# London Stock Exchange Group

Investor Education Event – 2 July 2021

LSEG

# Upcoming investor events for 2021

**TODAY**

**Investor Education Event – Data & Analytics overview**

Trading & Banking Solutions, Enterprise Data Solutions, and Customer & Third Party Risk Solutions

**AUGUST**

**H1 results**

Including cost, synergies and investment programme updates

**OCTOBER**

**Investor Education Event – Data & Analytics overview**

Investment Solutions, Wealth Solutions, and FX Trading venues

**OCTOBER**

**Q3 results**

LSEG

# Today's event

- **Introduction**
  David Schwimmer, CEO

- **Data & Analytics Overview**
  Andrea Remyn Stone, Group Head of Data & Analytics

- **Enterprise Data Solutions**
  Stuart Brown, Head of Enterprise Data Solutions

- **Trading & Banking Solutions**
  Dean Berry, Head of Trading & Banking Solutions

- **Customer & Third Party Risk Solutions**
  Phil Cotter, Head of Customer & Third Party Risk

- **Q&A**

**LSEG**

# LSEG is a leading financial markets infrastructure and data provider

**Global footprint**

**Multi-asset class capabilities**

**Market-leading data and analytics at scale**

**Operating across the capital markets value chain**

CAPITAL FORMATION | PRE-TRADE DECISIONING | TRADE EXECUTION | POST TRADE

**A successful Open approach**

Driving financial stability, empowering economies and enabling customers to create sustainable growth

LSEG

# Successfully executing at pace on integration and synergies

**Integration on track**
– Good progress on multiple workstreams

**Good progress achieving cost synergies**
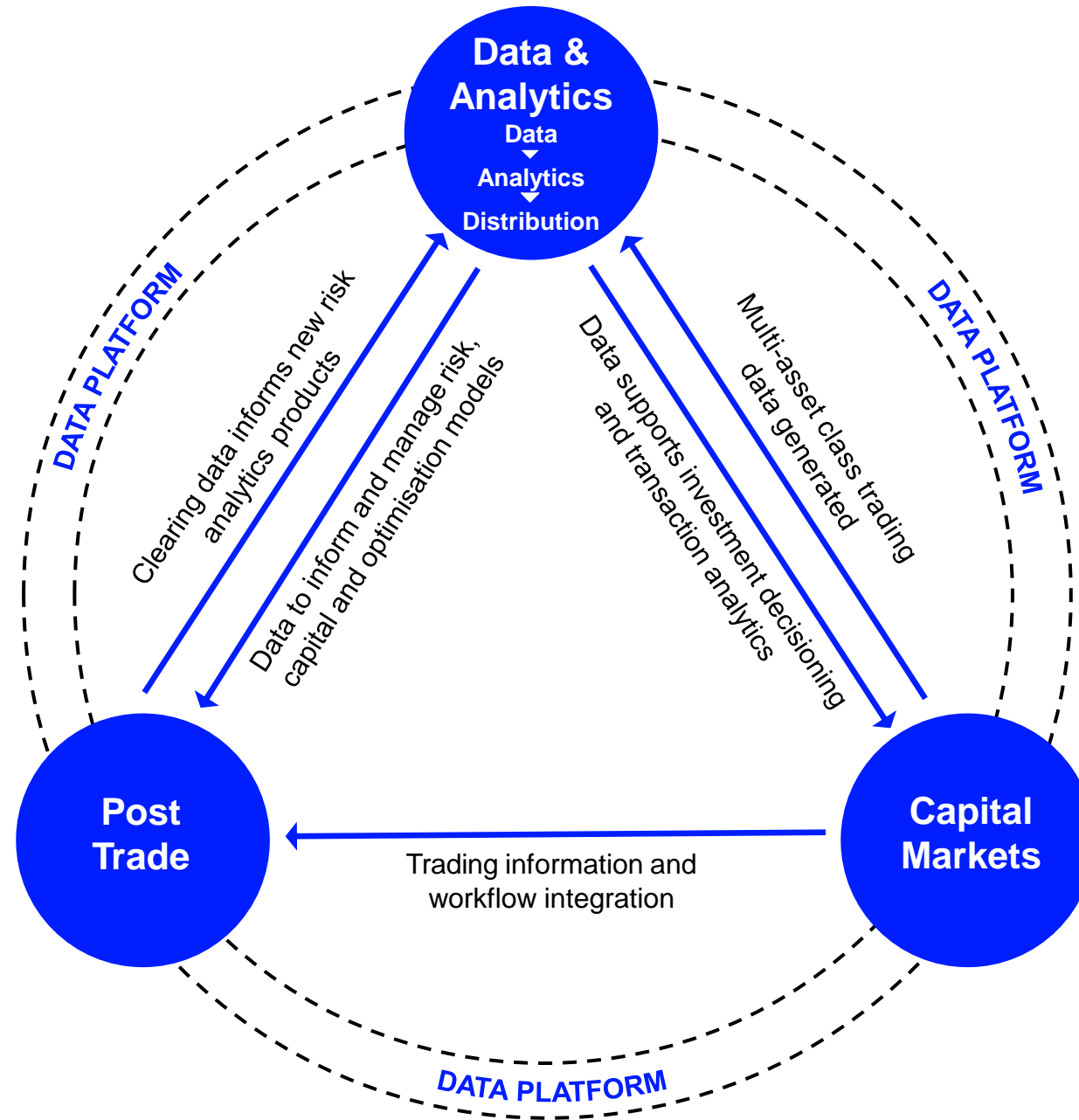– £40 million run-rate realised in Q1 2021

**Strong financial position**
– Completed divestment of Borsa Italiana – reducing Group leverage and refinancing debt

**Confidence in revenue growth target**
– **Group financial targets unchanged**

**LSEG**

# Creating an open ecosystem of connected businesses driven by customer demand



**Data & Analytics**
Data → Analytics → Distribution

**Post Trade**

**Capital Markets**

DATA PLATFORM

Clearing data informs new risk analytics products

Data to inform and manage risk, capital and optimisation models

Data supports investment decisioning and transaction analytics

Multi-asset class trading data generated

Trading information and workflow integration

**LSEG**

6

# Delivering sustainable growth in Data & Analytics

– **Long-term structural tailwinds support growth ambitions – total addressable market segment growing at 4-6% p.a.**

– **Investment programme substantially increased under Blackstone ownership with revenue growth trajectory improving**

– **Strong competitive advantages**

  – Large opportunity set from the breadth and depth of proprietary and third party data

  – Serving the entire value chain across the globe – with virtuous circle of growing and improved data

  – World class analytics improve the quality of data through customer consumption

  – Benefits of combination with LSEG – delivery of revenue synergies underway

– **High-quality recurring revenues with high visibility**

– **Strong management team with extensive market experience focused on execution of clear strategy**

**LSEG**

# Increasing momentum to deliver 4-6% p.a. revenue growth

**1**

**Improve execution**

– Continue to realign sales and go-to-market delivery

– Increase capacity for content creation

**2**

**Enhance the customer experience**

– Create value and simplify through cloud-based, open platform

– Deliver next-generation user interface, e.g. Workspace

**3**

**Prioritise synergies and growth through targeted investment**

– Deliver the revenue synergies with broader product and distribution

– Focus on high-growth areas – with differentiated data and LSEG ecosystem

**LSEG**

# Data & Analytics overview

Andrea Remyn Stone

**LSEG**

# Deep expertise in driving value from data and technology

**Andrea Remyn Stone**

– 20+ years in financial services; strong focus on data and technology

– Joined Refinitiv as Chief Customer Proposition Officer in February 2020

– Executive roles at Standard & Poor's, Bloomberg, McGraw Hill and Dealogic

– Early roles as an equity research analyst and convertible bond salesperson

**LSEG**

# Introduction to our business

**LSEG**

# Strong and experienced business leadership

| Enterprise Data Solutions | Trading & Banking Solutions | Customer & Third Party Risk Solutions | Investment Solutions | Wealth Solutions |
|---|---|---|---|---|
| **£1.2bn** 2020 pro-forma revenue[1] | **£1.6bn** 2020 pro-forma revenue [1] | **£0.3bn** 2020 pro-forma revenue [1] | **£1.1bn** 2020 pro-forma revenue [1] | **£0.5bn** 2020 pro-forma revenue [1] |
| Solutions for data management, valuation services, technology organisation | Solutions for trading, capital markets, treasury management, M&A advisory, risk management | Solutions for financial crime, KYC, compliance and fraud prevention, entity verification | Solutions for investment product creation, portfolio management, investment research, data, analytics and indices | Solutions for wealth advisory, wealth operations, wealth aggregators and distributors |

### Stuart Brown
– Worked in trading and financial data industry for 25 years
– Last 15 years spent in Asia leading growth of Refinitiv's Emerging & Frontier Markets revenue
– Also ran several other pan-Refinitiv businesses

### Dean Berry
– Joined November 2020, having spent over 16 years running Trading businesses at several of the largest European banks
– Before that spent nine years running electronic businesses at ICAP and BGC Partners
– Previously worked across the globe in Japan, Singapore, Frankfurt and London

### Phil Cotter
– Worked in Risk data and analytics for over 25 years including 16 years at Experian
– From 2006-2011 led the Experian Credit Services Division in the UK, which included the core Consumer Credit Bureau, Business Information, Automotive & Insurance businesses
– Joined Thomson Reuters in 2014

### Lea Carty
– Joined LSEG in 2021
– Over 25 years' leadership experience in indexing and portfolio analytics, gained in senior roles including Moody's and Lehman Brothers
– Over 10 years at Bloomberg; global head of buyside solutions – developed and ran the portfolio analytics and index business, including the acquisition of Barclays Risk Analytics & Index Services

### Sabrina Bailey
– Joined LSEG in 2021 from Northern Trust and has over 20 years' experience in wealth management, including leadership roles at Mercer and Willis Towers Watson
– Extensive career spanning retail investment and institutional wealth management; recently focused on addressing digitisation of wealth services

**LSEG**

**Note:**
(1) All revenue metrics are 2020 pro-forma excluding Recoveries

12

# We serve large and growing markets

## Industry growth is driven by multiple structural trends

### Technology
– Big data and scale computing
– Collaboration and the digital experience
– Electronification and trade automation

### Regulation
– Market structure change
– Regulatory reporting
– KYC and operational risk

### Data Innovation
– Alternative data and new types of data
– Insight from machine learning and AI

### Societal Change
– ESG/Sustainable finance and investment
– Ways of working
– Distribution of global wealth

## Strong presence in a c.£40-45bn addressable segment growing at 4-6%

**Our market segment in 2025**

£50-55bn  |  **+4-6%**
2025 estimated TAM  |  2020-25 CAGR

**The Data and Analytics market segment in 2020**

**£40-45bn**
FY 2020 TAM

**LSEG D&A**

**£5.0bn** [1]
FY 2020 revenue

**LSEG**

# Data & Analytics serves the full breadth of the financial community

## The core of our business

**Data**

We collect, aggregate and manage data from across the global financial market

**Analytics & Indices**

We enrich data and generate new value by building out analytical models and indices

**Distribution**

We distribute to humans and machines, and build products that enable workflows

## Aligned to customer communities

**Enterprise Data Solutions**

**Trading & Banking Solutions**

**Customer & Third Party Risk Solutions**

**Investment Solutions**

**Wealth Solutions**

## Delivered at scale, to the breadth of the financial system

| | |
|---|---|
| Asset Owners | Asset Managers & Hedge Funds |
| Central Banks, Governments & Regulators | Investment Banks |
| Asset Servicers (e.g. Custodians) | Retail & Private Banks |
| Platforms & Partners | Exchanges |
| Corporates | Wealth Managers & Advisors |

**LSEG**

# Data & Analytics is strongly positioned across a diverse customer base

**40,000+**
customers

**>400,000**
end users

**150**
central bank
customers

**10**
of the 10 largest asset
managers by AUM
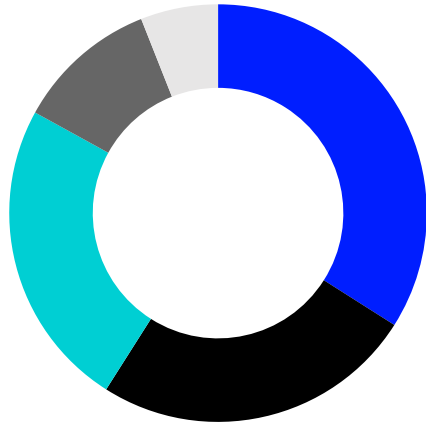
**30**
of the 30 largest
banks by total assets

**42**
of the 50 largest
corporates in the
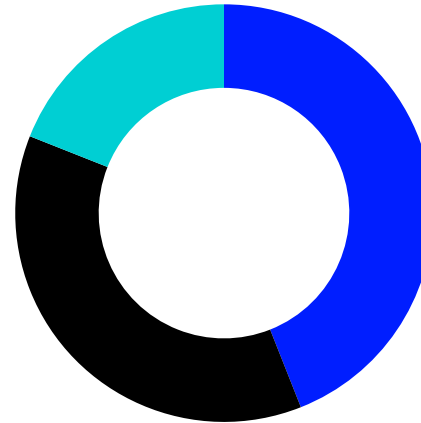world by market
capitalisation

**2,200+**
partners

LSEG

# A diversified base of high-quality recurring revenues
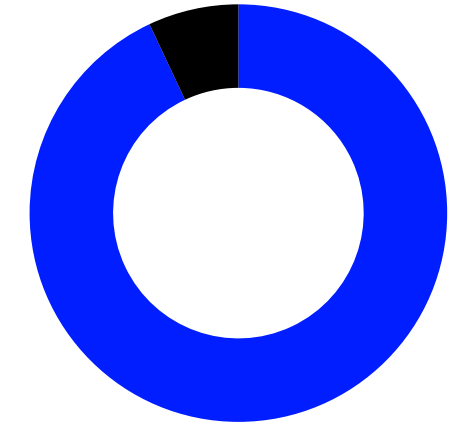
## Diverse customer revenues



- **34%** Trading & Banking
- **25%** Enterprise Data
- **24%** Investment Solutions
- **11%** Wealth
- **6%** Customer & Third-party Risk

