

Results presentation

Full year ended 31 May 2023



IG Group

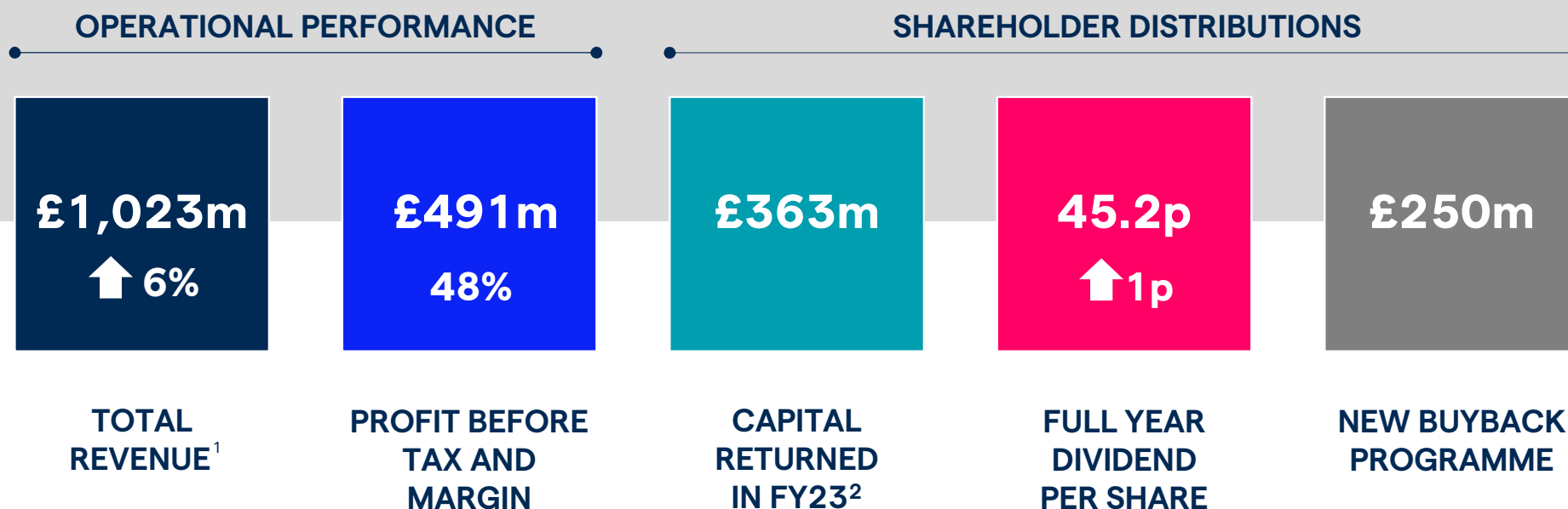
What we will discuss today

- 01** Highlights
- 02** Strategic progress
- 03** Financial performance and outlook

01

Highlights

Another record revenue year



¹ Total revenue includes interest on client money

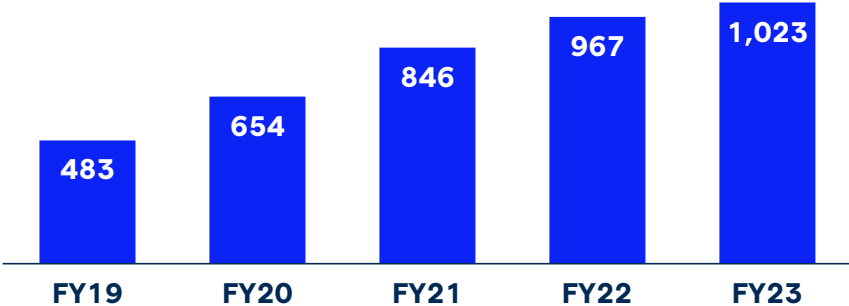
² Capital returned consists of dividends paid and shares repurchased

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

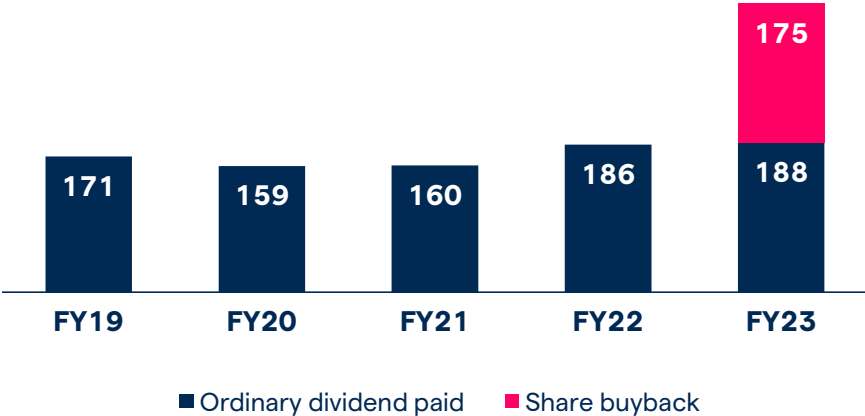
Key reflections

- Another year of **strong financial performance**
- Delivered significant **returns of capital**
- Achieved further **progress on our strategy** of diversifying the business
- Leading the field in **corporate citizenship**

Total revenue (£m)



