

Results presentation

Half year ended 30 November 2023



What we will discuss today

01 CEO reflections

02 Financial performance

03 Strategic progress

04 Q&A

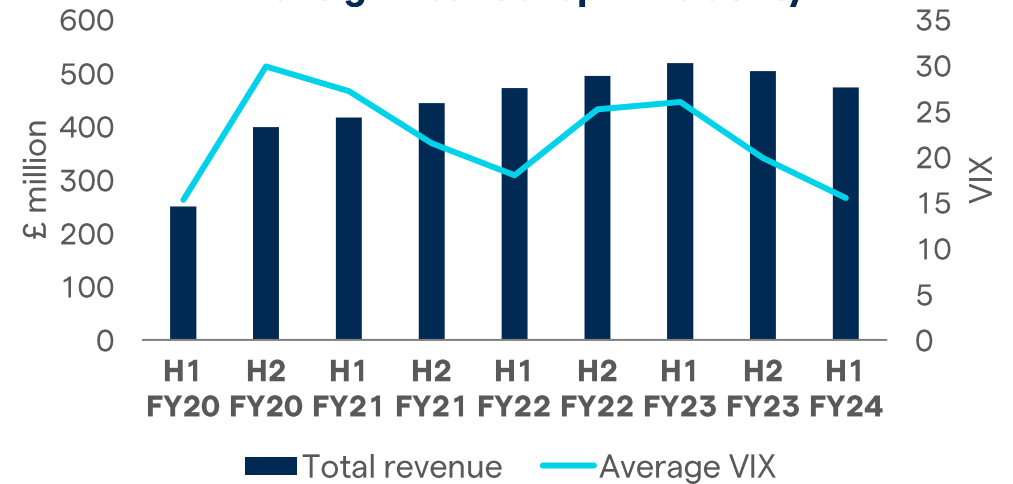
01

CEO reflections

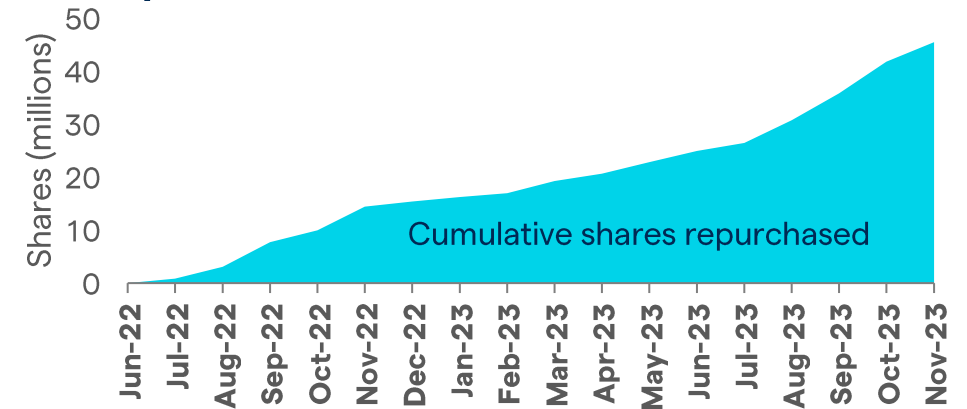
H1 achievements

- **Delivered attractive margins** despite soft market conditions
- tastytrade delivered **another consecutive record** half year of total revenue
- Commenced **operational improvement programme** saving £50 million on a run rate basis by FY26
- **Strength of risk management system** evidenced by material reduction in regulatory capital requirements
- **Invested in the future** growth of the business, including through our incubator portfolio

Diverse business model mitigated the impact of significant drop in volatility



Share buyback programme has repurchased over 10% of our issued shares



02

Financial performance

First half performance

Adjusted basis (£m)	H1 FY24	H1 FY23	Change
Net trading revenue	402.4	494.9	(19%)
Net interest income	70.2	24.2	190%
Total revenue	472.6	519.1	(9%)
Betting duty and other operating income	0.3	(2.9)	
Net operating income	472.9	516.2	(8%)
Total operating costs	(281.1)	(256.8)	9%
Operating profit	191.8	259.4	(26%)
Share of loss from associates	(1.5)	(1.1)	
Net finance income	15.4	2.4	
Profit before tax	205.7	260.7	(21%)
Tax expense	(50.9)	(49.4)	
Profit from continuing operations	154.8	211.3	(27%)
<i>PBT margin</i>	43.5%	50.2%	
<i>Effective tax rate</i>	24.8%	18.9%	
<i>Weighted average number of shares (m)</i>	397.6	425.0	(6%)
<i>Basic earnings per share</i>	38.9p	49.7p	(22%)

- Trading revenue performance reflected the soft market conditions against a strong comparative period, offset by interest income
- Cost growth tapered in H1, versus FY23 growth, as guided
- Full year adjusted profit before tax margin expected to be in line with guidance, at mid-to-high 40s
- Tax rate increased due to higher UK corporate tax rate
- Earnings per share reflected a drop in profits offset by a lower share count

Trading revenues impacted by lower volatility

Adjusted trading revenue (£m)	H1 FY24	H1 FY23	Change
OTC derivatives	327.7	416.5	(21%)
Exchange traded derivatives	63.6	67.1	(5%)
Stock trading and investments	11.1	11.3	(1%)
Total Group	402.4	494.9	(19%)

Active clients (000)	H1 FY24	H1 FY23	Change
OTC derivatives	147.3	159.1	(7%)
Exchange traded derivatives	70.1	72.2	(3%)
Stock trading and investments	89.1	92.2	(3%)
Total Group	296.3	312.0	(5%)

Net trading revenue per client (£)	H1 FY24	H1 FY23	Change
OTC derivatives	2,225	2,618	(15%)
Exchange traded derivatives	907	922	(2%)
Stock trading and investments	125	122	2%

- Impact of soft market conditions was seen mainly on net trading revenue per client, against a strong comparative
- Our high-quality active client base continued to trade
- Exchange traded derivatives was less impacted by the market conditions than OTC derivatives, highlighting the benefits of our multiple revenue streams

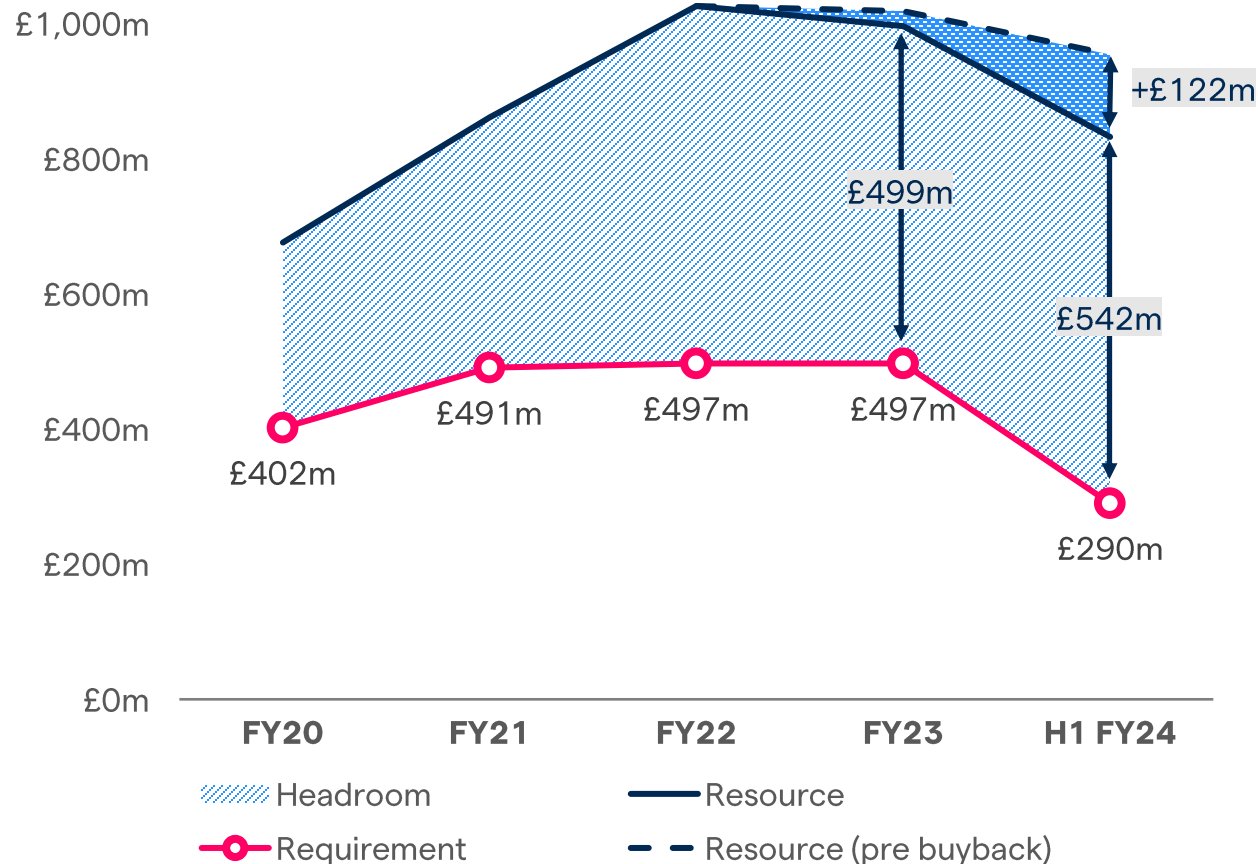
Total Group active clients have been adjusted to remove the clients who are active in more than one product category (multi-product clients) to give a unique client count
Exchange traded derivatives revenue per client excludes revenue generated from the Group's market maker on Nadex in H1 FY23

