

# 1Q19 EARNINGS CONFERENCE CALL

MAY 9, 2019

## **Basis of Presentation**

This presentation presents historical results, for the periods presented, of Tradeweb Markets LLC, the predecessor of Tradeweb Markets Inc. for financial reporting purposes (together with Tradeweb Markets Inc., referred to as “Tradeweb,” “Tradeweb Markets” or the “Company”). The financial results of Tradeweb Markets Inc. have not been included in this presentation as it is a newly incorporated entity and had no material assets or liabilities and no material business transactions or activities during the periods presented. Accordingly, these historical results do not purport to reflect what the results of operations of Tradeweb Markets Inc. would have been had our IPO and related transactions occurred prior to such periods. For example, these historical results do not reflect the attribution of net income to non-controlling interests or the provision for corporate income taxes on the income attributable to Tradeweb Markets Inc. that we expect to recognize in future periods.

On October 1, 2018, Refinitiv Holdings Ltd. (“Refinitiv”), which is controlled by certain investment funds affiliated with The Blackstone Group L.P., an affiliate of Canada Pension Plan Investment Board, an affiliate of GIC Special Investments Pte. Ltd. and certain co-investors, indirectly acquired substantially all of the financial and risk business of Thomson Reuters Corporation and Thomson Reuters Corporation indirectly acquired a non-controlling ownership interest in Refinitiv (collectively, the “Refinitiv Transaction”). As a result of the Refinitiv Transaction, as a consolidating subsidiary of Refinitiv, we accounted for the Refinitiv Transaction using pushdown accounting. Due to the change in the basis of accounting resulting from the application of pushdown accounting, the financial information for the period beginning on October 1, 2018, and through and including March 31, 2019, or the successor period, and the financial information for the periods prior to, and including, September 30, 2018, or the predecessor period, are not necessarily comparable. Please note, however, that the change in basis resulting from the Refinitiv Transaction did not impact certain financial information, specifically revenues and certain expenses.

## **Forward-Looking Statements**

This presentation contains forward-looking statements within the meaning of the federal securities laws. Statements related to, among other things, our guidance, including guidance for 2019, and future performance, the markets in which we operate, our expectations, beliefs, plans, strategies, objectives, prospects and assumptions and future events are forward-looking statements.

We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. These and other important factors, including those discussed under the heading “Risk Factors” in our prospectus filed with the SEC on April 5, 2019 and other documents of Tradeweb Markets Inc. on file with or furnished to the SEC, may cause our actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements contained in this presentation are not guarantees of future performance and our actual results of operations, financial condition and liquidity, and the development of the markets in which we operate, may differ materially from the forward-looking statements contained in this presentation. In addition, even if our results of operations, financial condition, and liquidity, and events in the markets in which we operate, are consistent with the forward-looking statements contained in this presentation, they may not be predictive of results or developments in future periods.

Any forward-looking statement that we make in this presentation speaks only as of the date of such statement. Except as required by law, we do not undertake any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this presentation.

## **Non-GAAP Financial Measures**

This presentation contains “non-GAAP financial measures,” including Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBIT, Adjusted EBIT margin, Adjusted EBT, Adjusted Net Income, Adjusted Net Income per diluted share (“Adjusted Diluted EPS”), Free Cash Flow and Adjusted Expenses, which are financial measures that are not calculated and presented in accordance with GAAP. We make use of non-GAAP financial measures in evaluating our past results and future prospects. We present these non-GAAP financial measures because we believe they assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance.

In addition, we present certain growth information on a “constant currency” basis. In countries with currencies other than the U.S. dollar, revenues and expenses are translated using monthly average exchange rates. Certain discussions in this presentation isolate the impact of period-over-period foreign currency fluctuations to better measure the comparability of operating results between periods. Operating results excluding the impact of foreign currency fluctuations are calculated by translating the current period’s results using the prior period’s exchange rates.

See “Appendix” for reconciliations of the non-GAAP financial measures contained in this presentation to their most comparable GAAP financial measure.

Non-GAAP financial measures have limitations as analytical tools, and you should not consider these non-GAAP financial measures in isolation or as alternatives to net income, net income per diluted share (“Diluted EPS”), operating income, operating expenses, cash flow from operating activities or any other financial measure derived in accordance with GAAP. You are encouraged to evaluate each adjustment included in the reconciliations. In addition, in evaluating Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, Adjusted EPS, Free Cash Flow and Adjusted Expenses, you should be aware that in the future, we may incur expenses similar to the adjustments in the presentations of these non-GAAP financial measures. Our presentation of non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. In addition, the non-GAAP financial measures contained in this presentation may not be comparable to similarly titled measures used by other companies in our industry or across different industries.

