

# 3Q19 EARNINGS CONFERENCE CALL

NOVEMBER 7, 2019

# Disclaimers



The information in this presentation is current only as of its date and may have changed. We undertake no obligation to update this information in light of new information, future events or otherwise.

This presentation includes estimates regarding market and industry data that we prepared based on our management's knowledge and experience in the markets in which we operate, together with information obtained from various sources, including publicly available information, industry reports and publications, surveys, our clients, trade and business organizations and other contacts in the markets in which we operate. In presenting this information, we have made certain assumptions that we believe to be reasonable based on such data and other similar sources and on our knowledge of, and our experience to date in, the markets in which we operate. While such information is believed to be reliable for the purposes used herein, no representations are made as to the accuracy or completeness thereof and we take no responsibility for such information.

## Basis of Presentation

The historical financial information and other disclosures contained in this presentation relate to periods that ended both prior to and after the completion of the Reorganization Transactions and the IPO of Tradeweb Markets Inc. (unless the context otherwise requires, together with its subsidiaries, referred to as "we," "our," "Tradeweb," "Tradeweb Markets" or the "Company"). The IPO closed on April 8, 2019. As a result of certain reorganization transactions (the "Reorganization Transactions") completed in connection with the IPO, on April 4, 2019, Tradeweb Markets Inc. became a holding company whose only material assets consist of its equity interest in Tradeweb Markets LLC ("TWM LLC") and related deferred tax assets. As the sole manager of TWM LLC, Tradeweb Markets Inc. operates and controls all of the business and affairs of TWM LLC and, through TWM LLC and its subsidiaries, conducts its business. As a result of this control, and because Tradeweb Markets Inc. has a substantial financial interest in TWM LLC, Tradeweb Markets Inc. consolidates the financial results of TWM LLC and its subsidiaries. The historical financial information contained in this presentation relating to periods prior to and including March 31, 2019, which we refer to as the "pre-IPO period," pertain to TWM LLC, the predecessor of Tradeweb Markets Inc. for financial reporting purposes. The historical financial information contained in this presentation relating to periods beginning on April 1, 2019, and through and including September 30, 2019, which we refer to as the "post-IPO period," pertain to Tradeweb Markets Inc. The pre-IPO period excludes, and the post-IPO period includes, our financial results from April 1, 2019 through April 3, 2019, which are not material.

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 September 30, 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 comparable. However, the change in basis resulting from the Refinitiv Transaction did not impact certain financial information, specifically revenues and certain expenses.

We believe that gross revenue is the key driver of our operating performance and therefore is the revenue measure we utilize to assess our business on a period by period basis.

## 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 2019 guidance, and future performance, the industry and 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 the 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 or liquidity, and the development of the industry and 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 or liquidity, and events in the industry and 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 supplemental 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.

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 attributable to Tradeweb Markets Inc., net income, earnings per share, 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 EBIT, Adjusted EBIT margin, Adjusted EBT, Adjusted Net Income, Adjusted Diluted 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.

We present certain growth information on a "constant currency" basis. Since our consolidated financial statements are presented in U.S. dollars, we must translate non-U.S. dollar revenues and expenses into U.S. dollars. Constant currency growth, which is a non-GAAP financial measure, is defined as growth excluding the effects of foreign currency fluctuations. Constant currency information is calculated by translating the current period and prior period's results using the average exchange rates for 2018. We use constant currency growth as a supplemental metric to evaluate our underlying performance between periods by removing the impact of foreign currency fluctuations. We present certain constant currency growth information because we believe it provides investors and analysts a useful comparison of our results and trends between periods. This information should be considered in addition to, not as a substitute for, results reported in accordance with GAAP, and may not be comparable to similarly titled measures used by other companies.