## Geographically balanced revenue base



- **44%** Americas
- **37%** EMEA
- **19%** APAC

## High proportion of reliable, recurring revenue



- **93%** Recurring
- **7%** Non-recurring

**LSEG**

**Note:** All revenue metrics are 2020 pro-forma excluding Recoveries
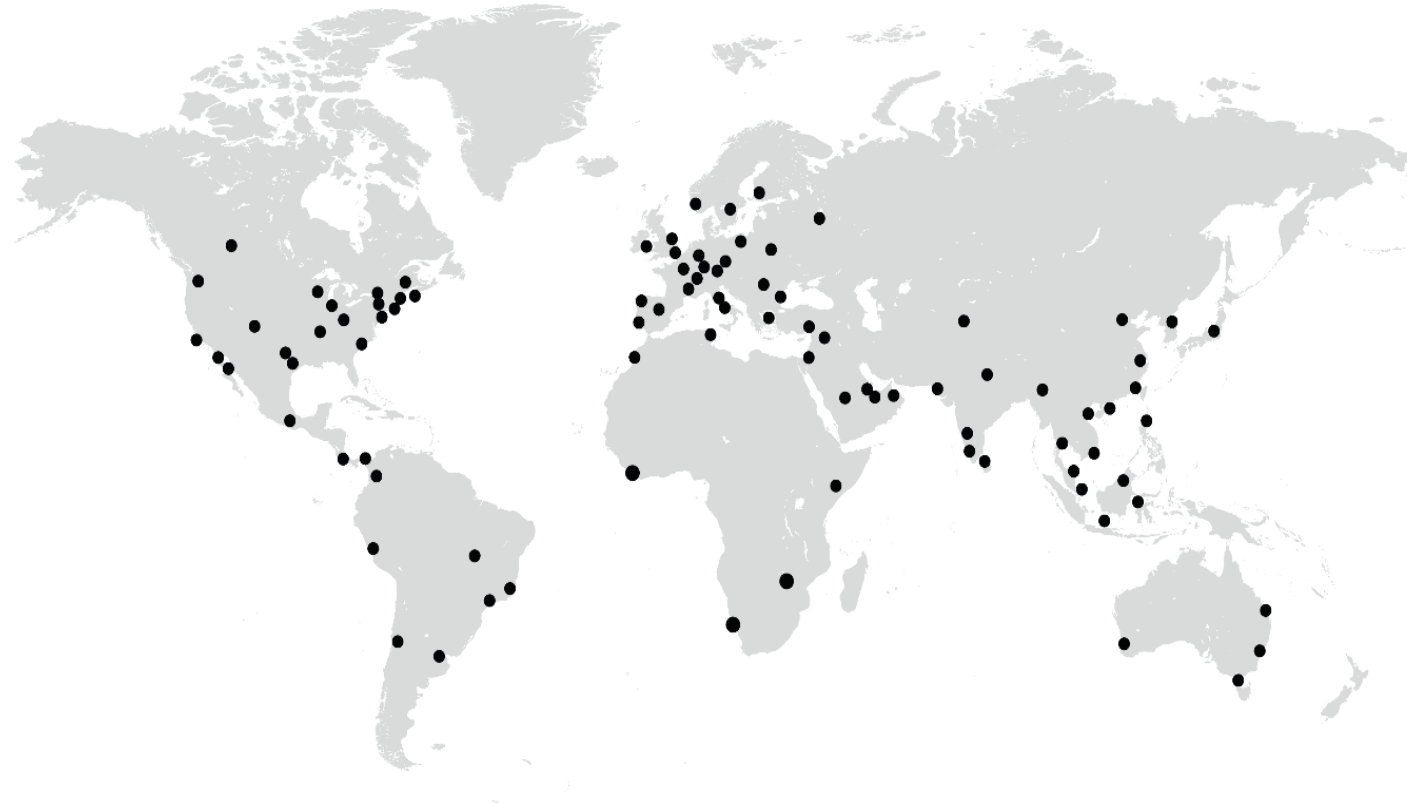
16

# We go to market globally and are differentiated in our local market presence and expertise

A global team of
**2,500**
sales professionals

Aligned by business and by region

A global team of
**6,000**
data professionals

Operating within
**70 countries**

More than
**50%**
of our people are based in
**APAC**

**30%**
of our team are based in the
**UK** and **US combined**

LSEG

# Supported by commercial models aligned to customer needs

Subscriptions

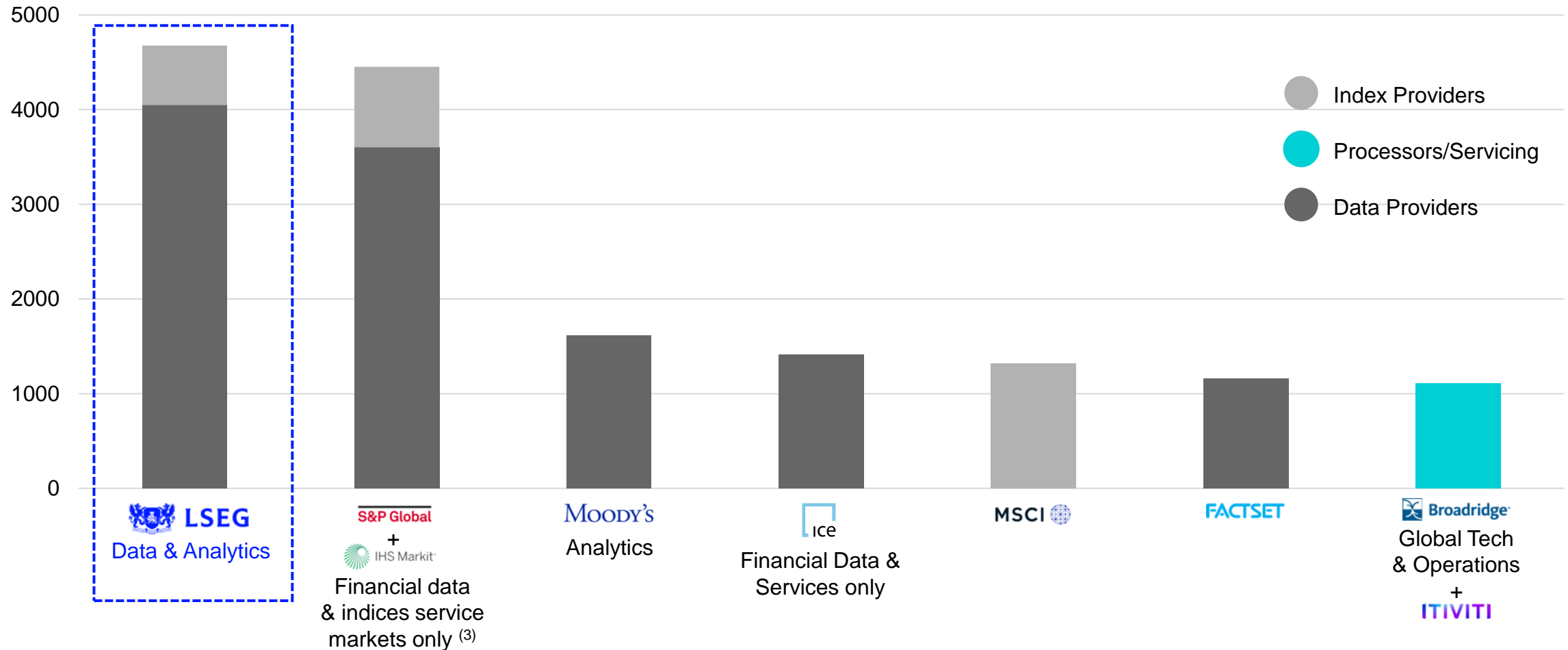Enterprise Agreements

Transaction/Servicing fees

Assets Under Management

**High recurring revenues driven by strong retention levels – 90.5%[1]**

**LSEG**

# Our competitive advantages

LSEG

# Our increased scale provides a more extensive customer offering

## Data & Analytics Revenue[1][2] (£m)



**Legend:**
- Index Providers
- Processors/Servicing
- Data Providers

**Categories (x-axis):**
- LSEG Data & Analytics
- S&P Global + IHS Markit — Financial data & indices service markets only [3]
- Moody's Analytics
- ICE — Financial Data & Services only
- MSCI
- FACTSET
- Broadridge Global Tech & Operations + ITIVITI

# Highly differentiated offering and open model

**Global footprint**

− Delivering to customers in c.190 countries

− Operating globally 2,500 sales and 6,000 operations and support people

− Local expertise and relationships

**Multi-asset class capabilities**

− Deep coverage across asset classes

− Leadership in FX, commodities and banking

− Differentiated data opportunities created by capital markets venues and post-trade processing
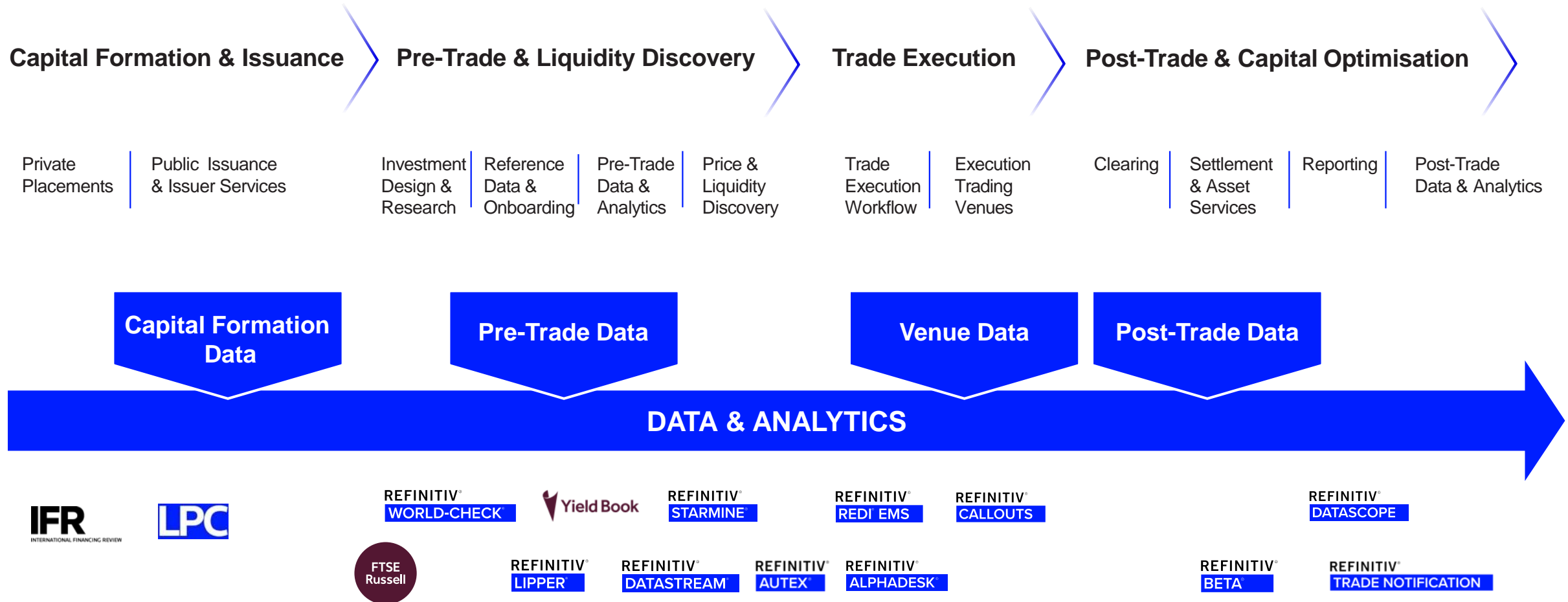
**LSEG**

OPEN MAKES MORE POSSIBLE

**Breadth of offering across the financial markets value chain**

− Data and insight through pre-trade to post-trade

− Established partner for customers across their businesses processes

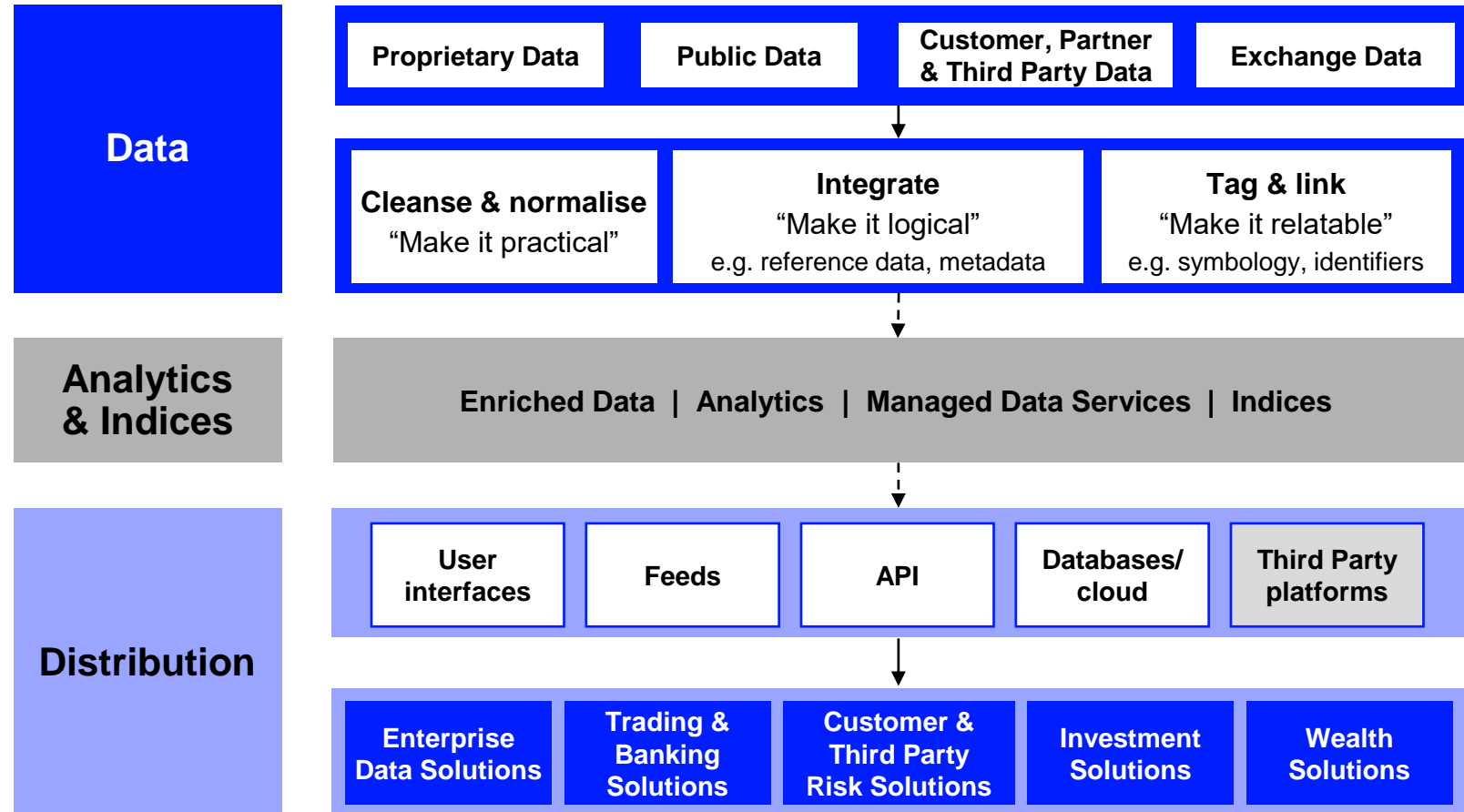**Differentiated, proprietary data and analytics**

− High-quality insights and data

− Established market standards

− Continuous innovation of new solutions

**LSEG**

# Serving the whole value chain creates material growth opportunities

| Capital Formation & Issuance | | Pre-Trade & Liquidity Discovery | | | | Trade Execution | | Post-Trade & Capital Optimisation | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Private Placements | Public Issuance & Issuer Services | Investment Design & Research | Reference Data & Onboarding | Pre-Trade Data & Analytics | Price & Liquidity Discovery | Trade Execution Workflow | Execution Trading Venues | Clearing | Settlement & Asset Services | Reporting | Post-Trade Data & Analytics |

**Capital Formation Data**

**Pre-Trade Data**

**Venue Data**

**Post-Trade Data**

**DATA & ANALYTICS**

IFR — INTERNATIONAL FINANCING REVIEW

LPC

REFINITIV WORLD-CHECK

Yield Book

REFINITIV STARMINE

REFINITIV REDI EMS

REFINITIV CALLOUTS

REFINITIV DATASCOPE

FTSE Russell

REFINITIV LIPPER

REFINITIV DATASTREAM

REFINITIV AUTEX

REFINITIV ALPHADESK

REFINITIV BETA

REFINITIV TRADE NOTIFICATION

LSEG

# A highly scalable data business

**We operate a highly scalable data business**

**Differentiation**

## Data

| Proprietary Data | Public Data | Customer, Partner & Third Party Data | Exchange Data |
|---|---|---|---|

| **Cleanse & normalise** "Make it practical" | **Integrate** "Make it logical" e.g. reference data, metadata | **Tag & link** "Make it relatable" e.g. symbology, identifiers |
|---|---|---|

## Analytics & Indices

**Enriched Data | Analytics | Managed Data Services | Indices**

## Distribution

| User interfaces | Feeds | API | Databases/ cloud | Third Party platforms |
|---|---|---|---|---|

| Enterprise Data Solutions | Trading & Banking Solutions | Customer & Third Party Risk Solutions | Investment Solutions | Wealth Solutions |
|---|---|---|---|---|

**1** Leading breadth and depth of data

**2** Unparalleled expertise in managing data

**3** World-class indices and analytics

**4** Multichannel, open distribution

**5** Products tailored to customer needs

LSEG

# Strong ESG credentials underpin opportunities across Data & Analytics

**Bringing scale and breath to sustainable finance and investment**

– Covering 450 metrics across ESG categories for 10,000 companies across fixed income and equities

– Macro datasets added to establish the sustainability footprint of countries

– Green Revenues data model

– Leading provider of green league tables

**Focus on climate data, analytics and indexes**

– Climate WGBI/EGBI

– FTSE TPI Index

– FTSE4Good Index series

**COP26 Glasgow**

– Developing thought leadership and getting behind Climate Summit as market accelerator

