TP ICAP Group PLC

Full Year Results

For the 12 months ended
31 December 2024

SPEAKERS

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Group CEO

Robin Stewart
Group CFO

Daniel Fields
CEO, Global Broking

Andrew Polydor
CEO, Energy & Commodities

Mark Govoni
CEO, Liquidnet

Silvina Aldeco-Martinez
CEO, Parameta Solutions

QUESTIONS

Stuart Duncan
Peel Hunt

William Regis
Peel Hunt

Nick Watts
Redburn Atlantic

Vivek Raja
Shore Capital

NICOLAS BRETEAU

Good morning, everyone, and thank you for joining us. This is our agenda today. I will start with an overview. Robin will take you through our financial performance, and the heads of our four divisions will report on their businesses. Then I will wrap up before we take questions.

Let me start with the headlines where movements are in constant currency. Group revenue increased 5% to £2.3 billion. The group contribution was also up 5% to £867 million. We managed our fixed costs well. Group management and support costs were up just 1%, despite inflation and investment. EBIT was up 12% to £324 million, a record level, with the margin growing from 13.5 to 14. 4%. Our cash conversion ratio remained strong at 144%, and has averaged 141% over the last three years. The Board is recommending a final dividend of 11.3 pence, up 13% on last year. All our divisions traded well, underlining the power of our diversified business and the delivery of our strategy. Let me turn now to our three strategic priorities.

I'm going to start with Transformation. Technology gives us a key strategic advantage, and our market-leading digital platform, Fusion, is at the heart of our strategy. It's transforming the value we add for broken clients by providing: an outstanding user experience, access to our deep liquidity, together with automated trade and settlement solutions. Fusion is progressing well, but we believe we could accelerate its development. Last December, we announced a major strategic collaboration with the world's leading cloud provider, Amazon Web Services. With AWS, we will be able to increase increase our speed to market for new products and nearly double our IT workload on the cloud, making us faster and more efficient. Dan will tell you more about this later.

The major efficiency programme we announced at the half year is now underway. This programme will future-proof the group, make it more agile, and generate at least £50 million of annualised savings by 2027. Robin will cover this in more detail.

Our second strategic priority is Diversification. We are working to diversify our revenues by business, asset class, geography, and product to give us greater resilience across a range of market environments with less earnings volatility. In 2024, our two non-broking businesses, Parameta Solutions and Liquidnet, contributed 42% of group adjusted EBIT up from 29% in 2023. This was driven by strong performances from both businesses.

Liquidnet's contribution has been transformed, delivering a near six-fold increase in adjusted EBIT to £53 million and making significant market share gains. Liquidnet is diversifying revenue both within its Equities business and across other asset classes. Parameta Solutions brings another form of diversification as it's almost entirely subscription-based, with a retention rate of 98%, making income more predictable. We increasingly serve the buy-side as well as the sell-side through Energy and Commodities, Liquidnet, and Parameta. So, we continue to strengthen our business through diversification.

Our third strategic priority is a dynamic capital management, giving us the flexibility to be able to invest in the business, paid down debt, or return capital to shareholders. We continue investing to improve our business, for example, in broker recruitment, fusion, or parameter solutions. In 2024, we paid down about £100 million of debt and other financing obligations. We are returning capital to shareholders through both dividends and buybacks. The total dividend for the year is 16.1p, an increase of 9% on 2023. Our total dividend per share is up 30% in two years. We have also announced our fourth buyback today of £30 million. This brings total buybacks announced over the last 18 months to £120 million.

Moving now to our plans for Parameta Solutions. Maximising the value of our strategic assets is a key priority, as as you know, we have been assessing a range of strategic options for Parameta. These include maintaining outright ownership and/or selling a majority or minority stake, either via trade sale or an IPO. As a result of our review, we have decided that TP ICAP should focus on listing a minority stake in the US but remain the long-term majority owner of Parameta Solutions. In the event of listing a minority stake, TP ICAP shareholders would benefit from establishing a baseline value for Parameta. We know, from extensive engagement with shareholders, that this is important for them. A minority listing would also mean that the majority of any potential future upside would indirectly accrue to our shareholders.

