London Stock Exchange Group

Clear Strategy… Strong Delivery

2021 Preliminary Results

LSEG

Welcome

- **Introduction**
  David Schwimmer, CEO
- **The power of our combined business**
  David Schwimmer, CEO
- **Strong 2021 financial performance**
  Anna Manz, CFO
- **Delivering on our strategy in 2022**
  David Schwimmer, CEO
- **Q&A**

Strong delivery against our strategy and financial targets

- ☐ Strong financial performance; all divisions delivering good revenue growth
- ☐ Confident in meeting or beating all targets and good momentum into 2022
- ☐ Strong progress on integration driving over-delivery on cost synergies:
  - 2021 cost synergy realisation significantly ahead of target
  - Additional £50m of savings identified; total cost synergy target raised to at least £400m
- ☐ Delivering on our strategy to accelerate growth and build a more agile and efficient business, creating a platform for future growth

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Meeting or beating our financial targets

	DELIVERY IN 2021		ORIGINAL TARGET
Total income growth[1]	**6.1%**	***Ahead of the 4-5% range indicated at Q3***	**5-7%** *2020-23 CAGR* ✓
EBITDA margin[2]	**48.2%**	***190bps pro-forma margin expansion in 2021***	**>50%** *by exit 2023* ✓
Revenue synergies[3]	**c.25%** of products in our synergy plan launched	***£15m run-rate revenue synergies in 2021; run-rate of £40-60m expected in 2022***	**>£225m** *run-rate basis by end 2025* ✓
Cost synergies delivered[3]	**£151m** run-rate	***Exceeded H1 expectation of £125m FY run-rate***	**£88m** *run-rate basis by end 2021* ✓✓
Cost synergies identified – total[3]	At least **£400m**	***Additional £50m of savings identified***	**>£350m** *run-rate basis by end 2025* ✓✓
Leverage	**1.9x**	***Down from 3.3x in Dec 2020***	**1.0-2.0x** *2 years post-completion[4]* ✓✓

Note:
- With the exception of EBITDA margin, all guidance is on a constant currency basis and does not factor in any movements in currencies, notably USD and EUR versus GBP
- All figures and prior year comparative performance are based on pro-forma performance assuming Refinitiv has been part of LSEG for the full-period with financial performance from Borsa Italiana excluded

(1) Total income, excluding recoveries and the impact of the deferred revenue accounting adjustment
(2) Adjusted EBITDA Margin is calculated as Adjusted EBITDA / Total Income (excl. recoveries)
(3) Revenue and cost synergy targets run to 31 December 2025
(4) 24 months from the date of Completion of the Refinitiv transaction: 29 January 2021

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Building a stronger business for the future

1 | **Integrating our world-class businesses**

2 | **Driving growth**

3 | **Building an efficient and scalable platform**

- Introducing next-generation products
- Modernising our trading venues
- Building our Data Platform
- Building a more agile and efficient operating platform

Delivery in 2021

1 | Integrating our world-class businesses

Single face for customers

- Creation of a single point of contact for key customers contributed to record retention in 2021[(1)]

Building revenue synergies

- c.25% of planned synergy-related products launched in 2021

2 | Driving growth

Understanding customers

- Stabilisation in Trading & Banking revenues

Investing in content

- Acceleration in Pricing & Reference Services

3 | Building an efficient and scalable platform

Building our Data Platform

- >230 new customers on our cloud-based real time data service

Modernising our FX venues

- Market share gains at FXall aided by new customer tools & services

BUILDING FOR THE FUTURE

Building on natural linkages

- Establishing connectivity between FX trading and clearing
- Proposed acquisition of Quantile extends customer offering in post trade

Launching next-generation products

- Deploying Workspace to Banking, FX, Wealth and Analyst & Portfolio Management users

Foundations for future growth

- Good progress in building a more agile, scalable operating platform – all projects on track

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(1) Data & Analytics product retention for 2021, hRefinitiv product retention 2017-2020

The power of our combined business

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A leading global provider of financial markets infrastructure and data

Global footprint

- A global business that partners with customers wherever they operate
- Facilitating the smooth functioning of critical market infrastructure across the world

Leading data and analytics capabilities

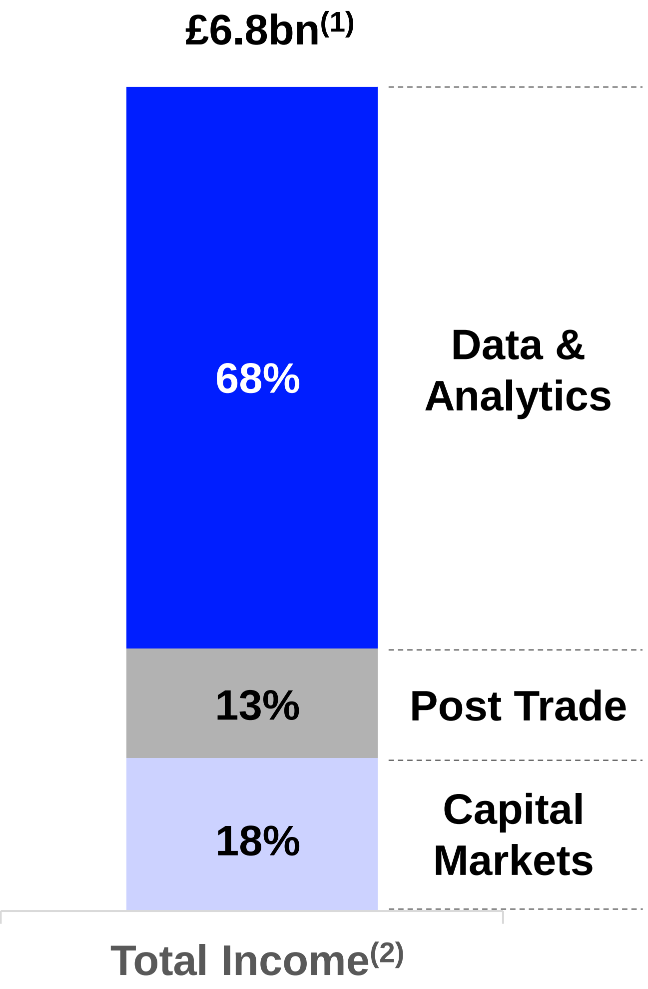
- A leading provider of high-value data and analysis that powers the whole financial markets value chain
- Seamless delivery of the solutions our customers need reduces their cost and complexity, and builds deeper relationships

Multi-asset class coverage

- A leader across traditional and emerging asset classes, in both public and private markets
- Integrated sustainability and ESG capabilities across asset classes

We are the only group able to partner globally, across asset classes, along the whole trade lifecycle in an open way

A leading global provider of financial markets infrastructure and data



Data & Analytics

- A leading market position with upside in a large but fragmented global industry
- ~4-6% annual industry growth driven by wide-ranging demand for financial data & analytics

Post Trade

- >90% global share of cleared interest rate swap notional outstanding; attractively positioned in OTC FX clearing, and European repos
- Future growth opportunities include uncleared swaps and optimisation services

FX platforms

- A global #1 dealer-to-client venue and leading global interbank platform in the structurally growing $2.8trn electronic FX market

Tradeweb

- A leading position with a 21%[3] and 14%[4] share of credit and rates segments
- Strong growth from new products, share gains and greater electronification of trading

(1) 2021 Total Income excl. recoveries
(2) Includes <1% other income
(3) Share of 2021 US Investment Grade Credit volumes
(4) Share of 2021 global interest rate swap volumes

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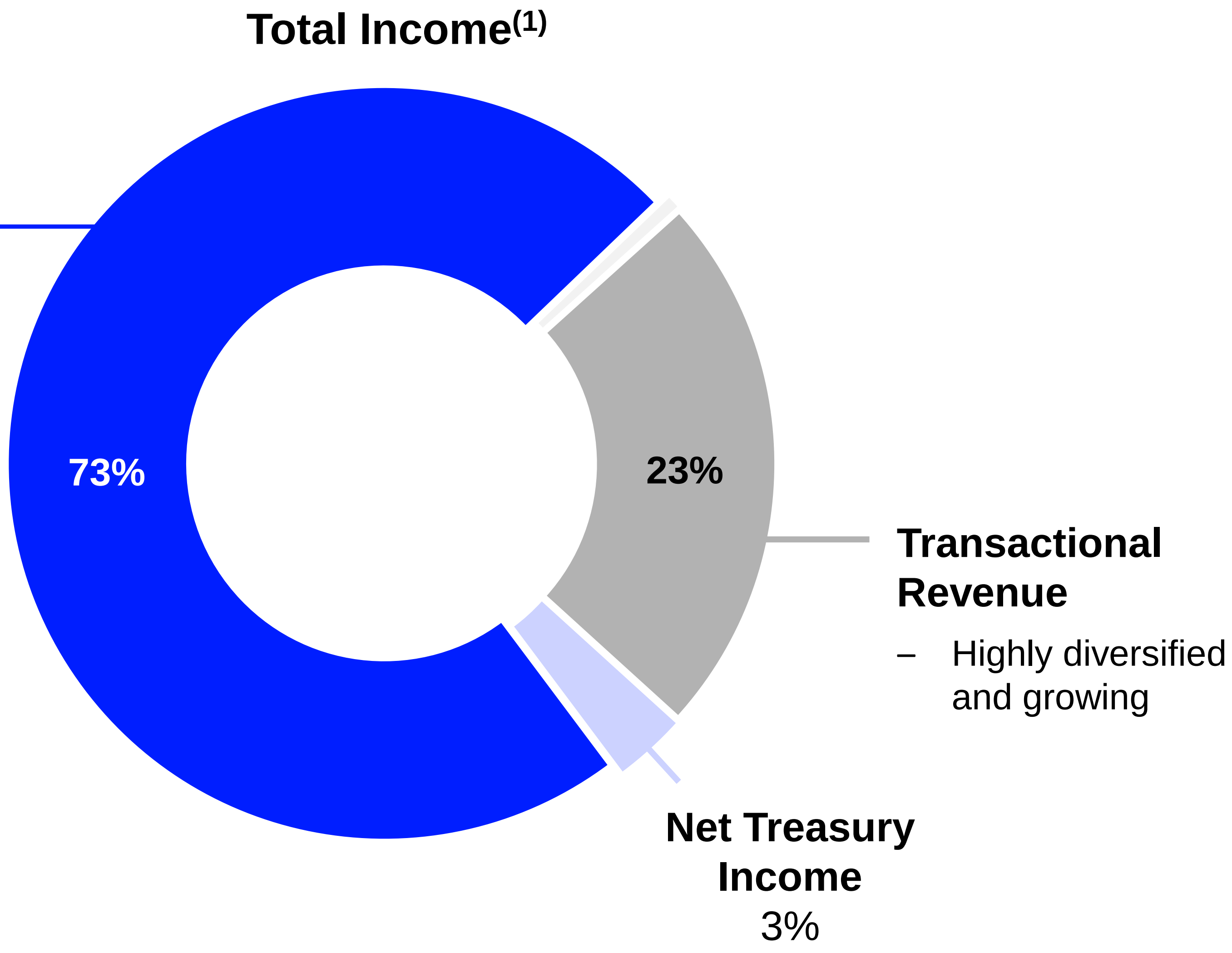
High-quality, highly recurring revenues

73% **recurring revenues**

- **Visible revenues:** Mostly subscription and license revenues; typically 12-24 month duration
- **Highly diversified:** Revenues are broadly based across activity, product, geography and >40,000 customers
- **High retention:** c.98% annual customer retention[2]



(1) 2021 total income excluding recoveries, includes <1% other income
(2) 2021 retention of Refinitiv D&A customers, each generating >£30k in annual revenues

High quality transaction revenues

HIGH GROWTH BUSINESSES

Tradeweb

20% growth

- Volume gains and new products driving strength in secularly growing electronic credit and interest rate segments

Customer & Third Party Risk

35% growth

- Broad-based double-digit organic growth, driven by demand for our screening, due diligence and identity verification products

ESTABLISHED LEADERS IN GROWING INDUSTRIES

OTC Derivatives

9% growth

- >90% global share of cleared IRS[1] notional outstanding, with early-stage growth across uncleared swaps, FX products, and balance sheet optimisation tools