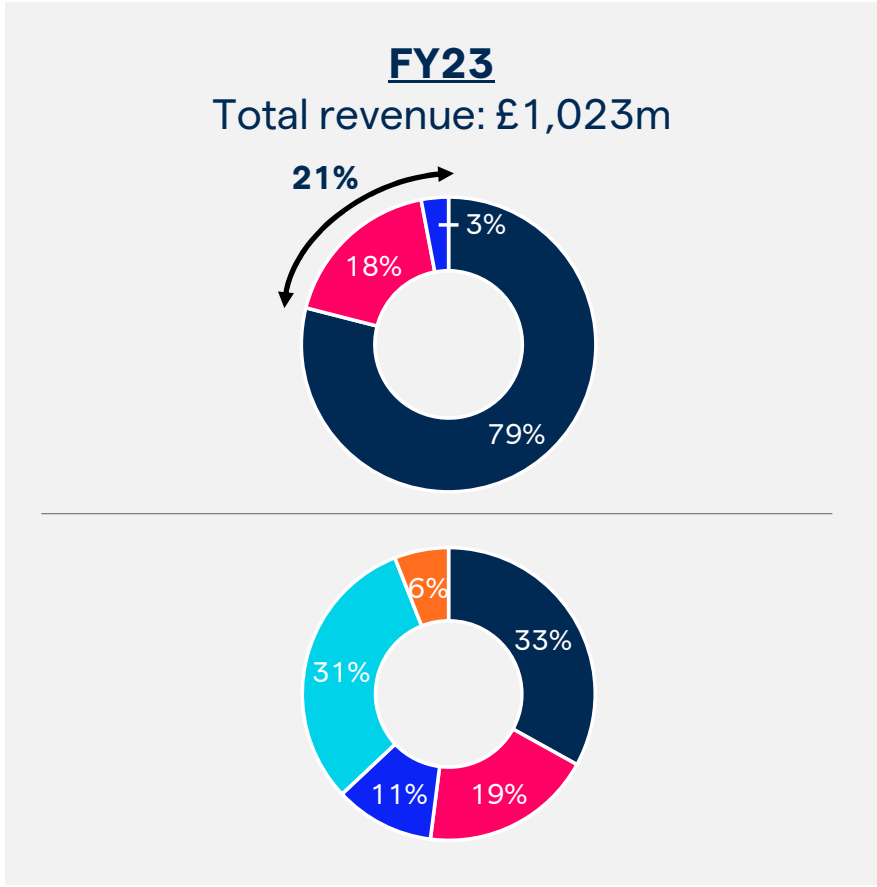
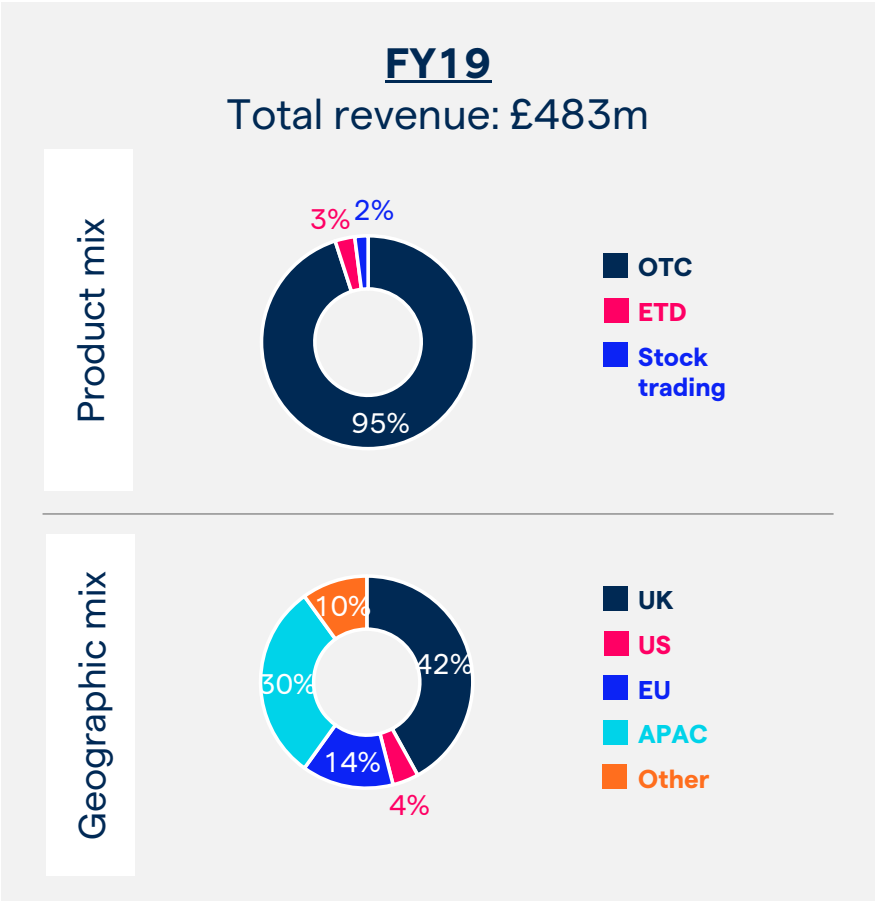
Shareholder distributions (£m)



02

Strategic progress

Diversification strategy on track



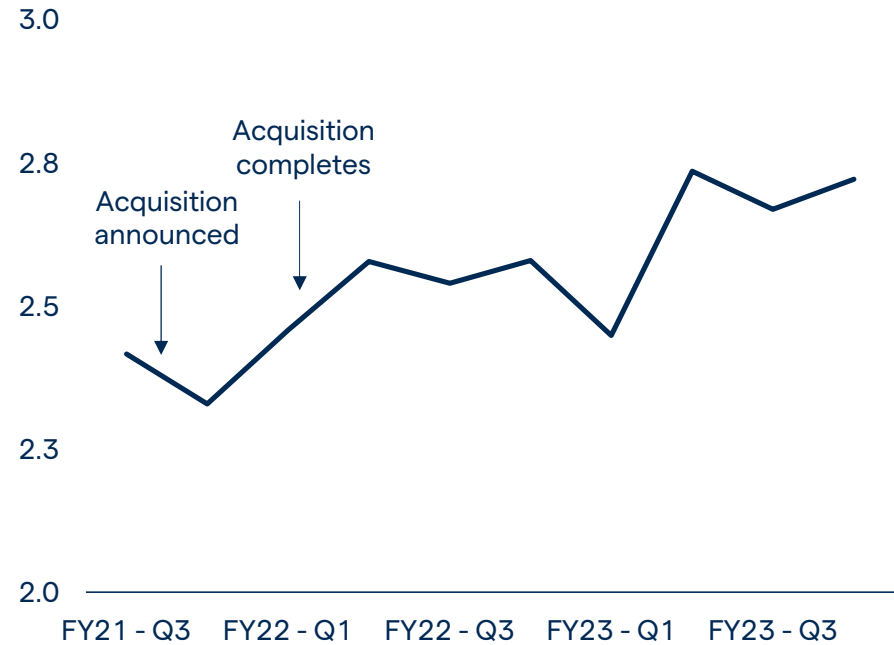
Strong growth in the US



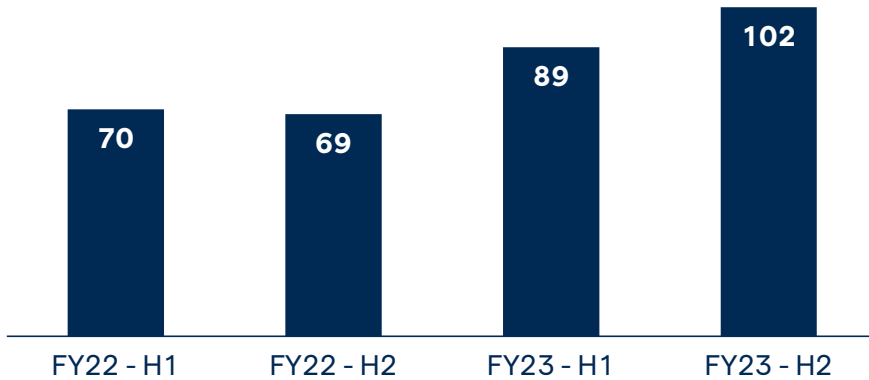
Total revenue (£m) (pro forma)	FY23	FY22	Change
tastytrade	170.3	120.6	41%
US FX	20.5	16.6	23%
US market making ¹	0.5	1.8	(70%)
Total US	191.3	139.0	38%

US options market

Equity and equity index volumes (contracts – bn)



Total US revenue (£m)

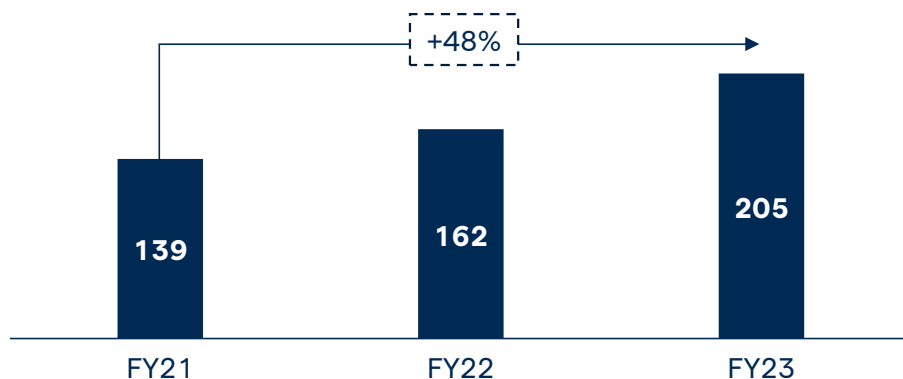


¹ US market making relates to historical liquidity provision on Nadex which has now ceased following the disposal of the business