## **Tradeweb Social Media**

Investors and others should note that Tradeweb Markets announces material financial and operational information using its investor relations website, press releases, SEC filings and public conference calls and webcasts. Information about Tradeweb Markets, its business, and its results of operations may also be announced by posts on the Company’s accounts on the following social media channels: Instagram, LinkedIn and Twitter. The information that we post through these social media channels may be deemed material. As a result, we encourage investors, the media, and others interested in Tradeweb Markets to monitor these social media channels in addition to following our press releases, SEC filings and public conference calls and webcasts. These social media channels may be updated from time to time on our investor relations website.

# 1Q19 Earnings Call Participants



**STRATEGIC REVIEW**  
**Lee Olesky**  
CO-FOUNDER AND CEO



**Q&A**  
**Billy Hult**  
PRESIDENT



**FINANCIAL REVIEW**  
**Robert Warshaw**  
CHIEF FINANCIAL OFFICER



**WELCOME/  
INTRODUCTION**  
**Ashley Serrao**  
HEAD OF U.S. CORPORATE  
DEVELOPMENT & IR

## OPERATING PERFORMANCE HIGHLIGHTS

### GROSS REVENUE

**\$186.8M**

+10.2% y/y\*  
+12.6% y/y (CC\*\*)¹

### INTERNATIONAL REVENUES

**\$67.4M**

+9.2% y/y  
+15.6% y/y (CC)¹

### ADJUSTED NET INCOME²

**\$52.2M**

+11.9% y/y  
+16.6% y/y (CC)¹

### ADJUSTED EBITDA MARGIN²

**43.0%**

+14 bps y/y  
+79 bps y/y (CC)¹

### ADJUSTED EBIT MARGIN²

**37.5%**

+38 bps y/y  
+116 bps y/y (CC)¹

### ADJUSTED DILUTED EPS²

**\$0.23**

+6.9% y/y  
+11.4% y/y (CC)¹

\*y/y = year over year comparison

\*\*CC = constant currency

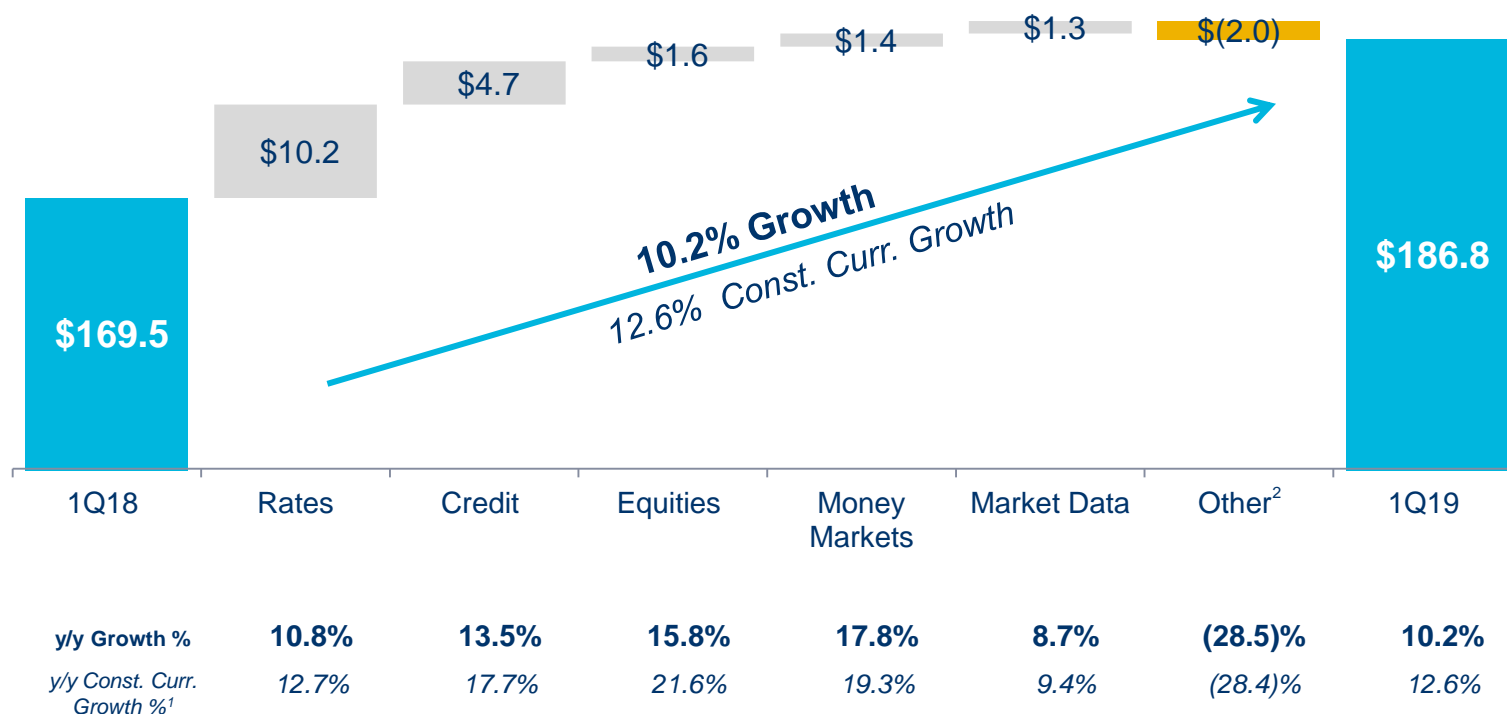
1. Growth information presented on a "constant currency" basis reflects growth for the period excluding the impact of foreign currency fluctuations. See "Disclaimers – Non-GAAP Financial Measures" for more information.

