

London Stock Exchange Group

Investor Education Event – 1 October 2021

Today's event

- **Introduction**
David Schwimmer, CEO
- **Investment Solutions**
Lea Carty, Group Head of Investment Solutions
- **Wealth Solutions**
Sabrina Bailey, Group Head of Wealth Solutions
- **Capital Markets**
Murray Roos, Group Head, Capital Markets
- **FX Solutions**
Neill Penney, Group Head of FX
- **Q&A**

Strong and experienced business leadership

Investment Solutions

£1.1bn

2020 pro-forma revenue

Solutions for investment product creation, portfolio management, investment research, data, analytics and indices



Lea Carty

- Joined LSEG in 2021
- Over 25 years' leadership experience in indexing and portfolio analytics, gained in senior roles including Moody's and Lehman Brothers
- Over 10 years at Bloomberg; global head of buyside solutions – developed and ran the portfolio analytics and index business, including the acquisition of Barclays Risk Analytics & Index Services

Wealth Solutions

£0.5bn

2020 pro-forma revenue

Solutions for wealth advisory, wealth operations, wealth aggregators and distributors



Sabrina Bailey

- Joined LSEG in 2021 from Northern Trust and has over 20 years' experience in wealth management, including leadership roles at Mercer and Willis Towers Watson
- Extensive career spanning retail investment and institutional wealth management; recently focused on addressing digitisation of wealth services

Capital Markets

£1.2bn

2020 pro-forma revenue

Global business providing capital raising and enabling trading across asset classes



Murray Roos

- Joined LSEG in April 2020
- Worked in financial services industry for over 20 years; significant experience in developed and emerging markets
- Executive roles at Citigroup and Deutsche Bank
- Deep understanding of capital markets life-cycle across asset classes

Foreign Exchange

£0.23bn

2020 pro-forma revenue

Providing electronic trading, workflow and data to the institutional foreign exchange community



Neill Penney

- Joined Thomson Reuters in 2013
- Over 25 years' experience in financial services; involved in FX e-commerce from its inception
- Member of several key FX industry committees, and key contributor to the FX Global Code of Conduct
- Previous roles at Morgan Stanley, JP Morgan, and FXall

Good H1 performance - executing on integration and synergies

Good financial results

- All divisions reporting strong revenue growth

Integration and synergies on track

- Cost synergy programme progressing ahead of target and Revenue synergy programme on target

Strong financial position

- Strong cash generation and reducing Group leverage

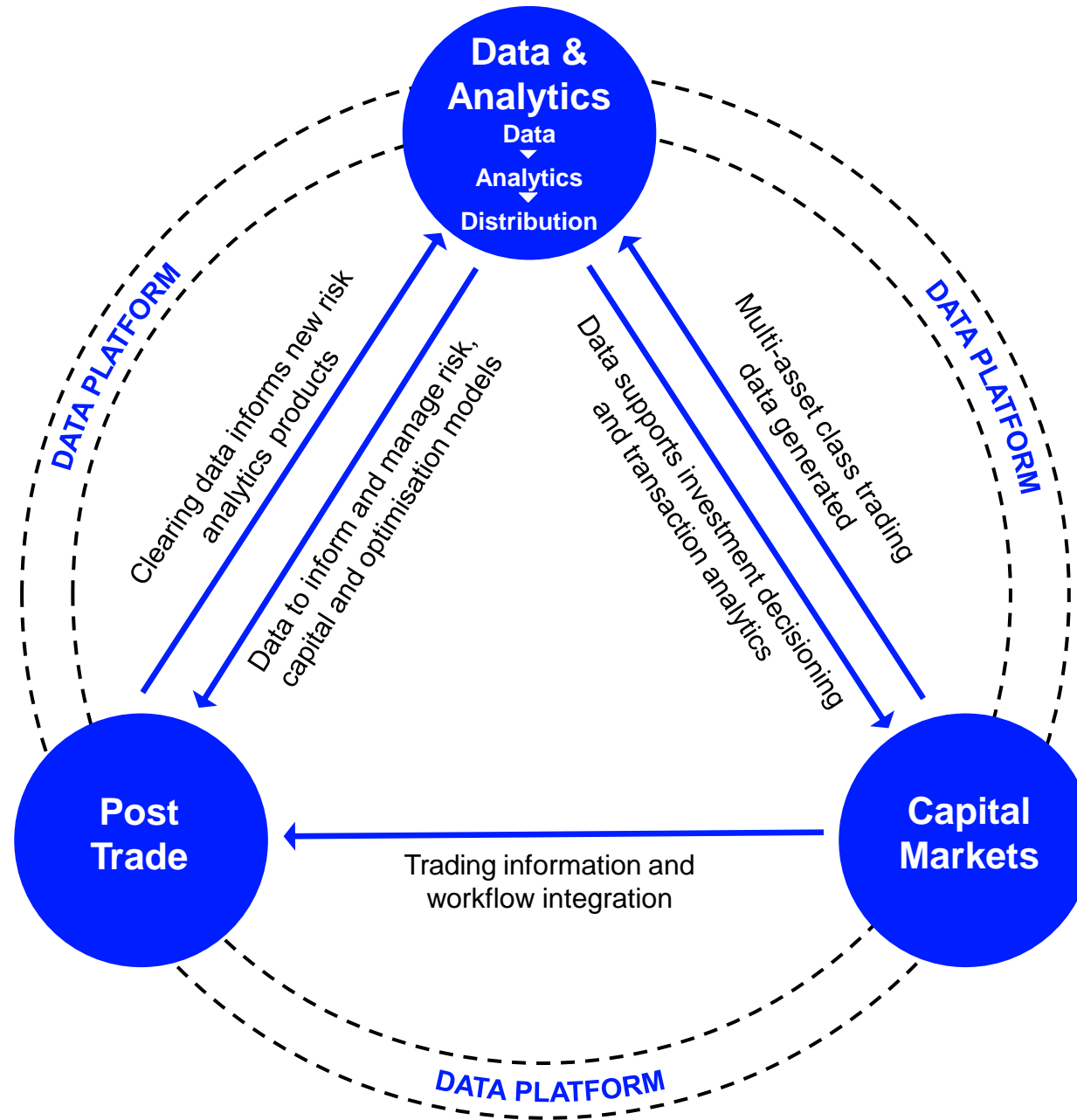
Confidence in delivering on financial guidance

- Group financial targets unchanged

Serving the entire value chain – with virtuous circle of connected products and services

Benefits of combination with LSEG – scalable platforms, operational efficiencies and delivery of synergies

Investment programme to support new platforms and technology



Clear priorities to drive growth

1

**Focus on
execution**

- Product development across businesses and market segments
- Optimising customer offerings and using Group-wide capabilities and distribution

2

**Enhance the
customer experience**

- Improved technology and platforms to provide better services
- Tailoring solutions to meet evolving customer requirements

3

**Prioritise synergies
and growth through
targeted investment**

- Focus on high-growth areas and new opportunities
- Using capabilities of Group to deliver operational efficiencies and revenue synergies

Data & Analytics: 4-6% p.a. revenue growth in the medium term

LSEG Data & Analytics (Pro Forma)

	Historic performance ⁽¹⁾	Growth of TAM	Growth ambition
Data & Analytics	+1-3%	+4-6%	+4-6%
Enterprise Data Solutions	+4-5%	+4-6%	Mid single digit
Trading & Banking Solutions	(1-2)%	+2-4%	Low single digit
Customer & Third Party Risk Solutions	+10-12%	+8-10%	Double digit
Investment Solutions	+3-5%	+5-7%	High single digit
Wealth Solutions	Low to mid single digit	+5-7%	Low to mid single digit

Note:

TAM Methodology: Aggregation of vendor revenues estimated using annual reports and other public sources; validated through third party research and internal and external subject matter expertise

(1) Historic performance covers performance between 2018 and 2020

Investment Solutions

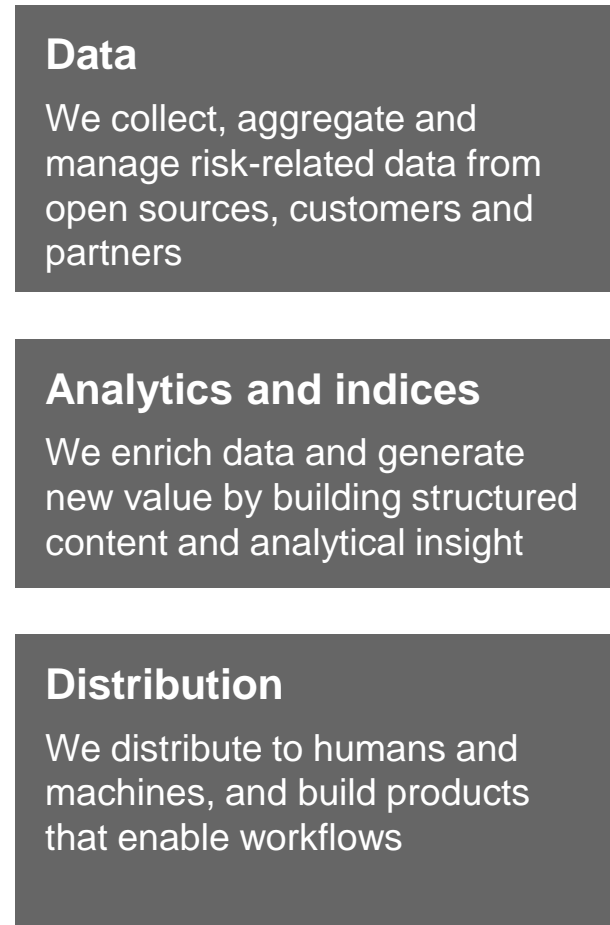
Lea Carty



Overview of our business

We serve customers across the entire investment ecosystem

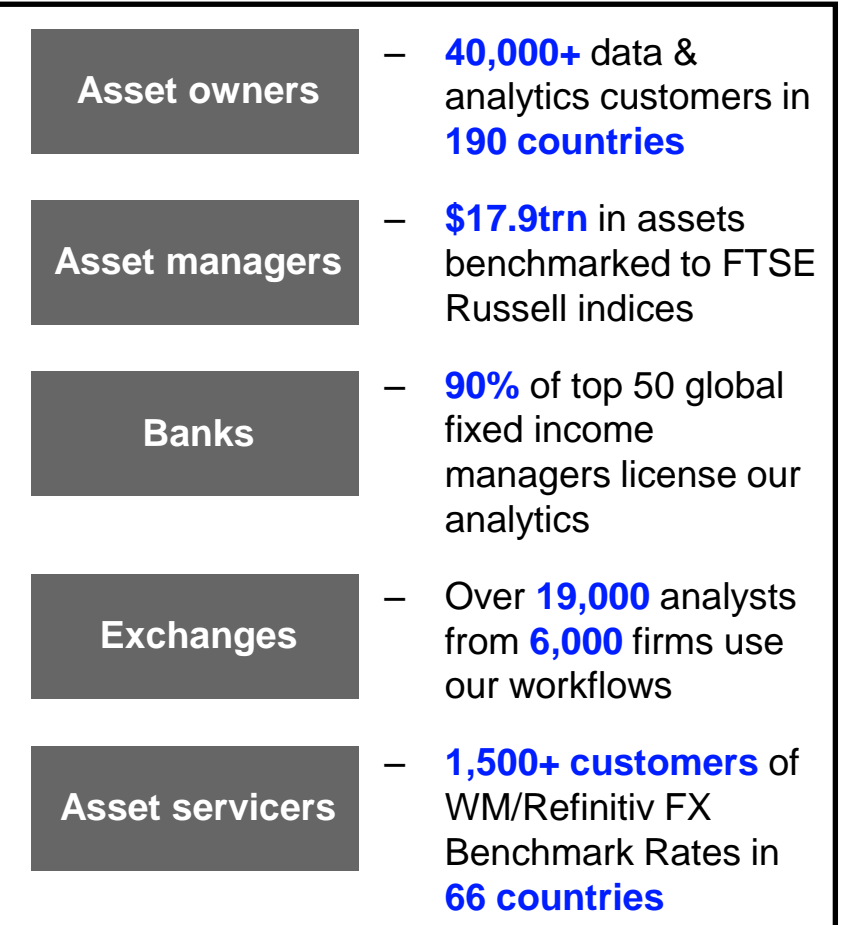
Our core businesses



Aligned to customer communities



Delivered at scale to a broad range of customers



What does our business do?

