



Eric Sinclair
Data & Analytics

Data & Analytics: Overview

Double Digit Growth, High Margins, Recurring Revenue



- **A leading provider of scarce OTC data and neutral pricing information**

- Market leading data production and quality delivering 500k+ instruments
- Leverages TP ICAP's proprietary trade data with third party data
- Services over 1,000 clients with a global sales presence in APAC, EMEA and Americas
- Currently employs over 180 dedicated staff

- **D&A has continued to achieve strong revenue growth, with double-digit growth in contribution & operating profit**

- 2x revenue growth rate of the industry¹

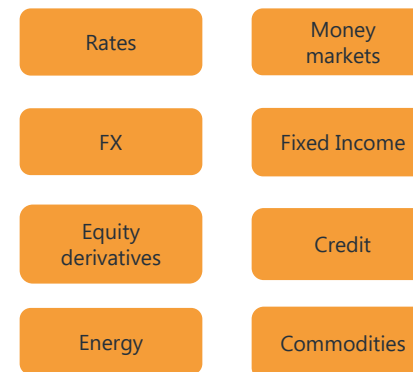
- **Vast majority of revenue generated is recurring**

- 94% recurring, subscription-based revenue

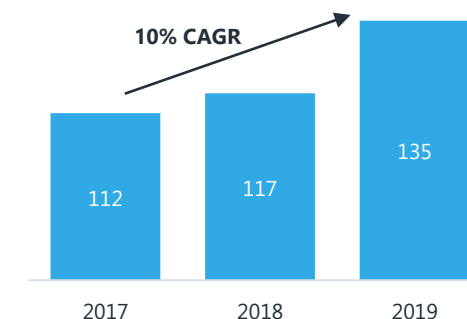


10 x IN A ROW Inside Market Data — Broker Data Provider of the Year

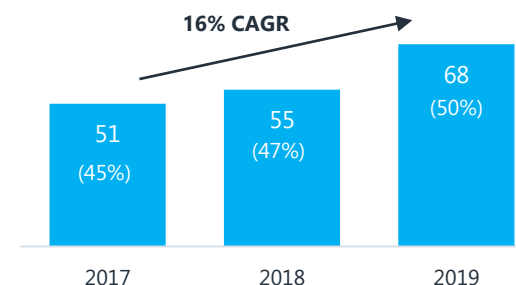
OTC Coverage



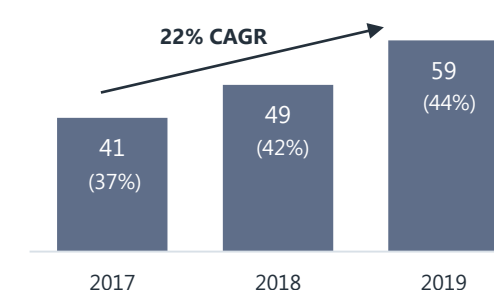
Revenue (£m)



Contribution (£m and margin)



Operating Profit (£m and margin)



Note: figures presented above are on a reported basis

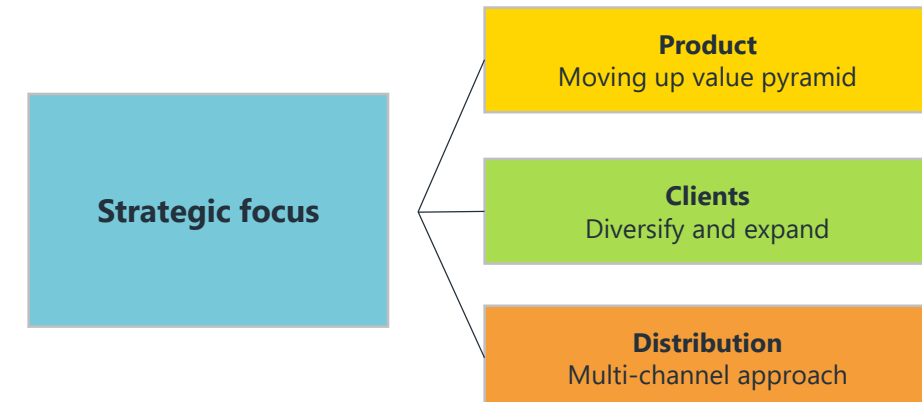
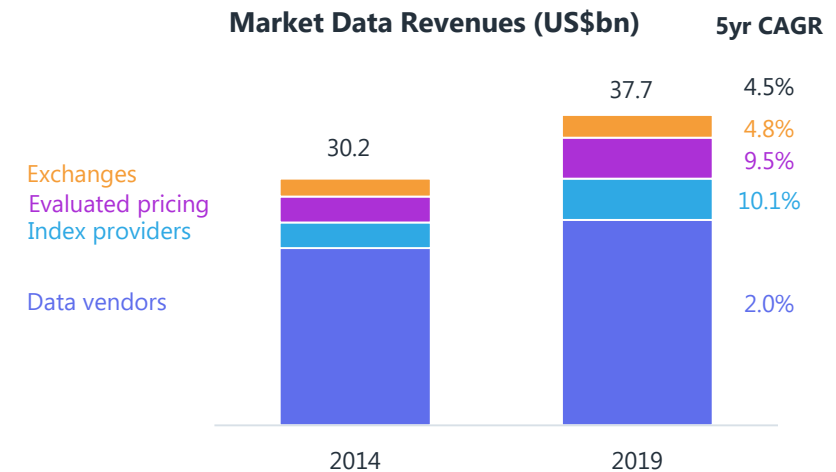
1. Market data industry grew at c.4.5% over the last 5 years as discussed on the next page

