June Felix, Chief Executive Officer

Good morning. Welcome to our first half results presentation. I'm June Felix, CEO of IG Group and I'm joined by my CFO, Charlie Rozes. I'm delighted to update you on the excellent progress we've made during the half of strong performance and strategic delivery.

I am proud to say we have delivered RECORD revenue in the face of an extremely challenging market.

Today, I'll start with my reflections on the last six months and discuss our performance highlights. Then I'll hand over to Charlie who will cover our financial performance in more detail. I'll return to look at the great progress we've made across our strategic priorities. And then we'll open up for questions.

I don't need to tell you that it was a very testing six-month period for many companies given the external environment. However, our record performance for the half demonstrates that our diversification strategy has created a strong and resilient business, capable of delivering consistent performance regardless of the market backdrop.

Looking back at the half, the macro-economic environment between June and November was striking. It's hard to believe so much could happen in such a short period of time. IG's market analysts across the globe were out in force during the half, providing content and context to help clients and the media make sense of the noise.

Our clients often thrive in these conditions. And it has highlighted that, unlike others, we are well positioned to navigate this complex macro environment. It has also demonstrated again that our business is resilient and will continue to perform through different market cycles.

The severe interest rate changes precipitated growth in some of our franchises, notably in the US, as well driving trading opportunities globally.

Most importantly, it shows the sustainability of our performance, as the diversification of our product capability and our valued content drove the opportunity for our self-directed, high quality customer base to keep trading.

I'm extremely proud of our achievements in the First Half as, we've delivered on two critical elements of our strategy: diversified business growth and return of excess capital to shareholders. We can do one without sacrificing the other. Despite a softening in trading demand due to the global economic environment, we've avoided sharp drop offs in business and maintained our client base.

Looking at operational performance, we've delivered record revenue once again for the half year and continued to make progress on our strategic growth objectives. Group total revenue was up 11% year-on-year and we've delivered £260.7 million in pre-tax profit. The real highlight here is the strength of our high-quality client base which remains a powerful engine for the business.

We continue to attract clients at a rate higher than our pre-pandemic levels and ones that have the ability to continue trading through all market cycles - clear evidence of the quality of the clients attracted to IG. As a result, we've seen strong growth in revenue per client.

Our own funds were up 25% to just over £1.1 billion. Own funds is the Group's metric to measure the strength of its liquidity position.

We're really starting to reap the benefits of our diversification strategy, with non-OTC revenue up 30% for the half to £96.2 million. It is now a meaningful contributor, at 19% of total revenue, up a full 3 percentage points over the past 12 months.

We've also delivered strong capital returns as a result of delivering against our strategy and good cost management. These strong results and cash generation have allowed us to return excess capital to shareholders as outlined in our capital allocation framework announced in July 22.

Today, we announced an interim dividend that has been raised to 13.26 pence per share. We will be extending our buyback scheme by a further £50 million –bringing us to £200 million when completed, another sign of our capital strength. We have executed over £114 million of the £150 million share buyback and a final dividend of £133.2 million from FY 22 - meaning we have returned nearly £250 million to shareholders during the half.

This clearly demonstrates that our strong balance sheet continues to support investment for future growth while maintaining high margins.

Now, let me talk through the drivers that are fundamental to continually growing our business. We attract, maintain and nurture a high-value loyal client base. We are increasingly diversifying our revenue stream through our product mix and continued growth in the US, Europe and Japan. We continue to invest in creating an outstanding client experience, enhancing our products and platforms and delivering valuable content while, at the same time, achieving significant profit margins and generating healthy levels of cash and capital. Our market-leading risk management practices ensure we deliver consistent revenue performance regardless of market conditions.

These are the key ingredients that make our business resilient and sustainable, allowing us to achieve £1 billion in revenue over the past 12 months, and which differentiates us from peers. Our ability to attract and retain higher quality self-directed clients lies at the heart of our business, which is built off of our nearly 50-year-old OTC franchise.

The attrition chart on the left shows that the latest cohort onboarded in FY22 is demonstrating the same trend as previous cohorts. Therefore, like those previous cohorts that have now been with us for some time, these will add to our growing base of recurring revenue.

The chart on the right illustrates how the enduring revenue continues to grow. Over 80% of our OTC revenue is generated by clients who have been with us for more than a year. As expected, given the softer market conditions, the value of the first trades in FY23 is down compared to last year. But they remain well above the pre-pandemic averages. So again, we continue to add to our enduring revenue stream more than we did before.

