



# LSEG

London Stock Exchange Group plc

Interim Report

30 June 2022

## Shaping the future of our industry

TO SERVE OUR CUSTOMERS AND MARKETS BETTER



# Welcome to our Interim Report 2022

This release contains revenues, costs, earnings and key performance indicators (KPIs) for the six months ended 30 June 2022 (H1). H1 2022 is compared against H1 2021 on both a statutory and pro-forma basis. Pro-forma figures assume that the acquisition of Refinitiv took place on 1 January 2021. Revenues and costs associated with the BETA divestment have been classed as discontinued and are excluded from all periods. Revenues and costs associated with the Borsa Italiana group divestment, which completed in H1 2021, are also excluded. Constant currency variance is calculated on the basis of consistent FX rates applied across the current and prior year period. For more information on accounting treatments and approach to FX please refer to the "Accounting and modelling notes" section below. Within the financial information and tables presented, certain columns and rows may not add due to the use of rounded numbers for disclosure purposes.

## Highlights

### Execution on strategy driving strong financial performance

- Strong progress in H1 across all divisions, and momentum continuing into H2
- Continued delivery on revenue and cost synergies; all targets unchanged
- Successfully executing on organic and inorganic investment opportunities to drive growth, build a more agile and efficient business and enhance our customer offering
- Well positioned for the current environment; providing high value solutions for customers' critical needs
- Launching £750 million share buy-back over 12 months with the first tranche to commence immediately
- Strong income growth across all divisions, with pro-forma total income (excluding recoveries) up 6.2%; up 7.0% adjusting for Ukraine and Russia conflict impact<sup>2</sup>
- ASV growth metric on a like-for-like basis continues to improve, up 5.4% at the end of H1 (Q1: 4.9%); improved retention and new sales driving the increase
- Pro-forma adjusted operating expense increase of 4.3% reflects lower phasing of costs in H1 2021; cost guidance for low-single digit growth in 2022 maintained despite inflationary backdrop
- Adjusted EBITDA margin of 48.8%<sup>3</sup>; on track to deliver margin target of at least 50% by end of 2023
- Pro-forma AEPS up 21% to 167.4p
- Robust cash generation in H1 and completion of two acquisitions – GDC and MayStreet; Quantile and TORA expected to complete in H2
- Leverage is inside our 1-2x target range within 18 months of the Refinitiv acquisition
- Interim dividend up 27% to 31.7 pence per share

Unless otherwise stated, variances refer to growth rates on a constant currency basis, with the comparator, H1 2021, on a pro-forma basis which also excludes the impact of a deferred revenue accounting adjustment<sup>1</sup>.

<sup>1</sup> The deferred revenue impact is a one-time, non-cash, negative revenue impact resulting from the accounting treatment of deferred revenue within Refinitiv's accounts which have been re-evaluated upon acquisition by LSEG under purchase price accounting rules. This reduced H1 2021 revenue by £23m, mainly in Data & Analytics with a smaller impact in the FX business within Capital Markets. There is no material impact in 2022. More details can be found in the "Accounting and modelling notes" section

<sup>2</sup> Growth rates excluding the Ukraine / Russia conflict impact have been calculated by excluding income in the region and from sanctioned customers and related business from both periods

<sup>3</sup> This margin figure has been adjusted to remove a non-cash FX-related balance sheet adjustment which is a £59m credit within adjusted operating expenses in H1 2022. This is explained further in the 'Year-on-year pro-forma financial performance' and 'Embedded Derivatives' sections. Adjusted EBITDA margin is adjusted EBITDA divided by Total Income (excl. Recoveries).

---

## CONTENTS

Statutory results .....	3
Pro-forma summary .....	6
Chief Executive's Statement.....	9
Accounting and modelling notes.....	14
Statutory divisional results.....	16
Pro-forma divisional results .....	18
Appendix.....	22
Condensed consolidated income statement .....	24
Condensed consolidated statement of comprehensive income .....	26
Condensed consolidated balance sheet.....	27
Condensed consolidated cash flow statement.....	28
Condensed consolidated statement of changes in equity .....	29
Notes to the financial information .....	30
Principal risks.....	54
Directors .....	57
Statement of Directors' responsibilities.....	57
Independent review report to London Stock Exchange Group plc.....	58
Financial calendar / Investor relations contacts .....	60

## Statutory results<sup>1</sup>

The statutory results in the table below and the commentary beneath that compare LSEG continuing results for H1 2022 against the comparable H1 period in 2021 that only included 5 months of contribution from Refinitiv following completion of the acquisition at the end of January 2021. For an analysis of results on a pro-forma basis, please see the following section. Both statutory and pro-forma results treat BETA as discontinued and therefore the revenues and costs associated with the divestment are excluded from all periods.

Six months ended	30 June 2022 £m	30 June 2021 <sup>1</sup> £m
<b>Continuing operations</b>		
Data & Analytics	2,354	1,872
Capital Markets	720	539
Post Trade	483	446
Other	12	13
<b>Total Income (excl. recoveries)</b>	<b>3,569</b>	2,870
Recoveries	166	148
<b>Total Income (incl. recoveries)</b>	<b>3,735</b>	3,018
Cost of sales	(504)	(392)
<b>Gross profit</b>	<b>3,231</b>	2,626
Operating expenses before depreciation, amortisation and impairment	(1,593)	(1,401)
Adjusted operating expenses before depreciation, amortisation and impairment <sup>2</sup>	(1,433)	(1,219)
Non-underlying operating expenses before depreciation, amortisation and impairment	(160)	(182)
Non-underlying profit on disposal of property, plant and equipment	133	-
Non-underlying remeasurement gain	23	-
Income from equity investments	-	11
Share of profit / (loss) after tax of associates	1	(2)
<b>Earnings before interest, tax, depreciation, amortisation and impairment</b>	<b>1,795</b>	1,234
Adjusted earnings before interest, tax, depreciation, amortisation and impairment <sup>2</sup>	1,799	1,416
Non-underlying earnings before interest, tax, depreciation, amortisation and impairment	(4)	(182)
Depreciation, amortisation and impairment	(898)	(684)
Adjusted depreciation, amortisation and impairment <sup>2</sup>	(391)	(297)
Non-underlying depreciation, amortisation and impairment	(507)	(387)
<b>Operating profit</b>	<b>897</b>	550
Adjusted operating profit <sup>2</sup>	1,408	1,119
Non-underlying operating loss	(511)	(569)
Net finance expense	(94)	(87)
Adjusted net finance expense <sup>2</sup>	(81)	(86)
Non-underlying net finance expense	(13)	(1)
<b>Profit before tax</b>	<b>803</b>	463
Adjusted profit before tax <sup>2</sup>	1,327	1,033
Non-underlying loss before tax	(524)	(570)
Taxation	(159)	(254)
Adjusted tax <sup>2</sup>	(262)	(215)
Non-underlying tax	103	(39)
<b>Profit for the period (from continuing operations)</b>	<b>644</b>	209
Adjusted profit <sup>2</sup>	1,065	818
Non-underlying loss	(421)	(609)

Six months ended	30 June 2022 £m	30 June 2021 <sup>1</sup> £m
<b>Continuing operations</b>		
<b>Profit from continuing operations attributable to:</b>		
Equity holders	548	143
Underlying	934	721
Non-underlying	(386)	(578)
Non-controlling interest	96	66
Underlying	131	97
Non-underlying	(35)	(31)
Continuing basic earnings per share (p) <sup>3</sup>	98.0	27.2
Adjusted continuing basic earnings per share (p) <sup>3</sup>	167.4	139.0

<sup>1</sup> The comparator H1 2021 figures are statutory results, incorporating Refinitiv from acquisition at the end of January 2021. Revenues and costs associated with the BETA divestment have been classified as discontinued and are excluded from all periods. Revenues and costs associated with the Borsa Italiana group divestment, which completed in H1 2021, are also excluded

<sup>2</sup> The Group reports adjusted operating expenses before depreciation, amortisation and impairment, adjusted earnings before interest, tax, depreciation, amortisation and impairment (EBITDA), adjusted depreciation, amortisation and impairment, adjusted operating profit and adjusted basic earnings per share (EPS). These measures are not measures of performance under IFRS and should be considered in addition to, and not as a substitute for, IFRS measures of financial performance and liquidity. Adjusted performance measures provide supplemental data relevant to an understanding of the Group's financial performance and exclude non-underlying items of income and expense that are material by their size and/or nature. Non-underlying items include: amortisation and impairment of goodwill and purchased intangible assets (including customer relationships, trade names, and databases and content, all of which are recognised as a result of acquisitions); incremental depreciation and amortisation of the fair value adjustments on tangible assets and intangible assets recognised as a result of acquisitions; and other non-underlying income or expenses not related to day-to-day operations, such as transaction costs related to acquisitions and disposals of businesses, as well as integration costs

<sup>3</sup> Weighted average number of shares used to calculate basic earnings per share and adjusted basic earnings per share from continuing operations is 558 million (H1 2021: 519 million)

## Statutory results highlights

Total Income grew by £717 million to £3,735 million. This increase is partly due to the additional month of contribution in H1 2022 compared with H1 2021, associated with the Refinitiv acquisition, which completed on 29 January 2021.

- **Data & Analytics:** revenues up £482 million to £2,354 million. Each business across the division performed well, with good momentum continuing into H2. £292 million of this increase is due to the additional month of contribution in H1 2022 compared with H1 2021, associated with the acquisition of Refinitiv. £85 million was driven by broad based growth in subscription revenues through new sales, strong customer retention and price increases, partially offset by the impact of the Ukraine / Russia conflict. Other factors, which included the strengthening USD rate vs GBP offset by the deferred revenue accounting adjustment in H1 2021, contributed £85 million in the period.
- **Capital Markets:** revenues up £181 million to £720 million. Each of the underlying asset classes have seen good growth in H1 2022. £57 million of this increase is due to the additional month of contribution from our FX venues and Tradeweb. Other factors such as the strengthening of USD vs GBP contributed a further £21 million.
- **Post Trade:** total income up £37 million to £483 million. Growth has primarily been driven by a strong performance in OTC Derivatives as we support customers to manage risk in an uncertain rate environment and in Net Treasury Income and Non-Cash Collateral, which was the result of high cash and non-cash collateral balances. Overall the FX impact was neutral.



## Pro-forma summary

Variances are provided on a pro-forma and constant currency basis. Unless stated otherwise, commentary below is provided on the constant currency variance (excluding the deferred revenue adjustment) to provide insight into performance on a comparable basis. Revenues and costs associated with the BETA divestment have been classified as discontinued and are excluded from all periods. Revenues and costs associated with the Borsa Italiana group divestment, which completed in H1 2021, are also excluded.

Six months ended	30 June			Constant Currency Variance <sup>3</sup> %	Constant Currency Variance (excl. deferred revenue adjustment) <sup>3,4</sup> %
	2022 £m	Pro-forma 2021 <sup>1</sup> £m	Variance <sup>2</sup> %		
<b>Continuing operations</b>					
Data & Analytics	2,354	2,164	8.8%	5.0%	4.0%
Capital Markets	720	616	16.9%	13.0%	12.9%
Post Trade	483	446	8.3%	8.5%	8.5%
Other	12	14	(14.3%)	(14.2%)	(14.2%)
<b>Total Income (excl. recoveries)</b>	<b>3,569</b>	<b>3,240</b>	<b>10.2%</b>	<b>6.9%</b>	<b>6.2%</b>
Recoveries	166	178	(6.7%)	2.9%	1.8%
<b>Total Income (incl. recoveries)</b>	<b>3,735</b>	<b>3,419</b>	<b>9.2%</b>	<b>6.7%</b>	<b>6.0%</b>
Cost of sales	(504)	(452)	11.5%	6.6%	6.6%
<b>Gross profit</b>	<b>3,231</b>	<b>2,967</b>	<b>8.9%</b>	<b>6.7%</b>	<b>5.9%</b>
Adjusted operating expenses before depreciation, amortisation and impairment <sup>5</sup>	(1,433)	(1,397)	2.6%	4.3%	4.3%
Income from equity investments	-	11	-	-	-
Share of profit / (loss) after tax of associates	1	(2)	-	-	-
<b>Adjusted earnings before interest, tax, depreciation, amortisation and impairment <sup>5</sup></b>	<b>1,799</b>	<b>1,579</b>	<b>13.9%</b>	<b>8.4%</b>	<b>6.8%</b>
<i>Adjusted EBITDA Margin <sup>6</sup></i>	<b>50.4%</b>	48.7%			
Adjusted depreciation, amortisation and impairment <sup>5</sup>	(391)	(347)	12.7%	16.3%	16.3%
<b>Adjusted operating profit <sup>5</sup></b>	<b>1,408</b>	<b>1,233</b>	<b>14.2%</b>	<b>6.2%</b>	<b>4.3%</b>
Adjusted net finance expense <sup>5</sup>	(81)	(124)	(34.7%)		
<b>Adjusted profit before tax <sup>5</sup></b>	<b>1,327</b>	<b>1,108</b>	<b>19.8%</b>		
Adjusted tax <sup>5</sup>	(262)	(233)	12.4%		
<b>Adjusted profit for the period <sup>5</sup></b>	<b>1,065</b>	<b>874</b>	<b>21.9%</b>		

Six months ended	30 June 2022	Pro-forma 30 June 2021 <sup>1</sup>	Variance <sup>2</sup>
Equity holders	934	767	21.8%
Non-controlling interest	131	107	22.4%
<b>Continuing adjusted basic earnings per share (p)</b>	<b>167.4</b>	138.0	21.3%
Weighted average shares (m)	558	556	

<sup>1</sup> The H1 2021 comparator is pro-forma and assumes that the acquisition of Refinitiv took place on 1 January 2021

<sup>2</sup> Variance is the difference between current and prior year periods using FX rates prevalent at each time, therefore any changes in the FX rates are reflected in the variance percentage alongside business performance

<sup>3</sup> Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

<sup>4</sup> Excludes the deferred revenue adjustment further explained in the "Accounting and modelling notes" section

<sup>5</sup> Before non-underlying items

<sup>6</sup> Adjusted EBITDA margin is adjusted EBITDA divided by Total Income (excl. Recoveries)



## Pro-forma highlights

Total Income (excluding recoveries) grew 6.2% at constant currency; up 7.0% excluding Ukraine / Russia conflict impacts.

- **Data & Analytics:** revenues up 4.0%; up 5.0% excluding Ukraine / Russia conflict impacts
  - Trading & Banking Solutions down 1.1%; but grew 0.7% excluding Ukraine / Russia conflict impacts – Momentum continues with underlying revenue growth and improved retention. Trading showed growth in Q2 for the first time in many years when excluding Ukraine / Russia. Further progress in the rollout of Workspace in Banking
  - Enterprise Data Solutions up 6.3% – Improved retention and sales growth partly offset by business lost through Ukraine / Russia conflict. Data demand continues to grow as customers move more investment strategies to a “big data focus”. MayStreet acquisition completed at the end of May, enhances the breadth of our low-latency offering
  - Investment Solutions up 8.0% – Benchmark, Indices and Analytics growth at FTSE Russell continues strongly, up 10.4% with 15 new ESG products through our revenue synergy programme, more than 2021’s total number of products launched. Asset-based revenues rose 8.0% with strong growth in Q1 but broadly flat in Q2 as AUM declined
  - Wealth Solutions up 2.3% – Good net sales and retention, offsetting Ukraine / Russia conflict cancellations. Performance excludes the contribution from the low growth, non-core BETA business moved to discontinued operations; divestment completed on 1 July
  - Customer & Third-Party Risk Solutions up 7.3% – Double-digit organic growth continued in H1. Strong performance at World-Check. GDC acquisition completed at the end of May, broadening our capability in the digital identity and anti-fraud sector
- **Capital Markets:** revenues up 12.9%; up 13.4% excluding Ukraine / Russia conflict impacts
  - Equities up 7.8% – Higher market capitalisation of listed companies at the end of last year, helped drive annual fees revenue, partly offset by reduction in new issues in challenging primary market conditions. Strong secondary market activity driven by market volatility but with lower average yield
  - FX up 6.1% – Strong growth at FXall with broadly flat performance at Matching. Announced plans to launch NDF Matching in Singapore, supporting strong demand from Asia markets. Modernising our FX venue technology by re-platforming onto LSEG technology
  - Fixed Income, Derivatives & Other up 16.5% – Strong performance at Tradeweb in H1<sup>1</sup>, with double-digit revenue growth across Rates, Credit and Equity asset classes. Tradeweb and FXall collaboration announced to develop hedging workflow solutions for emerging market products
- **Post Trade:** total income up 8.5%; up 8.6% excluding Ukraine / Russia conflict impacts
  - OTC Derivatives up 12.0% – Strong activity across SwapClear and SwapAgent as we support customers to manage risk in an uncertain rate environment. Record volumes at ForexClear and CDSClear
  - Securities & Reporting up 1.9% – Good volume growth at RepoClear and EquityClear, with the benefit limited by increased competition. Value at Risk (VAR) model introduced at LCH SA RepoClear to improve margin efficiency for members
  - Non-Cash Collateral up 6.2% – Driven by higher non-cash collateral balances due to strong volumes
  - Net Treasury Income up 11.3% – Growth driven by increased cash collateral balances, unlikely to remain at current level and expected to reduce towards normalised levels across the rest of 2022

<sup>1</sup> Tradeweb H1 2022 results were released on 3 August 2022 and provided more detailed commentary on performance

## Chief Executive's Statement



**“LSEG has delivered a strong first half performance with continued revenue growth across our businesses. We are managing costs well and we continue to make progress on achievement of synergies.**

**“We provide solutions solving critical issues for our customers, with a high proportion of recurring subscription revenues and structurally growing transactional revenues that benefit from volatility. Our cash generation is allowing us to actively deploy capital across organic and inorganic investments, grow our dividend and commence a share buy-back programme, driving further value for our shareholders. We are successfully executing on our strategy, have good momentum going into the second half and our targets remain unchanged.”**

**David Schwimmer**  
Group CEO

### Overview of H1

We have delivered strong H1 results. All divisions have shown good growth with momentum continuing into H2. Our financial targets are unchanged and we have made good progress in realising further revenue and cost synergies. We continue to execute on organic and inorganic investment opportunities to drive growth, build a more agile and efficient business and enhance our customer offering. We are well positioned for the current environment, providing high value solutions for customers' critical needs.

