



LSEG

Delivering on our growth potential

H1 2023 financial results

Delivering on our growth potential

Strong and broad-based growth:

- Total income (excl. recoveries) up **7.9%**
- Accelerating growth in Q2: total income (excl. recoveries) **+8.4%** (Q1 +7.5%)
- All divisions contributing to growth:
 - Data & Analytics **+7.6%**
all businesses growing well
 - Capital Markets **+1.5%**
strong volumes in Tradeweb
 - Post Trade **+19.2%**
exceptional first half

Good strategic progress:

- Investing in our products:
 - Acadia acquisition completed
 - New **FX Matching** platform to launch in H2
 - Faster product cycle with **FTSE Russell** re-platform
- Unlocking the **benefits of AI**
- Strong start to **Microsoft partnership**
- Significant shareholder returns:
 - Interim dividend **+12.6%**
 - Total buybacks **£1.5 billion¹**
2022 to April 2024

1. £750m on-market share buyback completed July 2023; directed buyback approved at 2023 AGM, intended to be £750m



LSEG

Strong growth and
continued transformation

Anna Manz, CFO



Strong H1 growth; confidence in full year outlook

Strong and sustained growth

EBITDA margin reflecting growth investments

Strong cash flow, funding investment and capital returns

2023 guidance unchanged

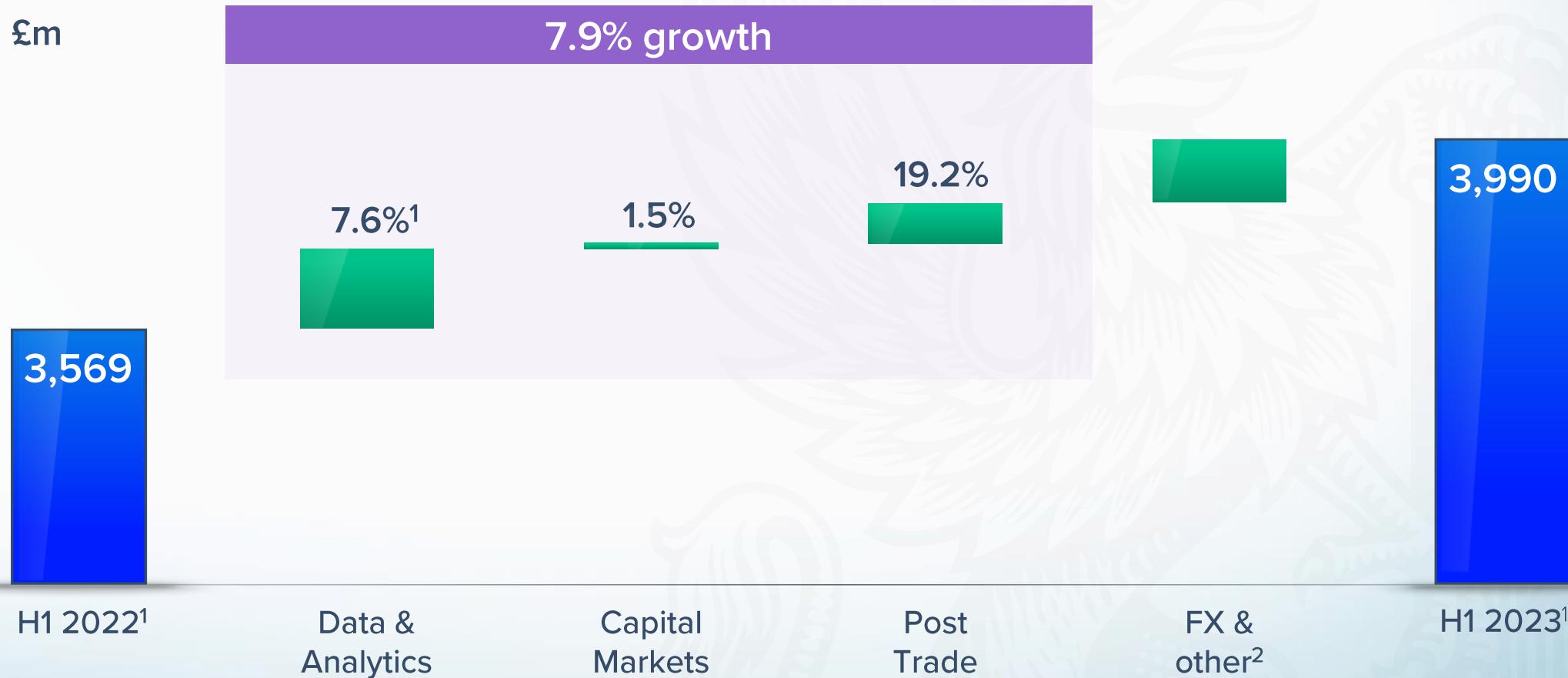
Strong revenue and EBITDA growth in H1

| £m | H1 2023 | H1 2022 | Growth | Constant currency growth |
|---|---------|---------|--------|--------------------------|
| Total income (excl. recoveries) | 3,990 | 3,569 | 11.8% | 7.9% |
| Adjusted EBITDA | 1,872 | 1,799 | 4.1% | 5.8% |
| Adjusted EBITDA margin | 46.9% | 50.4% | | |
| Adjusted EBITDA margin excl. non-cash FX gains/losses | 47.7% | 48.8% | | |
| Adjusted operating profit | 1,418 | 1,408 | 0.7% | 4.1% |

FX items and tax rate impacting on AEPS

| £m | H1 2023 | H1 2022 | Growth |
|--|---------|---------|---------|
| Adjusted operating profit | 1,418 | 1,408 | 0.7% |
| Adjusted net finance expense | (63) | (81) | (22.2%) |
| Adjusted tax expense | (321) | (262) | 22.5% |
| Adjusted effective tax rate | 23.7% | 19.7% | |
| Adjusted profit for the period | 1,034 | 1,065 | (2.9%) |
| <i>Adjusted profit for the period attributable to:</i> | | | |
| Equity holders | 888 | 934 | (4.9%) |
| Non-controlling interests | 146 | 131 | 11.5% |
| Adjusted basic earnings per share (p) | 160.9 | 167.4 | (3.9%) |

