

LSEG 2023 Capital Markets Days – Day Two Transcript

Data & Analytics

Satvinder Singh, Head of Data & Analytics

Enabling our divisions

Ron Lefferts, Head of Sales & Account Management

Friday 17 November 2023



LSEG

Data & Analytics

Satvinder Singh, Head of Data & Analytics



Capital Markets Day 2023

Satvinder Singh:

Good morning, everyone. Great. Thank you for joining us. It's a pleasure to welcome you to LSEG. I had the opportunity to meet quite a few of you last night. For those who I haven't met yet, I joined LSEG in July of this year and given the pace with which we're operating, it really feels that's, it's been much longer.

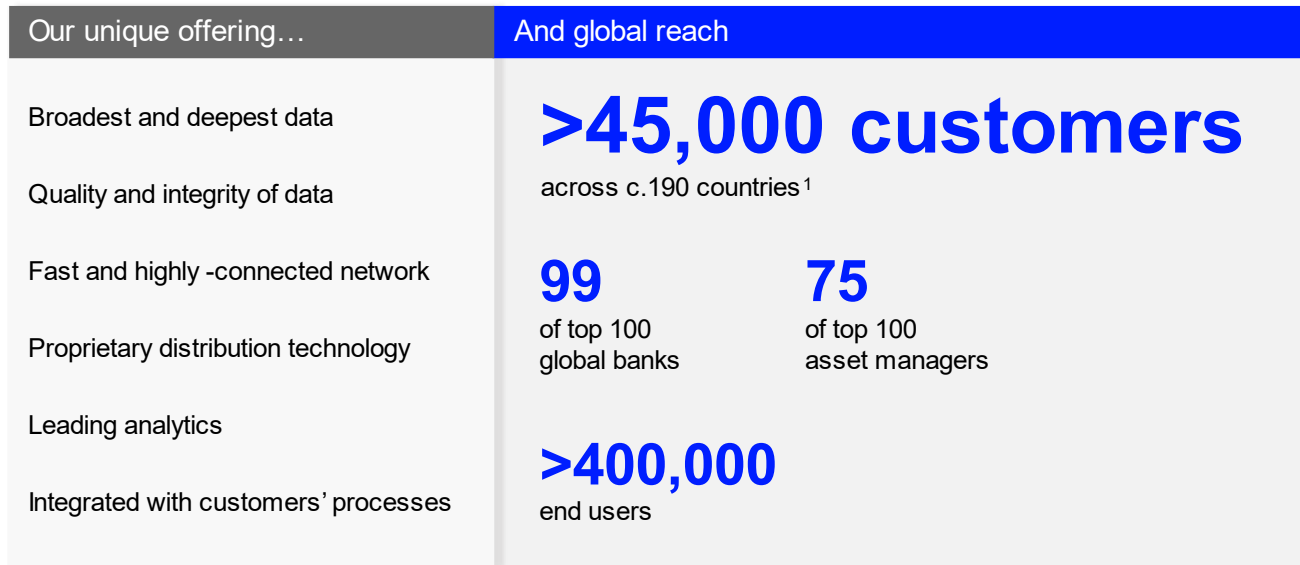
Just to give you some background, I have 28 years of experience leading large global businesses in Capital Markets, Post Trade, and the Data business and I joined from Mastercard where I was on their leadership team for the Data & Services business. Now, welcome again, as I said, great to be here with everyone.

We've got a lot to cover. I'll spend the next half an hour or so talking about where we want to take the business and share my vision as well as plans for the business and we're at a really critical stage. As we move from integration to transformation, this is a great time to pause and review where we are in the division, what the landscape is, and what our future strategy is.

I will lay out some of the strengths that we see in the business and also where we see the opportunities for further growth, as we look to strengthen, as we look to innovate, and as we look to scale our business.

You'll also have the opportunity to listen to my team as they spend time with you during the breakout sessions.

We are a global leader in Data & Analytics



¹Statistics reflect current D&A perimeter

2

Satvinder Singh:

So let me start by setting the stage. David's already highlighted the progress that we made since 2021, so let me reflect on what makes our D&A business unique.

As you can see, there are a number of strengths listed on the slide. I'm just going to pick one of them and I'm going to focus on that, so our broadest and deepest data. So we connect to 550 real-time, multi-asset venues. Our market leading real-time network carries a staggering 220 billion messages every day. And we've achieved all of this through our laser focus on our data quality and the growth of AI makes this even more important as it opens up significant new opportunities.

And at LSEG, we measure data quality in three dimensions: data accuracy, data coverage, and the timeliness of the data - and delivering on all three requires a really careful balance and we have a proven track record of getting this right.

And as you can see on the right of the slide, we already work with 99 out of the top 100 banks. That in itself is a very impressive statistic. Clearly we want to be a 100 out of a 100 and you know there's a salesperson waiting in the wings eager to be the one that gets the 100th spot.

Aligning our reporting structure with how we run the D&A division

Workflows

All LSEG user interfaces and workflow tools

- #2 global provider of user interfaces ('desktops') for financial services
- Agile cloud-native Workspace interface
- Execution and order management, messaging and other workflow tools

Data & Feeds

All real-time, pricing, reference, historical data and technology

- #1 global realtime data provider
- Top-3 global provider of pricing and reference data
- Unrivalled tickhistory data

Analytics

Consolidates our analytics offerings

- #1 in mortgage security analytics
- Yield Book fixed income analytics
- Lipper investment fund analytics
- Starmine, Sentimine and other tools

Microsoft partnership:

Adds Office365 and Teams integration, and new distribution channels

Accelerates development of data as a service (DaaS) and data management as a service (DMaaS)

Facilitates launch of financial data engineering, modelling and GenAI solutions



*Source: LSEG market intelligence.

3

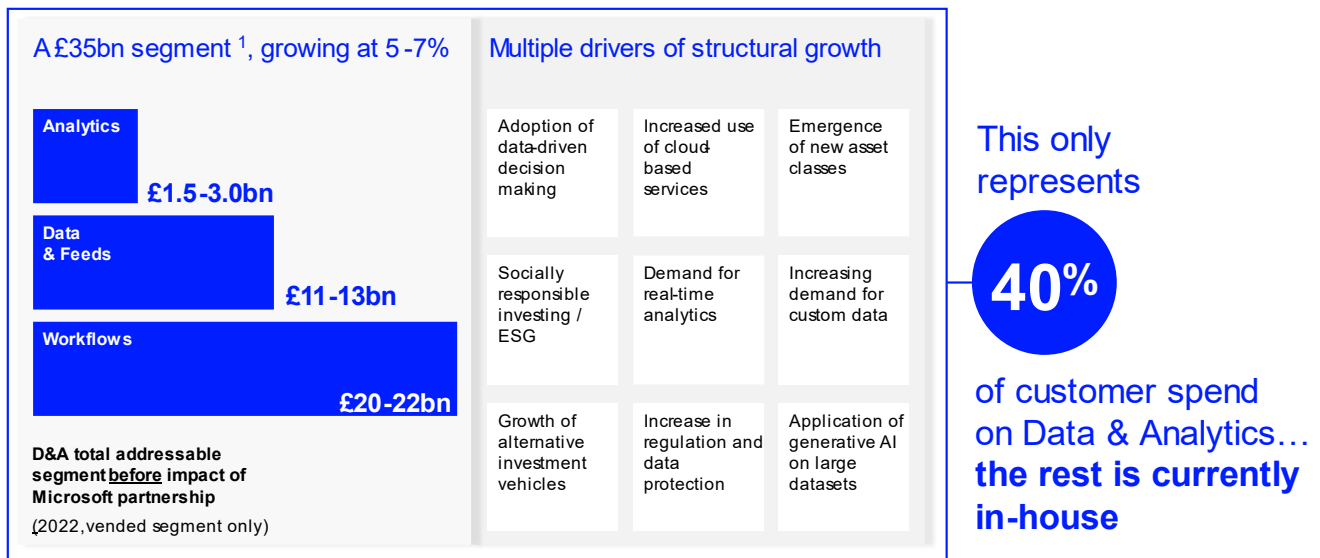
Satvinder Singh:

Now let me spend a couple of minutes on the changes we've made to our reporting structure. So yesterday Anna spent some time talking about which businesses will now be part of Workflows, Data & Feeds, and Analytics, and going forward, D&A will report along these three business lines. And this new structure really allows us to be more focused, more aligned on our priorities. It also enables us to maintain synergies that we currently have with FTSE Russell, Risk Intelligence, and of course the rest of LSEG and this aligns really well with our partnership with Microsoft, which I will cover in a few minutes.

