

This transcript should be read in conjunction with the related Quarterly Report on Form 10-Q, the earnings release, and the earnings presentation, which includes important additional detail, and is provided for the convenience of investors and analysts only. For a full recording of this earnings conference call please see the 2Q25 Earnings Call webcast.

OPERATOR

Good morning and welcome to Tradeweb's second quarter 2025 earnings conference call. As a reminder, today's call is being recorded and will be available for playback.

To begin, I'll turn the call over to Head of Treasury, FP&A & Investor Relations, Ashley Serrao. Please go ahead.

PART I: INTRODUCTION AND DISCLAIMER

ASHLEY SERRAO (Slide 2-3)

Thank you and good morning.

Joining me today for the call are our CEO Billy Hult, who will review our business results and key growth initiatives and our CFO Sara Furber, who will review our financial results. We intend to use the website as a means of disclosing material, non-public information and complying with our disclosure obligations under Regulation FD.

I'd like to remind you that certain statements in this presentation and during the Q&A may relate to future events and expectations, and as such, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements related to, among other things, our guidance are forward-looking statements. Actual results may differ materially from these forward-looking statements. Information concerning factors that could cause actual results to differ from forward-looking statements is contained in our earnings release, earnings presentation and periodic reports filed with the SEC.

In addition, on today's call we will reference certain non-GAAP measures as well as certain market and industry data. Information regarding these non-GAAP measures, including reconciliations to GAAP measures, is in our earnings release and earnings presentation. Information regarding market and industry data, including sources, is in our earnings presentation.

Now, let me turn the call over to Billy.

PART II: OVERVIEW & FINANCIAL RESULTS

BILLY HULT (Slide 4-8)

Thanks, Ashley. Good morning everyone, and thank you for joining our second quarter earnings call.

We set a new high watermark for quarterly revenues once again, surpassing the record we set in 1Q25. This strong momentum propelled revenues to exceed \$1 billion in the first half of the year and we expect 2025 to shape up to produce another year of double-digit revenue growth. From tariff wars to détonés, a rapidly evolving rates and equity market backdrop, a slowing housing market, and stubbornly high inflation, global debate and strong client engagement was on display across our platform.

We believe the movement from the phone to the keyboard is a one-way train. As we have seen in the past, extreme volatility creates temporary moments, as we saw in April, where our clients still can go back to the phone. Despite these moments, our electronic journey continued and we achieved record volumes in many of our asset classes this quarter, which bodes well for future market share growth. Our clients are becoming increasingly sophisticated around the search for liquidity, and our dealer and non-bank liquidity providers continue to invest to provide two-way markets even in the most volatile conditions. While bid-ask spreads widened, the liquidity crunch we experienced this quarter was only a fraction of what we witnessed in March 2020. Encouragingly, unlike previous volatility periods, our clients leaned into newer innovations like AiEX and portfolio trading. Momentum builds momentum, and we continue to be laser focused on the areas we can control – putting our clients first, investing in new solutions for paper and voice markets, and strategically planting more flags across early stage ventures.

Diving into the second quarter, strong client activity and a risk-on environment drove 26.7% yr/yr revenue growth on a reported basis. Our international business continues to set new records with 41% revenue growth as our strategic initiatives in EM and APAC continue to pay off. We continue to balance investing for growth and profitability as Adjusted EBITDA margins expanded by 70 basis points relative to the second quarter of 2024.

Turning to slide 5, our rates business produced a record revenue quarter, driven by continued organic growth across swaps, global government bonds, and mortgages. Record credit revenues were led by strength across global corporate bonds, munis, and credit derivatives. Money markets revenue growth was led by the addition of ICD and aided by record quarterly revenues across global repos. While the ICD business has continued to see strong new client growth in the first half of the year, the business was negatively impacted by the recent market volatility as some large clients drew down their money market fund balances during the quarter to tactically buyback shares in the market and increase spend ahead of the potentially higher global tariffs. Equities posted record results, up 50% yr/yr, led by growth in our global ETF and equity derivatives business. Finally, market data revenues were driven by growth in our proprietary data products.

Turning to slide 6—I will provide a brief update on two of our focus areas — U.S. Treasuries and ETFs and then I will dig deeper into U.S. credit and global interest rate swaps.