What we provide

Solutions that power the development, execution and communication of investment strategies, including:

- **Benchmark Rates, Indices & Analytics**
 - FTSE Russell indices
 - WM/Refinitiv FX Benchmark Rates
 - Yield Book fixed income analytics
- **Data & Workflow**
 - Quantitative Analytics
 - Workspace and Eikon

Who we provide it to

The global investing ecosystem, including:

- Asset owners
- Asset managers
- Banks
- Exchanges
- Regulators & Asset servicers

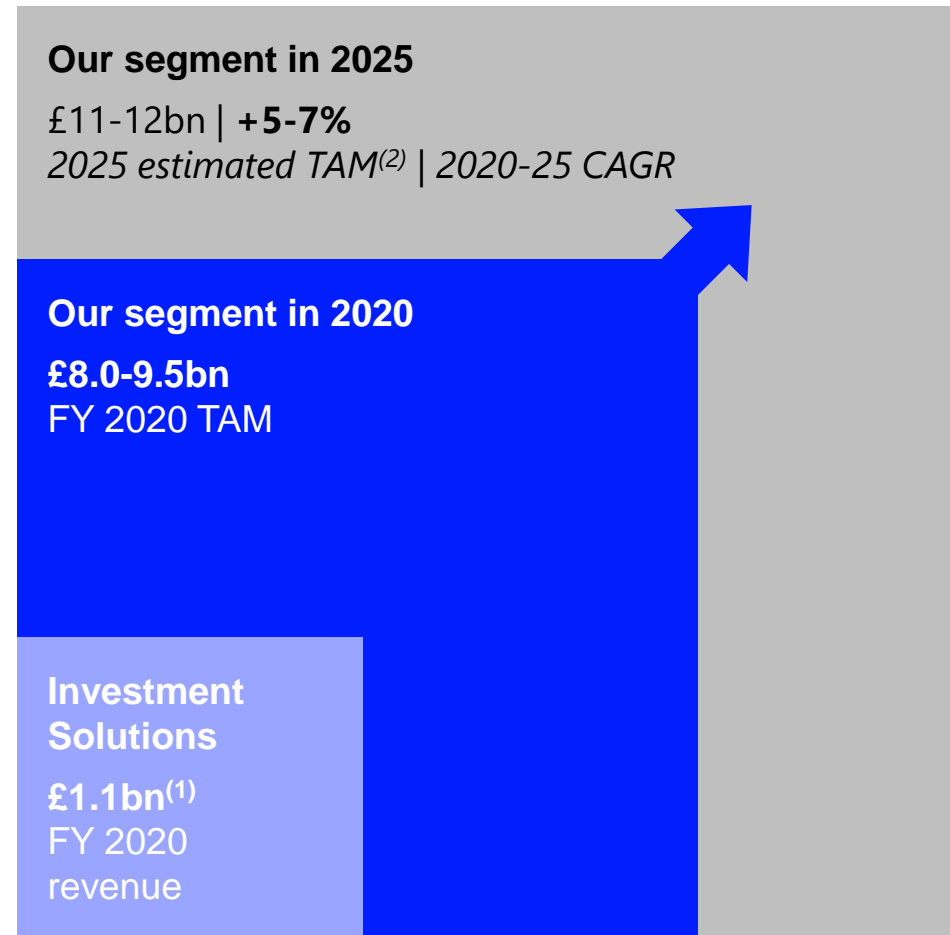
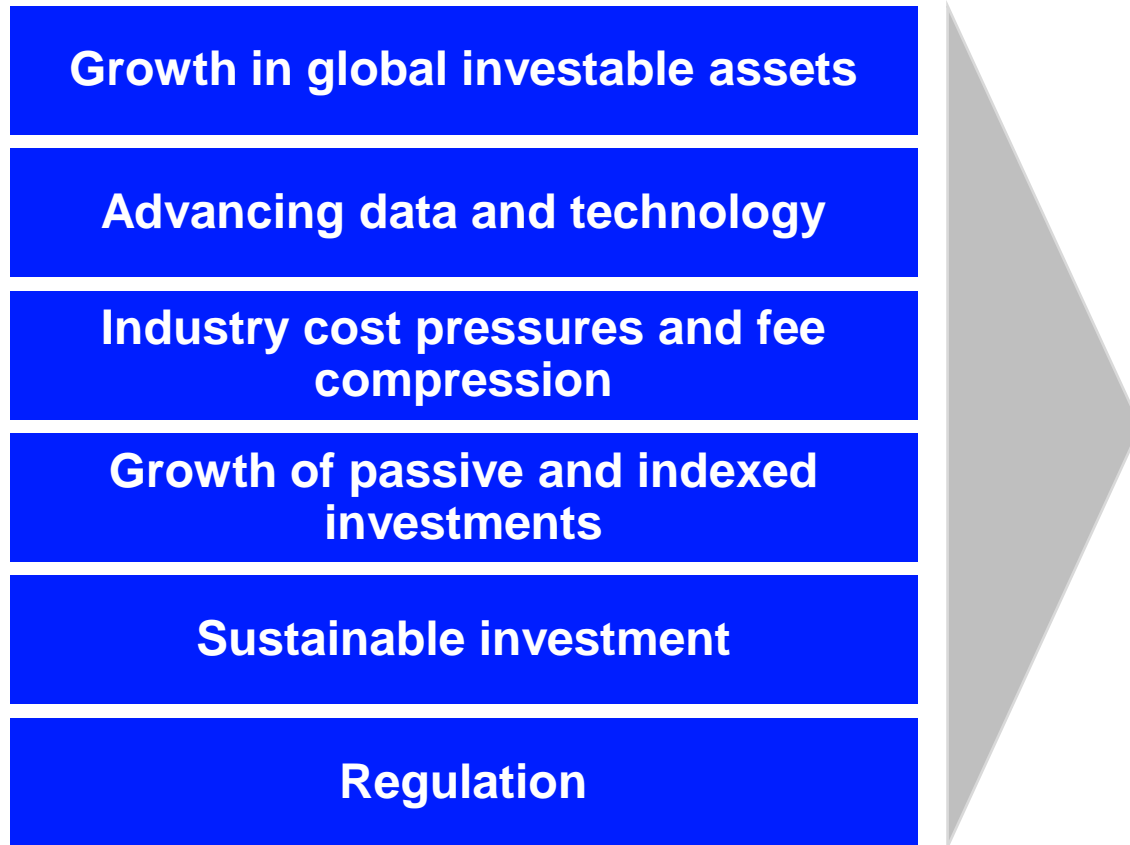
How we commercialise our offering

We generate recurring revenue through:

- Subscription fees for benchmark rates, index and analytics products
- Asset-based fees for index-linked products
- Subscription fees for data and workflow licenses

A rapidly evolving and growing investment industry

Trends driving growth in the market










Note:

TAM methodology: Based on a combination of public sources, third-party research, proprietary market intelligence; validated with subject matter experts

(1) Revenue refers to pro-forma revenues for 2020

(2) Assumed current growth rates applied to 2025

Our portfolio of businesses – Investment Solutions

	Benchmark Rates, Indices & Analytics	Data & Workflow
Commercial model	<p>Subscription Recurring revenue for benchmark rates, indices and analytics that is predictable and stable</p> <p>Index – Asset-based Revenue that fluctuates in line with AUM in index-linked products and trading of derivatives</p>	Recurring subscription revenue for data and software that is predictable and stable
Addressable market segment	£3.5 - 4.0bn	£4.5 - 5.5bn
LSEG position	Strong	Strong/improving
Market trends	<ul style="list-style-type: none"> – Growth in global investable assets – Growth of passive – Sustainable investment – Advancing data and technology – Regulation 	<ul style="list-style-type: none"> – Growth in global investable assets – Advancing data and technology – Cost pressures and fee compression – Sustainable investment
LSEG product suite	  	<p>QUANTITATIVE ANALYTICS</p>    

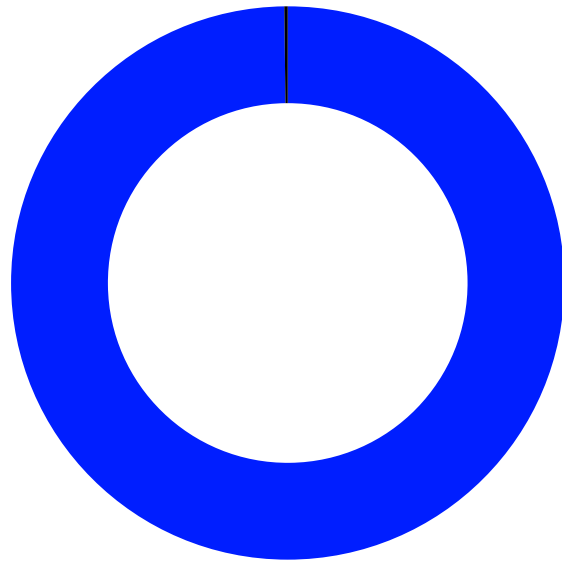
Note:

Externally reported revenue lines have been renamed. 'Index – Subscription' is now 'Benchmark Rates, Indices & Analytics – Subscription'. 'Index – AUM' is now 'Index – Asset-based'. 'Investment Solutions Data & Analytics' is now 'Data & Workflow'. These names will be used in future financial communication beginning at Q3

A diversified base of high-quality recurring revenues

Investment Solutions FY 2020 revenues £1.1bn⁽¹⁾

High proportion of recurring revenues



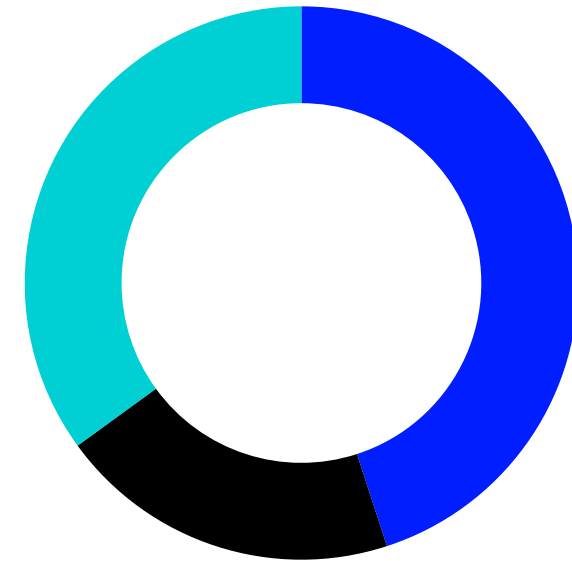
- 99.8% recurring
- 0.2% non-recurring

Global footprint



- 63% Americas
- 29% EMEA
- 8% APAC

Diverse revenue stream



- 45% Benchmark Rates, Indices & Analytics – Subscription
- 20% Index – Asset-based
- 35% Data & Workflow

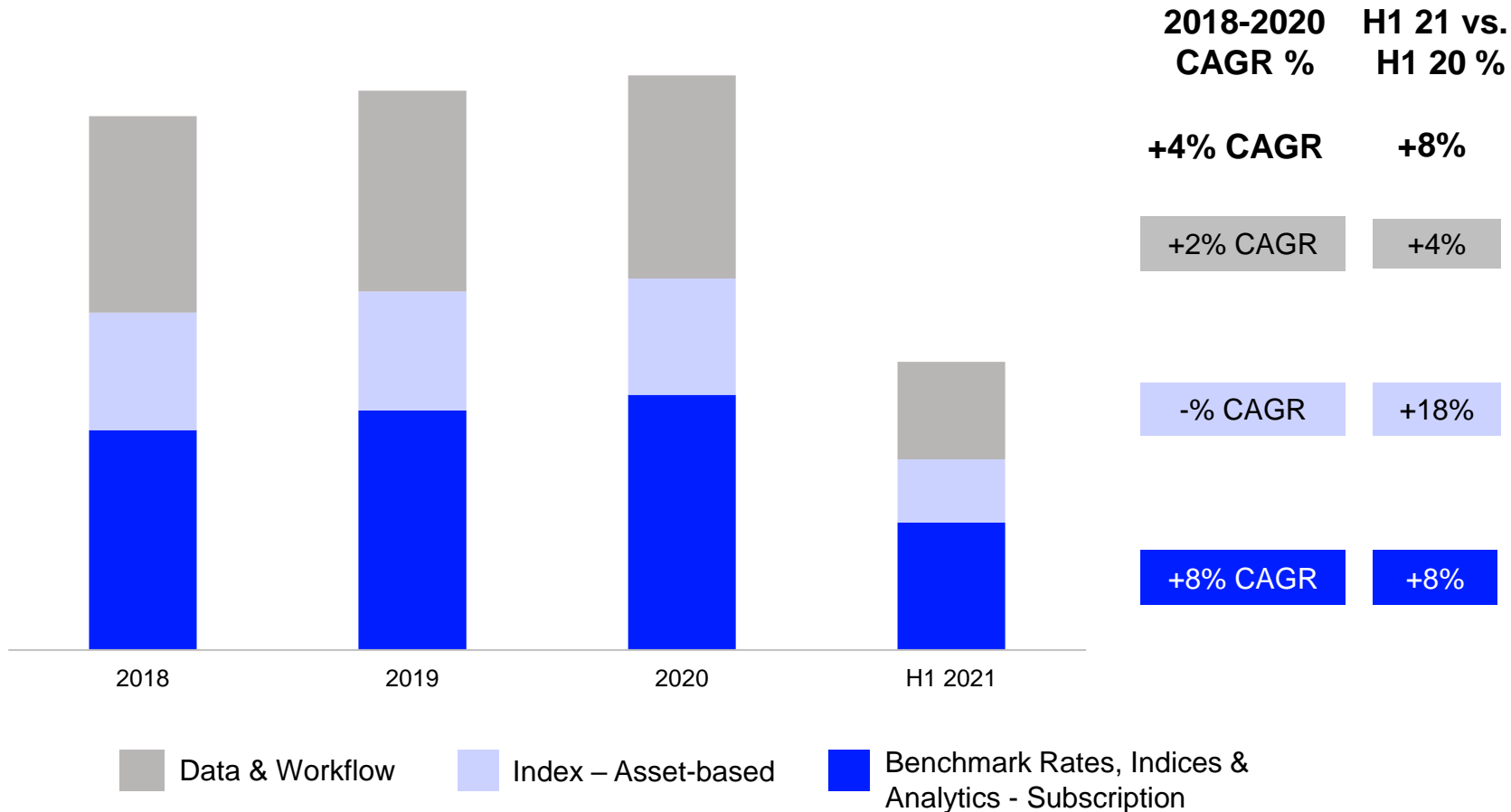
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(1) Revenue refers to pro-forma revenue for 2020

Driving long-term sustainable growth

Investment Solutions revenues:



Factors driving growth:

Data & Workflow

- Technology and content innovation for Quantitative analytics and content
- Modest Eikon growth while investing in Workspace
- Lipper business stabilisation

Index – Asset-based

- Growth in global investible assets and shift to passive mitigated by Covid's impact

Benchmark Rates, Indices & Analytics – Subscription

- Continued strength of WM/Refinitiv FX Benchmark Rates
- Refocusing the business on customer relationships and co-product creation
- Development of multi-asset class product and enhanced production controls