A potential listing could also benefit Parameta in several ways. First, it could enable the business to invest to grow as a standalone entity by accessing resources beyond those available to the group. Second, as a standalone entity, it may be able to access more data from other OTC market participants.

Finally, greater visibility in the marketplace for Parameta will enhance its ability to attract and retain high-calibre talent.

A listing could occur as early as the second quarter of 2025, though there is, of course, no certainty at this stage that we will proceed. Should we proceed with the listing of Parameta, our intention would be to return most of the proceeds to TP ICAP shareholders.

Moving next to our medium term outlook for cash. As you know, we've been working hard to release cash to give us greater flexibility and optionality. At the half year we announced a new programme that will release at least £50 million of surplus cash from further legal entity consolidation.

Over the medium term, we expect to generate substantial cash cash organically, in addition to these 50 million pounds. We will achieve this by prioritising profitable growth, greater efficiencies, and balance sheet optimisation. We expect to provide an update on surplus cash and the amount we can return to our shareholders over the medium term at our Interim Results in August.

With that, I'll end I'll hand over to Robin to take you through our financial performance in more detail.

ROBIN STEWART

Thank you, Nico, and good morning. I'll start with the income statement, where as usual, my comparisons are in constant currency up to adjusted EBIT. Total group revenue increased 5% to £2.3 billion. Adjusted EBITDA was up 11% at just under £400 million. Adjusted EBIT grew 12% to 324 million and margin increased to 14.4%. Net finance costs of 21 million were down 25%, below our guidance of 25 million.

This is due to higher interest income as we continue to actively manage the yield on our cash. The effective tax rate on adjusted profit was 26.4%, slightly below guidance of 28% as a result of favourable one-off prior year adjustments. Taken together, this resulted in adjusted earnings before significant items of 241 million up 6%. Adjusted basic earnings per share grew 9% to 31.8 pence. As Nico said earlier, we planned to pay a final dividend of 11.3 pence, taking the total dividend to 16.1 pence, up 9% on the prior year and in line with our policy.

Let's turn now to the year-on-year movements in our earnings before interest and tax. Adjusted EBIT was 324 million, up from 299 million last year. If you retranslate 299 million using 2024 exchange rates, it results in EBIT of 289 million, giving us the basis for a like-for-like comparison.

Contribution increased by 38 million, including the impact of 3 million of front office savings from our operational efficiency programme. Savings in the back office amounted to 4 million. This resulted in a net increase in management and support costs of just 4 million despite business investment and inflation. Finally, the weakening of sterling, especially in the fourth quarter, resulted in a loss on the retranslation of net financial assets on the Balance Sheet that was 6 million lower than last year.

Turning next to significant items. These are not included in our adjusted results so that we can better measure business performance and compare with other reporting periods. Significant items before tax and legal and regulatory matters were 83 million, below our guidance of 90 million. After tax, they amounted to 74 million. This is around half the level in 2023, mainly because of a 76 million net impairment of Liquidnet goodwill and customer relationships that year.

There were also higher costs in 2024 from our operational efficiency programme and assessment of strategic options for Parameta Solutions. About 60% of significant items were non-cash, including 42 million for the amortisation of intangible assets. Turning next to the business divisions, where my revenue comparisons are in constant cryptocurrency to give you a clear picture of the underlying growth trends.

Starting with Global Broking. Total revenue of 1.3 billion was up 4%. The division built good momentum during the year, with the second half up 7% as market volatility benefited the business, especially in the lead up to the US election. Rates is our largest and most profitable asset class, accounting for 45% of total broking revenue.

Revenue here increased 4% to 574 million. Foreign Exchange and Money Markets also grew 4% to 318 million. Equities increased 3% to 241 million, and Credit revenue was down 1% to 117 million.

Revenue per broker grew in line with revenue, with a slightly lower average headcount. Contribution of 491 million was stable year-on-year as front office costs increased slightly ahead of revenue growth. Adjusted EBIT was broadly in line with the prior year at 205 million with a margin of 16.1% as the division continues to invest in the rollout and adoption of Fusion.

Turning next to Energy and Commodities. Total revenue was up 2% to 461 million, with growth across the three traditional asset classes: Oil, Power, and Gas. This was a good performance against the a very strong year in 2023. Productivity was also up as revenue per broker grew 2%, with a slight increase in broker headcount.