So in essence, what are we trying to do here?

We're creating a product-led structure that enables us to be a client-centric, world-class product organization. That's something I'm personally really excited about and you'll hear this more from me throughout this presentation and any conversation you'll have with me later today.

Operating in a large and growing segment



Satvinder Singh:

You are familiar with our current TAM, which is estimated at £35 billion and it will grow at about 5 to 7% and we'll deliver this growth by continuing to strengthen on our core and things we're doing with expanding our product functionality.

What's interesting about this number, it is only represents what customers spend on third party providers. It's under half the spend of their total on data analytics. There's an estimated £50 billion of spend that customers currently take in-house to clean data and perform manual activities. This is for us the new playing field that's really exciting and it provides the clear growth opportunities that we see in the coming years and we want to address this TAM with our offerings with Microsoft and beyond as well.

On the right of the slide, you'll see structural trends that are facilitating these growth opportunities. So let's try to bring this to life. Today some of our customers have up to a couple of thousand employees in their data operations team carrying out technical validations, normalizing the data, and storing it in their databases. It's a very time consuming and costly exercise and these are the sort of challenges we want to help our customers address, breaking out of the historical view of the market and focusing more directly on our customer's needs.

So I'm absolutely focused on this, on thinking on how we can help our customers meet those changing needs to become more efficient and also to help create value for them.

Strong positions in attractive segments

	LSEG rank	Segment size	Segment CAGR	LSEG product example
Buy side				
Investment management	#3	£10 – 11bn	6 – 8%	Datascope
Wealth management	#1	£2.5 – 3.5bn	5 – 7%	Starmine
Sell side				
Fixed Income	varied	£4.5 – 5.5bn	3 – 5%	Yield Book
Equity	#2	£6.5 – 7.5bn	6 – 8%	Real Time
Commodities	#3	£1.0 – 2.0bn	4 – 6%	Workspace
FX/Treasury	#2	£2.0 – 3.0bn	2 – 4%	Electronic Trading
Investment Banking	#2	£3.5 – 4.5bn	4 – 6%	After Market Research (AMR)



Source: internal estimates based on third party analysis, segments are not exhaustive

5

Satvinder Singh:

If we look at this in another way and we slice the vendor term by customer segment, you'll see that we have a leading position across most of the customer segments in which we operate. That gives us a great foundation from where we can drive further growth in the business.

This is a complex market, it's also very dynamic and it has very dynamic customer needs. So we're going to focus on near term investment in areas where we see breakthrough opportunities to strengthen our position.

Strong positions in attractive segments

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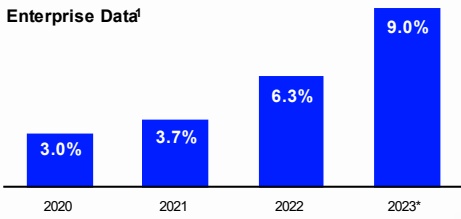
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Our strategy for growth is working

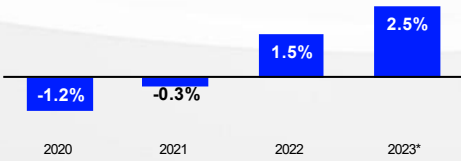
Enterprise Data¹



Improving our products

Knowing our customers better

Trading and Banking¹



More stretching targets and incentives

Revenue synergies



¹Organic growth rates excluding impact of deferred revenue haircut and Ukraine/Russia conflict
* Nine months ended Sep23

Satvinder Singh:

Our strategy for growth is working. You heard yesterday, both Enterprise Data and Trading & Banking have performed really well over the last few years. The question is why is that the case?

It's because of our concerted efforts on the priority areas you see on the right of the slide, which has ultimately led to better value for our customers and as a result, improved performance. This is also evident through the record customer satisfaction scores, which resulted in improved customer retention and revenue.

D&A is a much stronger business today

Organic ASV growth¹

+410
bps

Product retention²

+320
bps

Workspace product satisfaction³

+900
bps



¹ Since March 2021

² Current D&A perimeter, since December 2020

³ 9 or 10 customer score for product satisfaction. Eikon in 2021, Workspace today

7

Satvinder Singh:

Again, you can see the investment we're making in the business is paying off. We've made good progress in ASV, product retention, and customer satisfaction, since we outlined them during our Capital Markets Day two years ago.

For me, this is a great business to inherit and to build on and you can see all the hard work of the integration is already paying off and there's an exciting story of growth to tell both in the near term as well as in the longer term.

More gains to realise from our existing transformation



Further strengthening our product offering

Continuing to **invest and improve** our core product offering, for example:

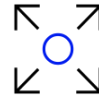
- Workspace rollout largely complete next year
- More seamless integration of our products
- Enhanced capabilities eg. fixed income



Completing our sales transformation

Embedding a **customer centric** and **solutions focused** approach to sales for example:

- Getting closer to our top 250 customers
- E-commerce platform for smaller customers
- Selling relevant workflow solutions, not individual products



Optimising technology infrastructure

Establishing a **more agile** and **scalable** technology backbone, for example:

- Moving to a software defined network, more cloud-based services
- 'End of life' strategies for legacy products and infrastructure



Increasing efficiency of our operations

Realising **productivity gains** and **improving customer service**, for example:

- Adopting AI and NLP tools in our data ingestion and management
- AI-powered customer service tools
- Expanding content coverage to promote growth in key areas



Satvinder Singh:

What I want to show on this slide is that our transformation journey is end-to-end. It covers product, it covers sales, technology, and operations and you're going to hear Ron Lefferts, Triona O'Keeffe, and David Shalders covering a lot more of the details in their presentations immediately after mine.

And my objective here is very straightforward. It's to accelerate the end-to-end transformation journey and I know this story is familiar to you, but it's worth stressing that these benefits of agility, efficiency, and growth will continue to play out and we will continue to invest here.

Three steps to accelerate growth



i Strengthening

- Strong jumping-off point for further growth
- Expanding product functionality
- Transforming technology estate

ii Innovating

- Creating differentiated products and solutions
- Greater focus on the most material opportunities

iii Scaling

- Building a world-class product organisation
- Developing a true platform business



Satvinder Singh:

This is a really important slide, something I'm really passionate about, so I'm going to spend a few minutes on it. So we've identified three steps: strengthening, innovating, and scaling, which will incrementally move us from where we are today to where we want to be in the future.

These three steps lay out our journey over the next few years and how it will help us prioritize, accelerate, and grow at scale.

So let me start with strengthening, right. We've talked about how we've improved our performance to date. For us to continue to grow, we need to strengthen the business. This is particularly important given that we're fundamentally a subscription business with 93% of recurring revenue. We'll continue to expand product functionality and improve the user experience with more customer-centric solutions and we'll also complete the transformation of our technology estate, creating a more resilient and agile platform, which allows us to have innovation and growth at the same time.

The next two steps, innovation and scaling, are where we'll continue to invest in our core, and win market share. The innovating phase is where we'll capitalise on our existing data excellence to create products that no one else can create. And we'll concentrate our spend on fewer and more material opportunities both organically and through our partnership and again, Microsoft being a great example here.

And then the last phase is where we can truly scale with an engineering mindset and an innovation culture and become yet again a customer centric, world class product organization.