2. Adjusted Net Income, Adjusted EBITDA Margin, Adjusted EBIT margin and Adjusted Diluted EPS are non-GAAP financial measures. See "Appendix" for reconciliations to their most comparable GAAP financial measures.

# 1Q19 Gross Revenue Results

(\$ in millions)

## DIVERSIFIED 10.2% Y/Y GROSS REVENUE GROWTH (CC 12.6% Y/Y)<sup>1</sup>



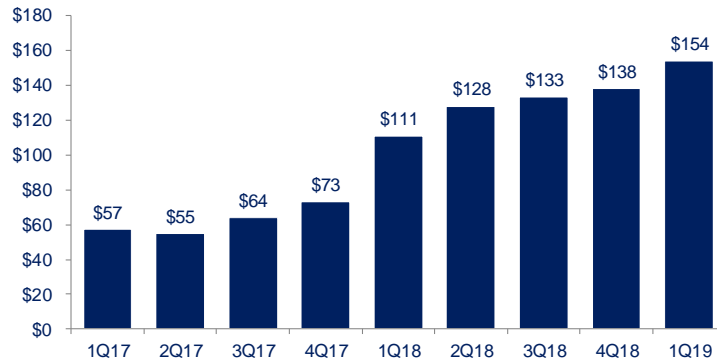
1. Growth information presented on a "constant currency" basis reflects growth for the period excluding the impact of foreign currency fluctuations. See "Disclaimers – Non-GAAP Financial Measures" for more information.

2. Other revenue declined primarily due to a newly restructured contract for licensing and development.

# Growth Initiatives

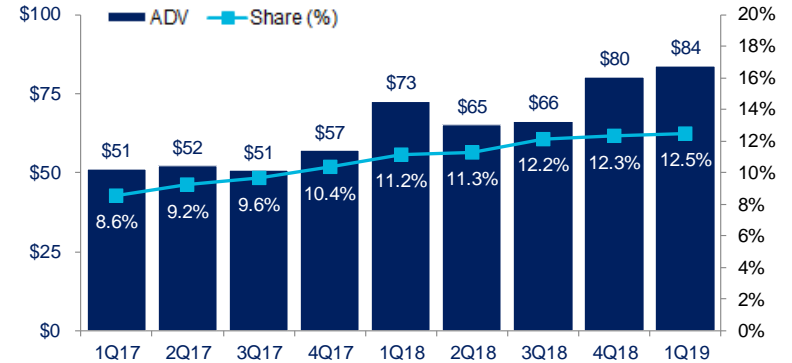
## GLOBAL INTEREST RATE SWAPS (ADV) (\$ in billions)