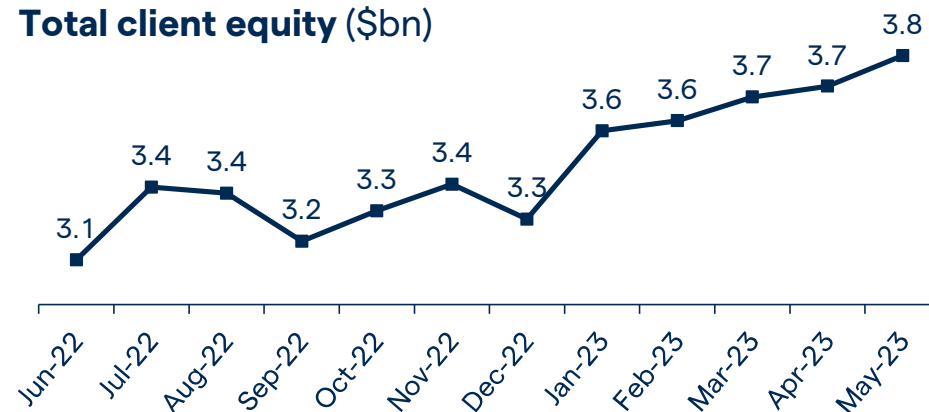
Progress at tastytrade

- Delivered **strong total revenue growth** since closing
- Strengthened US leadership team
- Launched first **national brand campaign**
- Significant improvement in **brand recognition**
- Platform upgrades deliver **market leading user experience**

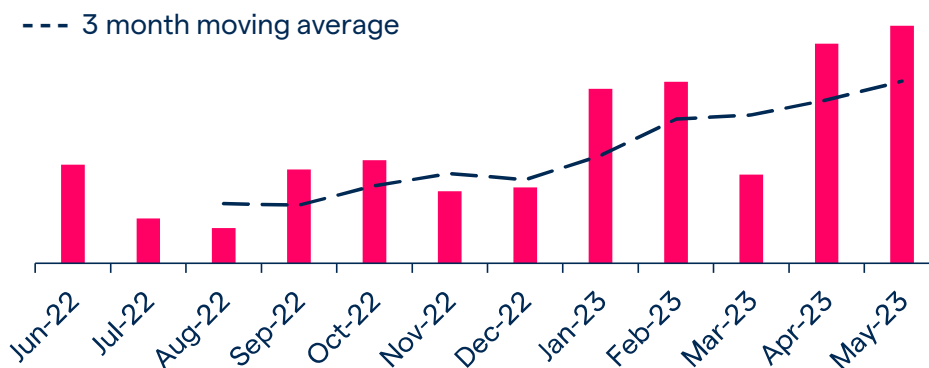
tastytrade - total revenue (\$m)



Total client equity (\$bn)

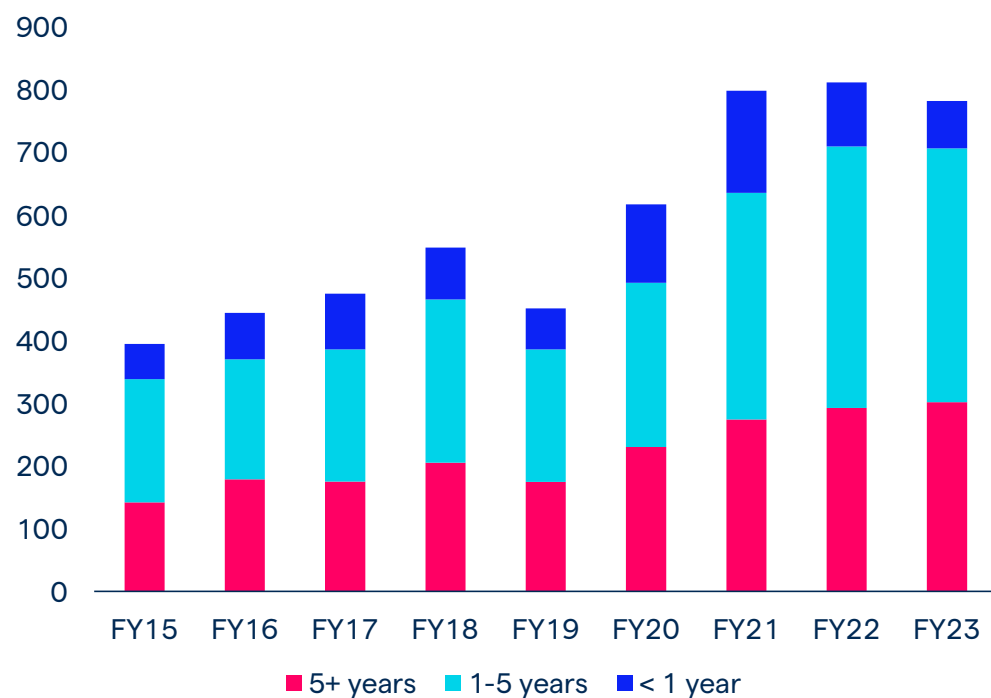


OCC retail market share (FY23)

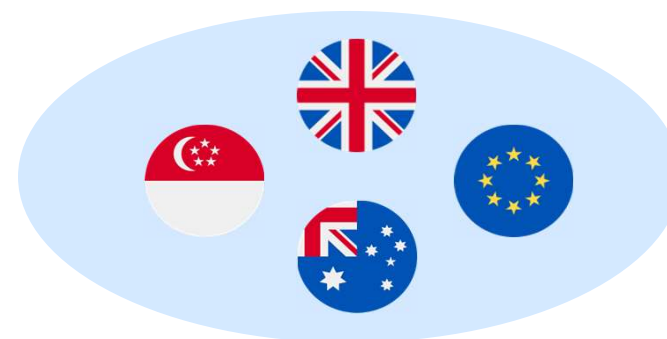


OTC business has enduring revenue streams

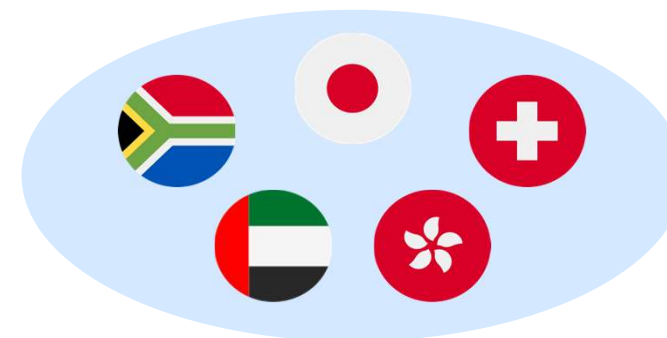
OTC net trading revenue by tenure (£m)



