



1Q25 Earnings Conference Call

May 7, 2025



Update on our strategy & trading businesses

❖ Chris Concannon, CEO

1Q25 highlights¹

FINANCIAL PERFORMANCE

- Revenue of **\$209 million** compared to **\$210 million** in the prior year
- **Record** commission revenue in emerging markets, up **6%**, eurobonds, up **5%**, and municipal bonds, up **6%**
- **34%** increase in total rates commission revenue
- Services² revenue growth of **7%**
- Earnings per share of **\$0.40**; **\$1.87** excluding notable items³
- **\$344 million** in TTM free cash flow⁴ generation

OPERATIONAL STRENGTH

- **Record** total ADV, up **31%**; **6%** increase in total credit ADV to **record \$15.9 billion**
- Strong international growth with **11%** increase in emerging markets ADV (**record**) and eurobonds ADV (**record**)
- **Record** ADVs achieved across strategic priority related protocols and workflow tools
 - EM block trading⁵ ADV increased **22%**; eurobonds block⁶ trading ADV increased **68%**
 - Portfolio trading ADV of **\$1.3 billion**, up **78%**; **520 bps** increase in U.S. high-grade portfolio trading est. market share⁷
 - Dealer RFQ ADV of **\$1.8 billion**, up **40%**
 - Open Trading ADV of **\$4.8 billion**, up **8%** on increase in volatility in March 2025

DISCIPLINED EXPENSE & CAPITAL MANAGEMENT

- **2%** growth in expenses on continued cost discipline/efficiency and lower variable costs
- Total cash, cash equivalents, corporate bond and U.S. Treasury investments of **\$642 million** as of March 31, 2025
- Repurchased **251K shares** for **\$52 million** through April 2025, including **188K shares** repurchased in 1Q25 for **\$38 million**
- **79%** payout ratio (dividends & repurchases) on TTM net income, excluding notable items³

1. All period comparisons are 1Q25 vs. 1Q24 unless otherwise noted.

2. Services revenue consists of information services revenue, post-trade revenue and technology services revenue, combined.

3. From time to time, we present certain GAAP-basis financial results, excluding notable items. These measures are non-GAAP financial measures. 100% payout ratio (dividends & repurchases) on GAAP-basis. Refer to “Non-GAAP financial measures and other items” for a discussion of these non-GAAP financial measures as well as “Reconciliation of certain GAAP-basis financial results, excluding notable items” in the appendix of this presentation.

4. TTM free cash flow is a non-GAAP metric; TTM net cash provided by operating activities of ~\$420 million (and 1Q25 net cash provided by operating activities of ~\$30 million) represents the closest comparable GAAP metric. Please refer to “Non-GAAP financial measures and other items” for a discussion of these non-GAAP financial measures as well as “Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow” in the appendix of this presentation.

5. Emerging markets block trading consists of hard currency block trades defined as notional trade sizes ≥ \$3mm and local markets block trades defined as notional trade sizes ≥ \$5mm.

6. Eurobonds block trading defined as defined as notional trade sizes ≥ \$5mm.

7. Due to variances in how portfolio trading market participants utilized the portfolio trading TRACE “flag,” the Company previously used its own internal methodology for calculating portfolio trading as an estimated percentage of TRACE volume and the Company’s estimated market share. Starting in June 2024, the Company utilized the portfolio trading TRACE flag in its reported portfolio trading TRACE volume and the Company’s portfolio trading estimated market share.

Continued strong growth across our key performance indicators

Key Performance Indicators		1Q25	1Q24	Growth
Client-Initiated ¹				
Notional Trading / ADV	Record U.S. Credit ADV	\$9.0B	\$8.9B	+2%
	Record Intl. Product Trading ADV (EM & Eurobonds)	\$6.3B	\$5.7B	+11%
	Record EM Local Markets ADV	\$1.5B	\$1.4B	+8%
	Municipal Bond ADV	\$594M	\$419M	+42%
	Record Auto-X Trading Volume	\$110B	\$94B	+17%
	Record Open Trading ADV	\$4.8B	\$4.4B	+8%
Share	U.S. Credit Estimated Market Share (U.S. High-Grade and U.S. High-Yield)	16.6%	17.9%	(130 bps)
	U.S. High-Grade Estimated Block Market Share (defined as trade sizes ≥ \$5 million)	11.2%	10.7%	+50 bps
Client #	Auto-X Active Client Firms	249	231	+8%
	Record Client Firms Enabled for Algos	80	25	~3x Growth
Portfolio Trading ²				
	Record Total Portfolio Trading ADV	\$1.3B	\$722M	+78%
	Record U.S. Credit Portfolio Trading ADV	\$1.1B	\$608M	+76%
	U.S. Credit Portfolio Trading Market Share ³	18.8%	13.3%	+550 bps
Dealer-Initiated				
	Record Dealer Initiated ADV (DRFQ & Mid-X)	\$1.9B	\$1.3B	+45%

1. Client-initiated KPIs may include some portfolio trading and dealer-initiated activity. Client-initiated volumes account for ~90% of MKTX's platform credit activity.

2. Portfolio trading ADV includes single-dealer (liquidity taker directs the request for price to only one dealer) and in-competition (liquidity taker directs the request for price to multiple dealers) trading ADV.

3. Due to variances in how portfolio trading market participants utilized the portfolio trading TRACE "flag," the Company previously used its own internal methodology for calculating portfolio trading as an estimated percentage of TRACE volume and the Company's estimated market share. Starting in June 2024, the Company utilized the portfolio trading TRACE "flag" in its reported portfolio trading TRACE volume and the Company's portfolio trading estimated market share.

Driving growth in 2025: enhanced functionality, differentiated data and innovative client solutions

Focusing on three strategic channels

Optimizing trade execution and client workflow in key products & protocols

MKTX is targeting growth across:

- Core U.S. credit
- EM & eurobonds
- Municipal bonds
- Rates

Client-Initiated

- **High-touch:** rollout of block trading solutions for larger trades/EM, eurobonds, and U.S. credit
- **Low-touch:** continued focus on automation targeting smaller/rule-based trades
- **Differentiated data:** leverage enhanced PT pre-trade analytics
- **UI:** ongoing optimization of X-Pro interface for U.S. credit market

Portfolio Trading

- **Global portfolio trading/UI:** continued integration of global PT offering (for EM and eurobonds) into X-Pro
- **Differentiated data:** CP+ benchmark pricing rollout; pre-trade analytics enhancements

Dealer-Initiated

- **Dealer RFQ/UI:** enhancement of DRFQ¹ protocol via integration of automation solutions & continued X-Pro workflow developments
- **Matching sessions:** relaunch of Mid-X matching protocol on next-gen Pragma technology

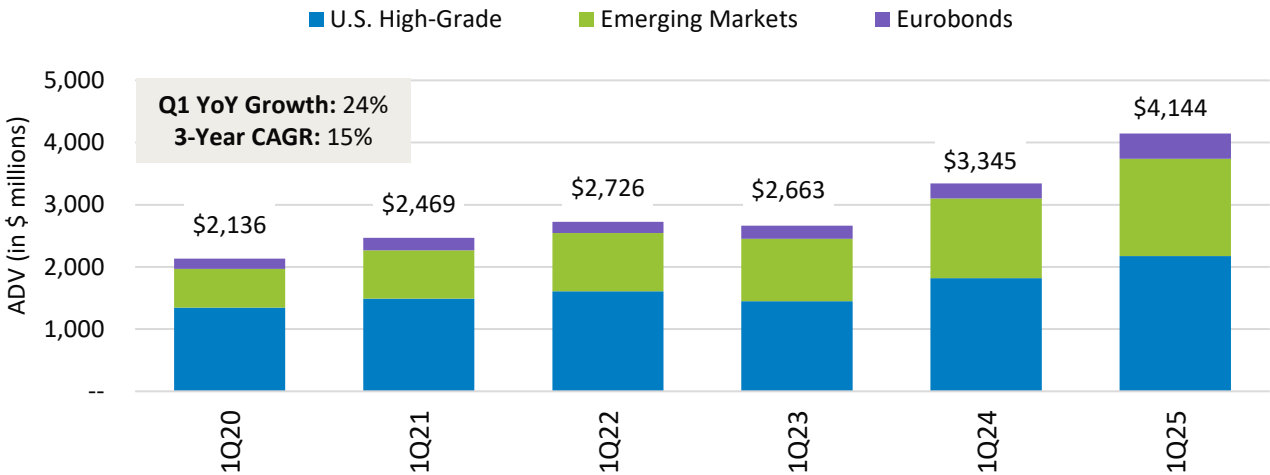
1. "DRFQ" = Dealer request for quote.

Driving growth in 2025: strong progress across client-initiated, portfolio trading and dealer-initiated channels

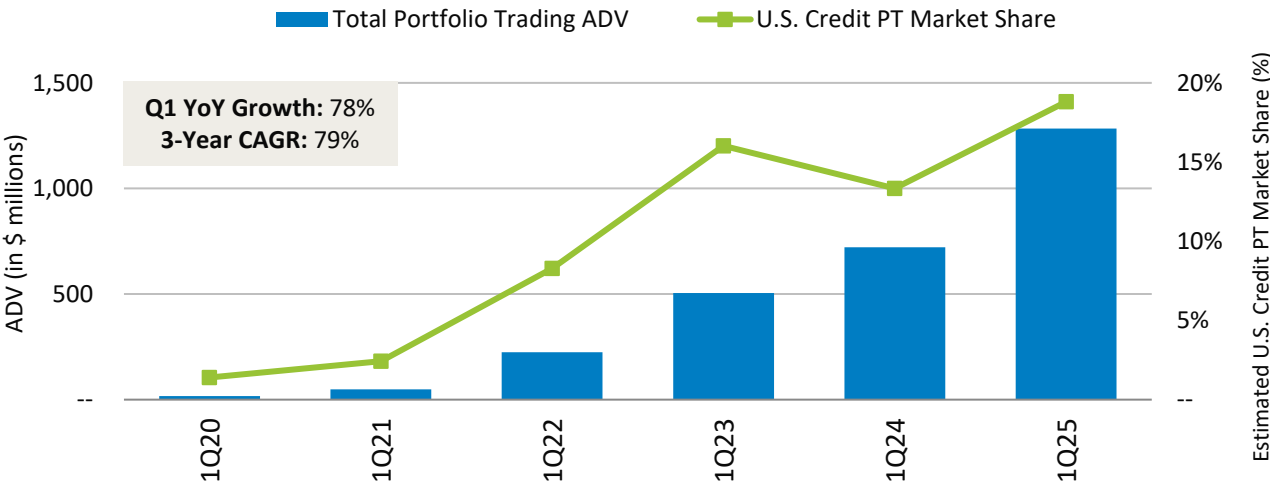
1Q25 COMMENTARY¹

- **Record** block trading ADV of U.S. high-grade, emerging markets, and eurobonds of **~\$4 billion**, up **24%**
 - U.S. high-grade up **20%**, emerging markets up **22%**, and eurobonds up **68%**
- **Record** portfolio trading ADV of **~\$1 billion** on strong market share gains in U.S. credit
- **Record** dealer-initiated² ADV of **~\$2 billion** on **record** U.S. high-grade, emerging markets and municipal bond ADV

