

# 1Q20 EARNINGS CONFERENCE CALL

MAY 7, 2020

# Disclaimers



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

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

## Basis of Presentation

The historical financial information and other disclosures contained in this presentation relate to periods that ended both prior to and after the completion of the Reorganization Transactions and the IPO of Tradeweb Markets Inc. (unless the context otherwise requires, together with its subsidiaries, referred to as "we," "our," "Tradeweb," "Tradeweb Markets" or the "Company"). The IPO closed on April 8, 2019. As a result of certain reorganization transactions (the "Reorganization Transactions") completed in connection with the IPO, on April 4, 2019, Tradeweb Markets Inc. became a holding company whose only material assets consist of its equity interest in Tradeweb Markets LLC ("TWM LLC") and related deferred tax assets. As the sole manager of TWM LLC, Tradeweb Markets Inc. operates and controls all of the business and affairs of TWM LLC and, through TWM LLC and its subsidiaries, conducts its business. As a result of this control, and because Tradeweb Markets Inc. has a substantial financial interest in TWM LLC, Tradeweb Markets Inc. consolidates the financial results of TWM LLC and its subsidiaries. The historical financial information contained in this presentation relating to periods prior to and including March 31, 2019, which we refer to as the "pre-IPO period," pertain to TWM LLC, the predecessor of Tradeweb Markets Inc. for financial reporting purposes. The historical financial information contained in this presentation relating to periods beginning on April 1, 2019, and through and including March 31, 2020, which we refer to as the "post-IPO period," pertain to Tradeweb Markets Inc. The pre-IPO period excludes, and the post-IPO period includes, our financial results from April 1, 2019 through April 3, 2019, which are not material.

On October 1, 2018, Refinitiv Holdings Ltd. ("Refinitiv"), which is controlled by certain investment funds affiliated with The Blackstone Group L.P., an affiliate of Canada Pension Plan Investment Board, an affiliate of GIC Special Investments Pte. Ltd. and certain co-investors, indirectly acquired substantially all of the financial and risk business of Thomson Reuters Corporation and Thomson Reuters Corporation indirectly acquired a non-controlling ownership interest in Refinitiv (collectively, the "Refinitiv Transaction"). As a result of the Refinitiv Transaction, as a consolidating subsidiary of Refinitiv, we accounted for the Refinitiv Transaction using pushdown accounting. Due to the change in the basis of accounting resulting from the application of pushdown accounting, the financial information for the period beginning on October 1, 2018, and through and including March 31, 2020, or the "successor" period, and the financial information for the periods prior to, and including, September 30, 2018, or the "predecessor" period, are not comparable.

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

## Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. Statements related to, among other things, our guidance, including 2020 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 2018. We use constant currency growth as a supplemental metric to evaluate our underlying performance between periods by removing the impact of foreign currency fluctuations. We present certain constant currency growth information because we believe it provides investors and analysts a useful comparison of our results and trends between periods. This information should be considered in addition to, not as a substitute for, results reported in accordance with GAAP, and may not be comparable to similarly titled measures used by other companies.

## Unaudited Interim Results

The interim financial results presented herein for the three months ended March 31, 2020 and 2019 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.

# 1Q20 Earnings Call Participants



## STRATEGIC REVIEW

**Lee Olesky**

CO-FOUNDER AND CEO



## GROWTH INITIATIVES

**Billy Hult**

PRESIDENT



## FINANCIAL REVIEW

**Robert Warshaw**

CHIEF FINANCIAL OFFICER



## WELCOME/ INTRODUCTION

**Ashley Serrao**

HEAD OF U.S. CORPORATE  
DEVELOPMENT & IR

## OPERATING PERFORMANCE HIGHLIGHTS

### GROSS REVENUE

**\$234.6M**

+25.6% y/y\*

+26.3% y/y (CC\*\*)¹

### INTERNATIONAL REVENUES

**\$89.4M**

+32.6% y/y

+34.6% y/y (CC)¹

### ADJUSTED NET INCOME²

**\$85.4M**

+63.6% y/y

+60.1% y/y (CC)¹

### ADJUSTED EBITDA MARGIN²

**51.0%**

+799 bps y/y

+678 bps y/y (CC)¹

### ADJUSTED EBIT MARGIN²

**46.4%**

+885 bps y/y

+767 bps y/y (CC)¹

### ADJUSTED DILUTED EPS²

**\$0.37**

+60.9% y/y

+50.0% 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.