**Green crime screening**

– Partnering to create tools to help disrupt criminal networks. We can now unwrap ownership hierarchies across more than 200 countries and screen the associated entities for potential risks, including those relating to green crime

## Future opportunities across the sustainable finance landscape

– Extend our sustainable finance and investment data, analytics and benchmarks across asset classes and across a wider investable universe

– Developing capabilities to help our customers prepare for incoming sustainable finance and investment regulations

**LSEG**

# Why we are excited about the Data & Analytics business

Well positioned to capitalise on long-term structural tailwinds

Core competencies across our business model with investment in Data Platform and Workspace to provide stronger customer benefits

Creation of a virtuous circle when our world class analytics are powered by our data

Ability to anticipate market needs and assemble insightful products combining proprietary and third party data

**LSEG**

# Delivering on our growth plan

# We have made considerable progress and have momentum

**An acceleration is underway in our business**

Divisional revenues[1]

£4.8bn 2018

+1.7% YoY

£4.9bn 2019

+2.2% YoY

£5.0bn 2020

+4-6% medium-term growth ambition
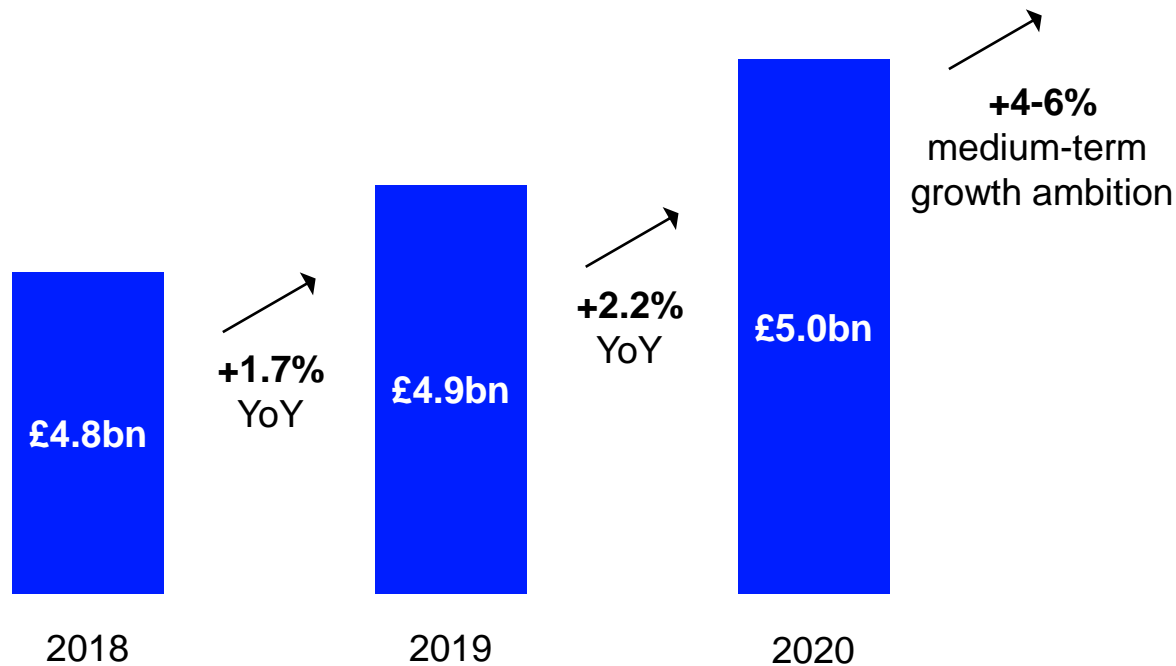
**The result of doing the basics better...**

| **Customer Satisfaction** | – Likelihood to Recommend[2] increased from 75% in 2019 to 87% by end 2020 |
| **Improved Customer Retention** | – +170bps improvement in retention, from the creation of Refinitiv to end 2020[3] |
| **Increased Efficiency** | – >60 products moved to end of life since 2018 |
| **Speed To Market** | – Workspace launched as an active product just 12 months after initial ideation |
| **Enhanced Commercial Model** | – Launched enterprise commercial offering (e.g. Refinitiv Access) |
| **Stronger Margin** | – Run rate cost savings in excess of $650m delivered between 2018 to 2020 |

**LSEG**

# Accelerating growth from three key components of our operating plan

**1**

**Improve execution**

– Improve sales and go-to-market execution

– Increase capacity for content creation

**2**

**Enhance the customer experience**

– Create value and simplify through platform strategy

– Deliver next generation human interface (e.g. Workspace)

**3**

**Prioritise synergies and growth through targeted investment**

– Deliver the revenue synergies

– Focus on high growth areas

Increasing momentum to deliver **4-6%** p.a. revenue growth

**LSEG**

# #1 Improve execution by doing the basics better

| 2020-2022 | 2022-2024 |
|---|---|

**Enhance sales and go to market execution**

- Improve alignment and customer coverage
- Focus on increasing usage and engagement
- Increase rigour of execution

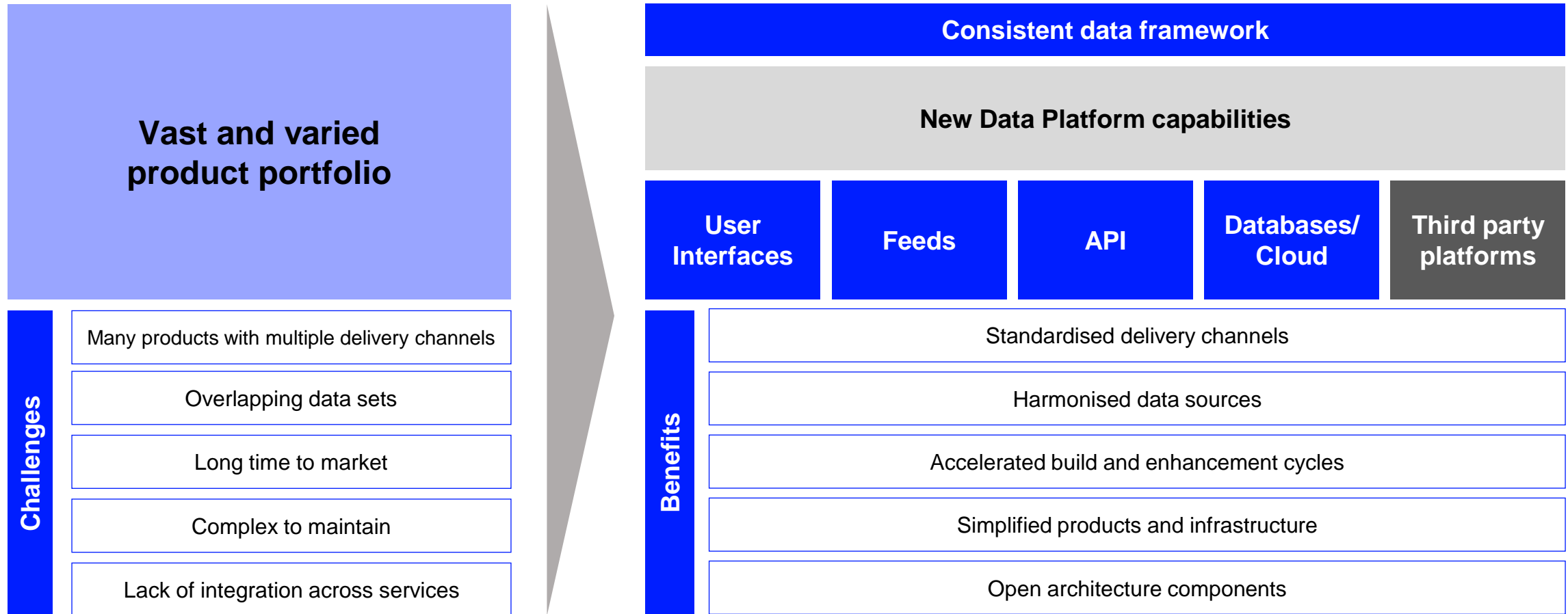- Solution sales
- Digital sales channels
- New commercial models

**Increase capacity for content creation**

- Process optimisation
- New tools to create differentiated data faster
- Training in data programming and data science

- Process automation
- Machine learning and AI
- Streamlined content onboarding and concordance

**LSEG**

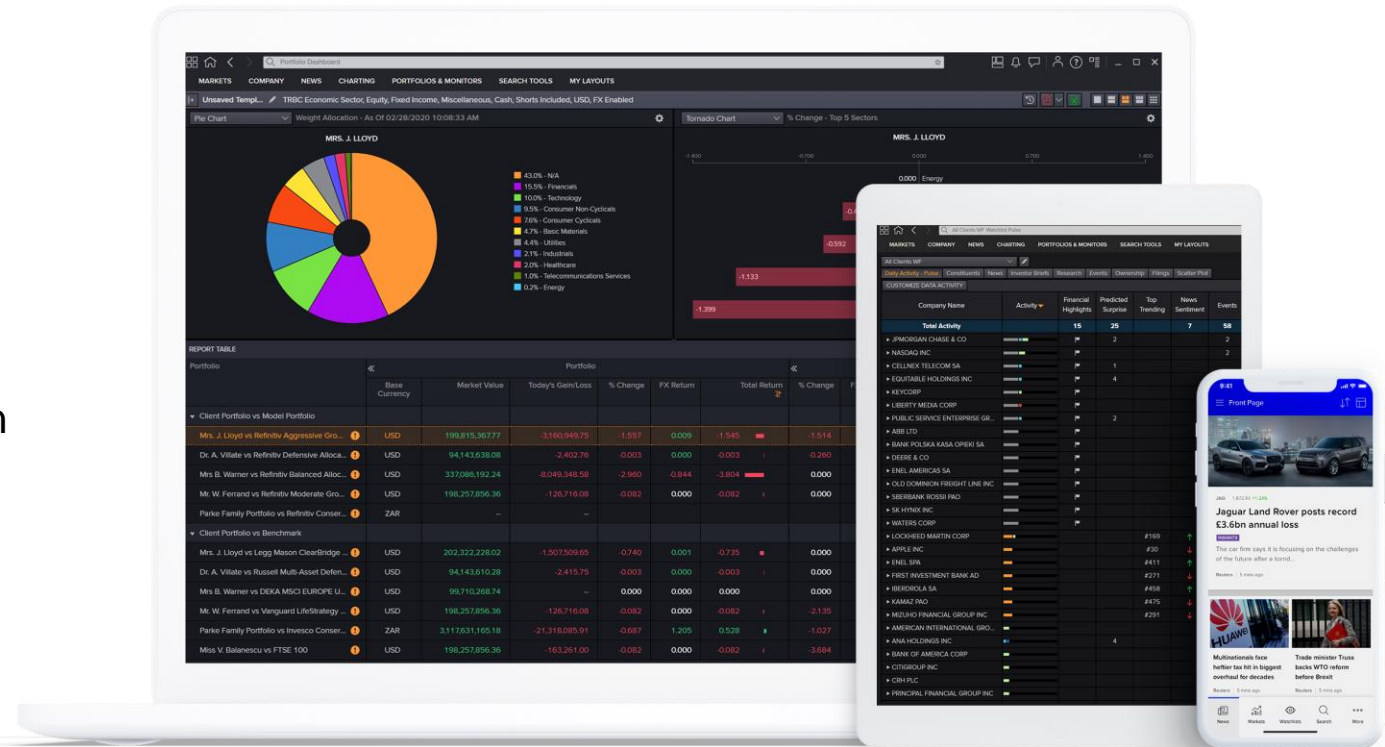# #2 Enhance the customer experience – via data platform enhancement

Deliver the Data Platform – a single, consistent experience, making it easier for customers and partners to access, distribute, and develop with LSEG or in the cloud

**Vast and varied product portfolio**

**Challenges**

| |
|---|
| Many products with multiple delivery channels |
| Overlapping data sets |
| Long time to market |
| Complex to maintain |
| Lack of integration across services |

**Consistent data framework**

**New Data Platform capabilities**

| User Interfaces | Feeds | API | Databases/ Cloud | Third party platforms |
|---|---|---|---|---|

**Benefits**

| |
|---|
| Standardised delivery channels |
| Harmonised data sources |
| Accelerated build and enhancement cycles |
| Simplified products and infrastructure |
| Open architecture components |

**LSEG**

# #2 Enhance the customer experience with a next-generation user interface

**Workspace – Meeting our customers where they need us to be**

✓ Cloud native; modern, open architecture

✓ Improved discovery; fast and intuitive to use

✓ Truly multi-modal: work across devices, from wherever customer wants

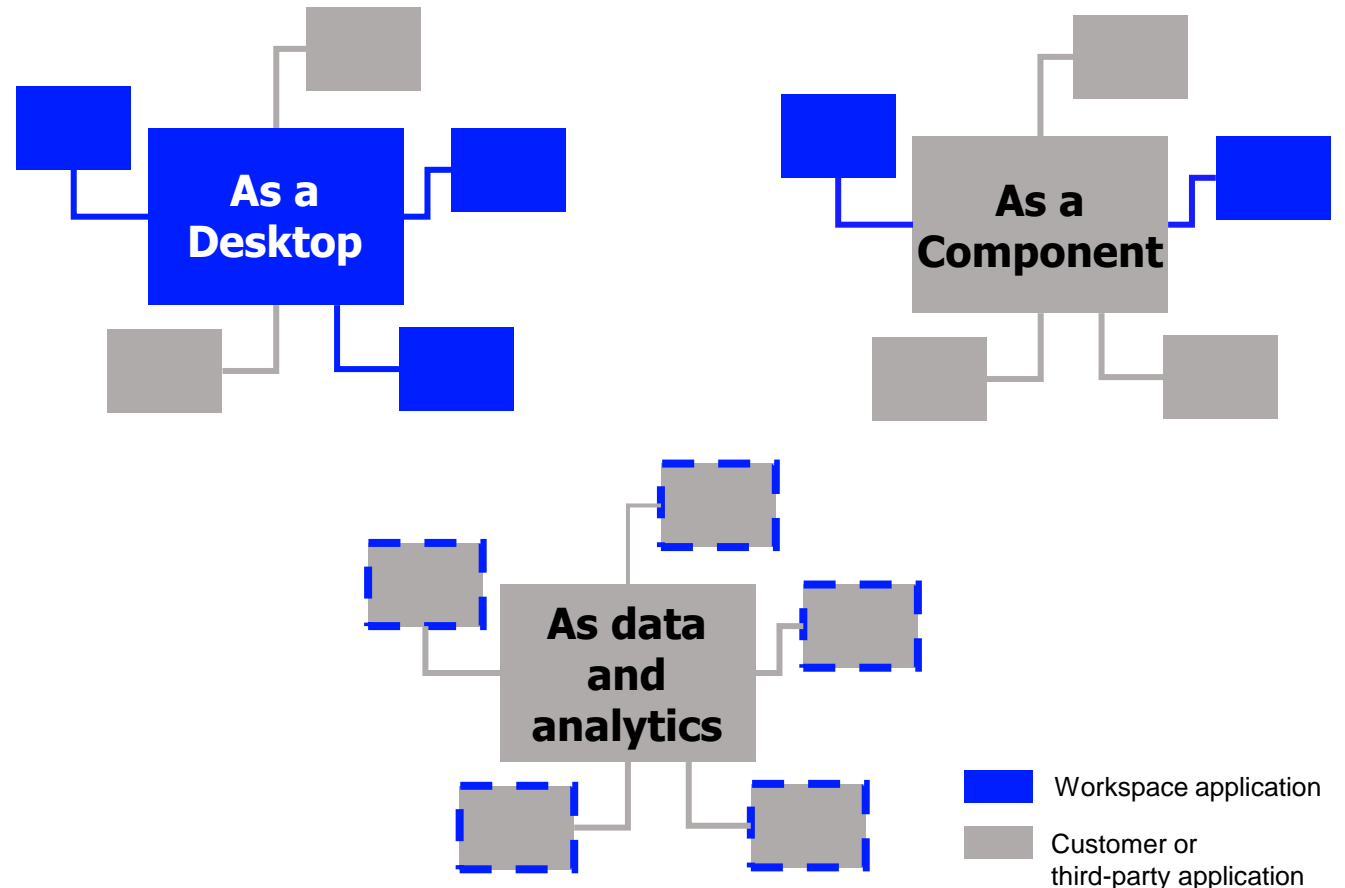✓ Integrating leading messaging and collaboration platforms; more innovations to come