The contribution margin reduced from 33. 6% to 30. 8%, due to higher front office costs in a highly competitive broker environment with significant levels of activity in the sector. Management & support costs were 3% higher, reflecting increased investment in technology and our Energy Transition offering. Adjusted EBIT decreased from 71 to 56 million. And adjusted EBIT margin was 3.4 percentage points lower at 12.1%.

Turning now to Liquidnet. Last year represented an inflexion point in the division's performance. Our efforts to diversify the franchise and strengthen operational leverage, together with a rebound in block trading, are delivering results. Total revenue increased 15% to £354 million. Revenue from cash equities was up 18%, as institutional activity benefited from interest rate cuts as inflation came down. Revenue across other asset classes increased 10%, with a strong second half. The business delivered a substantial uplift in adjusted EBIT to 53 million, with a margin up 11. 8 percentage points to 15%.

Turning now to Parameta Solutions. Revenue was up 8% to 198 million as demand for over-the-counter data continued to grow. Parameta expanded its product range during the year and continued to grow and diversify its client base through the strength of its distribution network.

Contribution increased 6% at a margin of 50%. And adjusted EBIT grew 8% to 83 million, with a margin of 41. 9%, 1.2 percentage points ahead of last year.

I'd like to talk now about our free cash flow. Our reported EBIT for the year was 236 million. Depreciation, amortisation, and other non-cash items amounted to 152 million. We continued to improve our collection of trade receivables. Together with higher accruals from increased trading, this drove the working capital inflow of 71 million. The change in net matched principal and stock lending balances was 8 million, while net dividends from associates and joint ventures amounted to 18 million. These increases were partially offset by: Tax paid of 52 million, 23 million of net interest paid, and 64 million of CAPEX. Taken together, this results in free cash flow generation of 346 million, and a cash conversion rate, which is free cash flow divided by adjusted earnings, of 144 %.

Turning to capital management. We continue to prioritise profitable growth and strong cash conversion as we focus on productivity, contribution, and balance sheet optimisation. We expect to generate substantial organic cash from the business over the medium term, in addition to our current 50 million target.

Should we proceed with a minority listing of Parameta, we do not anticipate any impact on the Group's dividend policy. As Nico mentioned next year, our intention would be to return most of any potential proceeds to shareholders. The long-term agreements which are in place between Parameta and the broking divisions, for the exclusive provision of data, would also provide a future cash income stream to the group. We expect 30-year contract terms for these agreements, which are currently being finalised. We will provide more detail regarding capital management at our half-year results in August.

Moving next to a breakdown of cash. Restricted cash is held for regulatory capital and liquidity requirements, as well as collateral. This reduced by around 50 million as we actively managed our balance sheet. Unrestricted cash increased by about 70 million despite two 30 million buybacks in 2024, an increase in the final dividend for 2023, and investment into our efficiency programme. 114 million of is held to meet near-term commitments, including the final 2024 dividend of 84 million, and our fourth 30 million share buyback announced today.

Turning next to our efficiency programme. We are investing in operational excellence to future proof our group, enhance client experience, and deliver 50 million of annualised savings through five key levers.

An investment of about 70 million will be required to achieve these targets. In 2024, we delivered 15 million of annualised savings, incurring 10 million of our costs to achieve. By the end of 2026, we anticipate delivering about 35 million of annualised savings or 70% of the target. This is in line with our commitment at the half year to achieve a majority of the savings by this date.

These operational efficiencies are expected to moderate the impact of inflation on our management and support costs in 2025, as we continue to invest in the business.

Moving now to guidance. We are comfortable with current market expectations for adjusted EBIT in in 2025, subject to movements in Foreign Exchange. We expect about 115 million of significant items before tax and legal and regulatory matters. This increase is mainly due to the cost to achieve operational efficiencies, as as strategic costs relating to Parameta Solutions. We then expect significant items to reduce in 2026. Finally, in Parameta Solutions, in the event the business is listed, we expect revenue growth rates to rise to low to mid-teens by 2027. Adjusted EBITDA margin is expected to reduce temporarily to the mid-30s for 2025 and '26, and rise to around 40% by 2027, following incremental investment in the sales force, as well as the potential recurring costs of being a listed company.