We are delivering against our medium-term targets in both our core markets+ and high potential markets. In our core markets+, which represents OTC and our stock trading business, total Revenue is up 6% to £424 million. All of our regional offices grew from Q1 to Q2, demonstrating the momentum being built across the business.

In the last 36 months, IG has gone from being in the top 30 players in Japan to now number 5 and holds the number 1 position of international trading brands in Japan.

In our high potential markets, Spectrum, our pan-European exchange, has recently onboarded Société Générale. Attracting an issuer of this caliber is an important landmark for our exchange as it brings thousands of new instruments previously unavailable on Spectrum. We also have a solid pipeline of additional brokers and issuers. This gives me real confidence in the future of this business.

Now onto the US. It was a record half for IG North America. tastytrade grew 26% half on half on a proforma basis. Our active traders at tasty placed the same number of trades in the last six months as they have previously in bull markets.

The average funding per new client also DOUBLED over the last 6 months demonstrating our ability to market into this segment. In addition, IG US, our FX business, grew 46% in the same time period. So, as you can see, the growth of our US portfolio is on track.

Before I hand over to Charlie, let me reiterate that IG is an exciting and resilient business, that continues to deliver sustained and consistent growth. During the first half of the year, driven by our clear purpose, we delivered record performance despite a challenging market. We are meeting our ambitious medium-term targets. We continue to diversify the business. We continue to create, attract and retain the most experienced, higher value, self-directed clients around the world, and that in turn drives our growing base of recurring revenue. And we have multiple engines for growth over the near and longer term.

Let me now pass over to Charlie to run through the first half results.

Charlie Rozes, Chief Financial Officer

Thank-you June, and good morning everyone.

I'll now take you through our results for the first half of FY23. Before we get into the detail, I'd like to clarify a few points on the presentation of the figures. We sold Nadex and our investment in the Small Exchange in the first half of FY22, and the results today are presented on a continuing operations basis, as they were for the full year, FY22.

Additionally, all figures are presented on an adjusted basis, which excludes certain one-off items and non-cash costs in both the current and comparative periods, in relation to: the tasty deal, the sale of Nadex and Small Exchange, and the debt refinancing completed in November last year. These adjustments are straightforward in our view and match the ones that we've done previously. For completeness, we've included a reconciliation of non-IFRS performance measures in the appendix.

On this slide we're showing the financial highlights for Group performance in the first half. Total revenue, including interest income, was £519.1 million, which was up 11% and profit before tax of £260.7 million was up 1%. Total revenue was a record result for any half year period for IG, which is great to see given the more variable market conditions across the first and second quarters.

On the top right you can see our revenue for the last 7 half years. We've consistently delivered revenue growth across these periods, despite the changing macro-economic backdrop. We believe this highlights a certain level of recurring revenue at IG, which is attributable to our more sophisticated, active client base, who often trade across all sorts of market conditions, in both high and low volatility. As June highlighted earlier, the majority of our revenues, and the corresponding compounded revenue growth, comes from a relatively 'seasoned' book of clients who continue to trade with us beyond their first year, particularly in our flagship OTC business.

Our client money balances were £4.5 billion at the end of the period, which moderated a bit on the comparative period, but was still materially higher than the levels we've seen in the past.

Adjusted basic EPS was down slightly at 2%, due to the small reduction in profit after tax, which was driven by a higher effective tax rate. Finally, we're paying an interim dividend per share of 13.26 pence, up 2% on last year, as part of our Regular Distributions, within the Capital Allocation Framework that we announced last summer.

And now onto the income statement. Net trading revenue of £494.9 million was up 6%, demonstrating the strength of our business and our high-quality client base. Total revenue was up 11%, boosted by the growing levels of interest income from higher interest rates, which increased to £24.2 million in the half. Total operating costs were up 25%, largely reflecting the annualization of our cost run rate in the second half of last year, which was as expected and guided previously, with some adverse translational FX due to the weaker Sterling.

We kept up a steady stream of investments in the business to drive organic growth, and have kept costs well managed, aside from the translational FX that I just mentioned. I should add that we also had an additional month of tasty costs in this half and the new 1% charitable donation. We'll cover the operating costs in more detail shortly. That brings us to an operating profit of £259.4 million, broadly flat on the prior year.

