

# 2Q22 EARNINGS CONFERENCE CALL

AUGUST 3, 2022

# 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%.

Please refer to the Company's previously filed Annual Report on Form 10-K for capitalized terms not otherwise defined herein.

## 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 2022 guidance, 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.

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 annual average exchange rates for 2021. 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.

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.

## Unaudited Interim Results

The interim financial results presented herein for the three and six months ended June 30, 2022 and 2021 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 investor relations website, 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.

# 2Q22 Earnings Call Participants



## STRATEGIC REVIEW

**Lee Olesky**

CO-FOUNDER, CHAIRMAN & CEO



## GROWTH INITIATIVES

**Billy Hult**

CEO-ELECT & PRESIDENT



## FINANCIAL REVIEW

**Sara Furber**

CHIEF FINANCIAL OFFICER



## WELCOME/ INTRODUCTION

**Ashley Serrao**

HEAD OF TREASURY, FP&A & IR

## OPERATING PERFORMANCE HIGHLIGHTS

### REVENUE

**\$297.1M**

+13.9% y/y\*

17.8% y/y (CC\*\*)¹

### INTERNATIONAL REVENUES

**\$107.0M**

+10.0% y/y

20.2% y/y (CC)¹

### ADJUSTED NET INCOME²

**\$111.7M**

+19.3% y/y

24.7% y/y (CC)¹

### ADJUSTED EBITDA MARGIN²

**52.4%**

+181 bps y/y

+220 bps y/y (CC)¹

### ADJUSTED EBIT MARGIN²

**48.0%**

+189 bps y/y

+238 bps y/y (CC)¹

### ADJUSTED DILUTED EPS²

**\$0.47**

+20.5% y/y

+25.6% y/y (CC)¹

\*y/y = year over year comparison

\*\*CC = constant currency

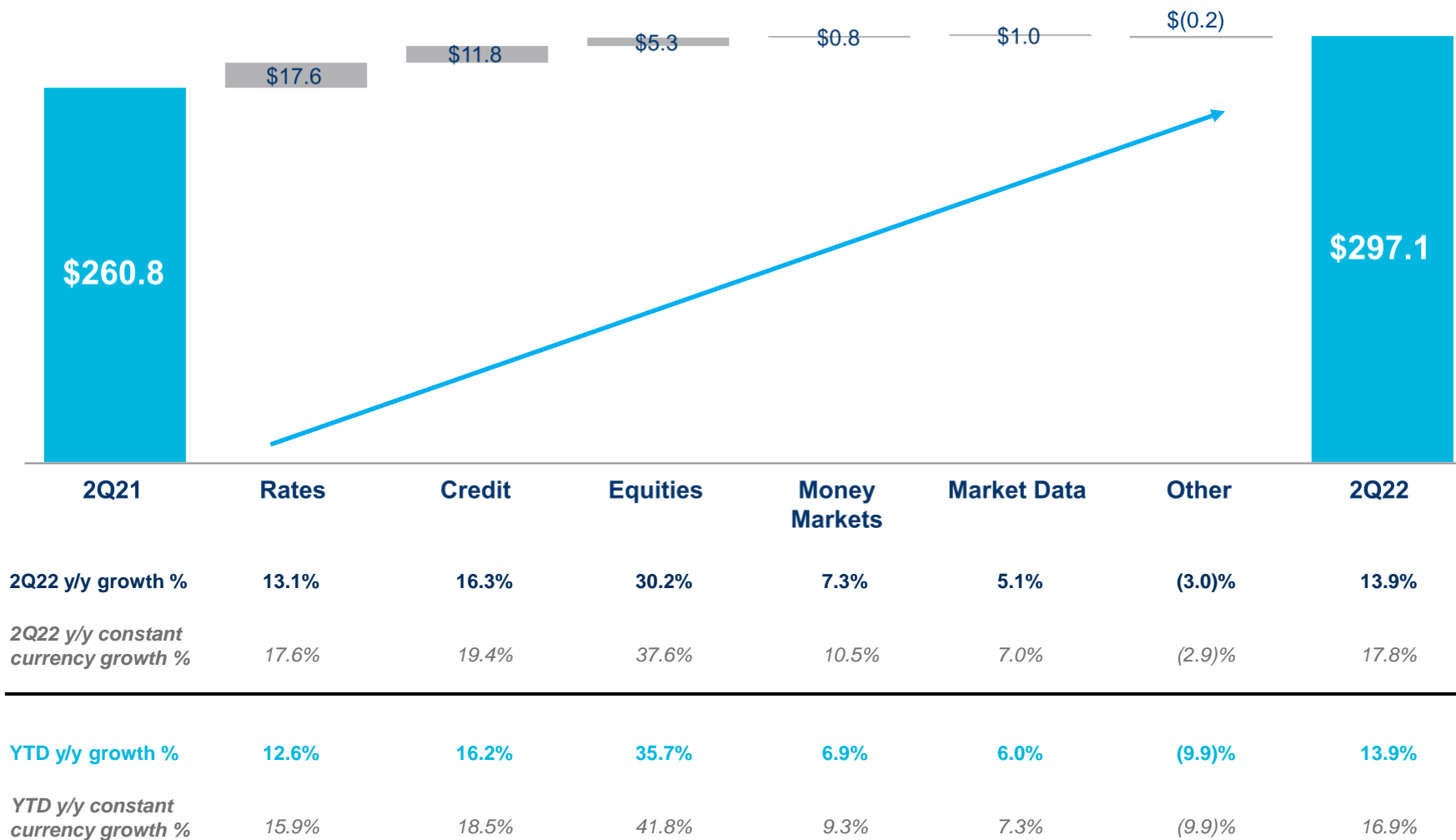
1. Growth information presented on a "constant currency" basis reflects growth for the period excluding the impact of foreign currency fluctuations. See "Disclaimers – Non-GAAP Financial Measures" for more information.

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.