Securities & Reporting

12% growth

- Strong offering with structural tailwind from rising government debt issuance

FX

7% growth in FXall; 2% growth overall

- #1 dealer-to-client FX platform and leading global interbank FX venue

MATURE, MARKET GROWTH BUSINESSES

Wealth Solutions

1% growth

- Securities processing platform, primarily to US wealth managers

Equities

5% growth

- LSE: #1 European exchange for money raised and number of issues
- Turquoise: Leading European dark pool and pan-Euro MTF[2]

% of total transaction revenues

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Note:
All growth rates refer to total 2021 revenue (recurring and transactional) growth for each business unit and are stated on a constant currency basis, excluding the impact of the deferred revenue accounting adjustment
(1) Interest Rate Swaps (2) Multilateral Trading Facility

Integrating businesses to serve customers along the financial markets value chain

London Stock Exchange Group

Capital formation & issuance
- Private Placements
- Public Issuance & Issuer Services

Capital Markets

Pre-trade & liquidity discovery
- Investment Benchmarks & Indices
- Reference Data & Onboarding
- Pre-Trade Data & Analytics
- Price & Liquidity Discovery

Data & Analytics

Trade execution
- Trade Execution Workflow
- Execution Trading Venues

Capital Markets

Post-trade & balance sheet management
- Clearing
- Post-Trade Data & Analytics
- Margin & Capital Optimisation

Post Trade

…across multiple asset classes, and on a global basis

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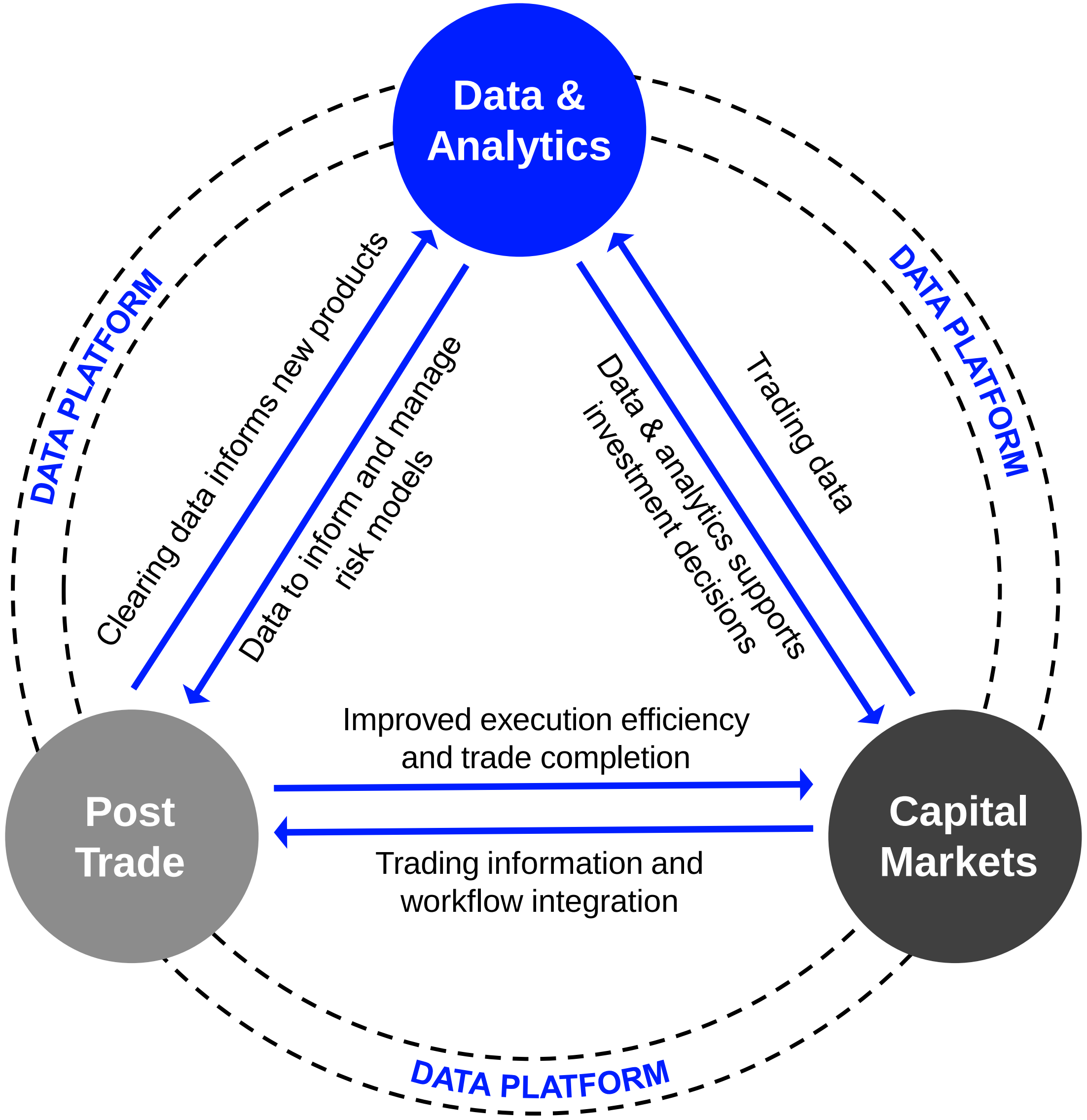
Business linkages benefit our customers and give us competitive advantage



A more seamless customer experience

- **Where we were** – distribution aligned with product lines, not customer needs; insufficient connectivity between activities
- **Where we are** – single point of contact for key customers; increasing connectivity of our businesses
- **Where we are going** – product agnostic customer relationships built around solutions with low-friction experience across businesses

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Example: An asset manager hedging the currency risk of a transaction

CUSTOMER JOURNEY		
Asset manager wants to evaluate the cost of hedging the FX risk of future cash flows	Asset manager wants to obtain firm quotes from a range of banks, and execute a hedging transaction	Asset manager wants to remove the counterparty risk from the transaction

LSEG INTEGRATED OFFERING

Data & Analytics	TRADE EXECUTION	Capital Markets	CLEARING	Post Trade
News, market data and insight Workspace		**Global #1 dealer-to-customer FX platform** FXall		**FX clearing & post trade service** ForexClear
212 billion market data updates per day		**Unparalleled network of ~200 liquidity providers**		**$22 trillion of FX derivatives notional value cleared in 2021**

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(1) Source: BIS. Notional outstanding as at June 2021. Estimated clearing penetration of 4% for FX derivatives

Example: A pension fund managing their Fixed Income portfolio

CUSTOMER JOURNEY

Pension fund wants accurate pricing and performance measurement of their fixed income portfolio	Pension fund wants to trade fixed income securities electronically	Pension fund wants to eliminate the counterparty risk from the transaction and increase balance sheet netting

LSEG INTEGRATED OFFERING

Data & Analytics	TRADE EXECUTION	Capital Markets	CLEARING	Post Trade
Evaluated Pricing Services		**Fixed income markets** Tradeweb		**Repo clearing & post trade service** RepoClear
Fixed Income Indices FTSE Russell		**>$1 trillion traded daily[(1)] with strong share across multiple rates and credit products**		**€238 trillion of European repos cleared in 2021**

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(1) Tradeweb FY 2021 total Average Daily Volume traded: USD 1 trillion
(2) Based on a EUR debt Cleared Repo market size of €4.2trn, calculated using ICMA data as at June 2021

Sustainability is core to our strategy and embedded in our offering

Accelerating the transition to net zero

In 2021 LSEG became the first global exchange group to commit to net zero carbon emissions

- LSEG has been a signatory and supporter of Taskforce for Climate-related Financial Disclosure (TCFD) since its launch in 2017
- Committed to reducing the Group's carbon emissions by 50% by 2030, reaching net zero by 2040
- Ensuring suppliers responsible for 67% of our emissions from purchased goods and services have set science-based targets by 2026

Enabling the growth of the green economy

London Stock Exchange is a leading venue for sustainable finance in both equities and debt

- 115 companies listed on our exchange are green economy mark recipients(1), recognising that >50% of their revenues contribute to the green economy
- FTSE Russell's Green Revenues Classification System is highly aligned with the EU Taxonomy
- New Voluntary Carbon market in development

Driving sustainable finance, supporting emerging markets

LSEG works with governments and stakeholders in emerging economies to support the development of well functioning financial markets

- LSEG facilitated >$3.3 trillion in trading volumes in Emerging Markets through Auctions and Callouts in 2021
- >500k new records added to World-Check in 2021, supporting more than 10,000 customers in the prevention of greenwashing, corruption, and financial and environmental crime

(1) As at Dec 2021

Example: Asset Manager looking to incorporate ESG into their investment process

Degree of ESG integration into the investment process

Light integration	Medium integration	Full integration
Asset Manager wants employees to bring an ESG lens to their day-to-day investment decisions	Asset Manager wants raw data with which to power proprietary in-house ESG analysis & models	Asset Manager wants performance benchmarking and attribution analysis of their portfolios along ESG lines

HOW WE MEET THIS NEED

Broad ESG integration across our products

– Notable increase in users accessing ESG data via desktop products in 2021

– In 2021 LSEG became the first provider to combine ESG tools and mortgage analytics

Direct ESG data feeds

– >50% growth in revenues from ESG data feeds, 3 year CAGR(1)

– Significant expansion of cloud distribution in 2021

ESG benchmark and index services

– ESG versions of flagship Russell US equity indices; World Govt. Bond index, many others

– 12 new synergy-related ESG index products in 2021

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(1) 3 year revenue Compound Annual Growth Rate to Dec 2021

Strong 2021 financial performance

Anna Manz, CFO

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Driving long-term sustainable financial performance

- ☐ Strong 2021 progress across all divisions; good momentum into 2022
- ☐ Revenue contribution from synergies accelerating in 2022
- ☐ Delivered 2021 cost guidance; 2022 and 2023 unchanged
- ☐ Cost synergy programme ahead of target
- ☐ £50m of further cost synergies identified
- ☐ Confident in delivery of all targets
- ☐ Good progress in building a faster growing, more agile and efficient business

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Strong financial performance in 2021

Total income (excl. recoveries)

£6,811m

↑ 6.1%

Adjusted EBITDA

£3,283m

↑ 8.3%

Run rate
Cost synergies achieved

£151m

↑ vs. £88m original target[(2)]

Total
cost synergies identified

£400m

↑ vs. £350m original target

Adjusted EBITDA margin[(1)]

48.2%

↑ 190bps

Adjusted EPS

287p

↑ 46%

Leverage
Net debt / Adjusted EBITDA

1.9x

from 3.3x at Dec-20

Total dividend[(3)]

95p

↑ 27%

Note:
- All variances, except for Adjusted EBITDA Margin variance, are constant currency excluding the impact of the deferred revenue accounting adjustment
- All figures and prior year comparative performance are based on pro-forma performance assuming Refinitiv has been part of LSEG for the full-period with financial performance from Borsa Italiana excluded