Starting with U.S. Treasuries—the quarter started out with the U.S. Treasury markets experiencing one of the most significant periods of volatility in years. 10-year U.S. Treasury yields moved nearly 50 basis points between April 4th and April 11th, the fourth largest 5-day move in yields since the financial crisis. All in, revenues were up 11% yr/yr with our institutional business climbing to new highs. Stepping back, we saw a tale of two cities unfold, automation remained resilient while voice activity increased temporarily. Specifically, institutional U.S. Treasury AiEX average daily trades were stable yr/yr. On the other hand, our second-quarter market share of 22% declined yr/yr, driven by an industry-wide mix shift towards mainly voice centric basis and swaps spread trades. These are two areas of the market where we continue to

invest, and while behavior change takes time, we believe we are well positioned to build solutions to these complex workflows, particularly now with our connection to the futures market through r8fin. On a relative basis, we continued to exceed 50% market share in Institutional U.S. Treasuries versus our main electronic competitor in rates for the fifth consecutive quarter.

Turning to our U.S. Treasury wholesale business—we delivered another record revenue quarter. This was driven by record adoption of our streaming protocol, and growing adoption of our sessions and r8fin solutions. Wholesale continues to be a strategic priority as we focus on expanding our network of liquidity providers and strengthening our liquidity pools in alignment with our multi-protocol platform strategy.

In Equities, our ETF business generated record revenues as market volatility drove frequent rebalancing and risk management, and as we continue to deepen integrations with our clients. Our efforts to broaden our equity presence beyond our flagship ETF franchise continue to pay off, with record institutional equity derivatives revenues, up 30% yr/yr. Looking ahead, we're continuing to make inroads by onboarding new clients, and the pipeline remains strong as the benefits of our electronic solutions continue to resonate, with a key differentiator being our AiEX solution. Despite the extreme volatility experienced during the quarter, our clients strongly relied on AiEX across ETFs, with average daily trades increasing over 125% yr/yr.

Global Credit

Turning to slide 7 for a closer look at Credit—double-digit revenue growth for the quarter was driven by strong double-digit revenue growth in both credit derivatives and municipal bonds. Global corporate credit delivered mid-single digit revenue growth due to product and volume mix as retail corporate credit revenues were down 17% yr/yr, primarily reflecting the better relative yields our clients are getting across money markets and munis. Overall, automation continues to resonate with global credit AiEX average daily trades increasing over 15% yr/yr.

We achieved a record block share in fully electronic U.S. Investment Grade and U.S. High Yield at 9% and 5%, respectively. This growth was driven by continued adoption of our portfolio trading, RFQ, and sessions protocols. Our institutional U.S. credit business continued to scale with revenues up 15% yr/yr as clients leveraged our diverse suite of trading solutions. Institutional RFQ ADV grew over 35% yr/yr, with strong double-digit growth in both IG and HY. Our efforts to expand into RFQ are seeing early signs of success, with our RFQ share of overall TRACE achieving a new quarterly record.

Portfolio trading ADV also increased 15% yr/yr, with record volumes across HY, and our second highest across IG. Portfolio trading has become a widely used, reliable method for executing trades and managing risk, particularly during periods of market volatility. As the market continues to evolve, we expect adoption to expand, as it further embeds itself as an essential part of credit traders' toolkits.

AllTrade had a strong quarter, with over \$200 billion in volume—with ADV up almost 10% yr/yr. Our all-to-all ADV grew over 50% yr/yr while our dealer-RFQ ADV rose by nearly 20% yr/yr. The team remains focused on expanding our network and increasing the number of responders on the AllTrade platform. In the second quarter, we achieved record ETF market maker participation across our institutional credit business.

Looking ahead, U.S. Credit remains a key area of focus. We believe there is still a long runway for growth, with plenty of opportunity to innovate alongside both buy-side and dealer clients. Despite the success to date, we believe we can continue to deepen our penetration across RFQ and further enhance our portfolio trading and sessions offerings. Core to our strategy is attacking more parts of the block market through our

differentiated liquidity, proprietary data, and unique liquidity pools, coupled with continued expansion of our product and sales teams.

Beyond U.S. Credit, we're continuing to prioritize our emerging markets credit expansion efforts. We continue to broaden out our liquidity provider set across key markets, work with our OMS partners on key integrations, and expand the functionality around key differentiators, such as asset swaps. While still early in the journey, EM credit revenues grew nearly 40% yr/yr in the second quarter, signaling strong momentum.