Strong and sustained growth across divisions

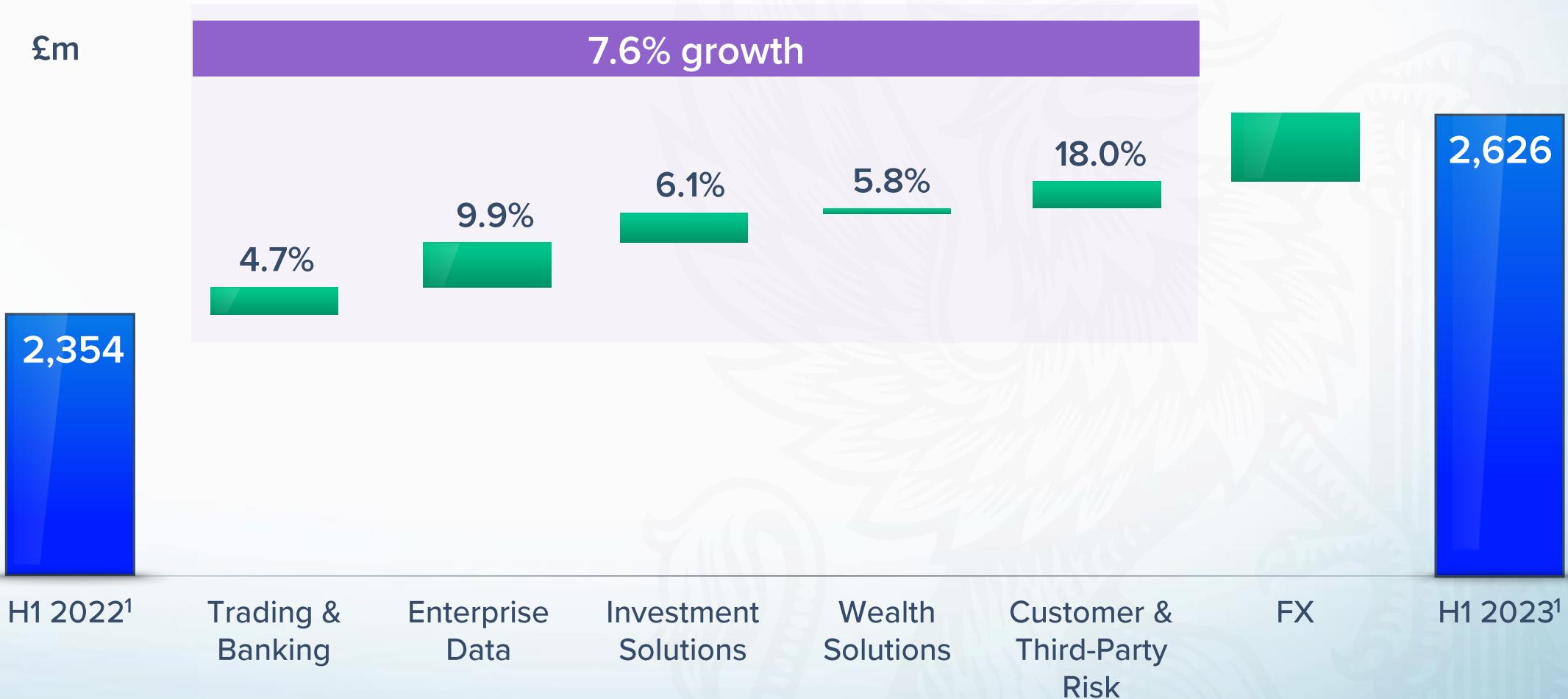


Growth rates on a constant currency basis unless otherwise noted

1. Total income excluding recoveries

2. Includes the impact of other revenues

All Data & Analytics businesses performing well



Growth rates on a constant currency basis, unless otherwise noted.

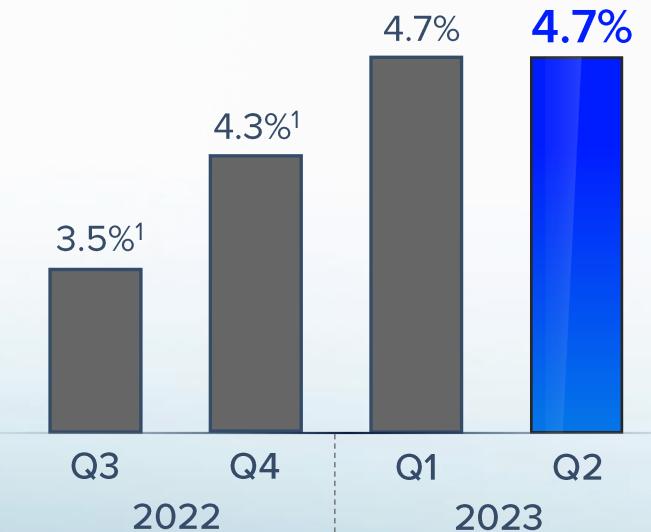
1. Total income excluding recoveries

Continuing strong momentum in our Data & Analytics businesses

Trading & Banking

Record customer satisfaction

Improved retention amplifying benefit of price



Enterprise Data

Strong demand for proprietary real-time data

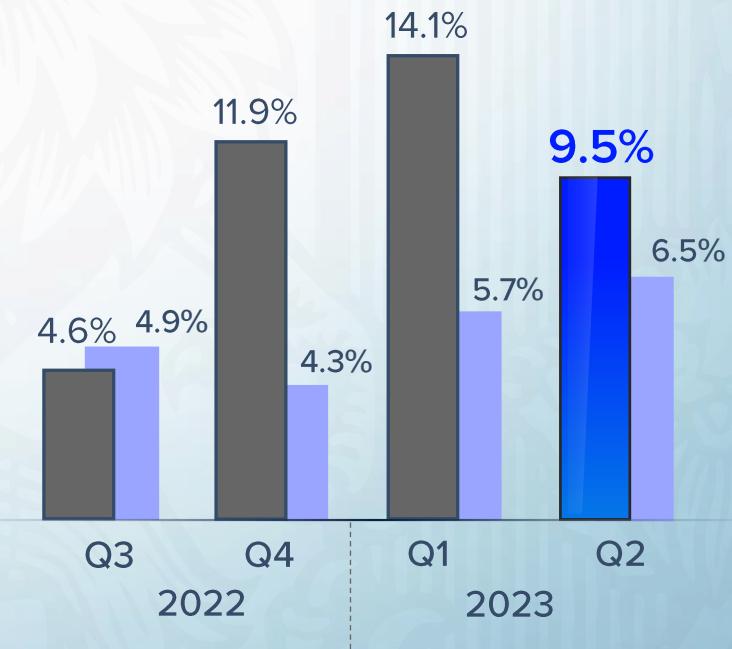
Accelerating revenue synergies from FTSE Russell cross-sell



Investment Solutions

Strong subscription growth: Q2 at 9.5%

Accelerating asset-based revenues over H1



Growth rates on a constant currency basis, 2022 growth rates exclude the deferred revenue adjustment

1. Excludes Ukraine/Russia impacts

Investment Solutions growth; other bars represent Benchmark Rates, Indices & Analytics growth



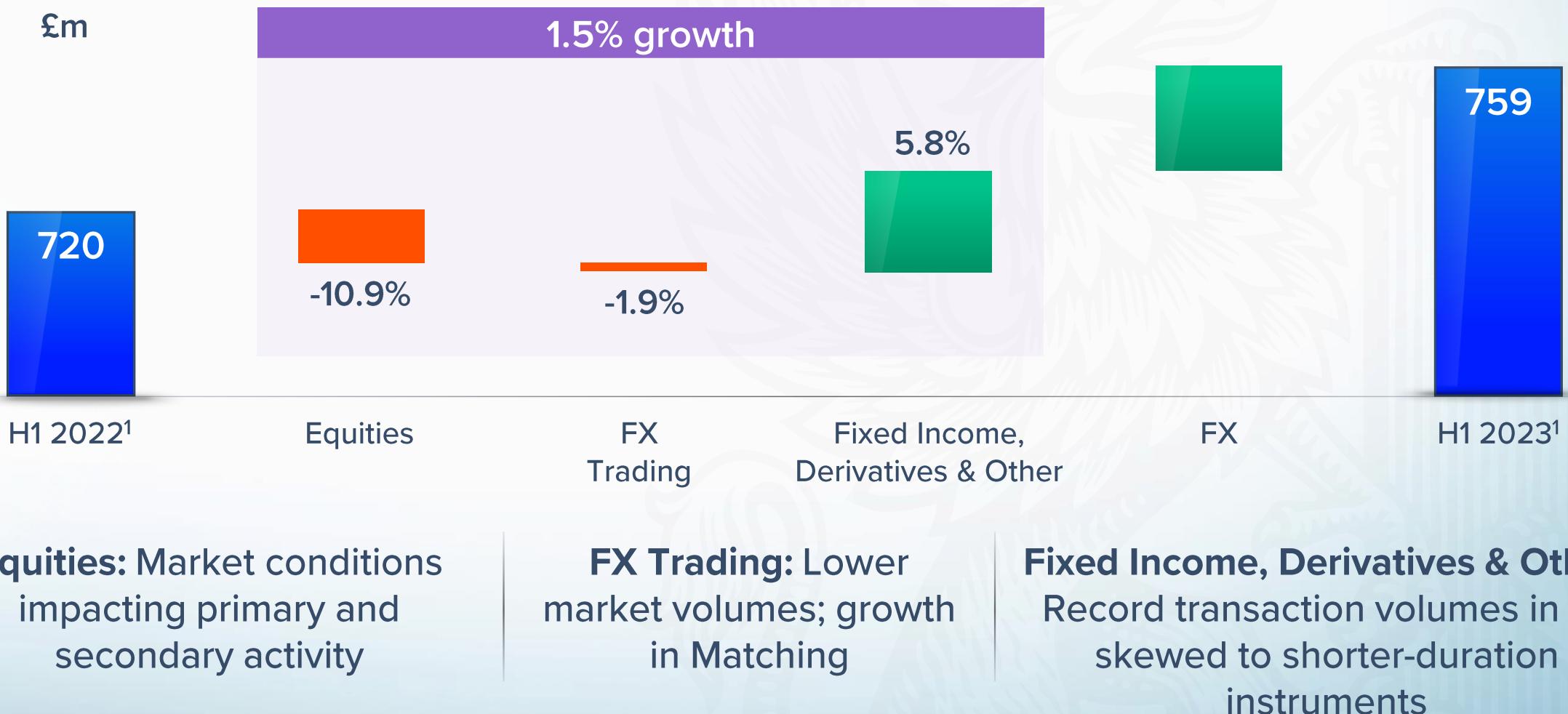
Retention, sales and price driving strong ASV growth

