

LSEG

London Stock Exchange Group plc: Q1 2025 Trading Update

Strong start to the year: accelerating D&A growth and excellent performance from Markets division, full year guidance confirmed

David Schwimmer, CEO said:

"We have started the year strongly, delivering another quarter of good growth. Our Data & Analytics business accelerated further, and Risk Intelligence and FTSE Russell continued to perform well. Our Markets division saw strong broad-based growth against a backdrop of elevated volatility, which has persisted into April reflecting continuing uncertainty around the outlook for financial markets and the global economy more broadly.

"We continue to drive the strategic transformation of our business - building a strong product pipeline, investing in our engineering talent and delivering on the Microsoft partnership.

"Our strong first quarter performance is testament to the value of our diversified business model. We look forward to further progress in the rest of the year, consistent with our financial targets."

Q1 2025 highlights

(All growth rates on an organic constant currency basis unless otherwise stated)

- **Strong growth:** Total income (excl. recoveries) +8.7% incl. M&A, +7.8% organic.
- **Good performance from all divisions:** Data & Analytics +5.1%, FTSE Russell +9.6%, Risk Intelligence +10.7%, Markets +10.7%.
- **Acceleration in Data & Analytics:** sequential improvement in growth led by Analytics and Data & Feeds.
- **Broad-based strength in Markets:** double-digit growth across FX, Tradeweb and OTC Derivatives; elevated activity continuing into April.
- **Shareholder returns:** £245 million of £500 million share buyback completed by 30 April.
- **Confident of continued growth and improving profitability:** on track to deliver on all financial guidance issued in February's FY 2024 results.

This release contains revenues, cost of sales and key performance indicators (KPIs) for the three months ended 31 March 2025 (Q1). Certain columns and rows may not add due to the use of rounded numbers for disclosure purposes. To reflect underlying performance, all constant currency variances compare the current and prior period at consistent exchange rates. Organic variance is calculated on a constant currency basis, adjusting the results to remove disposals from the entirety of the current and prior year periods, and including acquisitions from the date of acquisition with a comparable adjustment to the prior year.

Q1 2025 summary

	Q1 2025 £m	Q1 2024 £m	Variance %	Constant currency variance %	Organic constant currency variance %
Workflows	493	479	2.9%	3.4%	3.4%
Data & Feeds	491	465	5.6%	6.6%	6.6%
Analytics	59	55	7.3%	7.4%	7.4%
Data & Analytics	1,043	999	4.4%	5.1%	5.1%
Subscription	156	144	8.3%	8.2%	8.2%
Asset-based	83	74	12.2%	12.5%	12.5%
FTSE Russell	239	218	9.6%	9.6%	9.6%
Risk Intelligence	143	131	9.2%	9.3%	10.7%
Equities	62	60	3.3%	3.1%	3.1%
Fixed Income, Derivatives & Other	394	318	23.9%	24.4%	17.3%
FX	69	61	13.1%	12.3%	12.3%

OTC Derivatives	161	138	16.7%	16.8%	16.8%
Securities & Reporting	56	62	(9.7%)	(9.8%)	(9.8%)
Non-Cash Collateral	27	28	(3.6%)	(0.4%)	(0.4%)
Net Treasury Income	65	69	(5.8%)	(6.3%)	(6.3%)
Markets	834	736	13.3%	13.5%	10.7%
Other	2	5	(60.0%)	(52.1%)	(52.1%)
Total Income (excl. recoveries)	2,261	2,089	8.2%	8.7%	7.8%
Recoveries	93	93	0.0%	0.6%	0.6%
Total Income (incl. recoveries)	2,354	2,182	7.9%	8.3%	7.5%
Cost of sales	(308)	(289)	6.6%	7.2%	7.2%
Gross Profit	2,046	1,893	8.1%	8.5%	7.5%

Total income (excluding recoveries) was up 8.7% including M&A, and 7.8% on an organic basis.

