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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

21 JULY 2022

Results for the financial year ended 31 May 2022

"Another year of excellent strategic progress with record revenue and profit. Resumption of progressive dividends and launch of a share buyback programme of up to £150 million."

Financial highlights

- Another record performance in FY22, from continuing operations[1]:
  - Net trading revenue up 16% to £972.3 million (FY21: £837.3 million). Excluding the one-time hedging gain associated with the financing of the tastytrade acquisition, adjusted net trading revenue was £966.5 million, up 14%. Adjusted total revenue, which includes interest on client money, was also up 14% to £967.3 million (FY21: £845.5 million). Total revenue was up 16% to £973.1 million (FY21: £837.6 million)
  - Total active clients increased 31% to 381,500 (FY21: 291,200). Active clients reduced by 2% on a pro forma basis[2], however remain significantly above pre-pandemic levels. First trades reduced as anticipated, but also remain well above pre-pandemic levels
  - Our high-quality client base continues to provide an enduring revenue stream, with client retention rates in line with historical averages
  - Profit before taxation was up 7% to £477.0 million (FY21: £446.0 million), while adjusted profit before taxation was up 4% to £494.3 million. Strong revenue performance combined with good cost control delivered an adjusted profit before tax margin of 51% (FY21: 56%)
  - Maintained strong capital and liquidity positions that continued to support client growth, with regulatory capital resources of £1,025.6 million (31 May 2021: £860.7 million)
  - Basic EPS was 92.9 pence (FY21: 99.8 pence). Adjusted basic EPS was 96.3 pence (FY21: 107.3 pence), reflecting share issuance for the tastytrade acquisition
  - Final proposed dividend of 31.24 pence per share, represents a full-year dividend of 44.2 pence per share (FY21: 43.2 pence per share), a resumption of progressive, sustainable dividends under the new capital allocation framework
  - Commencement of a share buyback programme of up to £150 million to be substantially complete in FY23
- Comprehensive debt refinancing completed to enable further growth
  - Trebled the size and lengthened the term of our committed revolving credit facility
  - Completed an inaugural, 7-year, investment-grade £300 million senior unsecured bond issuance
- Completed the sale of Nadex and our investment in Small Exchange
  - Delivered a significant return on the previous investments made in these businesses

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[1] Discontinued operations consist of the operations of North American Derivatives Exchange (Nadex)

[2] Pro forma basis 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

Strategic highlights

- Core Markets+ adjusted total revenue exceeded our expectations, up slightly at £827.6 million (FY21: £825.5 million), an outstanding performance given the lower levels of market activity year over year, and reflecting the high quality of our client base
- High Potential Markets total revenue of £139.7 million was up 20% on a pro forma basis (FY21: £116.1 million). Total revenue for tastytrade, was £112.0 million, up 16% on a pro forma basis (FY21: £96.1 million). Our exchange traded derivatives revenue from Spectrum, increased 90% to £9.3 million.

- Non-OTC derivative revenue increased to 16% of Group net trading revenue (FY21: 6%)
- Announced our commitment to donate 1% of adjusted profit after tax to charitable causes
  - Aim to empower through education with a focus on financial literacy

New Capital Allocation Framework

- The new framework is driven by our strategy to diversify and grow the business and reflects the Board's confidence in our progress and outlook
- A new policy for Regular Distributions of around 50% of adjusted profit after tax delivered through:
  - A progressive ordinary dividend with modest but sustainable annual growth
  - Supplemented where necessary with a share buyback/special dividend
- A new policy for Additional Distributions via share buybacks/special dividends to return surplus capital not required for regulatory requirements or investment

Financial Summary (continuing operations)

£ million (unless stated)	FY22	FY22 (Adjusted)	FY21	FY21 (Adjusted)	Change %	Change (Adjusted) %
Net trading revenue[1]	972.3	966.5	837.3	845.2	16%	14%
Total revenue[1]	973.1	967.3	837.6	845.5	16%	14%
Total operating costs[2,3]	501.9	464.9	393.4	373.8	28%	24%
Profit before taxation[4]	477.0	494.3	446.0	473.6	7%	4%
Profit after taxation	396.1	410.5	368.6	396.2	7%	4%
Basic earnings per share (p)	92.9	96.3	99.8	107.3	(7%)	(10%)
Total dividend per share (p)	44.2	-	43.2	-	2%	-

[1] Adjusted revenue excludes £5.8 million foreign exchange hedging gain associated with the financing of the tastytrade acquisition (FY21: loss of £7.9 million)

[2] Operating costs include net credit losses on financial assets

[3] Adjusted operating costs excludes £33.7 million of costs and recurring non-cash costs associated with the tastytrade acquisition and integration and £3.3 million relating to the sale of Nadex and Small Exchange (FY21: £19.6m of one-time costs associated with the tastytrade acquisition)

[4] Adjusted profit before tax excludes £1.0 million of accelerated financing expense associated with the debt issuance, £9.3 million FV gain on revaluation of Zero Hash, and £4.1 million of gains on sale of Small Exchange and partial disposal of Zero Hash

June Felix, Chief Executive Officer, commented:

"This year's record results show how we have achieved consistent, strong financial performance while we continue our journey to become a more diversified, innovative, global fintech. Our forward-looking strategy has positioned us well to capitalise on a significantly larger total addressable market and to take advantage of the ongoing shifts towards self-directed investing. We are now operating on an entirely new scale.

Our outstanding performance this year is due to several factors: our clients, our people, and our strategy. The quality and loyalty of our clients has generated sustainable revenue, providing positive impact on our financial strength. This strength enables us to invest organically in key areas, expand regionally, create new products, and innovate strategically.

Our new Capital Allocation Framework crystallises our capital priorities to maintain a strong balance sheet, invest purposefully in our business, and meet the needs of key stakeholders. We are thrilled to announce our new shareholder distribution policy including a share buyback programme of up to £150 million.

I'm excited about our success and we are extremely positive about our future direction. We are seeing a materially evolved organisation as we expand our geographic footprint and grow our product offering.

Overall, our results this year showcase that we are acting decisively and thoughtfully to support our key stakeholders today and tomorrow. The strides we have made in the last few years have laid a solid foundation and I look forward to building on that in the coming year."

Capital Allocation Framework

The Board today announces a new Capital Allocation Framework that balances delivering sustainable returns to shareholders with ongoing investment in the business to execute our growth strategy. This policy reflects our confidence in the long-term returns trajectory that our strategy can deliver.

The implications of this policy for FY22 and beyond, for distributions to shareholders, are summarised below.

The Group will retain sufficient capital as required to maintain a strong balance sheet, to invest in organic growth and fulfil our citizenship commitment of allocating 1% of adjusted profit after tax to charitable causes, prior to the declaration of Regular Distributions. Following these allocations of capital, the Group will consider inorganic growth investments and Additional Distributions to shareholders of capital that are surplus to our requirements.

Regular Distributions

The Board recognises the importance that the Group's shareholders place on the current level of dividend distribution, and as a result:

- The Board has adopted a sustainable, progressive dividend policy. This is expected to deliver (1) modest annual growth in the dividend per share over the current planning cycle, and (2) an interim dividend set at 30% of the prior year, full year dividend.
- The Board expects aggregate regular annual distributions to shareholders of around 50% of adjusted profit after tax each year. The Group will retain an element of discretion on the methods of return which may include share buybacks or special dividends.
- The flexibility provided by this approach is intended to mitigate the impact of potential short-term fluctuations in the business cycle on the annual ordinary dividend per share paid to shareholders.

Additional Distributions

- The Board will continue to keep the level of capital on the balance sheet under regular review.
- Capital that is not required to fund either planned business investment or potential inorganic investment to accelerate delivery of the Group's strategic plans will be periodically returned to shareholders as Additional Distributions, over and above Regular Distributions. Such distributions will be through share buybacks or special dividends with the Board considering a number of factors to determine the mechanism which is most accretive to shareholder value.
- The Board's current preference is to undertake Additional Distributions to shareholders through share buybacks.

For FY22, the Board has proposed a final dividend of 31.24 pence per share for the financial year ended 31 May 2022 which equates to a full year total dividend of 44.2 pence per share, an increase of one pence per share over FY21.

The Board has also approved a share buyback programme of up to £150 million, with an initial tranche of up to £75 million commencing today. The Board currently intends to launch a further tranche of up to £75 million later during the FY23 period, and details will be announced before that further tranche begins. The share buyback programme is expected to be substantially completed during the FY23 period.

Further information

IG Group Investor Relations	IG Group Press	FTI Consulting
Richard Heading / Simon Wright	Alayna Francis	Neil Doyle / Katherine Bell
020 7573 0742 / 0099	020 7633 5395	0777 1978 220 / 0797 687 0961
investors@iggroup.com	press@ig.com	neil.doyle@fitconsulting.com / katherine.bell@fticonsulting.com

Analyst presentation

There will be an analyst and investor presentation at 9:30am (UK Time) on Thursday 21 July.

The presentation will be accessible live via audio webcast at Webcast | IG Group. If you wish to listen via conference call, please use the following link Conference call registration | IG Group. The audio webcast of the presentation and a transcript will be archived at: Financial Results | IG Group.

Alternative performance measures

IG Group management believes that the alternative performance measures included in this document provide valuable information to the readers of the financial statements as they enable the reader to identify a more consistent basis for comparing business performance between financial periods and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by IG Group management. However, any alternative performance measures in this document are not a substitute for statutory measures and readers should consider the statutory measures as well. Refer to the appendix for further information and calculations of alternative performance measures included throughout this document, and the most directly comparable statutory measures.

Forward-looking statements

This preliminary statement, 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.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which are beyond the Company's control and are based on the Company's beliefs and expectations about future events as of the date the statements are made. If the assumptions on which the Group bases its forward-looking statements change, actual results may differ from those expressed in such statements. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including those set out under "Principal Risks" in the FY21 Group Annual Report for the financial year ended 31 May 2021. The Annual Report can be found on the Company's website (www.iggroup.com).

Forward-looking statements speak only as of the date they are made. Except as required by applicable law and regulation, the Company undertakes no obligation to update these forward-looking statements.

No offer or solicitation

This announcement is not intended to, and does not constitute, or form part of, any offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction.

No profit forecasts or estimates

No statement in this announcement is intended as a profit forecast or estimate for any period

Some numbers and period on period percentages in this statement 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. Acronyms used in this report are as defined in the Group's Annual Report.

About IG

IG Group (LSEG:IGG) is an innovative, global fintech company that delivers dynamic online trading platforms and a robust educational ecosystem to power the pursuit of financial freedom for the ambitious. For nearly five decades, the Company has evolved its technology, risk management, financial products, content, and platforms to meet the needs of its retail and institutional clients. IG continues to innovate its offering for the new generation of tomorrow's investors through its IG.com, tastytrade, IG Prime, Spectrum, and DailyFX brands.

Established in 1974, IG Group is a London-headquartered FTSE 250 company offering its clients access to ~19,000 financial markets through its offices spread across Europe, North America, Africa, Asia-Pacific and the Middle East.

Chief Executive Officer's Statement

Over the last 12 months we have delivered exceptional results.

We have achieved outstanding financial performance while continuing our journey to become a more diversified, innovative, global fintech. We have made great strides since we announced our strategy in 2019, and we now see the emergence of a materially evolved organisation. Today, we are in a very strong position in multiple markets, offering our ambitious clients a great range of products to meet their needs. Through our organic and inorganic regional expansion, we have created substantial scope for growth in significant and larger addressable markets. I strongly believe that we are better positioned for future growth than ever before.

Our ability to perform in changing macro conditions and uncertain markets is the result of the disciplined execution of our strategy, and our business model. We are not only increasing revenues but diversifying the sources of our revenues. This positions us well for long-term, sustainable growth.