Cost growth for the half in line with guidance

Adjusted operating costs (£m)	H1 FY24	H1 FY23	Change
Fixed remuneration	100.2	93.1	8%
Advertising and marketing	43.8	43.7	-
Revenue related costs	30.6	26.6	15%
IT, structural market data and comms	23.8	20.9	14%
Depreciation and amortisation	17.7	14.8	20%
Other costs	39.9	33.4	19%
Variable remuneration	25.1	24.3	3%
Total operating costs	281.1	256.8	9%
Headcount (average)	2,754	2,604	6%

- Tapered cost growth down from full year due to series of actions on variable costs
- Marketing costs in line reflecting a switch from acquisition spend to brand spend, with a focus on key geographies, including US and Japan
- Revenue related costs up due to an isolated bad debt charge in the period offset by lower volume related trading costs
- Announced cost saving measures which will start to deliver savings in FY24
- Average headcount in the period up 6%, which is yet to reflect the operational improvement programme announced at the end of October 2023

Robust capital position maintained



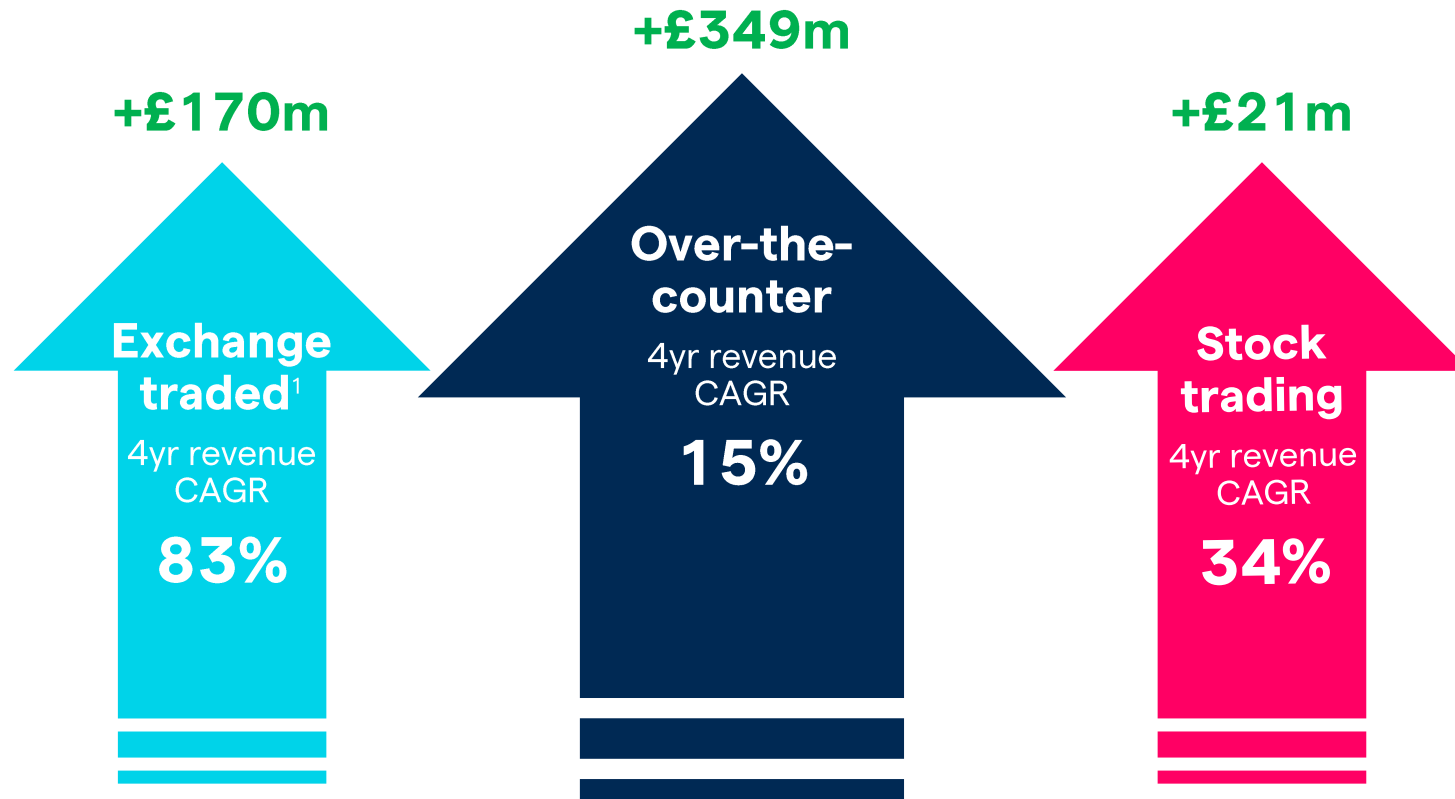
- Minimum regulatory capital requirement reduced by over 40% to £290 million at 30 Nov 2023, driven by our strong risk management framework
- Regulatory capital resource reduced in the period due to timing of distributions in the year:
 - Final dividend paid in H1 is significantly larger than interim dividend
 - £149m of shares repurchased in the half as the rate of share buyback increased
 - Reg cap resource includes a deduction for the remainder of the current buyback tranche of £122m which is yet to be executed (FY23: £22m)
- We expect significantly stronger capital generation in the second half of the year