Working through the rest of the P&L, net finance income in the half was £2.4 million. This line in previous periods has typically been a net cost, however rising interest rates have increased the interest income generated on our own corporate funds, more than offsetting our financing costs, which are fixed. Profit before tax was £260.7 million, up 1%, while delivering a strong PBT margin of 50.2%. The effective tax rate was 18.9%, 150 basis points higher than the prior year, which included the benefit of standard UK tax incentives and some adjustments to prior year estimates.

Taken together, we think this is a strong result, considering the very different market conditions year over year. Our revenues are now much more diverse, by product and by geography, and type.

In the half, net trading revenues remain robust, while interest income has started to be a meaningful part of the revenue mix, as anticipated. While translational FX was a factor on both revenue and costs, it was broadly neutral on the PBT line. So overall, a very good result for the half year, and more evidence that we're delivering on our strategy and changing the definition of what IG is.

Shifting now to look at net trading revenue a bit more closely, here we show the revenue, active clients, and revenue per client, by product. OTC derivatives revenue of £416.5 million was up 6%. The number of active clients in the period was maintained at the same level as the year before, as our clients continue to trade. We also saw an uptick in the average revenue per client, which increased 6%, as our clients traded more frequently.

Exchange-traded derivatives revenue was £67.1 million, up 16%, and included £61.2 million of US options and futures revenue, and £5.4 million from European derivatives. Active clients reduced 13%, which was due to some normalisation in the US client base, coming out of the pandemic period. Spectrum's active client base however, continued to grow, up 9% in the period. Revenue per client was higher in both the US and Europe, driven by an increase in trading from our most active clients.

Stock trading and investments revenue was £11.3 million, down 30%, as trading volumes moderated and clients shifted away from US equities, reducing the revenue per client. The total number of active clients however, remained in line with the prior period. With the rising interest rate environment, interest income, on both client money and our corporate funds, is now a larger component of our revenue mix, with interest on client money alone now making up 5% of our total Group revenue. This was zero percent last year.

Interest income adds a further, valuable, revenue stream to the Group's increasingly diversified top line. There are three main areas where this is relevant: US client funds, international client funds outside the US, and our own corporate cash.

In our US businesses, our clients had £1.6 billion on account, and in the first half we earned £16.7 million of interest income. In this market, we benefit directly when rates rise, as we're not reliant upon banks to pass along interest rate uplifts due to our 3rd party clearing relationships.

Towards the end of the second quarter, and now into the 3rd, we've been running a very successful series of marketing campaigns in the US designed to attract large balance accounts. June will cover this shortly in a further update on our US businesses.

Across the rest of our business globally, our clients had £2.4 billion on account, and we earned £7.5 million in the half.

Here, the relationship between interest rates and this associated income is less direct than in the US, due the number of banks we directly hold deposits with and the corresponding terms. Nonetheless, the rising interest rate cycle has also benefitted these balances, again attracting higher levels of interest income than we've seen before, where for some balances, we were seeing negative interest last year.

Interest on our corporate funds has also become a more meaningful number in the half. This is reported in the financing income line in the P&L, which is below operating profit, but included in PBT.

At the end of the period, we held £1.9 billion of corporate funds, and earned net income of £2.4 million. On all three of these areas, I'll share our outlook towards the end of my presentation.

Now looking at our Core Markets, the traditional cornerstone of IG, revenue in the period was up 6%, in line with our previous guidance. On this slide we show net trading revenue for our Core Markets businesses, going back over the last 7 half years. The growth in these businesses has been remarkable, showing we now operate at an entirely different scale to just 3 years ago, representing an excellent payback on our investments in these areas.

Two of the standout points for me on this chart are Japan and Australia. Japan continues to go from strength to strength and is clear evidence of how with the right products, marketing, and localisation, we can succeed in a market that's very different than others shown on this page. Australia, which you may remember had new OTC trading regulations introduced at the end of FY21, has returned to growth, a testament to our resilient and high-quality client base. The resumption of growth here follows a similar pattern to what we saw several years ago in Europe, where clients adapted their trading strategies and practices in light of the new regulations.