Medium Term Strategy

Three-Pronged Strategy: Product, Clients and Distribution



- **Operating in a large and growing global market**
 - Market data revenue: c.\$38 billion in 2019, 5-year CAGR: 4.5%¹
- **Significant potential opportunity to increase market share**
 - Total IDB revenues comprised c.0.6%¹ of market data revenues in 2019
- **Potential opportunity to expand into other areas and target under-serviced areas with growing client requirements**
 - Index providers – fastest growing segment
 - c.\$3.7bn market (10.1% historical 5-yr CAGR)¹
 - Evaluated pricing
 - c.\$3.7bn market (c.9.5% historical 5-yr CAGR)¹
 - Regulatory obligations
 - Analytics



1. Source: Burton-Taylor International Consulting

Product Strategy

Moving up the Value Pyramid



- **Historical focus has been on Data products**

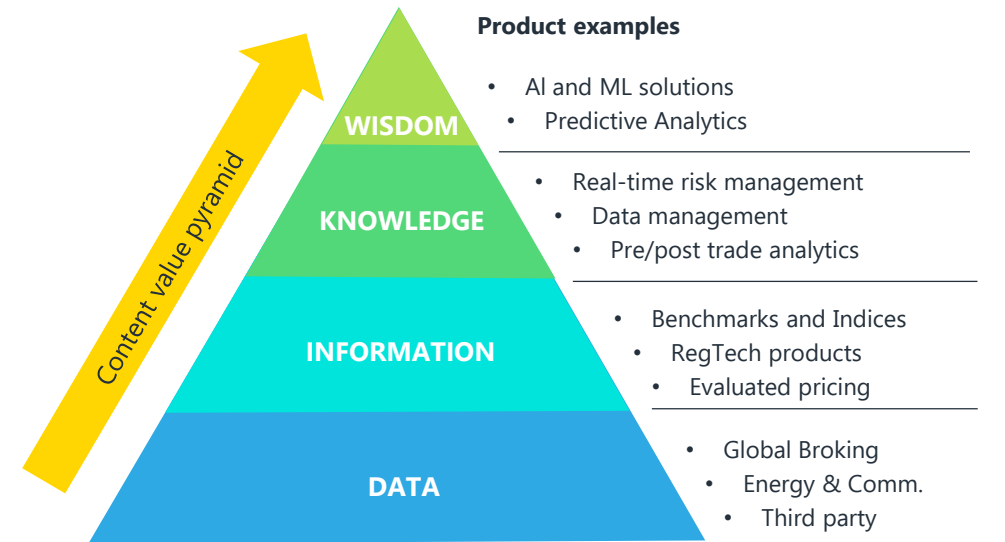
- 25 products have been launched since 2018
- c.32% of 2020 sales from new products
- 100% of 2019 revenues from **Data** products and services
- First **Information** product (Bond Evaluated Pricing or “BEP”) was launched in 2020
- Evaluated pricing market has historically grown faster than the market data industry at c.9.5%¹

