CEO review

Our vision is to be the world's most trusted, and innovative, liquidity and data solutions specialist.

To achieve this, we are focused on the delivery of three strategic priorities:

> Transforming our business;
> Diversification; and
> Dynamic capital management.

Revenue

£2,253m

Adjusted EBIT[12]

£324m

Reported EBIT

£236m

Introduction

Our objective is to deliver sustainable shareholder value.

We do so through leveraging our strong franchises and delivering our strategy: diversification, dynamic capital management, and transformation.

We are making good progress delivering our strategy: record profits, a strong, broad-based performance across the Group, surplus cash being returned to shareholders, and a range of major initiatives in place to generate more shareholder value.

Now is an appropriate time to review our progress in 2024, including how we have furthered the delivery of our strategic agenda.

Delivering in 2024

Market developments

Interest rates in Western countries remained at higher levels than many market commentators expected. Stubborn inflation, particularly services-related, is influencing the approach taken by central banks. The UK only cut rates twice in 2024 after they had moved up to a 16-year high. Bond yields in many Western countries have increased: the markets are taking stock of the significant increase in bond issuance to fund higher public debt levels. Movements in interest rates, and bond yields, are an important driver of activity for Rates, our largest Global Broking franchise.

2024 was the election year par excellence. Elections were held in countries accounting for roughly 49% of the world's entire population[1]. While we won't see this level of electoral activity in 2025, or the associated market volatility, there is a growing view that volatility per se is becoming more embedded. The UK regulator has noted that market events that might have occurred just once in a decade are now happening more frequently. 'Predictable volatility', as it has been termed, is a trend to be closely monitored; it may, in some circumstances but not all, be beneficial to our broking businesses.

Several forces – geopolitical pressures, demand for Oil and Gas, and the Energy Transition – are driving profound change in the energy sector. The International Energy Agency believes we are moving towards the 'age of electricity'. Oil and Gas demand will only moderate after 2030, and then not by a great deal[2]. Demand for critical metals, a key facilitator of the move to more electricity, could double by 2030[2]. Our Energy & Commodities ('E&C') division has launched a Battery Metals desk, led by the leading broker in this sector.

Read more
Appendix – Alternative Performance Measures on page 216.

2024 was a much better year for equities – a pleasing development for Liquidnet. Following the US Presidential Election, November was the biggest month for inflows into US equity funds since 2000[3]. The institutional commission wallet is growing: global commissions were up 11%[4] in September year-to-date. Uncertainty around interest rates, and the impact of other US policies like tariffs, will be important drivers for equity markets in 2025.

Demand for financial markets data is substantial and projected to grow[5]. Drivers include the need for financial institutions to underpin their decision-making and risk systems, with high-quality, insightful data. Annual global spend on financial markets data reached a record $42bn in 2023[5]; asset management and fixed income are the main sectors expected to drive growth in the short term[5].

Read more about our market trends on pages 14 and 15.

"We are making good progress delivering our strategy: record profits, a strong, broad-based performance across the Group, surplus cash being returned to shareholders, and a range of major initiatives in place to generate more shareholder value."

1 Source: TIME Magazine, The Ultimate Election Year: All the Elections Around the World in 2024.
2 Source: International Energy Agency ('IEA'), World Energy Outlook, October 2024.
3 Source: Bank of America Global Fund Manager Survey.
4 Source: McLagan data, comparing Q3 2024 YTD with Q3 2023 YTD.
5 Source: Burton Taylor Consulting, Financial Market Data/Analysis Global Share & Segment Sizing 2024.

Business performance

Group revenues increased by 5%[6], building on last year's performance.

Global Broking revenue was up 4%, including a particularly strong second-half (+7%). We maintained our market-leading position, and leveraged Fusion.

Liquidnet's turnaround gathered pace: revenues were up a record 15%. Equities, the biggest part of the division, increased revenues by 18%; at the Multi-Asset Agency Brokerage[7] revenues were up 10%. Parameta Solutions delivered an 8% increase in revenues. Following an exceptionally strong 2023, when E&C grew revenues by 18%, growth came in this year at 2%. The division has increased revenues by 22% in two years, underlining the strength of its franchise.