# 2Q22 Revenue Results (\$ in millions)



## 2Q22 REVENUE GROWTH OF 13.9% (CC 17.8% Y/Y)<sup>1</sup>

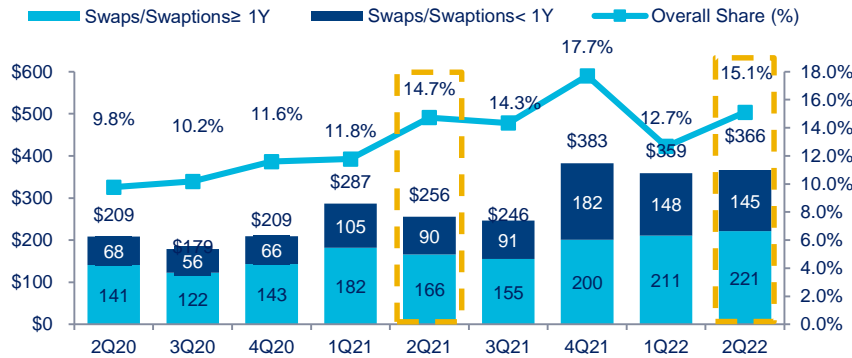


1. Growth information presented on a "constant currency" basis reflects growth for the period excluding the impact of foreign currency fluctuations. See "Disclaimers – Non-GAAP Financial Measures" for more information.

# Key Growth Initiatives

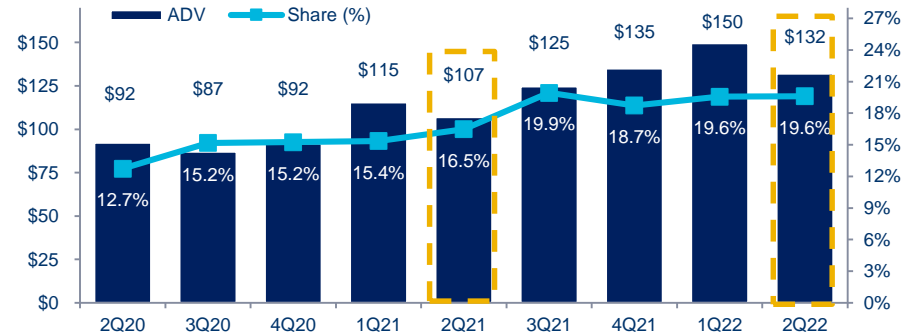
## GLOBAL IRS (ADV AND SHARE<sup>1</sup>) (\$ in billions)

2Q22 Y/Y Growth  
Total: +43%



## U.S. TREASURIES (ADV AND SHARE<sup>2</sup>) (\$ in billions)

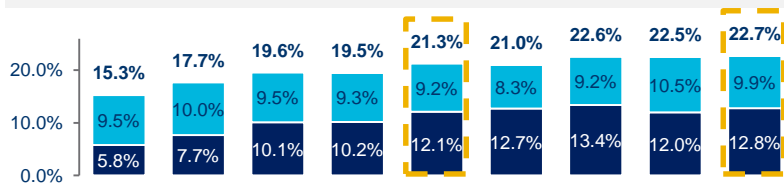
2Q22 Y/Y Growth  
Total: +23%



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

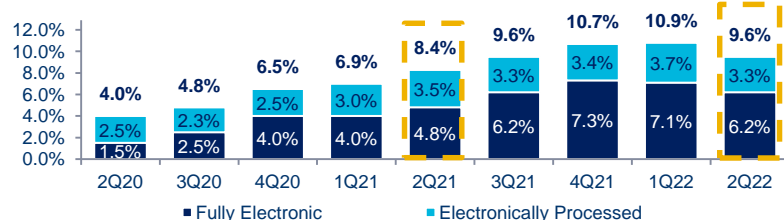
### High Grade

2Q22 Y/Y ADV Growth  
HG: Total +18%, Electronic +17%, E-P +19%



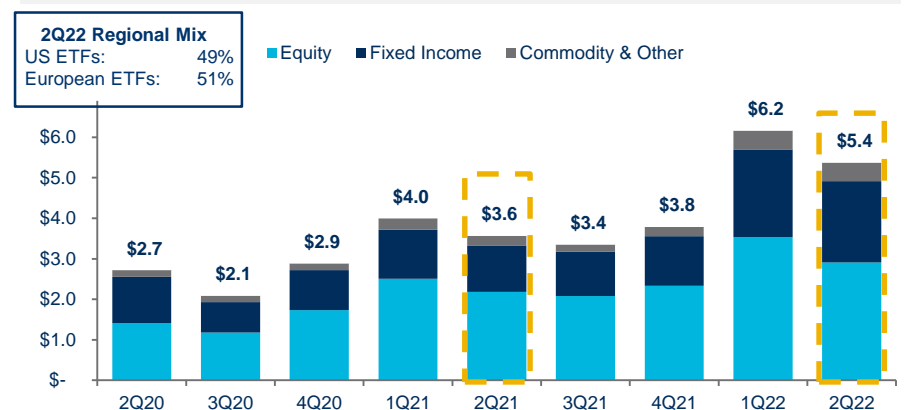
### High Yield

2Q22 Y/Y ADV Growth  
HY: Total +20%, Electronic +36%, E-P -2%



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

2Q22 Y/Y Growth  
Total: +51%



2Q22 Regional Mix  
US ETFs: 49%  
European ETFs: 51%

Note: Totals may not foot due to rounding.

1. Share and volumes reflect TW interest rates swaps ("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.

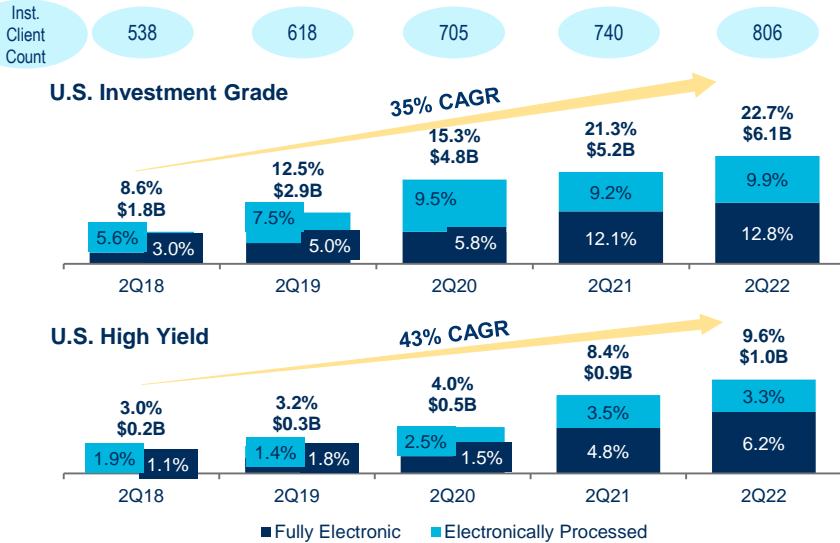
2. Share and volumes reflect TW U.S. Treasuries volume across institutional, wholesale and retail client sectors, divided by SIFMA volume, adjusted by Tradeweb management to estimate non-primary dealer activity.

