

Results presentation

Full year ended 31st May 2022



What we will discuss today



- 01** **CEO reflections**
June Felix
- 02** **Strategic progress**
June Felix
- 03** **Financial performance**
Charlie Rozes
- 04** **Capital framework**
Charlie Rozes
- 05** **Summary and Outlook**
June Felix and Charlie Rozes

01

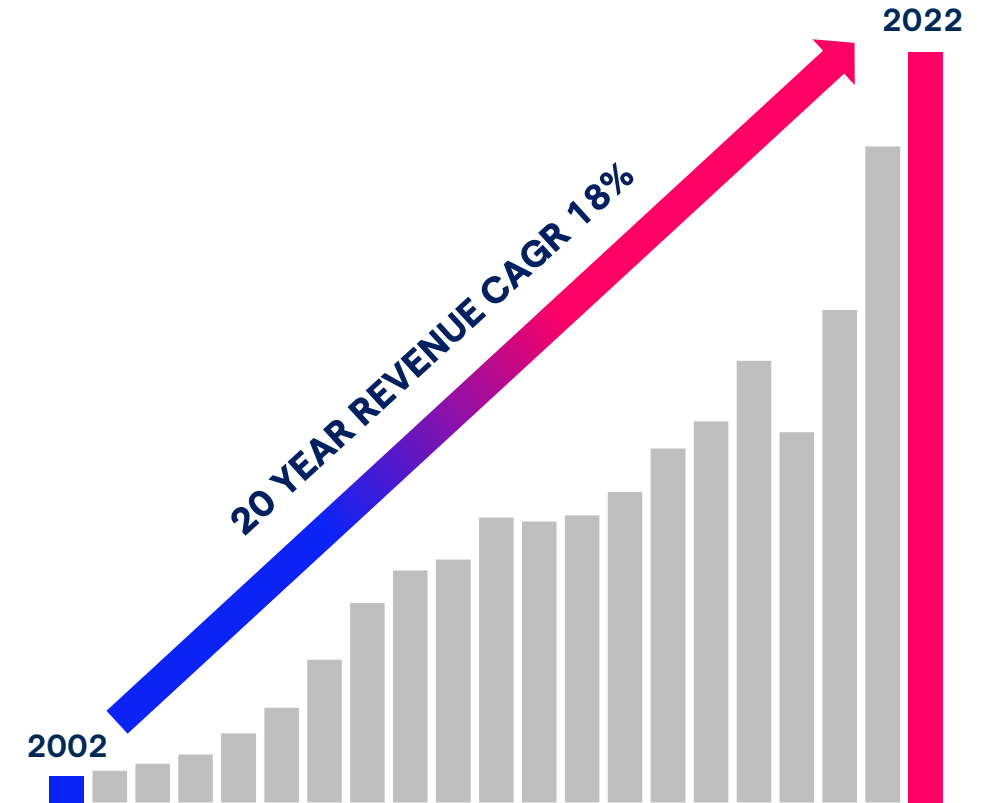
CEO reflections

June Felix

Chief Executive Officer

CEO reflections

1. A year of **strategic progress, redefining** the Group
 - Record revenue
 - Evolved product and geographic offering
2. Driven by **our high quality and loyal client base**
 - Client behaviours and trading patterns remain consistent
 - Clients trade in a range of market conditions
3. Underpinned by our **strong balance sheet**
 - New Capital Allocation Framework
 - Announcement of full year dividend increase and a £150m share buyback programme
4. Embedded culture of **corporate citizenship**
 - Committed 1% of annual post-tax profits to community outreach until 2025



Accelerating strategic progress



£967m **↑14%**
V FY21
**TOTAL
REVENUE¹**

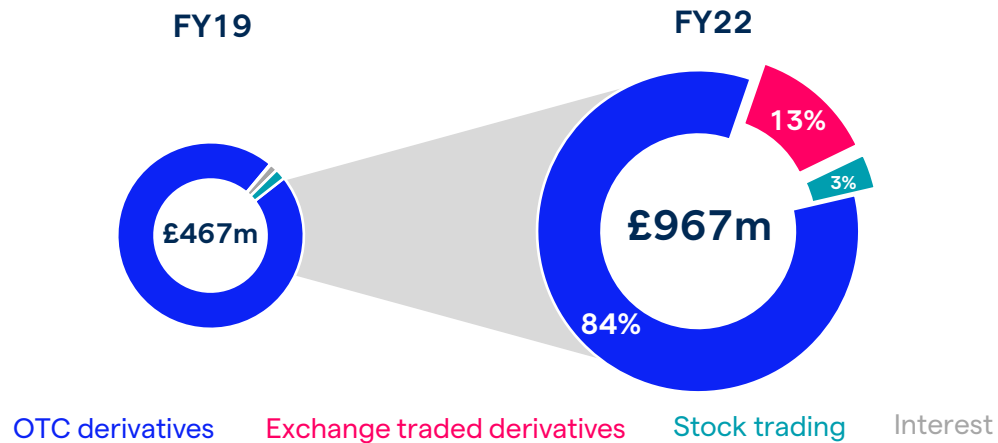


381k **↑31%**
V FY21
**ACTIVE
CLIENTS**

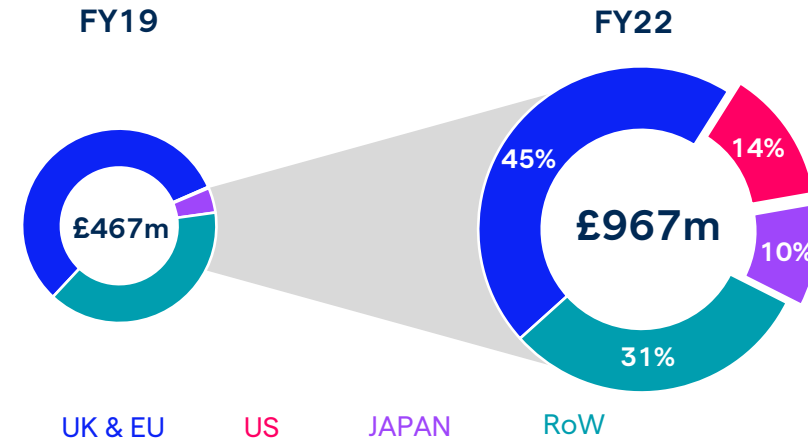


21.4m **↑275%**
V FY21
**TOTAL
ADDRESSABLE
MARKET**

PRODUCT DIVERSIFICATION



GEOGRAPHIC DIVERSIFICATION



02

Strategic progress

June Felix

Chief Executive Officer

Strong foundations for future growth

CORE MARKETS +

Total revenue ¹ £827.6m

Total revenue growth of 5 - 7% per annum over the medium term

- Sustained step change across all markets
- Materially larger, resilient client base
- Outstanding growth in Japan