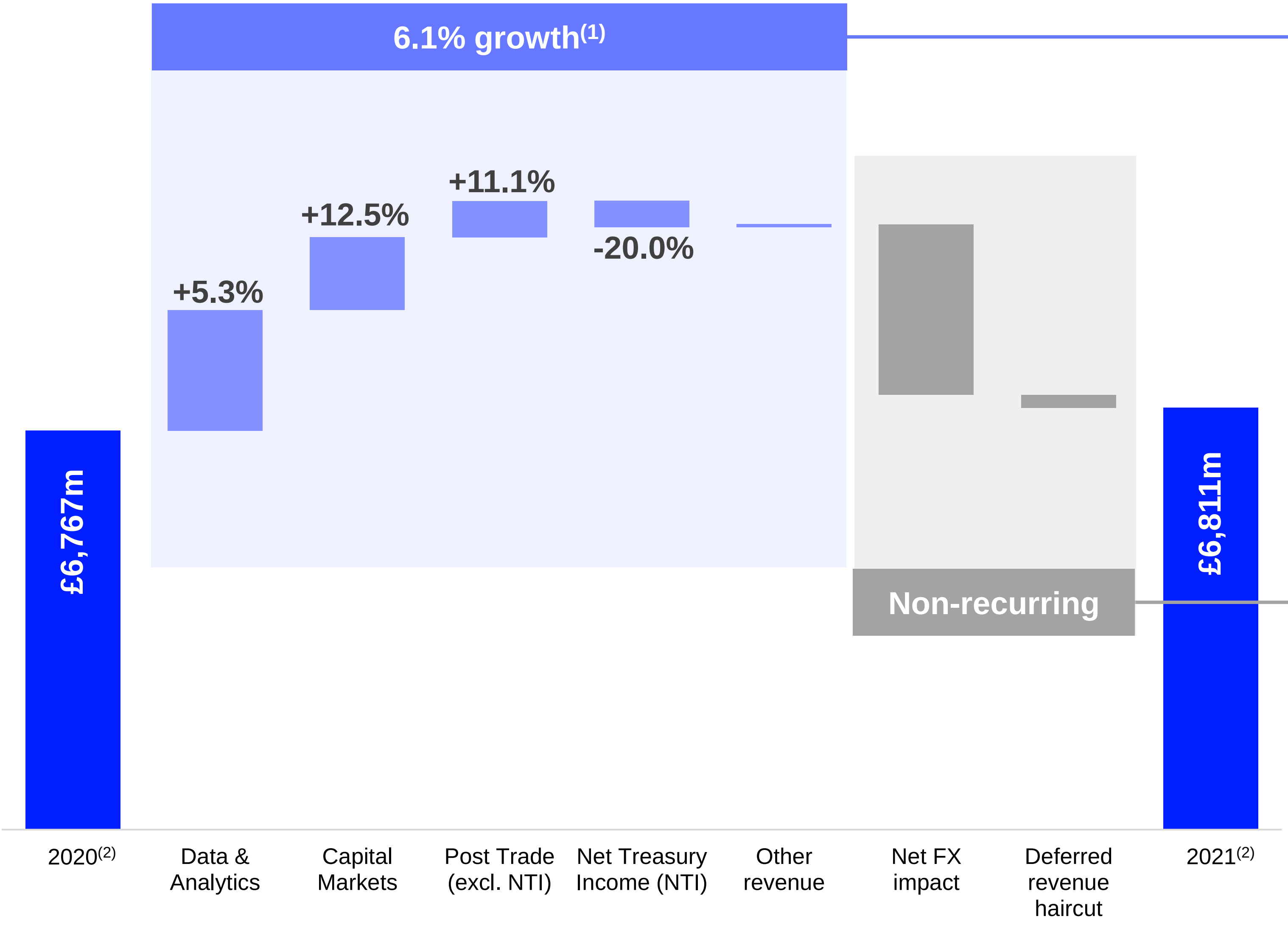
(1) Adjusted EBITDA Margin is calculated as Adjusted EBITDA / Total Income (excl. recoveries)
(2) Cost synergy target for year 1 disclosed in 2020 preliminary results (3) Provisional dividend pending shareholder approval

Strong 2021 revenue growth across all divisions

- ☐ Ahead of previous guidance
- ☐ Broad-based growth across all businesses
- ☐ Particular acceleration in Data & Analytics revenues; ASV[1] growth signals further momentum into 2022

Note:
(1) Annual Subscription Value is a point-in-time year-on-year measure of subscription growth in our Data & Analytics business

Strong revenue growth across all three divisions



Strong revenue trends

- **Data & Analytics**: >90% of revenues[2] from subscriptions
- **Capital Markets:** Strong secular growth dynamics, esp. Tradeweb
- **Post Trade:** Beneficiary of secular growth and interest rate uncertainty
- **Net Treasury Income (NTI):** Now at a normal run-rate following Covid-related volatility

Non-recurring headwinds

- **Adverse FX moves in 2021**
- **One-time deferred revenue adjustment**

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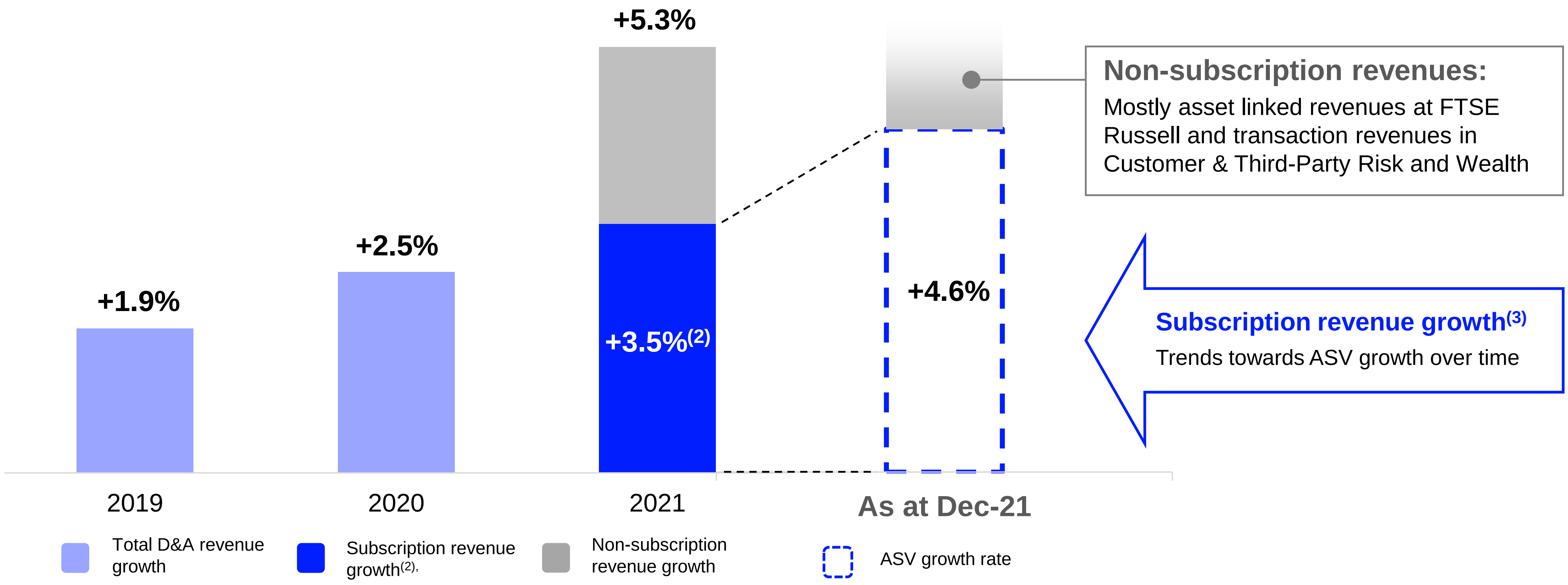
(1) Growth is on a constant currency basis excluding the impact of the deferred revenue accounting adjustment
(2) Total income excl recoveries, on a pro-forma basis

Data & Analytics: strong growth in 2021 and ASV[(1)] accelerating into 2022



Note:
All growth rates are stated on a pro-forma constant currency basis excluding recoveries and the impact of the deferred revenue accounting adjustment. Organic ASV excluding impact of ERMT disposal
Historical growth rates are unaudited and include estimates for accounting adjustments associated with the combination of the Refinitiv and LSEG businesses

(1) Annual Subscription Value is a point-in-time year-on-year measure of subscription growth in our Data & Analytics business
(2) 2021 subscription revenue growth: +3.5%. driving c60% of D&A revenue growth
(3) Subscription revenues excl. AUM based fees and transaction revenues

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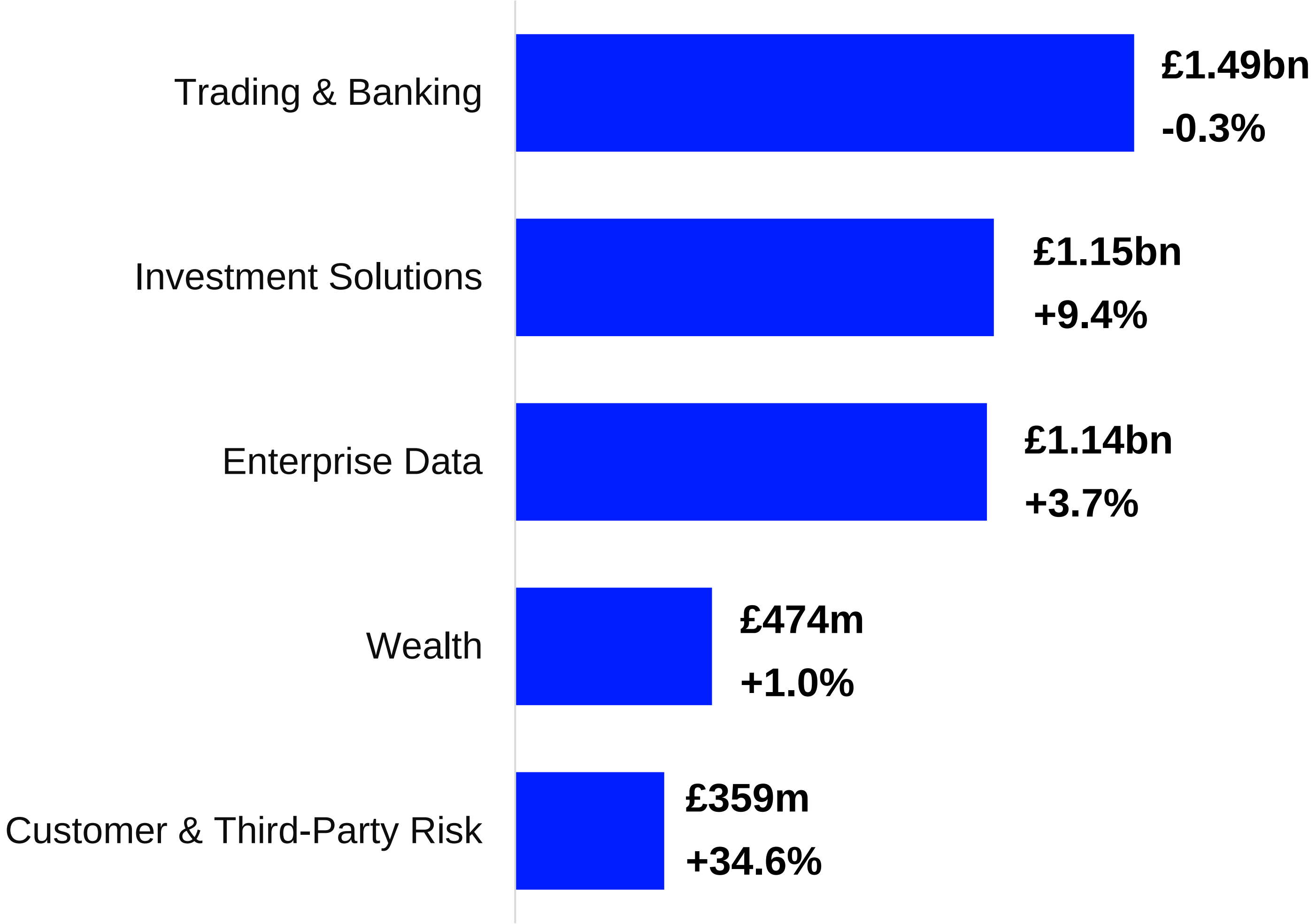
Data & Analytics 5.3% growth: broad-based improvement in performance



- **Trading & Banking**: improved revenue trend vs. prior years
- **Investment Solutions:** 9.4% growth in subscription revenues(1)
- **Enterprise Data:** accelerating revenue trend