Our High Potential portfolio revenue in the period increased to £94.8 million, increasing 28% on a pro forma basis, which includes the benefits of FX tailwinds. US revenue was up 27% and European revenue, from Spectrum, was up 44%. tastytrade, our award-winning US options and futures business, reported total revenue of £77.9 million, up 26%. This growth was driven by the significant increase in interest income as the US Fed Funds rate rose, and some benefit of the weaker Sterling on the translation of US Dollar revenue. Both of these more than offset some trading revenue weakness that we saw in the period, where we traded more in line with the market.

In our US foreign exchange business, revenues increased by 46%, benefiting from the sharp currency volatility across the period. This business has often been overlooked in the past, but alongside our options and futures business, we now have a meaningful level of US-derived revenue, which is growing.

And over in Europe, Spectrum continued to expand its network adding 1 new broker and 1 new issuer in the period. This will support the strong organic growth which we're currently seeing on the exchange. The 44% increase in revenue reflected both an increase in the number of active clients in the period, as well as an increase in activity, as the business begins to establish itself as a more significant part of our High Potential Markets portfolio.

And now onto operating costs. At a headline level, total operating expenses increased 25%, however, there are several factors driving this year-on-year movement.

Last year only included 5 months of tasty costs given the effective date of the acquisition, while in this half we have the full 6 months. In this half, we also have the full £4 million accrual for the charitable donation, which is new. And lastly, we've had significant translational FX headwinds across the period due to weaker Sterling, adding around £10 million alone to the costs in the first half.

On a more like for like basis, the main movements of operating cost were technology-related expenses, in both the fixed remuneration line and other structural cost lines. Investment in our technology remains a key area of importance for our business and the additional costs include both investments in new development projects, and the ongoing cost of running our trading platforms, where we have seen some inflation in supplier costs.

For fixed remuneration, headcount increased by 178 year over year, however with nearly 80% of the new staff being added in our lower cost Global Service Centres, this helped mitigate an otherwise larger increase. Today, nearly half of our staff are located in one of these three Centres in Poland, India, and South Africa, which provide a high degree of capability as well as cost efficiency.

Fixed remuneration also contained the effects of larger than normal base compensation increases due to sharp inflation and cost of living pressures. Our actions here have been successful, as staff retention remains within our targeted levels.

Costs in the first half were slightly down on the second half of last year, despite the headwinds of inflation and foreign exchange. We anticipate operating costs to increase in the second half of this year, which is typical of the first and second half phasing we normally see, although our overall cost guidance for the full year remains the same, provided we don't see any further material change in FX rates.

The consistency and strength of our operating performance allows us to invest in the expansion and growth of the business, while delivering attractive returns for shareholders.

We announced the new Capital Allocation Framework in July last year, and we've allocated capital in line with the framework during the first half. As a reminder, the items in blue represent annual uses of capital, with the red items relating to potential uses of surplus capital.

We began the half with a healthy regulatory capital headroom of £528 million. As June and I have mentioned, we've continued to invest in our businesses to drive organic growth, while still maintaining a high PBT margin. In addition, we pledged £4 million to charitable causes, highlighting our commitment to empowering broader society via education and financial literacy. This pledge was also just the first of a multi-year commitment by IG.

In line with our targeting of annual, Regular Distributions of around 50% of adjusted profit after tax and modest annual growth in dividend per share, in July we increased our full year dividend by 2% from 43.2 to 44.2 pence, and today we've announced a 2% increase in the interim dividend for FY23 from 12.96 to 13.26 pence.

Looking at other investment in the business, while we evaluated some smaller inorganic opportunities in the period, they did not meet all of our criteria, so consequently we passed on them. While we will consider acquisitions as part of our growth strategy, we will continue to be very disciplined in assessing such opportunities against our strategic priorities. Currently our focus remains on delivering organic growth, which is what our medium-term guidance is derived from.

Finally, the inaugural £150 million share buyback program that we announced in July is substantially complete. Having assessed our current regulatory capital headroom after the investments and other allocations that I've just described, we've today announced a £50 million extension to the existing buyback program, to begin when the current program completes.

This demonstrates the Board's continual review of the sources and uses of capital, and where appropriate, returning excess capital to shareholders, in the form of Additional Distributions, which we described in our Capital Allocation Framework.

Our consistently strong profit and cash generation, combined with disciplines around the allocation of capital in line with our new framework, puts us in a position of excellent balance sheet strength. An important aspect of our business model is that profits are realised in cash almost immediately. Our profit after tax therefore goes directly to the accumulation of capital and liquidity in every period.