All our divisions are market leaders. Parameta, with an estimated 70%[8] market share of the OTC data market, has a business model distinguished by 97% subscription revenue and very high client renewal rates (98%). Liquidnet has recorded revenue growth for seven consecutive quarters in its key Equities business. The business ranked number one by market share (up 11%) in the EMEA 5x LIS ('Large-in-Scale') segment[9], and number two (up 15%) in the US Agency Alternative Trading Systems ('ATS') market[10].

Record profits, substantial contribution from non-broking businesses, tight cost management

The Group adjusted EBIT[12] margin increased to 14.4% (2023: 13.5%[11]). Adjusted EBIT was up by 12%, or 8% in reported currency, to £324m, a record for the Group. Reported EBIT, including significant items, grew by 89% to £236m (2023 restated: £125m[13]).

Three key factors drove the increase in our profits: revenue growth, continued tight cost control, and the Liquidnet turnaround. Group management and support costs were flat, despite inflation, and ongoing investment. Liquidnet recorded a substantial increase in profitability driven by market share gains, enhanced operational gearing, and growing revenues. The division contributed £53m of adjusted EBIT for the year (2023: £9m[11]), or 16% of Group adjusted EBIT. Our non-broking businesses accounted for 42% of adjusted EBIT (2023: 29%).

Diversification delivering

Parameta Solutions

Strategic developments

Maximising the value of our strategic assets is a key priority.

As previously announced, we are progressing strategic options in relation to Parameta Solutions.

Our focus is on a potential listing in the United States ('US'), with the Group maintaining a long-term majority stake. Should we proceed, the potential listing could occur as early as Q2 2025. There is, of course, no certainty about a listing, or its location.

The rationale for a possible listing, while keeping other value recognition options open, includes the potential to establish a baseline value for our shareholders now. We know from our engagement with many of our shareholders who actively manage their portfolios that this is a key factor. A minority listing would also mean that the majority of any potential future upside would indirectly accrue to TP ICAP shareholders – another key consideration.

A listing could enable Parameta Solutions to invest to grow, both organically and inorganically, through access to financial resources beyond those available to the Group, with our shareholders indirectly participating in any such growth. Comprehensive, exclusive, long-term agreements would underpin the close relationship between our broking businesses and Parameta Solutions, providing us with a valuable annual cash income stream. Our intention, which will be finalised in due course, is for the term of these agreements to be 30 years. Finally, we believe Parameta Solutions would have another meaningful opportunity to grow by obtaining access to data from other OTC market participants.

Turning to the potential location for any listing, for several reasons our focus is on the US. Firstly, business model. While Parameta is a global business, its business model is US-oriented: approximately 93% of its revenues are USD-denominated. Secondly, liquidity: the US has the deepest, most liquid public markets. Thirdly, market fit. The US is home to many of Parameta's quoted peers and a greater concentration of relevant research analysts.

We will update on our progress in relation to Parameta Solutions, as and when appropriate, to the extent that we are able to do so within the applicable legal constraints.

6 All percentage movements within the CEO review are in constant currency, unless otherwise indicated.
7 Multi-asset (equity derivatives, rates, futures and advisory services) Agency Execution offering, including COEX Partners, MidCap Partners, and Relative Value desks.
8 Considering 2023 data revenues from TP ICAP's peers: Fenics, TraditionData, and Marex.
9 Source: Bloomberg. The European Securities and Markets Authority ('ESMA') defines "Large-in-Scale" ('LIS') as thresholds that exempt large trades from certain pre-trade transparency requirements under MiFID II. For highly liquid stocks, the threshold is typically set at €100k or more; for less liquid stocks, the threshold is typically €500k or more.
10 Source: Financial Industry Regulatory Authority ('FINRA').
11 In constant currency
12 For more detail on Alternative Performance Measures, refer to the Appendix on page 216.
13 2023 reported EBIT restated to £125m from £128m to reflect the reclassification of foreign exchange gains on non-GBP borrowing and related derivatives to net finance expense (adjusted EBIT restated to £299m from £300m).