### A leading global provider of financial markets infrastructure and data

LSEG supplies business critical solutions globally, to customers that include almost all of the top 100 global banks and three-quarters of the top 100 asset managers by total assets. We serve over 40,000 customers worldwide with a c.98% annual customer retention rate in Data & Analytics.

We operate world-class assets and maintain systemically important global infrastructure, delivering across asset classes and along the whole financial markets value chain. Our open model approach, which allows customers to choose which of our solutions they use and then access on a fair and non-discriminatory basis, is strongly preferred by customers.

We are well positioned for the current environment of rising interest rates and inflation. Our income is diversified across geographies, products and customers, with 73% recurring and subscription-like. Our transactional revenues are structurally growing and benefit from volatility, with leading global positions for electronic trading in FX (FXall) and fixed income (Tradeweb) and in the clearing of interest rate swaps (SwapClear) and European repos (RepoClear). We have multiple levers to manage our costs and run a business model that maintains a prudent balance sheet.

### Announcement of share buy-back and capital allocation approach

Our business is highly cash generative and our capital management framework remains consistent. We actively deploy capital for select organic and inorganic investments and will continue to evaluate other shareholder returns alongside growing our dividend.

Today, we have announced a share buy-back programme of £750 million which is expected to be phased over multiple tranches over 12 months, with the first commencing today. This is being funded, in large part, using the proceeds of the divestment of the BETA business which completed on 1 July 2022.

A separate RNS with full details on the share buy-back announcement is available on the IR section of our website at: [www.lseg.com/investor-relations](https://www.lseg.com/investor-relations).

## Integrating our world-class businesses

We continue to successfully execute on our multi-year integration of the Refinitiv business, partner with customers to create valued solutions and build our revenue synergies.

We are improving sales execution across the Group, with better aligned incentives, more rigorous pipeline management and a greater focus on cross-selling, driving an improvement in retention and sales. We are simplifying our sales approach in Data & Analytics, leveraging more than 240 products to focus customer engagement around 9 core industry themes and introducing single points of contact for customers. This has resulted in a more than 350bps increase in product retention with our large customer segment since 2020.

Our revenue synergies continue to increase, with £44 million run-rate achieved by the end of H1 2022. We are creating new index and analytic products, improving distribution of our existing data products and cross-selling FTSE Russell data products to Enterprise Data customers. We now expect to deliver at the top end of our £40-60 million run-rate target for the end of 2022.

## Driving growth

As a Group, we are very well positioned to create innovative products and services, drawing on the natural linkages across our business. Our global end-to-end proposition across asset classes is deepening and expanding our customer relationships, meaning we can better understand their needs. This helps us to know how best we can support them while creating targeted and innovative solutions.

To illustrate this, a differentiator for us is our ability to aggregate insight from across our business and rapidly deliver it in a flexible way. In H1, we have been able to do this by drawing on our proprietary data from across Tradeweb, SwapClear and Yield Book, to implement a novel solution for customers that meets their regulatory requirements of the Fundamental Review of Trading Book (FRTB).

The rollout of our Workspace product has continued well in H1 and is ahead of schedule. Over 50% of users have been migrated onto Workspace from legacy solutions. Having already launched Workspace for FX Trading, we are targeting to go live or be in beta-testing for all remaining user types by the end of 2022. The feedback received has been very positive, with Banking customer satisfaction more than 10 percentage points above the equivalent Eikon product across quality of search functionality, ease of content sharing, multi-device capabilities and value for money.

## Building an efficient and scalable platform

We continue to develop connections across our businesses to create a more seamless customer workflow. In H1, we announced a connection between FXall and Tradeweb. This allows emerging market products (bonds and currency swaps) to be traded and hedged efficiently, reducing execution risk for customers. We have also embedded our Yield Book product directly into Eikon and Workspace to benefit from the broader distribution and ease of access that is possible through our platforms.

Investments continue to drive efficiencies and scalability, as we build our data platform and migrate to the cloud. Our software defined network infrastructure is delivering better agility, higher capacity and increased resilience.

Our cost synergy programme is on track to deliver at least £400 million run-rate savings by end of 2025, with our 2022 target of £220 million run-rate already delivered in H1. Over 80 percent of our real estate optimisation programme is complete and we are through over 60 percent of our data centre rationalisation programme. We now expect to deliver £250 million run-rate cost synergies by end of 2022.

## Enhancing growth and creating shareholder value through strategic M&A

We have completed two acquisitions in H1. MayStreet enhances the breadth of our Enterprise Data offering in low-latency services and GDC globalises our digital identity and fraud prevention offering in the Customer & Third-Party Risk business. These contributed income in the period of £1 million and £2 million respectively. A summary of the financial contribution of both businesses can be found in the "Financial details on completed acquisitions" section later in the release.

Two other acquisitions that have previously been announced are expected to close in H2, subject to merger control and other regulatory approvals. These are TORA, which provides Trading & Banking customers with multi-asset order and execution management capabilities, and Quantile, which will help customers more effectively manage both capital and margin in Post Trade.

On 1 July, we completed the divestment of the non-core, lower-growth BETA wealth transaction business, and will return a significant proportion of the proceeds to shareholders via the share buy-back we have announced today.

We will continue to assess further bolt-on acquisitions in a disciplined manner to accelerate our strategy.

## Statutory financial performance

The commentary below refers to continuing operations. It excludes BETA, which has been treated as a discontinued operation in both the current and prior periods, and the Borsa Italiana group which was treated as a discontinued operation in H1 2021.

Total income grew by £717 million to £3,735 million. This increase reflects the strong business performance as well as the additional month of contribution in H1 2022 compared with H1 2021 associated with the Refinitiv acquisition, which completed on 29 January 2021.

Operating expenses before depreciation amortisation and impairment increased by £192 million to £1,593 million, with the additional costs associated with the extra month from Refinitiv in H1 2022 compared with H1 2021. Included within operating expenses are £160 million (H1 2021: £182 million) of non-underlying costs which mainly relate to Refinitiv integration costs.

Depreciation, amortisation and impairment increased by £214 million to £898 million primarily as a result of the acquisition of Refinitiv, including the amortisation associated with the acquired intangible assets.

Operating profit was £897 million (H1 2021: £550 million).

Net financing expense increased by £7 million to £94 million. Tax of £159 million (H1 2021: £254 million) is net of a £103 million non-underlying tax benefit which mainly reflects the tax impact of the Group's non-underlying items. The effective tax rate was 19.8%.

Profit for the period amounted to £644 million (H1 2021: £209 million), within which £548 million (H1 2021: £143 million) is attributable to equity holders. Non-controlling interest has increased by £30 million to £96 million, in part reflecting the strong performance from Tradeweb and LCH in the period.

Basic earnings per share from continuing operations has increased by 70.8p to 98.0p.

## Year-on-year pro-forma financial performance

LSEG has delivered strong income growth across all divisions in H1, with total income (excluding recoveries and the deferred revenue accounting adjustment) up 6.2%. This growth has been driven by good new sales and retention in Data & Analytics, strong activity at Tradeweb in Capital Markets and high volumes across OTC in Post Trade. Our ASV growth metric on a like-for-like basis (adjusted for the Ukraine / Russia conflict) continues to improve, up 5.4% at the end of H1 (Q1: 4.9%) with improved retention and new sales driving the increase.

In the period, there was a minor impact from M&A, with the addition of one month of contribution from MayStreet and GDC, after they both closed on 31 May. This was more than offset by the divestment of the ERMT business at the end of 2021. On an organic basis (which excludes the impact of M&A) total income (excluding recoveries) grew 6.4%. Within this, on an organic basis, Data & Analytics was up 4.2%, with Enterprise Data up 6.1% and Customer & Third-Party Risk Solutions up 10.6%.

Following LSEG's actions taken in response to the Ukraine and Russia conflict, there was a £23 million impact in H1 (with £7 million in Q1 and £16 million in Q2). The expected revenue impact is c.£60 million in 2022. Excluding the impact of the conflict, total income (excluding recoveries), grew 7.0%.

We continue to make good progress on our revenue synergy programme, with £44 million run-rate achieved by the end of H1 2022. We now expect to deliver at the top end of our £40-60 million run-rate target for the end of 2022.

Cost management continues to be strong, with adjusted operating expense growth of 4.3%, and on track to deliver our organic low-single digit guidance for the full year. In the period, the cost growth comprised of ongoing operating costs and investment for growth, offset by the continued strong delivery of our cost synergy programme. The investment for growth includes investment in technology modernisation, increasing cloud usage, the costs of delivering strong growth at Tradeweb and costs relating to the delivery of our revenue synergy programme.

To simplify our business and manage inflationary pressures, we are leveraging our global footprint. Excluding Tradeweb, over 65% of new hires in H1 2022 were hired into lower cost locations. We continue to take a strategic approach to technology, for example, consolidating our low latency real time data products onto a single efficient platform and we are increasing the efficiency of our cloud estate.

Our cost synergy programme is on track to deliver at least £400 million run-rate savings by end of 2025, with our 2022 target of £220 million run-rate already delivered in H1. We now expect to achieve £250 million of run-rate savings by the end of 2022.

Adjusted operating expenses were also impacted by FX during the period as USD strengthened vs GBP, with 48% of our costs recognised in USD. The impact was reduced by a £59 million FX-related credit, that is recognised as a balance sheet adjustment. For more details please see the Embedded Derivatives section. This £59 million credit does not impact our adjusted operating expenses' constant currency growth rate or therefore our guidance.

We are on track to deliver our organic cost guidance for 2022 of low-single digit growth, despite the inflationary backdrop, with robust levers in place to manage cost pressure going forward. H1's growth is higher than the low-single digit full year guidance due to phasing of costs and the annualisation of investment in sales and resilience capacity in H2 2021.

In H2 2022, adjusted operating expenses are expected to show modest growth to deliver our 2022 cost guidance, with further M&A cost annualisation and a small H1 vs H2 cost phasing impact. If FX rates stay at the current USD / GBP spot rate, our reported Sterling figure at the end of year would likely see a more material FX headwind.

Excluding the £59 million FX credit in operating expenses, we have achieved an adjusted EBITDA margin of 48.8% in H1. On an equivalent basis this is up 160bps from 47.2% at full year 2021. We are confident of delivering a margin of at least 50% by the end of 2023, as we continue to invest to secure future growth and are well positioned to manage inflationary pressures.

Adjusted depreciation, amortisation and impairment was £391 million. The previous full year guidance of £820 million was provided before the announcement of the divestment of BETA. The divestment reduced 2021 depreciation by £49 million. Therefore our 2022 guidance has been updated accordingly and on a constant currency basis from 2021 we expect depreciation, amortisation and impairment to be £790 million, depending on the timing of and phasing of H2 capital expenditure.

Adjusted net financing expense reduced by 35% to £81 million, largely driven by the higher cost of debt in early 2021, before refinancing in April 2021. Interest rates have risen in the US, UK and Euro zone in H1. 18% of our debt as of H1 is floating and therefore sensitive to rate increases. At current FX rates, a 1% increase in rates would result in an annualised £15 million higher financing expense. In light of the higher rates and the strengthen USD, our full year guidance at current rates is c.£180 million.

The underlying tax rate was 20.5%, and 19.7% when adjusted for a small benefit related to the prior year. The effective tax rate for the full year is estimated to be between 21-22%. For 2023 and 2024, the underlying tax rate is expected to be in the range of 22-24% based on the current tax landscape.

Non-controlling interest has increased by 22% to £131 million, reflecting the strong performance from Tradeweb and LCH in the period.

Adjusted basic earnings per share has increased 21% to 167.4 pence demonstrating our continued strong financial delivery.

### **Capital expenditure, cash and balance sheet**

Capital expenditure in H1 on an accrued, constant currency basis was £384 million, with £310 million of investment in business-as-usual initiatives and £74 million of integration-related investment, of which £71 million relates to cost to achieve synergies. Our business-as-usual capex guidance is unchanged, expecting £650-700 million per annum until the end of 2023, before tapering thereafter.

Cash generated from operating activities was £1,338 million in H1, showing a strong underlying performance. Net cash generated after net interest and royalties paid, taxes paid, capex and other investments was £531 million and £73 million after dividends. We are a highly cash generative business, often weighted towards the second half due to the phasing of our dividend. We expect to generate over £1 billion of post-dividend free cash flow this year, plus the proceeds from the BETA disposal.

As of 30 June 2022, the Group had operating net debt of £7,207 million after setting aside £1,372 million for regulatory and operational requirements. The Group's operating net debt increased during the period due to adverse movements in foreign exchange rates, the payment of the 2021 final dividend and timing of M&A transactions, with MayStreet and GDC acquired in H1 but proceeds from the BETA divestment received on 1 July 2022. Leverage temporarily increased to 2.1x from 1.9x as of 31 December 2021. Including the net proceeds received from the BETA divestment, leverage would have been 1.9x.

The Group did not issue or redeem any bonds during the first half of 2022. The Group retains access to £2.5 billion of committed liquidity via its revolving credit facilities, of which £1.425 billion matures in December 2024 and £1.075 billion matures in December 2026. As of 30 June 2022, \$80 million (£66 million) was drawn under the revolving credit facilities (31 December 2021: £nil).

Both Standard & Poor's and Moody's maintained their respective LSEG long-term credit ratings of A and A3 with stable outlook and short-term ratings of A-1 and P-2 throughout the first half of 2022. Standard & Poor's also maintained its

long-term rating of LCH Limited and LCH SA at AA- with a stable outlook and short-term rating at A-1+ throughout the period.

The Group had net assets of £27,864 million at 30 June 2022 (31 December 2021: £25,519 million), including £2,520 million in cash and cash equivalents (31 December 2021: £2,665 million).

### **Interim Dividend**

In line with the Group's dividend policy, the interim dividend is calculated as one-third of the prior full year dividend. Accordingly, the Directors have declared an interim dividend of 31.7 pence per share, an increase of 27% (H1 2021: 25.0 pence per share). The interim dividend will be paid on 20 September 2022 to shareholders on the register on 19 August 2022.

### **Outlook**

LSEG has delivered a strong first half performance with continued revenue growth across our businesses. We are managing costs well and we continue to make progress to achieve our synergies. We are successfully executing on our strategy, with good momentum going into the second half.



**David Schwimmer**  
Group CEO  
4 August 2022



## Accounting and modelling notes

### Financial details on completed acquisitions

On 31 May 2022, we closed our acquisitions of both MayStreet and GDC. They have a negligible impact on our H1 2022 results, contributing revenue of £1 million and £2 million respectively.

As a reminder:

- **MayStreet:** Provides high-quality low latency technology and market data, expanding our leading real-time data offering. It contributes to Enterprise Data Solutions, Data & Analytics
- **GDC:** Provides identity verification data for Know Your Customer purposes, expanding our capabilities in the high growth Digital Identity and Fraud solutions area. It contributes to Customer & Third-Party Risk Solutions, Data & Analytics

To help incorporate the contribution of MayStreet and GDC within models, below are the acquisitions' implied contributions in 2021, as if they were within the Group. As our cost guidance is on an organic constant currency basis, the inclusion of these businesses' costs will not impact the guidance, and therefore will need to be added when modelling for the full year, with the full annualisation in 2023.

2021 £m	MayStreet	GDC
Total Income	£11m	£14m
Cost of Sales	(£3m)	(£7m)
<b>Gross Profit</b>	<b>£8m</b>	<b>£7m</b>
Operating Expenses	(£16m)	(£5m)
<b>EBITDA</b>	<b>(£8m)</b>	<b>£2m</b>
Depreciation	(£1m)	-
<b>Operating profit</b>	<b>(£9m)</b>	<b>£2m</b>

Both businesses saw strong income growth in 2021 and have continued to grow in 2022 from a low base. These acquisitions will complement our existing offerings to support growth in Enterprise Data and Customer & Third-Party Risk Solutions.

### Deferred revenue accounting adjustment

This adjustment is as previously described in 2021. There is no material impact in 2022. An adjusted variance, excluding the deferred revenue adjustment, has been presented to show comparable business growth on the prior year.