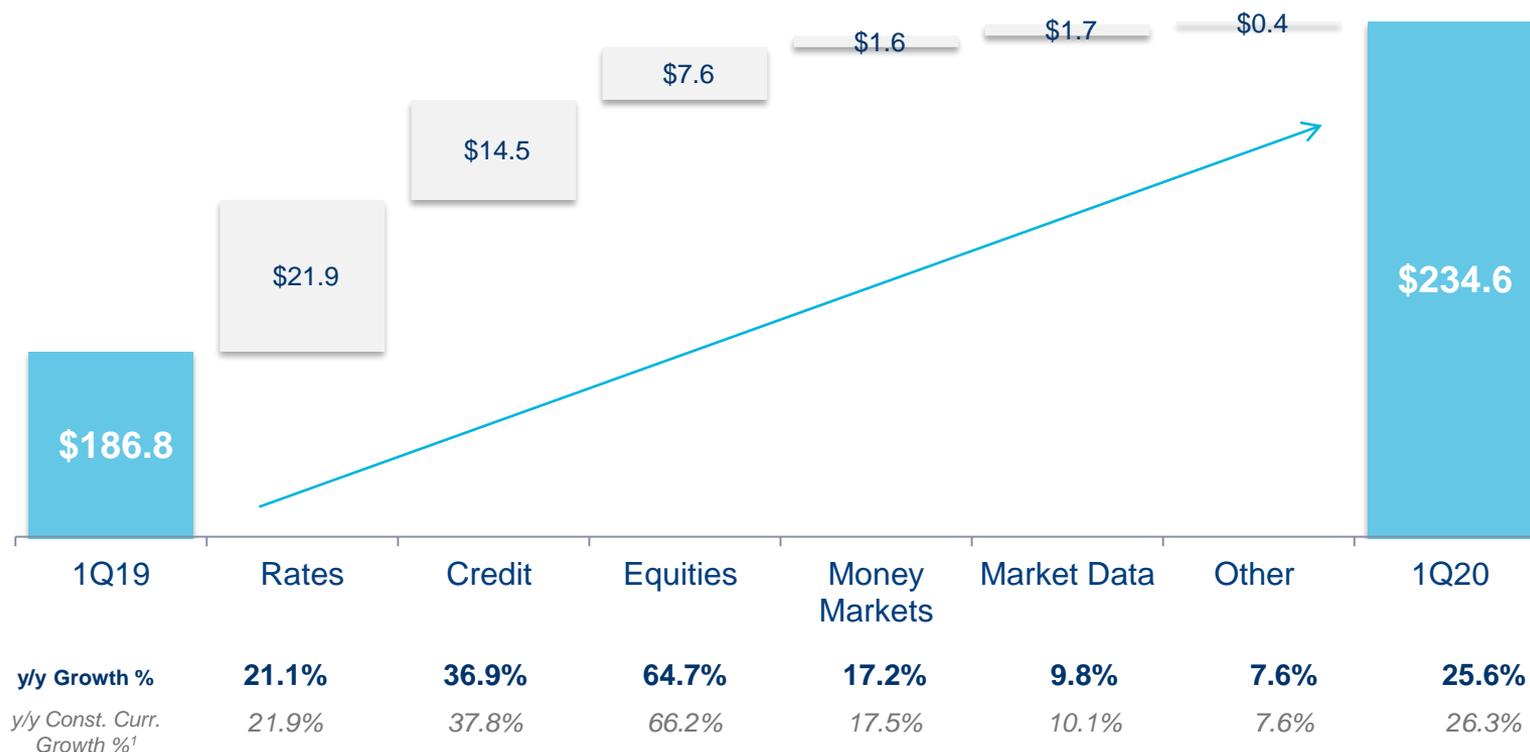
2. Adjusted Net Income, Adjusted EBITDA margin, Adjusted EBIT margin and Adjusted Diluted EPS are non-GAAP financial measures. See "Appendix" for reconciliations to their most comparable GAAP financial measures.

# 1Q20 Gross Revenue Results



(\$ in millions)

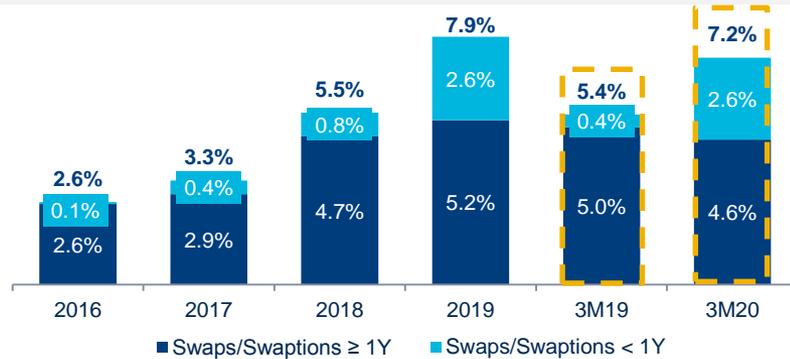
**DIVERSIFIED 25.6% Y/Y GROSS REVENUE GROWTH (CC 26.3% Y/Y)<sup>1</sup>**



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

# Growth Initiatives

## GLOBAL INTEREST RATE SWAPS MARKET SHARE<sup>1</sup>



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

1Q20 Y/Y Growth  
Total: 14%

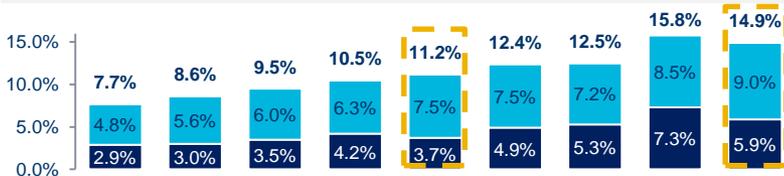


## U.S. CASH CREDIT (SHARE<sup>3</sup>)

### High Grade

### 1Q20 Y/Y ADV Growth

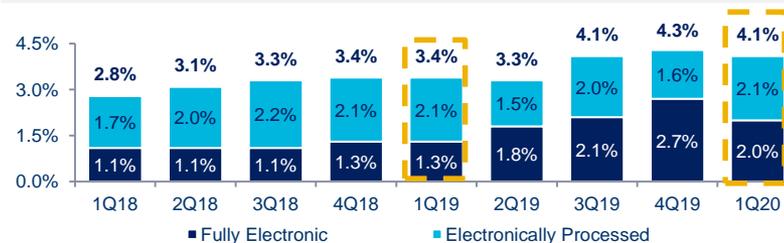
HG: Total +37%, Electronic +61%, E-P +25%



### High Yield

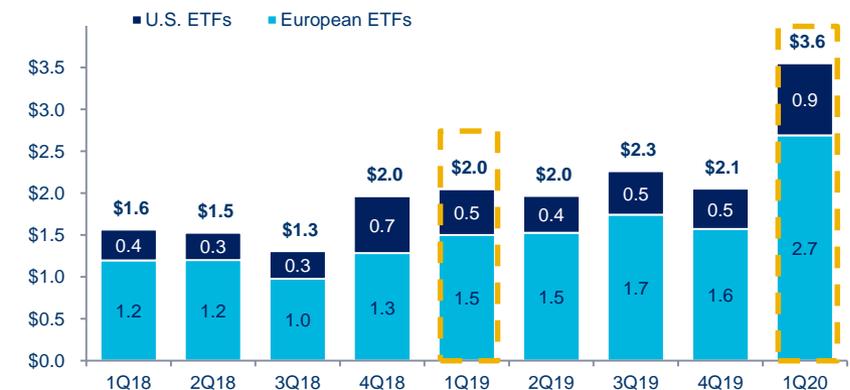
### 1Q20 Y/Y ADV Growth

HY: Total +48%, Electronic +89%, E-P 22%



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

1Q20 Y/Y Growth  
Total: +73%



Note: Totals may not foot due to rounding.