Business developments

The financial data market is large and projected to grow[14]. We believe that greater regulatory complexity, and the increasing use by clients of benchmarks and indices, may also drive the development of this market.

Parameta Solutions has a clear strategy. Firstly, it is enhancing its distribution. About 78% of the division's 2024 revenue originates from third-party channels; an increasing proportion (22%) is being generated from direct channels like the cloud and industry standard feeds. Initiatives include Fusion Connect, the newest direct delivery channel. Secondly, Parameta is providing more innovative offerings: evidential data solutions, indices etc. They already account for 10% of the division's overall revenues. In addition, new data sets are being packaged and monetised, including the break-even Inflation Swap Index series, iron ore, and US oil. Finally, the business is winning more buy-side clients by enlarging the salesforce and leveraging a more focused account management structure.

Parameta Solutions offers its clients 35 years of data underpinned by long-term, exclusive Market Data Licensing Agreements with both Global Broking and E&C.

Liquidnet

Liquidnet, a multi-asset, agency execution specialist operating in 57 equity markets, provides the Group with client (buy-side) and product diversification (Cash Equities). The division is focused on enhancing its operational leverage, diversifying the core equity franchise, and developing its fast-growing Multi-Asset Agency Brokerage business.

Greater profitability driven by enhanced operational leverage and market share gains

Liquidnet's adjusted EBIT margin increased from 2.9% in 2023 to 15.0% in 2024, driven by more cost reduction, substantial revenue growth, and significant market share gains.

We have reshaped the business: a 14% reduction in management and support costs in 2024 brings the total reduction over the past two years to 31%. We took advantage of that leaner cost base, alongside better market conditions, to deliver record revenues, including a strong performance by Equities, the biggest part of the division.

Enhancing the Equities franchise

Liquidnet is diversifying its Equities proposition. This means leveraging the market-leading block trading and dark pool equities franchise to expand in algorithmic and programme trading. We completed the largest ever Dark Pool trade in Europe, followed by a record block trade in Hong Kong.

The average cash weightings held by institutions in 2024 fell to their lowest level since 2001[15]. Against that backdrop, we launched new, innovative products: Superblock, a solution for clients who wish to trade exceptionally large, illiquid blocks in a controlled environment; SmartDark, an algorithm to help traders execute larger trades with better price stability.

Building the Multi-Asset Agency Brokerage business

Multi-Asset (non-cash equity) is a significant, and growing, market segment, especially for hedge funds. Barclays Research estimates that Multi-Asset funds have grown annually by about 19% compared to 3% for hedge funds. Liquidnet capitalised on this trend, launching a new single-desk proposition providing multi-asset liquidity from across the Group, and bespoke trading tools. Revenues at the Multi-Asset Agency business are up 22% in two years, and now account for 42% of the division's overall revenue base. We see more opportunities to grow through a follow-the-sun model, and leveraging our extensive geographical footprint.

Energy & Commodities ('E&C')

Profound change underway

The energy sector is going through profound change. As the pre-eminent OTC energy broker, we expect to benefit by (a) growing our current main businesses (Oil, Power, and Gas), (b) growing Energy Transition products like renewables and (c) monetising data in conjunction with Parameta Solutions.

The scale of the changes is exemplified by two key points. Global Liquefied Natural Gas ('LNG') capacity, a key transition fuel, is by 2030 expected to grow by 50%[16], a substantial increase. Global electricity use is forecast, over the next ten years, to grow each year by the equivalent of Japan's annual demand[16], the fourth largest economy in the world.

Our brokers, who provide the full suite of products, are well equipped to assist their clients through these major changes.

We announced a major agreement with Amazon Web Services ('AWS') to (a) co-develop sustainability-focused trading solutions and (b) support Amazon's suppliers to create decarbonisation plans aligned with its 2040 net-zero carbon ambition. Coupled with our focus on Norwegian and Australian Renewable Energy Certificates (RECs), we are developing tools to create additional liquidity in key markets like the US. The overall REC market is expected to grow 28% a year, reaching over $80bn by 2030[17].