- **Improved profitability by moving up the value pyramid**

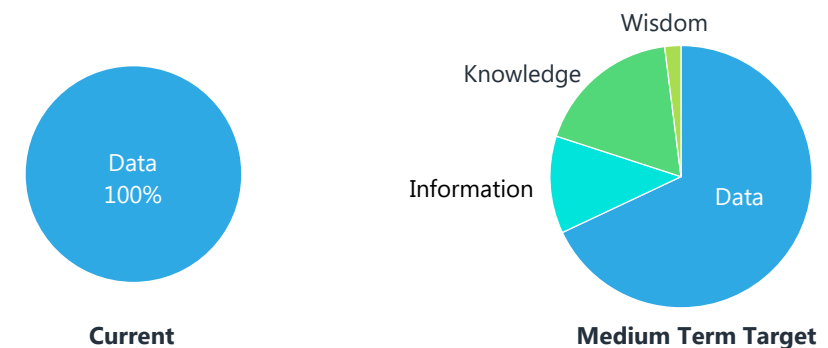
- Products higher up the pyramid have potential for greater revenue and profitability
- Offering products higher up the pyramid expected to expand D&A’s market presence outside of IDBs

- **Future product focuses include higher value solutions**

- Pre/Post trade analytics (**Knowledge**)
- Indices such as LNG and Interest Rates (**Information**)
- Risk free rates replacing LIBOR (**Data**)



Target product mix (% revenue)



1. Source: Burton-Taylor International Consulting

Client Strategy

Diversify & Expand



- **Shift emphasis to buy-side clients**

- Targeting 45% from buy-side clients by 2025
- New Information and Knowledge products aimed at unmet buy-side needs including
 - Regulatory requirement for neutral, observable data
 - Advanced analytics
 - Benchmarks and Index information

- **Development of client segment focused sales team**

- Sell-side
- Buy-side and Corporates
- E&C

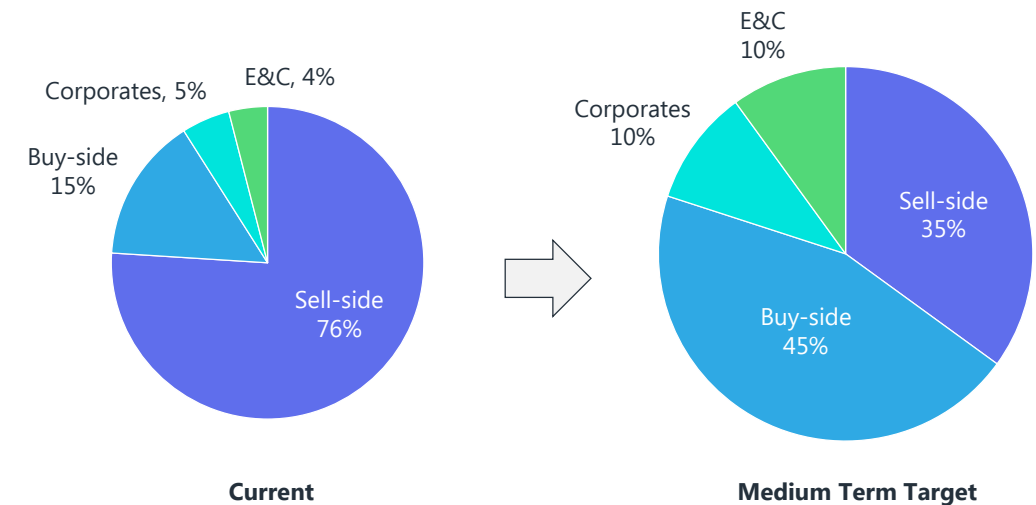
- **Energy & Commodities diversification**

- Expand products to include real time oil and distillates
- Provide direct display solution
- Will triple revenues from Energy & Commodities

- **Leverage Liquidnet's buy-side client connectivity**

- Liquidnet's connectivity to c.1,000 buy-side clients provides an immediate catalyst towards achieving desired client mix

Client mix (% of clients)



Distribution Strategy

Enabling Clients and diversifying Channel Partners



- **Enabling clients – Improving optionality and accessibility**

- New initiatives expected to provide more options to access products
- Three key ways clients can now access D&A products:

- 1 Direct data delivery – provided to the client's premises
- 2 Purchasing directly through the Webstore
- 3 Via cloud providers i.e. "off-premises"