Market leader in the region – steady growth

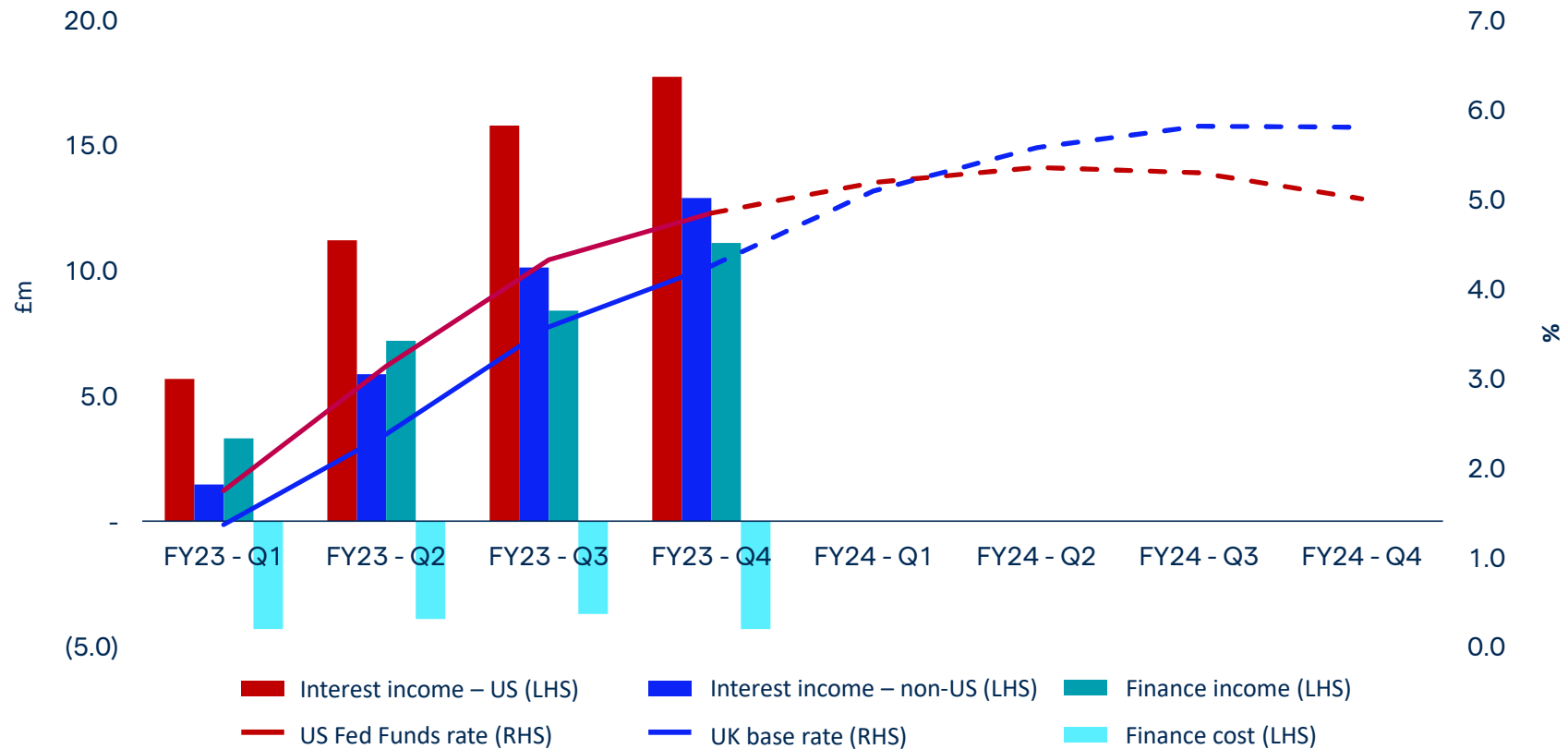


Areas of higher growth potential

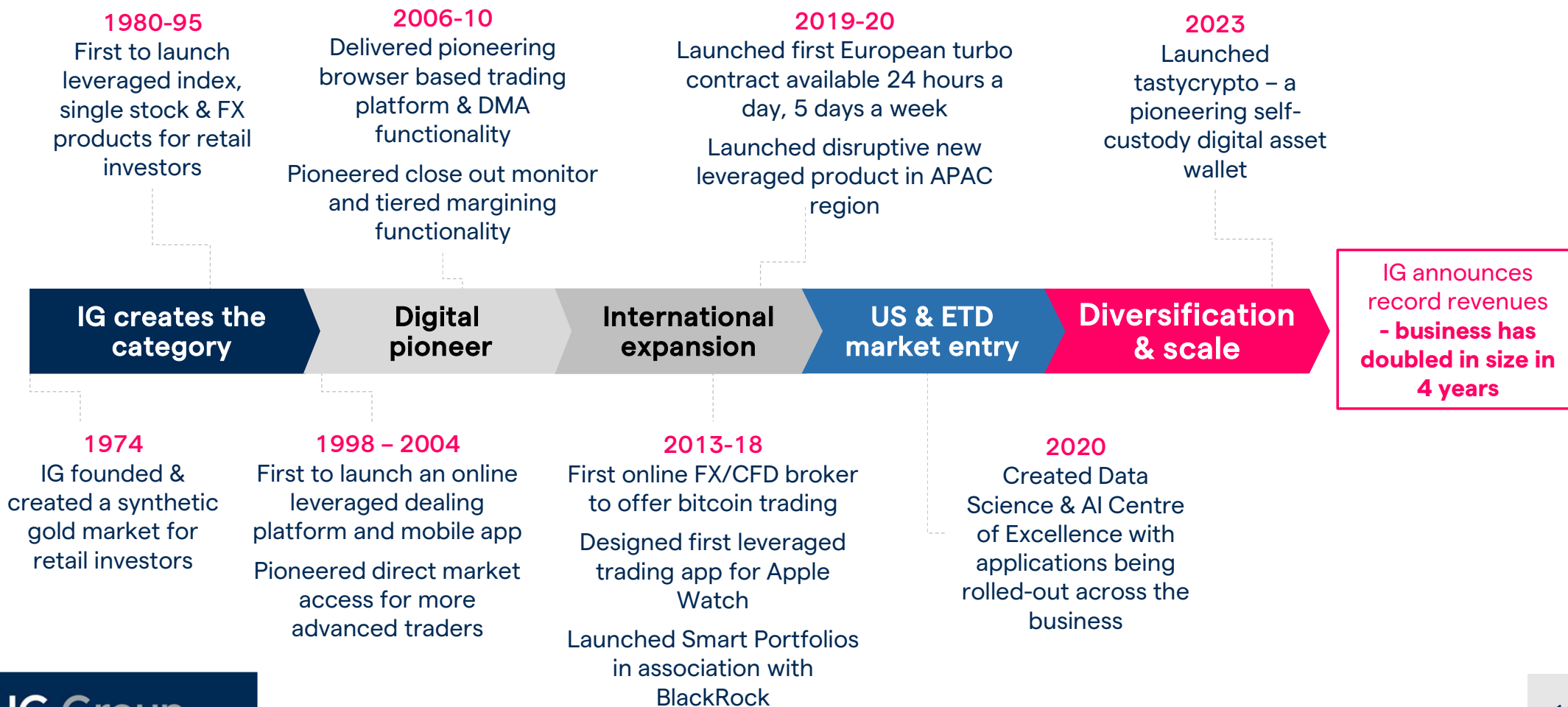


Interest generating another revenue stream

Benefit of higher interest rates to increase, while financing costs remain fixed



Innovation is in our DNA



Our unique client base

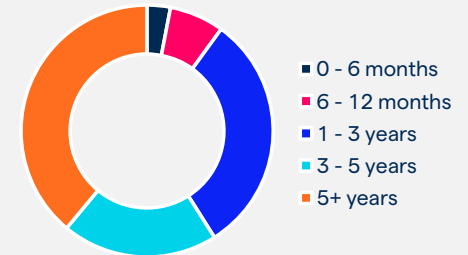
Active traders

- We cater to engaged, active traders
- Our top 10% of clients trade over 15 times per day



Long tenure

- Over 50% of our revenue is generated from clients who have been with us for 3+ years



Strict onboarding criteria for leveraged products

- Wealth and income tests
- Experience requirements



Significant liquidity

- The average balance held on a customer account across our global business is over £10,000