Alongside our substantial presence in the North American and European markets, we are expanding in APAC, where we acquired Aotearoa Energy, a leading Power, Gas and Renewables broker in New Zealand, complementing our well-developed Australian franchise. The New Zealand Emissions Trading Scheme was set up in 2007 and, after the EU, is the oldest in the world[18].

Read more about our divisional performance on pages 49 to 52.

14 Source: Burton Taylor Consulting, Financial Market Data/Analysis Global Share & Segment Sizing 2024.
15 Source: Bank of America Global Fund Manager Survey.
16 Source: International Energy Agency ('IEA'), World Energy Outlook, October 2024.
17 Source: Research and Markets, Renewable Energy Certificates Market, 2023.
18 Source: Elsevier, Energy Economics, August 2023.

Dynamic capital management

2024 developments

About 18 months ago, we launched our first ever buyback programme (£30m).

Since then, including another £30m buyback announced on 11 March 2025, the Group has completed, or announced, £120m of buybacks. The Board is also recommending a final dividend per share of 11.3 pence (up 13%). This would bring the total dividend to 16.1 pence per share, up 9% (2023: 14.8p). The final dividend will be paid to eligible shareholders on 23 May 2025, with an ex-dividend and record date of 10 April 2025 and 11 April 2025, respectively. Shareholders appreciate this combination of dividends and capital returns.

Continued debt reduction is another important priority. We paid down approximately £100m of our debt/financing obligations and our leverage ratio[19] reduced from 1.9x in 2023 to 1.6x in 2024.

Overall approach

We are committed to releasing more cash for ongoing business investment, including targeted M&A, where appropriate, debt reduction and further capital returns. We continue to invest in our business: broker recruitment, Fusion, Liquidnet, and Parameta Solutions.

In the short term, in relation to inorganic cash generation, we would expect to return most of the proceeds of any possible Parameta listing to our shareholders, while retaining the majority upside potential through our long-term ownership of this asset. In addition, we do not anticipate any impact on the Group's dividend policy, in the event Parameta is listed.

In the medium term, through organic means, we anticipate generating substantial cash, in addition to the previously announced £50m we expect to release through our legal entity consolidation initiative (see above). An update on the surplus cash to be made available to shareholders over time will be provided at our Interim Results, on 6 August 2025.

Generating substantial cash in the medium term

Our confidence in our ability to generate substantial cash organically in the medium term, and share it with our shareholders, can be attributed to several factors.

We have benefited a great deal from our Jersey redomicile; it enabled the creation of a series of specific opportunities to free up cash. In addition, our focus on productivity and contribution, coupled with a positive outlook for our business, means we will continue to prioritise profitable growth, and cash flows, in the future.

Our previously announced three-year programme – legal entity consolidations and operational efficiencies – is progressing well. We have already released £15m of annualised savings in 2024 through the operational and IT excellence initiative (see Transformation below). Work is well underway on our legal entity consolidation initiative.

Transformation

Enhanced bench strength

We are enhancing our bench strength as we transform the Group.

New senior leadership is in place at Parameta Solutions. Silvina Aldeco-Martinez became CEO in March, joining us from PitchBook Data, a Morningstar division, where she was CEO of Leveraged Commentary and Data. Chantal Wessels was appointed CFO having previously been at Nasdaq and Thomson Reuters. Silvina and Chantal have significant experience in data, analytics, and business development.

The Energy Transition is replete with opportunity for our E&C business. Joachim Emanuelsson, a founding partner at SGB, an environmental markets brokerage, is now leading our EMEA business. David Silbert was appointed to lead our US franchise having previously been Global Head of Commodities at Deutsche Bank and CEO at Trailstone Group. Tom Fox-Hughes was promoted to CEO of APAC.