**LSEG**

# #2 Enhance the customer experience with an open approach

**Workspace is OPEN… designed for next-generation customer needs**

**Native coding enabling flexibility for users to integrate with Workspace**

Workspace is built for "fincoders," users fluent in programming languages and companies that want more flexibility. It includes:

– **Codebook**, a cloud hosted development environment for "fincoders" to rapidly build their own models, applications, and analytics

– A **software development kit** to help organisations build their applications with our data and analytics

– **Side-by-side APIs** which helps users pass our data back and forth to customer and third-party applications

– Construction with **open standards**, like FDC3[1], to support interoperability of applications

**As a Desktop**

**As a Component**

**As data and analytics**

Workspace application

Customer or third-party application

LSEG

# #2 Working with customers on a multi-year journey

| | 2021 | 2022 to 2024 | Longer-term/ongoing |
|---|---|---|---|

**Data Platform**

**Content availability**
- 70% real time
- 30% pricing/reference
- Complete real time, pricing, reference, index data
- Continued addition of new data and analytics

**Capabilities**
- Data catalogues, directories, exploration tools, APIs
- Data controls, self-service, new distribution channels, new products

**Simplification**
- 16 data centres to 6

**Customer Migrations**

**Workspace**

**Product development**
- Launched in banking and wealth management in 2020, Workspace for Analysts and Portfolio Managers in Q2 2021 and will be in beta for trading by year end in FX
- Continued enhancements and innovation

**Customer Migrations**

**LSEG**

# #3 Focus on synergies and growth opportunities

**Deliver revenue synergies**

– Revenue synergies already being delivered

– New indices launched, more analytics sold to complementary customers globally and new distribution channels launching by year-end

**Focus on high growth areas**

– Continue to aggregate and create innovative data and analytics

– Enable new insights from customer and partner data at scale

**Utilise our connectivity**

– Connect to LSEG market ecosystem

– Long-term customer partnerships to deliver value

**LSEG**

# #3 Data & Analytics benefiting from breadth of LSEG

| | **Examples of revenue synergies** |
|---|---|
| ✓ **Reaching complementary customer bases** | – **c. £3m of new run-rate PRS sales into FTSE Russell customers** |
| ✓ **Building new products with our breadth and depth** | – **Launched a number products within the first 100 days as one company e.g. infra 360, 13 new ETFs, Refinitiv Wealth Connect and LCH Link into FXall** |
| ✓ **Tapping into new distribution channels** | – **Yield Book available in Datascope by Q3 and in Workspace by year end** |
| ✓ **Connecting across the financial markets value chain** | – **Connecting Yield Book analytics with municipal bond dealers community** |
| ✓ **Learning from each other's strengths** | – **Combining ESG data sets and methodologies** |

# Accelerating momentum to deliver our growth targets

| 2021 | 2022 to 2024 | Longer-term/ongoing |

**1** **Improve execution**
- Improve sales and go-to-market execution
- Increase capacity for content creation

**2** **Enhance the customer experience**
- Create value and simplify through platform strategy
- Deliver next-generation user interface

**3** **Prioritise synergies and growth**
- Deliver the revenue synergies
- Focus on high-growth areas

LSEG

# 4-6% p.a. revenue growth in the medium term

| | LSEG Data & Analytics (Pro Forma) | | |
|---|---|---|---|
| | Historic performance[1] | Growth of TAM | Growth ambition |
| **Data & Analytics** | **+1-3%** | **+4-6%** | **+4-6%** |
| **Enterprise Data Solutions** | +4-5% | +4-6% | Mid single digit |
| **Trading & Banking Solutions** | (1-2)% | +2-4% | Low single digit |
| **Customer & Third Party Risk Solutions** | +10-12% | +8-10% | Double digit |
| **Investment Solutions** | +3-5% | +5-7% | High single digit |
| **Wealth Solutions** | Low to mid single digit | +5-7% | Low to mid single digit |

**Note:**
TAM Methodology: Aggregation of vendor revenues estimated using annual reports and other public sources; validated through third party research and internal and external subject matter expertise
(1) Historic performance covers performance between 2018 and 2020

■ In focus through our deep-dives today

# In summary

☐ Provide leading customer solutions in structurally growing market segments

☐ Generate high-quality recurring revenues with high visibility

☐ Create value through differentiated model and global footprint

☐ Continue to accelerate growth

☐ Continue to enhance our data platform, our customer solutions and our operating performance

☐ 4-6% p.a. revenue growth ambition

**LSEG**

# Enterprise Data Solutions

Stuart Brown

**LSEG**

# What does our business do?

## What we provide

- Data feeds including:
  - Financial Market Data
  - Reference Data
  - Evaluated Pricing
- Different speeds of data delivery: Real-Time, Intra-Day, End of Day and Historical
- Data distribution technology

## Who we provide it to

- Senior Market data professionals/ developers e.g. Chief Data Officers, Chief Technology Officers, Global Market Data Officers at a range of institutions;
  - Banks, Brokers
  - Asset Managers, Asset Owners, Hedge Funds
  - Custodians
  - Corporates
  - Central Banks
  - Private Equity, Consulting
  - Governments

## How we commercialise our offering

- We generate recurring revenue through licence fees linked to the volume, speed, variety and complexity of data received
- By commercialising the same real-time or reference data for different activities/regulations, we serve different customers at scale

**LSEG**

# A continuing growth story

## Enterprise Data Solutions revenues

+c.6% y-o-y

+c.3% y-o-y

+c.4% CAGR[1]

+c.6% CAGR[1]

2018    2019    2020

■ PRS    ■ Real-Time Data & Distribution
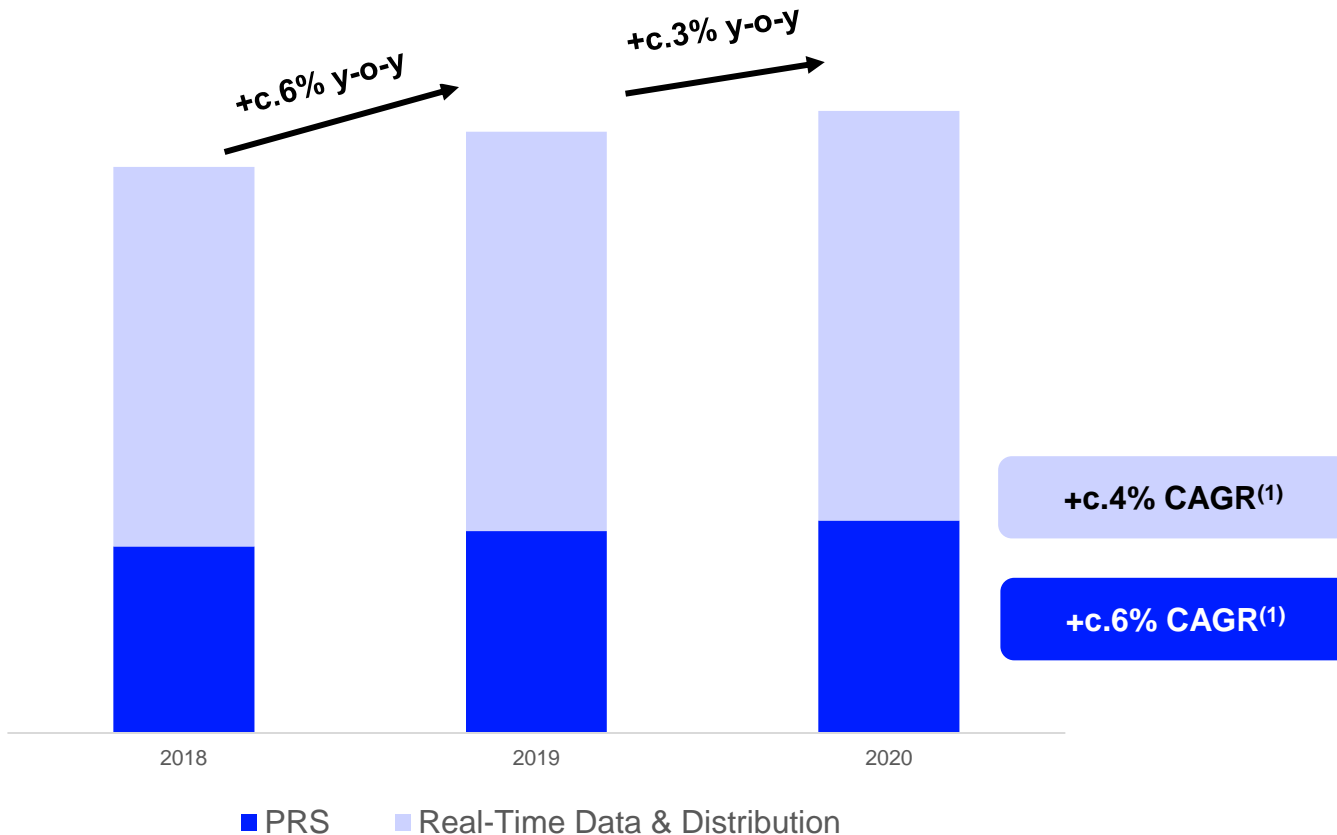
## The factors driving our growth:

– Market tailwinds, especially regulation

– Competitive pricing pressure dampened growth in 2020

– Broader datasets, more competitive products

– Improving customer satisfaction

– Accelerating our pace of execution

**Note:**
Based on 2020 pro-forma revenues
(1)   Refers to CAGR growth between 2018 and 2020

**LSEG**

41

# Capitalising on strong market trends

## Trends driving growth in the market

**Regulation**

**Automation**

**Advancing technologies**

**Demand for performance**

**Our segment in 2025**

£8.5-9.0bn  |  **+4-6%**

*2025 estimated TAM  |  2020-25 CAGR*

**Our segment in 2020**

**£7.0-7.5bn**
FY 2020 TAM

**Enterprise Data**

**£1.2bn**[1]
FY 2020 revenue

**LSEG**

# We serve customers across a wide range of industries

## Our core businesses

**Data**
We collect, aggregate and manage risk related data from open sources, customers and partners

**Analytics & Indices**
We enrich data and generate new value by building structured content and analytical insight

**Distribution**
We distribute to humans and machines, and build products that enable workflows

## Aligned to customer communities

**Enterprise Data Solutions**

**Trading & Banking Solutions**

**Customer & Third Party Risk Solutions**

**Investment Solutions**

**Wealth Solutions**

## Delivered at scale to a broad range of customers

**Roles:**

Chief Technology Officer

Chief Data Officer

Market Data Managers

Data Scientists

Developers

**Functions:**

Front Office

Middle Office

Back Office

Technology

Data

– 4,000+ customers

– Customers in c.190 countries

– c.40bn market data updates delivered every day

– 500+ real-time market venues and exchanges covered

– Reference data for c.80m securities and instruments

– 25 years of historical tick-by-tick market data

**LSEG**

# A diversified base of high-quality recurring revenues



**High proportion of recurring, subscription-based revenue**
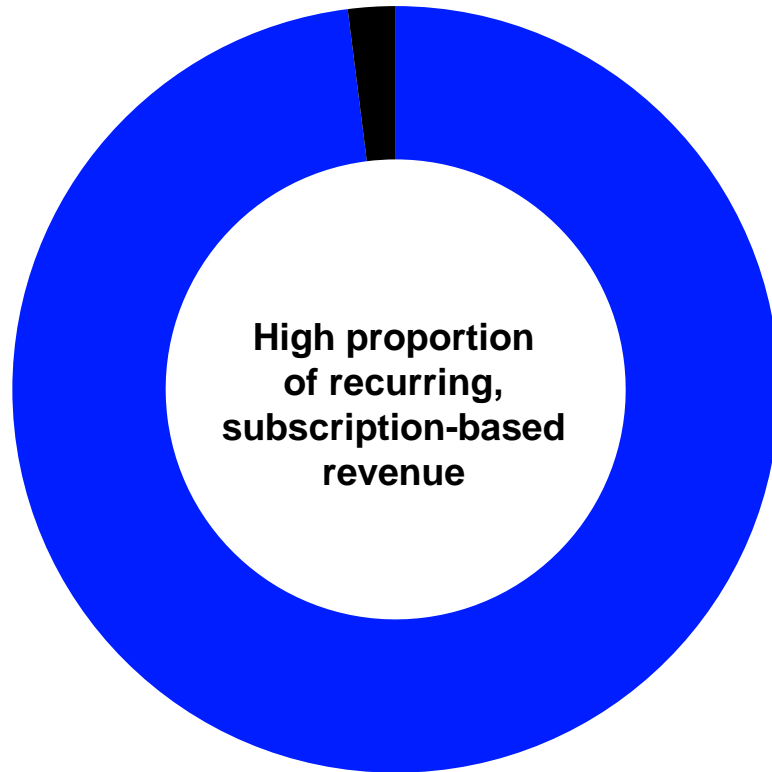
- 98% Recurring
- 2% Non-recurring

**Broad global footprint**
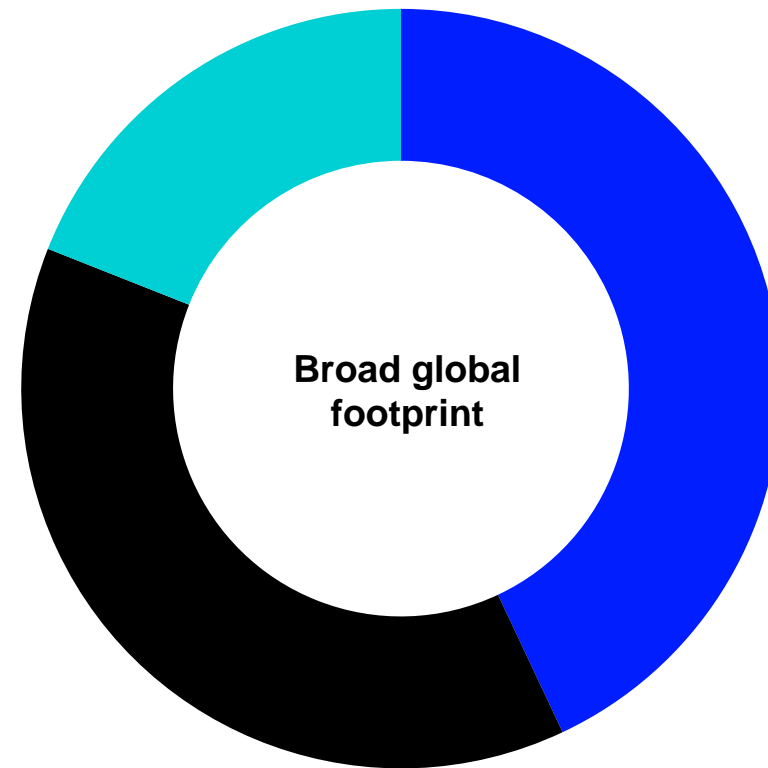
- 43% Americas
- 38% EMEA
- 19% Asia Pacific

# Leading data businesses

| Real Time Data | Distribution | Pricing & Reference Services |
|---|---|---|

| 66% of revenue | | 34% of revenue |
|---|---|---|

**Real Time Data**
- #1 provider
- Broadest content set covering the global marketplace
- Deepest, longest coverage
- Delivered at different speeds to meet different needs

**Distribution**
- #1 provider
- Important infrastructure
- Available on site and in Cloud
- C-Suite level purchasers

**Pricing & Reference Services**
- #3 provider
- Broad range of multi-asset class data
- Pricing, Reference Data and Symbology[1]
- Broad application throughout the financial markets

## Well-positioned for growth

**By the numbers…**
- **+212bn** messages processed per day
- **+500** Content partners

- Enabling **+500,000** active users
- **1,200** Partners

- **3,000+** accounts using our data
- Overall data consumption up **68%** since 2017 and continuing to grow