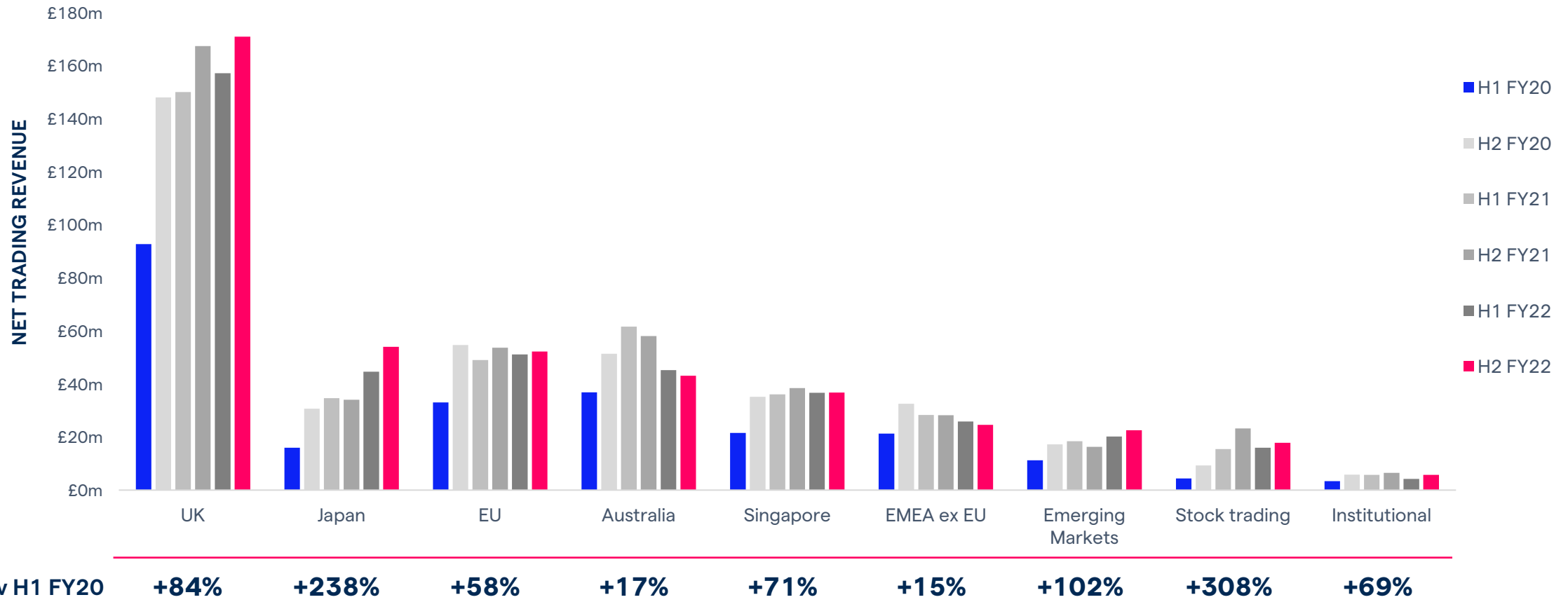
HIGH POTENTIAL MARKETS

Total revenue ¹ £139.7m

Total revenue growth of 25 - 30% per annum over the medium term

- Double digit growth across the portfolio
- Broad range of growth levers
- tastytrade's fundamentals fostering growth