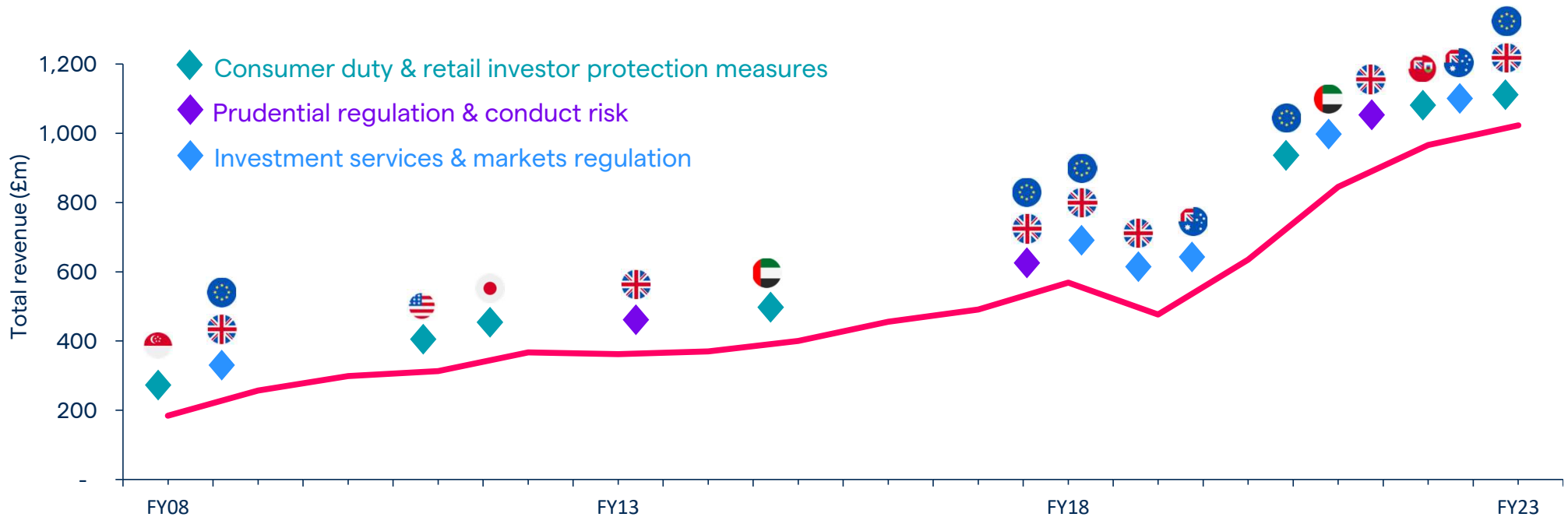
Growth through regulatory change

IG has grown throughout periods of regulatory change reflecting our ability to innovate and diversify

Regulation ensures that traders are informed and appropriately protected

Our segmentation focusses on traders with relevant experience & risk appetite

We deal with regulators in an open and transparent manner



03

Financial performance and outlook

Balancing business growth with investment

Adjusted basis (£m)	FY23	FY22	Change
Net trading revenue	941.8	966.5	(3%)
Net interest income	80.8	0.8	
Total revenue	1,022.6	967.3	6%
Betting duty and other operating income	(2.5)	4.6	
Net operating income	1,020.1	971.9	5%
Total operating costs	(541.0)	(464.9)	16%
Operating profit	479.1	507.0	(5%)
Other net losses	(2.6)	(2.3)	
Net finance income / (cost)	14.0	(10.4)	
Profit before tax	490.5	494.3	(1%)
Tax expense	(94.0)	(83.8)	
Profit from continuing operations	396.5	410.5	(3%)
<i>PBT margin</i>	<i>48.0%</i>	<i>51.1%</i>	
<i>Effective tax rate</i>	<i>19.2%</i>	<i>17.0%</i>	
Basic earnings per share (pence)	94.7	96.3	

- Total revenue up 6% as significantly higher interest income offsets slightly lower net trading revenue
- Cost growth reflects FX headwinds, inflation and continued investment in innovation and progression of our strategy
- Net finance income generated from increasing interest earned on our corporate cash
- Effective tax rate reflected higher UK corporate tax rate
- PBT margin at the high end of our guidance
- EPS down slightly, partly offset by share buybacks executed in the period

Stable core business supported by diversification

Adjusted net trading revenue (£m)	FY23	FY22	Change
OTC derivatives	782.0	811.5	(4%)
Exchange traded derivatives	137.1	121.2	13%
Stock trading and investments	22.7	33.8	(33%)
Total Group	941.8	966.5	(3%)

Active clients (000)	FY23	FY22	Change
OTC derivatives	189.5	199.8	(5%)
Exchange traded derivatives	91.6	104.5	(12%)
Stock trading and investments	90.8	93.2	(3%)
Total Group¹	358.3	381.5	(6%)

Net trading revenue per client (£)	FY23	FY22	Change
OTC derivatives	4,126	4,063	2%
Exchange traded derivatives ²	1,490	1,142	31%
Stock trading and investments	250	363	(31%)

- Total net trading revenue down 3% in a year of more difficult economic conditions, particularly in H2, which impacted client numbers across all products
- OTC revenue down 4% reflecting some moderation in active clients, partially offset by a slight increase in revenue per client, reflecting quality of our client base
- Exchange traded derivatives revenue up 13%, reflecting increased revenue per client, benefitting from strengthening client quality

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

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

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

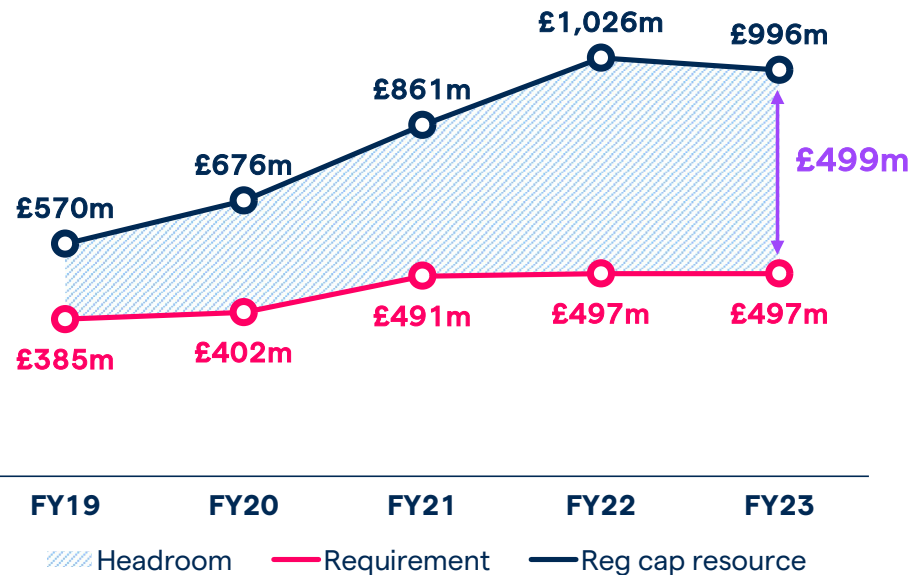
Balancing investment with good cost management

Adjusted operating costs (£m)	FY23	FY22	Change
Fixed remuneration	188.5	150.1	26%
Advertising and marketing	93.5	87.1	7%
Revenue related costs	47.9	45.3	6%
IT, structural market data and comms	42.5	35.0	21%
Depreciation and amortisation	29.6	28.5	4%
Legal and professional fees	25.9	16.8	54%
Other costs	63.1	44.2	42%
Variable remuneration	50.0	57.9	(14%)
Total operating costs	541.0	464.9	16%
Average headcount	2,613	2,389	9%

- Cost growth in line with guidance and delivered a high profit before tax margin of 48%
- FY23 includes £4m accrual for charitable donation, and one month extra of tastytrade costs
- Increases across the cost base due to FX headwinds and inflationary pressures
- Fixed remuneration increase reflected salary inflation and headcount growth in technology and to support strategic and incubator projects
- IT costs and legal and professional fees increased due to investment in strategic and incubator projects

Strong capital and liquidity positions maintained

Regulatory capital position



Liquidity position (£m)	FY23	FY22	FY21
Liquid assets	1,929.7	2,073.9	1,512.8
Broker margin requirement	(678.2)	(629.5)	(590.9)
Overseas cash	(383.5)	(342.9)	(248.0)
Own funds in client money	(75.1)	(64.2)	(60.9)
Available liquidity	792.9	1,037.3	613.0

- Regulatory capital headroom remains comfortable
- Significant available liquidity to meet short-term requirements
- Strong capital and liquidity positions provide optionality for investment and returns

Capital allocation framework in action

1) Regulatory capital requirements	Retained comfortable headroom of £499m at 31 May 2023 (31 May 2022: £528m)
2) Organic investments	Continue to balance organic investment in the business with maintaining targeted margins
3) Commitment to citizenship	Proposed donation of 1% of adjusted post-tax profit (£4.0m) to charitable causes
4) Regular distributions	Ordinary dividends paid in the year of £188m. Proposed full year dividend of 45.2p to achieve a pay-out of c.50% of profit in the form of regular distributions.
5) Inorganic investment	No material inorganic investments made in the year, though we continue to evaluate inorganic opportunities
6) Additional distributions	Shares repurchased in the year of £175m. Announcement of new and larger £250m share buyback.