The performance we have achieved has not been replicated consistently across our peer group and is a testament to several key factors that differentiate us from others in the sector. These include the size and quality of our client base of ambitious, active traders; our proven market risk management model; and most of all, the dedication and commitment of our people, who strive every day to provide a better experience for our clients and for the communities in which we operate. I would like to begin by expressing my thanks to everyone at IG Group as we take every step together to live our purpose.

I'm proud to be able to share how we are delivering on our promises.

A purpose-led global fintech

We launched our new purpose over a year ago, crystallising our vision to power the pursuit of financial freedom for the ambitious. This 'North Star' ensures we put our clients at the heart of everything we do and support them on their trading and investing journeys. With operations in 20 countries across five continents, we are delivering the world's best technology, platforms, products, and exchanges – opening up a wider range of trading and investment opportunities to ambitious people around the world.

IG Group has a long history of innovating to meet market needs and to best serve clients. Over the last five decades, we have evaluated how the financial landscape has evolved and we have moved in tandem by creating relevant and responsive products. We are already well known for our over-the-counter (OTC) derivatives products, allowing traders to take advantage of changes in an asset's price without owning the asset itself. We enable clients to trade in around 19,000 markets encompassing indices, individual equities, commodities, and foreign exchange.

Our heritage embodies the spirit of our future – to consistently determine how we can best serve self-directed investors who want to own their financial futures. To keep meeting our clients' needs, we continually evaluate the changing landscape and respond in kind with relevant offerings. We have evolved from a UK-centric, OTC-focused firm into a global business, strategically and methodically expanding by product and by region, especially in the United States and Asia, which are both large markets with significant growth opportunities. We've achieved this through a combination of organic and inorganic strategies.

Our business in Japan shows how we applied our winning formula of delivering innovative products tailored for local needs backed by our global platforms, expertise, and resources. Revenues have increased more than 400% in that business from FY19 and it continues to go from strength to strength. As a result, Japan is now one of our largest markets.

Acquiring tastytrade last year enabled us to accelerate our strategy to expand into exchange-traded products and better establish our presence in the US, the largest retail financial market in the world. To put this in context, the US has 14 million active traders across options, futures, and cash equities. This market of self-directed, ambitious investors has over 100m accounts at the main US brokerages.

In addition, we have a stock trading and investments business which offers clients the opportunity to buy and sell a range of over 12,000 global shares and exchange traded funds with competitive and transparent transaction fees. We believe our success in gaining clients during the last few years shows that this can be another potential growth lever in the future.

Playing our part in our communities

We strive to make a difference for our clients and for the wider communities in which we operate.

We recognise our responsibilities as a global corporate citizen, and I am particularly proud of the steps we have taken to further embed our environmental, social and governance (ESG) strategy across our business. In December 2021, we pledged to contribute the equivalent of 1% of our post-tax profits to charitable causes from 2022 to 2025, subject to ongoing Board approval.

This new pledge is part of our ongoing commitment to play a part in helping improve the futures of young people around the world, inspiring them to explore possibilities and reach their potential in life through learning.

The 1% commitment is a natural step for our Brighter Future Fund, which was established in 2020 with an initial £5 million contribution from IG. The majority of our new 1% pledge will be our mechanism for making regular and substantial payments into this fund each year until 2025. The Brighter Future Fund will support projects around the globe that align with the themes of empowerment through education and the environment.

This builds on our strong track record of community outreach, where the level of our commitment continues to set us apart from our peers. Key highlights from the last year include:

- Continuing to work closely with our key strategic partner Teach For All and members of their network, including Teach First, Teach For Poland and Teach For India. We support these charities as they fight to make the education system work for every child. By the end of financial year 2022, the Brighter Future initiatives had exceeded their target of benefitting 100,000 young people globally.

- We are entering a partnership with UK-based charity Learning with Parents which focuses on financial literacy and in particular, looks at ways to help parents support their child's financial education.

- A new partnership with Chance To Shine, a programme which helps young girls to become future leaders through the transformative power of cricket.

In recognition of our credentials as a responsible and sustainable business, IG has become a constituent of the FTSE4Good Index.

Delivering on our promises

Through the concerted effort of my talented and valued colleagues, we made good on our commitment to become a more global, diversified, and sustainable business.

We delivered strong strategic progress across the Group, with a standout performance in product diversification and in extending our platform into new markets. This focus on growth and diversification has seen us double our revenues since FY19 with great progress made across the key geographical regions in which we now operate.

We also continue to make progress in Europe with Spectrum, our Frankfurt-based pan-European trading venue for securitised derivatives. This year Spectrum welcomed two additional brokers and introduced further trading opportunities on turbo certificates with selected equities and cryptocurrencies. Further growth is expected in

FY23 and beyond, as we integrate additional third-party brokers as well as integrate two tier 1 European banks as product issuers later this year.

While in Japan, we have enjoyed considerable recent success, tailoring our offering to best suit the needs and wants of local clients. Our ability to localise continues to pay dividends, allowing us to leverage our platform and technology capability across different markets.

This approach of focusing on growth and expansion, while being disciplined in the strategic decisions and investments we choose to make, has ensured we are outperforming against the strategy we set ourselves and sets an even stronger foundation from which we can grow. This means being strategic and focused on what we decide to do, and also on what we decide not to do.

We completed the sale of two businesses, Nadex and Small Exchange, in March 2022 for $216 million, representing a significant return on investment for these businesses. This sale gives us the opportunity to reinvest into our businesses, expanding our efforts on tastytrade and in other opportunities as they arise.

Foundations for success

Since its earliest days, IG has delivered innovative financial solutions for our clients. This success is underpinned by our people, our expertise, and our focus on continuous improvement and innovation.

This year, we have made some key leadership changes to further strengthen our expertise and leverage our capabilities. To represent our investment in key regions, we have appointed new regional CEOs to drive success in our three key geographies: Matt Macklin is the regional CEO for the UK, APAC+ and Emerging Markets, Matt Brief leads as regional CEO for Europe, and Joe (JJ) Kinahan has been appointed as CEO for North America. They all bring significant experience and expertise to our regions and to the Executive Committee.

By combining global resources and regional expertise, we plan to create more innovative, distinctive solutions that meet clients' needs at a more targeted level. We will take advantage of our global platform and local insights to deliver sustainable growth through both organic and selective inorganic investment. Additionally, we have a keen eye on expanding and fulfilling our ESG goals. By keeping those goals running in parallel we believe this will ensure we excel in both the short and long term.

Capital management and liquidity

Our balance sheet is strong, and we are a highly cash-generative business. During the year, we successfully completed a comprehensive debt refinancing exercise and implemented a new long-term funding structure.

These important steps will provide additional, significant levels of liquidity to further support our strategic growth ambitions: lengthening the maturity of our debt facilities, enhancing our financial flexibility, and providing material headroom within our total facilities. The refinancing involved our first corporate bond issue of an investment-grade, 7-year, £300 million, senior unsecured note, and a new £300 million committed revolving credit facility, with an initial maturity of three years.

We have also announced our new Capital Allocation Framework, setting out how it supports our strategic goals, as well as outlining the thinking behind it. This is an important step in shaping the business and positioning us for the future.

Chief Financial Officer's Statement

I am delighted to report another year of record revenue and profits, against a challenging comparative which included the peaks of pandemic-related market volatility. Total revenue from continuing operations was £973.1 million, up 16% (FY21: £837.6 million). Excluding the foreign exchange gain associated with the financing of the tastytrade acquisition, adjusted total revenue was £967.3 million, up 14%. Excluding tastytrade, adjusted total revenue was still up 1%. This outstanding performance is reflective of the high-quality client base of ambitious, active traders that we are able to attract, and the excellent client service and educational resources and support that we provide in order to retain them. We reiterate our medium-term guidance for total revenue of 5-7% in Core Markets+ and 25-30% in the High Potential Markets segments.

We continue to practice good cost management, while also ensuring that we invest steadily and appropriately in our businesses and functions. We recognise technology as a key asset, in which we continually invest to innovate and increase resilience, security, and capacity. Over the last four years, for example, we have invested approximately £125 million in these areas, demonstrating our ability to continually invest and stay at the forefront of technology trends.

During the year, we incurred some one-off and non-cash recurring items. These were related to the tastytrade transaction, the sale of Nadex and Small Exchange, the debt refinancing and the revaluation of the Zero Hash convertible note. Excluding these items, our adjusted profit before tax margin for FY22 was 51% (FY21: 56%).

Profit before tax for the year was up 7% to £477.0 million (FY21: £446.0 million). On an adjusted basis, profit before tax was £494.3 million, up 4% on prior year (FY21: £473.6 million). The adjusted effective tax rate was 17.0%, driven by standard UK tax incentives and adjustments to prior year estimates. Our profit after tax for the year was £396.1 million, or £410.5 million on an adjusted basis, up 4%. Including profit from discontinued operations, profit for the period was £503.9 million, up 36%. Basic earnings per share from continuing operations was 92.9 pence (FY21: 99.8 pence), or 96.3 pence on an adjusted basis (FY21: 107.3 pence), down due to the shares issued for the tastytrade acquisition.

We are a highly cash-generative business, able to convert our OTC derivatives revenue to cash on the same day. The conversion rate of operating profit to own funds remains consistently above 100%.

During the year, we have seen some significant balance sheet movements, with our goodwill and intangibles balances increasing due to the tastytrade acquisition. Own funds increased due to profits made during the year, the sale of Nadex and Small Exchange, offset by the cash consideration paid for tastytrade.

Regulatory capital and liquidity remained very strong through the period, bolstered by our inaugural public debt issuance of £300 million of investment-grade, 7-year senior unsecured notes and the increased size of our committed revolving credit facility, which is now a £300 million facility. The debt capital markets issuance in November 2021 attracted strong investor demand and provided longer-term financing through 2028. Our new RCF further expands our on-demand available liquidity to support our strategic growth plans.

The Group's broker margin requirement in support of our risk management programme at year end was £629.5 million and reached a peak during the year of £774.7 million in comparison to a year end requirement of £590.9 million and peak requirement of £683.3 million in FY21. As a result of our record profits, strong cash conversion, as well as purchase and disposals during the year, own funds at 31 May 2022 were £1,253.8 million, up from £1,058.5 million at 31 May 2021.

Our record profits and comprehensive risk management programme further strengthened our capital resources. In January 2022, we adopted a new regulatory capital framework, the Investment Firms Prudential Regime (IFPR). For an initial transitional period, our regulatory capital requirement remains at a fixed amount of £497.4 million. At 31 May 2022 our regulatory capital resources were £1,025.6 million, up from £860.7 million at 31 May 2021. This translates to a headroom above the regulatory capital requirement of £528.2 million, including all profits from FY22, though prior to the execution of the share buyback programme.

During the year, the Board conducted a number of discussions around our uses of capital. The outcome of these discussions is set out in our new capital allocation framework. The framework provides the right balance for all our stakeholders, ensuring there is sufficient ability for investment in the Company, as well as returns for our shareholders. In line with the capital allocation framework, the Board has approved a final dividend of 31.24 pence, which results in a full-year dividend of 44.2 pence per share, an increase of 1 pence from our FY21 dividend of 43.2 pence per share.

Given our current strong financial position following three consecutive record years of revenues and profits, we have also announced a share buyback programme of up to £150 million. We would expect this to be substantially completed within FY23.

We have reconfirmed our medium-term total revenue guidance of 5-7% in the Core Markets+ and 25-30% in the High Potential Markets portfolio and remain confident in achieving this guidance. We anticipate a profit before tax margin just above the mid-40s in FY23, and then increasing slightly over the medium term to the high-40s, which we see as the sustainable margin for the Group. We anticipate an effective tax rate in FY23 of around 19%, and then increasing beyond FY23 to be closer to the forecasted UK Corporate Tax rates.

In summary, another year of record revenue performance puts us in a very strong financial position as we execute our strategy to become a more diversified business.