At the end of the first half, after paying the final dividend from FY22 and buying back £114 million of shares, we reported own funds, which excludes client funds on balance sheet and our £300 million bond of £1.15 billion, up 25% from a year ago.

Our available liquidity, by which we mean free cash above what is needed to meet broker margin requirements and any overseas regulatory requirements, grew to £883.8 million, and our regulatory capital headroom is £503.3 million. Maintaining certain levels of capital headroom is important, as it gives us tremendous flexibility for how we allocate capital over time, whether as investment or shareholder distributions.

IG has a long history, nearly 50 years, of prudent financial management, and the financial fundamentals of liquidity and capital are stronger now than they've ever been before.

Lastly from me, I'd like to go over some guidance points.

On total revenue, we maintain our medium-term guidance across our Core Markets+ and High Potential Markets portfolios. In Core Markets+, we continue to target total revenue growth of 5-7% per annum over the medium term. In our High Potential Markets, we're targeting total revenue growth of 25-30% per annum over the medium term.

On interest income, for US client money balances, we'd expect an annual increase of $4 million for every 25-basis point increase in the Fed Funds rate. For interest from non-US client money, the gearing ratio is more complicated, but we'd expect in total, interest income of around £25 million this financial year. On our corporate funds, we expect to report net finance income of around £10 million for the full year. Operating costs will increase in the second half, due to the phasing of costs that we typically see, and as we continue invest in organic growth opportunities, and continually upgrade our technology platforms.

Translational FX was a significant headwind for the cost base in the first half. But provided no material changes in FX rates in the second half, we'd expect to be in line with our previous guidance of mid-single digit growth on the second half run rate from FY22.

On margins, we reiterate our expectation of a PBT margin in the mid-40s for FY23, which allows a good balance between careful cost management set against our ongoing investment programs. The first half margin was higher than this largely reflecting the phasing of costs, and we anticipate the full year margin to be closer to our guided PBT margin.

And on tax, the 18.9% effective tax rate for the first half also reflects our current estimate of the full year, based on the expected geographic mix of business, and the higher UK Corporate tax rate coming in towards the end of our financial year, in April 2023.

Lastly, stepping back, and looking across the business as a whole, we'd anticipate our full year performance to remain in line with our expectations.

Thank you very much, I'll now hand back over to June.

June Felix, Chief Executive Officer

Thanks Charlie. I'll now share our excellent progress against our strategy and purpose.

Content plays an increasingly important role in our strategy, particularly in supporting client acquisition and retention.

Self-directed traders actively seek out information and insights to help them improve their performance. Our content is designed to improve the understanding of our clients and the wider investment community and provides tools to hone their skills and the insights to trade.

We know this is meeting a clear need. While most of our clients come to IG with considerable knowledge and experience, they are also voracious consumers of content.

In just the first half of this financial year, there were:

- 50 million views on social media from IG Group content across tasty*live*, IG AND DAILYFX
- Over 7 million tasty*live* video views
- Nearly 4 million total views of IG market news analysis and insights, and
- 63 million pageviews of DailyFX content

Clients who interact with multiple forms of content generate significantly higher revenue for IG.

This is a virtuous circle. The more our clients learn the more they gain expertise. The more expertise, the more they trade and become, more seasoned and active traders. They enjoy the challenge and are driven by a deep desire to take control of their own finances to create a better financial future. They recognise that it takes discipline, and that continual learning is key.

In fact, we know that:

- The number of trades increases by around a third following interaction with IG content.
- viewers of tastylive place twice as many trades as non-viewers, and
- IG clients who interact with multiple forms of content generate more than three times the revenue of clients who interact with one type.

As a result, we will remain focussed on delivering outstanding, valuable content as part of our client experience as a key ingredient to faster sustainable growth.

In the US, we continue to drive progress at tastytrade since we acquired the business in June 2021. We start from a strong position. The vast majority of tasty's customers are highly sophisticated and experienced traders who have the capability to continue trading through market cycles. By offering a full-suite of products- stocks, options, and futures - we retained a large proportion of our active client base as they were able to choose appropriate products and risk strategies for the market conditions.

Our futures business is growing at a rate of high double digits. This growth demonstrates that we continue to broaden and deepen our appeal to active traders, as futures traders generally trade across equities, options, and futures, making them more valuable and enduring customers.

We see higher interest rates as a great opportunity to further drive revenue growth at tasty, while building the size and quality of the active client base.