Thank you very much. I'll now hand over to Dan to talk about Global Broking.

DAN FIELDS

Thank you, Robin, and good morning, everyone.

Let me begin by reminding you that Global Broking is the world's largest Over-the-Counter liquidity venue and source of OTC data. We cover all major asset classes, have a global footprint and a leading market share.

Our two largest asset classes, Rates and Foreign Exchange, generate the majority of our revenue. Our Rates business is both the industry leader and benchmark. In Equities, which represents almost 20% of our revenue, we continue to invest in creative solutions for clients. Credit is the smallest part of our mix, with an opportunity to grow.

As you heard from Robin, Global Broking had a year with strong revenue momentum, especially in the second half, as we capitalised on supportive market conditions. Revenue per broker increased 4% year on year as we focused on improving productivity. We were pleased to be recognised as Global Inter-Dealer Broker of the Year by Global Capital, and the World's Best Foreign Exchange Broker by EuroMoney.

Turning now to our ongoing transformation. We continue to invest in transforming our business through technology. As Nico mentioned earlier, in December, we announced a strategic collaboration with Amazon Web Services, which will significantly enhance the development of our digital platform, Fusion.

The collaboration involves AWS engineers working alongside our own technology teams to develop new products, protocols, and functionality. We aim to halve our product development times and meet clients' needs faster by using AI-driven coding techniques.

We will also double our IT workload on the AWS cloud to over 80%, so we can scale the Fusion platform more effectively and efficiently. Turning to franchise development, we continue to invest in our core macro-offering, Rates and FX. Our approach in Equities is distinctive in the market.

Our focus is on creating innovative solutions to meet our client's needs. In 2024, we strengthened our product and technology organisation to support delivery and globally enhanced our collaboration with Liquidnet to extend our reach. In Credit, our trading protocol for New Issuance had a record year. Volumes on the platform, which is integrated with Fusion, increased significantly. More than 470 buy and sell-side users submitted over $16 billion of firm actionable liquidity, well over double the volumes of 2023.

Our Rebalance trading protocol, which helps dealers manage residual risk had its best year since launch in 2020. Volumes traded in European Investment Grade and High-Yield corporate bonds were up 80% year-on-year. We also advanced the rollout of Fusion for dealers and started to use generative AI to receive, process, and display newly announced bond deals in a matter of seconds.

Regionally, we see growth opportunities in Asia, and we're investing to fill gaps where we're not yet number one or two in the market. Our centres across the region are also working closely together to enhance client coverage. This resulted in high single-digit revenue growth in Asia, with every asset class outperforming expectations.

Turning now to the outlook. We expect market conditions to continue to be broadly supportive, with heightened volatility driven by a geopolitical and economic uncertainty. Our priority is to drive profitable growth and maintain our market-leading position by: enhancing coverage in products and regions where we can be number one or two in the market, retaining and acquiring world-class broking teams in a competitive environment and continuing to invest in technology, including developing Fusion and API connectivity. Thank you very much. I will now hand over to Andrew, to talk about Energy and Commodities.

ANDREW POLYDOR

Thank you, Dan, and good morning, everyone. TP ICAP is a leading OTC broker in energy and commodities. We have a well-diversified client base made up of trading companies, producers, banks, and a growing number of buy-side clients. We operate across three brands: ICAP, Tullet Prebond, and PVM.

Our four-part strategy is: First to continue delivering revenue growth in traditional or core markets. Second, to develop new products to support the Energy Transition. Third, we're working with Parameta to monetise more of our data - we call this Adjacent. And fourth, we are rolling out technology to improve workflows for both our clients and brokers.

As you heard from Robin, 2023 was a very strong year for Energy and Commodities. Yet, we succeeded in beating that performance with revenue up 2%. We have delivered organic revenue growth of 22% over the last two years, underpinned by the strength and breadth of our franchise. In recent months, we have enhanced our senior leadership team with the appointment of three new regional CEOs. Joachim Emanuelsson joined TP ICAP last summer from an environmental markets brokerage, SCB, to run EMEA. David Silbert has been appointed to head our US franchise. He was previously Global Head of Commodities at Deutsche Bank.