+390bps increase
since acquisition



Annual subscription value (ASV) growth is a constant currency point-in-time year-on-year organic measure of subscription growth in our Data & Analytics business

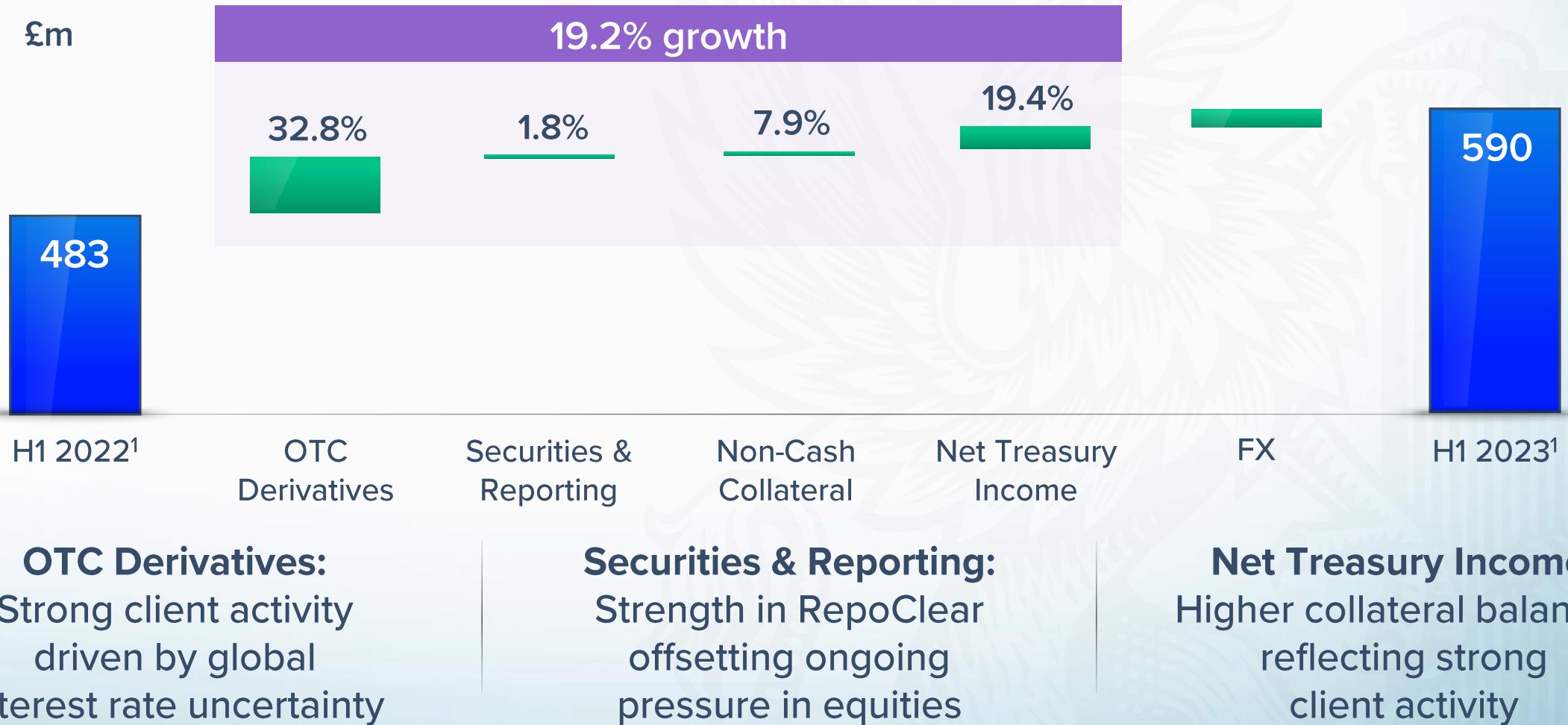
Capital Markets: ongoing strength in Fixed Income



Growth rates on a constant currency basis, unless otherwise noted.

1. Total income

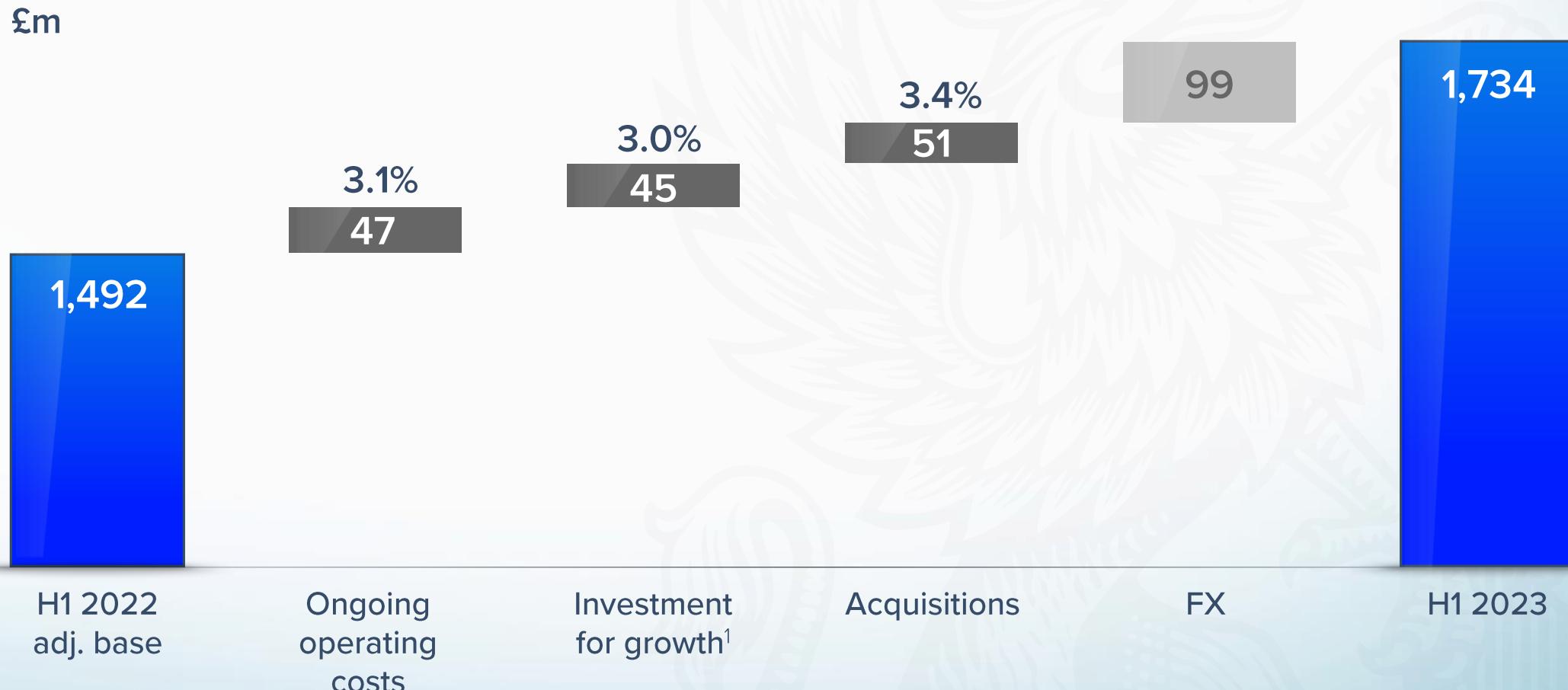
Post Trade: outstanding H1 performance; building innovative industry solutions



Growth rates on a constant currency basis, unless otherwise noted.

