

# 2Q21 EARNINGS CONFERENCE CALL

JULY 29, 2021

# 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

Tradeweb Markets Inc. (unless the context otherwise requires, together with its subsidiaries, referred to as "we," "our," "Tradeweb," "Tradeweb Markets" or the "Company") closed its IPO 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.

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. Subsequent to September 30, 2018, there is no difference between references to "gross revenue" and "total revenue," "net revenue" or "revenue". Numerical figures included in this presentation have been subject to rounding adjustments and as a result, totals may not be the arithmetic aggregation of the amounts that precede them and figures expressed as percentages may not total 100%.

## 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 2021 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. In addition, statements herein relating to the COVID-19 pandemic, the potential impacts of which remain inherently uncertain, 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 2020. 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.

## Unaudited Interim Results

The interim financial results presented herein for the three and six months ended June 30, 2021 and 2020 are unaudited. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year.

## 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.

# 2Q21 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

### REVENUE

**\$260.8M**

+23.0% y/y\*

+20.2% y/y (CC\*\*)¹

### INTERNATIONAL REVENUES

**\$97.2M**

+35.0% y/y

+27.0% y/y (CC)¹

### ADJUSTED NET INCOME²

**\$93.6M**

+32.9% y/y

+30.2% y/y (CC)¹

### ADJUSTED EBITDA MARGIN²

**50.6%**

+280 bps y/y

+297 bps y/y (CC)¹

### ADJUSTED EBIT MARGIN²

**46.1%**

+343 bps y/y

+353 bps y/y (CC)¹

### ADJUSTED DILUTED EPS²

**\$0.39**

+30.0% y/y

+30.0% y/y (CC)¹

\*y/y = year over year comparison

\*\*CC = constant currency

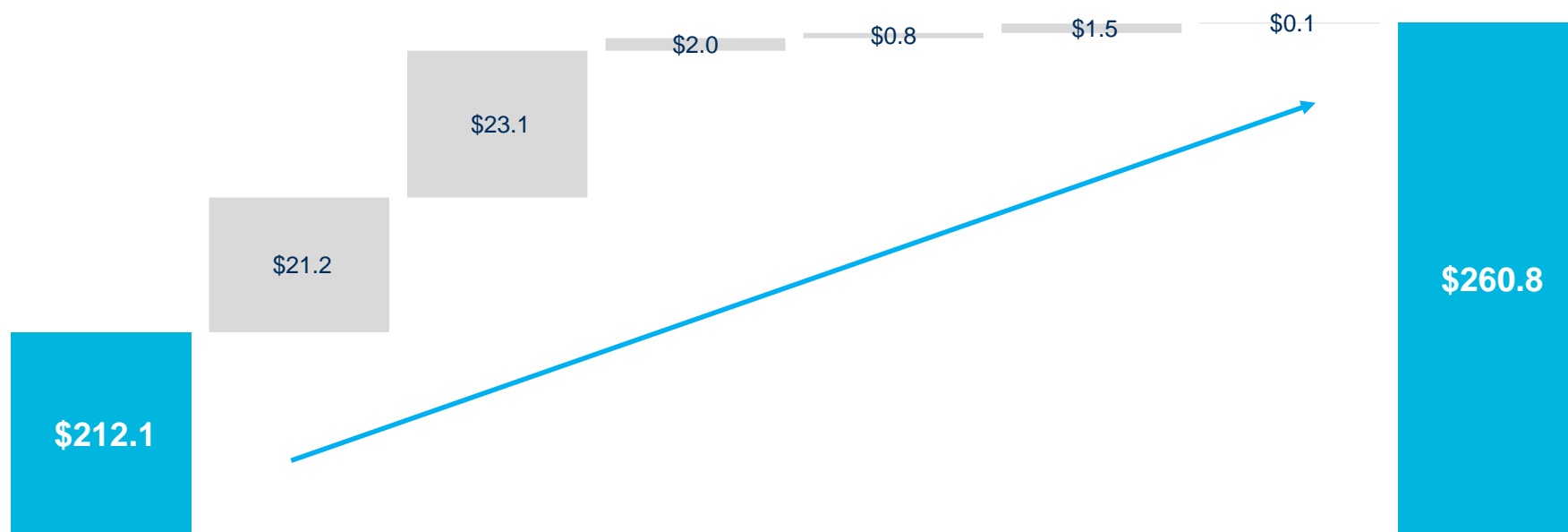
1. Growth information presented on a "constant currency" basis reflects growth for the period excluding the impact of foreign currency fluctuations. See "Disclaimers – Non-GAAP Financial Measures" for more information.

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.

# 2Q21 Revenue Results

(\$ in millions)

2Q21 REVENUE GROWTH OF 23.0% (CC 20.2% Y/Y)<sup>1</sup>

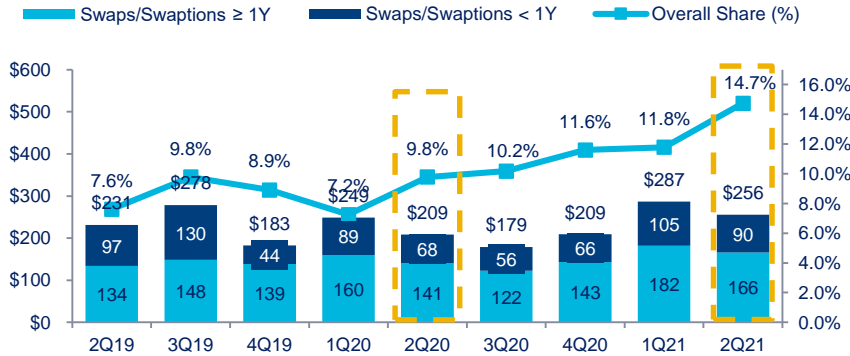


	2Q20	Rates	Credit	Equities	Money Markets	Market Data	Other	2Q21
<b>2Q21 y/y growth %</b>		<b>18.8%</b>	<b>47.1%</b>	<b>12.9%</b>	<b>7.6%</b>	<b>8.2%</b>	<b>2.5%</b>	<b>23.0%</b>
<i>2Q21 y/y constant currency growth %</i>		<i>15.9%</i>	<i>44.3%</i>	<i>8.7%</i>	<i>5.7%</i>	<i>6.1%</i>	<i>2.5%</i>	<i>20.2%</i>
<b>YTD y/y growth %</b>		<b>15.9%</b>	<b>42.2%</b>	<b>4.1%</b>	<b>1.9%</b>	<b>7.9%</b>	<b>10.9%</b>	<b>19.6%</b>
<i>YTD y/y constant currency growth %</i>		<i>13.1%</i>	<i>39.4%</i>	<i>(0.2)%</i>	<i>0.2%</i>	<i>6.2%</i>	<i>10.9%</i>	<i>16.9%</i>