Business Performance Review

Summary Group Income Statement

£ million (continuing operations)	FY22	FY22 Adjusted	FY21	FY21 Adjusted	Change %	Adjusted Change %
Net trading revenue[1]	**972.3**	**966.5**	**837.3**	**845.2**	**16%**	**14%**
Net interest on client money	0.8	0.8	0.3	0.3		
Total revenue	**973.1**	**967.3**	**837.6**	**845.5**	**16%**	**14%**
Other operating income and betting duty	6.1	4.6	6.1	6.1		
Net operating income	**979.2**	**971.9**	**843.7**	**851.6**		
Total operating costs[2, 3]	**(501.9)**	**(464.9)**	**(393.4)**	**(373.8)**	**28%**	**24%**
Operating profit	**477.3**	**507.0**	**450.2**	**477.8**	**6%**	**6%**
Other net gains / (losses)[4]	11.1	(2.3)	(0.4)	(0.4)		
Net finance cost[5]	(11.4)	(10.4)	(3.8)	(3.8)		
Profit before tax	**477.0**	**494.3**	**446.0**	**473.6**	**7%**	**4%**

[1] Adjusted excludes £5.8 million foreign-exchange hedging gain associated with the financing of the tastytrade acquisition (FY21: loss of £7.9 million)

[2] Operating costs include net credit losses on financial assets

[3] Adjusted operating costs excludes £33.7 million of costs and recurring non-cash costs associated with the tastytrade acquisition and integration and £3.3 million relating to the proposed sale of Nadex and Small Exchange (FY21: £19.6m of one-time costs associated with the tastytrade acquisition)

[4] Adjusted other net gains / (losses) excludes £9.3 million FV gain on revaluation of Zero Hash, and £4.1 million of gains on sale of Small Exchange and disposal of Zero Hash, £2.3 million loss from associate

[5]Adjusted excludes £1.0 million of accelerated financing expense associated with the debt issuance

Statutory results

On 1 March 2022 we completed the sale of Nadex and Small Exchange to Crypto.com, therefore Nadex is presented as a discontinued operation. Our share of the losses from our minority investment in Small Exchange for the period during which we owned it, will continue to be presented within continuing operations.

On a statutory basis, net trading revenue was £972.3 million, up 16% on prior year, reflecting the inclusion of tasty revenue from 28 June 2021 following completion.

Revenue performance benefitted from the size and quality of the active client base, which now includes 98,000 tastytrade clients, who share a similar demographic profile to those of IG. Total active clients, excluding those from tastytrade, remains significantly larger than the pre-pandemic period.

Statutory operating costs were £501.9 million, 28% higher than FY21, reflecting the inclusion of tastytrade's cost base, and one-off and recurring non-cash costs in relation to the tastytrade acquisition and integration, and costs relating to the sale of Nadex and Small Exchange.

Other net gains of £11.1 million arise from transactions relating to the Group's investments in its associates during the year. The net gains include the Group's share of losses from associates, the movement of the fair value of convertible debt associated with Zero Hash Holdings Limited, and gains from sale of holdings in associates.

Net finance costs were £11.4 million, increasing from prior year due to additional debt in the period.

The Group's statutory profit before tax for FY22 was £477.0 million, 7% higher than FY21.

Adjusted results

The following section analyses results from continuing operations on an adjusted basis, which excludes a £5.8 million foreign-exchange gain related to financing of the tastytrade acquisition; £33.7 million of costs relating to the tastytrade acquisition, including £28.0 million of amortisation of acquisition related intangibles; £3.3 million relating to the sale of Nadex and our investment in Small Exchange; £1.0 million of financing costs relating to the new debt issuance; other net gains related to the sale of Small Exchange and disposal of Zero Hash of £4.1 million, and £9.3 million fair value gain on Zero Hash on a convertible note revalued in the period.

Adjusted net trading revenue was £966.5 million, 14% higher than prior year. Excluding tastytrade, which the Group acquired on 28 June 2021, the adjusted net trading revenue was £856.4 million, 1% higher than FY21, reflecting the continued strength of our core business despite less favourable market conditions.

Total revenue, which includes interest income, was £967.3m, up 14% on FY21.

Adjusted operating costs from continuing operations were £464.9 million, 24% higher than prior year, reflecting the addition of tastytrade.

Adjusted operating profit from continuing operations was £507.0 million, up 6% on FY21, and profit before tax was £494.3 million 4% higher than prior year.

Net trading revenue performance by product

Adjusted net trading revenue from continuing operations (£ million)	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%)
Group	**966.5**	**845.2**	**14%**

	Active clients (000)			Revenue per client (£)		
	FY22	FY21	Change %	FY22	FY21	Change %
OTC derivatives	199.8	216.3	(8%)	4,063	3,690	10%
Exchange traded derivatives[1]	104.5	5.4	nm	1,142	913	25%
Stock trading and investments	93.2	89.5	4%	363	432	(16%)
Group[2]	**381.5**	**291.2**	**31%**			

[1] Exchange traded derivatives revenue per client calculation excludes revenue generated from the Group's market maker on Nadex
[2] 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. In FY22 there were 16,000 multi-product clients, compared with 19,900 in FY21

OTC derivatives

OTC derivatives net trading revenue in FY22 was £811.5 million, 2% higher than FY21. OTC revenue now represents 84% of Group revenue, down from 94% in FY21, consistent with our strategic goal of diversifying our sources of revenue through growth in exchange traded derivatives and stock trading revenues.

OTC active clients were down 8% on FY21 reflecting the moderation in trading activity and a reduction in first trades, down 32% from the elevated levels of demand seen in FY21, however remain at levels materially higher than the pre-pandemic period. Average revenue per client however was 10% higher reflecting a change in client mix with less dilution of revenue per client from new clients, as seen in FY21.

UK and EU revenue in FY22 was £431.5 million, 3% higher than in FY21. The impact of a 14% reduction in active clients was offset by a 20% increase in the average revenue per client, the result of a change in the client mix, consistent with other areas of the business.

Japan revenue of £98.5 million was 43% higher than FY21 driven by a 53% increase in active clients as first trades continued to be exceptionally strong in the year. First trades increased 53% as Japan continues to benefit from the increased focus on localisation, brand building, and successful marketing relationships.

Australia revenue of £88.3 million was 26% lower than FY21, reflecting the impact of Australian Securities & Investments Commission (ASIC) regulations, which were introduced in FY21. As a result, the active clients in the period decreased by 28%, although revenue per client increased by 2% due to the change in client mix. Revenue from Australia remains higher than the pre-pandemic period.

Exchange traded derivatives

Net trading revenue from exchange traded derivatives, excluding Nadex as a discontinued operation, was £121.2 million, and represented 13% of Group revenue (FY21: 1%). tastytrade net trading revenue was £110.1 million, while revenue from Spectrum, the Group's multi-lateral trading facility, was £9.3 million.

With the addition of tastytrade, the number of exchange traded derivatives clients increased to 104,500 (FY21: 5,400), 27% of the total active client base of the Group. First trades increased significantly, reflecting the inclusion of tastytrade.

tastytrade net trading revenue was £110.1 million, up 15% on the prior year on a pro forma basis. Total revenue for tastytrade was £112.0 million, which includes interest income, increasing 16% on a pro forma basis. Active clients reduced by 2%, reflecting some normalisation from the high levels of activity in FY21, which was more than offset by a 17% increase in average revenue per client.

Spectrum revenue of £9.3 million nearly doubled and was 90% higher, driven by a 27% increase in the active client base and a 50% increase in average revenue per client as the client base continues to establish. This year Spectrum welcomed two additional brokers and further growth is expected in FY23 and beyond, as we integrate additional third-party brokers and plan to integrate two tier 1 European banks as product issuers later this year.

Stock trading and investments

Revenue from stock trading and investments was £33.8 million (FY21: £38.7 million) with assets under administration of £3.3 billion at the period end (31 May 2021: £3.2 billion). In the year, stock trading transaction fees, which were previously netted off against revenue, were reallocated to operating costs, increasing both net trading revenue and costs by £3.0 million. Including this, net trading revenue was down 13%. Active clients increased 4% and average revenue per client reduced by 16% due to both a reduction in trade frequency as market conditions have moderated, and a change in equity mix, with clients trading fewer US equities.

Operating costs

Total adjusted operating costs for FY22 were £464.9 million, 24% higher than FY21 primarily reflecting the acquisition of tastytrade.

Adjusted operating costs from continuing operations

£ million (unless stated)	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%
General bonus	32.6	29.7	10%
Share-based compensation	17.8	11.2	60%
Sales bonuses	7.5	9.8	(23%)
Total operating costs	**464.9**	**373.8**	**24%**
Headcount at period end	**2,507**	**2,067**	**21%**

Fixed remuneration was £150.1 million, an increase of 18%. Group headcount at 31 May 2022 was 2,507, up 21% on 31 May 2021, reflecting the addition of around 200 tastytrade employees and additional headcount in our technology, operations, risk and compliance functions to add capacity to the larger business and support on key projects. This increase also reflects some inflationary pay increases, offset by favourable translational foreign-exchange rates compared with the prior year.

Advertising and marketing spend increased by 29% to £87.1 million, reflecting the addition of tastytrade costs.

Revenue related costs are variable items which typically fluctuate with the level of client activity and include trading fees for share dealing and US options and futures, client payment charges, variable market data charges, and provisions for client and counterparty credit losses. In total they were £45.3 million, 60% higher than FY21, reflecting the addition of the tastytrade costs. This also includes the impact of reclassifying £3.0 million of stock trading transaction fees, which in FY21 were reported as an offset to revenue.

IT maintenance, structural market data charges and communications costs were £35.0 million, an increase of 43% on FY21. This reflects additional investment in technology to innovate new platform features, support the larger active client base, and build capacity for future growth as well as the addition of tastytrade costs.

Regulatory fees, which include the Financial Services Compensation Scheme (FSCS) levy were £12.9 million in FY22, 41% higher than FY21. This reflects the increased eligible income of the relevant entities, as well as the addition of tastytrade costs.

Depreciation and amortisation costs increased 15% to £28.5 million reflecting the addition of tastytrade costs.

The charge for the general bonus pool was £32.6 million, up 10% on FY21. This reflects an increase in eligible employees but was offset by a release of prior period accruals.

Share-based compensation costs relate to the share incentive plans for executives and senior management. These costs increased by 60%, reflecting an increased number of participants, and outperformance on internal targets, compared with a prior year charge which was lower due to staff departures in the year.

Sales bonuses decreased by 23% to £7.5 million, reflecting lower commission payments to sales staff for the onboarding and management of their own-sourced high-value clients.

Earnings Per Share

£ million (unless stated)	FY22	FY22 Adjusted	FY21	FY21 Adjusted	Change %	Adjusted change %
Profit before taxation from continuing operations	477.0	494.3	446.0	473.6	7%	4%
Taxation	(80.9)	(83.8)	(77.4)	(77.4)	5%	8%
Profit after taxation from continuing operations	396.1	410.5	368.6	396.2	7%	4%
Profit after taxation from discontinued operations	107.8	107.8	3.3	3.3	Nm	Nm
Profit after tax for the period	503.9	518.3	371.9	399.5	36%	30%
Weighted average number of shares for the calculation of EPS (millions)	426.3	426.3	369.2	369.2	15%	15%
Basic earnings per share (pence per share)	**92.9**	**96.3**	**99.8**	**107.3**	**(7%)**	**(10%)**

Profit before tax was £477.0 million in FY22, and £494.3 million on an adjusted basis, 4% higher than FY21.