03

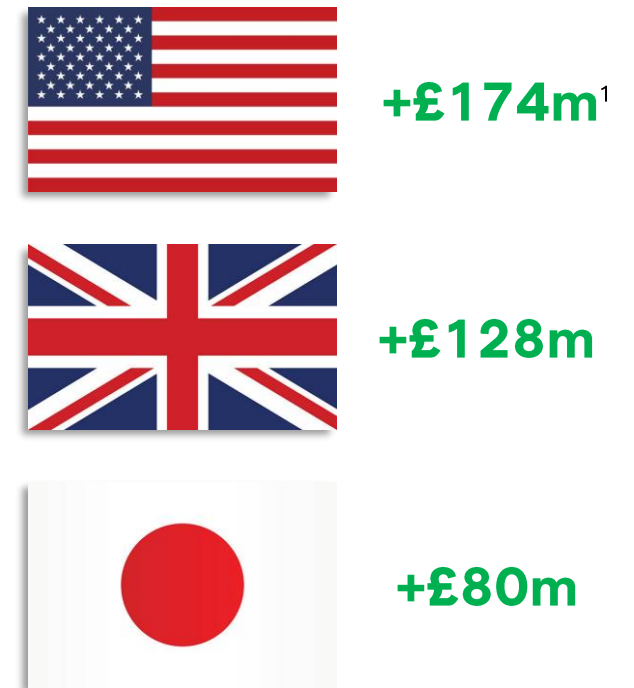
Strategic progress

Strategy to grow through multiple revenue streams has delivered strong results

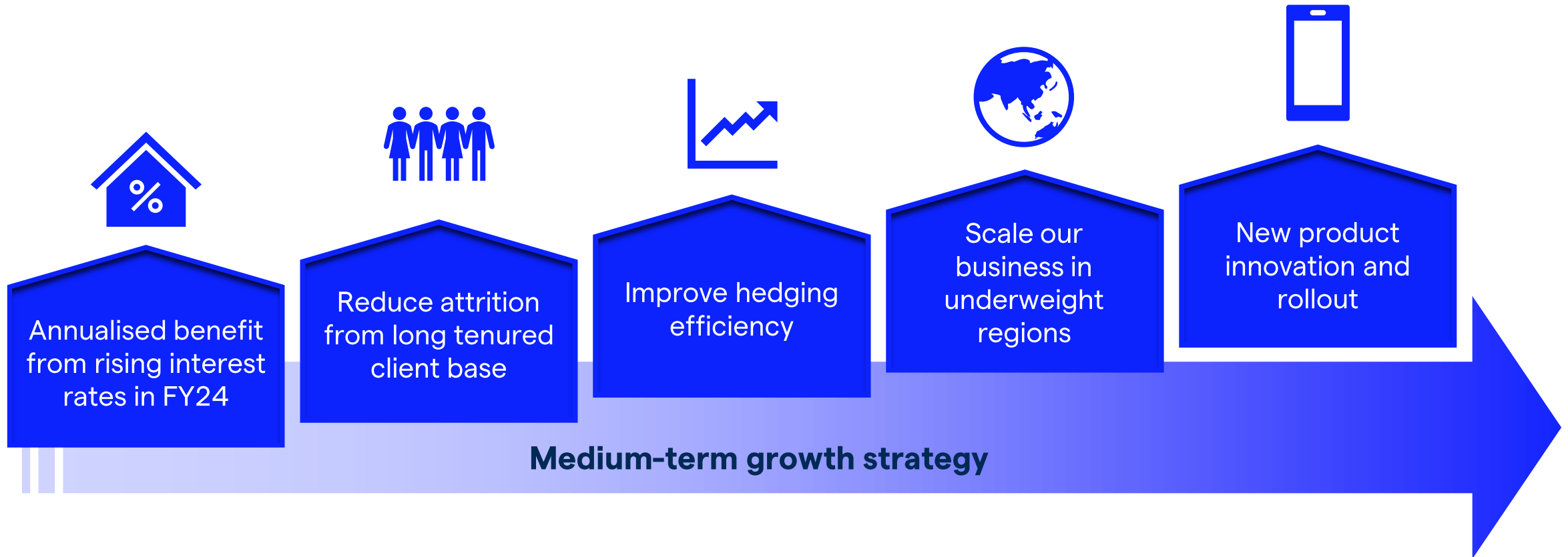
FY19 – FY23 total revenue CAGR of 21%¹



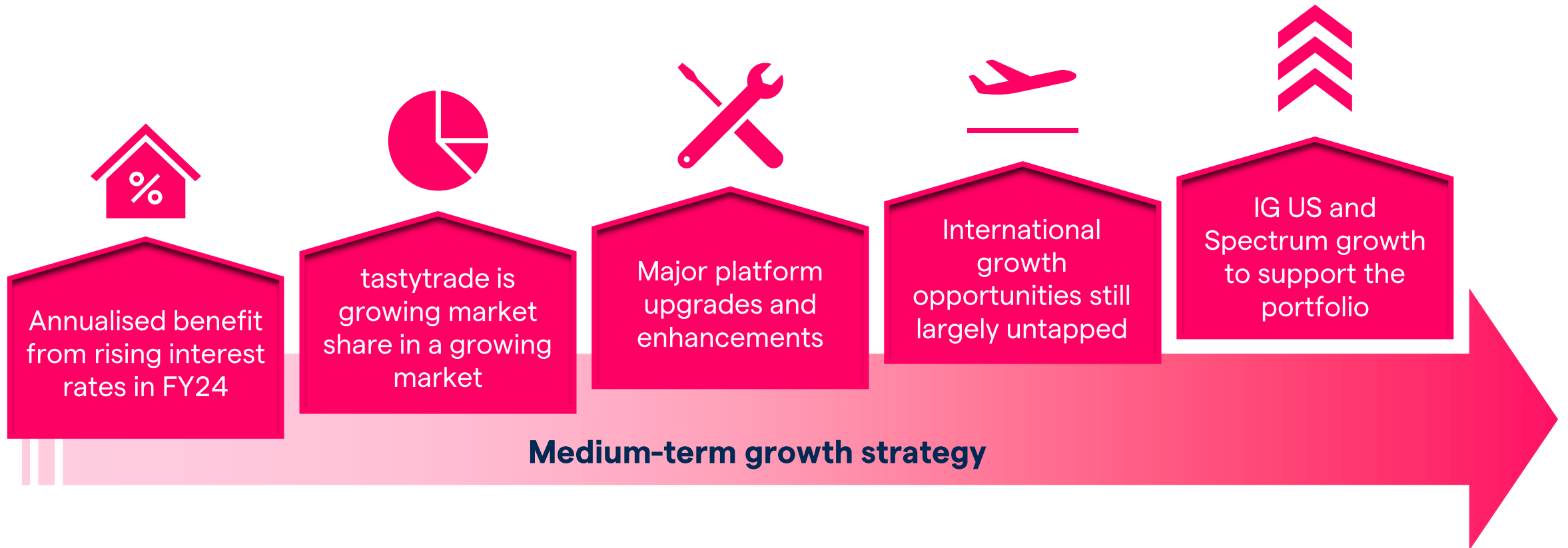
FY19 – FY23 geographic growth



Multiple growth levers in Core Markets+

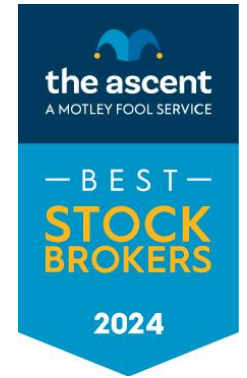


Significant opportunities in High Potential Markets



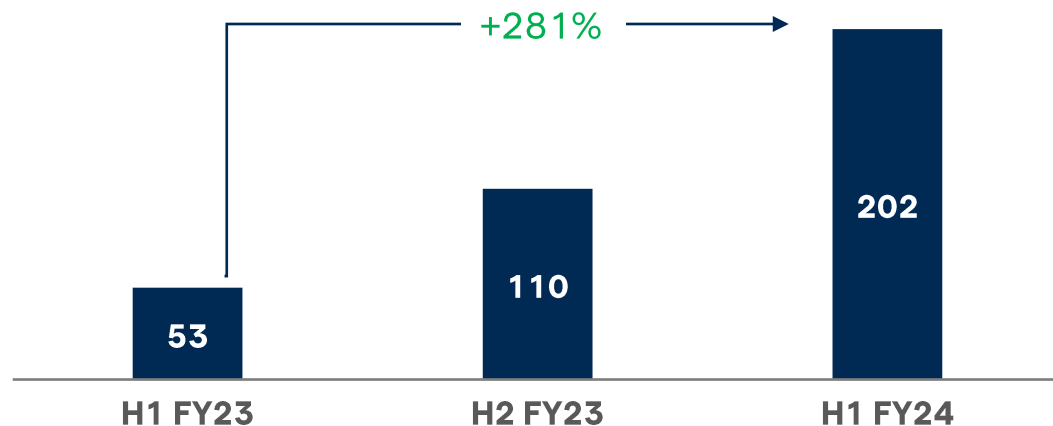
tastytrade powering ahead...

