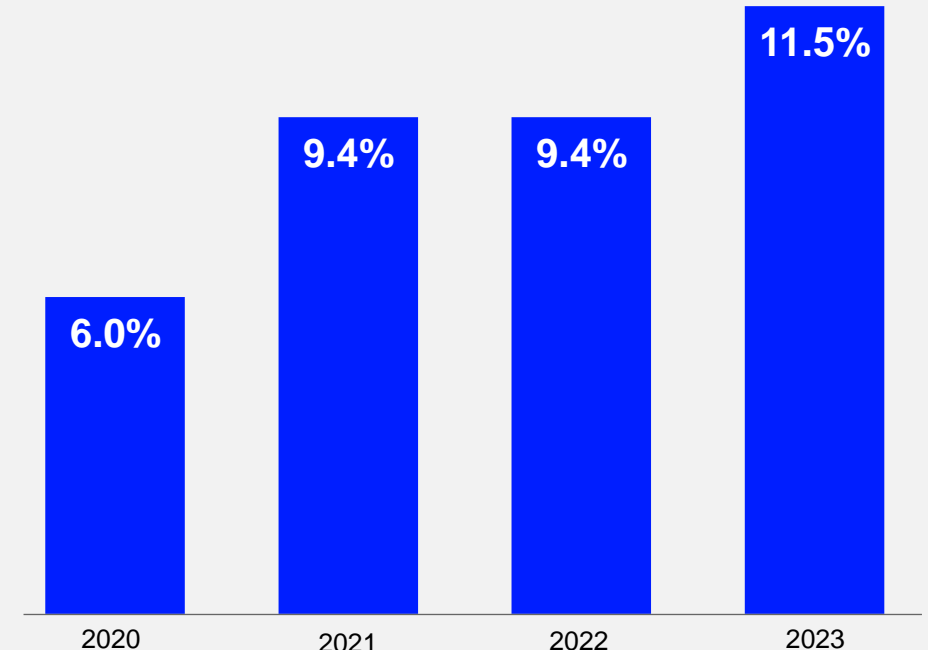
Drivers of growth in 2023

- ▶ Broadening and deepening customer usage – esp. Russell, GEIS, WMR and LIBOR transition products
- ▶ Greater commercial discipline – better management of multi-year contract renewals
- ▶ Building on natural linkages between data and indices – +150% growth in revenue synergies

Drivers of growth in 2024 and beyond

- ▶ Continuing innovation – expansion of bespoke indexing, new indices e.g. FTSE UK ESG risk adj
- ▶ Focus on partnership – Grayscale, Tradeweb

Accelerating growth in
subscription revenues¹





Partnering to transform our industry: Post Trade

Post Trade, 17.4% growth (11.5% organic)

Drivers of growth in 2023

- ▶ Innovating new clearing solutions – FX SmartClearing, NDF matching
- ▶ Expansion of customer base – DBS, UOB, IndusInd, EU pension funds
- ▶ Ongoing interest rate and inflation uncertainty – benefit to OTC revenues and NTI

Drivers of growth in 2024 and beyond

- ▶ Expansion of LCH clearing solutions – DigitalAssetClear, CDSClear US, FX Forwards
- ▶ Post Trade Solutions for uncleared products – combining Acadia, Quantile and SwapAgent

In 2023 we delivered **the largest benchmark transition in history**, moving **600,000** contracts worth **\$45 trillion¹** in partnership with customers