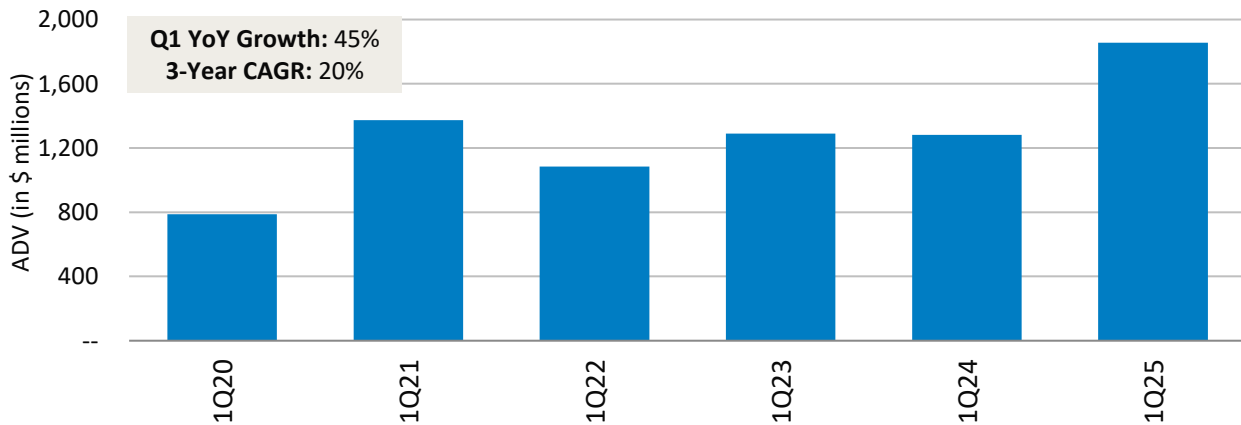
RECORD LEVELS OF CLIENT-INITIATED BLOCK TRADING³ ADV



RECORD TOTAL PORTFOLIO TRADING ADV⁴



RECORD DEALER-INITIATED ADV



1. All period comparisons are 1Q25 vs. 1Q24.

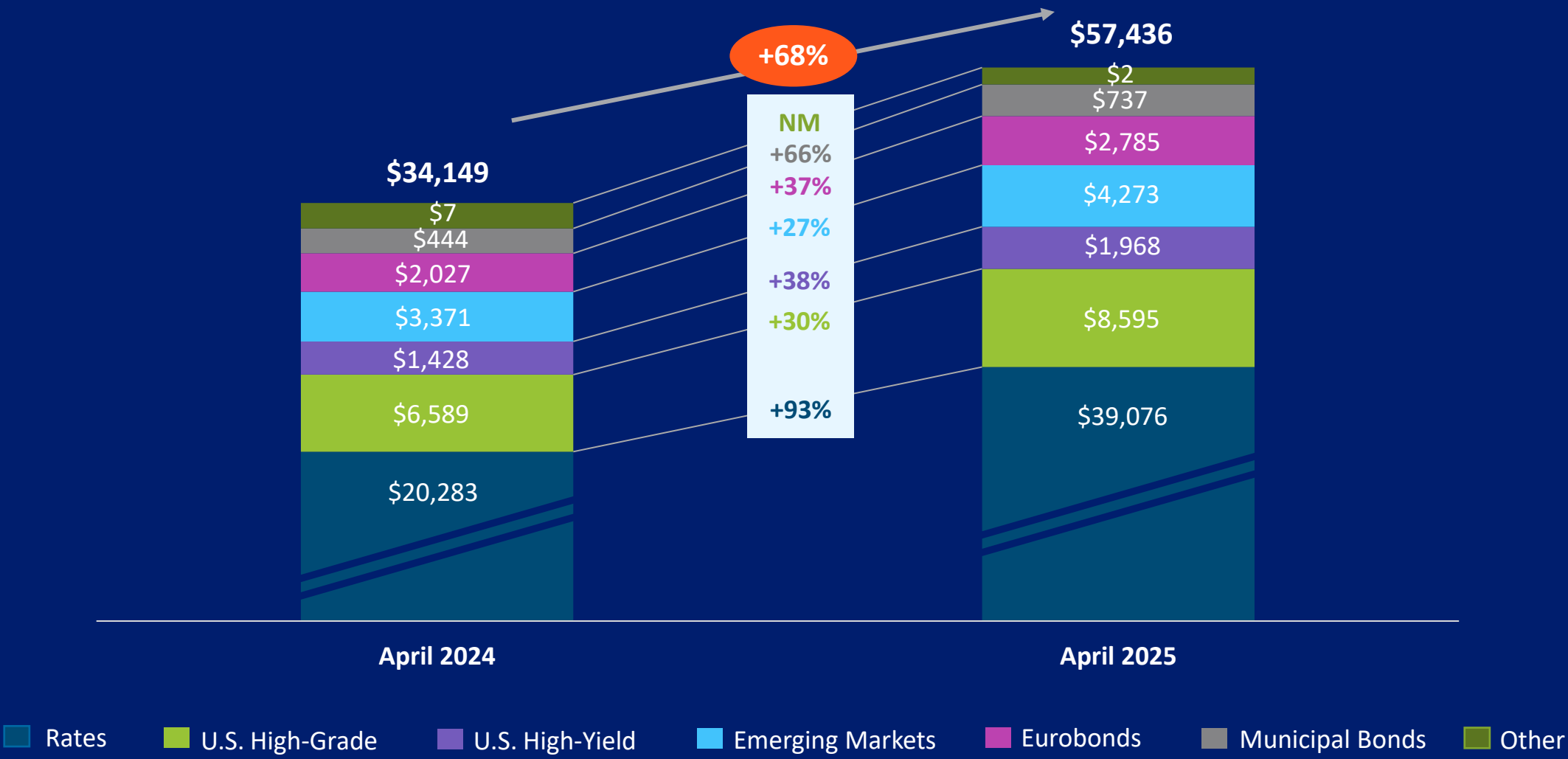
2. Dealer-initiated volume includes DRFQ and Mid-X activity.

3. U.S. high-grade block trading defined as defined as notional trade sizes \geq \$5mm, emerging markets block trading consists of hard currency block trades defined as notional trade sizes \geq \$3mm and local markets block trades defined as notional trade sizes \geq \$5mm and eurobonds block trading defined as notional trade sizes \geq \$5mm.

4. Portfolio trading volume includes single-dealer (liquidity taker directs the request for price to only one dealer) and in-competition (liquidity taker directs the request for price to multiple dealers) trading volume.

Volatility continued in April, driving strong YoY ADV growth

(in \$ millions)



Financial review

❖ Ilene Fiszel Bieler, CFO

1Q25 financial summary

(in \$ thousands, except EPS data)

Financial results	1Q25	4Q24	1Q24	YoY % Δ
Total revenues	\$ 208,576	\$ 202,404	\$ 210,318	(1)%
Commissions	181,343	174,766	184,873	(2)%
Services ¹	27,233	27,638	25,445	7 %
Total expenses	120,194	122,428	117,818	2 %
Operating income	88,382	79,976	92,500	(4)%
Other income (expense)	7,772	4,619	4,217	84 %
Income before taxes	96,154	84,595	96,717	(1)%
Provision for income taxes	81,089	19,456	24,102	236 %
Effective tax rate	84.3%	23.0%	24.9%	238 %
Net income	15,065	65,139	72,615	(79)%
Diluted EPS	\$ 0.40	\$ 1.73	\$ 1.92	(79)%
<i>Selected GAAP-basis financial results ex-notable items (non-GAAP)²</i>				
<i>Total revenues</i>	\$ 208,576	\$ 202,404	\$ 210,318	(1)%
<i>Total expenses</i>	120,194	122,428	117,818	2 %
<i>Other income (expense)</i>	7,772	4,619	4,217	84 %
<i>Net income</i>	70,004	65,139	72,615	(4)%
<i>Diluted EPS</i>	\$ 1.87	\$ 1.73	\$ 1.92	(3)%
<i>Effective tax rate</i>	27.2%	23.0%	24.9%	2 pts

Notable items ²	1Q25	4Q24	1Q24
Reserve for uncertain tax positions related to prior periods	\$ 54,939	-	-
EPS impact	\$ 1.47	-	-

1Q25 PERFORMANCE³

- Revenue of **\$209 million** compared to **\$210 million** in the prior year.
- Solid performance in emerging markets, eurobonds and municipals commission revenue; **7%** growth in services revenue.
- **2%** growth in expenses reflecting cost discipline/efficiency and lower variable costs.
- Other income benefited from stronger interest income and market to market gains of Treasury portfolio.
- **\$55 million** reserve established for uncertain tax position related to prior periods.
- Effective tax rate of **84.3%**; **27.2%** excluding notable items².
- Diluted EPS of **\$0.40**; **\$1.87** excluding notable items².

1. Services revenue consists of information services revenue, post-trade revenue and technology services revenue, combined.

2. From time to time, we present certain GAAP-basis financial results, excluding notable items. These measures are non-GAAP financial measures. Refer to "Non-GAAP financial measures and other items" for a discussion of these non-GAAP financial measures.