- Another consecutive **record half of total revenue**, now generating 20% of the Group's revenue
- **Trading revenue up** in lower volatility environment
- **Diversified revenue streams**
- **Success in the switcher market** during a period of competitor platform consolidation

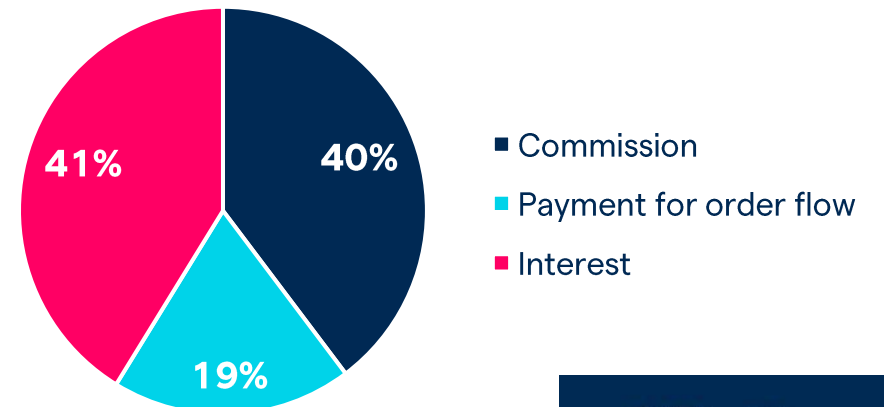


tastytrade (\$m)	H1 FY24	H1 FY23	Change
Trading revenue	72.9	71.8	2%
Interest income	44.9	19.6	130%
Total revenue	117.8	91.4	29%

Net switcher assets transferred to tastytrade (\$m)

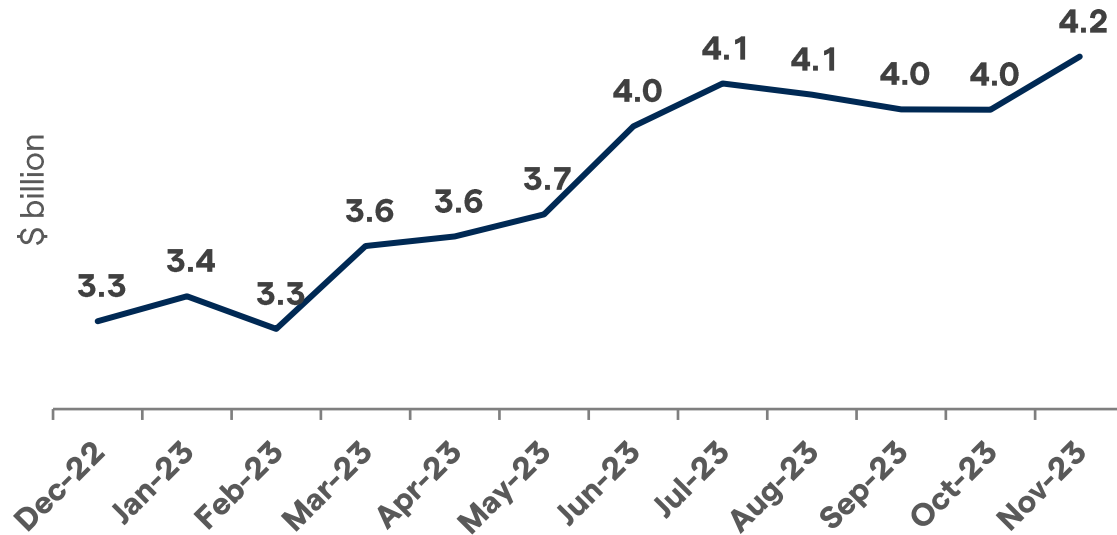


tastytrade's diverse revenue streams – H1 total revenue

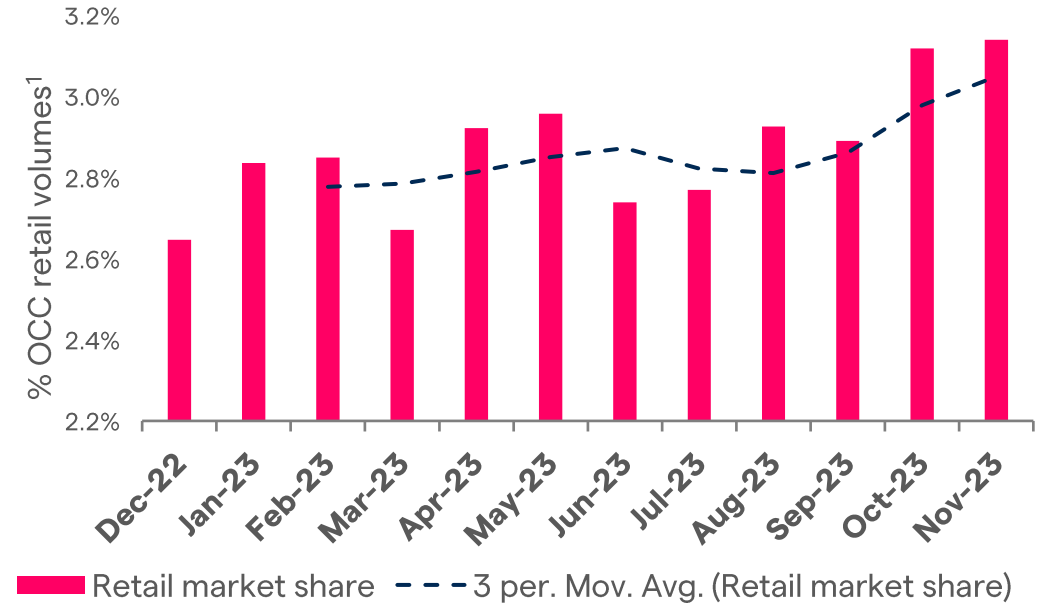


...with an excellent trajectory for growth

tastytrade total client equity continues to increase...

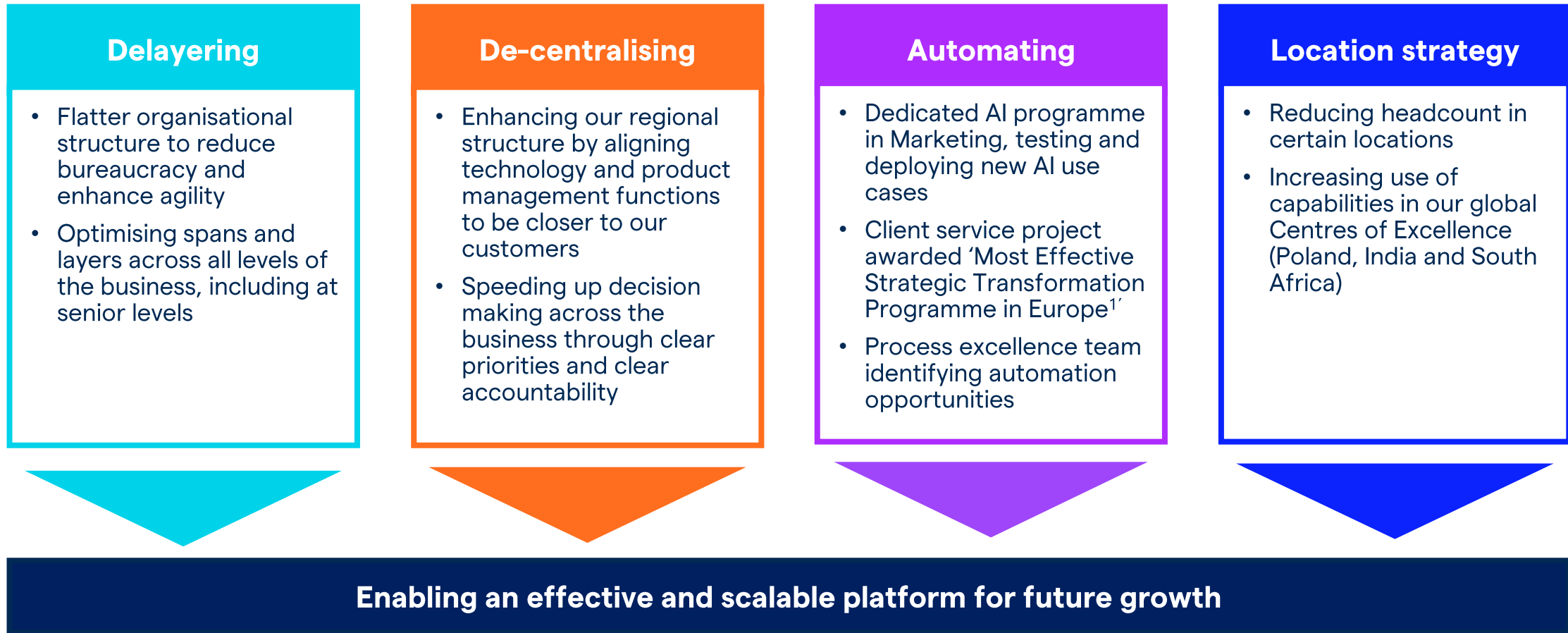


...as does retail market share...