1Q19 Growth  
Total: +38%



## U.S. TREASURIES (ADV AND SHARE<sup>1</sup>) (\$ in billions)

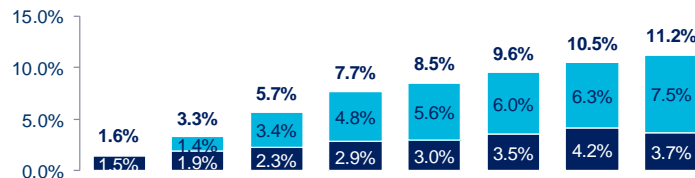
1Q19 Growth  
Total: +15%



## U.S. CASH CREDIT (SHARE<sup>2</sup>)

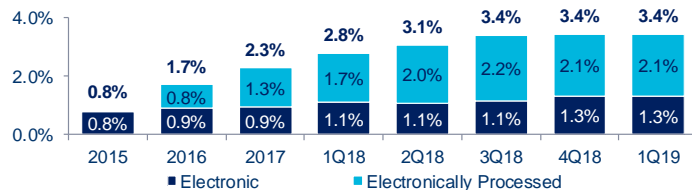
### TW High Grade

1Q19 ADV Growth  
HG (Total, Electronic, E-P): +63%, +44%, +74%



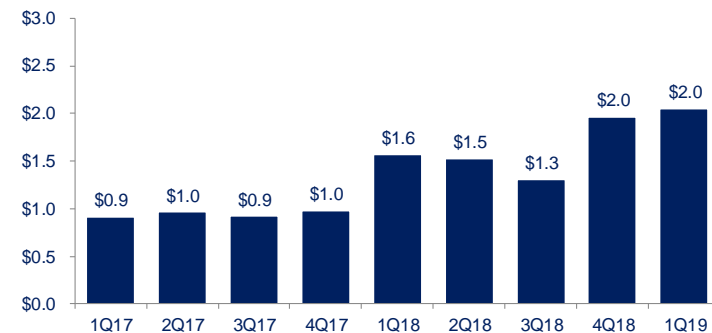
### TW High Yield

1Q19 ADV Growth  
HY (Total, Electronic, E-P): +29%, +24%, +32%



## GLOBAL ETFs (INSTITUTIONAL ADV) (\$ in billions)

1Q19 Growth  
Total: +31%



1. Share and volumes reflect Tradeweb Treasuries volume across institutional, wholesale and retail client sectors, divided by SIFMA volume, adjusted by Tradeweb management to approximate TRACE volume
2. Share reflects Tradeweb high grade and high yield volume across institutional, wholesale and retail client sectors, divided by TRACE volume, adjusted by Tradeweb management to exclude emerging market and convertible bond volumes

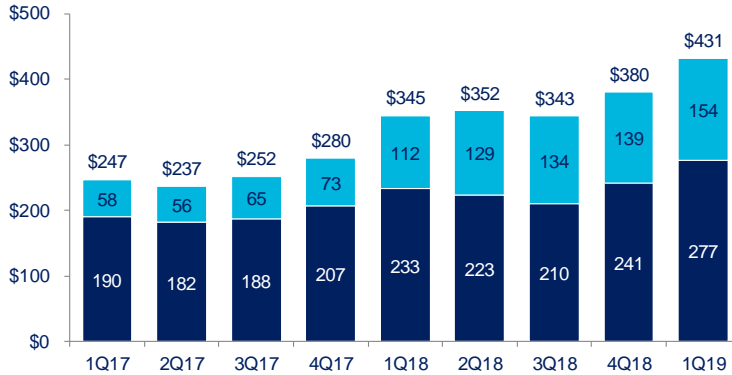
# Quarterly ADV

## RECORD ADV of \$647BN for 1Q19 (+21%)

**KEY** ■ Cash ■ Derivatives

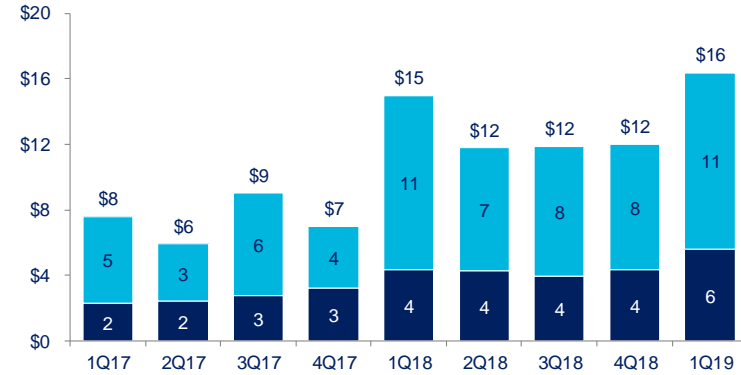
### RATES (\$ in billions)