Multiple growth drivers in place

Workflows

- Eikon to Workspace upgrade completion
- OpenFin collaboration to streamline deployment, interoperability
- Integration of Tora and FXall into Workspace

Data & Feeds

- New cloud solutions for PRS, Real Time, Tick History
- Data redistribution to meet strong demand especially Banks, Asset Managers, Partners, Data Scientists
- Data Management for Real Time, PRS, Quants and Digital Wealth

Analytics

- New models offering differentiating insights e.g., Supply Chain, Private Asset, Physical Climate
- Simplified customer analytics tools enabling ease of access and expanded usage
- GenAI solutions including AI assisted chat interfaces and workflows



Satvinder Singh:

Naturally there's been a lot of focus on Microsoft and I'm going to cover that in a minute or two. A few slides back, I showed you the impressive performance we're already seeing in the businesses today and how those metrics including revenues are trending in the right direction.

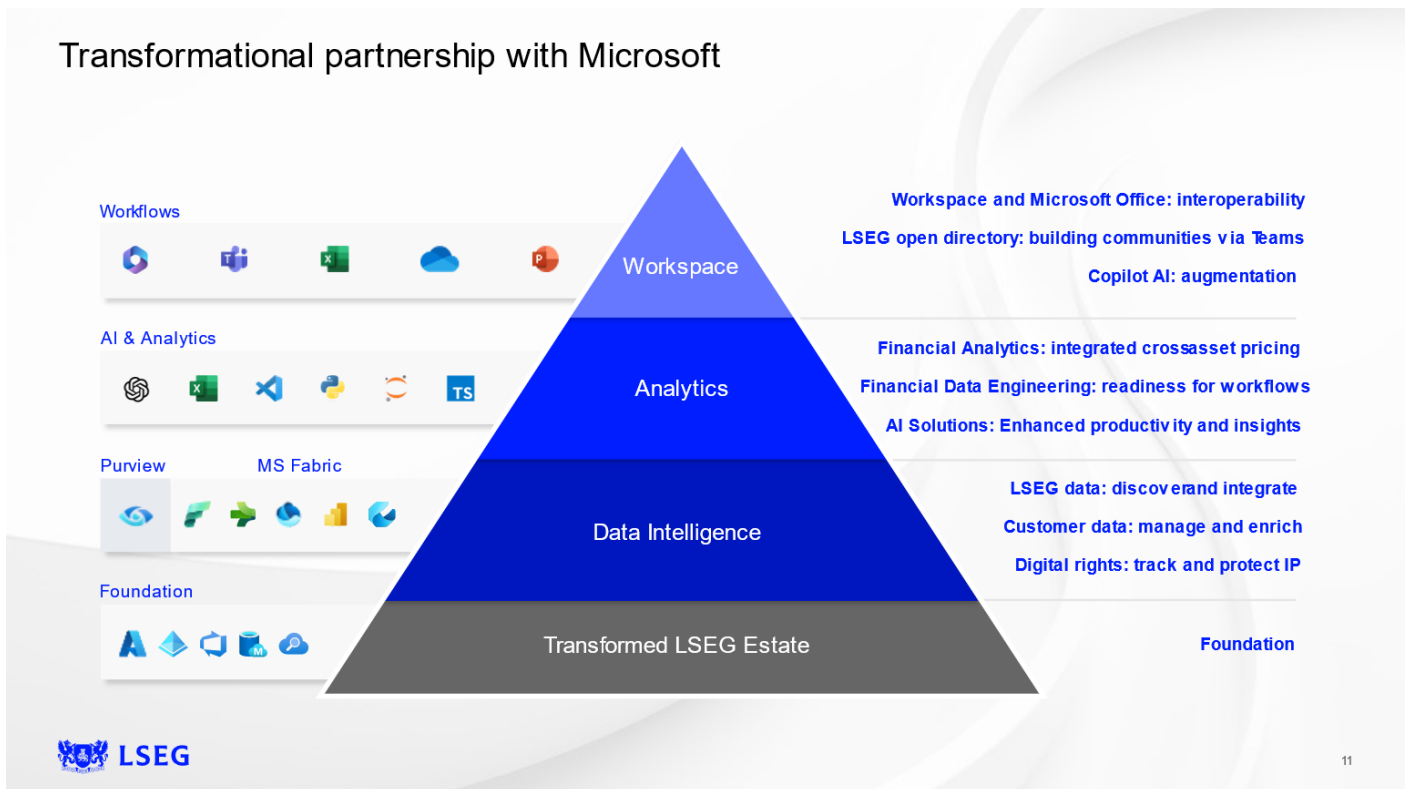
If we focus on this slide for a moment, it shows some of the organic opportunities outside of the partnership that will continue to drive further growth in the business. Clearly we have a track record of investment and delivery of results, which gives me every confidence in our ability to drive growth further.

So let me give you a preview of some of these initiatives. So for Workflows, LSEG Workspace will continue to be a critical growth driver. We'll continue to provide customers with an enhanced experience as we upgrade them from Eikon, accelerating the deployment of LSEG Workspace using the OpenFin framework. And there's an added benefit of OpenFin and that it enables interoperability of LSEG Workspace components within our customer's desktops. That means we can truly meet our customers wherever they are.

And for Data & Feeds, we'll help our customers reduce their physical data storage and management costs by offering cloud enabled and managed Data & Feeds. We'll continue to deliver high quality and unique content across all asset classes, offering a unique data assets and content across the latency spectrum at lightning speed where they need it and how they want it.

And for Analytics, building on our existing strengths in quantitative modelling and leveraging the breadth of our data assets, we can create new models in a more cost effective way for our customers. And we'll also deliver API centric analytic tools, enabling customers to easily integrate analytics across their organization.

So as you can see, it's important to remember there's plenty of opportunity for growth even before the true impact of the partnership begins to kick in and scales. So in the breakout sessions, my team will spend time with you to go through these initiatives in more detail.



Satvinder Singh:

Now let's focus on the partnership with Microsoft and one of the many reasons I'm excited about the future of D&A. It enables us to co-innovate solutions that will transform the experience for financial services professionals. We want to enable users like all of you in the audience, to do more faster and simpler.

So let's picture what a financial analyst or a market data manager needs to do to get a comprehensive view of a company's performance. They have to sift and collate across potentially hundreds of sources, including performance metrics and analysis to arrive at an informed decision. Our partnership will help that a lot of that pain, time spent, and cost, will be a thing of the past and you'll see from the pyramid, we will integrate LSEG Workspace into Microsoft Office, which will simplify workflows and expand communities.

We will change how our customers discover and experience data, and we will introduce AI enabled apps and a modelling infrastructure that will improve productivity and enhance customer's own data excellence.

Let's see what that really means in action. We have two demos that bring to life the innovation we're creating together with Microsoft. The first demo will show how we'll deliver enhanced data discoverability for financial services professionals using our data and analytics, all of which was powered by GenAI-native, Microsoft Fabric, and Purview.