Significant growth across all Core Markets+



H2 FY22 v H1 FY20

+84%

+238%

+58%

+17%

+71%

+15%

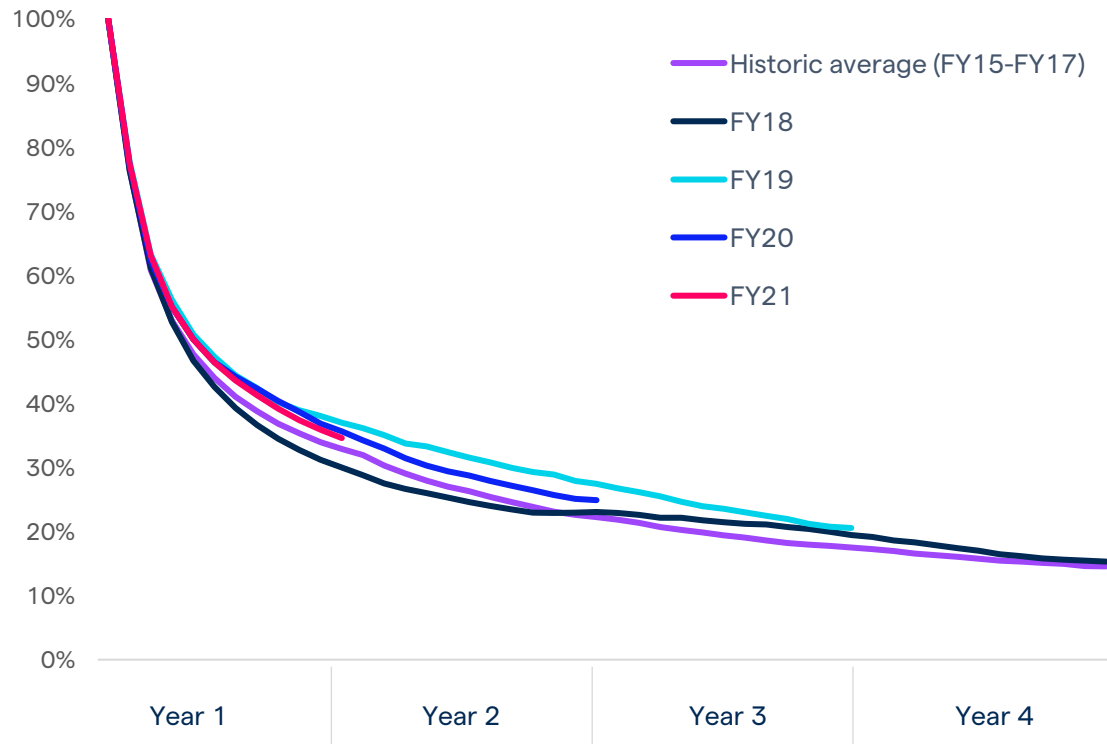
+102%

+308%

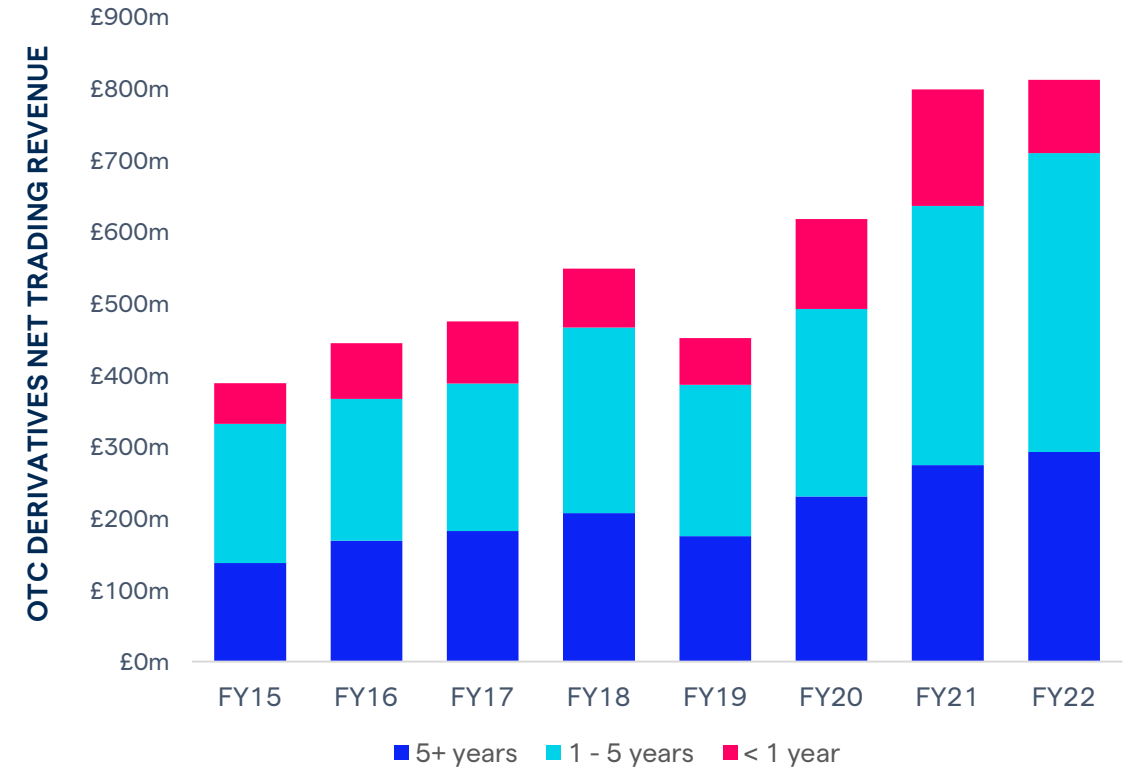
+69%

Client retention continues to drive long-term value

OTC DERIVATIVES CLIENT RETENTION IN LINE WITH HISTORICAL AVERAGE

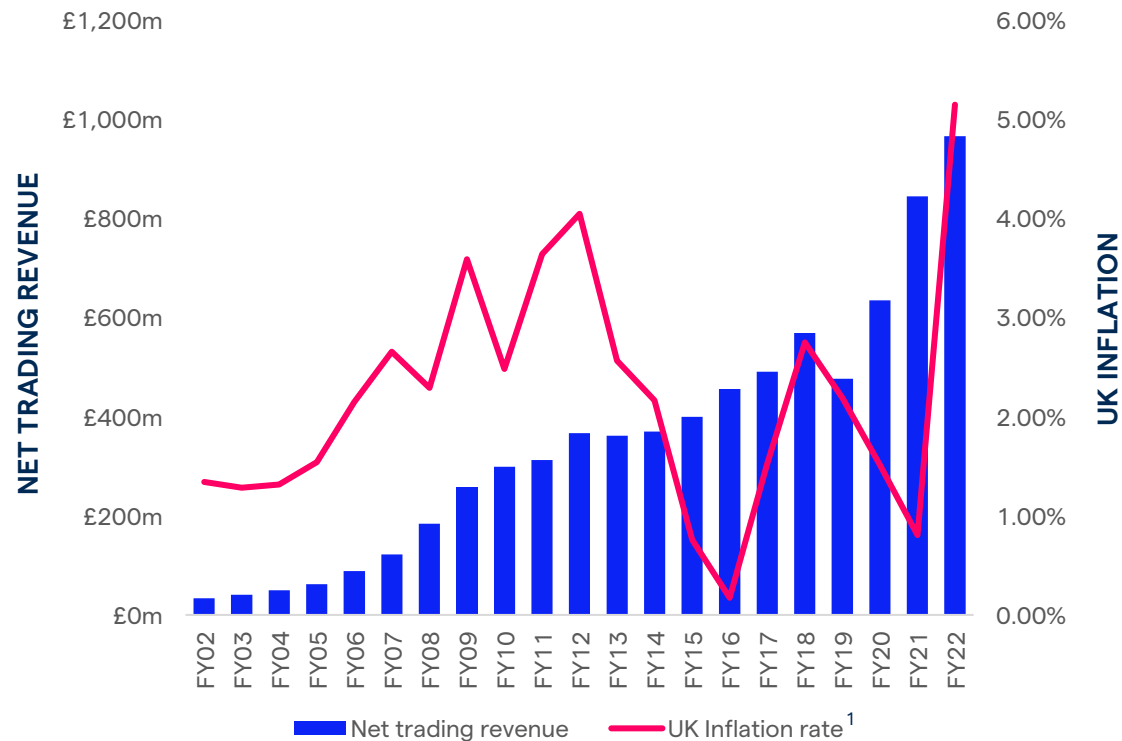


ENDURING REVENUE FROM OUR LOYAL CLIENT BASE

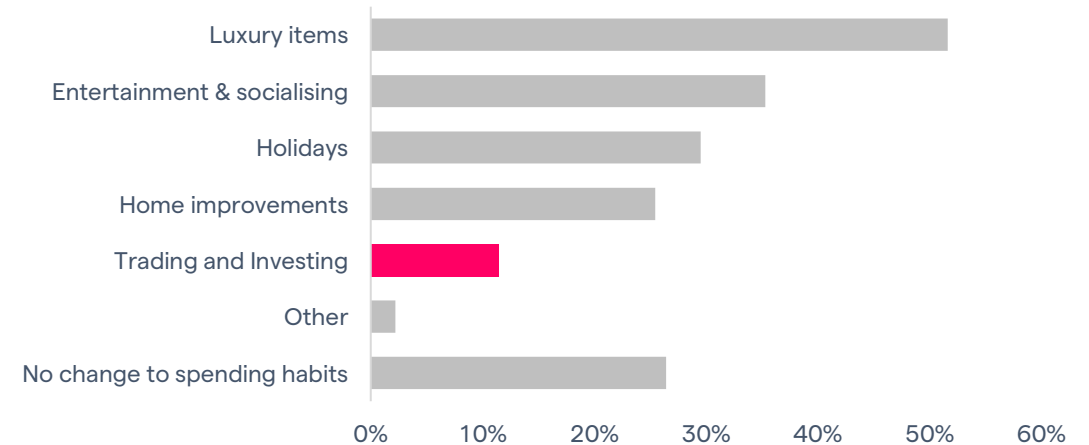


Our client base of active traders is unique

HISTORICALLY, INFLATION HAS NOT IMPACTED OUR REVENUE GROWTH



CLIENTS SAY THEY WOULD CUT BACK ON OTHER DISCRETIONARY SPENDING BEFORE TRADING AND INVESTING...



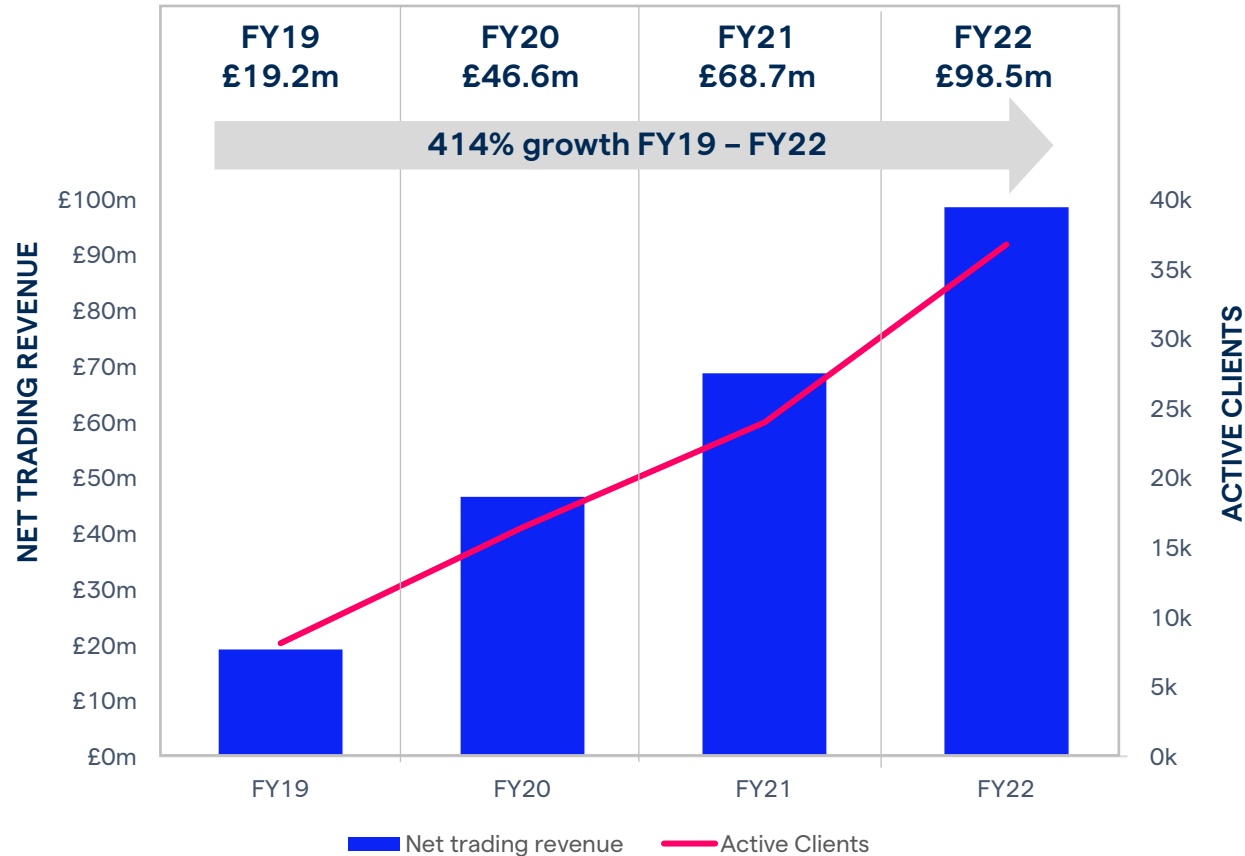
...AND 90% OF CLIENTS EXPECT THEIR TRADING VOLUMES TO EITHER GO UP OR STAY THE SAME IN THE NEXT 6 MONTHS



Legend: I do not intend to trade (cyan), Decrease (grey), Remain about the same (blue), Increase (red)

Outstanding growth in Japan

NET TRADING REVENUE AND ACTIVE CLIENT GROWTH



FY22 PERFORMANCE



£98.5m ↑ 43%

NET TRADING REVENUE



36,800 ↑ 53%

ACTIVE CLIENTS



19,000 ↑ 53%

FIRST TRADES

- Exceptional performance driven by a programme of localisation and successful marketing partnerships
- Developing a set of new and disruptive products to widen our target addressable market

Double digit growth across the High Potentials

PRO FORMA ¹ HIGH POTENTIAL MARKETS

Total revenue² (£m)	FY22	FY21	Change
US options & futures ²	112.0	96.1	16%
US FX	16.6	11.6	43%
US market making	1.8	3.5	(49%)
Total US	130.4	111.2	17%
European exchange traded derivatives	9.3	4.9	90%
Total High Potential Markets	139.7	116.1	20%

↑ 20% High Potential Markets pro forma total revenue, excluding Nadex

↑ 17% Total US revenue, driven by a 16% increase in Options and futures and 43% from FX

↑ 90% European exchange traded derivatives revenue, reflecting the continued momentum of acquiring high value clients in Europe