Guidance

Portfolios

- Maintain medium-term guidance of total revenue growth of 5-7% for Core Markets+ and 25-30% for High Potential Markets per annum

Interest

- For US interest income, expect c.\$4m annually per 25 bps increase in the Fed Funds rate
- For interest income outside the US and net finance income, we expect growth in FY24 from the annualisation of rate hikes in FY23 and projected increases in FY24

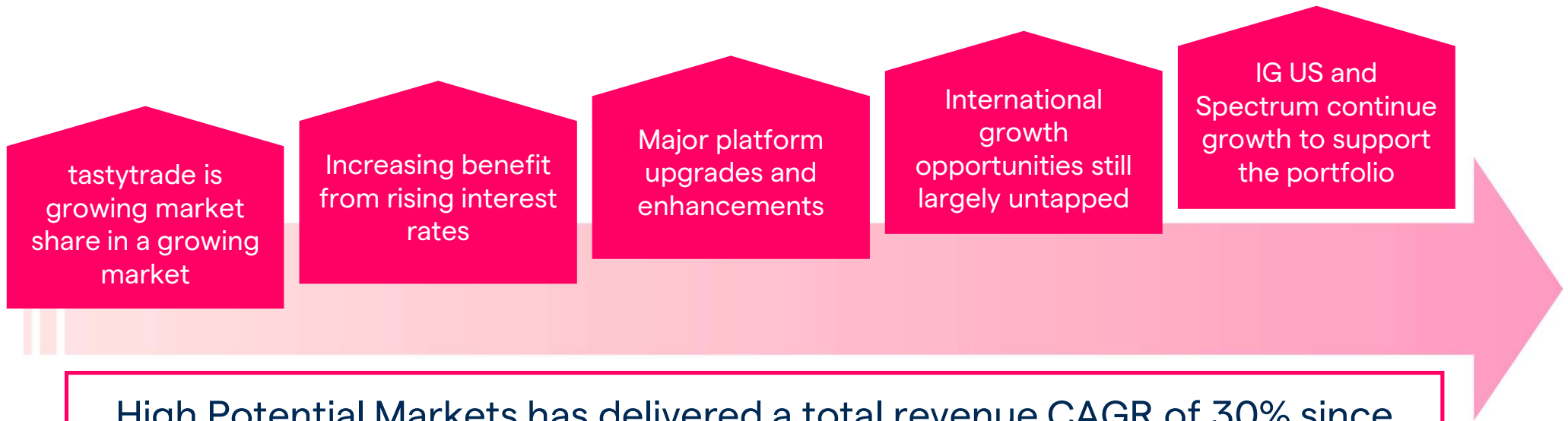
PBT margin

- Maintain prior guidance of adjusted PBT margin in the mid-to-high 40s in the medium term

Tax and EPS

- Expect the effective tax rate to increase to c.24%, reflecting the higher UK corporate tax rate
- EPS will reflect the decreasing share count due to our ongoing and new share buyback programmes

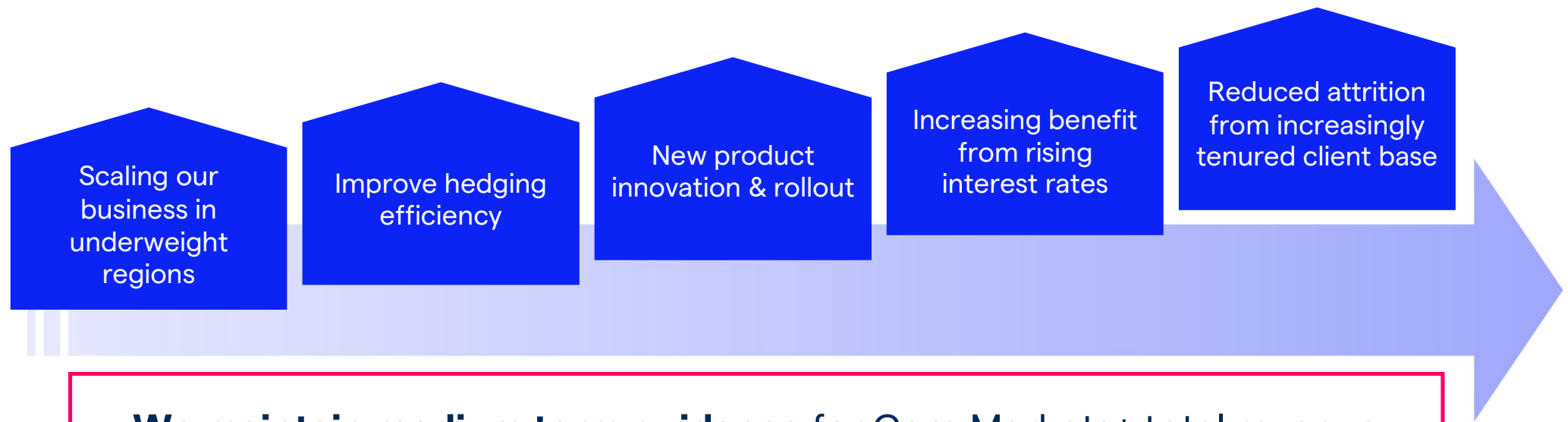
High Potential Markets powering ahead



High Potential Markets has delivered a total revenue CAGR of 30% since FY21 - the top end of our medium-term guidance of 25-30% p.a.

We continue to expect revenue growth in this range over the medium-term

Multiple growth drivers for the Core Markets+



We maintain medium term guidance for Core Markets+ total revenue growth of **5-7% per annum** as we leverage our industry leading scale

Summary

- Delivered **good operational performance** in challenging market conditions
- Quality of our client base continues to deliver a **sustainable stream of recurring revenue**
- Delivering on our **diversification strategy**
- £363m of **capital returned to shareholders** in the period via dividends and buybacks
- **Increased FY dividend** proposed and announcing a **new and larger share buyback** of £250m
- **Guidance reiterated**