Note:

- 2018 to 2020 CAGR is on a pro-forma constant currency basis, the H1 20 to H1 21 growth rate is on a pro-forma constant currency basis and excludes the impact of the deferred revenue adjustment
- Externally reported revenue lines have been renamed. 'Index – Subscription' is now 'Benchmark Rates, Indices & Analytics – Subscription'. 'Index – AUM' is now 'Index – Asset-based'. 'Investment Solutions Data & Analytics' is now 'Data & Workflow'. There is no change to revenues. The new descriptions will be reflected in Q3 2021 reporting onwards

Competitive advantages

Our competitive advantages

We have a strong base

...generating powerful differentiators

1. Global technology and data platform with distribution and customer reach

- Only leading multi-asset class index and sophisticated analytics firm with the customer reach, data and technology required to distribute them globally
- 40,000+ data and analytics customers across 190 countries

2. Brand value and credibility earned over years of producing market-standard performance and risk measures

- Institutional quality fixed income analytics in the most complex segments, including structured mortgage products
- WM/Refinitiv FX Benchmark Rates, the benchmark rate of choice globally for foreign exchange rates
- \$17.9trn in global AUM benchmarked to FTSE Russell Indices

3. Breadth and quality of data

- Single point of access for a broad range of data reduces customer operating complexity
- Simplified development and monitoring of investment strategies through concordanced databases that support customer data scientists

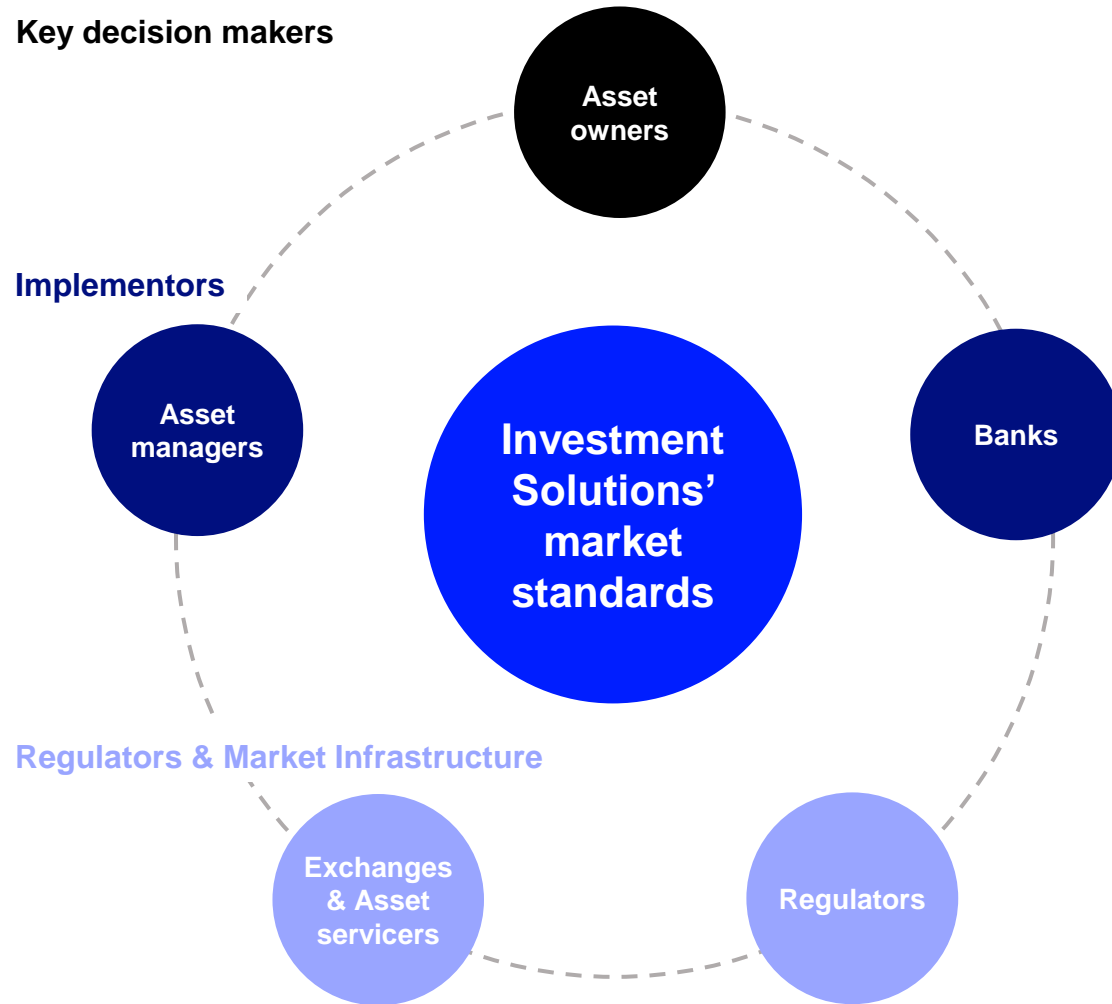
4. Multi-asset class coverage

- Only truly multi-asset class index provider
- Single source for benchmark rates, indices, data, analytics and workflows across asset classes reduces customer operating complexity

5. Innovative sustainable investing products

- Leading multi-asset climate data and indices including Beyond Ratings, Green Revenues, Transition Pathway Initiative, Point Carbon and Climate Government Bond indices

We create market standards used throughout the investment ecosystem



Key decision-makers select agreed upon **market standards** for the performance and risk characteristics of their desired investment strategies

- *These market standards are defined by our **benchmark rates and indices***

Implementors create portfolios or index-linked derivatives intended to match or outperform these **market standards**

- *Our **data, analytics and workflows** support the evaluation of individual securities and their roll-up into these portfolios*
- *The evaluation of portfolio performance and risk requires our **benchmark rates and indices***

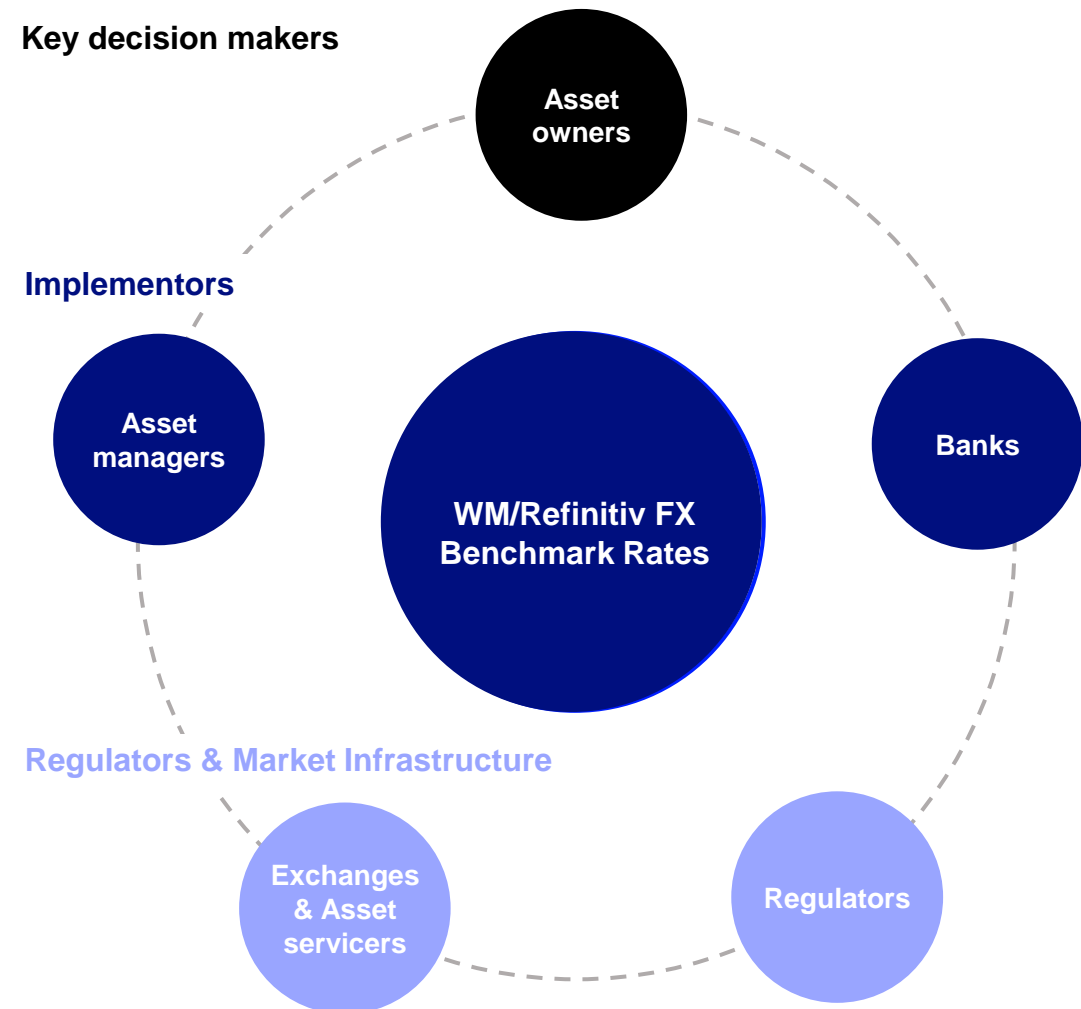
Regulators & Market Infrastructure providers deliver oversight, safekeeping, execution venues and other services to key decision-makers and implementors

- *These services require our **data, benchmark rates and indices** to maintain consistency*

WM/Refinitiv FX Benchmark Rates: independent, objective benchmark rates that are trusted and fundamental components of market infrastructure

The trusted choice in FX rates for marking global assets to market

- Use cases include fund valuation, reporting, trade execution and research, input into indices
- Synergies with LSEG's FX Matching platform whose transaction data is a key input into WM/Refinitiv
- Used by thousands of market participants worldwide for over 20 years
- Exceptional depth and breadth of coverage, with intraday and closing FX benchmark rates for more than 150 currencies
- Distributed to subscribers via desktop, feeds and third-party vendors
- Aligned with International Organization of Securities Commissions (IOSCO) standards and underpinned by rules-based, transparent methodologies



FTSE Russell and Pricing & Referencing Services: A powerful revenue synergy

Our reference data is now the key input to FTSE Russell Fixed Income Multi-Asset Class Indices, making our reference data essential for customers

+

We can now go to market with a combined index and reference data solution

=

Immediate opportunity to sell reference data to existing FTSE Russell customers

Extensive ESG data enabling extension of ESG index series

Commercial opportunity as we innovate and launch new data sets and indices – notable wins already since close

Strong Sustainable Investment credentials underpin opportunities across our business

Scale and breadth

- 450 ESG metrics for 10,000+ companies across bonds and equities
- Green Revenues data on 16,000 companies in 133 micro-sectors

Focus on climate data, analytics and indices

- Climate-Adjusted World Government Bond Indices
- FTSE Transition Pathway Initiative Indices

Leadership in COP26

- Helping set the climate finance agenda for years to come, and becoming a market accelerator for 'net zero' investment strategies

Climate risk analytics

- Beyond Ratings sovereign climate risk models combined with Yield Book analytics

Engagement and partnerships



Competitive advantages in Sustainable Investment

- 20 years of experience - launch of the FTSE4Good indices in 2001
- Dedicated, multi-disciplinary SI research team grounded in academia, technology and industry
- Deep relationships across the investing ecosystem with asset owners, asset managers and market infrastructure stakeholders
- Focus on global, multi-asset climate analytics
- Data-driven approach threaded throughout the range of our analytics solutions

Delivering on our growth plan

Our priorities to achieve above market growth

1

Focus on execution

- Continued execution on new product development
- Utilise LSEG's global distribution to optimise customer engagement

2

Enhance the customer experience

- Workspace and Data Platform to provide an integrated customer experience
- Accelerate the rate of new product delivery

3

Prioritise synergies and growth through targeted investment

- Focus on high-growth index areas
- Capitalise on revenue synergies

#1 Focus on execution

Now to 2022

Continued execution
on **new product**
development

- **Sustainable Investment**
- **Workspace**



- Green Impact Bond Indices, Paris-aligned climate benchmarks, Frontier EM Government Bond Index, digital asset indices
- Launch of flagship Russell US ESG Indices
- Integrated ESG and climate analytics, IBOR migration
- Workspace for Analysts & Portfolio Managers

Leverage LSEG's
global distribution
to optimise
customer
engagement

- **Customer engagement model**
- **Asset-based fees**
- **Customer support**



- Combine and mobilise a larger, globally coordinated sales effort with product specialist teams
- Grow asset-based fees through focus on specialist product and research capabilities
- Enhanced customer support

#2 Enhance the customer experience

Now to 2022

Mid-term – ongoing

Workspace and Data Platform for an integrated customer experience

- **Broadening distribution**
- **Deeper integration**



- Fixed Income analytics and data in Workspace
- FTSE Russell indices on Workspace and delivered via the Group's Data Platform
- Yield Book analytics in Pricing & Referencing Services ("PRS")

Accelerating product delivery, improving legacy systems

- **Cloud migration**
- **Improved execution**



- Meet customer demand by shifting fixed income analytics to an elastic compute environment to expand calculation capacity
- Prioritised data sets migrated to the Cloud, e.g., Lipper and Quantitative Analytics and Content
- Index platform re-factored to allow greater product flexibility

#3 Prioritise synergies and growth through targeted investment

Focus on **high-growth areas**

- Innovative sustainable investment models
- Provide solutions for Direct Indexing
- Fixed Income and Multi-Asset (FIMA) indices and analytics

Capitalise on **revenue synergies**

- FIMA indices and PRS synergies enable cross-sell and up-sell opportunities
- Distribution of indices through Refinitiv platforms
- Alignment of fixed income analytics to Refinitiv data sets and product enhancements

In summary

-
- ❑ Portfolio of high-quality businesses, providing multi-asset class investment solutions to the global investment community
 - ❑ Deep customer relationships throughout the investment ecosystem, creating a strong network effect
 - ❑ Well-positioned for macro trends supporting this market
 - ❑ Clear synergy and long-term growth roadmap to accelerate and meet targets

Our strong core product offerings, continued product innovation, customer focus, global distribution and favourable macro trends, position us to deliver high single-digit growth over the medium term.