3. All period comparisons are 1Q25 vs. 1Q24.

1Q25 commission revenue detail

COMMISSION REVENUE DETAIL

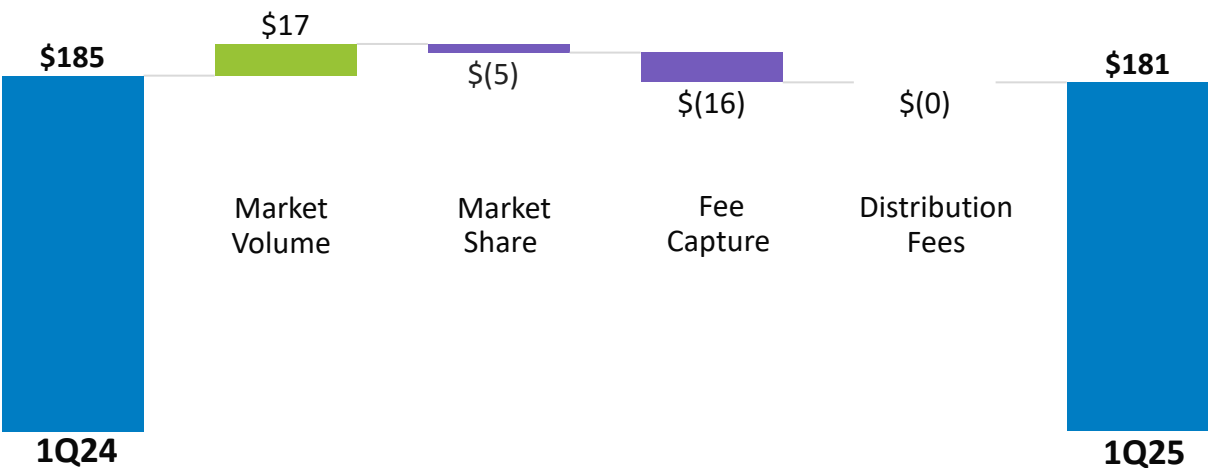
(in \$ thousands, except transaction fees per million data)

Commission Revenue	1Q25	4Q24	1Q24	YoY % Δ
Variable Transaction Fees	\$ 147,991	\$ 141,848	\$ 151,519	(2)%
Credit	135,840	129,351	141,504	(4)%
Rates	6,919	7,262	5,166	34 %
Other ¹	5,232	5,235	4,979	5 %
Fixed Distribution Fees	33,352	32,918	33,354	(0)%
Total Commissions	\$ 181,343	\$ 174,766	\$ 184,873	(2)%

FPM Data	1Q25	4Q24	1Q24	YoY % Δ
Credit	\$ 139	\$ 150	\$ 154	(10)%
Rates	4.20	4.31	4.79	(12)%

COMMISSION REVENUE MIX ANALYSIS

(in \$ millions)



1. Pragma commission revenue.
2. All period comparisons are 1Q25 vs. 1Q24.

1Q25 PERFORMANCE²

Credit

- Total credit variable commission revenue down **4%**. **10%** decrease in total credit fee per million partially offset by a **6%** increase in total credit ADV.
- **7%** decline in U.S. credit commission revenue on lower FPM/market share partially offset by strong growth in emerging markets **(+6%)**, eurobonds **(+5%)** and municipal bonds **(+6%)** commission revenue.
- Lower total credit fee capture on product mix.

Rates

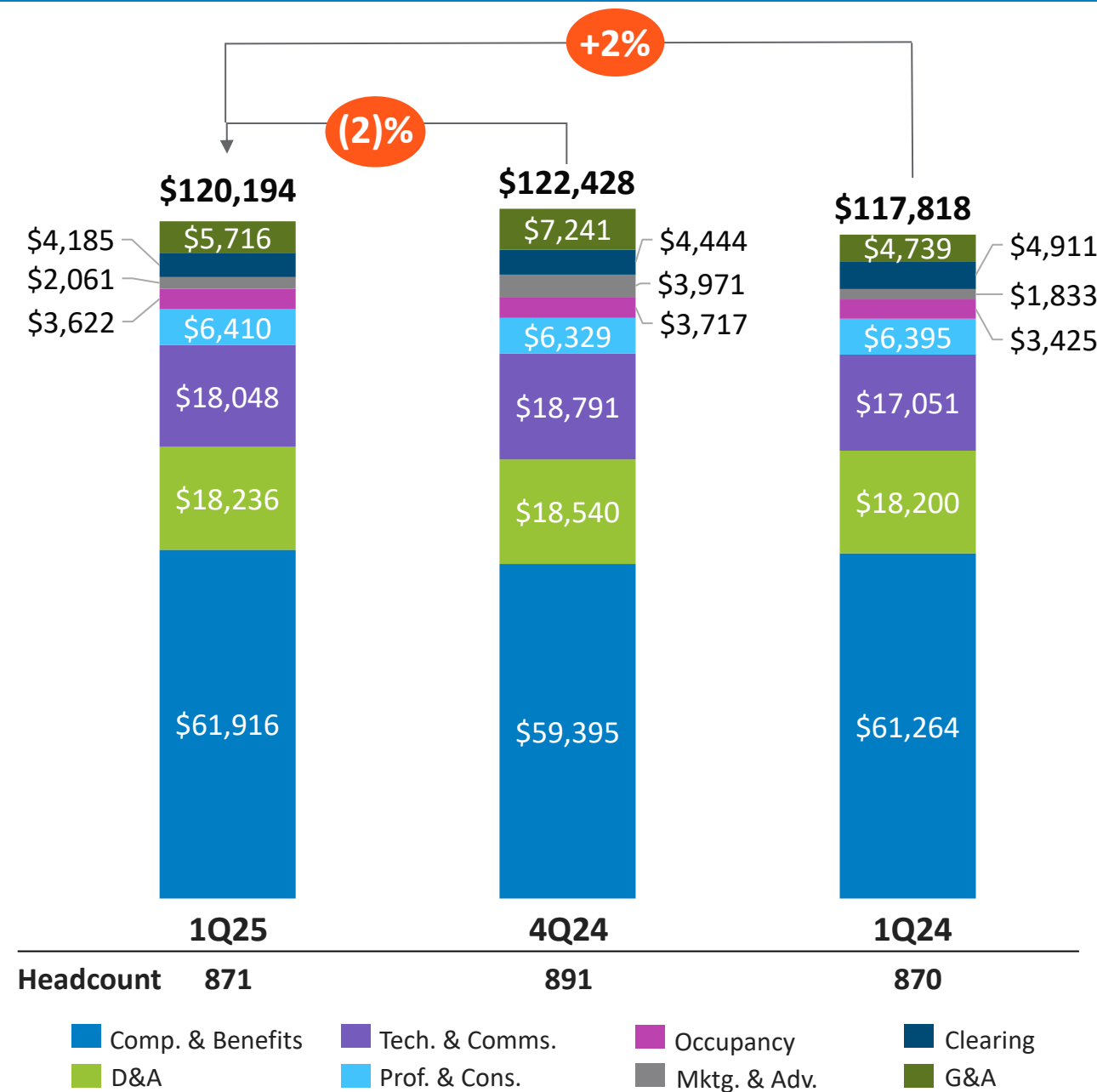
- Total rates commission revenue up **34%** on a **53%** increase in total rates ADV to **\$27 billion**, partially offset by a **12%** decrease in fee capture due to mix.

Other

- Other commission revenue (Pragma) of **\$5 million**, up **8%**.

1Q25 expense detail

(in \$ thousands)



1Q25 PERFORMANCE¹

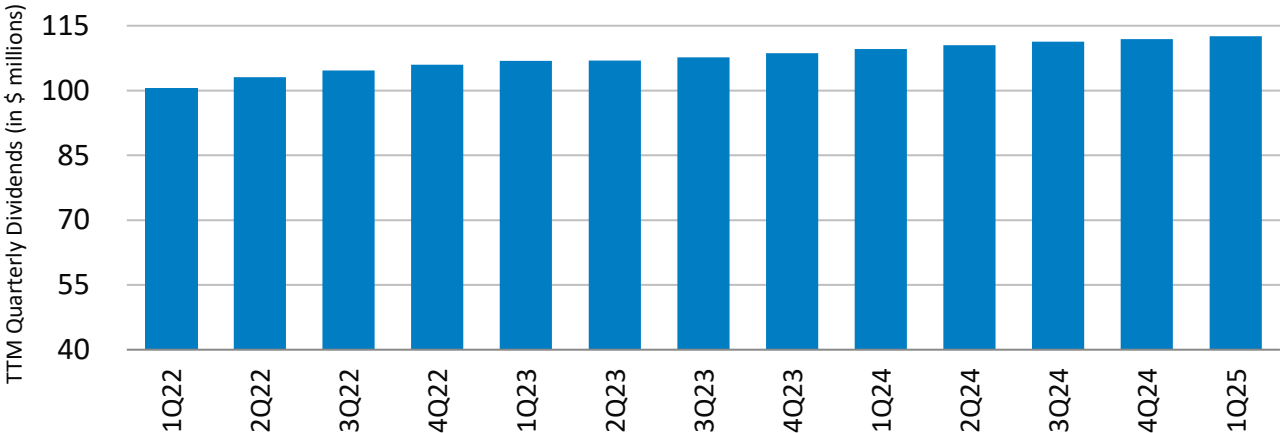
- Total expenses of **\$120 million**, up **2% YoY**, down **2% QoQ**.
- Lower level of expense growth driven by continued cost discipline/efficiency and lower variable costs.
- Increase of only **\$700K (+1%)** in employee compensation and benefits driven by efficiency initiatives and lower variable costs.
- Technology and communications expenses increased **\$1 million** on increase in cloud hosting costs.
- Increase in G&A costs driven by higher subscription fees and T&E.
- Decrease of **\$700K** in clearing fees driven by vendor expense efficiencies.

1. All period comparisons are 1Q25 vs. 1Q24.

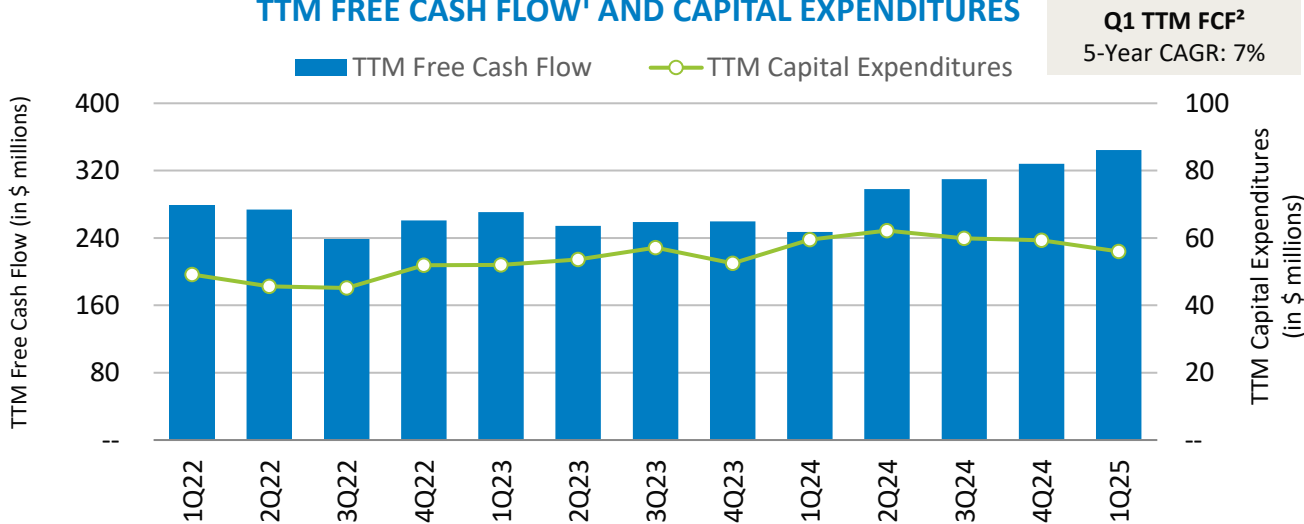
Capital management and cash flow

(in \$ millions, except shares repurchased and cash dividend data)

TTM QUARTERLY DIVIDENDS



TTM FREE CASH FLOW¹ AND CAPITAL EXPENDITURES



CAPITAL MANAGEMENT

- Total cash, cash equivalents, corporate bond and U.S. Treasury investments of **\$642 million** as of March 31, 2025.
- Total of **250,792** shares repurchased year-to-date through April 2025 at a cost of **\$52 million**, including **187,905** shares repurchased during 1Q25 at a cost of **\$38 million**.
- TTM **\$113 million** in capital returned to investors through dividends.
- Board of Directors declared a regular quarterly cash dividend of **\$0.76** per share.
- No outstanding debt on credit facility.