## 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.

# 3Q19 Earnings Call Participants



## STRATEGIC REVIEW

**Lee Olesky**

CO-FOUNDER AND CEO



## GROWTH INITIATIVES

**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

**\$201.0M**

+21.6% y/y\*  
+23.4% y/y (CC\*\*)¹

### INTERNATIONAL REVENUES

**\$74.4M**

+27.6% y/y  
+32.6% y/y (CC)¹

### ADJUSTED NET INCOME²

**\$61.6M**

+45.9% y/y  
+50.3% y/y (CC)¹

### ADJUSTED EBITDA MARGIN²

**46.5%**

+620 bps y/y  
+672 bps y/y (CC)¹

### ADJUSTED EBIT MARGIN²

**41.3%**

+701 bps y/y  
+770 bps y/y (CC)¹

### ADJUSTED DILUTED EPS²

**\$0.27**

+38.6% y/y  
+42.9% y/y (CC)¹

\*y/y = year over year comparison

\*\*CC = constant currency

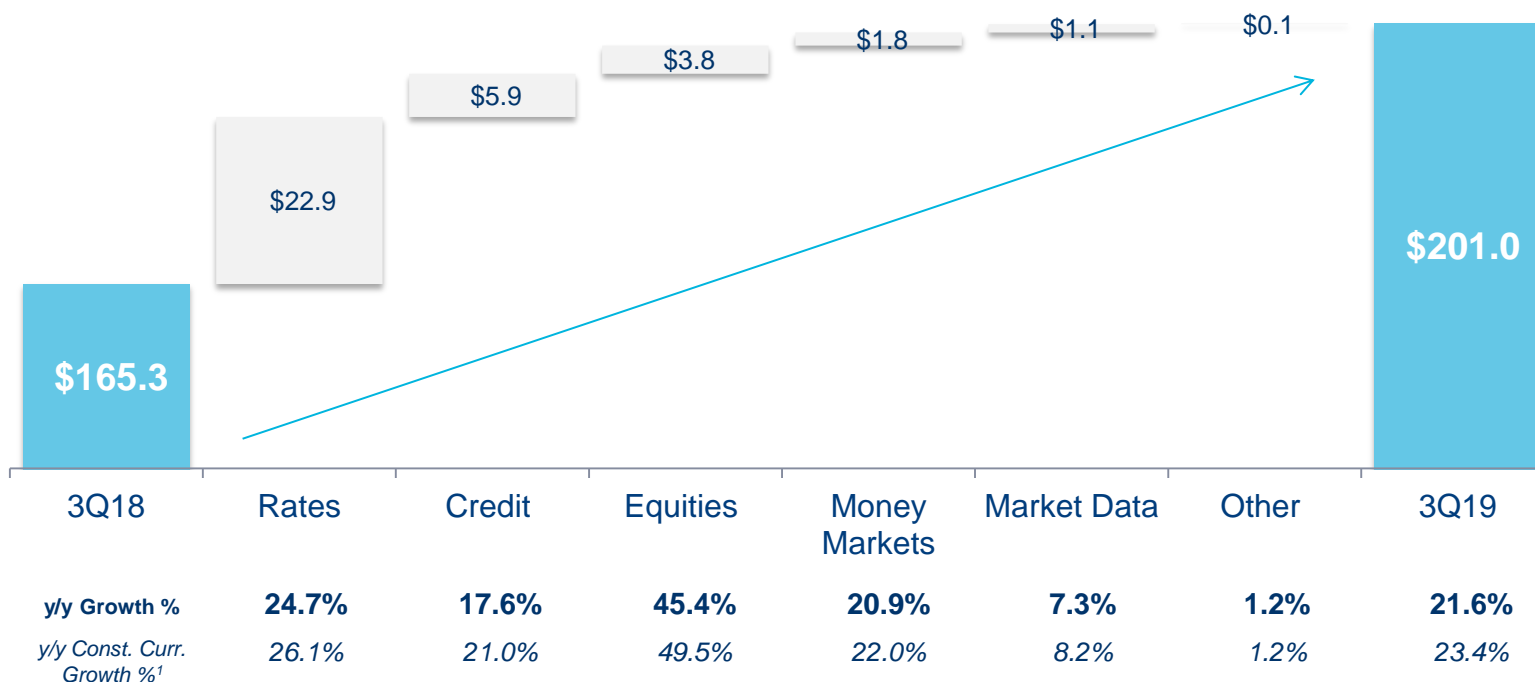
1. Growth information presented on a "constant currency" basis reflects growth for the period excluding the impact of foreign currency fluctuations. See "Disclaimers – Non-GAAP Financial Measures" for more information.
2. Adjusted Net Income, Adjusted EBITDA margin, Adjusted EBIT margin and Adjusted Diluted EPS are non-GAAP financial measures. See "Appendix" for reconciliations to their most comparable GAAP financial measures.

# 3Q19 Gross Revenue Results



(\$ in millions)

**DIVERSIFIED 21.6% Y/Y GROSS REVENUE GROWTH (CC 23.4% Y/Y)<sup>1</sup>**



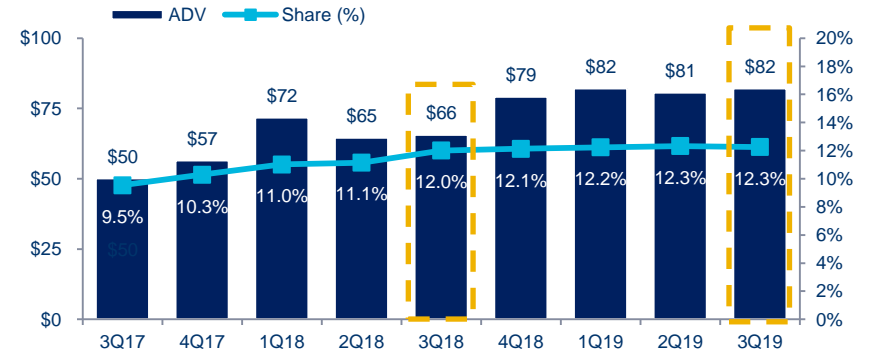
1. Growth information presented on a "constant currency" basis reflects growth for the period excluding the impact of foreign currency fluctuations. See "Disclaimers – Non-GAAP Financial Measures" for more information.

# Growth Initiatives

**TW GLOBAL INTEREST RATE SWAPS (ADV)** 3Q19 Y/Y Growth  
(\$ in billions) *Total: +109%*



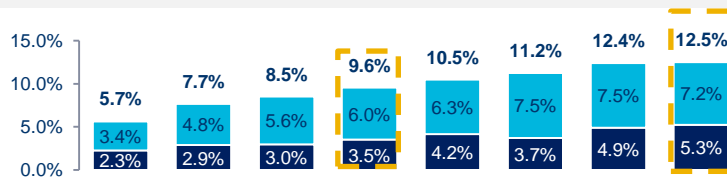
**TW U.S. TREASURIES (ADV AND SHARE<sup>1,2</sup>)** 3Q19 Y/Y Growth  
(\$ in billions) *Total: +25%*