Wealth Solutions

Sabrina Bailey



Overview of our business

What our business does

What we provide

Solutions that power the wealth management process, including:

- **Advisor & Investor Services** (Wealth Data & Analytics)
 - ‘On-screen’ services used by advisors to run their business and connect with investors
 - Data used as the ‘power inside’ to facilitate sound investment decision making
- **Operations management**
 - Securities processing (BETA) services

Who we provide it to

The wealth management community around the globe, including:

- Banks (private and retail)
- Broker-dealers
- Financial advisory firms
- Digital wealth firms

Supporting five user types:

- Firm
- Wealth advisor
- Advised investor
- Self-directed investor
- Operations team

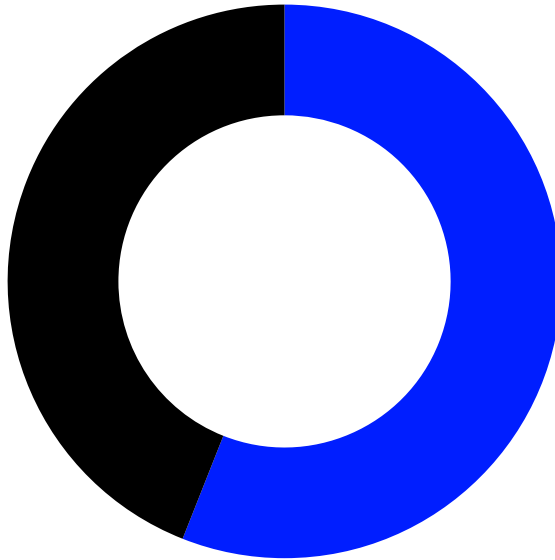
How we commercialise our offering

We generate revenue through a mix of:

- Recurring revenue generated from subscription fees
- Non-recurring revenue, largely attributable to securities processing transactions fees within our BETA business

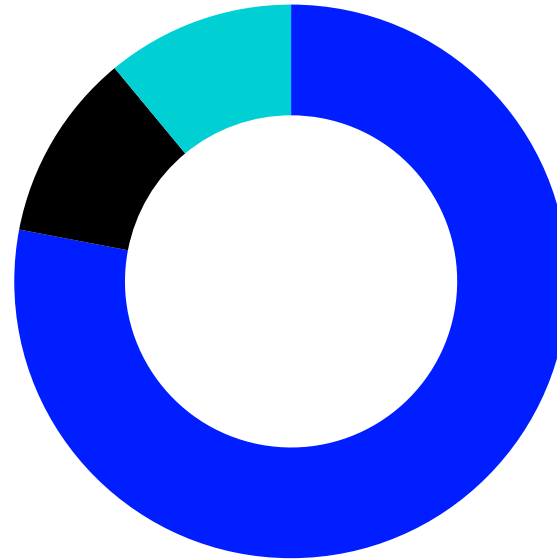
A diversified base of high-quality revenues

Diverse revenue sources



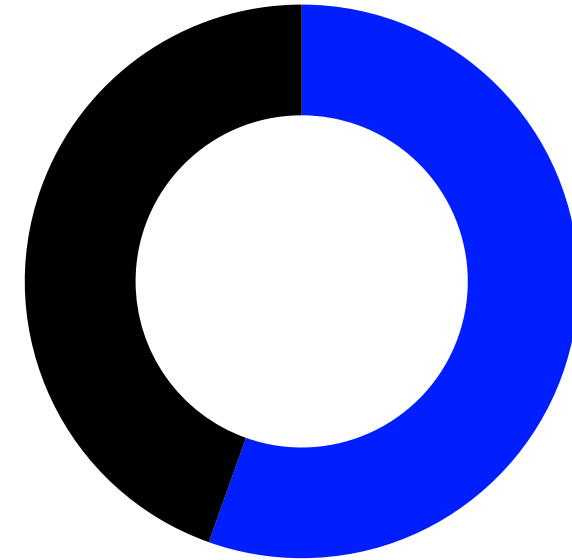
- 56% recurring
- 44% non-recurring

Global footprint



- 78% Americas
- 11% EMEA
- 11% APAC

Diverse wealth services revenues



- 56% Advisor & Investor Services (Wealth Data & Analytics)
- 44% Operations Management (BETA)

We serve customers across the wealth management ecosystem

Our core businesses

Data

We collect, aggregate and manage risk-related data from open sources, customers and partners

Analytics and indices

We enrich data and generate new value by building structured content and analytical insight

Distribution

We distribute to humans and machines, and build products that enable workflows

Aligned to customer communities

Enterprise Data Solutions

Trading & Banking Solutions

Customer & Third-Party Risk Solutions

Investment Solutions

Wealth Solutions

Delivered at scale to a broad range of customers

Banks (private and retail)

– Power **180,000 advisors** across **4,000+ firms**

Broker dealers

– Connected to **5+ million investors**

Financial advisory firms

– Process **35+ million daily transactions**

Digital wealth firms

– Service **\$6+ trillion in assets**
– Reach customers in **92 countries**

Facilitating trusted connections between wealth managers and their clients

Across our wealth businesses we:

Provide workflows,
content, analytics and
operational services

Building trusted relationships
and enhancing operational
efficiencies

Support flexible delivery
models

Giving customers the power
to choose the services that
best align with their needs

Provide interoperable
services across front-to-
back processing

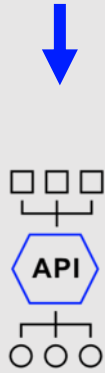
Providing clarity and
consistency of data across
the firm, advisor and investor

Our delivery is highly configurable to meet clients needs

WEALTH MANAGEMENT FIRMS

Chief Digital Officer

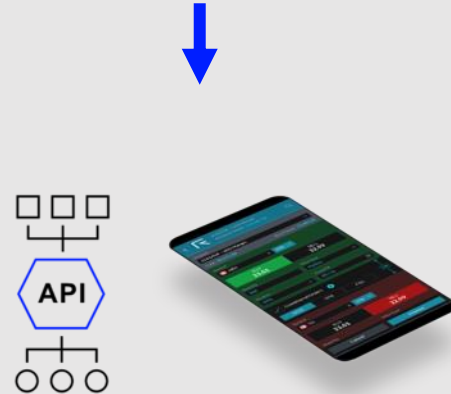
"I need content and analytics to **power my wealth portal**"



API⁽¹⁾ only

Chief Information Officer

"I need content and analytics **displayed within my portal**"



API⁽¹⁾ + widgets

Head of Wealth

"I need **a full experience** delivered for my portal"



Full Platform (Workspace)

Chief Operating Officer

"I need back-office **operations support**"

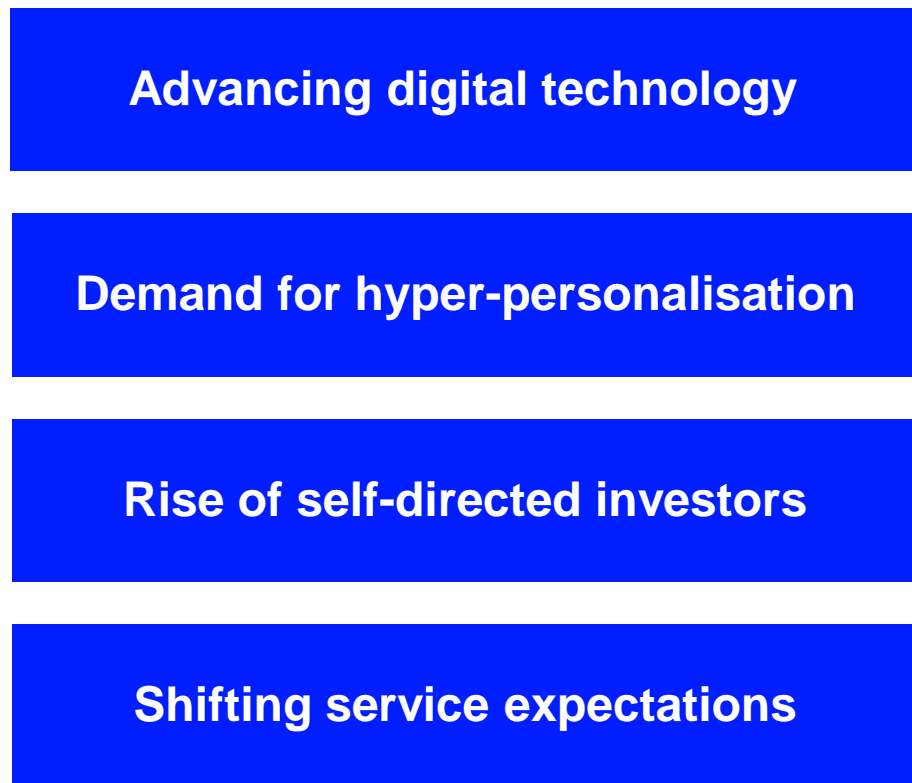


Operations Services (BETA)

Integrated, interoperable client-centric solutions for advisors and investors provides unified client experience

A rapidly evolving and growing industry

Trends driving growth in the market



Note:

TAM Methodology: Based on a combination of public sources, third-party research, proprietary market intelligence; validated with subject matter experts

(1) Market growth consists of around one-third Operations Management related spend with the remainder being Advisor & Investor Services

(2) Assumes current growth rates applied to 2025

(3) Revenue refers to pro-forma revenues for 2020

A diversified portfolio of businesses

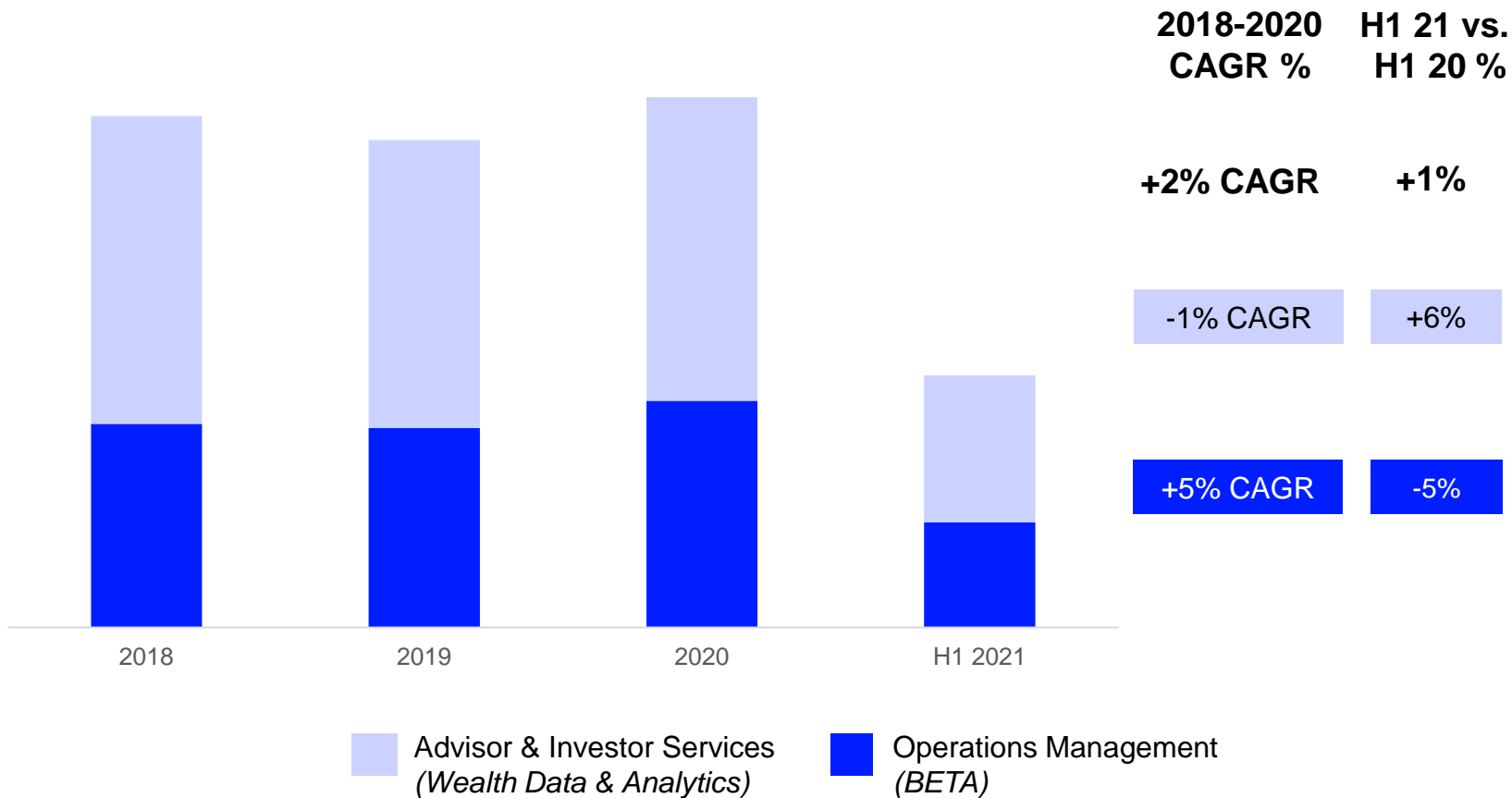
	Advisor & Investor Services	Operations Management
Addressable market segment	£5.4-6.0bn	£2.7-3.1bn
Segment growth	5-7%	3-5%
LSEG position	Improving	Competitive
Market trends	<ul style="list-style-type: none"> – Digital transformation of customer experience – Focus on sustainability driving need for new data and analytics 	<ul style="list-style-type: none"> – Changes in regulation – No commission trading driving higher transaction volumes
LSEG product suite	<ul style="list-style-type: none"> – ‘On screen’ services used by advisors to run their business and connect with investors – Data used as the ‘power inside’ to facilitate sound investment decision making – Workspace, ThomsonONE, Eikon, Digital & Active Investor, Knowledge Direct, Data Platform, Maxit 	<ul style="list-style-type: none"> – Securities processing and tax reporting services designed to integrate with customers current operations – BETA