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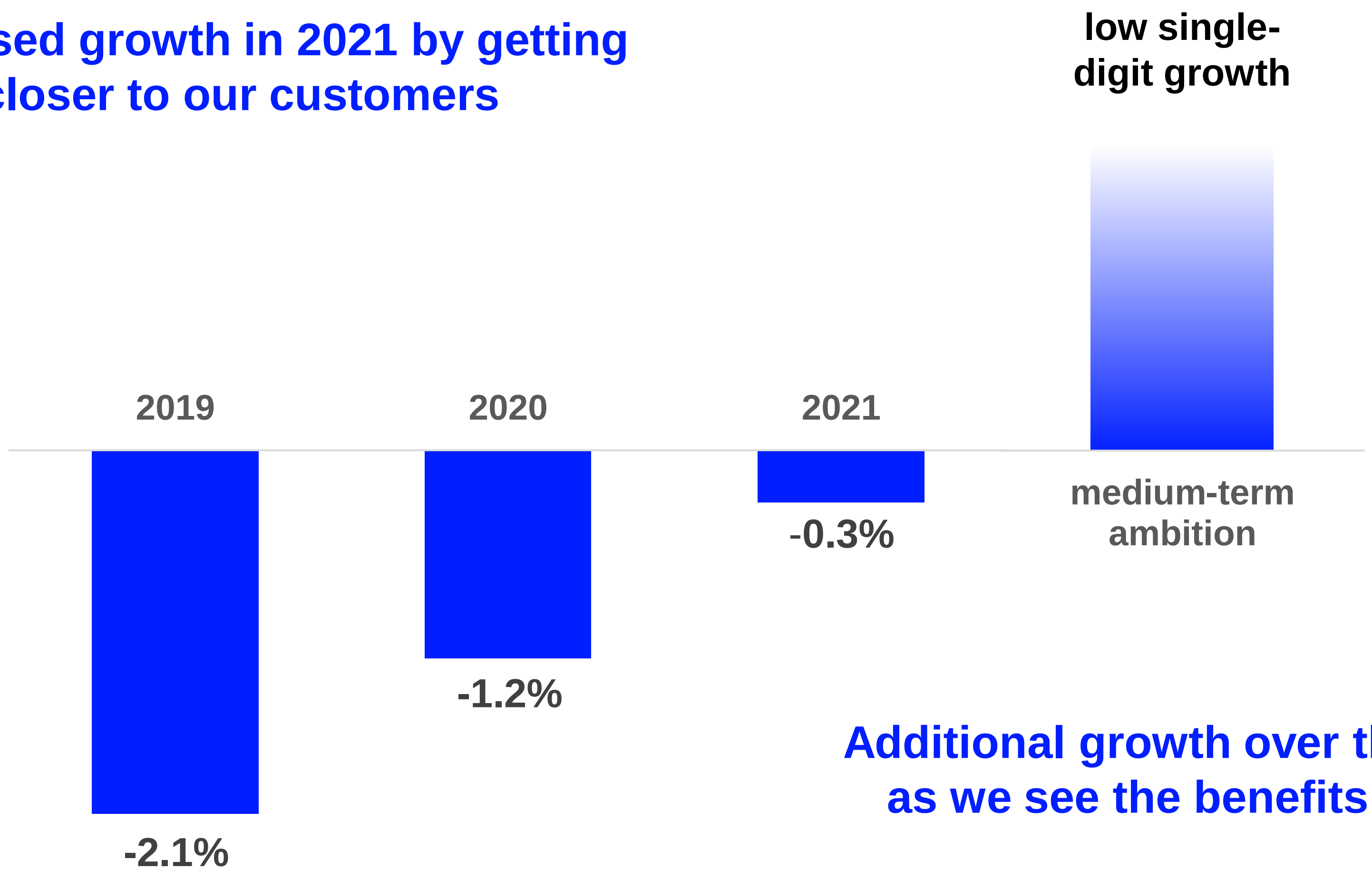
Note:
All growth rates are stated on a constant currency basis excluding the impact of the deferred revenue accounting adjustment
(1) Benchmark Rates, Indices & Analytics

Trading & Banking stabilised; reiterating medium-term growth target

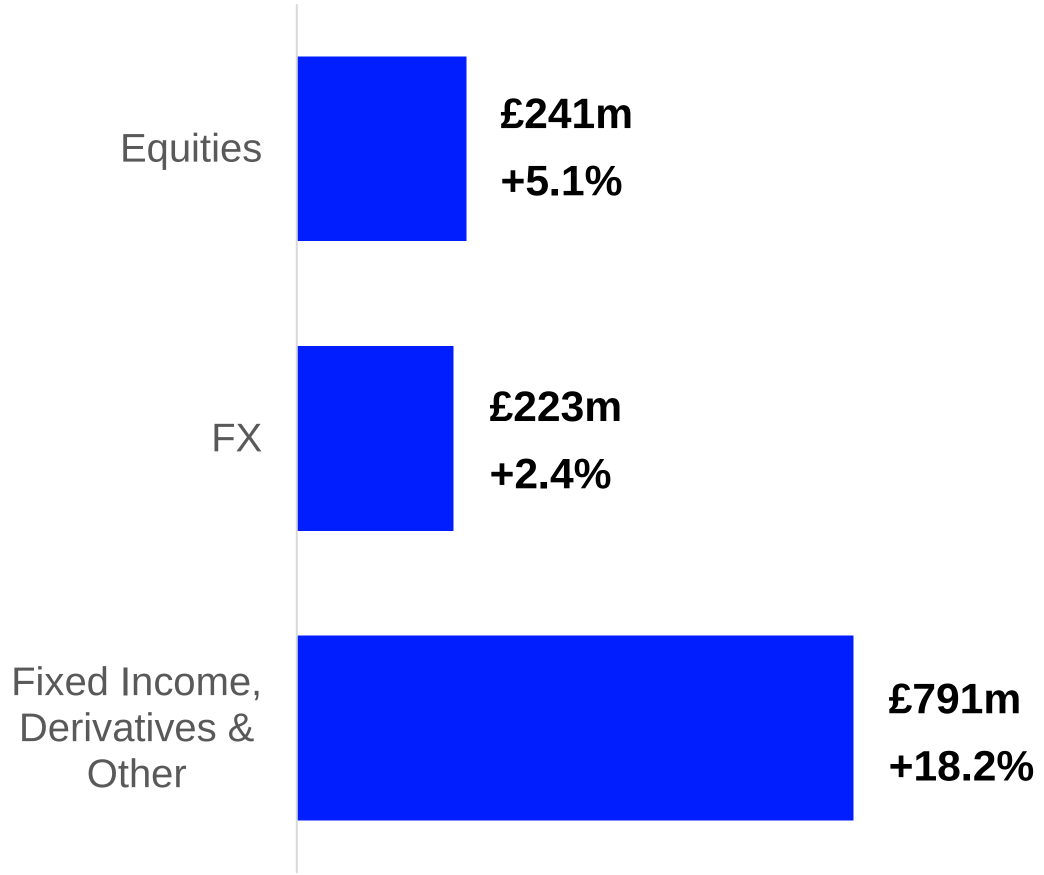
Stabilised growth in 2021 by getting closer to our customers



Additional growth over the medium-term as we see the benefits of Workspace

Note:
All growth rates are stated on a pro-forma constant currency basis excluding the impact of the deferred revenue accounting adjustment
Historical growth rates are unaudited and include estimates for accounting adjustments associated with the combination of the Refinitiv and LSEG businesses

Capital Markets 12.5% growth: driven by Tradeweb and primary markets



- **Equities**: Strongest primary listing activity in >10yrs
- **FX:** 7% growth in our dealer-to-client FXall platform
- **Fixed Income, Derivatives & Other:** Strong Tradeweb performance through market share gains and new products, supported by market tailwinds

Well positioned to benefit from greater interest rate uncertainty

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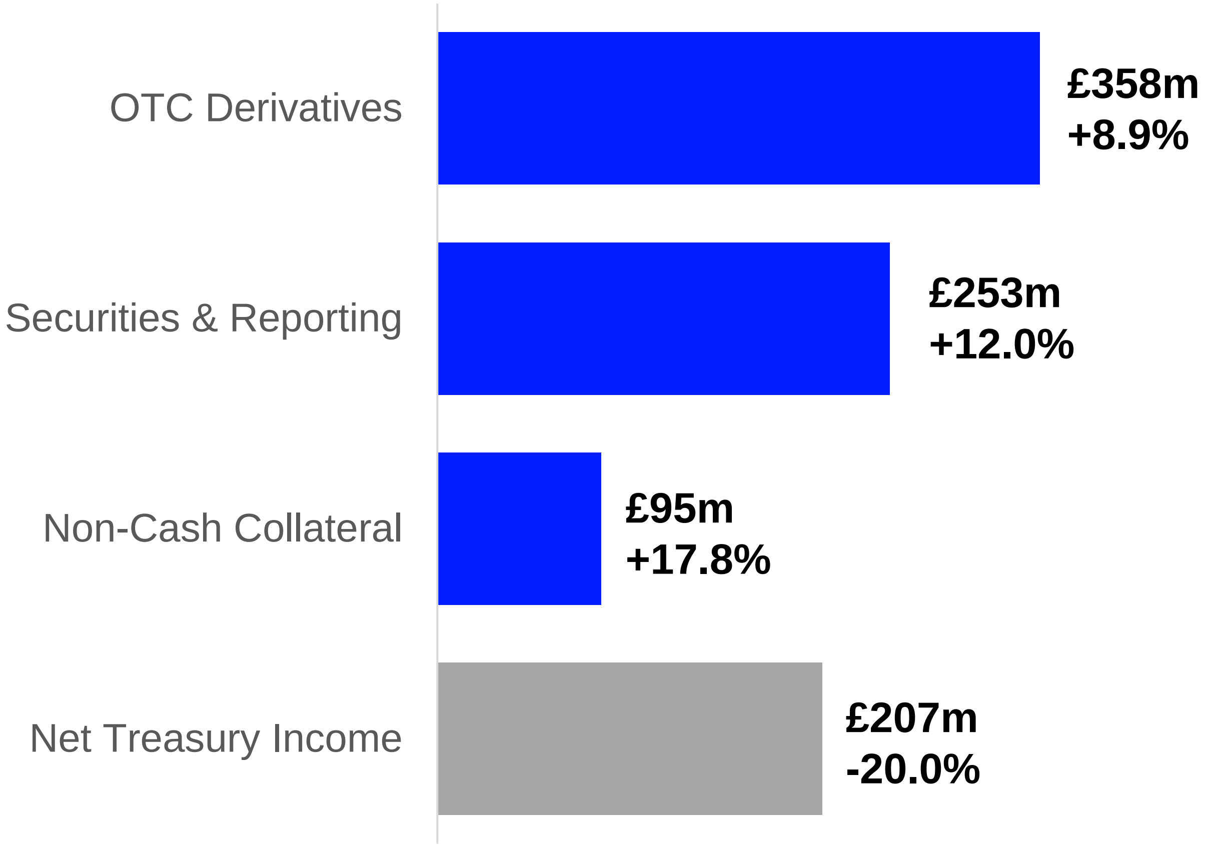
Note:
All growth rates are stated on a constant currency basis excluding the impact of the deferred revenue accounting adjustment

Post Trade: 11.1% growth in core Post Trade revenues



– **OTC Derivatives**: Secular growth complemented by tailwind from global interest rate uncertainty and Libor reform

– **Securities & Reporting:** Strong increase in repo clearing volumes

– **Net Treasury Income:** NTI has returned to a more normal run-rate following prior-year Covid-related volatility

Well positioned to benefit from greater interest rate uncertainty

Note:
All growth rates are stated on a constant currency basis

Costs, margins and synergies all in-line, or ahead of target

- ☐ Strong 2021 margin performance; 190bp margin expansion
- ☐ On track to achieve >50% margin target on an exit basis by end-2023
- ☐ Delivered 2021 cost guidance; 2022 and 2023 unchanged
- ☐ Outperformance on cost synergies in 2021
- ☐ Additional £50m of cost synergies identified; £400m total programme
- ☐ No change to Capex guidance; £650-700m of business as usual capex in 2022 and 2023, tapering thereafter