## TW U.S. CASH CREDIT (SHARE<sup>3</sup>)

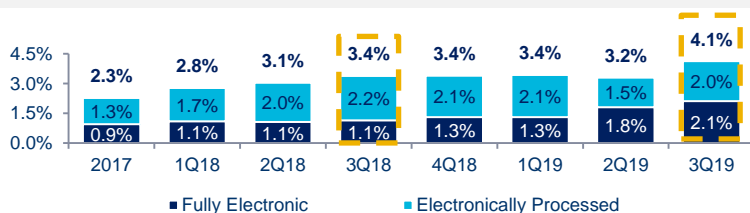
### TW High Grade

3Q19 Y/Y ADV Growth  
*HG: Total +42%, Electronic +63%, E-P +30%*

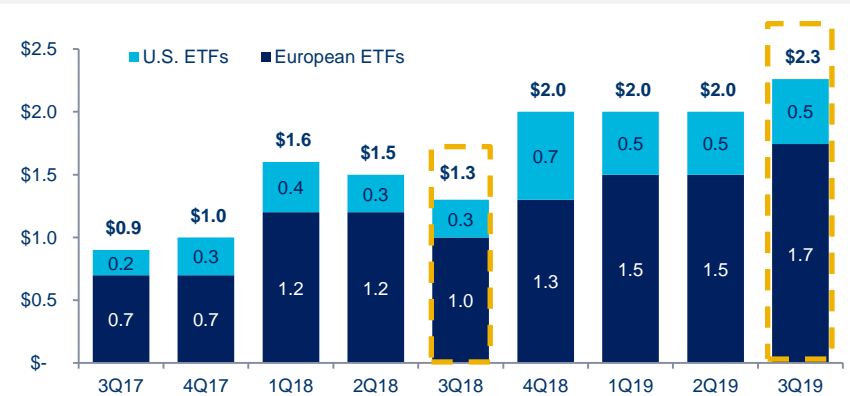


### TW High Yield

3Q19 Y/Y ADV Growth  
*HY: Total +44%, Electronic +116%, E-P 6%*



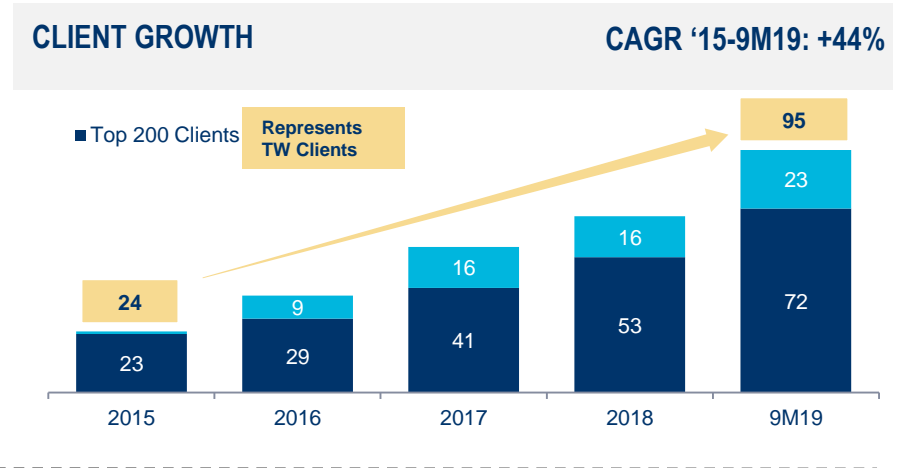
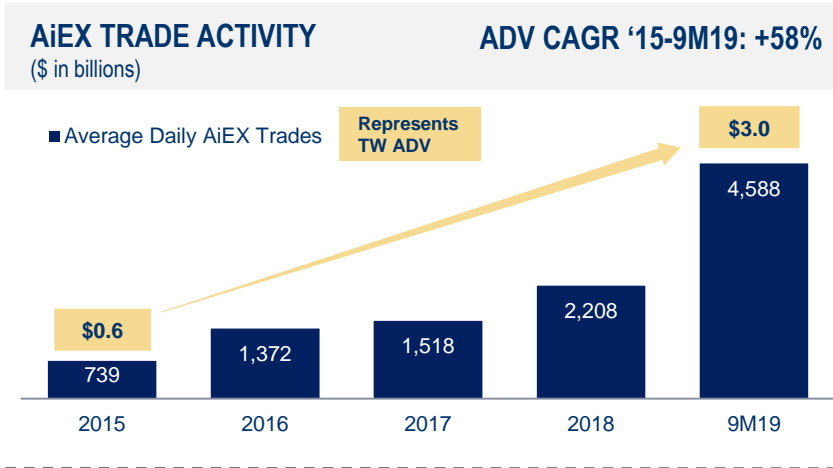
**TW GLOBAL ETFs (INSTITUTIONAL ADV)** 3Q19 Y/Y Growth  
(\$ in billions) *Total: +74%*



Note: Totals may not foot due to rounding.

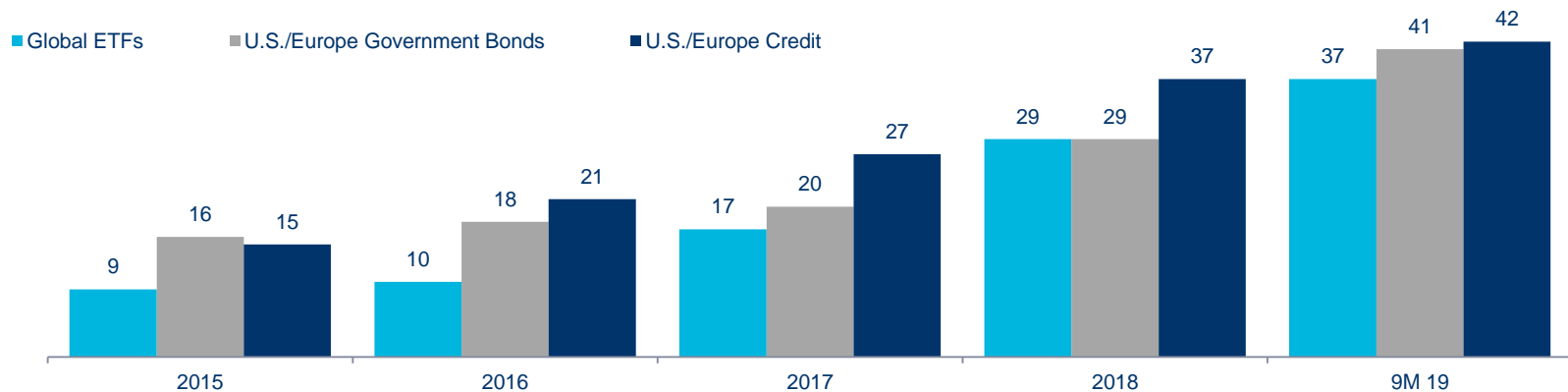
1. Share and volumes reflect TW U.S. Treasuries volume across institutional, wholesale and retail client sectors, divided by SIFMA volume, adjusted by Tradeweb management to approximate TRACE volume.
2. Previously disclosed U.S. government bond volumes have been updated as a result of a reclassification of certain U.S. Treasury transactions.
3. Share reflects TW 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.

# AiEX Adoption – The Rise in Automated Trading



## NUMBER OF CLIENTS BY PRODUCT GROUP

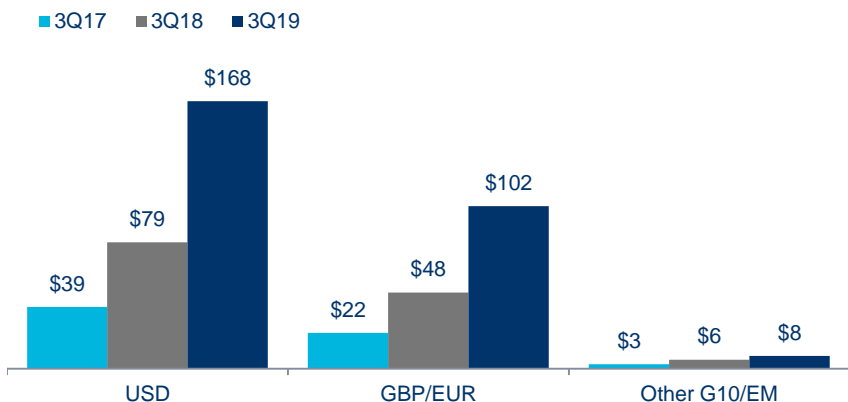
### PENETRATION OF TOP 100 CLIENTS



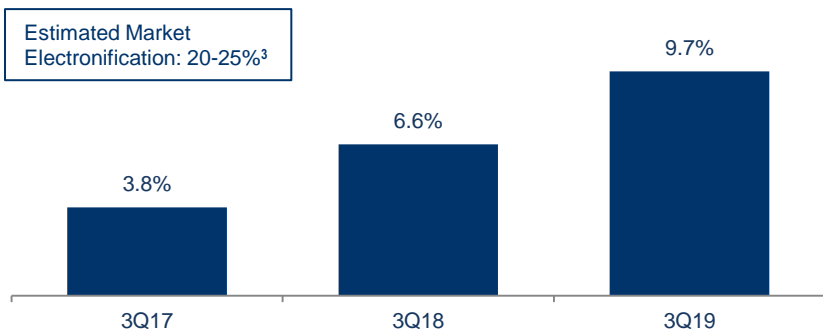
AiEX (Automated Intelligent Execution) uses pre-programmed execution rules to automatically execute trades on Tradeweb sent from a client's EMS/OMS.