05

Q&A

06

Appendix

Appendix 1

Reconciliation of alternative performance measures

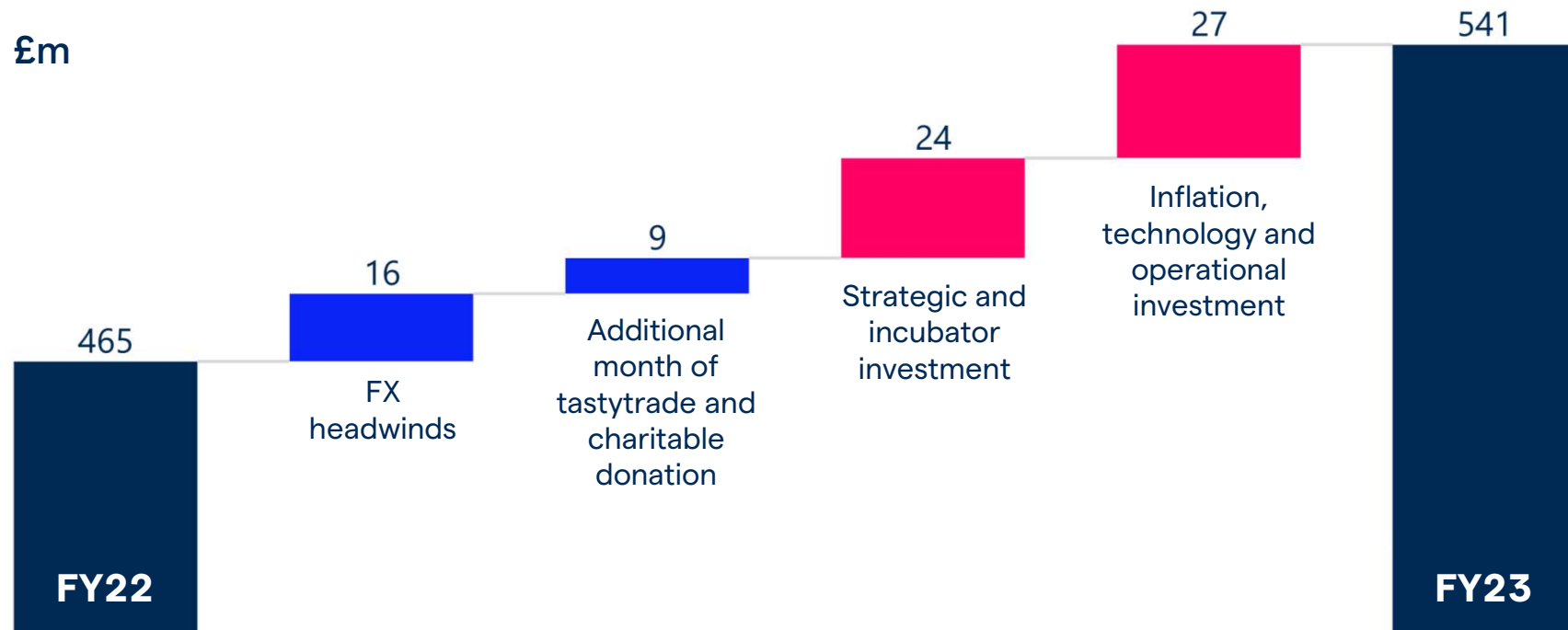
Adjusted total revenue (£m)	FY23	FY22
Net trading revenue	941.8	972.3
Interest income on client funds	81.8	3.5
Interest expense on client funds	(1.0)	(2.7)
Foreign exchange gain associated with tastytrade acquisition	-	(5.8)
Adjusted total revenue	1,022.6	967.3

Adjusted operating costs (£m)	FY23	FY22
Operating costs	583.8	499.2
Net credit losses on financial assets	1.1	2.7
Operating costs inc. net credit losses	584.9	501.9
Operating costs relating to tastytrade acquisition and integration	(2.7)	(2.0)
Amortisation of tastytrade acquisition intangibles and recurring non-cash costs	(37.0)	(31.7)
Operating costs related to Nadex sale	(4.2)	(3.3)
Adjusted operating costs	541.0	464.9

Adjusted profit before taxation and EPS (£m - unless stated)	FY23	FY22
Earnings per share (p)	86.9	92.9
Weighted average number of shares for the calculation of EPS (millions)	418.7	426.3
Profit after tax	363.7	396.1
Tax expense	86.2	80.9
Profit before tax	449.9	477.0
Foreign exchange gain associated with tastytrade acquisition	-	(5.8)
Operating income relating to Nadex sale	(3.3)	(1.5)
Operating costs relating to Nadex sale	4.2	3.3
Amortisation of tastytrade acquisition intangibles and recurring non-cash costs	37.0	31.7
Operating costs relating to tastytrade acquisition and integration	2.7	2.0
Financing costs relating to 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	490.5	494.3
Adjusted tax expense	(94.0)	(83.8)
Adjusted profit after tax	396.5	410.5
Adjusted earnings per share (p)	94.7	96.3
Adjusted total revenue	1022.6	967.3
Adjusted PBT margin	48.0%	51.1%

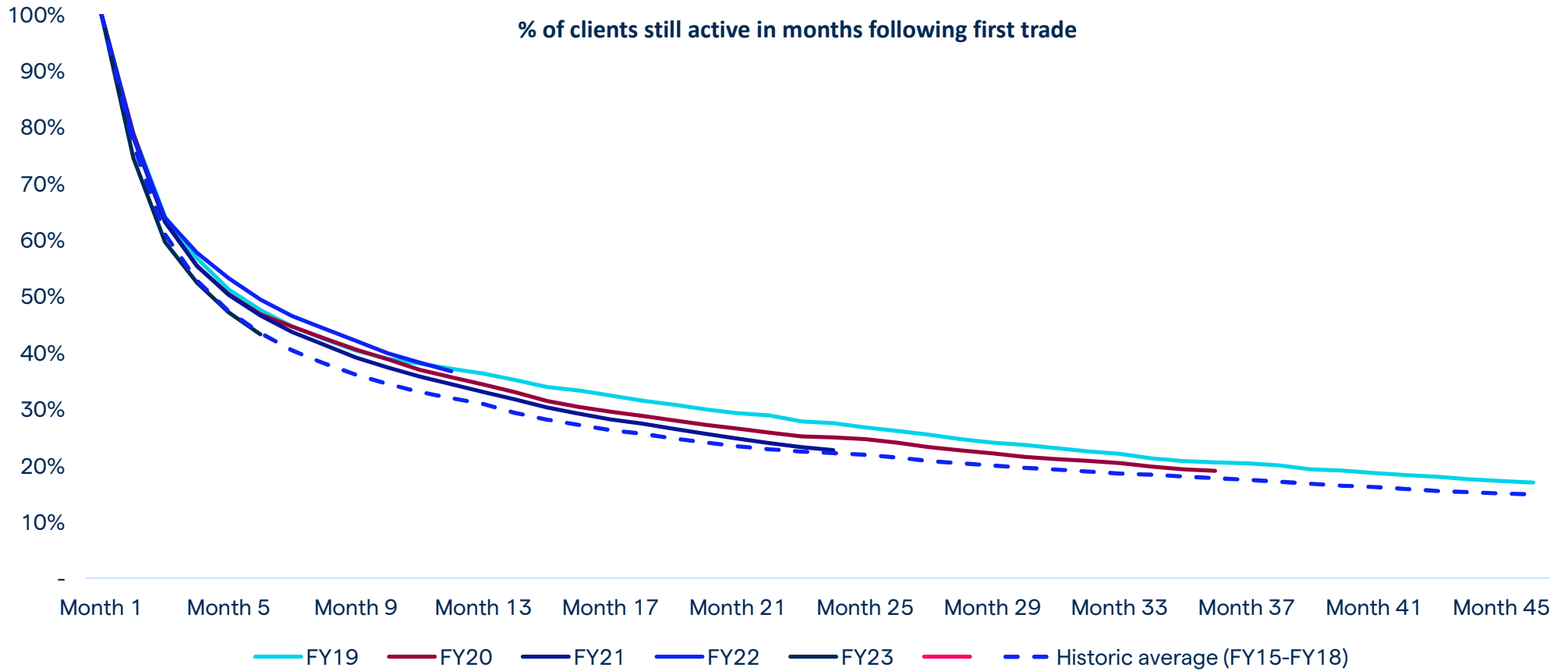
Appendix 2

Adjusted operating costs walk



Appendix 3

OTC client retention by cohort



Our updated Brighter Future Framework

- Framework produced in line with **UN Sustainable Development Goals**
- Two new segments of our Brighter Future Framework of '**planet**' and '**community**'.
- Announced an additional **£4 million donation** to charitable causes
- Cumulative donations over the past four years of **£13 million**