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

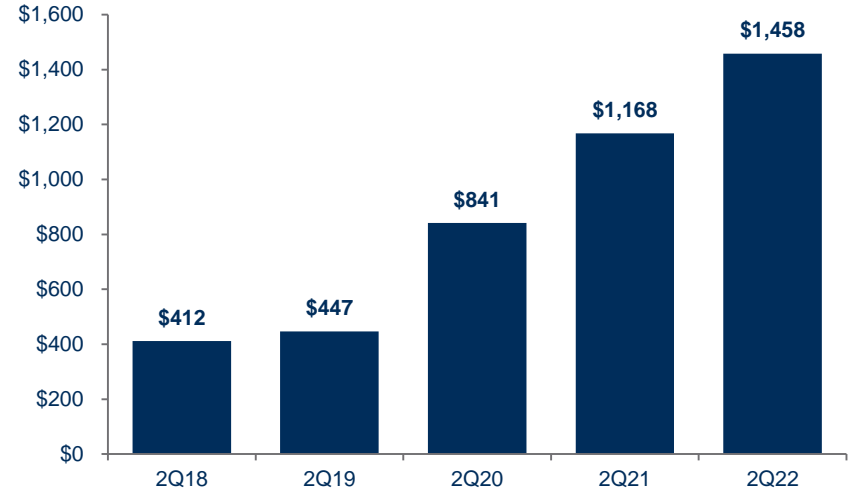
## EXPANDING INSTITUTIONAL & WHOLESALE<sup>1,2</sup>

(Share of TRACE  
\$ in billions, ADV)



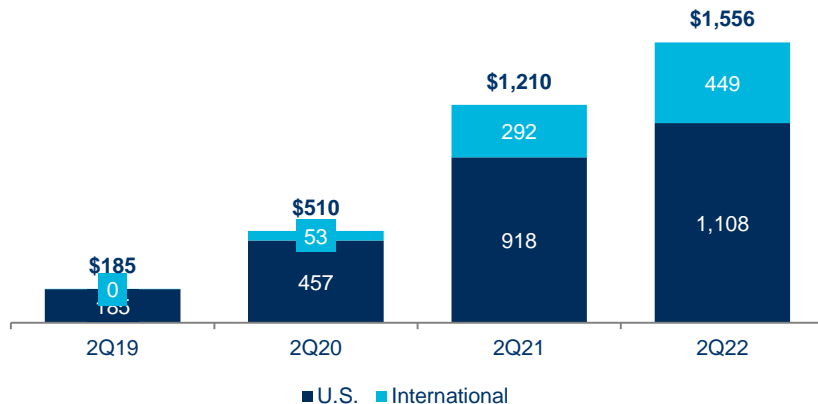
## GROWING FOUNDATIONAL U.S. RFQ PROTOCOL

(\$ in millions, ADV)



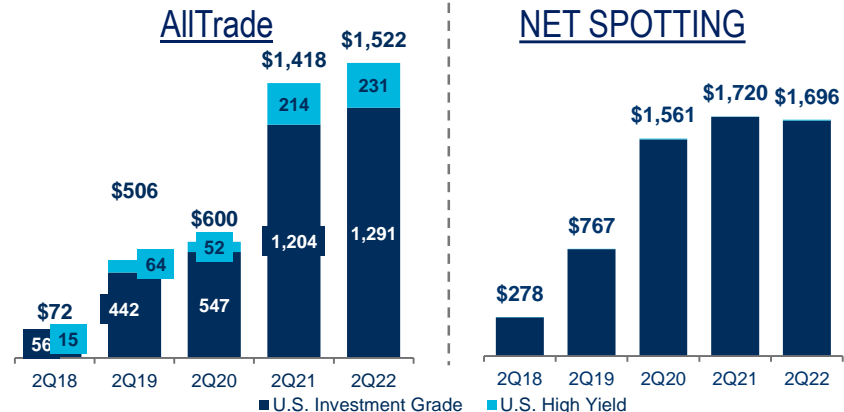
## INCREASING GLOBAL PORTFOLIO TRADING ADOPTION<sup>1</sup>

(\$ in millions, ADV)



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

(\$ in millions, ADV)



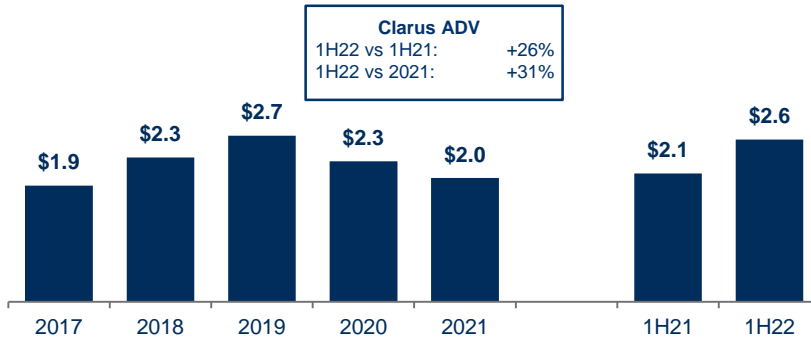
1. Totals may not foot due to rounding.

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.