The FY22 effective tax rate (ETR) was 17.0% based on profit before tax from continuing operations and 17.0% based on adjusted profit before taxation (FY21: 16.3%). The ETR is lower than the main rate of corporation tax of 19% in the UK, where the majority of the Group's profits are taxed, primarily as a result of standard UK tax incentives and adjustments to prior year estimates. The ETR for FY23 is anticipated to be approximately 19% on an adjusted basis. The ETR is dependent on a mix of factors including taxable profit by geography, tax rates levied in those geographies and the availability and use of taxable losses. The future ETR may also be impacted by changes in our business activities, client composition and regulatory status, which could affect our exemption from the UK Bank Corporation Tax surcharge.

Profit after tax was 36% higher than FY22 and 30% higher on an adjusted basis. Basic EPS was 7% lower than FY21 and 10% lower on an adjusted basis. This is primarily a result of the additional 61 million shares issued by the Group as part of the consideration to acquire tastytrade.

Dividend

A proposed final dividend of 31.24 pence per share will be paid on 20 October 2022 to those shareholders on the register at the close of business on 23 September 2022. This would represent a total FY22 dividend paid of 44.2 pence per share (FY21: 43.2 pence per share).

Summary Group Balance Sheet

The balance sheet is presented on a management basis which reflects the Group's use of alternative performance measures to monitor its financial position, with particular focus on own funds and liquid assets which are deployed to meet the Group's liquidity requirements. These alternative performance measures are reconciled to the corresponding statutory balances in the appendix.

£ million	31 May 2022	31 May 2021	Change %
Goodwill	604.7	107.3	468%
Intangible assets	292.1	32.7	793%
Property, plant and equipment[1]	16.7	17.4	(4%)
Operating lease net assets	(2.0)	(1.9)	5%
Investments in associates	14.8	-	nm
Fixed assets	**926.3**	**155.5**	**495%**
Own cash	1,245.9	655.2	89%
Issued debt / long-term bank borrowings[2]	(299.2)	(100.0)	199%
Client funds held on balance sheet[3]	(520.9)	(354.3)	47%
Amounts due from brokers	657.1	710.6	(7%)
Own funds in client money	64.2	60.9	5%
Liquid assets threshold requirement / Liquid asset buffer	106.7	86.1	23%
Own funds	**1,253.8**	**1,058.5**	**18%**
Working capital	(82.5)	(86.4)	(5%)
Net current assets held for sale	0.4	-	nm
Tax payable	(20.5)	(6.4)	220%
Net deferred tax (liability) / asset	(49.7)	12.1	(511%)
Net assets	**2,027.8**	**1133.3**	**79%**

[1] Excludes right-of-use assets
[2] Excludes capitalised fees
[3] Includes turbo warrants

The Group has recognised a £770.8 million increase in fixed assets during the period, primarily as a result of the acquisition of tastytrade, which completed on 28 June 2021.

The Group has assessed the impact of climate risk on the balance sheet and have concluded that there is no material impact on the financial position of the Group for the year ended 31 May 2022.

Liquidity

The Group maintains a strong liquidity position, ensuring that it has sufficient liquidity under both normal circumstances and stressed conditions to meet its working capital and other liquidity requirements, which include broker margin requirements, the regulatory and working capital needs of its subsidiaries, and the funding of adequate buffers in client money accounts.

The Group's available liquidity comprises assets that are available at short notice to meet additional liquidity requirements, which are typically increases in broker margin. The Group's liquid assets increased by £561.1 million during the period, compared to a smaller £164.1 million increase for liquidity requirements comprising broker margin, overseas cash balances, own funds in client money and assets held to satisfy the liquid assets threshold requirement.

£ million	31 May 2022	31 May 2021	Change %
Own cash	1,245.9	655.2	90%
Amounts due from brokers	657.1	710.6	(8%)
Own funds in client money	64.2	60.9	5%
Liquid assets threshold requirement / Liquid asset buffer	106.7	86.1	23%
Liquid assets	**2,073.9**	**1,512.8**	**37%**

Broker margin requirement	(629.5)	(590.9)	7%
Cash balances in non-UK subsidiaries	(342.9)	(248.0)	38%
Own funds in client money	(64.2)	(60.9)	5%
Available liquidity	**1,037.3**	**613.0**	**69%**
of which:			
Held to meet regulatory liquidity requirements	106.7	86.1	24%
Dividend due	134.8	130.4	3%

The Group's own cash balance of £1,245.9 million has increased by £590.7 million driven by a £199.2 million increase in third party debt, £166.6 million increase in client funds held on balance sheet and £53.5 million decrease in amounts at brokers. The Group measures the strength of its balance sheet using its 'own funds' balance which is a broader and more stable measure of the Group's liquidity position than cash. The Group's own funds position is explained in the next section.

Amounts due from brokers comprises cash and UK Government securities held on account by the Group's hedging counterparties, the valuation of open derivative positions and the valuation of physical cryptocurrency assets. During FY22 and driven by the ongoing high frequency and mix of client trading activity, the Group experienced record levels of broker margin, with a maximum margin requirement of £774.7 million in November 2021.

Own funds in client money represents the Group's own cash held in segregated client funds in accordance with regulatory requirements, including the UK's FCA Client Asset Sourcebook (CASS) rules. This increased by £3.3 million to £64.2 million, as a result of trading conditions on the last day of the month.

The Group holds a combination of UK Government securities and cash to meet its regulatory liquidity requirements, which have increased during the period. From 1 January 2022, the liquid asset buffer requirement that the Group had been subject to has been replaced by a new regime within the Investment Firms Prudential Regime rules. This includes a basic liquid assets requirement and a liquid assets threshold requirement, which can be met with a broader range of assets. As at 31 May 2022, this requirement was £106.7 million, 24% higher than the liquid assets buffer requirement at 31 May 2021.

The increase in liquidity requirements was primarily driven by an increase in funds in non-UK entities. The Group regularly repatriates cash from its overseas subsidiaries and for liquidity management and planning purposes, the Group conservatively excludes cash held by subsidiaries outside the UK from available liquidity. The amount of cash held in entities outside the UK was £342.9 million as at 31 May 2022 (31 May 2021: £248.0 million), £94.9 million higher than as at 31 May 2021, due to increased overseas cash requirements arising from the acquisition of tastytrade and increased client funds recognised on balance sheet in overseas entities, along with additional funds held in the US to settle tax payable following the sale of Nadex and Small Exchange.

In addition to the cash recognised on the balance sheet, as at 31 May 2022, the Group held £2,577.9 million (31 May 2021: £2,710.3 million) of client money in segregated bank accounts, which are not recognised on the Group's balance sheet. These funds are held separately from the Group's own cash balances and are excluded from the Group's liquid assets.

Own Funds

Own funds include liquid assets, less debt and client funds on its balance sheet. As at 31 May 2022, the Group had a cash balance of £1,245.9 million (31 May 2021: £655.2 million) compared with an own funds balance of £1,253.8 million (31 May 2021: £1,058.5 million).

£ million	31 May 2022	31 May 2021	Change %
Liquid assets	2,073.9	1,512.8	37%
Client funds on balance sheet	(520.9)	(354.3)	47%
Issued debt / Long-term borrowings	(299.2)	(100.0)	199%
Own funds	**1,253.8**	**1,058.5**	**18%**

Client funds on balance sheet are funds which are deposited with the Group's Swiss banking subsidiary, IG Bank SA, and client funds held by other subsidiaries which are not subject to the same legal or regulatory protections as client money held off balance sheet, including funds held by the Group under title-transfer collateral arrangements.

The Group issued £300 million of investment-grade, 7-year senior unsecured bonds as part of a comprehensive debt refinancing exercise. The majority of the proceeds were used to repay £250 million, short-dated term loans and following the refinancing exercise, total available credit facilities have risen from £375 million as at 31 May 2021, to £600 million as at 31 May 2022, with the potential to rise to £700 million if the new revolving credit facility is increased in size. The £300 million committed revolving credit facility was undrawn at 31 May 2022 (31 May 2021: undrawn).

Own Funds Flow

Own funds of the Group have increased by £195.3 million during the period, predominantly as a result of own funds generated from operations and the sale of Nadex and Small Exchange, which offset the consideration paid to acquire tastytrade and the dividends paid by the Group.

£ million	FY22	FY21
Own funds generated from operations	**536.5**	**505.8**
as % of operating profit	112%	111%
Taxes paid	(99.2)	(83.0)
Net own funds generated from operations	**437.3**	**422.8**
Net interest and fees paid	(13.2)	(4.8)
Capital expenditure and capitalised development costs	(17.5)	(16.0)
Net own funds movement from acquisitions and disposals of subsidiaries and investments in associates	(14.7)	-
Purchase of own shares held in employee benefit trusts	(6.7)	(0.2)
Pre-dividend increase in own funds	**385.2**	**401.8**
Dividends paid	(186.2)	(159.7)
Increase in own funds	**199.0**	**242.1**
Own funds at start of the period	**1,058.5**	**832.5**
Increase in own funds	199.0	242.1
Impact of movement in exchange rates	(3.7)	(16.1)
Own funds at the end of period	**1,253.8**	**1,058.5**

The Group's own funds generated from operations of £536.5 million, £30.7 million higher than in FY21. These funds were reduced by comparatively higher taxes paid driven by the sale of Nadex and Small Exchange, and the own funds used to acquire tastytrade which were partially offset by the net own funds generated from sale of Nadex and Small Exchange.

The Group recognised an increased own funds outflow to acquire shares in the employee benefit trust, as shares in the market were used to satisfy vesting awards rather than the issue of new shares.

The Group also recognised an increased dividend outflow during the year following the issue of 61 million shares to acquire tastytrade.

Regulatory Capital

The Group is supervised on a consolidated basis by the FCA in the UK, which requires it to hold sufficient regulatory capital at both Group and individual entity levels to cover risk exposures, valued according to applicable rules, and any additional regulatory financial obligations imposed.

Shareholders' funds comprise share capital, share premium, retained earnings and other reserves, and as at 31 May 2022 totalled £2,027.8 million (31 May 2021: £1,133.3 million). The Group's regulatory capital resources are an adjusted measure of shareholders' funds, and as at 31 May 2022 totalled £1,025.6 million (31 May 2021: £860.7 million), taking into account FY22 profits which are included in the regulatory capital calculation following approval from the FCA.

£ million	31 May 2022	31 May 2021
Shareholders' funds	**2,027.8**	**1,133.3**
Less foreseeable / declared dividends	(134.8)	(130.4)
Less goodwill and intangible assets	(833.7)	(140.0)

£ million	31 May 2022	31 May 2021
Less Deferred tax assets and significant investments in financial sector entities	(32.3)	-
Less adjustment for prudent valuation	(1.4)	(2.2)
Regulatory capital resources	**1,025.6**	**860.7**
Total requirement - £ million	**497.4**	**491.1**
Capital headroom - £ million	**528.2**	**369.6**

From 1 January 2022 the Group is subject to the Investment Firms Prudential Regime, which has changed the basis of calculation of the Group's regulatory capital. During the transitional period, the regulatory capital requirement remains broadly unchanged.

The Group's regulatory capital resources as at 31 May 2022 were £1,025.6 million (31 May 2021: £860.7 million) and the capital requirement as at 31 May 2022 was £497.4 million (31 May 2021: £491.1 million). This translates to a capital headroom of £528.2 million (31 May 2021: £369.6 million), demonstrating the Group's solid capital base and the minimal impact of the change in regulatory rules.