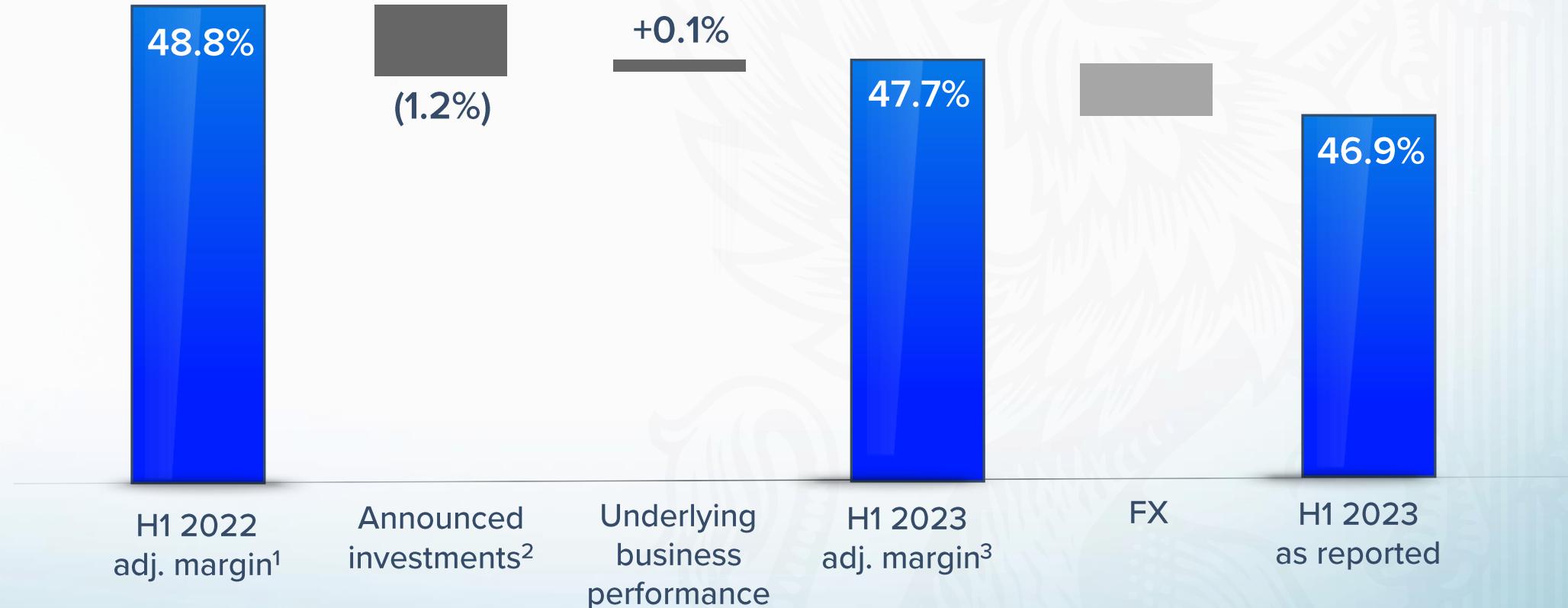
1. Total income

Operating expenses: 6.1% organic cost growth



1. Comprises investment in technology modernisation, increasing cloud usage, costs of product development as part of the Microsoft partnership, costs of delivering strong growth at Tradeweb and costs relating to revenue synergies

EBITDA margin on track to deliver in line with guidance



1. H1 2022 margin adjusted to remove the impact of the non-cash FX-related balance sheet adjustment of £59m

2. Announced investments consist of 70bps impact from M&A, 30bps from the Microsoft partnership and 20bps from Ukraine / Russia conflict

3. H1 2023 margin adjusted to remove the impact of non-cash FX losses

Non-underlying items mainly relate to Refinitiv integration

| £m | H1 2023 | H1 2022 |
|--|---------|---------|
| Adjusted operating profit | 1,418 | 1,408 |
| Transaction costs | (64) | (24) |
| Integration & restructuring costs | (119) | (136) |
| Profit on disposal & remeasurement gains | 69 | 156 |
| Amortisation & impairment of purchased intangible assets | (570) | (483) |
| Depreciation & impairment of other assets | (5) | (24) |
| Operating profit | 729 | 897 |