In Asia Pacific, we promoted Tom Fox-Hughes to become CEO after three years as our Commercial Manager. Moving now onto the market backdrop. Oil accounts for just over half of our revenue, and we have a large global footprint in both Power and Gas, so I'll cover these three areas. The crude market in 2024 was characterised by sluggish demand, especially in China, together with a high supply, with prices trading in a narrow range.

Looking to the future, industry analysts predict that demand for oil will continue to grow into the 2030s. We expect our Power franchise to be supported by increased demand for electricity. Over the last decade, use of electricity has grown at twice the pace of the overall demand for energy.

Over the next decade, it is expected to grow six times as fast. Gas prices were stable in 2024, and as Liquefied Natural Gas is a key fuel for the Energy Transition, global production capacity is forecast will grow around 50% over the next five years.

We are very well positioned to benefit from the continued growth in traditional energy sources, and we continue to see the transition as a growth opportunity. Around one-third of our clients are actively trading Energy Transition products, and we expect demand to grow as a Transition drives further change.

Dan has just talked about our recent agreement with Amazon Web Services, which helped accelerate our development of Fusion. This agreement also offers the Energy and Commodities division an exceptional opportunity to co-develop sustainability-focused trading solutions with Amazon's suppliers, all of whom have to develop decarbonisation plans to align with Amazon's 2040 Net Zero ambition.

We are also focused on the growing demand for environmental products, including Renewable Energy Certificates and Carbon Certificates. We already serve the Renewable Energy Certificate market, successfully in Norway, Australia, and the US. In addition, we are building capability in metals. Demand for rare metals to support the Transition is expected to more than double by 2030. During In the year, we launched the new Battery Metals team in London and Singapore to capitalise on this.

Let me now turn to the outlook. We expect the fundamentals of the energy and commodities market to remain strong in 2025. Medium-term demand for traditional products is forecast to increase, while growth from those linked to the Energy Transition is expected to be substantial. 2024 was a competitive market for brokers, and given the high level of activity in Energy and Commodities, we think competition for talent is likely to continue.

Against this backdrop, we are focused on maintaining our market-leading position in traditional asset classes while at the same time growing in the transition markets.

We continue to monetise our data with Parameta Solutions, particularly data generated through the Energy Transition, as you'll hear from Silvina later on. And we are deploying technology to benefit our brokers and clients. We expect Fusion to be rolled right across all our oil desks by the summer, and we're in the process of rolling it out for our environmental products.

Thank you very much, and I'll hand you over to Mark for an update on Liquidnet.

MARK GOVONI

Thank you, Andrew, and good morning, everyone. I'm delighted to present strong results today for Liquidnet, as a result of the successful execution of our strategy. Liquidnet serves over 1,500 institutional investors across 49 markets in six continents. As you've heard, we've had an outstanding year achieving double-digit revenue growth.

Momentum was strong across all asset classes, and this translated into strong market share gains. We also increased our operational leverage, having reduced our Management and Support cost base by 31% over the past two years. The results are clear. Adjusted EBIT increased nearly six times year on year. This success was underpinned by our focus on innovation, with many new products being introduced throughout the year.

Now, let's turn to the Equities environment. There was a healthy level of activity from institutional clients in 2024. The global commission wallet increased by 11% year-on-year, while Liquidnet Equities grew by 18%, outperforming the market. Within this, block trading revenues were up 23%. This was reflected in significant block market share gains. In Europe, our share grew by almost 4 percentage points to nearly 40%, and in the US, it was up 3. 6 percentage points to nearly 28%.

Turning next to an update on our progress. The successful execution of our strategy is paying off. We are diversifying our revenue streams both within equities and through other asset classes.

While cash equities is our largest asset class, at 58% of divisional revenues, we also have a broad offering in Rates, Futures, Foreign Exchange, and Advisory. In Equities, we onboarded 140 new clients during the year.

We also continue to diversify through inter-region, high-touch, programme, and algo-trading to access a larger addressable market. Inter-region trading grew 29% and represented 19% of total revenue. High-touch and Portfolio trading revenue was up 26%, and Algo-trading revenue increased 16%.

We also made good progress in expanding in other asset classes. COEX launched in Asia with a central hub in Singapore. We introduced a Foreign Exchange Options desk in the US, and we expanded our Rates businesses across the Americas. In addition, we launched new offerings across the Liquidnet platform.