As a reminder, the adjustment results from the acquisition of Refinitiv and the associated purchase price accounting rules. Refinitiv's deferred revenue balances were subject to a one-time haircut at the time of acquisition. This was a non-cash adjustment. 2021 saw a negative revenue impact of £25 million, with £22 million in Q1; £1 million in Q2; £1 million in Q3; £1 million in Q4. The impact is mostly in the Group's Data & Analytics division, with a much smaller impact on the Group's FX venues business sitting within Capital Markets.

### Organic growth

Organic growth rates are a non-IFRS measure, intended to remove the impact of acquisitions and disposals. Organic growth is calculated on a constant currency basis, adjusting the pro-forma results to remove disposals from the entirety of the current and prior year periods, and by including acquisitions from the date of acquisition with a comparable adjustment to the prior year.

### Embedded derivatives

LSEG has embedded foreign currency derivatives which arise primarily in revenue contracts where the currency of the contract is different from the functional or local currencies of the parties involved. The local-currency-based contract determines the revenue and LSEG records the derivative instruments at fair value in the balance sheet as either assets or liabilities, in accordance with IFRS 9. Changes in fair value, which are based on latest FX rates and forecasts, are recognised in the income statement, within the operating expense line.

In H1 2022, due to the considerable strengthening of USD vs GBP, particularly in June 2022, there was a significant FX gain recognised within operating expense. In H1 2022 this totalled £59 million. Typically, and in previous periods, the gain or loss has been immaterial. This is purely a non-cash accounting gain and does not impact our organic constant currency operating expenses guidance.



## FX conversion

As a result of the acquisition of Refinitiv, the majority of LSEG revenues and expenses are in USD followed by GBP, EUR and other currencies. All guidance given by LSEG, including the longer-term targets associated with the acquisition of Refinitiv as well as specific guidance for the 2022 financial year, has been given on a constant currency basis.

	USD	GBP	EUR	Other
2022 H1 – Total Income <sup>1</sup>	57%	18%	17%	8%
2022 H1 – Underlying Expenses <sup>2</sup>	48%	26%	10%	16%

2022 H1 – Total Income by division <sup>1</sup>	USD	GBP	EUR	Other
Data & Analytics	64%	12%	13%	11%
Capital Markets	58%	21%	20%	1%
Post Trade	19%	43%	36%	2%
Other	15%	30%	51%	4%

<sup>1</sup> Total Income includes recoveries

<sup>2</sup> Underlying expenses includes cost of sales, underlying operating expenses and underlying depreciation and amortisation

The results for H1 2022 have been translated into Sterling using the average exchange rates for the period. The rates for the largest two currency pairs are shown in the table below.

	Average rate 6 months ended 30-Jun-22	Closing rate at 30-Jun-22	Average rate 6 months ended 30-Jun-21	Closing rate at 30-Jun-21
GBP : USD	1.300	1.212	1.388	1.384
GBP : EUR	1.188	1.157	1.152	1.163

## Statutory divisional revenues and adjusted operating profit

### 1. Data & Analytics

#### Results to adjusted operating profit <sup>1</sup>

Six months ended	30 June 2022 £m	30 June 2021 <sup>1</sup> £m
<b>Continuing operations</b>		
Trading & Banking Solutions	<b>770</b>	621
Trading	606	494
Banking	163	127
Enterprise Data Solutions	<b>620</b>	477
Real Time Data	397	305
PRS	224	172
Investment Solutions	<b>637</b>	525
Benchmark Rates, Indices & Analytics	285	243
Index – Asset-based	141	122
Data & Workflow	210	160
Wealth Solutions	<b>131</b>	102
Customer & Third-Party Risk Solutions	<b>196</b>	147
<b>Total revenue (excl. recoveries)</b>	<b>2,354</b>	1,872
Recoveries	<b>166</b>	148
<b>Total revenue (incl. recoveries)</b>	<b>2,520</b>	2,020
Cost of sales	<b>(420)</b>	(322)
<b>Gross profit</b>	<b>2,100</b>	1,698
Adjusted operating expenses before depreciation, amortisation and impairment	<b>(963)</b>	(820)
<b>Adjusted earnings before interest, tax, depreciation, amortisation and impairment</b>	<b>1,137</b>	878
Depreciation, amortisation and impairment	<b>(291)</b>	(221)
<b>Adjusted operating profit</b>	<b>846</b>	657

<sup>1</sup> The H1 2021 comparator is statutory, incorporating Refinitiv from acquisition at the end of January 2021. Revenues and costs associated with the BETA divestment have been classed as discontinued and are excluded from all periods. Revenues and costs associated with the Borsa Italiana group divestment, which completed in H1 2021, are also excluded

## 2. Capital Markets

### Results to adjusted operating profit <sup>1</sup>

Six months ended	30 June 2022 £m	30 June 2021 <sup>1</sup> £m
<b>Continuing operations</b>		
Equities	129	120
FX	124	91
Fixed Income, Derivatives & Other	467	328
<b>Total revenue</b>	<b>720</b>	<b>539</b>
Cost of sales	(16)	(11)
<b>Gross profit</b>	<b>704</b>	<b>528</b>
Adjusted operating expenses before depreciation, amortisation and impairment	(314)	(250)
<b>Adjusted earnings before interest, tax, depreciation, amortisation and impairment</b>	<b>390</b>	<b>278</b>
Depreciation, amortisation and impairment	(48)	(30)
<b>Adjusted operating profit</b>	<b>342</b>	<b>248</b>

<sup>1</sup> The H1 2021 comparator is statutory, incorporating Refinitiv from acquisition at the end of January 2021. Revenues and costs associated with the Borsa Italiana group divestment, which completed in H1 2021, are excluded from all periods

## 3. Post Trade

### Results to adjusted operating profit <sup>1</sup>

Six months ended	30 June 2022 £m	30 June 2021 <sup>1</sup> £m
<b>Continuing operations</b>		
OTC Derivatives	191	169
Securities & Reporting	122	123
Non-Cash Collateral	49	46
<b>Total revenue</b>	<b>362</b>	<b>338</b>
Net Treasury Income	121	108
<b>Total income</b>	<b>483</b>	<b>446</b>
Cost of sales	(68)	(59)
<b>Gross profit</b>	<b>415</b>	<b>387</b>
Adjusted operating expenses before depreciation, amortisation and impairment	(155)	(147)
<b>Adjusted earnings before interest, tax, depreciation, amortisation and impairment</b>	<b>260</b>	<b>240</b>
Depreciation, amortisation and impairment	(52)	(46)
<b>Adjusted operating profit</b>	<b>208</b>	<b>194</b>

<sup>1</sup> The H1 2021 comparator is statutory, incorporating Refinitiv from acquisition at the end of January 2021. Revenues and costs associated with the Borsa Italiana group divestment, which completed in H1 2021, are excluded from all periods

## Pro-forma divisional revenues, adjusted operating profit and non-financial KPIs

### 1. Data & Analytics

#### Results to adjusted operating profit <sup>1</sup>

Six months ended	30 June			Constant Currency	Constant Currency
	2022	Pro-forma 2021 <sup>1</sup>	Variance <sup>2</sup>	Variance <sup>3</sup>	Variance (excl. deferred revenue adjustment) <sup>3,4</sup>
	£m	£m	%	%	%
<b>Continuing operations</b>					
Trading & Banking Solutions	<b>770</b>	745	3.4%	(0.1%)	(1.1%)
Trading	606	594	2.0%	(1.0%)	(2.0%)
Banking	163	151	7.9%	3.7%	2.6%
Enterprise Data Solutions	<b>620</b>	562	10.3%	7.5%	6.3%
Real Time Data	397	360	10.3%	7.2%	5.9%
PRS	224	202	10.9%	7.9%	6.9%
Investment Solutions	<b>637</b>	560	13.8%	8.7%	8.0%
Benchmark Rates, Indices & Analytics	285	247	15.4%	10.6%	10.4%
Index – Asset-based	141	122	15.6%	8.0%	8.0%
Data & Workflow	210	191	9.9%	6.6%	4.9%
Wealth Solutions	<b>131</b>	123	6.5%	3.0%	2.3%
Customer & Third-Party Risk Solutions	<b>196</b>	175	12.0%	8.5%	7.3%
<b>Total revenue (excl. recoveries)</b>	<b>2,354</b>	2,164	8.8%	5.0%	4.0%
Recoveries	<b>166</b>	178	(6.7%)	2.9%	1.8%
<b>Total revenue (incl. recoveries)</b>	<b>2,520</b>	2,343	7.6%	4.9%	3.9%
Cost of sales	<b>(420)</b>	(381)	10.2%	4.3%	4.3%
<b>Gross profit</b>	<b>2,100</b>	1,962	7.0%	5.0%	3.8%
Adjusted operating expenses before depreciation, amortisation and impairment	<b>(963)</b>	(957)	0.6%	2.4%	2.4%
<b>Adjusted earnings before interest, tax, depreciation, amortisation and impairment</b>	<b>1,137</b>	1,005	13.1%	7.5%	5.1%
Depreciation, amortisation and impairment	<b>(291)</b>	(264)	10.2%	13.9%	13.9%
<b>Adjusted operating profit</b>	<b>846</b>	741	14.2%	5.3%	2.1%
Adjusted EBITDA margin	<b>48.3%</b>	46.4%			

## Non-financial KPIs <sup>1</sup>

Six months ended	30 June 2022 £m	30 June 2021 <sup>1</sup> £m	Variance %
Annual Subscription Value growth (%) <sup>5</sup>	4.1%	3.9%	
Annual Subscription Value growth excl. U/R impact (%) <sup>5, 6</sup>	5.4%	3.9%	
Subscription revenue growth (%) <sup>5, 7</sup>	4.5%		
Subscription revenue growth excl. U/R impact (%) <sup>5, 6, 7</sup>	5.0%		
Index – ETF AUM (\$bn)	962	1,040	(8%)
Index – ESG Passive AUM (\$bn) <sup>8</sup>	261	132	98%

<sup>1</sup> The H1 2021 comparator is pro-forma and assumes that the acquisition of Refinitiv took place on 1 January 2021. Revenues and costs associated with the BETA divestment have been classed as discontinued and are excluded from all periods. Revenues and costs associated with the Borsa Italiana group divestment, which completed in H1 2021, are also excluded

<sup>2</sup> Variance is the difference between current and prior year periods using FX rates prevalent at each time, therefore any changes in the FX rates are reflected in the variance percentage alongside business performance

<sup>3</sup> Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

<sup>4</sup> Excludes the deferred revenue adjustment further explained in the "Accounting and modelling notes" section

<sup>5</sup> The variance is a constant currency variance adjusted for acquisitions and disposals

<sup>6</sup> Growth rates excluding the Ukraine / Russia conflict impact have been calculated by excluding income in the region and from sanctioned customers and related business from both periods

<sup>7</sup> The variance is a 12-month rolling constant currency variance excluding the impact of the deferred revenue accounting adjustment. The comparator is not available due to different methodologies applied to the data for the periods before the completion of the Refinitiv acquisition

<sup>8</sup> ESG Passive AUM is at 31 December 2021 and prior period comparator is at 31 December 2020. The metric is updated bi-annually

## 2. Capital Markets

### Results to adjusted operating profit <sup>1</sup>

Six months ended	30 June		Variance <sup>2</sup>	Constant	Constant
	2022	Pro-forma 2021 <sup>1</sup>		Currency	Currency
	£m	£m	%	Variance <sup>3</sup>	Variance (excl. deferred revenue adjustment) <sup>3,4</sup>
				%	%
<b>Continuing operations</b>					
Equities	129	120	7.5%	7.8%	7.8%
FX	124	109	13.8%	6.3%	6.1%
Fixed Income, Derivatives & Other	467	386	21.0%	16.5%	16.5%
<b>Total revenue</b>	<b>720</b>	616	16.9%	13.0%	12.9%
Cost of sales	(16)	(13)	23.1%	16.3%	16.3%
<b>Gross profit</b>	<b>704</b>	603	16.7%	12.9%	12.9%
Adjusted operating expenses before depreciation, amortisation and impairment	(314)	(291)	7.9%	10.7%	10.7%
<b>Adjusted earnings before interest, tax, depreciation, amortisation and impairment</b>	<b>390</b>	312	25.0%	15.0%	14.9%
Depreciation, amortisation and impairment	(48)	(37)	29.7%	19.3%	19.3%
<b>Adjusted operating profit</b>	<b>342</b>	275	24.4%	14.4%	14.3%
Adjusted EBITDA margin	54.2%	50.6%			

### Non-financial KPIs <sup>1</sup>

Six months ended	30 June		Variance
	2022	2021	
	£m	£m	%
<b>Equities</b>			
<b>Primary Markets</b>			
New issues	40	75	(47%)
Total money raised (£bn)	6.3	15.6	(60%)
<b>Secondary Markets – Equities</b>			
UK Value Traded (£bn) – Average Daily Value	5.3	4.7	13%
SETS Yield (bps)	0.66	0.72	(9%)
<b>FX</b>			
Average daily total volume (\$bn)	470	455	3%
<b>Fixed income, Derivatives and Other</b>			
<b>Tradeweb Average Daily (\$m)</b>			
Rates – Cash	364,423	348,673	5%
Rates – Derivatives	364,323	272,063	34%
Credit – Cash	10,483	9,951	5%
Credit – Derivatives	19,449	12,628	54%

<sup>1</sup> The H1 2021 comparator is pro-forma and assumes that the acquisition of Refinitiv took place on 1 January 2021. Revenues and costs associated with the Borsa Italiana group divestment, which completed in H1 2021, are excluded from all periods

<sup>2</sup> Variance is the difference between current and prior year periods using FX rates prevalent at each time, therefore any changes in the FX rates are reflected in the variance percentage alongside business performance

<sup>3</sup> Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

<sup>4</sup> Excludes the deferred revenue adjustment further explained in the "Accounting and modelling notes" section

### 3. Post Trade

#### Results to adjusted operating profit <sup>1</sup>

Six months ended	30 June		Variance <sup>2</sup>	Constant Currency Variance <sup>3</sup>
	2022 £m	Pro-forma 2021 <sup>1</sup> £m		
<b>Continuing operations</b>				
OTC Derivatives	191	169	13.0%	12.0%
Securities & Reporting	122	123	(0.8%)	1.9%
Non-Cash Collateral	49	46	6.5%	6.2%
<b>Total revenue</b>	<b>362</b>	<b>338</b>	<b>7.1%</b>	<b>7.5%</b>
Net Treasury Income	121	108	12.0%	11.3%
<b>Total income</b>	<b>483</b>	<b>446</b>	<b>8.3%</b>	<b>8.5%</b>
Cost of sales	(68)	(58)	17.2%	20.2%
<b>Gross profit</b>	<b>415</b>	<b>388</b>	<b>7.0%</b>	<b>6.7%</b>
Adjusted operating expenses before depreciation, amortisation and impairment	(155)	(147)	5.4%	5.1%
<b>Adjusted earnings before interest, tax, depreciation, amortisation and impairment</b>	<b>260</b>	<b>241</b>	<b>7.9%</b>	<b>7.7%</b>
Depreciation, amortisation and impairment	(52)	(46)	13.0%	28.5%
<b>Adjusted operating profit</b>	<b>208</b>	<b>195</b>	<b>6.7%</b>	<b>3.3%</b>
Adjusted EBITDA Margin	53.8%	54.0%		

#### Non-financial KPIs <sup>1</sup>

Six months ended	30 June		Variance %
	2022 £m	2021 £m	
<b>OTC</b>			
<b>SwapClear</b>			
IRS notional cleared (\$trn)	597	468	28%
SwapClear members	123	122	1%
Client trades ('000)	1,334	1,066	25%
Client average 10-year notional equivalent (\$trn)	4.0	4.4	(9%)
<b>ForexClear</b>			
Notional cleared (\$bn)	12,708	10,776	18%
ForexClear members	36	35	3%
<b>CDSClear</b>			
Notional cleared (€bn)	1,742	1,038	68%
CDSClear members	25	25	-
<b>Securities &amp; Reporting</b>			
EquityClear trades (m)	1,199	976	23%
Listed derivatives contracts (m)	147.2	150.3	(2%)
RepoClear – nominal value (€trn)	137.3	113.4	21%
<b>Non-Cash Collateral</b>			
Average non-cash collateral (€bn)	169.5	161.5	5%
<b>Net Treasury Income</b>			
Average cash collateral (€bn)	130.0	106.4	22%

<sup>1</sup> The H1 2021 comparator is pro-forma and assumes that the acquisition of Refinitiv took place on 1 January 2021

<sup>2</sup> Variance is the difference between current and prior year periods using FX rates prevalent at each time, therefore any changes in the FX rates are reflected in the variance percentage alongside business performance

<sup>3</sup> Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates



## Appendix – Synergies and cost to achieve

Six months ended	30 June
	2022 £m
<b>Revenue synergies</b>	
Run-rate realised	44
Cost to achieve	64
of which:	
Capital expenditure	44
Non-underlying operating expenses	21
<b>Cost synergies</b>	
Run-rate realised	221
In-period benefit	31
Cost to achieve	121
of which:	
Capital expenditure	27
Non-underlying operating expenses	94