Global Swaps

Moving to slide 8—global swaps delivered record revenues, driven by a combination of strong client engagement in response to a dynamic macro backdrop, a favorable mix shift toward risk trading, and a 4% increase in weighted-average duration. Altogether, global swaps revenues grew over 45% yr/yr. Our core risk market share—which excludes compression trading—was a record, rising 240 basis points yr/yr. Total market share declined from 23.6% in 2Q24 to 22.6% in 2Q25, largely due to a significant reduction in U.S. and European client-related compression volumes, which carry much lower fee rates. During the quarter, we achieved the highest share in our history across Other G-11 and our second highest share across EM-denominated currencies.

The second quarter highlighted the continued global expansion of our swaps business, in terms of both geographic reach and broader client engagement. International swaps achieved record revenues growing over 55% yr/yr, with record EM and APAC revenues. Our strong performance was supported by a 13% yr/yr increase in global active users. As our global footprint continues to expand, we're not just adding new clients, but enhancing the value of the platform for the broader client base, with the average number of currencies traded per client almost doubling over the past five years.

Finally, we continue to make progress across emerging markets swaps and our rapidly growing RFM protocol. Our second quarter EM swaps revenues produced another strong growth quarter, and we believe there is still significant room to grow given the low levels of electronification. This quarter, we launched Malaysian swaps and executed the first click-to-trade in Brazilian swaps, as we continue to broaden our offering. Our RFM protocol also saw ADV more than double yr/yr with adoption picking up.

Looking ahead, we continue to believe the long-term growth potential for swaps remains significant. Recent market volatility and macro uncertainty have only reinforced the value of electronic trading and the strength of our network globally. With just ~30% of the cleared swaps market currently electronified, there is substantial runway to digitize workflows alongside our clients. As the global swaps landscape grows, we are focused on continuing to lead with innovation across the cleared market and making inroads into the uncleared swaps market in partnership with our clients.

And with that, let me turn it over to Sara to discuss our financials in more detail.

SARA FURBER (Slide 9-12)

Thanks Billy and good morning.

As I go through the numbers, all comparisons will be to the prior year period, unless otherwise noted.

Slide 9 provides a summary of our quarterly earnings performance.

- As Billy recapped earlier, this quarter we saw record revenues of \$513 million that were up 26.7% yr/yr on a reported basis and 24.7% on a constant currency basis given the weakening dollar.

- We derived approximately 42% of our 2Q revenues from international clients, and recall that ~30% of our revenue base is denominated in currencies other than dollars, predominantly in Euros.
- Our variable revenues increased by 30% and total trading revenues increased by 28%.
- Total fixed revenues related to our four major asset classes were up 25% on a reported basis and 23% on a constant currency basis.
 - Rates fixed revenue growth was primarily driven by an increase in minimum fee floors for certain dealers and by the addition of dealers to our mortgage and US government bond platforms.
 - Credit fixed revenue growth was primarily driven by the previously disclosed introduction of minimum fee floors and the migration of certain dealers to subscription fees.
- Other revenues increased 32%, primarily driven by \$1.8 million earned from our work with the Canton Network, where we are compensated in Canton coins. This line item will be variable quarter to quarter, reflecting fluctuations in the number of earned Canton coin, Canton coin prices, and periodic tech enhancements for retail clients.
- This quarter's adjusted EBITDA margin of 54.2% increased by 83 bps on a reported basis when compared to our 2024 full-year margins.

Moving on to fees per million on Slide 10 and a highlight of the key trends for the quarter. You can see Slide 16 of the earnings presentation for additional detail regarding our FPM performance this quarter.

- For cash rates products, average fees per million were down 7%, primarily due to a mix shift away from retail within U.S. Government Bonds, which carries a comparatively higher fee per million, as well as lower fee per million across mortgages and European government bonds.
- For long tenor swaps, average fees per million were up 40%, primarily due to a decline in compression activity.
- For cash credit, average fees per million decreased 11% due to the migration of certain dealers from fully variable plans to fixed plans across the institutional and wholesale US Credit business, and a mix shift away from retail within US Credit, which carries a higher fee per million.
- For cash equities, average fees per million increased 15% due to higher FPM in US ETFs and a mix shift towards EU ETFs, which carry a relatively higher fee per million. Recall in the U.S. we charge per share and not for notional value traded.
- Finally, within money markets, average fees per million increased 49% primarily due to the inclusion of ICD and were partially offset by a mix shift away from retail CDs which carry a comparatively higher fee per million.