# Tangible Growth Opportunities – Interest Rate Swaps and Credit

## INCREASING TW IRS ADV BY CURRENCY<sup>1</sup> (\$ in billions)

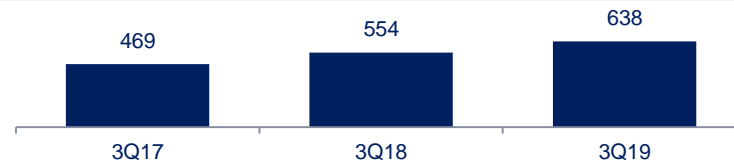


## EXPANDING TW GLOBAL IRS MARKET SHARE<sup>2</sup>

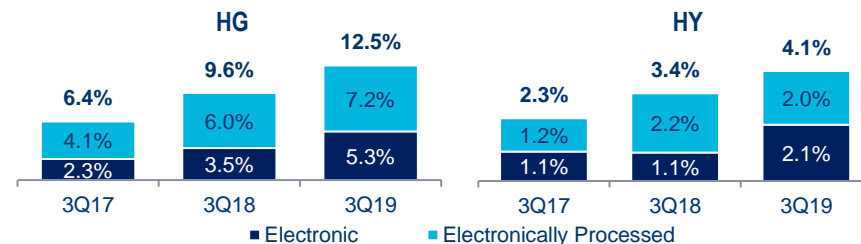


1. ADVs reflect TW volumes across institutional, wholesale and retail client sectors.
2. Share reflects TW IRS volumes across institutional, wholesale and retail client sectors, divided by Clarus cleared market volumes. Global IRS market refers to volumes traded by U.S. and non-U.S. entities.
3. Based on Clarus volumes and management estimates.

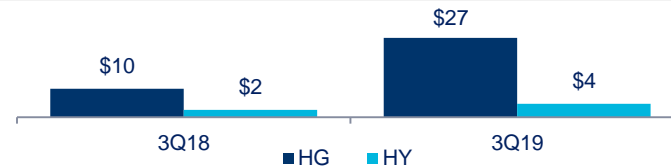
## EXPANDING TW INSTITUTIONAL CREDIT CLIENT NETWORK



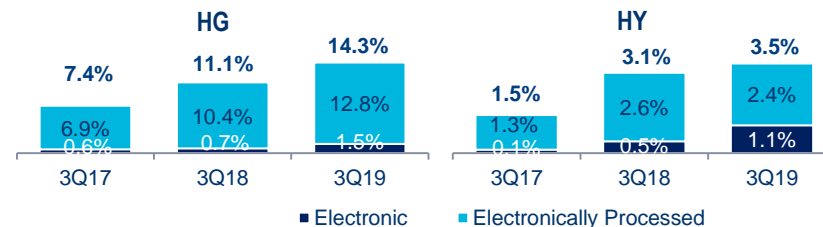
## INCREASING TW MARKET SHARE<sup>1</sup>



## GROWING TW ANONYMOUS VOLUMES<sup>2</sup> (\$ in billions)



## INCREASING TW BLOCK SHARE<sup>3,4</sup>



Note: Totals may not foot due to rounding

1. Share reflects TW high grade and high yield volume across institutional, wholesale and retail client sectors, divided by TRACE volume, adjusted by TW management to exclude emerging market and convertible bond volumes.
2. Reflects TW high grade and high yield volumes intermediated with undisclosed counterparties.
3. Block trades are defined as \$5mm+ for HG and \$1mm+ for HY.
4. Source: TRACE, Greenwich Associates, competitor reports and TW management estimates.



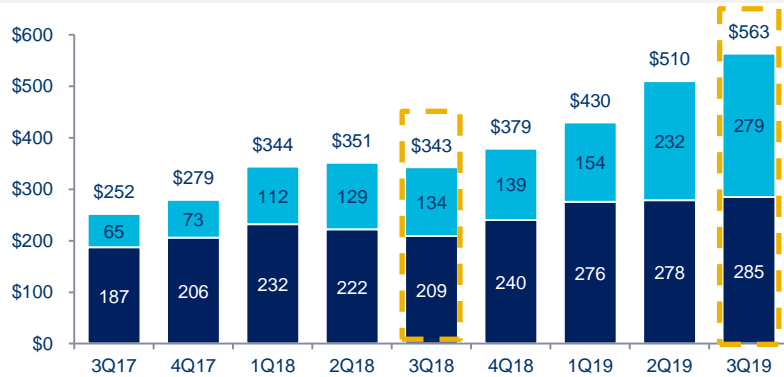
# Quarterly ADV

## RECORD 3Q ADV of \$815BN for 3Q19 (+53%)

**KEY** ■ Cash ■ Derivatives

### RATES<sup>1</sup> (\$ in billions)

**3Q19 Y/Y GROWTH**  
Total: +64%  
Cash: +36%  
Derivatives: +109%



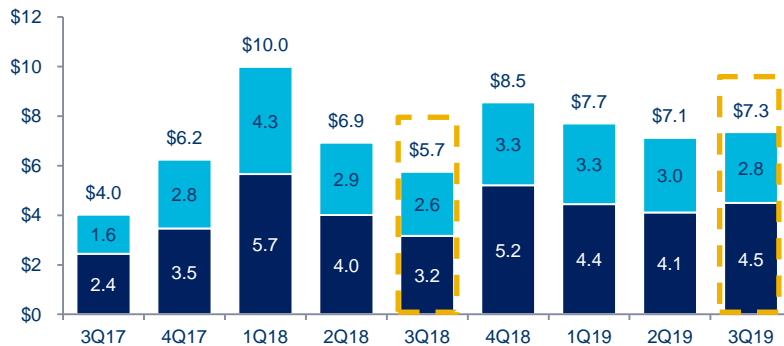
### CREDIT (\$ in billions)

**3Q19 Y/Y GROWTH**  
Total: +45%  
Cash: +38%  
Derivatives: +48%



### EQUITIES (\$ in billions)

**3Q19 Y/Y GROWTH**  
Total: +28%  
Cash: +42%  
Derivatives: +10%



### MONEY MARKETS (\$ in billions)

**3Q19 Y/Y GROWTH**  
Total: +32%



1. Previously disclosed Rates volumes have been updated as a result of a reclassification of certain U.S. Treasury transactions.