£119m

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

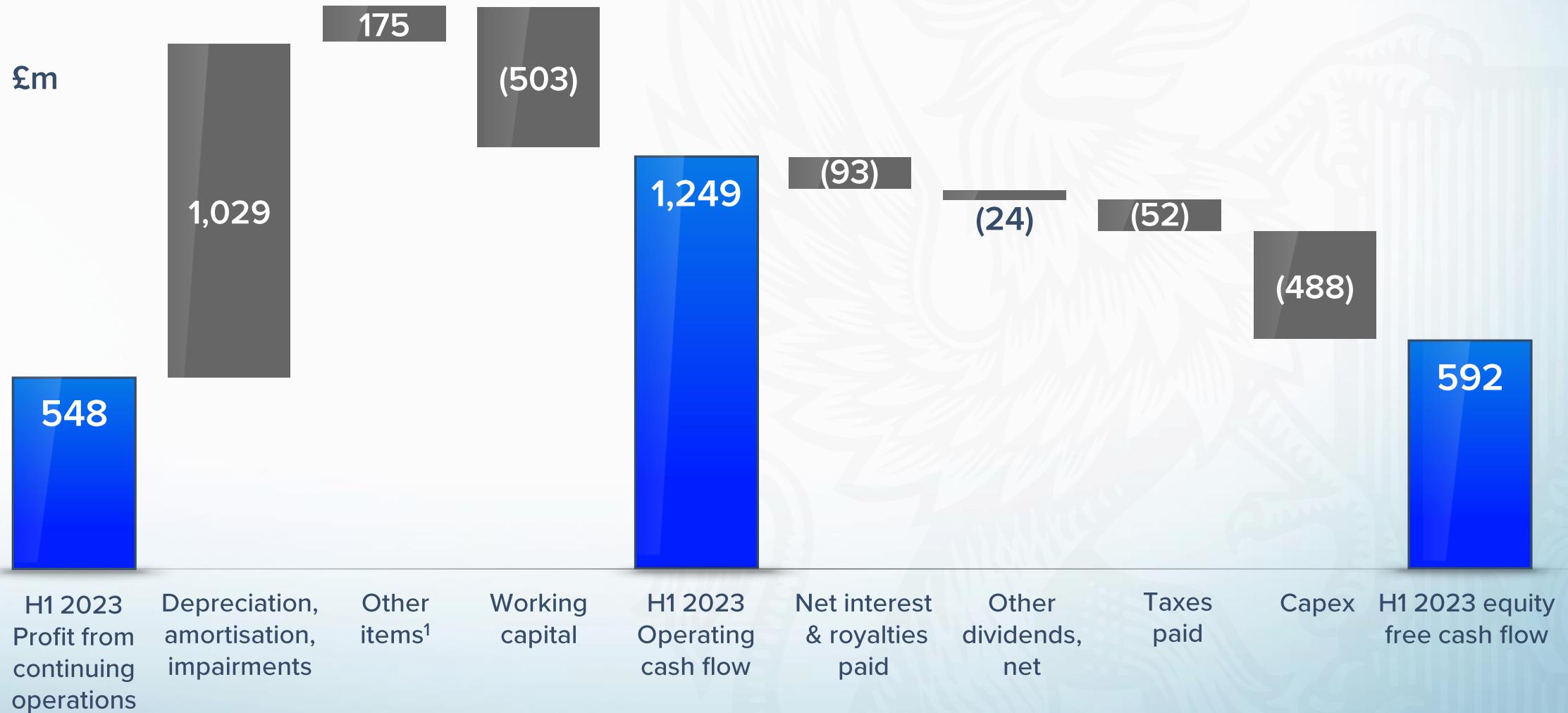
£69m

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

£570m

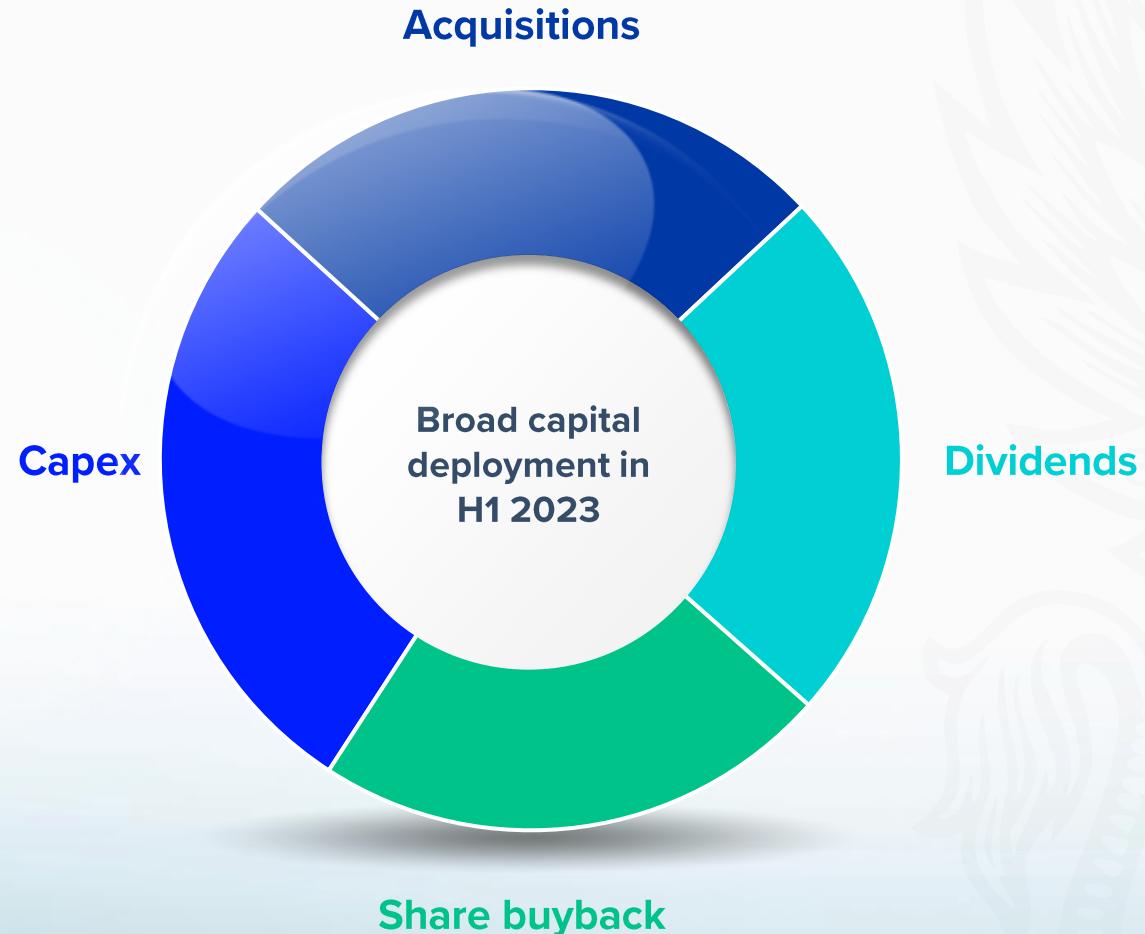
amortisation and impairment of
intangible assets, largely recognised
on the acquisition of Refinitiv

Strong free cash flow



1. Includes share-based payments and P&L charges for finance costs and tax

Deploying our strong cash flow for growth and shareholder returns



Significant progress in organic investment strategy

Completion of Acadia acquisition

Interim dividend of 35.7p per share, up 12.6%

£400m of the on-market share buyback completed in H1; c.£750m directed buyback from H2

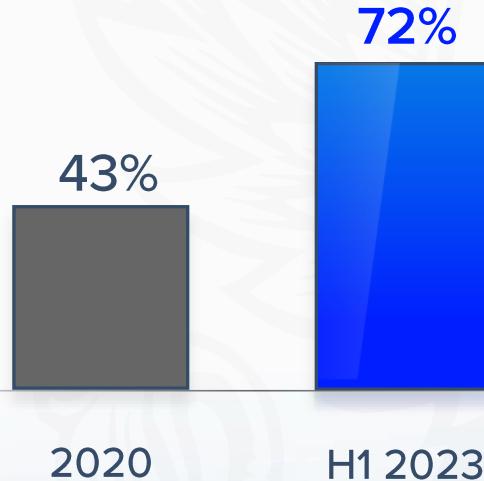
Higher target leverage range of 1.5 - 2.5x reflects improving earnings quality

Delivery on the Refinitiv acquisition

De-levered >12 months faster than original timeline

On track to meet or beat all acquisition targets

Recurring, subscription revenues



Strong cash flow and disciplined capital allocation

Robust cash generation

Returning surplus cash to shareholders

Day-to-day leverage anticipated around the middle of the range

All 2023 guidance unchanged; more positive outlook on income

Total income (excl. recoveries):

6% - 8%¹ expected to be towards the upper end of the range

EBITDA margin:

Around 48%²

BAU capex:

Around £750m²

Revenue synergies:

Double the 2022 exit runrate of £68m³

Cost synergies:

Nearly all of the £400m 2025 runrate target delivered by year end³

1. Excluding the Acadia acquisition, on a constant currency basis

2. Based on GBP:USD of 1.21 and GBP:EUR of 1.14, includes Microsoft and excludes the Acadia acquisition. BAU capex guidance excludes ROU assets

3. On a constant currency basis

Strong H1 growth; confidence in full year outlook

Strong and sustained growth

EBITDA margin reflecting growth investments

Strong cash flow, funding investment and capital returns

2023 guidance unchanged



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**Driving the transformation
of our business**

David Schwimmer, CEO

Driving the transformation of our business

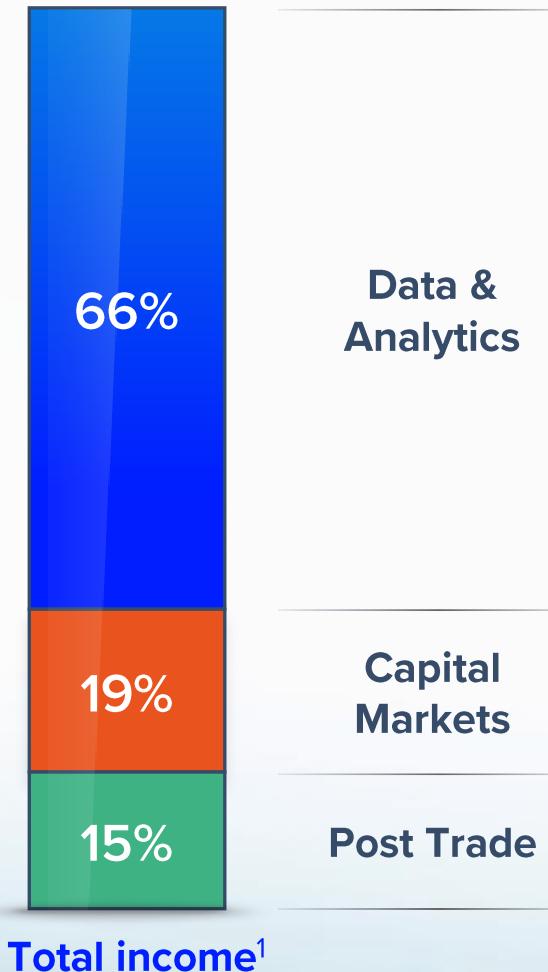
We're capitalising on key trends...