1. Share reflects TW IRS volumes across institutional, wholesale and retail client sectors, divided by Clarus cleared market volumes. Global IRS market refers to volumes traded by U.S. and non-U.S. entities.  
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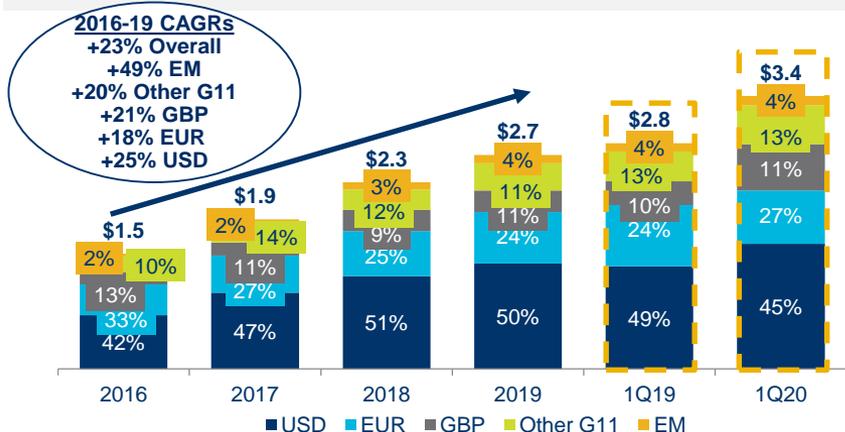
2. Share and volumes reflect TW U.S. Treasuries volume across institutional, wholesale and retail client sectors, divided by SIFMA volume, adjusted by Tradeweb management to approximate TRACE volume.

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.

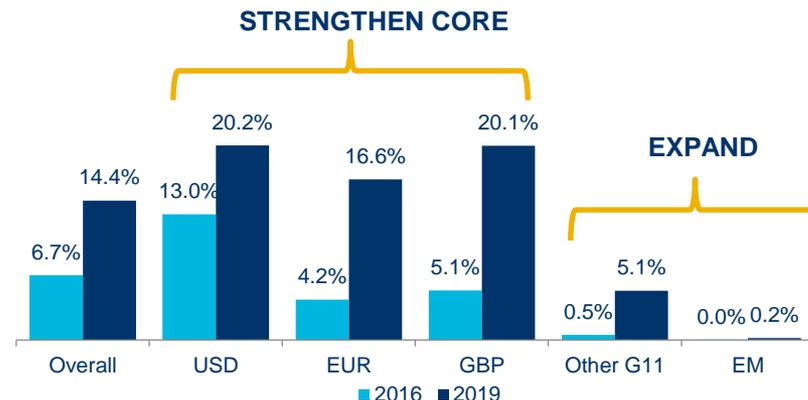
# Interest Rate Swaps Growth Initiatives

## GLOBAL IRS MARKET IS GROWING<sup>1,2</sup> (\$ in trillions, ADV)

3M20 Y/Y Growth  
Total: +21%



## INCREASING CORE IRS MARKET SHARE<sup>2</sup> (Core IRS = Vanilla, Basis, and Inflation Swaps)



## GLOBAL SHARE & FPM ACROSS PRODUCTS<sup>3</sup>

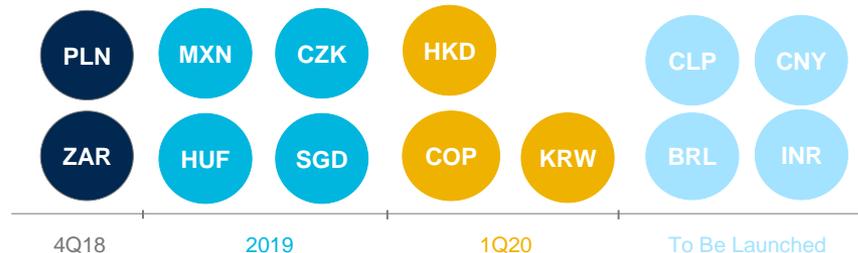
Product Breakdown

	Industry	Core IRS <sup>4</sup>	OIS	FRA
TW Comprises 60-70% of the Electronic Core IRS Market				
Est.E%	20-25%	20-25%	10-15%	30-35%
TW E-share	30-40%	60-70%	50-80%	3-4% <sup>5</sup>
Core IRS Industry Volumes Have Grown at a 19% CAGR				
Volume TAM	\$2.7 T	35%	35%	29%
3 yr CAGR	23%	19%	30%	20%
Core IRS Comprises The Vast Majority of the Revenue TAM				
TW FPM	\$2.75-3.25	\$0.2-0.4	\$0.3-0.4	
% of Rev TAM	80-85%	7-10%	7-10%	
TW Volume TAM Share Has Increased Across Products				
2016	2.6%	6.7%	0.3%	0.0%
2019	7.9% <sup>6</sup>	14.4%	8.1%	0.0%
Share Gain	527bps	773bps	782bps	N/A