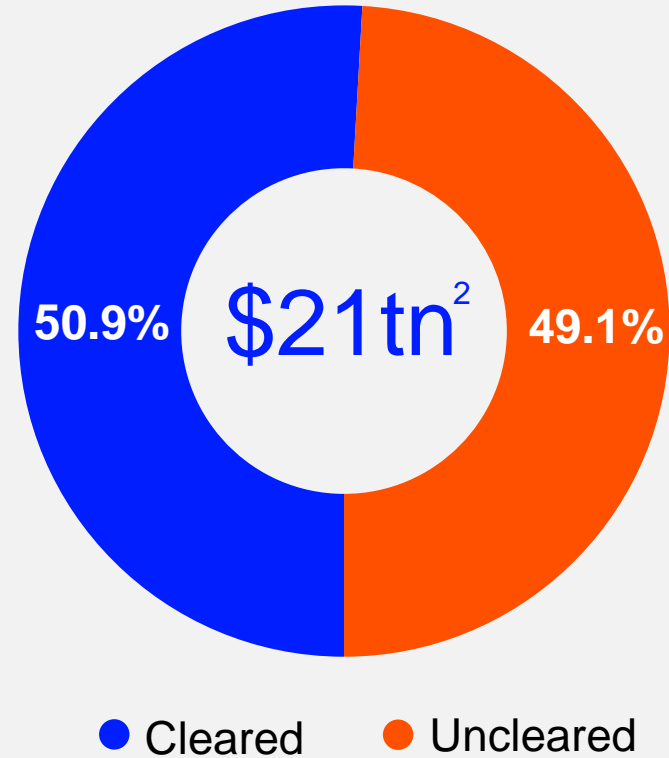


Partnering to transform our industry: Post Trade

A decade of delivery from LCH¹ in cleared products

- ▶ Three-fold increase in revenues²; >€1.2bn today vs. ~€380m in 2013
- ▶ EBITDA margins almost doubled; ~56% today vs. 30% in 2013
- ▶ Six-fold increase in operating profit; ~€600m today vs. €90m in 2013

...with further regulatory driven growth in cleared solutions to come



Partnering to build industry solutions for **uncleared** products

- ▶ Pressing customer need for solutions to acute regulatory and capital-driven pressures
- ▶ Opportunity similar in size to cleared space
 - >\$10tn gross market value currently uncleared

SwapAgent QUANTILE acadia



Partnering to transform our industry with Microsoft

Building innovative solutions, revolutionising industry workflow

- ▶ Hundreds of LSEG and Microsoft employees building product
- ▶ Delivering 17 key product and development initiatives

Delivering **ahead of plan**, first products available¹ in H1 2024

- ▶ Meeting Prep
- ▶ Open Directory
- ▶ LSEG AI Insights - Lipper

Agile partnership, flexing to embrace opportunities as they emerge

- ▶ Developments in AI
- ▶ Fabric data platform
- ▶ Design Partner Programme

Meeting Prep: LSEG data + customer's information + Microsoft AI



Monetising the opportunity

Clear commercial framework

- **We get paid for consumption of:**
 - ▶ Our data
 - ▶ Our intellectual property and products
- **Microsoft gets paid for consumption of:**
 - ▶ Their intellectual property and products
 - ▶ Their cloud services

Expanding our addressable market

- **An additional £50bn segment of the Data & Analytics value chain:**
 - ▶ **Data & Feeds:** incl data management services, machine ready text
 - ▶ **Analytics:** incl proprietary and bespoke finance specific large language models; Analytics & Modelling as services
- **Workspace for ~320m MS Teams users¹**