- **Data & Analytics** was up 5.1%, accelerating from the prior year period. The drivers were broad-based with continued strong retention, good sales and a contribution from pricing consistent with the previous year.
 - **Workflows** was up 3.4%, with continued product enhancements driving good sales activity and retention. Commodities was an area of particular strength during the quarter. The business remains on track to sunset Eikon by June 2025.
 - **Data & Feeds** was up 6.6%. We continue to drive innovation and expansion of our leading Real Time offering, adding new low latency feeds and cloud solutions. In our Pricing and Reference business we saw good demand for newer capabilities such as fixed income corporate actions data and our expanded evaluated pricing offering.
 - **Analytics** was up 7.4%, with good growth in Yield Book fixed income analytics and Lipper fund data. We continue to see strong demand for our Analytics API and launched new Visual Studio code capabilities in the quarter, both developed in partnership with Microsoft, making it easier for customers to create and deploy their insights using our models.
- **FTSE Russell** was up 9.6%. Strong demand for flagship equity products continued to support good growth in underlying subscription revenues. Asset-based revenues grew strongly driven by both inflows and higher average market levels.
- **Risk Intelligence** was up 10.7% driven by strong business momentum and customer demand in our screening business, World-Check, and expansion in our digital identity and fraud businesses.
- **Annual Subscription Value (ASV):** Period-end organic ASV growth was 6.4%, reflecting continued good sales, strong retention and a contribution from pricing consistent with the previous year.
- **Markets** was up 10.7%, and up 13.5% including the benefit of the ICD acquisition, as our capital markets venues and post trade businesses saw elevated activity in response to the heightened political and economic uncertainty in the quarter.
 - **Equities** was up 3.1%. We saw strong, volume-driven growth in secondary markets, although this was partly offset by subdued primary revenue growth.
 - **Fixed Income, Derivatives & Other** was up 17.3% organically with another record quarter for Tradeweb. Average Daily Volume (ADV) of 2.55 trillion in Q1 (up 19.1% organically, or +33.7% including ICD) reflected continued share gains across Tradeweb's rates and credit asset classes. This was complemented by strong market activity across Tradeweb's global asset classes as a result of heightened political and economic uncertainty.
 - **FX** was up 12.3%, led by market-driven strength in dealer-to-client activity on our FXall platform. This was accompanied by good growth in interbank volumes on our Matching platform.
 - **OTC Derivatives** was up 16.8%. Growth was broad-based across asset classes and in both cleared and uncleared instruments, reflecting elevated financial market volatility in the period and greater uncertainty over the global outlook for interest rates.
 - **Securities & Reporting** was down (9.8)%, with strong volume growth in fixed income clearing more than offset by last year's loss of business from Euronext.
 - **Non-Cash Collateral** was broadly unchanged at (0.4)%, with mix effects limiting the benefit from higher collateral balances.
 - **Net Treasury Income** was down (6.3)% reflecting the reduction in cash balances following last year's loss of business from Euronext.
- **Group cost of sales** was up 7.2%, slightly below the growth rate in revenue reflecting business mix and the partially fixed nature of the costs.
- **Gross profit** was up 7.5%, very slightly behind growth in Total Income (excl. recoveries) as a result of the more modest growth in recoveries revenues.

Capital allocation

In February we announced our intention to return £500 million to shareholders via a share buyback. At the end of April 2025, shares worth £245 million had been acquired under this programme.

In March we repurchased 250 million of the group's US dollar bond maturing in 2031, an NPV-positive

transaction that takes advantage of the current interest rate environment.

Financial guidance

We are confident of further growth and improvement to our EBITDA margin in 2025, leading to strong growth in equity free cash flow. We confirm our guidance for 2025 as follows:

- Organic constant currency growth in total income excluding recoveries of 6.5-7.5% including an acceleration in Data & Analytics organic growth and more normalised growth at Tradeweb
- An improvement in constant currency EBITDA margin of 50-100 basis points
- Capex intensity of c 10% of total income excluding recoveries
- Equity free cash flow of at least £2.4 billion, based on foreign exchange rates of £1 = 1.28 and €1.18
- Underlying effective tax rate of 24-25%

Q1 investor and analyst conference call:

LSEG will host a conference call for its Q1 Trading Update for analysts and investors today at 8.30am (UK time). On the call will be David Schwimmer, LSEG's Chief Executive officer (CEO), and Michel-Alain Proch, Chief Financial Officer (CFO).

To access the webcast or telephone conference call please register in advance using the following link:

<https://sparklive.lseg.com/LondonStockExchangeGroup/events/c72ab92d-f61e-4ee2-b083-790e69775c58/lseg-q1-results-2025-investor-analyst-call>

To ask a question live you will need to register for the telephone conference call here:

<https://registrations.events/direct/LON201413>

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Divisional non-financial KPIs

Subscriptions¹

	Q1 2025	Q1 2024
Annual Subscription Value growth (%) ²	6.4%	6.0%
Subscription revenue growth (%) ^{2,3}	6.1%	6.6%

¹ Subscription revenues in Data & Analytics, FTSE Russell and Risk Intelligence

² Organic, constant currency variance

³ 12-month rolling constant currency variance

FTSE Russell

	Q1 2025	Q1 2024	Variance %
Index - ETF AUM (bn):			
- Period end	1,434	1,328	8.0%
- Average	1,449	1,255	15.5%

Markets

	Q1 2025	Q1 2024	Variance %
Equities			
UK Value Traded (£bn) - average daily value	5.0	3.9	28.2%
Fixed income, Derivatives and Other			
<i>Tradeweb average daily volume (m)</i>			
Rates - Cash	558,883	461,826	21.0%
Rates - Derivatives	884,151	798,871	10.7%
Credit - Cash	18,264	17,418	4.9%
Credit - Derivatives	30,427	17,502	73.8%