## INVESTING IN EM — TW IRS CURRENCY EVOLUTION<sup>2</sup>

~\$80B ADV trades in Core EM IRS at \$4.5-6 FPM

Estimated EM Market  
Electronification: <1%<sup>3</sup>

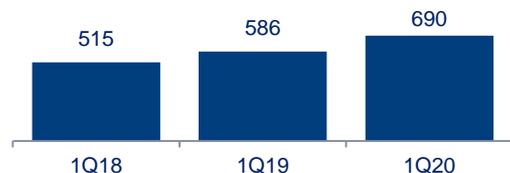


1. Global IRS market estimate based on Clarus cleared market volumes.  
 2. EM is defined as Emerging Markets.  
 3. Based on Clarus volumes and Tradeweb management estimates.  
 4. Includes vanilla, basis, and inflation swaps.  
 5. Estimated 1Q20 share following product launch  
 6. Total share excludes FRAs which were not launched in 2019

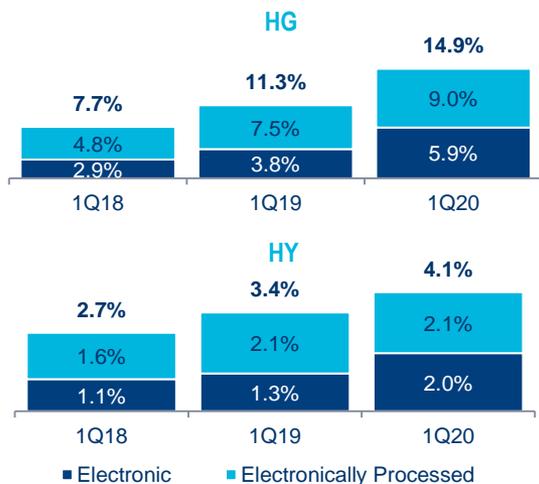
# Corporate Credit Growth Initiatives

## GROWING NETWORK AND SHARE

### INSTITUTIONAL CREDIT CLIENT NETWORK<sup>1</sup>



### MARKET SHARE<sup>2</sup>



## GROWTH INITIATIVES

### PORTFOLIO TRADING VOLUMES<sup>3</sup>

(\$ in billions)



### NET SPOTTING VOLUMES

(\$ in billions)

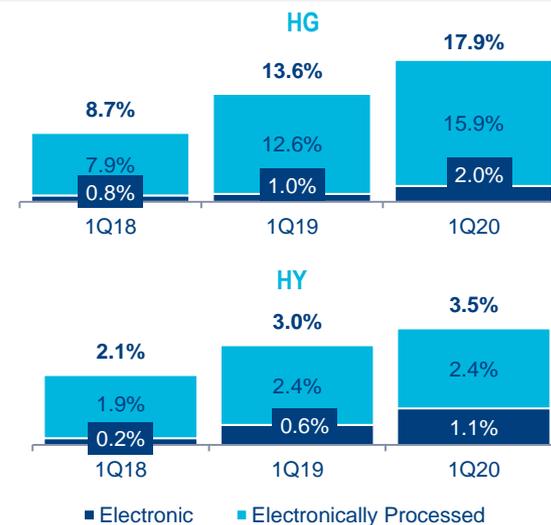


### ANONYMOUS VOLUMES<sup>4</sup>

(\$ in billions)



### BLOCK SHARE<sup>2,5</sup>



1. Reflects total number of institutional credit clients.

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

3. Totals may not foot due to rounding.

4. Reflects TW high grade and high yield volumes intermediated with undisclosed counterparties.

5. Block trades are defined as \$5mm+ for HG and \$1mm+ for HY.

# Quarterly ADV

## RECORD 1Q ADV of \$898BN for 1Q20 (+39% y/y)

KEY ■ Cash ■ Derivatives

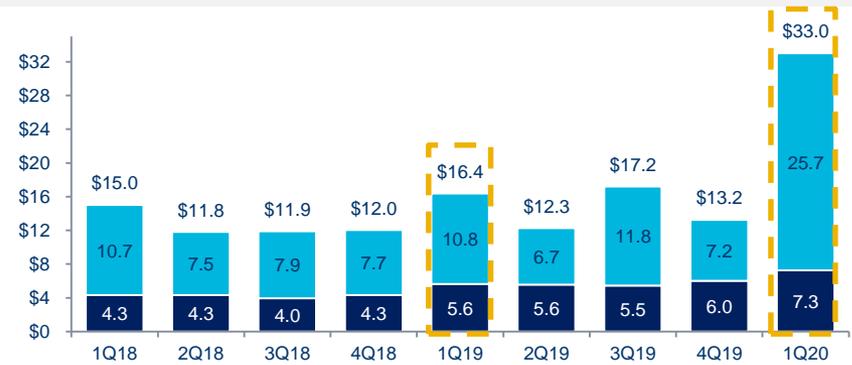
### RATES (\$ in billions)

**1Q20 Y/Y GROWTH**  
Total: +38%  
Cash: +24%  
Derivatives: +62%



### CREDIT (\$ in billions)

**1Q20 Y/Y GROWTH**  
Total: +101%  
Cash: +29%  
Derivatives: +139%



### EQUITIES (\$ in billions)

**1Q20 Y/Y GROWTH**  
Total: +129%  
Cash: +106%  
Derivatives: +161%



### MONEY MARKETS (\$ in billions)

**1Q20 Y/Y GROWTH**  
Total: +33%



# 1Q20 Financial Performance<sup>1</sup>



(\$ in thousands, except per share amounts)

## REVENUE GROWTH OF 25.6% (26.3% CC)<sup>2</sup> WITH EBITDA MARGIN EXPANSION OF +799 bps to 51.0% (+678 bps CC)<sup>2</sup>