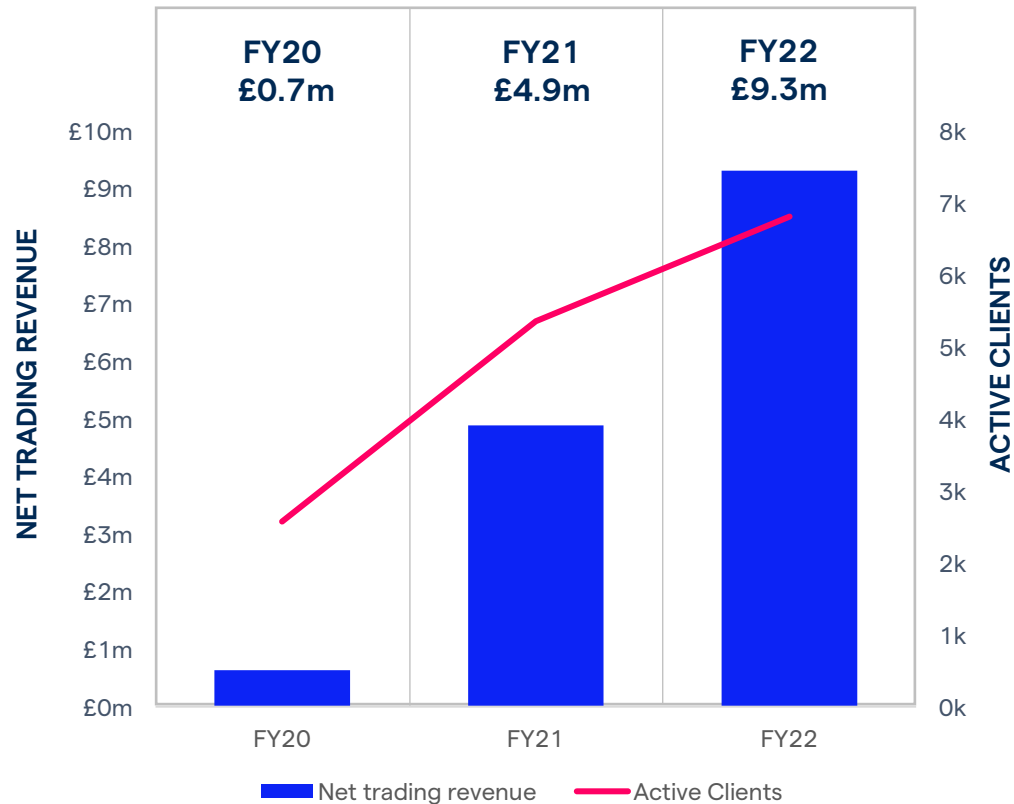
¹ Reflects revenue from tastytrade in the period post acquisition, from 28 June 2021 to 31 May 2022, and for the equivalent prior period in FY21

² Total revenue includes interest on client money

All metrics are for continuing operations, on an adjusted basis. See appendix 1 for a reconciliation of non-IFRS performance measures

Unlocking Spectrum's potential

NET TRADING REVENUE AND ACTIVE CLIENTS



FY22 PERFORMANCE

1.06bn ↑ 67%
SECURITISED DERIVATIVES TRADED

£9.3m ↑ 90%
NET TRADING REVENUE

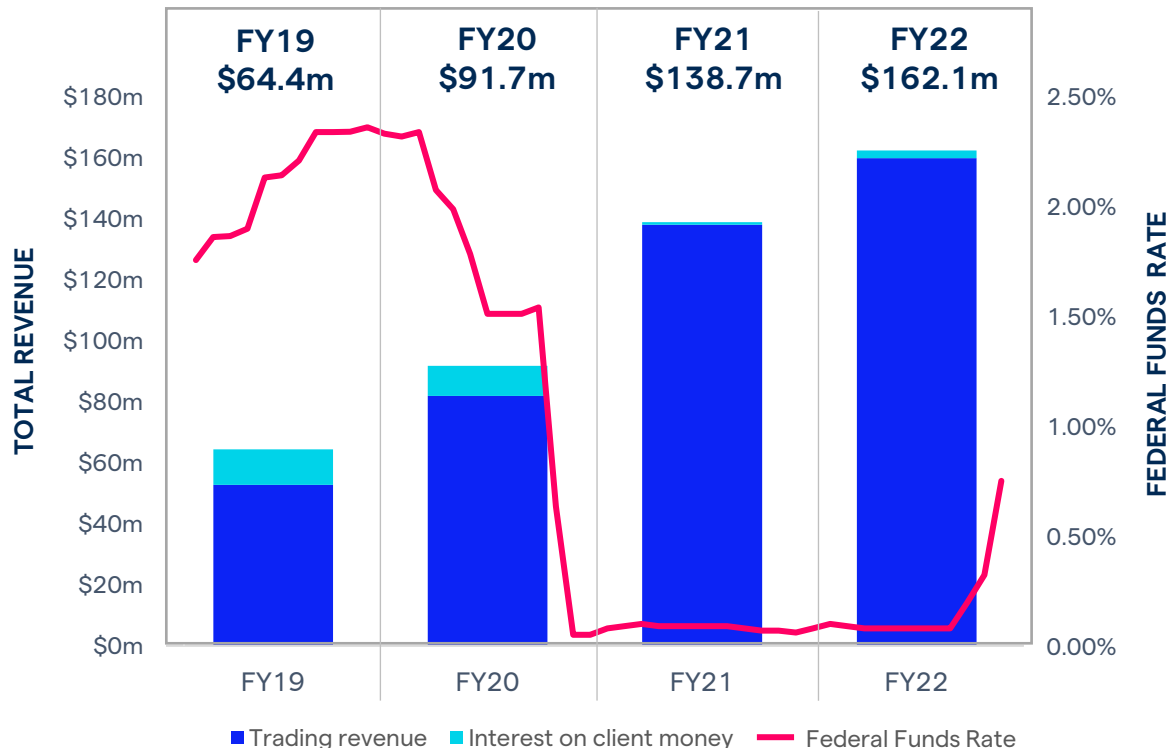
€2.3bn ↑ 165%
VALUE OF TURBOS TRADED

41.5%
OF TRADES OUT OF HOURS



tastytrade's fundamentals fostering growth

TASTYTRADE¹ TOTAL REVENUE AND INTEREST RATES



FY22 PERFORMANCE



£112m ↑ 16%

TOTAL REVENUE



£1.6bn

CLIENT MONEY BALANCE AT YEAR END



147m ↑ 17%

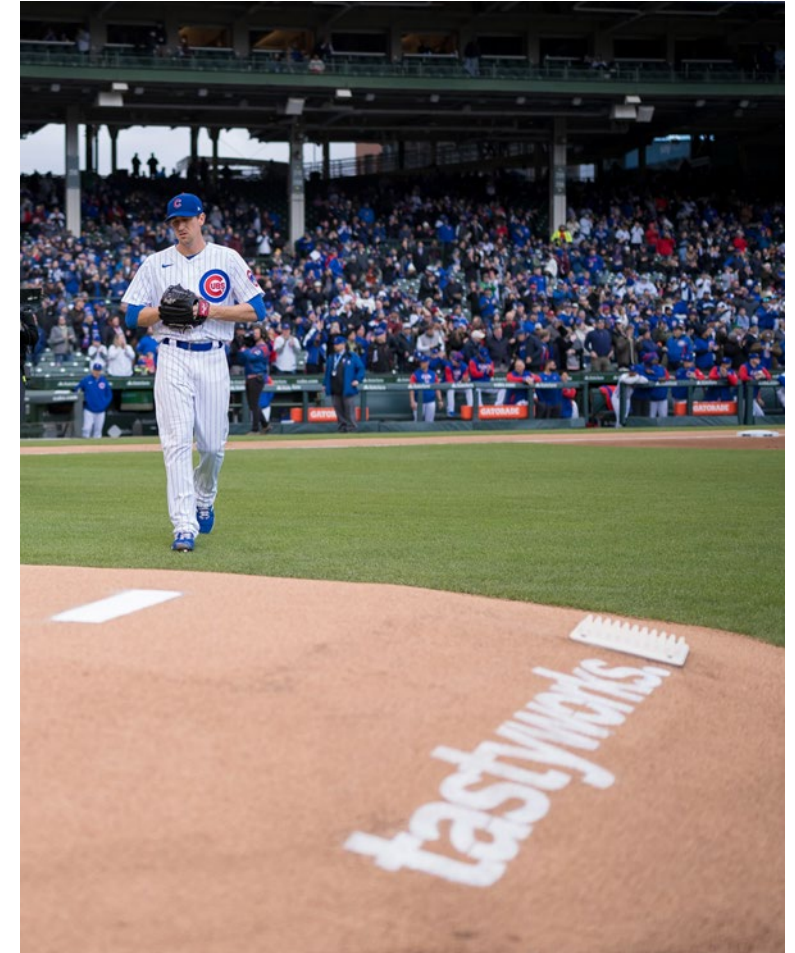
OPTION CONTRACTS TRADED

- Winner of Investopedia's best broker for options 2022
- Maintained total market share through FY22 and slightly increased retail market share