Consolidated Income Statement

for the year ended 31 May 2022

	Note	Year ended 31 May 2022 £m	Year ended 31 May 2021 (Restated)[1] £m
Continuing operations			
Trading revenue		982.0	846.9
Introducing partner commissions		(9.7)	(9.6)
Net trading revenue	*2*	**972.3**	**837.3**
Betting duty and financial transaction taxes		(2.5)	(0.9)
Interest income on client funds		3.5	2.1
Interest expense on client funds		(2.7)	(1.8)
Other operating income		8.6	7.0
Net operating income		**979.2**	**843.7**
Operating costs		(499.2)	(390.5)
Net credit losses on financial assets		(2.7)	(3.0)
Operating profit		**477.3**	**450.2**
Gain on disposal of associates		4.1	-
Loss on disposal of subsidiaries		-	(0.4)
Fair value gain on convertible loan note		9.3	-
Share of loss after tax from associates		(2.3)	-
Finance income		3.4	2.1
Finance costs		(14.8)	(5.9)
Profit before tax		**477.0**	**446.0**
Tax expense	*3*	(80.9)	(77.4)
Profit for the year from continuing operations		**396.1**	**368.6**
Profit for the year from discontinued operations	*13*	107.8	3.3
Profit for the year and attributable to owners of the parent		**503.9**	**371.9**
Earnings per ordinary share for profit from continuing operations:			
Basic	*4*	92.9p	99.8p
Diluted	*4*	92.1p	99.0p
Earnings per ordinary share for profit attributable to owners:			
Basic	*4*	118.2p	100.7p
Diluted	*4*	117.2p	99.9p

[1]The FY21 comparatives have been restated to present separately the results of discontinued operations. Refer to note 13 for further details.

Consolidated Statement of Comprehensive Income

for the year ended 31 May 2022

	Year ended 31 May 2022		Year ended 31 May 2021	
	£m	£m	£m	£m
Profit for the year attributable to owners of the parent		**503.9**		**371.9**
Other comprehensive income:				
Items that may be subsequently reclassified to the Income Statement:				
Changes in the fair value of financial assets held at fair value through other comprehensive income, net of tax	(4.0)		(1.3)	
Foreign currency translation gain/(loss) attributable to continuing operations	67.4		(17.7)	
Foreign currency translation (loss) attributable to discontinued operations	(3.0)		(3.2)	
Other comprehensive income/(loss) for the year, net of tax		60.4		(22.2)
Total comprehensive income attributable to owners of the parent		**564.3**		**349.7**
Total comprehensive income attributable to owners of the parent arising from:				
Continuing operations		459.5		349.6
Discontinued operations		104.8		0.1
		564.3		**349.7**

Consolidated Statement of Financial Position

at 31 May 2022

	Note	31 May 2022 £m	31 May 2021 £m
Assets			
Non-current assets			
Goodwill	6	604.7	107.3
Intangible assets	7	292.1	32.7
Property, plant and equipment		36.6	38.6
Financial investments	8	134.8	127.6
Financial assets pledged as collateral	8	25.3	61.1
Investment in associates		14.8	-
Deferred income tax assets	3	17.5	12.9
		1,125.8	**380.2**
Current assets			
Cash and cash equivalents		1,246.4	655.2
Trade receivables	9	469.5	490.9
Other assets		14.2	30.3
Prepayments		23.2	12.6
Financial investments	8	200.9	127.4
Financial assets pledged as collateral	8	35.1	26.0
Other receivables		9.8	5.5
		1,999.1	**1,347.9**
Assets classified as held for sale		1.2	-
TOTAL ASSETS		**3,126.1**	**1,728.1**
Liabilities			
Non-current liabilities			
Borrowings	11	-	98.8
Debt securities in issue	11	297.2	-
Lease liabilities		13.0	16.4
Deferred income tax liabilities	3	67.2	0.8
		377.4	**116.0**
Current liabilities			
Trade payables	10	571.2	357.5
Other payables		119.5	108.2
Lease liabilities		8.9	6.7
Income tax payable		20.5	6.4
		720.1	**478.8**
Liabilities directly associated with assets classified as held for sale		0.8	-
TOTAL LIABILITIES		**1,098.3**	**594.8**
Equity			
Share capital and share premium		125.8	125.8
Translation reserve		117.6	53.2
Merger reserve		590.0	81.0
Other reserves		8.4	12.8
Retained earnings		1,186.0	860.5
TOTAL EQUITY		**2,027.8**	**1,133.3**
TOTAL EQUITY AND LIABILITIES		**3,126.1**	**1,728.1**

The preliminary announcement was approved by the Board of Directors on 20 July 2022 and signed on its behalf by:

Charles Rozes
Chief Financial Officer
Registered Company number: 04677092

Consolidated Statement of Changes in Equity

for the year ended 31 May 2022

	Share capital	Share premium	Translation reserve	Merger reserve	Other reserves	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m
At 1 June 2020	-	125.8	74.1	81.0	13.3	641.7	935.9
Profit for the year and attributable to owners of the parent	-	-	-	-	-	371.9	371.9
Other comprehensive loss for the year	-	-	(20.9)	-	(1.3)	-	(22.2)
Total comprehensive (loss)/income for the year	-	-	(20.9)	-	(1.3)	371.9	349.7
Tax recognised directly in equity on share-based payments	-	-	-	-	-	0.2	0.2
Equity dividends paid	-	-	-	-	-	(159.7)	(159.7)
Employee Benefit Trust purchase of own shares	-	-	-	-	(0.2)	-	(0.2)
Transfer of vested awards from the share-based payment reserve	-	-	-	-	(6.4)	6.4	-
Equity-settled employee share-based payments	-	-	-	-	7.4	-	7.4
At 31 May 2021	**-**	**125.8**	**53.2**	**81.0**	**12.8**	**860.5**	**1,133.3**
At 1 June 2021	-	125.8	53.2	81.0	12.8	860.5	1,133.3
Profit for the year and attributable to owners of the parent	-	-	-	-	-	503.9	503.9
Other comprehensive income/(loss) for the year	-	-	64.4	-	(4.0)	-	60.4
Total comprehensive income/(loss) for the year	-	-	64.4	-	(4.0)	503.9	564.3
Tax recognised directly in equity on share-based payments	-	-	-	-	-	0.5	0.5
Equity dividends paid	-	-	-	-	-	(186.2)	(186.2)
Employee Benefit Trust purchase of own shares	-	-	-	-	(6.7)	-	(6.7)
Transfer of vested awards from the share-based payment reserve	-	-	-	-	(7.3)	7.3	-
Equity-settled employee share-based payments	-	-	-	-	13.6	-	13.6
Issue of ordinary share capital for the acquisition of tastytrade	-	-	-	509.0	-	-	509.0
At 31 May 2022	**-**	**125.8**	**117.6**	**590.0**	**8.4**	**1,186.0**	**2,027.8**

Consolidated Statement of Cash Flows

for the year ended 31 May 2022

	Note	Year ended 31 May 2022 £m	Year ended 31 May 2021 £m
Operating activities			
Cash generated from operations[1]		811.4	573.5
Income taxes paid		(99.2)	(83.0)
Net cash flows generated from operating activities		712.2	490.5
Investing activities			
Interest received		3.2	1.5
Net cash flow to investment in associates		(1.9)	-
Purchase of property, plant and equipment		(8.5)	(9.1)
Payments to acquire and develop intangible assets		(9.0)	(6.9)
Net proceeds from disposal of subsidiaries	13	143.3	-
Net proceeds from disposal of investments in associates		24.5	-
Net cash flow from financial investments		(57.1)	(118.2)
Net cash flow to acquire subsidiaries	12	(193.5)	-
Net cash flows used in investing activities		(99.0)	(132.7)
Financing activities			
Interest paid		(11.0)	(5.0)
Financing fees paid		(5.4)	(1.3)
Interest paid on lease liabilities		(0.6)	(0.6)
Repayment of principal element of lease liabilities		(7.5)	(5.2)
Drawdown on term loan	11	150.0	-
Repayment of term loans	11	(250.0)	-
Net proceeds from issue of debt securities	11	299.2	-
Equity dividends paid to owners of the parent		(186.2)	(159.7)
Employee Benefit Trust purchase of own shares		(6.7)	(0.2)
Net cash flows used in financing activities		(18.2)	(172.0)
Net increase in cash and cash equivalents		595.0	185.8
Cash and cash equivalents at the beginning of the year		655.2	486.2
Impact of movement in foreign exchange rates		(3.8)	(16.8)
Cash and cash equivalents at the end of the year		1,246.4	655.2

[1] Cash generated from operations include cash generated from both continuing and discontinued operations. Refer to note 13 for cash flows of discontinued operations.

Notes

for the year ended 31 May 2022

1. Basis of preparation

The financial information in this announcement is derived from IG Group Holdings plc's Group Financial Statements but does not, within the meaning of Section 435 of the Companies Act 2006, constitute statutory accounts for the years ended 31 May 2022 or 31 May 2021.

Although the financial information has been prepared in accordance with the recognition and measurement criteria of UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 (UK IAS), this preliminary statement does not itself contain sufficient information to comply with UK IAS and the applicable legal requirements of the Companies Act 2006. The Group will publish its Annual Report and Financial Statements for the year ended 31 May 2022 in August 2022 and statutory accounts for the year ended 31 May 2022 will be delivered to the Registrar of Companies following the Company's Annual General Meeting on 21 September 2022.

The Group's auditors, PricewaterhouseCoopers LLP, have reported on those Financial Statements and the report was unqualified, did not emphasise any matters nor contained any statements under Section 498(2) or (3) of the Companies Act 2006.

Copies of full Financial Statements will be available via the Group's corporate website at www.iggroup.com in August 2022. Copies will also be available for posting to all shareholders upon request from the Group's Headquarters, Cannon Bridge House, 25 Dowgate Hill, London, EC4R 2YA.

The Financial Statements are prepared on a going concern basis and the accounting policies are consistent with the Group's 2021 Annual Report, with the exception of changes in policy on presentation as outlined below, and the following accounting policies adopted due to new transactions in the year:

- investment in associates and joint ventures;
- debt securities in issue;
- non-current assets (or disposal groups) and discontinued operations; and
- money market funds.

Business acquisitions

The Group acquired tastytrade, Inc. (tastytrade) and its subsidiaries on 28 June 2021. The results of tastytrade have been consolidated within the Group since the date of acquisition. Where necessary, comparative information is presented in US dollar alongside sterling. Further details are disclosed in note 12.

As part of the acquisition of tastytrade, the Group acquired an investment in Small Exchange, Inc. (Small Exchange). In addition, at acquisition date, the Group recognised a convertible loan note with Zero Hash Holdings Limited (Zero Hash) at a fair value of $12.0 million. This was subsequently remeasured to $24.2 million prior to conversion to an equity shareholding in September 2021 and recognised as an investment in associate on the Statement of Financial Position.

Disposals

On 1 March 2022, the Group completed the disposal of its North American Derivatives Exchange, Inc operations (Nadex) and its investment in Small Exchange.

The profits of Nadex have been separated from the profits of the Group's continuing operations for the year and shown as discontinued operations, with the comparative period restated accordingly. The Nadex operations were not classified as a disposal group as at 31 May 2021 and the Consolidated Statement of Financial Position has not been restated from that published in the FY21 Group Annual Report. Further details relating to the sale are disclosed in note 13.

Small Exchange does not meet the criteria for discontinued operations. The Group's share of losses prior to disposal and the Groups gain from the disposal are recognised within continuing operations.

Significant accounting policies

The accounting policies are consistent with the Group's 2021 Annual Report, with the exception of changes in policy on presentation as outlined below, and the following accounting policies adopted due to new transactions in the year:

Reclassification of comparatives

To ensure consistency with the current period, comparative figures have been reclassified where the presentation of Financial Statements has been changed. The adjustments are:

(i) 'Goodwill' of £604.7 million (31 May 2021: £107.3 million) has been separated out from 'intangible assets' and presented as a separate line item in the Consolidated Statement of Financial Position.

(ii) 'Merger reserve' of £590.0 million (31 May 2021: £81.0 million) has been separated out from 'other reserves' and presented as a separate line item in the Consolidated Statement of Financial Position.