## Appendix – Total income by type <sup>1</sup>

Six months ended	30 June			Constant Currency	Constant Currency
	2022 £m	Pro-forma 2021 <sup>1</sup> £m	Variance <sup>2</sup> %	Variance <sup>3</sup> %	Variance (excl. deferred revenue adjustment) <sup>3,4</sup> %
<b>Continuing operations</b>					
Recurring	2,604	2,389	9.0%	5.4%	4.5%
Transactional	832	729	14.1%	11.7%	11.7%
Net Treasury Income	121	108	12.0%	11.3%	11.3%
Other income	12	14	(14.3%)	(14.2%)	(14.2%)
<b>Total income (excl. recoveries)</b>	<b>3,569</b>	3,240	10.2%	6.9%	6.2%
Recoveries	166	178	(6.7%)	2.9%	1.8%
<b>Total income (incl. recoveries)</b>	<b>3,735</b>	3,419	9.2%	6.7%	6.0%

<sup>1</sup> The H1 2021 comparator is pro-forma and assumes that the acquisition of Refinitiv took place on 1 January 2021

<sup>2</sup> Variance is the difference between current and prior year periods using FX rates prevalent at each time, therefore any changes in the FX rates are reflected in the variance percentage alongside business performance

<sup>3</sup> Constant currency variance shows underlying financial performance, excluding currency impacts, by comparing the current and prior period at consistent exchange rates

<sup>4</sup> Excludes the deferred revenue adjustment further explained in the "Accounting and modelling notes" section

## Appendix – Total income and gross profit by quarter <sup>1</sup>

	FY2021					FY2022	
	Q1 £m	Q2 £m	Q3 £m	Q4 £m	2021 £m	Q1 £m	Q2 £m
Trading & Banking Solutions	372	373	373	375	1,493	378	391
Trading	297	297	296	296	1,186	298	308
Banking	75	76	77	79	307	80	83
Enterprise Data Solutions	279	282	284	296	1,141	304	317
Real Time Data	178	182	182	188	730	195	202
PRS	101	100	102	108	411	109	115
Investment Solutions	274	286	294	302	1,156	308	328
Benchmark Rates, Indices & Analytics	122	126	136	134	518	137	148
Index - Asset-Based	58	64	62	69	253	70	71
Data & Workflow	94	96	96	99	385	101	109
Wealth Solutions	61	62	61	65	249	63	68
Customer & Third-Party Risk Solutions	85	90	92	92	359	94	102
<b>Data &amp; Analytics</b>	1,071	1,093	1,104	1,130	4,398	1,147	1,207
Equities	61	59	60	61	241	67	62
FX	57	53	56	57	223	60	63
Fixed Income, Derivatives & Other	200	187	193	205	785	232	235
<b>Capital Markets</b>	318	299	309	323	1,249	359	361
OTC Derivatives	87	82	86	103	358	93	98
Securities & Reporting	63	60	60	63	246	64	58
Non-Cash Collateral	22	24	24	25	95	24	25
Net Treasury Income	55	53	47	52	207	57	64
<b>Post Trade</b>	227	219	217	243	906	238	245
Other	5	10	9	10	34	7	5
<b>Total income (excl. recoveries)</b>	1,621	1,621	1,639	1,706	6,587	1,751	1,818
Recoveries	88	90	90	86	354	80	86
<b>Total income (incl. recoveries)</b>	1,709	1,711	1,729	1,792	6,941	1,831	1,904
Cost of sales	(230)	(222)	(227)	(241)	(920)	(240)	(264)
<b>Gross profit</b>	1,479	1,489	1,502	1,551	6,021	1,591	1,640

The table above has used FX rates on a YTD average basis which is the basis upon which the Group presents its financials. Revenues and cost of sales associated with the BETA divestment have been classed as discontinued and are excluded in all periods. Revenues and cost of sales associated with the Borsa Italiana group divestment, completed in H1 2021, are also excluded.

<sup>1</sup> Q1 2021 is pro-forma and assumes that the acquisition of Refinitiv took place on 1 January 2021

## Condensed consolidated income statement

Six months ended 30 June		2022			2021		
		Unaudited			Unaudited (re-presented) <sup>1</sup>		
	Notes	Underlying £m	Non- underlying £m	Total £m	Underlying £m	Non- underlying £m	Total £m
<b>Continuing operations</b>							
Revenue	4, 5	3,602	-	3,602	2,897	-	2,897
Net treasury income from CCP clearing business	4, 5	121	-	121	108	-	108
Other income	4, 5	12	-	12	13	-	13
<b>Total income</b>		<b>3,735</b>	<b>-</b>	<b>3,735</b>	<b>3,018</b>	<b>-</b>	<b>3,018</b>
Cost of sales	4	(504)	-	(504)	(392)	-	(392)
<b>Gross profit</b>		<b>3,231</b>	<b>-</b>	<b>3,231</b>	<b>2,626</b>	<b>-</b>	<b>2,626</b>
Operating expenses before depreciation, amortisation and impairment	6, 7	(1,433)	(160)	(1,593)	(1,219)	(182)	(1,401)
Profit on disposal of property, plant and equipment	7	-	133	133	-	-	-
Remeasurement gain	2.1, 7	-	23	23	-	-	-
Income from equity investments		-	-	-	11	-	11
Share of profit/(loss) after tax of associates		1	-	1	(2)	-	(2)
<b>Earnings before interest, tax, depreciation, amortisation and impairment</b>		<b>1,799</b>	<b>(4)</b>	<b>1,795</b>	<b>1,416</b>	<b>(182)</b>	<b>1,234</b>
Depreciation, amortisation and impairment	7	(391)	(507)	(898)	(297)	(387)	(684)
<b>Operating profit/(loss)</b>	4	<b>1,408</b>	<b>(511)</b>	<b>897</b>	<b>1,119</b>	<b>(569)</b>	<b>550</b>
Finance income		40	-	40	19	-	19
Finance expense		(121)	(13)	(134)	(105)	(1)	(106)
<b>Net finance expense</b>	7, 8	<b>(81)</b>	<b>(13)</b>	<b>(94)</b>	<b>(86)</b>	<b>(1)</b>	<b>(87)</b>
<b>Profit/(loss) before tax</b>		<b>1,327</b>	<b>(524)</b>	<b>803</b>	<b>1,033</b>	<b>(570)</b>	<b>463</b>
<b>Taxation</b>	7, 9	<b>(262)</b>	<b>103</b>	<b>(159)</b>	<b>(215)</b>	<b>(39)</b>	<b>(254)</b>
<b>Profit/(loss) from continuing operations</b>		<b>1,065</b>	<b>(421)</b>	<b>644</b>	<b>818</b>	<b>(609)</b>	<b>209</b>
<b>Discontinued operations</b>							
Profit/(loss) after tax from discontinued operations	3	55	(2)	53	121	2,517	2,638
<b>Profit/(loss) for the period</b>		<b>1,120</b>	<b>(423)</b>	<b>697</b>	<b>939</b>	<b>1,908</b>	<b>2,847</b>

<sup>1</sup> The results for the six months ended 30 June 2021 have been re-presented to exclude the results of discontinued operations (refer to note 3)

## Condensed consolidated income statement (continued)

Six months ended 30 June		2022			2021		
		Unaudited			Unaudited (re-presented) <sup>1</sup>		
	Notes	Underlying £m	Non- underlying £m	Total £m	Underlying £m	Non- underlying £m	Total £m
<b>Profit/(loss) from continuing operations attributable to:</b>							
Equity holders		934	(386)	548	721	(578)	143
Non-controlling interests		131	(35)	96	97	(31)	66
<b>Profit/(loss) from continuing operations</b>		<b>1,065</b>	<b>(421)</b>	<b>644</b>	<b>818</b>	<b>(609)</b>	<b>209</b>
<b>Profit/(loss) from discontinued operations attributable to:</b>							
Equity holders		55	(2)	53	117	2,518	2,635
Non-controlling interests		-	-	-	4	(1)	3
<b>Profit/(loss) from discontinued operations</b>	3	<b>55</b>	<b>(2)</b>	<b>53</b>	<b>121</b>	<b>2,517</b>	<b>2,638</b>
<b>Profit/(loss) for the period</b>		<b>1,120</b>	<b>(423)</b>	<b>697</b>	<b>939</b>	<b>1,908</b>	<b>2,847</b>
<b>Earnings per share attributable to equity holders:</b>							
<b>Continuing operations</b>							
Basic earnings per share	10			<b>98.0p</b>			27.2p
Diluted earnings per share	10			<b>97.3p</b>			27.2p
Adjusted basic earnings per share	10	<b>167.4p</b>			139.0p		
Adjusted diluted earnings per share	10	<b>166.1p</b>			138.1p		
<b>Total operations</b>							
Basic earnings per share	10			<b>107.6p</b>			535.3p
Diluted earnings per share	10			<b>106.8p</b>			532.2p
Adjusted basic earnings per share	10	<b>177.4p</b>			161.5p		
Adjusted diluted earnings per share	10	<b>176.0p</b>			160.5p		
<b>Dividend per share in respect of the financial period</b>							
Dividend per share paid during the period	11			<b>70.0p</b>			51.7p
Dividend per share declared for the period	11			<b>31.7p</b>			25.0p

<sup>1</sup> The results for the six months ended 30 June 2021 have been re-presented to exclude the results of discontinued operations (refer to note 3)

## Condensed consolidated statement of comprehensive income

Six months ended 30 June		2022 Unaudited	2021 Unaudited (Re-presented) <sup>1</sup>
	Notes	£m	£m
<b>Continuing operations</b>			
<b>Profit from continuing operations</b>		<b>644</b>	<b>209</b>
<b>Other comprehensive income</b>			
<b>Items that will not be subsequently reclassified to the income statement</b>			
Actuarial (losses)/gains on retirement benefit obligations		(105)	77
Gain on equity instruments at fair value through other comprehensive income	13	21	-
Income tax relating to above items	9	35	(19)
		(49)	58
<b>Items that may be subsequently reclassified to the income statement</b>			
Gain on cash flow hedges	14	-	22
Gain on cash flow hedge recycled to the income statement	14	(1)	-
Net (losses)/gains on net investment hedges	14	(85)	72
Debt instruments at fair value through other comprehensive income (FVOCI)			
– Net gains/(losses) from changes in fair value		5	(4)
– Gains recycled to the income statement		-	(3)
Net exchange gains/(losses) on translation of foreign operations		2,329	(264)
Income tax relating to above items	9	(2)	1
		2,246	(176)
<b>Other comprehensive income/(loss) net of tax from continuing operations</b>		<b>2,197</b>	<b>(118)</b>
<b>Total comprehensive income from continuing operations</b>		<b>2,841</b>	<b>91</b>
<b>Discontinued operations</b>			
<b>Total comprehensive income from discontinued operations</b>	3	<b>53</b>	<b>2,630</b>
<b>Total comprehensive income for the period</b>		<b>2,894</b>	<b>2,721</b>
<b>Total comprehensive income from continuing operations attributable to:</b>			
Equity holders		2,566	39
Non-controlling interests		275	52
<b>Total comprehensive income from continuing operations</b>		<b>2,841</b>	<b>91</b>
<b>Total comprehensive income from discontinued operations attributable to:</b>			
Equity holders		53	2,627
Non-controlling interests		-	3
<b>Total comprehensive income from discontinued operations</b>	3	<b>53</b>	<b>2,630</b>
<b>Total comprehensive income for the period</b>		<b>2,894</b>	<b>2,721</b>

<sup>1</sup> The results for the six months ended 30 June 2021 have been re-presented to exclude the results of discontinued operations (refer to note 3)

## Condensed consolidated balance sheet

		30 June 2022 Unaudited £m	31 December 2021 £m
	Notes		
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		759	832
Intangible assets	12	34,567	31,724
Investment in associates		33	25
Deferred tax assets		602	508
Derivative financial instruments	14	10	2
Investments in financial assets	13, 14	385	351
Retirement benefit assets		472	568
Trade and other receivables	14	213	202
		<b>37,041</b>	<b>34,212</b>
<b>Current assets</b>			
Trade and other receivables	14	1,334	967
Derivative financial instruments	14	65	25
Clearing member financial assets		734,107	665,031
Clearing member cash and cash equivalents		110,795	83,795
Clearing member assets	14	844,902	748,826
Current tax receivable		553	398
Cash and cash equivalents	14	2,520	2,665
Assets held for sale	3	274	16
		<b>849,648</b>	<b>752,897</b>
<b>Total assets</b>		<b>886,689</b>	<b>787,109</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	1,598	1,782
Contract liabilities		424	245
Derivative financial instruments	14	22	7
Clearing member financial liabilities	14	844,651	748,644
Current tax payable		163	73
Borrowings	14, 15	60	-
Provisions		10	16
Liabilities directly associated with assets held for sale	3	42	-
		<b>846,970</b>	<b>750,767</b>
<b>Non-current liabilities</b>			
Borrowings	14, 15	8,258	7,654
Derivative financial instruments	14	90	45
Contract liabilities		96	101
Deferred tax liabilities		2,141	1,835
Retirement benefit obligations		87	85
Other payables	14	1,126	1,059
Provisions		57	44
		<b>11,855</b>	<b>10,823</b>
<b>Total liabilities</b>		<b>858,825</b>	<b>761,590</b>
<b>Net assets</b>		<b>27,864</b>	<b>25,519</b>
<b>Equity</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Ordinary share capital		39	39
Share premium		978	978
Retained earnings		4,028	3,816
Other reserves		20,876	18,807
<b>Total shareholders' funds</b>		<b>25,921</b>	<b>23,640</b>
<b>Non-controlling interests</b>		<b>1,943</b>	<b>1,879</b>
<b>Total equity</b>		<b>27,864</b>	<b>25,519</b>

## Condensed consolidated cash flow statement

Six months ended 30 June		2022 Unaudited £m	2021 Unaudited (Re-presented) <sup>1</sup> £m
	Notes		
<b>Operating activities</b>			
Profit from continuing operations		644	209
Adjustments to reconcile profit to net cash flow:			
– Depreciation and impairment of property, plant and equipment		154	113
– Amortisation and impairment of intangible assets	12	744	571
– Taxation	9	159	254
– Profit on disposal of property, plant and equipment	7	(133)	-
– Share based payments		71	64
– Net finance expense	8	94	87
– Net foreign exchange losses		68	162
– Dividend income		-	(11)
– Other movements		12	59
– (Increase)/decrease in receivables, contract and other assets		(331)	444
– Decrease in payables, contract and other liabilities		(89)	(575)
– Increase in clearing member financial assets		(68,887)	(79,777)
– Increase in clearing member financial liabilities		68,832	79,714
<b>Cash generated from operations</b>		<b>1,338</b>	<b>1,314</b>
Interest received		-	7
Interest paid		(77)	(67)
Taxes paid		(212)	(85)
Withholding tax received		5	-
Royalties paid		(40)	(30)
Net cash flows from continuing operations		<b>1,014</b>	<b>1,139</b>
Net cash flows from discontinued operations	3	37	(36)
<b>Net cash flows from operating activities</b>		<b>1,051</b>	<b>1,103</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(110)	(25)
Proceeds from disposal of property, plant and equipment		153	-
Purchase of intangible assets	12	(363)	(204)
Acquisition of subsidiaries, net of cash acquired	2.1, 2.2	(359)	774
Proceeds from sale of disposal group, net of cash disposed		-	3,592
Dividends received		-	11
Other investing activities		(35)	(15)
Net cash flows from continuing operations		<b>(714)</b>	<b>4,133</b>
Net cash flows from discontinued operations	3	(16)	(18)
<b>Net cash flows from investing activities</b>		<b>(730)</b>	<b>4,115</b>
<b>Financing activities</b>			
Payment of principal portion of lease liabilities		(71)	(45)
Proceeds from borrowings	15	62	5,043
Repayment of borrowings	15	-	(8,852)
Dividends paid to equity holders of the parent	11	(390)	(287)
Dividends paid to non-controlling interests		(68)	(70)
Other financing activities		(123)	12
Net cash flows from continuing operations		<b>(590)</b>	<b>(4,199)</b>
Net cash flows from discontinued operations	3	-	(4)
<b>Net cash flows from financing activities</b>		<b>(590)</b>	<b>(4,203)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(269)</b>	<b>1,015</b>
Foreign exchange translation		124	(58)
Cash and cash equivalents at beginning of period		2,665	1,785
<b>Cash and cash equivalents at end of period</b>		<b>2,520</b>	<b>2,742</b>

<sup>1</sup> The results for the six months ended 30 June 2021 have been re-presented to exclude the results of discontinued operations (refer to note 3)



## Condensed consolidated statement of changes in equity

	Notes	Attributable to equity holders					Non-controlling interests	Total equity
		Ordinary share capital	Share premium	Retained earnings	Other reserves	Total attributable to equity holders		
		£m	£m	£m	£m	£m	£m	£m
1 January 2021		24	971	911	1,805	3,711	414	4,125
Total comprehensive income for the period		-	-	2,823	(157)	2,666	55	2,721
Issue of shares		-	1	-	-	1	-	1
Issue of shares for acquisition of subsidiaries (with non-controlling interest)		15	-	(25)	16,981	16,971	1,442	18,413
Dividends paid in the period	11	-	-	(287)	-	(287)	(76)	(363)
Share-based payments		-	-	36	-	36	4	40
Tax benefit in relation to share-based payments	9	-	-	4	-	4	-	4
Disposal of business		-	-	-	(44)	(44)	(65)	(109)
Adjustment to non-controlling interests		-	-	-	-	-	(11)	(11)
<b>30 June 2021 (Unaudited)<sup>1</sup></b>		<b>39</b>	<b>972</b>	<b>3,462</b>	<b>18,585</b>	<b>23,058</b>	<b>1,763</b>	<b>24,821</b>
1 January 2022		39	978	3,816	18,807	23,640	1,879	25,519
Total comprehensive income for the period		-	-	550	2,069	2,619	275	2,894
Dividends paid in the period	11	-	-	(390)	-	(390)	(68)	(458)
Share-based payments		-	-	42	-	42	32	74
Tax benefit/(expense) in relation to share-based payments	9	-	-	6	-	6	(84)	(78)
Deferred tax on investments in partnerships	9	-	-	-	-	-	35	35
Purchase of non-controlling interests		-	-	4	-	4	(19)	(15)
Tradeweb share buyback		-	-	-	-	-	(43)	(43)
Shares withheld from employee options exercised (Tradeweb)		-	-	-	-	-	(64)	(64)
<b>30 June 2022 (Unaudited)</b>		<b>39</b>	<b>978</b>	<b>4,028</b>	<b>20,876</b>	<b>25,921</b>	<b>1,943</b>	<b>27,864</b>

<sup>1</sup> The condensed consolidated balance sheet as at 30 June 2021 has been revised from that reported in the H1 2021 interim results to reflect the adjustment to the provisional accounting in respect of Refinitiv Parent Ltd and its subsidiaries acquired on 29 January 2021.