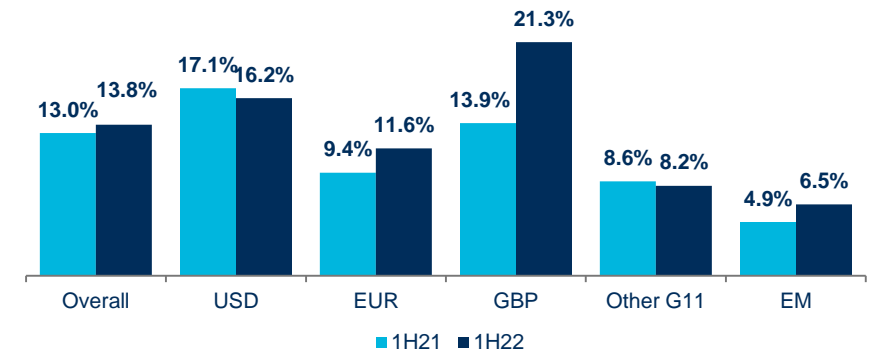
# IRS Growth Initiatives

## RECOVERING GLOBAL INTEREST RATE SWAPS ADV<sup>1</sup>

(\$ in trillions)

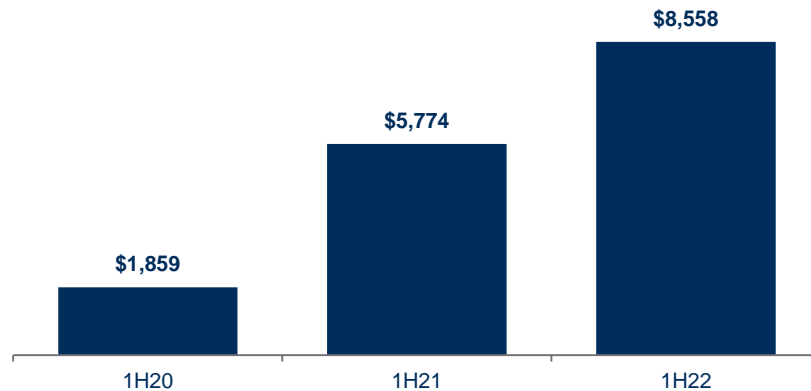


## INCREASING MARKET SHARE BY CURRENCY<sup>2</sup>



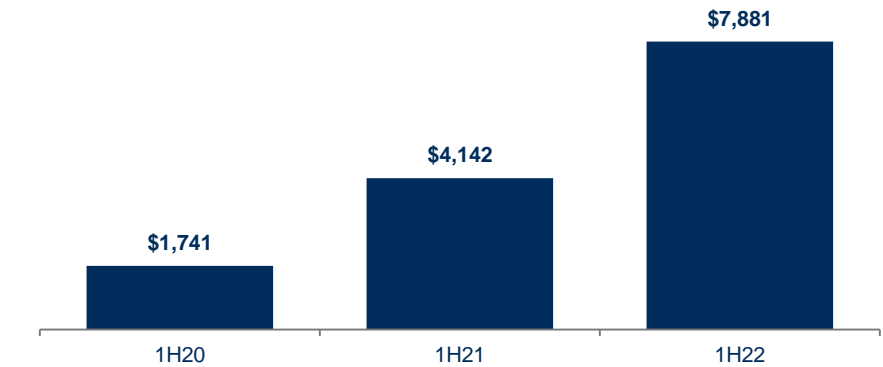
## GROWING TW EM SWAPS ADV<sup>2</sup>

(\$ in millions)



## GROWING TW SWAPS RFM ADV

(\$ in millions)



1. Share and volumes reflect TW IRS volumes across institutional and wholesale client sectors, divided by Clarus cleared market volumes. Global IRS market refers to volumes traded by U.S. and non-U.S. entities.

2. EM is defined as Emerging Markets.



# Quarterly ADV

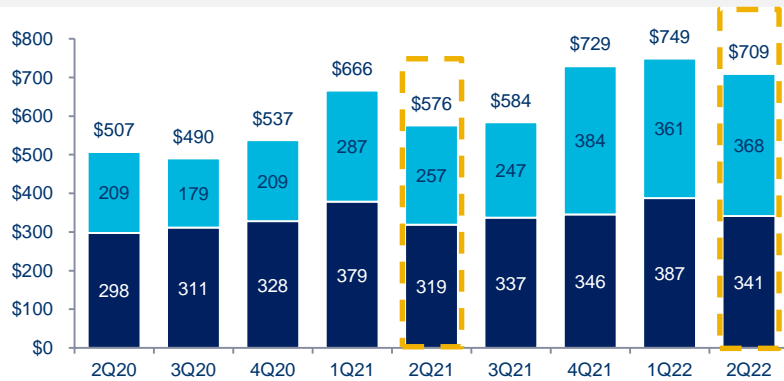
2Q ADV of \$1,176BN (+20.4% y/y, +16.3% ex Swaps <1 year)

KEY ■ Cash ■ Derivatives

## RATES<sup>1</sup>

(\$ in billions)

2Q22 Y/Y GROWTH  
Total: +23%  
Cash: +7%  
Derivatives: +43%



## CREDIT<sup>1</sup>

(\$ in billions)

2Q22 Y/Y GROWTH  
Total: +47%  
Cash: +7%  
Derivatives: +92%



## EQUITIES<sup>1</sup>

(\$ in billions)

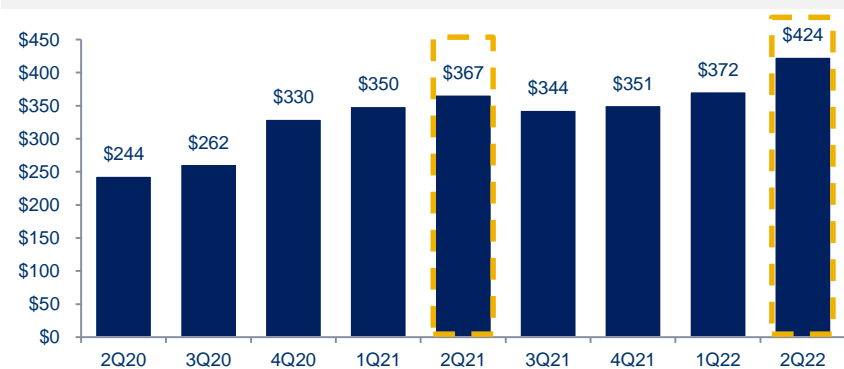
2Q22 Y/Y GROWTH  
Total: +4%  
Cash: +21%  
Derivatives: -13%



## MONEY MARKETS

(\$ in billions)