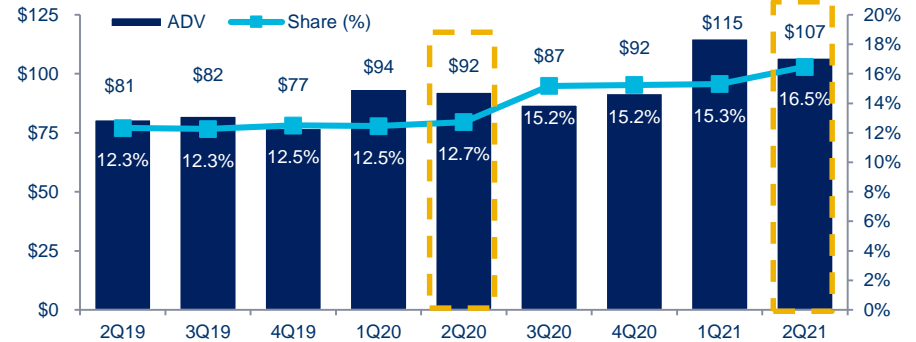
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# Key Growth Initiatives

## GLOBAL INTEREST RATE SWAPS (ADV AND SHARE<sup>1</sup>) 2Q21 Y/Y Growth (\$ in billions) *Total: +23%*



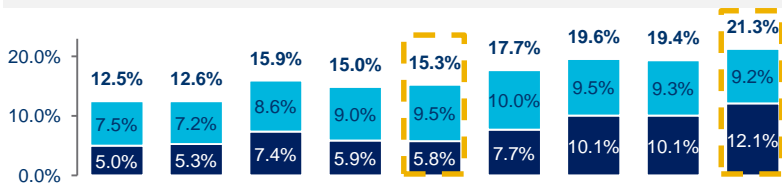
## U.S. TREASURIES (ADV AND SHARE<sup>2</sup>) 2Q21 Y/Y Growth (\$ in billions) *Total: +16%*



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

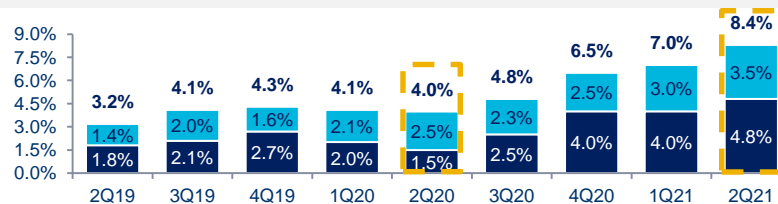
### High Grade

**2Q21 Y/Y ADV Growth**  
HG: Total +8%, Electronic +64%, E-P -25%

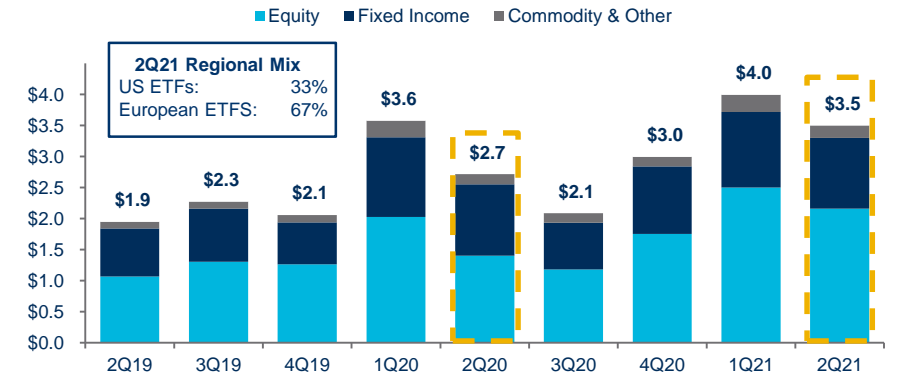


### High Yield

**2Q21 Y/Y ADV Growth**  
HY: Total +69%, Electronic +161%, E-P +14%



## GLOBAL ETFs (INSTITUTIONAL ADV) 2Q21 Y/Y Growth (\$ in billions) *Total: +29%*



Note: Totals may not foot due to rounding.

1. Share and volumes reflect 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.

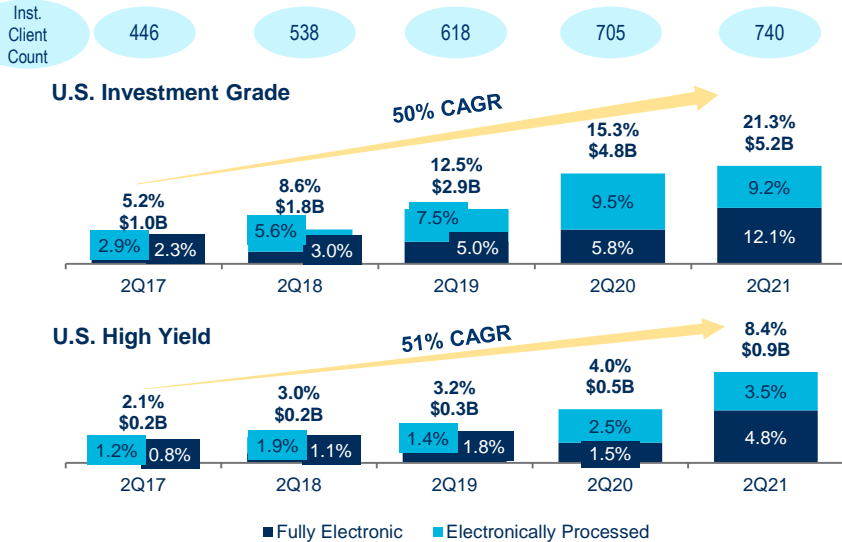
2. Share and volumes reflect TW U.S. Treasuries volume across institutional, wholesale and retail client sectors, divided by SIFMA volume, adjusted by Tradeweb management to estimate non-primary dealer activity.