Note:

– LSEG’s Wealth business has a more balanced mix between the faster growing Advisor & Investor Services (56%) and the slower growing Operations Management (44%) segments vs the overall market which is more heavily skewed to Advisor & Investor Services

Majority of business delivering growth, offset by decline in platform business

Wealth Solutions revenues:



Key drivers

Advisor & Investor Services (Wealth Data & Analytics)

- 3-year revenue decline reflects previous underinvestment in legacy platform (ThomsonONE) moderated by strong growth in content and analytics revenue
- H1 2021 revenue growth driven by focused investment in Workspace for Wealth in Q1 2021, with positive market reception globally as well as enhanced content and analytics

Operations Management (BETA)

- 3-year revenue growth driven largely by increased transaction volumes
- H1 2021 revenue declined driven largely by decreased transaction volumes as markets normalised

Note:

- 2018 to 2020 CAGR is on a pro-forma constant currency basis, the H1 20 to H1 21 growth rate is on a pro-forma constant currency basis and excludes the impact of the deferred revenue adjustment
- Externally reported revenue lines have been renamed. 'Wealth Data & Analytics' is now 'Advisor & Investor Services'. 'BETA' is now 'Operations Management'. There is no change to revenues. The new descriptions will be reflected in Q3 2021 reporting onwards

Competitive advantages

Our competitive advantages

We have a strong base

...generating powerful differentiators

1. **Global scale and flexibility of our delivery mechanisms**

- Ability to leverage Q1-21 launch of Workspace for Wealth to accelerate global growth
- Service of wealth customers globally with consistent platform, content and analytics

2. **Breadth and depth of our content and analytics**

- Content delivered at customer-specified speeds & supported by firm-wide investment
- Access to market-leading data such as sustainability-focused content and analytics

3. **Openness to partner with our customers**

- Integration of wealth services with customer proprietary data and delivery models
- Delivery of customer-specific user interfaces

4. **Ability to configure tailored customer experiences**

- Access to integrated front-to-back services with flexibility to deliver in part or whole
- Access to market-leading APIs across the wealth management ecosystem

5. **Industry-leading securities processing**

- Highly resilient solutions to power customers' operations requirements

Targeted investment is furthering competitive advantage

We are focused on...

And delivered in 2021...

Advisor and investor services

Delivering more personalised insights

- Enhancing advisor efficiency so they can focus on clients

Integration of firm's proprietary investment information with market data and news

Driving stronger connection between advisors and investors

- Accelerating advisor growth through digital engagement with investors

Self-directed trading application and digital collaboration tools to connect advisor to investor

Delivering enhanced content and analytic sets

- To support evolving advisor needs

Sustainable finance focused content & analytics

Providing locally relevant, global solutions

- Increasing local relevance to meet customer needs

Localised Latin American content and news solution

Operations management

Delivering customer-specific solutions

- To optimise our services for customer-specific needs

Digitally enabled client onboarding services linked directly to securities processing system

Delivering on our growth plan

Our priorities to accelerate growth

1

**Focus on
execution**

- Improve product through stronger customer engagement
- Optimise offering to better respond to customers' shifting need

2

**Enhance the
customer experience**

- Improve customer workflow tools to drive business efficiency
- Create a more flexible delivery approach to quickly respond to customer needs

3

**Prioritise growth
and adjacencies**

- Focus investing in higher growth areas of the market
- Capitalise on company adjacencies that accelerate revenue growth

#1 Focus on execution: Customer engagement driving revenue growth

Customer needs	Our response	Key differentiators
<p>“I need to have access to the latest investment insight and data to ensure premium support of my clients’ investor goals, in a hybrid working environment.”</p> <p style="text-align: right;">Wealth Advisor</p>	<ul style="list-style-type: none"> – Responded to customer’s request for a fully hosted, Web-based information insight solution – Onboarded over 10,000 Workspace users via a 100% digital support and implementation model 	<p style="text-align: center;">Technology agility/scale</p>
<p>“I need one place where I can access all the information on the street, and all our in-house proprietary research and content, in a client-centric, intelligent way.”</p> <p style="text-align: right;">Wealth Portfolio Advisory Group and Advisor</p>	<ul style="list-style-type: none"> – Developed ‘proof of concept’, receiving feedback from multiple clients – Implemented the new ‘House Views and Market Insights’ content management solution, supporting the manufacturing and intelligent distribution of third-party and proprietary content 	<p style="text-align: center;">Partnership/data quality</p>
<p>“I’m looking to innovate and expand our self-directed investment capabilities to ensure we support digital self-directed trading and investment demands.”</p> <p style="text-align: right;">Wealth Digital Head</p>	<ul style="list-style-type: none"> – Deployed content services to power investment insight for retail wealth active investors – Launched Active Investor, an HTML5 ‘Active Trader’ portal with innovative digital investment tools 	<p style="text-align: center;">Data quality/digital innovation</p>
<p>“I needed a client portal solution that could support my whole business – both my self-directed clients as well as my advisory business – across multiple back-office platforms.”</p> <p style="text-align: right;">Wealth Digital Lead</p>	<ul style="list-style-type: none"> – Delivered digital client experience platform, allowing a consistent and seamless integrated experience across brokerage and bank wealth – Delivered with speed to market, utilising a targeted minimum viable product approach, to launch to meet client needs 	<p style="text-align: center;">Technology agility/digital innovation</p>

#1 Focus on execution: delivering on a customer-centric roadmap

Now – 2022

Mid-term – ongoing

Advisor & Investor Services

- ✓ Launched Workspace for Wealth globally
- ✓ Launched self-directed investor solution for customers
- ✓ Launched sustainability-focused content and analytics
- ✓ Delivered services for the Latin America market
- Enhance platform user interfaces for wealth advisors
- Improve advisor workflow with enhanced visualisation
- Expand access to local news and content
- Enhance analytic capabilities across the platform

- Deliver personalised wealth insights, powered by data
- Incorporate advanced workflows and predictive analytics
- Launch pre-advisory proposal and rebalancing workflows
- Proactive migration support for customers
- Support customers on their journey to the cloud
- Implementation of new commercial model

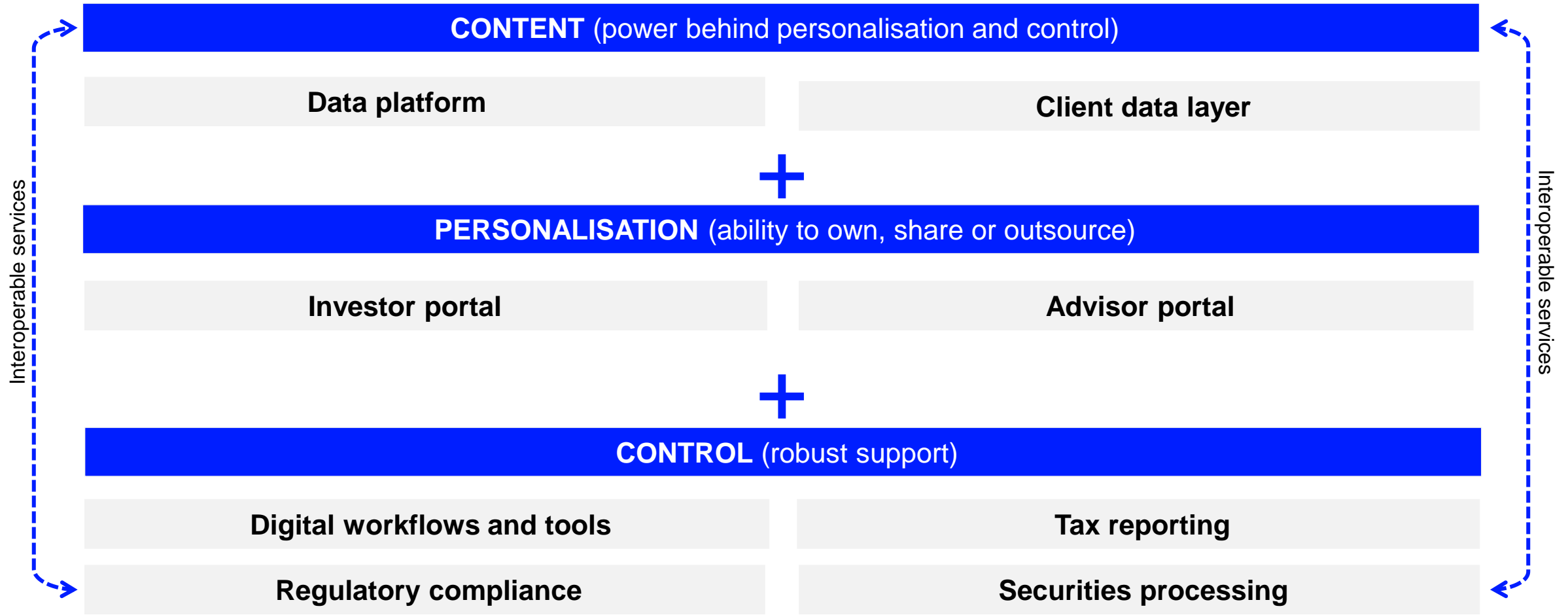
Operations Management

- ✓ Launched digital onboarding capabilities
- Completion of consolidated audit trail reporting compliance
- Enhance securities processing and tax reporting automation

- Modernise the securities processing user interface
- Execute on regulatory requirements (CAT, T+1)
- Expansion of corporate actions services

#2 Enhance customer experience: investing in client-centric services

We deliver flexible services to meet client-specific needs via APIs, widgets or fully hosted services



#3 Prioritise growth and adjacencies

Focus on **higher growth segments**

- Focus on continued improvement of Workspace workflows to deliver a seamless, global solution
- Increase global footprint with focused, strategic expansion into APAC and Europe
- Enhance partnerships structured to deliver locally relevant, global growth

Realise adjacencies

- Delivery on adjacencies that facilitate accelerated revenue growth, focused on investment solutions and third-party risk solutions

Growth plan summary: key initiatives

Now – 2022

Mid-term and beyond

1

Focus on execution

- Enhance user experience across our platforms
- Deliver expanded solutions across the value chain
- Provide proactive customer upgrade transition support



2

Enhance the customer experience

- Improve discoverability and transparency of data
- Provide availability of 24/7 self-service model for current and new customers
- Deploy interoperable applications and access to software development kits



3

Prioritise growth and adjacencies

- Focus on higher growth areas - Advisor & Investor Services, APAC & Europe
- Enhance partnerships structured to deliver locally relevant, global growth
- Capitalise on company adjacencies that accelerate revenue growth



In summary

- Accelerate growth by leveraging investments across the broader Data & Analytics division e.g., Workspace, content, analytics
- Invest in higher-growth areas, including Advisor & Investor Services and continued APAC and Europe expansion
- Deliver on business adjacencies related to Investment Solutions and Third-Party Risk services over the medium term
- Build on our competitive advantages to accelerate growth:
 - Global scale and flexibility of delivery mechanisms
 - Breadth and depth of content and analytics
 - Open and flexible approach aligned with customers
 - Configurable solutions tailored to customer needs

Targeting low to mid single-digit growth, reflecting our business mix and in line with previous guidance.

Capital Markets

Murray Roos



Overview of our business

A global multi-asset Capital Markets business

What we provide

- Capital raising through Primary Markets operated by London Stock Exchange
 - Main Market
 - AIM
- Trading venues across asset classes
 - LSE & Turquoise (primarily equities)
 - FXall & Matching (foreign exchange)
 - Tradeweb (fixed income & ETFs)

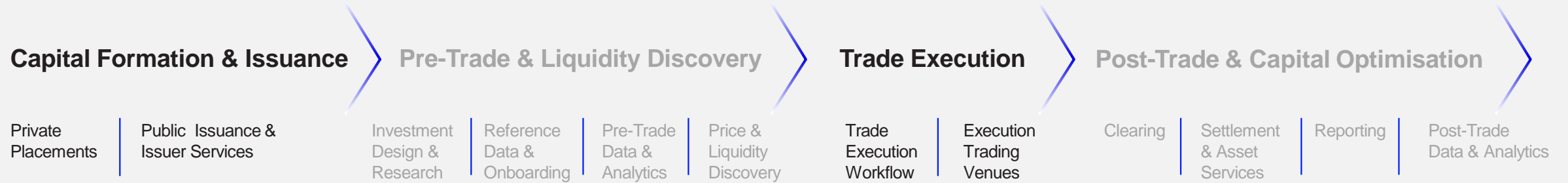
Who we provide it to

- Corporates
- Funds
- Sovereigns
- Banks
- Asset Managers
- Corporations
- Hedge Funds
- Non-Bank Market Makers
- Brokers

How we commercialise our offering

- Primary Markets
 - Admission fees
 - Annual charge for issuers
- Trading venues
 - Transaction fees & commissions
 - Usage / brokerage fees
 - Subscription fees
 - Market data fees
 - Transaction reporting fees





Capital Markets sets up the value chain for LSEG



We are a market operator enabling trading and capital raising globally across asset classes

We have powerful differentiators...