	1Q20	1Q19	%Δ 1Q20 vs 1Q19	%Δ Constant Currency 1Q20 vs 1Q19 <sup>2</sup>
Trading Revenues				
Fixed	\$ 67,691	\$ 65,906	2.7%	3.1%
Variable	148,353	103,983	42.7%	43.9%
Total Trading Revenues	\$ 216,044	\$ 169,889	27.2%	28.0%
Refinitiv Market Data	14,628	13,616	7.4%	7.4%
Other Information Services	3,934	3,287	19.7%	21.3%
Gross Revenue	234,606	186,792	25.6%	26.3%
Adj. Expenses <sup>3</sup>	125,859	116,739	7.8%	10.7%
Adj. EBIT	108,747	70,053	55.2%	51.9%
Interest Income, net	699	858	(18.5)%	(18.6)%
Adj. EBT	109,446	70,911	54.3%	51.0%
Adj. Income Taxes <sup>4</sup>	24,078	18,721	28.6%	25.9%
Adj. Net Income	\$ 85,368	\$ 52,190	63.6%	60.1%
Adj. EBIT Margin <sup>5</sup>	46.4%	37.5%	+885bps	+767bps
Adj. EBITDA	119,650	80,347	48.9%	46.1%
Adj. EBITDA Margin <sup>5</sup>	51.0%	43.0%	+799bps	+678bps
Adj. Diluted EPS <sup>6</sup>	\$ 0.37 <sup>a</sup>	\$ 0.23 <sup>b</sup>	60.9%	50.0%
Adj. Diluted share count <sup>7</sup>	232,161,791	223,320,457	4.0%	

1. Adj. Expenses, Adj. EBIT, Adj. EBT, Adj. Net Income, Adj. EBIT Margin, Adj. EBITDA, Adj. EBITDA Margin and Adj. Diluted EPS (including Adj. diluted share count) are non-GAAP financial measures. See "Appendix" for reconciliations to their most comparable GAAP financial measures.

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

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

4. Represents corporate income taxes at an assumed effective tax rate of 22.0% and 26.4% applied to Adjusted Net Income before income taxes for the periods ended March 31, 2020 and March 31, 2019, respectively. For pre-IPO periods, this adjustment assumes Tradeweb Markets LLC was subject to a corporate tax rate for the periods presented.

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

6. As a result of the Reorganization Transactions and the IPO completed in April 2019, certain earnings information is being presented separately for Tradeweb Markets LLC and Tradeweb Markets Inc.

(a) Presents information for Tradeweb Markets Inc. (post-IPO period).

(b) Presents information for Tradeweb Markets LLC (pre-IPO period).

7. For the post-IPO period, represents the diluted weighted average number of shares of Class A and Class B common stock outstanding assuming the full exchange of all outstanding LLC Interests of TWM LLC for shares of Class A or Class B common stock. See "Reconciliation of Non-GAAP Financial Measures" for more information.

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

	Q1 20	Q4 19	Q1 19	%Δ Q1 20 vs Q4 19	%Δ Q1 20 vs Q1 19
<b>Rates</b>	<b>\$2.05</b>	<b>\$2.03</b>	<b>\$2.04</b>	<b>1%</b>	<b>0%</b>
Cash Rates	\$1.90	\$2.02	\$1.81	-6%	5%
Rates Derivatives	\$2.25	\$2.03	\$2.43	11%	-7%
<i>Swaps / Swaptions Tenor &gt;= 1 Yr</i>	\$3.42	\$2.63	\$2.60	30%	32%
<i>Other Rates Derivatives<sup>2</sup></i>	\$0.16	\$0.18	\$0.39	-11%	-59%
<b>Credit</b>	<b>\$23.46</b>	<b>\$46.17</b>	<b>\$34.02</b>	<b>-49%</b>	<b>-31%</b>
Cash Credit <sup>3</sup>	\$132.77	\$133.92	\$137.54	-1%	-3%
Credit Derivatives + U.S. Cash 'EP'	\$6.19	\$7.32	\$6.59	-15%	-6%
<b>Equities</b>	<b>\$15.39</b>	<b>\$16.12</b>	<b>\$21.15</b>	<b>-5%</b>	<b>-27%</b>
Cash Equities	\$25.57	\$25.66	\$29.09	0%	-12%
Equity Derivatives	\$4.40	\$6.35	\$10.38	-31%	-58%
<b>Money Markets (Cash)</b>	<b>\$0.45</b>	<b>\$0.47</b>	<b>\$0.49</b>	<b>-4%</b>	<b>-8%</b>
<b>Blended Fees per Million</b>	<b>\$2.65</b>	<b>\$2.59</b>	<b>\$2.62</b>	<b>2%</b>	<b>1%</b>
Blended FPM ex Other Rates Derivatives <sup>4</sup>	<b>\$2.93</b>	<b>\$2.76</b>	<b>\$2.67</b>	<b>6%</b>	<b>10%</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 gross 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 the increase in volume of short tenored swaps/swaptions had on blended FPM across all periods presented.

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

(\$ in thousands)

**1Q20 EXPENSE INCREASED 7.8% (CC 10.7% y/y)<sup>2</sup>**

	1Q20	1Q19	%Δ 1Q20 vs 1Q19	%Δ Const. Currency 1Q20 vs 1Q19 <sup>2</sup>
Adjusted Expenses				
Employee compensation and benefits <sup>a</sup>	\$ 87,023	\$ 77,273	12.6%	12.9%
Depreciation and amortization <sup>b</sup>	10,903	10,294	5.9%	6.0%
Technology and communications	10,318	10,040	2.8%	2.9%
General and administrative <sup>c</sup>	6,978	8,522	(18.1)%	19.6%
Professional fees	6,911	6,971	(0.9)%	(0.5)%
Occupancy	3,726	3,639	2.4%	2.8%
Total adjusted non-compensation expenses	38,836	39,466	(1.6)%	6.5%
<b>Total Adjusted Expenses</b>	<b>\$ 125,859</b>	<b>\$ 116,739</b>	<b>7.8%</b>	<b>10.7%</b>

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

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

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

# Capital Management & FY Guidance



## Key Highlights

- \$424.4 million of unrestricted cash (March 31<sup>st</sup>)
- TTM FCF: \$265.8 million<sup>1</sup>
- 1Q20 Capex & Cap software: \$8.4 million (+1.0% yr/yr)
- Board of Directors declared a quarterly dividend of \$0.08 per Class A and Class B share payable in June 2020

## 2020 FY Guidance<sup>2</sup>

- Adjusted Expenses: \$495 - \$510 million
  - Includes ~\$5 million of new investments primarily in data strategy and cybersecurity
  - Includes ~\$3 million of duplicative rent expense
  - Includes ~\$10-11 million of G&A per quarter excluding the impact of FX
- Acquisition and Refinitiv Transaction related D&A: \$110 million
- Assumed non-GAAP tax rate: 22.0%
- Capex & Cap software: \$45 - \$50 million

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.