# Notes to the interim condensed consolidated financial statements

## 1. Basis of preparation and changes to accounting policies

### 1.1 Reporting entity

The interim condensed consolidated financial statements (interim statements) of London Stock Exchange Group plc (the 'Group' or the 'Company') for the six months ended 30 June 2022 were approved by the Directors on 4 August 2022.

The Company is a public company, incorporated and domiciled in England and Wales. The address of its registered office is 10 Paternoster Square, London, EC4M 7LS.

On 31 May 2022, the Group acquired:

- Global Data Consortium Inc (GDC) (refer to note 2.1). The results of GDC have been consolidated since the date of acquisition.
- MayStreet Inc. (MayStreet) (refer to note 2.2). The results of MayStreet have been consolidated since the date of acquisition.

On 21 March 2022, the disposal of the BETA, Maxit and Digital Investor businesses (collectively BETA) was assessed to be highly probable and the collective business was treated as a disposal group from that date. BETA is also deemed to be a discontinued operation as it represented a separate major line of business of the Group. Its profits, losses and cash flows have therefore been separated from the Group's continuing operations and are shown as discontinued operations. The comparative period has been re-presented accordingly.

### 1.2. Basis of preparation

The interim statements of the Group for the six months ended 30 June 2022 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and UK-adopted International Accounting Standard 34 *Interim Financial Reporting*.

The interim statements are unaudited but have been reviewed by the auditors and their review opinion is included in this report.

Comparative amounts presented for the condensed consolidated balance sheet relate to the Group's position as at 31 December 2021. All other comparative amounts presented relate to the six months ended 30 June 2021 (referred to as H1 2021).

The interim statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2021, which were prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The interim statements do not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

The statutory financial statements of London Stock Exchange Group plc for the year ended 31 December 2021, which carried an unqualified audit report and did not contain a statement under section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies.

All notes to the interim statements include amounts for continuing operations, unless otherwise stated.

### Going concern

The Group has prepared these interim statements on the basis that it will continue to operate as a going concern. In assessing the appropriateness of the going concern assumption, management has stress tested the Group's most recent financial projections using severe but plausible downside scenarios as determined by the Group Risk Committee and considering the Group's principal risks. No scenario leads to an inability to meet the Group's obligations through insufficient headroom. Therefore, the Directors consider there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from approval of these interim statements.

### 1.3 New standards, interpretations, and amendments

The principal accounting policies adopted in the preparation of these interim statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of amended standards effective as of 1 January 2022. None of the amendments adopted on 1 January 2022 have had a material impact on the interim statements of the Group.

The Group has not early adopted any other standards, amendments or interpretations that have been issued but are not yet effective.

#### 1.4 Significant accounting judgements, estimates and assumptions

The preparation of the interim statements requires management to make judgements, estimates and assumptions that affect the reported income and expense, assets and liabilities, and the disclosure of contingencies at the date of the interim statements. Although these judgements, estimates and assumptions are based on management's best judgement at the date of the interim statements, actual results may differ from these estimates.

Judgements and estimates are regularly evaluated based on historical experience, current circumstances and expectations of future events. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those described in the audited 31 December 2021 annual financial statements note 1.7 (significant accounting judgements, estimates and assumptions), except for the judgements and sources of estimation uncertainty related to the acquisitions of GDC and MayStreet, and the Russian tax audit as described below:

- **Intangible assets acquired as part of a business combination:**
  - The fair value of the intangible assets (and therefore the resulting goodwill recognised on acquisition) is significantly affected by a number of factors including management's best estimates of future performance and estimates of the return required to determine an appropriate discount rate. Further detail of the valuation methodologies is provided in note 2.
  - The intangible assets are amortised over their estimated useful economic lives, which are also based on management's best estimates of the periods over which value from the intangible assets is realised. Further detail of the estimated useful economic lives of the intangible assets acquired during the period is provided in note 2.
- **Russian tax audit:** The Group has used its judgement in assessing the financial reporting implications of its ongoing audit by the Russian Tax Authorities. The Group has used guidance under IFRIC 23 *Uncertainty over Income Tax Treatments* to determine the possible outcomes and to assign a probability to each of those outcomes. Further detail is provided in note 9.

#### 1.5 Other information

There have been no material related party transactions in H1 2022 and no material changes to the related party transactions described in the audited 31 December 2021 annual financial statements that could have a material effect on the H1 2022 financial position or performance.

## 2. Business combinations

### 2.1 GDC acquisition

On 31 May 2022, the Group acquired 89% of GDC, a global provider of high-quality identity verification data to support clients with Know Your Customer (KYC) requirements. Prior to the acquisition LSEG held an 11% interest in GDC and on 31 May 2022, recognised a remeasurement gain on this investment in associate of £23 million.

GDC's services are currently used within LSEG's Customer & Third-Party Risk Solutions business within the Data & Analytics division, to provide global digital identity verification to customers. Adding GDC to the Group's suite of digital identity solutions will enable the Group to continue to expand capabilities in this segment, through both direct sales and channel partnerships.

The purchase price allocation (PPA) has been prepared on a provisional basis in accordance with IFRS 3 *Business Combinations*. If new information obtained within one year of the acquisition date, about facts and circumstances that existed at the acquisition date, identifies adjustments to the amounts below or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Goodwill arising from the acquisition has been recognised as follows:

	Notes	US\$m	£m	Estimated useful lives
<b>Purchase consideration</b>				
– Cash (including settlement of share options)		269	213	
– Fair value of previous equity interest held in GDC		36	28	
<b>Total purchase consideration</b>		<b>305</b>	<b>241</b>	
<b>Less: Fair value of identifiable net assets acquired</b>				
– Intangible assets: Customer and supplier relationships	12	(85)	(67)	15-18 years
– Intangible assets: Software	12	(35)	(28)	10 years
– Other non-current assets		(1)	-	
– Other current assets		(5)	(4)	
– Cash and cash equivalents		(6)	(5)	
– Total liabilities, excluding deferred tax liabilities		5	4	
– Deferred tax liabilities		15	12	
<b>Fair value of identifiable net assets acquired</b>		<b>(112)</b>	<b>(88)</b>	
<b>Goodwill</b>	12	<b>193</b>	<b>153</b>	

The fair values of the net assets acquired were determined based on assumptions that reasonable market participants would use in the principal (or most advantageous) market and primarily included significant unobservable inputs (Level 3 of the fair value hierarchy). The following valuation methodologies were used to determine fair value:

- Customer relationships: multi-period excess earnings method (MEEM) (income approach)
- Supplier relationships: replacement cost approach
- Software: relief from royalty method (income approach)

The deferred tax liability mainly comprises the tax effect of the intangible assets.

The goodwill is attributable to:

- growth in the underlying business;
- future data and technology not yet developed; and
- expected synergies which will drive growth in the combined business.

Goodwill has been provisionally allocated to the Data & Analytics cash-generating unit. None of the goodwill recognised is expected to be deductible for income tax purposes.

#### **Revenue and profit before tax**

From the date of acquisition, GDC contributed revenue of £2 million and immaterial profit before tax.

If the acquisition had occurred on 1 January 2022, estimated Group revenue for the period from continuing operations would have been £3,610 million, with operating profit before non-underlying items of £1,407 million.

#### **Acquisition related costs**

The Group incurred acquisition related costs of £1 million on advisor and professional fees and management retention costs. These costs are recognised as non-underlying transaction costs in the income statement (refer to note 7).

### **2.2 MayStreet acquisition**

On 31 May 2022, the Group acquired MayStreet, a market data solutions provider. MayStreet provides global low latency technology and market data to over 65 industry participants, including banks, asset managers and hedge funds. MayStreet has an existing commercial partnership with LSEG to support LSEG's Real-Time Direct feed offering. It has also served as a market data provider to the SEC's Market Information Data Analytics System (MIDAS) since 2019.

The acquisition enhances LSEG's Enterprise Data Solutions business, within the Data & Analytics division, expanding LSEG's capabilities across the latency spectrum through a global low latency network of over 300 cross asset, exchange and trading venue feeds. This broadens and complements LSEG's real-time feeds and historical market data value proposition, particularly for front office customers, who use these solutions to support research and strategy development and to power electronic trading applications.

The PPA has been prepared on a provisional basis in accordance with IFRS 3. If new information obtained within one year of the acquisition date, about facts and circumstances that existed at the acquisition date, identifies adjustments to the amounts below or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Goodwill arising from the acquisition has been recognised as follows:

	Notes	US\$m	£m	Estimated useful lives
<b>Purchase consideration</b>				
– Cash (including settlement of share options)		<b>194</b>	<b>153</b>	
<b>Total purchase consideration</b>		<b>194</b>	<b>153</b>	
<b>Less: Fair value of identifiable net assets acquired</b>				
– Intangible assets: Customer relationships	12	<b>(35)</b>	<b>(28)</b>	15 years
– Intangible assets: Software	12	<b>(49)</b>	<b>(39)</b>	10 years
– Other non-current assets		<b>(1)</b>	<b>(1)</b>	
– Other current assets		<b>(3)</b>	<b>(3)</b>	
– Cash and cash equivalents		<b>(2)</b>	<b>(2)</b>	
– Total liabilities, excluding deferred tax liabilities		<b>24</b>	<b>19</b>	
– Deferred tax liabilities		<b>11</b>	<b>9</b>	
<b>Fair value of identifiable net assets acquired</b>		<b>(55)</b>	<b>(45)</b>	
<b>Goodwill</b>	12	<b>139</b>	<b>108</b>	

The fair values of the net assets acquired were determined based on assumptions that reasonable market participants would use in the principal (or most advantageous) market and primarily included significant unobservable inputs (Level 3 of the fair value hierarchy). The following valuation methodologies were used to determine fair value:

- Customer relationships: multi-period excess earnings method (MEEM) (income approach)
- Software: relief from royalty method (income approach)

The deferred tax liability mainly comprises the tax effect of the intangible assets.

The goodwill is attributable to:

- growth in the underlying business;
- future data and technology not yet developed; and
- expected synergies which will drive growth in the combined business.

Goodwill has been provisionally allocated to the Data & Analytics cash-generating unit. None of the goodwill recognised is expected to be deductible for income tax purposes.

#### Revenue and profit before tax

From the date of acquisition, MayStreet contributed revenue of £1 million and a loss before tax of £1 million.

If the acquisition had occurred on 1 January 2022, estimated Group revenue for the period from continuing operations would have been £3,607 million, with operating profit before non-underlying items of £1,401 million.

#### Acquisition related costs

The Group incurred acquisition related costs of £4 million on advisor and professional fees and management retention costs. These costs are recognised as non-underlying transaction costs in the income statement (refer to note 7).

#### Employment-linked management incentive and earn-out arrangements

As part of the purchase agreement, employment-linked management incentive and earn-out arrangements have been agreed with the former founders and senior management. These arrangements are contingent on continuing employment and will be recognised as post-combination compensation over the arrangement period.

### 3. Discontinued operations and assets held for sale

#### Agreed disposal of BETA during the period ended 30 June 2022

On 21 March 2022, the disposal of BETA was assessed to be highly probable and it has been treated as a disposal group from that date. BETA is also deemed to be a discontinued operation as it represented a separate major line of business. Its results have been excluded from the continuing results of the Group for the period ended 30 June 2022. The results for the period ended 30 June 2021 have been re-presented to exclude the BETA results from the continuing operations of the Group.

On 1 July 2022, BETA was sold for a total cash consideration of US\$1.1 billion (£0.9 billion), realising an estimated profit on disposal of £0.6 billion, before separation costs and tax.

#### Disposal of the Borsa Italiana group during the period ended 30 June 2021

On 29 April 2021, the Group disposed of Borsa Italiana. It was presented as a discontinued operation and its results are excluded from the continuing operations of the Group for the period ended 30 June 2021.

As part of the disposal agreement the Group continues to provide services to the Borsa Italiana group on an arm's length basis.

#### Summary income statement and statement of other comprehensive income

The results for BETA and the Borsa Italiana group included in the income statement and statement of comprehensive income as discontinued operations are as follows:

Six months ended 30 June	2022 Unaudited £m	2021 Unaudited (Re-presented) £m
<b>Discontinued operations</b>		
<b>BETA</b>		
Total income	132	95
Cost of sales and expenses (excluding non-underlying expenses)	(59)	(45)
Adjusted profit before tax	73	50
Non-underlying expenses	(2)	(3)
Profit before tax	71	47
Taxation	(18)	(12)
<b>Profit from discontinued operations - BETA</b>	<b>53</b>	<b>35</b>
Profit from discontinued operations - Borsa Italiana group	-	2,603
Other comprehensive income from discontinued operations - Borsa Italiana group	-	(8)
<b>Total comprehensive income from discontinued operations</b>	<b>53</b>	<b>2,630</b>

### Summary cash flow statement

The results for BETA and the Borsa Italiana group included in the cash flow statement as discontinued operations are as follows:

Six months ended 30 June	2022 Unaudited £m	2021 Unaudited (Re-presented) £m
<b>Discontinued operations</b>		
<b>Operating activities</b>		
BETA	37	42
Borsa Italiana group	-	(78)
<b>Net cash flows from operating activities</b>	<b>37</b>	<b>(36)</b>
<b>Investing activities</b>		
BETA	(16)	(16)
Borsa Italiana group	-	(2)
<b>Net cash flows from investing activities</b>	<b>(16)</b>	<b>(18)</b>
<b>Financing activities</b>		
Borsa Italiana group	-	(4)
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>(4)</b>
<b>Net cash flows from discontinued operations for the period</b>	<b>21</b>	<b>(58)</b>

The BETA business holds no cash on its own account and is funded by the Group.

The cash flow statement above excludes the net sale proceeds of the Borsa Italiana group of £3,592 million.

### Net assets held for sale

The major classes of assets and liabilities classified as held for sale are as follows:

	30 June 2022 Unaudited £m	31 December 2021 £m
<b>Assets</b>		
Property, plant and equipment	37	16
Intangible assets	190	-
Other assets	47	-
<b>Assets held for sale</b>	<b>274</b>	<b>16</b>
<b>Liabilities</b>		
Other liabilities	42	-
<b>Liabilities directly associated with assets held for sale</b>	<b>42</b>	<b>-</b>
<b>Net assets held for sale</b>	<b>232</b>	<b>16</b>



## 4. Segment information

The Group reports three main operating segments: Data & Analytics, Capital Markets and Post Trade.

The results are presented on a continuing basis and exclude the results of the BETA business for the periods ended 30 June 2022 and 30 June 2021 and the Borsa Italiana group for the period ended 30 June 2021 (refer to note 3).