Appendix 5

Net trading revenue and drivers: Core Markets+

Revenue (£m)	FY23	FY22	FY21
UK	297.6	328.1	317.4
EU	100.3	103.4	102.7
EMEA non-EU	49.3	50.4	56.5
Australia	95.2	88.3	119.7
Singapore	68.3	73.5	74.5
Japan	99.3	98.5	68.7
Emerging Markets	39.3	42.8	34.7
Institutional	13.3	9.9	12.3
Total OTC leveraged	762.5	794.9	786.5
Stock trading and investments	22.7	33.8	38.7
Total Core Markets+	785.2	828.7	825.2

Clients (000)	FY23	FY22	FY21
UK	57.5	62.3	74.5
EU	37.4	38.6	42.9
EMEA non-EU	7.1	7.7	9.2
Australia	17.0	20.3	28.2
Singapore	11.3	13.1	13.1
Japan	40.3	36.8	24.0
Emerging Markets	8.1	9.0	9.5
Institutional	0.3	0.3	0.3
Total OTC leveraged	178.9	187.9	201.7
Stock trading and investments	90.8	93.2	89.5
Total Core Markets+¹	258.8	268.3	274.8

Revenue per client (£)	FY23	FY22	FY21
UK	5,179	5,268	4,261
EU	2,685	2,678	2,392
EMEA non-EU	6,961	6,565	6,161
Australia	5,596	4,351	4,250
Singapore	6,058	5,626	5,683
Japan	2,461	2,682	2,867
Emerging Markets	4,830	4,782	3,657
Institutional	43,287	32,540	39,386
Total OTC leveraged	4,261	4,230	3,900
Stock trading and investments	250	363	432

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

Appendix 6

Net trading revenue and drivers: High Potential Markets

Revenue (£m)	FY23	FY22	FY21
US FX	19.5	16.6	11.6
Total OTC leveraged	19.5	16.6	11.6
ETDs – US market maker	0.5	1.8	3.5
ETDs - tastytrade	120.9	110.0	-
ETDs - Europe	15.7	9.3	4.9
Total exchange traded derivatives	137.1	121.1	8.4
Total High Potential Markets	156.6	137.8	20.0

Clients (000)	FY23	FY22	FY21
US FX	10.6	11.8	14.6
Total OTC leveraged	10.6	11.8	14.6
ETDs - tastytrade	84.8	97.7	-
ETDs – Europe	6.9	6.8	5.4
Total exchange traded derivatives	91.6	104.5	5.4
Total High Potential Markets	102.2	116.3	20.0

Revenue per client (£)	FY23	FY22	FY21
US FX	1,846	1,407	794
Total OTC leveraged	1,846	1,407	794
ETDs – tastytrade	1,426	1,126	-
ETDs – Europe	2,286	1,367	913
Total exchange traded derivatives	1,490	1,142	913
Total High Potential Markets¹	1,527	1,169	826

¹ Total High Potential Markets revenue per client calculation excludes revenue generated from the Group's US market maker

Appendix 7

Net trading revenue and drivers: Core Markets+

Revenue (£m)	FY23 H2	FY23 H1	FY22 H2	FY22 H1	FY21 H2	FY21 H1
UK	140.2	157.3	170.9	157.2	167.4	150.0
EU	48.4	51.9	52.2	51.2	53.6	49.0
EMEA non-EU	23.6	25.6	24.5	25.9	28.2	28.4
Australia	46.0	49.3	43.1	45.2	58.1	61.6
Singapore	31.7	36.6	36.8	36.7	38.4	36.1
Japan	43.4	55.8	54.0	44.6	34.1	34.6
Emerging Markets	17.5	21.7	22.6	20.2	16.3	18.4
Institutional	6.1	7.3	5.7	4.2	6.5	5.8
Total OTC leveraged	356.9	405.6	409.8	385.1	402.6	383.9
Stock trading and investments	11.5	11.3	17.8	15.9	23.2	15.4
Total Core Markets+	368.4	416.8	427.6	401.0	425.8	399.3

Clients (000)	FY23 H2	FY23 H1	FY22 H2	FY22 H1	FY21 H2	FY21 H1
UK	46.8	49.6	52.1	51.8	61.2	57.5
EU	30.7	31.3	32.7	31.3	35.4	33.8
EMEA non-EU	5.7	6.0	6.3	6.4	7.3	7.4
Australia	13.7	14.6	16.0	16.6	21.5	22.4
Singapore	8.5	9.6	10.8	10.0	10.7	10.4
Japan	30.0	33.6	31.3	26.3	19.8	16.5
Emerging Markets	6.2	6.5	6.7	6.8	7.5	6.6
Institutional	0.3	0.3	0.3	0.3	0.3	0.2
Total OTC leveraged	141.8	151.5	156.2	149.5	163.7	154.8
Stock trading and investments	90.8	92.2	93.2	92.5	89.5	71.2
Total Core Markets+¹	223.3	234.0	238.6	230.9	239.4	214.7

Revenue per client (£)	FY23 H2	FY23 H1	FY22 H2	FY22 H1	FY21 H2	FY21 H1
UK	2,995	3,170	3,278	3,031	2,733	2,611
EU	1,578	1,659	1,598	1,634	1,517	1,452
EMEA non-EU	4,127	4,287	3,881	4,060	3,847	3,807
Australia	3,358	3,368	2,698	2,713	2,701	2,752
Singapore	3,724	3,824	3,393	3,687	3,597	3,473
Japan	1,449	1,662	1,726	1,695	1,724	2,095
Emerging Markets	2,840	3,337	3,364	2,961	2,179	2,795
Institutional	23,403	27,752	22,279	16,362	24,229	23,303
Total OTC leveraged	2,517	2,678	2,624	2,575	2,460	2,480
Stock trading and investments	126	122	191	172	260	217

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

Appendix 8

Net trading revenue and drivers: High Potential Markets

Revenue (£m)	FY23 H2	FY23 H1	FY22 H2	FY22 H1	FY21 H2	FY21 H1
US FX	8.6	11.0	9.1	7.5	6.4	5.2
Total OTC leveraged	8.6	11.0	9.1	7.5	6.4	5.2
ETDs – US market maker	0.1	0.5	0.8	1.0	1.6	1.9
ETDs - tastytrade	59.7	61.2	57.3	52.8	-	-
ETDs - Europe	10.2	5.4	5.5	3.8	2.8	2.1
Total exchange traded derivatives	70.0	67.1	63.6	57.6	4.4	4.0
Total High Potential Markets	78.6	78.1	72.7	65.1	10.8	9.2

Clients (000)	FY23 H2	FY23 H1	FY22 H2	FY22 H1	FY21 H2	FY21 H1
US FX	7.8	7.6	7.8	9.3	10.6	9.2
Total OTC leveraged	7.8	7.6	7.8	9.3	10.6	9.2
ETDs - tastytrade	66.9	67.4	79.2	78.1	-	-
ETDs – Europe	4.9	4.9	5.1	4.5	4.3	3.0
Total exchange traded derivatives	71.8	72.2	84.3	82.6	4.3	3.0
Total High Potential Markets	79.6	79.9	92.1	91.9	14.9	12.2

Revenue per client (£)	FY23 H2	FY23 H1	FY22 H2	FY22 H1	FY21 H2	FY21 H1
US FX	1,103	1,437	1,168	808	600	572
Total OTC leveraged	1,103	1,437	1,168	808	600	572
ETDs – tastytrade	892	908	723	676	-	-
ETDs – Europe	2,086	1,117	1,082	845	652	709
Total exchange traded derivatives	973	922	745	685	652	709
Total High Potential Markets¹	986	972	790	699	615	606

¹ Total High Potential Markets revenue per client calculation excludes revenue generated from the Group's US market maker

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 2022. The annual report can be found on the Company's website (www.iggroup.com).

Forward-looking statements speak only as of the date of this presentation. Except as required by applicable law and regulation, the Company undertakes no obligation to update these forward-looking statements. Nothing in this presentation should be construed as a profit forecast.

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.

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