**1Q19 GROWTH**  
Total: +25%  
Cash: +19%  
Derivatives: +38%



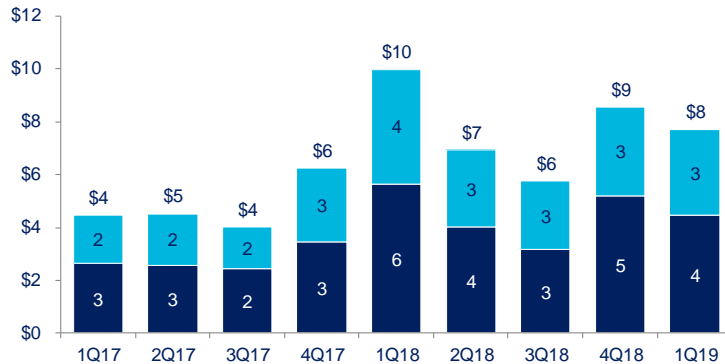
### CREDIT (\$ in billions)

**1Q19 GROWTH**  
Total: +9%  
Cash: +30%  
Derivatives: +1%



### EQUITIES (\$ in billions)

**1Q19 GROWTH**  
Total: (23%)  
Cash: (21%)  
Derivatives: (25%)



### MONEY MARKETS (\$ in billions)

**1Q19 GROWTH**  
Total: +16%



# 1Q19 Earnings Performance<sup>1</sup>



(\$ in thousands)

## REVENUE GROWTH OF 10.2% (12.6% CC) WITH EBITDA MARGIN EXPANSION OF +14bps to 43.0% (+79 bps CC)

	1Q19	1Q18	%Δ 1Q19 vs 1Q18	%Δ Constant Currency 1Q19 vs 1Q18 <sup>2</sup>
Trading Revenues				
Fixed	\$ 65,906	\$ 66,047	(0.2%)	3.4%
Variable	103,983	87,904	18.3%	19.8%
Total Trading Revenues	\$ 169,889	\$ 153,951	10.4%	12.9%
Refinitiv Market Data	13,616	12,237	11.3%	11.3%
Other Information Services	3,287	3,315	(0.8%)	2.6%
Gross Revenue	186,792	169,503	10.2%	12.6%
Adj. Expenses <sup>3</sup>	116,739	106,584	9.5%	10.5%
Adj. EBIT	70,053	62,919	11.3%	16.1%
Interest Income, net	858	471	82.3%	85.7%
Adj. EBT	70,911	63,390	11.9%	16.6%
Adj. Income Taxes <sup>4</sup>	18,721	16,735	11.9%	16.6%
Adj. Net Income	\$ 52,190	\$ 46,655	11.9%	16.6%
Adj. EBIT Margin <sup>5</sup>	37.5%	37.1%	+38bps	+116bps
Adj. EBITDA	80,347	72,681	10.5%	14.6%
Adj. EBITDA Margin <sup>5</sup>	43.0%	42.9%	+14bps	+79bps
Adj. Diluted EPS	\$ 0.23	\$ 0.22	6.9%	11.4%

1. Adj. Expenses, Adj. EBIT, Adj. EBT, Adj. Income Taxes, Adj. Net Income, Adj. EBIT Margin, Adj. EBITDA, Adj. EBITDA Margin and Adj. Diluted EPS are non-GAAP financial measures. See "Appendix" for reconciliations to their most comparable GAAP financial measures.
2. Growth information presented on a "constant currency" basis reflects growth for the period excluding the impact of foreign currency fluctuations. See "Disclaimers – Non-GAAP Financial Measures" for more information.
3. Represents operating expenses adjusted to exclude acquisition and Refinitiv Transaction related depreciation and amortization, unrealized foreign exchange (gains) / losses and (gain) / loss from revaluation of foreign denominated cash. See "Appendix" for more information.
4. Represents corporate income taxes at an assumed effective tax rate of 26.4% for the quarters ended March 31, 2019 and 2018 applied to Adjusted Net Income before income taxes. This adjustment assumes Tradeweb Markets LLC was subject to a corporate tax rate for the periods presented.
5. Adj. EBIT Margin and Adj. EBITDA Margin are defined as Adjusted EBIT and Adjusted EBITDA, respectively, divided by gross revenue for the applicable period.