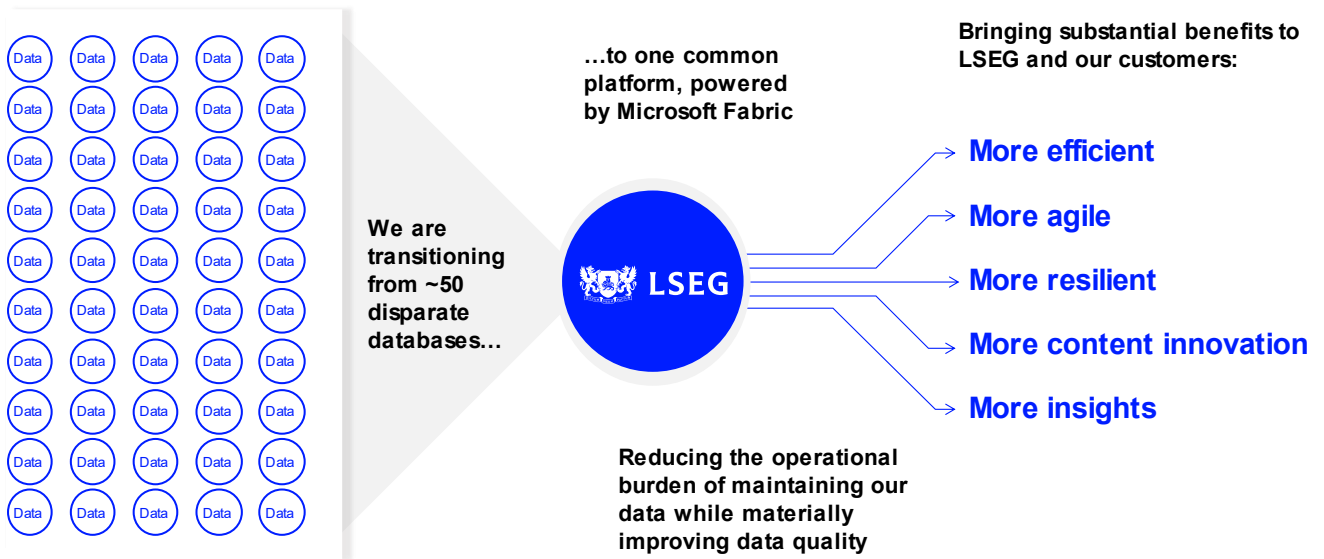
The second demo shows a use case of an equity analyst, which will resonate with many of you in the audience. It demonstrates how accessing LSEG Workspace in Microsoft Teams through simple language prompts will enable intuitive discovery, visualization, and easier sharing of data and insights. So let's spend a couple of minutes watching both those demo videos.

[\[Demo videos play\]](#)

I've seen those at least a dozen times and every time I see them, there's a bit of a wow that plays in. This is fairly amazing what we're trying to do together with all of you. So both of these demos show how we'll deliver on our vision of co-innovation with our partnership with Microsoft.

Now let me return to the base of the pyramid, which is what we describe as the Foundation. This is the need for us to invest in our technology. We know that to successfully navigate through the other areas of the pyramid, we must continue to transform our estate. We've got a great story to tell here, so let me go into this in a little more detail.

Delivering a more scalable platform for growth

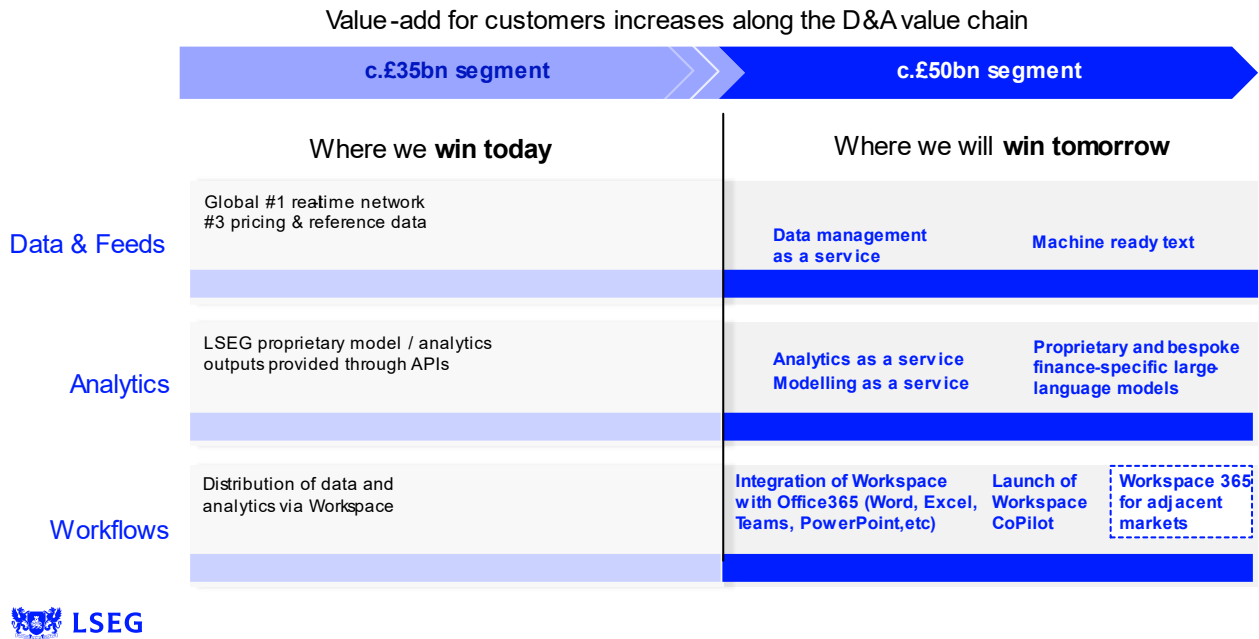


Satvinder Singh:

When you look at our data estate today, it isn't as efficient or as scalable as we would like it to be. This is something that needs to change and we're addressing it. So transforming our technology estate is a critical element for the delivery of our commercial ambitions across the Microsoft partnership and this is going to be powered with Microsoft Fabric.

It's also expected to substantially reduce our database costs and materially improve the data accuracy and timeliness through modernized, more efficient tooling and together, these improvements will help us accelerate our ambition of delivering a much more scalable platform for growth. It will also help us be more efficient, agile, and resilient.

Expanding our presence along the D&A value chain



Satvinder Singh:

So the Microsoft partnership initiatives I just mentioned will open up the opportunity for us to move further along the value chain, allowing us to knock on the door of the unvented £50 billion TAM that I referenced earlier.

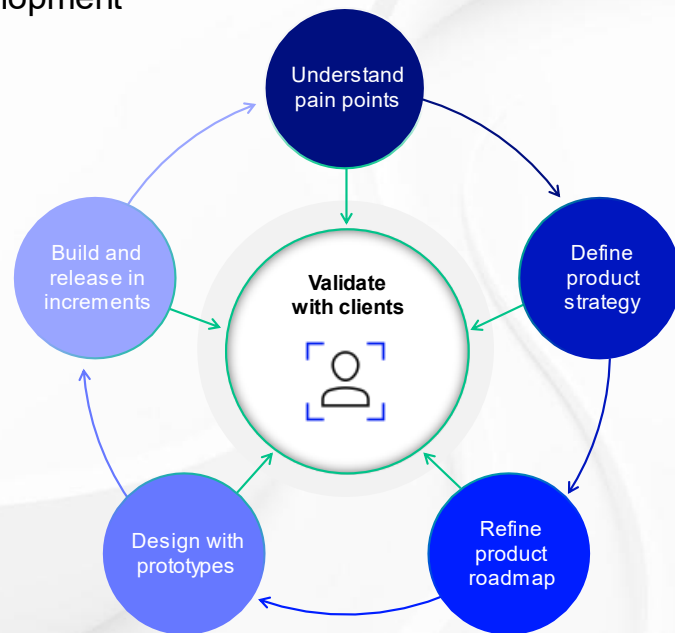
The right of the slide shows where we can operate and open up the in-house spend through the partnership with Microsoft by addressing some of the pain points our customers are experiencing. In a minute I'll share the timelines for the product delivery, but first let me go through a couple of examples, what will enable us to win tomorrow?

Data management as a service - it's a suite of AI enabled applications that will help reduce customer costs on data storage, access, and management. So while we're delivering true interoperability through LSEG, customer and other third party data sets, it will allow our customers enhanced data insights.

Modelling as a service, analytics as a service and LSEG Workspace will achieve interoperability across customer applications and facilitate custom models and analytics development. In turn, these will help us become the provider of solutions across the middle and the front office. The opportunity to work with Microsoft and create value for our customers is what's really exciting to me.