LSEG

# Our competitive advantages

LSEG

# Strongly connected across customers' data infrastructure

**Deep and longstanding relationships**

– Top 30 global banks by assets are all customers

– Top 10 largest asset managers globally are all customers

– >1,200 real-time content customers

– >3,000 Pricing & Reference Services customers

– Many relationships go back >30 years

– Global footprint driving growth

**Integrated in third party applications**

– 1,200 approved partners

**Front Office**

Aladdin by BlackRock    Fidessa    Charles River

**Middle/Back Office**

CALYPSO    MUREX    FINASTRA    Broadridge

**Innovation/FinTech**

ENFUSION

LSEG

# Our technology and data is used extensively across our customers' infrastructure

**Real time and reference data**

**Customer proprietary data**

**Third party data**

**Data & Analytics distribution system**

| Customer developed applications | Terminals, Excel, Python | Front Office applications | Middle Office applications | Back Office applications | External distribution (e.g. customer portals, investment platforms) |

LSEG
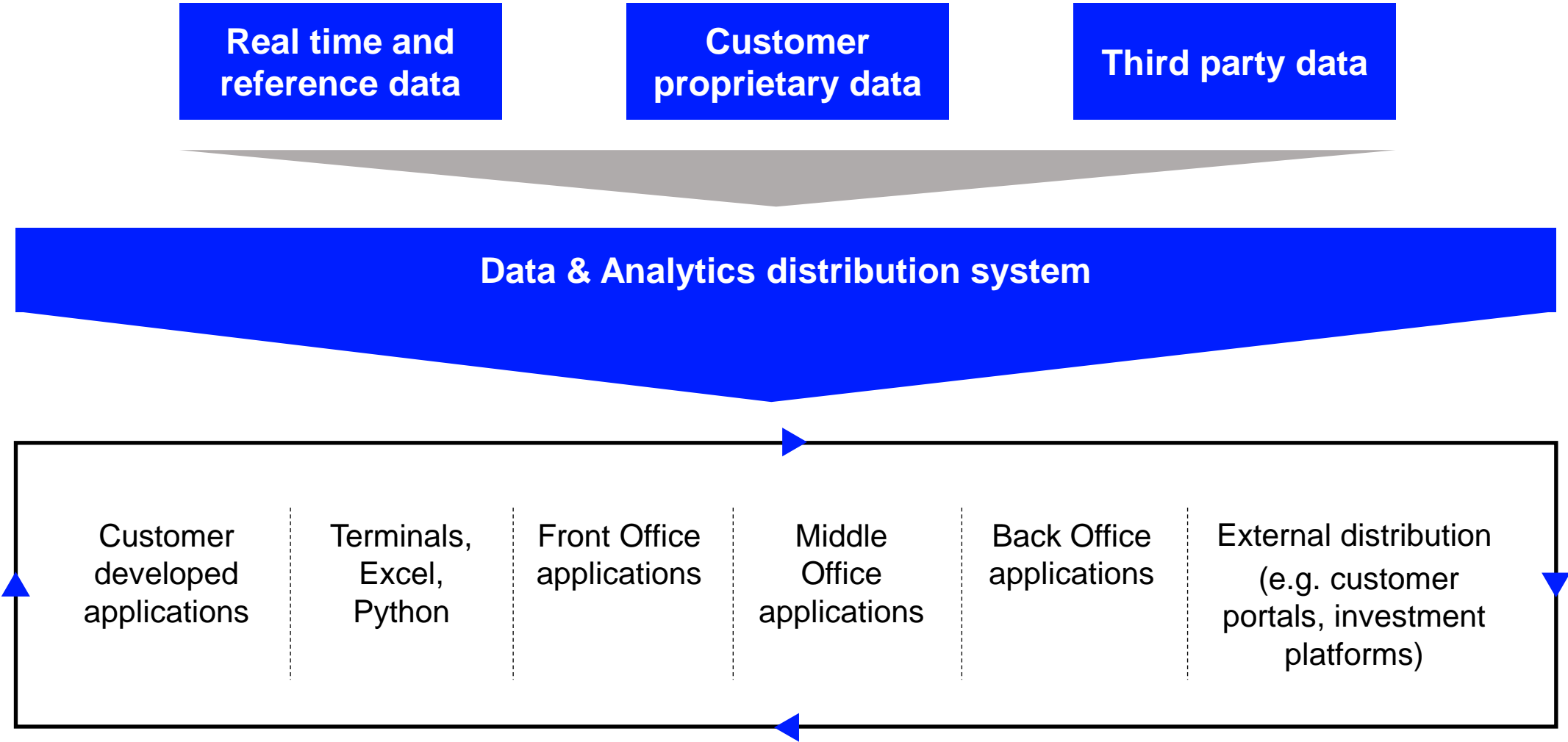
# Growing above the market in Pricing & Referencing Services

**LSEG Pricing & Reference Services**

| Broad and comprehensive data | New data sets |
|---|---|

| Distribution advantage | Commercial flexibility |
|---|---|

**New regulations**

**LSEG benefits**

Above-market segment growth, moving from number 6 to number 3 player

**Customers benefits**

Reduced total cost of ownership

Regulatory compliance

LSEG
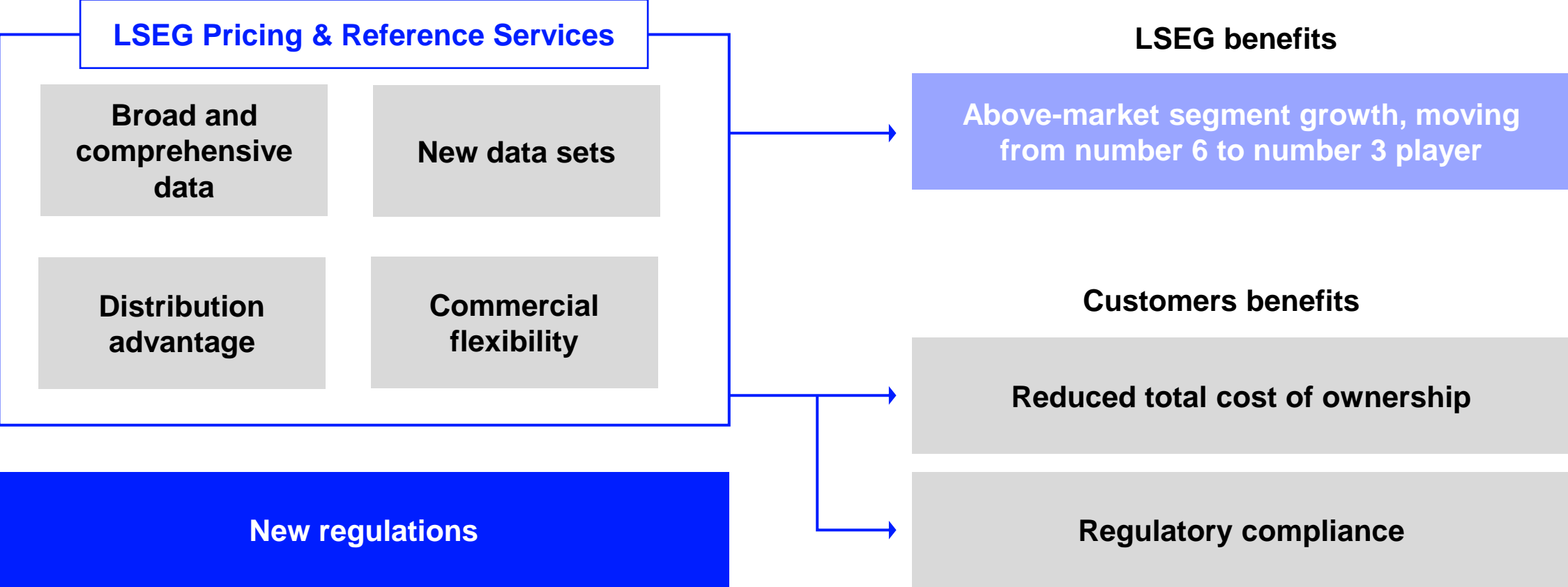
# FTSE Russell and Pricing & Referencing Services: A powerful revenue synergy

Our reference data is now the key input to FTSE Russell Fixed Income Multi-Asset Class Indices, making our reference data essential for customers

+

We can now go to market with a combined index and reference data solution

=

| | | |
|---|---|---|
| Immediate opportunity to sell reference data to existing FTSE Russell customers | Extensive ESG data enabling extension of ESG index series | Commercial opportunity as we innovate and launch new datasets and indices – notable wins already since close |

LSEG

# Delivering on our growth plan

**LSEG**

# Our priorities to deliver mid-single digit revenue growth

**1**

**Focus on execution**

– Real-Time: new data sets, new products, increased customer focus

– Pricing & Reference Services: new solutions driven by regulation, moved from generalist to specialist sales model

**2**

**Enhance the customer experience**

– Deliver multiple new data sets and products on the Data Platform

– Enhance the customer experience with new Data Platform capabilities and access to more complete data

**3**

**Prioritise synergies and growth through targeted investment**

– Focus on high-growth areas

– Capitalise on synergies made possible through LSEG

– Partner with customers on their journey to the cloud

**LSEG**

# #1 Focus on execution

| 2020-2022 | 2022-2024 |
|---|---|

**Real Time and Distribution**

**New data sets, new products, increased customer focus**

✓ Added **more real-time content** e.g. Tradeweb

✓ Launched new **real time** products, generating new revenue streams from existing and new customers

✓ Delivered **ESG real time data** to meet growing demand

✓ Improved **speed** for Feed customers

– Support customers on their journey to the cloud

– Enhance our position as a data aggregator by launching products that help us administer customer and partner data

**Pricing and Reference Services**

**New solutions driven by regulation, moved from generalist to specialist sales model**

✓ Added **dedicated sales specialists globally**

✓ **Created more comprehensive data sets, improved data quality**

✓ Delivered **FRTB[1] solution** for banks and brokers

✓ Launched new SEDOL[2] **commercial model**

– Automate Fixed Income Evaluated Pricing Service, increasing coverage and delivering new products

– Enhance Debt Corporate Actions Reference Data

– Enhance US Municipal Bond Pricing

LSEG

# #2 Enhance the customer experience

| **Now – 2022** | **Mid-term – ongoing** |

**Real time & distribution**

**70% content in cloud today**

- Moving data sets to the Data Platform at pace, ahead of competition
- Launched new products in the cloud to sustain Tick History and real time leadership position

- 100% content on the Data Platform in the cloud
- Increasing our administrative value to customers and partners with new product launches
- New platform capabilities for greater transparency, control and discoverability

**Pricing & Reference Services**

**30% content in the the cloud today**

- Moving data sets to the Data Platform at pace, ahead of competition
- Delivering new ways to make data easier to consume and process

- 100% content on the Data Platform in the cloud
- Enable customers to shift their data processing to the cloud

LSEG

# #3 Prioritise synergies and further growth

**Grow real time franchise and Pricing & Reference Services**

- New product launches
- Enhanced premium data, attracting new customers
- Improved service and monitoring capabilities

**Delivery and distribution**

- Provide more options for consuming and processing data
- Build on the success of new cloud solutions and replicate

**Realise revenue synergies**

- Deliver synergies using underlying Pricing & Reference data
- Use LSEG synergies and scale to accelerate adoption and improve products

**LSEG**

# Three key levers to deliver our growth plans

| Near-term: 2021 | 2022 to 2024 | Longer-term/ongoing |

**1** | **Focus on execution**
- Increased customer focus
- Maximise the benefits of our data partner community
- Defend and grow our leading Real-Time business

**2** | **Enhance the customer experience**
- Enable greater discoverability, transparency and control using the Data Platform
- Deliver more comprehensive and higher-quality data
- Enhance the customer experience using the cloud, allowing greater value from integration and data processing

**3** | **Prioritise synergies and further growth**
- Focus on high-growth areas, especially regulatory driven
- Capitalise on synergies made possible through LSEG
- Partner with customers on their journey to the cloud

**LSEG**

# In summary

☐ Leading positions – our data and products are heavily relied upon by and integrated in global financial markets

☐ Well-positioned for growth with strong market offering

☐ Regulatory tailwinds accelerating demand for data

☐ Proven delivery and execution in Enterprise Data Solutions with road map to deliver new revenue-generating products

Leading products, improvement to the customer experience and more complete data sets and solutions combine to position us to deliver mid-single digit growth over the medium term

# Trading & Banking Solutions

Dean Berry

# Overview of our business

# What does our business do?

## What we provide

– We provide:
  – Data and content
  – Analytics
  – Workflow solutions
– Delivered through channels optimised for human use

## Who we provide it to

**Trading**

– Sell-side banks, brokers
– Asset managers, hedge funds
– Corporate treasuries
– Central banks

**Banking**

– Investment banks
– Private equity, consulting
– Corporates
– Government institutions
– Academia

## How we commercialise our offering

– Majority of revenues from **recurring licence fees** for our pre-trade data & analytics desktop

Revenue by product area[1]

20%

80%

🔵 Pre-trade data & analytics desktop
⚫ Workflow and market insight

LSEG
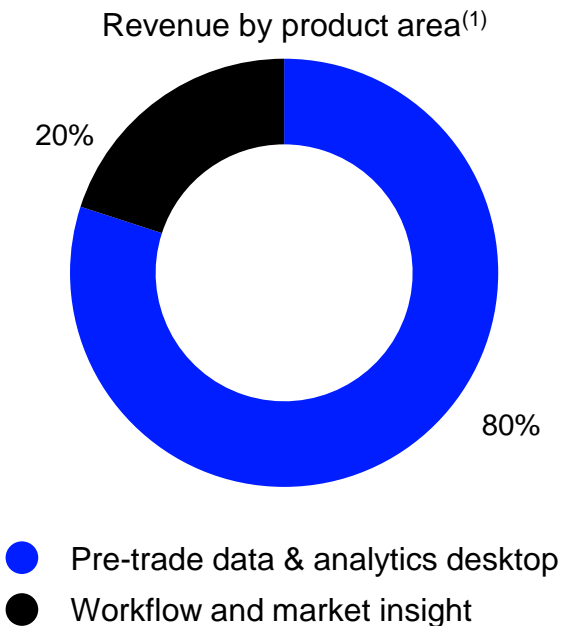
# A large market segment growing by low-single digits

Decline in desktop demand as automation drives overall industry reduction in trader headcount, offset by growth in data usage due to …

✓ Higher data agility requirement and demand for analytics tools

✓ Automated multi-asset class workflow solutions, integrated with robust collaboration tools

✓ Increased banker productivity with predictive analytics

**c.2025**

**£15-16bn** | Grow low single digits over 2020-2025 [1]

**2020**
**£12-15bn**

**Trading & Banking**

**£1.6bn** [2]
2020 revenue
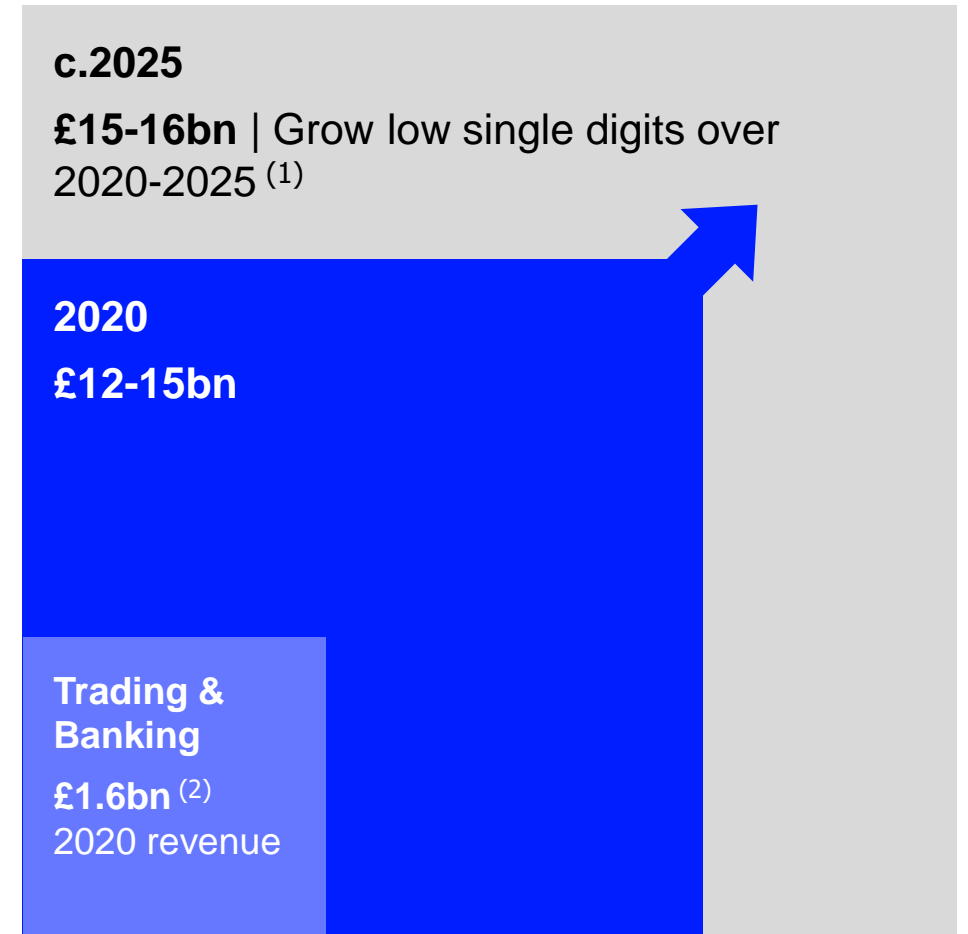
**Note:**
TAM Methodology: Based on a combination of public sources, third-party research, proprietary market intelligence; validated with subject matter experts
(1) Assumes current growth rates applied to 2025
(2) Revenue refers to pro-forma revenues for 2020