¹ Revenue includes periods prior to acquisition

Building on our success and expertise

- Scaling marketing and growing brand presence
 - 300% improvement in paid search performance
 - Improved efficiency of client acquisition through SEO
- Platform and product enhancements to broaden customer reach
 - Risk and analytic tools added to enable clients to better manage their own risk
- Building on, and utilising tastytrade's world-class content business
 - 100 hours of weekly live content
 - 2 million views from 100+ countries
- Continue to develop products and propositions to disrupt the large US retail trader market



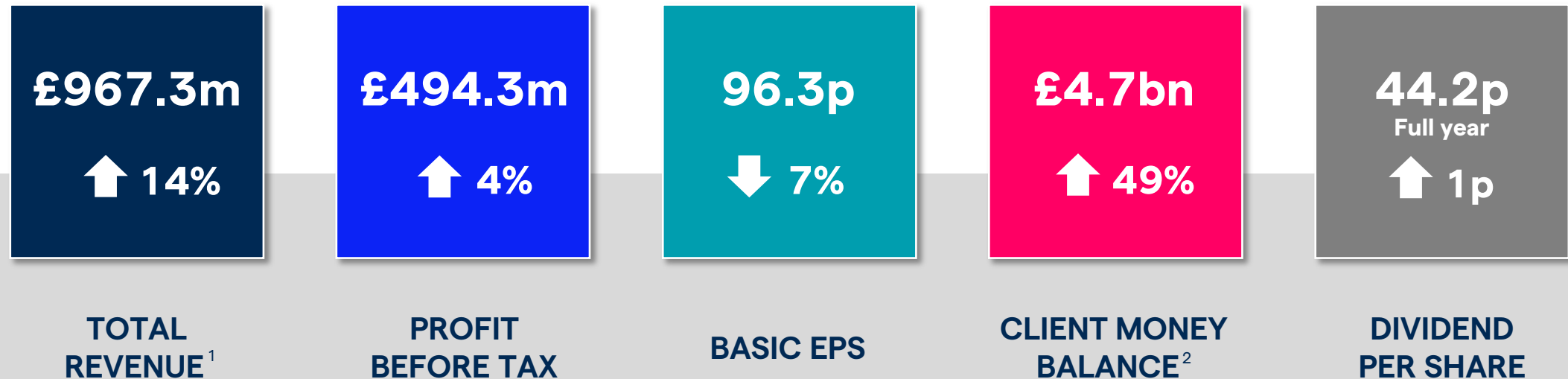
03

Financial performance

Charlie Rozes
Chief Financial Officer

An outstanding year

– record revenues, profits and active clients



¹ Total revenue includes interest on client money

² Client money balance as at 31 May 2022 including funds held under title transfer arrangements

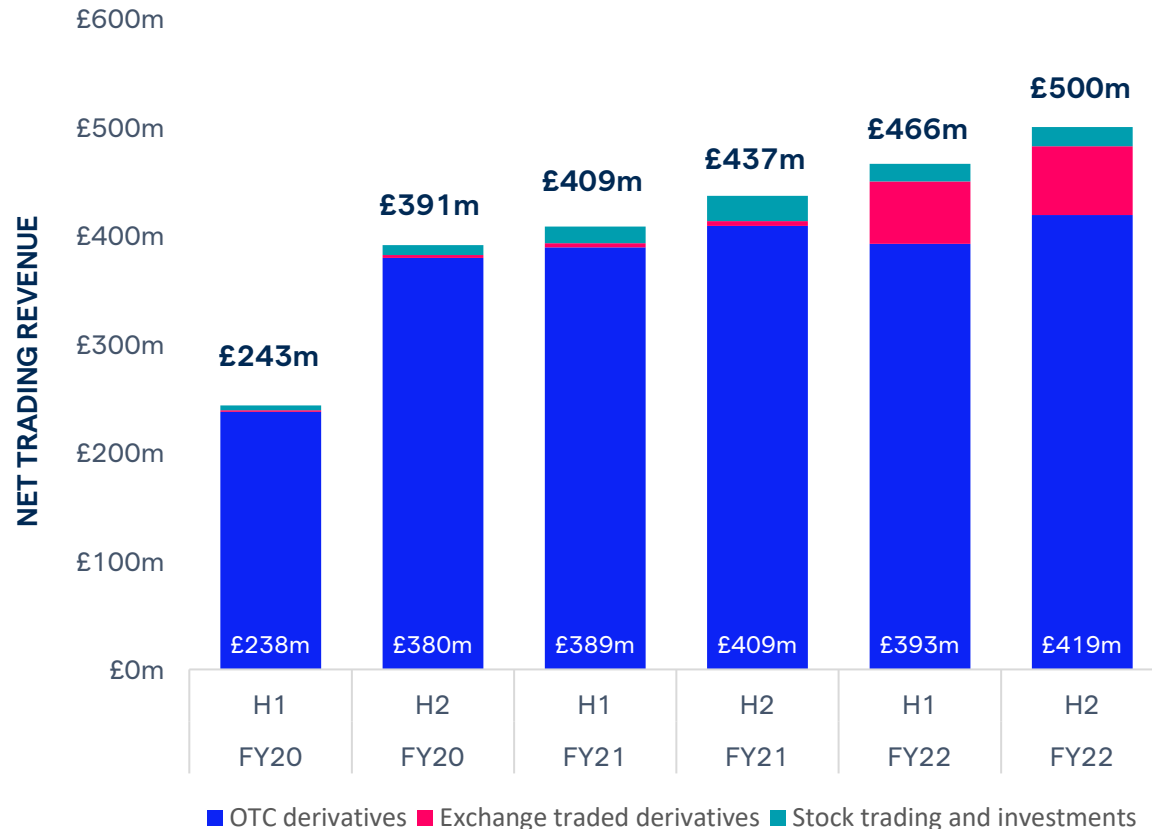
All metrics are for continuing operations, on an adjusted basis. See appendix 1 for a reconciliation of non-IFRS performance measures

Another record year, and profit margin in excess of 50%

Adjusted basis (£m)	FY22	FY21	Change
Net trading revenue	966.5	845.2	14%
Interest on client money	0.8	0.3	
Total revenue	967.3	845.5	14%
Betting duty and other operating income	4.6	6.1	
Net operating income	971.9	851.6	14%
Total operating costs	(464.9)	(373.8)	24%
Operating profit	507.0	477.8	6%
Other net losses	(2.3)	(0.4)	
Net finance cost	(10.4)	(3.8)	
Profit before tax	494.3	473.6	4%
Tax expense	(83.8)	(77.4)	
Profit from continuing operations	410.5	396.2	4%
<i>PBT margin</i>	<i>51%</i>	<i>56%</i>	
<i>Effective tax rate</i>	<i>17.0%</i>	<i>16.3%</i>	
<i>Basic earnings per share (pence)</i>	<i>96.3</i>	<i>107.3</i>	

- Adjusted net trading revenue up 14%
 - Excluding tastytrade, revenue up 1%
- Total revenue up 14%
 - Interest income opportunity from FY23
- Operating costs up 24% with the inclusion of tastytrade
 - In line with cost guidance
- Profit before tax up 4% and PBT margin of 51% reflecting good cost management

Revenues now larger and more diverse



- Revenue momentum maintained
- Record revenue for full year and H2, despite tough comparative periods
- Changes in scale and mix of revenue now more evident
- Group H2 FY22 revenue doubled on H1 FY20
 - OTC derivatives revenue up 76%
- Non-OTC derivatives contributed 16% of Group revenue in H2 FY22, compared with 2% in H1 FY20

Capitalising on a much larger client base

Adjusted net trading revenue (£m)	FY22	FY21	Change
OTC derivatives	811.5	798.2	2%
Exchange traded derivatives	121.2	8.3	nm
Stock trading and investments	33.8	38.7	(13%)
Total Group	966.5	845.2	14%