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.

# Credit Growth Initiatives

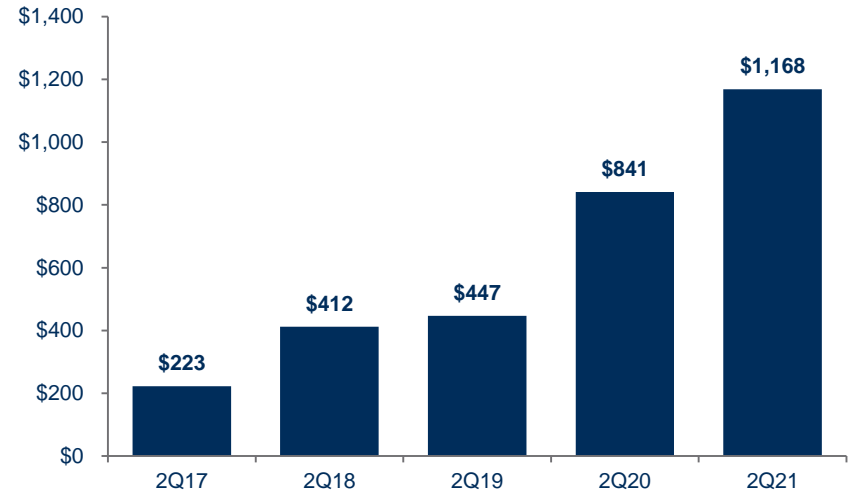
## EXPANDING INSTITUTIONAL & WHOLESALE<sup>1,2</sup>

(Share of TRACE  
\$ in billions, ADV)



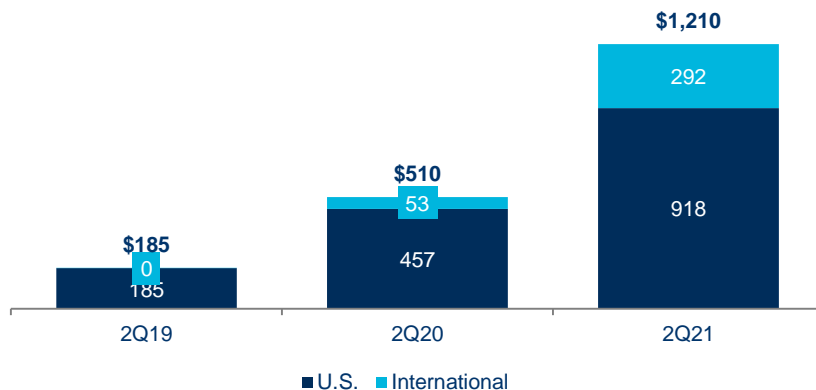
## GROWING FOUNDATIONAL RFQ PROTOCOL

(\$ in millions, ADV)



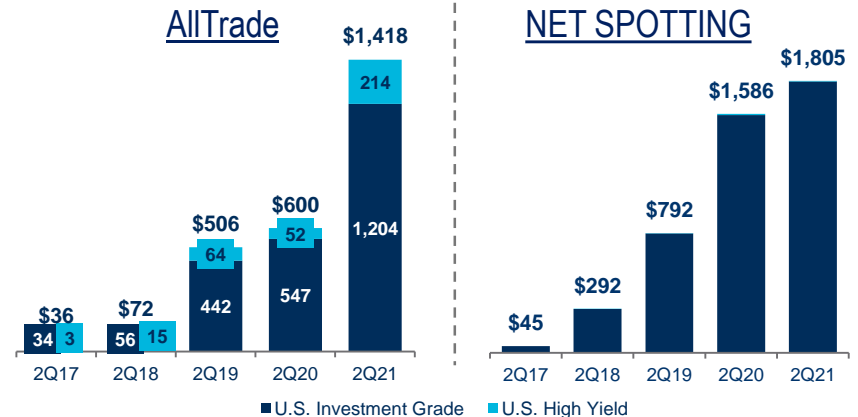
## INCREASING GLOBAL PORTFOLIO TRADING ADOPTION<sup>1</sup>

(\$ in millions, ADV)



## SOLIDIFYING OUR U.S. DIFFERENTIATORS<sup>1</sup>

(\$ in millions, ADV)

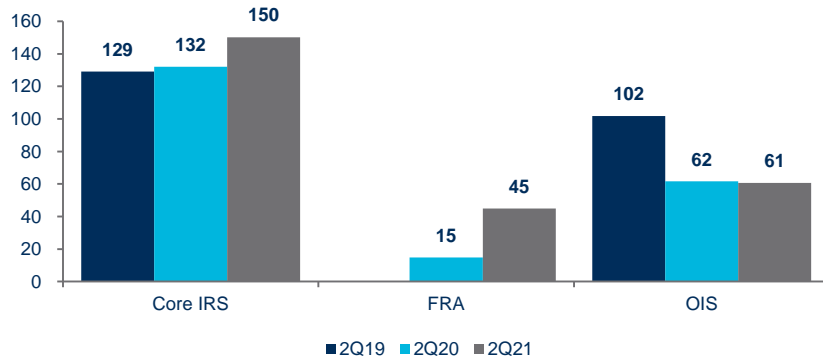


1. Totals may not foot due to rounding

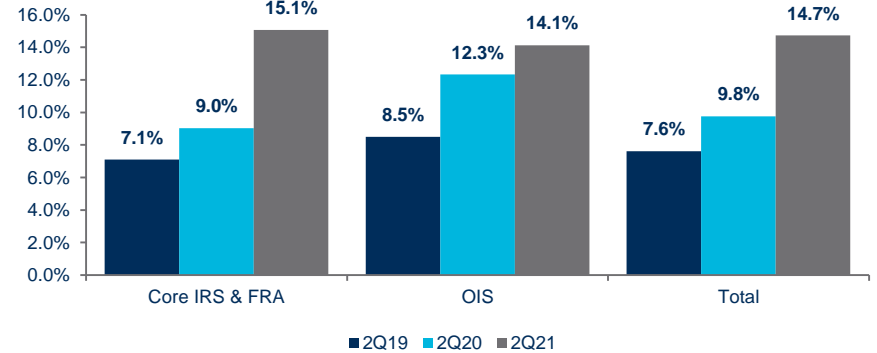
2. Share reflects TW high grade and high yield volume, divided by TRACE volume, adjusted by Tradeweb management to exclude emerging market and convertible bond volumes.