# 3Q19 Earnings Performance<sup>1</sup>



(\$ in thousands, except per share amounts)

## REVENUE GROWTH OF 21.6% (23.4% CC) WITH EBITDA MARGIN EXPANSION OF +620bps to 46.5% (+672 bps CC)

	3Q19	3Q18	%Δ 3Q19 vs 3Q18	%Δ Constant Currency 3Q19 vs 3Q18 <sup>2</sup>
Trading Revenues				
Fixed	\$ 68,126	\$ 65,968	3.3%	5.0%
Variable	115,941	83,515	38.8%	41.0%
Total Trading Revenues	\$ 184,067	\$ 149,483	23.1%	25.0%
Refinitiv Market Data	13,251	12,533	5.7%	5.7%
Other Information Services	3,663	3,237	13.2%	17.8%
Gross Revenue	200,981	165,253	21.6%	23.4%
Adj. Expenses <sup>3</sup>	117,885	108,519	8.6%	8.9%
Adj. EBIT	83,096	56,734	46.5%	51.0%
Interest Income, net	636	673	(5.5)%	(6.4)%
Adj. EBT	83,732	57,407	45.9%	50.3%
Adj. Income Taxes <sup>4</sup>	22,105	15,155	45.9%	50.3%
Adj. Net Income	\$ 61,627	\$ 42,252	45.9%	50.3%
Adj. EBIT Margin <sup>5</sup>	41.3%	34.3%	+701bps	+770bps
Adj. EBITDA	93,449	66,583	40.3%	43.9%
Adj. EBITDA Margin <sup>5</sup>	46.5%	40.3%	+620ps	+672bps
Adj. Diluted EPS	\$ 0.27	\$0.19	38.6%	42.9%
Adj. Diluted share count <sup>6</sup>	230,651,648	219,165,997	5.2%	

1. Adj. Expenses, Adj. EBIT, Adj. EBT, Adj. Net Income, Adj. EBIT Margin, Adj. EBITDA, Adj. EBITDA Margin and Adj. Diluted EPS (including Adj. diluted share count) 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 adjusted operating expenses. See "Adjusted Expenses Detail" for more information.
4. Represents corporate income taxes at an assumed effective tax rate of 26.4% for the three months ended September 30, 2019 and 2018 applied to Adjusted Net Income before income taxes. For periods prior to the pre-IPO period, 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.
6. For the post-IPO period, represents the diluted weighted average number of shares of Class A and Class B common stock outstanding assuming the full exchange of all outstanding LLC Interests of TWM LLC for shares of Class A or Class B common stock. See "Reconciliation of Non-GAAP Financial Measures" for more information.

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

	3Q19	2Q19	3Q18	%Δ 3Q19 vs 2Q19	%Δ 3Q19 vs 3Q18
<b>Rates</b>	\$ 1.79	\$ 1.77	\$ 1.97	1%	(9%)
% Cash	50%	55%	61%	~(500)bps	~(1,100)bps
% Derivatives	50%	45%	39%	~500bps	~1,100bps
Rates ex <1yr tenor swaps <sup>2</sup>	\$ 2.32	\$ 2.18	\$ 2.14	6%	8%
<b>Credit</b>	\$ 30.81	\$ 44.80	\$ 37.45	(31%)	(18%)
% Cash	32%	46%	33%	~(1,400)bps	~(100)bps
% Derivatives	68%	54%	67%	~1,400bps	~100bps
<b>Equities</b>	\$ 20.78	\$ 20.64	\$ 19.27	1%	8%
% Cash	61%	58%	55%	~300bps	~600bps
% Derivatives	39%	42%	45%	~(300)bps	~(600)bps
<b>Money Markets (Cash)</b>	\$ 0.46	\$ 0.48	\$ 0.47	(4%)	(2%)
<b>Total Fees per Million</b>	\$ 2.20	\$ 2.26	\$ 2.47	(3%)	(11%)
Total FPM ex <1yr tenor swaps <sup>2</sup>	\$ 2.62	\$ 2.60	\$ 2.61	1%	0%

## RATES

- **Y/Y:** mix shift towards short tenor swaps
- **Q/Q:** mix shift to in-comp protocols within mortgages and an increase in average duration in Government Bonds

## CREDIT

- **Y/Y:** mix shift due to higher growth in Credit Derivatives and a decline in Municipals
- **Q/Q:** mix shift to credit derivatives due to the September roll

## EQUITIES

- **Y/Y:** mix shift due to higher growth in ETFs versus derivatives
- **Q/Q:** Equities FPM stayed relatively flat

## MONEY MARKETS

- **Y/Y:** mix shift within Repos from wholesale to institutional
- **Q/Q:** mix shift within Repos due to higher growth in Institutional versus Wholesale

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.

2. Included to contextualize the impact the increase in volume of short tenored swaps/swaptions had on rates and total FPM.

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

(\$ in thousands)

	3Q19	3Q18	%Δ 3Q19 vs 3Q18	%Δ Const. Currency 3Q19 vs 3Q18 <sup>2</sup>
Adjusted Expenses				
Employee compensation and benefits <sup>a</sup>	\$ 77,649	\$ 69,076	12.4%	13.5%
Depreciation and amortization <sup>b</sup>	10,353	9,849	5.1%	3.4%
Technology and communications	9,527	9,112	4.6%	4.9%
General and administrative <sup>c</sup>	9,444	9,445	0.0%	(4.3)%
Professional fees	7,272	7,546	(3.6)%	(2.5)%
Occupancy	3,640	3,491	4.3%	5.0%
Total adjusted non-compensation expenses	40,236	39,443	2.0%	1.0%
Total Adjusted Expenses	\$ 117,885	\$ 108,519	8.6%	8.9%

a. Adjusted to exclude non-cash, stock-based compensation expense associated with options.

b. Adjusted to exclude acquisition and Refinitiv transaction related depreciation and amortization. See "Appendix" for additional information.

c. 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.