Some revenue items have been reallocated between business lines to better reflect our current operating model. The comparative results have been re-presented to reflect this. At a divisional level, the impact on the H1 2021 results previously reported is:

- £3 million of revenue from Capital Markets to Data & Analytics
- £4 million of revenue from Post Trade to Data & Analytics

Segment reporting for the six months ended 30 June 2022 is as follows:

Continuing operations		Data & Analytics	Capital Markets	Post Trade	Other	Group
Unaudited	Notes	£m	£m	£m	£m	£m
Revenue from external customers	5	2,520	720	362	-	3,602
Net treasury income from CCP clearing business	5	-	-	121	-	121
Other income	5	-	-	-	12	12
<b>Total income</b>		<b>2,520</b>	<b>720</b>	<b>483</b>	<b>12</b>	<b>3,735</b>
Cost of sales		(420)	(16)	(68)	-	(504)
<b>Gross profit</b>		<b>2,100</b>	<b>704</b>	<b>415</b>	<b>12</b>	<b>3,231</b>
Adjusted operating expenses before depreciation, amortisation, and impairment		(963)	(314)	(155)	(1)	(1,433)
Share of profit after tax of associates		-	-	-	1	1
<b>Adjusted earnings before interest, tax, depreciation, amortisation and impairment</b>		<b>1,137</b>	<b>390</b>	<b>260</b>	<b>12</b>	<b>1,799</b>
Underlying depreciation, amortisation and impairment		(291)	(48)	(52)	-	(391)
<b>Adjusted operating profit</b>		<b>846</b>	<b>342</b>	<b>208</b>	<b>12</b>	<b>1,408</b>
Non-underlying depreciation, amortisation and impairment	7					(507)
Other non-underlying items excluding net finance expense	7					(4)
<b>Operating profit</b>						<b>897</b>
Net finance expense (including non-underlying items)	8					(94)
<b>Profit before tax from continuing operations</b>						<b>803</b>
<b>Profit before tax from discontinued operations</b>	3					<b>71</b>
<b>Profit before tax</b>						<b>874</b>

Re-presented results by operating segment for the six months ended 30 June 2021 are as follows:

<b>Continuing operations</b>		<b>Data &amp; Analytics</b>	<b>Capital Markets</b>	<b>Post Trade</b>	<b>Other</b>	<b>Group</b>
<b>Unaudited</b>		<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Revenue from external customers	5	2,020	539	338	-	2,897
Net treasury income from CCP clearing business	5	-	-	108	-	108
Other income	5	-	-	-	13	13
<b>Total income</b>		2,020	539	446	13	3,018
Cost of sales		(322)	(11)	(59)	-	(392)
<b>Gross profit</b>		1,698	528	387	13	2,626
Adjusted operating expenses before depreciation, amortisation, and impairment		(820)	(250)	(147)	(2)	(1,219)
Income from investments					11	11
Share of loss after tax of associates		-	-	-	(2)	(2)
<b>Adjusted earnings before interest, tax, depreciation, amortisation and impairment</b>		878	278	240	20	1,416
Underlying depreciation, amortisation and impairment		(221)	(30)	(46)	-	(297)
<b>Adjusted operating profit</b>		657	248	194	20	1,119
Non-underlying depreciation, amortisation and impairment	7					(387)
Other non-underlying items excluding net finance expense	7					(182)
<b>Operating profit</b>						550
Net finance expense (including non-underlying items)	8					(87)
<b>Profit before tax from continuing operations</b>						463
<b>Profit before tax from discontinued operations</b>						2,656
<b>Profit before tax</b>						3,119

## 5. Total income

The Group's revenue from contracts with customers disaggregated by segment, major product and service line, and timing of revenue recognition for the six months ended 30 June 2022 is as follows:

Continuing operations	Data & Analytics	Capital Markets	Post Trade	Other	Group
Unaudited	£m	£m	£m	£m	£m
<b>Revenue from external customers</b>					
<b>Major product and service lines</b>					
Trading & banking solutions	770	-	-	-	770
Enterprise data solutions	620	-	-	-	620
Investment solutions	637	-	-	-	637
Wealth solutions	131	-	-	-	131
Customer & third-party risk solutions	196	-	-	-	196
Recoveries	166	-	-	-	166
Equities	-	129	-	-	129
FX	-	124	-	-	124
Fixed income, derivatives and other	-	467	-	-	467
OTC derivatives	-	-	191	-	191
Securities & reporting	-	-	122	-	122
Non cash collateral	-	-	49	-	49
<b>Total revenue</b>	<b>2,520</b>	<b>720</b>	<b>362</b>	<b>-</b>	<b>3,602</b>
Net treasury income	-	-	121	-	121
Other income	-	-	-	12	12
<b>Total income</b>	<b>2,520</b>	<b>720</b>	<b>483</b>	<b>12</b>	<b>3,735</b>
<b>Timing of revenue recognition</b>					
Services satisfied at a point in time	75	504	356	-	935
Services satisfied over time	2,445	216	6	-	2,667
<b>Total revenue</b>	<b>2,520</b>	<b>720</b>	<b>362</b>	<b>-</b>	<b>3,602</b>

The Group's re-presented revenue from contracts with customers disaggregated by segment, major product and service line, and timing of revenue recognition for the six months ended 30 June 2021 is as follows:

<b>Continuing operations</b>	<b>Data &amp; Analytics</b>	<b>Capital Markets</b>	<b>Post Trade</b>	<b>Other</b>	<b>Group</b>
<b>Unaudited</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Revenue from external customers</b>					
<b>Major product and service lines</b>					
Trading & banking solutions	621	-	-	-	621
Enterprise data solutions	477	-	-	-	477
Investment solutions	525	-	-	-	525
Wealth solutions	102	-	-	-	102
Customer & third-party risk solutions	147	-	-	-	147
Recoveries	148	-	-	-	148
Equities	-	120	-	-	120
FX	-	91	-	-	91
Fixed income, derivatives and other	-	328	-	-	328
OTC derivatives	-	-	169	-	169
Securities & reporting	-	-	123	-	123
Non cash collateral	-	-	46	-	46
<b>Total revenue</b>	<b>2,020</b>	<b>539</b>	<b>338</b>	<b>-</b>	<b>2,897</b>
Net treasury income	-	-	108	-	108
Other income	-	-	-	13	13
<b>Total income</b>	<b>2,020</b>	<b>539</b>	<b>446</b>	<b>13</b>	<b>3,018</b>
<b>Timing of revenue recognition</b>					
Services satisfied at a point in time	66	366	331	-	763
Services satisfied over time	1,954	173	7	-	2,134
<b>Total revenue</b>	<b>2,020</b>	<b>539</b>	<b>338</b>	<b>-</b>	<b>2,897</b>

### Geographical disclosures

The Group's revenue from continuing operations disaggregated by geographical location of services provided is as follows:

<b>Six months ended 30 June</b>	<b>2022</b>	<b>2021</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>(Re-presented)</b>	
	<b>£m</b>	<b>£m</b>
UK	1,131	953
USA	1,270	965
Europe	563	526
Asia	465	317
Other	173	136
<b>Total revenue</b>	<b>3,602</b>	<b>2,897</b>

## 6. Operating expenses before depreciation, amortisation and impairment

Operating expenses before depreciation, amortisation and impairment comprise the following:

Six months ended 30 June		2022	2021
		Unaudited	Unaudited
		(Re-presented)	
Continuing operations	Note	£m	£m
Employee costs		905	770
IT costs		258	189
Professional fees		191	133
Short-term lease costs		6	24
Foreign exchange gains		(19)	(5)
Other costs		92	108
<b>Underlying operating expenses before depreciation, amortisation and impairment</b>		<b>1,433</b>	<b>1,219</b>
<b>Non-underlying operating expenses before depreciation, amortisation and impairment</b>	7	<b>160</b>	<b>182</b>
<b>Total operating expenses before depreciation, amortisation and impairment</b>		<b>1,593</b>	<b>1,401</b>

## 7. Non-underlying items

The Group separately identifies results before non-underlying items (adjusted). This provides the reader with supplemental data relevant to an understanding of the Group's financial performance, as non-underlying items of income and expense are material by their size and/or nature.

The Group uses its judgement to classify items as non-underlying. They include:

- Incremental depreciation, amortisation and impairment of any fair value adjustments of tangible or intangible assets recognised as a result of acquisitions
- Amortisation and impairment of goodwill and purchased intangible assets. Purchased intangible assets include customer relationships, trade names, and databases and content, all of which are as a result of acquisitions
- Other income or expenses not considered to drive the operating results of the Group (including transaction, integration and restructuring costs)
- Significant gains or losses on disposals
- Tax on non-underlying items

Six months ended 30 June		2022	2021
		Unaudited	Unaudited
		(Re-presented)	
	Notes	£m	£m
<b>Continuing operations</b>			
<b>Non-underlying expenses before interest, tax, depreciation, amortisation and impairment</b>			
Transaction costs		24	69
Integration costs		122	112
Restructuring and other costs		14	1
<b>Non-underlying operating expenses before depreciation, amortisation and impairment</b>		160	182
Profit on disposal of property, plant and equipment		(133)	-
Remeasurement gain		(23)	-
<b>Total non-underlying expenses before interest, tax, depreciation, amortisation and impairment</b>		4	182
<b>Non-underlying depreciation, amortisation and impairment</b>			
Depreciation and impairment of property, plant and equipment		24	7
Amortisation of intangible assets	12	483	380
<b>Total non-underlying depreciation, amortisation and impairment</b>		507	387
<b>Non-underlying items before interest and tax</b>		511	569
Non-underlying net finance expense	8	13	1
<b>Non-underlying items before tax</b>		524	570
Non-underlying tax		(103)	39
<b>Non-underlying items</b>		421	609

Transaction costs mainly relate to the following acquisitions:

- GDC (note 2.1)
- MayStreet (note 2.2)
- Refinitiv – mainly fair value adjustments to the outstanding Tradeweb equity-settled awards of £7 million (H1 2021: £17 million)

Integration costs relate to activities to integrate acquired businesses with the Group and mainly consist of Refinitiv integration costs of £108 million (H1 2021: £93 million)

On 5 January 2022, the Group completed the sale of one of its freehold properties in the UK for a cash sum of £153 million realising a gain on disposal of £133 million.

Prior to the acquisition of GDC on 31 May 2022, LSEG held an 11% equity interest in GDC. The acquisition date fair value of the previously held interest resulted in a remeasurement gain of £23 million.

We have continued to review our property needs following the acquisition of Refinitiv. The decision to exit and sub-let some of our property has resulted in a £24 million impairment to right-of-use property assets and some fixtures and fittings.

Amortisation of intangibles of £483 million mainly relates to the amortisation of intangible assets recognised as a result of the acquisition of Refinitiv.

We have also recognised a £103 million non-underlying tax benefit which mainly reflects the tax impact of the Group's non-underlying items computed based on the tax rates applicable to the respective territories.

## 8. Net finance expense

Six months ended 30 June		2022	2021
		Unaudited	Unaudited
		(Re-presented)	
	Note	£m	£m
<b>Continuing operations</b>			
<b>Finance income</b>			
Interest income on retirement benefit assets		36	16
Bank deposit and other interest income		4	2
Other finance income		-	1
<b>Underlying finance income</b>		<b>40</b>	<b>19</b>
<b>Finance expense</b>			
Interest payable on bank and other borrowings <sup>1</sup>		(70)	(83)
Interest cost on retirement benefit obligations		(31)	(14)
Lease interest expense		(7)	(6)
Other finance expenses		(13)	(2)
<b>Underlying finance expense</b>		<b>(121)</b>	<b>(105)</b>
<b>Non-underlying net finance expense</b>	7	<b>(13)</b>	<b>(1)</b>
<b>Net finance expense</b>		<b>(94)</b>	<b>(87)</b>

<sup>1</sup> Interest payable includes amounts where the Group incurs negative interest on its cash deposits.

## 9. Taxation

Six months ended 30 June	2022 Unaudited £m	2021 Unaudited (Re-presented) £m
<b>Continuing operations</b>		
<b>Tax recognised in the income statement</b>		
<b>Current tax</b>		
UK corporation tax for the period	20	13
Overseas tax for the period	91	48
Adjustments in respect of previous years	22	2
<b>Total current tax</b>	<b>133</b>	<b>63</b>
<b>Deferred tax</b>		
Deferred tax for the period	44	205
Adjustments in respect of previous years	(8)	1
Deferred tax benefit on amortisation and impairment of purchased intangible assets	(10)	(15)
<b>Total deferred tax</b>	<b>26</b>	<b>191</b>
<b>Total tax</b>	<b>159</b>	<b>254</b>

Six months ended 30 June	2022 Unaudited £m	2021 Unaudited (Re-presented) £m
<b>Continuing operations</b>		
<b>Tax on items recognised in other comprehensive income</b>		
<b>Deferred tax (benefit)/expense</b>		
Actuarial losses/gains on retirement benefit obligations	(35)	19
Net gains/losses of financial assets (at FVOCI)	2	(1)
<b>Total tax recognised in other comprehensive income</b>	<b>(33)</b>	<b>18</b>
<b>Tax recognised directly in equity</b>		
<b>Current tax benefit</b>		
Share-based payments in excess of expense recognised	(6)	(6)
Share-based payments in excess of expense recognised (in non-controlling interests)	(7)	-
<b>Deferred tax expense</b>		
Share-based payments in excess of expense recognised	-	2
Share-based payments in excess of expense recognised (in non-controlling interests)	91	-
Investment in partnerships (recognised in non-controlling interests)	(35)	-
<b>Total tax recognised in equity</b>	<b>43</b>	<b>(4)</b>
<b>Total tax recognised in other comprehensive income and equity</b>	<b>10</b>	<b>14</b>



**Factors affecting the tax charge for the period**

The income statement tax charge for the period differs from the standard rate of corporation tax in the UK of 19% (30 June 2021: 19%) as explained below:

Six months ended 30 June	2022 Unaudited	2021 Unaudited (Re-presented)
	£m	£m
<b>Continuing operations</b>		
<b>Profit before tax from continuing operations</b>	<b>803</b>	463
<b>Profit multiplied by standard rate of corporation tax in the UK</b>	<b>152</b>	88
Overseas earnings taxed at higher rate	9	4
Adjustment arising from changes in tax rates	(12)	159
Income not taxable	(2)	-
Adjustments in respect of previous years	14	3
Other	(2)	-
<b>Taxation charge from continuing operations</b>	<b>159</b>	254

**Uncertain tax positions****EU State Aid**

The Group continues to monitor developments in relation to EU State Aid investigations. On 25 April 2019, the EU Commission's final decision regarding its investigation into the UK's Controlled Foreign Company (CFC) regime was published. It concluded that the Finance Company Partial Exemption (FCPE) rules in the UK tax legislation partially represent illegal State Aid. The Group had financing arrangements that utilised the FCPE during this period.

In December 2019 and the beginning of 2021, HMRC issued determinations to the Group totalling £10.5 million, excluding interest and penalties, which the Group paid.

The Group, several other UK PLCs and the UK Government submitted appeals to the EU General Court to annul the EU Commission's findings. On 8 June 2022, the EU General Court rejected the appeals. Affected parties have until 18 August 2022 to appeal this decision to the European Court of Justice (ECJ). If the decision is appealed, it will be some time before the issues are conclusively determined by the ECJ. Until then, the UK Government is required to continue recovering amounts determined to be State Aid.

Currently, the Group's view is that an appeal is likely and no provision is required. Additionally, and in accordance with IFRIC 23, the Group continues to recognise a receivable against the HMRC determinations paid to date of £10.5 million. The maximum potential exposure excluding interest remains between nil and £65 million.

**IRS Audit**

The Group continues to be under audit in the US by the Internal Revenue Service (IRS) in relation to the interest rate applied on certain cross border intercompany loans from the UK to the US. In 2020, the IRS issued a Notice of Proposed Adjustment. The maximum tax exposure is approximately US\$145 million; however, this is the upper bound of a range of nil to US\$145 million (plus interest and penalties) over the lifetime of the loans. The Group has an uncertain tax liability of £12 million (\$16 million) recorded on the balance sheet related to this issue. The liability was measured based on a probability weighted average of potential outcomes. The issue is currently under appeal, and we expect to agree on a satisfactory settlement in H2 2022.

**HMRC audit of intellectual property valuation**

HMRC is auditing the value of certain intellectual property purchased from Thomson Reuters as part of the formation of Refinitiv. Intellectual property valuation is complex and significantly affected by multiple inputs of assumptions. As the outcome is uncertain, especially given the inherent subjectivity of the topic, the Group has recorded an uncertain tax liability in accordance with the requirements of IFRS. Management and HMRC continue to actively discuss this topic.

**Diverted Profits Tax to Thomson Reuters**

HMRC continues to issue notices of assessment under the Diverted Profits Tax (DPT) regime to Thomson Reuters largely related to its Financial and Risk Business for years prior to the sale of the business to Refinitiv. As required by the notices and as directed by Thomson Reuters, the Group makes payments to HMRC which are immediately reimbursed by Thomson Reuters in accordance with an indemnity agreement. Thomson Reuters does not agree with the assessments and will continue to defend their position by contesting the assessments through all available administrative and judicial remedies.

### Russian tax audit

The Group is under audit by the Russian Tax Authorities for the period 2018-2020, which could result in additional taxes being paid locally. We do not agree with the Tax Authorities' view and will continue to defend our position through all available administrative and judicial remedies. We have recorded an uncertain tax liability in accordance with the requirements of IFRS.

## 10. Earnings per share

Earnings per share is presented on four bases: basic earnings per share, diluted earnings per share, adjusted basic earnings per share and adjusted diluted earnings per share and is calculated on actual values (before any rounding effects). Basic earnings per share is in respect of all activities. Diluted earnings per share takes into account the dilutive effect that would arise on conversion or vesting of all outstanding share options and share awards under the Group's share option and award schemes. Adjusted basic earnings per share and adjusted diluted earnings per share exclude non-underlying items.