- Data significantly more valuable
- Customers automating workflows
- Increasing focus on regulation and reputational risk
- Trading increasingly borderless
- Rising need for risk management and capital optimisation

... and transforming our business

- Built a truly global, multi-asset offering across the trade lifecycle
- Building on linkages across our business
- Totally transformed our earnings profile
- Building *the next generation* of workflow tools for financial markets participants
- Modernising our platforms

Delivering exceptional performance across the Group



Data & Analytics:

- Accelerating growth; almost double that of H1 2022
- >4% growth in Trading & Banking, following a decade of decline
- Winning mandates at record rates, landing larger deals
- Quicker to market; almost twice as many new index products in H1
- Rapidly innovating and enhancing products; 130 Workspace updates in H1

Capital Markets:

- Record H1 volumes at Tradeweb, continuing to take share in credit
- First private market transactions on Floww

Post Trade:

- Outstanding revenue growth; record client clearing volumes in H1
- Delivered landmark benchmark rate transitions for >550 customers

1. H1 2023 total income excluding recoveries

Converting robust customer demand into strong sales performance



**Sales cycles
remain firm**

Consistent with previous quarters



**Deals are 15% larger
year-over-year**

Driven by our solution-focused sales approach



**We are winning
more mandates**

Win-rates up 700 bps
since Refinitiv acquisition

Case study – creating value by partnering with HSBC

By replacing product-level agreements with an enterprise-wide agreement we are:

Annual savings
\$30m

Driving growth



Account growing
>4%

Creating cost benefits for the customer...

- \$30m of annual savings
- Streamlined the bank's portfolio of data suppliers

...driving growth for both parties...

- Co-developing next-generation customer solutions
- HSBC joined our Design Partner Programme with Microsoft

...and generating attractive economics for LSEG

- Account now growing >4%, previously declining -3%
- Now consistently one of our top performing accounts

Enterprise Data – our data is becoming more valuable

Growing at 10% in H1

Historical data **ever more critical** in decision-making

Used together, our **proprietary datasets** drive additional value

Virtuous circle: historical data driving demand for real-time

Case study – our high-quality proprietary pricing data

Tick History

The **longest set of historical real-time pricing data** on the market

PCAP¹

The **highest quality historical pricing data** in the world, timestamped to the nanosecond

87

trillion ticks
of data

100

million
instruments

From
550

global
venues

25+

years of
history

1. Packet capture data is a more granular form of historical pricing data, sourced directly from an exchange's data centre

Workspace – entering a new era of data & analytics workflow

Expanding functionality: 130 new features implemented in H1

Excellent customer feedback

Full launch with Microsoft in H2 2024

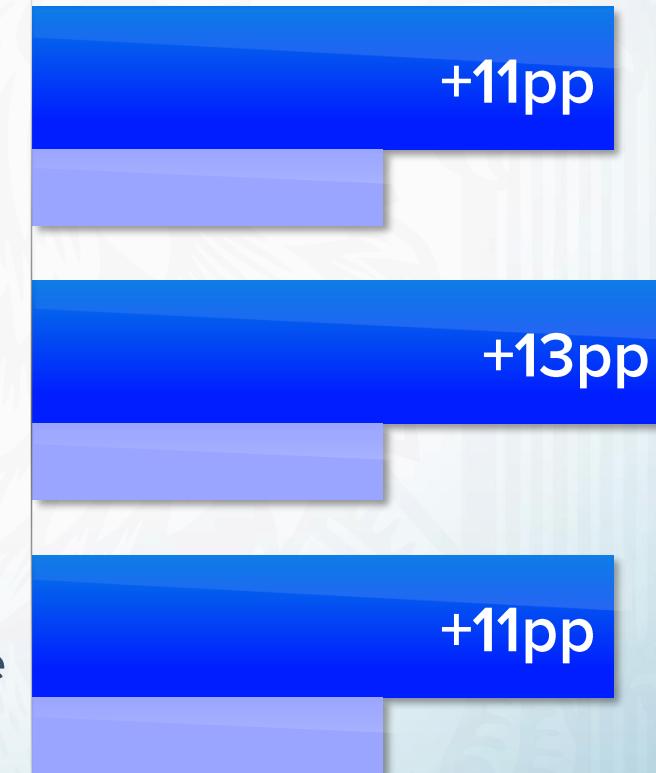
Sunsetting Eikon in 2025

Providing powerful analytics

Ease of sharing news/analysis

Functionality across multiple devices

Customer satisfaction¹



■ June 2023

■ December 2022

1. Customer satisfaction scores represent % of users who gave a 9 or 10 satisfaction rating (out of 10) against the specified product metrics

The quality and integrity of data are paramount in an AI world

1

The AI is only as good
as **the quality of the**
data it's trained on...

...we aggregate, clean
and codify >60,000
terabytes of data on
>100m instruments



2

It's vital that customers
have confidence in **the**
integrity of the data...

...we have extensive
data management
knowledge and
domain expertise



3

Customers have to be
able to audit **the**
lineage of the data...

...our data is fully
auditable and we're
deeply experienced at
working with regulators



4

Customers need to
have **immense trust in**
their data provider...

...the world's largest
financial institutions
build critical processes
on our taxonomy



We are already leveraging the power of AI technology

Enhancing customer productivity

Using **AI tools** to create more powerful, efficient and intuitive workflow solutions:

- AiEX
- Advanced Dealing
- Workspace

Driving more valuable insight

Leveraging our data and expertise to develop **proprietary AI-powered analytics**:

- SentiMine
- Ai-Price
- Adverse media screening

Further modernising our business

Utilising AI technologies to **improve the efficiency** of our business processes:

- Ingesting company financials
- Incident prevention
- Automating customer queries

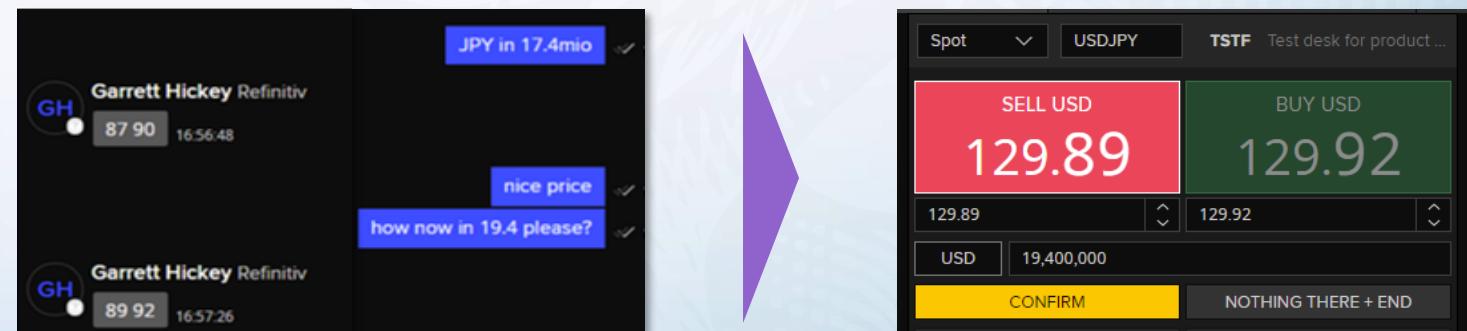
Advanced Dealing – changing the face of FX trading

Replacing our decades old “Dealing” product

- “Swivel-chair” workflow; chat, data & news, and trading activity in separate applications
- Manual data entry; disconnected post trade workflow
- Built on decades old technology

With an Advanced Dealing workflow solution

- Cloud-based FX trading environment on industry-standard technology
- Integrated with Workspace; providing real-time news and insights
- LSEG’s market surveillance tools ensure seamless compliance
- AI technology: populates trade ticket in real-time based on trader chat



Microsoft partnership – building strong momentum

Hundreds of people working in **cross-company product development teams**

Microsoft Fabric data platform fuelled by **LSEG's financial markets intelligence**