CASH FLOW

- TTM capital expenditures of **\$56 million** to support trading system enhancements.
- TTM free cash flow of **\$344 million**.

1. See 1Q25 earnings release and the Investor Relations section of the Company’s website under Financials – Supplementary Financial Information – Non-GAAP Financial Measures for a reconciliation of net cash provided by operating activities to free cash flow.
2. 5-year compound annual growth rate (“CAGR”) calculated on a trailing twelve months basis.

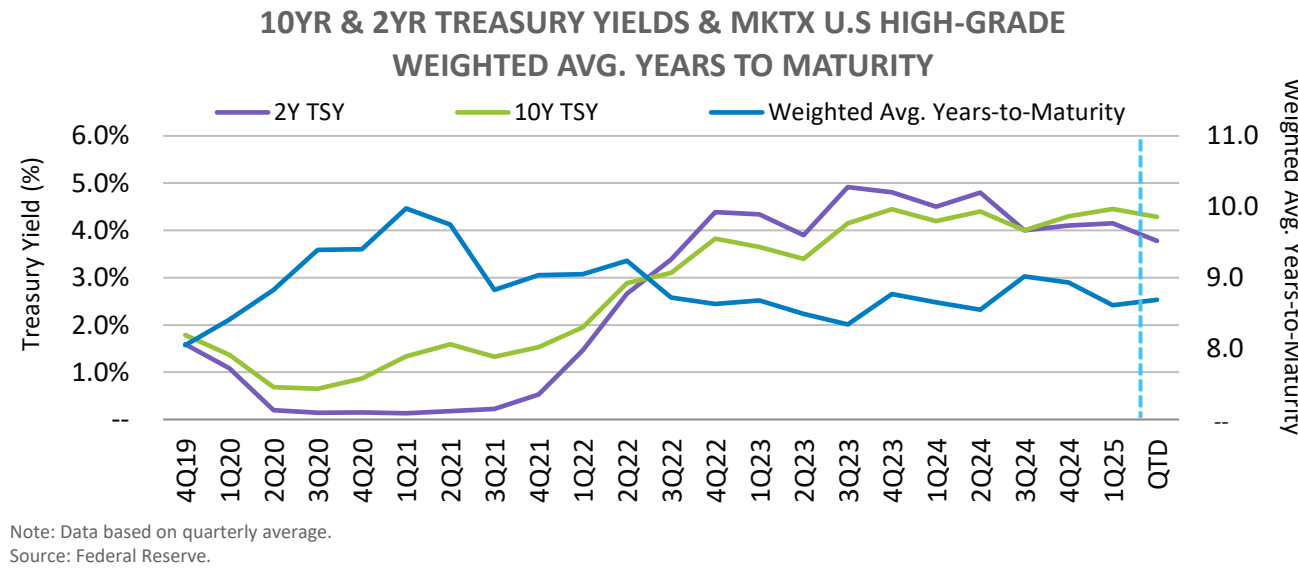
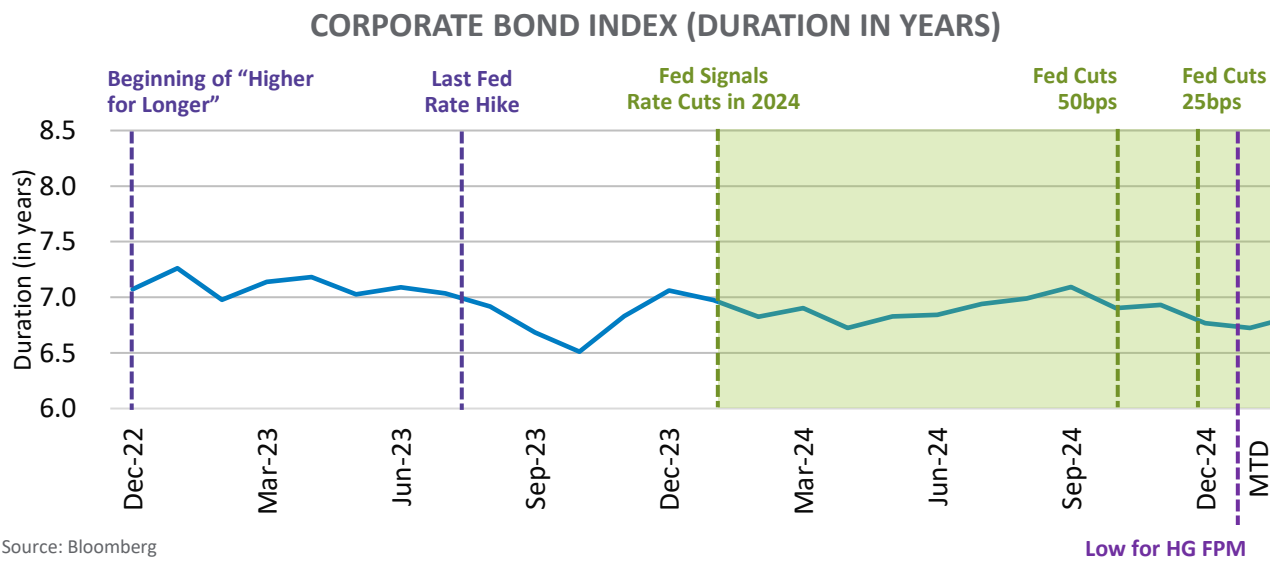
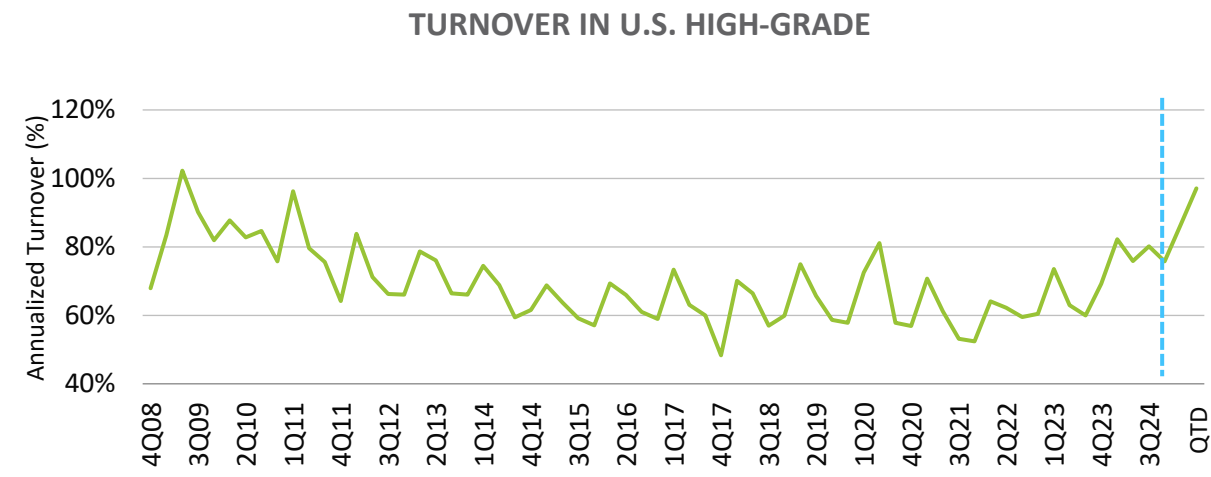
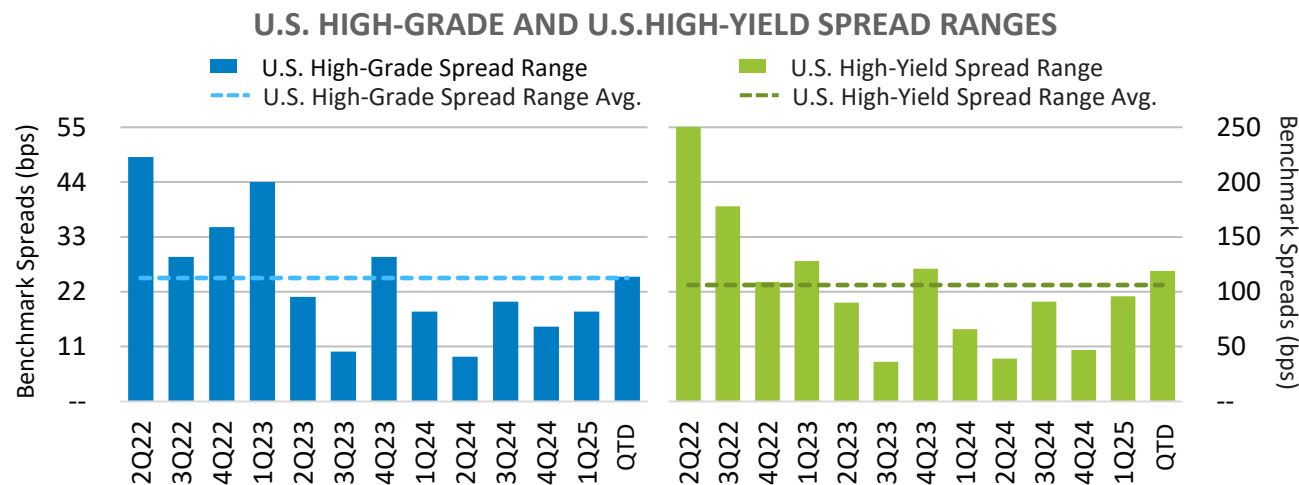
Key takeaways

- Operating environment has improved for MarketAxess, driving higher levels of ADV and market share.
- Well positioned to assist our clients through this period of increased credit market volatility.
- Strong progress across the three strategic channels: client-initiated, portfolio trading and dealer-initiated
 - Expansion of targeted block solution for U.S. credit underway.
 - Re-launch of Mid-X in U.S. credit in progress.
- Expect new capabilities, including targeted block solution and Mid-X, combined with increased volatility, to drive higher levels of U.S. credit market share in the coming quarters.