# IRS & AiEX Growth Initiatives

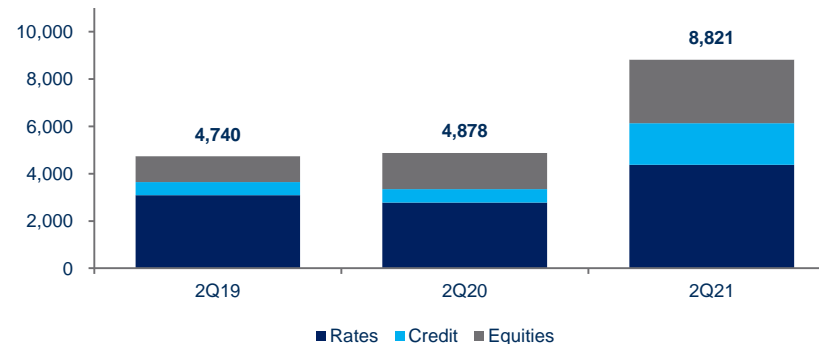
**GLOBAL INTEREST RATE SWAPS ADV<sup>1</sup>**  
(\$ in billions)



**GLOBAL INTEREST RATE SWAPS SHARE<sup>1,2</sup>**



**AiEX AVERAGE DAILY TRADES**



1. Share and volumes reflect 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.

2. FRAs are being phased out with LIBOR and being replaced by single period swaps (SPS). We will continue to provide our volumes across the three product buckets, with SPS replacing FRAs. Due to lack of industry reporting standardization, certain market participants are reporting SPS as core IRS volume causing inconsistent reporting as to market share by bucket..



# Quarterly ADV

**2Q ADV of \$976BN (+25.5% y/y, +24.8% ex Swaps <1 year)**

**KEY** ■ Cash ■ Derivatives

## RATES<sup>1</sup>

(\$ in billions)

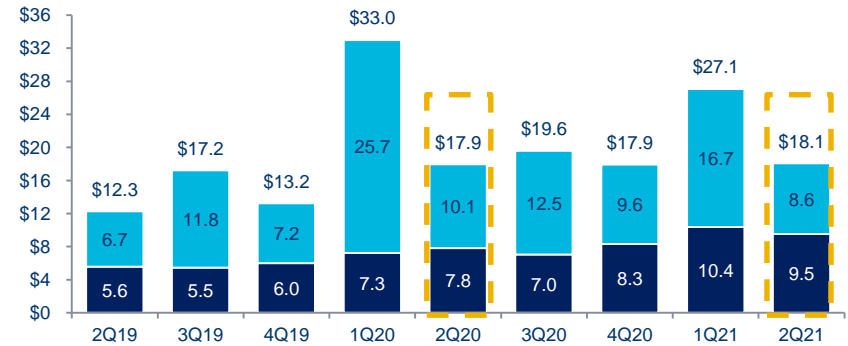
**2Q21 Y/Y GROWTH**  
**Total: +13%**  
 Cash: +7%  
 Derivatives: +23%



## CREDIT<sup>1</sup>

(\$ in billions)

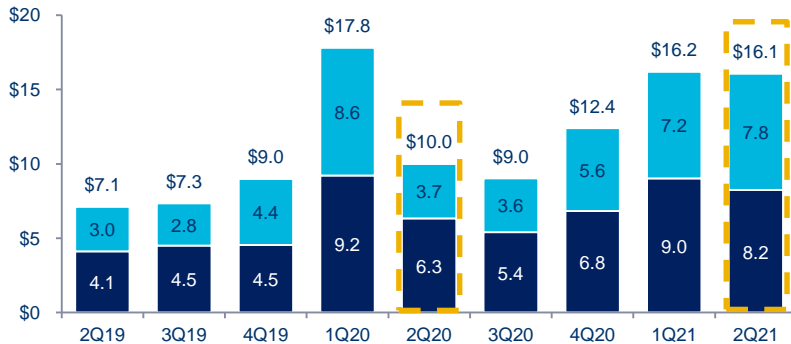
**2Q21 Y/Y GROWTH**  
**Total: +1%**  
 Cash: +22%  
 Derivatives: -15%



## EQUITIES<sup>1</sup>

(\$ in billions)

**2Q21 Y/Y GROWTH**  
**Total: +61%**  
 Cash: +30%  
 Derivatives: +113%



## MONEY MARKETS

(\$ in billions)

**2Q21 Y/Y GROWTH**  
**Total: +51%**



1. Totals may not foot due to rounding

# 2Q21 Financial Performance<sup>1</sup>



(\$ in thousands, except share and per share amounts)

## REVENUE GROWTH OF 23.0% (20.2% CC)<sup>2</sup> WITH EBITDA MARGIN EXPANSION OF +280 bps to 50.6% (+297 bps CC)<sup>2</sup>

	2Q21	2Q20	%Δ 2Q21 vs 2Q20	%Δ Constant Currency 2Q21 vs 2Q20 <sup>2</sup>
Trading Revenues				
Fixed	\$ 73,501	\$ 68,428	7.4%	4.2%
Variable	167,332	125,182	33.7%	31.1%
Total Trading Revenues	240,833	\$ 193,610	24.4%	21.5%
Refinitiv Market Data	14,926	14,565	2.5%	2.5%
Other Information Services	5,081	3,932	29.2%	19.3%
Total Revenue	260,840	212,107	23.0%	20.2%
Adj. Expenses <sup>3</sup>	140,569	121,586	15.6%	12.8%
Adj. EBIT	120,271	90,521	32.9%	30.2%
Net interest income (expense)	(325)	(286)	13.6%	13.4%
Adj. EBT	119,946	90,235	32.9%	30.2%
Adj. Income Taxes <sup>4</sup>	(26,388)	(19,852)	32.9%	30.2%
Adj. Net Income	\$ 93,558	\$ 70,383	32.9%	30.2%
Adj. EBIT Margin <sup>5</sup>	46.1%	42.7%	+343 bps	+353 bps
Adj. EBITDA	\$ 131,898	\$ 101,309	30.2%	27.7%
Adj. EBITDA Margin <sup>5</sup>	50.6%	47.8%	+280 bps	+297 bps
Adj. Diluted EPS	\$ 0.39	\$ 0.30	30.0%	30.0%
Adj. Diluted Share Count <sup>6</sup>	237,995,893	233,622,454	1.9%	

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 (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 22.0% applied to Adjusted Net Income before income taxes for each of the three months ended June 30, 2021 and 2020.