FX				
Average daily total volume (bn)	522	456	14.5%	
OTC Derivatives				
SwapClear - IRS notional cleared (trn)	464	406	14.4%	
SwapClear - Client trades ('000)	1,248	912	36.8%	
ForexClear - Notional cleared (bn)	11,113	8,287	34.1%	
ForexClear - Members	39	38	2.6%	
Securities & Reporting				
EquityClear trades (m)	304	268	13.4%	
RepoClear - nominal value (€trn)	84.3	74.4	13.3%	
Collateral				
Average non-cash collateral (€bn)	211.2	197.1	7.1%	
Average cash collateral (€bn)	104.8	110.5	(5.2%)	

Foreign Exchange

The majority of LSEG revenues are in US dollars followed by sterling, euro and other currencies. A 10 cent devaluation in the US dollar and euro against sterling has an adverse impact on Total Income (excl. recoveries) of approximately 4.5% and 1.5% respectively. The impact on EBITDA is slightly greater, at approximately 5.0% and 2.0% respectively. These sensitivities are approximate and exclude the impact of embedded derivatives and other FX-related balance sheet revaluations.

	USD	GBP	EUR	Other
Total Income ^{1,2}	58%	16%	17%	9%
Data & Analytics ¹	61%	9%	15%	15%
FTSE Russell	72%	20%	3%	6%
Risk Intelligence	62%	9%	16%	13%
Markets	49%	24%	24%	2%

¹ Total income includes recoveries

² Percentage splits based on Q1 2025

Due to rounding, income percentages may not add to 100%

Spot / Average Rates

	Average rate 3 months ended 31 March 2025	Closing rate at 31 March 2025	Average rate 3 months ended 31 March 2024	Closing rate at 31 March 2024
GBP : USD	1.259	1.294	1.268	1.263
GBP : EUR	1.197	1.196	1.168	1.170

Total income and gross profit by quarter

£m	2024					2025
	Q1	Q2	Q3	Q4	FY	Q1
Workflows	479	479	472	480	1,910	493
Data & Feeds	465	472	465	478	1,880	491
Analytics	55	55	55	55	220	59
Data & Analytics	999	1,006	992	1,013	4,010	1,043
Subscription	144	153	156	158	611	156
Asset-Based	74	81	71	81	307	83
FTSE Russell	218	234	227	239	918	239
Risk Intelligence	131	132	131	137	531	143
Equities	60	60	60	56	236	62
Fixed Income, Derivatives & Other	318	317	341	358	1,334	394
FX	61	64	67	66	258	69
OTC Derivatives	138	141	148	155	582	161

Securities & Reporting	62	65	55	53	235	56
Non-Cash Collateral	28	28	28	27	111	27
Net Treasury Income	69	65	66	66	266	65
Markets	736	740	765	781	3,022	834
Other	5	3	2	3	13	2
Total Income (excl. recoveries)	2,089	2,115	2,117	2,173	8,494	2,261
Recoveries	93	92	89	90	364	93
Total Income (incl. recoveries)	2,182	2,207	2,206	2,263	8,858	2,354
Cost of sales	(289)	(299)	(283)	(302)	(1,173)	(308)
Gross Profit	1,893	1,908	1,923	1,961	7,685	2,046

Organic, constant-currency revenue growth by quarter

%	2024					2025
	Q1	Q2	Q3	Q4	FY	Q1
Workflows	1.7%	3.1%	3.2%	3.4%	2.9%	3.4%
Data & Feeds	6.8%	5.5%	6.1%	6.4%	6.2%	6.6%
Analytics	6.5%	3.8%	5.2%	4.2%	4.9%	7.4%
Data & Analytics	4.3%	4.3%	4.6%	4.8%	4.5%	5.1%
Subscription	6.2%	13.2%	13.1%	8.8%	10.3%	8.2%
Asset-Based	16.4%	14.1%	1.8%	16.0%	11.9%	12.5%
FTSE Russell	9.5%	13.5%	9.2%	11.2%	10.9%	9.6%
Risk Intelligence	12.5%	10.4%	10.4%	12.0%	11.3%	10.7%
Equities	1.6%	6.2%	8.5%	2.1%	4.6%	3.1%
Fixed Income, Derivatives & Other	21.3%	27.9%	27.3%	17.2%	23.1%	17.3%
FX	(2.2%)	3.9%	12.8%	10.1%	6.1%	12.3%
OTC Derivatives	0.1%	6.6%	18.4%	19.0%	10.8%	16.8%
Securities & Reporting	(0.5%)	2.5%	(11.1%)	(15.9%)	(6.3%)	(9.8%)
Non-Cash Collateral	6.5%	5.4%	5.3%	2.5%	4.9%	(0.4%)
Net Treasury Income	(2.6%)	(14.7%)	(5.5%)	(1.5%)	(6.3%)	(6.3%)
Markets	8.1%	11.4%	15.0%	10.5%	11.2%	10.7%
Other	(43.9%)	(48.6%)	(75.1%)	(52.6%)	(54.5%)	(52.1%)
Total Income (excl. recoveries)	6.4%	7.8%	8.7%	7.7%	7.7%	7.8%

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