... resulting in leading market positions

EQUITIES	 London Stock Exchange	<ul style="list-style-type: none"> – 200+ year heritage – Deep pools of international capital – Location and time zone bridging Asia and Americas – Trusted regulatory framework 	<ul style="list-style-type: none"> – Leading European exchange for money raised in H1⁽¹⁾ – More international issuers than any exchange globally⁽²⁾ – Strong track record in sustainable finance product innovation
	 Turquoise	<ul style="list-style-type: none"> – Partnership with leading buy side and sell side firms – Proven track record of innovating with customers 	<ul style="list-style-type: none"> – Leading European dark pool and leading pan-European Multilateral Trading Facility⁽³⁾
FOREIGN EXCHANGE	 FXall	<ul style="list-style-type: none"> – Bank-to-client relationship trading and workflow solutions – Breadth of offering to meet ongoing buy-side shift from voice to electronic trading 	<ul style="list-style-type: none"> – #1 ranked multibank platform for 18⁽⁴⁾ consecutive years – 2,400 buy-side customers and 200 liquidity providers
	Matching	<ul style="list-style-type: none"> – Anonymous central limit orderbook for dealer-to-dealer (D2D) community in over 80 currency pairs – Matching data trusted globally to drive price discovery and set reference levels 	<ul style="list-style-type: none"> – Recognised as a Primary Venue for FX D2D trading
FIXED INCOME	 Tradeweb	<ul style="list-style-type: none"> – 20+ years of leadership in electronic trading with a global customer network – Rich history of fintech innovation with over 40 products in more than 65 countries 	<ul style="list-style-type: none"> – Leading platform in fixed-income, OTC trading and ETF trading for institutional, wholesale and retail investors and dealers⁽⁵⁾

Note:

(1) Source: Dealogic

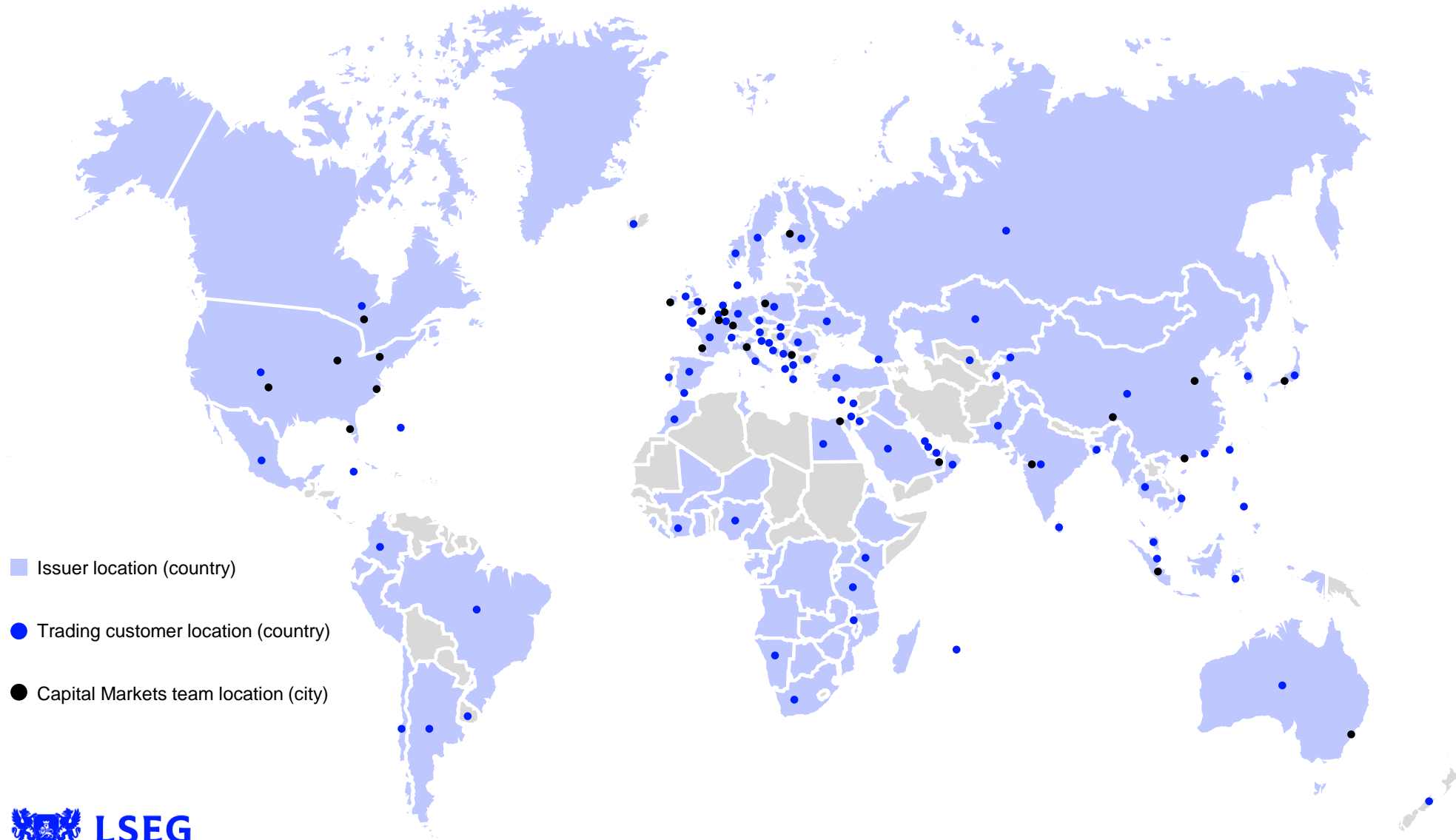
(2) Source: LSE & Refinitiv data

(3) Rosenblatt Securities, June 2021

(4) Source: Euromoney FX survey

(5) Source: FOW, GlobalCapital, ETF Express

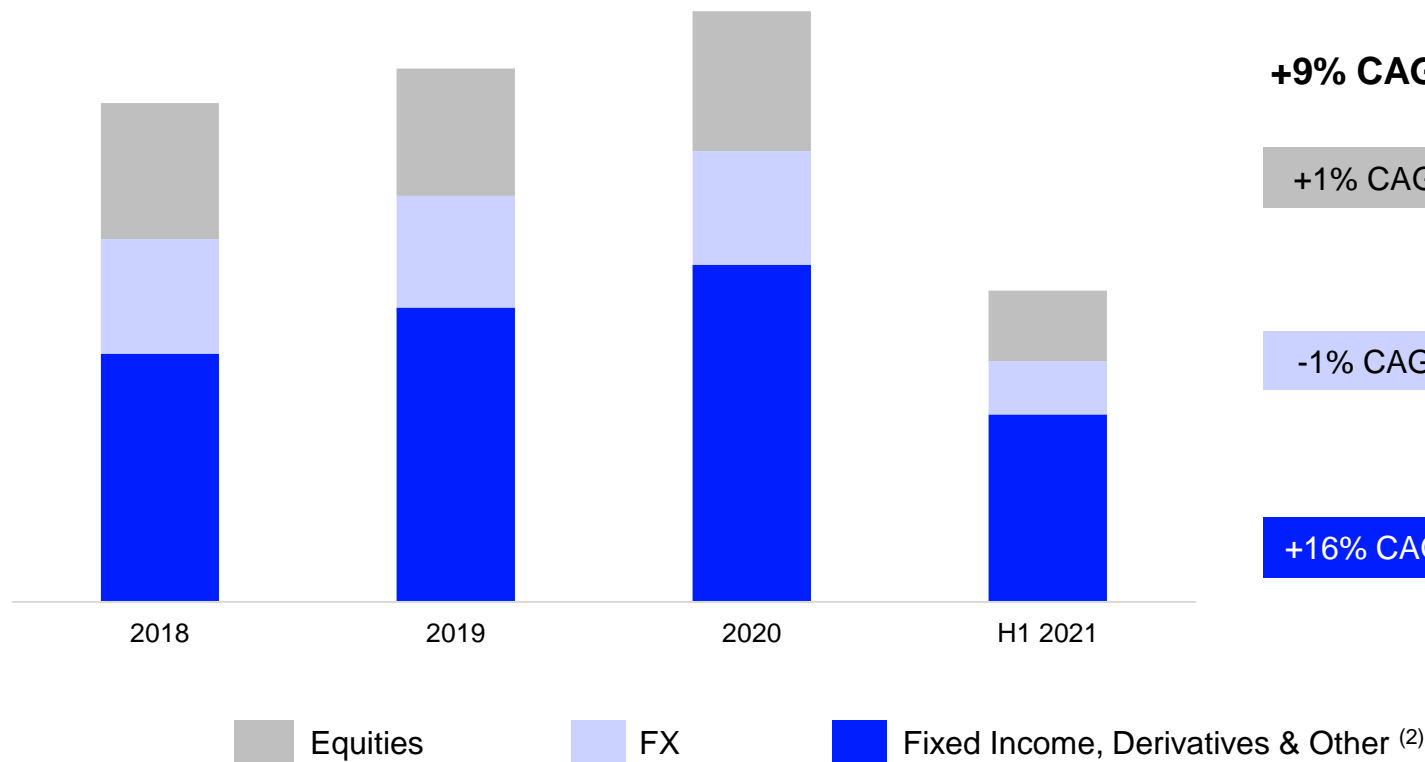
Our global footprint positions us well to provide services across multiple customer segments



A significant and growing contributor to LSEG's financial performance

Capital Markets revenues:

Capital Markets contributes 18% of Group income⁽¹⁾



Factors contributing to performance

Equities

- 2020 Covid-19 volatility and increase in capital raises driving uplift, balanced by reduced IPO activity
- H1 2021: Strong IPO activity (highest since 2014) and return to normalised trading volumes

Foreign Exchange

- Steady revenues as growth in FXall is offset by decrease in Matching due to underinvestment in technology

Fixed Income, Derivatives & Other

- Strong growth in Tradeweb due to continued shift of trading to electronic markets, roll out of new services and international expansion

2018-2020 CAGR % H1 21 vs. H1 20 %

+9% CAGR +10%

+1% CAGR +3%

-1% CAGR -1%

+16% CAGR +15%

Note:

2018 to 2020 CAGR is on a pro-forma constant currency basis, the H1 20 to H1 21 growth rate is on a pro-forma constant currency basis and excludes the impact of the deferred revenue adjustment

(1) H1 2021 income excl. Recoveries

(2) Fixed Income, Derivatives & Other includes 100% of Tradeweb revenues. LSEG has c52% ownership of Tradeweb.

We operate a scalable business with network effects

We derive scale benefits from common infrastructure, processes and expertise

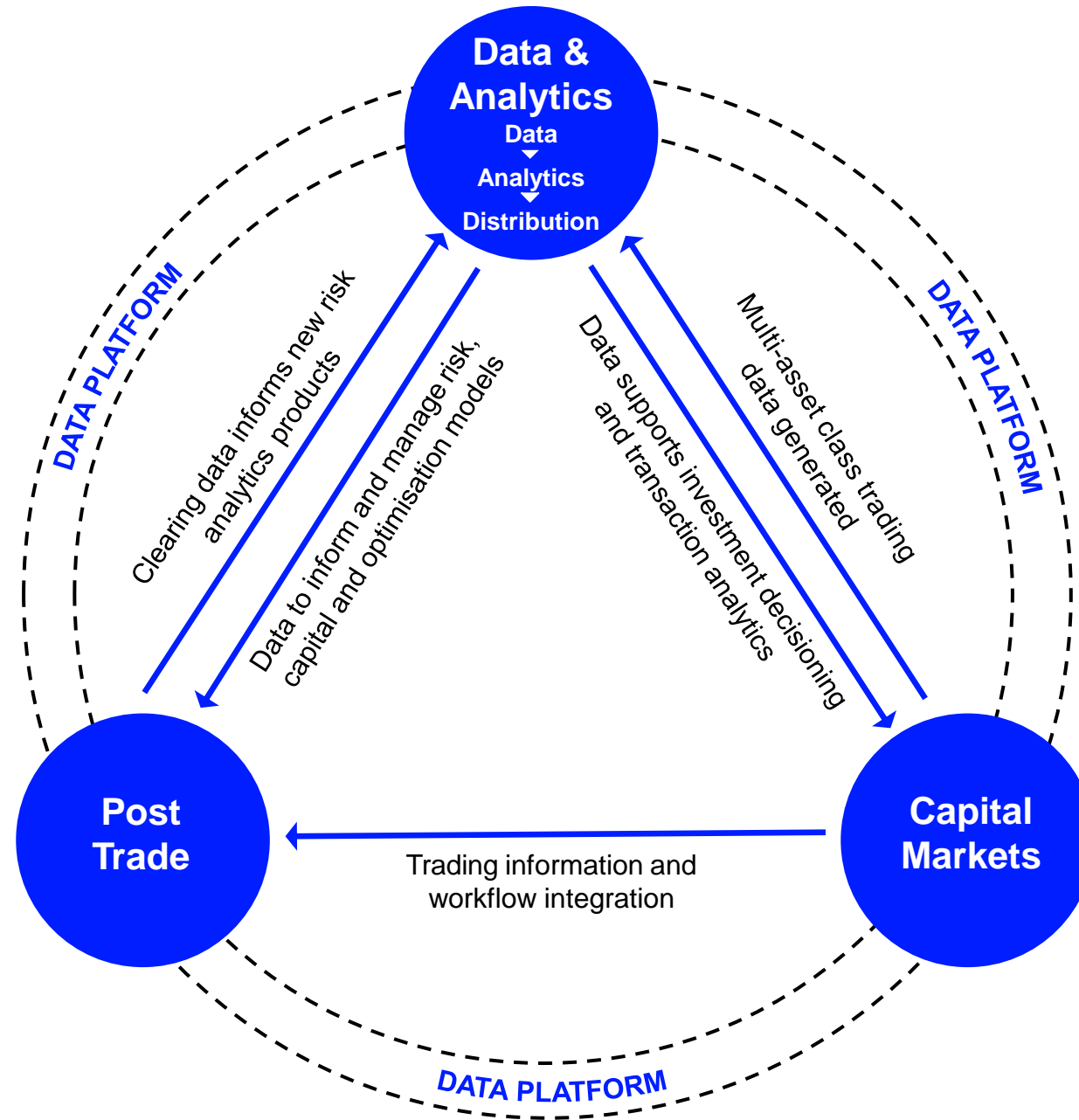
- Common technology, including trading platforms
- Customer connectivity and member onboarding
- Operations and compliance
- Regulatory engagement

Integration of the FX business into Capital Markets will yield further benefits

- Creating scale benefits through integration of FX venues with LSEG exchange technology and supporting systems
- Expanded geographic reach and proposition development synergies based on network effects

With our integrated business we will gain incremental revenues at low or no marginal cost

Capital Markets drives value across LSEG



In summary

-
- Capital Markets is a market operator enabling securities trading and capital raising globally across asset classes
 - We have a leading market position in equities, FX and fixed income
 - We are growing strongly with the potential for further growth
 - We have significant scale and a strong network effect within the Group

Capital Markets has a market leading position and a scalable model to continue driving value for LSEG.