2Q22 Y/Y GROWTH  
Total: +16%



1. Totals may not foot due to rounding.

# 2Q22 Financial Performance<sup>1</sup> (\$ in thousands, except share and per share amounts)



**REVENUE GROWTH OF 13.9% (17.8% CC)<sup>2</sup> WITH 2Q22 EBITDA MARGIN OF 52.4%**  
**6M22 EBITDA MARGIN EXPANSION OF +115 bps to 52.0% vs. FY 2021 OF 50.8%**

	2Q22	2Q21	%Δ 2Q22 vs 2Q21	%Δ Constant Currency 2Q22 vs 2Q21 <sup>2</sup>
Trading Revenues				
Fixed <sup>3</sup>	\$ 74,210	\$ 73,501	1.0 %	4.8 %
Variable	201,898	167,332	20.7 %	24.8 %
Total Trading Revenues	276,108	240,833	14.6 %	18.7 %
Refinitiv Market Data	15,426	14,926	3.3 %	3.4 %
Other Information Services	5,604	5,081	10.3 %	17.9 %
Total Revenue	297,138	260,840	13.9 %	17.8 %
Adj. Expenses <sup>4</sup>	154,526	140,569	9.9 %	12.6 %
Adj. EBIT	142,612	120,271	18.6 %	23.9 %
Net interest income (expense)	541	(325)	(266.5)%	(266.1)%
Adj. EBT	143,153	119,946	19.3 %	24.7 %
Adj. Income Taxes <sup>5</sup>	(31,494)	(26,388)	19.3 %	24.7 %
Adj. Net Income	\$ 111,659	\$ 93,558	19.3 %	24.7 %
Adj. EBIT Margin <sup>6</sup>	48.0 %	46.1 %	+189 bps	+238 bps
Adj. EBITDA	\$ 155,621	\$ 131,898	18.0 %	22.9 %
Adj. EBITDA Margin <sup>6</sup>	52.4 %	50.6 %	+181 bps	+220 bps
Adj. Diluted EPS	\$ 0.47	\$ 0.39	20.5 %	25.6 %
Adj. Diluted Share Count <sup>7</sup>	237,320,759	237,995,893	(0.3)%	

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. Fixed trading revenues include the fixed trading revenues from our four asset classes and other trading revenues.

4. Represents adjusted operating expenses. See "Adjusted Expenses Detail" for more information.

5. 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, 2022 and 2021.

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

7. Represents the diluted weighted average number of shares of Class A common stock and Class B common stock outstanding for the applicable period (including the effect of potentially dilutive securities determined using the treasury stock method), plus the weighted average number of other participating securities reflected in earnings per share using the two-class method, plus the assumed full exchange of all outstanding LLC Interests held by non-controlling interests for shares of Class A common stock or Class B common stock. See "Reconciliation of Non-GAAP Financial Measures" for more information.

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

	2Q22	1Q22	2Q21	%Δ 2Q22 vs 1Q22	%Δ 2Q22 vs 2Q21
<b>Rates</b>	\$ 2.20	\$ 2.22	\$ 2.18	(0.8)%	0.9 %
Cash Rates	\$ 2.27	\$ 2.05	\$ 2.02	10.6 %	12.0 %
Rates Derivatives	\$ 2.14	\$ 2.40	\$ 2.38	(10.7)%	(10.0)%
Swaps / Swaptions Tenor >= 1 Yr	\$ 3.42	\$ 3.96	\$ 3.54	(13.7)%	(3.6)%
Other Rates Derivatives <sup>2</sup>	\$ 0.22	\$ 0.21	\$ 0.28	2.4 %	(20.8)%
<b>Credit</b>	\$ 47.31	\$ 38.51	\$ 57.62	22.9 %	(17.9)%
Cash Credit <sup>3</sup>	\$ 155.56	\$ 147.49	\$ 138.52	5.5 %	12.3 %
Credit Derivatives + U.S. Cash 'EP'	\$ 7.73	\$ 6.91	\$ 7.91	11.9 %	(2.3)%
<b>Equities</b>	\$ 19.77	\$ 18.10	\$ 14.50	9.2 %	36.3 %
Cash Equities	\$ 29.20	\$ 26.18	\$ 23.21	11.5 %	25.8 %
Equity Derivatives	\$ 5.93	\$ 6.18	\$ 5.34	(4.0)%	11.1 %
<b>Money Markets (Cash)</b>	\$ 0.29	\$ 0.31	\$ 0.31	(7.1)%	(5.9)%
<b>Total Fees per Million</b>	\$ 2.78	\$ 2.93	\$ 2.70	(5.2)%	3.1 %
<b>Total FPM ex &lt;1yr tenor swaps <sup>4</sup></b>	\$ 3.14	\$ 3.33	\$ 2.95	(5.7)%	6.7 %

1. "Fees per million" or "FPM" 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)



## 2Q22 ADJUSTED EXPENSES INCREASED 9.9% (12.6% CC y/y)<sup>2</sup>

	2Q22	2Q21	%Δ 2Q22 vs 2Q21	%Δ Constant Currency 2Q22 vs 2Q21
Adjusted Expenses				
Employee compensation and benefits <sup>a</sup>	\$ 102,595	\$ 95,646	7.3 %	9.2 %
Depreciation and amortization <sup>b</sup>	13,009	11,627	11.9 %	13.2 %
Technology and communications	16,034	13,957	14.9 %	15.7 %
General and administrative <sup>c</sup>	10,667	8,319	28.2 %	44.8 %
Professional fees <sup>d</sup>	8,560	7,402	15.6 %	18.4 %
Occupancy	3,661	3,618	1.2 %	5.1 %
Total adjusted non-compensation expenses	51,931	44,923	15.6 %	19.8 %
Total Adjusted Expenses	154,526	\$ 140,569	9.9 %	12.6 %

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; Non-cash accelerated stock-based compensation expense associated with our former CFO and our retiring CEO and related payroll taxes. 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 NFI Acquisition, which closed in June 2021. See "Appendix" for additional information.