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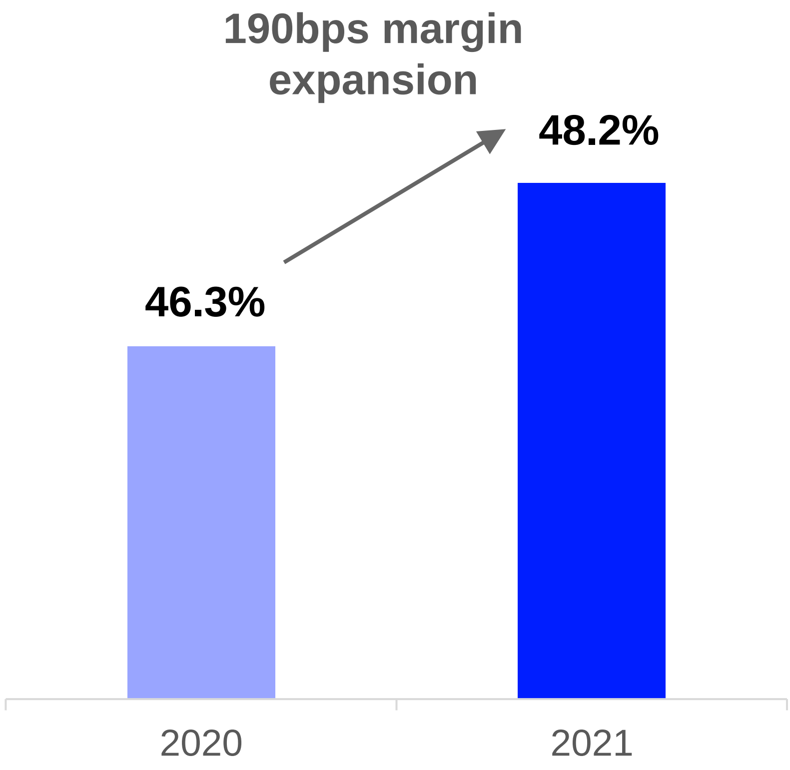
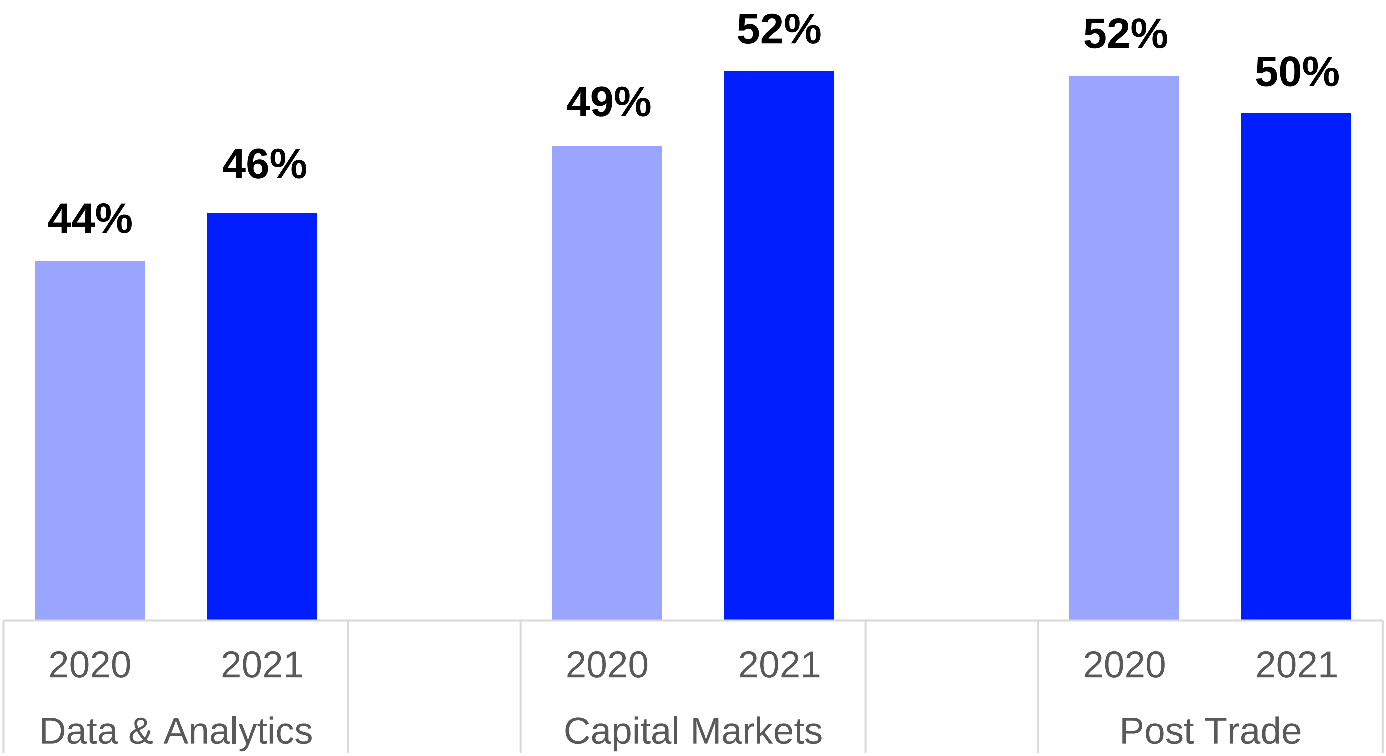
Strong profitability across all our businesses





Group EBITDA margin expected to exceed 50% beyond 2023

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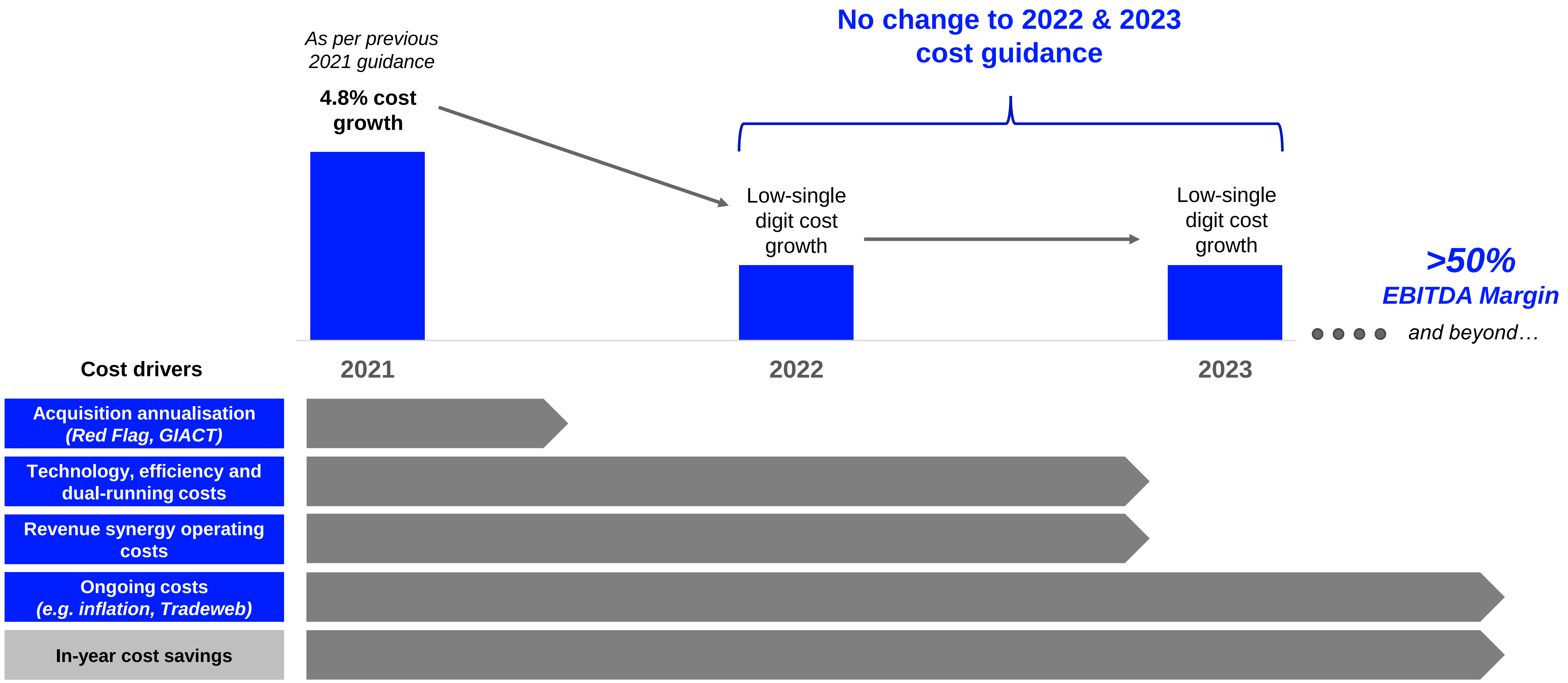
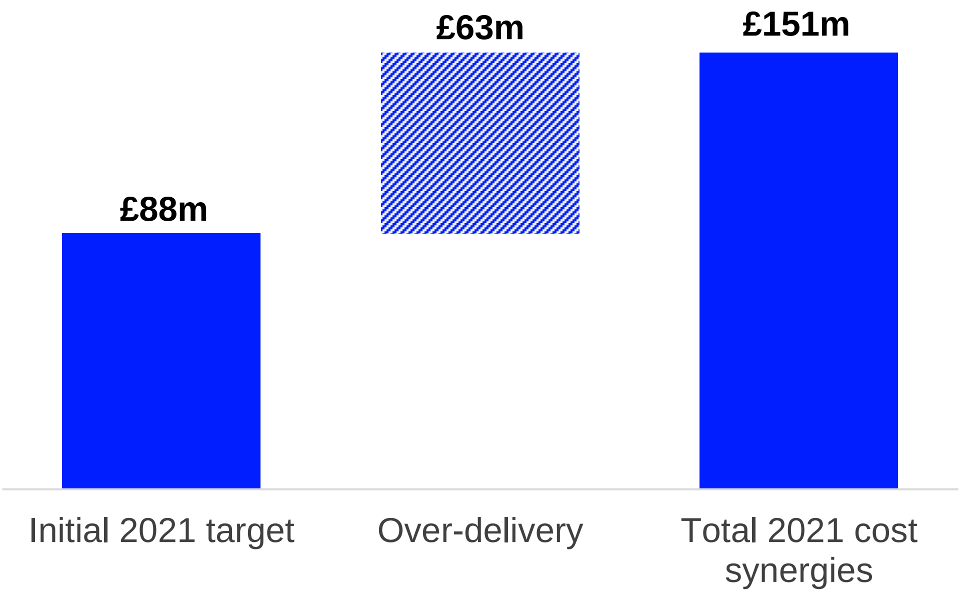
Note:
Adjusted EBITDA Margin is calculated as Adjusted EBITDA / Total Income (excl. recoveries)

2021 expense growth in-line with expectations; no change to 2022 & 2023 guidance



Note:
All growth rates are stated on a constant currency basis

Strong start to our cost synergy programme: 43% of cost synergies[1] delivered in 2021 up from initial target of 25%[2]



Leading to a 2021 in-year cost benefit of £97m

- **Data centre rationalisation** c.40% complete
- Exited 27 **properties**; c.75% of the original property synergy plan
- Renegotiated c.60% of the **strategic supplier contracts** targeted for optimisation
- Significant reduction in **net employee costs**

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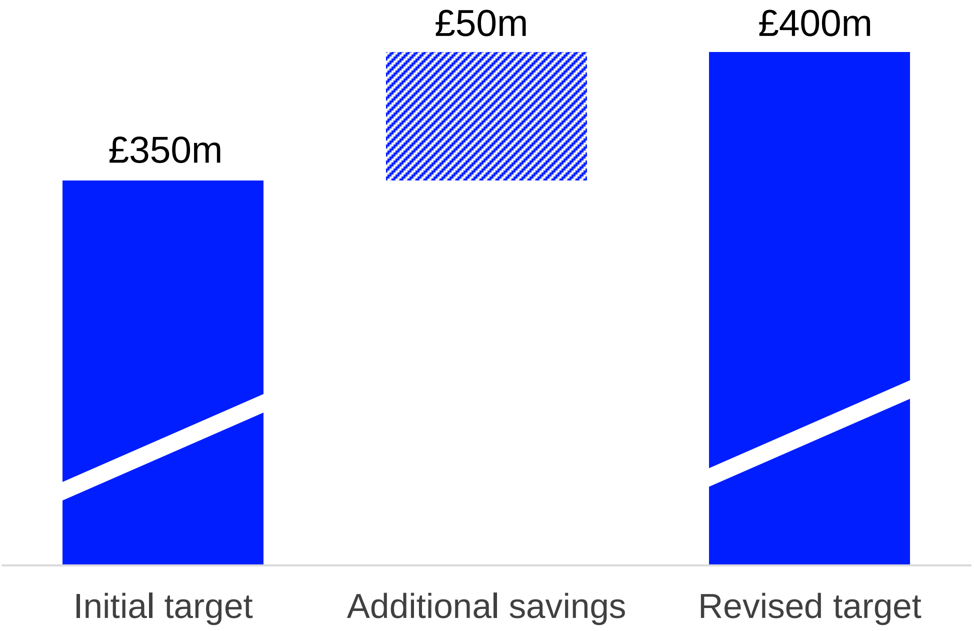
(1) End of period run-rate cost synergies
(2) Initial year 1 cost synergy guidance provided at the time of announcement of the Refinitiv acquisition in August 2019

Updating our cost synergy target: targeting at least £400m of cost synergies by 2025[1], a £50m increase on initial target[2]



Plus small additional benefits to depreciation and long-term capex spend

- **Hands-on experience has aided identification of additional savings:**
  - Property rationalisation
  - Process simplification
- **Aligned with ongoing work towards creating a more seamless customer experience**
- **One-time costs of 1.9x the recurring synergy benefit, falling to 1.6x including gains on associated property disposals**

(1) End of period run-rate cost synergies
(2) Initial cost synergy guidance provided at the time of announcement of the Refinitiv acquisition in August 2019

Capex guidance unchanged: investments driving revenue growth and scalability

2021 spend: £671m

Ongoing Capex £650m-£700m p.a.