...providing confidence that tastytrade is attracting high value, active traders and investors which will drive future growth in the business

Operational improvement programme: Enhancing efficiency and streamlining the business



¹Awarded at the European Contact & Customer Service Awards (ECCCSA), 2023. Project also awarded UK Change and Innovation Team of the Year at the UK National Contact Centre Awards, 2023

Operational improvement programme: how we're doing it

How the programme will be executed

Run rate cost saving of £50 million by FY26, phased over the next 3 years achieved through:

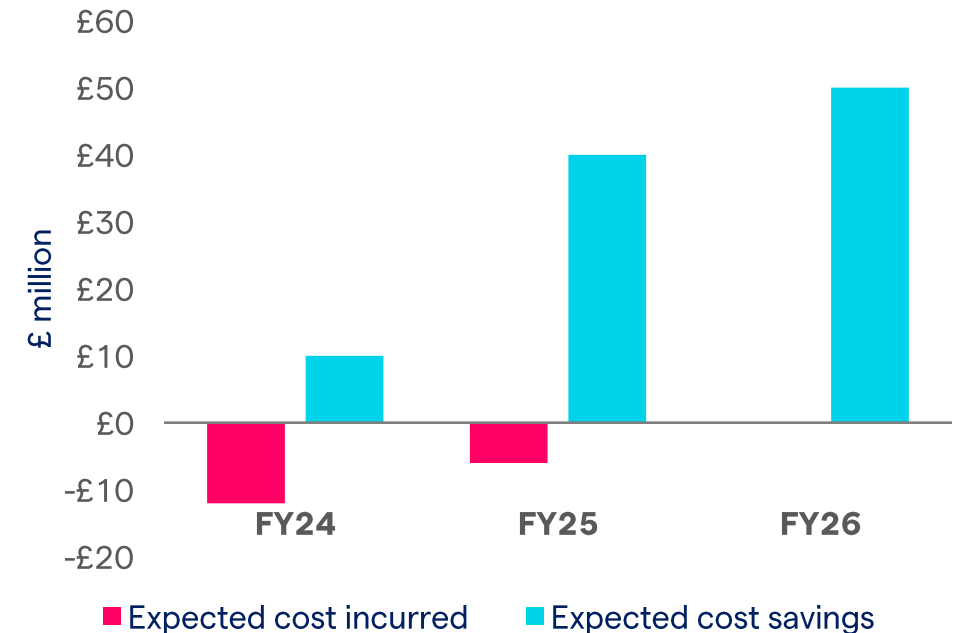
- ✓ 10% net reduction in global headcount¹
- ✓ Expanding our global centres of excellence, including some role relocation

Execution cost of around £18 million, currently tracking in line with expectation, with the majority to be incurred in FY24.

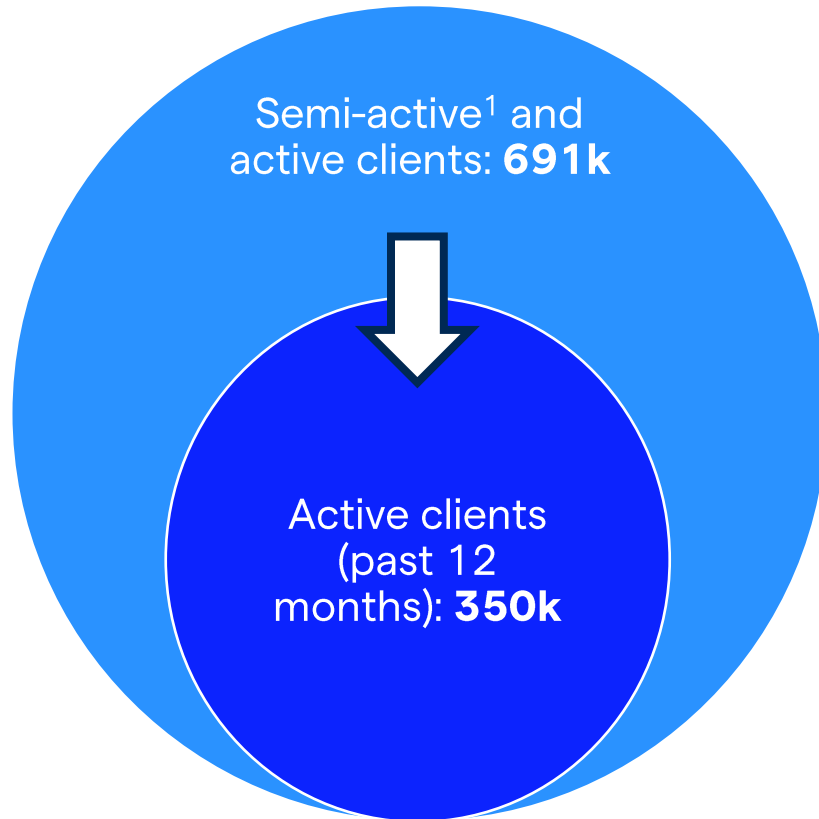
Progress to date

- ✓ Headcount reduced by 163 by end of December 2023, in line with our plans
- ✓ UK consultation completed on time, in January 2024
- ✓ Ongoing evaluation process for further cost efficiencies

Significant cost savings expected over the medium term



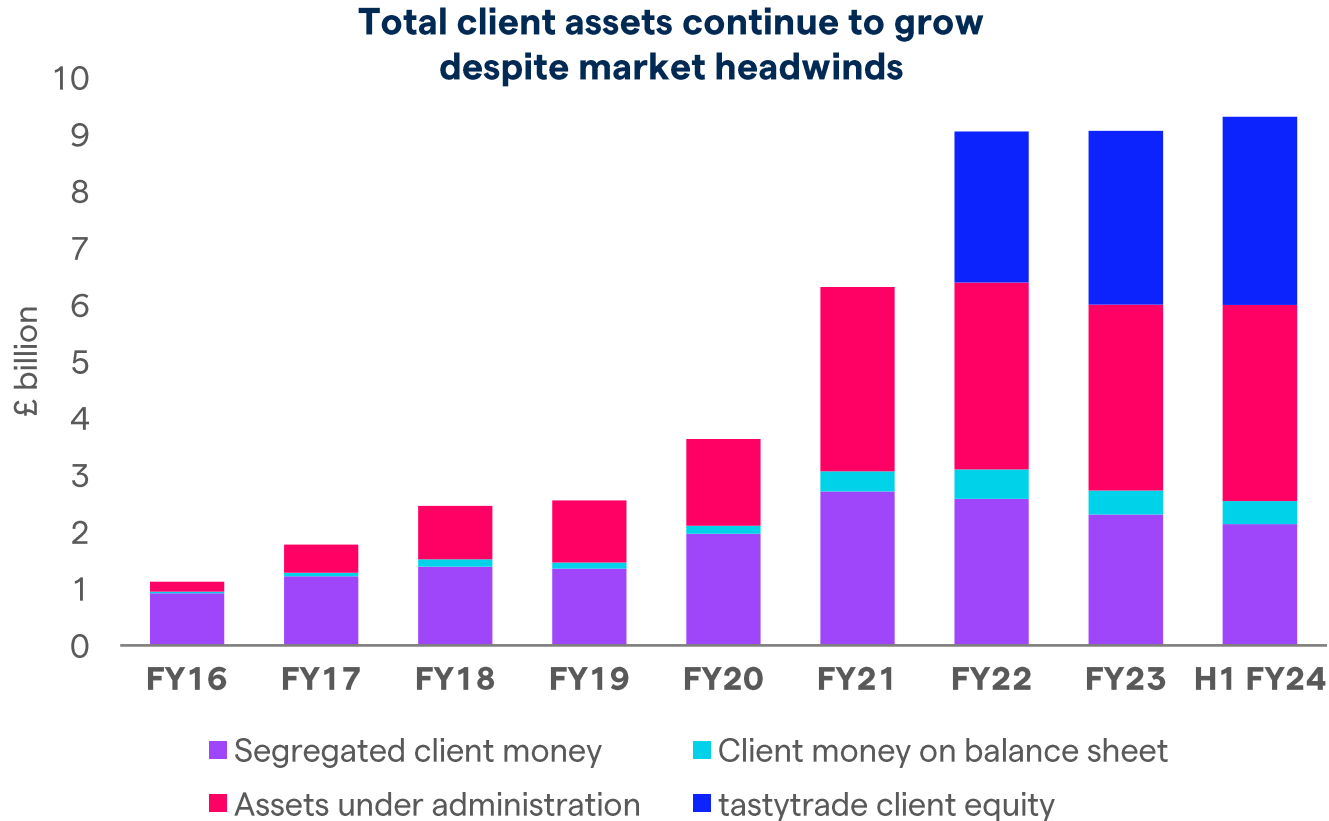
Large, high-quality client base ready to trade