Given this, we have taken bold moves to maximise this opportunity:

- We have launched new products during the half to specifically attract more of the 13 Million active equity traders who are the most likely to become options traders. These include new state of the art risk analytics to help clients understand the implications of their risk and changing volatility climates.
- We have enhanced our news services
- We have created new stock fundamental analysis tools to meet customers specific needs.
- Taken together these initiatives expanded our reach into the much larger target addressable market of active equity traders, increased our ability to attract larger client balances and capitalised on the higher interest environment.

In addition, we implemented a number of new marketing programs tailored for the active trader.

- While early days, our new marketing initiatives are starting to pay dividends. We are now successfully attracting more valuable clients. In fact, average funding per new client doubled compared to the prior 5 months.
- Our brand is punching through. tasty*live* content has seen an all-time high in the number of live viewers. Despite overall market search being down 7%, we are excited that Google search visibility for tasty*live* and tastyworks is increasing.

In fact, our content is so well respected and recognised as the US market leader that tasty founder and pioneer of this concept, Tom Sosnoff has been invited by a number of US exchanges to collaborate on and lead educational series across a variety of mediums, including live shows.

This means that the tasty name and content will be seen by millions of traders and investors who watch their programmes.

Last but not least, we are investing in our first ever national brand campaign in the US next month to further increase awareness of the tasty brand. We are confident this will accelerate our growth in the coming months and years.

Now onto Spectrum, a High potential market opportunity that is a great example of how we deliver strategic growth organically.

In May 2018, we took the bold decision to revolutionise the pan-European retail trading market by building one transparent, secure exchange for European financial institutions.

Now the Spectrum venue offers access to 3,000 tradable instruments across 90 underlying assets through our issuer Raydius.

As I mentioned before, Spectrum's success is now attracting large European players. We achieved a significant milestone when we recently onboarded Societe Generale, who wanted to access more cost-effective distribution through one, pan-European exchange.

Societe Generale is one of the biggest names in Germany and France. Bringing them on board has dramatically expanded Spectrum's universe and will provide access to 2 additional Product categories, and around 5,000 more tradeable instruments across nearly 500 underlying assets.

Integration with these large issuers reinforces Spectrum's credibility, and provides an increased product suite, and a deeper pool of liquidity. This enhances Spectrum's proposition for brokers and creates a larger volume of retail trades through Spectrum.

While I am very proud of our financial results, I am equally excited about how we are embedding ESG across the business. It is central to our strategy and purpose, as well as our duty to operate as a responsible and sustainable business that delivers for all of our stakeholders. Our Brighter Future Fund and ESG framework are focused on empowering broader society via education and financial literacy, aligned to our content approach with clients and our purpose of powering the pursuit of financial freedom. We know our efforts in this area also provides a significant source of motivation for our people and is key in attracting future talent.

In July 22, we announced that we would pledge 1% of our annual post-tax profits in support of our ESG agenda. We've started to allocate the £4 million from FY22 profits to the outstanding charities seen here. Our contribution is already making a difference, with more than 100,000 young lives globally benefitting from our Brighter Future Fund initiatives. Beyond funding, our employees donate their time. We're enormously proud of their contribution. Over the past year, 1 in 3 of our employees engaged with sustainability initiatives, and we are committed to empowering our colleagues to play an even larger role going forward.

We also remain committed to advancing our diversity and inclusion agenda. We have refreshed our D&I Strategy to focus on improving female representation at senior management levels and across the business. And we were delighted this month to be certified as a top employer in the UK for the 14th year in a row. As well as receiving certification in a number of other countries where IG operates.

Another area which supports our purpose is the responsibility we take in how we address client vulnerability. We continue to develop ways to proactively detect clients who may need support. We believe our ongoing work in this area gives us a leadership position in our category and continues to position us to be associated with best practice.

To stay on top of evolving needs and the trading outlook of our clients, we canvas them regularly. This gives us valuable insights from a meaningful portion of IG's traders and investors from around the world. It helps us serve them better.

Our most recent survey results show that our clients remain extremely positive about trading. At the top left of the slide, you can see that 92% of clients expect their trading volumes to increase or remain the same in the next 6 months.

Furthermore, 83% said that they see trading opportunities during an economic downturn. This reflects the confidence and capacity of our clients to continue trading regardless of the macro-economic environment.