These include: SuperBlock Matching, which enables traders to participate in exceptionally large blocks with a single click, driving market share gain over the year. SmartDark, an algorithm designed to enhance large trade execution. Roll Seeker, which is a new tool that brings liquidity in mid-priced blocks to the futures market during roll periods.

And finally, a multi-asset offering to meet the growing demand for diversification across asset classes, targeting both new and existing clients. We expect continued product expansion and innovation to drive future revenue growth for LiquidNet.

Turning now to the outlook. Given heightened geopolitical risk and economic uncertainty about interest rates, inflation, and trade tariffs, volatility is likely to continue. Having reduced our cost base, increased our operational leverage and grown our market share, Liquidnet is in a strong position to capitalise on supportive market conditions.

In 2025, we'll continue to deepen our liquidity pool, diversify our equities franchise and expand in other asset classes in order to deliver value for both clients and shareholders.

Thank you very much. Now, I'll hand it over to Silvina to talk about Parameta Solutions.

SILVINA ALDECO-MARTINEZ

Thank you, Mark, and good morning, everybody. TP ICAP's Parameta division is the leading provider of data analytics and technology solutions in global over-the-counter markets. As you heard from Robin, we delivered revenue of £198 million, which is 8% up year-on-year.

Our Annual Recurring Revenue increased by 9% to £195 million. 97% of our revenue is subscription based, with a Net Revenue Retention rate of 107%. This shows our ability not just to retain, but also grow the revenue from our existing customer base. Today, we source data from competing brands within TP ICAP and have an exclusive long-term arrangement with both Global Broking and E&C.

We also source data from more than 25 third parties. During the year, we strengthened our leadership team, and I am delighted to report that we have a new divisional CFO, Chantal Vessels.

Chantal joins us from a US fintech company called APEX Solutions. Prior to that, Chantal held a number of senior finance positions at Nasdaq. Miles Graham is our new Chief Revenue Officer, and he joins us from S&P Global Market Intelligence. Jake Hujar, our new COO, joins us from Pitchbook Data. All have deep experience across data, technology, and financial services, and will help deliver the next evolution of a business.

Moving on to OTC derivatives. Notional volumes are approximately 20 times larger than global equity exchange volumes. And demand for reliable data in this space is growing for a number of reasons. This includes increasing regulation and the need for trade surveillance on the sell side, a search for yield from the buyside, as well as greater use of quantitative and real-time analytics, and accelerated adoption of the Cloud. In these vast and complex markets, and often opaque, OTC markets, our data and technology solutions help participants with critical challenges, ranging from price discovery to regulatory compliance. Against this backdrop, we continue with our strategy of growing and diversifying our customer base, expanding our product offering, and broadening our distribution. I'll talk about each of these in turn.

Today, we serve 1,100 customers members, institutions across the sell-side, the buy-side, corporates, government entities and other market data vendors. Our geographical coverage expands over 60 countries within EMEA, representing about 50% of the revenue, following by the Americas with about 34% and 15% coming from Asia Pacific. This year, we have added 84 new firms, and our buyside segment grew faster at 15 and now represents 11% of our total revenue. To grow our customer base further, we are enlarging our salesforce and also embedding a new account management approach, which is client-centric.

Let's turn to our products. We are aligned with TPICAP's extensive broking footprint, covering all the major asset classes in large OTC markets. Our proposition focuses on two areas: Indicative Pricing and Innovative Solutions.

We are the leading provider of Indicative Pricing Data, which provides customers with an insight into OTC pricing and market activity. This represents 90% of our revenue. During the year, we have added over 20 new Indicative Pricing products, including both traditional energy and metals, as well as our first environmental offerings, such as Guarantees of Origin and US Carbon Pricing.

There was also positive demand for our Innovative Solutions, which include evidential data, benchmarks and indexes, as well as managed technology solutions. Revenue from this offering has grown at 87% a year over the last three years and now accounts for 10% of our total revenue.

One of my observations when I first joined Parameta was the strength of our technology infrastructure. For us to become the data company we are today, we had to pioneer our own technology, to manage data across a wide range of asset classes, competing brands, different instruments, and protocols, and many different geographies.