Well-Positioned For Long-Term Shareholder Value Creation

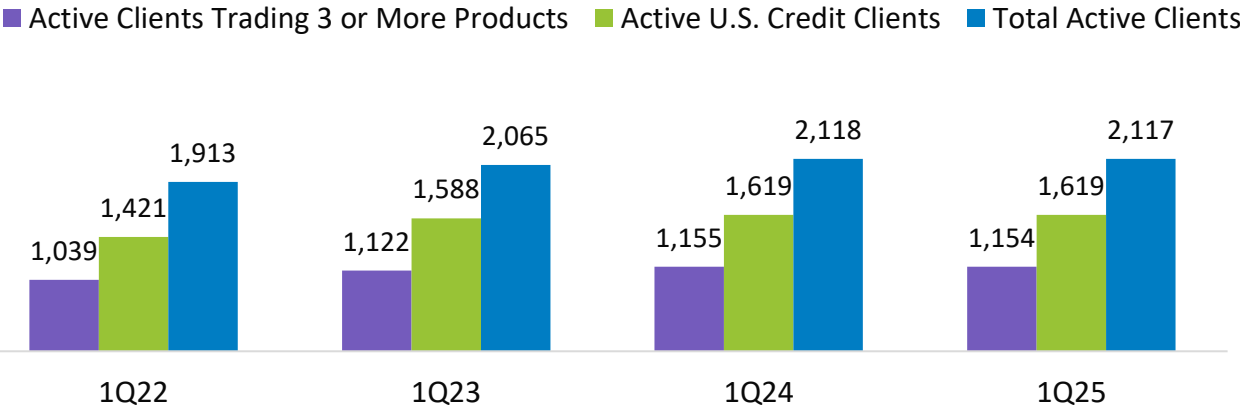
Appendix

Macro conditions – volatility has driven trading volume/market share higher

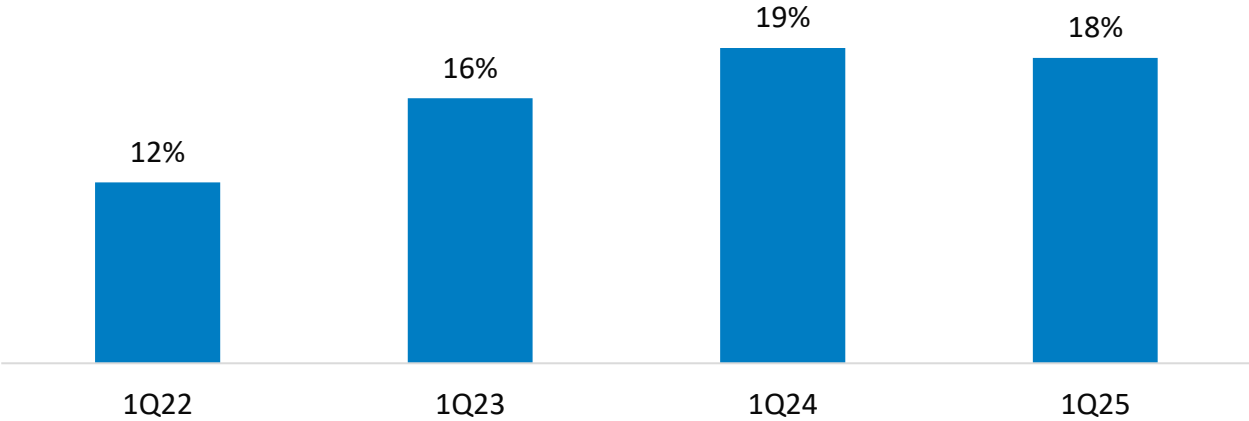


Our client network continues to expand

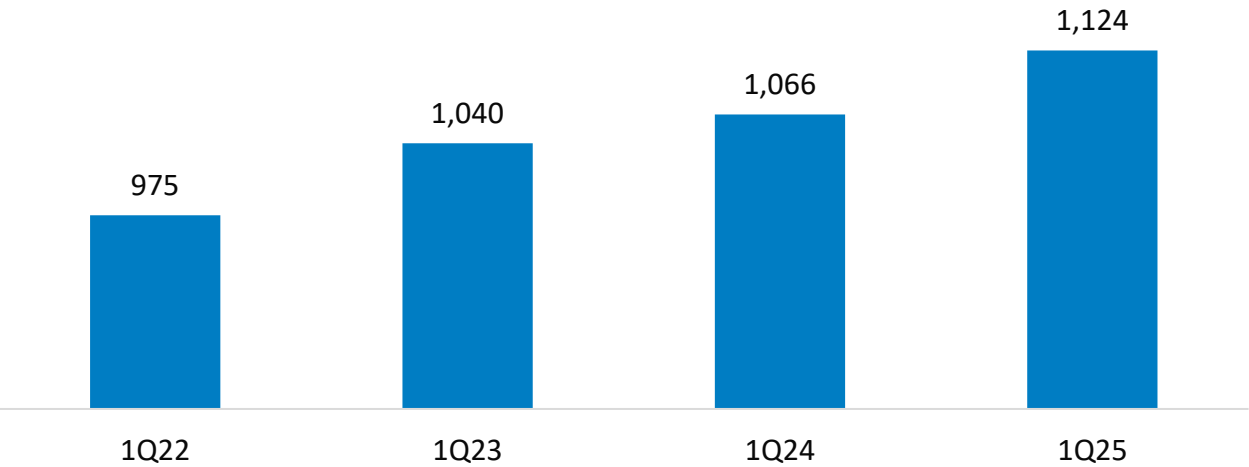
OF ACTIVE CLIENT FIRMS, ACTIVE U.S. CREDIT AND CLIENT FIRMS TRADING 3 OR MORE PRODUCTS



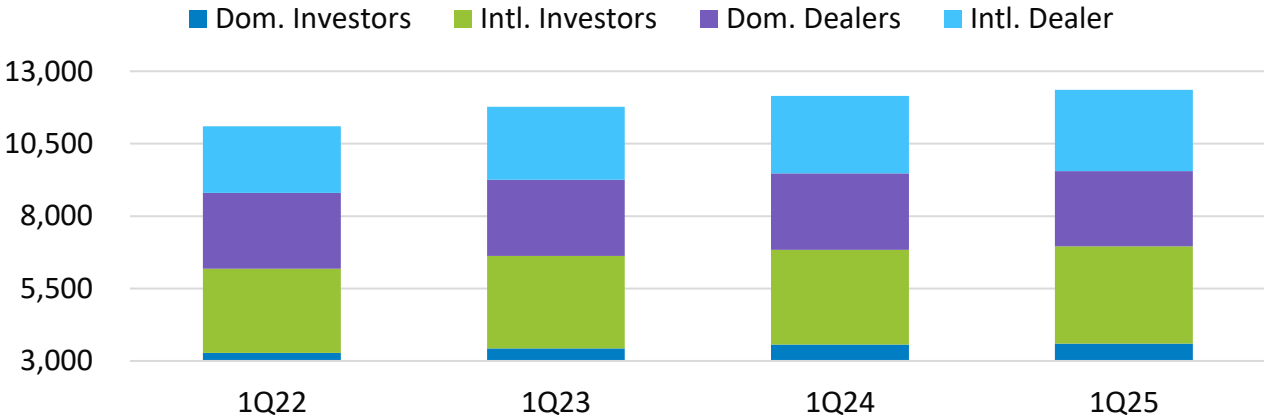
PERCENT CONTRIBUTION FROM HEDGE FUND AND PRIVATE BANK CLIENTS TO TOTAL CREDIT TRADE VOLUME