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

- \$959.7 million in cash and cash equivalents (June 30th)
- Undrawn \$500 million credit facility
- TTM FCF: \$538.4 million<sup>1</sup> (+24.1% yr/yr)
- 2Q22 Capex & Cap software development: \$15.0 million (+16.8% yr/yr)
- \$9.0 million in share buybacks in Q2 (103k shares); \$18.0 million of share repurchase authorization remains outstanding as of June 30th
- \$2.2 million in shares withheld in Q2 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 2022

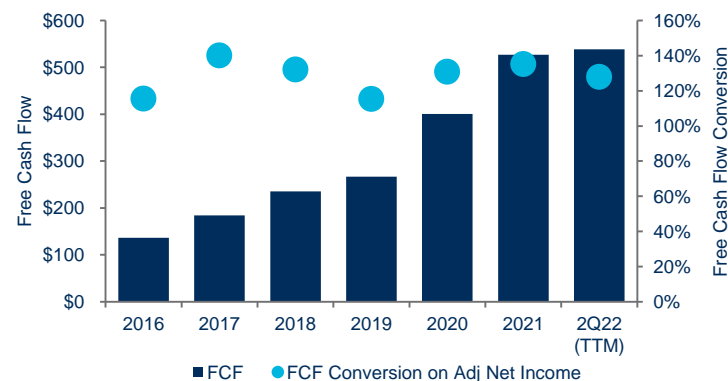
### 2022 FY Guidance (UNCHANGED)<sup>2,3</sup> (\$ in millions)

#### Adjusted Expenses

**\$620 - 655M**

Acquisition & Refinitiv related D&A	\$127M
Assumed non-GAAP tax rate	22.0%
Capex & Cap software development	\$62 - 68M

### Strong Free Cash Flow Growth and Conversion<sup>1</sup> (\$ in millions)



1. Free Cash Flow ("FCF") is a non-GAAP financial measure. FCF Conversion is FCF divided by Adjusted Net Income for the applicable period. 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. Expense guidance assumes an average 2021 Sterling/US\$ foreign exchange rate or 1.38.

## PRO FORMA ADJUSTED FULLY DILUTED WEIGHTED AVERAGE SHARES

Assumed Average Share Price	Q3 2022
\$60.00	237,152,510
\$70.00	237,365,860
\$80.00	237,581,380
\$90.00	237,773,348
\$100.00	237,935,038

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, plus the weighted average number of other participating securities reflected in earnings per share using the two-class 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	2Q22	2Q21	6M22	FY21
<b>Net income</b>	\$ 81,600	\$ 66,233	\$ 179,045	\$ 273,108
Acquisition transaction costs <sup>1</sup>	15	2,966	(3)	5,073
Net interest (income) expense	(541)	325	(94)	1,590
Depreciation and amortization	44,770	41,867	89,220	171,308
Stock-based compensation expense <sup>2</sup>	7,295	2,803	11,164	16,509
Provision for income taxes	25,548	17,234	39,258	96,875
Foreign exchange (gains) / losses <sup>3</sup>	(3,066)	470	(2,334)	(4,702)
Tax receivable agreement liability adjustment <sup>4</sup>	—	—	—	(12,745)
<b>Adjusted EBITDA</b>	\$ 155,621	\$ 131,898	\$ 316,256	\$ 547,016
Less: Depreciation and amortization	(44,770)	(41,867)	(89,220)	(171,308)
Add: D&A related to acquisitions and the Refinitiv Transaction <sup>5</sup>	31,761	30,240	63,530	124,580
<b>Adjusted EBIT</b>	\$ 142,612	\$ 120,271	\$ 290,566	\$ 500,288
Add: Net interest income (expense)	541	(325)	94	(1,590)
<b>Adjusted EBT</b>	\$ 143,153	\$ 119,946	\$ 290,660	\$ 498,698
<b>Adjusted EBITDA margin <sup>6</sup></b>	52.4 %	50.6 %	52.0 %	50.8 %
<b>Adjusted EBIT margin <sup>6</sup></b>	48.0 %	46.1 %	47.7 %	46.5 %

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 the exercise of such options totaling \$1.6 million and \$2.8 million during the three months ended June 30, 2022 and 2021, respectively, \$3.8 million and \$9.2 million during the six months ended June 30, 2022 and 2021, respectively and \$16.5 million during the year ended December 31, 2021. During the three and six months ended June 30, 2022, this adjustment also includes \$5.7 million and \$7.4 million, respectively, of non-cash accelerated stock-based compensation expense and related payroll taxes associated with our former CFO and our retiring CEO.
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 consolidated 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 and acquired software amortization resulting from the NFI Acquisition and intangible asset amortization and increased tangible asset and capitalized software depreciation and amortization resulting from 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 "2Q22 Financial Performance" for 2Q22 and 2Q21 revenue. Revenues for the six months ended June 30, 2022 totaled \$609 million. FY 2021 revenues totaled \$1,076 million.

Operating Expenses to Adjusted Expenses	2Q22	2Q21
<b>Operating expenses</b>	\$ 190,531	\$ 177,048
Acquisition transaction costs <sup>1</sup>	(15)	(2,966)
D&A related to acquisitions and the Refinitiv Transaction <sup>2</sup>	(31,761)	(30,240)
Stock-based compensation expense <sup>3</sup>	(7,295)	(2,803)
Foreign exchange gains / (losses) <sup>4</sup>	3,066	(470)
<b>Adjusted Expenses</b>	\$ 154,526	\$ 140,569

Cash Flow from Operating Activities to Free Cash Flow	Trailing Twelve Months Ended June 30,	
	2022	2021
<b>Cash flow from operating activities</b>	\$ 597,330	\$ 482,687
Less: Capitalization of software development costs	(35,767)	(33,215)
Less: Purchases of furniture, equipment and leasehold improvements	(23,158)	(15,651)
<b>Free Cash Flow</b>	\$ 538,405	\$ 433,821

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 and acquired software amortization resulting from the NFI Acquisition and intangible asset amortization and increased tangible asset and capitalized software depreciation and amortization resulting from 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 the exercise of such options totaling \$1.6 million and \$2.8 million during the three months ended June 30, 2022 and 2021, respectively, \$3.8 million and \$9.2 million during the six months ended June 30, 2022 and 2021, respectively and \$16.5 million during the year ended December 31, 2021. During the three and six months ended June 30, 2022, this adjustment also includes \$5.7 million and \$7.4 million, respectively, of non-cash accelerated stock-based compensation expense and related payroll taxes associated with our former CFO and our retiring CEO.
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.