# APPENDIX

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

<b>Net Income to Adjusted EBITDA, Adjusted EBIT and Adjusted EBT</b>	<b>1Q20</b>	<b>1Q19</b>
<b>Net Income</b>	<b>\$ 62,485</b>	<b>\$ 42,352</b>
Interest income, net	(699)	(858)
Depreciation and amortization	37,176	33,503
Stock-based compensation expense <sup>1</sup>	3,497	-
Provision for income taxes	15,829	4,783
Unrealized foreign exchange (gains) / losses	1,164	(293)
Loss from revaluation of foreign denominated cash <sup>2</sup>	198	860
<b>Adjusted EBITDA</b>	<b>\$ 119,650</b>	<b>\$ 80,347</b>
Less: Depreciation and amortization	(37,176)	(33,503)
Add: Acquisition and Refinitiv Transaction related D&A <sup>3</sup>	26,273	23,209
<b>Adjusted EBIT</b>	<b>\$ 108,747</b>	<b>\$ 70,053</b>
Add: Interest income, net	699	858
<b>Adjusted EBT</b>	<b>\$ 109,446</b>	<b>\$ 70,911</b>
<b>Adjusted EBITDA Margin<sup>4</sup></b>	<b>51.0%</b>	<b>43.0%</b>
<b>Adjusted EBIT Margin<sup>4</sup></b>	<b>46.4%</b>	<b>37.5%</b>

1. 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.
2. Represents foreign exchange gain or loss from the revaluation of cash denominated in a different currency than the entity's functional currency.
3. Represents acquisition-related intangibles amortization and increased tangible asset and capitalized software depreciation and amortization resulting from the Refinitiv Transaction and the application of push down accounting (where all assets were marked to fair value as of the closing date of the Refinitiv Transaction).
4. Adjusted EBITDA margin and Adjusted EBIT margin are defined as Adjusted EBITDA and Adjusted EBIT, respectively, divided by gross revenue for the applicable period. See "1Q20 Financial Performance" for gross revenue.

<b>Operating Expenses to Adjusted Expenses</b>	<b>1Q20</b>	<b>1Q19</b>
<b>Operating Expenses</b>	<b>\$ 156,991</b>	<b>\$ 140,515</b>
Acquisition and Refinitiv Transaction related D&A <sup>1</sup>	(26,273)	(23,209)
Stock-based compensation expense <sup>2</sup>	(3,497)	-
Unrealized foreign exchange gains / (losses)	(1,164)	293
Loss from revaluation of foreign denominated cash <sup>3</sup>	(198)	(860)
<b>Adjusted Expenses</b>	<b>\$ 125,859</b>	<b>\$ 116,739</b>

1. Represents acquisition-related intangibles amortization and increased tangible asset and capitalized software depreciation and amortization resulting from the Refinitiv Transaction and the application of push down accounting (where all assets were marked to fair value as of the closing date of the Refinitiv Transaction).
2. Represents non-cash stock-based compensation expense associated with the Special Option Award and post-IPO options awarded in 2019 and the payroll taxes associated with exercises of such options during the applicable period.
3. Represents foreign exchange gain or loss from the revaluation of cash denominated in a different currency than the entity's functional currency.

<b>Cash Flow from Operating Activities to Free Cash Flow</b>	<b>Trailing Twelve Month Free Cash Flow</b>	
Cash flow from operating activities	\$	310,324
Less: Capitalization of software development costs		(28,977)
Less: Purchase of furniture, equipment and leasehold improvements		(15,563)
<b>Free Cash Flow</b>	<b>\$</b>	<b>265,784</b>

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



Reconciliation of Net Income to Adjusted Net Income and Adjusted Diluted EPS	1Q 20	1Q 19
<b>Earnings per diluted share <sup>1</sup></b>	<b>\$ 0.25 <sup>(a)</sup></b>	<b>\$ 0.19 <sup>(b)</sup></b>
Pre-IPO net income attributable to Tradeweb Markets LLC <sup>1</sup>	-	42,352
Net income attributable to Tradeweb Markets Inc. <sup>1</sup>	43,928	-
Net income attributable to non-controlling interests <sup>1,2</sup>	18,557	-
<b>Net income</b>	<b>\$ 62,485</b>	<b>\$ 42,352</b>
Provision for income taxes	15,829	4,783
Acquisition and Refinitiv Transaction related D&A <sup>3</sup>	26,273	23,209
Stock-based compensation expense <sup>4</sup>	3,497	-
Unrealized foreign exchange (gains) / losses	1,164	(293)
Loss from revaluation of foreign denominated cash <sup>5</sup>	198	860
Adjusted Net Income before income taxes	109,446	70,911
Adjusted income taxes <sup>6</sup>	(24,078)	(18,721)
<b>Adjusted Net Income</b>	<b>\$ 85,368</b>	<b>\$ 52,190</b>
<b>Adjusted Diluted EPS <sup>1,7</sup></b>	<b>\$ 0.37 <sup>(a)</sup></b>	<b>\$ 0.23 <sup>(b)</sup></b>