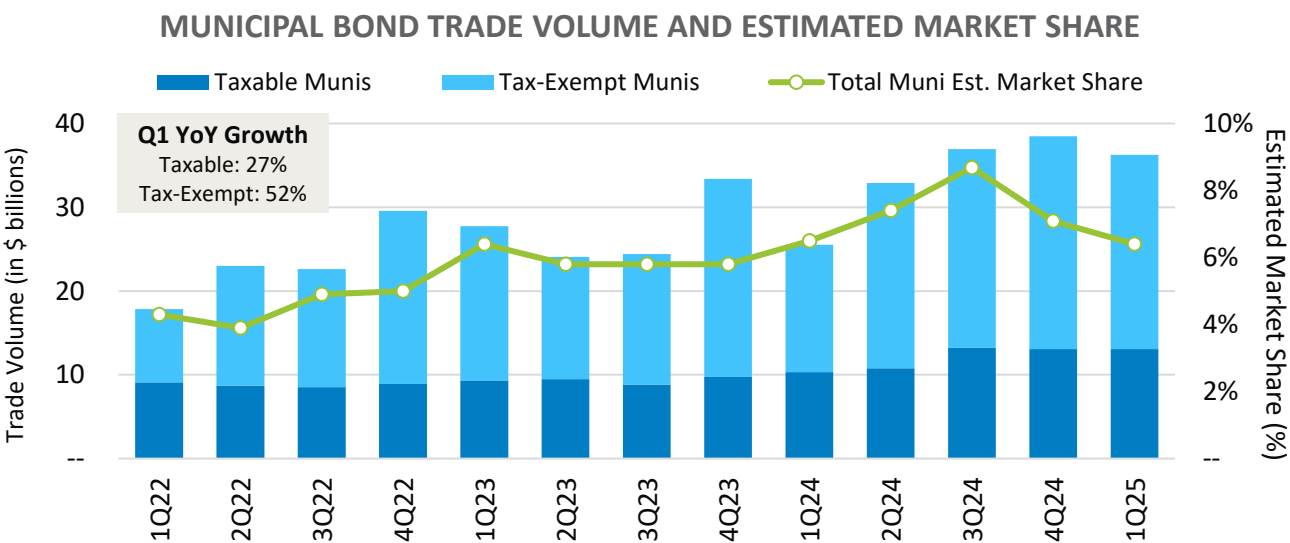
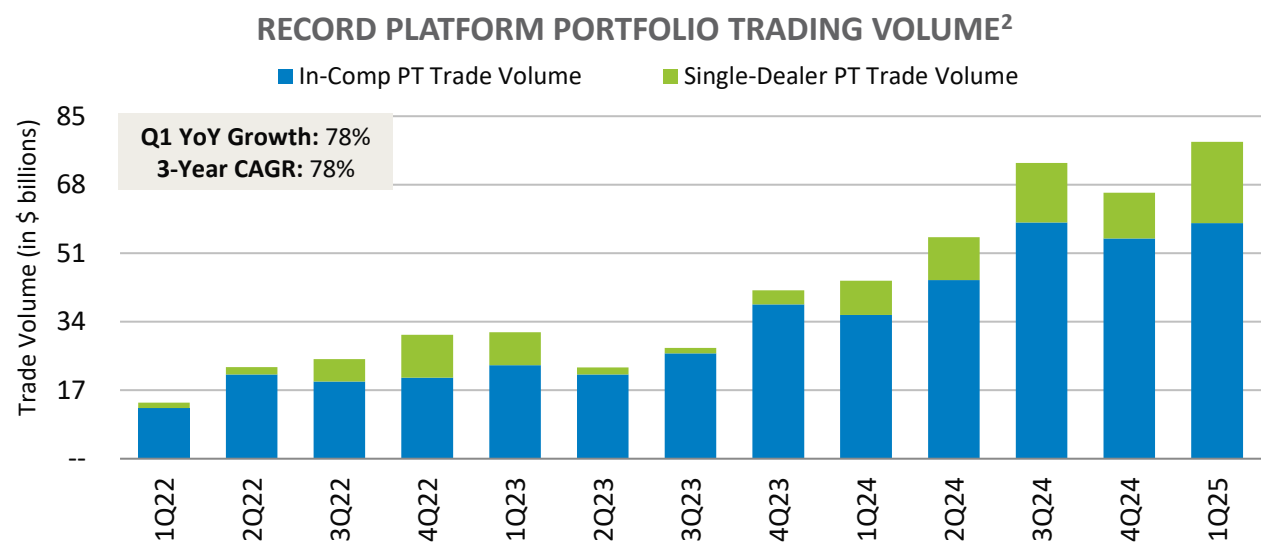
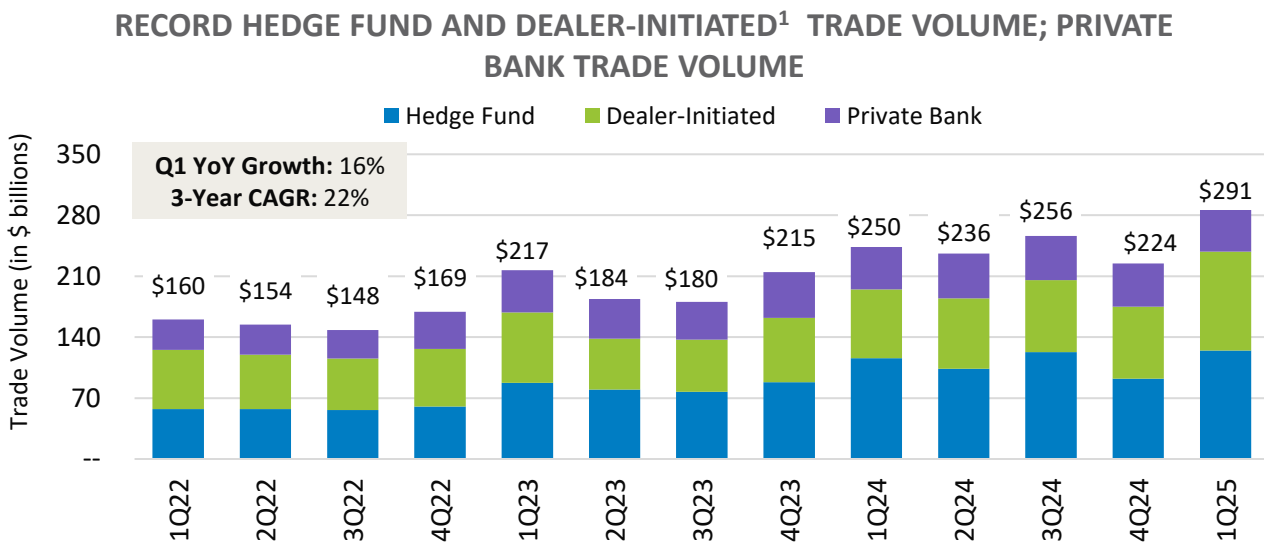
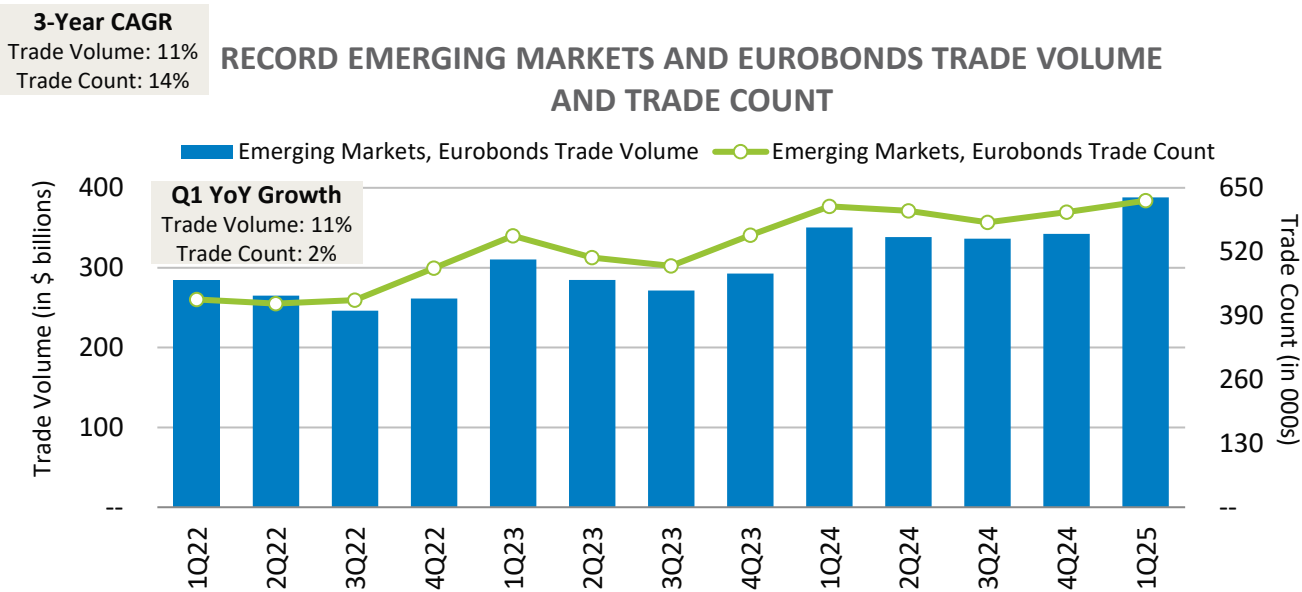
RECORD # OF INTERNATIONAL ACTIVE CLIENT FIRMS



GROWTH IN # OF ACTIVE INVESTOR TRADERS AND ACTIVE DEALER TRADERS



Strong geographic and product / protocol expansion



1. Dealer-initiated volumes include trades executed with the DRFQ and Mid-X trading protocols.

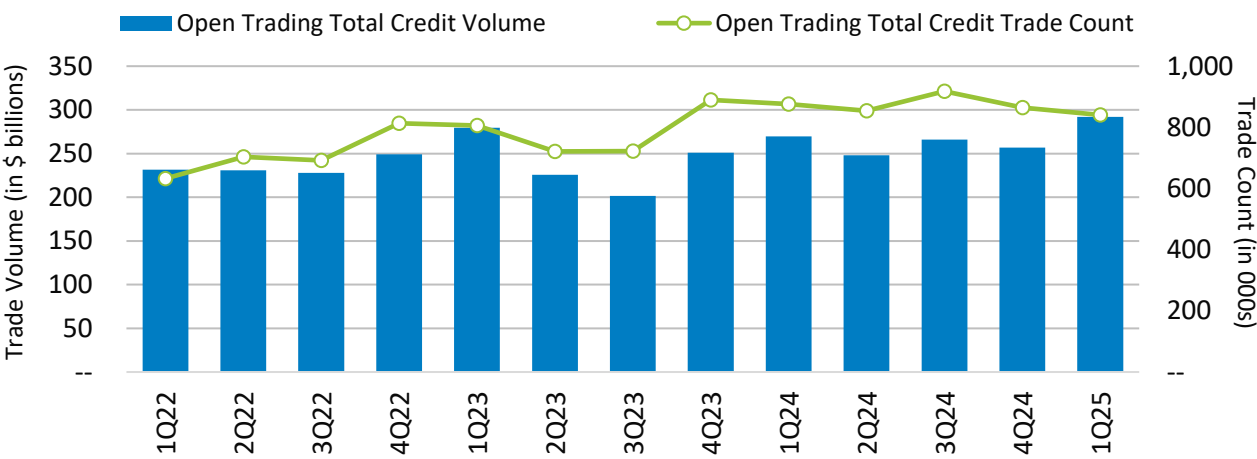
2. Portfolio trading volume includes single-dealer (liquidity taker directs the request for price to only one dealer) and in-competition (liquidity taker directs the request for price to multiple dealers) trading volume.

Open Trading: the single largest source of liquidity in the credit markets

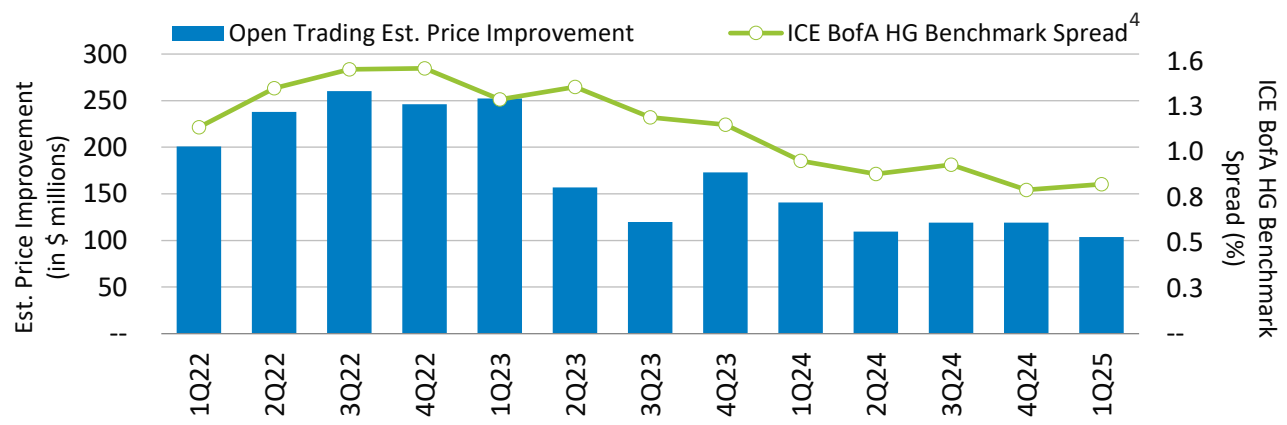
1Q25 COMMENTARY¹

- **Record** Open Trading ADV of **~\$5 billion**, up **8%**.
- Total credit Open Trading share² of **35%** compared to **34%** in prior year.
- Open Trading trade count of **~840 thousand**.
- **199** hedge fund clients providing liquidity on Open Trading.