# A range of customers across trading and banking communities

## Our core businesses

### Data
We collect, aggregate and manage risk-related data from open sources, customers & partners

### Analytics & indices
We enrich data and generate new value by building structured content and analytical insight

### Distribution
We distribute to humans and machines, and build products that enable workflows

## Aligned to customer communities

**Enterprise Data Solutions**

**Trading & Banking Solutions**

**Customer & Third Party Risk Solutions**

**Investment Solutions**

**Wealth Solutions**

## Delivered at scale to a broad range of customers

| Trading: | Banking: |
|---|---|
| Sell-side banks and brokers | Investment banks |
| Asset managers | Private equity, consulting |
| Hedge funds and trading firms | Corporates |
| Corporate treasuries | Government institutions |
| Central banks | Academia |

- c.30,000 customers
- c.250,000 total users
- Customers in c.190 countries
- >100k messages daily on Refinitiv FX Dealing
- >$200bn monthly auctions volume across 2k users
- Serving 150 central banks
- Access to >4m transactions for global deals and market volumes analysis

**LSEG**

# A diversified base of high-quality recurring revenues

**Diversified footprint**

**Broad global footprint**

**High proportion of recurring revenue**

**Trading**
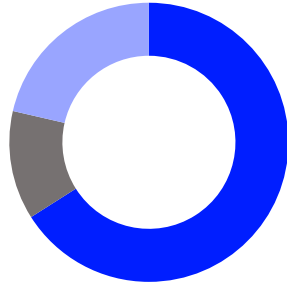
**(c.80% of revenue)**

**66%** Sell side
**13%** Buy side
**21%** Corporates
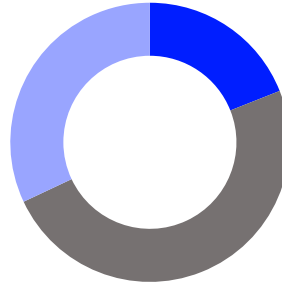
**19%** Americas
**49%** EMEA
**32%** APAC
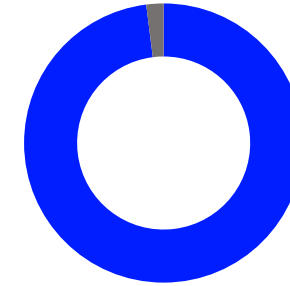
**98%** Recurring

**Banking**

**(c.20% of revenue)**
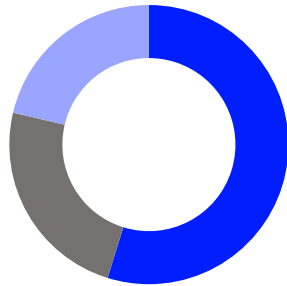
**55%** Sell side
**24%** Buy side
**21%** Corporates
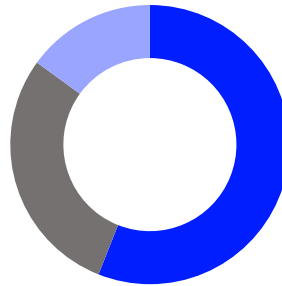
**56%** Americas
**29%** EMEA
**15%** APAC

**98%** Recurring

LSEG

**Note:** Based on 2020 pro-forma revenues, all revenue metrics exclude recoveries

63
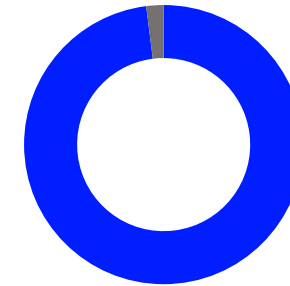
# Eikon Premium declining but majority of businesses delivering growth

## Trading & Banking revenues

-2% CAGR

+2% CAGR

+2% CAGR

-6% CAGR

2018    2019    2020

■ Eikon Premium    ■ Trading    ■ Banking
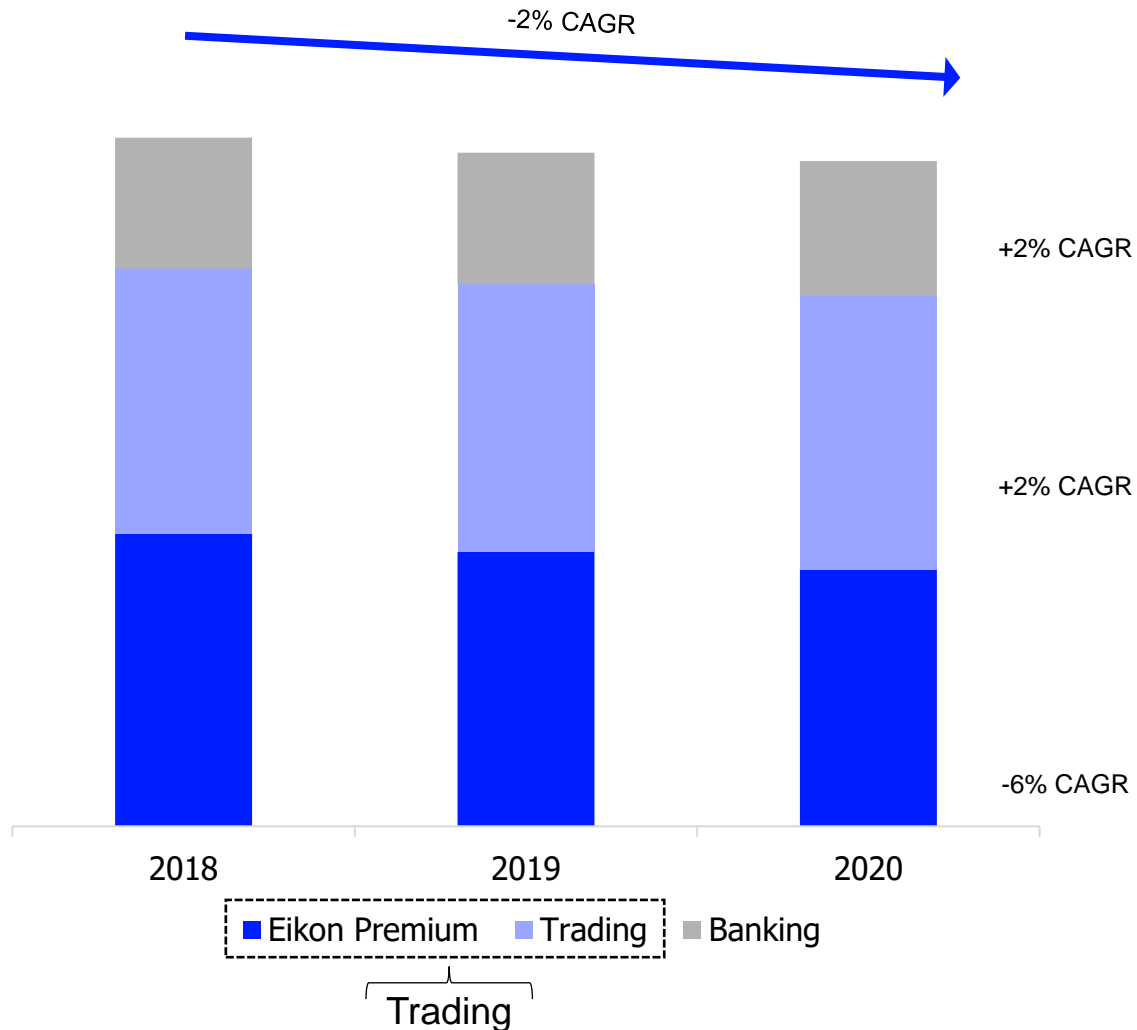
Trading

**Key drivers**

- Electronification and automation reducing trading headcount, impacting one-size-fits-all products, such as Eikon Premium

- However, as traders shift to consume more data and analytics, demand for flexible products increases:

  - Continued and growing demand for banking solutions

  - Stable growth from leading FX and commodities businesses

  - Emerging growth from fixed-income and trading workflow solutions

**LSEG**

**Note:**
Eikon Premium revenues also include certain other stand-alone desktop revenues. Based on 2020 pro-forma revenues

# Our portfolio of businesses – Trading

| | Foreign exchange | Fixed Income | Commodities | Equities & execution mgmt |
|---|---|---|---|---|
| **Addressable market segment** | **£1.1-1.3bn** | **£2.5-3.0bn** | **£1.8-2.0bn** | **£4.8-5.2bn** |
| **LSEG position** | **Superior** | **Improving** | **Superior** | **Competitive** |
| **Market trends** | – Automation of workflows<br>– Demand for data across FX products | – Electronification driving demand for price discovery, liquidity aggregation | – New technology and focus on sustainability driving need for new data sets, analytics | – Automation, end-to-end workflows driving growth<br>– Trend toward consolidation |
| **LSEG product suite** | **Eikon Premium Desktop** | | | |
| | – Electronic distribution & order management[1]<br>– FX Trading (FXT)[2]<br>– Deal Tracker Service | – Eikon for Fixed Income<br>– Auctions & callouts<br>– Content & insights on US Municipal bonds | – Eikon for Commodities<br>– Data Management Solution for Commodities content (RDMS) | – Eikon for Global Equities<br>– Order & execution management[3]<br>– Order routing[4] |

**Note:**
(1) Electronic Trading
(2) FXT offers a single point of access to unrivalled liquidity in hundreds of currency pairs from the Refinitiv FX Matching, Refinitiv Conversational Dealing and Refinitiv FXall platforms, as well as third party venues
(3) REDI, Alphadesk, Nest
(4) Autex Trade Route

LSEG

# Our portfolio of businesses – Banking

| | Corporate business intelligence | Advisory (Investment bankers, consultants, private equity) | Capital markets | Academia |
|---|---|---|---|---|
| **Addressable market segment** | £0.7–0.9bn | £0.9-1.1bn | £0.3-0.4bn | £0.3bn |
| **LSEG position** | Competitive | Competitive | Competitive | Superior |
| **Market trends** | – Increasing need for Corporates to manage financial data/risks | – Focus on efficiency/ automation of tasks; increased use of alternative data sets | – Record capital-raising levels driving demand for productivity tools | – Shift to virtual/hybrid learning environment<br>– Shift from shared library resources to individual desktop tools |
| **LSEG product suite** | **Eikon Premium Desktop** | | | |
| | – Workspace for Investment Bankers<br>– Financial transactions database<br>– Thought leadership, research and commentary | | – Loan Pricing Tool<br>– International Financing Review<br>– Project Finance International | – Workspace for Students<br>– Fundamental company and security data for academic use |

**LSEG**

# Competitive advantages

# Our competitive advantages

| We have a strong base | … generating powerful differentiators |
|---|---|
| **1. Global footprint & community focus** | – c.250k users across c.190 countries<br>– Serving 150 central banks<br>– Over $200bn monthly Auctions volume across 2k users |
| **2. Quality of data, analytics, workflows** | – Exclusive distribution of Reuters News and Tradeweb data<br>– Differentiated content and analytics for capital markets professionals<br>– >300 banks using FX Electronic Trading |
| **3. Openness & flexibility** | – Utilising D&A Data Platform<br>– c.22m unique data API requests by desktop users per month<br>– 93k unique user engagements on Development portal |
| **4. Top-tier franchises in FX, commodities and banking** | – FX market fixtures such as Dealing, Electronic Trading, Refinitiv Trade Notification<br>– Leading content and insights across commodities complex<br>– Trusted sources for capital markets Insight |
| **5. Leading Workspace and Data Platform** | – Workspace, a multi-channel delivery platform<br>– Cloud-based data & analytics data platform to power workflows |
| **6. Power of the broader LSEG** | – Potential to create value by building on post-trade data<br>– Enhanced footprint and Yield Book complementarity<br>– Integration of academic products |

**LSEG**

# Investment in the platform is furthering competitive advantage

**Examples**

## Workspace

– **Addresses usability issues**
  – Makes humans more efficient by optimising screen real estate
– **Built with open standards**
  – HTML5 apps can be used in Eikon and Workspace

– Flexible Tiles allow users to build their desktop interface aligned to their own needs
– Refinitiv Vessel Tracking allows users to track vessel movements, visualise, analyse commodity flows all within Workspace

## Data platform

– **Improves data discoverability and consistency**
  – Reduces the reliance on 'pre-canned', closed-box human workflow tools and increases the value of data & analytics
– **Enables customers to get more value from data and analytics**

– CodeBook offers an integrated cloud-hosted development environment for Python scripting with zero install
– Access to the Data Platform APIs
– Sophisticated data models to get unique insight beyond spreadsheets

## Operational agility

– **Provides us with the ability to create market-moving insight faster**
– **Component-based approach to quickly assemble new solutions from existing products**

– Assembly of Covid app in 48 hours in January last year
– Global pandemic weeks before competition using our economic data

**LSEG**

# Delivering on our growth plan

**LSEG**

# Our plan to return to growth

**1**

**Improve execution**

– Customer engagement

– Optimise offering to meet customer needs

– Talent upgrade

**2**

**Enhance the customer experience**

– Deliver Workspace, our next-generation delivery solution

– Improve trading collaboration tools, integrating with leading messaging platforms

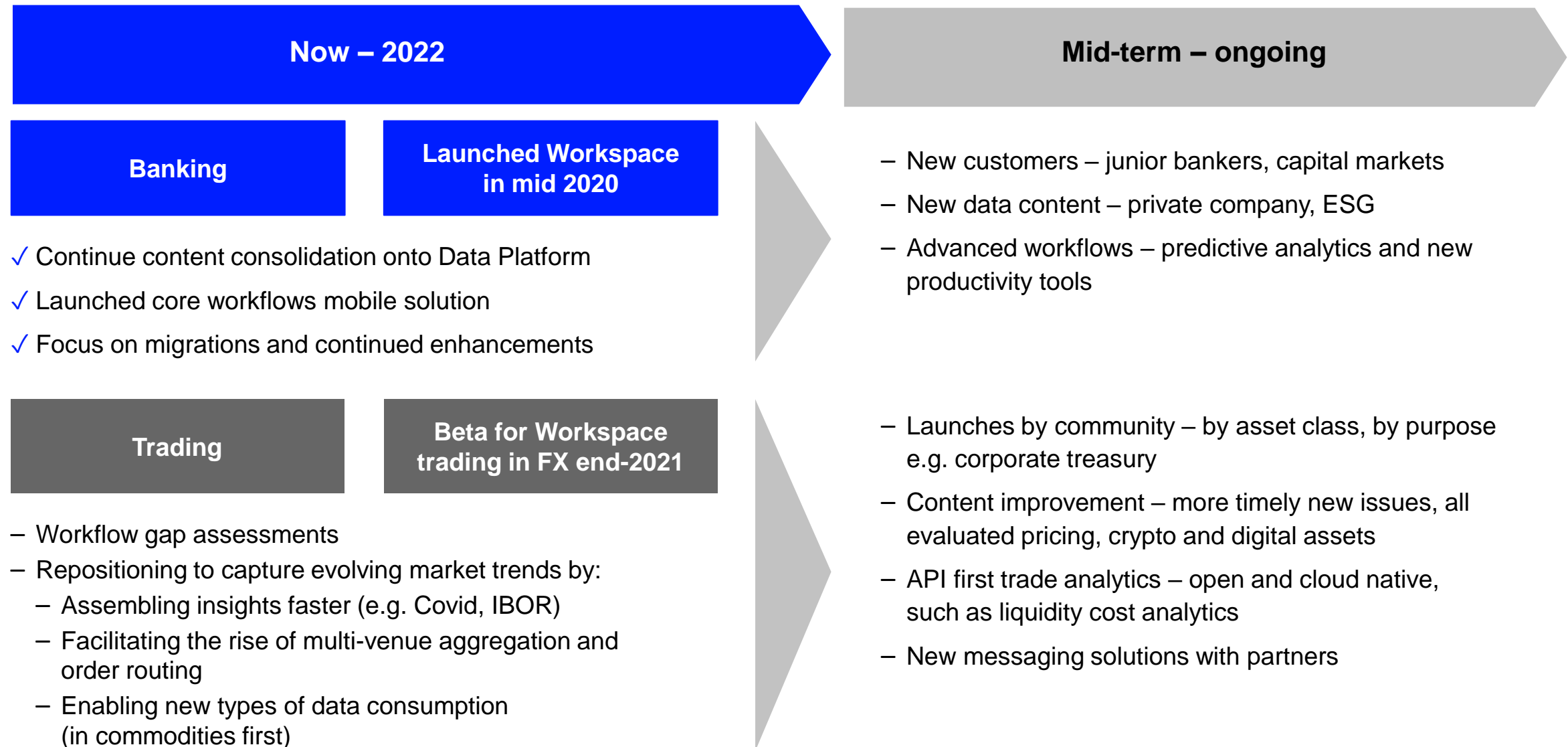– Integrate existing assets into workflow solutions