- In April 2019, the Company completed the Reorganization Transactions and the IPO. As a result, certain earnings information is being presented separately for Tradeweb Markets LLC and Tradeweb Markets Inc.
  - Presents information for Tradeweb Markets Inc. (post-IPO period).
  - Presents information for Tradeweb Markets LLC (pre-IPO period).
- For post-IPO periods, represents the reallocation of net income attributable to non-controlling interests from the assumed exchange of all outstanding LLC Interests held by non-controlling interests for shares of Class A or Class B common stock.
- Represents acquisition-related intangibles amortization and increased tangible asset and capitalized software depreciation and amortization resulting from the Refinitiv Transaction and the application of pushdown accounting (where all assets were marked to fair value as of the closing date of the Refinitiv Transaction).
- Represents non-cash stock-based compensation expense associated with the Special Option Award and the post-IPO options awarded in 2019 and payroll taxes associated with exercises of such options during the applicable period.
- Represents foreign exchange gain or loss from the revaluation of cash denominated in a different currency than the entity's functional currency.
- Represents corporate income taxes at an assumed effective tax rate of 22.0% and 26.4% applied to Adjusted Net Income before income taxes for the three months ended March 31, 2020 and March 31, 2019, respectively.
- Due to the Reorganization Transactions and the IPO completed in April 2019, shares outstanding during the three months ended March 31, 2019 represent shares of TWM LLC (pre-IPO period) and shares outstanding during the three months ended March 31, 2020 represent shares of Class A and Class B common stock of Tradeweb Markets Inc. (post-IPO period).

**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	1Q 20	1Q 19
Diluted weighted average TWM LLC shares outstanding	-	223,320,457
Diluted weighted average shares of Class A and Class B common stock outstanding	174,517,244	-
Assumed exchange of LLC interests for shares of Class A or Class B common stock <sup>1</sup>	57,644,547	-
Adjusted diluted weighted average shares outstanding	232,161,791	223,320,457
<b>Adjusted Net Income (in thousands)</b>	<b>\$ 85,368</b>	<b>\$ 52,190</b>
<b>Adjusted Diluted EPS</b>	<b>\$ 0.37</b>	<b>\$ 0.23</b>

- Assumes the full exchange 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 LLC (pre-IPO period):

EPS: Pre-IPO net income attributable to Tradeweb Markets LLC <sup>(1)</sup>	1Q19
<u>Numerator:</u>	
Pre-IPO net income attributable to Tradeweb Markets LLC	\$ 42,352
<u>Denominator:</u>	
Weighted average LLC Interests outstanding - Basic	222,222,197
Dilutive effect of equity-settled PRSUs	1,098,260
Weighted average LLC Interests outstanding - Diluted	223,320,457
Earnings per share - Basic	\$ 0.19
Earnings per share - Diluted	\$ 0.19

- Earnings per share and weighted average shares outstanding for the pre-IPO periods have been computed to give effect to the Reorganization Transactions, including the amendment and restatement of the fourth amended and restated limited liability company agreement of Tradeweb Markets LLC to, among other things, (i) provide for a new single class of common membership interests in Tradeweb Markets LLC ("LLC Interests") and (ii) exchange all of the original members' existing membership interests for LLC Interests.

The following table summarizes the basic and diluted earnings per share calculations for Tradeweb Markets Inc. (post-IPO period):

EPS: Post-IPO net income attributable to Tradeweb Markets Inc.	1Q20
<u>Numerator:</u>	
Post-IPO net income attributable to Tradeweb Markets Inc.	\$ 43,928
<u>Denominator:</u>	
Weighted average shares of Class A and Class B common stock outstanding - Basic	166,234,749
Dilutive effect of equity-settled PRSUs	2,038,422
Dilutive effect of options	6,221,549
Dilutive effect of RSUs	22,524
Weighted average shares of Class A and Class B common stock outstanding - Diluted	174,517,244
Earnings per share - Basic	\$ 0.26
Earnings per share - Diluted	\$ 0.25

# Share Count Sensitivity

## PRO FORMA ADJUSTED FULLY DILUTED WEIGHTED AVERAGE SHARES

Assumed Average Share Price	Q2 2020	Q3 2020	Q4 2020
\$45.00	232,895,337	233,096,143	233,298,046
\$50.00	233,525,453	233,708,402	233,893,248
\$55.00	234,049,976	234,218,027	234,387,292
\$60.00	234,505,349	234,660,192	234,815,869
\$65.00	234,894,034	235,036,969	235,180,671