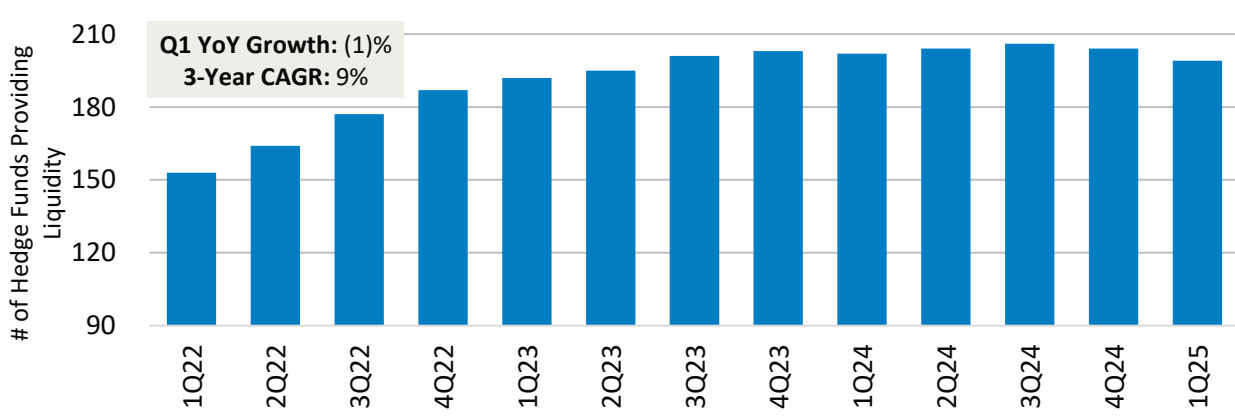
RECORD TOTAL CREDIT OPEN TRADING TRADE VOLUME;
TOTAL CREDIT OPEN TRADING TRADE COUNT



OPEN TRADING PRICE IMPROVEMENT³ CONTINUES TO DRIVE SIGNIFICANT BENEFIT FOR CLIENTS



NUMBER OF HEDGE FUND CLIENTS PROVIDING LIQUIDITY ON OPEN TRADING



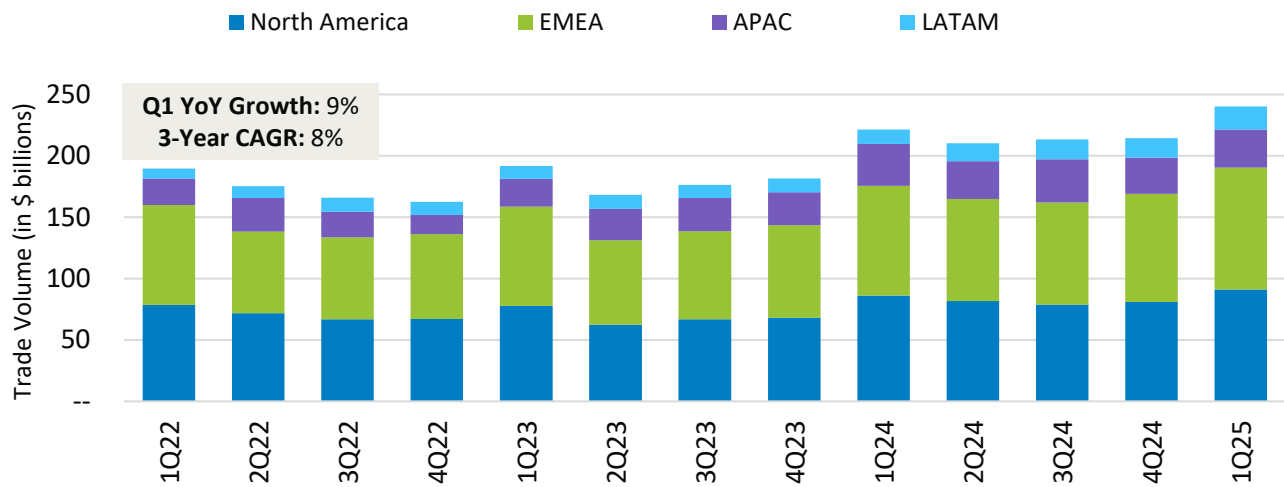
1. All period comparisons are 1Q25 vs. 1Q24 unless otherwise noted.
2. Total credit Open Trading share is derived by taking total Open Trading volume across all credit products where Open Trading is offered and dividing by total credit trading volume across all credit products where Open Trading is offered. Open Trading share at the product level is derived by taking Open Trading volume in the product divided by the total trading volume in the product.
3. Estimated price improvement consists of estimated liquidity taker price improvement (defined as the difference between the winning price and the best disclosed dealer cover price) and estimated liquidity provider price improvement (defined as the difference between the winning price and then current CP+ bid or offer level, offer if the provider is buying, bid if provider is selling) at the time of the inquiry.
4. Data based on quarterly average.

Continued strong contribution from our emerging markets franchise

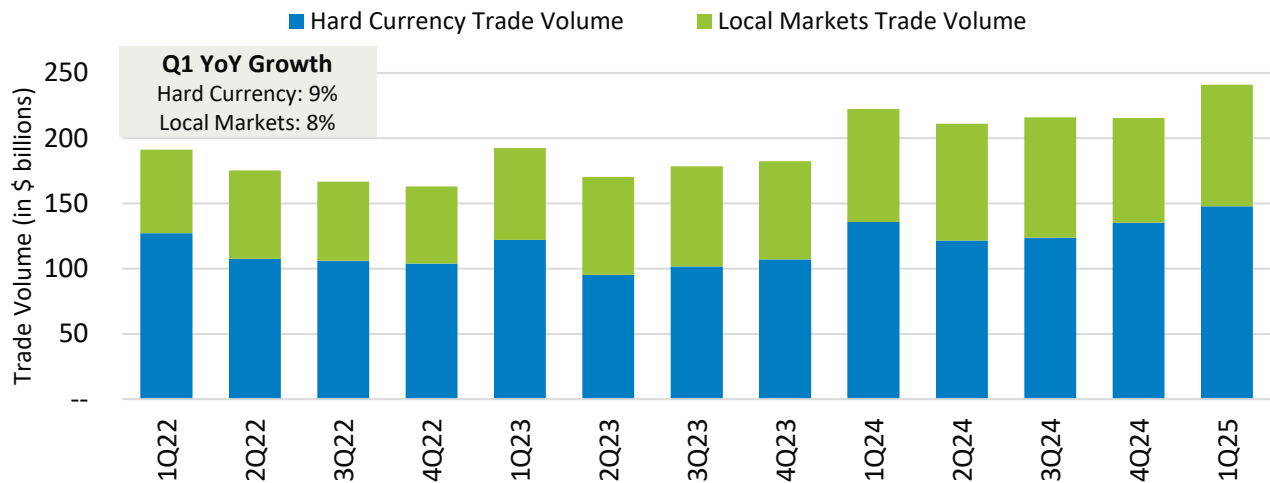
1Q25 COMMENTARY¹

- **6%** growth in commission revenue.
- **Record 1,510** active client firms.
- Continued strong LATAM trading volume growth, up **61%**.
- **Record** RFM² activity of **~\$39 billion**, up **32%**.
- **Record** block trade³ volume of **~\$95 billion**, up **22%**.

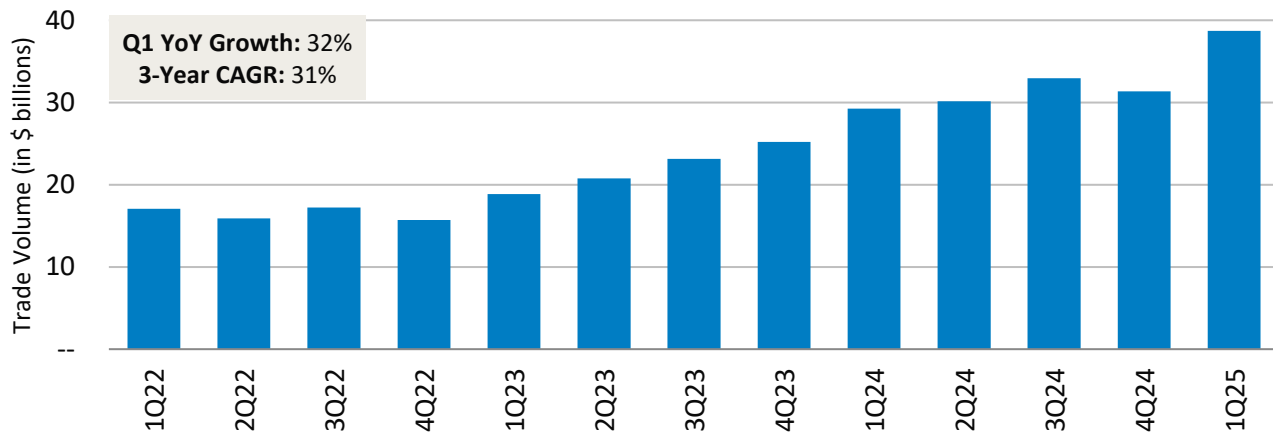
EMERGING MARKETS TRADE VOLUME BY REGION



RECORD EMERGING MARKETS TRADE VOLUME



RECORD EMERGING MARKETS LOCAL MARKETS RFM² TRADE VOLUME



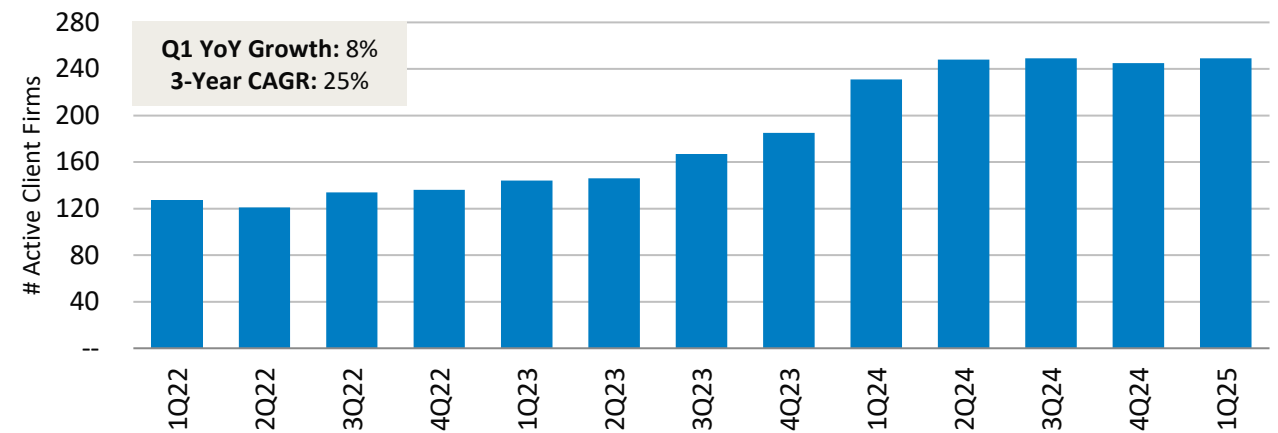
1. All period comparisons are 1Q25 vs. 1Q25 unless otherwise noted.
2. "RFM" = Request for market.
3. Emerging markets hard currency block trades defined as notional trade sizes ≥ \$3mm. Emerging markets local markets block trades defined as notional trade sizes ≥ \$5mm.