Customer-centric approach to development

Building products with insights from our Design Partner Programme



Satvinder Singh:

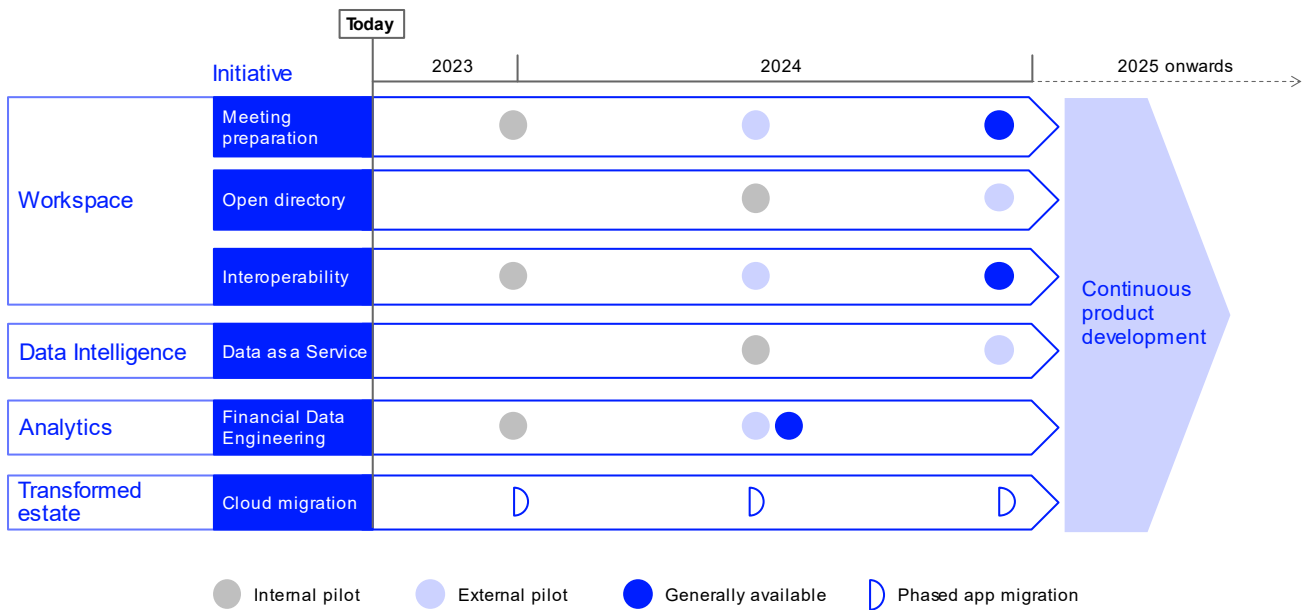
Key to all of this is putting the customer at the centre of everything we do. It's incredibly important, it's the only way forward, and it's something I've personally prioritized throughout my career.

Together with Microsoft, we're collaborating with our top customers through an iterative validation process and I'm pleased to say we're receiving lots of positive and useful feedback on how we're thinking about the future of our product offerings.

As you saw in the opening video yesterday, the excitement around the journey and where we're going, is something that's coming through the senior most customers that you saw yesterday. In a recent Design Partner Programme session, or DPP as we call it, one of our customers gave us some really pointed feedback and I quote, "we don't just want you to provide the data, we want you to partner with us to solve our data rights issues." And that's exactly what data management as a service will provide for our customers.

We're at the beginning stages and we're making good progress. There's a lot of interest from our customers and we look forward to engaging with more customers in due course.

Making strong progress; on-track for product delivery in 2024



Satvinder Singh:

Of course alongside DPP, we have lots of people on product delivery working across the partnership and we're making good progress. Product development will continue to be iterative as we move from pilots to full commercialization. So much has already changed since we announced the partnership.

This slide is by no means the full story. We've evolved along with the environment around us and what I'm showing here is how things stand today. So together we're nimble enough to shift where it makes sense as things evolve. That said, you can see from the slide, there's plenty of work underway and teams are progressing well across LSEG Workspace, Data Intelligence, and Analytics with product delivery through 2024.

Let me zoom into LSEG Workspace for a moment as many of the features I'm going to refer to were in the demo videos you just saw. So let's start with meeting preparation, which is a great example of the work we're doing with Microsoft to create value from our data using large language models and generative AI. This solution will automatically generate meeting preparation summaries, combining insights using our financial data and all the relevant content in Microsoft 365 including documents, emails, and chats. Pilots will start with the investment banking community, eventually moving to general availability for all LSEG Workspace users.

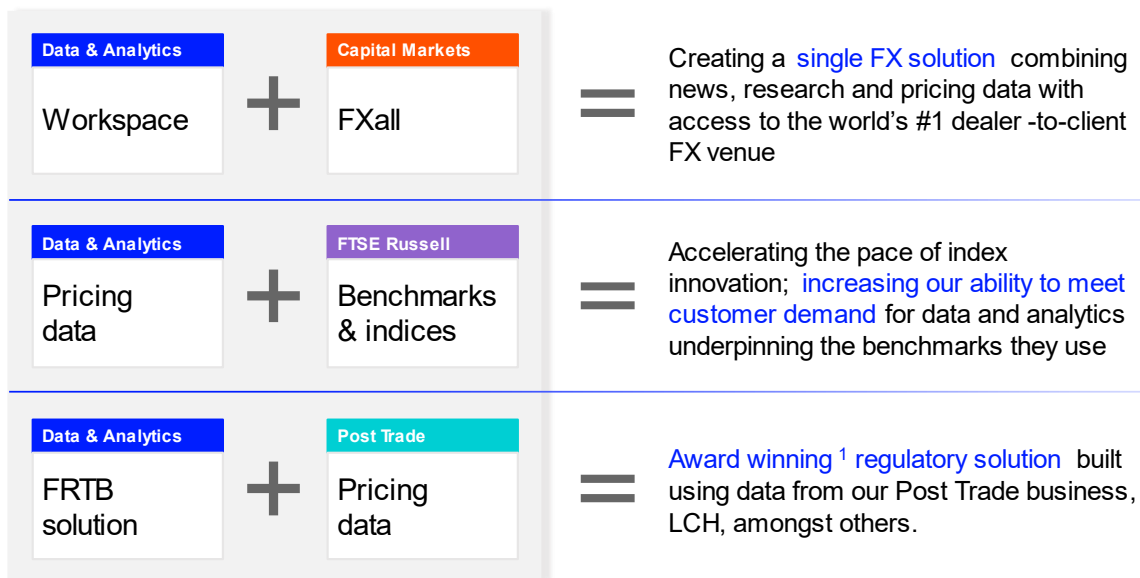
Next, let's talk about open directory, which will enable fair and open access to chat and other collaboration experiences for financial services user communities through Microsoft Teams and other chat interfaces and these are integrated within user workflows, underpinned by a compliance first approach. Pilots will be targeted at internal and external users.

Finally, the interoperability of LSEG Workspace and Microsoft products will enable users to seamlessly access, discover and share content that's maximizing productivity through more integrated workflows. And

again, for this one, internal and external pilots will focus on web users and general release will start with wealth management users followed by investment solutions and trading and banking.

There's also lots of focus and progress on data as a service and financial data engineering with phased product delivery planned as you can see on the slide.

We are building on the natural linkages across LSEG



¹ Asia Risk Awards Best FRTB Solution, 2023

16

Satvinder Singh:

Microsoft is just one of the ways we're building on our linkages across the group. What we show on this slide, is that D&A already plays a huge collaboration role across LSEG. As we execute across our growth priorities, there will be further opportunities for D&A to become the connective tissue of data excellence and technology solutions across LSEG.

As the divisions continue to work and collaborate, we will be well positioned to drive further customer value and retention.

An exciting future of growth and scalability



**Delivering faster growth:
better products and
customer proposition**



**Expanding our presence
along the value chain**



**Accelerating innovation:
standalone and
with Microsoft**



**Delivering the
benefits of scale**

Satvinder Singh:

Our unique offerings make us a really important partner to our customers which is incredibly exciting for our business and as we enter the new phase of innovation, we're laying the groundwork to scale effectively in the future. We will become a customer-centric, world-class product organization with Microsoft as a partner.