Liquidnet Fixed Income

A changing market: our opportunity

Our Liquidnet electronic credit trading platform covers Primary and Secondary Markets, offering a range of trading protocols, including Dark Pool and Request-For-Quote (RFQ). The business is organised by asset class and led by Global Broking, enabling it to leverage the division's extensive connectivity and sell-side relationships.

Electronification is taking hold: around 65% of US Treasuries, a key asset class, are now traded electronically; half that volume is coming through RFQ[20].

The market for electronically traded corporate bonds is also growing. As of the end of November 2024, 43% of total volume traded in both investment-grade and high-yield bonds was executed electronically[21], compared with approximately 19% and 2% respectively in 2015[22].

Our New Issue Trading protocol had a record year. Volumes on the platform, which is integrated with Fusion, saw significant growth, with over 470 buy- and sell-side users submitting approximately $16bn of firm, actionable liquidity – an increase of circa 2.6x compared to 2023. Other initiatives included advancing the rollout of Fusion for dealers and partnering with Boltzbit, a Gen AI solutions specialist, enabling us to rapidly receive, process, and display newly announced bond deals.

19 Total debt (excluding finance lease liabilities) divided by adjusted EBITDA, as defined by our rating agency, Fitch.
20 Source: Federal Reserve Bank of New York, All-to-All Trading in the U.S. Treasury Market, November 2024.
21 Source: Crisil Coalition Greenwich: December Spotlight: Corporate Bond Market Sees Liquidity Improve in Record Year.
22 Source: Crisil Coalition Greenwich: September Spotlight: Corporate Bond E-Trading on a Roll.

Fusion

Fusion, our flagship digital platform, provides best in class functionality for our clients, and connectivity to our deep liquidity.

Technology is a strategic advantage for us, and key to our client engagement.

We are building on that advantage through a major agreement with Amazon Web Services ('AWS'), the world's leading cloud provider. With them, we will accelerate the development of Fusion, halving new product development times, and nearly doubling our IT workload on the cloud. We will leverage AWS's generative AI capabilities, like Amazon Bedrock, to increase productivity and better respond to client needs, and establish an AI and Innovation Lab to scale and accelerate solutions.

We see more opportunities to employ Fusion to assist clients with regulatory supervision, a growing area. Fusion generates high-quality data insights, which our collaboration with AWS should enhance, and which Global Broking is sharing with Parameta Solutions through their Market Data Licensing Agreement.

Operational and IT excellence

A major operational and IT excellence initiative is in place alongside our focus on more legal entity consolidations (see Dynamic Capital Management).

This change initiative, generating at least £50m in annualised savings over three years, will future-proof our business: we will be more agile and faster at rolling out new products and initiatives. Key levers include real estate optimisation (the footprint has reduced by 30% since 2021), technology consolidation, our operating model, vendor management, and procurement.

We are making good progress. Detailed bottom-up planning is well underway; a Transformation Office is in place. Technology is at the heart of our transformation. Our IT function will become a value enabler: we are simplifying our processes and plan to reduce the number of IT applications by about 20%. More cloud migration, and a greater focus on engineering excellence, are integral to the programme.

Final dividend
pence

11.3p

Total full year dividend
pence

16.1p

"We are committed to releasing more cash for ongoing business investment, including targeted M&A, where appropriate, debt reduction and further capital returns."

Outlook

As is always the case, our outlook is largely subject to market conditions. Geopolitical tension, and the uncertain outlook for trade policies, inflation, as well as interest rate movements, should continue to drive volatility that is supportive for our business.

The movement in foreign exchange rates, particularly Sterling vs US Dollar (60% of Group revenue/40% of Group costs are US Dollar-denominated) will continue to impact our results – with US Dollar strengthening having a positive impact, and vice versa.

Against this backdrop, we will remain focused on executing our three strategic pillars, namely transformation, diversification, and dynamic capital management. We anticipate remaining well placed to deliver sustainable shareholder value over the medium term.

Subject to movements in foreign exchange rates, the Board is comfortable with current market expectations for 2025 adjusted EBIT.

Nicolas Breteau
Executive Director and Chief Executive Officer
11 March 2025