Foreign Exchange

Neill Penney



Overview of our business

Introduction to FX

- LSEG is a market leader in FX, with several key differentiators:
 - Unique product capabilities
 - Unrivalled global footprint and quality of customer base
 - Strength of overall end-to-end offering across LSEG's divisions
 - Brand strength
- In recent years, parts of the business have not met their potential due to historic underinvestment
- Re-investment will return the business to growth and increase our agility to pursue new opportunities

A market-leading FX business with global presence

What we provide

Solutions that provide electronic trading to the institutional foreign exchange community

FXall is a Dealer to Client (D2C) electronic trading and workflow platform

Matching is a Dealer to Dealer (D2D) electronic trading platform

Matching data is used to drive price discovery and set reference levels for the institutional FX trading community

Who we provide to

The whole institutional FX market:

- Banks
- Brokers
- Asset Managers
- Corporations
- Hedge Funds
- Non-Bank Market Makers

How we commercialise our offering

FXall

- Banks pay brokerage fees on transaction volume

Matching

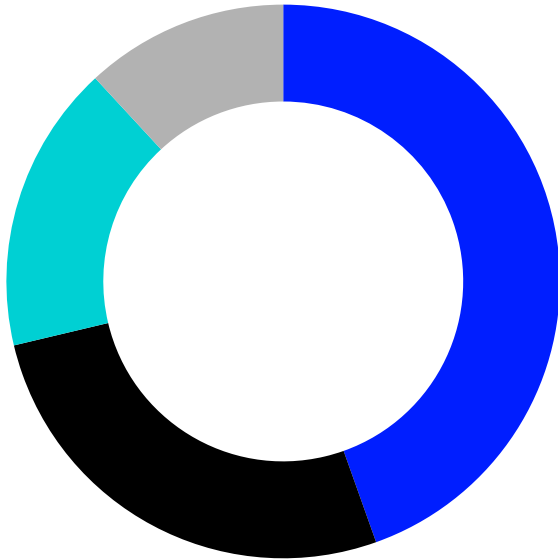
- Both parties pay brokerage

Matching Data

- Charged on a subscription basis

Our business generates diversified revenues

Participation in all segments of the FX Market



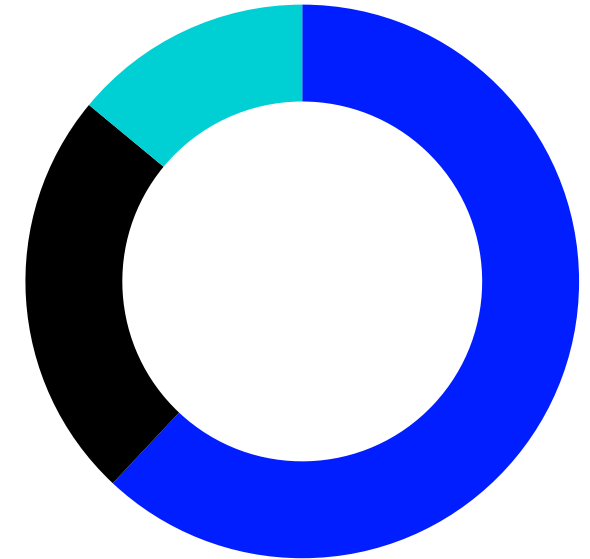
- 45% Banks & Broker/Dealers
- 27% Asset Managers
- 17% Corporates
- 12% Hedge Funds/Other

Global footprint⁽¹⁾



- 53% EMEA
- 30% Americas
- 17% APAC

Multiple revenue types



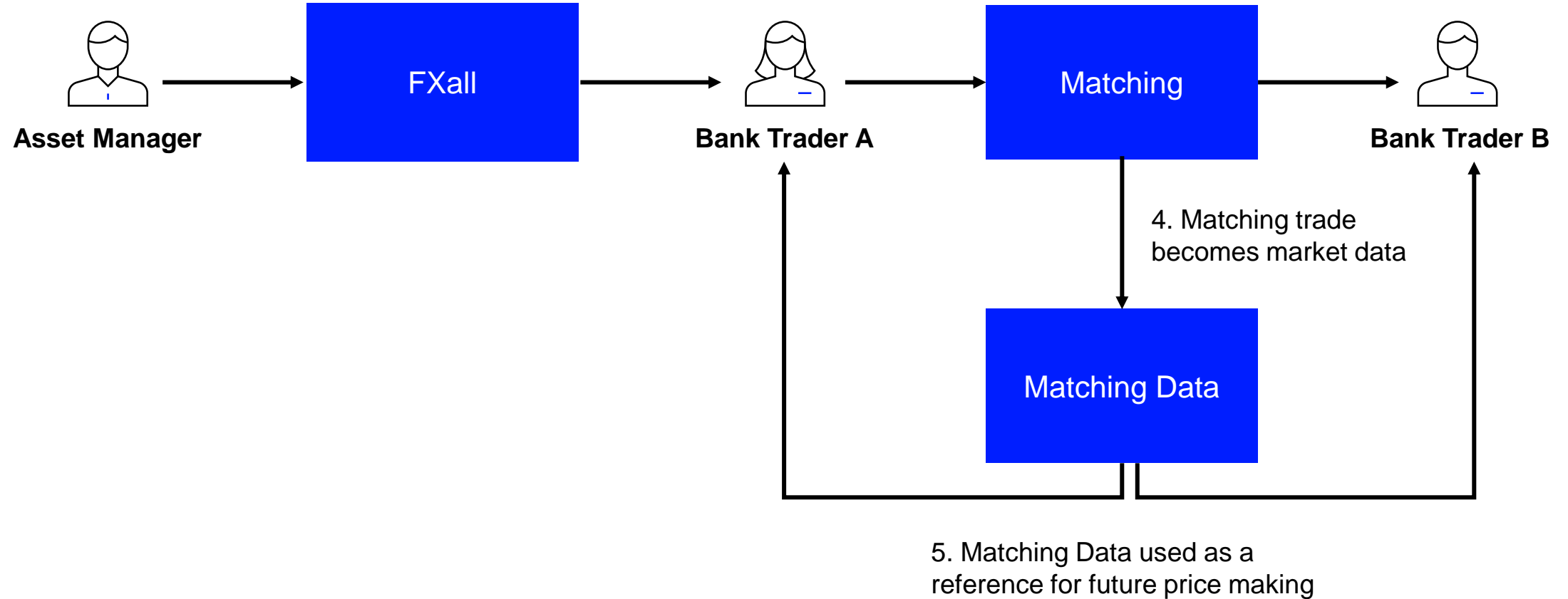
- 62% FXall revenue
- 24% Matching revenue
- 14% Matching Data revenue

A day in the life of an FX trade

1. Requirement to trade GBP-USD

2. GBP-USD trade executed over FXall

3. Bank A hedges trade in Matching with Bank B



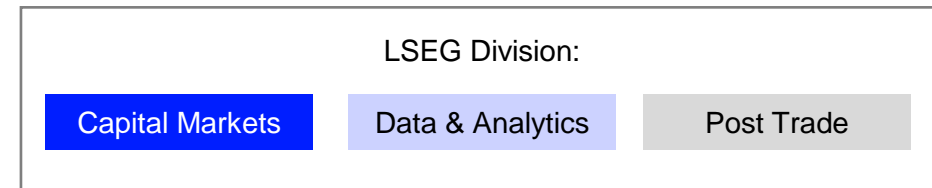
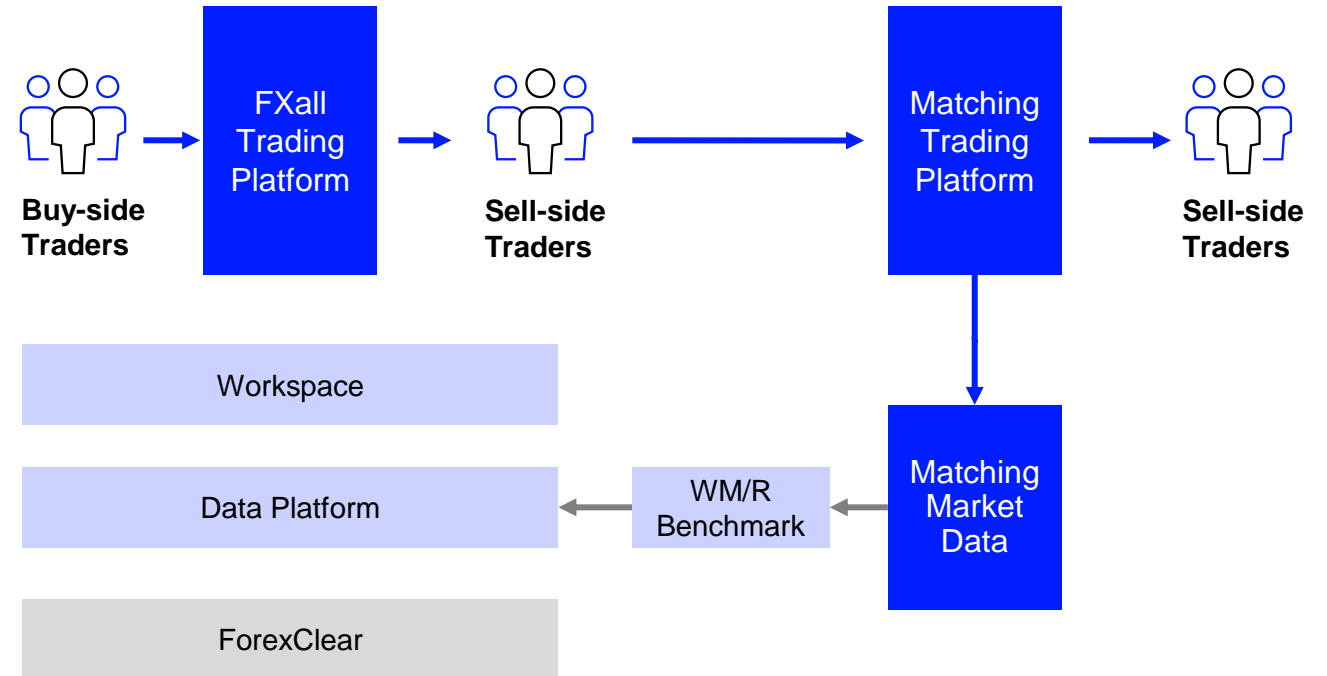
LSEG's FX capabilities provide end-to-end solutions for customers

LSEG solves four main problems for its FX customers:

- **Trading:** ability for customers to access their counterparties and trade at competitive prices
- **Workflow:** tools to help customers organise their FX trading, executing efficiently and accurately
- **Data:** accurate information about market conditions so customers can make informed trading decisions
- **Clearing:** a capital-efficient way to manage counterparty risk

Customer benefits of LSEG's end-to-end capabilities:

- Reduced technical integration work
- Data consistency
- Simplified vendor relationships
- LSEG as a strategic partner that understands the bigger picture of our customer's challenges



Significant growth opportunities

Market leading scale in both FXall and Matching

- The highest volume FX trading platform provider at \$446bn average per day
- Our FX network is comprised of 2,400 buy-side customers and 300 banks
- FXall has been a #1 ranked multibank platform for 18 consecutive years⁽¹⁾
- Unparalleled network of 200 liquidity providers on FXall
- FXall customer base includes many of the world's largest asset managers and multinational corporations

FX is the world's largest market by volume traded ⁽²⁾



Note:

- (1) Source: Euromoney FX survey
- (2) Source: LSEG, 2019 BIS Triennial Survey

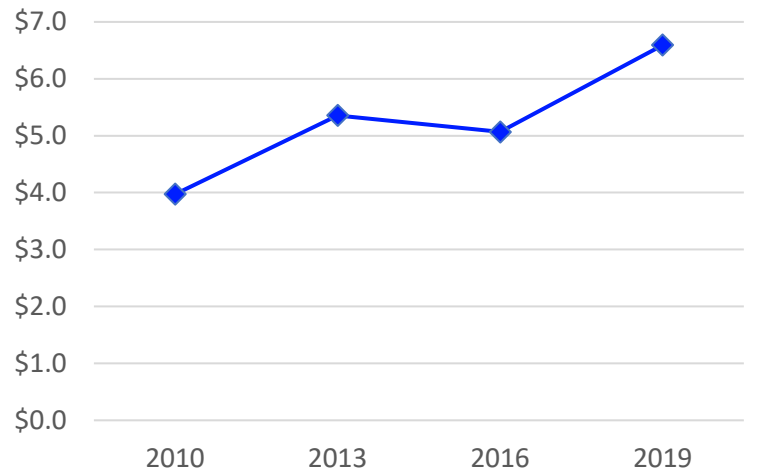
Evolving markets drive growth

FX turnover continues to grow, with companies executing increasing amounts of FX

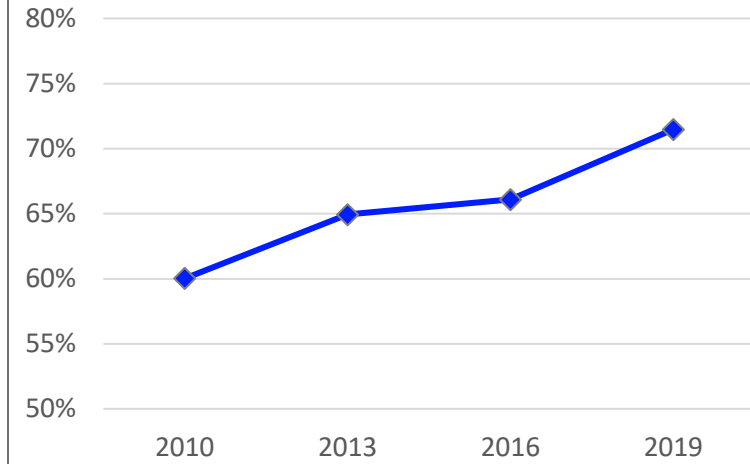
Customers continue to migrate trading from voice to electronic

Customers are moving from directly trading with their banks towards specialised solutions such as FXall

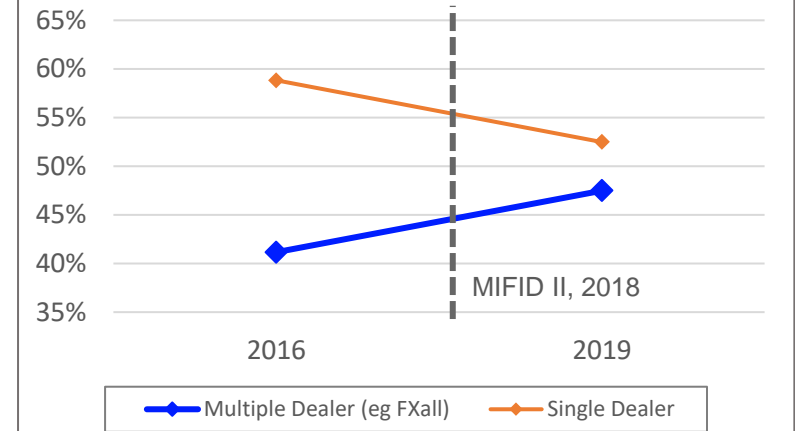
Daily Foreign Exchange Turnover, \$trn



Percentage Electronic Spot Execution

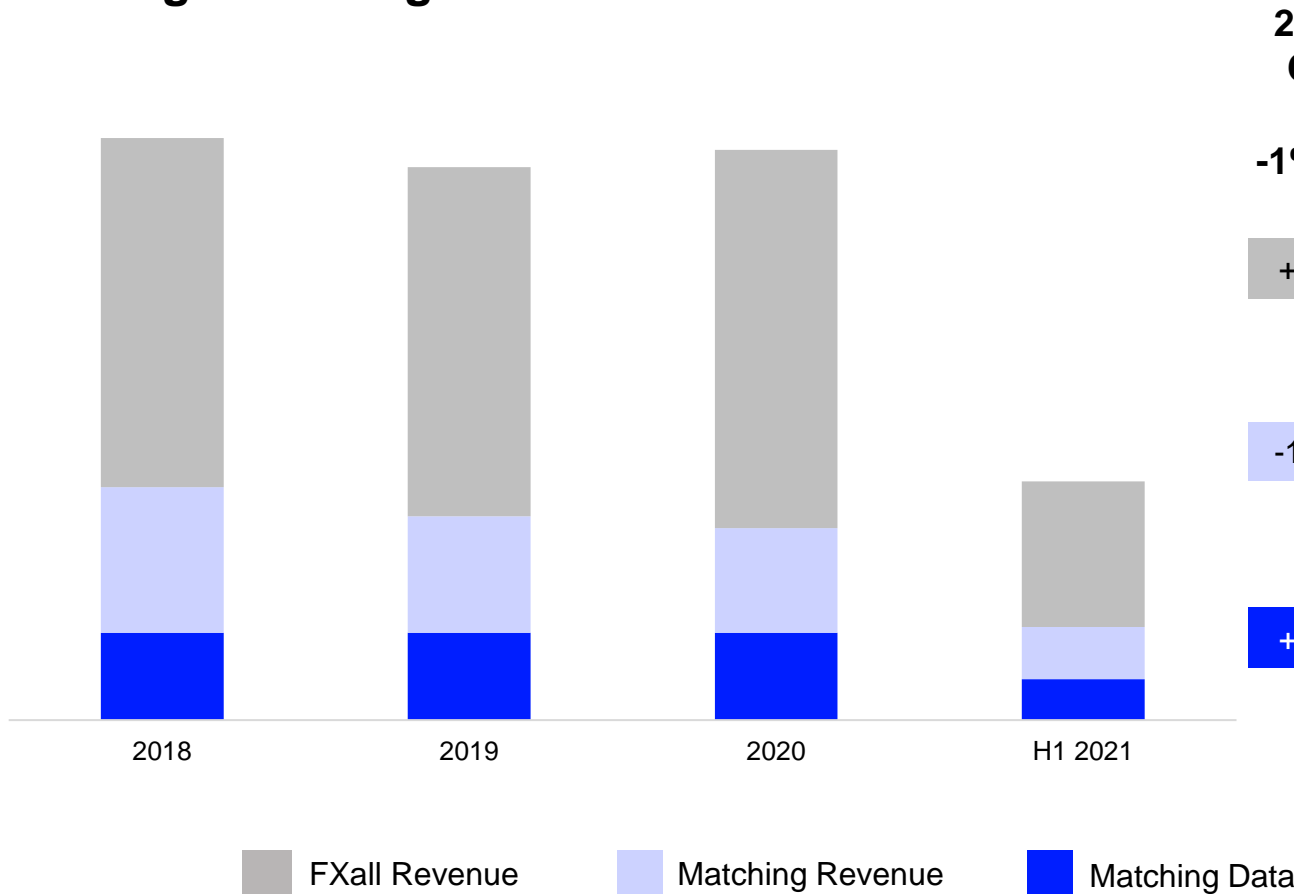


Percentage D2C Electronic Spot Execution by Execution Type



We are positioned to accelerate growth in FXall and return Matching to growth

Foreign Exchange revenues:



2018-2020 CAGR %	H1 21 vs. H1 20 %
-1% CAGR	-1%
+9% CAGR	+7%
-12% CAGR	-17%
+3% CAGR	+4%

FXall

- A strong product in a growing part of the market
- Highly quality customer base helps us launch new capabilities
- Increased investment will accelerate growth

Matching

- Matching has been declining due to historic under-investment: now being addressed
- Matching transformation has been welcomed by customers
- Immediate opportunities in FX Swaps and Emerging Markets
- Matching Data continues to become more valuable

Note:

2018 to 2020 CAGR is on a pro-forma constant currency basis, the H1 20 to H1 21 growth rate is on a pro-forma constant currency basis and excludes the impact of the deferred revenue adjustment

Our competitive advantages

We have a strong base

... generating powerful differentiators

1. Industry leading network and global relevance

- The highest volume FX trading platform provider at \$446bn average per day
- Network is comprised of 2,400 buy-side customers and 300 banks
- We sit on eight key Central Bank FX Committees

2. Market leading FX buy-side workflow capabilities

- Over 1,000 of the largest buy-side companies rely on us for their FX trading
- FXall is integrating with ForexClear to streamline customer workflow

3. Matching as a primary FX market

- Matching Data is trusted globally across the FX industry to drive price discovery
- Network continues to expand into new emerging market currencies

4. End-to-end solutions provided by LSEG

- Simplification and cost reductions for customers
- Added confidence of working with a strategic partner

5. LSEG acquisition enables technology upgrade

- Improved performance and capabilities
- Scale benefits from common infrastructure, processes and expertise

Delivering our growth plan

Growth plan summary

1

Accelerate FXall growth

2

Pursue currently available Matching opportunities

3

Transform Matching using LSEG Technology

New technology driving growth in FXall

Accelerate FXall growth

- More sophisticated execution management, workflow and analytics
- Support of new trading techniques such as algos
- Next generation APIs for trading workflow automation
- Seamless connectivity to ForexClear
- Modernise the user interface and integrate into Workspace

Case study: LCH's ForexClear integration

- Regulators are driving changes that will increase adoption of FX clearing by buy-side users (eg Uncleared Margin Rules)
- To help companies transition to clearing, LSEG has developed an integration link between FXall and ForexClear
- Link eliminates technology work for customers, simplifies their operational processes, and reduces their costs

Timeline: Ongoing



Partnering with customers to enhance Matching

Pursue currently available Matching opportunities

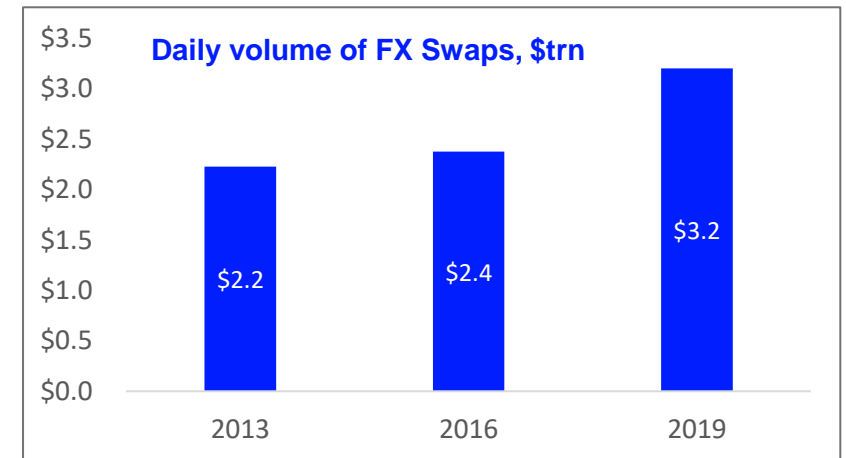
- Enhanced ultra-low latency data feed (2020)
- Richer real-time data (2020)
- Automation of FX Swaps trading (2021)
- Emerging Markets (2021)

Timeline: 2021-2022



Case study: FX Swaps

- FX Swaps are the largest single FX product traded by volume
- Matching is the market leading dealer-to-dealer platform for FX Swaps
- Currently, this is traded manually, but banks are looking to automate
- LSEG released API capabilities in 2021 and is now working with banks as they integrate to the API



Source: BIS Triennial Central Bank Surveys (2013, 2016, 2019)

Creating a platform for future growth in dealer to dealer

Transform Matching using LSEG Technology

In the short term:

- Enhance core Matching offering
- Deliver new solutions on the Matching platform

In the longer term:

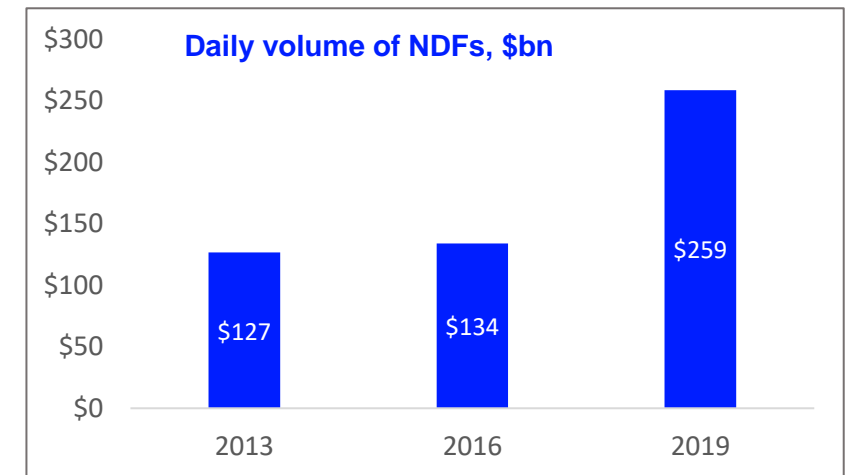
- Agile response to new opportunities
- Ongoing enhancements to keep pace with market evolution

Timeline: 2023 onwards



Case study: NDFs

- Non-Deliverable Forwards (NDFs) are an important part of the FX market in countries with currency exchange restrictions. Usage of NDFs is growing
- Our customers have been asking us to provide a solution. With our extensive footprint in Emerging Markets, we are an obvious partner
- Technology limitations with the current platform have prevented us from moving forward
- The new platform eliminates this restrictions and will enable us to pursue this opportunity



Source: BIS Triennial Central Bank Surveys (2013, 2016, 2019)

In summary

- LSEG is a market leader in FX
- Growth of the business is underpinned by multiple competitive advantages:
 - Unrivalled global footprint and quality of customer base
 - Unique product capabilities in FXall
 - Strength of overall end-to-end offering across LSEG's divisions
 - Acknowledged industry leadership and brand strength
- Acquisition by LSEG brings increased investment and new focus
- We will accelerate the growth of FXall and reverse the decline of Matching by:
 - Continuing to develop state-of-the-art technology in FXall
 - Continuing to pursue Matching opportunities on the current platform
 - Migrating Matching to LSEG technology
- These changes have been well received by customers who value us as a strategic partner and welcome the increased investment

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