Expected to continue until end of 2023; tapering thereafter

Initiative	Benefit to LSEG and its customers	Financial benefits
Data platform and cloud	A consistent experience, making it easier for customers and partners to access, distribute, and develop with LSEG or in the cloud	Revenue growth and cost efficiency following roll-out with benefit building from 2023
Workspace	Next-generation user interface, cloud-based, that uses open platform technologies	Revenue benefits follow roll-out
Network infrastructure	Software defined – better agility, higher capacity and increased resilience	Cost benefits from 2023 onwards
Content transformation	Improved speed and efficiency of ingestion of new data sets to support rapidly evolving customer demand for enriched data and new products	Driving ongoing revenue growth and cost efficiency over the next three years.
Tradeweb	Continued product and development	Underpin double-digit growth trajectory

Improving agility and resilience across the group

Delivering high growth

2021 Integration and separation capex of £109m

Largely capex element of announced cost to achieve synergies

Note:
Please refer to slide 50 in the appendix regarding cost to achieve synergies which forms the majority of integration and separation capex. Capex excludes right of use (ROU) assets.

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Guidance for 2022

Revenue synergies	– Expected to be between £40m and £60m run-rate
Cost synergies	– Expect to deliver c.£70m run-rate cost synergies in 2022, taking total run-rate synergies to c.£220m
Underlying operating expenses	– Low single-digit increase in operating expenses
Depreciation and amortisation	– Anticipated to be c.£820m, depending on phasing of capex
Net finance expense	– Financing expenses of c.£160m – *A 1% increase in interest rates results in an approximate £14m increase in net finance expense*
Tax	– Effective Tax Rate of 22-24%[(1)]
Capex	– Business as usual capex of c.£650m-£700m, plus additional integration capex

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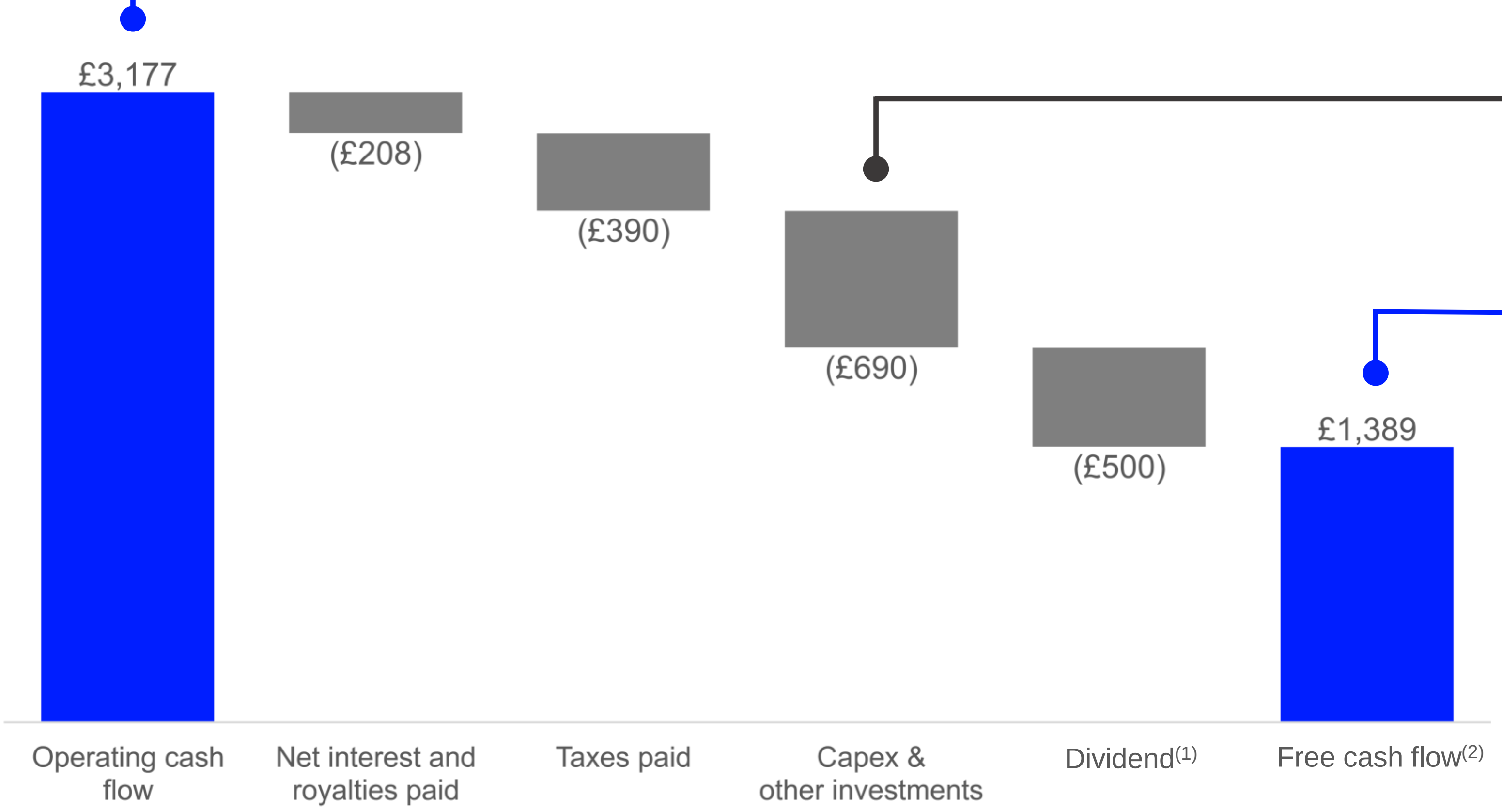
Note:
All guidance is on a constant currency basis and does not factor in any movements in currencies
(1) Based on current known tax rates

Strong cash generation



Operating cash flow

– Strong cash generation driven by high quality subscription revenues

Capex & other investments

– Cash expense of both ongoing and integration & separation capex

Free cash flow

– Pre-dividend free cash flow of 342p per share[3]

– Expected to increase over time as non-underlying expenses and integration capex fall away

Note:
All figures in GBP m. Statutory view, stated after cost to achieve synergies incurred as non-underlying operating expenses and transaction related fees
(1) Dividends comprises £522m of LSEG dividend offset by £22m dividend income received from EuroClear
(2) Free cash flow represents the underlying cash flow generated by the Group
(3) Based on a Dec 31st share count of 557m shares

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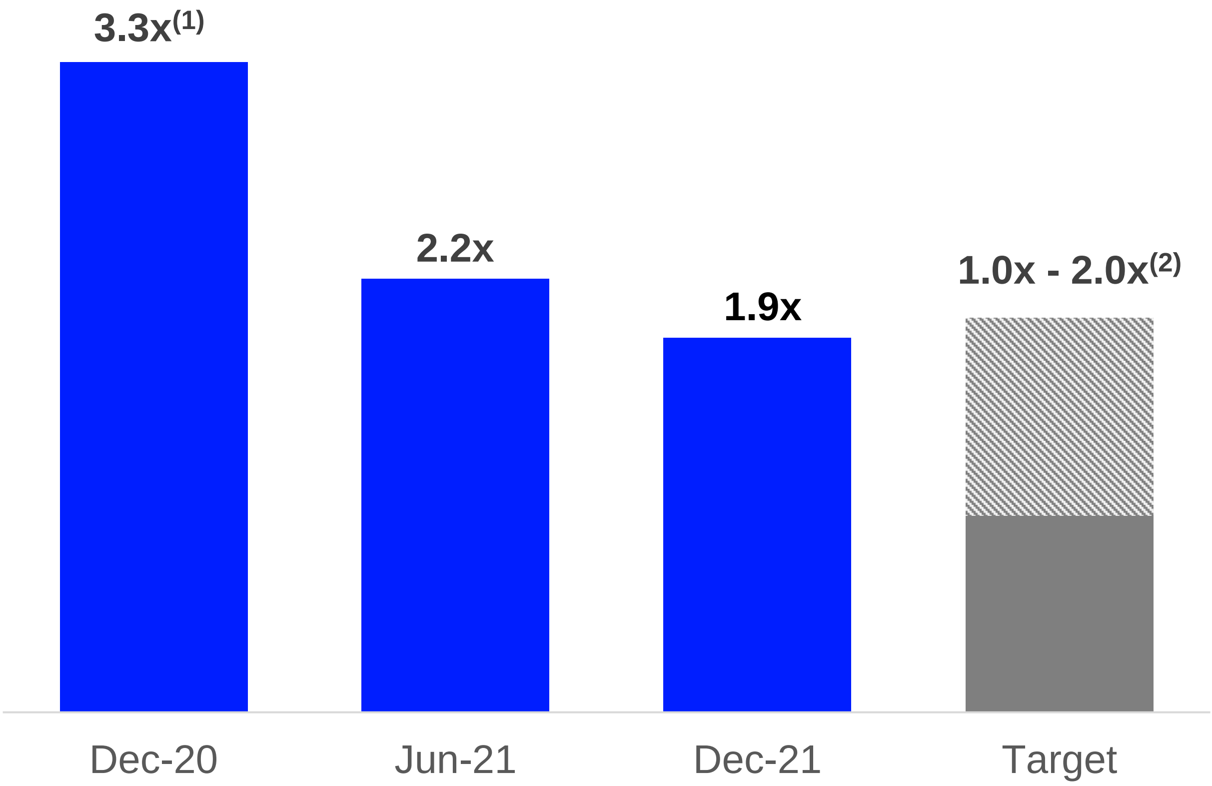
A strongly cash generative business with disciplined capital management



A3
Moodys

A
S&P

1.6%
Blended cost of debt[3]

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(1) Ratio of pro forma net debt to pro forma Underlying EBITDA for the year ended 31 December 2020
(2) Target leverage range by January 2023
(3) 31 December 2021

Consistent capital management framework

Continued focus on deploying capital for selected organic and inorganic investments, and shareholder returns, while maintaining a prudent balance sheet.

KEY FACTORS THAT INFORM OUR CAPITAL ALLOCATION DECISIONS

Maintain our existing leverage target of 1.0-2.0x Net Debt / EBITDA and manage credit rating, debt profile, and regulatory requirements

Focus on meeting appropriate internal hurdles for selected organic and inorganic investment opportunities

Maintain a progressive ordinary dividend policy, operating in a target 2.5-3.0x dividend cover range

HOW WE DEPLOY CAPITAL

Organic deployment:
Pursue organic investment opportunities for growth, efficiency and resilience

Inorganic opportunities:
Robust appraisal of inorganic opportunities to deliver growth through ‘bolt-on’ / strategic M&A

Returns to shareholders:
Commitment to ordinary dividends and continue to keep other options for capital returns under review

Driving long-term sustainable financial performance

- ☐ Strong 2021 progress across all divisions; good momentum into 2022
- ☐ Revenue contribution from synergies accelerating in 2022
- ☐ Cost synergy programme ahead of target
- ☐ £50m in further cost synergies identified
- ☐ Delivered 2021 cost guidance; 2022 and 2023 guidance unchanged
- ☐ Confident in delivery of all targets
- ☐ Good progress in building a faster growing, more agile and efficient business

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Delivering on our strategy in 2022

David Schwimmer, CEO

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Delivering on this strategy in 2022

2021 | **2022** | 2023 & beyond...