# Capital Management & FY Guidance

## Key Highlights

- \$389.9 million of unrestricted cash (September 30<sup>th</sup>)
- TTM 3Q19 FCF: \$257.0 million and YTD FCF: \$160.7 million (+16% yr/yr)<sup>1</sup>
- YTD Capex & Cap software: \$29.8 million (+15% yr/yr)
- Board of Directors declared a quarterly dividend of \$0.08 per Class A and Class B share payable in December
- October follow-on equity offering increased public float 38% to over 63 million shares

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

- Adjusted Expenses: \$460 - \$475 million (expected to trend to lower half of the range)
- Assumed non-GAAP tax rate: 26.4%
- Capex & Cap software: \$42 - \$48 million
- Acquisition and Refinitiv Transaction related D&A: \$98 million
- Fourth quarter non-cash stock-based compensation expense associated with options of approximately \$2 million

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.

# APPENDIX

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

Net Income to Adjusted EBITDA, Adjusted EBIT and Adjusted EBT	3Q19	3Q18
<b>Net Income</b>	<b>\$ 48,578</b>	<b>\$ 45,955</b>
Contingent consideration	-	(2,537)
Interest income, net	(636)	(673)
Depreciation and amortization	35,133	16,362
Stock-based compensation expense <sup>1</sup>	1,995	-
Provision for income taxes	10,316	7,535
Unrealized foreign exchange (gains) / losses	(2,499)	407
(Gain) / loss from revaluation of foreign denominated cash <sup>2</sup>	562	(466)
<b>Adjusted EBITDA</b>	<b>\$ 93,449</b>	<b>\$ 66,583</b>
Less: Depreciation and amortization	(35,133)	(16,362)
Add: Acquisition and Refinitiv Transaction related D&A <sup>3</sup>	24,780	6,513
<b>Adjusted EBIT</b>	<b>\$ 83,096</b>	<b>\$ 56,734</b>
Add: Interest income, net	636	673
<b>Adjusted EBT</b>	<b>\$ 83,732</b>	<b>\$ 57,407</b>
<b>Adjusted EBITDA Margin<sup>4</sup></b>	<b>46.5%</b>	<b>40.3%</b>
<b>Adjusted EBIT Margin<sup>4</sup></b>	<b>41.3%</b>	<b>34.3%</b>

1. Represents non-cash stock-based compensation expense associated with the Special Option Award and the post-IPO options awarded in 2019.
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 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).
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 "3Q19 Earnings Performance" for gross revenue.

Operating Expenses to Adjusted Expenses	3Q19	3Q18
<b>Operating Expenses</b>	<b>\$ 142,723</b>	<b>\$ 114,973</b>
Acquisition and Refinitiv Transaction related D&A <sup>1</sup>	(24,780)	(6,513)
Stock-based compensation expense <sup>2</sup>	(1,995)	-
Unrealized foreign exchange gains / (losses)	2,499	(407)
Gain / (loss) from revaluation of foreign denominated cash <sup>3</sup>	(562)	466
<b>Adjusted Expenses</b>	<b>\$ 117,885</b>	<b>\$ 108,519</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 non-cash stock-based compensation expense associated with the Special Option Award and the post-IPO options awarded in 2019.
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	YTD 2019	4Q18	YTD 2018
Cash flow from operating activities	\$ 303,021	\$ 190,465	\$ 112,556	\$ 164,828
Less: Capitalization of software development costs	(28,356)	(21,200)	(7,156)	(19,523)
Less: Purchase of furniture, equipment and leasehold improvements	(17,657)	(8,567)	(9,090)	(6,327)
<b>Free Cash Flow</b>	<b>\$ 257,008</b>	<b>\$ 160,698</b>	<b>\$ 96,310</b>	<b>\$ 138,978</b>

# Reconciliation of Non-GAAP Financial Measures cont. (\$ in thousands, except per share amounts)



## Reconciliation of Net Income attributable to Tradeweb Markets Inc. to Adjusted Net Income and Adjusted Diluted EPS

	3Q19	3Q18
<b>Earnings per diluted share<sup>1</sup></b>	<b>\$ 0.20<sup>b</sup></b>	<b>\$ 0.21<sup>a</sup></b>
Pre-IPO net income attributable to Tradeweb Markets LLC <sup>1</sup>	\$ -	\$45,955 <sup>a</sup>
Add: Net income attributable to Tradeweb Markets Inc. <sup>1</sup>	29,612 <sup>b</sup>	-
Add: Net income attributable to non-controlling interests <sup>1,2</sup>	18,966 <sup>b</sup>	-
<b>Net income</b>	<b>\$ 48,578<sup>b</sup></b>	<b>\$ 45,955<sup>a</sup></b>
Provision for income taxes	10,316	7,535
Contingent consideration	-	(2,537)
Acquisition and Refinitiv Transaction related D&A <sup>3</sup>	24,780	6,513
Stock-based compensation expense <sup>4</sup>	1,995	-
Unrealized foreign exchange (gains) / losses	(2,499)	407
(Gain) / loss from revaluation of foreign denominated cash <sup>5</sup>	562	(466)
Adjusted Net Income before income taxes	83,732	57,407
Adjusted income taxes <sup>6</sup>	(22,105)	(15,155)
<b>Adjusted Net Income</b>	<b>\$ 61,627</b>	<b>\$ 42,252</b>
<b>Adjusted Diluted EPS<sup>1</sup></b>	<b>\$ 0.27<sup>b</sup></b>	<b>\$ 0.19<sup>a</sup></b>

- In April 2019, the Company completed the Reorganization Transactions and the IPO. As a result, certain earnings information is being presented separately for Tradeweb Markets LLC and Tradeweb Markets Inc.
  - Presents information for Tradeweb Markets LLC (pre-IPO period).
  - Presents information for Tradeweb Markets Inc. (post-IPO period).
- For post-IPO periods, represents the reallocation of net income attributable to non-controlling interests from the assumed exchange of all outstanding LLC Interests for shares of Class A or Class B common stock.
- Represents acquisition-related intangibles amortization and increased tangible asset and capitalized software depreciation and amortization resulting from the Refinitiv Transaction and the application of pushdown accounting (where all assets were marked to fair value as of the closing date of the Refinitiv Transaction).
- Represents non-cash stock-based compensation expense associated with the Special Option Award and the post-IPO options awarded in 2019.
- Represents foreign exchange gain or loss from the revaluation of cash denominated in a different currency than the entity's functional currency.
- Represents corporate income taxes at an assumed effective tax rate of 26.4% for all periods presented applied to Adjusted Net Income before income taxes. For pre-IPO periods, this adjustment assumes Tradeweb Markets LLC was subject to a corporate tax rate for the periods presented.