Active clients (000)	FY22	FY21	Change
OTC derivatives	199.8	216.3	(8%)
Exchange traded derivatives	104.5	5.4	nm
Stock trading and investments	93.2	89.5	4%
Total Group ¹	381.5	291.2	31%

Revenue per client (£)	FY22	FY21	Change
OTC derivatives	4,063	3,690	10%
Exchange traded derivatives ²	1,142	913	25%
Stock trading and investments	363	432	(16%)

- OTC derivatives net trading revenue up 2% with reduction in active clients offset by higher revenue per client
- Exchange traded derivatives net trading revenue includes:
 - £110.1m generated from tastytrade since acquisition, up 15%
 - £9.3m European ETDs revenue, up 90%
- Stock trading revenue down 13% due to reduction in trade frequency and equity mix

¹ Total Group active clients have been adjusted to remove the clients who are active in more than one product category (multi-product clients) to give a unique client count

² Exchange traded derivative revenue per client calculation excludes revenue generated from the Group's US market maker

All metrics are for continuing operations, on an adjusted basis. See appendix 1 for a reconciliation of non-IFRS performance measures

Balancing investment with cost management

Adjusted operating costs (£m)	FY22	FY21	Change
Fixed remuneration	150.1	127.0	18%
Advertising and marketing	87.1	67.4	29%
Revenue related costs	45.3	28.3	60%
IT, structural market data and comms	35.0	24.4	43%
Regulatory fees	12.9	9.1	41%
Depreciation and amortisation	28.5	24.8	15%
Other costs	48.1	42.1	14%
Variable remuneration	57.9	50.7	15%
Total operating costs	464.9	373.8	24%

Headcount¹	2,507	2,067	21%
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- Operating costs increase 24% reflecting the inclusion of 11 months of tastytrade costs in FY22
- FY22 operating costs in line with guidance
- Continued investment in technology and operations to add capacity and support key projects

04

Capital framework

Charlie Rozes
Chief Financial Officer

Our considerations and priorities

DRIVERS FOR CHANGE

- Completed landmark acquisition of tastytrade as well as the sale of Nadex and the Small Exchange
- Completed comprehensive debt refinancing and broadened the funding base of the Group
- Regulatory capital framework transitioned to new UK Investment Firms Prudential Regime (IFPR)
- New capital allocation framework is appropriate for our transformed business, growth strategy, and provides clarity to stakeholders

FRAMEWORK UNDERPINNED BY THREE KEY PRIORITIES

▶ **RESPONSIBILITY**

▶ **INVEST AND GROW**

▶ **SHAREHOLDER RETURNS**

Capital allocation framework

1) REGULATORY CAPITAL REQUIREMENTS

Hold an appropriate level of regulatory capital and liquidity

2) ORGANIC INVESTMENTS

Generate operating return on existing capital and invest organically for future growth

3) COMMITMENT TO CITIZENSHIP

Commitment to donate 1% of profit after tax to charitable causes until 2025

4) REGULAR DISTRIBUTIONS

Regular distribution of around 50% of adjusted profit after tax, delivering modest growth in dividend per share

5) INORGANIC INVESTMENT

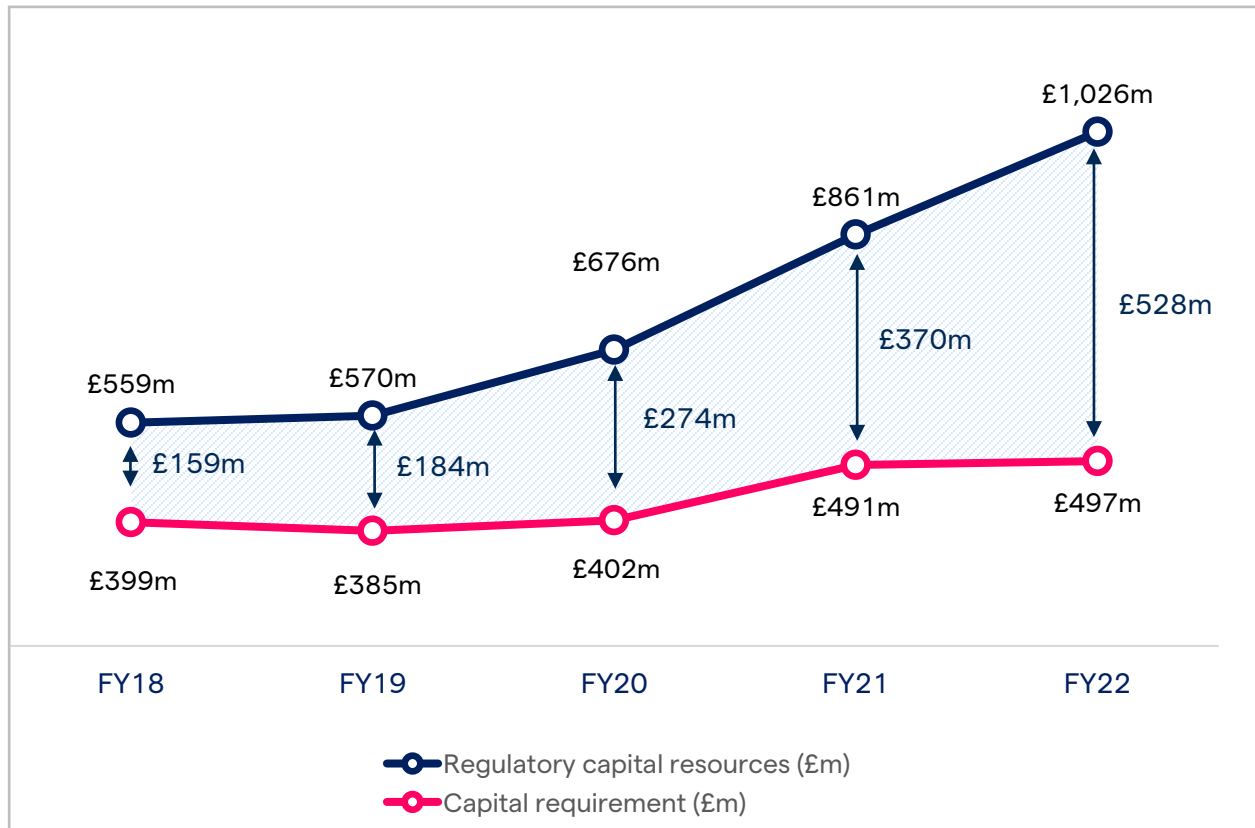
Ongoing disciplined assessment of potential acquisitions

6) ADDITIONAL DISTRIBUTIONS

Return of surplus capital not required for other priorities

Starting from a very strong position

REGULATORY CAPITAL HEADROOM



- The Group's business model is highly capital and cash generative in the ordinary course of business
- Transition in January 2022 to IFPR was neutral to the Group
- Record performance in consecutive years has significantly expanded our regulatory headroom
- Strong organic liquidity position further bolstered by new £300 million RCF

Three things are being delivered today:

1

A progressive ordinary dividend, with modest but sustainable annual growth

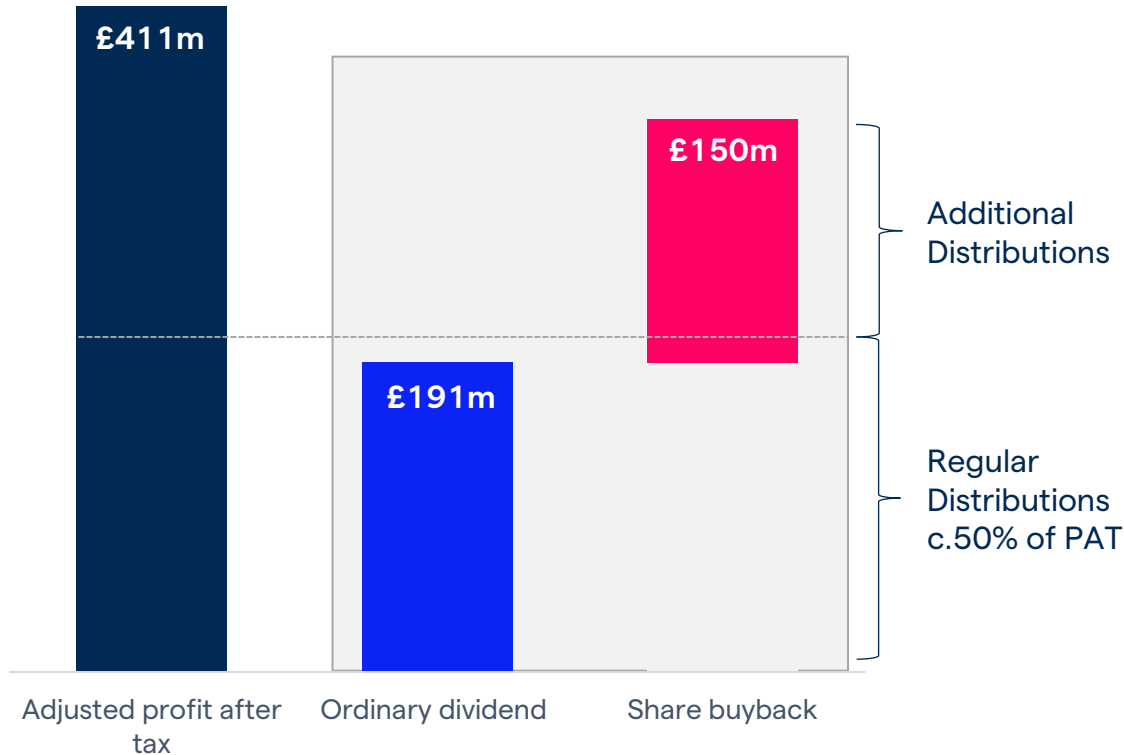
2

Supplemented, where necessary, with a buyback/special dividend to deliver around 50% of adjusted profit after tax, in total

3

Additional distribution of surplus capital above what is required for regulatory, citizenship, or investment purposes, through a further (or larger) buyback/special dividend

Framework in action



- Full year ordinary dividend of 44.2 pence per share – up 1p on FY21
- Commencement of buyback programme of up to £150 million
- Regular distributions of around 50% of adjusted profit after tax
- Dividend per share to rise modestly over time
- Capital not required will be returned through share buybacks or special dividends

05

Summary and Outlook

June Felix & Charlie Rozes

Guidance and Outlook

CORE MARKETS+

- Target 5-7% total revenue growth per annum over the medium term

HIGH POTENTIAL MARKETS

- Target 25-30% total revenue growth per annum over the medium term

OPERATING COSTS

- FY23 operating costs anticipated to drive off H2 FY22 run rate plus inflation impact of mid-single digits

PBT AND TAX

- FY23 PBT margin in mid-40s, increasing slightly over the medium term
- Effective tax rate expected to be around 19% in FY23, then increasing in line with the UK corporation tax rate

Powering towards a stronger future



Multiple growth levers in the significant and growing global market



Diversified business by geography and product



Market-leading content, technology and platforms



High quality client base driving sustained and enduring value



Strong balance sheet supporting flexible capital management



Q&A

06

Appendices

Reconciliation of non-IFRS performance measures

Adjusted revenue (£m)	FY22	FY21
Net trading revenue	972.3	837.3
Foreign exchange (gain)/loss associated with tastytrade acquisition	(5.8)	7.9
Adjusted net trading revenue	966.5	845.2

Adjusted operating costs (£m)	FY22	FY21
Operating costs	499.2	390.5
Net credit losses on financial assets	2.7	2.9
Operating costs inc. net credit losses	501.9	393.4
Operating costs relating to tastytrade acquisition and integration	(2.0)	-
Amortisation on tastytrade acquisition intangibles and recurring non-cash costs	(31.7)	-
One-time costs related to Nadex and Small Exchange sale	(3.3)	-
Adjusted operating costs	464.9	373.8

Adjusted profit before taxation and EPS £m (unless stated)	FY22	FY21
Earnings per share	92.9p	99.8p
Weighted average number of shares for the calculation of EPS (millions)	426.3	369.2
Profit after tax	396.1	368.6
Tax expense	80.9	77.4
Profit before tax	477.0	446.0
Foreign exchange (gain)/loss associated with tastytrade acquisition	(5.8)	7.9
Operating income relating to Nadex sale	(1.5)	-
Operating costs relating to tastytrade acquisition and integration	2.0	19.6
Amortisation on tastytrade acquisition intangibles and recurring non-cash costs	31.7	-
One-time costs related to Nadex and Small Exchange sale	3.3	-
Financing costs relating to tastytrade acquisition funding	1.0	-
Gains on sale of Small Exchange and disposal of Zero Hash	(4.1)	-
Movement in the FV of convertible debt associated with Zero Hash	(9.3)	-
Adjusted profit before tax	494.3	473.6
Adjusted tax expense	(85.7)	(77.4)
Adjusted profit after tax	410.5	396.2
Adjusted earnings per share	96.3p	107.3p
Adjusted total revenue	967.3	845.5
Adjusted PBT margin	51%	56%

Net trading revenue and drivers - Core Markets+

Revenue (£m)	FY22 H2	FY22 H1	FY21 H2	FY21 H1	FY20 H2	FY20 H1
UK	170.9	157.2	167.4	150.0	148.0	92.7
EU	52.2	51.2	53.6	49.0	54.7	33.1
EMEA non-EU	24.5	25.9	28.2	28.4	32.5	21.3
Australia	43.1	45.2	58.1	61.6	51.4	36.9
Singapore	36.8	36.7	38.4	36.1	35.2	21.5
Japan	54.0	44.6	34.1	34.6	30.6	15.9
Emerging Markets	22.6	20.2	16.3	18.4	17.2	11.2
Institutional	5.7	4.2	6.5	5.8	5.8	3.4
Total OTC leveraged	409.8	385.1	402.6	383.9	375.4	236.0
Stock trading and investments	17.8	15.9	23.2	15.4	9.3	4.4
Total Core Markets+	427.6	401.0	425.8	399.3	384.7	240.4

Clients (000)	FY22 H2	FY22 H1	FY21 H2	FY21 H1	FY20 H2	FY20 H1
UK	52.1	51.8	61.2	57.5	57.4	38.9
EU	32.7	31.3	35.4	33.8	32.5	23.6
EMEA non-EU	6.3	6.4	7.3	7.4	7.3	5.6
Australia	16.0	16.6	21.5	22.4	21.8	15.9
Singapore	10.8	10.0	10.7	10.4	10.2	8.1
Japan	31.3	26.3	19.8	16.5	14.3	10.4
Emerging Markets	6.7	6.8	7.5	6.6	5.9	4.5
Institutional	0.3	0.3	0.3	0.2	0.2	0.2
Total OTC leveraged	156.2	149.5	163.7	154.8	149.6	107.3
Stock trading and investments	93.2	92.5	89.5	71.2	54.9	37.9
Total Core Markets+¹	238.6	230.9	239.4	214.7	195.3	139.9

Revenue per client (£)	FY22 H2	FY22 H1	FY21 H2	FY21 H1	FY20 H2	FY20 H1
UK	3,278	3,031	2,733	2,611	2,577	2,381
EU	1,598	1,634	1,517	1,452	1,684	1,403
EMEA non-EU	3,881	4,060	3,847	3,807	4,433	3,804
Australia	2,698	2,713	2,701	2,752	2,355	2,313
Singapore	3,393	3,687	3,597	3,473	3,453	2,665
Japan	1,726	1,695	1,724	2,095	2,140	1,528
Emerging Markets	3,364	2,961	2,179	2,795	2,946	2,477
Institutional	22,279	16,362	24,229	23,303	26,297	19,443
Total OTC leveraged	2,624	2,575	2,460	2,480	2,509	2,200
Stock trading and investments	191	172	260	217	169	115

¹ Total Core Markets+ active clients have been adjusted to remove the clients who are active in more than one product category (multi-product clients) to give a unique client count

Net trading revenue and drivers – High Potential Markets

Revenue (£m)	FY22 H2	FY22 H1	FY21 H2	FY21 H1	FY20 H2	FY20 H1
US	9.1	7.5	6.4	5.2	4.2	1.6
Total OTC leveraged	9.1	7.5	6.4	5.2	4.2	1.6
ETDs – MRM	0.8	1.0	1.6	1.9	1.8	1.3
ETDs - tastytrade	57.3	52.8	-	-	-	-
ETDs - Spectrum	5.5	3.8	2.8	2.1	0.7	-
Total exchange traded derivatives	63.6	57.6	4.4	4.0	2.5	1.3
Total High Potential Markets	72.7	65.1	10.8	9.2	6.7	2.9