Six months ended 30 June	2022			2021		
	Unaudited			Unaudited (Re-presented)		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Basic earnings per share	98.0p	9.6p	107.6p	27.2p	508.1p	535.3p
Diluted earnings per share	97.3p	9.5p	106.8p	27.2p	505.0p	532.2p
Adjusted basic earnings per share	167.4p	10.0p	177.4p	139.0p	22.5p	161.5p
Adjusted diluted earnings per share	166.1p	9.9p	176.0p	138.1p	22.4p	160.5p

### Profit and adjusted profit for the period attributable to the Company's equity holders

Six months ended 30 June	Note	2022			2021		
		Unaudited			Unaudited (Re-presented)		
		Continuing £m	Discontinued £m	Total £m	Continuing £m	Discontinued £m	Total £m
Profit for the financial period attributable to the Company's equity holders		548	53	601	143	2,635	2,778
Adjustments:							
Non-underlying items net of tax	7	421	2	423	609	(2,517)	(1,908)
Non-underlying items attributable to non-controlling interests		(35)	-	(35)	(31)	(1)	(32)
Adjusted profit for the financial period attributable to the Company's equity holders		934	55	989	721	117	838

### Weighted average number of shares

Six months ended 30 June	2022 Unaudited millions	2021 Unaudited millions
Weighted average number of shares <sup>1</sup>	558	519
Dilutive effect of share options and awards	4	3
Diluted weighted average number of shares	562	522

<sup>1</sup> The weighted average number of shares excludes those held in the Employee Benefit Trust.

## 11. Dividends

Six months ended 30 June	2022 Unaudited £m	2021 Unaudited £m
Final dividend for 31 December 2020 paid 26 May 2021: 51.7p per Ordinary share	-	287
Final dividend for 31 December 2021 paid 25 May 2022: 70.0p per Ordinary share	390	-
	390	287

Dividends are only paid out of available distributable reserves of the Company.

The Board has proposed an interim dividend in respect of the six months ended 30 June 2022 of 31.7p per share, which amounts to an expected payment of £177 million, to be paid in September 2022. This is not reflected in these interim condensed consolidated financial statements.

## 12. Intangible assets

	Purchased intangible assets						Total £m
	Goodwill	Customer and supplier relationships	Brands	Database and content	Software licences and intellectual property	Software, contract costs and other	
	£m	£m	£m	£m	£m	£m	
<b>Cost</b>							
1 January 2022	17,953	8,721	1,956	2,434	702	3,232	34,998
Acquisition of subsidiaries (note 2)	261	95	-	-	67	-	423
Additions <sup>1</sup>	-	-	-	-	-	369	369
Disposals and write-offs	-	-	-	-	-	(21)	(21)
Transfer to assets held for sale	-	-	(48)	-	-	(162)	(210)
Foreign exchange translation	1,545	942	190	276	43	219	3,215
<b>30 June 2022 (Unaudited)</b>	<b>19,759</b>	<b>9,758</b>	<b>2,098</b>	<b>2,710</b>	<b>812</b>	<b>3,637</b>	<b>38,774</b>
<b>Accumulated amortisation and impairment</b>							
1 January 2022	467	956	398	224	315	914	3,274
Amortisation charge for the period <sup>2</sup>	-	279	72	112	17	273	753
Disposals and write-offs	-	-	-	-	-	(21)	(21)
Transfer to assets held for sale	-	-	(4)	-	-	(29)	(33)
Foreign exchange translation	12	99	38	33	8	44	234
<b>30 June 2022 (Unaudited)</b>	<b>479</b>	<b>1,334</b>	<b>504</b>	<b>369</b>	<b>340</b>	<b>1,181</b>	<b>4,207</b>
<b>Net book values</b>							
<b>30 June 2022 (Unaudited)</b>	<b>19,280</b>	<b>8,424</b>	<b>1,594</b>	<b>2,341</b>	<b>472</b>	<b>2,456</b>	<b>34,567</b>
31 December 2021	17,486	7,765	1,558	2,210	387	2,318	31,724

<sup>1</sup> Includes additions for continuing and discontinued operations. Consideration for additions for continuing operations includes £363 million in cash

<sup>2</sup> Includes amortisation of intangible assets from continuing and discontinued operations. Amortisation from continuing operations of £744 million includes non-underlying amortisation of £483 million

### Goodwill and purchased intangible assets: Impairment testing

The Group performs its annual impairment testing for goodwill and purchased intangible assets in December and when circumstances indicate that the carrying values may be impaired. The Group's impairment testing is based on value-in-use calculations. The key assumptions used to determine the value-in-use for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2021.

There were no circumstances indicating that the goodwill and purchased intangible assets may be impaired during the current reporting period.

## 13. Investments in financial assets

### Equity instruments

The Group holds equity investments in a number of companies, the largest of which is its stake in Euroclear. Movements in the period in the fair value of the investments in equity instruments (which are almost entirely classified as Level 3) are as follows:

	2022 £m
1 January 2022	351
Revaluation gains recognised in other comprehensive income	21
Foreign exchange translation	13
<b>30 June 2022 (Unaudited)</b>	<b>385</b>

### Fair value of equity instruments

In the absence of any relevant third-party data on the fair value of its investments, the Group undertakes its own internal valuations, as detailed in the annual consolidated financial statements for the year ended 31 December 2021. The Group regularly reviews the financial information of its investments which is available publicly or received as a shareholder.

## 14. Financial assets and financial liabilities

The Group has a range of financial assets and financial liabilities, the largest of which are clearing member trading assets and liabilities. The Group classifies its financial instruments as fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) or amortised cost. Management has assessed that the fair values of financial assets and financial liabilities categorised as being at amortised cost approximate to their carrying values, with the exception of Group borrowings. The fair values of the Group's borrowings are disclosed in note 15.

The Group's financial assets and financial liabilities held at fair value consist largely of securities which are restricted in use for the operations of the Group's Central Counterparties (CCPs) as managers of their respective clearing and guarantee systems.

The Group adopts a forward-looking approach to estimating impairment losses on financial assets. An expected credit loss (ECL) arises if the expected cash flows are lower than the contractual cash flows due. As at 30 June 2022, there are no provisions for expected credit losses in relation to any of the CCP businesses' financial assets held at amortised cost or FVOCI (31 December 2021: nil). The Group closely monitors its CCP investment portfolio and invests only in government debt and other collateralised instruments where the risk of loss is minimal. There was no increase in credit risk in the period and none of the assets are past due (31 December 2021: nil).

## Financial instruments by category

The financial instruments are categorised as follows:

### Financial assets

30 June 2022 Unaudited	Amortised cost £m	FVOCI £m	FVPL £m	Total £m
<b>Clearing business financial assets</b>				
Clearing member trading assets	4,977	-	707,456	712,433
Other receivables from clearing members	6,129	-	-	6,129
Other financial assets	-	15,545	-	15,545
Clearing member cash and cash equivalents <sup>1</sup>	110,795	-	-	110,795
	121,901	15,545	707,456	844,902
Trade and other receivables <sup>2</sup>	1,336	-	18	1,354
Cash and cash equivalents	2,520	-	-	2,520
Investments in financial assets - equity instruments	-	385	-	385
Derivative financial instruments	-	-	75	75
<b>Total financial assets</b>	<b>125,757</b>	<b>15,930</b>	<b>707,549</b>	<b>849,236</b>

<sup>1</sup> Clearing member cash and cash equivalents represents amounts received from the clearing members to cover initial and variation margins, and default fund contributions that are not invested in bonds. These amounts are deposited with banks, including central banks, or invested securely in short-term reverse repurchase contracts (reverse repos).

<sup>2</sup> Prepayments and contract assets within trade and other receivables are not classified as financial instruments.

### Financial assets measured at fair value

The following table provides the fair value measurement hierarchy of the Group's financial assets measured at fair value:

30 June 2022 Unaudited	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total fair value £m
<b>Clearing business financial assets</b>				
Derivative instruments	232	17,785	-	18,017
Non-derivative instruments	-	689,439	-	689,439
Other financial assets	15,545	-	-	15,545
	15,777	707,224	-	723,001
Investments in financial assets - equity instruments	1	-	384	385
<b>Derivatives not designated as hedges</b>				
Foreign exchange forward contracts	-	75	-	75
Trade and other receivables - convertible loan notes	-	-	18	18
<b>Total financial assets at fair value</b>	<b>15,778</b>	<b>707,299</b>	<b>402</b>	<b>723,479</b>

There were no transfers between levels during the period.

## Financial liabilities

30 June 2022	Amortised cost	FVPL	Total
Unaudited	£m	£m	£m
<b>Clearing business financial liabilities</b>			
Clearing member trading liabilities	4,977	707,456	712,433
Other payables to clearing members	132,218	-	132,218
	137,195	707,456	844,651
Trade and other payables <sup>1</sup>	2,311	-	2,311
Borrowings	8,318	-	8,318
Derivative financial instruments	-	112	112
<b>Total financial liabilities</b>	<b>147,824</b>	<b>707,568</b>	<b>855,392</b>

<sup>1</sup> Social security and other taxes within trade and other payables are not classified as financial instruments.

## Financial liabilities measured at fair value

The following table provides the fair value measurement hierarchy of the Group's financial liabilities measured at fair value:

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value
30 June 2022	£m	£m	£m	£m
<b>Unaudited</b>				
<b>Clearing business financial liabilities</b>				
Derivative instruments	232	17,785	-	18,017
Non-derivative instruments	-	689,439	-	689,439
	232	707,224	-	707,456
<b>Derivatives not designated as hedges</b>				
Foreign exchange forward contracts	-	22	-	22
<b>Derivatives designated as hedges</b>				
Cross-currency interest rate swaps	-	90	-	90
<b>Total financial liabilities at fair value</b>	<b>232</b>	<b>707,336</b>	<b>-</b>	<b>707,568</b>

There were no transfers between levels during the period.

The financial instruments of the Group at 31 December 2021 were categorised as follows:

**Financial assets**

31 December 2021	Amortised cost £m	FVOCI £m	FVPL £m	Total £m
<b>Clearing business financial assets</b>				
Clearing member trading assets	1,476	-	645,587	647,063
Other receivables from clearing members	4,184	-	-	4,184
Other financial assets	-	13,784	-	13,784
Clearing member cash and cash equivalents	83,795	-	-	83,795
	89,455	13,784	645,587	748,826
Trade and other receivables	1,020	-	6	1,026
Cash and cash equivalents	2,665	-	-	2,665
Investments in financial assets - equity instruments	-	351	-	351
Derivative financial instruments	-	-	27	27
<b>Total financial assets</b>	<b>93,140</b>	<b>14,135</b>	<b>645,620</b>	<b>752,895</b>

**Financial assets measured at fair value**

The following table provides the fair value measurement hierarchy of the Group's financial assets at 31 December 2021:

31 December 2021	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total fair value £m
<b>Clearing business financial assets</b>				
Derivative instruments	47	2,631	-	2,678
Non-derivative instruments	-	642,909	-	642,909
Other financial assets	13,784	-	-	13,784
	13,831	645,540	-	659,371
Investments in financial assets - equity instruments	1	-	350	351
<b>Derivatives not designated as hedges</b>				
Foreign exchange forward contracts	-	27	-	27
Trade and other receivables - convertible loan notes	-	-	6	6
<b>Total financial assets at fair value</b>	<b>13,832</b>	<b>645,567</b>	<b>356</b>	<b>659,755</b>

There were no transfers between levels during the year to 31 December 2021.

## Financial liabilities

31 December 2021	Amortised cost £m	FVPL £m	Total £m
<b>Clearing business financial liabilities</b>			
Clearing member trading liabilities	1,476	645,587	647,063
Other payables to clearing members	101,581	-	101,581
	103,057	645,587	748,644
Trade and other payables	2,727	-	2,727
Borrowings	7,654	-	7,654
Derivative financial instruments	-	52	52
<b>Total financial liabilities</b>	<b>113,438</b>	<b>645,639</b>	<b>759,077</b>

## Financial liabilities measured at fair value

The following table provides the fair value measurement hierarchy of the Group's financial liabilities measured at fair value at 31 December 2021:

31 December 2021	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	Total fair value £m
<b>Clearing business financial liabilities</b>				
Derivative instruments	47	2,631	-	2,678
Non-derivative instruments	-	642,909	-	642,909
	47	645,540	-	645,587
<b>Derivatives not designated as hedges</b>				
Foreign exchange forward contracts	-	8	-	8
<b>Derivatives designated as hedges</b>				
Cross-currency interest rate swaps	-	44	-	44
<b>Total financial liabilities at fair value</b>	<b>47</b>	<b>645,592</b>	<b>-</b>	<b>645,639</b>

There were no transfers between levels during the year to 31 December 2021.

## Derivatives and hedging

As at 30 June 2022, the Group had derivative financial assets of £75 million (31 December 2021: £27 million) and derivative financial liabilities of £112 million (31 December 2021: £52 million). The components of this are set out below.

The Group uses foreign exchange contracts to manage its foreign exchange risk. The fair value of these derivatives as at 30 June 2022 was an asset of £14 million (31 December 2021: £14 million) and a liability of £22 million (31 December 2021: £5 million).

The Group has embedded foreign currency derivatives primarily in revenue contracts where the currency of the contract is different from the functional or local currencies of the parties involved. The fair value of embedded derivatives as at 30 June 2022 was an asset of £61 million (31 December 2021: £13 million) and a liability of nil (31 December 2021: £3 million).

Hedge accounting has not been applied to foreign currency forwards or embedded derivatives.



In September 2017, the Group entered into cross-currency interest rate swaps to swap €700 million of bonds into US\$836 million. The fair value of these swaps as at 30 June 2022 was a liability of £90 million (31 December 2021: £44 million). The cross-currency interest rate swaps have been designated as a hedging instrument and a loss of £47 million has been recognised in other comprehensive income for the period ended 30 June 2022 (H1 2021: £13 million).

In February 2021, the Group entered into a series of US dollar interest rate swaps, which were designated as cash flow hedges. The interest rate swaps were settled in March and April 2021 and a gain of US\$31 million (£22 million) was recognised in the hedging reserve. During the period £1 million was recycled to the income statement (H1 2021: nil).

#### Non derivative hedges

€800 million of the Group's bonds and the €700 million of bonds swapped into US dollars via cross-currency interest rate swaps have been designated as a net investment hedge. For the period to 30 June 2022, a loss of £38 million (H1 2021: £85 million gain) was recognised in other comprehensive income.

## 15. Borrowings and net debt

### Borrowings

	30 June 2022 Unaudited £m	31 December 2021 £m
<b>Current</b>		
Bank borrowings - committed bank facilities <sup>1</sup>	60	-
<b>Total current borrowings</b>	60	-
<b>Non-current</b>		
Bonds	6,760	6,306
Bank borrowings - committed bank facilities and term loans	1,497	1,347
Trade finance loans	1	1
<b>Total non-current borrowings</b>	8,258	7,654
<b>Total borrowings</b>	8,318	7,654

<sup>1</sup> Balances are shown net of capitalised arrangement fees of £6 million

During the period, US\$250 million, €42 million and £32 million was drawn down on the multi-currency revolving credit facility; US\$170 million, €42 million and £32 million was repaid, with US\$80 million (£66 million) outstanding as at 30 June 2022 (31 December 2021: nil).

The movement in non-current bonds and bank borrowings during the period relates to foreign exchange translation movements.

The fair value of total borrowings as at 30 June 2022 was £7,911 million (31 December 2021: £7,765 million).

## Analysis of net debt

Net debt comprises cash and cash equivalents less interest-bearing loans and borrowings, lease liabilities, and derivative financial instruments.

	30 June 2022 Unaudited £m	31 December 2021 £m
<b>Current</b>		
Cash and cash equivalents	2,520	2,665
Bank borrowings	(60)	-
Lease liabilities	(126)	(168)
Derivative financial assets	65	25
Derivative financial liabilities	(22)	(7)
<b>Total due within one year</b>	<b>2,377</b>	<b>2,515</b>
<b>Non-current</b>		
Bonds	(6,760)	(6,306)
Bank borrowings	(1,497)	(1,347)
Trade finance loans	(1)	(1)
Lease liabilities	(559)	(547)
Derivative financial assets	10	2
Derivative financial liabilities	(90)	(45)
<b>Total due after one year</b>	<b>(8,897)</b>	<b>(8,244)</b>
<b>Net debt</b>	<b>(6,520)</b>	<b>(5,729)</b>

## 16. Commitments and contingencies

The Group has no contracted capital commitments which are not provided for in the interim condensed consolidated financial statements. The Group has a long-term agreement with Reuters News, to receive news and editorial content in return for a minimum CPI adjusted payment, which amounted to around US\$340 million for the 2021 financial year.

The Group has commitments of £12 million for professional fees relating to the divestment of BETA. The amount was payable on the successful completion of the divestment (30 June 2021: nil).

In the normal course of business, the Group can receive legal claims including, for example, in relation to commercial matters, service and product quality or liability, employee matters and tax audits. The Group is also involved in legal proceedings and actions, engagement with regulatory authorities and in dispute resolution processes. These are reviewed on a regular basis and, where possible, an estimate is made of the potential financial impact on the Group.

In appropriate cases a provision is recognised based on advice, best estimates and management judgement. Where it is too early to determine the likely outcome of these matters, no provision is made. Whilst the Group cannot predict the outcome of any such current or future matters with any certainty, it currently believes the likelihood of any material liabilities to be low, and that these will not have a material adverse effect on its consolidated income, financial position or cash flows.

## 17. Events after the reporting period

On 1 July 2022, BETA was sold for a total cash consideration of US\$1.1 billion (refer to note 3).