How our wider client base will drive active traders

- ⇒ Clients with a live account have already passed account opening – they are **'pre-approved traders'**
- ⇒ An **increase in market volatility** has a significant impact in reactivating clients who may not have traded recently
- ⇒ Client journeys increasingly personalised, providing them with **relevant and timely content**
- ⇒ **Feedback from customers** is fed into the development of our products and customer experiences

Growth in client balances provides future trading potential



- Over £9.3 billion of client cash and assets held through IG Group, up from £2.6 billion in FY19
- Total client balance remains resilient despite lower volatility and higher interest rates
- Client assets and client money show that clients are ready to trade market opportunities

Our clients continue to seek trading opportunities

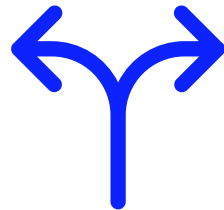


93%

of clients expect their **trading volumes to increase** or remain the same in the next 6 months

77%

of our clients intend to **continue trading leverage** products for at least 5 years



82%

of clients would be interested in **trading other product classes** with IG



Culture of innovation continues



European retail exchange offering 24/5 derivatives trading

Deep liquidity pool created in partnership with some of the leading retail issuers and distributors in Europe

Strong revenue growth since launch

Highly scalable platform



Crypto trading platform and self-custody digital assets wallet

Self-custody wallet putting users in control of their digital assets

Store, transfer and trade crypto and digital assets directly on the Bitcoin and Ethereum networks



Trader network providing a fun, educational introduction to risk

Community helping Millennials and Gen Z traders understand investments and how to take risk

YouTube, Instagram, TikTok, X & Reddit are the main source of information on financial topics for young traders¹



A mission to drive innovation in US market infrastructure

The Small Exchange is a CFTC licensed futures exchange

World-class trading system, risk-monitoring and matching engine

IP repurchased on attractive terms in April 2023



Next generation stock trading platform, launching in Summer 2024

Wide product range covering ETFs, mutual funds, bonds, thousands of stocks and a cash management offering

Unique risk management tools

A compelling investment case



Well positioned to benefit from the structural growth of self-directed trading and investing



Strong and scalable global competitive position in large and growing markets



Differentiated client experience driven by high-quality execution, content and technology



Multiple levers for growth across geographies and products



Robust capital position with a clearly defined allocation framework

04

Q&A

05

Appendices

Guidance and outlook

MEDIUM TERM

- Medium-term guidance of total revenue growth of 5-7% for Core Markets+ and 25-30% for High Potential Markets per annum
- For US interest income, we expect a movement of c.\$4m per 25bps change in the Fed Funds rate
- Operational improvement programme to save £10m in FY24, £40m in FY25 and £50m in FY26
- Adjusted PBT margin in the mid-to-high 40s in the medium term
- Effective tax rate expected to be around 24% over the medium term

FY24

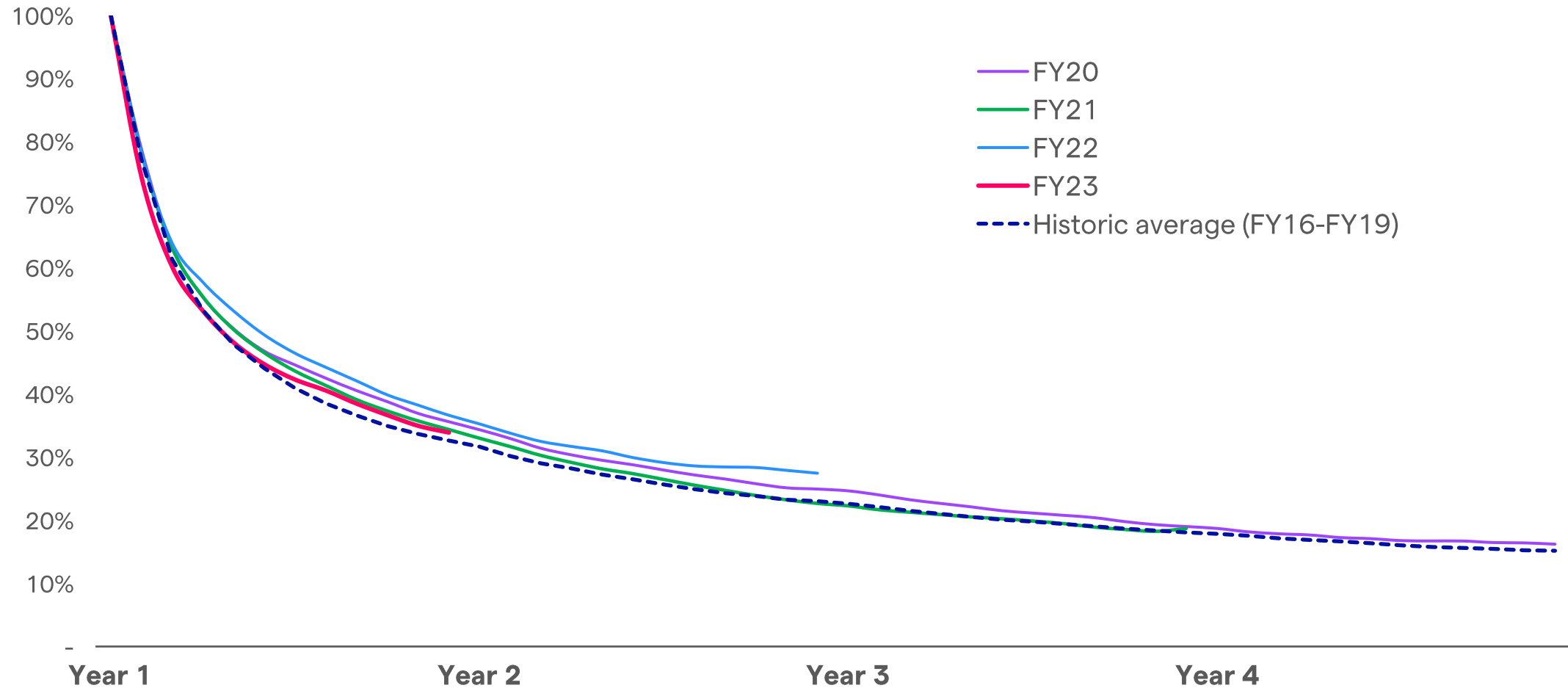
- Market conditions at the start of our Q3 have been similar to H1 FY24
- Similar amount of interest income in H2 as in H1, and higher finance income in H2 than in H1
- A £10m saving on structural costs in FY24 from the operational improvement programme
- A £10m saving on variable cost in FY24 reflecting softer market conditions
- Adjusted PBT margin in the mid-to-high 40s in FY24
- Effective tax rate for FY24 expected to be broadly in line with H1 FY24 rate of 24.8%
- Capital generation expected to be stronger in H2 than in H1, increasing our headroom at year end