First **enhanced Workspace functionality** in development

Design Partner Programme with major customers



LSEG



Microsoft

Transformation well under way

Well positioned in growing markets

Investing in our high-quality assets to drive growth

Innovating to enhance our customer offering

Significant value creation opportunity with Microsoft



LSEG

Q&A



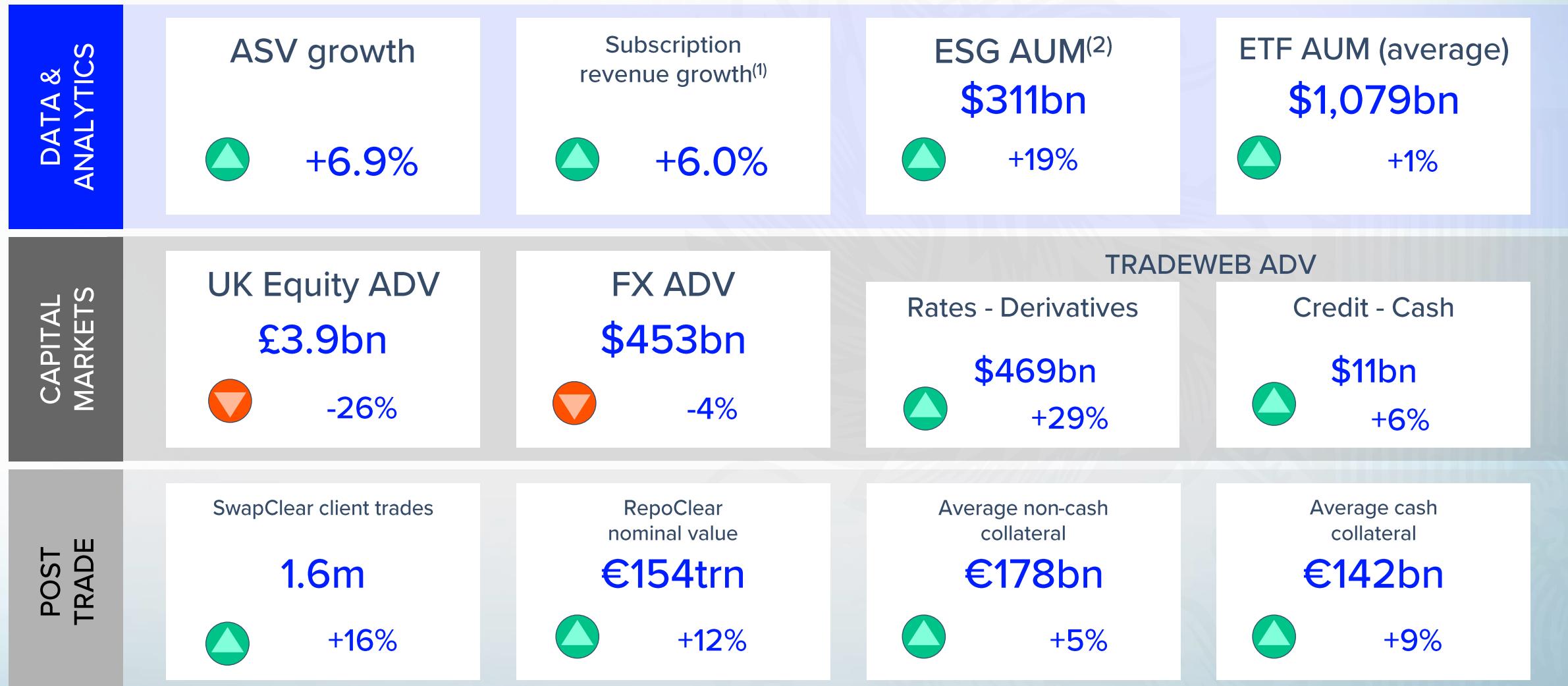


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Appendix



Key performance indicators for H1 2023

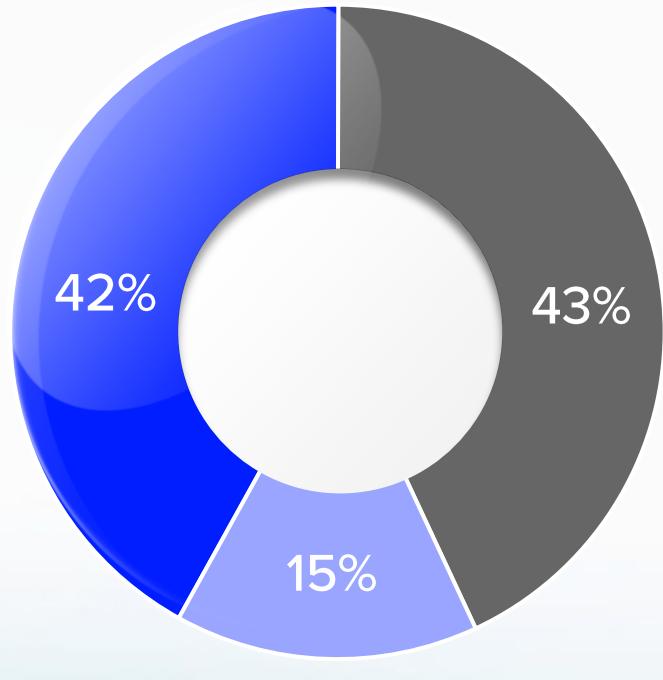


1. 12-month rolling constant currency variance

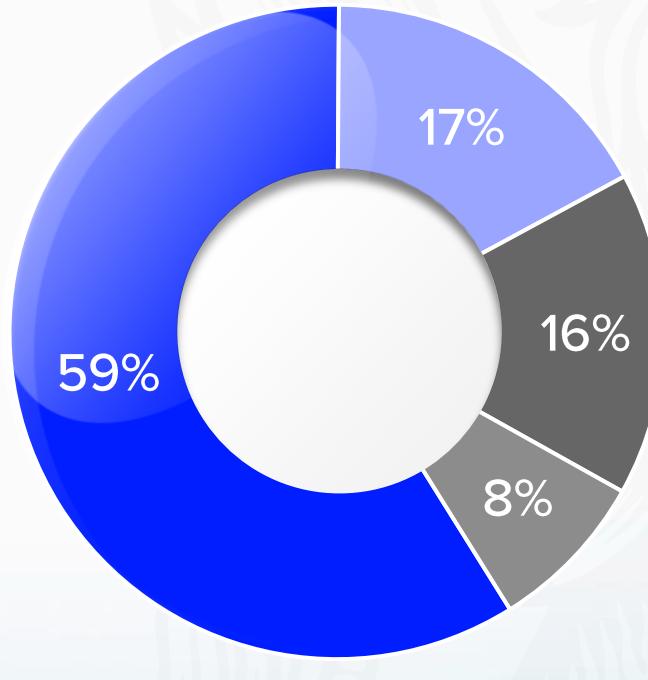
2. ESG Passive AUM is at 31 December 2022 and prior period comparator is at 31 December 2021