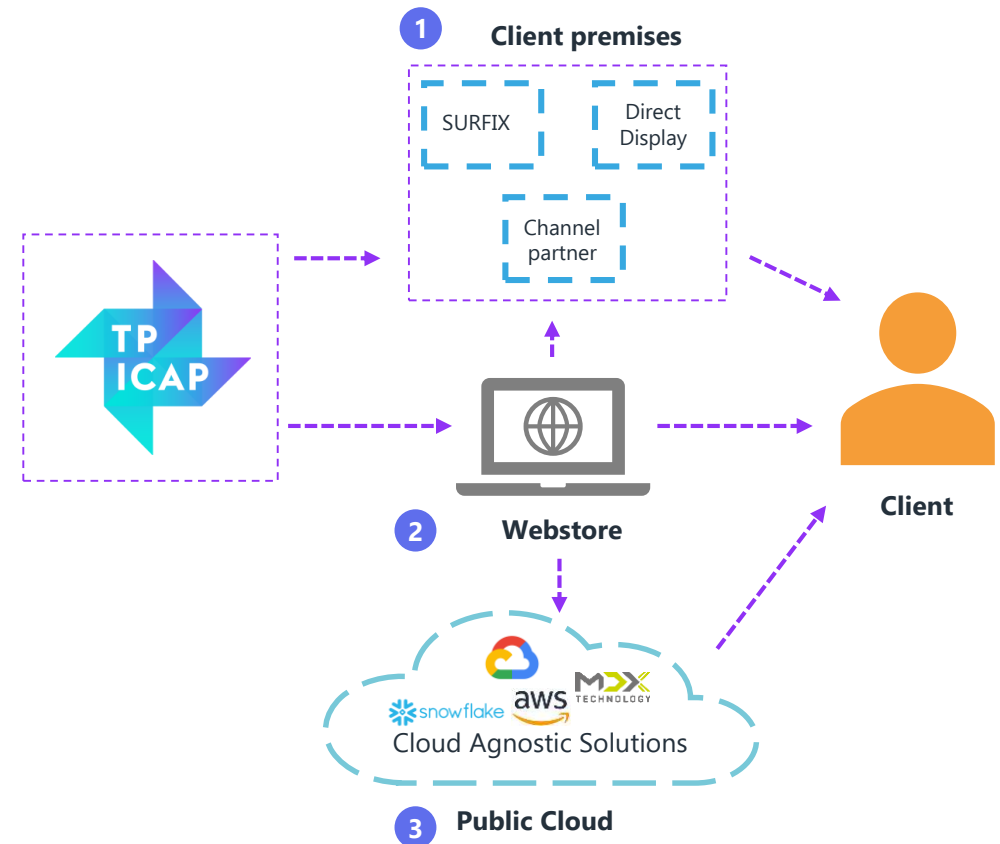
- **Enablement is expected to increase client sales**

- Optionality promotes client agility
- Offering cloud based solutions provides a low cost opex solution
- Lower total cost of ownership for clients to acquire D&A's products and services

- **Diversifying channel partners**

- D&A has broadened its channel partner relationships to include OMS/EMS providers and disruptive public cloud providers

Client Enablement Strategy – Providing Optionality



Delivering on product, customer & distribution strategies

Case Study: Pre/Post Trade Analytics



• Development of Pre/Post Trade Analytics

- Knowledge product higher up the value pyramid
- First knowledge product to be released (target Q1 2021)

• Targets buy-side clients

- Addressing best-execution needs
- Multi-asset OTC observable transactions for benchmarks

• Available for wide distribution

- Available through a number of platforms including cloud based solutions

• Technology enabled

- Multi-cloud solution, with data access from Snowflake and AWS-S3
- Artificial Intelligence with ThoughtSpot
- Google Big Query, the most powerful analytics engine in the world

Pre/Post Trade Analytics

- Exploit multi-asset OTC data sets
- Build on Evaluated Pricing
- Partner with Google Cloud Platform (GCP)
- Integrate client data, increase revenue stickiness
- Deliver Knowledge value directly



Available Outputs:



Web based UI



Excel and CSV files



Standardised and bespoke reports

Data & Analytics Financial Targets

Double Digit Growth, Diversified, Recurring Revenue



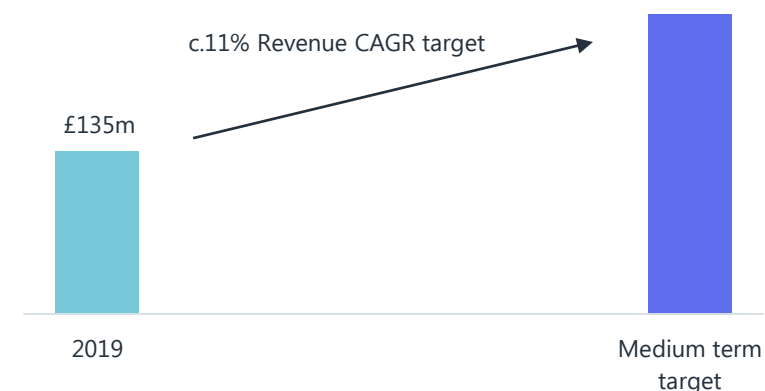
- **Financial targets**

- Revenue Growth:
 - Medium term target: c.11% CAGR
- Contribution Margin:
 - 2023 target: c.50%
 - Medium term target: c.53%
- Operating Margin:
 - 2023 target: c.45%
 - Medium term target: c.48%