# Fees per Million<sup>1</sup> Detail

	1Q19	4Q18	1Q18	%Δ 1Q19 vs 4Q18	%Δ 1Q19 vs 1Q18
Rates	\$ 2.02	\$ 2.03	\$ 2.13	(1%)	(5%)
% Cash	64%	63%	67%	~100bps	~(300)bps
% Derivatives	36%	37%	33%	~(100)bps	~300bps
Credit	\$ 34.03	\$ 42.50	\$ 32.03	(20%)	6%
% Cash	34%	36%	29%	~(200)bps	~500bps
% Derivatives	66%	64%	71%	~200bps	~(500)bps
Equities	\$ 21.36	\$ 20.17	\$ 13.91	6%	53%
% Cash	58%	61%	57%	~(300)bps	~100bps
% Derivatives	42%	39%	43%	~300bps	~(100)bps
Money Markets (Cash)	\$ 0.49	\$ 0.52	\$ 0.47	(4%)	6%
<b>Total Fees per Million</b>	<b>\$ 2.62</b>	<b>\$ 2.65</b>	<b>\$ 2.69</b>	<b>(2%)</b>	<b>(3%)</b>

+ve: positive    -ve: negative

## RATES

- **Y/Y:** volume tier discounts in cash
- **Q/Q:** -ve mix shift towards cash

## CREDIT

- **Y/Y:** +ve mix shift towards cash and growth of A2A within cash
- **Q/Q:** -ve mix shift towards derivatives and electronically processed trades within cash

## EQUITIES

- **Y/Y:** +ve mix shift towards EU/US institutional ETFs in cash
- **Q/Q:** +ve mix shift within cash (to EU ETFs) and derivatives

## MONEY MARKETS

- **Y/Y:** +ve mix shift within non-repo money market cash products
- **Q/Q:** volume tier discounts

1. "Fees per million" means average variable fees per million dollars of volume traded on our trading platforms. Average variable fees per million should be reviewed in conjunction with our trading volumes and gross revenue by asset class.

# Adjusted Expenses<sup>1</sup> Detail

(\$ in thousands)

	1Q19	1Q18	%Δ 1Q19 vs 1Q18	%Δ Const. Currency 1Q19 vs 1Q18 <sup>2</sup>
Adjusted Expenses				
Employee compensation and benefits	\$ 77,273	\$ 71,570	8.0%	9.2%
Depreciation and amortization <sup>a</sup>	10,294	9,762	5.5%	5.3%
General and administrative <sup>b</sup>	8,522	7,529	13.2%	10.4%
Technology and communications	10,040	8,463	18.6%	19.5%
Professional fees	6,971	5,538	25.9%	28.5%
Occupancy	3,639	3,722	(2.2%)	0.3%
Total adjusted non-compensation expenses	39,466	35,014	12.7%	13.0%
Total Adjusted Expenses	\$ 116,739	\$ 106,584	9.5%	10.5%

a. Adjusted to exclude acquisition and Refinitiv transaction related depreciation and amortization for 1Q19 and 1Q18. See "Appendix" for additional information.

b. Adjusted to exclude gains/losses from outstanding foreign exchange forward contracts and the revaluation of foreign denominated cash. See "Appendix" for additional information.

1. Adjusted Expenses is a non-GAAP financial measure. See "Appendix" for a reconciliation to its most comparable GAAP financial measure.

2. Growth information presented on a "constant currency" basis reflects growth for the period excluding the impact of foreign currency fluctuations. See "Disclaimers – Non-GAAP Financial Measures" for more information.