5. Adj. EBIT Margin and Adj. EBITDA Margin are defined as Adjusted EBIT and Adjusted EBITDA, respectively, divided by revenue for the applicable period.

6. Represents the diluted weighted average number of shares of Class A and Class B common stock outstanding (including the effect of potentially dilutive securities determined using the treasury stock method), 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

	2Q21	1Q21	2Q20	%Δ 2Q21 vs 1Q21	%Δ 2Q21 vs 2Q20
<b>Rates</b>	\$ <b>2.18</b>	\$ <b>2.19</b>	\$ <b>1.95</b>	<b>(0.4)%</b>	<b>11.7%</b>
Cash Rates	\$ 2.02	\$ 1.91	\$ 1.94	6.2%	4.4%
Rates Derivatives	\$ 2.38	\$ 2.56	\$ 1.97	(7.1)%	20.5%
Swaps / Swaptions Tenor >= 1 Yr	\$ 3.54	\$ 3.90	\$ 2.84	(9.0)%	24.6%
Other Rates Derivatives <sup>2</sup>	\$ 0.28	\$ 0.26	\$ 0.18	6.7%	51.6%
<b>Credit</b>	\$ <b>57.62</b>	\$ <b>40.81</b>	\$ <b>39.03</b>	<b>41.2%</b>	<b>47.6%</b>
Cash Credit <sup>3</sup>	\$ 138.52	\$ 135.44	\$ 134.56	2.3%	2.9%
Credit Derivatives + U.S. Cash 'EP'	\$ 7.91	\$ 6.33	\$ 7.30	25.0%	8.3%
<b>Equities</b>	\$ <b>14.50</b>	\$ <b>16.05</b>	\$ <b>20.58</b>	<b>(9.6)%</b>	<b>(29.5)%</b>
Cash Equities	\$ 23.21	\$ 23.63	\$ 27.24	(1.8)%	(14.8)%
Equity Derivatives	\$ 5.34	\$ 6.46	\$ 9.10	(17.3)%	(41.3)%
<b>Money Markets (Cash)</b>	\$ <b>0.31</b>	\$ <b>0.31</b>	\$ <b>0.42</b>	<b>(0.7)%</b>	<b>(26.3)%</b>
<b>Total Fees per Million</b>	\$ <b>2.70</b>	\$ <b>2.77</b>	\$ <b>2.56</b>	<b>(2.7)%</b>	<b>5.3%</b>
Total FPM ex <1yr tenor swaps <sup>4</sup>	\$ <b>2.95</b>	\$ <b>3.05</b>	\$ <b>2.79</b>	<b>(3.5)%</b>	<b>5.6%</b>

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 revenue by asset class.

2. Includes Swaps / Swaptions of tenor < 1 year and Rates Futures.

3. The 'Cash Credit' category represents the credit asset class excluding (1) Credit Derivatives and (2) U.S. High Grade and High Yield Electronically Processed ('EP') activity.

4. Included to contextualize the impact of short-tenored Swaps / Swaptions and Rates Futures on blended FPM across all periods presented.

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

(\$ in thousands)

**2Q21 EXPENSES INCREASED 15.6% (12.8% CC y/y)<sup>2</sup>**

	2Q21	2Q20	%Δ 2Q21 vs 2Q20	%Δ Constant Currency 2Q21 vs 2Q20
Adjusted Expenses				
Employee compensation and benefits <sup>a</sup>	\$ 95,646	\$ 83,871	14.0%	11.6%
Depreciation and amortization <sup>b</sup>	11,627	10,788	7.8%	6.8%
Technology and communications	13,957	12,042	15.9%	14.8%
General and administrative <sup>c</sup>	8,319	4,767	74.5%	54.8%
Professional fees <sup>d</sup>	7,402	6,609	12.0%	9.2%
Occupancy	3,618	3,509	3.1%	(0.2)%
Total adjusted non-compensation expenses	44,923	37,715	19.1%	15.4%
Total Adjusted Expenses	\$ 140,569	\$ 121,586	15.6%	12.8%

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

- a. Adjusted to exclude non-cash stock-based compensation expense associated with the Special Option Award and post-IPO options awarded in 2019 and the payroll taxes associated with exercises of such options during the applicable period. See "Appendix" for additional information.
- b. Adjusted to exclude acquisition and Refinitiv Transaction related depreciation and amortization. See "Appendix" for additional information.
- c. Adjusted to exclude unrealized gains/losses from outstanding foreign exchange forward contracts and gains and losses from the revaluation of foreign denominated cash. See "Appendix" for additional information.
- d. Adjusted to exclude transaction and other costs related to the acquisition of Nasdaq's U.S. fixed income electronic trading platform ("NFI"), which closed in June 2021.

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 Key Highlights

- \$681.2 million in cash and cash equivalents (June 30<sup>th</sup>)
- Undrawn \$500 million credit facility
- TTM FCF: \$433.8 million<sup>1</sup> (+23.0% yr/yr)
- 2Q21 Capex & Cap software development: \$12.9 million (+19.1% yr/yr)
- \$51.7 million in share buybacks in 2Q (617.6k shares). \$98.3 million of share repurchase authorization remains outstanding.
- \$8.0 million in shares withheld in 2Q to satisfy tax obligations related to exercise of stock options.
- Board of Directors declared a quarterly dividend of \$0.08 per Class A and Class B share payable in September 2021

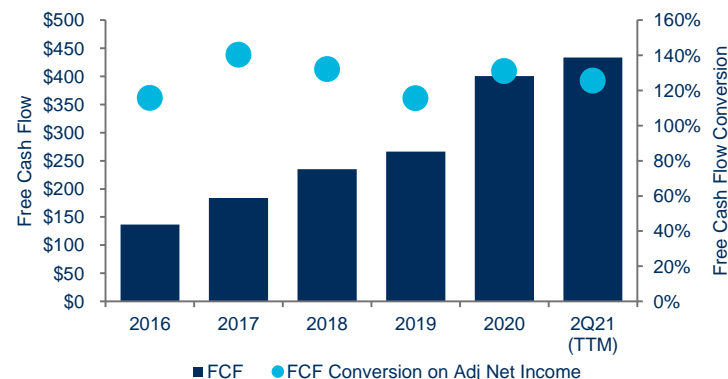
## 2021 FY Guidance<sup>2,3</sup>

(\$ in millions)