Our strategic direction includes transformational opportunities to drive growth, to strengthen our business, and also strengthen our position in the market. And as you've heard, we have a clear path to this future growth.

It's a really exciting time to be in D&A and you can tell how positive I feel about this journey. I have full confidence in our teams to be able to execute on our plans and to help scale this business. On that note, thank you very much and let me hand it over to Ron to talk about the sales organization.

Enabling our divisions

Ron Lefferts, Head of Sales & Account Management



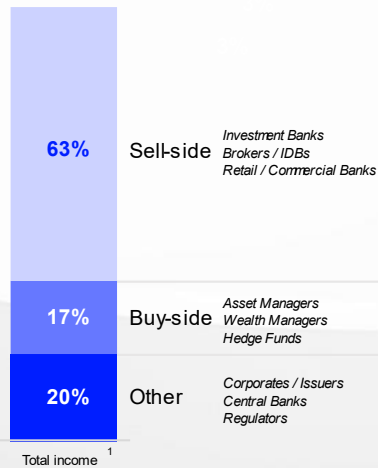
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Ron Lefferts:

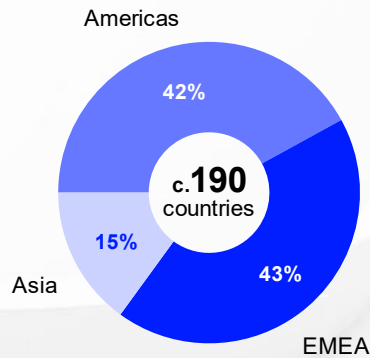
Hi everyone, good morning, good to see you again. And I represent the Sales & Account Management team, which is focused every day on making that 99 out of a 100 banks to have a perfect 100 score. And so I'd like to talk to you today about how we're doing that. So as you've been hearing from David, Anna and Satvinder, LSEG's been on a significant journey over the last three years and we're investing to transform our offering and to continue to enhance our partnerships with our customers. And these partnerships are fundamental to the achievement of LSEG's long-term growth plans and as a sales organization, we have a clear vision on how to build, grow, and maximize the value from those partnerships. And over the next 15 to 20 minutes, I'm going to unpack that vision for you in a bit more detail.

We serve a highly diverse customer base

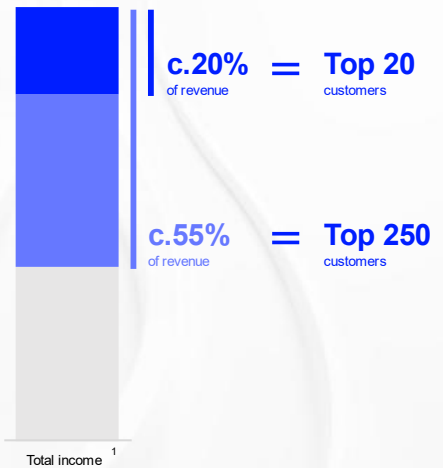
Extensive presence across segments



Operating globally



A critical partner to our customers



1. Customer split shown representative of Data & Analytics, FTSE Russell and Risk Intelligence businesses.


Ron Lefferts:


Now our customer base is vast and it's highly diversified. Of course a large portion of our customers are in the financial markets, but we also serve a wide range of other customer types including corporates, central banks, and regulators. And we have over 45,000 customers including 99 out of the top 100 banks, 75 of the top 100 asset managers, and we deliver these services across the globe in over 190 countries. And we have incredibly strong relationships with our largest customers, but we are not singularly reliant on any one customer or any group of customers.


In fact, of our top 250 accounts, they represent just around 55% of our overall revenue and it's because of this diversity that we have to ensure that we serve our customers in a differentiated way that'll allow us to adequately prioritize resource, but that also delivers a highly effective outcome for them and this is the heart of our strategic vision.


Now of course our customers contribute far more than just revenue. They also provide us with valuable and powerful insights that help us drive critical product development decisions and I'll talk a little bit more about that in a moment.


Opportunity to transform the sales organisation

 **Disjointed sales philosophy** with a focus on selling c.240 discrete products

 **Poor customer insight** with limited understanding of who was using our products and why

 **Regionally -focussed structure** with limited knowledge sharing across the sales organisation

 **Lack of technical specialists** in place to get to the heart of our customers' requirements

 **Imperfect incentivisation structure** led to inefficient sales practices and low performance benchmarks

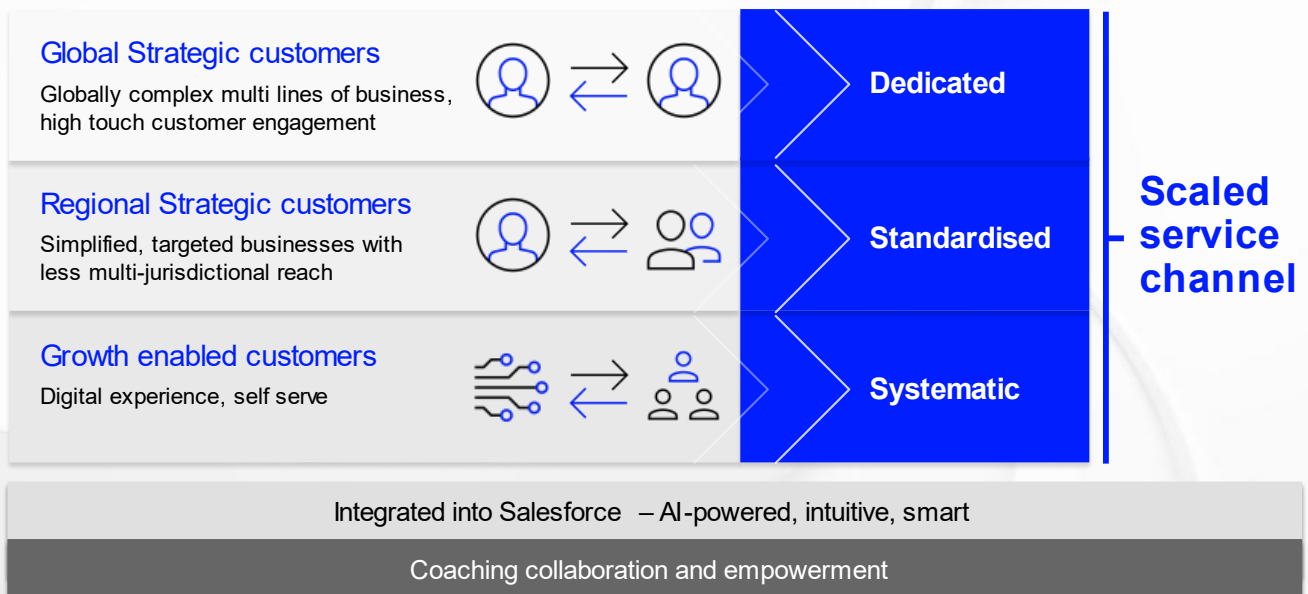


Ron Lefferts:

You heard David talk yesterday about the journey we've been on as a group since the acquisition of Refinitiv and I'm going to zoom in on the customer facing aspect of that journey.

Early on in the integration process, we identified the challenges needed to overcome to build a scale organization to support our future needs. And for example, we were interacting with our customers in many different ways across many different markets and we were way too siloed in our approach and we were selling focused and very discreet products rather than end-to-end solutions. And we absolutely were not disciplined in capturing our customer insights that through all those interactions and we weren't closing the loop in our communications back to our product development lifecycle and we also didn't have the right incentive schemes to motivate our teams to partner more closely with our customers, which drove a focus solely on individual transactions and we asked ourselves, how can we better transform the way we interact, not only to benefit our customers, but also to inform and develop our products and services.