Just as we now provide technology data management to TP ICAP, we believe we can do the same for others. We have created a gold standard technology in the form of 'Data platform as a Service', designed to cleanse, optimise, and deliver data efficiently. We plan to make the service available by licensing the platform to other OTC venues and players.

Turning now to distribution. We aim to meet our customers by using the distribution channel that best works for them. Most of our data today is distributed by a wide range of third parties, and this has represented 78% of our revenue. Revenue via third parties has grown 2% during the year. However, our customers are increasingly opting to receive data directly via the cloud or our own industry standard feeds, such as API.

This is a more convenient and cost-effective delivery mechanism for them and for us. Direct distribution generated 22% of our annual revenue, and it grew by 30% on a year-on-year basis.

Finally, let's turn to the outlook. We expect demand for OTC data to continue to grow. As we execute our strategy, we plan: First to increase our focus on customer centricity: by expanding our salesforce, strengthening our commercial discipline to grow market and wallet share, and by focusing on new client acquisition in the US.

Second, we are advancing our product strategy by: expanding our data offerings with Energy and Commodity and introducing new solutions such as digital currencies and real-time oil data, and also actively marketing our 'Data platform as a Service'.

Third, we will continue to respond to client-driven demand for direct distribution via the cloud. Thank you very much. I will now hand over to Nico to wrap up.

NICOLAS BRETEAU

Thank you, Silvina. To conclude, 2024 has been a very positive year for TP ICAP and we are optimistic about our ability to grow our business and enhance returns over the medium term. Uncertainty, and therefore, volatility is now a pronounced feature wherever you look in the world.

More than ever, our clients look to us to help them navigate their way through these uncertain times. They know our expertise is backed by industry-leading technology with more to come through our strategic collaboration with Amazon Web Services.

So Global Broking and Energy and Commodities are well placed to grow in a supportive market environment and to benefit from the deployment of Fusion.

Liquidnet is performing well. We have successfully reshaped the business. It's now leaner with a more diversified product range. You have heard our innovation at LiquidNet is providing an engine for growth. We believe that Parameta has upside potential, and we are focused on a possible US listing. Finally, our continued emphasis on productivity, contribution, and cash remains a key discipline.

We are confident in our ability to generate substantial cash, so that we can continue to invest in our business, paid down debt, and make further returns to shareholders. You will hear more about this in August. Thank you very much.

We are going now to open for questions. Could you please tell us your name and organisation before you ask questions? Thank you.

AUDIENCE QUESTION - **STUART DUNCAN, PEEL HUNT**

First of all, there is a reference to targeted M&A in the presentation. Can you give me a bit more detail on that. What areas would be of interest? small bolt-ons or team lift-outs?

Secondly, probably one for Robin, on significant items: of the £115 million, just how much of that would be cash?

SILVINA ALDECO-MARTINEZ

Then lastly on Parameta, assuming there is some transaction there, I'd just be interested to get you a little bit more detail on how you should think about carving out the financing of that business from the group balance sheet?

NICOLAS BRETEAU

I'll start. Of course, we are constantly looking at potential bolt-on non-organic complements to our business. We are obviously very cautious and very disciplined in terms of identifying assets that could contribute quickly to the profitability of the company, and we are looking for quality assets. We are exploring various things, but there is nothing at this moment to announce or talk to you about.

ROBIN STEWART

On your second question on significant items, I think it's fair to say that in 2025, most of the incremental spend is cash; mainly really on the cost optimisation programme that we're looking at, albeit that some of those are also non-cash. But there'll be an increase in cash outflow on that increment, which will then revert back to lower levels in 2026.

On the Parameta question on financing, again, I think it is probably a little bit too soon for us to comment on, given that we are not certain of concluding a transaction. We can talk about that, should such completion happen. Thank you.

AUDIENCE QUESTION - WILLIAM REGIS, PEEL HUNT

Good morning. William Regis from Peel Hunt, and congratulations on another sparkling set of numbers. Thank you for your time today. Just one quick question on Parameta.

Why have you chosen the listing route for that business?