	PREVIOUS	CURRENT
<b>Adjusted Expenses</b>	<b>\$530 - 560M</b> <i>(Upper half of range)</i>	<b>\$565 - 580M</b>
Acquisition & Refinitiv related D&A	\$120M	\$124M
Assumed non-GAAP tax rate	22.0%	22.0%
Capex & Cap software development	\$45 - 50M	\$49 - 53M

## Strong Free Cash Flow Growth and Conversion

(\$ in millions)



1. Free Cash Flow ("FCF") 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.

3. Current adjusted expense guidance reflects NFI expenses, accelerated investments, and an improved 2H revenue outlook

## PRO FORMA ADJUSTED FULLY DILUTED WEIGHTED AVERAGE SHARES

Assumed Average Share Price	Q3 2021	Q4 2021
\$75.00	238,448,957	238,530,137
\$80.00	238,606,889	238,687,432
\$85.00	238,746,242	238,826,221
\$90.00	238,892,332	239,105,145
\$95.00	239,001,993	239,207,340
\$100.00	239,100,687	239,299,316
\$105.00	239,189,982	239,382,532

*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, RSU 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.*

# APPENDIX

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

Net Income to Adjusted EBITDA, Adjusted EBIT and Adjusted EBT	2Q21	2Q20
<b>Net Income</b>	<b>\$ 66,233</b>	<b>\$ 42,408</b>
Acquisition transaction costs <sup>1</sup>	2,966	-
Net interest (income) expense	325	286
Depreciation and amortization	41,867	37,919
Stock-based compensation expense <sup>2</sup>	2,803	4,995
Provision for income taxes	17,234	12,945
Foreign exchange (gains)/losses <sup>3</sup>	470	2,756
Tax receivable agreement liability adjustment <sup>4</sup>	-	-
<b>Adjusted EBITDA</b>	<b>\$ 131,898</b>	<b>\$ 101,309</b>
Less: Depreciation and amortization	(41,867)	(37,919)
Add: D&A related to acquisitions and the Refinitiv Transaction <sup>5</sup>	30,240	27,131
<b>Adjusted EBIT</b>	<b>\$ 120,271</b>	<b>\$ 90,521</b>
Add: Net interest income (expense)	(325)	(286)
<b>Adjusted EBT</b>	<b>\$ 119,946</b>	<b>\$ 90,235</b>
<b>Adjusted EBITDA Margin<sup>6</sup></b>	<b>50.6%</b>	<b>47.8%</b>
<b>Adjusted EBIT Margin<sup>6</sup></b>	<b>46.1%</b>	<b>42.7%</b>

1. Represents transaction and other costs related to the NFI Acquisition, which closed in June 2021. Acquisition-related costs primarily include legal, consulting and advisory fees and severance costs incurred that relate to the acquisition transaction.
2. Represents non-cash stock-based compensation expense associated with the Special Option Award and post-IPO options awarded in 2019 and payroll taxes associated with exercises of such options during the applicable period.
3. Represents unrealized gain or loss recognized on foreign currency forward contracts and foreign exchange gain or loss from the revaluation of cash denominated in a different currency than the entity's functional currency.
4. Represents income recognized during the applicable period due to changes in the tax receivable agreement liability recorded in the statement of financial condition as a result of changes in the mix of earnings, tax legislation and tax rates in various jurisdictions which impacted our tax savings.
5. Represents intangible asset amortization and increased tangible asset and capitalized software depreciation and amortization resulting from the NFI Acquisition and the application of pushdown accounting to the Refinitiv Transaction (where all assets were marked to fair value as of the closing date of the Refinitiv Transaction).
6. Adjusted EBITDA margin and Adjusted EBIT margin are defined as Adjusted EBITDA and Adjusted EBIT, respectively, divided by revenue for the applicable period. See "2Q21 Financial Performance" for revenue.

Operating Expenses to Adjusted Expenses	2Q21	2Q20
<b>Operating Expenses</b>	<b>\$ 177,048</b>	<b>\$ 156,468</b>
Acquisition transaction costs <sup>1</sup>	(2,966)	-
D&A related to acquisitions and the Refinitiv Transaction <sup>2</sup>	(30,240)	(27,131)
Stock-based compensation expense <sup>3</sup>	(2,803)	(4,995)
Foreign exchange (gains)/losses <sup>4</sup>	(470)	(2,756)
<b>Adjusted Expenses</b>	<b>\$ 140,569</b>	<b>\$ 121,586</b>

1. Represents transaction and other costs related to the NFI Acquisition, which closed in June 2021. Acquisition-related costs primarily include legal, consulting and advisory fees and severance costs incurred that relate to the acquisition transaction.
2. Represents intangible asset amortization and increased tangible asset and capitalized software depreciation and amortization resulting from the NFI Acquisition and the application of pushdown accounting to the Refinitiv Transaction (where all assets were marked to fair value as of the closing date of the Refinitiv Transaction).
3. Represents non-cash stock-based compensation expense associated with the Special Option Award and post-IPO options awarded in 2019 and payroll taxes associated with exercises of such options during the applicable period.
4. Represents unrealized gain or loss recognized on foreign currency forward contracts and 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 Months	
Cash flow from operating activities	\$	482,687
Less: Capitalization of software development costs		(33,215)
Less: Purchase of furniture, equipment and leasehold improvements		(15,651)
<b>Free Cash Flow</b>	<b>\$</b>	<b>433,821</b>



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

<b>Reconciliation of Net Income attributable to Tradeweb Markets Inc. to Adjusted Net Income and Adjusted Diluted EPS</b>	<b>2Q21</b>	<b>2Q20</b>
<b>Earnings per diluted share</b>	<b>\$ 0.27</b>	<b>\$ 0.16</b>
Net income attributable to Tradeweb Markets Inc.	\$ 55,316	\$ 30,496
Net income attributable to non-controlling interests <sup>1</sup>	10,917	11,912
<b>Net income</b>	<b>\$ 66,233</b>	<b>\$ 42,408</b>
Provision for income taxes	17,234	12,945
Acquisition transaction costs <sup>2</sup>	2,966	-
D&A related to acquisitions and the Refinitiv Transaction <sup>3</sup>	30,240	27,131
Stock-based compensation expense <sup>4</sup>	2,803	4,995
Foreign exchange (gains)/losses <sup>5</sup>	470	2,756
Tax receivable agreement liability adjustment <sup>6</sup>	-	-
Adjusted Net Income before income taxes	119,946	90,235
Adjusted income taxes <sup>7</sup>	(26,388)	(19,852)
<b>Adjusted Net Income</b>	<b>\$ 93,558</b>	<b>\$ 70,383</b>
<b>Adjusted Diluted EPS<sup>8</sup></b>	<b>\$ 0.39</b>	<b>\$ 0.30</b>