## Key Highlights

- \$362 million of unrestricted cash (March 31<sup>st</sup>)
- TTM 1Q19 FCF \$228 million<sup>1</sup>
- Capex & Cap software: \$8.3 million (+11.3% yr/yr)
- \$100 million pre-IPO distribution paid to pre-existing shareholders in April
- Board of Directors declared a quarterly dividend of \$0.08 per Class A and Class B share payable in June
- Entered into \$500 million revolver in April to enhance financial flexibility

## 2019 FY Guidance<sup>2</sup>

- Adjusted Expenses: \$460 - \$475 million
- Assumed non-GAAP Tax Rate: 26.4%
- Capex & Cap software: \$42 - \$48 million
- Acquisition and Refinitiv Transaction related D&A: \$98 million
- GAAP Net interest income: \$0.5 - \$1.0 million for year, (\$0.4) million for 2Q

1. Free Cash Flow is a non-GAAP financial measure. See "Appendix" for a reconciliation to its most comparable GAAP financial measure.

2. GAAP operating expenses and tax rate guidance are not provided due to the inherent difficulty in quantifying certain amounts due to a variety of factors including the unpredictability in the movement of foreign currency rates as well as future changes and reversals outside of the normal course of business. Guidance assumes 1Q19 monthly average exchange rates for FY 2019.

# APPENDIX

# Reconciliation of Non-GAAP Financial Measures (\$ in thousands)



## Net Income to Adjusted EBITDA and Adjusted EBITDA Margin

	1Q19	1Q18
<b>Net Income</b>	<b>\$ 42,352</b>	<b>\$ 45,308</b>
Contingent consideration	-	10,070
Interest Income, net	(858)	(471)
Depreciation and amortization	33,503	16,268
Provision for income taxes	4,783	2,518
Unrealized foreign exchange (gains) / losses	(293)	(968)
(Gain) / loss from revaluation of foreign denominated cash <sup>1</sup>	860	(44)
<b>Adjusted EBITDA</b>	<b>\$ 80,347</b>	<b>\$ 72,681</b>
<b>Adjusted EBIT<sup>2</sup></b>	<b>\$ 70,053</b>	<b>\$ 62,919</b>
<b>Adjusted EBT<sup>3</sup></b>	<b>\$ 70,911</b>	<b>\$ 63,390</b>
<b>Adjusted EBITDA Margin<sup>4</sup></b>	<b>43.0%</b>	<b>42.9%</b>
<b>Adjusted EBIT Margin<sup>4</sup></b>	<b>37.5%</b>	<b>37.1%</b>

1. Represents foreign exchange gain or loss from the revaluation of cash denominated in a different currency than the entity's functional currency.
2. Adjusted EBIT represents net income before contingent consideration, acquisition and Refinitiv transaction related depreciation and amortization, interest income and expense, provision for income taxes, unrealized foreign exchange (gains) / losses and (gain) / loss from revaluation of foreign denominated cash.
3. Adjusted EBT represents net income before contingent consideration, acquisition and Refinitiv transaction related D&A, provision for income taxes, unrealized foreign exchange (gains) / losses and (gain) / loss from revaluation of foreign denominated cash.
4. Adjusted EBITDA margin and Adjusted EBIT margin are defined as Adjusted EBIT and Adjusted EBITDA, respectively, divided by gross revenue for the applicable period. See "1Q19 Earnings Performance" for gross revenue.

## Net Income to Adjusted Net Income and Adjusted Diluted EPS

	1Q19	1Q18
<b>Net Income</b>	<b>\$ 42,352</b>	<b>\$ 45,308</b>
<b>Diluted EPS</b>	<b>\$ 0.19</b>	<b>\$ 0.21</b>
Provision for income taxes	4,783	2,518
Contingent consideration	0	10,070
Acquisition and Refinitiv Transaction related D&A <sup>1</sup>	23,209	6,506
Unrealized foreign exchange (gains) / losses	(293)	(968)
(Gain) / loss from revaluation of foreign denominated cash <sup>2</sup>	860	(44)
Adjusted Net Income before Income Taxes	70,911	63,390
Adjusted income taxes <sup>3</sup>	(18,721)	(16,735)
<b>Adjusted Net Income</b>	<b>52,190</b>	<b>46,655</b>
Share Count (diluted)	223,320,457	213,435,321
<b>Adjusted Diluted EPS</b>	<b>\$ 0.23</b>	<b>\$ 0.22</b>

1. Represents acquisition related intangibles amortization and increased tangible asset and capitalized software depreciation and amortization resulting from the Refinitiv Transaction and the application of push down accounting (where all assets were marked to fair value as of the closing date of the Refinitiv Transaction).
2. Represents foreign exchange gain or loss from the revaluation of cash denominated in a different currency than the entity's functional currency.
3. Represents corporate income taxes at an assumed effective tax rate of 26.4% for the three months ended March 31, 2019 and 2018 applied to Adjusted Net Income before income taxes. This adjustment assumes Tradeweb Markets LLC was subject to a corporate tax rate for the periods presented.