1 | Integrating our world-class businesses

Providing integrated solutions, instead of disconnected products

- Integration of Yield Book analytics into human interfaces incl. Workspace

Realising the power of our combined business

- Powering new solutions (e.g. FRTB[(1)]) for customers with data from Tradeweb and LCH

2 | Driving growth

Delivering revenue synergies

- £40-60m of run-rate revenue synergies by year end

Innovating to benefit customers

- Focus on customer solutions that cut across our business e.g. fixed income workflow, FX ecosystem

3 | Building an efficient and scalable platform

Building our Data Platform

- Delivering wealth, equities and fixed income reference data into platform in 2022 for early access and scale adoption by 2023

BUILDING FOR THE FUTURE

Expanding next-generation products

- Deploy Workspace to FX users at scale, reinforcing our end-to-end FX offering

Partnering along the trade lifecycle

- Acquisition of TORA contributes to a more seamless customer experience

Foundations for future growth

- Further progress on adoption of modern network technologies driving benefits from 2023

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(1) The Fundamental Review of the Trading Book (FRTB) is a regulatory driven requirement governing how much capital banks must hold against their market risks

Creating shareholder value through M&A

2021 | Quantile Group

- Announced December 2021[1]
- Helps customers manage their capital and margin more efficiently – increasingly valuable as banks adjust to new regulatory regimes such as SA-CCR[2]
- A key step towards a more joined-up customer offering along the value chain in OTC derivatives

2022 | TORA

- Announced February 2022[1]
- Adds leading multi-asset class order and execution management capability to Trading & Banking
- Provides seamless “at trade” capabilities for our next generation human interface, Workspace

(1) Revenue and cost information to be provided upon completion of the transaction. Completion expected in 2022, subject to regulatory approvals
(2) The Standardized approach for counterparty credit risk (SA-CCR) is the capital requirement framework under Basel III addressing counterparty risk for derivative trades

Delivering against our strategy and financial targets

- ☐ **Strong 2021 performance:** All divisions delivered high growth
- ☐ **Delivering on our strategy:** Executing on a multi-year strategy to further accelerate growth and increase agility & efficiency
- ☐ **Excellent progress on integration:** Additional £50m of cost synergies identified, taking total savings to at least £400m p.a.
- ☐ **Strong cost management:** Reconfirmed cost guidance for 2022 and 2023
- ☐ **Disciplined capital allocation:** Optimising capital allocation while building our platform for future growth

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A compelling proposition

- **High quality assets in growing markets**
  Leading businesses in multiple fast-growing global markets, with deepening linkages between them

- **Highly recurring, diversified revenues**
  High proportion of subscription revenues and strong customer retention; diversified across customers, products, activities and geographies

- **Well placed for current environment**
  Subscription revenues accelerating; market volatility increases transaction revenues

- **Disciplined capital allocation**
  A high returns business with strong underlying cash generation and disciplined deployment of capital

- **Building for the future**
  Investing in a more agile and efficient business; a platform for future growth

Q&A

Appendix - Modelling Information

Key performance indicators for 2021

DATA & ANALYTICS	ASV growth **+4.6%** ↑	ESG AUM: **$167bn** ↑ +165%	BETA volumes: **547m** ↑ +1.3%	ETF AUM: **$1.14trn** ↑ +31%
CAPITAL MARKETS	UK Equity ADV: **£4.5bn** ↓ -8.2%	FX ADV: **$443bn** ↑ +3.3%	**TRADEWEB ADV** Rates - Derivatives: **$294bn** ↑ +39%	**TRADEWEB ADV** Credit - Cash: **$9bn** ↑ +22%
POST TRADE	SwapClear client avg. 10yr notional equivalent **£4.2trn** ↑ +14%	Non-OTC RepoClear nominal value **€238trn** ↑ +16%	Average non-cash collateral: **€166bn** ↑ +2.7%	Average cash collateral: **€107bn** ↓ -2.5%

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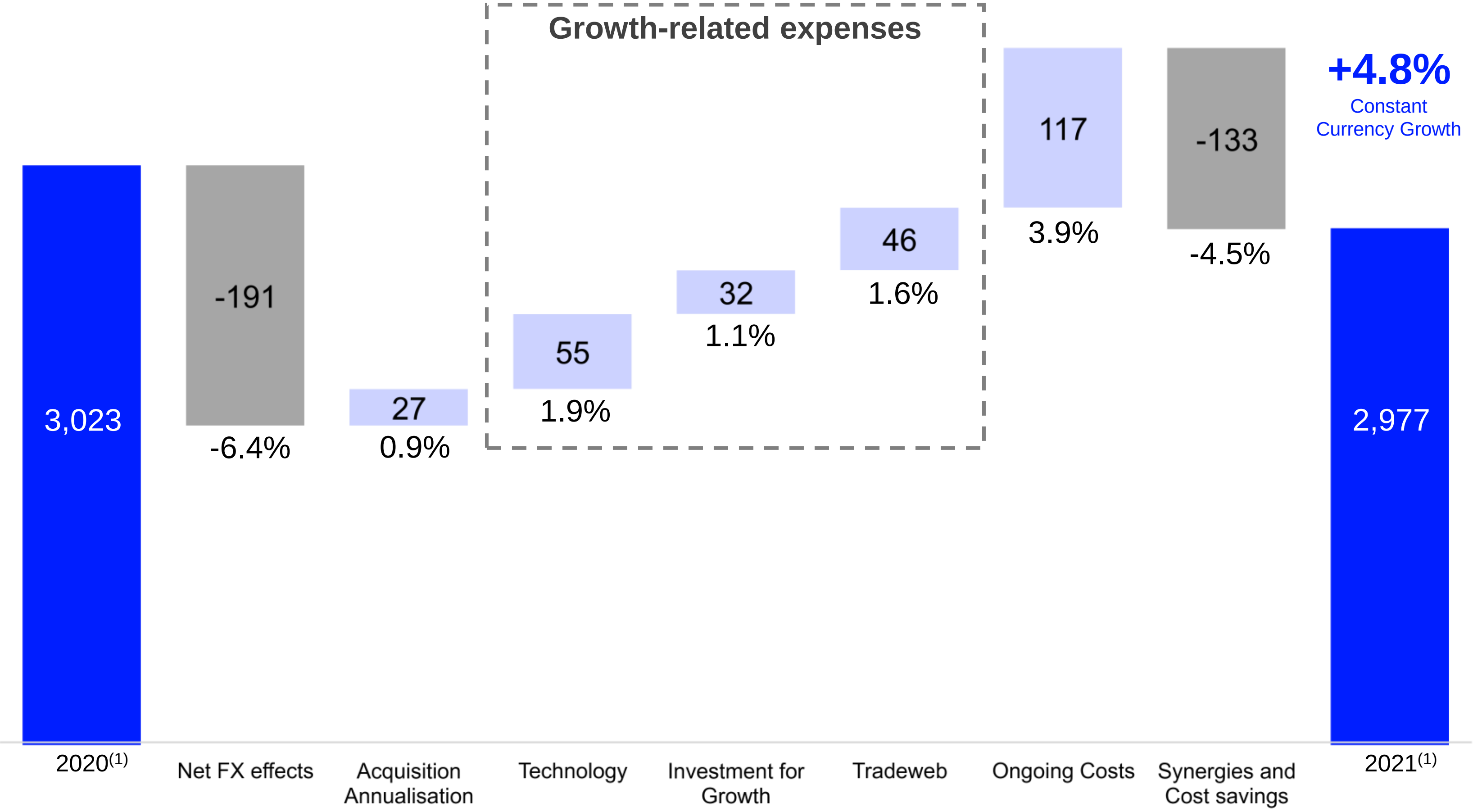
2021 adjusted operating expenses



Growth-related operating expenses:

- **Technology:** Includes dual-running costs as infrastructure is modernised in order to deliver scalable platforms for the future
- **Investment for growth:** Business expenses relating to growth, such as operating expenses associated with delivery of our revenue synergies
- **Tradeweb:** Operating expenses relating to Tradeweb's strong top-line growth

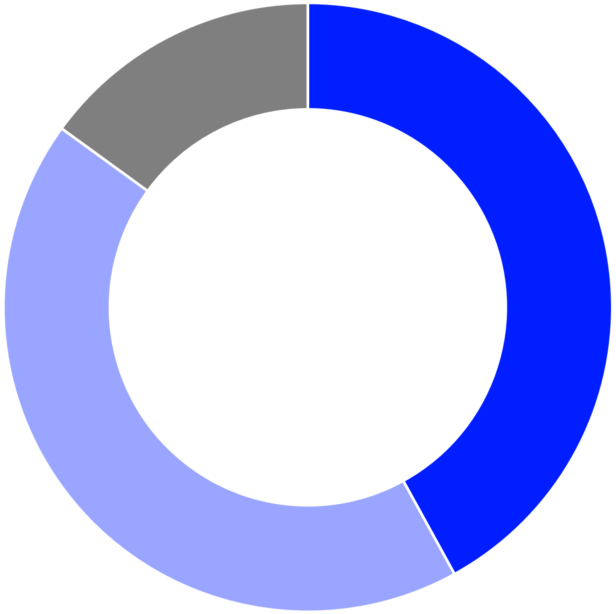
Synergies and cost savings:

- In-year benefits associated with £151m run rate achieved in 2021
- Includes small benefit from annualisation of Refinitiv's pre-completion efficiency programme

(1) Pro-forma adjusted operating expenses

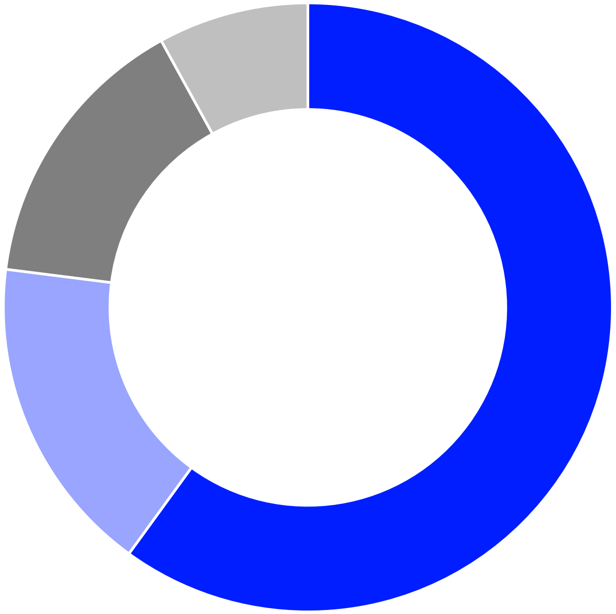
Geographically diversified revenues & costs

Total Income by Geography(1)



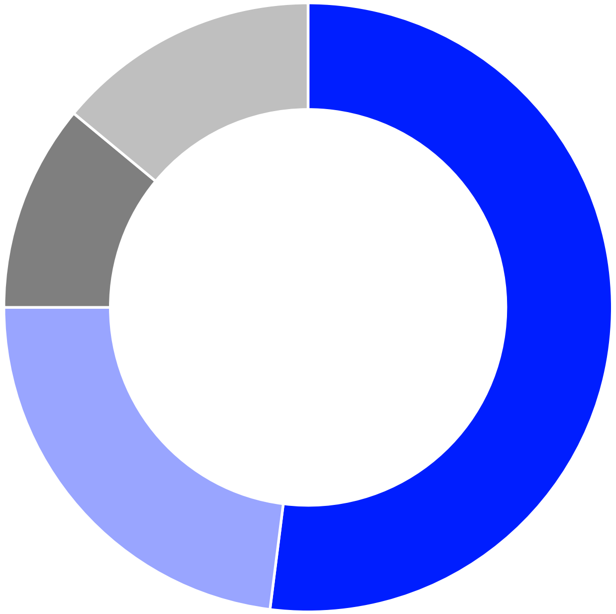
42% Amers | **43%** EMEA | **15%** Asia

Total Income by Currency(1)



60% USD | **17%** GBP | **15%** EUR | **8%** Other

Total Costs by Currency(2)



52% USD | **23%** GBP | **11%** EUR | **14%** Other

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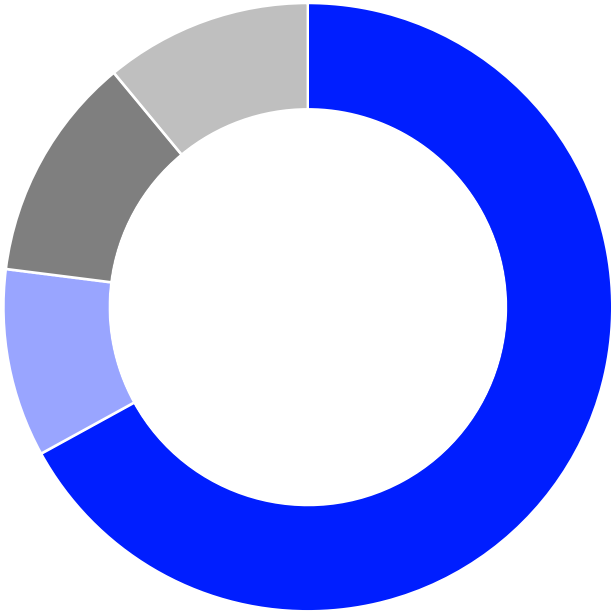
Note:
(1) 2021 total income including recoveries, on a constant currency basis. Geography based on customer location.
(2) Total costs on a constant currency basis, including cost of sales, adjusted operating expenses and underlying depreciation and amortisation