Integrating our full ecosystem through automation

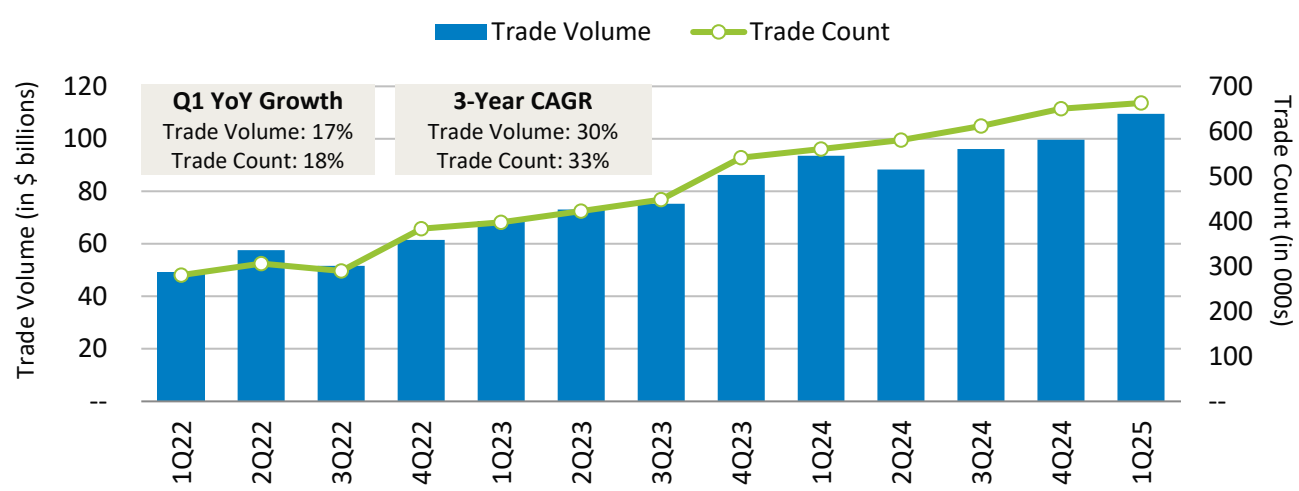
1Q25 COMMENTARY¹

- **249** automation active client firms, up **8%**.
- **Record** automation volume of **~\$110 billion**, up **17%**, and **record** trade count of **~663 thousand**, up **18%**.
- Automation represented **11%** of total credit trading volume and a **record 29%** of total credit trade count.
- **Record 80 clients** enabled for Adaptive Auto-X.

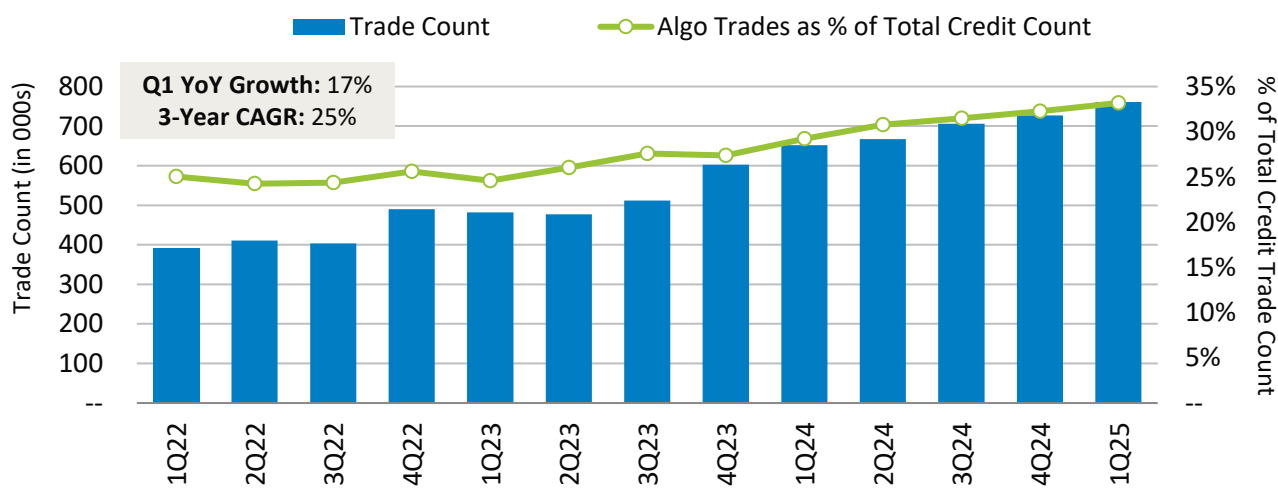
AUTO-X ACTIVE CLIENT FIRMS



RECORD AUTO-X TRADE COUNT AND AUTO-X TRADE VOLUME



RECORD DEALER ALGO TRADES AND % OF TOTAL PLATFORM CREDIT TRADES



1. All period comparisons are 1Q25 vs. 1Q24 unless otherwise noted.
2. Algorithmic responses for U.S. high-grade spread-based trades only.

Reconciliation of certain GAAP-basis financial results, excluding notable items

Reconciliation of certain GAAP-basis financial results, excluding notable items	1Q25	4Q24	1Q24
Net income, GAAP-basis	\$ 15,065	\$ 65,139	\$ 72,615
Exclude: Notable items			
Reserve for uncertain tax positions related to prior periods	54,939	-	-
Net income, excluding notable items	\$ 70,004	\$ 65,139	\$ 72,615
Diluted EPS, GAAP-basis	\$ 0.40	\$ 1.73	\$ 1.92
Notable items as reconciled above	1.47	-	-
Diluted EPS, excluding notable items	\$ 1.87	\$ 1.73	\$ 1.92
Effective tax rate, GAAP-basis	84.3%	23.0%	24.9%
Notable items as reconciled above	(57.1)	-	-
Effective tax rate, excluding notable items	27.2%	23.0%	24.9%
TTM payout ratio, GAAP-basis	99.7%	68.3%	61.0%
Notable items as reconciled above	(20.6)	-	-
TTM payout ratio, excluding notable items	79.1%	68.3%	61.0%

Reconciliation of net income to EBITDA and net Income margin to EBITDA margin

Reconciliation of net income to EBITDA and net Income margin to EBITDA margin	1Q25	4Q24	1Q24
Net income	\$ 15,065	\$ 65,139	\$ 72,615
Add back:			
Interest income	(7,169)	(6,719)	(5,973)
Interest expense	213	318	316
Provision for income taxes	81,089	19,456	24,102
Depreciation and amortization	18,236	18,540	18,200
EBITDA	\$ 107,434	\$ 96,734	\$ 109,260
Net income margin¹	7.2%	32.2%	34.5%
Add back:			
Interest income	(3.4)	(3.3)	(2.8)
Interest expense	0.1	0.2	0.2
Provision for income taxes	38.9	9.5	11.4
Depreciation and amortization	8.7	9.2	8.6
EBITDA margin²	51.5%	47.8%	51.9%

1. Net income margin is derived by dividing net income by total revenues for the applicable period.
2. EBITDA margin is derived by dividing EBITDA by total revenues for the applicable period.

Reconciliation of TTM net cash provided by operating activities to TTM free cash flow

Reconciliation of TTM net cash provided by operating activities to TTM free cash flow ¹	1Q25	4Q24	1Q24
Net cash provided by operating activities	\$ 419,815	\$ 385,237	\$ 321,291
Exclude: Net change in trading investments	884	629	24,574
Exclude: Net change in fail-to-deliver/receive from broker-dealers, clearing organizations and customers	(18,007)	(1,118)	(42,175)
Less: Purchases of furniture, equipment and leasehold improvements	(10,675)	(9,942)	(10,306)
Less: Capitalization of software development costs	(47,691)	(46,623)	(46,395)
Free cash flow	\$ 344,326	\$ 328,183	\$ 246,989

1. For periods other than those presented in this table, see the Investor Relations section of the Company's website under Financials – Supplementary Financial Information – Non-GAAP Financial Measures.

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General Notes Regarding the Data Presented

Reported MarketAxess volume in all product categories includes only fully electronic trading volume. MarketAxess trading volumes and the Financial Industry Regulatory Authority ("FINRA") Trade Reporting and Compliance Engine ("TRACE") reported volumes are available on the Company's website at investor.marketaxess.com/volume.

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Non-GAAP Financial Measures and Other Items

To supplement the Company's unaudited financial statements presented in accordance with generally accepted accounting principles ("GAAP"), the Company uses certain non-GAAP financial measures, including earnings before interest, taxes, depreciation and amortization ("EBITDA"), EBITDA margin and free cash flow. From time to time, we also present selected GAAP-basis financial results, excluding notable items. Notable items are [revenues], expenses, other income (expense) and tax related items that are outside of the Company's normal course of business or other notables, such as acquisition and restructuring charges or gains/losses on sales (collectively, "Notable Items"). We define EBITDA margin as EBITDA divided by revenues. We define free cash flow as net cash provided by/(used in) non-recurring operating activities excluding the net change in trading investments and net change in securities failed-to-deliver and securities failed-to-receive from broker-dealers, clearing organizations and customers, less expenditures for furniture, equipment and leasehold improvements and capitalized software development costs. Non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, financial measures determined in conformity with GAAP. The Company believes that these non-GAAP financial measures, when taken into consideration with the corresponding GAAP financial measures, provide additional information regarding the Company's operating results because they assist both investors and management in analyzing and evaluating the performance of our business. Please refer to the appendix of this presentation for a reconciliation of: (i) GAAP net income, EPS and the effective tax rate to net income, EPS and the effective tax rate, each excluding notable items; (ii) GAAP net income to EBITDA and GAAP net income margin to EBITDA margin; and (iii) GAAP net cash provided by/(used in) operating activities to free cash flow, in each case, the most directly comparable GAAP measure.



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