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IG GROUP HOLDINGS PLC
Third Quarter Revenue Update

'The Group delivered a good revenue performance in a quieter period of market activity, with strong growth from our High Potential Markets, showcasing the benefit of our diversification strategy.'

IG Group Holdings plc ("the Group", "the Company"), a purpose-led global fintech, today issues its scheduled revenue update for the three months to 28 February 2023 ("Q3 FY23"), representing the third quarter of the financial year ending 31 May 2023 ("FY23").

Business performance in Q3 YTD

Year-to-date total revenue from continuing operations¹ was £758.4 million, up 5% (Q3 FY22 YTD: £722.7 million). Active client numbers for Q3 YTD were 335,400, down 5% on prior year, reflecting quieter market conditions in the quarter.

Interest income was an important driver of revenue growth in the period. US interest income was £32.7 million for Q3 YTD (Q3 FY22 YTD: £0.6 million), and non-US interest income was £17.4 million (Q3 FY22 YTD: (£1.2) million). The Group maintained the level of client money balances during the period.

Total revenue by product (£m)	Q3 FY23 YTD	Q3 FY22 YTD	% Change
OTC derivatives	602.3	610.6	(1%)
Exchange traded derivatives	135.8	89.5	52%
Stock trading and investments	20.3	22.6	(10%)
Group	758.4	722.7²	5%

Total revenue by portfolio (£m)	Q3 FY23 YTD	Q3 FY22 YTD	% Change
Core Markets+	606.9	621.9	(2%)
High Potential Markets	151.5	100.8	50%
Group	758.4	722.7	5%

Q3 FY23 YTD revenue in the Core Markets+ was £606.9 million (Q3 FY22 YTD: £621.9 million), down 2% due to OTC active clients and revenue per client being down marginally versus the prior period.

Q3 FY23 YTD revenue in the High Potential Markets was £151.5 million, up 50%, or 38% on a pro forma³ basis. Revenue per client increased significantly across all businesses in the portfolio, partially offset by a reduction in the number of active clients. tastytrade total revenue for Q3 FY23 YTD was £122.8 million up

50% (Q3 FY22 YTD: £81.8 million) or 36% on a pro forma basis. On a USD pro forma basis, tastytrade revenue was up 19%, with the benefit of interest income offsetting a softer trading revenue performance.

On a year-to-date basis, our non-OTC businesses constituted 21% of Group total revenue with our US businesses accounting for 18% of our total revenue.

Business performance in Q3

Q3 FY23 was a quieter quarter in the market, particularly in December, with lower market volatility than in recent periods, and in Q3 FY22. The benefit of our diversification strategy is becoming increasingly evident, with our exchange traded derivatives business posting strong growth in both Europe and the US.

Total revenue by product (£m)	Q3 FY23	Q3 FY22	% Change
OTC derivatives	179.4	218.9	(18%)
Exchange traded derivatives	52.0	31.5	65%
Stock trading and investments	7.9	6.6	19%
Group	239.3	257.0	(7%)

Within our OTC derivatives business, lower market volatility in the period resulted in a lower revenue per client, with active clients down 8%. Our US OTC business reported another strong quarter of growth against Q3 FY22.

Within exchange traded derivatives, tastytrade total revenue for the quarter of £44.9 million was up 57%, driven by a significant increase in interest income. On a USD basis, the growth rate was 42%. Spectrum continued to deliver strong organic growth and has reached an agreement with UniCredit to list products on the exchange.

Stock trading and investments revenue grew year-on-year driven by interest income. Client trading activity has reduced, returning to pre-pandemic levels, however the number of clients remains steady, and materially higher than pre-pandemic.

Total revenue by portfolio (£m)	Q3 FY23	Q3 FY22	% Change
Core Markets+	182.6	221.6	(18%)
High Potential Markets	56.7	35.4	60%
Group	239.3	257.0	(7%)

Core Markets+ total revenue in Q3 FY23 was £182.6 million (Q3 FY22: £221.6 million), reflecting the lower OTC derivatives revenue in the period against a challenging comparative period.

High Potential Markets total revenue in Q3 FY23 was £56.7 million, up significantly on Q3 FY22, reflecting strong growth across our US businesses as well as our European ETD business, and highlighting the growth prospects of this set of businesses.

Capital return to shareholders

As part of the new capital allocation framework, in July 2022 the Group announced a £150 million share buyback programme, which was extended by £50 million in January 2023, to a total of £200 million. As at 13 March, approximately 17.4 million shares have been re-purchased, at a cost of £137.4 million. We continue to recognise significant headroom above the minimum capital requirement and the Board has kept the capital allocation framework under continual review.

Guidance and outlook

We anticipate FY23 revenue and profit before tax will be in line with current market expectations. Our medium-term revenue and profit margin guidance remains unchanged.

Contact information

IG Group Investor Relations

Richard Heading
020 7573 0742

Simon Wright

020 7537 0099

investors@ig.com

IG Group Press

Angela Warburton
020 7633 5382

Alayna Francis

020 7633 5395

press@ig.com

FTI Consulting

Edward Berry
077 0333 0199

Katherine Bell

079 7687 0961

iggroupt.sc@fticonsulting.com

Financial reporting calendar

IG regularly updates the market on financial performance and delivery against strategy. The next financial update will be the full year FY23 results, scheduled for July 2023.

Footnotes

1. Continuing operations exclude Nadex, which was sold on 1st March 2022
2. Total revenue excludes £5.8 million foreign exchange hedging gain in the prior period associated with the financing of the tastytrade acquisition
3. Pro forma revenue growth reflects growth against a full comparative period for tastytrade, including the period prior to acquisition

Disclaimer - forward-looking statements

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

Forward-looking statements involve known and unknown risks, uncertainties, assumptions, and other factors which are beyond the Company's control and are based on the Company's beliefs and expectations about future events as of the date the statements are made. If the assumptions on which the Group bases its forward-looking statements change, actual results may differ from those expressed in such statements. There are several 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 they are made. Except as required by applicable law and regulation, the Company undertakes no obligation to update these forward-looking statements. Nothing in this statement should be construed as a profit forecast.

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No profit forecasts or estimates

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

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