The table below summarizes the calculation of Adjusted Diluted EPS for the three months ended September 30, 2019 and 2018:

## Reconciliation of Diluted Weighted Average Shares Outstanding to Adjusted Diluted Weighted Average Shares Outstanding

	3Q19	3Q18
Diluted weighted average TWM LLC shares outstanding	-	219,165,997
Diluted weighted average shares of Class A and Class B common stock outstanding	151,362,643	-
Assumed exchange of TWM LLC interests for shares of Class A and Class B common stock <sup>1</sup>	79,289,005	-
Adjusted diluted weighted average shares outstanding	230,651,648	219,165,997
<b>Adjusted Net Income (in thousands)</b>	<b>\$ 61,627</b>	<b>\$ 42,252</b>
<b>Adjusted Diluted EPS</b>	<b>\$ 0.27</b>	<b>\$ 0.19</b>

- Assumes the exchange of all outstanding LLC Interests for shares of Class A and Class B common stock, resulting in the elimination of the non-controlling interests and recognition of the net income attributable to non-controlling interests.



# Share Count Sensitivity

## PRO FORMA ADJUSTED FULLY DILUTED WEIGHTED AVERAGE SHARES

Assumed Average Share Price	Q4 2019
\$ 40.00	230,072,355
\$ 41.00	230,228,559
\$ 42.00	230,377,325
\$ 43.00	230,519,171
\$ 44.00	230,654,570
\$ 45.00	230,783,951
\$ 46.00	230,907,706
\$ 47.00	231,026,196
\$ 48.00	231,139,748
\$ 49.00	231,248,666
\$ 50.00	231,353,227
\$ 51.00	231,453,687
\$ 52.00	231,550,284
\$ 53.00	231,643,236
\$ 54.00	231,732,744
\$ 55.00	231,818,998

The pro forma adjusted fully diluted weighted average shares outstanding and assumed share prices provided in the table above 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 adjusted 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 certain shares of Class A common stock underlying outstanding options and PRSU awards using the treasury stock method. The weighted average share calculation also assumes outstanding LLC Interests of Tradeweb Markets LLC 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 adjusted fully diluted weighted average shares outstanding only and does not necessarily reflect the amount of exchanges that may occur in the future.

# Quarterly Volumes



Asset Class	Product	Q3 2019		Q2 2019		Q3 2018		QoQ	YoY
		ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV	ADV
Rates	Cash	284,629	18,260,913	278,343	17,506,660	208,879	13,196,047	2.26%	36.26%
	U.S. Government Bonds	82,128	5,256,162	80,655	5,081,272	65,558	4,130,170	1.83%	25.27%
	European Government Bonds	23,373	1,542,540	22,871	1,417,983	17,745	1,153,418	2.20%	31.72%
	Mortgages	175,478	11,230,569	171,101	10,779,394	123,600	7,786,799	2.56%	41.97%
	Other Government Bonds	3,651	231,641	3,715	228,011	1,976	125,659	-1.74%	84.72%
	Derivatives	278,749	18,044,201	231,564	14,511,266	133,693	8,514,786	20.38%	108.50%
	Swaps/Swaptions ≥ 1Y	148,195	9,610,603	133,897	8,370,935	104,080	6,635,855	10.68%	42.39%
	Swaps/Swaptions < 1Y	129,981	8,396,929	96,993	6,097,897	29,125	1,848,185	34.01%	346.28%
	Futures	573	36,669	674	42,433	488	30,745	-14.94%	17.44%
	<b>Total</b>		<b>563,379</b>	<b>36,305,114</b>	<b>509,907</b>	<b>32,017,926</b>	<b>342,572</b>	<b>21,710,832</b>	<b>10.49%</b>
Credit	Cash	5,437	352,688	5,547	349,048	3,950	251,695	-2.00%	37.64%
	U.S. High-Grade	2,476	158,462	2,778	175,009	1,712	107,881	-10.87%	44.59%
	U.S. High-Yield	328	20,973	281	17,696	230	14,461	16.67%	42.77%
	European Credit	1,203	79,409	1,287	79,769	1,098	71,357	-6.48%	9.60%
	Municipal Bonds	226	14,433	249	15,715	256	16,134	-9.59%	-11.94%
	Chinese Bonds	1,139	75,201	881	56,392	603	38,571	29.31%	89.06%
	Other Credit Bonds	65	4,209	71	4,467	51	3,291	-9.40%	26.12%
	Derivatives	11,763	764,357	6,670	417,319	7,935	508,512	76.35%	48.23%
	Swaps	11,763	764,357	6,670	417,319	7,935	508,512	76.35%	48.23%
	<b>Total</b>		<b>17,199</b>	<b>1,117,045</b>	<b>12,217</b>	<b>766,367</b>	<b>11,885</b>	<b>760,207</b>	<b>40.78%</b>
Money Markets	Cash	227,125	14,701,122	222,595	14,022,433	171,509	10,872,806	2.04%	32.43%
	Repurchase Agreements (Repo)	209,298	13,557,806	203,800	12,839,387	151,667	9,620,102	2.70%	38.00%
	Other Money Markets	17,827	1,143,316	18,795	1,183,046	19,842	1,252,704	-5.15%	-10.15%
<b>Total</b>		<b>227,125</b>	<b>14,701,122</b>	<b>222,595</b>	<b>14,022,433</b>	<b>171,509</b>	<b>10,872,806</b>	<b>2.04%</b>	<b>32.43%</b>
Equities	Cash	4,500	291,470	4,117	257,817	3,162	201,149	9.31%	42.32%
	U.S. ETFs	2,756	176,353	2,587	162,995	2,182	137,496	6.50%	26.26%
	European ETFs	1,744	115,118	1,529	94,822	979	63,653	14.05%	78.12%
	Derivatives	2,845	184,659	3,004	187,751	2,584	165,441	-5.26%	10.11%
	Convertibles/Swaps/Options	1,275	83,721	1,404	87,241	1,253	81,194	-9.18%	1.73%
	Futures	1,570	100,938	1,600	100,510	1,331	84,247	-1.82%	18.00%
<b>Total</b>		<b>7,345</b>	<b>476,129</b>	<b>7,120</b>	<b>445,568</b>	<b>5,746</b>	<b>366,590</b>	<b>3.16%</b>	<b>27.83%</b>

## PRODUCT CATEGORIES INCLUDE

**U.S. Government Bonds:** U.S. Treasury bills, notes and bonds, and Treasury Inflation-protected Securities.

**Mortgages:** To-be-announced mortgage-backed securities, specified pools, collateralized mortgage obligations, commercial mortgage-backed securities, other mortgage derivatives and other asset-backed securities.