Accelerating revenue impact from Microsoft partnership from 2025

Driving growth and transformation



**Broad-based,
accelerating growth
in 2023**



**Transforming our
business for growth,
agility and scalability**



**Focused delivery of
ambitious medium-term
targets**



**Active capital
management and
shareholder returns**

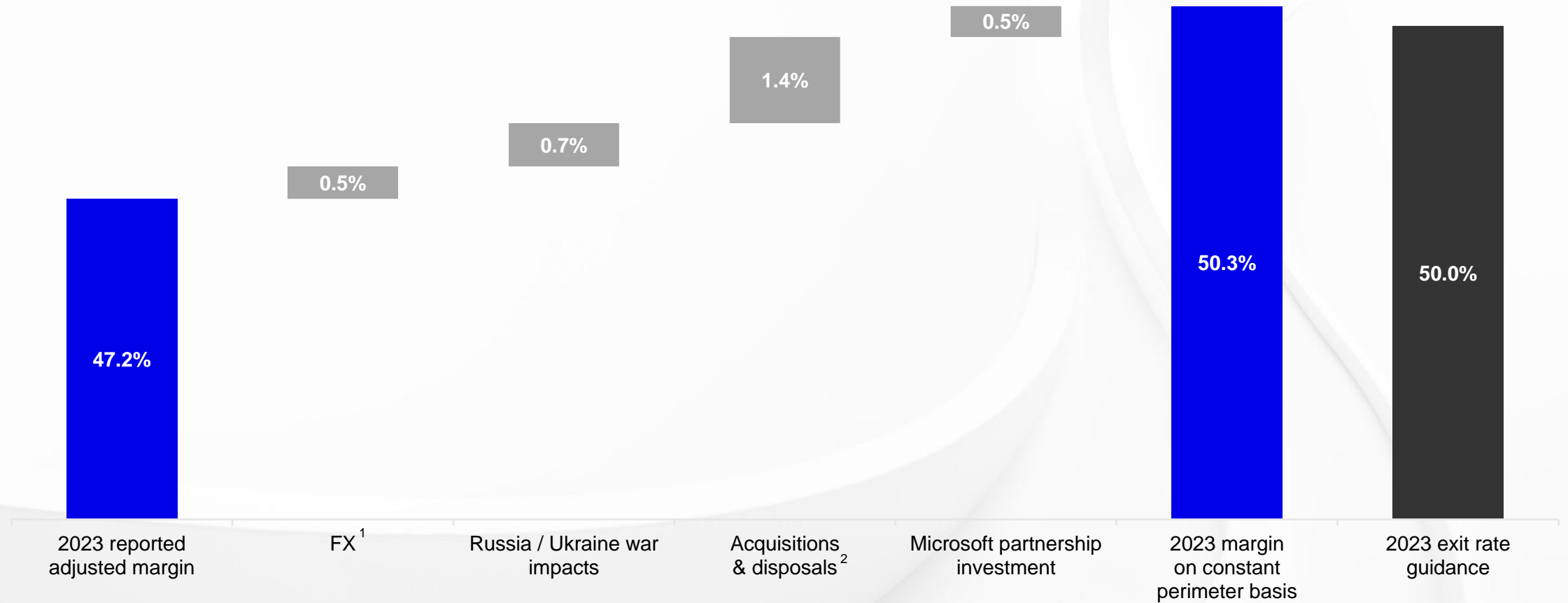


Appendix slides



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EBITDA margin – 2023 margin on constant perimeter



Quarterly revenue progression

£m	Q1	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	2023
Trading & Banking Solutions	378	391	417	426	1,612	425	412	404	415	1,656
Trading	298	308	330	339	1,275	336	325	319	326	1,306
Banking	80	83	87	87	337	89	87	85	89	350
Enterprise Data Solutions ¹	303	317	332	354	1,306	347	357	345	362	1,411
Real-Time Data ¹	194	202	212	229	837	221	225	218	231	895
PRS	109	115	120	125	469	126	132	127	131	516
Investment Solutions ¹	309	328	344	345	1,326	350	350	357	366	1,423
Benchmark Rates, Indices & Analytics ¹	140	151	161	168	620	171	167	171	180	689
Index - Asset-Based	70	71	73	66	280	66	71	73	71	281
Data & Workflow ¹	99	106	110	111	426	113	112	113	115	453
Wealth Solutions	63	68	71	73	275	73	71	69	72	285
Customer & Third-Party Risk Solutions	94	102	110	119	425	120	121	123	128	492
Data & Analytics	1,147	1,207	1,274	1,316	4,944	1,315	1,311	1,298	1,343	5,267
Equities	67	62	60	59	248	59	57	55	56	227
FX	60	63	68	67	258	66	62	61	62	251
Fixed Income, Derivatives & Other	232	235	241	245	953	269	246	259	294	1,068
Capital Markets	359	361	369	370	1,459	394	365	375	412	1,546
OTC Derivatives	93	98	103	108	402	126	134	125	132	517
Securities & Reporting	64	58	55	57	234	64	63	64	63	254
Non-Cash Collateral	24	25	25	26	100	26	27	27	27	107
Net Treasury Income	57	64	66	68	255	73	77	70	69	289
Post Trade	238	245	249	259	991	289	301	286	291	1,167
Other	7	5	13	9	34	9	6	7	7	29
Total income (excl. recoveries)	1,751	1,818	1,905	1,954	7,428	2,007	1,983	1,966	2,053	8,009
Recoveries ²	80	86	80	69	315	93	96	88	93	370
Total income (incl. recoveries)	1,831	1,904	1,985	2,023	7,743	2,100	2,079	2,054	2,146	8,379
Cost of sales	(240)	(264)	(289)	(271)	(1,064)	(288)	(284)	(282)	(289)	(1,143)
Gross profit	1,591	1,640	1,696	1,752	6,679	1,812	1,795	1,772	1,857	7,236

1. To better align with our internal reporting, some small revenue items have been reallocated between business lines across 2022 from Real Time Data and Data & Workflow into Benchmark Rates, Indices & Analytics.

2. From 2023 onwards, FX-related items, related to embedded derivatives, previously included in recoveries have been recognised within the appropriate Data & Analytics revenue lines, primarily Trading & Banking and Enterprise Data Solutions. In 2022 this FX impact reduced recoveries by £43m and was heavily weighted towards H2

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