Serving our customers effectively via a differentiated service model



Ron Lefferts:

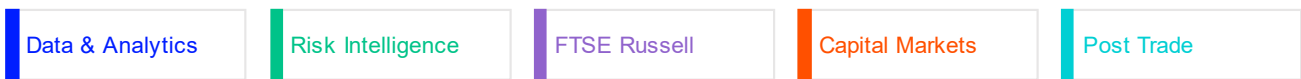
Now as I mentioned, our customer base is highly diversified and it is critical that we employ a differentiated approach with each customer dependent on the nature and scale of that relationship. And this is really important because some of our customers are highly complex global organizations that require a high touch coverage model, deep understanding, and to ensure that we have a unique perspective in order to solve their needs.

Now at the other end of the spectrum, we have tens of thousands of customers who are also looking to grow with us, but they have a more targeted footprint and they require a less focused interaction. And what we're building is a scaled service model that supports customer-focused interactions ranging from high touch to no touch through seamless integration of in-person and digital experiences, and we are already embedding smarter techniques.

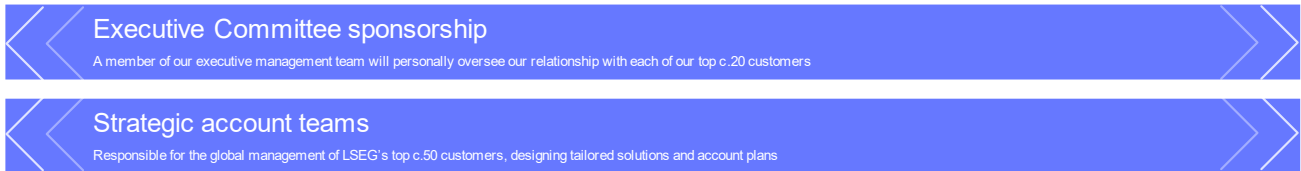
For example, we've already been using AI to help us better determine next course of action in the sales process for our sales teams, and there's a big opportunity for us to effectively service our customers through our new e-commerce platform in an efficient digital manner. Not every customer needs a dedicated account team with frequent and high touch interaction, so we developed a platform that's smart, intuitive, easy to use so that our customers connect with us and we connect with them with the right solutions quickly.

This distinction in customer segmentation while using disciplined best practices and next generation technology, like AI and digital capabilities, enables our organization to scale significantly more than our previous structure, and to better focus on our customer needs and objectives by harnessing the power of one LSEG.

Our group-wide remit now helps us serve customers as one LSEG



Strategic Accounts



Data & Analytics, Risk Intelligence and FTSE Russell



5

Ron Lefferts:

One of our key areas of focus post the Refinitiv acquisition has been to foster a truly collaborative sales culture and sales organization, encouraging our colleagues to share insight, best practice, and product expertise. This in turn is enabling us to go to market as one LSEG, supporting our customers unilaterally across our offering and throughout their workflows.

For our strategic accounts, we now have full alignment and sponsorship from our executive committee who share accountability for the success of those relationships. In Data & Analytics, we are now ensuring that we have true product specialists in place to support our frontline teams. And this is critical as it enables us to go right to the heart of our customer's requirements and determine the most appropriate solutions for them. And a great example of this is how we're helping banks navigate a new regulation, like the Fundamental Review of the Trade Book and to comply, banks have must accurately understand their capital requirements and we bring together our teams across Tradeweb, Yield Book and SwapClear to be able to aggregate and package proprietary data, to ensure customers accurately understand their capital requirements. And to me this example is how our teams can approach our customers in a joined up way that delivers real value.

And we have also built out dedicated solution sales teams to focus on our customer's most complex requirements like data managed services, which leverage a broad range of LSEG strength across people, product, technology, and operations.

And finally, our interconnected approach is facilitating a more holistic set of conversations with our customers that touch upon a much greater portion of their workflows. And the broad nature of these conversations help to inform our product developments and help us build highly relevant services that we bring to the marketplace.

Partnering with the customer is key to driving growth



Ron Lefferts:

The feedback we receive from our customers is absolutely critical to the enhancement of our offering and our sales teams play a key role in ensuring we collect this feedback through our interactions.


We are in our customer's offices every single day hearing their views directly and this drives our product roadmap and helps shape the way we go to market. And I truly believe we've taken this to the next level with the Design Partner Programme initiated via the LSEG Microsoft partnership. As Satvinder explained in his presentation, we're bringing together subject matter experts across business operations and technology to hear their pain points directly, and establish their key workflows so that we can develop solutions that will be highly relevant to them. We then partner with engineers and product designers from both LSEG and Microsoft to share these ideas and to put them into practice.

This process is well underway and we had early meetings that have been really great and I've personally heard several 'aha' moments. Especially as Satvinder was describing our data management as a service or when you've seen the integrated banking workflows, we hear "I want that now". So very exciting and the Design Partner Programme is really a critical part of the work we're doing with Microsoft and it's made possible by the deep and highly strategic partnerships we've been building with some of our biggest customers.

Partnering with major customers to unlock value

CASE STUDY



 **\$30m**
Annual savings


Creating cost benefits
for the customer...

- **\$30m** of annual savings
- Streamlined the bank's portfolio of data suppliers



...driving growth
for both parties...

- Co-developing next -generation customer solutions
- Joined our Design Partner Programme with Microsoft

 **>4%**
Account growth

...and generating attractive
economics for LSEG

- Account now growing **>4%**, previously declining -3%
- Now consistently one of our top performing accounts



7

Ron Lefferts:

Now, in our first half results earlier this year, David talked about our great partnership with HSBC and the video you saw yesterday with John Hinshaw, HSBC's Chief Operating Officer, you heard him directly talk about real excitement in that partnership and how that has been driving value to their firm. And since that last update, we're pleased to say that the annual savings has grown to \$43 million and continues to grow. We've also displaced in real-time in their Global Markets division and had a major displacement in real-time. We've also helped support their continued expansion of their wealth platform in Asia Pacific and of course they're active participants in the Design Programme.

Building strong, multi -faceted relationships with our Channel Partners

CASE STUDY

iShares
by BlackRock

- **A leader in the ETF marketplace** for 20+ years
- FTSE Russell partners with Blackrock to help drive growth, providing **key benchmarks, indices and ETFs**
- Over **\$370bn AUM** tied to **100+ FTSE Russell products** that help power the iShares suite

Aladdin
by BlackRock

- **End-to-end investment workflow software** combining sophisticated risk analytics with comprehensive portfolio management tools
- BlackRock's Aladdin powers workflows for over **100,000 investment professionals** globally
- LSEG is a key partner in the Aladdin ecosystem, and is the **preferred data source** for Fixed Income, Equity and public reference data



8

Ron Lefferts:

And another great example is BlackRock and all the great work we do there. So being the largest asset manager in the world, they're naturally one of our largest FTSE Russell customers and there are over \$370 billion assets under management tied to 100 FTSE Russell indices that help power the iShares suite.

And we're also a key data provider in the Aladdin ecosystem, a platform that drives investment workflows for over 100,000 investment professionals around the world. And LSEG is the preferred data source for fixed income, equity, and public reference data that helps drive the platform. And a couple of weeks ago, myself, David, and Satvinder had our semi-annual leadership review between our firms and as always, we left with a clear understanding of their long-term strategy and game plan, and we also left with how LSEG has the game plan to critically partner with them going forward - and that's so essential in these type of interactions. And as you heard from Sudhir himself, Head of Aladdin, he said, and I quote, "we are working together to create a shared roadmap of innovation and new product development for the benefit of our mutual clients" and that to me represents true partnership going to market together, driving value and this is really embodies the one LSEG approach.

It's all about understanding our customer's strategic objectives and aligning our solutions and our extensive ecosystem to partner with them to achieve those objectives, and when we do this, we see real benefit.