Clients (000)	FY22 H2	FY22 H1	FY21 H2	FY21 H1	FY20 H2	FY20 H1
US	7.8	9.3	10.6	9.1	6.4	2.8
Total OTC leveraged	7.8	9.3	10.6	9.2	6.4	2.8
ETDs - tastytrade	79.2	78.1	-	-	-	-
ETDs – Spectrum	5.1	4.5	4.3	3.0	2.4	0.7
Total exchange traded derivatives	84.3	82.6	4.3	3.0	2.4	0.7
Total High Potential Markets	92.1	91.9	14.9	12.2	8.8	3.5

Revenue per client (£)	FY22 H2	FY22 H1	FY21 H2	FY21 H1	FY20 H2	FY20 H1
US	1,168	808	600	572	651	578
Total OTC leveraged	1,168	808	600	572	651	578
ETDs – tastyworks	723	676	-	-	-	-
ETDs – Spectrum	1,082	845	651	709	285	-
Total exchange traded derivatives	745	685	652	709	285	-
Total High Potential Markets¹	790	699	615	606	552	457

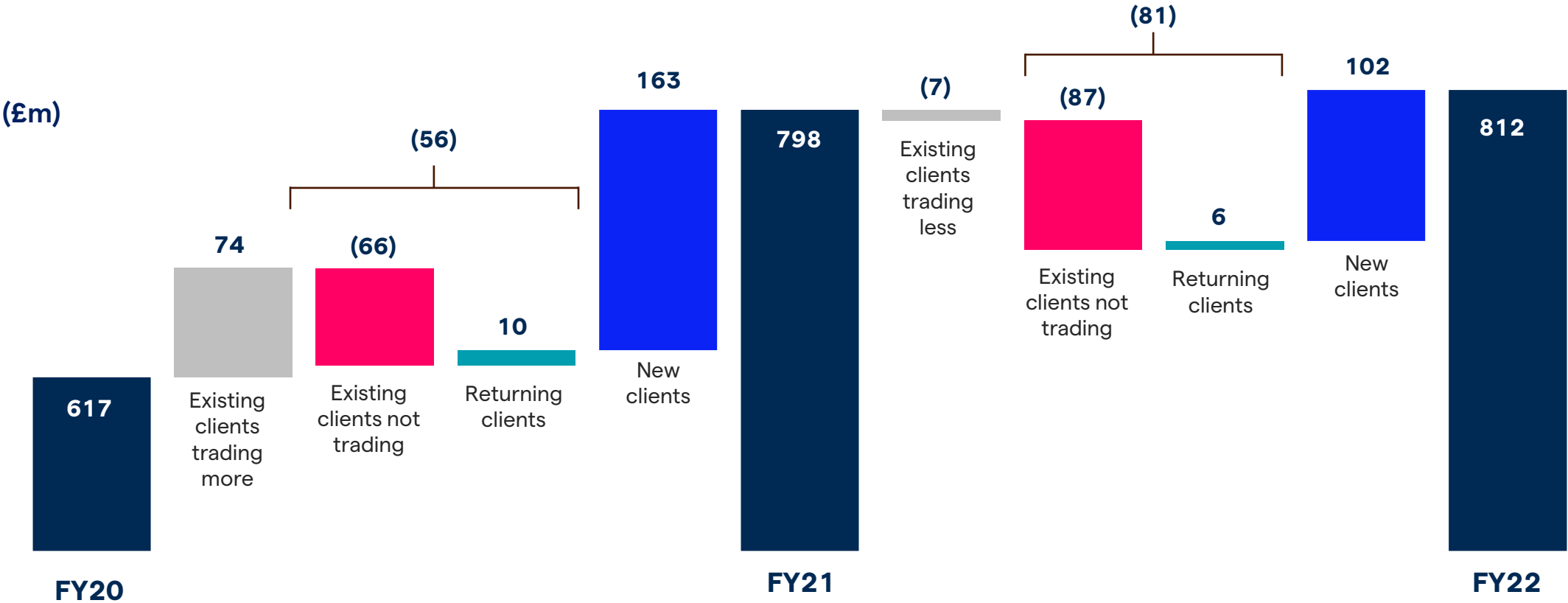
¹ Total High Potential Markets revenue per client calculation excludes revenue generated from the Group's Market Maker on Nadex, MRM

Strategy embeds ESG across our business

 Products	Financial education
	Onboarding and safeguards
	Security
 People	Equality, diversity and inclusion
	Talent development
	Employee wellbeing
 Partnerships	Educational equality
	Environment
	Suppliers
 Best Practice	Business ethics
	Accountable leadership
	Open and transparent

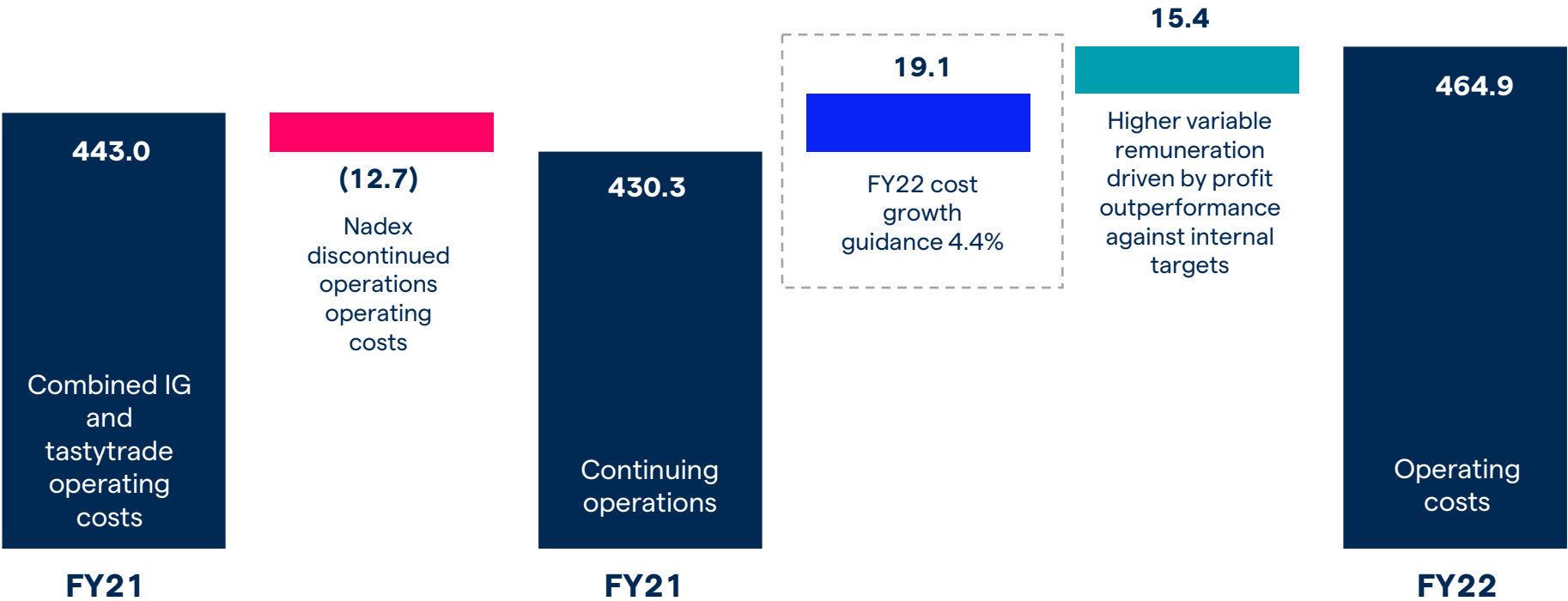
- Became a constituent of the FTSE4Good Index
- Pledged 1% of annual post-tax profits to community outreach each year until 2025
- Committed to the Science Based Targets initiative, and working on our pathway to net zero
- Through our Brighter Future Fund partnerships, we achieved our target of benefitting 100,000 young people several years ahead of schedule

OTC leveraged net trading revenue bridge



Cost guidance waterfall

Adjusted operating costs £m



This presentation, prepared by IG Group Holdings plc (the “Company”), may contain forward-looking statements about the Company and its subsidiaries (the “Group”). Such forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “projects”, “estimates”, “plans”, “anticipates”, “targets”, “aims”, “continues”, “expects”, “intends”, “hopes”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other various or comparable terminology.

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Some numbers and period on period percentages in this presentation have been rounded or adjusted to ensure consistency with the financial statements. This may lead to differences between subtotals and the sum of individual numbers as presented.

FY22 relates to the financial year ending 31 May 2022, FY21 refers to the financial year ending 31 May 2021, FY20 relates to the financial year ending 31 May 2020.

Numbers presented on an ‘adjusted’ basis. See appendix 1 for a reconciliation of non-IFRS performance measures