Understanding why our clients trade is equally important to us. We were pleased to learn that 80% of clients value the opportunity trading provides to work toward their goal of financial freedom. This is directly in line with our purpose. Further reinforcing our strategic approach is content. 94% of clients who used IG Academy said they found it helpful for building confidence to trade. The fact that our high-value clients continue to see opportunities despite uncertain market conditions and that they value and engage actively with IG content gives me confidence.

So, in closing, we have yet again delivered another set of excellent results over the last six months despite the challenging market backdrop. At IG, we are very proud of our track record in growing our significant OTC business, a critical part of the Group, and executing on our diversification strategy to deliver consistent and sustainable growth.

Looking forward, I'd like to leave you with five key messages from today.

First, we have a very exciting future. We have multiple growth levers and a significant target market.

Second, we continue to build and strengthen our revenues as we increasingly diversify our business by product and geography.

Third, our market leading content, robust technology and client-focused platforms provide our clients with the tools, knowledge and confidence they need.

Fourth, our ability to attract and retain a particularly high-quality client base provides tangible and enduring value, as well as differentiating us from competitors.

And finally, we're clearly establishing a track record for delivering steady capital returns to our shareholders, supported by strong cash flow and liquidity that provides us with a range of options to deploy our capital in the future.

This is all while continuing to meet our commitment to broader society through our ESG efforts.

We now welcome your questions.

Ben Bathurst, RBC

Morning all, I've got two questions, each with two parts if that's okay? The first one being on Japan, the revenues and active clients have both increased by more than 20% in that market and I just wondered could you add some colour on what the sort of rate of growth has been for that market overall for us to get an idea of how that compares with IG's growth and second part was what is the realistic sustained level of growth you think you can deliver there in light of the strong historical growth?

And then the second question, also with two parts on tastytrade, clearly we've had the SEC rule proposals come through there in December. I just wondered if you could share your reaction to those proposals and what your current base case is in terms of the likely impact on tasty? And thanks for the extra disclosure around the PFOF revenue for tasty, I just wondered, is changing the revenue model to derive higher commissions a sort of mitigation you are considering in the event of a more adverse outcome on the regulatory side there? Thank you.

June Felix, Chief Executive Officer

Thanks very much for the question, this is June. So let me take the first question in terms of Japan. I think your question was around the revenue and active client growth and to what extent we see that versus the overall market. Looking at the calendar year 22, we saw that we took share overall in the market so that would suggest that our growth has increased versus the market overall. As you know this is very large market, FX alone is 2 million plus active traders, and we see that that is continuing to grow given the interest rate environment that we've had most recently. In terms of realistic sustainable growth, we would expect that still to be in the double digits given the size of that market and our ability to take share.

In terms of your second question on tastytrade, in terms of payment for order flow, what we see there is that it's still early days, the guidance is just come out and we still see that that is a very attractive business for us, very large upside opportunity and for us, there are 13 million active traders for us to go after, as it relates to what will transpire overtime, as it relates to changing the charging and pricing that might be in that market. We have lots of alternatives we will be evaluating those as the conditions and specifics evolve from that recent regulation.

Richard Taylor, Barclays

Good morning. First one was on interest income please. We can see what you imply in the second-half for interest income from your disclosures today of 25 million for the full year and we can look at base rate expectations but how should we think about the sensitivity here other than just base rates? Which countries do you need to think about and how developed is this in terms of generation of income, do you have everything exactly how you want it at the moment, or can you develop it to see upside irrespective of what happens to rates? And then secondly you talk to the marketing campaign and tastytrade can you talk to any progress you have made here in the second-half to date as it looks like the tastytrade income was down in the first half excluding the interest income, at constant currency? Thank you.

June Felix, Chief Executive Officer

So, thank you Richard, let me take the marketing question and turn it over Charlie for the interest rate question. So, on the marketing question, absolutely we've seen benefit from our marketing initiatives specifically in terms of the search engine optimization work that we've talked about and the disciplines we brought in there and have used extensively in Japan. What you may have heard is that overall search for the category in general was down 7% but Google Analytics we were up versus a market that was down 7% which shows that we are cutting through in terms of interest in terms of the overall market. We've also seen during that time period that we are attracting a higher quality client base and if we look at average revenue per new account, new client, it's actually doubled really substantiating our ability to target the active trader. Charlie do you want to talk about interest?