## Principal Risks

The effective management of risk is critical to the execution of the Group's strategy. Accordingly, the Group maintains a robust Enterprise-wide Risk Management Framework (ERMF), which sets out the Group's approach to risk management and its appetite for taking risks. Our regulated entities, including clearing houses, manage their risks in-line with both local regulation and internal risk and investment policies.

As well as our principal risks, we continue to identify and monitor emerging risks which are either new to the Group or are difficult to quantify due to their remote or evolving nature. In most cases, the mitigation for such emerging risks is to establish appropriate contingency plans and monitor the development of the risk until it can be quantified and removed or included as a principal risk. The Group does not consider the landscape of principal risks and uncertainties set out on pages 50 to 59 of its Annual Report for the year ended 31 December 2021 to have changed materially.

## Strategic Risks

Risks related to our strategy (including the implementation of strategic initiatives and external threats to the achievement of our strategy). The category also includes risks associated with reputation or brand values.

### Global economic and Geo-political (Executive Lead: Chief Executive Officer)

As a financial markets infrastructure and data provider, we operate in a broad range of equity, fixed income, foreign exchange and derivative markets servicing customers who increasingly seek global products and innovative solutions. If the global economy underperforms, or there is reduced activity in our markets, it may lead to lower revenue. Throughout the COVID-19 pandemic, the global economy received unprecedented support from central banks and governments. Although longer term impacts to the global economy remain uncertain, rising inflation, during H1 2022, has led to central banks to be less accommodative and raise interest rates; this has impacted financial markets and is expected to slow economic growth during the remainder of 2022. More broadly, geopolitical relations continue to influence global financial markets, particularly the ongoing conflict between Russia and Ukraine which resulted in our decision to terminate services to Russian clients and close most of our operations in Russia. In addition, the Group continues to monitor Western relations with China. Whilst well diversified, these global risks could have an adverse impact on the Group's businesses, operations, financial condition and cash flows.

### Reputation/Brand/IP (Executive Lead: Chief Executive Officer)

Several of the Group's businesses are iconic and trusted international brands. Their strong reputations are valuable for the Group and its business credibility with regulators and attractiveness to customers alike. Some events or actions could damage the reputation and brand of the Group, such as miscommunication on social media, misrepresentation, interruption of services or regulatory censure which could as a consequence adversely impact the Group's business, financial condition and operating results. The Group has a portfolio of intellectual property including brands, products and services which are proprietary and protected by patent, trademark and copyright. Some of the Group's products and processes may include subject matter not subject to intellectual property protection by the Group. And competitors of the Group may also independently develop and patent, or otherwise protect products or processes, that are the same or similar to our products and processes. In either scenario, failure to protect the Group's intellectual property rights appropriately could result in reputational damage and affect the Group's ability to compete. Additionally, any financial impact would be compounded by costs incurred to defend or enforce our intellectual property rights.

### Transformation (Executive Lead: Chief Executive Officer, Chief Operating Officer)

The Group is materially exposed to risk of loss or failure resulting from transformation or integration as it continues to grow rapidly both organically and inorganically. Acquisitions may, in some cases, be complex or necessitate change to operating models, business models, technology and people. The Group's success has a high dependency on its ability to integrate all parts of its business, including acquisitions, realise synergies across the Group, and ensure that the Group is able to compete on a global scale. A failure to align the businesses of the Group successfully may lead to: an increased cost base without a commensurate increase in revenue; a failure to capture future product and market opportunities; and risks in respect of capital requirements, regulatory relationships and management time.

In particular, some of the key challenges associated with the integration of Refinitiv include coordinating and consolidating services, technology and operations spanning different countries, regulatory regimes and cultures. Furthermore, the divestment of the Borsa Italiana Group in April 2021 that includes exiting transitional services in 2022 and ongoing support to Borsa Italiana Group's trading platforms until 2023, carries additional risk related to the separation of two technology estates and associated operations. The Group has engaged in further M&A activity, both acquisitions and divestments, in 2022. Acquisitions require the Group to operate and integrate different technology platforms and systems. In addition, challenges for the Group include maintaining the operational resilience and security of legacy platforms, and consolidating services, or developing new services, where underlying assets used to provide those services are subject to contractual commitments with third parties.

The Group faces significant competition in each of its main business areas. The businesses have to respond to this at the same time as navigating through various transformation and integration activities. The markets for the Group's data, information, services and products are highly competitive and are subject to rapid technological changes and evolving customer demands and needs. Accordingly, the Group has a sizeable strategic change agenda to transform its products, services and platforms as it leverages growth synergies and upgrades and replaces legacy infrastructure.

## **Financial and Model Risks**

The risk of financial failure, loss of earnings and/or capital as a result of investment activity, lack of liquidity, funding or capital, and/or the inappropriate use of models.

### **CCP Risk (Executive Lead: Group Head of Post Trade)**

The Group's CCP activities expose it to a number of financial risks that arise from the CCP's obligation to guarantee the performance of cleared contracts between its members in the event a member defaults. In the event of a member default the CCP must restore a matched book by liquidating or transferring the defaulting member's positions held with the CCP. This can expose the CCP to both adverse changes in the market value of the positions (such as changes in asset prices, interest rates, credit spreads and foreign exchange) and liquidation costs (such as the cost of finding liquidity to exit the positions). In addition, the CCP has treasury investment risk arising from the investment of member cash and liquidity risk arising from its ongoing payment obligations. If the CCP does not have sufficient cash available, there is a risk of a liquidity shortfall (i.e. the CCP failing to meet its payments). Non-financial risks arise as a result of the CCP's day to day operations, such as operational risk, legal & compliance risk and reputational risk.

### **Model Risk (Executive Lead: Divisional Group Heads, Chief Risk Officer)**

The Group's model risks could arise from errors during the development, implementation, use, or decisions based on outputs, of models. The Group utilises a suite of models, including Artificial Intelligence (AI), across all three of its business divisions (e.g. margin models used within our CCPs, market abuse detection models within the Capital Markets division, as well as Risk's capital and climate stress models). Model risks could impact both the reputation and the financial condition of the Group.

## **Operational Risks**

The risk of loss, or other adverse consequences to the business, resulting from inadequate, or failures associated with, internal processes, people and systems, or from external events.

### **Technology (Executive Lead: Chief Information Officer)**

LSEG is highly dependent on the development and operation of its sophisticated technology and advanced information systems and those of its third-party service and outsourcing providers. Technology failures potentially leading to system outages may impact our customers and the orderly running of our markets, data services and distribution. There has been some disruption primarily to Refinitiv client services this year caused by legacy issues identified in Refinitiv's technology estate, but overall, the number and severity of incidents continues to decline. The integration of Refinitiv's larger technology footprint and operations, increased reliance on third-party services, continued movement to cloud-based platforms and the shift to hybrid working practices all increase the technology risk for the Group.

### **Information and cyber security threats (Executive Lead: Chief Information Officer)**

As a global Financial Markets Infrastructure (FMI) and data provider, LSEG is exposed to cyber risk. Significant cyber events continue to be observed in the financial sector and in the broader economy that demonstrate the motivation and sophistication of cyber adversaries and the impact they can have on the victim organisation. LSEG is the sum of its networks, users and devices. It consists of an eco-system of trusted vendors and business partners with a workforce that is increasingly dynamic in terms of how, when and where they are authorised to gain access to our technology environment and digital assets. In addition to the direct impact on ourselves, our role as an FMI provider underscores the systemic impact a cyber event would have on the UK financial sector and the global markets that we serve. Cyber risk does not respect and is not bound by organisational perimeters and high profile external cyber events reinforce this inter-connectivity and inter-dependency and highlight the exposure to risks arising outside of a firm's own control environment. We must acknowledge, to remain competitive in this era of digitalisation and open platforms, that cyber risk cannot be eliminated, however, it can be managed to a level of risk that we are prepared to take as a cost of doing business.

### **Business Continuity (Executive Lead: Chief Information Officer, Chief Risk Officer, Divisional Group Heads)**

Business continuity is one of the key objectives of the Group's Operational Resilience strategy, helping to address the Group's ability to prevent, adapt, respond and recover from operational disruptions to minimise the impact on our customers and on the financial stability of capital markets. Whilst the Group has processes and controls in place to ensure the continuity of its services and operations, unforeseen events such as physical security and system security threats, epidemic or pandemic, or a major system breakdown, could impact the continuity of the Group's services, its

reputation and its financial condition, causing financial detriment both internally and externally to the wider market. The Group's operations in Ukraine and Russia were impacted by the Russian invasion requiring us to comply with relevant sanctions, local legislative concerns and ensuring the wellbeing of impacted colleagues. This initially triggered a decision to suspend service for Russian clients followed by the exit of our Russian business (excluding Kortess). Ongoing political and economic disruption in Sri Lanka meant the Group put in place mitigations to ensure operations are not impacted.

#### **Third-party risk (Executive Lead: Chief Operating Officer, Divisional Group Heads, Chief Information Officer)**

Failure to manage the risks associated with the selection, management and oversight of critical third-party suppliers could impact the Group's ability to deliver its strategic objectives. Our suppliers are exposed to a range of risks, including Geo-Political, Cyber Security Threats and Regulatory Compliance, whereby events may result in suppliers being unable to meet their contractual, regulatory, confidentiality or other obligations to the Group. This could lead to material financial loss, higher costs, regulatory actions and reputational harm. The Group and its entities engage third-party service providers, and external service providers, including Cloud Service Providers (CSPs).

The Group has engaged CSPs to host critical services and data. The Group also relies on access to certain data used in its business through licences with third-parties. Some of this data is provided exclusively by suppliers and may not be obtained from other sources.

#### **Data governance (Executive Lead: Divisional Group Heads, Chief Operating Officer)**

LSEG plays a significant role in the financial markets infrastructure and data provider landscapes with commitments to its customers, counterparties, owners, vendors, regulators and the public in the proper usage of its data. LSEG collects, processes, licenses, calculates, owns, transforms, administers and distributes data in many formats (e.g. structured, unstructured, electronic and print formats, audio-visual data, production, testing, archive data, derived data and personal data).

Failure to govern the Group's data successfully could result in those data being unfit for purpose with respect to quality and usage. This could result in the Group or its customers and stakeholders utilising deficient data when making decisions, which could adversely affect the Group's reputation, financial condition and operating results. Data privacy breaches, misuse of personal data or failure to protect confidential information could adversely affect the Group's reputation, expose it to litigation or other legal or regulatory actions. Unauthorised data access or privacy breaches may cause some of the Group's customers to lose confidence in its security measures and could impact the Group's financial performance.

#### **People and Talent (Executive Lead: Chief People Officer)**

People and culture risks could arise from a lack of critical skills, talent and knowledge, resulting in the Group being unable to achieve its objectives. These risks can arise from ineffective career development, organisational structures and leadership, all of which could impact on the engagement and wellbeing of our people. Furthermore, increased market competition can result in inability to attract and retain diverse, high-performing talent, and/or it could lead to a disengaged workforce.

#### **Regulatory Change and Compliance (Executive Lead: General Counsel, Chief Executive Officer, Divisional Group Heads)**

LSEG is a global business operating within many regulatory environments. The Group is exposed to risks associated with changes to regulatory requirements, and how we manage that change. These include: risks arising from the conditions under which LSEG can access a particular market (e.g. EU equivalence for UK CCPs); the regulation and supervision of new activities; the overall reforms in the wholesale markets in the EU and the UK; and the greater focus on information and cyber security, data localisation, and ESG data and scoring providers. There is also a risk that one or more of the Group's entities may fail to comply with the laws and regulatory requirements to which it is subject. In this event, the entity may be subject to censures, fines and other regulatory or legal proceedings.

## Directors

The Directors of London Stock Exchange Group plc at 30 June 2022 were as follows:

Don Robert  
David Schwimmer  
Anna Manz  
Dominic Blakemore  
Martin Brand  
Erin Brown  
Professor Kathleen DeRose  
Tsega Gebreyes  
Cressida Hogg CBE  
Dr Val Rahmani  
Douglas M. Steenland  
Ashok Vaswani

## Statement of directors' responsibilities

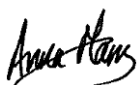
The directors confirm that, to the best of their knowledge, the interim condensed consolidated financial statements have been prepared in accordance with UK adopted IAS 34 and that the interim report herein includes a fair review of the information required by the Financial Conduct Authority's Disclosure and Transparency Rules 4.2.7 and 4.2.8, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the interim condensed consolidated financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months of the current financial year and any material changes in the related party transactions described in the last annual report.

By order of the Board



**David Schwimmer**  
Group CEO



**Anna Manz**  
Group CFO

4 August 2022

## **INDEPENDENT REVIEW REPORT TO LONDON STOCK EXCHANGE GROUP PLC**

### **Conclusion**

We have been engaged by London Stock Exchange Group plc (the “Company”) and its subsidiaries (together the “Group”) to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Cash Flow Statement, the Condensed Consolidated Statement of Changes in Equity and related explanatory notes 1 to 17. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

### **Basis for Conclusion**

We conducted our review in accordance with International Standard on Review Engagements (‘ISRE’) 2410 (UK) “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, “Interim Financial Reporting”.

### **Conclusions Relating to Going Concern**

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

### **Responsibilities of the directors**

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

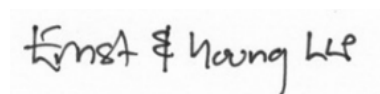
In preparing the half-yearly financial report, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor’s Responsibilities for the review of the financial information**

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

## Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, slightly slanted style.

Ernst & Young LLP  
London  
04 August 2022



## FINANCIAL CALENDAR

Ex-dividend date for interim dividend	18 August 2022
Interim dividend record date	19 August 2022
Interim dividend payment date	20 September 2022
Q3 Trading Statement (revenues only)	21 October 2022
Financial year end	31 December 2022
Preliminary results	March 2022
Annual General Meeting	April 2022

The financial calendar is updated on a regular basis throughout the year.

Please refer to our website <http://www.lseg.com/investor-relations> and click on the shareholder services section for up-to-date details.

## INVESTOR RELATIONS CONTACTS

### Investor Relations

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

For enquiries relating to shareholdings in London Stock Exchange Group plc:

email: [ir@lseg.com](mailto:ir@lseg.com)

Visit the investor relations section of our website for up-to-date information including the latest share price, announcements, financial reports and details of analysts and consensus forecasts  
<http://www.lseg.com/investor-relations>

### Registered office

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

### Registered company number

London Stock Exchange Group plc: 5369106

### Registrar information

Equiniti  
Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA

T +44 (0)371 384 2233 or +44 (0)121 415 7065  
Lines open 8.30 to 17.30, Monday to Friday.  
[www.shareview.co.uk](http://www.shareview.co.uk)

### Independent auditors

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

T +44 (0)20 7951 2000

### Principal legal adviser

Freshfields Bruckhaus Deringer LLP  
65 Fleet Street  
London  
EC4Y 1HT

T +44 (0)20 7936 4000

### Corporate brokers

Citi  
33 Canada Square  
Canary Wharf London  
E14 5LB  
Telephone: +44 (0)20 7500 5000  
[www.citigroup.com](http://www.citigroup.com)

Morgan Stanley  
25 Cabot Square  
Canary Wharf  
London E14 4QA  
Telephone +44 (0)20 7425 8000  
[www.morganstanley.com](http://www.morganstanley.com)

Goldman Sachs  
Plumtree Court  
25 Shoe Lane  
London EC4A 4AU  
Telephone +44 (0)20 7774 1000  
[www.goldmansachs.com](http://www.goldmansachs.com)

AIM, London Stock Exchange, London Stock Exchange Group, LSE, the London Stock Exchange Coat of Arms Device, FTSE Russell, SEDOL, SETS and UnaVista, are registered trade marks of London Stock Exchange plc. Main Market and the Green Economy Mark are un-registered trade marks of London Stock Exchange plc.

CDSClear is a registered trade mark of LCH S.A..

FTSE and FTSE Russell are registered trade marks of the London Stock Exchange Group companies and are used by FTSE International Limited under licence.

GIACT is a registered trade mark of Giact Systems, LLC.

Global Data Consortium is a trade mark of Global Data Consortium, Inc.

LCH, SwapClear, SwapAgent, EquityClear, ForexClear and RepoClear are registered trade marks of LCH Limited.

LSEG and the LSEG Coat of Arms are trade marks of London Stock Exchange Group plc

MAYSTREET is a trade mark of MayStreet, Inc.

MillenniumIT is a registered trade mark of Millennium Information Technologies Limited.  
Refinitiv, the Refinitiv logo, Refinitiv Workspace, Lipper, World-Check, REDI, FXall, Eikon, Red Flag Group, Scivantage and Datastream are registered trademarks of Financial & Risk Organisation Limited and Refinitiv US Organization LLC, as applicable.

Tradeweb is a registered trade mark of Tradeweb Markets LLC

Turquoise is a registered trade mark of Turquoise Global Holdings Limited.

The Yield Book and WGBI are registered trade marks of The Yield Book, Inc.

Other logos, organisations and company names referred to may be the trade marks of their respective owners.

London Stock Exchange Group plc  
10 Paternoster Square  
London  
EC4M 7LS  
Telephone +44 (0)20 7797 1000  
Registered in England and Wales No. 5369106  
[www.lseg.com](http://www.lseg.com)