**3**

**Prioritise synergies and growth through targeted investment**

– Expand order and execution management capabilities

– Flexible analytics enabling coders to develop within our toolkit

– End-to-end LSEG solutions delivered across divisions

**LSEG**

# #1 Improve execution: Recent examples of customer engagement

| Customer needs | LSEG response | Key differentiators |
|---|---|---|
| "I need greater accessibility to data and analytics platform to support hybrid work-from-home model"<br><br>**Corporate Treasurer** | – Work with the client to understand key requirements and workflow functionality needs<br>– Engaged in a successful trial to allow client to test if they could perform day-to-day roles using Eikon | **Openness & flexibility** |
| "I want simplification of post-trade infrastructure to consolidate solutions and modernise middle/back-office workflow"<br><br>**FX Middle Office** | – Displaced incumbent vendor with hosted Refinitiv Deal Tracker as a suitable alternative to enable the client to simplify their post-trade infrastructure and reduce third-party costs | **Footprint/scale**<br><br>**openness & flexibility** |
| "I'm looking for powerful content & analytics, at reasonable cost on top of my Eikon"<br><br>**FI Trader** | – Advanced Mortgage Analytics provided easy interface vs. peers<br>– The value of Eikon with Tradeweb demonstrated strengths of LSEG<br>– Client renewed Eikon and added Advanced Mortgage Analytics | **Data quality**<br><br>**Part of LSEG** |
| "What we need is an open solution, at reasonable price point to add sources to surveillance workflow and a move to a more recurring model"<br><br>**FX Trader** | – Displaced incumbent by providing an open and flexible compliance solution<br>– Met customer needs in terms of recurring costs | **Openness & flexibility** |

**LSEG**

# #2 Enhance the customer experience by using Workspace and the Data Platform

**Now – 2022**

**Mid-term – ongoing**

**Banking**

**Launched Workspace in mid 2020**

✓ Continue content consolidation onto Data Platform

✓ Launched core workflows mobile solution

✓ Focus on migrations and continued enhancements

– New customers – junior bankers, capital markets

– New data content – private company, ESG

– Advanced workflows – predictive analytics and new productivity tools

**Trading**

**Beta for Workspace trading in FX end-2021**

– Workflow gap assessments

– Repositioning to capture evolving market trends by:
  – Assembling insights faster (e.g. Covid, IBOR)
  – Facilitating the rise of multi-venue aggregation and order routing
  – Enabling new types of data consumption (in commodities first)

– Launches by community – by asset class, by purpose e.g. corporate treasury

– Content improvement – more timely new issues, all evaluated pricing, crypto and digital assets

– API first trade analytics – open and cloud native, such as liquidity cost analytics

– New messaging solutions with partners

# #2 Enhance the customer experience: Workspace in our banking business

**Desktop transformation – Banking case study**

Thomson One for Banking
SDC Platinum
Reuters Knowledge
StreetSight
TRMSO Deals BI
Eikon R&A + Gateway
Research Bank Japan

REFINITIV™
**WORKSPACE**
INVESTMENT BANKERS

**How are we optimising execution?**

– Workflow scorecards to identify and address competitive gaps

– Design partnerships to fully capture and deliver on customer requirements

– Agile design and delivery to validate assumptions with customers

**Progress to date**

– 97% of revenue secured from Thomson One Banking user base

– Significant proportion of users already migrated to Workspace from existing desktop products

**Objectives**

– Replace existing desktop products with innovative customer-led solution

– Unlock workflow potential (e.g. Office 365)

– Enhance and modernise content

– Simplify commercial models

LSEG

# #3 Prioritise synergies and growth through targeted investment

**Order management & execution capabilities**

– Enhance our trading execution capabilities, building on strong existing asset base

**Flexible analytics enabling coders to develop within our toolkit**

– Expand capabilities to support growth of financial markets coders on our open platform

**LSEG opportunities**

– Build end-to-end offering across the value chain partnering with Capital Markets and Post-Trade

**LSEG**

# Three key levels to deliver our growth plans

| **Now to 2022** | **Mid-term and beyond** |
|---|---|

**STRATEGIC INITIATIVES**

**OUTCOMES**

**1** **Improve execution**

– Customer engagement
– Optimise offering to meet customer needs
– Talent upgrade

**2** **Enhance the customer experience**

– Deliver Workspace, our next-generation delivery solution
– Improve trading collaboration tools, integrating with leading messaging platforms
– Integrate existing assets into workflow solutions

**3** **Prioritise synergies and growth through targeted investment**

– Expand order and execution management capabilities
– Flexible analytics enabling coders to develop within our toolkit
– End-to-end LSEG solutions delivered across divisions

**LSEG**

# In summary

☐ Portfolio of businesses in a market segment with modest growth but accelerating demand for data solutions

☐ Revenues declining in recent years due to challenges with Eikon Premium

☐ Restoring growth through both near-term and strategic initiatives

☐ Key competitive advantages:

– Breadth of high quality, differentiated data and content

– Global footprint with strong presence in key communities

– Open and flexible approach aligned with customers

– The power of the Data Platform and Workspace

☐ Clear plan to run the business better, enhance the customer experience, and execute on key growth opportunities

**The business will grow in line with the market segment over the medium-term**

**LSEG**

# Customer and Third Party Risk

Phil Cotter

**LSEG**

# Introduction to Customer and Third Party Risk

**LSEG**

# What does our business do?

**What we provide**

– Financial Crime-related Risk Intelligence data and analytics

– Due Diligence data & analytics providing broader insights into third-party risks

– Digital Identity and Bank Account Verification to manage the risk of Identity Theft and Payment Fraud

**Who we provide it to**

– Banks

– Insurers

– Crypto Exchanges

– Retailers

– Payment Services Providers

– Technology Firms

– Manufacturers

– Governments & Regulators

– Partners

**How we commercialise our offering**

– We generate revenue through a mix of:

– Recurring revenue through subscriptions linked to volume

– Transaction based pricing

– One-time pricing

**LSEG**

# Why we are important to our customers

## $4tn
Amount of money laundered through the financial system each year[1]

## $10bn
Issued in AML fines by regulators in 2020[2]

## $43bn
Lost in identity fraud in 2020[3]

## $2.8bn
Corporate fines from Foreign & Corrupt Practices Act enforcement[4]

## >40m
The number of people that are currently victims of modern-day slavery[5]

**LSEG**

# We serve large and growing market segments

## Secular trends are driving demand …

| Digitisation of banking and payments |
| Increasing sophistication of criminal activity |
| Greater regulation |
| Sustainability and demand for transparency |

## … and growth in the marketplace

**Our market segment in 2025**

£5-6bn  |  **+8-10%**
2025 estimated TAM  |  2020-25 CAGR

**Our addressable[1] segment in 2020**

**£3-4bn**
FY2020 TAM

**Customer & Third Party Risk**

**£0.3bn** [2]
FY2020 revenue

**LSEG**

# We serve customers across a wide range of industries

**Our core businesses**

**Data**
We collect, aggregate and manage risk related data from open sources, customers, & partners

**Analytics & indices**
We enrich data and generate new value by building structured content and analytical insight

**Distribution**
We distribute to humans and machines, and build products that enable workflows

**Aligned to customer communities**

Enterprise Data Solutions

Trading & Banking Solutions

Customer & Third Party Risk Solutions

Investment Solutions

Wealth Solutions

**Delivered at scale, to effectively and efficiently manage risk**

| | |
|---|---|
| Financials: banking | Financials: insurance |
| Financials: crypto exchanges | Corporates: tech |
| Corporates: retail | Corporates: gaming |
| Corporates: payment services providers | Corporates: RegTech |
| Government: agencies | Government: regulators |

- 11,000+ customers
- \>40,000 end users
- c.50 of the world's largest banks
- Customers in c.190 countries
- \>150m entities continuously monitored daily against World-Check
- \>120m transactions per annum through GIACT
- c.40,000 due diligence reports per annum

**LSEG**

# A diversified base of high-quality recurring revenues

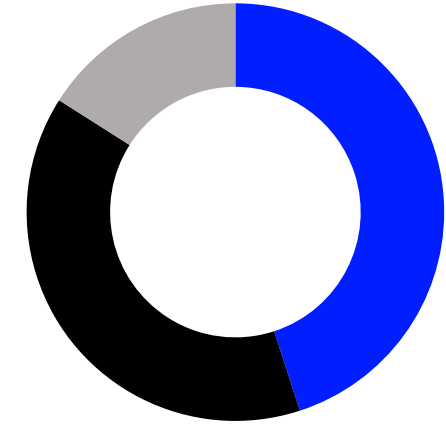**Diversified footprint across a range of industries**

**High proportion of recurring, subscription-based revenue**

**Broad global footprint**
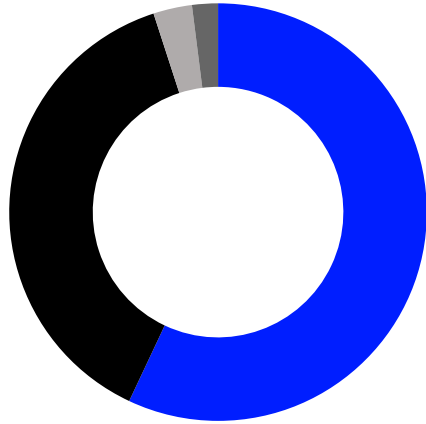


- **57%** Financial institution
- **38%** Corporate
- **3%** Government
- **2%** Other
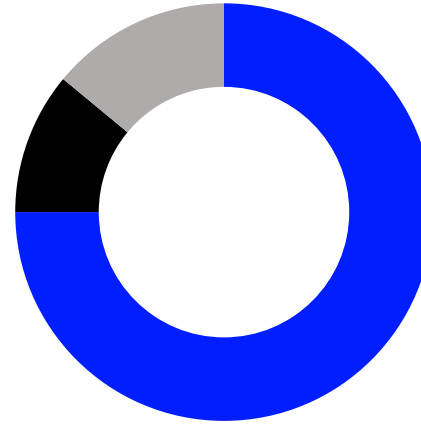
- **75%** Recurring
- **11%** Transactional
- **14%** One time

- **45%** Americas
- **39%** EMEA
- **16%** APAC

LSEG

# Our three business lines

| Screening | Identity verification and fraud prevention | Due Diligence |
|---|---|---|
| **World-Check** | **GIACT** | **Due Diligence** |

**A leading global risk intelligence database used extensively in screening processes**

– Extensive breadth and depth of data curated and aggregated only from reliable and reputable public sources

– Data set built on proprietary methodologies, research and analysis

**Solutions to help customers verify identity and identify fraud in real time**

– Attractive combination of proprietary data and privileged data

– Offline, online, behavioural and payment identifiers used in real time to help identify and mitigate fraud

**Provides insight & highlights risks that extend beyond financial crime**

– Analyse a range of risks including integrity, ESG and cyber, across corporate, government and financial institution use cases

– Solutions include data, SaaS workflow, reports and professional services

## By the numbers…

– #1 in segment

– 9,500+ customers using World-Check, including c.50 of the world's largest[1] banks

– >5m active World-Check records

– Helping >1,400 companies to fight fraud

– Proprietary data includes >350m records and >1.1bn transactions

– **Top three provider of Due Diligence reports**

– Sold reports to c.1,100 customers over the past year

– Over 40,000 reports delivered in 2020

– Acquired Red Flag Group in October 2020

## Competitors

LexisNexis · rdc · DOW JONES

GBG · jumio · LexisNexis · Trulioo · onfido

EXIGER · CAPCO · Kroll · Steele

LSEG

# World-Check – the industry's leading provider

**Research curated content**

Sanctions | Regulatory & law enforcements | Politically exposed persons (PEPs) | State owned entities | Countering terrorist financing | Negative media | Ultimate beneficial owner | Marijuana related businesses

**Data & Analytics**

| Data & Analytics | REFINITIV® **WORLD-CHECK®** | REFINITIV® **MEDIA-CHECK®** |
| --- | --- | --- |
| Our Solutions | **Screening** **Monitoring** | **CASE Management** |
| Our Distribution | **Workflows** **API** | **File** |

**Our Clients**

Financial institutions | Corporates | Governments | Regulators & supervisory bodies | Partners

- The global **go-to** for customer screening

- Data set built on **proprietary methodologies, research and analysis**

- Highly structured open source data set built by **>450 specialised researchers** who cover **65+ languages**