Charlie Rozes, Chief Financial Officer

Yeah, thanks Richard. So, to your question on interest income outside of the US, I mean we've got, I think as you're aware, we've got a mix of currencies, we've got a mix of rates in there, et cetera so there isn't necessarily a straightforward gearing ratio is we've been able to provide you with the US. I would say within that mix of currencies though, the one that's probably the most sensitive is the UK. That's where the concentration of, probably the single largest concentration of balances is, so I think if you were going to look at that or try to model that look at where you think UK rates may go. Obviously this is also a function of the balances that we are able to attract and retain and grow overtime so again you could take a view on that, but I think our track record speaks for itself in terms of our ability to do that with client money. So yeah, I would just point you in that direction.

Richard Taylor, Barclays

Thank you, and just a follow up, June on your answer on the tastytrade stuff, so the uplift that you see there, are you talking about that in the second-half to date in terms of the improvements in the marketing or was that comment in relation to H1?

June Felix, Chief Executive Officer

The comments I made so far in terms of the search engine optimization and also average funding were for the first half. The second half we're optimistic because as I mentioned we'll be launching a new brand campaign, the first national brand campaign for the business and also have a number of additional marketing initiatives that we believe will take root.

Vivek Raja, Shore Capital

Hi, good morning. I have three questions if I could please? The first one is just if you could elaborate a little bit on the inorganic opportunities that you've been looking at recently and what sort of area would you be looking to potentially add into? Just wondered if you could comment on trading post the first half, so you know December and January any flavour of what's happened to trading volumes at the beginning of the second half? And then on the regulatory front, I wondered if you'd comment on the FCA's letter in early December and potentially whether you see an impact from tighter consumer duty rules on the core business and the UK franchise and how you think it might affect the broader market? Thanks.

June Felix, Chief Executive Officer

So, Vivek, this is June. Let me talk about a couple things starting with question number one, in terms of inorganic opportunities. Charlie and I and the board look at inorganic opportunities as a regular course of business. As you know our primary engine for growth is our organic efforts that we have in place, which we're very confident about. We continually look at those that strategically expand into our active trader base and also we look at those that will add the additional product categories that our clients are seeking to create greater loyalty in terms of their ongoing business. So, it's really on a product as well as in terms of breadth and depth of active clients that the proposition has. In terms of trading post first half, I would just say you can see the conditions in the market overall we're seeing a good start to the year in terms of activity but what we've seen in the first half is an emphasis on indices as well as on interest rates. Individual equities have been more constrained, and commodities have been fairly steady over that period of time. On the regulatory front, in terms of the FCA letter, I think what we've seen in terms of consumer duty overall, we support that. We think that's a good move in general because as an industry leader in our category we've consistently tried to ensure that we are on the side of the consumer both in our business model and in terms of our how we handle clients and in every way that we onboard who we onboard, how we treat them and we see that as a positive as it relates to ensuring that the industry continues to operate at its highest standards. And we continue to make investments to ensure that we are not only meeting those requirements that have been set out but are executing on best practises.

Webcast questions – June Felix, Chief Executive Officer

Question from Federico Moralda was why has it diluted share count not reduced in line with the 14 million shares bought back during July and November, I'm going to turn that over to Charlie

Charlie Rozes, Chief Financial Officer

Yeah, thanks. You've got two things going on when looking at the weighted average share count across the period. One is related to the issuance of the shares for tasty. Because the date of the transaction last year on June 28th, we were carrying, if you will, an additional month of those shares in the weighting in the period. That's probably the biggest impact you do have then the offset of the impact of the buyback that obviously occurs you know kind of on a phased basis as we go through the period, so depending on the rate of repurchases and things like that, that weighting will move around a bit, so that did take the share count the other way. Obviously all else being equal as we go through the second half of the year and the extension of the buyback that we announced today you know then you would expect it to start to come down, probably more in line with where I think your question is headed, but hopefully that helps.

June Felix, Chief Executive Officer

In addition, we have a question from James Mason-Hudson. Were the New York Stock Exchange system issues on January 24th an issue for IG and its clients?
The good news is we had very minor impact of that New York Stock Exchange system issue, so all of the investment that we made in our systems, the breadth of our products resulted in an extremely minor impact for us.

And those are all the questions on the webcast. With no further questions, thank you very much everyone, appreciate your questions and look forward to talking to those that we have meetings with, but thank you again for dialling in.