## Operating Expenses to Adjusted Expenses

	1Q19	1Q18
<b>Operating Expenses</b>	<b>\$ 140,515</b>	<b>\$ 112,078</b>
Acquisition and Refinitiv Transaction related D&A <sup>1</sup>	(23,209)	(6,506)
Stock-based compensation expense <sup>2</sup>	0	0
Unrealized foreign exchange gains / (losses)	293	968
Gain / (loss) from revaluation of foreign denominated cash <sup>3</sup>	(860)	44
<b>Adjusted Expenses</b>	<b>\$ 116,739</b>	<b>\$ 106,584</b>

1. Represents acquisition related intangibles amortization and increased tangible asset and capitalized software depreciation and amortization resulting from the Refinitiv Transaction and the application of push down accounting (where all assets were marked to fair value as of the closing date of the Refinitiv Transaction).
2. Beginning with the second quarter of 2019, we expect to exclude stock-based compensation expense associated with the special award of options made to management and other employees in October 2018.
3. Represents foreign exchange gain or loss from the revaluation of cash denominated in a different currency than the entity's functional currency.

Cash Flow from Operating Activities to Free Cash Flow	Trailing Twelve Month Free Cash Flow		Free Cash Flow 1Q18
	1Q19	2Q18 - 4Q18	
Cash flow from operating activities	\$ 270,531	\$ 291,610	\$ (14,226)
Less: Capitalization of software development costs	(27,248)	(6,767)	(6,198)
Less: Purchase of furniture, equipment and leasehold improvements	(15,689)	(1,516)	(1,244)
<b>Free Cash Flow</b>	<b>\$ 227,594</b>	<b>\$ 256,956</b>	<b>\$ (21,668)</b>

# Share Count Sensitivity



## PRO FORMA FULLY DILUTED WEIGHTED AVERAGE SHARES

Assumed Share Price	Q2 2019	Q3 2019	Q4 2019
\$ 35.00	228,581,107	228,804,572	229,107,312
\$ 36.00	228,817,621	229,034,878	229,329,208
\$ 37.00	229,041,350	229,252,735	229,539,111
\$ 38.00	229,253,304	229,459,126	229,737,966
\$ 39.00	229,454,388	229,654,933	229,926,623
\$ 40.00	229,645,418	229,840,949	230,105,847
\$ 41.00	229,827,130	230,017,892	230,276,329
\$ 42.00	230,000,189	230,186,409	230,438,692
\$ 43.00	230,165,198	230,347,088	230,593,504
\$ 44.00	230,322,707	230,500,463	230,741,279
\$ 45.00	230,473,216	230,647,021	230,882,486
\$ 46.00	230,617,180	230,787,208	231,017,553
\$ 47.00	230,755,019	230,921,429	231,146,873
\$ 48.00	230,887,114	231,050,057	231,270,805
\$ 49.00	231,013,818	231,173,435	231,389,678
\$ 50.00	231,135,454	231,291,878	231,503,796

The pro forma fully diluted weighted average shares outstanding and assumed share prices provided in the table above give effect to the IPO and the reorganization transactions completed in connection therewith, are being provided for illustrative purposes only and do not purport to represent what fully diluted weighted averages shares outstanding or our share price may be for any future period. The trading price of our Class A common stock could be volatile, and there can be no guarantee that actual trading prices will be at or above the assumed prices provided in the table above.

Pro forma fully diluted weighted average shares outstanding is computed by adjusting the weighted average shares of Class A and Class B common stock outstanding to give effect to potentially dilutive securities, including outstanding common membership units of Tradeweb Markets LLC ("LLC Interests") and certain shares of Class A common stock underlying outstanding options and modified PRSU awards using the treasury stock method. The weighted average share calculation assumes outstanding LLC Interests were exchanged for shares of Class A or Class B common stock at the beginning of the applicable period. This adjustment is made for purposes of calculating pro forma fully diluted weighted average shares outstanding only and does not necessarily reflect the amount of exchanges that may occur in the future. The weighted average share calculation also assumes that certain options were issued and outstanding at the beginning of the period and modified PRSU awards were issued and outstanding on the last day of the period.