Slide 11 details our adjusted expenses

- At a high level, the scalability and variable nature of our expense base allows us to continue to invest for growth and grow margins—we have maintained a consistent philosophy here.
- Adjusted Expenses for 2Q increased 24% on a reported and 22% on a constant currency basis. Given the strong environment to invest for long-term growth, during the second quarter, we continued investments in digital assets, consulting and client relationship development.
- Adjusted compensation costs grew 23%, with the vast majority as a result of discretionary and performance related compensation and a 20% increase in headcount, with more than 50% of the headcount increase related to the addition of ICD.
- Technology and communication costs increased 25% primarily due to our previously communicated investments in data strategy and infrastructure.
- Adjusted professional fees grew 6% mainly due to an increase in tech consultants as we augment our offshore technology operations and build incremental scalability. This was partially offset by lower legal fees.
- Adjusted general and administrative costs increased 55% primarily due to unfavorable movements in FX. Unfavorable movements in FX resulted in a \$2.2 million loss in 2Q25 versus a \$1.7 million

gain in 2Q24. Excluding FX, adjusted general and administrative costs grew 21% mainly due to a pickup in travel and entertainment and marketing expenses.

Slide 12 details capital management and our guidance

- On our cash position and capital return policy
 - We ended 2Q in a strong position, with \$1.6 billion in cash and cash equivalents and free cash flow reached approximately \$952 million for the trailing twelve months.
 - Our net interest income of \$14.5 million decreased due to a combination of lower cash balances and interest yields.
 - With this quarter's earnings, the Board declared a quarterly dividend of \$0.12 per Class A and Class B shares, up 20% y/y.
- Turning to guidance for 2025
 - In light of the continued strong business momentum, we are increasing our adjusted expense guidance to \$1 billion - \$1.05 billion, and we are currently trending towards the midpoint of this range.
 - Overall, we are seeing opportunity to invest for future growth and continue to accelerate investments in the second half of 2025 relative to the first half of the year. Specific areas of investment include U.S. and European Credit, specified pools in mortgages, global repos, and digital assets.
 - Starting in the third quarter, in line with an acceleration in our data and infrastructure strategy, we expect an ~\$5 million increase in our non-comp expense run rate across tech and communications and professional fees.
 - Lastly, primarily due to the move to our new NYC headquarters which we expect in September, we estimate second half 2025 occupancy expenses to rise 40% yr/yr including approximately \$650k in duplicate rent related expenses.
 - All in, with these investments, we continue to expect our 2025 adjusted EBITDA margin to exceed 2024 levels, although expansion will be more modest than last year as we support our current and future organic growth.
 - One final point, we continue to expect 2025 revenues generated under the master data agreement with LSEG to be approximately \$90 million, up ~10% from 2024.

Now I'll turn it back to Billy for concluding remarks.

BILLY HULT

Thanks, Sara.

I am extremely proud of the Tradeweb team that continues to push the boundaries on where electronic trading can go in the fixed income markets. As I mentioned at the outset of this call, we achieved over \$1 billion in revenue in the first half of this year, and to put that in perspective, we produced \$776 million in all of 2019, the year of our IPO. What was once thought of as headwinds to electronification are now turning into tailwinds for future growth. Better data, a growing set of execution tools, straight through processing, and post-trade solutions are providing our buy-side clients and dealers with more opportunities to trade on-screen even during the most volatile of environments. We see significant opportunity to use technology and innovation to electronify more areas of the fixed income markets over the coming years alongside our dealers and clients. We are also focused on new areas, such as digital assets, to further enhance our one-stop shop offering.

With two important month-end trading days left in July which tends to be one of our strongest revenue days, overall and average daily revenue growth are trending approximately 20% higher relative to July 2024. The diversity of our growth remains a theme as we are seeing double digit volume growth across global swaps,

mortgages, European Government Bonds, U.S. and European Credit, Munis, European ETFs, and global repo. Our IG share is tracking above June levels while our HY share is tracking in-line with June levels.

Finally, I would like to thank our clients for their business and partnership in the quarter – and recognize my colleagues for their efforts that contributed to the record quarterly revenues and volumes at Tradeweb.

With that, I will turn it back to Ashley for your questions.

ASHLEY SERRAO

Thanks Billy. As a reminder, please limit yourself to one question only. Feel free to hop back in the queue and ask additional questions at the end. Q&A will end at 10:30 AM ET. Operator, you can now take our first question.

THANK YOU

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