- **>5M active World-Check records** covering **245 countries and territories**

- **>150m entities** continuously screened by clients every day

- Utilise the **Data Platform** and common technology architecture

**LSEG**

# We support our customers across their counterparty relationship life-cycle
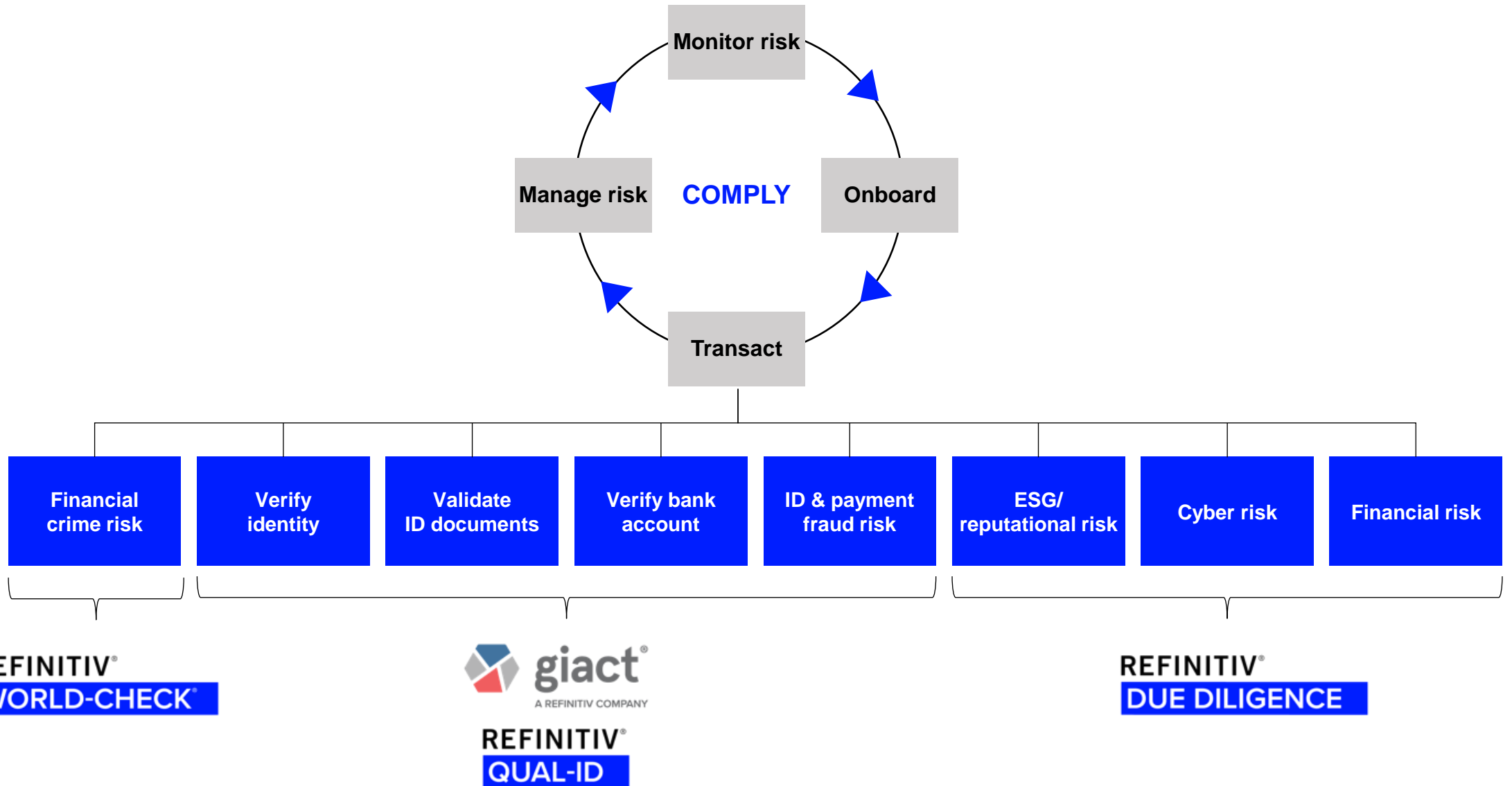
# Entry into digital identity verification and fraud prevention catalyses further growth
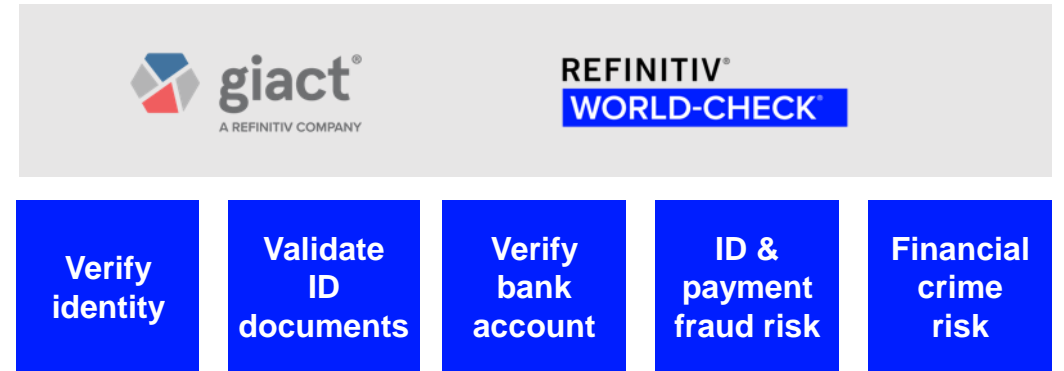
**GIACT and World-Check combined creates attractive proposition**

– GIACT allows us to enter a high-growth adjacency and support customers across the entire life-cycle

– Combining GIACT and World-Check helps customers to comply with regulations, fight financial crime, prevent fraud and avoid reputational damage

**CASE STUDY:
Global 'Cryptocurrency Trading' platform**

**LSEG Value Proposition**

giact
A REFINITIV COMPANY

REFINITIV
WORLD-CHECK

**Customer lifecycle**

| Verify identity | Validate ID documents | Verify bank account | ID & payment fraud risk | Financial crime risk |

– Use World-Check & GIACT to increase automation and optimise their customer onboarding process

– GIACT is used to conduct account validation and account ownership services: >250m bank account validations, prevent the pulling of funds from >180,000 accounts, and present alerts on >9m distinct accounts in the past three years

– World-Check is used to ensure that all the appropriate due diligence is conducted (e.g. screening) before progressing

# Our competitive advantages

# Strong foundations for growth

| We have a strong base | …well positioned to continue on growth trajectory |
|---|---|
| **1. Global scale and flexible delivery mechanisms** | – Strength in speed and flexibility of delivery<br>– Moved toward API and cloud-ready access |
| **2. Unrivalled depth and breadth of data** | – Proprietary methodologies, research and analysis<br>– Highly structured open source data built by >450 specialised researchers |
| **3. High-growth customer segments** | – 39% of revenues from Corporates<br>– 30%+ growth from Corporates |
| **4. Thought Leadership & long-term partnership approach** | – Over 200 partners increase our distribution<br>– Seen as a thought leader in financial crime prevention ecosystem |
| **5. Across the entire customer life-cycle** | – Supporting customers beyond KYC to include, digital identity, fraud, AML and third-party risk |
| **6. Utilising breadth and depth of LSEG** | – Use AI to enhance offerings, e.g. World-Check and Media-Check<br>– Predominantly cloud native<br>– Beneficiary of the Data Platform and common technology architecture |

**LSEG**

# Partnering enhances our content and distribution

**Data**

– Customer contributed
– Bank consortia
– NGO's – ESG & Financial Crime – SIGWATCH & The Sentry
– Cyber ratings – BitSight

**Analytics and indices**

REFINITIV® WORLD-CHECK®

giact® A REFINITIV COMPANY

**Partner distribution**

| AML screening and fraud | Third-party risk and supply chain risk | Customer life-cycle management | Thought leadership and content partners |
|---|---|---|---|
| BAE SYSTEMS | ARAVO | fenergo: | FREEDOM SEAL |
| FICO TONBELLER® COMPLIANCE SOLUTIONS | IBM | PEGA | WORLD ECONOMIC FORUM |
| NICE ACTIMIZE | MetricStream PERFORM WITH INTEGRITY | salesforce | EUROPOL / THE SENTRY / united for wildlife |

LSEG

# Delivering our growth plan

# Track record of double-digit growth

## Customer and Third Party Risk revenues

+11% CAGR

| | | |
|---|---|---|
| 2018 | 2019 | 2020[1] |
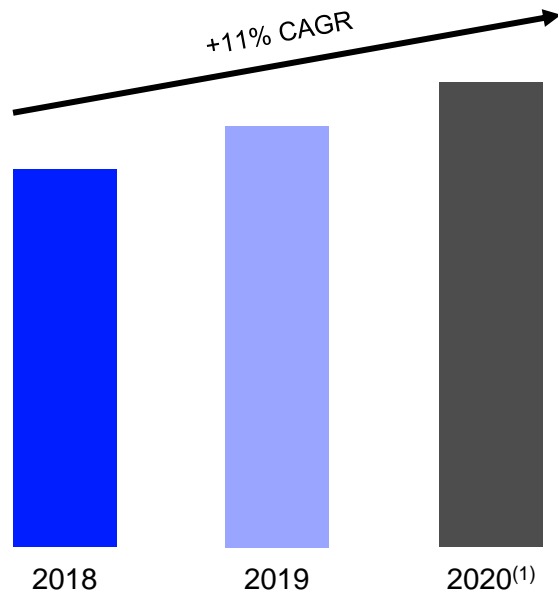
## The result of our data-led strategy...

- **Delivering high double-digit growth in World-Check:**
  16% CAGR over the past five years delivering outperformance vs broader segment growth rates

- **Consistently outperforming a high-growth segment:**
  Due to our ability to provide high-quality risk intelligence data at scale

- **Strong sales execution:**
  Driving strong growth in new market segments

LSEG

# Three key levers to deliver our growth plans

| Now to 2022 | Mid-term and beyond |
|---|---|

**1** **Focus on execution**

– World-Check sales into high growth segments

– Expand partner network

– Accelerate growth from GIACT and Red Flag

**2** **Enhance the customer experience**

– Leveraging the data platform in the cloud to increase capacity, reduce time to market and improve resilience

– Deliver increased flexibility to 'slice & dice' World-Check data

– Launch international digital identity solution

**3** **Prioritise synergies and growth through targeted investment**

– Transform Due Diligence business from PDF based to data & analytics

– Continue to invest in World-Check data coverage and quality

# In summary

☐ Clear #1 position

☐ Track record of delivering strong growth and outperformance

☐ World-Check is a best-in-class product – brand synonymous with screening for financial crime, delivering high-quality data, products and services

☐ Power of integrated offering accelerates growth and extends our customer footprint

☐ Executing a data-led strategy, supported by strong focus on continual product and data enhancements and sales execution supporting our growth in the future
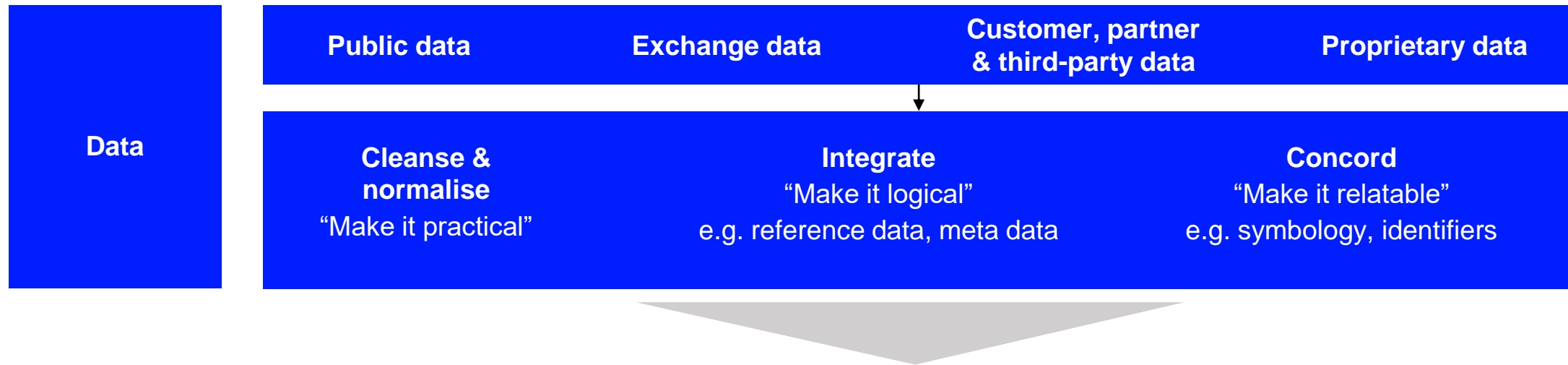
**The combination of our core product offerings, customer and execution focus and secular market trends position us to continue strong growth in the future**

**LSEG**

# Appendix

**LSEG**

# Breadth and depth of data, expertly managed at scale

**A highly scalable and differentiated data business that is a leader in its markets**

| Data | Public data | Exchange data | Customer, partner & third-party data | Proprietary data |
|------|-------------|---------------|--------------------------------------|------------------|
| | **Cleanse & normalise** <br> "Make it practical" | **Integrate** <br> "Make it logical" <br> e.g. reference data, meta data | | **Concord** <br> "Make it relatable" <br> e.g. symbology, identifiers |

– Processes high-volume, high-velocity data at high quality and scale

   – Own the longest history of market data available of high value to customers

– Aggregates, organises and creates many types of data, including customers and partners seeking access to our global community

– Apply identifiers (e.g. RICs, SEDOL) that help customers move data and achieve data interoperability and consistency throughout their organisations

– Our data language is integrated into our customers' technology estates, making the breadth and quality of data, insights and solutions more valuable

   – Our Open approach has driven a preference amongst market data decision-makers and users

**LSEG**

# World class analytics & indices

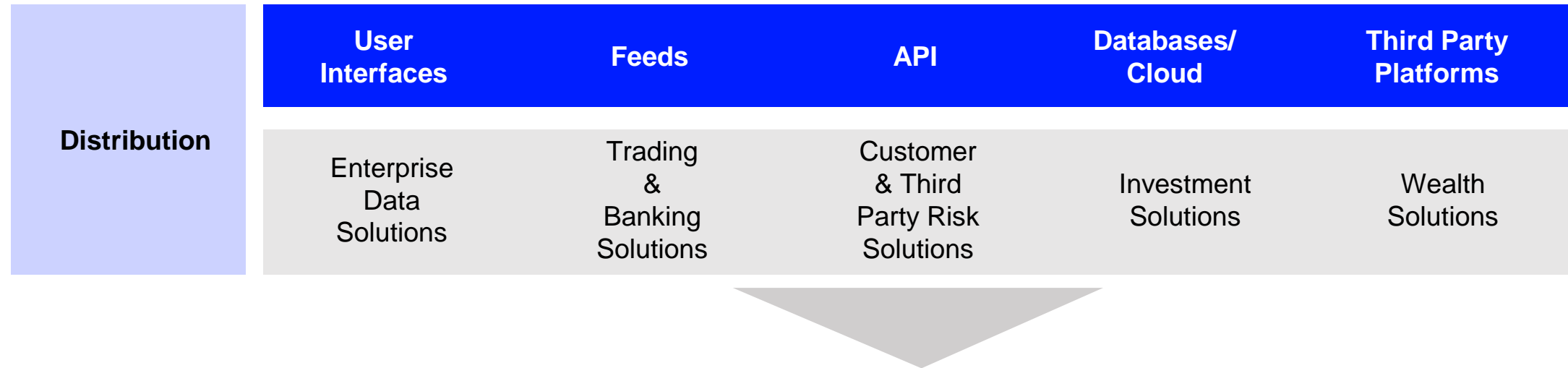**We provide premium data through research and product development, augmented through customer use**

| Analytics & indices | Enriched Data  \|  Analytics  \|  Managed Data Services  \|  Indices |
|---|---|

– We create methodologies that reflect a view on relative performance, provided in a variety of ways, e.g. pricing, scores, estimates, classifications, benchmarks and indices

– Our high-quality, enriched data is essential to creating a useful analytic that is trusted by the community (e.g. loan prices, FX fixings, ESG factor models, sentiment analysis etc.)

– Customer feedback regarding our analytics improves its quality and representation of accurate market performance

– When a community accepts an analytic as a "must have" standard, demand for it, and the data that powers it, grows

  – 450+ ESG metrics and scores for companies representing >70% of global market capitalisation, with data back to 2002

  – We own many price, industry, and market benchmarks (Global FX spot pricing, $16tn in AUM linked to 300+ index families)

  – We set classification systems that investors value and use to define their success (Lipper, ICB, ESG etc.)

– The combination of FTSE Russell with Refinitiv benefits from this "virtuous circle" of adoption and demand

**LSEG**

# Multi-channel, open distribution

**We deliver tailored products to meet our customers' needs**

| Distribution | User Interfaces | Feeds | API | Databases/ Cloud | Third Party Platforms |
|---|---|---|---|---|---|
| | Enterprise Data Solutions | Trading & Banking Solutions | Customer & Third Party Risk Solutions | Investment Solutions | Wealth Solutions |

- We assemble our data and analytics into products suited to the needs of distinct customer communities
  - Multi-channel distribution allows us to deliver our data, analytics and workflow solutions tailored to our customers' needs
- Customers have the choice to interact with whichever distribution environment they require
  - >140,000 developers building programs and applications that directly LSEG data, analytics and distribution technologies
  - >450,000 end users, with a leading footprint in c.190 countries
- We manage infrastructure at scale

**LSEG**

# Contacts and further information

Paul Froud
Group Head of Investor Relations
Tel: +44 (0)20 7797 1186
email: paul.froud@lseg.com

Chris Turner
Investor Relations Director
Tel: +44 (0)77 6993 1614
email: chris.turner@lseg.com

Gaurav Patel
Investor Relations Senior Manager
Tel: +44 (0)20 7797 1154
email: gaurav.patel@lseg.com

Ian Hughes
Investor Relations Manager
Tel: +44 (0)20 7797 3334
email: ian.hughes@lseg.com

**London Stock Exchange Group plc**
10 Paternoster Square
London
EC4M 7LS

For investor relations information:
www.lseg.com/investor-relations

For Corporate Sustainability information:
www.lseg.com/investor-relations/sustainability

**LSEG**

DICTUM MEUM PACTUM