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

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

# Quarterly Volumes



Asset Class	Product	Q1 2020		Q4 2019		Q1 2019		QoQ	YoY
		ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)	ADV (USD mm)	Volume (USD mm)		
Rates	Cash	341,556	21,229,545	267,714	16,639,296	274,976	16,819,267	27.58%	24.21%
	U.S. Government Bonds	93,517	5,798,066	77,007	4,774,459	82,128	5,009,806	21.44%	13.87%
	European Government Bonds	28,116	1,799,420	19,644	1,257,195	23,033	1,451,106	43.13%	22.07%
	Mortgages	214,946	13,326,659	167,950	10,412,907	166,277	10,142,913	27.98%	29.27%
	Other Government Bonds	4,976	305,401	3,113	194,735	3,537	215,442	59.86%	40.70%
	Derivatives	249,217	15,638,292	183,562	11,551,936	154,251	9,538,077	35.77%	61.57%
	Swaps/Swaptions ≥ 1Y	159,515	10,013,269	138,757	8,739,588	142,263	8,794,997	14.96%	12.13%
	Swaps/Swaptions < 1Y	89,092	5,587,159	44,165	2,772,698	11,486	712,441	101.72%	675.68%
Futures	611	37,865	639	39,650	502	30,638	-4.49%	21.60%	
<b>Total</b>		<b>590,773</b>	<b>36,867,838</b>	<b>451,276</b>	<b>28,191,232</b>	<b>429,226</b>	<b>26,357,344</b>	<b>30.91%</b>	<b>37.64%</b>
Credit	Cash	7,255	449,797	6,015	373,866	5,631	343,725	20.62%	28.84%
	U.S. High-Grade	3,903	241,959	3,223	199,833	2,812	171,553	21.08%	38.77%
	U.S. High-Yield	487	30,167	357	22,152	329	20,090	36.18%	47.74%
	European Credit	1,658	106,115	1,299	83,106	1,321	83,203	27.69%	25.54%
	Municipal Bonds	289	17,902	217	13,426	279	17,027	33.34%	3.44%
	Chinese Bonds	857	49,715	864	51,812	833	48,293	-0.74%	2.95%
	Other Credit Bonds	62	3,939	56	3,537	57	3,560	11.40%	8.82%
	Derivatives	25,741	1,621,014	7,218	454,130	10,755	666,312	256.61%	139.34%
Swaps	25,741	1,621,014	7,218	454,130	10,755	666,312	256.61%	139.34%	
<b>Total</b>		<b>32,997</b>	<b>2,070,811</b>	<b>13,233</b>	<b>827,996</b>	<b>16,386</b>	<b>1,010,037</b>	<b>149.35%</b>	<b>101.37%</b>
Money Markets	Cash	256,193	15,948,560	212,333	13,211,137	192,264	11,771,636	20.66%	33.25%
	Repurchase Agreements (Repo)	237,211	14,769,141	194,193	12,084,004	173,522	10,626,099	22.15%	36.70%
	Other Money Markets	18,982	1,179,419	18,140	1,127,132	18,742	1,145,538	4.64%	1.28%
<b>Total</b>		<b>256,193</b>	<b>15,948,560</b>	<b>212,333</b>	<b>13,211,137</b>	<b>192,264</b>	<b>11,771,636</b>	<b>20.66%</b>	<b>33.25%</b>
Equities	Cash	9,218	576,880	4,547	291,036	4,479	276,207	102.70%	105.81%
	U.S. ETFs	6,527	404,656	2,974	190,351	2,979	181,745	119.44%	119.06%
	European ETFs	2,691	172,223	1,573	100,685	1,499	94,462	71.05%	79.47%
	Derivatives	8,576	534,392	4,440	284,188	3,292	203,730	93.12%	160.51%
	Convertibles/Swaps/Options	3,973	248,646	2,628	168,192	1,438	90,194	51.19%	176.30%
	Futures	4,602	285,746	1,812	115,995	1,854	113,535	153.92%	148.27%
<b>Total</b>		<b>17,793</b>	<b>1,111,272</b>	<b>8,988</b>	<b>575,224</b>	<b>7,771</b>	<b>479,937</b>	<b>97.97%</b>	<b>128.98%</b>
		ADV (USD mm)	Average Daily Trades	ADV (USD mm)	Average Daily Trades	ADV (USD mm)	Average Daily Trades	QoQ	YoY
<b>Total</b>		<b>897,756</b>	<b>63,079</b>	<b>685,830</b>	<b>51,435</b>	<b>645,647</b>	<b>50,951</b>	<b>30.90%</b>	<b>39.05%</b>

## PRODUCT CATEGORIES INCLUDE

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

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

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

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

U.S. High-Grade and High-Yield: All TRACE-reported corporates, excluding convertibles (see page 3 for segmentation methodology).

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

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

Credit Swaps: Index and single name credit default swaps.

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

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

Convertibles/Swaps/Options: Convertible bonds, equity swaps, call and put strategies, and other equity derivatives excluding futures.

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

## 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.

# U.S. Corporate Bonds



## USING MARKET REPORTING STANDARDS

### TRADEWEB MARKETS

Product	Type	Q1 2020						Q4 2019						Q1 2019						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	4,036	250,231	14.9%	12,105	750,528	23.3%	3,341	207,148	15.9%	11,726	726,981	25.5%	2,946	179,728	11.3%	11,956	729,296	22.2%	20.80%	-6.25%	36.98%	31.79%
	Electronically Processed	2,441	151,343	9.0%	405	25,102	0.8%	1,792	111,089	8.6%	325	20,141	0.7%	1,955	119,276	7.5%	280	17,068	0.5%	36.24%	5.73%	24.84%	20.11%
	Fully Electronic	1,595	98,888	5.9%	11,700	725,426	22.6%	1,549	96,059	7.4%	11,401	706,840	24.8%	991	60,452	3.8%	11,676	712,228	21.7%	2.95%	-20.11%	60.94%	54.84%
U.S. High-Yield	Total	505	31,282	4.1%	2,274	140,965	12.6%	373	23,144	4.3%	2,099	130,153	14.1%	342	20,857	3.4%	1,743	106,347	11.2%	35.16%	-5.25%	47.56%	19.51%
	Electronically Processed	257	15,934	2.1%	71	4,422	0.4%	140	8,679	1.6%	41	2,560	0.3%	211	12,875	2.1%	61	3,726	0.4%	83.58%	28.70%	21.76%	-1.39%
	Fully Electronic	248	15,348	2.0%	2,202	136,543	12.2%	233	14,465	2.7%	2,058	127,593	13.9%	131	7,982	1.3%	1,682	102,621	10.8%	6.10%	-25.62%	89.18%	53.21%

### REPORTED MARKET

Product	Q1 2020				Q4 2019				Q1 2019				QoQ		YoY	
	Volume (USD mm)		Trades		Volume (USD mm)		Trades		Volume (USD mm)		Trades		ADV	ADT	ADV	ADT
	ADV	Total	ADT	Total	ADV	Total	ADT	Total	ADV	Total	ADT	Total	ADV	ADT	ADV	ADT
U.S. High-Grade (TRACE)	27,001	1,674,045	146,116	3,214,548	20,955	1,299,205	129,483	2,848,621	25,977	1,584,599	156,155	3,279,247	28.85%	12.85%	3.94%	-6.43%
U.S. High-Yield (TRACE)	12,436	771,005	50,895	1,119,679	8,717	540,467	41,838	920,426	10,071	614,353	45,288	951,040	42.66%	21.65%	23.47%	12.38%

### 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).

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