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



Reconciliation of Net Income attributable to Tradeweb Markets Inc. to Adjusted Net Income and Adjusted Diluted EPS	2Q22		2Q21	
<b>Earnings per diluted share</b>	<b>\$</b>	<b>0.33</b>	<b>\$</b>	<b>0.27</b>
Net income attributable to Tradeweb Markets Inc.	\$	68,344	\$	55,316
Net income attributable to non-controlling interests <sup>1</sup>		13,256		10,917
<b>Net income</b>	<b>\$</b>	<b>81,600</b>	<b>\$</b>	<b>66,233</b>
Provision for income taxes		25,548		17,234
Acquisition transaction costs <sup>2</sup>		15		2,966
D&A related to acquisitions and the Refinitiv Transaction <sup>3</sup>		31,761		30,240
Stock-based compensation expense <sup>4</sup>		7,295		2,803
Foreign exchange (gains) / losses <sup>5</sup>		(3,066)		470
Tax receivable agreement liability adjustment <sup>6</sup>		—		—
Adjusted Net Income before income taxes		143,153		119,946
Adjusted income taxes <sup>7</sup>		(31,494)		(26,388)
<b>Adjusted Net Income</b>	<b>\$</b>	<b>111,659</b>	<b>\$</b>	<b>93,558</b>
<b>Adjusted Diluted EPS <sup>8</sup></b>	<b>\$</b>	<b>0.47</b>	<b>\$</b>	<b>0.39</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. Acquisition-related costs primarily include legal, consulting and advisory fees and severance costs incurred that relate to the acquisition transaction.
3. Represents intangible asset and acquired software amortization resulting from the NFI Acquisition and intangible asset amortization and increased tangible asset and capitalized software depreciation and amortization resulting from 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 the exercise of such options totaling \$1.6 million and \$2.8 million during the three months ended June 30, 2022 and 2021, respectively, and \$3.8 million and \$9.2 million during the six months ended June 30, 2022 and 2021, respectively. During the three and six months ended June 30, 2022, this adjustment also includes \$5.7 million and \$7.4 million, respectively, of non-cash accelerated stock-based compensation expense and related payroll taxes associated with our former CFO and our retiring CEO.
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 consolidated 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 22.0% applied to Adjusted Net Income before income taxes for each of the three and six months ended June 30, 2022 and 2021.
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 and Adjusted Diluted EPS" below.

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

Reconciliation of Diluted Weighted Average Shares Outstanding to Adjusted Diluted Weighted Average Shares Outstanding	2Q22		2Q21	
<b>Diluted weighted average shares of Class A and Class B common stock outstanding</b>		<b>207,272,675</b>		<b>207,463,960</b>
Weighted average of other participating securities <sup>1</sup>		76,426.00		—
Assumed exchange of LLC Interests for shares of Class A or Class B common stock <sup>2</sup>		29,971,658		30,531,933
<b>Adjusted diluted weighted average shares outstanding</b>		<b>237,320,759</b>		<b>237,995,893</b>
<b>Adjusted Net Income (in thousands)</b>	<b>\$</b>	<b>111,659</b>	<b>\$</b>	<b>93,558</b>
<b>Adjusted Diluted EPS</b>	<b>\$</b>	<b>0.47</b>	<b>\$</b>	<b>0.39</b>

1. Represents weighted average unvested restricted stock units and unsettled vested performance-based restricted stock units issued to certain retired executives that are entitled to non-forfeitable dividend equivalent rights and are considered participating securities prior to being issued and outstanding shares of common stock in accordance with the two-class method used for purposes of calculating earnings per share.
2. 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>2Q22</b>	<b>2Q21</b>
<b>Numerator:</b>		
Net income attributable to Tradeweb Markets Inc.	\$ 68,344	\$ 55,316
Less: Distributed and undistributed earnings allocated to unvested RSUs and unsettled vested PRSUs <sup>1</sup>	(26)	—
<b>Net income attributable to outstanding shares of Class A and Class B common stock - Basic and Diluted</b>	<b>\$ 68,318</b>	<b>\$ 55,316</b>
<b>Denominator:</b>		
Weighted average shares of Class A and Class B common stock outstanding - Basic	204,501,035	201,749,985
Dilutive effect of PRSUs	782,955	2,021,234
Dilutive effect of options	1,839,177	3,461,230
Dilutive effect of RSUs	149,508	231,511
<b>Weighted average shares of Class A and Class B common stock outstanding - Diluted</b>	<b>207,272,675</b>	<b>207,463,960</b>
<b>Earnings per share - Basic</b>	<b>\$ 0.33</b>	<b>\$ 0.27</b>
<b>Earnings per share - Diluted</b>	<b>\$ 0.33</b>	<b>\$ 0.27</b>

1. During the three and six months ended June 30, 2022, there was a total of 76,426 and 80,778, respectively, weighted average unvested RSUs and unsettled vested PRSUs that were considered a participating security for purposes of calculating earnings per share in accordance with the two-class method. There were none during the three and six months ended June 30, 2021.