Geographically diversified revenues & costs

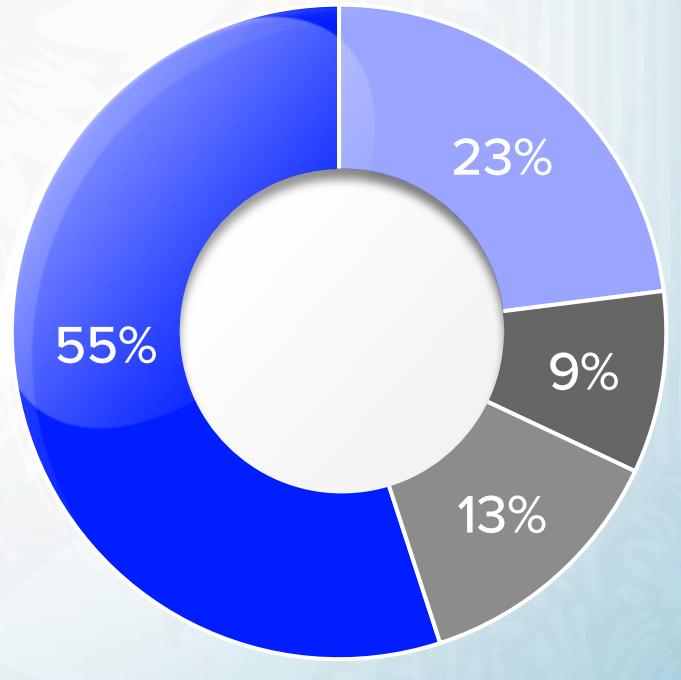
Total income by geography¹



Total income by currency¹



Total costs by currency²

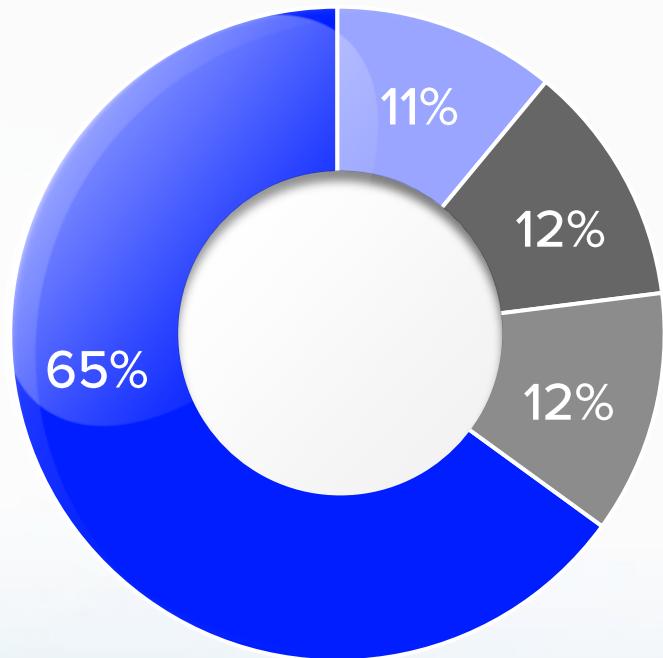


1. H1 2023 Total income including recoveries. Geography based on customer location

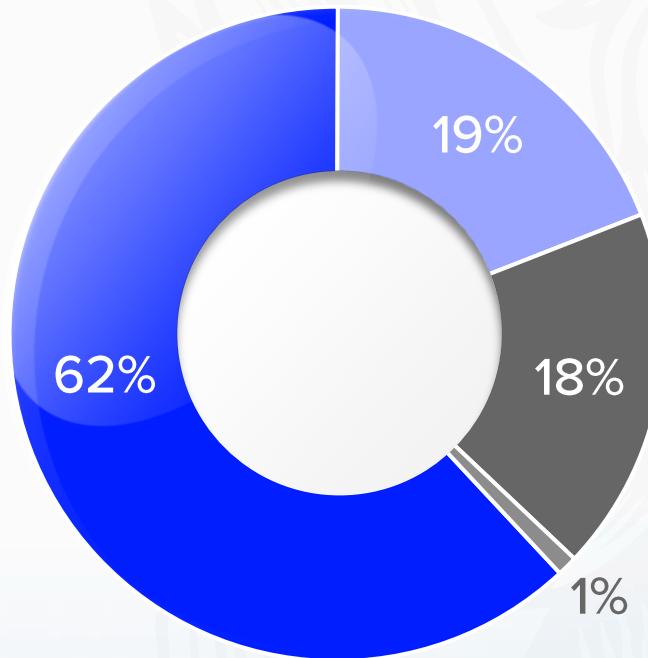
2. H1 2023 Total costs including cost of sales and adjusted operating expenses

Divisional income by currency¹

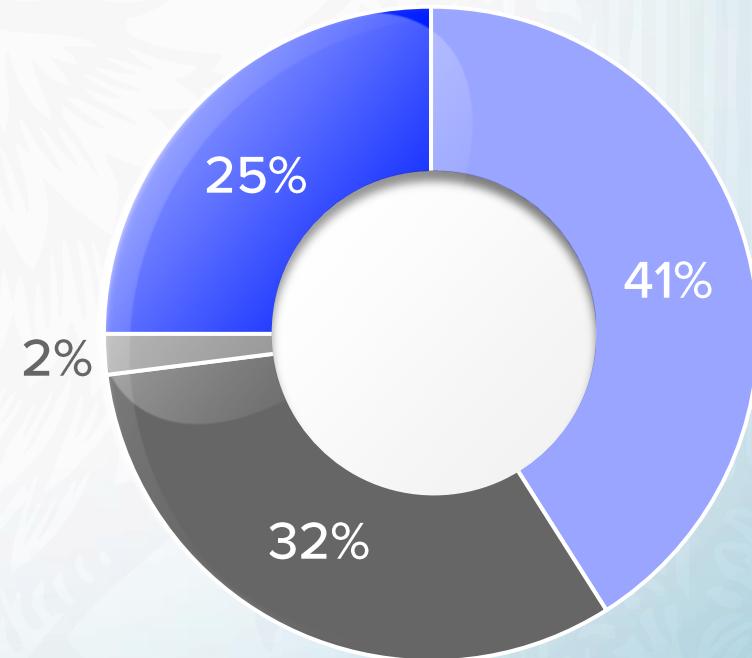
Data & Analytics



Capital Markets



Post Trade



● USD ● GBP ● EUR ● Other

● USD ● GBP ● EUR ● Other

● USD ● GBP ● EUR ● Other

1. H1 2023 Total income by division including recoveries

Quarterly revenue progression

| £m | Q1 | Q2 | Q3 | Q4 | 2022 | Q1 | Q2 | H1 2023 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Trading & Banking Solutions | 378 | 391 | 417 | 426 | 1,612 | 425 | 412 | 837 |
| Trading | 298 | 308 | 330 | 339 | 1,275 | 336 | 325 | 661 |
| Banking | 80 | 83 | 87 | 87 | 337 | 89 | 87 | 176 |
| Enterprise Data Solutions ¹ | 303 | 317 | 332 | 354 | 1,306 | 347 | 357 | 704 |
| Real-Time Data ¹ | 194 | 202 | 212 | 229 | 837 | 221 | 225 | 446 |
| PRS | 109 | 115 | 120 | 125 | 469 | 126 | 132 | 258 |
| Investment Solutions ¹ | 309 | 328 | 344 | 345 | 1,326 | 350 | 350 | 700 |
| Benchmark Rates, Indices & Analytics ¹ | 140 | 151 | 161 | 168 | 620 | 171 | 167 | 338 |
| Index - Asset-Based | 70 | 71 | 73 | 66 | 280 | 66 | 71 | 137 |
| Data & Workflow ¹ | 99 | 106 | 110 | 111 | 426 | 113 | 112 | 225 |
| Wealth Solutions | 63 | 68 | 71 | 73 | 275 | 73 | 71 | 144 |
| Customer & Third-Party Risk Solutions | 94 | 102 | 110 | 119 | 425 | 120 | 121 | 241 |
| Data & Analytics | 1,147 | 1,207 | 1,274 | 1,316 | 4,944 | 1,315 | 1,311 | 2,626 |
| Equities | 67 | 62 | 60 | 59 | 248 | 59 | 57 | 116 |
| FX | 60 | 63 | 68 | 67 | 258 | 66 | 62 | 128 |
| Fixed Income, Derivatives & Other | 232 | 235 | 241 | 245 | 953 | 269 | 246 | 515 |
| Capital Markets | 359 | 361 | 369 | 370 | 1,459 | 394 | 365 | 759 |
| OTC Derivatives | 93 | 98 | 103 | 108 | 402 | 126 | 134 | 260 |
| Securities & Reporting | 64 | 58 | 55 | 57 | 234 | 64 | 63 | 127 |
| Non-Cash Collateral | 24 | 25 | 25 | 26 | 100 | 26 | 27 | 53 |
| Net Treasury Income | 57 | 64 | 66 | 68 | 255 | 73 | 77 | 150 |
| Post Trade | 238 | 245 | 249 | 259 | 991 | 289 | 301 | 590 |
| Other | 7 | 5 | 13 | 9 | 34 | 9 | 6 | 15 |
| Total income (excl. recoveries) | 1,751 | 1,818 | 1,905 | 1,954 | 7,428 | 2,007 | 1,983 | 3,990 |
| Recoveries ² | 80 | 86 | 80 | 69 | 315 | 93 | 96 | 189 |
| Total income (incl. recoveries) | 1,831 | 1,904 | 1,985 | 2,023 | 7,743 | 2,100 | 2,079 | 4,179 |
| Cost of sales | (240) | (264) | (289) | (271) | (1,064) | (288) | (284) | (572) |
| Gross profit | 1,591 | 1,640 | 1,696 | 1,752 | 6,679 | 1,812 | 1,795 | 3,607 |

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

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

Contacts and further information

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