New accounting policies

Investment in associates and joint ventures

Associates are entities for which the Group has significant influence, but not control or joint control. Investments in associates are accounted for under the equity method of accounting after initially being recognised at cost. The investment is adjusted for the Group's share of the profit or loss after tax and other comprehensive income net of tax of the associate which is recognised from the date that significant influence begins, up until the date that significant influence ceases. Joint ventures are entities for which the Group has joint control. Investments in joint ventures are accounted for under the equity method of accounting after initially being recognised at cost. The investment is adjusted for the Group's share of the profit or loss and other comprehensive income of the joint venture which is recognised from the date that joint control begins, up until the date that joint control ceases.

Investment in associates and joint ventures (continued)
Investments in associates and joint ventures are assessed for impairment indicators at the end of each reporting date. If such indicators exist, the recoverable amount is estimated to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying value of the investment is reduced to its recoverable amount. Impairment losses are immediately expensed in the Income Statement.

Debt securities in issue
Debt securities in issue are recognised initially at fair value. Subsequently, debt securities are measured at amortised cost, with any difference between net proceeds and the redemption value being recognised in the Income Statement over the lifetime of the security using the effective interest rate method. Transaction fees are recognised on the Statement of Financial Position and amortised over the expected life of the security.

Non-current assets (or disposal groups) held for sale and discontinued operations
Non-current assets (or disposal groups) are classified as held for sale if the carrying amount is expected to be recovered through a sale transaction rather than through continuing use and provided that the sale is highly probable. The assets are measured at the lower of their carrying amount and fair value less costs to sell, except for financial assets which are measured at fair value. Where the fair value less costs to sell is lower than the carrying amount, an impairment is recognised. Any subsequent increases in fair value less costs to sell which are not in excess of previously recognised impairment losses are recognised in the Income Statement.

Non-current assets are not depreciated or amortised while they are classified as held for sale and the assets held for sale are separately presented from other assets on the Statement of Financial Position. Liabilities associated with assets held for sale are presented separately from other liabilities on the Statement of Financial Position. A discontinued operation is a component that has been disposed or classified as held for sale and represents a separate major line of business or geographical area of operations. The results of discontinued operations are presented separately in the Income Statement with comparatives restated.

Money market funds
Money market funds are mutual funds that invest in a diversified range of money market instruments, such as government owned instruments and short-term debt from highly credit rated counterparties. Money market funds are presented within 'cash and cash equivalents' as they are short-term highly liquid investments that are readily convertible into known amounts of cash, they are subject to an insignificant risk of changes in value, and they can be withdrawn without penalty. As at 31 May 2022, the Group's cash and cash equivalents balance included £437.5 million (31 May 2021: £nil) of money market funds.

2. Segmental analysis

The Executive Directors are the Group's Chief Operating Decision Maker (CODM). Management has determined the reportable segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The Group manages market risk and a number of other activities on a Group-wide portfolio basis and accordingly a large proportion of costs are incurred centrally. These central costs are not allocated to individual segments for decision-making purposes for the CODM, and, accordingly, these costs have not been allocated to segments. Additionally, the Group's assets and liabilities are not allocated to individual segments and not reported as such for decision making purposes to the CODM. Therefore, the segmental analysis shown below does not include a measure of profitability, nor a complete segmented balance sheet, as this would not reflect the information which is received by the CODM on a regular basis.

Net trading revenue by reportable segment
Net trading revenue represents trading revenue that the Group generates from client trading activity after deducting introducing partner commissions. The CODM uses net trading revenue as the primary measure of performance of the various segments of the Group. The CODM considers business performance from a product perspective, split into OTC derivatives, exchange traded derivatives and stock trading and investments. The segmental analysis shown below by product aggregates the different geographical locations given the products are economically similar in nature. Revenue from OTC derivatives is derived from the UK, EU, EMEA – non-EU, Australia, Singapore, Japan, Emerging Markets and the US. Exchange traded derivatives revenue derives from tastytrade and the Spectrum business located in the US and the EU, whereas stock trading and investments revenue derives from the UK and Australia. The segmental analysis does not include a measure of profitability, nor a segmented Statement of Financial Position, as this would not reflect the information which is received by the CODM.

The segmental breakdown of net trading revenue is as follows:

	Year ended 31 May 2022	Year ended 31 May 2021 (Restated)[1]
Net trading revenue by product:	£m	£m
OTC derivatives	817.3	790.3
Exchange traded derivatives	121.2	8.3
Stock trading and investments	33.8	38.7
Net trading revenue from continuing operations	**972.3**	**837.3**
Net trading revenue from discontinued operations	9.4	16.1

[1] *The FY21 comparatives have been restated to present separately the results of discontinued operations. Refer to note 13 for further details*

2. **Segmental analysis (continued)**

The CODM also considers business performance based on geographical location. This geographical split reflects the location of the office that manages the underlying client relationship. Net trading revenue represents an allocation of the total net trading revenue that the Group generates from client trading activity.

	Year ended 31 May 2022	Year ended 31 May 2021 (Restated)[1]
Net trading revenue by geography:	£m	£m
UK	365.3	346.8
US	128.6	15.1
EU	112.9	108.0
Japan	98.5	68.7
Australia	96.2	128.0
Singapore	74.1	75.3
EMEA – Non-EU	53.5	60.6
Emerging markets	43.2	34.8
Total net trading revenue	972.3	837.3

[1] *The FY21 comparatives have been restated to present separately the results of discontinued operations. Refer to note 13 for further details*

The Group does not derive more than 10% of revenue from any one single client. The UK geographic segment, and the OTC derivatives segment, includes a £5.8 million foreign exchange gain (31 May 2021: £7.9 million loss) arising from financing of the tastytrade acquisition, as set out in note 12.

The segmental breakdown of non-current assets excluding 'financial investments', 'financial assets pledged as collateral' and 'deferred income tax assets', based on geographical location is as follows:

	Year ended 31 May 2022	Year ended 31 May 2021
	£m	£m
UK	133.8	129.1
US	795.1	30.0
EU	5.5	6.6
EMEA – Non-EU	7.3	5.5
Australia	0.8	1.3
Japan	0.8	4.9
Emerging markets	3.4	1.2
Total non-current assets	946.7	178.6

3. **Taxation**

Tax on profit on ordinary activities

	Year ended 31 May 2022	Year ended 31 May 2021 (Restated)[1]
Tax charged in the Income Statement:	£m	£m
Current income tax:		
UK corporation tax	79.1	80.9
Non-UK corporation tax	39.3	6.4
Adjustment in respect of prior years	(6.1)	(6.0)
Total current income tax	112.3	81.3
Deferred income tax:		
Origination and reversal of temporary differences	(1.6)	(2.0)
Adjustment in respect of prior years	(1.0)	(0.4)
Impact of change in tax rates on deferred tax balances	0.3	(0.5)
Total deferred income tax	(2.3)	(2.9)
Tax expense in the Income Statement attributable to continuing operations	80.9	77.4
Tax expense attributable to discontinued operations	29.1	1.0
Tax not charged to Income Statement:		
Tax recognised in other comprehensive income	0.5	-
Tax recognised directly in equity	(0.5)	(0.2)

[1] *The FY21 comparatives have been restated to present separately the results of discontinued operations. Refer to note 13 for further details*

3. Taxation (continued)

Reconciliation of the total tax charge
The standard rate of corporation tax in the UK for the year ended 31 May 2022 is 19.0% (31 May 2021: 19.0%). Taxation outside the UK is calculated at the rates prevailing in the relevant jurisdictions. The tax expense in the Income Statement for the year can be reconciled as set out below:

	Year ended 31 May 2022 £m	Year ended 31 May 2021 £m
Profit before taxation		
From continuing operations	477.0	446.0
From discontinued operations	136.9	4.3
Total profit before tax	613.9	450.3
Profit multiplied by the UK standard rate of corporation tax of 19.0% (year ended 31 May 2021: 19.0%)	116.7	85.6
Higher taxes on overseas earnings	7.9	1.4
Adjustment in respect of prior years	(8.2)	(6.4)
Expenses not deductible for tax purposes	0.8	4.6
Patent Box deduction	(7.0)	(4.7)
Impact of change in tax rates on deferred tax balances	0.3	(0.5)
Recognition and utilisation of losses previously not recognised	(1.2)	(2.7)
Current year losses not recognised as deferred tax assets	0.7	1.1
Total tax expense attributable to:	110.0	78.4
Continuing operations	80.9	77.4
Discontinued operations	29.1	1.0

The effective tax rate for the year is 17.9% (year ended 31 May 2021: 17.4%).

The Finance Act 2021 passed into legislation in May 2021 has increased the main rate of UK corporation tax from 19% to 25% effective from 1 April 2023. The impact of these changes on deferred tax has been assessed and deferred tax assets and liabilities have been measured at the tax rates that are expected to apply when the related asset is realised, or liability settled.

Deferred income tax assets

	31 May 2022 £m	31 May 2021 £m
Tax losses available for offset against future profits	3.7	4.0
Temporary differences arising on share-based payments	3.7	3.1
Temporary differences arising on fixed assets	2.1	2.0
Other temporary differences	8.0	3.8
	17.5	12.9

Deferred income tax liabilities

	31 May 2022 £m	31 May 2021 £m
Temporary differences arising on business combinations	(62.9)	-
Temporary differences arising on fixed assets	(0.2)	(0.3)
Other temporary differences	(4.1)	(0.5)
	(67.2)	(0.8)

4. Earnings per ordinary share

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the year, excluding shares held as own shares in the Group's Employee Benefit Trusts. Diluted earnings per share is calculated using the same profit figure as that used in basic earnings per share and by adjusting the weighted average number of ordinary shares assuming the vesting of all outstanding share scheme awards and that vesting is satisfied by the issue of new ordinary shares.

	Year ended 31 May 2022 £m	Year ended 31 May 2021 £m
Earnings attributable to owners of the parent	503.9	371.9
Weighted average number of shares:		
Basic	426,289,898	369,181,516
Dilutive effect of share-based payments	3,614,236	3,222,900
Diluted	429,904,134	372,404,416

4. Earnings per ordinary share (continued)

	Year ended 31 May 2022	Year ended 31 May 2021 (Restated)
Basic earnings per ordinary share	118.2p	110.7p
- Attributable to continuing operations	92.9p	99.8p
- Attributable to discontinued operations	25.3p	0.9p
Diluted earnings per ordinary share	117.2p	99.9p
- Attributable to continuing operations	92.1p	99.0p
- Attributable to discontinued operations	25.1p	0.9p

5. Dividends paid and proposed

	Year ended 31 May 2022 £m	Year ended 31 May 2021 £m
Final dividend for 31 May 2021 at 30.24 pence per share (FY20: 30.24p)	130.3	111.8
Interim dividend for 31 May 2022 at 12.96 pence per share (FY21: 12.96p)	55.9	47.9
	186.2	159.7

The final dividend for the year ended 31 May 2022 of 31.24 pence per share was proposed by the Board on 20 July 2022 and has not been included as a liability at 31 May 2022. This dividend will be paid on 20 October 2022, following approval at the Company's AGM, to those members on the register at the close of business on 23 September 2022.

6. Goodwill

The movement in the goodwill balance for the year is as follows:

	31 May 2022 £m	31 May 2021 £m
At the beginning of the year	107.3	108.1
Additions – business acquisition	462.4	-
Disposals	(13.4)	-
Impact of foreign exchange movement	48.4	(0.8)
At the end of the year	604.7	107.3

Goodwill has been allocated for impairment testing purposes to cash generating units (CGUs) as follows:

	31 May 2022 £m	31 May 2021 £m
US (tastytrade)	502.8	-
UK	100.9	100.9
US (Nadex)	-	5.3
South Africa	0.9	1.0
Australia	0.1	0.1
	604.7	107.3

Goodwill arose *as follow*s:

- US (tastytrade) - from the acquisition of tastytrade on 28 June 2021. As part of the transaction, the Group acquired an investment in Small Exchange, which was considered an operation within the US (tastytrade) CGU. The Group sold its interest in Small Exchange during the year and a portion of the US (tastytrade) goodwill was allocated to it and disposed of.
- UK – from the reorganisation of the UK business on 5 September 2003
- US (Nadex) - Goodwill from the acquisition of Nadex previously recognised was disposed of during the year. Refer to note 13 for further details.
- South Africa – from the acquisition of Ideal CFDs on 1 September 2010.
- Australia – from the acquisition of the non-controlling interest in IG Australia Pty Limited in the year ended 31 May 2006.