1. Represents the reallocation of net income attributable to non-controlling interests from the assumed exchange of all outstanding LLC Interests held by non-controlling interests for shares of Class A or Class B common stock.
2. Represents transaction and other costs related to the NFI Acquisition, which closed in June 2021. During the three and six months ended June 30, 2021, Acquisition-related costs primarily include legal, consulting and advisory fees and severance costs incurred that relate to the acquisition transaction.
3. Represents intangible asset amortization and increased tangible asset and capitalized software depreciation and amortization resulting from the NFI Acquisition and the application of pushdown accounting to the Refinitiv Transaction (where all assets were marked to fair value as of the closing date of the Refinitiv Transaction).
4. Represents non-cash stock-based compensation expense associated with the Special Option Award and post-IPO options awarded in 2019 and payroll taxes associated with exercises of such options during the applicable period.
5. Represents unrealized gain or loss recognized on foreign currency forward contracts and foreign exchange gain or loss from the revaluation of cash denominated in a different currency than the entity's functional currency.
6. Represents income recognized during the applicable period due to changes in the tax receivable agreement liability recorded in the statement of financial condition as a result of changes in the mix of earnings, tax legislation and tax rates in various jurisdictions which impacted our tax savings.
7. Represents corporate income taxes at an assumed effective tax rate of 22% applied to Adjusted Net Income before income taxes for each of the three months ended June 30, 2021 and 2020.
8. For a summary of the calculation of Adjusted Diluted EPS, see "Reconciliation of Diluted Weighted Average Shares Outstanding to Adjusted Diluted Weighted Average Shares Outstanding" below.

The table below summarizes the calculation of Adjusted Diluted EPS for the periods presented:

<b>Reconciliation of Diluted Weighted Average Shares Outstanding to Adjusted Diluted Weighted Average Shares Outstanding</b>	<b>2Q21</b>	<b>2Q20</b>
Diluted weighted average shares of Class A and Class B common stock outstanding	207,463,960	185,489,824
Assumed exchange of TWM LLC interests for shares of Class A and Class B common stock <sup>1</sup>	30,531,933	48,132,630
Adjusted diluted weighted average shares outstanding	237,995,893	233,622,454
<b>Adjusted Net Income (in thousands)</b>	<b>\$ 93,558</b>	<b>\$ 70,383</b>
<b>Adjusted Diluted EPS</b>	<b>\$ 0.39</b>	<b>\$ 0.30</b>

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

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



The following table summarizes the basic and diluted earnings per share calculations for Tradeweb Markets Inc:

<b>EPS: Net income attributable to Tradeweb Markets Inc.</b>	<b>2Q21</b>	<b>2Q20</b>
<b>Numerator:</b>		
Net income attributable to Tradeweb Markets Inc.	<b>\$ 55,316</b>	<b>\$ 30,496</b>
<b>Denominator:</b>		
Weighted average shares of Class A and Class B common stock outstanding – Basic	201,749,985	177,649,501
Dilutive effect of equity-settled PRSUs	2,021,234	2,492,567
Dilutive effect of options	3,461,230	5,168,379
Dilutive effect of RSUs	231,511	179,377
Weighted average shares of Class A and Class B common stock outstanding - Diluted	207,463,960	185,489,824
Earnings per share - Basic	<b>\$ 0.27</b>	<b>\$ 0.17</b>
Earnings per share - Diluted	<b>\$ 0.27</b>	<b>\$ 0.16</b>