Reconciliation of alternative performance measures

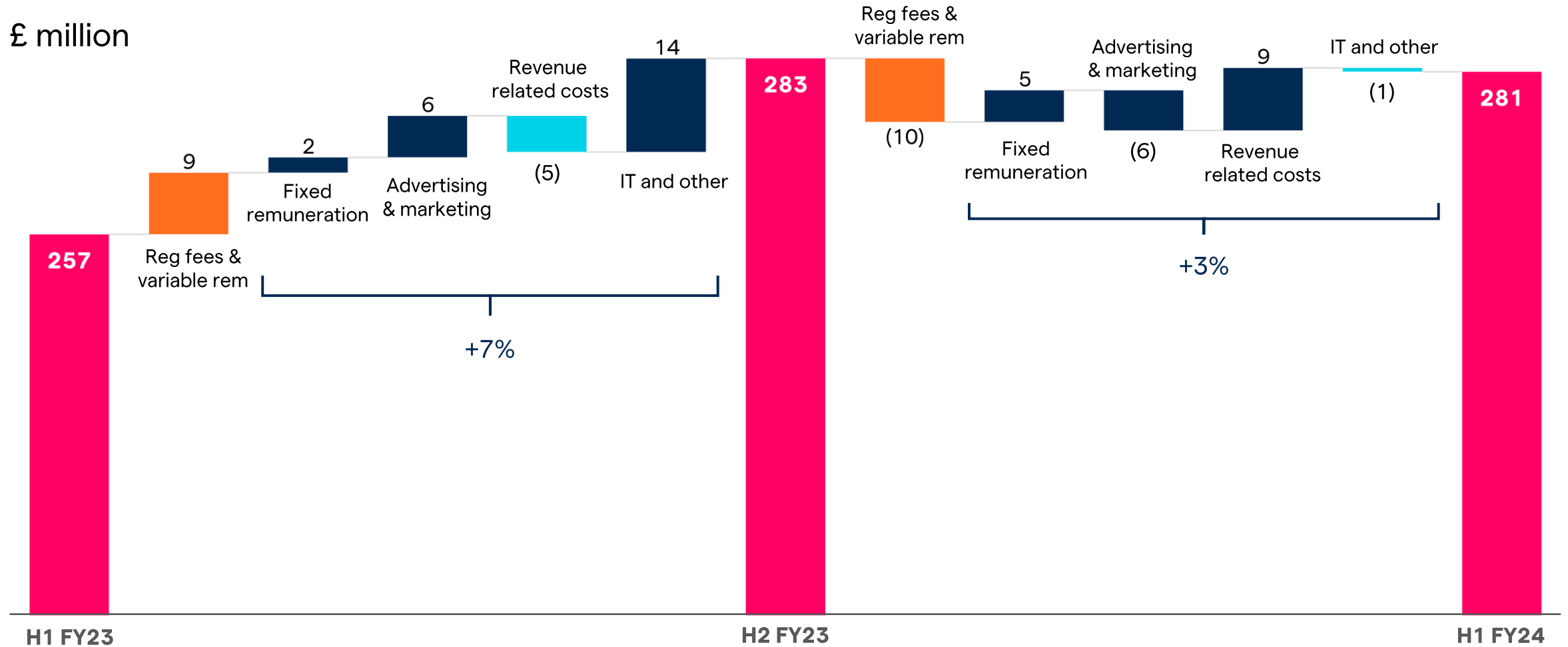
Adjusted operating costs (£m)	H1 FY24	H1 FY23
Operating costs	299.9	278.8
Net credit losses on financial assets	10.5	1.1
Operating costs inc. net credit losses	310.4	279.9
Operating costs relating to operational improvement programme	(10.0)	-
Operating costs relating to tastytrade acquisition and integration	(0.5)	(1.7)
Amortisation of tastytrade acquisition intangibles and recurring non-cash costs	(18.8)	(18.5)
Operating costs related to the Nadex sale	-	(2.9)
Adjusted operating costs	281.1	256.8

Adjusted profit before taxation and EPS £m (unless stated)	H1 FY24	H1 FY23
Earnings per share	33.4p	45.8p
Weighted average number of shares for the calculation of EPS (millions)	397.6	425.0
Profit after tax	132.7	194.7
Loss for the period from discontinued operations	-	0.2
Tax expense	43.7	45.6
Profit before tax	176.4	240.5
Operating costs relating to operational improvement programme	10.0	-
Operating costs relating to tastytrade acquisition and integration	0.5	1.7
Amortisation of tastytrade acquisition intangibles and recurring non-cash costs	18.8	18.5
Operating income relating to the Nadex sale	-	(2.9)
Operating costs relating to the Nadex sale	-	2.9
Adjusted profit before tax	205.7	260.7
Adjusted tax expense	(50.9)	(49.4)
Adjusted profit after tax	154.8	211.3
Adjusted earnings per share	38.9p	49.7p
Adjusted total revenue	472.6	519.1
Adjusted PBT margin	44%	50%