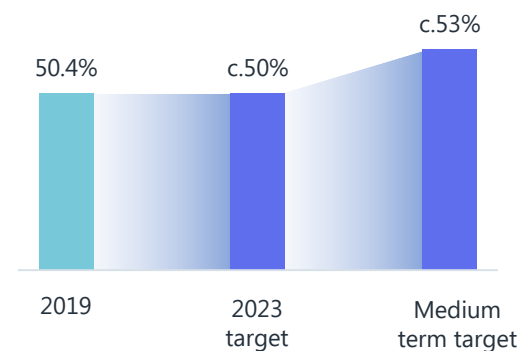
- **Principal drivers of Operating Margin improvement**

- Leveraging existing operating model infrastructure
- Greater proportion of new products higher up the value pyramid
- 45% buy-side client mix by 2025
- Client enablement and diversified distribution strategy

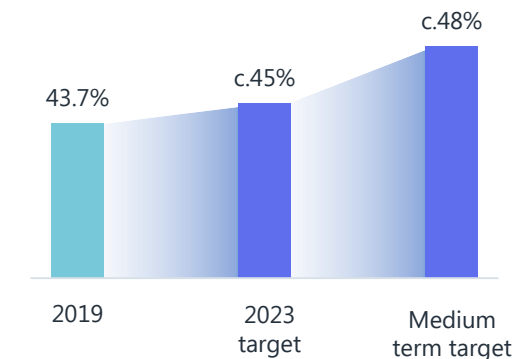
Revenue Growth



Contribution Margin



Operating Margin



Disclaimer



This presentation has been prepared by TP ICAP plc (together with its subsidiaries, the “Group”) solely for informational purposes. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or any opinion contained herein. The information contained in this presentation should be considered in the context of the circumstances prevailing at the time and will not be updated to reflect material developments that may occur after the date of the presentation.

This presentation contains certain forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “plans”, “may” or “will” or, in each case, their negative or other variations or comparable terminology or by their context. These forward-looking statements include all matters that are not historical facts, and in particular those items indicated as targets, ambitions or expectations of future results. They appear in a number of places and include, but are not limited to, statements regarding the Group’s intentions, beliefs or current expectations concerning, amongst other things, results of operations, financial condition, liquidity, prospects, growth and strategies. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. A multitude of factors including, but not limited to, changes in demand, activity in the financial markets, competition and technology or the regulatory environment, can cause actual events, performance or results to differ materially from any anticipated development. Forward-looking statements are not guarantees of future performance and the actual results of operations, financial condition and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in or suggested by the forward-looking statements set out in this presentation. Past performance of the Group cannot be relied on as a guide to future performance. Forward-looking statements speak only as at the date of this presentation and the Group expressly disclaims any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation.

Nothing in this presentation should be considered to be a forecast of future profitability or financial position of the Group and none of the information in this presentation is or is intended to be a profit forecast, dividend forecast or profit estimate.

To the extent available, the industry, market and competitive position data contained in this presentation come from official or third-party sources, which may or may not be publicly available. Third-party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Group reasonably believes that each of these publications, studies and surveys has been prepared by a reputable party, the Group has not independently verified the data contained therein. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in the presentation. The information included in this presentation does not purport to be comprehensive.

This presentation does not constitute, and should not be construed as, part of any offer or invitation for the sale or purchase of securities or any businesses or assets described in it and it is not intended to provide the basis of any investment decision nor does it or is it intended to form the basis of any contract for acquisition of or investment in any member of the Group, financial promotion, or any offer or invitation in relation to any acquisition of or investment in any member of the Group in any jurisdiction, nor does it purport to give legal, tax or financial advice. Nothing herein shall be taken as constituting the giving of investment advice and this presentation is not intended to provide, and must not be taken as, the basis of any decision and should not be considered as a recommendation to acquire any securities of the Group. The recipient must make its own independent assessment and such investigations as it deems necessary. The information, statements and opinions contained in this presentation do not constitute a public offer under any applicable legislation or an offer to sell or a solicitation of an offer to buy any securities.

This presentation and its contents may not be viewed by persons within the United States other than (i) by qualified institutional buyers within the meaning of Rule 144A under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or (ii) in “offshore transactions” within the meaning of Regulation S under the U.S. Securities Act. The distribution of this presentation in other jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions.



TP ICAP Capital Markets Day

1 December 2020