NICOLAS BRETEAU

As we said before, it's been an 18 months thinking process and working process, so it's been very rigorous and meticulous. We have engaged on a regular basis with the investors, while actively managing their books. We consider that this is a route that maximises the potential for TP ICAP on one hand and for Parameta on the other hand. On one hand, this is an opportunity for our shareholders to benefit from a base value, but also to remain associated to the growth of Parameter in the future. The objective here is value recognition, but also value creation in the long term. For Parameta, obviously, it's It's also interesting because such a setup will help them to diversify their sources of data further, will potentially help them to accelerate their growth on a on a non-organic basis. As I mentioned earlier, the visibility that it creates, I think is helping to attract talent.

Any other questions?

DOMINIC LAGAN

No questions in the room at the moment. We were just seeing if any questions were coming in online. There aren't any at this stage. No questions on the phone? No one else in the room? We have one here.

AUDIENCE QUESTION - NICK WATTS, REDBURN ATLANTIC

Thank you. Good morning. Nick Watts from Redburn Atlantic. A question, one for Dan and actually one for Andrew, both on competition.

Andrew, you flag that competition for brokers has been relatively intense and you expect that to continue. Could you frame maybe where that's coming from and how you expect that to evolve?

Then a and similar question for you, Dan. Just what the broker, recruitment, competitive dynamics look like? Perhaps a slightly cheeky question. One of your largest competitors, their long-standing founder, is moving on and whether you expect that to have any influence on the broader environment?.

ANDREW POLYDOR

I'll go first. What we saw in 2024 was events that happened in '23. 24 was relatively quiet with some activity, but there's been a prolonged push into our space. There's a significant gap between our business and that of our competitors, that's why they're looking at our business. And a lot of pressure was coming from outside the traditional players, from shipping companies that were coming in, trying to diversify their businesses.

The competition is slowing down a little bit now, and we'll see what shipping is doing at the moment. I think it's in a little bit of a downturn, so we might see that competition quieten down more. Plays into our hand, I think.

DAN FIELDS

On Global Broking, there's always competition for talent, I think, in every industry, and certainly in broking. I think having the biggest and best platform out there allows us to attract and retain talent. I wouldn't say there's anything that's really changed. I wouldn't want to comment on our competitor's activity. I don't have anything to add, but I don't envision that there will be any substantial change to that statement in '25.

DOMINIC LAGAN

We have a question coming through on the platform from Vivek, from Shore Capital.

AUDIENCE QUESTION - VIVEK RAJA, SHORE CAPITAL

The first question, probably for Robin, is: Can you give some colour on current trading, given the recent volatility that we're seeing in Europe as well as the US? That's the first question. The second question is, why should the separation of Parameta increase its revenue growth potential?

ROBIN STEWART

Thanks, Dom, and thanks, Vivek. Just in terms of current trading, I think it's a little bit soon for us to talk about specifics. Clearly, I think people will acknowledge that the market is constructive for this business at the moment, and we'll give our Q1 update in the beginning of May. It might be worth while asking Dan to talk about a little bit about the macro environment. I think we've got a slide on page 57. We can go to page 57, which he can talk to.

DAN FIELDS

I think as Robin said, it's a bit early to talk about the results, but I think we we can observe that there's a supportive market environment for us and the volatility is helpful. This slide is just to demonstrate that there's been a lot of movements, particularly on the foundational level of interest rates. On the left side, in the thick curve you see the dramatic reduction in the short-term rates over the last year. Meanwhile, we've had an increase in long-term rates as the economic outlook changes. These curves have changed quite a bit over the last week and certainly over the last six months. Whenever you have foundational rates that evolve like this, that means there's an entire repositioning of portfolios on investors' bases, and that's obviously supportive for volume in the market.

SILVINA ALDECO-MARTINEZ

Moving on to Parameta. We will have the opportunity to be the only independent company with the exclusive mandate of monetising OTC data. There's no other such company in the world, post a potential listing, I think that's one of the components. Additionally, we have a fast market opportunity, and therefore, we are going to more aggressively deploy capital towards organic growth.

DOMINIC LAGAN

Any more questions in the room. I don't believe there are any further questions on the platform or the phone lines. Okay, well, that leaves me to conclude the presentation this morning. We look forward to welcoming investors back at our half-year results, which we will be announcing on the sixth of August. Thank you very much.

NICOLAS BRETEAU

Thank you, everyone.

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