# Quarterly Volumes



Asset Class	Product	Q2 2022		Q1 2022		Q2 2021		QoQ	YoY	
		ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV	ADV	
Rates	Cash	341,351	21,125,468	387,495	24,059,846	318,996	20,346,393	-11.91%	7.01%	
	U.S. Government Bonds <sup>1</sup>	131,936	8,180,022	149,564	9,272,997	106,904	6,841,840	-11.79%	23.42%	
	European Government Bonds	35,429	2,161,176	38,940	2,453,215	30,515	1,891,937	-9.02%	16.10%	
	Mortgages	168,603	10,453,372	193,844	12,018,341	177,443	11,356,322	-13.02%	-4.98%	
	Other Government Bonds	5,384	330,898	5,146	315,293	4,135	256,293	4.62%	30.20%	
	Derivatives	367,604	22,616,945	361,041	22,531,757	256,648	16,209,757	1.82%	43.23%	
	Swaps/Swapions ≥ 1Y	221,191	13,602,492	210,550	13,143,966	165,825	10,441,873	5.05%	33.39%	
	Swaps/Swapions < 1Y	145,004	8,927,045	148,430	9,260,040	89,975	5,713,635	-2.31%	61.16%	
	Futures	1,410	87,408	2,060	127,751	848	54,248	-31.58%	66.31%	
	<b>Total</b>		<b>708,956</b>	<b>43,742,413</b>	<b>748,535</b>	<b>46,591,603</b>	<b>575,644</b>	<b>36,556,150</b>	<b>-5.29%</b>	<b>23.16%</b>
Credit	Cash	10,173	624,892	10,782	665,593	9,519	599,766	-5.64%	6.87%	
	U.S. High Grade – Fully Electronic	3,256	201,877	3,083	191,135	2,857	182,873	5.62%	13.95%	
	U.S. High Grade – Electronically Processed	2,652	164,397	2,838	175,975	2,231	142,770	-6.58%	18.86%	
	U.S. High Yield – Fully Electronic	653	40,488	773	47,948	477	30,506	-15.56%	37.00%	
	U.S. High Yield – Electronically Processed	353	21,910	410	25,393	359	22,975	-13.72%	-1.56%	
	European Credit	1,741	106,178	2,085	131,336	1,911	118,454	-16.50%	-8.89%	
	Municipal Bonds	394	24,444	249	15,449	193	12,367	58.23%	104.04%	
	Chinese Bonds	1,001	58,041	1,252	72,641	1,373	82,377	-20.10%	-27.11%	
	Other Credit Bonds	123	7,556	91	5,715	118	7,444	35.22%	4.27%	
	Derivatives	16,477	1,013,032	22,420	1,401,929	8,566	540,584	-26.51%	92.34%	
	Swaps	16,477	1,013,032	22,420	1,401,929	8,566	540,584	-26.51%	92.34%	
	<b>Total</b>		<b>26,650</b>	<b>1,637,924</b>	<b>33,202</b>	<b>2,067,522</b>	<b>18,085</b>	<b>1,140,350</b>	<b>-19.73%</b>	<b>47.36%</b>
	Equities	Cash	9,945	613,836	12,766	795,179	8,239	516,731	-22.10%	20.70%
U.S. ETFs		7,201	446,492	9,050	561,085	5,885	370,742	-20.42%	22.37%	
European ETFs		2,743	167,344	3,716	234,094	2,355	145,988	-26.17%	16.51%	
Derivatives		6,761	418,547	8,683	539,189	7,815	490,800	-22.14%	-13.49%	
Convertibles/Swaps/Options		3,273	202,579	3,370	209,391	3,850	241,047	-2.86%	-14.97%	
Futures		3,488	215,968	5,314	329,798	3,965	249,752	-34.36%	-12.05%	
<b>Total</b>		<b>16,706</b>	<b>1,032,383</b>	<b>21,449</b>	<b>1,334,368</b>	<b>16,055</b>	<b>1,007,530</b>	<b>-22.11%</b>	<b>4.06%</b>	
Money Markets	Cash	424,016	26,207,624	371,741	23,117,722	366,978	23,326,831	14.06%	15.54%	
	Repurchase Agreements (Repo)	405,685	25,071,439	353,983	22,016,336	353,361	22,456,390	14.61%	14.81%	
	Other Money Markets	18,332	1,136,185	17,758	1,101,386	13,617	870,441	3.23%	34.62%	
<b>Total</b>		<b>424,016</b>	<b>26,207,624</b>	<b>371,741</b>	<b>23,117,722</b>	<b>366,978</b>	<b>23,326,831</b>	<b>14.06%</b>	<b>15.54%</b>	
<b>Total</b>		<b>1,176,328</b>	<b>72,620,344</b>	<b>1,174,927</b>	<b>73,111,215</b>	<b>976,762</b>	<b>62,030,861</b>	<b>0.12%</b>	<b>20.43%</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.

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, 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.

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

<sup>1</sup> U.S. government bonds volumes include wholesale U.S. Treasury volumes from the Nasdaq Fixed Income business Tradeweb acquired on June 25, 2021. 2Q22 and 1Q22 include a full quarter of volumes.

# U.S. Corporate Bonds



## USING MARKET REPORTING STANDARDS

### TRADEWEB MARKETS

Product	Type	Q2 2022						Q1 2022						Q2 2021						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	6,093	377,744	22.7%	17,531	1,086,917	24.6%	6,060	375,713	22.5%	15,155	939,624	27.5%	5,184	331,750	21.3%	12,187	779,965	26.5%	0.54%	0.90%	17.54%	6.63%
	Fully Electronic	3,441	213,348	12.8%	17,144	1,062,925	24.0%	3,222	199,738	12.0%	14,735	913,574	26.7%	2,953	188,980	12.1%	11,859	758,975	25.8%	6.81%	7.19%	16.54%	5.72%
	Electronically Processed	2,652	164,397	9.9%	387	23,992	0.5%	2,838	175,975	10.5%	420	26,050	0.8%	2,231	142,770	9.2%	328	20,990	0.7%	-6.58%	-6.25%	18.86%	7.83%
U.S. High Yield	Total	1,021	63,291	9.6%	2,980	184,761	16.8%	1,197	74,232	10.9%	3,324	206,090	19.1%	851	54,435	8.4%	2,630	168,328	16.8%	-14.74%	-11.98%	20.02%	14.17%
	Fully Electronic	667	41,381	6.2%	2,855	176,987	16.1%	788	48,839	7.1%	3,183	197,349	18.3%	492	31,460	4.8%	2,507	160,465	16.1%	-15.27%	-12.53%	35.78%	29.16%
	Electronically Processed	353	21,910	3.3%	125	7,774	0.7%	410	25,393	3.7%	141	8,741	0.8%	359	22,975	3.5%	123	7,863	0.8%	-13.72%	-10.93%	-1.56%	-6.36%

### REPORTED MARKET

Product	Q2 2022						Q1 2022						Q2 2021						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)	26,824	1,663,068		71,361	4,424,379		26,919	1,668,963		55,113	3,417,019		24,334	1,557,374		46,032	2,946,070		-0.35%	29.48%	10.23%	55.02%
U.S. High Yield (TRACE)	10,680	662,167		17,715	1,098,352		11,025	683,579		17,419	1,079,983		10,160	650,221		15,615	999,374		-3.13%	1.70%	5.12%	13.45%

### 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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