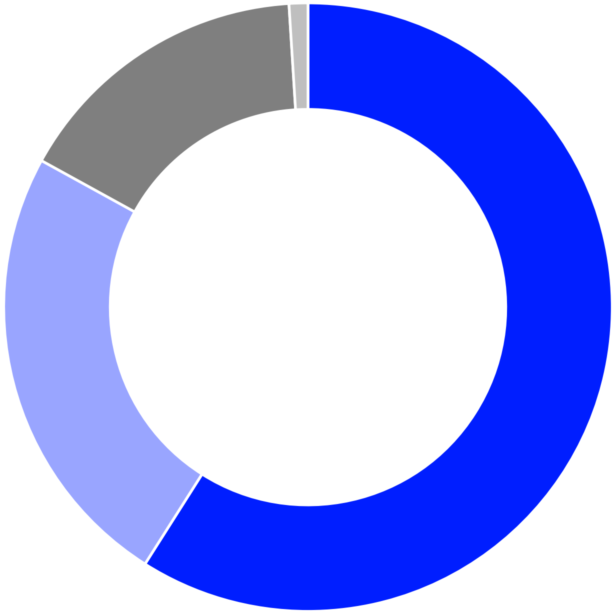
Divisional income by currency[(1)]

Data & Analytics



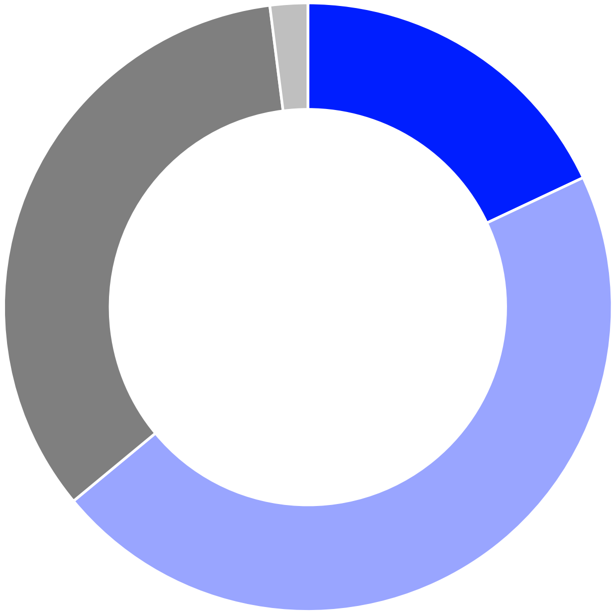
67% USD | 10% GBP | 12% EUR | 11% Other

Capital Markets



59% USD | 24% GBP | 16% EUR | 1% Other

Post Trade



18% USD | 46% GBP | 34% EUR | 2% Other

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Note:
(1) 2021 total income by division - including recoveries, on a constant currency basis

Building a more agile, efficient and scalable business for the future

One-time costs of realising our synergy targets

- £291m of costs to achieve (CTA) in 2021
  - £205m of CTA recognised as non-operating costs
  - £86m of CTA recognised as capex(1)
- The one-time costs relating to the realisation of the additional £50m cost synergies include the cost of exiting multi-year leases in order to optimise our property footprint. These costs are partly offset by gains on an associated property disposal.

Synergy type	Total synergies	Cost to achieve	Ratio
Cost synergies			
Original £350m target	350	550	1.6x
Updated £400m target (gross)	400	775	1.9x
Associated property disposal	-	133	-
Updated £400m target (net)	400	642	1.6x
Revenue synergies			
Total £225m target	225	180	0.8x

- Expect to incur the majority of remaining CTA over the course of 2022 and 2023, with ~70% of CTA to be treated as non-underlying operating expenses, and ~30% as capex

Note:
CTA guidance stated on a constant currency basis
(1) Capex associated with the synergy programme only; does not include Capex related to the separation of the Borsa Italiana Group or other non-BAU Capex

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Minor business revenue reallocation

To better align with our internal reporting, some small revenue items will be reallocated between business lines from Q1 2022.

At a divisional level, the impacts are:

- c.£9m of annualised revenue moves from Post Trade to Data & Analytics
- c.£6m of annualised revenue moves from Capital Markets to Data & Analytics

Total Income incorporating anticipated reallocation
(2021, actual rates)

£m	Q1	Q2	Q3	Q4	2021
Trading & Banking Solutions	372	373	373	375	1,493
Trading	297	297	296	297	1,187
Banking	75	76	77	78	306
Enterprise Data Solutions	279	283	284	297	1,143
Real-Time Data	177	183	182	190	732
PRS	102	100	102	107	411
Investment Solutions	273	286	294	302	1,155
Benchmark Rates, Indices & Analytics	121	126	136	134	517
Index - Asset-Based	58	64	62	69	253
Data & Workflow	94	96	96	99	385
Wealth Solutions	122	116	115	121	474
Advisor & Investor Services	69	70	69	73	281
Operations Management (BETA)	53	46	46	48	193
Customer & Third-Party Risk Solutions	85	90	92	92	359
Data & Analytics	1,131	1,148	1,158	1,187	4,624

£m	Q1	Q2	Q3	Q4	2021
Equities	61	59	60	61	241
FX	57	53	56	57	223
Fixed Income, Derivatives & Other	200	187	193	205	785
Capital Markets	318	299	309	323	1,249
OTC Derivatives	87	82	86	103	358
Securities & Reporting	63	59	60	62	244
Non-Cash Collateral	22	24	24	25	95
Net Treasury Income	55	53	47	52	207
Post Trade	227	218	217	242	904
Other	5	10	9	10	34
Total Income (excl. recoveries)	1,681	1,675	1,693	1,762	6,811
Recoveries	88	90	90	86	354
Total Income (incl. recoveries)	1,769	1,765	1,783	1,848	7,165

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Note:
Revenues quoted on this slide are indicative only

Supplementary FY2021 information

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LSEG FY2021 – Results overview

Continuing operations	2021 £m	2020 £m	Pro-forma Variance [2] %	Constant Currency Variance [3] %	Constant Currency Variance (excl. deferred revenue adjustment) [3,4] %
		Pro-forma underlying[1]			
Data & Analytics	4,609	4,653	(0.9%)	4.8%	5.3%
Capital Markets	1,255	1,170	7.3%	12.5%	12.5%
Post Trade	913	915	(0.2%)	2.0%	2.0%
Other	34	29	17.2%	21.5%	21.5%
Total Income (excl. recoveries)	**6,811**	6,767	**0.7%**	5.8%	**6.1%**
Recoveries	354	338	4.7%	(0.8%)	(0.3%)
Total Income (incl. recoveries)	**7,165**	7,105	**0.8%**	5.5%	**5.8%**
Cost of sales	(923)	(946)	(2.4%)	3.0%	3.0%
Gross profit	**6,242**	6,159	**1.3%**	5.9%	6.3%
Adjusted operating expenses[5]	(2,977)	(3,023)	(1.5%)	4.8%	4.8%
Income from equity investments	22	-	-	-	-
Share of loss after tax of associates	(4)	(4)	-	3.1%	3.1%
Adjusted EBITDA[5]	**3,283**	3,132	**4.8%**	7.5%	**8.3%**
Adjusted EBITDA Margin [6]	*48.2%*	*46.3%*			
Adjusted depreciation, amortisation and impairment [5]	(774)	(747)	3.6%	7.6%	7.6%
Adjusted operating profit [5]	**2,509**	2,385	**5.2%**	7.5%	**8.5%**
Adjusted net finance expense [5]	(206)	(569)	(63.8%)		
Adjusted profit before tax [5]	**2,303**	1,816	**26.8%**		
Adjusted tax [5]	(480)	(555)	(13.5%)		
Adjusted profit for the year [5]	**1,823**	1,261	**44.6%**		
Adjusted profit attributable to:					
Equity holders	1,595	1,087	46.7%		
Non-controlling interest	228	174	31.0%		
Adjusted basic earnings per share (p) [7]	286.7	195.7	46.5%		

Note:

(1) The pro-forma results assume that the acquisition of Refinitiv took place on 1 January 2020. The Borsa Italiana Group was classified as a discontinued operation once the sale became highly probable on 13 January 2021 and therefore its profits and losses have been excluded from the Group's continuing operations for both years presented

(2) Pro-forma variance is the difference between current and prior year on a pro-forma basis, using the average exchange rate for the respective period, therefore any changes in the exchange rates are also reflected in the variance along with business performance

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

(4) As a result of the acquisition of Refinitiv and the associated accounting rules, Refinitiv's deferred revenue balances were subject to a one-time haircut at the time of acquisition. This is a non-cash adjustment. The negative revenue impact was mostly in Q1 2021 at approximately £22 million, with an additional £1 million in Q2, £1 million in Q3 and £1 million in Q4. The impact is mostly in the Group's Data & Analytics division, with a much smaller impact on the Group's FX venues business in Capital Markets. There will be no impact in 2022. An adjusted variance, excluding the deferred revenue adjustment, has been presented to show business growth on a comparable basis to the prior year.

(5) Before non-underlying items

(6) Adjusted EBITDA margin is Adjusted EBITDA divided by Total Income (excl. Recoveries)

(7) Weighted average number of shares used to calculate Adjusted basic earnings per share on a pro-forma underlying basis is 556 million

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Quarterly pro-forma revenue progression

£m	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2020	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2021
Trading & Banking Solutions	396	410	399	391	1,596	372	372	372	373	1,489
Trading	*316*	*328*	*318*	*311*	*1,273*	*296*	*295*	*295*	*294*	*1,180*
Banking	*80*	*82*	*81*	*80*	*323*	*76*	*77*	*77*	*79*	*309*
Enterprise Data Solutions	285	297	290	291	1,163	277	280	283	295	1,135
Real-Time Data	*187*	*197*	*191*	*191*	*766*	*177*	*182*	*182*	*189*	*730*
PRS	*98*	*100*	*99*	*100*	*397*	*100*	*98*	*101*	*106*	*405*
Investment Solutions	272	282	278	279	1,111	272	286	293	301	1,152
Benchmark Rates, Indices & Analytics	*118*	*127*	*125*	*125*	*495*	*121*	*126*	*135*	*134*	*516*
Index - Asset-Based	*58*	*54*	*56*	*57*	*225*	*58*	*64*	*62*	*69*	*253*
Data & Workflow	*96*	*101*	*97*	*97*	*391*	*93*	*96*	*96*	*98*	*383*
Wealth Solutions	126	131	123	120	500	122	116	115	121	474
Advisor & Investor Services	*66*	*72*	*71*	*69*	*278*	*69*	*70*	*69*	*73*	*281*
Operations Management (BETA)	*60*	*59*	*52*	*51*	*222*	*53*	*46*	*46*	*48*	*193*
Customer & Third-Party Risk Solutions	67	69	69	78	283	85	90	92	92	359
Data & Analytics	**1,146**	**1,189**	**1,159**	**1,159**	**4,653**	**1,128**	**1,144**	**1,155**	**1,182**	**4,609**
Equities	62	56	52	57	227	61	59	60	61	241
FX	64	57	56	57	234	57	53	56	57	223
Fixed Income, Derivatives & Other	186	175	170	178	709	201	188	195	207	791
Capital Markets	312	288	278	292	1,170	319	300	311	325	1,255
OTC Derivatives	87	82	80	85	334	87	82	86	103	358
Securities & Reporting	59	51	58	62	230	65	62	61	65	253
Non-Cash Collateral	19	21	21	21	82	22	24	24	25	95
Net Treasury Income	67	82	63	57	269	55	53	47	52	207
Post Trade	232	236	222	225	915	229	221	218	245	913
Other	11	6	6	6	29	5	10	9	10	34
Total Income (excl. recoveries)	1,701	1,719	1,665	1,682	6,767	1,681	1,675	1,693	1,762	6,811
Recoveries	87	77	82	92	338	88	90	90	86	354
Total Income (incl. recoveries)	1,788	1,796	1,747	1,774	7,105	1,769	1,765	1,783	1,848	7,165
Cost of sales	(242)	(244)	(228)	(232)	(946)	(231)	(223)	(228)	(241)	(923)
Gross Profit	1,546	1,552	1,519	1,542	6,159	1,538	1,542	1,555	1,607	6,242

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