Impairment testing

The Group's goodwill balance has been subject to a full impairment assessment and there has not been any impairment recognised for the year ended 31 May 2022 (31 May 2021: £nil). For the purposes of the Group's impairment testing of goodwill, the carrying amount of each CGU is compared to the estimated recoverable amount of the relevant CGU and any deficits are considered impairments requiring recognition in the year.

The carrying amount of a CGU includes only those assets that can be attributed directly to it, or allocated on a reasonable and consistent basis.

The US (tastytrade) CGU carrying value includes the investment in associate held in relation to Zero Hash Holdings Limited. There are no cashflows included within the future cash flow projections relating to this investment. As Zero Hash forms part of the US (tastytrade) CGU, the Group disposed of £2.2 million goodwill following partial sale of its holding in Zero Hash.

6. Goodwill (continued)

The estimated recoverable amount for each CGU is based upon the value in use ('VIU') of each CGU. For all CGUs, the estimate of the recoverable amount was higher than the carrying value.

Key assumptions used in the calculation of the recoverable amount of the CGUs
The key assumptions for the VIU calculations are those regarding regional long-term growth rates, future cash flow projections, and discount rates.

Regional long term-growth:
Regional long-term growth is used to extrapolate the cash flows to perpetuity for each CGU. After a management forecast period of four years, a terminal growth rate of 2.0% (31 May 2021: 2.0%) has been applied to the cash flows to derive a terminal value.

Future cash flow projections:
The future cash flow projections are based on the most recent financial forecasts considered for each CGU which cover a four-year period. These cash flow projections comprise of revenue, structural costs base and capital expenditure. Projected revenue is based on assumptions relating to client acquisition and trading activity, and assumptions on interest earned on client funds. The projected costs are based on assumptions relating to revenue related costs, including trading and client transaction fees, and structural costs. The projected profitability takes into account historical performance and the Group's knowledge of the current market, together with the Group's views on the future achievable growth.

Discount rates:
The discount rates used to calculate the recoverable amount of each CGU are based on a post-tax weighted average cost of capital (WACC) which is specific to each geographical region. The discount rate depends on a number of inputs reflecting the current market assessment of the time value of money, determined by external market information, and inputs relating to the risks associated with the cash flow of each individual CGU which are subject to management's judgement.

The post-tax WACC is grossed up to a pre-tax discount rate. The pre-tax discount rate applied to calculate the recoverable amount of each CGU is as follows:

	31 May 2022	31 May 2021
US (tastytrade)	17.5%	-
UK	12.0%	10.0%
US (Nadex)	-	12.0%
Australia	13.0%	12.0%
South Africa	18.0%	15.0%

Sensitivity to changes in key assumptions
The VIU calculations have been subject to a sensitivity analysis reflecting reasonable changes in individual key assumptions. The most significant goodwill balance recognised by the Group relates to the US (tastytrade) CGU. The table below shows the reduction in the recoverable amount and where relevant the associated potential impairment arising from reasonable changes in key assumptions used in the US (tastytrade) impairment testing:

		US (tastytrade)	
Assumption	Sensitivity applied	Reduction in recoverable amount	Impairment £m
Long-term growth rate	0.5% decrease	27.7	Nil
EBITDA	20% decrease	185.4	70.4
Discount rates	1% increase (post-tax)	72.6	Nil

The assumptions that would result in the recoverable amount equalling the carrying value of the US (tastytrade) CGU are:

Long-term growth rate	(0.5%)
EBITDA margin	13% underperformance
Discount rates	19.8%

For all other goodwill balances, there is sufficient headroom in the recoverable amount of the CGU based on the assumptions made, and there is not considered to be any reasonably likely scenario under which material impairment could be expected to occur based on the testing performed.

7. Intangible assets

	Customer relationships	Trade Names	Non-compete agreements	Internally developed software	Domain names	Software and licences	Total
	£m	£m	£m	£m	£m	£m	£m
Net book value – 31 May 2021	**-**	**-**	**-**	**12.0**	**16.2**	**4.5**	**32.7**
Net book value – 31 May 2022	**161.9**	**58.7**	**25.8**	**26.7**	**14.7**	**4.3**	**292.1**

8. Financial investments and financial assets pledged as collateral

	31 May 2022	31 May 2021
	£m	£m
UK Government securities	351.1	342.1
Term deposits	45.0	-
	396.1	342.1
Split as:		-
Non-current portion	160.1	188.7
Current portion	236.0	153.4
	396.1	342.1

Of the UK Government securities, £289.9 million (31 May 2021: £256.0 million) is held at brokers to satisfy margin requirements. The remaining balance is held to meet regulatory liquidity requirements.

9. Trade receivables

	31 May 2022	31 May 2021
	£m	£m
Amounts due from brokers	381.0	424.3
Own funds in client money	85.5	63.3
Amounts due from clients	3.0	3.3
	469.5	490.9

Amounts due from brokers represent balances with brokers and execution partners where the combination of cash held on account and the valuation of financial derivative open positions, or unsettled trade receivables, results in an amount due to the Group.

Own funds in client money represent the Group’s own cash held in segregated client funds, in accordance with the UK’s Financial Conduct Authority (FCA) ‘CASS’ rules and similar rules of other regulators in whose jurisdiction the Group operates and includes £7.6 million (31 May 2021: £9.2 million) to be transferred to the Group on the following business day.

Amounts due from clients arise when a client’s total funds held with the Group are insufficient to cover any trading losses incurred by the client or when a client utilises a trading credit limit. Amounts due from clients are stated net of an allowance for impairment.

10. Trade payables

	31 May 2022	31 May 2021
	£m	£m
Client funds:		
UK and Ireland	359.0	222.0
US	34.1	21.6
EU	71.6	46.6
EMEA Non-EU	48.8	58.7
Singapore	1.5	2.6
Japan	4.4	1.7
	519.4	353.2
Issued turbo warrants	1.5	1.1
Amounts due to brokers	28.0	-
Amounts due to clients	22.3	3.2
	571.2	357.5

Client funds reflects the Group’s liability for client monies which are recognised on balance sheet in cash and cash equivalents.

Amounts due to brokers represents balances where the value of unsettled positions, or the value of open derivatives positions held in accounts which are not covered by an enforceable netting agreement, results in an amount payable by the Group.
Amounts due to clients represent balances that will be transferred from cash and cash equivalents into segregated client funds on the following business day in accordance with the UK’s Financial Conduct Authority ‘CASS’ rules and similar rules of other regulators in whose jurisdiction the Group operates.

11. Debt securities in issue and borrowings

In June 2021, the Group drew down on a £150.0 million term loan to finance the tastytrade acquisition, taking the total committed term loan facilities to £250.0 million.

The Group subsequently performed a debt refinancing exercise and implementation of a long-term funding structure, which was completed in November 2021. The refinancing involved the following:

- issue of £299.2 million 3.125% senior unsecured bonds due in 2028;
- a new £300.0 million committed revolving credit facility, with an initial maturity of three years; and
- repayment and cancellation of the Group's existing £125.0 million revolving credit facilities and £250.0 million term loan facilities.

The Group has the option to request an increase in the revolving credit facility size to £400.0 million and to request two maturity extensions of one year each, all subject to bank approval. Following this refinancing exercise, total available credit facilities have risen from £375.0 million as at 31 May 2021 to £600.0 million as at 31 May 2022, with the potential to increase to £700.0 million if the new revolving credit facility is increased in size.

The issued debt has been recognised at fair value less transaction fees. As at 31 May 2022, £2.0 million unamortised arrangement fees are recognised on the Statement of Financial Position, with £1.0 million unamortised fees relating to the repaid term loans expensed to the Income Statement in the year. Unamortised arrangements fees of £1.6 million in relation to the new revolving credit facility have been recognised on the Statement of Financial Position.

Under the terms of the new revolving credit facility agreement, the Group is required to comply with financial covenants covering maximum levels of leverage and debt to equity. The Group has complied with all covenants throughout the reporting period.

12. Business acquisition

On 28 June 2021, the Group completed the acquisition of tastytrade, Inc. (tastytrade), a company incorporated in the US and headquartered in Chicago. tastytrade is an online brokerage and trading education platform operating within the US listed options and futures market.
The acquisition of tastytrade has strategic benefits for the Group and provides immediate scale in the US listed options and futures market. It transforms the scale and breadth of the Group's existing US presence through IG US LLC and DailyFX and its relevance to US retail clients. The acquisition also extends the Group's global product capabilities into exchange traded options and futures, diversifying IG's regulatory risk profile beyond its historical focus on OTC derivatives, and increases the contribution from capital efficient agency-only activities.
A fair value exercise has been prepared in accordance with IFRS 3 Business Combinations. The results of this exercise are set out below, along with the fair value of the purchase consideration.

Purchase consideration

Under the terms of the purchase agreement, IG Group Holdings plc (directly and through certain wholly owned subsidiaries) acquired the entire voting share capital of tastytrade and in exchange, $296.9 million cash consideration was paid, and IG Group Holdings plc issued 61,000,000 ordinary shares. The shares were issued on 28 June 2021 and upon issue the total value of the shares was £509.4 million, based upon the closing share price on 28 June 2021 of £8.35. The issue of shares is determined to qualify for merger relief under Section 612 of the Companies Act 2006, and the amount in excess of the nominal value of ordinary shares has been recognised in the merger reserve, along with issue costs of £0.4 million which were directly attributable to the issue of the shares. The Group part-financed the transaction by drawing down on a £150.0 million term loan which was arranged during the year ended 31 May 2021.

The fair value of the purchase consideration is as follows:

	$m	£m
Cash consideration	296.9	213.8
Issued ordinary shares	707.2	509.4
Total consideration	1,004.1	723.2

12. **Business acquisition (continued)**

Identified assets and liabilities:

The Group has a 12 month measurement period from date of acquisition to estimate the fair value of acquired assets and liabilities. The fair value exercise is complete as at the reporting date. The fair values recognised at acquisition is set out below:

	$m	£m
Cash and cash equivalents	31.2	22.6
Trade receivables	21.6	15.6
Prepayments and other receivables	4.6	3.3
Convertible loan notes	4.0	2.9
Total current assets	61.4	44.4
Investments in associates	12.5	9.0
Property, plant and equipment	4.0	2.9
Internally developed software	19.8	14.3
Trade name	78.7	56.9
Customer relationships	226.1	163.5
Non-compete agreements	39.8	28.8
Convertible loan notes	8.0	5.8
Deferred tax asset	10.3	7.4
Total non-current assets	399.2	288.6
Accruals and other payables	(7.8)	(5.6)
Total current liabilities	(7.8)	(5.6)
Deferred tax liability	(91.4)	(66.1)
Lease liabilities	(0.7)	(0.5)
Total non-current liabilities	(92.1)	(66.6)
Total identifiable net assets acquired	**360.7**	**260.8**

The gross contractual amount of trade receivables is £15.6 million ($21.6 million), and it is expected that the full contractual amounts, less the amounts already provided for, is recoverable.

The fair value of assets and liabilities acquired was determined based on the assumptions that reasonable market participants would use in the principal or most advantageous market. The assumptions used included a discount rate of 17.3% and unobservable inputs within the valuation methodologies, which are outlined in the section below alongside sensitivity analysis for certain key inputs.