OTC client attrition curves in line with previous years

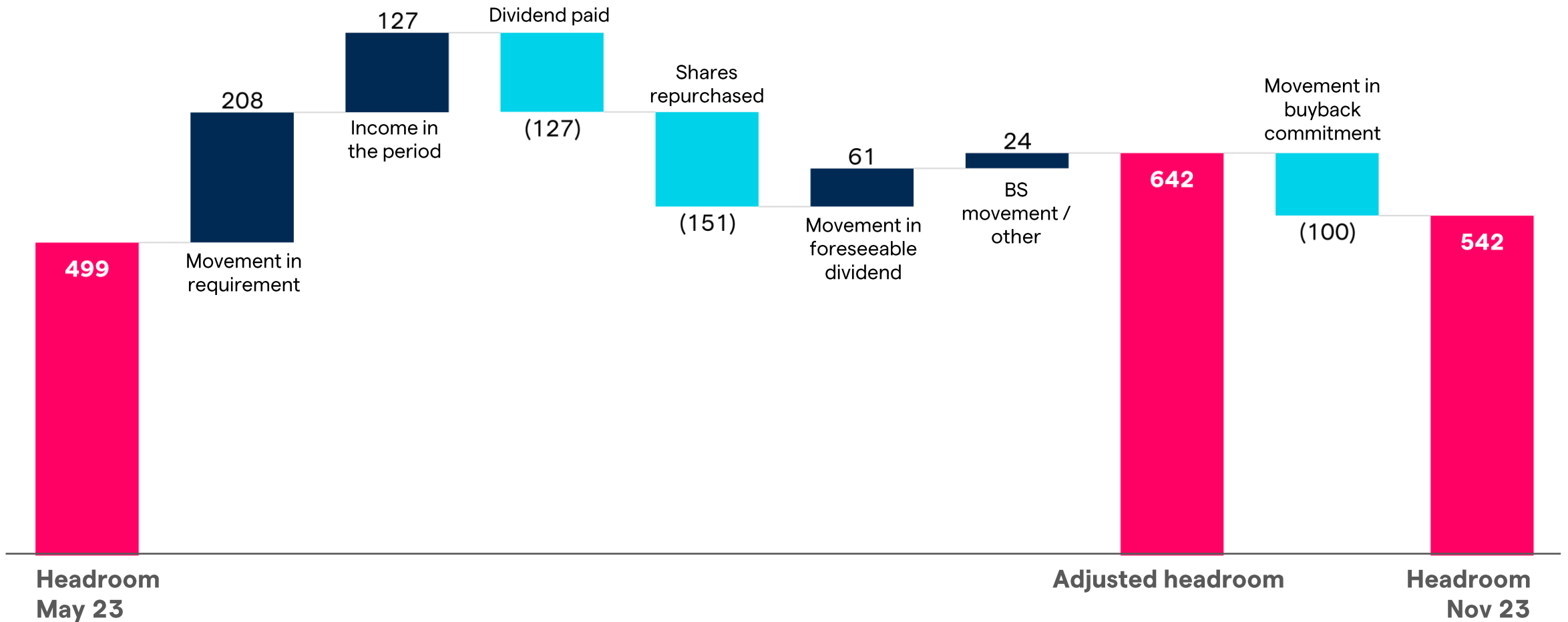


Half year cost walk

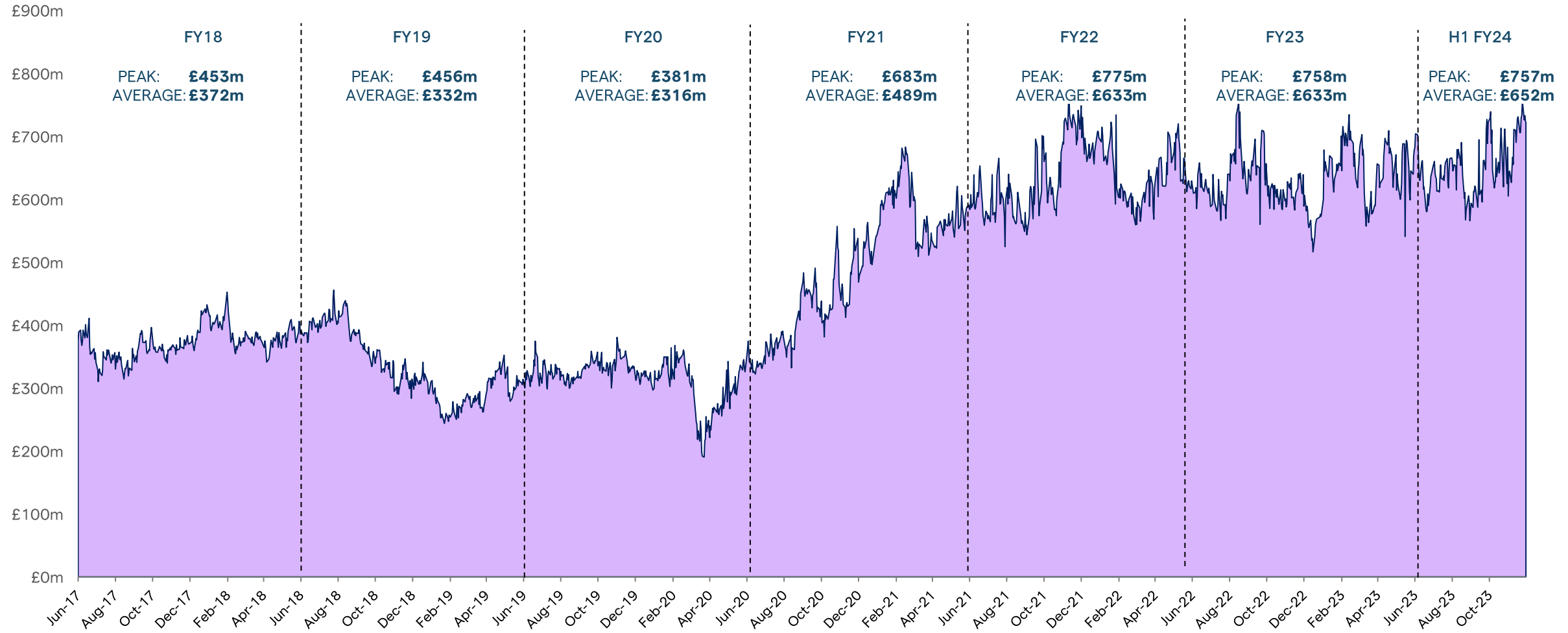


Regulatory capital headroom bridge

£ million



Broker margin



Our Brighter Future Framework

- Approved £4 million donation to the Brighter Future Fund
- 795 colleagues taken part in volunteering and fundraising events
- Chicago Tribune announced IG North America as a Top Workplace in Chicago
- Finalist in 'Responsible Business Award' by Reuters
- Released our Community Impact Report for FY23



Net trading revenue and drivers - Core Markets+

Revenue (£m)	H1 FY24	H2 FY23	H1 FY23	H2 FY22	H1 FY22	H2 FY21	H1 FY21	H2 FY20	H1 FY20
UK	120.7	140.2	157.3	170.9	157.2	167.4	150.0	148.0	92.7
EU	41.8	48.4	51.9	52.2	51.2	53.6	49.0	54.7	33.1
EMEA non-EU	20.3	23.6	25.6	24.5	25.9	28.2	28.4	32.5	21.3
Australia	41.6	46.0	49.3	43.1	45.2	58.1	61.6	51.4	36.9
Singapore	35.1	31.7	36.6	36.8	36.7	38.4	36.1	35.2	21.5
Japan	38.9	43.4	55.8	54.0	44.6	34.1	34.6	30.6	15.9
Emerging Markets	17.8	17.5	21.7	22.6	20.2	16.3	18.4	17.2	11.2
Institutional	4.0	6.1	7.3	5.7	4.2	6.5	5.8	5.8	3.4
Total OTC derivatives	320.2	356.9	405.6	409.8	385.1	402.6	383.9	375.4	236.0
Stock trading and investments	11.1	11.5	11.3	17.8	15.9	23.2	15.4	9.3	4.4
Total Core Markets+	331.3	368.4	416.8	427.6	401.0	425.8	399.3	384.7	240.4

Clients (000)	H1 FY24	H2 FY23	H1 FY23	H2 FY22	H1 FY22	H2 FY21	H1 FY21	H2 FY20	H1 FY20
UK	44.8	46.8	49.6	52.1	51.8	61.2	57.5	57.4	38.9
EU	30.2	30.7	31.3	32.7	31.3	35.4	33.8	32.5	23.6
EMEA non-EU	5.5	5.7	6.0	6.3	6.4	7.3	7.4	7.3	5.6
Australia	13.5	13.7	14.6	16.0	16.6	21.5	22.4	21.8	15.9
Singapore	7.9	8.5	9.6	10.8	10.0	10.7	10.4	10.2	8.1
Japan	31.3	30.0	33.6	31.3	26.3	19.8	16.5	14.3	10.4
Emerging Markets	6.2	6.2	6.5	6.7	6.8	7.5	6.6	5.9	4.5
Institutional	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2
Total OTC derivatives	139.6	141.8	151.5	156.2	149.5	163.7	154.8	149.6	107.3
Stock trading and investments	89.1	90.8	92.2	93.2	92.5	89.5	71.2	54.9	37.9
Total Core Markets+¹	220.0	223.3	234.0	238.6	230.9	239.4	214.7	195.3	139.9

Revenue per client (£)	H1 FY24	H2 FY23	H1 FY23	H2 FY22	H1 FY22	H2 FY21	H1 FY21	H2 FY20	H1 FY20
UK	2,695	2,995	3,170	3,278	3,031	2,733	2,611	2,577	2,381
EU	1,384	1,578	1,659	1,598	1,634	1,517	1,452	1,684	1,403
EMEA non-EU	3,705	4,127	4,287	3,881	4,060	3,847	3,807	4,433	3,804
Australia	3,075	3,358	3,368	2,698	2,713	2,701	2,752	2,355	2,313
Singapore	4,429	3,724	3,824	3,393	3,687	3,597	3,473	3,453	2,665
Japan	1,242	1,449	1,662	1,726	1,695	1,724	2,095	2,140	1,528
Emerging Markets	2,895	2,840	3,337	3,364	2,961	2,179	2,795	2,946	2,477
Institutional	15,395	23,403	27,752	22,279	16,362	24,229	23,303	26,297	19,443
Total OTC derivatives	2,293	2,517	2,678	2,624	2,575	2,460	2,480	2,509	2,200
Stock trading and investments	125	126	122	191	172	260	217	169	115

Net trading revenue and drivers – High Potential Markets

Revenue (£m)	H1 FY24	H2 FY23	H1 FY23	H2 FY22	H1 FY22	H2 FY21	H1 FY21	H2 FY20	H1 FY20
US options and futures	58.2	59.7	61.2	57.3	52.8	-	-	-	-
US FX	7.5	8.6	11.0	9.1	7.5	6.4	5.2	4.2	1.6
US market making	-	0.1	0.5	0.8	1.0	1.6	1.9	1.8	1.3
Total US	65.7	68.3	72.7	67.2	61.3	8.0	7.1	6.0	2.9
European ETDs	5.4	10.2	5.4	5.5	3.8	2.8	2.1	0.7	-
Total High Potential Markets	71.1	78.6	78.1	72.7	65.1	10.8	9.2	6.7	2.9

Clients (000)	H1 FY24	H2 FY23	H1 FY23	H2 FY22	H1 FY22	H2 FY21	H1 FY21	H2 FY20	H1 FY20
US options and futures	65.6	66.9	67.4	79.2	78.1	-	-	-	-
US FX	7.7	7.8	7.6	7.8	9.3	10.6	9.2	6.4	2.8
Total US	73.2	74.7	75.0	87.0	87.4	10.6	9.2	6.4	2.8
European ETDs	4.5	4.9	4.9	5.1	4.5	4.3	3.0	2.4	0.7
Total High Potential Markets	73.2	79.6	79.9	92.1	91.9	14.9	12.2	8.8	3.5

Revenue per client (£)	H1 FY24	H2 FY23	H1 FY23	H2 FY22	H1 FY22	H2 FY21	H1 FY21	H2 FY20	H1 FY20
US options and futures	888	892	908	723	676	-	-	-	-
US FX	980	1,103	1,437	1,168	808	600	572	651	578
Total US	897	914	962	763	690	600	572	651	578
European ETDs	1,183	2,086	1,117	1,082	845	652	709	285	-
Total High Potential Markets	914	986	972	780	698	614	606	552	457

Disclaimer

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

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 of this presentation, including the results of operations, financial condition, liquidity, prospects, growth and strategies facing the Group and the industries in which it operates and the dividend policy of the Company. If the assumptions on which the Company 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 Company's annual report for the financial year ended 31 May 2023. The annual report can be found on the Company's website (www.iggroup.com).

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

H1 FY24 relates to the half ending 30 November 2023, FY23 relates to the financial year ending 31 May 2023, H1 FY23 relates to the half year ending 30 November 2022, FY22 relates to the financial year ending 31 May 2022, H1 FY22 relates to the half year ending 30 November 2021, FY21 refers to the financial year ending 31 May 2021.

Numbers presented on an 'adjusted' basis are excluding the non-recurring and non-cash costs in relation to one-off events.