**Other Government Bonds:** Japanese, Canadian, Australian and New Zealand government bonds, covered bonds (including Pfandbriefe), other government-guaranteed securities, supranational, sub-sovereign and agency bonds/debentures. Starting in February 2019, Canadian Government Bonds effected on Tradeweb by non-Canadian clients have been added to these volumes.

**Rates Futures:** Government bond futures leg of exchange for physicals (EFPs).

**U.S. High-Grade and High-Yield:** All TRACE-reported corporates, excluding convertibles (see "U.S. Corporate Bonds" for segmentation methodology).

**Chinese Bonds:** Chinese Interbank Bond Market (CIBM) instruments – government and corporate – transacted via Bond Connect Company Limited (BCCL).

**Other Credit Bonds:** Other developed market (including non-TRACE-reported bonds, preferreds and structured notes), developing and emerging market corporate and government bonds.

**Credit Swaps:** Index and single name credit default swaps.

**Other Money Markets:** Agency discount notes, commercial paper, certificates of deposits (including structured CDs), and deposits. Starting in February 2019, Canadian Commercial Paper effected on Tradeweb by non-Canadian clients have been added to these volumes.

**ETF:** Exchange traded funds (ETFs), ETF leg of EFPs, and net asset value trades.

**Convertibles/Swaps/Options:** Convertible bonds, equity swaps, call and put strategies, and other equity derivatives excluding futures. Certain equity derivatives transactions have been reclassified as Equity Futures to better reflect the product group.

**Equities Futures:** Equity futures including the futures leg of EFPs. Certain equity derivatives transactions have been reclassified as Equity Futures to better reflect the product group.

## VOLUMES

Volumes include Tradeweb, Dealerweb and Tradeweb Direct. Except with respect to U.S. Treasuries, both sides of a trade are included in volume totals where the trade is fully-anonymous and a Tradeweb broker-dealer is the matched principal counterparty. Riskless principal trades on Tradeweb Direct are single-count.

All volumes converted to U.S. Dollars.

Volumes for Mortgages represent current face value at time of trade.

Volumes can reflect cancellations and corrections that occur after prior postings.

Previously disclosed U.S. government bond volumes have been updated as a result of a reclassification of certain U.S. Treasury transactions.

# U.S. Corporate Bonds



## USING MARKET REPORTING STANDARDS

### TRADEWEB MARKETS

Product	Type	Q3 2019						Q2 2019						Q3 2018						QoQ		YoY	
		Volume (USD mm)			Trades			Volume (USD mm)			Trades			Volume (USD mm)			Trades			ADV	ADT	ADV	ADT
		ADV	Total	% of Reported	ADT	Total	% of Reported	ADV	Total	% of Reported	ADT	Total	% of Reported	ADV	Total	% of Reported	ADT	Total	% of Reported	ADV	ADT	ADV	ADT
U.S. High-Grade	Total	2,576	164,887	12.5%	9,956	637,190	21.8%	2,883	181,634	12.4%	10,002	630,096	21.0%	1,812	114,185	9.6%	9,139	575,749	21.1%	-10.64%	-0.45%	42.15%	8.94%
	Electronically Processed	1,492	95,505	7.2%	262	16,777	0.6%	1,738	109,480	7.5%	265	16,698	0.6%	1,146	72,177	6.0%	178	11,241	0.4%	-14.13%	-1.10%	30.25%	46.92%
	Fully Electronic	1,084	69,382	5.3%	9,694	620,413	21.3%	1,145	72,154	4.9%	9,736	613,398	20.4%	667	42,007	3.5%	8,960	564,508	20.7%	-5.34%	-0.44%	62.59%	8.19%
U.S. High-Yield	Total	343	21,924	4.1%	1,970	126,099	13.0%	294	18,516	3.2%	1,749	110,205	11.5%	238	15,023	3.4%	1,324	83,413	10.6%	16.55%	12.63%	43.65%	48.81%
	Electronically Processed	168	10,742	2.0%	45	2,855	0.3%	132	8,301	1.5%	41	2,598	0.3%	158	9,938	2.2%	42	2,630	0.3%	27.38%	8.18%	6.40%	6.86%
	Fully Electronic	175	11,182	2.1%	1,926	123,244	12.7%	162	10,215	1.8%	1,708	107,607	11.2%	81	5,085	1.1%	1,282	80,783	10.3%	7.76%	12.74%	116.46%	50.18%

### REPORTED MARKET

Product	Q3 2019				Q2 2019				Q3 2018				QoQ		YoY	
	Volume (USD mm)		Trades		Volume (USD mm)		Trades		Volume (USD mm)		Trades		ADV	ADT	ADV	ADT
	ADV	Total	ADT	Total	ADV	Total	ADT	Total	ADV	Total	ADT	Total	ADV	ADT	ADV	ADT
U.S. High-Grade (TRACE)	20,622	1,319,832	45,590	2,917,778	23,296	1,467,650	47,629	3,000,653	18,959	1,194,437	43,366	2,732,085	-11.48%	-4.28%	8.77%	5.13%
U.S. High-Yield (TRACE)	8,305	531,507	15,201	972,862	9,073	571,577	15,245	960,448	7,068	445,315	12,436	783,483	-8.46%	-0.29%	17.49%	22.23%

### FOOTNOTES

Numbers include all activity on Tradeweb, Dealerweb and Tradeweb Direct.

Corporate bond volume and trade count numbers reflect all trades reported to TRACE, excluding emerging market and convertible bonds.

Monthly average capped volumes for HG and HY applied to capped trades based on TRACE reporting standards.

Electronically Processed include voice trades processed electronically on Tradeweb.

Day counts for corporate bonds reflect all SIFMA trading days.

Segmentation between HG and HY determined using the following methodology and ratings from Standards & Poor's (S&P), Moody's Investor Services and Fitch Ratings:

- If 2 of 3 of the bond's ratings are equal to or worse than BB+/Ba1/BB+ (but not including "other ratings") then the bond is HY.
- If 1 of 3 of the bond's ratings is equal to or worse than BB+/Ba1/BB+, and none are better, then the bond is HY.
- If the bond is not rated by any agency then the bond is HY.
- If 3 of 3 of the bond's ratings are better than BB+/Ba1/BB+ (but not including "other ratings") then the bond is HG.
- If 2 of 3 of the bond's ratings are better than BB+/Ba1/BB+ then the bond is HG.
- If 1 of 3 of the bond's ratings is better than BB+/Ba1/BB+, and none are equal or worse, then the bond is HG.
- If 1 of 3 of the bond's ratings is better than BB+/Ba1/BB+ and 1 of 3 is equal or worse, then the bond is HG. (i.e. The bond is split rated: 1 HG, 1 HY).

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