Customer relationships: **Income approach (excess earnings method)**
This approach estimates the projected cashflows of the asset, adjusted for capital charges from other contributory assets. In addition to the assumptions applied in the cash flow forecasts, key inputs include the customer attrition rate, the discount rate and the long-term growth rate.

- A 5-percentage point increase in the attrition rate would reduce the fair value of the asset by £34.9 million
- A 2-percentage point increase in the discount rate would reduce the fair value of the asset by £12.2 million
- A 0.5 percentage point decrease in the long-term growth rate would reduce the fair value of the asset by £4.2 million

The value of customer relationships has increased from £156.3 million ($216.2 million) to £163.5 million ($226.1 million) since the provisional values reported at 30 November 2021 as a result of a change in assumptions related to attrition rates.

Trade names: **Income approach (relief from royalty method)**
This approach estimates the future cost savings that arise as a result of not having to pay a royalty or licence fee on the future revenues earned through using the asset. In addition to the assumptions applied in the revenue forecasts, key inputs include the royalty rate and the discount rate.

- A 0.5 percentage point decrease in the royalty rate would reduce the fair value of the asset by £5.7 million
- A 2-percentage point increase in the discount rate would reduce the fair value of the asset by £5.4 million
- A 5-year reduction in the useful life of the asset would reduce the fair value by £10.3 million

Non-compete agreement: **Income approach (with or without method)**
This approach estimates the fair value of the cash flows both with the non-compete agreement and without the non-compete agreement. The non-compete arrangements in place apply for a period of five years for the founders. The key inputs are the assumptions relating to likelihood and value of lost revenue over the five-year period. There are no inputs where a reasonable change in the assumptions results in a significant change in the fair value.

Internally developed software: **Cost approach**
This approach applies the concept of replacement cost as an indicator of fair value, where an investor would pay no more for an asset than the amount the asset could be replaced for. In addition to the estimate of cost, the key inputs are the estimated mark-up generated by a developer and obsolescence factors. There are no inputs where a reasonable change in the assumptions results in a significant change in the fair value.

12. Business acquisition (continued)

Goodwill arising from the acquisition has been recognised as follows:

	$m	£m
Purchase consideration	1,004.1	723.2
Less: fair value of identified net assets	(360.7)	(260.8)
Goodwill	643.4	462.4

Goodwill is attributable to the workforce, future technology, and future growth of tastytrade. Goodwill is not deductible for tax purposes.

From the date of acquisition, tastytrade contributed £110.1 million of net trading revenue in the year ended 31 May 2022 and operating profit of £17.8 million, which includes the amortisation of acquisition related intangible assets. If the acquisition had occurred on 1 June 2021, the contribution to trading revenue is estimated to be £118.7 million and operating profit of £19.3 million. Operating profit includes the additional amortisation that would have been charged assuming that the fair value of intangible assets had been applied from 1 June 2021.

Purchase consideration outflow

	$m	£m
Cash consideration	296.9	213.8
Less: cash balances acquired	(31.2)	(22.6)
Net outflow of cash	265.7	191.2

The Group incurred acquisition costs not directly attributable to the issue of shares of £20.7 million for legal, insurance, bank and broker services. Of this, £1.1 million was recognised in the year ended 31 May 2022 and the remaining £19.6 million was recognised in the year ended 31 May 2021. These costs have been recognised as part of operating costs and operating cashflows.

Included within the cash consideration above is a working capital adjustment of £2.3 million ($3.1 million), due back to the Group.

13. Discontinued operations

On 1 March 2022, the Group completed the sale of its operations in Nadex to Foris DAX Markets, Inc for cash consideration of $213.7 million. The share of losses in the year from Small Exchange are recognised in continuing operations. The financial performance and cash flow information of Nadex for the nine-month period up until the date of disposal are reported in discontinued operations as set out below.

Financial performance and cash flow information

	Year Ended 31 May 2022 £m	Year Ended 31 May 2021 £m
Net trading revenue	9.4	16.1
Other operating income	0.6	0.8
Operating income	10.0	**16.9**
Operating costs	(9.9)	(12.5)
Net credit losses	(0.1)	(0.1)
Operating profit	**-**	**4.3**
Profit before tax	**-**	**4.3**
Tax expense	-	**(1.0)**
Profit after tax	**-**	**3.3**
Gain on sale of subsidiary after tax expense	107.8	-
Profit from discontinued operations	**107.8**	**3.3**

	Year Ended 31 May 2022 £m	Year Ended 31 May 2021 £m
Net cash inflow from ordinary activities	1.0	7.2
Net cash inflow/(outflow) from investing activities	121.6[1]	(1.4)
Net cash (outflow) from financing activities	(0.1)	(4.5)
Impact of movement in foreign exchange rates	1.0	(2.3)
Net cash increase/(decrease) generated by the subsidiary	**123.5**	**(1.0)**

[1]includes sales proceeds net of cash retained of £143.3 million

13. Discontinued operations (continued)

Details of disposal of operations in Nadex

	£m
Consideration received	162.7
Carrying amount of net assets sold	(24.7)
Costs associated with disposal	(4.1)
Gain on sale before income tax and reclassification of foreign currency translation reserve	-
Reclassification of foreign currency translation reserve	3.0
Tax expense on gain on sale	(29.1)
Gain on sale after income tax	107.8

The carrying amounts of assets and liabilities as at the date of disposal were:

	£m
Property, plant and equipment	1.5
Intangible assets (including goodwill)	6.2
Net current assets	0.2
Non-current lease liabilities	(0.6)
Cash and cash equivalents	17.4
Net assets	24.7

	Year Ended 31 May 2022	Year Ended 31 May 2021
Basic earnings per ordinary share from discontinued operations	25.3p	0.9p
Diluted earnings per ordinary share from discontinued operations	25.1p	0.9p

13. Contingent liabilities and provisions

In the ordinary course of business, the Group is subject to legal and regulatory risks in a number of jurisdictions which may result in legal claims or regulatory action against the Group. Through the Group's ordinary course of business there are ongoing legal proceedings and engagements with regulatory authorities. Where possible, an estimate of the potential financial impact of these legal proceedings is made using management's best estimate, but where the most likely outcome cannot be determined no provision is recognised.

The largest group of related claims that the Group is subject to could have a financial impact of approximately £20.6 million as at 31 May 2022. This is in its early stages and it is not possible to determine whether any amounts will be payable to the clients. As a result, no provision has been recognised. The Group was not subject to any significant claims at 31 May 2021.

Under the terms of the agreement with the Group's clearing broker for its operations in the US, Apex Clearing Corporation, the Group guarantees the performance of its customers in meeting contracted obligations. In conjunction with the clearing broker, the Group seeks to control the risks associated with its customer activities by requiring customers to maintain collateral in compliance with various regulatory and internal guidelines. Compliance with the various guidelines is monitored daily and, pursuant to such guidelines, the customers may be required to deposit additional collateral, or reduce positions where necessary.

The Group does not expect there to be other contingent liabilities that would have material adverse impact on the Group Financial Statements. The Group had no material provisions as at 31 May 2022 (31 May 2021: £nil).

14. Subsequent events

On 1 July 2022 , the Group signed an Accordion Increase Request increasing the revolving credit facility by £25.0 million. This increase is effective from 1 August 2022.

On 20 July 2022, the Board approved a share buyback programme of up to £150.0 million, commencing 21 July 2022. The share buyback programme is expected to be substantially completed during the FY23 period.

There have been no other subsequent events that have a material impact on the Group's Financials Statements.

Appendices

Adjusted net trading revenue

£ million	FY22	FY21	Change %
Net trading revenue	972.3	837.3	16%
Hedging (gain)/loss on tastytrade acquisition	(5.8)	7.9	nm
Adjusted net trading revenue	**966.5**	**845.2**	**14%**
Core Markets+	828.7	825.2	-
High Potential Markets	137.8	20.0	589%

Adjusted operating costs

£ million	FY22	FY21
Operating costs	499.2	390.5
- Net credit losses on financial assets	2.7	2.9
Adjusted operating costs inc. net credit losses	**501.9**	**393.4**
- Operating costs relating to the tastytrade acquisition and integration	(2.0)	(19.6)
- Amortisation on tastytrade acquisition intangibles and recurring non-cash costs	(31.7)	-
- Operating costs relating to the Nadex sale	(3.3)	-
Adjusted operating costs	**464.9**	**373.8**

Adjusted profit before tax and earnings per share

£ million (unless stated)	FY22	FY21
Earnings per share (pence)	92.9	99.8
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**
- Hedging (gain)/loss on tastytrade acquisition	(5.8)	7.9
- Operating income relating to Nadex sale	(1.5)	
- Operating costs relating to the tastytrade acquisition and integration	2.0	19.6
- Amortisation on tastytrade acquisition intangibles and recurring non-cash costs	31.7	-
- Operating costs relating to the Nadex sale	3.3	-
- Financing costs relating to the debt issuance	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 (A)	**494.3**	**473.6**
Adjusted tax expense	(83.8)	(77.4)
Adjusted profit after tax	**410.5**	**396.2**
Adjusted earnings per share (pence)	**96.3**	**107.3**
Adjusted total revenue (B)	**967.3**	**845.5**
Adjusted profit before tax margin (A/B) %	**51%**	**56%**

High Potential Markets total revenue – pro forma

£ million	FY22	FY21	Change %
US options and futures (tastytrade)[1]	112.0	96.1	16%
US FX	16.6	11.6	43%
European exchange traded derivatives	9.3	4.9	90%
US market making	1.8	3.5	(49%)
Pro forma High Potential Markets[1]	**139.7**	**116.2**	**20%**

[1] Pro forma basis 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

Own cash

£ million	Note	31 May 2022	31 May 2021
Cash and Cash equivalents		1,246.4	655.2
Financial investments - termed cash	8	45.0	-
Less: cash held to meet regulatory liquidity requirements		(45.5)	-
Own cash		**1,245.9**	**655.2**

Amounts due from brokers

£ million	Note	31 May 2022	31 May 2021
Financial investments - UK Government securities held at brokers	8	289.9	256.0
Trade receivables - amounts due from broker	9	381.0	424.3
Trade payables – amounts due to broker	10	(28.0)	-
Other assets		14.2	30.3
Amounts due from broker		**657.1**	**710.6**

Liquid assets threshold requirement

£ million	Note	31 May 2022	31 May 2021
Financial investments – regulatory liquidity requirements	8	61.2	86.1
Cash held to meet regulatory liquidity requirements		45.5	-
Liquid assets threshold requirement		**106.7**	**86.1**

Own funds in client money

£ million	Note	31 May 2022	31 May 2021
Trade receivables – own funds in client money	9	85.5	63.3
Trade payables – amounts due to clients[1]	10	(21.3)	(2.4)
Own funds in client money		64.2	60.9

[1]amounts considered part of 'own funds'

Net own funds movement from acquisitions and disposals of investments in subsidiaries and associates

£ million	31 May 2022
Net cash flow to investment in associates	(1.9)
Net proceeds from disposal of subsidiaries	143.3
Proceeds from disposal of investments in associates, net of cash disposed	24.5
Net cash flow to acquire subsidiaries	(193.5)
Net own funds derecognised upon disposal of subsidiary	(2.7)
Net own funds recognised upon acquisition of subsidiary	15.6
Net own funds movement from acquisitions and disposals of investments in subsidiaries and associates	(14.7)

Net own funds generated from operations

£ million	FY22	FY21
Cash generated from operations	811.4	573.5
- decrease in other assets	(19.7)	(0.4)
- Increase in trade payables	(209.4)	(222.2)
- (decrease)/increase in trade receivables	(37.7)	160.7
- Repayment of lease liabilities	(7.5)	(5.2)
- Interest paid on lease liabilities	(0.6)	(0.6)
Own funds generated from operations (A)	**536.5**	**505.8**
Profit before taxation (B)	477.0	446.0
Conversion rate from profit to cash (A/B) %	**112%**	**113%**