# Quarterly Volumes



Asset Class	Product	Q2 2021		Q1 2021		Q2 2020		QoQ	YoY
		ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)		
Rates	Cash	319,023	20,348,109	378,323	23,143,506	297,599	18,717,824	-15.67%	7.20%
	U.S. Government Bonds <sup>1</sup>	106,803	6,835,404	114,948	7,011,839	92,260	5,812,399	-7.09%	15.76%
	European Government Bonds	30,515	1,891,937	31,613	1,991,631	27,105	1,680,500	-3.47%	12.58%
	Mortgages	177,570	11,364,474	226,368	13,808,475	173,551	10,933,713	-21.56%	2.32%
	Other Government Bonds	4,135	256,293	5,393	331,561	4,682	291,211	-23.34%	-11.69%
	Derivatives	256,648	16,209,757	287,477	17,771,122	209,160	13,078,196	-10.72%	22.70%
	Swaps/Swaptions ≥ 1Y	165,825	10,441,873	182,088	11,262,405	140,999	8,811,975	-8.93%	17.61%
	Swaps/Swaptions < 1Y	89,975	5,713,635	104,542	6,457,053	67,767	4,241,352	-13.93%	32.77%
	Futures	848	54,248	847	51,663	395	24,870	0.10%	114.74%
<b>Total</b>		<b>575,671</b>	<b>36,557,865</b>	<b>665,801</b>	<b>40,914,628</b>	<b>506,759</b>	<b>31,796,020</b>	<b>-13.54%</b>	<b>13.60%</b>
Credit	Cash	9,519	599,774	10,382	632,748	7,812	486,716	-8.32%	21.85%
	U.S. High Grade	5,083	325,344	5,575	340,005	4,653	293,156	-8.82%	9.25%
	U.S. High Yield	836	53,524	821	50,086	486	30,648	1.85%	71.91%
	European Credit	1,911	118,454	2,066	130,133	1,364	84,598	-7.51%	40.02%
	Municipal Bonds	193	12,367	204	12,465	247	15,566	-5.44%	-21.79%
	Chinese Bonds	1,373	82,377	1,594	92,437	1,010	59,608	-13.85%	35.89%
	Other Credit Bonds	122	7,709	122	7,621	50	3,139	0.10%	142.93%
	Derivatives	8,566	540,584	16,690	1,033,323	10,132	633,602	-48.67%	-15.45%
	Swaps	8,566	540,584	16,690	1,033,323	10,132	633,602	-48.67%	-15.45%
<b>Total</b>		<b>18,085</b>	<b>1,140,358</b>	<b>27,072</b>	<b>1,666,070</b>	<b>17,944</b>	<b>1,120,317</b>	<b>-33.20%</b>	<b>0.79%</b>
Equities	Cash	8,240	516,734	9,021	556,255	6,329	396,849	-8.67%	30.20%
	U.S. ETFs	5,885	370,746	6,046	368,813	4,480	282,235	-2.67%	31.36%
	European ETFs	2,355	145,988	2,975	187,442	1,849	114,614	-20.86%	27.37%
	Derivatives	7,817	490,906	7,155	439,435	3,667	230,348	9.25%	113.14%
	Convertibles/Swaps/Options	3,850	241,047	3,054	189,032	849	52,941	26.07%	353.50%
	Futures	3,967	249,859	4,102	250,403	2,819	177,407	-3.28%	40.75%
<b>Total</b>		<b>16,056</b>	<b>1,007,641</b>	<b>16,177</b>	<b>995,690</b>	<b>9,996</b>	<b>627,197</b>	<b>-0.74%</b>	<b>60.63%</b>
Money Markets	Cash	367,063	23,332,283	349,528	21,474,787	243,681	15,309,908	5.02%	50.63%
	Repurchase Agreements (Repo)	353,446	22,461,843	335,531	20,619,367	230,978	14,510,278	5.34%	53.02%
	Other Money Markets	13,617	870,441	13,996	855,420	12,703	799,630	-2.71%	7.19%
<b>Total</b>		<b>367,063</b>	<b>23,332,283</b>	<b>349,528</b>	<b>21,474,787</b>	<b>243,681</b>	<b>15,309,908</b>	<b>5.02%</b>	<b>50.63%</b>
<b>Total</b>		<b>976,876</b>	<b>62,038,148</b>	<b>1,058,577</b>	<b>65,051,224</b>	<b>778,380</b>	<b>48,853,443</b>	<b>-7.72%</b>	<b>25.50%</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/debtentures.

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 page 27 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.

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.

Equities Futures: Equity futures including the futures leg of EFPs.

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.

## VOLUMES

Volumes include Tradeweb, Dealenweb 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.

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

<sup>1</sup> For the three days beginning on June 28, 2021, U.S. government bonds volumes include wholesale U.S. Treasury volumes from the Nasdaq Fixed Income business Tradeweb acquired on June 25, 2021

# U.S. Corporate Bonds



## USING MARKET REPORTING STANDARDS

### TRADEWEB MARKETS

Product	Type	Q2 2021						Q1 2021						Q2 2020						QoQ		YoY	
		Volume (USD mm)			Trades			Volume (USD mm)			Trades			Volume (USD mm)			Trades			Volume (USD mm)		Volume (USD mm)	
		ADV	Total	% of TRACE	ADT	Total	% of TRACE	ADV	Total	% of TRACE	ADT	Total	% of TRACE	ADV	Total	% of TRACE	ADT	Total	% of TRACE	ADV	% of TRACE	ADV	% of TRACE
U.S. High Grade	Total	5,176	331,277	21.3%	11,994	767,634	26.1%	5,675	346,171	19.4%	12,347	753,192	23.6%	4,773	300,689	15.3%	11,015	693,948	20.9%	-8.79%	9.48%	8.45%	39.19%
	Electronically Processed	2,231	142,770	9.2%	328	20,990	0.7%	2,718	165,769	9.3%	412	25,150	0.8%	2,977	187,524	9.5%	512	32,263	1.0%	-17.91%	-1.47%	-25.06%	-3.81%
	Fully Electronic	2,945	188,507	12.1%	11,666	746,644	25.4%	2,957	180,402	10.1%	11,935	728,042	22.8%	1,796	113,165	5.8%	10,503	661,685	20.0%	-0.41%	19.55%	63.97%	110.45%
U.S. High Yield	Total	852	54,508	8.4%	2,661	170,296	17.0%	843	51,448	7.0%	2,916	177,887	16.5%	504	31,775	4.0%	2,156	135,854	12.0%	0.98%	20.56%	68.86%	108.38%
	Electronically Processed	359	22,975	3.5%	123	7,863	0.8%	362	22,058	3.0%	121	7,366	0.7%	315	19,857	2.5%	87	5,511	0.5%	-0.73%	18.52%	13.89%	40.55%
	Fully Electronic	493	31,533	4.8%	2,538	162,433	16.2%	482	29,390	4.0%	2,795	170,521	15.8%	189	11,918	1.5%	2,069	130,343	11.5%	2.26%	22.09%	160.45%	221.40%

### REPORTED MARKET

Product	Q2 2021						Q1 2021						Q2 2020						QoQ		YoY	
	Volume (USD mm)			Trades			Volume (USD mm)			Trades			Volume (USD mm)			Trades			ADV		ADV	
	ADV	Total		ADT	Total		ADV	Total		ADT	Total		ADV	Total		ADT	Total		ADV	ADT	ADV	ADT
U.S. High Grade (TRACE)	24,333	1,557,296		46,016	2,945,034		29,207	1,781,637		52,397	3,196,239		31,229	1,967,431		52,597	3,313,603		-16.69%	-12.18%	-22.08%	-12.51%
U.S. High Yield (TRACE)	10,161	650,316		15,622	999,834		12,131	740,002		17,708	1,080,214		12,539	789,972		17,929	1,129,521		-16.24%	-11.78%	-18.96%	-12.86%

### 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

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).

## Ashley Serrao, CMA, CFA

Head of U.S. Corporate Development  
& Investor Relations

Tel: 646-430-6027

Email: [ashley.serrao@tradeweb.com](mailto:ashley.serrao@tradeweb.com)

## Tradeweb Markets Inc.

1177 Avenue of the Americas  
New York, NY 10036

For more information on Tradeweb:  
[www.tradeweb.com](http://www.tradeweb.com)

## Sameer Murukutla, CFA

Director, Investor Relations

Tel: 646-767-4864

Email: [sameer.murukutla@tradeweb.com](mailto:sameer.murukutla@tradeweb.com)

## Global Offices

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