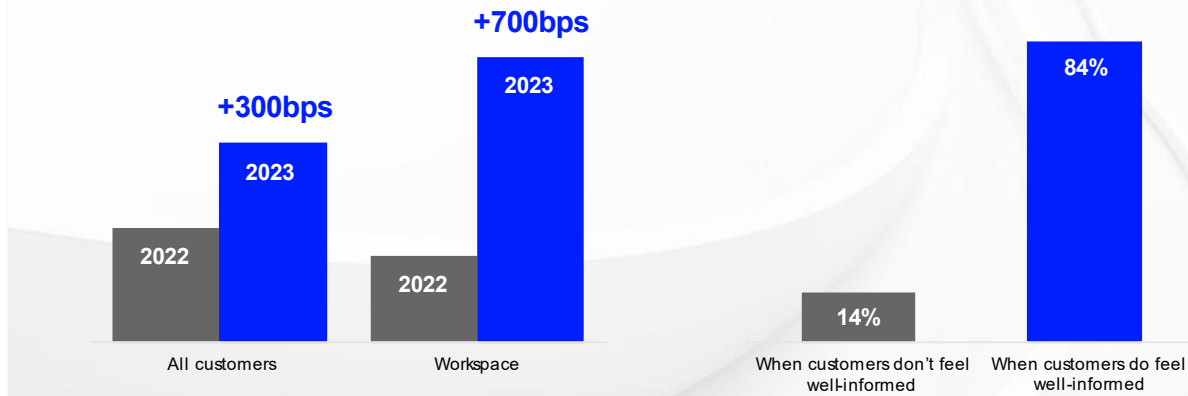
Our engagement strategy is delivering results

We're getting closer to customers...

...and shifting market perception

% of customers who feel **well informed of relevant solutions and services**¹

% of customers who are **likely to recommend LSEG**²



Note: Survey covers customers of the Data & Analytics, Risk Intelligence, and FX businesses
 1. Customers who returned a score of 9 or 10 out of 10 when asked 'do you feel you are kept informed of relevant solutions/services'
 2. Customers who returned a 9 or 10 out of 10 net promoter score for LSEG (August 2023)

Ron Lefferts:

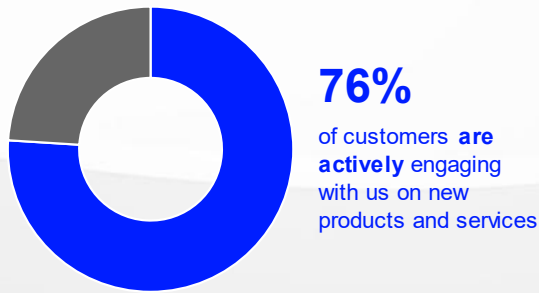
And as we're aligning to our customer's needs and driving high quality interactions, this is delivering significant results. In just the last 12 months, our customers tell us that they have a significantly better understanding of our products and services and that is having an immense impact.

And when we're engaging in that interaction with our customers as one LSEG they are 6 times more likely to recommend us with a 9 or 10, out of 10 net promoter score.

Exploring deeper possibilities with our customers

We're actively showcasing our offering...

% of customers¹ who have discussed new product features with their account teams in the last 12 months²

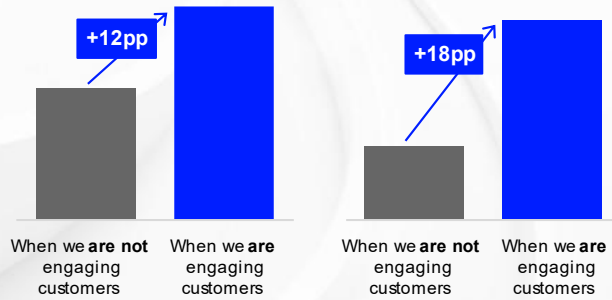


...and that has a big impact on customer sentiment

% of customers who are "delighted" with LSEG's offering in the below categories

Product satisfaction

Workflow integration



Note: Survey covers customers of the Data & Analytics, Risk Intelligence, and FX businesses
 1. Covers top 250 customers and managed accounts customers who are serviced on a 1:1 basis
 2. Customers answered "yes" when asked "have you had discussions with your account team about new product features, functions or services in the last 12 months?"
 3. Customers who returned a 9 or 10 out of 10 score for product satisfaction
 4. Customers who returned a 9 or 10 out of 10 score when asked "would LSEG's solutions/services integrate seamlessly into your workflow?"











Ron Lefferts:

And innovation for our customers is central to our strategy, and it's vital that we are actively engaging with our customers to highlight the benefits of new products and services like Workspace and the solutions we're developing with Microsoft, as well as upgrades that we're frequently making to existing products.

And when we have customers that tell us we're actively engaged, you can see that they're more likely to have a higher product satisfaction with Workflows better supporting their business needs.

So our focus is of course to improve upon that 76 active engagement which will in turn continue to drive better product satisfaction and workflow integration scores.

We're delivering fundamental change... and it's having an impact

The problem	Our solution	Progress
 Disjointed sales philosophy	Distilled our offering into nine workflow solutions that accurately reflect the priorities of our customers	
 Poor customer insight	High visibility into usage and sentiment with detailed account plans for our 100 largest customers	
 Regionally-focussed structure	Our sales teams now have a group-wide remit , with active knowledge sharing forums to combine expertise	
 Lack of technical specialists	Our sales specialist teams comprise leading industry experts that actively support our frontline sales teams	
 Imperfect incentivisation structure	Retention-focussed incentivisation plans reinforce the importance of maintaining strong customer relationships	



Ron Lefferts:

And so as I outlined earlier, this was a sales organization with great potential but in serious need of realignment. And in the last two years, we've begun to execute on a clear plan to address each of the challenges I laid out.

Instead of just trying to maximize sales volumes in isolated products, we're focused on selling solutions integrated into customer workflows. For example, instead of selling a point in time desktop and then a real-time feed and then an analytics tools to a hedge fund. We're coming and approaching the customers as one LSEG, developing a nuanced understanding of their requirements and producing holistic end-to-end solutions to address their needs, often calling on many of our leading assets from across the group.

And we're developing targeted data-driven account plans for our largest customers with a view to maximizing value and efficiency for them and building steady and growing relationships.

And we've evolved our understanding of how to interact with our customers, recognizing that some customers need high touch, while others might prefer low touch, no touch, or a digital experience.

And we are now building out the capabilities to enable us to meet these preferences effectively and at scale.

And we're driving collaboration across our sales teams and actively facilitating knowledge sharing and innovation hubs to spread and build upon our experience, and we're going to market as one LSEG, allowing us to develop deeper strategic partnerships with our customers and we're making sure we've got the technical specialists in place to actively support our frontline teams.

And finally, we've changed the incentive model for our sales colleagues to ensure we're acting in the best interests of the business and driving the highest quality and most professional standards at all times.

Implementing a truly transformational sales approach



Creating a world-class sales organisation



Supporting our unified sales teams with leading industry expertise



Partnering with our customers to design tailored workflow solutions



Leveraging our scale to develop a smarter go-to-market strategy



Ron Lefferts:

And through all these principles, we've been able to create a truly transformational sales approach that we're implementing across LSEG. We've made a lot of progress over the last two years as you've seen in the results, but there is a lot more to do. And as LSEG continues to develop innovative and leading solutions across Data & Analytics workflow and the financial services ecosystem globally, we have to make sure we are ready to partner with our customers effectively and powerfully demonstrate that the impact our services can have on their businesses.

So thank you so much for listening and I really look forward to having you see all of the exciting work that we're doing in our breakouts and with that I'll turn it over to Peregrine.

Peregrine Riviere:

Thanks a lot, Ron. So this is the key for the rest of the day 'til about three o'clock.

You'll have a personalized agenda on the reverse of your lanyard. We split you into six groups, so please follow your agenda. The map will show you, kind of lines up with the letters of the breakouts, so if you stick to that, you can't go far wrong and ask anyone of the team or any other of the LSEG representatives who can help you and then we'll be back in here shortly before 3:15 PM for the panel Q&A which will be webcast. So we've got about 15, 20 minutes before you need to be at your first breakout. Thank you.